START

Title: CONGRESSIONAL RECORD; PROCEEDINGS AND DEBATES OF THE CONGRESS.101ST CONGRESS FIRST SESSION.
PERMANENT ED.

Volume: 135 Parts: 9-10

PAGES: 11637-14716

Date: JUNE 14 - JULY 13, 1989

UMI No: 2569.00 REEL NO: 5 of 5

THIS PERIODICAL MIGHT BE COPYRIGHTED, IN WHICH CASE THE CONTENTS REMAIN THE PROPERTY OF THE COPYRIGHT OWNER. THE MICROFORM EDITION IS REPRODUCED BY AGREEMENT WITH THE PUBLISHER. DUPLICATION OR RESALE WITHOUT PERMISSION IS PROHIBITED.

UNIVERSITY MICROFILMS INTERNATIONAL, ANN ARBOR, MICHIGAN

U·M·I

THE PAPER AND INK USED IN THE ORIGINAL
PUBLICATION MAY AFFECT THE QUALITY OF
THE MICRO EDITION.

VOL

VOL
135

PT
9

JE
14
—
22

1989

UMI

VOL

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE *101st* CONGRESS

FIRST SESSION

VOLUME 135—PART 9

JUNE 14, 1989 TO JUNE 22, 1989

(PAGES 11637 TO 13239)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1989

Congressional Record

VOL 135 PT 9 JE 14 — 22 1989 UMI

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United Stat
of America

The Senate
piration of t
to order by
REID, a Sen
Nevada.

The Chapl
ard C. Halver
lowing praye
Let us pray
For God
weakened by
* * * Romans
Righteous
and truth, th
tle Paul, wh
mandments,
of law—even
to produce
practical po
delicate bala
idealism, hel
inadequacy
can achieve.
tion and di
they pass fa
they envisio
realism whic
is impotent
and lust an
and jealousy
with the co
that "man's
tunity." Te
beyond our
rate capacity
In His na
truth, and th

APPOIN
PRESID

The PRE
clerk will pl
to the Sena
tempore [M
The legisl
ing letter:

W
To the Senate
Under the
of the Stand

● This

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, FIRST SESSION

SENATE—*Wednesday, June 14, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

For God has done what the law, weakened by the flesh, could not do. * * * Romans 8:3 RSV.

Righteous God, perfect in justice and truth, these words from the Apostle Paul, who revered the Ten Commandments, recognize the limitations of law—even the perfect law of God—to produce desirable social order. As practical politicians struggle for the delicate balance between realism and idealism, help them to appreciate the inadequacy of the best that legislation can achieve. Save them from frustration and disappointment when laws they pass fail to produce the results they envision. Grant to all of us the realism which acknowledges that law is impotent against pride and greed and lust and arrogance and avarice and jealousy and selfishness. Infuse us with the consolation and confidence that "man's extremity is God's opportunity." Teach us to trust Thee beyond our own individual and corporate capacity and power.

In His name who is the way, the truth, and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 14, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting majority leader is now recognized.

THE JOURNAL

Mr. PRYOR. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. PRYOR. Mr. President, this morning following the time for the two leaders, there will be a period of morning business not to extend beyond 9:30 a.m. with Senators permitted to speak for up to 5 minutes each. At 9:30 a.m., the Senate will then resume consideration of H.R. 1722, and Senator BRADLEY, of New Jersey, will be, at that time, recognized to offer his amendment, which is under a 1-hour time limitation.

Mr. President, as the majority leader indicated on yesterday, the vote on or in relation to the Bradley amendment will occur immediately before a vote on final passage of the bill. These two votes should begin approximately at 12 noon. Senators should therefore be alerted that two rollcall votes will occur back to back at approximately 12 noon today.

STRIKING OF CONGRESSIONAL COMMEMORATIVE COIN

Mr. PRYOR. Mr. President, in behalf of the majority leader, I would like to announce that today, Wednesday, June 14, 1989, Flag Day, from 10:30 a.m. until 12 noon, a "first-strike" ceremony for the Bicentennial of the Congress commemorative coin will take place on the east front plaza of the Capitol in a large tent constructed for this purpose. All Members of Congress are invited and encouraged to attend this very historic event. Also, all members of the staffs of the Senate and the House and committee staffs are cordially invited to attend. Present will be the Secretary of the Treasury, Nicholas F. Brady; Treasurer of the United States, Katherine D. Ortega, and the Director of the U.S. Mint, Donald Pope.

This very important first-strike ceremony, Mr. President, for the congressional coin is taking place at the Capitol, where Congress resides, on Flag Day as part of the Congressional Bicentennial celebrations. This is the first time since 1792 that U.S. coins will be struck outside a mint facility. On a stage set under a large tent on the plaza, actual mint presses transported from Philadelphia will be operated for Treasury officials and Members of Congress to strike the $1 silver "House" coin and the $5 gold "Senate" coin. Surcharges received from the sale of these coins minted on the plaza will be deposited in the Capitol Preservation Fund to be available to the Capitol Preservation Commission for the restoration and the improvement of the U.S. Capitol.

After the official ceremony, Mr. President, and continuing through the following day, June 15, 1989, Members of Congress will continue the "first striking of coins" that will be donated to nonprofit organizations of the Members' choice in their State or in their congressional district.

Again, all Members of Congress are urged to attend this most historic

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

VOL 135 PT 9 JE 14 — 22 1989 UMI

event on today, June 14, 1989, at 10:30 a.m. to increase public awareness of the Congressional Bicentennial and to assist with the preservation of the U.S. Capitol.

Finally, once again, Mr. President, all staff members are cordially welcome.

Mr. President, I reserve the remainder of the leaders' time on both sides.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Indiana is now recognized.

(The remarks of Mr. COATS pertaining to the introduction of S. 1174 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. PRYOR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum having been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,551st day of Terry Anderson's captivity in Beirut.

A July 18, 1988, issue of People magazine provides a profile of Peggy Say, Terry Anderson's sister, and her efforts to secure his freedom. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM A SENSE OF BETRAYAL, A CRUSADE IS BORN

After the debris from an Iranian Airbus carrying 290 people hurtled into the Persian Gulf, Peggy Say found herself hoping desperately that her brother, Terry Anderson, held by terrorists since March 16, 1985, would not be the disaster's next victim. Rumors of his impending execution began circulating almost immediately after the downing, and Say tried to console herself with what his captors, the Islamic Jihad, had once announced: That unless a threat of execution were accompanied by the release of a photograph, the threat should not be taken seriously.

Still, after three years of crusading for Anderson's freedom, Say knew that there were no guarantees: "If Terry were killed, I would have to question our Administration's role, or lack of it, in prolonging the hostages' captivity and putting them in a position to be endangered by outside acts. I would always feel frustration and anger over his death, but the ultimate blame would have to be on the people who actually did it."

Since the capture of her brother, chief Middle East correspondent for the Associated Press, anger and frustration have been Say's constant companions. She has seen hopes for his release dashed at the 11th hour, and has had eagerly awaited meetings with Middle East leaders canceled abruptly. She has experienced apathy and, at times, hostility from the American public, and she believes the U.S. State Department has been guilty of neglect. Yet none of this has deterred Say, 47, from continuing her fight. "The reality is that I have a brother whom I care about very much, and I have to do what I can to get him out," she says. "What is my choice? To say, 'Terry, I'm sorry this happened to you, but I have a life to live?' "

Say has phoned the State Department daily in the hope of receiving fresh news and met once with President and Vice-President Bush. With the help of the Associated Press, which has paid all her related phone bills and traveling expenses, she has spoken to church groups, grade school assemblies and innumerable reporters, despite the State Department's wish that she would simply keep quiet. "The job of the families is to try to get enough people to care enough to keep [the hostages] alive," she insists.

Because she has challenged the government's strategy of quiet diplomacy, her message inflames almost as often as it inspires. A veteran of call-in radio shows and the TV talk circuit, Say is often blamed for prolonging her brother's captivity. "Most of the time people say that Terry shouldn't have been [in Beirut] in the first place, and that if I had just kept my big mouth shut, he would have been out a long time ago," she says. The criticism intensified after the Iran-contra scandal, when members of the White House staff were caught attempting to swap arms for the release of some of the hostages. "The impression was that we [the hostage families] drove Reagan to it," she says. "I got letters saying, 'Your brother should die and you should die.' But every ex-hostage has told me with no uncertainty that it is publicity that kept them alive."

Far from crediting the Administration with exhausting every means to obtain the hostages' freedom, Say feels she and her brother have been betrayed. "The first year, I really waved my flag and kept quite like they wanted," she says. "The State Department told me that they didn't negotiate with terrorists and I believed them." But when talks between the U.S. and Syria led to the release of 39 Americans aboard hijacked TWA Flight 847 in July 1985, and a Soviet spy was swapped for journalist Nicholas Daniloff the following year, Say felt deceived. She has considered the Administration an adversary ever since.

The special bond that Say feels for her brother was formed only within the last 12 years. "When I left home at 17, he was just a 10-year-old, pain-in-the-behind little brother," she says. Brother and sister rediscovered one another in 1976 during one of Terry's leaves from his assignment in Beirut. Say, by then divorced, was enrolled in college in Florida and was the co-founder of a coalition to help migrant workers. "We were surprised to find out that we were both idealists," she says. "We wanted to change the world and make it a better place."

After Terry's abduction, Say dropped out of school and moved back to their hometown, Batavia, N.Y., with her second husband, David, a general contractor. Eventually they were joined in Batavia by Terry's Lebanese girlfriend, Madeleine Bassell. Seven months pregnant at the time of Terry's capture, Madeleine gave birth to their daughter, Sulome, on June 7, 1985. The two now live in Cyprus, while Anderson's older daughter, Gabrielle, 13, lives in Tokyo with her mother, Mihoko. (Mihoko and Terry were being divorced when Anderson was abducted, but the divorce cannot be finalized until his release.)

If and when Anderson is given his freedom, he will be stunned by all that has taken place in his absence. In 1986, both his father, Glenn, and his brother, Glenn Jr., were diagnosed as having cancer; they died within four months of each other. Say dreads the thought of telling her brother. "It's going to be one hell of a shock," she says. "The only letter we got out from him was all about family and a reunion with Dad and the brothers and sisters." Though she is comforted by reports from ex-hostages of Terry's extraordinary emotional and physical stamina, she met recently with the three French hostages who were freed last May 4 and was startled by their appearance. "Jean-Paul Kauffmann looked almost transparent to me, and his hands looked like the hands of a corpse," she says. "Yet it helped prepare me for what I'm going to see with Terry."

Still confident that she will see her brother alive again, Say is already preparing for the reunion. After three years in Batavia, she and her husband have moved to a cabin on a lake in southwest Kentucky, where they hope to escape the pressured existence they have known since Terry's abduction. "I want to be in the best shape we can be in to help Terry," says Say. "I know there will be a happy ending for us. But I just pray something positive comes out of this whole ordeal. If Terry gets out and then someone else gets kidnapped, all the pain and suffering will have been for nothing."

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order of the Senate, morning business is closed.

NATURAL GAS WELLHEAD DECONTROL ACT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of H.R. 1722, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act.

The Senate resumed consideration of the bill.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Jersey is now recognized to offer an amendment.

AMENDMENT NO. 195

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] proposes an amendment numbered 195.

Insert the following at the appropriate place:

SECTION .

The Federal Energy Regulatory Commission may require, by rule or order, any interstate pipeline to transport natural gas. Such rules or orders may be issued under both the Natural Gas Policy Act and the Natural Gas Act.

The ACTING PRESIDENT pro tempore. Time for debate on this amendment is limited to 1 hour to be equally divided and controlled by the Senator from New Jersey and the Senator from Louisiana.

The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the reason I allowed the clerk to read the full amendment is so that everyone in the Senate could understand how brief this amendment is. It is a two-sentence amendment. It is straightforward. It very simply provides that the FERC will have the clear authority to require the transportation of natural gas by interstate pipelines. That is it. That is the amendment.

I will repeat it once more.

The Federal Energy Regulatory Commission may require, by rule or order, any interstate pipeline to transport natural gas. Such rules or orders may be issued under both the Natural Gas Policy Act and the Natural Gas Act.

That is the amendment.

Mr. President, the issue of gas decontrol has been discussed a number of times in the past. Invariably the political debate is very divisive and emotional.

Here we have a natural gas decontrol bill on the floor of the Senate and progress has been swift, one might even say sudden, and it has been very quiet. In part, I think this is due to the general understanding that this legislation has largely been overtaken by events. There is very little gas remaining as price controlled gas. And in part I think this unexpected progress has resulted from the nature of the bill, which does not address any of the number of very vexing natural gas issues.

I really think it is doubtful, and I have done my informal poll over the last week during which the Senate has been debating this bill, that many Senators have heard much about the bill or know much about the bill.

Natural gas itself is a very complicated issue, I found when I got to the Senate in 1979, 1 year after the passage of the Natural Gas Policy Act, and I quickly discovered that there were three sacred documents in U.S. Government history. One, the Declaration of Independence; two, the other, the Constitution; and, the third, the Natural Gas Policy Act of 1978. It was one of those things that we just were not going to touch.

So it is understandable that not much has been said about this bill. I, frankly, think that most parties, outside of producing interests, are supportive but are reasonably indifferent about the bill. Nevertheless, I hope that all Members of the Senate will listen closely to the arguments for the amendment that is now pending before the body.

This bill, if it passes, will represent the entire legislative record of significance on gas issues for the last decade—for the last decade.

There is now a consensus that gas prices will soon start to rise, regardless of the passage of the bill. When prices do rise you can be assured that consumers will lose their indifference to our involvement and record, and will become very interested in our actions.

Mr. President, I think it is crucial to add to this bill language that will demonstrate our interest and attention to the needs of the general public—meaning consumers. This amendment is targeted to one area of the market that has provided the greatest consumer benefit, and that is gas transportation.

Not a half dozen years ago, back in 1983, very little gas was sold other than by interstate pipelines. Well, since then, there has been a dramatic change. Today, over 70 pecent of the gas sold is through direct purchases from producers. These sales, frankly, would not be possible without the reform of gas pipelines and the advent of what we call open access transportation. In itself, this shift in purchasing patterns is ample evidence of the opportunity created by increased competition in the gas transportation business.

Today's open access gas system has developed for a very clear set of reasons. It developed primarily due to the drop in oil prices in the mid-1980's. Once oil prices fell, many customers were ready to switch from their traditional reliance on gas to oil. They were ready to switch. And in order to hold on to the fuel-switchable customers, interstate pipelines created something called Special Marketing Programs, or SMP's, to allow competitive prices for these users.

So it is very clear what happened. What happened was interstate pipelines were supplying gas. The price of oil dropped. The customers of interstate pipelines decided that they would have to shift, and they began to shift to oil. Interstate pipelines said, "No, don't shift to oil. Let us give you special discounts, special marketing programs, so we keep you as our customers."

That is what began to happen in the mid-1980's. After that, the courts struck down the SMP's. In other words, people who were discriminated against went to court. The court said, "No, these SMP's can't stand. You can't give this kind of discriminatory treatment to a few customers." After the courts struck down the MSP's as discriminatory, the Federal Energy Commission was able to develop a program of nondiscriminatory gas transportation, premised on voluntary participation in the pipelines.

In other words, what FERC says is, "You cannot offer it to a few. You have to offer it to all." So what FERC was able to force the pipelines to do was to transport gas for all customers on a nondiscriminatory basis provided they wanted to transport for any customers.

Well, in the very price competitive market of recent years, few pipelines have been able to resist the need to transport; otherwise, they would lose customers. Consequently, today, over 90 percent of the gas in this country moves over pipelines that have accepted open access blanket certificates from the FERC.

And I think that is an important point to make. The gas market is now largely moving with open access transportation through pipelines.

Since today's market is already tied, perhaps inextricably, to open access, I would have to say my amendment is far from revolutionary. It is already happening. Over 90 percent of the gas is now moving in exactly the way this amendment would comtemplate the FERC insuring that it move. And since the amendment is discretionary, I argue further it is not revolutionary because FERC may require gas transportation. It does not say it must. It says it may. And so, Mr. President, it is hard to imagine that the adoption of this amendment would result in any adverse near-term market impact.

Notwithstanding this fact, I will reject arguments, as we get into this, that this amendment is therefore trivial. It is not trivial. The amendment would be a clear congressional acknowledgment of the merits and need for an open-access system.

In this bill, Congress is endorsing the concept of complete gas deregultion and it is endorsing, fundamentally, the ideology of free markets. However, a competitive market at the wellhead is irrelevant without a competitive gas transportation system.

Without open-access, it is like saying to the producers: "The good news is decontrol. You can sell gas at any price. The bad news is you can only sell to one buyer."

Mr. President, the second point I would make is this amendment will clearly state the authority of the FERC to mandate gas transportation. While some maintain that the FERC has this authority today, I am con-

VOL 135 PT 9 JE 14 — 22 1989 UMI

vinced that FERC's powers need to be more clearly stated. And that is what this amendment does.

Although the overwhelming majority of pipelines are open access transporters, this in and of itself does not guarantee a competitive environment. Associated with the transportation are a myriad of terms and conditions which are in effect negotiated between the pipeline and the FERC. In today's very price competitive market, the FERC enjoys a greater leverage to protect the public interest. The pipelines need the gas to go through; therefore, they open it up. On the other hand, should gas supplies tighten or should oil prices rise, the bargaining power of the FERC will shift away and it will shift away from consumers generally.

With this amendment, the FERC has the clear authority—authority—to prevent any backsliding into an anticompetitive activity. In other words, the FERC has the capacity, should oil prices skyrocket or gas get tight and pipelines want to negate contracts and petition FERC to do so or go to courts to do so, the FERC under this amendment has the authority to protect the open access transportation system.

Mr. President, I know that there will be a number of arguments made against this. I think maybe we ought to put one thing very clearly on the record at the beginning, and that there are many ancillary issues that are not addressed by this amendment. And, frankly, they are not addressed because they would be, I think, much more controversial than this amendment.

In 1983, when I first pursued the issue of contract carriage, or open access transportation, my open access language was adopted by the Senate Energy Committee. In 1983 the language that was adopted, the bill that was adopted, was vastly more comprehensive than what is presented here. It dealt with a variety of issues: bypass, take and pay, abandonment, rate design. Today the amendment that is before the Senate is much, much more narrowly drawn, and I have purposely sidestepped those issues to avoid complicating the debate.

Mr. President, the distinguished Senator from Louisiana noted in the Energy Committee markup that the gas decontrol bill, in his words, is "not exactly cosmic legislation." Well, this amendment I would say, in the spirit of the chairman, is not cosmic either. In other forms, this concept—the idea of open access transportation—has been embraced by most consumer groups, and frankly by most producer groups. The Reagan energy proposals of the 99th Congress and 100th Congress endorsed open access transportation. There are a number of other groups who support this amendment.

I have a letter here from the AARP which is opposed to the deregulation bill but supports this amendment because they know it will mean lower gas prices to elderly Americans.

I also have the endorsement of this amendment by consumer groups such as a Consumer Federation, Citizens Labor-Energy Coalition, and the AFL-CIO.

So, Mr. President, this is an issue which has been widely embraced, everywhere from the Reagan administration energy proposals to the AARP and the AFL-CIO.

Mr. President, the Senate must give this decontrol legislation the attention it deserves. The House has already passed the bill. The effort to pass gas decontrol legislation will not be sabotaged by the adoption of this amendment. On the contrary, the bill will be strengthened.

As it stands now, there is no substantial reason why American consumers should support this legislation. Adoption of this amendment could very well change that circumstance.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, first of all, I would like to make clear with my friend from New Jersey, what is it that this amendment seeks to do that present law does not do? For the record, 20 or 21 of the 23 major interstate pipelines presently have open access carriage under rules promulgated by the FERC and upheld by the D.C. circuit. The remainder of the pipelines have pending applications to become open access carriers, and it is only a question of time. So that all carriers, all pipelines, will, in very short order, be open access carriers.

So, my question to my friend from New Jersey is: What does he seek to do substantively that is not done under the law right now?

Mr. BRADLEY. Well, I would answer the question of my colleague from Louisiana by a series of questions and answers, and by direct statement.

What I seek to do now is very simply, as the amendment says, give the FERC the authority to require, by rule or order, any interstate pipeline to transport natural gas and to make it clear that FERC has that authority.

In the existing circumstances, where there are contracts negotiated between the pipeline and FERC, there is some potential for discrimination.

The pipelines now offer discounts from FERC-approved rates. Does everyone, for example, get discounts? Or does everyone get the same discount? The answer is "No."

Could these discounts that are now offered in negotiations become a mechanism for discrimination? It could be. For example——

Mr. JOHNSTON. If I may ask——

Mr. BRADLEY. If I may just finish? What if the pipeline offers you a better rate if you buy gas from their marketing affiliate? Yes, that could be done. That is a kind of discrimination.

Could this sort of discrimination occur even in the context of today's open-access program? I would have to say yes, it could occur in the context of today's open-access program.

So, on the one hand, this is an amendment that is to give the FERC some authority, in a negotiated environment, that it does not have now. However, the primary purpose here is to give the FERC the authority to protect an open-access environment, and market, if energy situations dramatically change.

For example, up to now it is a total voluntary arrangement between the FERC and the involved pipelines. If oil prices go back up, or if gas markets become very tight, we could see a number of pipelines seek to, essentially, get out of their open-access agreements. They could do that.

Mr. JOHNSTON. If the Senator would yield, there will be time left for us to argue whether this is a good thing or bad. I want to narrow in on the question of whether there is any difference in the authority which he seeks and the authority which the FERC presently has and is exercising. Is it not a fact that the FERC presently considers itself to have the authority to deal with those things you talked about: discrimination, discounts, all of that? Do they not have the authority? And the amendment of the Senator does not deal with that, does it?

Mr. BRADLEY. Well, if the FERC already has this authority there should be no objection to the amendment because it is just a restatement of what authority they already have.

Mr. JOHNSTON. That is part of the argument that we will make. I am just trying to narrow in: does the Senator concede that FERC thinks they have the authority to do all of those things relative to discrimination and discounts that you say?

Mr. BRADLEY. I would say that the FERC does not have the full authority to do everything that my amendment contemplates. This is an explicit statement.

Mr. JOHNSTON. And what things, would the Senator tell me, would he seek, that his amendment would give them the authority to do?

Mr. BRADLEY. My amendment seeks to give them the authority, if market conditions change, to protect an open access system. That means that they could step in.

Mr. JOHNSTON. What the Senator is saying is he is afraid that if pipelines decide they want to get out of this, they can more easily get out of

the present situation than they could out of his system.

Mr. BRADLEY. That is correct—than they could get out of the system as contemplated by this amendment.

Since they have accepted open access blanket certificates, one argument that my colleague might make would be that, well, they are not going to get out. They have deals and contracts. But, they might very well choose to get out. They might petition FERC. They might go to the courts. They might do a number of things.

Mr. JOHNSTON. Is not the concern of my colleague really that he is afraid that either FERC will change its mind or the court will change its mind and that what the FERC is doing will not be continuing?

Mr. BRADLEY. That is correct.

Mr. JOHNSTON. The Senator is not worried about FERC either not having the authority or not feeling that they have the authority now and not exercising that authority?

Mr. BRADLEY. No. My understanding is that one of the Commissioners, Commissioner Stalon, for example, he has said very clearly that he does not think that FERC has the explicit authority to mandate transportation. This would make it very explicit that FERC does have the explicit authority. It would remove the ambiguity that exists in the minds of some of the Commissioners.

Mr. JOHNSTON. Mr. President, I appreciate my friend from New Jersey for, I think, narrowing these issues.

Mr. President, we very strongly oppose this amendment, first, because the problems which it would present would destroy the unanimity of support for natural gas deregulation. This bill is presently supported by a wide group of people, including consumers represented by the local distribution companies, which do represent the consumers, all the way up through the pipelines and all the rest. They would certainly oppose the bill if this amendment were proposed.

Why would they oppose it? First of all, they would oppose it because of the vast uncertainty which this amendment would present, the litigation which it would surely provoke, all of the difficult questions that would be presented by it.

What difficult questions would be presented by this amendment? I guess the most difficult, Mr. President, is the question of bypass. Bypass is probably the most controversial issue now before the FERC. What bypass means is the right of an industrial load to make a direct contract with a supplier, the producer of natural gas, utilizing a pipeline as an open access carrier and thereby bypassing the local distribution company.

The local distribution companies regard this as scraping the cream off the natural gas glass, leaving them with the more expensive load; that is, consumers.

By the way, why residential consumers would be for promoting bypass I do not know. Indeed, it is clearly against the interest of residential consumers to be promoting bypass because the way it works now, Mr. President, is the big industrial loads being the most lucrative of contracts, those contracts help support the residential consumer. It is relatively cheap to support the industrial load and, consequently, they are very profitable. So to the extent the industrial consumer is able to make his deal directly with the producer utilizing the pipeline as an open access carrier, then they are taking profit away from the local distribution company, requiring, in effect, that residential consumers pay a greater portion of the distributor's cost in the form of higher rates.

What is the present rule? The present rule under FERC is that bypass can be allowed only to the extent that the industrial load is able to make a case before FERC in a contested proceeding where the local distribution company is able to make its case and show that it is in the public interest and necessity to do the bypass. All of those factors about the effect on residential rates would be open to discussion before the FERC, as well as the nondiscriminatory arguments which the industrial load would make.

It is unclear the precise limits as to how far FERC will go in allowing bypass. Suffice it to say that it is presently greatly limited in scope, subject to argument, subject to a contested case on both sides so that the residential people, as represented either by direct intervention or by the local distribution companies, are able to make their case in favor of residential customers in the FERC.

What this amendment would do by granting an unqualified right—I suppose an unqualified right—to a nondiscriminatory carrier could well be construed as changing the burden of proof on bypass. In any event, it puts in question the present way of doing things. That is the principal difference I can think of between this amendment and others. If it is not to change bypass, then what is it to change? Mr. President, I simply do not know. We are told by the FERC, in a letter dated June 12, 1989, to me from Martha Hess, who is Chairman of the Federal Energy Regulatory Commission. She says in part as follows:

> In my view, the Commission already possesses—as the D.C. Court of Appeals in the *AGD* decision acknowledged—sufficient authority concerning gas transportation. This is evidenced by the fact that 20 of the major 23 interstate pipelines are now open access transporters, and the other three have filed to become open access transporters. . . . Simply put, open access is a fact of life in the gas industry.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY REGULATORY COMMISSION,
Washington, DC, June 12, 1989.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As legislation to remove the remaining wellhead price controls on natural gas is considered on the Senate floor, I thought it might be useful to reiterate my support for enactment of decontrol legislation.

As you know, I have long been on record as supporting total wellhead decontrol. I believe the nation's energy needs are best served by permitting competitive forces to work through the marketplace in order to maintain the appropriate balance between supply and demand. Passage of a decontrol bill would remove unnecessary and outmoded restraints on natural gas so that the nation's energy future may be guided to the greatest extent possible by the market. The beneficiaries of a competitive natural gas market will be the nation's natural gas consumers.

The general consensus that has emerged in support of a stand-alone decontrol bill—which seemed all but impossible a few short years ago—might evaporate if additional gas issues are addressed in this legislation. And while there may be other issues that could be considered, I believe the benefit to the nation that would result from passage today of a single issue bill far outweighs the highly unlikely possibility that a multi-faceted bill might be enacted.

Nor are additional amendments necessary to enable FERC to ensure a competitive gas market. For example, I understand that the Senate may be asked to consider amendments addressing the FERC's authority over gas transportation. In my view, the Commission already possesses—as the D.C. Court of Appeals in the *AGD* decision acknowledged—sufficient authority concerning gas transportation. This is evidenced by the fact that 20 of the major 23 interstate pipelines are now open access transporters, and the other three have filed to become open access transporters. As a result approximately 90 percent of the nation's interstate natural gas throughout is current on open access pipelines. Simply put, open access is a fact of life in the gas industry.

Acceptance of a blanket certificate obligates the pipeline to transport gas for any shipper, assuming capacity is available. Once a pipeline accepts a blanket certificate, it cannot lawfully cease transportation without applying for abandonment from the FERC. The Commission would then, only after reviewing the position of all interested persons, have to determine whether abandonment of the blanket certificate was in the public interest.

Thus, in light of the number of pipelines currently providing non-discriminatory transportation service, I believe the public will be well served by enactment of a stand-alone decontrol bill—and would be disserved if no bill is passed.

I applaud you and your colleagues for considering this important bill. I urge all interested parties to seize the moment and work together to reach a consensus position so

that we can finally achieve the elimination of unnecessary price controls.

Sincerely,

MARTHA O. HESSE.

(Mr. BRYAN assumed the chair.)

Mr. JOHNSTON. Mr. President, the Chairman of the Federal Energy Regulatory Commission now says they have the authority. That authority is now either being exercised, in the case of over 90 percent of the gas, or will soon be exercised on behalf of all pipelines.

Question, Mr. President: Once a pipeline comes under this system, can they change their mind? The answer, Mr. President, is no, not without getting an abandonment certificate from the Federal Energy Regulatory Commission.

In other words, you do not have to submit yourself to open access as every single pipeline in America has asked to do, but once you are certificated as an open access pipeline, then you may not thereafter change your mind unless the FERC gives you a certificate allowing you to do so.

Why are all 23 major interstate pipelines in America seeking open access? Well, some I guess think it is a good way to do business, but there is a large degree of compulsion, frankly, in the FERC rules requiring them to become open access carriers because what the FERC has said by rule is that their section 7 certificates, which is the basic certificate to transport gas, would have to be renewed every single year unless they are open access carriers.

There is a huge cost associated with a proceeding to renew a section 7 certificate and a large degree of uncertainty. I think the D.C. court said it is like the difference between death by hanging or death by electrocution. In other words, you have a choice as to whether you want to become an open access carrier but, by the way, you have to become an open access carrier. In other words, they put such serious sanctions on not becoming an open access carrier that every major pipeline in America became one and will continue to want to be one, and in case they change their mind, they cannot change their mind because FERC has the final veto power anyway.

Mr. President, to say that there is not authority is to be contrary to the law. The Chairman of FERC says they have authority, full authority; the D.C. Court of Appeals has said they have authority, has in effect upheld that authority, and the constraints of that authority are such that every major pipeline in America has asked to become jurisdictional as an open access carrier.

Evey major pipeline in America as a practical matter must ask to do so because to do otherwise would make them competitively disadvantaged, and they cannot change their minds because in order to change their minds they have to get an abandonment certificate from FERC.

So, Mr. President, there is total and complete authority right now, not only available to be exercised by FERC but which is being exercised by FERC.

So what are we really arguing about? Well, we are arguing principally about uncertainty, and about the coalition behind this bill, because of the uncertainty it would present. You come in with a new law and everyone wonders, what is being changed. They say, "Well, I don't know. It must be open access." And so that takes support away from the bill by the local distribution companies. Local distribution companies representing consumers do not want their consumers to be disadvantaged by allowing or by inference requiring complete bypass jurisdiction. Local distribution companies representing consumers want the pipelines to have to come in before FERC and make an adversary showing subject to their right to be heard, to show that it would raise the rates of consumers, as they do at present, and not simply to be able to scrape the cream off the milk by going straight to open access carriers.

How much of an issue is it? Mr. President, there is a letter from the American Gas Association to Senator BRADLEY, a copy of which I have, dated June 7, which says in part, as follows:

This is not a controversial amendment and may hurt residential and commercial customers by promoting bypass. The issue of pipeline bypass of an LDC to serve that LDC's best end use industrial customers is one of the most controversial issues facing the gas industry. Many States and State public utility commissions firmly believe that bypass raises issues of State, not Federal, jurisdiction. By giving FERC the power to order transportation, at any time and in any situation without consulting the States, your proposed amendment appears to ratify FERC jurisdiction over bypass cases. Such a position is very controversial and, if adopted, would have an extremely detrimental effect on LDC's and their commercial and residential customers.

Mr. President, the letter goes on to talk about other bases on which the American Gas Association opposes this amendment, but what the American Gas Association through Bud Lawrence as president says is that this is a highly controversial and difficult amendment.

Mr. President, I ask unanimous consent that a copy of this letter be printed in the RECORD.

There being on objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN GAS ASSOCIATION,
Arlington, VA, June 7, 1989.

Hon. BILL BRADLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR BRADLEY: The American Gas Association (A.G.A.) has long supported voluntary open access transportation of natural gas. We oppose, however, any mandatory transportation amendments to S. 783, including your proposed amendment.

We oppose your proposed amendment for the following reasons:

1. This is a mandatory carriage amendment and raises all the complex and controversial issues that mandatory carriage of natural gas brought to the fore in previous natural gas debates, notably in 1986–84. Indeed, it is 180 degress opposite from the voluntary open access program FERC adopted three years ago in Order 436. That program is working well. Although the proposed amendment does not require FERC to act, the essence of mandatory carriage is, and always has been, whether to increase the burden of federal pipeline regulation by giving FERC outright power to mandate natural gas transportation throughout a million mile transmission network.

2. Pipelines cannot arbitrarily stop transporting gas now that they have FERC blanket certificates. Section 7(b) of the Natural Gas Act of 1938 already prevents pipelines from discontinuing open and nondiscriminatory transportation under their blanket certificates, without prior notice, hearing, and specific FERC approval.

3. This is not a noncontroversial amendment and may hurt residential and commercial customers by promoting bypass. The issue of pipeline bypass of an LDC to serve that LDC's best end use industrial customers is one of the most controversial issues facing the gas industry. Many states and state public utility commissions firmly believe that bypass raises issues of state, not federal, jurisdiction. By giving FERC the power to order transportation, at any time and in any situation without consulting the states, your proposed amendment appears to ratify FERC jurisdiction over bypass cases. Such a position is very controversial and, if adopted, would have an extremely detrimental effect on LDCs and their residential and commercial consumers.

4. Giving FERC the power to order transportation has always raised many difficult issues about pipeline operations and construction, which are not even acknowledged by the proposed amendment. These issues include whether FERC would order transportation: (1) when there is no contract between the pipeline and shipper; (2) when the pipeline is already operating at capacity; (3) when new facilities would have to be constructed; and (4) when other shippers, especially LDCs, have priority access to pipeline sales or transportation.

None of these complex issues are addressed, yet each raises many questions. For example, the Natural Gas Act does not permit FERC to order a pipeline to build new facilities, yet this proposed amendment could conflict with the NGA if FERC were to order transportation in an instance where new construction, such as a tap or interconnection, was required for the service.

Politically each segment of the natural gas industry—pipeline, LDC, producer and end user—agreed to forego special interest amendments to advance the cause of wellhead decontrol.

It is for these reasons, Senator BRADLEY, that we are opposed to mandatory carriage legislation of the type you are proposing.

Sincerely,

GEORGE H. LAWRENCE.

Mr. JOHNSTON. Mr. President, on this question of bypass, I stated a minute ago that the LDC's want to keep that right to appear before

VOL 135 PT 9 JE 14 — 22 1989 UMI

FERC. Frankly, they also want the right to litigate it, to throw out the bypass authority altogether.

I do not know where that litigation would finally settle out, but suffice it to say this amendment would have some uncertain effect and is regarded as having a definitive effect upon that issue of bypass.

This whole issue open access sounds very simple on its face. This amendment is just a couple of sentences. I well recall back a few years ago—it was 1983—we had natural gas deregulation before the committee, and my dear friend from New Jersey [Mr. BRADLEY] proposed an open-access amendment at that time.

We dealt with that issue for 31 markups. What started out as an apple pie amendment we finally realized was a sticky wicket. When you say open access, then just what do you do in a pipeline where there is limited capacity and there are more vying for the right to transport than there is space, how do you decide who transports? How do you decide at what price? How do you decide priority among customers? How do you decide questions about, for example, if something needs to be constructed in order to be able to transport, can you order that construction? How do you decide priority of access among different classes of customers? What is the proper operating capacity of a pipeline and who decides that? Then you get into all these questions of take-or-pay which the Federal Energy Regulatory Commission did not get to in their first order, which was order 436. They were dealing with this question of open access, and they in effect ruled that you could have open access, but it went up on appeal and the court said you cannot deal with open access without dealing with take or pay. They remanded the case and that is when the FERC dealt in order 500 with the question of take-or-pay because the two are very interrelated.

If the Senate thinks it can get into this issue with a simple two-sentence amendment and resolve and make clear that which has been very controversial, very difficult, very complicated, a whole area of natural gas common law in effect which has grown up over the years at FERC and in the courts, if the Senate thinks it can improve that situation by this amendment, it is greatly mistaken.

Mr. President, the amendment comes from a good and proper desire but it would be more mischievious than good. I see my dear friend from Idaho on his feet.

Mr. President, how must time remains?

The PRESIDING OFFICER. Five minutes twenty-three seconds.

Mr. JOHNSTON. I yield 3 minutes to the Senator from Idaho.

Mr. McCLURE. Mr. President, I rise in strong opposition to the amendment offered by the senior Senator from New Jersey which gives the Federal Energy Regulatory Commission the authority to compel interstate pipelines to transport natural gas for others.

While this amendment appears benign, it would create many problems. But before I discuss these problems, Mr. President, let me first point out that the amendment is unnecessary.

It is claimed that his amendment is needed in order to ensure that interstate pipelines become, and continue to serve as, transporters of natural gas for others. However, as the sponsor of the amendment is aware, virtually every major interstate pipeline is today already an open access transporter.

In testimony before the Committee on Energy and Natural Resources, the chief of staff of the Federal Energy Regulatory Commission reported that 20 of the 23 major interstate pipelines are today open access pipelines, and that the other 3 are in the process of becoming open. As a result, over 90 percent of the Nation's interstate natural gas is today carried on open access pipelines. In total there are 84 pipelines participating in the open access program and 51 pipelines providing NGPA section 311 gas transportation.

It is important to note, Mr. President, that these pipelines voluntarily elected to become an open access transporter—they could not be forced to do so as there is no compulsory authority available to the Commission. Obviously, these pipelines, in their best business judgment, have decided that it makes more sense to transport gas for others than to refuse to do so.

Thus, I find less than persuasive the argument that the compulsory authority proposed to be created by this amendment is necessary in order to ensure that pipelines will transport natural gas for others.

It has also been argued that this authority is necessary in order to ensure that pipelines who have voluntarily elected to become an open access transporter will not change their mind at some future date and close their system to transportation. While this is an interesting theoretical agrument, it is one which ignores that way existing law and the regulatory system work.

Under the Natural Gas Act, once a pipeline accepts a certificate to transport natural gas, the only way that it can cease to transport is by obtaining an abandonment for the certificate under section 7(b) of the Natural Gas Act.

While the Commission can grant abandonment, it can do so if, and only if, it concludes through a formal administrative proceeding that such abandonment is in the overall public interest. That action, I might note, would be subject to formal appeal and, ultimately, review by the Federal courts.

In this Senator's opinion, it would take an extraordinary stretch of the imagination to believe that the Commission—to say nothing of the pipeline's customers—would be interested, or willing, to let a pipeline turn back the hands of the clock. Moreover, as each of these pipelines voluntarily elected to become an open access transporter, there is no reason to believe that they would have any interest in ceasing to be an open access transporter. In fact, in the 4 years since the Commission's open access transportation program has been in effect, not one pipeline has sought abandonment of a blanket certificate.

But more significantly, Mr. President, this amendment could have many adverse effect, only some of which we can now foresee. In this connection, I might note that the committee has not held 1 day of hearings on this proposal; it wasn't even mentioned at the committee's May hearing on the pending legislation. And the last time the committee fully considered this issue was back in 1983, and it then took the committee some 20 business meetings to iron out all of the wrinkles—and those wrinkles took 29 pages of statutory text.

Mr. President, with an amendment of this potential significance I, for one, would prefer that it be handled through the normal legislative process instead of by this short circuit approach.

Mr. President, this amendment does not simply give the Commission the authority under existing law to make mandatory that which it is now authorizing on a voluntary basis. It instead creates brand new, free-standing statutory authority—and that creates problems. Let me explain.

There are two different types of gas transportation now being performed by interstate pipelines. The first is that which is occurring pursuant to the blanket certificate program, also known as Order No. 436/500 open access transportation. More technically, it is the transportation of natural gas by interstate pipelines for others pursuant to a certificate of convenience and public necessity granted under section 7 of the Natural Gas Act. The Natural Gas Act, the Commission's regulations implementing the act, case law, and court decisions over the past 50 years have all defined what can and cannot be done pursuant to this authority.

The second type of transportation is that which is occurring pursuant to section 311 of the Natural Gas Policy Act, which is transportation authority entirely separate and apart from the

VOL 135 PT 9 JE 14 — 22 1989 UMI

Natural Gas Act's transportation authority. Under section 311, transportation may be undertaken by interstate pipelines only on behalf of local distribution companies.

While the NGPA section 311 authority has been around only since its enactment in 1978, the terms and conditions for transportation under this section have been made generally comparable to that undertaken under the Natural Gas Act. However, unlike Natural Gas Act transportation, section 311 transportation is available only to local distribution companies and no one else.

Now the amendment offered by the senior Senator from New Jersey does not simply give the Commission the authority to make mandatory the voluntary transportation authority established by the Natural Gas Act and the Natural Gas Policy Act; it instead creates a brandnew, freestanding, and totally undefined transportation authority. The amendment's references to the Natural Gas Act and the Natural Gas Policy Act are only with respect to the procedures for issuing transportation orders, and not with respect to the terms and conditions of transportation to be performed pursuant to the new authority.

Let me emphasize that point: this amendment creates brand new, freestanding authority without limit or definition. Things which could not occur under existing law, could occur under this amendment. For example, the Natural Gas Act requires that transportation be in the public convenience and necessity, be not unduly discriminatory, and have rates that are just and reasonable. This amendment requires none of these.

Similarly, this amendment expands without limit the Natural Gas Policy Act's section 311 transportation authority which, as I previously noted, is currently limited by law to transportation of natural gas only on behalf of local distribution companies.

It would appear that the Commission, using the authority provided by this amendment, could order transportation to occur which is not in the public convenience and necessity; it could order transportation which is unduly discriminatory; and it could order transportation to occur at rates that are unjust and unreasonable. That doesn't seem like a very good idea to me.

Moreover, as I interpret this amendment, it would provide the Commission the authority to order and direct pipelines to construct facilities and to condemn the private property necessary to construct those facilities, and to do so without regard to environmental consequences or the possibility of lower cost or lower impact alternatives. Now that certainly doesn't seem like a very good idea to me.

While I do not believe that the author of the amendment intends these results, it is clear that this could be the outcome if this amendment is adopted.

Mr. President, I am also concerned that this amendment would bring about the problem of unfettered bypass of local distribution companies, which is already an issue of considerable concern and controversy. While I would oppose an amendment which proposes to restrict local distribution company bypass, I similarly would oppose an amendment, such as this, which would expand it without limit or regulatory oversight.

And finally, there are technical deficiencies with this amendment. For example, the Natural Gas Act does not use the term "interstate pipeline," it uses the term "natural gas company." Thus, it is not clear how the Commission and the courts would interpret this amendment with respect to transportation ordered under the Natural Gas Act's procedures.

Mr. President, I understand the author's intent—that of encouraging and continuing open access transportation by interstate pipelines. I believe that open access transportation is in the overall public interest, and I too want to see it continue and expand. However, I do not believe that his amendment in fact promotes that result, but instead could cause serious harm.

The American Gas Association, which represents local distribution companies, agrees. In a letter to me dated June 8, 1989, Mr. Bud Lawrence, the president of the American Gas Association which represents 200 local distribution companies throughout the United States, expressed the AGA's opposition to the Bradley amendment. The letter states that this amendment may "hurt residential and commercial customers."

Mr. President, it is for these reasons that I oppose the amendment and urge my colleagues to vote against it.

Mr. President, the point that I think is worth emphasizing is the complexity of the issue that is attempted to be addressed by what seems to be a very simple and innocuous amendment. As the chairman noted, a few years ago, in 1983 and 1984, when this matter was before the committee, at the time I was chairman, it was the subject of numerous markup sessions as well as the subject of a number of hearings with dozens of pages of testimony with respect to this particular provision. And lest anybody believe it is a simple matter, aside from the length of time it took the committee to deal with this issue in 1983, it resulted in a text of 29 pages to express the committee's conclusions of how to accomplish this. If anybody is interested in history, just look at S. 1715 that was reported by the committee, 29 pages of which are the result of this very subject. It is an extremely complex, difficult, and convoluted subject matter that cannot be dealt with in a two-sentence amendment, no matter how well intentioned, that says to the Federal Energy Regulatory Commission, "go do something good."

That is in essence what the amendment says, that you, FERC, should go do something good about this subject matter with no standards, no processes, no ultimate result defined in the amendment. That is the danger of the amendment. There is no just and reasonable cause. There is no public necessity requirement. There is no standard by which FERC should judge that question. It is a total abdication of congressional responsibility to an administrative agency, in saying to the administrative agency, "OK, we give up; you go do something that you think is right." And that, to me, is the essence of irresponsible legislation.

Let me refer to just one other matter. It has been mentioned by the distinguished Senator from New Jersey that his amendment is supported by the AARP. I am not certain. I am sure he knows more about their position than I do, but let me read their letter. I assume it is the letter of June 9, 1989, addressed to the Honorable HOWARD METZENBAUM, U.S. Senate, in which they identify in the fourth paragraph that they support the amendment to be offered by Senator BRADLEY.

I wonder if they had in mind this amendment or some other amendment because I also read in the third paragraph in their letter their absolute concern about what would happen if large industrial users of natural gas could bypass local distribution net works. That is in the AARP letter. That is not only permitted but is probably the only consequence of the Bradley amendment. Everything else has been done.

Mr. President, I ask unanimous consent that the letter from the AARP be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF RETIRED PERSONS,
Washington, DC, June 9, 1989.

Hon. HOWARD METZENBAUM,
U.S. Senate,
Washington, DC.

DEAR SENATOR METZENBAUM: On behalf of the American Association of Retired Persons, I am writing to express the Association's opposition to the Natural Gas Deregulaton Bill (H.R. 1722) in its present form. This legislation would end all remaining federal regulation of gas prices at the wellhead, action which will provide clear benefit to the U.S. gas industry. However, no similar benefit will accrue to consumers, despite the loss of protection against the rising cost of energy.

With any legislation to decontrol "old gas," AARP believes that other natural gas policy issues should be addressed:

The ability of large industrial users of natural gas to "bypass" local distribution networks can result in cost shifts to residential customers, who have no choice but to pay higher prices. Action is needed to correct this inequity.

Nondiscriminatory access to gas transportation is crucial for a competitive marketplace. Today, the Federal Energy Regulatory Commission's (FERC's) open access policy, which has enabled many consumers to obtain cheaper gas, relies on voluntary compliance by pipelines. AARP supports an amendment to be offered by Senator Bradley which will give FERC the option of requiring the transportation of natural gas in order to ensure continued open access, even in the event of tightening gas markets.

Residential customers suffer from obligations incurred by pipeline companies in the past, such as "take-or-pay" clauses and "price escalators," which allow producers to keep charging very high prices and prevent current market forces from bringing prices down. Further deregulation of natural gas prices should include provisions to address this problem.

Energy prices remain one of the most volatile elements in the Consumer Price Index. If even modest increases are to be allowed, then added protections for consumers are essential.

Sincerely,

JOHN ROTHER,
Director, Legislation, Research and Public Policy.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, both the distinguished chairman and former chairman of the Energy Committee recall with a certain air of wistfulness as well as a certain air of frustration the very long deliberations that took place in 1983 on natural gas. And it is precisely because of that experience, precisely because we spent endless hours getting into take or pay, getting into abandonment, getting into bypass, getting into rate design, getting into all of these issues, that we did not get a bill in 1983. Therefore, what this amendment does is to say look, those are all issues, that we did not get a bill in 1983. Therefore, what this amendment does is to say look, those are all issues that are not addressed by this amendment.

This amendment, for example, does not allude to nor does it intend to influence or alter in any way the Commission or the courts' activities with regard to the issues of bypass.

It is certainly not the intention of this Senator to legislate one of the most controversial issues in natural gas law, covertly, a little back door tactic. That is not the purpose of this amendment. If we are going to have a debate on bypass, then I think we ought to have a debate on bypass and get out all of the charts that will put everybody to sleep in this body except members of the Energy Committee who have already been through this thing time and time again.

This amendment does not deal with bypass. Again, let me say it does not allude to nor is it intended to influence or alter any proceedings before the FERC or any litigation before the courts. So the arguments that have been made about bypass might be relevant to another amendment, but they are not relevant to this amendment.

It is very skillful for the opponents of this amendment to construe this threat of rates going up for local distribution companies, et cetera. That is not what this does. That is not what this amendment says. This amendment is very clear.

A second point is that it is interesting if you look at the history of bypass that all those people who have for years argued for bypass, all of those people who indeed want to link directly the pipeline to the industrial user circumventing the local distribution company, all of those people who have supported bypass oppose this amendment. They oppose this amendment. They do not support it.

And many, if not all, of those people, consumer groups largely, who oppose bypass for the precise reason that the Senators eloquently stated—if you have bypass it will possibly raise rates on individual consumers—all of those consumer groups who have opposed bypass support this amendment.

So, Mr. President, you are kind of known by the company you keep. And the assertion that this amendment is going to dramatically raise rates for individual consumers is just not a fact. It is not in the language of the amendment. It is not contemplated by the author of the amendment. It is stated explicitly in the debate on the Senate floor that it is not an issue. And then the supporters of the amendment are the people who are the most vigilant in the protection of consumer interests in this country.

Mr. JOHNSTON. Mr. President, will the Senator yield, or would the Senator like to finish?

Mr. BRADLEY. I have one or two other points I would like to make.

Mr. President, an AGA letter was mentioned which I have not seen. I have seen a letter addressed to me. The Senator alluded to a letter sent to Senator METZENBAUM. It was also, I believe, sent to Senator BRADLEY. Maybe they sent two separate letters, I do not know.

There was a very interesting article in the Natural Gas Week just a few days ago where the author of this article calls the argument by the AGA a "canard."

I ask unanimous consent that the article be printed in the RECORD at this time, along with my letter, the letter from the AGA to me, along with the letter from the AARP.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN GAS ASSOCIATION,
Arlington, VA, June 7, 1989.

Hon. BILL BRADLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR BRADLEY: The American Gas Association (A.G.A.) has long supported voluntary open access transportation of natural gas. We oppose, however, any mandatory transportation amendments to S. 783, including your proposed amendment.

We oppose your opposed amendment for the following reasons:

1. This is a mandatory carriage amendment and raises all the complex and controversial issues that mandatory carriage of natural gas brought to the fore in previous natural gas debates, notably in 1983-84. Indeed, it is 180 degrees opposite from the voluntary open access program FERC adopted three years ago in Order 436. That program is working well. Although the proposed amendment does not require FERC to act, the essence of mandatory carriage is, and always has been, whether to increase the burden of federal pipeline regulation by giving FERC outright power to mandate natural gas transportation throughout a million mile transmission network.

2. Pipelines cannot arbitrarily stop transporting gas now that they have FERC blanket certificates. Section 7(b) of the natural Gas Act of 1938 already prevents pipelines from discontinuing open and nondiscriminatory transportation under their blanket certificates, without prior notice, hearing, and specific FERC approval.

3. This is not a noncontroversial amendment and may hurt residential and commercial customers by promoting bypass. The issue of pipeline bypass of an LDC to serve that LDC's best end use industrial customers is one of the most controversial issues facing the gas industry. Many states and state public utility commissions firmly believe that bypass raises issues of state, not federal, jurisdiction. By giving FERC the power to order transportation, at any time and in any situation without consulting the states, your proposed amendment appears to ratify FERC jurisdiction over bypass cases. Such a position is very controversial and, if adopted, would have an extremely detrimental effect on LDCs and their residential and commercial consumers.

4. Giving FERC the power to order transportation has always raised many difficult issues about pipeline operations and construction, which are not even acknowledged by the proposed amendment. These issues include whether FERC would order transportation: (1) when there is no contract between the pipeline and shipper; (2) when the pipeline is already operating at capacity; (3) when new facilities would have to be constructed; and (4) when other shippers, especially LDC's, have priority access to pipeline sales or transportation.

None of these complex issues are addressed, yet each raises many questions. For example, the Natural Gas Act does not permit FERC to order a pipeline to build new facilities, yet this proposed amendment could conflict with the NGA if FERC were to order transportation in an instance where new construction, such as a tap or interconnection, was required for the service.

Politically, each segment of the natural gas industry—pipeline, LDC, producer and end user—agreed to forego special interest

VOL 135 PT 9 JE 14 — 22 1989 UMI

amendments to advance the cause of wellhead decontrol.

It is for these reasons, Senator Bradley, that we are opposed to mandatory carriage legislation of the type you are proposing.

Sincerely,

GEORGE H. LAWRENCE.

[From Natural Gas Week, June 12, 1989]

MANDATORY CARRIAGE: KILL IT NOW, TRY LATER

In the current Senate debate over natural gas wellhead price decontrol, conventional wisdom suggests that the clean bill that passed the House and a similar bill approved 17-2 by the Senate Energy and Natural Resources Committee eventually will be approved. But conventional wisdom isn't always right, and before the vote is taken, Sens. Howard M. Metzenbaum (D-Ohio) and Bill Bradley (D-N.J.) will have a chance to rewrite the bill.

Metzenbaum has a raft of amendments, including one seeking to recontrol gas prices. The debate on these is continuing. Bradley, on the other hand, appears to have only one—albeit a major one. This is to unequivocally state the power of the Federal Energy Regulatory Commission (FERC) to mandate non-discriminatory gas transportation.

Critics say Bradley's amendment is unnecessary because major pipelines already practice open-access, or the non-discriminatory carriage of gas owned by others. But open-access is not universal, it's not evenly applied and it's not equally open throughout the year. In short, it does not guarantee that a shipper can move gas from point A to point B at any time.

Actually, the only device that would accomplish all of that (with the exceptions of true force majeure conditions, of course) is common carriage. That's the way grain, chickens, small packages, oil and other commodities move in ordinary commerce. Bradley's amendment falls far short of that, as it only states that FERC can require a pipeline to carry gas. But even so, for a brief amendment that supposedly merely requires that which already is occurring, the senator's foray has drawn strong response from the pipelines.

One response, signed by all segments, including the pipelines, is that the decontrol bill was forged as a clean, one-issue bill and nothing should be added. All segments have pet issues, this argument goes, and thus a clean bill is not just a matter of procedure but a substantive decision—at some considerable political cost—to agree to pursue that one goal.

Frankly, that's a good argument. Deals are cut every day, a process that is not helped by post-handshake greed and backsliding. Even in a city up to its collective eyeballs in sleaze from the White House to Capitol Hill, a handshake should stand for something. All parties had an opportunity in creating the decontrol bill; now, all parties should support it.

Another response to the Bradley proposal, however, is intriguing in its construction. The American Gas Association, which is financed by major pipelines as well as the local distribution companies (LDCs) generally associated with AGA, wrote Bradley last week to state its opposition.

AGA dislikes the Bradley amendment on two grounds: first, it calls for mandatory carriage and AGA opposes the regulation that would be required for this; and second, the proposal "may hurt residential and commercial customers by promoting bypass."

Thus, AGA merges the issue of LDC bypass with mandatory carriage to protect both of its constituencies. Interestingly, when last heard from, the AGA was officially neutral on the subject of bypass, which pits its pipeline members against its LDC members (NGW, 5-29-89, p.1).

The AGA raises the canard that some people believe bypass is a state issue and that Bradley's amendment would strengthen FERC's position by ratifying its jurisdiction over bypass cases. This is a classic example of a false issue. The United States clearly has jurisdiction over interstate commerce; it has since the founding of the nation. Natural gas clearly is a commodity traded in interstate commerce and the FERC is the federal agency with oversight responsibility. To say that gas cannot be sold directly by a producer, marketer or pipeline to a steel or auto-making plant is ridiculous. True, the "normal" method is to first sell the gas to an LDC, which in turn sells to the plant. But there's no reason in a commodity market why the sale can't be done directly. Those favoring this option—which, by the way, rarely is executed in the most extreme sense—include producers, pipelines and end-users. Opponents include the LDCs, who obviously want to protect their fiefdoms.

The crux of the AGA argument against mandatory carriage is that the issue is complex, that it would create unknown impacts in other areas and that it is "180 degrees opposite from the voluntary open-access program FERC adopted," which, says AGA, is "working well." The first point is obvious; how well voluntary carriage is working depends on one's perspective.

But in this context, it is well to recall that FERC got into the open-access program over the pipelines' objections and at the insistence of the U.S. Court of Appeals for the District of Columbia Circuit. And, indeed, the court believes that FERC has failed to exercise its full powers to require certain actions.

In Associated Gas Distributors v. FERC, the court ruled on June 23, 1987, that "Several pipelines and others attack these [open-access] conditions as beyond the scope of the commission's authority under the [Natural Gas Act and Natural Gas Policy Act]. The arguments . . . rely on the proposition that the open-access condition is equivalent to a common carriage requirement, as both the condition and common carriage have at their core a duty to accept shipments from all would-be shippers." The court rejected these arguments.

The court added that "The pipelines can point to no language in the [Natural Gas Act] barring the commission from imposing common carrier status on natural gas pipelines, and certainly none barring it from imposing upon the pipelines a specific duty that happens to be a typical or even core component of such status. They seek to overcome the statutory silence by means of legislative history. The task is uphill."

The AGA argument against Bradley is thus a convoluted mixture of self-interests, cleverly worded but a poor basis for public policy. Despite this, at the bottom line the AGA is right. Bradley's simple amendment should be defeated because it has complex impacts (and because it negates the clean bill concept).

While it is not likely in this session of Congress, Bradley's proposal should be fleshed out—and in my view, strengthened even more—and resubmitted for full debate. Prior to that, of course, the clean decontrol bill should be approved.—John H. Jennrich.

AARP,
Washington, DC, June 9, 1989.

Hon. BILL BRADLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR BRADLEY: On behalf of the American Association of Retired Persons, I am writing to express the Association's opposition to the Natural Gas Deregulation Bill (H.R. 1722) in its present form. This legislation would end all remaining federal regulation of gas prices at the wellhead, action which will provide clear benefit to the U.S. gas industry. However, no similar benefit will accrue to consumers, despite the loss of protections against the rising cost of energy.

With any legislation to decontrol "old gas" AARP believes that other natural gas policy issues should be addressed:

The ability of large industrial users of natural gas to "bypass" local distribution networks can result in cost shifts to residential customers, who have no choice but to pay higher prices. Action is needed to correct this inequity.

Nondiscriminatory access to gas transportation is crucial for a competitive marketplace. Today, the Federal Energy Regulatory Commission's (FERC's) open access policy, which has enabled many consumers to obtain cheaper gas, relies on voluntary compliance by pipelines. AARP supports an amendment to be offered by Senator BRADLEY which will give FERC the option of requiring the transportation of natural gas in order to ensure continued open access, even in the event of tightening gas markets.

Residential customers suffer from obligations incurred by pipeline companies in the past, such as "take-or-pay" clauses and "price escalators," which allow producers to keep charging very high prices and prevent current market forces from bringing prices down. Further deregulation of natural gas prices should include provisions to address this problem.

Energy prices remain one of the most volatile elements in the Consumer Price Index. If even modest increases are to be allowed, then added protections for consumers are essential.

Sincerely,

JOHN ROTHER,
Director, Legislation, Research and Public Policy.

Mr. BRADLEY. Mr. President, as to the arguments raised, AGA has a difficult row to hoe. They have to keep all of their groups together. They have to worry about the pipelines, the producers, the local distribution companies, and this makes life a little difficult because an agreement was made—a deal was cut—that excluded the consumer. That is what this is about.

This attempt to give the consumer some pittance, some crumb, is naturally opposed by the party which was most instrumental in striking the deal.

Mr. President, the argument has also been made that somehow or another this will kill the bill. I find it difficult to believe that the Senate will not in its wisdom and in interest at least give the consumer a crumb. If the Senate passed this bill, it would go to conference, and there would be a clear signal to consumers. I doubt that this bill would be opposed. Certainly it

would not kill the bill because we are already locked into a vote on the bill immediately after this amendment is voted on by unanimous-consent agreement.

So, Mr. President, I think it would only improve the bill, and it would not harm the bill.

Again, what is my concern? The Senator from Louisiana I think correctly characterized part of it. My concern is backsliding. That is my concern. We have a good system out there working now, open-access transportation, over 90 percent of all gas now going through pipeline, and open-access bases.

If you are a producer, you cut a deal with the consumer. If you are a producer in Louisiana, you cut a deal with the consumer in New Jersey that needs the gas. You negotiate the price. The pipeline has to carry it. That is the way an open market should work, Mr. President. What am I afraid of? Well, again, let me restate how we got to open access.

We got to open access because in the mid-1980's, you had the price of oil drop. And you found a lot of customers that were taking the gas from the pipelines and saying, "Why should I pay so much for gas from a pipeline when I can switch to oil?" So they began to switch to oil, and the pipelines began to lose customers. So the pipeline says, "Well, if you are a fuel-switchable customer, you can switch to oil, as opposed to one who could not; those who could switch to oil, we will give you a special discount, but only you; not everybody, only you."

Well, the courts intervened there and said, no, that is discrimination, that is not allowed, and that is void. Then the FERC came in and said, "If you are going to provide special discounts to anybody in the pipelines, you have to provide it to everyone."

Mr. JOHNSTON. Mr. President, will the Seantor yield at that point?

Mr. BRADLEY. I would like to build to this conclusion, because I am sure this will be a winning argument. If you are going to allow a few to have a discount, you have to allow everyone to have a discount. That is what the FERC said. The pipeline said, we have a decision; do we want to lose a lot of customers? Do we want to lose a lot of customers who are all switching to oil, or do we want to provide discounts to all of them? Do we want to allow them all to transport? The pipelines said, it is better to be in business at a lower price than to be out of business, and so they allowed the gas to move through.

Mr. President, that is why over 90 percent of the gas now moves through pipelines on an open access basis in this country today. What happens if the price of oil goes back up? The pipelines were not transporting open access when the price of oil was high. It was only when it dropped, and they began to lose their customers, did they agree to transport the gas for everyone.

If the price of oil goes back up, if the natural gas market tightens, you can see all number of mischief being made. You can see petitions to the FERC for abandonment, court cases trying to get out of existing contracts. You can see a variety of possible scenarios, the result of which would mean higher prices for the consumer, unless the FERC has the authority to do what this amendment states explicitly it will have the authority to do; and that is, Mr. President, that the Federal Energy Regulatory Commission may require, by rule or order, any interstate pipeline to transport natural gas, something that one of the Commissioners, Commissioner Stalon, says they do not have.

Mr. President, that is the amendment, and that is my attempt to respond to some of the arguments made by the other side, and I hope that the Senate will do at least one thing for the consumer in this bill.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, on this question of special discounts, I have heard it mentioned here a couple of times, and I would like to be clear with the Senator from New Jersey: His amendment does not deal with special discounts, does it?

Mr. BRADLEY. My amendment is very explicitly described by the language of the amendment. The amendment does not mention special discounts in the language of the amendment. It does, however, give the FERC the authority that might be used in such a way to even out some of the potential problems with special discounts.

Mr. JOHNSTON. Now, the FERC already has that authority, do they not?

Mr. BRADLEY. Well, some Commissioners say they do, and some say they do not.

Mr. JOHNSTON. I have heard you state that Commissioner Stalon does not think they have the authority. Now, is it not a fact in the AGD decision of the District of Columbia Court of Appeals, as to which certiorari was denied by the U.S. Supreme Court, giving it the dignity of a Supreme Court decision, they have upheld that authority, the authority to grant open access.

Mr. BRADLEY. Well, if you are referring to Associated Gas Distribution versus FERC, is that the case?

Mr. JOHNSTON. Yes.

Mr. BRADLEY. I can quote from the case. It says that:

> Several pipelines and others attacked these open-access conditions as beyond the scope of the Commission's authority under the [Natural Gas Act and the Natural Gas Policy Act]. The arguments—

Meaning the pipeline arguments—

> rely on the proposition that the open-access conditions, equivalent to a common carriage requirement, is that both the condition and common carriers have as their core a duty to accept shipments from all would-be shippers.

Now, the court rejected that argument, and the court went on to add:

> The pipelines can point to no language in the Natural Gas Act, barring the Commission from imposing common carrier status on the natural gas pipelines, and certainly not barring it from imposing upon pipelines a specific duty that happens to be a typical core component of such status. They seek to overcome the statutory silence by means of legislative history. The task is uphill.

What I take that to mean is there is nothing in the Natural Gas Act that says that the FERC cannot do this. This amendment says that they have explicit authority to do this.

Mr. JOHNSTON. All right. Well, they have done it, and the Court has upheld their right to do it. That is fair, is it not?

Mr. BRADLEY. Yes.

Mr. JOHNSTON. Now, you talk about discriminatory or special discount rates, and you want to be sure they have the authority. Is it not a fact that section 4 of the Natural Gas Act provides explicitly that no rate may be unduly discriminatory, so that the FERC not only has the power, but indeed the duty, under the Natural Gas Act, section 4—and I will read you the language, if you would like, but they may not grant any undue preference or advantage to any person or maintain any unreasonable difference in rates, charges, services, facilities, or in any other respect, either as between local or between classes of service. So is it not true that they have all the authority they need, and indeed, they have the mandate to disapprove rates that are unduly discriminatory, which a special discount would have the potential for doing?

Mr. BRADLEY. They might have——

The PRESIDING OFFICER. I want to remind the Senator from Louisiana that his time on the amendment has expired.

Mr. JOHNSTON. I will yield myself time on the bill.

Mr. BRADLEY. They might have the authority to do so, but they do not always do so. Some would dispute the extent to which that authority flows.

Mr. JOHNSTON. Some would dispute section 4 of the Natural Gas Act.

Mr. BRADLEY. Some would dispute whether they have the authority to regulate the special discounts. But tell me where the Senator is leading so that we can——

Mr. JOHNSTON. Well, the suggestion was that somehow the FERC does not have the power to deal with spe-

cial discounts. Now, we can discuss how they are dealing with it after we discuss the question of whether they have the power to deal with it, but I would suggest to my friend that the question of whether they have the power cannot really be argued in light of section 4.

Mr. BRADLEY. Let me say to the distinguished chairman that the special discount problem, which is a problem that is already existent in a largely open-access system, is not my major concern. That is not my major concern.

Mr. JOHNSTON. It has been mentioned here a couple of times.

Mr. BRADLEY. My major concern is having the price of oil go up and having a series of petitions for abandonment and court decisions and having the problem of the pipelines essentially being able to once again prevent open access transport absent this amendment. That is my concern.

Mr. JOHNSTON. Can we agree therefore——

Mr. BRADLEY. I agree that the special discounts are theoretically a problem, but it is more theory than it is fact and probably the FERC does have the authority to deal with some of those.

This would make it easier for them because it would make it explicit, but I do not know that many people have challenged their authority to deal with special discounts.

Mr. JOHNSTON. Then am I hearing from my friend from New Jersey that FERC does have the authority to deal with special discounts and that this amendment really adds nothing to authority which already exists? Is that fair?

Mr. BRADLEY. I would say that it adds a dimension to the authority. It adds a dimension. It has the authority but it adds a little more emphasis and gives them a little more explicit clout. What could I say to the Senator. That is how I read the amendment.

Mr. JOHNSTON. I think the answer to my question was yes on question of special discounts and I am prepared to argue that sometimes special discounts are in the interest of the consumer because a discount is the correct choice where an industrial customer has the right to switch to oil and get off the pipeline or be granted a special discount within a very narrow band of minimum and maximum discounts which have been approved by FERC.

FERC has also had rules saying you cannot cross-subsidize discounts, and they have a maximum and a minimum band for granting discounts, and I submit to the Senator that it is definitely in the interest of the consumer for them to be able to do so to keep a load from going off the line altogether, because if they go off the line altogether and switch to fuel oil, which about 30 percent or more of the loads are now dual fuel capable, then it is definitely not in the interest of consumers.

Mr. BRADLEY. Mr. President, will the Senator yield for a question just to get his own interpretation?

Mr. JOHNSTON. Yes.

Mr. BRADLEY. Is it possible under the present system that if you were a pipeline you could offer a better rate to a customer if that customer bought the gas from your own market affiliate?

Mr. JOHNSTON. Would the Senator repeat the question, please?

Mr. BRADLEY. If you are a pipeline could you offer a better rate? Could you choose to offer a better rate to a customer if that customer bought the gas from the pipeline's market affiliate?

Mr. JOHNSTON. FERC has promulgated a specific rule on marketing affiliates and very carefully polices that. Without getting into the intricacies of that rule, because it is a very intricate relationship on affiliates and how they are defined and the extent to which you are able to deal with those, suffice it to say that this is not a question of power of FERC.

FERC considers themselves to have power. That power is in fact exercised.

This amendment neither adds nor detracts from that power, and I think the Senator will agree that that is fair.

I think we could move on from the question of special discounts and affiliates, am I correct, to the more central question?

Mr. BRADLEY. The Senator is the chairman. He may move in any direction he chooses.

Mr. JOHNSTON. Very well.

I think the Senator in his fairness would agree with me that those questions were at best subsidiary and frankly I think have been answered by the plain language of the act.

When the Senator says "backsliding," his amendment is an antibacksliding amendment, is that fair?

Mr. BRADLEY. Yes.

Mr. JOHNSTON. All right. The question is, Who would backslide? Who are we concerned about? Are we concerned about the pipelines backsliding and changing their mind, or are we concerned about FERC backsliding and changing its mind?

Mr. BRADLEY. The Senator's argument against the amendment, as I heard a part of the argument, was the uncertainty that might be created by this, the uncertainty.

Mr. JOHNSTON. Yes.

Mr. BRADLEY. To the contrary, this amendment reduces uncertainty.

Mr. JOHNSTON. I know. But about whom are we concerned in backsliding?

Mr. BRADLEY. You cannot devise every possible scenario that might exist in the future for every possible circumstance.

Mr. JOHNSTON. Let me ask you the more specific——

Mr. BRADLEY. I can imagine.

I can certainly imagine circumstances where there could be a petition to FERC, where there could be a court action, where there could be some court in some part of the United States make a ruling.

I could see a variety of possibilities, all of which would negate the progress that we have made in the last several years, and the precipitating event for those would be pipelines essentially wanting to get back to a situation where they did not have to transport gas from a willing producer and a willing consumer.

Mr. JOHNSTON. Let us deal with the question of pipeline backsliding. Would the Senator agree with me that all 23 major pipelines, 100 percent of the major pipelines and close to 100 percent of interstate pipeline capacity have subjected themselves now to FERC jurisdiction, 20 of them have already been granted certificates and the other three certificates are pending and surely will be granted, that will be close to 100 percent of load, that they many not backslide, change their mind without the permission of FERC in the form of an abandonment certificate?

Mr. BRADLEY. Or they might go to court and litigate it. FERC is one route and the court is another route. Yes.

Mr. JOHNSTON. And the power of FERC has been upheld through the D.C. circuit to the Supreme Court by certiorari denied?

Mr. BRADLEY. Yes.

Mr. JOHNSTON. So you say they could go to court, but the issue has already been settled in court. The Supreme Court could change its mind, the Congress can change, anybody can change its mind.

Mr. BRADLEY. But, no——

Mr. JOHNSTON. But right now, it is very clear the authority is upheld all the way to the Supreme Court, is it not?

Mr. BRADLEY. The interesting thing is that in some of these open access agreements, abandonments are already contemplated. Abandonments are already granted as a part of the open access agreement.

In orders 451 and 490, for example, FERC authorized abandonment ahead of time for producers facing an intransigent pipeline.

Mr. JOHNSTON. That is not an abandonment of the certificate of open access. That is an abandonment on a particular sale so that they can go to spot market and have more flexibility. But that is not a change from an open access carrier to a closed carrier. That is simply to grant more flexibility in going to the spot market.

Are we agreed on that?

Mr. BRADLEY. The normal route that pipelines would take would be to FERC seeking abandonment, seeking an abandonment certificate, although they have the court route also and they might choose the court route if they thought they could get abandonment quicker.

Mr. JOHNSTON. I think we have settled, at least I think so, that a pipeline cannot change its mind and go to open access without the authority of FERC. FERC might grant an abandonment, but they cannot do it on their own, so that backsliding by pipelines is not a problem.

Now backsliding by FERC could be a problem. FERC could change its mind, I suppose.

But I want to ask the Senator in his amendment which reads as follows, "The Federal Energy Regulatory Commission may require, by rule or order, open access," the word "may" is surely discretionary and does not prevent the FERC from backsliding, does it?

Mr. BRADLEY. It allows the FERC to make a judgment as to whether it should require interstate pipelines to transport gas. It is a discretion that they have. It is not a mandate. It is not a requirement that they do. It is a discretion, and the Senator has argued, as he has, that this is something they already have. There should be no problem with simply stating it again.

But I think it is precisely because there is an ambiguity and the Senator wants to allow for the possibility in the future that there could be some abandonments and that FERC does not have the full authority. Then he opposes the amendment.

Mr. JOHNSTON. I would be prepared to make the argument—and I would like the Senator's comments on this—that the change from order 436 which allows for open access carriers, that a change from that under present law would not automatically be granted but might be subject to disapproval by the courts on the present law on the ground that it violated AGD which upheld open access carriage.

In other words, under the present law, it would not automatically be true, I think, that the FERC could abandon its open access rule. Under the Senator's amendment, however, it becomes clear the right of FERC to change its mind because by saying that it may require, it is also saying that it may change its mind.

So would the Senator agree that this amendment might even grant the power not to order open access, which power may not exist under the present law?

Mr. BRADLEY. Before I answer that question, may I ask the Senator a question of his own view. Does the Senator view the present regulatory arrangement as being such that under no circumstance can there be backsliding?

Mr. JOHNSTON. Backsliding is a value judgment.

Mr. BRADLEY. Does the Senator believe that, under the present regulatory arrangement, there can be no abandonments?

Mr. JOHNSTON. By abandonment, do you mean abandonment as to sales or abandonment as to open access?

Mr. BRADLEY. Open access.

Mr. JOHNSTON. I think as a practical matter there can be no turning back from open access.

Mr. BRADLEY. But no abandonment? Under the present regulatory rules, the Senator's view is that there can be no abandonment? Is that what he is asserting; no abandonment? I am an open access pipeline. I want to get out. I petition the FERC and the FERC cannot say I can abandon my customer?

Mr. JOHNSTON. There can be no abandonment without a certificate of abandonment. A certificate of abandonment may be granted by FERC only in a contested proceeding in which the rights of all parties are heard and which would be governed by section 7 of the Natural Gas Act and by the principles of order No. 436 which grants open access. So that you would, in order to get that certificate of abandonment, you would have to show that the open access is not needed. I cannot imagine the finding of public convenience and necessity which would be made pursuant to order 436, which is the governing rule here, I cannot imagine how a whole pipeline could abandon its authority. That, in turn, is subject to court review.

They could, I suppose, abandon particular sales. In fact, they have given authority to go to the spot market to give flexibility so that you can have an open market. But that is different from an abandonment of total sales authority.

Really what we have here is the FERC—and I really admire the FERC for the direction in which it has moved. In the mid-1980's, in fact 1985, they went from the whole structure of pipelines as merchants sales—where the pipelines would purchase the gas, in effect, from producers and sell it to the local distribution companies—to a new system of open access. And it was a very complicated procedure.

They came up with order 436, which authorized these open access carriers. But that, in turn, created problems under take-or-pay, because the pipelines were told that they did not have the right, in effect, to require the local distribution companies to buy this contract gas, so rights were taken away from them in order 436, but they did not have any compensating relief of obligations from the take-or-pay obligations.

So, the court of appeals upheld the Federal Energy Regulatory Commission's right to order open access, but remanded, saying that you must also deal with take-or-pay. Then they came up with order 500 to deal with that question of take-or-pay, the two being interrelated.

There is really no turning back, and there should be no turning back from open access.

Let me just say one more thing—and I want to preserve some time on the bill because I see the Senator from Oklahoma here, who has been a leader in deregulation this year and in previous years, and I want to give him time to speak.

But I think there is not only sufficient authority under the law, there is no turning back under the present law. One thing is clear: under the amendment of the Senator from New Jersey, it is discretionary power anyway. There could be abandonments, there could be backsliding, to use his word, under his amendment.

Mr. BRADLEY. This does not say anything about abandonment. It does not say anything about backsliding. It says the authority to mandate transportation is—it says "may." It does not say "must." Would the Senator feel more secure, given his strong support for open access, if it said "must"?

Mr. JOHNSTON. I would simply say that it is the Senator's amendment. And if you want to know does it say anything about backsliding, it does. Backsliding is spelled m-a-y, may. That means the right to backslide because it means discretionary.

Mr. President, how much time is left on my side on the bill?

The PRESIDING OFFICER. Twenty-two minutes and 52 seconds.

Mr. JOHNSTON. Mr. President, I see the Senator from Oklahoma. Does the Senator from Oklahoma wish to speak?

Mr. NICKLES. Yes.

Mr. JOHNSTON. How much time does the Senator wish?

Mr. NICKLES. Maybe 7 or 8 minutes.

Mr. JOHNSTON. Mr. President, I yield 7 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I rise today in support of the bill to, at long last, decontrol natural gas prices. I say "at long last," because this has been a battle that has been fought on the Senate floor for 35 years. It goes all the way back to 1954. Ever since that time, the Federal Government has regulated—and I will say misregulated—the price of natural gas.

Mr. President, natural gas is the only major commodity on which the Federal Government still imposes price controls. At various times since 1954, Congress and even a former President have compounded the price

VOL 135 PT 9 JE 14 — 22 1989 UMI

control mistake of 1954. In the early seventies you might remember President Nixon imposed price controls on a variety of goods and services, including oil, beef, and a multitude of other items. Incidentially, he imposed these price controls because inflation was getting too high. It was at 7 or 8 percent.

Price controls did not work then. It was a mistake. Bill Simon, who administered part of that program, readily admits that it was a mistake. Most all economists admit it was a mistake. Most all economists will also tell you that the imposition of price controls on natural gas since 1954 has been a mistake. It has not saved consumers a dime. In fact, over the last decade, price controls on natural gas have cost consumers billions of dollars more than they would have paid had not Congress passed additional price control legislation in 1978. It has distorted the marketplace.

Congress has tried to fix the bad policy of regulating natural gas prices. Actually, Congress did pass a decontrol bill during the Eisenhower administration, but President Eisenhower vetoed it because of some inappropriate ethics by some lobbyists. Other attempts have been made in Congress after Congress to repeal price controls but they were unsuccessful. This is my ninth year in the Senate, and in every Congress I have advocated legislation to decontrol natural gas prices.

We thought we were pretty close a few years ago. We had 31 days of markup in the Energy Committee, probably the most contentious and complex effort that this Senator has been involved with. We tried to pass a bill. We finally passed it through committee. However, we did not get it through the Senate floor or the House floor. So we were unsuccessful.

I believe today will be a historic day, a positive day, because this year we will finally, at long last, be successful in decontrolling natural gas prices. We will be successful in finally correcting the natural gas price control mistake.

The mistake of 1954 was compounded by Congress, when it passed the Natural Gas Policy Act of 1978. At that time, a lot of people said, "Hey, we have done some good things." And the Congress made some improvements in the act. They at least provided for partial decontrol in 1985 and 1987. But they really made some big mistakes in 1978 in the Natural Gas Policy Act. They kept prices in virtually all interstate gas and extended gas price controls on the intrastate market. Those were serious mistakes.

In 1978 we did not have shortages in the intrastate markets. We had shortages on the interstate markets, where we had price controls. Congress made one mistake in 1978 in extending price controls to the intrastate markets. They made another mistake when they came up with 33 different price categories for natural gas.

That, too, was a serious mistake. We had price categories that ranged from 20 cents all the way up to an unlimited amount, confining the uncontrolled price to only one category, and that caused lots of problems as well.

We can eliminate those problems by doing what should have been done in 1978, really what should have been done in 1954, by at long last eliminating price controls on this commodity, natural gas.

Natural gas is natural gas. It does not make any difference if it is deep or if it is in tight sands or if it is shallow or if it is old or if it is new. It is natural gas. We should allow the marketplace to determine the price of natural gas, not Members of the Senate, not Members of Congress, not staff of the bureaucracy, not the Commissioners at FERC.

Mr. President, by repealing price controls on natural gas, by repealing the pricing mistakes that remain in the Natural Gas Policy Act, we will be accomplishing what I would say is the undoing of some of the mistakes of the Carter administration.

The Carter administration wanted to come up with an energy program so they passed the Natural Gas Policy Act, which I mentioned had several shortcomings. They also passed the windfall profit tax, which raised $79 billion from a handful of States. We finally have repealed that in the last Congress.

They also passed the Fuel Use Act, that said we could not burn natural gas in major industrial plants and utilities. We virtually repealed that last year as well.

The Carter administration also proposed the Emergency Standby Allocation Act, which had an elaborate allocation scheme for oil and oil products. It was vetoed by President Reagan and we sustained that veto. The Carter administration also passed the Synfuels Corporation, which spent billions of dollars on Federal projects, almost all of which were uneconomical and really did not make any sense. I happen to be a supporter of Synfuels development, but I want it to be done in the private sector, not with Federal corporations.

So, really, by passage of this natural gas decontrol bill, we will finally, at long last, be undoing most of the damage that the Carter administration imposed on us in the late 1970's and 1980.

I think that is good news. I think it is positive news. I think it is good news for consumers. It is good news for the industry. We are saying we will be allowing the marketplace to function and the marketplace can function much, much better than either Members in this body or Federal bureaucrats.

I think it is good news for all concerned. I think you will see an adequate supply of natural gas at the best possible prices to consumers by passage of this bill. I urge its adoption. I am confident we can swiftly work out the one area of disagreement with the House, the "newly spudded wells" provision, which has been rejected by the Senate and which I believe is a bad provision.

I urge the passage of the bill and I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from New Jersey.

Mr. BRADLEY. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. BRADLEY. Mr. President, let me just summarize the amendment quickly. In the natural gas market today, over 70 percent of all gas is transported under open access agreements that are struck between willing producers and customers. The pipeline must carry the gas. That will no longer be the case if the oil price goes up or the gas market gets tight.

If the oil price goes up or the gas market gets tight we will then find abandonments and we will find higher prices for the consumer. The most important consumer initiative in natural gas policy in the last decade has been open access transportation. That should be a part of this bill. If it is not a part of this bill we will find pipelines raising prices to consumers in the next 4 to 5 years.

My witness for this is none other than Exxon, before the Canadian Energy Board, who said explicitly that in the next 4 to 5 years the expectation is "that customers will no longer have access to spot market gas. They will again be relying on pipeline suppliers. Meaning us. And when they have to rely on us as opposed to going to the spot market, the prices will go up."

Mr. President, let us do something for the consumer in this bill and let us pass this amendment to preserve open access transportation.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having expired on the Bradley amendment, the procedure, under the previous order, will be that the Bradley amendment will be delayed until the remaining debate on the bill has been completed.

There will now be 1½ hours of debate equally divided between the Senator from Louisiana and the Senator from Ohio, minus the short period time that has already been taken from the Senator from Louisiana on the bill itself on the Bradley amendment.

Mr. JOHNSTON. Mr. President, I understood the vote would take place

at 12 noon. Debate started at 9:30 and we had an hour on the amendment and 1½ hours on the bill.

Does that still mean the vote will take place at 12 noon?

The PRESIDING OFFICER. The vote will take place when all debate on the bill has expired. The Senator has, I believe, 16 minutes left and the Senator from Ohio has about 45 minutes remaining on the bill.

Mr. JOHNSTON. Sixteen and 45. So if all the time is used, that would be about 12:07 or 12:08; am I correct in that?

The PRESIDING OFFICER. The Senator is correct.

Mr. ADAMS. Mr. President, I would like to address a question to the Senator of New Jersey on the impact of his amendment. Specifically, I am concerned about the problem of the bypass of local utilities by gas pipelines—and the implications of this amendment. I wonder if Senator BRADLEY can clarify how his amendment will affect the issue of bypass?

Mr. BRADLEY. Mr. President, the Senator from Washington has raised a crucial point, and my answer is simple: This amendment is intended in no way to affect the ongoing debate over bypass. The amendment does not allude to bypass and is not intended to influence or alter in any way the Commission's or the courts' actions on the issues surrounding bypass. This amendment is solely intended to help all the buyers of natural gas, both the utilities and industrial customers, who have come to take advantage of opportunities of gas transportation.

The Senator may have seen a letter addressed to me that was circulated by the American Gas Association and which raised this issue. I doubt, however, that my colleagues have seen an editorial in Monday's Natural Gas Week where, even in this proindustry publication, the AGA objection was dismissed as "a canard." Mr. President, it is a fact that my amendment is supported by some of the strongest advocates of antibypass legislation. It is likewise a fact that the AGA has taken no formal position either in favor or against bypass. The issue of bypass is a significant one, but has no relevance to my amendment or this debate.

Mr. ADAMS. I thank the Senator for his very clear statement.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, there is a matter of great national concern that I believe the Senator from Michigan would like to address himself to. It does not have to do with the gas deregulation bill, but because it is of such national concern and such a source of pride to him, I yield to the Senator for 3 minutes.

The PRESIDING OFFICER. The Senator from Michigan is yielded 3 minutes.

WORLD CHAMPION DETROIT PISTONS

Mr. RIEGLE. Mr. President, I rise just to acknowledge the terrific performance of the Detroit Pistons in the playoffs during this year. We have never had a national basketball championship come to our home State of Michigan and Detroit, and this is the first time. Of course, this is very well earned over a long stretch of time.

I take this minute to say something about it because in watching the development of that team and its character over the years, the owner Bill Davidson, the coach Chuck Daly, all the players, Joe Dumars, Dennis Rodman, and all the rest of them, I think represents—and sometimes sports do this—some important things about what can be accomplished with teamwork and with hard work.

Everybody I guess in professional sports these days who reaches this kind of a pinnacle experience has to play hurt to a certain degree. We saw that in some great players like Earvin Johnson not even able to play in the series. We regret that. He of course also comes from Michigan. But in any case, I think the fortitude, the courage, the achievement that we see by that team not only is a tribute to them but it says something about what teamwork can accomplish when people work together.

I think there is an important lesson in that for America today. We have major trade problems in the global economy, and I think we need a team America approach. If we could learn to do some things in our national economic system with the same kind of cooperation and selflessness that we saw shared as a team among all the players on the Pistons, it would be a very useful lesson for us.

TOMMY HEARNS

Mr. RIEGLE. Mr. President, I also want to take a minute to acknowledge another important Michigan sports figure, Tommy Hearns, who was involved in a major boxing match with Sugar Ray Leonard on Monday last. The heroic job that he did, coming back from a very difficult defeat some 8 years ago, with the mental discipline and the character and strength to come in and prepare himself for that kind of an epic contest, is a great tribute to him. While boxing is seen by many as a very brutal sport, and certainly it is, I think for those who elect to take part in it, the preparation and the discipline it takes to achieve a goal of that kind is extraordinary in the extreme. I am very proud of Tommy Hearns, and I know everybody in Michigan and around the Nation who follows athletics feels the same way.

So my hat is off to the Pistons; it is off to Tommy Hearns. They set examples that are useful for us in other parts of our national life.

I thank the Chair and I thank my colleague from Ohio.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL GAS WELLHEAD DECONTROL ACT

The Senate continued with the consideration of the bill.

Mr. JOHNSTON. Mr. President, I yield myself such time as I require, not beyond 10 minutes.

The PRESIDING OFFICER. The Senator has the floor.

Mr. JOHNSTON. Mr. President, at 12 noon, or thereabouts, we will vote first on the Bradley amendment, which we have fully discussed, and to which we have pointed out to our colleagues that the amendment would be very mischievous, would sow uncertainty in gas markets, would produce opposition from local distribution companies, which believe that an amendment would authorize what we call bypass, which, in effect, allow the pipelines and industrial loads to scrape the cream off the gas market by making direct deals with producers of natural gas and transporting gas directly to the industrials, thereby upping the prices for consumers.

Now, Mr. President, if this result is not clear, then it is at least possible and is the basis upon which the American Gas Association, the Natural Gas Supply Association, the pipelines, everybody in the consensus group behind the bill, opposes the Bradley amendment.

The Bradley amendment is not necessary, Mr. President. It fixes a problem which does not exist, because at present, 100 percent of the major pipelines have applied for what we call open access carriage. Twenty of the twenty-three pipelines are presently operating under that authority, and may not get out of that requirement,

VOL 135 PT 9 JE 14 — 22 1989 UMI

without the permission of the FERC. The final three pipelines which have applied, and which have not now been given a certificate of open access, soon will have that certificate of open access, so that open access—that is the requirement of pipelines to carry anyone's gas—is presently the law of the land; and to the extent we pass the Bradley amendment, it would simply sow uncertainty, litigation, and provoke political opposition to this bill, because of what it might do with respect to what we call the bypass issue.

Mr. President, 35 years ago the Supreme Court, in a decision, came up with a scheme of regulation for natural gas. Natural gas regulation for 35 years has produced shortages; it has produced dislocations; it has produced in the cold winter of 1975-76 unemployment by the hundreds of thousands. This country, in the midst of a lot of natural gas supply in the ground, produced shortages by a system of regulation. And in the process the consumer, by regulation, got higher prices rather than low prices, which the system of regulation was meant to produce.

So this regulation continued, Mr. President, until 1978, when the Congress, both liberals and conservatives, both consumers and producers, recognized that the system had to be changed. And we came up with the Naural Gas Policy Act, which deregulated large blocks of gas to have increasing prices and to have increasing prices and to be deregulated in the future, and which kept other species of gas under regulation.

Mr. President, we said at the time that that Natural Gas Policy Act would produce more supply, and it did produce more supply. We said the consumer would be protected by that, and we were correct. On the average, the Natural Gas Policy Act of 1978 has produced lower prices.

The Natural Gas Policy Act also provided that on January 1, 1985, the other large block of gas was to be deregulated. It was a moment in time, Mr. President, which was described by opponents of deregulation as calling for a fly up in natural gas prices. It was predicted that it would be an Armageddon for consumers. We, Mr. President, who had always opposed natural gas regulation, said no such thing, that deregulation on January 1, 1985, of these large blocks of gas, would not cause the consumer increased prices. As a matter of fact, Mr. President, we were correct. The deregulation which took place on January 1, 1985, produced lower prices. The market resulted in a 36-percent decrease in prices between January 1, 1985, and the present time. Deregulation works, Mr. President.

There continues to be regulation of natural gas at the wellhead, however, under the Natural Gas Act and the Natural Gas Policy Act. Those regulations deal with only a small amount of the gas. However, they continue to result in delay and expense. They produce a lot of legal fees. I used to practice law, Mr. President, and my father used to always say, "Son, the safety of the Republic lies in a well-paid bar." He would say that with a smile after collecting a paricularly big fee.

Mr. President, the safety of this republic does not require the continued delay and large legal fees which this regulatory scheme requires. That is all we get out of the remains of regulation which we have right now. What we need to do, Mr. President, is get rid of that regulation. It will not produce higher prices for the consumer. Some prices will go down, some will go up, but, as the Washington Post said today, those prices on the average will not be raised. As they say, "Abolishing controls on production at the wellhead is going to have no effect on the final prices that users pay."

Mr. President, in my State and other producing States, this bill will have a very good effect. There will be more drilling, as the Natural Gas Supply Association and the American Gas Association said. There will be more drilling, more infield drilling, more jobs, more will be produced in the natural gas industry. Mr. President, one of the most important effects in producing States will be that old wells will be reworked.

The Natural Gas Supply Association says that as much as 20 trillion cubic feet of additional gas can be produced under this bill by allowing the reworking of old fields. That is greater than 10 percent of the total Nation's proven reserves of natural gas, if the Natural Gas Supply Association is correct, that can be produced by this bill.

Mr. President, I hope they are right. I believe this bill is going to pass. Ten percent additional incremental supply of natural gas is a goal greatly to be desired by people in this country, and particulary by those of us in States that have been devastated by lack of jobs in the oil and gas industry. This bill offers real hope, not just to the consumer—and it does offer hope to the consumer—not just to the producer, and it offers a lot of hope to him, but particularly to those devastated producing States who have had high unemployment, it will produce employment. It will produce natural gas, and it will do so at a good price for consumers.

Mr. McCLURE. Mr. President, will the Senator yield me 4 minutes?

Mr. JOHNSTON. Mr. President, I yield the Senator from Idaho 4 minutes.

The PRESIDING OFFICER. The Senator from Idaho [Mr. McCLURE] is recognized for 4 minutes.

Mr. McCLURE. Mr. President, this is a day that I have long awaited, the opportunity for us to bring about the decontrol of the last vestige of Federal price controls on an essential energy commodity.

I hope people will recognize that after many years of Federal regulation of natural gas prices, we produced a shortage. This is not simply an academic exercise, although academicians have argued about the effects of price controls for ages. This is a concrete example of what happens under controls, and that is that production is dampened, the consumers benefit in the shortrun and pay a higher price in the longrun, as they produce shortages, lack of supply.

We demonstrated as we went through this process that the partial deregulation that was achieved by NGPA will break that cycle, will bring about greater production, but it also ended up in higher prices than the consumers ought to have to pay.

This is not theory; this is fact. We can demonstrate it by past history: too much regulations brought about, first of all, shortage of supply and, second, prices that were too high.

The consumer will benefit by the deregulation of the remainder of the natural gas supply.

The second point I wish to make is that indeed this does not interfere with State prerogatives to regulate local distribution companies in whatever way the State decides they wish to do. It preserves the State regulatory process. It dismantles the Federal price regulatory process.

And the final point for those who are wondering as they come to the floor to vote what will they be voting on, they will first vote on the Bradley amendment which must be defeated if you hope that this bill will accomplish what we believe it can accomplish. The Bradley amendment is unnecessary, unneeded; it ought to be defeated rather than to allow it to destroy the opportunity to bring about a deregulated market at the Federal level with respect to natural gas.

So I hope on the first vote Members will vote against the Bradley amendment and then join the rest of us in taking the step that has been long awaited by many of us and that is the dismantling of the Federal price regulation of natural gas in this country.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, we are not in a quorum call, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. Mr. President, will the Chair be good enough to advise with respect to the time?

The PRESIDING OFFICER. The Senator from Ohio has 14 minutes and 52 seconds remaining; the proponents of the bill and opponents to the Bradley amendment have 53 seconds remaining.

Mr. METZENBAUM. Mr. President, there is no doubt that the Senate will shortly vote to end 35 years of regulation of natural gas prices. The final margin of victory is the only outstanding question.

For those of my colleagues who are now making up their minds, I urge you to vote "no." I urge you to vote "no" because I am certain as I stand here that passage of this bill will come back to haunt you. Passage of this bill will be an issue in the winter of 1989, it will be an issue in the winter of 1990, because all reliable sources indicate that natural gas prices are going to rise. There is only one question. How much will they go up?

I know of no source, no reliable source, noboby who has said that natural gas prices are going to come down.

Passage of the bill has nothing to do with reducing paperwork. Let us not kid each other. Passage of this bill has to do with dollars, how many millions and maybe billions of dollars are going to be placed in the hands of the producers, the pipelines, and, yes, maybe even the local distribution companies as well, but not to the same extent. The main beneficiaries are going to be the producers and the pipelines.

The argument is made that when the Natural Gas Pricing Act was passed in 1978 it was predicted that prices would go up and they did not, and I am not prepared to dispute that fact, but something happened. Something happened; oil prices were on their way up, and suddenly oil prices went way down. The OPEC oil ministers thought that they could control the production and thereby control the prices of oil. There is no question about it: oil prices relate to gas prices.

The OPEC ministers were unable to do this. The OPEC nations failed in that effort. And so you had plenty of oil coming into the market and prices tumbled very rapidly.

There is a reality in the world in which we live with respect to fuel sources. If you can buy oil cheaper on a per Btu unit than you can buy gas, you are going to buy oil. So when oil prices came down, gas prices also came down. It was not that there was that much new gas, that is a fallacy. That is not correct. It was that the competitive market just was not there to push prices up.

Proponents would argue that this is a minor piece of legislation, that this legislation really has nothing to do with prices, that this just has to do with getting the yoke off the back with respect to regulation. They would claim that it has more to do with K Street lawyer fees than with Main Street heating bills.

The fact is, sure, lawyers make fees, but we are not talking about legal fees here; we are talking about gas prices.

I do not care what State you come from. I put in the RECORD the other day the number of households using natural gas in every State of the Union. There are a couple that do not use much. But across the board you will find that people in State after State after State heat with natural gas. Those are the people who are going to pay the bill, consumers, and, yes, the industry as well because those industries that use natural gas will also be paying the bill and they will pass those costs on to the consumers.

There will not be more jobs as a consequence of this bill. There is nothing in this bill that has to do with jobs, as a matter of fact. I would like to think it would have more jobs. If it would I would probably consider voting for it. But there is nothing in this bill having to do with more jobs.

I will tell you. This bill does not have to do with lawyers and technical provisions. That is not what is up here.

I will tell you what is up here. Gas prices are going up. A vote for this bill means that you will be able to look backward and say "I helped gas prices go up" and you are going to be able to say proudly "I helped the oil companies of this country," because the 10 largest oil companies in this country control 45 percent of the total natural gas reserves of this country.

The oil companies and the gas producers want to ride that rocket as high as it will take them.

Under our current system of controls, we have a supply of old, cheap gas. That old, cheap gas is now selling below a dollar which helps protect consumers from higher heating bills. It sells for below a dollar notwithstanding the fact that the market price of natural gas is somewhere between $1.35 and $1.65 at most.

When the price controls are taken off that old gas is going to cost consumers more.

Under this bill there is no cushion, no protection, no solace for consumers. Under this bill, all of the old gas reserves that the oil companies have been buying up and holding on to will be decontrolled. As a matter of fact, at the present time, almost 40 percent of the flowing gas is still controlled.

It is a fact that only 6 percent of that gas is under the market price. But when prices go up and there are no controls, then, as to that other 34 percent, the controls will be taken off that as well, and this bill will provide a windfall profit of untold and unknown proportions.

I can say to my colleagues that I would not be the least bit surprised to see oil company stock prices in the marketplace go up promptly upon the President's signing of this bill or the Senate passing it.

Mr. President, I made my case on this bill. We have had a long and spirited debate. I know that I am not going to prevail. We have argued long and hard, and I congratulate the managers of the bill on their victory.

But I think it will be a hollow victory, because it is no victory for consumers.

My colleague from Louisiana says this bill offers real hope to the consumers. I say to him, the consumers of this country are going to be hurt and this bill is the one that is going to hurt them. Deregulation is no bargain for average Americans.

My colleague points out that the Washington Post today says that "Passing this bill will return the last corner of the economy to the kind of market pricing that serves the country best." Well, there is one problem with that point of view and that is that that point of view with respect to decontrol and market pricing does not always work so well.

I was here when we all joined in deregulating the airline industry. Ask the American people whether they think deregulation has worked well in that respect. There is little competition out there in the airline industry today and there are higher prices across the board.

Ask the American people about telephone deregulation. Ask them if they think that worked so well. I was for it, but it was a mistake in retrospect.

Ask them about the deregulation of the savings and loan industry. What a wonderful thing that was. Let the free market work. That was the Reagan administration policy. It is going to cost us about $239 billion for that little error and I am now told that it may go up to $300 billion.

The American people will tell you in passing this bill, "Thanks, but no thanks." Frankly, I think the American people are going to wake up and suddenly find what has occurred on the floor of the U.S. Senate and the House of Representatives. They do not know what is going on at this moment about this legislation. It is a low-profile issue. But when the prices go up and heating bills go up and producer profits go up, they are going to look back and say, "How did this all happen to us? Where were the Members of the Congress when they should have been standing up fighting for our concerns?"

I urge my colleagues to resist the shortsighted view. I urge you to look to the long term. Do not cancel consumers last remaining piece of insurance against rising energy prices.

Passage of this bill will be hurtful to the economy. Passage of this bill will

be inflationary. Passage of this bill will be counterproductive.

I think it is going to pass. As I have already said, I congratulate those who are handling the measure, but I cannot congratulate the consumers of this country. They are going to pay the bill. They are going to pay the price. Those Senators who see fit to vote for decontrol are going to be called upon by their constituents who will say, "Why did you do that to us?"

Mrs. KASSEBAUM. Mr. President, in recent years the Senate has addressed a variety of deregulation issues. We have struggled through deregulation of the aviation industry, we have struggled through deregulation of the savings and loan industry, and we have struggled through deregulation of the interstate busing industry. As to whether all this deregulation has been beneficial, I think the verdict is still out.

Kansas is currently facing the prospect of losing important interstate bus service. This would pose a significant hardship on many rural communities. The same can be said of rural air service. These examples indicate the importance of not taking deregulation lightly.

Industries are regulated to protect captive customers from capricious actions by dominant suppliers. Suppliers have every incentive to raise prices for captive customers and to discount prices to noncaptive customers. Such as incentive is always part of a deregulated and competitive market. Captive railroad shippers face this problem, as do captive cable television viewers.

Kansas has a large supply of natural gas. Kansas also has a large number of residential consumers of natural gas. Many are elderly living on fixed incomes. They use the gas to heat their homes in the winter and to cook their daily meals. Natural gas is a basic necessity, and these consumers are truly captive. If natural gas prices go up, they must somehow pay the increase.

Given the fact that the idustry is in the midst of substantial change, I think we should either address deregulation in a comprehensive manner or we should not act at all. Attempting to deregulate an industry undergoing such a transformation will almost assuredly lead to unintended and unforeseeable consequences. Past statistics on which this legislation is based may very well be meaningless in the vastly changed natural gas industry of tomorrow.

If we really want to deregulate the market, we must have the courage to face the take-or-pay issue, and we must have the courage to face the bypass issue. Addressing half the issues only sanctions marketplace distortions. Many natural gas contracts were drafted years ago on the assumption the market would continue to be regulated. As long as those contracts are in effect, we can be assured of continued market distortions. I have no doubt as to the fact that it will be the captive residential consumers who are most affected by such distortions.

Although I am not afraid of change, I see no need to act simply to be acting. I am skeptical that the projected benefits of this bill will ever be achieved, and I think it is quite possible its consequences will be unintended and undesirable. Like the section 89 outcry or the savings and loan fiasco, the ramifications and public awareness of this bill may not be evident until serveral years after it has been passed. By then, the time for an appropriate congressional response will have lapsed. Given the fact that the industry is now in a state of significant change and the future of gas prices is uncertain, I do not believe now is the time to enact this bill. Accordingly, I will not support it.

Mr. DOMENICI. Mr. President, there are many things that happen on the floor of the Senate which could be said to be historic. For those Members who have been here long enough to be involved in the issue of price regulation of natural gas, this is a historic occasion. The first bill I cosponsored in this body was on that subject. Months of the 95th Congress were spent in closed-door negotiations and in battles on the floor over this issue. Months of our time in 1982 and 1983 were spent battling over this issue. Yet, today we are considering a bill which, except for one major difference, passed the House by unanimous consent.

There will be amendments offered to this bill which are controversial. I do not know if any will be accepted. This is a bill which deregulated the prices for natural gas in a way some of us argued was appropriate in 1983. It does little harm to existing contracts. It does not set up huge regulatory schemes to "phase out" or "phase down" prices of different categories of natural gas. It simply will eliminate all remaining Federal controls on wellhead sales of natural gas and would do so effective January 1, 1993. In some cases, wellhead controls would be deregulated even sooner.

Only a small percentage of natural gas remains regulated—about 6 percent of that produced domestically. The ceiling prices of this small amount are constrained at below the market prices. I believe that wellhead decontrol will help to ensure that demand in this country is met by adequate, new supplies of gas that might otherwise not have been drilled while under Federal control.

Let me speak for a moment about the major difference between this bill and the House-passed version that I spoke of earlier. It is commonly referred to as the "newly spudded issue." What the House proposed was that for any well started after March 23, 1989, it would not receive the price under which the well would have normally brought under an existing contract. Clearly, the advocates of this provision hoped that, where producers had managed to negotiate or be entitled to a higher incentive price, they would lose it. They would lose it in spite of the fact that they had a valid contract for it. Now this is the very issue over which this legislation died in 1983. The sanctity of contracts was at stake. The House has said they want to force producers to lower their prices on all wells drilled after March 23, 1989, even though they have a right to a higher price. I am glad the Senate disagrees.

Now, Mr. President, I do not know why this provision passed the House without comment. I do not know how those who opposed the legislation in 1983 could support this provision. My State of New Mexico is bound to be affected adversely by the House provision and I am seeking to quantify this. I hope that my colleagues here in the Senate will be prepared to fight to keep the Senate position in the final legislation.

Mr. METZENBAUM. Mr. President, what is the time situation at the present time?

The PRESIDING OFFICER (Mr. KOHL). The Senator has 3 minutes and 15 seconds.

Mr. METZENBAUM. And I understand the managers of the bill have 53 seconds remaining. It is my understanding the Senator from Louisiana is prepared to yield back the remainder of his time.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

Mr. METZENBAUM. Mr. President, the managers of the bill have yielded back their time. I yield back the remainder of my time.

VOTE ON MOTION TO TABLE AMENDMENT NO. 195

The PRESIDING OFFICER. All time for debate on the bill has expired.

Under the previous order, the question recurs on amendment No. 195, offered by the Senator from New Jersey.

Mr. JOHNSTON. Mr. President, I move to table the amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana [Mr. JOHNSTON] to table the amendment of the Senator from New Jersey [Mr. BRADLEY]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—55

Armstrong	Exon	McClure
Baucus	Ford	McConnell
Bentsen	Fowler	Murkowski
Bingaman	Garn	Nickles
Bond	Gorton	Nunn
Boren	Gramm	Packwood
Boschwitz	Grassley	Pryor
Breaux	Hatch	Robb
Bumpers	Hatfield	Shelby
Burdick	Heflin	Simpson
Burns	Helms	Stevens
Byrd	Hollings	Symms
Cochran	Inouye	Thurmond
Conrad	Johnston	Wallop
DeConcini	Levin	Warner
Dixon	Lott	Wilson
Dole	Mack	Wirth
Domenici	Matsunaga	
Durenberger	McCain	

NAYS—44

Adams	Heinz	Mitchell
Biden	Humphrey	Moynihan
Bradley	Jeffords	Pell
Bryan	Kassebaum	Pressler
Chafee	Kasten	Reid
Coats	Kennedy	Riegle
Cohen	Kerrey	Rockefeller
Cranston	Kerry	Roth
D'Amato	Kohl	Rudman
Danforth	Lautenberg	Sanford
Daschle	Leahy	Sarbanes
Dodd	Lieberman	Sasser
Glenn	Lugar	Simon
Graham	Metzenbaum	Specter
Harkin	Mikulski	

NOT VOTING—1

Gore

So the motion to lay on the table amendment No. 195 was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COATS. Mr. President, I rise today to add my support to the Natural Gas Decontrol Act, and I commend the sponsors of the bill, Senators JOHNSTON and NICKLES, for their leadership on this issue.

As a Senator who represents an energy-consuming State, and as a former member of the Energy and Commerce Energy Subcommittee, I am pleased that Congress finally has this opportunity to take the necessary step of decontrolling the natural gas market. It is a market which has stabilized to the point where total decontrol will not hurt consumers in northern industrial States. In fact, I am convinced that decontrol, in the long run, will help those consumers.

In my own State of Indiana, we have long, cold winters, and the gas shortages of the late 1970's are still vivid in the memory of many of my constituents. Hoosiers deserve as many choices as we can provide them, and I believe the best way to guarantee choices and ensure the availability of cheap energy is to let the market do its work.

Current environmental problems also emphasize the desirablility of expanding energy alternatives. Natural gas is a clean-burning fuel. And with the threat of acid rain legislation, which would potentially cause a drastic increase in coal-burning electricity in Indiana, I believe a stable natural gas market and viable energy alternatives are increasingly important.

Mr. President, the natural gas industry has seen surprising and encouraging changes in the past decade. First, and foremost, the expected jump in natural gas prices after partial decontrol in 1985 never materialized. In fact, there has been a drop in prices of about 35 percent, a savings which has been passed on to consumers.

Second, through landmark decisions by the Federal courts and the Federal Energy Regulatory Commission, a more competitive pipeline system exists today, which gives more options to producers, pipelines, and suppliers.

These events have created a situation where, while 40 percent of 1988 production was still under NGPA price controls, the Energy Information Administration estimates that only about 6 percent was below the market price. The other 34 percent has, in effect, already been deregulated.

The time for deregulation has come. Consumers today are entitled to a free energy market that provides choices and savings. And I ask my colleagues to support this bill.

Mr. BOREN. Mr. President, today we take an important step toward the formulation of national energy policy. When the Senate passes H.R. 1722, as amended by the Energy Committee, we will move closer to ending 35 years of unnecessary natural gas price controls.

I would like to commend the chairman of the Energy Committee, Senator JOHNSTON, for his skill in moving this legislation through the Senate.

If anyone has any concerns about whether or not this legislation will increase our domestic energy supplies, they need only look at what happened when Congress decontrolled deep gas in the late seventies and early eighties. At a time when so-call experts were saying the United States had run out of natural gas, Congress turned loose the economic forces of the marketplace and the result was a surge in new natural gas reserves. We are today still working through the "gas bubble" created by that new supply.

There are those who say this legislation will result in higher prices to consumers. These are the same people who said there would be a fly-up in gas prices on January 1, 1985, when natural gas was partially decontrolled. In fact, since that time gas prices have actually declined as market forces have begun to play an increasingly larger role.

Today's legislation will complete that process begun in 1985. By 1993 all natural gas will be priced according to market forces. Consequently our domestic energy producers will be better able to respond to changing market forces. There will be an adequate market reward for the risk of attempting to find new natural gas reserves, something that has been lacking over the last 20 years.

The future of natural gas as a major energy source is bright indeed. It is a clean fuel found in abundance in the United States. By removing the last remaining price controls on natural gas we will be giving our domestic independent energy producers that opportunity to do what they do best—find new sources of natural gas at the lowest possible cost. I urge my colleagues to support this legislation.

Mr. BURNS. Mr. President, I rise today in support of the Natural Gas Wellhead Decontrol Act of 1989. This bill would eliminate all remaining Federal controls on wellhead sales of natural gas effective January 1, 1993. This measure will allocate natural gas in the most effective manner possible—according to the laws of supply and demand. Competition in the marketplace is one of the goals in the bill before us.

Under the Natural Gas Policy Act of 1978, much of the domestic natural gas production in this country has already been decontrolled. But there remains a portion of natural gas production that remains under Federal control. This bill would move to decontrol that portion of production. The bill is a carefully crafted compromise of all concerned parties.

The American natural gas industry needs this bill. And, the American consumer needs this bill. Natural gas decontrol will move the industry ever closer to true marketplace competition. It is from that competition that the consumer will stand to benefit. In addition to the added competition that will result, the bill should enhance exploration for new and additional sources of domestic natural gas.

The industry has been severely depressed in the past several years. Exploration in Montana has fallen off dramatically. We need to do what we can to revitalize the basic industries of this country. Montana will benefit from additional exploration. And consumers will benefit from additional supplies and competitive pricing.

Mr. CHAFEE. Mr. President, we have just seen the Senate's decision on an energy policy that has been hotly debated for many years: natural gas price controls. Academics, politicians, and businesspersons have long argued over the effectiveness of price control

policies. In the Senate, the control and decontrol of the price of natural gas sparked controversy from the very first day of consideration, many years ago.

Why? Part of the reason for such heated debate is the fact that we live in a constantly changing energy environment. To ensure a reliable, inexpensive energy source—an increasingly difficult task—we must adapt our policies to fit the existing global energy situation.

Thirty-five years ago, price controls on natural gas came into effect as a result of a consumer protection and regulation measure approved by the Congress. However, 20 years later during the winters of 1975 and 1976, those same price controls were widely blamed for a severe natural gas shortage. Congress thus voted to partially decontrol the prices by passing the Natural Gas Policy Act of 1978, again to protect the consumer.

Today, we want to continue protecting consumers. But since our energy situation has changed once again, it is worth reevaluating the policy of partial natural gas price control. We need to make sure that the policy still "fits"; in other words, ensure that controlling prices still has a positive impact on the consumer.

As it turns out, we aren't sure that price controls on gas are still good for the consumer, given the difference in our energy situation today. Most of the gas still bound by the old price controls today sells for less than the fixed price ceiling. Only 6 percent of all gas is actually affected by the controls, according to the Energy Information Agency of the Department of Energy. That means that decontrolled gas effectively represents 94 percent of the gas we have in the market today.

In fact, there is a strong case to be made that natural gas price controls are having a negative effect on consumer prices. Many worry that price controls overregulate the market—that the long process of arranging new contracts inhibits the industry's ability to react quickly to consumer needs, and ends up costing everybody more.

But more importantly, we have seen the effects of the partial decontrol of the Natural Gas Policy Act of 1978. The final phase of decontrol was completed on January 1, 1985. Despite dire warnings, and many strong concerns, including my own, about a sudden flyup in gas prices, it never occurred. In direct contradiction to these fears, the wellhead price per thousand cubic feet of natural gas fell from $2.66 in 1984 to $1.71 in 1988. Consumer prices during that time dropped by $.66 per thousand cubic feet.

I think it is also important to keep in mind that, although we are now experiencing a greater supply of natural gas than demand, our energy needs are likely to increase. Let me take a moment to consider my home State of Rhode Island.

Rhode Island is the smallest State in the country. We are only about 1,200 square miles in size. But we are the second most densely populated State in the country, with over 900 people per square mile. Add to that an active and growing economy, and you get substantial energy needs that continue to grow every year. Mr. President, I am proud of Rhode Island's energy conservation efforts. But these efforts cannot always mitigate the increasing energy need spurred by our economic expansion. Therefore, Rhode Island consumers and businesses need to be assured of a steady and reliable supply of natural gas, uninhibited by artificial constraints.

It is generally agreed that the price of natural gas will rise in the future whether this act passes or not. Given this fact, we need to be sure that no Federal policy actually helps prices increase, and we certainly must be sure that no policy inhibits quick reaction by the market to our needs.

Therefore, Mr. President, after careful consideration of the implications of decontrol for Rhode Islanders, I believe that decontrol of the remaining natural gas is the right step.

Mr. BRADLEY. Mr. President, it is with mixed feelings that I cast my vote against this bill today. As anyone knows who has followed these issues, I have tried to stay at the forefront of those who value and endorse competitive energy markets with a maximum of efficiency and a minimum of bureaucracy.

Although this bill is characterized as the decontrol bill, this is an overstatement. Gas price decontrol, as has been well-documented during this debate, is largely accomplished. The critical legislation was passed in 1978, the Natural Gas Policy Act. The bill that's considered today is much more limited and that, I believe, is its chief failing.

In the amendment I put before the Senate, my chief goal was to protect an essential part of a competitive gas market—open-access transportation. With the adoption of my amendment, I believed there would have been a necessary and symmetry to the bill a competitive wellhead price and a competitive transportation system—without one the other is less. As I have made clear in my statements, price decontrol at the wellhead is absolutely irrelevant without access to transportation. Unfortunately, my amendment was rejected by the Senate.

Clearly, there is a judgment call to be made. The proponents of the legislation acknowledge that it is a very limited bill. But we should not ignore the opportunity to insure a fully competitive and complete marketplace. I do not want to wait another 10 years before we try to broaden our legislative focus. Price decontrol without a competitive transportation system is going only part way and is potentially mischievous in ways that could hurt the consumer and the producer.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed for a third reading, and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 82, nays 17, as follows:

[Rollcall Vote No. 91 Leg.]

YEAS—82

Adams	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baucus	Gorton	Murkowski
Bentsen	Graham	Nickles
Bingaman	Gramm	Nunn
Bond	Grassley	Packwood
Boren	Harkin	Pell
Boschwitz	Hatch	Pressler
Breaux	Hatfield	Pryor
Bumpers	Heflin	Reid
Burdick	Heinz	Robb
Burns	Helms	Rockefeller
Byrd	Hollings	Roth
Chafee	Humphrey	Rudman
Coats	Inouye	Sanford
Cochran	Jeffords	Sasser
Cohen	Johnston	Shelby
Conrad	Kasten	Simpson
Cranston	Kennedy	Specter
D'Amato	Kerrey	Stevens
Daschle	Kerry	Symms
DeConcini	Lott	Thurmond
Dixon	Lugar	Wallop
Dodd	Mack	Warner
Dole	Matsunaga	Wilson
Domenici	McCain	Wirth
Ford	McClure	
Fowler	McConnell	

NAYS—17

Biden	Kassebaum	Metzenbaum
Bradley	Kohl	Mikulski
Bryan	Lautenberg	Riegle
Danforth	Leahy	Sarbanes
Durenberger	Levin	Simon
Exon	Lieberman	

NOT VOTING—1

Gore

So, the bill (H.R. 1722), as amended, was passed.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I want to thank my colleagues for passing this historic bill by such a large margin. I want to particularly thank Senator McCLURE who has been such a leader all year—actually, for about a decade-and-a-half now on natural gas.

I want to thank Senator NICKLES from Oklahoma who has also been for all these years in the Senate a strong leader on natural gas. Senator BINGAMAN has been a coauthor, a constant help in this; Senator DOMENICI has been vitally interested and a big help; Senator WIRTH helped lead our floor activity, and was a very strong leader all along on natural gas. In fact, almost all the members of our committee, Mr. President, have been involved with this bill. I thank them all.

Mr. President, I think I mentioned first on the list, at least first on my list was Senator FORD. If I did not mention him, it is because he was first on the list, and too obvious. Actually, Senator FORD was our margin of victory in the Natural Gas Policy Act way back in 1978, and has been a strong leader ever since then.

Mr. President, I want to thank staff on our side of the aisle. This is Don Santa's first bill. He has been with the committee only 3 months, and he has come in magically and led the way on the staff side to get deregulation after 35 years. So that is a pretty good record in 3 months. Daryl Owen, our staff director, has done excellent work.

Mr. President, I must note that the minority staff working as a team has been helpful as well, and I would like to yield to Senator McCLURE to talk about that.

Mr. McCLURE. I thank the Senator for yielding. I certainly do want to compliment the chairman on the way in which he has handled that. If indeed we could perceive any difference over the last 20 years, he has a new staff member who in 3 months accomplished what all the rest of these fellows have been working on for 20 years. We should have gotten him sooner. Of course, we all know as a matter of fact that this is a long and sometimes difficult battle.

Through the 1970's and into the 1980's, there are a great many people who have figured in this battle—never anyone more constantly in the battle nor more effectively than the distinguished Senator from Louisiana, the chairman of the committee. My hat is off to him. Under his leadership and with his constant effort, we have been able to achieve what we have not been able to achieve in the past.

I want to particularly compliment Howard Useem with the minority staff, Frank Cushing, staff director, and the other staff members who have worked on this over a long period of time.

You know, I keep getting back to how long it has been, and how many hearings we have had, how many markup sessions we have gone through, and how many bills we have brought to the floor. Hopefully, we have now kind of capped that effort with this legislation. Of course, we have one more hurdle to go, and that is in conference with the other body. That conference does not appear to be difficult, although there is one issue upon which there is strong feelings on both sides of the Capitol, and on both sides of the issue. But that is not the kind of issue that causes this kind of measure to fail.

We will accomplish that conference. We will bring the bill back in agreement, and we will be able to get the conference report passed.

This is a very signal day for those who really do believe that price controls create shortages, and that free markets produce profits and keep prices lower in the long run. That is what the debate has been all about. I am very, very happy that we have achieved this result here today.

I thank the Senator from Louisiana.

SENATOR DOMENICI CALLS FOR WORLD ENERGY SUMMIT TO EXAMINE GLOBAL WARMING

Mr. JOHNSTON. Mr. President, recently, our good friend, the distinguished Senator from New Mexico [Mr. DOMENICI], gave a major speech on clean air issues to a summit meeting of environmental groups in Albuquerque, NM.

During that speech, Senator DOMENICI spoke of a variety of air pollution issues: local, national, and international.

While all of his comments were interesting, I was particularly impressed with his review of the global climatic situation, as it relates to clean air and energy use.

Concern continues to grow over the greenhouse effect. Senator DOMENICI rightly notes that global warming, as a result of pollution, could be "a disaster unlike any this planet has experienced during mankind's tenure."

During the speech, Senator DOMENICI goes on to discuss the huge increases that are forecast in the world's population, particularly in the Third World, and the accompanying increase that will occur in demand in energy, which Senator DOMENICI calls the "fundamental component" of economic growth.

Senator DOMENICI told the Albuquerque meeting that the United States must take the lead in developing a comprehensive international energy policy, beginning with an International Energy Conference designed to lead to the greater use of non-fossil-fuel sources, both here and throughout the developing nations.

Mr. President, Senator DOMENICI's speech was both wise and thoughtful. I ask unanimous consent that the portion of Senator DOMENICI's speech regarding energy issues and global warming be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT OF SPEECH BY SENATOR PETE V. DOMENICI

GLOBAL ENVIRONMENTAL PROBLEMS

Now, let me turn to the international front. The other day, I heard a private talk given by a former leader of one of the great European democracies.

He talked of many things, but during his talk he cited four overriding problems that confront mankind—problems for us, for our children, and for their children. Included in those concerns were:

1. Population growth, and
2. The world environment, in particular global warming.

I want to spend the remainder of my talk discussing those challenges, particularly the second one, the challenge facing a planet on which the median temperature seems likely to be rising, quite possibly at a dangerous rate.

We know that global warming—the Greenhouse Effect—could be a disaster, a disaster unlike any this planet has experienced during mankind's tenure.

Many scientists predict that the accumulation of CO_2 and other gases will raise the planet's mean temperature in the next 50 to 60 years by 3 to 4 degrees centigrade, the same increase that brought us out of the Ice Age 18,000 years ago.

Because this issue is so complex scientifically, it is not clear whether or not these forecasts are accurate.

But we do not have the luxury of waiting until we know for certain what increases might occur.

We must act, recognizing that a "Greenhouse" cataclysm is possible. We must do all that we reasonably can to build a global awareness—and action—while more data is developed.

While global warming—or the extent of warming—may not yet be conclusive, one thing that is absolutely certain is that the number of people on this planet will continue to increase at a startling rate.

In the year I was born, 1932, about 2 billion persons lived on this planet. Today, there are just over 5 billion of us. The United Nations Population Fund now predicts that by the year 2025—36 years from now—there will be between 8½ billion and 10 billion human beings living on the planet.

Human experience tells us that each of those individuals will be seeking material advancement, a better life for themselves, certainly, a better life than their parents experienced in 1989.

Our country's policy is to encourage prosperity. The hallmark of America's world leadership since World War II has been to foster democracy and economic growth.

What that means, of course, is that the world of the early 21st century will not only

be a far more populated world, but it will almost certainly be a world of far greater consumption than exists today.

And of that huge increase in population, about 90 percent will occur in nations of the Third World.

These developing nations will demand—and justly demand—their fair share of the economic growth. They will very possibly experience a growth rate faster than our own.

Those billions of new humans will not sit gladly in mud huts, thankful that they are contributing to a better environment. They will demand a better life, and they will deserve it.

So with that framework, let me pose a question: What is the fundamental component of that economic growth, the growth after which billions of humans are—and will—be clamoring?

The answer is energy.

Without energy, our standard of living will collapse and mankind's survival is threatened.

That doesn't mean we can't be more efficient in our use of energy. But the combination of the twin growth in population and human expectations make it certain that energy demand will expand.

And since the burning of fossil fuels is tied so very closely to what appears to be a warming of the planet, we confront a situation we dare not avoid.

We—as individuals and as government officials—face a challenge that can be called "staggering."

The risk of doing nothing is horrendous. We must act, and we must begin to act promptly to meet this challenge—not just the challenge of protecting our climate, but the challenge of ensuring that energy is available for mankind's progress.

We cannot wait until incontrovertible scientific proof appears to validate or invalidate the estimates on global warming.

With all this in mind, I have concluded that we will not suddenly scale down energy use. Such a change will be politically unsustainable in the United States and Europe. And other countries, the developing nations, simply will not accept the fact that they cannot improve their standard of living.

Because of what America is—the richest and most powerful nation, the nation that is responsible for about 25 percent of the man-produced carbon dioxide—we simply must take the lead in addressing the climatic situation that will affect all human beings.

Recognizing all of that means we must take the lead to develop a comprehensive international energy policy to meet the challenges ahead and to move toward energy sources that will not endanger our atmosphere.

If we don't I can assure you that no one else will.

For millions of years, CO_2 was in balance on this planet. Nature produced—and consumed—about 100 billion tons of CO_2 a year through the natural cycle of photosynthesis and respiration.

Mankind upset that balance when we began to burn wood and later coal and oil in vast quantities. Even though man's activities produce just 6 billion tons of CO_2—about 1 ton per person per year—much of that 6 billion tons has not been consumed in the environment, but accumulated in the atmosphere.

We can't eliminate the build-up, but I would like to suggest several steps that I believe are a pre-requisite to reducing the rate of future CO_2 accumulations. These are not magical solutions, but they will definitely move us forward.

First, President Bush is absolutely correct in calling for the negotiation of an international treaty on global warming. That has been done, and the conference will take place beginning this October in Washington, D.C. Forty or so nations will examine the financial, economic, technical, and legal issues for responding to climate change.

Once those nations develop the framework for an international treaty, they will take that document to meetings of the Intergovernmental Panel on Climate Change next summer for further evaluation.

I can't begin to suggest to you what such a treaty will look like, but I am encouraged that we are moving forward.

More than a decade ago, Senator Dale Bumpers and I initiated the groundbreaking hearings that led to an international treaty reducing the use of CFCs—chlorofluorocarbons—by 50 percent in the industrialized nations by the end of the century. CFC gases are not only "greenhouse" gases, but they are the culprits for depletion of the ozone layer.

We are going back to the table to negotiate a total phase-out of CFCs. While the CFC issue was a far easier challenge than CO_2, we now have a history of global environmental co-operation.

Second, I recommend that the White House establish an inter-agency group to develop policy options on ways to reduce CO_2 emissions, and submit those proposals to the Congress. It would be appropriate if such a task force were led jointly by EPA Administrator Riley and Energy Secretary Watkins.

I must tell you that last fall I was able to work with Senator Leahy of Vermont to get $13 million so EPA could begin to study policy implications of global warming. That was a good start.

A related concern is research into the basic science of global climatic change. Overall, in the current fiscal year, the Federal Government is spending $134 million for such research. Next year, in the Budget the Congress just approved, we will spend about $190 million.

That sounds great. I support it. But I warn you of one unfortunate fact: There really isn't much co-ordination in this spending, which is spread among half a dozen agencies. We must find ways to focus that effort more effectively, to develop solutions to particular problems.

I certainly intend to work within the Senate's Energy Committee, on which both Senators Bingaman and I serve, to move us toward a coordinated effort.

And certainly, our national laboratories—including Los Alamos and Sandia—have the skills and knowledge to become leaders in this effort.

The list of worldwide science and policy issues regarding the climate is extensive.

What more can we learn about the methane cycle, since methane is believed to be the second most significant contributor to climatic change?

What is the role of clouds in climatic change, and the role of the oceans?

To what degree is the price of energy a factor in emission forecasts?

What do we do about Third World deforestation, which contributes an estimated 20 percent of the CO_2 mankind sends to the atmosphere? How do we reverse a situation where for every tree that is planted in the Third World, 10 are cut down?

My third and primary proposal is this: The United States should call for an International Energy Conference to encourage all nations to begin to address energy use and new sources that are compatible with our world environment. Our nation must take the lead in encouraging the use of sources of energy other than fossil fuels.

That doesn't mean our oil fields will be closed down. What it means is that we absolutely must increase our research into alternative, cleaner sources of energy.

Such a conference is valid, whatever the impact of global warming.

Right now, the Federal government is spending just over $500 billion a year for research into high-temperature fusion.

We need a much stronger effort on solar energy.

And while many of you may disagree with me, I am convinced we must move toward greater use of nuclear energy, starting with a stepped-up effort to design fail-safe nuclear power plants.

We must move toward a long-term worldwide energy policy, particularly one that encourages technology transfer assisting the Third World.

And we certainly need to bring the industries and countries of the world into this dialogue.

Before closing, let me cite the example of China.

China today produces an estimated 10 percent of the man-made CO_2. And China, with its population exceeding 1 billion is in the midst of its own Industrial Revolution.

China also happens to possess vast quantities of coal, the resource that could propel China into the First World. It is a resource that will obviously accelerate worldwide CO_2 emissions. And it is also high-sulfur coal, the kind that produces acid rain.

Do we tell China: Sorry, you can't use your coal?

And even if we did, would they listen?

I think the answer is obvious. It will only be through a coordinated international effort that countries such as China will be able to leap into the future without committing horrendous damage to this planet.

I think the answer is obvious. It will only be through a coordinated international effort that countries such as China will be able to leap into the future without committing horrendous damage to this planet.

Mankind has probably never faced a more difficult challenge. It is one that will require our every skill—both scientifically and politically—even if the problem is only a fraction as bad as some forecast.

I guess there is no one in this room who doesn't know that I am an optimist. I believe we can meet that challenge. But we will only meet it if we recognize it for what it is—possibly the greatest challenge in the history of this beautiful planet.

RECESS

Mr. JOHNSTON. Mr. President, on behalf of the majority leader, if no one else wants to be heard at this time, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 12:47 p.m., recessed until 2:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the information of Senators, as I announced earlier in the week, it is my hope that we will be able to proceed today to consideration of the nomination of Richard Burt, to be the Chief Negotiator for the United States at the START negotiations with the Soviet Union.

Early in this week I received a telephone call from the Secretary of State, James Baker, who asked that I attempt to move this nomination through the Senate, so that Mr. Burt will be in a position to begin his duties when those negotiations commence in the very near future.

However, there has been objection to Senate consideration of Mr. Burt's nomination, and accordingly, after some discussion, we were able to obtain an agreement that limits the debate on consideration of the nomination to 1 hour, when it is brought up; but we do not yet have agreement on when to bring it up. We are attempting to obtain that agreement now and have been attempting to do that throughout the day.

It remains my hope that we will be able to get to the Burt nomination later this afternoon, have the hour of debate that is permitted under the unanimous-consent agreement now in force with respect to that nomination, and have a vote today, the vote occurring at or around 6 p.m. But that is the reason for the delay in proceeding, as we attempt to work out a process by which we can consider a vote on this nomination, as requested by the President and the Secretary of State.

I might note that what we are trying to do here is to accommodate the President and the Secretary of State. We will continue to do so with respect to this nomination.

RECESS UNTIL 3 P.M.

Mr. MITCHELL. Mr. President, since we do not have that matter resolved yet, I see no useful purpose in merely requesting or suggesting the absence of a quorum. I will therefore ask unanimous consent that the Senate now stand in recess until the hour of 3 p.m., and I hope at that time to have an announcement—I hope to have worked this matter out—and that we will be able to deal with this nomination later this afternoon.

The PRESIDING OFFICER. Therefore, under the unanimous-consent request, it is so ordered that the Senate stand in recess until the hour of 3 p.m.

There being no objection, the Senate, at 2:04 p.m., recessed until 3:02 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. LEVIN].

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, we have been as yet unable to resolve the matter with respect to proceeding on the nomination of Richard Burt to be the Chief START Negotiator, and therefore, I am unable to advise Members of the Senate at this time when we will get to that matter, if at all.

MORNING BUSINESS

Mr. MITCHELL. Accordingly, Mr. President, I ask unanimous consent that there now be a period for morning business not to extend beyond 3:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

DETROIT PISTONS VICTORY

Mr. LEVIN. Mr. President, as the whole world knows, last night the Detroit Pistons won the NBA Championship by beating the Los Angeles Lakers in four straight games. Last night's win capped several years of hard work by the Pistons, and reminded me of the way I used to play basketball. That is a joke, Mr. President. [Laughter.]

With Isiah Thomas serving as a catalyst, Pistons' guards Joe Dumars and Vinnie Johnson were virtually unstoppable in the finals, scoring 262 of the Pistons' 409 total points against the Lakers. Late-season acquisition Mark Aguirre added to the Pistons' potent offense. This offense was combined with an impenetrable defense provided by Rick Mahorn, Bill Laimbeer, John Salley, Dennis Rodman, and James Edwards. It was Coach Chuck Daly, my personal fashion mentor, who put it all together; and Bill Davis, the owner, whose vision and investment in this team reached fruition last night.

As the Lakers learned, the combined team effort proved overwhelming. Dennis "the Worm" Rodman and John "Spider" Salley came off the bench and crawled all over the boards at both ends. Their play made it easier for Isiah "Zeke" Thomas and Vinnie "the Microwave" Johnson to heat up the Pistons' offense and light up the scoreboard. The blistering performance of Joe Dumars, who shot 57 percent and scored 109 points through the finals, earned him the series' Most Valuable Player Award. The only thing Joe Dumars did not come away from this series with was a nickname.

Bill Laimbeer and James "Bhudda" Edwards kept even the legendary Kareem Abdul Jabbar from being a dominating factor. The Pistons' defense kept the Lakers to under 100 points again last night for the second time in the finals, and that Pistons' defense is probably the best defense in the history of the National Basketball Association.

Mr. President, for the 1989 basketball fan, the State of Michigan is the place to be. First, the University of Michigan Wolverines performed in the clutch to capture the NCAA championship, and now the Pistons have dominated the NBA playoffs. This is only the second time in history that one State has been able to achieve such success. Even the regular season Most Valuable Player, Lakers star Magic Johnson, comes from Michigan.

So, Mr. President, we are proud of our Pistons for delivering this championship. They have shown what sheer hard work and determination can do, and they have made all of us in Michigan very proud indeed.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 5 p.m. today the Senate go into executive session for the purpose of considering the nomination of Richard Burt to be Chief START Negotiator under the time agreement previously entered into.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I am authorized to state that the Republican leader has no objection to that request.

Therefore, Senators should be aware that at 5 p.m. the Senate will go into executive session to take up Mr. Burt's nomination. Under the previous order, debate on that matter will be limited to 1 hour, so that if all of the allotted time for debate is used, the vote on the Burt nomination will occur at about 6 p.m. If all the time is not used, then the vote will occur prior to 6 p.m.

Senators should be aware then that a rollcall vote may occur on the Burt nomination at or prior to 6 p.m.

RECESS UNTIL 4:30 P.M. AND ORDER FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now recess until 4:30 p.m. and that at 4:30 p.m. there be a period for morning business not to extend beyond 5 p.m. with Senators permitted to speak therein for up to 5 minutes each.

VOL 135 PT 9 JE 14 — 22 1989 UMI

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate at 3:21 p.m., recessed until 4:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. FORD].

MORNING BUSINESS

The PRESIDING OFFICER. The Senate is now in morning business. Each Senator is authorized to speak for not more than 5 minutes.

The PRESIDING OFFICER. The Chair, as a Senator from the State of Kentucky, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair reminds the Senator we are in a period of morning business and he has 5 minutes.

HOWARD SIMONS

Mr. MOYNIHAN. Mr. President, I rise to report to the Senate what Senators will already know, which is that yesterday, Howard Simons, the ex-managing editor of the Washington Post and most recently the curator of the Nieman Foundation for Journalism at Harvard University, died.

This event, which comes to us all, came sooner than it ought to Howard Simons, who was such a life force in his time that it is hard to realize he has gone.

He knew this was coming. He was diagnosed with pancreatic cancer. A former science writer himself, he had no illusions of the imminence of his failing. He reported it immediately to his charges, if you would like, among the Nieman fellows. He finished his term and then his life itself finished.

He was, Mr. President, a friend and confidant of so many persons in this city, Nation, and world, that one almost feels presumptuous speaking of him in a sense that might suggest a more personal relation than others would have had.

I would only record that he and his lovely, talented wife, Tod, were special friends of my wife, Elizabeth, and myself. They were Albanyans and would frequently stop with us on their way up from Washington, across New York State, to Albany. And we came to know him, the personal man, the Albanyan, the impish and wide-ranging Howard Simons who would perhaps not always make himself known in the city room of the Washington Post.

In an extraordinarily sensitive obituary in this morning's Post, Mr. Noel Epstein records Katharine Graham as saying: "He filled an essential and even a heroic role at The Post." And we will always recall that description in the context of the necessary, dogged and in the end hugely consequential inquiry into the Watergate affair. But much more than that was involved.

Donald E. Graham, now the publisher of the Post, says, "Howard was one of the two basic forces, with Ben Bradlee, that created the paper you are reading today. One hopes that his principles, his news judgment, his flair, his wit and the people he chose and inspired will be part of the Post for decades to come."

I am sure we would all join in that wish and, by extension, hope that his influence will endure in American journalism at large. It was so appropriate for him to leave a specific assignment when his work was surely achieved there, and move on to the general curatorship of promise and great expectations in American journalism, which are the Nieman fellows.

I would like to record, Mr. President, that in his youth in Albany his great ambition was to be not a journalist but a cartoonist. He never lost his fascination with that most revealing and devastating form of commentary. It summed up much of his own life: the economy, the sense of absurdity, the wit and the relevance and, in the end, the geniality and kindness that the great cartoonists bring to their subject, which is often American political life. He brought those same qualities to his subject, which was American journalism reporting on that political life.

We mourn him. We shall not see his like again. But we are privileged to have lived in a time in which we could partake of his work and benefit from that extraordinary career. I am sure the Senate will join me in extending our deepest sense of sorrow to his bereaved widow, Tod, and to his associates, both at the Washington Post and the Nieman Foundation.

Mr. President, I thank the Senate for its kind attendance on this sad occasion.

I ask unanimous consent that the obituaries in the Washington Post and New York Times be printed in the RECORD.

There being no objection, the obituaries were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 14, 1989]

HOWARD SIMONS, EX-MANAGING EDITOR OF POST AND NIEMAN CURATOR, DIES

(By Noel Epstein)

Howard Simons, the managing editor of The Washington Post from 1971 to 1984 who played an important part in this newspaper's rise to national prominence, died yesterday of pancreatic cancer in Jacksonville Beach, Fla. He was 60 years old.

Since 1984 Mr. Simons had been curator of the Nieman Foundation for Journalism at Harvard University, where he helped to select and educate Nieman fellows—journalists selected for a year's study on any subject that interests them. It was a second career that ideally suited a man whose life was marked by a restless intellect and an urge to teach.

His pancreatic cancer was diagnosed in April. As a former science writer, he knew it was a terminal disease that would act quickly, but he carried on through the end of the academic year, helping to choose the next academic year's Nieman fellows and then hosting the 50th anniversary celebration of the Nieman Foundation in early May. That event, attended by many past fellows, became in part a testimonial to Mr. Simons, who told all who asked not to feel sorry for him. "I have no regrets—none, zero," he said, joking that he was enjoying the opportunity to stop eating bran and using dental floss. He stepped down as curator of the Nieman Foundation at the end of May.

As managing editor of The Post, Mr. Simons was responsible for day-to-day administration of the newsroom, which grew from 400 to 550 people during his tenure. Mr. Simons presided over the daily meetings where editors discuss which stories belong on the front page.

But he was more than a boss and a manager. Mr. Simons was famous at The Post for his sense of humor and for the personal attention he gave to the individuals who put out the paper. David S. Broder, the paper's longtime political writer, remarked: "I think of Howard moving across the newsroom with that sort of Groucho Marx stride of his, stopping probably 20 times between the [managing editor's] office and the men's room—if that's where he was headed—to listen to somebody's tale of woe, congratulate somebody, or whatever. He provided so much of the human touch."

He also provided journalistic guidance on many big stories, including the biggest one in the paper's history, which became known as the Watergate. That story began on Saturday morning, June 17, 1972, when a friend of Mr. Simons's, Joseph A. Califano Jr., a Washington lawyer who was then general counsel of the Democratic National Committee, called Mr. Simons to tell him there had been a break-in at the committee's offices in the Watergate office building.

From that day on, Mr. Simons was actively involved in guiding the coverage that transformed this newspaper's reputation and contributed to the downfall of Richard M. Nixon as president.

Bob Woodward, who with Carl Bernstein unearthed the White House coverup of the burglary and then exposed many of the Nixon administration's secret political operations, described Mr. Simons as "the day-to-day agitator, the one who ran around the newsroom inspiring, shouting, directing, insisting that we not abandon our inquiry, whatever the level of denials or denunciations."

Mr. Simons helped immortalize one key Woodward source, a man who would speak only on "deep background," which meant he could not be quoted even anonymously. Mr. Simons dubbed the source "Deep Throat," after a well-known pornographic film.

When a movie was made of Woodward and Bernstein's first book, "All the President's Men," Martin Balsam played the role of the managing editor. But to Mr. Simons's sometimes-bemused frustration, in the movie the managing editor was a minor character who was an obstacle to Woodward and Bernstein, at one point arguing that the story should be taken away from such junior re-

porters. In fact, Mr. Simons fought to leave the two young reporters on the story when other editors argued that it should be given to more seasoned journalists.

Benjamin C. Bradlee, the paper's executive editor, said: "For 15 years Howard Simons played an absolutely vital role in all the historic events in which the Post was involved. His eclectic, original mind was brought to bear with great originality and humor."

"Howard was a unique individual and editor," said Katharine Graham, chairman of The Washington Post Co. "He filled an essential and even an heroic role at The Post.

"He focused our attention on the sciences. He developed talent and encouraged young people of all kinds and kept in touch with them. He played an important role in the Watergate editing. He made a wonderful team for 13 years with Ben Bradlee."

Donald E. Graham, publisher of The Post, said: "Howard was one of the two basic forces, with Ben Bradlee, that created the paper you are reading today. One hopes that his principles, his news judgment, his flair, his wit and the people he chose and inspired will be part of The Post for decades to come."

Unlike many journalists who concentrate singlemindedly on their work, Mr. Simons maintained a wide range of outside interests and hobbies, from Indian arrowheads to bird-watching. He often teased colleagues who could find nothing to hold their interest outside the newsroom. Mr. Simons loved to travel, read and take pictures.

Mr. Simons's interest in journalism began at an early age. When he was 7 or 8, he and two friends put out a one-page newspaper with a printing kit and tried to sell it for a penny.

Mr. Simons was born on the eve of the Great Depression, on June 3, 1929, an grew up in Albany, N.Y. At the time of his birth, his father, Reuben, an immigrant from Poland, owned a children's clothing store in Albany, but the Depression forced him out of business. His mother, Mae, went to work as a sales clerk in another clothing store; it took his father more than a year to find a job selling insurance.

Howard Simons took a job sweeping the floor of a grocery store when he was a sixth-grade student. It was the first of many jobs he held as a boy and young man to get through high school in Albany, Union College in Schenectady, and Columbia University's graduate school of journalism. During his first year of college he washed dishes, sold ice cream in the dormitories at night, cleaned floors in a beauty salon and worked in the college library.

Mr. Simon's Jewish identity was a source of great pride. In his book of oral history on the American Jewish experience, "Jewish Times," published in 1988, he wrote: "I grew up in a heavily Italian Catholic neighborhood, liberally sprinkled with Irish Catholics . . . . Most but not all of my friends were Jewish. I was a member of a Jewish Boy Scout troop; went to Hebrew school; attended Jewish day and summer camps; belonged to a Jewish high school fraternity; and spent hours at the Jewish Community Center . . . ."

A large part of being Jewish, Mr. Simons said, was telling jokes and laughing. He attributed this largely to the example set by his mother, a natural wit. "I grew up thinking all Jews were funny," Mr. Simons wrote.

His first regular job in journalism was at a Washington news agency called Science Service, which he joined in 1954. His work quickly reflected his eclectic interests. In 1956, for example, he was planning a trip to Moscow, where he would write a 10-part series on Soviet science advances, articles that foreshadowed the Kremlin's stunning launch of Sputnik the next year. To get there he wanted an adventure. He wangled a Saturday Evening Post assignment to hitch a ride across the Atlantic in a little Piper Apache with Max Conrad, an aviator known as "the flying grandfather." It was not a comfortable crossing.

"He could barely move except to cross his legs," recalled his wife, Tod Simons.

Before leaving, she said, he had arranged for a Washington florist to deliver a rose and a note to her every day. They were married five days after he returned.

In 1958, Mr. Simons won a Nieman fellowship and spent a year at Harvard. he came back to Washington and resumed work as a free-lance writer. His jobs included writing speeches for President Dwight Eisenhower's science adviser, George Kistiakowsky, a Harvard professor.

Mr. Simons joined The Washington Post as a reporter in 1961. He wrote on subjects ranging from space satellites and cybernetics to a scientist's mock paper, based on Scripture, that concluded that heaven must be at least 75 degrees Celsius hotter than hell.

The stories of which he was proudest concerned a U.S. hydrogen bomb that was lost when a B-52 bomber collided with a refueling aircraft off the coast of Palomares, Spain. Four unarmed H-bombs fell from the B-52, but only three were found on the ground. The fourth disappeared—a fact official Washington was not eager to advertise.

Mr. Simons tried to persuade The Post's editors to send him to Spain to get the story, but they refused. So he found out from Washington what had happened. The government was forced to admit that one bomb had been lost. After an 80-day search it was found in the Mediterranean. The effort won him the Raymond Clapper award for the year's best reporting from Washington.

In 1966, as he began to remake The Post, Bradlee named Mr. Simons assistant managing editor; in 1970 he was appointed deputy managing editor and in 1971 assumed the post he would hold until he left the paper in 1984.

Realizing that he would not succeed Bradlee, just seven years his senior, Mr. Simons left the paper when the Harvard post offered him an irresistible opportunity. He enthusiastically moved into a new life in Cambridge, shifting his nurturing talents from newsroom to campus.

"He was the quintessential nurturer of talent," said Derek Bok, president of Harvard. "He chastised those who settled for second best, praised those who pursued excellence and inspired virtually every young journalist with whom he came into contact."

Mr. Simons's urge to help others spread beyond his professional work. He devoted his energies for many years to helping Native Americans. According to Suzan Harjo, executive director of the National Congress of American Indians, Mr. Simons helped a Native American publisher in New York start a newspaper, keynoted an annual meeting of her group, hosted an annual Nieman Foundation dinner for Native American leaders and tried to assist aspiring Native American journalists.

At an airport in Spain in 1985 Mr. Simons was struck by the thought that international airlines could raise substantial funds for sick and hungry children if they would just collect the unspendable coins of tourists as they left a country. He suggested this idea in an article he wrote for the Wall Street Journal, then worked with several members of Congress and UNICEF, the United Nations Children's Fund, to establish a program that has attracted the participation of five airlines. Just this week UNICEF decided to give a special medal to Mr. Simons in recognition of his contribution.

In addition to his wife, Tod, Mr. Simons is survived by four daughters, Anna and Rebecca Simons of Cambridge, Mass., Julie Simons of Alexandria, and Isabel Simons of Norfolk, Va.; and by his brother, Sanford. The family asks that contributions in his memory be sent to the National Congress of American Indians, 900 Pennsylvania Ave. SE, Washington, D.C. 20003. The group is planning to establish a fund in Mr. Simons's name to help Native American journalists.

[From the New York Times, June 14, 1989]

HOWARD SIMONS DIES AT AGE 60, AN EX-EDITOR AT WASHINGTON POST

(By Alex S. Jones)

Howard Simons, a former managing editor of The Washington Post, died yesterday of pancreatic cancer in a hospice of Methodist Hospital in Jacksonville, Fla. He was 60 years old and lived in Jacksonville Beach.

Until recently, Mr. Simons had been curator of the Nieman Foundation, which sponsors a prestigious sabbatical program in which mid-career journalists are given a year of study at Harvard University.

Mr. Simons was known as a journalistic traditionalist who prized aggressive reporting and was outspokenly critical of what he considered to be a modern trend toward lighter, less serious newspapers and an undue dependence on anonymous sources.

"He played a vital role in everything that the paper did," Benjamin C. Bradlee, executive editor of The Post, said in an interview yesterday. "He was a powerhouse here, and a mensch."

As managing editor of The Post, Mr. Simons helped direct the paper's investigation of the 1972 Watergate burglary that eventually led to the resignation of President Richard M. Nixon two years later.

"He got short-changed by the movie," Mr. Bradlee said, referring to the film "All the President's Men," noting that Mr. Simons "led the charge" on Watergate.

Mr. Simon's journalistic hallmark was an energetic aggressiveness that he sometimes described as "280 miles per hour going into first." In recent years, he often railed at what he considered to be a dearth of probing investigative reporting. "How could Ollie North have gotten away with it for so long?" he asked rhetorically in an interview a month ago.

BROADENED REACH OF PROGRAM

In 1984, after 13 years as managing editor of The Post, Mr. Simons became curator of the Nieman Foundation. The appointment suited his custom of nurturing those who worked for him with a mixture of affection and hard-boiled hectoring.

Mr. Simons had been a Nieman Fellow in the class of 1959, and as curator broadened the program's reach to include more journalists from parts of Africa and South America. He had also successfully led a fund-raising campaign that increased the foundation's endowment by over $1 million.

In early April, Mr. Simons learned that he was terminally ill with pancreatic cancer and elected not to take any treatment, instead addressing his illness with the frankness and astringent wit that had been one of his signatures. He said he had bet his doctor that he had incurable liver cancer, and was angry at himself as a former science writer for the misdiagnosis. When asked what he was going to do in Florida, he would crack that he planned to sunbathe without sunscreen.

Though clearly in a weakened state, he insisted on fulfilling his duties as host at ceremonies marking the 50th anniversary of the Nieman program.

Late last month, he resigned as curator and went to Jacksonville Beach with Tod, his wife of 32 years, where he was able to indulge his passions for fishing and birdwatching. Mrs. Simons said yesterday that upon arriving in Florida he had plunged into collecting and categorizing seashells.

"We have lost one of the great spirits and souls of American journalism," said Bill Kovach, who was named acting curator of the Nieman Foundation last month.

Mr. Simons was a native of Albany, N.Y., and received a bachelor of arts degree from Union College in Schenectady in 1951 and a master's degree a year later from the Columbia University Graduate School of Journalism.

After service in the Korean War, he became a science reporter in Washington for several news organizations, and joined The Post as a science writer in 1961. He became assistant managing editor in 1966 and managing editor in 1971.

Mr. Simons is the author of "Jewish Times: Voices of the American Jewish Experience," published by Houghton-Mifflin in 1988, and "Simons' List Book," published in 1977. He edited two books with Joseph A. Califano Jr., "The Media and the Law" and "The Media and Business," and in 1986 wrote a spy novel with Haynes Johnson called "The Landing."

Mr. Simons said yesterday that there was as yet no plan to memorialize her husband. "His memorial service was really the last two months," she said of the flood of letters, articles and visitors after Mr. Simon's illness became public.

Mr. Simons is survived by his wife, the former Tod Katz, and four daughters: Anna, who returned from studies in Africa to be with her father; Isabel, who lives in Maryland; Julie, of Washington, and Rebecca, of New York City. He is also survived by a brother, Sanford Simons.

TRIBUTE TO SOUTH CAROLINA STATE REPRESENTATIVE WILLIAM CORK OF BEAUFORT

Mr. THURMOND. Mr. President, I rise today to pay tribute to South Carolina State Representative William Cork, who unexpectedly passed away last Saturday, June 10, 1989. Mr. Cork was a fine man who made many significant contributions to his community and to his State.

Mr. Cork was born on May 18, 1937, in Ware Shoals, SC. He attended the University of South Carolina, where he was a cheerleader and member of Sigma Alpha Epsilon fraternity, and obtained his bachelor's degree in 1959.

Mr. Cork was a civic and business leader for many years, and his business developments were a major boon to the economy in Hilton Head Island, SC. He was vice president of Sea Pines Plantation Co. and Sea Pines Homebuilders from 1964 to 1965. In 1966, he opened the island's first furniture and decorating business, Hilton Head Interiors. He was also the owner and developer responsible for the plantation center on Hilton Head Island. In 1974, Mr. Cork started a company named Cork Sails, Inc., during that time he also served as president and coowner of CBS Travel, Inc. He was a corporate director of the Bank of Beaufort, and in 1982 he was elected vice chairman of the board.

In addition to these many accomplishments in the business world, Mr. Cork was actively involved in the betterment of his community. He was an honorary member and past president and director of the Hilton Head Rotary Club. He was also a past officer and director of the Hilton Head Jaycees, as well as past president and director of the Point Comfort Property Owner's Association. Mr. Cork was a devoted member of St. Luke's Episcopal Church.

Mr. Cork was first elected to the South Carolina House of Representatives in 1982. He later served as minority whip and was chairman of the joint tourism caucus, positions in which he performed ably. He also served as a member of the joint committee on energy, the joint water resources study, the pensions committee and the National Conference of State Legislatures.

Representative Cork's unfortunate passing came without warning to those who loved him. However, I am confident that his memory will flourish in their minds. He was a fine man who was highly respected in the State legislature, and it was my honor to work with him for the good of South Carolina.

I would like to extend my most sincere condolences to his lovely wife Helen and his family: his daughter, Holly Ann Cork; his son, William N. Cork III; his brother, John C. Cork; his sister, Mrs. William C. Collings; and his mother, Mrs. Margarret Massey Cork.

I ask unanimous consent that the following article regarding Mr. Cork be included in the RECORD at the close of my remarks: "Cork Leaves Legacy of Living in Joy."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Beaufort Gazette, June 12, 1989]

CORK LEAVES LEGACY OF LIVING IN JOY

Gov. Carroll Campbell, on the spur of the moment Saturday morning, may have said it best: "Nobody loved life more than Bill Cork . . . No one loved this island and South Carolina more."

This legislator must have loved the heavenly fragrance of gardenias. Only a few hours before his untimely death, he picked them from his garden for his guests.

With action, he demonstrated his love for the salt marsh. He once said the sounds of "crackin' and poppin'" he heard from the deck of his home on Point Comfort convinced him of the need for SAA classification to protect the Bluffton area's unpolluted waters.

With a love that would not let his feet keep still, William Neville "Bill" Cork loved music. Whether he was playing it on spoons or dancing the shag, his rhythm was infectious.

Bill Cork loved the games of horses and lobbied his colleagues in the S.C. House of Representatives to approve pari-mutuel betting on horse races to make money for the state. It's an idea whose time may yet come.

He loved the tales and artifacts of Lowcountry history and, along with his wife, Helen, wanted to help create the Museum of Hilton Head Island to preserve the traditions. It's an idea moving forward.

A lover of fresh air, he worked against the odds in this tobacco-rich state to ban smoking from the S.C. House of Representatives' chamber.

Many years before many of the present residents moved here, Bill Cork, a young businessman, loved the people of this island enough to help start a fire department to save their lives and property, loved them enough to help start the Lowcountry Auction to raise money for the schools.

In time he came to love the communities of Hilton Head Island, Bluffton, Daufuskie and the Burton area enough to represent District 123 in the Statehouse from 1983 until June 10, 1989, at 4:45 a.m. In that capacity, probably more than any other legislator, Bill Cork came to understand the importance of tourism as the state's second largest industry.

With public service comes conflict, controvery and the public's constant eye, and Mr. Cork seemed to love even the tension of his stressful role.

Leaving a legacy of community spirit and a list of achievements, Bill Cork left the Lowcountry, his friends and family something especially his right up to the end: a profound joy in simply being alive.

SPEECH BY DR. GUY STORY BROWN IN HONOR OF JOHN C. CALHOUN

Mr. THURMOND. Mr. President, Dr. Guy Story Brown of the Office of Educational and Cultural Affairs of the U.S. Information Agency delivered an address before the Maryland Division of Confederate Sons at Fort McNair in Washington, DC, on April 20, 1989. The commander of this organization, Mr. Charles Goolsby, requested that I place an edited version of the address in the CONGRESSIONAL RECORD. I am pleased to do so and ask unanimous consent that it follow these remarks in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMEMBERING JOHN CALDWELL CALHOUN, 1782-1850: "A REASONING, HIGH, IMMORTAL THING"

John Calhoun was born to Patrick and Martha Caldwell Calhoun on March 18,

1782, in the last year of the War for American Independence. He was named for his maternal uncle, Major John Caldwell, who had been murdered in cold blood by Tories only a few months before. His father, a strong Jeffersonian, even an anti-Federalist, died when he was about 13. Young John was virtually illiterate—he could hardly read or write more than his own name—until he was 13 years old.

The first book that he read was an English translation of the French historian Charles Rollin's "Ancient History" in eight volumes. The second was John Locke's "Essay Concerning Human Understanding," then as now regarded as one of the most celebrated and difficult books ever written in the English language. His attempt, at the age of 13, to master this book, one of the greatest books of all time, and others, broke his health, and his mother removed him from the school in which she had belatedly enrolled him—his brother-in-law's school. From this time until he was 17, he worked in the fields as an overseer of his family farm. When he was 17, he went back to school and applied himself to Latin, Greek, mathematics and philosophy. In 1802, he arrived at Yale University in New Jersey at the age of 20, "straight from the backwoods." He was soon elected to Phi Beta Kappa, the academic honor society, and in 1804, as the outstanding student in the college, he was asked to provide a commencement address. He worked very hard on it. It was entitled, notably enough, "The Qualifications of a Statesman."

After a brief legal career and a term in the South Carolina Legislature, Calhoun was married and elected to the United States House of Representatives in 1810.

Within a few weeks of his arrival in Washington, he was appointed to the chairmanship of the House Foreign Affairs Committee. Calhoun and Henry Clay, later known as the "Great Compromiser," more than any other two figures led the country into "Mr. Madison's war," the great War of 1812. Calhoun himself introduced the bill for declaring war on June 3, 1812.

From this pinnacle, he went on to become Secretary of War at the age of 35 in the Cabinet of President James Monroe. As such, Calhoun is remembered as the Father of West Point, the Father of the Army, and architect of the most intelligent policy toward the Indians that this country has ever seen. And this in the face of his own experience with the Indians, which I have already mentioned.

From this position, he was elected to a term as Vice President in the administration of President John Quincy Adams—the youngest, with Richard Nixon and Dan Quayle, to ever serve as Vice President—and then, to a term as Vice President to General Andrew Jackson. During this period, Calhoun wrote the "South Carolina Exposition and Protest" and his famous letters to the people of South Carolina and to General Hamilton.

In these years he spoke out definitively on the national bank, abolition, on an independent treasury, on foreign policy and the Mexican War; in short, on every issue of significant interest.

Jefferson Davis, among others, said that Calhoun had a capacity for foresight that often seemed to verge on prophecy. And, of course, as almost everyone knows, he said in the spring of 1850 (within a few weeks or even days of his death) that the Union called the United States would not last; it would divide. "I fix its probable occurence with 12 years, or three Presidential terms," he said. "You," he said to Senator Mason of Virginia, "and others of your age will live to see it; I shall not. The mode by which it will be done is not so clear; it may be brought about in a manner that no one now foresees. But the probability is that it will explode in a Presidential election." This is the most famous—and the most grimly accurate—prediction in American history.

Calhoun died on the morning of March 31, 1850 at the age of 68. His funeral was held in the Senate on April 2, and he was laid in a vault in the Congressional Cemetery. On this occasion, Senator Clay's most memorable sentence was: "I was his senior in age, Mr. President; in nothing else." Senator Webster's speech is not comparable to this. I am quoting from Daniel Webster's eulogy to Calhoun in the Senate, April 5, 1850:

"Mr. Calhoun was calculated to be a leader in whatsoever association of political friends he was thrown. He was a man of undoubted genius, and of commanding talent. He is now an historical character. Those of us who have known him here will find that he has left upon our minds and our hearts a strong and lasting impression of his person, his character, and his public performances, which while we live, will never be obliterated. We shall hereafter, I am sure, indulge in it as a greatful recollection that we have lived in his age, heard him, and known him."

John Calhoun was, truly, a southerner without peer, who has a prominent place in our greatest pantheon. It is "the purity of his exalted patriotism, his devotion to the country and, even more, to the Constitution, that most deserves our remembrance unto death."

So spoke Senator Webster in the Senate in 1850. For an understanding of that purity and that exaltation, of his noblest legacy to us, it is to Calhoun's discourse on the Constitution and government, above all, that we must turn.

God bless John Calhoun. God bless the thin grey line.

The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Chair.

(The remarks of Mr. KENNEDY pertaining to the reintroduction of S. 1182 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE PRESIDENT'S VETO MESSAGE

Mr. DOLE. Mr. President, I was pleased to hear the distinguished Senator from Massachusetts speak earlier on the minimum wage. Just a few moments ago, the House sustained President Bush's veto of the minimum wage conference agreement.

NO SURPRISES

I was not surprised by the President's veto—nor am I surprised by the House's action today. I know that my Republican colleague from Utah [Mr. HATCH] is not surprised. And I am sure that my distinguished colleague from Massachusetts—the manager of the bill here in the Senate—is not surprised. So, there have been no surprises.

LOST OPPORTUNITIES

But Congress has had plenty of opportunities. That is for sure. We have had opportunities to do something really worthwhile for the working men and working women of this country; opportunities to increase the minimum wage.

And we could have done it easily, with a 90-cent increase over a 3-year period in the minimum wage and a 6-month training wage from, $3.35 to $4.25 an hour, which would put some people out of work but not nearly as many as the Democratic package.

We had an opportunity to save jobs despite a minimum wage increase and all these opportunties have been squandered. As I said, if we want a minimum wage, we could have had a good one. The ink from the President's pen would be drying this very minute. We would now be at the White House at a Rose Garden signing ceremony. Maybe not; it may be raining. Maybe we would be indoors. But we would be down there for the signing ceremony.

STOP PLAYING POLITICS

Last week—on this floor—I urged Congress to stop playing politics with the minimum wage. I said that playing politics might be fun for some of us around here—but it is not fun for those in this country who really want—and need—a minimum wage increase.

So let us stop the political point scoring. Let us leave the point scoring to the football field and basketball court, in this case the Detroit Pistons. We do not have a scoreboard here in the Senate.

COMMITMENT TO A MINIMUM WAGE INCREASE

I know I have said it before. But I must say it once again. I supported—and I continue to support—a minimum wage increase. I voted for it in the past and my record is pretty good. And that is why I—along with my distinguished colleague from Utah—hope that we will be able to reach agreement on a minimum wage bill that will be acceptable to the President.

And let me make it clear: the President and the Secretary of Labor, their proposal was serious. They meant it. Some said, "Why did they do that? Why didn't they come in at $3.85 an hour? Then they could negotiate $4.25 and everybody could say, 'Oh, boy, look what we did.'"

They were honest. The President made a commitment. They were up front. They said, "OK, let's go to $4.25. Let us have a 6-months' training wage."

The President was not going to play games with Congress. He made a promise. He wanted to keep it. Right off the bat, he did what he thought was responsible. And I certainly share his view and share the views of the

Secretary of Labor, most of the time, and in this instance.

Mr. President, I would say that I do not disagree with the distinguished Senator from Massachusetts. Maybe there is some way to work it out. I think the President is willing to try. I do not think he is going to come off the $4.25, but there may be some way to work it out.

This is what the President has done. His proposal is not a paper tiger. It calls for a 27-percent increase over the existing minimum wage of $3.35 an hour. Let me repeat that—that is a 27-percent increase. It goes 75 percent of the way to $4.55 an hour, the Democratic proposal. That is more than a compromise on the part of the President. That is three-fourths of the way. That is a real commitment to a minimum wage.

So it would seem to me that there may be opportunities. I know the President certainly did not veto this bill with any joy in his heart because he feels for those working people. He knows they need an increase. What he wants is action. Let us get together and see if we can do it.

GAO AND OTA GENERALLY EXONERATE VA FROM WASHINGTON POST ALLEGATIONS REGARDING VA'S FISCAL YEAR 1986 PATIENT TREATMENT FILE MORTALITY ANALYSIS

Mr. CRANSTON. Mr. President, on October 13, 1988, I made a statement (RECORD S15649) regarding VA's fiscal year 1986 patient treatment file mortality analysis and, more specifically, a very disturbing October 11, 1988, front page Washington Post article—entitled "VA Researchers Ordered To Report Fewer Problem Hospitals"—which alleged that the Chief Medical Director of the Veterans' Administration, now the Department of Veterans' Affairs [VA], had altered the design of a mortality study so that more favorable results would be obtained.

In order to provide for an objective assessment of this matter, I requested both the Office of Technology Assessment and the General Accounting Office to review several aspects of VA's actions with regard to the VA mortality study. I asked OTA to review the VA methodology to determine its scientific reliabiltity and validity. I asked GAO to determine: First, the point in time at which the decision was made to use a higher confidence level for measuring overall mortality rates between hospitals; second, why the decision was made to use the higher confidence limits for the aggregate data; third, the person or persons responsible for making that decision; and fourth, if the Chief Medical Director or any other VA official inappropriately attempted to give the appearance of fewer quality-assurance problems within VA medical centers than actually exist.

Recently, both OTA and GAO have issued reports in response to my requests. OTA, in its report entitled "Assessment of the Veterans' Administration's Method of Analyzing Its Hospital Mortality Rates," which was released on April 17, 1989, appears to support VA's methodology. When commenting on the confidence limits applied to the statistical test used—the aspect of the study alleged to have been altered—OTA concludes that:

> There is no scientific basis for choosing one level of significance over another or even for restricting the results reported to one level of significance instead of several. Using a different level of significance does not change the ordering of the hospitals; the level of significance influences only the number of hospitals identified for further examination. One may draw no conclusions about the relative quality of care in VA versus Medicare hospitals on the basis of these analyses.

GAO, in its report entitled "Allegations Concerning VA's Patient Mortality Study"—GAO/HRD-89-80—which was released on May 18, 1989, states:

> We cannot conclude that the Chief Medical Director or any VA official inappropriately attempted to give the appearance that VA had fewer hospitals with higher-than-expected mortality rates than actually exist. It is understandable, however, how others could have developed this perception.

GAO also notes that:

> The decision to use the 99-percent confidence level was made by the research health science specialist responsible for the study methodology—not by the Chief Medical Director.

Mr. President, I believe that the analyses of both OTA and GAO were objective and thorough, and I am satisfied with the results of their inquiries. On June 6, 1989, the Washington Post published on page 3 an article entitled "GAO Finds No Evidence VA Medical Official Acted Improperly," and on June 11 the Post Ombudsman, Richard Harwood, published a piece entitled "Unnamed Sources."

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD at the conclusion of my remarks, followed by OTA's April 17, 1989, letter and the text of the May 1989 GAO report.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, on Tuesday, June 13, the Secretary released the results of VA's in-depth study of the 44 medical centers which its mortality review showed had higher than expected mortality rates. I will be commenting on the findings of the report.

[From the Washington Post, June 6, 1989]

GAO FINDS NO EVIDENCE VA MEDICAL OFFICIAL ACTED IMPROPERLY

(By Barbara Vobejda)

The General Accounting Office has reported it cannot conclude, based on information provided by the Department of Veterans' Affairs, that the department's chief medical director improperly ordered his staff to produce a report lowering the number of veterans' hospitals suspected to have high mortality rates.

But some department staff members interpreted the insistence of the medical director, Dr. John A. Gronvall, that they use a different methodology in studying mortality rates and his concern over the department's public image as instructions to produce a lower number of suspect hospitals in their report, the GAO said.

"We didn't find any evidence that Dr. Gronvall knowingly tried to influence the results of the study or acted inappropriately," said David P. Baine, the GAO's director of federal health care delivery issues.

Donna St. John, a department spokeswoman, said Gronvall was traveling yesterday and could not be reached for comment.

Sen. Alan Cranston (D-Calif.), chairman of the Committee on Veterans' Affairs, requested a GAO investigation after The Washington Post reported last fall that Gronvall directed researchers to produce a report showing fewer problem hospitals. A preliminary survey had found as many as 12 percent of the 172 veterans hospitals appeared to have high mortality rates.

The GAO reported that Gronvall repeatedly had maintained that the agency should use the methodology similar to that employed by the Health Care Financing Administration (HCFA) to study mortality rates, against the advice of his staff. If a similar methodology were used, Gronvall had argued, then the results of the HCFA and veterans studies would be comparable.

"The Chief Medical Director was convinced that the HCFA methodology was the 'gold standard' and, if used by VA, would show results similar to HCFA's study," the GAO reported. ". . . We believe, however, that the Chief Medical Director communicated his wishes regarding the methodology and the protection of VA's public image in a manner that gave the appearance to many VA staff that he was ordering that study results be altered."

Gronvall ultimately approved the recommendation of his staff members that their own methodology be used.

Department staff had told Gronvall in January 1988 that preliminary data showed 22, or 12.8 percent of veterans' hospitals, had higher-than-expected mortality rates, according to the GAO. The GAO could not document the 12.8 percent figure.

At issue between Gronvall and his staff was the "confidence level" to be employed in the study. Using a 99-percent confidence level—meaning in 99 of 100 cases the study could be duplicated with the same results—the agency found that 3.5 percent of its hospitals would show higher-than-expected mortality rates. Using a 95-percent confidence rating, 7 percent, or 12 hospitals, showed high mortality rates.

The department used both levels in its study, relying on a 95-percent level to measure mortality rates in categories based on a patient's diagnosis, and a 99-percent level for calculating summary mortality rates for individual hospitals.

The GAO said the specialist responsible for choosing the study methodology decided to use a 99-percent confidence level "because it increased VA's confidence that the hospitals identified had differences between the observed and expected mortality rates that she considered meaningful."

The department has not released the study or named the problem hospitals.

[From the Washington Post, June 11, 1989]

UNNAMED SOURCES

(By Richard Harwood)

The use of anonymous "sources" is the pandemic of journalism in the United States. The practice produces, most of the time, trivial bits of information: "Yes, it's true that the president will speak at Old Siwash, but for God's sake, don't quote me." On occasion an important revelation comes over the transom about the nature of the society we inhabit, evidence, perhaps, of skulduggery most foul. Just as often it produces garbage and encourages fearful or conniving informants to even scores, embellish stories or blacken the reputation of rivals and enemies.

As an antidote, The Post's policy manual promises that we will "disclose the source of all information" published in the newspaper; but there is a loophole, somewhat wider than the Pacific Ocean: "when at all possible." Problems sail through.

Item One:

On the 12th of October last year, the Des Moines (Iowa) Register published an editorial accusing Dr. John Gronvall, the chief medical officer of the Department of Veterans Affairs, of promoting "disingenuous, untruthful and bad medicine."

Dr. Gronvall, according to the editorial, "ordered researchers to skew the results of a mortality survey out of fear it would make the VA hospitals look bad. . . . There are any number of reasons for a higher mortality rate in the vets' wards. But rather than seek the truth and learn from it, he ordered the examination halted."

The editorial was inspired by a story that had appeared two days earlier on the front page of The Washington Post under the headline, "VA Researchers Ordered to Report Fewer Problem Hospitals." The story touched off an investigation by the General Accounting Office, which last week reported that Dr. Gronvall had not "inappropriately attempted" to "skew the results" of the study in question. His only misstep, the GAO said, was getting involved in a statistical quarrel that led some of his subordinates to believe he was trying to cook the numbers. In any case, GAO concluded that the study was conducted properly and that the medical director was without fault.

The Post's story and Dr. Gronvall's black eye were products of the bureaucratic cannibalism that goes on every day in agencies all over town. A disaffected researcher leveled the original accusations against the doctor, under the cloak of anonymity, which we offer far too freely in this shop.

OFFICE OF TECHNOLOGY ASSESSMENT,
Washington, DC, April 17, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR ALAN: I am pleased to transmit an OTA Staff Paper entitled "An Assessment of the Veterans Administration's Methods of Analyzing Its Hospital Rates," which you requested. The Staff Paper reviews the approach used by the Veterans Administration (VA) and compares it with that used by the Health Care Financing Administration.

Using mortality rates to indicate the quality of hospitals' care has not yet been shown to produce reliable and valid results, in the sense of identifying hospitals with quality-of-care problems. In fact, the statistical analysis of hospital mortality rates is part of a larger VA effort to assess their usefulness in quality assurance. The VA is now reviewing medical records in 44 hospitals whose mortality rates were significantly higher than expected. A study scheduled to begin later this year will examine deaths in both high- and low-outlier hospitals.

Although the VA based its approach on the methods HCFA used for its 1987 data release, the methods differ in some respects. Some of the differences stem from the particular patient populations, institutional arrangements, and data sets of the two agencies. Other differences concern adjustments for patients' risks of dying and statistical interpretation of the results. Both of these differences are matters on which researchers may, and do, reasonably disagree.

There is no scientific basis for choosing one level of significance over another or even for restricting the results reported to one level of significance instead of several. Changing the level of significance does not change the ordering of hospitals by mortality rate; the level of significance influences only the number of hospitals identified for further examination. Which level of significance to use therefore depends on a benefit-cost calculation regarding the number of problem hospitals likely to be identified for different levels of expenditures, and decisions would be constrained by the funds available for the review.

Additional copies of the Staff Paper may be obtained by calling the Health Program at 8-6590.

We will be happy to answer any questions you may have about our findings, and I invite you to call me or Jane Sisk, Study Director in the Health Program, at 8-6590.

Sincerely,

JOHN H. GIBBONS.

[U.S. General Accounting Office—Report to the Chairman, Committee on Veterans' Affairs, U.S. Senate, May 1989]

VA HEALTH CARE: ALLEGATIONS CONCERNING VA'S PATIENT MORTALITY STUDY

GENERAL ACCOUNTING OFFICE,
Washington, DC, May 18, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: As requested in your October 12, 1988, letter (see app. I), we have reviewed allegations made in an October 11, 1988, Washington Post article that the Veterans' Administration (VA)—now the Department of Veterans' Affairs—altered the design of its patient mortality study to obtain results more favorably to VA. The article alleged that VA's Chief Medical Director ordered that the confidence level used in calculating the number of VA medical centers that had higher-than-expected mortality rates be changed from 95 to 99 percent in order to arrive at lower number of hospitals with potential quality assurance problems. Specifically, you requested that we answer the following questions:

Did the Chief Medical Director or any other VA official inappropriately attempt to give the appearance that VA had fewer quality assurance problems at its medical centers than actually exist?

Why was the decision made to use a 99-percent confidence level to calculate summary hospital mortality data, who made this decision, and at what point in the study was it made?

RESULTS IN BRIEF

Based on information provided by VA, we cannot conclude that the Chief Medical Director or any VA official inappropriately attempted to give the appearance that VA had fewer hospitals with higher-than-expected mortality rates than actually exist. It is understandable, however, how others could have developed this perception.

The Chief Medical Director did not initially take the advice of knowledgeable staff who believed that it was inappropriate for VA to use the same methodology that the Health Care Financing Administration (HCFA) used in conducting a similar study of Medicare patients. He repeatedly maintained that if VA used HCFA's mortality study methodology, the results of the two studies would be comparable. Further, on several occasions, he expressed concern to his staff about what a high number of hospitals with high mortality rates would do to VA's public image. His insistence on using HCFA's methodology and his concern over VA's image were interpreted by some staff as instructions to assure that the studies' results were similar. Ultimately, the Chief Medical Director approved the recommendation of VA staff to use their own methodology.

VA used both the 95-percent and the 99-percent confidence levels on its mortality study. The 95-percent level was used for determining mortality rates in individual group or diagnosis categories, and these rates were used to identify hospitals for quality assurance reviews. The 99-percent level was used for calculating summary mortality data for individual hospitals for presentation to the Chief Medical Director.

The decision to use the 99-percent confidence level was made by the research health science specialist responsible for the study methodology. She made this decision in February 1988. She used a 99-percent level because it increased VA's confidence that the hospitals identified had differences between the observed and expected mortality rates that she considered meaningful.

SCOPE AND METHODOLOGY

In conducting this review, we interviewed VA officials who worked on, or were involved with, VA's patient mortality study, including those in VA's Offices of Quality Assurance and the Chief Medical Director. We reviewed documents and correspondence related to the study and spoke with the Washington Post reporter who wrote the article that precipitated our review. In addition, we discussed the issues with other GAO staff familiar with the VA and HCFA mortality studies, and with Office of Technology Assessment officials whom you asked to review VA's mortality study methodology.

We conducted our review in accordance with generally accepted government standards. Our work was performed between November 1988 and February 1989.

DEVELOPMENT OF VA'S MORTALITY STUDY

In the fall of 1987, before HCFA released its study of hospital mortality data,[1] VA's

---

[1] In December 1987, HCFA publicized hospital-specific mortality rates for Medicare patients hospitalized during 1986.

Chief Medical Director decided that VA medical center mortality rates should be analyzed to provide data for use in VA's quality assurance activities. A February 16, 1988, VA circular stated that the results of the study were intended to serve as a guide for conducting focused reviews to lead to an assessment of the quality of medical care in VA medical centers. It also cautioned that mortality rate analysis would not measure hospital performance and that no conclusions could be drawn about the quality of care based solely on the results of the mortality data.

The VA study compared the mortality rates in each hospital with VA systemwide patient death rates. These rates had been adjusted for patient characteristics through the use of a statistical technique called a logistic regression model. Discharged patients were divided into groups based on whether a procedure was performed during the hospital admission and, if so, what type. Patients were then placed into 1 of 14 primary diagnostic categories (e.g., cancer, severe heart disease; see app. II for complete list of groups and diagnostic categories).

A report was produced for each medical center for each patient group and primary diagnosis category. For any categories in which 10 or more deaths occurred, it was determined whether the ratio of observed mortality to expected mortality was statistically significant at the 95-percent confidence level.[2] On this basis, VA found there were 43 hospitals—25 percent of the total—that had a higher-than-expected mortality rate in at least one patient group/diagnosis category. Upon completing the comparison of the hospital mortality rates with VA systemwide rates, VA initiated additional reviews to determine whether hospitals with higher-than-expected mortality rates actually had problems in their medical care. To do so, VA's peer review organizations examined charts of patients included in the study.

According to the Chief Medical Director, his objective in initiating a mortality study was to determine whether mortality rate comparisons could be useful for quality assurance purposes. In addition, he wanted to have VA mortality data available for comparison with the HCFA mortality data released in December 1987. He wanted VA to use a study methodology as similar as possible to that used by HCFA, which he said was considered the "gold standard" at that time. He was convinced that VA hospitals provided care comparable to private sector hospitals and was initially insistent that VA hospital mortality rates be reviewed by the same methods that HCFA used for Medicare patients in private sector hospitals. He was concerned that any deviation from the HCFA standard might be criticized as an attempt to make VA hospitals appear better than private sector hospitals.

Early in the planning of the study, the former Director of VA's Office of Quality Assurance and the research health science specialist in charge of developing the methodology explained to the Chief Medical Director that although VA could use the HCFA methodology as a guide, there were differences in the data bases and VA would use a different test of statistical significance. Although both HCFA and VA analyses compared hospital-specific mortality rates with systemwide rates, VA chose to modify the HCFA methodology, in part, because the VA patient population is significantly different from that of the HCFA study. The VA patient population was 98 percent male, of whom 60 percent were under the age of 65, while the HCFA Medicare patient population consisted of more equal numbers of men and women, most of whom were 65 or older. Further, the way in which the VA study defined patient diagnosis differed from the way it was done in the HCFA study. HCFA used the principal diagnosis, which is defined as the main reason for admission to the hospital, while VA's data files record the patient's primary diagnosis, which represents the condition accounting for most of the days spent in the hospital.

In addition to noting these differences in the data bases, VA's research specialist said that the HCFA statistical test was inappropriate because she believed that, to some extent, it predetermined study results by including a factor called interhospital variance.[3] According to the research specialist, adjusting for interhospital variance assured HSFA that only 2.5 percent of its hospitals would fall above and below the range of expected rates.[4]

VA's Office of Quality Assurance officials proposed a different statistical procedure that did not include the interhospital variance factor. They believed it was important to acknowledge differences in hospitals and that, for quality assurance purposes, VA's study should identify a higher proportion of hospitals that the HCFA study. The Office of Quality Assurance staff also explained that because of differences in the data bases and the statistical test used, no direct comparisons could be made between VA and HCFA mortality study results. We did not evaluate VA's rationale for not using HCFA's statistical methodology.[5]

The Chief Medical Director did not accept this position and continued to urge that VA adopt HCFA's methodology. Conversely, his staff continued to insist that use of the HCFA methodology was not appropriate, particularly for VA's quality assurance purposes. Ultimately the Chief Medical Director agreed to use the methodology proposed by his staff.

PRELIMINARY STUDY RESULTS NOT ACCEPTABLE TO CHIEF MEDICAL DIRECTOR

In a January 1988 meeting, the former Director of the Office of Quality Assurance told the Chief Medical Director that VA's preliminary data showed that 12.8 percent (or 22) of VA's hospitals had higher-than-expected hospitalwide mortality rates. (This figure is not to be confused with the 43 hospitals identified as having higher-than-expected mortality rates in one or more of the patient group/diagnosis categories as discussed on p. 3.) We could find no documentation for this 12.8-percent figure, nor could anyone in the VA tell us its origin. (The former Director of the Office of Quality Assurance died in April 1988.) The research specialist told us, however that at that time she had not calculated a percentage of hospitals having overall higher-than-expected mortality rates.

The Chief Medical Director was disturbed with the 12.8-percent figure because he had expected results close to those HCFA had obtained. He could not understand how VA could have such different results if it were using HCFA's methodology as he had directed. He was concerned, he said, about negative public reaction to VA mortality study results that were much higher than HCFA's. He again stressed to the former Director of the Office of Quality Assurance and his staff that VA's methodology be as close to HCFA's as possible, and that he expected results similar to HCFA's results. Many staff at this meeting interpreted these statements as instructions to alter VA's mortality study results. However, the Chief Medical Director also requested that other researchers review the proposed methodology. The research specialist said that three VA researchers and one outside expert reviewed and concurred with the methodology VA was using. The perspectives were shared with the Chief Medical Director, who then agreed to proceed.

In February 1988, the research specialist said that the former Director of the Office of Quality Assurance asked her to prepare an overall observed to expected mortality ratio for each hospital using the VA methodology for a presentation to the Chief Medical Director.

OVERALL MORTALITY DATA CALCULATED USING 99-PERCENT CONFIDENCE LEVEL

According to VA's research specialist, summary mortality data were calculated on individual hospitals because such data would be easier to use in a discussion with the Chief Medical Director than all the individual group or diagnosis category data. She said she had produced no summary data before this time. She used a 99-percent confidence level to determine the statistical significance of the ratio each hospital's overall actual observed mortality rate to an expected rate generated from the results of the analysis. (See footnote 2 on p. 3.)

She said she chose a 99-percent confidence level because the aggregated data for most hospitals represented very large numbers of cases; thus, she thought a statistical test at the 95-percent confidence level would have identified a large number of hospitals that had only very small differences between the observed and expected mortality rates. By contrast, she said, the 95-percent confidence level was appropriate for the analysis of mortality rates for the group/diagnosis categories because those categories encompassed many fewer cases. Moreover, VA wanted to identify as many hospitals as possible for the follow-up quality assurance reviews. For summary data, however, that were not intended for quality assurance purposes, using the 99-percent confidence level increased VA's confidence that the hospitals identified had differences between the observed and expected mortality rates that VA considered meaningful. At that confidence

[2] If observed and expected mortality are the same, the ratio equals one. The discrepancy between the observed and expected mortality rates indicates how much better or worse the outcomes of patients are at specific hospitals compared to those of patients treated at other hospitals. (*VA Hospital Care: A Comparison of VA and HCFA Methods for Analyzing Patient Outcomes*, GAO/PEMD-88-29, June 30, 1988.)

[3] The interhospital variance factor allows for systematic differences among hospitals, such as quality of care provided, severity of illness, or administrative differences, that could not be accounted for in the statistical analysis. Inclusion of this factor has the effect of reducing the number of hospitals that fall above the range of expected rates, but not by any given percentage.

[4] As reported by HCFA, inclusion of the interhospital variance factor reduced the number of hospitals that would fall above the range of predicted rates, but to a level of 4 percent rather than 2.5 percent. Without the interhospital variance factor, the proportion of hospitals with significantly higher-than-expected overall mortality rises to 11 percent.

[5] For additional information on VA's mortality study methodology, see the Office of Technology Assessment's April 1989 staff paper for the Senate Committee on Veterans' Affairs.

level six hospitals—3.5 percent of the total—had overall mortality rates higher than expected. When these figures were presented to the Chief Medical Director in February 1988, he was satisfied with the results, the methodology, and the statistical test used.

According to the research specialist, she was not requested by the Chief Medical Director or anyone else to produce a study result that would be closer to HCFA's or that showed fewer hospitals with high mortality rates than actually exist. She added that she had never calculated summary data using a 95-percent confidence level before our November 1988 request for such data. (At the 95-percent confidence level, 12 hospitals—7 percent of the total—had overall mortality rates that were higher than expected.[6] She also said she did not know the origin of the 12.8-percent figure presented in the January 1988 meeting by the former Director of the Office of Quality Assurance.

STATUS OF VA'S MORTALITY STUDY

In June 1988, the VA Administrator decided that no study results would be published until follow-up studies could be completed on the hospitals that had higher-than-expected mortality rates in one or more of the group/diagnosis categories using the 95-percent confidence level. According to the Chief Medical Director, the follow-up studies were to identify hospitals where quality of patient care was less than optimal or where practices deviated from commonly accepted standards of medical practice. VA's Medical District Initiated Peer Review Organizations have completed focused reviews in these hospitals. VA plans to present the results to the Congress by the middle of May 1989.

CONCLUSION

We cannot conclude that the Chief Medical Director or any other VA official acted inappropriately. The Chief Medical Director was convinced that the HCFA methodology was the "gold standard" and, if used by VA, would show results similar to HCFA's study. Further, the use of a 99-percent confidence level for determining overall study results was not used to lower a previously determined number of hospitals with higher-than-expected mortality rates as alleged in the Washington Post article. We believe, however, that the Chief Medical Director communicated his wishes regarding the methodology and the protection of VA's public image in a manner that gave the appearance to many VA staff that he was ordering that study results be altered.

We emphasize that the actions discussed in the October 1988 Washington Post article occurred while the mortality study was in progress and that the summary hospital mortality rates discussed within VA were not final results. As of May 1, 1989, no mortality data have been released to the public.

AGENCY COMMENTS

By letter dated May 8, 1989 (see app. III), the Secretary of VA transmitted comments of the Chief Medical Director on a draft of this report. The Chief Medical Director said he initially intended that VA hospital mortality be directly compared with the mortality experience of Medicare patients in community hospitals. He asked VA staff to use a study methodology identical or similar to that used by HCFA and assumed that when this same statistical analysis was applied to the Medicare-certified and VA hospitals, approximately the same proportion of hospitals would be identified as having higher-than-expected mortality rates. Because of differences between VA and Medicare records, the Chief Medical Director acknowledged that no direct comparisons of mortality data could be made. Thus, he said no conclusions can be drawn about the quality of VA care compared to that of community hospitals.

We are sending copies of this report to other congressional committees and subcommittees; the Director, Office of Management and Budget; the Secretary of Veterans Affairs; and other interested parties. Major contributors to this report are listed in appendix IV.

Sincerely yours,

DAVID P. BAINE,
Director of Federal Health Care Delivery Issues.

APPENDIX I.—REQUEST LETTER

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, October 12, 1988.

Hon. CHARLES A. BOWSHER,
Comptroller General of the United States, General Accounting Office, Washington, DC.

Dr. JOHN GIBBONS,
Director, Office of Technology Assessment, Washington, DC.

DEAR CHARLES AND JACK: I am writing to request that both the General Accounting Office and the Office of Technology Assessment look into matters pertaining to the Veterans' Administration (VA) FY 1986 Patient Treatment File Mortality Analysis.

Enclosed is an October 11, 1988, Washington Post article, entitled "VA Researchers Ordered to Report Fewer Problem Hospitals", in which it is alleged that the VA altered the design of its mortality study so that more favorable results would be obtained. According to the article, the confidence limits—the range within which there is a probability of concluding that there is a true or real difference between the observed and predicted—were expanded from 95 percent to 99 percent. It is my understanding that such a change might result in decreasing the number of VA medical centers erroneously identified as having a higher mortality rate than predicted, but would also have the potential for missing some centers with a higher than predicted mortality rate in need of further study. According to the article, over the objection of the VA's then-Director of Health-Care Quality Assurance, the VA's Chief Medical Director (CMD) "ordered the researchers" to come up with a lower number of potential problem hospitals because the CMD reportedly was concerned that the "VA could not withstand the criticism that 'inevitably' would result from comparison between its survey" and the survey of mortality in private hospitals released by the Health Care Financing Administration (HCFA) in December 1987.

I believe that these allegations and the VA's methodology warrant a detailed study and investigation at this time. Thus, as Chairman of the Veterans' Affairs Committee, I am requesting that the Office of Technology Assessment carry out a study designed to address the following issues:

1. Was the methodology utilized by the VA when analyzing its hospital's mortality rates a scientifically valid and reliable methodology? In responding, please specifically address the appropriateness of using either 95-percent or 99-percent confidence limits of changing the confidence limits after the data have been gathered.

2. Is the methodology utilized by the VA comparable to that utilized by HCFA? If not, in what ways do they differ and is one methodology preferable to the other?

I am requesting that the General Accounting Office investigate the following matters:

1. At what point in the development and implementation of this study was the decision made to use higher confidence limits for measuring overall mortality rates between VA medical centers, why was that decision made, and who was responsible for making that decision?

2. Did the Chief Medical Director or any other VA official inappropriately attempt to give the appearance of fewer quality-assurance problems at VA medical centers that actually exist?

Because of the serious nature of the allegations and the need to keep the public informed of the degree to which high quality health care is being provided within all VA medical centers, I am requesting that these studies be expeditiously undertaken.

Thank you for your continuing assistance. I look forward to working with you in proceeding with these reviews. Should you have any questions, please have your staff contact Sandi Isaacson, Professional Staff Member (224-9126).

With warm regards.
Cordially,

ALAN CRANSTON,
Chairman.

APPENDIX II.—PATIENT GROUPS AND DIAGNOSTIC CATEGORIES USED IN VA'S PATIENT MORTALITY STUDY

PATIENT GROUPS

1. Nonsurgical (patient did not have a procedure).
2. Surgical procedure (patient had a surgical procedure).
3. Operative diagnostic/palliative procedure (patient had a surgical procedure for diagnostic purposes alone, e.g., biopsy).
4. Nonoperative procedure (e.g., CAT scan).

DIAGNOSTIC CATEGORY

1. Cancer.
2. Cerebrovascular disease.
3. Severe heart disease.
4. Metabolic and electrolyte disorders.
5. Pulmonary disease.
6. Ophthalmologic disease.
7. Low-risk heart disease.
8. Gastrointestinal disease.
9. Renal and urologic disease.
10. Orthopedic conditions.
11. Infectious and parasitic disease.
12. Symptoms and ill-defined conditions.
13. Aftercare, rehabilitation, follow-up examinations.
14. All other conditions.

---

[6] The 8 hospitals identified at the 99-percent confidence level and all but 1 of the 12 hospitals identified at the 95-percent confidence level were among the 43 hospitals already being reviewed because they had higher-than-expected mortality rates in the group/diagnosis categories. The one other hospital was added to VA's review.

APPENDIX III.—COMMENTS FROM THE DEPARTMENT OF VETERANS' AFFAIRS

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, DC.

Mr. LAWRENCE H. THOMPSON,
Assistant Comptroller General, Human Resources Division, U.S. General Accounting Office, Washington, DC.

DEAR MR. THOMPSON: This responds to your request that the Department of Veterans Affairs (VA) review and comment on the General Accounting Office (GAO) April 7, 1989, draft report "VA Health Care: Allegations Concerning VA's Patient Mortality Study."

An October 1988 Washington Post article contained allegations that VA altered the design of its patient mortality study to obtain results more favorable to VA. GAO reviewed the allegations and found no evidence that the Chief Medical Director or any VA official acted inappropriately.

Enclosed are the comments of John A. Gronvall, M.D., Chief Medical Director, on the GAO report.

Sincerely yours,
EDWARD J. DERWINSKI,
Secretary.

Enclosure.

COMMENTS OF THE CHIEF MEDICAL DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS, ON THE APRIL 7, 1989, GENERAL ACCOUNTING OFFICE DRAFT REPORT "VA HEALTH CARE: ALLEGATIONS CONCERNING VA'S PATIENT MORTALITY STUDY"

When the VA patient mortality study was initiated, the Chief Medical Director intended that VA hospital mortality be directly compared with the mortality experience of community hospitals. Because of differences between VA and Medicare records (as described in the GAO report), no such direct comparison could be made. Thus, the study does not allow any conclusion about quality of VA care compared to that of communtiy hospitals.

Both the Health Care Financing Administration (HCFA) study and the VA study, therefore, compare individual hospital mortality data to aggregate data for the whole system of Medicare of VA hospitals respectively. The analysis then identifies individual hospitals with higher (or lower) than expected mortality. HCFA pointed out that no direct conclusion about quality of care can be drawn from such analyses. The VA study proceeded to actual case record reviews, as the GAO report describes, to see if there had been problems in the equality of care provided.

The Chief Medical Director has asked VA staff to use a study methodology identical to, or at least similar to, that of HCFA's. He thus assumed that when this statisical analysis was applied to these two large systems (all Medicare hospitals, or all VA hospitals), approximately the same proportion of hospitals would be identified as "high outliers," having higher than expected mortality rates. The GAO report documents that this was the Chief Medical Director's assumption, without giving his rationale for it.

In any event, as the GAO report points out, the Veterans Health Services and Research Administration had decided to do a followup medical record review in all hospitals where higher than expected mortality was found in any of the patient group/primary diagnosis categories (a total of 43 hospitals).

In the interest of technical accuracy, we request that GAO make the following changes in the report as well as the changes shown on the attached annotated extract of the report.

Page 2, Results in Brief: A sentence should be added, stating that both the 95 and 99 percent confidence levels were used in calculating data. There is no mention of the 95 percent confidence level until later in the report. Since one of the allegations in the Washington Post was that the Chief Director ordered a change in the confidence level used, it should be pointed out in the beginning of the report that both levels were in fact used, and that the analysis of the aggregate data at the 99 percent confidence level was conducted only to provide summary data. The analysis of data by patient groups and diagnosis categories, conducted at the 95 percent level, was always to have been the basis for the case review—the purpose of the study. Excluding this information early in the report makes it appear as though an analysis was conducted only at the 99 percent confidence level. Persons who may only read the Results in Brief, not the entire report, would not have an accurate understanding of the calculations.

Page 7, line 1: Delete "only." The VA's data files record more than the patient's primary diagnosis.

Page 7: Footnote 4 should specify that the HCFA mortality rate was for the hospital's overall mortality rate.

Page 8: Last sentence, first, full paragraph: The meaning of the word "they" is unclear.

Page 9: The second-last sentence should read, "Three researchers within the VA * * * using." Delete "The research specialist said that" because this is a factual statement.

Page 12, line 5: The followup studies were preformed for a number of reasons, including identifying VA medical centers "where quality of patient care was less than optimal or where practices deviated from commonly accepted standards of medical practice. * * *" The followup review was limited to an assessment by physicians of the quality of care provided in specific cases. Therefore, it would be inappropriate to state that the purpose of the followup was to "determine whether these hospitals have quality-of-care problems."

APPENDIX IV.—MAJOR CONTRIBUTORS TO THIS REPORT

HUMAN RESOURCES DIVISION, WASHINGTON, DC

David P. Baine, Director of Federal Health Care Delivery Issues, (202) 275-6207; James A. Carlan, Assistant Director; Robert E. Garbark, Assignment Manager; Carolyn L. Cook, Evaluator-in-Charge.

VA MORTALITY STUDY RESULTS

Mr. CRANSTON. Mr. President, I have just discussed GAO and OTA reports which exonerate Dr. Gronvall, VA's Chief Medical Director, from allegations made about VA's fiscal year 1986 mortality analysis. Yesterday, June 13, 1989, VA released its "Review of Mortality in VA Medical Centers," the study which was the subject of these allegations. This report describes the results of an indepth medical record review at the 44 VA medical centers which VA's mortality statistical analysis showed had higher-than-expected mortality rates. Because so few studies have been published in the area of mortality, and no study is available to compare directly with this VA study, the VA report is difficult to interpret. I suspect, however, that there is no cause for major concern on the part of veterans and their families relying on the VA general medical and surgical hospitals.

According to this study, "likely" quality-of-care problems exist in 5.1 percent of a sample of deaths reviewed within all Department of Veterans' Affairs [VA] medical centers during 1986—3.7 percent have "likely" problems if primarily medical and surgical facilities are reviewed, and a staggering 10.4 percent have a "likely" problem if only medical and surgical wards of primarily psychiatric VA medical centers are studied. I ask unanimous consent that the two tables from the VA report, which provide a clear summary of the data in the study, be printed in the RECORD at this point: The first is entitled "Results of Medical Record Review by Facility," and the second is entitled "Percentage of Cases Reviewed in which 'Likely' Quality of Care Problems Identified for 10 Primarily Psychiatric Facilities." These tables provide a clear summary of the data in the study.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

RESULTS OF MEDICAL RECORD REVIEW BY FACILITY

Facility	Number of cases	Likely quality of care problems	
		Number	Percent
Albany, NY	54	1	2
Alexandria, LA	21	0	0
Asheville, NC	15	2	13
Atlanta, GA	26	3	12
Battle Creek, MI	59	12	20
Biloxi, MS	30	0	0
Birmingham, AL	94	0	0
Buffalo, NY	80	0	0
Chillicothe, OH	12	2	17
Cincinnati, OH	[illegible]	0	0
Columbia, SC	36	1	3
Dayton, OH	101	6	6
Denver, CO	69	7	10
Des Moines, IA	13	0	0
Durham, NC	34	2	0
Fayetteville, NC	23	0	0
Houston, TX	[illegible]	[illegible]	0
Indianapolis, IN	13	0	0
Iowa City, IA	34	1	3
Leavenworth, KS	45	3	7
Lebanon, PA	14	0	0
Lexington, KY	15	0	0
Little Rock, AR	13	0	0
Loma Linda, CA	165	8	5
Marion, IN	72	5	7
Martinsburg, WV	11	0	0
Memphis, TN	19	0	0
Montgomery, AL	9	0	0
Mountain Home, TN	32	0	0
New Orleans, LA	61	1	1
North Chicago, IL	34	0	0
Oklahoma City, OK	15	0	0
Perry Point, MD	21	0	0
Phoenix, AZ	71	1	1
Pittsburgh, UD, PA	28	0	0
Salisbury, NC	79	11	14
St. Louis, MO	[illegible]	3	6
Tampa, FL	17	0	0
Tuscaloosa, AL	24	0	0
Tuskegee, AL	13	3	23
Waco, TX	39	5	13
Walla Walla, WA	11	1	9
Washington, DC	58	2	3
Total	1,771	[illegible]	

TABLE V.—PERCENTAGE OF CASES REVIEWED IN WHICH "LIKELY" QUALITY OF CARE PROBLEMS IDENTIFIED FOR 10 PRIMARILY PSYCHIATRIC FACILITIES [1]

Facility	Number of cases in review	Number of cases with quality of care problems	Percentage of cases reviewed with quality of care problems
Tuscaloosa	24	0	0
Battle Creek	59	12	20.3
Chillicothe	12	2	16.7
Lebanon	14	0	0
Marion (Ind)	72	5	6.9
Perry Point	21	0	0
Salisbury	79	11	13.9
Waco	39	5	12.8
North Chicago	34	0	0
Tuskegee	12	3	25.0
Total	366	38	10.4

[1] A case is regarded as having a "likely" quality of care problem if two peer reviewers indicated that the care was definitely or probably not consistent with current medical practice.

Mr. CRANSTON. Mr. President, although I am, of course, always concerned about the overall quality of care furnished in VA hospitals, I am particularly troubled in this case by the findings about mortality rates in VA psychiatric facilities and believe this to be indicative generally of an overall lack of attention paid by the VA to the problems of veterans with psychiatric diagnoses. I plan to pursue actively with VA its plans for corrective action at those facilities identified as having deficiencies.

I understand that resolving problems related to treating the medical or surgical illnesses of psychiatric patients is not easy. It is difficult to recruit and retain adequate numbers of high-quality medical and surgical practitioners at primarily psychiatric facilities, and it is frequently difficult to diagnose the medical or surgical illnesses of psychiatric patients because they sometimes describe their symptoms in ways which differ markedly from the descriptions of non-psychiatric patients. However, this does not mean that the 10.4-percent figure—which is almost three times as high as for VA general medical facilities—is not a cause for serious concern. It is indeed.

In its report, VA proposes to institute specific actions to resolve the "likely quality-of-care problems" that were identified. Today, in a committee hearing on related mental health matters, I pressed VA to expedite its followup actions—especially at the six psychiatric facilities identified—and VA's Chief Medical Director agreed to do so. Additionally, I am requesting the General Accounting Office [GAO] to initiate a review in order to determine if the methodology to be used for followup is appropriate, and then to follow VA's action to determine if the followup is completed as described, if the actions taken as a result of the followup are proper, and if GAO would recommend that other actions be taken.

Mr. President, I would also like to comment on a second, related matter. In his letter to me accompanying the mortality study results, Secretary Derwinski stated that "In the narrative summary of this report, the authors issued this warning: 'No general statement about the quality of care within VA can be drawn from these findings'." This statement and other qualifiers led me to a conclusion that this specific effort did not represent a particularly effective use of VA resources." In other words, Mr. Derwinski seems to believe that VA wasted its time and money in conducting this study. I cannot agree with any such suggestion and believe the data developed in this study refute such a suggestion.

How else would VA have identified those facilities with "likely" problems in quality of care if this study had not been done? I am not aware of any other measurement in the current VA quality-assurance program that has produced comparable hospital-by-hospital aggregate data regarding any such deficiencies. Without regard to whether the results can be generalized—that is, extrapolated to apply to all VA facilities—these findings do imply something about the care given to specific patients in specific facilities—and especially so regarding medical and surgical care in VA psychiatric facilities. Additionally, although experts in the quality-assurance field assert that there are recognized limitations in using crude death rates as indicators of the quality of care furnished, they further suggest that these types of studies do assist to define where further investigation and possibly corrective action should be pursued.

Mr. President, that is exactly how VA had planned to use and should now proceed to use the study results.

NATURAL GAS WELLHEAD DECONTROL ACT

Mr. BIDEN. The Senate recently voted its approval for a bill that would have been impossible just a few years ago, the decontrol of natural gas prices. In my 16½ years in the Senate there are few issues that have proven to be as contentious, time after time, as the decontrol of natural gas.

This year we saw a breakthrough. In years past, I strongly opposed decontrol. Market conditions were all wrong and the decontrol proposals, in my view, would have subjected consumers to devastating and unwarranted price increases. While I supported incentives for increased drilling in the aftermath of the 1976-77 natural gas shortages, I was unwilling to go so far as to completely decontrol prices. As natural gas legislation was debated in later years, I tried to keep an open mind as to its merits.

The natural gas market has changed greatly since Congress last bogged down on this issue. Over 60 percent of the natural gas moving interstate is not subject to price controls of any kind, and only 6 percent of interstate gas is restrained by legislatively mandated price caps. The risk of a fly-up in prices is not present in the debate on this bill.

Supporters and opponents of deregulation point to the same event in justifying their position, the expected end of the so-called gas bubble in the early 1990's. We are at a time of excess supply and looking ahead to one of tightened supplies. The decision Congress is making is how to best prepare for the future.

Some gain a certain comfort from price caps on natural gas prices and point to the worst conditions of the past as justification for the continuation of controls. But the limits of price caps become immaterial when the result is shortages as in the winter of 1976-77. So price caps can hurt consumers by discouraging drilling where gas may be most easily removed and encourage drilling in more difficult areas, and by making it harder for some companies to reinvest in additional wells. Consumer interests are not served by a regulatory scheme that hinders the future supply of natural gas, in effect making it more likely that price caps will be reached.

Deregulation is a good idea at this time. There is enough competition in the market to ensure that prices are not being fixed. The argument has been made that the potential exists for monopolistic behavior if production is concentrated in the control of a few big companies. But there was no evidence of that being certain, only that it is possible. It is a risk, but we must view it realistically or we will remain in a perpetual deadlock. There are other ways to address bad behavior of the type feared.

I voted against amendments that would only have reregulated the industry in one form or another or were merely punitive proposals. There are problems from the past that need to be resolved—take-or-pay, for example. But these are best handled on a case-by-case basis, not in the form proposed in amendment to this bill. If the only standard for supporting deregulation is that every problem must be addressed through legislation, we will again be locked to existing policy.

The rejection of Senator BRADLEY's amendment on open access is more problematic. Failure of that amendment, by a relatively narrow vote, led me to vote against final passage of the Senate bill. The Bradley amendment sought to assure that any outstanding questions about a potential future problem, access to natural gas transportation, is cleared up. This amendment addressed a part of deregulation that has been overshadowed by the at-

VOL 135 PT 9 JE 14 — 22 1989 UMI

tention to wellhead prices, but has an integral role in the lowered consumer prices that made this whole bill possible.

Over a decade ago only a trickle of interstate gas was purchased directly from producers by consumers. Now over 70 percent of interstate gas is transported under open-access regulations. Just as wellhead decontrol seeks to allow individual producers greater freedom to make their own drilling decisions, open access is crucial to allowing purchasers to shop around for the best price. It will take on added importance as supply conditions change.

I opposed Senate passage in the hope of sending a message to the conferees that open access is an issue they should address. It is an important element to assure that the future benefits of deregulation flow through to the consumer, without sticking points such as pipeline retreat to earlier policies in which they refused to transport gas they had not purchased.

With that Mr. President, I hope to be able to support the conference agreement on natural gas deregulation when it comes to the Senate. Our Nation will entering a new era with natural gas in the next few years. With deregulation comes certain risks, but I believe it is the best course to follow. However, I also hope that the bill that emerges from conference with the House will assure consumers that they will not be put at greater risk on the critical question of transportation.

EXECUTIVE SESSION

The PRESIDING OFFICER. The hour of 5 o'clock having arrived, under the previous order, the Senate will now go into executive session to consider the nomination of Richard R. Burt of Arizona, for the rank of Ambassador during his tenure as Head of the Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Arms. The clerk will report the nomination.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Richard Reeves Burt, of Arizona, for the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms.

The PRESIDING OFFICER. There will be 1 hour of debate equally divided between the chairman and ranking member of the Foreign Relations Committee.

The Senator from Rhode Island.

Mr. PELL. I thank the Chair. Mr. President, I support the nomination of Richard Reeves Burt to hold the rank of Ambassador during his tenure as Head of the Nuclear and Space Talks and as Chief Negotiator on Strategic Nuclear Arms.

The Committee on Foreign Relations held a hearing on the Burt nomination on May 5. At that hearing, the committee explored thoroughly with him the administration's plans for the START effort, which, is successful, could be the centerpiece of a new era in arms control. In addition, the committee, somewhat concerned by official and unofficial evidence of administrative and security problems in earlier rounds of the START talks, questioned him closely as to how he will personally ensure that the highest standards for administration, cost control, and security are met by the delegation. In addition, the Senator from North Carolina raised a number of questions which were addressed by Ambassador Burt personally and which were covered in a report by the State Department's independent inspector general.

Mr. President, Ambassador Burt will bring to this position a thorough background in arms control issues. He was involved in arms control issues from the outset of the Reagan administration. He served from 1981 to 1983 as Director of the Bureau of Politico-Military Affairs in the Department of State. Mr. Burt was nominated by President Reagan, approved by the committee and confirmed by the Senate in 1983 to serve as Assistant Secretary of State for European and Canadian Affairs.

Two years later, Mr. Burt was nominated by President Reagan, approved by the committee and confirmed by the Senate as Ambassador to the Federal Republic of Germany. During that period, he dealt with a number of complex political, military, and economic issues.

Before entering Government service, Mr. Burt was the national security correspondent for the New York Times. Earlier, he served as research associate and assistant director of the International Institute for Strategic Studies in London. He is a graduate of Cornell University and received his master's degree from the Fletcher School of Law and Diplomacy at Tufts University.

The committee considered this nomination with care. Having done so, the committee overwhelmingly approved the nomination in a 16 to 2 vote.

Mr. President, the committee expressed its judgment on both the importance of the past and the appropriateness of the nomination in the concluding portion of its report, as follows:

> Having reviewed the issues raised regarding Mr. Burt and his responses and having had access to the independent report of the State Department Inspector General, prior to reporting to the Senate, the Committee reached the conclusion that Mr. Burt is fully qualified to perform his duties effectively. The START Treaty now in prospect is a critically important undertaking. Indeed, the eventful significance of the INF Treaty will hinge in great measure upon the success of the two sides in bringing about meaningful, stabilizing reductions in strategic offensive arms. Moreover, it will be essential for both sides to achieve an outcome in the Defense and Space Talks which allows the exploration of potentially valuable improvements in strategic defenses without undermining the Anti-Ballistic Missile Treaty, which is the centerpiece of prior efforts to control strategic arms.
>
> Mr. Burt brings to these challenges a thorough background in strategic affairs, 8 years of high-level government service, and an apparent commitment to pursue the President's objectives in the Geneva talks. Accordingly, the Committee reaffirms its judgment that Mr. Burt should be confirmed.

I yield the floor.

Mr. McCAIN. Mr. President I speak in behalf of the nomination of Mr. Richard Burt to be our chief arms negotiator in Geneva. Mr. President, I do not have to tell any Member of this body how important the START process is to U.S. security, nor do I have to describe how crucial a time we are facing as the rapidly changing scenario indicates that there will be a degree of activity in Geneva, perhaps at a level that we have not seen before. At no time than the present do we need a more experienced, responsible professional in charge of the process.

Fortunately, the President has found such a man in Ambassador Richard Burt. Ambassador Burt's extensive experience as a national security expert outside of Government and his distinguished service over the past 8 years combine to make him uniquely qualified by training experience, and temperment as our chief strategic arms negotiators.

On issues of substance, Mr. President, he is sound. He understands that the purpose of arms control is to reduce the risk of war. He will bring back an agreement that will do that, and will not be rushed into unwise concessions. His thinking in this area is fully in accord with the views of this President and, I believe, the overwhelming majority of the Members of this body.

He is firmly committed to rejecting Soviet attempts to hold START hostage to United States concessions on SDI, and he will firmly protect our rights to develop such promising SDI concepts as brilliant pebbles. He fully understands the importance of Soviet compliance and has testified in support of the President's policy that we will conclude no new strategic arms agreement until the Soviets correct their Krasniak radar violations of the ABM Treaty.

Some raise questions over Ambassador Burt's commitment to ensuring proper security for classified material. These were dealt with extensively by both the inspector general of the De-

partment of State and the Foreign Relations Committee. I agree with the conclusions of both the inspector general and the overwhelming majority of that committee. Ambassador Burt is fully qualified and should be confirmed. Indeed, far from demonstrating lack of concern for security, Mr. Burt has shown exactly the opposite. As a reporter he declined to report news leaks for fear they might jeopardize U.S. security. As a senior Government official for 8 years, he was privy to some of the most sensitive secrets in Government. Yet, a searching examination reveals only minor, and I emphasize minor, administrative errors.

To ensure that serious allegations could not be swept under the rug, Congress established the post of State Department inspector general, mandating the independence of that office by statute. A searching investigation by the inspector general revealed no evidence of impropriety or lack of concern for security on the part of Ambassador Burt.

Ambassador Burt has testified in detail on the security procedures he will implement within his delegation if confirmed. The Foreign Relations Committee report, Mr. President, clearly indicates that Mr. Burt has been subject to thorough investigations prior to receiving his earlier Government nominations, as well as the negotiating post for which he has now been nominated. The investigations regarding Presidential appointments are now particularly comprehensive. All have been reviewed. There has been nothing discovered to bring into question Mr. Burt's loyalty or suitability for the high trust and confidence placed in him. From all indications, Mr. Burt was a valued member of the top-level teams to two Secretaries of State under President Reagan. He has received a vote of confidence from a new President and Secretary of State.

In sum, I am confident this is an excellent appointment. The President has made a wise choice. The Senate should act wisely to support that choice.

Mr. President, I have known Mr. Burt for some 12 years. I have known him to be a man of integrity, honor, and decency. Personal attacks sometimes not only harm the reputation of the individual that is being attacked, but also tend to dissuade other qualified men and women from public service. I think we should be very careful about the manner and the substance with which we question the qualifications of any candidate for office, whichever party is in power in the White House and does the nominating.

Mr. President, I happen to know Mr. Burt from personal experience. I believe he is well qualified. I believe he is a fine and decent man who is committed to the security of this Nation. I have every confidence, along with President Bush, Secretary Baker, and all of the other members of this administration who were elected last November, that this choice is a wise one; one that will be of great value to the United States in the very difficult days of hard negotiating with the Soviet Union that lie ahead as we reach the goal which all of us seek: A meaningful, verifiable strategic arms reduction treaty to ensure not only our own future, but that of our children. Mr. President, those tasks and responsibilities are in good hands. I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). Senator HELMS.

Mr. HELMS. My understanding is that there is a 1-hour time limitation on this, equally divided; is that correct?

The PRESIDING OFFICER. Yes.

Mr. HELMS. I thank the Chair.

Mr. President, Richard Reeves Burt has been nominated to the position as head of the U.S. Delegation for the Nuclear and Space Talks and chief START negotiator. Needless to say, this position is one of supreme sensitivity dealing as it does with the highest and most sensitive of U.S. strategic defense strategy and capability.

Let me say parenthetically that Mr. Burt is a personable young man. During his career, he had been somewhat of a swinger, and I believe that was his own judgment.

I like him personally, but if my brother had had the record that Mr. Burt has with respect to a number of things which I will now identify, I would not vote to confirm my brother.

Unfortunately, Mr. Burt's career demonstrates that he has little sensitivity to the need to protect the security of highly classified information. He appears to act as though it is immaterial whether top secret and more highly classified information gets into the hands of the press.

It may be that his former career as a journalist has desensitized his concern for security laws, rules, and regulations. On the other hand, as a diplomat he has failed on over 100 occasions to provide classified information to the appropriate committees of Congress on a subject specifically mandated by law. These circumstances validly raise the question whether Mr. Burt ought to serve in any position which requires access to top secret and sensitive compartmented information which we identify by initials around this place as SCI.

Moreover, these circumstances raise a question of whether the personnel security system is functioning at a level adequate to protect our most sensitive secrets. Time after time security officials failed to follow established procedures. They lost files pertinent to Mr. Burt's activities. They neglected to send information of violations to a higher level, or they simply omitted to conduct investigations that should have been required by the circumstances.

Now, a report which I received after requesting it from the State Department Office of Inspector General was inconclusive, but it nonetheless confirmed the failure of the security system in many specific instances.

Although the actions in question were individually serious, the pattern of negligence and repeated violations raises serious doubts that Mr. Burt is fit to hold a security clearance. Moreover, Mr. Burt misinformed and misled the Foreign Relations Committee during questioning. Subsequently, he did correct one misleading statement but he left the others on the record.

Let me be specific about Mr. Burt's attitude toward security clearances as may be inferred from the following:

First, as a reporter for the New York Times, Mr. Burt published details of the CHALET satellite intelligence collecting system back in 1979. Now, although some legal experts believe it does not contravene the espionage laws to publicize classified information generally, the publication of information relating to communications intelligence collection is specifically punishable by law. This is not a question of an "Official Secrets Act" of the type based on pre-publication restraint. We are talking about penalties in the law for publishing information relating to communications intelligence. No question about that. In any case, it is absolutely clear that Mr. Burt condoned such disclosure and condoned the actions of whatever Government official or officials who provided him unlawfully with this highly secret information.

Second, in the period 1981–83, while holding an SCI clearance, Mr. Burt maintained what he described as a social relationship with a female journalist of the New York Times who began to publish classified information, to which Mr. Burt had access at the highest level in at least seven separate articles. Mr. Burt denies that he gave her classified information but his denial is uncorroborated. No investigation was held, and an investigation ought to have been held.

Third, while he was Ambassador to the Federal Republic of Germany, Mr. Burt gave a TV interview which indirectly disclosed our capability to intercept and analyze terrorist communications by Libya. Newspaper reports stated that he was reprimanded by the White House. As a result of the public discussion which followed Mr. Burt's interview, Libya changed its communications methods and the United States lost valuable intelligence access to terrorist communications. Press reports

VOL 135 PT 9 JE 14 — 22 1989 UMI

confirm that Libya changed its communications to a more secure mode.

Fourth, Mr. Burt was intensely questioned about the espionage laws, particularly 18 U.S.C. 798 during his hearings back in 1982. Nevertheless, in 1989 he testified that he had never read section 798. The IG report shows that Mr. Burt has six times signed security nondisclosure agreements stating that section 798 and other such statutes were available to him to be read, and for briefing.

Now, Mr. President, it rather stretches the imagination that a nominee questioned about section 798 at a nomination hearing would not have read or been briefed on the statutes at least after the fact. In any case, he was clearly derelict in his duty if he declined to read them when the opportunity was made available on six occasions. Either he supplied incorrect information to a U.S. Senate committee, the Foreign Relations Committee, or he has zero interest in what his legal obligations are under the security statutes. He cannot have it both ways—one way or the other he has a culpability. Or both.

Fifth, Mr. Burt was cited for three separate security violations. And when questioned by the Foreign Relations Committee and this Senator—and I happen to be the ranking minority member of the Foreign Relations Committee—Mr. Burt could recall at that time only one security violation, and that was for leaving a low-level classified document unsecure, he said. But when asked if he had ever been cited for an incident involving a lost briefcase, Mr. Burt just could not remember. I remember his blank stare as he pondered the question.

Well, in point of fact, the inspector general's report shows that Mr. Burt was cited for losing a briefcase with top secret information; he lost it in Brussels while traveling with the Vice President. And what do you know? That briefcase containing that classified information was found, where? In the hands of a journalist with NBC.

Now, the briefcase was lost early in 1983 and on February 4, 1983, he was charged, in fact with losing the material; and on February 16, what do you know, he was confirmed by the Senate as Assistant Secretary for European Affairs. If the Senate had been aware of this violation, perhaps his confirmation would have had a different outcome. Clearly this major top secret violation, coming as it did, right before confirmation to an important post, made little or no impression on him. And if so, what does that tell us about him? His total lack of memory, even when prompted—and I prompted him several times during my interrogation of him—this lack of memory, if that is what it is, itself demonstrates a lack of concern for security.

Sixth, when Mr. Burt was Ambassador to Germany, according to the IG report, security personnel found a 35-millimeter film cartridge containing marijuana. They found it in Mr. Burt's residence in Bonn. Although no evidence was found that Mr. Burt used marijuana—and I do not accuse him in that regard—what was Mr. Burt's explanation? He said, "Oh well, a guest must have left this marijuana."

He had just forgotten to report it to the authorities. But there was no corroboration of his assertion. The authorities accepted his self-serving statement. In any case, the incident demonstrates his continued lack of concern for security.

With these examples in mind, it is astonishing that the security system failed even to consider them adequately because a number of irregularities appeared.

First, in 1981, Mr. Burt was given SCI clearance while the Attorney General still had an open investigation on the CHALET disclosure;

Second, the FBI never asked Mr. Burt for the name of his source in the CHALET case, nor did Mr. Burt disclose the name voluntarily;

Third, Mr. Burt was never questioned about his relationship with the female New York Times reporter after she began to publish again and again and again classified information to which he has subsequently admitted that he had access. No reference to the relationship with the journalist even appears in his security file;

Fourth, the top secret violation involving the lost briefcase. What do you know, Mr. President? It was totally left out of his security evaluation summary;

Fifth, the IG report states that the regional security officer concluded that the contents had not been compromised even though it had been in the hands of the NBC reporter for an extended time, based once again on Mr. Burt's uncorroborated assertion; and

Sixth, no records were kept on the marijuana incident, and it never became a part of the security file.

One can only imagine what would have happened if these events had occurred to somebody else. I suppose that anybody who has ever been accused by the authorities of having illegal substances in their home have always said, "Oh, somebody left it there. I had nothing to do with it." But the IG report stated that the investigation of the marijuana incident—this is the IG's assessment, not mine—and the inspector general said the investigation was conducted "in a manner inconsistent with professional investigative methodology."

Mr. President, even though I personally enjoyed the company of Mr. Burt on a few occasions when I have seen him, and I hold no personal animosity against him, I cannot vote to confirm a man with this record. I know what the arithmetic on voting in the Senate is, and he has many personal friends in the Senate and has taken care to cultivate them. That is fine. Some may get up today and say he is the greatest thing since sliced bread. But that seems to be somewhat of a derogation of sliced bread.

Mr. HELMS. Mr. President, I ask unanimous consent that certain additional material be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTRODUCTION

Newspaper accounts report that, in recent years, the U.S. START Delegation in Geneva has not always observed the highest standards of security and decorum. The reports indicate careless security procedures, the loss of quantities of highly classified data, and imprudent personnel involvement in social activities with foreign nationals, associations which may well have jeopardized the nation's security. Needless to say, penetration of the U.S. START delegation is a high priority of the Soviet KGB.

When Mr. Burt appeared before the Committee on May 5, 1989 he had a prepared statement ready to address this problem, in which he said:

"Many members of the Senate are quite concerned about reports which we have received concerning lax security controls over the delegation in Geneva and a number of possible serious violations and penetrations of our national security.

"As head of our delegation in Geneva, I will work to strengthen our security practices there."

* * * * *

"In cooperation with the ACDA Director and with the State Department Bureau of Diplomatic Security, I plan to take the following additional measures.

"First, every member of the U.S. Negotiating Team in Geneva, regardless of which agency they represent, will be required by me to attend a briefing on security and counter intelligence measures before they will be allowed to travel to Geneva. This briefing will be provided jointly by ACDA and the State Department's Bureau of Diplomatic Security.

"Secondly, all delegation members will be provided with a written delegation security directive, which will outline, in considerable detail, the security responsibilities of each delegation. The guidelines in this directive will cover physical security, document handling, and personal conduct.

"All delegation members will be asked to sign a statement saying that they have read these guidelines and they will be encouraged to keep them for reference.

Thirdly, tighter security controls will be promulgated for all sensitive delegation documents, with strict limits on the number of copies made and the distribution of these documents. . . .

* * * * *

"Fifthly, I, personally, will ensure that all violations of security are addressed with tough disciplinary action, including, if necessary, dismissal of repeat offenders from the delegations.

This is an admirable statement of commonsense security procedures, and I applaud Mr. Burt for going on public record as to his intentions in Geneva, if confirmed. Unfortunately, Mr. Burt's declaration lacks credibility, based upon his own past conduct.

The handling of classified data is governed both by statute and by agency guidelines, principally those of the CIA which processes requests for access to so-called SCI, that is, Sensitive Compartmented Information. The statutes, specifically 18 USC 793, 794, 798, and 952, commonly called the Espionage Laws, were designed to prevent anyone—civilian, government, or military, citizen or alien—from transferring to the enemy information which is essential to the national defense. The SCI guidelines provide the investigative criteria for determining whether a person should have access to sensitive materials. The guidelines are found in DC—Directive 1/14, promulgated by George Bush in 1976 when he served as Director of Central Intelligence.

It is not the business of the Committee or the Senate to determine whether laws have been broken or whether an individual should have access to SCI materials. Nevertheless, in reviewing a nominees fitness to hold an office which requires such access, it is proper to assess the nominees attitude towards the protection of sensitive data when his past activities indicate irresponsible and imprudent behavior that have damaged our national security.

I. MR. BURT'S PARTICIPATION IN DISCLOSURE OF INTELLIGENCE DATA

18 USC 798 applies heavy fines and imprisonment against any person who knowingly and willfully communicates, furnishes, transmits . . . or publishes any classified information concerning the design, construction, use, maintenance, or repair of any device, apparatus, or appliance used by the United States . . . for cryptographic or communication intelligence purposes. [18 USC 798 is attached as Exhibit 1.] Unlike other espionage statutes, Section 798 requires only that the furnishing or publishing be done knowingly and willfully, and does not require an additional intent to harm the United States. It is also distinguished from Sections 793 and 794 in that it specifically prohibits publishing which the others do not. In 1979, Mr. Burt, then a reporter on national security affairs for The New York Times, received from an unknown source and published in his newspaper details of the design, construction, and use of the then secret CHALET intelligence communications satellite. [This article is attached as Exhibit II.] Clearly, the intent of Section 798 was to make such an action a crime, both on the part of the person who furnished the information and on the part of the person who published it.

The Senate Select Committee on Intelligence did an assessment of the damage which Mr. Burt caused by his article and concluded that the information he disclosed fit the literal definition of "top secret"—that is, information the release of which could be expected to do exceptionally grave damage to national security. But according to the State Department Inspector General report of June 6, 1989, "Mr. Burt said that the FBI never asked him for the source of the 1979 article."

It is not the purpose of this Senator to argue that Mr. Burt should have been prosecuted. The point is that this is a well-documented case which shows that Mr. Burt cooperated with, and thereby approved, the disclosure of intelligence information that was prejudicial to the interests of the United States. Some have argued, under an absolutist vision of the First Amendment, that the press can publish any defense secret, no matter how vital; but that surely does not apply to Mr. Burts informant. The information was supplied by an unknown government employee and the argument for First Amendment rights cannot apply to a government employee who has signed a secrecy agreement as a condition of access to SCI material.

In the aftermath of Mr. Burt's publication of information concerning this source of communications intelligence, a number of foreign governments, in order to protect their own sources, took steps to deny U.S. access to such data relevant to U.S. verification of arms control treaties.

Mr. Burt failed to repudiate the action of the government employee who originally disclosed the information which he published. For this reason, it is difficult to understand why he himself was given access to SCI material when he entered government in 1981 if he believed that any government employee had the right to decide to give such information to the press at any time.

II. MR. BURT'S RELATIONSHIP WITH A JOURNALIST DISCLOSING CLASSIFIED DATA

The Minimum Personnel Security Standards and Procedures governing eligibility for access to Sensitive Classified Information are set forth in an unclassified directive known as DCID 1/14. [This document is attached as Exhibit III.] These provisions apply to all persons other than elected officials, federal judges, and individuals for who there is a special exception, without regard to civilian or military status, form of employment, official rank or position, or length of service. Those who do not meet the minimum security criteria are to be denied access to SCI.

The process of deciding whether or not access should be given is determined by reference to eleven criteria for adjudication. These include a) loyalty; b) close relatives and associates; c) sexual considerations; d) cohabitation; e) undersirable character traits; f) financial irresponsibility; g) alcohol abuse; h) illegal dugs and drug abuse; i) emotional and mental disorders; j) record of law violations; and k) security violations.

Annex A to DCID 1/14 states:

"The adjudicative process entails the examination of a sufficient period of a persons' life to make a determination that the person is not now or is not likely to become an acceptable security risk later. SCI access adjudication is the careful weighing of a number of variables known as the 'whole person' concept. The recency of occurrence of any adverse incident, together with circumstances pertaining thereto, is central to a fair and uniform evaluation. Key factors to be considered in adjudication are the maturity and responsibility of the person at the time certain acts or violations were committed as well as any repetition or continuation of such conduct . . . Any doubt concerning personnel having access to SCI shall be resolved in favor of the national security."

Thus, having been involved in a major disclosure of security information in 1979—one that involved wide investigations and reevaluation in the intelligence community—Mr. Burt was on record when he sought SCI access in 1981 as having covered up and condoned such disclosure on the part of his unknown accomplice, not to speak of his own position that he, as a journalist, had the right to determine whether to publish classified information about communications intelligence sources and methods. It is difficult to understand why he would have been granted such access.

Nor is access, once granted, permanent. DCID 1/14 states "reinvestigations shall be conducted . . . on a more frequent basis where the individual has shown some questionable behavioral pattern, his or her activities are otherwise suspect, or where deemed necessary by the [Senior Officer In Charge]."

During the period 1981-83, while Mr. Burt was Director, Military-Political Affairs, and Assistant Secretary for Europe, he conducted an on-going association, which he testified was "a social relationship" with Ms. Judith Miller, a reporter on national security affairs for The New York Times. During this period, Ms. Miller published some 30 articles dealing with topics in the general area of Mr. Burts duties. At least seven of these articles appeared to contain classified material relating to data or deliberations to which Mr. Burt had access. [The seven articles are attached as Exhibit IV.]

While the general prudence of such an ongoing relationship with a news reporter may be questioned, the far more serious question is why it was continued once Ms. Miller began to publish classified information. Once that happened, the relationship became a matter for readjudication of Mr. Burt's access to SCI, according to the established criteria.

The mere coincidence of Mr. Burt's relationship with Ms. Miller during the period during which she published classified information to which he had access does not, of course, establish that Ms. Miller obtained the information directly or indirectly from Mr. Burt. Mr. Burt denied in testimony that he furnished classified information to her. But his unsupported denial lacks credibility in view of the fact that he had previously condoned a government employees transferring highly classified information to The New York Times. And even if he did not furnish her with classified information, the continuing of such a relationship under the circumstances gave the appearance of condoning the breach of the fiduciary duty of other government employees to safeguard national security information.

Mr. Burt testified that he was never questioned about the Miller articles containing classified information to which he had access. Yet DCID 1/14 clearly requires a readjudication of access to SCI when the subject is involved in a situation which might lead to pressure to supply illegally classified information:

"Sharing living quarters with a person or persons, regardless of their citizenship status may be indicative of a close relationship, whether or not it is considered intimate. The potential for adverse influence or duress should be considered in any close or long-term relationship between the subject and another individual.

"The adjudicator must assess carefully the degree of actual and potential influence that such persons may exercise on the individual based on an examination of the frequency and nature of personal contact and correspondence with and the political sophistication and general maturity of the individual.

* * * * *

"DCID 1/14 requires that, to be eligible for SCI access, individuals must be stable, of excellent character and discretion, and not

subject to undue influence or duress through exploitable personal conduct.

"Sexual promiscuity and extramarital relations are of legitimate concern to the SCI adjudicator where such conduct reflects a lack of judgment and discretion, or when the conduct offers the potential for undue influence. . . .

• • • • •

"In all cases, the individual's spouse or cohabitant shall at a minimum be checked through the subversive and criminal files of the Federal Bureau of Investigation and other national agencies as appropriate. When conditions indicate, additional investigation shall be conducted on the spouse of the individual and members of the immediate family (or other persons to whom the individual is bound by affection or obligation) to the extent necessary to permit a determination by the adjudicating agency that the provisions of paragraph 5 [e.g The individual shall be stable; trustworthy; reliable; of excellent character, judgment, and discretion.] above are met."

Some of these guidelines may or may not apply to Mr. Burt. Nevertheless, they illustrate the kinds of considerations of risk that adjudicators must bear in mind as they consider a case. Indeed, the guidelines, in a parallel situation, state that an applicant must file a statement of intent if he or she intends to marry a foreign national—in which case security access is denied until there is a full field investigation of the other party.

According to the Inspector General's report, Mr. Burt denied cohabitation, but interviews conducted by the IG with 18 people in 1989 "also disclosed that Mr. Burt was believed to have cohabited with Ms. Miller after separation from his previous wife and before remarriage in 1985." Despite the circumstantial evidence suggesting that security may have been compromised, no special inquiry was made on the grounds that she was not a foreign national. It is not Mr. Burt's relationship, per se, that is in question, but the issue of compromising security information. It is plain, therefore, that an extensive social relationship with a journalist publishing classified data constitutes a legitimate cause for concern of a security risk. The apparent failure by both Mr. Burt and security officials to consider the security risk involved is an amazing collapse of security policy.

III. MR. BURT'S DENIAL THAT HE LEAKED INFORMATION

Mr. Burt testified on May 5 that he never leaked any classified information. In the course of a lengthy exchange, I asked the following:

"But what you are saying to me is just on occasion you may have escorted her to a dinner party and you never, never discussed any official business with her—never. Is that right?

"Ambassador BURT. That is correct."

Shortly after that exchange, I was visited by a former high official of government who alleged that he was present at a social occasion with Mr. Burt and Ms. Miller when Ms. Miller began discussing some highly classified information. According to this witness, when Mr. Burt realized that he was being compromised by this discussion in the presence of a third party, he became very angry and acted in a irresponsible manner. I have asked the State Department Inspector General to investigate this matter. No response was made on the issue.

IV. MR. BURT'S DISCLOSURE OF THE LIBYAN INTERCEPTS

Mr. Burt was Ambassador to the Federal Republic of Germany, he gave an interview on West German television after the bombing of the U.S. soldiers in the La Belle Disco in Berlin. In the course of this interview, he pointed the finger at Libya, making indirect references to U.S. ability to intercept and analyze Libyan coded communications pertaining to terrorism. This reference, and the consequent publicity did severe damage to U.S. sources and methods, and caused great consternation among members of the U.S. intelligence community. In order to protect the secret of our ability to intercept Libyan messages, even the lives of agents in place had been previously put at risk. Libya, alerted for the first time to the fact that we could decipher her codes, immediately changed equipment and procedures. According to The Philadelphia Inquirer, the government of Libya thereafter purchased and installed sophisticated Swiss cryptographic equipment to protect international communications from foreign interception.

As a result, our ability to obtain foreknowledge of terrorist bombing plans was severely restricted.

The Washington Post reported that Mr. Burt had been "reprimanded." In defense of Mr. Burt, some have held that President Reagan himself confirmed the details of the intercept a few days later. But by that time, the operation had been blown so completely by Mr. Burt that it was no longer a secret matter. Moreover, the President has the power to declassify any information he wishes to use; Mr. Burt did not have that authority.

The seriousness of the breach of security may be evaluated by the previous reference to 18 USC 798. In addition to the criminalization of disclosing classified information about cryptographic and communications devices, it also safeguards classified information.

(3) the communication intelligence activities of the United States or any foreign government; or

(4) obtained by the processes of communication intelligence from the communications of any foreign government, knowing the same to have been obtained by such processes. . . .

Although Mr. Burt's revelation of knowledge obtained from deciphering Libyan intercepts may or may not have been advertent, it was certainly a most serious matter. It must be judged in the light of his continuing pattern of indifference to prudent protection of sources and methods.

The State Department Inspector General and the Director of Central Intelligence and the Director of the National Security Agency were all asked about this episode. The Inspector General stated that he was unable to contact Lt. General Odom, the former Director of NSA. The CIA and NSA did not respond to my letters requesting information on this subject. [The letters are attached as Exhibit V.]

V. MR. BURT'S KNOWLEDGE OF SECURITY PROCEDURES

Although Mr. Burt testified that, if confirmed, he would institute stringent security procedures for the START delegation to Geneva, including mandatory briefings, written directives on security procedures, signed acknowledgments of having read the guidelines, and tough disciplinary action, including firing for repeat offenders, he also testified that he, himself, was unfamiliar with the espionage laws. I stated:

"In retrospect, do you feel that the person who gave you the information [about the top-secret CHALET satellite] was in violation of the espionage laws?

"Ambassador BURT. In retrospect?

"Senator HELMS. Yes.

"Ambassador BURT. Senator, I am not a lawyer. I have not looked at or studied, and you have just read this passage. I am not able to make an informed decision on that.

"Senator HELMS. Well, you have had a long time to think about it, because we sat up there on the third floor of the Capitol [in 1982], and then you gave testimony. You have had a while to think about this.

"But let me ask you this.

"Do you think that the furnishing and publication of classified material is in violation of the espionage laws under 18 USC 798?

"Ambassador BURT. I can't say. I just don't know the legal issues.

"Senator HELMS. All this time and you've never even thought about it. Right, Ambassador Burt: Well, I've never consulted with a lawyer on this issue. It did come up in my Senate confirmation extensively in 1982. I know it was discussed in this Committee. It was discussed in the Intelligence Committee. I was voted out of Committee and confirmed.

"Since that time, I have not followed up to examine the legal issues that you have raised today.

"Ambassador BURT. I am just not an expert on these espionage laws, so I——

"Senator HELMS. I don't ask you to be an expert. Do you have any feeling about it?

"Ambassador BURT. No. I don't know enough about the laws to——

"Senator HELMS. Oh, come on, Mr. Burt. I know this is a ticklish subject for you.

"Ambassador BURT. Senator, I have never read those laws, so I can't—you're asking me to say whether somebody has violated a law that I have never read. I'm not a lawyer."

Of course, everyone who receives a clearance for SCI must go through the exact same procedures as Mr. Burt proposes for the members of his START delegation, including a signed acknowledgment that the subject has been briefed on the espionage laws. Either Mr. Burt was not briefed, has forgotten that he was briefed, is being less than candid, or displays little interest in finding out what his obligations are under the espionage laws.

The fact is that every applicant for SCI must sign the following statement:

"I have read this Agreement carefully and my questions, if any, have been answered to my satisfaction. I acknowledge that the briefing officer has made available Sections 793, 794, 798, and 952 of Title 18, United States Code, and Executive Order 12065, as amended, so that I may read them at this time, if I so choose."

If Mr. Burt did not sign such a statement, why didn't he? If he did sign, did he read Sections 793, 794, 798 and 952 of Title 18, USC as made available to him? If he did not read them, why not? If he did read them, then did he mislead the committee when he testified that did not? Would it not be fair to conclude, then, that he furnished false information to the Congress? If Mr. Burt did not read the statutes, he is derelict in his duty; if he did read them, he is attempting to deceive the Committee. Whatever the answers to these questions, they must form part of Mr. Burt's continuing pattern of indifference to security procedures.

The State Department Inspector General has established that Mr. Burt signed six Se-

curity Nondisclosure Agreements containing the above language. These agreements are dated: January 29, 1981; March 2, 1981; July 21, 1982; April 25, 1985; September 6, 1985; and April 11, 1989.

VI. THE RELEVANCE OF MR. BURT'S LIFESTYLE

This indifference to prudent security procedures appears also to pertain to Mr. Burt's lifestyle. During the May 5 hearing, Mr. Burt was asked about reported instances of security reprimands for carelessness. By themselves, such instances may not be of overwhelming importance; but as part of the general picture, they increase the danger of a security risk. Mr. Burt admitted to one instance of leaving classified papers on a desk. He was asked about another purported case of a lost briefcase, but could not remember.

The Inspector General reported that Mr. Burt received the following three violations:

1. A top secret violation on February 4, 1983, regarding the briefcase incident noted above;

2. A confidential violation, dated May 6, 1986, for improper storage of classified information;

3. A secret violation, dated May 15, 1987, for improper storage of classified information.

Subsequently, on June 8, Assistant Secretary of State Janet G. Mullins wrote stating that Mr. Burt wished to "clarify the record of the hearing." I have already commented on the nature of the violation reported in the clarification. [The letter from Ms. Mullins, with Mr. Burt's statement appears as Exhibit VI.]

The IG report also reveals that marijuana was found by security personnel in Mr. Burt's residence in Bonn in January, 1986. When Mr. Burt was asked about this discovery, he stated that the drug was left behind by a guest. But Mr. Burt stated that he found the drug, but did not initially report it. Although no evidence of the use of illicit substances was found, Mr. Burt's explanation of the origin is uncorroborated. [An unclassified letter from the Inspector General is attached as Exhibit VII.]

VII. MR. BURT'S FAILURE TO REPORT AS REQUIRED BY LAW

Mr. President, while Mr. Burt's career suggest that he cares little for security precautions when dealing with the press, his record with regard to keeping classified information from Congress is untarnished. Although the Federal Republic of Germany was secretly warned over 100 times about lax procedures leading to prohibited arms proliferation—with no response from Germany—Mr. Burt neglected to inform Congress about his failure to get the German government to respond adequately.

During his hearing, Mr. Burt was questioned extensively about a published report that during the time he was Ambassador to the Federal Republic of Germany (FRG), the United States Government presented the FRG Government with over 100 complaints, known as "demarches," regarding FRG-based company exports of nuclear materials and equipment to Pakistan. According to the published report, the demarches ended up in the "wastebaskets" of responsible FRG officials. There seems to be no indication of a positive response to these demarches by the FRG Government nor does it appear that Mr. Burt took notice of the lack of response.

Section 602(c) of the Nuclear Non-Proliferation Act of 1978 requires the Department of State to "keep the Committees on Foreign Relations and Governmental Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to (its) activities to carry out the purposes and policies of this Act and to otherwise prevent proliferation, and with respect to the current activities of foreign nations which are of significance from the proliferation standpoint."

In a written question, Mr. Burt was asked, "With regard to nuclear proliferation, please provide an opinion of counsel explaining why Congress was not notified [about the 100 demarches] as required under Section 602(c) of the Nuclear Non-Proliferation Act of 1978." Mr. Burt replied, "The Department has discharged this responsibility by offering regular briefings to the three committees on topics and developments of current concern in the field of nuclear proliferation." Mr. Burt's answer further states that these briefings covered "U.S. diplomatic efforts to have this [nuclear] procurement stopped."

On May 18, 1989, Senator John Glenn, Chairman of the Senate Governmental Affairs Committee, raised the issue of the 100 demarches with Undersecretary of State Bartholomew. Senator Glenn stated, "I certainly do not recall any number of demarches coming through that we have been informed at this end of the avenue [if] anything approaching 100 demarches just to one country, let alone all the other countries involved. So if we are to be kept fully and currently informed, let me just state here we have not been and we expect to be . . ."

The Minority staff of the Senate Foreign Relations Committee has made an extensive search of its files and records and can likewise find no record of any effort by Mr. Burt or the Department of State to inform the Committee of FRG nuclear exports to Pakistan as required by law.

Extensive Congressional testimony over a number of years has made it abundantly clear that during the 1980's, and probably before, FRG-based firms were the prime source of improper strategic exports to the Warsaw pact, as well as chemical/biological weapons equipment and missile technology to the Middle East, and finally, nuclear exports to India and Pakistan. As noted above, published reports suggest that the United States officially complained over 100 times about improper German exports to Pakistan alone. Counting complaints about all improper exports undoubtedly run into the hundreds. During the majority of this period, Mr. Burt has been one of the prime U.S. officials charged with diplomatic relations with the FRG, first as Assistant Secretary of State for European Affairs and later as Ambassador to the FRG.

The fact that Mr. Burt never took these improper exports seriously nor informed the Congress of the failure of the FRG Government to respond to our complaints raises serious doubts about his fitness for the position to which he has been nominated. Our chief nuclear arms negotiator will not be successful if his negotiating opponent knows that American officials will neither challenge him nor report intransigence to the Congress.

An Ambassador appointed by the President with the advice and consent of the Senate represents the President of the United States, who, in turn, has a duty to execute faithfully the laws of the United States. Does the record of Mr. Burt's conduct indicate a fidelity to the duty to protect communications intelligence of the United States? Does the record of Mr. Burt's denials of disclosure of classified information, and denials of even reading the statutes protecting intelligence information reflect truthfulness before the Foreign Relations Committee?

Until these matters are more satisfactorily explained and resolved, I must advise Members of the Senate to withhold the advice and consent to the appointment of Richard Reeves Burt to serve as Ambassador during his tenure as Head of the U.S. Arms Control delegation in Geneva.

EXHIBIT I—18 U.S.C. 798

§ 798. Disclosure of classified information

(a) Whoever knowingly and willfully communicates, furnished, transmits, or otherwise makes available to an unauthorized person, or publishes, or uses in any manner prejudicial to the safety or interest of the United States or for the benefit of any foreign government to the detriment of the United States any classified information—

(1) concerning the nature, preparation, or use of any code, cipher, or cryptographic system of the United States or any foreign government; or

(2) concerning the design, construction, use, maintenance, or repair of any device, apparatus, or appliance used or prepared or planned for use by the United States or any foreign government for cryptographic or communication intelligence purposes; or

(3) concerning the communication intelligence activities of the United States or any foreign government; or

(4) obtained by the processes of communication intelligence from the communications of any foreign government, knowing the same to have been obtained by such processes—

Shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

(b) As used in subsection (a) of this section—

The term "classified information" means information which, at the time of a violation of this section, is, for reasons of national security, specifically designated by a United States Government Agency for limited or restricted dissemination or distribution;

The terms "code," "cipher," and "cryptographic system" include in their meanings, in addition to their usual meanings, any method of secret writing and any mechanical or electrical device or method used for the purpose of disguising or concealing the contents, significance, or meanings of communications;

The term "foreign government" includes in its meaning any person or persons acting or purporting to act for or on behalf of any faction, party, department, agency, bureau, or military force of or within a foreign country, or for or on behalf of any government or any person or persons purporting to act as a government within a foreign country, whether or not such government is recognized by the United States;

The term "communication intelligence" means all procedures and methods used in the interception of communications and the obtaining of information from such communications by other than the intended recipients;

The term "unauthorized person" means any person who, or agency which, is not authorized to receive information of the categories set forth in subsection (a) of this sec-

tion, by the President, or by the head of a department or agency of the United States Government which is expressly designated by the President to engage in communication intelligence activities for the United States.

(c) Nothing in this section shall prohibit the furnishing, upon lawful demand, of information to any regularly constituted committee of the Senate or House of Representative of the United States of America, or joint committee thereof.

(Added Oct. 31, 1951, ch 665, § 24(a), 65 Stat. 719.)

EXHIBIT II

U.S. PLANS NEW WAY TO CHECK SOVIET MISSILE TESTS

(By Richard Burt)

WASHINGTON, June 24.—The Carter Administration, concerned that Turkey might not allow U-3 reconnaissance planes over its territory, is preparing an alternative plan for verifying the new strategic arms treaty with Moscow, officials here said today.

The plan, they said, calls for several improvements in existing methods for monitoring Soviet missile tests, including the upgrading of an electronic listening post in Norway and the use of a satellite that is now programmed to collect other information.

Although the officials acknowledged that the use of specially designed U-2R planes flying over Turkey offered the best substitute for listening stations lost to Iran early this year, they asserted that the alternative improvements to other intelligence systems would enable the Administration to insure that Moscow did not exceed restrictions on missile modernization contained in the arms treaty.

A NEW SATELLITE BY 1983

They said that as early as 1983, the United States would possess a new satellite that could monitor almost all the missile test data formerly obtained by the monitoring sites in Iran.

State Department officials pointed to a statement yesterday by the Turkish Foreign Ministry indicating the the U-2 might still be permitted to fly over the country. Although a ranking Turkish Army officer said earlier this week that the flights could not be permitted "under present circumstances," a Foreign Ministry spokesman said the Government had not reached a final decision.

Despite this, critics of the arms accord on Capital Hill maintained that, with or without the surveillance flights, the United States could not verify restrictions against increases in size and payload of existing missiles.

BIG SOVIET EXPLOSION DETECTED

The verification controversy heated up this week with reports that the Soviet Union conducted an underground nuclear test last Saturday that might have exceeded limits laid down in an accord Moscow signed in 1974 with Washington.

The accord put a ceiling of 150 kilotons on the size of such nuclear explosions. Some American experts believe that the latest Soviet test might have been twice that size. One kiloton is equivalent to 1,000 tons of TNT.

Although it is unclear whether the Soviet test exceeded the 150 kiloton limit, officials said the Administration has asked Moscow to explain the possible infraction.

Meanwhile, officials said that plans were under way at the Central Intelligence Agency and in the Pentagon to collect missile test data previously obtained by the stations in Iran by using a satellite, codenamed Chalet, and a large radio intercept antenna in Norway.

SIGNALS CAN BE INTERCEPTED

They said both the satellite and the ground station in Norway could be adjusted to pick up some of the radio signals broadcast by Soviet missiles during flight tests. The telemetry signals provide data on missile performance characteristics and are thus considered vital to verifying the treaty provisions concerning modernization of weapons.

Earlier, officials said, the possibility of building a monitoring station in Pakistan similar to those lost in Iran, had been considered by the Administration. The proposal was turned down after informal contacts with Pakistani authorities indicated that it would not be accepted.

A proposal for using high-altitude rockets launched from ships in the Indian Ocean to monitor missile test signals was also dismissed as technically unfeasible, they said.

CRITICS SEE HOLES IN DETECTION

Congressional critics of the proposal to rely on the Norwegian station and satellites for verification contended that these systems would only be able to pick up a small fraction of the missile telemetry obtained previously at the Iranian sites. They said that a major function of the Iran stations had been to collect missile data transmitted during the first 60 seconds of a test launch and that this data could not be collected from Norway or from existing systems in space.

Pentagon officials said that for Moscow to build a new missile undetected, it would have to shield 20 or so test launches from American surveillance systems for more than a year. They contended that modest improvements to existing reconnaissance capabilities ruled out the possibility of a large scale covert program of this sort.

EXHIBIT III

[From the New York Times, July 20, 1982]

U.S. SAID TO DECIDE AGAINST NEW TALKS TO BAN ALL A-TESTS

(By Judith Miller)

WASHINGTON, July 19.—President Reagan decided today not to resume negotiations on a comprehensive ban on nuclear testing, according to Administration and Congressional officials.

The talks with Britain and the Soviet Union that were aimed at ending underground tests on less than 150 kilotons—the only testing now permissible under previously negotiated treaties—have been suspended since 1980.

The decision not to try to make the test ban a total one was reportedly made today at a National Security Council meeting, and, according to the officials, it was made because of the doubts of some members of the Administration about the verifiability of a comprehensive ban and because of the need to keep testing new nuclear weapons.

The White House declined to comment on the meeting today.

THE SPREAD OF NUCLEAR ARMS

The decision not to resume negotiations on a total test ban has no bearing on the talks in Geneva between the Soviet Union and the United States to reduce strategic and intermediate-range nuclear weapons, according to Administration officials. Nor does it reverse the nation's previous commitment to refrain from nuclear testing above ground in accordance with a treaty signed in 1963, they said.

Officials said the Administration was not ruling out the goal of a total nuclear ban at some other time but stressed that, at present, it did not seem to be in the best interests of the United States.

Arms control advocates have long maintained that a comprehensive test ban is central to preventing the spread of nuclear weapons. They argue that, unless the superpowers are at least prepared to ban their nuclear testing programs, there is little incentive for other countries to give up atomic development programs.

CONCERN OVER ADVERSE REACTION

The decision not to resume the test ban talks seems in accord with other Reagan Administration actions of recent months that take a hard line toward the Soviet Union. The Administration apparently wanted to keep its decision secret because it was afraid of adverse reaction in the Soviet Union and among American allies and developing countries.

Every Administration since that of John F. Kennedy has voiced a commitment to negotiating a comprehensive test ban. And few outside of Government even knew that a policy debate was scheduled, although a review of nuclear testing policy had been going on for almost a year and a half. Officials declined to say why the issue was discussed and decided at this time.

At the National Security Council meeting, Mr. Reagan also reportedly discussed whether to continue to observe the underground testing limitations of less than 150 kilotons that are contained in two previously negotiated treaties. Officials said that representatives of the Departments of Energy and Defense had urged Mr. Reagan to press the Soviet Union for negotiations to strengthen verification measures provided for in the two treaties, but there were varying accounts of what course the President chose.

It was not clear whether the United States would continue to participate in the United Nations Committee on Disarmament, a 40-nation group that is also negotiating on a test ban. The tripartite talks are separate, but are related to the United Nations effort.

Nuclear tests above ground, under water and in outer space were barred in 1963 in an agreement signed by the United States, the Soviet Union and Britain and later by 120 other countries.

In 1974, the United States and the Soviet Union agreed on a Threshold Test Ban Treaty, which limited all underground nuclear tests to 150 kilotons or about 10 times the explosive power of the bomb dropped on Hiroshima. A subsequent treaty, the Peaceful Nuclear, was signed in 1976. This accord banned nuclear explosions greater than 150 kilotons for "peaceful purposes," such as mining or excavations. Although both nations claim to have abided by the limitations since then, the Senate has not approved either treaty.

The tripartite negotiations on a comprehensive ban have been under way since 1977, and former Carter Administration officials said that considerable progress was made toward an agreement to ban all testing of nuclear weapons during the 12 negotiating sessions in Geneva. But in November 1980, the negotiations recessed with the United States and the Soviet Union still divided over provisions concerning how compliance with the ban would be verified.

Later that year, President Carter postponed a final effort to negotiate a comprehensive test ban until the second strategic arms limitation agreement being negotiated with the Soviet Union was concluded, partly because of disagreement among his advisers over the merits of a comprehensive treaty. Since then, the talks have been suspended.

A Reagan Administration interagency group has been reviewing the comprehensive test ban proposal and the two test limitation agreements for more than a year.

"VITAL TO SECURITY"

Recently, the group decided unanimously to recommend to President Reagan that he not resume talks on the comprehensive test ban. Representatives from the Arms Control and Disarmament Agency and from the Departments of State, Energy and Defense agreed that underground testing was "vital to the security of the United States" in order to maintain confidence in the nation's nuclear deterrent, according to administration officials.

Specifically, participants were concerned that if the Administration was not able to test weapons from its existing stockpile, confidence in the reliability of those weapons would be eroded, officals said. In addition, the Administration is developing new nuclear weapons, such as the MX land-based and Trident II sea-based missiles, and wants to be able to test new nuclear warheads.

Another concern, the officials said, was insufficient confidence in the nation's ability to verify Soviet compliance with a total test ban. A number of experts believe that it would be difficult to distinguish between natural events, such as earthquakes, and tests at low levels. They fear that the Soviet Union thus might try to get away with such tests.

At today's meeting, White House and Administration officials said there was disagreement over what, if anything, should be said publicly about the nuclear testing policy. One official said the Departments of Defense and Energy initially favored issuing a public statement that some testing would be required as long as the nation was dependent on nuclear forces for its defense.

This was opposed by officials from the Arms Control and Disarmament Agency and the State Department, an official recounted. Both agencies warned that such a statement would foster a perception that the Administration was not seriously committed to arms control initiatives.

[From the New York Times, Nov. 27, 1982]

U.S. DECISION NEAR ON NUCLEAR TESTS

(By Judith Miller)

WASHINGTON, November 27.—The Reagan Administration is close to approving a proposal that would require on site inspection as a condition for ratifying two treaties with the Soviet Union on underground nuclear testing, according to Administration officials.

President Reagan has not made a final decision, the officials said. But there is substantial agreement among officials working on the accords about the changes that the United States should propose to strengthen its ability to verify Soviet compliance with them.

Some supporters of the treaties, including Senator Charles H. Percy, Republican of Illinois, have urged the Administration not to go forward. He has privately warned that insisting on such inspection might prompt the Soviet Union to reject the treaties.

The Threshold Test Ban Treaty, signed in 1974, and the Peaceful Nuclear Explosions Treaty, signed in 1976, limit underground tests—the only kind permitted—to 150 kilotons, or about 10 times the explosive power of the bomb dropped on Hiroshima. Neither accord has been sent to the Senate, which must approve them by two-thirds majority before they take effect.

The Administration has said it would continue to abide by the limits of the threshold treaty, and the Soviet Union has made the same pledge. If one side withdrew from the threshold treaty, it would no longer be bound by the 150-kiloton limitation on its testing.

The effect of either side withdrawing from the peaceful explosions accord, which both nations say they have observed so far would probably be slight. When this accord was signed, few analysts on either side thought that many of these tests, ostensibly for "peaceful" nuclear purposes, would be conducted.

WANT BETTER MONITORING PROVISIONS

Last July the Administration decided to set aside efforts to negotiate a comprehensive ban on nuclear testing until verification measures of these two treaties could be improved. Officials argued at that time that the United States could not adequately verify that the Soviet Union was complying with either agreement, and that the treaties should not be approved until monitoring provisions had been upgraded.

Since then an interagency working group, composed of officials from the State, Defense, and Energy departments, the Arms Control and Disarmament Agency and the National Security Council staff has been weighing two major proposals designed to improve confidence in the nation's ability to determine that Moscow is not exceeding the testing ceiling. The National Security Council reviewed and approved the thrust of one of the proposals several weeks ago, the officials said.

They said that most agencies had now agreed on a proposal that would require the United States and the Soviet Union to provide advance notice of any test larger than 75 kilotons, or half the explosive power permitted by the treaties. Only the Defense Department is said to be insisting that the threshold for on-site inspection be lower. Defense Department officials have been pressing for on-site inspection for any test larger than 50 kilotons, officials said.

This disagreement has delayed final approval, officials noted.

Officials said that under the proposal being weighed, if the Soviet Union or the United States planned a test larger than 75 kilotons—50 kilotons, if the Defense Department prevails—the country planning the test would have to permit the other to collect geological samples from the test site. In addition, officials from the observing country would be permitted before the test to place, or watch the installment of its own monitoring equipment at the site.

LITTLE EFFECT ON TEST BAN

These changes would most substantially effect the Threshold Test Ban Treaty, which does not now permit any on-site inspection. The protocol of the treaty provides instead that once the accord is ratified, both countries shall provide the other with basic data about the geological composition of its testing sites, and provide information about the yield of an actual test from a site. These data are intended to permit the United States to adjust its monitoring equipment outside the Soviet Union and better estimate the yield of Soviet tests.

But Administration officials have said that the Soviet Union could misrepresent the data and the United States would not have independent means of determining their accuracy.

The Peaceful Nuclear Explosions Treaty, by contrast, provides for some advance notice of underground nuclear tests, some limited on-site American inspection and installation of measuring devices prior to such tests.

The draft proposals to upgrade verification provisions of the Threshold Test Ban have prompted criticism from the few legislators who have been told about them.

Senator Percy, chairman of the Foreign Relations Committee, argued in a recent letter to the White House that the proposed changes were overly restrictive and that the Soviet Union would be unlikely to accept them.

Mr. Percy, who could not be reached for comment, said in the letter that the changes, if proposed, might result in the unraveling of the treaties.

After the Administration's announcement in July, 30 senators co-sponsored a resolution urging Mr. Reagan to pursue comprehensive test ban talks with the Soviet Union and urging him to ratify the two treaties.

But Administration officials and some testing analysts insist that the monitoring provisions need improvement. They argue that on at least 11 occasions, the Soviet Union might have violated the 150-kiloton threshold.

[From the New York Times, Feb. 9, 1983]

U.S. PANEL URGES ON-SITE ATOM TEST CHECKS

(By Judith Miller)

WASHINGTON, Feb. 8.—An interagency panel has recommended to President Reagan that two nuclear testing treaties with the Soviet Union be revised to require on-site inspection before the accords are ratified, Administration officials said today.

President Reagan has made no decision on the treaties, signed in 1974 and 1976, but it is expected by early next week, the officials said.

They declined to say whether on-site inspection meant the presence of officials from the other country during large underground tests. But they said that, for large tests, those greater than the equivalent of 75 kilotons of TNT, the panel sought the collection of rock samples and on-site installation of monitoring devices to insure compliance.

According to the officials, the panel said there was no need to renegotiate the texts of the accords—the Threshold Test Ban Treaty of 1974 and the Peaceful Nuclear Explosions Treaty of 1976. The panel said the changes could be made by revising the protocols, or appendices, to the treaties.

Some officials fear that the Soviet Union may reject any changes. Senator Charles H. Percy, Republican of Illinois and chairman of the Senate Foreign Relations Committee, voiced concern to the White House in November that insisting on inspection might result in the unraveling of the treaties.

But the American officials said they believed Moscow would agree to renegotiate the protocols of the treaties, which limit underground tests—the only kind permitted since 1963—to 150 kilotons, or ten times the power of the bomb dropped on Hiroshima.

In July, the Administration decided to set aside efforts to negotiate a comprehensive ban on nuclear testing until the verification provisions of the two previous treaties could be improved. If agreement can be reached, the Administration would then submit the two treaties to the Senate for approval.

The proposed changes would affect mainly the Threshold Test Ban Treaty, which covers military explosions and does not now permit on-site inspection. Its protocol calls for a simple exchange of data about the geology of test sites and about the explosive power of tests. The data are used to adjust monitoring devices outside the testing country to insure more accurate measurements.

Critics of the Administration's decision to strengthen verification contend that such an exchange of data would improve American ability to detect any Soviet violations of the threshold.

But Administration officials said that these data would not be sufficient and that independent checks were needed.

The Peaceful Nuclear Explosions Treaty provides for advance notice of explosions, limited on-site inspection and installation of measuring devices before certain explosions. When the accord was signed, it was not expected that many such explosions, ostensibly for peaceful purposes, would be conducted. But the United States Government panel has also recommended some strengthening of verification provisions in this treaty's protocol.

The panel, made up of representives from the State, Defense and Energy Departments, the Arms Control and Disarmament Agency and the National Security Council staff, first made its recommendations in October. But the Defense Department pressed for a lower threshold requiring one-site inspection. And Energy Department officials responsible for American nuclear tests resisted the recommendations because they were concerned about on-site inspection by Soviet officials.

One official also attributed the delay to "normal bureaucratic inertia."

The White House began to focus on the treaties, officials said, when Senator Percy signaled his frustration with the delays. He said last week that he would not schedule a vote on the nomination of Kenneth L. Adelman as head of the Arms Control and Disarmament Agency until the Administration indicated its intentions on the treaties.

[From the New York Times, Mar. 29, 1981]

U.S. STUDY DISCOUNTS SOVIET TERROR ROLE

(By Judith Miller)

WASHINGTON, March 28.—A draft report produced by the Central Intelligence Agency has concluded that there is insufficient evidence to substantiate administration charges that the Soviet Union is directly helping to foment international terrorism, Congressional and Administration sources said today.

William J. Casey, Director of Central Intelligence has asked his analysts, the sources said, to review their conclusions, given the substantial opposition to the report from other agencies.

The draft estimate, produced by the C.I.A.'s National Foreign Assessments Center, has stirred debate within Administration foreign policy circles, as foreign affairs spokesmen have publicly accused the Soviet Union of training, equipping, and financing international terrorist groups.

The review of the draft estimate has once again raised questions about the relationship between intelligence officials and policy makers, with some C.I.A. officials concerned that the agency is coming under pressure to tailor its analysis to fit the policy views of the Administration.

CHARGES IN LAST ADMINISTRATION

Similar charges were made during the Carter Administration and resulted in frequently bitter exchanges between policy makers and intelligence officials.

Bruce C. Clark, who heads the agency's assessments, or analysis unit, is retiring from the C.I.A. in April, in what officials said was a personal decision unrelated to the dispute over the intelligence estimate on terrorism.

One official said that a successor had not been named, but another indicated that Mr. Clark's successor would be the current director of the agency's operations unit, John McMahon.

The special national intelligence estimate on terrorism was begun soon after the Administration took office, officials said. Secretary of State Alexander M. Haig Jr. said on Jan. 28 in his first news conference that the Soviet Union, as part of a "conscious policy," undertook the "training, funding and equipping" of international terrorists.

The Administration has subsequently said that combatting international terrorism is one of its key foreign policy objectives.

"AMPLE EVIDENCE" ON SOVIET ROLE

In addition, Richard V. Allen, President Reagan's national security adviser, said in an interview with ABC News this week that "ample evidence" had been accumulated to demonstrate the Soviet Union's involvement in international terrorism Mr. Allen also said that the Soviet Union was "probably" supporting the Palestine Liberation Organization, which he said must be identified as a terrorist organization, through financial assistance and through support of its "main aims."

Finally, Mr. Allen concluded that Israeli air raids into southern Lebanon should be generally recognized as a "hot pursuit of a sort and therefore, justified."

Officials said that the draft estimate contained some factual evidence to support charges that the Soviet Union was directly aiding and abetting terrorist groups, but that in many instances that evidence of such involvement was either murky or nonexistent.

The estimate, which was circulated for comment to the State Department, National Security Council, Defense Intelligence Agency, and the National Security Agency, stirred angry debate and response.

DEFINING "TERRORISM" A PROBLEM

Some officials described the dispute as "definitional," that is, that agency officials found it difficult to agree on a common working definition of what constitutes a terrorist group.

Officials from the Defense Intelligence Agency criticized the document because, they said, the facts it contained did not support what one official termed the agency's "weasel-worded" conclusion that evidence was contradictory on the extent to which the Soviet Union could be regarded as a conscious principle agent of terrorism.

Soon after the draft document was circulated and began generating comment, Mr. Casey asked to review the report. After reading the estimate, he asked that the estimate be reviewed.

"That's really the way the process is supposed to work," said one knowledgeable official. "The estimate is supposed to reflect the views of other agencies and it's not unusual that it would be restudied and rewritten after the agencies have commented."

Other Administration and Congressional officials, however, voiced concern that the agency was once again being asked to tailor its views to fit the public pronouncements of senior Administration officials.

"There would not have been a review if the estimate's conclusions had totally supported the Administration's charges," the official said.

[From the New York Times, Jan. 24, 1982]

UNITED STATES SAYS PAKISTAN'S NUCLEAR POTENTIAL IS GROWING

(By Judith Miller)

WASHINGTON, January 23.—An intelligence report has concluded that Pakistan will be able to detonate a nuclear device within the next three years, but is not likely to do so, according to Administration and Congressional officials.

This conclusion is contained in an analysis, known as "Special National Intelligence Estimate 31-81," prepared by the Central Intelligence Agency and completed last month.

Intelligence officials assert that Pakistan's reticence to conduct an atomic test stems partly from President Mohammad Zia ul-Haq's unwillingness to jeopardize the Reagan Administration's six-year, $3.2 billion military and economic aid program.

The study also contends that Pakistan is likely to continue developing and stockpiling fissile material that could be used in a nuclear device. Continued development of Pakistan's nuclear program, analysts argue, is likely to prompt increasing suspicion and hostility from India. As a result, according to the report, Pakistan could face a growing threat of a pre-emptive strike by India against its nuclear installations by the end of this year.

India and Pakistan will hold talks in New Delhi next Friday on a security pact. Foreign Minister Agna Shahi of Pakistan is expected to discuss proposals for a "nuclear-free zone" in Southwest Asia with his Indian counterpart, P. V. Narasimha Rao.

"IRREGULARITIES" REPORTED

The discussions are being closely followed by officials at the International Atomic Energy Agency, based in Vienna, which monitors nuclear plants. The agency has been pressing Pakistan unsuccessfully for several months to permit the installation of additional cameras and measuring devices to improve safeguards at Pakistan's 135-megawatt nuclear reactor, near Karachi.

The agency made its request after it detected "anomalies" and "irregularities" at the reactor, which is capable of producing plutonium for atomic weapons. There is no evidence that Pakistan has been diverting fuel from its civilian reactor for nonpeaceful purposes. But the agency expressed concern at a private meeting last September that the current monitoring arrangements were no longer adequate, given Pakistan's ability to produce its own nuclear fuel.

The India-Pakistan talks and the agency's effort to improve safeguards are of concern to the Reagan Administration, which persuaded Congress last month to approve $100 million in aid for Pakistan, a downpayment on the six-year program. In addition, the United States is selling Pakistan 40 F-16 fighter planes on an accelerated schedule. The Administration says Pakistan needs the

planes to help withstand Soviet pressures from neighboring Afghanistan.

Pakistan had previously been barred from receiving American aid by a law that prohibits assistance to countries that pursue nuclear weapon programs. Congress suspended aid in 1979 on the basis of evidence that Pakistan had established a worldwide network of purchasing agents, including bogus companies intelligence operatives, to obtain components for a uranium centrifuge enrichment plant that could be used to make fuel for weapons.

INDIA DETONATED DEVICE IN 1974

India detonated an atomic device in 1974, but maintained that its test was a "peaceful nuclear explosion," a distinction the United States does not accept.

The Reagan Administration has argued that Pakistan can only be dissuaded from conducting a nuclear test if it would jeopardize a strong security relationship with the United States. The new estimate tends to support this claim.

The estimate's conclusion is privately disputed by some foreign policy analysts, who doubt that Pakistan will be willing to forego a demonstrable nuclear weapons option, in light of the previous test by India.

[From The New York Times, June 21, 1982]

EFFORT TO HALT SPREAD OF A-ARMS SAID TO FALTER

(By Judith Miller)

WASHINGTON, June 20.—United States officials and nuclear policy specialists fear that they may be losing a 35-year-old battle to curb the spread of nuclear weapons.

Critics of the Reagan Administration say the White House has placed insufficient emphasis on stopping nuclear proliferation. A policy put forth in a paper approved last month by President Reagan, they argue, will lead to increased distribution of plutonium, a material used in nuclear weapons, which will undermine efforts to slow the spread of atomic arms.

Administration officials deny that this will be the effect of the policy. But officials and private analysts agree that efforts to discourage the spread of nuclear arms have been severely complicated by growing international and regional tensions that put pressure on nations such as Israel and Argentina to develop and test atomic devices.

Robert H. Kupperman, a nuclear specialist at Georgetown University's Center for Strategic and International Studies, said with reference to the Israeli invasion of Lebanon and the British-Argentine fighting in the Falklands:

"We had better start thinking not just about how to stop nations from getting nuclear weapons, but how to stop them from using the weapons they will inevitably get."

"The emergence of some new nuclear powers is unavoidable," concluded Lewis A. Dunn in a book published soon after he joined the Administration as special assistant to Under Secretary of State Richard T. Kennedy, a central figure in nuclear policy matters.

Many nuclear specialists have increasingly begun to focus on "managing" a world in which many nations have nuclear weapons, rather than on preventing the spread of the weapons.

But the Reagan Administration remains officially committed to preventing the spread. In Senate testimony last month, Mr. Kennedy called this a "fundamental commitment."

Toward that goal, the Administration has emphasized measures to allay political and military security concerns of countries and to enhance regional stability.

U.N. AIDE BACKS U.S. STAND

This approach has been criticized by several Congressional nuclear policy specialists. But it has been warmly endorsed by, among others, Hans Blix, director general of the International Atomic Energy Agency, the United Nations organization in Vienna that promotes atomic energy and monitors nuclear facilities to verify that they are not being used for military purposes.

Mr. Blix has repeatedly voiced concern that India, Israel, Pakistan and South Africa refused to sign the 1970 treaty that became the cornerstone of efforts to halt the spread of nuclear weapons.

"The alarm bells are ringing loud and clear with respect to these four," Mr. Blix said early this year.

Under the treaty, 116 nations have forsworn nuclear weapons; 45 have not.

CAUSES FOR NUCLEAR WORRY

Nuclear policy specialists say these other alarms are sounding, if somewhat more softly:

No country capable of developing atomic weapons has acceded to the treaty in the last five years. Switzerland was the most recent.

The International Atomic Energy Agency has become increasingly polarized and politicized, as have many other United Nations organizations. Some Government analysts fear that growing political confrontations between Western industrialized countries and developing nations could eventually undermine the agency's system of international safeguards, such as inspections.

Israel's attack on an Iraqi research reactor a year ago weakened the International Atomic Energy Agency's ability to safeguard nuclear facilities ostensibly designed for peaceful purposes. The air strike touched off a debate on whether the agency was capable of quickly detecting a diversion of nuclear material from a facility. The dispute has further shaken international confidence in the agency.

A sagging demand for energy has triggered a slump in sales of nuclear reactors and a decline in the growth of nuclear power. This, in turn, has increased strains on the international system of export controls aimed at slowing the spread of sensitive technology to countries that might be trying to develop nuclear weapons.

Growing sophistication of terrorist groups and a spread of "mininukes" has increased the threat of nuclear terrorism, Administration officials say. The Central Intelligence Agency has concluded, for example, that in Europe there is a "moderate likelihood" that there would be an attempt to damage a nuclear weapons storage facility, to attack a weapon in transit, to raid a nuclear power plant or to carry out blackmail by threatening to use a nuclear weapon or by pretending to have one.

Lack of progress on arms control agreements between the United States and the Soviet Union has led to a surge in nuclear weapons arsenals and destructive ability. This, in turn, encourages nonnuclear nations to develop a nuclear ability, Mr. Blix and other specialists contend.

U.S. CONCERNED BY ARGENTINA

The conflict over the Falkland Islands focused Administration concern on Argentina. While there have been no startlingly new developments in Argentina's nuclear program, now in its 31st year, some Administration officials fear that the conflict with Britain may prompt Argentina to build a nuclear bomb, especially since the Falkland surrender caused a loss of face for Buenos Aires.

The Central Intelligence Agency has estimated that Argentina could build an atomic bomb in three to five years if it chose to do so. A new report prepared by the Congressional Research Service concludes that Argentina would be able to test a nuclear explosive by the mid-1980's, "if it is willing to run the risks of getting caught at diverting safeguarded materials or of abrogating its safeguards agreements." But the report also states that Argentina could not produce an arsenal of weapons until the 1990's at the earliest.

Argentina poses a special problem not only because it has declined to sign the nonproliferation treaty or to submit all of its nuclear facilities to inspection, but also because it is building what is known as an "independent fuel cycle"—the ability to produce everything required for nuclear power. This would give Argentina the ability to make nuclear weapons quickly, without violating any safeguards agreements.

BOMB HELPS WEAK FEEL STRONG

"Nuclear tests are political statements, a country's way of showing that it has hair on its chest," said Warren H. Donnelly, a senior specialist at the Library of Congress and author of the report on Argentina. "So naturally there is concern about the growth of pressures that could lead a country like Argentina to prove that it is tough."

Mr. Donnelly and other specialists are also concerned about Argentina's proclaimed intention to export plutonium, which arms control officials assert would immeasurably complicate efforts to stop the spread of atomic weapons and would increase the threat of nuclear terrorism. The atomic weapons material is a man-made substance that is extremely toxic.

The Reagan Administration is also concerned about China's nuclear export policies. Intelligence reports indicate that China—a nuclear power that has not signed the treaty or joined the International Atomic Energy Agency—has attempted to sell through third parties heavy water to Argentina, and even to India despite the two countries' border conflicts.

Officials said that China's unwillingness to demand inspection of its nuclear exports is a major obstacle to concluding a nuclear cooperation agreement with the United States, which has been the subject of low-level diplomatic discussions between the two Governments.

PAKISTAN RESISTS INSPECTION

Another source of Administration concern is Pakistan, which has been resisting for more than six months the International Atomic Energy Agency's requests for improvements in inspection arrangements. The agency has said it can no longer assure that Pakistan is not diverting nuclear material for military purposes until it agrees to the changes.

The C.I.A. concluded recently that while Pakistan would be able to test an atomic device within three years, it was not likely to do so. Intelligence officials concluded in the estimate last December that the Reagan Administration's six-year, $3.2 billion military and economic aid program had made Pakistan reluctant to test an atomic device.

Several Administration officials consider Pakistan a key test of President Reagan's

approach to stemming the spread of nuclear weapons. Other analysts, however, say the Administration's emphasis on thwarting the detonation of nuclear devices is misplaced.

ISRAELI TESTS CALLED UNNEEDED

"Israel, which is only a screwdriver away from a bomb, is so sophisticated and has access to such good information that it doesn't need to test," asserted one Administration official.

India, which tested a device in 1974, has also aroused concern. The Administration has been trying to terminate a 1963 agreement to supply fuel for India's Tarapur nuclear power plant, while persuading the Indians, to adhere to international inspection of the reactor and fuel already shipped.

But Robert F. Goheen, Ambassador to India until 1980, said recently that Indian and American diplomats had told him that India was preparing to transfer the spent, or used fuel to a nearby plant for reprocessing, in apparent violation of its agreement.

SOUTH AFRICA A PROBLEM

South Africa is also viewed as a major problem, but last month the Administration adopted a more flexible policy that would allow the United States to increase sales of nuclear materials to Pretoria.

Senator Charles H. Percy, Republican of Illinois and chairman of the Foreign Relations Committee, said last month that nuclear nonproliferation was "slipping among our foreign policy priorities" and that the world appeared on the verge of returning to "nuclear laissez-faire" by major suppliers.

Some members of Congress have strongly criticized the Administration for issuing a new policy paper that permits advanced countries to have more control over the reprocessing of American-supplied fuel.

They have also chided the Administration for considering the sale of centrifuge enrichment technology to Australia and for a vague offer to Mexico of assistance with research relating to reprocessing—the separation of uranium and plutonium from spent nuclear fuel.

The Carter Administration tried to discourage both those technologies, arguing that they produce materials that can easily be used in weapons, thereby complicating efforts to curb the spread of weapons.

By contrast, the Reagan Administration has said the United States would not inhibit reprocessing, enrichment or development of the breeder reactor which produces more plutonium than it consumes, in countries with advanced nuclear programs that do not pose a weapons risk.

Last month Under Secretary Kennedy said this policy was more selective and a "realistic recognition" that Japan and other European countries believed that these activities were required for energy security. But he stressed that the Administration was not "encouraging" a spread of the sensitive technology.

These explanations have not persuaded the strongest Congressional skeptics. Three Democrats—Senator Gary Hart of Colorado, Representative Jonathan B. Bingham of the Bronx and Representative Richard L. Ottinger of Westchester—have introduced legislation to tighten several major loopholes in nuclear export laws.

QUIET DIPLOMACY STRESSED

Mr. Kennedy predicted last month that the Administration's "quiet, diplomatic steps and measured technical approach" had the best chance of achieving nonproliferation objectives.

In some respects, the debate over nonproliferation reflects a longstanding disagreement about the role of atomic energy.

Some critics maintain that because all nuclear power plants are potential atom-bomb factories, the only effective solution to the spread of such weapons is to phase out all nuclear development, both at home and for export.

Proponents of nuclear power respond that it is the only viable source of power for many countries and that proliferation can be controlled through diplomacy, international safeguards and tight export controls focused on a few nations.

[From the New York Times, Oct. 2, 1982]

U.S. SEEKS TIGHTER CURBS ON EQUIPMENT FOR SOVIET

(By Judith Miller)

WASHINGTON, October 1.—The Reagan Administration, in its broadest effort yet to slow the sale of technology to the Soviet Union, is seeking to toughen the system that the United States and its allies use to control the flow of equipment to Communist countries, according to Defense and Commerce Department officials.

The United States is expected to propose more than 100 changes, including many additions, in the list of controlled exports at a meeting in Paris next week of the Coordinating Committee for Exports to Communist Areas, known as Cocom. It will also press for a substantial increase in Cocom's budget and expansion of its enforcement abilities.

The committee, founded in the late 1940's, includes the United States, its allies in the North Atlantic Treaty Organization except Iceland, and Japan.

Officials said the American effort to update the list of controlled goods was intended to step up previous efforts to deprive the Soviet Union of products that could be bought stated civilian uses but also had military applications. Such items in the current list include computers and electronic equipment with clear military applications.

"There is hardly a major modern Soviet weapons system in which American or European technology has not been used," an American official said.

On Thursday a panel of experts appointed by the National Academy of Sciences concluded that there had been "substantial and serious" leakage of American technology to the Soviet Union, a "significant portion" of which is "damaging to national security." In its report the panel said the "damaging transfers" had occurred through legal sales to the Soviet Union, through illegal sales of proscribed products, through third world countries and through a "highly organized espionage operation."

The proposed strengthening of Cocom also appears to be indirectly related to the sanctions directed against suppliers for the new natural gas pipeline being built from Siberia to Western Europe.

Officials said the tightened export controls were needed for strategic rather than political reasons and had no direct bearing on the United States' pipeline sanctions. But a Defense Department official said, "We would be more relaxed about the pipeline if we had a strict system of export controls in place."

The proposals are expected to meet resistance from the Western allies. They view such restraints as a form of economic warfare, of which they disapprove as a matter of principle.

U.S. SCREENING MORE RIGOROUS

Commerce Department officials deny that this is their intent. They say that the present system is not only inadequate but also discriminates against American companies, whose exports are more scrupulously screened than Western European or Japanese exports.

The United States is expected to press, for example, for greater restrictions on semiconductors, the microelectronic devices used in everything from pocket calculators to computers and advanced military systems. A Defense Department official said the Soviet Union had about six production lines for integrated circuits, all of which use Western technology that was sometimes illicitly obtained.

A West German intelligence report published Tuesday said the Soviet-bloc countries had intensified efforts to breach Western embargoes on the sale of advanced technology with a military potential. The report, by the Office for the Protection of the Constitution, Bonn's domestic intelligence agency, says Soviet success in evading the embargoes resulted in vast savings on research and development.

BOARD APPLICATION IN MILITARY

This conclusion is echoed by American officials, who say that about 90 percent of the technology bought in the West is used by the Soviet military.

The United States is also expected to press for acceptance of a proposal by James L. Buckley, the State Department counselor, who suggested several changes in the monitoring plan.

These changes would include a ban on the sale of floating dry docks for ship repair and construction. Intelligence reports show that the Soviet Union recently used a dry dock purchased from Japan ostensibly for peaceful purposes to build an aircraft carrier, officials said.

Defense Department officials said the United States was also asking that robotics technology and silicon, the basic building blocks material for for semiconductors, be added to the control list.

EXHIBIT IV

DIRECTOR OF CENTRAL INTELLIGENCE DIRECTIVE 1/14 [1]

MINIMUM PERSONNEL SECURITY STANDARDS AND PROCEDURES GOVERNING ELIGIBILITY FOR ACCESS TO SENSITIVE COMPARTMENTED INFORMATION

(Effective 27 November 1984)

Pursuant to the provisions of Section 102 of the National Security Act of 1947, and Executive Order 12333, the following minimum personnel security standards, procedures, and continuing security programs are hereby established for all United States Government civilian and military personnel, consultants, contractors, employees of contractors, and other individuals who require access to Sensitive Compartmented Information (hereinafter referred to as SCI). The standards, procedures, and programs established herein are minimum, and the departments and agencies may establish such additional security steps as may be deemed necessary and appropriate to ensure that effective security is maintained.

[1] This directive supersedes DCID 1/14, effective 1 September 1983.

1. Definitions

a. *Intelligence Community*—those United States Government organizations and activities identified in Executive Order 12333 or successor orders as making up such Community.

b. *Sensitive Compartmented Information* (SCI)—all information and materials requiring special Community controls indicating restricted handling within present and future Community intelligence collection programs and their end products. These special Community controls are formal systems of restricted access established to protect the sensitive aspects of sources and methods and analytical procedures of foreign intelligence programs. The term does not include Restricted Data as defined in Section II. Public Law 585, Atomic Energy Act of 1954, as amended.

c. *Senior Officials of the Intelligence Community* (SOICs)—for the purposes of this directive, SOICs are defined as the heads of organizations within the Intelligence Community, as defined by Executive Order 12333, or their designated representatives.

2. Purpose

The purpose of this directive is to enhance the security protection of SCI through the application of minimum security standards, procedures, and continuing security programs, and to facilitate the security certification process among Government departments and agencies.

3. Applicability

The provisions of this directive shall apply to all persons (other than elected officials of the United States Government, federal judges, and those individuals for whom the DCI makes a specific exception) without regard to civilian or military status, form of employment, official rank or position, or length of service.

4. General

a. Individuals who do not meet the minimum security criteria contained herein and who are, therefore, denied access to SCI shall not, solely for this reason, be considered ineligible for access to other classified information. Individuals whose access to SCI has been authorized as an exception granted in accordance with paragraph 6 below, shall not, solely for that reason, be considered eligible for access to other classified information.

b. The granting of access to SCI shall be controlled under the strictest application of the "need-to-know" principle, and in accordance with the personnel security standards and procedures set forth in this directive. In accordance with National Security Decision Directive Number 84 and the DCI Security Policy Manual for SCI Control Systems, signature of a DCI-authorized Nondisclosure Agreement which includes a provision for prepublication review is a condition of access to SCI.

5. Personnel Security Standards

Criteria for security approval of an individual on a need-to-know basis for access to SCI are:

a. The individual shall be stable, trustworthy, reliable, of excellent character, judgment, and discretion, and of unquestioned loyalty to the United States.

b. Except where there is a compelling need, and a determination has been made by competent authority as described in paragraph 6 below that every reasonable assurance has been obtained that under the circumstances the security risk is negligible:

(1) Both the individual and the member of his or her immediate family shall be U.S. citizens. For these purposes, "immediate family" includes the individual's spouse, parents, brothers, sisters, and children.[2]

(2) The members of the individual's immediate family and persons to whom he or she is bound by affection or obligation [3] should neither be subject to physical, mental, or other forms of duress by a foreign power, nor advocate the use of force or violence to overthrow the Government of the United States or the alteration of the form of Government of the United States by unconstitutional means.

6. Exceptions to Personnel Security Standards

The exceptions to paragraph 5.b.(1) or (2) above may be granted only by the SOIC of the appropriate organization or his designee unless such authority has been specifically delegated to the head of an office or organization as set forth in interdepartmental agreements. All exceptions granted will be common sense determinations based on all available information, shall be recorded by the organization making the exception. In those cases in which the individual has lived outside of the United States for a substantial period of his or her life, a thorough assessment of the adequacy of the investigation in terms of fulfillment of the minimum investigative requirements, and judicious review of the information therein, must be made before an exception is considered.

7. Investigative Requirements

a. The investigation conducted on an individual under consideration for access to SCI will be thorough and shall be designed to develop information as to whether the individual clearly meets the above Personnel Security Standards.

b. The investigation shall be accomplished through record checks and personal interviews of various sources by trained investigative personnel in order to establish affirmatively to the adjudicating agency complete continuity of identity to include birth, residences, education, employment, and military service. Where the circumstances of a case indicate, the investigation shall exceed the basic requirements set out below to ensure that those responsible for adjudicating access eligibility have in their possession all the relevant facts available.

c. The individual shall furnish a signed personal history statement, fingerprints of a quality acceptable to the Federal Bureau of Investigation and a signed release, as necessary, authorizing custodians of police, credit, education, and medical records, to provide record information to the investigative agency. Photographs of the individual shall also be obtained where additional corroboration of identity is required.

8. Minimum standards for the investigation are as follows:

a. Verification of date and place of birth and citizenship.

b. Check of the subversive and criminal files of the Federal Bureau of Investigation, including submission of fingerprint charts, and such other national agencies as are appropriate to the individual's background. An additional check of immigration and Naturalization Service records shall be conducted on those members of the individual's immediate family who are United States citizens other than by birth or who are resident aliens.

c. A check of appropriate police records covering all areas of the individual's residence, employment, and education in the U.S. throughout the most recent fifteen (15) years or since age eighteen, whichever is the shorter period.

d. Verification of the individual's financial status and credit habits through checks of appropriate credit institutions or, if such checks are not productive, through interviews with knowledgeable sources covering all areas of employment, residence, and education in the most recent seven (7) years.

e. Interviews with neighbors in the vicinity of all the individual's residences in excess of six (6) months throughout the most recent five (5) year period. This coverage shall be expanded where the investigation suggests the existence of some questionable behavioral pattern.

f. Confirmation of all employment during the past fifteen (15) years or since age eighteen, whichever is the shorter period, but in any event the most recent two (2) years. Personal interviews with supervisors and coworkers at places of employment covering the past ten (10) years shall be accomplished.

g. Verification of graduation or attendance at all institutions of higher learning within the past fifteen (15) years. If the individual did not attend an institution of higher learning, verification of graduation or attendance at last secondary school within the past ten (10) years.

h. Review of appropriate military records.

i. Interviews with a sufficient number of knowledgeable sources (a minimum of three developed during the course of the investigation) as necessary to provide a continuity, to the extent practicable, of the individual's activities and behavioral patterns over the past fifteen (15) years.

j. When employment, education, or residence has occurred in foreign countries (except for periods of less than one year for personnel on U.S. Government assignment and less than ninety days for other purposes) during the past fifteen (15) years or since age eighteen, a check of the records will be made at the Department of State and/ or other appropriate agencies. Efforts shall be made to develop sources, generally in the United States, who knew the individual overseas in order to cover significant employment, education or residence and to attempt to determine if any lasting foreign contacts or connections were established during this period. However, in all cases where an individual has worked or lived outside of the U.S. continuously for over one year, the investigation will be expanded to cover fully this period in his or her life through the use of such investigative assets and checks of record sources as may be available to the U.S. Government in the foreign country(ies) in which the individual resided.

k. When the individual has immediate family members or other persons to whom the individual is bound by affection or obligation in any of the situations described in subparagraph 5.b.(2) above, the investigation will include an interview of the individual by trained security, investigative, or counterintelligence personnel to ascertain the facts as they may relate to the individual's access eligibility.

l. In cases, the individual's spouse or cohabitant shall at a minimum be checked through the subversive and criminal files of the Federal Bureau of Investigation and

---

[2] The requirement for U.S. citizenship in this DCID also applies to a cohabitant.

[3] Including a cohabitant.

other national agencies as appropriate. When conditions indicate, additional investigation shall be conducted on the spouse of the individual and members of the immediate family (or other persons to whom the individual is bound by affection or obligation) to the extent necessary to permit a determination by the adjudicating agency that the provisions of paragraph 5 (Personnel Security Standards) above are met (see Annex A).

m. A personal interview of the individual may be conducted by trained security, investigative, or counterintelligence personnel to ensure full investigative coverage. A personal interview will be conducted when necessary to resolve any significant adverse information and/or inconsistencies developed during the investigation. In departments or agencies with policies sanctioning the use of the polygraph for personnel security purposes, the personal interview may include a polygraph examination, conducted by a qualified polygraph examiner.

9. Exceptions to Investigative Requirements

a. In exceptional cases, the SOIC or his designee may determine that it is necessary or advisable in the national interest to authorize access to SCI prior to completion of the fully prescribed investigation noted in paragraph 8 above. In this situation, such investigative checks as are immediately possible shall be made at once and shall include a personal interview of the individual by trained security, investigative, or counterintelligence personnel. Access in such cases shall be strictly controlled, and the fully prescribed investigation and final evaluation shall be completed at the earliest practicable moment. Certification to other organizations of individuals authorized access in such cases shall include explicit notification of the exception.

b. Where a previous investigation has been conducted within the past five (5) years which substantially meets the above minimum standards, it may serve as a basis for granting access approval provided a review of the personnel and security files does not reveal substantive changes in the individual's security eligibility. If a previous investigation does not substantially meet the minimum standards or if its more than five (5) years old, a current investigation shall be required by may be limited to that necessary to bring the individual's file up to date in accordance with the investigative requirements set forth in paragraph 8 above. Should new information be developed during the current investigation which bears unfavorably upon the individual's activities covered by the previous investigation, the current inquiries shall be expanded as necessary to develop full details of this information.

10. Periodic Reinvestigations

a. Programs shall be instituted requiring the periodic reinvestigation of personnel provided access to SCI. These reinvestigations shall be conducted on a five (5) year recurrent basis, but on a more frequent basis where the individual has shown some questionable behavioral pattern, his or her activities are otherwise suspect, or when deemed necessary by the SOIC concerned.

b. The scope of reinvestigations shall be determined by the SOIC concerned based on such considerations as the potential damage that might result from the individual's defection or willful compromise of SCI and the availability and probable effectiveness of other means to evaluate continually factors related to the individual's suitability for continued access. The individual shall furnish an up-to-date, signed personal history statement and signed releases as necessary. In all cases, the reinvestigation shall include, as a minimum, appropriate national agency checks, local agency checks, overseas checks where appropriate, credit checks, and a personal interview with the individual by trained investigative, security, or counterintelligence personnel when necessary to resolve significant adverse information and/or inconsistencies. When conditions so indicate, additional investigation may be conducted as determined by the SOIC or his designee.

11. Determination of Access Eligibility

The evaluation of the information developed by investigation on an individual's loyalty and suitability shall be accomplished under the cognizance of the SOIC concerned by analysts of broad knowledge, good judgment, and wide experience in personnel security and/or counterintelligence. When all other information developed on an individual is favorable, a minor investigative requirement which has not been met should not preclude favorable adjudication. In all evaluations the protection of the national interest is paramount. Any doubt concerning personnel having access to SCI should be resolved in favor of the national security and the access should be denied or revoked. The ultimate determination of whether the granting of access is clearly consistent with the interest of national security shall be an overall common sense determination based on all available information.

12. Appeals Procedures

Annex B prescribes common appeals procedures to be followed when an individual's SCI access has been denied or revoked.

13. Continuing Security Programs

a. In order to facilitate attainment of the highest standard of personnel security and to augment both the access approval criteria and the investigative requirements established by this directive, member departments and agencies shall institute continuing security programs for all individuals having access to SCI. In addition to security indoctrinations (see Annex C, "Minimum Standards for SCI Security Awareness Programs in the U.S. Intelligence Community"), these programs shall be tailored to create mutually supporting procedures under which no issue will escape notice or be left unresolved which brings into question an individual's loyalty and integrity or suggests the possibility of his or her being subject to undue influence or duress through foreign relationships or exploitable personal conduct. When an individual is assigned to perform sensitive compartmented work requiring access to SCI, the SOIC for the department, agency, or Government program to which the individual is assigned shall assume security supervision of that individual throughout the period of his or her assignment.

b. The continuing security programs shall include:

(1) Individuals are required to inform the department or agency which granted their SCI access about any personal problem or situation which may have a possible bearing on their eligibility for continued access to SCI and to seek appropriate guidance and assistance. Security counseling should be made available. This counseling should be conducted by individuals having extensive background and experience regarding the nature and special vulnerabilities of the particular type of compartmented information involved.

(2) SCI security education programs of the member departments and agencies shall be established and maintained pursuant to the requirements of Annex C.

(3) Security supervisory programs shall be established and maintained to ensure that supervisory personnel recognize and discharge their special responsibility to safeguard SCI, including the need to assess continued eligibility for SCI access. These programs shall provide practical guidance on indicators which may signal matters of security concern. Specific instructions concerning reporting procedures shall be disseminated to enable the appropriate authority to take timely corrective action to safeguard the security of the United States as well as to provide all necessary help to the individual concerned to neutralize his or her vulnerability.

(4) Security review programs to ensure that appropriate security authorities always receive and exchange, in a timely maner, all information bearing on the security posture of persons having access to SCI. Personal history information shall be kept current. Security and related files shall be kept under continuing review.

Whenever adverse or derogatory information is discovered or inconsistencies arise which could impact upon an individual's security status, appropriate investigation shall be conducted on a timely basis. The investigation shall be of sufficient scope necessary to resolve the specific adverse or derogatory information or inconsistency in question so that a determination can be made as to whether the individual's continued utilization in activities requiring SCI is clearly consistent with the interest of the national security.

14. Security Violations

Individuals determined to have disclosed classified information to any person not officially authorized to receive it may be considered ineligible for initial or continued SCI access. Determination will be based on an evaluation of all available information, including whether the disclosure was knowing, willfull, negligent, or inadvertent. A determination of ineligibility for individuals who currently hold SCI access shall result in immediate debriefing and termination of access for cause.

15. Implementation

Existing directives, regulations, agreements, and other guidance governing access to SCI as defined herein shall be revised accordingly.

ANNEX A

ADJUDICATION GUIDELINES

Purpose

This annex is designed to ensure that a common approach is followed by Intelligence Community departments and agencies in applying the standards of DCID 1/14. These guidelines apply to the adjudication of cases involving persons being considered for first-time access to Sensitive Compartmented Information (SCI) as well as those cases of persons being readjudicated for continued SCI access.

Adjudicative process

The adjudicative process entails the examination of a sufficient period of a person's life to make a determination that the person is not now or is likely to become an unacceptable security risk later. SCI access adjudication is the careful weighing of a number of variables known as the "whole person" concept. The recency of occur-

rences of any adverse incident, together with circumstances pertaining thereto, is central to a fair and uniform evaluation. Key factors to be considered in adjudication are the maturity and responsibility of the person at the time certain acts or violations were committed as well as any repetition or continuation of such conduct. Each case must be judged on its own merits and final determination remains the responsibility of the individual SOIC. Any doubt concerning personnel having access to SCI shall be resolved in favor of the national security.

The ultimate determination of whether the granting of SCI access is clearly consistent with the interests of national security shall be an overall common sense determination based on all available information. In arriving at a decision consistent with the foregoing, the adjudicator must give careful scrutiny to the following matters:

a. Loyalty.
b. Close relatives and associates.
c. Sexual considerations.
d. Cohabitation.
e. Undesirable character traits.
f. Financial irresponsibility.
g. Alcohol abuse.
h. Illegal drugs and drug abuse.
i. Emotional and mental disorders.
j. Record of law violations.
k. Security violations.

Adjudicative actions concerning the foregoing items are examined in greater detail below.

Loyalty

DCID 1/14 establishes the categorical requirement that, to be eligible for SCI access, an individual must be unquestioned loyalty to the United States.

Close relatives and associates

DCID 1/14 requires close examination by the SCI adjudicator when members of an individual's immediate family and persons to whom he/she is bound by affection or obligation are not citizens of the United States, or their loyalty or affection is to a foreign power, or they are subject to any form of dures by a foreign power, or they advocate the violent overthrow or unconstitutional alteration of the Government of the United States.

Sharing living quarters with a person, regardless of their citizenship status, may be indicative of a close relationship, whether or not it is considered intimate. The potential for adverse influence or for duress should be considered in any close or long-term relationship between the subject and another individual.

The adjudicator must assess carefully the degree of actual and potential influence that such persons may exercise on the individual based on an examination of the frequency and nature of personal contact and correspondence with and the political sophistication and general maturity of the individual.

A recommendation for access disapproval is appropriate if there is an indication that such relatives or associates are connected with any foreign intelligence service.

When there is a "compelling need" for SCI access for an individual whose family member is a non-U.S. citizen and the background investigation indicates that the security risk is negligible, and exception to paragraph 5b(1) or (2) of DCID 1/14 may be recommended.

In some circumstances, marriage of an individual holding SCI access approval could present an unacceptable security risk. Such individuals are required to file intent-to-marry statements, It is the responsibility of the SOIC to advise the individuals of the possible security consequences. If the individual marries a non-U.S. citizen, SCI access will be suspended until the case is readjudicated unless an appropriate investigation of the spouse, as required by Paragraph 81 of DCID 1/14, was conducted with favorable results. In readjudicating such cases, the same judgments and criteria as are reflected in the section apply.

Sexual considerations

DCID 1/14 requires that, to be eligible for SCI access, individuals must be stable, of excellent character and discretion, and not subject to undue influence or duress through exploitable personal conduct.

Sexual promiscuity and extramarital relations are of legitmate concern to the SCI adjudicator where such conduct reflects a lack of judgment and discretion or when the conduct offers the potential for undue influence, duress or exploitation by a foreign intelligence service.

Deviant sexual behavior can be a relevant consideration in circumstances in which it indicates flawed judgment or a personality disorder, or could result in exposing the individual to direct or indirect pressure because of susceptibility to blackmail or coercion as a result of the deviant sexual behavior. Such behavior includes: bestiality, fetishism, exhibitionism, necrophilia, nymphomania or satyriasis, masochism, sadism, pedophilia, transvestism, and voyeurism. Homosexual conduct is also to be considered as a factor in determing an individual's judgment, discretion, stability and susceptibility to undue influence or duress.

In examining cases involving sexual conduct of security significance, such as those described above, it is relevant to consider the age of the person, the voluntariness, and the frequency of such activities, the public nature and the recency of the conduct, as well as any other circumstances which may serve to aggravate the nature or character of the conduct. A recommendation for disapproval is appropriate when, in view of all available evidence concerning the individual's history of sexual behavior, it appears that access to SCI could pose a risk to the national security.

Cohabitation

The identity of a cohabitant and the extent and nature of actual or potential influence upon the subject should be ascertained. Based upon the criteria in the section on Close Relatives and Associates, a determination must be made whether such as association contributes an unacceptable security risk.

Cohabitation, per se, does not preclude SCI access approval. Other factors could affect the access determination. Cohabitation with an alien, for example, requires the same security as marriage to an alien.

Undesirable character traits

It is emphasized that an individual's lifestyle is examined only in an effort to determine whether a pattern of behavior exists which indicates that granting SCI access could pose a risk to national security. In cases where allegations have been reported which reflect unfavorably on the reputation of an individual, it is incumbent upon the SCI adjudicator to distinguish fact from opinion and to determine which negative characteristics are real and pertinent to an evaluation of the individual's character and which are unsubstantiated or irrelevant. Relevant negative characteristics are those which, in the adjudicator's informed opinion, indicate that an individual is not willing, able, or likely to protect SCI information. The adjudicator's personal likes or dislikes must not be permitted to affect the determination.

Examples of specific concerns in determining whether an individual has undesirable character traits are substantive, credible, derogatory comments by associates, employers, neighbors, and other acquaintances; any litigation instituted against the individual by such persons as a result of the individual's actions; or allegations of violations of law. A recommendation for disapproval would be appropriate for an individual who cannot be relied upon to obey rules and regulations.

In examining the circumstances of cases involving incidents of untruthfulness, the adjudicator must weigh all factors with particular emphasis on establishing the intent of the individual. Where an individual has tried to obscure pertinent or significant facts by falsifying data, i.e., on the Personal History Statement by either omission or false entry, such action should be weighed heavily against recommending access. Failure to disclose derogatory personal information, such as a court martial or serious crime, would appear to be intentional and, consequently, would warrant a recommendation for disapproval.

Financial irresponsibility

Financial irresponsibility represents a serious concern to the SCI adjudicator. Persons who have engaged in espionage for monetary gain demonstrate the hazard of granting SCI access to an individual with overly expensive tastes and habits or living under the pressure of serious debt.

A recommendation for disapproval is appropriate when there is a pattern of financial irresponsibility and it appears that an individual has not made a conscientious effort to satisfy creditors. In such cases, the adjudicator should determine whether the individual had been notified about the debts and whether they were legally valid or ultimatley satisfied.

When the financial irresponsibility alone is not of such magnitude to warrant disapproval, it may contribute to recommendation for denial of SCI access when there is other evidence of irresponsibility.

Alcohol abuse

The SCI adjudicator should examine any information developed relative to an individual's use of alcohol beverages to determine the extent to which such use would adversely affect the ability of the individaul to exercise the care, judgment, and discretion necessary to protect SCI information. The adjudicator should determine whether a pattern of impropriety exists, although one incident caused by alcohol abuse may be of such magnitude to warrant a recommendation for disapproval.

In determining the security impact of a person's pattern of alcohol use, the adjudicator should consider the circumstances, amount and rate of consumption, the time and place of consumption, and the physiological and behavioral effect such drinking has on the individual. For example, does the individual's drinking result in absences from work or careless work habits? Does the individual become talkative, abusive, or manifest other undesirable characteristics? Does the individual drink until intoxicated? Has the individual been arrested for any acts resulting from the influence of alcohol?

In the absence of conclusive evidence, additional insight may be available from ap-

propriate medical authorities. If the individual acknowledges having an alcohol abuse problem and is seeking help, it may be appropriate to defer access determination and monitor the individual's progress for a year or so.

If, after considering the nature and sources of information, the adjudicator determines that an individual's drinking is not serious enough to warrant a recommendation for disapproval of SCI access, it may be appropriate to recommend approval with a warning at the time of indoctrination that future incidents of alcohol abuse may result in SCI denial. The adjudicator may also recommend a reinvestigation of the individual's use of alcohol after an appropriate period of time has passed.

Illegal drugs and drug abuse

The SCI adjudicator should examine all allegations of an individual's use, transport, transfer, sale, cultivation, processing and manufacturing of hallucinogens, narcotics, drugs and other materials and chemical compounds identified and listed in the Controlled Substance Act of 1970, as amended. Consequently, an individual's involvement in any of these activities is of direct concern to the SCI adjudicator in order to determine the individual's capability to exercise the care, discretion, and judgment required to protect SCI information. The use of these substances may lead to varying degrees of physical or psychological dependence as well as having a deleterious effect on an individual's mental state and ability to function.

Persons involved in drug trafficking, i.e., the commercial cultivation, processing, manufacturing, purchase, or sale of such substances should normally be recommended for disapproval.

In cases involving the use of drugs, the adjudicator must consider the nature of the substance used and whether the use is experimental or habitual. The frequency, recency, and circumstances surrounding said use are key elements. For example, has the individual used "hard" drugs or hallucinogens such as heroin, cocaine, or LSD? Has the individual used drugs regularly or only on occasion? Does the individual currently use drugs? Does the individual regularly purchase drugs or participate merely when offered drugs by others? Has the individual's behavior been affected by the use of drugs and, if so, to what extent?

Once the judgment is made that an individual is a habitual user of any controlled substance (multiple use beyond the point of mere experimentation), a recommendation for disapproval is appropriate. Moreover, even experimental use of hard drugs or hallucinogens, such as LSD, could warrant a recommendation for disapproval.

Emotional and mental disorders

DCID 1/14 requires that persons considered for access to SCI be stable, trustworthy, reliable, and of excellent character, judgment and discretion. Emotional and mental disorders which interfere with an individual's perception of reality or reliability are of serious concern to the SCI adjudicator in determining whether an individual is able or willing to protect SCI information.

It is essential to obtain as much information as possible when an allegation has been made in this area. If feasible, the individual should be interviewed to obtain additional detail. When appropriate, government psychological and psychiatric personnel should be consulted so that psychiatric or psychological data may be properly evaluated.

If a current emotional instability appears to be a temporary condition (for example, caused by a death, illness, or marital breakup) it may be advisable to recommend postponing final action and rechecking the situation at a later date. This precludes a security disapproval for what may be a temporary condition which, when cured, would have no security implications.

Military and civilian personnel who decline to take medical/psychiatric tests when so directed by competent authority should not be recommended for SCI access.

Record of law violations

In determining whether an individual is stable, trustworthy, and of excellent character, judgment, and discretion as required by DCID 1/14 for access to SCI, the adjudicator must weigh carefully any record of law violations by the individual. Although a pattern of repeated minor traffic violations could be significant, the adjudicator is principally concerned with more serious criminal violations or court actions reflecting adversely upon the individual's reliability or trustworthiness.

Each case involving convictions for criminal offenses must be considered from the standpoint of the nature and seriousness of the offense, the circumstances under which it occurred, how long ago it occurred, whether it was an isolated or a repeated violation of the law, the offender's age at the time, social conditions which may have a bearing on the individual's actions, and any evidence of rehabilitation.

Any conviction for a felony will normally support a recommendation for disapproval. If the offense was committed many years prior, the individual has shown evidence of rehabilitation, and the investigation shows no other derogatory information, an approval many be considered. A large number of minor offenses, however, could indicate irresponsibility and may support an adverse recommendation.

Security violations

Most security violations are caused by carelessness or ignorance with no intention of compromising security. However, the record of an individual responsible for multiple violations should be scrutinized. The individual's current attitude toward security should be confirmed with his/her supervisor. A pattern of violations may be sufficient ground for a recommendation for disapproval. Individuals responsible for unauthorized disclosure of classified information may be denied initial or continued SCI access.

EXHIBIT V

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, May 31, 1989.

Hon. WILLIAM WEBSTER,
Director of Central Intelligence, Central Intelligence Agency, Washington, DC.

DEAR MR. DIRECTOR: As you know, your responsibilities under the law as Director of Central Intelligences include the protection of U.S. Intelligence sources and methods.

I urgently request access to the original, complete classified assessments of the damage done to U.S. Intelligence sources and methods by the following four unauthorized public disclosures of U.S. Intelligence data:

1. The June 29, 1979 article in The New York Times, entitled "U.S. Plans New Way to Check Soviet Missile Test."

2. The various press articles revealing U.S. Intelligence data on a June, 1982 Soviet Strategic Missile Firing Exercise.

3. The various press articles about communications intelligence on the Soviet shootdown of Korean Airlines Flight-007 in September and October, 1983.

4. The various April and March, 1986 press articles revealing that U.S. Intelligence had intercepted communications linking Libya to the terrorist bombing of a nightclub in West Berlin killing an American soldier.

I am informed that these four unauthorized disclosures of highly classified information about communications intelligence intercepts and sources and methods are among the most serious security breaches in the history of U.S. Intelligence. Indeed, in a November 19, 1979 article in The New Yorker, Senator Moynihan implied that item number one was one of the four most serious breaches of U.S. Intelligence security in history.

I thank you in advance for your prompt response to this request.

Sincerely,

JESSE HELMS.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, May 31, 1989.

Rear Adm. WILLIAM O. STUDEMAN, USN,
Director, National Security Agency, Fort Meade, MD.

DEAR MR. DIRECTOR: As you know, special responsibilities for the protection of U.S. intelligence sources and methods regarding communications intelligence.

I urgently request access to the original, complete classified assessments of the damage done to U.S. Intelligence sources and methods by the following four unauthorized public disclosures of U.S. Intelligence data, including any conclusions or correspondence about responsible persons:

1. The June 29, 1979 article in The New York Times, entitled "U.S. Plans New Way to Check Soviet Missile Test."

2. The various press articles revealing U.S. Intelligence data on a June, 1982 Soviet Strategic Missile Firing Exercise.

3. The various press articles about communications intelligence on the Soviet shootdown of Korean Airlines Flight-007 in September and October, 1983.

4. The various April and March, 1986 press articles revealing that U.S. Intelligence had intercepted communications linking Libya to the terrorist bombing of a nightclub in West Berlin killing an American soldier.

I am informed that these four unauthorized disclosures of highly classified information about communications intelligence intercepts and sources and methods are among the most serious security breaches in the history of U.S. Intelligence. Indeed, in a November 19, 1979, article in The New Yorker, Senator Moynihan implied that item number one was one of the four most serious breaches of U.S. Intelligence security in history.

I thank you in advance for your prompt response to this request.

Sincerely,

JESSE HELMS.

EXHIBIT VI

U.S. DEPARTMENT OF STATE,
Washington, DC, May 8, 1989.

HON. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: During a hearing before the Committee on Friday morning, May 5, Ambassaador Richard Burt was asked whether he had ever been cited for security violations in any previous governmental posts, including a possible violation involving a briefcase. A copy of the relevant portion of the draft transcript is enclosed.

Ambassador Burt has since had an opportunity to check the records of the Department of State and would like to clarify the record of the Hearing with the enclosed statement.

We would appreciate it if you could ensure that the enclosed clarification is noted in the record of the Hearing.

Sincerely,

JANET G. MULLINS,
Assistant Secretary for Legislative Affairs.

EXCERPT

During a hearing before the Committee on Foreign Relations Friday morning, May 5, I was asked whether I had ever been cited for security violations in any previous governmental posts, including a possible violation involving a briefcase. In response, I said I could only recall receiving a violation concerning a classified document left out on a desk in my office at the U.S. Embassy in Bonn.

To clarify the record, I asked the Department of State's Bureau of Diplomatic Security for a list of security violations received during my more than eight years of government service. During this period, I have received three notices of security violation. On May 15, 1987 and on May 6, 1986 notices were issued for unsecured documents in my office in the U.S. Embassy in Bonn. On February 4, 1983, while staying in a Brussels hotel with then-Vice President Bush, I was issued a violation for improper transmission of material in a briefcase. The briefcase was mistakenly taken and placed with the luggage of another guest. I immediately alerted a State Department security officer and the briefcase was promptly retrieved. It was the judgment of the security officer involved that the episode did not result in the compromise of any classified material. None of the three violations listed above involved sensitive compartmented information (SCI) material.

A security violation is an incident wherein classifed material is not protected in accordance with regulations. The Department of State's policy is that if an individual receives three security violations within a two-year period the Bureau of Diplomatic Security recommends to the Director General of the Foreign Service that a letter of reprimand be issued to the offending individual. I have never received such a letter.

If confirmed by the Senate, I fully intend, as I stated in my testimony on May 5, to implement and enforce a strong and effective security program covering all members of the U.S. delegation in Geneva.

EXHIBIT VII

U.S. DEPARTMENT OF STATE,
THE INSPECTOR GENERAL,
Washington, DC, June 6, 1989.

HON. JESSE HELMS,
Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: In response to your May 11, 1989 request regarding Mr. Richard Burt's security background, my office conducted a special inquiry into both the adequacy of the Department's personnel security procedures in place at the time of Mr. Burt's background investigations, and the actual handling of these investigations in the case of Mr. Burt. We received an allegation subsequent to your letter that the Department improperly investigated an incident involving Mr. Burt. Our special inquiry was expanded to address this issue as well.

With regard to the questions raised in your May 11 letter, we reviewed all applicable laws, Executive Orders, and Department of State directives regarding personnel security investigations, interviewed Department of State officials charged with personnel security responsibilities, and examined Mr. Burt's security and personnel files. His security file included three background investigations conducted by the Department: a full field investigation completed in January 1981, and update investigations completed in May 1985 and March 1989. We also reviewed the results of a 1982 FBI background investigation conducted when Mr. Burt was a candidate for an Assistant Secretary of State position.

Our examination of the Department's application of personnel security policies and procedures was limited to those used in Mr. Burt's case only. My office, as part of a broader initiative by the President's Council on Integrity and Efficiency, is undertaking a review of the Department's overall personnel security clearance program.

The later allegation related to a 35 mm. film cartridge containing marijuana that was found by security personnel in Mr. Burt's Bonn residence in 1986, while he was Ambassador to the Federal Republic of Germany. The security officers were conducting a sweep of Mr. Burt's quarters at his specific request. It was alleged that, in effect, the subsequent investigation by the Department sought to cover up the incident. We interviewed all of the Department officials concerned in this matter and examined all of the relevant files.

We have concluded that:

For the three background investigations performed by the Department of State in 1981, 1985, and 1989, the policies and procedures in effect at the time were followed. Further, with two exceptions, the Department's evaluations of these investigations were consistent with the guidelines contained in the Foreign Affairs Manual (Volume 3, Chapters 160 and 629) and the (then) Office of Security Instructions and Procedures (Volumes 2 and 3). We found that the evaluations in 1985 made no reference either to a 1983 security violation arising from Mr. Burt's loss of a briefcase containing classified information or to Mr. Burt's earlier close social relationship with Ms. Miller. However, these issues—discussed in detail in the enclosed report—are a judgment call. Based on our detailed review, we believe that inclusion of this information in the 1985 evaluation would not have reversed the decision to continue Mr. Burt's security clearance.

With regard to the marijuana found in Mr. Burt's residence:

There is no evidence whatever pointing toward Mr. Burt's use of this or of any other controlled substance while in the employ of the Department of State.

The initial investigation of the matter by the Office of Security was conducted promptly and with diligence, although in a manner inconsistent with professional investigative methodology. For example, it appears that no records were originated or retained.

The results of the investigation, for reasons unknown but in no way attributable to Mr. Burt, appear not to have been communicated formally to senior management either on an information basis or for decision.

Full details of our review are presented in the enclosed report of our special inquiry.

We are pleased to have assisted the Committee. If you or your staff have any questions about our report, please call me, Mr. Terence Shea, Assistant Inspector General for Security Oversight, or Mr. Randolph West, Assistant Inspector General for Investigations. We can all be reached on 647-9450.

Sincerely,

SHERMAN M. FUNK,
Inspector General.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield 10 minutes to the Senator from Utah.

Mr. HATCH. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee. I thank my colleague for yielding.

Mr. President, I rise in continued support of Ambassador Burt's nomination before this distinguished body. I have known Rick for a number of years and although he is officially a resident of the District of Columbia, he remains a Utahn where he grew up as a young man during the 1950's. But this is not my reason for voicing my support today.

While many of my distinguished colleagues will expound on Ambassador Burt's extensive experience as a national security expert, and address the questions over Ambassador Burt's commitment to ensuring proper security for classified material; I rise to give my colleagues some insight into Rick Burt—the man.

You see Rick Burt and I have not always seen eye to eye. While Ambassador Burt and I have had our share of hefty battles through the years over concepts and ideas, we remain friends. There are very few people I respect as much as I do him through the years, even though we have had our differences, because I find him to be honest and forthright. He is a decent man and he has proved time and again his willingness to stand up and fight for this country.

I am here to support Ambassador Burt because I think he is a person of consummate intelligence, ability, and capability. He is a person who has grown through the years, and who is

continually growing with the innate ability and determination to do what is right and proper. Although Ambassador Burt and I have disagreed in the past on various issues, I have watched him closely over the years and I have come to respect his energy and his devotion to serving our country.

I want to especially mention his work in the Federal Republic of Germany over the past 3½ years. As we can tell from today's headlines, the German relationship is becoming increasingly difficult and complex. Nevertheless, Ambassador Burt handled his duties in Germany in a very intelligent and forceful way. He worked hard to preserve NATO unity. He prodded the Germans to increase their military efforts. And he did so at times when it was difficult to do.

He paid close attention to the problems of the American military forces and their families. Indeed, just as one illustration, he took the lead in a record-breaking effort to raise funds for the USO in Germany at a time when the dollar was falling and American service families in Germany were looking for any kind of relief they could get.

That is the kind of person Rick Burt is. I also know that unlike some of our Ambassador's in the past, when he had to be tough he has been tough. He has always acted in the best interests of our country. I have respected his leadership and his ability to take a strong stand against terrorism.

He pushed the Germans to take a tougher stand against Libya at a time when we needed their support. He had them take a tougher stand against Iran and other States that sponsor international terrorism.

Mr. President, I know Rick Burt will be an effective negotiator in Geneva. He has told me he is prepared to walk away from an agreement rather than accept a bad agreement. He believes that airtight verification is essential, and he has assured me of his strong support for a space defense initiative.

Ambassador Burt is articulate. He is diplomatically skilled. He has an ability to work with people of varying persuasions and difficulties. He is a person who will be a strong advocate for our country during a period of great promise and substantial risk.

As we prepare to vote on Ambassador Burt's nomination I ask my colleagues to keep in mind the type of individual this country needs at the negotiating table in Geneva. Rick Burt has the qualifications for the job and the character, determination, and love for his country to succeed.

Let me say one other thing. When Rick Burt in the past came up before us, I voted against Rick Burt, but he has changed. He has grown. He has prospered, and he has proven to be a person of integrity and ability.

I am going to vote for him, and I ask all my colleagues to consider voting for him as well.

I thank my colleagues for giving me this time.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 5 minutes to the Senator from Delaware.

Mr. BIDEN. I thank the chairman for that time.

I wish, as we all do, there were more time, because I would like to respond point by point to the issues raised by my distinguished colleague from North Carolina who stood in opposition to this nomination.

I now ask unanimous consent to be able to submit for the RECORD a more detailed statement regarding the allegations made about Mr. Burt.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR BIDEN'S STATEMENT ON THE ALLEGATIONS MADE REGARDING AMBASSADOR BURT

The allegations raised regarding Ambassador Burt are, to be sure, serious. But in my view, they are unsubstantiated, and should not disqualify Ambassador Burt.

If anything, they reveal serious weaknesses in security procedures within the Department of State. They do not, however, have any relevance to the nomination before us.

SERVICE AS A NEW YORK TIMES REPORTER

Allegations have been made that while serving as a reporter for the New York Times, Ambassador Burt revealed highly classified information.

The FBI and the Department of Justice looked into the matter, but they decided not to pursue the investigation. Indeed, Ambassador Burt maintains that the FBI never even asked him for the source of the newspaper article in question. So if there's any blame here, it should go to the FBI.

I do not condone the release of classified information to reporters. Nor do I encourage it. But the fact is that in 1979 Mr. Burt was a newspaperman. He is not a newspaperman any longer. In fact, for the entire decade, Ambassador Burt has been a high Government official. And no one in the Reagan or Bush administrations ever questioned Ambassador Burt's loyalty to the United States.

RELATIONSHIP WITH A NEW YORK TIMES REPORTER

Allegations have been made that Ambassador Burt's personal relationship with a reporter for the New York Times led to the divulgence of classified information. Ambassador Burt's relationship with this reporter, however, was well known at the highest levels of the State Department, including Secretaries Haig and Shultz. And no one in the Department ever questioned whether Ambassador Burt was a source for Ms. Miller's stories.

Indeed, reviews of Mr. Burt's official personnel file and personnel security file did not reveal any evidence of any investigation regarding Mr. Burt's relationship with Ms. Miller, any questioning of him about the articles Ms. Miller published, or any reprimand or notation about the association.

DISCLOSURE OF LIBYAN INTERCEPTS

It has been alleged that Ambassador Burt, in an interview following the bombing of the La Belle Disco in Berlin in April, 1986, made indirect references to U.S. ability to intercept and analyze Libyan coded communications pertaining to terrorism.

Ambassador Burt is quoted as saying on April 8, 1986: "I don't think there's any disagreement . . . in Berlin or, for that matter, in the conversations I had with senior West German officials over the weekend, that there were clear indications the Libyans were involved."

Other quotes from U.S. officials, however, were more explicit. General Bernard Rogers, then Supreme Allied Commander in Europe, said this: ". . . There is indisputable evidence that the April 5 bombing of a West Berlin Discotheque that killed a U.S. Army sergeant can be linked to a worldwide network of terrorists set up by Libyan leader Moammar Kadafi. I can't tell you how we get it, but the evidence is there." (*Los Angeles Times*, April 10, 1986).

And President Reagan himself said this: "The evidence is now conclusive that the terrorist bombing of La Belle Discotheque was planned and executed under the direct orders of the Libyan regime. On March 25th, more than a week before the attack, orders were sent from Tripoli to the Libyan People's Bureau in East Berlin to conduct a terrorist attack against Americans to cause maximum and indiscriminate casualties. Libya's agents then planted the bomb. On April 4, the People's Bureau alerted Tripoli that the attack would be carried out the following morning. The next day they reported back to Tripoli on the great success of their mission. Our evidence is direct; it is precise; it is irrefutable." (United Press International, April 11, 1986).

Moreover, contrary to press reports that Mr. Burt had been "rebuked" for his statement, Mr. Burt's personnel files contain no evidence of a rebuke or reprimand from the White House.

DISCOVERY OF MARIJUANA IN OFFICIAL RESIDENCE IN BONN

Allegations have been made that the discovery of a controlled substance at the Ambassador's residence in Bonn in January, 1986 suggest that Mr. Burt may be a security risk.

The Office of Security in Frankfurt conducted a full investigation—with Ambassador Burt's cooperation—of this incident. The investigating agent reported that there was no evidence of actual possession by Ambassador Burt or any U.S. officials associated with the Embassy.

SECURITY INCIDENTS

The allegation is made that Ambassador Burt may be a security risk because of careless handling of Government documents while serving as a Government official.

Altogether, there have been three security violations by Mr. Burt during his Government service. The most serious is an incident in 1983, when Ambassador Burt was traveling with the Vice President. While in Brussels on this trip, he misplaced a briefcase containing top secret information.

As the Inspector General's report notes, Mr. Burt immediately telephoned the regional security officer in Brussels. The officer located the briefcase, believed the contents were uncompromised, and immediately returned the briefcase to Mr. Burt.

According to the Inspector General's Office, the damage assessment conducted

following this incident concluded that "while the documents would not compromise intelligence sources or have national security implications, they could be embarrassing to the United States."

Mr. BIDEN. Let me make a few necessarily broad statements in the interest of time.

First, none of the allegations that were made have either risen to the level of being serious enough for us to even remotely consider whether or not this man is a security risk, and the vast majority of them are unsubstantiated. The vast majority of the allegations that have been made are in fact little more than innuendo.

Prior to Mr. Burt's marriage, a woman he was dating was a reporter for a newspaper. And that newspaper and that woman had articles published that related to classified material that Mr. Burt and probably 6,000 other people had access to, ergo, Mr. Burt must be the source of that material because he was in the employ of the Government. At the time, Secretary of State Haig, and later Secretary of State Shultz, knew full well the relationship. It did not bother them, should not have bothered them, and should not bother us now. I think it would be odd if we were going to somehow set a new standard here that no one in Government can date a reporter. That might save the reporters a lot of grief, but nonetheless it would be somewhat bizarre.

We have no Official Secrets Act in this country, thank God. And Mr. Burt violated no laws when he was a reporter prior to his employ by the Federal Government.

There was no allegation, specific allegation, made by any agency of the Government, that any action should be taken against reporter Richard Burt. I just came back from the Intelligence Committee, where I refreshed my recollection of this incident from my earlier service on the committee. I read the old files and the new file on Mr. Burt, and my recollection was accurate—no one at the time was focusing on what Richard Burt wrote as a reporter for the New York Times, or suggesting that his stories were the end of the world; but I am not able to go into any more detail on that. How much time do I have left, Mr. President?

The PRESIDING OFFICER. A minute-and-a-half.

Mr. BIDEN. Let me focus, in the last minute-and-a-half, on what is more important, the future. Here we have an incredibly qualified man who is about to take over a negotiation at one of the most historic moments in this Nation's history. The Reagan framework for arms control has proven to be a very, very solid framework within which we have an opportunity maybe to enhance, albeit slightly, the security of all mankind. There has been a hiatus of months and months in this negotiation, while the transition has occurred. They are about to begin, I believe, next Monday. We need a man of Mr. Burt's insight, intelligence, and background on the job to deal with not only the security of this Nation, but enhancing the security of the whole world.

I have no reservation about recommending Mr. Burt to the U.S. Senate. I might add, I am recommending to the U.S. Senate a man who has repeatedly been confirmed, and has been confirmed in the face of these allegations, which are long past, but for the so-called marijuana issue. And the inspector general indicates there is no reason to believe Mr. Burt was in fact guilty of anything in that instance.

My time, I can tell by the look of the distinguished President, is up, so I will reluctantly, but respectfully, yield the floor.

Mr. PELL. I yield 5 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I thank the chairman. Mr. President, Richard Burt is a distinguished nominee of the President of the United States for a very important responsibility on behalf of our country.

As my colleagues have already detailed, Rick Burt will be in Geneva at a point of crucial importance to our country and to world peace. I want to submit for the record, Mr. President, and do so at the conclusion of these remarks, extensive statements taken from our committee's deliberation on this nominee. I want to put into the record a very substantial statement about Richard Burt's views on arms control and his specific contributions to that debate to date. Likewise, very specific rebuttals to questions raised principally by the distinguished Senator from North Carolina, during the course of the Foreign Relations Committee, on the security issue the Senator raised again on the floor today. I think these are an important part of the record.

Let me commence these remarks by saying that I have watched Richard Burt in action as a public official. I have noted during the administration of Secretary George Shultz in the Department of State the unique role played by Richard Burt, as he guided our policy with regard to Europe. He came to that position with background as a journalist, as a scholar, as a person who was extraordinarily brilliant in his insights into European character and to the ways in which our relations were to be enhanced. He worked well with the Congress—specifically, with the Foreign Relations Committee of the Senate, the Foreign Affairs Committee in the House.

Richard Burt was a person who was accessible, articulate, imaginative, and he was loyal. He represented the President of the United States with great dignity and skill. He served Secretary Shultz with comparable skills.

It was my privilege to meet with Richard Burt in Germany during his service as our Ambassador of that country. I noted the remarkable relationships he cultivated with German officials of all political stripes, with ordinary citizens, with persons involved in festivals in the country, and with ordinary people in the street. He was an American Ambassador that carried the flag well.

He enhanced our relationship with Germany very substantially. At the same time, he was articulate about the arms control issues. I can recall one visit to Bonn following one of our Senate arms control observer group visits in Geneva, Switzerland, in which it was my privilege to visit with Richard Burt about specific reactions to those negotiations in the Federal Republic of Germany.

He was articulate about how those negotiations were being perceived in ways in which public officials in this country, including U.S. Senators, through their public statements, through their written statements, enhance the position of our country, the position of NATO vis-a-vis the Soviet Union.

He did this specifically in conversations which I enjoyed with Mr. Kohl, on that occasion, and with the distinguished President of the Federal Republic, Mr. Von Weizsacker.

Richard Burt was able always to outline precisely the position of President Reagan and Secretary Shultz and our arms control negotiators. He visited with them frequently to make certain that we were all singing the same tune and that we knew precisely the best interest of our country.

I was impressed by that diligence, that scholarship, and that effectiveness.

Mr. President, I have been impressed again with the testimony of Richard Burt before the Foreign Relations Committee and in visits that he has paid to the offices of members of that committee prior to the public hearings.

He is ready for this big assignment and indeed it is an enormous one.

As our negotiators have pointed out about 400 pages of agreed text now are there in Geneva, agreed by the Soviet Union and by the United States of America. We are on the threshold of an enormously significant treaty involving cuts in the long-range ICBM, the intercontinental ballistic missiles that have long endangered our country.

VOL 135 PT 9 JE 14 — 22 1989 UMI

As you know, Mr. President, there is considerable visitation now about arms reductions, and we pray that those withdrawals that the Soviets have promised, the cuts that they have suggested, will in fact happen and that we can negotiate with them downward to parity and below that. Our President has enunciated a bold policy at the NATO 40th meeting.

But at the same time, Mr. President, we are on the threshold with regard to the START talks of a situation in which we are going to have to come to grips with some very tough decisions.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. LUGAR. Will the Senator grant me 3 additional minutes?

Mr. PELL. I yield 3 additional minutes to the Senator from Indiana.

Mr. LUGAR. I thank my distinguished chairman.

It is in this context that this nominee comes before the Senate.

It is our responsibility to examine carefully the ability of Richard Burt or any other nominee to handle the security of this Nation, security in detail, the handling of classified documents, the handling of his public responsibilities with the press, with Senators, with anyone. These are pertinent points.

We are indebted to the distinguished Senator from North Carolina for drawing our attention to them on this occasion and on others, but I am satisfied that Richard Burt has fulfilled the security requirements of the offices in which he has served.

Equally important, perhaps more important, we have to find when we come to these great responsibilities our very best in terms of the talents this country can send forward, people who are our most intelligent, well-informed, persons with great scholarship, with great diplomacy, with quick minds, to meet world class competition. That is what our debate is about today, the sending forth of our best at a time that the best counts not only for us but for world peace.

So I come before this body today to commend my friend, Richard Burt. I have watched him as a devoted public servant of this country perform well with excellence. I am confident that that will be the record that he will have in Geneva and I look forward, as all of us do in this Senate, to helping him in that process.

Mr. President, I am most supportive of the President's nomination of Rick Burt to serve as our Chief START Negotiator and as Head of our delegation to the Nuclear and Space Talks in Geneva. Given his previous service in government, Ambassador Burt will bring considerable corporate memory to the arms control undertaking in Geneva, a process that resumes in earnest next Monday.

Mr. President, I also want to commend the nominee and the administration for the forthright manner in which they addressed during the confirmation process a number of substantive policy issues relative to arms control as well as the policy making process that is attendant to these negotiations.

Ambassador Burt detailed for the committee his responsibilities as Head of the Nuclear and Space Talks Delegation and Chief Negotiator for START as well as his reporting channels and working relationship with the Director of ACDA. While reporting directly to the President and the Secretary of State, Ambassador Burt noted that he will coordinate directly with the ACDA Director, who will have the responsibility for backstopping the NST delegation in Washington.

Ambassador Burt also addressed measures designed to improve the security procedures, the administration, and cost accountability associated with the activities of the U.S. delegation to the Nuclear and Space Talks in Geneva. He outlined some of the actions that have already been taken to diminish any security risks in Geneva as well as actions to be undertaken in the near term:

All ACDA Top Secret information has been brought under strict control, and the Executive Secretary of each Negotiating Group has been designated as the Top Secret Control Officer, responsible for the security of all the delegations' Top Secret documents.

In addition, a new policy on access to ACDA space in the mission has been implemented, under which no individual will be given an access badge to these areas unless he or she has been certified as having the necessary clearances and a mandatory security briefing.

Ambassador Burt also outlined additional measures that will be taken:

First, every member of the U.S. Negotiating Team in Geneva, regardless of which agency they represent, will be required by me to attend a briefing on security and counter intelligence measures before they will be allowed to travel to Geneva. This briefing will be provided jointly by ACDA and the State Department's Bureau of Diplomatic Security.

Secondly, all delegation members will be provided with a written delegation security directive, which will outline, in considerable detail, the security responsibilities of each delegation member. The guidelines in this directive will cover physical security, document handling, and personal conduct.

All delegation members will be asked to sign a statement saying that they have read these guidelines and they will be encouraged to keep them for reference.

Thirdly, tighter security controls will be promulgated for all sensitive delegation documents, with strict limits on the number of copies made and the distribution of those documents.

Fourthly, a rotation system of inspecting the entire delegation area in the mission at the end of each business day will be implemented to insure that the area is secure every evening.

The security duty officer will inspect and certify in writing that that entire area is secure.

Ambassador Burt personally assured the committee that any violations of security will be addressed with tough disciplinary action, including, if necessary, dismissal of offenders from the delegation.

Ambassador Burt discussed the need for tighter controls over delegation expenditures. While the Director of ACDA is responsible for many such matters, some fall under the direct purview of the various heads of the arms control delegations in Geneva. The Ambassador committed himself to ensuring that all moneys spent by the delegation, whether for housing, transportation, representation, procurement, or any other purpose, are spent only for official purposes, that they are spent prudently, in a cost-effective manner, and accounted for promptly.

Ambassador Burt addressed the issue of the U.S. position at the START talks once the negotiations resume. The President has stated that he is committed to pursuing a verifiable and stabilizing agreement to reduce strategic arsenals significantly.

Ambassador Burt noted that when the START talks recessed last year, there were a number of areas of agreement. But he emphasized that the important thing is not so much that reductions be of a certain magnitude but that they be focused so as to enhance stability. The prospective START cuts can do this by emphasizing reductions in the capabilities of ballistic missiles, which are the most destabilizing systems. In these categories, through limits on heavy ICBM's, ballistic missile throw-weight, and ballistic missile reentry vehicles, the agreed START numerical limits could result in 50-percent reductions in Soviet capabilities. The United States has no heavy ICBM's and United States missile throw-weight, which is much lower than the Soviet total, would not be reduced. U.S. ballistic missile reentry vehicles would be reduced by almost 50 percent.

Because of agreed counting rules that properly treat second-strike bomber weapons more permissively, however, reductions in the total number of strategic weapons would be less than 50 percent. Thus, strategic nuclear delivery vehicles would be reduced by more than one-third on the Soviet side and by somewhat less on the United States side.

By requiring the deepest cuts in the more threatening systems, START could decrease the capability to conduct a first strike and thus would enhance deterrence. The limit of 1,600 strategic nuclear delivery vehicles could reduce the ability of the side to break out of the START limits. The 50

percent throw-weight cut reduces Soviet ballistic lifting power, which affects warhead yields, accuracy, and their ability to break out of limits through rapid reload of additional reentry vehicles on existing missiles.

The nominee also touched on the issue of mobile missiles in the START negotiations. While noting that it would be premature to comment on the U.S. position with respect to mobiles pending the outcome of the administration's strategic review, Ambassador Burt noted that the deployment of mobile missiles does pose new and challenging verification problems. He added:

> I do believe, however, that if the verification problems associated with mobiles can be resolved, deployment of a mobile ICBM system by the United States could make a significant contribution to strategic stability.

In response to committee questions, Mr. Burt also addressed himself to the issue of Soviet insistence on a linkage between a START Treaty and a treaty flowing from the Defense and Space Talks which constrained the administration's SDI Program. He told the committee:

> We will continue to argue that their position on linkage is unwarranted and should be dropped.

More specifically, Ambassador Burt commented that the "Brilliant Pebbles" concept flowing from the SDI Program shows great promise, and that it is U.S. policy to fully protect its rights, options, and obligations for assessing the feasibility of effective strategic defenses. Thus, just as the United States could not accept a Defense and Space agreement that undercut SDI, so the nominee indicated that he would never recommend that "Brilliant Pebbles" be traded away for a START Treaty.

On the related matter of the ABM Treaty, Ambassador Burt noted that the terms of that agreement must be complied with if it is to remain a viable agreement and serve the interests of the United States. He said:

> Given the Soviet effort in this area, the ABM Treaty is currently in our security interest, if the Soviets come into compliance with it. Until our SDI program indicates that it would be in our interest to proceed beyond ABM Treaty limits, Administration policy is that we should preserve the Treaty and thereby maintain its limits on Soviet defense efforts. At the same time, we must not ignore the Soviet violation of the ABM Treaty."

Mr. Burt also said:

> I support the President's policy that we will conclude no strategic arms control agreements until the Krasnoyarsk violation is corrected.

Mr. President, I have taken the time to outline these substantive policy positions because I believe that Ambassador Burt, in his oral and written responses to committee questions, has done a real service for the Senate in developing one of the most complete pictures of the administration's views on strategic force modernization and arms control issues.

ISSUES RAISED BY SENATOR HELMS

A number of issues regarding the nominations were raised by Senator HELMS in the course of the Foreign Relations Committee hearing and consideration of Burt's nomination. They were addressed by Mr. Burt in testimony and in answers for the record. On May 11, Senator HELMS raised certain questions in a letter to the Honorable Sherman M. Funk, the inspector general of the Department of State. The inspector general responded in a June 6 report and briefed Democratic and Republican committee staff in a classified session the same day.

The issues raised and addressed in the committee and in the inspector general's report included Ambassador Burt's handling of demarches to the West German Government regarding the sales by West German firms of nuclear-related items to Pakistan, his earlier reporting of information which may have been classified while national security correspondent for the New York Times, his possible involvement in the acquisition of classified information by a reporter for the New York Times while Mr. Burt was a State Department official, possible security violations by Mr. Burt as a State Department official, and the propriety of Mr. Burt's disclosure of "clear indications" of Libyan involvement in the bombing of a West Berlin night club. Moreover, on the basis of an allegation by an outside informant, the inspector general looked into the discovery of a controlled substance at Ambassador Burt's official residence in Bonn and the possibility of the attempted suppression of a report on the matter.

DEMARCHES

Senator HELMS raised with Mr. Burt the matter of demarches to the West German Government regarding nuclear-related exports to Pakistan and, subsequently, demarches on chemical-related exports to Libya, Iran, Iraq, and Syria. Mr. Burt made it clear that, as Assistant Secretary, he had pressed for the raising of such issues and that, as Ambassador, he had overseen the delivery of demarches. He told the committee frankly that, "the Germans, early on, were not responsive." He also told the committee, "I think anybody who is aware of my record in Bonn will tell you that I was an extremely active ambassador. And I think that we, while we are very unhappy with the early reaction of the German Government, we now believe that the Germans have taken some remedial steps to solve this problem."

REPORTING PRIOR TO GOVERNMENT SERVICE

Senator HELMS charged, with particular reference to a 1979 news article, that, as a news reporter, Mr. Burt had obtained and revealed highly classified information. Addressing the matter of the 1979 story directly, Mr. Burt told the committee, "I wrote the story not believing at the time that this would be extremely damaging."

Senator BIDEN pointed out that there is no such law as an Official Secrets Act in America. Accordingly, there is no law against publication of information which might be classified, with very few and specific exceptions.

Senator CRANSTON noted that the law against disclosure is limited to very specific forms of information concerning the nature, preparation, or use of codes, ciphers, or cryptographic systems of certain communications intelligence. For a violation to occur, the disclosure must reflect a willful intent to harm the United States.

The inspector general reported that Mr. Burt told the OIG staff with regard to the 1979 article that the FBI never asked him for the source. Moreover Mr. Burt indicated that "prior to publishing the article he had spoken to four or five influential people about it and none had suggested that it not be printed."

The committee certainly does not condone the release of information which the national interest demands be safeguarded. It is important to understand that, in instances in which there has been an unauthorized release of classified information, the culprits are officials obligated to protect the information, not reporters who use the information. The appalling proliferation of the unauthorized releases of classified information in recent years is a reflection upon the standards and integrity of some in office. The free media have a responsibility in our society to report truthfully and accurately upon the government. If they were allowed to report only what the government wished reported, the damage to our free society would be considerable. Accordingly, the only reasonable approach is to avoid overclassification in order to allow the fullest possible public debate, to assiduously protect those secrets which must be kept, and to endure the occasional disclosure of classified materials as an unavoidable price for our liberties.

ALLEGATIONS REGARDING INFORMATION GAINED BY REPORTER

Senator HELMS cited articles allegedly containing classified information which were written in the early 1980's by a reporter for the New York Times. The Senator asked Mr. Burt whether he knew the reporter and whether he had leaked information to her.

Mr. Burt said categorically, "Senator I have not leaked any material."

With regard to his relationship with the New York Times reporter, Mr. Burt described it as "social."

Mr. Burt continued:

VOL 135 PT 9 JE 14 — 22 1989 UMI

I knew that she was a reporter for the New York Times, so I informed both Secretary of State Haig and Secretary of State Shultz that I did have a social relationship with Miss Miller, and asked them if they were concerned about this social relationship.

I told both Al Haig and George Shultz that there would inevitably be gossip and innuendo that I was a source of her stories. I wanted them to be aware of this. Both of them told me that it was none of their business, that they respected me and they respected my discretion.

I might just add to that, as you know, I was a New York Times reporter before entering government. I think by definition, people would suspect that if a leak appeared in the New York Times, I was responsible.

So, as I think reporters in the New York Times will tell you, I tried to be purer than Caesar's wife in dealing with the press in general and the New York Times in particular.

So, I did not hide my relationship, my social relationship, with Miss Miller. It wasn't any kind of covert relationship.

During the period that we knew one another, I appeared in social occasions, I went to dinner parties in Washington, and we had an understanding that I couldn't interfere with her career—she was free to go forward as a reporter—but that under no circumstances was I going to on any occasion discuss the subjects that she was working on.

The nominee was unable to recall precisely at his hearing which of the materials appearing in the New York Times articles in question were materials of which he had knowledge. The access discussed in a May 8, 1989, letter from Janet G. Mullins, Assistant Secretary of State for Legislative Affairs. The response indicates that Mr. Burt probably was aware of some of the materials, but not all.

The inspector general's report makes a very telling point:

Access to knowledge regarding presidential decisions, NSC decisions, and interagency decisions would have been available from multiple sources other than Mr. Burt. DOS and the Justice Department have found it extremely difficult to identify sources of unauthorized disclosure for high-level decisions having multiple sources with access.

It was clear in Mr. Burt's responses that he understands fully the differences in responsibilities and obligations between a reporter and a government official required to protect national security information. Senator CRANSTON asked Mr. Burt:

I assume that you will do your best to uphold the laws and the Constitution and to defend the country, and do nothing in any way to divulge information that would do any harm to the Nation, nor would anybody working under you be permitted, as far as you are able to control their behavior, to commit any such actions.

Mr. Burt affirmed that such would be the case.

It is important to understand that Mr. Burt has been subjected to thorough investigations prior to receiving his earlier Government nomination, as well as the negotiating post for which he has now been nominated. The investigations regarding Presidential appointments are particularly comprehensive. The inspector general has reviewed these investigative efforts. There has been nothing discovered to bring into question Mr. Burt's loyalty, or suitability for the high trust and confidence placed in him. From all indications, Mr. Burt was a valued member of the top-level teams of two Secretaries of State and President Reagan. He has now received yet another vote of confidence from a new President and a new Secretary of State.

SECURITY INCIDENTS

On May 5, Mr. Burt clarified the question of possible security violations during his Government service. Mr. Burt acknowledged, and the Office of the Inspector General affirmed, citations for a top secret violation involving his temporary loss of a briefcase in Brussels in 1983, a violation in 1986 involving improper storage of confidential information in his office, and a violation in 1987 involving improper storage in his office of secret materials.

In the incident involving the briefcase, it was inadvertently taken from a hotel lobby by a driver for a television network together with luggage for other guests. Mr. Burt immediately notified security personnel, and the briefcase was recovered and returned to him at a later stop. The OIG report concluded that there was no reason to conclude that the contents had been compromised.

In his May 8 response to the chairman, Mr. Burt said,

If confirmed by the Senate, I fully intend, as I stated in my testimony on May 5, to implement and enforce a strong and effective security program covering all members of the U.S. delegation in Geneva.

DISCLOSURES OF LIBYAN INTERCEPTS

During the course of his nomination hearing, Ambassador Burt was asked about his public statements regarding Libyan involvement in the bombing of a West Berlin nightclub in April 1986. The question was raised as to whether such public statements might have compromised or otherwise done damage to U.S. intelligence sources and methods. Ambassador Burt noted that he had been interviewed on the NBC "Today" show regarding the bombing incident and that his statement was published in the April 8, 1986, edition of the Washington Post. The statement was quoted in the Post as follows:

I don't think there's any disagreement . . . in Berlin or, for that matter, in the conversations I had with senior West German officials over the weekend, that there were clear indications the Libyans were involved. (Washington Post, April 8, 1986, p. A1.)

Ambassador Burt disputed the notion that his public statements had in any way compromised intelligence sources and methods. He denied as well that he had been officially rebuked by superiors for those statements.

The report of the Office of the Inspector General noted that Ambassador Burt, as reported in the Washington Post article of April 8, 1986, did not reveal or imply that the information came from communications intercepts. However, subsequent quotes from Gen. Bernard Rogers and President Reagan were more explicit:

General Bernard Rogers: . . . there is "indisputable evidence" that the April 5 bombing of a West Berlin discotheque that killed a U.S. Army sergeant can be linked to a "worldwide network" of terrorists set up by Libyan leader Moammar Kadafi. "I can't tell you how we get it, but the evidence is there," he said during a question-and-answer session after a speech at the private Brandon Hall school. (Los Angeles Times, April 10, 1986. p. 2.)

The NATO official said West German officials had intercepted communications from Libya to its embassy in East Berlin, commenting on the attack before and after it took place. "There are always messages passed back and forth between the general People's Congress (parliament) and the Peoples' Bureau (embassy) there." (United Press International, April 11, 1986.)

President Reagan: The evidence is now conclusive that the terrorist bombing of La Belle discotheque was planned and executed under the direct orders of the Libyan regime. On March 25th, more than a week before the attack, orders were sent from Tripoli to the Libyan Peoples' Bureau in East Berlin to conduct a terrorist attack against Americans to cause maximum and indiscriminate casualties. Libya's agents then planted the bomb. On April 4th the Peoples' Bureau alerted Tripoli that the attack would be carried out the following morning. The next day they reported back to Tripoli on the great success of their mission. Our evidence is direct; it is precise; it is irrefutable. (President Reagan's April 4, 1986, Address to the Nation.)

The report of the Office of the Inspector General concludes that there is no evidence of a rebuke or reprimand over the public statement from the White House on any matter, no security violation regarding the Libyan statement incident, and no reappraisal of Mr. Burt's security clearance at that time.

In a private written communication dated June 6, 1989, Lt. Gen. William E. Odom, who was the Director of the National Security Agency at the time of the Berlin nightclub bombing, has indicated that any suspicious at the time that public statements by the United States Ambassador to the Federal Republic might have compromised intelligence sources were not soundly based. Recalling a series of leaks and press reports at the time that did coincide with the loss of sources, General Odom has written:

I made a number of statements at the time as part of a compaign to stem the flood of disclosures. My intent was to limit damage, not to indict individuals per se.

General Odom noted that had he intended to blame Ambassador Burt personally:

> I would have forwarded my complaint to the Justice Department, a common practice when news reports provide evidence that 18 U.S. Code 798 has been vilolated. I did not forward such a complaint, nor do I recall my agency doing so at the initiative of some other intelligence official.

General Odom concluded that from the evidence he has seen, it would be wrong to hold Ambassador Burt responsible for any disclosure of intelligence sources that may have emerged in the aftermath of the Berlin discotheque bombing.

SECURITY CHECK OF RESIDENCE

In January 1986, during the course of a security check of the official residence requested by Ambassador Burt, a team of security engineering officers discovered a container of a suspected controlled substance following a holiday open house hosted by the Ambassador. The Office of Security in Frankfurt conducted an immediate investigation with the Ambassador's full cooperation. The investigating agent reported that there was no evidence of actual possession or use by any U.S. officials associated with the American Embassy. For its part, the Office of the Inspector General conducted its own investigation of this incident and its subsequent handling by the Office of Security. The report of the Office of the Inspector General concurred in the judgment of the investigating agent, although it noted that the results of the initial investigation, for reasons unknown but in no way attributable to Ambassador Burt, appear not to have been communicated formally to senior management in the Department of State either on an informational basis or for decision.

CONCLUSION

Having reviewed the issues raised regarding Mr. Burt and his responses and having had access to the independent report of the State Department Inspector General, prior to reporting to the Senate, the committee reached the conclusion that Mr. Burt is fully qualified to perform his duties effectively. The START Treaty now in prospect is a critically important undertaking. Indeed, the eventual significance of the INF Treaty will hinge in great measure upon the success of the two sides in bringing about meaningful, stabilizing reductions in strategic offensive arms. Moreover, it will be essential for both sides to achieve an outcome in the defense and space talks which allows the exploration of potentially valuable improvements in strategic defenses without undermining the Anti-Ballistic Missile Treaty, which is the centerpiece of prior efforts to control strategic arms.

Mr. Burt brings to these challenges a thorough background in strategic affairs, 8 years of high-level Government service, and an apparent commitment to pursue the President's objectives in the Geneva talks.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield a minute to the Senator from Tennessee [Mr. GORE].

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I thank the distinguished chairman of the committee for yielding.

I did want to on this occasion speak out strongly in favor of the confirmation of Mr. Burt as our Ambassador to the START talks. I think that his qualifications are exceptional and, frankly, we have already gone far beyond the time in which this body should have acted to confirm this nomination.

We have an important historic opportunity to change the relationship between the United States and the Soviet Union by hopefully eliminating the fear of a first strike on both sides and moving toward strategic stability. It is important for the legislative branch and the executive branch to be as unified as possible when our country sits down at the negotiating table.

The very minimum we can do is to quickly move forward on the confirmation of this nominee, especially because he is so exceptionally qualified.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes.

Mr. PELL. Mr. President, I yield the remainder of my time, the 4 minutes, to the Republican leader.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, I thank the distinguished chairman.

I am pleased to support this nomination. I thank both the chairman, Senator PELL, and the ranking Republican, Senator HELMS, for working out this agreement so that our Ambassador can be there for the start of the talks. I think it is very important. It is an important post.

Today we turn to the nomination of Richard Burt to be our Negotiator to the START talks. This is an important post. As everybody knows as START Negotiator Mr. Burt will have a great deal to say about the future of America's national security.

Mr. Burt is going to have a great deal to say about the future of America's national security.

Therefore, we need someone with intellect and integrity. We want to look at his past record. But sometimes we tend to focus on the nominee's past record as we have done here. So we do need to examine it carefully. We do need the facts. We do not need hearsay.

I have been saying that it is wrong to pursue allegations without evidence to substantiate them. It was wrong to do this to our colleague John Tower, and it is the wrong thing to do to Richard Burt, it is the wrong thing to do to any nominee.

I have heard a lot of issues raised regarding Mr. Burt, but I also think it is fair to add that Mr. Burt has undergone three background investigations and has been confirmed twice by the Senate. These processes yielded no substantive derogatory information on Mr. Burt. Three Secretaries of State and two Presidents have placed their confidence in Richard Burt. And I am sure that all would agree that Mr. Burt's service as ambassador to the Federal Republic of Germany was marked by excellence.

So, as I have said before, if there is no evidence to back allegations, the President has a right to his nominee—this is President Bush's choice. And the nominee has a right to fair treatment.

But that is enough about the past.

The issue here is Ambassador Burt's future role as head of the nuclear and space talks. In that regard, I think there are some issues that I would address.

We heard about security problems in Geneva over and over at John Tower's trial. This is a matter Mr. Burt has given much thought to. In cooperation with ACDA Director Ron Lehman, he developed a plan to improve security procedures. In response to a question by the distinguished ranking member of the Foreign Relations Committee, Mr. Burt submitted a security plan he prepared for the Geneva delegation. In addition, he has given his personal assurances that any security violations will be addressed with tough action.

On matters of policy, I know that most of my colleagues share my concern about moving SDI forward as quickly as possible. I raised this same issue with Rick Burt in a personal meeting and later asked that he respond to a number of policy questions for the record.

I ask unanimous consent that those questions and the answers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESPONSES FROM NST AMBASSADOR-DESIGNATE RICHARD R. BURT TO QUESTIONS OF SENATOR BOB DOLE, COMMITTEE ON FOREIGN RELATIONS, MAY 5, 1989

1. Q: Mr. Burt, if you are confirmed, you will become the focal point for a number of pressures to conclude a START agreement quickly. These pressures will intensify as it appears that major issues have been resolved, leaving only difficult to explain, but often crucial, smaller ones. What steps will

you take to slow the process down and to avoid a last-minute crunch?

A: Last-minute crunches can arise only if we attempt to negotiate a START agreement against a deadline. We have no intention of doing that. Our goal is a good START agreement, not a quick one. We will attempt at all times to achieve progress toward an agreement, but we will take as long as necessary to obtain a good one. I will resist any pressures to reach hasty, ill-considered solutions to negotiating issues.

2. Q: Negotiating against a deadline can disadvantage the United States. What events over the next four years do you foresee could be used by some to establish negotiating deadlines? Will you firmly resist any Soviet attempt to create deadlines? Will you emphatically recommend against any U.S. suggestion, formal or informal, that we must negotiate against a deadline?

A: It is difficult to forecast what events could be used to establish a negotiating deadline. But this Administration has no intention to negotiate against a deadline and I will resist any or all pressures to do so.

3. Q: Elements of the INF Treaty, particularly details of verification implementation, were unfinished when the INF Treaty was signed. Some are still being negotiated with the Soviets. Do you believe that a similar approach to START would be sound? Can you assure us that every detail of START—a treaty which will fundamentally affect America's security—will be agreed in writing when a treaty is presented to the Senate?

A: In order to negotiate an arms control agreement that improves stability and is effectively verifiable, the treaty text must establish obligations that are defined as precisely as possible and procedures for assuring our ability to verify compliance with those obligations. Clearly, all essential obligations and provisions of a treaty must be agreed in detail prior to the treaty being signed. I would insist on no less for a START treaty.

Undoubtedly, a START treaty would provide for a verification body to work out some technical, logistical or administrative details of implementation and deal with compliance problems that might arise. However, such a body will not replace the need for detailed and precise obligations and provisions, including for effective verification, for a START treaty.

4. Q: Is it your understanding that all amendments, reservations and understandings included in the Senate's resolution of ratification must be communicated to the other party to a treaty in the protocol of exchange?

A: It has been and will be the practice of the U.S. Government to communicate all amendments and reservations included in the Senate's resolution of ratification to the other party or parties to a treaty at the time of the exchange of the instruments of ratification. It has also been the practice of the U.S. Government to so communicate to the other party or parties all understandings included in the Senate's resolution of ratification in cases where the Senate wanted such understandings communicated to the other party or parties.

5. Q: From time to time interim agreements, frameworks or agreements in principle have been suggested to lock in apparent progress on major issues while leaving details to be negotiated. The Vladivostok agreement is one example. Some talked of a START framework agreement prior to the May 1988 Moscow summit. Do you believe this is a sound arms control approach?

A: As you know, the START negotiations to date have produced a joint draft text of a treaty. I believe it is important to continue to focus our efforts on a detailed text with precise legal language, rather than a framework or interim agreement. This should not preclude, however, the possibility of separating out certain elements for immediate implementation if they serve our security interests as independent agreements. A case in point is the Ballistic Missile Launch Notification Agreement concluded at the 1988 Moscow Summit.

6. Q: What is your understanding of section 33 of the Arms Control and Disarmament Act and of the Case Act?

A: Section 33 of the Arms Control and Disarmament Act forbids any action that would obligate the U.S. to disarm or to reduce or limit the armed forces or armaments of the U.S. unless such action is pursuant to the treaty-making power of the President or unless such action is as the result of affirmative legislation by both houses of Congress. The Case Act requires the Secretary of State to transmit to the Congress the text of any international agreement other than a treaty no less than 60 days after its entry into force. Failure to transmit the text of the agreement within that period will result in a cut-off of funds for its implementation. Further, the Case Act requires that an international agreement may not be signed or otherwise concluded without prior consultation with the Secretary of State.

7. Q: If you are confirmed, you will be Chief Negotiator for START and the Administrative head of the Nuclear and Space Talks Delegation. Precisely what does this mean? What will be your role as head of delegation? Where would you draw the line between substance and administration?

A: As the Chief START Negotiator, I will be responsible on a day-to-day basis for leading our delegation's efforts to complete a START treaty.

As the Head of Delegation for the overall Nuclear and Space Talks, I will also stay abreast of developments in the Defense and Space Talks, particularly when issues arise in one set of talks which might affect developments in the other set of talks. Consistent with past practice, however, the Chief Negotiator for Defense and Space will get instructions directly from the President and the Secretary of State, just as I will for START. I will not act as a filter for these instructions or for his recommendations to the Washington interagency process.

8. Q: A key Soviet objective is to link the Defense and Space Talks to START. What is your view on this?

A: The US position has always been that offensive reductions are, in and of themselves, important and should proceed on their own merits. The best solution to this issue would be a Soviet decision to drop its linkage position, which is unwarranted and obstructs progress in the negotiations.

9. Q: We must prevent the Soviets from using diplomatic protocol or procedure to press for linkage between START and Defense and Space. The Bush Administration has chosen to name the START negotiator as the administrative head of the NST delegation. If you're confirmed, the Soviets will surely seek to subordinate D & S to START by going through you in your capacity as head of delegation. What steps will you take to insure that they do not succeed?

A: I am sensitive to the need to ensure that the NST delegation operates in a manner that is consistent with our position on linkage. I will make clear to the Soviets that our Chief Negotiator for Defense and Space is indeed the primary person negotiating on defense and space issue.

10. Q: Presumably, a chief negotiator for Defense and Space will be nominated soon. For whom will he or she work? Will he or she have regular access to the Secretary of State on D & S matters? Will he or she choose the D & S deputy negotiator and other delegation members? Will he or she be included in all meetings pertaining to D & S? Will he or she be the final authority in Geneva on D & D matters, including approving reporting cables and travel for members of the D & S delegation?

A: The Chief Negotiator for Defense and Space will get instructions directly from the President and the Secretary of State, just as I will for START. I will not act as a filter for these instructions or for his recommendations to the Washington interagency process. Most delegation members are chosen by the agencies they represent; the D & S deputy will be chosen ultimately by the Secretary of State based on the advice of those he chooses to consult. In Geneva, the Chief Negotiator for Defense and Space will be the primary person negotiating on defense and space issues. Administrative arrangements are still being worked out, but he or she will be able to report back to Washington without restrictions.

11. Q: President Bush is "committed to deployment of SDI, as soon as feasible, and will determine the exact architecture of the system in (his) first term." Do you unequivocally support this policy?

A: I unequivocally support the President's policy on SDI research, development and deployment.

12. Q: Can you foresee any START outcome which could justify American agreement to a Defense and Space agreement which would forbid testing of space-based defenses or their eventual deployment? Can you assure us that you will not recommend that SDI be traded away as a bargaining chip in pursuit of START?

A: It is the policy of the United States that we will fully protect our rights, options, and obligations for assessing the feasibility of effective strategic defenses. It is also the policy of the United States that a START agreement be completed on its own merit. We will not accept a Defense and Space agreement that undercuts SDI. Therefore, I cannot foresee circumstances under which the United States would agree to give up space-based testing or the eventual deployment of defenses consistent with our national security interests. In short, I would not recommend that SDI be traded away for START.

13. Q: Turning to START, what in your view, should be U.S. objectives in START?

A: Our goal in pursuing a START agreement should be to achieve a verifiable agreement that reduces the risk of nuclear war. Such a reduction can be achieved by creating a more stable strategic nuclear balance, in which deterrence is strengthened and the incentives perceived by either side—even in a crisis—to launch a nuclear strike are reduced. Strategic force reductions can enhance stability if they are properly applied. But we will not seek reductions for reductions sake; rather, we will propose reductions that would result in a genuine diminution of the risk of nuclear war.

14. Q: Do you believe that a post-START mixture of strategic offensive and defensive forces could provide more stability than post-START offensive nuclear forces alone?

A: The United States is seeking a START treaty that will improve strategic stability through deep, verifiable reductions in strategic offensive forces. Through the SDI program, we are investigating whether effective defenses are feasible. If the promise of SDI technologies is realized, deterrence could be strengthened significantly and placed on a more stable foundation, one that involved increasing reliance on effective strategic defenses. If we decide to deploy effective defenses, it is US policy that the transition to a mix of offensive and defensive deterrent forces should be conducted in a stable—and preferably jointly managed—manner. I believe that it is possible that a post-START mix of offensive and defensive forces, as part of a well thought out transition to greater reliance on defenses, could further improve stability.

15. Q: The Reagan Administration and the Congress are on record supporting the view that START cannot be concluded until Soviet violations of existing agreements are corrected. Do you agree with this?

A: The Bush Administration position on this question is the same as that of the Reagan Administration—we will not conclude strategic arms control agreements until the ABM Treaty violation at Krasnoyarsk is corrected. I support this position.

16. Q: Some believe that the changes brought about by Soviet President Gorbachev have decreased the Soviet threat to the United States and the need for stringent verification. What is your view on this?

A: An agreement as important as a START Treaty is too important to be based on the trust of one individual's intentions; we must have stringent verification. The question of our approach to verification is being addressed in the Administration's strategic review. While I cannot prejudge the outcome of the review, I believe a Treaty should be judged verifiable if it provides sufficient confidence of monitoring Soviet activities so that a militarily significant violation would be detected in time to take appropriate countermeasures.

17. Q: With regard to verification, detecting violations at suspect sites is one of the most difficult challenges for arms control. If the Soviets were to cheat, they would most likely do it at a site undeclared for treaty purposes, and therefore, not subject to inspection. In your view, does the provision for verification at ballistic missile rocket production facilities approved by the previous administration last fall provide effective verification? If yes, explain how. If not, what ideas do you have to verify compliance with a START agreement at suspect sites?

A: The issue of suspect-site inspection is being reviewed as part of our overall strategic review. I can tell you, however, that a great deal of work was done during the Reagan administration to find the appropriate balance between our need to inspect suspect Soviet facilities and our need to protect sensitive U.S. facilities from exposure to intelligence gathering by Soviet inspectors. While I cannot prejudge the outcome of our current review, it does seem sensible to limit this inspection right to those kinds of locations where cheating would be most likely and most significant militarily, such as ballistic missile rocket production plants.

18. Q: The INF Treaty's resolution of ratification contains a declaration that "because the reductions contemplated under any START agreement would change the character and optimal mix of strategic nuclear forces that the United States will need to maintain stability, the United States Congress and the President should agree on the character of, and funding for, these forces before any START agreement, framework or otherwise, is signed or agreed to.

Section 980 of the FY-89 Defense Authorization Act, (the Dole-Byrd-Wilson amendment) calls for a report on alternative post-START force structures. The previous administration was unable to deliver a required interim report. However, National Security Adviser Scowcroft and Secretary of Defense Cheney have assured us that the report will be delivered by June 15. As a negotiator, do you believe this type of analysis is necessary so that you will know what the range of acceptable force structure outcomes is? Do you believe it is necessary that the Congress and the American people be informed, up front, what strategic offensive and defensive modernization is necessary in order to insure that START truly enhances stability? If you are confirmed, will you do everything, within the limits of your office, to see that the section 908 report is completed and delivered on time?

A: I believe it is important that we maintain a coherent program of force structuring and arms control. This requires a clear understanding of both the arms control provisions that can enhance the deterrent effect of our force structure and the force structuring decisions that can make our arms control efforts more stabilizing. This understanding should be shared by the Administration, Congress and the public. I will support efforts to complete the section 908 report on time.

19. Q: Many believe that START reductions of offensive nuclear forces and strategic defenses are complementary. START would limit the size of offensive forces to be defended against. A strategic defense system could compensate for any shortfall in verification or in the stability provided by the post-agreement offensive force structure. Furthermore, a Phase One stragegic defense system would move us toward a world in which strategic stability is defined more in terms of damage limitation than in terms of damage expectancy. Do you see START and strategic defense as complementary, unrelated or incompatible? Please explain. Do you believe defenses should be part of any post-START force structure?

A: I believe that stabilizing START reductions and effective defenses are fundamentally complementary. Both hold the potential to reduce the risk of war. Thus, the U.S. should keep open an option to deploy defenses in a post-START environment, should effective defenses prove feasible.

20. Q: The Soviets have insisted upon limiting Sea-Launched Cruise Missiles (SLCMs) in START. SLCMs in our post-START force structure would enhance stable deterrence, therefore, they should not be prohibited in START. However, no workable way to verify numerical limits or to distinguish nuclear SLCMs from conventional ones has yet been found. What are your views on this issue?

A: SLCMs pose major verification challenges. This is why the United States has favored a non-binding "declaratory" approach under which each side would periodically announce its nuclear SLCM deployment plans. Our position on SLCMs is being addressed in the Administration's strategic review. It would be premature to discuss US policy on this matter pending the outcome of the review.

21. Q: The INF Treaty's resolution of ratification includes a declaration that in START "it should be the position of the United States that no restrictions should be established on current or future non-nuclear air or sea-launched cruise missiles developed or deployed by the United States or on non-nuclear ground-launched cruise missiles of ranges not prohibited by the INF Treaty." Do you support this policy?

A: The US position has been that all existing long-range air-launched cruise missiles would be considered nuclear-armed, while future conventionally armed long-range ALCMs that are distinguishable from nuclear-armed ALCMs would be considered conventionally armed and not limited. The US has also opposed limits on conventionally armed SLCMs. These positions are being addressed in the Administration's strategic review. Our position on long-range GLCMs is also under review. It would be premature to discuss US policy on this matter pending the outcome of these studies.

22. Q: The so-called "futures" issues arose as a surprise during the INF ratification process, and proved to be a very difficult one. As a condition to its consent to ratification, the Senate insisted that a written clarification agreed by the two parties have the same force and effect as the treaty. Even with this, many Senators still believed that the United States was forced into a disadvantageous and unintended interpretation of the treaty. What steps will you take to prevent a similar occurrence in START?

A: I will make every effort to ensure that all obligations in a START Treaty are clear and unambiguous, and that both sides share a common interpretation of those obligations.

23. Q: Four years ago the Senate established an Arms Control Observer Group which enjoyed a close working relationship with our negotiators. We hope this relationship will be continued and strengthened with this Administration. What are your views on working with this group?

A: The Arms Control Observer Group serves a vitally important function, and I share your hope that its relationship with the Administration will be continued and strengthened. I intend to work closely with this group to help bring that about.

Mr. DOLE. It is fair to say that in his responses, Ambassador Burt stated that he unequivocally supports the President's policy on SDI, and that a defense and space agreement that undercuts SDI is unacceptable. He also said that it is his belief that stabilizing START reductions and effective defenses are fundamentally complementary.

It would also point out that as our Ambassador to Germany, long before he knew he would be considered for the START post, Richard Burt was speaking in favor of SDI development and United States-German cooperation on defenses.

On START itself, it is no secret that I have said many times that we need to slow down and do it right. In response to my questions, Mr. Burt said:

> This administration has no intention to negotiate against a deadline and I will resist any or all pressures to do so.

We do not want to set a deadline and then say we have to meet that deadline with a hurried treaty.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. Burt's answers to my questions reveal a good understanding of strategic issues which I do not have time to go into now, but I have placed the full text in the RECORD.

Let us also keep in mind that any treaty Mr. Burt negotiates will ultimately be measured by us against the testimony he has given in this confirmation process. I believe Mr. Burt understands that.

I would also note he is fully committed to continuing the close working relationship between the delegation and the Senate arms control observer group.

There are now 20 members of that group. It is a very important group. It is an idea that Senator ROBERT BYRD, now President pro tempore, had when he was majority leader. We believe it has worked quite well. We saw evidence of it in the INF debate on the Senate floor.

So I am prepared to vote. I would be pleased—and I know President Bush will be pleased—if Mr. Burt can be in Geneva on Monday, and I think that is what we should do.

Mr. President, I ask unanimous consent that Mr. Burt's security plan, in addition to his answers to my questions, and excerpts from his speeches in Germany be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT OF SPEECH GIVEN BY AMBASSADOR RICHARD BURT AT KONRAD ADENAUER FOUNDATION IN ST. AUGUSTIN ON NOVEMBER 12, 1985

The second element of our common strategy must be strength. I do no simply mean military strength. That is not the only kind of strength we require, or even the most basic kind. We must maintain the strength of our values, our institutions, our economies. To do that in an era of rapid change is not easy. But military strength is important. The Reagan Administration has taken major steps to restore America's defenses. The Federal Republic, too, has in recent years exercised an increasing leadership role in efforts to strengthen common Western defense—a role I believe deserves wider recognition.

Under two successive governments, the Federal Republic played a major part in the formulation and implementation of the NATO decision to deploy a new generation of intermediate range nuclear missiles. It was Helmut Schmidt who first called the Carter Administration's attention to the dangers posed by the SS-20. Germany had a large role in formulating the NATO response to that danger. It was Chancellor Kohl's government that took the tough and courageous steps needed to implement that decision. I know from my own experience as Chairman of the NATO Special Consultative Group how important Germany was in the negotiating efforts. The decision of the Dutch Parliament a few days ago to deploy cruise missiles, and the deployments already carried out in Germany, the U.K., Italy and Belgium, would never have happened without this historic exercise of German leadership.

The Federal Republic has also played a major role in strengthening NATO's conventional defenses and modernizing its defense concepts. The Kohl-Reagan communique of November, 1984 may in this regard be the most important document setting out alliance defense objectives since the definition of flexible response in 1967. The Kohl-Reagan declaration led within days to a NATO Defense Ministers' decision endorsing a stronger conventional defense effort, designed to reduce NATO's reliance on the early use of nuclear weapons.

One must also call attention to the German government's recent decision to extend the period of military service. It was a courageous decision, but also an absolutely necessary one. At a time of growing Warsaw Pact capabilities, and while we seek to give new impetus to negotiations in Vienna on conventional force reductions in Europe, nothing is more essential than to maintain our existing troop levels while enhancing their capabilities.

Finally, of course, it was Chancellor Kohl who, in a policy statement to the Bundestag on April 18, 1985, offered the warmest, most unqualified endorsement of President Reagan's Strategic Defense Initiative, calling the American research program "justified, politically necessary and in the interests of overall Western security." Last month, the Federal Security Council reendorsed this statement as an expression of the entire government's policy. And it was Chancellor Kohl and other German leaders who first directed American attention to the issue of allied participation in this research program, and made us realize the potential for cooperation. I am confident that our two governments will soon reach an agreement that will permit us both to benefit to the maximum extent from cooperation on SDI.

EXCERPT FROM SPEECH GIVEN BY AMBASSADOR RICHARD BURT AT THE INAUGURATION OF MESSETURM TOWER IN FRANKFURT ON JULY 13, 1988

In our strategic arms negotiations with the Soviet Union, we must nail down the agreement to reduce each side's strategic arsenal by 50 percent. At the same time, we must ensure that the United States is left with a fully reliable, survivable and effective deterrent. In order to achieve such an agreement, and secure such a deterrent, the United States needs to pursue its strategic modernization program, move forward with the deployment of a survivable mobile land-based missile, and continue to develop a viable system of strategic defense.

AMBASSADOR RICHARD BURT—GENEVA DELEGATION SECURITY: ACTIONS TO BE TAKEN

Senator, I understand that a number of important actions have already been taken by the Arms Control and Disarmament Agency to strengthen security controls in Geneva. For example, all ACDA Top Secret information has been brought under strict control and the Executive Secretary of each Negotiating Group has been designated as the Top Secret Control officer, responsible for the security of all of that delegation's Top Secret documents. In addition, a new policy on access to ACDA space in the Mission has been implemented under which no individual will be given an access badge to these areas unless he or she has been certified as having the necessary clearances and a mandatory security briefing.

If confirmed by the Senate, I can assure this committee that I intend to go much further in enhancing our security posture in Geneva. In cooperation with the ACDA Director and with the State Department's Bureau of Diplomatic Security, I plan to take the following additional measures:

(1) Every member of the U.S. negotiating team in Geneva, regardless of which agency they represent, will be required by me to attend a briefing on security and counter-intelligence measures before they will be allowed to travel to Geneva. This briefing will be provided jointly by ACDA and by the State Department's Bureau of Diplomatic Security.

(2) All delegation members will be provided with a written Delegation Security Directive which will outline in considerable detail the security responsibilities of each delegation member. The guidelines in this directive will cover physical security, document handling and personal conduct. All delegation members will be asked to sign a statement saying that they have read these guidelines and they will be encouraged to keep them handy for reference.

(3) Tighter security controls will be promulgated for all sensitive delegation documents with strict limits on the number of copies made and the distribution of these documents.

(4) A rotation system of inspecting the entire Delegation area in the Mission at the end of each business day will be implemented to ensure that the area is secure each evening. The "Security Duty Officer" will inspect and certify in writing that the entire area is secure.

(5) I personally will ensure that all violations of security are addressed with tough disciplinary action, including, if necessary, dismissal of repeat offenders from the delegation.

Senator, let me conclude by assuring you once more that security will be a high priority item for me in Geneva and that I will ensure that all delegation members understand and share my concern in this area.

Mr. HELMS. Mr. President, first of all, I anticipated some of the remarks that would be made on the floor, such as there is "no evidence" of any lack of responsibility by Mr. Burt in the past. I said at the outset, I think, if you will review my earlier comments, that Mr. Burt has a number of personal friends; that he is good at making personal friends. I would like to be his personal friend.

But that is not the question. The question is whether he has been responsible in the past.

Now, I challenge Senators to do tomorrow, after the fact, what I have done this day. I asked CIA and NSA for damage assessments of these leaks. I consulted the Senate Intelligence Committee and its files. I cannot give you the answers to the questions I asked. Senators can get those themselves. The answers are highly classified at the code-word level. But I suggest that each Senator who has any doubt about anything that I have said about Mr. Burt do as I did: Go to the Intelligence Committee, ask the experts, and get out the files and ask the following questions:

With respect to the 1979 CHALET damage assessment: First, does the material for Senators include a

damage assessment of the CHALET leak in Burt's New York Times article made in 1979?

Second, how severe was the damage assessment made in 1979?

Third, does it show that in 1979 we believed that there was severe damage to U.S. communications, intelligence sources, and methods?

Fourth, was there a reassessment of the damage in 1982?

Fifth, does this reassessment seek to reanalyze the 1979 damage once it has become a political issue?

I cannot say what is in the files today, but committee members did discuss that reassessment in 1982.

Mr. President, allow me to read a summary of the debate on this point during the confirmation of Mr. Burt on February 16, 1983, prepared by the Senate Republican Policy Committee:

> The Senate Select Committee on Intelligence did an assessment of the damage which Mr. Burt did with the article and concluded that the information he released fit the literal definition of "top secret"—that is, information the release of which could be expected to do exceptionally grave damage to national security. The full case of the damage incurred must be made in closed session because the matters revealed by Mr. Burt are part of a top-secret mosaic, parts of which we hope the Soviets do not know.

Now, that was a reassessment.

As to the Libyan intercept case of 1986, ask the questions, I say to Senators. Go to the Intelligence Committee and see what answers you get to the same questions I asked them today.

The first question being: Does the material include a May 30, 1986 letter from the CIA Director to the then chairman of the Senate Intelligence Committee, Mr. DURENBERGER, about the problems caused by the revelation of the Libyan intercepts?

Second, did the Director of the CIA believe the damage to be "severe" as reported at that time in the press?

Third, does the material include a letter dated May 7, 1986 from General Odom, Director at that time of the NSA, a letter to the Attorney General?

Is there such a letter? Ask the question. See what the letter says.

Fourth, does that letter ask for an investigation of sources of the leak?

Fifth, does it include an assessment of severe damage?

Sixth, does the gravity of the request imply that General Odom believed—no matter what he says now—believed at that time that there should be prosecution of the guilty offenders?

Now, I hope Senators will do as I did. They are going to vote to confirm him. I may be the only Senator voting against him. That is all right. I have been alone before.

As I said at the outset, it is nothing personal against Mr. Burt, except I am concerned about my country. If we were voting whether Mr. Burt was a nice guy and a personable guy, I vote aye. But my concern is about the security of this country and if I have done nothing else by prosecuting this thing, maybe I have gotten through to Mr. Burt that he ought to be an awful lot more careful in the future than he has been in the past.

Mr. Burt is a darling of the major news media. He has been a part of it.

Mr. President, I have several things that I want to have printed in the RECORD.

The first is a letter written by the distinguished Senator from Iowa to the distinguished minority leader of the U.S. Senate. I ask that Senator GRASSLEY's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, on June 6, 1989, Lt. Gen. William Odom wrote a letter to Mr. Burt at Mr. Burt's request. In other words, he went to him and said: "General, help me out." Help me out. Senator HELMS knows about what you thought way back then.

Obviously the purpose of the letter was to clear Mr. Burt of Lieutenant General Odom's previous charges that Mr. Burt had severely damaged communications intelligence sources and methods by disclosing United States intercept of Libyan terrorists' communications.

In this letter, General Odom refers to what he terms "my suspicions" and "my earlier suspicions" that Mr. Burt's television appearance just after the bombing of the Labelle Disco in West Berlin caused the disclosure of intelligence sources that allowed us to implicate the Libyans.

In his June 6, 1989 letter, General Odom says "From the evidence I have seen, it would be wrong to hold you, Mr. Burt, responsible."

That answer seems more attuned to today's political situation than to General Odom's assessment when all the facts and information were fresh in his mind. Perhaps now that he has retired, the immediacy of the problem has receded from the forefront of his mind. Indeed, General Odom admitted to a Republican senior professional staff member of the Senate Foreign Relations Committee on June 8, 1989, that in April 1986, he, General Odom, had been "angry at Mr. Burt" for the leak of the Libyan intercepts. A former high Defense Department security official has corroborated that General Odom was angry in 1986 at Mr. Burt for the Libya intercept leak.

Is there not a contradiction between General Odom's 1986 suspicions and anger regarding Mr. Burt and his June 6, 1989 pious absolution of Mr. Burt's responsibility?

That contradiction is even clearer when we read General Odom's classified letter of 1986 to the Justice Department. I think General Odom realizes just how damaging his 1986 classified letter is, and that is why he is trying to explain it away after the fact. And I do not think he has succeeded in explaining it away.

According to a letter to me of 14 June, 1989 from the Deputy Director of the National Security Agency, General Odom wrote a classified letter to the Justice Department in 1986 in which General Odom requested that the Justice Department investigate who the source of the Libya leak was. The letter to the Justice Department also contains a classified assessment of the damage of the Libya leak. The clear implication of such a letter is to prosecute those found responsible for the Libya leak.

The General Odom classified letter to the Justice Department contradicts General Odom's June 6, 1989, unclassified claim that,

> If I had intended to blame you personally, I would have forwarded my complaint to the Justice Department. * * * I did not forward such a complaint, nor do I recall my agency doing so at the initiative of some other intelligence official.

Mr. President, the facts are as follows. It was well known to many security officials that General Odom blamed Mr. Burt for the Libya leak and was angry at him. He did initiate a complaint to the Justice Department in 1986. While Mr. Burt may not have been named in the complaint, it was widely known in the intelligence community that Mr. Burt was the chief target of General Odom's complaint.

Mr. President, I ask unanimous consent that the Odom letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

June 6, 1989.

Ambassador RICHARD BURT,
Department of State,
Washington, DC.

DEAR AMBASSADOR BURT: You asked me to reconsider my suspicions that your television appearance the Monday after the bombing of the Labelle Disco in Berlin caused the disclosure of intelligence sources that allowed us to implicate the Libyans.

Having looked them over, I do not believe my earlier suspicions are soundly based. At the time I was facing a series of leaks and press reports that did indeed coincide with the loss of sources. Several high level officials were speaking out on the matter, and backgrounders were being given. I made a number of statements at the time as part of a campaign to stem the flood of disclosures. My intent was to limit damage, not to indict individuals per se.

If I had intended to blame you personally, I would have forwarded my complaint to the Justice Department, a common practice when news reports provide evidence that 18 US code 798 has been violated. I did not forward such a complaint, nor do I recall my agency doing so at the initiative of some other intelligence official.

From the evidence I have seen, it would be wrong to hold you responsible.

Sincerely,

WILLIAM E. ODOM,
Lieutenant General, USA, Retired.

Mr. HELMS. Mr. President, in summary, it gives me no pleasure to stand virtually alone if not entirely alone in any matter. But I have these doubts about Mr. Burt and, as I said at the outset of my remarks a while ago, if my brother, whom I love dearly, had been nominated for this post and if he had had the record that is so clear to any Senator who will go to the Senate Intelligence Committee, I would not vote for my brother.

We can get up here and say: no evidence. We can say he is distinguished. He has integrity. He is responsible and he has done a good job. But the proof of the pudding is not only in the eating, it is in the files. And I challenge Senators again to do precisely as I have suggested. Go to the Senate Intelligence Committee and ask the questions as I did earlier today of the staff in terms of what is in the files. Then they will find out whether there is "no evidence." Then they will find out about the missing briefcase.

Perhaps they will even wonder how that marijuana got there. Not that that is any big thing in the overall picture. But the pattern of Mr. Burt's responses to questions bordered on being arrogant. He knew he had friends in this Senate and he was not worried about being confirmed by the U.S. Senate. All he had to worry about was one Senator who would stand up and say wait a minute. I have said wait a minute. I am prepared to vote. I know how the vote will go. There is nothing unusual about that.

EXHIBIT 1

U.S. SENATE,
Washington, DC, June 14, 1989.

Hon. ROBERT J. DOLE,
Senate Republican Leader,
Washington, DC.

DEAR BOB: Over the past several months, I have spent considerable time looking into what are clearly major security problems within our arms control delegation in Geneva. I have been absolutely appalled at the lack of professionalism and disregard by some ACDA employees and detailees for the control and safekeeping of information that is among the most sensitive produced by our government. In addition to my own inquiry, the GAO also has conducted three investigations into ACDA security deficiencies, the most recent dated November 1988. These reports suggest security violations may be ongoing.

Given the sensitive nature of the delegation's mission in Geneva, and given the serious nature of past and perhaps ongoing security violations within ACDA, it is of paramount importance that the new Head of Delegation and Chief START Negotiator demonstrate the highest degree of integrity and credibility so that he can effectively implement an agency-wide clean-up.

On May 5, 1989, the Senate Foreign Relations Committee held a confirmation hearing on the nomination of Richard Reeves Burt as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on START. Discrepancies between Mr. Burt's May 5 testimony and his own security record have recently been brought to my attention, and they have raised questions that I believe must be addressed before the Senate can proceed with consideration of the Burt nomination.

On May 5, Mr. Burt was asked about the number of security violations he has been cited for while serving in the State Department. Mr. Burt recalled only one violation. He was asked if he were ever cited for a violation involving Top Secret information contained in a briefcase. Mr. Burt recalled no such violation.

Since the May 5 nearing, a secret report by the State Department's Inspector General regarding Mr. Burt has been made available to the Senate. That report reveals discrepancies with respect to Mr. Burt's statements before the Committee about his violations. Mr. Burt issued his own clarification to his May 5 response in a letter to the Commitee dated May 8.

According to the IG report, Mr. Burt received and signed an acknowledgement for three violations between 1983 and 1987. Furthermore, one of the three violations involved the loss of a briefcase in Brussels in which he was carrying Top Secret information. It appears that that information may have been compromised.

Based on the State Department's IG report and the June 8 report by the Foreign Relations Committee on the Burt nomination, the matter of Mr. Burt's security record remains unresolved, in my view. It appears that the Brussels Regional Security Officer, the Foreign Relations Committee, and the DOS IG all drew their respective conclusions based upon the responses of Mr. Burt, and without the benefit of an independent and professional investigation. Referring to the briefcase matter in his report on Mr. Burt, Sherman M. Funk, the DOS IG, states that "it's a judgment call" whether or not this information would have reversed a 1985 decision to continue Mr. Burt's security clearance. I am sure you will agree that any sound judgment requires a full review of the circumstances surrounding the matter in question. In this context, it seems appropriate that the circumstances surrounding the other two violations Burt was cited for should also be reviewed.

My concerns about this nomination are not directed toward Mr. Burt personally, as I have found him to be a friendly and engaging acquaintance. My concerns are twofold. First, our Geneva delegation is suffering from an image of lax control with respect to security, including instances in which very sensitive information almost certainly was compromised. In addition, there are numerous reports of unprofessional behavior on the part of ACDA employees and detailees, and their actions may have jeopardized our national security.

Second, I believe it is in the interest of both Mr. Burt and the President of the United States to have these discrepancies resolved now rather than upon subsequent investigation. While it is not possible to send Caesar's wife to head our Geneva delegation, it is nonetheless desirable that no question remain as to the integrity of our ambassador there.

I hope that you can assist me in resolving these concerns either prior to the Burt nomination or upon subsequent investigation. Thank you for your cooperation.

Sincerely,

CHARLES E. GRASSLEY.

Mr. HELMS. Mr. President, have the yeas and nays been requested on this nomination?

The PRESIDING OFFICER (Mr. LIEBERMAN). They have not, Senator.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I yield back the remainder of my time and I suggest we vote.

The PRESIDING OFFICER. There being no further debate, the question is: Shall the Senate give its advice and consent to the nomination of Richard Reeves Burt, of Arizona, to the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms [START]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

I further announce that, if present and voting, the Senator from Texas [Mr. GRAMM] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 89, nays 10, as follows:

[Rollcall Vote No. 92 Leg.]

YEAS—89

Adams	Fowler	Metzenbaum
Baucus	Garn	Mikulski
Bentsen	Glenn	Mitchell
Biden	Gore	Moynihan
Bingaman	Gorton	Murkowski
Bond	Graham	Nickles
Boschwitz	Harkin	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pressler
Bumpers	Helms	Pryor
Burdick	Hollings	Reid
Byrd	Humphrey	Riegle
Chafee	Inouye	Robb
Cohen	Jeffords	Rockefeller
Cochran	Johnston	Roth
Cohen	Kassebaum	Rudman
Conrad	Kasten	Sanford
Cranston	Kennedy	Sarbanes
D'Amato	Kerrey	Sasser
Danforth	Kerry	Shelby
Daschle	Kohl	Simon
DeConcini	Lautenberg	Simpson
Dixon	Leahy	Specter
Dodd	Levin	Stevens
Dole	Lieberman	Thurmond
Domenici	Lugar	Warner
Durenberger	Matsunaga	Wilson
Exon	McCain	Wirth
Ford	McConnell	

NAYS—10

Armstrong	Heinz	Symms
Bond	Lott	Wallop
Burns	Mack	
Grassley	McClure	

NOT VOTING—1

Gramm

So the nomination was confirmed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the President will be immediately notified of the Senate's action on this nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

FUNERAL OF IMRE NAGY, FORMER PRIME MINISTER OF HUNGARY—SENATE CONCURRENT RESOLUTION 44

Mr. DODD. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Senate Concurrent Resolution 44, a concurrent resolution that I submitted earlier today concerning the former Prime Minister of Hungary, Imre Nagy and other heroes of the 1956 Hungarian revolution.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 44) to express the sense of the Congress concerning the funeral of Imre Nagy, the former Prime Minister of Hungary, and other heroes of the 1956 revolution in Hungary.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DODD. Mr. President, very briefly, the day after tomorrow an extraordinary event will take place at Budapest, Hungary. The remains of the former Prime Minister of Hungary's revolutionary government of 1956, Imre Nagy, and those of his close associates, will be laid to rest in Budapest at a dignified public funeral. This is a fitting occasion for the United States Congress to once again express its respect to the memory of those executed for their roles in the 1956 Hungarian Revolution.

The funeral is under the control of the families of the victims, among them the daughter of Imre Nagy, assisted by the Independent Committee for Historical Justice led by a close associate of Prime Minister Nagy. They have published a request on the desirable style and spirit of Friday's events. They called for a day of national reconciliation, grief and reverence, free of political rancor or sloganeering.

This resolution, Mr. President, has been written with respect for that request.

My staff has also contacted a very good friend of mine, Gen. Bela Kiraly, a retired professor of history of the City University of New York. General Kiraly was commander in chief of the Revolutionary Militia in 1956, and a close associate of Prime Minister Nagy, and for a few days acting Minister of Defense of the Nagy government. He was the highest ranking official of that government who managed to escape to the West. He is now back in Budapest for the first time since 1956, invited by the victims' families, and he will be the keynote speaker at the rally preceding the funeral.

General Kiraly will be accompanied, I might add, by a distinguished resident of I might say the presiding officer's and my home State of Connecticut, Janos Decsy, who is a professor at the University of Hartford in Connecticut, who was one of the young lieutenants in 1956.

It is a remarkable event. These are two people—Janos Decsy was severely wounded by the Soviet firearms, spent a number of years in prison and Soviet prison camps, escaped, and came to this country. The fact that the Hungarian Government is allowing Janos Decsy and Bulcsu Veress to return to participate in the formal burial of Prime Minister Nagy is really a remarkable event. On Friday that event will occur.

I would be remiss if I did not point out that while I was a very young man at the time I remember those events in the fall of 1956 very clearly. My father had been a Member of the House of Representatives, and spoke out very eloquently about the events surrounding that revolution. I am very fortunate indeed to have, coincidentally, as a member of my staff a man by the name of Bulcsu Veress, who was also a young man and participated in that revolution in 1956 as an adolescent who has come to this country. I have had the good fortune of having him as a member of my staff for over 10 years.

So to our friends in Hungary, to Bela Kiraly, Janos Decsy, to the families of the victims who were buried in unmarked graves after being hung without any identification of their remains, the fact they will receive a formal, dignified funeral is really a remarkable event. The fact that we in the Senate in this body will take note of that event and recognize that event this coming Friday is something that I think is very worthwhile, and I am very proud to offer the resolution.

We hope this will receive the unanimous support of our colleagues.

Mr. DOMENICI. Mr. President, I compliment the distinguished Senator from Connecticut [Mr. DODD] for his statement here today regarding the Hungarian heroes of the past, and I look forward to being able to support this institution going on record, with reference to the occasion he described.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 44

Whereas on October 23, 1956, students, workers, and other citizens of Budapest, Hungary, united in a peaceful demonstration to express the desire of the Hungarian people for independence and freedom;

Whereas after security forces fired on the crowd, the demonstration turned into an uprising and freedom fight;

Whereas days of heroic fighting by the people of Hungary led to a temporary ceasefire and the formation of an interim government based on the consent of the people and led by Prime Minister Imre Nagy;

Whereas the short-lived government of Imre Nagy started the first steps toward a free and independent Hungary with a multiparty system based on the idea of popular sovereignty;

Whereas on November 4, 1956, an overwhelming Soviet force entered Hungary and in fierce, bloody fighting suppressed the revolution and restored Soviet domination over Hungary;

Whereas in the course of such fighting thousands of freedom-loving Hungarians lost their lives;

Whereas Prime Minister Imre Nagy and his close associates were taken into Soviet custody, and later tried and executed under false charges;

Whereas brutal and bloody retribution following the extinction of the Hungarian revolution, and hundreds of ordinary freedom fighters were executed in addition to the top leaders of such revolution;

Whereas the present Government of Hungary has announced a radical reform of the entire political and economic system of the country;

Whereas the stated aim of such reforms is the establishment of a free and independent Hungary, with a pluralistic, multiparty political system where human rights will be respected;

Whereas the Hungarian Government has identified the secret burial sites of the executed revolutionaries of 1956, and allows their exhumation and proper public interment;

Whereas on June 16, 1989, in a public, televised funeral, the remains of Prime Minister Imre Nagy and four of his closest associates, as well as a casket representing all of the other executed victims, will be buried in Budapest with full dignity;

Whereas the Government of Hungary has announced its intention to declare the innocence of Imre Nagy and his associates;

Whereas the current Prime Minister of Hungary, the Speaker of the Parliament, and other officials of the Hungarian Government expressed an intent to attend the funeral;

Whereas hundreds of American citizens, who are former Hungarian freedom fighters, are traveling to Budapest to attend the funeral ceremonies and pay respect to the heroes of 1956;

Whereas the Hungarian revolution of 1956 was a watershed event in modern history and represented the first major sign of the inevitability of the destruction of Stalinism; and

Whereas it is the view of the people and the Government of the United States that the cause of human freedom is universal and that the Hungarian freedom fighters fought and died for the liberty of mankind: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) it is the sense of the Congress that the funeral of Imre Nagy and other heroes of the Hungarian revolution of 1956 is a significant symbol of reconciliation and reform in Hungary; and should give further strength to the forces of democracy and pluralism in Hungary;

(2) Congress expresses sincere respect for the memory of Imre Nagy and all of the martyrs of the Hungarian revolution of 1956; and

(3) the Secretary of the Senate is authorized and requested to send a copy of this concurrent resolution to the Government of Hungary.

Mr. DODD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, parliamentary inquiry: Is this an appropriate time for a Senator to ask for 5 minutes as if in morning business?

The PRESIDING OFFICER. Yes. That request is entirely in order.

Mr. DOMENICI. I so request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 1187 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PREDICTING INFLATION IN THE FUTURE

Mr. DOMENICI. Mr. President, I do not know if it has been noted in the Senate that recently the Federal Reserve Board has made a rather significant finding. The Chairman of the Federal Reserve Board, for years, has been wondering if some formula could be arrived at from action in the marketplace, action principally related to the flow or velocity of money in the American marketplace, to see if you could predict inflation in the future. That has been something bothering people forever. We have guesstimates on it, and maybe their announcement recently that they may have found a formula, based upon records that have been compiled for 30 years of activity, may indeed in the future permit us to predict, with a reasonable amount of accuracy, whether inflation is active, alive and not in the American economy.

I am hopeful that that release by the Federal Reserve Board and their ideas of an actual mathematical formula measuring the velocity of money in the marketplace as a precursor to inflation, I am hopeful that it will work. I look forward to learning more about it, and I hope that the Senate and the committees of the Senate will take cognizance of this rather historic event. Hopefully, it will work.

BILL HELD AT DESK—S. 1183

Mr. DODD. Mr. President, I ask unanimous consent that S. 1183, a bill introduced earlier today by Senator KENNEDY, for himself, Mr. MURKOWSKI, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. DURENBERGER, Mr. SIMON, Mr. LEVIN, and Mr. DIXON, to provide for certain assistance to Poland and Hungary, be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S.S. "EDSON" (DD946) TO BE TRANSFERRED TO SEA-AIR-SPACE MUSEUM IN NEW YORK—S. 1184

Mr. DOLE. Mr. President, I send a bill to the desk on behalf of Senators D'AMATO and MOYNIHAN and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1184) to allow the obsolete destroyer U.S.S. *Edson* (DD946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable 60-day congressional review period.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clauses (2) and (3) of section 7308(c) of title 10, United States Code, shall not apply with respect to the transfer by the Secretary of the Navy under section 7308(a) of such title of the obsolete destroyer U.S.S. *Edson* (DD 946) to the Intrepid Sea-Air-Space Museum, a nonprofit corporation organized under the laws of the State of New York.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT OF CONFEREES—H.R. 1722

Mr. DODD. Mr. President, I move that the Senate insist on its amendments to H.R. 1722, the natural gas deregulation bill, and request a conference with the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer [Mr. LIEBERMAN] appointed Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, Mr. MCCLURE, and Mr. DOMENICI conferees on the part of the Senate.

ORDER FOR STAR PRINT—S. 1132

Mr. DODD. Mr. President, I ask unanimous consent that S. 1132 be star printed to reflect the changes I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

COQUILLE TRIBE OF INDIANS TRUST RELATIONSHIP ACT

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 122, H.R. 881, a bill to restore Federal recognition to the Coquille Tribe of Washington.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 881) to provide for restoration of the Federal trust relationship with, and assistance to, the Coquille Tribe of Indians and the individual members consisting of the Coquille Tribe of Indians, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HATFIELD. Mr. President, today is an important day for Oregon's Coquille Indians: the Senate has passed H.R. 881, the Coquille Restoration Act, into law. When the President signs this legislation, 35 years of injustice will be brought to a close.

All western Oregon tribes had their tribal status revoked by the Termination Act of 1954. This misguided approach was intended to incorporate the western Oregon tribes into the mainstream American society. The results, however, were disastrous. Oregon Indians were unable to inte-

grate themselves into the dominant white culture, and they lost almost everything. The Coquilles were no exception. Despite this adversity they have managed to remain a cohesive group and preserve their cultural heritage through the customs, traditions, and language of their ancestors. Their unity in the face of tremendous obstacles is nothing short of inspirational.

Beginning in 1977, Congress began restoring recognition to the terminated tribes, and I am proud to have been a part of this effort. The Coquille restoration follows restoration of the Confederated Tribe of Siletz Indians (1977), the Cow Creek Band of Umpqua Indians (1982), the Confederated Tribes of the Grand Ronde Community (1983), the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians (1984), and the Klamath Tribe (1986). Restoration of recognition for these other tribes has improved medical and social services, and increased economic opportunities. Most importantly, restoration has reaffirmed tribal sovereignty in their relationship with the U.S. Government. The Coquille Tribe will now join this list.

Mr. President, the Coquille Restoration Act's passage today is very timely. The chairman of the Coquille Tribe, Wilfred Wasson, has been very sick with cancer. Will has been an inspiration not only to me, but to all who come in contact with him. He has worked for 35 years to see this bill come to reality, and I salute his efforts and his commitment.

Let me also thank Senators INOUYE and MCCAIN for their leadership on this issue.

Mr. PACKWOOD. Mr. President, I am pleased that the Senate is taking this important step today to recognize the Coquille Indian Tribe. Passage of this bill will be a long overdue act of justice. The bill has moved quickly through the House, and I am encouraged that we will see it become law in this Congress.

The Coquille Tribe is the last to seek restoration of the numerous Oregon tribes terminated by the U.S. Government by two acts of Congress in 1954. Oregon Indians suffered disproportionately under the Termination Acts of 1954. Sixty percent of all the tribes terminated nationwide were Oregon tribes. Sixty-three percent of the Indian land base affected was in Oregon. The consequences of termination were disastrous. The Western Oregon Termination Act ended Federal services to tribal members and led to the removal from trust and eventual sale of all Coquille land.

We now have an opportunity to right this wrong by once again federally recognizing the Coquille Tribe, thereby reinstating Indian health and education services denied the Coquilles as terminated Indians. Economic development opportunities available to federally recognized Indians will now be opened to the Coquilles and will pave the way for development of tribal enterprises. These tribal enterprises will provide employment to tribal members and non-Indians and contribute to the over-all economy of the region.

The Coquille restoration effort enjoys broad support. All members of the Oregon congressional delegation support the restoration, as does the Governor of the State. The effort is supported by national Indian groups as well local government, tribes, and businesses.

Mr. President, I hope we can move quickly now to federally recognize the Coquille Tribe so that we can provide its members the opportunity to overcome the adverse effects of 34 years of termination and enjoy the fruits of a government-to-government relationship with the United States, a strengthened tribal identity and economic self-sufficiency.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 881) was ordered to a third reading, was read the third time, and passed.

Mr. DODD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL SCLERODERMA AWARENESS WEEK

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 274, a joint resolution to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week" just received from the House of Representatives.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 274) to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 274) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON THE CALENDAR

Mr. DODD. Mr. President, I ask unanimous consent that H.R. 2281, relating to school dropouts, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 170, John D. Negroponte to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico;

Calendar 172, Bernard W. Aronson to be Assistant Secretary of State;

Calendar 173, John H. Kelly to be an Assistant Secretary of State;

Dale T. Tate to be an Assistant Secretary of Labor reported today by the Committee on Labor and Human Resources;

Kathleen M. Harrington to be an Assistant Secretary of Labor reported today by the Committee on Labor and Human Resources;

Jennifer L. Dorn to be an Assistant Secretary of Labor reported today by the Committee on Labor and Human Resources; and

Robert P. Davis to be Solicitor for the Department of Labor reported today by the Committee on Labor and Human Resources.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

John D. Negroponte, of New York, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

29-059 O-90-3 (Pt. 9)

Bernard William Aronson, of Maryland, to be an Assistant Secretary of State.

John Hubert Kelly, of Georgia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be an Assistant Secretary of State.

DEPARTMENT OF LABOR

Dale Triber Tate, of the District of Columbia, to be an Assistant Secretary of Labor.

Kathleen M. Harrington, of the District of Columbia, to be an Assistant Secretary of Labor.

Jennifer Lynn Dorn, of Maryland, to be an Assistant Secretary of Labor.

Robert P. Davis, of Virginia, to be Solicitor for the Department of Labor.

JOINT REFERRAL

Mr. DODD. Mr. President, as in executive sessions, I ask unanimous consent that the nomination of Constance Bastine Harriman, of Maryland, to be Assistant Secretary for Fish and Wildlife, Department of the Interior, sent to the Senate by the President on June 6, 1989, be referred jointly to the Committees on Energy and Natural Resources and Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

GOVERNING INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE HOME GOVERNMENT OF THE FAROE ISLANDS AND THE GOVERNMENT OF DENMARK—MESSAGE FROM THE PRESIDENT—PM 50

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to 16 U.S.C. 1823(b), was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801 et seq.), I transmit herewith an agreement effected by exchange of notes at Washington on March 28, 1989, extending for the period of 2 years from July 1, 1989, until July 1, 1991, and amending to conform with current U.S. law, the Governing International Fishery Agreement between the Government of the United States of America of the one part and the Home Government of the Faroe Islands and the Government of Denmark of the other part concerning Faroese Fishing in Fisheries off the Coasts of the United States, signed at Washington on June 11, 1984. The exchange of notes, together with the present agreement, constitute a governing international fishery agreement within the meaning of section 201(c) of the act.

U.S. fishing industry interests have urged prompt consideration of this agreement and, similarly, I request the Congress give favorable consideration to this agreement at an early date to avoid disruption of cooperative ventures.

Since 60 calendar days of continuous session, as required by the legislation, will not be available before the current agreement is scheduled to expire, I recommend the Congress consider passage of a joint resolution.

GEORGE BUSH.

THE WHITE HOUSE, *June 14, 1989.*

MESSAGES FROM THE HOUSE

At 10:14 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 274. Joint resolution to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week".

At 5:37 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House of Representatives having proceeded to reconsider the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, returned by the President of the United States with his objections, to the House of Representatives, in which it originated, and that the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

The message also announced that the House agrees to the amendments of the Senate numbered 6 and 7 to the bill (H.R. 1426) to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes; and that the House disagrees to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 8 to the said bill.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. WHITTEN, Mr. NATCHER, Mr. SMITH of Iowa, Mr. YATES, Mr. OBEY, Mr. ROYBAL, Mr. BEVILL, Mr. MURTHA, Mr. TRAXLER, Mr. LEHMAN of Florida, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. CONTE, Mr. MCDADE, Mr. COUGHLIN, Mr. REGULA, Mrs. SMITH of Nebraska, Mr. EDWARDS of Oklahoma, Mr. GREEN, and Mr. ROGERS as managers of the conference on the part of the HOUSE.

At 6:23 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the concurrent resolution (S. Con. Res. 19) to authorize printing of a collection of the inaugural addresses of the Presidents of the United States, with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1502. An act to authorize the appropriation of funds to the District of Columbia for additional officers and members of the Metropolitan Police Department of the District of Columbia, and to provide for the implementation in the District of Columbia of a community-oriented policing system;

H.R. 2042. An act to amend title V of the Agricultural Act of 1949 to allow producers to provide the appropriate county committees with actual yields for the 1989 and subsequent crop years, and for other purposes;

H.R. 2281. An act to amend the Elementary and Secondary Education Act of 1965 to extend the authorization for certain school dropout demonstration programs; and

H.R. 2469. An act to limit a previous owner's right of first refusal in the case of fraud or resale for sales of farm property by the Farmers Home Administration, and the Farm Credit System.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 150. Concurrent resolution authorizing the printing of a collection of statements in tribute to the late Representative Claude Denson Pepper.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1502. An act to authorize the appropriation of funds to the District of Columbia for additional officers and members of the Metropolitan Police Department of the District of Columbia, and to provide for the implementation in the District of Columbia of a community-oriented policing system; to the Committee on Governmental Affairs.

H.R. 2042. An act to amend title V of the Agricultural Act of 1949 to allow producers to provide the appropriate county committees with actual yields for the 1989 and subsequent crop years, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 2469. An act to limit a previous owner's right of first refusal in the case of

fraud or resale for sales of farm property by the Farmers Home Administration, and the Farm Credit System; to the Committee on Agriculture, Nutrition, and Forestry.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2281. An act to amend the Elementary and Secondary Education Act of 1965 to extend the authorization for certain school dropout demonstration programs.

ENROLLED JOINT RESOLUTION SIGNED

The ACTING PRESIDENT pro tempore (Mr. REID) reported that on today, June 14, 1989, he had signed the following enrolled joint resolution; which had previously been signed by the Speaker of the House:

S.J. Res. 63. Joint resolution designating June 14, 1989, as "Baltic Freedom Day", and for other purposes.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 14, 1989, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 63. Joint resolution designating June 14, 1989, as "Baltic Freedom Day", and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BENTSEN, from the Committee on Finance without amendment:

S. 1185. An original bill to amend the Internal Revenue Code of 1986 to allow a credit for health insurance premium costs, to make the credit for dependent care refundable, to simplify the antidiscrimination rules applicable to certain employee benefits (Rept. No. 101-51).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Dale Triber Tate, of the District of Columbia, to be an Assistant Secretary of Labor;

Kathleen M. Harrington, of the District of Columbia, to be an Assistant Secretary of Labor;

Jennifer Lynn Dorn, of Maryland, to be an Assistant Secretary of Labor; and

Robert P. Davis, of Virginia, to be Solicitor for the Department of Labor.

Mr. KENNEDY. Mr. President, for the Committee on Labor and Human Resources, I report favorably three nomination lists in the Public Health Service which were printed in full in the CONGRESSIONAL RECORDS of March 9 and April 17, 1989, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COATS:

S. 1174. A bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to repeal the Medicare supplemental premium and certain Medicare part B benefits added by the Medicare Catastrophic Coverage Act of 1988, and for other purposes; to the Committee on Finance.

By Mr. JOHNSTON:

S. 1175. A bill to provide for the conveyance of certain mineral interests of the United States in property in Louisiana to the record owners of the surface of that property; to the Committee on Energy and Natural Resources.

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 1176. A bill to require the Nuclear Regulatory Commission to establish consistent procedures for permitting the restarting of nuclear power plants that have been shut down for safety reasons; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 1177. A bill to amend title 36 of the United States Code, relating to the United States flag, to clarify and more clearly define the methods and restrictions for display of the United States flag; to the Committee on the Judiciary.

By Mr. MITCHELL (for himself, Mr. LAUTENBERG, Mr. CHAFEE, Mr. MOYNIHAN, Mr. COHEN, Mr. LIEBERMAN, Mr. D'AMATO, Mr. SARBANES, Mr. BRADLEY, Mr. FOWLER, Mr. DODD, Mr. GRAHAM, and Mr. PELL):

S. 1178. A bill to improve and expand programs for the protection of marine and coastal waters; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself, Mr. MITCHELL, Mr. CHAFEE, Mr. MOYNIHAN, Mr. LIEBERMAN, Mr. GRAHAM, Mr. BRADLEY, Mr. D'AMATO, Mr. PELL, Mr. FOWLER, Mr. DODD, Mr. SARBANES, and Mr. COHEN):

S. 1179. A bill to establish a comprehensive marine pollution restoration program, to amend the Federal Water Pollution Control Act and the Marine Protection Research, and Sanctuaries Act, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HOLLINGS (for himself, Mr. GORE, Mr. DANFORTH, Mr. PRESSLER, and Mr. COCHRAN):

S. 1180. A bill to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ (for himself and Mr. WIRTH):

S. 1181. A bill to amend the Solid Waste Disposal Act to require producers and importers of lubricating oil to recycle a certain percentage of used oil each year, to require the Administrator of the Environmental Protection Agency to establish a recycling credit system for carrying out such recycling requirement, to establish a management and tracking system for such oil, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KENNEDY:

S. 1182. A bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (for himself, Mr. MURKOWSKI, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. DURENBERGER, Mr. SIMON, Mr. LEVIN, and Mr. DIXON):

S. 1183. A bill to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries; ordered held at the desk.

By Mr. DOLE (for Mr. D'AMATO (for himself and Mr. MOYNIHAN)):

S. 1184. A bill to allow the obsolete destroyer U.S.S. *Edson* (DD 946) to be transferred to the Intrepid Sea Air Space Museum in New York before the expiration of the otherwise applicable 60-day congressional review period; considered and passed.

By Mr. BENTSEN, from the Committee on Finance:

S. 1185. An original bill to amend the Internal Revenue Code of 1986 to allow a credit for health insurance premium costs, to make the credit for dependent care refundable, to simplify the antidiscrimination rules applicable to certain employee benefits; placed on the calendar.

By Mr. MURKOWSKI:

S. 1186. A bill to amend the Immigration and Nationality Act to revise certain health requirements regarding the admission of certain disabled veterans and to revise the period of active military service required for a veteran to qualify for naturalization; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 1187. A bill to repeal the supplemental Medicare premium, to modify certain benefits added by the Medicare Catastrophic Coverage Act of 1988 and improve the financing of such benefits and for other purposes; to the Committee on Finance.

By Mr. MURKOWSKI:

S. 1188. A bill to amend title 38, United States Code, and the Internal Revenue Code of 1986 regarding the use of Internal Revenue Service and Social Security Administration data for income verification for purposes of laws administered by the Department of Veterans' Affairs; to the Committee on Finance.

By Mr. KERRY:

S. 1189. A bill to amend the Coastal Zone Management Act of 1972 to require State coastal zone management agencies to prepare and submit for the approval of the Secretary of Commerce plans for the improvement of coastal zone water quality, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL:

S. 1190. A bill to establish in the Department of Education an Office of Correctional

VOL 135 PT 9 JE 14 — 22 1989 UMI

Education, and for other purposes; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DODD (for himself, Mr. DOLE, and Mr. KENNEDY):

S. Con. Res. 44. Concurrent resolution to express the sense of the Congress concerning the funeral of Imre Nagy, the former Prime Minister of Hungary, and other heroes of the 1956 revolution in Hungary; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COATS:

S. 1174. A bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to repeal the Medicare supplemental premium and certain Medicare part B benefits added by the Medicare Catastrophic Coverage Act of 1988, and for other purposes; to the Committee on Finance.

MEDICARE CATASTROPHIC COVERAGE IMPROVEMENT ACT

Mr. COATS. Mr. President, I rise today to introduce legislation that will revise the Medicare Catastrophic Coverage Act [MCCA] so that it provides true acute care protection at a price that seniors can afford.

The MCCA, in its present form, expands Medicare to provide many more services than the originally intended purpose of this legislation, which was to shield the elderly from the financial devastation of a serious and prolonged illness or accident. While these additional Medicare and Medicaid benefits wil help some individuals, they are expensive; and we are requiring seniors to pay for them right along with the basic catastrophic benefits.

I believe that the elderly should have peace-of-mind protection against the possibility of an acute health crisis, and I believe Congress started out on the right track on this question. Now that we have had time to evaluate the long-term impact of this law, I believe we need to change it and go back to a package of benefits that more closely resembles the original idea that many Members of the 100th Congress shared with former HSS Secretary Otis Bowen. The MCCA as it stands today is not true to that original idea, and it is not fair to our senior citizens to impose a heavy tax burden to cover benefits never intended or sought by most seniors.

Back in January 1987 when I discussed with Secretary Bowen my interest in giving the elderly peace-of-mind protection against catastrophic illness, I had in mind a group of benefits that would expand hospitalization to full year coverage and put a cap on out-of-pocket expenses for Medicare covered hospital and physician services. I fashioned a bill in conjunction with HHS and was proud that key Members of the Republican leadership of the House and the health legislative committees joined me in that effort.

Right from the start, there were others who were not satisfied with this modest but cost-efficient approach. They saw this as an opportunity to greatly expand Medicare without budget consequences, passing on the extra costs to seniors in the form of an income-based surtax. In July 1987, when the House voted on this issue, the deluxe model with all the expensive extras passed. I voted against that bill and voted for the no-frills version that developed from the bill I had introduced in February 1987. Although the so-called Michel substitute garnered 190 votes, it did not prevail.

Mr. President, the Michel substitute was an honest, effective piece of legislation when it almost passed in 1987, and it looks even better now. It is the basis of the Medicare Catastrophic Coverage Improvement Act of 1989 that I am introducing today.

My bill retains the positive features of the MCCA for part A hospital benefits, limits out-of-pocket expenses for Medicare covered part B services and modifies the part B catastrophic premium. These changes make it possible to eliminate the onerous surcharge that is required by the MCCA. It returns us to the original concept of the MCCA: namely, peace-of-mind catastrophic coverage at a price that seniors can afford.

The second major feature of this bill is a Medicaid prescription drug benefit that will cover those 65 and over with incomes below 125 percent of the Federal poverty level. This is a substantial improvement over existing law because the benefits cover the poorest elderly. The drug benefit in the present law not only will give millionaires the same coverage as the disadvantaged, it also will cover people under 65 who are eligible for disability payments. Of course, the disabled should be treated with compassion, and perhaps it is wise public policy to cover their medication. However, I do not believe it is fair for seniors to pay exclusively for such a benefit.

Finally, this bill addresses the urgent need for action to make long-term care more affordable. It is widely recognized that the elderly and their families fear the huge cost of long-term care more than any other old age crisis. The escalating cost of nursing home care and the need for more and better home care are challenges that cannot be ignored.

The second title of this bill makes changes in the tax laws that will encourage insurance companies to offer more attractive long-term care policies. A wider variety of more affordable policies have become available in the last several years, and this is a trend that needs to be encouraged. This bill also makes it possible to transfer assets form traditional savings vehicles, such as IRA's and whole life policies, to pay for long-term care insurance.

I believe that a competitive, innovative marketplace should be the cornerstone of our long-term care policy. The Federal Government can play a constructive supporting role, but it would be a mistake to try to concoct a centrally controlled Federal program. In order to be successful, our long-term care strategy needs to take advantage of the flexibility and resources of the private sector. The changes that I am proposing are a first step in this direction.

In summary, Mr. President, the Medicare Catastrophic Coverage Improvement Act that I am introducing today makes the present law simpler and less expensive while it preserves the basic peace-of-mind protection that senior citizens deserve, and it points the way to more affordable and innovative long-term care.

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 1176. A bill to require the Nuclear Regulatory Commission to establish consistent procedures for permitting the restarting of nuclear powerplants that have been shut down for safety reasons; to the Committee on Environment and Public Works.

NUCLEAR POWERPLANT SAFETY ACT

● Ms. MIKULSKI. Mr. President, today I am introducing with Senator SARBANES a bill requiring the Nuclear Regulatory Commission to establish criteria for the restart of nuclear powerplants that have been shut down for safety reasons. I strongly believe the NRC ought to have clear and concrete steps for determining whether or not a nuclear powerplant is safe to be restarted. Establishing criteria based on sound safety and management principles will instill confidence in the process and ensure that consistent and appropriate procedures are followed.

This issue was first brought to my attention after the shutdown of the Peachbottom Nuclear Powerplant in Pennsylvania by the NRC. I asked the NRC what criteria would be used to decide when the powerplant was safe and ready to being operations again and discovered that the NRC did not have specific criteria for making such a determination.

Last year Senator SARBANES and I asked GAO to take a look at NRC restart procedures. GAO found that NRC had issued staff guidelines which are the equivalent of recommendations and do not include provisions for public participation, independent review, or review of utility corrective

actions. I strongly believe these are important elements that should be well established in NRC policy.

My legislation simply requires the NRC to establish a standing set of criteria that must be satisfied before a nuclear powerplant is permitted to restart. It also requires that provisions for public participation, independent review, and inspection and review of the utilities corrective action plan be included in the criteria.

Establishing restart criteria will make clear to the public and to the utility companies that specific procedures are being followed to insure the safety and soundness of the restart process.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nuclear Power Plant Safety Act of 1989".

SEC. 2. NRC TO ESTABLISH CONSISTENT PROCEDURES.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this act, the Nuclear Regulatory Commission (referred to as the "Commission") shall publish in the Federal Register regulations setting out procedures for permitting the restarting of a nuclear power plant (or part thereof) that has been shut down (whether or not by order of the Commission) for safety reasons.

(b) DEFINITION.—For the purposes of subsection (a) a facility shall be considered to be shut down for safety reasons when it has been shut down upon the detection of a defect or suspected defect in equipment, operating procedures, maintenance, personnel practices, management, or other aspect of the facility that poses such a risk to safe operation of the facility that action on the defect cannot prudently be delayed until the next scheduled shutdown for routine inspection, maintenance, and repair.

(b) MINIMUM CRITERIA.—The regulations issued pursuant to subsection (a) shall include provision for—

(1) identification of the defects in the equipment, operating procedures, maintenance, personnel practices, management, and other aspects of a nuclear power plant that must be corrected;

(2) preparation by the utility and review and approval by the Commission of a plan to correct the defects;

(3) inspection by the Commission of corrections made by the utility prior to restarting the facility and, when appropriate, periodically thereafter;

(4) public meetings and consideration of written comments from the public at significant stages of the proceeding; and

(5) independent evaluation and comment on Commission actions relating to applications for permission to restart a facility.●

By Mr. THURMOND:

S. 1177. A bill to amend title 36 of the United States Code, relating to the U.S. flag, to clarify and more clearly define the methods and restrictions for display of the U.S. flag; to the Committee on the Judiciary.

DISPLAY OF THE U.S. FLAG

Mr. THURMOND. Mr. President, today, our Nation is celebrating Flag Day. Flag Day was established in 1949 as an observance of the date, June 14, 1777, when the Continental Congress adopted the Stars and Stripes as this Nation's official flag. On this special occasion, I am pleased to introduce legislation concerning the proper use and display of the flag of the United States.

It is appropriate that we continuously remind ourselves about the proper uses and manners of display for our flag. The American Legion recognized the need for revising Federal law as it relates to flag use and display. Today, I am pleased to introduce this bill which will make those changes recommended by the American Legion.

Mr. President, this legislation makes revisions to chapter 10 of title 36 which addresses flag usage. This chapter of the code is not intended to proscribe conduct, but is merely advisory.

The measure amends the code by listing additional days on which the flag should be displayed. The new days include Thomas Jefferson's birthday, Flag Week, and other days of national observance. In addition, the public holiday of the birthday of Martin Luther King, Jr., is listed.

The bill also amends existing law with respect to the position and manner of display of our flag. It pays special attention to how the flag should be flown when flown with flags of other nations and to the proper times and durations for flying the flag at half-staff.

Finally, this measure clarifies the wording of the present law. It makes the guidelines for using the flag understandable to all the people who may fly the flag or want to incorporate its design into some other usage. For example, the bill addresses the care which should be taken by people who wear clothing upon which the flag is embroidered or attached.

The U.S. flag represents our great Nation in a visable manner. Its proper and respectful display and usage should be known and observed by all Americans. The legislation I have proposed will help to accomplish this goal. It will make clearer the rules of displaying our flag.

In closing, our flag embodies many courageous acts by brave men and women throughout the history of our Nation. It was designed to commemorate the great honor that patriotic Americans have exemplified in life and death, in war and peace. The Stars and Stripes certainly deserves great respect and should always be treated with dignity. In a time when the flag is placed on the ground and trampled in the name of art, proper use and display of the flag must now be emphasized so that we, as Americans, do not lose sight of the respect due our flag.

For these reasons, I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1177

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TIME AND OCCASIONS FOR DISPLAY.

Section 174(d) of title 36, United States Code, is amended by—

(1) inserting "Birthday of Martin Luther King, Jr., third Monday in January;" after "January 1;";

(2) inserting "Thomas Jefferson's Birthday, April 13; Loyalty Day-Law Day United States of America, May 1;" after "Easter Sunday (variable);";

(3) inserting "National Maritime Day, May 22;" after "second Sunday in May;";

(4) inserting "Flag Week, week of June 14; Father's Day, third Sunday in June;" after "June 14;";

(5) inserting "Aviation Day, August 19;" after "July 4;"; and

(6) inserting "Citizenship Day, September 17; American Gold Star Mothers Day, last Sunday in September;" after "September 17;".

SEC. 2. POSITION AND MANNER OF DISPLAY.

(a) FLAGS AND PENNANTS OF STATES, CITIES, LOCALITIES, AND CORPORATIONS.—Subsection (f) of section 175 of title 36, United States Code, is amended by—

(1) inserting "or pennants" after "flags";

(2) striking "or localities, or pennants of societies" and inserting "localities, societies, or corporations"; and

(3) inserting ", that is the observor's left, when the flags are flown in a straight line formation" after "flag's right".

(b) FLAGS OF OTHER NATIONS.—Subsection (g) of section 175 of title 36, United States Code, is amended by—

(1) inserting "(1)" after "(g)"; and

(2) adding at the end thereof the following:

"(2) When the flag of the United States is flown in a straight line formation with flags of other nations—

"(A) the flag of the United States should be on its own right; and

"(B) the flags of other nations are displayed on the observer's right and in alphabetical order from left to right.

In any other situation when the flag of the United States is flown with the flags of other nations the flag of the United States should be placed in a position of most prominence.".

(c) DISPLAY OF FLAG AT HALF-STAFF.—Subsection (m) of section 175 of title 36, United States Code, is amended by—

(1) designating the text of such subsection as paragraph (3); and

(2) inserting after "(m)" the following: "(1) The flag displayed at half-staff is a sign of national mourning ands a mark of respect to the memory of principal figures of the United States or State government.

"(2) The flag should not be displayed at half-staff—

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(A) except as provided in this subsection or unless such display is pursuant to a special proclamation by the President or the Governor of any State, territory, or possession; and

"(B) for longer than 30 days unless so ordered by the President or the Governor of any State.".

(d) USE OF FLAG DESIGN.—Subsection (i) of section 176 of title 36, United States Code, is amended to read as follows:

"(i)(1) The flag should never be used for advertising purposes in any manner whatsoever. Advertising signs should not be fastened to a staff or halyard from which the flag is flown.

"(2) The flag should not be embroidered, printed, or used in a design, on such articles as cushions, handkerchiefs, and the like, and the flag should not be embroidered, printed, or used in a design in a manner intended to cast contempt upon or demean it.

"(3) The flag should not be printed or otherwise impressed on paper napkins or boxes or anything that is designed for temporary use and discard.".

(e) FLAGS ON CLOTHING.—Subsection (j) of section 176 of title 36, United States Code, is amended by—

(1) inserting "(1)" after "(j)";

(2) inserting "postal workers," after "policemen,"; and

(3) adding at the end thereof the following:

"(2) Anyone wearing clothing upon which the flag is embroidered, printed, or used in a design should take measures to—

"(A) ensure that the clothing does not touch the ground; and

"(B) ensure that the flag is not embroidered, printed, or used in a design in a manner intended to cast contempt upon or demean it.".

By Mr. MITCHELL (for himself, Mr. LAUTENBERG, Mr. CHAFEE, Mr. MOYNIHAN, Mr. COHEN, Mr. LIEBERMAN, Mr. D'AMATO, Mr. SARBANES, Mr. BRADLEY, Mr. FOWLER, Mr. DODD, Mr. GRAHAM, and Mr. PELL):

S. 1178. A bill to improve and expand programs for the protection of marine and coastal waters; to the Committee on Environment and Public Works.

MARINE PROTECTION ACT

Mr. MITCHELL. Mr. President, today I am introducing legislation to strengthen existing statutes designed to protect the quality of our marine and coastal waters.

The marine and coastal waters of this country are a natural resource of tremendous value and importance. Coastal and estuarine waters are ecological gold mines providing habitat for commercial and endangered species, food chain support, ground water recharge, and flood-peak reduction.

Marine resources are also an important part of the economy. The combined value of commercial and recreational fisheries is about $12 billion. In addition, tourism is a major source of income in many coastal communities and recreational activities are often dependent on the quality of the marine enrvironment.

Today, our coastal and ocean waters face an unprecedented range of environmental threats and the health of these waters is in sharp decline.

Last summer, beaches were closed throughout the Northeast after discovery of medical waste and other pollution problems. Lobsters taken off the mid-Atlantic coast have large burn holes as a result of pollution. Shellfish in Chesapeake Bay and coastal North Carolina have been decimated by pollution and disease. There is a large dead zone in the Gulf of Mexico. We face huge clean up problems in many east coast harbors, such as Boston Harbor. And, on the west coast, toxic chemicals, including PCB's, mercury, and other heavy metals, are in the sediments of Puget Sound, San Francisco Bay, and Santa Monica Bay.

Concern for a growing trend of marine pollution is confirmed by recent scientific studies. In April 1987, the Congressional Office of Technology Assessment [OTA] issued a report which concluded that the overall health of many of our estuaries and coastal waters "is declining or threatened."

The OTA report indicated that even full implementation and enforcement of existing regulations would not be sufficient to maintain or improve the health of these waters. The report states:

> . . . even if total compliance with today's regulations is achieved, existing programs will not be sufficient to maintain or improve the health of all estuaries and coastal waters. In the absence of additional measures to protect our marine waters, the next few decades will witness new or continued degradation in many estuaries and coastal waters around the country.

In addition, the National Oceanic and Atmospheric Administration [NOAA] has published the results of the first year of a national program to monitor toxic chemcials at 50 coastal sites. The report provides an early indication of the magnitude of coastal contamination problems and found that "a number of sites revealed relatively high levels of toxic contaminants * * *".

During the last Congress, as chairman of the Subcommittee on Environmental Protection, I chaired a series of five hearings on coastal pollution problems.

I chaired the first of these hearings in my home State of Maine to learn about the environmental conditions in the Gulf of Maine. The general conclusion of the hearing was that the Gulf of Maine is still very clean and does not now face the serious pollution problems present in other parts of the country. There also was agreement, however, that prevention of problems will require building a first-rate marine research and protection program.

Witnesses at that hearing included research scientists and representatives of the fishing industry and the environmental community. Former Governor Ken Curtis summed up many concerns when he said:

> What is needed most of all is a planned, well-coordinated approach to the research effort * * * which is * * * committed to studying and preserving the Gulf of Maine in a whole ecosystem approach.

Following our hearing in Maine, the subcommittee held further hearings on implementation of the Ocean Dumping Act, on the overall environmental condition of marine waters throughout the country, on the status of programs for the protection of Chesapeake Bay, and on legislation to improve marine research. Through these hearings, we were able to document the seriousness and extent of the pollution problems being reported throughout the country.

The major legislative accomplishment of the past Congress related to the marine environment was the enactment of Senator LAUTENBERG's legislation to amend the Ocean Dumping Act to ban the dumping of large volumes of sewage sludge off the New Jersey coast. This sewage sludge has been associated with damage to the environment and fisheries over a wide area of the North Atlantic. We were also able to enact tougher controls over the dumping of medical wastes in coastal waters.

It is essential that we build on the accomplishments of the last Congress and develop legislation which provides a comprehensive response to the growing evidence of declines in marine environmental quality. We cannot afford to let the quality of our coastal and marine waters continue to slip away as a result of neglect or carelessness. If future generations of Americans are to enjoy the wonders and the bounty of the sea, we must develop and implement the best possible, program to protect the marine environment.

The legislation I am introducing today amend the Clean Water Act and the Marine Protection, Research and Sanctuaries Act to expand and improve programs for the protection of marine and coastal waters.

The authorities and programs provided by our existing statutes have made a substantial contribution to controlling pollution in coastal waters. But the growing evidence of serious marine pollution problems from every coastal region of the country and the extensive beach closings last summer have convinced me that it is time to consider substantial expansion of these existing programs and authorities.

Title I of today's bill includes a number of amendments to the marine and coastal provisions of the Clean Water Act.

The National Estuary Program—section 320 of the Clean Water Act—pro-

vides authority for the Environmental Protection Agency to work with States to organize management conferences to assess coastal water quality problems and develop response plans.

My legislation would expand the current program by requiring the EPA to prepare a comprehensive list of coastal waters experiencing a general degradation of environmental conditions and designate those waters.

The Administrator is to monitor the conditions of designated waters and work with States to develop management conferences for these waters as under current law. In addition, the Administrator would exercise special authorities for the protection of designated waters including more stringent requirements for discharge permits, wetlands assessments, pretreatment, stormwater discharges, and nonpoint pollution control.

For these designated waters with serious water quality problems, we should make every effort to hold the line on pollution and, at a minimum, keep these waters from getting any worse. To accomplish this, new authority is provided for a "coastal discharge standard," to apply to point source discharges in designated waters, which would require a showing of the need to discharge and no net increase in pollutant loading.

The National Estuaries Program authorization is increased from $12 to $25 million. In addition, new authority is provided for use of penalties paid by dischargers to designated waters for support of the program.

Recently, there has been growing concern for the environmental quality of Casco Bay in my home State of Maine. Threats to the quality of Casco Bay were documented in a recent report, and the State announced a special "Agenda of Action" in Casco Bay. The legislation I am introducing today includes a provision which would add Casco Bay to the list of estuaries considered as part of the National Estuaries Program of the Clean Water Act.

Another key provision of the bill would amend the Clean Water Act to establish a process for eliminating the overflows to marine waters of combined sanitary and storm sewers. The bill would require State agencies to inventory combined storm sewer and sanitary sewer discharges to coastal waters and to assess the potential for eliminating the discharges.

EPA is to work with States and municipalities to develop specific programs for eliminating overflows with emphasis on water conservation and storm water management, rather than the more expensive alternatives of discharge treatment or total system separation.

An existing marine combined sewer overflow authorization of $200 million per year is redirected toward development of discharge elimination programs. Implementation of the programs is made eligible for funding under the State revolving loan funds under title VI of the Clean Water Act.

A major cause of delays in reducing the levels of pollutants discharged to marine waters is the lack of numerical water quality standards for toxic and other pollutants. The bill would shift authority to promulgate marine water quality standards from States to the EPA in an effort to assure the most expeditious application of appropriate standards. States, of course, would have the option of adopting more stringent standards than the EPA and could request modification of EPA standards based on specified criteria.

In a related effort, EPA is also directed to develop numerical standards for contaminants in marine sediments. These standards would apply to sediment regulated under section 404 of the Clean Water Act or dumped at sea under the authority of the Ocean Dumping Act.

Title II of this legislation provides a series of amendments to improve the management of sediment in the marine environment.

EPA is given new authority to establish criteria and information for pollutants in marine sediment, similar to criteria and information already required to be developed for water quality.

The Marine Protection, Research and Sanctuaries Act is amended to require that the Corps of Engineers determine if material to be dredged under the act contains pollutants in excess of levels established in sediment standards under the Clean Water Act. Such contaminated material may be dumped in the ocean, but a permit for such dumping must be issued by the EPA and new authority is provided for EPA to require special management of such materials.

Another provision of the bill clarifies the Marine Protection, Research and Sanctuaries Act to assure that States may issue more stringent requirements for ocean dumping and that EPA and the Corps of Engineers will comply with such requirements.

The bill also provides new requirements for designation of dumping sites under the Marine Protection, Research and Sanctuaries Act. EPA is to develop a site management plan for each site providing for baseline monitoring, special conditions for site management, and long-term management and termination of the site. Each site must be approved for dumping of materials determined to be contaminated.

Finally, section 404 of the Clean Water Act is amended to require an assessment of material to be dredged or filled to determine if it contains pollutants in excess of sediment standards. If contaminant standards are exceeded, additional factors are to be considered in granting a permit including disposal at an ocean site designated for dumping of contaminated materials and measures to mitigate migration of contaminants.

Title III of the bill provides for studies of airborne deposition of contaminants in marine waters, a report identifying unregulated contaminants in coastal waters, and a report on the potential of microorganisms to degrade pollutants prior to discharge to marine waters.

This legislation is intended to complement legislation I introduced in March to expand and strengthen research and monitoring of marine and coastal waters. The Marine Research Act of 1989—S. 587—provides general authority to establish 10 regional marine research programs and encourage development of regional marine research plans. This research will help identify and prevent threats to the marine environment before they grow to be unmanageable and costly problems.

In conclusion, there is growing evidence of threats to the quality of the marine environment. While we have made some progress in developing legislation to respond to the coastal pollution problem, we must continue this effort by both expanding marine research and improving existing programs for protection of the marine environment.

This effort is essential if we are to keep pace with the growing threats to the marine environment and assure that this resource is protected for future generations.

Finally, Mr. President, I want to express my appreciation to Senators LAUTENBERG and CHAFEE for their support in the development of this legislation. I look forward to working with them on this important problem in the coming months.

I ask unanimous consent that the bill and copies of a section-by-section analysis of the bill be included at an appropriate place in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. (a) TITLE.—This Act may be cited as the "Marine Protection Act of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Findings.

TITLE I—WATER QUALITY PROTECTION PROGRAMS

Sec. 101. National Estuary Program.
Sec. 102. Point source discharges to coastal waters.
Sec. 103. Nonpoint source pollution control.
Sec. 104. Marine sanitation devices.
Sec. 105. Marine combined sewer overflow.
Sec. 106. Marine water quality standards.

Sec. 107. Ocean discharge criteria.
Sec. 108. Definitions.

TITLE II—MARINE SEDIMENT CONTAMINATION

Sec. 201. Marine sediment criteria and information.
Sec. 202. Marine sediment contamination.
Sec. 203. State ocean dumping requirements.
Sec. 204. Site designation.
Sec. 205. Dredge and fill program.

TITLE III—OTHER PROVISIONS

Sec. 301. Study of air deposition.
Sec. 302. Identification of unregulated contaminants.
Sec. 303. Research of microorganisms.

FINDINGS

SEC. 2. The Congress finds that—

(A) the Nation's marine and coastal waters are a resource of tremendous value;

(B) marine and coastal waters, including estuaries, are vital and productive natural ecosystems;

(C) marine and near coastal waters support commercial and recreational fisheries with an annual value estimated at over $12 billion per year;

(D) marine and coastal waters support extensive recreational activities and related support services;

(E) maintenance and protection of the environmental quality of the Nation's marine and coastal waters is essential to the commercial and recreational activities they support;

(F) recent studies and reports provide evidence of growing threats to the environmental quality and ecological integrity of marine and coastal waters;

(G) a report by the Congressional Office of Technology Assessment found that the overall health of estuaries and coastal waters is declining or threatened;

(H) studies by the National Oceanic and Atmospheric Administration and the Environmental Protection Agency have identified unexpectedly high levels of contaminants in a number of coastal areas;

(I) expanded and improved research and monitoring of marine and estuarine ecosystems is needed to gain a more complete understanding of these ecosystems and how man's activities may be effecting them;

(J) there is a need to expand and improve pollution control requirements programs for the control of point and nonpoint sources of pollution to marine and coastal waters;

(K) there is a need to develop plans and programs for the elimination of discharges of combined stormwater and sanitary sewer overflows to coastal waters;

(L) there is a need to expand and expedite the process of setting enforceable water quality standards for coastal waters and to develop standards for coastal sediments; and

(M) there is a need to improve the management of contaminated sediments and dredge materials.

TITLE I—WATER QUALITY PROTECTION PROGRAMS

NATIONAL ESTUARY PROGRAM

SEC. 101. Section 320 of the Federal Water Pollution Control Act is amended as follows:

"SEC. 320. NATIONAL ESTUARY PROGRAM.

"(a) DESIGNATION OF PRIORITY ESTUARIES AND COASTAL WATERS.—

"(1) The Administrator shall, within eighteen months of the date of enactment of this Act and biennially thereafter, identify and designate, pursuant to this section, all estuaries and coastal waters experiencing a general degradation of environmental conditions and which do not support a balanced, indigenous population of shellfish, fish, and wildlife and allow for recreational activities in and on the water.

"(2) In selection of estuaries or coastal waters pursuant to paragraph (1), the Administrator shall consider—

"(A) the extent and seriousness of water quality contamination;

"(B) the presence of toxic or other contaminants in sediment and the potential for migration of such contamination to water or aquatic organisms;

"(C) the condition of aquatic life and related habitat;

"(D) the presence of threatened or endangered species; and

"(E) anticipated total increases in pollution loadings.

"(3) In support of designation of estuaries and coastal waters pursuant to paragraph (1), the Administrator shall conduct such studies, research, and assessments as are necessary and shall, at a minimum, consider—

"(A) research, assessments, or related studies of the National Oceanic and Atmospheric Administration, including the Status and Trends Program, the National Sediment Contamination Assessment, and other studies;

"(B) estuaries and coastal waterbodies listed in paragraph (4) of this subsection; and

"(C) the views and comments of interested groups and the public.

"(4) In selection of estuaries and coastal waterbodies for designation under paragraph (1) of this section, the Administrator shall consider designation of Long Island Sound, New York and Connecticut; Narragansett Bay, Rhode Island; Buzzards Bay, Massachusetts; Casco Bay, Maine; Massachusetts Bay, Massachusetts (including Cape Cod Bay and Boston Harbor); Puget Sound, Washington; New York-New Jersey Harbor, New York and New Jersey; Delaware Bay, Delaware and New Jersey; Delaware Inland Bays, Delaware; Albemarle Sound, North Carolina; Sarasota Bay, Florida; San Francisco Bay, California; Galveston Bay, Texas; Santa Monica Bay, California; Barataria-Terrebonne Bay estuary complex, Louisiana; Indian River Lagoon, Florida; and Peconic Bay, New York.

"(5) The Governor of any State may nominate to the Administrator an estuary or coastal waterbody lying in whole or in part within that State for designation pursuant to paragraph (1) of this subsection. Following receipt of such a petition the Administrator shall evaluate the identified estuary pursuant to paragraphs (2) and (3) of this subsection and shall, within one hundred and eighty days of receipt of such petition, issue a notice in the Federal Register announcing the designation of such waterbody or the decision not to designate the waterbody, including an explanation of such action.

"(6) The Chesapeake Bay shall be treated as a coastal waterbody designated pursuant to this subsection for the purposes of subsection (b) of this section.

"(7) For the purposes of this subsection, the term "estuaries or coastal waters" refers to estuaries, bays, sounds or other distinct marine waterbodies which are associated with more than one political subdivision and which receive pollution loadings from a range of point and nonpoint sources.

"(b) SPECIAL AUTHORITIES OF THE ADMINISTRATOR.—

"(1) In the case of any estuary or coastal waterbody designated after January 1, 1989, the Administrator; or with respect to subparagraphs (A) and (B) in the case of a State authorized to issue permits under section 402 of this Act, the State, shall—

"(A) exercise authorities concerning discharges to coastal waters pursuant to section 301(q) of this Act;

"(B) notwithstanding the schedules established pursuant to section 402(p)(4) or any other provision of law, within one hundred and eighty days of designation, issue permits for any industrial and municipal discharges of stormwater to such waters, consistent with the requirements of section 402(p)(3) of this Act;

"(C) within one hundred and eighty days of designation, consider pursuant to section 404(c) of this Act, prohibiting the specification of an area designated pursuant to this section as a disposal site and denying or restricting the use of any area designated pursuant to this section as a disposal site;

"(D) exercise authorities concerning prohibition of discharges of sewage from vessels pursuant to section 312 of this Act;

"(E) require that each publicly owned treatment work discharging to such waters, regardless of the volume of such discharge of population served by the treatment works, shall develop and enforce facility specific programs for the pretreatment of industrial wastes; and

"(F) in the case of a State that does not have an approved assessment and/or management program for the affected waterbody that complies with section 319(b) of this Act, conduct an assessment and prepare a management program for the watershed of such waters within eighteen months of the date of designation.

"(c) RESEARCH AND ASSESSMENT.—(1) Upon the designation of an estuary or coastal waterbody pursuant to subsection (a), the Administrator, in cooperation with the Under Secretary and with affected States shall develop and implement—

"(A) a long-term program of monitoring to determine variations in pollutant concentrations, marine ecology, and other physical or biological environmental parameters which may affect the designated waterbody to provide the Administrator the capacity to determine the potential and actual effects of alternative management strategies and measures;

"(B) a program of ecosystem assessment assisting in the development of (i) baseline studies which determine the biological conditions in the designated waterbody and the effects of natural and anthropogenic changes, and (ii) predictive models capable of translating information on specific discharges or general pollutant loadings within the waterbody into a set of probable effects on biological conditions in such water bodies;

"(C) a comprehensive water quality and sediment sampling program for the periodic monitoring of the chemical conditions in the designated waterbody (including nutrients, chlorine, acid precipitation, dissolved oxygen, organic chemicals, metals and other toxic pollutants); after consultation with interested State, local, interstate, or international agencies;

"(D) review and analysis of all environmental sampling data presently collected from such waters; and

"(E) a program of research to identify the movements of nutrients, sediments and pollutants through designated waterbodies and the impact of nutrients, sediments, and pollutants on water quality, the ecosystem, and designated or potential uses of such waters.

(2) The Administrator may make grants to State, interstate, and regional water pollution control agencies and entities to support research monitoring, and related activities pursuant to this subsection. The amount of grants to any person under this subsection for a fiscal year shall not exceed 75 per centum of the costs of such activity and shall be made on the condition that the non-Federal share of such costs are provided from non-Federal sources.

(3) The Administrator shall provide a report of the status of research and the findings of such research to the Governor of each State in which a waterbody designated pursuant to this section is located.

"(d) MANAGEMENT CONFERENCES.—

"(1) Upon the designation of an estuary or coastal waterbody pursuant to subsection (a), or as soon thereafter as practicable, the Administrator shall convene a management conference. In any case in which the Administrator has initiated a management conference prior to January 1, 1989, the Administrator may maintain and support such management conference consistent with the requirements of this subsection.

"(2) The purposes of any management conference convened pursuant to this subsection shall be to—

"(A) assess trends in water quality, natural resources, and uses of the designated waterbody;

"(B) collect, characterize, and assess data on toxics, nutrients, and natural resources within the designated waterbody to identify the causes of environmental problems;

"(C) develop the relationship between the inplace loads and point and nonpoint loadings of pollutants to the waterbody and the potential uses of the waterbody, water quality, and natural resources;

"(D) develop a comprehensive environmental protection plan that recommends priority corrective actions and compliance schedules addressing point and nonpoint sources of pollution to restore and maintain the chemical, physical, and biological integrity of the designated waterbody, including restoration and maintenance of water quality, a balanced indigenous population of shellfish, fish and wildlife, and recreational activities in and on the waterbody and assure that the designated uses of the waterbody are protected;

"(E) develop plans for the coordinated implementation of the plan by the States as well as Federal and local agencies participating in the conference;

"(F) monitor the effectiveness of actions taken pursuant to the plan; and

"(G) review all Federal financial assistance program and Federal development project in accordance with the requirements of Executive Order 12372, as in effect on September 17, 1983, to determine whether such assistance program or project would be consistent with and further the purposes and objectives of the plan prepared under this section.

For purposes of paragraph G, such programs and projects shall not be limited to the assistance programs and development projects subject to Executive Order 12372, but may include any programs listed in the most recent Catalog of Federal Domestic Assistance which may have an effect on the purposes and objectives of the plan developed under this section.

"(3) The members of a management conference convened under this section shall include, at a minimum, the Administrator and representatives of—

"(A) each State and foreign nation located in whole or in part in the waterbody for which the conference is convened;

"(B) international, interstate, or regional agencies or entities having jurisdiction over all or a significant part of the waterbody;

"(C) each interested Federal agency, as determined appropriate by the Administrator;

"(D) local governments having jurisdiction over any land or water within the waterbody, as determined appropriate by the Administrator; and

"(E) affected industries, public and private educational institutions, and the general public, as determined appropriate by the Administrator.

"(4) In developing an environmental protection plan under this section, the management conference shall survey and utilize existing reports, data, and studies relating to the waterbody that have been developed by or made available to Federal, interstate, State, and local agencies.

"(5) The Administrator at the request of a management conference convened pursuant to this subsection is authorized to require any person whose alleged activities cause or contribute to pollution to file with it in such form as the Administrator shall require, a report based on existing data, furnishing such information as may reasonably be required as to the character, kind, and quantity of such activities and the use of facilities, management practices, or other means to prevent or reduce pollution resulting from such activities by the person filing such a report. Such report shall be made under oath and shall be filed with the Administrator within such reasonable period as the Administrator requires. Upon a showing satisfactory to the conference by the person filing such report that such report or portion thereof (other than effluent data), to which the Administrator has access under this section, if made public would divulge trade secrets or secret processes of such person, the Administrator shall consider such report or portion thereof confidential for the purposes of section 1905 of title 18 of the United States Code. If any person required to file any report under this paragraph shall fail to do so within the time fixed by the Administrator for filing the same, and such failure shall continue for thirty days after notice of such default, such person shall forfeit to the United States the sum of $1,000 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States in the district court of the United States where such person has his principal office or in any district in which he does business. The Administrator may upon application therefor remit or mitigate any forfeiture provided for under this subsection.

"(6) A management conference convened under this section shall be convened for a period not to exceed five years. Such conference may be extended by the Administrator, and if terminated after the initial period, may be reconvened by the Administrator at any time thereafter, as may be necessary to meet the requirements of this section.

"(7) Not later than one hundred and twenty days after the completion of an environmental protection plan and after providing for public review and comment, the Administrator shall approve such plan, or portions thereof, if the plan meets the requirements of this section and the affected Governor or Governors concur.

"(8) Upon approval of an environmental protection plan under this section, such plan shall be implemented. Funds authorized to be appropriated under sections 207, 319, and 607 of this Act may be used in accordance with the applicable requirements of this Act to assist States with the implementation of such plan.

"(9) The Administrator is authorized to make grants to State, interstate, and regional water pollution control agencies and entities, State coastal zone management agencies, interstate agencies, other public or nonprofit private agencies, institutions, organizations, and individuals. Grants under this subsection shall be made to pay for assisting the development of a conservation and management plan under this subsection. The amount of grants to any person (including a State, interstate, or regional agency or entity) under this subsection for a fiscal year shall not exceed 75 per centum of the total annual costs of such research and activities and shall be made on condition that the non-Federal share of such costs are provided from non-Federal sources. Any person (including a State, interstate, or regional agency or entity) that receives a grant under this paragraph shall report to the Administrator not later than eighteen months after receipt of such grant and biennially thereafter on the progress being made under this section.

"(10) The Administrator shall monitor the implementation of environmental protection plans developed pursuant to subparagraph (D) of paragraph (2) of this subsection following the termination of the management conference.

"(e) REPORT TO CONGRESS.—

"(1) The Administrator, in cooperation with the Under Secretary, shall submit to the Congress, within eighteen months of the date of enactment of this Act and biennially thereafter, a comprehensive report on the activities authorized by this section including—

"(A) a listing of priority monitoring and research needs in coastal waters;

"(B) an assessment of the state of health of the Nation's coastal waters;

"(C) a list of the estuaries and coastal waterbodies designated pursuant to subsection (a) of this section;

"(D) an evaluation of the pollution abatement measures implemented pursuant to this section;

"(E) an assessment and description of the management conferences in progress and a report on the implementation of adopted environmental protection plans;

"(F) an assessment of major obstacles to the restoration of environmental quality in designated coastal waterbodies and in coastal waters generally; and

"(G) recommendations for actions to assure the prompt and successful implementation of programs and measures to assure the quality of coastal waters.

"(2) The Administrator shall provide for public review and comment on the report provided for in this subsection.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator not to exceed $25,000,000 per fiscal year for each of fiscal years 1990, 1991, 1992, and 1993 for—

"(A) expenses related to the administration of this section, not to exceed 10 per centum of the amount appropriated under this subsection;

"(B) expenses related to the implementation of research and assessment activities pursuant to subsection (c) of this section, in-

cluding grants pursuant to paragraph (2) of subsection (c); and

"(C) making grants under paragraph (9) of subsection (d) of this section.

"(g) USE OF PENALTIES.—(1) Subsequent to the designation of a waterbody pursuant to this section, any penalties paid as a result of enforcement actions under section 309 or 404(s) of this Act by the Federal Government or a State for illegal activities in the designated waterbody shall be deposited into a special fund of the Treasury entitled the 'Estuaries Protection Fund'.

"(2) The amounts in such fund shall be available for appropriation to supplement funds authorized or appropriated pursuant to subsection (f) of this section and shall be used in accordance with the requirements of subsection (f) of this subsection.

"(3) To the extent practicable, the Administrator shall assure that the amounts contributed to the Estuaries Protection Fund from discharges within a given waterbody are used to support activities within that waterbody.".

POINT SOURCE DISCHARGES TO COASTAL WATERS

SEC. 102. COASTAL DISCHARGE STANDARD.—At the end of section 301 of the Federal Water Pollution Control Act add the following new subsection—

"(q) COASTAL DISCHARGE STANDARD.—

"(1) In the case of any waterbody designated pursuant to section 320 of this Act on or after January 1, 1989, the Administrator shall issue or renew a permit pursuant to section 402 of this Act only if the applicant demonstrates—

"(A) a need to discharge to the designated waterbody based on a showing of the full utilization of available waste minimization practices and technologies and the lack of alternative production processes or disposal options; and

"(B) that a proposed new discharge, or any increase in volume or toxicity of an existing discharge, will be offset by a decrease in other discharges or loadings to the waterbody resulting in no net increase in pollutant loading to the waterbody.

"(2) This subsection shall apply to all proposed, new discharges to a waterbody designated pursuant to section 320 of this Act one hundred and eighty days after the date of enactment of this section or at the date of designation of the waterbody pursuant to section 320 of this Act, whichever is later.

"(3) Notwithstanding the terms of any permit issued pursuant to section 402, this subsection shall apply to any existing discharge, except for discharges composed entirely of storm water, to a waterbody designated pursuant to section 320 of this Act which has a permit pursuant to section 402 three years after date of designation of a waterbody.

"(4) The Administrator may modify the requirements of paragraph (1) of this subsection, with respect only to an existing discharger, upon a showing by the owner or operator of such point source satisfactory to the Administrator that such modified requirements will—

"(A) represent the maximum use of technology within the economic capability of the owner or operator; and

"(B) result in reasonable further progress toward the elimination of the discharge of pollutants.

"(5) Nothing in this subsection relieves or reduces the obligation of a permittee to comply with the enforceable requirements of this Act.".

NONPOINT SOURCE POLLUTION CONTROL

SEC. 103. (a) COASTAL PROJECT CERTIFICATION.—Amend section 401 of the Federal Water Pollution Control Act by—

(1) adding to the first sentence of paragraph (a)(1) following the first occurrence of the phrase "navigable waters," the following "or any applicant for Federal flood insurance for any activity which may result in any discharge to the navigable waters or any pollution of such waters,";

(2) replacing the phrase "licensing or permitting agency" with the phrase "licensing, permitting, or insuring agency" in each place that it occurs;

(3) replacing the term "discharge" with the phrase "discharge or pollution" in each place that it occurs, except for the first use of such term in the first sentence of paragraph (a)(1);

(4) replacing the phrase "license or permit" with the phrase "Federal license, permit, or flood insurance" in each place that it occurs, except in paragraph (a)(3);

(5) replacing the phrase "licensed or permitted" with the phrase "licensed, permitted, or insured" in each place that it occurs;

(6) adding to subsection (d), after the phrase "section 307 of this Act," the phrase "best management practices and measures under section 319 of this Act,"; and

(7) adding to the end thereof the following new subsection:

"(e) For the purposes of this section the term "Federal flood insurance" refers to insurance provided pursuant to the National Flood Insurance Act for any new structure located in a flood plain associated with any coastal waters as defined in section 502 of this Act.".

(b) NATIONAL COASTAL REGISTERY.—Amend title V of the Federal Water Pollution Control Act by adding at the end thereof the following new section:

"NATIONAL COASTAL REGISTERY

"SEC. 520. (a) LISTING.—The Administrator shall establish a national registery of coastal land. The Administrator shall list land in the national registery based on submission of a completed application, in such form as the Administrator may prescribe, by the property owner providing basic information concerning the property including but not limited to—

"(1) the location and size of the property;

"(2) the physical characteristics of the property;

"(3) known wildlife habitat or other significant natural features or characteristics; and

"(4) proof of ownership of the land.

Inclusion of land in the National Coastal Registery shall be at the sole discretion of the land owner.

"(b) INFORMATION AND EDUCATION.—The Administrator shall operate a program to provide registrants of coastal land with informational and educational materials concerning—

"(1) land management and related practices to prevent water pollution and protect habitat;

"(2) activities and practices to protect and foster the development of aquatic life and wildlife;

"(3) measures to preserve and protect significant natural features of land or significant natural resources;

"(4) the activities of Federal, State, and local agencies to protect coastal waters including activities pursuant to sections 201, 309, 319, 320, 402, and 404 of this Act; and

"(5) the various requirements of Federal and State laws concerning land management, discharges to water, and other related activities.

Information provided pursuant to this paragraph may be adjusted to apply specifically to land within a given region of the country or a given State.

"(c) STATE PARTICIPATION.—At the request of a Governor of a State, the Administrator may delegate operation of the informational and educational program established by subsection (b) within such State to a State agency. Costs associated with activities pursuant to this section are eligible for funding under section 106 of this Act.

"(d) REGISTERY DOCUMENT.—The Administrator shall publish on a periodic basis a National Coastal Registery document identifying and summarizing land listed pursuant to this subsection and shall provide a copy to any person submitting a completed application pursuant to paragraph (1) of this subsection at no cost.

"(e) DEFINITION.—For the purposes of this subsection, the term "coastal land" means any property, including wetlands, which is located within two thousand five hundred feet of any coastal waters.".

(c) FAILURE TO SUBMIT MANAGEMENT PROGRAM FOR COASTAL WATERS.—Section 319(e) of the Federal Water Pollution Control Act as amended is amended by adding at the end thereof the following: "Beginning on August 4, 1989, in the case where a State has failed to submit a management program under subsection (b) or the Administrator does not approve such a management program for a watershed of coastal waters, a local public agency or organization may act pursuant to this subsection regardless of the views of the applicable State.".

(d) PRIORITY FOR GRANT ASSISTANCE.—Section 319(h)(5) of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.) is amended by striking "and" at the end of paragraph (C), inserting "and" at the end of paragraph (D), and adding the following—

"(E) control nonpoint source pollution of waters designated pursuant to section 320 of this Act.".

MARINE SANITATION DEVICES

SEC. 104. (a) PROHIBITION OF DISCHARGE TO DESIGNATED WATERS.—Section 312(f)(4) of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.) is amended by adding at the end thereof the following new paragraph:

"(C) In the case of any waterbodies designated pursuant to section 320 of this Act, the Administrator shall, within one hundred and eighty days of such designation, by regulation completely prohibit the discharge from a vessel of sewage (whether treated or not) into such waters.".

(b) PENALTIES FOR PROHIBITED DISCHARGES.—Section 312(j) of the Federal Water Pollution Control Act is amended by adding to the first sentence following "subsection (h) of this section" the following: "or any prohibition established pursuant to paragraph (f) (3) or (4) of this section".

(c) STUDY OF PROGRAM IMPLEMENTATION.—Section 312 of the Federal Water Pollution Control Act, as amended, is amended by adding at the end thereof the following new subsection—

"(o) The Administrator, after consultation with the Secretary of the Department in which the Coast Guard is operating, shall conduct a study to determine the availability of adequate facilities for the safe and sanitary removal and treatment of sewage from vessels operating on coastal waters. Within twelve months of the date of enact-

ment of this Act, the Administrator shall report to the Congress the results of such study and shall make recommendations concerning specific actions, including amendments to the Federal Water Pollution Control Act as amended, as are necessary to assure that adequate facilities for the safe and sanitary removal and treatment of sewage from vessels operating on coastal waters are reasonably available.".

MARINE COMBINED SEWER OVERFLOWS

SEC. 105. (a) MARINE COMBINED SEWER OVERFLOWS.—Amend title IV of the Federal Water Pollution Control Act by adding at the end thereof the following new section:

"SEC. 406. MARINE COMBINED SEWER OVERFLOW.

"(a) MARINE COMBINED SEWER OVERFLOW INVENTORY.—

"(1) Each State in which a municipality discharges overflows from combined storm-water sewers and sanitary sewers into coastal waters shall, within one year of the date of enactment of this section and biennially thereafter prepare and submit to the Administrator an inventory of all such discharges in the State which shall include—

"(A) identification of the location of each such discharge, and the waterbody affected;

"(B) identification of the municipal entity responsible for the discharge;

"(C) identification of the estimated volume of discharge over a one-year period and the estimated pollutant loading of the discharge over such period, including any pollutant introduced by an industrial discharger;

"(D) assessment of the proportion of the volume of the combined discharge to the volume capacity of the appropriate treatment works over the maximum measured or estimated storm event that would occur during a seven-day, ten-year storm event, or a one-day, two-year storm event, whichever is greater;

"(E) preliminary assessment of the potential to eliminate the discharge through flow reduction methods, including water conservation; and

"(F) the nature and status of any existing programs to eliminate such discharges.

"(b) MARINE COMBINED SEWER OVERFLOW ELIMINATION PROGRAMS.—

"(1) Any municipality listed pursuant to paragraph (B) of subsection (a)(1) shall develop and submit to the Administrator a program for the elimination of all discharges listed pursuant to paragraph (A) of subsection (a)(1).

"(2) The program required pursuant to this section shall be submitted to the Administrator not later than twenty-four months after the date of enactment of this section and shall—

"(A) identify best management practices, regulatory and nonregulatory programs, and other measures to be taken by the municipality to eliminate the discharge of overflows from combined storm-water sewers and sanitary sewers;

"(B) establish a schedule for development of plans and implementation of best management practices programs, and other measures providing for implementation of such practices, programs, and measures at the earliest practicable date but in no case more than three years from the date of submission of the program; and

"(C) estimate the costs of design and implementation of best management practices, programs, and other measures including the estimated financial contributions from local, State, and Federal sources.

"(3) The municipality shall provide for public review and comment on the program developed pursuant to this subsection and shall coordinate development of the program with the State agency developing the management program required pursuant to section 319(b) of this Act, with any management conference convened pursuant to section 320 of this Act, and with other interested local, regional, county, or other governments.

"(4) Not later than three months after the submission of a program pursuant to this section, the Administrator shall approve or disapprove the program. The Administrator shall approve the program only if—

"(A) the program meets the requirements of subsection (b)(2) of this section;

"(B) adequate authority exists or adequate financial resources are available to implement the program;

"(C) the schedule for implementation of the program as expeditious as practicable, but in no case later than five years from the date of program approval; and

"(D) the practices, programs, and measures proposed in the program are adequate to assure the elimination of discharges of overflows from combined storm-water sewers and sanitary sewers or the municipality has applied for a permit pursuant to section 402 of this Act for any discharge of overflows not to be eliminated.

"(5) If the Administrator disapproves the program pursuant to this subsection, the Administrator shall notify the municipality of any revisions or modifications necessary to obtain approval. The municipality shall have three months to submit its revised plan and the Administrator shall approve or disapprove the program in three months.

"(6) Any municipality required to develop a program pursuant to this section which does not have an approved program by the date thirty-six months after the date of enactment of this section or which fails to implement the program shall be subject to penalties pursuant to subsections (d) and (g) of section 309 of this Act.

"(7) Within thirty-six months from the date of enactment of this section, the Administrator shall modify or issue permits pursuant to section 402 of this Act for any discharge of combined storm-water sewers and sanitary sewers pursuant to subparagraph (D) of paragraph (4) of this subsection. Such permit shall provide a schedule which will assure implementation of treatment as defined by section 304(d)(1) of this Act and such additional treatment as will assure that the discharge will not contribute to the violation of a water quality or sediment quality standard pursuant to this Act as expeditiously as possible but not less than five years from the date of permit issuance.

"(8) Nothing in this section shall either relieve any municipality from liability for any existing violation of this Act, or eliminate any existing duty to obtain a permit pursuant to section 402 of this Act.

"(c) COMBINED SEWER OVERFLOW ELIMINATION GUIDANCE.—

"(1) Within one year from the date of enactment of this section, the Administrator shall publish guidance describing best management practices, regulatory, and nonregulatory programs, and other measures for the elimination of combined storm-water and sanitary sewer overflows including, but not limited to—

"(A) implementation of domestic water conservation programs to reduce sewage influent;

"(B) implementation of inflow and infiltration reduction measures to reduce volumes of sewage and storm-water influent;

"(C) implementation of requirements for volume reduction or elimination and detention during and following storm events by industrial users;

"(D) implementation of storm-water management controls, including decentralized storm-water detention basins, buffer strips, and related controls;

"(E) construction of detention facilities for storage of combined influent prior to treatment at the publicly owned treatment works or increases in capacity of publicly owned treatment works;

"(F) estimated, average design and construction schedules and costs for best management practices, programs, and other measures; and

"(G) model local ordinances or regulations, including model amendments to local pretreatment programs.

"(2) Any delay by the Administrator in issuing guidance under this provision shall not excuse the obligation of any municipality to comply with the requirements of this section.

"(3) The Administrator shall consult with public interest groups and other interested parties in development of guidance pursuant to paragraph (1).

"(d) DEFINITION.—For the purposes of this subsection, the term 'treatment works' shall be as defined in section 212(2) of this Act.".

(b) ELIGIBILITY FOR STATE REVOLVING LOAN FUNDS.—

(1) Amend section 601(a) of the Federal Water Pollution Control Act by striking "and (3)" and inserting in lieu thereof:

"(3) for developing and implementing a conservation and management plan under section 320, and (4) implementing a combined storm-water and sanitary sewer elimination program under section 406(b).".

(2) Amend section 603(c) of the Federal Water Pollution Control Act by striking "and (3)" and inserting in lieu thereof:

"(3) for developing and implementing a conservation and management plan under section 320, and (4) implementing a combined storm-water sewer and sanitary sewer elimination program pursuant to section 406(b).".

(c) GRANT ASSISTANCE.—Amend section 201(n)(2) of the Federal Water Pollution Control Act by striking the last sentence and inserting in lieu the following: "Such assistance shall be provided only for development of combined storm-water and sanitary sewer elimination programs pursuant to section 406(b) of this Act. The Administrator shall allocate available funds to address the most significant water pollution problems and shall give priority to municipalities discharging to waters designated pursuant to section 320 of this Act. The amount of grants to any municipality under this subsection for a fiscal year shall not exceed 75 per centum of the costs of a project and shall be made on the condition that the non-Federal share of such costs are provided from non-Federal sources.".

(e) REPORTING.—Amend section 516(b)(1) of the Federal Water Pollution Control Act by adding at the end thereof the following new sentence: "For the purposes of this subsection, the term 'treatment works' shall include any discharges from combined storm sewers and sanitary sewers and shall reflect the data provided by States pursuant to section 406(a) this Act.".

COASTAL WATER QUALITY AND SEDIMENT QUALITY STANDARDS

SEC. 106. (a) Section 303 of the Federal Water Pollution Control Act is amended by

VOL 135 PT 9 JE 14 — 22 1989 UMI

adding at the end thereof the following new subsection—

"(i) COASTAL WATER QUALITY AND SEDIMENT QUALITY STANDARDS.—

"(1) The Administrator shall promulgate numerical standards for coastal water quality, and coastal sediment quality. Such standards shall assure the protection and propagation of a balanced, indigenous population of fish, shellfish, and wildlife and provide for recreation in and on the water.

"(2) The Administrator shall, within twenty-four months of the date of enactment of this subsection and biennially thereafter, promulgate standards pursuant to this section for those pollutants for which criteria and information have been established pursuant to section 304(a) and 304(n) of this Act which are adequate to assure the uses identified in paragraph (1) of this section.

"(3) In the case of a pollutant for which criteria and information under section 304(a) and 304(n) have not been developed, any person may petition the Administrator to develop such criteria. Any petitioner shall provide evidence of the negative effect of the pollutant on the marine environment. The Administrator shall approve the petition if he determines that the pollutant is impairing or preventing the attainment of the uses identified in paragraph (1) in the coastal waters of three or more States. Within six months of the receipt of a petition, the Administrator shall publish a notice in the Federal Register approving or denying the petition. If the Administrator fails to announce a decision pursuant to this paragraph, such petition shall be deemed approved.

"(4) In the case of approval of a petition pursuant to paragraph (3) of this subsection, the Administrator shall, within twenty-four months of the date of such decision, publish criteria and information for such pollutant pursuant to sections 304(a) and 304(n).

"(5) Any standard adopted by a State pursuant to the authorities of this Act shall have precedence in application to all activities and authorities pursuant to this Act, unless the standard adopted pursuant to this subsection is more stringent or protective of human health and the environment than the standard adopted by the State, in which case the standard adopted pursuant to this subsection shall apply.

"(6) The Governor of any State may petition the Administrator to establish a lower numerical standard than the numerical standard adopted for a pollutant pursuant to this subsection for the coastal waters of that State. A Governor's petition shall provide evidence that the application of the lower numerical standard will assure a degree of protection to human health and the environment equal to that provided by the standard adopted pursuant to this section and that the lower numerical standard is appropriate because of significant differences in the biological, physical, and chemical characteristics of the waters in question and the coastal waters of the United States. Within six months of the date of the petition, and after holding a hearing in the area of the State identified in the petition, the Administrator shall publish in the Federal Register a notice approving or disapproving the petition and providing an explanation of such action.

"(7) The Administrator may comply with the requirements to establish sediment quality standards under this subsection by establishing a scientific method for converting numerical water quality standards to numerical sediment quality standards. Any such method shall be reviewed and approved by the Science Advisory Board of the Environmental Protection Agency.".

OCEAN DISCHARGE CRITERIA

SEC. 107. AMENDMENTS TO OCEAN DISCHARGE CRITERIA.—

(a) CLARIFICATION OF SCOPE.—Strike section 403(a) of the Federal Water Pollution Control Act and insert in lieu thereof the following—

"(a) OCEAN DISCHARGE CRITERIA.—In addition to any other requirements of this Act, no permit shall be issued under section 402 of this Act for a discharge into the territorial sea, the waters of the contiguous zone, the oceans, or, beginning one hundred and eighty days after the date of enactment of this subsection, the coastal waters, if the Administrator finds, based on an assessment of the criteria provided in subsection (c), that the discharge will prevent the protection and propagation of a balanced, indigenous population of fish, shellfish, and wildlife and will not provide for recreation in and on the water or that the discharge will prevent the attainment of standards established pursuant to section 303(i) of this Act.".

(b) REVISION.—Strike the first five lines of paragraph (c)(1) of section 403 and insert in lieu thereof the following:

"(c)(1) In assessing the effects of a proposed discharge on the coastal and marine environment, the Administrator shall consider—".

(c) LIMITATION OF REGULATIONS.—Amend paragraph (c)(2) of section 403 by adding at the end thereof the following: "Any existing or proposed regulations creating exemptions to the limitations of this section are herewith deemed invalid.".

SEC. 108. DEFINITIONS.—Section 502 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsections:

"(21) The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(22) The term 'Under Secretary' means the Under Secretary of Commerce for Oceans and Atmosphere, who serves as the Administrator of the National Oceanic and Atmospheric Administration.

"(23) The term 'Federal agency' means any department, agency, or other instrumentality of the Federal Government, any independent agency or establishment of the Federal Government including any Government Corporation.

"(24) The terms 'estuary' and 'estuarine zone' have the meanings such terms have in section 104(n)(4) of the Federal Water Pollution Control Act, except that the terms shall also include associated aquatic ecosystems and those tributaries draining into the estuary up to the historic head of tidal influence.

"(25) The terms 'coastal waters' or 'coastal waterbody' refer to estuaries, waters of the estuarine zone, and any other waters seaward of the historic height of tidal influence to the outer boundary of the territorial sea.

"(26) The term 'coastal sediment' refers to sediments underlying coastal waters.".

TITLE II—MARINE SEDIMENT CONTAMINATION

MARINE SEDIMENT CRITERIA AND INFORMATION

SEC. 201. COASTAL SEDIMENT CRITERIA AND INFORMATION.—Amend section 304 of the Federal Water Pollution Control Act by adding at the end thereof the following new subsection—

"(n) COASTAL SEDIMENT CRITERIA AND INFORMATION.—

"(1) In the case of any pollutant for which criteria and information are published pursuant to subsection (a) of this section, the Administrator shall, within twenty-four months of the date of enactment of this Act, revise and republish such criteria and information as necessary to assure that such criteria and information address coastal sediment to an extent adequate for development of sediment standards pursuant to section 303(i) of this Act. Criteria and information concerning coastal sediment shall be comprehensive and comparable to criteria and information concerning water quality.

"(2) Beginning one hundred and eighty days from the date of enactment, the Administrator shall provide that any criteria and information published pursuant to subsection (a) of this section shall address the quality of coastal sediment to an extent adequate for development of sediment standards pursuant to section 303(i) of this Act, and that such criteria and information is comprehensive and in all ways comparable to criteria and information concerning water quality.".

MARINE SEDIMENT CONTAMINATION

SEC. 202. (a) CONTAMINATION OF DREDGE MATERIAL.—

(1) Amend section 1413(a) of the Marine Protection, Research and Sanctuaries Act by striking "and (d)" in the first sentence and adding in lieu thereof the following: "(d) and (f)".

(2) Amend section 1413(c) of the Marine Protection, Research and Sanctuaries Act by adding to the second sentence following "critical areas," the following: "or an assessment of contamination pursuant to subsection (f) of this section,".

(3) Amend section 1413 of the Marine Protection, Research and Sanctuaries Act by adding at the end thereof the following new subsection:

"(f) CONTAMINATION OF DREDGE MATERIAL.—

"(1) Prior to making a determination to issue a permit pursuant to subsection (a) of this section, or initiating a Federal project pursuant to subsection (e), the Secretary shall assess the material to be dredged and determine whether the material contains pollutants in concentrations in excess of the concentrations, established in sediment standards established pursuant to section 303(i)(1) of the Federal Water Pollution Control Act.

"(2) If the Secretary finds that material to be dredged contains pollutants in concentrations in excess of sediment standards established pursuant to section 303(i)(1) of the Federal Water Pollution Control Act, dumping of such material shall not require a permit pursuant to this section but shall, notwithstanding any other provision of law, require a permit pursuant to section 1412 of this Act.".

(b) SPECIAL MANAGEMENT OF CONTAMINATED DREDGE MATERIAL.—Amend section 1412 of the Marine Protection, Research and Sanctuaries Act by adding a new subsection at the end thereof:

"(f) SPECIAL MANAGEMENT OF CONTAMINATED DREDGE MATERIAL.—

"(1) In a case where the Administrator approves a permit for the dumping of dredge material which has been found to be contaminated pursuant to subsection 1413(f) of this Act, the Administrator shall, in addi-

tion to such other limitations as appropriate pursuant to this section or section 1414, provide that the permit for such dumping will—

"(A) require that dumping occur at a time of year that will result in minimual adverse impact on aquatic resources and on potential migration of material from the designated site;

"(B) be for a period of not to exceed one year;

"(C) beginning eighteen months after the date of enactment of this Act, require the implementation or best management practices established by the Administrator pursuant to paragraph (2) of this subsection; and

"(D) beginning three years from the date of enactment of this Act, require that dumping occur at a dumpsite designated pursuant to section 1412(c) of this Act as suitable for the dumping of contaminated dredge material.

"(2) Within eighteen months of the date of enactment of this Act, the Administrator, after consultation with the Secretary, shall publish in the Federal Register a description of best management practices to be used in the dredging, transport, and disposal of dredge material found to be contaminated pursuant to section 1413(f) of this Act. Best management practices shall be designed to minimize, to the fullest extent practicable, the migration of pollutants to the water column, dispersion of pollutants, and impact of dredging, transport, or disposal on the marine environment.

(c) GENERAL PERMITS.—Section 1414(c) is amended by adding at the end thereof the following: "No general permit may be issued pursuant to this subsection for material determined to be contaminated pursuant to section 1413(f) of this title.".

STATE OCEAN DUMPING REQUIREMENTS

SEC. 203. STATE OCEAN DUMPING REQUIREMENTS.—Strike section 1416(d) of the Marine Protection, Research and Sanctuaries Act and insert in lieu thereof the following new section:

"(d)(1) Any State may adopt criteria, rules, or regulations relating to dumping of materials into ocean waters within its jurisdiction, only if such criteria, rules or regulations are more stringent and protective of such waters than the criteria, rules, or regulations of this Act.

"(2) Any criteria, rules, or regulations adopted pursuant to paragraph (1) of this subsection shall be transmitted to the Administrator and to the Secretary within thirty days of the date of adoption by the State and, upon receipt, the Administrator and the Secretary shall assure compliance with such criteria, rules, and regulations.".

SITE DESIGNATION

SEC. 204. (a) SITE DESIGNATION AMENDMENTS.— Strike section 1412(c) of the Marine Protection, Research and Sanctuaries Act (33 U.S.C. 1412 et seq.) and insert in lieu thereof the following:

"(c)(1) The Administrator may, consistent with the criteria established pursuant to subsection (a) of this section, designate sites or times for dumping, including dumping pursuant to subsection (e) of section 1413.

"(2) The Administrator shall, when he finds it necessary to protect critical areas, designate sites or times within which certain materials may not be dumped, including dumping pursuant to subsection (e) of section 1413.

"(3) The Administrator, in cooperation with the Undersecretary, shall develop and implement a site management plan for each site designated pursuant to this section. Such plan shall include—

"(A) a baseline assessment of environmental conditions at the site;

"(B) special management conditions to be implemented at each site to minimize to the fullest extent practicable adverse impacts on aquatic life and to prevent the migration of contaminants from the site;

"(C) a program of monitoring for each site including:

"(i) water quality at the site and in the area of the site;

"(ii) sediment quality at the site and in the area of the site;

"(iii) the diversity, productivity, and stability of aquatic organisms at the site and in the area of the site; and

"(iv) such other conditions as the Administrator deems appropriate.

"(D) the anticipated use and management of the site over the following twenty-year period including the expected termination of dumping at the site, the anticipated need for site management, including pollution control, following the termination of the use of the site.

"(4) Not less than five years after the date of designation of a site pursuant to this section, and every five years thereafter, the Administrator shall review the designation of each site designated pursuant to this section and shall redesignate such site if such redesignation is consistent with the criteria established pursuant to paragraph (1) of this subsection and subsection (a) of this section.

"(5) In designation or redesignation of sites pursuant to this section, the Administrator shall determine whether the dumping of materials determined to be contaminated pursuant to section 1413(f) of this Act or section 404(u) of the Federal Water Pollution Control Act at the site would be consistent with the criteria established pursuant to subsection (a). If the Administrator determines that the dumping of contaminated materials is not consistent with such criteria, the Administrator shall prohibit the dumping of such materials at the site.

"(6) The Administrator shall provide for public review and comment of designation actions including the management plan pursuant to paragraph (3) of this subsection and shall hold a hearing on the proposed designation or redesignation in the region of the country in which the site is located.".

(b) PERMIT CONDITIONS.—(1) Amend section 1414(a) of this Act by inserting in lieu of paragraph (4) the following:

"(4) such requirement, limitations, or conditions as are necessary to assure consistency with any site management plan approved pursuant to section 1412(c) of this title.".

(2) Amend section 1414(a) by adding at the end thereof the following: "Permits issued under this title shall be for a period not to exceed two years.".

(c) WAIVER AMENDMENT.—Amend section 1413(d) by striking all of the first sentence after "in the disposition of dredged material," and inserting in lieu thereof the following: "disposal at a site designated pursuant to section 1412(c)(1) in a manner which is not consistent with the requirements of a site management plan adopted pursuant to paragraph (3) of section 1412 of this title is necessary for the national defense he shall so certify and request a waiver from the Administrator for the specific requirements involved.".

DREDGE AND FILL PROGRAM

SEC. 205. SPECIAL MANAGEMENT OF CONTAMINATED MATERIAL.—

(1) Add to the end of section 404 of the Federal Water Pollution Control Act the following new section:

"(u)(1) Within three hundred and sixty days of the date of enactment of this subsection, the Administrator shall revise guidelines established pursuant to subsection (b) of this section to require that an applicant for a permit pursuant to this section proposing to dispose of dredge or fill material in coastal waters shall establish whether concentrations of the material contains pollutants in excess of the concentrations established in sediment standards pursuant to section 303(i)(1) of this Act.

"(2) If the Secretary finds that an applicant for a permit pursuant to this section proposes to dispose of contaminated material pursuant to paragraph (1) of this subsection, the Secretary, in consultation with the Administrator, shall consider, in addition to any guidelines established by the Administrator pursuant to subsection (b) of this section—

"(A) alternative locations for the disposal of such material, including sites designated pursuant to section 1412(c) of the Marine Protection, Research and Sanctuaries Act, which will minimize adverse impacts on the environment;

"(B) the potential for the disposal of the material to result in violations of water quality standards;

"(C) limitations on the schedule of operations which will mitigate and minimize adverse impacts on the environment;

"(D) limitations or management practices, including management practices identified pursuant to section 1412(f)(2) of the Marine Protection, Research and Sanctuaries Act, which will minimize the migration of contaminants from the disposal area or to water including isolation or capping of the contaminated material by uncontaminated material or disposal in upland areas;

"(E) requirements for long-term monitoring of contaminant concentrations at the disposal site, including maintenance of any management practices for preventing migration of contaminants; and

"(F) demonstration of financial capacity to assure the effective compliance with permit requirements in the short term and the long term.

"(3) In any case where the Secretary finds that material proposed for disposal is contaminated pursuant to paragraph (1) and the proposed disposal site is located within an area designated by the Administrator pursuant to section 320 of this Act, the Secretary shall deny such permit application.".

TITLE III—OTHER PROVISIONS

STUDY OF AIR DEPOSITION

SEC. 301. REPORT.—The Administrator shall, within twenty-four months of the date of enactment of this Act, submit to the Congress a report which provides an assessment of the extent and seriousness of airborne deposition of contaminants in coastal waters.

IDENTIFICATION OF UNREGULATED CONTAMINANTS

SEC. 302. AMENDMENT TO MARINE RESEARCH AUTHORITY.—(1) Add to section 104(n) of the Federal Water Pollution Control Act the following new paragraphs—

"(5) The Administrator shall conduct such research and monitoring as needed to identify currently unregulated pollutants in the estuarine zone and coastal waters not currently addressed in a guideline developed pursuant to section 301 of this Act or a

standard developed pursuant to section 303 of this Act.

"(6) Within one year of the date of enactment of this paragraph, the Administrator shall submit to the Congress a report identifying unregulated pollutants in the estuarine zone and coastal waters and providing a plan (including specific actions and recommendations for legislation, schedules, and necessary budget commitments) for implementation of such controls as are necessary to protect a balanced, indigenous population of shellfish, fish, and wildlife and allow for recreational activities in and on the water.".

(2) Insert in section 104(n) of the Federal Water Pollution Control Act the term "and coastal waters" following the term "estuarine zones" in each place that it appears.

RESEARCH OF MICROORGANISMS

SEC. 303. REPORT.—The Administrator shall, within twenty-four months of the date of enactment, submit to the Congress a report on the potential use of microorganisms to degrade pollutants such as organic material or chemical pollutants in municipal or industrial wastes both before and after disposal in the marine environment.

SECTION-BY-SECTION ANALYSIS OF MARINE PROTECTION ACT OF 1989

Section 1. Title and Table of Contents.

Section 2. Findings.—There is growing evidence of serious environmental problems in marine and coastal waters and there is a need to expand and strengthen programs for the protection of these waters.

Section 3: Definitions.—Key terms are defined.

TITLE I—WATER QUALITY PROTECTION PROGRAMS

Section 101: National Estuary Program—Amends the National Estuary Program (Sec. 320 of the Clean Water Act) to provide for an overall assessment of coastal waters and designation of those waters experiencing a general degradation of environmental conditions.

The Administrator is to monitor the conditions of designated waters and work with States to develop management conferences for these waters as under current law. In addition, the Administrator would exercise special authorities for the protection of designated waters including more stringent requirements for discharge permits, wetlands assessments, pretreatment, stormwater discharges, and nonpoint pollution control. A report to Congress on the status of the program is required on an annual basis.

The program authorization is increased from $12 to $25 million. In addition, new authority is provided for use of penalties paid by dischargers to designated waters for support of a National Estuaries Program Trust Fund.

Section 102: Point Source Discharges to Coastal Waters—Amends the Clean Water Act to specify a coastal discharge standards to apply to point source discharges in designated waters, including a showing of the "need to discharge" and "no net increase in pollutant loading". The new discharge standard would apply to all proposed, new discharges and to any increase in the toxicity or volume of existing discharges. A variance provision is provided.

Section 103: Nonpoint Source Pollution Control—Establishes a National Coastal Registery to provide information on land management practices for pollution prevention to owners of coastal land. This section also gives States new authority to review the impacts of proposed coastal projects to assess water quality impacts prior to issuance of Federal flood insurance. In addition, the existing nonpoint control program (Sec. 319 of the Clean Water Act) is amended to give priority in grant funding to water designated under section 320 of the Act.

Section 104: Marine Sanitation Devices—Expands existing authority of section 312 of the Clean Water Act to establish a strict no discharge standard to vessels in waters designated under the new section 320 of the Act and provides for penalties for violations. EPA and the Coast Guard are to prepare a study assessing the availability of facilities for the removal of sewage from vessels.

Section 105: Marine Combined Sewer Overflows—Amends the Clean Water Act to require State agencies to inventory combined stormwater and sanitary sewer discharges to coastal waters and to assess the potential for eliminating the discharges.

EPA is to work with States and municipalities to develop specific programs for eliminating overflows with emphasis on water conservation and stormwater management, rather than discharge treatment. Discharges not eliminated under the management program are to have discharge permits and comply with secondary treatment or such additional treatment requirements as are necessary.

An existing marine combined sewer overflow authorization of $200 million per year is directed toward development of discharge elimination programs. Implementation of the programs is eligible for funding under the State Revolving Loan funds under title VI of the Act.

Section 106: Marine Water Quality and Sediment Quality Standards—Requires EPA to develop and promulgate numerical standards for toxic and other pollutants in coastal waters and sediments.

Standards are to assure the protection and propagation of a balanced, indigenous population of fish, shellfish and wildlife and provide for recreation in and on the water. Standards would not have to be adopted by States, as under current law, but a more stringent State standard would apply over a Federal standard.

Section 107: Ocean Discharge Criteria—Expands the scope of ocean discharge standards under section 403 of the Clean Water Act to include coastal waters and clarifies that such discharges are to assure a balanced, indigenous population of fish, shellfish and wildlife.

TITLE II—MARINE SEDIMENT CONTAMINATION

Section 201: Marine Sediment Criteria and Information—Amends the Clean Water Act to require EPA to establish criteria and information for pollutants in marine sediment, similar to criteria and information already required to be developed for water quality.

Section 202: Marine Sediment Contamination—Amends the Marine Protection, Research and Sanctuaries Act to require that the Corps of Engineers determine if material to be dredged under the Act contains pollutants in excess of levels established in sediment standards under the Clean Water Act. Such contaminated material may be dumped in the ocean, but a permit for such dumping must be issued by the EPA and new authority is provided for EPA to require special management of such materials.

Section 203: State Ocean Dumping Requirements—Clarifies the Marine Protection, Research and Sanctuaries Act to assure that States may issue more stringent requirements for ocean dumping and that EPA and the Corps of Engineers will comply with such requirements.

Section 204: Site Designation—Expands requirements for designation of dumping sites under the Marine Protection, Research and Sanctuaries Act.

EPA is to develop a site management plan for each site providing for baseline monitoring, special conditions for site management, and long-term management and termination of the site. Each site must be approved for dumping of materials determined to be contaminated.

Section 205: Dredge and Fill Program—Amends section 404 of the Clean Water Act to require an assessment of material to be dredged or filled to determine if it contains pollutants in excess of sediment standards. If contaminant standards are exceeded, additional factors are to be considered in granting a permit including disposal at an ocean site designated for dumping of contaminated material and measures to mitigate migration of contaminants.

TITLE III—OTHER PROVISIONS

Section 301: Study of Air Deposition—The Administrator is to submit to Congress within 24 months a report on the extent and seriousness of airborne deposition of contaminants in marine and coastal waters.

Section 302: Identification of Unregulated Contaminants—Within one year, the Administrator is to submit a report identifying unregulated contaminants in coastal waters and specifying a schedule for assessment of contaminants.

Section 303: Research of Microorganisms—The Administrator is to submit to Congress a report on the potential of microrganisms to degrade pollutants prior to discharge to marine waters.

By Mr. LAUTENBERG (for himself, Mr. MITCHELL, Mr. CHAFEE, Mr. MOYNIHAN, Mr. LIEBERMAN, Mr. GRAHAM, Mr. BRADLEY, Mr. D'AMATO, Mr. PELL, Mr. FOWLER, Mr. DODD, Mr. SARBANES, and Mr. COHEN):

S. 1179. A bill to establish a comprehensive marine pollution restoration program, to amend the Federal Water Pollution Control Act and the Marine Protection, Research, and Sanctuaries Act, and for other purposes; to the Committee on Environment and Public Works.

COMPREHENSIVE OCEAN ASSESSMENT AND STRATEGY (COAST) ACT

● Mr. LAUTENBERG. Mr. President, today I am introducing the Comprehensive Ocean Assessment and Strategy Act of 1989, otherwise known as COAST, and I am joining Senator MITCHELL in introducing the Marine Protection Act of 1989. These bills are designed to enhance our efforts for restoring the health of our marine waters.

I want to extend my appreciation to our majority leader for the leadership role he has taken to protect our coasts and for joining me in introducing COAST. As ranking minority member and then as chairman of the Environmental Protection Subcommittee, Senator MITCHELL was a prime advocate on behalf of the Clean Water Act

Amendments of 1987. During the last Congress under his leadership of the subcommittee, we passed the Plastic Pollution Research and Control Act, the Ocean Dumping Ban Act and the Shore Protection Act, all of which were enacted, and the Marine Research Act. GEORGE MITCHELL's commitment to our coasts is strong and determined.

Our marine waters, from the landward limits of our estuaries to our oceans, have a substantial and direct importance to the American people. The resources in these waters support commercial and recreational fishing, tourism, recreation, and related opportunities. They result in annual expenditures of tens of billions of dollars and unquantifiable enjoyment for our citizens. New Jersey's coastal tourist industry alone generates $8 billion per year. The marine environment also performs important ecological functions by providing important habitat, nursery grounds, and food sources for a great diversity of plants, fish, birds, and other animal species.

Yet, it is clear that these resources are at risk. The events of the past few years have made clear that these waters are overburdened and fatigued. We see it in hundreds of dolphins dying mysteriously in the Atlantic and harbor seals in the Gulf of Maine with the highest pesticide levels of any U.S. mammal on land or in water. We see it in sea turtles and seabirds who have died from entanglement with or eating plastic debris in the ocean. We see it in diseased fish, fish which are too toxic to eat, massive fish kills, and closed shellfish beds. And we see it in garbage and medical waste invading our shores, closing our beaches, ruining vacations, injuring our tourist economy, and threatening our health.

The Office of Technology Assessment, in a 1987 report, concluded that the overall health of our coastal waters is "declining or threatened," and that "in the absence of additional measures, new or continued degradation will occur in many estuaries and some coastal waters around the country." OTA also determined that contamination of the marine environment has a wide range of adverse effects on birds and mammals, finfish and shellfish, aquatic vegetation, and benthic organizations. Finally, OTA concluded existing programs, even if fully implemented, are not adequate to maintain and improve our coastal waters.

The Congress has taken a number of important actions to deal with this problem:

We stopped all dumping of industrial waste and closed the old 12-mile sludge dumpsite, and we're on the road to ending all ocean dumping of sewage sludge.

We overrode a veto of the Clean Water Act which provides funding for sewage treatment facilities, establishes a nonpoint source pollution program, strengthens the act's enforcement mechanisms, requires EPA and the States to address toxic hotspots, and requires EPA to establish a permit system to regulate stormwater discharges.

We rejected attempts to sharply cut sewage treatment funds and we're providing the funding for these facilities, and to correct combined sewer overflows.

We prohibited the dumping of plastics and other garbage in the water, required garbage barge operations to take actions to keep garbage out of the water, and forced the Corps of Engineers to collect floating debris in New York Harbor to keep garbage off east coast beaches.

And we established a demonstration program to track medical wastes and instituted tough penalties to prevent our beaches from being invaded by this disgusting material.

But additional programs are necessary to repond to the suggestions made by the OTA and by others including a national coalition of environmental groups which issued a report, "Saving Our Bays, Sounds, and the Great Lakes: A National Agenda." My legislation, COAST, includes a number of these recommendations:

EPA would establish marine areas in need of protection, areas where pollution or floatables are impeding water uses. States would develop and implement management strategies for these areas so that the area no longer needed additional protection.

EPA would use the section 313, Toxics Release Inventory, to prepare an assessment of sources and geographical areas of marine toxic pollution and a strategy to use this information to improve its existing water programs.

EPA would accelerate its establishment of marine water quality criteria and begin to prepare sediment and living marine resource biological quality criteria which the States will use to establish State standards. These standards are used to establish limits on discharges into coastal waters.

The existing provisions in the Clean Water Act pertaining to preventing degradation of ocean waters from ocean discharges would be extended inland into estuaries and harbors and the provisions would be expanded to emphasize source reduction.

EPA would be requsdired to identify for the Secretary of the Agriculture lands the Secretary should retire from production under the existing Conservation Reserve Program because they are a source of nonpoint source pollution. The Secretary would have to respond in writing to the Administrator's recommendations.

Discharges from marine combined sewer overflows [CSO's] would have to be eliminated. Marine CSO's are discharges from combined stormwater sewers and sanitary sewers into the marine environment. After a heavy enough rain, a sewage treatment plant cannot handle all of the water in the combined sewer system and some of the water is discharged directly into our waterways without any treatment. CSO's are a significant source of floatables in the marine environment.

EPA and the States would be required to strengthen pretreatment programs in areas where they determine that sewage facility discharges are contributing to the degradation of the marine environment.

Stormwater discharges not being regulated under the existing stormwater program and which are contributing to the degradation of marine waters would be regulated. Stormwater discharges are an important source of floatables and nonpoint source pollutants in the marine environment.

EPA and NOAA would establish programs to monitor atmospheric sources of pollution to marine waters, and floatables, and to conduct a study of the economic impact caused by marine degradation.

NOAA would establish a marine pollution information transfer program.

EPA and NOAA would conduct a study of Federal agency programs which may affect the marine environment. Federal agencies would be required to consider alternatives to avoid adverse affects to the marine environment.

Criminal penalties for violations of the Ocean Dumping Act would be increased.

The bill authorizes $85 million per year. State revolving loan funding provided under the Clean Water Act would be available to States for implementation of management strategies for marine areas in need of protection and marine combined sewer overflow programs.

Senator MITCHELL's Marine Protection Act contains a number of similar provisions.

Mr. President, we must respond positively to the problems identified by OTA and others if we want to preserve the economic, recreational aesthetic, and ecological values of our marine environment. As chairman of the subcommittee which has jurisdiction over coastal pollution issues, I intend to work closely with Senator MITCHELL and other members of the Senate Environment Committee to meld the best aspects of both my bill and Senator MITCHELL's bill and to move this legislation.

I urge my colleagues who share our concern about our coastal environment to join us in this effort.

I ask unanimous consent that the Comprehensive Ocean Assessment and Strategy Act of 1989 as well as a sec-

tion-by-section analysis of the bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. (a) TITLE.—This Act may be cited as the "Comprehensive Ocean Assessment and Strategy (Coast) Act of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Findings.
Sec. 3. Policy.
Sec. 4. Definitions.
Sec. 5. National marine environment assessment.
Sec. 6. Marine toxics release inventory assessment and strategy.
Sec. 7. Marine quality criteria and standards.
Sec. 8. Marine pollutant discharge criteria.
Sec. 9. Nonpoint source pollution.
Sec. 10. Marine combined sewer overflows.
Sec. 11. Pretreatment requirements.
Sec. 12. Marine stormwater discharges.
Sec. 13. Marine monitoring, research and studies.
Sec. 14. Information transfer.
Sec. 15. Federal agency responsibilities.
Sec. 16. Ocean dumping penalties.
Sec. 17. Authorization.

FINDINGS

SEC. 2. The Congress finds that—

(1) the marine environment has substantial and direct importance to a large segment of the American population;

(2) the resources in the marine environment support commercial and recreational fishing, tourism, recreation, and related opportunities, and generate annual expenditures of tens of billions of dollars;

(3) the marine environment performs important ecological functions and living marine resources have significant ecological value;

(4) many areas in the marine environment have been degraded by numerous sources of waste disposal activities, agricultural practices, freshwater diversions, inadequately controlled development, habitat destruction and other actions adversely affecting their commercial, recreational, and ecological values; and

(5) according to the Office of Technology Assessment, in the absence of additional actions, the marine environment will become increasingly degraded.

POLICY

SEC. 3. It is the policy of the United States to restore, maintain, and protect the integrity of the marine environment so that full use of the ecological, commercial, and recreational values of its resources is not impaired by pollution.

DEFINITIONS

SEC. 4. For purposes of the Act—

(1) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(2) the terms "degraded" and "degradation" means conditions in the waters, sediments, and living marine resources of an area of the marine environment which do not—

(A) assure protection of public health, public water supplies, and agricultural and industrial uses;

(B) assure the protection and propagation of a balanced indigenous population of fish, shellfish and wildlife; and

(C) allow recreational activities in and on the water;

(3) the term "floatable" means marine debris that float or remain suspended in the water column;

(4) the term "Federal agency" means any department, agency, or other instrumentality of the Federal Government;

(5) the term "living marine resource" means fish, shellfish, marine mammals, birds, wildlife, and plants which are located in or use the marine environment for all or part of their lives;

(6) the term "marine areas in need of protection" means an area of the marine environment designated by the Administrator pursuant to section 5(a) of this Act which requires additional measures to manage or control sources of pollutants because the area is or is likely to become degraded;

(7) the term "marine combined sewer overflow" means a discharge from combined stormwater sewers and sanitary sewers into the marine environment;

(8) the term "marine environment" means the waters, sediments, and living marine resources found in the estuarine zone as that term is defined in section 320(k) of the Federal Water Pollution Control Act, the territorial sea and the United States Exclusive Economic Zone;

(9) the term "pollutant" shall have the same definition as in section 502(6) of the Federal Water Pollution Control Act; and

(10) the term "Under Secretary" means the Under Secretary of Commerce for Oceans and Atmosphere who serves as the Administrator of the National Oceanic and Atmospheric Administration.

NATIONAL MARINE ENVIRONMENT ASSESSMENT

SEC. 5. (a) IDENTIFICATION.—The Administrator, in close cooperation with the Under Secretary, shall, within twelve months of the enactment of this Act, and thereafter as part of each report submitted to Congress pursuant to section 305(b) of the Federal Water Pollution Control Act, designate marine areas which are in need of protection.

(b) DESIGNATION CRITERIA.—(1) In designating such marine areas, the Administrator and the Under Secretary shall consider—

(A) the status and trends of the amount, type, and extent of pollutants found in the water, sediments, and living marine resources including information provided in the national toxics release inventory established pursuant to section 313 of the Superfund Amendments and Reauthorization Act of 1986;

(B) the likely effect of these pollutants on human health, living marine resources, and commercial and recreational opportunities, and marine ecological values;

(C) loss of coastal habitat;

(D) changes in living marine resources in the area;

(E) whether the presence of floatable in the area is adversely affecting commercial and recreational opportunities; and

(F) anticipated increases in pollutants and floatables in the area.

(2) The Administrator shall designate as a marine area in need of protection:

(A) any area of the marine environment for which the State's most recent Water Quality Inventory, prepared pursuant to section 305(b) of the Federal Water Pollution Control Act reported that the waters did not achieve water quality, sediment quality and living marine resource biological quality standards, and

(B) any estuary for which a management conference has been convened pursuant to the National Estuary Program established by section 320 of the Federal Water Pollution Control Act.

(3) The Administrator and the Under Secretary shall seek the views of Governors and the public prior to completing each assessment of marine areas in need of protection.

(4) In designating any such area, the Administrator shall specify the reason for, and to the extent known, the sources of pollution resulting in the designation.

(c) NATIONAL ASSESSMENT.—The Administrator shall submit to the Congress together with the report required by section 305(b) of the Federal Water Pollution Control Act, an analysis which lists each area designated pursuant to this section, assesses trends in degradation, identifies research and monitoring needs, describes actions taken pursuant to the Comprehensive Ocean Assessment and Strategy Act and other laws, and State efforts to develop and implement strategies for marine areas in need of protection, identifies additional actions which need to be taken to end marine degradation including problems associated with floatables, sets out a plan for future actions, and recommends legislative changes and budgetary needs.

(b) Section 304 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection:

"(n) MANAGEMENT STRATEGIES FOR MARINE AREAS IN NEED OF PROTECTION.—

"(1)(A) Not later than eighteen months after the date of a designation of an area as a marine area in need of protection, each State shall, after notice and an opportunity for public comment, submit to the Administrator for review and approval an individual management strategy that the State will implement for each area under its jurisdiction designated under section 5 of the Comprehensive Ocean Assessment and Strategy Act. The strategy shall establish priorities and schedules for addressing pollution sources.

"(B) The strategy shall include establishment of technology-based and water quality effluent limitations, implementation of nonpoint source management programs, monitoring requirements for permittees and such other measures provided for under this Act as may be necessary so that the area no longer needs additional protection as soon as possible, but not later than three years after the date of establishment of such strategy.

"(C) The strategy must demonstrate that adequate authority exists and adequate resources are available to implement the strategy.

"(D) In developing the strategy under this section, the State shall utilize existing reports, data and studies and may utilize appropriate elements of any other plan approved under this Act to the extent such elements are consistent with and fulfill the requirements of this section and are related to the designated marine area in need of protection.

"(2) Not later than one hundred and twenty days after the last day of the period referred to in paragraph (1), the Administrator shall approve the management strategies submitted under paragraph (1) by any State if the strategy meets the requirements of this section.

"(3) If a State fails to submit a management strategy in accordance with paragraph (1) or the Administrator does not approve

the management strategy submitted by such State, then, not later than one year after the last day of the period referred to in paragraph (2), the Administrator, in cooperation with such State and after notice and opportunity for public comment, shall develop and implement a management strategy pursuant to the requirements of paragraph (1) in such State.

"(4) The Administrator shall prepare and implement a management strategy pursuant to this subsection for any marine area in need of protection not under the jurisdiction of any State.".

(c) Section 320 of the Federal Water Pollution Control Act is amended—

(1) by adding at the end of subparagraph (2)(B) the following new subparagraph:

"(C) MARINE AREA IN NEED OF PROTECTION.—The Administrator shall select an estuary and convene a management conference for an estuary which is located in the waters of more than one State and which is designated as a marine area in need of protection pursuant to section 5 of the Comprehensive Ocean Assessment Strategy Act.".

(2) by inserting in paragraph (b)(4) before the comma the following: "and demonstrate that each State participating in a management conference has adequate authority and resources to implement the plan.".

MARINE ENVIRONMENT TOXICS RELEASE INVENTORY ASSESSMENT AND STRATEGY

SEC. 6. (a) Within six months of the enactment of this bill, the Administrator shall prepare and submit to the Congress a Marine Environment Toxics Release Inventory Assessment and Strategy.

(b) The Assessment shall contain an analysis of the industrial categories of sources and receiving waters of discharges of toxics emissions into the marine environment and into publicly owned treatment works which discharge into the marine environment. The Assessment shall identify those categories of sources which discharge the greatest amount of toxic chemicals on the Toxics Release Inventory and the greatest amount of the most toxic of the chemicals on the Inventory. It also shall identify geographical areas receiving the greatest amount of discharges from chemicals on the Inventory.

(c) The Strategy shall contain the Administrator's detailed plan for using the information in the Assessment to improve the Environmental Protection Agency's pollution programs affecting the marine environment. The Strategy shall include plans to:

(1) verify information in permits issued by the Administrator or the State, as the case may be, pursuant to section 402 of the Federal Water Pollution Control Act;

(2) improve the program of individual control strategies for toxic pollutants established pursuant to section 304(1) of the Federal Water Pollution Control Act;

(3) identify other regulatory programs needing improvement including programs for toxic and pretreatment affluent standards established pursuant to section 307 of the Federal Water Pollution Control Act and to adopt measures to improve those programs;

(4) establish marine water quality criteria for toxic chemicals from the Inventory discharged in the greatest amounts;

(5) use the information in the Inventory to target compliance and enforcement actions; and

(6) establish programs to reduce the amount of toxic chemicals generated by industries identified in the Assessment.

MARINE QUALITY CRITERIA AND STANDARDS

SEC. 7. (a) Section 304(a) of the Federal Water Pollution Control Act is amended by:

(1) in paragraph (1) adding after the word "quality" the following: ", including criteria for marine water quality, marine sediment quality, and living marine resource biological quality, which will protect the marine environment from degradation.".

(2) adding at the end thereof the following:

"(9)(A) Within six months of enactment of the Comprehensive Ocean Assessment and Strategy Act, the Administrator shall submit a plan to the Senate Committee on Environment and Public Works, the House Committee on Public Works and Transportation, and the House Committee on Merchant Marine and Fisheries a detailed five-year schedule for the development of the criteria called for in paragraph (1).

"(B) In developing this schedule, the Administrator shall consult with the Under Secretary and the Governors of coastal States.

"(C)(1) The Administrator shall give priority to develop criteria for those pollutants in water, sediments, and living marine resources which pose the greatest threat of degradation to the marine environment.

"(2) The Administrator shall also consider the Marine Environment Toxics Release Inventory Assessment and Strategy prepared pursuant to section 6 of the Comprehensive Ocean Assessment and Strategy Act.

"(D) The Administrator shall review and revise existing criteria or develop new criteria for water, sediments, and living marine resources, as appropriate, within three years of the date of enactment of the Comprehensive Ocean Assessment and Strategy Act for the following pollutants:

(1) Halogenated compounds (excluding pesticides)—

(i) Brominated dioxins.

(ii) Dioxins.

(iii) Hexachlorobenzene.

(iv) PCBs.

(v) Trichlorobenzene.

(vi) Trichlorophenol.

(2) Polycyclic compounds—

(i) Nitrogen-containing heterocyclic compounds.

(ii) PAHs (including benzofurans, benzopyrenes, phenanthrene).

(3) Metals—

(i) Alkylated lead.

(ii) Antimony.

(iii) Arsenic.

(iv) Cadmium.

(v) Copper.

(vi) Mercury.

(vii) Selenium.

(viii) Tributyltin (and other organotins).

(4) Pesticides—

(i) DDT and metabolites.

(ii) Dieldrin.

(iii) Diflubenzuron (Dimilin).

(iv) Methoxychlor.

(v) Mirex.

(vi) Oxygen analogs of organophosphates.

(vii) Toxaphene.

(viii) Molting hormones.

(5) Others—

(i) Azo compounds.

(ii) DEHP.

(iii) Diphenyl ethers.

(iv) Terphenyls.

(v) Nutrients including nitrogen and phosphorous.

(b) Section 303 of the Federal Water Pollution Control Act is amended by adding the following new section:

"(i) MARINE WATER, SEDIMENT AND LIVING MARINE RESOURCE QUALITY STANDARDS.—(1) Within two years of the establishment of marine water, sediment, or living marine resource biological criteria pursuant to section 304(a), each coastal State shall establish a numerical standard for such pollutant to prevent degradation of the marine environment.

"(2) If a coastal State fails within two years of establishment of any criteria to adopt a numerical standard pursuant to paragraph (1), the Administrator shall designate the standard for such State within one year of the State's failure to act in the prescribed period.

"(3) The Administrator shall promulgate standards in areas of the marine environment not under the control of any State.".

(c) Section 302(a) of the Federal Water Pollution Control Act is amended by adding after "section 304(l)" the following: "or section 303(i) or section 304(n)".

MARINE POLLUTANT DISCHARGE CRITERIA

SEC. 8. (a) Section 301(a) of the Federal Water Pollution Control Act (33 U.S.C. 1311(a)) is amended by inserting "403" before "404."

(b) Section 403 of the Federal Water Pollution Control Act (33 U.S.C. 1343) is amended by—

(1) adding "(1)" after "(a)";

(2) adding a new paragraph "(2)" as follows:

"(2) In addition to any other requirements of this Act, beginning one year after the date of enactment of this paragraph, no permit shall be issued under section 402 of this Act for a discharge into the marine environment, if the Administrator finds, based on an assessment of the criteria provided in subsection (c), that the discharge can reasonably be expected to result in the degradation of the marine environment or that the discharge is reasonably likely to prevent the attainment of any standards established pursuant to section 303 of this Act.".

(3) deleting "territorial sea" and inserting in lieu thereof "marine environment" in subsection (b);

(4) deleting "waters of the territorial seas, the contiguous zone, and the oceans" and inserting in lieu thereof "the marine environment" in subsection (c);

(5) striking out "and" at the end of subparagraph (F) in subsection (c)(1), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; and" and by inserting at the end thereof the following new subparagraph:

"(H) the potential application of measures, processes, methods, systems, or techniques including, but not limited to, measures which—

"(i) eliminate the discharge altogether or reduce the volume and amounts of such pollutants through process changes, substitution of materials or other modifications,

"(ii) enclose systems or processes to eliminate discharges, and

"(iii) collect, capture or treat such pollutants when discharged.";

(6) adding at the end of paragraph (c)(2) the following: "Any monitoring required as a condition of the permit shall not discharge the requirement of the preceding paragraph."; and

(7) inserting at the end of the section the following:

"(3) The Administrator shall, within one year after enactment of the Comprehensive Ocean Assessment and Strategy Act, and after notice and opportunity for public com-

ment, revise the guidelines under this section.".

NONPOINT SOURCE POLLUTION

SEC. 9. (a) Section 319(g)(1) of the Federal Water Pollution Control Act is amended by—

(1) inserting after "standards" the following: ", marine sediment standards, or living marine resource biological quality standards,"; and

(2) inserting after the word "Act" the following: "or is degraded due to the presence of floatables.".

(b) Section 319(h)(5) of the Federal Water Pollution Control Act is amended by—

(1) striking "or" in subparagraph (C),

(2) striking the period at the end of subparagraph (D) and inserting in lieu thereof "; or "; and

(3) by inserting the following new subparagraph—

"(E) control nonpoint source pollution of waters determined to be in need of protection pursuant to section 5 of the Comprehensive Ocean Assessment and Strategy Act.".

(d) Section 319(k) of the Federal Water Pollution Control Act is amended by—

(1) inserting "(1)" after subsection (k); and

(2) adding the following new paragraph:

"(2)(A) The Administrator shall provide technical assisstance to the Secretary of Agriculture in utilizing the Secretary's authorities to reduce cropland sources of nonpoint source pollution of the marine environment, consistent with subtitle D of title 12 of the Food Security Act (16 U.S.C. 3831-3836).

"(B) The Administrator shall identify, based on the assessment reports submitted by the States and approved by the Administrator or developed by the Administrator for the States pursuant to subsections (a), (d) and (e) of this section, and such other information as is available to the Administrator, those lands which, if enrolled in the Conservation Reserve Program, would contribute to the protection of water quality and the marine environment by reducing nonpoint source pollution. Where appropriate, the lands identified may include lands that are not erodible but that pose an off-farm environmental threat, pursuant to section 1231 (c)(2) of the Food Security Act (16 U.S.C. 3831(c)(2)).

"(C)(1) The Administrator shall furnish the list of such identified lands to the Secretary of Agriculture for purposes of assisting the Secretary in establishing priorities for expenditures under the Conservation Reserve Program and shall make such lists available to the States and the public.

(2) The Secretary shall provide the Administrator within six months of receiving the Administrator's list with the actions the Secretary will take to respond to the list. The Secretary shall provide a detailed explanation of any recommendation made by the Administrator which the Secretary will not implement.

MARINE COMBINED SEWER OVERFLOWS

SEC. 10. (a) Section 304 of the Federal Water Pollution Control Act is amended by adding the following new subsection.

"(o) MARINE COMBINED SEWER OVERFLOWS.—(1) For the purpose of adopting or revising effluent limitations for marine combined sewer overflows under this Act, the Administrator shall, after consultation with appropriate Federal and State agencies and other interested persons, publish within one year of enactment of this subsection regulations to eliminate such overflows. Such regulations shall require—

"(A) proper operation and regular maintenance programs for the sewer system and the marine combined sewer overflow discharge points;

"(B) maximum use of the collection system for storage;

"(C) maximation of flow to the publicly owned treatment work for treatment;

"(D) prohibition of dry weather overflows; and

"(E) screening or other interim measures to control floatables in marine combined sewer overflow discharges.

"(2) Within one year of enactment of this section, the Administrator shall, after consultation with appropriate Federal and State agencies and other interested persons, publish guidance on additional marine combined sewer overflow control measures that should be considered to bring marine combined sewer overflow discharges into compliance with all of the requirements of this Act. The guidance shall include, but not be limited to—

"(A) sewer separation;

"(B) improved operation and maintenance;

"(C) system-wide storm water management programs; including decentralized stormwaters detention basins, buffer strips and related controls;

"(D) pretreatment program modifications;

"(E) sewer ordinances;

"(F) flow minimization and hydraulic improvements, including domestic wastes conservation programs;

"(G) direct treatment of overflows;

"(H) sewer rehabilitation including inflow and infiltration reduction measures;

"(I) reduction of tidewater intrusion;

"(J) construction of combined sewer overflow controls within the sewer system or at the combined sewer overflow discharge point; and

"(K) construction of detention basins.

"(3) Guidance issued pursuant to paragraph (2) shall identify monitoring standards for marine combined sewer overflow discharges. Monitoring standards should be designed to—

"(A) characterize discharges, including this frequency, duration and pollutant loadings;

"(B) evaluate water quality impacts of these discharges; and

"(C) determine compliance with permit requirements.".

(b) The Federal Water Pollution Control Act is amended by adding the following new section after section 320:

"SEC. 321. MARINE COMBINED SEWER OVERFLOWS.

"(a) MARINE COMBINED SEWER OVERFLOW INVENTORY.—Each State with a marine combined sewer overflow shall, within six months of the date of enactment of this section and not later than every two years thereafter, submit to the Administrator an inventory of all such discharges in the State which shall include—

"(1) identification of the location of each such discharge and the receiving waterbody;

"(2) identification of the entity or entities which own and operate the marine combined sewer overflow system;

"(3) a determination whether each discharge point is—

"(A) not permitted;

"(B) permitted in conjunction with a publicly owned treatment work; or

"(C) permitted separately from a publicly owned treatment work; and

"(4) a determination whether each discharge point is in compliance with sections 301, 302, and 403.

"(b) PRIORITIES.—Each permitting authority shall establish a schedule to bring each marine combined sewer overflow discharge point into compliance with this Act. The permitting authority shall establish priorities for issuing permits and controlling discharges, based on an evaluation of known or suspected impacts from marine combined sewer overflow systems using estimates of flows, frequencies, durations and pollutant loadings.".

(c) Section 402 of the Federal Water Pollution Control Act is amended by adding the following new subsection:

"(o) MARINE COMBINED SEWER OVERFLOW DISCHARGES.—(1) Each municipality or publicly owned treatment works (in any case where a marine combined sewer system is owned or operated by more than one municipality) identifed pursuant to section 321, shall develop and submit to the Administrator or the State (in the case of a permit program approved under section 402 of this Act) a permit application within two years after the date of enactment of this section consistent with section 304(o) containing a program for the elimination of all discharges from the marine combined sewer overflow.

"(2) Where a marine combined sewer overflow system is owned and/or operated by more than one authority, each owner and operator shall assist in the preparation of an application pursuant to this section. The application shall specifically define the responsibilities and duties of each owner and operator and each individual owner and operator is responsible for the discharge coming from its marine combined sewer overflow system.

"(3) Each applicant shall submit a schedule for developing and implementing monitoring requirements and measures, and practices consistent with section 304(o) and any applicable water, sediment or living marine resource biological quality standards at the earliest practicable date but in no case more than five years from the date of submission of the application. The application shall include cost estimates for each control measure.

"(4) The Administrator or the State (in the case of any permit program approved under section 402 of this Act) shall issue a permit only if the application—

"(A) meets the requirements of section 304(o);

"(B) meets the requirements of any water, sediment or living marine resource biological quality standards including any requirements established pursuant to section 304(l);

"(C) demonstrates through an appropriate compliance schedule that the requirements of the Act will be achieved as expeditiously as possible but in no event later than seven years after enactment of this section;

"(D) includes any appropriate interim control measures including screening to control floatables and disinfectant;

"(E) includes adequate monitoring requirements and a reopener clause to adjust permit limits as a result of monitoring; and

"(F) demonstrates that adequate authority and financial resources are available to implement the control measures.

"(5) Any owner or operator of a marine combined sewer overflow who does not have a permit within thirty six months after the date of enactment of this section or who fails to meet the requirements of a compli-

ance schedule shall be subject to penalties pursuant to section 309 of this Act.".

"(6) Nothing in this subsection relieves or reduces the obligation of any person to comply with any requirements of this Act.".

PRETREATMENT REQUIREMENTS

SEC. 11. Section 307 of the Federal Water Pollution Control Act is amended by adding at the end thereof, the following new subsection:

"(f)(1) When the Administrator or the State, as the case may be, determines that any publicly owned treatment work discharges toxic pollutants contributing to the degradation of the marine environment or the violation of a marine water, sediment, or living marine resource biological standard, the Administrator or the State shall require the publicly owned treatment works to establish or revise its pretreatment program within one year to eliminate the pollutants contributing to the degradation or the violation of the standard.

"(2) A pretreatment program required by paragraph (1) shall include the following requirements as appropriate:

"(A) individual discharge permits to discharges into the publicly owned treatment works;

"(B) additional or revised local limits to control the discharge of toxic pollutants into publicly owned treatment works;

"(C) random sampling and/or inspection of industrial users;

"(D) development of enforcement response plans;

"(E) additional reporting requirements by industrial users;

"(F) notification by industrial users of any discharge into the publicly owned treatment works of a substance which is a listed or characteristic waste under section 3001 of the Resource Conservation and Recovery Act; and

"(G) notification by industrial users in advance of any substantial change in the volume or character of pollutants in their discharge.

"(3) Nothing in this subsection shall affect any obligations established under this Act.

"(g)(1) The Administrator shall develop and test guidelines for publicly owned treatment works to identify the sources of toxics found in waste waters.

"(2) The Administrator shall establish a data base of sources of toxics in waste water which have been identified by publicly owned treatment works.".

MARINE STORMWATER DISCHARGES

SEC. 12. Section 402(p) of the Federal Water Pollution Control Act is amended by—

(1) adding at the end of paragraph (2) the following:

"(E) A discharge from a municipal separate storm sewer system into waters of a marine area in need of protection, as defined in section 5 of the Comprehensive Ocean Assessment and Strategy Act, and for which the Administrator or the State, as the case may be, determines is reasonably likely to be contributing to the violation of marine water, sediment, or living marine resource quality biological standards or the degradation of the marine environment."; and

(2) adding at the end of paragraph (4) the following:

"(C) MARINE AREAS IN NEED OF PROTECTION.—Not later than two years after the date of enactment of this subsection, the Administrator shall establish regulations setting forth the permit application requirements for stormwater discharges described in paragraph (2)(F). After the promulgation of these regulations, applications for permits for such discharges shall be filed no later than sixty days after the designation of the stormwater discharge.".

MARINE MONITORING, RESEARCH AND STUDIES

SEC. 13. (a)(1) ATMOSPHERIC POLLUTANTS.—The Administrator and the Under Secretary shall establish and implement a joint program of research and monitoring to determine the effects of atmospheric pollutants, including atmospheric nutrient and toxicant deposition, on degradation of the marine environment.

(2) The program shall include—

(A) development of an atmospheric pollutant deposition measurement methodology;

(B) development and implementation of a coastal atmospheric dry and wet deposition monitoring network; and

(C) research on—

(i) sources and deposition rates (including seasonal and temporal variations) of atmospheric pollutants;

(ii) the fate and transport of atmospheric pollutants including the modeling of transport and deposition at a scale compatable with water quality modeling;

(iii) the relative contribution of atmospheric pollutants to the total pollution loadings; and

(iv) the biological and ecological effects of atmospheric pollutants.

(3) The Administrator and the Under Secretary shall submit a report to the Senate Committee on Environment and Public Works, the House Committee on Public Works and Transportation, and the House Committee on Merchant Marine and Fisheries describing their monitoring and research program within two years of enactment of this Act and every two years thereafter.

(b) FLOATABLES MONITORING.—(1) The Administrator, in cooperation with the Under Secretary, State and local governments, and the public, shall establish a systematic nationwide system for monitoring and quantifying the accumulation of floatables along coastal shorelines and waterways and the costs of cleanup of floatables. The program shall include the development of standard protocols to conduct surveys to allow quantitative geographic and temporal comparisons and a public education program.

(2) The Administrator shall submit a report to the Congress within two years of the enactment of this section describing the monitoring program and the results of monitoring undertaken after enactment of this section. The Administrator shall report annually describing changes in the monitoring program and trends of floatables accumulation.

(c) MONITORING PROTOCOLS.—(1) The Administrator, in consultation with the Under Secretary, shall promulgate protocols for monitoring water, sediments and living marine resources in the marine environment within two years of the enactment of this section.

(2) Protocols promulgated under the subsection shall require use of whole effluent biological toxicity testing.

(3) Protocols promulgated under this subsection may establish different requirements based on the size, location and amount and source of the discharge.

(4) Within six months after the promulgation of such protocols, monitoring of the marine environment by Federal, State and local agencies and by any person required to conduct monitoring under this Act, the Federal Water Pollution Control Act or the Marine Protection, Research and Sanctuaries Act, shall be conducted consistent with the protocols.

(d) HEALTH IMPACTS STUDY.—The Under Secretary, in collaboration with the Administrator and the Secretary of Health and Human Services, shall undertake a study to determine the nature of any relationship between contact with pollutants in the marine environment and shellfish consumption with the incidence of human illnesses. The Administrator shall submit a report to the Senate Committee on Environment and Public Works, the House Committee on Public Works and Transportation, and the House Committee on Merchant Marine and Fisheries within two years of enactment of this section.

(e) ECONOMIC IMPACT STUDY.—The Under Secretary, in consultation with the Administrator, State and local governments, commercial and recreational fisherman and other interested persons, shall submit to the Congress within one year of enactment of this section a study which quantifies the economic impacts caused by marine degradation including floatables.

(f) ALGAL BLOOM STUDY.—The Under Secretary shall conduct a study of the impact that enhanced nitrogen levels in the marine environment may have on stimulating toxic algal blooms. The Under Secretary shall submit a report to Congress on the study's conclusions within two years of the enactment of this Act.

INFORMATION TRANSFER

SEC. 14. The Under Secretary shall establish a Marine Environment Information Center to compile, analyze, and disseminate information on assessing marine degradation, on methods, practices and techniques effective in restoring and protecting the marine environment and on other issues related to marine environment degradation. The Under Secretary shall use the Center to—

(1) transfer marine degradation analyses, assessments and technology and practices,

(2) mount active outreach and education programs to the state and local governments and other appropriate agencies and organizations to improve progress to address marine environmental degradation, and

(3) make available to the public such information on marine environmental degradation as may be available.

FEDERAL AGENCY RESPONSIBILITIES

SEC. 15. (a) STUDY OF FEDERAL AGENCY PROGRAMS.—(1) The Administrator and the Under Secretary shall conduct a comprehensive study of the policies, programs and activities of each Federal agency that may result in degradation of the marine environment. The study shall specifically examine the mechanisms, policies, programs and activities that contribute to degradation of the marine environment.

(2) Within eighteen months of the enactment of this Act, the Administrator and the Under Secretary shall submit to Congress a report describing the conclusions of the comprehensive study and recommendations they have to reduce degradation of the marine environment from Federal agencies' policies, programs and activities. The report shall include—

(A) a comprehensive listing of each Federal agency's policies, programs and activities that were considered during the study to affect degradation in the marine environment;

(B) a detailed analysis of the impacts of each Federal agency's policies, programs,

and activities on degradation of the marine environment;

(C) proposed changes in each Federal agency's policies, programs and activities to minimize these impacts;

(D) suggested actions to be taken by other Federal or State agencies in order to better coordinate all policies, programs, and activities that affect degradation of the marine environment; and

(E) specific recommendations for further legislative actions necessary to bring each Federal agency's policies, programs and activities into conformance with the policy of this Act.

(3) In conducting their reviews, the Administrator and the Under Secretary shall seek the views of States and the public on ways in which each Federal agencies' policies, programs and activities can be implemented to reduce degradation in the marine environment.

(b) FEDERAL AGENCY LEADERSHIP.—Each Federal agency shall provide leadership and take action to the extent provided by law to minimize degradation of the marine environment and to restore and preserve the natural and beneficial values served by the marine environment in carrying out its responsibilities for—

(1) acquiring, managing, and disposing of Federal lands and facilities;

(2) providing federally undertaken, financed, or assisted construction and improvements; and

(3) conducting Federal activities and programs affecting the marine environment.

(c) FEDERAL AGENCY RESPONSIBILITY.—In carrying out the activities described in subsection (b), each agency has a responsibility to evaluate the potential effects of any action it may take in or which may affect the marine environment, to ensure that its planning programs and budget requests reflect of the policy of this Act.

(d) ALTERNATIVES AND MITIGATION.—If a Federal agency has determined to or proposed to, conduct, support or allow an action which may affect the marine environment, the Federal agency shall consider alternatives to avoid adverse effects on the marine environment. If the agency finds that there is no practicable alternative consistent with the law, the Federal agency shall modify its actions to the extent consistent with law to minimize the potential adverse effects in the marine environment.

OCEAN DUMPING PENALTIES

SEC. 16. Section 105(b) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1415(b)) is amended to read as follows:

"(b) In addition to any action which may be brought under subsection (a), any person—

"(1) who knowingly violates this title, regulations promulgated under this title, or a permit issued under this title shall be fined under title 18, United States Code, or imprisoned for not more than 5 years, or both; and

"(2) convicted of such a violation shall forfeit to the United States any property constituting or derived from any proceeds the person obtained, directly or indirectly, as a result of such violation, and any of the property of the person which was used, or intended to be used in any manner or part, to commit or to facilitate the commission of the violation.".

AUTHORIZATION

SEC. 17. (a) AUTHORIZATION.—There are authorized to be appropriated the following sums to carry out this Act:

(1) $30 million to the Environmental Protection Agency for fiscal years 1990, 1991, 1992, 1993, and 1994;

(2) $15 million to the Undersecretary for fiscal years 1990, 1991, 1992, 1993 and 1994;

(3) $40 million to the Administrator to issue grants to states for fiscal years 1990, 1991, 1992, 1993, and 1994 to develop and implement management strategies for marine areas in need of protection pursuant to section 304(n) of the Federal Waters Pollution Control Act. The amount of grants to any state shall not exceed 50 per centum of the costs of the program and the non-Federal share of such costs may not be provided from any Federal source.

(b) ELIGIBILITY FOR STATE REVOLVING LOAN FUNDS.—(1) Section 601(a) of the Federal Water Pollution Control Act is amended by striking "and (3)" and inserting in lieu thereof:

"(3) for developing and implementing a conservation and management plan under section 320, (4) for developing and implementing a management strategy under section 304(n), and (5) implementing a marine combined sewer overflow correction program.".

(2) Section 603(c) of the Federal Water Pollution Control Act is amended by striking "and (3)" and inserting in lieu thereof:

"(3) for developing and implementing a conservation and management plan under section 320, (4) for developing and implementing a management strategy under section 304(n), and (5) implementing a marine combined sewer overflow correction program.".

(c) GRANT ASSISTANCE.—Section 201(n)(2) of the Federal Water Pollution Control Act is amended—

(1) by inserting "sediment quality, fishery quality and floatable" after the first time the word "quality" is used;

(2) by deleting "subject to lower levels of water quality"; and

(3) by striking the last sentence and inserting in lieu the following: "Such assistance shall be provided only for implementation of marine combined sewer overflow elimination permit approved pursuant to section 402(o) of this Act. The Administrator shall allocate available funds to address the most significant water pollution problems and shall give priority to municipalities discharging into marine areas in need of protection designated pursuant to section 5 of the Comprehensive Ocean Assessment and Strategy Act. The amount of grants to any municipality under this subsection for a fiscal year shall not exceed 50 per centum of the costs of a project and shall be made on the condition that the non-Federal share of such costs are provided from non-Federal sources.".

SECTION-BY-SECTION ANALYSIS OF THE COMPREHENSIVE OCEAN ASSESSMENT AND STRATEGY (COAST) ACT

Section 1.—Provides that the Title of the bill is the Comprehensive Ocean Assessment And Strategy (COAST) Act of 1989.

Section 2.—Findings.

Section 3.—Establishes a policy of the United States to restore and maintain the integrity of the marine environment so that full uses of its resources are not impaired by pollution.

Section 4.—Defines the terms "Administrator", "degraded" and "degradation", "floatable", "federal agency", "living marine resource", "marine areas in need of protection", "marine combined sewer overflow", "marine environment", "pollutant" and "Under Secretary".

Section 5.—Requires EPA and NOAA to designate marine areas in need of protection and conduct a continuing assessment of such areas and requires states to develop and implement management strategies so that the area no longer needs additional protection.

Section 6.—Requires EPA to use the national Toxic Release Information to assess the major sources of toxics discharged into the marine environment and areas of primary impact and a strategy for using this information to improve EPA water programs.

Section 7.—Requires EPA to designate pollutant quality criteria for marine waters, sediments and living marine resources and requires states to develop numerical standards to prevent degradation. Violations of numerical standards require EPA and states to establish additional point source controls and revise nonpoint source management programs.

Section 8.—Amends Section 403 of the Clean Water Act to apply the marine discharge criteria to discharges in all marine waters, not just those outside the Territorial Sea. Also requires EPA to revise its criteria to require EPA and the states to consider source reduction opportunities.

Section 9.—Makes nonpoint source control in marine areas in need of protection a priority for nonpoint source grants and requires the Administrator and the Secretary of Agriculture to work together to identify use of the Conservation Reserve Program to protect marine waters from agricultural nonpoint pollution.

Section 10.—Requires the Administrator to eliminate discharges from marine combined sewer overflows (CSOs), requires states to conduct an inventory of marine CSOs, requires marine CSOs to obtain permits and makes failure to obtain a permit or comply with a compliance schedule a violation of the Clean Water Act.

Section 11.—Requires revision of pretreatment programs for any publicly owned treatment plant whose discharge of toxic pollutants contributes to marine degradation.

Section 12.—Requires permits for marine stormwater discharges which contribute to the degradation of the marine environment.

Section 13.—Requires initiation of programs to determine the effect of atmospheric deposition on the marine environment and to monitor floatables, requires the establishment of marine environment monitoring protocols including the use of biological monitoring, and requires the preparation of studies on the impacts on human health and the economy from degraded waters and on the relationship between nutrient over-enrichment and algal blooms.

Section 14.—Establishes a marine pollution clearinghouse.

Section 15.—Requires EPA to report to Congress on Federal agency programs which may contribute to degradation of the marine environment and make recommendations on measures Federal agencies can take to reduce marine degradation. Authorizes each Federal agency, within its existing authority, to take action to reduce marine degradation.

Section 16.—Amends the Ocean Dumping Act to increase criminal penalties for violations of the Act.

Section 17.—Authorizes $30 million to EPA to carry out the Act, $40 million to EPA to issue 50 percent matching grants to

states to develop and implement management strategies for marine areas in need of protection, and $15 million to NOAA. Also makes development and implementation of management strategies for marine areas in need of protection and correction of marine CSOs available for state revolving loan funds under the Clean Water Act and extends the existing marine CSO grant authority.●

By Mr. HOLLINGS (for himself, Mr. GORE, Mr. DANFORTH, Mr. PRESSLER, and Mr. COCHRAN):

S. 1180. A bill to authorize the President to appoint Rear Adm. Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration; to the Committee on Commerce, Science, and Transportation.

APPOINTMENT OF ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

● Mr. HOLLINGS. Mr. President, on June 7, 1989, the President formally submitted the nomination of Richard H. Truly to be the next Administrator of the National Aeronautics and Space Administration. To assume that post, Admiral Truly requires a waiver of the National Aeronautics and Space Act because of his military status. I am pleased today to introduce legislation that would exempt Adm. Richard H. Truly from the provisions of section 202(a) of the National Aeronautics and Space Act of 1958 and allow him to become the next NASA Administrator. I also am pleased to be joined in this initiative by Senators GORE, DANFORTH, PRESSLER and COCHRAN.

Mr. President, when the Space Act was written, there was a conscious effort to maintain the civilian character of NASA. That effort is highlighted by section 202(a) of the Space Act that requires the Administrator and Deputy Administrator of NASA to be appointed from civilian life.

Mr. President, I endorse that goal and the general philosophy of the original Space Act. NASA should be a civilian agency, and it should be responsible for civil space policy.

However, much has changed since the Space Act was written, and in dealing with change, it is sometimes necessary to make exceptions to the rule.

In the case of Adm. Richard H. Truly, I feel strongly that there is sufficient justification for the Congress to waive section 202(a) of the Space Act. Admiral Truly has served the U.S. Navy with pride and distinction, and he also has served NASA with the same pride and distinction. A review of Admiral Truly's career will indicate that he has given NASA nearly 17 years of service in his 30-year career. Most recently, Admiral Truly served as the Associate Administrator of NASA for the Office of Space Flight, and in that position he was responsible, along with the men and women of NASA and the aerospace/contractor teams, for returning the space shuttle to flight status. Admiral Truly is an "admiral," but he also is a well qualified member of the NASA team, and section 202(a) should be waived to permit the appointment of Admiral Truly as the Administrator of NASA.

I am pleased to say that I have explored this issue with the distinguished chairmen and ranking members of the House Science, Space, and Technology Committee and the Subcommittee on Space Science and Applications and that there does not appear to be any opposition to this legislative initiative. I am optimistic, therefore, that this measure can be dealt with in a timely manner by both Houses of Congress.

Mr. President, I am sure that most of the Members are aware that since May 15, 1989, Admiral Truly has been serving as the Acting Administrator of NASA. But few are probably aware of the fact that Admiral Truly has initiated his retirement from the Navy because he does not feel it is appropriate for an active duty officer to head up NASA. As of July 1, 1989, Admiral Truly will no longer be an active duty officer.

Mr. President, the legislation I am introducing today is the first exemption of section 202(a) of the Space Act ever considered by the Congress, and it should be seriously considered by the Members. I am hopeful that after the Members have reviewed the proposed language and Admiral Truly's record they will agree with me that section 202(a) of the Space Act should be waived and Admiral Truly should be appointed the next Administrator of NASA.

Mr. President, pursuant to an agreement with the House of Representatives, the bill that I am introducing today will be considered in parallel with Admiral Truly's nomination by the Senate Commerce Committee. Upon passage of the proposed legislation by the Senate, it will be sent to the House for its immediate consideration. The Senate will not act upon the Truly nomination until the proposed legislative exemption is signed into law by the President. At the same time, the committee has personal assurances from Admiral Truly that he will not be sworn in as Administrator of NASA until he has retired form active military duty.

Mr. President, I support this legislation, and I support the nomination of Richard H. Truly to be the next NASA Administrator. I am optimistic the Congress will act upon this measure in an expedited manner and that Admiral Truly and the NASA team can get on with the business at hand—maintaining a safe, reliable space transportation system, implementing a visionary space science program and a mission to planet Earth, and developing a permanently manned space station.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 202(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2472(a)), or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration. Admiral Truly's appointment to, acceptance of, and service in that Office shall in no way affect the status, rank, and grade which he holds as an officer on the retired list of the United States Navy, or an emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, except to the extent that subchapter IV of chapter 55 of title 5, United States Code, affects the amount of retired pay to which he is entitled by law during his service as Administrator. So long as he serves as Administrator, Admiral Truly shall receive the compensation of that Office at the rate which would be applicable if he were not an officer on the retired list of the United States Navy, shall retain the status, rank, and grade which he now holds as an officer on the retired list of the United States Navy, shall retain all emoluments, perquisites, rights, privileges, and benefits incident to or arising out of such status, office, rank, or grade, and shall in addition continue to receive the retired pay to which he is entitled by law, subject to the provisions of subchapter IV of chapter 55 of title 5, United States Code.

SEC. 2. In the performance of his duties as Administrator of the National Aeronautics and Space Administration, Admiral Truly shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the United States Navy.

SEC. 3. Nothing in this Act shall be construed as approval by the Congress of any future appointments of military persons to the Offices of Administrator and Deputy Administrator of the National Aeronautics and Space Administration.●

● Mr. GORE. Mr. President, I rise in support of the legislation being introduced by the distinguished chairman of the Senate Commerce Committee and am pleased to be an original cosponsor of this waiver for Adm. Richard H. Truly.

During the course of the last few years, NASA and the space shuttle program have had to survive some stormy seas, and Adm. Richard Truly played a major role in helping the agency weather these storms. Now, Admiral Truly has been nominated to be the next Administrator of NASA, and I intend to support that nomination.

Mr. President, this Nation needs a strong civil space program, a program that is dedicated to peaceful purposes

for the benefit of all mankind. I support such a program, and I see NASA as the linchpin of such a program. Since the Space Act was passed in 1958, we have tried to protect the character of NASA and the civil space program by requiring that the Administrator and the Deputy Administrator of NASA be appointed from civilian life. Over the course of the years, several other agencies that had similar requirements have modified those requirements or have come to waive these requirements on a regular basis. NASA has been different. Until the nomination of Admiral Richard H. Truly, there has never been an effort to waive section 202(a) of the Space Act, as amended, to permit an active duty or retired military officer to assume the posts of Administrator or Deputy Administrator of NASA. Such an action, therefore, requires careful consideration.

Mr. President, I have given considerable thought to this matter and to the nature of NASA and the civil space program for quite some time. Actually, this issue first came to my attention in the aftermath of the *Challenger* accident when NASA went out to Admiral Truly and General McCartney to help return the space shuttle to flight status. One has but to look at the role of these individuals and other military personnel in NASA and the aerospace community to understand the benefits that NASA has accrued from dedicated military personnel. The history of NASA and the civil space program is replete with dedicated military personnel and civil servants working together on space activities devoted to peaceful purposes for the benefit of all mankind. So is the history of America. From Washington, to Marshall, to Eisenhower, the Nation's military personnel have served in civilian capacities with distinction. And I believe Admiral Truly will do the same.

Mr. President, having reviewed this issue very closely, I am convinced that the approval of Richard H. Truly as Administrator of NASA will not change the character of NASA or of the civil space program—NASA will still be a civil agency dedicated to space activities that benefit all mankind. More importantly, I believe that the approval of the nomination of Richard H. Truly will give NASA an Administrator who has invaluable experience and who has learned lessons this Nation and its space program can never afford to forget.

Mr. President, this waiver would be an exception to the rule, but it also would ensure that NASA is placed in the hands of a well-qualified and able Administrator. Based on what the space program and NASA have gone through, I think we owe them such an Administrator, and I intend to get this legislation approved in as timely a manner as possible.●

By Mr. HEINZ (for himself and Mr. WIRTH):

S. 1181. A bill to amend the Solid Waste Disposal Act to require producers and importers of lubricating oil to recycle a percentage of used oil each year, to require the Administrator of the Environmental Protection Agency to establish a recycling credit system for carrying out such recycling requirements, to establish a management and tracking system for such oil, and for other purposes; to the Committee on Environment and Public Works.

CONSUMER PRODUCTS RECOVERY ACT

● Mr. HEINZ. Mr. President, Senator WIRTH, Congressman TORRES, Congresswoman SCHNEIDER, and I—among others—are introducing legislation to encourage recycling of motor oil as a test case for recycling hazardous waste in general. Every year 400 million gallons of used motor oil—the equivalent of 35 times the catastrophic amount of oil spilled in Prince William Sound—is poured down storm drains or discarded in landfills. Most of that ends up in our surface or ground water. The great tragedy is that motor oil is completely recyclable. Yet only 30 percent is every recycled.

Recyclers often charge gasoline stations just to remove the oil. No wonder they don't want to recycle it. Our legislation provides a market for recycled oil. Manufacturers will be required to recycle a minimum amount of oil as a percentage of their overall production. The minimum will be set by EPA beginning at current recycling levels and increasing by 2 percentage points a year thereafter.

Most manufacturers do not recycle their own oil. They do, however, buy recycled oil from firms that specialize in that business. Our legislation grants recyclers credits for the amount of oil they recycle, which is then marketed and sold to manufacturers. Manufacturers can purchase credits from the recyclers in order to meet the requirements of our bill if they choose not to recycle, or they can contract for recycling themselves. We believe this will create a vigorous and competitive market for recycling. Without such a market for recycling, I see no realistic prospect that we will ever see recycling compete with landfilling and dumping. Without the kind of action we propose, we will continue to create—and leave to our children to clean up—the equivalent of 40 Valdez oilspills each and every year. This bill will get motor oil out of our water and back into our cars.

The amount of solid and hazardous wastes generated by every man, women, and child in the United States has increased by 80 percent since 1969. Each us of throws away 3.6 pounds of garbage every day—enough annually to fill a convoy of 10-ton trucks 145,000 miles long, more than 7 times the circumference of the planet. Our legislation takes a first step toward reducing this tremendous waste stream. If successful, EPA is authorized to proceed with a similar recycling program for used tires, lead acid batteries, newsprint, volatile organic compounds, and used pesticide containers.

The legislation is based on Senator WIRTH's and my report, Project 88, which recommends market incentives for environmental clean up. President Bush has credited Project 88 with bringing creative solutions to longstanding problems in the Clean Air Act. Today, we move ahead to solid and hazardous waste as we move ahead on Project 88.

Mr. President, I ask unanimous consent that the text of the bill appear in the RECORD at this point, along with chapter 7 of Project 88.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Consumer Products Recovery Act of 1989".

SEC. 2. FINDINGS.

The Congress find the following:

(1) The generation of solid and hazardous waste has grown to alarming proportions in the United States, with per capita disposal having increased by 80 percent from 1960 to 1989.

(2) Market-based incentives targeted at waste reduction and recycling together with Federal regulation can significantly reduce both the amount and the toxicity of hazardous and solid wastes entering the environment.

(3) Each year Americans improperly dispose of 400 million gallons of used motor oil, an amount greater than 35 Exxon Valdez oil spills. In order to protect the environment and reduce dependence on imported fuels, there is a great need to recycle used oils.

(4) The Administrator of the Environmental Protection Agency requires additional statutory authority to address waste reduction and, in particular, to apply market-based incentives to recycling and reduction of hazardous and solid wastes.

SEC. 3. REQUIREMENTS FOR RECYCLE USED OIL AND OTHER COMMODITIES.

(a) IN GENERAL.—Subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.) is amended by redesignating sections 3015 through 3020 as sections 3017 through 3022, respectively, and by inserting after section 3014 the following new sections:

"SEC. 3015. USED OIL: RECYCLING REQUIREMENTS.

"(a) GENERAL REQUIREMENT.—(1) Beginning not later than 18 months after the date of the enactment of the Consumer Products Recovery Act of 1989, a producer or importer of lubricating oil each year shall recycle, using a method described in paragraph (2), an amount of used oil equal to at least that amount of oil determined by—

"(A) multiplying the lubricating oil produced or imported that year by such person, by

"(B) the recycling percentage established by the Administrator under subsection (b).

"(2) A producer or importer of lubricating oil may comply with this subsection—

"(A) by recycling (through re-refining) used oil (in compliance with the requirements of section 3014 and regulations promulgated pursuant to such section), for purposes of producing lubricating oil;

"(B) by purchasing re-refined oil for purposes of producing lubricating oil; or

"(C) by purchasing recycling credits under the recycling credit system established pursuant to subsection (c).

"(b) RECYCLING PERCENTAGE.—The Administrator each year shall establish a recycling percentage for use under subsection (a). The percentage applicable during the first year that the requirement established by subsection (a) is in effect shall be a percentage that is 2 percentage points higher than the recycling rate for lubricating oil that exists on the date of the enactment of this section. Such recycling rate shall be determined by using data for 1988 or the most recent year for which data are available. Each year thereafter, until 1999, the recycling percentage shall be an additional 2 percentage points higher than the percentage of the previous year.

"(c) CREDIT SYSTEM FOR RECYCLING USED OIL.—(1) Not later than 18 months after the date of the enactment of the Consumer Products Recovery Act of 1989, the Administrator shall promulgate regulations to establish a system under which (A) recyclers may create credits for used oil recycling, and (B) producers or importers of lubricating oil may purchase such recycling credits from such recyclers, for purpose of complying with subsection (a). No person may create such credits, and no producer or importer of lubricating oil may purchase such credits, except in accordance with this subsection and the regulations promulgated under this subsection.

"(2) At the minimum, the regulations under paragraph (1) shall include the following requirements:

"(A) The owner or operator of any place of collection of used oil, such as a service station or commercial entity that collects used oil from individuals or others, shall keep receipts issued by any transporters who take delivery of the used oil. The receipts shall be kept for at least two years and shall show the date, the amount of used oil taken, and the transporter's identification number. The owner or operator shall show such receipts to the Administrator or to any State enforcing this Act upon demand. In the case of any used oil taken by a transporter for the purpose of delivery to a recycling facility, the owner or operator shall keep on file a copy of a contract or written agreement between the owner or operator and the transporter to the effect that the transporter agrees to take the used oil to a recycling facility. The Administrator also may require such owners and operators to obtain identification numbers issued by the Administrator for purposes of implementing this section and section 3014.

"(B) The owner or operator of any place of collection of used oil also shall certify to the Administrator that any used oil taken by a transporter is not contaminated or adulterated with hazardous wastes or substances above de minimus levels (as determined by the Administrator under the regulations promulgated to implement the section). For purposes of such certification, an owner or operator may presume that a small quantity of used oil is not contaminated or adulterated if it—

"(i) has been removed from the engine of a light duty motor vehicle or household appliances by the owner or such vehicle or appliances, and

"(ii) is presented, by such owner, to the owner or operator for collection, accumulation, and delivery to an oil recycling facility.

"(C) Any person who transports used oil to a recycler, by truck or other means, shall obtain an identification number from the Administrator. Such transporters shall issue receipts (as described in subparagraph (A)) to the owners or operators of used oil collection places and shall keep records showing each collection place from which used oil was taken, the amount of used oil taken from each such place, and the date. Upon delivery of used oil by the transporter to a recycling facility, the transporter shall give the recycler a copy of the records covering the delivered oil.

"(D) The owner or operator of a used oil recycling facility with a permit under section 3005(c) or under section 3014 of this Act (in this section referred to as a 'recycler') shall be the only person who may create a recycling credit for the recycling credit system.

"(E) The recycler shall certify to the Administrator that the substance being recycled for purposes of creating recycling credits is used oil and that the used oil has not been contaminated or adulterated with hazardous wastes or substances above de minimus levels (as determined by the Administrator under the regulations promulgated to implement this section). To support such certification, the recycler shall test the used oil, upon receipt from transporters, for such wastes and substances as the Administrator determines appropriate under the regulations.

"(F) Any used oil proposed to be recycled for the purpose of creating recycling credits shall come from an owner or operator of a used oil collection place, or a transporter with an identification number, with whom the recycler has entered into a contract or agreement for such purpose.

"(G) The records that a recycler must keep are at least the following:

"(i) The oil delivery records given by transporters of used oil (as described in subparagraph (B)). Such records shall be kept for at least one year.

"(ii) The results of the oil tests conducted by the recycler when the oil is received (as described in subparagraph (E)).

"(iii) A record of the quantities of used oil received for recycling.

"(iv) A record of the quantities of recycled oil sold or otherwise distributed in commerce, and the destinations of such recycled oil. Part of such record shall be a record of the quantities of refined oil sold to producers or importers of lubricating oil for the purpose of complying with subsection (a).

"(v) A record of the sale of recycling credits, including the name and address of the producers and importers the credits were sold to and the amount of credits sold.

"(H) The recycler shall sell or otherwise distribute in commerce the recycled oil as specification used oil, off-specification used oil, hazardous waste fuel, or refined oil (as defined by the Administrator).

"(I) Each year a producer or importer of lubricating oil shall keep records of the quantity of lubricating oil produced or imported, the amount of recycling credits purchased (including the names of recyclers from whom the credits were purchased and the dates of the purchases), and the amount (if any) of recycling credits sold or carried over from previous years.

"(3) The Administrator may include such other requirements in the regulations under paragraph (1) with respect to qualifications for recyclers, importers, and producers; methods for auditing compliance with the system; and enforcement of the system; as the Administrator considers necessary or appropriate for administering the recycling credit system established under this subsection.

"(4) The regulations under paragraph (1) shall take into account the relative competitive positions of used oil reprocessors and used oil re-refiners under the system and shall include provisions to ensure, to the extent practicable, that neither would be at a competitive advantage under the system. Any such provisions shall, at a minimum, allow for used oil re-refiners to exclude between 15 and 25 percent of their production of re-refined oil from the recycling requirement under subsection (a).

"(5) For purposes of this section, the term 'recycling credit' means a legal record of a recycling activity undertaken in accordance with this subsection that represents an amount of used oil recycled for purposes of complying with subsection (a).

"(d) REPORTS.—(1) Not later than six years after the date of the enactment of the Consumer Products Recovery Act of 1989, the Administrator shall submit to Congress an interim report on the implementation of this section. The report shall include, at a minimum—

"(A) a discussion of the effects of the requirements of this section on the oil industry and on the environment; and

"(B) an evaluation of the level of the recycling percentage under subsection (b) and recommendations on whether, and at what rate, the percentage should be increased in future years.

"(2) Not later than 10 years after such date, the Administrator shall submit to Congress a final report on the implementation of this section. The report shall include an updated version of the discussion and evaluation required in the interim report, as well as such other findings and recommendations with respect to the implementation of this section as the Administrator considers appropriate.

"(e) APPLICABILITY.—This section applies to any person who produces or imports more than 100,000 gallons of lubricating oil a year.

"(f) REGULATIONS.—The Administrator shall promulgate regulations to implement this section not later than 18 months after the date of the enactment of the Consumer Products Recovery Act of 1989. If the Administrator fails to promulgate such regulations by that date, the recycling percentage under subsection (b) shall be 40 percent until such time as the regulations are promulgated.

"SEC. 3016. RECYCLING REQUIREMENTS FOR CERTAIN COMMODITIES.

"(a) PLAN.—Not later than two years after the date of the enactment of the Consumer Products Recovery Act of 1989, the Administrator shall submit to Congress a plan, based on the experience with the implementation of section 3015, for the recycling of the commodities listed in subsection (b) and such other commodities as the Administrator considers appropriate. With respect to each commodity, the plan shall discuss the desirability and feasibility, in terms of environmental impacts resulting from reducing volume, reduced toxicity, and economic impacts, of requiring the recycling of the com-

VOL 135 PT 9 JE 14 — 22 1989 UMI

modity, and the specific manner in which such recycling could be accomplished if the Administrator concludes that such recycling is feasible. The plan also shall include an incentive-based method or methods for accomplishing the recycling, such as a credit system (as established under section 3015(c)) or a system under which deposits on the commodity are made and refunds given upon return of the commodity for recycling (known as a deposit-refund system).

"(b) COMMODITIES COVERED.—The commodities that shall be included in the plan are the following:

"(1) Newspapers with daily circulation.

"(2) Used tires.

"(3) Used lead acid batteries.

"(4) Used pesticide containers.

"(5) Antifreeze.

"(6) The volatile organic compounds known as perchlorethylene, methylene chloride, trichlorethylene, and methyl chloride, and such other volatile organic compounds (including certain chlorofluorocarbons) as the Administrator determines should be included.

"(c) IMPLEMENTATION.—Not later than one year after the plan is submitted under subsection (a), the Administrator shall begin to implement the plan with respect to one commodity included in the plan. Each year thereafter, the Administrator shall begin to implement the plan with respect to an additional commodity. The Administrator shall select the commodities in the order of priority determined by the Administrator under the plan. For purposes of implementing a plan for a commodity under this section, the Administrator is authorized—

"(1) to carry out any of the methods for accomplishing the recycling of the commodity that are included in the plan (including a deposit-refund system); and

"(2) to administrator the plan under this subtitle or under subtitle D of this Act, as the Administrator determines appropriate.".

(b) TECHNICAL AMENDMENT.—The table of contents for subtitle C of such Act (contained in section 1001 of such Act) is amended—

(1) by redesignating the items relating to sections 3015 through 3020 as sections 3017 through 3022; and

(2) by inserting after the item relating to section 3014 the following new items:

"Sec. 3015. Used oil: recycling requirements.
"Sec. 3016. Recycling requirements for certain commodities.".

SEC. 4. OTHER REQUIREMENTS FOR USED OIL MANAGEMENT.

(a) IN GENERAL.—Section 3014 of the Solid Waste Disposal Act (42 U.S.C. 6921) is amended to read as follows:

"SEC. 3014. USED OIL: PERFORMANCE STANDARDS AND OTHER REQUIREMENTS.

"(a) IN GENERAL.—Not later than 18 months after the date of the enactment of the Consumer Products Recovery Act of 1989, the Administrator shall promulgate regulations establishing such performance standards and other requirements for used oil, including (but not limited to) generators, transporters, and recyclers of used oil, as may be necessary to protect public health and the environment from hazards associated with used oil. In developing such regulations, the Administrator shall conduct an analysis of the economic impact of any such regulations on the oil recycling industry. The Administrator shall ensure that such regulations (such as regulations on the burning of used oil) are protective but do not discourage the environmentally acceptable recovery or recycling of used oil.

"(b) TREATMENT OF OFF-SPECIFICATION AND SPECIFICATION FUEL.—If used oil is listed or identified as a hazardous waste under section 3001, any off-specification fuel and any specification fuel (as defined by the Administrator) derived from used oil shall not be considered to be listed or identified as, or derived from, a hazardous waste under that section after being reprocessed or re-refined at a facility which has a permit under section 3005(c) or for which a valid permit is deemed to be in effect under subsection (c).

"(c) PERMITS.—The owner or operator of a facility which recycles used lubricating oil shall be deemed to have a permit under this subsection for all treatment or recycling (and any associated tank or container storage) if such owner or operator complies with standards promulgated by the Administrator under this section. The Administrator may require any such owner or operator to obtain an individual permit under section 3005(c) if he determines that an individual permit is necessary to achieve the purposes of this section.

"(d) LABELING REQUIREMENTS.—(1) Any person who packages lubricating oil for sale or other distribution in commerce, including producers and importers of lubricating oil, shall label each package (such as a can) with the following statements, or with words to the same effect: 'Used oil is a hazardous substance. Do not dispose of used oil in garbage, sewers, or on the ground. To find out how to properly recycle used oil in your area, call 800- .'.

"(2) The Administrator shall promulgate regulations requiring States to develop and submit a plan for making information available to the public about used oil recycling. The Administrator shall establish a nationwide toll-free telephone line through which the Environmental Protection Agency shall give out information to callers about State used oil recycling programs.".

(b) TECHNICAL AMENDMENT.—The table of contents of such Act (contained in section 1001 of such Act) is amended by striking out the item relating to section 3014 and inserting in lieu thereof the following:

"Sec. 3014. Used oil: performance standards and other requirements.".

SEC. 5. REGULATION REQUIREMENT IF EPA FAILS TO MEET DEADLINE.

If the Administrator fails to promulgate regulations under section 3014 of the Solid Waste Disposal Act (as amended by section 4) and under section 3015 of such Act (as added by section 3) within 18 months after the date of the enactment of this Act, then the regulations on used oil management standards proposed in the Federal Register on November 29, 1985, as part of the entry titled "Hazardous Waste Management System: Final and Proposed Rules" shall become interim final regulations. Such interim final regulations shall remain in effect for purposes of implementing this section until such time as the Administrator promulgates the regulations under such sections 3014 and 3015.

SEC. 6. AUTHORIZATION.

There is authorized to be appropriated to the Administrator of the Environmental Protection Agency $1,200,000 to carry out sections 3014, 3015, and 3016 of the Solid Waste Disposal Act (as added or amended by sections 3 and 4). Such funds shall be used to hire the equivalent of at least six additional full-time employees to carry out such sections. Such funds shall remain available until expended.

CHAPTER 7—SOLID AND HAZARDOUS WASTE MANAGEMENT

It is becoming increasingly clear that we must begin to face up to the serious problems caused by the massive quantities of solid and hazarous waste which our society generates. The New York City Health Commissioner, Dr. Stephen C. Joseph, recently commented: "I do believe this period of the 1980s will be remembered at the time the planet struck back. The planet is telling us we can't treat it this way anymore." [1]

Waste management is not a single policy problem, but a convenience label for a broad range of environmental threats. Included are conventional dilemmas such as how municipalities should deal with the tremendous quantities of solid waste which they generate, and a newer set of problems associated with the management of hazardous wastes, a topic which has gained increasing attention from all levels of government during the past ten to fifteen years.

We begin this chapter with a look at the conventional problem of solid waste management, and we endorse recycling, a somewhat unconventional approach, as one part of a community's portfolio of solutions. We recommend various means of ensuring that individual communities choose lease-cost approaches to solid waste management. In the second part of the chapter, we begin our examination of hazardous waste problems, with proposals for reducing sources of toxic chemicals in the environment. We recommend methods for providing market-type signals to producers and consumers of products and services which are associated with toxic waste generation. We also recommend consideration of limited product and process labelling, which if properly done can have the effect of reducing both the supply and the demand for products and services which expose persons to hazardous substances. Finally, turning to the more specific problem of containerizable hazardous wastes, we recommend the development of a deposit-refund system to provide incentives both for the safe disposal of toxic substances and for the substitution in production of safer chemical agents.

SOLID WASTE MANAGEMENT

Until only recently, most of us gave little, if any, thought to what happened to our household refuse once it was picked up and hauled away. But in many parts of the country, garbage has been cropping up in the news: old landfills are filling up and contaminating water supplies; it is increasingly difficult to find sites for new landfills; giant garbage incinerators are bringing with them equally giant bond issues representing burdensome investments for many communities; and now it is becoming clear that incinerators produce their own set of significant environmental hazards.

The Problem and Current Policies

It is not an overstatement to say that a garbage crisis faces many municipalities. Los Angeles County landfills are expected to be full by 1994; New York City's landfill space will be totally exhausted by the 2002; and Connecticut will run out of currently available landfill space within two or three years. At the same time, the environmental hazards of landfills are receiving increased recognition, and standards for new and existing landfills are being tightened. This crisis affects almost every part of the country.[2]

[1] Footnote at end of article.

One relatively new approach previously seemed to offer a quick solution. Garbage incineration, its proponents proclaimed, could use updated technology to burn garbage without unsafe air emissions, profitably producing useful electric energy, and leaving only an "inert" ash which would greatly reduce landfill requirements. The initial projects of this so-called "resource recovery" industry were seen to be attractive for a number of reasons: electricity prices were high and projected to go higher; Federal tax "preferences" encouraged incineration (with both Federally subsidized tax-exempt public financing and investment tax credits to private-industry proponents); and "turnkey operations" were promised in which industry sponsors would do all the work, obtaining the necessary permits and financing, while municipalities would just deliver their garbage.

Success in such turnkey operations has been elusive. Operators have not been able to offer performance guarantees in the face of falling electricity prices; tax reform legislation has restricted Federal subsidies; and significant environmental risks associated with incinerator air emissions and hazardous ash residues have required expensive "fixes." Although air pollution caused by dioxin has been the most widely publicized environmental hazard of incineration, the existence of toxic heavy metals in incinerator ash as well as in air emissions may be of even greater long-run concern. Because of the presence of toxic metals in ash, the residue from incinerators routinely tests as a "hazardous waste" according to EPA standards. Nevertheless, the vast majority of ash is disposed of in ordinary municipal landfills; and large quantities of incinerator ash are managed by even less safe means, including open disposal, use as landfill cover, and use as de-icing grit on winter roads.

Due to increasing environmental and economic risks, more than $3 billion in projects have been canceled since the beginning of 1987.[3] Thus, while the traditional approach to disposing of garbage—landfilling—has reached its limits, a promised wholesale solution—incineration—has turned out to be problematic, at best.[4] As a result, communities across the country have pushed forward an alternative supplementary approach, one that much of the solid waste management industry previously did not take very seriously.[5]

Recommendation 34: Policies Which Allow Recycling to Compete in the Market

Recycling, as one element in managing solid waste, is being discovered (rather independently) by numerous communities which have found conventional waste management methods insufficient. In choosing to participate in recycling programs, people respond to publicity, convenience, and economic incentives just as they do for other activities. Thus, successful recycling is not so much a question of individual initiative as it is a matter of providing adequate recycling institutions. The vast majority of our garbage is recyclable. The largest components of municipal solid waste consist of various forms of paper and yard wastes. Newspaper, cardboard, and office paper are all recyclable; several communities have even recycled mixed papers (including magazines, cereal boxes, junk mail, and so forth). Yard wastes (grass clippings and tree trimmings) can be composited to enrich soil, and various forms of plastics can now be recycled. Moreover, a variety of methods, in addition to curbside collection, are available. Apartment house collection programs, buyback centers, office paper recycling, yard waste collection, and others can deal effectively with significant portions of the waste stream.[6] Studies show that in Seattle and New York City combinations of such recycling efforts would foster even higher levels of participation.[7]

The critical question which communities face is whether recycling makes sense economically. The answer is frequently that recycling's most important economic benefits are from reducing the quantity of garbage which must otherwise be collected and disposed, not from revenues due to sales of recycled materials. When all economic benefits are counted together, recycling can indeed pay for itself. Furthermore, in many situations recycling may be the least-cost waste management alternative. A survey of California curbside recycling programs found that "in terms of cost per ton of waste recycled or landfilled, curbside recycling compares favorably with refuse collection and disposal."[8] Seattle's study of alternatives found large-scale recycling to be cheaper than incineration or greater reliance on landfilling; and an analysis of a first-phase recycling program in New York City estimated average costs of recycling to be $18 per ton, compared with $37 per ton for an incinerator with equivalent capacity.[9]

Can markets be expected to absorb recycled materials? If not, there are many steps which the Federal, state, and local governments can take to help develop such markets. For particular products, waste-end taxes or deposit-refund systems may be highly effective and economically efficient.[10] More generally, it would be desirable to stop financing garbage collection through property taxes and user fees which do not reflect quantities of trash picked up daily. While the administrative problems of alternative financing mechanisms will not be trivial, economically rational alternatives merit consideration. Among these are: "product-disposal charges" levied on bulk producers or importers of packaging materials; and "recycling-incentive taxes" to create price differentials which reflect differences among containers in the disposal problems they cause.[11]

To take full advantage of the efficiency and flexibility of markets, recycling efforts may be better off in the hands of private business than local governments. In fact, recycling is attracting the attention of the waste management industry. Resource Recovery Systems of Groton, Connecticut has designed recycling processing facilities in New Jersey and Massachusetts. The disposal firm which serves the city of San Francisco will soon handle both curbside collection of recyclables and processing of collected materials Chemical Waste Management, Inc., the industry's largest company, runs the curbside recycling program in San Jose and is involved with Seattle, Washington in its highly successful program.[12]

If communities are to adopt truly least-cost solutions to their solid waste management needs, it is absolutely essential that recycling be considered on an equal basis with other alternatives. We therefore recommend that the bidding process for municipal waste management be opened to all techniques, and that recycling options be provided with guarantees of minimum supplies similar to those already offered to incineration and landfill operators. Instead of attempting to force technology by requesting bids for a "2,000 ton-per-day incineration facility" (or a "2,000 ton/day recycling program," for that matter), municipal requests for bids should state overall needs without specifying processing techniques. In order to get to the point where municipal decision makers routinely evaluate recycling as a waste management option, a great deal more information about recycling than is currently available will need to be systematically disseminated. Data on existing recycling programs should be collected, and cost analyses of these programs performed and disseminated, presumably through research and education by EPA and relevant state agencies.

Finally, institutional barriers must be addressed. Much attention and effort by municipalities will be required for successful recycling, just as for other waste management alternatives. Municipalities certainly know the efforts required to obtain permits for landfills or incinerators. Analogous efforts should be expected for recycling alternatives. In fact, the work needed to prepare and promote a successful large-scale recycling program may be less, yet more rewarding than efforts currently required for less attractive options.

REDUCING SOURCES OF TOXIC SUBSTANCES IN THE ENVIRONMENT

Before examining alternative approaches to managing hazardous wastes, it is imperative to ask whether and how the generation of such hazardous wastes can be reduced. As public concern regarding hazardous waste problems has increased and regulations have been tightened, the costs of managing existing stocks of hazardous wastes have increased dramatically. In this context, the notion of reducing the flow of toxic wastes from production processes is becoming more attractive. Policies which reduce toxic wastes will lessen the seemingly intractable problems of managing hazardous waste.

What, then, are the sources of toxic substances regularly released into the environment? They are both numerous and diverse: every day each of us uses a variety of products and services which generate hazardous wastes. The good news is that alternative means exist of providing many products and services, with resultant decreases in releases of toxic residuals to the environment. Source reduction includes: (1) product or service substitution which results in lower toxic residual levels; (2) recycling; (3) changes in process technology and equipment; (4) better plant operations; (5) changes in process inputs; and (6) modifications of end products, such as redesigned packaging.

The Problem and Current Federal Policy

Total toxic waste discharges may range from one to three billion metric tons annually.[13] Because of the volume and diversity involved, essentially all Americans are exposed every day to toxic residuals, to some degree. Consequently, any policies which affect toxic releases could substantially reduce human exposure to toxic substances.

The present approach is dominated by "command and control" regulations, which typically tell businesses what they need to do to obtain permits or to make regulated discharges. Although the Clean Air Act, the Clean Water Act, and the Resource Conservation and Recovery Act (RCRA) encourage source reduction, the actual focus of regulatory activity has been on controlling pollution at the "end of the pipe," with no attention to reducing the flow through it. Toxic wastes are released into the environment as gases, liquids, sludges, and solids, but not necessarily along pathways which individual statures or regulations address. Environmental regulations with single media foci,

such as the Clean Air and Clean Water Acts, often do no more than transfer toxics among media, rather than reduce their volume: wastewater treatment facilities and some air pollution control devices produce sludges which may be considered hazardous under RCRA. Likewise, surface impoundments of toxic substances regulated under RCRA may produce air emissions—volatile organic compounds—a target of the Clean Air Act. Therefore, Federal toxics policy should shift from concentrating on the carriers of pollution to cutting the output.

Although source reduction has historically not been a high priority for environmental and plant managers, many industrial firms are beginning to develop source reduction programs. Increased treatment and disposal costs, recognition of long-term liability costs for disposal, and the necessity of maintaining corporate goodwill are encouraging heightened waste minimization efforts by these firms. Two important questions arise. First, how can these incentives be harnessed more effectively, giving plant managers, the techniques to measure secondary benefits from waste management projects and practices, such as disposal costs and Superfund liability avoided? Second, why are some firms not following their fellows' lead and establishing serious source reduction efforts?

The following factors affect firms' decisions regarding toxic substance releases: (1) availability and relative costs of land disposal; (2) capital and other costs of implementing source reduction; (3) attitudes toward changes in production processes; (4) availability of information about source reduction technologies; (5) regulatory issues related to modifying waste generation operations, and (6) need for further research and development of applicable techniques. The approaches we propose in the following section seek to address these factors and thus to open more room for business decisions which are likely to result in source reduction.

Recommendations 35: Incentives for Source Reduction

The current approach to managing hazardous wastes in the environment may not give sufficient attention to reducing the generation of toxic substances. To finance the cleanup of hazardous waste sites, for example, the Superfund program imposes a "front-end" tax on the chemical and petroleum industries, unrelated to the toxicity of products or services. This tax provides no incentive to firms to switch to less toxic substances or to recycle wastes. A "waste-end" tax could induce industries to reduce the toxicity of their products and processes and could also provide an incentive to consumers to substitute safer, lower-cost products. But, waste-end taxes are at present difficult, if not impossible to enforce, because of the incentive they provide for illegal dumping.[14] A deposit-refund system is a more appropriate solution, as we discuss later in the context of containerizable hazardous wastes.

Another approach to providing incentives for toxic source reduction is through labelling requirements, which compel producers to inform consumers regarding the presence in products of known toxic substances which may present significant risks. Such an approach was recently initiated in California for carcinogens and reproductive toxins as one element of its so-called Proposition 65, the Safe Drinking Water and Toxic Enforcement Act.[15] Appropriate labelling has the potential to: (1) reduce unknowing, involuntary exposures to hazardous substances; (2) raise public awareness of the presence of toxics and thereby reduce consumer demand for especially toxic products; and (3) encourage producers to substitute safer substances for more toxic ones in their products and services. The California law is one of the first and most comprehensive attempts at labelling consumer products with a warning that production, consumption, or use results in exposure to toxic substances. After we have been able to evaluate California's experience, a similar approach at the national level may merit consideration. It is important, however, that this approach be used only in limited cases, because excessive labelling may simply cause people to ignore signs or labels which warn of genuine risks.

There is an immediate role for the Federal government to play in terms of providing information to industries and firms regarding alternative methods of toxic waste source reduction. Additionally, the government can lead the way in source reduction through its own example of what businesses can do to achieve toxic emission reductions.

MANAGEMENT OF CONTAINERIZED WASTE

Hazardous waste management is a convenient label for a range of problems, some of which resemble more familiar stationary-source air and water pollution control or solid-waste management problems, and others which are of quite special character. Among the most difficult of these "special problems" is that posed by wastes generated in small enough quantities that they can be containerized, stored, shipped away from the place of generation, and dumped more or less anywhere in the environment.

The Problem and Current Policy

According to the Congressional Budget Office, about 30% or 80 million metric tons of 1983 industrial hazardous wastes were found in waste types which may be generated in small enough quantities per unit to be containerized.[16] Of that amount, almost half are in waste types such as solvents and oils which are potentially recyclable after a reclamation or re-refining process.[17] Containerizable wastes are hard to manage because it is particularly difficult to keep track of them. If an industrial plant uses a metal degreasing solvent in its production process, for example, checking for "emissions" to the environment of the spent solvent requires checking all shipments out of the plant gates. For even one plant, there may be tens of thousands of "sources," many of them very small but collectively important.

What this means for management policy is that when regulations make identifiable and measurable emissions more costly, illegal (often dispersed) emissions become more attractive. To some degree, our current policies do indeed consist of raising the cost of approved disposal, relative to illegal disposal. We lack an effective mechanism to monitor actual disposal activities and enforce approved ones. We approve methods of and sites for waste disposal (narrowing the choices toward reliance on high-temperature incineration), and we try to enforce requirements via a manifest system designed to track hazardous wastes once they leave their place of generation. But high temperature incineration is more expensive than dumping waste in the woods, and the manifest system does not seem to perform as intended.[18] A waste-end tax would only exacerbate the incentive problem which already exists.

Recommendation 36: A Deposit-Refund System for Containerizable Hazardous Wastes

The policy problem for containerizable hazardous wastes may be summarized by the following questions: Can we reduce the quantity of such wastes by enough that disposal of the remainder will hardly matter? Or can we make approved waste disposal as or more attractive than illegal disposal?

Since an emissions or waste-end tax unfortunately provides an incentive for illegal dumping, one answer might come from a special front-end tax on waste precursors such as fresh solvent. Such a tax should amount to a percentage of the price paid rather than a dollar-per-unit figure so that it would work as a general incentive to reduce use and hence waste generation, and would give users an incentive to find safer substitute chemicals. This tax would have the further advantage of creating an incentive to recover and recycle taxed compounds rather than allow them to evaporate or otherwise be dissipated. Once waste is generated, however, incentives that affect the choice of disposal methods would look as they do now.

To resolve this apparent policy dilemma, we propose a front-end tax—a deposit, in effect, with a refund payable when quantities of the substance in question are turned in to the desired facility (for recycling or disposal).[19] This refund provides an incentive to recapture would-be evaporative losses and to follow rules for proper disposal. To the extent that some losses cannot be avoided, there will be an incentive to reduce overall use as well. A deposit-refund system so tailored that proper disposal is made more attractive than illegal disposal changes the monitoring and enforcement problem that responsible agencies now face. It would be their problem to make sure that what is turned in for the refund is, in fact, the substance in question and not a counterfeit. The evidence that the returned material is genuine, however, can be required of the source, a shift in the burden of proof which also acts to lower the agency's cost of achieving the same level of compliance.

Thus, the appeal of a properly scaled deposits-refund system for certain containerizable hazardous wastes is threefold. First, the agency's monitoring problem is no longer the nearly impossible one of preventing illegal dumping of small quantities at dispersed sites in the environment. Rather, the agency simply has to assure itself that what is being returned for refund is what it purports to be; generators will have the incentive to seek the refund rather than following a "midnight-dumping" strategy. Second, there will also exist an incentive to recapture would-be losses from the production process. In the case of solvents, this generalized incentive will spur work to recapture a major part of the ozone precursors now entering the atmosphere. Third and finally, because of some inevitable net losses in processes and because of the costs associated with having to think hard about how the substances involved are used, there will be some incentive to look for nonhazardous substitutes—that is, substances to which the tax-refund system does not apply.[20]

FOOTNOTES

[1] Quoted in: Shabecoff, Philip. "Why N.Y and N.J. Are Still Dumping Sludge Into the Sea." *New York Times*, July 17, 1988, p. 8.

[2] California Assembly Office of Research. *Integrated Waste Management: Putting a Lid on Garbage Overload.* Sacramento, April 1988.

[3] "Energy From Garbage Loses Some of Promise As Wave of the Future." *Wall Street Journal*, June 16, 1988, p. 1.

[4] We do not suggest that there should be no role whatsoever for incineration. But, at the very least, further research is needed to resolve technical problems, and adequate standards for air emissions and ash disposal must be met.

[5] Anderson, David C. "For Lack of Options, New York Gets Serious About Recycling." *New York Times*, May 15, 1988. p. 6.

[6] Environmental Defense Fund. *Coming Full Circle: Successful Recycling Today.* New York, New York, 1988.

[7] Seattle Engineering Department Solid Waste Utility. *Waste Reduction, Recycling and Disposal Alternatives.* Draft Environmental Impact Statement, May 1988. Environmental Defense Fund. *To Burn or Not to Burn.* New York, New York, 1985.

[8] California Waste Management Board. *Curbside Recycling in California.* Draft, December 4, 1987.

[9] John Ruston. *Testimony on the Economics of Recycling and Incineration.* New York State Department of Environmental Conservation, Application for Permits for the Brooklyn Navy Yard Resource Recovery Facility, 1985.

[10] These alternatives are discussed later in the chapter.

[11] Anderson, Frederick P. et al. Environmental Improvement Through Economic Incentives. Washington, D.C.: Resources for the Future, 1977.

[12] See: Egan, Timothy. "Curbside Pickup and Sludge Forests: Some Cities Make Recycling Work." *New York Times*, October 24, 1988, page A10.

[13] Office of Technology Assessment. *Pollution to Prevention: A Progress Report on Waste Reduction.* Washington, D.C.: U.S. Government Printing Office, 1987.

[14] Hammitt, James K. and Peter Reuter. *Measuring and Deterring Illegal Disposal of Hazardous Waste.* R-3657-EPA/JMO. Santa Monica: The RAND Corporation, 1988.

[15] See: (1) Roe, David. "Barking Up the Right Tree: Recent Progress in Focusing the Toxics Issue." *Columbia Journal of Environmental Law* 13(1988):275-283. (2) Haag, Melinda. "Proposition 65's Right-To-Know Provision: Can It Keep Its Promise to California Voters?" *Ecology Law Quarterly* 14(1987):685-712.

[16] U.S. Congressional Budget Office. *Hazardous Waste Management: Recent Changes and Policy Alternatives.* Washington, D.C.: U.S. Government Printing Office, 1985.

[17] Since the CBO data cover only industrial generation of hazardous waste, the quantities and shares do not reflect the importance of particular commercial hazardous wastes such as spent dry cleaning solvent and waste automobile lubricating oil, both of which are containerizable and recyclable in general.

[18] U.S. General Accounting Office. *Illegal Disposal of Hazardous Waste: Difficult to Detect or Deter, RCED-85-2.* Washington, D.C.: U.S. Government Printing Office, 1985.

[19] The same approach recommended here for containerizable hazardous wastes was recently endorsed by Waste Management, Inc. for deposit-refund systems for lead-acid batteries and motorized vehicle tires.

[20] For more discussion of these proposals, see: Russell, Clifford S. "Economic Incentives in the Management of Hazardous Wastes." *Columbia Journal of Environmental Law* 13(1988):257-274.●

By Mr. KENNEDY:

S. 1182. A bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; to the Committee on Labor and Human Resources.

FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. KENNEDY. Mr. President, yesterday, the President vetoed the minimum wage legislation. The House of Representatives has now failed to override the veto, although a solid majority of the House voted to do so.

The real losers on this veto are not Democrats in Congress, but the millions of hard-working Americans who are forced to live in poverty because their employers won't pay them a living wage.

The President should understand that this is an issue where Congress has only just begun to fight. The issue is fairness and America's working poor deserve a fair increase in the minimum wage.

Today, therefore, I am reintroducing the identical bill—Fair Labor Standards Act Amendments of 1989—as adopted by the House and the Senate, and vetoed by the President.

I do so, not to say take it or leave it, as the President did with his proposal.

I reintroduce this bill today to begin what I hope is a dialog with the administration, in which we can work out the differences between our positions and achieve a fair compromise that honors the promise of the minimum wage to the working poor.

I hope we can work with this administration and resolve our differences. To begin that process, I intend to invite Secretary of Labor Dole to testify in the Senate Labor Committee next week to explain the administration's position.

If the administration continues to refuse to work with the Congress on this issue, I intend to ask the Labor Committee to mark up and report a new minimum wage bill shortly after we return from the 4th of July recess.

Sixty-three Members of the Senate voted for the minimum wage measure just vetoed. I would prefer to work out an acceptable compromise with the administration. But if that is not possible, we will try to enact a measure that has the support of a veto-proof majority in the Senate.

The President stated in his veto message that it is regrettable that this debate must end with a veto. I agree with the President. For 14 million hard working American men and women, it is more than regrettable. It is the difference between a living wage and a subpoverty wage. It is time to stop debating the issue and begin a dialog to resolve our differences. If the President believes that his veto puts an end to this issue, he is mistaken.

Over 50 years ago, we made a promise to the American people that no full-time worker should be condemned to a lifetime of poverty.

We have broken that promise for the past 8 years. The President's proposal was soundly rejected because it was a false promise, by which almost half of those entitled to an increase would have received no increase at all, because of the so-called training wage in the administration's proposal.

The training wage is a Trojan Horse. Congress should not go along with any scheme that denies an increase in the minimum wage to half the working poor. A 6-month training wage is unacceptable. And it is certainly not what the American people understood President Bush to be saying last fall when he committed himself as a candidate to an increase in the minimum wage.

So today I renew our request to the administration to work out a good faith compromise. Six times in the past, Congress and different administrations have worked together to renew this pact with American workers, and we ought to be able to do it again.

I hope that we can have a constructive meeting with the Secretary of Labor next week. If not, we will attempt to fashion a bill with the votes necessary to override another veto.

By Mr. KENNEDY (for himself, Mr. MURKOWSKI, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. DURENBERGER, Mr. SIMON, Mr. LEVIN, and Mr. DIXON):

S. 1183. A bill to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries; ordered held at the desk by unanimous consent.

DEMOCRACY IN EASTERN EUROPE ACT

Mr. KENNEDY. Mr. President, I rise to introduce, along with my colleagues Senators MURKOWSKI, MIKULSKI, DURENBERGER, MOYNIHAN, SIMON, LEVIN, and DIXON, the Democracy in Eastern Europe Act of 1989. Over the past 2 years, we have stood witness to the most extraordinary changes not only in the Soviet Union, but also in many parts of Eastern Europe.

Nowhere in Eastern Europe is this change more evident than in the proud nation of Poland. Throughout history, the people of Poland have always stood at the forefront of the struggle for individual rights and liberties and the preservation of their national heritage. From Pulaski, to Popieluszko, to Lech Walesa, the Polish people have enlightened the path to freedom. They have stood firm against the scourge of tyranny, resisted their oppressors' determined efforts to erase their heritage, and rejected efforts to incorporate them into an economy and culture not their own.

Today, once again, it is the determined and independent people of Poland who have broken the yoke of oppression and who are forging the path to freedom in Eastern Europe. It is the people of Poland who are testing the limits of Secretary Gorbachev's "new thinking" and exploring just how far glasnost will reach in Eastern Europe.

Similarly, the spirit of freedom is blossoming in Hungary and the people of that nation are demanding their turn at freedom and democracy. The government has responded quickly to the swelling demand of its people with

VOL 135 PT 9 JE 14 — 22 1989 UMI

impressive steps. In an important effort to recognize the wrongs of the past, the government has recognized the 1956 uprising as a just, popular uprising and taken steps to offer one of its greatest patriots, Imre Nagy, an honored place in its nation's history. And in perhaps the most significant and lasting reform, the government has scheduled free elections for 1990. The United States must respond with positive measures to those impressive steps.

Since the reforms in Poland began over 2 years ago, we have witnessed a gradual evolution towards a freer Poland, and the United States has reacted with a step by step reengagement with Poland. We have restored full diplomatic relations between our two nations, including the exchange of ambassadors, lifted economic sanctions imposed after the 1981 declaration of martial law, and extended agricultural and technical assistance through the American Aid to Poland Act of 1987.

The Polish Government's reforms have continued with the provision of formal legal status to the Catholic Church of Poland and with the recognition for the first time that the atrocities in the Katyn forest were committed by Stalin and not by the Nazis, as the government had maintained since World War II.

On April 5, the dramatic and historic roundtable accords were signed between the Government of Poland and representatives of Solidarity and the opposition in Poland. In strong contrast to events in another Communist country, China, the Polish Government negotiated the concerns of the people with the people. It understood that the demands for democracy of the people must be met—and met peacefully. The roundtable accords set the terms for national reconciliation among the Polish people, for the legalization of Solidarity, for economic reforms and for step-by-step democratization of Poland.

In the first free elections in Eastern Europe in four decades, the people of Poland went to the polls on June 4 to vote for a new Senate and 35 percent of the existing legislative body, the Sejm. These historic, peaceful, free, and fair elections will long be remembered as the turning point in Poland's quest for freedom. The elections verified what the people of Poland have always known—that Solidarity represents the people and their unwaivering quest for liberty.

While these elections failed to hold all legislative seats up to the people's judgment, they were an impressive and critical step in the road to democracy. And they paved the way for full, free elections in 1992.

The United States ought to respond quickly and positively to applaud these impressive steps and show we stand with the people of Poland in their struggle to be free. We also need to demonstrate our approval of the courageous steps taken by the Polish Government to bring democracy to Poland.

The bill before us puts the United States strongly behind the dramatic reforms taking place in Poland and Hungary. It extends to them the trade benefits of the Generalized System of Preferences [GSP] and the investment support and guarantees of the Overseas Private Investment Corporation [OPIC]. To continue receiving these benefits, Poland must ensure respect for the labor and human rights of its people. Current U.S. law makes respect for those rights a condition of receiving OPIC and GSP, and Congress will ensure that continued extension of these benefits will be linked to respect for these basic rights.

The bill also extends the current Science and Technology Exchange, Medical Programs and Educational and Cultural Exchanges to Poland and urges the establishment of cultural exchanges with Hungary. It also provides $1 million to democratic institutions and activities in Hungary and Poland. These programs shall continue to be available to Solidarity and other democratic institutions in Poland. They will enable us to provide tangible support to the progress in Poland—and provide a way for us to keep the pressure for reform and democratic progress—particularly through the 1992 elections.

Finally, the bill urges the President to work with our allies and Japan to establish multiyear debt relief and programs to increase investment in each country. Poland, for example, continues to face severe crises and an oppressive foreign debt of $39 million and is in urgent need of international credit and debt relief. The nations of Eastern Europe must continue to make meaningful social and economic reforms, but the United States and other nations also must respond with meaningful debt relief. The IMF, Paris Club, and the World Bank, in particular, must provide significant and long-term relief.

President Bush will travel to Eastern Europe in early July. I think all Members of the Senate will agree with me that he ought to be able to take with him this resolution as a tangible demonstration of United States support for the impressive democratic reforms made by Poland and Hungary. It is my hope that the Senate will pass this legislation overwhelmingly and quickly. The people of Eastern Europe are taking dramatic steps toward democracy and freedom. We should let no more time pass in supporting those efforts.

I ask unanimous consent that the full text of the bill may be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1183

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Democracy in Eastern Europe Act of 1989".

SEC. 2. ELIGIBILITY OF POLAND FOR GENERALIZED SYSTEM OF PREFERENCES.

Subsection (b) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended by striking out "Poland" in the table within such subsection.

SEC. 3. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) ELIGIBILITY OF POLAND AND HUNGARY FOR OPIC PROGRAMS.—Section 239(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(f)) is amended by inserting ", Poland, Hungary," after "Yugoslavia".

(b) PARTICIPATION BY NONGOVERNMENTAL SECTOR.—

(1) IN GENERAL.—In accordance with its mandate to foster private initiative and competition and enhance the ability of private enterprise to make its full contribution to the development process, the Overseas Private Investment Corporation shall support projects in Poland and Hungary which will result in enhancement of the nongovernmental sector and reduction of state involvement in the economy.

(2) DEFINITION.—For purposes of this subsection, the term "nongovernmental sector" in Poland or Hungary includes private enterprises, cooperatives (insofar as they are not administered by the Government of Poland or Hungary), joint ventures (including partners which are not the Government of Poland or Hungary or instrumentalities thereof), businesses in Poland or Hungary that are wholly or partly owned by United States citizens, including those of Polish or Hungarian descent, religious and ethnic groups (including the Catholic Church), and other independent social organizations.

SEC. 4. SCIENCE AND TECHNOLOGY EXCHANGE.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of State for purposes of continuing to implement the 1987 United States-Polish science and technology agreement—

(1) $1,500,000 for fiscal year 1990, and

(2) $1,560,000 for fiscal year 1991.

(b) DEFINITION.—for purposes of this section, the term "1987 United States-Polish science and technology agreement" refers to the draft agreement concluded in 1987 by the United States and Poland, entitled "Agreement Between the Government of the United States of America and the Polish People's Republic on Cooperation in Science and Technology and Its Funding", together with annexes relating thereto.

SEC. 5. MEDICAL SUPPLIES AND HOSPITAL EQUIPMENT AND TRAINING OF MEDICAL PERSONNEL FOR POLAND.

Notwithstanding any other provision of law, in addition to amounts authorized to be appropriated to carry out chapter 4 of part II Of the Foreign Assistance Act of 1961 (relating to the economic support fund) for fiscal years 1990 and 1991, there are authorized to be appropriated to carry out that chapter for each such fiscal year $2,000,000, which shall be available only—

(1) for providing medical supplies and hospital equipment to Poland through private

and voluntary organizations, including for the expenses of purchasing, transporting, and distributing such supplies and equipment, and

(2) for training of Polish medical personnel.

SEC. 6. ASSISTANCE IN SUPPORT OF DEMOCRACY IN POLAND AND HUNGARY.

Notwithstanding any other provision of law, in addition to amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for fiscal years 1990 and 1991, there are authorized to be appropriated to carry out that chapter for each such fiscal year $2,000,000, of which—

(1) $1,000,000 shall be available in each such fiscal year only for the unconditional support of democratic institutions and activities in Poland; and

(2) $1,000,000 shall be available in each such fiscal year only for the unconditional support of democratic institutions and activities in Hungary.

SEC. 7. EDUCATIONAL AND CULTURAL EXCHANGE.

It is the sense of the Congress that the President should—

(1) encourage privately administered educational and cultural exchanges between the United States and Poland and between the United States and Hungary, through the International Research and Exchanges Board (IREX), the National Academy of Sciences, the Fulbright Educational Exchange Program, and the United States Information Agency; and

(2) consider the establishment of reciprocal cultural centers in Poland and the United States and in Hungary and the United States to facilitate government and privately funded educational exchanges.

SEC. 8. FUTURE ECONOMIC PROGRAM.

It is the sense of the Congress that the President should consult with our western allies and Japan on the establishment of a multiyear comprehensive program for Poland and Hungary, including debt rescheduling and increased investment, designed to facilitate an enduring economic recovery in each country in the context of a clear and binding commitment by the government of that country to establish genuine democracy and a free economy in that country.

By Mr. MURKOWSKI:

S. 1186. A bill to amend the Immigration and Nationality Act to revise certain health requirements regarding the admission of certain disabled veterans and to rise the period of active military service required for a veteran to qualify for naturalization; to the Committee on the Judiciary.

REVISING CERTAIN HEALTH REQUIREMENTS WITH REGARD TO THE IMMIGRATION AND NATIONALITY ACT

● Mr. MURKOWSKI. Mr. President, today I am introducing legislation which will prevent the injuries and disabilities of non-U.S.-citizen veterans of the Armed Forces of the United States which were incurred or aggravated while they were on active duty from being held against them if they subsequently seek naturalization or admission to the United States.

Since the earliest days of the Republic, our Nation has been a beacon to those who cherish liberty. When we have been forced to take up arms in liberty's defense, that beacon has attracted to our colors the peoples of many nations. Lafayette was not the first to make our cause his own, and the Canadian citizens who fought in the Vietnam war will not be the last.

The Congress has recognized that, through service in our Armed Forces, these noncitizen soldiers have forged a bond with our country. Among other things, we have made it easier for these individuals to qualify for future citizenship by allowing them to apply for naturalization upon completion of 3 years active duty. However, it has come to my attention that there are circumstances that may defeat the purpose of congressional intent and erect an unnecessary barrier between these veterans and our country.

For example, a servicemember who is injured or disabled while on active duty may be given a medical discharge prior to the scheduled completion of his or her tour of duty. If such a medical discharge were given prior to completion of 3 years' active duty a noncitizen veteran would be denied qualification for naturalization because of a disability or injury that has incurred while in our Nation's service.

Similarly, the Immigration and Naturalization Service has the authority to deny entry to our country on the basis of health or disability. This authority is based on the sound principle that entry into the United States is solely at our discretion and that, as a nation, we should not place ourselves in a position of having to care for or support the world's ill or disabled. However, applied on a blanket basis, this principle would also apply to noncitizen veterans of the U.S. Armed Forces with service-connected disabilities which were incurred while in our service. I believe that barring entry into the United States in such circumstances is not consistent with the principles which guide this great Nation. I also note that admitting men and women with service-connected disabilities into the United States does not increase the taxpayer's obligations one cent since all U.S. veterans, without regard to their citizenship or residence, are currently entitled to both disability compensation and medical care from the Department of Veterans Affairs. I also note that the legislation would not bar INS consideration of other factors or disabilities—other than the service-connected disability—in determining suitability for entrance into the United States.

I note that 14,000 veterans residing outside of the United States receive compensation for service-connected disabilities. A substantial, but unknown, percentage of these veterans are already U.S. citizens. Thus, the number of individuals who could make use of this authority is not large.

Mr. President, the legislation I introduce today would address these issues by allowing the INS to disregard the service-connected disabilities of noncitizen veterans of the U.S. Armed Forces when assessing their health status for purposes of determining their suitability for entry into the United States. The bill would also allow a veteran to qualify for naturalization with less than 3 years' service if the veteran was discharged early because of a service-connected disability.

I believe these provisions will keep faith with those who served in our Armed Forces and were injured or disabled while in our service without adding to the burden of the U.S. taxpayer. I urge my colleagues to join with me in support of this bill.●

By Mr. DOMENICI:

S. 1187. A bill to repeal the supplemental Medicare premium, to modify certain benefits added by the Medicare Catastrophic Coverage Act of 1988 and improve the financing of such benefits, and for other purposes; to the Committee on Finance.

MEDICARE CATASTROPHIC COVERAGE IMPROVEMENT ACT OF 1989

Mr. DOMENICI. Mr. President, everyone knows that catastrophic health insurance came about here in the U.S. Congress because President Ronald Reagan asked that catastrophic chronic illness in the hospitals of this country postmedical care coverage, be covered in some way, and that we call it catastrophic health insurance. It was just about that simple. It grew a little bit; it came to the Senate and grew a little more in terms of benefits, and it seemed that all the citizen groups supporting seniors were for the concept, even as you added benefits and, inevitably, added costs and put some kind of a surtax on to pay for it. It left the Senate, went to the House, with that kind of atmosphere, and then in a mild topsy-like approach, not a big topsy, but a mild topsy, the House had done one a little differently.

Then we go to conference and add them together and add some more. That is sort of the evolution of what was then called catastrophic health insurance. It ends up, because of that, with a surtax that can be as high as $1,200 in 2 or 3 years on a number of senior citizens, and it is a surtax on income tax to pay for this catastrophic, which is no longer voluntary.

I think everyone thought the seniors wanted all the coverage and that they would be glad to pay for it, or that they wanted all the coverage and would not like to pay for it—wanted it for free.

I asked my senior citizens, and I got a rather incredible response. Huge numbers answered, and said that, "We do not need it all, and we do not want it free. We would like you to scale it

down to the things we need and want most, and we will pay for them. We do not think we need a surtax for that."

I tailored a bill which is much like one I introduced in 1987, to what I think are the fundamental catastrophic health needs. There will need be no surtax. It will start with a flat fee, and when all the benefits are in, there will still be no surtax, but it might be as much as $8, $9, $10 a month in 2 or 3 years, but we will not have all of the benefits that were in the final package that evolved with a lot more finesse than I described it here today, from a very small package to a little bigger one, and to a compilation of the two, with even more added, because there seemed to be enough money.

I am very hopeful that the Finance Committee in good faith—because the U.S. Senate voted for them to take another look—will do just that, look at bills such as mine, which I think take care of the basic concepts of catastrophic health insurance, and are affordable by all; and in that context, need not be made mandatory. Most will indeed sign up for it, but they really would like the flexibility to look at their own plans. I believe they ought to have that. These concepts are built into this bill.

I send the statement, bill, and recapitulation of what my senior citizens told me in large numbers, and the questionnaire that I sent them, which was quite detailed, and which they answered diligently, far beyond what many people around here think. They would think they want it all and want it free, and I found that was not the case. I send the measures to the desk for appropriate referral and installation in the RECORD and I ask unanimous consent that the statement be admitted, as it read.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 1187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Catastrophic Coverage Improvement Act of 1989".

SEC. 2. REPEAL OF CERTAIN MEDICARE CATASTROPHIC COVERAGE PROVISIONS AND SUPPLEMENTAL MEDICARE PREMIUM.

(a) GENERAL REPEAL.—The following provisions of the Medicare Catastrophic Coverage Act of 1988, as amended by the Technical and Miscellaneous Revenue Act of 1988, are hereby repealed, and the Social Security Act shall be applied and administered as if such provisions (and the amendments made by such provisions) had not been enacted:

(1) Section 112.
(2) Section 202.
(3) Section 203.
(4) Section 204.
(5) Section 205.
(6) Section 211 (c), (c)(1), (c)(2), and (c)(3)(A).
(7) Section 212.
(8) Section 301.
(9) Section 302.

(b) SUPPLEMENTAL MEDICARE PREMIUM REPEAL.—Section 111 of the Medicare Catastrophic Coverage Act of 1988, is hereby repealed, and the Internal Revenue Code of 1986 shall be applied and administered as if such section (and the amendments made by such section) had not been enacted.

(c) STUDY BY HHS TO RESTORE REPEALED MEDICARE BENEFITS.—No later than January 1, 1990, the Secretary of Health and Human Services or the Secretary's delegate shall conduct a study and submit a report to the Congress regarding the medicare benefits repealed by subsection (a) (including possible modifications of such benefits) and methods of financing such benefits if such benefits were reinstated.

(d) SENSE OF THE CONGRESS REGARDING REPEALED MEDICAID PROVISIONS.—It is the sense of the Congress that the provisions relating to the medicaid program in the repealed sections 301 and 302 of the Medicare Catastrophic Coverage Act of 1988 should be restored within the framework of the budget resolution for fiscal year 1990.

(e) EFFECTIVE DATE.—The repeals made by subsections (a) and (b) of this section shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

SEC. 3. MODIFICATION OF PART A BENEFITS.

(a) DEDUCTIBLE HOLD-HARMLESS ELIMINATED.—Paragraph (1) of section 1813(a) of such Act (42 U.S.C. 1395e(a)) is amended—

(1) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C), and

(2) by striking "Subject to subparagraph (C), the" in subparagraph (A) and inserting "The".

(b) SPELL-OF-ILLNESS HOLD-HARMLESS ELIMINATED FOR 1990.—Subsection (b) of section 102 of the Medicare Catastrophic Coverage Act of 1988 is amended by striking "or 1990" in paragraphs (1) and (2).

(c) EFFECTIVE DATES.—The amendments made by this section shall take effect on January 1, 1990, and shall apply—

(1) to the inpatient hospital deductible for 1990 and succeeding years, and

(2) to care and services furnished on or after January 1, 1990.

SEC. 4. OVERALL MEDICARE CATASTROPHIC LIMIT.

(a) IN GENERAL.—Paragraph (3) of section 1833(c) of the Social Security Act (42 U.S.C. 1395l(c)) is amended to read as follows:

"(3)(A) The catastrophic limit for 1990 is $2,500. The catastrophic limit for succeeding years is an amount (rounded to the nearest multiple of $10) as the Secretary estimates will result, in that succeeding year, in the same percent of the average number of individuals enrolled under this part (other than individuals enrolled with an eligible organization under section 1876 or an organization described in subsection (a)(1)(A)) during the year becoming entitled to benefits under this subsection as became entitled to benefits under this subsection in 1990.

"(b) Not later than September 1 of each year (beginning with 1990), the Secretary shall promulgate the catastrophic limit under this paragraph for the succeeding year.".

(b) PART A DEDUCTIBLES AND COINSURANCE INCLUDED IN LIMIT.—Subparagraph (A) of section 1833(c)(2) of such Act (42 U.S.C. 1395l(c)(2)) is amended to read as follows:

"(A) the deductions and coinsurance amounts established under subsection (b) and section 1813, and".

(c) CONFORMING AMENDMENTS.—

(1) Section 1833(c) (42 U.S.C. 1395l(c)) and section 1842(b)(3)(I) (42 U.S.C. 1395u(b)(3)) of such Act are each amended by striking "part B" or "under part B" each place it appears.

(2) Section 1833(c)(5)(B)(ii) of such Act (42 U.S.C. 1395l(c)(5)(B)(ii)) is amended by striking ", other than with respect to covered outpatient drugs".

(3) Section 1833(c)(5)(D)(i) of such Act (42 U.S.C. 1395l(c)(5)(D)(i)) is amended by striking "(other than covered outpatient drugs)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1990.

SEC. 5. EXTENSION OF HOME HEALTH SERVICES DELAYED.

Subsection (b) of section 206 of the Medicare Catastrophic Coverage Act of 1988 is amended by striking "January 1, 1990" and inserting "October 1, 1990".

SEC. 6. INCREASE IN PART B PREMIUM.

(a) IN GENERAL.—Section 1839(a) of the Social Security Act (42 U.S.C. 1395r(a)) is amended—

(1) in paragraph (1) by striking all after "(a)(1)" and inserting in lieu thereof the following:

"(A) The Secretary shall, during September of 1989 and of each year thereafter, determine the monthly actuarial basic rate and the monthly actuarial catastrophic illness rate for enrollees age 65 and over which shall be applicable for the succeeding calendar year.

"(B) The monthly actuarial basic rate determined under this paragraph for a calendar year shall be the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to those enrollees age 65 and over will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative costs incurred in such calendar year with respect to such enrollees (excluding benefits payable under section 1833(c)).

"(C) The monthly actuarial catastrophic illness rate determined under this paragraph for a calendar year shall be equal to the sum of—

"(i) the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to those enrollees age 65 and over will equal the total of the benefits and administrative costs which he estimates will be payable from—

"(I) the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative services costs incurred in such calendar year with respect to such enrollees under section 1833(c), and

"(II) the Federal Hospital Insurance Trust Fund, which are attributable to the Medicare Catastrophic Coverage Act of 1988, as amended by the Medicare Catastrophic Coverage Improvement Act of 1989, and

"(ii) the amount (if any) that the Secretary estimates to be necessary to offset any amounts—

"(I) by which the monthly premiums otherwise payable under this section with respect to such enrollees for such calendar year (disregarding subsections (b) and (f)) are reduced by reason of the limitation imposed by subsection (f), and

"(II) that are attributable (as determined by the Secretary) to the portion of such monthly premiums that is determined under paragraph (3)(A).

"(D) In calculating the monthly actuarial rates under this paragraph, the Secretary shall include appropriate amounts for a contingency margin."

(2) in paragraph (2) by striking "1983" and inserting in lieu thereof "1989",

(3) in paragraph (3)—

(A) by striking "1983" in the first sentence and inserting in lieu thereof "1989", and

(B) by striking the second sentence and inserting in lieu thereof the following: "The monthly premium shall (except as otherwise provided in subsection (e)) be equal to the sum of—

"(A) a weighted average of the monthly actuarial catastrophic illness rate for enrollees age 65 and over, determined under paragraph (1) of this subsection, and that rate for disabled enrollees under age 65, determined under paragraph (4) of this subsection, for that calendar year, and

"(B) the smaller of—

"(i) the monthly actuarial basic rate for enrollees age 65 and over, determined according to paragraph (1) of this subsection, for that calendar year, or

"(ii) the monthly payment rate most recently promulgated by the Secretary under this paragraph, increased by a percentage determined as follows: The Secretary shall ascertain the primary insurance amount computed under section 215(a)(1), based upon average indexed monthly earnings of $900, that applied to individuals who became eligible for and entitled to old-age insurance benefits on November 1 of the year before the year of the promulgation. He shall increase the monthly premium rate by the same percentage by which that primary insurance amount is increased when, by reason of the law in effect at the time the promulgation is made, it is so computed to apply to those individuals for the following November 1.", and

(C) by striking "amount of an adequate actuarial rate for enrollees age 65 and over as provided in paragraph (1)" in the third sentence and inserting in lieu thereof "amounts of adequate actuarial rates for enrollees as provided in paragraphs (1) and (4)", and

(4) by striking paragraph (4) and inserting in lieu thereof the following:

"(4)(A) The Secretary shall also, during September of 1989 and of each year thereafter, determine the monthly actuarial basic rate and the monthly actuarial catastrophic illness rate for disabled enrollees under age 65 which shall be applicable for the succeeding calendar year.

"(B) The monthly actuarial basic rate determined under this paragraph for a calendar year for shall be the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to disabled enrollees under age 65 will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative costs incurred in such calendar year with respect to such enrollees (excluding benefits payable under section 1833(c)).

"(C) The monthly actuarial catastrophic illness rate determined under this paragraph for a calendar year shall be equal to the sum of—

"(i) the amount the Secretary estimates to be necessary so that the aggregate amount for the calendar year with respect to disabled enrollees under age 65 will equal the total of the benefits and administrative costs which he estimates will be payable from—

"(I) the Federal Supplementary Medical Insurance Trust Fund for services performed and related administrative services costs incurred in such calendar year with respect to such enrollees under section 1833(c), and

"(II) the Federal Hospital Insurance Trust Fund, which are attributable to the Medicare Catastrophic Coverage Act of 1988, as amended by the Medicare Catastrophic Coverage Improvement Act of 1989, and

"(ii) the amount (if any) that the Secretary estimates to be necessary to offset any amounts—

"(I) by which the monthly premiums otherwise payable under this section with respect to such enrollees for such calendar year (disregarding subsections (b) and (f)) are reduced by reason of the limitation imposed by subsection (f), and

"(II) that are attributable to the portion of such monthly premiums that is determined under paragraph (3)(A) (as determined by the Secretary).

"(D) In calculating the monthly actuarial rates under this paragraph, the Secretary shall include appropriate amounts for a contingency margin.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1839(e)(1) of the Social Security Act (42 U.S.C. 1395r(e)(1)) is amended—

(A) by striking "monthly premium" and inserting in lieu thereof "portion of the monthly premium otherwise determined under subsection (a)(3)(B)", and

(B) by inserting "basic" after "actuarial".

(2) Section 1840 of such Act (42 U.S.C. 1395s) is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding the previous provisions of this subsection, premiums collected under this part which are attributable to the monthly actuarial catastrophic illness rate established under subsections (a)(1)(C)(i)(II) and (a)(4)(C)(i)(II) of section 1839 shall, instead of being transferred to (or being deposited to the credit of) the Federal Supplemental Medical Insurance Trust Fund, be transferred to (or deposited to the credit of) the Federal Hospital Insurance Trust Fund.".

(3) Section 1841B of such Act (42 U.S.C. 1395t-2) is amended—

(A) by striking "and section 59B of the Internal Revenue Code of 1986," in subsection (a),

(B) by striking "and for purposes of section 59B of the Internal Revenue Code of 1986" in subsection (a),

(C) by striking subparagraphs (A), (B), and (C) of subsection (b)(1) and inserting the following new subparagraphs:

"(A) credited for receipts of the Federal Supplementary Medical Insurance Trust Fund attributable to the premiums under section 1839(a), attributable to the monthly actuarial catastrophic illness rate (determined without regard to section 1840(i)), and

"(B) debited for outlays made under this title that are attributable to the amendments made by the Medicare Catastrophic Coverage Act of 1988, as amended by the Medicare Catastrophic Coverage Improvement Act of 1989.",

(D) by striking "those receipts which are also receipts of the Federal Hospital Insurance Catastrophic Coverage Reserve Fund," in subsection (b)(4), and

(E) by striking subsection (c) and inserting the following new subsection:

"(c)(1) The Secretary of the Treasury shall publish in the Federal Register not later than July 1 of each year (beginning with 1990), information on—

"(A) the outlays made from the Account in the preceding year, and

"(B) the balance in the Account as of the close of the preceding year.

"(2) The Secretary shall report to Congress, not later than July 1 of each year (beginning with 1990), respecting the distribution of outlays from the Account in the previous year among major spending categories. The Comptroller General shall report, not later than September 1 of each year, to Congress concerning the completeness and accuracy of the Secretary's report under the previous sentence.".

(4) Subsections (a)(1)(A)(i) and (a)(1)(B)(i) of section 1844 of such Act (42 U.S.C. 1395w) are each amended by striking "twice the dollar amount of the actuarially adequate rate" and inserting in lieu thereof "the sum of the dollar amount of the actuarially adequate catastrophic illness rate and twice the dollar amount of the actuarially adequate basic rate".

(5) Section 1876(a)(5) of such Act (42 U.S.C. 1395mm(a)(5)) is amended—

(A) in the matter preceding subparagraph (A), by striking "200 percent of", and

(B) in subparagraphs (A)(ii) and (B)(ii), by striking "monthly actuarial rate" and inserting in lieu thereof "the sum of the monthly actuarial catastrophic illness rate and twice the monthly actuarial basic rate".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) of this section shall apply to monthly premiums for months beginning with January 1990.

(2) The amendments made by subsection (b) of this section shall take effect on January 1, 1990.

SEC. 7. STUDY AND REPORTS BY OPM DELAYED.

Section 423 of the Medicare Catastrophic Coverage Act of 1988 is amended by striking "April 1, 1989" each place it appears and inserting "April 1, 1990".

Mr. DOMENICI. Mr. President, today I am introducing a bill to improve the controversial catastrophic illness law, conforming it more closely to the wishes of those who are supposed to benefit from it. I urge the Senate Finance Committee to consider this option as it reviews the catastrophic illness law.

Most of the Finance Committee members oppose a delay in some of the benefits and the surtax. Last week, they won a very close vote on the Senate floor, but they agreed to review the financing of the law, consider delaying the surtax and some benefits, and consider making the program voluntary.

There are many reasons to review the law. Most important, of course, many, many older Americans question whether all these benefits are really worth the costs—costs which Medicare beneficiaries alone pay. There is uncertainty over how much revenue the surtax will bring in. Likewise, there's a lot of uncertainty about how much some of the benefits—particularly the prescription drug benefit—will cost.

Let's step back for a second to think about the evolution of catastrophic illness law.

The President's original plan was basic—long-term hospitalization cover-

age and a stop-loss to limit the amount Medicare enrollees could pay for deductibles and coinsurance. A flat premium covered all the costs.

In 1987, I introduced a proposal with Senators DOLE, CHAFEE, DANFORTH, and DURENBURGER to protect older Americans from the devastating costs of catastrophic illness. Many older Americans had written to me about the terrible costs of an extended hospital stay. Without going into detail, our proposal was voluntary and financed without any surtax—bare bones compared to what finally passed Congress.

The Senate Finance Committee passed a bill with even slightly more benefits. An income-related premium had been added, but the program remained voluntary and the income-related premium was modest. On the Senate floor, prescription drug coverage was added. Premiums had to be increased.

Then, in conference with the House, added benefits included in the House bill were added, new benefits that were not in either the House or the Senate bill were added, costs were increased, and the surtax was made mandatory. In short, the catastrophic illness law that finally emerged from Congress in 1988 was far more expansive, it was mandatory, and it was far more expensive than the one I had proposed.

That is what we finally voted on. We had only two choices—no catastrophic coverage at all, or this expensive bill. I thought the protection this bill offered was important, so I voted in favor of the costly version. Even so, I expressed my reservations on the Senate floor about this costly, expanded law:

> I must say I am amazed at the extent to which new benefits have been added—benefits that are not necessarily related to catastrophic health expenses. * * * These benefits have clearly increased the cost of the program.
>
> Catastrophic care is not the only health care need of the elderly or the American people generally. Indeed, by most estimates it represents a rather modest extension.
>
> I am quite concerned that there will be a backlash from older Americans when they find out exactly how costly these new benefits are. In the end, my concern is that the underlying financing structure—particularly the income-related premium that will be administered through the tax system—will prove unsustainable. * * * The huge tax increase is going to surprise many older Americans.
>
> Finally, I must caution my fellow Senators and my constituents: As we credit ourselves with reducing the individual's financial expenses related to catastrophic illness, we must not obscure the fact that we have also imposed significant new premiums and taxes on Medicare beneficiaries.

I doubt anyone meant to mislead the Nation's Medicare beneficiaries, but the fact is, many, many older Americans believed this bill was something it wasn't. Some older Americans thought we were providing long-term health care. Others thought they were getting full protection from all costs. Very few understood what beneficiary financing meant.

When I voted for this bill, I voted for it because I thought it was something older Americans wanted. Though I'll admit their understanding is certainly not perfect, older Americans now have a better understanding of this law. By and large, they do not like it.

I heard of so much opposition that in March I sent many older New Mexicans a description of the catastrophic illness law and a ballot asking for their opinions on the law.

The ballot described the catastrophic law. It included several questions and answers to clear up some negative misconceptions about the catastrophic health law. I sent this ballot to older Americans who had not written on the topic, as well as those who had. In other words, this ballot was objective. I ask unanimous consent that the ballot be included in the RECORD.

There being no objection, the ballot was ordered to be printed in the RECORD, as follows:

CATASTROPHIC ILLNESS BALLOT

Dear SENATOR PETE: Below are my answers to your questions on the new catastrophic illness law.

Question No. 1: The Most Important Benefits. Where I have placed a (1) shows the most important benefit to me, a (2) is the second most important, and so on until (6), which is the least important of the benefits you have listed.

—— Covers all hospital costs, except for the $560 deductible.

—— Limits what I pay for non-hospital services, such as physician care, to about $1,400 per year.

—— Coverage for most prescription drug costs, once I have paid $600 yearly.

—— Help for my spouse is provided if I became a patient in a Medicaid nursing home. That protects our income and assets, rather than spending everything on care.

—— Limited respite care for up to 80 hours for persons who are chronically ill and homebound and who have other heavy health expenses.

—— Expanded home health care and skilled nursing home benefits.

Questions No. 2: Options. Here are some of the options, Senator Pete, Congress will consider. I have indicated with an "X" the one or two that I support to pay for the program.

—— Repeal all of the benefits and all of the premiums. Medicare beneficiaries, of course, would again face the threat of a financial catastrophe from a long hospital stay or high doctor bills, but they could get coverage on their own from private insurers.

—— Make the benefits more limited, possibly covering costs above $2,500 a year. Cut out benefits such as respite care, more home-health coverage, and prescription drug coverage. New costs could be covered by a flat premium to the Part B program. And those who did not want the coverage could drop Part B entirely. This would make the law close to the one you, Senator Pete, proposed originally.

—— Keep the current benefits and current financing, but allow people to drop out of the program if they do not want Part B coverage in Medicare. Those with lower incomes, as well as those who did not choose Part B coverage, would not pay the premium or the surtax.

—— Keep the law as it is.

—— Delay the new benefits and new premiums until Congress can review the program.

Mr. DOMENICI. The response was overwhelming. If there's a silent majority—or even silent minority—out there that supports the catastrophic law as it is now, I did not find it.

Almost every new Mexican who responded to the ballot supported major changes in the law. To date, about 20 percent supported complete repeal of the entire law. About 60 percent supported a delay in the program, giving Congress time to review it. About 40 percent urged that we return to a simpler, less costly program, similar to the one I sponsored in 1987.

Many respondents also opposed the mandatory nature of the law, although most wanted more significant changes than just making the program voluntary by tying it to part B of Medicare.

Perhaps the most startling aspect of the response to my ballot was the number of older Americans who made additional comments. Usually, about 5 percent of the new Mexicans I question in ballots include additional comments. So far, on this ballot, 49 percent have included added comments. This tells me how strongly my constituents feel about this issue.

I think the point Senator GRAMM made last week during the floor debate on the McCain amendment is worth restating. The Catastrophic Illness Act was historic, an entitlement financed by the beneficiaries. In fact, many older Americans oppose the bill on that point in particular—that no one else has had to self-finance their benefits.

But many older Americans are not against the concept of paying for the added benefits, they are just against paying for this package of benefits—many whom already had such coverage—in this particular way. What we are finding is that the beneficiaries are not so sure that they want the entitlement if they have to pay for it.

The older citizens of New Mexico want the surtax repealed; they are willing to do without some or all of the benefits. That indicates to me, at a minimum, Congress should limit the catastrophic law so it is similar to the bill I introduced in 1987, and similar to the one I am reintroducing today.

This proposal is inexpensive relative to what passed last summer. Most important, it is financed without a mandatory surtax on Medicare beneficiaries.

I have made modifications to my 1987 proposal to limit costs and include features some older Americans

believe are most important and worth the cost. I refer to some limited expansions of home health and skilled nursing facility costs, and financial protection for a spouse at home when someone enters a nursing home, the so-called spousal impoverishment law. Briefly, my proposal would:

Repeal the Medicare supplementary premium (or surtax), as if it had never been enacted. Adjustments would have to be made for those who have already started making tax payments for the catastrophic illness law.

Repeal several new and noncatastrophic Medicare benefits that were included in last year's catastrophic law, but which have yet to go into effect. These include the prescription drug benefit, intravenous drug therapy services, the screening mammography benefit, and the so-called respite care benefit. I understand the importance of these benefits, but they are outside the original and basic intent of the catastrophic illness protection. They should not be financed by the premiums for catastrophic coverage.

Provide unlimited hospital coverage without coinsurance after one hospital deductible per year, consistent with my 1987 bill and last year's catastrophic law. Most older Americans support this protection.

Retain two other important Medicare benefits in last year's catastrophic illness law—the expanded home health and expanded skilled nursing benefits without a prior hospitalization requirement. Medicare would cover home health benefits for 38 days of continuous care. These important benefits may serve as an alternative to extended hospital stays.

Include a catastrophic "stop-loss," returning its structure to that in my 1987 proposal. The annual ceiling on beneficiary liability applies to both part A and part B Medicare coinsurance and deductibles. It covers only those voluntarily enrolled in Medicare part B. The out-of-pocket cap of $2,500 in 1990 would be indexed to program growth. Unlike last year's law, in which only part B expenses count toward the cap, beneficiary expenses for all Medicare deductibles and coinsurance would count toward the cap.

Return to the flat premium financing I proposed in 1987. Starting in 1990, the costs of the expanded Medicare part A benefits and the catastrophic cap would be financed through an actuarially sound premium added to the basic part B premium. If beneficiaries did not want this coverage, they could drop part B of Medicare. I doubt few would drop part B of Medicare because it remains a good deal. Nonetheless, beneficiaries would have that option.

Based on preliminary CBO estimates, though this flat premium may be a little higher in 1990 and 1991, it would be about the same as the flat premium established in last year's catastrophic law by 1992 and after. And, most important, there would be no added surtax. None.

Since the premium would be based on the actual costs of the program, beneficiaries would not pay more in premiums than the total benefit payout, as may not be occurring under the program signed into law last summer.

An older American, who might have been paying as much as $1,200 per year by 1993 under last summer's law, would now pay only about $150 per year by 1993 under this proposal.

Retain the new spousal impoverishment protection under the medicaid program. This is a benefit directly related to the catastrophic expenses of an extended nursing home stay.

In summary, my proposal is an attractive alternative to last summer's law. It meets the general requirement that premiums cover benefit costs and that the new coverage not increase the deficit relative to the Medicare program without catastrophic illness coverage. It is similar to the legislation I sponsored in 1987, but includes a few changes to accommodate benefits that my constituents told me they support most strongly.

Much less expensive than last year's legislation, my proposal allows Congress to repeal surtax financing. At the same time, it retains the key hospitalization and catastophic provisions. This proposal is voluntary, although anyone who opts out would lose other important benefits. The flat premiums are manageable for older Americans.

I know this is a complicated and sensitive area, so I have introduced this bill as one possible alternative for Congress and the Finance Committee to consider. I'll also note that many older Americans are so angry over the new law that we may consider complete repeal, including provisions already in effect. If Congress and the Finance Committee heed the views of older Americans, this proposal I offer today will receive serious consideration.

In addition, I also am co-sponsoring S. 335, introduced by Senator McCain. I'm sure we are going to consider that alternative again here on the Senate floor. There is no reason that seniors should pay this burdensome tax while Congress is reviewing the law, and considering options, such as the bill I offer today.

S. 335 is an appropriate place to start. It doesn't commit Congress to anything. It just gives us more time to assess all the complaints we are hearing about this law, consider alternatives such as the one I offer and assess the revenue stream flowing into catastrophic coverage.

I express my appreciation to the Finance Committee for reviewing the catastrophic law. I hope they seriously consider proposals such as the one I have offered today.

By Mr. MURKOWSKI:

S. 1188. A bill to amend title 38, United States Code, and the Internal Revenue Code of 1986 regarding the use of Internal Revenue Service and Social Security Administration data for income verification for purposes of laws administered by the Department of Veterans Affairs; to the Committee on Finance.

USE OF INTERNAL REVENUE SERVICE AND SOCIAL SECURITY ADMINISTRATION DATA BY DEPARTMENT OF VETERANS AFFAIRS

● Mr. MURKOWSKI. Mr. President, today I am reintroducing legislation which would: First, protect the integrity of needs based veterans programs; second, provide significant reduction in unnecessary Federal outlays and, therefore, make a significant contribution to deficit reduction; and third, accomplish these goals without reducing benefits to the intended beneficiaries.

This legislation would accomplish these goals by allowing the VA to compare the income amounts now self-reported to VA by benefit recipients to the amounts reported for tax and social security purposes by third parties. If VA benefits are being paid or provided based on erroneous income reporting by the beneficiary, the VA would determine the correct income amount and adjust the level of service or benefits to the level to which the beneficiary is actually entitled.

I emphasize that this legislation would not set a precedent for the nontax use of these data. On the contrary, other federally funded needs based programs such as Food Stamps and Supplemental Security Income have had access to these data for almost half a decade. Nor would this legislation provide the VA with access to the income tax returns filed by individual veterans or survivors. The data concerned are contained in the information returns filed by employers and other third parties.

The legislation contains specific provisions intended to protect the confidentiality of the information obtained and used by the VA. It would also require the VA provide any beneficiaries affected with notice, and a chance to rebut the data, before VA takes any adverse action.

The need for this legislation is clear. In 1985 I asked the GAO to determine the amount of misreporting in the major needs based income maintenance program administered by VA, nonservice-connected disability pension. The GAO's report—Veterans' Pensions: Verifying Income with Tax Data Can Identify Significant Payment Problems, GAO/HRD-88-24

dated March 1988—provides dramatic evidence that a significant amount of pension payments are being made to individuals who do not meet the eligibility requirements established by the Congress.

The GAO, after obtaining specific and limited authorization from the Joint Committee on Taxation, compared the income data reported to VA by 1.4 million pension recipients against the tax data provided to the Government by third party sources. The GAO used the same data now available under current law to other Federal needs based program administrators.

The GAO found that 549,000 beneficiaris—over one-third—had $947 million more income on tax records than was recorded on VA records. After adjusting for cases where the VA should have been able to independently identify the discrepancy, and disregarding discrepancies of less than $100, the GAO concluded that the VA was unable to identify $157.2 million in potential pension overpayments because it lacks the access to tax data now available to other agencies administering needs based programs.

Mr. President, there are too few dollars available to meet the needs of America's veterans to allow over $150 million to be paid to veterans who do not meet the eligibility requirements established by the Congress. That is why, in the 100th Congress, the Committee on Veterans' Affairs included provisions to address this situation in S. 2011. That is why the Senate agreed to those provisions last year.

I recognize that the Committee on Finance is looking at the general question of using tax data for nontax purposes such as enforcement of eligibility criteria for Federal programs. I am introducing this bill to emphasize the importance of protecting the integrity of veterans' programs and the benefits available to the Nation through enactment of legislation such as this bill.

Mr. President, this legislation has three primary features.

The first gives the VA access to wage and income information already collected from third parties by the Treasury Department and Social Security Administration and already available to other Federal agencies administering income based benefits and programs. VA would use this information to verify eligibility for nonservice-connected veterans' disability and survivors' pensions, dependency and indemnity compensation paid to parents of individuals who die on active duty or due to a service-connected cause, veterans with service-connected disabilities evaluated less than 100 percent disabling but who are paid at the 100-percent rate because they are unemployable due to their disability, and veterans who are eligible for VA health care without payment because of their low income.

The second feature explicitly protects the confidentiality of the data which would be obtained and used by VA.

The third feature requires the VA to provide veterans with notice that income information they provide to VA will be verified. It would also require VA to protect the rights of beneficiaries in the event of an apparent discrepancy by notifying the beneficiary of the nature of the discrepancy and providing the beneficiary with an opportunity to reply before VA could take any adverse action.

Mr. President, this bill is nearly identical to one which was approved by the Committee on Veterans' Affairs and passed by the Senate during the last session of Congress. This bill, however, has been modified to include specific language which would add notification and agreement requirements in the case of veterans' health care.

Under current law, eligibility for hospital, nursing home, and outpatient care are based, in part, on the veteran's income. VA is prohibited from treating those veterans determined—as the result of self-reported income data—to be so-called category C veterans unless the veteran agrees to pay a modest copayment. Category C veterans are those with non-service-connected disabilities who have annual incomes over $21,995—for a single veteran.

It is important to note that over 50 percent of all health care provided by VA is for veterans who are not required—as a result of income—to pay a deductible but are eligible for VA health care as a result of limited income.

The provision in this bill would also prohibit the VA from furnishing medical-care services to veterans eligible for such care based on income—the 50 percent mentioned above—unless: First, the VA has notified the veteran that the income information furnished by the veteran will be compared with information obtained by the Social Security Administration or the Department of the Treasury, and second, the veteran has agreed to pay the United States the applicable amount if a determination is made that the veteran is required by law to do so.

The purpose of this provision is to protect the veteran by making explicit the VA's requirement to notify that income data will be verified. Additionally, the veteran would know prior to receiving care of the possible cost associated with receiving VA health-care services if such validation determines that the veteran underreported his/her income. In fact, the veteran would have to agree to make such copayments, if necessary, prior to receiving VA care.

Mr. President, if enacted, this legislation would reduce the deficit or increase the amount of funds available for veterans' benefits without reducing or terminating the benefits of veterans or survivors who meet the eligibility requirements established by the Congress. This is a "win-win" situation that we in the Congress rarely encounter. I urge my colleagues to join me in support of this legislation.●

By Mr. KERRY:

S. 1189. A bill to amend the Coastal Zone Management Act of 1972 to require State coastal zone management agencies to prepare and submit for the approval of the Secretary of Commerce plans for the improvement of coastal zone water quality, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COASTAL ZONE IMPROVEMENT ACT

Mr. KERRY. Mr. President, as the summer begins and beach season opens the memory of last summer's closed beaches, medical waste on the shores and contaminated shellfish beds, underscores the necessity that now is the time for Congress to focus its attention on an environmental threat of historical unprecedented proportions—the destruction of our coastline and the fouling of our oceans and coastal waters. This environmental crisis is as serious as any we have had to come to grips with before; and it is getting worse.

Our oceans, coastal waters, estuaries, and wetlands have come under extreme stress from a combination of human activities such as population growth, waste disposal practices, the dumping of toxics, and global warming.

For that reason, today I and a number of my colleagues who represent different committees with oversight of ocean and coastal issues in both the House and Senate are introducing a variety of legislative initiatives which strengthen the two laws that govern our coasts—the Clean Water Act and the Coastal Zone Management Act. The legislation I am introducing today improves and bolsters the Coastal Zone Management Act, and requires State coastal zone management agencies to implement an overall plan that preserves, protects, and restores coastal waters.

Mr. President, the fact of the matter is, that 75 percent of the Nation's population will live within 50 miles of the U.S. coast by the year 2000—9 out of 10 of the largest urban areas sit on America's coastline.

In addition, wetlands, the nursery and spawning grounds to our fisheries, contribute an estimated $5 billion annually to the production of fish and shellfish in the United States, yet 50 percent of the Nation's wetlands have

VOL 135 PT 9 JE 14 — 22 1989 UMI

already been destroyed. In fact, experts estimate that 25,000 acres of wetlands are lost each year in coastal Louisiana alone.

Furthermore, nonpoint source pollution such as agricultural runoff and acid rain is increasingly degrading our water quality and choking our marine life. While pollutants which directly discharge into the coastal waters are poisoning our fish. In fact, according to the Coast Alliance, in New England, sewage treatment plants and industries discharge an estimated 575 billion gallons of contaminated wastewater into the ocean each year, while another 700 billion gallons of polluted stormwater pours into the sea annually. Consequently last year alone over half of the Massachusetts shellfish beds were closed due to contamination at a $71 million economic loss to the State's industry.

What all this spells out to me, is there is a clear link between coastal water quality and land use. And it highlights the fact that coastal planning and development control measures are essential to our coastal protection.

Mr. President, while we can estimate the dollars lost to our industries, no one can put a price tag on the incalculable treasure of a single seashore refuge, or a coastal barrier. How does one measure the loss of wildlife and fish that for millennia have inhabited our coastal areas?

One issue of particular concern to me that my legislation addresses is global warming and the dire need to plan for unprecedented sea level rise. It is estimated that global warming caused by an overwhelming increase of man-made gases pouring into our atmosphere from such activities as the burning of fossil fuels, deforestation, and the production of chlorofluorocarbons, will result in a sea level rise of 1 meter or more by the year 2050.

This expected sea level rise will result in a loss of beaches, dunes, estuaries and wetlands, and the life that they sustain, as well as destroy drinking water supplies, buildings and coastal infrastructures. Some experts have even calculated that a 1½-foot sea level rise in Massachusetts could wipe out over 10,000 acres of ocean front property worth at least $10 billion.

In Charleston, SC, it is anticipated that if the sea level rises 1½ feet, the negative economic impact to the city on damages to just the Charleston Peninsula alone are estimated at almost $1 billion.

And, a recent United Nations study predicts that by the year 2100 at least 50 percent and as much as 80 percent of America's total wetlands will be lost to sea level rise.

Mr. President, the picture is grim. It is calamity if we sit idly by and fail to act. However, experts suggest that there may be as much as a 20 year lag time until the actual effects of sea level rise are upon us. Nature has offered us 20 years to prepare for what could be the difference between the life and death of our coastal ecosystem. But the grains of sand are slipping through the 20 year ecological time glass.

While we work to eliminate the causes of global warming, we must simultaneously study, develop, and implement strict plans that prepare for such sea level rise. The legislation I am introducing today requires such planning. Furthermore to change the course of the existing overall coastal degradation it provides a stronger link between existing State water quality agencies and State coastal zone management agencies.

It addresses coastal pollution and requires State coastal zone management agencies to establish and implement an overall plan that preserves, protects and restores coastal waters. The plan will, deal with land and water uses that affect coastal water quality; reduce coastal pollution; and preserve wetlands and marine habitats—fish, shell fish, wildlife and so forth.

The plan designates certain coastal waters of outstanding national significance. These are waters that are not yet polluted but should be preserved, that is, national parks, wildlife refuges, recreational areas and waters of particular ecological significance.

It also identifies areas that are already polluted and makes them a priority for action. The bill provides greater coordination between, State, local, and the Federal Government on implementing the required plan and offers funding and technical assistance to carry it out. It further establishes model ordinances for State and local governments. The bill authorizes $35 million each year for 4 years for States to implement their plan.

As I stated earlier the legislation includes a section on sea level rise planning which requires the State coastal zone management agencies to study, develop, and implement management plans for addressing the adverse effects that sea level rise caused by global warming will have on coastal areas, that is, drinking water supplies, coastal infrastructures, ports, harbors, wetlands, residential areas and so forth.

Furthermore, the act strengthens the Federal consistency provisions of the CZMA by reversing the 1984 Supreme Court decision, Secretary of the Interior versus California. This section makes it clear that Congress, in passing the CZMA fully intended to create a partnership between the States and the Federal Government. Moreover, Congress intends for coastal States to once again play a major role in decisions which affect those States' coastal zone, such as offshore oil and gas leasing and drilling.

The legislation further sets up a regional coastal and ocean monitoring plan that will build upon and complement the existing National Status and Trends Program. The new monitoring program will assess the quality of the ocean and estuarine environments. In particular it will focus on pristine waters and degraded waters in order to assess if the clean waters are staying clean and determine if the polluted waters are improving or getting worse.

Finally the bill provides for increased public participation in the Federal review process by which States coastal zone management agencies are evaluated.

Mr. President, the extent of our coastal degradation goes far beyond the reaches of the current Clean Water Act and Coastal Zone Management Act, and to that end it is imperative that Congress develop resolutions and new approaches to combating this menacing problem. Old solutions will not do. The consequences of neglect and apathy toward this problem goes far beyond man's wildest imaginings of just a few years ago. We have learned so much about the havoc we are creating in our ocean. New approaches, education, enlightened lifestyles, and a willingness by all sectors to get involved will offer us some of the answers in what will be a pitched battle to prevent the horror stories that the signs of our coastal ecosystem are beginning to display.

If Congress does not enact new laws and strengthen existing ones, we will be responsible for perpetrating on of the most serious crimes ever carried out by one generation on those that follow—the destruction of our coastal environment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, as well as the attached summary.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Coastal Zone Improvement Act of 1989".

FINDINGS AND PURPOSE

SEC. 2. (a) Congress finds and declares the following:

(1) Our oceans, coastal waters, and estuaries constitute a unique resource. The condition of the water quality in and around the coastal areas is significantly declining. Growing human pressures on the coastal ecosystem will continue to degrade this resource until adequate actions and policies are implemented.

(2) 75 percent of the Nation's population will live within fifty miles of the United States coast by the year 2000, including the Great Lakes and nine out of ten of the largest urban areas are located along the coast-

line, thus placing greater demands on coastal resources.

(3) Marine resources contribute to the Nation's economic stability. Commercial and recreational fishery activities support an industry with an estimated value of $12 billion a year.

(4) Wetlands play a vital role in sustaining the coastal economy and environment. Wetlands support and nourish fishery and marine resources. They also protect the Nation's shores from storm and wave damage. Coastal wetlands contribute an estimated $5 billion to the production of fish and shellfish in the United States coastal waters. Yet, 50 percent of the Nation's coastal wetlands have been destroyed, and more are likely to decline in the near future.

(5) Non-point source pollution is increasingly recognized as a significant factor in coastal water degradation. In urban areas, storm water and combined sewer overflow are linked to major coastal problems, and in rural areas, run-off from agricultural activities may add to coastal pollution.

(6) Coastal planning and development control measures are essential to protect coastal water quality, which is subject to continued ongoing stresses. Currently, not enough is being done to manage and protect our coastal resources.

(7) Global warming results from the accumulation of man-made gases, released into the atmosphere from such activities as the burning of fossil fuels, leveling of forests, and the production of chlorofluorocarbons, which trap solar heat in the atmosphere and raise temperatures worldwide. Global warming could result in a one meter or more global sea level rise by 2050 resulting from ocean expansion, the melting of snow and ice, and the gradual melting of the polar ice cap. Sea level rise will result in the loss of natural resources such as beaches, dunes, estuaries, and wetlands, and will contribute to the salinization of drinking water supplies. Sea level rise will also result in damage to properties, infrastructures, and public works. There is a growing need to plan for sea level rise.

(8) There is a clear link between coastal water quality and land use activities along the shore. State management programs under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) are among the best tools for protecting coastal resources and must play a larger role, particularly in improving coastal zone water quality.

(b) It is the purpose of Congress in this Act to enhance the effectiveness of the Coastal Zone Management Act of 1972 by increasing our understanding of the coastal environment and expanding the ability of State coastal zone management programs to address coastal environmental problems.

OFFICE OF COASTAL ZONE MANAGEMENT

SEC. 3. (a)(1) There is established in the National Oceanic and Atmospheric Administration of the Department of Commerce an Office of Ocean and Coastal Zone Management (hereinafter referred to as the "Office"), which shall succeed the Office of Ocean and Coastal Resource Management within the National Oceanic and Atmospheric Administration.

(2) The head of the Office shall be the Assistant Administrator for Ocean and Coastal Zone Management, who shall be appointed by the Secretary of Commerce, subject to the approval of the President, and compensated at the rate prescribed for level V of the Executive Schedule pay rates.

(3) The Office shall have responsibility for—

(A) all functions exercised under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), as well as related laws dealing directly with coastal zone management, to the extent those functions are vested by law in the National Oceanic and Atmospheric Administration or its Administrator, or vested by law in the Department of Commerce or its Secretary and administered through the National Oceanic and Atmospheric Administration;

(B) all other functions under the responsibility of the Office of Ocean and Coastal Resource Management within the National Oceanic and Atmospheric Administration as of the date of enactment of this Act; and

(C) such functions as may be assigned by legislation.

(b) Section 5316 of title 5, United States Code, is amended by inserting "Ocean and" immediately before "Coastal Zone Management".

COASTAL ZONE WATER QUALITY IMPROVEMENT

SEC. 4. (a) Section 302 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451) is amended by adding at the end the following new subsection:

"(k) Land uses in the coastal zone, and the uses of adjacent lands which drain into the coastal zone, have direct and significant effects on the quality of coastal waters and habitats, and efforts to control coastal water pollution from land use activities must be improved.".

(b) Section 303(2) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452(2)) is amended—

(1) by redesignating subparagraph (C) through (I) as subparagraphs (D) through (J); and

(2) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) the management of coastal development to improve, protect, and restore the quality of coastal waters, and to prevent the impairment of natural resources and existing uses of those waters;".

(c) The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) is amended by inserting immediately after section 306A the following new section:

"COASTAL ZONE WATER QUALITY IMPROVEMENT

SEC. 306B. (a) Within three years after the date of enactment of this section, the management agency designated under section 306(c)(5) for each coastal state for which the Secretary has approved a program pursuant to section 306, in consultation with the state water quality control agency, shall prepare an approvable Coastal Zone Water Quality Improvement Plan (hereafter in this section referred to as the 'Plan') and the state shall submit the Plan to the Secretary.

"(b) The Plan shall—

"(1) identify all land and water uses and activities within coastal and estuarine waters and land areas, including coastal drainage areas, that individually or cumulatively may cause or contribute significantly to a violation of water quality standards or an impairment of resources or existing uses of coastal waters;

"(2) establish, renew, and revise on a continuing basis model ordinances, for adoption by state and local agencies and governments, which shall outline legal authority and best management practices to prevent or reduce pollution of coastal waters by land and water uses and shall include, at a minimum, (A) buffer strips, (B) setbacks, (C) density restrictions, (D) techniques and procedures for identifying, improving, and protecting critical coastal areas and habitats, (E) stormwater management practices, (F) sewage disposal practices, (G) soil erosion and sedimentation controls, and (H) siting and design criteria for water uses, including marinas;

"(3) encourage and assist local governments in implementing the ordinances established under paragraph (2) by—

"(A) providing specific goals and schedules for implementation by state and local agencies and governments;

"(B) providing technical assistance, financial incentives, and supporting demonstration projects to encourage implementation of model ordinances by state and local agencies and governments and innovative land management practices by landowners;

"(C) requiring the periodic review and evaluation of implementation activities and schedules; and

"(D) identifying staffing needs and educational programs to support implementation activities;

"(4) contain enforceable policies that will ensure the protection of the coastal waters of outstanding national significance designated in accordance with subsection (c) and the protection of the water quality, existing water uses, habitats, and living resources in those waters;

"(5) contain enforceable policies to reduce pollution in coastal waters in order to achieve applicable water quality standards, or to achieve a balanced, indigenous population of fish, shellfish, and wildlife and to provide for recreation on or in such waters;

"(6) specify the legal authority, regulations, best management practices, strategies or techniques, and other mechanisms to implement and enforce the policies referred to in paragraphs (4) and (5);

"(7) institute mechanisms to improve coordination between state agencies, and between state and local officials, responsible for land use planning and permitting, water quality permitting and enforcement, habitat protection, and public health and safety through the use of joint project reviews, interagency certifications, memoranda of agreements, executive orders, and other appropriate mechanisms;

"(8) modify the boundary of the state coastal zone in order to manage more effectively the uses and activities identified under subsection (b)(1), if, pursuant to subsection (g), it is determined that the boundary should be modified; and

"(9) institute mechanisms to coordinate the activities and decisions of state coastal management agencies under the Plan and state water quality control agencies with respect to land and water uses in areas outside the coastal zone but which may have significant impacts upon coastal water quality.

"(c) The Plan shall provide for the designation as coastal waters of outstanding national significance those coastal waters within a state with important ecological, recreational, or esthetic values, taking into account their fisheries, shellfish resources, their habitats, and their recreational uses. Such areas shall include, at a minimum, and the Plan shall initially designate, those coastal waters in or adjacent to—

"(1) national parks, wildlife refuges, estuarine reserves, recreational areas, and marine sanctuaries;

"(2) state parks, wildlife refuges, sanctuaries, and recreational areas; and

"(3) other coastal waters of ecological significance.

"(d)(1) The Plan shall provide for the identification of those coastal waters that cannot reasonably be expected to achieve or maintain any applicable water quality standards established under the Federal Water Pollution Control Act and that may be improved with respect to water quality through the adoption of policies governing coastal land and water uses and activities identified under subsection (b)(1). The Plan shall provide a priority ranking among such waters, shall initially identify those waters determined to be of the highest priority, and shall set forth a schedule to complete the identification of all coastal waters that may merit inclusion under this paragraph. In identifying such waters, the state agency designated under section 306(c)(5) shall consult with the state water quality control agency and other appropriate state agencies. A determination by the state water quality control agency regarding the status of a body of coastal waters with respect to the water quality standards established under the Federal Water Pollution Control Act shall be accepted by such designated state agency.

"(2) In the absence of water quality standards established under the Federal Water Pollution Control Act applicable to coastal waters, the Plan shall provide for the identification of those coastal waters that the Governor of each coastal state, or the state agency designated under section 306(c)(5), in consultation with the state water quality control agency and other appropriate state agencies, determines (A) cannot reasonably be expected to support a balanced, indigenous population of fish, shellfish, and wildlife and to provide for recreation in or on its waters, and (B) may be improved with respect to water quality through the adoption of policies governing coastal land and water uses and activities identified under subsection (b)(1). The Plan shall provide a priority ranking among such waters, shall initially identify those waters determined to be of the highest priority, and shall set forth a schedule to complete the identification of all coastal waters that may merit inclusion under this subparagraph.

"(e) The Plan shall provide for the preservation and protection of coastal waters that are not covered by subsections (c) or (d) by allowing the application of any of the policies developed pursuant to subsections (c) or (d) to such waters if the state agency designated under section 306(c)(5), in consultation with other appropriate state agencies, determines that such action is necessary to preserve or protect coastal waters.

"(f)(1) The Secretary shall review and approve or return each Plan submitted under this section within 180 days after the date of its submission by the state. The Secretary shall approve the Plan if the Secretary finds that the Plan meets the requirements of subsection (b) and does not violate other law and that the state provided notice and an opportunity for public comment in the course of Plan preparation. If the Secretary finds that a Plan does not meet the requirements of subsection (b), that it violates other law, or that such notice and opportunity for comment was not provided, the Secretary shall return it to the state with specific recommendations for modifying the Plan or for such notice and opportunity for comment. The state shall submit the modified Plan to the Secretary within 180 days after such return. The Secretary may not return or disapprove a Plan on the grounds that the Plan contains provisions that are more stringent than provided under Federal law.

"(2) Once the Secretary has approved a Plan under this subsection, the Plan shall be considered part of the state's approved management program for all purposes and no subsequent approval shall be required for its implementation, including the designation of coastal waters of outstanding national significance under subsection (c) and the identification of coastal waters under subsections (d) and (e). Any amendments to the Plan submitted after the Plan's approval under this section shall be deemed to be an amendment to the state program subject to the requirements of section 306(g).

"(3) Except as provided in paragraph (4), and in the event that adequate funds are appropriated to implement this section, the Secretary—

"(A) shall withdraw any financial assistance under this section, and

"(B) may reduce any financial assistance extended to such state under section 306 but not below 80 per centum of the amount that would otherwise be available to the state under such section for any year,

if the Secretary finds that the state has failed to submit an approvable Plan as required by subsection (a) or, as part of the Secretary's continuing review of the state program, that the state has failed to implement the Plan as approved.

"(4) If the Secretary finds that a state has made satisfactory progress in developing a Plan under subsection (a) and that additional time is required to complete necessary statutory or regulatory actions, the Secretary may authorize one additional year for the state or comply with this section.

"(5) Any funds withheld under paragraph (3) shall be reallocated by the Secretary among those states that are in compliance with this section.

"(g) In considering whether to modify the inland boundary of the coastal zone pursuant to subsection (b)(8), each state management program shall consult with appropriate state agencies and the Environmental Protection Agency to determine the need to extend the inland boundary of its coastal zone in order to manage more effectively the lands whose uses significantly affect coastal waters. The Plan shall contain a report examining inland boundary issues and justifying the decision to modify or to maintain the existing inland boundary. Approval of the Plan by the Secretary shall constitute approval of any inland boundary changes provided by the Plan.

"(h) The Secretary shall provide technical assistance to states and local governments in developing and implementing the Plans required by subsection (a), including—

"(1) provision of methods for assessing the water quality impacts associated with coastal land uses and activities;

"(2) provision of methods for assessing the cumulative water quality impacts of coastal development; and

"(3) assistance in the development and implementation of model ordinances in accordance with subsection (b)(3).

"(i) Each state agency designated under section 306(c)(5) shall conduct a continuing review of the uses and activities identified under the Plan for its state and certify those uses and activities that meet the requirements of the Plan. State and Federal agencies shall not permit such an identified use or activity unless it has been certified under this subsection.

"(j)(1) The Secretary shall promulgate, within 12 months after the date of enactment of this section, regulations governing the incorporation of conservation and management plans developed under section 320 of the Federal Water Pollution Control Act into state management programs approved under this Act. If a state agency designated under section 306(c)(5) certifies that such a conservation and management plan complies with the regulations promulgated under this subsection, it shall be deemed approved as part of the state's management program under section 306.

"(2) The state agency designated under section 306(c)(5) shall appoint a representative to participate in each management conference convened under section 320 of the Federal Water Pollution Control Act that includes coastal lands and waters of its state.

"(k) The Secretary shall make grants to each coastal state with an approved program to cover at least 80 per centum of the costs incurred by the coastal state in fulfilling the requirements of this section.".

(d) Section 318 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1464) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting immediately after subsection (c) the following new subsection:

"(d) There are authorized to be appropriated to the Secretary such sums, not to exceed $35,000,000 for each of the fiscal years occurring during the period beginning October 1, 1989, and ending September 30, 1994, as may be necessary for grants and other requirements under section 306B, to remain available until expended.".

SEA LEVEL RISE AND LAND SUBSIDENCE

SEC. 5. (a) Section 302 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451), as amended by section 4, is further amended by adding at the end the following new subsection:

"(1) Global warming could result in a substantial sea level rise with serious adverse effects in the coastal zone and the states must anticipate and plan for such an occurrence.".

(b) Section 303(2) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452(2)), as amended by section 4, is further amended by inserting "present and future" immediately after "full consideration to".

(c) Section 303(2)(B) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452(2)(B)) is amended by striking "of subsidence" and inserting in lieu thereof the following: "likely to be affected by or vulnerable to sea level rise from global warming, land subsidence,".

(d) Section 303(2) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452(2)), as amended by section 4 and this section, is further amended—

(1) by striking "and" at the end of subparagraph (I), as so redesignated by section 4;

(2) by striking the semicolon in subparagraph (J), as so redesignated by section 4, and inserting in lieu thereof a comma; and

(3) by adding at the end the following new subparagraph:

"(K) the study, development, and implementation of management plans for addressing the adverse effects upon the coastal zone, of land subsidence and sea level rise caused by global warming, including adverse effects on coastal drinking water supplies, coastal infrastructures, ports and harbors, energy facilities, habitat and coastal wetlands, residential housing, storm surge protection, and the environment and economic

VOL 135 PT 9 JE 14 — 22 1989 UMI

activity generally in the affected coastal areas; and".

(e) Section 303(3) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452(3)) is amended by inserting "including those areas likely to be affected by land subsidence or sea level rise caused by global warming," immediately after "hazardous areas,".

(f)(1) Section 304(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(1)) is amended by striking "coastal waters." and inserting in lieu thereof "coastal waters, and to control those geographical areas which are likely to be affected by or vulnerable to a one-meter sea level rise from global warming.".

(2) Not later than 12 months after the date of enactment of this Act, coastal States with federally approved coastal zone management programs shall submit to the Secretary of Commerce amendments to their programs that take into account the provisions of paragraph (1) of this subsection.

COASTAL ZONE MANAGEMENT CONSISTENCY

SEC. 6. Section 307(c)(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456(c)(1)) is amended to read as follows:

"(c)(1) Each Federal agency activity within or outside the coastal zone that directly affects any land or water use or natural resource of the coastal zone or that may lead to such effects shall be carried out in a manner which is consistent to the maximum extent practicable with the approved state management programs. A Federal agency activity shall be subject to this paragraph unless it is subject to paragraph (2) or (3) of this subsection.".

COASTAL ZONE MANAGEMENT REVIEW

SEC. 7. Subsection (b) of section 312 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1458) is amended to read as follows:

"(b) For the purpose of making the evaluation of a coastal state's performance, the Secretary shall provide full opportunity for public participation including holding public meetings and at least one public hearing in the state being evaluated, as well as providing opportunity for the submission of written and oral comments by the public. Each such evaluation shall be prepared in report form and shall include written responses to the comments recieved during the evaluation process. Copies of the evaluation shall be promptly provided to the state being evaluated and to all those who participated in the evaluation process.".

REGIONAL COASTAL OCEAN MONITORING AND ASSESSMENT PROGRAM

SEC. 8. The National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.) is amended by adding at the end the following new section:

"SEC. 11. REGIONAL COASTAL OCEAN MONITORING AND ASSESSMENT PROGRAM.

"(a) REGIONAL COASTAL STRATEGY.—The Administrator, in consultation with the Director and other appropriate Federal officials having authority over ocean pollution, research, and monitoring programs, shall develop, as part of the Plan, a Regional Coastal Ocean Monitoring and Assessment Strategy. The Strategy shall be developed and submitted, along with appropriate recommendations for legislation or other Federal action in support of the Strategy, to the Committee on Commerce, Science, and Transportation of the Senate and the Merchant Marine and Fisheries Committee of the House of Representatives within 6 months after the date of enactment of this section.

"(b) REGIONAL COASTAL PROGRAM.—The Strategy shall define, and develop recommendations for implementing, a Regional Coastal Ocean Monitoring and Assessment Program which complements the existing National Status and Trends Program of the Administration. The Program shall provide for comprehensive monitoring and assessment of the quality of the coastal ocean and estuarine environment and resources.

"(c) FACTORS IN DEVELOPMENT OF STRATEGY.—In developing the Strategy, the Administrator shall—

"(1) identify the informational requirements necessary to protect and manage regional coastal and estuarine resources;

"(2) evaluate the information available through existing Federal, State, and local monitoring efforts;

"(3) determine what additional information is required and establish priorities for completing a comprehensive monitoring network;

"(4) define the data management requirements necessary to ensure that the data collected is readily accessible for protecting and managing regional coastal and estuarine resources;

"(5) describe an effective process that can be established for coordinating and administering the regional programs;

"(6) provide for national standardization of procedures and formats to be used in making measurements by regional programs; and

"(7) specify ways to ensure that regional measurements are compiled and integrated into the information system of the National Status and Trends Program of the Administration.

"(d) AUTHORIZATION.—There are authorized to be appropriated to the Administration for the purposes of carrying out this section not to exceed $300,000.".

SUMMARY OF THE COASTAL ZONE IMPROVEMENT ACT OF 1989

Section 1 gives the short title of the Act, and Section 2 lists the Congressional findings and purpose of the legislation.

Section 3 elevates the Office of Coastal Zone Management in the National Oceanic and Atmospheric Administration (NOAA) to full line office status, comparable to NOAA's fisheries, weather, research, and satellite programs. This elevation recognizes the increased importance Congress places on the coastal zone management program and raises the program to a level equal to that of NOAA's other major missions.

Section 4 amends the Coastal Zone Management Act to provide a stronger link between existing state water quality agencies and state coastal zone management agencies. Strengthening the relationship between these agencies will improve our ability to address land-based activities which degrade coastal waters.

The section calls for state coastal zone management agencies to implement an overall plan that preserves, restores, and protects coastal waters. By implementing the plan, coastal states will improve the management of land and water uses that affect coastal water quality and thereby reduce coastal pollution and preserve wetland and marine habitats. The plan will focus primarily on pristine and degraded waters, but will provide model ordinances for the management of all coastal waters. The section authorizes $35 million annually for the development and implementation of state plans.

Section 5 will enable and encourage state coastal zone management programs to address the problems and impacts associated with sea level rise caused by global warming.

Section 6 strengthens the Federal consistency provisions of the Coastal Zone Management Act by reversing the 1984 Supreme Court decision, *Secretary of the Interior v. California*. This section makes it clear that Congress, in passing the CZMA, fully intended to create a partnership between the states and the Federal government. Furthermore, Congress intends for coastal states to once again play a major role in decisions which affect those states' coastal zone.

Section 7 provides for increased public paritipation in the Federal review process by which state coastal zone management agencies are evaluated.

Section 8 calls for the NOAA Administrator and the President's Science Advisor to develop a regional coastal water quality monitoring program to complement the ongoing National Status and Trends Program. The new effort will be designed to focus on regional problems in order to assist environmental decision-makers. The program will provide nationwide monitoring standards and will ensure that regional information is integrated into the national monitoring system.

By Mr. PELL:

S. 1190. A bill to establish in the Department of Education and Office of Correctional Education, and for other purposes; to the Committee on Labor and Human Resources.

OFFICE OF CORRECTIONAL EDUCATION ACT

● Mr. PELL. Mr. President, I am pleased to introduce today a bill which would create within the Department of Education an office of correctional education.

The need for this legislation is long overdue. Of the approximately 700,000 people in correctional facilities today, at least one-third have serious drug problems; 80 percent of the adults have no high school diploma; and 75 percent are functionally illiterate. The number of people in prison has increased by more than three-quarters since 1980, and, sadly, this growth will most certainly accelerate in the years ahead. Clearly, we can no longer ignore the issue of educating the incarcerated as a route toward rehabilitation.

Ninety percent of the adults in prison will return to the community within the next 5 to 10 years, and nearly two-thirds of them will return to prison. The reason for this, in my mind, is the lack of focus on education and rehabilitation while an individual is incarcerated. They leave as they enter—without a marketable skill, or the ability to read or write—and they remain in the revolving door to prison.

As I have said many times before, it costs more to send a kid to jail than to Yale. This fact would not be so staggering if this money were used for rehabilitation, but regrettably, it is not.

My bill simply emphasizes that greater attention and organization must be given to the area of correctional education. Until we are commit-

ted to assisting prisoners by providing the tools which are necessary to survive in our world without the need to resort to crime, we as a society will continue to pay dearly. I view this legislation as an initial step toward that goal.

I ask unanimous consent that the text of the legislation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 7190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Office of Correctional Education Act of 1989".

SEC. 2. CORRECTIONAL EDUCATION.

Title II of the Department of Education Organization Act is amended by—

(1) redesignating sections 213 and 214 as sections 214 and 215, respectively; and

(2) inserting the following new section 213 after section 212:

"OFFICE OF CORRECTIONAL EDUCATION

"SEC. 213. (a) FINDINGS.—The Congress finds and declares that—

"(1) education is important to, and makes a significant contribution to, the adjustment of individuals in society; and

"(2) there is a growing need for immediate action by the Federal Government to assist State and local educational programs for criminal offenders in correctional institutions.

"(b) STATEMENT OF PURPOSE.—It is the purpose of this Act to encourage and support educational programs for criminal offenders in correctional institutions.

"(c) ESTABLISHMENT OF OFFICE.—The Secretary of Education shall establish within the Department of Education an Office of Correctional Education.

"(d) FUNCTIONS OF OFFICE.—The Secretary, through the Office of Correctional Education established under subsection (a) of this section, shall—

"(1) coordinate all correctional education programs within the Department of Education;

"(2) provide technical support to State and local educational agencies on correctional education and programs and curricula;

"(3) provide an annual report to the Congress on the progress of the Office of Correctional Education and the status of correctional education in the United States;

"(4) cooperate with other Federal agencies carrying out correctional education programs to ensure coordination of such program; and

"(5) advise the Secretary on correctional education policy.

"(e) DEFINITIONS.—As used in this section—

"(1) the term 'criminal offender' means any individual who is charged with or convicted of any criminal offense, including a youth offender or a juvenile offender;

"(2) the term 'correctional institution' means any—

"(A) prison,

"(B) jail,

"(C) reformatory,

"(D) work farm,

"(E) detention center, or

"(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders;

"(3) the term 'Secretary' means the Secretary of Education;

"(4) the term 'State' means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(5) the term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.".●

ADDITIONAL COSPONSORS

S. 82

At the request of Mr. THURMOND, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 82, a bill to recognize the organization known as the 82nd Airborne Division Association, Incorporated.

S. 232

At the request of Mr. MOYNIHAN, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 232, a bill to establish the American Conservation Corps, and for other purposes.

S. 335

At the request of Mr. MCCAIN, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under Part B of the Medicare Program, with the exception of the spousal impoverishment benefit.

S. 341

At the request of Mr. HOLLINGS, the names of the Senator from Michigan [Mr. RIEGLE] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 341, a bill to amend the Federal Aviation Act of 1958 to prohibit discrimination against blind individuals in air travel.

S. 454

At the request of Mr. ROCKEFELLER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 454, a bill to provide additional funding for the Appalachian development highway system.

S. 455

At the request of Mr. ROCKEFELLER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 455, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 488

At the request of Mr. FOWLER, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 488, a bill to provide Federal assistance and leadership to a program of research, development, and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 513

At the request of Ms. MIKULSKI, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from New York [Mr. D'AMATO], the Senator from Washington [Mr. ADAMS], the Senator from Virginia [Mr. WARNER], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Indiana [Mr. COATS], the Senator from Oklahoma [Mr. BOREN], the Senator from Hawaii [Mr. INOUYE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 513, a bill to amend chapters 83 and 84 of title 5, United States Code, to extend certain retirement provisions of such chapters which are applicable to law enforcement officers to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service.

S. 620

At the request of Mr. STEVENS, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 620, a bill for the relief of Leroy W. Shebal of North Pole, AK.

S. 640

At the request of Mrs. KASSEBAUM, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 640, a bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents.

S. 659

At the request of Mr. SYMMS, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 659, a bill to repeal the estate tax inclusion related to valuation freezes.

VOL 135 PT 9 JE 14 — 22 1989 UMI

S. 691

At the request of Mr. LAUTENBERG, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

S. 771

At the request of Mr. REID, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 804

At the request of Mr. MITCHELL, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 804, a bill to conserve North American wetland ecosystems and waterfowl and the other migratory birds and fish and wildlife that depend upon such habitats.

S. 828

At the request of Mr. DOMENICI, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 828, a bill to amend the Internal Revenue Code of 1986 to provide incentives for the removal of crude oil and natural gas through enhanced oil recovery techniques so as to add as much as 10 billion barrels to the U.S. reserve base, to extend the production of certain stripper oil and gas wells, and for other purposes.

S. 1115

At the request of Mr. EXON, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Kentucky [Mr. FORD], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 1115, a bill to amend the Rural Electrification Act of 1936 to permit the prepayment and refinancing of Federal Financing Bank loans made to rural electrification and telephone systems, and for other purposes.

S. 1162

At the request of Mr. KOHL, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1162, a bill to amend the Congressional Budget Act of 1974 to require the Committees on the Budget to adopt the economic and technical assumptions of the Congressional Budget Office in preparing the concurrent resolution on the budget for a fiscal year.

Mr. KOHL. Mr. President, yesterday I introduced S. 1162, a bill requiring Congress to use CBO economic assumptions during its budget debate. As I noted in my statement, Senators CONRAD and ROBB joined me as original cosponsors of the bill. Senator ROBB, as my colleagues are aware, has been a leader on the Budget Committee and here on the floor for this kind of legislation.

Through some oversight, Senator ROBB's name was not included as a cosponsor. I would like to apologize for that mistake. He has been involved with this proposal from the ground floor and should have been recognized as an original cosponsor.

Mr. President, I ask unanimous consent that Senator ROBB be added as a cosponsor of S. 1162.

SENATE JOINT RESOLUTION 10

At the request of Mr. THURMOND, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of Senate Joint Resolution 10, a joint resolution to designate the month of May 1989 as "National Foster Care Month."

SENATE JOINT RESOLUTION 15

At the request of Mr. PRESSLER, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of Senate Joint Resolution 15, a joint resolution to designate the second Sunday in October of 1989 as "National Children's Day."

SENATE JOINT RESOLUTION 19

At the request of Mr. BURNS, the names of the Senator from Delaware [Mr. ROTH], the Senator from Utah [Mr. GARN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Idaho [Mr. SYMMS], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Alaska [Mr. STEVENS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Mississippi [Mr. LOTT], the Senator from New Mexico [Mr. DOMENICI], the Senator from Florida [Mr. MACK], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Indiana [Mr. COATS], the Senator from Missouri [Mr. BOND], the Senator from South Dakota [Mr. PRESSLER], the Senator from Wisconsin [Mr. KASTEN], the Senator from Idaho [Mr. MCCLURE], the Senator from Texas [Mr. GRAMM], the Senator from Kansas [Mr. DOLE], the Senator from Oklahoma [Mr. NICKLES], the Senator from Missouri [Mr. DANFORTH], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Maine [Mr. COHEN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Colorado [Mr. WIRTH], the Senator from Tennessee [Mr. SASSER], the Senator from Delaware [Mr. BIDEN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from North Dakota [Mr. CONRAD], the Senator from Oklahoma [Mr. BOREN], the Senator from South Dakota [Mr. DASCHLE], the Senator from Michigan [Mr. RIEGLE], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Louisiana [Mr. BREAUX], the Senator from Hawaii [Mr. INOUYE], the Senator from Alabama [Mr. HEFLIN], the Senator from Nebraska [Mr. KERREY], the Senator from Connecticut [Mr. DODD], the Senator from Nevada [Mr. REID], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Illinois [Mr. DIXON], the Senator from Illinois [Mr. SIMON], the Senator from North Carolina [Mr. SANFORD], the Senator from Alabama [Mr. SHELBY], the Senator from Georgia [Mr. FOWLER], the Senator from Nevada [Mr. BRYAN], the Senator from Georgia [Mr. NUNN], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of Senate Joint Resolution 19, a joint resolution to designate November 8, 1989, as "Montana Centennial Day."

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Florida [Mr. GRAHAM], the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. HATFIELD], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 127

At the request of Mr. SIMON, the names of the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Nevada [Mr. REID], the Senator from Colorado [Mr. WIRTH], the Senator from Delaware [Mr. ROTH], the Senator from Wyoming [Mr. SIMPSON], the Senator from Texas [Mr. GRAMM], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 127, a joint resolution designating Labor Day weekend, September 2–4, 1989, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 137

At the request of Mr. KASTEN, the names of the Senator from Nevada [Mr. BRYAN] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 137, a joint resolution designating January 7, 1990, through January 13, 1990, as "National Law Enforcement Training Week."

SENATE CONCURRENT RESOLUTION 44—REGARDING THE FUNERAL OF IMRE NAGY, FORMER PRIME MINISTER OF HUNGARY

Mr. DODD (for himself, Mr. DOLE, and Mr. KENNEDY) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 44

Whereas on October 23, 1956, students, workers, and other citizens of Budapest, Hungary, united in a peaceful demonstration to express the desire of the Hungarian people for independence and freedom;

Whereas after security forces fired on the crowd, the demonstration turned into an uprising and freedom fight;

Whereas days of herioc fighting by the people of Hungary led to a temporary cease-fire and the formation of an interim government based on the consent of the people and led by Prime Minister Imre Nagy;

Whereas the short-lived government of Imre Nagy started the first steps toward a free and independent Hungary with a multiparty system based on the idea of popular sovereignty;

Whereas on November 4, 1956, an overwhelming Soviet force entered Hungary and in fierce, bloody fighting suppressed the revolution and restored Soviet domination over Hungary;

Whereas in the course of such fighting thousands of freedom-loving Hungarians lost their lives;

Whereas Prime Minister Imre Nagy and his close associates were taken into Soviet custody, and later tried and executed under false charges;

Whereas brutal and bloody retribution followed the extinction of the Hungarian revolution, and hundreds of ordinary freedom fighters were executed in addition to the top leaders of such revolution;

Whereas the present Government of Hungary has announced a radical reform of the entire political and economic system of the country;

Whereas the stated aim of such reforms is the establishment of a free and independent Hungary, with a pluralistic, multiparty political system where human rights will be respected;

Whereas the Hungarian Government has identified the secret burial sites of the executed revolutionaries of 1956, and allows their exhumation and proper public interment;

Whereas on June 16, 1989, in a public, televised funeral, the remains of Prime Minister Imre Nagy and four of his closest associates, as well as a casket representing all of the other executed victims, will be buried in Budapest with full dignity;

Whereas the Government of Hungary has announced its intention to declare the innocence of Imre Nagy and his associates;

Whereas the current Prime Minister of Hungary, the Speaker of the Parliament, and other officials of the Hungarian Government expressed an intent to attend the funeral;

Whereas hundreds of American citizens, who are former Hungarian freedom fighters, are traveling to Budapest to attend the funeral ceremonies and pay respect to the heroes of 1956;

Whereas the Hungarian revolution of 1956 was a watershed event in modern history and represented the first major sign of the inevitability of the destruction of Stalinism; and

Whereas it is the view of the people and the Government of the United States that the cause of human freedom is universal and that the Hungarian freedom fighters fought and died for the liberty of mankind: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) it is the sense of the Congress that the funeral of Imre Nagy and other heroes of the Hungarian revolution of 1956 is a significant symbol of reconciliation and reform in Hungary; and should give further strength to the forces of democracy and pluralism in Hungary;

(2) Congress expresses sincere respect for the memory of Imre Nagy and all of the martyrs of the Hungarian revolution of 1956; and

(3) the Secretary of the Senate is authorized and requested to send a copy of this concurrent resolution to the Government of Hungary.

AMENDMENTS SUBMITTED

NATURAL GAS DECONTROL ACT OF 1989

BRADLEY AMENDMENT NO. 195

Mr. BRADLEY proposed an amendment to the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and make technical and conforming amendments to such Act, as follows:

Insert the following at the appropriate place:

SECTION .

The Federal Energy Regulatory Commission may require, by rule or order, any interstate pipeline to transport natural gas. Such rules or orders may be issued under both the Natural Gas Policy Act and the Natural Gas Act.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. PRYOR. Mr. President, I would like to announce that the Subcommittee on Federal Services, Post Office, and Civil Service, of the Committee on Governmental Affairs, will hold a hearing on Friday, June 16, 1989. The focus of the hearing will be to examine policy issues regarding operational testing, as well as contracting practices. The subcommittee will hear witnesses from the Office of Test and Evaluation, the General Accounting Office, and the Office of the Inspector General, Department of Defense.

The hearing is scheduled for 9:30 a.m., in room 628 of the Senate Dirksen Office Building. For further information please contact Ed Gleiman, subcommittee staff director, on 224-2254.

Mr. President, I would like to announce that the Subcommittee on Federal Services, Post Office, and Civil Service, of the Committee on Governmental Affairs, will hold a hearing on Monday, June 19, 1989. The focus of the hearing will be to examine Federal recruitment policies and practices. The subcommittee will hear witnesses from the Office of Personnel Management, the General Accounting Office, the National Commission on the Public Service, the General Services Administration, the Department of the Air Force, and various employee groups.

The hearing is scheduled for 10 a.m. in room 342 of the Senate Dirksen Office Building. For further information please contact Ed Gleiman, subcommittee staff director, on 224-2254.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a Confirmation Hearing on Tuesday, June 20, 1989, beginning at 11 a.m., in 485 Russell Senate Office Building to confirm Dr. Eddie Brown as the Assistant Secretary for Indian Affairs, Department of the Interior.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on June 14, 1989, at 11 a.m. to hold a hearing on Super 301 and Special 301, the fourth in a series of hearings on oversight of the Omnibus Trade and Competitiveness Act of 1988.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate June 14, 1989, 2 p.m. for a hearing to receive testimony on the Department of Energy's role in the area of magnetic fusion and inertial confinement fusion research and development and demonstration; the Department of Energy's fiscal year 1990 budget request for the Office of Fusion Energy; and on the relevant provisions of S. 964, a bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal years 1990 and 1991.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet

during the session of the Senate on June 14, 1989, at 2:30 p.m. to hold a hearing on the nomination of James B. Busey, of Illinois, to be Administrator of the Federal Aviation Administration and on S. 1077, legislation to allow Mr. Busey to retain his military commission while serving in this position.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Communications Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 14, 1989, at 9 a.m. to hold a hearing on media ownership: Diversity and concentration which will focus on the media and its ownership patterns.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet on Wednesday, June 14, 1989, at 9:30 a.m. in closed/open session to receive testimony on NATO nuclear deterrence in review of S. 1095, the Department of Defense authorization bill for fiscal years 1990–91.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, June 14, 1989, at 2 p.m. in open session to receive testimony on the balanced technology initiative and international armaments cooperation in review of S. 1085, the Department of Defense authorization bill for fiscal years 1990–91.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITIES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Wednesday, June 14, 1989, at 9:30 a.m., to conduct hearings on the globalization of securities markets, and S. 646, the International Securities Enforcement Cooperation Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, June 14, 1989, at 10:30 a.m., to hold a hearing to receive testimony from individuals and organizations on their views on Congressional campaign finance legislation—Senate bills 7, 56, 137, 242, 330, 332, 359, and 597.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on mental health and health-facility-security legislation an oversight (part A of title II and section 221 of S. 13, S. 86, S. 192, S. 405, S. 846, and amendment No. 124 (to S. 13) on Wednesday, June 14, 1989, at 9 a.m. in SR-418.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nutrition and Investigations of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Wednesday, June 14, 1989, at 2 p.m. to hold a hearing on the reauthorization of the Child Nutrition Programs and the Special Supplemental Food Program on WIC.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, June 14, 1989, at 9 a.m. in S.R. 332 to mark up S. 1036, the Rural Partnerships Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 14, at 2 p.m. to hold a business meeting to mark up foreign assistance legislation for fiscal year 1990 and to vote on pending nominations and legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS—AGENDA

(Revised Markup and Vote, Foreign Assistance Authorization Legislation for Fiscal Year 1990, Wednesday, June 14, 1989, 2 p.m.)

When a voting quorum is present during this markup, the Committee will consider and vote on the following business items:

I. LEGISLATION

S. Con. Res. 42, expressing the sense of the Congress concerning the funeral of Imre Nagy, the former Prime Minister of Hungary, and other heroes of the 1956 revolution in Hungary.

II. NOMINATIONS

(1) Mr. Thomas Michael Tolliver Niles, of the District of Columbia, to be the U.S. Representative to the European Communities, with the rank and status of Ambassador.

(2) Mr. Joseph Zappala,* of Florida, to be Ambassador to Spain.

(3) Mr. Morton I. Abramowitz, of the District of Columbia, to be Ambassador to Turkey.

(4) Mr. Edward N. Ney, of New York, to be Ambassador to Canada.

(5) Mr. C. Howard Wilkins, Jr., of Kansas, to be Ambassador to the Kingdom of the Netherlands.

(6) Mr. Richard H. Solomon, of the District of Columbia, to be an Assistant Secretary of State for East Asia and Pacific Affairs.

(7) Ms. Della M. Newman,* of Washington, to be Ambassador to New Zealand and to serve concurrently as Ambassador to Western Samoa.

(8) Mr. Robert D. Orr, of Indiana, to be Ambassador to the Republic of Singapore.

(9) Mr. Melvin F. Sembler, of Florida, to be Ambassador to Australia and to serve concurrently as Ambassador to the Republic of Nauru.

(10) Mr. Melvyn Levitsky, of Maryland, to be Assistant Secretary of State for International Narcotics Matters.

(11) Ms. Jewel S. Lafontant, of Illinois, to be U.S. Coordinator for Refugee Affairs and Ambassador-at-Large while serving in this position.

(12) Mr. E. Patrick Coady, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of two years.

*These nominees are provisionally included on the agenda assuming that inconsistencies between the OGE report and the Committee questionnaire relative to political contributions are clarified prior to June 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FLAG DAY

● Mr. BOREN. Mr. President, June 14 marks a historical day for our country. Today, we celebrate Flag Day 1989. We should let this day stand as a reminder which exemplifies what our flag symbolizes: red and white stripes, 13 in number, representing the Original 13 Colonies, and 50 stars on a field of blue to represent the 50 States that comprise our great Nation.

The colors of our flag bring to mind over 200 years of sacrifice and heroism that American service men and women have accounted for to ensure that we maintain the most prominent system of government our world has ever seen, democracy. The flag is a symbol of national unity and quiet patriotism representing the many factions of our society: teachers, doctors, farmers, lawyers, factory workers, and businessmen; all bound by the common thread of our proud citizenship.

As Maj. Gen. Arthur MacArthur once stated, "The flag of the American

Union is a visible symbol of the ideal aspirations of the American people. It is the one focus in which all unite in reverential devotion."

Being an executive committee member for the U.S. Capitol Historical Society, I stand here today in recognition not only of the flag, but also in recognition of the Historical Society. Founded in 1962, the society has undertaken research and committed itself to indepth studies of our Capitol and of Congress. The major drive of the society is to stimulate an increased sense of patriotism across the land. An example of their work is a 40-page booklet containing eight full pages of color illustrations on the U.S. flag and State flags, seals, and mottoes. It was recently published for Flag Day and inspired by the National Flag Day Foundation in Baltimore. The book is a valuable educational tool to help children learn about State symbols and their traditions. It will also serve as a resource of information to many patriotic Americans. I encourage my colleagues, interest in the society and wish to express my appreciation for their hard work and dedication shown to our Nation.

In classrooms today, future leaders study the tragedies endured by millions that enabled us to enjoy the system of government we presently see others so desperately striving to obtain. The broad stripes and bright stars of Old Glory help enable us to realize the blessings of democracy.●

CLOSED CAPTIONED BROADCASTING OF FLOOR PROCEEDINGS

● Mr. D'AMATO. Mr. President, I rise today as a cosponsor of Senate Resolution 13 which would amend Senate rules to require the closed captioned broadcasting of floor proceedings for the hearing impaired. I commend my colleagues, Senators DOLE, MITCHELL, MCCAIN, and HARKIN, for introducing this important resolution. It is essential that we take the necessary steps to offer hearing impaired persons full access to live coverage of Senate floor proceedings.

There are over 20 million hearing impaired individuals in America who, despite the availability of real-time—instantaneous—captioning since 1982, are still denied access to the daily proceedings of the U.S. Senate. Given the current level of captioning technology, there is absolutely no reason for this situation to continue.

Virtually every major organization representing the hearing impaired has recognized that the provision of captioned service would make for a more informed and active citizenry. Supporting this view, the Commission on Education of the Deaf has strongly recommended that congressional proceedings be captioned. Clearly, individuals with hearing impairments are entitled, as citizens and as taxpayers, to witness the floor actions of their elected representatives.

Currently, the three major networks use real-time captioning for news broadcasts, Presidential speeches, press conferences, and various public affairs programs. The application of this service to Senate floor proceedings would give us an invaluable opportunity to serve our hearing impaired constituents in a practical and feasible manner. I therefore encourage my colleagues to join me in support of Senate Resolution 13, and I urge its immediate passage.●

TONY SPINA

● Mr. LEVIN. Mr. President, long after most words of journalism fade from our memories, the photographs that illuminate the prose remain. Often the best of these images stand alone to evoke the events of our time in a language that is unique to each of us.

For more than 40 years Tony Spina has displayed this eloquence on the pages of the Detroit Free Press and in newspapers across the country. He leaves his post as chief photographer of the Free Press this month to concentrate on his widely respected photography column and special photo projects.

Tony's dedication to the craft—what he has called the challenge of taking pictures that communicate—has earned him more than 450 national and international awards, including the highest honor of the National Press Photographers' Association. From the Detroit Institute of Arts to the Vatican, Tony's eye and technique have been celebrated in more than 80 one-man shows.

Words cannot do justice to pictures, but this man who has brought us so close over the years to Popes and Presidents and peasant children wrote once that his pictures should be measured in how clearly and how well they tell the story. And thousands of people whom you will never see or never meet will decide that.

Fortunately, thousands more each year will get a chance to decide for themselves, because the photographs of Tony Spina will always be with us.●

COASTAL PROTECTION ACT AND THE COMPREHENSIVE OCEAN ASSESSMENT AND STRATEGY ACT

● Mr. D'AMATO. Mr. President, I rise as an original cosponsor of the two coastal protection bills being introduced today by the distinguished majority leader and the Senator from New Jersey. I would like to commend them both for their leadership in protecting our precious marine resources.

As millions of Americans flock to the seashore this summer they are expecting to find that their beaches are no longer under seige from syringes, sewage, and garbage as they were last year. Memories of numerous beach closings last summer cling freshly in their minds.

The impacts of beach closings were quite significant in New York, especially on Long Island. New York State officials reported that attendance at Jones Beach State Park was off 50 percent from 1987 and off 45 percent at Robert Moses State Park. Many businesses on the island's south shore reported that their profits were off 60 percent over 1987. Many on the island continue to fear that real estate values in seaside communities will drop and that the positive economic development that has taken place in these areas will decline.

One thing is certain as the 1989 beach season begins, the events of last summer must be avoided.

The Coastal Protection Act and the Comprehensive Ocean Assessment and Strategy [COAST] Act are multifaceted approaches to preventing further degradation of our coastal waters and for cleaning up existing pollution.

First and foremost, both bills require the EPA to conduct an overall assessment of coastal waters and to designate those areas experiencing severe degradation. The EPA must then work with the States to develop management conferences to deal with the polluted areas. The EPA Administrator would be given special authority to require more stringent requirements for discharge permits, wetlands assessments, stormwater discharges, and nonpoint pollution control.

In response to washups last summer, the New York State Department of Environmental Conservation conducted an investigation into the causes. The report, which was released in December, identified five significant sources of washups: the fresh kills landfill in New York City, Marine garbage transfer stations, raw sewage discharges, stormwater runoff, and combined sewer overflow [CSO].

The legislation that is being introduced today addresses many of these sources of pollution. Both will restrict point source discharges into coastal waters, establish a national coastal registry to provide information to eliminate nonpoint source pollution, and require States to complete an inventory of combined sewers and assess the potential for eliminating the discharges.

Combined sewers are regarded by many to be a major source of pollution in coastal areas. Senator MOYNIHAN and I recently wrote to the Acting Administrator in EPA's region 2 office requesting that he report back to us on what the EPA was doing in conjunc-

VOL 135 PT 9 JE 14 — 22 1989 UMI

tion with New York City to combat the CSO problem. The EPA reported that, among other efforts, the city is engaged in a long-term strategy to construct various treatment facilities which are not combined sewers. This particular program is expected to cost $1.5 billion over the next 10 years.

The 1988 Needs Survey, issued by the EPA, states that $16.4 billion is needed to correct the CSO problem nationwide. The need for New York City alone is $5 billion. The survey further states that complete implementation of long-term programs is expected to take 20 years.

The legislation being introduced today takes a tough approach to a very serious problem. The quality of life in our coastal areas is so dependent upon our marine resources. We must act now to protect them from further degradation before we lose this most precious and valuable resource.●

VERY SPECIAL ARTS JOINS FORCES WITH VARIETY CLUBS INTERNATIONAL

● Mr. HARKIN. Mr. President, I rise today to inform my colleagues about a unique collaboration between two service organizations which benefit children with disabilities in all 50 States and around the world. Very Special Arts, an international organization established to provide educational programs for mentally and physically challenged individuals of all ages, and Variety Clubs International, a charitable organization which supports programs for sick and disabled children in every corner of the globe, have structured a joint program aimed at achieving their mutual objectives. It is the kind of public-private sector partnership which will encourage volunteerism and supplement limited Federal dollars to expand vital services.

It is particularly fitting that this agreement be announced today, during Very Special Arts very first International Festival. Throughout this week in the Nation's Capital, delegates representing 50 States and 58 foreign nations are arriving in Washington, DC, to take part in a celebration of their artistic accomplishments. They will be joined by educators, Government officials, master artists, celebrity performers, and the Washington community in performances, exhibits, symposia, and workshops in venues throughout the city. The John F. Kennedy Center for the Performing Arts will be the focal point for many of these activities. An invitation from the White House will bring these 1,000 participants to the South Lawn to share their talents with the President and Mrs. Bush. This week of festivities will culminate with a televised performance in the Kennedy Center Concert Hall, where very special artists will share the stage with well-known entertainers from the realm of dance, drama, music, and the visual arts.

My interest in and support for this collaborative effort is twofold. First, as chairman of the Subcommittee on the Handicapped I know the importance of coordinated efforts between organizations serving the general community and those serving individuals with special needs. Variety Clubs of Iowa have lent financial support to charities in every county in the State, charities ranging from public and private hospitals, to youth emergency service centers, and comprehensive treatment centers for abused children. Similarly, Very Special Arts-Iowa has brought art education opportunities to preschool centers, elementary schools, nursing homes, and residential care facilities in major cities such as Des Moines as well as small, rural communities. Cooperative programming, volunteering, and fund-raising efforts between these two organizations in Iowa and elsewhere can only result in enhanced opportunities for children and young people with disabilities. Because both Variety Clubs International and Very Special Arts are already well-established in the United States and throughout the world, the benefits of this joint venture will touch the lives of millions of children of all ages.

For over 60 years, Variety Clubs, a charitable organization of volunteers, has been aiding handicapped and underprivileged children regardless of race, creed, or color. Fifty-two clubs consisting of 15,000 members exist worldwide. Since its beginnings in 1927, the Variety Clubs have raised over $500 million.

The Variety Clubs build and provide hospitals, clinics, medical treatment, intensive care and pre-natal rehabilitation centers, schools, day care centers, parks, playgrounds, pools, and boys and girls clubs for underprivileged and handicapped children. By providing food, clothing, shelter, medical treatment, education, and child care, the Variety Clubs help disadvantaged children in the Third World through their "Life Patron Program."

Another program, "The Variety Children's Lifeline," cares for needy children by treating life-threatening medical problems. All treatment is performed without charge. Neither the child nor the parents have to pay.

"The Sunshine Coach Program" helps children who are normally confined to hospital beds to go outdoors and participate in recreational activity. Specially trained coaches are assigned to the children, and along with specially equipped vehicles allow these children to experience outdoor recreation and to enjoy more fully what life has to offer them.

Boys and girls clubs for needy and disadvantaged youngsters help channel the children's youthful energy in a fun and productive way.

As a result of great technological advances and the miracles of modern medicine, "Variety Limb Banks" provide electric elbows, powered hands, braces, and many other devices to help otherwise incapacitated children become mobile, independent, and able to care for themselves.

I am particularly proud to say that the Variety Clubs from my home State of Iowa consistently ranks as one of the top local clubs in the world. The Iowa Variety Clubs is annually nominated for Variety International's Heart Award. In 1979, they won it. Last year, Iowa Variety Clubs distributed $1.4 million, and as a result, 80,000 Iowa children benefited. Iowa Variety Clubs is composed entirely of volunteers, and all the money raised in Iowa stays in Iowa.

Similarly, Very Special Arts programs serve over a million students, educators, parents and volunteers through workshops, performances and in-service training programs. Located in 50 States and in nations on every continent, Very Special Arts has enabled people of all ages with disabilities to experience the joy and beauty that dance, theater, music and painting bring to the human spirit. Most importantly, the arts provide a noncompetitive opportunity for people of all ages and abilities to enter the mainstream of society.

The agreement announced by Variety Clubs International and Very Special Arts at its International Festival deliniates the State and local partnerships which will be developed in the areas of programming, awareness and fundraising across the Nation and worldwide. For example, Variety Clubs well-established network of volunteers will work with Very Special Arts to enhance and expand their signature arts festival programs. Similarly, Very Special Arts will assist Variety Clubs in developing Artists Unlimited projects at the countless hospitals that benefit from their generous donations.

Very Special Art's mission is to assure that individuals with disabilities have the opportunity to add value to their lives through the arts, and to provide avenues for people with disabilities to be mainstreamed into the cultural life of their communities. Variety Clubs International see their mission as helping children around the world have a better chance at life. This newly announced partnership will take both organizations closer to the realization of these goals.

For the past 8 years Very Special Arts has received funding through chapter 2 of the Education Consolidation and Improvement Act. The success of Very Special Arts Iowa has convinced this Senator of the importance of that Federal contribution to arts

programming for individuals with mental and physical challenges.

Once again, I heartily commend the fine work that Variety Clubs and Very Special Arts are doing in Iowa and throughout the world, and I strongly encourage people to participate in such a worthwhile effort. It gives you a great feeling of pride and joy to see the happiness in the children's eyes that you helped put there.●

ENHANCED RESCISSION AUTHORITY

● Mr. HUMPHREY. Mr. President, on January 25, 1989, I introduced legislation which would provide for expedited consideration of Presidential rescission requests. It simply requires Congress to go on record as either approving or disapproving—by a simple majority vote—rescissions when they are requested.

Numerous Senators have expressed interest in the "enhanced rescission" concept. Senators ARMSTRONG, ROTH, MCCAIN, and DIXON have introduced enhanced rescission proposals. Senator ARMSTRONG's proposal has been around for about a decade. I am convinced that the time is ripe for enactment of some form of enhanced rescission legislation.

Mr. President, I would like to share with my colleagues some expression of support for enhanced rescission which I have received. I ask that following these remarks copies of letters in support of enhanced rescission from the U.S. Chamber of Commerce and citizens for a sound economy be inserted in the RECORD.

I also ask that a copy of a letter from former CBO Director Rudy Penner be printed in the RECORD along with an excerpt from his book, "Broken Purse Strings, Congressional Budgeting 1974-88."

Dr. Penner concurs that some form of enhanced rescission is necessary. He states:

> Congress should at least be required to vote on rescission requests so that the approval or disapproval of the President's judgment is recorded for individual legislators. This reform would clearly represent only a tiny increase in a President's impoundment power, and it could not be expected to affect total spending significantly. But it is a small move in the right direction.

I urge my colleagues to support enhanced rescission legislation.

The material referred to follows:

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, March 23, 1989.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Washington, DC.

DEAR SENATOR HUMPHREY: Massive continuing resolutions laden with unwise spending proposals have made a great deal of news in the past several years. Even in years when there is no continuing resolution, it's difficult to believe that every item in a trillion-dollar-plus federal budget has received the careful scrutiny it should have.

That's why Citizens for a Sound Economy is so glad to hear that you've introduced Con. Res. 9, enhancing the president's rescission authority. If this bill passes, I'm sure that Citizens for a Sound Economy's 250,000 members, as well as millions of other American taxpayers, will sleep a little easier knowing that they have a second chance to make Congress and the president reconsider questionable spending proposals.

CSE stands ready to do our part in the battle to promote fiscal responsibility.

Sincerely,

WAYNE E. GABLE,
President.

CHAMBER OF COMMERCE
OF THE UNITED STATES OF AMERICA,
Washington, DC, April 26, 1989.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Washington, DC.

DEAR GORDON: I appreciate your letter explaining S. Con. Res. 9 and H. Con. Res. 45 which you and Representative Martin have introduced, respectively, to provide for enhanced rescission through expedited Congressional procedures. As you pointed out, the Chamber has supported similar measures in the past, and we support your measures now.

We believe that the continuing large federal deficits are a result of excessive federal spending. We enthusiastically support budget reforms such as a balanced budget amendment and enhanced rescission in order to bring spending under control.

Thank you for bringing your proposals to my attention. We look forward to working with you and your staff to ensure passage of this vitally important legislation.

Sincerely,

RICHARD L. LESHER,
President.

THE URBAN INSTITUTE,
Washington, DC, June 12, 1989.

GORDON J. HUMPHREY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: Thank you for your letter of June 6.

I am strongly in favor of enhanced rescission and, therefore, enjoyed your article with Rep. Martin. I am enclosing a recent book in which enhanced rescission is discussed on pp. 120-122.

Yours sincerely,

RUDOLPH G. PENNER.

THE IMPOUNDMENT POWERS OF THE PRESIDENT

The proposal made above that the president sign the budget resolution would significantly increase presidential power in budgeting and would usually gain the support of the president in enforcing the resolution's targets. It is desirable to enhance presidential power a bit more by somewhat enhancing the power to impound funds voted by Congress.

Currently the president can request a rescission, that is to say, a permanent cancellation of budget authority. For the rescission to go into effect, it has to be approved by both houses of Congress within 45 days of continuous session. They can completely ignore the request, never having to go on record with regard to the desirability of the spending questioned by the president. Although President Reagan was, nevertheless, reasonably successful in using this device in fiscal years 1981 and 1982, obtaining congressional approval for almost 70 percent of the dollar value of his requested rescissions, the tool was essentially useless to the president in fiscal years 1983-87, when Congress approved less than 2 percent of the value of his rescission requests. Congress should at least be required to vote on rescission requests so that the approval or disapproval of the president's judgment is recorded for individual legislators. This reform would clearly represent only a tiny increase in a president's impoundment power, and it could not be expected to affect total spending significantly. But it is a small move in the right direction.

The slight increase in the president's impoundment power could be used to help enforce a budget resolution after a reconciliation bill had failed, and a rescission bill could be presented as an alternative to all or part of a surtax. But we do not confine the use of enhanced rescission power to these circumstances. A president should obviously retain the right to request rescissions that would bring spending below the joint resolution's target, but having signed that resolution, they would be expected to occur only in unusual circumstances.

It may be desirable to enhance the president's rescission power one notch more than is implied by the foregoing proposal, if it can be done in a constitutionally acceptable fashion. A president could be allowed to cancel budget authority, and that cancellation would become permanent unless the budget authority was explicitly restored by an act of Congress. In other words, in contrast to the current situation in which a rescission fails if Congress does not act, a limited rescission would take effect if Congress did not act. We do not, however, believe it realistic to think that Congress would agree to go quite this far at the present time. It is, nevertheless, important to enhance the president's rescission power somewhat by at least forcing a vote on his or her request.

Many, including President Reagan, have suggested that presidential power be enhanced further by giving the president an item veto—a power now possessed in different forms by forty-three governors. There is little doubt that an item veto would enhance the power of the president, but it is more doubtful that it would be used to control total spending. One particularly careful study of the item veto at the state level concludes that "long run budgetary behavior is not significantly affected by the power of an item veto," although there are particular political circumstances in which the item veto has some impact, for example, when the governor and legislature are of different parties. The item veto is likely to be even less potent at the federal level because it could be used directly to influence under 40 percent of spending; over 60 percent of federal spending is comprised of entitlements and interest on the debt. A president might in some circumstances be able to use the power conveyed by an item veto to bargain for some change in entitlements, but in the normal course of events, entitlements simply go on unchanged unless Congress explicitly votes to change them, and inaction cannot be vetoed.

Another problem arises at the federal level because the typical appropriations bill contains precious few items. Spending, for the most part, is allocated among specific programs by reports that are attached to appropriations bills. Congress would have to change radically its method of operations for the item veto to be effective, and of course, members would always have the opportunity to make it ineffective by changing the ways that items are defined. Indeed, dis-

VOL 135 PT 9 JE 14 — 22 1989 UMI

putes over the definition of an item have often brought the courts into budgeting at the state level. The great advantage of enhancing a president's rescission power over the item veto is that the president has the opportunity to define an "item" when the rescission request is formulated.

Last, but certainly not least, it should be noted that proposals for an item veto have little relevance to the problems posed by the high deficits faced currently. Congress is generally hostile to the notion of an item veto, and it would be several years before the necessary constitutional amendment could possibly be passed. Several more years would pass before it could be ratified by the states. Therefore, whatever its merits, it could not possibly be relevant to the current budget problem.

Our opposition to an item veto assumes that in the new budget process, Congress would abandon the practice of passing huge omnibus bills. Certainly appropriations bills should be enrolled by title, so that the president does not effectively lose the veto power that he now possesses. If for some reason omnibus bills were to become common, the case for an item veto would be much stronger.●

SALUTING SMOKEJUMPERS 50TH ANNIVERSARY

● Mr. DECONCINI. Mr. President, Arizona, and most of the Western States, are again facing a critical forest fire season. This summer, just as in 1987 and 1988, the Nation will depend heavily on Federal firefighters to protect our citizens and property from the ravages of wildfire. The first firefighters, to reach many of the more remote fires will be smokejumpers—airborne firefighters with the U.S. Forest Service and the Bureau of Land Management.

On June 16, 17, and 18, many of the smokejumpers who are not responding to fire calls will gather with their retired predecessors in Boise, ID, to celebrate their 50th year of service to the Nation. I would like to take this opportunity to recognize the historic occasion and thank this unique corps for its remarkable record of accomplishment over the last half-century.

By the mid-1930's, the use of parachutes to drop equipment to firefighters had become a well-established practice. At that time there was talk of using parachutes to actually drop firefighters near remote fires to reduce response time and help control the spread of forest fires. The response of some was skeptical. One of the West's regional foresters, Evan W. Kelley, noted that,

> All parachute jumpers are more or less crazy—just a little bit unbalanced, otherwise they wouldn't be engaged in such a hazardous undertaking.

He discounted the practicability of the idea and indicated to his superiors that he would have no part of any such scheme.

Nevertheless, in 1939 an experiment was conducted in the North Cascades of Washington State. For over a month a small group of men sought to demonstrate the feasibility of parachuting firefighters to remote fires in rugged terrain. The experiment was successful, and smokejumping was born. In 1940, the Forest Service for the first time began using smokejumpers in its efforts to suppress wild fires, and continued to do so without interruption since that time.

Over the years, more than 200,000 jumps have been made, including not only fire jumps, but also rescue jumps to assist injured individuals far from any trained medical assistance. Many smokejumpers have lost their lives in action, and far more have sustained serious injuries. Nevertheless, despite the risks and relatively low pay, the smokejumper program has attracted an extremely diverse and talented group ranging from students to doctors, from conscientious objectors to ex-marines, from family men to sworn bachelors. The smokejumpers have established a reputation for being hard-working, skilled, dependable, fiercely independent, and remarkably self-sufficient. Some also would agree with Evan Kelley's observation that they indeed are "more or less crazy," an impression which in at least some cases was well deserved.

Throughout its history, the jumpers have maintained a vibrant and vital organization. They preceded the formation of the U.S. Army's airborne units, and served as a model for the establishment of the Army's first paratroop training facility in Fort Benning, GA. They constantly have improved and refined their equipment and techniques in order to do a better job. Much of the jump gear is designed and assembled by the jumpers themselves; some of the jumpers are as handy with a sewing machine as they are with a shovel.

As wilderness policies have changed over the years, the jumpers have been at the cutting edge by helping to implement methods which seek to balance the need to manage fires with the desire to minimize human impact on the land. This highly motivated and spirited group of people serves as an example of enlightened public service in the best American tradition. I thank the smokejumpers for a job well done, and salute them on their 50th birthday.●

CHILD CARE AND CHILD HEALTH

Mr. BOREN. Mr. President, I want to thank the chairman of the Finance Committee, Senator BENTSEN, for holding yesterday's markup to act on the issues of child care and child health. I believe that this shows his commitment to developing legislation that will offer much needed assistance to many families, most often low-income families, where the children are often the victims of the consequences of their environment. I am pleased that this proposal passed out of the committee and I hope we will consider it soon on the floor of the Senate.

Unfortunately, children are at risk by their parents being unemployed, as they often cannot afford to pay for adequate medical insurance coverage. The cost of health coverage has increased so much over the last decade, and families that are at the breaking point any way just do not have the funds to pay for it. Coincidentally, children are also at risk by their parents being employed, either in families where both parents work, or in single parent families where there is great reliance on child care. Mr. President, I think this is a unique opportunity to tie these two issues together to pass legislation that is truly needed by all of these children most at risk.

I will not review the proposal in detail, but I do appreciate the fact that it targets the children of low-income families and addresses the issues of child care and health protection. It is very hard for Congress to keep pace with the changing needs of society, but these two issues are obviously a priority in the Finance Committee, in the full Senate, in the House of Representatives, and in the White House. The President repeatedly said all through the campaign that child care and related issues were of utmost importance to him. He has followed up with a proposal of his own for a child care tax credit that Senator DOLE has offered in the Senate.

I am also committed to acting on legislation to address these needs. I am pleased that this proposal included the refundable child care tax credit. For the first time, families whose income is so low that they have no tax liability would benefit from this credit by receiving a refund, payable monthly so that the cash would actually be available to them. For middle-class families, child-care costs are a real burden to their budget; for poor families, the average cost of over $3,000 per child is prohibitive. This would be one way to infuse cash into a family's budget to offset the costs of their child's care.

Just in Oklahoma, 22 percent of the children under 5 years old live in poverty. This amounts to 62,000 kids. In 1988, only 15,500 of them received any child-care assistance funds. They are prime candidates for being in child-care homes, day-care centers, church-based or other facilities, because their parents are forced to work, if they can find a job in our depressed market. And while the number of children in day care has gone up—as more and more women enter the labor force—6 percent fewer children in Oklahoma received assistance last year than they

did 8 years ago. We cannot ignore the needs of these families.

I also cannot say enough about the need for adequate health coverage. I have made numerous statements before the Finance Committee and before the full Senate about the crisis of health care in our country. The costs are escalating rapidly, and driving more and more people out of the insurance market because they simply cannot afford the premiums to cover the entire family. This proposal brings to light the fact that the greatest proportion of uninsured children come from low-income families, and I believe that we must act responsibly with limited Federal dollars to identify and target the funding to these families. I think this is a sound approach to encourage parents to insure their children and in turn, be able to take advantage of this expanded dependent care credit to cover these expenses.

Again, I thank the chairman for his hard work in developing this children's initiative. I am pleased to support this effort to address these pressing needs of the children in Oklahoma and across the Nation.●

THE 75TH ANNIVERSARY OF LOCAL 11, IAHFIAW

● Mr. SARBANES. Mr. President, this year marks the 75th anniversary of local 11 of the International Association of Heat and Frost Insulators and Asbestos Workers [IAHFIAW] based in Baltimore.

For three-quarters of a century, the members of this distinguished organization have made significant contributions to the growth and strength of our Nation and the State of Maryland. I would like to take this opportunity to congratulate the members of local 11 and to reflect briefly upon its proud history.

Representing workers engaged in the "practical mechanical application, installation, or erection of heat and frost insulation," the IAHFIAW has earned a reputation for unwavering dedication to the health, safety, and financial security of its members. Its efforts have also played a significant role in maintaining a high level of quality and integrity in their craft. The skilled members of local 11 can be found working throughout the State of Maryland—in factories, hospitals, defense plants and the U.S. Naval Academy. Indeed, their work ensures the safety and comfort of millions of Marylanders every day.

Local 11 has championed the cause of working men and women everywhere. The IAHFIAW has made its voice heard on a variety of issues related to health, working conditions, senior citizens, and other matters so important to our progress. Its members are devoted to the principle of a fair day's wages for a fair day's work and their efforts toward that goal are worthy of recognition.

The people of Maryland are greatly indebted to the skill and hard work of local 11's dedicated members, and I congratulate them on their 75 years of achievement.●

AT LEAST OPEC HAS A POLICY

● Mr. BREAUX. Mr. President, I have lost count of the number of times I have taken the floor of the House and Senate over the years to talk about peril this country faces from its lack of an energy policy which recognizes that oil is a strategic resources vital to our Nation's security.

Someday, maybe not too far in the future, the next generation may ask our generation why we allowed our domestic oil industry to die at the hands of foreign imports. I hope that day never comes. But I am afraid that it might if we do not reverse our growing addiction to foreign oil.

Mr. President, one of the most insightful commentaries on our domestic energy situation and our lack of an energy policy appeared on June 13, just this past Tuesday, on the editorial page of the New Orleans Times-Picayune.

I ask that this editorial be printed in the RECORD and I commend it to all my colleagues.

The editorial follows:

AT LEAST OPEC HAS A POLICY

Say what you will about the strength or fragility of the Organization of Petroleum Exporting Countries, at least the cartel has an energy policy. That is more than can be said of the United States.

On a day when OPEC was announcing significant alterations in its policy in Vienna, American governors were calling on Congress to develop a national energy policy that will reduce the nation's growing dependence on OPEC oil.

Addressing members of the House Banking subcommittee on economic stabilization, Alaskan Gov. Steve Cowper conceded that "energy issues are not a central concern to most people today." But, he said, "I come before you . . . to say that complacency is both unwarranted and dangerous."

The governor, representing the national Governors' Association, presented the association's recommendations after an 18-month study of the energy issue. These include tax and price incentives to encourage the development of domestic oil, gas and coal.

The governor noted that the United States imported more than 43 percent of its oil last year, and the bill accounted for more than one-fourth of the U.S. trade deficit.

The trends are "in the wrong direction," he said. "Domestic oil production is down, oil production in other stable and friendly nations is down as a percentage of world oil production, the concentration of oil productive capacity in the Persian Gulf is up and domestic oil consumption is up."

In Vienna, the 13-nation OPEC agreed to increase overall production from 18.5 million barrels a day to 19.5 million and leave it to world market forces to set the price.

On what had been a potentially divisive issue, the $18-a-barrel benchmark price for OPEC oil, the cartel representatives reached a compromise.

Rather than calling the price a benchmark, it is to be called the OPEC "reference" price and will be allowed to float according to market demand.

One minister explained that although OPEC would like oil prices to stabilize around current levels indicated by the $18-a-barrel reference price, OPEC would not intervene unilaterally to raise or lower prices if they moved away from the reference price.

The change in policy appears to be more of a triumph for cartel leader Saudi Arabia than a true compromise. The Saudis had recommended dropping a benchmark or ceiling price entirely and letting the market determine prices. But other OPEC members apparently needed the security blanket of at least a "reference" price.

Of course, OPEC members will continue to cheat on their production quotas. But that is not the issue. The issue is how much they cheat.

If they cheat too much, prices will move significantly below the reference price. If they stick fairly close to their quotas and demand continues to rise in the United States and elsewhere, prices should rise.

Thus the reference price could prove to be a useful barometer of OPEC cheating or compliance.

Meanwhile, non-OPEC nations, including Mexico, have agreed to reduce their oil exports voluntarily.

The outlook, therefore, seems to be for higher prices with more and more U.S. oil imports coming from OPEC. The need for a U.S. energy policy thus becomes more urgent with each passing day.

The governors have recognized that. Maybe they can get Congress and the Bush administration to do so as well.●

ORDER FOR RECESS UNTIL 1:30 P.M., THURSDAY, JUNE 15, 1989, AND ORDER FOR MORNING BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 2 p.m., Thursday, June 15, and that following the time for the two leaders there be a period for morning business not to extend beyond 2:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. DOLE. Mr. President, I intended to raise this earlier with the majority leader. I had a number of requests on this side that we might come in at 1:30 and use 30 minutes to speak on the President's crime package, if there is no objection to that from the majority leader, or we could do it after, but I think he wants to start on the child care bill as soon as possible.

Mr. DODD. I will change it to 1:30. I gather there is no problem over here with that at all.

Mr. President, I would amend my unanimous-consent request that the Senate stand in recess until 1:30 p.m., and that following the time for the two leaders there be a period for morning business not to extend beyond 2:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

Mr. DOLE. Mr. President, reserving the right to object, and I have no objection. I think during that time we will be able to provide opportunities for Senators THURMOND, SPECTER, myself, and others to speak on the President's crime package.

I thank the distinguished acting majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M. TOMORROW

Mr. DODD. Mr. President, if the distinguished Republican leader has no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess, under the previous order, until 1:30 p.m., Thursday, June 15, 1989.

There being no objection, the Senate, at 6:57 p.m., recessed until Thursday, June 15, 1989, at 1:30 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 14, 1989:

AMBASSADOR

Richard Reeves Burt, of Arizona, for the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms (START).

DEPARTMENT OF STATE

John D. Negroponte, of New York, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

Bernard William Aronson, of Maryland, to be an Assistant Secretary of State.

John Hubert Kelly, of Georgia, a Career Member of the Senior Foreign Service, Class of Minster-Counselor, to be an Assistant Secretary of State.

DEPARTMENT OF LABOR

Dale Triber Tate, of the District of Columbia, to be an Assistant Secretary of Labor.

Kathleen M. Harrington, of the District of Columbia, to be an Assistant Secretary of Labor.

Jennifer Lynn Dorn, of Maryland, to be an Assistant Secretary of Labor.

Robert P. Davis, of Virginia, to be Solicitor for the Department of Labor.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, June 14, 1989*

The House met at 1 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Learn to do good, search for justice, help the oppressed, be just to the orphans, plead for the widow.—Isaiah 1:17.

O God, from whom all blessings flow, may we come to know Your Word not only with our lips, but in our hearts and learn the works of justice in our communities and in our world. Remind us that justice is not a good word spoken with good feelings and lost amid all the other good words that we speak, but it is translating those words into deeds of action with gifts of our time, our talent, and our treasure. May we learn to do good as our faith becomes active in love. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 303, nays 104, not voting 26, as follows:

[Roll No. 84]

YEAS—303

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
Barnard
Bartlett
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chapman
Clarke
Clement
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Cox
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dixon
Donnelly
Dorgan (ND)
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Huckaby
Hughes
Hutto
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Natcher
Neal (MA)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Roe
Rohrabacher
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schiff
Schneider
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Weiss
Weldon
Whitten
Wilson
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—104

Armey
AuCoin
Baker
Ballenger
Barton
Bilirakis
Bliley
Boehlert
Brown (CO)
Bunning
Burton
Carr
Chandler
Clay
Coble
Coughlin
Craig
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Douglas
Duncan
Edwards (OK)
Emerson
Fields
Frenzel
Gallegly
Gekas
Goodling
Goss
Grandy
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Hyde
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCrery
McGrath
McMillan (NC)
Michel
Miller (OH)
Molinari
Moorhead
Nielson
Oxley
Pashayan
Paxon
Rhodes
Ridge
Roberts
Roth
Roukema
Schaefer
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sundquist
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Wheat
Whittaker
Wolf
Young (AK)

NOT VOTING—26

Aspin
Bateman
Bentley
Buechner
Collins
Courter
Dingell
Dornan (CA)
Downey
Gingrich
Hubbard
Hunter
Murphy
Nagle
Neal (NC)
Parris
Rangel
Rogers
Scheuer
Schulze
Torres
Udall
Vander Jagt
Walsh
Warman
Williams

□ 1322

Ms. SNOWE changed her vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. DEFAZIO). The gentleman from North Carolina [Mr. BALLENGER] will lead us in the Pledge of Allegiance.

Mr. BALLENGER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT OF SELECTION OF MAJORITY LEADER

Mr. HOYER. Mr. Speaker, as vice chairman of the Democratic Caucus, I have been directed to report to the House that the Democratic Members

have selected as majority leader the gentleman from Missouri, the Honorable DICK GEPHARDT.

ANNOUNCEMENT OF SELECTION OF MAJORITY WHIP

Mr. HOYER. Mr. Speaker, as vice chairman of the Democratic Caucus, I have been directed to report to the House that the Democratic Members have selected as majority whip the gentleman from Pennsylvania, the Honorable BILL GRAY.

CONGRATULATIONS TO DEMOCRATIC LEADERSHIP

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I simply want to salute the Democratic leadership, all three gentlemen, the distinguished Speaker, the gentleman from Washington [Mr. FOLEY] and the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from Pennsylvania [Mr. GRAY]. They are gentlemen with whom I have served for many years in this House, men of high honor and integrity. We simply want to join in the accolades that I am sure the gentlemen will be receiving for the balance of this day in their having been elected to their respective officers by the Democratic Caucus. We salute the gentlemen.

ELECTION AS MEMBER TO COMMITTEE ON RULES

Mr. HOYER. Mr. Speaker, I offer a privileged resolution (H. Res. 174) and I ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 174

Resolved, That Louise M. Slaughter, of New York, be, and is hereby, elected to the Committee on Rules.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE OFFICE OF THE SPEAKER

Mr. FAZIO. Mr. Speaker, I offer a resolution (H. Res. 175) providing funds for the Office of the Speaker, and I ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore (Mr. DEFAZIO). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 175

Resolved, That, effective June 14, 1989, there shall be authorized the additional sum of $60,000 for the compensation of personnel and other expenses of the Office of the Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. LEWIS of California. Mr. Speaker, reserving the right to object, if the gentleman will respond to a couple of questions, I do reserve the right to object. I do not expect that I will be objecting, nonetheless.

As I understand it, this resolution would increase the authorization for personnel and other items in the Speaker's office up to an additional $60,000, is that correct?

Mr. FAZIO. Mr. Speaker, would the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from California.

Mr. FAZIO. That is correct.

The resolution is necessary to provide for the humanitarian transition of staff who are involved in the change in the Office of the Speaker.

It provides that $60,000 be added to the authorization of the Office of the Speaker for office personnel and expenses.

No new funds are appropriated here. The $60,000 will have to come from any excess funds that may be available out of funds already appropriated. If such excess funds are found, and if they are needed by the Office of the Speaker, the Committee on Appropriations will take action to transfer those funds under existing transfer authority.

This is necessary because the budget of that office cannot absorb the entire cost, however temporary, of two staff groups. These funds are needed to defray those expenses for a short time while the outgoing staff find new positions.

Mr. LEWIS of California. Mr. Speaker, recently on the Republican side of the aisle, we had a vacancy in our leadership as a result of Mr. Cheney going down to the Department of Defense. I presume, but it has not been made clear for the RECORD that the whip staff or office would be handled in a very similar fashion on this side of the aisle, is that correct?

Mr. FAZIO. That is correct. Mr. Cheney was very successful in having many of his staff join him at the Pentagon, and that may have obviated a need for this sort of temporary allocation of funds, but certainly it would have been our policy and the policy of the majority, I am sure, to accommodate Mr. Cheney, and the minority on this kind of a problem.

Mr. LEWIS of California. Further reserving the right to object for one further question, as I understand this authorization increase, then, would allow for a transfer of appropriated funds from one category to another, should it be necessary, to meet the needs of those personnel?

Mr. FAZIO. That is correct. It would only be done if necessary. The desire, of course, is that the individuals directly affected would be able to handle their transitions without the need for these funds, but in case that did not occur, we did want the flexibility to exist.

Mr. LEWIS of California. Mr. Speaker, the minority was informed regarding this matter in as timely a fashion as possible.

Mr. Speaker, therefore, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MINIMUM WAGE VETO OVERRIDE

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute.)

Mr. HAYES of Illinois. Mr. Speaker, I rise today to participate in these 1-minute speeches to express my support for the increase in the minimum wage and to express my dismay in yesterday's veto of the bill by President Bush.

However, let me first take a moment to commend my colleague from Maryland, STENY HOYER, for again taking a leadership position on this matter, in keeping the issue of a minimum wage increase in the forefront of our Nation's agenda.

We in the Congress clearly expected the President's veto of our minimum wage bill, but I am still perturbed by this action, especially given such a great need for an increase in the minimum wage. I think that we should provide even more of an increase in the minimum wage than is provided in H.R. 2, the Fair Labor Standards Act amendments, but to think that the President has vetoed the bill because it goes beyond his minimum wage ceiling of $4.25 an hour is outrageous. He now says the 30 cents is not the issue, and I agree. The issue is providing a decent wage to enable Americans to live a decent quality of life.

By merely raising the wage to $4.55 an hour we still leave our Nation's working poor with a purchasing power

that does not bring their families out of poverty and continues to make it impossible for parents to properly feed and clothe their familes. It is plain and simply impossible for them to give their children a decent quality of life.

I would just like to encourage that my colleagues take the opportunity today to vote to override the President's veto because we must stand up for an equitable minimum wage increase for this Nation.

As a member of the minimum wage conference committee, I fully support the congressional minimum wage proposal and I cannot in good conscience further compromise my beliefs and agree to a lower wage increase—a wage which would keep hard working Americans in poverty.

There is absolutely no question as to whether or not there is a need to increase the minimum wage and today we need to vote to override this veto and stand on the side of our Nation's workers.

I thank the Chair for allowing my participation today.

REVISIONS IN THE CLEAN AIR ACT

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, on Monday President Bush announced sweeping revisions to the Clean Air Act. The President deserves high marks for providing the leadership for the first revision since 1977.

We all join him in supporting the goal of cleaner air and an improved environment. However, a quality environment means more than just cleaner air. We also measure our quality of life in terms of jobs and economic opportunity.

Sound national policy must include considerations of economics, energy security, and the environment.

While I have challenged some prior acid rain proposals, I am cautiously optimistic that what President Bush has recommended offers a reasonable starting point for debate on this controversial issue.

It is critical, however, that we protect the viability of the Clean Coal Technology Program.

It would be a travesty to waste the more than $1.5 billion in Federal funds already committed to this program.

The deadlines called for in the President's package could still preclude the use of new technologies currently being developed under the Clean Coal Program.

The most critical element in crafting an acid rain bill is timing. Even if the ongoing Clean Coal Technology Demonstration Program is successful, emission reduction compliance deadlines in the mid-1990's and the year 2000, as proposed by the President, could potentially force the use of costly and inefficient scrubbers or fuel switching, and could prohibit the use of new technologies in helping to achieve emission reductions.

I look forward to working with the President to craft a Clean Air Act that offers the promise of cleaner environment and more secure energy future, while at the same time maintaining the pace of economic growth so necessary to our Nation's future.

Clean coal technologies will contribute to all three of these vital national goals.

CLEAN AIR AND COAL MINING CAN PEACEFULLY COEXIST

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, I am not here to argue against clean air. It is the kind of thing that is easy to support—the kind of thing we should support.

But I am here on behalf of thousands of coal miners who face at best uncertain futures and at worst economic disaster in the wake of acid rain control programs proposed by the administration.

Without significant changes, the United Mine Workers of America predict the administration's plan could cost 30,000 jobs in high sulphur coal areas like mine in southern Illinois.

Instead of ignoring the promise of clean coal technology, we should push it forward, and make reduction through technology part of any solution.

I represent third and fourth generation coal miners who want to continue to serve this country's energy needs. I represent cities and towns that depend on those mines.

We can provide the quality of air and environment we all seek without creating huge new pockets of unemployment and poverty. We must not abandon promising technology, and we must not abandon the working men and women of this country.

RATIONING HEALTH CARE FOR THE ELDERLY IS NO WAY TO BALANCE THE BUDGET

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, there are some Congressmen and administration officials who want to ration physician services to the elderly through so-called expenditure targets as a way to reduce the Federal deficit. I absolutely refuse to balance the budget on the backs of the elderly by restricting health care.

The Canadian system of expenditure targets has worked well for the healthy, but has resulted in rationing and long delays in obtaining medical services for the ill. There are growing waits for necessary surgery, degrading conditions for elderly hospital patients and in some cases, unnecessary and premature deaths waiting in line for treatment by surgeons constrained by the target from operating in time.

And yet there are some here who say that "it can't happen in this country." Proponents of "ET's" claim that the U.S. version would be relatively simple to comply with—just eliminate unnecessary services, physician by physician. This is nothing short of forcing physicians to limit, restrict, or postpone access to services. I will not stand by and allow Congress to betray the promise we made to our senior citizens in 1965—we guaranteed them to the best medicine could offer.

I do not endorse rationing in any form—targets, caps, whatever you want to call them—it all translates into the same thing—balancing the budget on the backs of the elderly.

THE RIGHT CHOICE—OVERRIDE THE VETO ON MINIMUM WAGE

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, this is our message: "Vote your conscience and help the working men and women."

Mr. Speaker, today this House has an opportunity to take decisive action on behalf of those who lack a strong political voice but have a strong will to succeed by doing some of the toughest and least desirable jobs in America—those who work for the minimum wage.

We stand today in confrontation with our President over an issue which has been neglected for over 8 years, since the last increase in the minimum wage.

Throughout my years of public life I have consistently maintained that government is about choices—often competing and difficult choices. But today, the right choice is easy. Today, this body has a choice to make regarding the men and women who work for the minimum wage. How can this House be serious about moving people off welfare into a real job if we will not help them to move toward a livable wage. Yes, there is dignity in going to work each day and earning a real income. However, we must be realistic in seeing that the minimum wage allows a worker to meet life's basic needs.

In a body where our salary of nearly $90,000 cause many to struggle, think how hard workers struggle who earn

only one-tenth of that amount. I urge my colleagues to search in their hearts to find the compassion to grant this modest increase in the minimum wage to restore some dignity to working men and women.

I urge an overrride of the President's veto.

A TRIBUTE TO MICHAEL CHANG—WINNER OF THE FRENCH OPEN

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, as the United States continues its search for the next great male tennis star, the word "potential" is often spoken. To be labeled as an individual with potential can often be a double-edged sword. While the notoriety and publicity is very gratifying, most times the pressure of living up to your press clippings can be overwhelming.

However, in the case of teen sensation Michael Chang, pressure is something the other guy must contend with.

A constituent of mine from Placentia, CA, Michael Chang has just won the French Open—the first American to do so since 1955. What makes this accomplishment even more spectacular is that Michael is just 17 years old.

Michael Chang's achievements cover many pages of text. At 15 years old he was the youngest player to ever win a match at the U.S. Open as well as at Wimbledon. And now, after being seeded 15th, Michael worked his way through veterans such as Ivan Lendl, Andrei Chesnokov, and Stephan Edberg to capture the French Open.

My congratulations are warmly extended to Michael and his family, especially his father Joe, for this great work.

EXPRESSING SUPPORT FOR SAVINGS AND LOAN LEGISLATION

(Mr. McMILLEN of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McMILLEN of Maryland. Mr. Speaker, today I rise to talk about H.R. 1278, the savings and loan bill. In particular, I would like to address two aspects of this bill. First, I would like to commend the Ways and Means Committee and the Government Operations Committee for keeping the amount for REFCORP bonds on budget. This saves the taxpayers of this country $4.5 billion. That is very important, given the fact that the administration has grossly underestimated the real cost of this crisis in the future. This is an important savings for the taxpayers of this country.

Second, I would like to state my continued support for the tangible capital requirements currently incorporated in this legislation. Strong capital standards are the only way to insure that we avert another savings and loan disaster and taxpayer bailout. The Banking Committee recognized this and improved H.R. 1278 by adopting explicit tangible capital standards, unlike the administration's legislation which was ambiguous and would have permitted good will to count toward the capital requirement of a savings and loan association amortized over 10 years. This point should not be overlooked, since this crisis is due in great part to the lack of any real capital standards in the industry.

Mr. Speaker, I hope that my colleagues will support this legislation and avoid changing the capital standards and the on-budget treatment.

THE MINIMUM WAGE: IT IS LARGELY SYMBOLIC

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, yesterday President Bush vetoed H.R. 2, legislation raising the Federal minimum wage to $4.55 by 1991. I support this veto.

The continued debate on increasing the Federal minimum wage is an exercise in political symbolism. By raising the wage rate, some Members of this esteemed body can pretend they are helping the working poor. This way, everyone will be viewed as "doing good" even though the results will not match the intentions.

Those who really care about the working poor know that the issue is not raising the minimum wage, but minimizing poverty. That's why the earned income tax credit is the right way to go. Coupling this well-thought-out proposal with a small increase in the minimum wage will allow the working poor to take home more money after taxes and face little risk of losing their jobs.

Vote to sustain the President's veto, so that we can focus debate on a real solution to helping low-income workers.

□ 1340

THE AMERICAN FLAG FIDELITY ACT

(Mr. STAGGERS, asked and was given permission to address the House for 1 minute.)

Mr. STAGGERS. Mr. Speaker, today is Flag Day, a day when all Americans honor our national banner of freedom and independence. The American flag is the national emblem to which American citizens pledge their allegiance and for which American soldiers have died. It is our duty to protect and defend it against attack. My bill, the American Flag Fidelity Act, would do just that.

H.R. 1036 would halt the importation of foreign-made American flags, thereby ensuring the sacred position which our national symbol so justifiably deserves. I ask my colleagues: Why should foreign manufacturers and workers take special care to produce this country's most revered emblem? They won't, to them it is just another export product.

To those who would claim that this is a protectionist measure, I say absolutely. Protecting the American flag is a time-honored tradition. Throughout American history, there has been a practice of keeping the flag raised high, even while soldiers are falling around it in battle. As a proud American, I do not want to salute nor pledge my allegiance to a flag made on foreign shores. Our Nation's most venerated symbol of freedom and democracy deserves sacred treatment and this Congress should provide it.

Mr. Speaker, I ask the Members to support H.R. 1036.

TURTLE PROTECTION PARITY ACT OF 1989

(Mr. SMITH of Mississippi asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Mississippi. Mr. Speaker, I represent a district in south Mississippi where generation of hard-working American and immigrant families have invested their lives in the ups and downs of the shrimping industry. They spend many days and nights working and sleeping in the salty air on the waters of the Mississippi Sound and Gulf of Mexico, in hopes of a bountiful harvest of what once was the cash crop on the gulf coast. When weather and sea conditions bring them poor yields, they tighten their belts, and of course when the yields are high, they live better.

Conditions, economic and otherwise, have brought only lean years in recent years. And now, as of May 1, our shrimpers face the added burden of a Federal regulation requiring them to use turtle exclusion devices. Teds are a noble idea but one which, if applied only to Americans, ignores the identical threat to sea turtles posed by foreign shrimpers. This omission is particularly significant because 80 percent of the shrimp consumed in the United States is imported, and foreign governments do not require their shrimpers to use turtle exclusion devices. Moreover, because teds reduce the catch of shrimp, resulting in additional work and expense to catch the same amount of shrimp caught previously, American shrimpers incur significant costs that are not imposed on their foreign competitors.

In order to protect sea turtles and level the playing field between domestic and foreign shrimpers, I am introducing the Turtle Protection Parity Act. This bill would have the twofold effect of protecting sea turtles from foreign shrimpers while preventing unfair competition to American shrimpers. Only shrimpers from countries that also require the use of turtle exclusion devices would be allowed to enter the U.S. market.

I urge Members of the House to join me in cosponsoring the Turtle Protection Parity Act. It is important to American business competition, and it is important to our environment.

A KIND AND GENTLE VOTE TO OVERRIDE THE VETO

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, President Bush is determined to have a more kind and gentle America. Believe me, he is going to do it. He is kind to give our fighter jet technology to Japan, he is kind to give millions of dollars to the Contras, he is kind to give more foreign aid to everybody all over the world. He is also very kind by wanting to give the rich a very big tax break.

Mr. Speaker, the problem is President Bush is kind to everyone except the American workers. Yesterday he vetoed the minimum wage bill over 30 copper pennies, 30 cents.

Those 8 million American workers at the bottom of the ladder are asking Congress and the President to be a little kind and a little gentle to Americans, and I think today we should culminate this affair on the minimum wage bill by having a kind and gentle vote to override the veto to help American workers. That would be something refreshing.

TWO ACTS TO IMPROVE THE DEPARTMENT OF DEFENSE

(Mr. LANCASTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANCASTER. Mr. Speaker, the time has come to put an end to wasteful Pentagon spending and procurement fraud. I have introduced H.R. 2361 and H.R. 2362 to strengthen the hands of Defense auditors and investigators. H.R. 2361 transfers over 6,000 Government auditors of defense contractors to the direct control of the inspector general's office and gives the inspector general a 10-year term, similar to the FBI Director.

It is no longer practical to have auditors of contractors in one organization and the internal auditors and investigators in another. We need a unified and independent approach to attacking the procurement abuses and wasteful spending from both within and outside the Government. The Pentagon procurement scandal has involved bribes of Government employees by defense contractor employees. Government contract auditors, who are primarily in the Defense Contract Audit Agency, have no authority to audit Government operations. The audits of Government operations are handled by the inspector general's office which also has the authority to conduct criminal investigations.

Currently, the inspector general is appointed for an indefinite term by the President with Senate confirmation, but can be fired by the President at any time. I believe that a 10-year term of office will make the inspector general more independent by not fearing removal for criticizing top officials.

The other bill that I have introduced, H.R. 2362, combines audit, investigation, and inspection units in the Army, Navy, and Air Force under a civilian auditor general in each service who will be appointed by the President and confirmed by the Senate for renewable 6-year terms of office. The services need the same kind of independent and unified auditors and investigators that the Government has in every other major department and agency. We cannot afford the turf battles and unclear responsibilities inherent in the current organizations. H.R. 2362 ends these problems by, first, making the auditor general an accountable focal point for disclosing and eliminating fraud and abuse in each service and second, providing the necessary staffing of 3,000 to 5,000 auditors, investigators, and inspectors needed in each department.

TRIBUTE TO TONY COELHO

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute.)

Mr. GUNDERSON. Mr. Speaker and Members, none of us knows whether we are going to have the opportunity tomorrow to give 1 minutes because of the consideration of the legislation at hand, and so I just want to take the time today to really say a personal statement to one of my friends on the Democratic side of the aisle who, as I think we all know, will be resigning from the Congress effective tomorrow.

Mr. Speaker, I came here 9 years ago, and during those 9 years the gentleman from California [Mr. COELHO] has become a good professional and a personal friend of mine. We have had the chance during those 9 years to serve in the House Committee on Agriculture. I think both of us take great pride in particularly our efforts jointly in working on the dairy section of that 1985 act. We have had a chance through these years to discuss the professional realities of the Congress, to discuss the partisan realities of good, honest bipartisan infighting between Republicans and Democrats.

However, Mr. Speaker, above and beyond all that there is a time to set professional bipartisanship aside and care for each other as people. Here is one Republican who cares deeply about TONY as a friend and wants him to know he has the best wishes of many of us as he goes forward.

SAVINGS AND LOAN BILL CRITICAL TO ECONOMIC SYSTEM, HOME OWNERSHIP

(Mr. PICKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKETT. Mr. Speaker, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to rescue the savings and loan industry of this Nation is one of the most important issues we will consider all year.

At the heart of this debate is the strength and vitality of a large segment of our country's financial system, a system that is essential to a healthy economy. In spite of the many problems that have resulted from the lax regulation, fraud, mismanagement, and greed about which we have heard so much, we know that millions of Americans still depend upon these savings institutions to meet a large part of their financial needs, and we cannot ignore that fact now.

These institutions still finance more than half of this Nation's home mortgages and are the place where millions of Americans have deposited their funds in insured savings accounts. We must protect the savings of these Americans and justify the confidence of our people in the thrift industry. Savings are essential to the growth of our economy. This legislation costs money, and it is not easy to spend public money to correct mistakes of this kind. But the integrity of our deposit insurance program must be maintained and the regulatory and structural problems in the savings and loan industry must be corrected. I urge my colleagues to support this bill.

WHY CITIZENS IN CHINA ARE FIGHTING TANKS AND GUNS WITH ROCKS AND FISTS

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, "June Third, 1989: Bloody Sunday in Beijing." A full-page ad in this morning's USA Today newspaper makes the point best. If the Chinese had the right to keep and bear arms, they would be free today. The administra-

tion and gun-control advocates propose that we turn over—to a government agency—the authority to decide what firearms are legitimate for "sporting purposes."

The Chinese did that a long time ago. And they died in Beijing Sunday, June 8.

And, Mr. Speaker, why will the publisher of Newsweek not run this ad by the National Rifle Association of America which outlines why citizens in China are fighting tanks and guns with rocks and fists.

Why won't Newsweek run this ad, just as "the nation's newspaper" USA Today did?

□ 1350

THE IMPORTANCE OF ADEQUATE CAPITAL IN OUR LENDING INSTITUTIONS

(Mr. OLIN asked and was given permission to address the House for 1 minute.)

Mr. OLIN. Mr. Speaker, today and for the next 2 days we are going to hear a lot about the savings and loan disaster. The committees have done a very fine and responsible job in coming forth with a bill to resolve this critical problem. Of course, the first priority is to keep our commitment to the millions of depositors and to do that at the lowest possible cost; but beyond that, we owe it to the people of this Nation to enact the changes that will prevent this from ever happening again.

There are many important changes in the bill of the committee, but probably the most important is the requirement that there be adequate capital in these institutions, that their owners have their own money up front. There is no place in that capital requirement for good will, no place in that upfront money.

So Mr. Speaker, I urge my colleagues to vote down any effort to make good will into hard cash, because too much good will will lead to bad management. In a few years we will be right back in the soup and this mess that we are trying to clean up today.

MAINTAIN TOUGH CAPITAL STANDARDS RECOMMENDED BY BANKING COMMITTEE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, today the House will begin consideration of the savings and loan bill. I am asking you today to maintain the tough capital standards that the Banking Committee has recommended in this bill.

As I said in a dear colleague letter with 13 other members of the Banking Committee, including the chairman and ranking member, strong capital standards are the heart of the bill. We cannot possibly presume to put this crisis on the road to repair if we're not tough on operators who risk taxpayers' money instead of their own. The use of intangibles such as good will as hard cash just does not make any sense, and I ask my colleagues to consider this carefully. What incentive for prudent management is there when all that is at risk is the thin air value of goodwill? Thrifts that want to engage in risky business ought to have more of their own money at stake.

I implore all of you to be part of the solution to this problem and not to perpetuate it by weakening the core capital requirements in the bill.

PRESERVING THE RIGHTS OF SAVERS, BORROWERS, AND TAXPAYERS DURING THE S&L CRISIS

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, as the previous two speakers have indicated, the House this week will have an opportunity to preserve the rights of savers, borrowers, and taxpayers, as we attempt to resolve the Nation's most expensive financial debacle: the S&L crisis. Until recently the public's awareness of the S&L fiasco was limited due to the news media's perception that the thrift industry's problems and its affect on Joe Q. Public were too complicated and too boring to be understood by the public at large. But as public awareness grows, so does the public's concern over the Congress protecting their rights as savers, home finance borrowers, and taxpayers.

In drafting legislation to solve this crisis, our House Banking Committee has put forth a comprehensive framework for resolving the problems confronting the thrift industry by reforming the regulatory structure of the thrift industry, providing a funding plan for liquidating insolvent S&L's and establishing the financial structure for a viable and ongoing insurance fund. However, it should not be forgotten that Congress has a significant role to exercise in not only resolving the S&L crisis but also to assure that the legislation encompasses a public policy philosophy that protects the rights of savers, borrowers, taxpayers, and homeowners of this country. Therefore Congress should maintain its traditional Democratic commitment to savers and homeowners in that this legislation:

Assures that the home lending finance system continues to provide the benefits of home ownership that Americans have enjoyed for the past 50 years.

Assures that consumers are not unduly burdened with the cost of the bailout.

Assures that the legislation contains enough private sector initiatives to attract additional investment capital to the thrift industry as a means of reducing the amount of taxpayers funds that must be devoted to the FSLIC bailout.

Preserving the role that thrifts have played since their inception is the key to protecting our citizen's savings and ability to purchase homes.

FREEDOM NOW FOR ELIZABETH MORGAN

(Mr. McEWEN asked and was given permission to address the House for 1 minute.)

Mr. McEWEN. Mr. Speaker, as we have seen reported in recent days, the People's Army of Beijing continues to knock on the doors of the citizens of that city to take captive those who had the temerity to demonstrate in behalf of democracy and freedom. Yesterday it was reported that one young man was turned in to the police by his sister.

Mr. Speaker, yesterday a very serious travesty took place here in the D.C. Court for the District of Colombia when Judge Dixon sought to convince the brother of Dr. Elizabeth Morgan, a Harvard medical doctor who refuses to turn over her 6-year-old daughter to her divorced husband, who has been accused previously of having sexually violated his two daughters. She refuses to turn over her daughter to him for unsupervised visits. Judge Dixon has locked her up now for the longest period in the history of the United States of America, locked her in jail without any trial or charge. Yesterday he cited her brother an assistant district attorney for the District of Columbia, for refusing to squeal on her, by revealing the location of the protected daughter.

Mr. Speaker, this is an alltime record low in the history of American jurisprudence.

NEW NATIONAL MUSEUM OF THE AMERICAN INDIAN AT SMITHSONIAN

(Mr. CAMPBELL of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL of Colorado. Mr. Speaker, I am pleased to come to the well today to announce, that after many months of negotiations, an agreement was recently reached to transfer the exquisite and immense Heye collection of American Indian artifacts and objects to the Smithsonian Institution and to create a National

Museum of the American Indian on the Mall here in Washington.

I would like to invite all Members of this body to join me and our esteemed colleague, the gentleman from Arizona [Mr. UDALL], as original cosponsors of legislation to authorize the creation of the National Museum of the American Indian that not only will be a living memorial to the historic significance of this Nation's first citizens, but also will provide a rich and unique opportunity for all Americans and the many visitors to Washington to experience and share in this splendid legacy.

We are all aware of the tremendous contributions the Smithsonian has made and continues to make, not only to the richness of our Capital, but to the entire Nation, and indeed, the world. This new museum will be an additional treasure to an already fine array of museums, and I am very pleased to be working with the Smithsonian to create this new facility. I would like to take this opportunity to commend our colleagues in the other House Senator DANIEL INOUYE, and Senator JOHN MCCAIN, and also the Secretary of the Smithsonian, Secretary Robert Adams, for their dedication, perseverance, and hard work to seeing the National Museum of the American Indian become a reality.

This legislation is receiving bipartisan support and, again, I would like you to join as an original cosponsor to this legislation.

PRESIDENT BUSH HAS CORRECTLY VETOED MINIMUM WAGE BILL

(Mr. BARTLETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT. Mr. Speaker, yesterday within an hour of receiving the minimum wage package, President Bush correctly vetoed the minimum wage and sent it back by telecopy to the House. His veto will save jobs and will allow new entrants into the work force to get their first jobs and to hold them.

I caution my colleagues when we vote today on the override, before you vote to read and listen to what your constituents have to say about the minimum wage. I have had prepared a two-volume set which I will have at the desk today, a collection of 12 months' work of editorials and news articles from every State in this Union against the minimum wage increase, for the training wage and for an earned income tax credit.

Listen to your constituents. Read the examples. They range from the New York Times to Newsweek to the Birmingham Daily News. Every State in the Nation has editorial writer after editorial writer recounting how the minimum wage hike will cost jobs, will drive people out of work and is in the wrong direction for new entrants into the work force.

Mr. Speaker, I urge a vote to sustain the President's veto and come and read these editorials.

FREEDOM OF SPEECH WITHOUT THREATS

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, the first article of the Bill of Rights says that Congress shall make no law abridging the freedom of speech or of the press. The other day the minority whip stood on the floor to chastise and threaten the Democrats, when somebody rose and talked about the savings and loan situation.

He said, "If there is going to be any bashing of George Bush and any bashing of the Republican Party, I just want the Democrats to understand that we are fully prepared to talk about how the mess got so big and who was responsible."

We talk about threats to freedom of speech. In China millions and millions of Chinese rose and spoke to be free, to be able to express themselves, and they were threatened by the Chinese Communist government. And what happened? There were thousands of them who were cut down, and those are the tactics of a totalitarian government, not a democracy.

"Come on, Mr. Whip. You don't really mean that, do you?"

The road goes both ways, and if the gentleman has something to say, say it freely and without threats.

□ 1400

MINIMUM WAGE

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we know a couple of things about what happens when we raise the minimum wage. We know that it costs jobs and we know that it raises inflation.

Some have framed the minimum wage fight as a class fight, it is rich versus poor. Let me suggest that those who are going to vote in a few minutes to sustain the President's veto are going to vote on the side of low-income people, they are going to vote to keep jobs for low-income people. Work is what low-income people really need, and what they deserve from our society. We ought not force them off the work rolls and on the welfare rolls as a result of raising the minimum wage.

The last thing poor people need in this country is to have inflation rising up so that their minimum incomes are cut for the basic necessities of life as a result of inflation, and minimum wage laws raise inflation rates substantially. So what it does is cut the income of the poor noticeably.

I would suggest if we really want to have this battle on behalf of the low-income people of the country we should sustain the President's veto.

OVERRIDE THE PRESIDENT'S VETO ON FAIR LABOR STANDARDS AMENDMENTS OF 1989

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute.)

Mr. LEWIS of Georgia. Mr. Speaker, I call on my colleagues to override the President's veto on H.R. 2, the Fair Labor Standards Amendments of 1989.

H.R. 2 provides a modest increase in the minimum wage. We have a moral obligation and a mission to override the President's veto of this measure.

The President's veto of the minimum wage bill sends the wrong message. It is not in keeping with his promise of a kind and gentle nation. It hurts the people who he has promised to help, the working poor.

Mr. Speaker, the President's veto will only prolong the economic misery for the working poor. We must not disappoint those Americans at the bottom of the economic ladder. The needs of those who are left out and left behind must be on our agenda. We have to be fair.

Again, I call upon my colleagues to have a conscience, to be fair. Raise the minimum wage, override the President's veto, and do it now.

CONGRATULATING PRESIDENT BUSH ON HIS CLEAR AIR INITIATIVE

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, comprehensive legislative packages to deal with the savings and loan crisis, the budget deficit, Soviet expansion in Central America, crime, education, Third World debt, the issue of troop reduction in NATO are among the proposals which have been put forth by President Bush in the first few months of his Presidency.

I would simply like, Mr. Speaker, to extend congratulations to President Bush for providing his latest legislative package which addresses one of the major concerns which all Americans, and specifically my southern California constituents face, and that is the problem of cleaning up our very, very polluted air. I hope very much that we will be able to move as expeditiously as possible with legislation which can rectify that horrible situation.

VOL 135 PT 9 JE 14 — 22 1989 UMI

OVERRIDE THE PRESIDENT'S VETO ON THE MINIMUM WAGE BILL

(Mr. OWENS of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of New York. Mr. Speaker, I urge all of my colleagues to vote to override the veto of the minimum wage bill and vote also to put the S&L's on budget. These two are related.

The increase in the minimum wage does not cost taxpayers 1 cent. The bill out on the savings and loan associations will cost a minimum of $295 billion.

Our first concern with the S&L's, of course, is with the depositors. We are in favor of guaranteeing that depositors receive the money that the Federal Government has guaranteed. But of equal concern is the cost to the taxpayer. What are we going to take out of the taxpayers' pocket, and can we not operate to at least put on the table in sight of all this operation by voting to put it on budget where the taxpayers, the Congressmen and everybody else can see what is happening.

The truth is, the savings and loan swindle is really what is threatening the American economy. That is the inflation factor we ought to be concerned about. It will drive up inflation.

A minimum wage increase puts a little more money in the pockets of working people and helps the economy. Vote to override the minimum wage veto and to help boost the American economy by putting money in the pocket of working people, and help to strengthen that economy.

RISING MEDICAL COSTS

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, the doctors of America are getting a bum rap. Many people think the doctors are the main ones responsible for skyrocketing medical costs. Actually 98 percent of our doctors have a very close relationship with their patients and are doing all they possibly can to hold down medical costs.

Our doctors are being caught in a squeeze between big insurance companies and big government. The bulk of the medical dollar today is going for administrative and bureaucratic costs, not to the doctors.

If we really want to bring medical costs down, and it may be heresy to say so, we need less Government involvement instead of more. Now we are being asked to adopt something called expenditure targets. These so-called expenditure targets, or ET's, simply add to our bureaucratic costs and would ultimately lead to rationing of medical care, especially for the elderly.

I call on all of my colleagues to oppose these expenditure targets and try to hold down medical care costs for the care of our citizens.

TIME TO OVERRIDE THE PRESIDENT'S MINIMUM WAGE VETO

(Mr. MFUME asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MFUME. Mr. Speaker, yesterday President George Bush made a grave mistake by vetoing the minimum wage bill. By signing this veto message, President Bush has reneged on his promise for a "kinder and gentler America."

In his statement, the President stated that the bill "would increase the minimum wage by an excessive amount and thus stifle new job opportunities." I find it very difficult to return to my district of Baltimore to inform my constituents that President Bush just vetoed a measure that could have rescued hundreds of families from the brink of poverty. Then, in the same breath, turn around and tell them that President Bush would prefer to give a $30,000 capital gains tax break to Americans who earn $200,000 or more per year.

This is not a very easy pill for me to swallow, so I can understand how our constituents will feel. The minimum wage has not been increased in 8 years. Had the minimum wage kept pace with inflation, it would be set at $4.68.

This means that the thousands of hard-working Americans who earn the minimum wage have no real alternative to public assistance, nor confidence in any relief from their national Government to assist them in caring adequately for their families. Thus, their determination to escape further economic deprivation is further undermined by the administration's stubbornness and refusal to listen to the outcry from those people who are struggling to survive on a subminimum wage.

When the dust clears on this issue, I am more than confident that the American people will realize that an error has been made. Unfortunately, many innocent people will have already fallen between the seams of our Nation's economic safety net.

Therefore, I urge each and every Member of this House to cast their vote where it really counts, on the side of our Nation's work force.

VISIT BY PRESIDENT OF THE GAMBIA

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, I was pleased to recently host an informal luncheon for President Jawara of the Gambia and members of his cabinet during their visit to Washington. I was joined by eight other Members in welcoming the President to our country and in discussing issues of importance to both nations.

As a representative from New Hampshire, a State that resembles the Gambia in population and size, I felt an affinity with President Jawara and his delegation. Gambia has one of the best human rights records in all of Africa, and Gambians have been successful in building a functioning democratic government in their country.

I was particularly impressed with Gambia's support for the United States initiative at the meeting in Geneva of the United Nation's Human Rights Commission to highlight Cuban human rights abuses. The Gambian representatives exhibited firm resolve in resisting the pressure of the Cuban delegation and lent their full support to the human rights report.

The initiative on Cuba is just one example of the basic values and principles shared by the United States and Gambia, and I am sure that our two countries will continue to build on this foundation in the future.

MINIMUM WAGE VETO OVERRIDE: RAISE THE MINIMUM RAISE, MR. PRESIDENT

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, President Bush moved imperceptibly in Alaska while beaches were fouled with oil, thousands of fish and animals killed, and the livelihood of fishermen destroyed. No harshness toward Exxon from our President.

But when America's poorest workers knocked on the White House door, George Bush opened fire with both barrels. He is aiming his first veto at those Americans. I guess it is a matter of finding an easy target. After all, he has not complained that the chairman of Exxon got paid $1.4 million in wages last year, but people who earn the minimum wage do not lobby, they do not fly on corporate jets, and they do not play golf or even horseshoes.

I would like to remind George Bush of what his predecessor said: "Facts are simple things."

Fact: Since 1981, the purchasing power of the minimum wage has decreased by more than 30 percent.

Fact: While the minimum wage has decreased 30 percent, the cost of living has increased 40 percent.

Fact: In 1988, total compensation for CEO's in the Business Week survey topped $2 million for the first time, an increase of 300 percent since 1980; 300 percent versus 30 cents.

Come on Mr. President, get real.

MINIMUM WAGE: WOMEN AND MINORITIES

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I certainly hope that we can override the President's veto relative to the minimum wage. We have seen the Supreme Court in the last two decisions deal a cruel blow to many citizens in this country, particularly women and minorities. And I think we ought to ask because when we talk about these terms, such as minimum wage: What does that really mean? Who are these people who are the recipients of the lowest standard that we can match in this country? They are primarily women. Two-thirds are women.

Mr. Speaker, they are primarily women who receive the proposed $4.55 an hour. The other third primarily are displaced workers who had higher-paying jobs. They are minorities.

People on minimum wage have no access, very often and probably usually is the case, to any other form of benefit. They have no health insurance, they have no pension plan, yet they pay their taxes out of that.

How can we expect people to survive? Override this veto.

TRIBUTE TO CHIEN-JEN CHEN, VICE MINISTER OF FOREIGN AFFAIRS, REPUBLIC OF CHINA ON TAIWAN

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA, Mr. Speaker I would like to extend my heartiest congratulations and warmest aloha to Mr. Chien-Jan Chen on his appointment as Vice Minister of Foreign Affairs for the Republic of China on Taiwan.

Mr. Chen's exceptional educational background and vast experience in international relations distinguish him among the international diplomatic community. His meritorious service as Deputy Representative for the Coordination Council for North American Affairs in indicative of the talent he brings to his new position.

In his many years of work for his country in Washington, DC, Mr. Chen has contributed greatly to mutual understanding between both of our nations. He has brought a creative and insightful mind to the tasks of addressing complex issues which arise between nations who are friends and trading partners.

I am certain that in his new position, Mr. Chen will continue to strengthen the postive forces that bind our two countries together. It has been a pleasure knowing Mr. Chen, and I look forward to working with him in the future for the mutual benefit of our two nations.

DO NOT POLITICIZE THE S&L ISSUE

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, in recent weeks I have noticed an effort to politicize the S&L issue. I have just one word of advice for all of us. That word is "don't." There is plenty of blame to go around for the executive branch. There is plenty of blame to go around for the legislative branch—plenty of blame for the Democrats and Republicans on this issue.

We permitted, before many of us came to the Congress, the deregulation of the thrift industry without providing adequate supervision at either the State or the Federal level. We have this week an opportunity to correct that mistake. We permitted many S&L's to be operated under capitalized without really much money at all of the owners being at stake. We have an opportunity to correct that mistake this week, too.

Rather than spend this week shifting the blame, seeking political gain or pointing fingers, I hope that what we will do instead is join hands and pass a bill that will, one, raise the money that we need to shut down truly sick thrifts and pay off-depositors; that will, two, insure that the thrift industry is adequately supervised in the future; and three, to insure that the owners of these thrifts have to put up their own money, real money to meet the capital standards proposed in this bill.

WE NEED TOUGH CAPITAL STANDARDS

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER, Mr. Speaker, we are about to approve the largest bailout in history, and if we do not do it right, we will be here again again in a few years spending another $100 billion.

The S&L bailout will cost more than the Chrysler, Lockheed, and New York City bailouts combined, yet some among us refuse to call for the tough regulations needed to clean up this industry.

For the last 10 years the S&L industry has been playing a giant game of roulette. And they have been gambling with taxpayers' money.

Without tough capital rules, we will be telling these high flying speculators, "OK", go back into the casinos and here are our chips, we'll bail you out again when you need us."

What will the American people think when they hear that this problem, this giant weed, was allowed to grow to $100 billion in the first place, and then Congress planted the seeds for a second disaster?

If we spend billions to bail out the thrifts, and do not pass tough regulations on them, then we will be letting the thrifts have their $50 billion cake and letting then eat it, too.

Mr. Speaker, imagine our country's budget as a bucket, the savings and loan industry is a huge hole in that bucket, and $100 billion has poured out, before we put another $100 billions into the bucket, shouldn't we patch it first?

WHERE IS PRESIDENT "GEORGE" ON THE S&L CRISIS?

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, last year, the question, "where was George," was heard over and over.

This year, as the House begins consideration of the savings and loan bailout bill, the question has become: "Where is President George"?

When President Bush submitted his FSLIC bailout bill earlier this year, Democrats on the House Banking Committee, in a spirit of bipartisanship, supported him. Indeed, we made the capital provisions tougher.

Now we are at a critical stage. We have got a tough savings and loan bill before the House, but Republicans—the President's own party—are leading a full-court press to weaken the capital standards in the bill.

Where is the President? Democrats moved the bill. We took the heat when we toughened the standards. We took the President at his word when he pledged that "never again" should taxpayers be forced to bail out the FSLIC. For us, that meant strong capital standards.

Now it appears that a majority of the President's own party, dancing to the tune called by a vocal portion of the thrift industry, will vote to gut the capital provisions in the bill.

Where is the President?

According to press reports, he will meet with House Members today on the matter.

I hope he is not a day late and $157 billion short. If this bill is to survive, he will need to bring members of his own party on board, and do it soon.

A lot of parties can share the blame for the current FSLIC mess.

If the President's proposal to resolve that mess is gutted, however, the blame will fall on one party and one party only—the Republican Party.

If Republicans gut the capital provisions in this bill, Mr. President, do not count on Democrats to do any more heavy lifting on this bill. We're on board for an FSLIC bill with tough standards, not a special-interest Christmas tree.

CONSUMER PRODUCTS RECOVERY ACT

(Mr. TORRES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRES. Mr. Speaker, we have heard today on one occasion that the oilspill that we have been experiencing in this country has taken a toll on our environment, and our ecology.

For example, it should be important for people to note that the Valdez oil spill, the one that took place not too long ago, represented 11½ million gallons of oil spilled, spilled taking a huge toll on the environment.

But do you know that Americans spill over 400 million gallons a year of oil into our grounds, into our landfill systems, into our storm drains.

Today, Mr. Speaker, I am introducing legislation, the Consumer Products Recovery Act, which will stimulate environmentally sound recycling of used motor oil, batteries and tires.

□ 1420

The act will achieve this goal by making it economically viable for those products to be recycled. This bill would, for the first time, establish a system of market incentive to channel the flow of waste products.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. TORRICELLI). The Chair will recognize the gentleman from Massachusetts [Mr. MOAKLEY], the new chairman of the Rules Committee, to call up a privileged resolution from the Committee on Rules, prior to going to unfinished business of the veto override. In doing so, the Chair is not establishing anything to be considered as a precedent.

PROVIDING FOR CONSIDERATION OF H.R. 1278, FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 173 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 173

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill are hereby waived. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed two hours, with sixty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, with ten minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, and with ten minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text entitled "Committee Print, Committee on Rules, June 13, 1989" as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute are hereby waived. The amendment printed in part one of the report of the Committee on Rules accompanying this resolution shall be considered as having been adopted in the House and in the Committee of the Whole. No other amendment to said substitute shall be in order except the amendments printed in part two of the report of the Committee on Rules accompanying this resolution. Said amendments shall be considered only in the order and manner specified in the report and may be offered only by the Member specified, or his designee. Said amendments shall be considered as having been read and shall each be debatable for the time specified in the report of the Committee on Rules, to be equally divided and controlled by the proponent and a Member opposed thereto. Said amendments shall not be subject to amendment except as specified in the report. Said amendments shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole, except for amendment number 1 in part II of the report accompanying this resolution. All points of order against said amendments are hereby waived. If more than one of the amendments on the subject of supervisory goodwill is adopted, only the last such amendment which is adopted shall be considered as finally adopted and reported back to the House. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. MOAKLEY. Mr. Speaker, House Resolution 173 is a modified open rule that provides for 2 hours of general debate to be allocated between five committees as follows:

One hour equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance, and Urban Affairs;

Twenty minutes equally divided and controlled by the chairman and ranking minority member of the Ways and Means;

Twenty minutes equally divided between the chairman and ranking minority member of the Committee on Judiciary;

Ten minutes equally divided between the chairman and ranking minority member of the Committee on Government Operations; and

Ten minutes equally divided between the chairman and ranking minority member of the Committee on Rules;

Mr. Speaker, House Resolution 173 waives all points of order against the consideration of the bill and makes in order the text titled, Committee Print, Committee on Rules, June 13, 1989 as an amendment in the nature of a substitute.

The print is only an administrative convenience, for drafting purposes, and consists of the Banking Committee substitute, as modified by Ways and Means Committee amendment No. 1 and the Judiciary Committee amendments.

All points of order are waived against the substitute, and the substitute shall be considered as original text for the purpose of amendment and shall be considered as having been read.

Mr. Speaker, the rule also provides that the amendment printed in part one of the Rule Committee report is to be considered as having been adopted.

This amendment modifies section 717, relating to affordable housing contributions by the Federal Home Loan Bank System, to read—comma by comma—exactly in the form it was before members of the Banking Committee when they adopted the amendment and reported the bill.

Mr. Speaker, I desire to establish a clear history with respect to this provision, although I believe members understand the nature of the political accommodation it implements.

The gentleman from Texas presided over a difficult markup of a long and complicated bill, and won high marks from everyone for the patience and fairness with which he presided.

Subsequently to the committee's reporting action, the chairman of the committee provided technical aspects of the provision, and there has been some controversy over the change.

The distinguished chairman does not concede that anything improper was done. Nor, to the extent that the Committee on Rules acts as his agent in the pending matter, does our committee.

The chairman's modification is neither more nor less substantive than dozens of changes requested by the minority, indeed, the file report incorporates 600 administration requested modifications.

The Gonzalez modification did not produce any additional revenue for the affordable housing program. It was only a good faith effort to negotiate cross committee concerns.

Nevertheless, in the spirit of comity and accommodation that has characterized the gentleman's handling of the bill, the chairman agreed to dispose of the matter in the rule. The intent is only to assure that a side-issue of little importance does not impede the bipartisan goal of moving this vital legislation forward.

Mr. Speaker, the rule further provides that no amendments shall be in order to the substitute except the amendments printed in part two of Rules Committee report. The amendments are to be offered in the order and the manner specified in the report from the Rules Committee and may be offered only by the member specified or his designee. Time is equally divided between the member offering the amendment and a member opposed.

All points of order are waived against the consideration of the amendments, and the amendments are not subject to amendment, except when specified in the report. The amendments will not be subject to a demand for a division of the question in the House or the Committee of the Whole.

As a convenience, to save time, the rule packages a set of cross-committee agreements as a single amendment, but the rule protects the right of any member to demand that any of the five be divided for a separate vote.

Mr. Speaker, that amendment consists of a set a technical amendments that will be offered by the chairman of the Banking Committee [Mr. GONZALEZ] as an en bloc amendment, subject to the demand I have described.

Mr. Speaker, the rule then provides for the consideration of four amendments relating to capital standards. The rule provides that the amendments will be considered in the order printed in the report from the Rules Committee.

If more than one of these amendments are adopted, only the last amendment adopted in the Committee of the Whole will be considered as having been finally adopted and reported back to the House.

I stress that the rule controls, and the fact that the Hyde amendment is drafted to a different title than the others does not affect the operation of the rule.

Mr. Speaker, the goodwill issue is a troubling one for many members. Supervisory goodwill is a concept created by the regulators for their own purposes, and thrifts are the innocent victims of changing standards. Indeed, it is clear that much of the burden of change falls on the least culpable institutions.

Nevertheless, the standards have changed and the intervention of vast taxpayer subsidies create legitimate demands for reform.

It is not my job, as Rules Committee chairman, however, to impose my judgments on my colleagues and our committee has proposed a fair and bipartisan procedure by which the House has a fair opportunity to work its will.

Mr. Speaker, the rule provides for appropriate consideration of 10 other amendments on a number of subjects. I will not take the time to describe them in detail, but I will insert a more detailed summary of the rule under the leave I have obtained.

Finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1278 is a comprehensive bill that would restructure and reform the Nation's savings and loans industry, by authorizing the financing to pay for the merger or liquidation of the savings and loan institutions that are presently insolvent or will become insolvent over the next few years.

The bill provides for the expansion of enforcement powers of the regulatory agencies that will be in charge of overseeing the industry and imposing stiff civil and criminal penalties that will be enforced by the banking agencies and Justice Department.

Mr. Speaker, the bill requires that by the year 1995 all thrifts would have to have tangible capital equaling at least 3 percent of their total assets, and that the counting of supervisory goodwill toward capital would be phased out by the year 1995.

The bill would also establish a new government corporation called the Resolution Trust Corporation. The Corporation would manage and dispose of any assets acquired from thrifts that have been taken over by the Government since January 1, 1989.

Mr. Speaker, the bill further provides housing opportunities for low- and moderate-income families, by establishing an affordable housing program that would provide below market rate loans to thrifts that would be used toward low-cost mortgages.

Mr. Speaker, the Rules Committee met for 3 days last week to consider over 100 amendments that were submitted to this bill. Because this bill is such a complex piece of legislation and in the interest of getting this bill passed and sent to conference in a timely fashion, the Rules Committee made in order only those amendments that dealt with the major issues that are imperative to getting this bill passed out of the House and into conference.

Mr. Speaker, we have all heard the stories from around the country about this failing industry and the hardships that occur when a trusted savings institution fails as a result of mismanagement and neglect. The people most affected by these failures are young families trying to save for that first home, and retirees, who have put their life savings and their personal security in thrift institutions.

The bill we have before us today will begin the long and overdue process of restructuring and strengthening the savings and loan industry, and put an end to the mismanagement and neglect that has plagued this industry for too long. The time to act on this matter is now, any further delay on this bill will only increase the ultimate cost of the cleanup which is presently costing the American taxpayers over $1 billion a month.

I urge my colleagues to adopt this rule and allow the House to proceed to this important bill.

SUMMARY OF PROPOSED RULE, H.R. 1278

GENERAL DEBATE

The rule provides for two hours of general debate as follows:

Committee on Banking, Finance and Urban Affairs, 1 hour.

Committee on the Judiciary, 20 minutes.

Committee on Ways and Means, 20 minutes.

Committee on Government Operations, 10 minutes.

Committee on Rules 10 minutes.

Each allotment is divided equally between the committee's majority and minority floor managers.

BASE TEXT

In lieu of the matter now printed in the bill, the rule makes in order as original text an amendment in the nature of a substitute (Rules Committee print, dated June 13, 1989). The committee print consists of the original amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs with the following modifications:

Ways and Means Committee Amendment No. 1. The amendment inserts a new title

XIV, consisting of amendments to the Internal Revenue Code related to tax aspects of matters otherwise addressed by the bill. The matter is entirely within the jurisdiction of the Committee on Ways and Means, and the Rules Committee received no requests for amendments to the proposed title.

Amendments recommended by the Committee on the Judiciary. The committee amendments modify provisions of titles II and IX of the Banking Committee substitute within the jurisdiction of the Committee on the Judiciary. The Rules Committee received four requests for amendments to the matter, and all are provided for in the rule.

The rule makes one further modification in the base text. Section 717, relating to the Affordable Housing Program, is modified so that it reads in the same form in which it was before the Banking Committee when the committee voted to report.

AMENDMENTS

The rule provides for the consideration of designated floor amendments. Except for the LaFalce amendment, no provision is made for the consideration of any amendments thereto, nor for division of any amendment. In each case amendments will be offered by the Member named or his designee, and time provided is divided equally between the Member offering the amendment, and a Member opposed to the amendment.

Technical "cross-committee" amendments

Chairman Gonzalez will offer a set of technical amendments en bloc. A separate vote can be obtained on any of the amendments, by demand for a division. The *set* of amendments are subject to 1 hour of debate. Since the amendments are agreed text, there may be no opponent, so time is divided between the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs. The amendments represent agreed texts resolving concerns of committee" issues, as follow:

Oakar Amendment No. 51 relating to personnel matters within the jurisdiction of the Committee on Post Office and Civil Service.

De la Garza Amendment No. 61 relating to personnel matters within the jurisdiction of the Committee on Agriculture.

Frank Amendment No. 40 making a technical modification in a Judiciary Committee amendment related to FDIC hearing procedures.

Hawkins Amendment No. 57 (revised), retaining current treatment of "pass through" insurance protection of certain deposits and providing for a study of the issue (No "moratorium" is imposed during the study). Adds Ed/Labor to recipients of study.

Ways and Means Amendment No. 2 (revised), relating to assessment on the Home Loan Bank System to partly fund the RTC activities. $300 million annually, indexed to lower of inflation or bank earnings, with a $600 million cap.

Capital Standards

The rule provides for the consideration of four amendments relating to capital standards. The amendments will be debated and voted or in the following order, and last amendment adopted will prevail:

Quillen Amendment No. 67a, relating to "grandfathering" of accounting treatment of certain supervisory goodwill. [60 minutes]

Schumer Amendment No. 77c, reducing transition period for treatment of goodwill. [60 minutes]

Hyde Amendment No. 47 providing certain administrative review of treatment of supervisory goodwill. [60 minutes]

Gonzalez Amendment, restating the treatment of supervisory goodwill provided in the Banking Committee substitute. [60 minutes]

All amendments are to section 314, except that the Hyde amendment is drafted to section 926, but all address related issues.

Judiciary

The Judiciary Committee amendments modify provisions of titles II and IX and the amendments are treated as original text under the rule. Two amendments to that text are provided for under the rule:

Barnard Amendment No. 2 reinstating Banking Committee language providing for two Justice Department field investigation offices. [40 minutes]

Annunzio Amendment No. 84 reinstating Banking Committee language relating to penalties. [40 minutes]

Financing Amendments

Three amendments relating to financing issues are made in order:

Ways and Means Committee Amendment No. 3 providing for funding under the bill to be treated as "on budget' and exempt from Gramm-Rudman. [60 minutes]

LaFalce Amendment No. 13d to Ways and Means No. 3, eliminating the Gramm Rudman exemption contained in the Ways and Means provision. [30 minutes]

Gonzalez Amendment No. 55b, relating to limitation of RTC borrowing authority. [40 minutes]

Miscellaneous Matters

Other amendments provided for under the rule are:

Kennedy Amendment No. 78a, relating to community reinvestment disclosure. [40 minutes]

Dorgan Amendment No. 12 (revised) limited authority of thrifts to invest in "junk bonds." [40 minutes]

Bartlett Amendment No. 15b to strike the Affordable Housing Program. [60 minutes]

Gonzalez Amendment No. 72, striking a provision of section 206 relating to an institution in San Antonio, Texas. [10 minutes]

Hoagland Amendment No. 20 (revised) providing certain authorities relating to credit unions comparable to treatment of thrifts under the bill. [10 minutes]

□ 1430

Mr. Speaker, under my prior announcement, I yield to my friend the gentleman from Tennessee [Mr. QUILLEN], who has effectively and energetically participated in developing a fair and bipartisan rule. I yield to the gentleman for the purposes of debate only.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the able gentleman from Massachusetts [Mr. MOAKLEY] has explained the provisions of the rule, and let me take this opportunity to congratulate him on assuming the chairmanship of the Rules Committee. He and I have served as ranking members of the Rules Committee for many, many years. He is always a dedicated gentleman, and he is very knowledgeable about the rules of the House.

Mr. Speaker, let me say this to the gentleman: JOE MOAKLEY, it is an honor for me to serve on the committee with you. I extend my congratulations to you again.

Mr. Speaker, I also commend the gentleman from Massachusetts for his dedication in presiding over 3 long days of testimony and for his skill in conducting lengthy and difficult negotiations on this rule. The Rules Committee started with more than 100 amendments and has reduced that to the more manageable number of 15.

Mr. Speaker, it is impossible to please everybody in such a situation. However, this rule will enable us to complete action in 2 or 3 days on a bill that otherwise could have taken weeks. The new chairman of the Rules Committee, the gentleman from Massachusetts [Mr. MOAKLEY], is off to a good start.

Mr. Speaker, one of the amendments made in order by this rule is an amendment I will offer dealing with supervisory goodwill. There will be a full debate of the issue when we get into the amending process. For now, I would just like to note that the amendment was offered in an attempt to deal with a problem faced by a number of savings and loan institutions across the country. Many stronger savings and loans were encouraged by the Government to acquire weaker savings and loans in recent years. Because the Federal regulator did not have the resources to shut down or recapitalize these weak institutions, the healthy institutions were given written agreements allowing them to treat supervisory goodwill as capital for periods of time ranging up to 40 years in some cases. The healthy savings and loans relied on this commitment for business planning purposes. In many cases they would not have agreed to take over the weaker thrifts but for this inducement.

Now in this bill, it is proposed that the Government should renege on its commitments by requiring that savings associations would be required to write off all existing supervisory goodwill on their books within 5 years, for core capital purposes.

Mr. Speaker, a deal is a deal. If Americans cannot trust their own Government, who can they trust? In this case a number of healthy savings and loans trusted their Government. And they should not have the rug pulled out from under them now.

Mr. Speaker, my amendment would simply permit savings associations carrying supervisory goodwill as of April 1, 1989 to continue to do so in accordance with generally accepted accounting principles, or in accordance with an amortization schedule specifically permitted by regulatory agreement. My amendment is a fair and reasonable solution to a difficult problem. It grandfathers in those institutions which worked out agreements with

the Government to carry supervisory goodwill on their books.

Mr. Speaker, when we get to the amending process, I will ask the House to support my amendment, because really a deal is a deal.

At this time I ask the House to support this rule. It provides an acceptable procedure for dealing with a long and complex piece of legislation.

We know that the crisis existing in the savings and loan institutions is a very real crisis, and the problem should be solved. We should get down to the business now of discussing the measure.

Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Tennessee for yielding me the time.

Mr. Speaker, let me, first of all, commend Chairman MOAKLEY and the ranking member, the gentleman from Tennessee [Mr. QUILLEN], as well as all the members of the Rules Committee, for their diligence and their patience in writing a rule that brings this bill to the floor.

Last week, the committee held 3 days of hearings—marathon sessions—in which dozens of members offered at least 100 separate amendments. Certainly, any Member who wanted to be heard on this bill had ample opportunity.

Let me also say that the House is compelled to act on this bill this week. There is no time to be lost—the savings and loan industry in America is hemorrhaging at a rate of at least $10 million a day. And that is an optimistic estimate—the daily loss may be as high as $40 million. Tens of millions of dollars are being drained from failing S&L's that cannot be shut down because there is no money to pay off depositors. Every day that we delay taking action, the problem just gets that much worse.

Mr. Speaker, the rule for H.R. 1278 makes in order ample time to debate the capital standards issue, particularly as it relates to supervisory goodwill. This is, probably, the single most contentious issue in the entire bill. The rule also makes in order the opportunity to debate whether the costs of the S&L bailout should be on budget or off budget, and, most importantly, the issue of whether or not the costs of this bill should be subject to applicability under Gramm-Rudman-Hollings.

Mr. Speaker, given the magnitude of the crisis in America's thrift industry, as well as the need to take immediate action, there is no way the Rules Committee could have made in order every amendment that was presented. We would be here for weeks. I must say, however, that this modified rule is not above criticism.

Mr. Speaker, let me quote something, and I will ask the gentleman from Massachusetts [Mr. MOAKLEY] to listen to this.

> I will do what I can, everyday that I serve in this office, to insure that the rights and privileges of each Member of the House are respected and to insure that the procedure is fair to all.
>
> * * * I understand the responsibility of the Speaker of the House to be a responsibility to the whole House and to each and every individual Member, undivided by that center aisle.

Who said that? Our great new Speaker whom we all respect, TOM FOLEY.

Now, having said all that, let me say to my colleagues that I regret that the committee saw fit to make in order an amendment by Mr. KENNEDY a Democrat, concerning disclosure requirements under the Community Reinvestment Act, but they did not make in order an amendment by Mr. BARTLETT, a Republican, covering the same subject and providing a safeguard to those financial institutions that are acting responsibly.

Mr. Speaker, the committee also saw fit to make in order an amendment by Democrat Chairman GONZALEZ of the Banking Committee, but gave short shrift to Mr. WYLIE, the ranking Republican on the Banking Committee, when he sought to offer an amendment on the same subject.

Mr. Speaker, let us remember the remarks of our Speaker, Mr. FOLEY.

In the same way, the committee saw fit to go with a Quillen-Hyde-Annunzio-LaFalce weakening approach to capital standards, but did not provide opponents of this strategy led by Mr. LEACH of Iowa with an opportunity to offer a strengthening amendment of their own.

□ 1440

Finally, Mr. Speaker, the committee did not allow in order an amendment which would strike at the narrow and parochial provisions in the bill that are mostly designed for hometown political advantage rather than at solving a problem that will affect the entire Nation.

So, Mr. Speaker and my colleagues, I rise in reluctant opposition to this rule because I know all of the hard work that our chairman went through, the members of the committee, and I will conclude right now, Mr. Speaker.

I will vote against this rule, but I shall not fight to defeat it this time. I urge every Member to vote their own conscience.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Speaker, I support the rule on H.R. 1278 and I want to commend the new chairman of the Rules Committee, the gentleman from Massachusetts [Mr. MOAKLEY] for the fair and impartial manner in which he handled the hearing on this rule. I know this is typical of the outstanding efforts that we will see from the gentleman from Massachusetts in the future.

Everyone in this Chamber is familiar with the school prayer controversy. Today, we will be dealing with the savings and loan prayer controversy. I say that because we can only pray that this legislation will solve the crisis that has seen the savings and loan insurance fund fall into bankruptcy. I sincerely hope that this legislation will solve the crisis and keep the good institutions in operation and put the crooks in jail.

But I must, at the same time, be totally honest when I tell you that I have grave concerns that this legislation will not meet the expectations set for it. Nevertheless, despite the concerns that I and others have, I feel that we should support the legislation in hopes that it will work.

There are a number of factors that weigh heavily against this legislation being successful. And, I would like to take a few minutes to discuss them. First, this legislation calls for $50 billion to clean up the current savings and loan crisis. That may be enough money to solve the savings and loan crisis in its present condition. There is money in this legislation to liquidate and pay off some 500 institutions.

These are institutions that are either currently insolvent, or are so close to insolvency that there is little likelihood that they can recover.

But what the legislation does not deal with, are the hundreds of institutions that are open, operating, making home loans, are not in trouble, and most importantly, are making money. Because of a change in accounting standards, which is included in this legislation, many of these institutions will be forced to close their doors in the coming months.

Now, I want to repeat, because this is important. These are well-run institutions, that have no criminal activity, that are not mismanaged, that are making home loans and are making money. Unfortunately, many of them will be put out of business because of this legislation.

During the amendment process on this legislation an amendment will be offered to correct this problem so that these profitable institutions can continue to operate. But, if that amendment is not successful, then we must understand that we will have to come up with more money to resolve the problems of those well-run institutions that will be liquidated.

It is estimated that between 1,000 and 2,200 of the current 2,900 savings and loans in this country will be put out of business because of these new

VOL 135 PT 9 JE 14 — 22 1989 UMI

accounting standards. According to officials at the Federal Home Loan Bank Board, some 85 percent of all of the assets in the industry may well be lost because of the new accounting terms. I am not going to argue the merits of this issue at this time. I do, however, want Members to realize that Americans across this country are asking, Why should taxpayers' money be used to bail out the crooks in the savings and loan business?

The American taxpayers resent having their money spent in this fashion, and I can't blame them. But, I want to sound this warning today, that if the American taxpayers are not happy spending $50 billion to solve the problem, how are they going to feel when we have to spend another $150 billion to solve the next savings and loan crisis, which is only a matter of months away.

This legislation, in its present form, will not end the problems of the savings and loan industry. And, what the American public should expect is that we will see a smaller savings and loan industry. And because of that, there will be fewer home mortgages available, and interest rates on those loans will increase dramatically.

Let me also point out that there is another area that has caused the collapse of the savings and loan industry that is not being addressed in this legislation. In 1980, Congress began to deregulate the financial institution industry. Congress granted more powers to various financial institutions, particularly savings and loans, which until that time, had been limited primarily to making home loans. It should be noted, that prior to the beginning of the deregulation frenzy in 1980, the savings and loan industry was sound, well-run, and failures were very rare. In fact, during those periods, the industry used the motto that "no one has ever lost a penny in a Federally insured savings and loan."

I voted against the deregulation of the savings and loan industry, and it is one of the best votes that I have ever cast in my 25 years in the House.

I predicted in 1980, that we would see a crisis in the savings and loan industry. I predicted that we would see institutions fail as they moved away from housing loans into more speculative ventures. Unfortunately, I was right and that is the reason that we are here today.

In this legislation there is an amendment which I offered, which will require savings and loans to begin to return to their role as an exclusive housing lender. I had hoped to go further with this push, but there are still those out there who believe that we should not limit the type of loans and investments that savings and loans can make. They hold this belief even though we have seen the total collapse of the savings and loan industry because of deregulation. I hope, in the coming months, that this Congress will realize that deregulation was the wrong way to go to try and help solve the savings and loan problem, and potential problems in other financial institutions.

In closing, let me once again point out that when the savings and loan industry was involved in housing lending almost exclusively, there were no problems. But, when we opened the investment doors to other areas, we did not bring in help for the industry, but rather we brought in chaos. Today, we are paying for that chaos and I hope that we have learned our lesson.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I rise in support of the rule on H.R. 1278. As a matter of principle, I generally oppose any rule which limits debate and the offering of amendments on the House floor. In this case, however, we are faced with what is probably the most important financial institutions legislation since the bank collapse in the early 1930's. The need is great. With each passing day the ultimate cost of resolving this problem grows by at least $20 million as the losses of brain dead institutions, which the Government does not have the money to close, continue to mount. On February 6, the President asked the Congress to act within 45 days. The Senate passed a bill on April 19. We must move the bill now.

Let me say that I generally believe the Rules Committee has done a good job in crafting a rule which permits the major issues to be fully considered on the House floor. But I am concerned about several omissions—first, the amendment that I filed regarding the right of first refusal was not made in order. H.R. 1278 includes a provision which mandates the Resolution Trust Corporation to give qualified nonprofit organizations and others a 3-month—or longer—right of first refusal to purchase residential properties. My amendment would have made the right of first refusal discretionary.

I believe that Members on both sides of the aisle share a goal of utilizing certain RTC real estate wherever possible as housing resources for low-to-moderate income persons, the procedure should not be mandatory. The primary responsibility of the RTC cannot be the disposition of real estate. We cannot afford to tie the hands of the RTC with unwieldy, mandatory procedures. No one, including the sponsor of the provision, has determined the amount of assets that would be subject to the program and no one has come up with any definitive estimate of the costs. Those estimates that have been provided range from $300 million to $1 billion in lost reserves. This is a substantial additional cost that could ultimately fall on the taxpayer.

Second, I had filed with Rules an amendment placing a cap on the amount of notes and obligations that may be issued by the RTC. Unfortunately, only the cap offered by the distinguished chairman of the Banking Committee was made in order. I say unfortunately because that cap is too restrictive and could unnecessarily tie the hands of the RTC, particularly in the first year of operation when the need for action may be greatest.

Finally, I am disappointed that the amendment filed by my friend Mr. LEACH striking various special interest provisions from the bill was not made in order. Such provisions have no place in critical emergency legislation.

I am hopeful that these concerns can and will be addressed in conference. In the meanwhile, I urge my colleagues to support this rule. We must move this legislation through the House as quickly as possible and defeating the rule would only serve to delay the proceedings further.

□ 1450

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, it is with great reluctance that I rise in opposition to the rule that has been offered. I have the greatest respect for the gentleman from Massachusetts, the chairman of the Committee on Rules, and for the membership of that committee, as I do for the chairman of the Banking Committee. I recognize the extraordinary complexity of the bill that is before us and the difficulty of sorting through the number of amendments that have been proposed.

There is one issue that the committee bill does not address that I believe deserves serious debate and consideration by this body, and that is how to fairly allocate the costs of the savings and loan bailout.

Mr. Speaker, the bill we are about to consider is the result of the most costly disaster in American history. This is not a natural disaster caused by droughts, flood, or tornado. It is a mandate disaster, the result of fraud, of mismanagement, of the absence of effective regulation and oversight.

Yes, there is plenty of blame to go around. The Federal Government clearly deserves a majority of that blame; but let us not beat around the bush. A couple of States, particularly the State of Texas, caused billions and billions of dollars worth of damage that taxpayers around the country will be paying to clean up for years to come.

Contrary to the assertions of the State's defenders, this disaster in Texas was not caused by regional eco-

nomic distre
in oil prices.
What hap
the absence
tion of Stat
high flying
traordinaril
and when t
did those in
quickly follo
The dram
drop in oil
nail in the
dustry was
before that.
This disa
caused by b
inexcusable
good times
times, and t
bility are st
In 1988, F
or merge
across the
eventual c
1988 dollar
ble for ove
of those c
across our
not cause
but now wi
bailout cost
That is w
sentatives
KAPTUR, LA
the Rules C
an amendm
ty. Our am
reasonable.
States foun
cessive cost
costs if Sta
State were
deposit ins
The obj
are fairnes
amendmen
of the bail
which wer
sive costs.
send a cle
ments tha
will not to
seeking acc
Mr. Spe
are outrag
should be
have allo
body to in
troducing
and accou
unfortuna
tee did no
with that
feel I must
Mr. QU
6 minute
Texas [Mr
Mr. BA
my intent
utes to t
[Mr. BARN
the afford
Mr. Spe
rule. I bel

nomic distress nor to a dramatic drop in oil prices.

What happened, very simply, is that the absence of effective State regulation of State-chartered thrifts allowed high flying entrepreneurs to make extraordinarily speculative investments, and when the energy bubble burst, so did those investments, and insolvency quickly followed.

The dramatic events in the 1986 drop in oil prices was simply the last nail in the coffin. The Texas thrift industry was in serious trouble long before that.

This disaster, in short, was not caused by bad times. It was caused by inexcusable irresponsibility in the good times that preceeded the bad times, and the costs of that irresponsibility are staggering.

In 1988, FSLIC took actions to close or merge State-chartered thrifts across the country at an estimated eventual cost of over $23 billion in 1988 dollars. Texas alone is responsible for over $16 billion, or 72 percent of those costs. There are 34 States across our Nation, however, that did not cause a single dollar in damage, but now will pay billions of dollars in bailout costs.

That is why I was joined by Representatives HORTON, KANJORSKI, KAPTUR, LAFALCE, and ROTH in asking the Rules Committee to make in order an amendment to address this inequity. Our amendment was both fair and reasonable. It would have required States found to be responsible for "excessive costs" to pay a portion of such costs if State-chartered thrifts in that State were to be eligible for Federal deposit insurance in the future.

The objectives of our amendment are fairness and accountability. Our amendment would reduce the burden of the bailout on taxpayers in States which were not responsible for excessive costs. At the same time, it would send a clear message to State governments that the Federal Government will not tolerate future abuses without seeking accountability.

Mr. Speaker, the American people are outraged by this bailout, as they should be. Our amendment would have allowed the Members of this body to indicate their support for introducing a small measure of fairness and accountability into this bill. It is unfortunate that the Rules Committee did not see fit to provide Members with that opportunity. That is why I feel I must oppose this rule.

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, it is my intention to yield 2 of these minutes to the gentleman from Georgia [Mr. BARNARD] in a moment to discuss the affordable housing issue.

Mr. Speaker, I rise in support of the rule. I believe it is a fair rule. It is not an open rule and I think we all advocate open rules in this place, but given the constraints of time, I think this is generally a fair rule. It provides for an adequate discussion of capital standards, an adequate discussion of several amendments such as the credit union amendment and the on-budget, off-budget amendment, which need to be discussed.

I wish the committee had not made in order the community reinvestment amendment, because it is not related to the subject of this bill, and I wish the Rules Committee had made in order the amendment by the gentleman from Iowa [Mr. LEACH] to delete the special exemptions in the Wylie amendment to discuss the right of first refusal.

In addition to that, it does not make in order the Midwest-Northeast coalition amendment which was regionalism and Texas bashing at its worst; so I will support the amendment.

We have a crisis. The FSLIC and the FDIC are being expensed at the rate of $20 million to $40 million a day so long as Congress delays enacting this legislation, so we need to act on it.

The rule also makes in order a deletion of the so-called affordable housing section of the bill. I will be offering an amendment, together with the gentleman from Georgia [Mr. BARNARD], to delete that so-called affordable housing section of the bill. It is neither related to housing nor is it related to affordability and it must be deleted.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Speaker, I thank the gentleman for yielding to me.

I want to likewise join my colleagues and others on the floor in supporting this very fine rule and certainly endorse what the chairman of the Rules Committee has done and the senior minority member.

This is a fine rule. This particular bill also had referral to three committees other than Banking, the Judiciary, Government Operations, and Ways and Means.

This rule has been structured so that the decisions made by those committees, contrary to what was done in the Banking Committee, can be considered on the House floor so that the entire membership can vote one way or the other on those particular amendments.

I do want to join my colleague in bringing to the attention of the Members the amendment that has been made in order on striking the provision which was in the Banking Committee on affordable housing, subsidizing low-cost housing from the fees of an independent agency. I think this is a decision that the entire membership needs to address, because it is a very significant and far-reaching amendment, inasmuch as we are assessing the income of independent agencies to provide for a Federal program that ought to be funded through our appropriation process.

Likewise, I want to commend the committee because they have not permitted a lot of extraneous amendments coming before the House on this bill. In the Banking Committee, we took up over 200 amendments, considered them very carefully. I think it was wise that they honored the decision of the Banking Committee in that.

So I just want to join my colleague on the affordable housing amendment, as well as the others, and I thank the gentleman for the time.

Mr. BARTLETT. Mr. Speaker, the gentleman from Georgia [Mr. BARNARD] and I will be introducing an amendment and seeking your votes to pass it to delete the so-called affordable housing section of this bill. This section of the bill proposes a new off-budget tax on to private institutions in the private sector that is related only to a new housing proposal. It is unrelated to the savings and loan crisis. It is unrelated to the FSLIC or the FDIC and it is unrelated to this bill. It is a new housing program which has been given no thought, had no introduction as a bill, had no hearing, had no markup, has never been discussed. It is unrelated. It might as well be an SDI amendment onto the transportation bill.

In addition to that, it is bad housing. It provides for a new deep discount multifamily housing program that is only valid if there are 30 year certificates attached to 40 percent of the units. No. 30-year certificates are available in this country today.

Last, this rule is self-executing in a way that taxes the advances of the Federal Home Loan Banks. I want to call the attention of the House that this in fact creates a regional system that robs from the rich and gives to the rich. I want to call to the attention of the House that by dispersing these funds on a district bank by district bank basis, the result of that is for this new housing program, a San Francisco bank gets $22 million; Chicago gets $19 million; Pittsburgh gets $2.6 million; Dallas gets $16 million, and New York gets $8 million.

The fact of the matter is that what this rule does is that it skews the distribution from a rob from the rich to give to the rich system by sending the funds back to those areas of the country that need it the least, because it is being put into this bill. The fact is that it is not good housing. It is a new tax.

□ 1500

It provides for a new type of housing program that no one has ever seen

before, that is, a deep-discount subsidy on multifamily projects only. The single greatest need of housing affordability in this country is in single-family homeownership, and not one dollar of this money will go to single-family homeownership, not one dollar will go to home mortgages, not one dollar.

There are some 29 housing bills that have been introduced in Congress so far in 1989, the Cranston-D'Amato bill, the Roukema bill, the Vento-Saiki bill, the Rouse-Maxwell proposal. HUD is preparing housing proposals today.

Pass this housing affordability section, and we will see the end of consideration of any good housing for the rest of the session.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I want to commend the new chairman of the Committee on Rules. No one is more deserving for such an important position than the gentleman from Massachusetts [Mr. MOAKLEY], and I wish him the very best. I thank him for the time.

Washington is a most unusual place, and maybe I still have not come to terms with it. What bothers me today is that while 8 million American workers at the bottom of the ladder have a small pay raise vetoed over 30 copper pennies, Congress will go forward and bail out a bunch of bankers who ripped off Uncle Sam for $200 billion, and we will conduct it as an exercise today like as if it is business as usual in Washington.

Let us solve the problems. I think there is a statement that has never been truer, and that is a poor man's felony is a rich man's misjudgment, and today the debate will memorialize that for all time, because that is exactly what we are dealing with.

I have heard people come to the floor and talk about blame, and I think it is appropriate today to discuss blame; Congress, the Democrats and Republicans, are to blame for what is happening here today. They took the recommendations of Ronald Reagan, and that said, and I quote "Government should get out of the banking business," and, man, the savings and loan people loved that. They said, "Let us free. Take the regulations off us. Take the shackles off us. Let us to out there and make a buck." Because financing individual family-owned homes for the American dream was just not enough, and Congress went along. They allowed it.

What we have today is we have the beginning of maybe a chapter 11 filing for the biggest corporation in the country, maybe Uncle Sam. It is the beginning, because we do not only cut the taxes for the rich, we throw out a lot of education programs, housing programs, UDAG's, revenue-sharing programs, assistance programs for workers.

People like myself talk about the needs of their district: "We do not have the money," but $200 billion, and I think the standards have to be strong.

I do not know yet what I am going to do on this bill. I do not like the fact that every body said that it is only the American taxpayer back there who is going to get screwed, so let us go forward with the deregulations plans. No one stopped to think that the buck stops somewhere, and if we are not careful, it is not the buck that is going to stop; it is time that Congress starts worrying about stopping the yen and the mark.

Mr. Speaker, I hope we are not here today sort of like arranging deck chairs on the next Titanic, bailing out a group of bankers who probably should be put in jail.

The sad truth is that a poor man who steals a loaf of bread because he has no income ends up in jail, but a group of bankers will get sympathy and a bailout today, and that is the message I do not like coming out of here. I will vote for the rule, and I will listen to this great debate in sympathy for the American banking industry.

I would wish in closing though that those powerful leaders in our body would make sure that the savings and loans and the banks of this country start financing the American home again so people could own a piece of the rock and would not have to import it from Mount Fuji.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the battle for tough capital standards—for responsible regulation of the thrift industry—is lost before it has been engaged. The reason is simple: Under this rule, weakening amendments are allowed; strengthening amendments have been made incontestible.

For the sake of the record, I'd like to list a series of amendments this Member asked to be made in order:

First, an amendment to increase capital standards to more credible levels.

Second, an amendment that requires savings banks to come under the same provisions of regulation as savings and loans and commercial banks.

Third, an amendment to eliminate special interest exceptions for certain thrifts.

Fourth, an amendment that eliminates double bookkeeping of some thrift institutions that are grandfathered in this bill.

Fifth, an amendment that ends the forbearances that regulators mischieviously granted to certain thrifts.

Sixth, an amendment that requires Fannie Mae and Freddie Mac to meet adequate capital standards.

Seventh, an amendment that gives regulators authority to stop owners of multicontrolled thrifts from bleeding one institution to benefit others.

Instead of these amendments, the committee made in order a series of amendments to weaken the capital standards of this bill, and only one amendment to eliminate a special interest exception—the elimination of which, I might note, is meaningless because that particular institution's concerns are covered by a more general provision of the bill.

Speaking personally, all of us understand that there's been a degree of acrimony that has come to hallmark House proceedings in recent months. I'm chagrined as much as anyone about the individual dimension of the politics of innuendo. But the majority has to understand that on this side of the aisle, there is an enormous degree of frustration, if not rebellion, about some of the procedures under which this House has operated.

As a seven-term member of this body, one who rarely appears before the Rules Committee to ask to be heard on any subject, I must tell you I feel I have paid my dues to this body to the extent that at least one of the amendments I asked to be offered relating to the work of the committee of jurisdiction in which I am the second ranking member would be allowed the privilege of being heard.

I don't presume to know the outcome of any votes on these issues, but I do presume that the views underlying this group of amendments are held by many in this body and by a larger number in the body politic.

At issue in this rule is the question of what can be debated, who can be heard. At issue is also whether the party of reform of the 1970's has not become the party of the status quo in the 1980's.

For the sake of reform, for the sake of comity rather than comedy in this House, for the sake of the taxpayer, I would ask my colleagues to turn down this rule. When confronted with the largest lapse of legislative judgment in this century, over a $100 billion taxpayer debacle, "business as usual" is not good enough.

Let's make the tough decisions now, and not put them off for 18 months or 24 months. As surely as the dawn breaks, these issues are going to be revisited.

Turn down this rule, allow the reform sentiment of this House to be unshackled and openly debated.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 2 min-

utes to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Mr. Speaker, I want to congratulate the gentleman from Massachusetts [Mr. MOAKLEY] in his first major undertaking as chairman of the committee. I think he has fashioned an excellent rule, and the committee is to be congratulated. They have put the most important, essential, and contentious elements of the legislation before us on the floor.

The most important debate permitted by this rule is one that we will have tomorrow over capital standards. The capital standards are the center, the linchpin, the guts of this bill. The new capital standards are what the American people get in exchange for their $50 billion-plus. The new capital standards are the public's part of the deal.

For the first time, by passing new capital standards, we will be telling the S&L's that they must put up some, indeed still a very small amount, of their own money into their businesses.

The Quillen and Hyde amendments made in order under this rule to facilitate discussion will allow S&L operators to continue to operate with no money of their own. Flush with a generous infusion from the taxpayers, they will be free to gamble with taxpayer dollars.

In all of the deliberations of the Committee on Banking, Finance and Urban Affairs for 2 years on this issue, the one common factor plaguing all failed thrifts was a lack of capital. This is remedied by the committee print.

The Quillen and Hyde amendments contain no reform at all. They would continue business as usual. I heard all of this talk earlier in the discussion today about a deal being a deal.

My friends, it is not the Government that is altering the deal. It is the S&L industry that has now come to us asking for $100 billion in taxpayer revenue. That is a new deal.

Members of the Committee on Banking, Finance and Urban Affairs insisted that, in exchange for this money, we require them, the S&L's, to raise their capital level to 3 percent over 5 years, still about half of what banks are required to do.

□ 1510

This rule will give us a chance to take a stand on whether or not we want S&L's to participate in the bailout in a fashion that will make it less likely that future bailouts occur, or we can do nothing at all. Let us give the taxpayers a fair deal.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, there is good news and bad news in this rule. The good news is that the Rules Committee has prevented the chairman of the Committee on Banking, Finance and Urban Affairs from modifying the bill unilaterally, thereby making it different from the language which left the committee, and I appreciate that the Rules Committee has guarded the privileges of the House in that way.

However, the bad news is the Rules Committee did deny a requested amendment to pull out of this bill a series of special interest items that have been included in the bill. Let me just give a few examples of what is down in this bill.

There is pork in this bill for Sears, Roebuck and for Chemical Bank of New York, First Interstate Bank of Los Angeles, Merrill Lynch & Co., Columbia Savings & Loan of Beverly Hills, Frost National Bank of San Antonio, Citizens Federal Savings Bank of Miami, American Savings & Loan of Stockton, CA, to name a few, and there are a couple here that are real dandies. In Beverly Hills, for example, that particular bank is getting an exemption to enable it to keep putting its money into junk bonds rather than putting it into housing. That is not exactly what we ought to be trying to accomplish here in the House of Representatives.

In another case we have the Federal Home Loan Bank of San Francisco which is forced to loan the American Savings and Loan of Stockton, CA, $2 billion, which is being forced upon them over the objections of the San Francisco bank. This is ridiculous that we cannot have an amendment to deal with this.

This rule makes in order the largest single taxpayer bailout in history. This rule refuses to make in order an amendment to pull out some of the pork that was put down in this bill for all of the special interests that came into the various committees.

A rule that protects pork should not be adopted. I urge a no vote.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Speaker, first I want to thank the gentleman for yielding time to me.

I rise to oppose the rule on this bill because I do not believe we should give special consideration to specific institutions.

As my colleague from Iowa points out, this bill is filled with special interest amendments. H.R. 1278 should not be designed to give special privileges to those financial institutions who happen to have influential contacts in Washington. I cannot support a rule which would allow, among other provisions:

First. Banks, such as Chemical Bank and First Citicorp, which happen to own a number of thrifts, to avoid the financial responsibility for their thrifts' financial problems. Why should the American taxpayer be expected to foot the bill for this special exemption? I think the owners of these banks, who approved the acquisition of the failing thrifts, should be held accountable for their purchases, not the taxpayers. I cannot support an exemption of this sort.

Second. Likewise, I oppose affiliate exemptions currently outlined in the bill. I don't understand why we must provide for a competitive advantage for certain businesses. As it stands now, the Sears Financial Network would be exempt from a general provision in this legislation that limits transactions between savings institutions and their affiliates. This is wrong.

In summary, there are a handful of special exemptions in this bill that benefit specific institutions. I support Mr. LEACH's amendment which would disallow such special treatment. Since his amendment was not allowed by the Rules Committee, I am today opposing the rule, and I encourage you all to join me in opposing the rule on H.R. 1278. I cannot in good conscience support legislation which grants exemptions at the taxpayers expense.

If we are ever going to straighten out this mess, we must begin by applying equal and fair rules to all institutions affected by this legislation. Vote against the rule. Vote against special exemptions. Let us get to the heart of this problem without creating any new ones.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out to the Members of this House that it is important that we pass this rule. We are at a critical point in the history of these institutions, the savings and loans of this Nation.

In addition, I would call attention to the Kenndy amendment. Let me read to Members a few things the amendment does.

It amends the Home Mortgage Disclosure Act to require mortgage lenders to report the number of applications they receive by categories of race, income, and gender, and to report the number of applications they reject by the same categories.

It amends the Community Reinvestment Act of 1977 to require Federal regulatory agencies to publicly disclose the ratings and evaluations that they give to banks and thrifts.

It is a very dangerous amendment, and when it is debated on the floor I urge Members to vote against it.

Mr. Speaker, I urge the adoption of the rule.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia, [Mr. GINGRICH].

Mr. GINGRICH. Mr. Speaker, I simply wanted to rise for a minute to commend the Rules Committee. This is not a perfect rule. I think there are several things I would like to see in order that are not in this rule.

But on the other hand, it has been a very bipartisan process in the various committees. There has been a very serious effort on the part of the Democrats to accommodate the President of the United States. There has been a serious effort to work through some very divisive and very difficult issues and two or three of the most contentious issues are going to come to the floor in the next 2 days, and they are going to be dealt with in a very fair way on very difficult issues.

It seems to me on the Republican side it would be totally appropriate for Republicans to vote for this rule. This is a rule which brings to the floor a bill which the President of the United States has said is the most important centerpiece of saving the financial systems of the United States. It is a rule which brings to the floor a bill which is vital to the economic health of this country. It is not everything we would like. We frankly have inherited a large mess which we are trying to sort out. But I think that the rule creates a relatively fair playing ground for sorting our a number of issues that involve many committees.

I commend the committee for doing what it did, and I wish, as the gentleman from New York said earlier, it had done slightly more. But I think on balance this is not a bad rule and that it is worthy of Republicans voting yes. So I urge my colleagues to vote yes on the rule.

Mr. QUILLEN. Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, perhaps a new era has arrived in the House, because I agree with the remarks of the gentleman from Georgia. It is a good rule, it is a fair rule, and it represents the path we have taken on this bill, which is a bipartisan bill.

I would say to my colleagues and to the American people, we read about a Congress in disarray. This bill is one of the most difficult bills that could pass under any time in any Congress, and yet here, with all of the "disarray" and troubles and everything else, we have a bill that is very difficult to pass, that is very complicated and that has lots of different conflicting interests which is moving along through this body, as it has moved through the other, and it looks like a fine product will emerge.

This, my colleagues, is Congress at its best, debating issues, trying to figure out complicated issues, trying to do what is in the national interest.

I would like to salute the gentleman from Massachusetts [Mr. MOAKLEY] the chairman of the Rules Committee, on his first major rule. It is an excellent rule, and one that should serve us well.

□ 1520

I would urge my colleagues as we go through the general debate to remember two points: No. 1, yes, we are spending a lot of money but that money is not going to those rogues who plundered their thrifts and plundered the deposit insurance fund. The money is going to depositors, the ma's and pa's who put their money in these institutions, $30,000, $15,000, $5,000 and the money is gone. Our only choice is to tell those people we are not going to honor Uncle Sam's commitment to them or we are, because not a nickel of this money is going to those rogues who threw us into this situation to begin with.

In fact, in another provision of the bill there are very tough criminal penalties including an extension of the statute of limitations, including more money to prosecute and including much stronger penalties, 20 years, $1 million fines, so that those who created the mess could pay for it in both fines and jail time.

The one other argument I would make to my colleagues is on capital. That is probably the most crucial issue we will face as we debate this bill in the next few days.

Just remember it was low capital standards or no capital standards that helped to bring us to this problem to begin with.

We have an obligation to those taxpayers who are footing the bill for this and to ourselves to make sure we say to every thrift institution that has deposit insurance, "Fellows, put your own money up front, not some kind of squishy accounting paper standard but real hard dollars."

I urge my colleagues to support the strong capital standards of the bill. I thank the chairman for his generous yielding of time.

Mr. MOAKLEY. Mr. Speaker, may I inquire how much time remains on my side?

The SPEAKER pro tempore. (Mr. TORRICELLI). The distinguished gentleman from Massachusetts, chairman of the committee, has 5 minutes remaining.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I think the most contentious and perhaps the most complex issue that we are going to face this week on this legislation is the issue referred to by Mr. SCHUMER, and that is the issue of capital standards.

One of the questions we will be asked to decide is: Is it fair to somehow go back now and modify the agreement under which certain institutions agreed to acquire other failing S&L's?

Let me make just a couple of points if I may: First, some S&L's would have us believe that the principal reason why they entered into those agreements, those acquisitions or mergers, was out of a matter of altruism, doing something good for the country, doing something good for the FSLIC. In return for which the acquiring institution only received an intangible called goodwill to count as capital.

Let me point out that there were a couple of other advantages they gained, not just goodwill on their books.

One of the things they gained, one of the advantages they gained, is new customers. A second advantage that they gained is new deposits. A third advantage that they gained is new markets, markets to which they were denied access in the past in many instances. Finally, they gained new branches, as well.

We are going to be asked to consider whether or not it is fair now to somehow modify some of the earlier agreements and to deny them the full use of this goodwill to meet minimum core capital, or tangible net worth requirements. I guess you could argue in one sense that maybe it is not altogether fair, although under the Banking Committee's bill, acquiring institutions can use that goodwill to meet capital requirements in excess of the minimum 3-percent requirement.

Let me just say I do not think it is fair to the taxpayers either who are going to be asked to ante up over half of the more than $100 billion needed to close insolvent thrifts. It is not fair to them either.

Nor is it fair that the healthy thrifts and the healthy banks in this country are going to be asked to come in and in some cases double or almost triple the deposit insurance that they are paying to atone for the sins and mistakes of some in the thrift industry.

I would urge my colleagues to support this rule. I further urge my colleagues to support the fair, tough and reasonable capital standards that are a part of this bill, too.

Mr. MOAKLEY. Mr. Speaker, I urge my colleagues to adopt this rule and to allow the House to proceed on this very important bill.

Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 95, not voting 8, as follows:

[Roll No. 85]

YEAS—330

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Barnard
Bartlett
Barton
Bateman
Bates
Bellenson
Bentley
Berman
Bevill
Bilbray
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coelho
Coleman (MO)
Coleman (TX)
Conte
Costello
Coughlin
Coyne
Crockett
Darden
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWitt
Dickinson
Dicks
Dingell
Dixon
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Herger
Hiler
Hoagland
Hochbrueckner
Houghton
Hoyer
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kasich
Kasteenmeier
Kennedy
Kennelly
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Pallone
Panetta
Parker
Pashayan
Payne (NJ)
Payne (VA)
Pelosi
Penny
Perkins
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schumer
Shaw
Shays
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tanner
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Vander Jagt
Vento
Visclosky
Walgren
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wyden
Wylie
Yates
Yatron

NAYS—95

Baker
Ballenger
Bennett
Bereuter
Bilirakis
Broomfield
Brown (CO)
Bunning
Burton
Combest
Conyers
Cooper
Cox
Craig
Crane
Dannemeyer
Davis
Donnelly
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Gallegly
Gekas
Goodling
Goss
Grandy
Hancock
Hastert
Hefley
Henry
Hertel
Holloway
Hopkins
Horton
Hunter
Inhofe
Ireland
James
Kanjorski
Kaptur
Kildee
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lukens, Donald
Marlenee
Martin (IL)
McCollum
McCrery
Meyers
Molinari
Nielson
Nowak
Owens (NY)
Oxley
Packard
Patterson
Paxon
Pease
Petri
Porter
Roberts
Rogers
Rohrabacher
Roukema
Schaefer
Schuette
Schulze
Sensenbrenner
Sharp
Shuster
Smith (VT)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stearns
Stump
Tallon
Tauke
Upton
Valentine
Volkmer
Vucanovich
Walker
Whittaker
Wolpe
Young (AK)
Young (FL)

NOT VOTING—8

Buechner
Collins
Courter
Dornan (CA)
Hubbard
Laughlin
Parris
Wright

□ 1545

Messrs. HEFLEY, HENRY, SMITH of Vermont, VOLKMER, and LAGOMARSINO changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Kalbaugh, one of his secretaries.

APPOINTMENT AS MEMBERS OF THE HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

The SPEAKER. Pursuant to the provisions of section 5(b) of Public Law 93-191, the Chair appoints as members of the House Commission on Congressional Mailing Standards the following Members of the House:

Mr. UDALL of Arizona, chairman;
Mr. SOLARZ of New York;
Mr. FORD of Michigan;
Mr. FRENZEL of Minnesota;
Mr. LEWIS of California; and
Mr. YOUNG of Alaska.

FAIR LABOR STANDARDS AMENDMENTS OF 1989—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The gentleman from California [Mr. HAWKINS] is recognized for 1 hour.

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the time available for debate on the bill, H.R. 2, be divided so as to provide 30 minutes under my control and 30 minutes under the control of the gentleman from Pennsylvania [Mr. GOODLING].

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to urge my colleagues to join with me and vote to override the President's misguided veto of H.R. 2, the Fair Labor Standards Act Amendments of 1989.

How ironic it is, to be on the floor of this House, on June 14, Flag Day, trying to force the President of the United States to sign a modest, reasonable bill that would provide simple economic justice to millions of America's working poor.

A symbol, such as our great flag, is only as strong as the actions behind it, and surely an increase in the minimum wage of $1.20 over a 3-year period, represents the best and most fundamental of all American values, a decent day's wages for a decent day's work.

The real reason the President has vetoed this legislation has nothing to do with the substance of the matter at hand. He vetoed the minimum wage bill to show his supporters his muscles; that he's a strong guy who's willing to stand up to the Congress.

Well, Mr. President, if you want to be so tough, why don't you pick on someone your own size, not the weakest, lowest paid workers in our society.

The President's veto message is full of the same misinformation and inaccuracies that have characterized his opposition to a meaningful increase in the minimum wage from the beginning. Let's set the record straight, point by point.

First, increasing the minimum wage will not result in massive unemployment, nor will the employment prospects of young people and the disadvantaged be adversely affected. The minimum wage has been raised 15 times, and the historical experience offers no evidence of dislocations. In fact, after each increase, employment has actually risen, with the sole exceptions being two recession years. The economies in the 13 States which have already gone above the Federal level are doing quite well.

Second, Mr. Bush states unequivocally in his veto message that economists universally agree that H.R. 2 would result in the loss of job opportunities. This is totally inaccurate. I have right here in my hand a list of 53 well-known, respected economists, including two Nobel laureates, who strongly support enactment of our bill.

Third, The Bush so-called training wage is totally unacceptable. It contains no real training provisions; it's 6 months duration is outrageous, and gives employers carte blanche to have a revolving door policy where they can fire all their training wage employees every 6 months to exploit a whole new batch of workers.

Fourth, people working at and near the minimum wage are not primarily high school kids, living at home, seeking pin money for movies and designer blue jeans. A full 70 percent of minimum wage workers and adults; 5½ million workers make $3.35 per hour or less; and over 10 million others earn between $3.35 and $4.50.

We are talking about over 15½ million Americans, working, but unable to escape poverty. Between one-fourth and one-third are heads of households, and over 90 percent need another wage earner and/or rely on public assistance to merely survive. Mr. Bush expresses concern for the disadvantaged, yet wants to continue to depress the wages of low-income workers.

It has been estimated that in some areas of our country, up to 80 percent of the homeless are working people and members of their families. After losing so much of its purchasing power, the minimum wage has become nothing more than a poverty wage.

Fifth, the final point I wish to make, regards the President's veto message comments about how much he is doing in the field of education and training for young people and the disadvantaged. I must say, that of all the falsehoods contained in his veto message, these comments represent the straw that breaks the camel's back for me.

While the President rhetorically may see himself as the education President, it is insulting to portray his minimal, education proposals as the answer to the problems of our schools. While he goes about ballyhooing parential choice and programs targeted to students already achieving, he underfunds and gives little support to current, effective programs which target at risk, disadvantaged youngsters. Why, he even opposed our vocational education bill, which just passed the House with only three negative votes.

Let us face it. The President is opposed to a meaningful increase in the minimum wage. It is up to us to take the action necessary to make sure that over 15 million Americans receive a decent day's pay for a decent day's labor. I urge my colleagues to stand up for what is morally, economically, and indeed, politically the right thing to do. Vote to override this mean-spirited veto.

□ 1550

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in opposition to the attempt to override the President's veto of H.R. 2. I do so while in agreement that there must be an increase in the minimum wage.

As an active member and leader in the Republican Labor Council, I have supported and voted for numerous labor-backed bills and initiatives such as Hatch Act reform, the Eastern Airlines dispute, plant closing legislation and the antidouble breasting.

As a Republican, along with several of my colleagues, I urged President Bush to support an increase in the minimum wage, as well as an earned income tax credit. But this debate on the minimum wage has less to do with fair labor, decent wages and inflation than it does with partisan political battles between Members of this body and the resident of the large house 16 blocks from here. It is another example of political symbolism triumphing over substantive action.

Mr. Speaker, the President has supported an increase in the minimum wage. He did so during his campaign for that office and renewed the pledge for this compromise proposal, one that would have increased the wage to $4.25 an hour over 3 years. His proposal is an earnest and acceptable offer. It is a proposal that seeks to insulate small businesses from the impact of a sudden jump in the minimum wage by the initiation of a realistic training wage. It is a proposal that never had a chance.

Mr. Speaker, the debate on this bill has made several things very clear. It is clear that the Democrats do not have enough votes to override the veto. It is also clear that the President does not have enough votes in Congress to pass his own minimum wage law.

Why then are we continuing with this charade? Politics, Mr. Speaker, politics.

If my colleagues think winning a power struggle puts food on the table, then vote to override the President's veto. However, if they want to help the American family, then I urge them to uphold the veto and work for a real solution to the problem of low-income workers.

Mr. Speaker, later today I will join with my distinguished colleague, the gentleman from Pennsylvania [Mr. GOODLING], in introducing the Living Wage Act. In combining President Bush's minimum wage package with the earned income tax credit of the gentleman from Wisconsin [Mr. PETRI] the bill will assist those in real need, the family headed by a minimum wage earner. The Living Wage Act will raise the net income of such families far higher than the $4.55 figure in H.R. 2.

Let us stop treating the debate over the minimum wage as a vehicle for political posturing. It is a game that is of no benefit to the American worker, and we should not be playing it.

□ 1600

Mr. HAWKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I rise to encourage the Members to support our efforts to override the President's veto on the minimum wage law.

Contrary to what the preceding speaker just stated, we are reluctant to take on the President for a veto override. There has been cooperation between the White House and the Congress during the first 5 months of his administration. We wish that he had signed this bill.

Now, the President has drawn a line and stated that we must accept a measure that will provide a 6-month training wage at 80 percent of his proposed maximum minimum wage that would never put the workers over $3.35 until the third year of the bill and then only raise it to $3.40.

What the President is saying with his adamancy is that, "I favor a 5-cent raise in the minimum wage over the course of 3 years," after 9 years of failing to raise the minimum wage.

I ask you, my friends on the other side and my friends on this side, if we are serious about raising the minimum wage, then we cannot accept a 5-cent raise per hour over a 12-year period of time. We must vote to override. That is why we are here today, not because we want to posture politically with the President, but because we want to tell the President, "Unless you come to the negotiating table with us," which he has failed to do, then we must insist that we bring up the veto for an override.

I can only say that if the President is sincere about saying he has compassion for America's neediest people, then he should reach out and be joining us in an effort to compromise this issue, not saying, "I have drawn a line. My feet are in concrete and I will not move. I am for either 5-cents an hour or I am for nothing."

We need to give America's working force some hope, and the only hope we can give them is to override this veto.

Please join us in this effort.

Mr. GOODLING. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I would first like to thank the House leadership for finally sending this bill to the White House, thereby allowing us the opportunity to vote on the President's veto. For whatever reason it was held up, I am not sure, but nevertheless it is the poor, the working poor who suffered while it was being held hostage to whatever.

Second, I would like to remind my colleagues how we got to this point. We never saw the bill that came to the floor, the Ridge-Robinson whatever proposal, until 24 hours before we actually were asked to vote on it. So it was not anything that was worked out together, neither was the conference, as a matter of fact.

I think what we must understand is that the President of the United States came nine fat dimes to meet the majority's proposal, nine fat dimes the President came to meet the majority proposal.

The majority, on the other hand, refused to even come one thin dime to meet the President's proposal.

Now, a questionable dime, in that they said we will deduct a dime, but then we will start it at October 1 each year, rather than January 1, which took away that dime in the first place. So let us not kid ourselves. It was the President who did the compromising. It was the President who did the compromising. It was the President who came the nine fat dimes to meet the majority proposal.

Now let us get on with the business of helping the working poor. I said for a long time that I am not sure what the purpose was for the exercise we just went through. It could not have been to help the working poor. Raising the minimum wage has never done that. We have to get to the point where we get to an EITC where we can help the working poor work, instead of saying that we are going to give something with the only purpose in mind to ratchet up all other salaries of everyone else.

Mr. Speaker, let us get on with what the Secretary of Labor wants to do. She wants to make sure that training and education is such that these people can move ahead, can climb up in the job market so that they are trained and prepared to do that.

Second, let us not keep playing games. Let us help the working poor. The way to do that is to go with the President and also go with an EITC which you will hear more about during the day.

Mr. HAWKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. NAGLE].

Mr. NAGLE. Mr. Speaker, yesterday when I heard the President's message communicating his veto of the minimum wage bill read in this Chamber, I could not help but recall something President Harry Truman had to say when he was fighting the Republican majority in Congress back in his day to increase the minimum wage.

"The Republicans say they are for the minimum wage," Harry Truman said. "And they are. In fact, the more minimer the better."

The President's veto makes it painfully clear, my friends that today we now have a President who says he is "for the minimum wage."

And he is. In fact, the more minimer the better.

The President's veto of this legislation over three thin dimes is a stunning rebuke to the 5.4 million Americans—according to the Department of Labor—who work at the minimum wage. They have not had a pay raise since 1981.

More than a million of those working men and women are heads of households. Not only have they been denied any pay raise at all over the past 8 years, they have been asked to absorb a pay cut of fully one-third in the purchasing power of the minimum wage.

As the President vetoes this increase in the minimum wage over 30 cents—the cost of a phone call—I think there are a few facts the American people need to know.

You know, George Bush has not opposed every pay raise.

When he was Vice President, we did not hear a peep of protest from George Bush over pay raises which increased his own pay as Vice President by $11.49 an hour between 1981 and 1988. And that is assuming a 60-hour workweek as Vice President.

No, George Bush did not oppose that. Apparently that pay raise for himself was one pay raise George Bush could live with.

And earlier this year, remember all the broo-ha-ha over the proposed congressional pay raise? Well, tucked away in that recommendation was another recommendation that the Vice President ought to have another pay raise—this time, a pay raise of another $28.24 an hour.

George Bush did not oppose that. No, when it came to a fat pay raise for DAN QUAYLE who had just taken the job, that was another pay raise George Bush could live with.

That proposal—combined with the earlier raises since 1981—would have increased the hourly pay for the Vice President by a combined total of $40.33—an hour—over the 1981 level.

And George Bush supported them all the way.

George Bush even supported the Federal Pay Commission's proposal to increase his own retirement pay—Presidential retirement pay—by $41.04 an hour over its 1981 level. President Reagan would have received that increase, as well, even as he packed his bag to go to Japan and deliver a few speeches and attend a few cocktail parties for $2 million.

Now, after 8 long years with no pay raise at all, we come to the question of a pay raise for those who earn the minimum wage: the men and women who fry our hamburgers; who bus our tables and pick up our garbage.

And President Bush says "No."

He is for the minimum wage, you know. The more minimer the better.

I am astounded that a President of the United States with that past record of generosity when it comes to himself and his own Vice President, could veto this bill over three thin dimes.

Mr. Speaker, the American people have every right to expect better than this from their President; and if he will not stand with them, the Congress must.

I urge my colleagues to stand with the American people and vote to over ride this veto.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, there is a time for politics and there is a time for policy. Today, hopefully, will be the time that we focus on good public policy, not partisan politics, of the highest order.

I ask each and every one of my colleagues, Democrat and Republican alike, to go along with the President on this because, frankly, this idea before us today is not the best idea in the world. The reality is that 65 percent of the people in the minimum wage today are single, work part time; most of them are teenagers and most of them are going to school. We are not dealing with helping the low-

VOL 135 PT 9 14 — 22 1989 JE UMI

income heads of households with the minimum wage any more. The way to help the low-income head of a household is with training, education, those types of programs that the Education and Labor Committee is all about.

□ 1610

The reality is that as soon as we conclude this debate, the gentleman from Pennsylvania [Mr. GOODLING] and others will be introducing a piece of legislation that really deals with the issue of helping the low-income family. It deals with helping the low-income family because, on the one hand, for the low-income head of household it gives them real take-home pay, not mandates on a business that results in elimination of jobs, but, rather, an earned-income tax credit. A family of six, four children, mom and dad, low income, low skills, under this legislation has an increase in their deductions that results in a $2.08 increase per hour. Compare that, contrast that, with the $0.50 increase that is in the bill before us.

If we want to really help low-income people, this is the legislation to do that now, if we want to help the young people from that family, if we want to help the young inner-city people, the young kids who are trying to get off the streets get a job, get an opportunity for skilled training rather than becoming a part of a gang and all of the problems that surround that, then we look at this proposal again, because this was the President's program on minimum wage and the training wage to give the young people a real entry into the work force, give them that first opportunity to get some skills.

The reality is that this is the bill that saves 600,000 jobs. This is the bill that helps the low-income families.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Speaker, I rise in support of the veto override.

Mr. Speaker, the opponents of a veto override have continued to portray any increase as inflationary or job busting, indicating a growing economy will fuel wage increases that create a better standard of living for the poor.

They argue that the minimum wage earner does not need a wage increase but a tax credit that will increase their net spendable income. At $8,000 per year, how much spending beyond the bare necessities do Members think the minimum wage earner can do. Mr. Speaker, the question is not to raise or not to raise for fear of job loss. The question is how much can those few businesses who are not fair to their employees bear. Our President said in his veto message that $4.55 was excessive but $4.25 was all right and evidently that will not cost jobs or inflation. He is right. People earning $8,800 per year are no threat to inflation.

The only thing excessive here is the excessive number of working poor who will continue to live in poverty as a result of the President's veto. Equally undefendable is the claim that a new minimum wage will result in the loss of jobs.

In California where the rate is 90 cents higher than the current national minimum wage there has been no mass job loss. Mr. Speaker, H.R. 2 offered a compromise to the President on the minimum wage issue. Instead, the President chose to believe that $4.25 was more than enough for teenagers, seniors, and the working poor.

Mr. President, I do not believe 30 cents more would hurt anyone but it sure would help the working poor. I urge my colleagues to vote to override the President's veto of H.R. 2.

Mr. GOODLING. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I urge all my colleagues to vote to sustain the President's veto of H.R. 2. The President made a generous offer for a minimum wage increase. He came 70 percent of the way toward what the proponents of an increase originally sought. Despite his addition of a meaningful training wage to cut down the inevitable job losses, his offer went further than many people thought wise. Nevertheless, that generous offer was spurned, bringing us to today's exercise.

Make no mistake about it. Today's exercise is not about helping the working poor. It's about politics, pure and simple. If we really want to help the working poor, we can do a much better job than either H.R. 2 or the President's offer. The truth, which bears repeating, is that any minimum wage is a crude tool for helping the working poor.

It actually hurts the poor through job losses and inflation. Most of the people it helps are not poor. And it fails to help most of those who are working poor family heads because they are already capable of earning at least $4.55 per hour.

The problem, as I keep saying, is that poverty is not a fixed target. Economic need and poverty lines vary by family size. But wages, including any fixed minimum wage, do not. What poor family heads need is not a minimum wage but a living wage. And the best way to create a living wage is to supplement wages directly, according to need as determined by family size, through reform of the earned income tax credit.

Almost everyone now agrees that is desirable, regardless of what happens on the minimum wage. It is the most direct, most targeted, and most efficient way to help working poor families with children.

In his veto message on H.R. 2, the President said, quote, "If the Congress remains unwilling to support this job-saving approach, I am prepared to examine with the Congress, within the confines of our fiscal limitations, changes in the earned income tax credit, which could better help the heads of low-income households." Some weeks ago our colleague from Illinois, the distinguished chairman of the Ways and Means Committee, wrote in a letter to Newsweek, quote: "From my perspective, the decision to raise the minimum wage rather than the EITC resulted from an unwillingness to raise the revenues needed to pay for it. That may be the cheap way out, but it is not the best way to help those in need."

Mr. Speaker, the President is willing to consider EITC reform. The chairman of the Ways and Means Committee thinks it is a better way to help those in need. Various Members from both parties have advanced related EITC reform bills, including the gentleman from New York [Mr. DOWNEY]. Surely there is room here for a bipartisan compromise, a compromise that avoids excessive economic damage, while helping those in need far more than H.R. 2, which goes to its final resting place today. That is the spirit of the bill our colleague BILL GOODLING is introducing today. It is time to stop the politics and start working to provide some real help to working poor families. We can do much better than H.R. 2.

Mr. HAWKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I rise in support of the override and request that my colleagues support the override.

Mr. Speaker, minimum wage workers, no less than anyone else, have certain basic needs that must be met. To the extent that workers, through their wages, are unable to provide for these needs, they must be accounted for in another manner. If one's wages do not provide sufficient income to feed one's family then either that family will be malnourished or someone else must pay the cost of providing the food. If a worker is unable to earn wages sufficient to provide for the education of his or her children then either those children must go uneducated or someone else must assume those costs.

The importance of being able to maintain oneself and one's family through gainful employment cannot be overemphasized, especially for black Americans, for whom the American dream has been an irrelevant myth for too long. One works to provide a livelihood for one's family. Employment that does not convey to workers a degree of independence and self-reliance diminishes the dignity and worth of the individual, increases the divergence between rich and poor, and bears a closer resemblance to servitude than any American can or should be willing to tolerate. The President's veto deserves to be overrid-

den and I urge my colleagues to join me in doing so.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, and distinguished colleagues, I come before the Members today to talk about an issue that affects America across its width and its breadth, and that is the issue of what we are going to pay people who are willing to go out and work for a living. That is what we are talking about when we are talking about the override issue on the minimum wage today.

We are seeing millions of people across this great country who are being denied the right to have a living, working wage, and that is what we are talking about when we are talking about overriding this bill today.

We are talking about giving people some dignity. We are talking about letting them have a standard of living that is better than they can get if they were on welfare.

I will tell the Members frankly, as my dear friend, the gentleman fom Kentucky [Mr. NATCHER], would say, if we do not override this particular piece of legislation today and this harsh Presidential veto, then what we are doing is taking the heads of the poor working people in this country, putting them down in a pond and letting the air go out of their lungs, because we are not giving them any air to breathe, we are not giving them any room for tomorrow, we are not giving them any hope, we are not giving them any future.

Mr. Speaker, I know what the outcome of this vote is likely to be today, but I want to tell the Members that we are going to be back. We are not going to quit, because the working people of this country deserve better than what they are getting out of this legislative process. We shall not quit until we get a decent standard of living for them.

□ 1620

Mr. GOODLING. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I rise to ask the House to vote to sustain the veto today because it is morally right, and because it is economically right, because by sustaining the veto we would save jobs, not just a few jobs, but hundreds of thousands of jobs for people who need them the most. They are entry-level jobs for young people finding that first job, or displaced homemakers who are trying to reenter the work force, or recovering alcoholics and drug addicts who are trying to get their lives back in order and get that job. If we pass the minimum wage in the form before the House today, we will deny those individuals those jobs.

The gentleman from Pennsylvania [Mr. GOODLING] will be introducing a minimum wage bill later today that is a better idea. It is an idea that will save jobs, that will provide people with the opportunity to increase their standard of living while increasing their take-home pay by providing for a training wage that works, and an expansion of the earned income tax credit.

If what we want to do, which is what we ought to want to do, is to assist low-income families who are heads of households trying to support their children, then what we ought to be debating is how to increase the earned income tax credit so that young working mothers with two children can have their take-home pay increased, increased so that they can keep their jobs and support their children.

I would ask my colleague to listen to their constituents. Constituents all over the country, individually and collectively through their newspaper editorials and opinion leaders are saying do not increase the minimum wage in a way that costs jobs.

I have listened to the speaker here today and noted those who are in favor of the mimimum wage bill, and noted from their own States editorials which have come from those States. We had a speaker from California. The Oakland Tribune says:

> But suppressing the message doesn't change the truth: higher minimum wages cost jobs for people who need them most, especially teenagers * * *.
>
> Petri's tax credit costs less and tastes far better than the minimum wage alternative. Legislators with a serious interest in helping the working poor would do well to put it on their menu.

We heard from the gentleman from Pennsylvania. From the Lancaster Pennsylvania New Era:

> Don't hike minimum wage.
>
> Raising the minimum wage to just $4.65 an hour would lead to a loss of 880,000 jobs * * *.

We heard from the gentleman from Missouri. From the St. Joseph, MO, Gazette:

> It's almost certain that many of the unskilled, minorities, inexperienced youths and others who need the kinds of jobs that pay a minimum wage will be priced out of the market by the pay increase.

Or from the Cedar Rapids, IA, Gazette, for the gentleman from Iowa, "It's an outlandish idea," says the Gazette.

> How outlandish is shown * * *.
>
> The social engineers just don't seem to get it. As if you could prevent poverty simply by jacking up the minimum wage.

Or from the New York Times, at the conclusion of their editorial:

> For those who really care about the working poor, the issue is not the minimum wage but minimizing poverty. The tax credit is the right way.

Or for the gentleman from Kentucky, this headline: "Study: State Would Lose 14,000 Jobs to Higher Minimum Wage."

Do not vote politics today. Vote jobs. Vote to sustain the minimum wage veto.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, first of all I thank the gentleman from California [Mr. HAWKINS], chairman of the committee, for yielding me some time on this most important issue.

It is really amazing, my colleagues, that under the Bush proposal to increase the minimum wage we are not going to lose any jobs, but once the Democrats introduce a proposal, now we are going to lose 400,000-plus jobs, and I think that is just amazing. It is really interesting that when the President introduced his bill to increase the minimum wage, basically there were some long faces on the Republican side of the aisle because their supporters do not want this increase at all. In fact, when the minimum wage was first raised some 50 years ago when we started out with a 50-cent-per-hour minimum wage, they were probably the same people who were opposing it then, people with the same type of political philosophy.

The gentleman from Texas indicates that we should at least listen to people on this issue. In poll after poll and survey after survey, we are looking at 80 percent to 84 percent of the American public supporting an increase in the minimum wage, and are they supporting the $4.25? No. If Members read the USA Today editorial, the average person interviewed there supported a wage of about $5 per hour.

The Democrat proposal before my colleagues today falls short of that. Clearly the President's proposal is way, way short of that.

As we go on into this session and debate some of the major issues affecting the country, I am first of all saddened today that we are not going to override the veto, which I think is clear to some Members; however, we are not going to give up, we are going to see the bill again and again this session until we do get the Presidential signature.

But we are also going to see another bill debated on the floor, and that is an issue regarding our Tax Code that deals with the capital gains tax. It seems that even though the average capital gains to be paid in this country is at a rate of about 28 percent, that is not good enough for some. We have to lower that to the rate paid by the low-income earners of this country. These wages, capital gains wages are wages earned from investments, more or less by the wealthiest of this country, but they cannot pay a 28-percent on average rate. We are going to see these same Members arguing against a

VOL 135 PT 9 JE 14 — 22 1989 UMI

decent increase in the minimum wage come to the floor and argue that we must for the wealthy of this country reduce the income tax for capital gains down to 15 percent. That is absurd.

Mr. Speaker, today we will hear a lot of rhetoric about the minimum wage. Everyone will say that they want to help working Americans. But strangely enough many Members will not vote to override the veto to raising the minimum wage. What's going on here? Although many individuals and groups pay lip-service to helping the working poor, their real interests lie elsewhere.

Let's take a look at a key group opposing H.R. 2. They call themselves the minimum wage coalition to save jobs. A noble sounding name. But is this group primarily interested in protecting the jobs of low-wage workers?

No. This coalition is made up of groups like the National Association of Chain Drug Stores, the National Grocers Association, and the United Fruit and Vegetable Growers Association. And of course a leading member of this coalition is the U.S. Chamber of Commerce, a group not known for its aggressive support for American workers.

Of course groups can call themselves whatever they want and we Members can use whatever rhetoric we wish. But let's not fool ourselves. What counts is how we vote.

A vote against raising the minimum wage is a vote that will hurt millions of the working poor. A vote against the bill will mean retaining a low standard of living for workers. It will mean an increase in the number of working Americans who are homeless. However, a vote to override the veto is a vote for working Americans on the low scale.

I urge my colleagues to support working Americans and to vote to override the President's veto.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Speaker, there has been a lot of talk about ethics in this institution lately. Most of the talk deals with questions of personal matters—betrayals of personal trust, putting ourselves in conflict-of-interest situations, or formally violating the rules of the House.

But perhaps an even more important issue is the ethics of public policy—having the courage to take a stand on matters of principle—refusing to propagandize the American public with cliches—playing the populist rather than the true legislator. One Member of this body was quoted in a national magazine a few weeks ago, saying: "Members check their spines at the door when they come to vote."

For far too long, the minimum wage issue has been surrounded by cheap rhetoric which frustrates, rather than facilitates, addressing the problems of our working poor. And I suggest that it is good example of an ethics issue. Do we play to the crowd, or do we develop innovative public policy which truly addresses the problems of this population?

We have more people working in America than at any other time in our Nation's history. We enjoy the longest and greatest economic expansion in the history of the Nation. The purpose of minimum wage legislation is to protect workers from falling wages—not to drive them up by legislative fiat. And our present economy is such that the smallest proportion of the American work force in history is presently at the minimum wage.

Less than four-tenths of 1 percent of the American work force consists of heads-of-households working full time at the minimum wage who are the sole source of income for family units. Why not target those households with earned income tax credits if our purpose is truly to assist the working poor? The reason, of course, is an ethical lapse by the majority—an ethical lapse which deliberately misstates the true intent of this legislation. And if truth-telling is an ethical standard, then those who speak otherwise had better examine themselves.

Our urban areas face unemployment rates of upwards to 40 percent—even 50 percent—among minority youth. The Conference of Black Mayors has called for innovative solutions to this problem such as establishing training wages to help these young people enter the work force, rather than merely further pricing them out of the job market. If truthfulness is an issue in this debate, we will all acknowledge that increasing the costs of employing marginally employable individuals is counterproductive public policy.

Yes, Mr. Speaker, we have an ethics crisis in the House. A crisis of truthfulness. A crisis of substituting rhetorical prevarications for sound public policy. And shortly we'll see which Members "check their spines" when they enter the doors to this Chamber.

Mr. HAWKINS. Mr. Speaker, may I inquire as to the time remaining on both sides?

The SPEAKER. The gentleman from California [Mr. HAWKINS] has 9 minutes remaining and the gentleman from Pennsylvania [Mr. GOODLING] has 14 minutes remaining.

Mr. HAWKINS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I have heard a great deal of talk here today about the minimum wage, but I would suggest to my colleagues that any Member opposing the raise in the minimum wage should first try to live on it.

I would also like to say that I believe these facts truly speak for themselves. A person who works full time today, 40 hours per week at $3.35 an hour makes $6,970 a year, which is about $4,630 below the poverty level for a family of four.

Mr. Speaker, the sad fact is that in communities such as mine, the minimum wage is the maximum wage. If I thought for 1 second my colleagues on the other side of the aisle were right in opposing this and that we would be losing jobs, I am not here to lose jobs, I am here to gain jobs.

I would ask my colleagues in this particular instance to override the veto. It is extremely important because the mimimum wage is the maximum wage.

□ 1630

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, in one sense it is gratifying that we have the President's veto message on the floor. If he had waited as long to veto the bill as the Congress waited to send it to him—just to take advantage of the political climate—we'd be doing this in August.

It is another example of the lack of respect for process we have in this institution.

I am not going to surprise anyone by declaring myself in support of the veto, I, of course, will vote to sustain.

In years past, I suspect I would not have been so comfortable in this position. In years past, I suspect another President would have said no to any increase in the minimum, with good solid economic arguments to back him up.

Inevitably, that would leave us with an argument between the still, small voice of economic reality and the loud, shrill voice of populist appeals.

Guess which voice was heard—and heeded—in the House?

But President Bush did not reject a raise in the minimum. Nor did he sidestep the issue. He took a position—a very credible and honest position—and he stuck to it, while the Congress played politics.

The President's position on increasing the minimum wage to $4.25 per hour over 3 years with a permanent training wage made good sense, it made good policy, but it apparently didn't make good enough political sense to satisfy the climate around here.

The President's plan is good. It is responsible. It is humane, not only because it provides an increase, but because it rejects the kind of excessive increase which will take job opportunities away from those who need them the most.

Our economic formula has worked wonders now for 6 straight years. The number of workers earning the minimum has been cut practically in half. We have created 20 million new jobs.

This is not the time to bid up benefits for no other reason than to prove one faction is kinder and gentler than the other. I would urge members to

support the President and sustain his veto.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. FORD], a member of the committee.

Mr. FORD of Michigan. Mr. Speaker, as Yogi Berra used to say, it looks like deja vu all over again.

In my 25 years in the House I have heard all the arguments that we are hearing today each time that the Fair Labor Standards Act has been on the floor for revision. But it goes back even further than that.

I came to this Chamber for the first time in my life as the president of my eighth-grade class in 1940. We were right in that corner of the gallery up there with the class, and when the guards left with the class I stayed.

I broke the rules and stayed behind because the debate that was on the floor in 1940 was an attempt, the first attempt, to raise the 5-cents minimum wage 2 years after it was passed in 1938.

I want to invite anybody to look at the record of that debate in 1940 and then look at the record of today's debate and see if you can see here one original thought coming from our friends on the Republican side.

When they get in an uncomfortable position, it is now the custom, as the minority leader just demonstrated, to begin screaming about the process. "Let's don't talk about the merits of the issue, let's talk about that process."

Now what my Republican friends are uncomfortable with is that through the entire history from the first minimum wage bill through every adjustment a majority of the Members of the party on that side, the Republicans, have voted against the minimum wage in the first instance and against any increase; and a majority of Members on this side, the Democratic Party, have voted for it.

It is the most clearly identifiable issue upon which a majority of the two parties have disagreed over and over, over the years. It does not matter who the President is, it does not matter which party he is from; you look at the rollcall votes for every time that this legislation has been on the floor, from the very first time in 1938, and you will see a very clear pattern.

If I were sitting in a party with that kind of a sorry record when it comes to paying for a simple minimum to the people at the bottom on the economic ladder, I would be worrying about something other than the issues too.

I guess the new refuge of scoundrels is procedure.

Mr. Speaker, I was shocked by President Bush's veto of the minimum wage bill. I believed that the President cared about the working poor. I believed his pledge to work for a kinder and gentler America. I believed that he would respond to our compromise in a similar spirit of compromise.

But I was wrong.

Mr. Bush's veto was not the act of a President who cares, of a President who represents all of the people. It was the callous act of a millionaire who is completely out of touch with the working people of America, and especially the working poor.

The bill the President vetoed was nothing radical. It was not inflationary. Frankly, it was a compromise so watered-down that it would still have left the working poor in a losing struggle to make ends meet.

But the President says it goes too far. An additional 30 cent raise 2 years from now that would leave a minimum wage earner 25 percent below the poverty line is too much for the President. For 30 cents he would condemn them to grinding poverty and despair.

Minimum wage workers have not had a raise in almost 9 years. They pay 1989 prices with 1981 wages, which were barely enough 9 years ago. They raise their families on a total income of $6,900 a year. President Bush makes 30 times that much on his salary alone. Is it any wonder he doesn't understand their needs?

President Bush condemns the minimum wage bill because it does not allow employers to pay a subminimum wage to all new hires for 6 months—regardless of their age, skill, or experience. He claims that thousands of jobs will be lost if we don't enact such a subpoverty subminimum. The President has gotten unbelievably bad advice.

We have had a minimum wage for more than 50 years without a subminimum like this. And yet our economy has created more jobs than any other in the world. Why now, after 50 years, do we need a special subpoverty wage? The answer is simple: We don't need it.

President Bush says raising the minimum wage to $4.55 over 3 years would be inflationary. What an insult to the American people. A raise to $4.55 today would still leave minimum wage earners behind the last 8½ years' inflation.

My voters have heard that kind of baloney before, and they don't buy it. When the Republicans tried to eliminate Social Security cost-of-living increases because they were inflationary, my voters and people like them around the Nation rose up in protest. I predict they will rise up again against this outrageous veto.

I surveyed the people I represent recently, and 80 percent of them support a $4.65 an hour minimum wage. Many of those who oppose that level do so because it is too low. National polls show the same thing: The people of our Nation believe in the dignity and value of work. They know that no one's work is worth less than $4.55 an hour and that no one can support a family on less than that.

They want the minimum wage to be a decent wage, a living wage.

Finally, Mr. Speaker, let me respond to the fiction that a $4.55 minimum wage will burden small business. It simply isn't true. Mom and Pop stores aren't covered by the bill. If you aren't in business in interstate commerce or don't have sales in excess of $500,000 a year, the Federal law simply doesn't apply.

We should override this veto.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Speaker and Members of the House, during most of the time that I have served in Congress I have had the privilege of serving on the Committee on Education and Labor. This issue keeps coming up and vexing the members of our committee.

Why is it? Because this issue presents us with the Hobson's choice.

We know, for example, under the proposal that is before us today we have the option of raising the minimum wage in order to help individuals theoretically. But at the same time we know that puts 600,000 out of work. On the other hand, if we keep those 600,000 working then we do not raise the wages, the take-home pay for those who need assistance.

I believe as a result we need some thinking, some new thinking, and I believe that the veto the President has sent this way gives us an opportunity for some new thought.

I wish the gentleman from Michigan [Mr. FORD] who was just here would listen to what we have to say because he suggested we did not have new thoughts today. I think many of us are trying to offer some new thoughts to prevent us from again having to go through this battle which does not really offer any really good choices for anybody.

We are attempting to come up with a measure that does offer a better choice.

Under the leadership of my friend, the gentleman from Pennsylvania [Mr. GOODLING], many of us today are offering legislation which provides a living wage for the working people of our country. Instead of having to choose between higher wages, higher take-home pay and lost jobs, instead we say, "Let us keep the jobs but increase the take-home pay by using the earned income tax credit as a device." This means over $1 an hour in take-home pay of an individual who has two children and up to $2 an hour more for an individual with four children.

That is real money in their pockets without risking their jobs.

When we risk those 600,000 jobs, understand it is the most fragile of our workers who are pushed out of the job market. Those are the ones we should be trying to help. The living wage does that.

Mr. HAWKINS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in support of the veto override.

Mr. Speaker, for small change, the President is shortchanging the American worker.

VOL 135 PT 9 JE 14 — 22 1989 UMI

President Bush has chosen to veto the minimum wage over 30 cents—roughly the cost of a phone call.

A worker who earns a salary at the minimum wage will make roughly $7,000, 30 percent below the recognized poverty level for a family of three. Two-thirds of all hourly workers paid the minimum or slightly higher are women. Today, women head more than 10 million American families. We must recognize the significance of this situation. Working women must be given legitimate opportunities to fully support their families.

The U.S. Conference of Mayors estimated that last year 22 percent of homeless people in the United States held jobs. In some cities more than half of the homeless population hold paying jobs. The largest increase in homelessness has been among the working poor. These are people who are striving to earn a living which would enable them to house themselves.

It has been 8 long years since the minimum wage was last increased, since that time the actual purchasing power of the wage has fallen over 27 percent. How can we ignore the needs of the working poor in this country?

I urge my colleagues to support the motion to override the President's veto of this important legislation. We cannot allow the President to play political games with the welfare of the American worker.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Speaker, today I am extremely disappointed that President Bush has yielded to the business community to the extent that he had, forgetting the millions and millions of people in this country who are living on low incomes.

Thirty cents an hour, 10 cents an hour for 3 years, how can anybody be so callous as to vote against that meager income?

My friends, there are 38 million Americans in this country who do not have any health insurance whatsoever. We are not talking about people who are not working, that are down at the bottom; they have Medicaid; we are not talking about senior citizens; they have Medicare; we are not talking about the great corporate executives; also high-income earners.

They all have the buck and they can buy their health insurance.

We are talking about 25 million Americans who are working in low-income jobs that cannot afford health insurance. We are talking about 13 million children, children, mind you, who do not have health insurance.

□ 1640

I have heard it said that it is going to raise inflation. That is ridiculous. There has not been an increase in the minimum wage since 1981, and the inflation has increased since that time over 30 percent. So the minimum wage today, based on the 1981 dollar, is only worth about $2.50.

I heard it would increase crime. Crime, let me say something about that. Today, when a child comes home, who does he come home to? There are two parents working in a family, with one job each or maybe two jobs. They do not get home to see their kids. They leave them to someone or they go home by themselves, and sit in front of a television and watch all the sex and crime and shooting that is going on. They go to the streets. There is plenty of crime out there. There are drugs on the streets. Members will tell me that this is going to increase crime. I think it is a disgrace. These people have very little to look forward to. I say that those Members who vote against this can go home to their $150,000 or $200,000 or $300,000 homes and enjoy the finer things in life, but think of the downtrodden. Let Members give them a break, and let Members give them a raise.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. McEWEN].

Mr. McEWEN. I think it is vitally important we give the poor and the minority and unskilled a break. As you know, during the end of the last decade we were losing jobs at the rate of 50,000 a week. People who wanted to hire folks had to build plants in Mexico and Brazil, but in the last months we have created 300,000 jobs a month for all this time, and now we want to say we want to put a stop to that.

This bill does not increase the pay for anyone. This bill says if a person is unskilled, or a minority, or poor, and they want to look for a job, and the company does not have the wherewithal, they only have three or four employees and want to hire a person, the Federal Government comes in and says they cannot hire that person. That is a mean and vicious thing to do.

In my district, two miles from my home, they have a factory where these mentally handicapped people fix the pumps used by Procter & Gamble. They used to do that in Mexico, because they could not afford to do it in the United States in the 1970's, but because we were able to encourage them to hire these handicapped, unskilled workers, now they have a factory, and they have employment. Under this bill, they would close that factory tomorrow.

That is far too mean and vicious a thing for this country to be doing. I urge the support of the President's veto.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Speaker, I thank the gentleman for yielding time to me.

I do not know if I can add anything to the arguments here. I am not sure that many Members are listening. As I understand the argument from the opposition, they are talking about trying to help the poor who support families, as though the minimum wage increase is an antipoverty weapon in that regard. That I would say is the No. 1 fiction that I would like to just briefly talk about.

There are about 3 million, I think, people on minimum wage now. As of this year, most are young, part time, not poor; 93, 94 percent have no families that they are supporting whatsoever. In fact, in going to the restaurant industry, 1 million of the 3 million are in the restaurant industry. A great proportion of them are operating on tips. I have a friend in Washington, DC, I mentioned this before, who makes $25,000 per year as a waiter, for instance. Not all, of course, are making that kind of money, but the point is that throughout this country we are really supporting a fiction when we say there are 3 million people on minimum wage. We go into the commissions, for instance, earned by people in sales, and there, again, they are listed as part of the minimum wage group, but they are not making minimum wage.

However, there is a nonfiction that is very, very true. It has been mentioned here. I will mention it again. All economists agree, and there are hardly any two economists that agree on much of anything else, they all agree that there are going to be two effects, for sure; one, there is going to be lost jobs, and by the way, the CBO, Mr. Greenspan from the Federal Reserve, DOL, editors of our major newspapers agree with this, there will be lost jobs, anywhere from 125,000 to 600,000. Who is the first to go? Of course, the most disadvantaged, the handicapped, the people who are on the bottom rung of the totem pole which was referred to. The other guarantee, nonfiction that Members can count on, is the fact that we are going to have more inflation. Collective bargaining agreements are tied either literally or in effect to what the minimum wage is. I think we should look to what the gentleman from Wisconsin [Mr. PETRI] is talking about, we should target the kind of aid we will give to the people who are working and supporting families. We do that, we are accomplishing something, we are doing something new for a change.

The SPEAKER pro tempore. (Mr. PERKINS). The Chair will announce that the gentleman from California [Mr. HAWKINS] has 4 minutes remaining, as well as the right to close debate, and the gentleman from Pennsylvania [Mr. GOODLING] has 7 minutes remaining.

Mr. HAWKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, I rise in support of overriding the veto. I congratulate the committee.

Mr. Speaker, I rise in support of this proposed minimum wage. In opposition by others, it has been urged that there are better ways to help the poor. I see that as a tactic to defeat this meritorious legislation. If there are other things that can be done to help those of low income those things should also be done, and not used as an excuse not to pass this legislation. I believe we should override the veto and then do whatever else also needs to be done. This is a modest proposal and we ought to pass it.

Mr. HAWKINS. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the chairman for yielding time to me. My friend, the gentleman from Michigan [Mr. FORD], who has been here much longer than I, perhaps said it better. The arguments have not changed. In 1938 when we adopted the minimum wage, 60 percent of the President's party opposed that. Although I have not read the RECORD, I am sure that all the arguments that are now being used were used then. Eighty-six percent of my party support the minimum wage. Of course, if we depress wages, perhaps we could be more competitive with the Mexicans, on the backs of workers in this country. However, I do not think that is what this country believes in, and in fact, the overwhelming majority of Americans believe that 8 years is enough to not raise the pay of those at the very lowest rung on the economic ladder who are doing exactly what we want them to do, and that is work. We ought to ensure, as we did in 1988, that when they do so, they receive a minimum level, a fair but certainly not generous wage. Let Members override the President's veto.

Mr. GOODLING. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont [Mr. SMITH].

Mr. SMITH of Vermont. Mr. Speaker, I rise to address myself to the value of the so-called living wage concept that we have been presenting. I would say with due respect to the gentleman from Florida who just addressed this Chamber, that the arguments have changed. They have changed powerfully, in favor of a new idea. It is an idea that was put forward by our side of the aisle, and now is taking hold with other people on the other side of the aisle.

The real question before this body and before this Chamber today is whether we will wipe the film from our eyes and whether we will show courage and the confidence, straightout guts, to look at some new ideas and say to people in ways that have not been said before, "You do not have to stay on welfare, we will not stack the deck against you. We will encourage you to be productive and we will be with you as you walk those steps from dependency to independence. We will be with you every step of the way in the best tradition of this country."

I had someone say to me the other day when I was back in Vermont and we were talking about the question of how this country, the national policy, supports people at the low wage end of the scale, and there was no disagreement that we had to do things differently. We had to do things better. We had to do more. What this man said to me was, "Is this the best we can do?" I said, "No, it is not the best we can do. What we have to understand is that one size fits all is no longer a policy that will work in a country whose very strength is its diversity." Nor can we allow diversity and discussion in the name of diversity allow Members to back away from the commitments to the poor, the commitments to the working poor, the commitments to those families that this society rightfully and must retain. I would say the living wage concept put forward by the gentleman from Wisconsin [Mr. PETRI] and others, as we will put forward later on with the leadership of the gentleman from Pennsylvania [Mr. GOODLING], has changed playing fields, has changed the arguments, and changed them in favor, powerfully, of the working poor of this country.

□ 1650

Mr. GOODLING. Mr. Speaker, I yield our remaining time to the gentleman from Iowa [Mr. GRANDY].

The SPEAKER pro tempore (Mr. PERKINS). The gentleman from Iowa [Mr. GRANDY] is recognized for 5 minutes.

Mr. GRANDY. Mr. Speaker, I thank the gentleman for yielding this time to me, and let me say that I hope that at least for our side I am not closing the debate today as much as opening negotiations, because by sustaining the President's veto today we can either begin a comprehensive battle plan against a war on poverty or we can slug it out in a series of little individual skirmishes about 6-month training wages versus 2-month training wages, 30-cents increases, and relative job losses.

We can read the President's veto a couple of ways, Mr. Speaker, we can say, as some maintain, that this is a defiant manifesto against the working men and women of America, a flat refusal to raise their wages, or we can say that it is a modest approach, a proposal to enhance their income while protecting their jobs. What we are trying to do is to ensure that the underprivileged do not become the underskilled and an automatic underclass in this society. That is the interpretation I like. I perfer the latter view, Mr. Speaker.

But a month ago, Congress rejected the President's offer, and a day ago he rejected our offer to him. So we are even. Today we can break the tie. We can sustain the President's veto, and the minimum wage will still be $3.35.

So the question that I have to ask my colleagues on both sides of the aisle is this: What are we going to do tomorrow? What is the next step? Again, if we read the President's veto message and get beyond the veto statement, there is more reconciliation in his remarks than there is repudiation. He asks us to move forward with a new strategy which combines wage increases for the poor with new initiatives for job training, for education, and for child care credits.

He says this on page 3 after he talks about the veto:

> If the Congress remains unwilling to support this job-saving approach, I am prepared to examine with the Congress, within the confines of our fiscal limitations, changes in the Earned Income Tax Credit, which could better help the heads of low-income households.

Does this sound like somebody who does not want to negotiate, somebody who is more concerned with raising his own pay than the wages of working men and women?

I hope that after we sustain the President's veto, Mr. Speaker, we can work together on a living wage. The gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Wisconsin [Mr. PETRI] have forged a new approach, combining what works in the President's proposal with what works in the earned income tax credit, and it contains a compromise. We offer a 4-month training wage, going half the distance from what the Democrats have offered and half the distance from what the President has offered. This proposal effectively raises the minimum wage to $6, higher than any bid on the table, by extending the maximum credit of $3,850 to the working poor family with four preschool children.

And it does more. It says to college students who depend on minimum wage jobs that they will have a chance to continue employment under the Living Wage Act because employers will be able to continue the part-time arrangements with the training wage. And the training wage, under the Living Wage Act, offers an opportunity for welfare recipients to get that first job, giving them the skills they need to get off welfare and earn valuable work skills.

Mr. Speaker, like any good compromise, this proposal has something to offend everyone. Conservatives will not like it because they will say it is too much. They will say we are offering a minimum wage increase and an earned income tax proposal, and that that is too much. And liberals will not like it because we still have a 4-month

training wage. And I am not sure the administration is going to be crazy about it because it is going to cost some money, and we are indexing it to inflation.

But surely, Mr. Speaker, after we get through the political business of today and we talk about what we are going to with the policy of tomorrow, there is something in these proposals that Republicans and Democrats can come together on. Surely there is something in here that the American working man and woman can live with, and that is supposedly what we are concerned about with this legislation.

So, Mr. Speaker, I ask my colleagues today to sustain the minimum wage, to sustain the President's veto, and get beyond the old minimum wage of yesterday and embrace the new living wage of tomorrow. That is the new policy. That is how this differs from every argument since 1938.

Mr. Speaker, I hope that the Members are listening because I know their constituents are.

The SPEAKER pro tempore. The time of the gentleman from Iowa [Mr. GRANDY] has expired.

Mr. HAWKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Speaker, I rise in strong support of the motion to override the President's veto of H.R. 2, the Fair Labor Standards Amendments Act.

There is a saying that "justice delayed is justice denied." How true that is. It has been 8 long years since the last increase in the minimum wage was put into effect. Since that time the cost of living has risen more than 30 percent. As a consequence, in today's dollars, the current minimum wage is worth only $2.56. This is the lowest level relative to other wages in the private economy since 1949.

The case for increasing the minimum wage is urgent and compelling. Opponents of this legislation would have us believe that the minimum wage should not be raised because most people who earn it are teenagers. However, the facts are that only about one-fourth of minimum wage workers are teenagers. Two-thirds of them are women, nearly 7 million are full-time workers and nearly 4 million are heads of households.

Plant layoffs and closings have driven millions of Americans throughout this country into low-paying service jobs. The depressed minimum wage drags down the income of these workers and their families, as well as the wages of all other workers.

It has been implied here that the National Conference of Black Mayors opposes increasing the minimum wage.

This is not true.

At their June 1988 convention, the National Conference of Black Mayors actually endorsed increasing the minimum wage to a higher level than this bill contains.

Increasing the minimum wage to a liveable wage is one of the most important legislative issues facing this country. The fundamental premise of raising the minimum wage is that it should be a living wage. No one who works for a living should be condemned to a life in poverty.

Today, over 6.5 million workers earn the minimum wage or less. Another 5 million workers, whose wages move in-step with the minimum wage earn no more than $0.50 above the minimum wage rates. This means that about 11.5 million workers or 10.5 percent of the labor force.

A decent minimun wage would go a long way in helping the 7 million full-time minimum wage workers, including the more than 2 million families in poverty families to climb out of poverty.

Mr. Speaker, minimum wage workers represent a broad spectrum of American society and include many Americans who are supporting families and trying to achieve economic self-sufficiency. Adults account for 70 percent of the 6.5 million minimum wage workers with heads of households or married women who work out of economic necessity accounts for over 45 percent of the minimum wage workers. One in four minimum wage workers lives in poverty compared to just 8 percent of all workers.

More importantly, simple justice and equity require us to raise the minimum wage to a fair level. H.R. 2 is a carefully drafted bill, guided by the principals of fairness, simple justice, and equity. Today, let us begin to raise millions of Americans out of poverty into economic opportunity and dignity. Basic human rights and economic survival are at stake. Economic justice must no longer be delayed or denied.

NATIONAL CONFERENCE OF BLACK MAYORS, INC.

RESOLUTION 18—INCREASE IN MINIMUM WAGE

Whereas, according to the Bureau of Labor Statistics, 6.7 percent of the United States work force or an estimated 7.4 million people were paid at or below minimum wage in 1986; and

Whereas, the federal government estimates that from nine to fifteen percent of all minimum wage earners are heads of households; and

Whereas, the 1986 povery threshold for a family of three was $8,741 annually while a year's income on minimum wage is only $6,968; and

Whereas, inflation has eroded the buying power of the $3.35-an-hour wage by 28 percent since 1981; and

Whereas, ten states already have passed legislation to raise their minimum wage; and

Whereas, the current minimum wage presents little incentive as an alternative to welfare and public aid; and

Whereas, Congress is considering an increase in the minimum wage to either $4.65 an hour (S. 837) or to $5.05 an hour (H.R. 1834) over the next four years.

Now, therefore be it resolved, that the National Conference of Black Mayors, Inc. supports an increase in the minimum wage to at least $4.65 an hour by 1992.

Mr. HAWKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Speaker, I rise in support of the override of the Presidential veto.

Mr. HAWKINS. Mr. Speaker, I yield our remaining time to the gentleman from Montana [Mr. WILLIAMS], a member of the committee.

The SPEAKER pro tempore. The gentleman from Montana [Mr. WILLIAMS] is recognized for 3 minutes to close debate.

Mr. WILLIAMS. Mr. Speaker, let me say to my colleagues that like many of us, I read the President's veto message. I read it three times. One thing stood out each time I read it, and that was that the President in that message said that the increase asked for in this bill is excessive. He said that the three dimes, the 30 cents, is excessive.

He said that while he was flying at 30,000 feet in Air Force One above America's low-income workers. He said it is excessive. He did not say that to us in the Congress; he said it to the 15 million working Americans who earn less than this bill would give them. He says it is excessive to give them what this bill provides, a measly $4.55 an hour, three dimes more than he wants. He says that from Air Force One.

There are 5 million Americans who now work at the minimum wage. To give them the modest increase envisioned in this bill, this kind and gentle President, riding 30,000 feet above the working crowds of America, he says, is excessive.

This summer there will be 1,500,000 teenagers working at the minimum wage. Now, their employers tell them that that is all they are worth, and maybe their employers are correct. But I know some of these teenagers, as we all do. They turn the key in the lock on the door in the morning and open up the place. Some of them keep the books for the little store. They let them lock up at night. Some of them are there alone, and we have found that they have been endangered in these thrifty supermarket stores.

The President says that to give them what is provided in this bill would be excessive. I guess America's teenagers are not worth it, in the mind of this fellow who is flying 30,000 feet above the crowd in Air Force One and writing that such a rate would be excessive.

There are 650,000 people right now who are heads of households working at the minimum wage. Let us look at it this way. A head of a household with a family at home to support, a family of three, working every day, never missing a shift, never taking a day off, at the end of the year makes a third less than what they need to get out of poverty.

Is that excessive? Well, maybe for someone who made millions in the oil business and now flies in Air Force One, it is excessive, but to the vast bulk of Americans, a decent wage for a good day's work is not excessive.

Mr. Speaker, I urge the Members of this House on both sides to reject this mean and angry talk about how

paying America's workers an extra 30 cents would be excessive. I urge the Members to vote to override the President's veto.

Mr. FAZIO. Mr. Speaker, I rise today in strong support of the veto override of the minimum wage bill. This legislation demands our support to ensure economic equity for low-wage workers.

The 1938 Fair Labor Standards Act established the minimum wage as a commitment to the American belief that hard work deserves adequate compensation. It was intended to ensure that every worker would be paid enough to achieve a decent standard of living.

Unfortunately, we have failed to live up to that commitment. The last time Congress approved an increase in the minimum wage was in 1977 with the final step increase going into effect in 1981. Today the minimum wage remains at the 1981 level of $3.35 per hour. Yet since that time, the purchasing power of the minimum wage has decreased by more than 30 percent. In 1981 dollars, its purchasing power is worth only $2.46. Had it kept pace with inflation, the minimum wage would now stand at $4.57 per hour.

Further, during the 1960's and 1970's, a person who worked full-time at a minimum wage job could earn slightly more than the amount required to keep a family of three out of poverty. Today, however, the same worker makes only $6,968 per year which is significantly below the 1988 poverty line of $10,060 per year for a family of three.

We must maintain our commitment to economic justice for America's workers by supporting the veto override. We must send a strong signal to the administration and the American public that we value these workers and their role in American society. I urge my colleagues to support the veto override.

Mr. HOUGHTON. Mr. Speaker, in the great debate over the minimum wage currently consuming this city, one fact is quite well camouflaged. Raising the minimum wage does not help the working poor the way we think it will.

Minimum wage earners make up less than 4 percent of our national workforce. Many are young, they are single, or come from double income households. Of the 20 million Americans of working age who live in poverty, only about 335,000 households earn the minimum wage. So by beating the drums and concentrating our efforts on two words—minimum wage—we avoid the real problem. We leave the bulk of deprived Americans still looking for help.

What I'd like to do is to try to untangle ourselves from the presently tightly focused minimum wage picture and look at another approach—one championed by my colleague and friend TOM PETRI, of Wisconsin. This approach is called EITC—or—the Earned Income Tax Credit. What this would do is allow disadvantaged families earning approximately the minimum wage level to receive a tax credit. What do I mean by this? With someone earning up to $8,000 annually, he or she would be eligible for a base tax credit of $1,050. In addition, they would be allowed a credit of $700 per preschool child and $350 per school-age child for as many as four children, to make child care just a little bit easier.

There are many approaches to this problem of poverty—and help for those who need help. Personally, I think going the EITC route is a fair way to look at the condition we somehow seem to avoid in all our talk on minimum wage. Should the minimum wage be raised—yes, but not to the point of jeopardizing the job producers. If we are serious about helping the working poor there is another way. This is what Congress must concentrate on, this is what the Petri approach does.

By concentrating solely on the pure minimum wage approach—even the highest estimates—we ignore the fact that it is still far out of line with welfare payments. What EITC does is push aid to the less fortunate in a way that frankly provides support for those who choose to work rather than those who don't. The line between welfare and work is often harsh, particularly for those who suddenly find themselves only a few dollars over the assistance level. What happens? Once over that income limit, they lose many valuable benefits. For most, it is too high a price to pay. This is where the EITC comes in. EITC will provide those who wish to work, but who hover near poverty, with an incentive to keep trying. The tax credit will provide them with enough extra so that there will be an incentive to jump from Federal assistance to employment.

There will be a cost. Some estimate that an earned income tax credit could cost the Government in the neighborhood of $7 billion. I question this, and I'll tell you why. If Congress were to repeal the dependent care tax credit, substituting the child care tax credit included in the earned income tax credit proposal, we would immediately save several billion dollars. Those dollars could be funneled toward the lower income families. The result would be a tax credit costing the Government far less—maybe nothing at all. In the long run a boost such as this has to have its positive side effects on all sorts of Federal programs. I've got to believe that a reduction in the number of welfare recipients, combined with the taxes generated by those who use the EITC to move up and out of poverty, would make the program self-sufficient.

The Congress needs to consider this idea, and there is no time like the present. This is why I've decided to cosponsor the Family Living Wage Act with BILL GOODLING and TOM PETRI. It is innovative, straightforward, uncomplicated and, best of all, it gets to the heart of the real problem.

Mr. FLORIO. Mr. Speaker, yesterday the President vetoed legislation approving a modest increase in the minimum wage. Today, I rise to urge all my colleagues to join me in voting to override that veto.

During his campaign, President Bush promised to make America a kinder, gentler nation. But his action yesterday was neither kind or gentle to millions of hardworking men and women for whom earning a living is a daily struggle.

It has been 8 long years since the last increase in the minimum wage. Since that time, inflation has eaten away at the value of that wage, so that the current minimum wage of $3.35 an hour is only 35 percent of the average wage in this Nation, not nearly enough to raise a family out of poverty.

Mr. Speaker, the majority of minimum wage workers are adults; most are women and minorities. Many are single heads of household, struggling to raise families. These are the people we call the working poor, men and women who, in the richest nation in the world, are condemned to living a life of poverty.

We in Congress have the power to change that. We have the power to ensure that every single working person earns a decent wage, a wage that will allow them to live with dignity and financial security. And we can do this simply by casting our votes to override the President's veto.

Too much time has passed; the workers of this Nation cannot wait any longer. Congress must act today. I hope that my colleagues will vote with me to override the President's veto, and bring fairness back to the lives of our Nation's workers.

Mr. MINETA. Mr. Speaker, when the President vetoed the minimum wage bill yesterday, he disappointed the vast majority of the American people.

Most Americans believe that the increase in the minimum wage approved by Congress is long overdue. For too long, the minimum wage has remained stagnant while inflation has eroded its value and undercut the buying power of millions of hard working people.

In years past, a working man or woman earning the minimum wage could support a family. But today, that same working man or woman cannot even support themselves on a minimum wage income.

The minimum wage has not been raised since 1981, when it was set at $3.35. If the minimum wage had just kept pace with inflation since then, the wage today would be $4.68. That means that the real incomes of minimum wage workers have been slashed by nearly 30 percent in the last 8 years.

Unfortunately, the President's advisors seem to believe that scoring political points is more important than underscoring our commitment to America's working poor.

Mr. Speaker, I urge my colleagues to act out of fairness and decency and override the President's veto. Let us restore a measure of economic dignity to millions of American workers.

Mr. WEISS. Mr. Speaker, I rise today in strong favor of overriding President Bush's veto of legislation to increase the minimum wage.

It is confusing, to say the least, to try to follow the President's position on the minimum wage. Candidate George Bush claimed, with great fanfare during his campaign, that he indeed supported raising the minimum wage. This, we all remember, was part of candidate Bush's "Kinder, gentler" pitch to the American people. Clearly, George Bush understood that the overwhelming majority of Americans supported an increase in the minimum wage as it had not been raised since 1981 and its real value over that period had declined by one-third.

The bill being voted on today is a modest, compromise approach to the problems facing low-income workers. In fact, the House and Senate leadership accepted President Bush's idea of a subminimum training wage as part of their effort to mold a bipartisan package. In

addition, the House dropped a provision, which I supported, which would have indexed the minimum wage to 50 percent of the average wage. Further, the original House version of H.R. 2 would have raised the minimum wage to $4.65. This rate was reduced as part of the attempt to accommodate the President.

Now the President has decided that despite the honest and good faith attempts by Congress of fashion a bill which is moderate and incorporates major components of the administration's minimum wage plan, that he will not support any bill which raises the minimum wage over $4.25. The President says that any increase over this level will cost jobs.

This is peculiar logic. If the President believes that increasing the minimum wage will cost jobs, then he should not support any increase. There is no law of economics which says that the minimum wage can increase to $4.25 but after that, it will have a negative impact on the economy. The President is advocating an increase of $0.90 in the minimum wage. What effect will this have on the economy?

Mr. Speaker, the President cannot have it both ways. Either he believe that raising the minimum wage will cost jobs or he doesn't. He can't argue that increasing it to $4.25 won't cost jobs but increasing it to $4.55 will.

The President has decided to play tough with Congress over this issue. This is politics, pure and simple. It is a tragedy that the long-overdue increase for America's lowest paid workers is being held hostage by this kind of political gamesmanship. Congress should end this game. We should override President Bush's veto and restore a decent and fair standard for the minimum wage.

Mr. FAWELL. Mr. Speaker, I do not know if I can add anything to the arguments here. As I understand the arguments put forth by the opposition, they are trying to help the poor who support families, as though the minimum wage increase is a viable antipoverty weapon. That is the number 1 fiction that I would like to talk about.

There are about 3 million people earning minimum wage now. Most of these are young, part-time, not poor, and 93 or 94 percent have no families that they are supporting whatsoever. In fact, about 1 million of the 3 million are employed in the restaurant industry, a great proportion of whom are operating on tips. I have a friend in Washington, DC, who makes $25,000 a year as a waiter, for instance. Of course, not all waiters and waitresses are making that kind of money, but the point is that throughout this country it is really a fiction when we say there are 3 million people on minimum wage. Another example is people in sales who earn commissions. There again, are workers listed as part of the minimum wage group who are making considerably more than the minimum wage.

However, there is a nonfiction that is very, very true. It has been mentioned today and I will mention it again. Although any two economists hardly ever agree on much of anything, all economists agree that there will be two effects from an increase in the minimum wage, for sure: One, there will be lost jobs. The Congressional Budget Office, Mr. Greenspan from the Federal Reserve, the Department of Labor, and editors of our major newspapers agree with this, there will be lost jobs, anywhere from 125,000 to 600,000. Who is the first to go? Of course, the most disadvantaged, the handicapped, the people who are on the bottom rung of the economic ladder.

The other guaranteed nonfiction that we can count on, confirmed by Mr. Greenspan and the others, is that we will cause an increase in inflation. Collective bargaining agreements are tied to what the minimum wage is, either literally or in effect. I think we should look to what the gentleman from Wisconsin, Mr. PETRI, is talking about. We should target the aid we will give to the people who are working and supporting families. If we do that, we are helping the working poor who are supporting families. We are doing something new for a change.

□ 1700

The SPEAKER pro tempore (Mr. PERKINS). All time has expired.

Mr. HAWKINS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 247, nays 178, not voting 8, as follows:

[Roll No. 86]

YEAS—247

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Cardin
Carper
Carr
Clarke
Clay
Clement
Coelho
Coleman (TX)
Conte
Conyers
Costello
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray
Guarini
Hall (OH)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horton
Hoyer
Hughes
Jacobs
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken, Thomas
Machtley
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
McCloskey
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Payne (NJ)
Pease
Pelosi
Perkins
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Richardson
Ridge
Rinaldo
Robinson
Roe
Rose
Rostenkowski
Rowland (CT)
Roybal
Russo
Sabo
Sangmeister
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (VT)
Solarz
Solomon
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Tallon
Tanner
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wright
Wyden
Yates
Yatron

NAYS—178

Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Billey
Broomfield
Brown (CO)
Bunning
Burton
Byron
Callahan
Campbell (CA)
Campbell (CO)
Chandler
Chapman
Clinger
Cobie
Coleman (MO)
Combest
Cooper
Coughlin
Cox
Craig
Crane
Dannemeyer
DeLay
Derrick
DeWine
Dickinson
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
English
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Kasich
Kolbe
Kyl
Lagomarsino
Lancaster
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Lukens, Donald
Madigan
Marlenee
Martin (NY)
Massoli
McCandless
McCollum
McCrery
McCurdy
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parker
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Petri
Porter
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ritter
Roberts
Rogers
Rohrabacher
Roth
Roukema
Rowland (GA)
Saiki
Sarpalius
Saxton
Schaefer
Schiff
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Spence
Spratt
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich

NOT VOTING—8

Buechner
Collins
Courter

Thomas (WY)	Walker	Wylie
Upton	Weber	Young (AK)
Valentine	Whittaker	Young (FL)
Vander Jagt	Whitten	
Vucanovich	Wolf	

NOT VOTING—8

Buechner	Dornan (CA)	Parris
Collins	Hubbard	Weldon
Courter	Laughlin	

□ 1720

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The message and the bill are referred to the Committee on Education and Labor.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

□ 1720

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, the veto of H.R. 2, the bill just considered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

The SPEAKER. Pursuant to House Resolution 173 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 1278.

□ 1722

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, with Mr. KILDEE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes; the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes; the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 10 minutes; the gentleman from Texas [Mr. ARCHER] will be recognized for 10 minutes; the gentleman from Texas [Mr. BROOKS] will be recognized for 10 minutes; the gentleman from Florida [Mr. MCCOLLUM] will be recognized for 10 minutes; the gentleman from Michigan [Mr. CONYERS] will be recognized for 5 minutes; the gentleman from New York [Mr. HORTON] will be recognized for 5 minutes; the gentleman from Massachusetts [Mr. MOAKLEY] will be recognized for 5 minutes; and the gentleman from Tennessee [Mr. QUILLEN] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. PICKLE].

FLAG DAY 1989 SEES NEW BOOK, "THE FLAG OF THE UNITED STATES AND STATE FLAGS, SEALS, AND MOTTOES" UNVEILED BY THE U.S. CAPITOL HISTORICAL SOCIETY

(By unanimous consent, Mr. PICKLE was allowed to speak out of order.)

Mr. PICKLE. Mr. Chairman, a new book on the U.S. flag and State flags, seals, and mottoes, published by the U.S. Capitol Historical Society, was previewed for the first time yesterday in Baltimore, MD.

This is probably the most unique and complete book on the United States flag, since it presents in one concise and inexpensive source information on the National flag, seal, and motto, and the State flags, seals, and mottoes.

This book also has a two-page centerspread of the U.S. flag which assigns the names of the States to the 50 stars in the chronological order in which they were admitted to the Union.

One of the most valuable features is an extensive bibliography on the U.S. flag located in the back of the book.

I encourage you to contact the U.S. Capitol Historical Society for more information about this unique, new book.

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I realize that we are following a very important vote, and the Members are wishing to visit, but I am going to implore my colleagues to pay attention, because the legislation we are about to begin discussion on is the most comprehensive banking legislation that the Congress has had before it, or our Committee on Banking, Finance and Urban Affairs, in 55 years.

Mr. Chairman, the legislation before us is urgent. It is clearly "must" legislation.

None of us are anxious to vote for a bill that carries a price tag that may be measured ultimately in the hundreds of billions of dollars. But, H.R. 1278 offers an opportunity for this Congress and for the Nation—an opportunity to place the financial community on solid footing with a regulatory system that can assure that never again will federally insured institutions be allowed to dig so deeply into the National Treasury.

We have more than the savings and loan industry at stake. Confidence in the entire financial system—and the regulatory machinery—will be at risk if we fail to deal firmly with the crisis before us.

H.R. 1278 is designed to:

First, restore the public's confidence in Federal deposit insurance;

Second, assure that financial institutions, not the insurance funds and the taxpayers, bear the risks;

Third, assure that the Federal Government maintains a no nonsense, tough regulatory system that will stop the high flyers before they get off the ground;

Fourth, assure that the criminals, the incompetents, and the quick-buck artists be removed and kept out of insured financial institutions and that the law violators, responsible for the demise of institutions and losses to the insurance funds, be prosecuted and punished to the full extent of the law; and

Fifth, assure that the savings and loan industry, and the Government instrumentalities which support that industry, return to their primary purposes of providing housing finance, rather than funding for speculative, high-risk ventures.

Mr. Chairman, the pledge that this will not happen again—that we will not revisit the pockets of the taxpayers—depends on this House making hard decisions on who bears the risks. Is it the taxpayers? Or is it the owners and operators of the institutions?

If we vote weak capital standards—with lots of ifs, ands, and buts—we are socking it to the taxpayers one more time. If we vote solid requirements for tangible capital—real money—we will shift the burden from the taxpayers and the insurance fund to the institutions—to the people who own and operate the businesses.

I come from the State of Texas where we know the savings and loan problems firsthand. I know the difficulties. I know the problems of institutions—good institutions—that will have to struggle to meet new capital standards. I do not come here today to make a sanctimonious plea for some tough standard produced in an ivory tower.

I ask my colleagues, rather, to put these institutions on solid ground and to put an end to the hocus-pocus of savings and loans operating on nothing but frothy, air-like capital which cannot be converted to cash.

Two-thirds of the industry can and do meet the 3 percent core capital requirements of the Banking Committee's bill. Others will meet the standards by next year and still others will

be allowed to come up with solid business plans that will be sufficient to gain temporary regulatory forbearance. Hopelessly insolvent institutions—currently draining the insurance funds of $20 to $40 million daily—will not meet the standards. They will be closed and the massive hemorrhaging that is destroying the insurance fund will be halted.

But, for the others there is no automatic closing, the wild propaganda of the industry trade associations notwithstanding. In cases where institutions are viable and have a future, the regulators are given broad discretion in approving exemptions from the capital requirement—except in those cases where the institutions are being operated unlawfully or unsafely.

If we do not vote adequate capital standards, upwards of $1 trillion of assets will be at risk—risks that would be borne by the insurance fund and the taxpayers.

We cannot ask the American taxpayers to pay for the sins of the past and then place all the future risks on their backs as well. My colleagues, the taxpayers will not remain silent if the Congress engages in this shell game.

Much will be said on this floor in the coming hours about goodwill—supervisory goodwill in particular. The committee is aware of the dilemma of those institutions that currently carry goodwill as part of their core capital. The committee also recognizes that goodwill is an intangible that cannot be converted to cash and, thus, provides no cushion against losses. In an effort to deal fairly with those institutions—and to deal fairly with the taxpayers—the committee adopted provisions to phase out supervisory goodwill over 5 years.

It is a fair compromise of a difficult problem. Yet, we still have proposals circulating to allow goodwill to remain on the books forevermore.

The industry is hanging its arguments on the contention that the goodwill provided under so-called supervisory agreements represents ironclad, never to be changed contracts with the Government.

Such an argument suggests that the Congress cannot adjust regulatory standards of any kind in any area—an argument that is not supported by law or common sense. As the Justice Department states in a June 12 letter, it is well settled that it is a valid exercise of Government power to readjust economic burdens and benefits "in a manner rationally related to a legitimate public purpose."

Clearly, the requirement for basic capital standards as contained in H.R. 1278 meets the test of a legitimate public purpose.

Many who argue the case for supervisory goodwill suggest that goodwill was the only benefit that flowed to the institutions from the agreements with the regulators. Most often, the agreements contained lavish tax benefits, regulatory forbearance, branching rights, and other goodies that made the deals very sweet, indeed. The supervisory goodwill often paled beside the other benefits that flowed from the agreements.

The bottom-line fact is that supervisory goodwill is not tangible capital. It protects neither the insurance fund nor the taxpayers. I urge the House to stick with the compromise crafted in the Banking Committee, phasing out supervisory goodwill and replacing it with hard cash-like items.

It would be the height of folly for this House to struggle with these issues and to expend billions of dollars of public moneys without assuring that the resurrected savings and loans serve a public purpose.

The purpose of the Home Loan Bank Act of 1932 was to promote home ownership by assuring the availability of affordable loan financing through the 12 Home Loan Banks.

This public purpose was recognized in the administration's bill. The first purpose listed in the bill submitted by President Bush is "to promote a safe and stable source of affordable housing finance."

The Banking Committee took this stated purpose seriously and included provisons that would require that a small portion of the advances of the Home Loan Banks be set aside for affordable housing.

The committee also included provisions that would give nonprofit organizations and local housing authorities a chance to bid on residential property acquired from failed institutions. The property, rather than being allowed to deteriorate or fall into the hands of speculators, could be used to house low and moderate income families.

These provisions add badly needed public purposes to the legislation. The affordable housing provisions return the Home Loan Banks and the savings and loans to their basic purposes in the housing markets.

The affordable housing provisions not only will help build needed housing but will play a role in dampening the use of Home Loan Bank funds for speculative purposes. In recent years, many of the savings and loans have used advances to engage in high-risk ventures. The Home Loan Bank title assures that housing takes priority over speculative operations. The title serves both housing and the safe operation of thrifts.

In summary, my colleagues, the Banking Committee has reported a solid bill that combines tough regulatory standards, adequate capital, and specific public purposes. I want to commend my colleague, FRANK ANNUNZIO, the chairman of the Financial Institutions Subcommittee, who moved this bill so expeditiously through his subcommittee. While we do not agree on all points with the minority, H.R. 1278 emerged from the committee as a truly bipartisan effort. Much credit must go to our ranking minority member, CHALMERS WYLIE, who worked long and hard to perfect the product. I deeply appreciate the cooperative and responsible manner in which Mr. WYLIE approached the task.

But, it is not just the leadership on the committee. The entire committee, from the senior row down to the newest Members on both sides of the aisle, participated fully in the effort. I am very proud of the manner in which all members of the committee pitched in and spent the long hours on some of the most difficult and complex issues to face the committee in decades.

□ 1740

I also wish to thank the staffs on the respective majority and minority sides. The staffs have worked. There have been periods of time in which they worked over weekends, past midnight, all day on Saturday, half the night on Saturday, and all day on Sunday.

These are efforts we should recognize because it is so little, the opportunity that we have to proclaim the essential effectiveness, the goodness, the efficiency of the members of the committee and the staffs who have been employed and who have been willing to work in behalf of this legislation.

I just end by saying that this was my prepared text, but ultimately no matter which way we weave or wind, every one of us, when we have taken our action, even if it is just offering and registering a vote, ultimately when passion has died down, the captains have departed, and we look back the only question we can answer is: Were we for the people or were we against the people?

It is with this, I think, clearly in mind that I saw a 49-2 vote in a 51-member committee after very hard and arduous debate and markup of the committee. So it is not I, and I say this with no sense of false modesty, but really the membership. I have been a member of this committee the 28 years I have been in the Congress and I have always had nothing but the highest respect and esteem even with those who may be poles apart from the way I think and feel.

So this is a net residue product.

Mr. Chairman, I urge my colleagues to back the committee when we get to the vote on the key issues.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ANNUNZIO] who is not only the ranking member of the full committee but, as I said before, is the chairman of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance.

Mr. ANNUNZIO. Mr. Chairman, I want to express my deep appreciation and gratitude for the accolades Chairman GONZALEZ has paid me today. I enjoyed working on this legislation. I enjoyed my relationship with my old friend, the gentleman from Ohio, Mr. CHALMERS WYLIE. We worked hard. I think we have a good product.

I want to remind the Members of the House that today the House has before it the biggest and most significant piece of banking legislation in quite a number of years. This is not a great bill or a good bill, but it is a necessary bill. It is necessary because of the crisis in the savings and loan industry.

More than 3 months ago, the Financial Institutions Subcommittee, which I chair, held its first hearing on this legislation. We went on to have 6 days of hearings. We heard from 22 witnesses. We had 4 days of subcommittee markup. We considered almost 200 amendments in subcommittee. The full committee then had 4 days of markup. Then the bill was considered by the Ways and Means Committee, the Judiciary Committee, and the Government Operations Committee. More amendments were considered by those committees.

Quite frankly, Mr. Chairman, I do not know if the bill got better or worse the more we worked on it.

The extraordinary activity in the Rules Committee last week, showed just how mixed the reviews of this bill are. Almost 50 Members had over 100 amendments which they wished to be allowed to offer on the floor. How many other bills go to the Rules Committee with so many Members clamoring to amend them? I doubt there are very many.

The stampede to the Rules Committee is strong evidence that this bill leaves much to be desired. It is also evidence that we have been too slow to act on it. It would have been better if we had taken it up on the floor as it came from the subcommittee.

I am not suggesting that the subcommittee version of the bill was perfect. Far from it, but to have brought it to the floor would have saved 2 months of the time.

In the context of the savings and loan bill, time is money, a lot of money. Every day that goes by without a resolution to this crisis costs the American taxpayer $30 million. The 2-month delay since the subcommittee reported the bill has now cost the taxpayers an additional $1.8 billion.

The delay has not resolved any of the issues that we are going to deal with here on the floor. We are still going to vote on whether the funds should be on- or off-budget. We are still going to vote on the appropriate treatment for supervisory goodwill. We are still going to vote on low-income housing provisions.

When the President stood in this Chamber to deliver his State of the Union Address, he asked that we move this bill quickly. The other body acted on April 19. Only one committee in the other body considered the legislation, and that committee disposed of it in a single day.

Had we taken up the subcommittee bill immediately after it was reported to the full committee on April 13, we could have brought the bill to the floor, gone to conference and had a bill on the President's desk by the end of April.

The House is the greatest democratic body in the world. But there comes a point in which democracy begins to border on anarchy. After half a dozen committees and some 500 amendments, I cannot say that we have a better bill. I hope my colleagues on the other side of the aisle keep this bill in mind before complaining about actions to limit debate taken by the House leadership. Oh, we have made changes here and made changes there, but have we made the bill $1.8 billion better? I cannot honestly say that we have.

I want to take just a moment to discuss some of the provisions of this bill.

The bill provides the Federal Deposit Insurance Corporation [FDIC] with much greater powers and responsibilities. I am extremely concerned about this. Quite frankly, I think the FDIC has its hands full with its current responsibilities. Can we really expect an agency which is barely able to keep up with its current workload to be able to handle more work?

The FDIC is not meeting its self-imposed examinations schedules for banks. There are large numbers of banks under the FDIC's supervision that have not been examined in 5 years or more. Last year, the FDIC suffered a loss of $4.2 billion on 200 bank failures. It was the first time in the 55-year history of the FDIC that it has suffered a loss. Already this year, over 90 banks have failed. The FDIC has responsibility for disposing of these failed institutions, as well as examining over 8,000 State-chartered banks.

Even so, we are giving the FDIC more responsibility by shifting the administration of the SAIF savings and loan insurance fund to the FDIC. On top of that, the Resolution Trust Corporation [RTC] is encouraged, under the bill, to contract with the FDIC for liquidation services relating to failing savings and loans.

In the bill we have strengthened capital standards. Savings and loans need to have an adequate amount of capital as a cushion between the insured deposits and the insurance fund. Capital provides the owners with a genuine stake in the institution so that their money is at risk for risky investments they make. Inadequate capital is not a luxury we can afford, and I strongly support high capital standards.

I want to correct, however, some misleading statements that have been made in the media concerning this body and capital standards for savings and loans. This body has been repeatedly portrayed as being in favor of weak capital standards. Some Members of the House have been the target of vicious and unwarranted attacks by being portrayed as stooges and puppets for irresponsible and crooked savings and loan operators. Those charges are most vile smears, and the publishers should be ashamed of themselves for printing them.

The Financial Institutions Subcommittee adopted an amendment which required tougher capital standards a year earlier than the Bush proposal and was promptly criticized for it. The next week, the other body adopted a capital standards amendment similar to the subcommittee's standards. It was praised for it.

There will be one capital amendment offered today that I will support, and that is the Hyde amendment on supervisory goodwill. The amendment is needed because supervisory goodwill is treated unfairly and unjustly by the bill as it has come to the floor. Supervisory goodwill was created at the request of the regulators. It was approved in specific transactions by the regulators. It is recognized as a legitimate item under generally accepted accounting principles.

Let me give an example to show why the bill's treatment of goodwill is so inequitable.

For each of the last 3 years Talman Home Federal, the largest savings and loan in Chicago, has had profits in excess of $20 million. It has made those profits by making very conservative home loans. Its portfolio of nonperforming loans is one-half of 1 percent. In other words, Talman is everything a savings and loan should be—conservative, dedicated to home lending, and profitable.

Yet, under this bill, Talman will be branded a problem savings and loan. The reason is that it has goodwill on its books. This is supervisory goodwill that it acquired when it bought four failing savings and loans at the request of the Federal Government. Every year for the next 30 years, Talman must take $20 million in cash, from its earnings, to write off this supervisory goodwill.

The Hyde amendment will alleviate some of the damage that the Banking Committee capital proposals will cause. I urge Members to support it when it is offered.

Three hundred to five hundred insolvent institutions are going to be closed as a result of this legislation. This is going to drive up the Govern-

ment's legal fees. By the end of this year, the FDIC expects to be involved in 70,000 lawsuits. The FDIC could easily spend over $100 million in legal fees next year. H.R. 1278 may be the biggest lawyers' full employment bill since the 1986 tax reform bill.

H.R. 1278 has a provisions that I hope will be used to reduce those costs. The bill requires the FDIC to set up alternative dispute resolution [ADR] processes. These processes are designed to be an alternative to long and costly legal proceedings. I certainly encourage the FDIC and claimants against the FDIC to use these ADR's. Everyone benefits from fair, impartial, and inexpensive dispute resolution. Everyone, that is, except attorneys. Since this bill is intended to relieve the savings and loan crisis, not enrich lawyers, I hope this provision is put to good use.

The bill attempts to limit troubled institutions from increasing the amount of brokered deposits that they use. This is a good provision. I hope the FDIC reads it since, incredibly, the FDIC has been increasing the amount of brokered deposits in troubled institutions for which it is the conservator.

Brokered deposits distort market interest rates and the flow of funds at the local, regional, and national levels. In addition, the high rates paid for brokered deposits encourage institutions to take greater risks to try to cover the increased costs.

The enforcement provisions of the bill are good provisions which I was proud to work on with the gentleman from Georgia [Mr. BARNARD] and the gentleman from Ohio [Mr. WYLIE]. These provisions will help put the crooked operators in jail and take the profit out of financial institution crime. Unfortunately, the Judiciary Committee weakened the criminal penalties. I will offer an amendment to restore the tougher penalties that the Banking Committee had adopted, and I urge my colleagues to support it when it is offered. We need tougher, not more lenient, penalties for thieves.

This bill is the beginning of the resolution of the savings and loan crisis, not the total resolution. It has plenty of serious flaws that are apparent, and probably some that are not apparent. As chairman of the Financial Institutions Subcommittee, I can assure Members that the subcommittee will constantly monitor how the act is carried out, and will promptly act to correct the deficiencies as they become apparent.

Even with the great flaws in this bill, we need to begin to resolve the savings and loan crisis. I urge the Members to focus not on this bill's many deficiencies, but on its benefit, which is to begin the resolution process. We need to start somewhere, and I urge the Members to vote for the bill.

□ 1750

Mr. WYLIE. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of North Carolina. Mr. Chairman, I want to congratulate the chairman of the committee on which I served last term and the ranking member for the extraordinary leadership that they have exercised in drafting this legislation and to express my strong support for the provisions as contained in the bill.

I rise in favor of the capital requirements in the bill. We have heard pleas for watering down the capital requirements these past few months. In general, these arguments are shortsighted and will lead us back down that same path to insolvency that the industry has traveled with the underregulated and abused umbrella of Federal deposit insurance.

Maintaining reasonable capital requirements is so critical that I offered an amendment which would have provided market incentive for thrifts to meet the 3-percent capital-to-asset ratio by 1995. My amendment would have tied the amount of deposit insurance coverage to the level of core capital. I planned to offer it if any measure passed that reduced capital requirements. Unfortunately, my amendment was not ruled in order, but I stand by its principal. Federal deposit insurance should be available only to adequately financed institutions.

In some instances, special consideration of supervisory goodwill, which regulators recognize in the context of a business plan, may be in the public interest. But in granting that, regulators should have tight control and take into account the liquidity of the institution, risk exposure on the asset side, and the stability of deposits. That power exists in the committee bill, but I am concerned that some amendments may weaken that essential protection to the taxpayer.

Regardless of any allowances we pass for supervisory goodwill, it is imperative that thrifts meet at least the 3-percent core capital requirement in 1995 or have an accepted plan to do so. It is not excessive; in fact, it is only half that required for national banks whose risks in many cases are far less than certain thrifts. Anything less than that, except for certain regulated exceptions, is dangerous to the thrift industry and dangerous to the taxpayer.

We should place the burden of meeting capital requirements squarely where it belongs. Deposit insurance will be for the foreseeable future underwritten by the taxpayers. But the taxpayers are entitled to insist, with reason, that deposit institutions provide an adequate capital cushion of 3 percent.

Any adequately managed thrift recognizes that in order to maintain confidence, it must either increase its capital to support its assets or shrink its assets to match its capital base. If a thrift cannot do it in the 5-year phase-in period, then I question whether it is a viable institution—and so should the law.

I urge my colleagues to consider the plight of the industry beyond the boundaries of their districts. North Carolina has been relatively fortunate and has not suffered the losses that other States have. Nonetheless, the State has not been exempt from problems. In considering what is good for our home districts, we must not simply focus on what is good for the home town S&L. We must broaden our view to what is good for the Nation as a whole and what our responsibility is to the taxpayer. If we fail to insist on adequate capitalization across the board, no amount of goodwill or due process is going to protect the healthy part of the industry from the disease of insolvency.

Mr. WYLIE. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise to express my reservations about the allocation of the proposed taxpayer cost of this legislation.

Mr. Chairman, the bill before us is one of the most costly measures we will consider during our tenure in Congress. The necessity of bailing-out the Federal Savings and Loan Insurance Corporation [FSLIC]—regardless of cost—is universally accepted as an unquestionable obligation of the U.S. Government. The sanctity of this obligation, however, should not dissuade us from pursuing a small measure of accountability from those who bear responsibility.

The Federal Government is clearly responsible for bailing-out insolvent thrifts which are federally chartered. However, a sizable portion of the Nation's thrift industry is comprised of State-chartered institutions which are regulated by the States but receive deposit insurance from the Federal Government. In some States the traditional Federal-State partnership which has characterized this dual banking system has been seriously abused by State regulators who have allowed institutions under their supervision to engage in highly risky investment practices—and even outright fraud—with funds backed by Federal deposit insurance.

Therefore, I was recently joined by Representatives HORTON, KANJORSKI, KAPTUR, LAFALCE, and ROTH in asking the Rules Committee to make in order an amendment to the bail-out bill to shift a small portion of the burden to States which bear substantial responsibility for excessive costs due to inadequate regulation of State-chartered thrifts.

In 1988, FSLIC took action to close or merge 205 insolvent thrifts at an eventual cost of $30.9 billion in 1988 dollars. Of this, $23.3 billion—or 75 percent of the cost—can be attributed to closing or merging state-chartered, but federally insured thrift institutions.

As cochair of the Northeast-Midwest Congressional Coalition, I am particularly concerned about the impact of this bailout on our region. The 18 States in our region caused only $561 million—or 2.4 percent—of the $23 billion in costs that I just mentioned. But because we pay 47 percent of the Nation's taxes, we will be socked with a bill for $7.6 billion. Texas, on the other hand, caused $16.7 billion—or 72 percent—of these costs. But because Texas only pays 6.6 percent of the Nation's taxes, the committee's bill only asks Texas' taxpayers to pay $1.1 billion toward the bailout.

Mr. Chairman, is it really fair to ask those who have caused 2.4 percent of the problem

to pay for 47 percent of the solution, while those who have caused 72 percent of the problem only pay 6.6 percent of the solution?

The issue of State responsibility for State-chartered thrifts is clearly central to the debate before us. Unfortunately, the Rules Committee did not see fit to allow the full House to consider this admittedly controversial, but crucial, issue.

For the last 50 years, the United States has enjoyed the benefits of a dual banking system which has been based upon a partnership between the Federal and State governments. The States have regulated State-chartered thrifts, which have played a key role in the industry by introducing innovations which have benefited consumers. The Federal Government has supplied deposit insurance for these institutions, which has provided confidence and stability.

Unfortunately, in recent years this Federal-State partnership has been badly abused in some cases. State regulators have granted thrifts under their supervision broad powers which allow them to stray far from the industry's traditional role of providing mortgages to homeowners. Such thrifts have offered high rates of return to depositors to attract capital to finance wildly speculative commercial real estate ventures. When these speculative investments in office buildings and shopping centers soured, loan obligations could not be met, State-chartered S&L's which engaged in this high risk lending plunged into insolvency, and now the American taxpayer is left holding the bag.

Available data indicate that by far the highest concentration of costs due to such activities is found in the State of Texas. As indicated earlier, of the $23.3 billion in eventual costs due to FSLIC's 1988 actions to close or merge State-chartered institutions, $16.7 billion—or 72 percent—can be attributed to Texas S&L's. Defenders of Texas will no doubt argue that the huge costs resulting from the collapse of the State's S&L industry are the result of macroeconomic forces beyond their control. They will blame either: First, troubles plaguing the thrift industry across the Nation in the 1980's; or second, the economic distress caused by the dramatic drop of oil prices in 1986. Neither of these arguments hold much water.

First, a comparison of the health of the thrift industry in Texas with the rest of the Nation demonstrates that the decline of Texas S&L's far exceeds that of the industry as a whole. Second, if economic distress were the primary factor, a similar rash of S&L failures would have spread across the Nation following the 1982 recession. However, a comparison of unemployment rates and net worth as a percentage of assets in thrifts in Texas and Michigan in the 1980's disproves this argument. Due to its role in providing home mortgages, the S&L industry has traditionally been sensitive to increases in the unemployment rate. While Michigan's S&L industry faltered when the State led the Nation with an unemployment rate of 15.5 percent in 1982, it was never in danger of insolvency. In Texas, where the unemployment rate never exceeded 8.6 percent, the crash of the S&L industry came so fast that it clearly had little to do with a cyclical downturn of the State's economy.

In short, this disaster was not caused by bad times; it was caused by irresponsibility during the good times that preceded the bad times.

The boom in America's oil-producing States began with the jump in world oil prices that followed the OPEC embargo of 1973. The boom was further fueled when the second oil shock hit in 1979 when the price of oil soared from $16 per barrel to $30 per barrel following the fall of the Shah of Iran. While these high oil prices crippled the economies of oil consuming States, they fueled rapid economic growth in Texas. From 1972 to 1986, the gross State product [GSP] of Texas grew by 362 percent in unadjusted dollars—one of the highest rates of growth in the Nation.

This robust economic growth—coupled with an unshakable faith in every-increasing oil prices—led to a very relaxed attitude toward commercial lending by both Texas' thrift industry and its State regulators. The following excerpt from a column by Robert J. Samuelson captures this attitude:

> Some years ago I interviewed a Dallas businessman named Ira Corn Jr. This was back when Texas was booming, and I asked: "What made the Texas economy grow?" After listing some of the obvious reasons—oil and gas, low taxes—Corn got to the point. Credit, he said. People were more relaxed than in the East. Banks loved to lend, businesses loved to borrow. Easy credit was great. "You go where you can borrow—where people (banks) lend on people, not on assets," he said.
>
> The story comes to mind now . . . because the Texas passion for easy credit has reached its logical, if destructive conclusion. A sizable part of the federally insured savings and loan industry is bankrupt, and the largest concentration is in Texas.—Robert J. Samuelson, "Easy Credit, Hard Lessons," the Washington Post, April 27, 1988.

To meet the high demand for easy credit, Texas thrifts offered interest rates to depositors that were among the highest in the Nation. As a result, between 1980 and 1985 deposits in State-chartered S&L's in Texas grew by a staggering 186 percent, while such deposits in the rest of the Nation grew by only 26 percent. By 1985, 85 percent of deposits in FSLIC-insured institutions in Texas resided in State-chartered institutions; the comparable figure for the rest of the Nation was only 32 percent.

This massive influx of federally-insured deposits was treated in a remarkably cavalier and irresponsible manner by the S&L industry and State regulators in Texas. Tens of billions of dollars were invested in highly speculative real estate ventures which depended upon optimistic forecasts of ever-increasing oil prices for economic viability. In addition, there is growing evidence that billions of dollars were channeled into schemes that were nothing less than outright fraud.

Federal statute specifically limits the types of investments that federally chartered institutions can make, and it places limits on such investments in terms of percentage of assets. The regulation of State-chartered S&L's in Texas appears to be among the most lenient in the Nation. A recent Congressional Research Service report entitled "Powers of Federally Chartered Thrifts Compared with Those of Thrifts Chartered by the Various States" found that:

> Texas statutes provide little elaboration on the powers of thrifts chartered by the state. The investment and loan powers of Texas state-chartered thrifts, unlike those of other states that we have mentioned, are not delineated in statutory law except for a general provision pertaining to investment in securities. . . . Delineation of lending and investment powers of Texas thrifts is within the authority of the Texas Savings and Loan Commissioner.

The powers of State-chartered thrifts in Texas are not spelled out in law. In Texas, the authority to determine limits upon loans and investments made with funds backed with the full faith of the U.S. Government resides in a State official who may or may not believe that Government has a legitimate role in restraining the excesses of the private sector. In looking at the record for the 1980's, it is difficult not to conclude that the State regulators in Texas were—at best—"asleep at the switch" and that taxpayers across the country will pay tens of billions of dollars in the years ahead as a result.

It is certainly reasonable to require any States which have flagrantly abused the Federal-State partnership that has been the basis of our dual banking system to accept an additional portion of the cost of the bailout. Doing so would somewhat ease the burden on States which have not contributed to such costs through irresponsible regulation.

Our amendment was straightforward and reasonable. A State which is responsible for egregiously excessive costs to bailout State-chartered S&L's would be required to pay 25 percent of such costs if its State-chartered S&L's were to continue to receive Federal deposit insurance in the future.

Our amendment contained four elements to ensure fairness to States which might bear responsibility. First, a State is found to have excessive costs only when its percentage share of the total bailout costs of State-chartered institutions is more than double its percentage share of national deposits in State-chartered institutions in 1980. The year 1980 was chosen as the base year because it predates the explosion of deposits in State-chartered thrifts in the 1980's. Second, a State will only be held accountable for 25 percent of excessive costs, with the Federal Government paying the balance. Third, States will be permitted to meet 50 percent of any potential obligation through the purchase of federally repossessed property within the State. This will give the State the ability to control the release of this property into the marketplace and thereby reduce the possibility of a fire sale of repossessed assets which could threaten real estate values in the State. And fourth, the amendment is voluntary; States only have to pay for excessive costs if they want there State-chartered institutions to continue to receive Federal deposit insurance.

The primary objective of our amendment was fairness. We sought to reduce the cost of Federal taxpayers in States which have not inordinately contributed to the cost of the bailout through irresponsible regulation at the State level. In addition, we have made every

VOL 135 PT 9 JE 14 — 22 1989 UMI

effort to be fair to any State with potential liability.

A secondary objective of our amendment was accountability. We should be sending a clear message to State government that the Federal Government will not allow future abuse of the Federal-State partnership without seeking accountability.

Our effort was attacked by some as an exercise in Texas bashing. We assure you that was not our intent. Nothing in our amendment was structured so as to treat Texas differently than any other State. The fact that the burden of our amendment may have fallen heavily on Texas is simply a result of that State's contribution to the problem.

National polls indicate that the American people are cynical about Government in general and outraged by this bailout in particular. A successful effort to introduce a small measure of accountability and fairness into the savings and loan bailout bill would have been a positive step toward dispelling such feelings. Unfortunately, the rule adopted for the consideration of this bill didn't even allow us the opportunity to try.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am truly pleased that we are here on the House floor today on an issue which has become the most serious problem facing the depository institutions industry since the major banking reforms during the Depression, over 55 years ago.

There is a healthy industry out there that must be preserved. The thrift industry continues to provide almost one-half of all the money for home mortgages. This mechanism has served Americans well. The problems with the savings and loan industry started back in the 1980's with interest rate increases, lending long and low for housing, and borrowing short and high to get cash for thrifts. Thrifts and banks could not compete with money market funds. So we deregulated interest rates so they could compete. Then we expanded the thrift charters to include commercial loans. At the same time supervision of the industry was totally inadequate. For example, from the period 1982 to 1986 when the assets of the California thrifts more than doubled, we found their examining force increased by one, from 84 to 85. In 1987 there were 3,100 thrifts in the United States. Seventy percent made $6.8 billion that year. The other 30 percent lost $13.4 billion. In 1988, the industry as a whole lost over $12 billion and these losses were primarily centered in the sickest institutions and have remained open because the FSLIC fund does not have the money to shut them down. Their losses continue to mount. Three billion, four hundred thousand dollars' worth in the first quarter of 1989, alone. They are losing money at the rate of $20 million a day. Eighty percent of the losses are for four States: Texas, California, Louisiana, and Oklahoma. State chartered thrifts in two States, Texas and California, accounted for 54 percent of all FSLIC expenditures in 1987. Much of the loss was tied to the oil economy in the speculation on real estate, direct investments and overvalued real estate. I would note that in Texas, of the 290 federally insured thrifts, 278 were State chartered. There were factors of fraud, abuse, and in some cases outright criminal activity, but high interest rates, deregulation with lack of supervision, lax State chartering laws, and the bottom dropping out of the oil economy were principal causes.

I would suppose everyone admits the problem must now be solved, and time is of the essense. In all fairness, it has only been about 6 or 7 months that anyone even suggested the magnitude of the problem. Three years ago, GAO supported the Treasury proposal to provide $15 billion over a 5-year period, and new capital. Both Houses passed that bill. But it was held up in the late hours of the session over the issue of direct investments. With the help of the intervention of the then-Secretary of the Treasury, Jim Baker, we passed the bill to provide $10.6 billion to recapitalize FSLIC over 2 years. That was too little and too late. However, the news media and the American public never picked up on the issue until GAO said, "We have a $50-billion problem on our hands," and that did not come until late in 1988.

When we talked about the problem to the news media, eyes would glaze over and we would go to a discussion about a $600 toilet seat or the Iran-Contra affair. Let us face it, recapitalization of the Federal Savings and Loan Insurance Corporation Fund was not a front burner issue. The problem was just too hard to explain. I guess that was partly our fault, but as I said, I do not think anyone knew the magnitude of the problem until only recently.

Now, in the news media we see stories that the legislation that we are about to pass is a bailout for crooked operators, which is not only insulting, but it does little to stabilize confidence in an essential industry. The money from this bill will go to pay off depositors when sick thrifts or brain-dead thrifts are closed down. Right now, FSLIC does not have the money to close down thrifts that are losing money. However, there is a financial awareness now, and people ask who is to blame? Well, there is enough blame to go around, and we do not do the country a service. In fact, we do the country a disservice if we resort to name calling and dwell on it, unless it is to learn a lesson for the future.

It is to the President's credit that he came up with a plan only 18 days after he was sworn in, and he received high marks for his initiative from the news media and the American public. Treasury Secretary Nicholas Brady had been developing proposed legislation back in December because we discussed the urgency of legislation earlier in December. It is to the credit of Senator RIEGLE and Senator GARN that the Senate has passed a bill on April 19. It is to the credit of the gentleman from Texas, Chairman GONZALEZ, and the gentleman from Illinois, Chairman ANNUNZIO, that we worked, and with persistence, to report a bill out of the Committee on Banking, Finance and Urban Affairs on May 2. May I acknowledge the compliment of the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, and say that he has been extremely fair with the minority at all times, and he has, indeed, approached the issue in a bipartisan and statesmanlike way, which I sincererly appreciate. It was indeed a pleasure to work with both of these gentlemen to develop this legislation. The administration came up with a $50-billion funding proposal over a 3-year period. I would again emphasize that this $50 billion is needed to pay off depositors whose deposits are insured up to $100,000. The President and Congress have said no depositor need fear for the loss of 1 penny of their deposit. We must honor this commitment. However, not 1 penny will go to pay off stockholders or management under this bill, either.

There are basically two essential elements to this bill. There is the funding mechanism and there is the "fixit" mechanism. The President's principal concern, and he stated this is the kind of a problem which must never happen again. I agree, the sin of sins would be to fund this problem and not fix it, while we have the chance. I like the funding plan that the President has suggested because it is off budget. It keeps in place the discipline of Gramm-Rudman and an amendment will be offered to place it on budget, which will be debated an hour. So I will save my statement in opposition to that time on that issue. I would just say that if we go on budget, it looks like we are banning Gramm-Rudman. I think that would be a very serious mistake, indeed.

The "fixit" part involves requiring savings and loan operators to put up some of their own money in the form of tangible or real capital. I cannot stress enough the need for strong capital standards. The experience of the last few years has clearly demonstrated the enormous cost of allowing savings and loans to use only depositors' money for at-risk investments with none of their own money at risk. Capital forebearance came into vague in the early 1980's as a result of regulatory accounting practices, RAP accounting, and if we go back to that, we will be back here in the next Congress and the taxpayers will take the rap.

Amendments will be offered for good will to be counted. I hope that we are able to defeat those amendments. The second part of this "fixit" package involves better supervision and reform procedures. I will not dwell on those now, either, except to say to the public, we put $75 million in this bill to give to the Justice Department so it can pursue the crooks who stole from the FSLIC fund to line their own pockets. The Justice Department must be encouraged to be vigilant in pursuit of the criminals and work to gain restitution of some of the property fraudulently invested in with depositors' money. We owe it to the taxpayers to pass this legislation which fights financial fraud, improves our regulatory system, and makes strides to return thrifts to their original role as providers of home mortgages so we can sustain the American dream of home ownership for millions of Americans. I know, Mr. Chairman, that is what all Members of this Congress want to do.

Mr. Chairman, I reserve the balance of my time.

□ 1800

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, I rise today to speak on the urgency of the S&L crisis which faces this country. Let me begin by commending President Bush and Secretary Brady for providing the long-overdue national leadership which a financial crisis of this magnitude requires. Despite Republican resistance, their leadership has been met with a true spirit of Democratic cooperation by the House and Senate.

I would be remiss if I did not single out for special recognition the critical role which the distinguished chairman of the Banking Committee, HENRY GONZALEZ, has played in ensuring that this legislation has been accorded the highest priority. Our colleague from Illinois, FRANK ANNUNZIO, the distinguished chairman of the Subcommittee on Financial Institutions, Supervision, and Regulations has performed admirably in scheduling hearings, consulting with Members and otherwise laying the ground work for prompt action on this legislation. My compliments to both of them and their staffs.

In completing the legislative process on the bill there are several major provisions which must be retained in this bill to justify the cost burden we are imposing on each taxpayer in this country. It is imperative that Congress—

Preserve the strong S&L capital adequacy standards which requires S&L owners to put more of their money at risk;

Preserve the housing provisions in order to provide affordable housing credit opportunities for Americans;

Preserve the on-budget funding of the bailout in order to hold this program to the same budgetary standard as programs for the poor, the elderly, and the homeless;

Support Chairman GONZALEZ's amendment limiting RTC's ability to issue debt; and

Support the House Labor and Education amendment re: Pass through deposit insurance coverage on BIC deposits.

RETAIN STRICT CAPITAL REQUIREMENT

At the heart of H.R. 1278 is the new capital standards that thrifts will have to meet. The committee, the administration, and industry experts all agree that sufficient private capital is central to the safety and soundness of a thrift and that the lack of that capital was a major cause of the crisis we now face. Capital is important because it acts as a guardian for the taxpayers. To the extent that institutions have capital not "funny money" such as goodwill, losses are borne by investors rather than the insurance fund and the taxpayers.

The compromise capital requirements, which phase out goodwill over 5 years, are both tough and fair. However, out of concern for well managed but undercapitalized S&Ls, the compromise was carefully drafted to enable those thrifts to continue to operate even while not in compliance with the standards. Qualifying S&L's would not be closed automatically, but permitted limited and prudent growth if they can demonstrate they are not operating in an unsafe and unsound manner and can develop a business plan outlining the steps to be taken to improve their capital position.

Remember these compromise capital standards are no tougher than those already required of banks. I appeal to you to support Chairman GONZALEZ and to ward off any weakening amendments to the capital standards.

AFFORDABLE HOUSING PROVISIONS

Chairman GONZALEZ has offered two specific housing measures: Cash advance windows to support mortgages for low-and-moderate income housing and a provision to require the right of first refusal for a limited time period to nonprofits and low-income persons for properties owned by insolvent S&Ls.

I am asking for your support of these provisions of the legislation because households which are at extreme risk of becoming homeless will benefit greatly from the disposition of S&L foreclosed properties and the provision for reduced interest rates through the FHL Banks cash advance windows. The sale of these foreclosed residential properties for low income housing purposes will help preserve the existing housing stock while providing needed funds through the asset disposition process. The interest rate subsidies provided through the FHL Banks cash advance windows will reinvigorate the special role that thrifts have played since their inception: To provide credit for affordable housing opportunities.

We urge your support in keeping these afforable housing provisions intact.

ON-BUDGET FUNDING

As we all know, a central element of the administrations' plan calls for funding the bailout through the sale of bonds and there by keeping the cost of this debacle off budget. The House Ways and Means Committee voted to add $50 billion in spending to the Federal budget for the thrift overhaul bill and to exempt the spending from counting toward the budget deficit. This vote reflects a growing sentiment in Congress that the bailout should be fully accounted for in the Federal budget. On-budget treatment of the assistance outlays makes it clear that the bailout is a taxpayer obligation.

As a supporter of the Kennedy-Morrison self-financing bailout proposal and the kind of income generating proposals put forward by the congressional Black Caucus, I believe that the financing of this rescue program should be held to the same budgetary standard as programs for the poor, the elderly, and the homeless. From programs for drug prevention to catastrophic health care, the President has insisted that every new expenditure be balanced by an offsetting revenue source. My fellow colleagues you should cast aside the administration's warnings of the financial market gloom which would result from a Gramm-Rudman exemption and give our approval to the Ways and Means Committee's actions. Raising revenues is the solution for finding enough money to finance the S&L bailout and to addressing the growing backlog of unmet needs in education, child care, and environment and other areas of social need.

LIMITATION RTC DEBT

I also urge you to support Chairman GONZALEZ's provision limiting RTC's [Resolution Trust Corporation] ability to issue debt and limiting the total debt at any one time, to the $50 billion requested by the administration. Given the history of such Federal entities to obligate themselves or the Federal Government through the issuance of notes or by undertaking other debt, effective congressional oversight is a prerequisite to granting additional borrowing authority.

PASS THROUGH DEPOSIT INSURANCE OF BIC CONTRACTS

Finally, I am concerned about the provision in H.R. 1278 that eliminates the ability of banks to pass through deposit insurance coverage to BIC

VOL 135 PT 9 JE 14 — 22 1989 UMI

[bank investment contracts] deposits. It is quite clear that such a provision would have an adverse effect on the investment returns of millions of ERISA plan participants in IRS qualified defined contribution programs. It is also quite clear that failure to modify section 1003 of the bill by striking the moratorium on deposit insurance coverage for such pension and profit sharing plans handicaps banks in their competition with insurance companies.

If Congress is concerned about abuses in the area of deposit insurance, it should not go after a segment of the banking business dominated by the soundest banks which willingly pay claim free premiums for insurance that has a marketing advantage to these institutions.

ELIMINATING INCONGRUITY BETWEEN DISTRICT OF COLUMBIA AND FEDERAL BANKING LAW

In addition, I am asking your support of a noncontroversial amendment to eliminate an incongruity which presently exists between provisions of Federal law and the laws of the District of Columbia concerning the appropriate regulator for District banks. Essentially, District law makes the Office of Banking and Financial Institutions [OBFI] the regulator of District banks, with authority comparable to that held by other State banking regulators. However, Federal law, most notably the Federal Deposit Insurance Act, states that the Comptroller of the Currency is the appropriate regulator of District banks.

This amendment attempts to resolve this jurisdictional issue. If such a clarifying amendment is not passed, the function of OBFI could potentially be usurped. It is my hope that you will support this amendment to allow the District to regulate banking activities within its borders on the same terms as any other State.

CONCLUSION

Mr. Chairman, I close by asking each of my colleagues to search your souls and your hearts and vote to meet Secretary of Treasury Brady's stated requirement of "never again."

Never again should we allow a Federal insurance fund that protects depositors to become insolvent.

Never again should we allow insolvent federally insured deposit institutions to remain open and to operate without sufficient private capital at risk;

Never again should we allow risky activities permitted by the States to put the Federal deposit insurance fund in jeopardy.

Never again should we allow fraud committed by financial institutions or depositors to be anything but a serious white collar crime.

Mr. CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] has 4 minutes remaining, and the gentleman from Ohio [Mr. WYLIE] has 19 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. DREIER of California. Mr. Chairman, will the gentleman yield.

Mr. SHUMWAY. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank my fellow Californian for yielding.

Mr. Chairman, I would simply like to rise and congratulate the chairman and the ranking member of the committee, as well as all the members of the committee who worked on behalf of this bill. I think it is also very important for us to underscore the fact that on February 8 of this year President Bush stood here and asked us to provide this legislation and get it to him within 45 days. I am happy that we are finally doing it.

Mr. Chairman, H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act is probably the most complex and comprehensive piece of financial services legislation since the Banking Act of 1933. While Chairman GONZALEZ and Chairman ANNUNZIO deserve a great deal of credit for moving this legislation forward, I offer special praise for President Bush.

In the face of a mounting financial disaster and daunting political odds, our President constructed a sound and realistic plan to address the savings and loan crisis. H.R. 1278 contains virtually all of the President's recommendations, and I applaud him for the firm and strong leadership he has provided thus far in moving this legislation through Congress.

H.R. 1278 is certainly a difficult pill to swallow, given the $40 billion price tag over the next 10 years. But the legislation is necessary to protect the savings of Americans, restore public confidence in depository institutions, and enhance the stability of the U.S. financial system.

The legislation will discourage excessive risk-taking with taxpayer guaranteed funds, and promote important incentives to attract outside private capital for the thrift industry from banks and other financial firms. Fraud and mismanagement will no longer be tolerated. Penalties will be commensurate with the crimes. Finally, Federal regulators will be given the necessary and long-overdue authority and resources to manage the thrift industry back to good health.

Mr. Chairman, the industry's troubles can be attributed to many factors, including bad management, depressed energy and agriculture markets, lax supervision by industry regulators, negligent and criminal management, and, yes, political negligence on the part of Congress. But the fact remains that as much as $200 billion has simply evaporated from our economy, and the Federal Government has incurred a financial liability that it cannot avoid.

Over the next couple days, we will be considering a number of substantive amendments that could drastically alter the composition of the bill. Some of the amendments are justified, others are not. On February 8, President Bush asked that we pass legislation to his desk for signature within 45 days. As we debate these complex issues, I urge my colleagues to keep in mind that every day we delay adds another $30 million to the cost of resolving the thrift crisis. We need to move quickly to enact this legislation.

Mr. SHUMWAY. Mr. Chairman, I thank the gentleman from Ohio [Mr. WYLIE] for yielding this time to me.

This is a much awaited bill, and many of us are very happy to see it finally reach the floor of the House of Representatives. As the chairman of the committee said in his opening remarks, many of us hope that the Members of this body will give careful attention to this debate because indeed it is a complex bill and it is going to be difficult to understand its thrust, as well as the thrust of some of the amendments that will be offered.

I would like to say at the outset that I particularly appreciate the work of the chairman of the committee as well as that of the chairman of the subcommittee, the gentleman from Illinois [Mr. ANNUNZIO]. Both of them have been very fair and very impartial. They have guided the committee in a very leadership-like way, and many of us appreciate that very, very much.

This bill is not a cure-all, but it does, I think, move us in two very major directions that need to be taken at this time. First is perhaps coming belatedly, but nevertheless it does close the barn door. I think the bill does contain devices and remedies that will heal some of the wrongs of the past and insure that we will not go back and repeat those mistakes.

But second, and maybe even more importantly, this sets the stage to resolve some of those problems in the future, and in that regard I think the funding mechanism in the bill is of great importance. But whatever we do in this legislation, I think all of us, and for that matter the entire industry and the American public, should realize that the success of this bill will depend upon an honest effort by those in the industry and upon responsible action by those in the industry, by those who are regulators, by those who are in a position to oversee, and by those of us in Congress who have some degree of oversight responsibility.

There are many here who do not like the bill, and they have used it as a very convenient vehicle perhaps to kick at the administration or those regulators or representatives of the industry or others that they think may be wrong or perhaps accountable for the problems of the industry today.

I wish that this legislation were not necessary. It really is not a very happy piece of legislation, but I think all of us must realize that we must take this action. The Federal Government is in the role of a guarantor, and to keep

public confidence intact we have to move as we are.

Mr. Chairman, I hope the House as a whole will approve this legislation and do so in a responsive and timely fashion.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today in support of H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

This bill lays a solid foundation for prompt, responsible action to resolve the savings and loan crisis. Most importantly, this legislation will insure that a strong viable thrift industry emerges for the future.

This measure represents a significant improvement over the administration's original proposal while remaining faithful to the goals of reform and merits the strong and overwhelming support of the full House of Representatives.

The Chairman, Mr. GONZALEZ, and the ranking Republican member, Mr. WILEY, of the House Banking Committee, are to be congratulated for the comprehensive nature in which this issue was reviewed beginning in January and continuing through numerous hearings and two markups.

During these markups, the Financial Institutions Subcommittee and the full committee considered over 200 amendments offered by Members who felt they had a better idea. The issues were wide-ranging and the debate was spirited. There were winners and there were losers. In the end, the committee reported a commendable bill and one deserving of support.

For those Members who have not had the time to study this issue in its entirety, let me quickly summarize the problem.

The root causes of the thrift industry crisis were systemic and the consequence of a combination of regional economics, deregulation, lax oversight, and outright fraud on the part of S&L owners. Blame for the crisis can be equally spread around among the industry, the administration in power at the time, the regulatory apparatus and the Congress.

Beginning in the late 1970's and early 1980's, the sharp increase in interest rates raised the cost of funds for thrift industry from roughly 6 percent in 1978 to over 12 percent in the first half of 1981. The laws and regulations on the books at that time limited a traditional thrift portfolio to mostly long-term, fixed-rate residential mortgages. As a result, our S&L's began to see the spread between the average rate of return and the cost of funds turn negative. This in turn began to produce widespread losses and an increase in insolvencies.

Between 1982 and 1984, the number of insolvent thrifts continued to grow as the industry's interest-rate risk problem became an asset quality problem. Then, as we are all aware, we experienced a downturn in U.S. agriculture and energy. This in turn depressed real estate values, particularly, but not exclusively, in the South and Southwest. As loan values plummeted, the crisis worsened. By the mid-1980's, over 120 thrifts were insolvent in Texas alone.

However, let me stress that during this time other events conspired to exacerbate the growing problem.

In 1980, the Congress deregulated interest-rate ceilings on thrift deposits. In 1981, the Federal Home Loan Bank Board permitted thrifts to make, purchase, and participate in adjustable-rate mortgages. In 1982, the Garn-St Germain Act permitted thrifts to offer transaction accounts.

In addition, the industry's regulatory apparatus literally "shot itself in the foot" by failing to increase deposit insurance premiums and thrifts entered riskier business. In addition, the Bank Board reduced capital requirements from 5 percent of liabilities in st1980 to 3 percent by 1982. Regulatory changes allowed thrifts to use less stringent RAP accounting principles rather than the stronger GAAP principles. Finally, supervisory resources during the early 1980's failed to keep pace with thrift growth and risk and the need to actually close insolvent thrifts. While thrifts assets grew by 50 percent, examining and supervision resources grew only 30 percent.

With little or no capital to lose, lax State and Federal regulation and an administration and Congress enamoured with deregulation, risky, "the sky's the limit" attitudes, reigned supreme in many institutions.

But of course, we know all too well the results of these excesses. A large part of the industry went flat and the FSLIC insurance fund went broke and depositors savings are at risk.

That, in essence, sets the stage for us today.

This comprehensive plan consists of much needed regulatory reform. The FDIC will be given the responsibility and the power to try and resolve this crisis. These new responsibilities will include the mandate to close or consolidate some 500 insolvent institutions and to dispose of their assets.

The bill requires higher premiums to help recapitalize the insurance fund and, as a result of an amendment I sponsored, future premiums based on riskiness of investment.

This legislation provides for a revamped home loan bank system which separates the regulatory process from the banking operations of the S&L industry.

The bill requires increased supervision and examination, including annual audits for all institutions over a certain size.

This bill also expands policing and enforcement authority and mandates tougher criminal and civil penalties for those former S&L owners and operators who are apprehended and convicted of fraud and abuse.

Finally, and most importantly, H.R. 1278 requires that all thrifts meet stringent capital standards, including an increasing percentage of tangible capital.

This capital standard is the heart of this thrift rescue effort. We have seen all too well that a large segment of the thrift industry has not been adequately capitalized and as a result has relied exclusively on the Federal insurance fund, and now the American taxpayer, to bail them out when investments go sour.

Secretary Brady testified before our Banking Committee that lower capital standards, loosely enforced, were a major cause of the disaster we now face. He also reiterated the fact that deposit insurance simply will not work without sufficient private capital at risk and up front.

H.R. 1278 provides that over a 5-year period beginning in 1990, thrifts must build their tangible capital base from 1.5 percent of assets to 3 percent. The legislation requires a corresponding decrease in certain intangibles, such as goodwill, over that same period. These capital requirements are the very minimum we should demand from the industry. Additionally, banks must meet a more stringent 6-percent capital standard within the same period.

These capital standards are tough, yet fair and will be effective. Already, two-thirds of the thrifts meet these standards. The remainder will need to work hard to build capital. Those who do will contribute to a safer and sounder industry. Those who fail, will be merged or put out of business. This, too, will contribute to a sounder industry.

Admitting that some profitable, well-managed thrifts will be hard pressed to meet the standards, the committee improved upon the original bill specifying the treatment of any thrift which fails to comply with the standards. I worked cooperatively with Mr. VENTO of Minnesota to assure that thrifts not in compliance would be permitted to continue to operate under a waiver granted by the regulator. Under the Vento-Roukema amendment thrifts will be restricted to the types of growth they can engage in and they will be required to submit a business plan which will outline the ways in which the thrift will attempt to meet the standards.

This approach will allow the regulatory agencies to concentrate on the weakest thrifts which present a threat to the insurance fund while providing the flexibility for stronger thrifts to remain in operation.

This was a concession to those institutions which cannot meet the literal standards. It is fair without being permissive.

H.R. 1278 provides for certainty by setting known standards and establishing deadlines which must be met. This certainly will give all thrifts the time and flexibility to develop rational business plans and to raise needed capital.

The price for all of this will be high. There is no way around this. The Government will issue 50 billion dollars' worth of bonds over the next 10 years to finance the rescue plan. Premiums will be paid by the industry but the bond interest will be shouldered by the Government and eventually by the American taxpayer. The estimate cost to the taxpayer over the next 10 years, and I want to emphasize that this is a soft estimate will be $40 billion.

As we all have seen, this is a tough issue. We have been besieged, lobbied, and pleaded with by the S&L industry and our own thrifts to ease the provisions of this bill. But the time for decision has arrived. I was heartened at the speed at which the President addressed this crisis and I am confident that the Banking Committee reported a fair and workable plan consistent with the President's objective and his pledge of "never again."

□ 1810

Mr. WYLIE. Mr. Chairman, I yield 2½ minutes to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I rise in support of this bill. It is long overdue, not from the standpoint that it is from the time period that the President introduced it this year, but long overdue from the standpoint that we have needed to have a fundamental look at the industry and the FSLIC insuring problem for some time.

However, Mr. Chairman, my support for the bill should not cloud the fact that I think that there are some aspects of the bill in which there will continue to be some difficulties, and I speak to just one of those, and that is the area of capital which will occupy a great deal of debate probably yet this evening and tomorrow.

I support strong capital. I am in favor of strong capital. I think that financial institutions ought to be well capitalized. Those who believe that there needs to be additional flexibility in meeting the capital standards do not believe in loose capital standards. But I think that maybe we take a little bit different view of reality.

There are approximately 450 institutions that are solvent today that do not meet the capital standards in the bill. Those 450 institutions represent almost 45 percent of the assets of solvent thrifts. Under this bill we have the potential of declaring those institutions as unsafe and unsound and putting them under supervisory agreement.

Mr. Chairman, if an institution is declared unsafe and unsound and is put under supervisory agreement, how are they going to raise the needed capital? Capital can only come from three places. It can come from profits, it can come from investment, or one can downsize to make existing capital go further.

On the profit side cost will be going up because of increased premiums, and the dividends from the Federal Home Loan Bank Board system will be going down, so the profits will be more tenuous as opposed to more ample.

In the area of investment, who is going to invest in a thrift that is declared unsafe and unsound or is under supervisory agreement that has its profit picture go down?

The third place is to downsize. Mr. Chairman, if one downsizes, all they can do is sell good assets or bad assets. If one sells bad assets, their capital will be depleted further. If they sell good assets, they are destroying the ability to generate more earnings in the future.

Mr. Chairman, I believe we need to have some increased flexibility for those institutions who were granted supervisory goodwill by the regulators in return for their taking over insolvent thrifts. I am hopeful we can do this in this bill, or yet in conference, but, whether or not we do this in this bill or in conference, I intend to support this bill because to do nothing is worse than having the existing capital standards in the bill.

The bill we take up today is one of the most important items facing the current Congress. Finding solutions to the problems in our savings and loan industry and reforming the deposit insurance system must be one of our top priorities. The FSLIC is losing close to $1 billion per month. This is now money ultimately lost by the American taxpayer and it must be stopped. President Bush has shown great leadership in presenting Congress with a plan to solve the problems of the FSLIC and institute meaningful deposit insurance reform. It is now the duty of Congress to pass this proposal as quickly as possible.

I am an original cosponsor of H.R. 1278 and am highly supportive of the concepts of the President's plan. However, I do have reservations about certain details of the bill we are considering today. While I am fully supportive of the administration's goal to increase capital standards for thrifts and to establish tangible capital requirements, I am concerned that certain inequities may occur in the bill as presently drafted.

Specifically, I refer to the impact of the current plan on those healthy institutions that were urged by the Federal Home Loan Bank Board [FHLBB] in the early 1980's to acquire unhealthy thrifts. These institutions did not receive cash or FSLIC notes from the Government, but rather assistance in the form of "supervisory goodwill," which could be counted on the books as capital. These transactions were accompanied by a plan for the acquiror to gradually phaseout or "write down" the goodwill and to replace it with other forms of capital in order to return the consolidated institution to health. The length of the phaseout varies anywhere from 20 to 40 years. The bill, however, would interrupt the phaseout in midstream, leaving the institutions with only a 4-year period in which to attract other forms of capital.

As a result, many of these institutions will be labeled unsafe and unsound, be placed under a supervisory arrangement and have their growth controlled. Once growth is restricted, it will be extremely difficult for institutions saddled with supervisory goodwill to raise capital in the public markets especially when they will have to comply with the bill's other provisions, such as: increased deposit insurance premiums and reductions in dividends from the 12 district banks of the Federal Home Loan Bank system.

For the institutions with substantial supervisory goodwill, the bill radically changes the terms of previously negotiated transactions, leaving no transition period for worthy institutions. The bill provides no flexibility for the regulator to consider progress by these institutions in attracting capital, the rapid write-down of intangible assets, including goodwill, and other improvements in the financial position and management of the institution. While adequate capital is fundamental to the health of the deposit insurance system, other measures of an institution's viability should also be considered such an adequate management and profit ability.

Treasury officials make the argument that the effect of deducting goodwill from capital will be to merely make an institution shrink. However, I would like to point out that the FDIC has in the past followed a policy of discouraging shrinkage at troubled financial institutions. The FDIC Manual of Examination Policies, the "bible" of FDIC field examiners, states:

In some instances, bank management will respond to supervisory authorities' concern over the level of the bank's capitalization by attempting to reduce the institution's total resources. Sometimes this intentional shrinkage of assets will be accomplished by disposing of short-term marketable assets and allowing volatile liabilities to run off. This reduction obviously does result in a relatively higher capital-to-assets ratio, but it may also leave the bank in a much more strained liquidity posture. It is, therefore, a strategy that can have adverse consequences from a safety and soundness perspective, and examiners should be alert to this possibility in banks which are experiencing capital adequacy problems.

Thus, the FDIC has indicated that shrinkage to meet capital standards may be an unsafe and unsound practice. This raises questions as to the mandatory nature of the bill's growth restrictions that would force such shrinkage. I believe that the regulators should be given flexibility to deal with individual institutions on a case-by-case basis. We give broad discretionary authority to the regulator under title IX of this bill to impose growth restrictions on institutions where appropriate and with adequate due process. I prefer utilizing this discretionary authority rather than the mandatory

sanctions for capital deficiencies currently contained in the bill.

I would note that during committee debate the FDIC provided proposals for the capital standards that excluded these mandatory growth restrictions. Although I support strong capital standards, I do not believe it necessary to create sanctions harsher than those suggested by the regulators for a failure to meet these standards.

Because the Banking Committee has chosen to impose the draconian sanctions for capital deficiencies contained in section 314 of the bill, I believe it is even more important that individual institutions be given adequate due process before having such sanctions imposed. Institutions with supervisory goodwill on their books relied upon the word of the Government through its agent the Federal Home Loan Bank Board that supervisory goodwill would be counted as regulatory capital. I believe that it is grossly inequitable, if not unconstitutional, to change the deal on these institutions without so much as a hearing. I will strongly support an amendment offered by Congressman HYDE that provides an administrative hearing to savings institutions who will be losing the value of supervisory goodwill granted to them by the Government. This amendment does nothing to the actual capital standards under section 314, but merely provides a forum for affected institutions to make their case. This seems to be the least that fundamental fairness would dictate.

Additionally, I believe significant problems exist in two other areas of the bill as it is being considered. First, I oppose the Ways and Means Committee amendment to place the plan "on budget." The administration has devised a creative and well thought out financing plan. It preserves the discipline of the Gramm-Rudman-Hollings budget process. I fear that placing the program "on budget" with a Gramm-Rudman exemption will cause a series of other issues to be treated as cases for such a Gramm-Rudman exemption. This will destroy any fiscal restraint that has occured over Congress through the Gramm-Rudman legislation and work to significantly increase budget deficits. I believe that the Treasury has formulated an innovative approach to preserve fiscal discipline and I encourage Members to support it.

Lastly, I am concerned with the provisions of the bill advanced by Chairman GONZALEZ that establish an expensive housing program funded by the Federal home loan banks. I am a strong supporter of new and creative mechanisms to provide affordable housing. In fact, I look forward to working on a housing bill with Chairman GONZALEZ later in this Congress. However, I believe that using the S&L bill as a vehicle to fund a housing program is highly inappropriate. The Gonzalez program would further cut Federal home loan bank dividends at a time when the industry needs these moneys to meet the stiff capital requirements of title III. Through this housing program, Congress will be taking money away from a capital starved industry and drive up the expense of this legislation to the American taxpayer. The Gonzalez housing program is inappropriate to this legislation and I strongly support the amendment to be offered by Congressmen BARTLETT and BARNARD to delete the provision.

Again, I strongly support the concepts of the Bush administration contained in this bill. I urge my colleagues to move expeditiously on this matter so that we can stem the losses to the FSLIC and protect depositors as well as the taxpayer. I am distressed that it has taken this long to get H.R. 1278 to the House floor and I am hopeful that we can send this legislation to the President shortly.

Thank you.

Mr. WYLIE. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, today this Chamber is considering the most important legislation concerning our financial system since Congress created this Nation's financial safety net with the Federal Reserve Act of 1913 and the Banking Act of 1933. It is a good, solid piece of legislation that deals not only with the current crisis, but will do much to prevent a recurrence of this nightmare.

Heaps of praise are due, first of all, to President Bush. On his seventh day in office, he stepped foward with a bold and comprehensive proposal that is largely intact within the bill before the House today. Congratulations are also due to Chairman GONZALEZ, Subcommittee Chairman ANNUNZIO, and Mr. WYLIE, the ranking member and their staffs. As a member of the subcommittee and the committee that produced this bill, I can attest not only to their dedication but to the fair and open nature in which debate over this measure took place.

The most lasting and most important parts of this legislation deal with the "never again" provisions that are designed to ensure that the American taxpayer will never again have to pay to restore the integrity of the Federal Deposit Insurance System. Most notably, I am pleased that we have: First, separated the thrift insurer from the thrift chartering agency; second, given the insurer, now the FDIC, adequate authority to quickly terminate insurance for unsafe and unsound practices; third, required the phase-in of tough, tangible risk-based capital standards as will be applied to national banks; fourth, provide enhanced regulatory and insurer authority such as restrictions on direct investment and risky activities by State-chartered institutions; fifth, enhanced powers for the Justice Department to seek civil penalties, up to $1,000,000 for willful violations, expanded criminal penalties plus an additional $65 million for the Attorney General to prosecute crimes by thrift and bank executives.

In terms of resolving the current crisis, the bill is little changed from the original Bush proposal. It rightfully calls for the pain or cost to be shared by all who benefit from deposit insurance—the thrifts, the banks, and the taxpayer. Unfortunately, the taxpayer will pay most of the bill. If it could be any other way, many of my colleagues would join me in making a proposal. However, a balance had to be reached. A balance that ensures that the industry paid all that is possible while not exacerbating the cost by pushing more institutions into insolvency. Before taxpayer funds are used, the industry will pay. The FHLBS district banks will contribute $3 billion in retained earnings, and $300 million in annual earnings. Under this bill, the district banks will be essentially taxed for an additional $650 million to finance an affordable housing program. In my view, this kind of social engineering should be avoided on this urgent financial services restructuring legislation and will only further burden a system that has done the most to make affordable mortgages available to millions of Americans. We expect to consider housing legislation later in the year and housing proposals should be considered in that context. The industry will also contribute. Insurance premiums will reach a record 23 basis points for thrifts and will nearly double to 15 basis points for banks. It should be pointed out that the banks did not create this crisis but will pay to restore confidence in our deposit insurance system. With the passage of this bill, the treatment of thrifts and banks will become very similar and with that, we should consider the eventual, not immediate, need to have parity in premiums.

With the funds provided by the industry and the taxpayers, the President's proposal calls for the creation of a Resolution Trust Corporation [RTC] to: First, resolve current and expected insolvent savings and loan problems; and second, dispose of assets, quickly and prudently. The bill we are considering does meet those objectives. The Banking Committee did, however, add a much-needed amendment to provide adequate guidance to the RTC to dispose of property on an orderly basis. It will require the RTC to take into consideration local economies and to use private resources to determine how best to dispose of property. Congress should resist any further efforts, in my view, to micromanage this massive undertaking. Flexibility is vital and, in that regard, I believe that the RTC oversight board should defer to guidelines already issued by bank and thrift regulators on the disposition of assets.

There are several other actions taken by the Banking Committee which I feel compelled to defend:

First, the Banking Committee resisted efforts to burden this bill with unnecessary consumer legislation. All of the consumer amendments were directed at real problems but, without

adequate hearings and investigation, were precipitous.

Second, the committee expanded the scope of the Federal deposit insurance study so that credit unions would be studied, assessments on foreign deposits would be studied and so that alternative means of deposit insurance would be considered.

Third, Freddie Mac would be restructured into a corporation much like Fannie Mae with an 18-member board, HUD supervision and limitations on the aggregate amount of unsecured obligations outstanding.

Fourth, the committee added a new title establishing a system requiring the use of certified or licensed real estate appraisers.

Fifth, the committee adopted an amendment permitting bank holding companies to purchase healthy, as well as unhealthy, thrifts upon enactment of this legislation.

I remain concerned that this legislation contains very few incentives for acquiring thrifts. If recent acquisitions at the behest of Federal regulators are any lesson, there is little attraction to these acquisitions without considerable cash or relief from the Federal Government. Because I prefer incentives to attract new capital rather than taxpayer cash, I did not support an amendment that would subject the limitations of the Bank Holding Company Act, including cross marketing restrictions, on thrifts acquired by bank holding companies. While I have opposed tying services and products and I am very displeased that certain diversified financial services companies are not affected by the Bank Holding Company Act restrictions, I am more inclined to support a strategy that would lift cross marketing restrictions on banks than a strategy designed to restrict cross marketing by all others. In my view, tying should be restricted but the consumer should reap the benefit of cross marketing.

Finally, the most controversial decision that will be made by the House concerns capital requirements and the treatment of goodwill acquired in supervisory transactions. I support tough, tangible capital requirements. It is the only economic cushion that will enable the Federal insurer to takeover an institution before insolvency. Because substantial amounts of their own investment is on the line, institutions will be less inclined to gamble with depositor funds. The capital requirements for thrifts should, in a reasonable span of time, be the same as those applied to national banks. I was very pleased that the Financial Institutions Subcommittee adopted virtually the same risk-based standards as proposed for national banks by the Office of the Comptroller of the Currency. We also adopted a tough core capital requirement that will phase out the use of intangibles in 5 years. However, my colleagues should be aware that there is a great deal of inequity in the manner in which this goal will be reached.

As approved by the committee, this bill would punish the institutions and the regions who stepped up to take care of their own problems in the early 1980's while rewarding recent acquirors and regions that were bailed out by the Federal Government in the past 2 years. The early deals, many in the Northeast and Midwest and most resulting from interest rate problems, were the product of Federal regulators seducing healthy institutions into acquiring unhealthy, negative net worth, institutions with the promise that they could continue to meet their capital requirements with goodwill.

With this arrangement, the institutions agreed to amortize the goodwill over a period of time ranging from 10 to 40 years. In this debate, there has been considerable confusion over what amortizations means. Amortization means liquidation. The goodwill must be replaced by net income from business operations or some form of capital for the company to maintain its net worth. Many of these institutions which have been amortizing their goodwill, continue to raise capital and are profitable.

In my view, the Government cannot and should not simply abrogate its contract with these institutions. They deserve to be given a hearing for the regulator to review the merits on a case-by-case basis. No general grandfather of goodwill is necessary or even desirable. A general grandfather may allow some institutions that are not viable to continue and for specific problems to worsen. Just as the Congress should not use a broad stroke to punish all institutions, not all institutions should be free to continue regardless of viability. The Congress cannot do the sorting out and the Congress can not approve business plans for the viable institutions. The job of sorting out the merits of each case and the remedy should be left to the regulator. That is why I offered an amendment that would enable the regulator flexibility with regard to supervisory goodwill on a case-by-case basis in committee. That is why I will support the amendment offered by my distinguished colleague, Mr. HYDE and oppose all other amendments concerning the capital requirements and the treatment of intangibles expected later in debate.

Whatever the House decides, it is important that the process moves forward. The cost escalates by $25 million or more with each day of delay and Congress is months behind the deadline proposed for the bill to be presented to President Bush. The Banking Committee reported this bill by a 49-to-2 vote. The House should give a similar boost to H.R. 1278 by the end of this week.

Mr. WYLIE. Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I rise today with many of my colleagues on the Banking Committee, including the distinguished chairman, Mr. GONZALEZ and ranking minority member, Mr. WYLIE, to urge this House to make up for its mistakes of the past by resisting efforts to reduce the responsibility individual thrifts have to the depositors of America.

It is of the utmost importance that we keep this emergency legislation—to bail out the depositors of failed S&L's and to reform the industry—intact.

Two years ago this Congress and the administration missed an opportunity to deal adequately with the troubles which were already on the horizon for the thrift industry. Now, the Bush administration and the Banking Committee have come to grips with this crisis by drafting a bill which adopts sweeping reforms in a manner that is both tough and fair.

I cannot stress enough the importance of supporting the well thought out requirements in this bill to protect the depositors from any recurrence of this heinous mess. The President has taken a tough, swift, and responsible step to place this episode behind us.

There can be no doubt that in the aftermath of this crisis, the landscape of the thrift industry will—and should be—different. This bill will cause many thrift operators to go into their board rooms and make decisions. They are decisions which must be made—indeed that should have been made long ago.

We are going to make changes in the thrift industry. Changes to promote more prudent behavior for those who would act inprudently with depositors money. H.R. 1278 will also guide well managed, honest thrifts—the vast majority of the industry—to shore-up their capital position to ensure they remain healthy, valuable members of the community and ensure the Federal Deposit Insurance Fund stays intact.

Just as the cost to right this problem grew 2 years ago from $30 billion to now somewhere in the neighborhood of $150 billion—a failure a second time to take this opportunity to responsibly address the structural deficiencies existing in the industry will surely cause the cost to be astronomical and confidence in our entire financial system to be further endangered.

We have already seen record silent runs, as some call them, on the S&L industry deposit base to the tune of $3.4 billion in the first quarter of this year. These are not silent runs—but the loud sound of a lack in public confidence in the thrift industry. We

must adopt the standards in this bill to resore public faith.

If not, we will fall short of our duty to protect the taxpayers from further cost of the resolution of this mess. As we all know by now, asking the depositors to pay the lion's share of this $150 billion bail-out is regrettably unavoidable at this point. But make no mistake, asking them to do it again will be unforgivable.

I know that many members have been contacted by scores of their local thrift leaders with predictions that the capital standards in this bill will result in destruction of their institutions. You have been told that deal made between relatively healthy thrifts and Federal regulators to take over sick thrifts in return for an accounting allotment of fabricated capital known as "goodwill" should be allowed to stand or be considered in an institution's capital makeup. That the capital provisions in this bill are unfair as they do not allow the deal to stand and institutions to count this accounting fiction as real money.

I do not subscribe to these arguments and neither should my colleagues. These deals were a misguided effort to solve a large problem without committing the resources or money to do it. It was a way to avoid a problem instead of making the tough choices. In short goodwill agreements were a mistake and as the saying goes; "Two wrongs don't make a right."

If we are serious about preventing this crisis from reoccurring we cannot allow a bill to clear this Congress that permits goodwill to count as capital for 10, 15, or 20 years.

The deals a real argument forwarded by the thrift industry does get my sympathy but I cannot in good faith give it my support. The Banking Committee, after 4 full days of exhaustive, in-depth consideration, approved compromise capital standards that are both tough and fair. As has been stated already, these capital standards are the heart of this bill and will be the best insurance policy that thrifts all across the country will be well managed.

As has also been mentioned, the bill was drafted with transition language to enable those undercapitalized but well managed thrifts to operate and build capital even though they do not meet the new capital standards for the industry. Under these provisions, thrifts must develop a business plan which outlines how they intend to come into compliance with the bill's requirements.

There has been criticism that these transition rules are too stringent. That there needs to be a better way to distinguish between a true dog S&L and one that is well managed but does not come into compliance after discounting goodwill as capital. While I can appreciate reputable institutions desire to avoid the stigma of being out of compliance, I must stress that it was the Banking Committee's responsibility to draft—and this Congress' responsibility to pass—a law that balances an orderly transition for these thrifts while not exposing the taxpayer to further risk.

As many of my colleagues have said, what it all comes down to is whether this Congress legislates for the depositor and the taxpayer, or whether it again shirks this duty and puts off the tough choices for another day.

I urge my colleagues to sustain the Banking Committee's bill, and particularly the capital provisions.

□ 1820

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend, the gentleman from Ohio, for yielding this time.

I want to congratulate the chairman of our committee, the gentleman from Texas [Mr. GONZALEZ], and our ranking member, the gentleman from Ohio [Mr. WYLIE] and all the members of the Banking Committee for the job they did on this legislation.

This, in my opinion, is going to be the most important bill that we address in the 101st Congress. We have to make sure that the legislation, when it leaves this House, is going to address the problems that have to be addressed.

We all know that a short while ago it was a $10 billion problem, then a $50 billion problem and then $100 billion. Now it is a $157 billion problem and growing.

On February 6, the President asked that we address this legislation and send it to him within 45 days. Now, 127 days later, we are still working on this legislation. Time is of the essence. We must address it now.

I would ask all the Members of the House when you look at this legislation to keep three things in mind:

First, we must raise enough money to solve this problem. We must not come back again and try to fix what we are doing here today.

Second, we must make sure that this does not happen again. That means that we have to have capital standards that are sufficient, because if we do not, this bill will be only an expensive bailout and we cannot allow that.

We have to provide these savings and loans with an incentive to clean up their own house and keep it clean. That means they have to meet capital standards, even though in this legislation it is only 3 percent by 1994. That is 5 years. That is pretty weak. So to ask for that is not asking a great deal.

In my home State, the thrifts average 6.7 percent capital. That is why we have not had these problems.

I know our chairman, coming from where he does, is in a tough position, but I want him to know that we all appreciate him and every Member of this body who makes a tough decision, because a tough decision today means we do not have to face worse decisions later on.

We are confronted with a mounting crisis in our thrift industry which threatens our financial system, the Federal budget, and our economy.

Not only is this the most critical domestic issue facing our country, but the impact of this massive and complex bill will be felt for decades.

In every great debate such as this, a single key issue emerges which brings into sharp focus the arguments on both sides and crystallizes the many questions at hand.

The key issue before this House is not how much this rescue will cost, or how it will be framed. These are important decisions, but not the central question.

The key issue is whether we make the reforms necessary to prevent this from happening again.

In this bill, we are committing the American taxpayer and those financial institutions which have been well run to paying at least $157 billion toward protecting the deposits of millions of American families, whose trust in a minority of savings institutions was betrayed.

But this massive expenditure will be nothing more than the most expensive bandaid in history, unless we insist that all federally-insured institutions maintain a minimum level of capital as a first line of defense against loss. In each institution, this capital must be real assets which are readily available to protect depositors and the American taxpayers who are the real insurers of our financial system.

The 3-percent capital standard—which we in the House Banking Committee won after a hard-fought battle—is a minimum requirement, that is already exceeded by thrifts in 19 States. In Wisconsin, our 72 thrifts have an average 6-percent capital reserve. This is why we have not experienced the problems of other regions, and this is why our Wisconsin thrifts have endorsed a higher capital standard for the rest of the country.

The course we choose in this legislation also will have a telling impact on how we handle the financial crises just emerging over the horizon. How many of my colleagues realize that the Farmers Home Administration faces a $36 billion loss? Or that the Federal Housing Administration is suffering record defaults in its $283 billion portfolio? Or that losses are mounting in the VA, REA, student loan, SBA, and Eximbank guarantee programs. Each of these funds is guaranteed by the American taxpayer, and each will require congressional action over the next several years. The course we take in this bill today will set the precedent for future action.

Yet, in the face of this evidence, there are some in this House who are supporting cleverly worded and outwardly innocuous amendments to the capital standard. The real impact of these amendments is to pull apart the most crucial reform in the bill.

VOL 135 PT 9 JE 14 — 22 1989 UMI

The votes on these amendments will test the character of this House, and will present a clear choice between the American taxpayer and the minority of fast-buck financial gunslingers who infiltrated some of our savings and loans and are running them into the ground under the benevolent protection of the deposit insurance system.

These financial pirates and their well-financed lobbyists are trying to pull off the perfect legislative crime: loot our savings and loans, stick the taxpayer with the bill and continue to gamble with the depositors' money, all with a Federal guarantee.

In making this choice, it is clear where our responsibility—our duty—lies. We must choose the taxpayer over those who have caused this problem.

We must make this bill a reform, not a sellout.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Chairman, the time has come for Congress to cease mincing words about thrift problems. The dilemma we are confronted with is of our own making. Too loose laws have led to too loose regulation which in turn has led to too loose banking practices. The overleveraging of other people's money by high-flying thrifts has put taxpayers on the line for billions of dollars of liabilities developed outside the normal budgetary process.

Let there be no doubt: The enemy is us. Multibillion dollar obligations have been precipitated by politics as usual in this body and made larger by regulators preferring to buy time rather than spread ill winds through an industry strewn with ill will.

The statistics speak for themselves. A $1.3 trillion industry has a negligible capital base, negligible insurance fund, and negligible disincentive to take risks with taxpayer dollars. If 1988 and the first quarter of 1989 are a guide, the industry is losing money at a $12 to $15 billion annual clip. The weak are getting weaker, with Congress facing the prospect of the largest private sector bailout in the history of the Republic.

Commentators like to suggest that regional problems—that is, a weak economy in the oil patch and on the farm—precipitated the savings and loan problem. Actually, there are more human culprits than abstract rationales. The root cause of the thrift problem is the regulator-sanctioned capacity of high flyers to attract and overleverage other people's money because of receipt of Federal or State charters to take deposits backed by Federal insurance.

The quid pro quo—prudential investment and lending practices—has been ignored by a significant element of the industry because regulators followed the pandering exhortations of legislators at both the State and Federal level who have given too much power to too few to exercise too wantonly.

Compounding the problem of weak regulation and a weak capital base in the industry is the epidemic of greed that seems to exist within a number of overextended institutions in growth States. Thrift managers who are in a negative net worth situation understand that they have nothing to lose as they pay premiums to attract deposits insured by others. Hence, there is every incentive—through dividends, salaries, and perks—to live high on the hog today and make risk investments in the hope of striking gold tomorrow. Without stern regulatory oversight of the barely solvent, imprudent circumstances are likely to breed more imprudent decisions.

The quandary regulators confront is the problem of how to rein in overextended institutions when their primary resources is an overextended insurance fund. Ingeniously, the short-term answer provided last year was a government-backed Ponzi scheme: the issuance of long-term capital notes on a fund backed, in theory, by the Treasury. The undeniable effect of such note issuances is taxpayer accountability for the printing press of an independent regulatory agency.

Mr. Chairman, the Bank Board's yearend rush to allow acquirors of troubled thrifts to take multibillion-dollar tax writeoffs represented a backdoor raid on the U.S. Treasury of unprecedented proportions. Bank Board deals which privatized profit, while socializing risk, amounted to nothing less than a societal decision to allow those with potentially large tax liabilities—that is, the rich—to get richer.

The Bank Board gave new meaning to risk-free capitalism and a new twist to the constitutional framework of our government. Not only did the Board usurp the spending powers of Congress by making the taxpayer liable for its issuance of notes and guarantees far in excess of the industry's capacity to pay; it usurped as well Congress' taxing authority by rushing deals which called for relatively small infusions of capital while allowing massive tax avoidance.

A system designed to help the little guy buy a family home has turned into an investment piranha where the big get bigger while prudently run savings institutions and commercial banks, as well as the taxpayer, are asked to foot the bill. The case for prudent regulation and systemic reform of the Federal Home Loan Bank System has never been more compelling.

Regulators and this Congress must learn just to say "no." Otherwise, a $100 billion headache today could become a $300 billion migraine tomorrow.

Mr. GONZALEZ. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, today, the House of Representatives will deliberate and vote on the largest private sector financial aid package in the history of this country. It has been estimated that each person per each household will be asked to pay upward of $1,000 to pay for this insolvency.

Mr. Chairman, before I dwell on the savings and loan fiscal crisis and its origins, I would like to give the full House an interesting fact and to set the tone regarding this legislation. In 1983, an institution, which shall remain nameless, had been a mere $11 million in size. In the next 18 months, the institution had grown to $800 million. During liquidation proceedings last year, the Bank Board was stunned. Its $1.3 billion in assets were less than 40 cents on the dollar with the total cost to the FSLIC at $800 million. Therefore, a company worth $11 million in assets lost $800 million which is a kill ratio of 1,600 to 1.

Mr. Chairman, in 1983, the entire budget for examination and supervision at the Bank Board and the district banks combined was just $37 million, or roughly $40,000 in salary and support costs for each of the 1,380 full-time personnel engaged in supervision. This loss at this one institution was 14 times the national budget for supervision and enforcement.

SAVINGS AND LOAN INDUSTRY: WHAT HAPPENED

Mr. Chairman, the origins of the thrift crisis can be traced in large part to the inflationary era of the late 1970's and early 1980's, coupled with loosely held Government regulations. During this period, interest rates rose dramatically. At the same time, the Government lifted the rates that thrifts could pay, causing depositors to shift their money market funds and other investment vehicles in search of higher returns. In addition, the higher rates led to a sharp depreciation in the value of assets in thrifts.

During these inflationary times, the regulatory foothold on the S&L industry was loosened. Thrifts were given more leeway and flexibility in determining the interest rates they could pay and the type of investments they could make. Unfortunately, as thrifts took advantage of its increased operating flexibility, severe economic hardship was inflicted on the Southwest by a collapse of petroleum prices. Land and shopping center projects that appeared lucrative all but crumbled due to the fall of oil prices.

ESTIMATING THE GOVERNMENT'S CURRENT LIABILITY

Mr. Chairman, currently there are a number of existing estimates of the true cost of the thrift crisis. Estimates of the costs of resolving this fiscal crisis are just that—estimates, based on differing methodologies and assumptions about future financial conditions as well as the length of time of which actions are taken. For the period 1989 through 1999, the administration estimates that a total of $198 billion will be needed to pay FSLIC's bills and restore the thrift deposit insurance system to financial health. Contrary to that estimate, the Congressional Budget Office estimates that the total cost over 10 years will total $203 bil-

lion. One thing is for sure however, the longer Congress delays in enacting this legislation, the more costly to our constituents and all the taxpayers across America. In a fundamental sense Mr. Chairman, the entire thrift crisis is a cost of delay. Some estimates have the thrift crisis costing this country $40 million per day and approximately $1 billion per month. Whatever the final estimates, they are "shamelessly" high.

Mr. Chairman, the legislation before us involved many hours of deliberation and hundreds of amendments. I must state for the record that there is much confusion over the funding issue and who actually receives this money. This legislation does not and will not bail out the thrifts, their stockholders, or management. This massive expenditure will be used to pay off those depositors, some of whom had their life savings in these institutions.

Mr. Chairman, I believe that the proposal initiated by the Banking Committee will go a long way in making certain this financial catastrophe never occurs again. I commend the distinguished gentlemen, Chairman ANNUNZIO and Chairman GONZALEZ for all their hard work and more importantly their leadership.

IMPORTANCE OF THE S&L INDUSTRY

Mr. Chairman, despite the massive injection of Federal funds to resolve this fiscal crisis, I believe these reforms save an important industry. Despite the negative publicity surrounding the thrift industry, a majority of thrifts are operating profitably and are run well.

I remind my colleagues, savings and loans are the only federally insured depository institutions created to take deposits for the primary purpose of making home mortgage loans. For those who believe strongly in a national housing policy, a separate industry that holds deposits specifically for home lending is imperative. The problems in the industry were a long time in developing. It is now time to act comprehensively to resolve them by stabilizing the insurance fund and implementing these tough reforms. With these tough reforms, we will ensure that strong financial institutions exist to encourage savings and promote home ownership. In addition, the qualified thrift lender test introduced by Chairman ANNUNZIO within the Banking Committee markup, will further strengthen the savings and loan industry's commitment to housing.

Mr. Chairman, the Congress has deliberated long enough on this omnibus legislation. There is not one member on the Banking Committee who did not face a difficult vote. However, with this legislation we can assure the American public that regulation of the savings and loan industry has been strengthened from top to bottom.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Chairman, in the very limited time, let me say that for 50 years, for more than 50 years, we have told the American people that their deposits at banks, savings and loans and credit unions, are safe. We must honor that commitment. On a practical level, if we were not to honor that commitment, we would see a run on the banks like we had not seen since the 1930's.

Mr. Chairman, most often when we hear people talk about this bill, we hear it discussed as a bailout for savings and loans; but Mr. Chairman, this is not a bailout for owners or managers, stockholders, bondholders of savings and loans. This is the fulfillment of a commitment made to depositors, your neighbors, my neighbors.

Let me just make two points. No matter what else you say about the problem, the high inflation of the late seventies, the downturn in the economy, high fliers, bad managers or crooks, two things are clear. If we had had adequate private capital in this industry and adequate regulation, this problem would not have happened.

Our bill recognizes that and makes sure that there is adequate private capital and adequate regulation. They are at the heart of our bill and I commend our bill to our colleagues.

□ 1830

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I rise today in support of H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989, urgently needed legislation to fulfill our Federal commitment to protect depositors at our Nation's financial institutions.

Originally introduced at the request of President Bush, H.R. 1278 is an important first step toward restoring the fiscal integrity of the savings and loan insurance fund. I commend him for his efforts and his willingness to face up to a problem his predecessor was unwilling to face and whose attitude toward lax regulation of the thrift industry could best be described as "Don't Worry, Be Happy."

The President's bill would create a Resolution Trust Corporation [RTC] and provide it with funds to merge or liquidate insolvent savings and loan associations and thus to guarantee the safety of insured deposits. To capitalize the RTC, $50 billion in bonds would be issued, with the principal on these bonds being paid with funds raised from the savings and loan industry. The current interest on these bonds would be paid by funds from both industry and Treasury. The S&L's would be charged considerably higher assessments, but the magnitude of the problem, unfortunately, necessitates Treasury outlays also. Banks would also see increased assessments, but these funds would be used only to capitalize the FDIC fund.

None of this money will go to bail out the managers, owners, and investors of failed savings and loan associations. If these people have engaged in criminal behavior, they should be prosecuted and put into jail and the bill provides increased penalties and more money for the Justice Department to pursue and investigate financial institution crime. In this regard, I will support Chairman ANNUNZIO's amendment to restore a stiff $1 million civil money penalty for violations of certain criminal statutes. It is critical that we take a tough stand against those criminals who have hurt every law-abiding, tax-paying citizen in this country.

H.R. 1278 would also make several regulatory changes. It would give the Federal Deposit Insurance Corporation [FDIC] administrative jurisdiction over the savings and loan insurance fund, though the bank and S&L insurance funds would be kept financially separate. The bill would also increase the administrative enforcement authority of the Federal regulators. I was an early cosponsor in the House of these enhanced enforcement provisions and it is a critical step for giving the regulators the tools necessary to discover and combat savings and loan fraud and abuse.

With these increased responsibilities for the FDIC, I felt it was critical to ensure the political independence of the FDIC Board. Therefore, PETER HOAGLAND and I offered an amendment to the proposed structure of the FDIC Board. Under the Bush proposal, the President was authorized from time to time to designate the Chairman and Vice Chairman of the Board from among the three appointed members. This provision, along with the fact that two of the other Board members would be under Treasury, the Comptroller and the Bank Board Chairman, meant that the FDIC could be subject to undue control from the administration.

Under the amendment, the Chairman and Vice Chairman would be appointed by the President, with the advice and consent of the Senate, for a fixed 4-year term. This would give critical independence to the insurer, but at the same time, maintain executive and legislative oversight over the positions of the Chairman and Vice Chairman. This amendment was adopted by the Financial Institutions Subcommittee and should serve to maintain the political independence of the FDIC Board.

The bill will also move the savings and loan industry over time to capital standards materially equivalent to national banks. The S&L regulators during the 1980's permitted a number of questionable transactions, mainly by allowing the inclusion of supervisory goodwill and deferred loan losses to be counted as capital for savings and loan institutions.

The Bush proposal resolved this problem by phasing goodwill out as a component of capital over a period of 10 years and not allowing deferred loan losses to be counted as capital at

VOL 135 PT 9 JE 14 — 22 1989 UMI

all. Members of the House Banking Committee became concerned that the Bush proposal could allow institutions with large amounts of goodwill to continue to operate without any tangible capital for a number of years. This was clearly something most people, including the administration, did not want, and the administration worked with members of the committee to require a minimum tangible capital standard regardless of the amount of goodwill an institution had on its books.

Therefore, as part of meeting a risk-based capital standard, institutions by 1990 will have to meet a 3-percent core capital standard which is at least 50 percent tangible capital. This was further refined by the full committee to require that by the end of 1994, the 3-percent core must be all tangible. This was 5 years ahead of the administration's proposal timetable, which would have allowed goodwill to be counted for 10 years, and the administration endorsed this change.

I believe these changes are important ones. As we all know, tangible capital provides a buffer for both the insurance fund and the taxpayer. To not have a tough requirement would have been an abrogation of the committee's responsibility to the taxpayers of this country. We simply cannot allow these problems to recur. If these standards are substantially weakened during floor consideration of H.R. 1278, I will vote against the bill on final passage.

The proposed structure of the RTC was also of great concern to me. The RTC is taking on an unprecedented task of resolving insolvent thrifts and disposing of the property held by thrifts. The Bush proposal was practically devoid of the safeguards necessary to protect taxpayers from poor management and fraud by people involved with the RTC. I worked with FRANK ANNUNZIO and CHALMERS WYLIE to ensure that the RTC adequately disclose the terms and conditions of the RTC deals to merge or liquidate insolvent thrifts. We need this type of information if we are to avoid the RTC repeating the December 1988 deals of the Federal Home Loan Bank Board, which FDIC Chairman Bill Seidman has referred to as "Buy a Toaster, Get a Thrift."

I will also support the amendment offered by Chairman GONZALEZ to limit the obligations of the RTC. PETER HOAGLAND and I offered an amendment in the House Banking Committee to place a similiar limit on the FDIC. This amendment will stop the FDIC from implicitly obligating taxpayer funds like the Bank Board did in 1988. If we do not place such a limit on the RTC, we will have failed to ensure that the problems of the S&L industry never occur again. The administration has promised us that this bill will give them the resources necessary to resolve the current problems and we should hold them to that promise.

The RTC is still of great concern to me and it is critical that the administration do all they can to maintain tight control over this entity. The administration's proposal will have failed if the RTC even begins to resemble the Federal Asset Disposition Agency [FADA], whose history was marked by inflated salaries, charges of conflict of interest, and basic ineffectiveness in dealing with asset liquidation.

The Banking Committee also took a few, modest steps in addressing the housing affordability crisis facing our country and reaffirming the thrift industry's commitment to housing. Our committees accepted an amendment to require the thrift industry to finance reduced-rate mortgages for low- and moderate-income people. It does this by requiring the Federal Home Loan Bank System to set aside funds for this purpose. The committee also accepted an amendment to ensure that a percentage of the property held by the Federal Government, because of the liquidation of failing thrifts, be made available, on a right of first refusal, to public and nonprofit housing agencies and corporations providing low- and moderate-income housing. I urge my colleagues to vote against any amendment to strike these provisions.

In general, I believe the President developed a very credible proposal which was improved by the House Banking Committee's consideration of this legislation. It is imperative that the full House maintain tough capital standards, place further restrictions on the RTC's ability to obligate taxpayer funds, and reaffirm the thrift industry's commitment to housing for low- and moderate-income people. If we do this, I believe we will have taken a very important step in restoring the solvency of the savings and loan insurance fund and the confidence of the American people in it, and ensuring that these problems never occur again.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to a distinguished member of the committee, the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in support of H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. This legislation is needed to restore the health of our savings and loan industry and the confidence of the American people in that important segment of our financial community.

The S&L industry has played an important role in our society by making the dream of home ownership a reality for millions of Americans. I believe that industry can and should continue to be a productive part of our economy. That role can only be fulfilled with major reforms and substantive changes in the law and regulator policies. Mr. Chairman, the American people are justifiably angry. I share that anger and frustration that taxpayers today must bail out this industry. For the past 4 or 5 years we have pleaded for a clear picture of the status of the S&L industry in vain. The regulators' response was give us more money and shut up, we the regulators, FSLIC, know what we are doing. Well, Congress backed that attitude. Congress does not have x-ray vision. We are not regulators but no doubt all 535 Members have given advice to these regulators both good and poor advice at times. Congress authorized $10.8 billion of spending in 1987 and the FSLIC found authorization all on their own to issue $40 billion more in notes and many more billions in tax dollars and that isn't enough yet, they are all too eager to blame Congress for not giving more money without answers.

The House Banking Committee conducted lengthy hearings on the S&L crisis. We looked at the issues in depth and used the information that we gained to craft the legislation before the House today. I want to commend the chairman of the full committee and the chairman of the Financial Institutions Subcommittee as well as the ranking minority members for their hard work and leadership on this issue. Their efforts have led to a product of which this body can be proud.

The bill before us has two principal goals. The first is to bail out the Federal S&L insurance fund and the second goal is to prevent savings and loans from getting into the same type of financial mess in the future. The second goal is most critical because without meaningful reforms, we could well continue to pour billions of tax dollars into the blackhole of S&L debts. The American taxpayer and the House cannot tolerate business as usual attitude that prevaded the S&L performance the past decade.

Key to the bill's reforms are the capital standards which we establish in law. These standards have been the focus of much public debate and certainly will be discussed by myself and others more thoroughly during the amendment process. For now, I would like to share with my colleagues some background on the committee's decision.

During banking committee deliberations, a majority of the Members recognized the failure of leaving excessive discretion to the regulators as a significant part of the problem. While the President submitted a bill that espoused strong capital standards, the actual language left too much of the reform in doubt. This proposal has been substantively strengthened and improved as the legislative process has moved forward.

However, it should be clear to the Members that the capital standards in the bill are a compromise. Many members of the committee supported the imposition of higher capital standards in a shorter timeframe with less regulatory flexibility. Others believed that the most effective policy would phase in the tougher standards and allow the regulator more discretion. The compromise before us is a blending of the best of both positions.

The capital standards in the bill do require institutions to have more private capital on hand. This capital is important because it acts as a cushion for the insurance fund and the taxpayer from S&L losses and bad investments. But while the bill establishes strong capital standards, we also include an exemption process for well-managed, noncomplying institutions to meet the standards over time.

The result of this bill and the capital standards will be a stronger, healthier savings and loan industry; increased consumer confidence and an effective buffer to protect the insurance fund and the taxpayer from losses.

Mr. Chairman, capital standards are the armor suit with which we can stop the steady assault on taxpayer dollars to bolster mismanaged, failing S&L's. If we adopt the Hyde or Quillen amendments we will replace the armor suit with a fig leaf and no amount of dodging will be enough to save the S&L industry and the taxpayer, from disaster.

We may not be able to predict the future, but surely we must learn from the history of the 1980's, when the regulators failed to regulate; accountants failed to count; thrift directors failed to direct; and the laws and policies were abused and misused at a great expense to the Federal savings deposit system and the American taxpayer. We cannot let those mistakes be repeated.

Mr. WYLIE. Mr. Chairman, I yield myself 1 minute, the remainder of my time.

Mr. Chairman, the Committee on Banking, Finance and Urban Affairs has produced a good bill and one that will go on the offensive in fighting financial institution fraud and ensuring adequate regulation in the future so that the costly mistakes of the past will not be repeated.

We are about to spend billions of dollars to correct the problems of the past, and at this point it cannot be business as usual. We have a higher responsibility, a responsibility to the taxpayers. We owe it to the taxpayers to remain resolute on the capital provisions, for instance, so that we will never again have to step in and rescue a deposit insurance system with billions of dollars.

I urge adoption of this bill without weakening amendments.

Mr. GONZALEZ. Mr. Chairman, I yield such time as she may consume to the gentlewoman from South Carolina [Mrs. PATTERSON].

Mrs. PATTERSON. Mr. Chairman, I rise at this time to urge support of the bill.

Mr. Chairman, it is generally conceded that the creation of deposit insurance by Congress 55 years ago was one of the most important innovations in this Nation's financial history. More than any other factor, it has prevented the financial panics that characterized the first century of this country.

Those panics and runs on banks caused untold Americans to lose their savings because there was no recourse if the institution where they had their account got into difficulty—or even was rumored to be having difficulty. It was the Federal Government's guarantee of protection that made financial institutions more attractive than putting money under a mattress.

But, even in the beginning, there were those who warned about the shortcomings of deposit insurance. At his first press conference, President Franklin Roosevelt said, and I quote, "As to guaranteeing bank deposits * * * the minute the Government starts to do that, the Government runs into a probable loss * * *. We do not wish to make the U.S. Government liable for the mistakes and errors of individual banks, and put a premium on unsound banking in the future."

Today, President Roosevelt's words have come true and it is the responsibility of this Congress and this administration to resolve the problem. More importantly, it is our duty to make sure that this does not happen again. The bill crafted by the House Banking Committee is a strong step in the right direction. It preserves the essence of President Bush's plan and includes a number of safeguards to punish wrongdoing in the past and prevent it in the future.

This bill is the result of long hours of hearings and debate in the House Banking Committee and the Subcommittee on Financial Institutions. We considered hundreds of amendments, and I commend Chairman GONZALEZ and Chairman ANNUNZIO, as well as the ranking minority member, Mr. WYLIE, for their prompt handling of this legislation. I also commend members of the committee from both sides of the aisle. While there were heated debates and many close votes, the committee handled the bill with a minimum of partisanship and with a maximum of careful thought.

This bill is not a transfer of money to the high-flyers or the criminals. We are keeping the Government's guarantee to the depositors of this Nation. If we do not pass this kind of legislation, our promise to the depositors of this Nation will be meaningless. Millions of Americans who rely on that promise will be left hanging and the damage to our financial system will be beyond calculation.

H.R. 1278 contains strong enforcement provisions. We are here today, at least in part, because of fraud and mismanagement among individuals in the savings and loan industry. This bill beefs up our ability to find this activity and to fight it. We give the regulators and the Justice Department the tools they need. I encourage them to use those tools without mercy.

Mr. Chairman, I do not want to say, however, that this legislation will not meet all the expectations many of us had for it. I am particularly concerned about the provisions of the bill creating the new Resolution Trust Corporation. We are creating a new bureaucracy that will become one of America's largest institutions on the day the President signs this bill into law. It will control hundreds of billions of dollars in assets.

Yet the RTC is an institution that has the potential for severe problems in the future. It will be managed by an oversight board composed of the Secretaries of Treasury and HUD, the Chairman of the Federal Reserve Board, the Attorney General and an individual from the private sector who will be nominated by the President. With all due respect to the abilities of these individuals, they are busy men with enormous responsibilities already. The burden of running this agency inevitably will fall to the person appointed as the chief executive officer.

In addition to a lack of strong control and accountability, the RTC's mission and responsibility are poorly defined. While the committee did not want to micromanage this new agency, I am concerned that we have left some serious gaps. It does not appear that we learned the lessons from FADA.

An advertisement in a trade publication 2 days ago only adds to my concern about the RTC. Let me read the ad to you. It says, "Who's Going to Cash in When the Resolution Trust Corp. Opens Its Doors? How about You?" Ladies and gentlemen, there are people out there waiting to pick the RTC's pockets before it even gets its pants on. I wish we had a tougher RTC, but we will have to rely on the administration to make it work.

I will support this bill despite my concerns. The problem grows every day and we cannot afford delay. This is a good bill, and I urge my colleagues to support it.

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Chairman, in the short time that I have here, I want to say, No. 1, that the chairman of the committee and the ranking minority member deserve a lot of credit for where we are today in this legislation. It deserves the support of our entire membership of the House.

Mr. Chairman, this is a good bill, a good bill that went through the fire. It was tried and tested, and now we bring it before the Members as a product that we can be proud of. No, it is not a perfect bill, and the Committee on Rules has accommodated us to the degree that we are going to be able to go back and readdress some of the issues, but by and large, this is a good bill, and it deserves the support of this House.

Some have said we do not want to bail out the thrifts. My friends, let me say this: This is not a thrift bailout. What we are trying to do is save the

thrift industry, but this is to guarantee that the depositors are going to get their money, and that is why this bill deserves the attention and the support of every Member of this House. If we can pass it out of the Committee on Banking, Finance and Urban Affairs at 49 to 2, we need that same relationship, that same vote, when we come to final passage tomorrow night.

I do not believe I need to address the great urgency and importance of this legislation. I also do not think I need to recap the basic content of this bill. All that has been done adequately by others.

While I cover some matters of detail at the conclusion of my remarks, I initially want to speak to three of its most contentious features: The capital provisions; the housing programs, and the absence of content directed toward the Home Mortgage Disclosure Act and the Community Reinvestment Act.

First, there is the matter of capital. The Banking Committee and the Judiciary Committee have been round and round on this subject in markup. The Banking Committee, especially, has had hours of hearings and been presented with thousands of pages of documents. To me, an initial mistake was made when both Houses of Congress got caught up in trying to legislate the details of the capital needs of the savings and loan industry. Yet, we were led into this when the administration proposed in the original bill that we equate savings and loan standards with national bank standards. These two worlds were just too different—even when you are talking about savings and loans with very high capital standards.

We should have immediately turned to a committee of regulators composed of those with longstanding reputations for being very tough on capital standards—such as the Federal Reserve—so that they could work out the incredible detail with which we have been burdened. Indeed, although I am going to support the Banking Committee product without change, I have to point out that it is very deficient as far as clarity which, of course, is of utmost importance when one is dealing with accounting measures. For just one instance, it fails to square with accounting terminology, which leaves one with the impression that we do not know what we are talking about.

Yet, even with this criticism, I support what the Banking Committee did. I cannot support the amendment by Mr. QUILLEN since it would not move in the right direction, which is to get goodwill off the books as fast as possible. I cannot support the amendment by Mr. SCHUMER since his measure would ask the clearly impossible. I cannot support the amendment by Mr. HYDE since he tries to correct the improbable.

I do not agree with Mr. HYDE's underlying premise that some sort of goodwill property right was vested by any of the past deals struck between the Federal Savings and Loan Insurance Corp. and acquirers of defunct or troubled institutions.

I have been persuaded in my opinion on the Hyde proposal by the excellent letter of the Justice Department to Mr. WYLIE, dated June 12, 1989, that impeaches the notions that the Banking Committee's provisions involve a breach of the fifth amendment as an unconstitutional taking of property or a violation of contractual rights.

Second, the bill has two major provisions respecting housing. The first relates to the program, established by title V, inside the Resolution Trust Corporation, which is to receive billions in assets from savings and loans which became defunct starting at the beginning of this year and which become defunct for 3 years after the enactment date.

A sizeable portion of these assets are subject to a condition they be offered for sale for 3 months to qualified nonprofit organizations, public agency, or lower income families. These sales are to be subsidized both as to property price and interest rate.

I will not go into the great detail of the title V program for the simple reason that it is protected by the rule and not open even to a striking amendment. My point is that there is going to be at least one housing program of considerable significance in this bill. The main question is whether there are going to be two housing programs—the second one being that in title VII.

The title VII program, which is open to a striking amendment, draws large sums of money from the Federal Home Loan Banks on a perpetual basis into a subsidized housing plan. That is designated as the "Affordable Housing Program." I must say that I do not delight in arguing against it since I know it is motivated by the worthiest purposes and is dear to my banking chairman's heart. Nevertheless, I have to point out the following:

First, the bill already is going to cost these privately funded, but federally chartered entities, so crucial to our whole housing policy, an initial $2.1 billion to fund REFCO—the Resolution Funding Corporation—plus an annual $300 million contribution to REFCO to help pay the interest on REFCO obligations. This could well be upwardly indexed if the eligible amendment to be offered by Mr. GONZALES is adopted. On top of this, the Affordable Housing Program will add $150 million per annum to their expenses.

All this sets in motion a whole chain of events that goes exactly in the opposite direction from where we are aiming. It means the Home Loan Banks will pay the S&L industry, their owners, less in dividends which comprised a full 25 percent of the income of the entire industry last year. That means the S&L's will force redemption of their voluntary shares in the Home Loan Banks—the shares over and above what they must own to be members of the Home Loan Banks. Already, there are signs this redemption is underway, reducing the capital base of the banks.

Moreover, H.R. 1278 attempts to attract new, housing-committed commercial banks and credit unions as investors in the Home Loan Banks. The prospect of unattractive dividends chills that effort and, thus also, the whole idea of expanding banks' and credit unions' interest in making more housing loans.

Second, this is a forced financing by private entities of a public, social program that will be wholly off-budget and outside Gramm-Rudman. I am not going to insist on calling these assessments a tax, but they are very close to taxes—certainly to a franchise tax since it is essentially a tax on the charters of the Home Loan Banks which are federally let. When we yield to the temptation of levying on these kinds of institutions to meet social ends—without going through the budget, authorization, and appropriation processes, I become very concerned about other similar institutions, such as the Federal Reserve. Might we start tapping its 12 banks' income streams for social programs?

Please note that, as the bill pends now, the REFCO part of this bill is on budget due to the action of Ways and Means and Government Operations, including the contributions by the Home Loan Banks to REFCO, which are counted as receipts to the Treasury by the CBO. This is not true of the Affordable Housing Program in title VII.

For these reasons, I will join Mr. Bartlett should he offer the floor eligible amendment to strike these provisions.

My last major concern relates to the absence of revisions to the Home Mortgage Disclosure Act and the Community Reinvestment Act, an absence which Mr. KENNEDY intends to fill with a floor eligible amendment. I will strongly oppose his additions, which, incidenally cover more than just the subject matter of these two acts. Indeed, he would impose an incredibly complex "deposit source" tracking system to the bill.

First, all these provisions, including that related to "deposit tracking", in one form or another were considered during the markup process. They were all rejected.

My sense of the Banking Committee was that we are very interested in doing something legislatively, but only after hearings on a specific statutory text. For years changes in CRA and HMDA and deposit tracking systems have been generally discussed in the Banking Committee, but we have not had hearings on specific proposals on either CRA or "deposit tracking." This is a necessity if we are going to pass meaningful proposals.

Even now the other Chamber has begun intense hearings on these subjects. The details of the problems are getting laid on the table over there every day. I will urge us to follow this course instead of adopting a floor amendment so that we can respond to that Chamber's initiatives in a meaningful manner sometime during this session.

Mr. Chairman, in addition to my comments on coming amendments, I want to highlight the new deposit insurance premium provisions found in section 208 which are a part of H.R. 1278 as a result of an amendment offered by Mr. WYLIE and myself. The new premium provisions will strengthen the deposit insurance funds, BIF and SAIF, in two major ways—first, by dramatically increasing deposit insurance premium assessment rates to bring the insuring funds back up to a level deemed clearly adequate; and second, by authorizing the FDIC to further increase premium rates within certain limits if more permium income is needed to keep the fund at the desired level.

The key indicator of insurance fund adequacy is the reserve ratio. This ratio is equal to the net worth of the insuring fund divided by the volume of insured deposits. Section 208 establishes the desired reserve ratio level, termed the "designated reserve ratio," for both insuring funds to be 1.25 percent. A re-

VOL 135 PT 9 JE 14 — 22 1989 UMI

serve ratio of 1.25 percent will be more than adequate to assure that the insuring funds can meet all obligations to depositors, and to assure that the expenses of the funds will be met by fund income and industry assessments, not by taxpayer dollars.

However, section 208 provides that the FDIC has authority to increase the premium assessment rate above 15 cents if this is needed to assure that the BIF does not fall below 1.25 percent. This FDIC authority, however, is constrained in several ways.

First, the FDIC must determine that a premium increase is needed after fully considering the operating expenses, case resolution expenditures, investment income, and premium income of the fund. The FDIC must also take into consideration the impact of a premium increase on institution capital and earnings. Here, it is Mr. WYLIE's and my intent that the FDIC weigh carefully and balance the financial needs of the insuring fund and the impact of a premium increase on institution earnings and capital. It is preferable that loss absorbing capital be maintained in depository institutions rather than transferred and maintained in the insuring funds.

Second, the premium increase should be appropriate to restore the fund in a reasonable period of time. By "reasonable period of time" Mr. WYLIE and I mean a 5- to 7-year period—roughly the amount of time the administration and the Banking Committee expect it will take to raise the BIF fund from its present level to the 1.25 percent level as a result of increasing the statutory premium rate on banks from 8.3 cents to 15 cents.

Though the 1.25 percent reserve ratio, in combination with the FDIC's authority to increase premiums if necessary, appears to be fully adequate to assure BIF and SAIF fund soundness, section 208 also provides the FDIC with extraordinary authority to increase the designated reserve ratio from 1.25 to a higher level not exceeding 1.50 percent.

Increasing the designated reserve ratio involves a massive shift of resources from lending institutions to the insuring funds and would significantly reduce institution lending capacity. For example, using year-end 1988 bank data, each $1.00 of equity capital in commercial banks supports approximately $9.50 in loans. If the BIF reserve ratio were increased from 1.25 to 1.50, a transfer of $4.39 billion from banks to the BIF would take place, and bank lending capacity would be reduced by $41.7 billion. In addition, with bank income reduced, Federal tax revenues would be reduced also. Similar consequences would result from an increase in the SAIF reserve ratio. These potential adverse economic effects of increasing the designated reserve ratio make it imperative that the FDIC's authority be exercised only in the most serious circumstances.

As the committee report states, the authority should not be exercised unless the losses are expected to reduce the fund level so far below 1.25 percent that investment and assessment income will not be sufficient to restore the fund in a reasonable period of time. Again, the term "reasonable period of time" refers to the amount of time we expect the BIF to take in returning to the 1.25 percent level. The authority also should not be exercised if the fund is below 1.25 percent—authority to increase the assessment rate is provided to address this situation.

In adopting the Barnard-Wylie amendment, the Banking Committee provided for reserve ratio increase authority as a precaution and intended that it be used only in the most serious situations. We intend depository institution regulators to closely supervise and regulate banks and thrifts to protect the resources of the BIF and SAIF and to maintain them at the designated reserve level. This constraint on the growth of the insuring funds is intended to be an incentive to the FDIC to regulate prudently and rigorously.

Next, I would like to highlight two sections of the bill of operations significance to bank holding companies which own thrifts. These two provisions were included, in part, to encourage bank holding companies to inject capital into the thrift industry.

The first provision is section 601. Section 601 has been drafted to provide that whenever the Federal Reserve Board approves an application by a bank holding company to acquire a savings and loan association, the Board cannot impose any restrictions on the operations of a savings association and its holding company affiliates other than those imposed by section 23A and 23B of the Federal Reserve Act or to other applicable law. Similarly, section 601 would direct the Board to remove any restrictions on the operations of a savings association and its holding company affiliates that were imposed on a bank holding company which acquired a thrift prior to the enactment of this bill. This section is directed at removing, inter alia, the so called tandem restrictions which the Federal Reserve Board has imposed on several bank holding companies which have acquired thrifts.

The second, and somewhat related provision, appears as section 313. That section would permit any Federal savings association to change its designation from a Federal savings and loan to a Federal savings bank or from a Federal savings bank to a Federal savings and loan. Read in concert, these provisions are significant for bank holding companies which own and operate savings and loan associations. These provisions would permit a bank holding company to use a common name and common logo for its bank and thrift subsidiaries. Authorizing such activity, the bank and its thrift would be able to obtain a synergistic benefit without creating undue confusion or misunderstanding for their customers.

One has to recognize that a significant number of Federal savings and loan associations have already availed themselves of this conversion opportunity. However, with respect to a bank holding company, an example is Citicorp, which has already helped out in this mess by acquiring four failed savings and loan associations but has been unable to designate its thrifts after its lead bank subsidiary, Citibank. These sections 601 and 313, would permit Citicorp to redesignate the name of its four thrifts as "Citibank, FSB."

Mr. KLECZKA. Mr. Chairman, I rise in support of the Financial Institutions Reform, Recovery, and Enforcement Act.

As a member of the Banking Committee, during the course of hundreds of hours of hearings and markup I have watched the FSLIC bailout move from the business page of the newspaper to the front page.

Reading about FSLIC catastrophe on the front page is one thing.

I do not look forward to reading about it on the funny pages.

If we substitute funny money accounting for the capital standards now in Banking Committee bill, that's exactly where the FSLIC stories will be.

What will put this bill on the funny pages? Allowing goodwill, rather than tangible assets, to be counted as capital is a good example.

Goodwill is not cash. It is a concept, and a shadowy one at that. When the Federal Government liquidates a failed thrift, goodwill is simply no good. It is valueless. That means, quite simply, that the taxpayer picks up the tab for the shortfall.

The Banking Committee version of H.R. 1278 makes a very simple proposition: if you are going to operate a federally insured thrift, you have to put up some of your own money. Goodwill is just not good enough.

The committee's tough capital standards lay the groundwork for a deposit insurance system for the next century. The pending goodwill amendments would revive the anything goes atmosphere which prevaded thrift regulation in the early 1980's.

Make no mistake. The Quillen and Hyde amendments on goodwill would seriously weaken the bill. From the point of view of the taxpayer's interest, the choice should be an easy one.

While President Bush is to be commended for submitting the original draft of this legislation, and for his support of the strong capital standards developed by the House Banking Committee, he is mistaken in his insistence that the financing for the bailout be done off budget.

Again, the choice is a fairly simple one. If we put the financing on budget, as recommended by the Ways and Means Committee, the Congressional Budget Office argues that we can reduce costs to the taxpayers by roughly $5 billion over 30 years. That's a good enough reason for me.

Finally, I strongly support two housing related provisions included in the bill.

First, the legislation requires the Federal home loan bank cash advance window to provide a small subsidy for low and moderate income housing.

Second, nonprofits and low and moderate income persons would have the right of first refusal in the purchase of certain of the properties held by the Resolution Trust Corporation.

I know there are those who consider these meager housing provisions to be outside the scope of this legislation.

I would urge that they read the bill. The very first line in the very first paragraph of this legislation states that a purpose of the bill is "to promote a safe and stable system of affordable housing finance through regulatory reform."

Let us not make a mockery of that stated commitment by stripping the bill of one of the few crumbs that consumers will be allowed.

As we commit billions upon billions of tax dollars to subsidize the thrift industry, we should remember well that the Federal budget for housing was reduced by 70 percent over the last 8 years.

This bill does not make up that shortfall, but it does provide a very modest commitment to housing for persons of modest means. It carries out one of the stated purposes of the bill. The housing provisions should be retained.

I urge support for the legislation.

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

The Chair recognizes the chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI], for 10 minutes.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989. This legislation provides essential assistance to financially troubled savings and loan institutions in order to protect the financial security of millions of Americans.

I want to commend President Bush for coming forward quickly in this financial crisis and recommending a proposal which is the basis for this legislation. I further commend the Committee on Banking, Finance and Urban Affairs, and Chairman GONZALEZ, for the expedient action taken on the measure.

Mr. Chairman, although the costs to the taxpayer are significant in this legislation, the need to safeguard the savings of all Americans makes this legislation essential. Further, adoption of the Ways and Means Committee amendments to this legislation will significantly reduce the costs of the legislation to American taxpayers and increase the efficiency of the program.

Mr. Chairman, the Committee on Ways and Means approved three separate amendments to H.R. 1278. The first committee amendment would repeal the special tax benefits for financially troubled savings and loan institutions and banks that are scheduled to expire on January 1, 1990. The committee took this action, which the administration supports, because these special tax rules have been subject to abuse in the recent past.

In anticipation of restrictions to these rules which became effective January 1, 1989, a rush to market occurred at the end of 1988. During this period, the Federal Home Loan Bank Board transferred tax benefits through these special rules in amounts which have been estimated by the General Accounting Office at between $7 to $8 billion. This rush to market represented a wasteful, misdirected use of scarce government resources.

The Direct Outlay Program for assisting these institutions in H.R. 1278 represents a far more efficient means of assistance than the use of special tax benefits. In addition, by repealing these special rules, the American taxpayer will save over $1.4 billion during the 6-year period 1989-94.

A second Ways and Means Committee amendment would also minimize the financial burden on American taxpayers by increasing the financial contribution borne by the savings and loan industry. This committee amendment would delete a provision which would allow annual industry contributions to the program through the Federal home loan banks to be the lesser of $300 million or 20 percent of net earnings.

Rather, the modified committee amendment would require the industry to make an annual contribution of $300 million. This $300 million annual amount would be indexed beginning in 1993 by an amount equal to the lesser of inflation or the increase in earnings of the Federal home loan banks. Further, the annual contribution amount would not be increased above $600 million.

Mr. Chairman, this bill, including the Ways and Means Committee amendment relating to on budget financing which will be debated later, is an opportunity for the Federal Government to provide necessary assistance to institutions which hold the financial security of millions of Americans.

As Members of Congress, however, it is our responsibility to provide the necessary assistance in the most efficient manner possible—in a manner that minimizes the cost and financial burden of the American taxpayer. Our constituents are mad enough about this savings and loan problem without adding insult to injury by increasing their financial burden under the assistance plan. The three Ways and Means Committee amendments are specifically designed to protect the financial interests of both current taxpayers and equally important, future generations.

Mr. Chairman, on behalf of hard-working Americans across the country, I urge my colleagues' support for the Ways and Means Committee amendments which, in the interest of fundamental fairness, minimize the costs of this assistance plan to the American people.

□ 1840

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER], ranking Republican member of the Committee on Ways and Means, is recognized for 10 minutes.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when President Bush presented the Congress with his savings and loan legislation in February, he asked us to complete work on it within 45 days. Unfortunately for the taxpayers and failing financial institutions themselves, we have not acted quickly enough to stem the losses which are still occurring in the thrift industry. I am pleased to see the House finally moving toward a resolution of this truly critical issue. My comments tonight will be directed only to the parts of this legislation which are under the jurisdiction of the Ways and Means Committee.

During the legislative process, our committee held comprehensive hearings and made several significant changes in H.R. 1278. While there were significant differences of opinion on the basic funding of the program, bipartisan cooperation allowed us to complete our work rapidly.

The committee added to H.R. 1278 important conforming tax changes that affect the thrift industry—established the industry contribution for interest payments at $300 million per year plus inflation—and, most importantly, put the financing package on budget with a waiver from Gramm-Rudman. While the Ways and Means Committee can be proud of the expeditious manner in which our contribution to the package was developed, I must voice my objections to the on budget financing method reported by the committee.

The committee's rejection of the administration's financing mechanism in favor of the on budget approach deals a tremendous blow to the fragile, but single most important, fiscal restraint left in Congress—the Gramm-Rudman Act.

There were many debatable reasons for putting the financing on budget, but I believe none of these warrants creating a major breach in the Gramm-Rudman law by exempting the $46 billion in resolution funding corporation outlays from the deficit calculations.

I agree with our Treasury Department's fears that passage of this plan by the Congress will be taken by financial markets as a blow to fiscal discipline.

If interest rates rise in reaction, the possibility of $125 million in yearly interest savings from the on budget mechanism will be quickly lost to the increase in debt service costs that could easily rise by $280 million per year.

Equally disturbing is the precedent the committee's amendment sets for keeping multiple sets of Federal budget books. Already, the social security trust funds are off budget but are counted on budget so that their surpluses may be used to lower the apparent deficit. Now, with the committee's REFCORP scheme, we are doing just the opposite. This plan will bring the

corporation and its outlays on budget—but not count it toward the deficit because it is convenient to pretend the outlays aren't there.

As a number of us said in our additional views on the Ways and Means Committee's provisions, we wonder where this bookkeeping of convenience approach to Federal budgeting will end—and at what cost to the taxpayer.

I personally fear that the Ways and Means action provides the blueprint for every new spending program seeking an exemption or waiver of the budgetary restraints which are now in place. The practical result will be to make the Gramm-Rudman targets meaningless.

Importantly—if the House adopts the on budget approach, it will have created another issue for the conference committee that inevitably will result in holding up final passage. If the on budget financing plan should survive the conference, the Senate's requirement of a 60-vote majority to waive the Budget Act will be a virtually insurmountable hurdle which will further delay enactment. With the thrift industry losing over $1 billion a month, the taxpayers deserve rapid resolution of the issue—not further delays.

I regret that I must take exception with the on budget financing which was reported out of my committee, but I feel strongly that the discipline of Gramm-Rudman must prevail. I would urge my colleagues to vote "no" on the committee's on budget financing amendment.

Mr. Chairman, I yield the balance of my time to the gentleman from Washington [Mr. CHANDLER], a respected member of our committee.

The CHAIRMAN. Without objection, the gentleman from Washington [Mr. CHANDLER] may yield time to other members.

There was no objection.

Mr. CHANDLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today I rise in support of this bill and especially the strong capital standards it would establish.

Proponents of amendments to weaken the capital requirements speak about fairness. I think that's an appropriate starting point, but we shouldn't be asking what is fair to undercapitalized thrifts. Rather, we should be asking what's fair to the American taxpayer who is being asked to pay tens of billions of dollars to bail out insolvent thrifts.

By this time I am sure you all know that goodwill is an accounting concept. There are those who propose to allow an institution to count goodwill toward its capital requirement, something that is not backed by anything. Strong capital requirements will add a sense of discipline to the operations of many of the riverboat gambler thrifts by insuring that some of the owners' money is at risk. They will also make certain that there is some protection against losses so that fewer Federal insurance dollars will be needed. Tougher capital standards will not force healthy thrifts out of business. Failure to meet the 3 percent tangible capital requirements will simply lead to heightened supervision by the FDIC. Thrifts will no longer be allowed to try to recklessly grow out of their problem. Instead they will have to submit a business plan describing what they will do to raise tangible capital. The claim that depositors will lose confidence in institutions operating under a business plan or similar oversight is needlessly alarmist. The Bank of America, for example, is under such an agreement and there has been no run on deposits here.

At the heart of this debate is whether we will accept the word of our President and the Banking Committee or instead accept the word of the S&L industry. Need I remind you that just 2 years ago this industry argued that only $10 billion was needed to clean up the problem? Today that same industry is trying to argue that somehow goodwill adds to the strength of a thrift—that it somehow protects depositor assets. I think the time has come to stand up to the lobbyists and say the American people take precedence over special interests.

I appeal to my Republican and Democratic colleagues to support the President and the American taxpayer and vote to reserve the strong capital requirements in this bill.

Mr. Chairman, I yield the balance of my time to the gentleman from Ohio, [Mr. WYLIE], the ranking member of the Committee on Banking, Finance and Urban Affairs.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] is recognized for 2 minutes, and without objection, the gentleman from Ohio may yield time to other members.

There was no objection.

Mr. WYLIE. Mr. Chairman, I reserve my time.

Mr. MOODY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Chairman, In my view, there are several major problems with the President's S&L proposal as modified by the committees of jurisdiction. The bill is inequitable—to future generations, to the American taxpayer, to many of our healthy thrift institutions, and to the Northeast and Midwest regions of this country. First, the bonding mechanism, and indeed, in my opinion, borrowing itself, is fiscally and morally irresponsible and will pass unnecessarily higher costs for this bailout on to future generations; second, the cost estimates for resolving problem thrift cases are deceptively low, the level of funding provided is undoubtedly inadequate, and the potential exists for agency action that could inflate the taxpayer obligation beyond that explicitly permitted by the Congress; third, the application of the capital standards will turn healthy institutions into troubled ones and may ultimately increase the costs to the taxpayer; and fourth, the alleged burden sharing is inequitable—the taxpayer contribution is significantly understated, the industry contribution is overstated, and other legitimate sources of income such as the States are not tapped.

We have an opportunity to address some of these serious problems during floor consideration of this bill. I hope we will do so.

I. GENERATIONAL INEQUITY: THE BONDING MECHANISM

The administration has managed to put the financing of the bailout off budget by creating a separate corporation to issue long-term bonds. The administration touts this approach as evidence of fiscal discipline. But the approach is both dishonest and unfair—dishonest because it relies on financial gimmickry to hide real costs; unfair because it will unnecessarily increase the financial burden on the American taxpayer.

In the Banking Committee, I offered an amendment that would have put the costs of the bailout on budget and stated it to be the "sense of Congress" that the bailout should be funded by taxes, user fees, or other forms of revenue enhancement. This is an approach that this administration and the last have typically used to fund new programs. It would be the correct approach here.

Bonding is appropriate to fund future capital expenditures, where the item produced will be of some tangible benefit to future generations who will be required to help bear the costs. Bonding is not appropriate to fund present consumption and even less appropriate to fund the past consumption that we are paying for in this S&L bailout.

Unfortunately, the amendments I offered were ruled out of order and the Banking Committee had little choice but to approve the administration's bonding plan. The Ways and Means Committee chose a different approach. The committee would put the financing of the bailout on budget but exempt the costs from the Gramm-Rudman targets. The Ways and Means approach is more honest, and it is substantially cheaper for the American taxpayer, saving at least $5 billion, and possibly as much as $42-$50 billion, over the next 30 years. In that sense, it is a significant improvement over the President's bill.

But in my view we should go even further. The Gramm-Rudman waiver still allows us to avoid the hard choices.

The only truly honest approach is to put the costs on budget and not exempt them from Gramm-Rudman. It is also by far the cheapest approach and, in that sense, the fairest to the American taxpayer. Paying for this bailout now rather than borrowing to pay will save the American taxpayer from $150 billion to $200 billion over the next 30 years.

The Rules Committee has made in order an amendment that I will offer as an amendment to the Ways and Means Committee amendment which would put the costs of the bailout on budget and on Gramm-Rudman. If the amendment is approved, we would then have

to make the hard choices we should make—either find an appropriate form of revenue enhancement or agree to spending cuts that will allow us to pay for our past mistakes. In my view, some form of revenue enhancement is the only reasonable approach, and I believe the correct choice would be a special time-limited surtax to pay for the bailout.

It is only right that we make these hard choices. There is no question that we will be spending enormous sums of money. The question is whether we will borrow and spend or tax and spend. If we choose to borrow and spend rather than pay for this bailout ourselves we are simply passing the costs on to our children and grandchildren. We are then forcing them to make a future choice between far more draconian tax increases or spending cuts. That is simply unjust.

The only reasonable and fair approach is one that minimizes as far as possible the cost to the American taxpayer. By that standard, the President's off-budget bonding approach must be abandoned.

II. TAXPAYER INEQUITY: RTC NOTE AUTHORITY

There is another way that we can reduce potential taxpayer costs. Chairman Gonzalez is offering an amendment which would put a clear cap on the amount of money available to the Resolution Trust Corporation for case resolutions.

The status of the FSLIC notes was a major issue left unresolved in the course of last year's S&L debate. By the end of 1988, an insolvent FSLIC had issued approximately $20 billion of FSLIC notes in assisted transactions. Inevitably, as the ability of FSLIC to back the notes it issued became more and more in doubt, the question of whether the notes were backed by the full faith and credit of the U.S. Government became more and more important. In fact, Congress had never placed the full faith and credit of the U.S. Government behind FSLIC notes. What was clear was that a Government agency without congressional authorization was creating financial obligations it was incapable of meeting and that the Government would ultimately be forced to honor, placing a potential burden on the American taxpayer that the Congress had never approved.

At the end of the last session, I made an effort to control that problem by introducing legislation that would have placed a cap of $20 billion on the level of notes that FSLIC could issue. Unfortunately, although that legislation was favorably reported by the Banking Committee, it never reached the House floor.

We are now in precisely the position that I feared. It is the American taxpayer that will now provide the backing for the FSLIC notes through the funds he is being forced to contribute to the S&L bailout. And now we are creating the potential for the same situation to occur yet again.

Under the S&L bill, the RTC retains the authority to issue notes in excess of the amount of money the Congress is actually approving in this legislation to fund the bailout. The administration argues that this authority is irrelevant because the $50 billion in bonding authority it has requested is sufficient. That is a highly dubious claim. If the 40-percent loss rate experienced in the institutions that the FDIC already has under conservatorship continues as the FDIC moves into other institutions, it will take $46 billion of the budgeted $50 billion just to cover the associations scheduled to be taken over in the next few weeks. That will total little more than half the approximately 500 insolvent S&L's already identified. And there are expected to be still more.

A limitation on RTC note insurance authority is critical. Under no condition should we create a situation where the taxpayer could be obligated for any costs beyond those specifically imposed on him under the bailout legislation.

III. INDUSTRY INEQUITY: THE TREATMENT OF SUPERVISORY GOODWILL

In the early 1980's, many healthy thrift institutions acquired weakened thrifts, at the request of, and under negotiated agreements with, the Bank Board. Then, as now, FSLIC had no cash to infuse in the assisted transactions. Instead, the Bank Board asked the acquiring institutions to accept the counting of supervisory goodwill toward meeting their capital requirements in exchange for the tangible assets they would otherwise have had the right to receive. The cooperation of these healthy institutions saved the FSLIC enormous sums of money. But, as a result, many healthy thrifts now carry supervisory goodwill on their books.

At the very least, we owe these institutions the simple opportunity to have a administrative hearing before the regulator regarding the specific agreements they negotiated and the special problems they face. the Hyde amendment would give them that right.

If we do not give these institutions and the contracts under which they are operating this minimal consideration, we could be turning numerous healthy institutions which negotiated with the Government in good faith and assisted the Bank Board in past transactions into problem institutions that we will eventually have to bail out. Such an approach totally disregards past contractual agreements and will increase the costs to the American taxpayer by adding exponentially to the list of troubled institutions and creating the possibility of endless litigation. Providing the institutions with their due process rights and providing the regulator with the opportunity to, in effect, renegotiate the agreements under which these institutions are operating, can save the taxpayer large sums of money the Government will otherwise be forced to spend defending its position in the litigation that will otherwise certainly ensure.

I firmly believe that private capital is the appropriate buffer for the insurance fund. But, we must strike a reasonable balance between the legitimate demand for tough capital standards and the need for fundamental fairness and reasonable transition rules.

The Hyde amendment strikes a reasonable balance. It would simply require that institutions which acquired supervisory goodwill through past supervisory transactions have an opportunity for a hearing through which they can present their case. The amendment does not change the capital requirement in any way. It would simply create a mechanism through which the regulator could avoid unnecessarily designating a well-managed profitable institution that is operating reasonably under an existing contract with the Government a supervisory case. This is simply common sense and fundamental fairness.

IV. REGIONAL INEQUITY: A STATE CONTRIBUTION

The Northeast-Midwest Coalition presented an amendment to the Rules Committee which I cosponsored that would have required some reasonable contribution from the States for any excessive costs associated with bailing out State-chartered institutions. I am very disappointed that the committee did not make that amendment in order. The issue is an important one and cuts to the very vital question of whether this bill meets the most rudimentary standards of fairness. On the regional equity issue, I do not believe that it does.

It was primarily State-chartered, but federally insured, institutions with a very broad array of powers, operating, in some cases, under lax State supervision, that broke the Federal insurance fund. State-chartered institutions were responsible for three-quarters of the $30.9 billion cost of FSLIC case resolutions in 1988, and the vast majority of those institutions were located in the Southwest. This bailout, therefore, involves a massive transfer of resources from the Northeast-Midwest to the Southwest.

We have a dual banking system and it is that system we are bailing out. The States have obligations as well as rights under that system; and those obligations should be reflected in some sharing of the cost. We must remember that we are largely engaged not in a depositor payoff, but in as massive restructuring effort designed to preserve institutions and the stability of communities. The States and the Federal Government should share responsibility for that effort. The coalition amendment would simply have provided a mechanism through which States can make some modest contribution toward any excessive costs associated with bailing out State-chartered institutions within their borders.

V. CONCLUSION

The bill as it stands is inequitable. The House has before it a number of amendments whose acceptance will result in a fairer proposal—fairer to our children, to the American taxpayer, and to some of our healthy institutions. I would urge my colleagues to seriously consider these important changes.

Mr. GARCIA. Mr. Chairman, I rise in support of the bill reported by the full committee on banking, finance, and urban affairs under the capable leadership of Chairman HENRY GONZALEZ.

I urge my colleagues to support the spirit of the bill, including the financing mechanism and the low-income housing provisions.

I also urge my colleagues to support the strong capital requirements of the bill. We cannot risk facing a similar crisis.

Mr. Chairman, I want to emphasize my support for the chairman's housing provisions in the bill.

After almost a decade of neglecting low-income families, this provision is very important. With this savings and loan bill, we are asking the American taxpayer to bail out an industry that is responsible for providing loans for homeownership.

It would be unthinkable to expect the working families of this country to come to the

rescue without guaranteeing that the thrift industry will in turn provide affordable loans for low- and moderate-income families.

Mr. Speaker, some of my colleagues argue that this is not the time or place for this provision. I say that there is no better time.

It does not matter if we consider other housing legislation later this session. Providing funds for homeownership goes hand in hand with the thrift industry.

If some of the troubled thrifts had invested in working families and working neighborhoods, we might not be faced with this crisis today.

Mr. Chairman, I believe in homeownership for all Americans. This is the best investment we could ever make, and I urge my colleagues to vote for this provision and for the committee bill.

Mr. MFUME. Mr. Speaker, I implore Members of this body to take time to realize today the magnitude of the expenditures that the S&L bailout will in fact result in. This nationwide bailout plan is expected, as we know, to cost more than $150 billion.

In considering what else this money could have been used for, or what it may have bought, the Washington Post wrote today and said that—

> It could have financed the U.S. Food for Peace Program at its current level for 136 years, or the Drug Enforcement Administration for 262 years, or Federal Prenatal Care Programs for 717 years.

Mr. Speaker, the American taxpayer has a stake in this emergency assistance legislation. Not only must we move to pass it, but we must also move to ensure adequate capital standards, and we must give the taxpayer something in return.

So I urge my colleagues to support provisions in that bill that simply call for fair lending practices and require S&L's to meet the Nation's housing and community and reinvestment needs. To consider such matters irrelevant is defenseless and ceases I think to take the opportunity and the imperative of this day.

Mr. MOODY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Chairman, I commend the chairman of the full Committee on Banking, Finance and Urban Affairs. I rise in strong support of the legislation. I think it is necessary, I think it is needed, and I think tomorrow we are going to have some hard choices to make, and I hope we can make them for the American people.

CRUCIAL TO KEEP FSLIC BAILOUT ON BUDGET

Mr. MOODY. Mr. Chairman, the issue before us is enormous, in fact, momentous. No new spending program created by Congress since World War II except Medicare comes close to the cost of the operations we are about to authorize.

The cost of this measure will be between $200 billion and $350 billion before all is said and done. That cost, of course, will depend crucially on the way we finance it, because by far and away the lion's share of those large numbers are borrowing costs, the financing costs, the cost of getting money now in order to pay for it later. It is this massive resort to borrowing which is the heart of the administration's plan.

The Committee on Ways and Means, on which I serve, adopted a very crucial amendment that will have great implications on the ultimate cost of the bill and to contain those costs: The amendment to keep the entire bailout on budget.

□ 1850

Why should we keep it on budget? Why don't we adopt the Bush administration plan and simply take the whole $200 to $350 billion obligation off budget? You have heard the arguments from the administration that we need to retain what fiscal discipline is still left under Gramm-Rudman. Unfortunately, taking it off budget would not do that. By taking it off budget, it takes it off Gramm-Rudman, and therefore provides no real discipline at all. It would provide the symbol of discipline by not formally breaking Gramm-Rudman without providing the actual discipline of Gramm-Rudman.

After all, what was the purpose of Gramm-Rudman? The purpose was to cut down borrowing for public purposes. Why? Because all borrowing now—whether by Treasury or some creation like REFCOR—is, at the margin, is entirely borrowing from abroad. Every extra dollar we borrow we borrow from the Japanese, the Germans, or other foreigners. Virtually every dollar we borrow from foreigners is a dollar increase in our foreign trade deficit. And every $40,000 increase in our trade deficit eliminates one American job.

The other, related, reason to contain borrowing for public purposes is that is the only way to make more loanable funds available for private investment.

So the real reason for Gramm-Rudman, my friends, was not to set up a shell that we could run around; it was to reduce public purpose borrowing. The Committee on Ways and Means amendment to put this bill on budget, even though it does grant a waiver of Gramm-Rudman, brings us much more nearly to the point of facing up to the real cost of this bill and doing something about it.

It will instill more, not less fiscal discipline. If not in fiscal year 1990, then in fiscal year 1991 or 1992.

So I strongly support the on-budget amendment of the Committee on Ways and Means.

Then, there is the important issue of honesty. Plain honesty with the taxpayers if a nation is going to support a program of this huge dimension, a program this expensive, it is going to have to understand it. We know what happens when the public does not understand very expensive decisions made in this body; they eventually rebel against them. Rightfully so in a democracy. If we are going to get the support of the public, they have to understand the operation.

The first way to honestly cope with the problem is to describe it honestly. Putting it on budget is the first step in describing it honestly. If there is anything that Congress needs and, I might say, the administration, given its track record of the last 8 years, it is credibility on fiscal management issues. Taking this off budget as the administration proposes, and as some members of my committee propose, would be a step in the opposite direction to reestablishing credibility.

But perhaps the strongest reason for having the S&L bailout on budget, regardless of whether it is under Gramm-Rudman or not, is the cost.

There are three main points under that issue of cost. No. 1, there is a premium on interest charges if the money is borrowed through REFCOR or any other off-budget entity. A good example of this is the off-budget entity FICO. The interest cost premium for FICO borrowing over direct Treasury borrowing is about 50 basis points, or one-half of 1 percentage point.

The administration assumed about 20 basis points differential from having the S&L off budget, or an extra cost of about $4.5 billion. But if FICO is a good guide, the difference is really going to be about 50 basis points. That alone is going to cause about $7.5 billion in extra cost for the entire package.

I do not know which of you could stand up and tell your constituency we are going to spend $7.5 billion more and charge it to the taxpayers just for the window dressing to make Gramm-Rudman look a little better.

The second extra real interest cost for having the package off budget is the cost of borrowing the $4.5 to $7.5 billion extra cost just described. Since the United States is in a deficit position, the $4.5 billion to $7.5 billion is going to have to be borrowed and therefore cost still more money. Over a 30-year period, that extra cost adds up to between $17 billion and $20 billion, depending on what interest rates you use.

And the third, and most significant and most overlooked, element of increased borrowing cost for taking it off budget is the fact that under the administration plan the entire operation would be borrowed only on a 30-year basis. The administration insists it all be borrowed at 30-year maturity, whereas it would be on budget, then the Treasury could issue notes and bonds of whatever maturity was the cheapest in interest costs. It is a fact that today 30-year notes carry higher costs, higher interest rates, than short-term notes. If we adopt the

President's plan putting it off budget, we would be borrowing money in the most expensive way possible. That adds another $20 billion or so to the cost.

So, Mr. Chairman, we are talking about a total of some $47 billion extra by taking it off budget. I hope that those who are tempted to adopt the administration plan will consider this $40 to $50 billion in extra cost by taking it off budget. You cannot justify that, I think, under any basis.

Finally, my final overall point for having the S&L package on budget goes beyond cost. It concerns congressional oversight. All of us know that we in Congress watch over something more closely if it is on budget. If there is anything that has been missing in the sad S&L picture, it has been lack of oversight. Putting the program on budget will give us more incentive to provide careful congressional oversight.

So for oversight reasons, for cost containment reasons, and for plain old honesty in budgeting reasons, it is important that we adopt the Ways and Means amendment, and put the entire package on budget.

The CHAIRMAN. The Chair now recognizes the gentleman from Ohio [Mr. WYLIE], who has 2 minutes assigned to him by the Ways and Means Committee.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. Mr. Chairman, I thank the gentleman for yielding the time. I rise in support of H.R. 1278, but because of the shortness of time, I want to commend the chairman for his good work and ranking minority member as well as the other committees for crafting this sound bipartisan bill.

Let me just focus for a moment on the capital standards in this bill. There has been a lot of partisan sparring on this issue. In the subcommittee with Mr. ANNUNZIO they produced a bill the administration criticized for not being strong enough. The same holds true for the committee bill.

In fact, I think that the legislative process has worked well. In the committee we were able to strengthen Mr. Bush's bill. Mr. Bush's bill, if you read the language, was somewhat ambiguous on the issue of goodwill. I think we have taken this issue a step forward. As I said, these gentlemen and the committee should be commended for that measure.

Now that we have taken these steps, I think we have to be very careful not to go backward on the goodwill issue. I hope that we can get this partisan sparring behind us and move forward expeditiously on this legislation.

We can never allow this issue, this crisis to happen again. But the reality is it very may well. We had some testimony recently that indicated that the administration may be underestimating the cost of this crisis by $20 billion to $30 billion. We may in fact have to go back to the taxpayers in 2 to 3 years and ask them for further proceeds.

I think we have to make sure that when we deliberate on this bill at this point in time that we pass the kind of tough standards that are necessary so that we can insure that this does not happen in the future.

Mr. Chairman and the ranking minority member, again I want to thank them for the chance to make these brief comments and look forward to debating the bill.

The CHAIRMAN. The time controlled by the Committee on Ways and Means has expired.

The Chair now recognizes the gentleman from Texas [Mr. BROOKS], the chairman of the Committee on the Judiciary, for 10 minutes.

Mr. BROOKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989, is an extensive revision of this Nation's system for insuring and supervising the financial institutions which make up our thrift industry.

The Committee on the Judiciary was granted sequential referral on the bill for the purpose of reviewing those provisions of the bill which are within the committee's rule X jurisdiction. Principally those matters related to law enforcement and to the due process requirements of the Administrative Procedure Act.

With regard to civil penalties, the Judiciary Committee modified the provisions in order to ensure that the penalties were actually civil penalties in fact as well as in name. The committee amendment ties the civil penalty to the actual loss to the Government. The maximum penalty which may be imposed is twice the actual loss to the Government. This was done to ensure that the penalties meet the constitutional test of being civil or remedial and not actually criminal.

The committee also made two other changes to the remedial civil penalties. First, the $1 million cap was removed. Second, the burden of proof which the Government must meet before the civil penalties can be imposed was changed from the stricter "clear and convincing evidence" standard to the lesser standard of "preponderance of the evidence."

With regard to the civil forfeiture sections of the bill, the committee modified the bill to allow the use of civil forfeiture in banking related offenses and brought the treatment of forfeited assets under the standard procedures which already make Federal regulatory agencies eligible for forfeited property on a discretionary basis after expenses are paid. The amendment allows the regulatory agencies to recoup their investigative costs and allows the funds to be paid to them for claimants, creditors and the agencies insurance fund if the financial institution is in receivership, or to the financial institution itself on order of the appropriate Federal regulatory authority.

The committee made certain technical corrections to the criminal forfeiture sections of the bill.

The Judiciary Committee added a $10 million authorization for the judicial branch to carry out its duties as proposed in the bill. This is to assist the courts in meeting the additional workload that will be occasioned by litigation under the provisions of the bill.

The committee deleted the provision in the bill which sought to establish criminal division fraud section regional offices in Los Angeles and Dallas. The Judiciary Committee felt that it was inappropriate for the Congress to micromanage the Justice Department in this manner and that such management decisions should be made by the Department.

The committee clarified the language which would establish a new felony for an officer or employee of a bank who obstructs a criminal investigation by notifying bank customers or targets of grand jury investigations of the existence or contents of grand jury subpoenas. The Committee took the position that felony penalties should not be imposed upon individuals who disclose the existence or contents of such subpoenas, but do so without criminal intent to obstruct the administration of justice. The committee amended section 962 to require a showing of criminal intent to obstruct an investigation before a felony prosecution can take place. The committee established a penalty of no more than 1 year in prison and a fine for disclosures made with a "knowing" state of mind, but without criminal intent to obstruct an investigation.

The committee amended several sections of the bill to bring the procedures into line with the due process requirements of the Administrative Procedure Act.

Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I thank the distinguished chairman of the full Committee on the Judiciary for yielding time to me.

Mr. Chairman, I rise in support of H.R. 1278, and in particular in support of the amendments approved by the Committee on the Judiciary, which have been made a part of the original text for purposes of consideration of the bill in the House.

Unscrupulous persons in the savings and loan industry have, through their fraudulent practices, brought an industry to its knees, and caused countless billions of dollars of loss to depositors. Taxpayers are now being asked to pick up the tab for their avarice and their crimes.

I know that there is a disposition in this body to accompany that bailout with severe sanctions for the wrongdoers who brought us to this point.

I share that disposition. For that reason, in the Judiciary Committee markup, I supported an amendment to provide additional funding to help bring to justice, both civilly and criminally, these wrongdoers.

I also offered an amendment to provide tougher civil penalties for those who engage in fraudulent activities in connection with banking transactions. I want to call my colleague's attention to this amendment, which was adopted and is a part of the bill before us, because an amendment will be offered later to return to the language of the bill as it existed before my amendment.

One of the ways H.R. 1278 proposes to get tough on bank fraud and related crimes is by permitting both criminal punishment and severe civil penalties for the same fraudulent conduct. I support this approach, and my amendment supports it and advances it.

The bill as reported by the Banking Committee called for civil penalties up to $1 million—$5 million for continuing violations—for violations of a number of Federal criminal laws involving fraud relating to financial institutions. No standards were provided for courts in determining the appropriate penalty, and the penalty could be imposed in addition to criminal penalties. The cap on the penalty could be exceeded if there is actual loss or gain in excess of the cap. The Government had to prove its case by clear and convincing evidence rather than the normal civil standard of preponderance of the evidence, meaning that fewer cases could be successfully brought.

A bipartisan majority in the Judiciary Committee voted to strengthen this penalty in a number of ways.

First, we eliminated the fixed dollar amount cap. It is our feeling that a person who causes losses of several million should not have his liability capped at $1 million.

Second, we pegged the penalty to the actual loss to others—or gain to himself—caused by the defendant. In the case of loss to the Government, the penalty can be up to double the actual loss. We define loss to the Government in an all inclusive way to include all costs of regulating, investigating, and prosecuting the wrongdoer. Money paid by any Federal Deposit Insurance Fund is included.

If loss to a private party, or gain to the defendant, exceeds twice the loss of the Government, a penalty in this larger amount can be assessed.

Third, we make it easier for the Justice Department to impose these penalties by lowering the burden of proof.

Tomorrow, when we debate the amendment to roll back this penalty to the level provided for in the Banking Committee bill, I will provide more detail spelling out the advantages of our version of this penalty. After you hear that debate, I hope you will vote to retain the tougher penalty provisions which the Judiciary Committee put into the bill.

□ 1900

Mr. BROOKS. Mr. Chairman, I yield back the balance of my time.

Mr. McCOLLUM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I, too support this legislation. I think it is an extremely important bill that we are about to proceed upon.

I happen to wear two hats, being a member not only of the Judiciary Committee but the Banking Committee, and I have been through quite a few markups on this piece of legislation. The gentleman from New Jersey has worked very hard, and it has been a pleasure to work with him as my chairman of the Subcommittee on Crime, and my colleagues on the full Committee on the Judiciary on this particular piece of legislation. We have concurred in most of the changes that were made by the Committee on the Judiciary in this bill, and they were small but significant.

I think, first of all, it should be pointed out what was not changed. Lots of people wonder why the Committee on the Judiciary sees a banking bill. The reason we see this bill is because there are significant changes, particularly in criminal penalties, civil penalty areas of the law in dealing with the procedures that would cause harm and penalty to come to an individual who violates the banking provisions. In the area of criminal law, the criminal penalties were not changed by the Committee on the Judiciary. They are very tough penalties we agreed upon, after our floor markup, with the Committee on Banking, Finance and Urban Affairs. If an individual goes out and violates a criminal law that is set forth in this bill, they will get socked, too. We also are going to see that we do not change the funding mechanism, to give the Attorney General some $65 million of additional resources to go out and prosecute people who may have been responsible in bank fraud situations and the like, for causing a lot of the problem. Those two fundamental, basic principles of tough, hard criminal law were in no way touched by the Committee on the Judiciary.

However, we did get at a problem which the gentlemen from New Jersey raised a moment ago, which we thought was important, in the area of civil penalties. There is a concept in law that says that a person cannot have double jeopardy. There is also a concept in law that says that a civil penalty, indeed, is really, truly, a criminal penalty, and only called a civil penalty by name. It will be treated like a criminal penalty. The way the Committee on Banking, Finance and Urban Affairs' bill has been structured when it came to our committee, it appeared and still appears to me, it would have run afoul of this problem; that, indeed, we would have had accumulative effect, accumulative provision, so-called criminal penalty and so-called civil penalty for the same offense. We would have tacked one on to the other, and in that process there would have been no distinguishing reason for the civil penalty, other than the criminal activity itself. No tie-ins to the underlying cause, the cost to the Government, or separate remedial reason to have a civil penalty. Consequently, we addressed this problem in a way that is really necessary to provide for a constitutional civil penalty and still have it accumulatively, so the Government can prosecute and get a criminal penalty, but also get a civil penalty where appropriate, and that is a civil penalty the way we now have our provisions coming before the floor today where Members have up to twice the cost to the Government, twice the loss to the Government, whether that is in attorneys' fees or overhead, or insurance funds, that are paid out to those depositors who have to be paid off when we are closing an institution because of some fraud or whatever, that occurred by those being tacked on to these penalties.

So we have a stiff criminal penalty provision which is accumulative with the criminal, but it is constitutionally valid, separate, and remedial in nature, and what I call proportionate to the offense in the civil area.

Another thing to note on the Judiciary side, we also did address the problem that existed in the bill that came out of the Committee on Banking, Finance and Urban Affairs, in that the law that we would have put into effect has changed slightly in dealing with bank officers and employees who notify customers who are targets of criminal investigations, that their bank records have been subpoenaed by a grand jury. That is made a crime, and made a crime in both bodies, both committees, but what we have done is said it is a misdemeanor, 1-year penalty for knowingly violating this; and a felony, 5-year penalty, for a violation

of this, committed with intent to obstruct investigation. I think that was a significant change.

One other amendment to be offered in this area, to restore something we changed. We took out the two fraud divisions that the Attorney General did not particularly want to see here established by the Committee on Banking, Finance and Urban Affairs. It seems to me that the Attorney General, we ought to give him the money, he ought to have the power to run the fraud section of his department the way he wants to. We should not dictate that he have a fraud division in Dallas, Los Angeles, New York, or anywhere else. Let him establish that. It seems to Members that is wrong, and took those provisions out, and some Members, I think, will try to put them back in. I hope the Members will look at that.

One last point I would like to make on my time, since I wear both hats, an amendment that my colleague from Illinois from the Committee on the Judiciary related to standards, relating to a role I played in both. I supported him in the committee on that effort, because I thought he had a point about fairness, and there is a problem when we talk about supervisory goodwill, the amount that has been given or allowed by the Home Loan Bank Board to a number of institutions that took over failing thrifts.

□ 1910

They are allowed to have this on their books and write it down or amortize it over a number of years, and that counts as capital now.

The bill that came out of the Banking Committee, the one we will have before us tomorrow, is one that says they are going to have to write that down in a very short time, not over anything like a 30- or 40-year period of time, and under certain guidelines they would have to get rid of that and find real capital and put it on their books. That is harsh on those institutions that make these arrangements.

The gentleman from Illinois is going to offer an amendment tomorrow on the subject, as he did in full committee, that will try to mitigate that. His effort is noble. As I say, I supported it previously because of the question of fairness and whether or not we could keep and live up to it. My problem, though, is that upon reflection I can no longer support that amendment, and I will not when it is offered tomorrow, because it seems to me the public interest in tough capital standards is in making sure these so-called goodwill amounts, which are nothing more truly than deferred losses, not goodwill in the traditional business sense, simply cannot be allowed to stand.

So unfortunately and reluctantly, I will be opposed to the efforts of the gentleman from Illinois to put that provision in. I will also oppose other efforts that weaken the capital standards provisions in the bill. We have to have tough capital standard provisions.

We must have a tough bill. We have a good product that is coming out here. There are changes that this Member would like to have had such as keeping and continuing the cross-marketing prohibitions that are currently in the law for savings and loans and banks so that we do not have special deals working among subsidiaries that the holding companies have. Unfortunately, the Rules Committee did not allow me to offer the amendment I had requested that would have kept that in.

So there are things where I have differences in this bill. But overall it is a tough, hard-fought bill that has been worked out through several major committees, including the Banking Committee and the Judiciary Committee. I think the product is sound. I do not think we need major amendments to this bill, with perhaps the exception of eliminating the consumer provisions that I think have no relevance to the legislation at hand. But other than that, there is no reason why we should be tampering with the fundamental provisions of the bill.

Mr. Chairman, I urge my colleagues to maintain the provisions we changed, particularly those in the Judiciary Committee, because they actually make the whole penalty section much tougher and tighter. I would urge my colleagues to sustain those provisions.

The CHAIRMAN. The time controlled by the Committee on the Judiciary has expired.

The Chair now recognizes the gentleman from Michigan [Mr. CONYERS], chairman of the Committee on Government Operations, for 5 minutes.

Mr. CONYERS. Mr. Chairman, on June 1, 1989, the Committee on Government Operations ordered the Committee on Ways and Means amendment No. 3 to H.R. 1278 favorably reported. That amendment would move the financing plan in the bill from an off-budget entity to an on-budget governmental entity, with an exemption from the triggering of automatic budget cuts under the Balanced Budget and Emergency Control Reaffirmation Act of 1987, commonly known as Gramm-Rudman-Hollings.

The committee rejected the off-budget approach to financing the bailout because it would cost the taxpayers significantly more money. According to the General Accounting Office having the outlays of the Resolution Funding Corporation off-budget will cost the taxpayers approximately $4.5 billion over a 30-year period because under the administration's plan, REFCORP would have to borrow money at a higher interest rate than would the Treasury.

The committee considered and rejected the administration's argument that since having the REFCORP debt on-budget would cause a paper increase in the deficit, national and international markets would react negatively and interest rates would rise. The committee believes that the administration has not provided convincing evidence that the markets would be adversely effected by placing the REFCORP on budget. Moreover, the General Accounting Office and other economists have convincingly argued that the financial markets obviously recognize the fiscal realities of financing this bailout, and would not react negatively to an on-budget approach.

During our committee consideration of this issue it was also argued that putting the financing on-budget would mean that the savings and loan industry would be required to pay less money to help finance this bailout. However, as the Ways and Means Committee report noted the Federal Home Loan Banks would actually pay a larger amount of the cost of this bailout because the aggregate annual limitation on Federal Home Loan Bank payments was deleted.

The committee also considered and rejected the administration's argument that an exemption for the Gramm-Rudman-Hollings Act would set a precedent for other exemptions, and weaken the process for an orderly reduction of the deficit. The committee rejected this argument since this exemption sets no worse a precedent than putting the outlays off-budget, yet saves the taxpayers approximately $4.5 billion. In addition, since the massive cost of this bailout could not reasonably have been foreseen by Congress at the time the Gramm-Rudman-Hollings targets were established, it makes sense to make an exemption for a bailout of this unprecedented magnitude. Moreover, the Congressional Budget Office has argued that since the $50 billion borrowed by REFCORP would be given right back to the private sector, there is no macroeconomic effect, and thus Gramm-Rudman-Hollings targets would not be effected.

Unfortunately, this amendment does not come close to solving the basic problems of this bill. A climate of fear and panic has been created in the halls of Congress by the escalating costs of this bill, and the political pressure being placed on this body by an administration seeking to avoid its responsibility to craft a bill which realistically balances the interests of the taxpayers, with the need to save the savings and loan industry. The result is a bill which puts an unfair burden on the taxpayers to fund this bailout, and turns its back on racial minorities

by failing to include even the most modest improvements to Federal legislation designed to end racial redlining practices by banks.

While I recognize the need to work as quickly as possible on this bill, I am coming to the conclusion that unless we make substantial improvements to it, we should scrap this whole thing and start over again.

The Congressional Budget Office estimates that at a minimum the taxpayers will have to pay for more than 70 percent of the funds necessary to resolve this crisis over the life of the bailout plan. This is like Robin Hood in reverse, forcing the poor taxpayers to give to the rich bankers, and is unfair by any standard. We should not become silent partners in the administration's fleecing of the American taxpayer.

Let us be clear, the savings and loan crisis had three fundamental causes, criminal fraud, deregulation and lack of effective oversight. The American taxpayers had nothing to do with this crisis, yet they are being asked to foot the bill. As the Reverend Jesse Jackson has stated "Let those who had the party pay for the party."

We are told that the taxpayers must pay for the bailout because the savings and loan industry is broke, and cannot be expected to pay more if we intend to save the industry. Why then do we not find the least expensive way to fund this bailout for the taxpayers? Most of the cost of this bailout is due to interest payments spread out over 30 years. The simple solution is to not spread out those payments over that period of time, but pay as we go. The reason that is not being done is that the President lacks the political will to honestly face the American people and tell them that the least expensive way to fund this bailout is to generate new revenues, that is taxes.

Now this body is poised to go along with this charade because we lack the political will to stand up to the President and force the tax issue. I think this is a serious miscalculation which will backfire as the taxpayers begin to realize how much money they will have to pay to bail out the savings and loan industry.

Finally, comes the whole issue of the failure of this bill to include even modest provisions to assist in preventing discriminatory redlining practices. I have done a survey of the recent literature on the issue of redlining. Studies in Atlanta, New York, Detroit and Chicago have dramatically documented how these redlining practices are crippling the inner city black communities. The Atlanta study found that qualified black mortgage applicants were as much as five times as likely as white applicants to be rejected for home mortgage loans by S&L's and banks.

This is an issue of critical importance to the civil rights community and for America. Because with redlining comes segregated housing patterns. With segregated housing comes inferior schools, which leads to inferior jobs and leads us back to the prediction of the Kerner Commission Report on civil disorders 20 years ago, of two societies, one white and one black, separate and unequal.

During the past 2 weeks we have witnessed in dramatic fashion how the Supreme Court in two major civil rights cases, Price Waterhouse versus Hopkins, and Wards Cove versus Antonio, has turned its back on racial minorities by creating almost insurmountable barriers to proving a case of employment discrimination, and defending challenges to court approved affirmative action programs. Now Congress is set to approve what the General Accounting Office now estimates to be a $285 billion bailout of the savings and loan industry with not one amendment on one of the leading civil rights issues of our time.

Only one of several antiredlining amendments was made in order by the Rules Committee. That amendment will be offered by Representatives JOSEPH KENNEDY, and would require that financial regulatory agencies publicly disclose their ratings of compliance with the Community Reinvestment Act, an antiredlining statute. The amendment does not come close to adequately dealing with the problem of discriminatory redlining. It does not answer the question of how we get effective enforcement by the regulatory agencies of the Community Reinvestment Act, and other antiredlining statutes. It does not answer the question of how we require the banks and S&L's to keep more detailed records on the race and sex of mortgage applicants.

However, without this amendment I believe I have a moral obligation to oppose this bill.

The CHAIRMAN. The general debate time controlled by the Committee on Government Operations, in light of the fact that the minority Members now present are considered as having yielded back their time, has expired.

The Chair recognizes the gentleman from Tennessee [Mr. GORDON], a member of the Committee on Rules, for 5 minutes.

Mr. GORDON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as is the custom of the House, the Rules Committee receives referral of all bills and resolutions that change or affect the rules of the House.

H.R. 1278 as originally introduced contained no matters that touched on any rules of the House. However, because of subsequent action by the Committee on Banking, Finance, and Urban Affairs and the Committee on Ways and Means, the Rules Committee received a referral on this bill relating to two provisions that fell within the jurisdiction of the committee.

The first provision, section 501 of the banking committee substitute provides for a new section 21A(u) of the Federal Home Bank Act, which provides for certain procedures for congressional review of personnel structures of the newly created Resolution Trust Corporation.

The Committee on Banking, Finance, and Urban Affairs provision would prohibit the Resolution Trust Corporation from implementing any employee compensation and benefit package until that plan is submitted to Congress, and Congress has had an opportunity to disapprove the plan by enactment of a joint resolution. Because this provision could be construed as a rule within both Houses of Congress, the matter would fall within the jurisdiction of the Rules Committee.

The second provisions are the amendments that were proposed by Committee on Ways and Means, that would affect the budgetary treatment of the proposed Resolution Funding Corporation.

The Ways and Means Committee amendment proposes a section 502(c) of the bill that affects both the format of the concurrent resolution on the budget and the calculation under the Gramm-Rudman-Hollings law.

Mr. Chairman, because these provisions have to do with the enforcement of the maximum deficits amounts specified by the statutes that operate within Congress, they would be considered an exercise of the rulemaking of both Houses of Congress and are within the jurisdiction of the Committee on Rules.

Mr. Chairman, although recognizing that these two provisions were purely within the jurisdiction of the Rules Committee, and to ensure that this bill would not be delayed any further. The Rules Committee filed its report on H.R. 1278 without amendment and without recommendation.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. QUILLEN] a member of the Committee on Rules, for 5 minutes.

Mr. QUILLEN. Mr. Chairman, the gentleman from Tennessee [Mr. GORDON] has ably explained the provisions of this bill that fall within the original jurisdiction of the Committee on Rules. The provisions in the bill that fall within the committee's jurisdiction deal with only two items.

Mr. Chairman, the first is a legislative veto of the personnel structures of

VOL 135 PT 9 JE 14 22 1989 UMI

the Resolution Trust Corporation. The second is the revision of the Gramm-Rudman-Hollings law.

The Committee on Rules reported these provisions without amendment and without recommendation. As a result, the Committee on Rules' action on the parts of the bill falling within its jurisdiction was brief and without controversy.

Mr. Chairman, with regard to the rule on this bill, the Rules Committee spent 3 days hearing the various witnesses and reported a rule which provides for the consideration of various amendments.

Mr. Chairman, one is my amendment to grandfather in the agreements reached by the Federal Home Loan Bank Board with healthy savings and loan associations who took over failing savings and loan associations. My amendment was made in order, and I shall discuss that tomorrow.

There is another amendment with which I do not agree, but the Committee on Rules in fairness made in order. That is the amendment by the gentleman from Massachusetts [Mr. KENNEDY] which makes reporting measures for the banking industry so complicated that they cannot live with it, and I hope that is defeated.

The CHAIRMAN. The gentleman from Tennessee [Mr. GORDON] is recognized for 3 minutes.

Mr. GORDON. Mr. Chairman, I yield my time to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, I wanted to address the point that has been raised obliquely, but not directly, so far in this debate about the bill, namely the question of whether or not to exempt it from Gramm-Rudman.

I think a consensus is building here in the House to not exempt it from the budget; that is, put it on budget. But the question remains open as to whether or not we should put it under Gramm-Rudman. The administration proposes the worst of all worlds, I think, by not only having it both off Gramm-Rudman and off budget.

The real purpose of Gramm-Rudman, we have to remind ourselves, is to force us as a Nation to borrow less money for public purposes. If we put the huge S&L package on budget but leave it off Gramm-Rudman, my colleagues, you know and I know that we will end up borrowing virtually the entire amount rather than asking ourselves to bite any tough fiscal bullets. We'll avoid taxes on spending cuts. We will end up borrowing it. At the margin every additional dollar we borrow is borrowed from overseas. Every dollar we borrow from overseas causes approximately one more dollar on the international trade deficit. Every $40,000 on the trade deficit eliminates one American job.

Borrowing, opposed to other ways of financing, also directly raises interest rates and thus crowds our private investment, lowers the productivity of our society and reduces our future standard of living. Whether we borrow the FSLIC bailout cost is borrowed "off budget" or "on budget," it is still additional borrowing in the financial markets, and has an identical effect on interest rates.

Mr. Chairman, we are playing games if we think that moving borrowing off or on budget has any real effect on interest rates. The real effect on the interest rates depends on the total demand for loanable funds versus the total supply, and that is what is going to drive interest rates. If we want to reduce interest rates, move capital into private purposes, increase productivity of our Nation, reduce dependency on foreign money, and stop indenturing future generations of our country to foreign lending, then we have to bite some real fiscal bullets. That means either spending cuts—and I would hope that we would get some support on that side of the aisle—and/or some tax increases. Those, I think, are a much more honorable and much more effective and efficient way of financing this entire package than borrowing.

That is why we should not exempt the FSLIC bailout from Gramm-Rudman. Only if we put ourselves under the discipline of Gramm-Rudman will we force ourselves to make a choice between borrowing, taxes, and program cuts. Only then will we require ourselves to choose that optimal mix between those three forms of financing. If we keep it out from Gramm-Rudman—and worst of all if we take it off the budget—we will never make those choices. We will never optimize those three ways of financing. We will put it all on borrowing, as my colleagues well know, and we will do a great disservice to our Nation.

So, I would hope that as Members consider the bill they will face up to the issue of the Gramm-Rudman discipline.

After all, we want to pay support to the purpose of Gramm-Rudman, which is to reduce borrowing, not pay support to simply the formal symbolism of Gramm-Rudman.

The CHAIRMAN. All time for general debate has expired.

Mr. GORDON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. POSHARD] having assumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, had come to no resolution thereon.

AMENDING AND EXTENDING GOVERNING INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE FAROE ISLANDS AND DENMARK CONCERNING FISHING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-72)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, June 14, 1989.)

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC AND COMMERCIAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic and Commercial Law of the Committee on the Judiciary be permitted to sit on Thursday, June 15, 1989, while the House is proceding under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LET US BE AN ENVIRONMENTAL CONGRESS FOR AN ENVIRONMENTAL PRESIDENT

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. BOEHLERT. Mr. Speaker, on Monday the President of the United States earned the eternal gratitude of all Americans concerned about the quality of our environment.

Now this is not just my opinion. This is the opinion of some of the leading journalists from across America.

I quote from an editorial in the Washington Post entitled "The President's Clean Air Plan."

"The question seems no longer to be whether there will be the new law that circumstances require, but how soon and what kind?" Particularly does the Washington Post give praise to the President for his acid rain initiative?

In this morning's New York Times under an editorial entitled "Mr. Bush Clears the Air," the Times observes,

"For years the fight against dirty air has missed a crucial element: a President who thinks the Nation deserves clean air."

In addition to the editorial in today's Times this concludes what poll after poll has shown that Americans are willing to pay for cleaner air.

Mr. Speaker, Mr. Bush is now asking for cleaner air. The question is whether Congress is prepared to legislate cleaner air.

Let us prove to this environmental President that we will be an environmental Congress.

[From the Washington Post, June 13, 1989]

THE PRESIDENT'S CLEAN AIR PLAN

For now the most important thing about the clean air proposal that President Bush made yesterday is not how strong it is but simply that, against the grim backdrop of the last eight years, he made it. The answer as to strength seems to be that some provisions—on acid rain, for example—are stronger than the others, with a lot depending on details to come. Overall about medium, as you might expect. The individual provisions will be much debated in the coming months as either too permissive, too restrictive, unworkable, unable to produce the promised results or, if the president has gauged the politics correctly, just about right. But Mr. Bush, simply by joining the debate in a serious way, has moved the middle ground. The question seems no longer to be whether there will be the new law that circumstances require, but how soon and what kind.

The Reagan administration (of which Mr. Bush was an uncomplaining part) tried to roll back the major environmental statutes as part of its (selective) deregulation campaign. In certain other areas this campaign succeeded; on environmental issues it largely failed, as a resisting Congress fought the White House to a messy and uncertain draw. The established laws weren't killed, but neither were they updated. The government marked time, which on some issues meant that it lost ground.

Mr. Bush now proposes three initiatives—to reduce acid rain, city smog and so-called toxic air pollutants, special health threats half of which are said to come from motor vehicles and half from both routine and accidental industrial emissions.

On acid rain the president is pretty clear about both his goal—cutting the emissions responsible for it nearly in half by the year 2000—and how he wants to get there. He would set emissions standards for offending utilities but allow the utilities "freedom of choice" in how to meet them. He would also create a market in pollution rights so that, in theory, those companies that could cut pollution most cheaply would be the ones to act. Not a bad proposal.

On smog it is less clear that the steps he is proposing would produce the results he says they will. More than 80 urban areas with more than 100 million people are now out of compliance with the federal standards, though not all in major ways. The goal is to have all but the worst three—Los Angeles, Houston and New York—in compliance by the year 2000 and those three by 2010. At least part of the plan for achieving this is speculative; it would require a selective shift in motor vehicles from gasoline to alternative fuels.

As to toxics, the president proposes a three-fourths reduction within 10 years, in large part by having the Environmental Protection Agency promulgate control standards for the most heavily polluting industries. The problem is that there are many, many chemicals involved; EPA has been supposed to publish similar standards ever since the early 1970s, and so far has managed to publish only seven of them. It is not clear what will change.

But the president has opened the door to change on all these issues, and on Day One that may be accomplishment enough. He said in the campaign that he would take this useful step of breaking the impasse on clean air, and now it seems he has.

[From the Washington Post, June 14, 1989]

MR. BUSH CLEARS THE AIR

For years, the fight against dirty air has missed a crucial element: a President who thinks the nation deserves clean air. George Bush's proposals to overhaul the antiquated Clean Air Act of 1970 aren't perfect. But they represent a major departure from years of official indifference. They will force industry to think creatively about new technologies. And they challenge Congress to end more than a decade of legislative paralysis.

Mr. Bush's plan would tackle three major kinds of air pollution:

ACID RAIN

Acid rain is caused mainly by oxides of sulfur and nitrogen that change chemically as they move through the air and then fall to earth in rain, snow or fog—damaging lakes, streams and forests. For eight years the Reagan Administration engaged in endless studies and took no action. As environmentalists had hoped all along, the Bush plan would require that coal-burning power plants, most of which are concentrated in the Middle West, cut sulfur dioxide emissions in half by the end of the century. Companies would be free to decide how to meet that goal. They could invest in scrubbers to clean the emissions, switch to low-sulfur coal or use various market incentives.

SMOG STANDARDS

Eighty-one metropolitan areas exceed Federal health standards for ozone, the main component of urban smog. The President's plan would require all but three to meet the standards by the year 2000. The exceptions—Los Angeles, New York and Houston—would be given until 2010, but would have to show annual progress.

The plan focuses heavily on motor vehicles, which are responsible for more than half of ozone's harmful ingredients. New and stricter tailpipe standards, for example, would require a 40 percent cutback in hydrocarbon emissions by 1993 and a 30 percent reduction in nitrogen dioxides. These targets fall well short of cutbacks proposed by aggressive environmentalists like Representative Henry Waxman, a California Democrat. But even Mr. Waxman has said the Bush proposal is something to build on.

Mr. Bush's most dramatic idea would require the gradual phasing in of cars built to run on so-called "clean fuels" like methanol, natural gas or ethanol, which do not emit hydrocarbons. Detroit would be required to make 500,000 alternate-fuel cars by 1995, and one million a year by 1997.

The alternative fuels plan brought howls from the oil companies; even environmentalists warn that some "clean fuels" may pose new hazards. Methanol, for example, is rich in carbon dioxide, a major contributor to the feared greenhouse effect. Yet there can be little harm in forcing the automobile and oil industries to think seriously about new technologies. And the gains could be immense.

INDUSTRIAL TOXICS

The Environmental Protection Agency estimates that each year industry emits 2.7 billion pounds of toxic chemicals into the air. Mr. Bush's plan would require polluters to install the best available technology and cut these emissions by 75 percent in 10 years.

These proposals are estimated to cost $14 billion to $18 billion a year. Industries, and inevitably consumers, will pay most of the cost. But poll after poll has shown that Americans are willing to pay for cleaner air. Mr. Bush is now asking for cleaner air. The question is whether Congress is prepared to legislate cleaner air.

U.S. ALTERNATIVE FUELS COUNCIL MEMO NO. 61489: TAKING NATURAL GAS FOR A TEST DRIVE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, speaking today as a member of the U.S. Alternative Fuels Council, I wish to commend the leadership of President Bush in providing us with initiatives in the Congress to improve the quality of air that Americans breathe.

Nearly all of the carbon monoxide and more than half of the smog is caused from auto emissions. This can be corrected with present technology. We have many options available to us; among them are ethanol, methanol, and compressed natural gas.

I was impressed recently by an article that was published in the New York Times about the initiatives that are being taken by the natural gas industry to demonstrate that natural gas is an economical, convenient, and safe alternative to conventional automotive fuels.

Mr. Speaker, I include that article in the RECORD for the benefit of my colleagues:

[From the New York Times, May 31, 1989]

TAKING NATURAL GAS FOR TEST DRIVE

(By John Holusha)

BURNABY, BRITISH COLUMBIA.—Doug Williams pulled into a Shell station in this Vancouver suburb on a recent Friday evening to fill his 1973 Ford LTD for the weekend. But instead of using a gasoline pump, he opened the hood and attached what looked like an air hose to a fitting in the engine compartment.

Like thousands of other residents of the area, Mr. Williams powers his car with compressed natural gas, a fuel normally associated with home heating and cooking. Attracted by a price half that of gasoline, he is participating in a project intended to demonstrate that natural gas is an economical, convenient and safe alternative to conventional automotive fuels.

The experiment, the largest of its kind in North America, is taking place at a time when rising concerns about air pollution,

the greenhouse effect and increased dependence on oil imports in the United States are renewing interest in alternative fuels like natural gas, ethanol and methanol. While the United States Government has limited its support to small demonstration projects, Canada's Government has provided financial incentives for relatively large efforts like this one.

The experiment here, which has been growing in scope since it began in the early 1980's, demonstrates that any alternative fuel will need time, financial incentives and imaginative marketing to win acceptance. But it also indicates that some drivers will indeed alter their habits. About half the 8,000 natural gas-powered vehicles here are privately owned cars. The rest are fleet vehicles, taxis and delivery trucks.

Soon, drivers will even be able to refuel at home.

Mr. Williams said he was generally pleased with the conversion of his car, which can now use natural gas or gasoline. "I was only getting 12 or 13 miles a gallon in the city on gasoline, so I liked the savings from the half price," he said. The car starts easily in the cold because the fuel is already gasified, he added, and needs less maintenance because the fuel is clean.

But the capacity of the two natural gas tanks in the trunk has not been adequate for his large car. "I have to fill it up every three or four days," he said. "I wish they had put in a third tank."

A shorter driving range is the most common complaint about natural gas conversions, according to the United States Energy Department.

Like Canada, the United States has vast reserves of natural gas that could be substituted for fuels made from imported oil. "We have 163 trillion cubic feet of proven reserves; that is a 10-year supply," said Michael Waters, a spokesman for the Natural Gas Supply Association, a group of producers. "And there are estimates that there are another 900 to 1,000 trillion cubic feet unproven in the ground. We can go a long way on natural gas."

Because the infrastructure for distributing gasoline and diesel fuel is so well established, even advocates of alternative fuels doubt that they will gain adherents on a lower price alone. But a national energy policy to limit oil imports and exhaust emissions could increase pressure on motorists to switch.

Because natural gas is composed mostly of methane, a simple hydrocarbon, vehicles powered by natural gas emit less of certain pollutants than those burning gasoline or diesel fuel. Industry officials say natural gas vehicles can meet emission standards without the catalytic converters needed on gasoline-powered vehicles.

But natural gas needs a lift. "Government support is critcial in establishing any alternative fuel," said Jeffrey Seisler, executive director of the Natural Gas Vehicle Coalition, a group of companies interested in promoting the use of natural gas-powered vehicles. "It is always more expensive to launch something new. But government can make a difference in the economic pull toward clean fuels and the environmental push."

THE USE OF SUBSIDIES

Federal and provincial subsidies have been heavily used to promote natural gas as a motor fuel here, along with aggressive marketing by the local utility, BC Gas Inc. "The Government wanted to promote energy independence and we wanted to sell gas," said J.R. Higginson, manager of the company's motor fuel program. "We saw vehicles as a new market."

The big obstacle to the introduction of any alternative fuel is what is inevitably referred to as the chicken-and-egg problem. Without wide spread availability of a fuel, motorists are reluctant to convert from gasoline. But without a mass market, fuel suppliers hesitate to make the investment in distribution operations.

BC Gas worked on both sides of the problem. With gasoline selling at about 52 cents a liter in British Columbia (about $1.71 a gallon in United States dollars), the amount of natural gas needed to drive the same distance was priced at 25 cents. Accounting for part of the difference is that the provincial government does not tax natural gas fuel; there is a tax equivalent to 2 United States cents a gallon on gasoline.

Government grants are used to help cut the cost of converting a car or truck to $1,175 in United States dollars from about $2,100, and the province charges no sales tax on the conversion kits. In addition, the utility provides low-cost financing. And it leases the storage cylinders, the most expensive part of the conversion, for $9 a month.

SIMPLIFYING THE CHANGE

At the same time, BC Gas persuaded several oil companies, including Shell, Chevron and Petro-Canada, to add natural gas pumps at some of their high-volume stations. The pumps were designed to look like those for gasoline or diesel fuel, and quick-release couplers were used to simplify refueling. "You can self-serve the fuel and pay with a credit card," Mr. Higginson said.

Because of the cost of installing a compressor at each filling station, only those with heavy traffic are likely to be equipped to dispense natural gas, BC Gas officials said. As a result, the gasoline apparatus is left on cars so drivers can run on gasoline in areas where compressed gas is not available.

The result is a compromise that does not take full advantage of natural gas's attributes, advocates said. Because gas has an octane rating of 130, compared with about 90 for gasoline, higher-compression engines could be used if it were the sole fuel, improving performance and mileage. BC Gas officials said the converted cars now lose about 10 percent of their power when operating on gas.

U.S. CAR MAKERS CAUTIOUS

American auto manufacturers have built a few prototype vehicles powered by alternative fuels, but have been reluctant to go into higher-volume production without more evidence of public demand. So conversions from conventionally fueled models are the most likely to be available in the near future.

Driving a car powered by natural gas is not much different from driving a conventional model. A small dial switch on the dashboard controls which fuel is to be used. The car is slightly less responsive than when gasoline is used.

The gas is stored in one or more cylinders, usually mounted in the trunk, at 3,000 pounds per square inch of pressure when full. Despite the high pressure, gas officials said, the system is at least as safe as the exising gasoline system in a car. The natural gas tanks are much stronger than sheet-metal gasoline tanks, they said, and natural gas has a much higher ignition point, which means it is less likely to be touched off by a spark if it leaks.

BEST CANDIDATES FOR GAS

Even with the conversion subsidy and lower price for natural gas, BC Gas officials acknowledge, natural gas is not for everyone. "Most of our users are commercial vehicles and commuters who do a lot of driving near the city," Mr. Higginson said. "Anyone spending $150 or more a month for gasoline is a good candidate."

At that rate of usage, he said, a car owner would pay for the conversion in about two years. Taxis, delivery vehicles and big, old cars with thirsty engines like Mr. Williams's fit this profile, while fuel-efficient subcompacts could neither accommodate the tanks and other equipment nor justify the investment.

NEXT: REFUELING AT HOME

BC Gas's fueling network now amounts to 54 stations in the Vancouver area, but company officials concede that finding the right station when the tank is running low can be bothersome. So later this year the company is planning to offer home refueling stations. They will be tapped into the line feeding a home's heating unit and cooking appliances.

The $2,000 station is basically a compressor that can increase the gas pressure from a few pounds per square inch as it comes into the house to the needed 3,000 pounds. The home stations are planned for slow overnight fills, in contrast with the one- or two-minute fills at gas stations.

Barry Cavens, an engineering manager at the utility, said the station, designed by the Sulzer Group of Switzerland, had been carefully engineered for safety.

□ 1930

NEW DEMOCRATIC LEADERSHIP REPRESENTS SWEEPING CHANGE IN THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, the new Democratic leadership team in the House represents a dramatic transfer of power to a new generation of Americans. The election as Speaker of the gentleman from Washington [Mr. FOLEY] brings to that position the first of a generation which totally democratized and reformed House rules and procedures more than a decade ago.

In the midseventies, a group of young Turks led the rebellion against the unaccountable power of some of the committee czars and reformed House rules, including people like Dick Bolling of Missouri, Phil Burton of California, TOM FOLEY and myself. TOM FOLEY is the first member of that reform group to become Speaker of the House and will represent a substantial break with the past.

The election of the gentleman from Missouri [Mr. GEPHARDT] as majority leader is an even more dramatic illustration of the change which has swept the House as the post-World War II generation takes over for the first time.

We have heard a lot of recent years about the high reelection rate of

House incumbents, but that has masked the crucial fact that we have had an almost total turnover of membership during the last decade and a half. In a research paper for his high school social studies class, my son, Douglas, found that fewer than 30 House Members who serve today were in the House in 1964 when the watershed Gulf of Tonkin resolution was enacted. In the Senate, there are only 6. Only about 80 Members, or 20 percent of the current House, were here in 1973. Almost two-thirds of those in the House have come since 1978 and 45 percent, almost half of those who served in the House in Ronald Reagan's first year, are now gone.

David Broder, the Pulitzer Prize winning columnist for the Washington Post, observed several years ago in his book, Changing of the Guard, that power would soon be passed to a new generation. Last week's election of TOM FOLEY and today's election of DICK GEPHARDT will mean that change has in fact occurred.

DICK GEPHARDT, who was first elected to the House in 1976, personifies the dramatic turnover in Membership since the 1970's.

It is in committee that crucial legislation is developed and crucial policy decisions are made. The Gulf of Tonkin resolution took this Nation into the Vietnam War, yet only three members of the Foreign Affairs Committee in the House today were in the House when Congress passed that watershed legislation in 1964.

In 1973 we also had a critical year because that was the year the United States was hit by the first energy crisis. That same year, Congress also passed the War Powers Act to prevent a repetition of the kind of excessive use of Presidential power which brought us into Vietnam. At the same time, the Watergate scandal was unraveling which resulted in the first resignation of an American President under the threat of impeachment. Only 6 of the 35 Members serving on the Judiciary Committee today were here for those tumultuous events. The Energy and Commerce Committee dealt with the oil embargo crunch twice during the 1970's but of the 43 committee members now, only 4 were there in 1973, and only 12 in 1977.

In this day of tremendous opportunity for changing our relationships with the Soviet Union, TOM FOLEY is superbly qualified for leadership as a former Soviet scholar, and DICK GEPHARDT has demonstrated his ability by taking the lead on such fundamental issues as tax reform and trade legislation.

BILL GRAY, who was elected as whip today, has already demonstrated his tremendous leadership abilities in the years he led the Budget Committee. In fact, BILL GRAY's election represents the election to a leadership position in this House of one of the most effective black politicians in this country, a man who just a generation ago would have in many cities in this country been denied a seat at the front of the bus, not even to mention a seat at the front of the House of Representatives. Both TOM FOLEY and DICK GEPHARDT represent not simply the transfer of power from one person to another, but a much more basic transfer of power to a new generation of Americans. That means new leadership. It means a new generation. It means new approaches and the country is going to be stronger for it.

NEW PUBLICATION OF U.S. HISTORICAL SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, today as our nation observes Flag Day I would like to call attention to a new publication of the United States Capitol Historical Society, "The Flag of the United States and State Flags, Seals & Mottoes."

As most of us are aware, the Society has provided scholarly and informational publications over the years. Although this latest addition is modest in size—and in price—it nonetheless contributes a wealth of information about our national and State flags. As a member of the Board of the Society, I encourage each of you to remember the availability of this concise reference work. It is on sale at the gift counter in the East Front of the Capitol. The Society will also be pleased to provide bulk sale information upon your request.

BALTIC STATES FREEDOM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today, June 14, marks another sad anniversary of the illegal occupation of Estonia, Lithuania, and Latvia by the Soviet Union.

On this date in 1940, 49 years ago, the Soviet Union began its intense effort to systematically destroy the Baltic States. The year before, the Russians entered into the notorious Molotov-Ribbentrop Pact with Nazi Germany, which enabled the Communists to illegally seize and occupy the Baltic nations.

In order to insure the success of their intentions to completely wipe out the langauge, literature, culture, and heritage of the peoples of Estonia, Lithuania, and Latvia, the Soviets ordered the executions of intellectuals and other patriots of these countries. Also, efforts were made through deportations to scatter the populations of these three nations to remote parts of the Soviet Union.

The United States has never recognized the illegal incorporation of these nations into the Soviet Union, and I was privileged to add my name as a cosponsor of House Joint Resolution 184, a bill to designate June 14, 1989, as "Baltic Freedom Day," to urge that the Soviet Union renounce its occupation of the Baltic States. A copy of that resolution follows:

H.J. RES. 184

Whereas the people of the republics of Lithuania, Latvia, and Estonia (hereinafter referred to as the "Baltic Republics") have cherished the principles of religious and political freedom and independence;

Whereas the Baltic Republics existed as independent, sovereign nations and as fully recognized members of the League of Nations;

Whereas 1989 marks the 50th annivesary of the infamous Molotov-Ribbentrop Pact in which the Soviet Union colluded with Nazi Germany, thus allowing the Soviet Union in 1940 to illegally seize and occupy the Baltic Republics and to incorporate such republics by force into the Soviet Union against the national will and the desire for independence and freedom of the people of such republics;

Whereas due to Soviet and Nazi tyranny, by the end of World War II, 20 percent of the total population of the Baltic Republics had been lost;

Whereas the people of the Baltic Republics have individual and separate cultures and national traditions and languages which are distinctively foreign to those of Russia;

Whereas since 1940, the Soviet Union has systematically implemented Baltic genocide by deporting native Baltic peoples from Baltic homelands to forced labor and concentration camps in Siberia and elsewhere;

Whereas by relocating masses of Russians to the Baltic Republics, the Soviet Union has threatened the Baltic cultures with extinction through russification;

Whereas through a program of russificiation, the Soviet Union has introduced ecologically unsound industries without proper safeguards into the Baltic Republics, and the presence of such industries has resulted in deleterious effects on the environment and well-being of the Baltic people;

Whereas the Soviet Union, despite recent pronouncements of openness and restructuring, has imposed upon the captive people of the Baltic Republics an oppressive political system which has destroyed every vestige of democracy, civil liberty, and religious freedom;

Whereas the people of the Baltic Republics are subjugated by the Soviet Union, are locked into a union such people deplore, are denied basic human rights, and are persecuted for daring to protest;

Whereas the Soviet Union refuses to abide by the Helsinki accords which the Soviet Union voluntarily signed;

Whereas the United States stands as a champion of liberty, is dedicated to the principle of national self-determination, human rights, and religious freedom, and is opposed to oppression and imperialism;

Whereas the United States, as a member of the United Nations, had repeatedly voted with a majority of that international body to uphold the right of other countries of the world to self-determination and freedom from foreign domination;

Whereas the Soviet Union has steadfastly refused to return to the people of the Baltic Republics the right to exist as independent republics, separate and apart from the Soviet Union, or to permit a return of personal, political, and religious freedoms; and

Whereas 1989 marks the 49th anniversary of the continued policy of the United States of not recognizing the illegal forcible occupation of the Baltic Republics by the Soviet Union: Now, therefore, be it

VOL 135 PT 9 JE 14 — 22 1989 UMI

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the Congress recognizes the continuing desire and right of the people of the Baltic Republics for freedom and independence from the domination of the Soviet Union;

(2) the Congress deplores the refusal of the Soviet Union to recognize the sovereignty of the Baltic Republics and to yield to the rightful demands for independence from foreign domination and oppression by the people of the Baltic Republics;

(3) June 14, 1989, the anniversary of the mass deportation of Baltic peoples from their homelands in 1941, is designated as "Baltic Freedom Day", as a symbol of the solidarity of the people of the United States with the aspirations of the enslaved Baltic people; and

(4) the President is authorized and requested—

(A) to issue a proclamation calling upon the people of the United States to observe Baltic Freedom Day with appropriate ceremonies and activities; and

(B) to call upon the Soviet Union, the Federal Republic of Germany, and the Democratic Republic of Germany to renounce the acquisition or absorption of the Baltic Republics by the Soviet Union as a result of the Molotov-Ribbentrop Pact.

During the last year, we have witnessed many courageous actions by the people of the Baltic States to institute democratic reforms. In the face of Soviet authority and suppression, Estonia, Lithuania, and Latvia have attempted to establish their individual national identities. The native languages of their countries have been designated as the official language. In this era of glasnost, a democratic movement has swept across the satellites of the Soviet Union, and the governments which had for so long been under the tyranny of Communist oppression, are now demanding that they have the right to control their own destiny without interference and domination from the Kremlin.

I was glad to add my name as cosponsor of a congressional letter sent to President Bush, urging that the United States reaffirm its commitment to the independence of the Baltic States, and a copy of that letter follows:

President GEORGE BUSH,
The White House, Washington, DC.

DEAR PRESIDENT BUSH: For forty-nine years the United States has maintained the morally and legally correct position of not recognizing the forcible Soviet occupation and annexation of the Baltic States. This policy is one of which we can be proud. It is consistent with our basic belief in democracy, individual rights and respect for international law. Dramatic events in the Baltic States over the past year have proved America right in defending Estonia's, Latvia's, and Lithuania's right to self-determination. Therefore, we, the undersigned Members of Congress, believe that it is time for our government's Baltic policy to become more visible and active.

The people of Estonia, Latvia, and Lithuania have courageously taken the first steps to reestablish their nations among the family of democratic nation-states. Millions of Balts have joined in the activities of grassroots, democratic movements which have pushed the Communist authorities to respond to local needs. For instance, the native languages have been restored as official languages in the Baltic republics, the national flags and anthems are now legal, and Estonia and Lithuania have claimed the right to manage all of their own natural and economic resources without central control from Moscow.

As the people of the Baltic States struggle to build new institutions which will reflect their true concerns, it is vitally important that U.S. government policies not hinder these efforts for democratization in Baltic. In an era of glasnost, the U.S. should not find itself supporting factions in the Soviet Union which continue to lay claim to the Baltic States. In fact, our government should actively support initiatives to strengthen the efforts of the Baltic peoples.

While your Administration is reviewing East-West relations, we urge you to direct the Secretary of State to review United States policy towards the Baltic States and raise the status to one of a regional issue. This would reaffirm our government's commitment to the independence of the Baltic States. For forty-nine years the United States and the Soviet Union have disagreed over the status of the Baltic States. The Baltic peoples are now engaged in a historic effort to build democratic movements and regain their independence through a peaceful and orderly process.

We believe that you will agree with us that the cause of world peace is served by the spread of democracy in the Baltic region, and look forward to you action on behalf of these freedom-loving peoples.

Sincerely,

Mr. Speaker, I am privileged to join with Americans of Estonian, Lithuanian, and Latvian descent in the 11th Congressional District of Illinois which I am honored to represent, and throughout this Nation, in commemorating the 49th anniversary of Baltic States Freedom Day. The sad fate and memory of the victims of Communist persecution shall never be forgotten, as we hope and pray that recent developments in these countries will lead to a democratic triumph over this Communist tyranny, so that these three countries may once again join the community of free nations.

INTRODUCTION OF THE COASTAL DEFENSE INITIATIVE OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. STUDDS] is recognized for 5 minutes.

Mr. STUDDS. Mr. Speaker, I am today introducing the coastal defense initiative of 1989, a bill that I consider to be the most important environmental legislation for our coasts since enactment of the Federal Water Pollution Control Act nearly two decades ago.

Joining me in this effort are Representatives WILLIAM HUGHES, CHARLES BENNETT, CLAUDINE SCHNEIDER, JOLENE UNSOELD, FRANK PALLONE, and JIM SAXTON.

The purpose of the coastal defense initiative is simple: To win the war against pollution in bays, sounds, inlets, estuaries, and harbors from Maine to California, and from the Gulf of Mexico to Puget Sound.

It reflects our determination to see that our children and grandchildren will know the same joys that we knew as children: The pleasures of a day at the beach; the security of oceans and lakes teeming with fish and shellfish; the beauty of coastlines unscarred by toxic wastes, petroleum, chemicals, and trash.

The oceans are nature's greatest gift to humankind, but they are not inexhaustible. If we treat them as a dump; they will, in time, become a dump. If we continue polluting the estuaries that are the nursery grounds of marine life; we endanger not just the future quality of life; we endanger the very survival of life.

The time has come to stop turning our eyes away; to stop pretending that somehow, someway, sometime, we will be spared the price that comes from dumping, discharging, pouring, leaking, and pumping poison into our coastal waters. The time has come to reverse course; to defend our coasts with the determination that we defend our country from the threat of foreign invasion and protect our families from avoidable accidents or disease.

The continued degradation of our coastal waters is not inevitable. It is a question of choice. We can continue with business as usual; or we can act now to impose a higher price on pollution; to establish stronger standards for protecting the quality of coastal waters; to give State and local governments the help they need to win the battle against pollution; and to enlist the support of citizens and communities across America in a campaign to save our coasts.

Coastal waters are vital because they provide the nursery grounds for all marine life. They are vulnerable because they receive pollutants not just directly, but from lakes and rivers and streams throughout America. They are special, and they deserve special protection.

The coastal defense initiative authorizes a comprehensive attack on coastal pollution. It would supplement, not replace, current pollution control efforts. It is bipartisan. And it is largely self-financing.

The CDI would, for the first time, enlist State coastal zone management programs in the battle to improve coastal water quality.

It would, for the first time, impose serious penalties for failure to comply with Federal water pollution control laws.

It would, for the first time, establish the principle that no one has the right to discharge pollutants into coastal waters. That privilege comes with a price and discharges must not, under any circumstances, exceed safe levels.

The CDI would raise $200 million a year primarily through a tax on pollution; and it would send most of that money directly to the State and city governments that are on the front lines in the effort to improve coastal water quality.

The CDI is based on several important studies of coastal pollution that have been conducted in recent years including the Office of Technology Assessment's report, "Wastes in Marine Environments"—April 1987—and a report prepared by two subcommittees of the House Committee on Merchant Marine and Fisheries, "Coastal Waters in Jeopardy: Reversing the Decline and Protecting America's Coastal Waters"—December 1988.

The CDI recognizes that the used hypodermic needles, vials of blood, bandages, and other medical wastes that washed up on the Atlantic coast last summer are but the most

visible manifestations of coastal pollution. The deadly assault on our coasts comes from all directions; from toxic wastes spewing out of pipes from industrial facilities and municipal treatment plants; from agricultural and urban runoff of pesticides and heavy metals; from nitrogen and sulfur deposits carried through polluted air; from contaminated sediments resting on the bottom of bays, lakes, and harbors; and from oil pollution incidents such as the recent tragedy in Prince William Sound.

Underlying the CDI is the knowledge that the problems we face are not limited to one coast or one region. From the contaminated waters of Boston Harbor to the pollution of San Francisco Bay; from the closed shellfish beds of the Chesapeake to the growing "dead zone" in the Gulf of Mexico; from the Puget Sound Superfund sites to the PCB-ridden striped bass of New York; coastal pollution is pervasive and growing more deadly with each passing year.

Members of Congress—and citizens—from all parts of our Nation have a stake in the outcome of the CDI. In my own congressional district, we are struggling to clean up and restore New Bedford Harbor; we are losing millions of dollars every year from closed shellfish beds throughout southeastern Massachusetts; and we are confronted with predictions that the population of Cape Cod may nearly double in the next 20 years.

This explosion of coastal development, the continued loss of wetlands, inadequate law enforcement, a lack of coordination in Government policy, and the lack of funds for pollution control have all contributed to the degradation of our coastal waters. If present trends continue and corrective actions are not taken, irreparable damage may be done to the economic and environmental health of coastal communities.

The purpose of the CDI is to permit continued growth in economic opportunity along our coasts, but to guarantee that this growth is accompanied by the kind of careful planning and controls that will enhance the quality of life for coastal residents.

I recognize that enacting CDI will not be easy. It is a far-reaching bill that spans the jurisdiction of several congressional committees and that affects the interest of virtually everyone who lives on or near the coasts.

Moreover, CDI is but one of many legislative efforts underway to protect our coasts. Others include our longstanding effort to enact comprehensive oil pollution liability legislation; and legislation I will soon introduce to expand the coastal barriers resources system.

But despite the difficulties, I believe that Congress is ready to act, because I believe the American people are ready to act. We are a maritime nation. And after a decade of neglect, I believe that we are ready to reclaim our beaches; to reclaim our coasts; and to reclaim our heritage as a people that respects and loves the sea.

COASTAL DEFENSE INITIATIVE OF 1989
EXECUTIVE SUMMARY, JUNE 14, 1989

PURPOSE

The purpose of the Initiative is to strengthen Federal and Federally-authorized state programs to reduce coastal pollution, restore degraded coastal areas and improve state and local land-use planning from a water quality perspective. In essence, the legislation addresses the coastal pollution problem from both the water side and the land side, strengthening Federal programs in both areas.

MAIN ELEMENTS

Coastal Water Quality. The bill strengthens marine water quality protections in three ways. First, it would require EPA to issue marine water quality standards which would serve as minimum Federal standards. (EPA traditionally defers to states to issue these standards based on EPA technical guidance, and states haven't done much at all, concentrating on fresh water standards instead.) States would then be required to restore and maintain coastal water quality by identifying and controlling the sources of the problem pollutants, working through their state water quality agencies and their state coastal zone agencies.

Second, it would impose more stringent requirements for those who discharge into coastal waters that are pristine by requiring that states not allow the areas to degrade and by ensuring that any new permits be based on a demonstrated need to discharge.

Third, it would authorize EPA to suspend all major Federal assistance programs for those coastal areas that EPA finds are in substantial and continuing noncompliance with minimum Federal water quality standards. This authority is patterned after the Clean Air Act, which authorizes EPA to do the same for "nonattainment areas", and is to be used only in those rare circumstances where the continuing failure of a state to achieve adequate coastal water quality justifies a sharp Federal response. Federal assistance programs for public health and safety are exempted.

Coastal Land-Use. The bill would reorient state coastal zone management programs to concentrate more on the water quality implications of coastal land-use. It would provide incentives to states to do two things. First, states would be encouraged to develop a series of model local and land-use ordinances for those coastal activities that have major implications for coastal water quality, and to provide technical assistance to local governments for implementing them.

Second, state coastal planners—or their local counterparts—would be asked to develop specific plans governing land use activities that affect water quality in areas where water quality is degraded or, conversely, pristine.

Coastal Monitoring. The bill would establish a national coastal monitoring program that would rely heavily on regional monitoring plans designed for those heavily pressured coastal areas most in need of detailed monitoring efforts. EPA and NOAA would select the coastal areas to be covered by a plan, and then assemble a regional monitoring team to draw up the plan. After approval by EPA and NOAA, the plan would be implemented locally by private dischargers (who would assume monitoring responsibilities as a part of their permit requirements), and by Federal and state agencies operating in the area.

Technical Assistance. The bill responds to the need for EPA, NOAA and state CZM officials to provide practical, technical assistance to local officials. It would require NOAA to establish a national coastal data computer system that would contain all of the information generated by the monitoring program and a series of computer-assisted tools available to local town officials to help them judge the water quality implications of their planning and permitting activities.

Funding. The bill establishes a "Coastal Defense Fund" through which it would channel money to state and local coastal programs. The bill would raise money from several sources, including:

Transfers from the Offshore Oil Pollution Compensation Fund (about $50 million);

Paybacks to the U.S. Treasury from the Coastal Energy Impact Program (about $5 million yearly);

Transfers of a portion of the receipts from offshore oil and gas leasing programs (about $84 million annually);

Receipts from a coastal effluent charge system applicable to all non-municipal dischargers into coastal waters ($100 million).

CELEBRATING 150 YEARS OF PUBLISHING THE MOUNT CARMEL DAILY REPUBLICAN REGISTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. BRUCE] is recognized for 5 minutes.

Mr. BRUCE. Mr. Speaker, on Friday, June 16, we celebrate the 150th anniversary of the oldest continuing business in Wabash County and one of the oldest publishing ventures in the Midwest. The Mount Carmel Daily Republican Register began keeping its readers informed long before the Civil War and I hope will continue their service to the community for many centuries to come.

My nearly two decades of working with the Daily Republican Register are half a lifetime to me, but only a small percentage of the existence of this fine newspaper.

On June 11, 1839, the Mount Carmel Register was founded by publisher W.B. Meaney and editor J.S. Power. From W.B. Meaney to Brehm Communications, the financial backers of the newspaper have always worked to ensure that Wabash County had a publishing voice. And from J.S. Power to Phil Gower, the editors have always done their best to put out a top-quality newspaper for the people of Wabash County.

Everyone who works at the DRR—including publisher Jack Rodgers, Editor Phil Gower, Larry Reynolds, Bob Livingston, and the countless others who work behind the scenes—deserve the highest praise for their work.

Although it might be disturbing for some Democrats to encounter a newspaper with a name like the Daily Republican Register, I have been impressed with the fair-minded treatment you have given to people of all political persuasions. The paper's support for the Whig Party dating back 150 years has been replaced by a focus on Wabash County. I applaud your attention to the economy of the Mount Carmel area.

Throughout a career, it can be possible for a public official to be jaded by relationships with the media. But I have been blessed with your integrity and the integrity of the rest of the media in and around the 19th Congressional District.

Thank you for 150 years of hard work and best of luck for the next 150.

VOL 135 PT 9 JE 14 — 22 1989 UMI

THE SUPPRESSION OF CHINESE FREEDOM MUST END

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 60 minutes.

Mr. LIPINSKI. Mr. Speaker, tonight we have taken a special order on the situation in China. I am being joined by two of my colleagues, the gentleman from Illinois [Mr. POSHARD] and also the gentleman from Illinois [Mr. SANGMEISTER].

I am first going to yield to the gentleman from Illinois [Mr. SANGMEISTER].

Mr. SANGMEISTER. Mr. Speaker, it is good to be here with my colleagues from Illinois. I do not know how many of us were watching, certainly those who are tennis players were watching this past weekend.

For the first time in 34 years a United States citizen won the French Open in tennis and perhaps it is more than fitting that he is only 17 years old and of Chinese heritage. Despite being the youngest player ever to win the French Open, his thoughts, at least in part, were with other students on China's mainland in their time of agony when he said, "I can only pray for them and hope everything works out."

Michael Chang will pray, and I suspect that one of his prayers will be that the U.S. Government do something whether it be the President, Congress, or both acting in concert.

To say we find ourselves in a dilemma is an understatement. There is no way we can, or would want to, back down on our commitment to human rights. However, what do we do with a regime that occupies a strategic position and has been a real offset to the Soviet Union? It is interesting to note the low profile that Mikhail Gorbachev has taken. Where does he stand on the China situation? I frankly do not see how we can turn our backs on these students even though we risk a setback to both our strategic and commercial interests. We now see an all-out effort by the MSS to find the student leaders and place them under arrest. We are told that this elite intelligence agency is at work in this country seeking out Chinese students who are studying at our universities and who were sympathetic to their homeland brethren. I applaud the President's decision to extend those visas—to do otherwise would mean certain punishment by imprisonment or possibly death upon their return. They are now expressing concern that their families back home may be subjected to incarceration because of their actions over here.

It is said we learn from history. It is important to note that when Deng Xiaoping took power he decommunalized the economy that former leader Mao tse-Tung had enforced with strict Marxist communism.

In decommunalizing it, Deng gave people a taste of capitalism and democracy. He still, however, tried to maintain a Communist Government. Perhaps that combination is impossible. The downgrading of the role of the Communist Party, and the simultaneous modernizing of the economy led to Deng's inadvertent discrediting of the Communist ideology. The ideology is based in the economy. The purpose of the party is to preserve and enforce its own power. The improvements in the economy, and the new flair of communism created a situation where the people have grown to want more. The improvements have supplied the people with more food and money, but as one student said, "We love rice, but we love democracy more."

The peaceful demonstrations stress once again, China's development from the once agrarian nation that it was to the modern nation it is becoming. This new attitude is being led by students who will not accept the past and are inspired by new ideas. They have come to a political consciousness. It is truly a revolution of rising expectations. I do not believe these new ideas and this cry for democracy can be suppressed forever. A similar thing happened during the cultural revolution under Mao. Mao's red guards burned the books of the students and took the intellectuals and marched them into the square with dunce caps on their heads. Again the students are in the square, only this time its with signs for democracy in the replica of the Statue of Liberty.

So what do we do? We have adopted a resolution that commends the Chinese students for their courage in striving for democratic political reforms and condemning the Government of the People's Republic of China for using force against its own citizens. We have expressed sympathy for the victims. We urge an open dialog between the government and the students. So far the net result has been that the students are in hiding and are being vigorously pursued by the government, our suggestions of an open dialog are being totally ignored.

It has been suggested, and I agree, that we should offer to accept as refugees those students whose unforgivable crime is to cry out for freedom and democracy. This would only be an extension of the history of our country.

In addition to extending visa's the President has suspended all military aid to China and is getting United States citizens out of the country. All commendable acts, but what further action should we take? Do we suspend all investment and trade? Do we recall our Ambassador and encourage other democratic countries to do the same? Do we try to persuade others to cut their loans and/or grants to China?

There are no easy answers, but surely as we serve here, we will eventually have to decide. To do otherwise means we only pay lip service to freedom and that is not what we are all about.

□ 1940

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman from Illinois [Mr. SANGMEISTER]. I think his comments were very insightful, and I think they will go a long way to helping the American people and our colleagues here understand some of the ramifications of potential actions by the United States Government in regard to China.

Mr. POSHARD. Mr. Speaker, will the gentleman yield?

Mr. LIPINSKI. I am happy to yield to the gentleman from Illinois.

Mr. POSHARD. Mr. Speaker, where do you begin to discuss a situation like the prodemocracy movement in China?

I suppose you start with sadness over the loss of life, a sadness that is driven home graphically by the pictures and news accounts of what happened in those horrifying hours after the military moved to take control of Tiananmen Square.

But you have to continue by vowing to support the surge toward democracy that exists all around the world, but is being played out most dramatically by the people of China.

What has happened recently in Beijing and other parts of China will be chronicled in some detail, and I am sure we will continue to analyze just what happened and why it happened for some time to come.

But we can be sure of a few things at the very beginning.

The students and workers in China do not have an absolute idea of what kind of "democracy" they desire. Their experience with it, understandably, is limited at best, but their desire for it is more than admirable.

Here we have people laying their lives on the line, first through hunger strikes and open protests, later taking on armed troops with little if anything to defend themselves except their raw courage and resolve. We should try to understand that this army which opened fire was completely trusted by the people. That they would fall to the bullets and machines of the "People's" army I am sure places a further emotional hardship on a population already struggling to come to grips with what's happening in their country.

What we can probably conclude at the very least is that these protests were designed to bring an end to communism, and to bring about some kind of self-determination. I think that direction deserves, actually commands, our support and recognition.

We have, to this point, acted prudently. The President has moved to limit military relationships and has provided refuge for those whose lives might be in danger should they return to their homeland at this time.

Those steps are adequate at this point, and we are probably well served by not rushing into further action until the situation is completely played out. I trust, we in the Congress, along with the administration, will keep a close watch on further shifts in the political and social scene there, and we should stand ready to further defend the rights of those who seek democracy.

I represent Southern Illinois University, which includes a number of international students among its student body, a number of those who come from mainland China.

Shortly after the bloody massacre that claimed so many young lives, about a hundred students gathered on campus to openly grieve, grieve what has happened to people they may have never met, but feel like they know only too well, and grieve for what is happening to their country. It surely must be a terrible thing to watch your country from afar, a country which you love so very much, be torn apart, especially by what started as a noble, peaceful request for a renewed way of life.

I would like to relate a little of what happened on the Carbondale campus of Southern Illinois University, thanks to the reporting of Brian Matmiller of the Southern Illinois newspaper.

"Black armbands, white carnations, and a simple sign reading 'stop bloodshed' accented the strong emotions of local Chinese students Monday at a memorial for those killed in the military crackdown in China's capital.

"Student Jun He wept openly while reciting a poem written in response to the attack * * * then she gently unpinned the flower from her armband and placed it before the memorial wreaths set up on the steps of Southern Illinois University-Carbondale's Shryock Auditorium."

Jun He talked with her family in Beijing by phone, saying "My father told me that the son of one of his friends died * * * whoever I call, they all know someone close to them or someone in their family who died. It feels so sad."

The students then observed a moment of silence, punctuated by a vow of solidarity with those who lost their lives, and vowed to carry on the struggle for freedom.

A student named Scott Song delivered an emotional speech in his native Chinese, translated into English by his friend Lingling Han. Both students are from Beijing, and are studying at Southern Illinois University-Carbondale.

"You're so young, you didn't have time to grow up and enjoy an occupation," Han read. "Now you close your eyes forever for dreams of freedom." Those are the kinds of words that come only from people who are deeply committed, and who feel a great sense of pain from what's transpiring back home.

One student was finally quoted as saying "I hope there is something all of the people of the world can do to stop the killing."

Let me first thank again Brian Matmiller and the Southern Illinoisan newspaper of Carbondale for the information on the student's actions.

What can we do to stop the killing?

First and foremost, we must make a stand that cannot be misinterpreted, miconstrued or misunderstood, that America stands ready to defend the desire for freedom of thought, speech, and action, wherever it occurs around the world.

Surely there is no more clear example of that yearning than the one that exists, and has now apparently been crushed, in China.

Not long ago, a group of international students from the same Southern Illinois University campus visited me in my office here in Washington. It's is interesting how these kind of movements almost always seem to involve students, for we depend so much on their idealism, exuberance, and devotion.

The students came from countries around the world, and asked questions that reflected their various interests in the American system. But underneath all of their inquires, I felt they had a certain fascination with the American system, and the freedoms which we enjoy. I could not help but be encouraged about the future of our country and the world after this visit, having met and talked with so many bright, thoughtful and intellectually curious young people. In the same vein, I could not help but be terribly saddened by seeing those same qualities in the Chinese students being so brutally violated by the military of their own country.

But sadness enough is not going to get it done, and as we mourn those who have been lost, we should be resolved as those students at SIU-Carbondale are, to stand shoulder to shoulder with the people in China who seek freedom and reform.

They truly embody the spirit of our Nation, they mirror out own hopes and desires, and we can do nothing less than condemn the atrocities committed against them and resolve to support them in the near and distant future.

□ 1950

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman from Illinois [Mr. POSHARD] and compliment him on a superb statement, particularly the compassion, the understanding and the sensitivity that he demonstrated in the words he expressed tonight.

In 1932, Mao Tse-tung the great helmsman and hatchet man of the Chinese Communist Party, proclaimed that "power grows out of the barrel of a gun".

Clearly, this founding paramount principle of the Chinese Communist Party is as true today as it was 57 years ago.

In early morning hours of June 4, the Chinese Communist Party showed the world by their barbaric, brutal bludgeoning of peaceful, unarmed, democratic demonstrators for democracy, that they have no right to be considered civilized citizens of a world rapidly approaching the 21st century.

By their inconceivable and incomprehensible actions in Tiananman Square, I believe that the Chinese Communist rulers have become outlaws and warlords.

I can not recall a comparable act of brutality in recent history. In China, we saw citizens of the same country, members of the same ethnic group, individuals of the same historical and cultural background, murdering the peaceful, unarmed youth of their country. In effect, the Chinese Communist Party gunned down China's greatest hope for the future.

And why did all this occur?

Because a group of old men refused to permit any degree of popular dissent. They chose to maintain the Communist dictatorship at all costs. The Chinese Communist Party truly favored the power of the gun over the will of the people.

As shocking and reprehensible as the 27th Army's attack on the students was, even more troubling is the system of suppression which has terrorized Beijing in the days since June 4.

The suppression which has developed in China is reminiscent of George Orwell's 1984. At least 820 people have been arrested and interrogated by Deng Xiaoping's version of the Thought Police, mostly for having friends or acquiantances from the West. The Communist-run television announced a hotline number for citizens to report "counterrevolutionaries" and "rumor-mongers". Just yesterday, Chinese television broadcast photographs of 21 students, and urged the public to turn them in. Many predict the students will face execution.

Most notably, the Chinese have demanded the return of Fang Lizhi, the dissident astrophysicist, who has legally sought asylum in the United States embassy. Under no circumstances should Fang Lizhi and his wife ever be returned to the Communists, for I am confident that he and her would disappear forever.

The network of propaganda, intimidation, and terror makes it clear that the aged Chinese warlords will go to any extent to guarantee their regime. One Western official said the Army shooting sprees into foreign compounds were designed to drive out the foreign eye, so the outlaws could proceed with their executions.

The attack of tanks and soliders on the peaceful demonstrators, as well as the suppression of the people over the last 10 days, has been greeted by strong condemnation from every civilized country in the world. Throughout the world, writers, politicians, and experts have expressed disbelief, and otherwise attempted to explain the murderous madness in Beijing. The United States and the West have verbally condemned the Chinese outlaws, and sympathized with the fighters for freedom. But considering the unbelievable nature of the actions of the Chinese warlord government. American and global reaction has been overly timid and cautious.

Universally, world leaders have qualified their caution with one statement: "China is too important" for the United States or any one else to take drastic action against. I realize the potential of this huge nation of 1.1 billion people, but I am not convinced that America should not enact punishments and pressures which fit the heinous crimes of the Chinese Communists.

But, now I can hear the cries of military and economic strategists:

China has 1 billion consumers, we can not turn our backs on such a potentially important market. True, America's foot is in the door, with $13 billion in yearly trade and $3.5 billion of direct investment. But if American withdrawal can hasten the arrival of democracy, the opportunities under a liberal, democratic China would be much greater than the current level of American economic interest. Besides, the Chinese have made it clear that it is our technology they want, not our products. In fact, we currently enjoy a $3.5 billion trade deficit with China (United States imports $8.5 billion from China, exports $5 billion to China). Obviously, a few Cokes and some Big Macs does not make a boom market.

Conventional wisdom also says that China is valuable as a third card in the United States-Soviet equation. But when conventional wisdom has no substance, it should be abandoned. If we believe that the expansionist threat of the Soviet Union is obsolete, we can address China independently. In fact, I believe China's barbarianism offers the perfect opportunity for the United States and the Soviet Union to work together, on a unified front, to pressure China toward democratization and freedom.

Some point to the electronic surveillance and military sight stations the United States has in China as a reason for caution. But in a world of satellite intelligence, and at a time when President Bush is proposing open skies policy with the Soviet Union, this reasoning is obsolete.

Military strategists may proclaim the important role China plays in Asia as provider of military stability. But in today's most crucial area of military instability, Cambodia, China actively supports the murderous Khmer Rouge, who killed over 1 million Cambodians when it was last in power. That seems a strange way of promoting stability. Additionally, we should not forget that the Beijing government sold Silkworm missiles to Iran, which were fired at ships in the Persian Gulf.

Geopolitical thinkers proclaim China as a necessary power to balance Japan in the Pacific theater. For all the problems I have with Japan's trading policy, I believe we should recognize Japan for what it is: a highly valuable and loyal ally which will work on our side for stability in the Pacific and elsewhere. We need not worry about Japanese military adventurism.

For too long, the United States has had to ignore gross human rights violations in order to maintain friendly relations with the Chinese. The reality of the brutal, oppressive Communist regime has been secondary to the importance of China. China massacred Tibetans, and destroyed the nation, religion and culture of Tibet. The well-being of the Chinese people has taken a back seat to maintaining the Communist regime. When peaceful protestors are gunned down on an international stage, enough is enough.

Perhaps a drastic economic, military, and political withdrawal from a major power is inconceivable in the modern strategic world. But I believe the brutal actions of the Chinese Communist Party were inconceivable, and demand extraordinary action.

A Washington Post headline yesterday read, "China Steps Up Criticism of the U.S." Well, I think it's time the United States steps up its criticism of China.

Deng Xiaoping entered as China's dictator claiming he wanted to take China into the modern era. But he failed to realize that economic reform and free enterprise must be accompanied by political liberalization. This fact is recognized by Mikhail Gorbachev, and easily seen in the Soviet Union and Poland. China's economic openness and restructuring did not include new freedom and participation for the Chinese people, and this led to the student demands.

The United States and all modern nations must make it clear that China will have no place in the modern world order until it meets modern standards of decency, conscience, and personal liberty. China must ban suppression of the people, not ban expression of the people.

Halting 500 million dollar's worth of arms sales to the Communists was an appropriate first step. Likewise, the extension of visas to Chinese nationals in America was important. Now, the United States should end technology exchanges with the Chinese; the current government does not deserve our helping hand in entering the modern era. Until the instability and suppression ends, the United States should halt all investment and trade with China, and work to suspend international loans. (The United States has already put a $200 million World Bank loan on hold.)

I hear the capitalists objections again. But there is nothing to be gained by American companies in a China that is as unstable as during the Cultural Revolution. The withdrawal from China would hopefully be temporary, pending democratization and political stability. Some fear the Japanese will fill in the gaps left by America. But Japan has already halted a $120 million loan for an oil project, and 100 Japanese firms suspended a major project for investment in China. The key for economic withdrawal from China is for the United States to lead all civilized countries in reprimanding China multilaterally, and creating international pressure from all sides.

One element holds America back from diplomatic withdrawal, namely the presence of Fang Lizhi in the U.S. embassy. However, I feel no obligation to maintaining diplomatic ties with any brutally suppressive regime.

America has long been, and deserves to be, the champion of freedom, democracy, and free enterprise throughout the globe. It is time to back up that role with stern words and strong actions, with determination comparable to the Communist leaders. We must use all our means to condemn the Chinese Government, fight against Communist suppression, and support the hopeful movement for democracy and freedom. We must do so before intimidation and suppression puts out the light of hope that the Chinese students created this spring, a hope for which thousands have already died.

□ 2000

H.R. 1278, FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

The SPEAKER pro tempore (Mr. OWENS of New York). Under previous order of the House the gentleman from Tennessee [Mr. COOPER] is recognized for 60 minutes.

Mr. COOPER. Mr. Speaker, I rise to share my views on H.R. 1278, the Financial Institutions, Reform, Recovery and Enforcement Act of 1989, otherwise known as the Savings and Loan bailout bill.

To put it mildly, this is a complex piece of legislation. It restructures the regulatory system that oversees one of our most important industries, the savings and loan industry. It calls on the S&L industry to raise substantial sums of new capital. Simultaneously, the bill confers wide discretion on the regulators to make exceptions to those capital requirements. It broadens the conservatorship, liquidation, and enforcement powers of the regulators.

I intend to support the overall package without weakening amendments, but I feel compelled to spell out my concerns with various aspects of this proposed legislation. The public has a right to know the details of the Bush administration's $150 billion proposal.

I. RECENT FEDERAL LAW ON THE THRIFT INDUSTRY

For most of its history, the savings and loan industry was a highly regulated and highly subsidized industry whose primary purpose was the promotion of home ownership. An extensive system of government-sponsored aid was set up to assist the industry in the fulfillment of its mission. The industry's primary Federal regulator was given the statutory mandate of being a booster for the industry.

For most of its more than 55-year history, this arrangement served the industry well. However, the high interest rate environment of the 1970's exacerbated the mismatch between the industry's liabilities and assets. Congress responded by providing interest rate and limited asset-side relief in 1980 and 1982. But unfortunately, the Congress did not stop there.

We went on to fashion two policies that, in hindsight, were serious mistakes. First, the Congress in two steps in 1980 and 1982 raised the level of Federal deposit insurance from $40,000 to $100,000 per person per account. This substantial 150 percent increase greatly extended the scope of Federal deposit insurance without increasing the insurance premiums to pay for the increased risk.

The second dubious policy of the 1980's was the creation of lax regulatory capital and accounting standards. Allowing the use of phony capital to finance newly granted State investment activities meant the risk of failure from those investments was effectively shifted to the Federal deposit insurance fund and to U.S. taxpayers. Unfortunately, the cost of this arrangement has proven larger than the direst of projections.

II. RECAP BILL OF 1987

In spite of these flawed policy changes of the early 1980's, Congress had a rare opportunity to set matters straight in 1987. My colleagues may recall that during 1987, the Congress groped for a way to solve the savings and loan crisis by providing its insurance fund with adequate resources to close or provide assistance to troubled institutions. My colleagues may also recall that instead of providing FSLIC with $15 billion as the agency requested we ended up authorizing less than $11 billion total, and that only after this House actually voted overwhelmingly to provide only $7.5 billion. As if that weren't bad enough, the Congress also placed annual limits on the amount of money that FSLIC could obligate and imposed numerous other restrictions on FSLIC's ability to respond to the mounting crisis.

That record from 1987 was bad enough, but the Congress didn't stop there. Included in that 1987 recap bill were explicit provisions ratifying and continuing regulatory capital. In fact, for those S&L's most at risk, we actually fashioned a program of "capital forebearance." In plain terms, that meant that Congress by statute actually precluded the regulators from requiring additional capital from those S&L's most likely to fail.

I do not recall the 1987 bill in order to remind my colleagues of unpleasantness. I do so only to point out how we only recently greatly underestimated and misconceived the problem. I believe that 1987 experience ought to lead us to think carefully about what we think we know. As the 1987 bill demonstrated, the savings and loan crisis is extremely complex.

III. THE CONTEXT OF THE CURRENT DEBATE

It is from this background that I approach the debate on the current bill. At a minimum, I do not want to see us repeat the mistakes of the recent past. As a result, I can not and will not support any bill that actually precludes the regulators from requiring additional capital. On the contrary, I believe that any workable solution must actually require the greatest amount of capital, real capital, that is economically possible.

Similarly, I cannot support a bill that relies on phony accounting principles. The oxymoron of "regulatory accounting principles" must be displaced by the usually reliable GAAP rules.

I would also be skeptical of any measures that unduly restricted the ability of the regulators to respond flexibly to changing conditions in the industry. We simply cannot tie the hands of the very people on whose expertise we must rely.

Most important of all, I will find it hard to support solutions that knowingly understates the scope of the problem. We must now level with the American people and tell them how much it will cost to set matters right. As a corollary, I believe that we have a duty to opt for the least costly solution to the taxpayers. Thus, I feel compelled to support the on-budget alternative and I will have more to say about that later in my remarks.

In addition, I believe that we must weigh carefully the impact of any new restrictions on the overwhelmingly healthy segment of the industry. It would be rough justice indeed, if we brought the healthy thrifts down in order to get at the weak ones. Any workable plan must make careful distinctions between well capitalized thrifts and weakly capitalized ones.

In examining the bill now before the House these have been my chief, but by no means exclusive, concerns. I believe that H.R. 1278 as now crafted is a close call. I have several reservations about the bill and I would like to share some of them with my colleagues.

IV. SCOPE OF THE CURRENT PROBLEM AND BUDGETARY TREATMENT

As I alluded to earlier, one of the biggest problems in 1987 was estimating the scope of the problem. There has been any number of estimates ranging from $50 billion to $250 billion over a 10-year period.

I do not know whose estimate to rely on. However, I think that it is reasonable to accord greater weight to a credible independent agency like GAO. The Government Accounting Office has just recently raised its estimate of the total cost of cleaning up the industry to more than $250 billion.

Nonetheless, H.R. 1278 calls for raising only $50 billion. As the Banking Committee indicates in its report it is relying on the administration's estimate of the problem. I would rather rely on the GAO. I am concerned that we may be guilty once again of understating the problem.

As for the budgetary treatment of $50 billion in notes authorized under the bill, I support on-budget status for the Funding Corp. Both the GAO and the CBO are satisfied that a substantial savings results if the Funding Corp. is placed on budget. Given the total cost of this bill, we need to save taxpayers whatever amount we can.

The GAO and CBO estimate that placing the plan on budget will save $4.5 billion over the life of the plan. That's a good enough reason for me.

The administration argues that placing the plan on budget will increase the deficit and disturb financial markets. But this argument assumes that financial markets haven't already reacted to the Bush plan. Counting this plan off-budget will not fool anyone as to the ultimate responsibility of the Federal Government for its success.

After all the plan as submitted by the administration sets up a funding entity REFCORP whose sole purpose is to raise money for the rescue of S&L's. REFCORP, a non-governmental entity, would sell $50 billion of bonds in the private sector and turn

the money over to a governmental entity the Resolution Trust Corp. [RTC]. Why shouldn't both entities be Government agencies and on-budget?

In fact, as the CBO has already stated that given the nature of REFCORP—its sole purpose is to raise money for the RTC, a governmental entity—that it should properly be counted on-budget even in the administration's version. Thus, CBO has stated that even explicitly making REFCORP a non-governmental entity, cannot, in its view, obscure the true nature of the Federal Government's role.

The other argument used by the administration against on-budget funding is that it would establish a bad precedent for making exemptions from Gramm-Rudman. I believe this is an exaggerated concern. The political consensus that produced Gramm-Rudman will survive this one exemption.

V. CAPITAL REQUIREMENTS

As I alluded to earlier, capital really is the key to any reform package. The bill reported by the House Banking Committee recognizes this point.

The bill requires the regulators to put in place within 180 days after enactment rules mandating a 3-percent tangible capital requirement for all federally insured institutions with an exception for those institutions who were previously allowed so-called goodwill by the regulators. For these institutions with goodwill, the bill contains a schedule for phasing it out through December 31, 1994. After that, all federally insured savings associations must meet the 3-percent tangible capital requirement.

These capital requirements are noticeably tougher than those in the original plan submitted by the President. Not only would tangible capital be enforced at an earlier date under this bill, but regulatory goodwill would be phased out in half the time.

I commend the House Banking Committee for its tough stance on capital. However, I do have a couple of areas of concern that I wish to mention briefly.

First, the bill includes a general requirement that loans to or investments in S&L service companies be deducted from the core capital requirement. However, the bill grandfathers those service subsidiaries of savings associations that meet the minimum core capital requirements. These institutions would not have to deduct investments or loans to their service subs.

While I acknowledge the limited nature of this exception, it nonetheless sets a worrisome precedent. I would prefer a clear standard that all subsidiaries be separately capitalized. If that is a sound principle, then it is not clear to me why any grandfathering is appropriate.

Another area of concern to me is the language in the explanation section of the committee report. In discussing regulatory discretion on page 434 the committee says that institutions that do not meet the core capital requirements should not be treated more severely than those who meet the standards due to allowance of goodwill.

If taken literally, the committee's view would seem an equivocation from its otherwise laudable stance on capital. If the committee is urging the regulators not to enforce the standards in the bill, then I would have grave concerns. If this language is merely further indication of the discretion allowed regulators, then I suppose its relatively harmless.

I would point out, however, that if the committee intends that the regulators, in fact, not sanction institutions without goodwill for not meeting the capital standards, this could have far reaching consequences. Since the language uses goodwill as the basis for comparison, the implication would be that the prohibited disparate treatment extends until the end of 1994, the committee, in essence, would be encouraging the regulators not to strictly enforce the capital requirements on the overwhelming majority of the industry without goodwill for a 5-year period.

Such an outcome could be disastrous. Not only would it undermine much of the intent of the bill, but it would practically, speaking, amount to reincarnation of the discredited policy of capital forbearance. I am certain that this cannot be the committee's intent. I would hope that the committee could clarify its intent as the bill moves through conference.

VI. GOODWILL

Much has been made of the use of goodwill. The committee report defines goodwill (p. 432) as an allowance granted by the regulators at the time of an acquisition or merger when the market value of liabilities exceeds that of the assets. Goodwill is, in fact, a tool deployed by the regulators to aid in the acquisition of S&L's with negative net worth. Without the recognition of goodwill, many of these insolvent institutions would still be in the hands of the regulators.

I believe that given the number of problem cases that the regulators had to deal with in the last 2 years, their allowance of goodwill made sense. This is especially true if goodwill facilitated the purchase of insolvent thrifts by well capitalized acquirors. Presumably a well-capitalized acquiror would only need to carry goodwill for a few years to enable it to turn matters around.

The problem with goodwill is when its carried by either poorly capitalized acquirors, or acquirors who are unable to make the acquired S&L profitable. In these situations, goodwill may actually be used to increase the potential loses to the deposit insurance fund by allowing excessive risk taking with little money down. All to often poorly run institutions with only goodwill as capital have literally nothing to lose.

There are those who say that this regulatory goodwill was offered by the Federal Government as a condition for the acquisition of dying institutions and that to revoke it now is equivalent to breaking an agreement. But there was no contract signed or implied in connection with the allowance of goodwill. More importantly, even if the regulator did enter into an agreement, they did not agree to have institutions with little or no capital grow by leaps and bounds.

H.R. 1278 takes a constructive stance on goodwill. The 5-year phaseout schedule is not overly burdensome. Well run institutions should be able to gradually increase their real capital.

It should be pointed out that the penalty for failing to phaseout goodwill according to the schedule is a freeze on growth not liquidation. This sanction will afford these institutions ample time to seek additional sources of capital while remaining in business.

I wonder if the bill isn't in fact too lenient on the imposition of sanctions. As I read the bill, S&L's with no capital other than goodwill even at the end of the 5-year period, may be permitted to remain in business. While it is true that the regulators can liquidate them, they are not required to do so. I would prefer a clear requirement that institutions with only goodwill as capital after 5 years be declared insolvent and either merged or liquidated.

Because I feel so strongly about this issue, its ultimate treatment will weigh heavily in determining my vote. I will not vote for any bill that substantially weakens the capital requirements now contained in H.R. 1278.

VII. REGULATORY DISCRETION VERSUS BRIGHT LINE RULES

Perhaps as important as the capital standards, is the wide discretion accorded the regulators in the bill. In fact, the capital standards depend on the wise use of regulatory discretion. While I acknowledge the inherent difficulty of writing clear rules in statute, there are, nonetheless, at least a couple of areas where the committee might have been better advised to have used clear and unambiguous rules.

One area is the use of brokered deposits. While the bill restricts the use of such deposits for undercapitalized institutions, it gives the regulators discretion to allow their continued use by troubled institutions on a case-by-case basis. Morever, undercapitalized institutions are granted a statutory right to continue using brokers to maintain their current level of deposits, even if that level has proven unwise.

I would prefer a bright-line prohibition against the use of brokers for all undercapitalized institutions. I would also prefer some percentage limitation on the amount of deposits that could be raised through brokers for all insured institutions. I would hope that the committee will reconsider this issue in conference.

Likewise, the bill contains no specific limitations or prohibition on S&L investments in so-called junk bonds. Again, while I acknowledge that the bill confers adequate authority on the regulators to curb any investment activities they deem excessively risky, I think that a clear rule would be preferable. At the very least, I would want a clear rule limiting these investments for under-capitalized institutions.

Even apart from these areas, I have an uneasy feeling over the scope of discretion given to the regulators. They can, among other things, restrict the investment activities of State chartered S&L's, limit the payment of excessive interest, as well as, decide whether to impose or suspend certain sanctions. This is considerable discretion to say the least. Not only are the regulators given broad discretion on any number of areas, but they are also given wide latitude on how to impose that discretion.

Thus, the regulators can choose to write broad rules that apply across the board or to take action on a case-by-case basis. They can hypothetically at least, impose restrictions on well-run, well-capitalized institutions that might be more appropriately applied to under-capitalized institutions. Perhaps even more worrisome, the ability to write across-the-board rules may serve as a substitute for tougher action directed at individual weak institutions.

This does not seem like an idle worry to me when one reflects on the enormity of the undertaking confronting the regulators. Lack of trained personnel may force the agencies to opt for broad rulemaking in lieu of action on a case-by-case basis. Broad rulemaking by its nature is generally characterized by compromise calculated to accommodate divergent situations, and is therefore usually not very tough. It would be ironic indeed if the availability of across the board discretion became an incentive for the regulators to refrain from targeting weak institutions.

As a result, I would prefer more explicit direction to the regulators to write rules aimed primarily at weak institutions. I would particularly prefer more precise direction to the regulators mandating particular sanctions for particular transgressions.

VIII. REGULATORY RESTRUCTURING

The bill also calls for a realignment of the regulatory structure governing the savings and loan industry. It abolishes Federal Savings and Loan Insurance Corp. [FSLIC] and sets up a separate insurance fund for thrifts under the direction of the FDIC. It abolishes the Federal Home Loan Bank Board within the U.S. Treasury Department. The credit functions of the Bank Board are placed with a new independent agency—Federal Housing Finance Board. Taken together, these changes amount to a thorough revamping of the regulatory structure governing the S&L industry.

The single most important change is the wider involvement of the FDIC in the S&L industry. The FDIC is made the insuror of all savings associations whether Federal or State chartered. In addition, the FDIC is also designated as primary regulator of State chartered S&L's.

One of the rationales for the larger role given the FDIC was the need to separate the insurance from regulatory functions. This, it was argued, played a major role in the insolvency of FSLIC. However, in bringing the FDIC to the rescue, the bill may have raised new concerns.

The most obvious concern is that one multipurpose agency is replaced by another. In place of the FSLIC, the FDIC is made both insuror and regulator at least for state chartered S&L's. One wonders why the FDIC is better suited for this dual role than the old Bank Board? Moreover, whatever problems accompany the exercise of the dual function of insuror and regulator, may have been worsened by some other changes in the bill.

For example, the bill makes some changes in the so called cost test under section 13 of the FDI Act. That test governs whether the FDIC can provide financial aid to a troubled institution or must close it down. As a general rule, the FDIC cannot provide aid if it exceeds the cost of liquidation. The bill directs the FDIC in deciding whether to provide aid, to also factor in both the short- and long-term liabilities of the insurance fund. This change could be more significant than meets the eye.

The FDIC, and by extension the RTC, is apparently directed by this new requirement to minimize its liabilities. This could, in turn, lead the FDIC in its role as regulator, to take actions, or refrain from taking actions, in order to hold down its costs both short term and long term.

This could be especially crucial, if, as seems likely, the cost of cleaning up insolvent savings associations has been substantially underestimated by the administration. It would appear pretty clear that the FDIC will acquire a vested interest in the success of this rescue package. If the agency, or the RTC, becomes strapped for funds, it may take actions as regulator in order to help its position as insuror. Indeed, it now has a statutory mandate of sorts to do so.

Thus the vast discretion accorded the FDIC could be used to minimize its insurance costs. This would be an undesirable and unfortunate development. The likelihood of the FDIC taking this approach cannot be predicted, but it could have been mitigated by inserting a couple of items.

One thing the committee could have done would have been explicit acknowledgement of the conflict and inclusion of protective measures. The committee could have required formal procedures to delineate when the FDIC acts as regulator versus insuror. A specific ban against the sharing of certain information, at least at the staff level, could have been included.

Another omission in the bill that may have the effect of worsening this conflict, is the absence of any schedule for liquidating insolvent thrifts. Presumably, the cost test will determine whether an S&L is to be liquidated. However, once it is required to be liquidated, there is little guidance as to when or how it should be done. While the bulk of this work rests with the RTC, the FDIC presumably determines when the RTC gets an insolvent thrift. The conflict may provide an incentive for the FDIC to hold insolvent thrifts, so as to have the most beneficial short run impact on the insurance fund.

I realize that there are extensive reporting requirements in the bill that may hold the FDIC's feet to the fire. I am not convinced that these requirements can alleviate the potential problems. I am therefore hopeful that the committee will take the opportunity to re-assess during conference the dual function assigned the FDIC.

I am also worried about the personnel available to the FDIC. The case for a larger FDIC role in rescuing the S&L industry centered initially on its extensive expertise in bank liquidations. But the FDIC is being called on to perform more than just liquidations. In fact, given the role of the RTC, it is not clear how involved the FDIC will actually be in liquidations. Far more important to the success of the FDIC will be its role as regulator and critical to that will be its role as risk assessor for the thrift industry. In fact, the committee report exhorts the FDIC to develop the expertise and to establish what it refers to as, "risk assessment analysts."

The one area of expertise critical to the FDIC's enlarged role is the very area in which it has had the least experience. How can the agency prudently exercise its enormous discretion if it has had little experience in making the kinds of judgements that this bill calls for? The result is likely to be, as I state above, the FDIC will likely be too sweeping in crafting rules, because its easier than case by case fighting. These broad rules will either be too lenient or too tough. Either runs the

risk of doing enormous harm to an already troubled industry.

If the FDIC is to make the kinds of tough rules directed at the problem institutions it will need trained personnel at an early date. I would require at a minimum that the FDIC and the Office of Thrift Supervisor report back to Congress in a matter of weeks after enactment on their progress in acquiring and/or training in risk analysts.

IX. THE RESOLUTION TRUST CORPORATION [RTC]

The bill creates a new governmental entity designed to hold, manage or liquidate the assets of failed thrifts to be known as the Resolution Trust Corporation [RTC]. The RTC has a 3-year lifespan. It is responsible for thrifts and the assets thereof acquired after January 1, 1989. That means that the RTC will have responsibility for the roughly 200 S&L's that the FDIC has assumed stewardship since the administration's announcement on February 6, and the hundreds more that will surely follow. This makes the RTC one of the most significant government agencies around. There are some aspects of its powers that are somewhat worrisome.

One of the most important duties of the RTC is to hold and manage properties, including real estate, of failed S&L's. In this rule, the RTC could exercise enormous power over local real estate markets. I share the concern of others that the RTC exercise this vast power in a way that will not disrupt local real estate markets. I am generally satisfied with the various advisory boards called for in the bill.

The relationship between the RTC and FDIC seem somewhat unclear to me. Presumably, the RTC will take charge of institutions only after the FDIC has either declared them insolvent or placed them under supervisory agreements. The decision on whether to do either rests properly with the FDIC. What may be in need of clarification is which agency sets the rules that govern an institution under a supervisory agreement?

If, for example, the FDIC has entered into a supervisory agreement with certain restrictions therein but decides to turn the institution over to the RTC. Could the RTC permit that same institution to operate albeit under tight supervision, but under less restrictive rules? Even if the answer to the above hypothetical is "no," the RTC could still allow institutions under its jurisdiction to operate under different rules than those permitted by the FDIC. This is especially troublesome since the RTC is given the authority, under certain circumstances, to obligate the FDIC.

The RTC also has authority to contract with the FDIC. Presumably the RTC could contract with the FDIC for the latter to serve as conservator. This could be done across the board or on a more limited basis. There could be inconsistent rules applied to institutions under Federal conservatorship facing identical local economic conditions.

Since the FDIC presumably has more expertise on setting restrictions, including assessing risk, the RTC should be required to follow any restrictions imposed by the FDIC. Some clear language should be included to make sure that two agencies do not impose conflicting rules.

More worrisome, the bill (sec. 501) permits the RTC to take warrants—including voting and nonvoting shares—in institutions. Presumably, this authority is intended to be used in limited situations, yet the bill offers no guidance on the use of this authority. How much equity can the RTC acquire and for how long? Can the RTC pass any equity position assumed along to the FDIC? Since the RTC is a government entity, does any such stake expire upon the termination of the RTC or does it survive?

I am concerned that this open ended authority may be a continuation of the questionable policies of the 1980's when the FHLBB was permitted to assume such positions in hundreds of thrifts. I recognize that equity positions may sometimes be necessary, but they should be a last resort.

The RTC is also given broad authority to provide financial assistance (sec. 215) before appointment of a conservator or receiver. The bill lays out two broad categories for application for such assistance. The second category appears to confer a right on institutions falling within the specified criteria to receive such aid unless the RTC makes a specific finding that liquidation will be less costly. The criteria appear to be aimed at institutions with supervisory goodwill from economically depressed regions which have no record of fraud.

The committee report states that the RTC "must" approve the aid unless it makes a specific finding that liquidation would be less costly. The burden of proof appears to rest with the RTC.

This program could well become a last gasp for institutions with supervisory goodwill. It is not clear why these institutions are entitled to stand at the front of the line in receiving Federal financial assistance. I worry that this language could force the RTC to continue to underwrite undercapitalized institutions. I would prefer that all applications for assistance stand on an equal footing.

X. DEPOSIT INSURANCE REFORM

Finally, and perhaps most important of all, H.R. 1278 does not address the issue of Federal deposit insurance reform. As I mentioned above, raising the $100,000-per-account ceiling in the early 1980's was probably a mistake. The decision doubtless expanded the reach of the Federal safety net to include large depositors.

I think it's time to rethink the whole issue of Federal deposit insurance. There are numerous reform proposals including lowering the ceiling, limiting any ceiling to a single account per individual all the way to total privitization. Each of these proposals has merit and deserves careful study.

H.R. 1278 calls for an extensive study of deposit insurance reform and a report to Congress within 18 months of enactment. I support the study. We have, however, had similar studies in the past. I hope this will be the last one, and that we can get on with the difficult chore of reforming Federal deposit insurance.

Thank you, Mr. Speaker, for your patience in allowing this special order to be conducted so that some of the details of tomorrow's S&L bill be examined.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HUBBARD (at the request of Mr. BROOKS), for today, due to death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. QUILLEN) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, today.

Mr. DANNEMEYER, for 60 minutes, on June 21.

Mr. DANNEMEYER, for 60 minutes, on June 22.

Mr. DANNEMEYER, for 60 minutes, on June 23.

Mr. FRENZEL, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STUDDS, for 5 minutes, today.

Mr. BRUCE, for 5 minutes, today.

Mr. COOPER, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. QUILLEN) and to include extraneous matter:)

Mr. GINGRICH.

Mr. GOODLING.

Mr. GREEN.

Mr. HYDE.

Mr. ROHRABACHER.

Mr. BURTON of Indiana.
Mr. RITTER.
Mr. CONTE.
Mr. BROOMFIELD in two instances.
Mr. SOLOMON.
Mr. HERGER.
Mrs. MORELLA.
Mr. BUNNING.
Mr. GILLMOR in two instances.
Mr. OXLEY.
Mr. CLINGER.
Mr. GALLO.
Mr. MCEWEN.
Mr. REGULA.
Mr. STUMP.
Mr. YOUNG of Florida.
Mrs. JOHNSON of Connecticut.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. APPLEGATE.
Mr. DINGELL.
Mr. STARK.
Mr. AUCOIN.
Mr. SIKORSKI.
Mr. YATRON.
Mr. COLEMAN of Texas.
Mr. HAMILTON in two instances.
Mr. DWYER of New Jersey.
Mr. TORRES.
Mr. MANTON in two instances.
Mr. MATSUI.
Mr. DIXON.
Mr. KENNEDY.
Mr. FOGLIETTA.
Mr. EVANS.
Mr. TRAFICANT.
Mr. LIPINSKI.
Mr. DARDEN.
Mr. PEASE.
Mr. WEISS.
Mr. SCHUMER.
Mr. FLORIO.
Mr. MFUME.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Thursday, June 15, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1349. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a copy of proposed legislation to provide the Superintendent of the U.S. Military Academy authority to confer the degree of master of arts in leader development; to the Committee on Armed Services.

1350. A letter from the Assistant Secretary for Legislation, Department of Education, transmitting a copy of the final regulations for the guaranteed student loan default reduction initiative; to the Committee on Education and Labor.

1351. A letter from the Administrator, Small Business Administration, transmitting the semiannual report of the agency's Inspector General for the period October 1, 1988, to March 31, 1989, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

1352. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1353. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1354. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1355. A letter from the Administrator, Agency for International Development and the Acting President and Chairman, Eximbank of the United States, transmitting the Agency's semiannual report on the amount and extension of credits under the Trade Credit Insurance Program to Costa Rica, Guatemala, Honduras, and El Salvador as of March 31, 1989, pursuant to 22 U.S.C. 2184(g); jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee on Merchant Marine and Fisheries discharged from further consideration of H.R. 1485; H.R. 1485 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GIBBONS (for himself and Mr. FRENZEL):

H.R. 2628. A bill relating to customs user fees; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 2629. A bill to amend part B of title XVIII of the Social Security Act to provide for payment for physicians' services under the Medicare Program with reference to a resource-based relative value scale; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. McCURDY:

H.R. 2630. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage and to amend the Internal Revenue Code of 1986 to increase the amount of the earned income tax credit; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. AUCOIN:

H.R. 2631. A bill to amend title 18, United States Code, to provide a mandatory minimum 7-year prison sentence for the unlawful possession of a firearm by a convicted felon, a fugitive from justice, a person who is addicted to, or an unlawful user of, a controlled substance, or a transferor or receiver of a stolen firearm, to substantially increase the general penalty for violation of Federal firearms laws, and to substantially increase the enhanced penalties provided for the possession of a firearm in connection with a crime of violence or drug trafficking crime; to the Committee on the Judiciary.

By Mrs. BOXER (for herself, Mr. EVANS, Mr. FOGLIETTA, Mr. AUCOIN, Mrs. LOWEY of New York, Mr. LEVINE of California, and Mr. DEFAZIO):

H.R. 2632. A bill to amend title 10, United States Code, to improve the management of major weapons systems in the Department of Defense; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.R. 2633. A bill to amend title 10, United States Code, and the Act entitled "An Act to authorize appropriations for the fiscal year 1973 for certain maritime programs of the Department of Commerce, and for related purposes", to require that certain vessels of the Department of the Navy and the Department of Transportation shall be partially scrapped before being used, respectively, for experimental purposes and as offshore artificial reefs, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. CROCKETT:

H.R. 2634. A bill to amend the Immigration and Nationality Act to exempt travelers from Belize from the user fee for immigration inspection; to the Committee on the Judiciary.

H.R. 2635. A bill to prohibit assistance to influence the 1990 elections in Nicaragua; jointly, to the Committees on Foreign Affairs and the Permanent Select Committee on Intelligence.

By Mr. GIBBONS:

H.R. 2636. A bill to make the Superfund petroleum tax consistent with the General Agreement on Tariffs and Trade; to the Committee on Ways and Means.

By Mr. GOODLING (for himself, Mr. COLEMAN of Missouri, Mr. PETRI, Mr. GUNDERSON, Mr. BARTLETT, Mr. TAUKE, Mr. FAWELL, Mr. HENRY, Mr. GRANDY, Mr. BALLENGER, Mr. SMITH of Vermont, Mr. EDWARDS of Oklahoma, Mr. GINGRICH, Mr. HUNTER, Mr. WEBER, Mr. JAMES, Mr. KYL, Mr. HILER, Mr. UPTON, Mr. NIELSON of Utah, Mr. KOLBE, Mrs. JOHNSON of Connecticut, Mr. CLINGER, Mrs. VUCANOVICH, Mr. WELDON, Mr. GREEN, Mr. DUNCAN, Mr. CHANDLER, Mr. COBLE, Mr. INHOFE, Mr. HOUGHTON, Mr. THOMAS of California, Mr. ROHRABACHER, Mr. CRAIG, Mr. ROTH, Mr. DOUGLAS, Mr. HYDE, Mr. SMITH of Mississippi, Mr. IRELAND, Mr. WALKER, Mr. HANCOCK, Mr. LIGHTFOOT, and Mr. DEWINE):

H.R. 2637. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the earned income tax credit for taxpayer with school age or preschool age children, to amend the Fair Labor Standards Act of 1938 to increase the minimum wage, and for other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. HERGER:

H.R. 2638. A bill concerning assistance to the People's Republic of China and Tibet under the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

By Mr. JENKINS:

H.R. 2639. A bill to amend the United States-Canada Free-Trade Agreement Implementation Act of 1988 in regard to cultural industries; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mrs. JOHNSON of Connecticut:

H.R. 2640. A bill to extend the Steel Import Stabilization Act for an additional 3 years and to improve the availability of steel during conditions of short supply; to the Committee on Ways and Means.

By Mr. JONTZ (for himself, Mr. GLICKMAN, Mr. EVANS, and Mr. SCHUETTE):

H.R. 2641. A bill to remove aflatoxin contaminated corn in the 1988 or 1989 corn crop from the food chain, to provide indemnification to producers of such corn, and to assure foreign and domestic markets of U.S. corn a safe, high quality product; to the Committee on Agriculture.

By Mr. McMILLAN of North Carolina (for himself, Mr. JONES of North Carolina, Mr. VALENTINE, Mr. LANCASTER, Mr. PRICE, Mr. NEAL of North Carolina, Mr. COBLE, Mr. ROSE, Mr. HEFNER, Mr. BALLENGER, Mr. CLARKE, Mr. RAVENEL, Mr. SPENCE, Mr. DERRICK, Mrs. PATTERSON, Mr. SPRATT, Mr. TALLON, Mr. HATCHER, Mr. BARNARD, Mr. RAY, Mr. HARRIS, Mr. CALLAHAN, Mr. FLIPPO, Mr. JONES of Georgia, Mr. CLEMENT, Mrs. LLOYD, Mr. GRANT, Mr. SMITH of Mississippi, Mr. MONTGOMERY, Mr. ESPY, Mr. IRELAND, Mr. OLIN, Mr. ERDREICH, Mr. TANNER, Mr. DARDEN, Mr. PASCELL, Mr. GORDON, Mr. LEHMAN of Florida, Mr. SISISKY, Mr. LEWIS of Georgia, Mr. GOSS, Mr. JOHNSTON of Florida, Mr. LEWIS of Florida, Mr. WHITTEN, Mr. NELSON of Florida, Mr. BROWDER, Mr. MCCOLLUM, Mr. JAMES, Mr. SHAW, Mr. THOMAS of Georgia, Mr. COOPER, Mr. FORD of Tennessee, Mr. BILILEY, Mr. PARRIS, Mr. SMITH of Florida, and Mr. HUTTO):

H.R. 2642. A bill granting the consent of the Congress to amendments to the Southeast Interstate Low-Level Radioactive Waste Management Compact; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. MARKEY (for himself, Mr. SWIFT, Mrs. COLLINS, Mr. ECKART, Mr. RICHARDSON, Mr. SLATTERY, Mr. BRYANT, Mr. BOUCHER, Mr. MANTON, Mrs. BENTLEY, Mr. WALGREN, Mr. DEFAZIO, Mr. TRAFICANT, Mr. SMITH of Florida, Mr. EVANS, Mr. LIPINSKI, Mr. GONZALEZ, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mrs. BOXER, Mr. McDERMOTT, Mr. JONTZ, Mr. SIKORSKI, and Mr. ROBINSON):

H.R. 2643. A bill to amend the Communications Act of 1934 to prohibit foreign ownership of cable television systems, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MONTGOMERY (by request):

H.R. 2644. A bill to amend title 38, United States Code, to authorize the Department of Veterans' Affairs to require mandatory disclosure of Social Security numbers in claims for disability and death benefits; to the Committee on Veterans' Affairs.

By Mrs. SAIKI:

H.R. 2645. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income the gain on certain sales of lands subject to ground leases; to the Committee on Ways and Means.

By Mr. SMITH of Texas (for himself, Mr. FISH, and Mr. McCOLLUM):

H.R. 2646. A bill to amend the Immigration and Nationality Act to provide for special immigrant status for certain aliens designated by the President; to the Committee on the Judiciary.

By Mr. STUDDS (for himself, Mr. HUGHES, Mr. PALLONE, Mr. BENNETT, Mrs. UNSOELD, Mr. SAXTON, and Ms. SCHNEIDER):

H.R. 2647. A bill to provide for the protection and preservation of coastal and Great Lakes environmental quality for present and future generations; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. TORRES (for himself, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mr. BROWN of California, Mr. BOSCO, Mr. DE LUGO, Mr. CARPER, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAZIO, Mr. GARCIA, Mr. LEVINE of California, Mr. MARTINEZ, Mr. MINETA, Mr. OBERSTAR, Mr. ORTIZ, Ms. PELOSI, Mr. ROYBAL, Ms. SCHNEIDER, Mr. SKELTON, Mr. RICHARDSON, Mr. WAXMAN, Mr. WOLPE, AND Mrs. UNSOELD):

H.R. 2648. A bill to amend the Solid Waste Disposal Act to require producers and importers of lubricating oil to recycle a certain percentage of used oil each year, to require the Administrator of the Environmental Protection Agency to establish a recycling credit system for carrying out such recycling requirement, to establish a management and tracking system for such oil, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WALGREN:

H.R. 2649. A bill to direct the Secretary of Health and Human Services to promulgate national standards regarding the provision of health insurance to individuals with preexisting conditions, to require States to adopt such standards or equally effective laws, rules, or regulations, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WATKINS (for himself, Mr. SYNAR, Mr. McCURDY, and Mr. INHOFE):

H.R. 2650. A bill to provide for the use and distribution of funds awarded the Seminole Indians in dockets 73, 151, and 73-A of the Indian Claims Commission; to the Committee on Interior and Insular Affairs.

By Mr. WAXMAN (for himself, Mr. MADIGAN, Mr. ROWLAND of Georgia, Mr. TAUKE, Mr. SYNAR, Mr. LELAND, and Mr. MILLER of California):

H.R. 2651. A bill to amend title V of the Social Security Act to revise and improve the Maternal and Child Health Block Grant Program; to the Committee on Energy and Commerce.

By Mr. McCOLLUM:

H.J. Res. 295. Joint resolution designating December 1, 1989, as "Day of the Child"; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H. Res. 174. Resolution electing Representative Slaughter of New York to the Committee on Rules; considered and agreed to.

By Mr. FAZIO:

H. Res. 175. Resolution providing funds for the Office of the Speaker; considered and agreed to.

By Mr. BAKER:

H. Res. 176. Resolution expressing the sense of the House with respect to illegal drugs and narcotics control; jointly, to the Committees on the Judiciary; Energy and Commerce; Armed Services; Foreign Affairs; Public Works and Transportation; Merchant Marine and Fisheries; and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

147. By the Speaker: Memorial of the Legislature of the State of Illinois, relative to the appropriation of funds for research into mental illness; to the Committee on Appropriations, June 14, 1989.

148. Also, memorial of the State Assembly of the State of California, relative to Lake Norconian; to the Committee on Armed Services.

149. Also, memorial of the House of Representatives of the State of Illinois, relative to amendments to Regulation Y proposed by the Federal Reserve Board; to the Committee on Banking, Finance and Urban Affairs.

150. Also, memorial of the House of Representatives of the State of Illinois, relative to S. 448; to the Committee on the Judiciary.

151. Also, memorial of the Legislature of the State of Texas, relative to the ratification of a proposed amendment to the Constitution of the United States relative to the compensation of Members of the United States Congress and when any variations therein shall take effect; to the Committee on the Judiciary.

152. Also, memorial of the Legislature of the State of Texas, relative to excluding the coastal mainland of Brazoria County from the Coastal Barrier Resource System; to the Committee on Merchant Marine and Fisheries.

153. Also, memorial of the House of Representatives of the State of Illinois, relative to the 1990 census; to the Committee on Post Office and Civil Service.

154. Also, memorial of the House of Representatives of the State of Illinois, relative to giving preference to persons receiving public assistance for work on the 1990 census; to the Committee on Post Office and Civil Service.

155. Also, memorial of the Legislature of the State of Texas, relative to funds to launch the space station Freedom; to the Committee on Science, Space, and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Ms. OAKAR introduced a bill (H.R. 2652) to authorize issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel M/V *South Bass*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. OBERSTAR and Mr. SIKORSKI.

H.R. 8: Mr. GALLEGLY, Mr. WOLF, and Mrs. PATTERSON.

H.R. 45: Mr. BOSCO.

H.R. 101: Mr. JONTZ.

H.R. 109: Mr. PENNY and Mr. SIKORSKI.

H.R. 110: Mr. WHITTAKER and Mr. LIPINSKI.

H.R. 239: Mr. COLEMAN of Missouri, Mr. BILBRAY, Mr. FORD of Tennessee, Ms. OAKAR, Mr. FORD of Michigan, and Mr. POSHARD.

H.R. 293: Mr. SIKORSKI, Mr. MCDERMOTT, and Mr. WOLPE.

H.R. 343: Mr. SAXTON.

H.R. 411: Mr. DEFAZIO.

H.R. 425: Mr. YOUNG of Florida, Mr. CAMPBELL of California, Mr. GALLEGLY, Mr. SOLARZ, and Mr. SHAW.

H.R. 537: Mrs. PATTERSON, Mr. WEBER, Mr. LIVINGSTON, Mr. GOSS, Mr. NIELSON of Utah, and Mrs. UNSOELD.

H.R. 628: Mr. EDWARDS of Oklahoma.

H.R. 660: Mr. BRENNAN.

H.R. 775: Mr. UPTON, Mr. FORD of Michigan, and Mr. RINALDO.

H.R. 777: Mr. NIELSON of Utah, Mr. BORSKI, Mr. BUSTAMANTE, Mr. CLAY, Mr. COUGHLIN, Mr. FEIGHAN, Mr. HERTEL, Mr. KOSTMAYER, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MOODY, and Mr. WELDON.

H.R. 830: Mr. HERTEL, Mr. FLORIO, Mr. NEAL of Massachusetts, Ms. OAKAR, Mr. DELLUMS, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. MRAZEK, Mr. HUBBARD, Mr. SCHEUER, Mr. HUGHES, Ms. KAPTUR, Mr. JACOBS, Mr. CHAPMAN, Mrs. COLLINS, Mr. EVANS, Mr. SHAYS, Mr. ECKART, and Mr. BOSCO.

H.R. 929: Mr. FRANK.

H.R. 962: Mr. ERDREICH.

H.R. 993: Mr. LELAND.

H.R. 995: Mr. JONTZ.

H.R. 1025: Mr. ATKINS, Mrs. BENTLEY, and Mr. GUARINI.

H.R. 1047: Mr. WEISS, Mrs. LOWEY of New York, Mr. TAUKE, Mr. SAVAGE, Mr. HATCHER, Mr. STARK, Mr. KASTENMEIER, Mr. SKELTON, Mr. COOPER, Mr. THOMAS of Georgia, Mr. TALLON, Mr. GRANT, Mr. EVANS, Mr. GEJDENSON, Mr. COMBEST, and Mr. SKAGGS.

H.R. 1068: Mr. CAMPBELL of Colorado, Mr. COSTELLO, Mr. MINETA, and Mr. HASTERT.

H.R. 1095: Mr. CLINGER, Mr. HORTON, and Mr. INHOFE.

H.R. 1130: Mr. CONYERS, Mr. GEJDENSON, Mr. POSHARD, Mr. RICHARDSON, Mr. SAVAGE, and Mr. TRAXLER.

H.R. 1153: Mr. EDWARDS of Oklahoma.

H.R. 1166: Mrs. PATTERSON.

H.R. 1167: Mrs. PATTERSON.

H.R. 1181: Mr. MCMILLAN of North Carolina, Mr. MURPHY, Mr. BILIRAKIS, and Mr. WILSON.

H.R. 1182: Mrs. COLLINS, Mr. GUARINI, Mr. FOGLIETTA, Mr. PETRI, and Mr. UPTON.

H.R. 1183: Mr. GUARINI, Mrs. COLLINS, Mr. FOGLIETTA, Mr. DE LUGO, Mr. PETRI, and Mr. UPTON.

H.R. 1194: Mr. GUARINI.

H.R. 1200: Mr. SCHIFF, Mr. CONYERS, Mr. ROWLAND of Georgia, Mr. STOKES, Mr. HUBBARD, Mr. BRYANT, Mr. SISISKY, Mr. LAGOMARSINO, Mr. BATEMAN, Mr. WHITTAKER, Mr. FORD of Tennessee, Mr. HUGHES, Mrs. LLOYD, Mr. JAMES, Ms. OAKAR, Mr. THOMAS A. LUKEN, Mr. DONALD E. LUKENS, Ms. KAPTUR, Mr. BROWN of Colorado, Mr. KASICH, and Mr. ESPY.

H.R. 1243: Mr. YATRON.

H.R. 1292: Mr. RINALDO.

H.R. 1307: Mr. YOUNG of Florida and Mr. MAVROULES.

H.R. 1356: Mr. MARTINEZ.

H.R. 1358: Mr. SPENCE.

H.R. 1383: Mrs. COLLINS, Mr. DAVIS, and Mr. OBERSTAR.

H.R. 1391: Mr. SMITH of New Jersey, Mrs. MARTIN of Illinois, and Mrs. MEYERS of Kansas.

H.R. 1439: Mr. ROSE.

H.R. 1525: Mr. MARKEY.

H.R. 1532: Mr. MURPHY, Mr. OWENS of New York, and Mr. FAZIO.

H.R. 1645: Mr. LEWIS of California and Mr. ROHRABACHER.

H.R. 1649: Mr. KOLTER, Ms. KAPTUR, Mrs. COLLINS, Mr. DEFAZIO, Mr. OWENS of New York, Mr. FAZIO, Mr. BRYANT, Mr. ANTHONY, Mr. BATES, Mr. SOLOMON, and Mr. SIKORSKI.

H.R. 1661: Mr. STOKES, Mr. WHEAT, Mr. POSHARD, Mr. MURPHY, Mr. JONTZ, Mr. WOLPE, Mr. ATKINS, Mr. KLECZKA, Mr. WALGREN, Mrs. SAIKI, Mr. BORSKI, Mr. KASTENMEIER, Ms. PELOSI, Mr. DEFAZIO, Mr. SAVAGE, Mr. BOEHLERT, Mr. CONYERS, Mr. BRYANT, Mr. VENTO, Mr. EVANS, Mr. HOYER, Mr. STUDDS, Mrs. MORELLA, Mr. DINGELL, Mr. ENGEL, Mr. OBEY, Mr. TRAXLER, Mr. DYSON, Mr. SABO, Mr. JOHNSON of South Dakota, Mr. MFUME, Mr. SHAYS, Mr. GEJDENSON, and Mr. HOCHBRUECKNER.

H.R. 1676: Mr. VENTO.

H.R. 1710: Mr. HYDE, Mr. BATES, Mr. JONTZ, Mr. HAWKINS, Mr. DE LA GARZA, Mr. PAYNE of New Jersey, Mr. SISISKY, Mr. PRICE, Mr. PICKETT, Mr. MORRISON of Washington, Mr. FAZIO, Mr. GRANT, Mr. JOHNSTON of Florida, Mr. WALSH, Mr. JONES of North Carolina, Mr. SCHUETTE, and Mr. BALLENGER.

H.R. 1720: Mr. PRICE, Mr. ROE, and Mr. ENGEL.

H.R. 1994: Mr. BUSTAMANTE, Mr. FOGLIETTA, and Mrs. UNSOELD.

H.R. 2002: Mr. SMITH of New Hampshire and Mr. PORTER.

H.R. 2022: Mr. PARKER, Mr. DOUGLAS, Mr. INHOFE, Mr. MADIGAN, Mr. ATKINS, Mr. VOLKMER, and Ms. PELOSI.

H.R. 2025: Mr. WEISS.

H.R. 2076: Mr. DE LUGO and Mr. STARK.

H.R. 2083: Mr. GINGRICH and Mr. WALSH.

H.R. 2086: Mr. COSTELLO, Mr. SOLOMON, Mr. PACKARD, Mr. EMERSON, Mr. MICHEL, Mrs. PATTERSON, Mr. FAWELL, Mr. MADIGAN, Mr. JONTZ, Mrs. BOXER, and Mr. NIELSON of Utah.

H.R. 2110: Mr. MOORHEAD, Mr. LAGOMARSINO, and Mr. BARTON of Texas.

H.R. 2132: Mr. HASTERT, Mrs. SAIKI, Mr. ARMEY, Mr. SMITH of New Hampshire, Mr. ROE, Mr. SHUMWAY, Mr. SCHUETTE, Mr. RIDGE, Mr. BALLENGER, Mr. BLILEY, and Mr. PACKARD.

H.R. 2133: Mr. HASTERT, Mrs. SAIKI, Mr. ARMEY, Mr. SMITH of New Hampshire, Mr. ROE, Mr. SHUMWAY, Mr. SCHUETTE, Mr. RIDGE, Mr. BALLENGER, Mr. BLILEY, and Mr. PACKARD.

H.R. 2136: Mr. MCEWEN, Mr. HENRY, Mr. IRELAND, Mr. PENNY, Mr. GINGRICH, Mr. JONTZ, Mr. DEFAZIO, Ms. SNOWE, Mr. LAGOMARSINO, Mr. SUNDQUIST, Mr. SMITH of Mississippi, Mr. DANNEMEYER, Mr. BURTON of Indiana, Mr. HASTERT, Mr. KILDEE, Mr. WEBER, Mrs. COLLINS, Mr. INHOFE, Mrs. JOHNSON of Connecticut, Mr. FRENZEL, and Mr. MORRISON of Washington.

H.R. 2168: Mr. SMITH of Florida, Mr. FAZIO, Ms. LONG, Mr. VENTO, Mr. LEWIS of Georgia, Mrs. JOHNSON of Connecticut, Mr. DYMALLY, Mrs. PATTERSON, Mr. ATKINS, Mr. KOLTER, Mr. FEIGHAN, Mr. ROYBAL, and Mr. KILDEE.

H.R. 2209: Mr. DINGELL, Mr. JACOBS, Mr. OBEY, and Mr. SIKORSKI.

H.R. 2228: Mr. MANTON.

H.R. 2259: Mr. BAKER, Mr. DOUGLAS, Mr. HANCOCK, Mr. MACHTLEY, Mr. MCCOLLUM, Mr. PARRIS, Mr. DENNY SMITH, and Mr. YOUNG of Florida.

H.R. 2273: Mr. TORRICELLI, Mr. JONES of North Carolina, Mr. PANETTA, Mr. RAVENEL, Mr. TRAFICANT, Ms. OAKAR, Mr. DEFAZIO, Mr. WATKINS, Mr. FASCELL, Mr. PAYNE of New Jersey, Mr. RIDGE, Mr. SIKORSKI, Mr. STARK, Mr. TORRES, Mr. HUGHES, Mrs. BYRON, Mr. SMITH of Florida, Mr. HOCHBRUECKNER, Mr. WILSON, Mr. LELAND, Ms. SLAUGHTER of New York, Mr. COSTELLO, Mr. EVANS, and Mr. DARDEN.

H.R. 2274: Mr. BAKER, Mr. BUSTAMANTE, and Mr. BILIRAKIS.

H.R. 2312: Mr. CROCKETT, Mr. DYMALLY, Mr. MRAZEK, Mr. SOLOMON, Mrs. UNSOELD, and Mr. WALSH.

H.R. 2351: Mr. BAKER, Mr. BILBRAY, Mrs. SAIKI, Ms. SCHNEIDER, Mr. BILIRAKIS, and Mrs. PATTERSON.

H.R. 2360: Mr. PALLONE, Mr. MCGRATH, Mr. INHOFE, and Mr. NIELSON of Utah.

H.R. 2361: Mr. PARKER, Mr. BUSTAMANTE, and Mrs. BENTLEY.

H.R. 2362: Mr. PARKER and Mr. BUSTAMANTE.

H.R. 2373: Mr. HERTEL and Mr. STENHOLM.

H.R. 2388: Mr. ESPY, Mr. EMERSON, Mr. GUNDERSON, Mr. HORTON, Mr. HATCHER, Mr. MCEWEN, Mr. POSHARD, and Mr. LAGOMARSINO.

H.R. 2395: Mr. WALSH, Mr. VANDER JAGT, Mr. GORDON, Mr. HENRY, and Mr. PACKARD.

H.R. 2406: Mr. RINALDO and Mr. LIPINSKI.

H.R. 2460: Mr. SANGMEISTER.

H.R. 2487: Mr. FASCELL.

H.R. 2493: Mr. BERMAN, Mr. MARTINEZ, Ms. KAPTUR, and Mr. TRAFICANT.

H.R. 2503: Mr. FAZIO.

H.R. 2521: Mr. DEFAZIO.

H.R. 2561: Mr. ATKINS, Mr. LAGOMARSINO, Mr. FORD of Michigan, Mr. PAXON, and Mr. RINALDO.

H.J. Res. 46: Mr. EVANS.

H.J. Res. 111: Mr. BORSKI, Mr. HAYES of Illinois, Mr. HYDE, Mr. GRANT, Mr. PANETTA, Mr. HOYER, Mr. AUCOIN, Mr. WALSH, Mr. ECKART, Mr. LEVIN of Michigan, Mr. IRELAND, Mr. LANTOS, Mr. LENT, Mr. HATCHER, Mr. GARCIA, Mr. MINETA, Mr. HENRY, Mr. BILBRAY, Mr. LEWIS of Florida, Mr. MCMILLEN of Maryland, Mr. LEHMAN of Florida, Mr. MURPHY, Mr. FASCELL, Mr. HANCOCK, Mr. OLIN, Mr. ORTIZ, Mr. PALLONE, Mr. PORTER, Mr. NATCHER, Mr. CONTE, Mr. RAVENEL, Mrs. SAIKI, Mr. PICKETT, Mr. SAVAGE, Mr. LIPINSKI, Mr. FAWELL, Mr. DIXON, Ms. PELOSI, Mr. ASPIN, Mr. SPRATT, Mr. GINGRICH, Mr. UPTON, and Mr. TRAFICANT.

H.J. Res. 126: Mr. TANNER, Mr. NOWAK, Mr. FORD of Michigan, Mr. CHANDLER, Mr. FOGLIETTA, Mr. GOODLING, Mr. ANNUNZIO, Mr. HEFNER, Mr. MCHUGH, Mr. CONTE, Mr. MFUME, Mr. PRICE, Mr. MONTGOMERY, Mr. BARNARD, Mr. HUTTO, Ms. PELOSI, Mr. MOORHEAD, Mr. BUNNING, Mr. FORD of Tennessee, Mr. MADIGAN, Mr. MILLER of Washington, Mr. WHITTEN, Mr. CALLAHAN, Mr. KASICH, Mr. YATRON, Mr. RICHARDSON, Mr. CRANE, Mr. KILDEE, Mr. GONZALEZ, Mr. HALL of Ohio, Mr. COLEMAN of Missouri, Mr. SCHUETTE, Mr. PICKLE, Mr. STARK, Mr. QUILLEN, Mr. BORSKI, Mr. SPENCE, Mr. EARLY, Mr. COUGHLIN, Mr. BALLENGER, Mr. HASTERT, Mr. WELDON, Mr. HYDE, Mr. MARKEY, Mr. LIPINSKI, Mr. DUNCAN, Mr. LEVIN of Michigan, Mr. SMITH of Vermont, Mrs. BENTLEY, and Mr. LANTOS.

H.J. Res. 199: Mr. EDWARDS of Oklahoma.

H.J. Res. 208: Mr. LEACH of Iowa.

H.J. Res. 221: Mr. BLILEY, Mr. CLARKE, Mr. DE LUGO, Mr. ERDREICH, Mr. HAWKINS, Mr. HENRY, Mr. LAFALCE, Mr. LELAND, Mr. MCCOLLUM, Mrs. MEYERS of Kansas, Mr. NIELSON of Utah, Mr. SAVAGE, and Mr. YATRON.

H.J. Res. 223: Mr. STENHOLM, Mr. FEIGHAN, Mr. SHAYS, Mr. MCHUGH, and Mr. JONTZ.

H. Con. Res. 23: Mr. KENNEDY.

H. Con. Res. 39: Mr. SHUSTER, Mr. RHODES, and Mr. ROBINSON.

H. Con. Res. 79: Mr. HYDE.

H. Con. Res. 87: Mr. SOLOMON, Mrs. COLLINS, Mr. MCNULTY, Mr. ATKINS, Mr. SMITH of New Jersey, Mr. MADIGAN, Mr. ESPY, Mr. STUDDS, Mr. BERMAN, Mr. FRANK, Mr. VANDER JAGT, Mr. KOLTER, Mr. YATES, Mr. LANTOS, Mr. SPRATT, Mr. HAWKINS, Mr. PANETTA, Mr. NEAL of North Carolina, Mr. HAMILTON, Mr. BROOMFIELD, Mr. CONTE, and Mr. FASCELL.

H. Con. Res. 88: Mr. DELLUMS and Mr. CARPER.

H. Con. Res. 92: Mr. SCHUETTE, Mr. DE LUGO, Mr. VANDER JAGT, Mr. WATKINS, Mr. ROHRABACHER, Mr. BORSKI, Mr. DYMALLY, Mr. JENKINS, Mr. GRANT, Mr. TAUKE, Mr. MANTON, Mr. RHODES, Mr. PALLONE, Mr. BATEMAN, Mr. LENT, Mr. WALSH, Mr. MCEWEN, Mr. FLIPPO, Mr. PURSELL, Mr. EMERSON, Mr. FAWELL, Mr. FAUNTROY, and Mr. LOWERY of California.

H. Con. Res. 131: Mr. MCEWEN.

H. Res. 157: Mr. FAZIO, Mr. SKAGGS, Mrs. PATTERSON, Mr. DWYER of New Jersey, Mr. DANNEMEYER, and Mr. PANETTA.

PETITIONS, ETC.

Under clause 1 of rule XXII,

51. The SPEAKER presented a petition of the City Council, Fort Worth, TX, relative to tax-exempt bonds; which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

NORTH AMERICAN WETLANDS CONSERVATION ACT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. CONTE. Mr. Speaker, on June 8, 1989, I introduced, along with Congressmen DINGELL, JONES, DAVIS, and WELDON, the North American Wetlands Conservation Act (H.R. 2587).

This legislation was developed in response to a growing environmental crisis in our country: disappearing wetlands and a severe decline in our waterfowl population. Since the European settlement of North America, over half of the wetlands on the continent have been destroyed. Agricultural conversions, economic development, urban encroachment, and water source development have taken a tremendous toll on this fragile natural resource. In fact, between the mid-1950's and the mid-1970's, about 11 million acres of marshes and swamps were destroyed, for an alarming annual loss averaging 458,000 acres.

The effect of such a dramatic loss on waterfowl can be plainly observed, but the destruction of wetlands has a much wider impact on the environment. For example, the "Final Report of the National Wetlands Policy Forum" found that:

Wetlands have great value in their natural state. Their biological productivity can exceed that of the best agricultural lands. A broad array of wildlife, fisheries and other aquatic resources depend on them. Wetlands sustain nearly one third of the nation's endangered and threatened species. They provide breeding and wintering grounds for millions of waterfowl and shore birds every year. Coastal wetlands provide nursery and spawning grounds for 60 to 90 percent of U.S. commercial fish catches. Wetlands also play key roles in regional hydrological cycles—lessening flood damage, reducing erosion, recharging ground water, filtering sediment, and abating pollution."

As this report indicates, wetlands are vital to the survival of many different fish and wildlife species and of man as well. And as a result, the benefits of preserving and conserving these environmentally important areas are far reaching.

The most extensive and recent wetland losses have occurred in California, Louisiana, Mississippi, Texas, Iowa, North Dakota, South Dakota, and Florida. Dramatic losses in these areas can be directly linked to the recent decline in many species of migratory birds who depend on these delicate systems. For example, national populations of several duck species are down almost 50 percent from the 1970's, and along the Atlantic coast, black ducks have declined steadily over the last 30 years.

This trend in our waterfowl population is important for two reasons. First, waterfowl are readily visible indicators of environmental crisis. They rely heavily on the wetland ecosystems, and act as barometers, indicating environmental decay. Second, waterfowl are the most prominent and economically important group of migratory birds in North America, generating a direct expenditure of several billion dollars annually.

To deal with this international environmental problem, the United States and Canada signed in May 1986 the North American Waterfowl Management Plan, a comprehensive approach to the problem of declining waterfowl populations and the destruction of wetlands. The plan stresses international cooperation and a unique public-private sector partnership. Broadly stated, the goal of the plan is to restore the North American breeding waterfowl populations to historic levels by protecting and restoring about 5.5 million acres of wetland and upland habitat in the United States and Canada. The plan outlines an ambitious program of habitat acquisition, restoration, and development to achieve the population goals. Since the plan focuses on wetlands habitat, it is basically a continental wetland management plan as much as it is a waterfowl plan.

The principles of the plan are outlined in "North American Waterfowl Management Plan: A Strategy for Cooperation" as follows:

PRINCIPLES

1. Protection of waterfowl and their habitats requires long-term planning and the close cooperation and coordination of management activities by Canada, Mexico and the United States, within the framework of the 1916 and 1936 Migratory Bird Conventions.

2. In waterfowl management decisions and actions, first priority should be to perpetuate waterfowl populations and their supporting habitats. Management actions should be at intensities required to prevent the individual waterfowl populations from decreasing to low levels and to encourage optimum use of all available habitat.

3. The maintenance of abundant waterfowl populations is dependent on the protection, restoration and management of habitat. The persistent loss of important waterfowl habitat should be reversed.

4. Waterfowl populations should be managed by identifiable subpopulations where these can be biologically justified and for which management regimes are feasible.

5. Joint ventures of private and governmental organizations should be considered as an approach to financing high-priority research and management projects of international concern that can only be addressed through a pooling of resources.

6. The managed subsistence and recreational harvests of the renewable waterfowl resource are desirable and consistent with its conservation.

7. Recreational hunting will continue to be managed under existing regulatory processes in Canada and the United States. These processes will be subject to continuous review to ensure they are compatible and consistent with waterfowl population needs on a continental basis, and to evaluate their environmental impacts and to ensure public participation.

8. The concept of stabilizing hunting regulations—with review at five-year intervals and provisions for predetermined responses to substantive waterfowl population fluctuations—is desirable to encourage long-term waterfowl management efforts.

To implement these principles and the goals of the plan, I introduced H.R. 2587, the North American Wetlands Conservation Act. The development of this legislation was guided by three broad principles which form the foundation and justification for the bill.

First, the bill provides the resources necessary to implement the plan. Investment proceeds from the Pittman-Robinson fund and general funds authorized to be appropriated are made available by this legislation.

Second, the bill provides a coherent and efficient framework for implementing projects under the plan. In this process, an advisory committee screens and evaluates each project slated for funding, and those recommendations are then submitted to the Migratory Bird Conservation Commission for approval. This two step process ensures that each project is closely examined and that this effort is coordinated with the activities now underway by the Migratory Bird Commission. For several years now, the Commission has been working on projects to implement the plan, and this process of funneling all North American waterfowl projects through one panel will increase coordination and reduce overlap and duplication. Moreover, the Migratory Bird Commission has over 50 years of experience in the business of preserving and restoring wetlands for the conservation of waterfowl populations.

And third, this bill provides for State, private, and international input into the process of implementing the plan. The North American waterfowl plan is not just another Federal program. It's an international cooperative effort that relies heavily on the financial and professional assistance of private organizations. The plan assumes that private groups will contribute sizable sums to the implementing of the plan, and their active participation in the process is essential to a successful program. For this reason, the advisory committee which reviews all projects funded under this bill is composed of three representatives from nonprofit groups involved with implementing the plan. The Secretary of the National Fish and Wildlife Foundation Board is also a member of the advisory committee.

This direct and active participation in the decisionmaking process by these nonprofit groups will invigorate this program and separate it from other Federal conservation programs. In addition, the States are represented

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 9 JE 14 — 22 1989 UMI

on the advisory committee by agency heads from the four different flyways, and the Secreary is encouraged to include, as ex officio, nonvoting members, representatives of Canada and Mexico. This well balanced and diverse group should enhance the implementation of the plan.

The details of H.R. 2587 are outlined in a section-by-section summary that I will include for the RECORD.

Mr. Speaker, this legislation is not a final solution to the problem of disappearing wetlands and declining waterfowl populations, but it does take a significant and positive step forward. We must act now, before millions of wetland acres are converted and destroyed forever. Wetlands are an important natural resource that need protection. H.R. 2587 is designed to provide some of the tools to get the job done. I invite all of my colleagues to join me, Congressmen DINGELL, DAVIS, and JONES in cosponsoring this bill.

NORTH AMERICAN WETLANDS AND CONSERVATION ACT—SECTION-BY-SECTION SUMMARY

Section 1. Short Title: North American Wetlands Conservation Act.

Section 2. Findings and Statement of Purpose.

Section 3. Definitions: The terms defined in this section include advisory committee; Agreement; appropriate Committees; flyway; Migratory Bird Conservation Commission; migratory birds; Plan; Secretary; State, and wetlands conservation project.

Section 4. Establishment of North American Wetlands Conservation Advisory Committee: An advisory committee to the Migratory Bird Conservation Commission is established consisting of the Director of the U.S. Fish and Wildlife Service, the Secretary of the National Fish and Wildlife Foundation Board, and seven Secretarial appointees, four of whom shall be state fish and wildlife agency heads representing the flyways, and three of whom shall represent non-profit groups involved in implementing the North American Waterfowl Plan. In addition, the Secretary will appoint an alternative committee member who is knowledgeable in fish, wildlife and wetlands conservation, who will perform the duties of any other committee member who is absent from a meeting or whose seat was vacant. Members are appointed for six year terms.

The Secretary is also encouraged to include, as ex officio, non-voting members, representatives of the Federal, provincial, State or territorial governments of Canada and Mexico, of other Federal agencies, and of Native American interests who are involved in wetlands conservation projects under the Act or the Plan.

This section also provides for the appointment of a coordinator who shall be appropriately qualified and an employee of the U.S. fish and Wildlife Service. The Chairman of the Advisory Committee shall be elected by the membership and serve a two year term.

Section 5. Approval of Wetlands Conservation Projects: The Advisory Committee is charged with recommending wetlands conservation projects to the Migratory Bird Conservation Commission for approval based on consideration of availability of funds under the Act, extent of joint public-private sector participation in the project, consistency with the National Wetlands Priority Conservation Plan provided in section 302 of the Emergency Wetlands Resources Act and the purposes of this Act and the Plan, the extent to which it would aid in conservation of migratory non-game birds and species which are listed or candidates for listing under the Endangered Species Act, the substantiality of the project, and the recommendations from existing partnerships between public and private agencies carrying out wetlands conservation projects under the Act or the Plan.

The Advisory Committee will make recommendations to the Migratory Bird Conservation Commission by March 30 of each year for projects to be funded under the act, in priority order. The Chairman of the Advisory Committee shall serve as an ex officio member of the Commission for the purposes of considering and voting upon wetland conservation projects recommended by the Advisory Committee.

Section 6. Conditions Relating to Wetlands Conservation Projects: All lands in the United States acquired in whole or in part by the Migratory Bird Conservation Commission with funds made available by this Act must be included in the National Wildlife Refuge System, except that within one year after the date of acquisition, the Secretary may convey without cost any lands so acquired to a state, or any private entity approved by a state if the Migratory Bird Commission concurs and if the Secretary makes a finding that the real property interests can be better managed if they are not retained in the refuge system.

For projects outside of the United States, funds will be provided to public agencies and private entities for wetlands conservation projects recommended by the Advisory Committee and approved by the Commission. The Secretary must ensure that any real property interests acquired by Federal funds be administered for long term conservation and management of fish and wildlife resources and provide for appropriate public access and use.

Section 7. Amounts Available to Carry Out This Act: Funding is provided by requiring the Secretary of the Treasury to invest the portion of the Pittman-Robinson Fund not required for current withdrawals in interest-bearing obligations of the United States. The interest would become available for funding projects approved under the Act, without appropriation, until the year 2001, at which time it would be added to the amounts available for allocation to the states under the Pittman-Robinson Act. In addition, the Act authorizes the appropriation of an additional amount not to exceed $15,000,000.

Section 8. Allocation of Amounts Available to Carry Out This Act: At least 50 percent, and not more than 70 percent of the available funds shall be expended on projects in Canada and Mexico and the remainder in the United States. Such funds may not exceed 70 percent of the project costs in Canada and Mexico, and 50 percent of the cost in the United States, except that projects on Federal land may be fully funded. The Secretary is authorized to make partial payments and to make agreements for future payments, subject to funding availability.

Section 9. Deposit of Law Enforcement Proceeds Into Fund: All proceeds from U.S. Fish and Wildlife Service law enforcement activities not otherwise earmarked shall be deposited for distribution in the refuge revenue sharing fund.

Section 10. Restoration, Management, and Protection of Wetlands and Habitat for Migratory Birds on Federal Land: Every Federal agency is required to cooperate with the U.S. Fish and Wildlife Service in restoring, protecting and enhancing wetland ecosystems and other wildlife habitat within their jurisdiction. Agency heads are required to give priority in any land disposal to the transfer of real property interests for conservation purposes.

Section 11. Reports to Congress: Every two years, reports are required assessing overall wetlands protection and restoration activities and migratory bird population trends. Annual reports on project status and costs are required.

Section 12. Revisions to the Plan: Every five years, the Secretary is required to undertake a revision of the North American Waterfowl Plan in cooperation with Canada, and Mexico is invited to participate.

Section 13. Relationship to Other Authorities: Nothing in this Act is intended to alter the Secretary's authority to acquire lands under any other statute, and Federal funds made available under this Act shall not be used for mitigation projects under the Fish and Wildlife Coordination Act or the Water Resources Development Act.

Section 14. Addition of EPA Administrator to Migratory Bird Conservation Commission: The EPA Administrator would replace the Secretary of Transportation as a member of the Commission.

Section 15. Limitation on Assessments Against Migratory Bird Conservation Fund: No administrative service assessments are allowed against the Migratory Bird Conservation Account.

Section 16. Technical and Conforming Amendments to the Migratory Bird Treaty Act.

FOR THE DEAD AND THE LIVING WE MUST BEAR WITNESS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. GREEN. Mr. Speaker, over the years I have had the great honor of attending the annual events of Mr. Benjamin Meed and have wholeheartedly supported his tireless efforts on behalf of Holocaust survivors. As many know, Benjamin Meed is a survivor of the Warsaw ghetto uprising who came to this country in 1946 with his wife Vladka and less than $10 between them. Since that time, Benjamin Meed has worked night and day to make sure that the world never forgets the 6 millions Jews and 5 million non-Jews who senselessly lost their lives during the Holocaust. "Although the Holocaust is mostly a Jewish tragedy, the lesson is universal," Meed has said. "We all must prevent this from happening again any place in the world to any people."

It is my honor to share with my colleagues today two speeches which Mr. Meed has recently made. His insight and commitment are a source of inspiration to us all.

REMARKS BY BENJAMIN MEED, CHAIRMAN, 46TH ANNUAL COMMEMORATION OF THE WARSAW GHETTO, FELT FORUM, NEW YORK CITY, APRIL 30, 1989

We are together again to say kaddish betzibur, to remember our past and our desti-

ny, to reaffirm the Jewish future and to assert our solidarity with the people of Israel.

We are here to remember the victims. We recall with love their lives, their menschlichkeit in the face of the inhuman conditions of the ghettos and the forests and the Nazi death camps. We have gathered to let the world know that we remember. How betrayed and abandoned we were. And we shall never forget Auschwitz, Treblinka, Majdanek, and other death camps soaked with Jewish blood.

The German Nazis with their collaborators tried and almost succeeded in brutally murdering an entire people—men, women and children, only because they were born Jewish—as the world closed its eyes and shut it ears.

Forty-six years ago, from the doorway of a church, as a carousel turned, I watched the Warsaw ghetto go up in flames. Through the dense clouds of smoke, I can still hear the sound of Jews defending themselves.

History will record the Warsaw and other ghetto uprisings as the symbol of Jewish resistance during the German Nazi occupation. For us it is an integral part of our very being.

It is a legacy that we carry with sorrow—but also with pride for it is a legacy of a fight against impossible odds—to proclaim for history that the spirit of the Jewish people shall never be extinguished.

As I look out at you, I see before me—Holocaust survivors and their children, American Jews, young and old, religious and secular who understand that all Jews must bear witness.

There were many bitter lessons that should be learned from the dark years dominated by German Nazis. We shall never forget that in those years nobody wanted to save us. There was no place for Jews to go. All gates of the free world were closed to us.

Fifty years ago, the SS *St. Louis* sailed from Germany with 936 Jews bound for Havana, Cuba. They hoped that this voyage was a lifeline thrown to them just in time. We know they were denied entry into Cuba. For 14 days the *St. Louis* waited just off the coast of the United States. But in those days Jews were unwanted. So the *St. Louis* had to set sail again in a journey back to Europe, back to the lands of their destruction.

One cannot but think what a different outcome the *St. Louis* story might have had, had there been a Jewish homeland, had there been a state of Israel in 1939. Or had the American Jewish community and its leaders been more effective.

Do not misunderstand. We have made our home in America. We have rebuilt our lives here. The United States has been good to many of us, but America has not changed us. By our remembrance and by our collective testimony, we have helped change America and especially American Jewry.

We have served as messengers who have told horrible but necessary stories that have changed the very definition of what is possible for humankind to do. And we have warned our countrymen to be on guard that the unthinkable is again possible.

Now, each passing year brings the enormity of our loss back to us, as a second and third generation of Jews grow up, who never knew the world of their parents and their grandparents, never experienced the culture of 1,000 years of European yiddishkeit.

We sense how Jewish life is made poorer, as a whole generation of Jewish culture is missing. We are missing the authors, the scientists, the rabbis, the teachers, the playwrights, the composers and the political leaders. They have not been and cannot be replaced.

Above all, we are missing over 1 million Jewish children, a loss of more than a generation; a loss of generations unborn.

Yes, we are consoled and grateful to the people that help us build memorials that will rise in our lifetimes and that will preserve the memory of our martyrs and recall the events which scarred our lives.

Once the responsibility of remembrance was ours alone—today not only has the Jewish community joined us, but the American people. There will be a national memorial to the Holocaust in Washington on the mall and New York will have a memorial overlooking the Statue of Liberty.

Yet we are concerned—more deeply concerned than ever—with the themes and ways of remembrance. For years, we fought against the idea that Jews went like sheep to the slaughter.

We told of the uprising in Warsaw, the revolt in Treblinka, the escape from Sobibor, the dynamiting of the crematoria in Auschwitz, the struggle of the partisans and underground couriers, the inner life of the ghettos. We taught the world of our spiritual dignity and resistance of our kedoshim.

Without our testimony no one would have known what it was like to be a Jew posing as a Christian, and sometimes even wearing a German uniform. Without our acts of witness, no one would have learned of the quality of defiance, of the thousands of acts large and small that characterized the spiritual resistance of our people in so many ways.

Future generations must know the ugly truth of what happened and how it happened. They must know who were the Holocaust victims. We must make certain that the memorials and museums that we help build today will be permanent and enduring so that they cannot be changed to suit any political whim or any change of mood.

We have all seen the skeletal remains of a once vital people. But we must give flesh to the bones and see the people as they once lived. Survivors have an obligation to tell that story, but it is the memorial museum's creators' and designers' responsibility to listen to our testimony.

Together we must be on guard against commercialization and vulgarization. Not only by our enemies but sometimes by our friends, people who mean well, but people without our experience who cannot understand what took place in the daily struggle for life in the ghetto, the forest and the death camps. Yes, we know is it not an easy task, but we shall never look for easy answers.

My fellow survivors, time is short but there is still much work to be done. We are being challenged by our kedoshim to pay our debt to those in whose name we and others speak. Our concern is with the past, our commitment must be to the future. As Elie Wiesel has taught us—for the dead and the living we must bear witness.

Let us remember.

By Benjamin Meed, survivor of the Warsaw Ghetto; chairman, the United Commemoration Committee of Metropolitan New York, president, the American Gathering of Jewish Holocaust Survivors and Warsaw Ghetto Resistance Organization [WAGRO]; member, the United States Holocaust Memorial Council, chairman, the Museum Content Committee and Days of Remembrance; executive member, a Living Memorial to the Holocaust—Museum of Jewish Heritage in New York.

AN ADDRESS BY BENJAMIN MEED, CHAIRMAN, DAYS OF REMEMBRANCE COMMITTEE, THE U.S. HOLOCAUST MEMORIAL COUNCIL, DAYS OF REMEMBRANCE 1989, THE CAPITOL ROTUNDA, MAY 2, 1989

Distinguished guests, Chairman Meyerhoff, Ladies and Gentlemen:

From Warsaw, Budapest and Amsterdam to the Rotunda in Washington is a long way—the distance can be measured in miles or in time. Six thousand miles, but 50 years is only a half century.

The distance that separates Warsaw of my youth from this historic Rotunda in this great capital is more than space and time. We are separated by suffering and anguish. We are separated by a new definition of immorality in which boundaries were crossed, human behavior was violated and the world was changed forever.

This year we mark the 50th anniversary of the outbreak of World War II—but for those of us who measure time by moral standards this year commemorates the year that the world stood on the eve of destruction.

In the city of my youth there were a half a million Jews, thousands of synagogues, hundreds of schools and youth groups. Warsaw was full of culture, full of life.

Suddenly, the German Nazis entered—we were isolated, abandoned and alone, soon we were pushed into a few ghetto streets and deprived of everything—and within 3 years, starvation, death and deportation. Our people were taken away in cattle cars to the gas chambers of Treblinka, Auschwitz, and Majdanek. Over 90 percent of our people perished in the gas chambers—as the world remained mute.

Today 50 years later we still asked the question, how was this possible?

Many of you have been to Yad Vashem in Jerusalem, many of you have visited Auschwitz and know the graphic pictures of those who became the victims of the Nazis. Today, let us not only remember their deaths, which were awful, violent and undescribable.

Let us remember their lives as well. The dignity of a culture that was centered on the family and community life, that gave rise to idealistic youth devoted to moral causes, that dreamed of justice and of Zion, of freedom and of piety.

Personally, I never dreamed 43 years ago when I came to this country with my wife Vladka with $8 and still mourning lost friends and family that I would one day be addressing such a gathering in such a place as the sacred shrine of American democracy, the Capitol Rotunda.

Let us also record with pride what the survivors and their children who came here have accomplished. We are a grateful people and will remain grateful to the United States for giving us the opportunity to rebuild our lives.

America has been good to us and we have been good for America. We have served as messengers from man's darkest hours, the early warnings against present day evils. We have been filled not with hatred but with life, love and memory.

We have told horrible but necessary stories that have changed the very definition of what is possible for humankind to do and we have warned our countrymen to be on guard that the unthinkable is again possible.

And perhaps most importantly, the survivors have given this country our offspring, the next generation who will carry on the message, who will be our extended witnesses. It is a blessed generation, filled with all the education, with all the hopes and the talent of a lost generation of 1 million children. Our children are builders, doctors, lawyers, educators, artists, and Congressmen and they will carry on our work after our generation is gone.

Distinguished Senators and Congressmen, in 1980 you mandated the Council to lead the Nation in an annual Commemoration of the Days of Remembrance, to transform the events of history into tales that could reach the entire American people so as to remind them of the preciousness of life, of the value of freedom

I am pleased to tell you here today in the Capitol Rotunda we are fulfilling your mandate. Through the task you have assigned to us, American have been made aware of the great significance of the lessons of the Holocaust to our democratic principles and beyond that to the lives of all humankind. Let us remember.

AN AMERICAN IMMIGRANT'S SPECIAL TRIBUTE TO THE AMERICAN FLAG

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. MANTON. Mr. Speaker, today we honor our Nation's flag with its own day—flag day. The history of our flag is a long and interesting one. For the benefit of all Members today, I am placing in the RECORD an article written several years ago concerning an Irish-born New York City policeman, Matt McGrath. Officer McGrath was the individual responsible for creating the precedent that the American flag on review is never dipped no matter what the event is. This is a remarkable story about an American immigrant and also informs us about some of the significant history regarding our flag.

A COP FOR ALL SEASONS

(By Dr. Roger D. McGrath)

A snowy November night in 1906 found a big, Irish-born New York City cop walking his beat along the Harlem River. As he came to a bridge that spanned the river, he heard voices cry out for help. He sprinted to a point on the bridge where a little knot of people had gathered and learned that a man had just jumped, evidently in a suicide attempt. The cop quickly peeled off his long-tailed winter coat, threw his helmet aside, and dove from the bridge. He hit the icy water with a crash; high diving techniques had not been part of his police training. Nearly knocked senseless himself, he nonetheless caught hold of the jumper, towed him to shore, and forced the water the jumper had swallowed from the man's lungs. Spent by the effort and nearly frozen, the big cop collapsed. Minutes later, though, an ambulance arrived and rushed both the jumper and the cop to Harlem Hospital where they soon recovered.

For his heroic efforts the cop was awarded the medal of honor, the police department's highest decoration; it was the first of two he would receive for courageous acts in the line of duty. The cop was Matthew J. McGrath.

Matt McGrath was born on a farm near Nenagh, County Tipperary, in 1876. He was one of eleven children. His tenant-farmer father worked long, hard hours but an absentee, English landlord insured that the McGraths would never rise above a subsistence level. The landlord's proudest boast was that he had never had to catch a bullet from a tenant.

Surprisingly, though, the landlord was no effete Englishman. He was a practiced athlete and could throw the hammer nearly 150 feet. When he came to collect his rents during the summer he would join in the village games and impress the local youths with his prowess. Matt made up his mind that he would beat him.

Matt was then just 17 years old, but he was already six feet tall and 170 pounds and was still growing. He didn't have a hammer to work with and his father kept him busy in the fields from dawn to dusk. Nonetheless, Matt improvised his own training regimen: at night he sneaked out and wrestled with the family bull! After months of this the bull had finally had enough and one foggy night galloped away, never to be seen again. By then Matt had gained twenty pounds and his muscles were bulging.

Now that the bull was gone, Matt persuaded a local blacksmith to fashion a crude hammer for him to throw. Day by day Matt's throws went farther and farther. Soon his prowess was the talk of County Tipperary. He threw the hammer 20 feet farther than his landlord's best and beat the best thrower in the British army by 10 feet.

The British thought Big Matt, now standing more than 6'2" and weighing over 200 pounds, would make a fine addition to their army. "Me boy," said an officer, "come with me to the barracks at Ardagh. You'll make a grand soldier." "I'm going to be no soldier," replied Matt. He had heard of the conflict with the Boers in South Africa and wanted to take no part in the fighting unless it was on the side of the Boers. "I mean," said the officer, "come to the barracks and have your sport. There's hammers for you to throw."

Matt decided instead that the time was now propitious for him to immigate to Amerikay, the land of the free. His parents tried to dissuade him but, when seeing that his mind was made up, gave him the family's only carpetbag and the stoutest pair of boots his father owned.

Matt landed in New York in 1897 with six pennies in his pocket. The very day he arrived he found employment as a blacksmith. A few days later he discovered Central Park. Thinking that it was the country, he kicked off his shoes, sprinted on the grass, heaved heavy boulders, and swam in a pond. A mounted policeman happened by and told Matt he had broken a dozen ordinances and ought to be arrested. But upon hearing Matt's brogue and learning that he had just arrived in America, the policeman, an Irish immigrant himself, softened. They parted good friends and Matt made up his mind to become a police officer.

For several years Matt worked as a blacksmith by day and attended school at night. In whatever spare time he had he trained with the hammer. In 1902 his alderman got him an appointment for the police department's examination. Passing the test with ease Matt became one of New York's finest. He also began to compete regularly in the hammer throw. In 1907 he won the United States junior championship and the next year qualified for the Olympic team.

The 1908 Olympics were held in London, England. Since the American team was largely composed of Irish Americans—Matt McGrath, J.P. Sullivan, Tom Morrissey, Mike Murphy, John J. Hayes, Mike Ryan, D.J. Kelly, Martin Sheridan, and John J. Flanagan, to name a few—sparks were bound to fly. During the opening ceremonies the athletes of one nation after another passed by the reviewing stand and dipped their flags to the King of England. When the Americans approached the royal box Matt McGrath stepped beside the American flag-bearer and said, "Dip that banner and you're in a hospital tonight." Old Glory went unbowed past the King of England.

The English were left in shock. The next day London newspapers lashed the Americans with the severest criticism they could muster and called for an apology. Veteran Olympian and world record discus thrower Martin Sheridan spoke for McGrath and the other Americans when he answered the English by pointing to the flag and saying, "This flag dips to no earthly king." The precedent had been set. To this day the United States does not dip its flag in the Olympic ceremonies.

Despite a torn ligament, Matt took the silver medal in the hammer throw. John J. Flanagan, another New York City cop who was the reigning Olympic champion and world record holder, beat Matt by a mere two feet. Both men broke the old Olympic record. When Matt received his medal from the King of England he was said to have responded to the king's compliments in "a brogue two sizes wider" than normal. American Irish dominated other events as well, winning the 800, 1500, marathon, intermediate hurdles, high jump, and discuss.

Following the Olympics, Dublin hosted the Irish members of the American team before their return to the states. Matt stayed on to visit his native Nenagh. He was hailed as a conquering hero and greeted by pipe and drum bands. The celebration continued for two weeks. As if to repay the Irish for their hospitality, Matt set a new world record in the hammer throw before he left for New York.

For the next half-dozen years Matt dominated the hammer throw and the 56-pound weight throw, more than once breaking the world records that he himself had established in the events. In 1911 he threw the hammer 187'4" and the 56-pound weight 40'6", the second record remained unsurpassed during his lifetime. In the 1912 Olympic Games at Stockholm Matt took the gold medal and set a new Olympic record with a hammer throw of 179'7". The record would last until the 1936 games.

Ever since the 1908 games journalists had been referring to Matt McGrath and his fellow weightmen on the American team as the "Irish whales." Almost all of the American shotputters, discus throwers, and hammer throwers were Irish and they were all huge. They also all happened to be New York cops; Martin J. Sheridan, John J. Flanagan, Patrick J. Ryan, and Patrick J. McDonald were the most prominent of Matthew J. McGrath's comrades. They must have been a sight walking the streets of New York. In a day when Americans were considerably smaller than they are today, McGrath stood 6'2" and weighed 245 pounds and McDonald, who won the shotput in the 1912 Olympics, stood 6'5" and weighed something over 300 pounds. The others were similarly large.

World War I forced the cancellation of the 1916 games but Matt made the Olympic team in 1920, although by then he was 43 years old. Somewhat off form at Antwerp he placed fifth in the hammer throw which was won by Pat Ryan. But Big Matt was not through yet. He again made the Olympic team in 1924 and not only carried the Stars and Stripes for America but he also won the silver medal in the hammer. He was 47 years old!

Meanwhile, Matt McGrath the police officer was also making his mark. He was decorated with his second medal for valor when he captured a murderer in a most unusual manner. The murderer had taken refuge on a river barge and opened fire when McGrath approached on a nearby pier. Big Matt found cover behind a pile of bricks and then flung the bricks with such speed and accuracy at the man that he threw his gun into the river and surrendered.

Patrolman McGrath became a sergeant in 1917. The next year he was made a lieutenant; in 1927, a captain; and in 1930, a deputy inspector. In 1936 he became a police inspector, the third highest rank in the department. High rank, desk work, and age did not seem to diminish Big Matt's formidable appearance though. In 1932 a journalist looked in on McGrath as he sat behind his desk in a mid-Manhattan precinct and wrote: "His eye is blue-gray, his jaw like reinforced concrete, and his build of two-forty-five pounds as solid as a steel bridge pier."

RECEIVES DISTINGUISHED CITIZEN AWARD

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to honor a great Ohioan, Mr. J.J. Cafaro. This week, J.J. Cafaro is receiving a great honor from the Youngstown State University, where he will receive the 1989 Distinguished Citizen Award and an honorary doctorate degree at the YSU spring commencement.

Mr. Speaker, let me say that these honors conferred upon Mr. Cafaro are well deserved. He has proven time and again that he is a valuable citizen who contributes must to the community around him. As an entrepreneur in northeast Ohio, J.J. Cafaro's efforts have breathed life into the Youngstown area economy, and for that I commend him.

It is worthwhile to mention some of Mr. Cafaro's outstanding business accomplishments was a demonstration of this man's talents and ability. He serves as executive vice president of the Cafaro Co., the Nation's seventh largest shopping center developer. In addition, he has been instrumental in developing part of the business curriculum at Youngstown State, showing his concern for education and for our future.

J.J. Cafaro repeatedly demonstrates his unbreakable dedication to his hometown through his activities. For example, he is president and chief executive officer of the Avanti Automobile Corp., a company that he brought to Youngstown. He takes great pride in his work to create jobs and opportunity for the community he loves.

Even with his efforts in the business community, J.J. Cafaro also finds time for other important community activities. He has served on a variety of local organizations, including the Youngstown Symphony, the Muscular Dystrophy Association, Easter Seals, and March of Dimes.

And so, Mr. Speaker, it is with great pleasure that I salute a great Ohioan, Mr. J.J. Cafaro, and I applaud the Youngstown State University for bestowing upon him the honors he will receive during the spring commencement.

MANUFACTURERS FLYING SOUTH

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. EVANS. Mr. Speaker, I rise today to call my colleagues' attention to an article forwarded to me by E.J. "Zeke" Giorgi, assistant majority leader for the Illinois General Assembly. The author, Kathy Orr, addresses a current problem that has wiped out thousands of American jobs and increased labor pressure on many American workers who are fearful of having their jobs exported south of the border. Over 400,000 American jobs have been lost to Mexico, where American manufacturers exploit cheap labor and favorable trade treatment. In Illinois alone, these plants have ties with 174 companies and support 83,662 jobs. I urge all who are concerned for the plight of the American worker to read Ms. Orr's article.

U.S. COMPANIES ARE HEADING SOUTH OF THE BORDER

(By Kathy Orr)

There's a group of United Auto Workers in Dowagianc, Mich., who are pretty scared.

Sundstrand Corp. has moved almost 100 jobs at its Dowagiac copper mill to Nueve Laredo, Mexico. And the union workers are in a quagmire.

It's not that the Michigan union people can't work as fast or as skillfully or as cheerfully as the Mexicans. They just can't work as cheaply.

The Mexicans' pay averages 60 to 80 cents and hour, while the Michigan workers make about $14 an hour.

"I don't think any job should be lost to slave labor," says Les Hodge, president of UAW Local 1218.

His members, he said, can't match dollars against pennies.

It is a similar inability to compete in global market that has led American manufacturers to the Mexican maquiladoras.

Maquiladoras, derived from the Spanish verb meaning to mill, are manufacturing and assembly plants owned by American companies and set up in Mexico. There are 1,400 maquiladoras in Mexico employing 400,000 Mexican workers.

Almost every Fortune 500 manufacturing company has at least one Mexican plant. Some have several: General Electric—14 with 15,000 workers; General Motors—23 plants with plans for 50 by 1990.

Fortune 500 companies that own Rockford plants alone operate 56 maquiladoras south of the border with more than 41,000 employees. Among those are Siebe PLC, parent of Barber-Colman Co.; Honeywell Inc., owner of Microswitch in Freeport; Gates Rubber Co. and about 14 others:

The industry is growing at a startling annual pace of 15 to 20 percent: in some areas, such as Tijuana, maquiladoras are multiplying 25 percent a year.

"It's staggering," said Dick Bolin, "the father of the maquiladoras" and director of the Flagstaff Institute, a non-profit group promoting the development of trade and business in Flagstaff, Ariz. "None of us conceived it would ever get this big worldwide."

That fact has the Mexican government titilated, American unions ticked off and U.S. companies scrambling like thirsty nomads to the maquiladora oasis in the desert.

In 1964, Bolin undertook the original study for the Mexican government examining possible production sharing. Thus, his paternal nickname.

Exorbitant Mexican wages, however, kept the maquiladora industry at a standstill until the 1980s. Then, the oil crisis hit the peso dropped through the floor and Mexican wages dove to the lowest in the world.

Sundstrand, like companies worldwide, took advantage of the situation when it opened its heat exchanger plant Nov. 1 to cut costs.

"Sundstrand did not cause the production-cost pressures. The world economy did." said Claude Vernam, company spokesman. "Several alternative sites were examined both in the United States and in Mexico, and Nuevo Laredo offered the most advantages."

Like Sundstrand, companies looking for inexpensive utilities, low overhead, an abundant work force and a myriad of favorable trade treatments are doing the Mexican hat dance all the way to the bank.

"It's so wildly attractive it's amazing more people aren't there," said Richard Sinkin, director of Inter American Holdings Corp., a San Diego-based company the touts the virtues of maquiladoras to American companies and helps them set up their own.

Some of the advantages Sinkin cites:

All U.S. components, raw materials, parts, and machinery are exported to Mexico in-bond or duty free.

After assembly or finishing, any product using U.S. raw materials and components can be brought back into the United States free of duty, except for the value added in Mexico. So, American firms pay import fees only on Mexican wages, utility costs and other overhead.

The plants set up under the program are cost centers, generating no profits on the Mexican side. As a result, the American owner pays virtually no income taxes.

Right now, Mexican wages are running about $1.35 to $1.40 an hour fully burdened. That figure includes base salary and company payments to the government for workmen's compensation and social security programs.

The projected growth of the maquiladoras has American labor unions edgy to the point of warning U.S. workers whose parent companies have plants in Mexico, to be wary of their jobs.

"They start off moving a relatively small piece of their business abroad," said Steve Beckman, a UAW international economist in Washington, D.C. "We definitely do see it as a cumulative process this is disadvantageous for the American worker and in the long run suicidal for American companies."

Beckman said American manufacturers are using maquiladoras as an easy way out of a very complicated problem. And in their

VOL 135 PT 9 JE 14 — 22 1989 UMI

wake, they are leaving Americans without jobs.

Still, there are no figures available concerning how many jobs have been lost here.

But certainly during the process jobs disappear.

San Diego businessman Sinkin cut a deal just last week with an American furniture manufacturer.

The plan: The manufacturer, which Sinkin wouldn't identify, will shut down its entire American headquarters, leaving 170 people jobless.

Then, the company will move its plant to Mexico, hire 200 Mexicans workers, and get a couple of million dollars to pay off debts.

The payback: With cheap Mexican labor and utilities, the furniture maker will pump profits by 15 percent in its first year south of the border.

Sinkin, in turn, will get a 15-percent interest in the new Mexican operation.

Sinkin calls the maquiladoras the "goose that's laying the golden eggs in Mexico right now."

Indeed, the maquiladoras are Mexico's second-biggest source of foreign exchange—dollars coming into the country. Oil is first; tourism is third.

Those dollars are invaluable to pay off Mexico's foreign debts because the peso is virtually worthless, said Flagstaff Institute's Bolin.

Despite the lack of hard numbers on job losses, three studies have been conducted on how the maquiladoras have or will affect the U.S. manufacturing base.

Those were done by the University of Texas at El Paso, the International Trade Commission and the U.S. Department of Labor.

"The industry causes job relocation," said Don Michie, director of the Institute of Manufacturing and Materials Management at the university in El Paso. "The net benefit of the industry is to retain and create jobs in the U.S."

His Maquiladora Impact Survey showed the industry in Mexico supports and creates tens of thousands of supplier jobs here, he said.

And Illinois ranks third of the 50 states with the largest impact. Maquiladoras have ties with 174 companies in the state and supports 83,662 jobs.

In Rockford, five companies and 77 jobs are affected by the Mexican industry, Michie said. The confidential survey was conducted before Sundstrand moved to Nuevo Laredo.

Michie and others say for every maquiladora job brought to Mexico, two supplier jobs are created here.

Said Sundstrand's Vernam, "We expect that the long-range impact will be an expanded presence in Dowagiac, Mich., through the increased use of our copper mill."

Sundstrand figures that with lower costs it can cut the price on its heat exchangers used in air conditioners and refrigerators. It will sell more exchangers and need more copper from its Dowagiac plant. The U.S. plant then will need more workers.

Some politicians, however, doubt the job-creation equation. Last year, legislation was introduced in Congress to eliminate the tariff laws that allow American companies to bring the maquiladora imports into the country with little duty.

But the measures fizzled shortly after an International Trade Commission report showed that even if the laws were changed, American companies wouldn't move their plants back to United States, said Laura Rodriguez-Archila, the commission's international trade analyst.

"None of the companies would return to the U.S.," she said of the January 1988 survey.

A study by the U.S. Department of Labor similarly showed under four different scenarios that the affect on U.S. jobs would be negligible, said Greg Schoeptle, the department's director of foreign economic research.

The study showed American jobs would be affected little if:

Mexico abolished the maquiladora program.

Mexican wages increased 50 percent.

Tariffs laws didn't allow reduced duties on Mexican imports.

Tariff laws allowing duty reductions were eliminated for imports from all countries where American industry operates plants.

Supporters of the maquiladoras say these studies should erase any indictment against the Mexican government, which pushes the industry strongly, and the American companies who set up shop there.

"What people fail to understand is the maquiladora program is a Mexican program, not a U.S. program," said Michie. "It's been phenomenally successful for many companies."

Acustar, Chrysler Corp.'s auto-parts subsidiary, has four plants in Mexico. Tony Malta, Acustar spokesman, says more than cheap wages brought and kept Acustar in Mexico.

"The quality levels at some of these plants are exceptional," he said. "Being competitive is what it's all about in the automotive supplies industry."

With all its lures, the program has become truly international in scope. Even the Japanese are using their American plants to open maquiladoras. In Tiajuana, says Sinking, 10 percent of the workforce is employed by the Japanese.

"In 1986 there were only six Japanese maquiladoras," said Sinkin. "Today there are 24, and 50 more are in the planning stages."

Sony makes in Mexico most Trinitron television sets sold in America. Sanyo USA makes refrigerators there: Matshusita produces Panasonic TVs, as does Hitachi.

As the maquiladoras and the products they assemble grow, pressure will probably center on Congress once more to take a look at the situation, says Pam Huey, spokeswoman for Sen. Paul Simon, D-Ill.

"There's a possibility it will come up, but no one has any legislation yet," she said.

The UAW's Beckman, however, said labor will continue to fight what the union perceives as exploitation of Mexican workers and the flight of American jobs to Mexico.

"American workers are losing jobs and Mexican workers are living very poorly," he said. "The workers can barely scrape a life together. They can't even buy the things they produce."

A TRIBUTE TO STEPHEN B. HODGES

HON. WILLIAM F. CLINGER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. CLINGER. Mr. Speaker, I am pleased to rise today to pay tribute to Stephen B. Hodges, an outstanding citizen of Bradford, PA, and one of my constituents. I wish to take this opportunity to salute him for his remarkable achievements and contributions to the Bradford area.

Mr. Hodges is well known in Bradford for his community involvement, but he is known best for his involvement with American Field Service [AFS] program. AFS is an exchange program that sponsors trips for students to foreign countries and brings students to the United States. Mr. Hodges first became involved with AFS in 1965, and since that time his wife and five children have shared their home with a constant flow of exchange students.

In addition to his work with AFS, Mr. Hodges has donated his time and service to such organizations as the Kiwanis, the Salvation Army, and the Campus Life Committee at the University of Pittsburgh at Bradford.

On May 31, at the Pennhills Club, Stephen Hodges was presented with the Golden Deeds Award by the Bradford Exchange Club. This award recognizes his extraordinary community service. Mr. Hodges has been one of our country's unsung behind-the-scenes workers. He has contributed much to the community and has sought nothing in return.

Mr. Speaker, on behalf of the city of Bradford and the 23d District of Pennsylvania, I want to congratulate Stephen Hodges for his impressive accomplishments.

REMOVING OBSTACLES TO HEALTH CARE COVERAGE: PREEXISTING CONDITIONS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. WALGREN. Mr. Speaker, today I am introducing a bill which would prevent private providers of health insurance from denying health insurance coverage to persons with preexisting medical conditions.

Although there is little specific information on the number of people who are denied health insurance because of preexisting conditions, there is every reason to believe this is an important problem. The Office of Technology Assessment estimates that 20 percent of those who apply for commercial health insurance face preexisting conditions resulting in either increased premiums for health insurance or exclusion from coverage altogether. The National Commission on Orphan Diseases estimated that 16 percent of those with rare diseases were unable to acquire adequate insurance.

These denials take several forms: Individuals may not be able to purchase any health insurance of any kind; they may be able to purchase health insurance coverage for everything except the preexisting condition; they may be offered coverage at rates much higher than "normal" people; or they may be offered coverage only after a lengthy waiting period.

By excluding or in some way limiting coverage for people with preexisting conditions, commercial insurers cover only the "healthy," leaving those who are ill without the ability to

use insurance to spread their risks or medical costs beyond themselves.

It seems to me that access to health care is so important, and the cost so clearly beyond each of us alone, that everyone should at least have the opportunity to secure health insurance. And, if insurance is to be meaningful, every individual should be able to join a large enough group that they are put on an equal footing with regard to costs that any other insured person enjoys.

In short, all must have access to insurance spread across a large number of policy holders which represent a fair cross-section of the health needs of the public at large. Although we may not be able to provide universal health care in our country at this time we ought to provide universal opportunity to purchase health insurance in the private sector regardless of the risk present because of medical circumstances beyond our control.

Most Americans are insured by private health insurance, not Medicare and Medicaid, the two major public programs. Private insurance is provided by a wide assortment of entities including commercial insurance companies, Blue Cross and Blue Shield plans, prepaid arrangements, and self-insurers—companies that directly assume the risk of health care costs for their employees. Traditionally, private health insurance has been based on principles of actuarial experience, balancing the cost of premiums against anticipated risks.

Insurance companies base coverage and costs on the probability of certain occurrences, classifying individuals as "standard risks," "substandard risks," or "uninsurable." The higher the risk, the costlier the insurance to the insured.

Denying access to insurance because of preexisting conditions creates several problems. First, persons with preexisting conditions often must pay extremely high premiums, costs that are out of reach of most families. A family in Tennessee saw the cost of their health insurance grow from $170 per month to $600 per month after the birth of a daughter with a severe genetic defect.

Second, people with preexisting conditions may be denied employment. It is commonly asserted that individuals who become seriously ill are often not willingly brought back to work by their employer because a company health plan would be adversely affected. In other instances, insurers have pressured employers to drop persons from a benefits plan because the employee or a member of their family has a serious illness.

Third, oftentimes individuals who have full insurance through their work are trapped in one job because they may be unable to get similar coverage if they change jobs.

Fourth, denying insurance to people means they end up in hospital emergency rooms, where we all pay for their care through higher premiums or government programs after they prejudice their health by failing to get care when they first need it, and only after they impoverish themselves, their families, and the hospitals we all must turn to. That's no way to organize health care.

Finally, many people with a preexisting condition—something as common as high blood pressure—are afraid to use what coverage they have for fear that the condition will be discovered and used to deny their coverage. The fear of being denied health insurance because of the jeopardy to one's insurability is a disincentive to getting health care, which only exacerbates the illness. Health insurance, public or private, should be designed to help people prevent illness and cure illness, not contribute to continued illness.

THE BILL

The Federal Health Insurance Equity Act of 1989 has three prohibitions: First, it would prohibit insurers from excluding, terminating, or otherwise limiting any individual from coverage based on a preexisting condition; second, it would prohibit the sponsor of a health benefit plan from determining coverage rates for an individual or group on the basis of claims, a practice known as experience rating; third, it would establish standards for the provision of basic health benefit plan services at a reasonable cost.

The bill would require the States to enact standards comparable to minimum Federal standards established by the Secretary of Health and Human Services. States and plans would be given 42 months to comply. Health benefit plans found not to be in compliance would be subject to civil penalties. The bill would also require the establishment of State offices to investigate allegations of abuse.

Opponents of this bill will say that forcing industry to assume coverage of persons known to require significant amounts of care will increase premiums or threaten long-established principles of health insurance financing. The bill seeks to address this by requiring the Secretary to determine the fair costs for coverage for those with preexisting conditions and by recognizing waiting periods and minimum enrollment periods to prevent subscribers from "hopping in and out" of plans or buying coverage only when illness strikes. Waiting periods and minimum enrollment periods would, however, have to be uniformly applied to all applicants and could not discriminate against persons with preexisting conditions.

Others will say that high-risk individuals should be insured by State-run risk pools with the excess costs covered by general revenues. This would, of course, shift the burden directly to the taxpayers who, if history is our guide, have been unwilling to properly fund medical programs to date. By relying on private insurance to provide the bulk of coverage in this country, we can secure a greater contribution from a risk pool based on the true risks for the entire population.

Illness and disability can strike any of us at any time. Our Nation's health is vital to our security, our productivity, and our children's future. The United States remains the only industrialized nation without a system of comprehensive health insurance. By bringing in those now excluded by preexisting conditons, this bill could provide coverage for a significant unprotected segment of our society.

I urge my colleagues to join with me in supporting this legislation and I look forward to a vigorous discussion.

FATHER PATRICK MURPHY TO LEAVE ST. RITA HIGH SCHOOL

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a man who has committed his life to the education of young people in my community. Mr. Speaker, I am speaking of Father Patrick Murphy, OSA, who on June 30, 1989, will be retiring as principal of St. Rita High School after 6 years of selfless service.

There are many tireless educators who, without much fanfare, teach and guide the young people who will be tomorrow's leaders. As he moves on to a new challenge in the service of his religious order, however, Father Murphy deserves special recognition today for all he has accomplished at St. Rita. It is not often, after all, that a man returns to lead the high school from which he graduated. Such is the case with Father Murphy, though, who has made his connection with and commitment to St. Rita a lifelong affair. Father Murphy graduated from St. Rita in the late 1960's, went on to become a member of the Augustinian Order that runs St. Rita, came back to the school as a vice principal in 1979, and in 1983 was aptly chosen as its leader. During his 6 years of service, Father Murphy has proven why he will be long remembered by the students, parents, and faculty whose lives he touched.

Father Murphy led with a firm yet gentle hand. During his 6-year tenure, he was not only the school's chief administrator but the symbol of its religious, moral and educational commitment to students of my community. Perhaps what was most important to the students of St. Rita, however, was the fact that he never lost touch with them. His door was open, and as many St. Rita students can attest, he was ready to listen. He managed to earn their respect and yet maintain their friendship. Father Murphy never seemed to forget that he was once one of them—a student in the classrooms of St. Rita—and for that the school's students, parents and teachers will always be thankful. His warm spirit and his tremendous laugh will long be missed in the halls of St. Rita.

Under Father Murphy's leadership, St. Rita has maintained and rededicated itself to the educational values that have characterized its existence for over 80 years. The culmination of this commitment came in 1987 when St. Rita was named one of the Nation's exemplary schools by the U.S. Department of Education. The school has continued its impressive record on advanced placement tests, while at the same time never forgetting those who need help with their basic reading and writing skills. St. Rita has indeed been a place open for all those who share its goals, and in the past 6 years its enrollment of approximately 1,400 males has remained steady. Meanwhile, under Father Murphy's leadership, the school has never forgotten the important role that extracurricular activities—from sports to clubs to the school newspaper—must play in the education and shaping of the whole person.

29-059 O-90-7 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

Father Murphy believed that the graduate of St. Rita need be a complete man, mentally, physically, and spiritually. For his lifelong commitment toward these ends, he deserves our highest regards.

The motto at St. Rita has for many years been "Accepting Boys, Graduating Men." Through a combination of firmness and sensitivity, "Father Murphy," as he was often called, helped make that goal a reality. For his years of work as principal and teacher, we can all thank him and extend to him our warmest wishes as he moves on to accept his next challenge.

THE WORKING FAMILY PROTECTION ACT OF 1989

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. GREEN. Mr. Speaker, I should like to thank my colleagues, Mr. GOODLING and Mr. PETRI, for their leadership on this important issue and announce my support for the Working Family Protection Act of 1989. In light of the President's veto and the inability of the Congress to override, this initiative represents a fair and comprehensive approach to dealing with the plight of the working poor. Further expansion of the earned income tax credit [EITC], complimenting a modest increase in the minimum wage to $4.25, will enable the Nation to move closer to the goal of ensuring that if a parent works full time, year round, a family would not have to live in poverty. I have always supported an expanded EITC, and I am proud to be an original cosponsor of the Family Living Wage Act introduced earlier this year by my colleague from Wisconsin, Mr. PETRI.

There is no doubt in my mind that by coupling an expanded EITC with a modest increase in the minimum wage we shall raise the work incentives for welfare families and low income wage earners. This proposal will also assist families with the cost of child care, allowing parents to decide what kind of care their children will receive. The EITC gives back to low income families some of the taxes that are automatically taken out in payroll deductions, so that a larger percentage of salary ends up as take-home pay. Expanding the EITC will allow low-wage workers to keep more of what they earn. Under this proposal, the maximum credit for a family with four preschool children would be $3,850 per year, which is equivalent to an extra hourly wage of $2.08. All amounts are fully indexed to inflation. By expanding the EITC we are providing a cost effective approach to addressing a series of problems confronting low- and moderate-income families. Clearly, this approach is targeted. It provides low-income workers with help in proportion to need.

I recognize that a $3.35-an-hour wage does not represent a living wage for a family. However, I shall vote to sustain the President's veto, because I believe that the $4.55 minimum wage increase with the limited 30-day training wage would only be counterproductive, pricing many low-skilled workers out of the job market and contributing to the loss of job opportunities. I do so not because of a lack of compassion but because of a strong conviction that an exorbitant increase will hurt, more than help, the working poor. Study after study has revealed that for every 10 percent increase in the minimum wage 100,000 to 200,000 jobs will be lost. Unfortunately, the brunt of job opportunity losses would be felt by young people and those that are in need of skills and training. Furthermore, a $4.55 increase in the minimum wage will only contribute to the elimination of low-wage jobs, doing little to reduce the poverty rate and resulting in the devastating effect of higher unemployment. We can not and must not ignore the realities of a $4.55 increase in the minimum wage. CBO estimates that $4.55 would increase inflation between 0.1 and 0.3 percent. Consumers would loose between $3 and $10 billion of purchasing power, and then there is the additional threat of higher inflation and higher interest rates.

The Working Family Protection Act is an effective alternative that provides for a modest increase in the minimum wage as well as targeted assistance that will put more money into the pockets of low-wage workers. The inclusion of a 4-month universal training wage is a key component of this proposal, because it will effectively minimize job losses. Job opportunities for the young and least skilled will be preserved.

Let's put an end to the political stalemate and start expanding economic opportunity for the working poor. This legislation reflects a sound compromise and takes a pronounced step in the right direction because it provides a long-term solution to the problems confronting our working poor. It is my sincere hope that the leadership will schedule a vote on this proposal. America's working poor have waited long enough.

BRITISH SECRETARY OF STATE FOR NORTHERN IRELAND PROVIDES IMPORTANT VIEWS TO IRISH ECHO

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. MANTON. Mr. Speaker, as one of the cochairmen of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I want to call my colleagues' attention to a recent interview with Tom King, Secretary of State for Northern Ireland, in the Irish Echo newspaper. This article is noteworthy, because it provides the British Government's current views on a number of issues regarding Northern Ireland.

The Secretary's discussion of the case of Irish political prisoner Joseph Doherty was especially interesting. Although he has never been convicted of a crime in the United States, this Sunday, June 18, 1989, will mark the beginning of Mr. Doherty's 7th year in jail here. Since 1983, Mr. Doherty has sought political asylum in the United States but has repeatedly been challenged by efforts to deport him to the United Kingdom. Shortly after Mr. Doherty was arrested and imprisoned in the United States, the British Government lodged a request for his extradition. It was thus encouraging to read Secretary King's statement that the Doherty case is, "a matter for the United States" and learn the British Government, "is not involved because we are not applying for extradition." These statements if true, represent an important reversal of the United Kingdom's policy toward Mr. Doherty. I am hopeful this change in British policy will alter the position of the Justice Department on this matter.

I have introduced a bill House Concurrent Resolution 62, which calls upon the Attorney General to allow Joseph Doherty to apply for political asylum in the United States instead of continuing efforts to extradite Mr. Doherty. I urge my colleagues to join me and 43 of our colleagues as cosponsors of this important resolution.

The Secretary also discusses the International Fund for Ireland which provides economic aid to Northern Ireland and the MacBride Principles of Fair Employment and Non-Discrimination. This is a most revealing article and one which provides good insights into current British policy directions in Northern Ireland, policies which are in urgent need of reform if we are to ever reach the day when a real political solution is achieved in this troubled land. I commend my colleagues attention to the following article:

[From the Irish Echo, May 13, 1989]

TOM KING ANSWERS THE ECHO

(Since his appointment as Northern Ireland Secretary in September 1985, Tom King has made a forceful impact in troubled Northern Ireland. With the abolition of Stormont and the failure of successive power sharing attempts, his office has administered London's control over a divided community and has been the key link between Dublin and London in the sometimes turbulent working of the Anglo-Irish Agreement. Tom King was last week in the U.S. where he briefed both politicians and journalists on the British view of the North's future. In his only on the record interview with a newspaper he spoke with Ray O'Hanlon and answered the Irish Echo's questions on a wide range of crucial issues. Some of Mr. King's replies have been edited for space reasons.)

Irish Echo: Under the revised provisions of the Anglo-Irish Agreement it is expected that the Irish Government will support devolved Government in Northern Ireland. What, in your view is the prospect for a power sharing agreement between the main constitutional parties before the end of this year?

King: We are in the very earliest stages of seeing whether it is possible to have some political progress. There has been almost no serious dialog between the parties for 14 years and we are now seeing if there might be opportunities for a lasting settlement.

People in Northern Ireland, of both communities, want politicians to talk and work together in the administration of the province. The question is if the politicians can break out of the barricades they have built around themselves and have sensible discussions. That is what we are trying to encourage. Before the end of the year? I wouldn't make any forecast and if it was possible to make progress it would be modest.

Echo: What powers would such a body wield and what powers would be reserved by the Northern Ireland Office?

King: I've set no preconditions. The Secretary of State's office did not exist before 1972. Any fair observer would say we have made progress in housing and that progress is impressive. We now have a number of councils that are nationalist controlled where previously they were unionist controlled. One thing I am determined to tackle is jobs.

Under direct rule I have all these powers and I would much prefer to see the involvement of local people in both communities who would have a real say directly in the administration of government in the province. That's what we are trying to encourage. Of course the majority have their rights but there is no way we will tolerate a situation in which the minority are treated as second class citizens or be disadvantaged in a way they were in fifty to sixty years of the Stormont Parliament.

Echo: The recent talks under the Anglo-Irish Agreement took note of progress in cross-border security cooperation. Is there a need to improve the current level of cooperation and, if so, in what specific areas?

King: It's a continuous business. There is now the closest relationship between the RUC, the Garda Siochana and the security forces. They are trying to protect citizens on both sides of the border from violence and terrorism which comes, most substantially, from the provos but can also come from extremist loyalists and we stand together against that.

I can't talk in detail because a lot of it is confidential but there is the best relationship now there probably ever has been and we are working very closely together.

Echo: Fair employment measures of recent years has been widely criticised. There is a considerable lack of confidence on this side of the Atlantic in the British Government's proposed new legislation. Are these fears justified and how would you allay them?

King: I don't know how up to date the views are on this side of the Atlantic. We have a bill in parliament that has been significantly amended and we are amending it further. Some of the things already done cover affirmative action, the setting of goals and timetables and the toughening of sanctions and penalties.

This has been done in close cooperation with the Irish Government and we have taken their views and ideas and indeed American suggestions. I think you will find that when people see the final product, it will be pretty tough and indeed we have been getting a bit of a kickback from some employers in Northern Ireland complaining that the bill is too tough.

Echo: Twelve States have so far passed MacBride legislation. The British Government has reportedly spent millions of dollars in a lobbying campaign against the principles. Are you losing the battle?

King: I've seen suggestions about the amount of money. I wish we had that kind of money and I wouldn't spend it on MacBride in that way. What we have tried to do is tell people here about the reality and most of the people coming to do that are catholics and nationalists. Why are we doing this? Because I spend a tremendous amount of my time attacking what is the single most important part of the problem in Northern Ireland and that is getting more jobs. I am determined to see a better future for the people of Northern Ireland.

There are too many people, principally in the nationalist community, who have never worked, whose fathers never worked and never thought there was ever a chance of a job. I am determined to do what I can to change this.

The trouble about MacBride is not the principles. But my whole complaint is the style and manner of the MacBride campaign which introduces hassle for companies. If I could meet one MacBride campaigner who has produced one job for a Catholic in Northern Ireland I'd greet him with respect.

There are now much more constructive American voices around; Boston, Derry, Galway Ventures is one which does not build obstacles for companies but brings jobs. That's why I oppose MacBride. If Northern Ireland is the place you have to fill out all sorts of extra forms it discourages companies and leads to disinvestment. I'm worried about catholic employment in Northern Ireland but they, MacBride campaigners, want to use any stick they can to beat the Brits. They keep up old hatreds and bitterness.

Echo: The National President of the Ancient Order of Hibernians, Mike Coogan, has described the International Fund for Ireland as "a fund looking for a purpose" and one which is being used "to reward the bigotry of local councils". Do you accept that the working of the fund has not been entirely equitable and what is being done to improve both its image and substance?

King: Those comments are totally unjustified and are part of the sort of campaign that is stirring up old hatreds again. That is what I am trying to fight against. People are trying to stir up enmity and distrust. We have enough of them in Northern Ireland. The position of the fund is that it did take time to get underway. What the fund is trying to do is get funds where they can genuinely help. It's early days, there was a slow start and yes some mistakes were made. But there are 1,000 projects involved. People attacking the fund are opposed to the Anglo-Irish Agreement. They want to smash the whole thing.

Echo: If Joe Doherty is granted political asylum in the United States, what repercussions would such a development have on Anglo-American relations?

King: It is a matter for the United States. We are not involved because we are not applying for extradition. It is a matter of whether he should be deported for being in breach of U.S. immigration (law). He is a convicted murderer of an army officer, I don't think anybody disputes that. But this is a matter entirely for the U.S. and I wouldn't comment.

Echo: There has been a British military presence in Northern Ireland for the past twenty years. Does the British Government today consider a military victory over the IRA and other paramilitaries still attainable?

King: I don't believe in military victories. The British Army went there originally at the request of the nationalist community and politicians who were terrified of violent attacks by protestant extremists. They are there to protect people against terrorism which comes not entirely but substantially from the Republican side, the marxist provos, and also loyalist extremists. The security forces will hold the line and do their best to protect the community. Only today you read in The Irish Times that the IRA are saying there is no military solution. So what the hell is all the violence about.

Echo: Do you accept the evidence that British public opinion is becoming increasingly ambivalent towards the union of Great Britain and Northern Ireland?

King: No. The reality is British public opinion will always support democratic rights and the position as stated in article one of the Anglo-Irish Agreement is that there isn't going to be a change in the situation in Northern Ireland unless the majority wants change. There is no way you are going to overwhelm by force a million protestant unionists. There is not going to be any armed invasion. No nationalist in the North wants to see that sort of conflict.

British public opinion gets irritated from time to time with what goes on in Northern Ireland and Ireland. People in Ireland get irritated with some of the things that go on in Great Britain. The reality is that nobody would support a change unless on a democratic basis.

Echo: What is your opinion of the "Time to Go" Movement?

King: Who is going to go? A million unionists? That is the total fallacy of that question. To anyone who says Brits out the simple question is who are the Brits. The reality is there are a million British, Scotch-Irish. They have been there longer than almost anybody in the U.S.

Then you say Time to Go, that is simplistic and ludicrous because it implies that if the British Army and Government does go, somehow there will be sweetness and light. The unionists would seek to maintain their Britishness independent of the mainland. Nobody wants to see that situation.

Echo: There has been profound concern expressed in the Irish American community over allegations of a shoot to kill policy on the part of the security forces, the Stalker Affair and the contradictory evidence surrounding the Gibraltar shootings. Is this concern legitimate?

King: There is no such thing as a shoot to kill policy. Mr. Stalker, in his investigation, found no evidence of an official shoot to kill policy. We would not tolerate it. Many have forgotten that three policemen were charged as a result of his investigations. They were subsequently acquitted.

I look at the ways some people seem to develop concern and complaints about the procedures in Gibraltar. A lot of people seem quite oblivious about what an horrendous outrage was actually planned. If the bomb had detonated, there would have been hundreds of thousands, of tourists, kids and families around. I shudder to think what might have happened. And despite what some predicted the soldiers did appear to give evidence at the inquest.

Echo: The recent arrests of three loyalists in Paris and their alleged attempt to sell missile parts to South Africa has focused renewed attention on the activities of the UDA. Should the UDA (Ulster Defence Association) now join the list of proscribed organizations, as the SDLP has urged, and if not, why not?

King: I keep the question of proscription of a number of organizations under review and we have already banned some extreme republican terrorist groups and some extreme loyalist groups. The question of other organizations is kept under review.

Echo: You have been Northern Ireland Secretary for over three and a half years. What do you believe has been your most notable achievement. Do you anticipate leaving Belfast in the near future?

King: The answer to the second part is in the hands of the Prime Minister. In reply to the first part I would say the development of the Anglo-Irish Agreement and relations

VOL 135 PT 9 JE 14 — 22 1989 UMI

between our two countries. The relations I've had with Peter Barry and Brian Lenihan are probably the closest and best ever between a British and Irish minister. We don't always agree but we have learned to discuss and get over the inevitable difficulties.

Echo: Over the past twenty years an entire generation in the North has grown up surrounded by violence. Have we any reason to hope that the children of the next two decades will grow in a more peaceful community?

King: I hope I shall be able to improve the Northern Ireland economy, give people work and a real feeling that there is a real future, a chance of a job and a fair society.

Echo: Irish American opinion has often been subjected to British Government criticism and often it has been implied that criticism of British policy in the North is tantamount to supporting the IRA. Do you accept that some of this criticism has been inappropriate and that Irish Americans have a right to criticize without being discredited as supporters of IRA violence.

King: Nobody can reject informed criticism and if people are taking an interest I welcome it. There is properly informed and constructive criticism coming from the U.S. There is other totally uninformed criticism based on old emotional hatreds, the past and the sad milestones in British-Irish history.

Some people are not in the least interested in relations now between the British and Irish Governments. But we would be mad not to pay attention to informed criticism, and some of it is, but criticism also comes from supporters of the IRA and they do it through NORAID and the U.S. Department of Justice has independently requested the registration of NORAID as the agent of the IRA.

THE "JET EXPRESS"

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. GILLMOR. Mr. Speaker, I would like to take this opportunity to mention an exciting event that is happening in my district this week. The *Jet Express*, a brand new jet powered catamaran ferry, will arrive in Port Clinton, OH, my hometown, on June 15. The boat will then travel on to its home port, the beautiful Put-in-Bay, an island in Ohio's Fifth Congressional District. I would like to join the celebration and say to the *Jet Express*, welcome home.

The *Jet Express* was built by the Put-in-Bay Boat Line Co., and is scheduled to go into full service between Port Clinton and Put-in-Bay on June 16. Mr. Speaker, I am proud of my area's reputation as one of our Nation's great tourist attractions. Attractions like the *Jet Express* help Ohioans and all Americans enjoy the beauty of Lake Erie that I know so well.

So, it is with great pleasure, Mr. Speaker, that I salute the Put-in-Bay Boat Co. for bringing the *Jet Express* to Ohio's Fifth Congressional District, helping thousands of people enjoy Lake Erie.

PERSONAL EXPLANATION

HON. MIKE PARKER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. PARKER. Mr. Speaker, due to important business in my district in Mississippi, I was unable to attend the House floor proceedings on June 13, 1989. If I had been able to attend the proceedings, my vote on the legislative business of June 13 would have been as follows:

H.R. 1502. To authorize the appropriation of funds to the District of Columbia for additional officers and members of the Metropolitan Police Department of the District of Columbia, and to provide for the implementation in the District of Columbia of a community-oriented policing system.

On motion to suspend the rules and pass the bill, as amended: "Nay."

H.R. 2072. Making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes.

On motion that the House instruct conferees: "Yea."

$20 BILLION IS WORTH SOME EFFORT

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. PEASE. Mr. Speaker, the passage of the 1988 Trade Act marked the beginning of a more aggressive U.S. policy towards opening foreign markets. This policy, including the recent announcement of Japan, Brazil, and India as priority countries under Super 301, has been criticized both here and abroad. Critics here claim that market opening measures will hardly put a dent in the trade deficit. Abroad, they characterize our trade policy as an exercise in unilateralism. In a recent Cleveland Plain Dealer editorial, I respond to these criticisms.

$20 BILLION IS WORTH SOME EFFORT

(By Don J. Pease)

Few people I know, including other congressmen, would call $20 billion a minor-league sum. Nevertheless, American critics of an aggressive trade policy seem to be doing just that. They point out that even widespread elimination of foreign trade barriers would reduce the U.S. trade by "only 15%" or $20 billion, based on 1988 trade figures. Given this "small dollar amount, they claim that the market-prying approach advocated by Trade Ambassador Carla Hills and many Democratic congressmen amounts to a waste of scarce resources.

These trade critics are correct in saying that market opening alone will not cure our trade deficit. Much of our trade imbalance is a self-inflicted wound, requiring a reduced fiscal deficit, an improved educational system, and upgraded manufacturing techniques to heal it. Both government and business must do their part to bring about these changes.

Most of my Democratic colleagues would even agree that a 15% reduction in the trade deficit is about what we could expect from more open foreign markets. Where we would disagree, however, is in characterizing this amount as unworthy of serious attention. Surely, $20 billion is hardly peanuts and merits our best efforts.

To achieve a 15% reduction in our trade deficit, we need other countries to make their markets fully open to American products and services. Realizing this, a number of our trading partners have acted, including Taiwan, South Korea and Mexico.

Taiwan, for instance, has announced a Trade Action plan designed to eliminate most of its trade barriers by 1992. The plan includes timetables for tariff reductions, removal of specific non-tariff barriers, improved market access for service industries and enhanced intellectual property protection. Under this plan, the average nominal tariff rate is scheduled to drop from 13% in 1988 to 7% in 1992.

In South Korea, trade officials have cut the average tariff on manufactured goods in half, to 11.2%, and recently agreed to begin dismantling their "localization" regulations, which required foreign firms to transfer technology and expertise to Korea as a quid pro quo for doing business there.

The story is even rosier in Mexico, largely because Mexico realized independently that its economic future lay in exposing domestic firms to international competition. Mexican tariffs, once as high as 100%, now top out at 20% and average only 5.4% overall. Import licenses, previously required for most products imported into Mexico, remain only 2.5% of all tariff categories.

By contrast, Japan, which accounts for about 40% of our overall trade deficit, has yet to respond in a significant way. Bilateral negotiations, most notably the MOSS (Market-Oriented Sector Specific) talks, have produced some Japanese concessions but few in areas where they would really count, such as in the Japanese distribution system, which foreign sellers find almost impossible to crack, and in macroeconomic policies that discourage domestic consumption.

Based on its annual report on foreign trade barriers, the U.S. trade representative (USTR) named Japan, Brazil and India as priority countries under "Super 301," a new trade law which requires USTR to identify countries and trade practices that block U.S. exports, making them targets for intensive negotiations designed to remove these barriers.

In naming these countries under Super 301, the Bush administration signaled its seriousness about improving U.S. access to foreign markets currently closed to us.

Having taken this sensible step, the administration has not escaped criticism. Super 301 opponents both here and abroad criticize the law's unilateral nature, claiming that it undercuts U.S. efforts to negotiate new international trade rules in the GATT's Uruguay Round. Others contend that Super 301 will irreparably harm our foreign relations with the countries named. I believe that these criticisms are wrong.

Most congressmen and Bush administration officials recognize that the GATT Uruguay Round is still the best hope for the international trading system. According to USTR Carla Hills, "The administration's 'top liberalization priority' is to conclude successfully the Uruguay Round of multilateral trade negotiations by December 1990."

Notwithstanding this commitment to GATT talks, the United States needs at its disposal multiple trade levers for prying open markets, ranging from free trade agreements to bilateral negotiations. Super 301, our newest strategy, is crafted to identify and eliminate the most egregious trade barriers. By successfully employing Super 301, the United States demonstrates its commitment to an open international trading system, one anchored by the GATT.

Moreover, our market opening activities should not prevent us from maintaining good relations with our trading partners. As long as the United States articulates clearly what it wants and continues to act fairly, we should be on solid ground with our commercial allies. In the case of Super 301, we envision negotiations leading to successful outcomes, not trade wars. We plan to be tough but fair.

If we successfully pry open foreign markets, we can chop about $20 billion from our trade deficit—hardly an achievement to scoff at. More importantly, however, we will have paved the way for future export opportunities, which U.S. businesses and workers—not to mention the American economy—will profit from well into the next century.

MARIETTA DEFEATS CHERAW IN CHINABERRY CUP COMPETITION

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. DARDEN. Mr. Speaker, the last weekend in April is becoming as significant to tennis competition as the first weekend in May is to horse racing. Just as racing fans converge from all over the world for the Kentucky Derby at Churchhill Downs in May, knowledgeable and serious tennis fans are beginning to learn about the Chinaberry Cup competition held in April at prestigious Litchfield Country Club near Pawley's Island, SC.

This year's hard-fought competition once again affirmed the superiority and consistency of the Marietta teams. The winners also displayed exemplary sportsmanship in permitting two teams from the losers' group to barely win, so that the final score was a respectable one: Marietta 3, Cheraw 2.

The five teams from Cheraw can best be characterized as good, but perennial losers. They displayed some ability, but their apparent lack of competent coaching and organization ensured their defeat.

The winners from Marietta deserve our commendations for a well deserved victory. They are as follows:

Dr. Clem Doxey, coach; A.D. Little; Wallace M. Montgomery, Jr.; Terry H. Segers; Jon R. Burke; Ronald H. Francis; Paul T. McCabe; Donald R. Shamblin; Michael G. Wilson; and BUDDY DARDEN.

To our friends from Cheraw: Better luck next year.

The following are the certified losers from Cheraw:

Glenn (Bud) Anderson, coach; Ricky Baker; Fred Craft; Malloy Evans; M.B. Godbold; Ted Thompson; Frank Andrews; Dr. Teddy Coggeshall; Dr. Walter Crosby; Jackie Furr; and Jimmy Spruill.

FEDERAL ELECTIONS CAMPAIGN ACT OF 1971

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. GREEN. Mr. Speaker, the soaring costs of congressional campaigns are of great concern to both the public and Congress. In light of the escalating costs and continued moves to restrict fundraising capabilities, I believe that it is time Congress consider voluntary and limited public financing.

Earlier this month I introduced legislation which seeks to amend the Federal Elections Campaign Act of 1971 by providing for voluntary and limited public financing of congressional general election campaigns. I do this at a time when public distrust and skepticism with regard to the electoral process is at an all time high. I believe that public financing can be instrumental in increasing competition and reducing public cynicism by creating a competitive electoral system that will give little known challengers some of the advantages of incumbents.

Under my proposal, a candidate, upon raising a specified amount of money in small contributions of $170 or less from individuals within his or her own State, would be eligible for a matching Federal contribution. Under this approach, the primacy of the individual contributor is stressed and PAC money is rendered less attractive. All Federal matching funds would be raised through the voluntary income tax checkoff.

The legislation would restrict candidates who accept public financing to the use of no more than $48,000 of personal funds as well as limit overall campaign spending for the general election to $287,000—half of which could come from public financing. According to Common Cause, the average general election for a House seat cost close to $260,000 in 1988, up slightly since 1986. The $287,000 spending cap is higher than the 1988 average. In addition, the bill waives spending limits for eligible candidates whose opponents have spent sums exceeding the spending limit. This will protect a candidate from having the election "bought" by a free-spending opponent. All figures were originally adopted from legislation introduced by the Honorable Abner Mikva in 1979 and have been revised to reflect inflation. This proposal also provides for continual indexation of spending limits and other relevant dollar figures.

The legislation would establish eligibility criteria entitling candidates to receive campaign funds on a matching basis. Similar to current law, the criteria require submission of campaign records, including all contributions and expenditures, to the Federal Elections Commission. My proposal would also require the FEC to certify the eligibility of candidates to the Secretary of the Treasury, who would disburse the funds.

And so today I encourage my colleagues to give serious consideration to voluntary and limited public financing. Public financing is an important concept. It opens up the opportunity to seek office to people of all economic backgrounds and political ideologies. It protects Americans from having their ballots filled with the names of only the wealthy and those who would owe tremendous legislative debts to the special-interest groups that helped finance their campaigns. Public financing is insurance for the political well-being of our system of representative government. Let us join together to remedy public skepticism and reinvigorate electoral competition. Please support H.R. 2556.

OFFICER STEVEN McDONALD, A STORY OF TRAGEDY, COURAGE, AND HOPE

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. MANTON. Mr. Speaker, I want to call to the attention of my colleagues an article that appeared in Monday's Newsday regarding Steven McDonald, a former New York City police officer who was brutally gunned down in Central Park 3 years ago. As my colleagues know, I have spoken out often about Steven's plight. Steven remains paralyzed from the neck down. He has a wife and a small child.

In the last Congress, I introduced legislation to provide a one-time Federal payment to public safety officers, such as Steven, who have suffered catastrophic injury in the line of duty. I intend to reintroduce this important and much needed legislation in the coming weeks. In the meantime, I urge my colleagues to read the following Newsday article, which is the first of a series Newsday will run on Steven during the next few days.

I am confident that any Member who reads this article will join me in cosponsoring this worthwhile legislative initiative.

I DIDN'T THINK IT'D HAPPEN IN CENTRAL PARK

(By Steven McDonald and Patti Ann McDonald with E.J. Kahn III)

On July 12, 1986, Police Officer Steven McDonald was on patrol in the park. He pulled out his shield as he approached three youths. "Fellas, I'm a police officer," he said. "I'd like to talk to you."

MALVERNE, NOON

A few more years on the force, I probably would have called in, asking for the day.

I felt lousy that morning, and when I called Patti Ann in Pennsylvania to tell her, she said, "Steven just don't go in."

"Nah," I said, grumpily. "I'm going in. I'm going in."

The anti-crime unit—Sergeant Peter King, who was our boss, Bob Lally, Tom Culhane and myself—had gone to Shea the night before to see the Mets. One of the guys got a hold of some friend's season tickets, and we'd done a day shift, then driven out to Flushing. Maybe it was the beers we drank, maybe because the Mets lost . . . I just know I felt like staying in bed. But I had an attitude about the job, that I'd make my mark by being on time, and not take sick days. Being in anti-crime after less than two years meant my career was moving along pretty good, and I did not want to do anything to slow it down. July 12 was a day to work, not to rest.

The drizzly rain that'd been predicted had already started to fall, and I decided to drive the Firenza into the city. Usually I'd take the train, then grab a subway ride from Penn Station uptown. Police officers are permitted to ride the subways free off-duty. Not that the city's losing anything in that deal. On a train we are expected to take police action as passengers. I always expected that that'd be where I got shot, even killed, by one of the skells, the lowlife riding those cars.

I didn't think it'd happen in Central Park.

I met King inside the ancient brick-and-stone barn that serves as [Central Park] precinct headquarters.

At 4 p.m., we started up the green unmarked Plymouth Grand Fury, and began our patrol. I was driving, the sergeant recording. We headed for the bandshell where 72nd Street crosses through the park, then turned onto a paved footpath that wound its way up a small hill, passing the site of Mayor "Gentleman" Jimmy Walker's old casino. We tried to stay off the main roads as much as possible on patrol, because, frankly, that was where the action was. But not this afternoon. Even the drug dealers hanging out next to the Sheep Meadow, a stretch of lawn seven city blocks long and three blocks wide, seemed to be staying indoors.

King and I talked a bit about the game, the day's news, Patti Ann being out of town, and how quiet Central Park appeared to be that evening. Its 843 acres would be closed to car traffic, as the park was every weekend between May and October, and the overcast, soggy skies were going to cut down on the number of joggers, bikers and hikers. With luck, the bike thieves and purse snatchers—our two biggest problems—weren't going to have much to prey upon, and maybe they'd decide to stay away too.

"Sarge, let's go uptown," I suggested.

"Fine with me, Stevie," said Sergeant King. The other guys called me Mac, or Mic-Dee, but the sergeant, he always called me Stevie.

I turned off the footpath onto Central Park's East Drive.

CENTRAL PARK, 4:15 P.M.

In anti-crime, you wear your own clothes—"out of the bag," we'd call it—and each cop tended to dress for a role. Mine was the upwardly mobile yuppie, the West Sider who used the park for recreation and relaxation, expecially on weekends and summer evenings. Reeboks or Topsiders, chinos or Levis, and a Polo or Izod shirt, that's what I'd put on, with the shirt untucked to hide my handcuffs and .38-caliber snubnosed Special. My shield—badge number 15231, which had been my father's number before he was promoted to sergeant—would hang on a chain, around my neck. If I was making a collar, I'd pull it out to identify myself.

Which is not too likely to happen today, I thought, looking around.

The East Drive was as empty as the footpath had been. I cruised slowly, no more than seven miles per hour. The few parkgoers we saw—an occasional jogger or bike rider—would give us a glare. I had to laugh. Even in uniform, when I was riding in a marked patrol car or one of the small three-wheeled scooters the precinct had, I'd get that look. The park's closed to vehicles, it would say, even yours.

The glarers would never think that you were there to protect them. Then, when they were robbed, they'd demand to know where you were.

The Metropolitan Museum of Art was on our right. Across the drive, in a small grove of trees, Jennifer Levin would be killed the next month by Robert Chambers. The case would be big news in the city, partly because it had happened here in the park, and partly because both the girl and the killer came from private-school, white, middle- to upper-middle class backgrounds. But because it would happen in the park, I'd think later, it became more celebrated than it would have in just about any other location.

At 88th Street, we reached the reservoir. As we passed the 102nd Street fork, where the drive curves steeply downhill, towards the Lasker Swimming Pool and the Conservatory Garden, both King and I quickly came alert.

On our left, standing at the inside edge of the roadway, were three boys. They looked like young teenagers. They fit the profile, I thought, the one I'd picked up from the crime reports back at the station house, the one that strongly suggested these were bike thieves.

"DTs," one of the three mouthed to the others. Street slang, for detectives. Our plainclothes and car hadn't fooled them, any more than their affected nonchalance fooled us. You boys might as well wear bandanas over your noses and mouths, I thought. You outlaws aren't going to find any stagecoaches today.

"Go down to the bottom of the hill," King said quietly. I pressed the accelerator.

Since April, we'd seen an increase in bike thefts, and the thieves, typically, had been small groups of black or Hispanic boys, around five-and-a-half feet tall, who'd surround a single rider—often midway up a steep incline and usually on a blind curve—force him or her off the bike, and ride it out of the park at the nearest exit.

Usually, the kids didn't need to use a weapon.

Less than 100 feet from the spot where the three boys were loitering was a short driveway leading to the staff parking lot for the Lasker Swimming Pool. The rain had kept the swimmers away and closed the pool, and there was plenty of space in the lot. I pulled in, and shut off the engine.

Sarge and I would split up, we decided. He'd return along the drive, and I'd follow a footpath leading from the pool. The path ran roughly parallel to the road, but 20 feet below it. It curved through the oak and maple underbrush.

I've got the long way back, I thought. I broke into a slow jog.

The path curved by the pool, and into the woods. As I came around a bend, I saw three figures peering up towards the roadway. The boys had moved. They were on the other side of the drive now, and below it, next to the path I was on. They were watching the road, their backs to me. They're waiting to see if we come back, I thought. I pulled out my shield so they could see it, and stepped into view.

"Fellas," I said, "I'm a police officer. I'd like to talk to you."

Then I yelled up towards the drive. "Sarge," I shouted, "I've got them down here." I couldn't see him, but Sergeant King was slightly shorter than me. If he was on the other side of the drive, looking for them, he'd miss us completely.

The three boys said nothing, just stared defiantly at me.

"What are you doing around here?" I asked. "Where do you live?"

Again, nothing.

All three, even the oldest, were at least a foot shorter than me. Intimidating to a bike rider, maybe. But I didn't feel threatened. Nor by the fact they were black. I'd had black friends all my life—in Queens growing up, in the Navy, in the department. Black skin didn't worry me. I wasn't their enemy.

I kept my .38 in its holster. Then I noticed a bulge under the pant cuff of one of the younger boys, next to his ankle. Suspicious, I thought. I bent to pat it.

Head down, my peripheral vision picked up the older boy turning, reaching, then turning again. I started to rise. Then . . .

Boom! Boom! Boom!

A cannon was exploding in my ear, smoke and gunpowder filling my nose. Bullets cut into me. One went into my neck, shattering, its fragments in my spine. Another nicked my eye, smashing into my sinus. A third hit my arm, destroying an artery.

I could feel them inside. But . . . no pain. Where was the pain?

I felt detached, my body numb with pins and needles, my mind outside, away, watching. Sergeant King had gotten to me, I could see that. He was crying, leaning over me, screaming into his portable radio, "Member of service shot! MOS shot!" The boys had run.

I was losing consciousness. Patti Ann appeared. I could see her, see what I was losing. "God don't let me die," I prayed.

Then I fell off.

COMPUTER VIRUSES DEMAND ACTION

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. HERGER. Mr. Speaker, computer fraud and abuse have become a significant threat to the data processing operations of our citizens and government. As you may know, I have introduced legislation, H.R. 55, which would address the serious problem posed by computer viruses.

This year, we are making considerable headway in educating individuals about computer viruses. Almost 70 House Members have signed on as cosponsors of H.R. 55, and support by the computer industry is widespread. Much of the credit for this success goes to the officials within the computer industry who have worked closely with me to bring greater attention to the serious threat posed by computer viruses.

One of these groups, the Electronic Data Processing Auditors Association, has been extremely helpful to me in this effort. As they approach their 20th anniversary, I would like to take this opportunity to applaud the EDPAA and their members across the Nation for their work, and congratulate their incoming president, John Kuyers. Having spent 23 years auditing important data, and having worked extensively with the computer industry, John Kuyers is well suited to lead his organization forward in their struggle against computer crime. As businessmen who daily confront the damage caused by computer viruses, members of the EDPAA understand the need to take more action at the Federal level against this high-technology sabotage. They are proving to be invaluable allies to those of us in the

Congress seeking to address this important problem.

The EDPAA is only one of the many national computer organizations that support H.R. 55. I have attached a recent letter that I circulated to my House colleagues, and ask that the text of the letter and the list of supporters be included with my remarks. This demonstrates the need for H.R. 55, and I hope will encourage more of my House colleagues to cosponsor this legislation.

HOUSE OF REPRESENTATIVES,
Washington, DC.

STOP COMPUTER VIRUSES! COSPONSOR H.R. 55

"Existing criminal statutes are not specific on the question of whether unauthorized access is a crime where no theft or damage occurs, and there is no statute specifically addressing viruses."—FBI Director William Sessions, May 15, 1989.

DEAR COLLEAGUE: During the past several years, computer viruses have become a major problem for U.S. businesses. Designed either to damage files or simply inconvenience the user of a computer, viruses are now the number one topic of discussion within the computer security industry. This is certainly not surprising. The National Center for Computer Crime Data has estimated that American businesses lost $555.5 million from unauthorized access to computers last year. The Computer Virus Industry Association estimates that more than 15,000 computers were infected by viruses in December alone. Already, several House Members have suffered from virus attacks as well.

Last November's widespread computer virus outbreak convinced many of the need to toughen existing computer laws to cover this kind of malicious activity. More than 6,000 computers were infected, and some industry analysts have suggested that the outbreak may have cost as much as $100 million to clean up.

One would think that because of the seriousness of the incident it would have been relatively simple to prosecute the suspected perpetrator of the virus. Unfortunately, the suspect has *still* not been indicted for any wrongdoing. This is sending absolutely the wrong message to thousands of adventurous computer whizzes and hackers who believe that the case demonstrates the government's lack of resolve in prosecuting this type of activity.

Last July we introduced legislation which would close the loopholes in the 1986 "Computer fraud and Abuse Act." Although the '86 statute covers most forms of computer crime, viruses which are designed by individuals with "authorized" access to computer systems, or viruses that are not designed to delete files may not fall within the limits of the Act. Our bill addresses these problems. It would close these loopholes, and as a result, is supported by a number of major computer lobbying groups (see partial list on reverse). H.R. 55 establishes tough penalties (up to 20 years in prison) for "knowingly" planting a virus that causes "loss, expense, or risk to the health or welfare" of an individual or company. If you would like to join the 65 current co-sponsors of this bill, please call Doug Riggs (Herger, ext. 53076), Paul Frick (Carr, ext. 54872, or John Edgell (Stark, ext. 55065).

Sincerely,

WALLY HERGER,
BOB CARR,
PETE STARK,
Members of Congress.

SUPPORTERS OF H.R. 55

Electronic Data Processing Auditors Association.
National Center For Computer Crime Data.
Data Processing Management Association.
Software Publishers Association.
Computer Virus Industry Association.
International Security Technology.
ADAPSO-Computer Software & Services Industry Association.
Communications Fraud Control Association.
Computer Integrity Corporation.
Ohio State Bar Computer Law Association.
ABC Rail Corporation.
Information Security Engineering.
Stephen Patton Consulting.
Data Assurance, Inc.
Association of Information Managers.
Food Marketing Institute.
Information Systems Security Association National Capitol Chapter.

COSPONSORS OF COMPUTER VIRUS ACT OF 1989—H.R. 55

Wally Herger, Bob Carr, Pete Stark, Barney Frank, Dave McCurdy, Henry Hyde, Floyd Spence, Donald "Buz" Lukens, John Lewis, Bill Emerson, Robert Lagomarsino, William Dannemeyer, and Matthew Rinaldo.

Jan Meyers, Thomas Sawyer, Matthew Martinez, Clyde Holloway, Jim Hansen, Jim Inhofe, Amo Houghton, Martin Frost, Gerry Sikorski, Thomas Foglietta, Barbara Boxer, Bob Whittaker, and Major Owens.

Peter DeFazio, Sherwood Boehlert, Carlos Moorhead, Kweisi Mfume, Clay Shaw, Steve Neal, Steve Gunderson, Chester Atkins, Howard Coble, John Hiler, Robert Dornan, and Constance Morella.

Richard Armey, Howard Berman, Glenn Anderson, Elton Gallegly, John Bryant, Norman Shumway, Julian Dixon, Vic Fazio, Charles Wilson, Ronald Machtley, Tommy Robinson, David Bonior, Carl Levin, Martin Lancaster, Barbara Boxer, Denny Smith, Bob Lagomarsino, James Walsh, Clarence Miller, and Ron De Lugo.

Bill Richardson, Gerald Solomon, Bob Livingston, Jaime Fuster, Al Bustamante, and Mickey Edwards.

DR. HERBERT RATNER ON CONDOMS AND AIDS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. HYDE. Mr. Speaker, we have seen a proliferation of advice on the problem of AIDS and teenage pregnancy—some of it good advice and some not so good. Herbert Ratner, M.D., has written an excellent article in the Child and Family magazine which deserves the widest readership, and I am pleased to commend it to my colleagues:

CONDOMS AND AIDS

(By Herbert Ratner, M.D.)

Acquired Immunodeficiency Syndrome (AIDS) is expected to be with us for a long time. Treatment has not controlled infections or stopped deaths, and vaccines are not in sight. The highly publicized prophylactic, the condom, which has been with us throughout the twentieth century, has marked limitations. The continuous parade of new contraceptives attests to the condom's notably poor record in preventing pregnancy. If the much larger sperm can get through, so can the AIDS virus. It has a worse record in preventing sexually transmitted diseases, the incidence of which today has never been higher.

Epidemiologically, the AIDS virus' primary spread is through multiple sex partners. Each new partner sharply increases the risk of becoming infected with the AIDS virus, particularly if the partner has ever used intravenous (IV) drugs, engaged in homosexual practices or has had relations with someone who has. With the continuing spread of the virus into the public at large, the risk of a new partner having the virus becomes greater.

ABSTINENCE AND MONOGAMY

There is now general agreement, even among homosexuals, that abstinence or exclusive contact with an uninfected partner are the only sure protections against the AIDS virus. Today abstinence and monogamy are no longer disdainfully dismissed as religious impositions. Rather they are seen as the pragmatic answer to a pressing problem, since the condom is admittedly inadequate. It may delay but does not prevent eventual infection.

At another level, there is even a growing appreciation that nature is trying to tell us something: that abstinence before marriage and monogamy thereafter are sexual norms which serve the survival needs of the human animal. Accordingly, the effective public health approach is not a nationwide push for a condomized society, starting with the very young, but a nationwide effort to curb the generation of multiple sex partners, whose primary source comes from the sexually active young.

For the fact is that year after year, generation after generation, millions of preteens and teenagers enter into the stormy sea of precocious and premature genital sex. And the consequences, as Kinsey researchers point out, are clear: "Once persons begin premarital coitus, they seldom recant and remain abstinent until marriage. It is a crossing of the Rubicon in life history." When the young gives up abstinence, monogramy is rarely the outcome. Sex education which explicitly or implicitly condones genital sex by featuring condoms as the answer for our young people, simply accelerates the process.

PANACEA OR PLACEBO?

Actually, the major accomplishment of the condom campaign to prevent AIDS is to impress the promoters, politicians and the public at large that something is being done; and although well-intentioned, it offers more of a placebo than a panacea.

Publicizing the condom to the four winds is, for the most part, the bravura of a puritan who is trying to prove to the world that he is not a puritan. To concentrate on the mechanical aspects of the sex act to the exclusion of the emotional and psychological aspects (which the condom campaign ignores) is the essence of Puritanism. The only difference between the new and the old is that whereas the traditional puritans were alleged to believe that sex was something to be isolated and repressed, neo-puritans accept sex as something to be isolated and exercised. Rollo May states that the new puritanism has "the same old puritan form: alienation from the body and feeling, and exploitation of the body as though it were a machine."

Furthermore, what the Greeks knew, and what today's sex educators seem to have forgotten, is that the young "have strong passions, and tend to gratify them indiscriminately. Of the bodily desires, it is the sexual by which they are most swayed and in which they show absence of self-control." (Aristotle, *Rhetoric*, 1389a 2- 1389b 11) Since this is so, it should be obvious that the message on condoms included in the federal government's "Understanding AIDS" brochure, which was mailed to each household in the United States, is a waste of effort and money.

THE SOLUTION: FORMATION, NOT INFORMATION

Condom information is a simplistic answer to the guidance of youth. It will not convert immaturity into maturity. Formation, not information, is needed. Rather than the facts of the condom, it would have been more to the point to equip parents with the appropriate knowledge needed to educate their sons and daughters on the value of abstinence, and to supply through the parents the understanding that boys and girls need to place their energies in other directions, and that girls need to fend off opportunistic boys. Perhaps the next great advance will be made when chasity, as with abstinence and monogamy, will no longer be viewed as a religious imposition.

The basic, though long range, answer, then, to the control of AIDS, is primary prevention. It is to get at the young before they get started on precocious and premature sex—the inexorable path to multiple sex partners, and AIDS. Public health strategists in the United States Public Health Service have no difficulty with primary prevention in the case of smoking and drug misuse by getting to youth before they get started. What prevents them from doing the same in the case of AIDS? To assume that all preteens and teenagers are automatically going to become prematurely sexually active is a defeatist attitude.

Seen from another angle, our problem is that in today's culture fidelity is not characteristic of young love. And love without commitment is counterfeit love. Without real love, abandonment is common, and sex partners come and go with the attendant heartbreaks. This becomes part of the breakdown of young people's self esteem and the loss of self-identity.

Having multiple sex partners not only places them on the road to AIDS, but sooner or later brings in its wake a whole series of destructive social ills: not only disruption of personal growth and development, but unwanted pregnancies, abortion with its physical and psychological sequelae, sexually transmitted diseases, drugs, alcohol, suicide, and the weakening and breakdown of present and future family life.

Perhaps worst of all is the loss of the gift of fertility. To discover in later life, when the urge to have a child is so great, that one's earlier promiscuous life style has rendered one sterile is a great tragedy. Those who flock to birth-control clinics early in life often find themselves at sterility clinics later in life. The younger generation needs to have impressed on it that nature gives them only one body; that it is not a rehearsal body to be turned in when the fun is over; that it has to last a lifetime.

The problem, then, is to rescue the young from the clutches of a freedom run rampant. The condom fosters neither abstinence nor monogamy; rather it does the opposite. Those who stress condom usage only put the seal of approval on active genital sex. The message it communicates is that the condom is a good which converts irresponsible sex into responsible sex, giving it the appearance of acceptability and respectability. It is the old refrain of birth controllers which has only resulted in more and more adolescent pregnancies.

SORCERERS' APPRENTICES

The advocates of the condom seduce our young people into deep waters from which they seldom emerge. Its intensive promotion does more to arouse and stimulate the imagination and encourage genital sex among the young than to curb unprotected sex among the promiscuous. Such promoters are in effect sorcerers' apprentices, unable to stop the flow which they have fostered. One cannot bail out the ship when the water keeps rushing in.

Concerned adults need to reexamine certain contemporary shibboleths which underlie the promotion of the condom: that genital sex is a good at any age and in any manner; that the promotion of abstinence in sex, unlike abstinence from tobacco, alcohol and drugs, is a religious imposition that has no place in a secular society; that the poor and the underprivileged are uncontrollable in their passions, uneducable and beyond improvement. Such is an elitist position and has no place in a country that purports to be a democracy. There is a saying that the longest way around is often the shortest way home. Perhaps if we put our energies to educating and persuading young people, boys and girls, men and women, to think "no," to say "no," and to act "no," we would get much further in curbing AIDS than by urging them to carry condoms in their purses and wallets.

FEDERAL AND STATE PROGRAMS FOR ABUSED AND NEGLECTED CHILDREN NEED TO BE IMPROVED

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. ANDREWS. Mr. Speaker, child welfare programs in each State have been operating under Public Law 96-272 since 1980. This law, which requires States to make reasonable efforts to prevent the removal of children from their homes, has had a measurable effect. The number of children in foster care was reduced by nearly one-half from 1977 to 1984. But since then this number has been on the upswing, reflecting an increase in the use of child abuse hotlines, and an increase in family violence.

In Texas, the number of children in foster care fell from 7,500 in 1978 and leveled off at about 5,000 since 1983—an overall decrease of 33 percent. While we have made progress in this respect, many Texans have questioned whether we are using the foster care system appropriately to protect abused and neglected children.

In Houston, El Paso, and other cities throughout the country, we have seen in recent years some serious cases of abused children dying after being reunified with their families by the children's protective services. These cases raise important questions about the causes of such tragedies.

Senator Chet Brooks, chairman of the Texas Senate committee on health and human services has held several hearings throughout the State to examine this question. The report of the committee staff makes several recommendations for improvements. I believe that the increased attention to children's protective services in Texas will yield important lessons for the entire Nation.

One of the staff recommendations is a simple one, increased data collection. We often do not know how these programs are operating. For example, we do not know with any accuracy how often reports of abuse and neglect reoccur within a given family. This is true in Texas and throughout the country. I believe that increased data collection requirements should be made law.

An acute problem facing children's protective services is the availability of foster parents. To help solve this problem, I chaired the Foster Care Recruitment and Retention project for Harris County and 13 surrounding counties last year. This pilot project demonstrated how foster parent recruitment programs can be successful with community involvement.

This project increased the number of foster parents in the region by 62 percent. It also decreased the number of closed foster homes by 29 percent.

This project is one example of the problems that can be solved without additional spending. But adequate funding is clearly necessary to protect abused and neglected children.

The State of Texas is currently owed $66 million by the Federal Government for unpaid foster care and adoption assistance administrative costs. Given the severe budget constraints that the Texas Legislature faced this year, these funds could be well used.

Congressman TOM DOWNEY, acting chairman of the Human Resources Subcommittee of the Committee on Ways and Means, and I have both written the Committee on Appropriations to request the funds necessary to resolve this issue. I hope that these appropriations will be made soon so that they will be available to Texas.

On May 22, 1989, the Human Resources Subcommittee held a field hearing in Austin, TX, on programs and services to prevent unnecessary foster care placements. Several child welfare experts testified about programs that provide reunification services to the more difficult cases involving abused and neglected children and about providing in-the-home counseling to prevent the need for foster care placement and assisting families to help them stay together through a crisis.

The subcommittee also had the opportunity to visit a model program at the Texas Baptist Children's Home. We had a first hand look at many different programs at once: foster care cottages, an emergency shelter, an independent living program, and a parent-child cottage program.

I believe this and subsequent hearings on foster care and child welfare programs will tell us a great deal about additional ways to offer better protection of abused and neglected children.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. DWYER of New Jersey. Mr. Speaker, it has been my privilege to participate with many of my colleagues over the years in the congressional call to conscience vigil for those refuseniks who have been unable to secure permission to leave the Soviet Union and who have come to depend on us to make their stories known to the West.

I would like to share with you the personal tragedy of Boris Rifkin, who has been in refusal since 1976. Boris and his wife Dina initially applied in 1976 for permission to leave. Dina had relatives in the United States and the Rifkins wanted to provide an atmosphere for their two children which would allow them to grow up free from religious discrimination.

Their emigration request was refused on the basis that Boris—because of his profession as an engineer—allegedly had access to important state secrets. Of course, as is the practice in the Soviet Union, Boris was fired from his position once he applied for an exit visa. Since losing his job, he has worked as an elevator repair technician. His wife also paid the price for seeking permission to leave. She was terminated from her job as a surgical nurse and sought employment as an elevator operator for several years. Because of illness, she subsequently lost that position as well.

In a desperate bid for approval to emigrate, the Rifkins reached the painful decision to seek a divorce, hoping that their chances for approval would improve for Dina and the children if she were no longer married to Boris.

The divorce was granted; and, in 1981, Dina and their children were finally authorized to leave. They are now residing in the United States. Boris, however, has still been denied permission to go. His repeated requests for visas have been denied because of his access to state secrets, even though he has not worked in his profession for many, many years. He has been told by Soviet authorities that they could keep him for another 10 or 20 years. He continues to live alone, now separated from his wife and children for almost 8 years. He has not given up the hope of being reunited with them and he needs the support of those of us who can keep his plight in front of the Soviets so that they will relent and approve his exit visa.

THE IDEAL CONGRESSMAN

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. STUMP. Mr. Speaker, last Friday's edition of the New York Post contained an article written by Senator William Proxmire about one of the most extraordinary Members the House has ever known, the distinguished gentleman from Kentucky, WILLIAM H. NATCHER. The article highlights our colleague's incredible voting record, his incorruptible campaign style, and his incomparable management skills. BILL NATCHER is one of this institution's great leaders, and a man who I am proud to call a friend. His impeccable record is one for which we should all strive.

FOUND: THE IDEAL CONGRESSMAN (ALAS, HE'S NOT FROM NEW YORK)

(By William Proxmire)

In my 31 years in the Senate I have worked closely with hundreds of members of Congress. Who was the most conscientious? The most incorruptible? Who gave the taxpayers the most for their money?

The answer is a man whose name most Americans have never heard. He is William Natcher of Kentucky.

Rep. Natcher broke all congressional records long ago for answering consecutive roll calls. During his 36-year career, the House of Representatives has held more than 11,700 roll calls. Natcher has answered every single one of them, without exception. He also answered more than 4,000 quorum calls without missing one.

Some cynics demean this kind of perfect attendance record as trivia. Are they right? Of course not. The most vital decisions of Congress are made by votes on the floors of the House and Senate. It is the one opportunity for a member of Congress to determine our country's national and international policy.

Doesn't Congress also make crucial decisions in committee? Yes, indeed. And it's in committee where this remarkable congressman has really shined.

For the past 10 years Natcher, a Democrat, has been chairman of the House Appropriations subcommittee on health, education and l During the first two years of his chairmanship, I was chairman of the corresponding Senate Appropriations subcommittee, and for several years thereafter I was the ranking minority member of the subcommittee.

Natcher and I met often to reconcile differences between the House and Senate on massive, multi-billion-dollar legislation critical to the nation's health and education.

Natcher was a joy to work with. He always knew the bill in detail. He knew precisely where he and his House colleagues were willing to make concessions and where they would stand fast. Because he had mastered the details, we were able to work out compromises while keeping expenditures to a minimum. Natcher is a thoroughly professional legislator, in the best sense, a real national treasure.

Professional polls report that most Americans prize honesty as the most important characteristic for a member of Congress. Is Natcher honest? Consider this: In his 19 elections to the House, not once did Natcher accept a political contribution. The cost of his last campaign was about $8,000, all out of his own pocket.

As a leading congressional expert on health and education, Natcher could easily have earned thousands as a national speaker. He has yet to accept his first dollar of honoraria.

From the standpoint of the tax-paying public, Natcher enjoys still another distinction. In an age when members of Congress have notoriously large and costly staffs with high-priced administrative assistants, legislative assistants and press secretaries, William Natcher has operated with a small, super-efficient and low-cost staff. He has no chief of staff running his office, no legislative assistant, no press secretary.

Here's a congressman who produces the highest quality product in legislative service at the lowest price and with uncompromising honesty. Who wouldn't buy that?

Rep. Natcher, who is 79, hasn't served all those years as Congress' top expert on health, however, without securing the best benefit of all for himself.

I asked him years ago about the reason for his vigorous health. He told me that one of the country's most eminent heart specialists had told him that the secret for a long, healthy life is to "keep moving."

For 36 years, Congressman Natcher has shown exactly how to keep moving and always in the right direction.

DRUG TESTING

HON. ARTHUR RAVENEL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. RAVENEL. Mr. Speaker, I place in the RECORD a letter from a worker at the Savannah River Plant in Barnwell, SC. His comments should be read and taken seriously by all workers who are employed in places that produce, use or handle any harmful substances, or who have jobs that place the lives of others in their hands.

The letter follows:

BARNWELL, SC.

The very idea of not initiating drug testing in needed areas of concern because the "drug test" presumes guilt is patently ridiculous. If drug testing is unconstitutional, then so is any required blood test for a marriage license. Does a blood test assume that a person has VD as a result of promiscuity? The answer to that question in 3 words is no, no, no! Many industrial plants require a physical examination for employment. Does the physicial exam requirement presume that a person is not physically fit? Again, the answer is no! Does drug testing an individual in a needed area of concern presume guilt of drug abuse? Of course not! The idea that drug testing presumes guilt is ridiculous!

JACK E. COOPER.

CONGRESSIONAL SALUTE TO MILLARD TONKIN

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to a good friend and distinguished citizen of Sacramento, Mr. Millard Tonkin. The Golden Empire Council of the Boy Scouts of America share my admiration of Millard and on Tuesday, June 13, will host a gala dinner to honor him as the BSA Distinguished Citizen of the Year. I take great pride in sharing with my colleagues the stellar career of this outstanding individual.

Millard Tonkin has dedicated his entire life to serving his community. For over 50 years, Millard has provided his leadership, skills, and talent to a variety of service organizations,

VOL 135 PT 9 JE 14 — 22 1989 UMI

from the Boy Scouts of America to the Sacramento Zoological Society. I would question whether there is an organization in Sacramento that serves the community that has not been touched in some manner by Millard's generosity, either personally or financially.

Coupled with Millard's devotion to his community, is his commitment to professional excellence. As president and general manager of the Seven-Up Bottling Co. of Sacramento, Millard has been recognized for his leadership. His colleagues elected him president of the California-Nevada Soft Drink Association and the business community of Sacramento named him the chamber of commerce Sacramentan of the Year in 1988. Clearly, Millard Tonkin is a man of extraordinary talent.

Mr. Speaker, I commend Millard Tonkin for his dedication to enriching the quality of life of Sacramentans and ask that my colleagues join me in saluting this outstanding individual. I offer my congratulations to Millard and his wife Lillie, on his being named the BSA Distinguished Citizen of the Year and extend my best wishes for his continued success in all future endeavors.

FREEDOM FOR SOVIET JEWS

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. SIKORSKI. Mr. Speaker, I rise today to participate a second time in the Congressional Call to Conscience Vigil sponsored by the Union of Councils for Soviet Jews [UCSJ]. With all the discussion about the wonders of glasnost and the improvement of the Soviet human rights record, it is unfortunate that we still need this vigil for freedom for Soviet Jews. Today, I call out for the release of the Gumnitzky family who have been denied for reasons of secrecy since 1979.

So-called State secrets continue to be used as the most common excuse for denying Soviet Jews internationally recognized human rights. The right to free emigration is included in the Helsinki agreements of which the Soviet Union is a signator. Although I am pleased that many more Jews are being released, true compliance with these agreements would mandate legalization or institutionalization of these reforms in Soviet law. However, they have not—and many families like the Gumnitzkys are being denied their basic rights.

Last month, a Soviet air force pilot defected in Turkey because "he feared President Mikhail Gorbachev's reforms would bring on civil war." Antisemitism is flourishing in the Soviet Union under glasnost and the need of these refugees to emigrate has become even more pronounced. In addition to Pamyat, other national antisemitic organizations have been established including the Committee of the Soviet Public Against Diplomatic Relations with Israel.

Despite all this, the administration feels that Soviet Jews are no longer being denied their basic rights and no longer have a well-founded fear of persecution. For the last 6 months, I have been writing to the administration on behalf of many individual families who have been fairly denied refugee status by Immigration and Naturalization [INS] officials in Rome. I personally have received affidavits written by friends and relatives of these refugees in the United States documenting political persecution suffered by these people.

Recently, some famous Soviet individuals were granted political asylum in the United States. They didn't have to wait and jump through a host of INS hoops to get approval. What difference exists, that would explain why a famous chess player or hockey player suffers a greater fear of political persecution than a persecuted, discriminated religious minority? In fact, I would imagine that a famous national hero would be less likely to fear political persecution. If the Soviet Union no longer employees systematic repression of its people, as the new INS policy would imply, then on what grounds are we allowing the famous in but not the persecuted.

Since I became involved in this issue, the phone has been ringing off the hook with people pleading for help. Many people from my home State have been separated from their relatives in Ladispoli, Italy. Their situation remains unresolved, creating hardship and anxiety for them and their families in Minnesota. Once again, I am imploring this administration to reverse this policy and to review the following cases: Mikhail Galbmillion, Saloman Fridland, Leonid Livshitz, Irina Levenson, Frida Roshal, Lena Tolchinskaya, Igor Goldstein, Valery Rifkind, Lev Bronshtein, Efim Greenberg, and Arkady Gitlin.

I realize that the unexpected influx of refugees created a strain on the INS resources in Rome. However, I'm sure that we all share a deep concern that justice will be properly served, even if we must make an extra effort.

UNITED STATES-MEXICO INTERPARLIAMENTARY CONFERENCE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. YATRON. Mr. Speaker, As vice chairman of the United States-Mexico Interparliamentary Conference, I want to commend my good friend and colleague from California, Congressman DAVID DREIER, for his outstanding statesmanship and leadership at this year's meeting in April. He played a key role in this year's conference, contributing significantly to its success. He deserves the utmost admiration, respect, and recognition for his achievement.

The U.S. Interparliamentary Conference is attended by a delegation of Members of the U.S. House and Senate, and from the Mexican Congress, interested in fostering cooperative and closer relations between our two countries. The conference is held annually, alternating its meeting place between the two countries. I have regularly participated in this annual conference, but was unable to attend the 1989 session in Mexico. I addressed several of the previous conferences on the growing importance of the international environment, particularly in cooperation between Mexico and the United States on these issues. As chairman of the Subcommittee on Human Rights and International Organizations, which has jurisdiction over the global environment, I have a deep interest in this area.

This year, Congressman DREIER addressed the conferees on the environment. I found his comments most perceptive and informative. I understand they were well received. I believe all the Members of the House would benefit from Congressman DREIER's keen insights and observations, and I want to submit a copy of his statement to the RECORD.

CONGRESSMAN DREIER'S STATEMENT: UNITED STATES-MEXICAN INTERPARLIAMENTARY CONFERENCE

I want to discuss an area where United States-Mexican interest are converging, leading to increased cooperation between our two countries.

Environmental issues have indeed been placed at the top of the global agenda. Environmental problems can undermine economic growth, jeopardize public health, and threaten national security. They do not respect national boundaries. They can be a source of international friction or cooperation.

I believe that the United States and Mexico have acted with great foresight to prevent environmental issues from becoming major disruptions in our relations. In fact, both of our countries have established sophisticated laws, regulations and institutions to deal with domestic environmental concerns. We have also developed structures, mechanisms and procedures to address environmental problems which we share in common. The International Boundary and Water Commission is but one and perhaps the best, of many manifestations of U.S.-Mexican cooperation on the environment.

Your country's concern for the environment is second to none. The fact that Mexico was the first country to ratify the Montreal protocol to control the production and consumption of ozone depleting chemicals testifies to your country's deep concern for preservation of the environment.

We, in the United States, share your concern. We too have ratified the Montreal protocol. I hope that our two governments will continue to seize the opportunities for closer cooperation presented by the environmental challenge. There is too much to lose if we do not join hands on these increasingly complex problems.

I believe that the way your country and my country has dealt with the environment could serve as a model for other bordering countries. Clearly, we have differences between us in many areas, including the environment. However, we have developed a system which seeks to harmonize discordant approaches for the good of both people.

The menu of environmental problems facing us today is unprecedented in terms of scope, volume and potential danger. Ozone depletion, global warming, acid rain, tropical deforestation, the proliferation of hazardous substances, loss of plant and animal life, the pollution of our land, sea, and air, are confronting world leaders with a set of challenges where acting cooperatively may be the only path towards protecting mankind. The U.S. and Mexico have made a good start and I will continue to extend my hand in a sincere, honest and good faith effort to ensure we remain partners in the

search for solutions to environmental problems.

IN HONOR OF REDLAND MIDDLE SCHOOL

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mrs. MORELLA. Mr. Speaker, I take great pleasure in commending Redland Middle School in Rockville, MD, for being honored as an outstanding school in the U.S. Department of Education National School Recognition Program. The program each year honors outstanding schools on the basis of their instructional programs, school improvement efforts, quality of teaching, school climate, and parent and community involvement. This year's emphasis was also placed on schools with especially high academic standards and strong programs in geography.

I congratulate Dr. Lucinda Sullivan, principal of Redland, and the students and staff, on this public recognition of their fine school. A school can win this award for school excellence only once in 5 years, and Redland has won it twice in 10 years. The success of this Montgomery County public school can be attributed to: the strong leadership of Dr. Sullivan, the outstanding commitment of the staff and teachers, and enthusiastic support from the community. Maryland State Superintendent of Schools Joseph Shilling called Redland an example "of the excellence that is possible when a principal with strong instructional leadership skills, teachers committed to reaching each student, and a caring community join together in building a learning environment for young people."

Let me take this opportunity to thank Redland Middle School for its outstanding service to the community of Montgomery County, MD, and to wish them all the best in the years to come.

TOUGH PENALTIES FOR SERIOUS CRIMES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. AuCOIN. Mr. Speaker, a few days ago, our colleague, the Honorable BEN NIGHTHORSE CAMPBELL, noted here that while we continue to agonize over gun control, our constituents want tough laws to protect them against those who use weapons in the commission of crimes.

I am delighted to join our colleague as a cosponsor of his excellent legislation, H.R. 2529. And to give us a range of options for consideration, I am today introducing companion legislation which I commend to the attention of the House.

In Oregon, the criminal use of weapons is soaring, at the same time we are experiencing a staggering increase in drug abuse. The violence, the destruction, the anguish of drugs and drug-related crime touches every phase of life in Oregon.

Even though Oregon represents less than 2 percent of the U.S. population, nationally it ranks fifth in the number of reported serious crimes per capita; third in burglaries; fourth in bank robberies; second in commercial methamphetamine lab seizures; third in weapons confiscated during raids; third in production of both marijuana and methamphetamines; the number of schoolchildren in Oregon who use illicit drugs is higher than the national average; and more than 20 drug-addicted babies were born to addicted mothers each month in Portland in 1988.

In its 1987 study of drug use among male arrestees, the National Institute of Justice documented that 70 percent of the Portland suspects tested positive for drugs—the fifth highest level in the Nation. This astonishing discovery serves to introduce yet another incredible fact: The number of narcotics defendants in the district of Oregon increased 541 percent between 1955 and 1988.

I urge serious consideration this session of legislation which increases the penalties against criminals and others who wrongfully use or possess firearms.

VOTE-FOGGING 101

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. GINGRICH. Mr. Speaker, if there is one provision of the tax code with which all Members of this House are familiar, it is section 89. The dubious honor is awarded this provision because of its severe negative impact on both employers and employees, and the outcry it has generated.

Section 89 assumes employers are discriminating until they prove to the IRS that they are not. Even providing equal access to benefits is not enough; employers must prove that highly compensated and non-highly compensated employees are both participating in the plans. The costs for employers to comply with section 89 and stay in compliance can total thousands of dollars a year.

On May 24, our colleague GEORGE GEKAS (R–PA) brought to the House floor a procedural motion which, if successful, would have given Members an opportunity to vote on repeal of this onerous tax provision. Despite the fact that 310 Members of the House have now cosponsored legislation to repeal section 89, only 217 Members voted to make in order the repeal amendment. What happened to the overwhelming support for repeal?

The Wall Street Journal seized on this peculiar situation in an editorial titled, "Vote-Fogging 101," printed on June 6, 1989. I commend this editorial to the attention of my colleagues.

VOTE-FOGGING 101

The saying goes that the only way to really understand what Congress is up to is to "Watch what they do, not what they say." That advice goes double in the current debate over an unpopular new law called Section 89, now the top small-business issue on Capitol Hill. A lot of Members want Brownie points with local firms by backing repeal, while at the same time they quietly can vote to keep the status quo intact.

Though it is only now being enforced, Section 89 was one of the Christmas-tree ornaments that were the price of passing the 1986 Tax Reform Act. It forces companies to prove that they don't discriminate between executives and lower-paid workers in awarding non-wage benefits such as health insurance. Workers with "discriminatory" or excessive perks must pay income tax on them.

But to enforce this form of social engineering, Section 89 creates so much new paper work and red tape that many employers are likely to simply stop providing some or any fringe benefits. Even the smallest firms may have to pay consultants $3,000 to $5,000 a year just to submit compliance reports.

Section 89's perversities are such that small-business owners were quickly able to persuade 309 out of the 435 House Members to cosponsor a bill repealing Section 89, and many thought victory was theirs. But on May 24, by a vote of 219 to 201, the House rejected an amendment by GOP Rep. George Gekas that would have repealed Section 89 entirely. When House Members actually had a chance to put their votes where their rhetoric was, more than 100 supporters of repeal melted away and ended up voting against repeal.

The Members, who are listed below, felt they could get away with such blatant hypocrisy because while Rep. Gekas made clear what the effect of his amendment would be, he was able to force a vote only by using a procedural amendment that didn't mention Section 89. Protected by House Rules, the 106 vote-switchers still can claim they favor repeal of Section 89 while at the same time they avoid offending Dan Rostenkowski, the powerful Chairman of the Ways and Means Committee. It was Mr. Rostenkowski's staffers, few of whom ever have managed a work force, who dreamed up Section 89.

The methods used by the current House leadership to obscure the real public-policy issues are an example of how carefully crafted House Rules can subvert the legislative process. As seen in the recent pay-raise debacle, the modern Congress will go to any lengths to avoid being held accountable to the voters.

Today, Senator Bob Kasten of Wisconsin will see if the Senate is any more honest than the House when he offers his own procedural amendment to repeal Section 89. But just as in the House, if his amendment fails below the required 60 votes, closet supporters of Section 89 will be able to have their political cake and eat it too. When political chicanery such as this is possible, it is small wonder that 98% of House incumbents and more than 90% of Senate incumbents have been winning re-election lately.

The following lists those House Members who are co-sponsors of a bill repealing Section 89, a law restricting employer-provided benefits, but who voted against a procedural amendment offered by Section 89 opponents:

Jim Bates, Joseph Brennan, George Brown Jr., John Bryant, Beverly Byron, Thomas Carper, Tony Coelho, Ronald Coleman, Jim Cooper, Jerry Costello, Buddy Darden, Peter DeFazio, Butler Derrick, Richard Durbin, Mervyn Dymally, Mike Espy, Thomas Foglietta, Barney Frank, Martin Frost, Joseph Gaydos, Sam Gejdenson, Dan Glickman, Bart Gordon, Charles

VOL 135 PT 9 JE 14 — 22 1989 UMI

Hatcher, Charles Hayes, Jimmy Hayes, W.G. Hefner, Peter Hoagland, George Hochbrueckner, Steny Hoyer, William Hughes, Harry Johnston, Ben Jones, Walter Jones, Patrick Kanjorski, Marcy Kaptur, Gerald Kleczka, Peter Kostmayer, John LaFalce, Martin Lancaster, Tom Lantos, Greg Laughlin, Marvin Leath, Mickey Leland, William Lipinski, Nita Lowey, Matthew Martinez, Nicholas Mavroules, Romano Mazzoli, Frank McCloskey, Dave McCurdy, Jim McDermott, Matthew McHugh, Thomas McMillen, Michael McNulty, Kweisi Mfume, Norman Mineta, Joe Moakley, Alan Mollohan, Robert Mrazek, Dave Nagle, William Natcher, Richard Neal, Stephen Neal, Henry Nowak, Mary Rose Oakar, Jim Olin, Solomon Ortiz, Wayne Owens, Frank Pallone, Donald Payne, Lewis Payne, Timothy Penny, Carl Perkins, Owen Pickett, Glenn Poshard, David Price, Richard Ray, Bill Richardson, Robert Roe, Charlie Rose, George Sangmeister, Bill Sarpalius, Gus Savage, Ike Skelton, Jim Slattery, Louis Slaughter, Lawrence Smith, Neal Smith, John Spratt, John Stenholm, Gerry Studds, Al Swift, Mike Synar, John Tanner, Esteban Torres, Robert Torricelli, James Traficant, Jolene Unsoeld, Tim Valentine, Harold Volkmer, Wes Watkins, Ted Weiss, Jamie Whitten, Pat Williams, Robert Wise.

Mr. Speaker, over the next few months, I'm sure Members will again have the opportunity to vote for repeal of section 89. I would welcome the support of my colleagues in this effort, especially those who already have cosponsored legislation to effect repeal.

CONGRATULATIONS TO NEAL SHELDON FEDERMAN ON TWENTY YEARS OF DISTINGUISHED COMMUNITY SERVICE

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. DIXON. Mr. Speaker, it is with great pleasure that I rise today to congratulate Mr. Neal Sheldon Federman on his 20th anniversary as the director of education and principal of the Religious School at Temple Akiba. The members of Temple Akiba, which is located in Culver City—in my congressional district will be honoring Mr. Federman in a special ceremony and dinner. During his tenure at Temple Akiba, Mr. Federman has developed hundreds of innovative and exciting programs. His energy, enthusiasm and commitment to quality education stands as a true inspiration to us all. The congregation at Temple Akiba is privileged to have such a leader serving as teacher, administrator and role model for its students.

Mr. Federman is highly respected within the Jewish educational community in Los Angeles. He was a popular and innovative teacher at Temple Judea in Encino before joining Temple Akiba. Along with his good friend Rabbi Allen Maller, Mr. Federman has taught 20 confirmation classes, countless sessions of religious school and Hebrew school, and presided over hundreds of holiday celebrations and family Shabbat services. Temple Akiba also enjoys the programs he created such as the 24-hour dance marathon and the weekend conclave retreats for students.

In addition to his work as a religious educator, Mr. Federman has spent more than 20 years devoting his energy and creativity to the public school system. For most of his professional career he has taught at Birmingham High School in Van Nuys, where he currently teaches honors classes in economics and sociology. His teaching career first began at James Madison Junior High School in North Hollywood.

A native of Chicago, IL, Mr. Federman moved to Los Angeles in 1956 and soon after served in the U.S. Army at Fort Ord. He and his wife, Shirley, were married on August 21, 1960, and now reside in Westlake Village, CA. They have two grown children, a daughter, Maria, and a son, Jeff.

Mr. Federman truly has made young people his life's calling. Besides his work in the classroom, he directs Camp Summertime, a successful children's summer camp in Augora Hills.

Mr. Federman is also known for his beautiful singing voice and talented guitar playing. He is famous in the congregation for his notable vocal performances as a member of the camp, rock band "The What."

I join the members of Temple Akiba, the Federman family and a host of friends in honoring Mr. Federman on 20 years of exemplary service. I hope that this celebration is merely a milestone in a long, prosperous and gratifying teaching career. Temple Akiba is truly lucky to have such a dedicated man as a member of its congregation. I wish him continued success.

HOORAY FOR SAMUEL SKINNER

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. STARK. Mr. Speaker, I'd like to include in the RECORD an excellent editorial which appeared in the Los Angeles Times on Tuesday, May 30, 1989.

In a time which, energy wise, looks suspiciously like the early seventies and there is increasing concern about the environment, Ford and GM are once again whining about the difficulty of meeting the CAFE standards. They are suggesting that at a time of relatively cheap gas, CAFE standards are outdated because Americans want bigger and more powerful cars. Yet, at the same time, they are lobbying to restrict the influx of fuel-efficient Japanese and European imports.

The editorial points out that higher automobile mileage standards are good for everybody and, more importantly, that the 27.5-mpg standard for model year 1990 should only serve as a beginning.

[From the Los Angeles Times, May 30, 1989]

HOORAY FOR SAMUEL SKINNER!

There are a lot of good reasons for squeezing more miles of travel out of every gallon of gasoline burned in automobile engines. On the most mundane level, boosting mileage will save people money. On a near-cosmic level, reducing the amount of carbon dioxide that goes into the atmosphere as a byproduct of gasoline combustion helps lessen or postpone the unhappy consequences that are threatened by a global warming trend. In between are various other economic and political benefits, among them that the less foreign oil Americans buy the less the trade deficit will grow. For all these reasons the proposal from Transportation Secretary Samuel Skinner to restore the new car fuel-economy standard is more than welcome.

It's welcome not least because there's a lot of lost time to make up for, thanks to the waivers the Reagan Administration granted on the fuel standard. The Reagan White House embraced the dogma that the marketplace alone should tell auto companies what kind of mileage their cars ought to get. The market can be a highly efficient mechanism for satisfying public wants, but where public health and welfare are at issue—where such things as the safety of food and medicines or the protection of the environment are concerned—regulation plays a vital role. Under Reagan, fuel economy standards were allowed to slip from the 27.5 miles per gallon called for in 1985 back to 26 m.p.g. Now they're up to 26.5 but Skinner wants 27.5 m.p.g. on 1990 models. The thing to watch is whether President Bush, who as a loyal member of the Reagan Administration once favored abolishing the 1975 fuel standards law, will back him up.

Chrysler Corp. wouldn't have any trouble meeting such a requirement, but General Motors and Ford are already singing the blues. The lyrics are familiar; the Big Two say the big, less fuel-efficient cars they make are what the public wants. It's true that, since oil prices began falling early in this decade, demand for most American-built smaller cars has declined. It's also true that demand for fuel-efficient Japanese cars, either imported or built in U.S. factories, has steadily increased, to the point where nearly one out of every four cars bought by Americans carries a Japanese marque. There are various reasons for the success of the Japanese models; it's absured to pretend that an interest in good mileage isn't one of them.

A 27.5 m.p.g. standard, though, should be seen as only a beginning. Federal technical studies project that just by using such technologies as multivalve engines and what are called continuously variable transmissions, cars can get 33-35 m.p.g. by the mid-1990s. The important point is that those technolgies exist. They are already used on a lot of Japanese cars. There's no reason why American car makers can't adopt them as well.

There's something ridiculous as well as insulting about auto compaines defending their profitable interest in making bigger and less fuel-efficient cars on the ground that they are only giving the public what it demands, when for the last eight years those same companies lobbied to restrict imports of Japanese cars and so deny consumers what they wanted. Choice, in any event, threatens to become an increasingly unaffordable luxury in a world confronted by global warming. That trend, the "greenhouse effect," stems from a concentration of carbon gasses in the atmosphere that trap the Earth's radiated heat. In the face of the risk this phenomenon presents to weather parttens, crops and—if melting ice caps raise ocean levels—to coastal communities, the prudent course is to cut carbon dioxide discharges as much as possible wherever possible. Tougher mileage standards for automobile engines are one place to start.

FSX: A BAD DEAL IS A BAD DEAL

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. BALLENGER. Mr. Speaker, I have serious reservations about the negotiated joint development of the FSX fighter jet with Japan. I do not believe the agreement would serve the interests of the United States, therefore, I voted "aye" on the Solomon amendment—rollcall No. 78—disapproving the United States-Japan FSX agreement.

In addition, I voted "no" on the Bruce amendment—rollcall No. 79. The Bruce amendment approved the joint agreement while placing restrictions on the President in negotiating treaties and future policymaking decisions. I opposed this amendment on two counts: First, this vote reaffirmed my strong opposition to the FSX agreement—it is a bad deal under any circumstances. Second, the amendment micromanages the executive branch decisionmaking process and infringes on Presidential prerogative.

On the Broomfield motion to recommit—rollcall No. 80—I voted "aye." This measure would have replaced the Bruce amendment language with the Solomon amendment language to "flat out" disapprove the FSX agreement.

Because this effort failed, the Bruce amendment language prevailed. Therefore, I voted "no" on final passage—rollcall No. 81—of the resolution approving the FSX agreement.

I respect the Office of the Presidency, and although I may not agree with the administration in this instance, I will not support efforts to undermine Presidential authority.

THE CASE OF SALVADORAN LABOR LEADER JOSE MAZARIEGO

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. FOGLIETTA. Mr. Speaker, I rise today to bring to my colleagues' attention the case of Salvadoran labor leader Jose Mazariego.

Mr. Mazariego was scheduled to attend a luncheon meeting with Philadelphia labor leaders tomorrow. He was also to meet with me and with some of my colleagues during his month-long stay in the United States. My office and other offices had been involved in an effort to win Mr. Mazariego a visa, which we heard Monday had been successful.

However, just hours after obtaining his visa at the United States Embassy in San Salvador, Mr. Mazariego was arrested and charged with involvement in terrorist activity by the Salvadoran Treasury Police, a group which has been accused of having links to the notorious death squads. This looks like a deliberate attempt to prevent him from coming to the United States to tell his story—the story of what is going on in El Salvador.

Yesterday, I spoke with William Kristol, Vice President Quayle's chief of staff, who informed me that Mr. Mazariego had been visited by Embassy staff and does not seem to have been mistreated by the police. However, I believe that there is still reason for Mr. Mazariego to fear for his life and his well-being. He was kidnapped by a death squad in April. According to news reports, he was told that he would not survive the next kidnapping.

My concern now is to see that the Salvadoran Government continues to respect Mr. Mazariego's human rights, and that he is released promptly if no concrete evidence is found against him. I know that many of my colleagues join me in hoping that Mr. Mazariego will be able to quickly reschedule his trip to the United States, so that we will be able to meet with him and hear his interpretation of the political situation in El Salvador.

Mr. Speaker, I thank you for your time.

BURTON COMMENDS DISABLED AMERICAN VETERANS CHAPTER 52

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. BURTON of Indiana. Mr. Speaker, I rise today to commend the members of chapter 52 of the Disabled American Veterans in Marion County, IN. During the DAV's State convention this week in Indianapolis, the members of chapter 52 will present a generous gift to the Roudebush VA Medical Center—a new van for driving veterans to and from the hospital for medical care.

Unfortunately, Mr. Speaker, there are a variety of obstacles that prevent some veterans from getting to VA hospitals. Some are too old to drive anymore. Some can't afford a bus ticket to get from their hometown to the hospital. Some are wheelchair bound and can't use public transportation. Whatever the reason, these veterans are usually the most vulnerable and are most in need of attention.

Congress has for years authorized the VA to pay travel allowances to poor and elderly veterans so they could continue to get to their VA hospitals for treatment. When the allowances were briefly discontinued 2 years ago, the Disabled American Veterans started a program to encourage their local chapters to donate vans to their local hospitals. Half of the purchase price of the van is paid by the national DAV, and half by the local chapter. Congress has since restored the travel benefits, but the DAV's program goes on.

Chapter 52's generous gift comes at a good time. VA hospitals have been forced to tighten their belts and cut back many important programs due to congressional inaction on an emergency supplemental appropriationis bill. Fortunately, the DAV's timely donation will help ensure that poor and infirm veterans can get to their VA hospital when they need to.

In my 7 years in Congress, I have witnessed countless acts of generosity by Indiana's veterans organizations. Their commitment to service is truly heartwarming. I applaud the members of DAV chapter 52 for their generosity and I commend their commander, Donald Peek, for his leadership. I would also like to pay tribute to all of Indiana's disabled American veterans meeting in Indianapolis this week.

TRIBUTE TO SCOTT L. THIBODEAU ON ACHIEVING THE RANK OF EAGLE SCOUT

HON. JOSEPH E. BRENNAN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. BRENNAN. Mr. Speaker, I ask my colleagues to join me today in honoring a young man from North Berwick in the First District of Maine, which it is my privilege to represent. On July 15, this young man, Scott L. Thibodeau, will attain the rank of Eagle Scout in the Boy Scouts of America.

In order to be awarded this honor, the highest award in Scouting, a Scout must demonstrate unusual leadership ability. He must earn at least 21 merit badges and organize, finance, and carry out a service project for the community. The qualifications for becoming an Eagle Scout are so rigorous that only 2 percent of all Scouts are able to attain that rank. These young people are worthy of our highest praise and respect.

Scott L. Thibodeau, the son of Louis and Rose Ann Thibodeau, is an 18-year-old senior at Noble High School. He is interested in commercial art and is a member of the Vocational Clubs of America. He has been elected to the Boy Scouts of America Order of the Arrow, and has served as senior patrol leader and junior assistant scoutmaster for B.S.A Troop No. 312 of North Berwick. Scott's service project involved assisting in the construction of a building which will be used to instruct youth in his surrounding communities in gun safety.

Mr. Speaker, I join Scott's parents, friends, and fellow Scouts in congratulating him on his achievements, and in wishing him continued success in his future endeavors.

OPPOSITION TO THE VETO OVERRIDE ATTEMPT

HON. JIM BUNNING

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. BUNNING. Mr. Speaker, I rise in support of the President's veto of this bill and in opposition to the veto override attempt.

This is a charade and we all know it. The President made his position very clear and very early. And this override attempt is just a piece of political strategy to test our new President's will and resolve.

Well, our President has proven that he means what he says.

Let's quit playing games. The passage of H.R. 2 in its present form was a challenge to the President and we know it. If the folks who supported this bill were really concerned about the people who are making the minimum wage, they would have made the changes requested by the President. His pro-

VOL 135 PT 9 JE 14 — 22 1989 UMI

posal was carefully weighed to help boost the wages of the working poor while limiting the job loss that always accompanies an arbitrary increase in the minimum wage.

The President offered to meet them half way. They are the ones who took that spirit of bipartisan compromise and threw it back in his face.

Let there be no mistake about it. Anyone who votes for override today is not voting to help low income Americans one bit. They are voting to play politics with the working poor—for their own political gain. And they ought to be ashamed of themselves.

TRIBUTE TO WASHINGTON SENATORS OF THE HOCKEY AMERICA LEAGUE

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. KENNEDY. Mr. Speaker, I would like to congratulate the Washington Senators of the Hockey America League. After winning the Hockey America Washington League, the third seeded Senators battled Eastern powerhouse Philadelphia and the number one seeded Chicago club to capture in dramatic fashion its first ever Eastern Regional title. On June 16, the Senators will face-off against the defending national champion Orange County Phantoms for the 1989 Hockey America National title.

After a strong 1988 campaign, the Senators entered the new season with some early disappointments. The departure of some key players coupled with injuries left many unanswered questions. As is true with many championship teams, the Senators regrouped and behind the strong leadership of coach/captain Steve Fischel finished with an impressive 15–5 record. Through their hard work and dedication and strong desire to win, the Senators established themselves as a force to be reckoned with this season. Winger Scotty McLaughlin's overtime goal in the Eastern Regional Championship game typified the Senators' never say die attitude. After finding themselves down by two goals, the Senators fought back to score the next three goals to take the crown.

Congratulations, Washington Senators—Peter Anas, Jay Bellissimo, Steve Collins, Tom Cronin, Greg Dunn, Bill Dodge, Steve Fischel, David Fritz, Chris Garrison, Jeff Knight, Al Krattley, Brian Land, Scott McLaughlin, Brad Meyer, Charlie Sampson, Mike Tiernan and Glenn Turner—and best of luck in Phoenix, AZ.

TAXPAYERS BAILOUT OF THE SAVINGS AND LOAN INDUSTRY

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. COLEMAN of Texas. Mr. Speaker, the taxpayers are looking at $150 billion in payments over the next 30 or so years to undo the damage of a few incompetent, greedy or just plain simple men. The S&L industry for years provided firm support to the ordinary citizens of this country, playing an important role in fulfilling the American dream of home ownership. A few years of undisciplined deregulation have not only destroyed the base of this vital industry but have created a crisis that will financially hurt the very people the S&L industry exists to help.

The industry's downward spiral is a result of a continual comedy of errors by the Reagan/Bush administration. The more trouble the industry got into the more the administration loosened its regulatory controls. The administration's intention was that by abandoning the S&L industry to the free market, it would be able to develop defensive strategies that would return it to a profitmaking situation. Fine. The problem, however, was that at the same time that regulatory controls were being dismantled, deposit insurance protection was more than doubled, creating a situation that encouraged some S&L's to take unhealthy risks. It was from this point that the industry overexposed itself in commercial and real estate loans, development loans and subsidiary enterprises. The Reagan administration further compounded the problem with inadequate oversight and supervision of the industry.

Somewhere along the line the administration forgot the original purpose of the S&L industry. It is special case—dedicated to promoting home ownership through home mortgage lending. The combination of deregulation and increasing insurance protection created a situation that encouraged S&L's to move away from their primary purpose. For a few poorly managed thrifts this meant justifying unsound risks by gambling on the continuation of favorable economic conditions.

Home ownership is part of the American dream, so much so that a special corner of the financial industry evolved to support it. It was naive to believe that savings and loans could or should compete with the intensely competitive financial industry as a whole, either in terms of general expertise or market share. The timing of deregulation in itself was horrible. But by failing to quickly crack down on overextended, poorly run and insolvent thrifts the Reagan/Bush administration allowed failing S&L's to make even more bad loans leaving the situation to worsen exponentially.

The cost of these free market experiments will be borne by the very people who need the support of a sound savings and loan industry dedicated to making housing affordable. Even now, after all the evidence is in, there is still a move by the administration to compromise on the tough capital standards it should be clear that the system requires. We cannot in good faith permit this. Given the fact that every day of inaction costs the taxpayers millions of dollars more, we must act quickly to enact this admittedly imperfect legislation. Let's not compromise its ability to do the job it was written for.

A SPACE PROGRAM ON TRACK

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. ROHRABACHER. Mr. Speaker, Saturday June 10 marked another successful launch of a global positioning system [GPS] satellite on a Delta II rocket. The U.S. Air Force and its contractors are to be congratulated for a job well done. I am proud to point out that the Navstar GPS satellite is largely a product of the 42d Congressional District of California, which I represent. The Navstar satellite was manufactured by the working men and women at the Rockwell plant in Seal Beach, launched by a Delta II rocket manufactured by other aerospace workers at the McDonnell Douglas facility in Huntington Beach, and the launch overseen by Air Force personnel who are part of the Space Command team housed at Fort McArthur in San Pedro.

The global positioning system is a total revolution in global navigation, promising instant, highly accurate position information in three dimensions when the full satellite constellation is complete. This capability will enhance almost all military systems and operations. The military will save millions through the use of GPS, since the Navstar system's signals will replace myriad ground-based navigation signal transmitters of the past.

GPS will also benefit the private sector of our economy since the signals will be available to civilians as well as to the military. GPS is already beginning to generate an entirely new commercial electronics industry to provide miniaturized navigation equipment. The same accurate position information will soon be used by everything from shipping to commercial aircraft to individuals hiking in the woods.

Mr. Speaker, the Navstar GPS Satellite Program is one Government project that will help keep America a technological leader in both the military and private sectors. It is an example of how our military programs contribute to keeping our Nation strong. So three cheers for our technological pioneers in aerospace and in the U.S. military. I'm proud to represent them.

THE CONSUMER PRODUCTS RECOVERY ACT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. TORRES. Mr. Speaker, today I am introducing the Consumer Products Recovery Act.

The Consumer Products Recovery Act initially establishes a recycling credit system for used automobile luricating oil. Producers of virgin oil will be required to demonstrate that a certain percentage of their product is recycled. The manufacturers could satisfy this requirement either of two ways: they could directly purchase the re-refined oil or, they could pur-

chase recycling credits which would guarantee that the product had been recycled.

A recycling credit will work like this: The producers of used oil will purchase, from the recyclers, either re-refiners or reprocessors, a credit or guarantee that a certain percentage of their product has been recycled. EPA will check the records of the companies involved to make certain that the quantities of credits sold equals the quantity of oil recycled.

The advantage of this system, over the current market for used automobile lubricating oil, is that the producers will be required to guarantee that the product will be recycled, but it will allow free market forces to accomplish this goal in the most efficient way. Recycling will not depend on the price of oil in the Middle East as it does today.

This idea is an outgrowth of project 88, under the direction of Senator TIM WIRTH and Senator JOHN HEINZ. I am very pleased that they have decided to join with me in introducing this bill. As we confront the environmental problems of the 1990's, it is critical that we explore additional techniques to encourage environmentally sound behavior.

In my district, which includes the San Gabriel Valley in southern California, we have four ground water Superfund sites. In the course of studying the problem of ground water contamination, I have come to the realization that, in the long run, this problem can only be resolved if we make every possible effort to reduce the amount of waste that we release into the environment.

As our colleagues in the medical community discovered a long time ago, an ounce of prevention is truly worth a pound of cure. As we are increasingly aware, the amount of substances we release into the environment is truly mind-boggling. What is perhaps even more distressing is the fact that we can and should recycle more of these materials we are now wasting and which are ruining our environment. We also have to realize that by wasting these precious natural resources, we will need to generate even more pollution in order to replace products needlessly discarded. This creates an endless cycle of pollution and waste.

One particular product that is needlessly and foolishly wasted is used automobile lubricating oil. Every year Americans throw away more than 400 million gallons of oil—the equivalent of 35 *Exxon Valdez* oilspills. And when it is thrown away it winds up in storm drains or in landfills. Much of it finds its way into our surface and ground water supply. Is it any wonder that in the EPA report released today that 20 percent of the water supply in America is polluted.

We throw away our used oil for two reasons. First of all, the artificially depressed price of virgin oil makes recycled oil, with its fixed costs, economically unable to compete in the marketplace. And, second, many Americans simply do not know what to do with the used oil once the oil comes out of their car.

In West Germany they recycle 85 percent of the oil of the citizens who choose to change their oil themselves. In the United States we only recapture 5 percent of this do-it-yourselfer oil. I know that we can do better. The Consumer Products Recovery Act restructures the market to make substantial increases in the amount of used oil that is recycled.

Not only will the act stimulate environmentally sound recycling of used motor oil, but it will direct EPA to establish similar incentive-based systems for other commodities like lead-acid batteries, newspapers, antifreeze, volatile organic compounds, and tires. The act will achieve this goal by making it economically viable for these products to be recycled. This bill would, for the first time, establish a system of market incentives to channel the flow of waste products.

A TRIBUTE TO JUDGE WALTER J. BONE

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. VALENTINE. Mr. Speaker, I rise to pay tribute to one of the most distinguished jurists in North Carolina history, Superior Court Judge Walter J. Bone, who died at his home in Nashville, NC, on May 30 at the age of 90.

Judge Bone was one of those extremely rare individuals who earned the admiration and respect of all who knew him personally or came in contact with him, whether in his court, in business, in civic affairs, or in his church. The word "great" has been so overworked and overused that it is often meaningless. In this case it is not—Judge Walter J. Bone was a great man.

In his professional life, Judge Bone personified what is meant by the term "judicial temperament." A man of learning, character, integrity, scrupulous fairness, and compassion, he was wholly dedicated to the intelligent, equitable, and energetic administration of justice.

No citizen involved in a legal proceeding before Judge Bone ever had reason to believe that his or her rights had not been fully exercised and protected. No attorney who argued a case in Judge Bone's courtroom ever came away without gaining in knowledge about the law and how it should be administered.

Judge Bone's personal passion for excellence raised the standards of everyone who entered his court. Attorneys, law enforcement officials, and officers of the court all performed their duties with greater diligence and care because of the example set by Walter J. Bone. Like many young attorneys, I received some of my most valuable training from Judge Bone.

A former pastor of Judge Bone's church, G. Durham Ipock, summed up Judge Bone's professional reputation at his funeral:

> He was one who dealt fairly, counseled wisely, and conducted himself manfully in all matters * * * a just judge, honorable in more than title.

As a citizen of his community, Judge Bone was without peer. He was a leader in civic and church affairs who gave of himself totally and set an example for all to emulate.

Another minister who spoke at Judge Bone's funeral, Dr. Gaylord Lehman of the Lakeside Baptist Church in Rocky Mount, said:

> His private life matched his public declarations. It would have been difficult to think of Judge Bone having an impure thought or an unrighteous motive.

I knew Judge Bone throughout most of my life, and I feel a deep personal loss at his death. We are all diminished by his passing, but our lives were greatly enriched by his presence among us. If we endeavor to live by his precepts and standards, our world and that of our children and grandchildren will be a far better place.

TRIBUTE TO CHARLES W. KAHL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. APPLEGATE. Mr. Speaker, today I rise before you to ask you and my fellow colleagues to join me in honoring Charles W. Kahl, recipient of the 1989 National Community Transportation Award.

Sixty-seven year-old Charles Kahl, of St. Clairsville, OH, has been employed by the Belmont Action Commission of Belmont County for 10 years. In his capacity, Charles Kahl drives 225 to 300 miles daily, 5 days a week, transporting medical patients to and from examinations, surgeries, and appointments. Doctors' offices and patients specifically request to be transported by Mr. Kahl, whose comforting manner brings ease and relief to many of the distressed clients. He often rearranges his personal schedule so as to best serve area patients. His vast experience provides clients with a potpourri of tales that not only assuage them, but that have earned Charles Kahl a revered reputation in all county social service agencies.

During a period of several months when the Community Action Commission reduced staff and services because of funding deficiencies, Charles Kahl volunteered his personal time to drive an elderly dialysis patient to treatments. Mr. Kahl is employed from 8:00 a.m. to 4:30 p.m.; nevertheless, he often works 6:30 a.m. to 6:00 p.m. without overtime compensation.

Mr. Speaker, I urge my colleagues to join me in congratulating Charles Kahl for his extraordinary community service and dedication. His unique temperament and devotion is reminiscent of the pioneering spirit and enhances our community for all citizens.

A FOND FAREWELL TO CHIEN-JEN "C.J." CHEN

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. SOLOMON. Mr. Speaker, a little later today, following legislative business, many Members will be gathering at the Capitol Hill Club to say a fond farewell to Dr. Chien-Jen Chen. Known to his many friends as "C.J.," Dr. Chen has been a popular and admired spokesman for the Republic of China. He is returning to Taiwan later this week to assume his new responsibilities as Vice Minister of Foreign Affairs in the R.O.C. Government.

"C.J." Chen has been a close friend and a valued counselor to many Members of Congress. During the many years he has lived in Washington, "C.J." has worked tirelessly to improve the relations between our two countries and peoples. His efforts have contributed in many ways to reducing the trade problems between our two countries. Moreover, he is a strong advocate of freedom and democracy who has provided much encouragement to the important political advances being made in Taiwan.

But for one brief period in the early 1980's, "C.J." has lived in Washington since 1971. He served in several different capacities in the R.O.C. Embassy before being recalled to Taipei in 1980 to serve as director of the Department of North American Affairs in the R.O.C. Foreign Ministry. He returned to Washington in 1983, this time to serve as his country's number-two man in America.

"C.J. Chen was born in Chungking on the Chinese mainland, and he pursued his undergraduate studies at the National Chengchi University in Taiwan. "C.J." earned his doctorate at the University of Cambridge in England in 1966. He has also studied politics and economics at the University of Madrid in Spain.

While we are sorry to see "C.J.," his lovely wife Yolanda, and their children leave Washington, we know that "C.J." and his family are going home with the satisfaction of having made many lasting friendships in America. He is, moreover, going home to assume important new responsibilities which will enable him to make even greater contributions to the political and economic development of his own country and to the continued cooperation between Taiwan and the United States.

To "C.J." and his family we bid Godspeed. And his many friends look forward to seeing them again in the years to come.

PRIME MINISTER BHUTTO VISITS UNITED STATES

HON. ELIZABETH J. PATTERSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mrs. PATTERSON. Mr. Speaker, today, I would like to welcome Prime Minister Bhutto to our country and to the Congress. As part of a congressional delegation, which included my colleagues, BEVERLY BYRON, BARBARA KENNELLY, and LYNN MARTIN, I recently visited Pakistan and met with the Prime Minister. I am grateful for the cordiality and graciousness which was extended to us by the Prime Minister and the people of Pakistan throughout our stay.

Since her election as Prime Minister last November, Mrs. Bhutto has demonstrated tolerance and a keen ability for compromise with opposing entities in the Pakistani political process. Her commitment to establishing free and open democratic processes and instituting necessary reforms to improve the lives of the people of Pakistan is to be commended.

I congratulate Prime Minister Bhutto for her dedication and leadership in her efforts to ensure a stable and democratic republic in Pakistan and look forward to continued cooperation between Pakistan and the United States.

UNITED STATES-ISRAELI FREE TRADE AGREEMENT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. DINGELL. Mr. Speaker, I would like to submit for the RECORD letters I received from the United States Trade Representative [USTR] and the United States Department of State in response to my concerns over the failure of our Government to ensure the United States-Israeli Free Trade Agreement is properly implemented and complied with. It is clear that Israel has yet to abide by the United States-Israeli Free Trade Agreement [FTA], which became effective in September 1985. My colleague, Mr. HAMILTON, previously contacted the USTR and the State Department in December 1988 regarding Israel's unfair trade practices. I sent my own inquiries on May 5, 1989. On both occasions, the State Department and the USTR reported that Israel is violating the Free Trade Agreement.

I am troubled and puzzled by the failure of the USTR and the State Department to press our Israeli allies and to resolve the problems associated with the FTA. Given the enormous trade deficit this Nation is currently suffering, the United States must persevere and negotiate a swift and appropriate compromise so that all Americans have equal access to their markets as we permit Israel to have in the United States.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 5, 1989.

Hon. CARLA HILLS,
U.S. Trade Representative, Washington, DC.

DEAR MADAM AMBASSADOR: I write regarding the 1985 Free Trade Agreement (FTA) between the United States and Israel.

I refer to Chairman Lee Hamilton's letter dated November 29, 1989 in regard to the U.S.-Israeli FTA. I would appreciate a full report addressing the following concerns and allegations.

I am concerned that Israel continues to issue import licenses in an untimely and random manner as well as to discriminate against certain groups of individuals through the misapplication of standard trade regulations.

I am also troubled over the decline of U.S. products in Israeli markets from 20 percent in 1985 to 16 percent in 1987.

Finally, I am concerned that Israeli non-tariff trade barriers have not been sufficiently eliminated. These non-tariff trade barriers are severely disruptive to free trade between the United States and Israel.

I would appreciate a prompt response to all of my concerns and allegations. Thank you for your attention to these important matters.

With every good wish,

Sincerely yours,

JOHN D. DINGELL,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 5, 1989.

Hon. JAMES A. BAKER III
Secretary of State, Washington, DC.

DEAR MR. SECRETARY: I write regarding the 1985 Free Trade Agreement (FTA) between the United States and Israel.

I refer to Chairman Lee Hamilton's letter dated November 29, 1989 in regard to the U.S.-Israeli FTA. I would appreciate a full report addressing the following concerns and allegations.

I am concerned that Israel continues to issue import licenses in an untimely and random manner as well as to discriminate against certain groups of individuals through the misapplication of standard trade regulations.

I am also troubled over the decline of U.S. products in Israeli markets from 20 percent in 1985 to 16 percent in 1987.

Finally, I am concerned that Israeli non-tariff trade barriers have not been sufficiently eliminated. These non-tariff trade barriers are severely disruptive to free trade between the United States and Israel.

I would appreciate a prompt response to all of my concerns and allegations. Thank you for your attention to these important matters.

With every good wish,

Sincerely yours,

JOHN D. DINGELL,
Member of Congress.

U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, June 1, 1989.

Hon. JOHN D. DINGELL,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN DINGELL: Thank you for your letter of May 5 regarding certain Israeli trade practices and the U.S.-Israel Free Trade Area (FTA) Agreement.

The Israeli trade practices identified in your letter have been the subject of a series of intensive consultations and negotiations between our two Governments over the past year. Before addressing the status of these negotiations, however, it may be helpful to briefly review the nature of the FTA and our trade performance under it.

The U.S.-Israel FTA, which became effective in September 1985, provides for the gradual elimination of all customs duties by January 1, 1995. Some duties were eliminated immediately, others will be phased-out over a longer period of time. All duties, however, will be eliminated by 1995. Certain other trade barriers in both countries were not eliminated by the Agreement and the FTA envisages further negotiations. Agriculture restrictions, government procurement and services are examples. Such issues have been under negotiation since the Agreement's entry into force.

As a result of the gradual approach adopted for implementing the agreement, it was expected that trade would increase only slowly at first, as exporters and importers became aware and took advantage of the benefits of the FTA. All the same, from the implementation of the FTA in 1985 through 1988, imports from Israel increased by 40 percent, while U.S. exports to Israel increased 35 percent.

As your letter notes, it is nevertheless troubling that the U.S. share of the Israeli market fell from 20 percent in 1985 to 16 percent in 1987. Our performance may be improving given an 18 percent jump in U.S. exports last year, but data on the U.S.

market share in Israel for 1988 are not yet available.

Another factor to bear in mind is that the EC and Israel also have a free trade agreement that went into effect in 1975 and will reach full implementation in 1989. The "head start" in the phase-out of customs duties has given the EC advantages in the Israeli market that can only be overcome with time as duties facing U.S. products are phased out.

One way to maximize U.S. exports to Israel is to be constantly vigilant for and attack any non-tariff barriers Israel may attempt to introduce or maintain in violation of the agreement.

In early 1988, we discovered that the Israelis were utilizing certain discriminatory tax practices to provide advantages to their domestic manufacturers. We also learned that the import licensing provisions of the FTA with respect to American products were not being followed by the Israelis and that they were using product standards to discriminate in favor of the domestic producers. We demanded consultations with the Israeli Government and warned that we would take appropriate counter-measures if satisfactory results were not achieved.

Through a series of negotiations, the Israelis agreed in the fall of 1988 to make significant modifications in these practices. Careful monitoring of the implementation of these agreements (summary enclosed) is required to ensure full compliance with their terms.

Our monitoring indicates that the Israelis have yet to implement the licensing and standards provisions of the agreements concluded last fall. They have also been slow to move legislation through their Government to begin the phase out of the "TAMA" procedure described in the enclosure. These issues will be at the top of the agenda in our June consultations with the Israelis.

Sincerely,

CARLA A. HILLS.

SUMMARY OF RECENT TRADE AGREEMENTS WITH ISRAEL

PURCHASE TAX EXEMPTIONS

The Israelis had been discriminating between domestic producers and importers in the application of their purchase tax (a form of luxury tax) by exempting domestic Israeli producers from the tax if it was paid by these producers on any raw material input. Since the same opportunity for an exemption did not exist for importers, this gave domestic producers a significant cost advantage. The Israelis have now agreed to eliminate the exemption by either eliminating the purchase tax on products where such discrimination exists or by imposing a purchase tax on domestic products at a rate equal to that applied to like imported products.

TAMA

Agreement has also been achieved on a customs' process known as the TAMA, which is an estimated uplift used by the Israelis to equate import values, for purposes of collecting the purchase tax, with goods sold in Israel at the wholesale level. Israel calculates the purchase tax at the wholesale level, yet collects the tax on imports as they pass through customs and on domestically manufactured goods as they leave the plant. Domestic Israeli producers are permitted to declare the mark-up that applies to the goods from the factory to the point of the wholesale transaction, while imports are subjected to the arbitrary uplift in valuation known as the TAMA. We had been concerned that steadily increasing TAMA rates, which are calculated non-transparently, may have been offsetting duty reductions achieved under the FTA.

The Israelis have agreed to progressive phase out the TAMA by 1995 and in the interim to allow registered importers, starting January 1, 1989, the option of either 1) declaring the actual mark-up between importation and sale at the wholesale level (in the same manner as followed by Israeli domestic producers) or 2) using the TAMA rate. Thus full national treatment will be achieved immediately for goods imported by registered importers. After 1995, the TAMA will not be utilized in any way on goods entered by registered importers. Legislation to achieve this must be enacted by the Israeli Knesset.

LICENSING

Rather than according the U.S. the special liberalized licensing benefits agreed upon under the FTA, the Israelis in certain instances have been requiring American goods to meet the more stringent licensing requirements imposed on goods from third countries. The Israeli Government agreed to conform to their earlier commitments under the FTA wherever this was not occurring. They also agreed to issue a special directive to all Israeli Ministry of Industry and Trade licensing officers listing all U.S. products to be accorded special licensing status and the procedures to be used in handling applications for their importation. This has yet to occur.

STANDARDS

The U.S. and Israel agreed that all prevailing standards in Israel will be imposed equally on U.S. and Israeli goods. There will thus be national treatment for U.S. goods. Furthermore, we had discovered that certain voluntary Israeli standards were being applied in a mandatory fashion on imports. To remove the possibility of this occurring in the future, Israel agreed to convert, over the next 24 months, all voluntary standards imposed on imports to mandatory standards.

U.S. DEPARTMENT OF STATE,
Washington, DC.

Hon. JOHN D. DINGELL,
House of Representatives.

DEAR MR. DINGELL: I am responding to your letter of May 5 regarding the Free Trade Area Agreement (FTA) between the United States and Israel.

I shall respond to each of your concerns in turn. First, the Department of State and other concerned U.S. exporters regarding the seemingly random and often untimely issuance of import licenses by Israeli authorities. The U.S. Government routinely monitors Israeli compliance with the terms of the FTA. An interagency group of U.S. Government representatives met formally with their Israeli counterparts twice last year to discuss this and related matters, and another formal meeting is scheduled for June of this year. In our next meeting in June, we will ask the Government of Israel why it has not yet implemented the understanding on licensing described in the protocol of our meeting of October-November 1988. Regarding licensing complaints, in addition to these formal meetings, there are frequent contacts between our governments aimed at resolving specific complaints of Israeli noncompliance with the terms of the FTA.

Second, you are correct in noting that between 1985-1987, the U.S. share of the Israeli market declined from 20.1% to 16.2%, trends now improving as I explain below. Much of the decline from 1985-1987 can be explained by the fact that the United States is not the only party to have entered into a free trade arrangement with Israel. The European Community has had a free trade arrangement with Israel since 1975. Duty reductions on industrial goods (the only goods covered by the agreement) were totally phased in effective January 1, 1989. Under the terms of the U.S.-Israel FTA, duties on all products will not be eliminated until January 1, 1995.

You will be pleased to know that according to the latest figures, U.S. exports to Israel grew 17% in 1988 over 1987, while Israeli exports to the United States grew by 13% over the same period. From 1985 to 1988 therefore, U.S. exports to Israel grew by 38% while Israeli exports to the United States grew by 39%.

For a short list of articles the FTA specifies that the tariff rates that apply between January 1, 1990 and January 1, 1995 shall be determined after consultation between the Governments of our two countries. Elimination of these duties, which must occur on January 1, 1995, may, however, occur through their gradual phase-out over the period, but such actions requires Congressional approval. A discussion of these duties is scheduled for our June meeting in Israel.

Finally, as has been the case with licensing, we have regularly pursued U.S. firms' complaints about Israel's discriminatory application of certain standards regulations. This item is also on our agenda for the June meeting as we seek a report on Israel's conversion from voluntary standards on imports to mandatory standards required on all products sold in Israel.

I hope this answers your questions. If you wish additional information on this matter I would be happy to provide it.

Sincerely,

JANET G. MULLINS,
Assistant Secretary, Legislative Affairs.

CONGRATULATIONS WORLD CHAMPION DETROIT PISTONS

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. BROOMFIELD. Mr. Speaker, congratulations to our 1989 Detroit Pistons who brought Detroit its first ever NBA championship title and whose home is in the Palace, in Auburn Hills, MI, in my congressional district. It has been a long hard climb up the championship ladder, but the Pistons have finally reached the top and can proudly call themselves world champions.

After the heart-breaking loss to the Los Angeles Lakers in 1988, the Pistons were determined to reach the finals and claim their title with whatever it took.

This attitude, along with excellent coaching, team effort, and a defense unparalleled in NBA history, were the motivating factors of their championship title. Coach Chuck Daly and his staff should be commended for molding such a unified team with varying talents and egos.

The 1989 Pistons are a textbook definition of team effort. This is illustrated by the prolific

scoring threats of Joe Dumars, Isiah Thomas, Mark Aguire, and Vinnie Johnson. Also, not one player averaged more than 19 points a game for the entire season. This unselfish team of stars always passed off to the "hot hand" time after time.

The Detroit Pistons are one of, if not, the best defensive ball club in NBA history. They used an outstanding bench to overwhelm the opposition. Opposing players would often find themselves guarded by Dennis Rodman, John Salley, and Rick Mahorn in the same half. Bill Laimbeer and Dennis Rodman controlled the boards all season contributing to the winning defense effort.

The Pistons brought the NBA championship title to Detroit, and all of Michigan is proud of Owner Bill Davidson, General Manager Jack McClosky, Coach Chuck Daly, championship series MVP Joe Dumars, Bill Laimbeer, Mark Aguire, Isiah Thomas, Rick Mahorn, Dennis Rodman, John Long, Vinnie Johnson, James Edwards, John Salley, Fennis Dembo, and Michael Williams.

SOLUTIONS TO GOVERNMENT GRIDLOCK

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 14, 1989, into the CONGRESSIONAL RECORD.

SOLUTIONS TO GOVERNMENT GRIDLOCK

As the U.S. government enters its third century, many Americans are convinced that their national government does not work as well as it should. They say that our democratic system has because so mired down that we suffer from "government gridlock". When confronted with tough problems, the Congress and the White House spin their wheels but do not get very far.

Consider some of our problems of recent years that are perceived to be the result of government failure: the federal budget deficits, hovering around $150-200 billion each year; our $120 billion trade deficit; homelessness and hunger in America; our increasing reliance on oil imports; the decline of U.S. competitiveness. Government is perceived as no longer working: it cannot make decisions, form consensus resit political pressures, or think beyond the next election.

To some extent, government's difficulty in finding solutions to national problems can be traced to our roots. Our founding fathers rebelled against arbitrary government—in the form of the long reach of the British Crown. In response to the fear of a strong central authority, the U.S. government was deliberately designed with roadblocks to efficiency—for example, requiring legislation to be approved by both the House and the Senate, and allowing the Congress to override a presidential veto. But a structure designed to keep power in check can also prevent government from responding quickly. It can sometimes result in situations where complicated problems simply overwhelm the government.

Some of the solutions to this gridlock of democracy lie in the political system. The basic structure of our government imbedded in the Constitution is sound. Yet the institutional structure that was created by the Constitution can be made to work better:

Although I am a legislator, I believe that presidential leadership must be strengthened. Whenever this nation has had clear purposes, it was because the president articulated them and was willing to exercise leadership. Our system does not work very well unless the country is given strong direction by the president.

We must improve the method of selecting presidents. Our current nominating system knocks too many good prospects out of contention. The system of primaries needs to be rationalized and compressed into a shorter time period.

The political parties need to be strengthened. Throughout the 20th century the power of political parties has been declining. The parties can help achieve the unity of purpose, the consensus, and the degree of harmony among the branches of government necessary to make the government act decisively and effectively.

Stronger parties will produce benefits in the Congress as well. By its very nature, the legislative process is slow, complicated, and cumbersome. The parties can help give direction and develop consensus. But we also need institutional reform to improve the capacity of the Congress to govern. The Congress needs to develop mechanisms to better mobilize itself and develop policies in response to the issues of the day.

We must improve voter turnout. The United States has the lowest voter participation of any industralized democracy. Low voter participation threatens the accountability of elected officials to the majority of the people. Even today, state and local officials owe their victories to 5-15% of the eligible voters. Most Members of Congress are chosen by 15-20% of the eligible voters, and fewer than 27% of all eligible voters elect presidents of the United States. Procedural reforms to boost voter registration are needed, but our schools also need to give more attention to the vital political traditions and values of a democratic society. We need to demonstrate how and why voting participation can make a difference.

We need to raise the status of our civil servants and stop denigrating bureaucrats. Other countries rely on professional managers to execute the policies of the government. We need to do the same. Political appointees who head up departments and agencies should be complemented by deputies selected from a corps of professional managers.

We must improve the appeal of public service. Too many of our most talented public servants are discouraged and ready to leave; too few of our brightest young people are willing to join. We must restore public service to a proud and lively career. We need to instill a sense of the moral challenge and personal excitement that is inherent in the great enterprise of democratic government. There is work of enormous importance to be done. Someone has to defend the country, explore space, clean the air and the water, negotiate the arms control treaties, and keep the cars, the trains and the planes from running into one another. Each of us has an interest in preventing government by the mediocre.

Finally, improving our capacity to govern in this country requires more than institutional changes. It requires that we understand and meet the demands that a democracy makes on each one of us. Our founding fathers agreed upon a set of principles and a plan of government to preserve order and liberty. But they also knew that in order to make that system work, people had to understand what democracy was all about and what it required of them. They knew that if most of us failed to meet those demands, then this noble experiment would fail.

Our democracy can endure as long as we as individuals understand the demands that our democratic society makes upon us: to be informed, active participants and not merely passive observers; to press our own views while being concerned about other individuals and tolerant of their views; to recognize the need for compromise; and to be concerned about the common good. The most precious gift this nation has is the talent and virtue of its people. We want a system of government that permits the ascendancy of that virtue and talent.

A CONGRESSIONAL SALUTE TO BOB VERDERBER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted nearly three decades of his life to the Downey, CA, community. Bob Verderber will be honored June 16, 1989, by the Downey Chamber of Commerce. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

Bob was born in Cleveland, OH, and grew up in the Cleveland suburb of Euclid, OH, before moving to Downey 27 years ago. He received his bachelor's degree in mechanical engineering from Cleveland State University in 1957 and a master's in industrial engineering from the university in 1964. Bob has spent the past 30 years working as an engineer, consultant, and manager. His service to the professional engineering society has also endured for 30 years. He has held more than 40 chapter officer and committee chairman positions for the Institute of Industrial Engineers. He has been employed by General Motors Corp., North American Aviation, and the Northrop Corp. Bob has owned an industrial management consulting firm for more than 15 years.

Mr. Verderber has been involved with numerous civic and educational organizations in the Downey area. He has been an adjunct faculty member at Loyola-Marymount University, West Coast University, Northrop University, and the University of Southern California. He also served as acting dean of the College of Business and Management while at Northrop University.

In the area of civic involvement, Bob has devoted a great deal of time to the Downey Chamber of Commerce, where he is currently serving as Chamber president. He has served on the Chamber board of directors for the past 5 years and held office as vice president and president-elect. Other civic organizations he has worked with include the Downey Planning Commission, the Project Area Committee for Downey's redevelopment program, the Downey Historical Society, Downey Sister

Cities Association, Downey Rose Float Association, Downey Civic Light Opera, Downey Symphonic Society, Friends of the Downey Library, the Langlaufer Ski Club, and the Downey Space Toastmasters.

Perhaps the greatest joy of Bob's life occurred last December when he married Councilwoman Diane Boggs. He not only gained a wife, but also a son, Garth, three daughters, Veronica, Libby, and Nanette. In addition to the immediate family, he also gained a daughter-in-law, three sons-in-law, two granddaughters, four grandsons, and is expecting another in July.

My wife, Lee, joins me in extending our congratulations to this caring and giving individual. Bob Verderber is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. We wish this fine Downey citizen all the best in the years to come.

THE 20TH ANNIVERSARY OF THE STONEWALL REBELLION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. WEISS. Mr. Speaker, I want to draw the attention of my colleagues to the many events taking place this June as part of Gay and Lesbian Pride and History Month in New York City. An annual event, the celebration will this year also honor the 20th Anniversary of the Stonewall Rebellion, widely recognized as the beginning of the movement to ensure civil rights for lesbians and gay men.

Events at the Stonewall Inn in New York City in June, 1969, created a new commitment in the lesbian and gay community to work for equal rights. Organizations were formed to promote education about gay and lesbian rights and to fight for the passage of laws to ensure nondiscrimination on the basis of sexual orientation.

In 1971, I was an original cosponsor of the first New York City gay rights bill introduced into the city council. It was not until 1986 that a local law was finally passed and signed into law protecting lesbians and gay men against discrimination for sexual orientation. In addition, there are several executive orders in place in New York City that seek to protect lesbians and gay men from discrimination. Executive order No. 4 (1978) prohibits discrimination against city employees because of sexual orientation; executive order No. 94 (1986, formerly No. 50-1980) prohibits the city from entering into contracts with companies that discriminate on the basis of sexual orientation and executive order No. 69 (1983) prohibits city employees from doing business in private clubs that engage in discriminatory membership practices.

Several other States and localities have passed laws, or issued executive orders, protecting lesbians and gay men from discrimination, but until a Federal gay rights bill is enacted, most gay men and lesbians will have no recourse if they become the target of this type of discrimination.

Legislation now pending in the Congress would amend the Civil Rights Act of 1964 by adding affectional or sexual orientation to the list of forms of discrimination now prohibited in housing, employment, education, and public facilities. I am proud to be a prime sponsor of this important piece of civil rights legislation and prouder still that with each new Congress the list of cosponsors grows. In the 101st Congress, H.R. 655, the Civil Rights Act Amendments of 1989, is being cosponsored by 70 Members of this House who share the belief that a person's sexual orientation cannot be legitimate grounds for bias, any more than skin color or religious expression.

During this year's Gay and Lesbian Pride and History Month, events are scheduled honoring the many contributions to society made by lesbians and gay men throughout history. The new National Museum of Lesbian and Gay History located at the Lesbian and Gay Community Services Center will preserve for future generations the triumphs celebrated and struggles endured during the gay rights movement. In addition, the renaming of a portion of Christopher Street to Stonewall Place serves as an important reminder of the events that sparked a crucial civil rights movement.

Finally, at the end of June, Heritage of Pride will once again host the largest lesbian and gay pride march in the country. The first march in July 1969 drew 500 participants. Last year, over 100,000 individuals marched down Fifth Avenue to the cheers of thousands of New Yorkers lining the street in support of their gay and lesbian friends. The theme of this year's march, "Stonewall 20: A Generation of Pride," indicates that this community's spirit will not be broken until they can live their lives with dignity and in peace.

During a time when the gay and lesbian community has seen a disturbing increase in bias-related violence and continues to lead our Nation in responding to one of this country's most devastating health crises, it is crucial for all of us to show our support for gay and lesbian concerns. Only when all of the citizens of this country have obtained equal rights will ours be a truly just society. Mr. Speaker, I ask my colleagues to join me in supporting the Civil Rights Act Amendments of 1989 and in saluting New York City's Gay and Lesbian Pride and History Month.

NEW JERSEY UKRAINIANS CELEBRATE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. FLORIO. Mr. Speaker, I would like to bring to the attention of my colleagues a very important event that is taking place in New Jersey on Saturday, June 17, 1989. On this day, over 20,000 New Jerseyans of Ukrainian descent will be hosting an ethnic festival at the Garden State Arts Center.

The Ukrainian Festival is the culmination of year-long activities by a group of unselfish and dedicated volunteers who will be demonstrating the rich cultural heritage of New Jersey's Ukrainian community.

Every year, the Garden State Arts Center hosts a number of festivals that are sponsored by the diverse ethnic communities that are represented in the State of New Jersey. The money that is raised by these festivals goes directly to the cultural fund which, in turn sponsors free cultural activities at the Garden States Arts Center. Groups that benefit from these activities include senior citizens and school children, the handicapped and the disabled, the veterans, and the disadvantaged. These activities represent a commendable effort to shine a bright light in the lives of these people.

This year's Ukrainian festival will commemorate two significant events in the history of the Ukrainian people. The community will commemorate the 10th anniversary of the death of the popular Ukrainian folk singer, Volodymyr Ivasiuk, who died in 1979. His music inflamed the hearts of Ukrainian youth everywhere and his efforts were an inspiration to both his countrymen and to Ukrainians around the world.

In addition, the festival will also commemorate the 175th anniversary of the birth of Taras Shevchenko, the poet laureate of Ukraine. Shevchenko's inspiring words helped the Ukrainian people survive their darkest hours of oppression.

I extend my best wishes to the chairman of this year's festival, Luba Siryj. In addition, I commend the New Jersey Ukrainian Congress Committees of America who, together with the Garden State Arts Festival Committee, are sponsoring this festival.

As one who has fought for recognition of the rights of the Ukrainian people, and as the author of the law that set up the Congressional Commission of the Ukraine Famine, I urge my colleagues to join me in congratulating New Jersey's Ukrainian Americans and wishing them success in their efforts.

TRIBUTE TO THE COAST GUARD AUXILIARY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. SCHUMER. Mr. Speaker, my colleagues, today I call your attention to this month's 50th anniversary of the Coast Guard Auxiliary. We should never underestimate the valuable service this voluntary organization provides.

In my region—an area that spans from eastern New York up to Vermont—alone, the Coast Guard Auxiliary has a membership of 4,500. Many of these people will give over 40 hours a week of their time to the Coast Guard for free. Not only do these volunteers give their time to provide all mariners more safety but they also put at the Coast Guard's disposal almost 900 boats and over 20 air vehicles. The benefits society reaps from the generosity of these men and women is unquestionable.

In 1988 alone, some of the feats the Coast Guard Auxiliary was able to accomplish are staggering. During over 13,000 hours of Coast Guard patrol and 11,000 hours of radio support—much of this monitoring took place on private radios—the Auxiliary was responsible for saving 10 lives, assisting 950 vessels and

VOL 135 PT 9 JE 14 — 22 1989 UMI

2,000 people, and rescuing and salvaging property worth over $18 million. Yet the Coast Guard Auxiliary provides more than a search and rescue service, it also serves as a preventative body by educating mariners and maintaining their vessels.

Last year, the Coast Guard Auxiliary offered over 10,000 hours of public classes, from which some 8,000 people graduated. Ten thousand people attended classes which span from charts and compasses to sailing to locks and dams. The auxiliary also examined over 25,000 boats, of which almost 8,000 were found to be unsafe.

The average age of an Auxiliary member nationwide is 55 and the body is composed of about 25 percent retirees. It is a proud and invaluable service the Coast Guard Auxiliary provides all of us who enjoy any form of recreation in America's waterway.

Mr. Speaker, my colleagues, please join me in saluting the members of the Coast Guard Auxiliary around this Nation on the occasion of their 50th anniversary. Let us hope that their next 50 years of service are as invaluable as their past 50. I am especially proud to honor the members of the Auxiliary from Brooklyn, NY.

VOICE OF AMERICA REPORTS CHINA TURMOIL

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. REGULA. Mr. Speaker, all Americans watched the tragic events in China with a mixture of shock, sadness, and anger. However, in China, the official media has yet to accurately report on the massacre in Tiananmen Square and the subsequent turmoil. That is why as many as 300 million Chinese are listening to the Voice of America's broadcasts in Mandarin, Cantonese, and English.

Since the crisis began, VOA's reputation for accurate, balanced news has drawn a huge audience. Some estimate that VOA has as many as 400 million listeners on a daily basis, despite deliberate jamming of the Chinese programs.

VOA has added broadcast hours, opened telephone hotlines, and switched to all-news programming in order to keep the Chinese people informed of events that will determine their future.

I hope my colleagues will join me in commending the staff and leadership of VOA for their tireless efforts. Their ability to make some sense of the chaos has earned them the respect and admiration of listeners around the world.

I would also like to share the following article, "Signals of China's Hope and Turmoil" from the Washington Post.

SIGNALS OF CHINA'S HOPE AND TURMOIL AT VOICE OF AMERICA, BROADCASTING TO BEIJING BECOMES A PERSONAL MISSION

(By Jacqueline Trescott)

Inside the blue studio Anita K. Tong and Dah H. Lin read over the news script written in bold black Mandarin characters, eyeballed the wall clock and waited for the signal to start. Then, after a few bars of "Yankee Doodle Dandy," they spiritedly read news summaries slugged "China Unrest," "China/U.S. Evacuation" and "Hong Kong/China" to an audience estimated at 200 million people and growing by the hour.

Part of the Voice of America team now acknowledged as the main source of information for the Chinese about the ongoing crisis in China, Lin and Tong are radio veterans, sharing 42 years as American government broadcasters. On the air they are smooth, unruffled and focused. But inside their office cubbyholes, where the teapot is plugged in, the fan mail stacked up and scenes of family and geography give China a fond immediacy, the conversations illustrate their individual distress and sadness, and the tangled threads between their professional duties and their personal lives.

"It's been terrible," says Tong, a native of Beijing. "It is really inhumane to kill innocent students. They are only asking for freedom. . . . We are all angry, sad and hopeless because we don't know how to help. Now the news is so black. We don't know what is going on." She says she worried about her sisters and brothers in China all weekend.

"I have a younger brother who is a professor of engineering and I thought he was involved. I tried for hours before I got through [on the phone] to my sister," she recalls. A small woman comfortably into her grandmother years but refusing to pinpoint her age, Tong laughed at how relieved she was to learn her brother was out of Beijing last weekend.

Lin, who admits to 57, says he, too, tries to keep his emotions in check on the air. But he says it's not easy. "I watched television when the tanks crushed the people. I just feared the worst. And I cried and shook," he said. His emotions, he says, are still churning. Over the weekend he talked to one of his three children, Judy Lin, 23, a financial analyst and graduate of the University of California at Berkeley, who had demonstrated with other Chinese Americans over the weekend. "I encouraged her and I wanted to be with her," says Lin. "For the last several days when the students gathered at the Chinese Embassy I wanted to go, but because of my job I can't demonstrate."

The deep well of emotions and ideas the events in Tiananmen square have touched in the bureaucratic recesses of the VOA have surfaced many times since the Beijing government declared martial law May 20. On Monday, Richard Carlson, the director of VOA, was walking through the China branch offices and saw one of the broadcasters weeping as he worked at his typewriter. "They report to places where there are ties intellectually, culturally . . . mind and heart kinds of ties that you don't have in a normal news operation," says Carlson. Yesterday he came to work around 5 a.m., brought several boxes of doughnuts and saluted the staff for its exhilarating work under pressure.

"Everybody here has a warm attachment and hope for the best for China," says David Hess, chief of the Chinese language service, who lived in China for 17 years. "As the shouting started, people would have a piece of news that they just couldn't believe and they would have tears streaming down their faces while they were translating that piece. It was disbelief. It was frustration, it was anger, it was sorrow and all of these mixed together.

Since Saturday the Chinese branch of VOA has been broadcasting 11 hours of news in Mandarin each day, up from 8½. It also has a daily 30-minute broadcast in Cantonese. Most of the staff has been working 10- to 12-hour shifts. The turmoil in China caught the Chinese section with no staff to spare. In recent years it has lost highly trained specialists to better paying jobs and because of budget tightening hasn't filled many slots. The branch has 41 full-time employees, most of whom are Chinese Americans and speak fluent Chinese. In the last few days they have assigned four student volunteers to the bureau's three shifts; they plan to hire six contract employees immediately and are trying to hire 15 permanent staff people.

For years the VOA, the worldwide radio network of the U.S. Information Agency, has had a loyal following in China and, according to Carlson, "during the darkest months of the Cultural Revolution there was a saying: 'The only school that is opened is the VOA.'" Its three correspondents in Beijing since October 1981 have become household names. The British Broadcasting System is also heard in China, using a powerful signal from Hong Kong, but it airs only two hours a day.

Chinese media people tell us that there are Chinese government studies that give us a daily audience of 60 to 100 million. We have telephone calls that tell us that now with the agitation . . . we have between 300 and 400 million a day. We have reports from every city that all shortwave radios are sold out of all stores. We have reports that they are playing our reports over loudspeakers at the universities," says Hess. "The only other media more pervasive is rumor. It is inaccurate, it's wild and it's emotionally agitated."

In their resolution condemning the "brutal use of force" by the Chinese government, Sens. George Mitchell of Maine and Robert Dole of Kansas directed the VOA late Tuesday to increase its Chinese language programming. Carlson, the chief of an already stretched staff, says quickly the senators are right but may be overlooking the recent cutbacks in the agency's budget.

Over the weekend the branch also established a telephone line, promoted in its Mandarin broadcasts, and began soliciting news tips and feedback about the strength of the VOA signal. For the first time since 1978, the Chinese government started jamming the broadcasts May 21. It caught the agency off guard, says Carlson. In recent days the agency has started using a 1-million-watt AM transmitter in the Philippines and has included anti-jamming instructions in some of its broadcasts.

The telephone line, which originates in China and has been receiving an average of 100 calls a day, has brought some authentic news stories. On Sunday the Washington office received a call from Wuhan saying masses of citizens had blocked all traffic on the Change River bridge for 12 hours. The VOA, says Hess, waited six hours to get two independent sources of confirmation. When that happened, they inserted the call's description into the news report. "So we took the report from six hours early in Chinese and said, 'and this report from Wuhan.' So we had it . . . a little later but it had the immediacy of being a report by a Chinese in Wuhan."

Yesterday C.H. Hsieh, a writer and editor at VOA for 17 years, was demonstrating the ease of translating the English scripts into Mandarin. He types English on the ordinary computer keyboard and the screen produces the Mandarin translation. Called SNAP, it provides its own sensation of orderliness in

the bureau. The last two weeks, Hsieh said, have been hard. "We have been touched, proud, but ashamed of the government's actions. We know the students are the hope of China."

BALTIC FREEDOM DAY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. BROOMFIELD. Mr. Speaker, I wish to join my colleagues in supporting House Joint Resolution 184, to proclaim this day as "Baltic Freedom Day". As a cosponsor of this resolution, I wish to congratulate my friend from Michigan, Mr. HERTEL, and Mr. RITTER of Pennsylvania for their leadership and hard work on this important issue.

This resolution sends a clear message to the Soviet Union that the United States Government and the American people continue to oppose the illegal occupation of Estonia, Latvia, and Lithuania. While President Gorbachev continues to talk about openness and restructuring in his country, and proclaims himself to be a man of peace, the Soviet Union continues to oppress the people of the Baltic nations.

It has now been 50 years since the signing of the infamous Nazi-Soviet Pact. That treaty not only provided for the ruthless division of Poland by the Soviet Union and Nazi Germany, but it also gave the Soviet Government a free hand in the Baltic nations. The nations of Estonia, Latvia, and Lithuania, enjoying their independence after centuries of Russian rule, were forcibly annexed into the Soviet Union.

But the winds of change are blowing across the world. More and more the oppressed people of the world are demanding freedom and the right to self-determination. The spirit burns brightly in the Baltic nations, as the people have repeatedly expressed their desire for liberty. This desire has been expressed in public demonstrations, and an insistence that their own native culture be preserved against Soviet attempts at "russification". Even the Communist legislature of Estonia has now asserted its right to "veto" directives from Moscow if they conflicted with Estonian interests.

It is clear that after 50 years, the Soviet Government has been unable to destroy the character and spirit of the Baltic peoples. Furthermore, this desire for freedom has spread to other areas of the Soviet Union as well, and those in Armenia, Georgia, and Uzbekistan are also demonstrating for freedom. President Gorbachev may control armies and weapons, but he cannot stop the spread of an idea.

Mr. Speaker, through such resolutions as House Joint Resolution 184, the United States continues to express its support for freedom and self-determination in the Baltic nations. While we might applaud President Gorbachev for many of his reforms and conciliatory statements, we also stand with those who struggle for liberty.

I look forward to the day when Estonia, Latvia, and Lithuania resume their rightful place among the free nations of the world.

I urge my colleagues to support House Joint Resolution 184.

TRIBUTE TO JACK GREEN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. HAMILTON. Mr. Speaker, I want to pay tribute to a great American athlete. The late Jack Green, a football standout at the U.S. Military Academy, has been selected to the College Football Hall of Fame. Mr. Green will join a distinguished list of athletes when he is officially inducted into the Hall of Fame in December of this year.

Mr. Green starred at West Point where he lettered 3 years, earning All-America honors in 1944 and 1945. In both of these years, the Cadets were Associated Press national champions. Mr. Green captained the 1945 team during his senior year.

Jack Green spent 6 years on the coaching staff at Army before entering active duty. After reaching the rank of captain, he returned to coaching, joining the staffs at Tulane and Florida before becoming head coach at Vanderbilt in 1963. Mr. Green coached for 4 years at Vanderbilt, leaving to become an assistant at Kansas for 1 year and for 2 years at Baylor. After leaving Baylor, Mr. Green retired from football and moved back to Nashville, IN. In 1981 Jack Green died at the age of 57. His wife, Jeanne, remains a Nashville resident.

Mr. Speaker, I invite my colleagues to join me in honoring the memory of Jack Green, as he is inducted to the College Football Hall of Fame. Just as his accomplishments are a source of pride and inspiration for those who knew him personally, so should they serve as an inspiration to all who aspire to excellence in any field.

A CONGRESSIONAL SALUTE TO DOMINIC AND LUCILLE COMPARSI

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. ANDERSON. Mr. Speaker, I rise to pay tribute today to a couple of dear friends of mine, Dominic and Lucille Comparsi, for reaching a wonderful milestone, their golden wedding anniversary, this Saturday, June 17, 1989. Their achievement is testimony to 50 years of steadfast devotion to each other, and should serve as an inspiration to all Americans.

Dom and Lucille were both born in my part of southern California. As a matter of fact, Lucille was born right in my district, and I am happy to say that Dom moved into it while he was still a young boy. They both came up through the San Pedro public schools, and Dom went on through Compton College.

Although they both lived in San Pedro and went to the same high school, Dom and Lucille did not meet until they were both in their 20's. But after they met, it was only a couple of years until they got married in Long Beach, 50 years ago this Saturday.

After a few years, these two dear people started a family, with their son, Vincent, arriving in 1945, and their daughter, Carolanne, following in 1948. Family life, however, was not the only life for the Comparsi's, as they both have been actively involved in their community as well. Some of Dom's civic involvements have included service as an officer with the San Pedro Junior Chamber, officer with the San Pedro Kiwanis Club, president of the San Pedro Western Boys Baseball League, chairman of the San Pedro American Legion Baseball League, chairman of the San Pedro March of Dimes, and past president of the San Pedro Toastmasters, past president of the San Pedro Boys Club, and past president of the San Pedro Lions Club.

Lucille, not to be outdone by her husband, is also very active in the community. She is currently a member of the Lady Lions Club, the Women's Auxiliary of the Jaycees, and is also extremely active in supporting Dominic's many civic duties.

In spite of the numerous benefits derived from their involvement with the community, I am sure their greatest joy comes from their 50 years of dedication to one another and to their family. My wife, Lee, joins me in extending our congratulations to this caring and giving couple. Dom and Lucille Comparsi are truly remarkable individuals who have devoted their talents and energies to enriching the lives of so many other people. We wish Dom, Lucille, Vincent, and Carolanne all the best in the years to come.

THE STEEL IMPORT STABILIZATION IMPROVEMENT ACT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mrs. JOHNSON of Connecticut. Mr. Speaker, 5 years of the voluntary restraint [VRA] program has helped the domestic steel industry regain profitability and market share and make great strides toward becoming internationally competitive. But, if the VRA's are to be extended, we need to ensure that the program does not impede economic growth by limiting availability of steel.

Today I am introducing legislation to extend for 3 years the President's authority to negotiate steel import limits and to improve the process for allowing steel customers to gain access to steel when domestic sources cannot supply it. The short supply mechanism as it currently operates has at times created great difficulties for many small- and medium-sized steel users who have lost order while the Government deliberated on whether to approve a particular supply request. The current short supply procedure has threatened jobs and discouraged the expansion that brings new job opportunities.

I support the VRA Program because it has helped the domestic steel industry achieve a miraculous turnaround without forcing steelmakers to litigate endless and expensive unfair trade cases. However, the domestic in-

VOL 135 PT 9 JE 14 — 22 1989 UMI

dustry's success and the economy's rapid growth has meant that steel has become more scarce. When we passed the Steel Stabilization Act in 1984, the industry was reeling, operating at 68 percent of capacity. However, since the beginning of 1988, domestic mills have been humming at 90 percent-plus of capacity and many steel customers have felt the pinch of longer delivery times and even being put on allocation by steel suppliers.

While we pursue a strong VRA program, we must ensure the availability of an adequate supply of steel for American industry when legitimate shortages exist. In recognition of that, my bill would require the Department of Commerce to act on any short supply request within 30 days. Failure to act within that time would bring automatic approval of the request. Also, Commerce would be required to: First, act within 15 days if a particular type of steel had been in short supply for 2 consecutive years; second, monitor the domestic industry's output to determine whether it was at full capacity, and approve within 15 days a short supply request if the industry were at full capacity; and third, consider price and delivery time of domestic steelmakers in reviewing a short supply request.

The last provision is critical. Today, the government deliberately does not consider the reasonableness of domestic supplier delivery lead times and prices even though there is perhaps no better barometer of scarcity. My bill would provide a real incentive for domestic steelmakers to deliver on-time at competitive prices.

Mr. Speaker, we still need a VRA Program to keep the domestic steel industry on pace. But, with American steel makers near full capacity, we also need to ensure that steel customers can get steel from other sources when Americans can't deliver it. We cannot jeopardize American jobs in one industry to protect jobs in another and we must not compromise expansion in other industries now competitive in international markets.

The Nation cannot prosper without a healthy domestic steel industry and a stable supply of steel to meet the economy's growing needs. The VRA program has brought the American steel industry back from the brink of disaster. Extending it for 3 more years with needed changes to cut the program's unnecessary redtape will ensure a first-class domestic industry and continued growth among small- and medium sized steel users.

THE CABLE FOREIGN OWNERSHIP ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. MARKEY. Mr. Speaker, I am introducing, today, for myself and 23 other original cosponsors, the Cable Foreign Ownership Act of 1989, legislation to extend current foreign ownership restrictions on broadcast and common carrier properties to new technologies, such as cable, direct broadcast satellite [DBS] and multipoint multidistribution service (MMDS), presently not covered by foreign ownership restrictions.

This essential legislation addresses the twin challenges of technology and international competition in a manner consistent with our national commitment to the public interest embodied in the Communications Act of 1934. Section 310 of the Communications Act currently limits foreign ownership of broadcast stations and common carriers. This restriction applies to direct as well as indirect foreign ownership of communications properties. Individual aliens are barred from holding licenses. Corporate licenses are limited to 20 percent alien ownership of capital stock and are prohibited from having a foreign citizen as either an officer or a director. Holding companies are allowed as much as 25 percent foreign ownership and 25 percent foreign participation on the board of directors. Further, the Federal Communications Commission [FCC] is granted discretion to approve more foreign stock ownership, board of directors' representation and officers in the case of holding companies.

This restriction dates back to 1912 and is grounded in the importance of our telecommunications network to our national security. The 1934 Senate report, accompanying the Communications Act reaffirmed the national security underpinnings of foreign ownership restrictions by noting that the Radio Act of 1927 incorporated the lessons that the United States had learned before and during World War I from the "foreign dominance of the cables" and "the dangers from espionage and propaganda disseminated through foreign-owned radio stations." The 1934 Senate report went on to state:

> Due to the lessons of the World War, the armed forces recommended government ownership of all radio. Congress did not approve this, but in lieu thereof enacted legislation requiring private ownership and operation, with positive assurance that radio would be owned by United States citizens, that directors and officers of radio companies would be United States citizens, and that four fifths of the stock would be in the hands of United States Citizens.

Current law does not apply to new technologies, such as cable, satellite and wireless cable properties, leaving a giant loophole in our Nation's communications policy. In filings before the FCC in 1975, one major cable company stated that the arguments made in 1934 with respect to the radio communications media were equally applicable to the cable industry: "Obviously, the Communications Act which was enacted in 1934 did not anticipate the emergence of cable television. However * * * it is clearly not in our national interest to have foreign governments or their representatives acquire control of a medium with the potential of developing into one of the major sources of information and communications upon which this country's citizenry will depend."

Cable has evolved into just such a medium. Currently, 80 percent of our Nation's households are passed by cable and approximately 55 percent of American households subscribe to cable service. In many areas, cable is the sole means of television reception. More than 2 million Americans own satellite dishes and receive DBS signals. MMDS licensees serve many areas not yet wired for cable, or in competition with cable. These new technologies have become increasingly important as providers of news information and entertainment programming.

To my mind, if one accepts the rationale that restrictions are important policy for our Nation's security, it makes little or no sense to preclude foreign ownership of broadcast properties but allow foreign ownership of the conduit through which the majority of Americans receive broadcast television signals. The Cable Foreign Ownership Act will adapt the Communications Act to the realities of today's technology and today's marketplace. At the same time, it will close a giant loophole through which foreign competitors could leap to control a critical segment of our telecommunications network.

Mr. Speaker, I hope that the Cable Foreign Ownership Act will move through the Congress expeditiously and favorably. The Subcommittee on Telecommunications and Finance intends to begin that process tomorrow, June 15, 1989, by holding a hearing on this essential legislation. Finally, I urge my colleagues to join as cosponsors of this important legislation.

BALTIC FREEDOM DAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. LIPINSKI. Mr. Speaker, I rise today to add to the chorus of voices being heard worldwide on the subject of freedom for the Baltic States of Lithuania, Latvia, and Estonia. Mr. Speaker, it is a chorus of voices that has been gaining strength throughout the past year, and the resulting sound has been so impressive that even the Soviet Union has been unable to ignore it. On the occasion of 1989 Baltic Freedom Day, it is important to remember the recent triumphs toward democracy and self-determination in the Baltic States, and also remember the tremendous challenges that lie ahead.

Since last summer, dramatic changes have swept across the states of Estonia, Latvia, and Lithuania because of the incredible resiliency and vision of their people. Members of the Baltic States reclaimed their national flags, anthems, monuments, and languages. The Government of Estonia shocked leaders in Moscow by declaring their sovereignty from the Soviet Union. The Lithuanian popular movement for reform, "Sajudis," announced its goal—complete national independence and neutrality. Latvian Communists, acknowledging the large numbers of non-Latvians located in their republic, announced that all immigration into the country would stop. Organizations in all three states, expressing the deep resentment of decades of Soviet occupation, openly called for the removal of Soviet troops and the reestablishment of independent states.

It has indeed been a bold and remarkable year, yet we must take this opportunity to recall why such a movement toward freedom is necessary in the Baltics and to remember that the ultimate goal has not been reached. Latvia, Estonia, and Lithuania did not enter the Union of Soviet Socialist Republics under

their own consent. Rather, following two decades of independence following World War I, a notorious agreement between Hitler and Stalin condemned them to that intolerable status. The 1939 Molotov-Ribbentrop Pact allowed the Soviet Union to unjustly occupy these previously free states, and Stalin took advantage of the opportunity. The tanks soon rolled in. For 40 years the Baltic States have been engaged in a struggle against a systematic russification process that has denied them the freedom and economic independence they had enjoyed after World War I and have relentlessly yearned to enjoy again. To be sure, the struggle has not been easy, but as the events of the past year have shown, progress is being made. Soviet leader Mikhail Gorbachev has instituted a system of concessions to the overwhelming nationalist sentiment. He has been forced to hear the sweet sound of self-determination, and he has responded.

But while such advances are encouraging, they are far from satisfactory. The people of Lithuania, Estonia, and Latvia will not and cannot accept any solution short of complete autonomy and self-determination. They do not enjoy a system "by the people," but suffer under a regime imposed upon them. If Gorbachev is serious about his policy of openness, he should open the door to freedom across the Iron Curtain and let the Baltic people choose the road they wish to follow. On this Baltic Freedom Day, we can celebrate the tremendous triumphs of the past year, and we can commemorate the spirit of the Baltic people that made those triumphs possible. Yet we must also take this opportunity to rededicate ourselves to the people whose final goal—true Baltic freedom—is still unmet. Mr. Speaker, only when this goal is reached can the chorus of cries for freedom stop and the music of liberty finally begin.

A TRIBUTE TO JOHN JOSEPH CAFARO

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. McEWEN. Mr. Speaker, I am proud to take this opportunity to honor John Joseph Cafaro who will receive the coveted Youngstown State University Distinguished Citizen Award on Friday, June 16, 1989.

John Joseph Cafaro has been a leading figure in business in Youngstown, OH, and throughout the United States. He is the executive vice president of the Cafaro Co., America's fourth largest shopping center and mall developer.

His successful business career has benefited the State of Ohio. In 1987, nearly 200 new jobs were created in the Mahoning Valley when the Cafaro Co., under the leadership of John J. Cafaro, acquired an ownership position in the Avanti Automotive Corp. and relocated the corporation to the Youngstown area. Mr. Cafaro currently serves as president chief executive officer of Avanti.

Throughout his career, John Joseph Cafaro has been a true community leader. Over the years, he has given his time and resources to several local organizations including the Youngstown Symphony Society, the Butler Institute of American Art, the Heart Association, Muscular Dystrophy Association, Easter Seal Society, Big Brothers and Big Sisters, March of Dimes, and Mothers Against Drunk Driving.

Furthermore, John J. Cafaro's commitment to education is known and appreciated by all in Youngstown. Under his guidance, Youngstown State University has developed a bachelor's degree curriculum in shopping center management.

Mr. Cafaro's many accomplishments have been recognized by local and national organizations. He received the City of Hope "Spirit of Life" Award in 1983 and was honored as one of the Outstanding Young Men of America the following year. He has been appointed to key advisory positions by both the Democratic and Republican Parties.

I know my colleagues in Congress will join me in recognizing John Joseph Cafaro, not only upon receiving the Distinguished Citizen Award from Youngstown State University, but also for the many contributions he has made to his family, community, State, and Nation.

THE B-2 FLY-BEFORE-YOU-BUY ACT

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. SYNAR. Mr. Speaker, on June 13, 1989, I introduced H.R. 2625, the B-2 Fly-Before-You-Buy Act. The bill would prohibit further obligation of funds for procurement of production aircraft under the B-2 Advanced Technology Bomber program until the Secretary of Defense certifies to Congress that flight testing of the B-2 has been successfully accomplished. The bill also requires the Comptroller General of the United States to review the Secretary's certification and submit his findings in a report to Congress. I plan to offer this bill as an amendment when the Armed Services Committee takes up the defense authorization bill next week.

I have long been concerned about the limiting effect which the cloak of secrecy surrounding the B-2 has on congressional oversight of the program. While information about the B-2 is limited, the program clearly has been characterized by two disturbing trends: Continually soaring costs and delays in its maiden flight and subsequent testing program. The cost of the B-2 has increased several times since the plane was unveiled in 1981. Pentagon sources recently estimated that the program cost has increased from $68 billion to $72 billion. There have also been reports in the press that unclassified computations indicate the cost of the program may have climbed some $17 billion in just 2 years to $75 billion. The B-2's maiden flight has slipped by more than a year, and is now scheduled for later this month.

It is a generally accepted principle that any aeronautical system should be tested thoroughly before a commitment to procurement is made. Deviations from this fly-before-you-buy principle have usually resulted in serious problems and excessive cost overruns. Unfortunately, the B-2 has fallen victim to an increasing tendency at the Defense Department toward concurrency, where a commitment is made to procurement and production actually begins before engineering development and prototype testing are completed. While concurrency is undertaken in the hope of saving money, recent experiences show that this practice is more harmful than helpful. In both the B-1B and C-5B programs, concurrency led to serious problems despite the accrued benefits of several years of experience with the B-1A and C-5A predecessor aircraft.

Obviously, the more revolutionary a proposed aircraft design is from a technological standpoint, the more necessary extensive testing is before committing to procurement and production. The B-2 is a radically different aircraft, and is therefore a high-risk program for concurrency from the standpoint of aerodynamics, stability, and control. In light of the increasing delay in the B-2's scheduled first flight test and the many questions concerning the program's status, I believe that we need to ensure that concurrency and its attendant risks are taken out of the B-2 before it is too late.

I insert at this point in the RECORD the full text of my bill for review by my colleagues.

H.R. 2625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "B-2 Fly-Before-You-Buy Act of 1989".

SEC. 2. LIMITATION ON PROCUREMENT OF ADVANCED TECHNOLOGY BOMBER.

(a) REQUIREMENT FOR SUCCESSFUL TESTING.—After the date of the enactment of this Act, the Secretary of Defense may not obligate funds for procurement of production aircraft under the B-2 Advanced Technology Bomber program until the Secretary submits to Congress a certification of the following:

(1) That developmental test and evaluation and operational test and evaluation of the B-2 Advanced Technology Bomber aircraft has been successfully accomplished in accordance with the full performance matrix created pursuant to section 232(a) of Public Law 100-456 and section 121 of Public Law 100-180.

(2) That the B-2 aircraft has a high probability of being able to perform its intended missions.

Any such certification shall be in writing and in unclassified form.

(b) GAO EVALUATION.—The Comptroller General of the United States shall review all test reports and evaluation documents of the Department of Defense concerning the B-2 program. Within 30 days of a certification by the Secretary of Defense under subsection (a), the Comptroller General shall submit to Congress a report setting forth the Comptroller General's findings resulting from such review. The report shall include the Comptroller General's evaluation of the following:

(1) The rigor, realism, and adequacy of such developmental and operational test and evaluation.

(2) Whether such test and evaluation complies with the full performance matrix described in subsection (a)(1).

VOL 135 PT 9 JE 14 — 22 1989 UMI

The report shall include an unclassified statement summarizing the Comptroller General's findings with respect to each principal matter discussed in the report.

PERSONAL EXPLANATION

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. OXLEY. Mr. Speaker, yesterday I was unavoidably absent, missing two rollcall votes. Had I been present, I would have voted "nay" on rollcall 82, the passage of H.R. 1502; and "yea" on rollcall 83, a motion to instruct conferees on H.R. 2072.

IN MEMORY OF LANCE CPL. RONALD NORTH—A SYMBOL OF THE U.S. MARINE CORPS SPIRIT

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. YOUNG of Florida. Mr. Speaker, tragedy struck the day after Memorial Day when a Marine Corps helicopter crashed during a training mission off the coast of Okinawa leaving 14 marines missing at sea and presumed dead.

One of the missing marines is Lance Cpl. Ronald D. North of St. Petersburg, FL. Last week I attended memorial services in St. Petersburg for this 20-year-old American who was such a symbol of the Marine Corps spirit.

During Memorial Day services just hours prior to the accident which took Corporal North's life, we honored the valor and courage of those Americans who gave their lives in the defense of our Nation and our ideals. Our grief is great, though, whether we lose a brave American in battle or in preparation for battle and when there is a loss of life we are reminded that freedom does not come without a price.

Corporal North was a hero in every sense of the word. He was one of those special Americans who volunteered to serve in our Armed Forces and to be prepared to go to any part of the world on a moments notice to preserve our freedom, or the freedom of our allies. As the accident off the coast of Japan well illustrates, our men and women who serve in uniform put their lives in jeopardy everyday, whether in time of war or peace, and we owe a great debt of gratitude to those who are willing to take these great risks.

We all know the closing words of our national anthem:

Oh say does that star-spangled banner yet wave
O'er the land of the free and the home of the brave?

But Mr. Speaker, let us never forget that to be the land of the free America must always be the home of the brave and America was the home of a brave marine—Lance Cpl. Ronald North.

Mr. Speaker, we all mourn the loss of the young American who died in the noble defense of our great country, but the toll of this accident falls the hardest on the families of the 14 men involved, including Corporal North's parents, David and Joyce North. The greatest tribute paid to Corporal North during his memorial service were the loving words of his father who talked of his son's dedication to his family and his country. Following my own remarks, I would like to read the words of his father's tribute simply entitled "Ron" because it symbolizes the spirit with which Lance Cpl. Ronald North willingly volunteered to serve his country.

RON

He was a happy quiet baby who rarely cried. He smiled constantly.

In his preteen years he always tried to keep up with his older brother on the soccer field.

He struggled in school, even though his parents knew he was capable, he didn't want to apply himself. He was eager to get on with his life.

In his earlier years he was very withdrawn and didn't have many close friends (just his real brother and a boy he was raised with, a neighbor turned life friend and brother John Moyse—now at West Point).

In high school he seemed to blossom and developed a new circle of friends, that he loved and wanted to be with constantly. In high school, he decided to preenlist in the service. After careful scrutiny the Marines were his only choice.

From that moment in his junior year when he decided to be a Marine you could sense that he was a Marine in spirit, before he joined and would be one long after he separated from the Marines.

He never complained about joining.
He knew the risks.
He hated communism.
He loved his country.
He loved his family and friends.
He was strong and manly.
He was a person who could be counted on to honor a commitment.

As his father I realize now that he wanted to be recognized by his father and family.

TRIBUTE TO DAISY LINDSEY SHIPMON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Daisy Shipmon, a woman who has dedicated over half her life to teaching and to the betterment of today's youth, upon her retirement.

Daisy received her bachelor of science degree from Fayetteville State University in North Carolina and completed her master's degree in education at Youngstown State University in Ohio. Her 32 years of teaching, 25 of which was in the Youngstown school system, have enhanced the lives of many. Daisy's deeply-rooted involvement with youth does not only reside in the classroom, but also can be seen in her active participation in the Urban League Guild, as an advisor on a committee for reading, a youth seminar teacher, and member of Youngstown Education Association, O.E.A., and N.E.A.

Daisy is married to Dr. Luther J. Shipmon. Their daughter, Krishmu, has followed in her mother's footsteps and is presently a teacher and counselor in Youngstown, OH. Daisy Shipmon is the founder of the Youngstown chapter of Zeta Phi Beta and was a Jenning Scholar in 1971.

Mr. Speaker, we cannot expect this Nation to move ahead into the future as a leader by forgetting about our youth. Daisy Shipmon has realized this and is an excellent example of an American who truly cares about the future. Her retirement will be a great loss to my 17th Congressional District of Ohio as well as this Nation. I wish her the best of luck in the future and consider it an honor to represent her.

INTRODUCTION OF H.R. 2629—THE MEDICARE PHYSICIAN PAYMENT REFORM AMENDMENTS OF 1989

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1989

Mr. WAXMAN. Mr. Speaker, today I am introducing the bill H.R. 2629, the Medicare Physician Payment Reform Amendments of 1989. It is a great pleasure for me to do so, because this represents the product of several years of effort and progress.

This bill would completely reform the method by which Medicare payments for physician services are derived. It would replace the current charge-based method, with all of its well-documented deficiencies, with a fee schedule that reflected the relative resources that go into providing each service, as well as the relative costs of furnishing such services in various areas of the country.

The full implementation of this "resource based, relative value scale fee schedule" would be phased in over 7 years, beginning next year.

There are several premises undergirding this bill. The first is that this is payment reform, not cost containment and, therefore, should expressly be done on a budget neutral basis. The bill states that aggregate payments during the transition should be the same as they would have been in the absence of reform. Actions to meet budget reconciliation instructions will be done separately from this reform.

The second premise is that we will retain paying for physician services predominantly on a fee-for-service basis for the foreseeable future, but that we need to improve the current, badly flawed system.

The third premise is that we have learned a great deal about physician payment reform over the last 4 years and we know enough to set our ultimate objective and begin promptly to make substantial progress toward that objective. Since the first adoption of the fee freeze in 1984, we have mandated studies by the Secretary of Health and Human Services and we have created the Physician Payment Review Commission to evaluate alternative reforms and make recommendations to us. The Commission recently delivered its third annual report, with a comprehensive and thoughtful

set of specific recommendations. In my view, which is supported by a number of important physician and beneficiary groups, the course for reform is clear and the initial steps can begin.

The fourth premise is that we have time to resolve those questions for which we do not have complete answers, and we will be better able to answer them based on real experience gained during the initial implementation stages. Undoubtedly, there will be new issues raised during implementation that we have not anticipated. Over the next 2 years, there will also be generated better data and information, and more thorough analysis, to answer both currently identified issues and new issues that arise. We should be prepared to learn by doing.

The fifth premise is that this implementation, and this learning process, should be done in a way that minimizes any risk of a serious mistake or an overcorrection of current deficiencies. Physicians, patients, and policymakers all need time to understand the changes, to adjust to them, and to monitor the consequences carefully. It will be particularly important to monitor closely the potential effects on access to care, on quality of care, and on patient out-of-pocket expenditures.

These premises have led me to structure this bill in an unusual fashion. The reform would be phased in over 4 years. To help readers' understanding of how this transition would work, and to facilitate the Congress in making further changes and refinements during each stage of the transition, I have set out the rules for each year separately.

During the first 2 years, the Secretary of HHS would construct a "reference fee schedule," based on a resource-based relative value scale. This RBRVS would be developed from the work done by Prof. William Hsiao at Harvard, and the analysis and refinements made by the Physician Payment Review Commission. Payments would not be made directly under this reference fee schedule. Rather, it would be used to adjust the current prevailing charge screens for individual services up or down, depending on the relationship of those prevailing charges to the reference fee schedule.

The bill seeks to balance the desire for substantial progress toward reform with a concern for minimizing the risks of either an erroneous result or a sudden and unanticipated impact on physicians or patients. Therefore, the adjustment in the first year would be one-fifth of the difference between the fee schedule and the prevailing charge. In the second year, the adjustment would be one-fourth of the remaining difference.

By the third year, our confidence in the fee schedule should be sufficient, when combined with any refinements made by the Congress in the interim, to permit us to begin paying under a fee schedule. However, since the amount of increases and decreases in payments may still be substantial, the bill would have payments during the third year of transition made under an adjusted fee schedule. The dollar amounts under the adjusted fee schedule would be derived by splitting the difference between the reference fee schedule and what the prevailing charges would have been.

Another important aspect of how this bill is structured is that it sets forth the first year adjustments in great detail, but over the remaining 4 years leaves increasing discretion to the Secretary, as well as further opportunities for refinements by the Congress. Because I am interested in getting an early start on the transition, I wish to have the first adjustments made by April 1, 1990. To meet that deadline, the Congress will have to specify virtually all of the important policies. Otherwise, the Department might get involved in extended internal debates, extended discussions with interested parties outside the Department, and delays in the rulemaking process. The specifications by the Congress would, however, be grounded on expert advice from the PPRC, technical advice from the Department, and a full discussion among the members. In that regard, I should note that in several very important areas, such as the initial 300 to 500 procedures that would be covered by the RVRVS, the bill refers to the committee report for the specifics. Obviously that report does not now exist and will not exist until the committee acts. What this approach is intended to do, however, is provide detailed instructions where necessary without burdening the bill with excessive detail. The report would simply include the decisions of the committee based on the advice received from the PPRC after consulting with the Department.

Finally, I should note the provisions designed to protect beneficiaries against excessive balanced billing. Whenever we affect Medicare payments to physicians, we must be sensitive to the potential for the cost simply to be shifted to the patient. As we move forward in consideration of this legislation we will continue to search for effective means of protection.

There are a host of important issues and details in this bill. I do not wish to cover them all in this statement. However, I will be making additional explanatory information available and will be discussing it with the members of the Subcommittee on Health and the Environment. I and the staff of the subcommittee are available, and more than happy, to discuss it with any member who wishes to do so.

Mr. Speaker, this reform is by no means the panacea for solving all the problems in Medicare or in the delivery of health care. We need a coordinated approach that entails improved policies on graduate medical education and health manpower, along with enhanced research on technology assessment, quality assurance and the effectiveness and appropriateness of health care services. We also need improvements in peer review and utilization review. We will continue to pursue those areas vigorously. It is quite clear, however, that this reform is an important element in our overall strategy. Payment reform belongs in this year's reconciliation bill and I urge my colleagues to support that effort.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 15, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 16

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Richard Harrison Truly, of Texas, to be Administrator of the National Aeronautics and Space Administration and James R. Thompson, Jr., of Alabama, to be Deputy Administrator of the National Aeronautics and Space Administration.

SR-253

Finance

Medicare and Long-Term Care Subcommittee

To resume hearings on physician payment reform under the Medicare program.

SD-215

Governmental Affairs

Government Information and Regulation Subcommittee

To resume hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.

SD-342

Governmental Affairs

Federal Services, Post Office, and Civil Service Subcommittee

To hold hearings to examine policy issues regarding operational testing, as well as contracting practices.

SD-628

10:00 a.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on S. 566, the National Affordable Housing Act, focusing on rental assistance and public housing.

SD-538

Environment and Public Works

Environmental Protection Subcommittee

To hold oversight hearings on the implementation of the Federal Water Pollution Control Act Amendments (P.L. 100-4).

SD-406

Foreign Relations

To resume markup on proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.

SD-419

10:30 a.m.
Judiciary
Constitution Subcommittee
To hold oversight hearings on the implementation of the Bail Reform Act of 1984 (P.L. 98-473).
SD-226

JUNE 19

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on proposed legislation authorizing funds for fiscal year 1990 for the U.S. Coast Guard.
SR-253

Finance
Health for Families and the Uninsured Subcommittee
To hold hearings on proposals to provide universal access to health care.
SD-215

Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee to hold hearings to examine Federal recruitment policies and practices.
SD-342

1:00 p.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit Subcommittee
To resume oversight hearings on the Farmers Home Administration implementation of the Agriculture Credit Act of 1987 (P.L. 100-233), as it relates to borrowers.
SR-332

JUNE 20

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings to review mechanisms for establishing priorities in agricultural research programs.
SR-332

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 724, to modify the boundaries of the Everglades National Park and to provide for the protection of lands, waters, and natural resources within the park.
SD-366

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, the National Affordable Housing Act, focusing on low-income housing preservation.
SD-538

Finance
To hold hearings on proposals to improve health care coverage for children under the Medicaid and Maternal Child Health Services Block Grant programs.
SD-215

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on the proposed Copyright Moral Rights; Visual Artists Rights Act.
SD-226

11:00 a.m.
Select on Indian Affairs
To hold hearings on the nomination of Eddie F. Brown, of Arizona, to be Assistant Secretary of the Interior for Indian Affairs.
SR-485

2:00 p.m.
Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings on S. 396, to provide protection for the operation of interest rate and currency swap agreements when one party files for bankruptcy relief, and S. 84, to provide Federal debt collection procedures.
SD-226

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

Environment and Public Works
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 106, setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.
SD-406

Foreign Relations
Business meeting, to consider the nomination of Donald Phinney Gregg, of Maryland, to be Ambassador to the Republic of Korea.
SD-419

JUNE 21

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on the diversity and concentration of media ownership.
SR-253

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 640, to establish guidelines for Federal standards of liability for general aviation accidents.
SR-301

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
To resume hearings to examine the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

Small Business
To hold hearings to examine the impact of enterprise zones on small business growth and development.
SR-428A

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, the National Affordable Housing Act, focusing on rural and Indian housing.
SD-538

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on S. 1112, authorizing funds through fiscal year 1993 for solid waste disposal programs and S. 1113, to provide States with the policy direction, technical support, and financial assistance to effectively manage the municipal solid waste within their borders.
SD-406

1:30 p.m.
Agriculture, Nutrition, and Forestry
Conservation and Forestry Subcommittee
To hold hearings to review the sustainability of forest resources.
SR-332

2:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1067, to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on miscellaneous public lands measures, including S. 558, S. 560, S. 818, S. 855, S. 940, and S. 963.
SD-366

Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation authorizing funds for the Civil Rights Commission.
SD-226

JUNE 22

8:00 a.m.
Veterans' Affairs
To hold hearings on S. 404, H.R. 1415, and S. 989, to extend certain Department of Veterans Affairs home loan guaranty provisions, and related measures.
SR-418

9:00 a.m.
Agriculture, Nutrition, and Forestry
Conservation and Forestry Subcommittee
To hold hearings to review conservation and agricultural practices.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on the diversity and concentration of media ownership.
SR-253

9:30 a.m.
Small Business
To hold hearings to assess the problems faced by small businesses in complying with the paperwork requirements of the Occupational Safety and Health Administration's hazard communications standard.
SR-428A

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Business meeting, to mark up S. 804, to conserve North American wetland ecosystems and waterfowl and other migratory birds and fish and wildlife that depend on such habitat.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1005, relating to the sale, purchase, or other acquisition of certain railroads.
SR-253

Energy and Natural Resources
To hold hearings to review trends in domestic CO_2 emissions as they contribute to the phenomenon of global warming.
SD-366

Judiciary
Constitution Subcommittee
To continue hearings on proposed legislation authorizing funds for the Civil Rights Commission.
SD-226

JUNE 23

9:30 a.m.
Governmental Affairs
To hold hearings on S. 253, to establish a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on administration of Indian programs by the Environmental Protection Agency.
SR-485

JULY 11

9:30 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

2:30 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, and on fossil energy research and development and the clean coal technology program.
SD-366

JULY 12

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Janice Obuchowski, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.
SR-253

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 707, to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience.
SR-253

JULY 13

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on capabilities and concerns of the national sealift policy.
SR-253

Veterans' Affairs
Business meeting, to consider pending calendar business.
SR-418

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

Judiciary
Business meeting, to consider pending calendar business.
SD-226

JULY 14

10:00 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

JULY 18

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on tuna management.
SR-253

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commerical efforts to develop advanced nuclear reactor technologies.
SD-366

JULY 19

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, relating to the broadcasting of certain material regarding candidates for Federal elective office.
SR-253

JULY 20

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

JULY 21

9:30 a.m.
Select on Indian Affairs
To hold hearings to establish a Tribal Judicial Resource Center.
SR-485

JULY 26

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1009, relating to the purchase of broadcasting time by candidates for public office.
SR-253

JULY 27

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

SENATE *Thursday, June 15, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 1:30 p.m., on the expiration of the recess, and was called to order by the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up. Doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil. Rejoiceth not in iniquity, but rejoiceth in the truth. Beareth all things, believeth all things, hopeth all things, endureth all things. Love never faileth * * *.*—1 Corinthians 13:4–8.

Father in Heaven, in this place and in the democratic process, where controversy, conflict, and compromise are endemic, it seems almost futile to think love which we so easily equate with sentimentalism. Help us to understand tough love, the kind of love that causes a man to lay down his life for a friend, the kind of love that embraces an enemy, the kind of love Jesus Christ demonstrated on the cross. Help us to give love a chance so that controversy, conflict, and compromise may be infused with this most powerful, this mother of virtues, this practice which comprehends all law. Help us to think of love as volitional rather than emotional and give us the grace to will to love. Forgive us for our fear of love as though it is weak and irrelevant. Mighty God who is love, help us to love as Thou doest love us. In His name His love incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 15, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KERREY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, following the time for the two leaders this afternoon there will be a period for morning business not to extend beyond 2:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

RESERVATION OF THE MAJORITY LEADER'S TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time.

RECOGNITION OF REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. DOLE. Mr. President, last evening I requested that we might have 30 minutes of morning business time to discuss the President's crime package. I thought it might be introduced today. Now it may not be introduced until next Monday or Tuesday, so I hope I have not caused anybody any inconvenience by coming in 30 minutes before the leader planned.

Second, I am prepared at this point, if the leader wanted to get consent, to move to the child care bill, to grant that consent following morning business of whenever, or after consultation between the two leaders.

Mr. MITCHELL. Yes. Mr. President, I am grateful to the distinguished Republican leader for his cooperation in that regard. I would like to discuss that briefly with him for a moment, and, therefore, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF S. 5

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar item No. 43, S. 5, the child care bill, at 3 p.m. today.

I further ask unanimous consent that when the Senate begins consideration of S. 5, I be recognized to withdraw the committee-reported substitute and offer a new substitute amendment.

Mr. DOLE. Reserving the right to object, and I just want to make a couple of points. I do not believe I will object, but I would hope the new substitute would not include section 89 and be limited to the child care provisions. I know that the Finance Committee reported a child care provision and modification of section 89 as a package.

That was certainly not the understanding of anyone I can find on our side of the aisle, and we would hope we could limit the debate on child care to child care.

What I am fearful of, to be very frank with the majority leader and others, if we are going to get off into section 89, there are other areas some may feel constrained to raise—catastrophic, repeal of section 89, Social Security earnings limitations and other amendments. I hope we can deal with section 89 freestanding and not a part of the child care package.

Second, I would hope if we cannot get the agreement right now, that we can quickly dispose of two or three nominations.

The ACTING PRESIDENT pro tempore. Is there objection to the request?

Mr. DOLE. Maybe the majority leader can respond to that.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. MITCHELL. With respect to the nominations, the latter point made by the distinguished Republican leader, we are at this time working on that. It is my hope we will be able to schedule

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the three pending matters prior to the recess period, which begins at the end of next week. That is my present intention.

Mr. DOLE. That would be Reed, Secchia, and Hecht?

Mr. MITCHELL. That is right.

As the distinguished Republican leader recognizes, there may be some debate on those, but I understand all he is asking is they be brought forward for debate and disposition in the Senate during that time period.

Mr. DOLE. Further reserving the right to object, on this side of the aisle, they have all been cleared, but they are sort of tied together, as a group. Some of them have been held for some time, I think back to May 10, as in the case of Mr. Reed, and his nomination is an important one; as is Mr. Secchia, the Ambassador designate to Italy; and Mr. Hecht to the Bahamas.

So I would hope that we could dispose of those next week, notwithstanding what may happen to child care; we might still be debating that, because there is a recess period and we would like to have these three nominees in position in the countries they will be representing.

Mr. MITCHELL. That is my intention. I believe, and I am sure the distinguished Republican leader would agree, it is important that the record be clear in this regard.

Mr. Reed was reported by the Committee on Foreign Relations and placed on the calendar on May 10. That has been held up at the request of a Republican Senator. Mr. Secchia was reported by the Foreign Relations Committee and placed on the calendar on May 17. That has been held up at the request of a Republican Senator. Mr. Hecht was reported by the committee and placed on the calendar on June 8. That has been held up at the request of a Democratic Senator.

So the ones who have been held up for a long time have been at the request of Republican Senators, which I attempted to accommodate. However, I can say to the distinguished Republican leader, it is my intention at this time to go to these prior to the recess. We are trying to get that cleared at this moment, so I do not have authority to make the request. But I hope to make that request before the end of today, and perhaps very shortly.

With respect to the first point made by the distinguished Republican leader, as he knows from our previous discussions, I am aware of his concern. I am not able at this time to give the Senator assurance that section 89 will not be in it, but I will discuss it further with the chairman of the Finance Committee and other Members here.

Mr. DOLE. Mr. President, further reserving the right to object, I know that both Senator BENTSEN and Senator PACKWOOD tried to reach each other. They missed each other. They may have had a visit by now.

I know one reason section 89 may be a package is because of revenue flow, but we think that could be taken care of by taking some of the revenue out and putting it in the 1989 package, whatever may be needed. It does seem to us it is going to be a very spirited debate in any event on child care, whether it is ABC or some other proposal, or a proposal from this side, and we prefer not to mix it up with other issues.

If that is not the desire of the majority, then we just want to make it clear they understand we will be offering amendments that may also go beyond child care and beyond section 89, and we hope we would have that right, too.

I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. I thank the distinguished Republican leader.

Mr. President, I understand that under the previous order the Senate will now go into morning business until 3 p.m.

The ACTING PRESIDENT pro tempore. That is correct.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2:30, with Senators permitted to speak therein for not to exceed 5 minutes.

EXTENSION OF MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the period for morning business be extended to 3 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE PRESIDENT'S CRIME PACKAGE

Mr. BIDEN. Mr. President, I rise in this period of morning business this afternoon to briefly discuss the President's crime package that he announced at Glynnco, GA, today. We do not have the details of that proposal at this moment, so there will be no bill introduced today.

As chairman of the Judiciary Committee, I am willing to, as the bill as I understand it is to be on request, participate in that being introduced to the Senate before my committee. But I would like to make a few comments, while our colleagues are contemplating what the President said today, not on the detail of his crime package but the significance of what he is suggesting we do. I think he made some very good suggestions.

The President's plan contains some things that I support and support very strongly. He is asking for more prosecutors, for more court resources, for more prison beds to guarantee that violent criminals receive swift and sure punishment rather than being put back on the street for lack of facilities. I, and almost everyone in here, have supported every single administration request for more antidrug funds, and I strongly support beefing up the number of prosecutors, court facilities, and prison facilities.

But, Mr. President, it is important to be reminded of one thing, and that is whatever promises the President makes, he has to say how he is going to pay for those promises. How is he going to pay for more prosecutors? How is he going to pay for more prison beds? How does he propose that we pay to up the ante on this war on crime and drugs?

The irony, if I can give you an example, Mr. President, is that I was struck, as I watched the President speak at Glynnco, with a number of law enforcement officers arrayed behind him today, and some of our distinguished colleagues in the Congress with him, and the Attorney General, as he praised the Federal Law Enforcement Training Center and raised it on a pedestal—that it should be, it is a first class operation, it is in Georgia, it provides state-of-the-art training for Federal, State, and local law enforcement officers.

Keep in mind, he is at this facility, talking about what a phenomenal facility it is, how much more we have to provide in the way of law enforcement capability, and yet in the President's 1990 budget that he proposed to us, already he calls for cutting—cutting—the funds for Glynnco. I was somewhat struck by that irony. He is making his case about how we must be tougher; he is offering as an example of the excellence that we, the United States, have at our command through law enforcement the men and women who graduate from Glynnco, and his present budget calls for cutting Glynnco.

I say, Mr. President, that much of what the President has proposed we already passed last year in the drug bill, which we, Democrats and Republicans, House and Senate, and President of the United States, refused to fully fund. We told the American people how important this fight is. The President made the case again today, and he is right. It is the single-most important domestic concern facing the United States of America.

Yet much of what he proposed we already passed. It makes no sense, for example, to hire hundreds of new FBI

agents if we do not fund the 225 new FBI agents we authorized last year and the President refused to fund. He is suggesting we beef up the war on crime, and there is this new crime bill in which he says he wants more FBI agents. Well, Mr. President, we already asked for 225 last year, and he said there was not enough money to do it this year. So where are we going to get the money for these additional FBI agents?

I will not take the Senate's time right now, but it goes all the way down the line. There are a number of things he proposes. For example, he wants to add $14 million for new immigration services and border patrol agents to arrest aliens who are violent criminals. I think that makes great sense, but why does it not make sense to pay the $26 million that we already promised for the exact purpose in last year's bill? Is this 14 above the 26, or is this 14 in place of the 26 that we did not spend?

What is of even greater concern to me are programs that President Bush is not proposing to pay for that we authorized last year and is not suggesting we add this year.

For example, $46 million for more than 700 new Drug Enforcement Agency positions. We said last year we thought that was necessary. We did not come up with the money for it. We are not funding it at all. It is not like the border patrol folks where he is saying 14 this year instead of 26 last year. At least he is saying something. Last year we said $46 million for new DEA agents, and I wonder whether his failure to mention those means he is going to go back and fund $46 million or he does not think we need the $46 million.

Again, I could go into much more detail, but I will not because it might not be fair because we do not have all the detail of his bill. One other example: Almost $500 million to provide 176,000 new outpatient and almost 50,000 new inpatient drug treatment beds that we passed last year. We did not come up with the money for it last year. The President hailed the bill as a breakthrough when he was a candidate. We hailed the bill as necessary. We all went home and said what progress we are making, and then we did not pay for it. There is no mention of it in the new bill. Again, I may be wrong. Maybe he plans on coming up with a supplemental to pay for this. It is a fancy jargon we use to say come up with the money we did not come up with before now. Well, maybe he does.

Firearms he mentions. I will not go into that detail now. Let me conclude to stay within the 5 minutes if I can.

If not, I will ask unanimous consent for a few more. Is my time up, Mr. President?

The ACTING PRESIDENT pro tempore. It is.

Mr. BIDEN. I ask unanimous consent for 2 more minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BIDEN. The reason I rise, Mr. President, is not for the purpose of criticizing the President. The reason I rise is that I believe with every fiber in my being that the issue of crime and drug abuse must be a nonpartisan issue. Second, it must be an issue about which we level with the American people, that we tell them the truth. We spend a lot of time telling them about how bad the problem is. That is the one thing we do not need to tell them about. They know the truth of those assertions. They need no Senator nor Congressman nor President to tell them. But we must tell them the truth about whether or not we mean what we say. Do we mean to fund the effort that we say is necessary?

Mr. President, I serve now as chairman, and as the ranking member of the Judiciary Committee—it is hard for me even to say this—for almost a decade. God, it has been a long time, longer than I want to admit. And Senator THURMOND and I have made a commitment during these years to not play politics with the issue of crime and drugs. These issues are simply too important for partisan politics. That is literally true. We have not played that way, Senator THURMOND and I—when he was chairman and now as ranking member.

That is why we have passed so much. That is why we have done so much. That is why I called Senator THURMOND yesterday to offer to introduce the President's bill with the ranking member of the committee by request, and I will commit to hold hearings. But what I do not want to sign on to is another piece of legislation that contains hollow promises about so-called wars on crime or wars on drugs. The American people will in my view, although it is presumptuous for me to suggest what the American people will think—but I believe the American people are tired of us telling them we are going to do something knowing full well we are not going to provide the resources to do what we said we were going to do.

So, Mr. President, it seems to me one of my obligations as chairman of the committee that has jurisdiction over these issues is to cooperate with the President, to see to it that his legislative initiatives, even some portions of which I disagree with like the exclusionary rule, notwithstanding that, to make sure he gets his day in court if you will and try to help pass these measures.

But I also think—and I say this respectfully—part of my responsibility as chairman of the Judiciary Committee is to hold the President's feet to the fire on this issue. If we are going to do something, we must pay for what we said we need.

I look forward to working with the President on this issue, and also providing the money to pay for these programs.

I thank my colleagues.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Connecticut [Mr. LIEBERMAN].

Mr. LIEBERMAN. Thank you, Mr. President.

Mr. President, I am particularly honored to rise at this moment and follow the distinguished Senator from Delaware, who has served so ably as chairman of the Judiciary Committee, and he has been such a steadfast leader, and a truthful leader in the war against crime and drugs.

Mr. President, I rise today to commend President Bush on his crime proposals. He outlined them a few weeks ago on the steps of the Capitol and then he essentially repeated them today at the Federal law enforcement training facility in Georgia.

This, as Senator BIDEN has said, is an issue above all others which demands bipartisan support. The upsurge in crime in this country, particularly drug-related crime, has struck fear into the hearts of our citizens. Personal security is perhaps the most basic and crucial right in society. It is the one without which all the others do not matter. And people have a right to expect that their Government will protect their personal security.

The President's crime initiative recognizes that responsibility, and heads us in the right direction toward upholding it. I support President Bush's call for tougher penalties for those who commit crimes with guns, including imposition of the death penalty for certain crimes with guns that result in a death.

I also believe that the problem of crime today cannot be divorced from the problem of drugs. Eighty percent of all property crimes and 60 percent of violent crimes in my State of Connecticut are drug or alcohol related. And that is typical of the problem nationwide. Yet the 1988 Drug Act has not been fully funded, and I am sorry to say that the President's budget leaves it underfunded. The time has come for the President and for all of us in Congress to put our money where our mouths are, and give our troops the resources to really fight the war on crime and drugs.

I commend President Bush for proposing major funding for additional Federal prison space. I can tell you, Mr. President, that prison overcrowding at the State level is an overwhelming problem because of the huge increase in drug-related arrests, and it is a problem that today makes a mockery

of our system of justice. In my own State of Connecticut most convicted drug dealers are serving only 10 percent of their sentences, and the reason is prison overcrowding. Spending 2 or 3 months in a prison is obviously not much of a deterrent to crime, particulary not to the lucrative crime of dealing in drugs.

This problem has placed the criminal justice system in virtual turmoil throughout our country nullifying successful law enforcement efforts because the punishment is not really there to fit the crime even if it is imposed. It is not carried out in the jails.

Connecticut's Governor, William O'Neill, has called upon the President and those of us in Congress to turn abandoned or underused Federal military facilities into regional drug prisons. The aim of that, of course, would be to relieve the immediate prison crisis that exists at the State level. I think the Governor's idea is a good idea. I hope it is one that we will pursue in this Congress.

Finally, there is a critical oversight role for Congress and the executive branch to play in the war on drugs. Money alone is important, but it will not solve the problem, unless it is spent effectively. Let me just offer one example. There are drug treatment programs in Connecticut with the funds in hand to establish new facilities, but they simply have been unable to find an acceptable location.

As we provide funds for treatment, do we know what types of programs are the most effective? As we provide funds for prison expansion, do we know what types of alternatives to full security incarceration are the most likely to deter or, hopefully, rehabilitate? I hope that we, in this session of Congress, can provide some guidance and oversight as we devote more of our resources to fighting the war on drugs and crime.

Mr. President, in short, I welcome President Bush's crime initiative, with the hope that we in Congress can build upon it to help State and local governments combat the related problems of drugs and crime in our communities and restore to our people some sense of confidence in their personal safety and personal security. Thank you, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana [Mr. BREAUX].

ACTIONS OF CHINESE CONSULAR OFFICIALS AGAINST CHINESE STUDENTS IN THE UNITED STATES

Mr. BREAUX. Mr. President, for over 2 months the eyes of the world have been riveted on China. The student-led democracy movement has captured the imagination of the American people. The brutal massacre of the protesters in Tienanmen Square 11 days ago and the subsequent round-up of students and their sympathizers have drawn cries of condemnation from around the world, and rightfully so.

However, the Chinese Government has not confined its wave of terror to the People's Republic. Press reports in the New York Times and the Washington Post, among others, have detailed a campaign of deliberate harassment of Chinese students in the United States. Officials from Chinese consulates in Houston, New York and San Francisco are reported to have videotaped and photographed students demonstrating in front of their buildings. In addition, employees of the Chinese Embassy here in Washington and consular officers in other cities are alleged to have been visiting Chinese students in order to intimidate them into ceasing their activities in support of freedom in the People's Republic. Other students have been badgered by anonymous callers. In at least one case, the lives of a student's family back in China were threatened. Students favoring the crackdown are reported to have warned others not to protest, or organize demonstrations. Implicit in all of these encounters was a warning to the students that Beijing's reach extends to our shores and that they and their families would ultimately suffer. One student quoted in yesterday's Washington Post said, "I would be shot if I go back. I won't even go to prison. I will go straight to the execution ground." He also feared for his family, saying "they may be held hostage." In addition to the two consular officials who requested asylum last weekend in San Francisco, a husband and wife from the education section of the consulate there are reportedly considering seeking political asylum because they do not want to provide a "blacklist" of Chinese students involved in demonstrations at the consulate.

Mr. President, if these allegations are true, this is an outrageous breach of American law, and international law; and it is an insult to the sovereignty of the United States. I find this pattern of behavior offensive, and I know my colleagues in this Chamber would, as well.

Foreign nationals in the United States are protected by American laws. The Chinese students in this country have exactly the same rights as American citizens. Unlike in their home country, they are free to speak and write as they please and are free to gather to air their grievances in public. Although the Chinese authorities may be within their legal rights to photograph the student demonstrators, their behavior is politically and diplomatically improper.

Other forms of harassment, including telephone calls and visits to individual students are violations of numerous Federal statutes. The use of intimidation and threats, overt or implied is a violation of American law. Monitoring, or conducting surveillance of individuals by agents of a foreign power is a violation of American law. Perhaps the most serious alleged violation of our law is the use of third parties to convey warnings from Chinese Government officials, or to monitor the activities of other individuals. According to legal experts at the Department of State, this activity would constitute a violation of U.S. espionage laws.

If the Chinese have violated American law, they would also be in violation of international law, which mandates adherence by diplomatic personnel to the laws of the host country. In addition, at this time of crisis in China, and tension between the People's Republic and our country, the Chinese have violated the precepts and norms of international behavior through their actions.

Mr. President, I am shocked and outraged by these actions and I hope that my distinguished colleagues share these feelings. It is imperative that any actions by Chinese officials to harass their nationals now in the United States cease immediately.

Mr. President, I have drafted two letters that I hope my colleagues will join me in sending to the Ambassador of the People's Republic, Han Xu, and to Secretary of State James Baker. The letter to the Ambassador will express our opposition to all activities by Chinese officials against Chinese nationals while they are in the United States. The letter to the Secretary of State will ask him to thoroughly investigate these allegations and to take whatever steps are necessary in order to insure that they do not continue.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A SETBACK TO CIVIL RIGHTS

Mr. KENNEDY. The end of the term decisions by the Supreme Court on civil rights were a growing cause of concern to Congress and all Americans who care about equal opportunity in our society and equal justice under law.

Today, in the fourth straight decision in 11 days, the Court has once again dealt a significant setback of civil rights. In this atmosphere, the whole is worse than the sum of its

parts. Taken separately, each of these retreats would be a source of genuine concern. Together, they are a serious threat to the 35 years of progress that we have achieved toward a better and fairer society. Congress must not let these decisions stand.

As in the case of the Grove City ruling in 1984, the Senate and the House of Representatives must act to repair the damages. I intend to introduce legislation to achieve this goal. In the Grove City debate, we did not have President Reagan on our side, but this time we hope to have President Bush with us. I look forward to working with the administration to achieve our common goals on civil rights.

Mr. President, I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JAMES B. HOLDERMAN: LEADING THE UNIVERSITY OF SOUTH CAROLINA INTO THE FIRST RANK

Mr. HOLLINGS. Mr. President, for the last 12 years the University of South Carolina has been led by a hard-charging former political science professor named James B. Holderman. Jim is not only an acute student of politics, he is a superb politican himself—in the best sense of the term. And like the best politicians in this body, Jim approaches his job with 16-hours-a-day, 7-days-a-week zest, a commitment of energy and intellect that has been a boon to the university.

A lengthy profile of Dr. Holderman appears in the May 31 issue of the Chronicle of Higher Education. The article characterizes Jim Holderman as "flamboyant" and "controversial," a president with ambitions of turning USC into the "Michigan of the South" by its 200th birthday in the year 2001. I do not dispute the characterizations, but I do think Jim is too modest about his school's accomplishments. It strikes me that the University of Michigan should be more flattered at being compared to the University of South Carolina than vice versa. Be that as it may, I salute Jim Holderman for the stand-up, stand-out job he has done at the university. What is more, Mr. President, I request unanimous consent that article from the Chronicle of Higher Education be reprinted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FLAMBOYANT PRESIDENT PURSUES HIS FAVORITE HOBBY: PUTTING THE UNIVERSITY OF SOUTH CAROLINA "ON THE MAP"

(By Carolyn J. Mooney)

COLUMBIA, SC.—Some college presidents dream of sabbaticals, of time off from fund raising and budget battles to write books or examine fossils or catch up on their reading.

Not James B. Holderman, the tireless, aggressive, and, yes, flashy president of the University of South Carolina. "I wouldn't want to miss anything," Mr. Holderman says.

He rarely does.

For the past 12 years, Mr. Holderman, whose flamboyance has won him critics and admirers alike, has been pursuing his favorite—and many say only—hobby, running the university's main campus here and its eight regional campuses as if he were the chief executive of a major corporation or a head of state.

In many ways, that's what he is:

He jets around South Carolina in a Beechcraft King Air turboprop airplane owned by the university's foundation, keeping up with campus heads, legislators, donors, and students.

He plays host to a vast array of friends, celebrities, and genuine heads of state who range from the actress Helen Hayes to Ronald Reagan to Pope John Paul II.

A SERIES OF BENCHMARKS

And he delicately brokers deals that, among other things, have allowed the university to build a new $15-million arts center and establish a partnership between its theater program and Washington's Shakespeare Theater at the Folger.

Along the way has come a series of benchmarks—an endowment that has grown from $3-million to $40-million, an honors college that has attracted many of the state's brightest students, a slew of endowed chairs for professors, an international business program that is considered among the best in the country, and, perhaps most important, a place on the map for the University of South Carolina.

"He is one who thinks big," says Richard G. Silvernail, a geography professor who remembers when the university was considered "the gentleman's school" and its land-grant rival, Clemson University, was where you went to get an agricultural or engineering job. The rivalry remains, but the condescending "gentleman's school" image has faded.

Mr. Holderman, however, has sometimes had to pay a price for thinking big. He has been criticized by some faculty members, students, and legislators for giving extravagant gifts to donors and others, for paying high salaries to big-name lecturers such as Jihan Sadat, widow of the slain Egyptian leader, for running a controversial program in which he took students on foreign trips, and for building the university's global image at the expense, some say, of faculty salaries and low tuition.

The president has learned lessons from those controversies, some of which, he says, are part of running a $350-million public-university system with 40,000 students and 2,200 faculty members.

"I'm trying to put the university in a competitive place," says Mr. Holderman, 53 years old, an energetic man with a cheeky grin, a sharp wit, and—many agree on this—a mind that doesn't rest. "I don't believe this is a showy place. I believe this university is worth its salt, and I think more and more people are seeing that."

He adds: "I suppose there are people who say, 'That's flashy showmanship on his part.' So?"

"What's wrong with flash?"

REPRESENTS A NEW SPECIES

To many, Mr. Holderman represents a new species of college president—a species that is as comfortable with corporate leaders, donors, and government officials as it is with academic constituents. Like other presidents seeking new ways to respond to heightened competition and to public pressure to improve quality and value, he is more an entrepreneurial manager than a chief academic, more an orchestrator than a consensus builder.

While he holds a Ph.D. in political science, his career has focused on academic administration, with a few stints at teaching. Before coming to South Carolina in 1977, he served as vice-president of the Lilly Endowment, executive director of the Illinois Board of Higher Education, vice-chancellor of the University of Illinois at Chicago Circle, assistant superintendent of public instruction in Illinois, and assistant professor of government at the University of Illinois at Urbana-Champaign.

"Nobody could accuse him of being a scholar," says Rufus Fellers, an engineering professor here who heads the Faculty Senate.

As it has turned out, many faculty members, including Mr. Fellers, think the university is generally better served by Mr. Holderman's management style than it would be by a scholar's. While some complain he emphasizes image over substance, many of the same critics credit him for making major strides.

"He believes in a high style of living," says Mr. Fellers. "But you have to look at the overall result. The place is much better off."

Margit Resch, a professor of German here, harshly criticizes Mr. Holderman for not making faculty salaries a priority. "He has done a wonderful job putting this university on the map," she says, but adds that he has done so with "flashy programs that are being supported at the expense of faculty and the humanities."

BUILDING INTERNATIONAL IMAGE

The move to put the university on the map began almost immediately after Mr. Holderman arrived: He began recruiting talented faculty members and guest lecturers, and making the university more visible to alumni. He concentrated on increasing private donations, and within three years the university had embarked on its first capital campaign—a three-year effort that raised $38-million. He also worked on making the system more cohesive and sharpening the main campus's role as the state's flagship graduate institution.

All along, the university was building up its international image by establishing academic-exchange programs and sponsoring conferences such as a 1984 summit that attracted leaders of Caribbean nations—and headlines around the world.

Perhaps Mr. Holderman's biggest coup, though, was the Pope's visit in 1987. It was part of an ecumenical year sponsored by the university. Years of planning reaped a huge payoff: On September 11, 1987, the Pope won over a campus audience (not to mention the university's fund-raising and public-relations staff) with three sentences that now adorn a plaque on the grassy, horseshoe-shaped area where he spoke.

Said the Pope: "It is wonderful to be young. It is wonderful to be young and to be

a student. It is wonderful to be young and to be a student of the University of South Carolina."

Mr. Holderman himself couldn't have done a better promotion job.

Recently, Mr. Holderman completed a long-term plan, "Target 2001," in which he outlined a series of steps aimed at making the university system one of the top 10 in the country by the year 2001, when it marks its 200th anniversary. It hardly seemed an accident that the slick "President's Report" detailing the plan resembled an annual corporate report. And it definitely isn't an accident that his office phone number ends with the digits 2001.

Observers of Southern culture say Mr. Holderman's achievements are all the more impressive coming from a new-style president in a state where good-old-boy culture is, as some put it, healthy.

Says John MacNicholas, an English professor and playwright-in-residence at South Carolina: "The state's history and culture have profound strains of xenophobia, and then he comes in and rattles things around. He is willing to set some goals that are beyond the vision of the everyday leader."

Mr. Holderman's days begin early and end late. Because the president's offiical residence is located on the campus's tree-lined horseshoe along with several dormitories, Mr. Holderman is right where he likes to be—watching over the store.

He is notorious for his energy. Even as a child, recalls H. James Baum, who grew up with Mr. Holderman in rural Illinois, Mr. Holderman was an organizer who directed plays and produced a neighborhood newspaper. "It was called—what else?—the *Holderman Herald*."

A reporter spending a day with Mr. Holderman is asked to meet him at 7:30 a.m. at the university's new Ira and Nancy Koger Center for the Arts, where he will make a brief speech. The center seems an appropriate place to start: It is a symbol of the bureaucracy Mr. Holderman often feels he must battle, of the image he wants for the university, and of a risk he thinks was worth taking. Only after holding lengthy negotiations and securing a large private gift was the center built, with city, county, state, and private money.

Thus did the Koger Center open in January with a gala performance by the London Philharmonic, ushering in what some residents predict will be nothing less than a new cultural age in a city more accustomed to lesser-known orchestras and wrestling matches. (Before the center opened, a local newspaper columnist warned inexperienced arts patrons that the difference between a Mahler concert and a wrestling match is that, at the concert, the musicians—not the fans—make the noise.)

The center's battles aren't over yet. The university is still raising private money to finish paying for the center, which the university's foundation owns and leases back to the university. University officials said that approach would allow the foundation, which is independent and therefore not subject to state regulations, to build it more efficiently. Whether the foundation should open its financial records is a subject of debate here, and has led two newspapers to sue for access to them.

The foundation also supplements Mr. Holderman's $109,167 salary with $75,000 in private money.

After his speech at the center, Mr. Holderman has a strategy session with top administrators. He mainly wants to know how the university's request for state money to help buy a $14-million supercomputer is faring over in the State House nearby.

AN END RUN CHARGED

The supercomputer debate is yet another symbol of the clashes that sometimes occur when Mr. Holderman's ambitions for the university exceed what the state wants to spend. South Carolina's statewide coordinating board, which has budget authority over public higher education, refused to approve the request, saying it wasn't clear the university needed a supercomputer. So the university teamed up with Clemson, which is seeking state money for its own supercomputer, and the two institutions went directly to legislators for the money. The issue was pending last week.

Fred R. Sheheen, the state's higher-education commissioner, whose brother happens to be Speaker of South Carolina's House of Representatives, calls the tactic an "an end run." Says Mr. Sheheen: "There's a clear difference between institutional ambition and the public interest."

The rest of the morning Mr. Holderman spends in more meetings, including one with the university's vice-president for personnel. The state bureaucracy is especially frustrating, in Mr. Holderman's opinion, when it comes to personnel matters. He says he wishes the university weren't treated as just another state agency. Upon hearing that a federal agency has requested extensive statistics, he rolls his eyes. "It's amazing we can operate with all these regulatory agencies," he says.

Next he trots over the library, where he attends a ceremony to mark the completion of a new computerized card-catalog system. He praises the staff, then notes that the system is "long overdue." He wants to know how the university compares with others in terms of technology.

"Moving up," someone calls out.

That's what gives him the most satisfaction, Mr. Holderman tells a visitor during an afternoon interview in his office. The blue-and-white office is tastefully cluttered-with a cartoon of the president and religious leaders, photos of other prominent visitors, and a football from the 1987 South Carolina-Clemson game (South Carolina won, 20 to 7).

"The Michigan of the South" is what he wants to see the university become, he says, in a voice that often drops into low, dramatic cadences. He puts his feet up on his cornflower-blue leather couch and relaxes. He loves discussing the university: He gets excited about a trade meeting where university professors made their presentations in Japanese ("The Japanese were blown away!"), and a planned campaign to raise $200 million.

"We've taken risks, and some have blown up in our face," he says. "But I think you have to take risks to be at the top."

One risk that blew up was the expenditure of more than $300,000—including airfare and other expenses—so Mrs. Sadat could teach a course during each of three semesters. Professors unhappy about their salaries complained that Mrs. Sadat's compensation was way out of line.

His spending practices also prompted sharp criticism from legislators and professors after they learned he had used money from a discretionary fund—some of it public—to buy lavish gifts (including Steuben glass) for friends of the university whose names the university refused to disclose. One amused administrator uses the head-of-state analogy: "There are state visits, so there are state gifts."

And students were upset last year after the Charlotte *Observer* published a detailed account of an elite intern program operated by Mr. Holderman. Some complain that the program wasn't well publicized, and that Mr. Holderman selected "pets" and children of prominent people as interns, who sometimes represented the university on foreign trips.

Mr. Holderman says he now realizes some of the expenditures were excessive for a public-university environment. "Okay, so I have to work in that environment."

He insists he wants to do so until 2001, when the university turns 200 and he turns 65.

Although there is often speculation about whether Mr. Holderman, a Republican, has political ambitions—his name once surfaced as a potential candidate for Education Secretary—he says he's not really interested. Nor would he particularly want to head a bigger and better university.

"The bases you've got to build, the credibility you've to build . . . You make an investment in your life."

Mr. Holderman leaves for the spring faculty meeting, where he presides as usual, bantering with faculty members. He knows most by names.

THE CREATIVE DIMENSION

Professors and administrators describe Mr. Holderman's faculty support as mixed, but generally solid.

"What some faculty would really like," says Carol McGinniss Kay, dean of the College of Humanities and Social Sciences here, "is a Derek Bok, a president who would make profound academic statements. That's not his style. His style is to move the institution forward in financial gain and reputation in order for the faculty to make those statements."

Mr. Holderman does not consider himself an "outside" president who leaves the academic mission to others. "I'm not interested in just managing the business," he says. "I'm interested in the creative dimension."

By now it is late afternoon, and Mr. Holderman is late for a meeting with student leaders who are holding a retreat in Charleston. He is whisked to a nearby airfield, where the foundation's plane is waiting. The foundation owns it because, again, there are fewer regulations to deal with that way. Mr. Holderman uses the plane to visit other campuses, and is quick to point out that it also shuttles professors to Washington to work on grant business.

In Charleston, Mr. Holderman quickly shifts gears. Now it's students; that means questions about why tuition keeps going up. He takes his jacket off, pushes up his sleeves, even manages to drawl a "y'all."

He apologizes for being late, quipping, "I don't like to leave the faculty alone while I'm not there. Again, he knows almost everyone. And he shows an uncanny knack for getting to the gut issues.

He assures students that the university's now-notorious supercomputer proposal won't be financed through higher tuition, as some fear. The university, he says, needs the supercomputer if it is going to become a major research institution—even if the coordinating board doesn't think so.

Soon Mr. Holderman is on the plane again, rushing to make a dinner with legislators back in Columbia. It's a long day, but he's not finished with his work.

Actually, he may never be finished.

29-059 O-90-8 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

He has big plans for the university, but he also has the students after him about tuition, the faculty after him about raises, and the legislators after him about the money he wants to spend.

It just could be that Mr. Holderman truly enjoys his job as head of state of the University of South Carolina.

It's true that he likes to see the university grab attention. He likes to have important people visit the campus. He likes new buildings.

So?

As Mr. Holderman would say, "What's wrong with flash?"

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, today is the 1,552d day that Terry Anderson has been held hostage in Beirut.

John Needham, a colleague and friend of Terry Anderson, wrote a revealing essay in the Los Angeles Times on March 20, 1989. I ask unanimous consent that this essay be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Mar. 20, 1989]

STILL PRAYING FOR FREEDOM FOR A FRIEND HELD HOSTAGE

(By John Needham)

Every few months, as I'm half-listening to the radio, I'll hear the words "Lebanon . . . hostages," and my heart will start pounding. Maybe this will be it. I'll think, maybe now Terry Anderson will be freed, after 4 years of the bleakest captivity.

Sometimes the captors will release a picture of Anderson. It's clearly him, but it's not the Anderson I remember. My wife looks at the picture and invariably says, "Whenever I think of Terry, I think of him smiling."

Last Thursday marked the fourth anniversary of Anderson's life in Beirut as a hostage of a Shiite Muslim fundamentalist group known as Hezbollah. Next Thursday will be the 10th anniversary of my first meeting with Anderson.

We met in the Foreign Correspondents Club of Japan. He worked for the Associated Press news agency. I worked for the rival news agency United Press International. The agencies battled each other fiercely, and some AP bureau chiefs were said to chastise their reporters for fraternizing with the opposition after hours.

But Anderson wasn't like that.

Days after my wife and I arrived in Japan after 3½ years in India, Anderson invited us to see what I still think of as "Terry's Japan."

He and his wife lived in Kamakura, an ancient capital of Japan about half an hour south of Tokyo by train. It is a graceful old city, dotted with Buddhist temples and shady glades that are oases of calm in bustling Japan.

Anderson escorted us from temple to temple, then brought us to his home to meet his wife, Miki, his daughter, Gabriela, and the family's two Siamese cats. He had met Miki, who is Japanese, while in Japan as a U.S. Marine; her family wasn't too happy about her marrying the *gaijin*, or foreigner, but he felt that they eventually made their peace with the match.

I still remember the kindness of Terry and Miki to my wife and myself. Despite those years in India, Japan seemed so incredibly foreign to us. It was more difficult for us to meet anyone who spoke English than it had been in India. To two people suffering a stiff dose of culture shock, the Andersons offered a refuge and a glimpse of Japan's pleasures.

Terry and I became friends quickly. We were both directors of the correspondents' club and often got together for lunch or a few beers after work. We spent a lot of time in South Korea too, reporting on coups and a civil uprising there, trying to beat each other's brains out during the day and then huddling over dinner to compare how we'd done.

More than once Anderson spoke of his loathing for guns, yet like all of us he followed the gunfire because all too often that's where the story was.

He used to talk about switching from the infantry to the public information unit while a Marine in Vietnam, figuring that although the switch would force him to stay in the country longer it would likely increase his chances of living. And he talked of a cousin who was a New York City policeman, whom Terry wouldn't let enter his apartment with a pistol.

Yet sometimes Anderson did things that weren't quite bright.

In May 1980, opponents of the then-ruler of South Korea, Chun Doo Hwan, took over the South Korean city of Kwangju for nearly a week. Anderson and I entered Kwangju separately to await the inevitable army counterattack.,

It came not long before dawn one morning. I had managed to get a hotel room overlooking the provincial headquarters, where the dissidents had their command post. As the troops massed, I invited Anderson and a few others up to watch the takeover.

When we saw soldiers scaling roofs and moving into position, I left the room to see if any other reporters wanted ringside seats for the action. As I climbed back up the stairs to my room, I heard round after round of automatic weapon fire blasting into the hotel and windows shattering. I turned a corner and saw Anderson and two other reporters crawling on their hands and knees out of the room and down the corridor as fast as they could go.

It turned out that Anderson had inched up the wall to the window of the room to snap off a picture. A soldier on a roof maybe 20 feet away saw him and waved to him to get down. Anderson did, but then edged up again and tried to snap off another picture. This time the soldier started spraying gunfire into the room—first at head level and then at the level of a man's chest if he was kneeling. The bullets ripped through both walls and shattered the furniture in the room. Fortunately, Anderson and the others hadn't just knelt down; they had dropped to their bellies on the floor, so the bullets went over their heads.

But though the picture of Anderson on his belly sticks in the mind, it is overshadowed by remembrances of Terry organizing a wine-tasting party, Terry hosting a beach picnic in Kamakura, Terry donning the helmet that gave him the look of Darth Vader, hopping on his motorcycle and roaring down to the train station for the commute to Tokyo.

Terry left Tokyo more than a year before I did, going first to South Africa and then to Beirut, still with the Associated Press. His marriage broke up. He has a Lebanese wife now and a daughter he hasn't seen. His father—whom I remember coming to Japan to see a delighted Terry—died while Terry was a hostage. So did his brother.

A bit more than 2 years ago, David P. Jacobsen of Huntington Beach appeared before the Orange County Board of Supervisors in Santa Ana to pick up a commendation. Jacobsen had been administrator of American University Hospital in Beirut when he was taken hostage in May 1985, and held for 17 months. At the time of Jacobsen's appearance, the arms-for-hostages dealings between the Reagan administration and Iran were just starting to come to light.

I spoke to Jacobsen after the ceremony to tell him I was a friend of Anderson and wanted to know if he was all right. Jacobsen said he was indeed OK and some day would be free.

I don't think Jacobsen thought it would take this long. I know I certainly didn't think so. Last week I sent a card to Anderson's sister, Peggy Say, who has worked tirelessly to remind politicians and ordinary Americans that her brother and others are still hostage.

I send these cards several times a year, though I've never met Say. I write just about the same message each time: We're praying for Terry and hoping he'll be freed soon.

EXTENSION OF MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the time for morning business be extended until 3:10 p.m., and that at 3:10 p.m., the Senate go to S. 5 under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTH DAKOTA TOPS BUSINESS CLIMATE POLL

Mr. CONRAD. Mr. President, yesterday North Dakota was named the State with the most fertile business climate in the country among light-manufacturing States for the second straight year by Grant Thornton, a Chicago-based accounting firm.

Grant Thornton represents manufacturers throughout the country. The annual study assesses States on 21 factors manufacturers believe are crucial to business success. These categories include State and local government fiscal policies; labor and other employment costs; productivity of resources, such as energy costs; and quality of life measures, such as education and health care. In these and other catego-

ries, Mr. President, manufacturers themselves rated North Dakota a State where they can find success.

A key factor was the responsiveness of State government to the needs of business. Mr. President, North Dakota has launched a campaign to attract and retain businesses. We work hard to assist new and existing businesses.

North Dakota is known for its natural landscape—from the Badlands in the west to the expanse of the bountiful Red River Valley in the east. But my State is known mostly for another resource—its people.

Grant Thornton and others have found North Dakotans to be some of the most productive and valuable in the Nation. Our workers are hard working, loyal, and well educated. Ninety-five percent of North Dakota's high school seniors graduate, and 72 percent of these graduates pursue further education.

Employers find that they have a near-zero absenteeism rate, and an extremely high productivity rate. They and their employees also have access to quality education at all levels—elementary, secondary, and higher education—as well as excellent health care services. Medical centers in the major cities provide the latest in medical technology and smaller communities have satellite clinics and community hospitals which cater to the health care needs of the surrounding communities.

North Dakotans also have little crime to contend with and few of the problems of the big city—we have clean, breathable air, clean water, no congestion, and strong communities. Mr. President, the strength of those communities is what makes the quality of life so high. People have a commitment to the community in which they live—to see that it survives and is a pleasant place to live.

I am not surprised to see North Dakota ranked first on the list, Mr. President. The efforts we have made to attract businesses have succeeded by showcasing our best-kept secret: the extremely high quality of life and the favorable business climate enjoyed by our residents. I hope that such assessments will encourage companies to consider locating in North Dakota. If corporate America and rural America could join forces, we could begin to change the enormous trade imbalance that now exists. North Dakota's productive work force could be put to work to keep the United States the leading economic power in the world.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FOWLER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The hour for morning business has arrived, and morning business is now closed.

CHILD CARE IMPROVEMENT ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of Calendar Order No. 43, S. 5, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Act for Better Child Care Services of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.
Sec. 4. Authorization of appropriations.
Sec. 5. Amounts reserved; allotments.
Sec. 6. Lead agency.
Sec. 7. Application and plan.
Sec. 8. Special rules for use of State allotments.
Sec. 9. Planning grants.
Sec. 10. Continuing eligibility of States.
Sec. 11. State advisory committee on child care.
Sec. 12. Resource and referral programs.
Sec. 13. Training and technical assistance.
Sec. 14. Child care public-private partnership.
Sec. 15. Federal administration of child care.
Sec. 16. Federal enforcement.
Sec. 17. Payments.
Sec. 18. National Advisory Committee on Minimum Child Care Standards.
Sec. 19. Limitations on use of financial assistance for certain purposes.
Sec. 20. Nondiscrimination.
Sec. 21. Preservation of parental rights and responsibilities.
Sec. 22. Child care liability risk retention group.
Sec. 23. Head Start Act authorization of appropriations.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of children living in homes where both parents work, or living in homes with a single parent who works, has increased dramatically over the last decade;

(2) the availability of quality child care is critical to the self-sufficiency and independence of millions of American families, including the growing number of mothers with young children who work out of economic necessity;

(3) high quality child care programs can strengthen our society by providing young children with the foundation on which to learn the basic skills necessary to be productive workers;

(4) the years from birth to age 6 are a critical period in the development of a young child;

(5) a significant number of parents do not have a real choice as they seek adequate child care for their young children because of limited incomes, insufficient State child care standards, and the inadequate supply of child care services in their community;

(6) high quality early childhood development programs provided during such period are cost effective because such programs can reduce the chances of juvenile delinquency and adolescent pregnancy and can improve the likelihood that children will finish high school and become employed;

(7) the number of quality child care arrangements falls far short of the number required for children in need of child care services;

(8) the rapid growth of participation in the labor force by mothers of children under the age of 1 has resulted in a critical shortage of quality child care arrangements for infants and toddlers;

(9) the lack of available child care services results in many preschool and school-age children being left without adequate supervision for significant parts of the day;

(10) many working parents who are unable to afford adequate child care services do not receive adequate financial assistance for such services from employers or public sources;

(11) because of the lack of affordable child care, a large number of parents are not able to work or to seek the training or education they need to become self sufficient;

(12) making adequate child care services available for parents who are employed, seeking employment, or seeking to develop employment skills promotes and strengthens the well-being of families and the national economy;

(13) the payment of the exceptionally low salaries to child care workers adversely affects the quality of child care services by making it difficult to retain qualified staff;

(14) several factors result in the shortage of quality child care options for children and parents, including—

(A) the inability of parents to pay for child care services;

(B) the lack of up-to-date information on child care services;

(C) the lack of training opportunities for staff in child care programs;

(D) the high rate of staff turnover in child care facilities; and

(E) the wide differences among the States in child care licensing and enforcement policies; and

(15) improved coordination of child care services will help to promote the most efficient use of child care resources.

(b) PURPOSES.—The purposes of this Act are—

(1) to build on and to strengthen the role of the family by seeking to ensure that parents are not forced by lack of available programs or financial resources to place a child in an unsafe or unhealthy child care facility or arrangement;

(2) to promote the availability and diversity of quality child care services to expand child care options available to all families who need such services;

(3) to provide assistance to families whose financial resources are not sufficient to

enable such families to pay the full cost of necessary child care services;

(4) to lessen the chances that children will be left to fend for themselves for significant parts of the day;

(5) to improve the productivity of parents in the labor force by lessening the stresses related to the absence of adequate child care services;

(6) to provide assistance to States to improve the quality of, and coordination among, child care programs;

(7) to increase the opportunities for attracting and retaining qualified staff in the field of child care to provide high quality child care services to children; and

(8) to strengthen the competitiveness of the United States by providing young children with a sound early childhood development experience.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of Child Care appointed under section 15(a).

(2) CAREGIVER.—The term "caregiver" means an individual who provides a service directly to an eligible child on a person-to-person basis.

(3) CENTER-BASED CHILD CARE PROVIDER.—The term "center-based child care provider" means a child care provider that provides child care services in a nonresidential facility.

(4) CHILD CARE CERTIFICATE.—The term "child care certificate" means a certificate that is issued, pursuant to a written agreement between the State and an eligible child care provider, by the State to parents who may use such certificate only as payment for child care services for an eligible child and that provides to an eligible child care provider a right to reimbursement for such services at the same rate charged by that provider for comparable services to children whose parents are not eligible for certificates under this Act or for child care assistance under any other Federal or State program.

(5) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" has the meaning given such term by section 4(5) of the Job Training and Partnership Act (29 U.S.C. 1503(5)).

(6) ELEMENTARY SCHOOL.—The term "elementary school" means a day or residential school that provides elementary education, as determined under State law.

(7) ELIGIBLE CHILD.—The term "eligible child" means an individual—

(A) who is less than 16 years of age;

(B) whose family income does not exceed 100 percent of the State median income for a family of the same size; and

(C) who—

(i) resides with a parent or parents who are working, seeking employment, or enrolled in a job training or educational program; or

(ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i).

(8) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that—

(i) is licensed or regulated under State law;

(ii) satisfies—

(I) the Federal requirements, except as provided in clause (iii); and

(II) the State and local requirements; applicable to the child care services it provides; and

(iii) after the expiration of the 4-year period beginning on the date the Secretary establishes minimum child care standards under section 18(e)(2), complies with such standards that are applicable to the child care services it provides; or

(B) a child care provider that is 18 years of age or older who provides child care services only to an eligible child who is, by affinity or consanguinity, the grandchild, niece, or nephew of such provider, if such provider complies with any State requirements that govern child care provided by relatives.

(9) FAMILY CHILD CARE PROVIDER.—The term "family child care provider" means 1 individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, and in the private residence of such individual.

(10) FAMILY SUPPORT SERVICES.—The term "family support services" means services that assist parents by providing support in parenting and by linking parents with community resources and with other parents.

(11) FULL-WORKING-DAY.—The term "full-working-day" means at least 10 hours per day.

(12) GROUP HOME CHILD CARE PROVIDER.—The term "group home child care provider" means 2 or more individuals who jointly provide child care services for fewer than 24 hours per day and in a private residence.

(13) HANDICAPPING CONDITION.—The term "handicapping condition" means any condition set forth in section 602(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1401(a)(1)) or section 672(1) of the Education of the Handicapped Act (20 U.S.C. 1471(a)).

(14) INDIAN TRIBE.—The term "Indian tribe" has the meaning given it in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b)).

(15) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 481(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1)), except that with respect to a tribally controlled community college such term has the meaning given it in section 2(a)(5) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(5)).

(16) LEAD AGENCY.—The term "lead agency" means the agency designated under section 6(a).

(17) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given that term in section 198(a)(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2854(a)(10)).

(18) PARENT.—The term "parent" includes a legal guardian or other person standing in loco parentis.

(19) SCHOOL-AGE CHILD CARE SERVICES.—The term "school-age child care services" means child care services that are—

(A) provided during such times of the school day when regular instructional services are not in session; and

(B) not intended as an extension of or replacement for the regular academic program, but are intended to provide an environment which enhances the social, emotional, and recreational development of children of school age;

(20) SECONDARY SCHOOL.—The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(21) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services unless the context specifies otherwise.

(22) SCHOOL FACILITIES.—The term "school facilities" means classrooms and related facilities used to provide education.

(23) SLIDING FEE SCALE.—The term "sliding fee scale" means a system of cost sharing between the State and a family based on income and size of the family with the very low income families having to pay no cost.

(24) STATE.—The term "State" means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.

(25) UNIT OF GENERAL PURPOSE LOCAL GOVERNMENT.—The term "unit of general purpose local government" means any city, county, town, township, parish, village, a combination of such general purpose political subdivisions including those in two or more States, or other general purpose political subdivisions of a State.

(26) TRIBAL ORGANIZATION.—The term "tribal organization" has the meaning given it in section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c)).

(27) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the meaning given it in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this Act, other than section 22, there are authorized to be appropriated $2,500,000,000 for the fiscal year 1990 and such sums as may be necessary in each of the fiscal years 1991 through 1994.

(b) CHILD CARE LIABILITY RISK RETENTION GROUP.—

(1) IN GENERAL.—To carry out section 22, there are authorized to be appropriated $100,000,000 for fiscal year 1990.

(2) AMOUNTS TO REMAIN AVAILABLE.—The amounts appropriated pursuant to paragraph (1) shall remain available for assistance to States for fiscal years 1990, 1991, and 1992 without limitation.

SEC. 5. AMOUNTS RESERVED; ALLOTMENTS.

(a) AMOUNTS RESERVED.—

(1) TERRITORIES AND POSSESSIONS.—The Secretary shall reserve not to exceed one half of 1 percent of the amount appropriated under section 4(a) in each fiscal year for payments to Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau, to be allotted in accordance with their respective needs.

(2) INDIANS.—The Secretary shall reserve an amount, not less than 1.5 percent and not more than 3 percent of the amount appropriated under section 4(a) in each fiscal year, to carry out subsection (c) regarding Indian children.

(b) STATE ALLOTMENT.—

(1) GENERAL RULE.—From the remainder of the sums appropriated under section 4(a) for each fiscal year, the Secretary shall allot to each State (excluding jurisdictions referred to in subsection (a)(1)) an amount equal to the sum of—

(A) an amount that bears the same ratio to 50 percent of such remainder as the product of the young child factor of the State and the allotment percentage bears to the sum of the corresponding products for all States; and

(B) an amount that bears the same ratio to 50 percent of such remainder as the product of the school lunch factor of the State and the allotment percentage bears to the sum of the corresponding products for all the States.

(2) YOUNG CHILD FACTOR.—The term "young child factor" means the ratio of the number of children in the State who are less than 5 years of age to the number of children in all the States who are less than 5 years of age.

(3) SCHOOL LUNCH FACTOR.—The term "school lunch factor" means the ratio of the number of children in the State who are receiving free or reduced price lunches under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) to the number of children in all the States who are receiving free or reduced price lunches under such program.

(4) ALLOTMENT PERCENTAGE.—

(A) IN GENERAL.—The allotment percentage for a State is determined by dividing—

(i) the per capita income of all individuals in the United States; by

(ii) the per capita income of all individuals in the State.

(B) LIMITATIONS.—If a sum determined under subparagraph (A)—

(i) exceeds 1.2, then the allotment percentage of that State shall be considered to be 1.2; and

(ii) is less than 0.8, then the allotment percentage of the State shall be considered to be 0.8.

(C) PER CAPITA INCOME.—For purposes of subparagraph (A), per capita income shall be—

(i) determined at 2-year intervals;

(ii) applied for the 2-year period beginning on October 1 of the first fiscal year beginning on the date such determination is made; and

(iii) equal to the average of the annual per capita incomes for the most recent period of 3 consecutive years for which satisfactory data are available from the Department of Commerce at the time such determination is made.

(c) PAYMENTS FOR THE BENEFIT OF INDIAN CHILDREN.—

(1) TRIBAL ORGANIZATIONS.—From the funds reserved under subsection (a)(2), the Secretary may, upon the application of a Indian tribe or tribal organization enter into a contract with, or make a grant to such Indian tribe or tribal organization for a period of 3 years, subject to satisfactory performance, to plan and carry out programs and activities that are consistent with this Act. Such contract or grant shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) and shall be conducted in accordance with sections 4, 5, and 6 of the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 655-657), that are relevant to such programs and activities.

(2) INDIAN RESERVATIONS.—In the case of an Indian tribe in a State other than the States of Oklahoma, Alaska, and California, such programs and activities shall be carried out on the Indian reservation for the benefit of Indian children.

(3) STANDARDS.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall establish, through the application process, standards applicable to child care services provided under such programs and activities. For purposes of establishing such standards, the Secretary shall take into consideration—

(i) the codes, regulations, and cultural factors of the Indian tribe involved, as expressed by such tribe or the tribal organization that represents such tribe; and

(ii) the State licensing and regulatory requirements applicable to child care services provided in the State in which such program and activities are carried out.

(B) APPLICATION.—

(i) RULE.—Except as provided in clause (ii), after the Secretary establishes minimum child care standards under section 18(e)(2), such minimum standards shall apply with respect to child care services provided under such programs and activities.

(ii) WAIVERS AND MODIFICATIONS.—The Secretary may waive or modify, for a period not to exceed 4 years beginning on the date such minimum standards are established, any of such minimum standards that would limit the capacity of an Indian tribe or tribal organization to receive funds under this Act if the Secretary determines that there is a reasonable expectation that each of such standards requested to be waived will be met by the applicant by the end of the period for which the waiver is requested.

(4) AVAILABILITY OF STATE CHILD CARE SERVICES.—For the purpose of determining whether to approve an application for a contract or grant under this subsection, the Secretary shall take into consideration the availability of child care services provided in accordance with this Act by the State in which the applicant proposes to carry out a program to provide child care services.

(5) RULE OF CONSTRUCTION.—This subsection shall not be construed—

(A) to limit the eligibility of any individual to participate in any program carried out with assistance received under this Act by a State; or

(B) to modify any requirement imposed on a State by any provision of this Act.

(6) COORDINATION.—To the maximum extent practicable, the applicant for a grant or contract under this subsection and the State in which the applicant is located shall coordinate with each other their respective child care programs and activities, including child care programs and activities carried out with assistance received under this Act.

(d) DATA AND INFORMATION.—The Secretary shall obtain from each appropriate Federal agency, the most recent data and information necessary to determine the allotments provided for in subsection (b).

(e) REALLOTMENTS.—

(1) IN GENERAL.—Any portion of the allotment under subsection (b) to a State that the Secretary determines is not required to carry out a State plan approved under section 7(d), in the period for which the allotment is made available, shall be reallotted by the Secretary to other States in proportion to the original allotments to the other States.

(2) LIMITATIONS.—

(A) REDUCTION.—The amount of any reallotment to which a State is entitled to under paragraph (1) shall be reduced to the extent that it exceeds the amount that the Secretary estimates will be used in the State to carry out a State plan approved under section 7(d).

(B) REALLOTMENTS.—The amount of such reduction shall be similarly reallotted among States for which no reduction in an allotment or reallotment is required by this subsection.

(3) AMOUNTS REALLOTTED.—For purposes of any other section of this Act, any amount reallotted to a State under this subsection shall be considered to be part of the allotment made under subsection (b) to the State.

(f) DEFINITION.—For the purposes of this section, the term "State" means any of the several 50 States, the District of Columbia, or the Commonwealth of Puerto Rico.

SEC. 6. LEAD AGENCY.

(a) DESIGNATION.—The chief executive officer of a State desiring to participate in the program authorized by this Act shall designate, in an application submitted to the Secretary under section 7(a), an appropriate State agency that meets the requirements of subsection (b) to act as the lead agency.

(b) REQUIREMENTS.—

(1) ADMINISTRATION OF FUNDS.—The lead agency shall have the capacity to administer the funds provided under this Act to support programs and services authorized under this Act and to oversee the plan submitted under section 7(b).

(2) COORDINATION.—The lead agency shall have the capacity to coordinate the services for which assistance is provided under this Act with the services of other State and local agencies involved in providing services to children.

(3) ESTABLISHMENT OF POLICIES.—The lead agency shall have the authority to establish policies and procedures for developing and implementing interagency agreements with other agencies of the State to carry out the purposes of this Act.

(c) DUTIES.—The lead agency shall—

(1) assess child care needs and resources in the State, and assess the effectiveness of existing child care services and services for which assistance is provided under this Act or under other laws, in meeting such needs;

(2) develop a plan designed to meet the need for child care services in the State for eligible children, including infants, preschool children, and school-age children, giving special attention to meeting the needs for services for low-income children, migrant children, children with a handicapping condition, foster children, children in need of protective services, children of adolescent parents who need child care to remain in school, and children with limited English-language proficiency;

(3) develop, in consultation with the State advisory committee on child care established under section 11, the State plan submitted to the Secretary under section 7(b);

(4) hold hearings, in cooperation with such State advisory committee on child care, annually in each region of the State in order to provide to the public an opportunity to comment on the provision of child care services in the State under the proposed State plan;

(5) assist the chief executive officer in making such periodic reports to the Secretary as the Secretary may by rule require;

(6) coordinate the provision of services under this Act with—

(A) other child care programs and services, and with educational programs, for which assistance is provided under any State, local, or other Federal law, including the State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.); and

(B) other appropriate services, including social, health, mental health, protective, and nutrition services, available to eligible children under other Federal, State, and local programs;

(7) identify resource and referral programs for particular geographical areas in the State that meet the requirements of section 12; and

(8) establish in accordance with subsection (d)(1) several local advisory councils that collectively represent the entire geographical area in the State.

(d) LOCAL ADVISORY COUNCILS.—

(1) APPOINTMENT.—Each local advisory council established under subsection (c)(8) shall be composed of individuals who are

collectively representative of the local geographical area for which they are appointed and of the ethnic characteristics of the population of such area. Such council shall be composed of individuals appointed from among the following:

(A) Parents of preschool children.

(B) Parents of school-age children.

(C) Individuals who are child care providers.

(D) The heads of Head Start agencies.

(E) The heads of local public agencies that provide social services or human resources.

(F) The heads of local education agencies.

(G) The heads of local public health agencies.

(H) The heads of resource and referral agencies.

(I) Individuals engaged locally in business.

(J) Local representatives of nonprofit private organizations that provide funds for social services or human resources.

(K) Representatives of groups that engage in private activities relating to providing child care services.

(2) DUTIES.—Each local advisory council shall—

(A) assess the extent to which there is an unsatisfied need for child care services in the geographical area for which such council is appointed;

(B) submit to the lead agency, not less frequently than biennially, a report identifying the results of the implementation in such area of the State plan included in the application submitted under section 7;

(C) recommend to the lead agency the uses for which assistance received under this subchapter by the State should be expended in such area, and with respect to each such use, the amount of such funds that should be so expended;

(D) advise local child care providers regarding the means to collectively obtain training, supplies, and insurance relating to providing child care services; and

(E) otherwise assist the lead agency, and the State advisory committee on child care established under section 11 to carry out their respective duties.

(3) ADMINISTRATIVE SUPPORT.—The lead agency shall provide to such council such funds, and administrative support services (including personnel) directly or by contract, as may be necessary to enable such council to carry out its duties.

(4) CONFLICTS OF INTEREST.—A member of such council may not cast a vote on any matter that—

(A) may result in a financial benefit to such member; or

(B) under Federal, State, or local law would create or appear to create a conflict of interest if such vote were cast by such member.

(5) PUBLIC AWARENESS OF COUNCIL PARTICIPATION.—The Secretary shall require by rule that residents of each geographical area for which a local advisory council is appointed are informed of the opportunity to be appointed to such council.

SEC. 7. APPLICATION AND PLAN.

(a) APPLICATION.—To be eligible to receive assistance under this Act, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require by rule.

(b) PLAN.—The application of a State submitted under subsection (a) shall include an assurance that the State will comply with the requirements of this Act and a State plan that is designed to be implemented during a 4-year period and that meets the requirements of subsection (c).

(c) REQUIREMENTS OF A PLAN.—

(1) LEAD AGENCY.—The plan shall identify the lead agency designated in accordance with section 6(a).

(2) ADVISORY BODIES.—The plan shall demonstrate that the State will establish in accordance with section 11 a State advisory committee on child care.

(3) POLICIES AND PROCEDURES.—The plan shall set forth policies and procedures designed to ensure all of the following:

(A) That, to the maximum extent practicable—

(i) the parents of each eligible child who will receive child care services for which assistance is provided under paragraph (4) are permitted to select the eligible child care provider that will provide such services to such child;

(ii) the State will attempt to place such child with the eligible child care provider selected by such parents; and

(iii) procedures shall be established by the State to ensure that the parents of children eligible for a child care certificate under this Act and the eligible child care provider sign a written agreement with the lead State agency concerning the provision of child care services to such child.

(B) That—

(i) all providers of child care services for which assistance is provided under this Act comply with all licensing and regulatory requirements (including registration requirements) applicable under State and local law; and

(ii) such requirements are imposed and enforced by the State uniformly on all child care providers that provide child care services under similar child care arrangements.

This subparagraph shall not be construed to prohibit a State from imposing more stringent standards or requirements on child care providers who provide services for which assistance is provided under this Act and who also receive State funds under any other law to provide child care services under a contract or other arrangement with the State.

(C) That procedures will be established to ensure that child care providers receiving assistance under this Act or under other publicly-assisted child care programs comply with the minimum child care standards established under section 18(e)(2) after the expiration of the 4-year period beginning on the date the Secretary establishes such standards, and comply with all applicable State and local licensing and regulatory requirements (including registration requirements).

(D) That the State will not—

(i) reduce the categories of child care providers licensed or regulated by the State on the date of enactment of this Act; or

(ii) reduce the level of standards applicable to child care services provided in the State and to the matters specified in sections 13(a) and 18(d), even if such standards exceed the minimum standards established under section 18(e)(2) by the Secretary unless the State, with the concurrence of the State advisory committee established under section 11, requests a waiver of this subparagraph and demonstrates, to the satisfaction of the Secretary, that the proposed reduction is necessary to increase access to and availability of eligible child care providers and will not jeopardize the health and safety of children.

(E) That funds received under this Act by the State will be used only to supplement, not to supplant, the amount of Federal, State, and local funds expended for the support of child care services and related programs in the State, except that States may use existing expenditures in support of child care services to satisfy the State matching requirement under section 17(b) and may not use such expenditures to satisfy the matching requirements of any other Federal program.

(F) That for each fiscal year the State will use an amount not to exceed 8 percent of the amount of funds received under section 5 by the State for such fiscal year to administer the State plan.

(G) That the State will pay funds under this Act to eligible child care providers in a timely fashion to ensure the continuity of child care services to eligible children.

(H) That resource and referral agencies will be made available to families in all regions of the State.

(I) That each eligible child care provider who provides services for which assistance is provided under paragraph (4)—

(i) gives priority for provider services to children of families with very low income, taking into account family size;

(ii) after the expiration of the 4-year period beginning on the date the Secretary establishes minimum child care standards under section 18(e)(2), complies with such standards except as provided in clause (iii);

(iii) if such eligible child care provider is regulated by a State educational agency that—

(I) administers any State law applicable to child care services;

(II) develops child care standards that meet or exceed the minimum standards established under section 18(e)(2) and the State licensing or regulatory requirements (including registration requirements); and

(III) enforces the standards described in subclause (II) that are developed by such agency, using policies and practices that meet or exceed the requirements specified in subparagraphs (A) through (K) of paragraph (11);

complies with the standards described in subclause (II) that are developed by such agency; and

(iv) complies with the State plan and the requirements of this Act.

(J) That child care services for which assistance is provided under paragraph (4) are available to children with a handicapping condition.

(K) That appropriate State regulations will be issued governing the provision of school-age child care services if the State does not already have such regulations.

(L) That child care providers in the State are encouraged to develop personnel policies that include compensated time for staff undergoing training required under this Act.

(M) Encourage the payment of adequate salaries and other compensation—

(i) to full and part-time staff of child care providers who provide child care services for which assistance is provided under paragraph (4);

(ii) to the extent practicable, to such staff in other major Federal and State child care programs; and

(iii) to other child care personnel, at the option of the State.

(N) That child care services for which assistance is provided under paragraph (4) are available for an adequate number of hours and days to serve the needs of parents of eligible children, including parents who work nontraditional hours.

(4) CHILD CARE SERVICES.—The plan shall provide that—

(A) subject to subparagraph (B), the State will use at least 70 percent of the amount allotted to the State in any fiscal year to provide child care services that meet the requirements of this Act to eligible children in the State on a sliding fee scale basis and using funding methods provided for in section 8(a)(1), with priority being given for services to children of families with very low family incomes, taking into consideration the size of the family; and

(B) the State will use at least 10 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year to provide for the extension of part-day programs as described in section 8(b).

(5) ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.—The plan shall provide that the State will use not more than 10 percent of the amount allotted to it in any fiscal year to do each of the following:

(A) Provide financial assistance, pursuant to procedures established under the State Dependent Care Development Grants Act (42 U.S.C. 9801 note), to private nonprofit organizations or public organizations (including units of general purpose local government) that meet the requirements of section 12 for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care.

(B) Improve the monitoring of compliance with, and enforcement of, the licensing and regulatory requirements (including registration requirements) of the State.

(C) Provide training, technical assistance, and scholarship assistance in accordance with the requirements of subsections (b), (c), and (d) of section 13.

(D) Ensure that adequate salaries and other compensation are paid to full- and part-time staff who provide child care services for which assistance is provided under paragraph (4).

(6) ACTIVITIES TO INCREASE THE AVAILABILITY OF CHILD CARE.—The plan shall provide that the State will use not more than 12 percent of the amount allotted to it in any fiscal year for any of the following activities:

(A) Making grants or low interest loans to existing and potential family child care providers and nonprofit child care providers to help such providers pay the cost of—

(i) establishing child care programs; and

(ii) making renovations and improvements in existing facilities to be used to carry out such programs.

(B) Making grants or low-interest loans to child care providers to assist such providers in meeting Federal, State, and local child care standards, giving priority to providers receiving assistance under this Act or under other publicly assisted child care programs and which serve children of families that have very low incomes.

(C) Providing funds for the child care public-private partnership activities described in section 14.

(D) Providing assistance for the establishment and operation of after school child care programs.

(E) Providing assistance for the temporary care of children who are sick and unable to attend child care programs in which such children are enrolled.

(F) Providing assistance for the establishment and operation of child care programs for homeless children.

(G) Providing assistance to link child care programs with programs designed to assist the elderly.

(H)(i) Establishing and administering a revolving loan fund from which any person desiring to make capital improvements to the principal residence of such person (within the meaning of section 1034 of the Internal Revenue Code of 1986) may obtain a loan in order to become a licensed family child care provider, pursuant to State and local law, and to comply with the minimum standards applicable to such providers as established under section 18(e)(2).

(ii) To permit the use of funds provided under this Act for the activity described in clause (i), the State shall set forth procedures and guidelines to carry out the purposes of such clause, including procedures—

(I) that provide assurances that only applicants who obtain a license for the operation of a child care facility in accordance with the provisions of State and local law and who will meet the minimum standards applicable to family child care services established under section 18(e)(2), benefit from loans made available pursuant to the provisions of clause (i);

(II) to assure that the revolving fund will be administered by the State and will provide loans to qualified applicants, pursuant to the terms and conditions established by such State, in an amount, determined by such State, that is not in excess of $1,500;

(III) to assure that funds used to carry out the purpose of clause (i) are transferred to such fund to provide capital for making loans;

(IV) to assure that interest and principal payments on loans and any other moneys, property, or assets derived from any action concerning such funds are deposited into such fund;

(V) to assure that all loans, expenses, and payments pursuant to the operation of the revolving loan fund are paid from such fund;

(VI) to assure that loans made from such fund are made to qualified applicants to enable such applicants to make capital improvements so that such applicant may obtain a State or local family child care provider license and so that such applicant may meet the minimum standards applicable to such providers established under section 18(e)(2); and

(VII) that specify how such revolving loan fund will continue to be financed in subsequent years, such as through contributions by the State or by some other entity.

(I) Providing assistance for any other activity deemed by the State to be in accordance with the purposes of this paragraph.

(7) DISTRIBUTION OF FUNDS.—The plan shall provide that funds will be distributed—

(A) to a variety of types of child care providers, including center-based child care providers, group home child care providers, and family child care providers; and

(B) equitably among child care providers to provide child care services in rural and urban areas.

(8) REIMBURSEMENTS.—The plan shall provide that for child care services for which assistance is provided under this Act, an eligible child care provider shall have a right to reimbursement at the same rate charged by that provider for comparable services to children of comparable ages and special needs whose parents are not eligible for certificates under this Act or for child care assistance under any other Federal or State program.

(9) PRIORITY.—The plan shall provide that priority will be given, in distributing funds in the State, to child care providers that—

(A) in providing child care services assisted by such funds, will give priority to eligible children of families with very low income;

(B) to the maximum extent feasible, provide child care services to a reasonable mix of children, including children from different socioeconomic backgrounds and children with a handicapping condition;

(C) provide opportunities for parent involvement in all aspects of providing such services; and

(D) to the maximum extent feasible, offer family support services.

(10) SLIDING FEE SCALE.—The plan shall provide for the establishment of a sliding fee scale that requires cost sharing based on the services provided to and the income of the families (adjusted for family size) of eligible children who receive services for which assistance is provided under this Act.

(11) PARENTAL INVOLVEMENT.—The plan shall establish procedures for parental involvement in State and local planning, monitoring, and evaluation of child care programs and services in the State.

(12) ENFORCEMENT OF LICENSING AND OTHER REGULATORY REQUIREMENTS (INCLUDING REGISTRATION REQUIREMENTS).—The plan shall provide that the State, not later than 4 years after the date of enactment of this Act, shall have in effect enforcement policies and practices that will be applicable to all licensed or regulated child care providers (including child care providers required to register) in the State, including policies and practices that—

(A) require personnel who perform inspection functions with respect to licensed or regulated child care services to have or receive training in health and safety, child abuse prevention and detection, program management, and relevant law enforcement;

(B) to the maximum extent feasible, have personnel requirements to ensure that individuals who are hired as licensing inspectors are qualified to inspect and have inspection responsibility exclusively for children's services;

(C) require—

(i) personnel who perform inspection functions with respect to licensed or regulated child care services to make not less than 1 unannounced inspection of each center-based child care provider and each group home child care provider in the State annually; and

(ii) personnel who perform inspection functions with respect to licensed or regulated child care services to make unannounced inspections annually of not less than 20 percent of licensed and regulated family child care providers in the State;

(D) require licensed or regulated child care providers (including registered child care providers) in the State—

(i) to have written policies and program goals and to make a copy of such policies and goals available to parents; and

(ii) to provide parents with unlimited access to their children and to providers caring for their children, during normal hours of operation of such providers and whenever children of such parents are in the care of such providers;

(E) implement a procedure to address complaints that will provide a reasonable opportunity for a parent, or child care provider, that is adversely affected or aggrieved by a decision of the lead agency or any program assisted under this Act, to be heard by the State;

(F) prohibit the operator of a child care facility to take any action against an employee of such operator that would adversely affect the employment, or terms or condi-

tions of employment, of such employee because such employee communicates a failure of such operator to comply with any applicable licensing or regulatory requirement;

(G) implement a consumer education program designed to inform parents and the general public about licensing requirements, complaint procedures, and policies and practices required by this paragraph;

(H) require a child care provider to post, on the premises where child care services are provided, the telephone number of the appropriate licensing or regulatory agency that parents may call regarding a failure of such provider to comply with any applicable licensing or regulatory requirement; and

(I) require the State to maintain a record of parental complaints and to make information regarding substantiated parental complaints available to the public on request.

(13) DATA COLLECTION.—The plan shall provide for the establishment of procedures for data collection by the State designed to show—

(A) by race, sex, ethnic origin, handicapping condition, and family income, how the child care needs of families in the State are being fulfilled, including information on—

(i) the number of children being assisted with funds provided under this Act, and under other State and Federal child care and preschool programs;

(ii) the type and number of child care programs, child care providers, caregivers, and support personnel located in the State;

(iii) the regional cost of child care; and

(iv) such other information as the Secretary considers necessary to establish how funds provided under this Act are being used;

(B) the extent to which the availability of child care has been increased; and

(C) how the purposes of this Act and the objectives of the State set forth in the State plan are being met, including efforts to improve the quality, availability, and accessibility of child care;

and shall provide that data collected by the State under this paragraph shall be submitted to the Secretary.

(d) APPROVAL OF APPLICATION.—The Secretary shall approve an application that satisfies the requirements of this section.

(e) SPECIAL RULE.—In carrying out the provisions of this section, the Secretary shall approve any application with respect to the activities described in the plan submitted under paragraph (5) of subsection (c), if the Secretary determines that the State is making reasonable progress in carrying out the activities which are described in subparagraphs (A) and (D) of paragraph (5).

SEC. 8. SPECIAL RULES FOR USE OF STATE ALLOTMENTS.

(a) FUNDING OF CHILD CARE SERVICES.—

(1) IN GENERAL.—The child care services referred to in section 7(c)(4) that are to be provided out of the allotment to a State, shall be provided—

(A) by contracts with or grants to eligible child care providers who agree to provide such services directly to eligible children;

(B) by grants to units of general purpose local government that agree to enter into contracts with eligible child care providers who agree to provide such services directly to eligible children; or

(C) by distributing child care certificates to parents of eligible children under such terms as the Secretary shall prescribe to enable the recipients of such certificates to purchase child care services from eligible child care providers.

(2) LIMITATION ON CERTIFICATES.—Child care certificates authorized by paragraph (1)(C) may be issued by a State only if a resource and referral program carried out by an organization that meets the requirements of section 12 is available to help parents locate child care services made available by eligible child care providers.

(3) NO ENTITLEMENT TO CONTRACT OR GRANT.—Nothing in this Act shall be construed to entitle any child care provider or recipient of a child care certificate to any contract, grant or benefit, or to limit the right of any State to impose additional limitations or conditions on contracts or grants funded under this Act.

(b) PART-DAY PROGRAMS.—

(1) IN GENERAL.—At least 10 percent of the funds available for activities under section 7(c)(4)(A) shall be used by the State to enable child care providers to extend the hours of operation of the part-day programs described in paragraph (2) to provide full-working-day child care services throughout the year, in order to meet the needs of parents of eligible children.

(2) ELIGIBLE PROGRAMS.—As used in paragraph (1), the term "part-day programs" means—

(A) programs of schools and nonprofit child care providers (including community-based organizations) receiving State or local funds designated for preschool;

(B) programs established under the Head Start Act (42 U.S.C. 9831 et seq.);

(C) preschool programs for which assistance is provided under chapter 1 of the Education Consolidation and Improvement Act of 1981 (20 U.S.C. 3801 et seq.); and

(D) preschool programs for children with a handicapping condition.

(c) FACILITIES.—

(1) NEW FACILITIES.—No financial assistance provided under this Act shall be expended for the construction of a new facility.

(2) EXISTING FACILITIES.—No financial assistance provided under this Act shall be expended to renovate or repair any facility unless—

(A) the child care provider that receives such financial assistance agrees—

(i) in the case of a grant, to repay to the Secretary or the State, as the case may be, the amount that bears the same ratio to the amount of such grant as the value of the renovation or repair, as of the date such provider ceases to provide child care services in such facility in accordance with this Act, bears to the original value of the renovation or repair; and

(ii) in the case of a loan, to repay immediately to the Secretary or the State, as the case may be, the principal amount of such loan outstanding and any interest accrued, as of the date such provider ceases to provide child care services in such facility in accordance with this Act;

if such provider does not provide child care services in such facility in accordance with this Act throughout the useful life of the renovation or repair; and

(B) if such provider is a sectarian agency or organization, the renovation or repair is necessary to bring such facility into compliance with health and safety requirements imposed by this Act.

SEC. 9. PLANNING GRANTS.

(a) IN GENERAL.—A State desiring to participate in the programs authorized by this Act that cannot fully satisfy the requirements of the State plan under section 7(b) without financial assistance may, in the first year that the State participates in the programs, apply to the Secretary for a planning grant.

(b) AUTHORIZATION.—The Secretary is authorized to make a planning grant to a State described in subsection (a) if the Secretary determines that—

(1) the grant would enable the State to fully satisfy the requirements of a State plan under section 7(b); and

(2) the State will apply, for the remainder of the allotment that the State is entitled to receive for such fiscal year.

(c) AMOUNT OF GRANT.—A grant made to a State under this section shall not exceed 1 percent of the total allotment that the State would qualify to receive in the fiscal year involved if the State fully satisfied the requirements of section 7.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—A grant made under this section shall be considered to be expended for administrative costs by the State for purposes of determining the compliance by the State with the limitation on administrative costs imposed by section 7(c)(3)(F).

SEC. 10. CONTINUING ELIGIBILITY OF STATES.

A State shall be ineligible for assistance under this Act after the expiration of the 4-year period beginning on the date the Secretary establishes minimum child care standards under section 18(e)(2) unless the State demonstrates to the satisfaction of the Secretary that—

(1) all child care providers required to be licensed and regulated in the State—

(A) are so licensed and regulated; and

(B) are subject to the enforcement provisions referred to in the State plan; and

(2) all such providers who are receiving assistance under this Act or under other publicly-assisted child care programs—

(A) satisfy the requirements of subparagraphs (A) and (B) of paragraph (1); and

(B) except as provided in section 18(f), satisfy the minimum child care standards established by the Secretary under section 18(e)(2) of this Act.

SEC. 11. STATE ADVISORY COMMITTEE ON CHILD CARE.

(a) ESTABLISHMENT.—The chief executive officer of a State participating in the program authorized by this Act shall—

(1) establish a State advisory committee on child care (hereinafter in this section referred to as the "committee") to assist the lead agency in carrying out the responsibilities of the lead agency under this Act; and

(2) appoint the members of the committee.

(b) COMPOSITION.—The State committee shall be composed of not fewer than 21 and not more than 30 members who shall include—

(1) at least 1 representative of the lead agency designated under section 6(a);

(2) 1 representative of each of—

(A) the State departments of—

(i) human resources or social services;

(ii) education;

(iii) economic development; and

(iv) health; and

(B) other State agencies having responsibility for the regulation, funding, or provision of child care services in the State;

(3) at least 1 representative of providers of different types of child care services, including caregivers and directors;

(4) at least 1 representative of early childhood development experts;

(5) at least 1 representative of school districts and teachers involved in the provision of child care services and preschool programs;

(6) at least 1 representative of resource and referral programs;

(7) 1 pediatrician;

(8) 1 representative of a citizen group concerned with child care;

(9) at least 1 representative of an organization representing child care employees;

(10) at least 1 representative of the Head Start agencies in the State;

(11) parents of children receiving, or in need of, child care services, including at least 2 parents whose children are receiving or are in need of subsidized child care services;

(12) 1 representative of specialists concerned with children who have a handicapping condition;

(13) 1 representative of individuals engaged in business;

(14) 1 representative of fire marshals and building inspectors;

(15) 1 representative of child protective services; and

(16) 1 representative of units of general purpose local government.

(c) FUNCTIONS.—The committee shall—

(1) advise the lead agency on child care policies;

(2) provide the lead agency with information necessary to coordinate the provision of child care services in the State;

(3) otherwise assist the lead agency in carrying out the functions assigned to the lead agency under section 6(c);

(4) review and evaluate child services for which assistance is provided under this Act or under State law, in meeting the objectives of the State plan and the purposes of this Act;

(5) make recommendations on the development of State child care standards and policies;

(6) participate in the regional public hearings required under section 6(c)(5); and

(7) perform other functions to improve the quantity and quality of child care services in the State.

(d) MEETINGS AND HEARINGS.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each fiscal year, the committee shall meet and establish the time, place, and manner of future meetings of the committee.

(2) MINIMUM NUMBER OF HEARINGS.—The committee shall have at least 2 public hearings each year at which the public shall be given an opportunity to express views concerning the administration and operation of the State plan.

(e) USE OF EXISTING COMMITTEES.—To the extent that a State has established a broadly representative State advisory group, prior to the date of enactment of this Act, that is comparable to the advisory committee described in this section and focused exclusively on child care and early childhood development programs, such State shall be considered to be in compliance with subsections (a) through (c).

(f) SUBCOMMITTEE ON LICENSING.—

(1) COMPOSITION.—The committee shall have a subcommittee on licensing (hereinafter in this section referred to as the "subcommittee") that shall be composed of the members appointed under paragraphs (2)(A)(iv), (3), (6), (7), (11), (14), and (15) of subsection (b).

(2) FUNCTIONS.—The subcommittee shall review the law applicable to, and the licensing requirements and the policies of, each licensing agency that regulates child care services and programs in the State unless the State has reviewed such law, requirements, and policies in the 4-year period ending on the date of the establishment of the committee under subsection (a).

(g) REPORT.—

(1) IN GENERAL.—Not later than 1 year after establishment of the committee under subsection (a), the committee shall prepare and submit to the chief executive officer of the State involved a report.

(2) CONTENTS OF REPORT.—A report prepared under paragraph (1) shall contain—

(A) an analysis of information on child care services provided by center-based child care providers, group home child care providers, and family child care providers;

(B) a detailed statement of the findings and recommendations that result from the subcommittee review under subsection (f)(2), including a description of the current status of child care licensing, regulating, monitoring, and enforcement in the State;

(C) a detailed statement identifying and describing the deficiencies in the existing licensing, regulating, and monitoring programs of the State involved, including an assessment of the adequacy of staff to carry out such programs effectively, and recommendations to correct such deficiencies or to improve such programs; and

(D) comments on the minimum child care standards established by the Secretary under section 18(e)(2).

(3) RECEIPT OF REPORT BY THE CHIEF EXECUTIVE OFFICER OF THE STATE.—Not later than 60 days after receiving the report from the committee, the chief executive officer of the State shall transmit such report to the Secretary with—

(A) the comments of the chief executive officer of the State; and

(B) a plan for correcting deficiencies in, or improving the licensing, regulating, and monitoring, of the child care services and programs referred to in subsection (f)(2).

(h) SERVICES AND PERSONNEL.—

(1) AUTHORITY.—The lead agency is authorized to provide the services of such personnel, and to contract for such other services as may be necessary, to enable the committee and the subcommittee to carry out their functions under this Act.

(2) REIMBURSEMENT.—Members of the committee shall be reimbursed, in accordance with standards established by the Secretary, for necessary expenses incurred by such members in carrying out the functions of the committee and the subcommittee.

(3) SUFFICIENCY OF FUNDS.—The Secretary shall ensure that sufficient funds are made available, from funds available for the administration of the State plan, to the committee and the subcommittee to carry out the requirements of this section.

SEC. 12. RESOURCE AND REFERRAL PROGRAMS.

(a) ELIGIBILITY FOR ASSISTANCE.—Each State receiving funds under this Act shall, pursuant to section 7(c)(5)(A), make grants to or enter into contracts with private nonprofit organizations or public organizations (including units of general purpose local government), as resource and referral agencies to ensure that resource and referral services are available to families in all geographical areas in the State.

(b) FUNDING.—Organizations that receive assistance under subsection (a) shall carry out resource and referral programs—

(1) to identify all types of existing child care services, including services provided by individual family child care providers and by child care providers who provide child care services to children with a handicapping condition;

(2) to provide to interested parents information and referral regarding such services, including the availability of public funds to obtain such services;

(3) to provide or arrange for the provision of information, training, and technical assistance to existing and potential child care providers and to others (including businesses) concerned with the availability of child care services; and

(4) to provide information on the demand for and supply of child care services located in a community.

(c) REQUIREMENTS.—To be eligible for assistance as a resource and referral agency under subsection (a), an organization shall—

(1) have or acquire a database of information on child care services in the State or in a particular geographical area that the organization continually updates, including child care services provided in centers, group home child care settings, nursery schools, and family child care settings;

(2) have the capability to provide resource and referral services in a particular geographical area;

(3) be able to provide parents with information to assist them in identifying quality child care services;

(4) to the maximum extent practicable, notify all eligible child care providers in such area of the functions it performs and solicit such providers to request to be listed to receive referrals made by such organization; and

(5) otherwise comply with regulations promulgated by the State in accordance with subsection (d).

(d) LIMITATION ON INFORMATION.—In carrying out this section, an organization receiving assistance under subsection (a) as a resource and referral agency shall not provide information concerning any child care program or services which are not in compliance with the laws of the State and localities in which such services are provided.

SEC. 13. TRAINING AND TECHNICAL ASSISTANCE.

(a) MINIMUM REQUIREMENT.—A State receiving funds under this Act shall require, not later than 2 years after the date of the enactment of this Act, that all employed or self-employed individuals who provide licensed or regulated child care services (including registered child care services) in a State complete at least 40 hours of training over a 2-year period in areas appropriate to the provision of child care services, including training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and the needs of special populations of children.

(b) GRANTS AND CONTRACTS FOR TRAINING AND TECHNICAL ASSISTANCE.—

(1) GRANTS AND CONTRACTS.—The State shall make grants to, and enter into contracts with State agencies, units of general purpose local government, institutions of higher education, and nonprofit organizations (including resource and referral organizations, child care food program sponsors, and family child care associations, as appropriate) to develop and carry out child care training and technical assistance programs under which preservice and continuing inservice training is provided to eligible child care providers, including family child care providers, and the staff of such providers including teachers, administrative personnel, and staff of resource and referral programs involved in providing child care services in the State.

(2) ELIGIBILITY REQUIREMENTS FOR GRANTS AND CONTRACTS RELATING TO TRAINING FOR

FAMILY CHILD CARE PROVIDERS.—To be eligible to receive a grant or enter into a contract for a training and technical assistance program for family child care providers under paragraph (1), a nonprofit organization shall—

(A) recruit and train family child care providers, including providers with the capacity to provide night-time and emergency child care services;

(B) operate resource centers to make developmentally appropriate curriculum materials available to family child care providers;

(C) provide grants to family child care providers for the purchase of moderate cost equipment to be used to provide child care services; and

(D) operate a system of substitute caregivers.

(3) ELIGIBILITY REQUIREMENTS FOR GRANTS AND CONTRACTS RELATING TO TECHNICAL ASSISTANCE.—To be eligible to receive a grant, or enter into a contract under subsection (b) to provide technical assistance, an agency, organization, or institution shall agree to furnish technical assistance to child care providers to assist such providers—

(A) in understanding and complying with local regulations and relevant tax and other policies;

(B) in meeting State licensing, regulatory, and other requirements (including registration) pertaining to family child care providers.

(c) SCHOLARSHIP ASSISTANCE.—The State shall provide scholarship assistance to—

(1) individuals who seek a nationally recognized child development associate credential for center-based or family child care and whose income does not exceed the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) by more than 100 percent, in amounts sufficient to cover the costs involved in securing such credential; and

(2) caregivers who seek to obtain the training referred to in subsection (a) and whose income does not exceed such poverty line.

(d) CLEARINGHOUSE.—The State shall establish in the lead agency a clearinghouse to collect and disseminate training materials to resource and referral agencies and child care providers throughout the State.

SEC. 14. CHILD CARE PUBLIC-PRIVATE PARTNERSHIP.

(a) ACTIVITIES AUTHORIZED.—Each State using funds as described in section 7(c)(6)(C) shall design activities conducted with such funds to encourage businesses in the State to support or provide child care services to a reasonable mix of children, including children from different socioeconomic backgrounds, and children of employees and nonemployees. Such activities may include—

(1) disseminating information relating to—

(A) model child care programs appropriate for implementation by such businesses;

(B) flexible employee work schedules; and

(C) other technical assistance that would enable employers to establish and operate child care programs;

(2) making grants or loans on a competitive basis to assist employers in establishing innovative child care programs;

(3) establishing a demonstration program under which grants are made to local nonprofit private organizations to improve and expand child care services in cooperation with employees who contribute to the cost of such improvement or expansion;

(4) making grants to non-profit business organizations to provide technical information and assistance to enable employers to develop and operate child care services; and

(5) encouraging such businesses to participate in resource and referral activities carried out by organizations recognized under section 12.

(b) DUTIES OF STATE.—In carrying out the activities described in subsection (a), the State shall—

(1) consult with the State advisory committee on child care established under section 11;

(2) provide outreach to businesses participating in such activities; and

(3) encourage such businesses to contribute to the cost of carrying out such activities.

(c) BUSINESS PARTNERSHIP TASK FORCE.—The State may carry out subsection (a) in consultation with—

(1) a business task force appointed by the State from among representatives of businesses of various sizes in the State; and

(2) a state entity that administers laws relating to productive economic development.

(d) PRESIDENT'S AWARD FOR PROGRESSIVE MANAGEMENT POLICY.—

(1) ESTABLISHMENT AND AWARD.—

(A) IN GENERAL.—There is established the President's Award for Responsive Management Policy to honor public and private sector employers who have—

(i) successfully implemented in their businesses family-oriented personnel programs and policies responsive to the child care needs of working parents; or

(ii) made significant contributions to child care projects in their communities.

(B) CITATION.—The President's Award for Responsive Management Policy shall consist of a certificate, plaque, or other appropriate citation.

(2) NOMINATION AND SELECTION.—

(A) NOMINATIONS.—Each year the President, acting through the Secretary of Labor, shall solicit nominations for the President's Award for Responsive Management Policy from State and local elected officials, educational institutions, State-based employee or business associations, or other State or local entities.

(B) RECIPIENTS.—The President, in conclusion with the Secretary of Labor, shall select not less than 3 such nominees from each State to receive the President's Award for that year.

(C) REPRESENTATION.—Of the nominees selected from each State to receive such awards, at least 1 shall represent—

(i) a small business;

(ii) an intermediate-size business; and

(iii) a large business.

(3) PRESENTATION.—The President shall present the President's Award each year with such ceremonies as the President may consider proper.

(4) REGULATIONS.—The Secretary of Labor shall promulgate such regulations as are necessary to carry out the provisions of this section.

(5) DEFINITIONS.—As used in this section:

(A) INTERMEDIATE-SIZE BUSINESS.—The term "intermediate-size business" means a business with at least 101 but not more than 500 employees.

(B) LARGE BUSINESS.—The term "large business" means a business with 501 or more employees.

(C) SMALL BUSINESS.—The term "small business" means a business with not more than 100 employees.

(D) STATE.—The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

SEC. 15. FEDERAL ADMINISTRATION OF CHILD CARE.

(a) ADMINISTRATOR OF CHILD CARE.—There is hereby established in the Department of Health and Human Services the position of Administrator of Child Care (hereinafter in this section referred to as the "Administrator"). The Secretary shall appoint an individual to serve as the Administrator at the pleasure of the Secretary.

(b) DUTIES.—The Administrator shall—

(1) coordinate all activities of the Department of Health and Human Services relating to child care, and coordinate such activities with similar activities of other Federal entities;

(2) annually collect and publish State child care standards, including periodic modifications to such standards;

(3) evaluate activities carried out with funds provided under this Act;

(4) act as a clearinghouse to collect and disseminate materials that relate to—

(A) the child care training and technical assistance programs described in section 13(b)(1); and

(B) studies that relate to the salaries paid to individuals employed to provide child care services; and

(5) provide technical assistance to assist States to carry out this Act.

SEC. 16. FEDERAL ENFORCEMENT.

(a) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this Act and the plan approved under section 7(d) for the State.

(b) NONCOMPLIANCE.—

(1) IN GENERAL.—If the Secretary, after reasonable notice and opportunity for a hearing to a State, finds that—

(A) there has been a failure by the State to comply substantially with any provision or any requirements set forth in the plan approved under section 7(d) for the State; or

(B) in the operation of any program or project for which assistance is provided under this Act there is a failure by the State to comply substantially with any provision of this Act;

the Secretary shall notify the State of the finding and that no further payments may be made to such State under this Act (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to such program or activity) until the Secretary is satisfied that there is no longer any such failure to comply or that the noncompliance will be promptly corrected.

(2) ADDITIONAL SANCTIONS.—In the case of a finding of noncompliance made pursuant to this paragraph (1), the Secretary may, in addition to imposing the sanctions described in such paragraph, impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act, and disqualification from the receipt of financial assistance under this Act.

(3) NOTICE.—The notice required under paragraph (1) shall include a specific identification of any additional sanction being imposed under paragraph (2).

(c) ISSUANCE OF RULES.—The Secretary shall establish by rule procedures for—

(1) receiving, processing, and determining the validity of complaints concerning any

failure of a State to comply with the State plan or any requirement of this Act; and

(2) imposing sanctions under this section.

SEC. 17. PAYMENTS.

(a) IN GENERAL.—

(1) AMOUNT OF PAYMENT.—Each State that—

(A) has an application approved by the Secretary under section 7(d); and

(B) demonstrates to the satisfaction of the Secretary that it will provide from non-Federal sources the State share of the aggregate amount to be expended by the State under the State plan for the fiscal year for which it requests a grant;

shall receive a payment under this section for such fiscal year in an amount (not to exceed its allotment under section 5 for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the State plan for such fiscal year.

(2) FEDERAL SHARE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share for each fiscal year shall be 80 percent.

(B) EXCEPTION.—If a State makes the demonstration specified in section 10 throughout a fiscal year for which it requests a grant, then the Federal share shall be 85 percent.

(3) STATE SHARE.—The State share equals 100 percent minus the Federal share.

(4) LIMITATION.—A State may not require any private provider of child care services that receives or seeks funds made available under this Act to contribute in cash or in kind to the State contribution required by this subsection.

(b) METHOD OF PAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may make payments to a State in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(2) LIMITATION.—The Secretary may not make such payments in a manner that prevents the State from complying with the requirement specified in section 7(c)(3)(F).

(c) SPENDING OF FUNDS BY STATE.—Payments to a State from the allotment under section 5 for any fiscal year may be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 18. NATIONAL ADVISORY COMMITTEE ON MINIMUM CHILD CARE STANDARDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—In order to improve the quality of child care services, the Secretary shall establish, not later than 60 days after the date of the enactment of this Act, a National Advisory Committee on Minimum Child Care Standards (hereinafter in this section referred to as the "Committee"), the members of which shall be appointed from among representatives of—

(A) the chief executive officers of the several States;

(B) State legislatures;

(C) units of general purpose local governments;

(D) businesses;

(E) individuals responsible for regulating the insurance industry within the States;

(F) religious institutions;

(G) different types of child care providers;

(H) persons who carry out resource and referral programs;

(I) child care, early childhood development, or early childhood education specialists;

(J) individuals who have expertise in pediatric health care, handicapping conditions, and related fields;

(K) organizations representing child care employees;

(L) individuals who have experience in the regulation of child care services; and

(M) parents who have been actively involved in community child care programs.

(2) APPOINTMENT OF MEMBERS.—The Committee shall be composed of 20 members of which—

(A) 4 members shall be appointed by the President;

(B) 4 members shall be appointed by the majority leader of the Senate;

(C) 4 members shall be appointed by the minority leader of the Senate;

(D) 4 members shall be appointed by the Speaker of the House of Representatives; and

(E) 4 members shall be appointed by the minority leader of the House of Representatives.

(3) CHAIRMAN.—The President shall appoint a chairman from among the members of the Committee.

(4) VACANCIES.—A vacancy occurring on the Committee shall be filled in the same manner as that in which the original appointment was made.

(b) PERSONNEL, REIMBURSEMENT, AND OVERSIGHT.—

(1) PERSONNEL.—The Secretary shall make available to the Committee office facilities, personnel who are familiar with child development and with developing and implementing regulatory requirements, technical assistance, and funds as are necessary to enable the Committee to carry out effectively its functions.

(2) REIMBURSEMENT.—

(A) COMPENSATION.—Members of the Committee who are not regular full-time employees of the United States Government shall, while attending meetings and conferences of the Committee or otherwise engaged in the business of the Committee (including travel-time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedule established under section 5332 of title 5, United States Code.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the Committee, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(3) OVERSIGHT.—The Secretary shall ensure that the Committee is established and operated in accordance with the Federal Advisory Committee Act (5 U.S.C. App.).

(c) FUNCTIONS.—The Committee shall—

(1) review Federal policies with respect to child care services and such other data as the Committee may deem appropriate;

(2) not later than 180 days after the date on which a majority of the members of the Committee are first appointed, submit to the Secretary proposed minimum standards described in subsection (d) for child care services, taking into account the different needs of infants, toddlers, preschool and school-age children; and

(3) develop and make available to lead agencies, for distribution to resource and referral agencies in the State, model requirements for resource and referral agencies.

(d) MINIMUM CHILD CARE STANDARDS.—The proposed child care standards submitted pursuant to subsection (c)(2) shall be minimum standards and shall consist of only the following:

(1) CENTER-BASED CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by center-based child care providers shall be limited to—

(A) group size limits in terms of the number of caregivers and the number and ages of children;

(B) the maximum appropriate child-staff ratios;

(C) qualifications and background of child care personnel;

(D) health and safety requirements for children and caregivers; and

(E) parental involvement in licensed and regulated child care services.

The standards described in subparagraphs (A) and (B) shall reflect the median standards for all States (using for States which apply separate standards to publicly-assisted programs the most comprehensive or stringent of such standards) as of the date of enactment of this Act.

(2) FAMILY CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by family child care providers shall be limited to—

(A) the maximum number of children for which child care services may be provided and the total number of infants for which child care services may be provided;

(B) the minimum age for caregivers; and

(C) health and safety requirements for children and caregivers.

(3) GROUP HOME CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by group home child care providers shall be limited to the matters specified in paragraphs (1)(B) and (2).

(4) LIMITATION.—The Committee shall not submit any standard under subsection (c)(2) that is less or more rigorous than the least or most rigorous standard that exists in any of the States at the time of the submission of such recommendation.

(e) CONSIDERATION AND ESTABLISHMENT OF STANDARDS.—

(1) NOTICE OF PROPOSED RULEMAKING.—Not later than 90 days after receiving the recommendations of the Committee, the Secretary shall—

(A) publish in the Federal Register—

(i) a notice of proposed rulemaking concerning the minimum standards proposed under subsection (d) to the Secretary; and

(ii) such proposed minimum standards for public comment for a period of at least 60 days; and

(B) distribute such proposed minimum standards to each lead agency and each State subcommittee on licensing for comment.

(2) ESTABLISHMENT OF MINIMUM CHILD CARE STANDARDS.—

(A) ISSUANCE OF RULES.—The Secretary shall, in consultation with the committee—

(i) take into consideration any comments received by the Secretary with respect to the standards proposed under subsection (d); and

(ii) not later than 180 days after publication of such standards, shall issue rules establishing minimum child care standards for purposes of this Act. Such standards shall include the nutrition requirements issued, and revised from time to time, under section 17(g)(1) of the National School Lunch Act (42 U.S.C. 1766(g)(1)).

(B) AMENDING STANDARDS.—The Secretary may amend any standard first established under subparagraph (A), except that such standard may not be modified, by amendment or otherwise, to make such standard

VOL 135 PT 9 JE 14 — 22 1989 UMI

less comprehensive or less stringent than it is when first established.

(C) EXTENDED PERIOD FOR COMMENT.—If the Committee recommends a standard under subsection (c)(2) that no State has a requirement concerning, as of the time that such standard is recommended, the Secretary shall provide an additional 30 days during which States may submit comments concerning such standard.

(3) ADDITIONAL COMMENTS.—The National Committee may submit to the Secretary and to the Congress such additional comments on the minimum child care standards established under paragraph (2) as the National Committee considers appropriate.

(f) VARIANCES.—

(1) TIME FOR COMPLIANCE WITH STANDARDS.—Not later than the end of the 4-year period referred to in section 10, States shall comply with the standards established under this section.

(2) EXCEPTION.—At the expiration of the 4-year period referred to in paragraph (1) the chief executive officer, in consultation with the State advisory committee, may submit a request to the Secretary for a 1 year variance from the requirements of one or more particular standards for one or more particular geographic areas of the State.

(3) REQUIREMENTS.—A request for a variance under this subsection shall include—

(A) a statement by the chief executive officer of the State of the steps taken to implement the relevant standards in the relevant geographic areas in the State within the 4-year period;

(B) the specific reasons for the submission of the variance request; and

(C) a detailed plan that outlines the additional procedures and resources to be used to come into compliance with the standards at the end of the variance period.

(4) PERIOD OF VARIANCE.—A variance granted by the Secretary shall be for a 1-year period and may be renewed at the discretion of the Secretary for an additional 1-year period if requested by the State.

(g) TERMINATION OF COMMITTEE.—The National Committee shall cease to exist 90 days after the date the Secretary establishes minimum child care standards under subsection (e)(3).

SEC. 19. LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR CERTAIN PURPOSES.

(a) SECTARIAN PURPOSES AND ACTIVITIES.—No financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship and instruction.

(b) TUITION.—With regard to services provided to students enrolled in grades 1 through 12, no financial assistance provided under this Act shall be expended for—

(1) any services provided to such students during the regular school day;

(2) any services for which such students receive academic credit toward graduation; or

(3) any instructional services which supplant or duplicate the academic program of any public or private school.

SEC. 20. NONDISCRIMINATION.

(a) FEDERAL FINANCIAL ASSISTANCE.—Any financial assistance provided under this Act, including a loan, grant, or child care certificate, shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), and the regulations issued thereunder.

(b) RELIGIOUS DISCRIMINATION.—

(1) IN GENERAL.—Nothing in this section shall be construed to modify or affect the provisions of any other Federal law or regulation that relates to discrimination in employment on the basis of religion, except as provided herein.

(2) DISCRIMINATION AGAINST CHILD.—

(A) IN GENERAL.—A child care provider that receives assistance under this Act shall not discriminate against any child on the basis of religion in providing child care services.

(B) NON-FUNDED CHILD CARE SLOTS.—Nothing in this section shall prohibit a child care provider from selecting children for child care slots that are not funded directly with assistance provided under this Act because such children or their family members participate on a regular basis in other activities of the organization that owns or operates such provider.

(3) EMPLOYMENT IN GENERAL.—

(A) PROHIBITION.—A child care provider that receives assistance under this Act shall not discriminate in employment on the basis of the religion of the prospective employee if such employee's primary responsibility is or will be working directly with children in the provision of child care services.

(B) QUALIFIED APPLICANTS.—If two or more prospective employees are qualified for any position with a child care provider receiving assistance under this Act, nothing in this section shall prohibit such child care provider from employing a prospective employee who is already participating on a regular basis in other activities of the organization that owns or operates such provider.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of child care providers receiving assistance under this Act if such employees are employed with the provider on the date of enactment of this Act.

(4) EMPLOYMENT AND ADMISSION PRACTICES.—Notwithstanding paragraphs (2) and (3), if assistance provided under this Act, and any other Federal or State program, amounts to 80 percent or more of the operating budget of a child care provider that receives such assistance, the Secretary shall not permit such provider to receive any further assistance under this Act unless the grant or contract relating to the financial assistance, or the employment and admissions policies of the provider, specifically provides that no person with responsibilities in the operation of the child care program, project, or activity of the provider will discriminate against any individual in employment, if such employee's primary responsibility is or will be working directly with children in the provision of child care, or admissions because of the religion of such individual.

(5) SEVERABILITY.—If any provision of this subsection or the application thereof to any individual or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this subsection shall be severable.

SEC. 21. PRESERVATION OF PARENTAL RIGHTS AND RESPONSIBILITIES.

Nothing in this Act shall be construed or applied in any manner to infringe upon or usurp the moral and legal rights and responsibilities of parents or legal guardians.

SEC. 22. CHILD CARE LIABILITY RISK RETENTION GROUP.

(a) PURPOSE.—It is the purpose of this section—

(1) to increase the availability of child care by alleviating the serious difficulty faced by child care providers in obtaining affordable liability insurance; and

(2) to provide States with a sufficient capital base for liability insurance purposes that may be increased or maintained through mechanisms developed by the State.

(b) FORMATION OF CHILD CARE LIABILITY RISK RETENTION GROUP.—

(1) ASSISTANCE IN FORMATION AND OPERATION OF GROUP.—Any State may assist in the establishment and operation of a child care liability risk retention group in the manner provided under this section.

(2) CHILD CARE LIABILITY RISK RETENTION GROUP DEFINED.—As used in this section, the term "child care liability risk retention group" means any corporation (or other limited liability association)—

(A) whose members are licensed child care providers pursuant to State and local law and who, after the expiration of the 4-year period beginning on the date the Secretary establishes minimum child care standards under section 17(e)(2), complies with such minimum child care standards that are applicable to the child care services provided by such members; and

(B) which otherwise satisfies the criteria for a risk retention group under section 2(4) of the Liability Risk Retention Act of 1986 (15 U.S.C. 3901(4)).

(c) STATE APPLICATIONS.—

(1) APPLICATIONS.—To qualify for assistance under this section, a State shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require, including information that meets the requirements of subsection (b) of this section.

(2) CONTENT OF STATE APPLICATION.—

(A) LEAD AGENCY.—The application shall identify the lead agency that has been designated and that is to be responsible for the administration of funds provided under this section.

(B) PARTICIPANTS IN RISK RETENTION GROUP.—The application shall assure that all participants in the child care liability risk retention group are licensed child care providers pursuant to State and local law who, after the expiration of the 4-year period beginning on the date the Secretary establishes minimum child care standards under section 18(e)(2), comply with such standards that are applicable to the child care services they provide. In addition, the applicant shall provide for maximum membership of family-based child care providers in the group.

(C) USE OF FUNDS.—The application shall provide that the State shall use at least the amount allotted to the State in any fiscal year to establish or operate a child care liability risk retention group.

(D) CONTINUATION OF RISK RETENTION GROUP.—The application shall contain provisions that specify how the child care liability risk retention group will continue to be financed after fiscal year 1992, including financing through contributions by the State or by members of such group.

(d) FEDERAL ENFORCEMENT.—

(1) REVIEW OF APPLICATIONS.—The Secretary shall review and approve State applications submitted in accordance with this section and shall monitor State compliance with the provisions of this section.

(2) FINDING OF NONCOMPLIANCE.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds—

(A) that there has been a failure to comply substantially with any provision or any requirements set forth in the State application of that State; or

(B) that there is a failure to comply substantially with any applicable provision of this section,

the Secretary shall notify such State of the findings and of the fact that no further payments may be made to such State under this section until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

(e) ALLOTMENT TO STATES.—

(1) IN GENERAL.—The Secretary shall make an allotment to each State from the sums appropriated to carry out the provisions of this section using the same allotment formula established under section 5.

(2) STATE ADMINISTRATIVE COSTS.—Of the amount allotted to a State pursuant to paragraph (1), an amount not to exceed 10 percent shall be used by such State to provide for the administrative costs of carrying out such program.

(f) PAYMENTS.—

(1) ENTITLEMENT.—Each State for which an application has been approved by the Secretary under this section shall be entitled to payments under this subsection for each fiscal year in an amount not to exceed its allotment under subsection (e) to be expended by the State in accordance with the terms of the application for the fiscal year for which the grant is to be made.

(2) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(3) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under subsection (e) for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 13. HEAD START ACT AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended by striking "$1,405,000,000" and inserting "$1,552,000,000".

The PRESIDING OFFICER. Under the previous order, the majority leader is recognized.

AMENDMENT NO. 196

Mr. MITCHELL. Mr. President, I withdraw the pending committee reported substituted amendment, and I send an amendment to the desk.

The PRESIDING OFFICER. The leader has that right.

The clerk will report.

The Senator from Maine [Mr. MITCHELL], on behalf of the committee, proposes an amendment numbered 196.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is printed in today's RECORD under "Amendments Submitted."

Mr. MITCHELL. Mr. President, the amendment that I have offered incorporates the following principal measures:

First, the Act for Better Child Care Services legislation, sponsored by Senators DODD, HATCH, KENNEDY, and others, as amended by the agreement reached with the National Governors Association;

Second, the child care, child health tax credit, and section 89 package, sponsored by Senator BENTSEN and adopted by the Senate Finance Committee on Tuesday; and

Third, a compromise amendment by Senators FORD and DURENBERGER on the use of certificates for sectarian child care.

These provisions represent a comprehensive package that will effectively respond to our Nation's child care needs.

The Governor's agreement is a carefully crafted balance between providing States with the flexibility they desire and ensuring that the child care available to families provides for a safe and healthy environment.

The agreement would allow States complete discretion to design their own standards within several categories.

After 3 years, States desiring extra assistance can apply for our incentive trust program to help raise the quality of child care.

The agreement also encompasses training and inspections.

And, of interest to many Members, child care by relatives would only be subject to regulation if required by State and local law. Since there is no category in the agreement pertaining to relative care, this issue is left to the complete discretion of the States.

The child care and child health tax credit package is designed to increase child care options and health insurance options to the poorest of American families.

These families, living on the margin, from paycheck to paycheck, would receive a refundable credit based on expenses for child care and expenses for health insurance premiums. Families would not have to choose between the two credits, but could receive them both.

As modified, the dependent care credit would increase the maximum percentage of allowable expenses for child care from 30 percent under current law, to 32 percent for families with income between $8,000 and $10,000 and to 34 percent for families with income below $8,000.

The health care credit is targeted toward working families with income below $21,000. The credit is worth 50 percent of the cost of health insurance up to a maximum of $500.

Like the earned income tax credit, both credits would be refundable on an advance payment basis.

The section 89 provisions incorporate S. 1129, as introduced by the chairman of the Senate Finance Committee last week. Over half the Senate and 18 of the 20 members of the Finance Committee are cosponsors of this legislation to delay section 89 for 1 year and rewrite the nondiscrimination tests under law.

The agreement we have reached on the church-state issue is a sound compromise. It is both fair and constitutional.

The agreement includes the exemption sought by Senators FORD and DURENBERGER from the restrictions under section 19(a), and adding only the proviso that financial assistance under this act shall not be expended in a manner inconsistent with the Constitution.

This is a good package. It provides a great degree of flexibility for States and families. It provides parents and States with real choices for child care.

In a comprehensive manner, the package addresses the quality, availability, and affordability of child care.

This is an issue of great importance to the American family—the care of young children.

Many parents have difficulty finding child care for their children. Other parents can find child care, but can't afford it. Still others find child care, but the care that is available is part time, and they need to work full time to make ends meet.

And others who can find it and afford it express concern about the quality of care that their children receive.

The number of women working today is greater than ever before. More and more women who have very young children are among those who are working.

The latest figures from the Bureau of Labor Statistics indicate that 65 percent of all women with children under 18, 73 percent of mothers with school age children, 56 percent of women with preschool age children, and 51 percent of mothers with infants under 1 were in the labor force during 1988.

Yet, parents report that they cannot find child care services in their community. Other parents have found child care services, but are put on long waiting lists. And, many parents report that they must rely on informal child care arrangements, which can vary daily and sometimes involves two different child care providers and two different settings each day.

For an increasing number of families, child care is almost as expensive as housing. In fact, for many families, the amount of money spent on child care actually exceeds the amount of money spent on housing.

Last summer President Bush told the National Federation of Business and Professional Women's Clubs in New Mexico that "child care is the single most important issue arising from changes in our work force"; and "today, child care is nothing short of a family necessity."

VOL 135 PT 9 JE 14 — 22 1989 UMI

The President was right. This is a family necessity.

We hope to work with the President to develop a package to respond to this necessity.

That program must address the quality of child care in our States. It must also address the availability of that care and the affordability of that care.

That is why the Act for Better Child Care, the ABC bill, is the glue that holds this comprehensive package together.

Since the first ABC bill was introduced in 1987, its sponsors have worked tirelessly to develop a consensus on how best to respond to this country's growing need to meet the demands of families who want reliable, quality child care at a reasonable rate.

Under this bill, 10 percent of the funds are allocated to the States. The States will decide how the funds are to be spent.

There are some general guidelines, but within those guidelines are many choices. Seventy percent of the funds must be spent on direct assistance for families. But States have a wide variety of options from which to choose to deliver that assistance.

Over 20 percent of the funds are to be spent on quality and supply, such as grants and loans to child care providers, and grants and loans of those organizations and individuals who want to establish and improve facilities. Funds could also be used to meet State and local standards, to fund resource and referral centers, and to start employer sponsored child care programs.

There have been several controversial aspects of this bill. I believe they have been effectively addressed.

I congratulate the sponsors of the legislation on their success in reaching an agreement with the Nation's Governors.

The bill, as modified, presents a carefully crafted agreement that balances the need for States to have flexibility while still ensuring that what is provided is of high quality.

The agreement identifies categories within which the States will have complete discretion to set their own laws. The categories were agreed to because the Governors want to ensure that all States address issues such as health and safety, training of providers, and prevention of child abuse.

There have been reports of children injured or placed in life threatening situations because too many children were under the care of the adult in charge; or of infants drugged so that they stop crying. The national wire services have run stories during the past year which focused on the unnecessary deaths of children.

The agreement with the Governors will help prevent these tragedies from happening in the future.

Another issue of concern has been the treatment of relatives and the standards with which relatives would be asked to comply. Several Senators raised valid questions about how the Federal Government could seek to regulate grandmothers.

The bill before us today leaves to the States the authority to decide how to treat child care offered by relatives. The bill does not preclude this type of care nor try to regulate it.

According to the latest census study on child care arrangements, about 7 percent of all child care and 16 percent of child care for children under 5 is provided by grandmothers.

Grandmothers and other relatives would be exempt from training and other categories under the legislation, unless required by State or local law.

Under this bill, the States have a wide array of choices. The discretion is with the States. For example, there is no requirement that States enter into the child care voucher business.

A state can choose to use vouchers, if it wishes to do so. If it does, those vouchers can only be used for constitutional purposes for care that meets State and local laws.

This is a reasonable approach. We will have a chance to review how the certificates are working when the Governors provide data on their programs.

Another issue of importance to families is affordability.

The cost of child care is simply too high for many families.

Two-thirds of the respondents to a 1986 survey of welfare recipients by the National Social Science and Law Center cited difficulties with child care arrangements as the primary problem in seeking and keeping jobs.

I'm not surprised. In 1987 when I first started working on welfare reform, I sent my own survey to 220 child care providers in Maine.

Based on the responses to that survey, the average cost of child care in Maine was $289 per month per child—$3,469 per year. In the Portland area, the average cost of child care was $372 per month per child—$4,473 per year.

While nearly all the facilities that had some subsidy available—either Federal, State, local, or some other source—were operating at capacity, only 56 percent of those facilities not offering any subsidy were at capacity.

Of the half day only facilities responding to the survey, 83 percent were not operating at capacity.

And, yet, throughout the State there were long waiting lists of families who wanted full-time child care.

The evidence is clear. In Maine and throughout the country, there is a real need for substantially more child care options, with affordable rates, offering full-time care.

The measure before us also includes provisions expanding the current dependent care tax credit. As approved by the Finance Committee, the child care credit would be made available to families who do not have any Federal income tax liability. In addition, the value of the dependent care credit would also be increased for families with income under $10,000 a year.

The child care credit in current law is designed to provide a tax benefit that declines as income rises. But because the credit is based on the amount of expenses incurred, and lower income families simply do not have the income to spend, the distribution of benefits of the credit is actually regressing. The average tax subsidy rises with income, the opposite of what is intended under the law.

The legislation as approved by the Finance Committee would reduce the regressivity of current law by making the credit available to families who owe no tax liability and by increasing the amount of the credit for lower income families. But that still does not help families who simply do not have the income to spend in the first place.

That is where the ABC Program will fill in the gap so that we can help the poorest families who cannot afford to spend much for child care.

Two basic facts are generally recognized about the importance of child care.

First, child care assistance is critical if low- and moderate-income mothers are to participate in the work force. And second, quality child care can help provide children with the foundation needed to do well in school and become productive adults.

Both are important national objectives. They can be achieved if we want this historic bill.

Mr. President, I want to make clear that my amendment is not an amendment on behalf of the Labor Committee. Rather, it is an amendment on behalf of myself and the other individual Senators.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DOLE. Did the majority leader complete his statement?

Mr. MITCHELL. Yes.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DOLE. Mr. President, we are going to have an extensive debate on this issue, not that anyone disagrees about the importance of child care. It is important. It is an important problem for millions of American families. But there is a different way to approach it.

It is the view of many on this side, in fact I would say a great majority on this side, nearly every one on this side, that we should use the tax credit approach so that parents could make the decision about the care of their children, not somebody else, not some in-

stitutional day care center, not some mandate from the Government, but the parents would make the decision. We believe that we will have a substitute which I will outline briefly that will demonstrate to the majority of Members on both sides of the aisle that our approach deserves bipartisan support.

I know that the distinguished Senator from Connecticut, the Senator from Massachusetts, the Senators from Utah, and others, have worked long and hard on their approach. I know that the Finance Committee met and basically rubber stamped a child care proposal. Included in that package is a $1.5-billion package on health care credits about which we question the effectiveness. In fact, there are no data to show that these new credits actually increase coverage. It may just be a throwaway, and what you will be doing is subsidizing those who already have health care coverage for their children. Rather than helping more poor families.

So in the package reported by the Finance Committee there was nothing in it for President Bush except the refundability of the existing dependent care tax.

The majority leader has quoted President Bush, and the quote is accurate. This is a necessity. It is a high priority with the President. It is a high priority with the administration. But we believe there is a better way to go than has been proposed by the Senator from Connecticut and we believe that the President articulated his position in the election, the American people knew precisely what it was, and he carried 40 States.

If you want any further indication of how the American people feel, they had a little election on child care out in Fremont, CA, on a proposal where all of the taxpayers were going to put money in a pot for child care. They got 23 or 26 percent of the vote. The parents ought to make the decisions. The parents ought to have the responsibility.

That is what President Bush feels. And where they cannot afford it that is why he has the credit.

So I would say very quickly before turning it over on this side to Senator HATCH, who waffled a bit on this issue, and then he will pass it off to our stalwart, Senator PACKWOOD.

Our package relies principally on tax credits.

First, we have a young child supplement to the earned income tax credit. A young child supplement would provide families with children 4 years old and under an additional credit, in the amount of 8 percent for the first child and an additional 4 percent for two or more children.

This would provide an additional credit up to $500 for the first child and up to $250 for the second.

Like the current earned income tax credit this credit would be refundable. It would be subject to advance payment. In other words, a family would not have to wait until the end of the year but would receive a benefit on a monthly basis or paycheck basis. This benefit would be available to one-earner and two-earner families.

This young child supplement would be in addition to an existing 14-percent earned income tax credit which is available to all working poor families with children.

This is similar to the administration child tax credit in that it allows parents to make the choice as to how to best spend their dollars.

I know some will say, oh, you cannot trust the parents to spend their own money; we have to let the Government determine that; maybe they will not spend it on child care; maybe they will spend it on something else; maybe they might buy health care coverage with it; maybe do something else.

In addition to this new child care supplement, we make the dependent care tax credit [DCTC] refundable and subject to advance payment to give more low-income parents access to this credit.

The DCTC provides poor families with a tax credit based on their documented child care costs, and there is a problem in this. As I understand, more than half of the families with incomes below $15,000 do not benefit from the DCTC because they do not document their child care costs.

Then we have a third provision. Ours is very simple. It is not complicated.

The third part of our three-part package would amend the dependent care block grant to an active 5-year authorization to permit States to undertake child care-related programs in the following areas: Resource and referral, consumer education, training, technical assistance, liability of providers, inspection, enforcement of State standards, and modification of existing structures, to meet State and local health and safety standards, tax credits for families—they could have additional tax credits for families—incentives to employers to provide child care services, and latch key children programs.

These funds could not be used for direct subsidies for child care, construction of facilities, or operating expenses of providers. They are going to be distributed on a basis of per capita income and number of children under the age of 13. There is a match required of 85 percent Federal, 15 percent State.

Mr. President, I ask unanimous consent that a brief summary of this proposal be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

DOLE CHILD CARE ALTERNATIVE

1. TAX CREDITS

The package relies principally on tax credits to deliver resources directly to needy families with children enabling parents to make their own child care choices.

a. Young Child Supplement to the Earned Income Credit Tax Credit:

Would provide families with children 4 years old and under an additional credit amount of 8% for one child and an additional 4% for two or more children.

This would provide an additional credit of up to $500 for the first child and up to $250 for the second child.

Like the current Earned Income Tax Credit, this credit would be refundable, would be subject to advanced payment and would be available to one earner families.

This Young Child Supplement would be in addition to an existing 14% Earned Income Tax Credit, which is available to all working poor families with children.

This is similar to the Administration's Child Tax Credit in that it allows parents to make the choice as to how to best spend their dollars.

b. Dependent Care Tax Credit Refundability:

The Dependent Care Tax Credit (DCTC) would be made refundable and subject to advance payment to give low-income parents access to this credit. The DCTC provides two earner families with a tax credit based on their documented child care costs.

Refundability of the Dependent Care Tax Credit was a major component of both the Administration's bill and the Packwood Child Care Bill.

2. BLOCK GRANT FOR STATE CHILD CARE SERVICES

a. This title would expand upon the current State Dependent Care Block Grant Program to help states address a wide array of child needs, while allowing States the flexibility to concentrate on the particular child care needs they face:

Amends State Dependent Care Development Grant program to create new, part B, block grant for child care services. Authorizes $400 million for each of 5 years.

Allotments to States based upon number of children under 13, and weighted by per-capita income.

Funds can be used for a wide array of services, including: resource and referral; consumer education; enhanced enforcement of standards; tranining and technical assistance of providers; recruitment and training to increase the number of providers; developing "latch-key" programs; loans or grants for renovations and modifications to meet State and local health and safety standards; liability risk pools; encouraging employer-assistance care; providing tax credits to low-income parents; developing programs for children when they are sick; developing programs for children of parents who work "nontraditional hours"; developing programs for children who are homeless, migrant, disabled, abused, neglected, or children of minors.

But not including: cash payments to recipients, or the direct subsidy for services; payments for cost of construction or land acquisition; use of funds to satisfy state matching requirements of any other Federal grant.

VOL 135 PT 9 JE 14 — 22 1989 UMI

b. State match required; 85% Federal, 15% State and state administration limited to 7% of funds.

c. States would submit to HHS a state plan describing how they are going to use funds, and after each year report to HHS on what they did.

d. 6 months after State reports come to HHS, HHS would report to Congress to summarize what states are doing.

Mr. DOLE. Mr. President, I think we have to be very honest right up front or very candid right up front, and I have no quarrel with the Senator from Connecticut. He has worked long and hard and, as he has indicated to me, he is willing to compromise. He has tried to compromise with the administration. He has met with the administration officials. He has worked with Senator HATCH and they have both been in good faith. I do not quarrel with any of that.

But at this point the administration does not find many redeeming features in the ABC bill.

The administration's view is that the ABC bill, regardless of how you try to coat over it, and we have not had a chance to examine the substitute, which we will do very carefully, what it does it encourages institutionalized day care and takes away the choice for parents.

I do not care how long you talk about it and how much you say you change it, and say, "Oh, we don't have any standards, this is what the bill does," it encourages institutional care and takes away the parents' choice. It subsidizes slots in specific types of day care centers. It does not address the major issue of affordability for all low-income families with children. It says it does, but it does not. Ours does. The earned income tax credit is geared to poor families.

I might add in our case families can qualify for both credits. There is no limit. Some say that is double dipping. Well, these are very low-income families and I guess we have concluded that maybe in some cases they might even get a credit or refund larger than the President anticipated. His is $1,000. This could go maybe as high as $1,300, maybe a bit higher. And that does not please everyone, but it seems to me if we are going to address the needs of poor families and if they can benefit from each of the programs they should benefit.

So it seems to me that if we want to look at who we want to help, my view is we ought to be helping those working mothers, those low-income families, and others. Upper-income ought to take care of themselves.

The Federal Government does not have enough money to take care of day care for everyone in America. We do not have enough money to build facilities everywhere in America. We do not have enough bureaucrats to set standards for every child in America. So we are going to make an effort to defeat that approach.

Because the ABC bill does contain "model" Federal standards, the bill would have the Government telling parents how to care for their children. This is not an acceptable solution to President Bush or the Secretary of Labor. The ABC bill would also discriminate against families in which one parent chooses to stay at home to take care of the children. Anything wrong with staying at home and taking care of the children?

Some would say, "Well, we want to encourage more and more women to work." Sixty-five percent of women with children under age 18 do now. Some women prefer to stay home and take care of the children. Should they be denied some assistance? President Bush does not think so. I do not think most Members of this body think so. And that is a basic difference between our approach and that of Senator DODD.

I think the other point that should be made is funding is heavily weighted in favor of urban areas. Once again, rural America is going to lose out. We have children, too, in our States—Kansas, Georgia, Utah, Oregon, Connecticut.

But I would just say finally, and then I will turn it over to the experts, because Senator HATCH and Senator DODD obviously have spent months on this issue, as has Senator PACKWOOD, Senator KENNEDY, and others. But I would just make the case that this is not a Republican issue or a Democratic issue. In fact, one problem we have had on our side of the aisle is everybody has a child care bill and everybody would like to think that their bill would address all the issues.

But many of us have been able to come together, for the most part, on the package that I have earlier described. There are only three parts to it. It is not very complicated. It does not take long to understand it, because we give the money to the parents. We do not have to worry about pleasing all the Governors or the bureaucracies everywhere. We give it to the parents. We have confidence in the parents that they can make the right choices for their children.

Maybe in some cases that may not happen. But should we apply standards to everyone because in a few cases the parents may not spend the money as we believe they should?

So this is a bipartisan issue. This is the first day of debate. We are going to be on this issue, I would assume, for several days. And what may appear today to be a deadlock may tomorrow disappear. There may be some way to work around the problems that Senators have on each side of the aisle and work with the administration. I certainly do not want to foreclose anything at this point.

But we do differ in our approach. I think everybody agrees on the issues of affordability, quality, and availability. But it is the approach that is different.

I think most of the proposals cost between $2 and $3 billion. There is not much disagreement on the amount.

I know that almost every Senator wants to participate in this debate because it is very important.

The House has a different approach to child care—So whatever passes the Senate ends up in conference with the House. So there is still a lot of negotiating to be done. But I would urge my colleagues, right from the start, to keep an eye on the fundamental differences in the two approaches.

Again I must say that I think President Bush has extended the hand of bipartisanship in his inaugural address and he has done it on several other cases, whether it is the S&L's, whether it is Contra aid, whatever. I think he would like to have a bipartisan solution of this problem, this opportunity.

But there was little in the package that came out of the Finance Committee, that you could say was part of President Bush's proposal.

But we will have more time now on the Senate floor. We will be able to point out that if you want to throw away a billion-and-a-half dollars you go for the health care credit. If you want to just spend money that provides very little help, you go for the health care credit. Let us take that money and put it in the earned income tax credit. Let us really help poor working people.

So there are flaws and maybe they will find flaws in our approach. But that is what the debate is all about.

I commend my colleagues on both sides of the aisle for getting this issue to the floor. It is a matter of priority across the board. I can assure my colleagues that the President is ready, willing, and able to sit down and try to hammer out some of the differences when we get to that point.

I thank my colleagues.

Mr. DODD addressed the Chair.

Mr. KENNEDY. Mr. President, I do not want to interrupt the Senator from Connecticut, but would the leader respond to some questions on this particular proposal, just so we may have a better understanding of where we are going? I know the Senator from Connecticut, the Senator from Utah, as well as myself, would like to make a statement on it. But is he prepared to respond to any questions?

Mr. DOLE. I would be happy to return and do that. I have people in my office who have been there for some time. But Senator PACKWOOD is prepared to respond to questions on it and he will be here, too.

Mr. KENNEDY. Well, I thank the Republican leader for that, because I do think, as we begin the debate and discussion, we ought to have at least some understanding about how many families would actually benefit under the particular proposal of the minority leader and what assurances we could have about the dependent care block grant. When the money goes back to the States, how are we going to know that it is really going to be for day care? As someone who is always glad to see an increase in the earned income credit, how does the Republican leader think that money is actually going to be used for day care, which is really the purpose.

So I just heard the Senator speak and I hope that we might have had some discussion on that particular proposal, but maybe we can do that later in the afternoon.

Mr. DOLE. If the Senator will yield, obviously we need to answer any question the Senator has or anyone else has. We have a number of questions on the substitute, but first we want to read it and find out what is in it. We do not know. It has been changed some. So we have questions, those of us who have not been as close to it as the Senator from Massachusetts, the Senator from Connecticut, the Senator from Utah, the Senator from Oregon, and the Senator from Texas.

So we will be prepared to respond, as we should, and we will need responses, too, from the other side of the aisle on the health care credit and on the ABC bill itself.

As I pointed out, there will probably be some cases where the money, if it is earned income tax credit, the child supplement, maybe it will be improperly spent. But at least we will not have a bureaucrat in each household telling the other parents how to spend theirs.

Mr. KENNEDY. As I say, I look forward to that because I think on the earned income credit, if their proposal goes forward, it does provide funding, expands funds for families with children. I am certainly sympathetic with that, but there is no indication of how that really relates to child care, nor how the dependent care program, which is a block grant to the States, will help families. Again, I just wanted to hear how he believes that this is going to really address the issue. And the refundability of the dependent care tax credit is, of course, already in the bill. But I guess we will have a chance later on to address those issues.

The PRESIDING OFFICER The Senator from Connecticut.

Mr. DODD. Mr. President, I understand my colleague from Tennessee is about to assume the duties of the Chair and would like to make a very quick statement. I am happy to yield to him for that purpose.

The PRESIDING OFFICER The Senator from Tennessee.

Mr. GORE. Mr. President, I appreciate my colleague yielding to me.

Mr. President, I rise in support specifically of the amendment offered by the distinguished majority leader. I am extremely pleased that we are, hopefully, about to take steps to encourage better health care coverage for children and to address concerns regarding section 89. I am particularly delighted that we are about, hopefully, to improve the dependent care tax credit.

I have tried to be at the forefront of efforts to make changes to the dependent care tax credit, which is the largest Federal program providing child care benefits for working parents. In fact, earlier this year I introduced a bill, S. 364, with a companion measure introduced in the other body by Congressman TOM DOWNEY, titled the Employment Incentives Act, which has as one of its key components a provision to modify the dependent care tax credit.

The dependent care tax credit is presently a nonrefundable credit against income tax liability available for up to 30 percent of a limited amount of child care expenses. The tax credit, however, has a major deficiency. It will not provide any relief to a family with income so low that it has no tax liability. Mr. President, low-income families are the ones who frequently need assistance with child care the most, so that they can have an easier time getting into the work force. If they have no money and if they have no child care this program on the books today which is supposed to help with child care does not give them any assistance in getting back on the work roll.

Work pays less for these low-income families than it would were they able, as are wealthier families, to offset employment-related child care expenses. A work subsidy that discriminates against the poor certainly seems counterproductive, to say nothing of ethically troubling. Therefore, making the credit refundable is a step that obviously needs to be made. It is an idea whose time has come. In fact, it came a long time ago. And I am very hopeful that the Senate will endorse this amendment and will make this change. Making the credit refundable will make 1.7 million low-income families eligible for this benefit and bolster their efforts to work and earn a better life for themselves and their children.

I believe that the amendment offered by the majority leader addresses several pressing issues of concern to the Nation. And I urge my colleagues in the strongest possible terms to support this amendment from the majority leader.

I appreciate my colleague yielding and I yield the floor.

Mr. DODD. Mr. President, first I want to thank our colleague from Tennessee for supporting the substitute amendment offered by the majority leader. And, at the very outset, before a word is said about the substance of this legislation, Mr. President, I want to thank my colleague from Massachusetts, the chairman of the Labor Committee, without whose support and backing and tireless efforts we would not be here at this point today. He has been as supportive as any full committee chairman could be of a subcommittee chairman for almost 2½ years on this legislation. Not a moment has passed when he has not offered assistance, provided assistance and good judgment on this legislation.

So, I would like my colleagues in this Chamber and others to be aware that much of what we have accomplished here, in no small measure, is due to his efforts.

I will go into greater length on this particular point, Mr. President, as the debate unfolds. With respect to the ranking minority member of the Labor Committee, the floor manager for the Republican side, Senator ORRIN HATCH of Utah, let it be known in all circles, in all corners of this country, that children have never had a better friend. Children have never had a better friend when it comes to providing some decent child care for them. And this legislation is a reflection of his efforts.

Much of what was in this bill, much of what is in this substitute which has been offered by the majority leader, is as a result of the efforts of the Senator from Utah.

I have developed a lot of good, close friendships in my 9 years in the Senate. I am proud of those friendships. I have developed a great deal of respect for my colleagues, many of them, over the last 9 years. But one of the glorious benefits of serving in this Chamber is the opportunity, from time to time, to work with colleagues, and I have developed both a great friendship and a deep respect for my distinguished friend from Utah. Without his support we would not be on the floor here today. We would not have been able to come out of the committee.

He does not agree with everything in this bill. It is very important that my colleagues understand that. But much of what is in here he does support and I am grateful for that and grateful for his backing, his counsel, his advice almost on a daily basis, Mr. President. Without that advice and counsel, again, we would not have been as successful as we have been and I am confident we will be.

I must say, the majority leader has left the floor but as I listened to the majority leader I must say to the President and others, I am struck with

VOL 135 PT 9 JE 14 — 22 1989 UMI

the note of support for much of what we have included in our ABC package. While there are some significant differences, I am not sure we would have had an alternative had it not been for the fact that we are here debating child care.

I found it somewhat interesting that the President announced his support for a child care package about an hour after the Labor Committee sent out from the committee its child care proposal. I do not argue about when a person comes to confession. But the fact that the person has, is something that I think is worthwhile and I, again, would say at the outset that we are always interested in trying to work with the administration.

Mr. President, every so often we in Washington and in this Chamber have an opportunity to do something that is right for the American family; something which fulfills both our national goals and individual needs; something which is both a prudent expense today and, more importantly, a sound investment for America's future.

Every so often, Mr. President, we turn political rhetoric into bipartisan action. This day, Mr. President, the U.S. Senate has one of those rare opportunities—to pass meaningful child care legislation which will make a difference, a significant difference in the lives of millions of low-income families in this country.

This package, Mr. President, which the majority leader has just placed before the Senate, embodies a truly bipartisan and comprehensive approach to this Nation's child care crisis. It includes the Act for Better Child Care, legislation which was adopted by the Labor Committee in March by a more than 2-to-1 margin; legislation for which funds have been secured in the fiscal year 1990 budget resolution within our deficit targets.

The leader's amendment also includes a package of expanded tax benefits for low-income families with children, which was adopted 17 to 3 by the Finance Committee on Tuesday.

I should say as an aside here, Mr. President, I also want to express my deep thanks to the Senator from Texas, the chairman of the Finance Committee. He has been a leader on these issues. He has spoken about them eloquently. He has included, as part of this package, a very important tax credit package which I think will substantially enhance the child care services of this country. I support strongly what he has included in that package.

The original authorization level for the ABC bill has been reduced, by this substitute, to $1.75 billion, exactly equal to the cost of the tax package in the first full year the tax changes are put into place. So the ABC bill and the tax package are at the same funding levels, not $2.5 billion, as it was initially. Part of the modification brings it down so we are now dealing with a package of equal amounts committed to them in budget authority. There are two equal provisions but one comprehensive approach, Mr. President, to the child care needs of the American family.

I would like to focus briefly, if I could, on the Act for Better Child Care, the first part of this bipartisan package. It has been almost 2 years in the making with a dozen congressional hearings and hundreds of hours of discussions and negotiations.

We have almost one-half of the U.S. Senate as cosponsors of this bill and I am pleased to announce the latest cosponsor, Senator CHUCK ROBB, of Virginia, as a sponsor of the substitute offered by the majority leader. And we have over 130 endorsing organizations, groups representing parents and children, churches, and community organizations, pediatricians and child care providers. After months of hard work, Mr. President, we have the support of the National Governors Association, the National Conference of State Legislatures, the National League of Cities and many others—bipartisan groups, Democrats, Republicans, which represent virtually every State and every city and every county in America.

Why do we have that support? Why have we and all these organizations worked so hard on this piece of legislation for so long?

It is because we are united behind a single goal, a common thesis, that Government can be a positive and active force in helping parents balance their work and family responsibilities. Competing demands, families and careers, love and work—that is the reality, Mr. President, of today's family.

The Department of Labor tells us that only 1 in 10 American families now has dad at home or dad at work while mom stays at home with the children. Fifty-six percent of American women and more than half of all mothers of infants under the age of 1 now work outside the home. We have 29 million two-earner families with 25 million children; almost 8 million single parent families with an equal number of children; 7 million latch key children come home everyday to an empty house, and by 1995, two-thirds of all preschool age children will have mothers working full time in this country.

The statistics, Mr. President, go on and on. We can run, but we certainly cannot hide from them. We can do what is right this week, or we can go into a political stall. But the American family, the children of this Nation, simply will not go away.

Mr. President, let me add right here as well, having just recited these statistics, I do not even like reading them. I regret that we have reached the situation where only 1 in 10 American families have a parent at home. I did not grow up that way. I never remember a single day that I ever came home from school and my mother was not there. I never remember a day, and I wish every American child could have that blessing, could have a parent at home.

I say that with as deep a belief as I can on any issue, but on this one particularly. I think it is regrettable. I wish I could somehow change this. I wish there was some bill someone might be able to offer, a piece of legislation, something that might make it possible that does not force people out of their homes.

I really do not like to see that but, Mr. President, that is not the issue. The question is not what we might like or wish or hope for or regret. What we have to deal with are facts and trends. And the facts are the people are working, single mothers or both spouses, because they have to.

I know there are some in the upper-income categories who do not have to, but we do not do anything for them. There is no relief for that family. The only relief we provide in this legislation is for people who have to work, as regrettable as that is. So when those who stand up and say we do not care about the mother at home, nothing could be further from the truth. The fact is, we have people who do not have the choice of being at home.

What my colleague from Utah and I have tried to do is to do something about that situation. We do not take care of everybody. It is not perfect. But for the first time in 46 years, we have an opportunity to put in place a proposal that will deal effectively, we believe, with the child care needs of the American family. Real families and real problems, Mr. President, that is the story behind these numbers.

They are the divorced mother of three in New York City who makes $375 a week and pays $220 of that for child care. After buying groceries and gas for her car, she has $10 a week left for her family.

There is the mother of two on Florida's waiting list for subsidized care with more than 10,000 other families. One day in 1986 she had to go to work and could not find anyone to watch her children. They climb into a clothes dryer and are burned to death.

There are the mothers and fathers who testified, Mr. President, before my subcommitee over the past 2 years. We had a mother who quit her job and went on welfare because subsidized child care was not available.

By the way, we spend $16 billion of taxpayer money to welfare recipients, and the overwhelming data indicates if you provide decent child care, you can reduce that cost considerably, if you virtually eliminate it.

We are talking about the parent from Springfield, VA, whose infant daughter died from a drug overdose given by an unlicensed family care provider with an unchecked criminal record. We are talking about the mother from Temecula, CA, whose son was blinded by a family provider with no safety training.

Mr. President, I could spend the rest of this day and tomorrow reciting cases like these. They are illustrative; they are not exceptions; they are not rarities, regrettably.

What makes the ABC bill different then? Why this legislation, and not one of the hundreds of proposals now before the Congress? Because, Mr. President, this is truly the first national partnership plan that deals comprehensively with the three pillars of child care: quality, availability, and affordability.

It is a bill which incorporates the best ideas and the best thinking about child care from both sides of the aisle in this Chamber, from parents and experts across the country. It creates not a Federal child care system at all but a national partnership built on existing programs and fueled by the power of parental choice.

The Act for Better Child Care is not a Federal solution but a set of national guidelines and incentives. It is not a complete answer. Mr. President, it is a very sound beginning. The ABC component of the package now before the Senate incorporates the bipartisan agreement which Senators HATCH, KENNEDY, MIKULSKI, CHAFEE, and I have reached with the National Governor Association on standards and other key areas. This agreement retains the Act of Better Child Care's basic principles while enhancing the flexibility of States and communities to respond to their unique needs and financial circumstances.

As with the original ABC bill, at least 70 percent of the funds will go directly to the families through certificates or other State funding streams. Parents will have complete discretion to choose from a wide range of child care services, including care by relatives, churches, family providers, centers, schools, and employers. This is direct service money which, unlike a tax credit, goes right to poor families each month when they need to pay their bills. The remainder of the ABC fund will be used to increase the supply and quality of care in local communities.

These funds may be used for the improvement of State standards, for training, for resource referral programs to enhance parental choice. The funds may also be used for grants and loans, for new providers, for revolving loan funds for family providers or public-private partnerships involving business and local communities. There is also special authorization in the bill for State liability risk retention pools to help increase access to liability insurance, especially for family providers, which is one of the major costs of child care.

Mr. President, I should point out that almost every one of those ideas emanated from the office of my colleague from Utah, Senator ORRIN HATCH.

Under this revised language, the Act for Better Child Care simply requires States to have State standards in place in key areas of health and safety 3 years after this legislation becomes law. They are voluntary standards. These are not standards mandated by the Federal Government. They are standards which each State will decide for themselves—whether it is Tennessee or Connecticut, Utah, Oregon, Massachusetts—each State will decide what those standards are.

A national committee of experts will set recommended standards in the interim which the States may use at their own discretion in developing their own standards. As a special incentive grant program, we would make available additional funds to those States that voluntarily seek to improve their standards toward the national recommended levels. No State loses ABC funds provided their own standards are in place within 3 years. Each State will set its own training requirements for providers and each State will decide which providers to license and how.

Mr. President, one of the arguments is that this bill sets up a Federal bureaucracy. There is not a single penny in this legislation, not a single dime, to establish a Federal bureaucracy. There is a Federal administrator, but that person could be appointed among those presently serving the Department of Health and Human Services.

That is the only issue. So there is no Federal bureaucracy. There is no new Federal agency. There is no permanent commission. There is no established group of people who will sit around this town and decide what will happen in each State. Every State decides for itself what it wants in these areas. There is absolutely no Federal bureaucracy and no mandated standards.

Mr. President, the ABC and tax components of the majority leader's package fit together much like a hand in a glove. Under the ABC approach, low-income families receive funds directly from all forms of care right when the money is needed to pay the bills. And these funds can be used to pay up to the full cost of care for very poor families. The Act for Better Child Care also provides critical help to States and local communities to help implement their own plans to improve the quality and availability of care. None of this is possible through any tax credit approach.

What the Finance Committee tax package does do, however, is critically important. It builds upon the Act for Better Child Care's direct service approach to ensure that child care is made even more affordable for low-income families. We need to help improve the quality and supply of care right away. We need to ensure that poor families have funds when the child care bills come due. But we also need to provide families with additional help in the Tax Code to ensure that no poor family faces the choice of work or family, when we can help to save them have both.

Mr. President, let us be very honest with ourselves. Until now, the politics of child care have generated far more heat than light. But today we have an agreement on a comprehensive child care package. We have the full support of State and local political leaders who, frankly, opposed this legislation just a few short months ago. This agreement is fair. It is balanced. We have legislation which embodies goals that we all share: Fund targeted low-income families, parental choice involvement in the care of their children, and State and local control over standards and licensing decisions.

Let us make a fresh start as well. Let us shed our political baggage and do something truly meaningful for the families of our Nation. Let us help put in place a national child care plan which will help prepare America for the demographic changes we face as we move toward the 21st century.

Mr. President, again I will have much to say, obviously, on various aspects of this legislation as it moves forward. But the substitute offered does in fact take care of many of the concerns that have been raised, and again I want to express publicly what I said at the outset, both about my colleague from Massachusetts as well as my colleague from Utah. We would not be here without either of them.

As I said before, the American children have never had a better friend than they have in ORRIN HATCH, and I am delighted that he is my principal cosponsor of this legislation. It is what we are supposed to do here. It is Republicans and Democrats in the committee sitting down working for 2 years to hammer out a bill. That is what we have done. We have worked with our States. We have worked with our local communities. We have worked with our colleagues. I do not know what else to do, Mr. President. I was told that is the way you legislate. That is what we have tried to do. I have dealt with as many Members as I could possibly corner. In fact, I suspect as colleagues see me they sort of duck, because they know I am going to talk to them about child care when I approach them. But I feel that strongly about this and am confident that we

can do something really worthwhile for the American family by adopting this comprehensive piece of legislation that is now before us.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I have been highly honored by my colleague in some of the comments he has made, and I want to tell him how deeply I appreciate it and how much I respect him for the leadership he is providing and has provided on this particular very important issue.

My dear colleague from Connecticut [Mr. DODD] has just made a very eloquent opening statement on the child care issue. He has described this legislation in a comprehensive way. He has said what this bill does and what it does not do. He has explained the provisions of the bill and the reasons for them. I see no particular reason to try to duplicate the information that he has conveyed to the Senate in his remarks.

Instead, I would like to speak to my colleagues on both sides of the aisle about my decision to work with Senator DODD on this issue. I have to confess that I understood him when he said some of his colleagues have avoided him because every time they see him he is talking about child care. He has been indefatigable in his efforts.

In the last Congress, under the original ABC bill, I was one of his most ardent opponents because I felt the original bill was not a good bill. Frankly, he was the first to try to work out the difficulties and the differences. He has been open to everybody. He has been open to the White House. He has been open to all in the administration. He has been open to colleagues on this side. He has tried to accommodate everybody. I do not know anybody who has worked harder on this issue.

I wish to pay my respects to a person I consider to be a super legislator on a super issue of great importance to the American families in this country. After all, our future depends upon our children. I might add that if we allow 5 to 15 million latchkey children to wander around every day without any adult supervision and 20,000—get this, 20,000—children less than 4 years of age with no adult supervision during daylight hours and we are throwing away an awful lot of the future of this country. How does a 1-year-old take care of himself or herself or, for that matter, a 4-year-old? That is a serious crisis.

I also think it is important to understand that women in this country have been in anguish over this issue. It is a family issue, but I am going to emphasize this to a degree. Forty-five percent of all workers in this country today are women. That is up from 30 percent in 1950. More than 70 percent of all women between the ages of 25 and 34 are in the labor force, the chief childbearing years. I might add that by the year 2000, 61.5 percent of all women in this country will be employed. Whether we like it or not, that is going to happen.

I start from the basic premise that it is the most important thing we can do to have a parent in the home with those children. That is the ideal. That is what we want to do. That is what provides for the maximum success for families in the raising of children, but that is not reality in America today. One reason it is not is because of the difficulties of raising families and providing for them in America today, and because of many, many millions of people who did not make adequate incomes to be able to take care of their families where we have to go to two-parent earners.

I might say that three-fifths of all new entrants to the labor force between now and the year 2000 will be women—three-fifths. And two-thirds of all women working outside the home in America today are either single heads of household, meaning they are divorced, widowed, or otherwise unmarried, or they are married to husbands who earn less than $15,000 to $20,000 a year. They have to work.

If the average cost of child care is $3,000, then can you imagine how difficult it must be for those families with just one child, let alone two, three, four, five, and six children? As a father of six children, now having seven grandchildren and two grandchildren on the way, naturally I can see these problems.

There are a lot of other statistics I would like to bring out today, but I think we can take time throughout this debate, because I suspect this will be a lengthy debate and I suspect we will have many amendments. I suspect that the tax components of this bill, whether they are the components as presently constituted in the bill, established by the distinguished Senator from Texas, the chairman of the Finance Committee, or whether they will be the administration's components, which will be argued for by the equally eminent and powerful Senator from Oregon, Senator PACKWOOD, there will be lots of questions about those tax aspects. Both Senator DODD and I are on record in the so-called Hatch-Dodd family earned-income tax credit bill for tax credits which are refundable for families. We think it is a good idea, but we do not think it is the only idea, nor is it the last word in how you solve child care problems. But it is a good idea and we will probably support one or the other of those positions, because we believe it is an idea that we want to be open to as well as the ideas that we have in the current ABC bill.

Now, for those who wonder about the differences between the prior ABC bill and the current ABC bill, Senator DODD did a good job of bringing us up to date. I just want to say at the outset of my remarks that there is a lot of disinformation about the current ABC bill out there. There is a lot of misinformation. There is a lot of false information, and unfortunately most of it comes from my side. Most of it comes from people who in the past have supported me, some of whom have indicated they will never support me again because I have cosponsored the act for Better Child Care.

If that is the case, so be it. I think this is important. I think it is important that we face the responsibilities that we have to help families who really cannot help themselves. I think it is important to help these single heads of households who are just in anguish over what to do with their children rather than walking up and saying there is only one way of doing it. I think it is important for us to get together, Republicans, liberals, conservatives. Let me tell you the refundable tax credit side of this is just as liberal as the direct assistance to the grants that the ABC bill calls for. Both are liberal ideas. I have to say both have unique aspects and unique advantages.

So the distinguished Senator from Connecticut and I are certainly willing to have both. Frankly, do not tell me the direct subsidization is worse than indirect subsidization, or that indirect subsidization is better than direct subsidization. If you think about it, once the tax credit is locked in place, it is almost an entitlement. We have carefully written this bill on the direct help grant side to not be an entitlement program. I think that is important.

When I first introduced my own child care bill in September 1987, the so-called Hatch-Johnston bill, it was the first one introduced. I told the Senate about a Utah mother called Robin Brown. Some of my colleagues may recall Robin Brown's story. She was struggling to raise her four daughters by herself without resorting to welfare. She was working overtime to make ends meet but there was no money for child care. Her oldest daughter, Amy, who was 10 years old at the time, cared for her younger sisters aged 8, 7, and 4.

The Utah Department of Child Protective Services had twice hauled Robin into court to defend herself against neglect charges. She was a good mother. I do not blame the Utah Child Protective Services for investigating. That is its job. But I also do not blame Robin for being frustrated by a social services system that expects her to work and be at home at the very same time. I do not blame her for being angry that the same system which has questioned her fitness as a mother offers no child care assistance. I do not blame her for feeling some de-

spair over her lack of choices. She told the social worker that she had a choice between groceries or child care, and that, Mr. President, in my opinion is no choice at all.

I have supported several child care initiatives, and I will support the ABC bill because Robin is not the only Utahn in this situation nor is she the only parent in this situation in this country.

I would venture that a substantial percentage of the 6 million single-parent families in America today face the very same catch-22 situation. Two-thirds of the women who do so, as I have said, because they are single heads of households or their husbands earn less than $15,000 to $20,000 per year.

Some have argued that parents who cannot afford to care for their own children should not have them. Is that not a cynical viewpoint? Someone should have told that to Robin Brown before her husband ran out on her, or a Mary Smith before her husband died. We do not always control the circumstances which lead families to need child care. Moreover, I find this argument rather elitist.

Under this reasoning millions of children should not have been born because their parents needed two incomes in order to make ends meet. Families of all socioeconomic groups should be able to have children, and I agree completely that Government should not throw up barriers to having families.

Some have also argued the Federal child care program will somehow entice mothers out of the home and into the work force. Frankly, I have trouble believing that this is even a serious argument. Today, in the absence of any Federal child care program, 57 percent of mothers with children under the age of 14 work—57 percent. Half of all children under age 6 have working mothers. There are already 5 to 15 million latchkey children who have no adult supervision during critical daylight hours.

I want to assure the opponents of child care legislation that we are not creating an incentive to leave children in day care to make money. We are responding to an existing condition in our society that is crying out for leadership toward a solution. For those who need child care we are trying to make it more affordable, more available, and of acceptable quality.

Many have advocated, as I have said, a tax credit approach to help people like Robin. I agree. I believe a meaningful tax credit is really an excellent idea. I have sponsored such a bill with Senator DODD called the Family Earned Income Tax Credit Act. Senators MIKULSKI, KASTEN, and D'AMATO are also cosponsors of the Family EITC. I am very proud to be a principal cosponsor with Senator DOLE of the proposal submitted by President Bush.

But I also believe parents need choices among an expanded array of child care options. They want assurances that child care is safe. The private sector needs incentives to get involved in child care and family-based providers need some assistance.

So although I enthusiastically support a refundable tax credit for low-income families with young children, I do not consider that the only idea of value. But we cannot enact such a tax credit and then sit back and say that we have solved the child care dilemma for these families.

If an additional $1,000 to $2,000 in the pockets of families will inspire more people to get into the child care market, that is great. But realistically, unless we also do something about the tax treatment providers and address the risks of liability which this bill does, the ABC bill does, I seriously doubt that an unearmarked tax credit will by itself create substantial numbers of new child care slots. It is a good thing to put some extra cash in the pockets of American families, and I do not think we should require proof that they spent the cash on child care. In some cases the family may opt to have a full-time parent at home instead of an extra income, and will use the tax credit to make rent payments, put gas in the car, or pay off medical bills. The tax credit could just as easily provide economic incentives for grocers or landlords to increase goods and services. So it is not the last answer to anything.

I think we are getting from this that maybe the ABC bill has some very, very good alternatives and some very, very good complements to any tax credit approach, and although I commend the President for coming up with this approach, and I commend him for being the driving force behind it, I still think he ought to leave the ABC bill as currently amended because of what it does for affordability, availability, and quality—the three most important matters with regard to child care.

But it has been said that only a tax credit approach will provide choice for parents regarding child care. Of course, this is only partially true. I agree that low- and low-middle-income families should have the choice of having a parent in the home and a tax credit does provide that option. I like that option. That is one reason I support a tax credit. But for parents who need to work for whatever reason, a tax credit will not expand their choice regarding child care.

A tax credit will not necessarily increase the number of child care providers who will care for special-needs children. It will not necessarily expand the number of organized activities for children after school. It will not by itself encourage family-based providers, churches, nonprofit organizations, or businesses to offer child care services. There are other factors that discourage choice in child care which cannot be addressed by simply giving more money to the consumers.

I firmly believe that a tax credit and a discretionary grant program should go together. That is why the ABC bill is so important. As a matter of fact, the Child Care Services Improvement Act, which I have introduced with Congresswoman NANCY JOHNSON, does both.

I am disappointed that the House—by the way, much of that bill was adopted by the ABC. We have taken the good ideas out there and put them in the ABC bill. So there has been a magnificent effort by the distinguished Senator from Connecticut to accommodate almost everyone. When you consider there were over 100 child care bills filed in the last Congress alone, 19 filed by Republicans alone in this Congress in the Senate, you can imagine what a difficult job it is.

Well, I am disappointed that the House Ways and Means Committee continues or seems to be dragging its feet on this score.

It has been suggested that members of the tax writing committee do not want to amend their 1986 handiwork. But, since when, Mr. President, has any revision of the Tax Code been considered holy writ? Why should we blandly accept this reticence to amend the 1986 Tax Code and pass up a golden opportunity to target real assistance to hard-working American families? We need to go forward with a tax credit component so that any child care bill will be comprehensive.

Mr. President, I want to commend the Senate Finance Committee for moving out on this issue. Senator PACKWOOD, the distinguished ranking member of the Finance Committee has suggested his own child care legislation which clearly demonstrates his sincere interest in addressing the child care problems faced by working parents. Senator BENTSEN has acted to report a committee amendment to S. 5, now part of the underlying amendment that we are debating at the present time.

I would like to see this tax component broadened so that families with young children who sacrifice a second income—at a time in their lives when they may need the money the most—get a tax break as well. I also have reservations about the wisdom of the health insurance provisions. But, I do, nonetheless, commend our Senate Finance Committee for recognizing the need to take action on this issue. A year, 2 years ago, nobody was willing to take action on this issue except a few of us. Today almost everybody is. So regardless of what happens, I think

VOL 135 PT 9 JE 14 — 22 1989 UMI

the distinguished Senator from Connecticut deserves a great deal of credit for driving this issue, forcing it and causing people to wake up and realize how important it is in making people sit down and come up with some of these components that probably will wind up as part of this bill.

The bill we are debating today is the second half of the comprehensive child care package I believe we ought to enact. It is the part the Senate has the authority to act on right now. It is the part that has already been the subject of hearings, newspaper editorials, and op-eds, discussion shows on TV, and hundreds of public debates—I think the Senator from Connecticut and I have been participants in most of them—and we were not always on the same side, but we are today.

We have linked arms and we are going to walk this bill through as much as we can together. I hope we will have the support of many of our colleagues, because it is not easy to do.

To say that the bill has been controversial is probably the understatement of the year. Since I made the decision a year ago to try to work out a compromise with Senator DODD on this bill, I have been personally likened to Karl Marx, Benedict Arnold, and even Brutus, in public print.

We have worked hard on this proposal. We have made many significant changes. We have, for example, included provisions giving greater flexibility to States to develop locally based child care programs, removing relative care from Federal standards, and streamlining other requirements in the bill. We have also resolved the matter of standards. In an agreement worked out with the National Governors Association, we have given States the authority to set their own standards. But, it is a compromise. And it is something that we have to continue to work on.

Let me tell you about that aspect of the bill. This bill does not require any State to meet Federal standards, so the disinformation out on that is absolutely incorrect. This bill requires that States set their own standards in only six categories. The category for health and safety is broken down into six subcategories. Most States already have standards in these categories, which would not have to be changed. The recommendations made by the National Committee on Standards are model standards only and do not have to be adopted by the States. But I think most States will want to adopt them, and since they do not have to be adopted by the States, I think they will make the standards reasonable. So no particular region in this country will be imposing its standards on anybody else.

If a State wants to upgrade its child care system by working toward the model standards, they may apply for funds under the incentive programs. These funds will be used for a variety of quality building activities. A State is not obligated to meet these standards, and will not suffer any sanction at all if it refuses to do so. We do have a push in the bill to get them to look at these standards and examine them and, hopefully, take them. It will not make a hill of beans worth of difference if they decide not to. They would be stupid not to, once the standards are suggested. It is up to them.

But, Mr. President, I do not see that this legislation—with or without a tax component—represents the Sovietization or Swedenization of children that many of the bill's organized detractors have asserted that it is. Nowhere in this bill is it required that children be in child care. Nowhere is it required that they be assigned to a specific type of child care. And, nowhere does it say that government will operate child care programs. So all of that disinformation is wrong. I bitterly resent those who are distorting what this bill says. What exactly, is meant by the Sovietization of children?

Is this invective based on the fact that the bill provides direct subsidies for low-income families? If that is so, we crossed the threshold of Sovietization a long time ago when the food stamp, WIC, or school lunch programs were enacted, of which most have solid support.

Is it because it requires States to provide assurances to parents receiving public child care assistance that their children will be in registered family-based or center-based programs that have accepted certain standards of accountability?

Is it philosophically repugnant to require an expansion of resource and referral systems that provide valuable consumer information to parents seeking out child care options?

Is it so reprehensible to require that those individuals who care for children and are paid in full or in part with public funds have some basic training?

How does it follow that encouraging the community, the private sector, and family based providers to initiate child care programs leads to the warehousing of children in cold, impersonal environments?

Mr. President, I consider myself a conservative, but I am going to support this bill. I will support it not in spite of my political philosophy but rather because of it. Conservatives are no less devoted to nurturing the next generations than are our liberal colleagues. We believe children should be raised in wholesome environments; they should be taught honesty, unselfishness, perseverance, and respect. They should be taught to develop their own abilities and interests. And, they need loving discipline.

With all my heart, I wish that more families had the option of having a full-time parent so that this instruction is always consistent with the family's own values. But, wishing will not make it so; and, in fact, the two-parent, one-income family has not existed as the majority since 1979, and it is time we recognize that.

Conservatives also face facts. If a parent cannot be at home for the children on a full-time basis, then quality substitute care must be found. The aim of the ABC bill is to help ease the burden for parents in this position. Its purpose is to prevent children from being left alone, vulnerable to a myriad of dangers and temptations. When it comes to children, we are allowed to be paternalistic in the framing of policy. It is the most constitutional thing we can do.

I urge every Member of this body to look at the revised ABC bill objectively—to look at it as if they had not heard any of the debate which has been raging for the last year—a debate full of emotion and rancor on both sides of the issue. When viewed in this way, the bill's flaws are obvious—but so are its merits. I hope that its attributes will come to the fore during our discussion here in the Senate and that its remaining imperfections will be remedied.

This is our opportunity to act positively in this area. It is our chance to enact a comprehensive package of legislation that will inure to the benefit of millions of American families. It is the right thing to do.

So, Mr. President, again, I want to compliment my dear friend from Connecticut. I have gained a great deal of respect for him throughout this whole process, and that respect is a lasting respect. I am going to support him with regard to this bill with every fiber of my being.

I think it is the right thing to do. It is the right thing for families in America, and it is the right thing for our country. In the end, hopefully, we can alleviate some of these pains and concerns and anguish and problems that face our families in America in observing—if we have any compassion at all or any heart at all—the everyday things like the story of Robin Brown, or the other illustrations of my distinguished friend, which he illustrated so well in his opening remarks kicking off this bill.

I thank all those who have been willing to work, and there have been many who have. I do not want to ignore them in mentioning my affection for my colleague from Connecticut in this issue. Nevertheless, I think we have plenty of time to talk about the bill and everything, every aspect about it.

I yield the floor.

Mr. KENNEDY. Mr. President, at the outset of the debate on the ABC bill, I, too, want to join my colleagues in commending the Senator from Connecticut [Mr. DODD] whose extraordinary effort that has culminated in the Senate debating this issue this afternoon.

This legislation, as has been pointed out during the course of the afternoon, has been evolving and developing over a period of some 2 years, and it bears the imprint of the Senator from Connecticut in just about every paragraph and every line of the legislation.

He deserves very special credit for assuring that this Nation is going to be serious about a matter of such importance to working families in our country.

So, I join in what I consider to be a very well-deserved commendation of his efforts.

I, too, join with him in commending my colleague from Utah [Mr. HATCH]. He has reviewed in his opening comments his serious reservations about certain approaches that were developed in earlier legislation, but he really has taken the time to develop an understanding of these issues with all of their implications. He has been a strong partner to the Senator from Connecticut, and he, too, deserves a great deal of credit in assuring that this legislation would reach the floor of the U.S. Senate. I have had the chance to work with him on other legislation. I think it is a better piece of legislation for all of his efforts, and I join in commending him and for the strength of his support for this program. I think it has been a very important contribution.

I thank the majority leader for being willing to weave the web of different legislative initiatives that included the Finance Committee proposals. Also as a former district judge, he helped to fashion a way for the concerns of individual Members of the Senate on some of the constitutional issues I think, to be constructively resolved. He has brought those measures together in the development of this package, in a very important and commendable act of leadership.

Those of us who have been in strong support of developing a day care program, realize that we are where we are today because of his willingness to work with the different committees and the different interests of this body and to present this package which he did earlier this afternoon and which has the support of those of us who have been supporting the ABC bill.

Mr. President, the legislation now before us provides an excellent opportunity to improve the lives of millions of American families. We are here to help the working parents who wonder each day if their children are safe at an unlicensed child care center or with an untrained babysitter. We are here to help the parents who cannot work outside the home because they have no one to watch their children. Most important, we are here to help the children who spend each day in unsafe, unreliable day care arrangements, or who are left alone to fend for themselves while their parents work to put food on the table. Today, for all these families, we begin consideration of a landmark children's package, assembled by our distinguished majority leader.

The centerpiece of this legislation is the Act for Better Child Care, sponsored by my colleague, Senator DODD. As chairman of our Children's Subcommittee, Senator DODD has worked tirelessly on behalf of young children, on this and many other issues. I commend him for his excellent work in bringing this bill before the Senate, as I do commend Senator HATCH, the ranking member of the Labor Committee, and his leadership and willingness to compromise is greatly appreciated.

Almost two decades have passed since Congress first considered comprehensive child care legislation. In 1971, one-third of mothers of children under 6 worked outside the home. Today, 56 percent of such mothers are in the labor force, including over half of all mothers with infants younger than 2.

All of these families now must rely on a patchwork of child care arrangements—sometimes three or four in a single day. More than 10 million children under 6 require child care for some portion of the work day—yet there are only 2.5 million licensed child care slots in all of our 50 States.

The lack of adequate and affordable child care harms children, harms parents, harms our economy, and harms our country. Absenteeism and turnover related to inadequate child care cost the Nation up to $3 billion a year in economic terms. But we will never know the true price that we pay for sending 30 million Americans to work each day wondering whether their children will be safe and healthy, and whether someone will be there to care for them tomorrow.

Our child care system fails in three critical areas: affordability, supply, and quality. The Act for Better Child Care addresses each of the issues in an effective and efficient manner.

The average cost of a year of child care in this country is $3,000. In Boston, that figure is closer to $5,000. For low-income working families, child care is likely to consume one-third to one-half of the family budget. All of these parents face a Hobson's choice between work and welfare—between taking a job and leaving children unsupervised, or passing up a job and caring for their family on public assistance.

The ABC bill gives real options to parents earning up to the State median income level to choose the kind of child care they prefer. Seventy percent of the $1.75 billion authorized by the bill will be used to subsidize child care, with priority for families with the lowest incomes. ABC will pay the full cost of care for children from low-income families, so that they too will have the option of high quality care.

States may use grants, contracts, or certificates to deliver the services, with fees charged on a sliding scale. Families may select from among a wide array of child care options—including care in the home by relatives, care in other homes in the neighborhood, and care in community-based, employment-based, or church-based centers.

Our bill will also increase the supply of quality child care. According to a recent poll, close to half of those able to pay virtually unlimited amounts for child care are not satisfied with their child care arrangement. The supply of child care simply has failed to meet the demand—at any price.

The ABC bill increases the child care supply by breaking down barriers to entry and offering incentives to bring more providers into the market. Twelve percent of ABC funds may be used for grants and loans to expand child care programs, to recruit new providers, to help communities establish afterschool services and programs for sick or homeless children, and to assist businesses through public-private child care partnerships. In addition, the ABC bill authorizes a one-time appropriation of $100 million to help States establish liability pools, so that child care providers can obtain affordable insurance.

Finally, if we are serious about child care, we must ensure its basic quality. We must do all we can to see that the safety of children does not depend on where they live or how much their families earn. The ABC bill provides incentives to States to improve their standards. In addition, 10 percent of ABC funds may be used to improve licensing enforcement, train existing child care providers, and expand resource and referral networks to that parents can locate the best arrangement for their child.

Last year, the ABC bill came before the Senate as part of a package to help working families. But our opponents argued that Americans did not want comprehensive child care legislation. They argued that we should not even put the bill to a vote.

But today, under the guidance of our majority leader, we have put together a strong children's package that enjoys broad support. Importantly, this package includes agreements

on two key issues: Child care standards and church-state provisions.

I continue to be a strong supporter of Federal minimum standards for child care. Federal regulations protect children in Head Start programs, senior citizens in nursing homes, and workers on the job. But for some reason, it is argued that children in day care centers should not be protected by Federal standards.

The legislation that we put forward today incorporates a compromise on standards worked out between Senator DODD and the National Governors' Association. Under the agreement, States will be required to set their own standards in certain key areas, like health and safety and staff qualifications. States that do not meet Federal recommended standards can compete for quality improvement grants. Through this combination of incentives and Federal guidance, ABC will result in improved child care quality in the States. I hope that finally, we can put this controversy over standards to rest by adopting the ABC bill with this fair and workable agreement

I am also pleased to report that with the assistance of the majority leader, we have worked out a compromise on the use of certificates under the ABC bill for sectarian child care.

Serious questions were raised about the constitutionality of using ABC certificates to support programs that involve religious worship and instruction. Some believe that Federal aid can go to sectarian programs so long as the aid is paid through such certificates, which leave the choice of the child care provider to the individual parent. Others believe that any such Federal payment to sectarian providers is unconstitutional, regardless of the form of the aid.

The compromise provides that parents receiving ABC certificates may choose sectarian programs for their children, as long as funds are spent in a manner consistent with the Constitution. This modification will permit the courts to resolve the issue in an appropriate fashion, consistent with the first amendment.

Each of these agreements has strengthened the bill, paving the way for increased bipartisan support. I commend my colleague Senator DODD for all the work he has done to bring together opponents on these key issues. Because of his leadership, we are very close to enacting this historic legislation.

I am pleased that the majority leader's package also includes Senator BENTSEN's proposal to expand the existing dependent care tax credit to enable us to reach our goals on child care as quickly and effectively as possible.

When I testified before the Finance Committee this spring, I recommended the following principles.

First, any child care tax credit should be tied to actual child care expenses and should not create an incentive for low-cost, substandard care.

Second, the tax credit should be targeted on families earning below the median income, and should benefit as many families as possible within our budget constraints.

Third, I urged that the tax credit be refundable, so that families who do not earn enough to pay taxes will also be able to benefit from the tax incentive.

I commend Senator BENTSEN for the putting together this bipartisan tax package. It is consistent with the principles I have outlined, and will provide an important supplement to ABC.

I am also pleased to support Senator BENTSEN's proposal to provide a refundable tax credit for the purchase of health insurance coverage. This tax credit will provide valuable financial assistance to low-income families that are already stretched to the limit in purchasing the health insurance coverage their families need. The credit may also stimulate some additional coverage—particularly in those cases where an employer pays the health insurance premium for an employee but makes little or no contribution to coverage for the employee. This tax package is an important recognition that poor families need both child care and health care.

Last year, our opponents succeeded in their filibuster of the ABC legislation. That delay has been at great cost to American families. Every day, over 5,000 mothers turn down paid jobs because of lack of child care. Every day, more than 2 million children spend another day alone and unsupervised. Every day, more than 3 million children risk injury or even death in unlicensed day care homes. We have already paid too high a price for our inaction, and there is no justification for additional delay.

The children's package is essential legislation for millions of families struggling to be self-sufficient and for millions of children who have no access to safe care. It is a far-reaching step toward a more enlightened children's policy for the Nation, and I urge the Senate to approve it.

Finally, Mr. President, earlier this afternoon the Republican leader outlined in general terms what was going to be at the heart of the proposal that will be offered as a substitute for this ABC bill. I just want to express a few concerns. I expect that these issues will be, hopefully, resolved prior to the time of the debate.

But it would appear that the Dole substitute includes three parts: an expansion of the earned income tax credit, refundability of the current dependent care tax credit, and the amendments to the dependent care block grant.

There may be very important reasons to support any one of those particular measures, but the legislation, at least as preliminarily outlined by the leader, has very little to do with child care.

The earned income tax credit is an important supplement to the income of families with children. But it is not targeted for child care. It could be used for anything from food to luxury goods. Any family that earns little enough to be eligible for EITC is unlikely to use an income supplement for child care.

While the child care costs an average of $3,000 a year, the EITC will not come close to making that an option.

ABC, on the other hand, will pay the full cost of safe, licensed child care for low-income families. It gives them real choices about the type of care and does not create an incentive for low-cost, unsafe conditions.

The second part of the package is a refundability of the dependent care tax credit. I am fully supportive of this measure as a piece of comprehensive child care legislation, such as the ABC. In fact, that is why the ABC package includes that provision.

If my colleagues support refundability of the dependent care credit, I urge them to support the ABC package which also will improve the supply and quality of child care.

Finally, the Dole package includes a block grant to States for dependent care. But this package will not allow one penny to go to families for child care. If I heard Senator DOLE correctly, this program does not allow States to subsidize child care with these dollars, even for the lowest-income families. In fact, this program will in no way hold States accountable for spending the money in a manner that will improve the child care in the State or increase its supply.

ABC bill will help parents pay for the child care and ABC will increase the supply of child care through grants and loans to child care providers, incentives to employers, and by establishing liability insurance pools. Unlike the package, ABC will improve the quality of child care. It does this without mandating Federal standards. Instead, it uses a carrot approach: States receive dollar incentives to improve their standards.

The National Governors Association, the National Conference of State Legislators, and a host of other State and local organizations think that the incentives in ABC will indeed result in improved child care quality. They are the ones, really, who have the greatest responsibility in the development for that kind of quality and they are all on record believing that the approach that has been used in the ABC Program offers an excellent opportunity for strengthening quality.

So we have to ask ourselves what this package can do for quality. How can they be sure that it will increase the supply, which the ABC bill will do? How do they know that the EITC tax dollars will be spent on child care?

I do not expect that we will have answers to those questions because there really are none.

Mr. President, I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I rise today in support of the Act for Better Child Care. Child care is one of the greatest needs that many working people just face every day.

As I travel around my own State of Maryland and also around this country discussing family issues, whether you go to work carrying a wine-colored briefcase and you make $120,000 a year or whether you work as a checkout girl making $12,000 a year, one of the things that you continually ask is: "Where can my children be who are preschool, who are infants? Where are my kids going after school? Where are my kids going to go during the summer?"

It is very clear that child care is a compelling national question. One of the things that continually arises is that parents ask us please to pass a national framework that will make child care affordable. Accessible, competent, and safe. I think that is what the ABC bill will do. It will do this by providing States with the resources they need to directly help familes and increase the availability of safe, affordable child care.

Mr. President, we have heard a lot about detail and statistics. Our minds are awash in those kinds of numbers.

Essentially, in town hall meetings and forums, my constituents say: "Senator MIKULSKI, what is this bill going to mean for me?" Well, what it means is the ABC bill will help 1 million kids by providing vouchers to people of modest income to actually pay for child care. In addition to that, it is going to provide basic health and safety protections so moms and dads will not have to worry about the quality of child care their kids are facing.

The whole Nation's attention was gripped when little Jessica McClure fell down that well. At the same time, what we want to make sure is that we cap those wells and we also cap any of the other kinds of safety concerns that parents might have. That is why we want health and safety protections, which is one of the reasons we adocate these mild standards.

The ABC bill will also help countless moms and dads find child care. It is not easy to find child care. I went to visit a Federal agency involved in the national defense of our country. They know what is going on around the world in every missile system. They can tell you about every microchip in a Soviet sub. But they asked me to help them find child care in Maryland. They just did not know how to begin.

One of the things that is absolutely crucial is information and referral services, one-stop shops for both parents and employers to find child care. And that is what this bill does.

The ABC bill helps parents locate and choose. They get to choose safe child care in their communities, by establishing resource referral hotlines and a variety of other programs.

There are many statistics that I could go through, how that would affect my own State of Maryland, and I am not going to go over that. Essentially, with this legislation what we find is it is profamily and it is probusiness because it is a smart investment for employers in the country. Fifty-six percent of all mothers with preschool-age children work outside the home. For the most part these mothers are working out of economic necessity, not because of some passion for self-fulfillment. Not only do they need their jobs, but America needs them in the work force. The very least we can do is help assure them that their children will be safe and that there will be available child care for them.

There is a lot of questions about the standards. Well, standards will not be too tough for providers to meet. First, the States, not the Federal Government, will set their own child care standards based on their own particular needs and concerns. The bill allows us to help out those States that are struggling to get their providers to meet the most minimal standards.

It is not the intention of this bill to establish a kiddie-care OSHA, Mr. President. We do not want to have all kinds of complicated regs that nobody can comply with, because we want to increase the supply of child care. We think the standards that we will be recommending are reasonable and achievable. The main goal of these standards is to protect our children.

I would like to make a comment about tax credits. I support tax credits because I think we need a pluralistic approach, but tax credits will not deal with the availability or quality of child care. Therefore this legislation, coupled with the tax credit, will do it.

You know, Mr. President, when I started talking about this legislation, child care legislation, when I was a Member of the House, this was considered a woman's issue. Then it became a family issue. Now it is a business issue.

I hope we will look at it as an American issue. Mr. President, no employer would build a new facility, be it an office building, a technopark, an industrial-manufacturing center, without providing parking lot slots for their employees. Mr. President, I would like to see us provide day care slots for our kids. I hope we would have the same love for our children as we have passion for our automobiles. Then maybe we can get something done.

I think this bill goes a long way. I would like to compliment Senator DODD for the work that he did on this bill and also Senator ORRIN HATCH for the very collegial way that he worked with us on this legislation and for many of the improvements we have incorporated in the bill. I would like to thank the very fine staffs that they have for their help in fashioning this bill. I think we have come to the point where we have good legislation.

But it is not whether it is good legislation. Is it good for families? Is it good for kids? Is it something States and communities can afford? Do we keep the church-based child care in providing it? The answer is yes to all of this.

Mr. President, I think we have a very fine bill. I am happy to support it and I yield back my time.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise today in support of S. 5, the Act for Better Child Care Services of 1989. As an original cosponsor of S. 5, and as a member of the Senate Labor and Human Resources Committee and its Subcommittee on Children, Family, Drugs and Alcoholism, I have had the opportunity to participate in the evolution of this comprehensive and innovative child care legislation. I would be remiss if I did not speak of the tremendous dedication, hard work, and leadership of our subcommittee chairman and the sponsor of S. 5, the senior Senator from Connecticut [Mr. DODD], whose understanding of the needs of the families across this Nation, and whose cooperation in addressing the concerns of his colleagues, have resulted in the quality legislation that we have before us today.

Mr. President, the Senate has debated once before legislation designed to address the Nation's need for affordable, quality child care services, and many differing views have been expressed and considered. But we must remember as we discuss this new compromise version of last year's bill that each day we delay, argue, and put off constructive compromise on child care legislation is a day that our children may have inadequate care in an unsafe environment. Those children born when the ABC bill was first introduced in November of 1987 are now about 19 months old. If we delay any longer, another generation of parents will be faced with the terrible choice of sacrificing a badly needed second income to ensure that their children

receive basic, quality child care, or placing their children in care situations which are not the quality environments that all children deserve.

I urge my colleagues to look carefully at S. 5 and the compromise measure that it is today, as well as any amendments which may be offered to address further some Senators' concerns, and to put aside our differences in a spirit of compromise for the children of our Nation. We should take this opportunity to work hard for consensus, and create a child care policy for this Nation that will address the needs of both today's working mothers and fathers, and the needs of generations to come.

ACT FOR BETTER CHILD CARE SERVICES OF 1989

Mr. DASCHLE. Mr. President, I rise today to voice my strong support for the Act for Better Child Care Services of 1989. I commend the distinguished Senator from Connecticut and the Senator from Massachusetts for their leadership in developing a comprehensive child care bill that has earned the endorsement of over 100 national and thousands of State and local advocacy groups.

The United States has experienced a massive demographic shift that has made child care a necessity for every income group. Women are entering the work force in record numbers. Over half of all mothers with infants younger than age 1 are in the work force; almost 60 percent of mothers with preschool children work outside the home. About a quarter of today's working mothers provide the sole support for their children.

The need for child care services in South Dakota is greater than ever. In town after town, I hear families say that they cannot find acceptable child care arrangements. There are approximately 450 licensed family day care homes and 80 licensed day care centers that, together, have the capacity to serve 9,000 children. The number of available licensed day care facilities is clearly insufficient to meet the needs of over 30,000 South Dakota children under the age of 6 with working mothers.

In addition, I have received numerous letters about the lack of financial assistance to help with the burden of child care costs. In South Dakota, 17,000 children under age 5 live in poverty, yet only 64 received child care assistance last year. Spending for child care assistance decreased by 99 percent between 1981 and 1988, and the number of children assisted dropped 97 percent in the same time period.

Of equal concern is the number of children placed in substandard child care settings. We need to help ensure a minimum level of quality provided by day care facilities to protect our youngest Americans. People need a license to cut your hair, but not to care for your child. While States require that your care be inspected each year, there is no such requirement for the facility that takes care of your child. Our children deserve better protection.

Throughout South Dakota and across the Nation, working parents are faced with this triple quandary: child care is hard to find, difficult to afford, and often of distressingly poor quality. I have joined as an original cosponsor of the Act for Better Child Care Services of 1989 in the 100th and 101st Congresses because it addresses these three critical issues and creates a comprehensive child care program.

The Act for Better Child Care Services of 1989 [ABC] addresses the availability problem by authorizing the use of funds to increase the supply of child care. States may use ABC funds to provide grants and low-interest loans to child care providers to establish and expand existing child care programs; to help communities establish after-school services and programs for sick or homeless children; and to assist businesses with child care programs through a new public-private partnership.

The Act provides direct financial assistance to low-income and working families to help them find and afford quality child care services for their children. States must use at least 70 percent of the funds they receive each year for this purpose, with a priority given to families with very low incomes. Parents are given complete discretion to choose from a wide range of licensed or regulated child care services, including nonprofit and for-profit child care centers, family day care homes, school-based care, and church-based care.

In order to ensure quality, the Act requires States to spend at least 10 percent of ABC funds for a variety of activities, including resource and referral programs, State monitoring, licensing and inspection efforts, health and safety training for child care workers, and improvements in child care salaries. The Act no longer mandates compliance with national standards: rather, it requires that States develop within 3 years a set of standards governing child care centers, family day care homes and group care homes. States must enact standards that are essential for children's health and safety, but each State will have discretion over the content of its standards.

I strongly believe that Federal assistance is necessary if South Dakota is to be able to meet the large and growing need for child care. The Act for Better Child Care Services of 1989 will provide $9.7 million to South Dakota, enough to provide 4,365 more children with decent day care. By building an infrastructure from which all parents and children benefit, while targeting financial assistance to those most in need, this legislation comprehensively addresses the Nation's child care needs.

Mr. President, I think this bill will go a long way toward ensuring the availability, affordability, and quality of child care services across the Nation, and I urge the support of my colleagues.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I am going to address myself to this bill, but before I do, I want to make some definitions, if I might. These are my definitions. Others can quarrel with them and with how this bill got to where it is now, why it was originally written as it was, why it has been changed, why there is strong opposition from some people on the Republican side, and I think some smaller number on the Democratic side, and what the issues are that this bill portrays. It is much bigger than just this issue.

I am going to speak, in some cases, in generalities and I want to again emphasize they are my generalities. Nobody else has to accept them.

I am going to use words like liberal, conservative, and what I think, on average, an average liberal would think and what on average an average conservative thinks, and how that thinking went into the original crafting of the bill and how that thinking has gone into some very intense opposition to it.

I would say as follows: One, liberals, by my definition, are more inclined to think that government can make things much better by regulation, and they like Federal regulation best because it is uniform throughout the Nation. Sometimes they cannot get Federal regulations, and so they will try to mandate State regulation. They know it will be different from State to State, but at least it will be some regulation. That is just a generalization.

Conservatives are more inclined to distrust Government regulation and especially Federal regulation. There are exceptions among liberals, and exceptions among conservatives. You will find conservatives advocating bills that have an absolute plethora of Federal regulations in them. You will find liberals advocating bills that get rid of Federal regulations. I am talking on average, generally.

Those who are more liberal like the idea of regulation—Federal regulation. They have a certain belief in the perfectability of mankind and that per-

fection can be accomplished by rules and regulations. We can make people conform to what we know—speaking now as if I were a liberal—is good for them. They may not know it, but we know it, and we are going to fit them into what we know is good for them by regulation.

Conservatives are inclined to say we are not sure the Government knows what is good for us. We do not want the Government passing these regulations.

But I am now going to give a couple of exceptions to that. They are often in the social area.

Take school prayer, for instance. You go into class and the teacher says, "Children, stand up. Today we are going to recite something from the Bible." All the little children are going to recite the same thing. This is uniformity. This is regulation. Conservatives normally like that. They are not offended by the teacher saying we are going to read from the Bible and the children can either do it or leave the room. That is a form of regulation. Liberals do not like that. In that case they do not want a teacher or a school board issuing regulations that say we will have school prayer. It is a reverse of the normal liberal position.

Abortion would be another exception to the usual liberal and conservative positions. Conservatives, if they had their real desire, would like the Federal Government to outlaw abortion, make it murder nationwide. Or short of that, conservatives would certainly overturn the Supreme Court's decision of 15 years ago which said that a woman has a constitutional right to have an abortion. They would like a regulation to say women cannot have them. Liberals, on the other hand, say, no, that is the woman's choice. Government should not regulate it. Those examples are exceptions to the usual liberal and conservative positions.

Based upon almost 30 years of elective office, 20 years in the U.S. Senate, this is my observation: Liberals like economic and educational uniformity and social diversity. Conservatives like economic and educational diversity and they like social uniformity. Usually when you find dissidents in society, people who do not conform to the norm, people who want to upset the establishment and who are avant-garde, they are more likely to be liberal than conservative. A conservative is more comfortable with what he or she knows is the norm, but wants to have a great deal of economic freedom, and wants a great deal of educational freedom. That is my definition of liberals and conservatives.

Let me now talk about the child care issue. This is not the first time we have dealt with it. The Government now spends about $7 billion a year on child care. The figures range between $7 and $7.5 billion depending upon whether you use the estimates of the Congressional Research Service, the Department of Labor, or the American Enterprise Institutes. $7 to $7.5 billion per year. The two biggest portions of it are the present child care tax credit—which I will later explain—and the Head Start Program, and everyone knows what that is.

The Federal Government appropriated money and enacted a fair number of regulations for the Head Start Program. Liberals and conservatives support it. Money is given out to local governments, and we try to give poor children a head start. The program has worked out wonderfully. It is certainly a child care education program for preschool children.

We are now spending $7.5 billion, roughly, on child care. The present bills we are talking about—whether it be the ABC bill that Senator DODD is the principal sponsor of, or the bill that will be offered on this side—probably spend another $3 billion. This is not an amount to be sneezed at, but it is not nearly as much as we are spending now.

As we look at the ABC bill, I find four issues that separate individuals, separate the parties. The first one is standards; basically, should we have national standards or no national standards? Originally, the ABC bill proposed national standards. The conservatives did not want national standards.

The second issue involves how we should fund child care; tax credits versus appropriations. What should be the method of funding child care?

The third issue is religion; whether or not money should go to religious day-care centers.

The fourth issue is homemakers. A homemaker usually refers to a woman who stays home. She works at home for nothing. Anybody who says a housewife does not work has never met a housewife. She works at home, takes care of the children, is there when her spouse comes home and she does not receive any pay.

Those are the four issues: standards; how child care should be financed, tax credits or appropriations; religious day care; homemakers.

Let us take standards first. The first ABC bill was the genesis of the substitute bill we are debating today. The principal proposed of the original ABC bill was the children's defense fund and Marian Wright Edelman. They wanted national standards, mandated standards, which the States had to comply with or lose a fair portion of the money that the Federal Government would give them for child care.

Based upon my experience in the State legislature I make the following observation: Whenever the Federal Government sets down standards and says if you meet the standards, you will get the money; or if you do not meet the standards, you will not get the money or you will not get as much, the State governments will turn handsprings to meet the Federal standards to get the money.

The original ABC bill had mandated standards that the States had to meet.

The second ABC bill had what I would call model standards, not mandated but model standards; Federal model standards. If the State met those Federal model standards, they put up 15 percent of the money for the State ABC Program and the Federal Government put up 85 percent. If the State did not meet those model standards, the State had to put up 20 percent of the money and the Federal Government put up 80 percent. So there was a 5-percent difference, depending upon whether you met the standards. And States would turn handsprings to get the 5 percent. Whether you call it mandated standards or not, that 5 percent is an immensely large carrot which every State would try to get. So we call them model standards but, in essence, the States would meet them. That was the second ABC bill. As you can see, it has gone through many permutations.

The ABC bill that we have on the floor today no longer has the "carrot" of a reduced State match for meeting the standards. The States are no longer punished if they do not meet the model standards.

However, the model standards are still in the bill. When this bill is passed, a commission at the Federal level is to be created and model standards are to be enunciated. You might say why? If the standards are not binding on anybody, why are there going to be model standards? If the State gets the money whether or not they meet the model standards, why have them?

Here is the reason: The organizations which are proponents of this bill—in their heart of hearts—wish they were mandated standards. If they are not mandated, they wish that there were at least model standards that you must meet or lose money. But they know that if that is in the bill, they will probably lose the bill. They did not know that at the start.

As this bill moved through the congressional process and letters and objections built up, they could sense that national standards were a losing issue. So they backed off for the moment to come back and fight that issue another day. They will go with the model standards, and then every time the State legislature meets, every hearing you have on child care in the State legislature, proponents of standards will say, well, the Federal model standards are this, and why not have the State government meet the model standards? And 2, 3, 4, 5 years from

VOL 135 PT 9 JE 14 — 22 1989 UMI

now when Senator DODD and I and maybe others may be gone from this Senate, the same people who are lobbying for this bill from the outside will one day try to get mandatory Federal standards again. They will retreat on the standards for now. I understand that we all do that. It is half a loaf. They would rather get part of the bill than none, so they retreat on what you cannot get.

The bill in addition to establishing a commission to get Federal model standards, says the States must set standards—must. One of the types of standards we are talking about is child staff ratios. In a day-care center, how many adult care givers must you have for every "X" number of children—1 adult to 5 children; 1 adult to 10 children; 1 adult to 15 children? The bill does not say what the State must conclude. But the State must conclude something in that area, and there will be model Federal standards with which the States will compare themselves.

Group size is another type of standard the States must set under the ABC bill. By group size we mean how many children can be cared for. Most of the child care in this country today is not in an organized day care center. It is in a neighbor's house. The ABC bill says the State must have a standard of how many children can be cared for in one center, whether it is an organized day care center or a neighbor's house.

Qualifications of personnel are another type of standard States must set. How much education must child care workers have? Must it have been in child psychology or education, or do you need a master's degree in something? Those kinds of requirements are qualifications.

States must also set ongoing training requirements. The requirements might mean child care workers have to go back to school every year for 20 hours or 30 hours. The bill originally had 40 hours mandated, 40 hours a year.

Well, you are Susie. You are age 28. You have one child. You want to stay home with your child and pick up some extra money. You are willing to take in three or four of the neighborhood children in your house. You become neighborhood day care center, but it is in your house. And that is the overwhelming bulk of child care in this country today.

But now if the States start to say to Susie, "you have to have one adult for five children, and you can only have seven children and you have to go back to school 40 hours a year to learn how to take care of children," after a while Susie begins to think, "I am not sure it is worthwhile."

And those on the outside who initially pushed the ABC bill do not like having children taken care of in the neighbors' homes. They want them in institutionalized centers run by professionals who have been trained to take care of children, not Susie who lives next door, who in their judgment is utterly incompetent to care for children. But they cannot get that in this bill. They back off but make the States set standards on group size, training, ongoing training, child-staff ratios, and what not.

Now, an argument will be made by the current professionals that they know, because they are professionals and they know better than amateurs, how many children you should have for each adult, and they would give you the impression that all of the studies would conclude that. But let me read some excerpts from some perfectly credible studies. The first one is an audit report on group day care services, done by the New York City Human Resources Administration.

> The number of teachers were not as important in delivery of quality care as the kind of people the teachers were. Individuals who had the best qualities of resourcefulness and patience did the best.

This was a study to determine do you need advanced education, and what kind of education? It concluded that the kind of a person you are is more important.

The same report. This is fancier language, but it is the same group. "The lack of success in the group programs studied where high staff qualifications and low staff-child ratios were used"—let me read that again—"The lack of success in the group programs studied where high staff qualifications and low staff-child ratios were used indicated that there were other variables outside of the programs which were responsible for their success or failure."

Take away the fancy language and this is what this means: some programs that had very low adult-child ratios and very highly qualified adults were failures. So the study says it certainly could not have been because of their educational qualifications and the low ratio. It had to be outside variables or, put the other way around, it was not a given that the day care center would be a good center because of the high educational qualifications and the low child-staff ratio.

Another quote, same study.

> High teacher qualifications and low staff-child ratios used by administrators to implement the objectives of the program studied had little impact in raising the cognitive ability of children.

Translated into lay English that means this: No matter how highly qualified the teacher and how low the ratio of teachers to children, that did not seem to be the key factor in the childrens' learning. The study goes on and on. There were other factors more relevant.

The ABT study—done out of Cambridge—is an interesting study because the people conducting the study did not select themselves the centers they would study. They asked the Department of Health and Human Services—they asked the best child care professionals they knew—to give them a list of the best day care centers. They were not family neighborhood centers but the best ones in the United States, and out of all the selections they ranked them. They took the top 20 that were recommended as the best in the Nation. Here is what they discovered in looking at them.

> Formal education and high pay for staff did not guarantee a high-quality program.
>
> Quality centers studied had anywhere from three to 16 children per staff member.
>
> Two very common ideas about recruiting staff are: First, people with formal education, particularly in teaching or child care fields, make the best staff; and second, the way to get a good staff is to pay a lot; quality care will follow automatically from high salaries. Based upon our observations, we have good reaon to believe that neither of these guidelines is a reliable way to get a good staff.

The last quote, same study.

> Our findings lead us to believe that a high proportion of people with formal education is not a prerequisite for building a quality staff.

I talked with the person who was partially responsible for this study. And I was intrigued with what the majority leader said in his opening statement. I may have his percentages wrong, but I think he said 7 percent of care in centers and 23 percent in homes was given by grandmothers. I may be wrong on his figures, but something like that. This person in this study, when I said to her, "If you had to pick one qualification, just one, for the kind of person that should give day care, what qualification would you pick?" She thought for a moment and she said, "grandmothers."

Not Ph.D.'s in education. Grandmothers. To anybody who has lived through life, it makes perfect common sense.

So that is the issue on standards. Should we mandate standards at the Federal level? The bill originally said yes. The bill would have died with that in it. Should we back down from the mandate and say we will have model standards and the States have to meet them or be penalized if they do not? That would have killed the bill. We backed down from that.

We are now going to have model Federal standards and we are going to require the States to have some standards. Those on the outside who want this bill hope someday they get the mandatory standards, and this is why this has become a touchstone philosophical issue between liberals and conservatives, and it is a bigger battle than just the issue we are debating today. That was the first issue.

The second issue is how do we finance day care. For any of the bills we

are going to pass for day care, child care, we are going to spend about $3 billion a year when the bill is in full effect. So what is the best way to spend the money? Well, there are only two ways the Federal Government spends money. One is appropriations and the other is what we call tax credits.

An appropriation works this way. We levy a tax on citizens. We collect the money. We bring it to Washington, DC. We decide in Congress, in conjunction with the President, how the money should be spent. We appropriate it. It goes out to a Federal agency and the Federal agency spends it, or we can give it out to the States and the States spend it.

But the process is tax, bring it here, pass a bill, establish whatever standards you want in the bill, spend the money, federally managed or otherwise.

A good example would be defense. We tax everybody in the country. We bring in the money. We have a defense appropriation bill. We put the money over in the Department of Defense and tell them how to spend it, with an extraordinary amount of fraud and corruption, as the public is well aware. We have inspector generals in every department to try to make sure we spend the money correctly. We are discovering this abuse is not just in the Department of Defense. The Department of Housing and Urban Development absolutely smells to high heaven with corruption and fraud within its low-income housing programs—money we have brought in, collected, apparently given out—I am not making allegations yet but apparently given out fraudulently and corruptly. It is not limited to defense programs.

But by habit and nature in an appropriated program where we tax the citizens, bring the money here, create a program and send it out, we are more inclined to put in more strings and more regulations than in what we call a tax credit program.

A tax credit program works this way. The citizen spends his own money. And then by law he is allowed to deduct part of that from what he owes in taxes. Now, let us use child care as a good example because, as I said earlier, the biggest single expense the Federal Government has today—forget whether this bill passes or not today—in child care is child care tax credits.

Here is the way it works. Take an example. You make $15,000 a year. You owe $2,000 in taxes. Let us say during the year you paid $1,000 in day care expenses. Let us say the law said you get a 50-percent credit. If you paid a thousand dollars for child care during the year, you get a $500 credit, and you get to deduct the $500 from the $2,000 of income taxes you owe. It is a relatively simple system. Again, by habit and nature we put fewer strings and fewer regulations on programs that we finance by tax credits than on programs we finance by appropriations.

So it is understandable, if you go back to my definition of liberals and conservatives, why liberals would prefer appropriated programs and conservatives prefer tax credit programs. The appropriated programs have more strings. Tax credits have fewer. The ABC bill, absent for a moment an amendment that was added to it that came out of the Finance Committee by Senator BENTSEN, was all appropriations; all of it. All the money went to the States. But, remember the original bill—you were going to have these mandated standards. Seventy percent of the money went to the States, and they were to use it for day care—day care with standards that the Federal Government saw fit to establish. If they met the standards, they got the money. Eight percent of the money was for administration, 10 percent was to upgrade standards, and 12 percent to expand facilities. There was no guarantee that the 70 percent got into the hands of the parents because the 70 percent went to the State, and the State spent it. They had to spend it for day care but the State spent it.

The alternative tax credit approach allows the parent to send his kid to the day care center of his choice, and he can subtract a certain percentage of the expense from his income tax. So in the alternative bill that will be offered on this side of the aisle, about 90 percent of the money is in the form of credits, either straight out what we call these day care credits or the earned income tax credit. I will explain that in a bit. Conservatives like the approach. Again it is understandable.

I found the statement of the Senator from Massachusetts which he made earlier after the Senator from Kansas [Mr. DOLE] spoke intriguing. Senator DOLE talked about tax credits. The Senator from Massachusetts said, "how do we know they will spend it on day care?" This statement demonstrates a wonderful liberal philosophy. "How do we know they will spend it on day care, if we allow them to spend it themselves?"

First, unless they want to violate the law, they cannot take the credit unless they do spend it on day care. As I indicated, today the biggest single expenditure we have in the Federal Government for day care is the present day care credit, and people can only get it if they pay the money for day care. Can they violate it, and say "I paid it for day care?" Can some fraudulent person give them a receipt, and say, "They paid me for day care," and the person cheats and takes it on their income tax? Of course that can happen. But in my judgment you are less likely to waste money, lose money, by criminality in that system than you will in appropriated programs where organizations apply to the Government for Government moneys and will fight tooth and nail to get the Government to give it to them.

So, how do we know parents will spend it for day care? You can go back and look at, almost every program that the Federal Government has ever come up with. You always have this battle of liberal versus conservative—can the poor, and most of these programs are scaled downward to disproportionately favor poor people—be trusted to spend food stamps, for example, on the right kind of food? The assumption is they are poor and therefore they are ignorant. What they need is a nutritionist, and the Government to give them the food. That battle was fought. You get your food stamps, you go to the store. Apart from liquor and cigarettes, you can spend the food stamps on what you want. You give the store your food stamp voucher, the store turns it in to the Government and gets its money.

But at the time we debated the bill that created the Food Stamp Program, there was a serious question as to whether or not the poor would spend their food stamps intelligently. So this is not a new battle. The question of the Senator from Massachusetts [Mr. KENNEDY] is how do we know parents will spend the money on day care, or spend it wisely on day care? Would it not be better for the Government to spend it on day care for them? Liberals like that and conservatives do not.

On the issue of credits, fortunately, all of the parties are agreed on two things: refundability and advance payment in the parent's paycheck. Refundability means this simply: you get some money even if you do not owe any taxes. That is important because under the present law, remember, I talked about credits, you pay $1,000, you get a 50 percent credit, $500, and you get to offset it against your $2,000 taxes. It does not do you any good if you do not owe any taxes against which to offset it. And on average, speaking about averages, a man, wife, and couple of kids making $15,000—and believe me there are a great many of those in this country today—because of the tax reform bill we passed in 1986 pay no Federal income taxes today. For anybody single with children under about $12,000, or married with children under about $15,000, as you pay no income taxes, the present Federal child care credit does you no good because you have no taxes against which to offset the credit.

All of the bills that deal with the credit make it refundable. They say even if you owe no taxes but you are entitled to a $500 credit, the Government will give you $500. When you file your tax return, you indicate you paid

it. It is not a refund of what you paid. It is a payment you get even if you owe no taxes.

Second, we have put into the bill a provision allowing the parents to get the tax credit right in their paycheck. It does not do you much good if you are a single woman and working at Woolworth's in a small store, lucky if you are making $1,000 a month and you have a child and are paying $150, $200 a month day care, and you do not have that money. You normally cannot wait until the end of the year when you file your income tax to get $500 in refundable child-care credits when you had to pay out every month or every week your day-care expenses.

So all of the bills that deal with credits say not only will it be refundable, but you will get money if you do not owe it. And we will direct your employer to put it in your paycheck each week. It is no problem for the employer, and the poor person who has to pay $50 a week for day care gets the money back each week. It is a good provision. I do not know anybody who supports credit who opposes it. The administration supports it, and everybody supports it. That is not an issue. The real issue is, should we have credits at all versus appropriated funds.

The third major child care issue, as I indicated, is religion. Here is the problem on religion. About 7 to 8 percent of the child care in this country today is genuinely religious child care centers, and by genuinely religious, I mean it is the purpose of the child care center to teach the child a particular religion. I differentiate this from the roughly 30 to 40 percent of the institutionalized care—that is a secular organization that is right in the church basement. That is not religious day care. But 7 to 8 percent of day care is run by a church or religious organization for the purpose of inculcating in the child that particular religion.

The Federal Government, by direct appropriations, cannot give money to religious organizations. We cannot give it to the Catholic Church, synagogue, or to a Catholic school. It violates the first amendment.

One of the big problems that the original proponents of the ABC bill had, as the money was all appropriations, was what to do about the religious centers, the 7 to 8 percent where they are teaching the child the Torah or the New Testament. They could not get around the first amendment issue because the money was appropriated.

Here is the way the bill originally read: "No financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship or activity."

Now, you think to yourself, why would somebody put that in the bill and go out of their way to thumb their nose at religion by putting that kind of provision in the bill? Here is where you have to consider the groups that are involved. In this case it is not so much the Children's Defense Fund as it is the National Education Association and the American Federation of State, County, and Municipal Employees. They hate the idea of what is called the "tuition tax credit." That does not relate to day care, but it was kicked around this Congress for 10 years, whether or not we should allow somebody to get a credit on their income tax for sending their child to a parochial school.

Any of the public employee unions hate that, because they are more likely to have organized the public schools than the private schools or the parochial schools. They hate anything about a tuition tax credit. They did not want anything in this bill that would allow any kind of payment to a religious day-care center, because it was the nose in the tent of tuition tax credits 5 or 10 years down the road. They fought it tooth and nail. If the ABC bill had a provision allowing payments to religious day care it would have killed the bill.

You had on the other side of this provision, the Catholic Conference, principal lobbying group for the Catholic Church. Obviously, they do not want a prohibition that says you cannot give money to a religious organization. So the poor devils, the sponsors of the ABC bill are in this bind, if they tilt toward helping and say maybe we can give some money to religious organizations, and that angers the National Education Association and the American Federation of State, County, and Municipal Employees. And if they keep the provision in that says none of the money is going to go to any religious organization, then there goes the Catholic Conference and most of the fundamental Protestants who run day-care centers. The sponsors are caught betwixt and between, as to what to do on it.

Direct appropriations to a religious organization are clearly unconstitutional. The next step from direct appropriations is what we call the voucher or the certificate. The way it works is that you give a certificate or a voucher to a parent. They take their child to the day-care center, and they pay for it with the voucher. It is like you pay for food with a food stamp. The provider, the day-care center, now takes the voucher, it turns it over to the Federal Government or State government, who gives you the money for the voucher, like the grocer gets paid for the food stamp. It is arguable whether or not that is constitutional. It may be or may not. We are not sure. There is another problem. In redeeming this voucher that they have given to the parent, the State may have to look into the affairs of the religious day-care center sufficiently to become what the Supreme Court calls "entangled," in which case it violates the first amendment and separation of church and state, just like the direct appropriation.

Today the majority leader said, "I am putting into this bill the Ford-Durenberger amendment," which says that certificates will be exempt from this religious proscription. The religious proscription is still there, but the certificates are exempt.

Whether it is constitutional or not, that they are exempt, we are not sure. But they will be exempt, so you can get a certificate—until the court says otherwise—take it and give it to the day-care center, and they will turn it into the Government and get the money.

Now, direct appropriation is unconstitutional. Vouchers or certificates, used for a religious organization, may be unconstitutional also. The court really has never irrevocably said. But tax credits are different. You are the parent, you take your child down to the B'nai B'rith day-care center, and on your income tax you are entitled to a 50-percent credit on your payment, the B'nai B'rith day-care center. Without question, this is constitutional. The Supreme Court has said so.

So here, again, you have this bind for those who want appropriated funds which may be unconstitutional. Liberals like the appropriations and the regulatory process; but if they insist upon it here, they will lose the bill. The conservatives like the tax credit approach, and they like the religious diversity.

So, religion is a difficult issue for the proponents of the bill. At the start it was really quite humorous. There is no question about the appropriated funds to the 7 or 8 percent that are run by churches for the purpose of inculcating the child. That is unconstitutional. But what do you do about the 30 to 40 percent of day care in a church basement, but run by a nonchurch organization.

The ABC bill, as originally drafted, in attempting to deal with that, said that you would have to put a shroud over the crucifix and hide any Star of David, so that the religious house, the church, did not look like a church. Well, they have gotten rid of all that now. I do not know if it is constitutional or not, but you can now go in, and if you happen to see a cross or a Star of David, at least the bill says you can do it. I do not know if the court will say it is constitutional. Those are the problems, none of which you have if you use the tax credit approach.

If you move in any direction where the Government, by credits or vouchers or appropriations, does anything that would encourage private schools, especially religious schools, you run absolutely into a stone wall with the

unions that organize public employment—mainly, the American Federation of State, County, and Municipal Employees, and the National Education Association. If you want them to support your bill, you better not tilt too much toward religion. If you want religious organizations to support your bill, you better not tilt too much toward the National Education Association. You are between a rock and a hard place. Tax credits resolve the constitutionality but irritate the NEA.

Remember, there are four issues: Standards; credits versus appropriations; what do you do about religion; and the fourth is homemakers.

Here again there is a liberal-conservative connotation to homemakers. I realize there can be men homemakers, but most people use the word "woman," and for purposes of illustration, I will say that. Should the woman be eligible for a credit only if she works; in other words, is this a workplace-related credit, or should she be able to get it even if she stayed home?

The dependency exemption that all of us take for our children on our income taxes is in essence a homemaker credit. You get it whether you work for money or not. If you stay home you still work but you just do not work for any money. That is a homemaker credit for lack of a better term. You get it. But the present law on the child-care tax credit is that it is a workplace credit. You only get it if you work for money in the marketplace and pay child-care expenses to enable you to work.

Now, conservatives are convinced that the country would be better off—again I am generalizing—if women stayed home and did not work in the marketplace and were there when their kids came home and had soup for them and cookies and milk, and were ready at the door when dad came home. We would have less crime problems, better education, no drugs. That is an honest philosophy. I do not mean to make fun of it.

Real conservatives do not even like the present existing child-care credit in the present law. They would like to get rid of it and the money we spend on it and instead spread it over what they would call a homemaker credit so that you could get it whether you stayed home or not.

The ABC bill makes no provision for homemakers. The tax credit approach that will be offered next week by the Republicans does.

So now think back to your definition of liberal and conservative and you can understand the forces that shape this bill.

If you are a conservative, you do not like Government regulation usually, and this bill as originally introduced was Government appropriations and regulation; whereas, liberals like regulation and especially Federal regulation, conservatives by and large, if they have to pay for something, would rather pay for it with tax credit. They pay the money where they want, take something off their income tax, rather than the appropriation process where you are taxed and the money comes to Washington and goes back through appropriations. Liberals by and large prefer the tax approach and bring the money here because then we can regulate the spending of it better.

On religion, the third issue as I said, if you are conservative you are more likely to be quite religious and you like the church idea and you like your child being in the church day-care center and the church school and you would like to do everything you can to tilt toward that direction.

But the outside liberal forces, the NEA, the American Federation of State, County and Municipal Employees, the Children's Defense Fund, do not in any way, shape, or form want to start down the road toward the Government, even if constitutional, starting to help private and especially private religious day-care centers in education.

So it is no wonder we have a liberal-conservative split on this issue also.

The issue comes down really at the end how best to spend the $3 billion? We will vote on this next week. I do not know where it is going to come out. The differences are honest and they are not held with malice, but they are genuine liberal-conservative issues, as to what is the proper method for the Government to encourage or do something, not should we have $3 billion spent on child care or not have $3 billion. We are going to spend it. But should we spend it in the least obtrusive way possible with the fewest regulations tilting toward parental choice and encouraging or at least being neutral toward religion and favoring homemakers and nonhomemakers equally, or should the bill be regulatory, Federal, antireligious, in my judgment, and aimed solely toward the workplace?

Those are the issues. I do not know any other way to lay them out.

I am regarded ironically as a liberal Republican. I am prochoice on abortion. I have grave misgivings about what I call compulsory school prayer where the teacher comes in and says, "Stand up, we are going to read the fourth psalm."

But I come down on the side that we are better off to spend this money with as much parental choice as possible, with as much diversity in the providers of day care as possible, with as much tilt toward the use of the tax credit rather than appropriations as possible.

By the end of next week I think we will know which way this Senate feels.

Thank you, Mr. President.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, S. 5, the Act for Better Child Care or ABC bill is the product of intense negotiations and sincere bipartisan efforts to fashion a bill to address the critical issue of providing sound child care. This has been going on for several years. While I support passage of the ABC bill, I have serious reservations regarding the religious discrimination language. I also reserve judgment on the tax provisions added by the Finance Committee.

The lack of good quality, affordable child care in this country has been well documented. We have all heard testimony about the common problems faced by working parents who need child care; the difficulty of locating an acceptable child-care provider, the even greater difficulty of finding a good quality child-care provider, and of course the huge bite that child-care expenses take out of a working family's income. This bill contains several initiatives aimed at addressing each of these problems.

Under the bill, low- and middle-income families would be eligible for direct financial assistance in paying for their child-care costs. The amount of assistance would be calculated on a sliding fee scale based on family income. This provision allows eligible families to have complete discretion to choose from a wide range of child-care services.

A significant factor in the overall cost of child-care services has been the high cost of liability insurance. To help limit provider costs, the bill would foster the establishment of child-care liability risk retention groups. These insurance pools provide access to affordable liability insurance through a shared risk pool system thus limiting the effect of liability premiums on overall cost.

Quality would be improved by encouraging States to adopt "recommended model standards." Currently, States have their own standards for child care to fit the unique nature of that State, its constituency, and its child-care needs. The revised ABC bill acknowledges these differences among States, while at the same time, provides incentives for States to meet and exceed the Federal model standards.

The revised bill further includes language to assure adequate training for child-care providers without cumber-

VOL 135 PT 9 JE 14 — 22 1989 UMI

some and excessive requirements for family-care givers. In addition, the bill establishes the creation of resource and referral centers that help parents identify child-care providers in their area.

Given the demographic changes that have taken place and are continuing to take place in our workplace, it is likely that private employers will increasingly realize the advantages of assisting employees in meeting their child-care needs. To encourage this trend, S. 5 includes a new child-care public-private partnership section that would promote greater employer involvement in the provision of child-care services. By providing incentives to private employers, we are able to supplement public efforts in a very cost-effective way.

All in all, this ABC bill represents landmark legislation. It puts the Federal Government firmly on the record in support of child-care services. It recognizes that many parents have no choice but to work. It also recognizes that these families cannot always afford decent child-care services and it recognizes that families that use home child-care services also need assistance. I am pleased that the bill was expanded to include a number of provisions to address some of my initial concerns with the bill. Among them include the provision to enhance business involvement as well as the establishment of the child-care liability risk retention groups. Both provisions provide better child-care services as well as making child care more affordable to families. I am pleased to be a sponsor of this bill.

Having said that, though, I cannot conclude without voicing my disappointment in the nondiscrimination language.

With respect to church-state issues, since the introduction of the ABC bill, many of us have struggled with the constitutional hurdles that must be overcome in a government program that envisions participation by religious organizations.

The issue is not an easy one, it is rife with emotion and replete with complexity and confusion. However, let us not forget that we recently completed a 4-year struggle for the passage of the Civil Rights Restoration Act. With that act, we reaffirmed our support for the broadest possible civil rights coverage in programs funded with Federal money. We said it did not matter where you discriminate; we rejected the notion that you have to trace Federal money to the point of discrimination. We said, "If you take Federal money, you can not discriminate. Period."

With that as a precedent, we crafted a child-care bill that would uphold these principles. Since its inception a number of revisions were made to the original church-state language. The Committee on Labor and Human Resources passed compromise language in an attempt to balance the delicate relationship between the church and state. At the same time it tried to recognize the important role that religious institutions have played in providing child-care services. It should be noted, for the record, that this was a compromise, and a difficult one. A thoughtful compromise yet a compromise all the same. The language prohibits use of ABC funds for sectarian purposes, but still allows the 80-percent test. That test states that if a program receives less than 80 percent of funds from State or Federal sources, it is not prohibited from, "hiring persons already associated with the organization sponsoring the child-care program, nor from admitting children to slots not funded by the ABC on the basis of their affiliation with the sponsoring organization."

I supported this agreement with great reluctance because it included a severability component that ensured that if "any provision regarding religious discrimination is held invalid, it shall not be construed to affect the validity of the other provisions of the title." In other words, this provision assures that those programs unaffected by constitutional questions will continue to be funded and not jeopardized. To me, that was critical. It is an important caveat so that the bill, which we have labored on so diligently, will not be abandoned.

With that provision, I accepted the compromise. Yet, as I mentioned earlier, it does compromise on the principles set forth in the Civil Rights Restoration Act. To accept yet another compromise, added to this version, will weaken the standards that we fought so diligently to establish in the Grove City bill.

Without strong language we would be taking a step backward and retreat to pre-Restoration Act theory of discrimination. Thus far, no one has been able to give me a good policy reason to weaken the nondiscrimination provisions in the original bill that was reported out of committee. Nondiscrimination provisions make sense both as a matter of law and of policy.

Unfortunately, I think we have strayed from this fundamental concept. Instead, we are creating a precedent in favor of overlooking the problem every time it arises. Besides, in other programs involving participation by churches and synagogues, we do impose nondiscrimination requirements. Head Start and CETA had nondiscrimination provisions. So do revenue sharing. Religious nondiscrimination requirements appear in VISTA, the Foster Grandparents Program, Hill-Burton hospital construction grants, and the National Older American Volunteer Program.

As I stated earlier, we had compromised already. We now allow discrimination against both children and employees. We simply cannot justify chipping away at the principles that have made this Nation strong: the principles of civil liberties to all citizens regardless of race, creed, color, national origin, sex, political, or religious affiliation.

Mr. LIEBERMAN. Mr. President, the question before us today is no longer whether the Federal Government should pay a role in the provision of quality child care for our children. The question is what kind of role should the Federal Government play?

I am very proud to be a cosponsor of the Act for Better Child Care introduced by my friend, the senior Senator from Connecticut, CHRIS DODD, because I believe it is critical that we ensure that sufficient quality child care is available for our Nation's children.

Mr. President, CHRIS DODD deserves our admiration for his dedication to designing legislation which will be truly helpful to America's families. As I talk to so many families across the State of Connecticut, and I am sure it is true, Mr. President, in your State of Nevada and throughout this country, the provision of quality child care, the question of who takes care of the child when mom and dad are at work, is right at the top of the concern of people.

I am very proud, as the junior Senator from Connecticut, that my senior colleague, CHRIS DODD, has taken the lead most constructively in this issue, and I hope the Senate will ratify his efforts by enacting this legislation and enabling American families to find safe and affordable care for their children.

This country desperately needs to improve the provision of child care. The fact is that 50 percent of all mothers return to work before their babies are a year old. They need work to put food on their table—it is as simple as that—and a roof over their children's heads. They need to know that their children are safe while they are at work. There are today 10 million children under the age of 6 in need of child care for some part of the day. That is why we have to act now to aid in the provision of quality child care for those children and their parents.

We suffer as a nation when our children are not receiving quality care. Forty-eight percent of women and 24 percent of men have indicated in surveys that they take time away from work to attend to their children's needs, making phone calls to assure that the child is safe, driving their children from one caretaker to another, and staying home when a child is ill.

Studies have shown that concerns about child care arrangements have a

very decidedly negative effect on worker productivity. At a time when this Nation is fighting to remain competitive in the world market, it is interesting to note that our economic competitors throughout the world all do more than we do to ensure that working fathers and mothers can find decent child care for their children. This country will therefore be more productive and our youth better cared for if we enact this ABC bill.

A recent survey found that 75 percent of women and 57 percent of men report difficulty in finding child care with which are satisfied. I can tell you that in my own State of Connecticut there are 90,000 slots in State-approved day-care centers and day-care homes, but there are more than 280,000 children in need of child care. Many parents express dissatisfaction with their child care arrangements and find that they must often make alternative arrangements, as the patchwork quilt of child care that they have painstakingly pieced together rips apart. The time has come to increase the availability and quality of child care in America.

I believe that this leadership package will ease the concerns of many in this Chamber and outside about parts of the original legislation. It ensures both that we will increase the availability and quality of child care and that we will provide real financial assistance to families through the dependent care tax credit. I strongly and sincerely commend the majority leader and the other Senators who have worked so hard with Senator DODD and Senator HATCH to put this package together.

I am proud to support the legislation. The Act for Better Child Care will provide funds to improve the quality and availability of child care, it will encourage the development of different types of child care to satisfy the needs and preferences of families, and it will ensure that low-income working families are able to afford safe and decent child care for their children. The lack of affordable care harms children, parents, and our country. It is time, Mr. President, for this body, for the Congress and the President, to take steps to ensure that these harms do not continue. This bill will do just that.

I thank the Chair.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, there will be no rollcall votes today.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business not to extend beyond the hour of 6:20 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

COMPREHENSIVE VIOLENT CRIME CONTROL ACT—MESSAGE FROM THE PRESIDENT—PM 51

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on the Judiciary:

To the Congress of the United States:

Today I am pleased to transmit proposed legislation entitled the "Comprehensive Violent Crime Control Act of 1989." As the American people are aware, our Nation is experiencing a surge of violent criminal behavior, linked in no small degree to the scourge of illegal drugs currently prevalent in our border areas, our cities, and our neighborhoods.

On May 15, 1989, I outlined a comprehensive program, consisting of both legislative and non-legislative items, to combat violent crime. This program is a logical approach to the violent crime problem that focuses on four major objectives: strengthening current laws; augmenting enforcement; enhancing prosecution; and expanding prison capacity. The seven-title proposal that I am sending you today represents the actions that we believe the Congress should take in each of these areas. Its enactment would help reduce the incidence of violent crime in our society.

Dealing with crime is not a novel problem, nor is it one with which we can ever expect fully to succeed. Nevertheless, assuring the physical safety of our citizens and inhabitants is among the very highest responsibilities of government, and it is a top priority of my Administration.

Traditionally, dealing with violent crime has been, and should properly remain, primarily the function of State and local law enforcement authorities. Yet it is clear that the Federal Government also has an important leadership role to play.

The Federal Government cannot properly discharge its duties in this regard, however, unless the Nation's criminal laws, the essential backbone of the Federal justice system, are modernized and strengthened. A substantial strengthening of our laws would help all elements of the Federal criminal justice system—law enforcement officials, prosecutors, judges, and correctional authorities—to execute their responsibilities with maximum effectiveness.

In recent years, substantial progress has been made toward this goal. Each of the last three Congresses, with the participation of the previous Administration, passed a major, bipartisan piece of anti-crime legislation. Together, these enactments have served greatly to assist in the struggle against violent and drug-related crime.

But much remains to be done to create the statutory framework necessary to cope with the still rising incidence of drug-related violent crime. *Now* is the time for this Congress to act—before the end of this year—on the proposed legislation I am transmitting today. Long-range solutions also lie in other directions, such as better education and job opportunities for our citizens. Our immediate task, however, and the one with which the present set of proposals is concerned, is to improve the Federal criminal justice system to render it able to dispense swift, sure, and fair justice. Persons who endanger society through the commission of violent offenses must know that their behavior will not be tolerated.

The present bill would improve the criminal justice system in several important ways.

First, the laws relating to firearms possession and use need to be carefully scrutinized to insure that, while the legitimate rights of firearm owners are protected, illegitimate use and possession of firearms are subject to proper punishment. In this regard, the Congress passed a major firearms statute in 1986, which generally struck a proper balance in this area. But our examination has revealed a number of instances in which the provisions of that law should be strengthened.

For example, I do not think it was the intention of the Congress to permit convicted felons, imprisoned for dangerous crimes, to be able to purchase firearms immediately upon their release from prison, merely because State law generally restores

rights of citizenship to persons who have served their sentences. Yet that result may be required under the Federal statute as it is written today. Similarly, persons who use a semiautomatic weapon to commit a violent or drug felony are punished no more severely under present law than if an ordinary handgun had been employed. Existing Federal law also contains no penalty for stealing a firearm and lacks a clear definition of the offense of burglary. These defects and others would be remedied under a package of proposed firearms amendments that is included in the proposed legislation.

Second, building on the work of the 100th Congress, which, for the first time in recent memory, created a limited Federal death penalty for certain drug-related killings, this proposal would establish procedures necessary to institute a capital sanction for murders committed in violation of other Federal statutes, such as those involving murder-for-hire and the murder of a kidnap victim or a Federal prison guard. The proposed provisions are in compliance with all relevant Supreme Court decisions, and their enactment is long overdue. I believe it is absolutely essential to bring Federal law into conformity with the law in the more than three-quarters of the States that have passed statutes to reinstate the death penalty for a limited number of heinous crimes.

Third, the proposal includes provisions designed to impose several restrictions on ammunition clips and other ammunition feeding devices frequently used to enable so-called "assault weapons" to fire a large number of rounds rapidly and without reloading. Under my Administration's proposal, a magazine or other ammunition feeding device with a capacity of greater than 15 rounds would be subject to strict regulation and generally could no longer be imported, manufactured, received, or possessed. Persons already in possession of such devices would be allowed to retain and use them lawfully. No transfer to another owner would be permitted unless a record was made of that transfer, which would permit tracing in the event of a criminal misuse.

Limited manufacture or importation for purposes of export or for sale to Government agencies would be authorized, but such large-capacity devices, like a firearm today, would be subject to identification by requiring serial numbers. While an ammunition feeding device, like a firearm itself, is not inherently evil, the enhanced potential for danger to law-abiding citizens posed by the unlawful use of weapons equipped with such devices in criminal hands makes it necessary to impose these restrictions in the interest of public safety.

Fourth, my proposal would establish a nationwide program of mandatory drug testing for defendants on post-conviction release, including probation, parole, or supervised release. It is estimated that upward of 81,000 individuals will be on some form of Federal supervised release in 1990. The known association between criminal behavior and drug abuse is such that drug testing as a condition of release for convicted persons is an essential precaution to help enhance the public safety, while also promoting rehabilitative goals. I have proposed that $10.7 million be appropriated for this activity in fiscal year 1990.

Fifth, the proposal contains provisions to reform the so-called "exclusionary rule." Under this rule, Federal courts today exclude or suppress probative evidence obtained by searches and seizures conducted in good faith by law enforcement officials. The result is that factually guilty individuals avoid conviction and punishment. Under my proposal, any evidence that is obtained as a result of a search or seizure undertaken in objectively reasonable good faith, as determined by a court, would be admissible at trial, notwithstanding that a magistrate or judge later found that the search did not satisfy constitutional requirements.

Suppression of evidence in criminal trials—which are supposed to represent a search for truth on the issue of a defendant's guilt or innocence—is not an appropriate remedy to redress innocent mistakes. Law enforcement officers must frequently make split-second decisions on matters involving difficult constitutional issues on which even judges may disagree. Enactment of this proposal is necessary in order to make the justice system work effectively.

The exclusionary rule would remain, under my proposal, as a permissible sanction for intentional violations, but no longer would a criminal escape punishment because of a technical mistake in conducting a search or seizure. The House of Representatives last year passed a similar proposal, which unfortunately was deleted in the conference agreement on the Anti-Drug Abuse Act of 1988. The proposal should be enacted this year.

Sixth, the proposed bill would restore an appropriate degree of finality to State and Federal criminal convictions by curtailing abuses of the writ of *habeas corpus*. Under current interpretations of Federal statutes, defendants whose convictions have been affirmed by courts of appeals may nonetheless later seek to relitigate in Federal courts the claims previously raised or waived on direct appeal. Not infrequently, defendants with nothing to lose exercise this novel opportunity, which is afforded by no other civilized society in the world, through several rounds of litigation lasting many years and tying up our already overburdened Federal courts.

With the massive delays in many Federal districts occasioned by an overwhelming caseload, we can no longer afford the luxury of this system of excessive opportunity for review of "final" criminal judgments. An effective justice system requires that final adjudications not be subject to continuous review. No innocent individual should be denied an avenue through which to petition the Federal courts to review his or her conviction. But at the same time, those persons who have been tried and found guilty, and whose legal claims have been rejected after full and fair consideration, should not be allowed to relitigate endlessly in the Federal courts.

Under the proposed amendments, the opportunity for certain kinds of collateral attacks upon a conviction would be limited by a time period of 1 or 2 years, with due exceptions for the assertion of rights newly created or facts newly discovered. Similarly, Federal courts would be admonished to give presumptive validity to any full and fair determination of a factual issue by a State court.

A nearly identical proposal was overwhelmingly passed by the Senate in 1984. Its enactment this year would improve the justice system and relieve the Federal courts, thereby freeing them to hear other cases and to dispense justice to others more promptly.

Seventh, and finally, the proposed bill would authorize appropriations for several activities of the Department of Justice to augment Federal law enforcement personnel, increase prosecutorial efforts, and expand prison capacity. These appropriation authorizations, along with the increased funding I have requested for the Judiciary and the Bureau of Alcohol, Tobacco and Firearms in the Department of the Treasury—a total government-wide increase of about $1.2 billion in 1990—will make possible a tougher, more vigorous, and more effective fight against violent crime.

When I stood before the United States Capitol on May 15 and addressed the families of the brave and valiant peace officers who gave lives in the battle to rid America of drugs and crime, I promised them—as I did the American people on the day I assumed this office—that "this scourge will stop." Enactment of the set of proposals that I present to you today, as well as implementation of the other initiatives that I announced last month, will be a major step in keeping that promise. I urge that these important proposals promptly be considered and enacted. We owe the people of our great Nation no less.

GEORGE BUSH.

THE WHITE HOUSE, June 15, 1989.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 1:33 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 274. Joint resolution to designate the week beginning June 1, 1989, as "National Scleroderma Awareness Week."

The enrolled joint resolution was subsequently signed by the Acting President pro tempore [Mr. KERREY].

At 4:30 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. DINGELL, Mr. SHARP, Mr. TAUZIN, Mr. LENT, and Mr. MOORHEAD as managers of the conference on the part of the House.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1258. A communication from the Chief of the U.S. Forest Service, Department of Agriculture, transmitting, pursuant to law, the 1988 annual report of the Forest Service; to the Committee on Agriculture, Nutrition and Forestry.

EC-1259. A communication from the Assistant Secretary of the Army (Installations and Logistics), transmitting a draft of proposed legislation to authorize, when in the interest of the government or under unusual circumstances, exempting certain categories of individuals from paying the full meal rate for a meal consumed in a dining facility of the armed forces; to the Committee on Armed Services.

EC-1260. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to engrave and print the currency, bonds, and other security obligations of a foreign country or engage in research and development for printing the currency, bonds, and other security documents on behalf of a foreign country on a reimbursable basis; to the Committee on Banking, Housing, and Urban Affairs.

EC-1261. A communication from the Acting General Counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to amend the Defense Production Act of 1950 to support mobilization of the defense industrial base of the United States; to the Committee on Banking, Housing, and Urban Affairs.

EC-1262. A communication from the President of the United States, transmitting, pursuant to law, a report on the direct loan authority available to the Export-Import Bank for fiscal year 1989; to the Committee on Banking, Housing, and Urban Affairs.

EC-1263. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Driver Register Act of 1982 to assist in the identification of merchant mariners who have an adverse driving record by permitting access to the National Driver Register, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1264. A communication from the Surgeon General, transmitting, for the information of the Senate, the proceedings of his workshop on drunk driving; to the Committee on Commerce, Science, and Transportation.

EC-1265. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on options for the potential redistribution of royalty receipts in the State of Louisiana; to the Committee on Energy and Natural Resources.

EC-1266. A communication from the Coordinator of Governmental and Public Affairs of the Tennessee Valley Authority, transmitting, pursuant to law, statistical summaries of the annual report for fiscal year 1988; to the Committee on Environment and Public Works.

EC-1267. A communication from the U.S. Trade Representative, transmitting a draft of proposed legislation amending the Superfund petroleum tax to conform to the GATT; to the Committee on Finance.

EC-1268. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to provide for the recovery by the U.S. Customs Service of the cost of processing of imported articles, and for other purposes; to the Committee on Finance.

EC-1269. A communication from the Assistant Legal Advisor for Treaty Affairs of the State Department, transmitting, pursuant to law, international agreements other than treaties entered into by the United States and a list of the agreements; to the Committee on Foreign Relations.

EC-1270. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the Agency for International Development's expenditure of $17.7 million in humanitarian assistance to the Nicaraguan Democratic Resistance from April 1 through September 30, 1988; to the Committee on Foreign Relations.

EC-1271. A communication from the Secretary of Transportation, transmitting, pursuant to law, the semiannual report of the Inspector General of the Department of Transportation for the period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1272. A communication from the Administrator of the U.S. Small Business Administration, transmitting, pursuant to law, the semiannual report of the Inspector General of the Small Business Administration for the period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1273. A communication from the Secretary of Veterans Affairs, transmitting, pursuant to law, the semiannual report of the Inspector General, Department of Veterans' Affairs, for the period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1274. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 5, United States Code, to provide a remote maintenance allowance to certain officers and employees of the United States assigned to Johnston Island; to the Committee on Governmental Affairs.

EC-1275. A communication from the Secretary of Transportation, transmitting, pursuant to law, the semiannual report of the Inspector General of the Department of Transportation for the period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1276. A communication from the Executive Secretary of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the report on the establishment of a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1277. A communication from the Administrator of the U.S. Environmental Protection Agency, transmitting, pursuant to law, the semiannual report on the Inspector General of the Environmental Protection Agency; to the Committee on Governmental Affairs.

EC-1278. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled The Public Service: Issues Affecting Its Quality, Effectiveness, Integrity, and Stewardship; to the Committee on Governmental Affairs.

EC-1279. A communication from the Attorney General, transmitting, pursuant to law, the annual competition advocacy report for the period ending September 30, 1988; to the Committee on Governmental Affairs.

EC-1280. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the report of the Office of Inspector General of the Department of Housing and Urban Development for the period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1281. A communication from the Executive Secretary of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report on proposed changes to its Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1282. A communication from the Director of the Central Intelligence Agency, transmitting a draft proposed legislation entitled The Intelligence Authorization Act for Fiscal Years 1990 and 1991; to the Select Committee on Intelligence.

EC-1283. A communication from the Secretary of Labor, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-1284. A communication from the Secretary of Education, transmitting, pursuant to law, a document entitled Notice of Final Priorities for Fiscal Years 1989 and 1990—Rehabilitation Training Program; to the Committee on Labor and Human Resources.

EC-1285. A communication from the Secretary of Education, transmitting, pursuant to law, the 11th annual report on progress being made in special education; to the Committee on Labor and Human Resources.

EC-1286. A communication from the Secretary of Education, transmitting, pursuant to law, a document entitled Final Regulations for the Student Assistance General Provisions and Guaranteed Student Loan

VOL 135 PT 9 JE 14 — 22 1989 UMI

and PLUS Programs; to the Committee on Labor and Human Resources.

EC-1287. A communication from the Secretary of Health and Human Services, transmitting the ninth annual report on implementation of the Age Discrimination Act of 1975; to the Committee on Labor and Human Resources.

EC-1288. A communication from the Secretary of Education, transmitting a draft of proposed legislation entitled The Howard University Endowment Amendments of 1989; to the Committee on Labor and Human Resources.

EC-1289. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Public Health Service Act to facilitate the revitalization of the Commissioned Corps of the Public Health Service; to the Committee on Labor and Human Resources.

EC-1290. A communication from the Secretary of Education, transmitting, pursuant to law, a document entitled Final Regulations—National Diffusion Network; to the Committee on Labor and Human Resources.

EC-1291. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to amend section 516 of title 44, United States Code, with respect to the prosecution of defaulting contractors by the General Counsel for the Department of the Treasury; to the Committee on Rules and Administration.

EC-1292. A communication from the Chairman of the Federal Election Commission, transmitting pursuant to law, the 14th annual report of the Federal Election Commission; to the Committee on Rules and Administration.

EC-1293. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, section 203(b) United States Code, to delete the requirement that settlements of claims in excess of $1,000,000 on a construction contract be provided for specifically in an appropriate law, and to provide instead that the Secretary notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1,000,000; to the Committee on Veterans Affairs.

EC-1294. A communication from the Secretary of Veterans' Affairs, transmitting a draft of proposed legislation to authorize a headstone allowance for prepurchased grave markers; to the Committee on Veterans Affairs.

EC-1295. A communication from the Director of the Defense Security Assistance Agency, transmitting pursuant to law, required information concerning the Department of the Air Force's proposed letter(s) of offer and acceptance [LOA] to Saudi Arabia for Defense articles estimated to cost $50 million or more; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-135. A joint resolution adopted by the Legislature of the State of California; to the Committee on Appropriations:

"ASSEMBLY JOINT RESOLUTION No. 3

"Whereas, The west dam of Lake Norconian in the City of Norco, which is owned and maintained by the United States Navy, has been determined to be unstable and subject to liquefaction in an earthquake; and

"Whereas, The present condition of the dam was documented in a dam safety report rendered in November 1983, under contract with the United States Navy; and

"Whereas, The report determined that the approximately 50-year old dam should be repaired to eliminate the liquefaction potential since the area immediately downstream is residential and does not contain flood control features adequate to protect against dam failure; and

"Whereas, The City of Norco was assured by the Navy in 1985 that the repair project would be designed and constructed in 1987 but was recently informed that funding for the repair project will be delayed until 1991; and

"Whereas, Plans and specifications for the projects are nearing completion, and the Navy is now requesting that funding for construction of the project be moved up to the spring of 1989; and

"Whereas, In addition to the danger to existing downstream residential development, the construction of additional residential projects and a New Riverside Community College Campus in Norco will be delayed if the dam repair is not completed by the summer of 1989, now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to fund construction by the United States Navy of the repair of the west dam of Lake Norconian during the 1989 fiscal year in order to provide urgently needed protection for the people of the City of Norco and to ensure that a number of vitally needed developments within the city are not delayed; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice-President of the United States, the Speaker of the House of Representatives, the Secretary of the Navy, and to each Senator and Representative from California in the Congress of the United States."

POM-136. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Appropriations:

"HOUSE RESOLUTION No. 202

"Whereas, Mental illness strikes millions of people with tragic consequences for them and their families; and

"Whereas, The designation, mental illness, includes: brain disease, schizophrenia, affective disorders, clinical depression, psychotic and obsessive compulsive disorders, among others; and

"Whereas, The causes of many of these illnesses are unknown; and

"Whereas, In addition to the human costs resulting from these diseases, the economic cost to our nation is 73 billion dollars annually; and

"Whereas, The total amount spent by all states is $7 billion per year and growing; and

"Whereas, 100,000 psychiatric hospital beds are occupied each year by persons with schizophrenia and thousands more by persons with affective disorders; and

"Whereas, Homeless persons with mental illness are most poignantly in need of community services; and

"Whereas, Thousands of persons with mental illness are in our jails throughout the country for crimes occasioned by their illness and are in need of appropriate mental health care, not incarceration; and

"Whereas, Thousands more persons with mental illness are inappropriately placed in the nation's nursing homes; and

"Whereas, Research will underscore that these are medical diseases, not character defects, thereby reducing the stigma attached to them today: therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois*, that we urge the United States Congress to appropriate funds so that the National Institute of Mental Health may pursue research into the causes and care of these diseases; that funds be appropriated at a level consistent with the best professional estimate, which is $500 Million for Fiscal Year 1990, of what is required to investigate the causes, cures, prevention, and improved treatment of these diseases; and be it further

"*Resolved*, That suitable copies of this preamble and resolution be presented to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Illinois Congressional Delegation."

POM-137. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Appropriations:

"HOUSE CONCURRENT RESOLUTION

"Whereas, The greatness of a nation is measured by its willingness to explore the unknown, pursue knowledge for its own sake, and invest in the future without expectation of immediate reward;

"Whereas, The soaring achievements of the United States space program have won the respect and admiration of the world and have contributed immeasurably to our nation's prestige as the scientific and technological leader of the free world; and

"Whereas, It has been proven that for every one dollar the federal government invests in space exploration, our society receives back over nine dollars in benefits from thousands of related discoveries in transportation, medicine, manufacturing, and the environment, which improve our quality of life and ability to compete scientifically, technologically, and economically with other nations in the international marketplace; and

"Whereas, United States students continue to perform poorly in math and science compared to students of other nations, placing our nation's future scientific and economic competitiveness in jeopardy; and

"Whereas, It has been proven that an active and successful space program excites the imagination of our youth, inspires them to excel in math and science, and motivates them to pursue careers in science and engineering that help ensure our nation's future competitiveness; and

"Whereas, United States spending on space programs as a percent of federal outlays has dropped by almost two-thirds since 1966, while other nations' spending on space has increased dramatically, with the result that other nations are challenging United Stats leadership in space; and

"Whereas, A permanently manned space station is the next logical step for the United States space program and is needed to serve as a launch pad and staging center for future space exploration programs; and

"Whereas, The NASA space station Freedom will serve the nation in many diferent ways including as a permanently manned national space center capable of providing

scientific data about outer space impossible to obtain from unmanned satellites or occasional, short-term missions in space; a research laboratory for new discoveries in physics, materials science, biology, and other sciences; a manufacturing facility to create life-saving drugs and advanced industrial products impossible to manufacture on earth; an astronomical observatory to advance knowledge about the universe beyond earth's atmosphere and to study earth ecology and solve environmental problems; and an industrial park for the creation of commercial space industries; and

"Whereas, NASA, working in cooperation with private industry, other governmental agencies, and international science committees, has developed a sound and fiscally responsible design for a cost-efficient and productive space station which has been reviewed and approved by the National Science Foundation and which is designed to grow to meet future needs and evolve with future technological advancements; and

"Whereas, NASA's space station program is currently in a critical stage in its development in which an adequate and dependable flow of funding is necessary to keep the program moving steadily toward its goal of regaining United States space leadership before the end of the 20th century; and

"Whereas, The proposed space station budget is reasonable considering that today the United States spends less than one percent of all federal outlays on NASA programs, compared to more than four percent in 1966, when the United States was preparing to land the first man on the moon; now, therefore, be it

"*Resolved*, That the 71st Legislature of the State of Texas hereby request the Congress of the United States to grant the National Aeronautics and Space Administration all the funds it requests to launch the space station Freedom before the year 1996; and, be it further

"*Resolved*, That the Texas secretary of state forward official copies of this resolution to the president of the senate, the speaker of the house, the members of the appropriations budget, and commerce committees, and the members of the Texas congressional delegation, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States."

POM-138. A concurrent resolution adopted by the legislature of the State of Alaska; to the Committee on Armed Services:

"CONCURRENT RESOLUTION

"Whereas, schools located on Fort Richardson, Fort Wainwright, Fort Greeley, Elmendorf Air Force Base, Eielson Air Force Base, Adak Naval Station, and the Kodiak Coast Guard Support Center are operated by the local school district or rural educational attendance area; and

"Whereas, the federal government owns these schools; and

"Whereas, most of these school buildings are significantly below building standards when compared to other schools within these areas; and

"Whereas, the local school districts are expressly prohibited from conducting major maintenance or selling general obligation bonds to raise money for these schools; and

"Whereas, the state has appropriated funds to provide for the maintenance of these schools at a time when state revenue is in severe decline; and

"Whereas, the U.S. Department of Education, Office of Impact Aid has made a commitment to provide major assistance for school maintenance; and

"Whereas, schools on military bases in the state are the second highest national priority of the U.S. Department of Education; and

"Whereas, repairs by the federal government may not begin for another two to three years due to a federal program of resurveying maintenance needs at these schools, known as the Dole Study; and

"Whereas, parents of children attending these schools believe their children could receive better treatment and that federal officials have not been responsive to their concerns; and be it

"*Resolved by the Alaska State Legislature*, That the federal government is requested to carry out its responsibility for necessary replacement, repair, or upgrade work on schools located on Fort Richardson, Fort Wainwright, Fort Greely, Elmendorf Air Force Base, Eielson Air Force Base, Adak Naval Station, and the Kodiak Coast Guard Support Center; and be it further

"*Resolved*, That after necessary replacement, repair, or upgrade work is completed consideration should be given to transferring ownership of the schools to those local school districts that desire to assume ownership or to the state."

POM-139. A resolution adopted by the house of representatives of the State of Illinois; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION No. 275

"Whereas, The State of Illinois supports the dual banking arrangement that has provided our nation with an innovative and responsive banking system that serves the financial needs of individual states, their economies, and citizens; and

"Whereas, The Federal Reserve Board's responsibilities under the Bank Holding Company Act are limited to the important and complementary role of regulating bank holding companies and their nonbanking subsidiaries; and

"Whereas, The State's authority over the activities of State banks and their subsidiaries is clearly defined in the Bank Holding Company Act; and

"Whereas, The Legislature and Governor and State banking regulators have always exercised that authority in order to promote the safety and soundness of the State's financial institutions while simultaneously recognizing the need for such institutions to evolve in order to compete in the changing financial marketplace; and

"Whereas, The State's ability to respond to unique and changing economic and financial variables is a fundamental right necessary to insure the State's ability to provide an environment conducive to its economic development goals; and

"Whereas, The amendments to Regulation Y proposed by the Federal Reserve Board would directly interfere with and usurp the historic authority of states to determine the range of activities in which state chartered financial institutions may engage; and

"Whereas, The citizens of a state are entitled to the benefits of a competitive financial services industry and the ability to establish such a system by working through their elected state officials and designated regulatory agencies; and

"Whereas, The Amendments to Regulation Y proposed by the Federal Reserve Board threaten the continued viability of the dual banking system; Therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois*, That we strongly oppose the efforts on the part of the Federal Reserve Board to amend Regulation Y (specifically 12 CFR 225.22(d)(2)), thus undermining the nation's dual banking system by abrogating the authority of states to determine which activities a state chartered bank owned by a bank holding company should be allowed to offer; and be it further

"*Resolved*, That a suitable copy of this preamble and resolution be presented to the Federal Reserve Board and each member of the Illinois Congressional Delegation."

POM-140. A joint resolution adopted by the legislature of the State of Alaska; to the Committee on Banking, Housing, and Urban Affairs:

"JOINT RESOLUTION

"Whereas, the state fully supports the prudent and orderly development of the state's outer continental shelf oil and gas resources in an environmentally acceptable manner; and

"Whereas, the state has been very responsive to the nation's need to decrease its dependence on foreign oil; and

"Whereas, there are presently 10 Alaskan planning areas on the Federal Outer Continental Shelf leasing schedule, encompassing approximately 480,000,000 acres; and

"Whereas, with the exception of the North Aleutian Basin, the state has not requested a ban or moratorium on oil and gas leasing and drilling on any of Alaska's outer continental shelf planning areas; and

"Whereas, the North Aleutian Basin lease sale area has relatively low hydrocarbon potential; and

"Whereas, over 1,300,000 marine mammals inhabit or migrate through the North Aleutian Basin area; and

"Whereas, virtually the entire world's population of black brant and emperor geese stage in nearby coastal areas during the fall migration; and

"Whereas, an annual average of 45,000,000 to 60,000,000 adult salmon have migrated through the North Aleutian Basin each year since 1978; and

"Whereas, domestic Bristol Bay fisheries have an average export of crude oil to the United States at more competitive prices than North Slope crude oil because of the transportation savings; and

"Whereas, the additional cost of shipping Alaskan North Slope crude oil to the Gulf Coast and eastern states imposes an unnecessary burden on those states, reduces federal and state tax revenue, reduces state royalties, and discourages exploration and development of North Slope reserves; and be it

"*Resolved*, That the Alaska State Legislature respectfully requests the United States Congress to enact laws providing for the export of Alaska crude oil, regardless of the oil's point of production in the state, on a barrel-for-barrel basis for oil imported from other countries in this hemisphere, under terms that afford enhanced economic benefits for the nation without diminishing domestic security or reducing crude oil available for domestic purposes; and be it further

"*Resolved*, That the Alaska Congressional delegation and the Governor are urged to continue using their best efforts to obtain passage of legislation permitting the export of Alaska crude oil, regardless of the oil's point of production within the state."

POM-141. A resolution adopted by the senate of the State of Alaska; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE RESOLUTION No. 13

"Whereas, in addition to the transit system found in Alaska's largest city, Anchorage, most of the medium size cities and many rural communities have bus and van lines supported only by state and local resources; and

"Whereas, there is a substantial imbalance in the funding authorized by the Congress for transportation services in urban and rural areas; and

"Whereas, under present law, communities with populations under 50,000 receive less than three percent of the transit funding through the U.S. Department of Transportation; and

"Whereas, the Congress should be concerned about public transportation generally and not only urban transportation; and

"Whereas, in 1989 the Congress offered only $66,200,000 in mass transit funds to rural America while making more than $168,000,000 available to Washington, D.C.; and

"Whereas, legislation has been introduced in the Congress that would double the share of Urban Mass Transit Administration (UMTA) Section 18 grants for the construction and operation of public transit systems in communities of fewer than 50,000 people; and

"Whereas, the legislation would also establish a state-administered block grant program for rural areas and small cities and seek federal subsidies for 'essential bus service' on otherwise unprofitable bus routes; and

"Whereas, a doubling of the funds available would still not represent equity to the rural areas because that doubling would involve only six percent of amounts available under UMTA's formula budget; and

"Whereas, the Administration has proposed a 50-percent reduction in UMTA's 1990 budget proposal: Now, therefore be it

"Resolved, That the Senate supports the Rural Transportation Equity Act of 1989 and the concept that equity requires the rural areas of the Nation to receive a proportionate amount of the funds made available by the Congress for public transportation; and be it further

"Resolved, That the Senate opposes the Administration's proposal to decrease the amounts available for public transportation."

POM-142. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on the Budget:

"HOUSE JOINT MEMORIAL No. 4001

"Whereas, The Washington Legislature believes it is inappropriate that the dedicated trust funds for highways and airports are subject to the Unified Federal Budget process; and

"Whereas, The highway and airport trust funds are funded by user fees collected in advance of expenditure and are dedicated to highway and airport improvement programs; and

"Whereas, Inclusion in the Unified Federal Budget has limited appropriations from the Highway Trust Fund and from the Airport and Airway Trust Fund; and

"Whereas, The inclusion of appropriations from the highway and airport trust funds in the Unified Federal Budget prevents Washington from receiving all of the highway funds and airport funds to which the state is entitled; and

"Whereas, Reductions in highway and airport transportation trust fund appropriations hamper Washington's, as well as the other states' ability to address identified, critical transportation needs; and

"Whereas, The money in the highway and airport trust funds cannot be transferred to other programs included in the Unified Federal Budget; and

"Whereas, Limitations on highway and airport trust fund expenditures reduce only the total federal budget but do not result in a real reduction in the federal deficit;

"Now, Therefore, Your Memorialists respectfully pray that Congress remove the Highway Trust Fund and the Airport and Airway Trust Fund from the Unified Federal Budget; and be it

"Resolved, That copies of this Memorial be immediately transmitted to the Honorable George Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-143. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on the Budget:

"HOUSE CONCURRENT RESOLUTION No. 110

"Whereas, the federal budget has not been balanced since 1969; and

"Whereas, the federal deficit has grown larger as the years have passed; and

"Whereas, the continuation of runaway deficits is harmful to the economic and fiscal stability of the nation; and

"Whereas, every family has to struggle with balancing its resources and its desires to maintain its financial stability and not leave an intolerable debt burden for its descendants; and

"Whereas, it is the concern of every family in America that the government exercise the same level of fiscal responsibility so that the next generation is not buried under the debt run up for current consumption; and

"Whereas, it is important that the federal government take action to correct this situation and reinstitute the practice of regularly balancing the federal budget; and

"Whereas, the attempt to balance the federal budget through the Gramm-Rudman-Hollings deficit reduction law, which was to achieve a balanced budget by 1991, does not appear likely to meet its goal; now, therefore, be it

"Resolved, by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, the Senate concurring, that the Legislature requests that Congress and the Bush administration work diligently together to reduce the federal deficit; and be it further

"Resolved, That certified copies of this Concurrent Resolution be transmitted to the Clerk and the Speaker of the United States House of Representatives, the Secretary and the President of the United States Senate, and to each member of Hawaii's Congressional delegation."

POM-144. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on the Budget:

HOUSE RESOLUTION No. 133

"Whereas, the federal budget has not been balanced since 1969; and

"Whereas, the federal budget deficit has grown larger over the business cycle as the years have passed; and

"Whereas, the continuation of runway deficits is harmful to the economic and fiscal stability of the nation; and

"Whereas, every family has to struggle with balancing its resources and its desires to maintain its financial stability and not leave an intolerable debt burden for its descendants; and

"Whereas, it is the concern of every family in America that the government exercise the same level of fiscal responsibility so that the next generation not be buried under the debt run up for temporary advantages; and

"Whereas, it is important that the government take action to correct this situation and reinstitute the practice of regularly balancing the federal budget on the part of the executive and legislative branches; and

"Whereas, the legislative attempt to correct the situation through the Gramm-Rudman-Hollings deficit reduction law, which was to achieve a balanced budget by 1991, does not appear likely to meet its goal; now therefore, be it

Resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, that the Legislature requests that Congress work toward reducing the federal deficit; and be it further.

Resolved, That certified copies of this Resolution be transmitted to the Clerk and the Speaker of the United States House of Representatives, the Secretary and the President of the United States Senate, and to each member of Hawaii's Congressional delegation."

POM-145. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Commerce, Science, and Transportation:

"Whereas, The state of Washington is a coastal state presently affected by sea level rise and land subsidence; and

"Whereas, An acceleration of sea level rise due to global warming caused by the green house effect will aggravate existing as well as cause additional problems including:

"(1) An increased frequency and intensity of coastal storm surges and flooding, coastal erosion, and landsliding threatening life and property;

"(2) Loss of wetlands and shallow water habitat essential to the economic health of this state's fish and shellfish industry;

"(3) An eventual inundation of low-lying coastal lands causing an adverse financial and fiscal impact upon private and public coastal property and facilities owners; and

"Whereas, The Department of Ecology has initiated a sea level rise response program involving a cross-section of state agencies, local governments, business, industry, and environmental interests which is dependent upon certain federal activities such as:

"(1) Basic research into sea level rise scenarios and impacts by the United States Environmental Protection Agency and the National Oceanic and Atmospheric Administration;

"(2) Funding for coastal zone management programs by the National Oceanic and Atmospheric Administration, Office of Ocean and Coastal Zone Management; and

"Whereas, Sea level rise response must be a partnership of federal, state, and local government efforts;

"Now, Therefore, Your Memorialists respectfully pray that Congress continue to support federal and international greenhouse effect and sea level rise research and

management programs including technical assistance and funding support for state and loal governments through the United States Environmental Protection Agency and the Coastal Zone Management Program, and be it

"Resolved, That copies of this Memorial be immediately transmitted to the Honorable George Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-146. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 44

"Whereas salmon and steelhead are a vital part of the commercial and sport fishing industries of the western coast of the United States and contribute billions of dollars to the national economy each year; and

"Whereas Alaska salmon and steelhead are among the state's most important natural resources; and

"Whereas Alaska salmon and steelhead are fully utilized by domestic fisheries, constitute the primary economic base of many coastal and river communities in the state, and are important to the state's developing tourist industry; and

"Whereas high seas harvests of Alaska salmon defeat the state's careful fisheries management and enhancement programs for salmon and deprive the state of an economic return on its investment in salmon hatcheries; and

"Whereas poor salmon runs in Alaska in 1988, the increased incidence of net marked salmon and steelhead, and recent reports of large quantities of illegally harvested salmon being sold in Europe and Asia have heightened public concern over high seas interception of salmon and steelhead; and

"Whereas the agencies and organizations monitoring the high seas interception of salmon believe that about 10,000 metric tons of salmon were caught in 1988, primarily by Taiwanese fishermen who market the salmon through Singapore, Thailand, and other countries; and

"Whereas the Taiwanese squid fleet now contains more than 100 vessels, most of which fish with gill net gear that is just the right size to capture immature salmon on the high seas, and is virtually unregulated and unmonitored; and

"Whereas tens of thousands of marine mammals and hundreds of thousands of sea birds may die in Taiwanese gill nets each year; and

"Whereas Taiwan is not a member of the International North Pacific Fisheries Commission or any other treaty organization for North Pacific fisheries; and

"Whereas the United States Secretary of Commerce has yet to reach agreements with Taiwan for monitoring of fishing activities of the Taiwanese drift net fishing fleet and enforcement of fishing laws and agreements as directed by the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (P.L. 100-220); and

"Whereas the prospects for reaching monitoring and enforcement agreements with Taiwan by June 30, 1989, are very poor; and

"Whereas the failure of Taiwan to enter into monitoring and enforcement agreements with the United States by June 30, 1989, will result in a certification to the President under section 8(a) of the Fishermen's Protective Act of 1967, known as the Pelly Amendment, that Taiwanese fishermen are conducting fishing operations in a manner that diminishes the effectiveness of international fishery conservation programs; and

"Whereas the President may, under the Pelly Amendment, prohibit the importation into the United States of fish and aquatic products from an offending nation; and

"Whereas the value of products that may be subject to a sanction under the Pelly Amendment against Taiwan was $445,000,000 in 1987; and be it

"Resolved, That the Alaska State Legislature respectfully requests the President to invoke immediately the full extent of Pelly Amendment sanctions that are possible against Taiwan if Taiwan fails to enter into monitoring and enforcement agreements by June 30, 1989, as required by the Driftnet Impact Monitoring, Assessment, and Control Act."

POM-147. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION No. 235

"Whereas, in countries throughout the world controversy over foreign investment rises and falls with the exchange rate of the local currency and the availability of capital; and

"Whereas, foreign investment becomes an issue in a community when it is perceived that negative impacts outweigh community benefits; and

"Whereas, it is unlikely that the issue of foreign investment will go away as the countries of the world continue to move towards an interdependent global economy with constantly shifting international flows of capital; and

"Whereas, the free flow of capital can be a productive force in a community, creating jobs, building and improving physical plants, and providing additional tax revenues, thereby allowing expanded government services and projects

"Whereas, the free flow of capital, left purely to regional or international market forces, can also be a destructive force in a community, rapidly overturning the economic structure on which the community is based; and

"Whereas, in order for a community to achieve maximum benefits and minimize negative effects of foreign investment, the flow of capital should be directed by policy makers toward explicit economic goals of the community, as well as its cultural and social objectives; and

"Whereas, nowhere is the issue of foreign investment and the free flow of capital more visible than in Hawaii, where total cumulative foreign investment has been estimated at $4.7 billion between 1959 and 1987; and

"Whereas, accurate figures and information on the scope and composition of foreign investment in Hawaii are difficult to obtain, providing opportunities for misconceptions, provocative pronouncements, and manipulation of the issue by both public officials and the general public; and

"Whereas, the Legislature believes that proper dislcosure and reporting of investments are essential for the State and decision-makers to form appropriate policies directing the flow of capital into Hawaii's economy; and

"Whereas, the most effective way to achieve significant disclosure is through federal legislation, as the federal government has more leverage to enforce disclosure on foreign firms than does a single state; and

"Whereas, the federal government already collects economic and demographic information that can be cross-tabulated with foreign investment disclosure information to provide perspective on the foreign investment information; and

"Whereas, disclosure measures are currently under extensive and serious discussion in Congress, with intense lobbying efforts and major hearings planned on foreign direct investment measures in at least 13 different committees in Congress; and

"Whereas, during the 100th Session of Congress the Bryant Amendment was introduced by Congressman Bryant of Texas and passed the House of Representatives; and

"Whereas, this measure has been reintroduced as H.R. 5 in the United States House of Representatives this session, and a similar bill, S. 289, has been introduced in the United States Senate; and

"Whereas, under H.R. 5, disclosure would be required of foreign investors and such information would be collected by the Department of Commerce and be made available to a central state agency in each state; now, therefore, be it

"Resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, that the State of Hawaii supports disclosure at the federal level; and be it further

"Resolved, That the State of Hawaii strongly supports the Bryant Bill, H.R. 5, and similar legislation which will allow each state the opportunity to obtain the disclosed information so that appropriate polices may be developed at the state level to minimize the negative effects of foreign investment; and be it further

"Resolved, That certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the Senate Committee on Commerce, Science, and Transportation, the Chairman of the House Committee on Energy and Commerce, Congressman John Bryant of Texas, Hawaii's Congressional delegation, and the Governor of the State of Hawaii."

POM-148. A joint resolution adopted by the legislature of the State of Washington; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION

"Whereas, the Greenhouse effect and possibly other biospheric phenomena may require fundamental change in energy production and consumption methods to maintain human well-being; and

"Whereas, the increasing reliance on foreign oil supplies poses a growing risk to national security and the economy; and

"Whereas, energy conservation, or increase in energy use efficiency, is the most economical and productive approach in the near term to mitigate these effects and therefore should be regarded as a prime, but not the only, energy resource; and

"Whereas, additional research and development can lead to further energy efficiency improvements; and

"Whereas, the Hanford Reservation is well-suited geographically and climatologically for research and development of renewable energy resources, especially geothermal, hydroelectric, solar, and wind; and

"Whereas, nuclear energy, one potential mitigative approach, needs improvements in the areas of public acceptance, waste disposal techniques, and cost-effectiveness of new reactors, and these problems require research and development for resolution; and

"Whereas, the Hanford heritage is such that there is abundant experience in nuclear and other energy resources research, development, and construction; and

"Whereas, the wealth of information and experience in energy conservation and renewable energy resources accumulated by the Pacific Northwest Electric Power and Conservation Planning Council and the Bonneville Power Administration would be available to an energy research and development program at Hanford; and

"Whereas, extensive laboratory and other facilities have been constructed at Hanford to support past programs and are available to support future programs; and

"Whereas, numerous highly trained management, scientific, engineering, and construction tradespeople with commanding knowledge of the energy field reside in the area; and

"Whereas, land has been reserved immediately adjacent to Washington public power supply system nuclear plant number 2, and warm water availability from that plant is a condition of certification by the state, and, consequently, a unique opportunity exists at Hanford for research and development of a variety of warm water uses, including farming, food processing, and space heating; and

"Whereas, recent and prospective termination of significant facilities at Hanford will make many highly trained and skilled persons of relevant disciplines available for new work in nuclear and other energy areas;

"Now therefore, your memorialists respectfully pray that the federal government establish the Hanford National Energy Center on the Hanford Reservation; and be it

"*Resolved*, That this center be given first consideration as a possible site for the location of energy research, development, and production facilities of all types, as may be anticipated or planned by the United States and its states; and be it further

"*Resolved*, That copies of this Memorial be immediately transmitted to the Honorable George Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-149. A joint resolution adopted by the legislature of the State of Nevada; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION No. 11

"Whereas, the State of Nevada has approximately 90,000 to 100,000 families of low income who are in need of affordable housing; and

"Whereas, these families include a large number of senior citizens, a segment of the population that has increased by approximately 112 percent since 1977; and

"Whereas, the current shortage of affordable housing is directly related to the high cost of available land; and

"Whereas, Mobile home parks provide a major source of affordable housing, especially for senior citizens of low income; and

"Whereas, Congress controls a considerable amount of federal land in this state that could be used to provide affordable mobile home parks for senior citizens and other persons of low income; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That Congress is hereby urged to enact legislation allocating federal land for affordable mobile home parks in the State of Nevada; and be it further.

Resolved, That a copy of this resolution be transmitted by the Chief Clerk of the Assembly to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation."

POM-150. A joint resolution adopted by the legislature of the State of Alaska; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION 8

"Whereas, the higher transportation cost associated with shipping Alaska North Slope crude oil through the Panama Canal to the Gulf Coast states reduces the wellhead price of the oil; and

"Whereas, lower wellhead prices raise the economic threshold for exploring for and producing all North Slope oil and, as a result, production for certain existing and newly discovered oil fields is currently uneconomic; and

"Whereas, domestic exploration and development of newly discovered oil reserves will enhance the nation's energy and economic security; and

"Whereas, the foreign export of Alaska North Slope crude oil will provide an incentive for further domestic oil exploration and development; and

"Whereas, new discoveries and production resulting from increased domestic exploration will facilitate the development of infrastructure and production facilities needed to produce currently uneconomic North Slope reserves and, thus, lower the average development costs of all North Slope production; and

"Whereas, exporting oil to Pacific Rim nations will decrease the substantial trade deficit with nations that have expressed a strong interest in purchasing Alaskan-produced oil, as evidenced by the sale under a United States Department of Commerce export license of Alaska Cook Inlet oil to a Taiwanese company; and

"Whereas, Canada, Mexico, and Venezuela, among other neighboring countries in this hemisphere, may provide stable, secure wholesale value of $250,000,000 and employ over 10,000 people annually; and

"Whereas, the Bristol Bay area coastal habitats and fish and wildlife resources are highly vulnerable to oil spill damage and disturbance; and

"Whereas, the Alaska rural population depends heavily on commercial and subsistence use of these fish and wildlife resources; and

"Whereas, significant gaps exist in understanding the distribution, abundance, and population dynamics associated with many of these renewable resources; and

"Whereas, industry has failed in its efforts to contain or control the catastrophic oil spill in Prince William Sound even under favorable meterological and oceanographic conditions; and

"Whereas, industry has not demonstrated the ability to adequately contain and clean up oil spills under the extreme meteorological and oceanographic conditions common in Bristol Bay; and

"Whereas, the people of the state, acting through their duly elected representatives, have delayed oil and gas leasing in adjacent state waters; and

"Whereas, by delaying leasing in state waters and delaying drilling in federal waters in the Bristol Bay area, the opportunity exists to gain additional knowledge and develop additional technologies that will protect fish and wildlife resources in the presence of oil and gas activities, and further assess potential impacts to these resources from the presence of oil and gas activities; and

"Whereas, given the facts stated above, it is not in the nation's or the state's best interest to prmit drilling in the North Aleutian Basin at this time; and be it

"*Resolved*, That the Alaska State Legislature respectfully requests the Secretary of the United States Department of the Interior to suspend and reevaluate the approval or permitting of any drilling, exploration activity, or other development on the North Aleutian Basin Outer Continental Shelf; and be it further

"*Resolved*, That the legislature respectfully requests the President to suspend Lease Sale 92 and to include oil and gas leasing in Bristol Bay and the North Aleutian Basin to the work assigned to the President's Special Task Force set up to measure the potential for environmental damage in the offshore areas of California and Florida, including the potential for a buy-back of those leases; and be it further

"*Resolved*, That the legislature respectfully requests the Congress of the United States to prohibit the expenditure by the Department of the Interior of any money for the conduct of leasing or the approval of permitting of any drilling or other exploration activity on the North Aleutian Basin Outer Continental Shelf at this time."

POM-151. A resolution adopted by the House of Representatives of the State of Hawaii, to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 196

"Whereas, the Earth's biological diversity is being rapidly reduced at an alarming rate without precedent in human history, and this trend is expected to increase greatly in the near future; and

"Whereas, although the most rapid losses of biological diversity are occurring outside of the United States, biological impoverishment remains a serious problem within this country; and

"Whereas, biological diversity is not only valuable as a source of intellectual and scientific knowledge, recreation, and aesthetic pleasure, but its reduction may have serious consequences for human welfare as untapped resources for research and agricultural, medicinal, and industrial development are irretrievably lost; and

"Whereas, reduced biological diversity will diminish the raw materials available for scientific and technical advancement, including the development of improved varieties of cultivated plants and domesticated animals; and

"Whereas, nowhere in this nation is biological diversity so evident than in Hawaii where 90 per cent of all the different plant and animal species are not found elsewhere in the world, thereby ranking Hawaii as number one in the world for its tally of endemic species; and

"Whereas, however, the problem is that many of these endemic species are also en-

dangers; just in terms of Hawaii's endemic plant species alone, approximately 800 species are considered endangered today; and

"Whereas, although scientific and academic expertise are available to study this unique environment, fewer than 10 percent of Hawaii's plants and animals have been studied for useful pharmaceutical or other properties; and

"Whereas, to begin the process of addressing this problem, the United States Congress is currently reviewing legislation that would establish a national policy for the conservation of biological diversity and mechanisms for carrying out the national policy and for coordinating related activities; and

"Whereas, this proposed legislation could set an example for the rest of the world and begin to reverse the trend of wholesale, destruction of unique organisms on this planet; now, therefore, be it

"*Resolved by the House of Representatives of the Fifteenth Legislature, State of Hawaii, Regular Session of 1989*, That this body urges the United States Congress to support HR 4335 ("National Biological Diversity Conservation and Environmental Research Act") that proposes to establish a national policy for the conservation of biological diversity; and be it further

"*Resolved*, That given Hawaii's unique role as caretaker for such an inordinately large and fragile population of endemic plants and animals, the United States Congress is further urged to give serious consideration for the establishment of the National Center for Biological Diversity in this State or at least a Regional Center for Tropical Biology that could take advantage of Hawaii's unique climate; and be it further

"*Resolved*, That certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's Congressional delegation."

POM-152. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Environment and Public Works:

"HOUSE CONCURRENT RESOLUTION No. 77

"Whereas, the dredging of a channel between the city of Freeport, in Brazoria County, Texas, and the Gulf of Mexico has created an artificial island opposite the port city; and

"Whereas, volume 19 of the Coastal Barrier Resource System Report to Congress on Recommendations for Additions and Deletions includes the environs of Freeport as an area to be added under this system because of the artificial island created by dredging activities; and

"Whereas, only natural barrier islands should be included in the Coastal Barrier Resource System and not artificial or man-made deposits as in the case of Freeport; and

"Whereas, the inclusion of Freeport in the Coastal Barrier Resource System would prohibit the construction of facilities that are necessary for the operation of a deepwater port and work to the great detriment of the citizens of Freeport and the surrounding area; now, therefore, be it

"*Resolved*, That the 71st Legislature of the State of Texas hereby memorialize the Congress of the United States to exclude the coastal mainland of Brazoria County from the Coastal Barrier Resource System; and, be it further

"*Resolved*, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the United States House of Representatives, to the president of the United States Senate, and to all members of the Texas delegation to the congress, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM-153. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 248

"Whereas, under the present federal law, Section 1612(a) of the Social Security Act, elderly parents living with their children, in Hawaii, for example, must court their rooming privileges as "in-kind" income and lose some or all of their Social Security supplemental income; and

"Whereas, caring for elderly parents at home is a tradition and customary practice in Hawaii and may be considered a socially beneficial practice for all Americans, and such practice should be encouraged rather than penalized by our Social Security laws; and

"Whereas, a bill has been introduced in Congress to amend our present Social Security Act to provide that support and maintenance furnished in kind in the form of room or rent to any individual by an immediate family member shall be disregarded in determining the amount of the individual's Social Security benefits; and

"Whereas, if such measure were to be enacted it would in effect eliminate the penalty against our senior citizens who find living quarters amongst their family members and children; now, therefore be it

"Resolved by the House of Representatives of the Fifteenth legislature of the State of Hawaii Regular Session of 1989, the Senate concurring, that this honorable body hereby expresses support for the pending measure in Congress which would have the effect of Social Security penalty against our elderly recipients who live with their families."

POM-154. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 15

"Whereas, Nevada is one of the fastest growing states in the union; and

"Whereas, the continuous influx of people into this state promotes a growing, healthy and diversified economy; and

"Whereas, many of the people who migrate to this state are retired and live on limited and fixed incomes; and

"Whereas, many of these people retire to Nevada with the exception of being exempt from any state income tax and have planned their finances accordingly; and

"Whereas, for many of these people their pension income and the income earned from savings and other investments are barely enough to pay their expenses and offset inflation; and

"Whereas, other states have enacted legislation that authorizes the imposition of an income tax on pension income that originates in those states, even if the person who earns the income resides in another state; and

"Whereas, as a result, many of the people who have retired to Nevada are required to pay income tax on their pension income; and

"Whereas, these laws have placed an unexpected and oftentimes insurmountable financial burden on many of these people; and

"Whereas, S. 434 and H.R. 1227 of the 101st Congress, 1st Session (1989), would prohibit each state from imposing an income tax on the pension income of any person who is not a resident of that state; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Nevada Legislature urges the Congress of the United States to pass S. 434 and H.R. 1227 of the 101st Congress, 1st Session (1989); and be it further

"*Resolved*, That copies of this resolution be prepared and transmitted by the Secretary of the Senate to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and to each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-155. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Foreign Relations:

Substitute Senate Joint Memorial No. 8001

"Whereas, the salmon and steelhead resource of the state of Washington is important to the commercial fishing industry and to the recreational fishing public; and

"Whereas, Juvenile and adult salmon and steelhead feed in the open areas of the Pacific Ocean before returning to their home rivers to spawn; and

"Whereas, foreign high seas fisheries which ostensibly fish for squid with gill nets are actually targeting on juvenile and adult salmon and steelhead which originate in North American streams; and

"Whereas, the foreign high seas fisheries are causing a significant depletion of salmon and steelhead runs and are having a serious economic and conservational impact on Washington state salmon and steelhead resource; and

"Whereas, the United States Coast Guard and the National Marine Fisheries Service are empowered to enforce fishery regulations within the fisheries conservation zone;

"Now, Therefore, Your Memorialists respectfully pray that:

"(1) The Senate and House of Representatives of the United States, in Congress assembled, instruct the secretary of state to pursue vigorous sanctions upon foreign fishing nations who are harvesting Washington state salmon and steelhead on the high seas and to take any other diplomatic measures which will cause a reduction in their interceptions; and

"(2) The Congress instruct the Secretary of State to pursue treaties establishing no-fishing-zones in each ocean's international waters so that juvenile fish can return to their native waters without being subjected to mixed stock fisheries in international waters; and

"(3) The Congress instruct the National Marine Fisheries Service and the United States Coast Guard to fully enforce all fisheries regulations within their respective authorities; and

"(4) The Congress be encouraged to fully fund the United States Coast Guard enforcement operations and consider the increased manpower needs for such enforcement; and be it

"Resolved, That copies of this Memorial be immediately transmitted to the Honorable George Bush, President of the United States, the United States Secretary of State, the United States Secretary of Commerce, the United States Secretary of Defense, the President of the United States Senate, the Speaker of the House of Reperesentatives, and each member of Congress from the State of Washington."

POM-156. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 142

"Whereas, a representative form of government was the foundation upon which this country was founded; and

"Whereas, a means to insure fair representation in government, and equitable distribution of programs and services from that government, is an accurate accounting of a nation's peoples as provided every ten years through those acts performed by the United States Census Bureau; and

"Whereas, the Illinois House of Representatives is concerned over recent attempts by Congress and the National Conference of State Legislators to enact legislation which would mandate a different approach to the 1990 Census and establish a fundamental change upon which all reapportionment would be based; and

"Whereas, of greatest concern to this legislative body are those changes which would eliminate from the 1990 Census all aliens, both legal permanent residents and undocumented aliens; and

"Whereas, legislation introduced in the United States House of Representatives, which mandates that the Census Bureau include only U.S. Citizens in its 1990 enumeration to Congress, would disenfranchise countless members of the Hispanic community who are presently legalizing their resident status and will not become U.S. citizens until 1993 at the earliest; and

"Whereas, this significantly different approach by the Census Bureau would have a detrimental impact upon Hispanic communities as states with large Hispanic populations would suffer a loss of representation in Congress and a concomitant reduction in federal grants and assistance; therefore, be it

"Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois, That we urge the Congress to insure that the United States Census Bureau will conduct the 1990 Census in a manner which will accurately and fairly reflect those populations which actually exist within Hispanic communities, and that Congress exert every effort to devise an equitable means to obtain those vital statistics, including the active recruitment of Spanish-speaking census takers, in order to obtain that information which will substantiate the true composition of Hispanic communities; and be it further

"Resolved, That we urge the Congress to resist those efforts by restrictionist movements to exclude various segments of the Hispanic community from the 1990 Census, a proposal that would only serve to thwart the recognition and involvement of a nation's people and fail to recognize a basic premise that social concerns can never be addressed by denying their existence; and be it further

"Resolved, That copies of this preamble and resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate and each and every member of the Illinois Congressional Delegation."

POM-157. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Governmental Affairs.

HOUSE RESOLUTION No. 327

"Whereas, the Bureau of the Census of the U.S. Department of Commerce will hire many temporary employees as it conducts the 1990 census; and

"Whereas, many residents of Illinois who are receiving public assistance would welcome an opportunity to obtain gainful employment and work experience; and

"Whereas, employment of persons receiving public assistance as census employees could help to reduce dependence on welfare and increase self-sufficiency; therefore, be it

"Resolved, by the House of Representatives of the Eighty-sixth General Assembly of the State of Illinois, That we urge the United States Congress to favorably consider legislation to give preference to persons receiving public assistance when openings occur for work on the 1990 census; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Illinois Congressional Delegation."

POM-158. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION No. 1029

"Whereas, the Tenth Amendment to the United States Constitution, which is part of the original Bill of Rights, provides: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."; and

"Whereas, the limits of Congress's authority to regulate state activity prescribed by the Tenth Amendment have been considered by the United States Supreme Court in the cases of *Garcia v. San Antonio Metropolitan Transit Authority,* 469 U.S. 1005 (1985) and *South Carolina v. Baker,* 108 S. Ct. 1355 (1988); and

"Whereas, the Supreme Court held in such cases that the limits of the Tenth Amendment are structural not substantive, leaving states to seek protection from congressional overreaching through the national political process rather than through judicially defined spheres of unregulable state activity; and

"Whereas, such Supreme Court decisions invite further federal preemption of state authority; now, therefore be it

"Resolved, by the House of Representatives of the Fifty-seventh General Assembly of the State of Colorado, the Senate concurring herein: That it is the consensus of this body that the Tenth Amendment to the Constitution of the United States is and always has been of operational force governing and balancing the respective powers of the States and the Federal Government. It is the further sense of this body to affirm that the Tenth Amendment is a substantive limit on national power and should so be applied as a test by the Courts of the United States and of the several states in the cases coming before them where a question of the exercise of the federal authority is raised; and be it further

"Resolved, That this resolution be forwarded to the President and to the U.S. Congress urging them in the carrying out of their responsibilities to protect and strengthen the position of the states in the federal union, avoid intrusion upon state prerogatives and afford protection to the proper governing authorities of the states."

POM-159. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 449

"Whereas, Representatives from a coalition of over 40 Chicago based immigrant and refugee organizations as well as leaders of major religious communities, including the Church Federation of Greater Chicago and the Archdiocese of Chicago, are united in their support of S. 448, a bill introduced by Senator Simon that marks the first serious attempts to strengthen pro-family provisions of United States immigration law and increase visa numbers since Congressional passage of the Immigration Reform and Control Act of 1986; and

"Whereas, there has been great concern in the immigrant community over the splitting of families caused by the 1986 law, and under its provisionis over 130,000 immigrants in Illinois applied for legalization and are currently working towards permanent residency and citizenship; and

"Whereas, many immigrants who applied have family members living with them who did not quality and who are forced to remain in undocumented status living in constant fear of deportation; and

"Whereas, Cardinal Joseph Bernardin stated at the end of the legalization program that he had 'great concern for the ongoing effect of the 1986 law on families, especially those faced with the issue of the family separation which has not been adequately resolved'; and

"Whereas, S. 448 would grant a 'stay of deportation and work authorization' to spouses and children of legal immigrants, reduce delays in certain visa categories that now have family members waiting for up to twelve years, and reduce the waiting period for legal immigrants wishing to apply for naturalization; therefore, be it

"Resolved, by the House of Representatives of the Eighty-sixth General Assembly of the State of Illinois, That this body encourages the adoption of S. 448, amending the U.S. Immigration and Control Act of 1986, and encourages the members of the Illinois Congressional delegation to support the provisions addressed by S. 448; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the chair of the Senate Committee on the Judiciary, the President of the Senate and Speaker of the House of Representatives of the United States Congress, and to each member of the Illinois Congressional delegation."

POM-160. A joint resolution adopted by the Legislature of the State of Texas; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 6

"SECTION 1. The Legislature of the State of Texas, pursuant to Article V of the United States Constitution, does hereby ratify an amendment to the Constitution of the United States proposed by resolution of the First Congress of the United States in New York, New York, on September 25, 1789, which reads as follows, to wit:

"'Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, two thirds of both Houses concurring, that the following [Article] be proposed to the Legislatures of the several States, . . . which [Article], when ratified by three fourths of the said Legislatures, to be valid to all intents and purposes, as part of the said Constitution, viz.:

"'[An article] in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the Legislatures of the several States, pursuant to the fifth Article of the original Constitution.

"'Article the second . . . No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.'"

"Sec. 2. The Legislature of the State of Texas acknowledges that the above-quoted article of amendment to the United States Constitution has already been ratified by the legislatures of the following states on the dates indicated, to wit:

"Maryland on December 19, 1789;
"North Carolina on December 22, 1789;
"South Carolina on January 19, 1790;
"Delaware on January 28, 1790;
"Vermont on November 3, 1791;
"Virginia on December 15, 1791;
"Ohio on May 6, 1873 [70 Ohio Laws 409-10];
"Wyoming on March 3, 1978 [124 Cong. Rec. 7910; 133 Cong. Rec. S12949];
"Maine on April 27, 1983 [130 Cong. Rec. H9097, S11017];
"Colorado on April 18, 1984 [131 Cong. Rec. S17687; 132 Cong. Rec. H6446];
"South Dakota on February 21, 1985 [131 Cong. Rec. H971, S3306];
"New Hampshire on March 7, 1985 [131 Cong. Rec. H1378, S3597];
"Arizona on April 3, 1985 [131 Cong. Rec. H2060, S4750];
"Tennessee on May 23, 1985 [131 Cong. Rec. H6672, S10797, S13504];
"Oklahoma on July 10, 1985 [131 Cong. Rec. H7263, S13504];
"New Mexico on February 13, 1986 [132 Cong. Rec. H827, S2207-8, S2300];
"Indiana on February 19, 1986 [132 Cong. Rec. H1634, S4663];
"Utah on February 25, 1986 [132 Cong. Rec. S6750, S7578; 133 Cong. Rec. H9866];
"Arkansas on March 5, 1987 [134 Cong. Rec. H3721, S7518];
"Montana on March 11, 1987 [133 Cong. Rec. H1715, S6155];
"Connecticut on May 13, 1987 [133 Cong. Rec. H7406, S11891];
"Wisconsin on June 30, 1987 [133 Cong. Rec. H7406, S12948, S13359];
"Georgia on February 2, 1988 [134 Cong. Rec. H2638, S5239];
"West Virginia on March 10, 1988 [134 Cong. Rec. H2492, S4784];
"Louisiana on July 6, 1988 [134 Cong. Rec. H5783, S9939];
"Iowa on February 7, 1989 [135 Cong. Rec. H836, S3509-10];
"Idaho on March 23, 1989;
"Nevada on April 26, 1989;
"Alaska on May 5, 1989;
"Oregon on May 19, 1989; and
"Minnesota on May 22, 1989.

"Sec. 3. The Legislature of the State of Texas further acknowledges that measures to ratify the proposed amendment to the Constitution of the United States have recently been adopted by the House of Representatives of the State of North Dakota on January 26, 1987, and again on February 3, 1989; the House of Representatives of the State of Illinois on June 22, 1988; and the Senate of the State of Michigan on March 15, 1989.

"Sec. 4. The Legislature of the State of Texas further acknowledges that the above-quoted article of amendment to the United States Constitution may still be ratified by the state legislatures as a result of the ruling by the United States Supreme Court in the landmark case of *Coleman* v. *Miller* [307 U.S. 433 (1939)] in which it was opined that Congress is the final arbiter on the question of whether too much time has elapsed between the original submission of a particular amendment proposed by the Congress and the most recent state legislature's ratification of same if the Congress, in proposing the amendment, did not specify a deadline on the amendment's consideration.

"Sec. 5. The secretary of state of the State of Texas shall notify the archivist of the United States (pursuant to 1 U.S.C. 106b and 112; as amended by Public Law No. 98-497 [98 Stat. 2291]) of the action of the 71st Legislature of the State of Texas, Regular Session, 1989, by sending to him a copy of this resolution.

"Sec. 6. The secretary of state of the State of Texas shall also send copies of this resolution to both United States senators from Texas, to all United States representatives from Texas, to the vice-president of the United States, and to the speaker of the United States House of Representatives with the request that it be printed in full in the CONGRESSIONAL RECORD.

"Sec. 7. The secretary of state of the State of Texas shall also send copies of this resolution to the presiding officers of the legislatures of those states that have not as yet ratified the proposed amendment to the United States Constitution."

POM-161. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Labor and Human Resources:

"HOUSE JOINT MEMORIAL No. 4015

"Whereas the State of Washington is concerned that too many students are acquiring excessive loan burdens; and

"Whereas the State of Washington shares the concern of Congress regarding the problem of defaulted student loans; and

"Whereas institutions do not have the authority to deny access to federal student loans to those students, who in the opinion of the institution will be unable to repay their loans, given starting salaries in their major fields of study; and

"Whereas the Department of Education has proposed restricting institutional eligibility, to participate in federal student aid programs, at those campuses which have high rates of default; and

"Whereas loss of any institutional eligibility to participate in federal student aid programs would deprive the neediest of students from access to higher education; Now, therefore

Your Memorialists respectfully pray that the United States Congress reconsider the issue and grant authority to institutions of higher education to deny the certification of federal student loan applications for those students, who in the opinion of the institution, have acquired an excessive loan burden; and that the Congress provide other self-help programs, such as work-study programs, to assist these needy students; and be it

"*Resolved*, That copies of this Memorial be immediately transmitted to the Honorable George Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-162. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Rules and Administration:

"HOUSE CONCURRENT RESOLUTION No. 390

"Whereas the State of Hawaii is celebrating its thirtieth anniversary of statehood on August 18, 1989; and

"Whereas the year 1989 also marks the bicentennial celebration of both the convening of our great nation's law making body, the United States Congress, and the institution of the United States Constitution in 1789; and

"Whereas as citizens of the Fiftieth State in the Union, Hawaii residents enjoy the privilege and opportunity to pursue peace, happiness and freedom as provided for in the laws, rights and amendments embodied in the United States Constitution; and

"Whereas the United States Congress convenes in the United States Capitol building located in Washington, D.C. to legislate public policy that impacts the rights and privileges of freedom that all Americans enjoy; and

"Whereas the dome of the United States Capitol building is surmounted by a bronze statue which stands nineteen and one-half feet tall and weights seven and one-half tons; and

"Whereas this statute symbolizes "freedom in peace and war" and is officially known as the Statue of Freedom, hence forth referred to as "Freedom"; and

"Whereas Freedom was created and scupited by American sculptor Thomas Crawford who also designed the bronze doors of the House and Senate wings (United States Capitol Building), the statuary of the Senate tympanum, and the statues of Justice and History above the Senate bronze doors; and

"Whereas Freedom is depicted as a woman clad in flowing draperies held in place by a brooch bearing the letters "U S"; and

"Whereas Freedom's right hand rests upon a sheathed sword while her left holds a wreath and shield; and

"Whereas her head is covered by a helmet encircled with stars and surmounted by a crest composed of an eagle's head and an arrangement of feathers; and

"Whereas Freedom stands on an iron globe encircled by the words "E Pluribus Unum"; and

"Whereas when Freedom was erected on December 2, 1863, it was determined that her location of the Capitol dome made it impossible for the American public to experience the statue, and all it stands for, prompting a decision to place the plaster model from which the bronze statue was cast on public display in a more accessible location; and

"Whereas after twenty-two years of storage in the Capitol building, the plaster model of Freedom was placed on public display in the Smithsonian Institute's Arts and Industries building in 1890 where it was enjoyed by American and foreign visitors alike until March 2, 1967 when it was dismantled, removed, and placed in storage to accommodate building renovations; and

"Whereas the plaster model of Freedom has been in storage in the Smithsonian's Silver Hill storage facility for over twenty-two years; and

"Whereas the 100th Congress passed legislation, H.R. 4587, which in Section 105, authorizes the Architect of the Capitol building to accept donations to restore and relocate the plaster model for public display; and

"Whereas, upon completion, the restored plaster statue of Freedom will once again be placed on public display for Americans and foreign visitors to enjoy in the rotunda of the Russell Senate building in Washington, D.C.; and

"Whereas once the model of Freedom is restored, it will be possible to replicate the statue so that Americans and people of other nations may experience Freedom and all she symbolizes without having to travel to our nation's capitol; and

"Whereas replicas of Freedom may serve as a symbol of America's continued commitment to the promotion of world peace and freedom that may be given or exchanged as gifts from the people of the United States to people of other nations; Now, therefore, be it

"*Resolved* by the House of Representatives of the Fifteenth legislature of the State of Hawaii, Regular Session of 1989, the Senate concurring, that in celebration of the thirtieth anniversary of statehood, the bicentennial celebration of the Constitution and the United States Congress, and in appreciation of the rights and privileges of freedom which we enjoy as the Fiftieth State of the United States of America, the Hawaii State Legislature hereby recognizes the importance and significance of the Statue of Freedom and its plaster model as symbols of peace and freedom; and be it further

"*Resolved*, That the Hawaii State Legislature, in continued support of this nation's commitment and effort to promote world peace and freedom, also recognizes the importance of restoring the plaster model of Freedom which would provide for its relocation and replication so that American and foreign citizens alike might once again enjoy and experience Freedom and all she represents and symbolizes; and be it further

"*Resolved*, That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Represenatives, and Hawaii's congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 633. A bill to promote the development of technologies which will enable fuel cells to use alternative fuel sources (Rept. No. 101-52).

S. 634. A bill to develop a national policy for the utilization of fuel cell technology (Rept. No. 101-53).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HOLLINGS (for himself, Mr. BENTSEN, Mr. BRYAN, Mr. ROCKEFELLER, and Mr. BINGAMAN):

S. 1191. A bill to authorize appropiations for the Department of Commerce's Technology Administration, to speed the development and application of economically strategic technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN (for himself and Mr. MOYNIHAN):

S. 1192. A bill to amend title II of the Social Security Act to increase the retirement test exempt amount to $10,620 in 1990, to lower the reduction factor for certain earnings to 25 percent, to extend eligibility to certain adopted children, to provide for the issuance of earnings and benefit statements and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. NUNN, Mr. DECONCINI and Mr. CRANSTON):

S. 1193. A bill to establish a comprehensive program for the rehabilitation of drug dependent Federal offenders; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 1194. A bill to provide for a nationally coordinated program of research, promotion, and consumer information regarding limes that is designed to expand domestic and foreign markets for limes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON (by request):

S. 1195. A bill to amend title 38, section 203(b), United States Code, to delete the requirement that settlements of claims in excess of $1,000,000 on a construction contract be provided for especially in an appropriation law, and to provide instead that the Secretary notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1,000,000; to the Committee on Veterans Affairs.

By Mr. LEVIN (for himself, Mrs. KASSEBAUM, Mr. SIMON, Mr. KENNEDY, Mr. ADAMS, Mr. BOREN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. LAUTENBERG, Mr. CHAFEE, Mr. COHEN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DURENBERGER, Mr. GORE, Mr. GRAHAM, Mr. HEINZ, Mr. KERRY, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MITCHELL, Mr. MOYNIHAN, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SPECTER, Mr. WIRTH, Mr. BRADLEY, and Mr. BENTSEN):

S.J. Res. 157. Joint resolution designating June 16, 1989, as "Soweto Remembrance Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself and Mrs. KASSEBAUM):

S. Res. 145. Resolution to congratulate Wichita State University on winning the 1989 NCAA Baseball Championship; considered and agreed to.

By Mr. ADAMS:

S. Res. 146. Resolution authorizing the printing of additional copies of a compilation containing the eulogies of the late Senator Warren G. Magnuson; considered and agreed to.

By Mr. MOYNIHAN (for himself, Mr. MITCHELL, Mr. PACKWOOD, Mr. PELL, Mr. METZENBAUM, Mr. KENNEDY, Mr. BOSCHWITZ, Mr. KERRY, Mr. SIMPSON, Mr. DANFORTH, Mr. CRANSTON and Mr. LEVIN):

S. Con. Res. 45. Concurrent resolution relating to congressional support of a Presidential waiver of the provisions of the Jackson-Vanik amendment with respect to the Soviet Union; to the Committee on Finance.

By Mr. DECONCINI:

S. Con. Res. 46. Concurrent resolution condemning the brutal treatment of, and blatant discrimination against, the Turkish minority by the Government of the People's Republic of Bulgaria; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself, Mr. BENTSEN, Mr. BRYAN, Mr. ROCKEFELLER, and Mr. BINGAMAN):

S. 1191. A bill to authorize appropriations for the Department of Commerce's Technology Administration, to speed the development and application of economically strategic technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT

Mr. HOLLINGS. Mr. President, today I am introducing the Technology Administration Authorization Act of 1989, a bill to help speed the commercialization of new American technologies and to help restore the Nation's sagging leadership in industrial technology. The bill addresses needs in such areas as advanced electronics and television, superconductivity, and manufacturing, and aims to make government a reliable partner in industry's efforts to restore U.S. economic competitiveness. I am pleased that several of our colleagues have joined me in sponsoring this important legislation.

The bill would provide fiscal year 1990 authorizations for most activities of the Commerce Department's new Technology Administration, a unit that includes the National Institute of Standards and Technology [NIST] and several smaller agencies. This bill does not include fiscal year 1990 authorizations for either the National Telecommunications and Information Administration [NTIA], which is the subject of separate legislation, or several specific programs which already have been authorized for the next fiscal year.

The new bill builds upon two solid technology acts that I sponsored during the last Congress. First, the

Trade Act upgraded the earlier National Bureau of Standards into the new NIST and gave the agency expanded authority and responsibilities. Then a subsequent authorization statute created the Technology Administration itself and created the new position of Under Secretary of Commerce for Technology.

Together, these new acts direct the Commerce Department to provide industry with the foundation of fundamental technologies—with the civilian technology base—that American companies need to maintain their long-term economic survival. The new bill that I am introducing today builds on the last Congress' solid accomplishments. It also responds to some very real needs.

AMERICA'S ERODING LEAD IN TECHNOLOGY

Mr. President, the United States is no longer the world's clear leader in industrial technology. We continue to lead the world in basic science, in new ideas, and in Nobel Prizes. But we are losing the lead in key commercial technologies, and our share of important world markets continues to drop at an alarming rate. We are rapidly becoming a second-rate industrial power, with all that implies for both national defense and economic prosperity.

A table produced recently by the Council on Competitiveness dramatically illustrates how far the market shares held by American firms have fallen, even in technologies that Americans developed and even here in our own U.S. market. The table lists our decline in 13 industries. In color television, for example, American companies had 90 percent of the U.S. market in 1970; in 1987, they had 10 percent. In phonographs, our companies went from 90 percent to 1 percent. Americans invented the VCR but now hold less than 1 percent of the domestic market. In machining centers, a key type of machine tool, we went from 100 percent to 35 percent over this period. In semiconductors, we dropped from 89 percent to 64. Mr. President, I ask unanimous consent that a copy of this table be printed in the RECORD at the conclusion of my statement.

I could list other studies. For example, as early as 1986 the National Research Council, the operating arm of the National Academies of Sciences and Engineering, found that the Japanese were ahead in 7 out of 11 emerging technologies critical for future electronic and optoelectronic devices.

Other countries continue to target key industries and key technologies. They continue, for example, to make huge investments in commercially oriented research and development [R&D]. Americans—government and industry together—invest 1.8 percent of our gross national product in nondefense R&D. West Germany invests 2.6 percent, and Japan invests 2.8 percent. Japanese industry now funds 80 percent of that nation's nondefense R&D, but the Government provides many indirect incentives to encourage private R&D and still uses its 20 percent for research and seed money in areas of great economic importance.

The amounts that Japan and Europe now invest in advanced technology are staggering. In high-definition television [HDTV], Japan has invested over $700 million, and Europe's Eureka-95 project has committed $232 million, half from governments. In the semiconductor field, we now have our Sematech consoritum, designed to help deal with some of the problems described in the 1986 report I mentioned. Sematech has $100 million of Federal support per year, matched by industry. But the "JESSI" semiconductor project in Europe will receive $4 billion in funds from government and industry.

Japan also has invested heavily in the semiconductor manufacturing technology that will be used after 1995—a technology that uses x rays to etch circuit lines on ultraminiature chips. According to recent testimony before the Commerce Committee, Japanese agencies and companies are now building or plan to build 19 of these very expensive x-ray facilities. Only one U.S. group, IBM, is building such a facility here. In addition, Japan and Europe are making large investments in superconductivity, advanced ceramics, biotechnology, and other fields.

We certainly do not have to match our competitors dollar for dollar. But to pretend that these government-sponsored projects do not exist or pretend that they will not affect our economic future is sheer blindness.

Of course, technology problems are not the only cause of our competitiveness problems. In 1985, the President's Commission on Industrial Competitiveness identified four key areas: Technology, the cost of capital, trade policy, and human resources.

At other times, I have presented proposals to deal with our huge problems in the other three areas—high U.S. interest rates, fed by gaping Federal budget deficits; a so-called trade policy that tolerates massive dumping and closed foreign markets; and an American education system that often fails our children and our Nation. I will continue to work on all four areas.

For example, the American Electronics Association [AEA] has proposed that the Federal Government provide loans and loan guarantees to cut the cost of the capital needed to build a new generation of television factories. Predictably, some critics have called this idea "industrial policy," without, of course, offering any viable proposal of their own for reducing capital costs to the point where American companies can afford long-term investments similar to Japan's. Neither the Reagan administration nor President Bush has done anything substantive to lower the Federal budget deficit and high U.S. interest rates. As a result, interest rates in this country remain about three times as high as Japan's. Some Republicans suggest tax cuts to stimulate greater investment, but tax breaks only work when one has profits to tax, not in an area, such as HDTV, where it will take years to make substantial profits. If Congress continues to ignore the issue of capital costs, we in effect abandon not only HDTV but also other sectors which require large amounts of long-term investment. For that reason, I will consider AEA's request carefully and urge my colleagues to do the same.

Meanwhile, today's legislation will address the research and technology side of the equation.

GUIDING PRINCIPLES FOR AMERICAN TECHNOLOGY POLICY

Mr. President, last year's Trade Act and the new bill that I present today both reflect a new technology policy that industry and government are forging together. That new policy rests on several fundamental principles, and to avoid misunderstanding about what this bill does and does not do, I want briefly to list those principles here.

First, in today's world, technological leadership is absolutely vital to our economic strength and national defense. The President's Commission on Industrial Competitiveness stated this reality well in its 1985 report: "Technology propels our economy forward. Without doubt, it has been our strongest competitive advantage. Innovation has created whole new industries and the renewal of existing ones. * * * America owes much of its standard of living to U.S. preeminence in technology."

Second, maintaining U.S. technological leadership requires that the Federal Government help support the Nation's civilian technology base. The need here has best been summarized by Dr. Robert White, president of the National Academy of Engineering:

> The United States lack a national technology policy. Although the political consensus has long been that it is the obligation of the federal government to support the science base of this nation, this consensus has not extended to the support of the technology base.
>
> Some might argue that this is as it should be, that securing our national technology bases is the mainstay of the private sector. But the view that the strength of civil technology in our country will be sustained by the private sector under all circumstances, with the give and take of the free market inevitably determining the allocation of resources for technological development in the national interest, is simply incorrect. In field after field—electronics, machine tools, construction, automobiles, and photonics, among others—declines have occurred willy-nilly. U.S. corporations struggling to main-

tain profitability in a global economy, and government agencies repeatedly torqued by political fashion, have frequently been unable to compete against the concerted efforts of government and the private sector in other nations.

In no case should the Government develop products. However, just as the Government has long supported scientific research that no one company can afford but which is vital to progress, the Government should help support the basic technological research needed to keep our country competitive.

Third, maintaining a sound national civilian technology base requires both the creation and deployment of new basic technologies. It requires, first, the creation of fundamental support technologies, such as measurement techniques, that all companies need. It requires the encouragement of industry's own efforts, including research consortia, to develop the long-term generic technologies needed to turn laboratory products into successful commercial products and to build technological competence throughout our industries. And in those cases where the marketplace is not getting new technology to companies that need it, such as small manufacturing firms, it requires that the Federal Government work with the States to create technology extension programs.

Fourth, building a strong, sensible technology base does not get the Government into the business of picking winners and losers. American companies will decide for themselves which products to invest in. Government's role is to help ensure that the Nation has a broad base of basic technologies that will enable our companies to participate in new industries if they so choose. Moreover, joint industry-government projects, such as consortia in areas like semiconductors and HDTV, will be industry-led efforts in which companies propose the research and provide most of the funding.

Fifth, the Commerce Department, not the Defense Department, should be the lead Federal agency for promoting the civilian technology base. DOD and particularly its Defense Advanced Research Projects Agency [DARPA] have superb technical experts but must always focus on their vital military mission. Defense and Commerce should continue to work together, but DOC is the agency which understands international trade and can best take the lead on working with industry.

Sixth, while both science and technology are increasingly international activities, the Federal Government has a responsibility to ensure that taxpayer funds are used to advance U.S. interests. As a result, American technology should not be just given away, nor should foreign companies be allowed to participate in taxpayer-assisted research consortia until foreign governments open up their projects to Americans.

THE BILL

The bill I am introducing today first would provide fiscal year 1990 authorizations for three general offices at the new Technology Administration—the Office of the Under Secretary, Technology Policy, and Commercial Policy. The bill also would provide authorizations for all three of NIST's main programs—its core laboratory program, which conducts research and provides technical services; its technology extension activities; and its Advanced Technology Program. These NIST activities would become the centerpiece of Federal efforts to strengthen the U.S. civilian technology base.

NIST

NIST remains the one Federal laboratory with an explicit mission to assist U.S. industry. For nearly a century, NIST's in-house laboratory programs have provided technical services and new supporting or infrastructure technologies that are absolutely vital to American industry. NIST researchers provide the precise measurements, measurement techniques, engineering data, and quality assurance methods necessary to ensure precise, high-quality production in every technical field from manufacturing to superconductivity to bioprocess engineering. These are the technical services American industry needs if it is to speed the commercialization of new discoveries and inventions, to turn them from laboratory curiosities into finished, competitive products. Increasingly, NIST also provides basic new equipment and techniques in the vital fields of automated manufacturing and materials processing.

In addition, NIST provides vital services to protect public health and safety. For example, it develops reliable methods to test the fire-resistance of upholstry and carpets, the ability of construction materials to withstand earthquakes, the accuracy of medical laboratory tests, and methods to protect the security of computer files. NIST helped develop the home smoke detector and now will help develop alternative refrigerating chemicals that will not destroy the Earth's protective layer of ozone.

NIST's in-house laboratory programs suffered in the fiscal year 1989 Appropriations Act, falling from $144,783,000 in fiscal year 1988 to $143,850,000 in fiscal year 1989. To strengthen essential areas, and to provide American industry with the services and basic technologies needed to speed commercialization and improve manufacturing, this bill authorizes targeted increases.

These increases, with only minor variations, are based on four sources: The Commerce Department's own fiscal year 1990 request to OMB, OMB's recommendation to increase support for bioprocess engineering, the need to continue support for fire and building safety programs that OMB wants to cut, and my interest in adding $7,500,000 for research and precise measurement techniques in advanced imaging electronics, the area underlying HDTV and related technologies. The DOC-requested increases include additional funds to develop support technologies for advanced chemical processes, high-performance composites, superconductivity, advanced semiconductors, fiber optics, and computer security. The total authorization proposed in my bill for in-house laboratory programs, both research and technical services, is $196,360,000.

A table listing my proposed increases is attached to this statement, and I ask unanimous consent, Mr. President, that it be printed immediately following my remarks.

NIST TECHNOLOGY EXTENSION ACTIVITIES

The most important of NIST's new extension and outreach activities—the new Manufacturing Technology Center program—already has been authorized for fiscal year 1990. The attached budget table lists what I would like to see spent for these centers in fiscal year 1990. An amount of $12,000,000 in fiscal year 1990 funds, in addition to the anticipated fiscal year 1989 carryover of $6,000,000, would allow NIST to continue the three existing centers and start three new ones.

These centers transfer NIST's expertise in automated manufacturing to a group of American companies particularly hard-hit by foreign competition—our small- medium-sized manufacturers. Often these firms lack information on how to take advantage of new equipment that can increase productivity and profits. The centers will combine NIST technical expertise with outreach networks in the States to reach and assist these firms. The Commerce Department made the three initial center awards, all competitively determined, last December.

The Trade Act also provided fiscal year 1990 authorizations for two related programs—one sponsored by Senators ROCKEFELLER and MCCAIN to assist State technology extension activities and a new Clearinghouse on State and Local Initiatives in Productivity, Technology, and Innovation, which Senator BUMPERS authored. The attached budget table lists what I believe should be spent for these programs during fiscal year 1990.

My new bill also would authorize $2,000,000 for an expanded Technology Evaluation Program, a proven NIST activity which evaluates inventions from individuals and small firms and helps promising proposals get private venture capital. Finally, it would authorize an additional $2,000,000 for

general NIST management and outreach activities in the technology extension area.

ADVANCED TECHNOLOGY PROGRAM

The next part of the bill, and the largest new step taken in it, is to begin activities under the NIST Advanced Technology Program [ATP] created by last year's Trade Act. The ATP's mission is to encourage and, in selected cases, financially assist private sector efforts to expand long-term R&D and, in the process, to create the new generic—precompetitive—technologies necessary to speed the commercialization of new products and improve manufacturing. ATP's authority includes, but is not limited to, encouraging both multicompany research consortia—joint research and development ventures—and additional research by small businesses.

The ATP's main purpose is to serve as a forum and catalyst for encouraging private companies to increase R&D in economically important areas. This is not a new idea. For example, since the National Cooperative Research Act of 1984 made multicompany research consortia a legal way to pool resources in order to conduct generic research that will benefit an entire industry, the Commerce Department has encouraged the formation of over 100 of these consortia.

The new bill would strengthen DOC's existing authority to provide seed money to encourage expanded efforts in those fields which industry leaders and technical experts say are particularly important to the Nation's future. So far, Federal funding for such efforts has come primarily from the Defense Department, including support for the semiconductor industry's Sematech project and a manufacturing technology consortium, the National Center for Manufacturing Sciences.

These steps by the Defense Department and enactment of the 1988 Trade Act show clearly that the Federal Government has a role and a responsibility to help speed the development of new basic technology. Federal assistance to a joint venture is particularly necessary when the economic stakes are high and companies by themselves have trouble moving quickly. These conditions can happen under two circumstances—when the cost of research or facilities is very high, or when the technology is so new and undeveloped that companies are slow to make major long-term investments. The question before us now is whether the Government is going to back up this broadly acknowledged responsibility with real resources and a clear focus on civilian technology needs.

My bill would back this new Federal role with real funding, not just rhetoric. It would authorize Federal seed money for one or more industry consortia in each of four critical areas of technology—advanced electronics, including advanced television; superconductivity; advanced manufacturing; and x-ray lithography, the technique of using x rays to make semiconductor chips. Modest direct appropriations would be offered in all four cases. In the case of advanced electronics and television, where actual products may be developed relatively soon and royalties collected on consortium patents, the bill also would authorize limited amounts of Federal loan guarantees to aid R&D efforts.

In addition, the bill also would authorize modest assistance to small businesses which have competed successfully in the Government's existing Small Business Innovation Research Program [SBIR]. Small firms have a great deal of economically promising technology which should be nurtured.

Advanced electronics, including advanced television, is an example of where the cost of new research and facilities is very high. HDTV is the part of this issue that has received the most attention, but the problem and the stakes are much broader than simply a new form of TV. Whoever controls the HDTV market will be in a position to control much of the world's production of semiconductors and personal computers, as well as related fields such as medical imaging. The American Electronics Association has documented the need and shown industry's deep interest in this field.

Given that industry leadership, my bill would authorize both direct funds and loan guarantees to assist company efforts to develop basic technologies in such areas as displays, display processing, and advanced video cassette recorders. The objective is to support work on a range of promising technologies, often small projects in specific companies, with the patents then shared among consortium members. The effort would not favor one television delivery system over another but rather would address common technical barriers. I propose that this ATP effort be closely coordinated with the research support now provided by DARPA.

In the other three areas covered in the bill—superconductivity, automated manufacturing, and x-ray lithography—major companies are expressing interest in working with the Government to conduct fundamental technological research. Superconductivity is an example of where profits are distant and the economic stakes huge. Manufacturing and x-ray lithography, like advanced television, require expensive research projects. The justification for Government assistance is there. Moreover, NIST has considerable in-house expertise in all three areas.

In superconductivity, a special committee of the White House Science Council has recommended the creation of four to six research consortia, each consisting of companies, a research university, and a Federal laboratory. These consortia would have the explicit purpose of helping to build technological competence within American companies. The first such consortium has now formed, consisting of IBM, AT&T, MIT, and possibly DARPA. I would like to see at least one more consortium, perhaps built around NIST's own excellent superconductivity group.

In the area of advanced manufacturing technology, one major research consortium already exists, the National Center for Manufacturing Sciences. This group has identified 13 areas where new American technology research efforts are needed. These include new computer control devices for machine tools, precision machining and assembly technology, and the use and perfection of new materials. This group is certainly not the only consortium that would be eligible to apply for any ATP funds, but it is a leader that has shown the depth of the challenge we face in the manufacturing area. Japan and West Germany have become the leaders in many types of machine tools and manufacturing equipment. We must take steps to keep our industry competitive or risk its elimination.

X-ray lithography is a highly technical area but a vital one. As mentioned earlier, Japan now plans 19 large, expensive x-ray lithography machines; the United States has only one, at IBM. X-ray technology is a generation beyond what Sematech can develop, and the United States runs the risk of having little capability in this field once x-ray lithography becomes the major semiconductor production technology of the late 1990's. In recent testimony before the Commerce Committee, Jack Kuehler, then IBM's Vice Chairman and now its President, pointed out that IBM has offered to open its facility for use by the Federal Government and U.S. semiconductor companies. He added that his company is interested in participating in a Sematech-type cooperative effort for x-ray lithography. I take this offer seriously, as I take seriously the need to keep the United States competitive in chip technology.

The ATP is neither industrial policy nor a technology pork-barrel. Industry takes the lead, and no Federal moneys are awarded unless companies provide the bulk of the funding. Businessmen, not politicians, will decide which projects are undertaken. This is industry-led technology policy, the only appropriate way to proceed.

ATP TERMS AND CONDITIONS

My bill also states additional conditions which would apply to any consortium applying for Commerce Department support. In addition to the

matching fund requirement, already part of the Trade Act language, the new bill would require each group applying for ATP assistance to submit a credible business plan acceptable to the Secretary of Commerce.

The bill also would prohibit foreign companies from belonging to a DOC-assisted consortium, although given the new economic ties between the United States and Canada, I do recommend allowing Canadian-owned firms to participate. The prohibition on foreign participation already applies to the Sematech project.

I am aware that the United States subsidiaries of some foreign companies have large research and production facilities in this country and contribute to our economy. I also note, however, that apparently neither Japan or Europe has gone out of their way to invite American companies into their research projects in any meaningful way. In Japan, for example, the state-owned NHK broadcasting company has funded much of the work on HDTV. Yet at a recent Commerce Committee hearing, a representative of Sony could not identify a single instance of foreign firms being eligible to apply for NHK research funds. I may revisit this eligibility issue later, but until we see the possibility of genuine reciprocity in Government-assisted research projects, I will propose a ban on foreign participation in taxpayer-supported research efforts.

The bill, however, does provide for ways in which a DOC-assisted consortium may license its technology to non-members, including foreign companies. Following a recommendation made by the American Electronics Association, my bill proposes to tie licensing fees for consortia-developed technology to how much a company—foreign or domestic—agrees to develop and manufacture related products here in the United States and to use American-made components, such as U.S. semiconductor chips. In my view, this approach strikes a good balance between making technology available and ensuring that taxpayer-supported work creates U.S. jobs and benefits our economy.

These provisions undoubtedly will be controversial with those foreign companies and governments that are used to getting American technology at little or no cost to themselves. However, when our colleagues study this issue in depth, I believe that they will agree with me that the United States should not simply give its technology away, particularly in an era when technology is our Nation's great competitive strength.

ADDITIONAL PROVISIONS

The final portion of my bill, Mr. President, contains two amendments to the Trade Act's technology section and requires several reports.

The two amendments pertain to NIST's ATP. One would allow the ATP to provide loan guarantees for research projects, including prototype equipment and facilities, as well as direct funds. The existing law does not provide for the kind of R&D loan guarantees that I propose for advanced electronics. The second amendment would allow the Secretary of Commerce to hire temporary personnel from industry, universities, and the States to help run the ATP. At any given time, the Department will need certain kinds of experts to help it review industry's proposals. Yet none of us wants a large, permanent ATP bureaucracy. I want a small, flexible group drawing on both NIST's own experts and selected outside people. Fortunately, a good model exists. For years, the National Science Foundation [NSF] has had authority to hire university and industry experts for a year or two. My ATP amendment follows this NSF language.

The first of three reporting requirements amends the Stevenson-Wydler Technology Innovation Act to require the Secretary of Commerce to submit an annual technology report, a document that will analyze economically-critical technologies, identify areas targeted by our competitors, compare America's position in these fields with our main competitors, and evaluate whether current Federal and private investments in R&D sufficiently address any shortcomings.

Such a report is badly needed. Nowhere today can policymakers or industry leaders find a concise analysis of where the United States is ahead in technology, where we lag, and what must be done to catch up. We need good information that will help us develop a game plan, a vision of what will be important in 10 years, a vision of where we want to be in 10 years. The Secretary of Commerce, who can draw upon the Department's technical experts and a broad range of economic and trade specialists, is the logical official to prepare such a survey.

The next two reports are one-time analyses of two manufacturing issues. First, a leader of the Young Presidents Organization, an association of younger corporate presidents, has proposed creating a NIST-affiliated quality institute that would identify U.S. companies that have improved manufacturing quality and productivity dramatically, and arrange for executives from other companies to tour these leading firms and learn from them. Model courses also might be established and shared with technical colleges around the country. New forms of team-oriented organizations would receive particular attention. The bill would mandate that in one report, the Secretary would evaluate the advisability of such a quality institute and the possibility of creating a totally privately-funded foundation to pay its operating expenses. A similar private foundation already supports NIST's Malcolm Baldrige National Quality Award Program.

A second report would examine the idea of shared-manufacturing systems—a valuable new way to link small manufacturers to central facilities that have the most advanced manufacturing equipment. The Navy, NIST, and 18 companies already are developing this technology for military applications under a program that I sponsored called RAMP, the Rapid Acquisition of Manufactured Parts. Under it, companies can share a central facility, each sending product specifications electronically to advanced computer-controlled manufacturing equipment. By sharing a highly flexible central facility, and by sharing product information instantaneously, companies and the Navy can cut costs and speed production.

It is clear to me that this new technology can also greatly help civilian industry. Shared-manufacturing systems would particularly help small manufacturing companies, giving them access to highly productive automated equipment that few small firms can afford on their own. Others are also excited about this approach, including William Norris, the chairman emeritus of Control Data Corp. and a leading expert on applying computers to manufacturing. I want the Commerce Department to report back to Congress on the advantages of shared manufacturing and on what barriers exist to the widespread adoption of this approach by the civilian economy.

COSTS AND FUNDING

Mr. President, this bill and existing fiscal year 1990 authorizations in the Trade Act envision the Technology Administration—excluding NTIA—spending a total of $314,360,000 during fiscal year 1990, nearly double the fiscal year 1989 level. This number includes my proposed spending levels for those programs for which the Trade Act already provides fiscal year 1990 authorizations. The new bill also would authorize loan guarantees to raise, over 3 years, $225,000,000 of private money to help support research in advanced electronics. The previously mentioned budget sheet, attached to this statement, provides details.

These are all well-conceived and needed increases, but in the present budget climate any growth is difficult. These increases cannot be funded through cuts in existing DOC programs, since the Commerce Department is already very hard-pressed after years of budget austerity. I will continue to pursue this matter with my colleagues. At a time when Congress is considering literally hundreds of billions of dollars to subsidize failed parts of the savings and loan industry,

we should be able to find some funds to invest in this country's economic future.

CONCLUSION

Mr. President, in concluding I want to restate a basic fact. As a nation we face a stark choice: we can continue to go out of business as a producing nation, in which case Japan and Europe will continue to take the lead in one industry after another, or we can return to the American tradition of investing in the future and working together to ensure that American technology and products once again lead the world.

In debating these issues, we face a supreme irony. At one time most American leaders, especially conservatives, knew well that to remain a major world power the United States needs a strong economy, a healthy and well-educated population, and world-class technology. Alexander Hamilton knew that when he wrote his famous Report on Manufactures and laid the foundation for American industrialization. Henry Clay knew it when he created the American system of investments in public works and national infrastructure and when he and many others supported investments in public education.

Today, however, many American leaders seem unconcerned about our lagging performance in technology and industry. Many of them actually oppose steps to keep this country strong. I particularly disagree with three emerging groups.

Members of one group say that they favor a strong America, but apparently they have forgotten that national power rests on economic and social strength as well as a large military. Yale historian Paul Kennedy recently noted the great difference between these Americans and British conservatives at the turn of the century. Faced with Britain's relative decline as an economic and political power, British conservatives worked hard but ultimately unsuccessfully to strengthen their nation. Says Kennedy:

> . . . it was the British political right, not the left, that worried about industrial decay, the loss of skill trades, the erosion of strategically important manufacturing, the inadequate number of engineers.

Kennedy then makes a point I very much agree with:

> With that British example in mind, it is the more mysterious to this reviewer . . . why today's American right pays so little attention to the technological, educational and social health of the country they passionately desire to remain as number one.

A second group goes even further: It thinks that U.S. economic and political strength is now irrelevant. Walter Mossberg, an astute critic of this viewpoint, recently summarized it in the Wall Street Journal:

> They are the economists and academics who believe that in a global economy, with goods and especially capital surging across political borders, the economic fortunes of individual countries aren't important anymore. The U.S. trade deficit and other statistics, they argue, are only artificial figures in what has become a multinational corporate economy in which political distinctions matter little. It's all one big market, they contend, so why worry about it?

Needless to say, Mr. President, I do worry about it. The world may become one large market, but which nations prosper and which decline depends on their relative strengths and competitiveness. I do not want the United States to become a second-rate industrial power, with poor jobs and a low standard of living, yet that is exactly what a do-nothing policy will produce.

Finally, there are those who claim that strong United States policies in technology and trade will lead to a horrible trade war. The reply, of course, is that we are already in a trade war, or perhaps more accurately a market war—a serious competition among nations to see who will dominate the world markets of the future. Japan, for example, is not going to give up its quest for market domination. The Japanese have never advocated free trade and probably never will. Their policies have worked well for them, and they will continue to pursue them. To compete successfully in the real world, and to make real progress in opening up foreign markets, the United States needs a much more realistic strategy.

I'm not angry with the Japanese. They are simply pursuing their own national interests. I'm angry with our own Government. We need American Government on industry's side, not sitting on the sidelines.

Current U.S. policy will simply assure the destruction of more American industries. To pretend that somehow the rest of the world suddenly will adopt America's old vision of free trade and no government role is to declare economic surrender. To avoid that fate, we must maintain technological leadership, we must take serious actions to negotiate open markets, we must take serious steps to reduce the Federal deficit and bring down interest rates, and we must provide for the health and education of all our citizens.

Mr. President, today's new legislation is one important step toward assuring long-term American economic success. It is part of my continuing efforts to reorient Federal research policy, to provide U.S. industry with the basic technologies they need, and generally to promote U.S. economic security.

Several fundamental principles guide this technology legislation—the fact that technology is this Nation's strongest competitive advantage; the need for Federal research efforts to promote U.S. commercial strength; and the principle that the Department of Commerce and not the Defense Department should be the lead Federal agency for promoting U.S. commercial technology.

I am pleased that several of my colleagues have cosponsored this bill, and I hope that other Members will join us in this important effort. I look forward to working with our House colleagues and the new administration to enact this vital legislation.

Mr. President, I ask unanimous consent that the bill and a sheet summarizing its provisions be printed in the RECORD immediately following this statement and the two tables that I mentioned earlier.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Technology Administration Authorization Act of 1989".

STATEMENT OF POLICY

SEC. 2. Congress finds that in order to help United States industries to speed the development of new products and processes and in order to maintain the economic competitiveness of the Nation, targeted increases are required in the programs and activities of the Department of Commerce's Technology Administration (hereafter in this Act referred to as the "Administration") and its National Institute of Standards and Technology (hereinafter in this Act referred to as the "Institute").

TECHNOLOGY ADMINISTRATION

SEC. 3. There is authorized to be appropriated to the Secretary of Commerce (hereafter in this Act referred to as the "Secretary "), to carry out executive and analytical activities performed by the Administration, $4,675,000 for fiscal year 1990, which shall be available for the following line items:

(1) Executive Direction, $1,013,000.

(2) Technology Policy and Commercial Affairs, $2,662,000.

(3) Japanese Technical Literature, $1,000,000.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SEC. 4. (a) FINDING.—Congress finds that the Institute can assist United States industry in three ways to speed the commercialization of new products and processes: through the Institute's internal research and services programs, which provide industry with precise measurement and quality assurance techniques and with new generic manufacturing and process technologies; through its technology extension activities, which disseminate technical information and advanced manufacturing techniques to a wide range of companies; and through its Advanced Technology Program, which can promote and assist industry's own efforts to develop new generic technologies.

(b) INTERNAL RESEARCH AND SERVICES.—There is authorized to be appropriated to the Secretary, to carry out the internal science and technology research and services activities of the Institute, $193,360,000 for fiscal year 1990, which shall be available for the following line items:

(1) Measurement Research and Standards, $50,185,000, of which $3,200,000 shall be available for chemical measurements and quality assurance and $2,500,000 for research on the atomic-level performance of electrical and optical systems.

(2) Materials Science and Engineering, $27,084,000, of which $3,600,000 shall be available to develop improved processing procedures for high-performance composites, and $2,000,000 for steel technology.

(3) Engineering Measurements and Standards, $69,428,000, of which $7,500,000 shall be available to develop measurement and quality assurance techniques for applications in advanced imaging electronics, including advanced television, $7,800,000 for research in superconductivity, $7,500,000 for lightwave and optoelectronic technology, $2,500,000 for a new initiative in advanced semiconductors, $2,500,000 for a new initiative in automation research, $3,650,000 for the development of measurement and quality assurance techniques for bioprocess engineering, and $9,912,000 for fire and building research.

(4) Computer Science and Technology, $15,088,000, of which $7,500,000 shall be available for computer security activities pursuant to the Computer Security Act of 1987 (Public Law 100-235; 100 Stat. 1724).

(5) Research Support Activities, $34,575,000, of which $6,000,000 shall be available for improvements in computer support and $6,500,000 shall be available for the Cold Neutron Research Facility.

(c) INDUSTRIAL TECHNOLOGY EXTENSION ACTIVITIES.—In addition to the sums already authorized by statute to be appropriated for fiscal year 1990 for Regional Centers for the Transfer of Manufacturing Technology and for assistance to State technology extension services, there is authorized to be appropriated to the Secretary to carry out the industrial technology extension activities of the Institute for fiscal year 1990, $4,000,000, of which $2,000,000 shall be available for the Technology Evaluation Program and $2,000,000 shall be available for the Institute's management of its industrial technology extension activities.

(d) TRANSFERS.—(1) Funds may be transferred among the line items listed in subsection (b), so long as—

(A) the net funds transferred to or from any line item do not exceed 10 percent of the amount authorized for that line item in such subsection; and

(B) the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives are notified in advance of any such transfer.

(2) The Secretary may propose transfers to or from any line item exceeding 10 percent of the amount authorized for the line item in subsection (b), but such proposed transfer may not be made—

(A) unless a full explanation of any such proposed transfer and the reasons therefor are transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, and the appropriate authorizing committees of the House of Representatives and the Senate; and

(B) until the expiration of the 30-day period following the transmission of such written explanation.

(e) OFFICE OF INDUSTRIAL TECHNOLOGY SERVICES.—Section 26 of the Act of March 3, 1901 (15 U.S.C. 278l), is amended by adding at the end the following new subsection:

"(e) There is established within the Institute an Office of Industrial Technology Services, which shall supervise the Centers program, the Institute's assistance to State technology programs, and such other activities or programs as the Secretary or Director may specify.".

ADVANCED TECHNOLOGY PROGRAM

SEC. 5. (a) FINDINGS AND STATEMENT OF POLICY.—Congress finds and declares the following:

(1) It is in the national interest for the Federal Government to encourage and, in selected cases, provide limited financial assistance to industry-led private sector efforts to increase research and development in economically critical areas of technology. Further, both joint research and development ventures (hereafter in this section referred to as "joint ventures") and selected research assistance to small firms are established and effective ways to create economically-valuable new technology. Joint ventures are a particularly effective and appropriate way to pool resources to conduct research that no one company is likely to undertake but which will create new generic technologies that will benefit an entire industry and the welfare of the Nation.

(2) In accordance with existing national policy, both the technology developed by any joint venture supported by the Department of Commerce as well as the resulting products should be made available, on a license and royalty basis and subject to the terms and conditions listed in this section, to nonparticipants.

(3) When a joint venture receives financial assistance from the Department of Commerce, the technology resulting from the joint venture should be licensed in such a way that the technology promotes the domestic manufacture of resulting products and components.

(b) ADVANCED ELECTRONICS, INCLUDING ADVANCED TELEVISION.—In addition to any sums otherwise authorized by this Act, appropriations to the Secretary and loan guarantees by the Secretary, pursuant to section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), as amended by section 6 of this Act, and subject to the terms specified in subsections (d) and (e) of this section, are authorized at the following levels to assist one or more industry-led joint ventures in advanced electronics, including advanced television, to create and test the genetic enabling technologies necessary to develop a United States industry to produce advanced electronic products, including advanced television:

(1) for fiscal year 1990, appropriations of $30,000,000 and, in addition, commitments to guarantee 90 percent of the payment of the outstanding principal and interest on $50,000,000 in private loans;

(2) for fiscal year 1991, commitments to guarantee 90 percent of the payment of the outstanding principal and interest on an additional $75,000,000 in private loans; and

(3) for fiscal year 1992, commitments to guarantee 90 percent of the payment of the outstanding principal and interest on an additional $100,000,000 in private loans.

(c) OTHER INDUSTRY-LED RESEARCH PROJECTS.—In addition to the sums authorized under subsection (b) of this section and any other sums otherwise authorized by this Act, there is authorized to be appropriated to the Secretary, to carry out through the Director of the Institute further activities under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), $70,000,000 for fiscal year 1990, which shall be available for the following line items:

(1) Assistance to additional industry-led joint ventures, $58,000,000, which shall be available for the following categories:

(A) Applications of high-temperature superconducting materials, $15,000,000.

(B) Advanced manufacturing, $18,000,000.

(C) Semiconductor production equipment, specifically a synchrotron radiation project to assist the United States semiconductor industry to develop x-ray lithography as a method of producing semiconductor chips, $25,000,000.

(2) Assistance to United States small businesses which have held Small Business Innovation Research Program Phase I awards from other Federal agencies and which the Institute judges to have promising technologies in economically important technical fields, $10,000,000.

(3) Program management, analyses, and workshops, $2,000,000.

(d) GENERAL TERMS AND CONDITIONS FOR AID TO JOINT VENTURES.—Subsequent to any appropriation made pursuant to the authorizations in subsection (b) and subsection (c)(1) of this section, the Secretary shall invite requests for financial assistance from existing or proposed joint ventures in the designated technical areas. If requests are made, the Secretary, after an appropriate review of the technical and economic merits of each request, shall judge which individual requests or combination thereof, if any, merit assistance and shall decide what type and level of assistance each such meritorious proposal shall receive, except that in addition to the terms and conditions set forth in section 28 of the Act of March 3, 1901, as amended by section 6 of this Act, the Secretary shall make no award of any funds appropriated, or any loan guarantee, pursuant to an authorization contained in subsection (b) or subsection (c)(1) of this section unless and until—

(1) the joint venture is led by at least one North American company which operates in more than one State or region of the Nation;

(2) the joint venture demonstrates that it has raised, or has firm commitments for, private funds which exceed the level of Federal funds that the joint venture has requested from the Secretary and the fair market value of any loan guarantee commitments so requested;

(3) the joint venture has developed and submitted to the Secretary a business plan which, in the judgment of the Secretary, adequately—

(A) states a clear and focused research and development agenda, including the prototype products and production processes to be created and how that agenda complements a related research project or projects already being funded by Federal departments or agencies;

(B) provides assurance that the joint venture will have a sound management team;

(C) demonstrates that a party to the joint venture, acting on the joint venture's behalf, has filed a written notification with the Attorney General and the Federal Trade Commission, as required under section 6 of the National Cooperative Research Act of 1984 (15 U.S.C. 4305);

(D) provides, as appropriate, for participation in the joint venture by small businesses owned by United States citizens;

(E) considers metrology needs, and as appropriate, draws upon the technology, expertise, and facilities in the Institute's laboratories;

(F) sets forth provisions regarding the disposition of intellectual property resulting

from the joint venture, including the rapid transfer of that intellectual property to members of the joint venture; the licensing, as appropriate, of the intellectual property to other North American companies and to foreign companies, in accordance with the provisions set forth in subsection (e) of this section; and, as appropriate, requirements for royalties which will return funds to the investors in the joint venture, including the United States Government; and

(G) sets forth reporting and auditing procedures; and

(4) the Secretary, after an appropriate review of the business plan, judges that the proposed research and development agenda and the proposed management team have high technical merit.

(e) PARTICIPATION AND LICENSING BY FOREIGN COMPANIES AND NON-MEMBERS OF A JOINT VENTURE.—(1) In addition to the terms and conditions set forth in section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), and subsection (d) of this section, the terms and conditions set forth in paragraphs (2) and (3) of this subsection also shall apply to any joint venture which receives any financial assistance from the Secretary pursuant to the authorizations provided in subsections (b) and (c)(1) of this section.

(2) No joint venture which contains a foreign company or a subsidiary thereof shall be eligible to receive financial assistance from the Secretary, and no foreign company shall participate in any joint venture which has receive financial assistance from the Secretary.

(3) A joint venture which receives financial assistance from the Secretary may grant licenses to companies, including foreign companies, that are not members of the joint venture, for the use of intellectual property which the joint venture has developed, only if—

(A) licensing fees for the intellectual property are based on—

(i) the amount of research and development, product design, and manufacturing of products using the intellectual property that the company performs within the United States and Canada;

(ii) the percentage of domestically-manufactured components, including electronic components, used in products which incorporate the intellectual property; and

(iii) in the case of a foreign company, the amount of reciprocal access North American companies have to that company's home market, as determined by the Secretary; and

(B) in the case of a foreign company, that company, in the judgment of the Secretary, has not within the past five years engaged in dumping practices within the United States or engaged in practices, either in the United States or abroad, which have the effect of infringing on or otherwise damaging the intellectual property rights of North American companies.

(4) The Secretary shall prescribe such rules and collect such information as may be necessary to monitor and enforce any requirements set forth in paragraphs (2) and (3) of this subsection.

(f) DEFINITIONS.—As used in this section, the term—

(1) "foreign company" means a company or other business entity in which majority ownership or control is held by individuals who are not citizens of the Untied States or Canada.

(2) "North American company" means a company or other business entity in which majority ownership or control is held by individuals who are citizens of the United States, or citizens of Canada, or a combination of United States and Canadian citizens, except that such term includes a company owned or controlled by Canadian citizens only if, in the judgment of the Secretary, the company is not acting, with respect to the joint venture concerned, as an agent or intermediary for a third-country company or foreign government.

(g) COORDINATION.—(1) When reviewing private sector requests for Department of Commerce assistance to proposed joint ventures, and when monitoring the progress of assisted joint ventures, the Secretary shall, as appropriate, coordinate with the Secretary of Defense and other senior Federal officials to ensure cooperation and coordination in Federal technology programs and to avoid unnecessary duplication of effort. The Secretary is authorized to work with the Secretary of Defense and other appropriate Federal officials to form interagency working groups or special project offices to coordinate Federal technology activities.

(2) As appropriate, the Secretary shall coordinate Advanced Technology Program policies and activities with the economic, trade, and security policies of the Department of Commerce so as to promote the economic competitiveness of United States industries and shall, when so instructed by the President, coordinate these policies with the science, technology, economic, trade, and security policies of other Federal departments and agencies.

(h) ADVICE AND REVIEW.—In order to analyze the need for and value of joint ventures in specific technical fields, to evaluate any joint ventures for which North American companies request the Secretary's assistance, or to monitor the progress of any joint venture which receives Federal funds or loan guarantees pursuant to the authorizations contained in this section, the Secretary, the Under Secretary of Commerce for Technology, and the Director of the Institute may—

(1) organize and seek advice from such industry advisory committees as they consider useful and appropriate;

(2) organize an Advanced Electronics Advisory Board for the purpose of developing a plan for research and development in advanced electronics, including advanced television; and

(3) commission studies or reviews by the National Research Council.

AMENDMENTS TO ADVANCED TECHNOLOGY PROGRAM PROVISIONS

SEC. 6. (a) Subparagraph (B) of section 28(b)(1) of the Act of March 3, 1901 (15 U.S.C. 278n(b)(1)), is amended to read as follows:

"(B) participation in such joint ventures, if the Secrtetary, acting through the Director, determines participation to be appropriate, which may include (i) partial start-up funding, (ii) provision of a minority share of the cost of such joint ventures for up to 5 years, (iii) guarantees, and commitments to guarantee, for up to 90 percent of the interest and unpaid principal of private loans to fund a minority share of such joint ventures for up to 5 years, and (iv) making available equipment, facilities, and personnel,".

(b) Section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), is further amended—

(1) by redesignating subsection (e) as subsection (h); and

(2) by inserting immediately after subsection (d) the following new subsections:

"(e) The Secretary may provide no financial assistance, including loan guarantees, under subsection (b)(1) of this section except to the extent authorized by law and provided for in advance in appropriations Acts.

"(f) Any loan guarantees made by the Secretary pursuant to subsection (b)(1)(B) of this section shall, in addition to the requirements set forth in subsection (e) of this section, be subject to the following conditions:

"(1) Each loan guarantee shall be on such terms and conditions as the Secretary determines, except that a guarantee shall be made only if—

"(A) the loan bears interest at a rate not to exceed such annual percentage on the principal obligation outstanding as the head of the designated agency determines to be reasonable, taking into account the range of interest rates prevailing in the private sector for similar loans and risks by the United States;

"(B) the terms of the loan require full repayment over a period not to exceed 30 years, or the useful life of any physical asset to be financed by such loan, whichever is less (as determined by the Secretary);

"(C) in the judgment of the Secretary, the amount of the loan (when combined with amounts available to the qualified borrower from other sources) will be sufficient to carry out the joint venture; and

"(D) in the judgment of the Secretary, there is reasonable assurance of repayment of the loan by the qualified borrower of the guaranteed indebtedness.

"(2) A loan guarantee shall not be terminated, cancelled, or otherwise revoked, except in accordance with the terms thereof, and shall be conclusive evidence—

"(A) of the full compliance of that guarantee with the provisions of this Act; and

"(B) of the approval and legality of the principal amount, interest rate, and all other terms of the securities, obligations, or loans and of the guarantee.

"(3) The terms and conditions of a loan guarantee shall provide that, if the Secretary makes a payment of principal or interest upon default by a borrower, the Secretary shall be subrogated to the rights of the recipient of such payment (and such subrogation shall be expressly set forth in the loan guarantee or related agreements).

"(g)(1) The Secretary may, for the purposes of managing the Program, employ at the Institute such technical and professional personnel and fix their compensation without regard to the provisions of title 5, United States Code, as the Secretary may deem necessary for the discharge of responsibilities under this section.

"(2) The Secretary may, under the authority provided by paragraph (1) of this subsection, appoint for a limited term or on a temporary basis, scientists, engineers, and other technical and professional personnel on leave of absence from industrial, academic, research, or State institutions to work for the Program.

"(3) The Secretary may pay, to the extent authorized for certain other Federal employees by section 5723 of title 5, United States Code, travel expenses for any individual appointed for a limited term or on a temporary basis and transportation expenses of his or her immediate family and his or her household goods and personal effects from that individual's residence at the time of selection or assignment to his or her duty station. The Secretary may pay such travel expenses and transportation expenses to the same extent for such an individual's return to the former place of residence from his or her duty station, upon separation from the Federal service following an

agreed period of service. The Secretary may also pay a per diem allowance at a rate not to exceed the daily amounts prescribed under section 5702 of title 5, United States Code, to such an individual, in lieu of and when less than transportation expenses of the immediate family and household goods and personal effects, for the period of his or her employment with the Program. Notwithstanding any other provision of law, the employer's contribution to any retirement, life insurance, or health benefit plan for an individual appointed for a term of one year or less, which could be extended for no more than one additional year, may be made or reimbursed from appropriations available to the Secretary.".

SALARY ADJUSTMENTS

SEC. 7. In addition to any sums otherwise authorized by this Act, there are authorized to be appropriated to the Secretary for fiscal year 1990 such additional sums as may be necessary to make any adjustments in salary, pay, retirement, and other employee benefits which may be provided for by law.

AVAILABILITY OF APPROPRIATIONS

SEC. 8. Appropriations made under the authority provided in this Act shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making such appropriations.

ANNUAL INDUSTRIAL TECHNOLOGY REPORT

SEC. 9. Section 5 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3704) is amended by adding at the end the following new subsection:

"(f) ANNUAL INDUSTRIAL TECHNOLOGY REPORT.—(1) By February 15 of each year following the date of enactment of this subsection, the Secretary, through the Under Secretary, shall submit to Congress a report on the state of United States industrial technology. Each such report shall include, but not be limited to—

"(A) a list of what the Secretary and Department of Commerce technical experts consider to be the most economically-important technologies and the estimated current and future size of domestic and international markets for products derived from these technologies;

"(B) a list of the technologies and markets targeted by major trading partners for development or capture;

"(C) an assessment of the current state of United States product technology, process technology, and manufacturing capability in the fields of technology and the markets identified under subparagraph (A), as compared with the current levels of such technologies and manufacturing capability achieved, or future levels likely to be achieved, by major trading partners;

"(D) an identification of the types of research and development needed to close any significant gaps or deficiencies in the technology base of the United States, as compared with the technology bases of major trading partners;

"(E) an analysis of private and public investments in the United States in research and development, including Federal research and development investments, by department and agency, in the specific fields of technology and the markets identified under subparagraph (A); a summary of Federal policies, including research policies, to promote United States industrial competitiveness in those fields of technology and markets; and an analysis of what additional private and Federal actions are needed to close gaps between the civilian technology base of the United States and the technology bases of major trading partners, including what steps are necessary to ensure that the Institute can provide North American companies with the support technologies needed to remain competitive in those fields of technology and markets;

"(F) an evaluation of flows of industrial technology between the United States and major trading partners, including flows of technology through licenses and patent-sharing or cross-licensing, corporate investments and acquisitions, investments in universities and government laboratories, technical literature, and personnel exchanges, and a summary and analysis of annual foreign investments in, and acquisitions of, high-technology firms or organizations within the United States; and

"(G) a statement concerning any policies, regulatory obstacles, or other institutional problems which, in the judgment of the Secretary adversely affect the creation and use of industrial technology in the United States or limit the contribution that Federal research and development makes to United States leadership in industrial technology.

"(2) The Secretary may, to the extent permitted by other Acts, to collect such information as may be necessary to prepare the annual report required by this subsection.

"(3) The Directors of the Office of Science and Technology Policy, the Office of Management and Budget, and the National Science Foundation, as well as the heads of other Federal departments and agencies, shall provide such information and assistance in the preparation of the annual report as the Secretary may request.".

REPORTS ON MANUFACTURING

SEC. 10. By December 1, 1989, the Secretary shall submit to Congress the following two reports:

(1) A report on the feasibility and advisability of establishing, in affiliation with the Institute, a Quality Institute and a privately-funded foundation to support that Quality Institute, the purpose of which would be—

(A) to conduct workshops and company tours to share with managers, engineers, and production employees in the United States advanced techniques for improving manufacturing organization, quality, and productivity, including team-oriented organizational approaches to managing production technology and corporate research and development;

(B) to help develop and disseminate model curricula in advanced manufacturing which might be used by technical colleges and other educational institutions to provide training to students and manufacturing company employees.

(2) A report analyzing the advantages and disadvantages of small manufacturing firms in the United States participating in new multi-company manufacturing centers, either on a local or regional scale, and what steps, if any, in the judgment of the Secretary, the Federal Government can and should take to encourage the development of such new organizations for manufacturing.

THE EROSION OF THE U.S. SHARE OF TECHNOLOGY MARKETS

Technology	Pioneered by	U.S. companies' share of domestic American market (percent)				Estimated 1987 value of U.S. market (millions)
		1970	1975	1980	1987	
Phonographs	United States	[illegible]	40	30	1	$630
Televisions:						
Black and white	do	[illegible]	30	15	2	175
Color	do	90	[illegible]	[illegible]	[illegible]	5,150
Audio tape recorders	do	40	[illegible]	10	1	500
Video cassette recorders	do	[illegible]	[illegible]	1	1	[illegible]
Ballbearings	Germany	88	83	71	71	1,657
Machine tools:						
Horizontal numerically controlled lathes	United States	[1] 100	[1] 92	70	40	401
Machining centers	do	[1] 100	[1] 97	79	35	[illegible]
Telephone sets	do	99	95	[illegible]	25	[illegible]
Semiconductors [2]	do	[illegible]	71	[illegible]	[illegible]	[1] 19,100
Semiconductor manufacturing equipment [3]	do	100	[illegible]	75	75	[illegible]
Cellular telephones	Scandinavia-United States	(4)	(4)	(4)	40	740
Facsimile machines	United States-Japan	(4)	(4)	(4)		750

[1] Estimates.
[2] Data is for semiconductor merchant companies only. U.S. company share includes production of foreign subsidiaries operating in the United States.
[3] Estimates only. No official data exists.
[4] Not introduced into the U.S. market.

Source: Council on Competitiveness, "Picking Up the Pace: The Commercial Challenge to American Innovation," September 1988, p. 15, using data from the U.S. Department of Commerce.

BUDGET TABLE FOR COMMERCE DEPARTMENT TECHNOLOGY PROGRAMS: AUTHORIZATION LEVELS PROPOSED BY THE TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT

[In thousands of dollars]

	Fiscal year—				[illegible] over fiscal year [illegible]
	[illegible] base	[illegible] DOC request to OMB	[illegible] OMB request	1990 (bill)	
[illegible]					
Exec. direction (Under Sec.)	0		1,013	1,013	1,013
Tech policy/commercial affairs	2,054		2,662	2,662	608
Japanese technical literature	425		425	1,000	575
Clearinghouse [1]	250			[illegible]	1,250
[illegible]	2,729		4,100	6,175	3,446
[illegible]					
Measurement research	41,775	50,185	44,435	50,185	[2] 8,410
Chemical process control	(400)	(3,200)	(2,500)	(3,200)	(2,800)
Perform elec. systems	(0)	(2,500)	(0)	(2,500)	(2,500)
Materials	23,544	27,084	24,418	[illegible]	[2] 3,540
High-perform composites	(1,600)	(3,600)	(2,600)	(3,600)	(2,000)
Engineering	41,490	55,606	43,102	[illegible]	[2] 27,938
Imaging electronics/TV	(0)	(0)	(0)	(7,500)	(7,500)
Superconductivity	(2,800)	(7,800)	(3,500)	(7,800)	(5,000)
Advanced [illegible]	(0)	(5,000)	(0)	(2,500)	(2,500)
Lightwave (fiber optics)	(1,950)	(7,500)	(4,550)	(7,500)	(5,550)
[illegible]	(0)	(0)	(0)	(2,500)	(2,500)
Bioprocess engr	(1,350)	(1,350)	(3,650)	(3,650)	(2,300)
Fire/building safety [3] [4]	(9,372)	(5,288)	(5,000)	(9,912)	(540)
Computer sciences	9,488	11,203	13,043	[illegible]	[illegible]
Computer security	(2,500)	(5,500)	(6,000)	(7,500)	(5,000)
Research support	27,533	34,575	30,611	34,575	[2] 7,022
Computer upgrade	(0)	(6,000)	(3,122)	(6,000)	(6,000)
Subtotal	142,850	180,653	155,609	[illegible]	52,510
NIST tech. extension: [4]					
Manufacturing centers [1]	7,500	0	0	[illegible]	4,500
Special center	7,500	0	0	0	(−7,500)
Assistance to States [1]	[illegible]	0	0	[illegible]	[illegible]
Inventions evaluation	150	0	0	[illegible]	[illegible]
Program management	0	0	0	2,000	[illegible]
[illegible]	15,150	0	0	[illegible]	2,850
Advanced tech. program: [4]					
Electronics/television	0	0	0	[illegible]	[illegible]
Superconductivity	0	0	0	15,000	15,000
Manufacturing	0	0	0	[illegible]	[illegible]
X-ray lithography	0	0	0	[illegible]	[illegible]
Small business	0	0	0	[illegible]	[illegible]
Program mgmt/analyses	0	0	0	2,000	[illegible]
Subtotal	0	0	0	[illegible]	[illegible]
Total authorization	159,000	180,652	155,609	14,360	155,360
Loan guarantees: Electronics television	[illegible]	0	0	[illegible]	[illegible]

[1] Fiscal year 1990 authorizations for these programs were included in the Omnibus Trade And Competitiveness Act of 1988. Table's fiscal year 1990 amount for manufacturing centers is in addition to fiscal year 1989 carryover.
[2] Increases over fiscal year 1989 include laboratory adjustments to base (inflation increases) plus program increases.
[3] Includes research on ignition and toxicity of upholstery and research on alternative refrigerants.
[4] In its request to DOC, NIST proposed to retore fire and building cuts and to receive $41,800,000 to implement Trade Act provisions such as manufacturing centers and the Advanced Technology Program. However, the DOC budget office opposed any funding to implement new responsibilities under the Trade Act, despite Reagan administration support of the act's technology provisions.

SUMMARY OF PROVISIONS: TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT OF 1989

Section 2. Statement of Policy. To help industries speed the commercialization of new products and in order to maintain the economic competitiveness of the Nation, targeted increases are required in the programs of the Commerce Department's Technology Administration and its National Institute of Standards and Technology (NIST).

Section 3. Technology Administration. Authorizes Technology Administration executive and analytical activities for FY90 at the level requested by OMB.

Section 4. National Institute of Standards and Technology. Provides FY90 authorization for NIST's internal laboratory program. The authorization level reflects DOC's own request to OMB, plus funds for advanced imaging electronics/television and the restoration of proposed cuts in NIST's fire and building safety activities. The total authorization for in-hourse programs is $196,360,000 (see attached budget sheet). Provides a small authorization for two NIST industrial technology extension activities; other extension activities, including the Manufacturing Technology Centers, already have received FY90 authorizations in the 1988 Trade Act. The attached budget sheet assumes the continuation of the current three centers, plus the creation of three additional centers.

Section 5. Advanced Technology Program. This program, created in the 1988 Trade Act, authorizes the Secretary of Commerce to encourage and, in selected cases, financially assist new private sector technology research efforts, including multicompany joint research and development ventures (research consortia). The bill authorizes appropriations to provide seed funds (which must be matched by at least equal amounts of private money) for joint ventures in four key areas: advanced electronics, including advanced television; superconductivity; advanced manufacturing; and semiconductor production equipment. Also authorizes limited assistance to small business. The total FY90 authorization level is $100,000,000, plus loan guarantees for research in the advanced electronics area. Also sets certain terms and conditions for financial assistance to joint ventures. Prohibits participation of foreign firms in DOC-assisted consortia but allows for technology to be licensed to nonmember firms, including foreign-owned. Directs the Secretary of Commerce to coordinate with the Secretary of Defense.

Section 6. Amendments to Advanced Technology Program Provisions. Amends 1988 Program legislation to allow the Secretary of Commerce, subject to the authorization and appropriations processes, to offer loan guarantees as well as direct funding to joint research ventures. Also amends 1988 language to allow the Secretary to hire temporary personnel; this amendment is based on language from the National Science Foundation Act.

Section 7. Salary Adjustments. Authorizes funds to pay for increases in salary and benefits.

Section 8. Availability of Appropriations. Appropriations made under this authority shall remain available for the periods specified in appropriations Acts.

Section 9. Annual Industrial Technology Report. Amends the Stevenson-Wydler Technology Innovation Act to require the Secretary of Commerce to submit an annual report listing key technologies, which technologies have been targeted for development by major trading partners, how the U.S. compares with other nations in these areas, and what steps are needed to close gaps.

Section 10. Reports on manufacturing. Requires two one-time reports, one on the feasibility of establishing a privately-funded Manufacturing Institute in affiliation with NIST; this group would prepare workshops, company tours, and model curricula to help U.S. companies organize themselves to take advantage of advanced manufacturing tech-

nology. The second would examine the concept of shared manufacturing facilities.

Mr. BINGAMAN. Mr. President, I am pleased to cosponsor the Technology Administration Authorization Act of 1989. I commend the distinguished chairman of the Commerce Committee, Senator HOLLINGS, for developing this important legislation.

This bill goes beyond a simple reauthorization of the Commerce Department's Technology Administration and National Institute of Standards and Technology. This bill continues the work started last year in the Omnibus Trade and Competitiveness Act. For example, the bill continues funding for the three manufacturing technology centers created last year and authorizes three additional centers.

The bill includes essential programs for the support of important developing technologies, such as advanced television technology, advanced manufacturing, semiconductor production, and superconductivity. I firmly believe that these joint public-private sector research projects are important steps toward improving America's technological capabilities.

I am especially pleased that this bill parallels much of my own work in the Defense Industry and Technology Subcommittee of the Armed Services Committee. It is extremely crucial that we have coordinated civilian and military research in critical technological areas. This bill requires such coordination and makes the Secretary of Commerce a key player in the process.

In addition, the legislation requires a report on critical technologies, including an assessment of the current state of American technology relative to our major trading partners. This is something we required last year that the Defense Department do on an annual basis with respect to critical military technologies. I would hope we would be able to create a means of coordinating these two reports.

Mr. President, I believe that this is a very important piece of legislation. Over the past 8 years this Nation has suffered from a neglect of our civilian technological base. This bill will reverse that trend. I am pleased to be a cosponsor and urge its swift consideration and passage.

By Mr. BENTSEN (for himself and Mr. MOYNIHAN):

S. 1192. A bill to amend title II of the Social Security Act to increase the retirement test exempt amount to $10,620 in 1990, to lower the reduction factor for certain earnings to 25 percent, to extend eligibility to certain adopted children, to provide for the issuance of earnings and benefit statements, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY EARNINGS TEST MODIFICATIONS

● Mr. BENTSEN. Mr. President, I am pleased today to introduce S. 1192, together with my esteemed colleague from New York, Senator MOYNIHAN.

It is a bill designed to help older Americans. There are those who scoff at this idea. It has been pointed out that America's senior citizens are the wealthiest, best fed, best housed, healthiest, most self-reliant older population in our history.

All that's true and thank God for it.

But it's not the whole story. It doesn't describe the millions of older people living in one-room apartments with only a few framed photos to remind them of better days; or the ones who can't write a check the last week of the month because there's nothing in the account until Social Security comes in; or the ones who have to calculate to the penny before they can say yes to going to a restaurant once a month. For most older people life is not a bed of roses.

It's only in this centruy that we've begun to care about retirement issues, and with good reason. In 1900, the average American retirement was only about a year long. Now it's 14 years—almost 20 percent of life.

This means older Americans have to plan carefully for retirement. It also means there are more and more Americans who want and need to work during those years.

And why not? They know a lot. They're experienced. They'd be an asset whether they were making cheeseburgers in MacDonald's, keeping books—or even being a United States Senator from Texas. In fact, last month we paid tribute to this country's leading example of the abilities of older Americans, Claude Pepper, who once said: "Some people dodder at 30, others at 80, and some pass through life without doddering at all." Claude Pepper didn't dodder at 30. Or at 80. Or for a moment during his long, productive life. And there are millions like him.

The problem is the barrier we put in the way of older people who want to work. Say a man my age wants to work—and has a job paying him $15,000 a year. Once he hits that Social Security earnings threshold, he feels like he's been hit. Over the head. After he gets through paying Federal income tax, the Social Security tax, the catastrophic premium—too high, in my book—and his reduction in Social Security benefits, he only gets to keep 41 cents out of every additional dollar he earns.

That's not right. We want older people to be able to work for a living. Their paychecks should go to them—not to Washington.

So, today, Senator MOYNIHAN and I am proposing legislation permitting older Americans to earn more money while keeping more of their Americans benefits.

My amendment would raise the threshold of earnings under present law, when you begin to lose Social Security benefits. And once you cross that threshold it would allow you to keep more benefits than you can now.

It isn't exactly a new idea. In fact, since the early 1970's Congress has voted to raise that threshold about a dozen times. Recently Senator ARMSTRONG tried to add such an amendment to the minimum wage bill.

It was a good idea. I just thought it didn't go far enough. It also took benefits away from about 100,000 older Americans. And it cost the Federal Government money—something which in the era of $200 billion deficits, we can't afford.

Now we have a proposal that overcomes those objections. It increases the amount of earnings exempt from reduction under the retirement test by $1,260—from $9,360 to $10,620. People making between that amount and $15,620 now lose a dollar in benefits for every three they earn—A 33 percent reduction. Under S. 1192, the ratio would be 1 to 4—25 percent.

How is this financed? In a way that doesn't add a cent to the deficit.

The purpose of the Social Security Program is to provide an ongoing monthly cash income to beneficiaries. Sometimes, through, we'll pay several months benefits in a lump sum—for example, when a beneficiary discovers belatedly he is entitled to benefits for several months before he actually applied.

Also, there are times when an individual already getting benefits has his benefits recomputed to see whether some recent earnings will result in a higher benefit rate. It takes about 14 months to process these adjustments; if the rate is actually increased, Social Security will send a retroactive payment, also as a lump sum.

Under S. 1192, the Social Security Program will continue to make these payments but in the form of a higher permanent benefit rate. The result? What the Social Security Program pays out in higher benefits is almost exactly matched by what it saves by stretching out the lump sum payments.

Not a revolutionary concept. Just one that makes life easier for hundreds of thousands of older Americans, and does so in a practical and equitable way. A typical retiree earning $15,000 in additional income would be able to keep almost $800 more of Social Security benefits in 1990, instead of paying those benefits to the Government in form of taxes.

The Gray Panthers' Maggie Kuhn once wrote this, in an article she called "to rest is to rust:"

The junkyard haunts me, because I don't want to be dumped on the scrap heap. I don't want to be isolated from mainstream living, or from the companionship of people of all ages. And there are millions more like me.

Mr. President, we can't afford to keep healthy, vigorous, hardworking older Americans out of the American work force. It's like keeping your best hitters on the bench.

I'd rather have them in the lineup. It's unlikely they'll make rookie of the year. But they've got a few hits left, and they're playing for our team.

The bill I am introducing today also includes two other important improvements in the Social Security Program. It corrects a longstanding inequity in the treatment of adopted children. Under the Social Security Program, benefits are provided not only for retired and disabled workers but also for their dependent children. If the beneficiary has a child, that child immediately becomes eligible. But if a beneficiary adopts a child, that child often will not be eligible. My bill will provide equal treatment for natural and adopted children.

A third element of the bill I am introducing provides for earnings and benefit statements to be sent to those who pay into the program. This is a concept which has been strongly advanced by my cosponsor, Senator MOYNIHAN, and I am happy to join with him in including it in this package. Workers know from looking at their paystubs and their W-2 forms that they are paying significant amounts into the Social Security Program. But we do not now have in place a system for assuring them that these contributions are being properly credited and for letting them know what they are getting for their money. The bill I am introducing today will require the Social Security Administration to phase in such a system so that ultimately all participants in the program will get an annual report on what Social Security records show them to have paid into the program along with an estimate of the benefits that they and their family can expect to qualify for.

Mr. President, I encourage our colleagues to join us as cosponsors of this important piece of legislative relief that will improve the quality of life for hundreds of thousands of elderly Americans and for those who can benefit from their wisdom and experience. I ask unanimous consent that the text of S. 1192 be printed in the RECORD immediately following my remarks, along with a factsheet describing the bill in more detail.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RETIREMENT TEST EXEMPT AMOUNT INCREASED TO $10,620 IN 1990.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42 U.S.C. 403(f)(8)) is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l)) before the close of the taxable year involved shall be $885 for each month of any taxable year ending after 1989 and before 1991.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. 2. REDUCTION FACTOR WITH RESPECT TO CERTAIN EARNINGS LOWERED TO 25 PERCENT.

(a) IN GENERAL.—Paragraph (3) of section 203(f) of the Social Security Act (42 U.S.C. 403(f)) is amended by striking "33⅓ percent" and all that follows through "paragraph (8)" and inserting "equal to the sum of (A) 25 percent of so much of his earnings for such year in excess of the product of the applicable exempt amount as determined under paragraph (8) as does not exceed $5,000, and (B) 33⅓ percent of so much of such earnings in excess of such product as exceeds $5,000,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. 3. PAYMENT OF RECOMPUTED BENEFITS.

(a) IN GENERAL.—Subparagraph (D) of section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) A recomputation under this paragraph with respect to any year shall be effective—

"(i) in the case of an individual who did not die in that year, for the earlier of—

"(I) monthly benefits beginning with benefits for the fifteenth month following the end of such year, or

"(II) monthly benefits beginning with benefits for the month in which the individual submits a written request for such recomputation; or

"(ii) in the case of an individual who died in that year, for monthly benefits beginning with benefits for the month in which he died.

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph which became effective pursuant to subparagraph (D)(i) shall be further increased on an actuarial basis (taking into account the age of the individual) to include the value of benefits which would have otherwise been paid if the recomputation were effective beginning with benefits for January of the year following the year with respect to which the recomputation is made.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to recomputations made after the date of enactment of this Act.

SEC. 4. PAYMENT OF CERTAIN RETROACTIVE BENEFITS.

(a) IN GENERAL.—Subparagraph (B) of section 202(j)(4) of the Social Security Act (42 U.S.C. 402(j)(4)) is amended—

(1) by redesignating clause (v) as clause (vi), and

(2) by inserting after clause (iv) the following new clause:

"(v) Any retroactive benefits for which an individual is eligible because of clause (i) or (iv) shall be paid to the individual as an increase in the individual's monthly benefit amounts, determined on an actuarial basis pursuant to regulations prescribed by the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to applications for benefits made after the date of enactment of this Act.

SEC. 5. ELIMINATION OF THE DEPENDENCY TEST APPLICABLE TO CERTAIN ADOPTED CHILDREN.

(a) IN GENERAL.—Section 202(d)(8)(D) of the Social Security Act (42 U.S.C. 402(d)(8)(D)) is amended—

(1) by adding "and" after the comma at the end of clause (i); and

(2) by striking clauses (ii) and (iii) and inserting in lieu thereof the following:

"(ii) in the case of a child who attained the age of 18 prior to the commencement of proceedings for his adoption, the child was living with or receiving at least one-half of his support from such individual for the year immediately preceding the month in which his adoption is decreed.".

(b) CONFORMING AMENDMENT.—Paragraph (8) of section 202(d) of such Act (42 U.S.C. 402(d)) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to benefits payable for months after the month in which this Act is enacted, but only on the basis of applications filed on or after the date of the enactment of this Act.

SEC. 6. MANDATORY PROVISION OF SOCIAL SECURITY ACCOUNT STATEMENT.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301-1320b-10) is amended by adding at the end thereof the following new section:

"SOCIAL SECURITY ACCOUNT STATEMENTS

"Provision Upon Request

"SEC. 1141. (a)(1) Beginning not later than October 1, 1990, the Secretary shall provide upon the request of an eligible individual a social security account statement (hereinafter referred to as the 'statement').

"(2) Each statement shall contain—

"(A) the amount of wages paid to and self-employment income derived by the eligible individual as shown by the records of the Secretary at the date of the request;

"(B) an estimate of the employee and self-employment, old age, survivors, and disability insurance contributions of the eligible individual as shown by the records of the Secretary at the date of the request;

"(C) a separate estimate of the employee and self-employment hospital insurance contributions of the eligible individual; and

"(D) an estimate of the potential monthly retirement, disability, survivor, and auxiliary benefits payable on the eligible individual's account together with a description of the benefits payable under the medicare program of title XVIII.

"(3) For purposes of this section, the term 'eligible individual' means an individual who—

"(A) has a social security number,

"(B) has attained age 25 or over, and

"(C) has wages or net earnings from self-employment.

"Notice to Eligible Individuals

"(b) The Secretary shall to the maximum extent practicable take such steps as are necessary to assure that eligible individuals are informed of the availability of the statement described in subsection (a).

"Mandatory Provision of Statements

"(c)(1) By not later than September 30, 1994, the Secretary shall provide a statement to each eligible individual who has attained age 60 by October 1, 1993, and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. In fiscal years 1994 through 1999 the Secretary shall provide a statement to each eligible individual who attains age 60 in such fiscal years and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. The Secretary shall provide with each statement to an eligible individual notice that such statement is updated annually and is available upon request.

"(2) Beginning not later than October 1, 1999, the Secretary shall provide a statement on a biennial basis to each eligible individual who is not receiving benefits under title II and for whom a mailing address can be determined through such methods as the Secretary deems appropriate. With respect to statements provided to eligible individuals who have not attained age 50 such statements need not include estimates of monthly retirement benefits. However, if such statements provided to eligible individuals who have not attained age 50 do not include estimates of retirement benefit amounts, such statements shall include a description of the benefits (including auxiliary benefits) that are available upon retirement.".

(b) REPORT TO CONGRESS AND STUDY.—

Not later than October 1, 1996, the Secretary shall submit to Congress a report on the implementation of the requirements of this Act and on his specific plans for implementing the final requirements contained in such Act, particularly with regard to estimating retirement benefit amounts for individuals who have not attained the age of 60.

(c) DISCLOSURE OF ADDRESS INFORMATION BY INTERNAL REVENUE SERVICE TO SOCIAL SECURITY ADMINISTRATION.—

(1) IN GENERAL.—Section 6103(m) of the Internal Revenue Code of 1986 (relating to disclosure of taxpayer identity information) is amended by adding at the end thereof the following new paragraph:

"(6) SOCIAL SECURITY ACCOUNT STATEMENTS FURNISHED BY SOCIAL SECURITY ADMINISTRATION.—Upon written request by the Commissioner of Social Security, the Secretary may disclose the mailing address of any taxpayer who is entitled to receive a social security account statement pursuant to section 1141(c) of the Social Security Act, for use only by officers, employees, or agents of the Social Security Administration for purposes of mailing such statement to such taxpayer.".

(2) SAFEGUARDS.—The last sentence of section 6103(p)(4) of such Code (relating to safeguards) is amended by striking out "subsection (m)(2) or (4)" and inserting in lieu thereof "paragraphs (2), (4), or (6) of subsection (m)".

(3) UNAUTHORIZED DISCLOSURE PENALTIES.—Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of returns and return information) is amended by striking out "(m)(2) or (4)" and inserting in lieu thereof "(m)(2), (4), or (6)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

FACTSHEET ON BENTSEN-MOYNIHAN BILL

RETIREMENT TEST IMPROVEMENTS

How the retirement test works.—The primary purpose of the social security program is to provide an income for older individuals who are retired. As a way of determining whether an individual is retired, the program looks at the individual's age and earnings. Those age 70 or above are automatically considered retired and get full benefits without regard to earnings. Those under age 70 are considered retired and eligible for full benefits only if their earnings are lower than a specified exemption level. In 1990, the exemption level for retirees aged 65 to 69 is estimated by CBO to be $9,360. Above that level, individuals have their social security benefits phased out of the basis of a $1 reduction in benefits for every $3 of earnings above $9,360.

Earnings level	Benefit reduction [1]	Remaining benefits [2]	Total income
$9,360	(3)	$4,000	$17,360
15,000	$1,880	6,120	21,120
25,000	5,213	2,787	27,787
34,000	7,880	120	34,120

[1] One-third of earnings above $9,360.
[2] Age 65 retiree with approximately average lifetime earnings.
[3] None.

Changes made by the Bentsen bill.—The proposal would increase the amount of earnings totally exempt from reduction under the retirement test by $1,260 per year. This would bring the exemption level up to $10,620. In addition, the bill would lower the rate of reduction on earnings for an additional $5,000 above that exempt amount. For earnings between $10,620 and $15,620, the reduction rate under the retirement test would be 25 percent in place of the current law rate of 33⅓ percent. (Under current law, the reduction rate goes down from 50 percent to 33⅓ percent starting in 1990.)

Earnings level	Benefit reduction		Reduction rate for each additional dollar earned (percent)		Added benefits under proposal
	Present law	Proposal	Present law	Proposal	
$9,360	(1)	(1)	33⅓	0	(1)
10,620	$420	(1)	33⅓	25	$420
15,620	1,880	$1,095	33⅓	25	785

[1] None.

How is the bill financed?—The purpose of the social security program is to provide an ongoing monthly cash income to beneficiaries. In some instances, however, several months benefits are paid out in a lump-sum because of retroactive entitlement. This happens, for example, when an individual who files for benefits in a given month discovers that he or she could have claimed benefits for one or more of the 6 preceding months. The law allows them to backdate their application up to 6 months in order to get those benefits. The proposal would continue to allow applicants to claim up to 6 months' back benefits. However, that entitlement would be paid out in the form of a higher permanent monthly benefit rather than as a one-time lump sum. (This change would apply only to retroactive benefits for months prior to age 65.)

The bill would also make a similar change in the case of automatic benefit adjustments based on recent earnings. When an individual who has applied for benefits continues to work, his or her benefits are automatically recomputed each year to see if the new earnings will result in a higher benefit rate. It takes about 14 months to process these readjustments so that the first check now includes a lump-sum retroactive payment. This bill would continue to make that payment, but would do so in the form of a higher permanent benefit rate instead of a one-time lump sum.

SOCIAL SECURITY FOR ADOPTIVE CHILDREN

Minor and disabled children of individuals who had paid social security taxes can qualify for benefits when those individuals die, become disabled, or retire in old age. In the case of natural children, these benefits are paid without regard to whether the child was born before or after the individual retired or became disabled. In the case of adoptive children, however, the law requires that the child must have been adopted before the individual became eligible for disability or retirement benefits (or, at least, must have been dependent on the individual at that time.)

The present law distinction between adoptive and natural children was apparently based on a concern over possible abuse. However, there does not appear to be any evidence to support that concern. The adoption of a child is a fairly complex and often expensive process which requires the adopting parent to assume serious legal responsibilities. In view of the substantial policy interest in encouraging adoptions, this bill would permit children adopted by retired and disabled social security beneficiaries to receive benefits on the same basis as natural children.

EARNINGS STATEMENTS

When fully effective in the year 1999, the Bentsen-Moynihan bill would require that annual earnings and benefit statements be sent to those who have paid social security taxes. These statements would show what they have contributed to the social security program, estimate their future benefits at retirement (or at least describe those benefits in the case of persons under age 50), and describe the benefits that will be provided by Medicare. In the short run, the bill would require that such statements be provided when requested and, starting in 1994, that they be provided to all individuals age 60 and above.

There are two basic reasons for this proposal. One very practical reason is that social security individual earnings' records

are sometimes not properly credited: Such a situation can cause a loss of benefits and is very difficult to correct if it is not caught until several years after the fact. Providing annual earnings statements would increase the probability that individuals would learn about such errors on a timely basis. The second reason for the proposal is to provide individuals with better information about the benefit entitlement that their social security tax payments are earning for them.●

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. NUNN, Mr. DECONCINI, and Mr. CRANSTON):

S. 1193. A bill to establish a comprehensive program for the rehabilitation of drug dependent Federal offenders; to the Committee on the Judiciary.

DRUG DEPENDENT OFFENDER REHABILITATION ACT

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill that will increase our commitment to drug abuse treatment in the Federal prison system and create a special program of supervised release for nonviolent inmates who complete treatment. I do so in the belief that drug dependent offenders are at once the most dangerous criminals in our system and the inmates in whom we can invest the greatest hope. They are dangerous because they are the most likely to commit crimes after release. But we can invest hope in them because their criminality stems from what may be a treatable condition.

We have heard much alarming news on this floor about overcrowding in the Federal prison system. Our prisons are, indeed, filled beyond capacity. On January 1 of 1988, Federal prisons housed 43,946 inmates, 62 percent above their capacity of 26,473. We have acceded to a wholly unacceptable state of affairs. Make no mistake about it, more prison construction is necessary. There can be no waiting list for a prison cell.

But I would say to my colleagues that our prisons face a problem greater than overcrowding. To wit: recidivism. According to the Bureau of Prisons, 43 percent of all Federal prisoners are rearrested within 3 years of release. It is safe to assume that even more than 43 percent commit crimes for which they are not arrested or imprisoned. Recidivism is even greater in State prisons. According to the Bureau of Justice Statistics, 63 percent of State prisoners are rearrested within 3 years. Put bluntly, Mr. President, recidivism rates are failure rates. Our prison system has done precious little good for society when criminals arrested for selling heroin in 1982 return to the streets in 1988 only to start selling crack. Instead of rehabilitation, what we are left with is an endless cycle of arrest, prosecution, jail, and rearrest.

I hold that there is a simple explanation for much of this tragic state of affairs. Forty-three percent of incoming Federal inmates are self-described substance abusers. The numbers for local prisons are, once again more startling. Eighty percent of male arrestees in New York and 67 percent of male arrestees in Washington test positive for drugs. Few of them are arrested for using illegal drugs; most are arrested for activities associated with drug use. Drug dealing. Drug smuggling. Robbery. Burglary. Prison, indeed, punishment of any kind, is not likely to deter such crimes when they are committed to support addiction—a drug habit which is in fact a disease of the brain. A March 1988 report from the National Institute of Justice, "A Criminal Justice System Strategy for Treating Cocaine-Heroin Abusing Offenders in Custody," came to the same conclusion:

> To the extent that criminal sanctions are applied, their ability to interrupt the life style of the vast majority of cocaine-heroin abusers is minimal.

This bill will authorize an additional $15 million for drug treatment in Federal prisons, and for postrelease followup programs. Effective drug treatment in prison has been demonstrated to reduce recidivism. A May 1989 study on correctional treatment programs in Oregon revealed that 74 percent of inmates who completed an inpatient drug treatment program in prison had not returned to prison 3 years after release. Only 15 percent of those who left the treatment program after 60 days had avoided prison 3 years after release. The inmates who went through the program were hardened criminals. On average, they had been arrested 14 times and spent 7 years in prison. On average, they first used drugs when they were 12½ years old.

Regrettably, existing drug treatment efforts in Federal prisons are inadequate. Only four separate unit treatment facilities, in which drug-dependent inmates live separately from the general prison population, exist in the Federal system. Twenty-one existed in 1978. Separation is crucial. Successful treatment depends on isolating drug-dependent inmates from criminal inmate subcultures that value lying to authority, embrace drugs and crime, and glamorize fighting the system. Thus, the bill requires the Bureau of Prisons to separate prisoners undergoing treatment from the general prison population to the greatest extent possible.

In addition, the bill gives nonviolent inmates who successfully complete treatment the opportunity for supervised release 1 year ahead of schedule. Early supervised release would only be possible if the sentencing judge approves. It would not be offered to murderers, rapists, kingpins, and inmates sentenced to life in prison. The National Institute of Justice study I mentioned on correctional drug treatment recommends that "prisoners in therapeutic communities who make good treatment progress should be paroled prior to completion of their sentence." Ideally, inpatient treatment should be timed so its completion coincides with release.

Inmates on early supervised release would have to spend the first 6 months of release in a half-way house facility. For the first year of supervised release they would have to submit to drug testing at least once every 60 days. If the tests indicate they are still using drugs, they would be sent back to jail. They would also be required to attend addiction support groups and participate in outpatient treatment. They would be intensely supervised. Rewarded for progress. And punished for relapse.

Mr. President, this is a good, tough bill. It is aimed at reducing crime and reducing recidivism. I grant that our greatest problems are at the State and local levels, rather than in the Federal prison system. But reform at the Federal level will represent a beginning. And, one hopes, an example.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Drug Dependent Offender Rehabilitation Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Federal Bureau of Prisons estimates that 42 percent of all incoming Federal prisoners abuse drugs or alcohol;

(2) the number of separate unit inpatient drug treatment programs in Federal prisons has declined from 21 in 1978 to 4 today;

(3) 43 percent of Federal prisoners are rearrested within 3 years of release;

(4) offenders who continue to use drugs after release from prison are more likely to resume criminal activities than those who do not; and

(5) overcrowding in Federal prisons has reached such crisis proportions that on January 1, 1988, Federal prisons housed 42,946 inmates, 62 percent above their capacity of 26,473.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR TREATMENT SERVICES.

(a) IN GENERAL.—There are authorized to be appropriated to the Federal Prison System $15,000,000 for fiscal year 1990, and such sums as may be necessary for each of the fiscal years 1991 and 1992. Such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1990.

(b) USES OF APPROPRIATION.—The additional appropriation authorized by subsection (a) shall be used as follows:

(1) to provide high intensity inpatient substance abuse treatment services to drug dependent offenders;

VOL 135 PT 9 JE 14 — 22 1989 UMI

(2) to train appropriate prison employees in the diagnosis and treatment of drug and alcohol addiction;

(3) to hire psychologists and substance abuse counselors to serve drug dependent offenders;

(4) to enter into contracts with qualified community substance abuse treatment providers to offer inmates treatment services; and

(5) to ensure intensive supervision of drug dependent offenders while they are on parole or supervised release, including urine drug testing, as provided for by section 3583(h) of title 18, United States Code, as added by section 4 of this Act.

(c) SEPARATION OF INMATES.—The Bureau of Prisons shall, to the greatest extent possible, separate drug dependent offenders undergoing treatment from the general prison population and avoid returning such offenders to the general prison population after the completion of the treatment program.

SEC. 4. SPECIAL SUPERVISED RELEASE FOR DRUG DEPENDENT OFFENDERS.

(a) IN GENERAL.—Section 3583 of title 18, United States Code, is amended by adding at the end thereof the following:

"(h) EARLY SUPERVISED RELEASE FOR QUALIFIED DRUG DEPENDENT OFFENDERS.—(1) In the case of a qualified drug dependent offender, the sentencing court may modify the term of imprisonment pursuant to section 3582(c) by reducing the period of incarceration by not more than one year. If the court reduces the period of incarceration pursuant to this subsection, the court shall also impose a period of supervised release of one year, or in the event that a period of supervised release was previously ordered, it shall extend the period of supervised release by one year, notwithstanding the maximum term of supervised release otherwise provided in this title. Such periods of supervised release, or extended periods of supervised release, shall be subject to all of the conditions and procedures set forth in this section.

"(2) To qualify for early supervised release under this subsection, a drug dependent offender—

"(A) shall have been continuously incarcerated in a Federal correctional institution for no less than three-fourths of the time the offender was originally sentenced to serve prior to becoming eligible for supervised release;

"(B) shall not have been convicted of homicide, attempted homicide, kidnapping, assault with a deadly weapon, espionage, rape, or attempted rape;

"(C) shall not have been sentenced to life in prison;

"(D) shall have successfully completed, while incarcerated, a program of substance abuse treatment approved for these purposes by the Director of the Federal Prison System; and

"(E) after successfully completing treatment, shall have received approval for early supervised release from the sentencing judge acting upon the recommendation of the individual responsible for administering substance abuse treatment programs in the facility in which the offender has been incarcerated.

"(3) Upon release, and for a period of 6 months after release, the drug dependent offender shall reside in a half-way house in which intensive counseling and supervision is available.

"(4) Upon release, and for a period of 1 year after release, the drug dependent offender shall, in addition to fulfilling the other requirements of supervised release ordered by the court under this section—

"(A) submit to periodic urine drug testing at least once every 60 days;

"(B) regularly attend meetings of support groups such as Narcotics Anonymous, Alcoholics Anonymous, and Cocaine Anonymous; and

"(C) participate in an outpatient substance abuse counseling program.

"(5) Notwithstanding any other provisions of this section, if the drug dependent offender tests positive for illegal use of controlled substances on 2 separate urine drug tests taken at least 3 weeks apart, the court shall revoke the term of supervised release and require the offender to serve all or part of the term of supervised release in prison, without credit for time previously served on post-release supervision.

"(6)(A) No action may be taken against an offender pursuant to this section on the basis of a urine drug test unless the test was conducted in accordance with the requirements and procedures prescribed by the Director of the Administrative Office of the United States Courts which shall be substantially consistent with the Mandatory Guidelines on Federal Employee Drug Testing Programs issued by the Secretary of Health and Human Services on April 11, 1986.

"(B) The Director shall include in the regulations prescribed pursuant to subparagraph (A) the following requirements:

"(i) The laboratory which conducts drug testing shall follow laboratory analysis procedures, including the chain of custody procedures, required by the guidelines referred to in subparagraph (A), except that an initially positive test may be confirmed using Gas Chromatography (GC) techniques or such test as the Secretary of Health and Human Services may determine to be of equivalent accuracy.

"(ii) The laboratory shall perform Gas Chromatography-Mass Spectrometry (GC-MS) reconfirmation, or such reconfirmation as the Secretary of Health and Human Services may determine to be of equivalent accuracy, in any case in which—

"(I) an offender's urine specimen is tested using GC techniques for confirmation; and

"(II) within 10 days after receiving notice of positive test results, the offender notifies the Director that he disputes such results.

"(iii) The laboratory shall retain all records pertaining to each urine specimen for at least 2 years after the date on which the results of the test are transmitted to the court and limit access to any such records to protect the confidentiality of the subject.".

(b) ORDER OF SUPERVISED RELEASE.—Section 3582(c) of title 18 of the United States Code is amended by—

(1) striking "and" after the semicolon in paragraph (1);

(2) striking the period at the end of paragraph (2) and inserting "; and"; and

(3) adding at the end thereof the following:

"(3) in the case of a qualified drug dependent offender, the court may order supervised release up to 1 year prior to the previously scheduled date of release as provided by section 3583(h).".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1990.●

By Mr. GRAHAM (for himself and Mr. MACK):

S. 1194. A bill to provide for a nationally coordinated program of research, promotion, and consumer information regarding limes that is designed to expand domestic and foreign markets for limes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FRESH LIME RESEARCH, PROMOTION, AND CONSUMER INFORMATION ACT

● Mr. GRAHAM. Mr. President, today I am introducing, along with the junior Senator from Florida [Mr. MACK] legislation designed to expand the marketing and promotion program for lime producers.

Florida currently supplies about half of all the limes consumed in the United States, and it is important for us to recognize and support this valuable commodity. The bill, which is identical to legislation in the House sponsored by my good friends in the House of Representatives, DANTE FASCELL and TOM LEWIS, will enable lime producers and handlers to expand the market for limes through production and marketing research and development projects. I ask the support of my colleagues in the Senate in sponsoring and passing this important bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fresh Lime Research, Promotion, and Consumer Information Act".

SEC. 2. FINDINGS, PURPOSES, AND LIMITATIONS.

(a) FINDINGS.—Congress finds that—

(1) domestically produced limes are grown by many individual producers;

(2) virtually all domestically produced limes are grown in the State of Florida;

(3) limes move in large part in channels of interstate and foreign commerce;

(4) in recent years, large quantities of limes have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for limes and the development of additional and improved markets for limes are vital to the welfare of lime producers and other persons concerned with producing, marketing, or processing limes;

(6) a coordinated program of research, promotion, and consumer information regarding limes is necessary for the maintenance and development of such markets; and

(7) lime producers, lime producer-handlers, lime handlers, and lime importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this Act are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an adequate assessment) of an effective and coordinated program of research, promotion, and consumer information regarding limes designed—

(A) to strengthen the position of the lime industry in domestic and foreign markets; and

(B) to maintain, develop, and expand markets for limes; and

(2) to treat domestic and foreign producers of limes equitably.

(c) LIMITATIONS.—

(1) QUALITY STANDARDS AND PRODUCTION.—Nothing in this Act shall be construed to require quality standards for limes, control the production of limes, or otherwise limit the right of the individual producers to produce limes.

(2) IMPORTED LIMES.—Nothing in this Act shall be construed as a trade barrier to limes produced in foreign countries.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) BOARD.—The term "Board" means the Lime Board provided for under section 5(b).

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the use, nutritional attributes, and care of limes.

(3) HANDLE.—The term "handle" means to sell, purchase, or package fresh limes.

(4) HANDLER.—The term "handler" means any person in the business of handling fresh limes.

(5) IMPORTER.—The term "importer" means any person who—

(A) imports limes into the United States; or

(B) acts as an agent, broker, or consignee for any person or nation that produces limes outside of the United States for sale in the United States.

(6) LIME.—The term "lime" means the fruit of a citrus aurantifolia tree.

(7) MARKETING.—The term "marketing" means the sale or other disposition of limes in commerce.

(8) ORDER.—The term "order" means a lime research, promotion, and consumer information order issued by the Secretary under section 4(a).

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other entity.

(10) PRODUCER.—The term "producer" means any person who produces limes in the United States for sale in commerce.

(11) PRODUCER-HANDLER.—The term "producer-handler" means any person who is both a producer and handler of limes.

(12) PROMOTION.—The term "promotion" means any action taken under this Act (including paid advertising) to present a favorable image for limes to the general public with the express intent of improving the competitive position and stimulating the sale of limes.

(13) RESEARCH.—The term "research" means any type of research relating to the use and nutritional value of limes and designed to advance the image, desirability, marketability, or quality of limes.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 4. LIME RESEARCH PROMOTION AND CONSUMER INFORMATION ORDER.

(a) AUTHORITY OF THE SECRETARY.—Subject to this Act, and to effectuate the declared purposes of this Act, the Secretary shall issue and, from time to time, amend lime research, promotion, and consumer information orders applicable to handlers, producers, producer-handlers, and importers of limes.

(b) NOTICE AND PUBLIC COMMENT.—The Secretary shall publish each order proposed to be issued under subsection (a) and give due notice and opportunity for public comment on such order. For purposes of this subsection, an amendment to an order shall be considered as an order.

(c) SUBMISSION OF A PROPOSED ORDER OR AMENDMENT.—A proposal for an order or amendment under subsection (a) may be submitted by, and an opportunity for public comment may be requested by, any person affected by this Act.

(d) INITIAL PROPOSAL.—In the case of the first proposal for an order the Secretary receives under subsection (c), the Secretary shall comply with subsection (b) not later than the end of the 30-day period beginning on the date the Secretary receives such proposal.

(e) FINDINGS AND ISSUANCE OF AN ORDER.—After notice of and an opportunity for public comments have been provided under subsection (b), the order or amendment that is the subject of such notice and public comment shall be issued if the Secretary finds that, on the evidence introduced by such public comment, the issuance of the order or amendment and all the terms and conditions in the order or amendment will further the purposes of this Act. The Secretary shall include such findings in the order or amendment.

(f) EFFECTIVE DATE.—An order issued under subsection (a) shall take effect on the date such order is issued.

SEC. 5. REQUIRED TERMS OF AN ORDER.

(a) IN GENERAL.—An order issued by the Secretary under section 4(a) shall contain the terms and conditions described in this section and, except as provided in section 6, no other terms or conditions.

(b) LIME BOARD.—Such order shall provide for the establishment of a Lime Board as follows:

(1) MEMBERSHIP.—The Board shall be composed of—

(A) seven members who are producers and who are not exempt from an assessment under subsection (d)(5)(A);

(B) three members who are importers and who are not exempt from an assessment under subsection (d)(5)(A); and

(C) one member appointed from the general public.

(2) APPOINTMENT AND NOMINATION.—The Secretary shall appoint the members of the Board. The seven members who are producers shall be appointed from individuals nominated by lime producers. The three members who are importers shall be appointed from individuals nominated by lime importers. The public representative shall be appointed from nominations of the Board. If producers and importers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, such member may be appointed without a nomination.

(3) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(A) be appointed in the same manner as the member for whom such individual is an alternate; and

(B) serve on the Board if such member is absent from a meeting or is disqualified under paragraph (5).

(4) TERMS.—Members of the Board shall be appointed for a term of 3 years. Of the members first appointed—

(A) three members shall be appointed for a term of 1 year;

(B) four members shall be appointed for a term of 2 years; and

(C) four members shall be appointed for a term of 3 years;

as designated by the Secretary at the time of appointment.

(5) REPLACEMENT.—If a member or alternate of the Board who was appointed as a producer, importer, or public representative ceases to belong to the group for which such member was appointed, such member or alternate shall be disqualified from serving on the Board.

(6) COMPENSATION.—Members and alternates of the Board shall serve without pay.

(7) REIMBURSEMENT OF EXPENSES.—While away from their homes or regular places of business in the performance of duties for the Board, members and alternates shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(8) POWERS AND DUTIES.—The Board shall—

(A) administer orders issued by the Secretary under section 4(a), and amendments to such orders, in accordance with their terms and provisions and consistent with this Act;

(B) prescribe rules and regulations to effectuate the terms and provisions of such orders;

(C) receive, investigate, and report to the Secretary accounts of violations of such orders;

(D) make recommendations to the Secretary with respect to amendments that should be made to such orders; and

(E) employ a manager and staff.

(c) BUDGETS AND PLANS.—Such order shall provide for periodic budgets and plans as follows:

(1) BUDGETS.—The Board shall prepare and submit to the Secretary a budget (on a fiscal period basis determined by the Secretary) of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall take effect on the approval of the Secretary.

(2) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding limes. A plan under this paragraph shall take effect on the approval of the Secretary. The Board may enter into contracts and agreements, with the approval of the Secretary, for—

(A) the development and carrying out of such plan; and

(B) the payment of the cost of such plan with funds collected pursuant to this Act.

(d) ASSESSMENTS.—Such order shall provide for the imposition and collection of assessments with regard to the production and importation of fresh limes as follows:

(1) RATE.—The assessment rate shall not exceed $.01 per pound of fresh limes.

(2) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (4), the first handler of limes shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments under this subsection; and

(B) maintain a separate record of the limes of each producer so handled, including the limes owned by the handler.

(3) PRODUCER-HANDLERS.—For purposes of paragraph (2), a producer-handler shall be

considered the first handler of limes produced by such producer-handler.

(4) IMPORTERS.—The assessment on imported limes shall be paid by the importer at the time of entry into the United States and shall be remitted to the Board.

(5) EXCEPTIONS.—

(A) CERTAIN PERSONS.—The following persons are exempt from an assessment under this subsection—

(i) a producer who produces less than 35,000 pounds of limes per year;

(ii) a producer-handler who produces and handles less than 35,000 pounds of limes per year; and

(iii) an importer who imports less than 35,000 pounds of limes per year

(B) INTRASTATE SHIPMENTS.—Intrastate shipments of limes shall—

(i) be exempt from assessment under this subsection; and

(ii) not be included in the calculation of limes produced or handled for purposes of subparagraph (A).

(6) CLAIMING AN EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall submit an application to the Board—

(A) stating the basis for such exemption; and

(B) certifying that such person will not exceed the limitation required for such exemption in such year.

(e) USE OF ASSESSMENTS.—

(1) IN GENERAL.—Such order shall provide that funds paid to the Board as assessments under subsection (d) may be used by the Board to—

(A) pay for research, promotion, and consumer information described in the then current budget of the Board under subsection (c) and for other expenses incurred by the Board in the administration of an order;

(B) pay such other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary;

(C) fund a reserve established under section 6(5); and

(D) pay the administrative costs incurred by the Secretary under this Act after the initial order has been issued.

(2) REFERENDA.—Such order shall provide that the Board shall reimburse the Secretary, from assessments collected under subsection (d), for any expenses incurred by the Secretary in conducting referenda under this Act.

(f) FALSE CLAIMS.—Such order shall provide that any promotion funded with assessments collected under subsection (d) may not make—

(1) any false or unwarranted claims on behalf of limes; and

(2) any false or unwarranted statements with respect to the attributes or use of any product that competes with limes for sale in commerce.

(g) GOVERNMENT INFLUENCE.—Such order shall provide that funds collected through assessments authorized by this Act may not, in any manner, be used for the purpose of influencing governmental policy or action, except for making recommendations to the Secretary as provided for in this Act.

(h) BOOKS, RECORDS, AND REPORTS.—

(1) BY THE BOARD.—Such order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report regarding the activities of the Board during such fiscal year.

(2) BY OTHERS.—So that information and data will be available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this Act (or any order or regulation issued under to this Act), such order shall require handlers, producer-handlers, and importers who are responsible for the collection of assessments under subsection (d)—

(A) to maintain and make available for inspection by the Secretary such books and records as may be required by the order; and

(B) to file, at the times, in the manner, and having the content prescribed by the order, reports regarding the collection of such assessments.

(i) CONFIDENTIALITY.—

(1) IN GENERAL.—Such order shall require that all information obtained pursuant to subsection (h)(2) shall be kept confidential by all officers and employees of the Department of Agriculture and of the Board. Only such information as the Secretary considers relevant shall be disclosed and only in a suit or administrative hearing brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers, producer-handlers, importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication by direction of the Secretary, of the name of any person violating an order issued under section 4(a), together with a statement of the particular provisions of the order violated by such person.

SEC. 6. PERMISSIVE TERMS AND PROVISIONS.

On the recommendation of the Board and with the approval of the Secretary, an order issued under section 4(a) may—

(1) provide authority to the Board to exempt from such order limes exported from the United States, subject to such safeguards as the Board may establish to ensure proper use of the exemption;

(2) provide that, with respect to any marketing order regulating limes issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, that—

(A) is in effect before the date of the enactment of this Act; and

(B) the Secretary determines is comparable to the program established under this Act;

there shall be paid to the Board as provided in section 5(d) that portion of the assessment under such section that is greater than the assessment, if any, actually paid on the limes pursuant to such other marketing order;

(3) provide authority to the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures;

(4) provide that the Board may convene from time to time working groups drawn from producers, handlers, producer-handlers, importers, exporters, or the general public to assist in the development of research and marketing programs for limes;

(5) provide authority to the Board to accumulate reserve funds from assessments collected pursuant to section 5(d) to permit an effective and continuous coordinated program of research, promotion, and consumer information, in years in which production and assessment income may be reduced, except that any reserve fund so established may not exceed the amount budgeted for operation for 1 year;

(6) provide authority to the Board to use, with the approval of the Secretary, funds collected under section 5(d) for the development and expansion of lime sales in foreign markets; and

(7) provide for terms and conditions—

(A) incidental to, and not inconsistent with, the terms and conditions specified in this Act; and

(B) necessary to effectuate the other provisions of such order.

SEC. 7. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may submit, within a period prescribed by the Secretary, to the Secretary a written petition—

(A) stating that such order, a provision of such order, or an obligation imposed in connection with such order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition that shall be subject to review under subsection (b).

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—A person aggrieved by a ruling under subsection (a)(3) may obtain a review of such ruling by commencing, within the 20-day period beginning on the date such ruling is made, a civil action in the district court of the United States for the district in which—

(A) such person resides; or

(B) carries on business related to the subject matter of such action.

(2) PROCESS.—Service of process in such civil action may be made on the Secretary by delivering to the Secretary a copy of the complaint.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the proceedings to the Secretary with directions—

(A) to make the ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted pursuant to this subsection shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 8.

SEC. 8. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this Act.

(b) REFERRAL TO ATTORNEY GENERAL.—The facts relating to any civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary

shall not be required to refer to the Attorney General a violation of this Act if the Secretary believes that the administration and enforcement of the order would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who violates any provision of any order issued by the Secretary under section 4(a), or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order, shall be liable to the United States for a civil penalty assessed under subsection (d) in an amount not less than $500 nor more than $5,000 for each violation. Each violation shall be considered as a separate offense.

(2) CEASE AND DESIST ORDERS.—In addition to, or in lieu of, a civil penalty, the Secretary may issue an order under subsection (d) requiring the person to cease and desist from continuing the violations.

(d) ASSESSMENT OR ISSUANCE BY SECRETARY AFTER NOTICE AND HEARING.—A civil penalty payable under subsection (c)(1) may be assessed, and a cease and desist order authorized under subsection (c)(2) may be issued, only by the Secretary on the record after notice and an opportunity for a hearing.

(e) REVIEW BY COURT OF APPEALS.—

(1) COMMENCEMENT OF ACTION.—A person aggrieved by a civil penalty assessed or cease and desist order issued under subsection (d) may obtain review of the penalty or order by—

(A) filing, within the 20-day period beginning on the date such penalty is assessed or order issued, a notice of appeal in—

(i) the court of appeals of the United States for the circuit in which the person resides or carries on business; or

(ii) the United States Court of Appeals for the District of Columbia Circuit; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—As part of the response of the Secretary to a notice under paragraph (1), the Secretary shall file in the court the record on which the civil penalty or cease and desist order is based.

(3) STANDARD OF REVIEW.—The findings of fact made by the Secretary shall be conclusive if supported by substantial evidence in the record taken as a whole.

(f) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease and desist order after the order has become final and unappealable, or after the appropriate court of appeals has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (d) and (e) of not more than $500 for each offense. Each day during which the failure continues shall be considered as a separate offense.

(g) FAILURE TO PAY ASSESSMENTS.—If any person fails to pay an assessment of a civil penalty after the assessment has become a final and unappealable assessment, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in an appropriate district court of the United States. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 9. INITIAL REFERENDUM.

(a) REQUIREMENT.—Not later than 2 years after the date on which the Secretary first issues an order under section 4(a), the Secretary shall conduct a referendum among producers, producer-handlers, and importers who—

(1) are not exempt from assessment under section 5(d)(5); and

(2) produced or imported limes during a representative period as determined by the Secretary.

(b) PURPOSE OF REFERENDUM.—The referendum referred to in subsection (a) is for the purpose of determining whether the issuance of the order is approved or favored by not less than a majority of the producers, producer-handlers, and importers voting in the referendum. The order shall continue in effect only with such a majority.

(c) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this section, or section 10, shall be held strictly confidential and shall not be disclosed.

SEC. 10. SUSPENSION AND TERMINATION.

(a) FINDING OF SECRETARY.—If the Secretary finds that an order issued under section 4(a), or a provision of such order, obstructs or does not tend to effectuate the purposes of this Act, the Secretary shall terminate or suspend the operation of such order or provision.

(b) PERIODIC REFERENDA.—The Secretary may periodically conduct a referendum to determine if lime producers, producer-handlers, and importers favor the continuation, termination, or suspension of any order issued under section 4(a) and in effect at the time of such referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the request of the Board;

(2) if not less than 25 percent of the lime producers, producer-handlers, and importers subject to assessment under this Act submit a petition requesting such a referendum; and

(3) whenever the Secretary conducts a referendum regarding limes pursuant to a marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(d) VOTE.—The Secretary shall suspend or terminate the order at the end of the marketing year if the Secretary determines that—

(1) the suspension or termination of the order is favored by not less than a majority of those persons voting in a referendum under subsection (b); and

(2) the producers, producer-handlers, and importers comprising this majority produce and import more than 50 percent of the volume of limes produced and imported by those voting in the referendum.●

● Mr. MACK. Mr. President, I am introducing legislation today that will expand the U.S. market for limes.

This legislation will authorize a marketing order to be wholly supported by the lime growers. The objective of the marketing order is to create a self-help program for lime producers to promote and advertise their product. Such a program is permitted by the Agriculutural Marketing Agreement Act of 1937 and similar programs are used by many commodity producing groups in the United States. It is an effective way for producers to expand their markets without Federal supports or subsidies.

Mr. President, it is my hope that this legislation will benefit both lime growers and lime consumers in the United States, and I hope that my colleagues will support this bill.●

By Mr. CRANSTON (by request):

S. 1195. A bill to amend title 38, section 203(b), United States Code, to delete the requirement that settlements of claims in excess of $1 million on a construction contract be provided for specifically in an appropriation law, and to provide instead that the Secretary notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1 million; to the Committee on Veterans' Affairs.

DELETING A REQUIREMENT OF APPROVAL FOR CERTAIN VETERANS' AFFAIRS CONSTRUCTION SETTLEMENTS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 1195, to delete a requirement of specific congressional approval for the settlement for certain claims of Department of Veterans' Affairs construction contractors. The Secretary of Veterans' Affairs submitted this legislation by letter dated June 2, 1989, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the June 2, 1989, transmittal letter and the analysis of the proposed bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(b) of title 38, United States Code, is amended—

SEC. 2. By striking "and the settlement is provided for specifically in an appropriation law" after "Any funds appropriated to the Department of Veterans Affairs for the purposes of construction may be used for a settlement of more than $1,000,000 on a construction contract only if settlement is audited independently for reasonableness and appropriateness of expenditures" in subsection (b).

VOL 135 PT 9 JE 14 — 22 1989 UMI

SEC. 3. By inserting "The Secretary shall promptly notify the House and Senate Committees on Appropriations, in writing, of such settlements.", after the first sentence of subsection (b).

VETERANS' ADMINISTRATION,
Washington, DC, June 2, 1989.

Hon. DAN QUAYLE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To amend title 38, section 203(b), United States Code, to delete the requirements that settlement of claims in excess of $1,000,000 on a construction contract be provided for specifically in an appropriation law, and to provide instead that the Secretary notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1,000,000." It is requested that the bill be referred to the appropriate committee and that it be favorably considered for enactment.

This draft bill would allow the Department of Veterans Affairs (VA) to settle construction contract claims of more than $1,000,000 without obtaining a specific appropriation law by using any funds appropriated to the Department for purposes of construction. The Secretary would, however, notify each committee of the settlement action.

Under the current procedures it has taken up to 1 year or more for construction contract claims to be paid after the date of settlement. Substantial interest charges on the settlement amount accrue during the time it now takes to secure passage of the specific appropriation law. If the requirement for a specific appropriation law were deleted, the delay between settlement and payment of claims would be lessened. In instances where there were sufficient funds in the contract account, the payment would be expeditiously processed within the VA with notification of the settlement to Congress. If the contract does not contain sufficient funds, a reprogramming or request for new budget authority would be necessary. It has been the VA's experience that reprogrammings are acted upon by Congress within 30–45 days. If sufficient funds are not available in the working reserve for reprogramming, new budget authority would be requested to pay the settled claim. Under either process, Congress would continue to participate substantially in the payment of construction contract claims in excess of $1,000,000. However, unlike the current procedures, interest would not necessarily have to accure for an extended period of time if the notification and reprogramming option could be used.

The provision of title 38, section 203(b), United States Code, which requires that settlement cannot be made until the settlement is audited independently for reasonableness and appropriateness of expenditures would remain in effect. Therefore, all settlements would continue to be thoroughly analyzed and evaluated prior to payment.

This proposal would not produce any additional costs if enacted. Although substantial savings are expected to accrue, the amount cannot be determined with specificity because it will depend on unforeseeable factors. These include the number of claims filed, their amounts, the interest rate charged, and the period of time saved between settlement of such claims and their payment.

The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress from the standpoint of the Administration's program.

Sincerely yours,

EDWARD J. DERWINSKI,
Secretary.

ANALYSIS OF PROPOSED BILL

Section 1 of the draft bill provides that section 203(b) of title 38 shall be amended.

Section 2 of the draft bill would delete the requirement that a settlement of a contract claim in excess of $1,000,000 on a construction contract be provided for specifically in an appropriation law and allow the claim to be paid from any funds appropriated to the Department for purposes of construction. Enactment of this requirement would shorten the time between settlement and payment of such claims, and is expected to result in substantial cost savings through reduced interest charges which accrue on such claims.

Section 3 of the draft bill would add the requirement that the Secretary will promptly notify the House and Senate Committees on Appropriations, in writing, of construction contract claims settlements for more than $1,000,000. This would allow Congress to remain informed of the Department of Veterans Affairs' disposition of such settlements.

By Mr. LEVIN (for himself, Mrs. KASSEBAUM, Mr. SIMON, Mr. KENNEDY, Mr. ADAMS, Mr. BOREN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. LAUTENBERG, Mr. CHAFEE, Mr. COHEN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DURENBERGER, Mr. GORE, Mr. GRAHAM, Mr. HEINZ, Mr. KERRY, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MITCHELL, Mr. MOYNIHAN, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SPECTER, Mr. WIRTH, Mr. BRADLEY, Mr. BENTSEN, and Mr. ROBB):

S.J. Res. 157. Joint resolution designating June 16, 1989, as "Soweto Remembrance Day"; to the Committee on the Judiciary.

SOWETO REMEMBRANCE DAY

● Mr. LEVIN. Mr. President, June 16 marks the 13th anniversary of the tragic Soweto uprising. On that day, thousands of black high school students engaged in a peaceful demonstration against a government decree that required Afrikaans, the language of apartheid, to be used in black schools. The demonstration turned ugly when South African police suddenly opened fire, fatally shooting in the back 13-year-old Hector Peterson. The police action touched off further demonstrations by the people of Soweto. But the Government's response was even more police brutality, resulting in the vicious murder of hundreds of people, many of them children. The Government of South Africa reported a death toll of 600. More reliable sources reported over 1,000 killed and thousands more wounded and arrested.

Mr. President, to remind us of this tragedy and in an effort to keep public focus on the deteriorating situation in South Africa, I am today introducing with Senator KASSEBAUM and 32 of our colleagues, a joint resolution designating June 16, 1988, as "Soweto Remembrance Day." The resolution calls on the American people to participate in local activities designed to commemorate the victims of Soweto and to show solidarity with the courageous people of all races in South Africa and throughout the world who are fighting to end the evil of apartheid.

Mr. President, since the declaration of the 1985 state of emergency imposed by the Government of South Africa, more than 40,000 black South Africans, including over 12,000 children, have been detained indefinitely without charge or trial. The Government has also placed approximately 1,000 ex-detainees under virtually banning orders without charge or trial, and has sentenced almost 100 political activists to death.

On Friday, June 16, I hope that we remember Hector Peterson and the countless other South Africans who have died in the hope of creating a better society in South Africa.

I ask unanimous consent that the text of the resolution be printed in the RECORD.●

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 157

Whereas on June 16, 1976, the Soweto demonstrations and massacre took place in South Africa;

Whereas on that occasion, more than 1,000 children were brutally murdered, and an additional 5,000 wounded by South African police in one of the worst displays of state-sponsored terrorism of modern times;

Whereas these children were demanding that they be allowed to complete their education in English, and were protesting the government's decision to require that certain subjects be taught in Afrikaans;

Whereas these children were protesting the fact that they were not allowed to be educated in their native language in their land where their families have lived for generations;

Whereas the Republic of South Africa has become even more repressive, causing the deaths of more than 4,000 men, women, and children;

Whereas since the declaration of the 1985 State of Emergency, more then 40,000 black South Africans, including more than 12,000 children, have been detailed indefinitely without charge or trial by the Botha regime;

Whereas the Government of South Africa has placed approximately 1,000 ex-detainees under virtually banning orders without charge or trial, and has sentenced almost 100 political activists to death;

Whereas South Africa's State of Emergency is now in its fourth year, and the government has stated that it has no intention of relinquishing the virtually unlimited powers the State of Emergency confers; and

Whereas the apartheid system and its continued denial of basic human rights and freedoms to the black majority population of the Republic of South Africa offends the sensibilities of freedom-loving people and its repugnant to the ideals which our Nation's founders embraced in the Declaration of Independence, Constitution, and Bill of Rights: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) June 16, 1989, is hereby designated as "Soweto Remembrance Day".

(b) The citizens of the United States are encouraged to participate in local activities designed to commemorate the victims of Soweto and to show solidarity with the courageous people of all races in South Africa and throughout the world who are fighting to end the peril of apartheid.

ADDITIONAL COSPONSORS

S. 135

At the request of Mr. GLENN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 169

At the request of Mr. HOLLINGS, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 169, a bill to amend the National Science and Technology Policy, Organization, and Priorities Act of 1976 in order to provide for improved coordination of national scientific research efforts and to provide for a national plan to improve scientific understanding of the Earth system and the effect of changes in that system on climate and human well-being.

S. 247

At the request of Mr. METZENBAUM, the names of the Senator from Georgia [Mr. FOWLER] and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 247, a bill to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such Act, and for other purposes.

S. 355

At the request of Mr. RIEGLE, the names of the Senator from Pennsylvania [Mr. HEINZ], the Senator from Wyoming [Mr. WALLOP], and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 454

At the request of Mr. ROCKEFELLER, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 454, a bill to provide additional funding for the Appalachian development highway system.

S. 455

At the request of Mr. ROCKEFELLER, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 455, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 488

At the request of Mr. FOWLER, the names of the Senator from Nevada [Mr. REID] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 488, a bill to provide federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 511

At the request of Mr. INOUYE, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 511, a bill to recognize the organization known as the National Academies of Practice.

S. 565

At the request of Mr. CRANSTON, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 565, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 566

At the request of Mr. CRANSTON, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, and for other purposes.

S. 579

At the request of Mr. GLENN, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 579, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with an unobstructed view of certain areas under and alongside of the schoolbus, and for other purposes.

S. 771

At the request of Mr. REID, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 805

At the request of Mr. MCCLURE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 805, a bill to amend the Food Security Act of 1985 to permit certain school districts to receive assistance to carry out the school lunch program in the form of all cash assistance or all commodity letters of credit assistance.

S. 849

At the request of Mr. DASCHLE, the names of the Senator from North Dakota [Mr. BURDICK] and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 849, a bill to repeal section 2036(c) of the Internal Revenue Code of 1986, relating to valuation freezes.

S. 918

At the request of Mr. BOREN, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 918, a bill to enable producers of fresh mushrooms to develop, finance, and carry out a nationally coordinated program for fresh mushroom promotion, research, and consumer information, and for other purposes.

S. 1041

At the request of Mr. CONRAD, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1041, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers who realize capital gain on the transfer of farm property to satisfy an indebtedness, and for other purposes.

S. 1067

At the request of Mr. GORE, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from North Dakota [Mr. CONRAD] were added as a cosponsor of S. 1067, a bill to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing.

S. 1183

At the request of Mr. KENNEDY, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 1183, a bill to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries.

SENATE JOINT RESOLUTION 81

At the request of Mr. DIXON, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Tennessee [Mr. SASSER], the Senator from Tennessee [Mr. GORE], the Senator from Colorado [Mr. WIRTH], the Senator from Indiana [Mr. COATS], the Senator from Florida [Mr. GRAHAM], the Senator from Oregon [Mr. PACKWOOD], the Senator from Idaho [Mr. SYMMS], the Senator from Idaho [Mr.

VOL 135 PT 9 JE 14 — 22 1989 UMI

McCLURE], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Florida [Mr. MACK], and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through October 7, 1989, as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 111

At the request of Mr. CRANSTON, the names of the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DIXON], the Senator from Washington [Mr. ADAMS], the Senator from Texas [Mr. BENTSEN], the Senator from North Dakota [Mr. BURDICK], the Senator from North Dakota [Mr. CONRAD], the Senator from Tennessee [Mr. GORE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maine [Mr. MITCHELL], the Senator from New York [Mr. MOYNIHAN], the Senator from Virginia [Mr. ROBB], the Senator from New York [Mr. D'AMATO], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. LUGAR], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 111, a joint resolution to designate the week of October 8 through October 14, 1989, as "National Week of Commitment to Helping the Homeless."

SENATE JOINT RESOLUTION 132

At the request of Mr. SASSER, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Delaware [Mr. ROTH], the Senator from Arizona [Mr. DECONCINI], the Senator from California [Mr. CRANSTON], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 132, a joint resolution designating September 1 through September 30, 1989, as "National Alcohol and Drug Treatment Month."

SENATE JOINT RESOLUTION 143

At the request of Mr. HUMPHREY, the names of the Senator from Florida [Mr. MACK] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Joint Resolution 143, a joint resolution to designate the week of December 10, 1989 through December 16, 1989, as "National Drunk and Drugged Driving Awareness Week."

SENATE RESOLUTION 13

At the request of Mr. DOLE, the names of the Senator from Maine [Mr. COHEN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New York [Mr. D'AMATO], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of Senate Resolution 13, a resolution to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate.

SENATE CONCURRENT RESOLUTION 45—RELATING TO A WAIVER OF THE JACKSON-VANIK AMENDMENT WITH RESPECT TO THE SOVIET UNION

Mr. MOYNIHAN (for himself, Mr. MITCHELL, Mr. PACKWOOD, Mr. PELL, Mr. METZENBAUM, Mr. KENNEDY, Mr. BOSCHWITZ, Mr. KERRY, Mr. SIMPSON, Mr. DANFORTH, Mr. CRANSTON, and Mr. LEVIN) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 45

Whereas a sustained improvement in the number of citizens allowed to emigrate from the Union of Soviet Socialist Republics is clearly evident in recent months;

Whereas total emigration from the Soviet Union in 1988 exceeded that in any previous year, and the total emigration for the first 4 months of 1989 shows further improvement at an annualized rate of 134,000 persons and an annualized rate of 44,000 for Soviet Jews in particular;

Whereas it is clearly in the interest of all people of the United States to see these positive developments continued;

Whereas it is essential to the continued improvements of these circumstances in the Soviet Union that the United States positively acknowledge the liberalizing reforms that have taken place thus far;

Whereas the trade and financial sanctions (including the denial of nondiscriminatory treatment (MFN treatment)) imposed on the Soviet Union under section 402 of the Trade Act of 1974 (commonly known as the Jackson-Vanik amendment) may be waived if the President—

(1) determines that the waiver will substantially promote freedom of emigration in that country, and

(2) has received assurances that the emigration practices of the country will henceforth lead substantially to such freedom; and

Whereas the Congress anticipates significant Soviet progress on the cases of long-term refuseniks, resolution of the "poor relatives" problem, and strict limits on the "state secrets" restriction on emigration;

Whereas there are adequate safeguards for thereafter revoking such a waiver if the basis on which it is granted no longer obtains; and

Whereas the President has indicated his willingness to grant such a waiver if the Soviet Union codifies its emigration laws in compliance with international standards and implements those laws faithfully: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) That the Congress—

(1) is prepared to support a Presidential waiver of the Jackson-Vanik amendment with respect to the Soviet Union at such time as the President has received appropriate assurances that the Soviet government is firmly on a course toward sustained high levels of emigration and the removal of all unreasonable impediments to or against persons wishing to emigrate; and

(2) will continue to monitor with great interest Soviet efforts to institutionalize its liberalized emigration policy through law and practice.

● Mr. MOYNIHAN. Mr. President, I rise today to offer a concurrent resolution concerning the Jackson-Vanik amendment, and to help reaffirm the vision of Senator Henry M. Jackson of Washington.

Seventeen years have passed since Senator Jackson first proposed "an unprecedented measure to bring the blessings of liberty to these brave men and women who have asked only for the chance to find freedom in a new land."

It took Scoop Jackson 2 long years of painstaking effort to convince the Congress of the United States and eventually the administration to accept his proposition that our national defense should not be divided from the traditional American concern for human rights.

Scoop Jackson was my closest friend in the U.S. Senate. He often said that this legislation would only be deemed a success when the President could exercise the waiver provision.

Today, we will submit a concurrent resolution declaring that the Congress will support such a waiver "at such a time as the President has received the appropriate assurances that the Soviet Government is firmly on a course toward sustained high levels of emigration and removed all unreasonable impediments to or against persons wishing to emigrate."

At the same time, this concurrent resolution states that the Congress will "continue to monitor with great interest the Soviet efforts to institutionalize its liberalized emigration policy through law and practice."

The Soviet Government is well aware of our steadfastness on this issue. In August 1987, I headed a delegation of U.S. Senators who visited the Soviet Union as guests of the Supreme Soviet. We were granted the unusual honor of holding a live-press conference in Moscow at which a Soviet reporter asked when the Jackson-Vanik amendment might be waived. I replied that "anything less than the established and agreed fact by the community involved that those who wish to leave, have left or have serious prospects of leaving, would not warrant any change in our policy."

The increase in Soviet emigration since that time has been dramatic. When we visited Moscow, less than 500 Jews a month were leaving the Soviet Union. During the first 5 months of this year, some 55,000 Soviet citizens, including over 18,000 Jews, were permitted to leave the Soviet Union. Scoop Jackson spoke of an annual rate of 60,000 emigrants a year when he introduced his legislation. At the current rate of emigration the Soviets will be allowing over twice that number of individuals to emigrate during 1989.

The decision to submit today's concurrent resolution was not taken lightly. Members of Congress have consulted with the leadership of the National Conference on Soviet Jewry. We in New York have listened carefully to the sage counsel of our Coalition to Free Soviet Jews whose executive director, Zeesy Schnur, is with us this afternoon. I have spoken to those who worked with Scoop Jackson in formulating his original legislation and yesterday I called our dear friend Helen Jackson in Seattle to discuss this question with her.

Of course, the worldwide struggle for human rights is far from over. We remain deeply concerned about religious freedom within the Soviet Union. We will continue to press these concerns as we enter the long-awaited second phase of the Jackson-Vanik process—a phase that will hopefully lead to the speedy institutionalization of free emigration that we referred to during our Moscow press conference.●

SENATE CONCURRENT RESOLUTION 46—RELATING TO THE TREATMENT OF THE TURKISH MINORITY BY THE GOVERNMENT OF BULGARIA

Mr. DECONCINI submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 46

Whereas the Government of the People's Republic of Bulgaria is a signatory to the 1947 Paris Peace Treaty, the Universal Declaration on Human Rights by the United Nations, and the Helsinki Declaration of the Conference on Security and Cooperation in Europe;

Whereas the Helsinki Accords express the commitment of the participating states to respect the fundamental freedoms of conscience, religion, expression, and emigration, and to guarantee the rights of minorities;

Whereas the 1971 constitution of the People's Republic of Bulgaria declares that fundamental rights will not be restricted because of distinction of national origin, race, or religion, and guarantees monorities the right to study in their mother tongue and freely practice their religion;

Whereas despite its international obligations and constitutional guarantees, the Government of the People's Republic of Bulgaria has taken numerous steps to repress Turkish language and culture, including prohibiting the study of the Turkish language in schools, banning the use of the Turkish language in public, making the receipt and reading of Turkish publications a punishable act, and jamming the reception of Turkish radio and television programs in Bulgaria;

Whereas the right of the ethnic Turkish community to freedom of religion has been severely circumscribed by the Government of the People's Republic of Bulgaria, which has closed a number of mosques and barred the importation of copies of the Koran;

Whereas emigration by ethnic Turks and others has been banned with only a few exceptions;

Whereas beginning in December 1984, the Bulgarian authorities forced the Turkish minority of change their Turkish names to Bulgarian ones, and hundreds of ethnic Turks were killed, injured, or arrested by Bulgarian forces in 1984 and 1985 when they protested this new policy;

Whereas the Bulgarian authorities have used both force and Coercion to resettle ethnic Turks from their local villages to areas in Bulgaria with small Turkish populations;

Whereas in May, 1989, Bulgarian troops and police attacked ethnic Turks and others who were peacefully demonstrating against their discriminatory treatment in Bulgaria;

Whereas hundreds of demonstrators were killed or wounded in these attacks, and hundreds more were arrested; and

Whereas since these demonstrations, the Government of the People's Republic of Bulgaria has forcibly expelled or coerced into emigrating to Turkey thousands of ethnic Turks without either their money or their possessions, often resulting in the separation of families: Now, therefore, be it

Resolved by the Senate (House of Representatives, concurring), the Congress—

(1) strongly condemns the brutal treatment of, and blatant discrimination against, the Turkish minority by the Government of the People's Republic of Bulgaria;

(2) calls upon the Bulgarian authorities to immediately cease all discriminatory practices against this community and to release all ethnic Turks and others currently imprisoned because of their participation in nonviolent political acts;

(3) calls upon the Bulgarian Government to honor its obligations and public statements concerning the right of all Bulgarian citizens to emigrate freely; and

(4) urges the President and Secretary of State to make strong diplomatic representations to Bulgaria protesting its discriminatory treatment of its Turkish minority and to raise this issue in all appropriate international fora, including the Conference on Security and Cooperation in Europe meeting on the environment in Sofia, Bulgaria, this year.

● Mr. DECONCINI. Mr. President, as chairman of the Commission on Security and Cooperation in Europe, I am introducing today a resolution condemning Bulgaria's treatment of its ethnic Turkish minority. The resolution calls upon the Bulgarian Government to honor its obligations and public statements concerning the right of all Bulgarian citizens to emigrate freely. It also urges the administration to make strong diplomatic representations to Bulgaria protesting its discriminatory treatment of its Turkish minority and to raise this issue in all international fora, including the Conference on Security and Cooperation in Europe meeting on the environment, which will take place this fall in Sofia, Bulgaria. A similar resolution is being introduced in the House by my distinguished colleagues and friends STEVEN SOLARZ of New York and STENY HOYER, Cochairman of the Commission.

As demands for pluralism and liberalization spread throughout the Soviet Union, the nationalities question is becoming increasingly salient. The world is watching to see how the Soviets will reconcile nationalist aspirations that may threaten the Communist Party's control with the need to decentralize the economy. The world, however, is paying far less attention to the desperate struggle going on in Bulgaria between the Government and the ethnic Turkish community. While the national minorities in the Soviet Union are working to expand their political and civil rights, approximately 1 million ethnic Turks of Bulgaria are fighting to keep the Government from encroaching any further upon their basic human rights.

Since the 1950's, Butgaria has been waging a campaign to assimilate forcibly its ethnic Turkish minority. In the early 1950's, there were more than 1,000 Turkish schools in Bulgaria; there are none today. Similarly, the number of imams, Muslim religious leaders, in Bulgaria exceeded 1,800 in the 1950's; now the number has been whittled down to about 500.

In 1984, the regime accelerated its assimilation campaign, compelling the Turkish-speaking minority, sometimes at gunpoint, to adopt Bulgarian names. Those who refused were imprisoned. In 1985, the Government stated that the restoration of Bulgarian names had been "safely completed."

Despite the implementation of the name change campaign, the Turkish minority has not submitted to Bulgarization. Consequently, the Government continues to institute repressive measures that seek to destroy the community's cultural and religious identity. The use of Turkish language is prohibited and punishable by fine. Most of Bulgaria's mosques have been closed, and Muslim rites such as circumcisions, weddings, and burials are severely restricted or forbidden. Religious education of children is also prohibited and the Koran is not published in Bulgaria nor can it be imported. Restrictions on travel outside of Bulgaria make it virtually impossible for the ethnic Turks to participate in the Hadj, the annual pilgrimage to Mecca which all Muslims are supposed to make at least once in their lifetime.

Those who protest assimilation or attempt to practice Islam beyond very narrow limitations are punished. In reaction to this harsh policy, ethnic Turks participated in demonstrations in Bulgaria last month. These protests were violently dispersed by security forces. Estimates of the casualties go as high as 30 ethnic Turks killed and hundreds wounded.

Since May 25, several thousand members of the Turkish minority have been separated from their families and forcibly deported from Bulgaria, with no warning and no compensation for the property and valuables left behind.

Mr. President, incredibly, the assimilation campaign in Bulgaria has been

29-059 O-90-10 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

going on since the 1950's without attracting a good deal of attention from the outside world. That was partly because it was difficult to get information from Bulgaria, due to the Government's rigid control of who and what enters and leaves the country. It was also because human rights were not accepted as a legitimate area of international concern, with many countries viewing the issue as a strictly internal affair.

Both of those factors have changed. While information is still sometimes hard to come by in Bulgaria, there are enough reports from Western diplomats and Bulgarian emigres to give us a reliable picture. As for human rights, most of the world community now insists that they are a proper and fitting issue for international scrutiny, comment, and action.

The international community has not been vocal enough in expressing its outrage against Bulgaria's violations of the human rights of its ethnic Turkish citizens. We must do more: the urgency of the Turkish minority's plight demands it; our own sense of humanity requires it.

Mr. President, I ask unanimous consent that the text of my resolution and the June 15, 1989, Washington Post article, entitled "Thousands of Ethnic Turks Deported in Bulgarian Assimilation Campaign," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 15, 1989]

THOUSANDS OF ETHNIC TURKS DEPORTED IN BULGARIAN ASSIMILATION CAMPAIGN

(By Thomas Goltz)

EDIRNE, TURKEY.—Thousands of ethnic Turks uprooted and expelled by Bulgarian authorities are streaming across the border into Turkey as the Sofia government presses its five-year-old draconian campaign to assimilate its large Turkish minority into the Bulgarian cultural mainstream.

The mass deportations are apparently the latest response from Bulgarian authorities to demonstrations by ethnic Turks in recent weeks in protest of assimilation decrees forcing the 900,000-member Turkish minority to accept new identities as "Bulgarian Moslems" and outlawing the use of Turkish names, language and dress.

Deportees and diplomatic sources said that a number of protest demonstrations and other displays of civil disobedience were broken up violently by Bulgarian police and troops, leaving an undetermined number of civilians fatally injured. While Bulgarian officials acknowledge that about a half-dozen civilians had been killed in the bloody crackdown, the London-based human-rights monitoring group Amnesty International put the figure at about 100.

The U.S. State Department has estimated the number of ethnic Turks expelled from Bulgaria since the protest began at more than 3,000 but Turkish border officials say they have accepted at least six or seven times that many, with no end in sight.

The Bulgarian ambassador in Washington has been summoned to the State Department three times recently to hear official protests of his government's actions, and U.S. officials this week canceled a scheduled visit to Washington by a Bulgarian deputy trade minister.

U.S. Embassy officials in Sofia, meanwhile, have requested formal discussions with the Bulgarian government on the issue under human-rights provisions of the multinational Conference on Security and Cooperation, and ambassadors to both the European Community and NATO have been meeting to discuss a possible joint response.

On Tuesday, the State Department issued a new statement condemning "Bulgaria's violent actions against its ethnic Turkish minority." The statement noted that there have been "numerous deaths and injuries," that "tanks have entered villages, and government forces have fired on peaceful demonstrators." It called upon Bulgaria to "cease [such actions] at once."

Bulgaria, which began the assimilation campaign in late 1984 and declared it complete two months later, has long rejected such criticism, maintaining that its so-called ethnic Turkish minority—about 10 percent of the total population—are not Turks at all but Bulgars whose forebears were forced to embrace Islam during the 500 years the region was part of the Ottoman Empire. In March of 1985, Bulgarian officials announced that there was "not one Turk" left in the country, but resistance to the cultural incorporation has persisted, chiefly in large ethnic Turkish communities in the east and south.

Many of the ethnic Turks crossing the border here said they were allowed no more than 24 hours to pack their possessions and leave after being given passports valid only for Turkey. A number said they were obliged to leave property, bank accounts and family members behind in a headlong rush to the border.

"It is theft by the state," said Mehmet Yusufoglu, 47, an electrician who crossed with his medical-student son and a group of other students. "They told me that if I didn't take part in the demonstrations they would let me go, and so I started packing my bags and keeping my head low. I went to the bank and drew out all my savings. Then at the frontier they forced me to leave 3,500 leva ($1,700) at customs and told me I could claim it when I came back, although they knew perfectly well that I never want to see this place again."

Yusufoglu's son, Sefket, said that neither he nor any of his medical-student friends participated in any of the anti-assimilation demonstrations, but that they, too, were being forced out of the country. "If they are kicking out people like myself, it means they intend to kick out all the Turks," he said.

Another deportee, Celattin Kader, said: "I didn't march, I didn't fast. I didn't do anything. My only crime was that I wanted to keep my Turkish name. Well, now I have it."

Under the crush of refugees the area around the border gate at Kapikule looks like it was hit by a tornado. Scattered over three acres lie the detritus of uprooted lives—metal bed frames piled at crazy angles atop dressers and portable clothes cabinets. Here and there exhausted mothers huddle under tents made of carpets and blankets feeding their children, while husbands and brothers roam through the ruins searching for friends and family.

Their stories are monotonous in their Kafkaesque quality. Knocks on the door in the middle of the night, anonymous security men handing out passports to Turks made out to their new Slavic names along with threats that if they weren't used, worse would come.

"There's no one left in our village," said one man from Varna Province near the Black Sea. "We were 500 families on Friday, and they said we all had to go. We left, leaving everything behind.●

SENATE RESOLUTION 145—CONGRATULATING WICHITA STATE UNIVERSITY ON WINNING THE 1989 NCAA BASEBALL CHAMPIONSHIP

Mr. DOLE (for himself and Mrs. KASSEBAUM) submitted the following resolution; which was considered and agreed to:

S. RES. 145

Whereas the Wichita State University baseball team once again battled its way to the College World Series;

Whereas the Shockers from Wichita fought off elimination six times during the tournament despite injuries and having to win their way through the toughest brackets;

Whereas Coach Gene Stephenson and his talented Wichita State Baseball players showed America that "Field of Dreams" isn't only a movie. It's a baseball diamond in Omaha, Nebraska where the indomitable shockers won the College World Series; now, therefore, be it

Resolved, That the United States Senate recognizes and congratulates the Wichita State University baseball team for its thrilling achievement in winning the 1989 NCAA baseball crown.

SENATE RESOLUTION 146—AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF A COMPILATION OF EULOGIES OF THE LATE SENATOR WARREN G. MAGNUSON

Mr. ADAMS submitted the following resolution; which was considered and agreed to:

S. RES. 146

Resolved, That there shall be printed as a Senate document a collection of statements made in tribute to the late Senator Warren G. Magnuson and published in the Congressional Record, together with appropriate illustrations and other materials relating to his death. In addition to the usual number, there shall be printed, for the use of the Senate, the lesser of 300 copies or such number as does not exceed a cost of $1,200.

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE SERVICES

MITCHELL (AND OTHERS) AMENDMENT NO. 196

Mr. MITCHELL (for himself, Mr. DODD, Mr. HATCH, Mr. KENNEDY, Mr. CHAFEE, Ms. MIKULSKI, Mr. BYRD, Mr. ROBB, Mr. JEFFORDS, Mr. GORE, Mr.

PELL, Mr. KERREY, Mr. KOHL, Mr. DECONCINI, Mr. DASCHLE, Mr. LIEBERMAN, Mr. KERRY, Mr. MOYNIHAN, Mr. BRYAN, Mr. BIDEN, Mr. INOUYE, Mr. LEVIN, Mr. WIRTH, Mr. SIMON, and Mr. EXON) proposed an amendment to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Act for Better Child Care Services of 1989".

(b) TABLE OF CONTENTS.—

TITLE I—CHILD CARE SERVICES

Sec. 101. Short title.
Sec. 102. Findings and purposes.
Sec. 103. Definitions.
Sec. 104. Authorization of appropriations.
Sec. 105. Amounts reserved; allotments.
Sec. 106. Lead agency.
Sec. 107. Application and plan.
Sec. 108. Special rules for use of State allotments.
Sec. 109. Planning grants.
Sec. 110. Continuing eligibility of States.
Sec. 111. State advisory committee on child care.
Sec. 112. Resource and referral programs.
Sec. 113. Training and technical assistance.
Sec. 114. Child care public-private partnership.
Sec. 115. Federal administration of child care.
Sec. 116. Federal enforcement.
Sec. 117. Payments.
Sec. 118. National Advisory Committee on Recommended Child Care Standards.
Sec. 119. Child care standards improvement incentive grant program.
Sec. 120. National study on child care standards.
Sec. 121. Limitations on use of financial assistance for certain purposes.
Sec. 122. Nondiscrimination.
Sec. 123. Preservation of parental rights and responsibilities.
Sec. 124. Child care liability risk retention group.
Sec. 125. Head Start Act authorization of appropriations.

TITLE II—INTERNAL REVENUE CODE PROVISIONS

Sec. 201. Short title.

SUBTITLE A—TAX CREDIT FOR CERTAIN HEALTH INSURANCE PREMIUMS AND CHILD CARE

Sec. 211. Credit for health insurance premium costs.
Sec. 212. Dependent care and health insurance premium credit made refundable.
Sec. 213. Modifications of dependent care credit.
Sec. 214. Study of advance payments.
Sec. 215. Program to increase public awareness.
Sec. 216. Demonstration projects to extend health insurance to children not covered by public or private health programs.

SUBTITLE B—EMPLOYEE BENEFIT NONDISCRIMINATION RULES

Sec. 221. 1-year delay in application of section 89 rules.
Sec. 222. Revision of antidiscrimination rules for certain employee benefit plans for years beginning after 1989.
Sec. 223. Other provisions relating to nontaxable benefits.
Sec. 224. Study of section 89.

SUBTITLE C—OTHER REVENUE PROVISIONS

Sec. 231. Permanent extension of telephone excise tax.
Sec. 232. Estimated tax payments required for S corporations.

TITLE I—CHILD CARE SERVICES

SEC. 101. SHORT TITLE.

This title may be cited as the "Act for Better Child Care".

SEC. 102. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of children living in homes where both parents work, or living in homes with a single parent who works, has increased dramatically over the last decade;

(2) the availability of quality child care is critical to the self-sufficiency and independence of millions of American families, including the growing number of mothers with young children who work out of economic necessity;

(3) high quality child care programs can strengthen our society by providing young children with the foundation on which to learn the basic skills necessary to be productive workers;

(4) the years from birth to age 6 are a critical period in the development of a young child;

(5) a significant number of parents do not have a real choice as they seek adequate child care for their young children because of limited incomes, insufficient State child care standards, and the inadequate supply of child care services in their community;

(6) high quality early childhood development programs provided during such period are cost effective because such programs can reduce the chances of juvenile delinquency and adolescent pregnancy and can improve the likelihood that children will finish high school and become employed;

(7) the number of quality child care arrangements falls far short of the number required for children in need of child care services;

(8) the rapid growth of participation in the labor force by mothers of children under the age of 1 has resulted in a critical shortage of quality child care arrangements for infants and toddlers;

(9) the lack of available child care services results in many preschool and school-age children being left without adequate supervision for significant parts of the day;

(10) many working parents who are unable to afford adequate child care services do not receive adequate financial assistance for such services from employers or public sources;

(11) because of the lack of affordable child care, a large number of parents are not able to work or to seek the training or education they need to become self sufficient;

(12) making adequate child care services available for parents who are employed, seeking employment, or seeking to develop employment skills promotes and strengthens the well-being of families and the national economy;

(13) the payment of the exceptionally low salaries to child care workers adversely affects the quality of child care services by making it difficult to retain qualified staff;

(14) several factors result in the shortage of quality child care options for children and parents, including—

(A) the inability of parents to pay for child care services;

(B) the lack of up-to-date information on child care services;

(C) the lack of training opportunities for staff in child care programs;

(D) the high rate of staff turnover in child care facilities; and

(E) the wide differences among the States in child care licensing and enforcement policies; and

(15) improved coordination of child care services will help to promote the most efficient use of child care resources.

(b) PURPOSES.—The purposes of this title are—

(1) to build on and to strengthen the role of the family by seeking to ensure that parents are not forced by lack of available programs or financial resources to place a child in an unsafe or unhealthy child care facility or arrangement;

(2) to promote the availability and diversity of quality child care services to expand child care options available to all families who need such services;

(3) to provide assistance to families whose financial resources are not sufficient to enable such families to pay the full cost of necessary child care services;

(4) to lessen the chances that children will be left to fend for themselves for significant parts of the day;

(5) to improve the productivity of parents in the labor force by lessening the stresses related to the absence of adequate child care services;

(6) to provide assistance to States to improve the quality of, and coordination among, child care programs;

(7) to increase the opportunities for attracting and retaining qualified staff in the field of child care to provide high quality child care services to children; and

(8) to strengthen the competitiveness of the United States by providing young children with a sound early childhood development experience.

SEC. 103. DEFINITIONS.

As used in this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of Child Care appointed under section 115(a).

(2) CAREGIVER.—The term "caregiver" means an individual who provides a service directly to an eligible child on a person-to-person basis.

(3) CENTER-BASED CHILD CARE PROVIDER.—The term "center-based child care provider" means a child care provider that provides child care services in a nonresidential facility.

(4) CHILD CARE CERTIFICATE.—The term "child care certificate" means a certificate that is issued by the State to parents who may use such certificate only as payment for child care services for an eligible child and that provides to an eligible child care provider a right to payment for such services at the same rate charged by that provider for comparable services to children whose parents are not eligible for certificates under this title or for child care assistance under any other Federal or State program.

(5) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" has the meaning given such term by section 4(5) of the Job Training and Partnership Act (29 U.S.C. 1503(5)).

(6) ELEMENTARY SCHOOL.—The term "elementary school" means a day or residential school that provides elementary education, as determined under State law.

(7) ELIGIBLE CHILD.—The term "eligible child" means an individual—

(A) who is less than 16 years of age;

(B) whose family income does not exceed 100 percent of the State median income for a family of the same size; and

(C) who—

(i) resides with a parent or parents who are working, seeking employment, or enrolled in a job training or educational program; or

(ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i).

(8) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that—

(i) is licensed or regulated under State law;

(ii) satisfies—

(I) the Federal requirements; and

(II) the State and local requirements;

applicable to the child care services it provides; and

(iii) not later than 3 years after the date of enactment of this title, complies with State standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such provider; or

(B) a child care provider that is 18 years of age or older who provides child care services only to an eligible child who is, by affinity or consanguinity, the grandchild, niece, or nephew of such provider, if such provider complies with any State requirements that govern child care provided by relatives.

(9) FAMILY CHILD CARE PROVIDER.—The term "family child care provider" means 1 individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, and in the private residence of such individual.

(10) FAMILY SUPPORT SERVICES.—The term "family support services" means services that assist parents by providing support in parenting and by linking parents with community resources and with other parents.

(11) FULL-WORKING-DAY.—The term "full-working-day" means at least 10 hours per day.

(12) GROUP HOME CHILD CARE PROVIDER.—The term "group home child care provider" means 2 or more individuals who jointly provide child care services for fewer than 24 hours per day and in a private residence.

(13) HANDICAPPING CONDITION.—The term "handicapping condition" means any condition set forth in section 602(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1401(a)(1)) or section 672(1) of the Education of the Handicapped Act (20 U.S.C. 1471(a)).

(14) INDIAN TRIBE.—The term "Indian tribe" has the meaning given it in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b)).

(15) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 481(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1)), except that with respect to a tribally controlled community college such term has the meaning given it in section 2(a)(5) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(5)).

(16) LEAD AGENCY.—The term "lead agency" means the agency designated under section 106(a).

(17) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given that term in section 198(a)(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2854(a)(10)).

(18) PARENT.—The term "parent" includes a legal guardian or other person standing in loco parentis.

(19) SCHOOL-AGE CHILD CARE SERVICES.—The term "school-age child care services" means child care services that are—

(A) provided during such times of the school day when regular instructional services are not in session; and

(B) not intended as an extension of or replacement for the regular academic program, but are intended to provide an environment which enhances the social, emotional, and recreational development of children of school age;

(20) SECONDARY SCHOOL.—The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(21) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services unless the context specifies otherwise.

(22) SCHOOL FACILITIES.—The term "school facilities" means classrooms and related facilities used to provide education.

(23) SLIDING FEE SCALE.—The term "sliding fee scale" means a system of cost sharing between the State and a family based on income and size of the family.

(24) STATE.—The term "State" means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.

(25) UNIT OF GENERAL PURPOSE LOCAL GOVERNMENT.—The term "unit of general purpose local government" means any city, county, town, township, parish, village, a combination of such general purpose political subdivisions including those in two or more States, or other general purpose political subdivisions of a State.

(26) TRIBAL ORGANIZATION.—The term "tribal organization" has the meaning given it in section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c)).

(27) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the meaning given it in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

SEC. 104. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this title, other than section 122, there are authorized to be appropriated $1,750,000,000 for the fiscal year 1990 and such sums as may be necessary in each of the fiscal years 1991 through 1994.

(b) STANDARDS IMPROVEMENT INCENTIVE GRANT PROGRAM.—Of the amounts appropriated in each of the fiscal years 1993 and 1994 under subsection (a), the Secretary shall make available 10 percent of such amounts in each such fiscal year to make grants under section 119. In no event shall amounts made available under this subsection be less than $35,000,000 nor more than $75,000,000 in each such fiscal year.

(c) CHILD CARE LIABILITY RISK RETENTION GROUP.—

(1) IN GENERAL.—To carry out section 122, there are authorized to be appropriated $100,000,000 for fiscal year 1990.

(2) AMOUNTS TO REMAIN AVAILABLE.—The amounts appropriated pursuant to paragraph (1) shall remain available for assistance to States for fiscal years 1990, 1991, and 1992 without limitation.

SEC. 105. AMOUNTS RESERVED; ALLOTMENTS.

(a) AMOUNTS RESERVED.—

(1) TERRITORIES AND POSSESSIONS.—The Secretary shall reserve not to exceed one half of 1 percent of the amount appropriated under section 104(a) in each fiscal year for payments to Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau, to be allotted in accordance with their respective needs.

(2) INDIANS.—The Secretary shall reserve an amount, not less than 1.5 percent and not more than 3 percent of the amount appropriated under section 104(a) in each fiscal year, to carry out subsection (c) regarding Indian children.

(b) STATE ALLOTMENT.—

(1) GENERAL RULE.—From the remainder of the sums appropriated under section 104(a) for each fiscal year, the Secretary shall allot to each State (excluding jurisdictions referred to in subsection (a)(1)) an amount equal to the sum of—

(A) an amount that bears the same ratio to 50 percent of such remainder as the product of the young child factor of the State and the allotment percentage bears to the sum of the corresponding products for all States; and

(B) an amount that bears the same ratio to 50 percent of such remainder as the product of the school lunch factor of the State and the allotment percentage bears to the sum of the corresponding products for all the States.

(2) YOUNG CHILD FACTOR.—The term "young child factor" means the ratio of the number of children in the State who are less than 5 years of age to the number of children in all the States who are less than 5 years of age.

(3) SCHOOL LUNCH FACTOR.—The term "school lunch factor" means the ratio of the number of children in the State who are receiving free or reduced price lunches under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) to the number of children in all the States who are receiving free or reduced price lunches under such program.

(4) ALLOTMENT PERCENTAGE.—

(A) IN GENERAL.—The allotment percentage for a State is determined by dividing—

(i) the per capita income of all individuals in the United States; by

(ii) the per capita income of all individuals in the State.

(B) LIMITATIONS.—If a sum determined under subparagraph (A)—

(i) exceeds 1.2, then the allotment percentage of that State shall be considered to be 1.2; and

(ii) is less than 0.8, then the allotment percentage of the State shall be considered to be 0.8.

(C) PER CAPITA INCOME.—For purposes of subparagraph (A), per capita income shall be—

(i) determined at 2-year intervals;

(ii) applied for the 2-year period beginning on October 1 of the first fiscal year beginning on the date such determination is made; and

(iii) equal to the average of the annual per capita incomes for the most recent period of 3 consecutive years for which satisfactory data are available from the Department of Commerce at the time such determination is made.

(c) PAYMENTS FOR THE BENEFIT OF INDIAN CHILDREN.—

(1) TRIBAL ORGANIZATIONS.—From the funds reserved under subsection (a)(2), the Secretary may, upon the application of a Indian tribe or tribal organization enter into a contract with, or make a grant to such Indian tribe or tribal organization for a period of 3 years, subject to satisfactory performance, to plan and carry out programs and activities that are consistent with this title. Such contract or grant shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) and shall be conducted in accordance with sections 4, 5, and 6 of the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 655-657), that are relevant to such programs and activities.

(2) INDIAN RESERVATIONS.—In the case of an Indian tribe in a State other than the States of Oklahoma, Alaska, and California, such programs and activities shall be carried out on the Indian reservation for the benefit of Indian children.

(3) STANDARDS.—The Secretary shall establish, through the application process, standards applicable to child care services provided under such programs and activities. For purposes of establishing such standards, the Secretary shall take into consideration—

(A) the codes, regulations, and cultural factors of the Indian tribe involved, as expressed by such tribe or the tribal organization that represents such tribe; and

(B) the State standards, and licensing and regulatory requirements applicable to child care services provided in the State in which such program and activities are carried out.

(4) AVAILABILITY OF STATE CHILD CARE SERVICES.—For the purpose of determining whether to approve an application for a contract or grant under this subsection, the Secretary shall take into consideration the availability of child care services provided in accordance with this title by the State in which the applicant proposes to carry out a program to provide child care services.

(5) RULE OF CONSTRUCTION.—This subsection shall not be construed—

(A) to limit the eligibility of any individual to participate in any program carried out with assistance received under this title by a State; or

(B) to modify any requirement imposed on a State by any provision of this title.

(6) COORDINATION.—To the maximum extent practicable, the applicant for a grant or contract under this subsection and the State in which the applicant is located shall coordinate with each other their respective child care programs and activities, including child care programs and activities carried out with assistance received under this title.

(d) DATA AND INFORMATION.—The Secretary shall obtain from each appropriate Federal agency, the most recent data and information necessary to determine the allotments provided for in subsection (b).

(e) REALLOTMENTS.—

(1) IN GENERAL.—Any portion of the allotment under subsection (b) to a State that the Secretary determines is not required to carry out a State plan approved under section 107(d), in the period for which the allotment is made available, shall be reallotted by the Secretary to other States in proportion to the original allotments to the other States.

(2) LIMITATIONS.—

(A) REDUCTION.—The amount of any reallotment to which a State is entitled to under paragraph (1) shall be reduced to the extent that it exceeds the amount that the Secretary estimates will be used in the State to carry out a State plan approved under section 107(d).

(B) REALLOTMENTS.—The amount of such reduction shall be similarly reallotted among States for which no reduction in an allotment or reallotment is required by this subsection.

(3) AMOUNTS REALLOTTED.—For purposes of any other section of this title, any amount reallotted to a State under this subsection shall be considered to be part of the allotment made under subsection (b) to the State.

(f) DEFINITION.—For the purposes of this section, the term "State" means any of the several 50 States, the District of Columbia, or the Commonwealth of Puerto Rico.

SEC. 106. LEAD AGENCY.

(a) DESIGNATION.—The chief executive officer of a State desiring to participate in the program authorized by this title shall designate, in an application submitted to the Secretary under section 107(a), an appropriate State agency that meets the requirements of subsection (b) to act as the lead agency.

(b) REQUIREMENTS.—

(1) ADMINISTRATION OF FUNDS.—The lead agency shall have the capacity to administer the funds provided under this title to support programs and services authorized under this title and to oversee the plan submitted under section 107(b).

(2) COORDINATION.—The lead agency shall have the capacity to coordinate the services for which assistance is provided under this title with the services of other State and local agencies involved in providing services to children.

(3) ESTABLISHMENT OF POLICIES.—The lead agency shall have the authority to establish policies and procedures for developing and implementing interagency agreements with other agencies of the State to carry out the purposes of this title.

(c) DUTIES.—The lead agency shall—

(1) assess child care needs and resources in the State, and assess the effectiveness of existing child care services and services for which assistance is provided under this title or under other laws, in meeting such needs;

(2) develop a plan designed to meet the need for child care services in the State for eligible children, including infants, preschool children, and school-age children, giving special attention to meeting the needs for services for low-income children, migrant children, children with a handicapping condition, foster children, children in need of protective services, children of adolescent parents who need child care to remain in school, and children with limited English-language proficiency;

(3) develop, in consultation with the State advisory committee on child care established under section 111, the State plan submitted to the Secretary under section 107(b);

(4) hold hearings, in cooperation with such State advisory committee on child care, annually in the State in order to provide to the public an opportunity to comment on the provision of child care services in the State under the proposed State plan;

(5) assist the chief executive officer in making such periodic reports to the Secretary as the Secretary may by rule require;

(6) coordinate the provision of services under this title with—

(A) other child care programs and services, and with educational programs, for which assistance is provided under any State, local, or other Federal law, including the State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.); and

(B) other appropriate services, including social, health, mental health, protective, and nutrition services, available to eligible children under other Federal, State, and local programs;

(7) as appropriate, identify resource and referral programs for particular geographical areas in the State that meet the requirements of section 112; and

(8) establish in accordance with subsection (d)(1) several local advisory councils that collectively represent the entire geographical area in the State.

(d) LOCAL ADVISORY COUNCILS.—

(1) APPOINTMENT.—Each local advisory council established under subsection (c)(8) shall be composed of individuals who are collectively representative of the local geographical area for which they are appointed and of the ethnic characteristics of the population of such area. Such council shall be composed of individuals appointed from among the following:

(A) Parents of preschool children.

(B) Parents of school-age children.

(C) Individuals who are child care providers.

(D) The heads of Head Start agencies.

(E) The heads of local public agencies that provide social services or human resources.

(F) The heads of local education agencies.

(G) The heads of local public health agencies.

(H) The heads of resource and referral agencies.

(I) Individuals engaged locally in business.

(J) Representatives of units of local purpose government.

(K) Local representatives of nonprofit private organizations that provide funds for social services or human resources.

(L) Representatives of groups that engage in private activities relating to providing child care services.

(2) DUTIES.—Each local advisory council shall—

(A) assess the extent to which there is an unsatisfied need for child care services in the geographical area for which such council is appointed;

(B) submit to the lead agency, not less frequently than biennially, a report identifying the results of the implementation in such area of the State plan included in the application submitted under section 107;

(C) recommend to the lead agency the uses for which assistance received under this subchapter by the State should be expended in such area, and with respect to each such use, the amount of such funds that should be so expended;

(D) advise local child care providers regarding the means to collectively obtain training, supplies, and insurance relating to providing child care services; and

(E) otherwise assist the lead agency, and the State advisory committee on child care established under section 111 to carry out their respective duties.

(3) ADMINISTRATIVE SUPPORT.—The lead agency shall provide to such council such funds, and administrative support services

(including personnel) directly or by contract, as the State determines necessary to enable such council to carry out its duties.

(4) CONFLICTS OF INTEREST.—A member of such council may not cast a vote on any matter that—

(A) may result in a financial benefit to such member; or

(B) under Federal, State, or local law would create or appear to create a conflict of interest if such vote were cast by such member.

(5) PUBLIC AWARENESS OF COUNCIL PARTICIPATION.—The Secretary shall require by rule that residents of each geographical area for which a local advisory council is appointed are informed of the opportunity to be appointed to such council.

SEC. 107. APPLICATION AND PLAN.

(a) APPLICATION.—To be eligible to receive assistance under this title, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require by rule.

(b) PLAN.—The application of a State submitted under subsection (a) shall include an assurance that the State will comply with the requirements of this title and a State plan that is designed to be implemented during a 3-year period and that meets the requirements of subsection (c).

(c) REQUIREMENTS OF A PLAN.—

(1) LEAD AGENCY.—The State plan contained in the application submitted under subsection (a), shall identify the lead agency designated in accordance with section 106(a).

(2) ADVISORY BODIES.—The plan shall demonstrate that the State will establish in accordance with section 111 a State advisory committee on child care.

(3) POLICIES AND PROCEDURES.—The plan shall set forth policies and procedures designed to ensure all of the following:

(A) That, to the maximum extent practicable—

(i) the parents of each eligible child who will receive child care services for which assistance is provided under paragraph (4) are permitted to select the eligible child care provider that will provide such services to such child; and

(ii) if the State places such child under the methods provided in section 108(a)(1)(A) or (B), the State will attempt to place such child with the eligible child care provider selected by such parents.

(B) That—

(i) all providers of child care services for which assistance is provided under this title comply with all licensing or regulatory requirements (including registration requirements) applicable under State and local law; and

(ii) such requirements are imposed and enforced by the State uniformly on all licensed and regulated child care providers within the same category of care.

This subparagraph shall not be construed to prohibit a State from imposing more stringent standards or requirements on child care providers who provide services for which assistance is provided under this title and who also receive State funds under any other law to provide child care services under a contract or other arrangement with the State.

(C) That procedures will be established to ensure that child care providers receiving assistance under this title or under other publicly-assisted child care programs comply, not later than 3 years after the date of enactment of this title, with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers, and comply with all applicable State and local licensing or regulatory requirements (including registration requirements).

(D) That the State will not—

(i) reduce the categories of child care providers licensed or regulated by the State on the date of enactment of this title; or

(ii) reduce the level of standards applicable to child care services provided in the State and to the matters specified in sections 113(a) and 118(d) unless the State, with the concurrence of the State advisory committee established under section 111, requests a waiver of this subparagraph and demonstrates, to the satisfaction of the Secretary, that the proposed reduction is necessary to increase access to and availability of eligible child care providers and will not jeopardize the health and safety of children.

(E) That funds received under this title by the State will be used only to supplement, not to supplant, the amount of Federal, State, and local funds expended for the support of child care services and related programs in the State, except that States may use existing expenditures in support of child care services to satisfy the State matching requirement under section 117(b), but in no event shall such expenditures be used to satisfy the matching requirements of any other Federal program.

(F) That for each fiscal year the State will use an amount not to exceed 8 percent of the amount of funds received under section 105 by the State for such fiscal year to administer the State plan.

(G) That the State will pay funds under this title to eligible child care providers in a timely fashion to ensure the continuity of child care services to eligible children.

(H) That resource and referral services will be made available to families in the State.

(I) That each eligible child care provider described in section 103(8)(A) who provides services for which assistance is provided under paragraph (4)—

(i) gives priority for provider services to children of families with very low income, taking into account family size, or children with special needs;

(ii) not later than 3 years after the date of enactment of this title, complies with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers;

(iii) if such eligible child care provider is regulated by a State educational agency that—

(I) administers any State law applicable to child care services;

(II) develops child care standards that meet or exceed the State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers, and the State licensing or regulatory requirements (including registration requirements); and

(III) enforces the standards described in subclause (II) that are developed by such agency, using policies and practices that meet or exceed the requirements specified in subparagraphs (A) through (K) of paragraph (11);

complies with the standards described in subclause (II) that are developed by such agency; and

(iv) complies with the State plan and the requirements of this title.

(J) That child care services for which assistance is provided under paragraph (4) are available to children with a handicapping condition.

(K) That the State will review existing State regulations to determine if such regulations are appropriate for school-age child care services.

(L) That child care providers in the State are encouraged to develop personnel policies that include compensated time for staff undergoing training required under this title.

(M) Encourage the payment of adequate salaries and other compensation—

(i) to full- and part-time staff of child care providers who provide child care services for which assistance is provided under paragraph (4);

(ii) to the extent practicable, to such staff in other major Federal and State child care programs; and

(iii) to other child care personnel, at the option of the State.

(N) That child care services for which assistance is provided under paragraph (4) are available for an adequate number of hours and days to serve the needs of parents of eligible children, including parents who work nontraditional hours.

(4) CHILD CARE SERVICES.—The plan shall provide that—

(A) subject to subparagraph (B), the State will use at least 70 percent of the amount allotted to the State in any fiscal year to provide child care services that meet the requirements of this title to eligible children in the State on a sliding fee scale basis and using funding methods provided for in section 108(a)(1), with priority being given for services to children of families with very low family incomes, taking into consideration the size of the family, or children with special needs; and

(B) the State will use at least 10 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year to provide for the extension of part-day programs as described in section 108(b).

(5) ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.—The plan shall provide that the State will use not less than 10 percent of the amount allotted to it in any fiscal year to do the following:

(A) Provide financial assistance, pursuant to procedures established under the State Dependent Care Development Grants Act (42 U.S.C. 9801 note), to private nonprofit organizations or public organizations (including units of general purpose local government) that meet the requirements of section 112 for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care.

(B) Improve the monitoring of compliance with, and enforcement of, the licensing and regulatory requirements (including registration requirements) of the State.

(C) Provide training, technical assistance, and scholarship assistance in accordance with the provisions of subsections (b), (c), and (d) of section 113.

(D) Ensure that adequate salaries and other compensation are paid to full- and part-time staff who provide child care services for which assistance is provided under paragraph (4).

(6) ACTIVITIES TO INCREASE THE AVAILABILITY OF CHILD CARE.—The plan shall provide that the State will use not more than 12 percent of the amount allotted to it in any

fiscal year for any of the following activities:

(A) Making grants or low interest loans to existing and potential family child care providers and nonprofit child care providers to help such providers pay the cost of—

(i) establishing child care programs; and

(ii) making renovations and improvements in existing facilities to be used to carry out such programs.

(B) Making grants or low-interest loans to child care providers to assist such providers in meeting recommended Federal child care standards, or State and local child care standards, giving priority to providers receiving assistance under this title or under other publicly assisted child care programs and which serve children of families that have very low incomes.

(C) Providing funds for the child care public-private partnership activities described in section 114.

(D) Providing assistance for the establishment and operation of after school child care programs.

(E) Providing assistance for the temporary care of children who are sick and unable to attend child care programs in which such children are enrolled.

(F) Providing assistance for the establishment and operation of child care programs for homeless children.

(G) Providing assistance to link child care programs with programs designed to assist the elderly.

(H)(i) Establishing and administering a revolving loan fund from which any person desiring to make capital improvements to the principal residence of such person (within the meaning of section 1034 of the Internal Revenue Code of 1986) may obtain a loan in order to become a licensed or regulated family child care provider, pursuant to State and local law, and to comply with the standards applicable to such providers as established by the State in each of the categories described in section 118(d)(2).

(ii) To permit the use of funds provided under this title for the activity described in clause (i), the State shall set forth procedures and guidelines to carry out the purposes of such clause, including procedures—

(I) that provide assurances that only applicants who with licensed or regulated to operate a child care facility in accordance with the provisions of State and local law and who will meet the State standards applicable to family child care services in each of the categories described in section 118(d)(2), benefit from loans made available pursuant to the provisions of clause (i);

(II) to assure that the revolving fund will be administered by the State and will provide loans to qualified applicants, pursuant to the terms and conditions established by such State, in an amount, determined by such State, that is not in excess of $1,500;

(III) to assure that funds used to carry out the purpose of clause (i) are transferred to such fund to provide capital for making loans;

(IV) to assure that interest and principal payments on loans and any other moneys, property, or assets derived from any action concerning such funds are deposited into such fund;

(V) to assure that all loans, expenses, and payments pursuant to the operation of the revolving loan fund are paid from such fund;

(VI) to assure that loans made from such fund are made to qualified applicants to enable such applicants to make capital improvements so that such applicants are able to become a licensed or regulated family child provider, pursuant to state and local tax and so that such applicants are able to meet the State standards applicable to such providers in each of the categories described in section 118(d)(2); and

(VII) that specify how such revolving loan fund will continue to be financed in subsequent years, such as through contributions by the State or by some other entity.

(I) Providing assistance for any other activity deemed by the State to be in accordance with the purposes of this paragraph.

(7) DISTRIBUTION OF FUNDS.—The plan shall provide that funds will be distributed—

(A) to a variety of types of child care providers, including center-based child care providers, group home child care providers, and family child care providers; and

(B) equitably among child care providers to provide child care services in rural and urban areas.

(8) PAYMENTS.—The plan shall provide that for child care services for which assistance is provided under this title, an eligible child care provider shall have a right to payment at the same rate charged by providers in the State or substate area for comparable services to children of comparable ages and special needs whose parents are not eligible for certificates under this title or for child care assistance under any other Federal or State program.

(9) PRIORITY.—The plan shall provide that priority will be given, in distributing funds in the State, to child care providers that—

(A) in providing child care services assisted by such funds, will give priority to eligible children of families with very low income, or children with special needs;

(B) to the maximum extent feasible, provide child care services to a reasonable mix of children, including children from different socioeconomic backgrounds and children with a handicapping condition;

(C) provide opportunities for parent involvement in all aspects of providing such services; and

(D) to the maximum extent feasible, offer family support services.

(10) SLIDING FEE SCALE.—The plan shall provide for the establishment of a sliding fee scale that requires cost sharing based on the services provided to and the income of the families (adjusted for family size) of eligible children who receive services for which assistance is provided under this title.

(11) PARENTAL INVOLVEMENT.—The plan shall establish procedures for parental involvement in State and local planning, monitoring, and evaluation of child care programs and services in the State.

(12) ENFORCEMENT OF LICENSING AND OTHER REGULATORY REQUIREMENTS (INCLUDING REGISTRATION REQUIREMENTS).—The plan shall provide that the State, not later than 3 years after the date of enactment of this title, shall have in effect enforcement policies and practices that will be applicable to all licensed or regulated child care providers (including child care providers required to register) in the State, including policies and practices that—

(A) require personnel who perform inspection functions with respect to licensed or regulated child care services to have knowledge concerning health and safety, child abuse prevention and detection, program management, and relevant law enforcement practices and policies;

(B) to the maximum extent feasible, have personnel requirements to ensure that individuals who are hired as licensing or regulatory inspectors are qualified to inspect and have inspection responsibility exclusively for children's services;

(C) require—

(i) personnel who perform inspection functions with respect to licensed or regulated child care services to make not less than 1 unannounced inspection of each center-based child care provider in the State annually; and

(ii) personnel who perform inspection functions with respect to licensed or regulated child care services to make periodic, unannounced inspections of all licensed or regulated family child care providers and group home child care providers in the State;

(D) require licensed or regulated child care providers (including registered child care providers) in the State—

(i) to have written program policies and to make a copy of such policies available to parents; and

(ii) to provide parents with unlimited access to their children and to providers caring for their children, during normal hours of operation of such providers and whenever children of such parents are in the care of such providers;

(E) implement a procedure to address complaints that will provide a reasonable opportunity for a parent, or child care provider, that is adversely affected or aggrieved by a decision of the lead agency or any program assisted under this title, to be heard by the State;

(F) prohibit the operator of a child care facility to take any action against an employee of such operator that would adversely affect the employment, or terms or conditions of employment, of such employee because such employee communicates a failure of such operator to comply with any applicable licensing or regulatory requirement;

(G) make consumer education information available to parents and the general public about licensing and regulatory requirements, complaint procedures, and policies and practices required by this paragraph;

(H) make readily available to parents the telephone number of the appropriate licensing or regulatory agency that parents may call regarding a failure of such provider to comply with any applicable licensing or regulatory requirement; and

(I) require the State to maintain a record of parental complaints and to make information regarding substantiated parental complaints available to the public on request.

(13) DATA COLLECTION.—The plan shall provide for the establishment of procedures for data collection by the State designed to show—

(A) by race, sex, ethnic origin, handicapping condition, and family income, how the child care needs of families in the State are being fulfilled, including information on—

(i) the number of children being assisted with funds provided under this title, and under other Federal child care and preschool programs;

(ii) the type and number of child care programs, child care providers, caregivers, and support personnel located in the State;

(iii) the average cost of child care in the State; and

(iv) such other information as the Secretary considers necessary to establish how funds provided under this title are being used;

(B) the extent to which the availability of child care has been increased; and

(C) how the purposes of this title and the objectives of the State set forth in the State plan are being met, including efforts to improve the quality, availability, and accessibility of child care;

and shall provide that data collected by the State under this paragraph shall be submitted to the Secretary.

(d) APPROVAL OF APPLICATION.—The Secretary shall approve an application that satisfies the requirements of this section.

(e) SPECIAL RULE.—Subject to compliance with the standards, licensing, and enforcement requirements of sections 107 and 110, the Secretary shall strongly encourage States to undertake the activities described in subparagraphs (A) and (D) of subsection (c)(5).

SEC. 108. SPECIAL RULES FOR USE OF STATE ALLOTMENTS.

(a) FUNDING OF CHILD CARE SERVICES.—

(1) IN GENERAL.—The child care services referred to in section 107(c)(4) that are to be provided out of the allotment to a State, shall be provided—

(A) by contracts with or grants to eligible child care providers who agree to provide such services directly to eligible children;

(B) by grants to units of general purpose local government, or by contracts to nonprofit private organizations designated by the State, that agree to enter into contracts with eligible child care providers who agree to provide such services directly to eligible children; or

(C) by distributing child care certificates to parents of eligible children under such terms as the Secretary shall prescribe to enable the recipients of such certificates to purchase child care services from eligible child care providers.

(2) LIMITATION ON CERTIFICATES.—Child care certificates authorized by paragraph (1)(C) may be issued by a State only if a resource and referral program carried out by an organization that meets the requirements of section 112 is available to help parents locate child care services made available by eligible child care providers.

(3) NO ENTITLEMENT TO CONTRACT OR GRANT.—Nothing in this title shall be construed to entitle any child care provider or recipient of a child care certificate to any contract, grant or benefit, or to limit the right of any State to impose additional limitations or conditions on contracts or grants funded under this title.

(b) PART-DAY PROGRAMS.—

(1) IN GENERAL.—At least 10 percent of the funds available for activities under section 107(c)(4)(A) shall be used by the State to enable child care providers to extend the hours of operation of the part-day programs described in paragraph (2) to provide full-working-day child care services throughout the year, in order to meet the needs of parents of eligible children.

(2) ELIGIBLE PROGRAMS.—As used in paragraph (1), the term "part-day programs" means—

(A) programs of schools and nonprofit child care providers (including community-based organizations) receiving State or local funds designated for preschool;

(B) programs established under the Head Start Act (42 U.S.C. 9831 et seq.);

(C) preschool programs for which assistance is provided under chapter 1 of the Education Consolidation and Improvement Act of 1981 (20 U.S.C. 3801 et seq.); and

(D) preschool programs for children with a handicapping condition.

(c) FACILITIES.—

(1) NEW FACILITIES.—No financial assistance provided under this title shall be expended for the construction of a new facility.

(2) EXISTING FACILITIES.—No financial assistance provided under this title shall be expended to renovate or repair any facility unless—

(A) the child care provider that receives such financial assistance agrees—

(i) in the case of a grant, to repay to the Secretary or the State, as the case may be, the amount that bears the same ratio to the amount of such grant as the value of the renovation or repair, as of the date such provider ceases to provide child care services in such facility in accordance with this title, bears to the original value of the renovation or repair; and

(ii) in the case of a loan, to repay immediately to the Secretary or the State, as the case may be, the principal amount of such loan outstanding and any interest accrued, as of the date such provider ceases to provide child care services in such facility in accordance with this title;

if such provider does not provide child care services in such facility in accordance with this title throughout the useful life of the renovation or repair; and

(B) if such provider is a sectarian agency or organization, the renovation or repair is necessary to bring such facility into compliance with health and safety requirements imposed by this title.

SEC. 109. PLANNING GRANTS.

(a) IN GENERAL.—A State desiring to participate in the programs authorized by this title that cannot fully satisfy the requirements of the State plan under section 107(b) without financial assistance may, in the first year that the State participates in the programs, apply to the Secretary for a planning grant.

(b) AUTHORIZATION.—The Secretary is authorized to make a planning grant to a State described in subsection (a) if the Secretary determines that—

(1) the grant would enable the State to fully satisfy the requirements of a State plan under section 107(b); and

(2) the State will apply, for the remainder of the allotment that the State is entitled to receive for such fiscal year.

(c) AMOUNT OF GRANT.—A grant made to a State under this section shall not exceed 1 percent of the total allotment that the State would qualify to receive in the fiscal year involved if the State fully satisfied the requirements of section 107.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—A grant made under this section shall be considered to be expended for administrative costs by the State for purposes of determining the compliance by the State with the limitation on administrative costs imposed by section 107(c)(3)(F).

SEC. 110. CONTINUING ELIGIBILITY OF STATES.

A State shall be ineligible for assistance under this title after the expiration of the 3-year period beginning on the date of enactment of this title unless the State demonstrates to the satisfaction of the Secretary that—

(1) the State has established State child care standards in each of the categories described in paragraphs (1), (2), and (3) of section 118(d);

(2) all child care providers required to be licensed or regulated by the State—

(A) are so licensed or regulated; and

(B) are subject to the enforcement provisions referred to in the State plan; and

(3) all such providers who are receiving assistance under this title or under other publicly-assisted child care programs—

(A) satisfy the requirements of subparagraphs (A) and (B) of paragraph (2); and

(B) satisfy the State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers.

SEC. 111. STATE ADVISORY COMMITTEE ON CHILD CARE.

(a) ESTABLISHMENT.—The chief executive officer of a State participating in the program authorized by this title shall—

(1) establish a State advisory committee on child care (hereinafter in this section referred to as the "committee") to assist the lead agency in carrying out the responsibilities of the lead agency under this title; and

(2) appoint the members of the committee.

(b) COMPOSITION.—The State committee shall be composed of not fewer than 21 and not more than 30 members who shall include—

(1) at least 1 representative of the lead agency designated under section 106(a);

(2) 1 representative of each of—

(A) the State departments of—

(i) human resources or social services;

(ii) education;

(iii) economic development; and

(iv) health; and

(B) other State agencies having responsibility for the regulation, funding, or provision of child care services in the State;

(3) at least 1 representative of providers of different types of child care services, including caregivers and directors;

(4) at least 1 representative of early childhood development experts;

(5) at least 1 representative of school districts and teachers involved in the provision of child care services and preschool programs;

(6) at least 1 representative of resource and referral programs;

(7) 1 pediatrician;

(8) 1 representative of a citizen group concerned with child care;

(9) at least 1 representative of an organization representing child care employees;

(10) at least 1 representative of the Head Start agencies in the State;

(11) parents of children receiving, or in need of, child care services, including at least 2 parents whose children are receiving or are in need of subsidized child care services;

(12) 1 representative of specialists concerned with children who have a handicapping condition;

(13) 1 representative of individuals engaged in business;

(14) 1 representative of fire marshals and building inspectors;

(15) 1 representative of child protective services; and

(16) 1 representative of units of general purpose local government.

(c) FUNCTIONS.—The committee shall—

(1) advise the lead agency on child care policies;

(2) provide the lead agency with information necessary to coordinate the provision of child care services in the State;

(3) otherwise assist the lead agency in carrying out the functions assigned to the lead agency under section 106(c);

(4) in conjunction with the lead State agency, review and evaluate child services for which assistance is provided under this title or under State law, in meeting the ob-

jectives of the State plan and the purposes of this title;

(5) make recommendations on the development of State child care standards and policies;

(6) participate in the public hearings required under section 106(c)(4); and

(7) perform other functions to improve the quantity and quality of child care services in the State.

(d) MEETINGS AND HEARINGS.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each fiscal year, the committee shall meet and establish the time, place, and manner of future meetings of the committee.

(2) MINIMUM NUMBER OF HEARINGS.—The committee shall have at least 1 public hearing each year at which the public shall be given an opportunity to express views concerning the administration and operation of the State plan.

(e) SUBCOMMITTEE ON LICENSING.—

(1) COMPOSITION.—The committee shall have a subcommittee on licensing (hereinafter in this section referred to as the "subcommittee") that shall be composed of the members appointed under paragraphs (2)(A)(iv), (3), (6), (7), (11), (14), (15), and (16) of subsection (b).

(2) FUNCTIONS.—The subcommittee shall review the law applicable to, and the licensing and regulatory requirements and the policies of, each licensing agency that regulates child care services and programs in the State unless the State has reviewed such law, requirements, and policies in the 3-year period ending on the date of the establishment of the committee under subsection (a).

(f) USE OF EXISTING COMMITTEES OR SUBCOMMITTEES.—To the extent that a State has established broadly representative State advisory groups, prior to the date of enactment of this title, that are comparable to the advisory committee or the subcommittee on licensing described in this section and focused exclusively on child care and early childhood development programs, such State shall be considered to be in compliance with subsections (a) through (c), or (e), as appropriate.

(g) REPORT.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this title, the committee shall prepare and submit to the chief executive officer of the State involved a report that meets the requirements of paragraph (2).

(2) CONTENTS OF REPORT.—A report prepared under paragraph (1) shall contain information on child care services provided by center-based child care providers, group home child care providers, and family child care providers, including—

(A) a detailed statement of the findings and recommendations that result from the subcommittee review under subsection (e)(2), including a description of the current status of child care licensing, regulating, monitoring, and enforcement in the State;

(B) a detailed statement identifying and describing the deficiencies in the existing licensing, regulating, and monitoring programs of the State involved, including an assessment of the adequacy of staff to carry out such programs effectively, and recommendations to correct such deficiencies or to improve such programs; and

(C) comments on the relationship between the child care standards of the State and the national recommended child care standards established by the Secretary under section 118(e)(2).

(3) RECEIPT OF REPORT BY THE CHIEF EXECUTIVE OFFICER OF THE STATE.—Not later than 60 days after receiving the report from the committee, the chief executive officer of the State shall transmit such report to the Secretary with—

(A) the comments of the chief executive officer of the State; and

(B) a plan for addressing deficiencies in, or improving the licensing, regulating, and monitoring, of the child care services and programs referred to in subsection (f)(2).

(h) SERVICES AND PERSONNEL.—

(1) AUTHORITY.—The lead agency is authorized to provide the services of such personnel, and to contract for such other services as may be necessary, to enable the committee and the subcommittee to carry out their functions under this title.

(2) REIMBURSEMENT.—Members of the committee shall be reimbursed, in accordance with standards established by the Secretary, for necessary expenses incurred by such members in carrying out the functions of the committee and the subcommittee.

(3) SUFFICIENCY OF FUNDS.—The Secretary shall ensure that sufficient funds are made available, from funds available for the administration of the State plan, to the committee and the subcommittee to carry out the requirements of this section.

SEC. 112. RESOURCE AND REFERRAL PROGRAMS.

(a) ELIGIBILITY FOR ASSISTANCE.—Grants or contracts made or entered into by the State, pursuant to section 107(c)(5)(A), shall be made to, or entered into with, private nonprofit organizations or public organizations (including units of general purpose local government) who shall provide resource and referral services to families in the State.

(b) FUNDING.—Organizations that receive assistance under subsection (a) shall carry out resource and referral programs—

(1) to identify all types of existing child care services, including services provided by individual family child care providers and by child care providers who provide child care services to children with a handicapping condition;

(2) to provide to interested parents information and referral regarding such services, including the availability of public funds to obtain such services;

(3) to provide or arrange for, at the discretion of the State, the provision of information, training, and technical assistance to existing and potential child care providers and to others (including businesses) concerned with the availability of child care services; and

(4) to provide information on the demand for and supply of child care services located in a community.

(c) REQUIREMENTS.—To be eligible for assistance as a resource and referral agency under subsection (a), an organization shall—

(1) have or acquire a database of information on child care services in the State or in a particular geographical area that the organization continually updates, including child care services provided in centers, group home child care settings, nursery schools, and family child care settings;

(2) have the capability to provide resource and referral services in a particular geographical area;

(3) be able to provide parents with information to assist them in identifying quality child care services;

(4) to the maximum extent practicable, notify all eligible child care providers in such area of the functions it performs and solicit such providers to request to be listed to receive referrals made by such organization; and

(5) otherwise comply with regulations promulgated by the State in accordance with subsection (d).

(d) LIMITATION ON INFORMATION.—In carrying out this section, an organization receiving assistance under subsection (a) as a resource and referral agency shall not provide information concerning any child care program or services which are not in compliance with the laws of the State and localities in which such services are provided.

SEC. 113. TRAINING AND TECHNICAL ASSISTANCE.

(a) MINIMUM REQUIREMENT.—A State receiving funds under this title shall require, not later than 3 years after the date of the enactment of this title, that all employed or self-employed individuals who provide licensed or regulated center-based, family and group home child care services (including registered child care services) in a State complete a minimum number of hours of in-service training each year in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and the needs of special populations of children.

(b) GRANTS AND CONTRACTS FOR TRAINING AND TECHNICAL ASSISTANCE.—

(1) GRANTS AND CONTRACTS.—The State may make grants to, and enter into contracts with State agencies, units of general purpose local government, institutions of higher education, and nonprofit organizations (including resource and referral organizations, child care food program sponsors, and family child care associations, as appropriate) to develop and carry out child care training and technical assistance programs under which preservice and continuing in-service training is provided to eligible child care providers, including family child care providers, and the staff of such providers including teachers, administrative personnel, and staff of resource and referral programs involved in providing child care services in the State.

(2) ELIGIBILITY REQUIREMENTS FOR GRANTS AND CONTRACTS RELATING TO TRAINING FOR FAMILY CHILD CARE PROVIDERS.—To be eligible to receive a grant or enter into a contract for a training and technical assistance program for family child care providers under paragraph (1), a nonprofit organization shall—

(A) recruit and train family child care providers, including providers with the capacity to provide night-time and emergency child care services;

(B) operate resource centers to make developmentally appropriate curriculum materials available to family child care providers;

(C) provide grants to family child care providers for the purchase of moderate cost equipment to be used to provide child care services; and

(D) if appropriate, operate a system of substitute caregivers.

(3) ELIGIBILITY REQUIREMENTS FOR GRANTS AND CONTRACTS RELATING TO TECHNICAL ASSISTANCE.—To be eligible to receive a grant, or enter into a contract under subsection (b) to provide technical assistance, an agency, organization, or institution shall agree to furnish technical assistance to child care providers to assist such providers—

(A) in understanding and complying with local regulations and relevant tax and other policies;

(B) in meeting State licensing, regulatory, and other requirements (including registra-

tion) pertaining to family child care providers.

(c) SCHOLARSHIP ASSISTANCE.—The State may provide scholarship assistance to—

(1) individuals who seek a nationally recognized child development associate credential for center-based or family child care in amounts sufficient to cover the costs involved in securing such credential; and

(2) caregivers who seek to obtain the training referred to in subsection (a) and whose income does not exceed such poverty line.

(d) CLEARINGHOUSE FUNCTION.—The State shall establish in the lead agency a clearinghouse function to collect and disseminate training materials to resource and referral agencies and child care providers throughout the State.

SEC. 114. CHILD CARE PUBLIC-PRIVATE PARTNERSHIP.

(a) ACTIVITIES AUTHORIZED.—Each State using funds as described in section 107(c)(6)(C) shall design activities conducted with such funds to encourage businesses in the State to support or provide child care services to a reasonable mix of children, including children from different socioeconomic backgrounds, and children of employees and nonemployees. Such activities may include—

(1) disseminating information relating to—

(A) model child care programs appropriate for implementation by such businesses;

(B) flexible employee work schedules; and

(C) other technical assistance that would enable employers to establish and operate child care programs;

(2) making grants or loans on a competitive basis to assist employers in establishing innovative child care programs;

(3) establishing a demonstration program under which grants are made to local nonprofit private organizations to improve and expand child care services in cooperation with employees who contribute to the cost of such improvement or expansion;

(4) making grants to non-profit business organizations to provide technical information and assistance to enable employers to develop and operate child care services; and

(5) encouraging such businesses to participate in resource and referral activities carried out by organizations recognized under section 112.

(b) DUTIES OF STATE.—In carrying out the activities described in subsection (a), the State shall—

(1) consult with the State advisory committee on child care established under section 111;

(2) provide outreach to businesses participating in such activities; and

(3) encourage such businesses to contribute to the cost of carrying out such activities.

(c) BUSINESS PARTNERSHIP TASK FORCE.—The State may carry out subsection (a) in consultation with—

(1) a business task force appointed by the State from among representatives of businesses of various sizes in the State; and

(2) a state entity that administers laws relating to productive economic development.

(d) PRESIDENT'S AWARD FOR PROGRESSIVE MANAGEMENT POLICY.—

(1) ESTABLISHMENT AND AWARD.—

(A) IN GENERAL.—There is established the President's Award for Progressive Management Policy to honor public and private sector employers who have—

(i) successfully implemented in their businesses family-oriented personnel programs and policies responsive to the child care needs of working parents; or

(ii) made significant contributions to child care projects in their communities.

(B) CITATION.—The President's Award for Responsive Management Policy shall consist of a certificate, plaque, or other appropriate citation.

(2) NOMINATION AND SELECTION.—

(A) NOMINATIONS.—Each year the President, acting through the Secretary of Labor, shall solicit nominations for the President's Award for Responsive Management Policy from State and local elected officials, educational institutions, State-based employee or business associations, or other State or local entities.

(B) RECIPIENTS.—The President, in conclusion with the Secretary of Labor, shall select not less than 3 such nominees from each State to receive the President's Award for that year.

(C) REPRESENTATION.—Of the nominees selected from each State to receive such awards, at least 1 shall represent—

(i) a small business;

(ii) an intermediate-size business; and

(iii) a large business.

(3) PRESENTATION.—The President shall present the President's Award each year with such ceremonies as the President may consider proper.

(4) REGULATIONS.—The Secretary of Labor shall promulgate such regulations as are necessary to carry out the provisions of this section.

SEC. 115. FEDERAL ADMINISTRATION OF CHILD CARE.

(a) ADMINISTRATOR OF CHILD CARE.—There is hereby established in the Department of Health and Human Services the position of Administrator of Child Care (hereinafter in this section referred to as the "Administrator"). The Secretary shall appoint an individual to serve as the Administrator at the pleasure of the Secretary.

(b) DUTIES.—The Administrator shall—

(1) coordinate all activities of the Department of Health and Human Services relating to child care, and coordinate such activities with similar activities of other Federal entities;

(2) annually collect and publish State child care standards, including periodic modifications to such standards;

(3) evaluate activities carried out with funds provided under this title;

(4) act as a clearinghouse to collect and disseminate materials that relate to—

(A) the child care training and technical assistance programs described in section 113(b)(1); and

(B) studies that relate to the salaries paid to individuals employed to provide child care services; and

(5) provide technical assistance to assist States to carry out this title.

SEC. 116. FEDERAL ENFORCEMENT.

(a) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this title and the plan approved under section 107(d) for the State.

(b) NONCOMPLIANCE.—

(1) IN GENERAL.—If the Secretary, after reasonable notice and opportunity for a hearing to a State, finds that—

(A) there has been a failure by the State to comply substantially with any provision or any requirements set forth in the plan approved under section 107(d) for the State; or

(B) in the operation of any program or project for which assistance is provided under this title there is a failure by the State to comply substantially with any provision of this title;

the Secretary shall notify the State of the finding and that no further payments may be made to such State under this title (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to such program or activity) until the Secretary is satisfied that there is no longer any such failure to comply or that the noncompliance will be promptly corrected.

(2) ADDITIONAL SANCTIONS.—In the case of a finding of noncompliance made pursuant to this paragraph (1), the Secretary may, in addition to imposing the sanctions described in such paragraph, impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this title, and disqualification from the receipt of financial assistance under this title.

(3) NOTICE.—The notice required under paragraph (1) shall include a specific identification of any additional sanction being imposed under paragraph (2).

(c) ISSUANCE OF RULES.—The Secretary shall establish by rule procedures for—

(1) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this title; and

(2) imposing sanctions under this section.

SEC. 117. PAYMENTS.

(a) IN GENERAL.—

(1) AMOUNT OF PAYMENT.—Each State that—

(A) has an application approved by the Secretary under section 107(d); and

(B) demonstrates to the satisfaction of the Secretary that it will provide from non-Federal sources the State share of the aggregate amount to be expended by the State under the State plan for the fiscal year for which it requests a grant;

shall receive a payment under this section for such fiscal year in an amount (not to exceed its allotment under section 105 for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the State plan for such fiscal year.

(2) FEDERAL SHARE.—

The Federal share for each fiscal year shall be 80 percent.

(3) STATE SHARE.—The State share equals 100 percent minus the Federal share.

(4) LIMITATION.—A State may not require any private provider of child care services that receives or seeks funds made available under this title to contribute in cash or in kind to the State contribution required by this subsection.

(b) METHOD OF PAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may make payments to a State in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(2) LIMITATION.—The Secretary may not make such payments in a manner that prevents the State from complying with the requirement specified in section 107(c)(3)(F).

(c) SPENDING OF FUNDS BY STATE.—Payments to a State from the allotment under section 105 for any fiscal year may be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 118. NATIONAL ADVISORY COMMITTEE ON RECOMMENDED CHILD CARE STANDARDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—In order to improve the quality of child care services, the Secretary shall establish, not later than 60 days after the date of the enactment of this title, a National Advisory Committee on Recommended Child Care Standards (hereinafter in this section referred to as the "Committee"), the members of which shall be appointed from among representatives of—

(A) the chief executive officers of the several States;

(B) State legislatures;

(C) units of general purpose local governments;

(D) businesses;

(E) individuals responsible for regulating the insurance industry within the States;

(F) religious institutions;

(G) different types of child care providers;

(H) persons who carry out resource and referral programs;

(I) child care, early childhood development, or early childhood education specialists;

(J) individuals who have expertise in pediatric health care, handicapping conditions, and related fields;

(K) organizations representing child care employees;

(L) individuals who have experience in the regulation of child care services; and

(M) parents who have been actively involved in community child care programs.

(2) APPOINTMENT OF MEMBERS.—The Committee shall be composed of 20 members of which—

(A) 4 members shall be appointed by the President;

(B) 4 members shall be appointed by the majority leader of the Senate;

(C) 4 members shall be appointed by the minority leader of the Senate;

(D) 4 members shall be appointed by the Speaker of the House of Representatives; and

(E) 4 members shall be appointed by the minority leader of the House of Representatives.

(3) CHAIRMAN.—The President shall appoint a chairman from among the members of the Committee.

(4) VACANCIES.—A vacancy occurring on the Committee shall be filled in the same manner as that in which the original appointment was made.

(b) PERSONNEL, REIMBURSEMENT, AND OVERSIGHT.—

(1) PERSONNEL.—The Secretary shall make available to the Committee office facilities, personnel who are familiar with child development and with developing and implementing regulatory requirements, technical assistance, and funds as are necessary to enable the Committee to carry out effectively its functions.

(2) REIMBURSEMENT.—

(A) COMPENSATION.—Members of the Committee who are not regular full-time employees of the United States Government shall, while attending meetings and conferences of the Committee or otherwise engaged in the business of the Committee (including traveltime), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedule established under section 5332 of title 5, United States Code.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the Committee, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(3) OVERSIGHT.—The Secretary shall ensure that the Committee is established and operated in accordance with the Federal Advisory Committee Act (5 U.S.C. App.).

(c) FUNCTIONS.—The Committee shall—

(1) review Federal policies with respect to child care services and such other data as the Committee may determine appropriate;

(2) not later than 180 days after the date on which a majority of the members of the Committee are first appointed, submit to the Secretary proposed recommended standards, as described in subsection (d), for child care services, taking into account the different needs of infants, toddlers, preschool and school-age children; and

(3) develop and make available to lead agencies, for distribution to resource and referral agencies in the State, model requirements for resource and referral agencies.

(d) RECOMMENDED CHILD CARE STANDARDS.—The proposed child care standards submitted by the Committee pursuant to subsection (c)(2) and the child care standards issued by the Secretary pursuant to subsection (e) shall be recommended standards and shall consist of only the following:

(1) CENTER-BASED CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by center-based child care providers shall be limited to—

(A) group size limits in terms of the number of caregivers and the number and ages of children;

(B) the maximum appropriate child-staff ratios;

(C) preservice qualifications and background of child care personnel;

(D) requirements for inservice training in areas appropriate to the provision of such child care services, including a minimum number of training hours requirement;

(E) health and safety requirements for children and caregivers, including requirements for—

(i) the prevention and control of infectious diseases (including immunization and handwashing procedures);

(ii) injury prevention, control and treatment;

(iii) building and physical premises safety;

(iv) general health and nutrition;

(v) children with special needs; and

(vi) prevention of child abuse; and

(F) requirements for parental involvement in licensed and regulated child care services.

(2) FAMILY CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by family child care providers shall be limited to—

(A) the maximum number of children for which child care services should be provided and the maximum number of infants for which child care services should be provided;

(B) the minimum age for caregivers;

(C) requirements for inservice training in areas appropriate to the provision of such child care services, including a minimum number of training hours requirement; and

(D) health and safety requirements for children and caregivers, including those described in paragraph (1)(E), as appropriate for family child care services.

(3) GROUP HOME CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by group home child care providers shall be limited to the matters specified in paragraphs (1)(B) and (2).

(4) LIMITATION.—The Committee shall not submit any standard under subsection (c)(2) and the Secretary shall not establish any standard under subsection (e) that is less or more rigorous than the least or most rigorous standard that exists in any of the States at the time of the submission or establishment of such recommendation.

(e) CONSIDERATION AND ESTABLISHMENT OF RECOMMENDED STANDARDS.—

(1) NOTICE OF PROPOSED RULEMAKING.—Not later than 90 days after receiving the recommendations of the Committee, the Secretary shall—

(A) publish in the Federal Register for public comment for a period of at least 60 days—

(i) the proposed recommended standards of the Committee submitted under subsection (c)(2); and

(ii) the proposed recommended standards of the Secretary; and

(B) distribute the proposed recommended standards of the Committee and the proposed recommended standards of the Secretary to each lead agency and each State subcommittee on licensing for comment.

(2) ESTABLISHMENT OF RECOMMENDED CHILD CARE STANDARDS.—

(A) ISSUANCE OF RULES.—The Secretary shall—

(i) take into consideration any comments received by the Secretary with respect to the standards published under paragraph (1); and

(ii) not later than 180 days after publication of such standards, issue rules establishing recommended child care standards for purposes of this title. Such standards shall include the nutrition requirements issued, and revised from time to time, under section 117(g)(1) of the National School Lunch Act (42 U.S.C. 1766(g)(1)).

(B) AMENDING STANDARDS.—The Secretary may amend any standard first established under subparagraph (A), except that such standard may not be modified, by amendment or otherwise, to make such standard less comprehensive or less stringent than it is when first established.

(C) EXTENDED PERIOD FOR COMMENT.—If the Secretary proposes a recommended standard under paragraph (2) that no State has a requirement concerning, as of the time that such standard is recommended, the Secretary shall provide an additional 30 days during which States may submit comments concerning such standard.

(3) ADDITIONAL COMMENTS.—The National Committee may submit to the Secretary and to the Congress such additional comments on the recommended child care standards established under paragraph (2) as the National Committee considers appropriate.

(f) TERMINATION OF COMMITTEE.—The National Committee shall cease to exist 90 days after the date the Secretary establishes recommended child care standards under subsection (e)(2).

SEC. 119. CHILD CARE STANDARDS IMPROVEMENT INCENTIVE GRANT PROGRAM.

(a) ESTABLISHMENT.—Not later than 3 years after the date of enactment of this title, the Secretary shall establish a child care standards improvement incentive grant program to make grants to eligible States to assist such States in improving State child care standards in the categories described in section 118(d).

(b) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application in accordance with subsection (c).

(c) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare, and submit to the Secretary, an application at such time, in such form, and containing such information as the Secretary shall require, including—

(1) a certification that the State has consulted with the licensing subcommittee of the State in preparing the application and has provided an opportunity for public comment on such;

(2) an assurance that the State will meet the matching requirements of subsection (g);

(3) information that shall—

(A) describe the present level of child care standards that are in effect in such State;

(B) describe the prospective use of such grant; and

(C) describe the expected improvement in the child care standards of the State;

(4) an assurance that the State will use any amounts received under a grant under this section to specifically improve its child care standards; and

(5) any other information that the Secretary determines appropriate.

(d) CONSIDERATION AND AWARDING OF GRANTS BY SECRETARY.—

(1) INITIAL GRANTS.—The Secretary shall consider applications submitted by the States under subsection (c), and shall award the initial grants under this section to States on a competitive basis after considering the following criteria—

(A) the relative quality of the existing child care standards of the State as described in the application in comparison to such standards of other States that submit applications;

(B) the level of child care standards that the State desires to adopt and the State plans for achieving this improved level of standards; and

(C) the relative fiscal capacity of the State in comparison to that of other States that submit applications.

(2) SUBSEQUENT GRANTS.—In determining whether a State that submits an application under subsection (c) for subsequent grant under this section after the expiration of the previous grant, the Secretary shall award such grant based on the compliance of the State with the application for the previous grant. The Secretary may award a subsequent grant to a State that has not complied with such application of the State if the Secretary determines that factors beyond the control of the State significantly contributed to such non-compliance.

(e) USE OF GRANTS.—

(1) IN GENERAL.—States that receive grants under this section shall use amounts provided under such grants to specifically carry out the State application for improving its child care standards, as submitted by the State under subsection (c).

(2) SPECIFIC USES.—In meeting the requirement of paragraph (1), a State may use such amounts for any of the activities described in section 107(c)(5) if such activities are directly related to the State application for improving its child care standards.

(f) ADMINISTRATIVE PROVISIONS.—

(1) TERM OF GRANTS.—Grants made under this section shall be for a 2-year period with no State receiving more than three consecutive grants.

(2) TRANSFER OF FUNDS.—The Secretary may transfer funds made available for grants under this section to the amounts made available for allotments under section 105(b) if the Secretary determines that there is an insufficient number of qualified applications for grants under this section to utilize the entire amount of funds made available for such grants.

(3) TERMINATION.—The grant program established under this section shall terminate 8 years after the date of enactment of this title, or on the date on which funds are no longer appropriated under section 104(a), whichever occurs first.

(g) MATCHING REQUIREMENT.—

(1) IN GENERAL.—Each State that receives a grant under this section shall provide from non-Federal sources the State share of the aggregate amount of the grant.

(2) FEDERAL SHARE.—The Federal share for each fiscal year shall be 80 percent.

(3) STATE SHARE.—The State share equals 100 percent minus the Federal share.

(4) LIMITATION.—A State may not require any private provider of child care services that receives or seeks funds made available under this title to contribute in cash or in kind to the State contribution required by this subsection.

SEC. 120. NATIONAL STUDY ON CHILD CARE STANDARDS.

(a) IN GENERAL.—Not later than 4 years after the date of enactment of this title, the Secretary, in consultation with the Office of Technology Assessment, shall conduct a national study on child care standards that is based on the data collected by the States under section 107(c)(13) and the State reports submitted under section 111, and shall prepare and submit, to the appropriate Committees of Congress a report concerning such study.

(b) CONTENTS.—The report submitted under subsection (a) shall contain—

(1) an assessment of the compliance of the States with the requirement described in section 110 that the States have in place, not later than 3 years after the date of enactment of this title, State standards in each of the categories described in section 118(d);

(2) an assessment of the propriety of the recommendations of the National Advisory Committee on Recommended Child Care Standards and a summary of the level of standards in each State in relation to such recommendations;

(3) an assessment of the progress of the States and the activities undertaken by the States since the date of enactment of this title to meet the recommended child care standards; and

(4) recommendations for Congress concerning efforts that should be undertaken to further improve the access of the public to quality and affordable child care in the United States.

SEC. 121. LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR CERTAIN PURPOSES.

(a) SECTARIAN PURPOSES AND ACTIVITIES.—No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction, except that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child care certificate to a parent under section 108(a)(1)(C). Financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution.

(b) TUITION.—With regard to services provided to students enrolled in grades 1 through 12, no financial assistance provided under this title shall be expended for—

(1) any services provided to such students during the regular school day;

(2) any services for which such students receive academic credit toward graduation; or

(3) any instructional services which supplant or duplicate the academic program of any public or private school.

SEC. 122. NONDISCRIMINATION.

(a) FEDERAL FINANCIAL ASSISTANCE.—Any financial assistance provided under this title, including a loan, grant, or child care certificate, shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), and the regulations issued thereunder.

(b) RELIGIOUS DISCRIMINATION.—

(1) IN GENERAL.—Nothing in this section shall be construed to modify or affect the provisions of any other Federal law or regulation that relates to discrimination in employment on the basis of religion, except as provided herein.

(2) DISCRIMINATION AGAINST CHILD.—

(A) IN GENERAL.—A child care provider that receives assistance under this title shall not discriminate against any child on the basis of religion in providing child care services.

(B) NON-FUNDED CHILD CARE SLOTS.—Nothing in this section shall prohibit a child care provider from selecting children for child care slots that are not funded directly with assistance provided under this title because such children or their family members participate on a regular basis in other activities of the organization that owns or operates such provider.

(3) EMPLOYMENT IN GENERAL.—

(A) PROHIBITION.—A child care provider that receives assistance under this title shall not discriminate in employment on the basis of the religion of the prospective employee if such employee's primary responsibility is or will be working directly with children in the provision of child care services.

(B) QUALIFIED APPLICANTS.—If two or more prospective employees are qualified for any position with a child care provider receiving assistance under this title, nothing in this section shall prohibit such child care provider from employing a prospective employee who is already participating on a regular basis in other activities of the organization that owns or operates such provider.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of child care providers receiving assistance under this title if such employees are employed with the provider on the date of enactment of this title.

(4) EMPLOYMENT AND ADMISSION PRACTICES.—Notwithstanding paragraphs (2) and (3), if assistance provided under this title, and any other Federal or State program, amounts to 80 percent or more of the operating budget of a child care provider that receives such assistance, the Secretary shall not permit such provider to receive any further assistance under this title unless the grant or contract relating to the financial assistance, or the employment and admissions policies of the provider, specifically provides that no person with responsibilities in the operation of the child care program, project, or activity of the provider will discriminate against any individual in employment, if such employee's primary responsibility is or will be working directly with children in the provision of child care, or admis-

sions because of the religion of such individual.

(5) SEVERABILITY.—If any provision of this section or the application thereof to any individual or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this title which can be given effect without regard to the invalid provision or application, and to this end the provisions of this section shall be severable.

SEC. 123. PRESERVATION OF PARENTAL RIGHTS AND RESPONSIBILITIES.

Nothing in this title shall be construed or applied in any manner to infringe upon or usurp the moral and legal rights and responsibilities of parents or legal guardians.

SEC. 124. CHILD CARE LIABILITY RISK RETENTION GROUP.

(a) PURPOSE.—It is the purpose of this section—

(1) to increase the availability of child care by alleviating the serious difficulty faced by child care providers in obtaining affordable liability insurance; and

(2) to provide States with a sufficient capital base for liability insurance purposes that may be increased or maintained through mechanisms developed by the State.

(b) FORMATION OF CHILD CARE LIABILITY RISK RETENTION GROUP.—

(1) ASSISTANCE IN FORMATION AND OPERATION OF GROUP.—Any State may assist in the establishment and operation of a child care liability risk retention group in the manner provided under this section.

(2) CHILD CARE LIABILITY RISK RETENTION GROUP DEFINED.—As used in this section, the term "child care liability risk retention group" means any corporation (or other limited liability association)—

(A) whose members are licensed or regulated child care providers pursuant to State and local law and who, not later than 3 years after the date of enactment of this title, comply with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such members; and

(B) which otherwise satisfies the criteria for a risk retention group under section 2(4) of the Liability Risk Retention Act of 1986 (15 U.S.C. 3901(4)).

(c) STATE APPLICATIONS.—

(1) APPLICATIONS.—To qualify for assistance under this section, a State shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require, including information that meets the requirements of subsection (b) of this section.

(2) CONTENT OF STATE APPLICATION.—

(A) LEAD AGENCY.—The application shall identify the lead agency that has been designated and that is to be responsible for the administration of funds provided under this section.

(B) PARTICIPANTS IN RISK RETENTION GROUP.—The application shall assure that all participants in the child care liability risk retention group are licensed or regulated child care providers pursuant to State and local law who, not later than 3 years after the date of enactment of this title, comply with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services they provide. In addition, the applicant shall provide for maximum membership of family-based child care providers in the group.

(C) USE OF FUNDS.—The application shall provide that the State shall use at least the amount allotted to the State in any fiscal year to establish or operate a child care liability risk retention group.

(D) CONTINUATION OF RISK RETENTION GROUP.—The application shall contain provisions that specify how the child care liability risk retention group will continue to be financed after fiscal year 1992, including financing through contributions by the State or by members of such group.

(d) FEDERAL ENFORCEMENT.—

(1) REVIEW OF APPLICATIONS.—The Secretary shall review and approve State applications submitted in accordance with this section and shall monitor State compliance with the provisions of this section.

(2) FINDING OF NONCOMPLIANCE.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds—

(A) that there has been a failure to comply substantially with any provision or any requirements set forth in the State application of that State; or

(B) that there is a failure to comply substantially with any applicable provision of this section,

the Secretary shall notify such State of the findings and of the fact that no further payments may be made to such State under this section until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

(e) ALLOTMENT TO STATES.—

(1) IN GENERAL.—The Secretary shall make an allotment to each State from the sums appropriated to carry out the provisions of this section using the same allotment formula established under section 105.

(2) STATE ADMINISTRATIVE COSTS.—Of the amount allotted to a State pursuant to paragraph (1), an amount not to exceed 10 percent shall be used by such State to provide for the administrative costs of carrying out such program.

(f) PAYMENTS.—

(1) ENTITLEMENT.—Each State for which an application has been approved by the Secretary under this section shall be entitled to payments under this subsection for each fiscal year in an amount not to exceed its allotment under subsection (e) to be expended by the State in accordance with the terms of the application for the fiscal year for which the grant is to be made.

(2) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(3) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under subsection (e) for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 125. HEAD START ACT AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended by striking "$1,405,000,000" and inserting "$1,552,000,000".

SEC. 126. SEVERABILITY.

The provisions of this title are declared to be separable. If any one or more provisions of this title is held to be unconstitutional, the same shall not affect the validity of other provisions of this title.

TITLE II—INTERNAL REVENUE CODE PROVISIONS

SEC 201. SHORT TITLE.

This title may be cited as the "Child Care and Health Insurance Act of 1989".

Subtitle A—Tax Credit for Certain Health Insurance Premiums and Child Care

SEC. 211. CREDIT FOR HEALTH INSURANCE PREMIUM COSTS.

(a) ALLOWANCE OF CREDIT.—Paragraph (1) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual who maintains a household which includes as a member 1 or more qualifying individuals, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the applicable percentage of the employment-related expenses paid by such individual during the taxable year, plus

"(B) the credit percentage of the qualified health insurance expenses paid by such individual during the taxable year."

(b) CREDIT PERCENTAGE.—Section 21(a) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) CREDIT PERCENTAGE.—For purposes of paragraph (1), the term 'credit percentage' means 50 percent reduced (but not below zero) by 5 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $12,000."

(c) LIMITATIONS.—

(1) DOLLAR LIMITATION.—Section 21(c) of the Internal Revenue Code of 1986 is amended to read as follows:

"(c) LIMITATIONS.—

"(1) DOLLAR LIMIT ON EMPLOYMENT-RELATED EXPENSES.—The amount of the employment-related expenses paid during any taxable year which may be taken into account under subsection (a)(1)(A) shall not exceed—

"(A) $2,400 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(B) $4,800 if there are 2 or more such qualifying individuals.

The amount determined under subparagraph (A) or (B) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 for the taxable year.

"(2) QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed $1,000."

(2) EARNED INCOME LIMITATION.—

(A) IN GENERAL.—Section 21(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed the excess (if any) of—

"(A) the earned income of the taxpayer for the taxable year, over

"(B) the amount of employment-related expenses taken into account under subsection (a)(1)(A)."

(B) CONFORMING AMENDMENT.—Paragraph (1) of section 21(d) of such Code is amended by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(d) DEFINITIONS AND RULES.—

(1) QUALIFIED HEALTH INSURANCE EXPENSES.—Section 21(b) of the Internal Revenue Code of 1986 is amended by adding at

the end thereof the following new paragraph:

"(3) QUALIFIED HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified health insurance expenses' means amounts paid during the taxable year for insurance—

"(i) which constitutes medical care (within the meaning of section 213(d)(1)(C)), and

"(ii) under which coverage includes at least 1 qualifying individual.

For purposes of this paragraph, the rules of section 213(d)(6) shall apply.

"(B) QUALIFYING INDIVIDUAL.—For purposes of this paragraph and subsection (a)(1)(B), the term 'qualifying individual' means an individual described in paragraph (1)(A), except that such paragraph shall be applied by substituting 'age of 19' for 'age of 13'.

"(C) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in subparagraph (A) not treated as qualified health insurance expenses."

(2) IDENTIFYING INFORMATION REQUIRED.—Section 21(e)(9) of such Code is amended by adding at the end thereof the following new sentence: "In the case of the credit allowable under subsection (a)(1)(B) for qualified health insurance expenses, the Secretary may require an insurance policy number in addition to (or in lieu of) the taxpayer identification number."

(e) COORDINATION WITH DEDUCTION FOR SELF-EMPLOYED INDIVIDUALS.—Section 162(l) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 21."

(f) CONFORMING AMENDMENTS.—

(1) The heading for section 21 of the Internal Revenue Code of 1986 is amended by inserting "; HEALTH INSURANCE EXPENSES" after "EMPLOYMENT".

(2) The item relating to section 21 in the table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting "; health insurance expenses" after "employment".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. DEPENDENT CARE AND HEALTH INSURANCE PREMIUM CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000 ($14,000 in the case of a married individual filing a separate return).

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses and qualified health insurance expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated employment-related expenses and qualified health insurance expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) one-third of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining two-thirds of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end there the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense or qualifying health insurance expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 212(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury, or the Secretary's delegate, shall establish a taxpayer awareness program to

inform the taxpaying public of the availability of the credit for dependent care and health insurance premiums allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

SEC. 216. DEMONSTRATION PROJECTS TO EXTEND HEALTH INSURANCE TO CHILDREN NOT COVERED BY PUBLIC OR PRIVATE HEALTH PROGRAMS.

Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by adding at the end thereof the following new subsection:

"(d)(1)(A) The Secretary shall conduct demonstration projects to evaluate and extend the provision of health insurance to—

"(i) children under the age of 19 who are not covered by other public or private health programs, and

"(ii) at the option of the organization described in subparagraph (B), the parents of such children who are not so covered.

"(B) Subject to the provisions of paragraph (2), the Secretary may enter into agreements to provide coverage described in subparagraph (A) through public and private cooperative arrangements sponsored by organizations, including (but not limited to)—

"(i) school based programs;

"(ii) programs operated under the auspices of nonprofit entities offering health insurance; and

"(iii) programs operated by nonprofit hospitals.

"(2) Any agreement entered into between the Secretary and any organization under paragraph (1)(B)(ii) shall provide—

"(A) that such agreement will be in effect for a period of 5 years, except that such agreement shall be terminated for failure to meet the requirements of this paragraph;

"(B) that the portion of the costs of any coverage program under the agreement to be funded from amounts provided by non-Federal sources shall not be less than the greater of—

"(i) the percentage (not less than 50 percent) specified by the Secretary, or

"(ii) if, at the time the agreement is entered into, such organization is conducting a program similar to the program covered by the agreement, the portion of such similar program funded by such non-Federal sources; and

"(C) that the coverage program provided by such organization shall not—

"(i) restrict enrollment in such program on the basis of a child's medical condition, or

"(ii) impose waiting periods or exclusions for preexisting conditions.

"(3) The Secretary in conducting demonstration projects under this subsection shall provide in any agreement that any organization described in paragraph (1)(B) may charge a premium to individuals enrolling in the coverage program provided by such organization.

"(4) The demonstration projects conducted under this subsection shall evaluate the effects of program coverage under any agreement on—

"(A) access to health services,

"(B) availability of insurance coverage to participating children and their families,

"(C) characteristics of participating children and their families, and

"(D) health care costs.

"(5) The Secretary shall publish no later than January 1, 1990, criteria governing the eligibility and participation of organizations in the demonstration projects conducted under this subsection.

"(6) For purposes of carrying out the demonstration projects described in this subsection there are authorized to be appropriated $25,000,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994."

Subtitle B—Employee Benefit Nondiscrimination Rules

SEC. 221. 1-YEAR DELAY IN APPLICATION OF SECTION 89 RULES.

(a) 1-YEAR DELAY.—Paragraph (1) of section 1151(k) of the Tax Reform Act of 1986 is amended to read as follows:

"(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 1989."

(b) CONFORMING AMENDMENT.—Subparagraph (F) of section 1011B(a)(22) of the Technical and Miscellaneous Revenue Act of 1988 is amended by striking "January 1, 1989" and inserting "January 1, 1990".

SEC. 222. REVISION OF ANTIDISCRIMINATION RULES FOR CERTAIN EMPLOYEE BENEFIT PLANS FOR YEARS BEGINNING AFTER 1989.

(a) GENERAL RULE.—Section 89 of the Internal Revenue Code of 1986 is amended to read as follows:

"SEC. 89. HEALTH BENEFITS PROVIDED TO HIGHLY COMPENSATED EMPLOYEES.

"(a) INCLUSION IN INCOME.—

"(1) IN GENERAL.—Notwithstanding any provision of part III of this subchapter, gross income of a highly compensated employee who is a participant in a health plan during any testing year shall include an amount equal to such employee's taxable benefit under such plan for such testing year.

"(2) YEAR OF INCLUSION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)—

"(i) any amount included in gross income under paragraph (1) shall be taken into account for the taxable year of the employee with or within which the testing year ends, and

"(ii) any deduction of the employer attributable to such amount shall be allowable for the taxable year of the employer with or within which the testing year ends.

"(B) ELECTION TO DELAY INCLUSION FOR 1 YEAR.—If an employer maintains a plan with a testing year ending after September 30 and on or before December 31 and elects the application of this subparagraph—

"(i) amounts included in gross income under paragraph (1) with respect to employees of such employer shall be taken into account for the taxable year of the employee following the taxable year determined under subparagraph (A), but

"(ii) any deduction of the employer which is attributable to such amounts shall be allowable for the taxable year with or within which the testing year following the testing year in which the taxable benefits were provided ends.

"(b) TAXABLE BENEFIT.—For purposes of this section—

"(1) TAXABLE BENEFIT UNDER PLANS NOT MEETING ELIGIBILITY REQUIREMENTS.—The taxable benefit of any highly compensated employee under any health plan not meeting the requirements of subsection (c) is the amount of such employee's employer-provided benefit under such plan.

"(2) TAXABLE BENEFIT UNDER PLANS MEETING ELIGIBILITY REQUIREMENTS.—

"(A) IN GENERAL.—The taxable benefit of any highly compensated employee under health plans meeting the requirements of subsection (c) is the excess (if any) of—

"(i) such employee's aggregate employer-provided benefit under such plans, over

"(ii) 133 percent of the base benefit with respect to such employee.

"(B) BASE BENEFIT.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'base benefit' means, with respect to any employee, the smallest employer-provided benefit for participants with the same number of covered individuals as such employee under any plan which was taken into account in determining whether the requirements of subsection (c)(1)(B) are met with respect to such participants.

"(ii) BASE BENEFIT WHERE MULTIPLE FAMILY OPTIONS AVAILABLE.—If there is no plan meeting the requirements of subsection (c)(1)(B) with respect to participants with the same number of covered individuals as an employee, the base benefit for such employee shall be the smallest employer-provided benefit under the plan which meets such requirements for participants with the next lowest number of covered individuals.

"(iii) BASE BENEFIT ZERO IN CERTAIN CASES.—If—

"(I) no plan of an employer meets the requirements of subsection (c)(1)(B) for participants with self-only coverage, or

"(II) an employer elects the application of this clause for any testing year,

the base benefit for all employees of such employer shall be zero.

"(C) AGGREGATION OF PLANS.—For purposes of subparagraph (A)(ii), an employer may elect to treat any group of 2 or more health plans as 1 plan if—

"(i) each of such plans is available to the same group of employees with the same eligibility requirements, and

"(ii) such plans when so aggregated qualify as a qualified core health plan.

"(c) REQUIREMENTS.—

"(1) IN GENERAL.—For purposes of this section, a health plan meets the requirements of this subsection if—

"(A) such plan does not contain any provision relating to eligibility to participate which (by its terms or otherwise) discriminates in favor of highly compensated employees, and

"(B) the employer maintains 1 or more qualified core health plans and at least 90 percent of all employees are eligible to participate in any of such plans.

"(2) QUALIFIED CORE HEALTH PLAN.—For purposes of this section, the term 'qualified core health plan' means any health plan if—

"(A) the employer-provided benefit under such plan primarily consists of core benefits, and

"(B) such health plan does not require contributions by an employee in excess of the reasonably expected allowable cost of the coverage provided to the employee.

Such term does not include any plan which includes a flexible spending arrangement.

"(3) ALLOWABLE COST.—For purposes of paragraph (2)(B)—

"(A) SELF-ONLY COVERAGE.—In the case of self-only coverage, the allowable cost is 40 percent of the cost of such coverage.

"(B) OTHER COVERAGE.—In the case of coverage other than self-only coverage, the allowable cost is an amount equal to the sum of—

"(i) 40 percent of the cost of such coverage, plus

"(ii) the amount (if any) by which the amount determined under subparagraph (A) exceeds the amount an employee is required to contribute for self-only coverage.

"(C) COST.—For purposes of this paragraph, cost shall be determined under subsection (f)(3)(B)(i) or (f)(3)(C), whichever applies.

"(4) CORE BENEFITS.—For purposes of this section, the term 'core benefits' means—

"(A) comprehensive major medical benefits,

"(B) comprehensive hospitalization benefits, and

"(C) at the election of the employer, other benefits specified by the Secretary.

"(5) SPECIAL RULE FOR SMALL EMPLOYERS.—

"(A) IN GENERAL.—In the case of a plan maintained by a small employer, if the number of employees determined under paragraph (1)(B) is not a whole number, such number shall be rounded to the next lowest whole number (or to 1 if such number is less than 1).

"(B) SMALL EMPLOYER.—For purposes of this paragraph, the term 'small employer' means an employer which normally employs 20 or fewer employees per day during the plan year. All employers treated as 1 employer for purposes of subsection (b), (c), (m), (n), or (o) of section 414 shall be so treated for purposes of the preceding sentence.

"(d) EXCLUDED EMPLOYEES.—

"(1) IN GENERAL.—The following employees shall be excluded from consideration under this section:

"(A) Employees who have not completed 6 months of service. An employee shall be excluded from consideration until the 1st day of the 1st month (or 1st day of a period of less than 31 days specified by the plan) beginning after completion of the period of service required under the preceding sentence.

"(B) Employees who normally work less than 30 hours per week.

"(C) Employees who normally work during not more than 6 months during any year.

"(D) Employees who have not attained age 21.

"(E) Employees who are nonresident aliens and who receive no earned income (within the meaning of section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)).

"(F) Employees who are students if—

"(i) such students are performing services described in section 3121(b)(10), and

"(ii) core benefits are made available to such students by such employer.

"(G) Any of the following:

"(i) Individuals who have attained the age of 55 and—

"(I) who are enrolled in a federally subsidized program under title V of the Older Americans Act, or

"(II) whose employment is funded under a grant or cooperative agreement made pursuant to the Environmental Programs Assistance Act of 1984.

"(ii) Individuals who are students employed under a cooperative education program which is qualified, or would be qualified, under title VIII of the Higher Education Act of 1965.

"(iii) Individuals who perform services at a rehabilitation facility and—

"(I) who are holding a certificate issued pursuant to section 14(c) of the Fair Labor Standards Act of 1938, or

"(II) who are receiving benefits under section 223 or title XVI of the Social Security Act.

"(iv) Individuals who are imprisoned in a correctional facility operated by or for the United States or a State (or political subdivision thereof) and who are performing services under a program operated by or for such facility.

"(v) Individuals who are performing services under any other similar Federal or State subsidized program specified by the Secretary.

"(2) SPECIAL RULES FOR EMPLOYEES EXCLUDED ON BASIS OF PERIOD OF SERVICE.—

"(A) SHORTER PERIOD.—If a plan specifies a shorter period of service than the period specified in paragraph (1)(A), paragraph (1)(A) shall be applied by using such shorter period.

"(B) SEPARATE APPLICATION.—If employees not meeting the service requirements of paragraph (1)(A) (after application of subparagraph (A)) are covered under a health plan of the employer, the requirements of this section shall be applied separately with respect to such employees.

"(3) EXCLUSION OF MEDICALLY UNINSURABLE EMPLOYEES OF SMALL EMPLOYERS.—In the case of a small employer (within the meaning of subsection (c)(5)(B)), there shall be excluded from consideration under this section employees of the employer who are determined to be medically uninsurable by a third party insurer providing coverage under the health plan.

"(e) SPECIAL RULES RELATING TO OTHER CLASSES OF EMPLOYEES.—For purposes of this section—

"(1) TREATMENT OF UNION EMPLOYEES.—

"(A) IN GENERAL.—If an employer has employees included in any qualified bargaining unit, this section shall be applied separately with respect to employees included in each such unit.

"(B) QUALIFIED BARGAINING UNIT.—For purposes of subparagraph (A), the term 'qualified bargaining unit' means any unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers if—

"(i) there is evidence that health benefits were the subject of good faith bargaining between the employee representatives and such employer or employers, and

"(ii) not more than a de minimis number of such employees are professional employees.

"(2) EXCEPTIONS FOR EMPLOYEES OF MULTIEMPLOYER PLANS AND SIMILAR EMPLOYEES.—

"(A) IN GENERAL.—There shall be excluded from consideration under this section—

"(i) employees covered by a collective bargaining agreement pursuant to which a health plan which is a multiemployer plan is maintained, and

"(ii) employees with respect to which employer contributions to a health plan are required under—

"(I) the Act of March 3, 1931, commonly referred to as the Davis-Bacon Act (40 U.S.C. 276a, et seq.), or

"(II) any similar Federal law specified by the Secretary.

"(B) SPECIAL RULES FOR PROFESSIONALS AND NONUNION EMPLOYEES.—

"(i) PROFESSIONAL EMPLOYEES.—Subparagraph (A)(i) shall not apply to any employees covered by a multiemployer plan who are professional employees unless there is no more than a de minimis number of such employees covered by such plan.

"(ii) NONUNION EMPLOYEES.—Notwithstanding subparagraph (A)(i), if a multiemployer plan covers a de minimis number of individuals—

"(I) who are employees of the plan, and

"(II) who are not covered by any collective bargaining agreement pursuant to which the plan is maintained,

such individuals shall be excluded from consideration under this section.

"(3) TREATMENT OF FORMER EMPLOYEES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), this section shall be applied separately to former employees under requirements similar to the requirements that apply to employees.

"(B) MODIFICATIONS OF REQUIREMENTS.—Except as provided in regulations, in applying this section to former employees—

"(i) subsection (c)(2)(B) shall not apply, and

"(ii) in determining whether the requirements of subsection (c)(1)(B) are met, the employer may take into account reasonable differences in eligibility to participate based on the age or service of the former employee.

"(C) FORMER EMPLOYEES SEPARATING BEFORE 1990.—This section shall not apply to any former employee who was separated from service before January 1, 1990 (and who was not reemployed on or after such date).

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) HEALTH PLAN.—The term 'health plan' means an accident or health plan within the meaning of section 105(e). Such term shall not include a plan maintained by a church for church employees. For purposes of the preceding sentence, the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization (as defined in section 3121(w)(3)(B)).

"(2) HIGHLY COMPENSATED EMPLOYEE.—The term 'highly compensated employee' has the meaning given such term by section 414(q); except that paragraph (5)(B) of such section shall not apply.

"(3) EMPLOYER-PROVIDED BENEFIT.—

"(A) IN GENERAL.—An employee's employer-provided benefit under any health plan is the value of the coverage provided during the testing year to or on behalf of such employee to the extent attributable to contributions made by the employer.

"(B) VALUE OF COVERAGE.—

"(i) IN GENERAL.—Except as provided in clause (ii), the value of the coverage provided under any health plan shall be determined in substantially the same manner as costs under a health plan are determined under section 4980B(f)(4).

"(ii) ELECTION BY EMPLOYER.—At the election of the employer, and except as provided in regulations, the value of the coverage shall be determined under any other reasonable method selected by the employer. This clause shall not apply for purposes of subsection (b) or (c)(2)(B).

"(C) SPECIAL RULE FOR SMALL EMPLOYERS.—Except as provided by the Secretary, in the case of a qualified core health plan with respect to which costs are individually rated, such employer may elect to determine the value of the coverage under the plan for all employees on the basis of the average cost for employees with the same coverage.

"(4) SEPARATE LINE OF BUSINESS EXCEPTION.—

"(A) IN GENERAL.—If, under section 414(r), an employer is treated as operating separate lines of business for a year, the employer may apply the provisions of this section separately with respect to employees in each such separate line of business. The preceding sentence shall not apply to any plan unless such plan is available to a group of employees as qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of highly compensated employees.

"(B) OPERATING UNITS.—In applying section 414(r)(7) for purposes of this section, an operating unit shall be treated as in a separate geographic area from another unit if such units are at least 35 miles apart.

"(5) TREATMENT OF SALARY REDUCTION ARRANGEMENTS.—

"(A) IN GENERAL.—Any contribution by reason of a salary reduction arrangement shall be treated as an employer contribution for purposes of determining the employer-provided benefit of a highly compensated employee.

"(B) ALLOWABLE COST TEST.—For purposes of subsection (c)(2)(B)—

"(i) IN GENERAL.—Any contribution by reason of a salary reduction arrangement (other than a qualified cash payment) shall be treated as an employee contribution.

"(ii) TREATMENT OF QUALIFIED CASH PAYMENTS.—Qualified cash payments shall be treated as employer contributions.

"(C) BASE BENEFIT.—For purposes of subsection (b)(2)(A)(ii), the base benefit under a plan shall be determined—

"(i) by treating any qualified cash payment as an employer-provided benefit, and

"(ii) by treating any other contribution by reason of a salary reduction arrangement as an employer-provided benefit only to the extent such contribution is matched dollar for dollar by an employer contribution which is not made by reason of a salary reduction arrangement.

"(D) QUALIFIED CASH PAYMENT.—For purposes of this paragraph, the term 'qualified cash payment' means an amount which is payable in cash to an employee and which is made solely because—

"(i) such employee elects not to be covered by any plan of the employer providing core benefits, and

"(ii) the employee indicates that he is covered by a health plan providing core benefits maintained by another employer.

"(6) TESTING YEAR.—The term 'testing year' means—

"(A) any 12-month period beginning with the calendar month designated in the plan for purposes of this section, or

"(B) if there is no such designation, the calendar year.

No period may be designated under subparagraph (A) unless the same period is designated with respect to all other health plans of the employer. Any designation under subparagraph (A) may be changed only with the consent of the Secretary.

"(7) TIME FOR TESTING.—

"(A) IN GENERAL.—Except as provided in regulations prescribed by the Secretary, determinations under this section (other than the determination of a highly compensated employee's actual employer-provided benefit) shall be made on the basis of the facts as of the testing day.

"(B) TESTING DAY.—For purposes of this paragraph, the term 'testing day' means—

"(i) the day designated for the plan as the testing day for purposes of this paragraph, or

"(ii) if there is no day so designated, the last day of the testing year.

"(C) LIMITATIONS.—

"(i) DESIGNATION MUST BE CONSISTENT FOR ALL HEALTH PLANS.—No day may be designated under subparagraph (B)(i) with respect to any plan unless the same day is so designated with respect to all other health plans of the employer.

"(ii) DESIGNATION BINDING.—Any designation under subparagraph (B)(i) shall apply to the testing year for which made and all subsequent years unless revoked with the consent of the Secretary.

"(D) SPECIAL RULE FOR MULTIPLE EMPLOYER PLAN.—In the case of a plan maintained by more than 1 employer (other than a multiemployer plan), each employer may, subject to such rules as the Secretary may prescribe, elect its own testing year under paragraph (6) and its own testing date under this paragraph.

"(8) SPECIAL RULES FOR CERTAIN DISPOSITIONS OR ACQUISITIONS.—

"(A) IN GENERAL.—If a person becomes, or ceases to be, a member of a group described in subsection (b), (c), (m), or (o) of section 414, then the requirements of subsection (c) shall be treated as having been met during the transition period with respect to any plan covering employees of such person or any other member of such group if—

"(i) such requirements were met immediately before such change, and

"(ii) either—

"(I) the coverage under such plan is not significantly changed during the transition period (other than by reason of the change in members of such group), or

"(II) such plan meets such other requirements as the Secretary may prescribe by regulation.

"(B) TRANSITION PERIOD.—For purposes of subparagraph (A), the term 'transition period' means the period—

"(i) beginning on the date of the change in members of a group, and

"(ii) ending on the last day of the 1st plan year beginning after such date of change.

"(9) COORDINATION WITH MEDICARE, ETC.—

"(A) IN GENERAL.—If a plan is coordinated with health or disability benefits provided under any Federal, State, or foreign law or under any other health plan covering the employee or family member of the employee, such plan shall not fail to meet the requirements of subsection (c) merely because the amount of benefits provided to an employee or family member are coordinated in a manner which does not discriminate in favor of highly compensated employees.

"(B) CERTAIN DISABILITY PLANS EXEMPT FROM NONDISCRIMINATION RULES.—This section shall not apply to any disability coverage other than disability coverage the benefits of which are excludable from gross income under section 105 (b) or (c).

"(C) ACCIDENTAL DEATH AND DISMEMBERMENT.—In the case of accidental death and dismemberment benefits—

"(i) this section shall not apply, and

"(ii) rules similar to the rules of section 79(d) shall apply to such benefits.

"(10) EMPLOYERS WITH ONLY HIGHLY COMPENSATED EMPLOYEES.—This section shall not apply to any health plan for any year if the only employees of the employer maintaining such plan are highly compensated employees.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) EXCISE TAX ON PLANS NOT MEETING CERTAIN REQUIREMENTS.—

(1) IN GENERAL.—Chapter 43 of such Code is amended by adding at the end thereof the following new section:

"SEC. 4980C. FAILURE TO SATISFY CERTAIN REQUIREMENTS WITH RESPECT TO EMPLOYEE BENEFITS PLANS.

"(a) IMPOSITION OF TAX.—

"(1) GENERAL RULE.—There is hereby imposed a tax equal to 34 percent of the amounts paid or incurred during any taxable year under a specified employee benefit plan which at any time during the taxable year does not meet the requirements of subsection (c).

"(2) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by paragraph (1):

"(A) In the case of a plan other than a multiemployer plan, the employer.

"(B) In the case of a multiemployer plan, the plan.

"(b) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (a)(2) knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 180 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 180-day period beginning on the 1st date any of the persons referred to in subsection (a)(2) knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY THE SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(c) REQUIREMENTS.—A specified employee benefit plan does not meet the requirements of this subsection unless, except to the extent provided in regulations—

"(1) such plan is in writing,

"(2) the employee's rights under such plan are legally enforceable,

"(3) employees are provided reasonable notification of benefits available in the plan,

"(4) such plan is maintained for the exclusive benefit of employees, and

"(5) such plan was established with the intention of being maintained for an indefinite period of time.

In the case of a plan described in subsection (d)(1) maintained by a small employer (within the meaning of section 89(c)(5)(B)), the requirements of paragraph (1) shall be treated as met if the plan consists of an insurance policy issued by a third party insurer.

"(d) SPECIFIED EMPLOYEE BENEFIT PLAN.—For purposes of this section, the term 'specified employee benefit plan' means—

"(1) an accident or health plan (within the meaning of section 105(e)),

"(2) any plan of an employer for providing group-term life insurance (within the meaning of section 79),

"(3) a qualified tuition reduction program (within the meaning of section 117(d)),

"(4) a cafeteria plan (within the meaning of section 125), and

"(5) a plan to which section 505 applies.

Such term shall not include a plan maintained by a church (within the meaning of section 89(f)(1)) for church employees.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4980C. Failure to satisfy certain requirements with respect to employee benefits plans."

(c) NONDISCRIMINATION REQUIREMENTS FOR GROUP-TERM LIFE INSURANCE.—

(1) RESTORATION OF PRIOR LAW.—The amendment made by section 1151(c)(1) of the Tax Reform Act of 1986 is hereby repealed and section 79(d) of the Internal Revenue Code of 1986 shall be applied and administered as if the amendment made by such section 1151(c)(1) had not been enacted.

(2) EXCLUSION OF CERTAIN EMPLOYEES.—Subparagraph (B) of section 79(d)(3) of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) is amended to read as follows:

"(B) EXCLUDED EMPLOYEES.—For purposes of subparagraph (A), there shall be excluded from consideration employees—

"(i) who are excluded from consideration under rules similar to the rules under section 89(d), determined—

"(I) by substituting '1 year' for '6 months' in paragraph (1)(A) thereof, and

"(II) without regard to paragraph (3) thereof, and

"(ii) employees not included in the plan who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employees, if the benefits provided under the plan were the subject of good faith bargaining between such representatives and employers."

(d) CONFORMING AMENDMENTS.—

(1)(A) Sections 117(d)(4), 125(b)(3), and 127(b)(2) of such Code are each amended by striking "section 89(h)" and inserting "rules similar to the rules of subsection (d) of section 89 (determined by substituting '1 year' for '6 months' in paragraph (1)(A) and without regard to paragraph (3))".

(B) Paragraph (2) of section 120(c) of such Code is amended to read as follows:

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—The plan shall benefit employees who qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of employees who are described in paragraph (1).

"(B) EXCLUDED EMPLOYEES.—For purposes of subparagraph (A), there shall be excluded from consideration employees—

"(i) who are excluded from consideration under rules similar to the rules of section 89(d), determined—

"(I) by substituting '1 year' for '6 months' in paragraph (1)(A), and

"(II) without regard to paragraph (3), and

"(ii) employees not included in a plan who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers, if there is evidence that group legal services plan benefits were the subject of good faith bargaining between such representatives and employees."

(C) Paragraph (8) of section 129(d) of such Code is amended to read as follows:

"(8) EXCLUDED EMPLOYEES.—For purposes of paragraphs (2), (3), and (7), there shall be excluded from consideration employees—

"(A) who are excluded from consideration under rules similar to the rules of section 89(d), determined—

"(i) by substituting '1 year' for '6 months' in paragraph (1)(A), and

"(ii) without regard to paragraph (3), and

"(B) employees not included in a program who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers, if there is evidence that dependent care benefits were the subject of good faith bargaining between such representatives and employees."

(D) Paragraph (2) of section 505(b) of such Code is amended to read as follows:

"(2) EXCLUDED EMPLOYEES.—For purposes of paragraph (1), there shall be excluded from consideration employees—

"(A) who are excluded from consideration under rules similar to the rules of section 89(d), determined—

"(i) by substituting '1 year' for '6 months' in paragraph (1)(A), and

"(ii) without regard to paragraph (3), and

"(B) employees not included in a program who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers, if there is evidence that the class of benefits involved were the subject of good faith bargaining between such representatives and employers."

(2) Sections 120(b)(2), 125(c)(1), 127(b)(1)(B), and 129(d)(1)(B) of such Code are each amended by striking "89(k)" and inserting "4980C".

(3) Subparagraph (C) of section 125(c)(2) of such Code is amended by striking the last sentence thereof.

(4) Paragraph (1) of section 125(e) of such Code is amended by striking "section 89(a)" and inserting "sections 79(d) and 89(a)".

(5) Subparagraph (B) of section 162(l)(2) of such Code is amended by inserting "and treating individuals who are employees within the meaning of section 401(c)(1) as employees" before the period at the end thereof.

(6)(A) Subsection (b) of section 4976 of such Code is amended by striking paragraph (5).

(B) Subparagraph (B) of section 4976(c)(1) of such Code is amended to read as follows:

"(B) a health or group-term life insurance plan is part of such fund and benefits under such plan are taxable under chapter 1 by reason of section 79(d) or 89,".

(C) Clause (i) of section 4976(c)(2)(A) of such Code is amended to read as follows:

"(i) the aggregate taxable benefits referred to in paragraph (1)(B), or".

(D) Clause (ii) of section 4976(c)(2)(A) of such Code is amended by striking "such testing year" and inserting "the plan year".

(E) Section 4976(c) is amended by adding at the end thereof the following new paragraph:

"(3) TAX NOT TO APPLY IF AMOUNTS REPORTED ON W-2 FORMS.—No tax shall be imposed under paragraph (1) for any plan year if the employer meets the requirements of section 6051(g) for such year."

(7) Section 6051 of such Code is amended by adding at the end thereof the following new subsection:

"(g) REPORTING REQUIREMENTS FOR CERTAIN TAXABLE FRINGE BENEFITS.—

"(1) IN GENERAL.—If an employee of an employer maintaining any plan is required to include any amount in gross income under section 79(d) or 89 for any year ending with or within a calendar year, the employer shall separately include such amount on the statement which the employer is required to provide the employee under subsection (a) (and any statement required to be furnished under subsection (d)).

"(2) PENALTY.—

"For penalty for failure to report, see section 6652(k)."

(8)(A) Paragraph (1) of section 6652(k) of such Code is amended by striking "89(l)" and inserting "6051(g)".

(B) Paragraph (2) of section 6652(k) of such Code is amended by striking subparagraph (B) and inserting the following:

"(B) an amount which bears the same ratio to the employer-provided benefit with respect to the individual to whom such failure relates as the amount required to be but not shown on timely statements under sections 6051(a) and 6051(d) bears to the amount required to be shown.

For purposes of subparagraph (B), the term 'employer-provided benefit' means the employer-provided benefit determined under section 89 in the case of a health benefit and the cost of insurance determined under section 79(c) in case of a plan providing group-term life insurance."

(9) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 89 and inserting the following:

"Sec. 89. Health benefits provided to highly compensated employees."

(10) Paragraphs (1), (2), and (3) of section 3021(c) of the Technical and Miscellaneous Revenue Act of 1988 are hereby repealed.

(11) Section 6070 of the Technical and Miscellaneous Revenue Act of 1988 is hereby repealed.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

(2) SPECIAL RULE FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of the enactment of the Child Care and Health Insurance Act of 1989, the amendments made by subsection (a) shall not apply to any employee covered by such an agreement in years beginning before the earlier of—

(A) the date on which the agreement covering such employee expires (without regard to any extension thereof after such date of enactment), or

(B) January 1, 1993.

(3) ELECTION NOT TO HAVE AMENDMENTS APPLY.—

(A) IN GENERAL.—An employer may elect not to have the amendments made by subsection (a) apply to health plans maintained by the employer for years beginning in 1990 or 1991. Such election shall be made each year and shall apply to all health plans of the employer maintained during such year.

(B) EFFECT OF AN ELECTION.—If an election is made under subparagraph (A), section 89 of the Internal Revenue Code of 1986 (as in effect before the amendments made by subsection (a)) shall apply; except that—

(i) such section shall be treated as if it only applied to health plans,

(ii) section 89(d) of such Code (as in effect after such amendments) shall apply in lieu of section 89(h) of such Code (as in effect before such amendments), and

(iii) paragraphs (2) and (3) of section 89(e) of such Code (as in effect after such amendments) shall apply.

(4) ELECTION NOT TO HAVE AMENDMENTS APPLY TO DEPENDENT CARE ASSISTANCE PROGRAMS.—

(A) IN GENERAL.—An employer maintaining a dependent care assistance program to which section 129 of the Internal Revenue Code of 1986 applies may elect (in the same manner as under paragraph (2)) not to have the amendments made by this section (to the extent such amendments apply to such program) apply for years beginning in 1990 or 1991.

(B) EFFECT.—If an election is made under this paragraph, paragraph (2)(B) shall apply to the program, except that "dependent care assistance programs" shall be substituted for "health plans".

SEC. 223. OTHER PROVISIONS RELATING TO NONTAXABLE BENEFITS.

(a) TREATMENT OF LEASED EMPLOYEES.—

(1) REPLACEMENT OF HISTORICAL TEST WITH CONTROL TEST.—Subparagraph (C) of section 414(n)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(C) such services are performed by such person under the control of the recipient."

(2) SERVICES INCIDENTAL TO SALES OR CONSTRUCTION DISREGARDED.—Paragraph (2) of section 414(n) of such Code is amended by adding at the end thereof the following new flush sentence.

"The term 'leased employee' shall not include an individual solely because such individual is performing services incidental to the sale of goods or equipment or incidental to the construction of a facility. Such term shall include the support staff of professional employees."

(b) DEPENDENT CARE ASSISTANCE.—

(1) INCLUSION IN INCOME OF EXCESS BENEFITS.—Paragraph (7) of section 129(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(C) FAILURE TO MEET REQUIREMENTS.—

"(i) IN GENERAL.—If a plan fails to meet the requirements of this paragraph for any plan year—

"(I) such plan shall be treated as a plan which is a dependent care assistance program to which subsection (a) applies, but

"(II) there shall be included in the gross income of each highly compensated employee for the taxable year of such employee with or within which the plan year ends an amount equal to such employee's excess benefit.

"(ii) EXCESS BENEFIT.—For purposes of this subparagraph, the excess benefit of any employee is the excess of the employee's employer-provided benefit under the plan over the highest permitted benefit.

"(iii) HIGHEST PERMITTED BENEFIT.—For purposes of clause (ii), the highest permitted benefit under any plan shall be determined by reducing the nontaxable benefits of highly compensated employees (beginning with employees with the greatest nontaxable benefits) until such plan would be treated as meeting the requirements of subparagraph (A) if such reduced benefits were taken into account."

(2) INFORMATION REPORTING.—Paragraph (9) of section 6051(a) of such Code is amended by inserting "and the amount of such assistance required to be included in gross income by reason of section 129(d)(7)(C)" after "section 129(d)".

(c) GROUP-TERM LIFE INSURANCE.—

(1) HIGHLY COMPENSATED EMPLOYEES.—

(A) Section 79(d) of such Code is amended by striking "key" each place it appears (other than paragraph (6)) and inserting "highly compensated".

(B) Paragraph (6) of section 79(d) of such Code is amended to read as follows:

"(6) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this subsection, the term 'highly compensated employee' has the meaning given such term by section 414(q)."

(2) COMPENSATION LIMIT.—Paragraph (5) of section 79(d) of such Code is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, compensation for any year shall not be taken into account for such year to the extent it exceeds the amount in effect under section 401(a)(17) for such year."

(d) HIGHLY COMPENSATED EMPLOYEES.—

(1) COMPENSATION THRESHOLDS.—Subparagraph (D) of section 414(q)(1) of such Code is amended to read as follows:

"(D) was at any time an officer and received compensation in excess of the amount in effect under subparagraph (C) for such year."

(2) ROUNDING.—Paragraph (1) of section 414(q) of such Code is amended by adding at the end thereof the following new sentence: "If the amount determined under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest $1,000 (other than for purposes of applying the preceding sentence)."

(e) LINE OF BUSINESS TEST.—

(1) APPLICATION FOR PERIOD BEFORE GUIDELINES ISSUED.—In the case of any plan year beginning on or before the date the Secretary of the Treasury or his delegate issues guidelines under section 414(r)(2)(C) of the Internal Revenue Code of 1986 (and begins issuing determination letters with respect to such section), an employer meeting the requirements of section 414(r)(2) (A) and (B) of such Code with respect to a line of business may treat it as a separate line of business if the employer reasonably determines it to be separate.

(2) APPLICATION TO DEPENDENT CARE PROGRAMS.—Paragraph (1) of section 414(r) of such Code is amended by inserting ", 129(d)(7)," after "section 89".

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

(2) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1983.

(3) SUBSECTION (b).—The amendments made by subsection (b) shall apply to years beginning after December 31, 1988.

(4) LINE OF BUSINESS.—The provisions of subsection (e)(1) shall apply to years beginning after December 31, 1986.

SEC. 224. STUDY OF SECTION 89.

The United States Bipartisan Commission on Comprehensive Health Care established under section 401 of the Medicare Catastrophic Coverage Act of 1988 (42 U.S.C. 1395b note) shall study the implementation and effectiveness of section 89 of the Internal Revenue Code of 1986. The Commission shall include in its report under section 406(b) of such Act the results of the study, including recommendations with respect to—

(1) improving the effectiveness of section 89 in making employer-provided health insurance more accessible and affordable to low- and middle-income employees, and

(2) alternative methods for improving accessibility and affordability of health insurance available in the work place.

Subtitle C—Other Revenue Provisions

SEC. 331. PERMANENT EXTENSION OF TELEPHONE EXCISE TAX.

(a) IN GENERAL.—Paragraph (2) of section 4251(b) of the Internal Revenue Code of 1986 is amended by striking "percent;" and all that follows through the period and inserting "percent.".

(b) TIME FOR DEPOSIT OF TELEPHONE EXCISE TAXES.—Section 4251 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(d) TIME FOR DEPOSIT OF TAXES.—If, under regulations prescribed by the Secretary, a person is required to make deposits of any tax imposed by this section with respect to amounts considered collected by such person during any semi-monthly period, such deposits shall be made not later than the third day (not including Saturdays, Sundays, or legal holidays) after the close of the first week of the second semi-monthly period following the period to which such amounts relate."

(c) ONE-TIME FILING OF TELEPHONE EXCISE TAX EXEMPTION CERTIFICATES.—Section 4253 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(k) FILING OF EXEMPTION CERTIFICATES.—

"(1) IN GENERAL.—In order to claim an exemption under subsection (c), (h), (i), or (j), a person shall provide to the provider of communications services a statement (in such form and manner as the Secretary may provide) certifying that such person is entitled to such exemption.

"(2) DURATION OF CERTIFICATE.—Any statement provided under paragraph (1) shall remain in effect until—

"(A) the provider of communications services has actual knowledge that the information provided in such statement is false, or

"(B) such provider is notified by the Secretary that the provider of the statement is no longer entitled to an exemption described in paragraph (1).

If any information provided in such statement is no longer accurate, the person providing such statement shall inform the provider of communications services within 30 days of any change of information."

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall take effect on the date of the enactment of this title.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to the payment of taxes considered collected for semi-monthly periods beginning after June 30, 1990.

(3) SUBSECTION (c).—

(A) IN GENERAL.—The amendment made by subsection (c) shall apply to any claim for exemption made after the date of the enactment of this title.

(B) DURATION OF EXISTING CERTIFICATES.—Any annual certificate of exemption effective on the date of the enactment of this title shall remain effective until the end of the annual period.

SEC. 332. ESTIMATED TAX PAYMENTS REQUIRED FOR S CORPORATIONS.

(a) IN GENERAL.—Section 6655(g) of the Internal Revenue Code of 1986 is amended by

adding at the end thereof the following new paragraph:

"(4) APPLICATION OF SECTION TO CERTAIN TAXES IMPOSED ON S CORPORATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), this section shall apply to any of the following taxes imposed on an S corporation:

"(i) The tax imposed by section 1374(a) (or corresponding prior provision of law).

"(ii) The tax imposed by section 1375(a).

"(iii) Any tax imposed by reason of section 1371(d)(2).

"(B) SPECIAL RULES.—In applying this section to an S corporation—

"(i) clause (ii) of subsection (d)(1)(B) shall not apply to the taxes described in clauses (i) and (iii) of subparagraph (A), and

"(ii) paragraph (2) of subsection (d) shall not apply."

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendments made by this section shall apply to installments required to be made after the date of the enactment of this title with respect to taxable years ending after such date.

(2) SPECIAL RULES.—

(A) PAYMENTS SPREAD OVER REMAINING INSTALLMENTS.—Notwithstanding section 6655(d)(1)(A) of the Internal Revenue Code of 1986, any estimated payment of any tax relating to an item arising before the date of enactment of this title for any taxable year beginning on or before and ending after such date shall be taken into account ratably among the installments required to be made after such date for such taxable year.

(B) ANNUALIZED INSTALLMENT PAYMENTS.—If subsection (e) of section 6655 of such Code applies with respect to payments described in subparagraph (A), subclauses (II), (III), and (IV) of paragraph (2)(A)(i) of such subsection shall be applied by using the longer time periods prescribed under such subclauses.

(C) NUMBER OF REQUIRED INSTALLMENT.—For purposes of this paragraph, paragraph (1) shall be disregarded in determining the number of any required installment.

SHELBY AMENDMENT NO. 197

Mr. SHELBY submitted an amendment intended to be proposed by him to the bill S. 5, supra, as follows:

At the appropriate place add the following:

SEC. . USE OF CAMPAIGN CONTRIBUTIONS.—Section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended by striking out "except that, with respect to any individual who is not a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of January 8, 1980," and inserting in lieu thereof "except that".

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a field hearing on Tuesday, June 27, 1989, to assess the impact of takeovers on small business opportunities. The hearing will be held in the Moot Court Room of the Hamline University School of Law, located at 1536 Hewitt Avenue, St. Paul, MN. For further information, please call Pete Coyle, minority staff director for the committee at 224-8494.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 15, 1989, at 2 p.m. to hold a hearing on the nomination of Jeffrey Neil Shane, of the District of Columbia, to be Assistant Secretary of Transportation for Policy and International Affairs and on the nomination of Kate Leader Moore, of the District of Columbia, to be Assistant Secretary of Transportation for Budget and Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, June 15, 1989, at 10 a.m. to conduct a hearing on "The Condition of Academic Research Facilities."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, June 15, 1989, at 9 a.m., in open session to receive testimony in review of the programs recommended for termination in the amended budget submission for the Department of Defense for fiscal years 1990 and 1991, S. 1085, and to review the budget authority and outlay estimates of DOD and CBO for fiscal year 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet on Thursday, June 15, 1989, at 1 p.m. in closed session to receive testimony on the requirements for and budget request for the strategic defense initiative in review of S. 1085, the Department of Defense authorization bill for fiscal years 1990 and 1991.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Nutrition and Investigations of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Thursday, June 15, 1989, at 2 p.m. to hold a hearing on the reauthorization of the child nutrition programs and the Special Supplemental Food Program on WIC.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 15, 1989, at 9:30 a.m. to hold a hearing on S. 561, legislation which would require drug and alcohol testing of safety-sensitive workers in the rail, aviation and motor carrier industries.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SUPERFUND, OCEANS AND WATER PROTECTION

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Ocean and Water Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, June 15, beginning at 9:30 a.m., to conduct an oversight hearing to examine EPA's report on the Agency's 90-day review of the Superfund Program and related issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, June 15, at 9:30 a.m., on the subject of "averting alcohol abuse," new directions in prevention policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on June 15, 1989, 9:30 a.m. for a hearing to receive testimony on S. 488, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies; relevant provisions in S. 964, a bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal years 1990 and 1991; and the Department of Energy's fiscal year 1990 budget request for conservation and renewable energy programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DODD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 15, 1989 at 10 a.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITIES

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Thursday, June 15, 1989, at 9:30 a.m., to conduct hearings on the globalization of securities markets, and S. 646, the International Securities Enforcement Cooperation Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Affairs of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, June 15, 1989 at 2:30 p.m., to hold a hearing on immigration naturalization procedures.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 15, at 9:45 a.m. to hold a nomination hearing on Donald Gregg, to be Ambassador to South Korea.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HEE HAW

● Mr. SASSER. Mr. President, I rise today to recognize one of the truly remarkable television series—"Hee Haw," which is produced in my hometown of Nashville, TN.

"Hee Haw" is now taping new hours for its 22d season on national television. It is one of the most successful television shows ever and is currently seen on 200 television stations nationwide.

The series was created in 1969 and was an instant hit on CBS-TV. Although the series was dropped by the network, the producers knew they had a successful series. "Hee Haw" was always high in the Nielsen ratings.

Fortunately, the Federal Communications Commission had just established the prime time access rule and this allowed "Hee Haw" to become one of the instant successes of the new prime time access hour in the fall of 1971. In fact, "Hee Haw" was one of the pioneers of the booming syndicated first-run television industry of today.

I would like to commend Gaylord Program Services, Gaylord Syndicom, and Gaylord Broadcasting for their support of this series. And the dedicated work of producer Sam Lovullo and director Bob Boatman have made "Hee Haw" the great show it is.

I also want to mention the great work that Roy Clark has done as host of "Hee Haw" since its beginning in 1969. Roy has recently returned from a tour of the Soviet Union—proving once again the universal appeal of country music.

This series has been successful because it provides the audience with good family entertainment, including music and comedy. We in Tennessee are proud of what "Hee Haw" has done to popularize country music and quality television for more than two decades.●

DR. THOMAS McPHERSON BROWN: FIRST TO ISOLATE MYCOPLASMA ORGANISM FROM EXUDATE OF RHEUMATOID ARTHRITIS PATIENT AND FIRST TO USE ORAL AND INTRAVENOUS ANTIBIOTICS IN TREATMENT OF RHEUMATOID ARTHRITIS

● Mr. DECONCINI. Mr. President, for 50 years, Dr. Thomas McPherson Brown vigorously pursued the theory that rheumatoid arthritis was a tissue hypersensitivity reaction to certain agents in the bloodstream of rheumatoid arthritics. Dr. Brown believed that the source of these agents was the mycoplasma organism—formerly known as a pleuropneumonia-like organism—and was the first to isolate that organism from the exudate of a rheumatoid arthritis patient. He was also the first to recognize the link between infectious agents and rheumatic diseases. He developed a treatment program aimed directly at the mycoplasma organism which consists of oral and intravenous antibiotics administered over an extended period of time, usually at least 5 years. Dr. Brown was ahead of his time both as to the theory of the cause of rheumatoid arthritis and the development of his successful treatment program. Dr. Brown died on April 17, 1989.

I would like to share with my colleagues the testimony of Barbara A. Matia regarding Dr. Brown's work, articles published in the New York Times and Science magazine, Dr. Brown's curriculum vitae and his publications. I ask that the testimony and attached documents be printed in the RECORD.

The curriculum vitae follows:

Mr. Chairman, Senators and Staff: I am Barbara Matia of Scottsdale, Arizona. I appreciate the opportunity to testify before you for the third time. For those of you who have not heard me testify in the past, I believe that it is important for you to know that I was completely bedridden 11 years ago with rheumatoid arthritis. I was treated by Dr. Thomas McPherson Brown with Oral and intravenous antibiotics over a long period of time. After getting through the period during which this treatment causes you to feel worse, I improved each year, watching my blood tests go from an initial rheumatoid factor of 10,000 to a zero reading after 5 years. As you can tell by looking at me today, I am totally functional and am living a normal healthy life.

Dr. Brown and Dr. Homer Swift, who has been referred to as the father of modern rheumatology, first reported the isolation of a mycoplasma organism (then referred to as a pleuropneumonia-like organism or PPLO) in the March 24, 1939 issue of Science Magazine. Both the New York Times and the New York Post carried articles on this achievement with headlines which read as follows: "Rheumatism Germ Found, Say Rockefeller Doctors;" "Rheumatic Fever Cause Clues Are Found by Science." That discovery occurred 50 years ago last month. Dr. Brown persisted in the direction of the infectious theory of arthritis for 50 years. Last Monday, April 17, 1989, . . . he died. The gift he left to the world is that there is real hope for the arthritics today. He was way ahead of his time with his theory, that rheumatoid arthritis is a long-term acute illness rather than a chronic illness, and that if treated properly with antibiotics over a long period of time it is potentially curable.

Because of my experience with this disease and that of thousands of other patients which Dr. Brown has successfully treated, I know that when a clinical trial is completed on the antibiotic treatment program and when the research is finally completed on the cause of the disease, it will be established that Dr. Brown was right both as to the cause and the treatment of rheumatoid arthritis.

According to the National Institutes of Health, there are over 100 different forms of arthritis, all needing specific research in the various scientific disciplines such as genetics and immunology, and all needing separate clinical trials to test proper dosages of medicines found to be effective against one or more of those forms. This is going to be an endless task when you consider that the NIAMSD is the third lowest Institute at the NIH in funding and has the lowest grant payline of all of the Institutes and that the award rate for 1989 appropriations for the NIAMSD is only 27 percent where the other Institutes have award rates of 29 percent.

When you say you have arthritis, people do not associate with it the tragedy which they associate with cancer or heart disease. Arthritis is not generally a killer. But there is a tragedy in the immeasurable suffering which arthritics endure. And arthritis has an additional, almost ironic, tragedy associated with it. Because arthritis is not a killer, the economic loss to America from the reduced productivity and lost earnings, which has been estimated in the tens of billions of dollars annually, and the economic burden of long-term medical and custodial care which often becomes necessary, is a real American tragedy.

If we would devote substantial additional dollars to solving the arthritis mystery, this staggering annual economic loss would

begin to diminish and the economic gain from such a result would more than pay the investment.

I urge you to seriously consider increasing the NIAMS appropriation to $200 million for fiscal year 1990. This money will have a significant positive impact on balancing future budgets.

RHEUMATISM GERM FOUND, SAY ROCKEFELLER DOCTORS: MAY SOLVE PROBLEM OF ONE OF MOST SERIOUS DISEASES OF MANKIND

Two doctors of the Hospital of the Rockefeller Institute for Medical Research today announced the discovery of a germ which may solve the problem of rheumatic fever and rheumatic heart disease.

One of the most serious diseases of mankind because it is so often followed by progressive heart impairment, particularly in children, rheumatic fever has baffled medical scientists seeking both its true cause and an effective cure.

Dr. Homer F. Swift, considered the world's leading research scientist on rheumatic fever, and Dr. Thomas McPherson Brown, announce their discovery in the current issue of Science.

There is a possibility that the rheumatic fever germ they have found is the same one announced two weeks ago by Dr. A. B. Sabin, also of the Rockefeller Institute, as a probable cause of arthritis.

The two diseases, rheumatic fever and arthritis, together constitute one of the major cause of chronic illness and disability.

For years medical scientists have pursued the belief that the two diseases have been caused by some type or types of the common streptococcus, the most frequent cause of infections.

Serums, vaccines and antitoxins have been produced with only slight success to fight both diseases.

The new germ or germs, both called "pleuropneuomonia-like microorganisms" by the three doctors, may be the missing element in the cause of rheumatic fever and arthritis, with the streptococcus also playing a causative role.

The germ isolated by Drs. Swift and Brown was found after using highly ingenious techniques to cultivate a bacteriological response from secretions developed by a child with rheumatic fever.

The germ cultivation was done by implantation of the secretion in one of the special membranes of chicken eggs. It was only after taking the fluid from one planting and placing it into a new one for five successive times that a recognizable response was observed. This compares with ordinary bacteriological germ cultivation in which suspected material is planted in a medium and germ growth begins immediately.

Drs. Swift and Brown were able to produce a lung inflammation in mice with their germ, a response which Dr. Sabin was unable to do with his almost identical arthritis germ.

The two doctors believe that the difference may be only one of selectivity of site by a different type of the same germ. Dr. Sabin's germ produced lesions in the joints of rabbits but not pneumonia.

All three doctors are now concentrating on better methods to cultivate the germ and to further establish its connection with human arthritis and rheumatic fever.

Once this is done, research will be started to find ways to fight the germ, just as ways have been found to fight other diseases once the true cause was established.

RHEUMATIC FEVER CAUSE CLUES ARE FOUND BY SCIENCE—VICIOUS DISEASE OF SCHOOL AGE CHILDREN IN NORTHEAST FREQUENTLY KILLS

NEW YORK, March 23.—Clues to the unknown cause of rheumatic fever, a disease that attacks 1 of every 100 Americans, were announced today in science.

Rheumatic fever is a particularly vicious disease of school age children in the northeastern United States. It frequently results in damaged hearts, and often in death a few years after the rheumatic attack.

An unidentified streptococcus has been suspected. But at the Rockefeller Institute a new microorganism, said to resemble the pneumonia germ, has been found in rheumatic fever sufferers.

The evidence on this new cause of disease is unusual, all being "backhanded." Two Rockefeller scientists, Homer F. Swift and Thomas McPherson Brown, announce that this new organism causes pneumonia in mice and even other ills in animals deliberately infected with it.

Two weeks ago A.B. Sabin of the institute reported discovery that this same new organism caused chronic arthritis in mice.

In all cases the new germ or virus, was obtained from human beings with rheumatic fever. This cumulative evidence puts the new germ on the spot as the possible cause of the rheumatism.

[From Science magazine, Mar. 24, 1939]

PATHOGENIC PLEUROPNEUMONIA-LIKE MICROORGANISMS FROM ACUTE RHEUMATIC EXUDATES AND TISSUES

(By Homer F. Swift and Thomas McPherson Brown)

The inoculation of chorioallantoic members of chicken eggs with exudates obtained from a number of patients with acute rheumatic fever has resulted in the development of characteristic lesions which have not appeared when similar membranes were inoculated with non-rheumatic exudates. These lesions have had the same general appearance in a number of different series where the inocula have been derived from arthritic exudates, pleural exudates or an excised erythema nondosum nodule. The characteristic lesions have usually not become definite until the third to fifth serial passage; but once having appeared they have been easily induced in as many as twenty-four passages at two- to four-day intervals. The use of a 10 per cent human serum-saline mixture as a medium in which the ground membranes are suspended has proven an important part of the technique. Macroscopically the characteristic lesions consist of granules or pearl-like bodies, often best seen when viewed from the entodermal surface. Microscopically these areas eventually appear like globular structures surrounded with flattened epithelium, but containing in their center condensed eosinophilic material, apparently derived from the mesoderm, and varying amounts of mesodermal inflammatory reaction. The bodies appear to originate in the ectoderm; as they enlarge, they press downward into the mesoderm, and often push the entoderm ahead of themselves, so that they are most easily seen from the under surface of the membrane.

Occasionally membranes have become contaminated with ordinary bacteria. Under these circumstances they have presented quite a different appearance from that described above. When bacterial contamination has occurred, the ground membrane suspension has been subjected to Berkefeld N or V filtration, which has allowed the infectious agent to pass through.

Etherized mice inoculated intranasally with rheumatic arthritic or pleural exudates and with suspensions of chorioallantoic membranes, showing the characteristic lesions described above, have sickened and developed pneumonia in which the inciting agent has been transmissible from series to series by using as inocula, ground pneumonic lungs suspended in broth. Filtrates of these suspensions, passed through Berkefeld V candles, have induced the same type of pneumonia; and from these lungs ordinary bacteria have been absent, both from films and cultures. The equivocal nature of the evidence obtained from mouse pneumonia was recognized, because of the findings of Dochez[1] and Gordon,[2] respectively, and their collaborators, and of similar results in the Laboratories of the International Health Division.[3] In all those experiments, however, the induced pneumonia did not appear until after two or more mouse lung passages, while in our experience the characteristic pneumonia appeared after the primary intranasal inoculation. Suspensions of these pneumonic lungs which had been ground have induced the same characteristic lesions on the chorioallantoic membranes as those previoulsy mentioned.

As Dr. Albert Sabin has consulted with us frequently during his work in recovering pleuropneumonia-like microorganisms from normal mice[4] and inducing with these cultures chronic arthritis in mice,[5] we applied the cultural techniques he was using and also some of the methods employed by Kleineberger.[6] After a few sub-cultures in beef-serum-dextrose-broth or on solid media rich in serum, it was possible to grown pleuropneumonia-like microorganisms from the pneumonic mouse lungs and also from the abnormal chorioallantoic membranes. This was highly suggestive evidence that this agent has arisen from a common source—*viz.*, the exudates or lesions of patients with rheumatic fever—although the possibility was recognized that these pleuropneumonia-like microorganisms might have come from carriers among the sick mice, even though that possibility seemed improbable.

It, therefore, became important to cultivate, if possible, these microorganisms directly from rheumatic exudates; and by using the same culture media and applying the same repeated passage techniques that were used in culturing the chorioallantoic membranes and pneumonic mouse lungs, similar appearing cultures and microorganisms have been obtained from the arthritic exudate of a child early in the course of her second attack of rheumatic fever, and also from an erythema nodosum nodule excised from a patient with typical rheumatic polyarthritis. This furnished evidence that the pleuropneumonia-like microorganisms obtained from both the choriollantoic membranes and from the mouse pneumonic lungs were probably derived originally from the rheumatic exudates.

The pathogenicity of the cultures from the three different sources is being investi-

---

[1] A. R. Dochez, K. C. Mills and B. Mulliken, *Proc. Soc. Exp. Biol. and Med.*, 36: 683, 1937.

[2] F. B. Gordon, G. Freeman and J. M. Clampit, *Proc. Soc. Exp. Biol. and Med.*, 39: 450-453, 1938.

[3] F. L. Horsfall, personal communication.

[4] A. B. Sabin, Science, 88: 575-576, 1938.

[5] A. B. Sabin, Science, 89: 228-229, 1939.

[6] E. Kleineberger, *Jour. Hygiene*, 38: 458-475, 1938.

gated. A culture, free from ordinary bacteria, was obtained from the nineteenth chorioallantoic membrane passage where the original inoculum was a rheumatic pleural exudate. One tenth of a cubic centimeter of this culture, after four days' incubation, was injected into the vitreous of the eyes of three rabbits. Two of them developed marked iritis and also a systemic reaction indicated by diarrhea of several days' duration; the third had a panophthalmitis with some form of cocci as contaminating agents. Another set of three rabbits was inoculated with the seventh and eighth subcultures from an arthritic exudate (this culture had never undergone animal passage); one rabbit developed marked iritis and diarrhea, the second mild iritis; while the eye of the third has so far remained free from macroscopic lesions. Two out of three other rabbits inoculated with a 24-hour-old culture of the same strain developed definite iritis after 9 or 10 days; while the iritis in the first two groups appeared between the second and fifth days after inoculation and persisted from the seventh to tenth.

Four series of Swiss mice, of a stock known to be free from mouse typhoid infection, were inoculated intranasally with the same cultures that had been injected into rabbits' eyes. During the following six days, animals in each set were obviously sick and had dyspnea. When autopsied on the sixth or seventh days, 3 out of 5 mice inoculated with the 4-day-old culture showed only macroscopically equivocal pulmonary lesions. On the other hand, marked pneumonia was present in 2 out of 5 mice in each of the three sets inoculated with either 1- or 2-day-old cultures. Another macroscopically normal appearing mouse lung was found upon microscopic examination to have foci of interstitial pneumonia, perivascular hyperplasia and bronchi distended with polymorphonuclear cells, a picture that has been peculiar to all the pneumonic lungs examined.

It thus appears that pleuropneumonia-like microorganisms cultured directly from rheumatic exudates can induce the same type of pneumonia in mice that is obtained by inoculating these animals with rheumatic exudates, or with suspensions of chorioallantoic membranes in which characteristic lesions have been induced by these exudates. These pulmonic lesions have appeared in the first mice inoculated with these various materials, as well as in those where serial transfers have been carried out; hence we feel that the organotropism of these microorganisms is different from those of the pleuropneumonia-like microorganisms recovered from mice by Dr. Sabin, for he has been unable to induce pneumonia in mice with his cultures.[7] A few mice inoculated either intracerebrally, intravenously or intraperitoneally with cultures have, so far, shown no characteristic lesions, even though some of them have been obviously sick. The series has been too small, however, and the time since inoculation too short for final judgment concerning the pathogenicity of these cultures.

SUMMARY

In suitable cell-free media it has been possible to cultivate pleuropneumonia-like microorganisms from the following materials, first, from chorioallantoic membranes in which lesions were apparently induced by exudates from patients with rheumatic fever; second, from pneumonic lungs of mice inoculated with similar exudates or with suspensions of the above-mentioned abnormal membranes; and third, directly from the arthritic exudate of a patient with rheumatic fever, and also from an erythema nodosum nodule excised from a patient with this same disease. With three different subcultures from joint fluid, iritis has been induced in rabbits; and following intranasal inoculation with the same cultures there has developed in mice a pneumonia similar to that found in mice inoculated with rheumatic exudates and with suspensions of chorioallantoic membranes infected with rheumatic exudates. Therefore it seems probable that in all instances the pathogenic agent was derived from similar sources, *viz.*, patients with rheumatic fever. Further work will be required to demonstrate the etiologic significance of these pathogenic agents in rheumatic fever.

HOMER F. SWIFT,
THOMAS MCPHERSON BROWN.
Hospital of the Rockefeller Institute for Medical Research, New York, NY.

[7] A.B. Sabin, personal communication.

CURRICULUM VITAE

Thomas McPherson Brown, M.D.: Director/Chairman, Arthritis Institute of National Hospital; President, Arthritis Clinic of Northern Virginia, 2455 Army Navy Drive, Arlington, VA 22206, (703) 533-2431 & 920-0767.

Born: June 20, 1906, Washington, D.C.

Married: July 6, 1937 to Olive Young.

Children: Gael.

Home Address: 814 26th Place, S., Arlington, VA 22202.

Social Security: 579-44-5695.

Education: Swarthmore College, Swarthmore, PA; A.B.—1929 (Joshua Lippincott Fellowship); Johns Hopkins Medical School, Baltimore, MD. M.D.—1933 (Henry Dennison Strong Fellowship) (May 1932-October 1932, University of Gottingen, Germany and Rotunda Hospital, Dublin).

Professional Career:

Internship, Johns Hopkins Hospital, Baltimore, MD (12 months). 1933-1934.

Residency at Johns Hopkins University Hospital, Baltimore, MD. Total of 36 months as an Assistant Resident, 1934-1937.

Instructor in Medicine at Johns Hopkins University.

Resident on Rheumatic Fever Division, Rockefeller Institute Hospital, New York, NY. 1937-1939.

Chief Resident, Medical Service, Johns Hopkins Hospital, Baltimore, MD. Associate in Medicine, Johns Hopkins Hospital. 1939-1940.

Co-director of Biological Division, Johns Hopkins Hospital, Baltimore, MD. Associate in Medicine, full-time, 1940-1942.

Assistant Professor of medicine, leave of absence, Johns Hopkins Hospital, Baltimore, MD, 1943-1946.

Service in Army: April 1942-May 1945: Major, 118th General Hospital, Medical Officer; May 1945-September 1945: Major, 118th General Hospital, Chief of Medical Staff; September 1945-November 1945: Lt. Col. 118th General Hospital Commanding Officer.

Assistant Professor of Medicine, full-time, Johns Hopkins Hospital, Baltimore, MD. (January-July) 1946.

Chief of Medicine and Director of Arthritis Research, Veterans Administration Hospital, Washington, D.C. Adjunct Clinical Professor, George Washington University School of Medicine, 1946-1948.

Professor of Medicine, Executive Officer, Department of Medicine, George Washington University School of Medicine, Washington, D.C., 1948-1955.

Chairman, Department of Medicine, George Washington University School of Medicine, Washington, D.C. Chief of Medicine, George Washington University Hospital, 1948-1969.

Director, Arthritis Research Unit, George Washington University, 1948-1970.

Eugene Meyer Professor of Medicine, Department of Medicine, George Washington University School of Medicine, 1955-1970.

Consultant in Arthritis and Infectious Diseases, Veterans Administration Hospital, Washington, D.C., 1948-1962.

Co-Director, Rehabilitation Research and Training Center (RT-9), 1965-1967.

Director, Rehabilitation Research and Training Center (RT-9) 1967-1970.

Director, Section of Rheumatology, Department of Medicine, George Washington University, 1969-1970.

Professor Emeritus, George Washington University, 1970 to present.

Director, Arthritis Institute of the National Hospital, Arlington, VA, 1970 to present.

Professional Memberships: Society for Clinical Investigation, American Clinical and Climatological Association, Southern Society for Clinical Research, American Rheumatism Association, American Medical Association, Washington Academy of Sciences, American College of Physicians, D.C. Society of Internal Medicine, American Board of Internal Medicine (Diplomate), Arthritis and Rheumatism Association of Metropolitan Washington, D.C. Rheumatism Society, Arlington County Medical Society, Medical Society of Virginia, and Medical Society of D.C.

Professional Positions Held: Director, Arthritis Institute of the National Hospital, Arlington, VA; Chairman of the Board, Arthritis Institute of the National Hospital, Arlington, VA; President, Arthritis Clinic of Northern Virginia, Arlington, VA; Member of the Board of Trustees, National Hospital, Arlington, VA; Member of the Board of Directors, Sidwell Friends School; Member of the Board, Lupus Foundation, Washington, D.C.; and Member of the National Arthritis Advisory Board, Food & Drug Administration.

Honors: Phi Beta Kappa, Sigma Xi, Ivy Medal (Swarthmore), Cum Laude Society, Alpha Omega Alpha, American Men of Science, Who's Who, Encyclopedia Brittanica, Outstanding Service Citation—President's Committee for Handicapped—1956, and Physician of the Year—District of Columbia.

Past Positions Held: Vice-Chairman, Subcommittee on Medicine, National Research Council; Member, Council American Medical Association; Member, Research Study Section, Vocational Rehabilitation Service; Department of Health, Education & Welfare; George Washington University Committee of Eighteen; George Washington University Senate, Executive Committee; Chairman, Faculty Committee to Advice and Consult with the Board of Trustees on the Selection of a President, George Washington University; Member of Board of Managers, Swarthmore College; Director, George Washington Medical Division, D.C. General Hospital; President, D.C. Rheumatism Society; Vice-President Eugene and Agnes Meyer Foundation, VA; Section on Medicine, National Research Council; Consultant, National Institute of Arthritis and Metabolic Diseases, National Institutes of Health; National Committee Member, American Rheumatism Association; Con-

sultant to the White House; Member, Council on Drugs, American Medical Association; and Co-founder, Arthritis Foundation Metropolitan Washington Chapter.

PUBLICATIONS—THOMAS MCPHERSON BROWN, M.D.

1. Tillett WS, Brown TMcP.: Epidemic meningococcus meningitis; analysis of 26 cases. Bull Johns Hopkins Hospital 57:297-316, 1935.

2. Brown TMcP: Protective action of sulfanilamide and antimeningococcus serum on meningococcus infection of nice. Bull Johns Hopkins Hospital 61:272-279, 1937.

3. Haman L, Brown TMcP: Subacute bacterial endocarditis. Internat Clin 3:33-40, 1937.

4. Thomas HM Jr, and Brown TMcP: Pulmonary emphysema complicated by hyperthyroidism. Internat Clin 3:47-54, 1937.

5. Swift FH, Brown TMcP: Pathogenic pleuropneumonia-like organisms from acute rheumatic exudates and tissues. Science 89:271-272, 1939.

6. Swift FH, Brown TMcP: Attempts to cultivate pleuropneumonia-like organisms from rheumatic exudates. 3rd Internatl Congr Microbiol (NY 1939) Report of Proceedings 183, 1940.

7. Brown TMcP: Nunemaker JC: Rat-bite fever with arthritis due to Streptobacillus moniliformis. Bull Johns Hopkins Hospital 66:325, 1940.

8. Brown TMCP, Swift HF, Watson RF: Pseudo-colonies simulating those of pleuropneumonia-like microorganisms. J Bact 40:857-856, 1940.

9. Brown TMcP: Harvey AM: Spontaneous hypoglycemia in "smoke" drinkers. JAMA 117:12-15, 1941.

10. Brown TMcP, Nunemaker JC: Rat-bite fever; review of American cases with re-evaluation of etiology; report of cases. Bull Johns Hopkins Hospital 70:201-327, 1942.

11. Brown TMcP, Hayes GS: Isolation of microorganisms of the pleuropneumonia group from apparently pure cultures of the gonococcus. J Bact 43:82, 1942.

12. Brown TMcP, Stifler WC Jr, Bethea WR Jr: Early filariasis. Bull Johns Hopkins Hospital 78:126-154, 1946.

13. Bordley JE, Brown TMcP: Tonsillectomy in early convalescence from acute tonsillitis with prophylactic use of sulfonamides. Ann Otol, Rhin & Larring 55:751-753, 1946.

14. Report from Office of the Surgeon General, US Army: History of filariasis in soldiers during World War II. Archives of the Surgeon General, USA, World War II.

15. Report from Office of the Surgeon General, US Army: Early filariasis. A review. Archives of the Surgeon General, USA, World War II.

16. Brennan AJ, Brown TMcP, Warren J, Vranian G: Syndrome characterized by generalized cutaneous eruption, chorioretinitis and eosinophilia, probably due to chronic toxoplasma infection. Am J Med 7:43-436, 1949.

17. Brown TMcP, (L Dienes & HJ Weinberger): Pleuropneumonia-like organisms and their possible relation to articular disease: Discussion. Proc Seventh Int Congress of Rheumatic Diseases. In: *Rheumatic Diseases* Arth & Rheum Assoc WB Saunders Co, Philadelphia, 1952, p 407-408.

18. Brown TMcP, Wichelhausen RH, Robinson LB, Merchant WR: The *in vivo* action of aureomycin on pleuropneumonia-like organisms associated with various rheumatic diseases. J Lab Clin Med 34:1404-1410, 1949.

19. Brown TMcP, Wichelhausen RH: Tuberculosos peritonitis treated with streptomycin. Am J Med 6:506, 1949 (Abstract).

20. Wichelhausten RH, Brown TMcP: Tuberculosis peritonitis treated with streptomycin. Am J Med 8:421-444, 1950.

21. Brown TMcP, Merchant, WR, Wichelhausten RH, Robinson LB: A study of the basic mechanisms in rheumatic disease. Symposium on Cortisone and ACTH, Veterans Administration, Central Office, Washington DC August 1950. Published by Merck and Co, Inc, Rahway, NJ.

22. Merchant WR, Zimmerman HJ, and Brown TMcP: Turbidimetic estimation of gamma globulin in rheumatic diseases. Annual meeting of the Eastern Section of the American Federation for Clinical Research, Washington, DC, December 1950.

23. Brown TMcP, Wichelhausten RH, Merchant WR, Robinson LB: A study of the antigen-antibody mechanism in rheumatic diseases. Transactions Amer Clin & Climatological Assoc 62:1, 1950. Also published in Amer J Med Sci 221:618, 1951.

24. Merchant WR, Brown TMcP, Robinson LB, Wichelhausen RH: Observations on the effect of intravenous human serum albumin in hypersensitivity reactions and various arthritic states. (Abstract) American Society of Clinical Investigation, Atlantic City Meeting, May 1951.

25. Wichelhausen RH, Brown TMcP, Robinson LB, Merchant WR: Pleuropneumonia-like organisms and their possible significance in collagenous diseases. Proc. of American Rheumatism Association, Atlantic City, June 1951. Ann Rheumat Dis 10:463, 1951 (Abstract).

26. Robinson LB, Wichelhausen RH, Brown TMcP: Sensitivity studies on human pleuropneumonia-like organisms. J Lab Clin Med 39:290, 1952.

27. Brown TMcP: The era of anticipatory medicine. Med Ann of DC 23:524, 1954.

28. Brown TMcP: The doctor-patient relationship in chronic illness. Texas Reports on Biol & Med 12:587, 1954.

29. Bush SW, Robinson LB, Wacher WEC, Brown TMcP: Report of a case of collagen disease (scleroderma) in which pleuropneumonia-like organisms were isolated from an ovarian cyst. Program of Southern Society for Clinical Research Jan 1955 (Abstract).

30. Brown TMcP: The puzzling problem of the rheumatic diseases. Maryland State Medical Journal 6:88-109, 1956.

31. Brown TMcP: The rheumatic crossroads. Postgraduate Medicine, 19 (4):399-402, 1956.

32. Cooper CD, Felts WR, Brown TMcP, Wichelhausen RH: Determination of redox activity of leukocytes as a diagnostic aid in systemic lupus erythematosus. J Lab and Clin Med 53:457-467, 1958.

33. Clark HW, Brown TMcP, Wichelhausen RH: Standardization of serum protein analysis by paper electrophoresis. Federation Proceedings 17:202, 1958 (Abstract).

34. Robinson LB, Brown TMcP, Wichelhausen RH: Studies on the effect of erythromycin and antimalarial compounds on pleuropneumonia-like organisms. Antibiotics and Chemotherapy Vol IX:111-114, 1959.

35. Clark HW, Fowler RC, Brown TMcP: Preparation of pleuropnuemonia-like organisms for microscopic study. J Bact 81:500-502, 1961.

36. Brown TMcP, Bush SW, Felts WR: Rheumatoid Disease and Gout in Chapter 6 *Long Term Illness*. MG Wohl (Ed) WB Saunders Co 1959.

37. Bailey JS, Clark HW, Felts WR, Fowler RC, Brown TMcP: Antigenic properties of pleuropneumonia-like organisms from tissue cell cultures and the human genital area. J Bact 82:542-547, 1961.

38. Clark HW, Bailey JS, Fowler RC, Brown TMcP: Identification of *Mycoplasmataceae* by fluorescent antibody method. J Bact 85:111-118, 1963.

39. Bailey JS, Clark HW, Felts WR, Brown TMcP: Growth inhibitory properties of mycoplasma antibody. J Bact 86:147-150, 1963.

40. Fowler RC, Coble DW, Kramer NC, Brown TMcP: Starch gel electrophoresis of a fraction of certain of the pleuropneumonia-like organisms of microorganisms. J Bact 86:1145-1151, 1963.

41. Clark HW, Bailey JS, Brown TMcP: Determination of mycoplasma antibodies in humans. Bacterial Proc 64:59, 1964, M87.

42. Clark HW, Bailey JS, Brown TMcP: New observations of mycoplasma infectivity and immunity. Fifth Interscience Conference on Antimicrobial Agents and Chemotherapy. IVth Internat Cong of Chemotherapy, Oct 1965 (Abstract).

43. Brown TMcP, Bailey JS, Felts WR, Clark HW: Mycoplasma antibodies in synovia. Arth & Rheum 9:495, 1966 (Abstract).

44. Clark HW, Bailey JS Brown TMcP: Variations in mycoplasma antigen activity. In *Mycoplasma Diseases of Man* M Sprossig and W Witzleb (Ed), Proc of the International Symposium, Reinhardsbrunn Castle, VEB Gustov Fischer Verlag Jena 45-58, 1969.

45. Brown TMcP, Bush SW, Felts WR: Rheumatoid disease and gout in relation to digestive tract disorders. Chapt 66 In Gastroenterologic Medicine. M Paulson (Ed), Lea and Febiger publishers, 1969.

46. Fowler RC, Brown TMcP, Clark HW: Mycoplasmata and bacterial L-forms in rheumatoid diseases. In Proc Conf on the Relationship of Mycoplasma to Rheumatoid Arthritis and Related Diseases. J Decker (Ed), USPHS Publication #1523 195-205, 1966.

47. Fowler, RC, Coble DW, Kramer NC, Pai RR, Serrono BA, Brown TMcP: Immunoelectrophoresis analyses of an aqueous fraction of some mycoplasmata and bacterial L-forms. Ann NY Acad Sci 143:641-653, 1967.

48. Brown TMcP, Felts WR, Bush SW, Fowler RC, Oliver CH: A systematic evaluation of arthritis and connective tissue disorders. R&D Grant Report 1711M68C3 to SRS of the Dept of HEW, 1969.

49. Brown TMcP: The Arthritis Story. Reprinted from GW: The George Washington University Magazine Spring 1968 9-13.

50. Brown TMcP, Bailey JS, Clark HW, Gray WW, Clevenger AB, Heilen R: Rheumatoid-type illness in gorilla with immunologic association of isolated mycoplasma and clinical remission following intravenous oxytetracycline therapy. 9th Interscience Confer on Antimicrobial Agents and Chemotherapy 1969. (Abstracts)

51. Brown TMcP, Bailey JS, Clark HW, Gray CW, Clevenger AB Heilen R: Rheumatoid-type illness in gorilla with immunologic association of isolated mycoplasma and clinical remission following intravenous oxytetracycline therapy. Smithsonian Institutional National Zoological Park annual report 1970.

52. Brown TMcP, Clark HW, Bailey JS: Relationship between mycoplasma antibodies and rheumatoid factors (RF). Arth & Rheum 13:309-310, 1970.

53. Clark HW, Bailey JS, Brown TMcP: Mycoplasma: Potential autoantigens? Xth International Congress of Microbiology, 92, 1970.

54. Brown TMcP, Clark HW, Bailey JS, Gray CW: A mechanistic approach to treat-

ment of rheumatoid-type arthritis naturally occurring in a gorilla. Trans Amer Clin and Climatol Assn 82:227-247, 1970.

55. Brown TMcP, Felts WR, Bush SW, Oliver, CH: A study of rehabilitation potential in arthritis through programmed analysis. R&D Grant Report BD-55079/3-02 to SRS of the Dept of HEW, 1971.

56. Clark HW, Bailey JS, Brown TMcP: Mycoplasma variations induced by penicillin. Bacteriol Proc 1971 (Abstract).

57. Clark HW, Brown TMcP: Association of mycoplasma antigens with vaccines from cell cultures. Bacteriol Proc 82 1972 (Abstract).

58. Bailey JS, Clark HW, Brown TMcP: Characteristics of rabbit induced antibodies to human synovium and their relationship to mycoplasma. Bacteriol Proc 82 1972 (Abstract).

59. Brown TMcP, Clark HW, Bailey JS: Mycoplasma in pleural effusion of rheumatoid arthritis. XIIIth International Congress of Rheumatology, Japan. Abstract 594 in Excerpta Medica 1973.

60. Clark HW, Bailey JS, Brown TMcP: Mycoplasma antigenic and immunogenic activity. Am Soc Microbiol Abstracts, M 35:79, 1973.

61. Brown TMcP, Clark HW, Bailey JS: Natural occurrence of rheumatoid arthritis in great apes—a new animal model. Proc of the Centennial Symposium on Science and Research, Zoological Society of Philadelphia 49-79, 1974.

62. Bailey JS, Clark HW, Brown TMcP, Iden KI: Radial diffusion analysis of mycoplasma desoxyribonuclease. Am Soc Microbiol Abstracts, 59, 1975.

63. Clark HW, Brown TMcP: Another look at mycoplasma. Arth & Rheum 19:649-650, 1976.

64. Clark HW, Bailey JS, Brown TMcP: Mycoplasma-hypersensitivity reactions. Proc Soc Gen Microbiol III:171, 1976.

65. Brown TMcP, Clark HW, Boswell JT, Bailey JS: The essential role of the joint scan to assess basic therapeutic gain in rheumatoid arthritis. XIV Int'l Congr Rheum 1977. Abstract #551, 137.

66. Clark HW, Bailey JS, Brown TMcP: Mycoplasma-hypersensitivity in rheumatoid tissues. XIV Int'l Congr Rheum 1977. Abstract #1107, 247.

67. Brown TMcP, Clark HW: Rheumatoid Inflammation—Part I Inflow 11:1-2, 1978. (See reference 65)

68. Brown TMcP, Clark HW: Rheumatoid Inflammation—Part II Inflow, 12:1-2, 1979. (See reference 66)

69. Brown TMcP, Clark HW, Bailey JS, Gray CW: Rheumatoid type arthritis naturally occurring in a gorilla—a three year follow-up report of a mechanistic approach to treatment. Proc XV Int Symp uber die Erkrankungen der Zootiere, Kolmarden, 1973, pp. 357-359.

70. Brown TMcP, Clark HW, Bailey JS: Rheumatoid arthritis in the gorilla: A study of mycoplasma-host interaction in pathogenesis and treatment. In Comparative Pathology of Zoo Animals. RJ Montali, G Migaki (Ed). Smithsonian Institution Press, 1980, pp 259-266.

71. Clark HW, Laughlin DC, Bailey JS, Brown TMcP: Mycoplasma species and arthritis in captive elephants. J Zoo An Med 11:3-15, 1980.

72. Brown TMcP, Clark HW, Bailey JS, Attia MW: Comparative aspects of rheumatoid arthritis in the gorilla and man. XV International Congress of Rheumatology, 1981. (Abstract)

73. Attia WM, Clark HW, Brown TMcP: Evaluation of lymphocyte populations and their mitogenic activity in relation to serum copper and immunoglobulin levels in rheumatoid arthritis. Annals of Allergy, Number 1 Vol 47:99-103, 1981.

74. Mycoplasma therapy urged as adjunct in treating RA. Rheumatology News Vol 8, No 9, October 1981.

76. Brown TMcP, Bailey JS, Iden KI, Clark HW: Antimycoplasma approach to the mechanism and the control of rheumatoid disease. BBCI From: Inflammatory Diseases and Copper. JRJ Sorenson (Ed), The Humana Press, 1982, p 391-407.

77. Attia WM, Clark HW, Brown TMcP, Ali MK, Bellanti JA: Inhibition of polymorphonuclear leukocyte migration by sera of patients with rheumatoid arthritis. Annals of Allergy, Vol 48:21-24, 1982.

78. Attia WM, Shams AH, Ali MKH, Jang LW, Clark HW, Brown TMcP, Bellanti JA: Studies of phagocytic cell functions in rheumatoid arthritis. I. Phagocytic and metabolic activities of neutrophils. Annals of Allergy, Vol 48:279-287, 1982.

79. Attia WM, Shams AJ, Ali MKH, Land LW, Clark HW, Brown TMcP, Bellanti, JA: Studies of phagocytic functions in rheumatoid arthritis. II Effects of serum factors on phagocytic and metabolic activities of neutrophils. Annals of Allergy, 48: 266-270, 1982.

80. Clark HW, Bailey JS, Brown TMcP: Properties supporting the role of mycoplasmas in rheumatoid arthritis. Reviews of Infectious Diseases. Vol. 4:S238, 1982. (Abstract)

81. Bailey JS, Clark HW, Brown TMcP, Iden KI: Inhibitory effects of copper on mycoplasma. Reviews of Infectious Diseases. Vol 4:S238, 1982. (Abstract)

82. Brown TMcP: Support of funding mycoplasma research toward the case of arthritis. Congressional Record Vol 128:E1447, 1982.

83. Brown TMcP: The antimycoplasma treatment program for arthritis should be investigated by the NIH. Congr Record Vol. 129:E2561, 1983.

84. Clark HW, Brown TMcP: The antimycoplasma approach to the treatment of rheumatoid arthritis. Report to U.S. House of Representatives Subcommittee for Appropriations for 1984, in Hearings Part 9, 714-741, 1983.

85. Brown TMcP, Novak JW, Hockberg MC, et al: Antibiotic therapy of rheumatoid arthristis: An observational cohort study of 98 patients with 451 patient-years of follow-up. Submitted for publication.

86. Bailey JS, Clark HW, Brown TMcP: Superoxide as an Agent of Toxic Potential or Mycoplasmas. 85th Meeting, ASM, 1985.

87. Bailey JS, Clark HW, Brown TMcP, Iden I: Profile of a Mycoplasma Isolate from Rheumatoid Synovium, 86th Meeting, ASM, 1986.●

SEX EDUCATION AND SELF-ESTEEM

● Mr. BREAUX. Mr. President, I rise today to call to the attention of my colleagues an article by Ms. Betsy Gambel recently published in the Times-Picayune newspaper in New Orleans, LA, on the subject of sex education and the self-esteem of our Nation's youth.

At a time when teenage pregnancy runs rampant in areas of my home State, as well as many other places across the Nation including here in our Nation's Capital, I find Mr. Michael Carrera's proposal extremely illuminating as to how we might best combat this problem.

I believe that his formula for building self-esteem among your youth could not only help us fight the epidemic of teen pregnancy, but also the scourge of drugs plaguing the youth of our cities.

Mr. President, I ask that the article be included in the RECORD so that all my colleagues might have the benefit of Mr. Carrera's insights.

The article follows:

[From the Times-Picayune, Apr. 14, 1989]

SEX EDUCATION AND SELF-ESTEEM URGED BY EXPERT

(By Betsie Gambel)

Sex education expert Michael Carrera's formula for prevention of teen pregnancies is rooted in helping kids build their self-esteem.

"If we want to help our kids handle themselves responsibly when the opportunity for intercourse presents itself, we have to start from the moment they're born—building self-esteem and respect for other people," he says. "I maintain that this is the best form of birth-control education.

"A kid who feels good about himself and has been taught not to use other people will be a lot less likely to make an irresponsible decision when the time comes."

So how can parents build a child's self-esteem? Carrera suggests that affection and appreciation are the key. Kids who live with praise will grow up feeling good about themselves while kids who grow up with criticism will grow up being critical of others.

It's also important for parents to offset media messages about sex, Carrera says, adding that television often portrays relationships between men and women as tempestuous.

"You rarely see examples of real tenderness, affection, honesty, self-control—those qualities that form the bedrock of a healthy sexuality," he says.

And Carrera says that parents shouldn't be afraid to let their children see them in non-erotic relations; it's OK for members of the opposite sex to be just friends.

"Sex doesn't always have to be an issue in male-female relationships," he says.

Carrera, whose book, "Sex, the Facts, the Acts and Your Feelings," has been translated into 17 languages, will speak here at 7:30 p.m. Tuesday, April 18, and will conduct a workshop at Junior League of New Orleans headquarters, 4319 Carondelet St., from 9:30 to 1:30 a.m. April 19. The programs, sponsored by the Junior League, are free and open to the adult community.

Carrera has put his philosophy to work in New York City centers operated by the Children's Air Society and other organizations in areas with high school dropout and teen-pregnancy rates.

Although the centers are in predominantly black and Hispanic communities, Carrera says his program cuts across racial and socio-economic lines. He says that in three years, only two teens who have participate have become pregnant.

Program participants include males and females, teen-agers and parents. Carrera says, "You don't want to be caught in the trap of other programs that say you should teach young women to say no. On sexuality issues, if you don't couple that with teach-

ing men not to ask, then you're guilty of a sexist double standard."

The nuts and bolts of Carrera's approach is providing programs for teens that build their self-esteem. The major components of the program include:

A "job club." Teens get their Social Security cards, and fill out job applications and work papers. They're coached by counselors in interview skills and in how to dress appropriately for a particular job. The participants then are given a full- or part-time job. Their on-the-job performance determines their salary, anywhere from nothing to $50. They then are required to open a bank account.

Academic assessment. The young people go through a skills checklist for proficiency in math, reading and writing. Tutoring is available by community volunteers.

Sports programs. The kids are introduced to sports such as squash, golf, tennis and swimming. Self-discipline is the key ingredient. Carrera says, "If you want to have fun and win, you have to have control. You can transfer that into real-life situations when discipline is needed."

Creativity through the performing arts. Local theater groups involve the teens in role-playing, acting, improvisation and music.

Sex education. This course in human sexuality is for the parents and the children. Not only is the human reproductive system a subject to be taught, but also family planning and importance of the family unit.

Medical and health services. Physicals and gynecological examinations are offered, and contraception is available. Program staffers do talk to those teenagers who are sexually active about their responsibilities and rights.

Carrera has served as president of the board of directors of the Sex Information and Education Council of the United States (SIECUS), and as president of the American Association of Sex Educators, Counselors and Therapists (AASPECT). ●

THE NATION'S SPACE FUTURE: COLORADO LEADS THE WAY

● Mr. ARMSTRONG. Mr. President, yesterday, with the first launch of the Nation's largest, most powerful space launch vehicle, the United States took another bold step into the future and Colorado led the way. Colorado is known for its frontier spirit, hard work, and creative citizenry. From gold rush to space launch, these combined attributes have kept Colorado on the cutting edge for more than 100 years.

But today, Coloradans everywhere have three reasons to be especially proud of Martin Marietta's successful Titan 4 launch. First, and foremost, yesterday's launch, on a space booster manufactured in Denver, puts the United States' space launch capability back on the road to recovery. Second, it comes during the 30th anniversary of successful launches of Colorado-built Titans, and third, it again demonstrates Colorado's leadership in extremely reliable high technology products.

The launch of the Titan 4 marks an important point in U.S. history: The U.S. Space Program is well on its way to recovery. The Titan 4 space launch vehicle was manufactured by Martin Marietta in Denver, CO, and it is the biggest, most powerful unmanned launch vehicle in the U.S. inventory.

After the 1986 *Challenger* accident, we became painfully aware of the lack of launch capability necessary to ensure that satellites necessary for everyday life in America were able to be launched. Key decisionmakers termed it a "lack of assured access to space," and at that's what it was. To combat the problem, the Air Force began what we now can see was a very farsighted investment in unmanned or expendable launch vehicle technology. Two components of this new fleet of expendable launch vehicles are now made in Colorado: the Delta II, a medium-powered launch vehicle, manufactured in Pueblo and the most powerful, the Titan 4.

Today, the United States faces an enormous backlog of key satellite payloads already manufactured and ready to go, yet without any available booster to get them into orbit. For a nation that depends as heavily as the United States does on space—for everything from cross-country telephone calls to Home Box Office movies to warning of impending ballistic missile attack—the recovery of the U.S. space launch capability cannot be overstated. And Colorado's role in support of both the successful Delta II Program and yesterday's successful Titan 4 is pivotal.

Not only does the successful Titan 4 launch signal clearly that the U.S. Space Program is on the road to recovery, however. It also comes at an important—and joyful—juncture in the history of Titan rockets built in Denver—1989 marks the 30th anniversary of the successful launch of the first Denver-built Titan, the Titan I. It was in 1959—at the same launch site as yesterday's launch—that the first test flight of a Titan I intercontinental ballistic missile [ICBM] occurred.

Colorado's dedication to the U.S. Space Program—both millitary and civilian—is long lasting. Nothing is better evidence than yesterday's launch.

So far, report are that it came off "without a hitch"—great news in light of our recent years of other space launch difficulties. But high reliability is not new for the Titan rocket family. It's their hallmark.

Since their earliest days, Titans have been known as tried and true launch vehicles. In fact, it was just such trustworthiness that resulted in the selection in 1965 of the Titan II as the powerplant for the Gemini Manned Space Flight Program. During the course of that NASA program, these highly dependable Denver-built Titan II's powered 10 manned and 2 unmanned missions into space.

More recent events highlight the high standards of the Martin Marietta in Denver. The model immediately preceding the new Titan 4, the Titan 34D, has performed successfully in 96 percent of its flights.

High reliability for the Titan rocket system of this size and complexity doesn't come easily, however.

Martin Marietta builds the first and second stages of the rocket at its plant that sits on the outskirts of Denver. Each stage is huge by itself—together, they are enormous. For instance, the first stage stands 86.5 feet high—more than eight stories tall. Its diameter is 10 feet wide, and it produces a phenomenal one-half million pounds of thrust—that is the same as more than 10 Boeing 747 engines all firing at once. The second stage is more than three stories tall and produces over 100,000 pounds of thrust.

Once the first and second stage have been completed, the entire propulsion system must be integrated with other components manufactured at other facilities throughout the United States. In addition to the liquid first and second stages, the rocket is powered by 2 solid rocket motors, each more than 100 feet tall and producing 1.7 million pounds of thrust—that is equivalent to more than 33 747 engines firing at once. These must be integrated with the other portions of the system, the payload added, and a plethora of other functions performed to ready the spacecraft for launch.

The excellence demonstated by the Titan family's high reliability rate is something that we in Colorado are very proud of. Martin Marietta in Denver has taken an extremely difficult challenge, and brought it to fruition. Yesterday's successful launch is another example of what the hard-working, no-nonsense people of Colorado can do.

More specifically though, Martin Marietta's Astronautics Group in Denver should be highly commended for yesterday's successful launch. Leading the charge there is Mr. Peter B. Teets, assisted by Gary Flora, the space launch systems group manager. The manager responsible for Titan 4 program itself is Mr. Al Schaefle.

All of these men, and all the hard-working Coloradans who contributed in many varied ways to yesterday's successful launch should be highly commended for their efforts on behalf of our Nation's future.●

ECONOMIC BENEFITS TO THE UNITED STATES FROM THE ACTIVITIES OF THE INTERNATIONAL BANKING COMMUNITY

● Mr. GARN. Mr. President, I would like to share with you the results of a research study I recently received from Larry Uhlick of the Institute of International Bankers entitled "Economic Benefits to the United States

From the Activities of the International Banking Community." This study, prepared by the institute, highlights the economic and financial benefits that foreign banks have been able to bring to the United States as a result of the open banking markets we enjoy here under the policy of national treatment. It strengthens my conviction that the elimination of the remaining regulatory barriers between the securities and the banking industries, by opening up new markets for competition, can only be to the benefit of U.S. financial markets and U.S. consumers of banking and securities services.

The institute surveyed its members to obtain information on the direct economic benefits provided by the U.S. operations of foreign banks in terms of employment, use of real estate, and total payroll, operating and capital expenditures. The key findings of the paper are as follows: Total employment by foreign banks in the United States was more than 100,000 persons during 1988, of which the vast majority were U.S. citizens. Total payroll, operating and capital expenditures by U.S. operations of foreign banks were nearly $8 billion and utilization of office space by foreign banks in the United States was at least 34 million square feet during 1988. Using multipliers developed by the Bureau of Economic Analysis of the U.S. Department of Commerce to measure the ripple effect of expenditures in the economy, the institute's study estimates that the $8 billion in expenditures by U.S. operations of foreign banks created at least 127,000 additional jobs and $10.9 billion in additional expenditures for goods and services.

In addition to quantifying the direct economic benefits provided by foreign banks, the study also describes the financial benefits to the United States. These include contributing to product innovations—such as new money market rates like the London Interbank Offered Rate [LIBOR]—and providing competitive pricing on loans and credit enhancement for corporate, municipal, and other borrowers. The study also highlights the role of foreign banks in facilitating trade and investment between the United States and other countries, including export finance, and in contributing to the development and continued prominence of international banking centers in New York, Los Angeles, San Francisco, Chicago, Miami, and Atlanta. The importance of U.S. financial markets would be diminished if foreign banks were discouraged from maintaining a presence in this country.

In an overview of international banking, the study points out that the cross-border presence of foreign banks in the United States, as well as the presence of U.S. and nondomestic banks in other countries, is a natural consequence of the internationalization of the world's financial and economic markets. Indeed, the cross-border presence of international banks has become an essential element in the global system of trade and finance. The study notes that nondomestic banks have a significant presence in other major national economies and typically provide economic benefits in those countries similar to those provided by foreign banks in the United States. In this regard, international operations of U.S. banks continue to be very important. As of the end of 1987, U.S. banks had at least 900 foreign branches and, as recently reported in the May 30 issue of American Banker, international profits of U.S. money center banks as a percentage of total earnings have increased in recent years.

Finally, the institute's study discusses the U.S. policy of national treatment and concludes that the policy has worked well. The policy of national treatment for foreign banks not only provides benefits to our economy but also encourages other countries to provide national treatment to U.S. and other nondomestic banks.

An underlying theme of the institute's paper is that competition promotes the public welfare by encouraging innovation and reducing costs. Just as the U.S. policy of national treatment has fostered such competition in the U.S. banking industry, I continue to believe that further deregulation of the U.S. financial markets will result in greater competition to the benefit of the public and the economy. Accordingly, I urge my colleagues to pass legislation, as soon as possible after we finish our review of the thrift issues, that will eliminate the Glass-Steagall restrictions on the securities activities of banks. The greater competition that such deregulation will provide will accrue to the benefit of U.S. corporations, State and local governments, consumers, and U.S. financial markets in general.●

GLOBAL POPULATION GROWTH

● Mr. BRADLEY. Mr. President, the signals are all around us, and they are becoming more numerous and harder to overlook: the future of our global environment and of the human family itself is in jeopardy. The pressures of population growth in the Third World and of pollution throughout the world are mounting, harming human health, damaging the environment, crippling economic development in countries that need it most, and threatening the stability of fragile democracies.

I would like to share with my colleagues an editorial that appeared in the Camden, NJ, Courier-Post on April 3, 1989, which highlights some of the problems posed by rapid global population growth. I believe it is time for more of us to think about these matters, and to work together with the Bush administration to come up with workable solutions to them.

I ask that the attached article be printed in the RECORD at this point.

The article follows:

[From the Camden (NJ) Courier-Post, Apr. 3, 1989]

CURB POPULATION TO SAVE PLANET

Experts who have been warning for years that the planet is adding too many people too quickly are now stepping up those warnings in terms that ought to strike home. Just look at the smog-choked cities, the fouled oceans, the "greenhouse" effect that is heating up the Earth at an alarming rate. Environmental problems are fueled by an ever-growing number of people putting demands on an already overburdened Earth.

The Population Institute, a non-profit organization that has long been in the forefront of lobbying for population control, notes that 92 percent of the world's population growth is in Third World countries. The West, which has its population under control and has developed a respect for the environment that it lacked even a few years ago, is now trying to convince the underdeveloped countries not only to control their populations, but to refrain from polluting the environment or exploiting their natural resources. Brazil, for example, is under pressure to stop cutting and burning its vast rain forests, vital to the world as a source of oxygen.

These less developed countries, which have long been plundered by the industrial giants, naturally resent the Johnny-come-lately environmental "purity" of the West. Fortunately, however, their basic objective of feeding, clothing and sheltering their people coincides with the world's need to control population. Governments in many lands are trying, through family planning education and birth control, to curb growth. Often they face stiff opposition, in terms of cultural and religious traditions that favor large families or prohibit contraception. In many countries, furthermore, a large portion of the population is just reaching childbearing age, which makes population control even more difficult. In Mexico, for example, 60 percent of the population is 16 years of age and under.

The Population Institute reports several success stories. About 30 countries, including Mexico, Brazil, Nigeria, Zimbabwe, Jordan, Indonesia and China—home to 1 billion of Earth's 5 billion inhabitants—have made strides in reducing the rate of population growth. With more help, they and the 90 or so other countries still facing runaway growth could do better.

With the global population projected to double in 40 years, the specter rises of people pitted against each other in a struggle for what clean air, clean water, arable land and fossil fuels remain. Such a struggle for resources is an open invitation to war if not strangulation from pollution. Which makes it all the more important to get behind efforts now to curb population growth.

U.S. Sen. Timothy Wirth, D-Colo., is chief sponsor of a bill called the National Energy Policy Act, which is aimed at reducing the buildup of carbon dioxide and air pollutants that have been linked to the warming of the Earth. Among the bill's proposals is a call to make global population part of a national

VOL 135 PT 9 JE 14 — 22 1989 UMI

energy imperative. The Wirth bill would provide some $1.6 billion (up from $200 million) to support international family planning programs for three years.

This is not just a good investment. It's an imperative one. Isn't it better that the United States unite now with the rest of the world to curb population than fight it later in the midst of shortages and pollution?●

CONFIRMATION OF AMBASSADOR JOHN NEGROPONTE

● Mr. DECONCINI. Mr. President, I want to extend my congratulations to John Negroponte who was confirmed yesterday by the Senate as the United States Ambassador to Mexico. I am pleased the Senate acted in a timely manner and am especially pleased that John Negroponte was confirmed without opposition.

I have met with Ambassador Negroponte on a number of occasions and I must say that I am impressed. He has a strong diplomatic record from his time in Honduras and is well versed with events and the players in the region. He also impresses me as one who will be able to deal firmly and fairly with the Mexican Government and who will be able to represent well United States interests in Mexico.

Our top diplomatic post in Mexico City is an extremely sensitive and important one. Mexico, our friend and neighbor to the south, has many social and cultural ties with the United States, in general, and the Southwest in particular. In recent years, our ties have become even more intertwined as our business relations have expanded. These ties must be carefully nurtured.

Unfortunately, the otherwise strong ties between the United States and Mexico have not extended into the area of cooperation on the drug front. Only within recent months has the Salinas government begun cooperating with U.S. Customs Service and Drug Enforcement Agency officials in stemming the flow the drugs into this country and in bringing drug lords to justice.

This spotty record of enforcement and cooperation must be strengthened and I feel that Ambassador Negroponte has the experience and tools available to do the job. If we are serious about the war on drugs—and this Senator remains strongly committed to that effort—then we must ensure that the Mexican Government knows that cooperation on the drug front remains a top priority of the United States. I am certain that John Negroponte will be the man who will carry the United States message on drugs to the Government of Mexico and I wish him well as he assumes his new duties.●

ORDERS FOR FRIDAY, JUNE 16, 1989

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow, Friday, June 16; and that following the time of the two leaders, there be a period for morning business not to extend beyond 10:30 a.m.; with Senators permitted to speak therein for up to 5 minutes each; and that at the close of morning business, the Senate resume consideration of S. 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, JUNE 19, 1989

Mr. MITCHELL. Mr. President, I further ask unanimous consent that when the Senate recesses on Friday, June 16, it stand in recess until 11:30 a.m. on Monday, June 19; and that following the time for the two leaders, there be a period for morning business not to extend beyond 12 noon, with Senators permitted to speak for up to 5 minutes each; and at the close of morning business, the Senate then resume consideration of S. 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROLLCALL VOTES

Mr. MITCHELL. Mr. President, I ask unanimous consent that any rollcall votes ordered during the Senate session on Friday or Monday not occur prior to 5:30 p.m. on Monday, June 19.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SCHEDULE

Mr. MITCHELL. Mr. President, Senators should be aware of the following schedule: The Senate will be in session tomorrow and Monday considering S. 5. Senators who wish to speak or offer amendments to that legislation are encouraged to do so. Any rollcall votes which may be ordered during the session tomorrow and on Monday will occur not prior to 5:30 p.m. on Monday. Therefore, there will be no rollcall votes tomorrow. Any rollcall votes that may be ordered tomorrow or Monday will not occur prior to 5:30 p.m. on Monday.

Senators should also be aware that next week, the week immediately prior to the Fourth of July recess, is likely to involve lengthy sessions. This is an important bill in which all Senators have a keen interest. There is considerable disagreement on, if not the objectives of the bill, then at least the best way to achieve it. Therefore, Senators should be prepared next week, in accordance with the notice I provided in writing some weeks ago as to the upcoming schedule, that there could be late evenings and lengthy sessions with respect to this legislation next week.

It is my hope and intention, as I have expressed previously to the distinguished Republican leader, that we will complete action on this legislation next week.

I now yield to the distinguished Republican leader for any comments he may have on the subject.

Mr. DOLE. Mr. President, I have no comments. I share the views of the majority leader. I hope we can conclude action on this bill next week. I do know there is a bicentennial dinner on Tuesday evening. It starts at 7 p.m. But I know of nothing on Wednesday or Thursday or even Friday that will prevent us from completing action on the bill.

Mr. MITCHELL. The Senator is correct about the bicentennial dinner. He and I have attended numerous functions celebrating the 200th anniversary of the Congress, and by my count, next Tuesday's event will be the 200th such event we have attended and, in all probability, the last. It is likely that we will attempt to make some accommodation on that.

As the distinguished Republican leader has noted, Senators should be aware of this so everyone understands with respect to the schedule, it may be necessary to remain in session on Friday for some period of time if we have not reached that point. I hope that we will, and I believe that we will. So that Senators can be prepared in making up their schedules, it is possible, if not likely, that we are going to have several lengthy sessions next week on this subject.

I thank the distinguished Republican leader for his cooperation in this regard.

CONGRATULATIONS TO WICHITA STATE UNIVERSITY—1989 NCAA BASEBALL CHAMPIONS

Mr. DOLE. Mr. President, I send a resolution to the desk on behalf of myself and Senator KASSEBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 145) to congratulate Wichita State University on winning the 1989 NCAA Baseball Championship.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 145) was agreed to.

The preamble was agreed to.

The resolu
as follows:

Whereas t
baseball team
the College W
Whereas t
fought off eli
tournament c
win their way
ets;
Whereas Co
talented Wic
showed Ame
isn't only a m
Omaha, Nebr
Shockers wo
Now, therefor
Resolved, T
recognizes a
State Univers
ing achievem
baseball crow

Mr. DOL
unanimous
be instruct
that resolut
university.
the vote by
agreed to.
Mr. JEFF
motion on t
The moti
agreed to.

PRINTING
THE LA
G. MAGI

Mr. LIEB
ask unani
Senate pro
sideration
submitted
authorizing
tion of the
Warren Ma
The PR
clerk will
title.
The assi
as follows:
A resoluti
printing of
ing the eulo
Magnuson.
The PR
there obje
sideration
There be
proceeded
The PR
question i
tion.
The res
agreed to.

The resolution, and its preamble, are as follows:

S. RES. 145

Whereas the Wichita State University baseball team once again battled its way to the College World Series;

Whereas the Shockers from Wichita fought off elimination six times during the tournament despite injuries and having to win their way through the toughest brackets;

Whereas Coach Gene Stephenson and his talented Wichita State baseball players showed America that "Field of Dreams" isn't only a movie. It's a baseball diamond in Omaha, Nebraska, where the indomitable Shockers won the College World Series: Now, therefore, be it

Resolved, That the United States Senate recognizes and congratulates the Wichita State University baseball team for its thrilling achievement in winning the 1989 NCAA baseball crown.

Mr. DOLE. Mr. President, I ask unanimous consent that the Secretary be instructed to transmit a copy of that resolution to the president of the university. I also move to reconsider the vote by which the resolution was agreed to.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRINTING OF THE EULOGIES OF THE LATE SENATOR WARREN G. MAGNUSON

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 146, submitted earlier by Senator ADAMS, authorizing the printing of a compilation of the eulogies of the late Senator Warren Magnuson.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 146) authorizing the printing of copies of a compilation containing the eulogies of the late Senator Warren Magnuson.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 146) was agreed to, as follows:

S. RES. 146

Resolved, That there shall be printed as a Senate document a collection of statements made in tribute to the late Senator Warren G. Magnuson and published in the CONGRESSIONAL RECORD, together with appropriate illustrations and other materials relating to his death. In addition to the usual number, there shall be printed, for the use of the Senate, the lesser of 300 copies or such number as does not exceed a cost of $1,200.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. JEFFORDS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER TO THE REPUBLIC OF THE PHILIPPINES

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of H.R. 3244, a bill to authorize the transfer of two excess naval vessels to the Republic of the Philippines, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2344) to authorize the transfer to the Republic of the Philippines of two excess naval vessels.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JEFFORDS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STAR PRINT OF SENATE REPORT 101-28

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that a star print be made of Senate Report No. 101-28 to reflect the changes that I will now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. LIEBERMAN. Mr. President, if the distinguished acting Republican leader, my colleague from the State of Vermont, has no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 10 a.m., Friday, June 16.

There being no objection, the Senate, at 6:29 p.m., recessed until Friday, June 16, 1989, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 15, 1989:

DEPARTMENT OF STATE

FREDERICK MORRIS BUSH, OF MARYLAND, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO LUXEMBOURG.

CHAS. W. FREEMAN, JR., OF RHODE ISLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA.

DEPARTMENT OF THE INTERIOR

STELLA GARCIA GUERRA, OF TEXAS, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE JANET J. MCCOY, RESIGNED.

DEPARTMENT OF VETERANS' AFFAIRS

EDWARD T. TIMPERLAKE, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF VETERANS' AFFAIRS (CONGRESSIONAL AND PUBLIC AFFAIRS) (NEW POSITION).

RAOUL LORD CARROLL, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS' AFFAIRS (NEW POSITION).

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE OF LIEUTENANT GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

EDWIN J. GODFREY, 143-24-2270/9903 U.S. MARINE CORPS.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. ROBERT F. MILLIGAN, 157-24-3965/9903 USMC.

WITHDRAWAL

Executive nomination withdrawn by the President from further Senate consideration, June 15, 1989:

DEPARTMENT OF THE INTERIOR

JANET J. MCCOY, OF OREGON, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE RICHARD THOMAS MONTOYA, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

VOL 135 PT 9 JE 14 — 22 1989 UMI

HOUSE OF REPRESENTATIVES—*Thursday, June 15, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for the sense of community—the community of common ideals, the community of family, the community of friends. May the fellowship we enjoy and the support and affection we receive from others, bind us together as the people You have created us to be. May our shared responsibility and our shared values cause us to grow in knowledge and respect one with another. For the blessings of love from those closest to us, for the encouragement from people who surround us, we offer this word of prayer and thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentlewoman from California [Ms. PELOSI] will please lead the House in the Pledge of Allegiance.

Ms. PELOSI led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 881. An act to provide for restoration of the Federal trust relationship with, and assistance to, the Coquille Tribe of Indians and the individual members consisting of the Coquille Tribe of Indians, and for other purposes; and

H.J. Res. 274. Joint resolution to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1722. An act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 1722) an act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act, and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, Mr. MCCLURE, and Mr. DOMENICI to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1184. An act to allow the obsolete destroyer United States ship Edson (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable sixty-day congressional review period; and

S. Con. Res. 44. Concurrent Resolution to express the sense of the Congress concerning the funeral of Imre Nagy, the former Prime Minister of Hungary, and other heroes of the 1956 revolution in Hungary.

COELHO SAYS FAREWELL TO THE HOUSE OF REPRESENTATIVES

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, to my friends and colleagues, let me say that today a wonderful chapter in the lives of the Coelho family is closing.

And tomorrow, a new adventure for Phyllis, Kristen, Nicole, and myself will begin.

The joy we find in leaving is the opportunity our new lives promise for being together.

The sadness is in departing this House of Representatives; a place I truly love.

The generosity of my constituents, and the good will of my colleagues, have enabled me to serve for 25 years: as a staffer, as a Member, as campaign chair, and as majority whip.

Over that time, we made some changes and we made a difference. But now the winds of change blow anew.

Yesterday, two magnificent young leaders took their places as helmsmen for the Democratic Party.

Soon, the good people of the central San Joaquin Valley will choose a new Member to represent their interests in Washington.

Like a strong and steady stream, this House is constantly refreshed by new ideas and new leadership.

And that is what's so great about our system.

On behalf of all the Coelhos, I thank my colleagues for their friendship, hard work, and dedication to this great country.

God bless you. And may God bless our wonderful country. [Applause.]

LEGISLATION TO INCREASE IMMIGRATION QUOTA FOR HONG KONG

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, when Li Peng and Deng Xiaoping used tanks to crush the democratic aspirations of the Chinese people, the message was heard loudest in Hong Kong. Beijing is scheduled to take control of the British colony in 1997.

Optimists in Britain say that China won't ruin the Hong Kong miracle for the sake of ideology. The massacre in Beijing should lay that theory to rest, forever.

China may receive Hong Kong in 1997, but by then it will be an empty purse. Hong Kong's talented and able people will all be gone. They will have left because they understand the difference between totalitarianism and freedom. They will have voted with their feet.

We understand that Great Britain is unable to allow most Hong Kong citizens the right to live in Britain. But the United States has no such difficulty and should welcome them.

Today I am introducing legislation to dramatically increase our current Hong Kong immigration quota from 5,000 to 50,000 a year. Easier United States immigration will help provide Hong Kong the insurance policy that Britain is unable to provide and the Chinese fear so much. The new immigrants, coming from the world's most vibrant and dynamic economy, will add immeasurably to America and strengthen our foundations of freedom and opportunity.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

COMMENDING VOICE OF AMERICA

(Mr. JONES of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Georgia. Mr. Speaker, at a recent memorial service in Atlanta for the victims of the Beijing massacre, a number of Chinese students stressed to me the vital importance of the Voice of America in the Chinese struggle for greater freedom.

Civilized people around the world have watched the tragic events in China with sadness and outrage. Now the Chinese Government is engaged in an all-out propaganda offensive to rewrite history.

But, "The truth will set you free." That is why perhaps as many as 300 million Chinese are listening to the Voice of America's broadcasts in Mandarin, Cantonese, and English. With all other sources of information deliberately distorted, VOA has become the premiere source of news in China. The Chinese people respect VOA. They trust VOA to bring them an honest account of events in their own country. VOA has now extended broadcast hours, added a medium wave signal, opened telephone hotlines, and switched to all-news programming in order to keep the Chinese people informed of events that will determine their future. In response, the Chinese Government is jamming VOA, has issued bitter denunciations of VOA coverage, and yesterday expelled VOA Beijing Bureau Chief Alan Pessin. But the spirit of freedom cannot be silenced.

This crisis demonstrates the importance of international broadcasting. I hope my colleagues will join me in commending the staff of VOA for their tireless efforts, which have earned the respect and admiration of listeners around the world.

IN SUPPORT OF A BILL TO ELIMINATE GOVERNMENT WASTE

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, late yesterday I introduced a bill that I believe will eliminate some of the most incredibly needless Government waste I've ever heard of.

Millions of dollars worth of expensive equipment is being sent to the ocean floor on U.S. Navy ships because the Navy is either unable or unwilling to do anything about it.

America's do-it-yourselfer who spends his Saturday mornings at the hardware store would not believe what the Navy is throwing away: band saws, grinders, motors, lathes and vises, milling machines, rotary pumps, and electric amplifiers are just some of the items.

My bill would help save the taxpayer those wasted dollars by requiring that old Navy vessels used in target practice or sunk as artificial reefs be partially scrapped before being used.

America may be the most wealthy Nation in the world, but we are not so wealthy that we can afford to dump millions of dollars worth of sophisticated equipment to the bottom of the ocean floor.

□ 1010

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will interrupt the 1-minute speeches to receive a request from the gentleman from Indiana [Mr. SHARP].

APPOINTMENT OF CONFEREES ON H.R. 1722, NATURAL GAS WELLHEAD DECONTROL ACT OF 1989

Mr. SHARP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act with Senate amendments thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? The Chair hears none, and appoints the following conferees: Messrs. DINGELL, SHARP, TAUZIN, LENT, and MOORHEAD.

DOE NUCLEAR WEAPONS CONTRACTORS MUST BE HELD ACCOUNTABLE FOR ENVIRONMENT AND SAFETY VIOLATIONS

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, today I am introducing a bill that I believe will make a significant contribution toward improving safety and accountability at our Nation's nuclear weapons plants.

It is astonishing but true that when a nuclear weapons plant contractor is fined for breaking the law, the chances are good that the U.S. Department of Energy [DOE] will pay the fine. This is a terrible policy, and a slap in the face to every American taxpayer. My bill would stop the DOE in all but the most exceptional cases from reimbursing contractors who are penalized for breaking the law. The bill also directs DOE to reform its contractor award fee system to emphasize safe operations and environmental soundness at its facilities.

When an ordinary American citizen breaks the law, he knows he may be punished for the violation. The same goes for U.S. companies. Our system is not foolproof, but the fact that people know they may be held accountable for their actions means they are less likely to break the law in the first place.

It is precisely this accountability that is still lacking at the Department of Energy's nuclear weapons plants.

When a DOE nuclear weapons contractor violates the law, they often simply pay the fine knowing they'll be promptly reimbursed. This is particularly the case where DOE contractors break important environmental or safety laws, despite the danger to public health and safety that might be involved. This DOE policy undermines basic and very important incentives for contractors to follow the law. It has encouraged a scofflaw attitude on the part of some of our contractors, because they know they will get off scot-free even if they are caught red-handed.

You would think that after the shocking events and disclosures at these nuclear facilities over the last several years—after years of woeful mismanagement and callous indifference toward the public health—after the DOE has sent the taxpayer a bill for $150 billion to fix up and clean up its act—after 75 FBI agents raided the Rocky Flats plant in my district to look into criminal allegations of illegal dumping and burning of toxic chemicals and wastes—you would think that the Department would end this insane and incredible policy.

You would think that the DOE would want to do something to rebuild its public credibility, that the Department would want the public to see it punish wrongdoing, not reward it. Especially when that wrongdoing has potentially profound implications on the lives and health of people living in communities surrounding these plants.

But they have not. After all this, it is stunning to me that it is still DOE policy that, when a nuclear weapons plant contractor is fined for breaking the law, DOE pays the fine.

One of the more glaring examples of this happened late last year at Rocky Flats when the contractor, Rockwell International, was fined $47,500 for violating the law by haphazardly storing equipment that was leaking deadly, cancer-causing PCB's. After fighting the fine for months, using DOE lawyers, Rockwell finally agreed to pay the fine. In this case, Rockwell didn't even have to wait to be reimbursed—they apparently paid the fine right out of a U.S. Department of

Energy advance funds account from which Rockwell could write checks.

Frankly, if I were a contractor, I would be embarrassed to admit my company refused to take responsibility for its actions. And please note that my bill would not hold contractors responsible for events or conditions that are out of their hands. If the contractor warns the Department that certain actions must be taken to prevent breaking the law, but either DOE or Congress does not fund or authorize that action, the contractor would be held harmless. Nor would contractors be held responsible for anyone else's actions—say, by a previous contractor at a site.

The latter part of my bill directs DOE to revise its system of paying contractors bonuses or award fees, so that these bonuses will give greater emphasis to finding and remedying problems, rather than hiding them. This is particularly important with respect to potential environmental and safety concerns. At one point last year, three key defense nuclear facilities were shut down because safety violations were covered up or ignored rather than brought to light early. We need to reward workers and managers who will point out problems before they become crises, and I believe this part of my bill will make a contribution toward encouraging that kind of work ethic.

PRESIDENT BUSH'S CLEAN AIR INITIATIVE A VITAL STEP IN ADDRESSING ENVIRONMENTAL CONCERNS

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, I want to briefly express my excitement and encouragement that we may all be able to breath a little easier when the issues of clean air and acid rain are discussed.

I want to acknowledge President Bush's clean air initiative as a vital step in addressing environmental concerns and in promoting clean air.

Speaking as a New Jerseyan, the complex network of environmental problems is of continuing concern.

Recently, studies showed that nitrogen oxide, a primary element of the acid rain problem, not only affects the health of fresh water resources such as lakes and streams, but is also a major contributor to the degradation of ocean bays and estuaries.

For example, the Chesapeake Bay Foundation recently noted that despite efforts to reduce the amount of contaminants from storm and farm runoff entering the bay, excess nitrogen in the form of acid rain will continue without strong clean air standards.

In estuarine environments, excess nitrogen oxides create conditions which result in depleted oxygen and the growth of algal blooms. According to testimony by Dr. Ted Smayda from the University of Rhode Island, the size, intensity and frequency of these blooms have increased globally, causing millions of dollars in lost revenues and devastation to shellfish industries.

I am pleased with the President's proposal and the offer of cooperation he has extended. Although I believe various details within the President's proposal need strengthening, particularly the tonnage reduction of nitrogen oxides, I am anxious to begin moving in unison on these most important issues.

EXPENDITURE TARGETS THREATEN ACCESS TO HEALTH CARE

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, the Nation's elderly and disabled are already greatly distressed by recent changes in Medicare. Faced with the enormous debt accumulated in the massive budget deficits of the last 8 years, it is understandable that efforts to cut Medicare costs continue. But new cost-saving measures cannot come at the expense of rationing basic health care services to our Nation's elderly.

The recently proposed expenditure target concept threatens to restrict and delay the elderly's access to medical care. By limiting the level of reimbursement physicians would receive under Medicare in a given year, expenditure targets could provide a perverse incentive to withhold medical services. Under a Canadian experiment, mounting evidence indicates that expenditure targets have caused the ill to be subjected to waits as long as 18 months for needed treatment.

Mr. Speaker, it is my belief that while we must acknowledge the need to contain medical costs, we cannot do so at the exclusion of those who need care the most. Expenditure targets have potential of encouraging a system whereby doctors perform fewer services for Medicare patients. As the Federal Government struggles with the issue of access and financing of health care services, we must find alternatives which do not put at risk the most vulnerable members of our society.

LEGISLATION ADDRESSING THE ISSUE OF CHILD CARE

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, last March, I introduced legislation to address the issue of child care. It takes a starkly different approach from the Democrats' initiative—the so-called ABC bill—and the President's refundable tax credit for low-income workers. Those proposals, while sharply different in design and delivery of services, have a whopping price-tag—approaching $3 billion just for starters!

My bill proposes grants to the States as seed money to develop programs at the State and local level cooperatively with community groups, local school systems and business. The cost of this approach would be approximately $300 million over 2 years.

There are numerous successful programs throughout the country which were started locally—Independence, MO, for one. My hometown of Ridgewood, NJ, for another.

The Education and Labor Committee will markup child care legislation in the coming weeks. I urge my colleagues to cosponsor my bill for several compelling reasons:

First, keep direction and choice as close to home as possible—with the State, community, school, or business—rather than a federally directed bureaucracy.

THE FREE TRADE PROGRAM IS NOT FREE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the new trade figures are not so rosy. In fact, the American workers are still getting the thorns. Think about it: The savings and loan industry is basically falling apart; America's senior citizens are worried every day, they are losing their pensions, they are losing their medical benefits; housing markets are closing.

If it were not for the efforts of Chairman GONZALEZ, we may not even have a housing program for poor people.

What is next? Newlyweds will not be able to buy a home; all the banks would be owned by the foreigners. They will be forced to go in their back yards and pitch tents. Is that what America is coming out to?

The bottom line is this free trade program is not that. No one else is practicing it. It is a giveaway trade program that is killing America. And anybody that buys more than they sell goes bankrupt, and, man, we are going belly up.

Let us take care of America first and let us straighten this trade mess up. That is what Congress has to do, in addition to helping Chairman GONZALEZ today.

MEDICARE EXPENDITURE TARGET

(Mr. VALENTINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VALENTINE. Mr. Speaker, I rise to express my concern for the plight of our health care system.

Mr. Speaker, Medicare is under attack from a variety of fronts. The proposed budget calls for a $2.3 billion reduction in Medicare expenditures. Medicare cost increases are projected to run well ahead of general inflation. Increasing numbers of eligible beneficiaries and rapidly escalating health care costs are adding further strain to the system.

Just recently I have been made aware of a potential new blow to our health care system. The Physician Payment Review Commission has recommended national expenditure targets for physicians' services under Medicare part B to determine the level of physician fees each year. If actual expenditures during a year are greater than the target, then the physician fee scale for the following year would be decreased.

Opponents say that expenditure targets would force physicians to decide on a case-by-case basis to withhold necessary services to patients. They express concern that Medicare patients would not have adequate access to health care they need.

The Medicare Program has borne a disproportionate share of the deficit burden as it has been cut year after year by the Reagan administration and now the Bush administration.

We must honor the contract we made with senior citizens when we created the Social Security System. I recognize the need for cuts and believe we should consider all reasonable options for reducing costs. But our first priority must be to meet the health care needs of those who depend on Medicare.

SCHEDULING FAMILY TIME

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, I wish to take the opportunity to express my congratulations to the gentleman upon his election as Speaker of the House.

I understand that one of the most difficult tasks as Speaker is assigning the calendar. On this Friday, Father's Day weekend, we will be in deliberations on a vitally important piece of legislation to our Nation. We have here on the whip's desk a notice that also, during the month of July, it is expected the House will be in session on Mondays and Fridays, as well. If I could humbly make a contribution to this effort and bring to the attention of the leadership that a small window between July and the third week of August is a period in which most of our children are most accessible and available. If we are going to be in session on Mondays and Fridays, I would like to encourage the leadership to schedule those during January, February, March and April, because for those who have our families in our districts, the opportunity to perhaps spend a Friday evening or a weekend, or to go to a county fair with them, or to be able to spend time is something that if that is at all available during the 52 weeks of the year, I would like to encourage that perhaps during July would be a time in which our children are home and we could spend time with them on a weekend. However, I understand the difficulty, and I only offer it as a suggestion.

MEDICAL SERVICE RATIONED UNDER MEDICARE

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today to express concern and dismay regarding the proposed rationing of medical services under Medicare in the form of expenditure targets. This is just another attempt by the administration to balance the budget through restrictive measures limiting the access of vital health care to so many individuals who rely on this program.

In the past, we have seen these so-called balancing mechanisms at work—unfortunately oftentimes at the expense of the elderly. Again, we see an attempt to correct the national deficit by a proposed measure to ration physician services to this same vulnerable group by the use of expenditure targets. This concept represents a radical change from the Federal Government's initial agreement with the elderly.

Congress made a promise to our seniors when the Medicare system was set in place. This commitment was to assure quality and accessible care to those who depend on the system.

I urge my colleagues to strongly oppose such a devastating measure that would again force the elderly to carry the burden of balancing the budget and also restrict greatly needed health care.

CONGRATULATIONS TO MIKHAIL GORBACHEV

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, I take the well to extend congratulations to Mikhail Gorbachev. This morning we got the news that he has demonstrated solidarity with the students of Red China who marched and died in behalf of democracy. I simply want to say, Mr. Speaker, that I hope very much that when we see young Russians stand in Red Square, quoting Thomas Jefferson and carrying the goddess of democracy, that Mikhail Gorbachev will be equally as supportive.

DISAPPOINTING ACID RAIN LEGISLATION

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, I am very disappointed in the acid rain legislation sent to Members by President Bush. There is no consideration in here for the economy or the jobs in eastern Ohio or the Appalachian regional chain where the best coal is produced, the high Btu coal.

Mr. Bush says we must meet his standards; if not by scrubbers or clean coal technology, we can switch. If they spend billions of dollars, they will switch over to a low-sulfur coal and go someplace else.

He does not know what this means and what it will cause. The job loss; we are only working 25 percent of what we were 10 years ago. We are going to have to pay higher rates for electricity, if that is what Members want. If we do not have, then we are going to allow Canada to come in and send their electricity, and then we will lose more jobs in the power industry. He refused to come down and take a look at the best clean coal technology in the United States, and in Brilliant, OH. He should have done it. He looked at an ethanol plant somewhere in the western part of the country. He ought to take a look and see what is really going on and how we try to do it.

What I am saying, Mr. President, do not turn your back on Ohio, work with us. We will be glad to work with you. Save America, save the utility rates, keep the rates down, keep the jobs. That is what is important.

COLUMNIST PRAISES THE PRESIDENT

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, wonders never cease. Members do not have to be in this town very long to learn the truth of that old adage. At the risk of shocking my colleagues in this body, I would like to point out that this morning in her syndicated column in the Washington Post, Mary McGrory actually had something nice to say about President George Bush.

29-069 O-90-11 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

She, of course, was referring to the President's innovative, bold, dynamic, clean air requirements package presented to the American people on Monday.

Mary McGrory actually said, "George Bush's dream to become an environmental President could well come true." However, she could not resist, and we all know Mary McGrory, she could not resist a slight jab, referring to a conversation she had with a leader of the Democrats in the Senate, GEORGE MITCHELL. She said, "After 8 years of what MITCHELL calls 'worse than nothing,' Bush's proposals, which some people consider piddling in light of the problem are receiving kudos." What McGrory did not say is those kudos are coming from the Sierra Club, National Audubon Society, the National Wildlife Federation, the Clean Air Coalition, everyone in this country who is concerned about a quality environment. Welcome aboard, Mary McGrory.

TENSIONS MOUNTING IN THE COALFIELDS

Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RAHALL. Mr. Speaker, in the coalfields of southern West Virginia and southwestern Virginia, tensions are mounting due to the breakdown in negotiations between the United Mine Workers of America and Pittston Coal Co. Aggravating this situation are the arrests for nonviolent acts of civil disobedience of over 2,200 miners, retirees and their wives since the strike began in early April.

Pittston, due to its continued reluctance to recognize the grievances being expressed by its employees, is perpetuating this labor action to the point where the company cannot possibly expect any positive gain. In a similar fashion, is New Beckley Mining.

Moreover, these companies are doing a grave disservice to those coal operators who negotiated in good faith and signed agreements with the UMWA.

By refusing to come to terms with their workers, these companies are creating an atmosphere in the coalfields which is not conducive to the type of stability and security of supply the purchasers of our coal have come to expect. While I hardly think that is the type of result these companies expected, it is what is fast becoming reality, and is not to anybody's benefit.

On behalf of the public interest in this matter, the welfare of the people who live in the coalfields and the economy of our region, today I am calling upon these companies to move in a forthwith manner and reach a settlement of those differences which exist between them and the union.

For my part, I stand ready to work in any capacity as may be deemed appropriate by the parties involved to achieve this end.

And to those who have been jailed for no act of violence, but for exercising your constitutional rights, I say do not despair.

As that famous union activist, Mary Mother Jones, said so long ago to coal miners faced with a similar situation: "God bless and protect my boys. The one last message I would send is to be true always to what you think is right. No matter the punishment, stick to your principles."

□ 1030

THREE STRIKES AND YOU'RE OUT

(Mr. UPTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. UPTON. Mr. Speaker, in baseball, the rules of the game say "three strikes and you're out." Unfortunately, in Congress this is not always the case. The rule adopted yesterday on H.R. 1278 provides a good example.

Strike One: The 18 States in the Northeast-Midwest region are responsible for only $561 million—or 2.4 percent—of the $23.3 billion in bailout costs which will result from closing or merging unhealthy State-chartered thrifts.

Strike two: The Northeast-Midwest States constitute 42 percent of our Nation's population and pay 47 percent of the Nation's taxes. Our constituents, who are already biting the tax bullet, will now end up paying over $7.6 billion to close unhealthy thrifts. In other words, we will be paying 33 percent of the tab, when we were only responsible for 2.4 percent of the problem.

Strike three: The House approved the rule on H.R. 1278 without the Northeast-Midwest Coalition amendment to remedy this inequitable situation. The Northeast-Midwest provision would have forced those States most responsible for this crisis to pay their fair share.

Congress, you've struck out. However, since we are not playing baseball, the batter was not called out. Instead, the people of the Northeast-Midwest region will end up paying for the batter's multibillion-dollar salary over the next 30 years—a salary that they had nothing to do with.

PERSONAL EXPLANATION

(Mr. HUBBARD asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, yesterday I was in my district in western Kentucky and not in Washington.

It was indeed painful to miss the important caucus of House Democrats yesterday morning when we elected a new majority leader and majority whip.

Yes, it was painful to miss three votes on the House floor yesterday afternoon, including the rule on H.R. 1278—the important bill regarding the savings and loan crisis—and the override attempt of President Bush's veto of a raise in the minimum wage to $4.55 over a 3-year period.

It was even more painful yesterday to attend the funeral of a wonderful 76-year-old man named Floyd Benjamin Hall, who died last Monday at Western Baptist Hospital in Paducah, KY. For 17 years, Floyd Hall, the father of Joyce Lynn Hall Hubbard, was my father-in-law and was the grandfather of our two daughters, Kelly and Krista Hubbard.

Mr. Speaker, had I been present yesterday there would have been 248 votes to override President Bush's first veto. The vote was 247 to 178, 23 votes short of the two-thirds necessary to override the veto.

We have had a minimum wage of $3.35 an hour since 1981. I hope and urge that we in Congess and President Bush work toward a compromise as soon as possible toward a decent and adequate wage increase for millions of Americans who are currently paid now only $3.35 an hour.

INTRODUCTION OF LEGISLATION TO CHANGE IRA PROVISIONS

(Mr. TALLON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALLON. Mr. Speaker, it is no secret that for decades now, America has been on a consumption binge.

But, sooner or later we have got to answer some big questions about our future. How are we going to pay for it? Do we start paying now, and put time and compounding to work multiplying what we set aside? Or do we wait until we no longer have any time or earnings to save, and then count on somebody else to cough up the money for us? Do we take control of our own destiny, or do we continue to depend on the kindness of the strangers who are buying up our land and assets?

A lack of savings is a formula for economic mediocrity and right now, with the lowest personal savings rate in the industrial world, Americans are not making the grade. We need to make it desirable and lucrative for Americans to start saving again.

That's why I have introduced legislation to open up the IRA. My bill will

allow people to make tax-free withdrawals for education expenses, for long-term health care, and for a downpayment on a house—without having to split the interest earned on it with the IRS.

Money put into private savings vehicles does not just sit there. It keeps America competitive. And it multiplies. It is the ultimate economic and social "two-fer." It provides both the economic benefit of adding to the savings pool, and the social benefit of giving the saver more control over the condition and quality of his life.

My bill will cost the Treasury very little now and it will make the IRA a sweet deal for the saver, without making it a sour one for the Treasury.

ENUNCIATION OF MAJOR ISSUES IN THE S&L BAILOUT BILL

(Mr. CONYERS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, I would like to bring to the attention of the Members two points. The first, of course, is that in the S&L bailout bill the practice of denying loans to minorities, which has been discovered in such major cities across the country as Atlanta, New York, Detroit, and Chicago, has not been dealt with, denying equal opportunity to our citizens, and preventing the cities from revitalizing their neighborhoods, particularly in inner-city communities.

I also would like to make the Members aware of the fact that the budget outlay for OMB is $157.6 billion, but the total cost of this measure that we are determining here has now been estimated over a 33-year period at $305.9 billion. That figure is based on Government statistics and I would like that to be considered during the course of the debate.

FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

The SPEAKER. Pursuant to House Resolution 173 and rule XXIII, the Chair declares the House in the Committee of the Whole on the State of the Union for the further consideration of the bill, H.R. 1278.

□ 1038

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, with Mr. KILDEE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 14, 1989, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text entitled "Committee Print, Committee on Rules, June 13, 1989" shall be considered as an original bill for the purpose of amendment and shall be considered as having been read.

The text of the amendment in the nature of a substitute, as amended by the amendment printed in part 1 of House Report 101-85 accompanying House Resolution 173, is as follows:

H.R. 1278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Institutions Reform, Recovery and Enforcement Act of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—PURPOSE

Sec. 101. Purposes.

TITLE II—FEDERAL DEPOSIT INSURANCE CORPORATION AUTHORITIES AND RESPONSIBILITIES

Sec. 201. Financial institutions.
Sec. 202. Duties of Federal Deposit Insurance Corporation.
Sec. 203. FDIC board members.
Sec. 204. Definitions.
Sec. 205. Insured savings associations.
Sec. 206. Application process; insurance fees.
Sec. 207. Insurability factors.
Sec. 208. Assessments.
Sec. 209. Termination of insurance.
Sec. 210. FDIC corporate powers.
Sec. 211. Administration of corporation.
Sec. 212. Insurance funds; corporation powers as receiver.
Sec. 213. FSLIC Resolution Fund.
Sec. 214. Amendments to section 12.
Sec. 215. Amendments to section 13.
Sec. 216. Borrowing authority.
Sec. 217. Exemption from taxation; limitation on borrowing.
Sec. 218. Reports.
Sec. 219. Regulations governing insured financial institutions.
Sec. 220. Nondiscrimination.
Sec. 221. Risk management training.
Sec. 222. Brokered deposits.

TITLE III—SAVINGS ASSOCIATION SUPERVISION IMPROVEMENTS

Sec. 301. Definitions.
Sec. 302. Office of Thrift Supervision Director.
Sec. 303. Supervision of savings associations.
Sec. 304. Applicability.
Sec. 305. Conforming amendments.
Sec. 306. Safety and soundness.
Sec. 307. Amendments to section 5(c) of the Home Owners' Loan Act of 1933.
Sec. 308. Supervisory revisions.
Sec. 309. Receiverships.
Sec. 310. Technical amendment.
Sec. 311. Amendment to section 5.
Sec. 312. Provisions for low-to-moderate income housing lenders.
Sec. 313. Conversions.
Sec. 314. Capital standards.
Sec. 315. Limitation on investments by savings associations.
Sec. 316. Technical amendment.
Sec. 317. Cost of examination and reports.
Sec. 318. Recovery regulations repealed.
Sec. 319. Continued effectiveness of approved capital recovery plans.
Sec. 320. Savings and loan holding companies.
Sec. 321. Transactions with affiliates; loans to insiders.
Sec. 322. Advertising.
Sec. 323. Transfer of sections of the Federal Home Loan Bank Act to the Home Owners' Loan Act of 1933.
Sec. 324. Powers of examiners.
Sec. 325. Amendment of additional powers of Director.
Sec. 326. Amendments of title 5, United States Code.
Sec. 327. Amendments of title 31, United States Code.
Sec. 328. Preserving minority ownership of minority financial institutions.

TITLE IV—DISSOLUTION AND TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Sec. 401. Dissolution.
Sec. 402. Continuation and coordination of regulations.
Sec. 403. FDIC and RTC personnel.
Sec. 404. Division of property.
Sec. 405. Repeals.
Sec. 406. Report.
Sec. 407. OTS personnel.

TITLE V—FINANCING FOR THRIFT RESOLUTIONS

Subtitle A—Resolution Trust Corporation

Sec. 501. Resolution Trust Corporation established.

Subtitle B—Resolution Funding Corporation

Sec. 502. Resolution Funding Corporation established.
Sec. 503. Financing Corporation.
Sec. 504. Mixed ownership Government corporation.
Sec. 505. Wholly owned Government corporation.
Sec. 506. Comptroller General audit and access to records.
Sec. 507. GAO examination of Federal Savings and Loan Insurance Corporation resolutions.
Sec. 508. Establishment of Presidentially appointed Inspector General.

TITLE VI—THRIFT ACQUISITION ENHANCEMENT PROVISIONS

Sec. 601. Acquisition of thrifts by banks and bank holding companies.
Sec. 602. Investments by savings and loan holding companies in unaffiliated thrift institutions.
Sec. 603. Technical amendments to the Bank Holding Company Act.
Sec. 604. Purchase of minority interest in undercapitalized savings associations by other savings and loan holding companies allowed.
Sec. 605. Power of Director of the Office of Thrift Supervision to regulate savings and loan holding companies.

TITLE VII—FEDERAL HOME LOAN BANK SYSTEM REFORMS

Subtitle A—Federal Home Loan Bank Act Amendments

Sec. 701. Definitions.
Sec. 702. Federal Housing Finance Board established.
Sec. 703. Termination of the Federal Home Loan Bank Board and the position of Chairman.
Sec. 704. Repeal of provision relating to lawful contract rate.
Sec. 705. Repeal of provision relating to rate on interest on deposits.
Sec. 706. Capital stock.
Sec. 707. Election of bank directors.
Sec. 708. Repeal of provision relating to certain powers of the Federal Home Loan Bank Board.
Sec. 709. Powers and duties of banks.
Sec. 710. Reserves and dividends.
Sec. 711. Administrative expenses.
Sec. 712. Nonadministrative expenses; apportionment.
Sec. 713. Federal Savings and Loan Insurance Corporation industry advisory committee.
Sec. 714. Eligibility for membership.
Sec. 715. Study of bank board transfer of jurisdiction.
Sec. 716. Conforming amendment.
Sec. 717. Advances.
Sec. 718. Amendments relating to withdrawals from Federal Home Loan Bank membership.
Sec. 719. Technical and conforming amendments.

Subtitle B—Conforming Amendments

Sec. 721. Federal Home Loan Mortgage Corporation.
Sec. 722. Repeal of limitation of obligation for administrative expenses.
Sec. 723. Amendment of title 5, United States Code.
Sec. 724. Amendment of Balanced Budget and Emergency Deficit Control Act provisions.
Sec. 725. Study regarding capital requirements for Government-sponsored enterprises.

TITLE VIII—BANK CONSERVATION ACT AMENDMENTS

Sec. 801. Definitions.
Sec. 802. Appointment of conservator.
Sec. 803. Examinations.
Sec. 804. Termination of conservatorship.
Sec. 805. Conservator; powers and duties.
Sec. 806. Liability protection.
Sec. 807. Rules and regulations.
Sec. 808. Repeals.
Sec. 809. Conforming amendment.

TITLE IX—REGULATORY ENFORCEMENT AUTHORITY AND CRIMINAL ENHANCEMENTS

Sec. 900. Short title.

Subtitle A—Expanded Enforcement Powers, Increased Penalties, and Improved Accountability

Sec. 901. Employees, agents, and shareholders of a financial institution subject to administrative enforcement orders; substitution of "financial institution" for "bank" in enforcement provisions.
Sec. 902. Amendments to cease and desist authority with respect to restitution, restrictions on specific activities, grounds for issuance of a temporary order, and incomplete or inaccurate records.
Sec. 903. Merger of removal and prohibition authority.
Sec. 904. Industrywide application of removal, suspension, and prohibition orders.
Sec. 905. Enforcement proceedings allowed after separation from service.
Sec. 906. Expansion of removal powers for State criminal proceedings.
Sec. 907. Amendments to expand and increase civil money penalties.
Sec. 908. Clarification of criminal penalty provisions for violation of certain orders.
Sec. 909. Supervisory records.
Sec. 910. Increased penalty for participation by convicted individuals.
Sec. 911. Amendments to various provisions of law relating to reports.
Sec. 912. Authority of the FDIC to take enforcement action against savings associations.
Sec. 913. Public disclosure of enforcement actions required.
Sec. 914. Agency disapproval of directors and senior executive officers of certain financial institutions.
Sec. 915. Clarification of NCUA's authority to conduct compliance investigations.
Sec. 916. Continuity of authority for ongoing litigation.
Sec. 917. Extension of authority.
Sec. 918. Improved administrative hearings and procedures.
Sec. 919. Task force study of delegation of enforcement actions.
Sec. 920. Immunity of agency employees for furnishing information to other agencies.
Sec. 921. Annual report to Congress.
Sec. 922. Credit union audit requirements.

Subtitle B—Termination of Deposit Insurance

Sec. 926. Revision of procedures for termination of FDIC deposit insurance.

Subtitle C—Improving Early Detection of Misconduct and Encouraging Informants

Sec. 931. Information required to be made available to outside auditors.
Sec. 932. Financial institution employee protection remedy.
Sec. 933. Reward for information leading to recoveries or civil penalties.

Subtitle D—Right to Financial Privacy Act Amendments

Sec. 941. Definitions.
Sec. 942. Additional exceptions.
Sec. 943. Prohibitions.
Sec. 944. Miscellaneous provisions.

Subtitle E—Civil Penalties for Violations Involving Financial Institutions

Sec. 951. Civil penalties.

Subtitle F—Criminal Law and Procedure

Sec. 961. Increased criminal penalties for certain financial institution offenses.
Sec. 962. Miscellaneous revisions to title 18.
Sec. 963. Civil and criminal forfeiture.
Sec. 964. Grand jury secrecy.
Sec. 965. Criminal division fraud section regional offices.
Sec. 966. Department of Justice appropriation authorization.

TITLE X—STUDY OF FEDERAL DEPOSIT INSURANCE AND BANKING REGULATION

Sec. 1001. Study of Federal deposit insurance system.
Sec. 1002. Survey of bank fees and services.
Sec. 1003. Limitation on expanding deposit insurance coverage during study period.
Sec. 1004. General Accounting Office study.
Sec. 1005. Annual report on the condition of the Federal Deposit Insurance Fund.

TITLE XI—REAL ESTATE APPRAISAL REFORM AMENDMENTS

Sec. 1101. Establishment of Appraisal Subcommittee of the Federal Financial Institutions Examination Council.
Sec. 1102. Functions of appraisal subcommittee.
Sec. 1103. Chairperson of appraisal subcommittee; term of chairperson; meetings.
Sec. 1104. Officers and staff.
Sec. 1105. Powers of appraisal subcommittee.
Sec. 1106. Procedures for establishing appraisal standards and requiring the use of certified and licensed appraisers.
Sec. 1107. Authorization of appropriations.
Sec. 1108. Roster of State certified or licensed appraisers; authority to collect and transmit fees.
Sec. 1109. Functions of the Federal financial institutions regulatory agencies relating to appraisal standards.
Sec. 1110. Time for proposal and adoption of standards.
Sec. 1111. Functions of the Federal financial institutions regulatory agencies relating to appraiser qualifications.
Sec. 1112. Transactions requiring the services of a State certified appraiser.
Sec. 1113. Transactions requiring the services of a State licensed appraiser.
Sec. 1114. Time for proposal and adoption of rules.
Sec. 1115. Certification and licensing requirements,
Sec. 1116. Establishment of State appraiser certifying and licensing agencies.
Sec. 1117. Monitoring of State appraiser certifying and licensing agencies.
Sec. 1118. Recognition of State certified and licensed appraisers for purposes of this title.
Sec. 1119. Violations in obtaining and performing appraisals in federally related transactions.
Sec. 1120. Definitions.
Sec. 1121. Miscellaneous provisions.

TITLE XII—MISCELLANEOUS PROVISIONS

Sec. 1201. Amendments to the Federal Deposit Insurance Act.
Sec. 1202. Study of structure and condition of credit union system.
Sec. 1203. OCC employment provision.
Sec. 1204. NCUA employment provision.
Sec. 1205. Expansion of use of underutilized minority banks, women's banks, and low-income credit unions.
Sec. 1206. Credit Standards Advisory Committee.
Sec. 1207. Minimum requirements for accreditation of State depository institution supervisory agencies and for State examinations of federally regulated or insured institutions.
Sec. 1208. Comparability in compensation schedules.

Sec. 1209. Study by Secretary of the Treasury.
Sec. 1210. Expenditure of taxpayer money only for deposit insurance purposes.
Sec. 1211. Separability of provisions.
TITLE XIII—PARTICIPATION BY STATE HOUSING FINANCE AUTHORITIES
Sec. 1301. Definitions.
Sec. 1302. State Housing Finance Authority authorization.
TITLE XIV—TAX PROVISIONS
Sec. 1401. Early termination of special reorganization rules for financial institutions.
Sec. 1402. Tax exemption for Resolution Trust Corporation and Resolution Funding Corporation.
Sec. 1403. Annual reports on transactions in which Federal financial assistance provided.
Sec. 1404. Annual study of relationship between public debt and activities of Government-sponsored enterprises.

TITLE I—PURPOSES

SEC. 101. PURPOSES.

The purposes of this Act are as follows:

(1) To promote a safe and stable system of affordable housing finance through regulatory reform.

(2) To improve supervision by strengthening capital, accounting, and other supervisory standards.

(3) To establish a relationship of general oversight by the Secretary of the Treasury over the office charged with regulatory responsibility for savings associations similar to that of the Comptroller of the Currency.

(4) To establish an independent insurance agency to provide deposit insurance for savers.

(5) To put the Federal Deposit Insurance System on a sound financial basis for the future.

(6) To create a new corporation to contain, manage, and resolve failed thrift institutions.

(7) To provide the necessary private and public financing to resolve failed institutions in an expeditious manner.

(8) To provide for improved supervision and enhanced enforcement powers and increase criminal and civil money penalties for fraud against financial institutions and depositors.

TITLE II—FEDERAL DEPOSIT INSURANCE CORPORATION AUTHORITIES AND RESPONSIBILITIES

SEC. 201. FINANCIAL INSTITUTIONS.

(a) AMENDMENTS TO REFERENCES TO INSURED BANK.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by striking out "insured bank", "insured banks", and "insured bank's" each place each term appears in such Act (except where any such term is preceded by "member" or "nonmember") and inserting in lieu thereof "insured financial institution", "insured financial institutions", and "insured financial institution's", respectively.

(2) EXCEPTIONS.—The terms "insured bank" and "insured banks" shall not be amended pursuant to paragraph (1) in sections 3(h), 11(h), 11(i), 13(c)(1)(B), 13(f), and 18(d) of the Federal Deposit Insurance Act.

(b) AMENDMENTS TO REFERENCES TO FEDERAL HOME LOAN BANK BOARD.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by striking out "Federal Home Loan Bank Board" each place such term appears and inserting in lieu thereof "Director of the Office of Thrift Supervision".

(c) AMENDMENTS TO REFERENCES TO NONMEMBER INSURED BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting "or State savings association" after "nonmember insured bank" each place such term appears.

SEC. 202. DUTIES OF FEDERAL DEPOSIT INSURANCE CORPORATION.

Section 1 of the Federal Deposit Insurance Act (12 U.S.C. 1811) is amended by inserting "and savings associations" after "banks".

SEC. 203. FDIC BOARD MEMBERS.

Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended—

(1) in the first sentence—

(A) by striking out "The management" and inserting in lieu thereof the following:

"(a) IN GENERAL.—The management"; and

(B) by striking out "three" and inserting in lieu thereof "5";

(C) by inserting "1 of whom shall be the Director of the Office of Thrift Supervision" after the 2nd comma; and

(D) by striking out "two" and inserting in lieu thereof "3";

(2) by striking out the 2d and 3d sentences and inserting in lieu thereof the following: "1 of the appointive members shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairperson of the Board of Directors for a term of 4 years, and 1 of such members shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairperson of the Board of Directors for a term of 4 years. Not more than 3 members of the Board of Directors may be members of the same political party.";

(3) by amending the 5th sentence to read as follows:

"In the event of a vacancy in the office of the Comptroller of the Currecy or the office of the Director of the Office of Thrift Supervision, or during the absence or disability of any such member, the Acting Comptroller of the Currency, or the Acting Director of the Office of Thrift Supervision, as the case may be, shall serve as a member of the Board of Directors in lieu of the Comptroller of the Currency or the Director of the Office of Thrift Supervision, respectively.";

(4) in the 6th sentence, by striking out "Comptroller of the Currency" and inserting in lieu thereof "Vice Chairperson of the Board";

(5) in the last sentence—

(A) by inserting "or Federal home loan bank" after "Federal Reserve bank"; and

(B) by inserting "or financial institution holding company" before the semicolon; and

(6) by adding at the end thereof the following new subsection:

"(b) CONTINUATION OF MEMBERSHIP.—

"(1) MEMBERS.—The members of the Board of Directors on the date of enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall continue to serve in office until the fulfillment of their existing terms.

"(2) CHAIRPERSON.—The Chairperson of the Board of Directors shall continue to serve until a successor has been appointed and qualified.".

SEC. 204. DEFINITIONS.

(a) DEFINITIONS OF BANK AND RELATED TERMS.—Section 3(a) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)) is amended to read as follows:

"(a) DEFINITIONS OF BANK AND RELATED TERMS.—

"(1) BANK.—The term 'bank' means any national bank, State bank, and District bank, and any Federal or State insured branch.

"(2) STATE BANK.—The term 'State bank' means any bank, banking association, trust company, savings bank, industrial bank (or similar financial institution which the Board of Directors finds to be operating substantially in the same manner as an industrial bank), or other banking institution which—

"(A) is engaged in the business of receiving deposits, other than trust funds (as defined in this section); and

"(B) is incorporated under the laws of any State or which is operating under the Code of Law for the District of Columbia (except a national bank),

including any unincorporated bank the deposits of which are insured by the Corporation on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(3) STATE.—The term 'State' means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, or the Virgin Islands.

"(4) DISTRICT BANK.—The term 'District bank' means any State bank operating under the Code of Law of the District of Columbia.

"(5) CERTAIN COOPERATIVE BANKS INCLUDED.—The term 'bank' includes any cooperative bank that was insured pursuant to the Federal Deposit Insurance Act immediately prior to the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.".

(b) DEFINITION OF SAVINGS ASSOCIATIONS AND RELATED TERMS.—Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b)) is amended to read as follows:

"(b) DEFINITION OF SAVINGS ASSOCIATIONS AND RELATED TERMS.—

"(1) SAVINGS ASSOCIATION.—The term 'savings association' means—

"(A) any Federal savings association;

"(B) any State savings association;

"(C) any corporation that the Board of Directors determines to be operating substantially in the same manner as a savings and loan association; and

"(D) any institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(2) FEDERAL SAVINGS ASSOCIATION.—The term 'Federal savings association' means any Federal savings and loan association or Federal savings bank which is chartered under section 5 of the Home Owners' Loan Act of 1933.

"(3) STATE SAVINGS ASSOCIATION.—The term 'State savings association' means any building and loan, savings and loan, homestead association, or cooperative bank (other than a bank described in subsection (a)(5)) which is organized and operating according to the laws of the State (as defined in subsection (a) of this section) in which it is chartered or organized.".

(c) DEFINITIONS RELATING TO FINANCIAL INSTITUTIONS.—Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)) is amended to read as follows:

"(c) DEFINITIONS RELATING TO FINANCIAL INSTITUTIONS.—

"(1) FINANCIAL INSTITUTION.—The term 'financial institution' means any bank or savings association.

"(2) INSURED FINANCIAL INSTITUTION.—The term 'insured financial institution' means any bank or savings association the deposits of which are insured by the Corporation pursuant to this Act.

"(3) CERTAIN INSTITUTIONS INCLUDED FOR CERTAIN PURPOSES.—The term 'insured financial institution' includes any uninsured branch or agency of a foreign bank or a commercial lending company owned or controlled by a foreign bank for purposes of subsections (b) through (n) of section 8 of this Act.".

(d) DEFINITIONS RELATING TO MEMBER BANKS.—Section 3(d) of the Federal Deposit Insurance (12 U.S.C. 1813(d)) is amended to read as follows:

"(d) DEFINITIONS RELATING TO MEMBER BANKS.—

"(1) NATIONAL MEMBER BANK.—The term 'national member bank' means any national bank which—

"(A) is located in any State (other than the Trust Territory of the Pacific Islands); and

"(B) is a member of the Federal Reserve System.

"(2) STATE MEMBER BANK.—The term 'State member bank' means any State bank which is a member of the Federal Reserve System.".

(e) DEFINITIONS RELATING TO NONMEMBER BANKS.—Section 3(e) of the Federal Deposit Insurance Act (12 U.S.C. 1813(e)) is amended to read as follows:

"(e) DEFINITIONS RELATING TO NONMEMBER BANKS.—

"(1) NATIONAL NONMEMBER BANK.—The term 'national nonmember bank' means any national bank which—

"(A) is located in any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands; and

"(B) is not a member of the Federal Reserve System.

"(2) STATE NONMEMBER BANK.—The term 'State nonmember bank' means any State bank which is not a member of the Federal Reserve System.".

(f) ADDITIONAL AMENDMENTS TO DEFINITIONS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended—

(1) in subsection (j)—

(A) by inserting "conserving assets or" before "winding up"; and

(B) by inserting ", or of a savings association" before the period;

(2) in subsection (l)—

(A) by inserting "or savings association" after "a bank", "the bank", "another bank", "receiving bank", and "such bank" each place such terms appear;

(B) by inserting "or savings association's" after "bank's" each place such term appears;

(C) by striking out "and" at the end of subparagraph (5)(A);

(D) by striking out the period at the end of paragraph (5)(B) and inserting in lieu thereof "; or";

(E) by inserting after paragraph (5)(B) the following new subparagraph:

"(C) any money denominated in any currency other than that of the United States, and any obligation otherwise equivalent to money but which is not expressed in terms of the currency of the United States."; and

(F) in paragraph (5), by inserting ", Director of the Office of Thrift Supervision" after "Comptroller of the Currency";

(3) in subsection (m)—

(A) in paragraph (1), by striking out "the bank" and inserting in lieu thereof "the financial institution"; and

(B) by adding at the end thereof the following paragraph:

"(3) TERM INCLUDES CERTAIN FORMER FSLIC INSURED ACCOUNTS.—Subject to section 402(d) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, in the case of a savings association that becomes an insured financial institution as a result of the operation of section 4(a) of this Act, the term 'insured deposit' shall include any liability of such financial institution which constituted an insured account (within the meaning given to such term by section 401(c) of the National Housing Act, as in effect on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989).";

(4) by amending subsection (q) to read as follows:

"(q) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency' means the following agencies:

"(1) The Comptroller of the Currency in the case of a national banking association, a District bank, or a Federal branch or agency of a foreign bank.

"(2) The Board of Governors of the Federal Reserve System in the case of—

"(A) any State member insured bank (except a District bank);

"(B) any branch or agency of a foreign bank with respect to any provision of the Federal Reserve Act which is made applicable under the International Banking Act of 1978;

"(C) any foreign bank which does not operate an insured branch;

"(D) any agency or commercial lending company other than a Federal agency;

"(E) supervisory or regulatory proceedings arising from the authority given to the Board of Governors under section 7(c)(1) of the International Banking Act of 1978, including such proceedings under the Financial Institutions Supervisory Act; or

"(F) any bank holding company.

"(3) The Federal Deposit Insurance Corporation, in the case of any State nonmember insured bank (except a District bank), any foreign bank having an insured branch, or any State savings association.

"(4) The Director of the Office of Thrift Supervision, in the case of any Federal savings association or savings and loan holding company.

Under the rule set forth in this subsection, more than 1 agency may be an appropriate Federal banking agency with respect to any given institution.";

(5) by striking out subsection (t); and

(6) by adding at the end thereof the following new subsections:

"(u) STATE HOUSING FINANCE AUTHORITY.—The term 'State Housing Finance Authority' means any public agency, authority, or corporation which—

"(1) serves as an instrumentality of any State or any political subdivision of any State; and

"(2) functions as a source of residential mortgage loan financing in such State.

"(v) MORTGAGE-RELATED ASSETS.—The term 'mortgage-related assets' means—

"(1) residential mortgage loans secured by 1- to 4-family or multifamily dwellings; and

"(2) real property improved with 1- to 4-family or multifamily residential dwellings,

which are located within the jurisdiction of the applicable State Housing Finance Authority.

"(w) DEFINITIONS RELATING TO HOLDING COMPANIES.—

"(1) FINANCIAL INSTITUTION HOLDING COMPANY.—The term 'financial institution holding company' means a bank holding company or a savings and loan holding company.

"(2) BANK HOLDING COMPANY.—The term 'bank holding company' has the meaning given to such term in section 2 of the Bank Holding Company Act of 1956.

"(3) SAVINGS AND LOAN HOLDING COMPANY.—The term 'savings and loan holding company' has the meaning given to such term in section (10)(a)(1)(D) of the Home Owners' Loan Act of 1933.

"(x) DEFINITIONS RELATING TO DEFAULT.—

"(1) DEFAULT.—The term 'default' means, with respect to an insured financial institution, any adjudication or other official determination of a court of competent jurisdiction, the appropriate Federal banking agency, or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for an insured financial institution or, in the case of a foreign bank having an insured branch, for such branch.

"(2) INSURED FINANCIAL INSTITUTION IN DANGER OF DEFAULT.—The term 'in danger of default' means an insured financial institution with respect to which (or in the case of a foreign bank having an insured branch, with respect to such insured branch) the appropriate Federal banking agency or State chartering authority has advised the Corporation that—

"(A) in the opinion of such agency or authority—

"(i) the financial institution or insured branch is not likely to be able to meet the demands of the institution's or branch's depositors or pay the institution's or branch's obligations in the normal course of business; and

"(ii) there is no reasonable prospect that the financial institution or insured branch will be able to meet such demands or pay such obligations without Federal assistance; or

"(B) in the opinion of such agency or authority—

"(i) the financial institution or insured branch has incurred or is likely to incur losses that will deplete all or substantially all of its capital; and

"(ii) there is no reasonable prospect for the replenishment of the capital of the financial institution or insured branch without Federal assistance.".

SEC. 205. INSURED SAVINGS ASSOCIATIONS.

Section 4 of the Federal Deposit Insurance Act (12 U.S.C. 1814) is amended—

(1) in subsection (a)—

(A) by striking out "(a) Every bank" and inserting in lieu thereof the following:

"(a) CONTINUATION OF INSURANCE.—

"(1) BANKS.—Each bank"; and

(B) by adding at the end thereof the following new paragraph:

"(2) SAVINGS ASSOCIATIONS.—Each savings association the accounts of which were insured by the Federal Savings and Loan Insurance Corporation on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, shall be, without applica-

tion or approval, an insured financial institution as of the date of the enactment of such Act, and shall be subject to the provisions of this Act.";

(2) in subsection (b)—

(A) by inserting ", except that application or notice for membership or to commence or resume business must be promptly provided by the appropriate Federal banking agency to the Corporation and the Corporation shall have a reasonable period to provide comments with respect thereto which must be considered by the appropriate Federal banking agency in making the agency's findings thereon and with respect to the statutory factors in section 6 of this Act" before the period at the end of the 1st sentence; and

(B) by striking out the penultimate and the last sentences; and

(3) by striking out subsection (c) and inserting in lieu thereof the following new subsections:

"(c) CONTINUATION OF INSURANCE AFTER CONVERSION.—Except as provided in section 5(d)—

"(1) a State financial institution which results from the conversion of an insured Federal financial institution; and

"(2) a Federal financial institution which results from the conversion of an insured State financial institution,

shall continue as an insured financial institution.

"(d) CONTINUATION OF INSURANCE AFTER MERGER OR CONSOLIDATION.—Except as provided in section 5(d), a State financial institution or a Federal financial institution which results from the merger or consolidation of insured financial institutions, or from the merger or consolidation of a noninsured financial institution with an insured financial institution, shall continue as an insured financial institution.".

SEC. 206. APPLICATION PROCESS; INSURANCE FEES.

Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815) is amended—

(1) in subsection (a)—

(A) by striking out "(a) Subject to" and inserting in lieu thereof the following:

"(a) APPLICATION FOR INSURANCE.—

"(1) NATIONAL AND STATE NONMEMBER BANKS; STATE SAVINGS ASSOCIATIONS.—Subject to"; and

(B) by adding at the end thereof the following new paragraphs:

"(2) FEDERAL SAVINGS ASSOCIATIONS.—Subject to the provisions of this Act, any Federal savings association that is authorized by the Director of the Office of Thrift Supervision to engage in the business of receiving deposits, other than trust funds (as defined in this Act), may, upon application by the association to the Director, become an insured financial institution, after submission of such application to the Corporation with a certificate issued to the Corporation by the Director unless insurance is denied by the Board of Directors.

"(3) Any interim Federal savings association which is chartered by the Director of the Office of Thrift Supervision and will not open for business shall be an insured financial institution upon the issuance of such association's charter by the Director.

"(4) Any certificate issued to the Corporation under paragraph (2) shall state that the Federal savings association is authorized to transact business as a savings association and that consideration has been given to the factors enumerated in section 6.

"(5) Upon review by the Corporation of any certificate and application referred to in paragraph (2) with respect to any Federal savings association, and any appropriate examination by the Corporation, the Board of Directors shall give consideration to the factors described in paragraphs (1), (2), (3), (4), and (5) of section 6 in determining whether to deny insurance.

"(6) If the Board of Directors, after giving due deference to the determination of the Director of the Office of Thrift Supervision with respect to such factors, does not concur with the determination of the Director, the Board of Directors shall promptly notify the Director that insurance has been denied, giving specific reasons in writing for the Corporation's determination with reference to the factors described in paragraphs (1), (2), (3), (4), and (5) of section 6, and no charter or insurance shall be granted.

"(7) The Board of Directors may not delegate the authority of the Board of Directors to deny insurance under this subsection.";

(2) in the first sentence of subsection (a), by striking out the comma after "State nonmember bank" and inserting in lieu thereof "and State savings association,";

(3) in the 2nd sentence of subsection (a)—

(A) by striking out the comma after "State nonmember bank" and inserting in lieu thereof "and State savings association,";

(B) by striking out the comma after "such bank" and inserting in lieu thereof "or savings association,"; and

(C) by inserting "or savings association" before the period at the end;

(4) in subsection (b)—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8) respectively; and

(B) and by inserting after paragraph (4) the following new paragraph:

"(5) the risk presented to the Bank Insurance Fund or the Savings Association Insurance Fund,"; and

(5) by adding at the end thereof the following new subsections:

"(d) INSURANCE FEES.—

"(1) UNINSURED INSTITUTIONS.—

"(A) Every uninsured financial institution that becomes insured by the Corporation, and every noninsured branch that becomes insured by the Corporation, shall pay the Corporation any such fees as the Corporation may by regulation prescribe, except that any financial institution that becomes an insured financial institution as a result of the operation of section 4(a) shall not pay any fee.

"(B) The fee paid by the financial institution shall be credited to the Bank Insurance Fund if the financial institution becomes a Bank Insurance Fund member, and to the Savings Association Insurance Fund if the financial institution becomes a Savings Association Insurance Fund member.

"(2) CONVERSIONS.—

"(A) IN GENERAL.—

"(i) PRIOR APPROVAL REQUIRED.—No insured financial institution may participate in a conversion transaction without the prior approval of the Corporation.

"(ii) 5-YEAR MORATORIUM ON CONVERSIONS.—Except as provided in subparagraph (C), the Corporation may not approve any conversion transaction before the end of the 5-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(B) CONVERSION DEFINED.—For purposes of this paragraph, the term 'conversion transaction' means—

"(i) the change of status of an insured financial institution, whether as a result of a charter conversion or otherwise, from a Bank Insurance Fund member to a Savings Association Insurance Fund member or from a Savings Association Insurance Fund member to a Bank Insurance Fund member;

"(ii) the merger or consolidation of a Bank Insurance Fund member with a Savings Association Insurance Fund member;

"(iii) the transfer of deposits of—

"(I) any Bank Insurance Fund member to any Savings Association Insurance Fund member, if the sum of such deposits and the total amount of all deposits transferred by such Bank Insurance Fund member to Savings Association Insurance Fund members during the 12-month period ending on the date of such transfer, constitutes more than 10 percent of the total deposits of such Bank Insurance Fund member on the date of such transfer; or

"(II) any Savings Association Insurance Fund member to any Bank Insurance Fund member, if the sum of the amount of such deposits and the total amount of all deposits transferred by such Savings Association Insurance Fund member to Bank Insurance Fund members during the 12-month period ending on the date of such transfer, constitutes more than 10 percent of the total deposits of such Savings Association Insurance Fund member on the date of such transfer;

"(iv) the transfer of assets of—

"(I) any Bank Insurance Fund member to any Savings Association Insurance Fund member in consideration of the assumption of liabilities for any portion of the deposits in such Bank Insurance Fund member, if the sum of the portion of deposits for which liability is assumed and the total amount of all deposits transferred by such Bank Insurance Fund member to Savings Association Insurance Fund members during the 12-month period ending on the date of such transfer, constitutes more than 10 percent of the total deposits of such Bank Insurance Fund member on the date of such transfer; or

"(II) any Savings Association Insurance Fund member to any Bank Insurance Fund member in consideration of the assumption of liabilities for any portion of the deposits in such Savings Association Insurance Fund member, if the sum of the portion of deposits for which liability is assumed and the total amount of all deposits transferred by such Savings Association Insurance Fund member to Bank Insurance Fund members during the 12-month period ending on the date of such transfer, constitutes more than 10 percent of the total deposits of such Savings Association Insurance Fund member on the date of such transfer.

"(C) APPROVAL DURING MORATORIUM.—The Corporation may approve a conversion transaction at any time if—

"(i) the Corporation and, during the existence of the Resolution Trust Corporation, the Resolution Trust Corporation Oversight Board each determine that the conversion transaction is in the best interests of the Bank Insurance Fund and the Savings Association Insurance Fund; or

"(ii) the conversion transaction (involving the transfer of any branches constituting in number no greater than ⅓ of the total number of branches of the financial institution and representing assets no greater than ⅓ of the total assets of the financial institution) assists such financial institution to meet a capital standard imposed by the appropriate Federal banking agency before August 10, 1987, for such institution.

"(D) Every financial institution participating in a conversion transaction shall pay—

"(i) in the case of a conversion transaction in which the resulting or acquiring financial institution is a Bank Insurance Fund member, an exit fee in an amount to be determined and assessed by the Corporation which—

"(I) shall be deposited in the Savings Association Insurance Fund; or

"(II) shall be paid to the Financing Corporation, if the Secretary of the Treasury determines that the Financing Corporation has exhausted all other sources of funding for interest payments on the obligations of the Financing Corporation and orders that such fees be paid to the Financing Corporation;

"(ii) in the case of a conversion transaction in which the resulting or acquiring depository institution is a Savings Association Insurance Fund member, an exit fee in an amount to be determined and assessed by the Corporation which shall be deposited in the Bank Insurance Fund; and

"(iii) an entrance fee to be determined and assessed by the Corporation, except—

"(I) that in the case of a conversion transaction in which the resulting or acquiring financial institution is a Bank Insurance Fund member, the fee shall be in an amount necessary to prevent dilution of the Bank Insurance Fund, and shall be paid to the Bank Insurance Fund; and

"(II) that in the case of a conversion transaction in which the resulting or acquiring financial institution is a Savings Association Insurance Fund member, the fee shall be in an amount necessary to prevent dilution of the Savings Association Insurance Fund, and shall be paid to the Savings Association Insurance Fund.

"(e) LIABILITY OF COMMONLY CONTROLLED FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—

"(A) LIABILITY ESTABLISHED.—Effective on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and notwithstanding any other provision of Federal law, the law or constitution of any State, or any contract, security, or other instrument, an insured financial institution shall be liable for any loss incurred by the Corporation in connection with—

"(i) the default of a commonly controlled insured financial institution; or

"(ii) any assistance provided by the Corporation to any commonly controlled insured financial institution in danger of default.

"(B) PAYMENT UPON NOTICE.—Any insured financial institution shall pay the amount of any liability to the Corporation under subparagraph (A) upon receipt of written notice by the Corporation in accordance with this subsection.

"(C) NOTICE REQUIRED TO BE PROVIDED WITHIN 2 YEARS OF LOSS.—No insured financial institution shall be liable to the Corporation under subparagraph (A) for any loss described in such subparagraph if written notice under subparagraph (B) with respect to such liability is not received by such institution before the end of the 2-year period beginning on the date the Corporation incurred the loss.

"(2) AMOUNT OF COMPENSATION; PROCEDURES.—

"(A) USE OF ESTIMATES.—When an insured financial institution is in default or requires assistance to prevent default, the Corporation shall—

"(i) in good faith, estimate the amount of the loss the Corporation will incur from such default or assistance;

"(ii) if, with respect to such insured financial institution, there is more than 1 commonly controlled insured financial institution, estimate the amount of such commonly controlled financial institution's share of such liability; and

"(iii) advise each commonly controlled financial institution of the Corporation's estimate of the amount of such institution's liability for such losses.

"(B) PROCEDURES; IMMEDIATE PAYMENT.—The Corporation, after consultation with the appropriate Federal banking agency and the appropriate State chartering agency (if any), may—

"(i) on a case-by-case basis, establish the procedures and schedule under which any insured financial institution shall reimburse the Corporation for such institution's liability under paragraph (1) in connection with any commonly controlled insured financial institution; and

"(ii) subject to subparagraph (E), require any insured financial institution to make immediate payment of the amount of such institution's liability under paragraph (1) in connection with any commonly controlled insured financial institution.

"(C) PRIORITY.—The liability of any insured financial institution under this subsection shall have priority with respect to other obligations and liabilities as follows:

"(i) SUPERIORITY.—The liability shall be superior to the following obligations and liabilities of the financial institution:

"(I) Any obligation subordinated to depositors or other general creditors.

"(II) Any obligation to shareholders arising as a result of their status as shareholders (including a bank holding company or savings and loan holding company or any shareholder or creditor of such company).

"(III) Any obligation or liability owed to any other commonly controlled company or commonly controlled insured financial institution.

"(IV) Any liability which is a contingent liability on the date the liability of the financial institutions to the Corporation is determined.

"(ii) SUBORDINATION.—The liability shall be subordinate in right and payment to the following obligations and liabilities of the financial institution:

"(I) Deposit liabilities other than those to commonly controlled financial institutions.

"(II) Secured obligations.

"(III) Other general or senior liabilities, except to the extent specified in clause (i).

"(iii) EQUAL PRIORITY.—The liability shall receive equal priority with other liabilities and obligations of the financial institution.

"(D) ADJUSTMENT OF ESTIMATED PAYMENT.—

"(i) OVERPAYMENT.—If the amount of compensation estimated by and paid to the Corporation by 1 or more such commonly controlled financial institutions is greater than the actual loss incurred by the Corporation, the Corporation shall reimburse each such commonly controlled financial institution its pro rata share of any overpayment.

"(ii) UNDERPAYMENT.—If the amount of compensation estimated by and paid to the Corporation by 1 or more such commonly controlled financial institutions is less than the actual loss incurred by the Corporation, the Corporation shall redetermine in its discretion the liability of each such commonly controlled financial institution to the Corporation and shall require each such commonly controlled financial institution to make payment of any additional liability to the Corporation.

"(E) EXCEPTION.—If a majority of the voting stock of a commonly controlled financial institution has been pledged to secure a debt that was contracted before February 22, 1989, and that would not be voidable under title 11, United States Code, the liability of the commonly controlled financial institution to the Corporation shall be limited to the excess (if any) of the net worth of the commonly controlled financial institution (calculated without regard to its obligations to the Corporation under this subsection) over the outstanding principal and interest on such debt.

"(3) REVIEW.—

"(A) JUDICIAL.—Any final action of the Board shall be reviewable as provided in chapter 7 of title 5, United States Code.

"(B) ADMINISTRATIVE.—The Corporation may prescribe regulations and establish administrative procedures in the manner provided in section 11(1) of this Act for the review of—

"(i) the amount of any loss incurred by the Corporation in connection with any insured financial institution;

"(ii) the liability of individual commonly controlled financial institutions for the amount of such loss; and

"(iii) the schedule of payments to be made by such commonly controlled financial institutions.

"(4) LIMITATION ON RIGHTS OF PRIVATE PARTIES.—

"(A) IN GENERAL.—To the extent the exercise of any right or power of any person would impair the ability of any insured financial institution to perform such institution's obligations under this subsection—

"(i) the obligations of such insured financial institution shall supersede such right or power; and

"(ii) no court may give effect to such right or power with respect to such insured financial institution.

"(B) SCOPE OF APPLICATION.—Subparagraph (A) shall apply with respect to any right or power of any person without regard to whether such right or power is conferred by or arises under—

"(i) the constitution or law of any State;

"(ii) any provision of Federal law;

"(iii) the articles or bylaws of any insured financial institution, any financial institution holding company, or any subsidiary of any insured financial institution, or financial institution holding company;

"(iv) any debt or equity security issued by any insured financial institution, any financial institution holding company, or any subsidiary of any insured financial institution, or financial institution holding company; or

"(v) any other contract, obligation, or instrument.

"(5) LIMITATIONS.—

"(A) LIMITED PARTNERSHIPS.—This subsection shall not apply to any limited partnership or its affiliates (other than insured financial institutions which are majority-owned subsidiaries of such partnership) if a registration statement indicating that such partnership intends or intended to acquire 1 or more insured financial institutions was filed with the Securities and Exchange Commission with respect to such partnership on or before April 10, 1989.

"(B) SAVINGS ASSOCIATION AND BANK INSURANCE FUND MEMBERS.—During the 5-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989—

"(i) no Savings Association Insurance Fund member shall have any liability to the Corporation under this subsection arising out of assistance provided to or loss incurred

by the Corporation as a result of the default of a Bank Insurance Fund member; and

"(ii) no Bank Insurance Fund member shall have such liability with respect to assistance provided to or loss incurred by the Corporation as a result of the default of a Savings Association Insurance Fund member.

"(6) COMMONLY CONTROLLED DEFINED.—

"(A) GENERAL RULE.—For the purpose of this subsection, financial institutions are commonly controlled if—

"(i) such institutions are controlled by the same financial institution holding company (including any company required to file reports pursuant to section 4(f)(6) of the Bank Holding Company Act of 1956); or

"(ii) 1 financial institution is controlled by another financial institution.

"(B) EXCLUSIONS.—Financial institutions shall not be treated as commonly controlled, for purposes of this section, for a period of 5 years after the date of acquisition or such longer period determined by the Corporation after written application by the acquirer, if—

"(i) 1 financial institution controls another by virtue of ownership of voting shares acquired in securing or collecting a debt previously contracted in good faith; and

"(ii) notwithstanding section 23A(d)(1) of the Federal Reserve Act, from the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 to the expiration of the exclusion, the controlling bank and all of its other insured financial institution affiliates comply fully with the restrictions of sections 23A and 23B of the Federal Reserve Act in their transactions with the acquired insured financial institution.

"(7) EXCEPTION.—No financial institution shall have any liability to the Corporation under this subsection as the result of the default of, or assistance provided with respect to, an insured financial institution which is an affiliate of such financial institution if—

"(A) such affiliate was receiving cash payments from the Federal Savings and Loan Insurance Corporation under an assistance agreement or note entered into before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989;

"(B) the Federal Savings and Loan Insurance Corporation, or such other entity which has succeeded to the payment obligations of such Corporation with respect to such assistance agreement or note, is unable to continue such payments; and

"(C) such affiliate—

"(i) is in default or in need of assistance solely as a result of the failure to meet the payment obligations referred to in subparagraph (B); and

"(ii) is not otherwise in breach of the terms of any assistance agreement or note which would authorize the Federal Savings and Loan Insurance Corporation or such other successor entity, pursuant to the terms of such assistance agreement or note, to refuse to make such payments.

"(8) EXCEPTION FOR CERTAIN INTERSTATE ACQUISITIONS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, no insured financial institution shall be liable to the Corporation for any such loss incurred in connection with the default of or provision of assistance to any other commonly controlled insured financial institution, the principal office of which is located in another State, if that other State was economically distressed at the time of acquisition of the commonly controlled insured financial institution in that other State and 1 or more commonly controlled insured financial institutions in that other State had assets in excess of $4,000,000,000 in the aggregate and was a member of the Federal Reserve System.

"(B) SCOPE OF APPLICATION.—This paragraph shall apply only—

"(i) during the five year period beginning on the date of acquisition or such longer period determined by the Corporation after written application by the acquirer; and

"(ii) only to acquisitions consummated on May 1, 1987, or January 29, 1988.".

SEC. 207. INSURABILITY FACTORS.

Section 6 of the Federal Deposit Insurance Act (12 U.S.C. 1816) is amended to read as follows:

"SEC. 6. INSURABILITY FACTORS.

"Except as otherwise provided in this Act, the factors which are required, under section 4, to be considered in connection with, and enumerated in, any certificate issued with respect to any financial institution under such section and are required, under section 5, to be considered by the Board of Directors in connection with any determination by such Board with respect to any financial institution under such section are the following:

"(1) The financial history and condition of the financial institution.

"(2) The adequacy of the financial institution's capital structure.

"(3) The future earnings prospects of the financial institution.

"(4) The general character and fitness of the management of the financial institution.

"(5) The risk presented by such financial institution to the Bank Insurance Fund or the Savings Association Insurance Fund.

"(6) The convenience and needs of the community to be served by such financial institution.

"(7) Whether the financial institution's corporate powers are consistent with the purposes of this Act.".

SEC. 208. ASSESSMENTS.

Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817) is amended—

(1) in subsection (a)(2)—

(A) by inserting ", the Director of the Office of Thrift Supervision, the Federal Housing Finance Board, any Federal home loan bank," after "Comptroller of the Currency" each place such term appears (except after "Comptroller of the Currency,");

(B) by inserting "the Director of the Office of Thrift Supervision, the Federal Housing Finance Board, any Federal home loan bank," after "Comptroller of the Currency,";

(C) by striking out "either" and inserting in lieu thereof "any";

(D) in the last sentence, by inserting "or savings associations" after "banks";

(E) by striking out "State nonmember bank (except a District bank)" and inserting in lieu thereof "financial institution"; and

(F) by amending subparagraph (B) to read as follows:

"(B) The Board of Directors may from time to time require any insured financial institution to file such additional reports as the Corporation, after agreement with the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Director of the Office of Thrift Supervision, as appropriate, may deem advisable for insurance purposes.";

(2) in subsection (a)(3)—

(A) by striking out "Each insured State nonmember bank" and all that follows through "four reports" and inserting in lieu thereof the following: "Each insurance financial institution shall make to the appropriate Federal banking agency 4 reports";

(B) by striking out "bank" each place such term appears in the 2nd, 5th, and 6th sentences and inserting in lieu thereof "financial institution"; and

(C) by striking out "insured national, District" and all that follows through "member bank" in the 7th sentence and inserting in lieu thereof "insured financial institution";

(3) in subsection (a)(4), by striking out "bank", "bank's", and "banks" each place such terms appear (except where the term "bank" is preceded by "foreign") and inserting in lieu thereof "financial institution", "financial institution's", and "financial institutions", respectively;

(4) in subsection (b), by amending paragraphs (1) and (2) to read as follows:

"(1) ASSESSMENT RATES.—

"(A) ANNUAL ASSESSMENT RATES PRESCRIBED.—

"(i) The Corporation shall set assessment rates for insured financial institutions annually.

"(ii) The Corporation shall fix the annual assessment rate of Bank Insurance Fund members independently from the annual assessment rate for Savings Association Insurance Fund members.

"(iii) The Corporation shall, by June 30, of each year announce the assessment rates for the succeeding calendar year.

"(B) DESIGNATED RESERVE RATIO DEFINED.—

"(i) The designated reserve ratio of the Bank Insurance Fund shall be—

"(I) 1.25 percent of insured accounts; or

"(II) such higher ratio, not exceeding 1.50 percent, that the Board of Directors by a majority vote determines to be justified by circumstances that raise a probable risk of substantial future losses to the Bank Insurance Fund, for a period of 1 year and for further periods not exceeding 1 year each and by a majority vote of the Board of Directors in each instance.

"(ii) The designated reserve ratio of the Savings Association Insurance Fund shall be—

"(I) 1.25 percent of insured accounts; or

"(II) such higher ratio, not exceeding 1.50 percent, that the Board of Directors by a majority vote determines to be justified by circumstances that raise a probable risk of substantial future losses to the Savings Association Insurance Fund, for a period of 1 year and for further periods not exceeding 1 year each and by a majority vote of the Board of Directors in each instance.

"(iii) The Board of Directors shall—

"(I) maintain reserves in the Bank Insurance Fund received pursuant to clause (i)(II) as Supplemental Reserves in the Bank Insurance Fund;

"(II) allocate each calendar quarter to an Earnings Participation Account in the Bank Insurance Fund the investment income earned by the Bank Insurance Fund on such Supplemental Reserves in the preceding calendar quarter;

"(III) distribute such Earnings Participation Account at the conclusion of each calendar year to Bank Insurance Fund members; and

"(IV) distribute such Supplemental Reserves to Bank Insurance Fund members if and to the extent such Supplemental Re-

serves are not needed to satisfy the designated reserve ratio.

"(iv) The Board of Directors shall—

"(I) maintain reserves in the Savings Association Insurance Fund received pursuant to clause (ii)(II) as Supplemental Reserves in the Savings Association Insurance Fund;

"(II) allocate each calendar quarter to an Earnings Participation Account in the Savings Association Insurance Fund the investment income earned by the Savings Association Insurance Fund on such Supplemental Reserves in the preceding calendar quarter;

"(III) distribute such Earnings Participation Account at the conclusion of each calendar year to Savings Association Insurance Fund members; and

"(IV) distribute such Supplemental Reserves to Savings Association Insurance Fund members if and to the extent such Supplemental Reserves are not needed to satisfy the designated reserve ratio.

"(C) ASSESSMENT RATE FOR BANK INSURANCE FUND MEMBERS.—The annual assessment rate for Bank Insurance Fund members shall be—

"(i) until December 31, 1989, 1/12 of 1 percent;

"(ii) from January 1, 1990, through December 31, 1990, 0.12 percent;

"(iii) on and after January 1, 1991, 0.15 percent;

"(iv) on January 1 of a calendar year in which the reserve ratio of the Bank Insurance Fund is expected to be less than the designated reserve ratio by determination of the Board of Directors, such rate determined by the Board of Directors to be appropriate to restore the reserve ratio to the designated reserve ratio within a reasonable period of time, after taking into consideration the expected operating expenses, case resolution expenditures, and investment income of the Bank Insurance Fund, and the impact on insured bank earnings and capitalization, provided that—

"(I) from the date of enactment of this provision and through the earlier of 1994 or the calendar year preceding the year in which the Bank Insurance Fund reserve ratio is expected to first reattain the designated reserve ratio, so long as the Bank Insurance Fund reserve ratio is rising on a calendar year basis, the rate shall be as specified in clauses (i), (ii), and (iii) above;

"(II) the rate shall not exceed 0.35 percent; and

"(III) the increase in the rate shall not exceed the greater of 0.1 percent, or 50 percent of the net premium rate of the prior year; and

"(v) at all times not less than $1,000 per annum.

"(D) ASSESSMENT RATE FOR SAVINGS ASSOCIATION INSURANCE FUND MEMBERS.—The annual assessment rate for Savings Association Insurance Fund members shall be—

"(i) until December 31, 1990, 0.2 percent;

"(ii) from January 1, 1991, through December 31, 1993, 0.23 percent;

"(iii) on and after January 1, 1994, 0.18 percent;

"(iv) on January 1 of a calendar year in which the reserve ratio of the Savings Association Insurance Fund is expected to be less than the designated reserve ratio by determination of the Board of Directors, such rate determined by the Board of Directors to be appropriate to restore the reserve ratio to the designated reserve ratio within a reasonable period of time, after taking into consideration the expected operating expenses, case resolution expenditures, and investment income of the Savings Association Insurance Fund, and the impact on insured savings association earnings and capitalization, provided that—

"(I) from the date of enactment of this provision and through the earlier of 1994 or the calendar year preceding the year in which the Savings Association Insurance Fund reserve ratio is expected to first reattain the designated reserve ratio, so long as the Savings Association Insurance Fund reserve ratio is increasing on a calendar year basis, the rate shall be as specified in clauses (i), (ii), and (iii) above;

"(II) the rate shall not exceed 0.35 percent; and

"(III) the increase in the rate shall not exceed the greater of 0.1 percent, or 50 percent of the net premium rate of the prior year; and

"(v) at all times not less than $1,000 per annum.

"(E) FINANCING CORPORATION AND FUNDING CORPORATION ASSESSMENTS.—Notwithstanding any other provision of this paragraph, amounts assessed by the Financing Corporation and the Funding Corporation under sections 21 and 21B respectively, of the Federal Home Loan Bank Act against Savings Association Insurance Fund members, shall be subtracted from the amounts authorized to be assessed by the Corporation under this paragraph.

"(F) SPECIAL RULE TO ALLOW CONTINUING ASSESSMENTS BY FICO DURING PREMIUM YEAR ADJUSTMENTS.—In order to ensure that the Financing Corporation obtains sufficient funds for interest payments on obligations of such corporation, the Corporation may prescribe such regulations as may be necessary to allow the Financing Corporation to continue to impose assessments against Savings Association Insurance Fund members pursuant to section 21(f) of the Federal Home Loan Bank Act during the period required to change such members' premium year from the 1-year period applicable under section 404(b) of the National Housing Act (as in effect before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989) to a calendar year basis.

"(2) ASSESSMENT PROCEDURES.—

"(A) SEMIANNUAL ASSESSMENTS.—Except as provided in subsection (c)(2)—

"(i) the semiannual assessment due from any Bank Insurance Fund member for any semiannual period shall be equal to the product of—

"(I) ½ the annual assessment rate applicable to such Bank Insurance Fund member; and

"(II) such Bank Insurance Fund member's average assessment base for the immediately preceding semiannual period; and

"(ii) the semiannual assessment due from any Savings Association Insurance Fund member for any semiannual period shall be equal to the product of—

"(I) ½ the annual assessment rate applicable to such Savings Association Insurance Fund member; and

"(II) such Savings Association Insurance Fund member's average assessment base for the immediately preceding semiannual period.

"(B) For the purpose of this section the term 'semiannual period' means a period beginning on January 1 of any calendar year and ending on June 30 of the same year, or a period beginning on July 1 of any calendar year and ending on December 31 of the same year.";

(5) in subsection (b), by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

"(9) RISK-BASED PREMIUMS.—

"(A) RISK-BASED CATEGORIES AUTHORIZED.—After December 31, 1991, for Bank Insurance Fund members, and after December 31, 1994, for Savings Association Insurance Fund members, the Board of Directors may establish, by regulation, assessment categories for Bank Insurance Fund members and for Savings Association Insurance Fund members. The Board of Directors may establish such assessment categories independently for Bank Insurance Fund members and for Savings Association Insurance Fund members, using independent criteria. Any criteria the Board of Directors may use in establishing such assessment categories shall be related to the risk presented to the Bank Insurance Fund or the Savings Association Insurance Fund, respectively, by the assets or liabilities of or activities conducted by the financial institutions within the assessment categories.

"(B) CATEGORICAL ASSESSMENT RATES.—The Board of Directors shall have authority and discretion to establish separate rates for each such assessment category, except that—

"(i) no such categorical assessment rates shall exceed the maximum assessment rates; or

"(ii) fall below the minimum assessment rates specified in paragraph (1).";

(6) by amending subsection (d) to read as follows:

"(d) ASSESSMENT CREDITS.—

"(1) IN GENERAL.—

"(A) On June 30 of each calendar year, the Corporation shall prescribe and publish the aggregate amount to be credited to insured financial institutions in the succeeding calendar year.

"(B) Each insured financial institution shall be invoiced by the Corporation in such succeeding calendar year for the net premium which shall be equal to the assessment less such prescribed assessment credit.

"(C) The Corporation shall deduct any outstanding obligations owed to the Corporation by an individual insured financial institution from any assessment credit to be credited to such financial institution.

"(2) ASSESSMENT CREDIT FOR INSURED BANKS.—

"(A) CREDIT BARRED.—The Board of Directors shall not prescribe an assessment credit to Bank Insurance Fund members, when the Board of Directors determines that the Bank Insurance Fund reserve ratio is expected to be equal to or less than the designated reserve ratio after taking into consideration such Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income.

"(B) CREDIT AUTHORIZED.—When the Board of Directors determines, after taking into consideration such Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income, that the Bank Insurance Fund reserve ratio is expected to exceed the designated reserve ratio in the succeeding year, the Board of Directors shall prescribe an assessment credit to Bank Insurance Fund members in such succeeding calendar year equal to the lesser of—

"(i) the amount necessary to reduce the Bank Insurance Fund reserve ratio to the designated reserve ratio; or

"(ii) 100 percent of the net assessment income to be received from Bank Insurance Fund members in such succeeding year.

"(3) ASSESSMENT CREDIT FOR INSURED SAVINGS ASSOCIATIONS.—

"(A) CREDIT BARRED.—The Board of Directors shall not prescribe an assessment credit to Savings Association Insurance Fund members—

"(i) when the Board of Directors determines that the Savings Association Insurance Fund reserve ratio is expected to be equal to or less than the designated reserve ratio after taking into consideration such Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income; and

"(ii) as long as the Financing Corporation is authorized to assess on Savings Association Insurance Fund members an assessment to cover Financing Corporation interest obligations pursuant to section 21 of the Federal Home Loan Bank Act.

"(B) CREDIT AUTHORIZED.—If the Board of Directors determines after taking into consideration such Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income, that the Savings Association Insurance Fund reserve ratio is expected to exceed the designated reserve ratio in the succeeding year, the Board of Directors shall prescribe an assessment credit to Savings Association Insurance Fund members in such succeeding calendar year equal to the lesser of—

"(i) the amount necessary to reduce the Savings Association Insurance Fund reserve ratio to the designated reserve ratio; or

"(ii) 100 percent of the net assessment income to be received from Savings Association Insurance Fund members in such succeeding year.

"(4) NET ASSESSMENT INCOME DEFINED.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'net assessment income' means—

"(i) with respect to the Bank Insurance Fund, the Bank Insurance Fund net assessment income (as defined in subparagraph (B)); and

"(ii) with respect to the Savings Association Insurance Fund, the Savings Association Insurance Fund net assessment income (as defined in subparagraph (C)).

"(B) BANK INSURANCE FUND NET ASSESSMENT INCOME.—

"(i) IN GENERAL.—The term 'Bank Insurance Fund net assessment income' means—

"(I) the total assessments which become due during the calendar year with respect to members of such fund, minus

"(II) the sum of the amount of the operating costs and expenses described in clause (ii) and the amount by which the Bank Insurance Fund's insurance costs described in clause (iii) exceed its investment income for the calendar year.

"(ii) OPERATING COST AND EXPENSES.—For the purposes of this subparagraph, the operating costs and expenses to be deducted from assessments include the operating costs and expenses of—

"(I) the Corporation for the calendar year directly attributable to the Bank Insurance Fund; and

"(II) the Bank Insurance Fund.

"(iii) INSURANCE COSTS.—For the purposes of this subparagraph, the insurance costs include—

"(I) additions to the Bank Insurance Fund's reserve to provide for insurance losses during the calendar year, except that any adjustments to such reserve which result in a reduction of such reserve shall be added; and

"(II) the insurance losses sustained in such calendar year.

"(C) SAVINGS ASSOCIATION INSURANCE FUND NET ASSESSMENT INCOME.—

"(i) IN GENERAL.—The term 'Savings Association Insurance Fund net assessment income' means—

"(I) the total assessments which become due during the calendar year with respect to members of such fund, minus

"(II) the sum of the amount of the operating costs and expenses described in clause (ii) and the amount by which the Savings Association Insurance Fund's insurance costs described in clause (iii) exceed its investment income for the calendar year.

"(ii) OPERATING COST AND EXPENSES.—For the purposes of this subparagraph, the operating costs and expenses to be deducted from assessments include the operating costs and expenses of—

"(I) the Corporation for the calendar year directly attributable to the Savings Association Insurance Fund; and

"(II) the Savings Association Insurance Fund.

"(iii) INSURANCE COSTS.—For the purposes of this subparagraph, the insurance costs include—

"(I) additions to the Savings Association Insurance Fund's reserve to provide for insurance losses during the calendar year, except that any adjustments to such reserve which result in a reduction of such reserve shall be added; and

"(II) the insurance losses sustained in such calendar year.

"(5) INVESTMENT INCOME DEFINED.—The term 'investment income' as used in this subsection means—

"(A) for the Bank Insurance Fund, interest, dividends, and net market gains earned on investments of the Bank Insurance Fund; and

"(B) for the Savings Association Insurance Fund, interest, dividends, and net market gains earned on investments of the Savings Association Insurance Fund.

"(6) RISK-BASED CREDIT ASSESSMENTS.—

"(A) IN GENERAL.—If the Corporation elects to impose risk-based assessments pursuant to subsection (b)(9), the Corporation shall, by regulation, provide for a reasonable allocation of any aggregate assessment credit among the assessment categories established under subsection (b)(9)(B) to which the insured financial institutions belong.

"(B) PRO RATA DISTRIBUTION.—Any amount to be credited to the financial institutions within any assessment category to which an assessment credit has been allocated under subparagraph (A) shall be distributed among such financial institutions within such category on a pro rata basis according to the amount of the assessments paid by each such financial institution during the applicable period.";

(7) in paragraphs (3), (4), (5), (6), (7), and (8) of subsection (b), by striking out "bank", "bank's", and "banks" each place such term appears (except where "foreign" precedes any of such terms) and inserting in lieu thereof "financial institution", "financial institution's", and financial institutions", respectively;

(8) in subsections (e), (f), (g), and (i), by striking out "bank" each place such term appears and inserting in lieu thereof "financial institution";

(9) in subsection (j)(1), by striking out the last sentence;

(10) in subsection (j)(2)(A)—

(A) by striking out "failure" and inserting in lieu thereof "default"; and

(B) by striking out "bank" each place such term appears and inserting in lieu thereof "financial institution";

(11) in subsection (j)(2)(D), by inserting "unless such agency determines that an emergency exists," after "shall,";

(12) in subsection (j)(7)—

(A) by striking out "or" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new subparagraph:

"(F) the appropriate Federal banking agency determines that the proposed transaction would result in an adverse effect on the Bank Insurance Fund or the Savings Association Insurance Fund.";

(13) by amending subsection (j)(17) to read as follows:

"(17) EXCEPTIONS.—This subsection shall not apply with respect to a transaction which is subject to—

"(A) section 3 of the Bank Holding Company Act of 1956;

"(B) section 18 of this Act; or

"(C) section 10 of the Home Owners' Loan Act of 1933.";

(14) by adding at the end of subsection (j) the following new paragraph:

"(18) APPLICABILITY OF CHANGE IN CONTROL PROVISIONS TO OTHER INSTITUTIONS.—For purposes of this subsection, the term 'financial institution' includes—

"(A) any bank holding company;

"(B) any savings and loan holding company; and

"(C) any other company which controls an insured financial institution and is not a financial institution holding company.";

(15) by adding at the end thereof the following new subsection:

"(l) FUND ELIGIBILITY AND DEFINITIONS.—For purposes of this section:

"(1) BANK INSURANCE FUND ELIGIBILITY.—Any financial institution which—

"(A) becomes an insured financial institution; and

"(B) is not a Savings Association Insurance Fund member pursuant to paragraph (2),

shall be a Bank Insurance Fund member.

"(2) SAVINGS ASSOCIATION INSURANCE FUND ELIGIBILITY.—Any savings association, other than any Federal savings bank chartered pursuant to section 5(o) of the Home Owners' Loan Act of 1933, which becomes an insured financial institution shall be a Savings Association Insurance Fund member.

"(3) TRANSITION PROVISION.—

"(A) BANK INSURANCE FUND.—Any financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation on the day before the date of the enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989, including—

"(i) any Federal savings bank chartered pursuant to section 5(o) of the Home Owners' Loan Act of 1933; and

"(ii) any cooperative bank,

shall be a Bank Insurance Fund member as of such date of enactment.

"(B) SAVINGS ASSOCIATION INSURANCE FUND.—Any savings association which is an insured financial institution by operation of section 4(a)(2) shall be a Savings Association Insurance Fund member as of the date of the enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989.

"(4) CONVERSION OF CERTAIN CHARTERS WITHOUT CHANGE OF FUND STATUS ALLOWED.—Notwithstanding any provision of subsection (d)(2), any financial institution which is a Savings Association Insurance Fund member may become a State savings bank during the 5-year period referred to in subsection (d)(2)(A)(ii) through the conversion of such institution's charter if such institution agrees to remain a Savings Association Insurance Fund member during such period.

"(5) BANK INSURANCE FUND MEMBER.—The term 'Bank Insurance Fund member' means any financial institution the deposits of which are insured by the Bank Insurance Fund.

"(6) SAVINGS ASSOCIATION INSURANCE FUND MEMBER.—The term 'Savings Association Insurance Fund member' means any financial institution the deposits of which are insured by the Savings Association Insurance Fund.

"(7) BANK INSURANCE FUND RESERVE RATIO.—The term 'Bank Insurance Fund reserve ratio' means the ratio of the net worth the Bank Insurance Fund to the value of the aggregate insured deposits held in all Bank Insurance Fund members.

"(8) SAVINGS ASSOCIATION INSURANCE FUND RESERVE RATIO.—The term 'Savings Association Insurance Fund reserve ratio' means the ratio of the value of the net worth of the Savings Association Insurance Fund to the value of the aggregate insured deposits held in all Savings Association Insurance Fund members.";; and

(16) by adding after the subsection added by paragraph (15) of this section) the following new subsection:

"(m) SECONDARY RESERVE OFFSETS AGAINST PREMIUMS.—

"(1) OFFSETS IN CALENDAR YEARS BEGINNING BEFORE 1993.—Subject to the maximum amount limitation contained in paragraph (2) and notwithstanding any other provision of law, any insured savings association may offset such association's pro rata share of the statutorily prescribed amount against any premium assessed against such association under subsection (b) of this section for any calendar year beginning before 1993.

"(2) ANNUAL MAXIMUM AMOUNT LIMITATION.—The amount of any offset allowed for any savings association under paragraph (1) for any calendar year beginning before 1993 shall not exceed an amount which is equal to 20 percent of such association's pro rata share of the statutorily prescribed amount (as computed for such calendar year).

"(3) OFFSETS IN CALENDAR YEARS BEGINNING AFTER 1992.—Notwithstanding any other provision of law, a savings association may offset such association's pro rata share of the statutorily prescribed amount against any premium assessed against such association under subsection (b) for any calendar year beginning after 1992.

"(4) STATUTORILY PRESCRIBED AMOUNT DEFINED.—For purposes of this subsection, the term 'statutorily prescribed amount' means, with respect to any calendar year which ends after the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989—

"(A) $823,705,000, minus

"(B) the sum of—

"(i) the aggregate amount of offsets made before such date of enactment by all insured institutions under section 404(e)(2) of the National Housing Act (as in effect before such date of enactment); and

"(ii) the aggregate amount of offsets made by all savings associations under this subsection before the beginning of such calendar year.

"(5) SAVINGS ASSOCIATION'S PRO RATA AMOUNT.—For purposes of this subsection, any savings association's pro rata share of the statutorily prescribed amount is the percentage which is equal to such association's share of the secondary reserve as determined under section 404(e) of the National Housing Act on the day before the date on which Federal Savings and Loan Insurance Corporation ceased to recognize the secondary reserve (as such Act was in effect on the day before such date).

"(6) YEAR OF ENACTMENT RULE.—With respect to the calendar year in which the Financial Institutions Reform, Recovery and Enforcement Act of 1989 is enacted, the Corporation shall make such adjustments as may be necessary—

"(A) in the computation of the statutorily prescribed amount which shall be applicable for the remainder of such calendar year after taking into account the aggregate amount of offsets by all insured institutions under section 404(e)(2) of the National Housing Act (as in effect before the date of the enactment of such Act) after the beginning of such calendar year and before such date of enactment; and

"(B) in the computation of the maximum amount of any savings association's offset for such calendar year under paragraph (1) after taking into account—

"(i) the amount of any offset by such savings association under section 404(e)(2) of the National Housing Act (as in effect before such date of enactment) after the beginning of such calendar year and before the date of such enactment; and

"(ii) the change of such association's premium year from the 1-year period applicable under section 404(b) of the National Housing Act (as in effect before such date of enactment) to a calendar year basis.".

SEC. 209. TERMINATION OF INSURANCE.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end thereof the following new subsection:

"(t) LOW- TO MODERATE-INCOME HOUSING LENDER.—

"(1) IN GENERAL.—In making any determination regarding the termination of insurance of a solvent savings association, the Corporation shall take into account and consider the extent of the association's low- to moderate-income housing loans.

"(2) LOW-TO-MODERATE INCOME HOUSING LOANS DEFINED.—For purposes of paragraph (1) the term 'low- to moderate-income housing loans' has the same meaning given such term in section 5(d)(6)(G)(ii) of the Home Owners' Loan Act of 1933.".

SEC. 210. FDIC CORPORATE POWERS.

Section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) is amended—

(1) by striking out "bank" and "banks" each place such terms appear and inserting in lieu thereof "financial institution" and "financial institutions", respectively; and

(2) by striking out "Upon the date" and inserting in lieu thereof the following:

"(a) IN GENERAL.—Upon the date";

(3) by amending the paragraph designated the "Fourth" to read as follows:

"Fourth. To sue and be sued, and complain and defend, in any court of law or equity, State or Federal."; and

(4) by adding at the end thereof the following new subsection:

"(b) LITIGATION AUTHORITY.—

"(1) STATUS.—The Corporation, in any capacity, shall be an agency of the United States for purposes of sections 451 and 1345 of title 28, United States Code, without regard to whether the Corporation commenced the action.

"(2) FEDERAL COURT JURISDICTION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), all suits of a civil nature at common law or in equity to which the Corporation, in any capacity, is a party shall be deemed to arise under the laws of the United States.

"(B) REMOVAL.—Except as provided in subparagraph (C), the Corporation may, without bond or security, remove any action, suit, or proceeding from a State court to the appropriate United States district court.

"(C) STATE ACTIONS.—Except as provided in subparagraph (D), any action—

"(i) to which the Corporation, in the Corporation's capacity as receiver of a State insured financial institution by the exclusive appointment by State authorities, is a party other than as a plaintiff;

"(ii) which involves only the preclosing rights against, or obligations owing to, depositors, creditors, or stockholders by the State insured financial institution; and

"(iii) in which only the interpretation of the law of such State is necessary,

shall not be deemed to arise under the laws of the United States.

"(D) RULE OF CONSTRUCTION.—Subparagraph (C) shall not be construed as limiting the right of the Corporation to invoke the jurisdiction of any United States district court in any action described in such subparagraph if the institution of which the Corporation has been appointed receiver could have invoked the jurisdiction of such court.

"(3) SERVICE OF PROCESS.—The Board of Directors shall designate agents upon whom service of process may be made in any State, territory, or jurisdiction in which any insured financial institution is located.

"(4) BONDS OR FEES.—The Corporation shall not be required to post any bond to pursue any appeal and shall not be subject to payments of any filing fees in United States district courts or courts of appeal.".

SEC. 211. ADMINISTRATION OF CORPORATION.

Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended—

(1) in the 1st sentence, by inserting "or State savings association," after "State nonmember bank"; and

(2) in the 2nd sentence, by striking out "insured Federal savings bank" and inserting in lieu thereof "insured savings association".

SEC. 212. INSURANCE FUNDS; CORPORATION POWERS AS RECEIVER.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended—

(1) by amending subsection (a)(1) to read as follows:

"(1) As of the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Corporation shall insure the deposits of all insured financial institutions as provided in this Act. Except as provided in paragraph (2), the maximum amount of the insured deposit of any depositor shall be $100,000.";

(2) in subsection (a)(2)(B), by striking out "time and savings";

(3) in the 1st sentence of subsection (a)(3), by inserting ", and, with respect to amounts held in custodial accounts for the payment of principal, interest, tax, and insurance payments for mortgage borrowers, such amounts shall be insured in the amount of $100,000 per mortgage borrower" before the period at the end;

(4) by adding at the end of subsection (a) the following new paragraphs:

"(4) GENERAL PROVISION RELATING TO FUNDS.—The Bank Insurance Fund established under paragraph (5) and the Savings Association Insurance Fund established under paragraph (6) shall be—

"(A) maintained and administered by the Corporation;

"(B) maintained separately and not commingled; and

"(C) used by the Corporation for the purposes of carrying out the insurance purposes in the manner provided in this subsection.

"(5) BANK INSURANCE FUND.—

"(A) ESTABLISHMENT.—There is hereby established a fund to be known as the Bank Insurance Fund.

"(B) TRANSFER OF ASSETS TO FUND.—On the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Permanent Insurance Fund shall be dissolved and all the assets, debts, obligations, contracts, and other liabilities of the Permanent Insurance Fund, matured or unmatured, accrued, absolute, contingent, or otherwise shall hereby be transferred in their entirety to the Bank Insurance Fund.

"(C) USES.—Money in the Bank Insurance Fund shall be available to the Corporation for the uses and purposes provided in this Act with respect to the Bank Insurance Fund members.

"(D) DEPOSITS.—All amounts assessed against Bank Insurance Fund members by the Corporation shall be deposited into the Bank Insurance Fund.

"(6) SAVINGS ASSOCIATION INSURANCE FUND.—

"(A) ESTABLISHMENT.—There is hereby established a fund to be known as the Savings Associations Insurance Fund.

"(B) USES.—Money in the Savings Association Insurance Fund shall be available to the Corporation for the uses and purposes provided in this Act with respect to Savings Association Insurance Fund members.

"(C) DEPOSITS.—All amounts assessed against Savings Association Insurance Fund members after the date of enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, which are not required for the Financing Corporation, the Resolution Funding Corporation, or the FSLIC Resolution Fund shall be deposited in the Savings Association Insurance Fund.

"(D) AVAILABILITY OF FUNDS FOR ADMINISTRATIVE EXPENSES.—

"(i) INCOME FROM CERTAIN FSLIC ASSETS.—Income from assets transferred to the FSLIC Resolution Fund pursuant to section 11A(b)(1) shall be transferred to and deposited in the Savings Association Insurance Fund to the extent such income is needed to pay the administrative expenses of such Fund.

"(ii) CERTAIN RECEIVERSHIP PROCEEDS.—If, during the 5-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, amounts deposited in the Savings Association Insurance Fund under clause (i) (and income earned on such amounts) are insufficient to pay the administrative expenses of such Fund—

"(I) such amount of the receivership proceeds of the FSLIC Resolution Fund as may be necessary to pay the administrative expenses of such Fund in excess of the amounts available under clause (i) shall be transferred to and deposited in the Savings Association Insurance Fund; and

"(II) the Savings Association Insurance Fund shall have priority over other obligations of the FSLIC Resolution Fund with respect to such amount.

"(iii) DISCRETIONARY RTC PAYMENTS.—If amounts available to the Savings Association Insurance Fund for purposes other than the payment of administrative expenses is insufficient for the Savings Association Insurance Fund to carry out the purposes of this Act, the Corporation may request the Resolution Trust Corporation to provide, and the Resolution Trust Corporation (in the discretion of the Resolution Trust Corporation) may pay, such amount as may be needed for such purposes.

"(E) TREASURY PAYMENTS TO FUND.—For the purpose of providing sufficient funding for the Savings Association Insurance Fund to carry out the purposes of this Act, the Secretary of the Treasury shall, subject to the availability of appropriations for such purpose, pay to such Fund, for each fiscal year described in the following table, the amount determined under such table for such fiscal year minus the amount deposited in such Fund (during such fiscal year) pursuant to subparagraph (C):

"For the fiscal year beginning October 1 of:	The amount of (in billions):
1991	$2.0
1992	3.4
1993	4.6
1994	3.0
1995	4.0
1996	4.0
1997	4.0
1998	4.0
1999	3.0

"(F) TREASURY PAYMENTS TO MAINTAIN NET WORTH OF FUND.—The Secretary of the Treasury shall pay, subject to the availability of appropriations, to the Savings Association Insurance Fund, for each fiscal year described in the following table, such additional funds which may be necessary, as determined by the Corporation and the Secretary of the Treasury, (if any) to ensure that such Fund has the minimum net worth referred to in such table for each such fiscal year:

"For the fiscal year beginning October 1 of:	The amount of minimum net worth (in billions):
1991	0.0
1992	1.0
1993	2.1
1994	3.2
1995	4.3
1996	5.4
1997	6.5
1998	7.6
1999	8.8

"(G) EXCEPTION TO SUBPARAGRAPHS (E) AND (F).—Notwithstanding subparagraphs (E) and (F), no payment may be made pursuant to such subparagraphs after the Savings Association Insurance Fund achieves a designated reserve ratio of 1.25 percent.

"(H) BORROWING AUTHORITY.—

"(i) IN GENERAL.—The Corporation may borrow from the Federal home loan banks, with the concurrence of the Federal Housing Finance Board, such funds as the Corporation deems necessary for the use of the Savings Association Insurance Fund.

"(ii) TERMS AND CONDITIONS.—Any loan from any Federal home loan bank under clause (i) to the Savings Association Insurance Fund shall—

"(I) bear a rate of interest of not less than such bank's current marginal cost of funds, taking into account the maturities involved;

"(II) be adequately secured, as determined by the Federal Housing Finance Board;

"(III) be a direct liability of such Fund; and

"(IV) be subject to the limitations of section 15(b).

"(I) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as may be necessary for payments authorized by this Act to the Funds established by this Act.

"(7) PROVISIONS APPLICABLE TO MAINTENANCE OF ACCOUNTS.—

"(A) CORPORATION'S AUTHORITY.—No provision of this Act forbidding the commingling of the Bank Insurance Fund with the Savings Association Insurance Fund, and the provisions of this Act requiring the separate maintenance of the Bank Insurance Fund and the Savings Association Insurance Fund, are not intended—

"(i) to limit or impair the authority of the Corporation to use the same facilities and resources in the course of conducting supervisory, regulatory, conservatorship, receivership, or liquidation functions with respect to banks and savings associations, or to integrate such functions; or

"(ii) to limit or impair the Corporation's power to combine assets belonging to the estates of banks and savings associations for managerial purposes, or to limit or impair the Corporation's power to dispose of such assets on an aggregate basis.

"(B) ACCOUNTING REQUIREMENTS.—

"(i) The Corporation shall keep a full and complete accounting of all costs and expenses associated with the use of any facilities and resources used in the course of functions specified in subparagraph (A)(i). The Corporation shall allocate as provided in subparagraph (C) any such costs and expenses incurred by the Corporation with respect to Bank Insurance Fund members to the Bank Insurance Fund, and shall allocate as provided in subparagraph (C) any such costs and expenses incurred by the Corporation with respect to Savings Association Insurance Fund members to the Savings Association Insurance Fund.

"(ii) The Corporation shall keep a full and complete accounting of all costs and expenses associated with the management of any assets specified in subparagraph (A)(ii), and a full and complete accounting of all costs, expenses, and receipts associated with the disposition of such assets. The Corporation shall allocate any such costs, expenses, and receipts associated with assets belonging to Bank Insurance Fund members or to the estates of such members to the Bank Insurance Fund, and shall allocate any such costs, expenses, and receipts associated with assets belonging to Savings Association Insurance Fund members or to the estates of such members to the Savings Association Insurance Fund.

"(C) ALLOCATION OF EXPENSES.—Any personnel, administrative, or other overhead expense of the Corporation shall be allocated—

"(i) fully to the Bank Insurance Fund, if the expense was incurred directly as a result of the Corporation's responsibilities solely with respect to insured banks;

"(ii) fully to the Savings Association Insurance Fund, if—

"(I) the expense was incurred directly as a result of the Corporation's responsibilities solely with respect to insured savings associations; or

"(II) the expense is associated with a new Federal savings association or a de novo mutual savings association established to assume liabilities and receive assets of an institution under the jurisdiction of the Resolution Trust Corporation or insured by the Savings Association Insurance Fund;

"(iii) between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the relative degree to which the expense was incurred as a result of the activities of insured banks and insured savings associations; or

"(iv) between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the relative total assets as of the end of the preceding calendar year of insured banks and insured savings associations, to the extent that the Board of Directors is unable to make a determination under clause (i), (ii), or (iii).";

(5) by amending subsections (c) through (j) to read as follows:

"(c) CORPORATION AS CONSERVATOR OR RECEIVER.—

"(1) IN GENERAL.—Notwithstanding any other provision of Federal law, any provision of the law of any State, or the constitution of any State, the Corporation may accept appointment and act as conservator or receiver for any financial institution in default upon appointment in the manner provided in subsection (d) or (e).

"(2) POWERS AND DUTIES.—

"(A) SUCCESSOR TO INSTITUTION.—The Corporation shall, as conservator or receiver, and by operation of law, succeed to—

"(i) all rights, titles, powers and privileges of the financial institution, and of any stockholder, member, accountholder, depositor, officer or director of such institution with respect to the financial institution and the assets of the institution; and

"(ii) title to the books, records, and assets of any previous conservator or other legal custodian of such financial institution.

"(B) OPERATE THE INSTITUTION.—The Corporation may, as conservator or receiver—

"(i) take over the assets of and operate the financial institution with all the powers of the members or shareholders, the directors, and the officers of the financial institution and shall be authorized to conduct all business of the financial institution;

"(ii) collect all obligations and money due the financial institution;

"(iii) perform all functions of the financial institution in the name of the institution which is consistent with the appointment as conservator or receiver; and

"(iv) preserve and conserve the assets and property of such financial institution.

"(C) POWERS AS CONSERVATOR.—The Corporation may, as conservator, take such action as may be—

"(i) necessary to put the financial institution in a sound and solvent condition; and

"(ii) appropriate to carry on the business of the financial institution and preserve and conserve the assets and property of the financial institution.

"(D) LITIGATION AUTHORITY.—The Corporation may, as conservator or receiver and subject to the direction of the General Counsel of the Corporation, institute, prosecute, maintain, defend, intervene, and otherwise participate in any action, suit, or other legal proceeding by or against the conservator or receiver, the financial institution, or any creditor or member with respect to the institution.

"(E) ORGANIZATION OF NEW INSTITUTIONS.—The Corporation may, as receiver—

"(i) with respect to savings associations and by application to the Director of the Office of Thrift Supervision, organize a new Federal savings association to take over such assets or such liabilities as the Corporation may determine to be appropriate; or

"(ii) with respect to any insured bank, organize a bridge bank under subsection (i) or a new national bank under subsection (h).

"(F) TRANSFER OF ASSETS AND LIABILITIES.—The Corporation may, as receiver, transfer any asset or liability of the financial institution in default (including assets and liabilities associated with any trust business) without any approval, assignment, or consent with respect to such transfer, except, that if the transferee is another financial institution, the transfer must be approved by the appropriate Federal banking agency for such institution.

"(G) DETERMINE CLAIMS.—The Corporation may, as receiver, determine claims under the provisions set forth under subsection (l).

"(H) PAYMENT OF VALID OBLIGATIONS.—The conservator or receiver, shall pay all valid obligations of the financial institution in accordance with the prescriptions and limitations set forth in this Act.

"(I) INCIDENTAL POWERS.—The Corporation may, as conservator or receiver, exercise all powers specifically granted to conservators or receivers, respectively, by the provisions of this Act and such incidental powers as shall be necessary to carry out the powers so granted, and to take any actions authorized by this Act whichever shall appear to be in the best interests of the financial institution in default, of its depositors, or the Corporation.

"(3) NOTICE OF REQUIREMENTS.—

"(A) PUBLICATION REQUIRED.—In cases of liquidation, or other closing or winding up of the affairs of a closed financial institution, the receiver shall—

"(i) promptly publish a notice to the financial institution's creditors to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and

"(ii) republish such notice at the end of each 30-day period beginning after the date of the publication under clause (i) until the end of the period established in the first notice for submitting claims.

"(B) MAILING REQUIRED.—The receiver shall mail a notice similar to the notice published under subparagraph (A)(i) at the time of such publication to any creditor shown on the financial institution's books—

"(i) at the creditor's last address appearing in such books; or

"(ii) upon discovery of the name and address of a claimant not appearing on the financial institution's books within 30 days of discovery.

"(C) CLAIMS DISALLOWED AFTER END OF PERIOD.—Claims filed after the date specified in subparagraph (A) shall be disallowed (and such disallowance shall be final) except that any claim later filed may be considered if the claimant that holds such a claim did not have notice of the conservatorship or receivership in time for filing of such claim and such claim is filed in time to permit payment of such claim.

"(D) The receiver shall allow any claim received before or on the date specified in subparagraph (A) and proved to its satisfaction. The receiver may wholly or partly disallow any creditor claim or claim of security, preference, or priority not so proved, and shall within 180 days notify the claimant of the disallowance and the reason therefor. Mailing notice of the disallowance of the claimant's last address appearing on the financial institution's books or on the proof of claim shall be sufficient notice. Unless, within 30 days after notice is mailed, the claimant files a written objection to the disallowance, disallowance shall be final. Those claims to which an objection is properly and timely filed shall be decided in accordance with provisions of subsection (l).

"(E) The receiver may pay creditor claims which are allowed by the receiver or approved by a final determination in accordance with subsection (l), from time to time, in the receiver's discretion, to the extent funds are available, in such manner and amounts as are authorized under this Act.

"(4) The receiver shall—

"(A) retain for the account of the Corporation such portion of the amounts realized from any liquidation as the Corporation may be entitled to receive in connection with the subrogation of the claims of depositors; and

"(B) pay to depositors and other creditors the net amounts available for distribution to them.

"(5) The receiver may, in its discretion, pay dividends on proved claims at any time, and no liability shall attach to the Corporation itself or as such receiver, by reason of any such payment, for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

"(6) The conservator or receiver may request a stay for a period of up to 90 days after the appointment of the receiver as to any legal action or proceeding to which the financial institution in default is or may become a party. Upon petition, the court shall grant such stay as to all parties.

"(7) CONTRACTS.—

"(A) AUTHORITY TO REPUDIATE CONTRACTS.—The conservator or receiver may disaffirm or repudiate any contract or lease the performance of which the conservator or receiver in its discretion considers to be burdensome, and in its discretion considers the disaffirmance or repudiation of which will promote the orderly administration of the financial institution's affairs.

"(i) If the conservator or receiver disaffirms or repudiates any contract other than as provided in clauses (ii), (iii), and (iv), the claim for damages resulting from such disaffirmance or repudiation shall be limited to actual direct compensatory damages and shall be measured as of the date of the appointment of the conservator or receiver, except that, in the case of contracts and agreements referred to in clause (v) of this paragraph, such damages shall be measured as of the date of disaffirmance or repudiation. There shall be no liability on the part of the conservator or receiver for any other damages, including punitive, exemplary, or damages for lost profits or opportunity or damages for pain and suffering. With respect to contracts and agreements under clause (v) of this paragraph, lost profits and opportunity shall be deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims, and, except as otherwise specifically provided, shall be paid in accordance with this subsection and subsections (k) and (l) of this section.

"(ii) If the conservator or receiver disaffirms or repudiates a lease under which the financial institution was the lessee within 90 days from the date the conservator or receiver is appointed or discovers the existence of the lease, the conservator or receiver shall not be liable with respect to such lease, except that the lessor shall be enti-

tled to the contractual rent for the period from the appointment to the date the notice of disaffirmance or repudiation is mailed or effective, unless the lessor is in default or breach of the terms of the lease, and the lessor shall have a claim to be paid in accordance with subsections (k) and (l) of section 11 for any unpaid rent, subject to all appropriate offsets and defenses (but shall have no claim for damages under acceleration or other penalty provisions), due as of the date of the appointment.

"(iii) If the conservator or receiver repudiates an unexpired written lease of real property of the financial institution under which the institution is the lessor and the lessee is not in default, the lessee under such lease may treat the lease as terminated by such repudiation; or, in the alternative, the lessee may remain in possession of the leasehold interest for the balance of the term of the lease unless the lessee defaults under the terms of the lease. If such lessee remains in possession under the provisions of this paragraph, the lessee shall continue to pay the contractual rent, and may offset against the rent unpaid for the balance of the term after the date of the repudiation of the lease, any damages occurring after such date caused by the nonperformance of any obligation of the financial institution under the lease after such date, but the lessee does not have any rights against the conservator or receiver on account of any damages arising after such date from the repudiation, other than such offset.

"(iv) If the conservator or receiver repudiates a written contract of the financial institution for the sale of real property, which satisfies the provisions of section 13(e), under which the purchaser is in possession and not in default, such purchaser may treat the contract as terminated, or in the alternative, may remain in possession of such real property. If the purchaser remains in possession, the purchaser shall continue to make all payments due under the contract, but may offset against such payments any damages occurring after the date of the repudiation of the contract caused by the nonperformance of any obligation of the financial institution contained in the contract after such date, but the purchaser does not have any rights against the conservator or receiver on account of any damages arising after such date from the repudiation, other than such offset; and the conservator or receiver shall deliver title to the purchaser in accordance with the provisions of the contract, but is relieved of all other obligations to perform under the contract. Nothing herein is intended to limit the conservator or receiver's right to assign such contract and sell the property subject to the contract and the provisions of this paragraph. If such an assignment and sale is consummated, the conservator or receiver shall have no further liability.

"(v) CERTAIN FINANCIAL CONTRACTS.—

"(I) Subject to subclause (III) of this clause and clause (ix) of this subparagraph, but notwithstanding any other provision of this Act (other than sections 11(i)(8), 11(n), and 13(e) of this Act) or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination or liquidation of a securities contract, commodity contract, forward contract, repurchase agreement, or swap agreement (as defined in subclause (III) of this clause) with a financial institution based upon the appointment of the Corporation as conservator for the purpose of liquidation or receiver or any rights under any security arrangement relating to the foregoing, or any rights to set off or net out any termination values, payment amounts or other transfer obligations arising under or in connection with one or more such contracts and agreements, including any master agreement for such contracts or agreements: *Provided, however*, That if any party to such a contract or agreement shall bring any judicial action or proceeding against such conservator or receiver or financial institution in default, the provisions of section 11(c)(2)(F) of this Act shall be applicable.

"(II) Notwithstanding clause (vi) of this paragraph, the Corporation, in its corporate, receivership, and conservatorship capacities, shall have no authority to avoid any transfer of money or other property made in connection with a contract or agreement defined in subclause (III) below except upon a showing of actual intent by such party to hinder, delay, or defraud such financial institution, the creditors of such financial institution, or the conservator or receiver.

"(III) For purposes of subclauses (I) and (II), the following terms shall have the following meanings:

"(aa) 'securities contract' has the meaning ascribed to such term in section 741(7) of title 11, United States Code, for purposes of section 555 of title 11, United States Code: *Provided, however*, That the term 'security' as used in such section 741(7) shall have the meaning given to such term in section 101(43) of title 11, United States Code, and shall include mortgage loans and interests herein: *Provided further*, That a participation in a commercial mortgage loan does not itself constitute a 'securities contract', unless the Corporation determines by regulation, rule, resolution, or order to include a participation in a commercial mortgage loan itself within such term;

"(bb) 'commodity contract' and 'forward contract' have the meanings ascribed to such terms for purposes of section 556 of title 11, United States Code;

"(cc) 'repurchase agreement' has the meaning given to such term in section 101(41) of title 11, the United States Code, for purposes of section 559 of title 11, United States Code: *Provided, however*, That the phrase ", mortgage-related securities (as such term is defined in section 3(a)(41) of the Securities Exchange Act of 1934, mortgage loans, and interests therein' is inserted after the word 'States' the second time the word 'States' appears in such definition, inserted before the word 'with' in such definition, and inserted before the word 'as' the second time the word 'as' appears in such definition: *Provided further however*, That a participation in a commercial mortgage loan does not itself constitute a 'repurchase agreement', unless the Corporation determines by regulation, rules, resolution, or order to include a participation in a commercial mortgage loan itself within such term;

"(dd) 'swap agreement', means an agreement, including terms and conditions incorporated by reference therein, which is a rate swap agreement, basis swap, commodity swap, forward rate agreement, interest rate future, interest rate option purchased, forward foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency future, currency option purchased or any other similar agreement or combination thereof (including any option to enter into any of the foregoing), and a master agreement for any of the foregoing together with all supplements shall be considered one swap agreement; and

"(ee) 'transfer' has the meaning given to such term in section 101(50) of title 11, United States Code.

"(IV) PREEXISTING POLICIES FOR SAVINGS ASSOCIATIONS.—Notwithstanding any other provision of this Act (except as provided in clauses (v) and (xi)) or any other provision of Federal or State law, certain orders, directives, commitments, and opinion letters of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, general counsels thereto and authorized representatives thereof, regarding the powers and duties of the Federal Savings and Loan Insurance Corporation as conservator or receiver of a savings association under prior law and the powers and duties of the Federal Savings and Loan Insurance Corporation in its corporate capacity under prior law that are in effect as of the date of enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989, or, in the case of 'special accounts' established pursuant to resolutions of the Federal Home Loan Bank Board, the 60th day following such date of enactment, shall remain in effect and be binding on the FSLIC Resolution Fund, the Corporation, or the Resolution Trust Corporation (as the case may be), in its corporate, conservatorship, and receivership capacities, to the same extent they were in effect or binding on the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, in its corporate, conservatorship, and receivership capacities and may be rescinded or otherwise amended in accordance with the terms thereof and applicable administrative procedures, if appropriate, and any such rescission or amendment shall take effect only prospectively, except that, other than in the case of any secondary market transactions in connection with such 'special accounts' outstanding at the time of such transaction, no such letter shall be binding on the Corporation in respect of any such transaction entered into, or in respect of, any obligations incurred or purchased or credit extended, in connection therewith, after the date of enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989.

"(V) Notwithstanding any other provision of this Act or any other provision of Federal or State law, the provisions of subsections (i)(4)(I) and (l)(4) of this section and section 13(e) of this Act shall not apply with respect to any contract or agreement referred to in clause (v) of this subparagraph or clause (xi) of this subparagraph, so long as the person claiming under such contract or agreement has relied in good faith on a written representation and undertaking made by the financial institution that the financial institution has complied with and will continue to comply with the requirements of subsection (i)(4)(I) of this section and section 13(e) of this Act.

"(VI) The Corporation shall, within 180 days of the date of the enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989, prescribe regulations regarding the applicability of subsections (i)(4)(I) and (l)(8) of this section and section 13(e) of this Act to financial contracts and such agreements and transactions that the Corporation deems appropriate, with due regard for market and trade practices followed by the industries for such

VOL 135 PT 9 JE 14 — 22 1989 UMI

financial contracts and other agreements and transactions.

"(vi) Nothing herein is intended to allow the avoidance of any legally perfected security interest in any of the assets of the institution except where such an interest is taken in contemplation of the institution's insolvency or with the intent to hinder, delay, or defraud the institution or its creditors.

"(vii) The conservator or receiver shall determine whether or not to exercise the rights of repudiation under this section within a reasonable period following its appointment.

"(viii) If, pending its determination whether or not to exercise the right of repudiation under this section, a conservator or receiver accepts performance by the other party to a contract for services, the other party shall be paid under the terms of the contract for the services performed as an administrative expense of such conservatorship or receivership. Any claim of such other party for services performed prior to the appointment of the conservator or the receiver shall be a claim to be paid in accordance with subsections (k) and (l) and shall be deemed to have arisen as of the date such conservator or receiver was appointed. Such acceptance of services shall not be a waiver of the conservator's or receiver's right to later repudiate.

"(ix) In effecting any transfer of assets or liabilities of a financial institution in default, the conservator or receiver shall either—

"(I) transfer to a single financial institution, as appropriate (other than a financial institution in default), all financial contracts (as defined in clause (v)) of a party and its affiliates with such financial institution in default, all claims of a party and its affiliates under financial contracts against such financial institution in default (other than claims subordinated by any such financial contracts to the claims of general unsecured creditors), all claims of such financial institution in default against such party and its affiliates under all such financial contracts, and all property securing claims under all such financial contracts; or

"(II) transfer no financial contracts of a financial institution in default with the particular party or its affiliates, no claims of a party and its affiliates under financial contracts against such financial institution in default, no claims of such financial institution in default against such party and its affiliates under such financial contracts, and no property securing claims under such financial contracts.

"(x) The conservator or receiver shall use its best efforts to notify a party whether it has effected a transfer of assets and liabilities of a financial institution in default in accordance with clause (iv)(I) above prior to 12:00 local time on the business day following its first appointment. If a party to a contract or agreement specified in clause (v) of this paragraph is notified by the conservator or receiver by the close of business on the business day following its first appointment as such that it has transferred to a single financial institution (other than a financial institution in default) all financial contracts with the financial institution for which it has been appointed as conservator or receiver, all claims of a party and its affiliates under financial contracts against such financial institution in default (other than claims subordinated by any such financial contracts to the claims of general unsecured creditors), all claims of such financial institution in default against such party and its affiliates under all financial contracts, and all property securing claims under all financial contracts, then the provisions of clause (v)(I) shall not apply. For purposes of clause (x), the conservator or receiver shall be deemed to have notified a party if it has taken steps reasonably calculated to provide notice to such party. As used in clause (x), 'business day' means a day other than a Saturday, Sunday, or day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed. As used in this clause (x), in clause (ix) above and in clause (xi) below 'financial contract' means a contract or agreement referred to in clause (v) of this subsection.

"(xi) Notwithstanding any other provision of this Act (other than sections 11(c)(9), 11(i)(8), 11(n), and 13(e) of this Act) or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination, liquidation, or acceleration of financial contracts with a financial institution in a conservatorship based upon a default under such financial contracts enforceable under applicable noninsolvency law, or any rights under any security arrangement relating to such financial contracts, or any rights to set off or net out any termination values, payment amounts or other transfer obligations arising under or in connection with such financial contracts.

"(8) The conservator or receiver may enforce any contract, other than a directors or officers liability insurance contract or a financial institution bond, entered into by the financial institution notwithstanding any provision of the contract providing for termination, default, acceleration, exercise of rights upon or solely by reason of insolvency or the appointment of a conservator or receiver or following such appointment. Nothing in this paragraph shall impair or affect any right, if any, of the conservator or receiver that may have existed immediately prior to the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 to enforce or recover under a directors or officers liability insurance contract or financial institution bond with regard to institutions for which a conservator or receiver has already been appointed before the date of such enactment or those institutions for which such appointment is made after such date. No extension of credit from a Federal home loan bank or Federal reserve bank shall be subject to this subsection.

"(9) The Corporation as conservator or receiver shall, consistent with its established accounting and reporting practices and procedures, keep a full accounting of each conservatorship and receivership or other disposition of institutions in default and shall make an annual accounting or reports, as appropriate, regarding each such conservatorship or receivership available to the Secretary of the Treasury, the Comptroller General, and the authority appointing the conservator or receiver, if appropriate, which report shall be available upon request to any shareholder or any other member of the public.

"(10) In any case in which funds remain after all depositors, creditors, other claimants, and administrative expenses are paid, the receiver shall distribute such funds to the financial institution's shareholders or members along with the accounting specified in paragraph (9).

"(11) The Corporation may, any time 6 years after its appointment as receiver of a financial institution, destroy any records of such institution which the Corporation in its discretion deems to be unnecessary unless otherwise prohibited by statute or applicable regulation.

"(12) Notwithstanding any contractual provisions to the contrary, the applicable statute of limitations with regard to any action brought by the Corporation as conservator or receiver shall be 6 years for contract claims and three years for tort actions, or in either case the applicable State statute of limitations period. The statute of limitations on such actions shall not begin to run until the date of the appointment of the Corporation as such conservator or receiver or the accrual of the cause of action, whichever is later.

"(13) CONTRACTS WITH STATE HOUSING FINANCE AUTHORITIES.—

"(A) IN GENERAL.—The Corporation is authorized to enter into contracts with State Housing Finance Authorities for the sale of mortgage related assets of the financial institutions in default (including assets and liabilities associated with any trust business), such contracts to be effective in accordance with their terms without any further approval, assignment, or consent with respect thereto.

"(B) FACTORS TO CONSIDER.—In evaluating the disposition of such assets, the Corporation shall consider—

"(i) the State Housing Finance Authority's ability to acquire and service current, delinquent, and defaulted mortgage related assets;

"(ii) the State Housing Finance Authority's ability to further national housing policies;

"(iii) the State Housing Finance Authority's sensitivity to the impact of the sale of mortgage related assets upon State local communities;

"(iv) the costs to the Federal Government associated with alternative ownership or dispositions of the mortgage related assets;

"(v) the minimization of future guaranties which may be required of the Federal Government;

"(vi) the maximization of mortgage related asset values; and

"(vii) the utilization of institutions currently established in mortgage related asset market activities.

"(d) CORPORATION AS CONSERVATOR OR RECEIVER OF FEDERAL FINANCIAL INSTITUTIONS.—

"(1) APPOINTMENT.—

"(A) Except as provided in section 21A of the Federal Home Loan Bank Act, notwithstanding any other provision of law, State or Federal, or the constitution of any State, whenever a receiver is appointed for an insured Federal or District financial institution by the authority having supervision of such financial institution, the Corporation shall be appointed, and shall accept appointment, as such receiver.

"(B) The Corporation may, at the discretion of the supervisory authority, be appointed conservator, not for the purpose of liquidation or winding up the financial institution's affairs, and the Corporation may accept such appointment.

"(2) As such conservator or receiver, the Corporation shall have all powers and duties set forth in this Act for conservators or receivers respectively, and such other powers and duties possessed by conservators or receivers for Federal financial institutions under any other provisions of law, in addition to and not in derogation of the powers conferred in this Act.

"(3) As such conservator or receiver, the Corporation shall not be subject to the direction or supervision of any other agency or Department in the exercise of its rights, powers, and privileges as receiver or conservator, except that, in cases in which the financial institution continues to operate in conservatorship, the institution shall remain subject to the supervision of its appropriate Federal banking agency.

"(e) CORPORATION AS CONSERVATOR OR RECEIVER OF STATE FINANCIAL INSTITUTIONS—

"(1)(A) Whenever the authority having supervision of any insured State financial institution (except a District financial institution) appoints a conservator or receiver for such State financial institution and tenders appointment to the Corporation, the Corporation may accept such appointment.

"(B) The Corporation as such conservator or receiver shall possess all the rights, powers, and privileges granted by State law to a conservator or receiver of a State financial institution of any kind, in addition to and not in derogation of the powers conferred upon the Corporation under subsection (c).

"(C) As such conservator or receiver, the Corporation shall not be subject to the direction or supervision of any other agency or department, State or Federal, in the exercise of its rights, powers, and privileges.

"(2) Whenever the Director of the Office of Thrift Supervision appoints a conservator or receiver under the provisions of section 5(d)(6)(C) of the Home Owners' Loan Act of 1933, the Corporation shall be appointed.

"(3) The Corporation shall have the power and jurisdiction to appoint itself as sole conservator or receiver of an insured State financial institution in the event the Corporation determines—

"(A) that—

"(i) a conservator, receiver, or other legal custodian has been or is hereafter appointed for an insured State financial institution other than by the Director of the Office of Thrift Supervision or by the Comptroller of the Currency and that the appointment of such conservator, receiver, or custodian, or any combination thereof, has been outstanding for a period of at least 15 consecutive days, and that one or more of the depositors in such institution is unable to obtain a withdrawal of a deposit, in whole or in part; or

"(ii) an insured State financial institution has been closed by or under the laws of any State; and

"(B) that 1 or more of the grounds specified in paragraph (6)(A) of section 5(d) of the Home Owners' Loan Act of 1933, existed with respect to such financial institution at the time the conservator, receiver, or other legal custodian was appointed, or at the time such financial institution was closed, or exists thereafter during the appointment of the conservator, receiver, or other legal custodian or while the institution is closed.

"(4) If the Corporation is appointed conservator or receiver of an insured State financial institution—

"(A) the provision of this Act shall be applicable in the same manner and to the same extent as if such institution were a Federal financial institution with respect to which the Corporation had been appointed conservator or receiver; and

"(B) the Corporation as receiver shall have authority to liquidate such financial institution in an orderly manner or to make such other disposition of a matter as it deems to be in the best interests of the institution, its savers, and the Corporation.

"(5) The authority conferred by paragraphs (2) and (3) shall be in addition to, and not a limitation upon, appointment under paragraph (1).

"(f) PAYMENT OF INSURED DEPOSITS.—

"(1) In case of the liquidation, or other closing or winding up of the affairs of a closed insured financial institution or insured branch of a foreign bank, payment of the insured deposits in such financial institution or branch shall be made by the Corporation as soon as possible, subject to the provisions of subsection (g) of this section either by cash or by making available to each depositor a transferred deposit in a new financial institution in the same community or in another insured financial institution in an amount equal to the insured deposit of such depositor, except that—

"(A) all payments made pursuant to this section on account of a closed Bank Insurance Fund member shall be made only from the Bank Insurance Fund, and

"(B) all payments made pursuant to this section on account of a closed Savings Association Insurance Fund member shall be made only from the Savings Association Insurance Fund.

"(2) The Corporation, in its discretion, may require proof of claims to be filed and may approve or reject such claims.

"(3) In the case of a disputed claim, the Corporation shall have the power to resolve such disputed claims according to rules and regulations established by the Corporation for that purpose with full regard for the due process rights of all parties.

"(4) Final determination made by the Corporation shall be reviewable by the United States Court of Appeals for the District of Columbia or the court of appeals for the Federal judicial circuit where the principal place of business of the financial institution is located.

"(5) Any request for review of a final determination by the Corporation shall be filed with the appropriate circuit court of appeals not later than 60 days after such determination is ordered.

"(6) In the absence of rules and regulations, the Corporation may require the final determination of a court of competent jurisdiction before paying such claim.

"(g) SUBROGATION.—

"(1) Notwithstanding any other provision of law, State or Federal, or the constitution of any State, the Corporation, upon the payment to any depositor as provided in subsection (f) or the assumption of any deposit by another insured financial institution pursuant to section 11 or section 13, shall be subrogated to all rights of the depositor against the financial institution or branch to the extent of such payment.

"(2) Such subrogation shall include the right on the part of the Corporation to receive the same dividends from the proceeds of the assets of such financial institution or branch and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposit, but such depositor shall retain such claim for any uninsured or unassumed portion of the deposit.

"(3) With respect to any bank which closes after May 25, 1938, the Corporation shall waive, in favor only of any person against whom stockholders' individual liability may be asserted, any claim on account of such liability in excess of the liability, if any, to the bank or its creditors, for the amount unpaid upon such stock in such bank; but any such waiver shall be effected in such manner and on such terms and conditions as will not increase recoveries or dividends on account of claims to which the Corporation is not subrogated.

"(4) If the Corporation is not appointed pursuant to subsection (e)(2), or determines not to invoke the authority conferred in subsection (e)(3), the rights of depositors and other creditors of any State financial institution shall be determined in accordance with the applicable provisions of State law.

"(h) NEW BANKS.—

"(1) As soon as possible after the default of an insured bank, the Corporation, if it finds that it is advisable and in the interest of the depositors of the insured bank in default or the public shall organize a new national bank in the same community as the bank in default to assume the insured deposits of such bank in default and otherwise to perform temporarily the functions hereinafter provided for.

"(2) The articles of association and the organization certificate of the new bank shall be executed by representatives designated by the Corporation.

"(3) No capital stock need be paid in by the Corporation.

"(4) The new bank shall not have a board of directors, but shall be managed by an executive officer appointed by the Board of Directors of the Corporation who shall be subject to its directions.

"(5) In all other respects the new bank shall be organized in accordance with the then existing provisions of law relating to the organization of national banking associations.

"(6) The new bank may, with the approval of the Corporation, accept new deposits which shall be subject to withdrawal on demand and which, except where the new bank is the only bank in the community, shall not exceed $100,000 from any depositor.

"(7) The new bank, without application to or approval by the Corporation, shall be an insured financial institution and shall maintain on deposit with the Federal Reserve bank of its district reserves in the amount required by law for member banks, but it shall not be required to subscribe for stock of the Federal Reserve bank.

"(8) Funds of the new bank shall be kept on hand in cash, invested in obligations of the United States, or in obligations guaranteed as to principal and interest by the United States, or deposited with the Corporation, with a Federal Reserve bank, or, to the extent of the insurance coverage thereon, with an insured financial institution.

"(9) The new bank, unless otherwise authorized by the Comptroller of the Currency, shall transact business only as authorized by this Act and as may be incidental to its organization.

"(10) Notwithstanding any other provision of Federal law, or the law or constitution of any State, the new bank, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"(11)(A) Upon the organization of a new bank, the Corporation shall promptly make available to it an amount equal to the estimated insured deposits of such bank in default plus the estimated amount of the expenses of operating the new bank, and shall determine as soon as possible the amount due each depositor for the depositor's in-

sured deposit in the bank in default, and the total expenses of operation of the new bank.

"(B) Upon such determination, the amounts so estimated and made available shall be adjusted to conform to the amounts so determined.

"(12) Earnings of the new bank shall be paid over or credited to the Corporation in such adjustment.

"(13) If any new bank, during the period it continues its status as such, sustains any losses with respect to which it is not effectively protected except by reason of being an insured bank, the Corporation shall furnish to it additional funds in the amount of such loss.

"(14)(A) The new bank shall assume as transferred deposits the payment of the insured deposits of such bank in default to each of its depositors.

"(B) Of the amounts so made available, the Corporation shall transfer to the new bank, in cash, such sums as may be necessary to enable it to meet its expenses of operation and immediate cash demands on such transferred deposits, and the remainder of such amounts shall be subject to withdrawal by the new bank on demand.

"(15)(A) Whenever in the judgment of the Board of Directors it is desirable to do so, the Corporation shall cause capital stock of the new bank to be offered for sale on such terms and conditions as the Board of Directors shall deem advisable in an amount sufficient, in the opinion of the Board of Directors, to make possible the conduct of the business of the new bank on a sound basis, but in no event less than that required by section 5138 of the Revised Statutes for the organization of a national bank in the place where such new bank is located.

"(B) The stockholders of the insured financial institution in default shall be given the first opportunity to purchase any shares of common stock so offered.

"(16) Upon proof that an adequate amount of capital stock in the new bank has been subscribed and paid for in cash, the Comptroller of the Currency shall require the articles of association and the organization certificate to be amended to conform to the requirements for the organization of a national bank, and thereafter, when the requirements of law with respect to the organization of a national bank have been complied with, the Comptroller of the Currency shall issue to the bank a certificate of authority to commence business, and thereupon the bank shall cease to have the status of a new bank, shall be managed by directors elected by its own shareholders and may exercise all the powers granted by law, and shall be subject to all provisions of law relating to national banks.

"(17) Such bank shall thereafter be an insured national bank, without certification to or approval by the Corporation.

"(18) If the capital stock of the new bank is not offered for sale, or if an adequate amount of capital for such new bank is not subscribed and paid for, the Board of Directors may offer to transfer its business to any insured financial institution in the same community which will take over its assets, assume its liabilities, and pay to the Corporation for such business such amount as the Board of Directors may deem adequate; or the Board of Directors in its discretion may change the location of the new bank to the office of the Corporation or to some other place or may at any time wind up its affairs as herein provided.

"(19)(A) Unless the capital stock of the new bank is sold or its assets are taken over and its liabilities are assumed by an insured financial institution as above provided within two years from the date of its organization, the Corporation shall wind up the affairs of such bank, after giving such notice, if any, as the Comptroller of the Currency may require, and shall certify to the Comptroller of the Currency the termination of the new bank.

"(B) Thereafter the Corporation shall be liable for the obligations of such bank and shall be the owner of its assets.

"(20) The provisions of sections 5220 and 5221 of the Revised Statutes shall not apply to such new banks.

"(i) BRIDGE BANKS.—

"(1) ORGANIZATIONS.—

"(A) PURPOSE.—When 1 or more insured banks are in default or in anticipation of its or their becoming in default, the Corporation may in its discretion, organize a bridge bank or banks with respect thereto and upon the granting of a charter to such bridge bank, the bridge bank may—

"(i) assume such deposits of such insured bank or banks that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate;

"(ii) assume such other liabilities (including liabilities associated with any trust business) of such insured bank or banks that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate;

"(iii) purchase such assets (including assets associated with any trust business) of such insured bank or banks that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate; and

"(iv) perform any other temporary function which the Corporation may, in its discretion, prescribe in accordance with this Act.

"(B) ARTICLES OF ASSOCIATION.—The articles of association and organization certificate of a bridge bank as approved by the Corporation shall be executed by 3 representatives designated by the Corporation.

"(C) NATIONAL BANK.—A bridge bank shall be organized as a national bank.

"(D) INTERIM DIRECTORS.—A bridge bank shall have an interim board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Corporation.

"(2) CHARTERING.—

"(A) CONDITIONS.—A bridge bank shall be chartered by the Comptroller of the Currency as a national bank only if the Board of Directors determines that—

"(i) the amount which is reasonably necessary to operate such bridge bank will not exceed the amount which is reasonably necessary to save the cost of liquidating, including paying the insured accounts of, 1 or more insured banks in default with respect to which the bridge bank is chartered; and

"(ii) the continued operation of such insured bank or banks in default with respect to which the bridge bank is chartered is essential to provide adequate banking services in the community where each such bank in default is located; or

"(iii) the continued operation of such insured bank or banks in default with respect to which the bridge bank is chartered is in the best interest of the depositors of such bank or banks in default or the public.

"(B) INSURED NATIONAL BANK.—A bridge bank shall be an insured bank from the time it is chartered as a national bank.

"(C) BRIDGE BANK TREATED AS BEING IN DEFAULT FOR CERTAIN PURPOSES.—Notwithstanding any other provision of law, State or Federal, or the constitution of any State, any bridge bank shall be treated as an insured bank in default at such times and for such purposes as the Corporation may, in its discretion, determine.

"(D) MANAGEMENT.—A bridge bank, upon the granting of its charter, shall be under the management of a board of directors consisting of no fewer than 5 or more than 10 members appointed by the Corporation.

"(E) BYLAWS.—The board of directors of a bridge bank shall adopt such bylaws as may be approved by the Corporation.

"(3) TRANSFER OF ASSETS AND LIABILITIES.—

"(A) IN GENERAL.—

"(i) Upon the granting of a charter to a bridge bank pursuant to this subsection, the Corporation, as receiver, or any other receiver appointed with respect to any insured bank in default with respect to which the bridge bank is chartered may transfer any assets and liabilities of such bank in default to the bridge bank in accordance with paragraph (1).

"(ii) At any time after a bridge bank is established pursuant to this subsection, the Corporation, as receiver, or any other receiver appointed with respect to an insured bank in default may transfer any assets and liabilities of such bank in default as the Corporation may, in its discretion, determine to be appropriate in accordance with paragraph (1).

"(iii) For purposes of this paragraph of this subsection, the trust business, including fiduciary appointments, of any insured bank in default is included among its assets and liabilities.

"(iv) The transfer of any assets or liabilities including those associated with any trust business of any insured bank in default transferred to a bridge bank shall be effective without any further approval, assignment, or consent with respect thereto, notwithstanding any other provision of law, State or Federal, or the constitution of any State, except, when the transferee is another financial institution, the transfer must be approved by the appropriate Federal banking agency for the transferee.

"(B) INTENT OF CONGRESS REGARDING CONTINUING OPERATIONS.—It is the intent of the Congress that, in order to prevent unnecessary hardship or losses to the customers of any insured financial institution in default, including an insured bank with respect to which a bridge bank is chartered, especially creditworthy farmers, small businesses, and households, the Corporation should—

"(i) continue to honor commitments made by the financial institution in default to creditworthy customers, and

"(ii) not interrupt or terminate adequately secured loans which are being repaid by the debtor in accordance with the terms of the loan instrument.

"(4) POWERS OF BRIDGE BANKS.—Each bridge bank chartered under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, a national bank, except as otherwise provided in this subsection and except that—

"(A) the Corporation may—

"(i) remove the interim directors and the directors of a bridge bank;

"(ii) fix the compensation of members of the interim board of directors and the board of directors and senior management, as determined by the Corporation in its discretion, or a bridge bank; and

"(iii) waive any requirement established under section 5145, 5146, 5147, 5148, or 5149 of the Revised Statutes (relating to direc-

tors of national banks) or section 31 of the Banking Act of 1933 which would otherwise be applicable with respect to directors of a bridge bank by operation of paragraph (2)(B).

"(B) The Corporation may indemnify the representatives for purposes of paragraph (1)(B) and the interim directors, directors, officers, employees, and agents of a bridge bank on such terms as the Corporation determines to be appropriate.

"(C) No requirement under section 5138 of the Revised Statutes or any other provision of law relating to the capital of a national bank shall apply with respect to a bridge bank.

"(D) The Comptroller of the Currency may establish a limitation on the extent to which any person may become indebted to a bridge bank without regard to the amount of the bridge bank's capital or surplus.

"(E)(i) The board of directors of a bridge bank shall elect a chairperson who may also serve in the position of chief executive officer: Provided, That such person shall not serve either as chairperson or as chief executive officer without the prior approval of the Corporation.

"(ii) The board of directors of a bridge bank may appoint a chief executive officer who is not also the chairperson: Provided, That such person shall not serve as chief executive officer without the prior approval of the Corporation.

"(F) A bridge bank shall not be required to purchase stock of any Federal Reserve bank.

"(G) The Comptroller of the Currency shall waive any requirement for a fidelity bond with respect to a bridge bank at the request of the Corporation.

"(H) Any action to which a bridge bank becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a bank in default shall be stayed from further proceedings for a period of up to 90 days at the request of the bridge bank.

"(I) No agreement which tends to diminish or defeat the right, title, or interest of a new bank or a bridge bank in any asset of a bank in default acquired by it shall be valid against the new bank or the bridge bank unless such agreement—

"(i) shall be in writing,

"(ii) shall have been executed by such institution and the person or persons claiming an adverse interest thereunder, including the obligor, contemporaneously with the acquisition of the asset by such institution,

"(iii) shall have been approved by disinterested members of the board of directors of such institution or its loan committee, which approval shall be reflected in the minutes of said board or committee, and

"(iv) shall have been, continuously from the time of its execution, an official record of such institution.

"(J) Except with the prior approval of the Corporation, a bridge bank may not, in any transaction or series of transactions, issue capital stock or be a party to any merger, consolidation, disposition of assets or liabilities, sale or exchange of capital stock, or similar transaction, or change its charter.

"(5) CAPITAL.—

"(A) NO CAPITAL REQUIRED.—The Corporation shall not be required to—

"(i) issue any capital stock on behalf of a bridge bank chartered under this subsection; or

"(ii) purchase any capital stock of a bridge bank, except that notwithstanding any other provision of law, State or Federal, or the constitution of any State, the Corporation may purchase and retain capital stock of a bridge bank in such amounts and on such terms as the Corporation, in its discretion, determines to be appropriate.

"(B) OPERATING FUNDS IN LIEU OF CAPITAL.—Upon the organization of a bridge bank, and thereafter, as the Board of Directors may, in its discretion, determine to be necessary or advisable, the Corporation may make available to the bridge bank, upon such terms and conditions and in such form and amounts as the Corporation may in its discretion determine, funds for the operation of the bridge bank.

"(C) AUTHORITY TO ISSUE CAPITAL STOCK.—Whenever the Board of Directors determines it is advisable to do so, the Corporation shall cause capital stock of a bridge bank to be issued and offered for sale in such amounts and on such terms and conditions as the Corporation may, in its discretion, determine.

"(6) NO FEDERAL STATUS.—

"(A) AGENCY STATUS.—A bridge bank is not an agency, establishment, or instrumentality of the United States.

"(B) EMPLOYEE STATUS.—Representatives for purposes of paragraph (1)(B), interim directors, directors, officers, employees, or agents of a bridge bank are not, solely by virtue of service in any such capacity, officers or employees of the United States for purposes of title 5, United States Code, or any other provision of law. Any employee of the Corporation or of any Federal instrumentality who serves at the request of the Corporation as a representative for purposes of paragraph (1)(B), interim director, director, officer, employee, or agent of a bridge bank shall not—

"(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law, or

"(ii) receive any salary or benefits for service in any such capacity with respect to a bridge bank in addition to such salary or benefits as are obtained through employment with the Corporation or such Federal instrumentality.

"(7) ASSISTANCE AUTHORIZED.—The Corporation may, in its discretion, provide assistance under section 13(c) to facilitate any transaction contemplated in clause (i), (ii), or (iii) of paragraph (10)(A) with respect to a bridge bank in the same manner and to the same extent as such assistance may be provided under such section with respect to an insured bank in default, or to facilitate a bridge bank's acquisition of any assets or the assumption of any liabilities of an insured bank in default.

"(8) ACQUISITION.—

"(A) IN GENERAL.—

"(i) Any transaction with respect to the merger or sale of a bridge bank requiring approval under section 18(c) shall be deemed to be an emergency requiring expeditious action, unless immediate action is necessary to prevent the probable failure of another insured bank.

"(ii) If the responsible agency has found that it must act immediately to prevent the probable failure of 1 of the institutions involved, the transaction may be consummated immediately upon approval by the agency.

"(iii) If a report on competitive factors is requested within 10 days, such transactions may not be consummated before the fifth calendar day after the date of approval by the responsible agency with respect thereto.

"(B) BY OUT-OF-STATE HOLDING COMPANY.—Any out-of-State financial institution, or any out-of-State financial institution holding company may acquire and retain the capital stock or assets of, or otherwise acquire and retain a bridge bank if the bridge bank at any time had assets aggregating $500,000,000 or more, as determined by the Corporation on the basis of the bridge bank's reports of condition or on the basis of the last available reports of condition of any insured financial institution in default, which institution has been acquired, or whose assets have been acquired, by the bridge bank, except that the acquiring entity may acquire the bridge bank only in the same manner and to the same extent as such entity may acquire an insured bank in default under section 13(f)(2).

"(9) CORPORATE EXISTENCE OF BRIDGE BANK.—Subject to paragraphs (10) and (11) of this subsection, the corporate existence of a bridge bank shall not exceed the period of 2 years from the date it is granted a charter, except that the Board of Directors may, in its discretion, extend the corporate existence of the bridge bank for 3 additional 1-year periods.

"(10) TERMINATION OF BRIDGE BANK STATUS.—

"(A) A bridge bank shall terminate its status as such upon the earliest to occur of the following:

"(i) The merger or consolidation of the bridge bank with a financial institution that is not a bridge bank, except that in connection with such a transaction, the bridge bank may request conversion of its charter to that of a financial institution that is not a bridge bank.

"(ii) The sale of all or substantially all of the capital stock of the bridge bank to an entity other than the Corporation and other than another bridge bank.

"(iii) The assumption of all or substantially all of the deposits and other liabilities of the bridge bank by a financial institution holding company or a financial institution that is not a bridge bank, or the acquisition of all or substantially all of the assets of the bridge bank by a financial institution holding company, a financial institution that is not a bridge bank, or other entity as permitted under applicable law.

"(iv) The dissolution of the bridge bank by the Corporation in accordance with paragraph (11) of this subsection prior to the initial 2-year period of corporate existence of the bridge bank and any extension thereof in accordance with paragraph (9) of this subsection.

"(v) The expiration of the initial 2-year period of corporate existence of the bridge bank and any extension thereof in accordance with paragraph (9) of this subsection.

"(11) DISSOLUTION OF BRIDGE BANK.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, State or Federal, or the constitution of any State—

"(i) the Board of Directors may, in its discretion, dissolve a bridge bank in accordance with this paragraph at any time during the corporate existence of a bridge bank if the Board of Directors determines that the amount which is reasonably necessary to dissolve the bridge bank will not exceed the amount which is reasonably necessary to either continue operation of the bridge bank or effect a transaction with respect to the bridge bank as contemplated in clause (i), (ii), or (iii) of paragraph (10)(A) of this subsection;

"(ii) the Board of Directors may, in its discretion, commence such dissolution proceedings in accordance with this paragraph with respect to a bridge bank as the Board of Di-

rectors determines to be necessary following the consummation of a transaction contemplated in clause (ii) or (iii) of paragraph (10)(A); and

"(iii) the Board of Directors shall commence dissolution proceedings in accordance with this paragraph upon the expiration of the period of corporate existence of a bridge bank as provided in paragraph (9) of this subsection.

"(B) PROCEDURES.—The Comptroller of the Currency shall appoint the Corporation receiver for a bridge bank upon certification by the Board of Directors to the Comptroller of the Currency of its determination to dissolve the bridge bank. The Corporation as such receiver shall wind up the affairs of the bridge bank in conformity with the provisions of law relating to the liquidation of closed national banks. With respect to any such bridge bank, the Corporation as such receiver shall have all the rights, powers, and privileges now possessed or hereafter granted by law to a receiver of any insured financial institution and notwithstanding any other provision of law in the exercise of such rights, powers, and privileges the Corporation shall not be subject to the direction or supervision of any agency or department, State or Federal.

"(12) Each bridge bank established under this subsection may operate branches in only one State.

"(13) The Corporation may, in the Corporation's discretion, organize two or more bridge banks under this subsection to assume any deposits of, assume any other liabilities of, and purchase any assets of a single financial institution in default.

"(j) CONDITIONS APPLICABLE TO LIQUIDATION PROCEEDINGS.—

"(1) CONSIDERATION OF LOCAL ECONOMIC IMPACT REQUIRED.—The Corporation shall fully consider the adverse economic impact on local communities, including businesses and farms, of actions to be taken by it during the administration and liquidation of loans of a financial institution in default.

"(2) ACTIONS TO ALLEVIATE ADVERSE ECONOMIC IMPACT TO BE CONSIDERED.—The actions which the Corporation shall consider include the release of proceeds from the sale of products and services for family living and business expenses and shortening the undue length of the decisionmaking process for the acceptance of offers of settlement contingent upon third party financing.

"(3) GUIDELINES REQUIRED.—The Corporation shall adopt and publish procedures and guidelines to minimize adverse economic effects caused by its actions on individual debtors in the community."; and

(6) by inserting after subsection (j) (as added by paragraph (5) of this section) the following new subsections:

"(k) VALUATION OF CLAIMS AGAINST FINANCIAL INSTITUTIONS IN DEFAULT.—Notwithstanding any other law, State or Federal, or the constitution of any State, and regardless of the method which the Corporation determines to utilize with respect to an insured financial institution in default or in danger of default, including but not limited to transactions authorized under subsection (i) and under section 13(c)(2)(A), the following provisions shall govern the rights of the creditors (other than insured depositors) of such financial institution:

"(1) MAXIMUM LIABILITY.—The maximum liability of the Corporation to any person having a claim against the receiver of an insured financial institution shall be equal to the amount such claimant would have received from the receiver upon liquidation of such institution.

"(2) ADDITIONAL PAYMENTS AUTHORIZED.—The Corporation may, in its discretion, pursuant to section 13(c), use its own resources to make additional payments or credit additional amounts to or with respect to or for the account of any claimant or category of claimants: *Provided*, That the Corporation shall not be obligated as a result of having made any such payment or credited any such amount to or with respect to or for the account of any claimant or category of claimants, to make payments to any other claimant or category of claimants: *And provided further:*

"(A) That if the financial institution in default is a Bank Insurance Fund member, the Corporation may only make such payments out of funds held in the Bank Insurance Fund; and

"(B) That if the financial institution in default is a Savings Association Insurance Fund member, the Corporation may only make such payments out of funds held in the Savings Association Insurance Fund.

"(3) The Corporation may make the payments or credit the amounts specified in paragraphs (1) and (2) directly to the claimants or may make such payments or credit such amounts to an open insured financial institution to induce the open insured financial institution to accept liability for such claims.

"(l) RULEMAKING AND CLAIMS DETERMINATION AUTHORIZED.—

"(1)(A) The Corporation shall have the power to make rules and regulations for the conduct of conservatorships and of receiverships where it is so appointed and the Corporation may, by regulation or order, provide for the exercise of functions by members or stockholders, directors, or officers of a financial institution during conservatorship or receivership.

"(B) The Corporation shall also have the power to make rules and regulations regarding the allowance of claims and the administrative adjudication of claims.

"(C) No court shall have jurisdiction over any claim or action seeking payment from, or a determination of rights with respect to, the assets of any financial institution for which the Corporation has been appointed conservator or receiver, including assets which the Corporation may acquire from itself as such conservator or receiver, or with respect to any act or omission of the institution or the Corporation as conservator or receiver, except as set out in this subsection.

"(2) ALLOWANCE OF CLAIMS.—The Corporation shall have 180 days after the date a claim is timely filed under subsection (c)(2)(C) to determine whether or not to allow the claim. The amount of time for such a determination may be extended in writing by the claimant and the Corporation.

"(3) Within 60 days after the end of the period provided in paragraph (2), or within 60 days after the Corporation denies the claim, whichever is sooner, a claimant may either seek review within the Corporation under paragraph (6) or file a suit in the district or territorial court of the United States held within the district in which the financial institution's principal place of business is located or in the district court for the District of Columbia, or to continue a suit filed before the appointment of a receiver.

"(4) The Corporation shall establish a procedure for expedited relief outside of the routine claims process for claimants with legally valid and perfected security interests who allege irreparable injury if the routine claims procedure is followed. 60 days after the filing of a request for expedited relief, or as soon as the Corporation denies the claim, whichever is sooner, the claimant shall be permitted to file or continue a suit filed before the appointment of the receiver with respect to such security interest but only as to the claimant's rights as to such security interest. If suit is not filed, or motion to renew a previously filed suit is not made, within such 60-day period, the claim shall be deemed disallowed, such disallowance shall be final, and the claimant shall have no further rights or remedies.

"(5) There shall be no judicial review of the Corporation's decision not to allow a claim under paragraph (2). A claimant's only remedy shall be to file or continue a suit as provided in paragraphs (3) and (4).

"(6) ADMINISTRATIVE DETERMINATION OF CLAIMS.—If a claimant elects to seek review under this paragraph in lieu of filing suit under paragraph (3), the Corporation shall consider the claim de novo after opportunity for a hearing on the record. The final determination of the Corporation with respect to such claim shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(7) The Corporation shall establish such alternative dispute resolution processes as may be appropriate for the resolution of claims under this section. In creating such processes, the Corporation shall strive for procedures which are expeditious, fair, independent, and low cost. The Corporation may establish both binding and nonbinding processes, which may be conducted by any government or private party, but all parties, including the claimant and the Corporation, must agree to the use of the process in a particular case. The Corporation shall seek to develop incentives for claimants to participate in the alternative dispute resolution process. The Corporation shall report to the Congress, within 180 days after the date the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, on such systems and incentives.

"(8) Any agreement which does not meet the requirements set forth in section 13(e) shall form the basis of, or substantially comprise, a claim against the receiver or the Corporation.

"(9) The Corporation may not by regulation or rule disturb the final nonappealable adjudication of a court rendered prior to the appointment of the Corporation as conservator or receiver. In the event of such a judgment, the receiver shall have all the rights and remedies available to the institution prior to failure and the Corporation in general, including removal to Federal court and all appellate rights, but shall not be required to post any bond in order to pursue such remedies.

"(10) No attachment or execution may issue by any court upon assets in the possession of the receiver.

"(m) JUDICIAL REVIEW.—Except as provided in this section, no court may take any action, except at the request of the Board of Directors by regulation or order, to restrain or affect the exercise of powers or functions of the Corporation as a conservator or a receiver.".

SEC. 213. FSLIC RESOLUTION FUND.

The Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by inserting after section 11 the following new section:

"SEC. 11A. FSLIC RESOLUTION FUND.

"(a) ESTABLISHMENT.—There is hereby established a fund to be known as the FSLIC Resolution Fund which shall be managed by the Corporation and separately maintained and not commingled.

"(b) CAPITALIZATION OF FUND.—

"(1) TRANSFER FROM FSLIC.—On the date of the dissolution of the Federal Savings and Loan Insurance Corporation in accordance with section 401 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, all reserves and all other assets of any kind, and debts, obligations, contracts and other liabilities of the Federal Savings and Loan Insurance Corporation, matured or unmatured, accrued, absolute, contingent, or otherwise shall be transferred to the FSLIC Resolution Fund.

"(2) EXCEPTION WITH RESPECT TO CERTAIN ASSETS AND LIABILITIES.—Paragraph (1) shall not apply with respect to liabilities specifically transferred pursuant to section 21A of the Federal Home Loan Bank Act.

"(3) INDEPENDENT ACCOUNTING.—Any reserves assets, debts, obligations, contracts, or other liabilities transferred to the FSLIC Resolution Fund under this subsection shall, except as provided in section 11(a)(6)(D) of this Act, be the exclusive assets and liabilities of the FSLIC Resolution Fund (and not of the Corporation) and shall not be consolidated with the assets and liabilities of the Bank Insurance Fund or Savings Association Insurance Fund or the Corporation for accounting or reporting or any other purpose.

"(c) SOURCE OF FUNDS.—The FSLIC Resolution Fund shall be funded from the sources described in the following subparagraphs (in the order in which such subparagraphs appear) to the extent funds are needed:

"(1) Subject to the requirement of section 11(a)(6)(D)(i), income earned on assets of the FSLIC Resolution Fund.

"(2) The proceeds of the resolution of insolvent savings associations which became insolvent prior to December 31, 1988, to the extent such funds are not required by the Resolution Funding Corporation pursuant to section 21B of the Federal Home Loan Bank Act.

"(3) Any proceeds from borrowings by the Financing Corporation pursuant to section 21 of the Federal Home Loan Bank Act.

"(4) All amounts assessed against Savings Association Insurance Fund members by the Corporation pursuant to section 7 after the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 which are not required by the Financing Corporation pursuant to section 21 of the Federal Home Loan Bank Act, or the Resolution Funding Corporation pursuant to section 21B of the Federal Home Loan Bank Act, which shall be covered into the FSLIC Resolution Fund until December 31, 1991.

"(d) NO ASSESSMENTS FOR FUND AFTER 1991.—No amount assessed against Savings Association Insurance Fund members may be transferred to the FSLIC Resolution Fund after December 31, 1991.

"(e) TREASURY BACKUP.—

"(1) IN GENERAL.—If the total amount of the funds described in subsection (c) are insufficient for the purposes of the FSLIC Resolution Fund, the Secretary of the Treasury shall, to such extent and in such amount as are provided in advance in appropriations Acts, provide such excess funds determined by the Corporation and the Secretary to be necessary for FSLIC Resolution Fund purposes.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out this paragraph.

"(f) LEGAL PROCEEDINGS.—Notwithstanding any other provision of law, any judgment resulting from any civil action, suit, or proceeding—

"(1) to which the Federal Savings and Loan Insurance Corporation was a party prior to the dissolution of such corporation pursuant to section 401(a) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (and with respect to which the Corporation or the FSLIC Resolution Fund was substituted as a party pursuant to section 401(d) of such Act); or

"(2) which is initiated against the Corporation (or the assets of the Corporation) with respect to Federal Savings and Loan Insurance Corporation actions or FSLIC Resolution Fund activities,

shall be limited to the assets of the FSLIC Resolution Fund.

"(g) TERMINATION.—

"(1) IN GENERAL.—The FSLIC Resolution Fund shall terminate upon satisfaction of all debts and liabilities and sale of all assets acquired in connection with case resolutions and from any other source.

"(2) TRANSFER OF ASSETS.—Upon the termination of the Fund—

"(A) any remaining funds shall be covered into the Treasury; and

"(B) any other tangible assets, including offices and office supplies, shall be transferred to the Corporation for use by and to be held as assets of the Savings Association Insurance Fund.".

SEC. 214. AMENDMENTS TO SECTION 12.

Section 12 of the Federal Deposit Insurance Act (12 U.S.C. 1822) is amended—

(1) by striking out "closed bank" each place such term appears (except in "as a stockholder of the closed bank, or of any liability of such depositor") and inserting in lieu thereof "financial institution in default";

(2) by amending subsection (a) to read as follows:

"(a) BOND NOT REQUIRED; AGENTS; FEE.—Notwithstanding any other provision of Federal law, the law of any State, or the constitution of any State, the Corporation as receiver of an insured financial institution or branch of a foreign bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the Corporation, and may be paid by it out of funds coming into its possession as such receiver."; and

(3) in subsection (d)—

(A) by striking out "as a stockholder of the closed bank, or of any liability of such depositor"; and

(B) by striking out "such bank" and inserting in lieu thereof "such financial institution".

SEC. 215. AMENDMENTS TO SECTION 13.

Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended—

(1) by amending subsection (a) to read as follows:

"(a) INVESTMENT OF CORPORATION FUNDS.—

"(1) AUTHORITY.—Funds belonging to the Corporation and held in the Bank Insurance Fund, the Savings Association Insurance Fund, or the FSLIC Resolution Fund that are not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States, except that funds held in the Bank Insurance Fund and the Savings Association Insurance Fund shall be invested separately and not commingled.

"(2) LIMITATION.—The Corporation shall not sell or purchase any such obligations for its own account and in its own right and interest, at any one time aggregating in excess of $100,000, without the approval of the Secretary of the Treasury. The Secretary of the Treasury may waive the requirement of such approval with respect to any transaction or classes of transactions subject to the provisions of this subsection for such period of time and under such conditions as the Secretary may determine.";

(2) in subsection (b)—

(A) by striking out "banking and checking" and "banking or checking" each place such terms appear and inserting in lieu thereof "deposit";

(B) by striking out "bank" each place such term appears (except in "Federal Reserve bank") and inserting in lieu thereof "financial institution";

(3) in subsection (c)—

(A) by striking out "closing" and "closed" each place such terms appear (except in "closed insured bank") and inserting in lieu thereof "default" and "in default", respectively;

(B) in paragraph (1)(B), by striking out "closed insured bank" each place such term appears and inserting in lieu thereof "insured financial institution in default";

(C) in paragraph (2)(A) by striking out "an insured institution" and "such insured institution" each place such terms appear and inserting in lieu thereof "another insured financial institution" and "such other financial institution", respectively.

(D) in paragraph (2), by inserting after subparagraph (B) the following new subparagraph:

"(C) Any action to which the Corporation is or becomes a party by virtue of the Corporation's acquisition of any asset or the exercise of any other authority under this section shall be stayed for a period of 90 days at the request of the Corporation.";

(E) in paragraph (3), by striking out "section 13(f) of this Act" and inserting in lieu thereof "subsections (f) and (g) of this section";

(F) in paragraph (4)—

(i) by striking out "banking" and inserting in lieu thereof "financial"; and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) DIRECT AND INDIRECT COSTS TO THE FDIC AND THE GOVERNMENT.—

"(i) DIRECT AND INDIRECT COSTS TO CORPORATION.—In determining the cost of assistance provided under this subsection for purposes of applying the limitation contained in subparagraph (A) of this paragraph, the Corporation shall take into account the immediate and long-term obligations of the Corporation with respect to such assistance, including contingent liabilities.

"(ii) LOSS OF REVENUE.—The Corporation shall also consider the loss of revenue by the Government, to the extent reasonably ascertainable, as a result of the provisions of the Technical and Miscellaneous Revenue Act of 1988 which provided specific tax benefits to acquirers of financial institutions in default or in danger of default or to such institutions as a result of assistance provided by the Corporation, or any similar statutory provision."; and

VOL 135 PT 9 JE 14 — 22 1989 UMI

(G) by striking out paragraph (8), redesignating paragraphs (6) and (7) as paragraphs (7) and (8), and inserting after paragraph (5) the following new paragraph:

"(6) Notwithstanding any other provision of Federal law, the law of any State, or the constitution of any State, the transfer of any assets or liabilities associated with any trust business of an insured financial institution in default under paragraph (2)(A) shall be effective without any further approval, assignment, or consent with respect to such transfer.";

(4) by amending subsections (d) and (e) to read as follows:

"(d) SALE OF ASSETS TO CORPORATION.—

"(1) IN GENERAL.—Any conservator, receiver, or liquidator of an insured financial institutions in default may offer the assets of such financial institutions for sale to the Corporation or as security for loans from the Corporation.

"(2) PROCEEDS OF LIQUIDATED ASSETS.—The proceeds of any sale or loan pursuant to paragraph (1) shall be used for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such financial institution.

The Corporation, in its discretion, may make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured financial institution which is now or may hereafter be in default.

"(e) AGREEMENTS AGAINST INTERESTS OF CORPORATION.—No agreement which tends to diminish or defeat the right, title or interest of the Corporation in any asset acquired by it under this section or section 11, either as security for a loan or by purchase or as receiver of any insured financial institution, shall be valid against the Corporation, unless such agreement—

"(1) is in writing;

"(2) contemporaneously with the acquisition of the asset by the financial institution, has been executed by the financial institution and the person or persons claiming an adverse interest thereunder, including the obligor;

"(3) has been approved by the board of directors of the financial institution or its loan committee, which approval shall be reflected in the minutes of such board or committee; and

"(4) has been, continuously, from the time of its execution, an official record of the financial institution.";

(5) in subsection (f)—

(A) by striking out "closed bank" each place such term appears and inserting in lieu thereof "bank in default";

(B) by striking out "closed" and "closing" each place such terms appear (other than in "closed bank") and inserting in lieu thereof "in default" and "default", respectively;

(C) in paragraph (2)(B)(iii), by striking "a unanimous vote" and inserting in lieu thereof "a vote of 75 percent of";

(D) by striking out "depository" each place such term appears and inserting in lieu thereof "financial";

(E) in paragraph (6)(A), by inserting after "the Corporation shall permit" the following: "the offeror which made the initial lowest acceptable offer and";

(F) in paragraph (7), by adding at the end thereof the following new subparagraph:

"(C) if, in the opinion of the Corporation, the acquisition threatens the safety and soundness of the acquirer or does not result in the future viability of the resulting financial institution.";

(G) in paragraph (8), by striking out subparagraphs (A), (B), (C), (D), (F), and (G) and by redesignating subparagraph (E) as paragraph (8);

(H) in paragraph (9)—

(i) in the paragraph heading, by striking "NONBANK" and inserting in lieu thereof "CERTAIN";

(ii) in subparagraph (A)—

(I) by inserting after "subsidiary" the following: ", other than a subsidiary that is an insured financial institution,"; and

(II) by striking out "which is not an insured bank"; and

(iii) in subparagraph (B), by inserting after "intermediate holding company" the following: "or an affiliate of an insured financial institution"; and

(I) by adding at the end thereof the following new paragraph:

"(12) ACQUISITION OF MINORITY BANK BY MINORITY BANK HOLDING COMPANY WITHOUT REGARD TO ASSET SIZE.—For the purpose of ensuring continued minority control of a minority-controlled bank, paragraphs (2) and (3) shall apply with respect to the acquisition of a minority-controlled bank by an out-of-State minority-controlled depository institution or holding company without regard to the fact that the total assets of such minority-controlled bank is less than $500,000,000.";

(6) in subsection (h), by striking out "a closed insured bank", "closing", and "insurance fund", and inserting in lieu thereof "an insured financial institution in default,", "default", and "Bank Insurance Fund", respectively;

(7) in subsection (i)—

(A) by inserting "financial" before "institution" each place such term appears;

(B) in paragraph (1)(C)—

(i) by striking out "corporation" and inserting in lieu thereof "Corporation";

(ii) by striking out "chartered bank" and inserting in lieu thereof "chartered financial institution";

(iii) by inserting ", Federal savings association," after "State member bank"; and

(iv) by inserting ", Director of the Office of Thrift Supervision," after "Federal Reserve System"; and

(C) in paragraph (5)(C), by striking out "greater than zero and"; and

(8) by transferring subsection (m) of section 408 of the National Housing Act (12 U.S.C. 1730a(m)) to section 13 of the Federal Deposit Insurance Act, inserting such subsection after subsection (j), and amending such subsection—

(A) by redesignating such subsection as subsection (k);

(B) by striking out "insured institution", "an insured institution", and "insured institutions" each place such terms appear (other than in paragraph (1)(A)(iii)) and inserting in lieu thereof "savings association", "a savings association", and "savings associations", respectively;

(C) by striking out "depository institution" and "depository institutions" each place such terms appear and inserting in lieu thereof "financial institution" and "financial institutions", respectively;

(D) in paragraph (1)(A)(i)—

(i) by striking out "or constitution of any State or any provision of Federal law, except as provided in subsections (c), (e)(2), and (l) of this section and in clause (iii) of this subparagraph," and inserting in lieu thereof "of any State,"; and

(ii) by striking out "section 406(f) of this Act" and inserting in lieu thereof "subsection (c) of this section";

(E) in paragraph (1)(A)(iii), by striking out "the party thereto that is not an insured institution" and inserting in lieu thereof "each party to any such transaction";

(F) by amending paragraph (1)(A)(iv) to read as follows:

"(iv) In authorizing any transaction under this subsection which involves a Federal savings association, the Corporation shall obtain the prior concurrence of the Director of the Office of Thrift Supervision in connection with the override of any provisions of the laws of any State.";

(G) by inserting after paragraph (1)(A)(iv), the following new clauses:

"(v) The Corporation may not authorize any transaction under this subsection unless the Corporation determines that the transaction will not present a substantial risk to the safety or soundness of any savings association or company involved in the transaction.

"(vi) The Director of the Office of Thrift Supervision may waive the application of the percentage limitations on investments contained in section 5(c)(4)(B) of the Home Owners' Loan Act of 1933 with respect to the acquisition of control by a Federal savings association of another savings association under this paragraph.

"(vii) The Corporation may waive the application of the Depository Institution Management Interlocks Act with respect to the participation of a management official of a depository institution which acquires a savings association under this paragraph in the conduct of the affairs of such association for such period as the Corporation may determine to be appropriate, not to exceed 10 years.";

(H) in paragraph (1)(B)(iii)—

(i) in the first sentence, by striking "only by" and all that follows and inserting in lieu thereof "a vote of 75 percent or more of the voting members of the Board of Directors."; and

(ii) in the 2d sentence, by striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "the Corporation";

(I) by amending paragraph (3) to read as follows:

"(3)(A) In considering authorizations under this subsection, the Corporation shall give consideration to the need to minimize the cost of financial assistance.

"(B) In the case of a minority controlled institution, the Corporation shall seek an offer from other minority-controlled institutions.

"(C) In determining the cost of offers and reoffers under this subsection, the Corporation's calculations and estimations shall be determinative. The Corporation may set reasonable time limits on offers and reoffers.";

(J) by striking out paragraph (4) and by redesignating paragraph (5) as paragraph (4); and

(K) by adding at the end thereof the following new paragraph:

"(5) ASSISTANCE BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(A) ASSISTANCE PROPOSALS.—The Resolution Trust Corporation shall consider proposals by Savings Association Insurance Fund members for assistance pursuant to section 21A of the Federal Home Loan Bank Act before grounds exist for appointment of a conservator or receiver for such member under the following circumstances:

"(i) TROUBLED CONDITION CRITERIA.—The Resolution Trust Corporation determines—

"(I) that grounds for appointment of a conservator or receiver exist or likely will

exist in the future unless the member's tangible capital is increased;

"(II) that it is unlikely that the member can achieve positive tangible capital without assistance; and

"(III) that providing assistance pursuant to the member's proposal would be likely to lessen the risk to the Corporation.

"(ii) OTHER CRITERIA.—The member meets the following criteria:

"(I) Before enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the member was solvent under applicable regulatory accounting principles but had negative tangible capital.

"(II) The member's negative tangible capital position is substantially attributable to its participation in acquisition and merger transactions that were instituted by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation for supervisory reasons.

"(III) The member's qualified thrift investments are at least 80 percent of its total tangible assets (excluding commercial real estate owned and nonperforming commercial loans acquired in acquisition and merger transactions that were instituted by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation for supervisory reasons).

"(IV) The appropriate Federal banking agency has determined that the member's management is competent and has complied with applicable laws, rules, and supervisory directives and orders.

"(V) The member's management did not engage in insider dealing or speculative practices or other activities that jeopardized the member's safety and soundness or contributed to its impaired capital position.

"(VI) The member's offices are located in an economically depressed region.

"(B) CORPORATION CONSIDERATION OF ASSISTANCE PROPOSAL.—If a member meets the requirements of clauses (i) and (ii) of subparagraph (A), then—

"(i) the Resolution Trust Corporation shall consider providing direct monetary assistance; and

"(ii) the Resolution Trust Corporation shall approve the proposal unless it makes a specific finding that a merger or liquidation of the member is feasible and would be a less costly solution.

"(C) ECONOMICALLY DEPRESSED REGION DEFINED.—For purposes of this paragraph, the term 'economically depressed region' means any geographical region which the appropriate Federal banking agency determines by regulation to be a region within which real estate values have suffered serious decline due to severe economic conditions, such as a decline in energy or agricultural values or prices.".

SEC. 216. BORROWING AUTHORITY.

Section 14 of the Federal Deposit Insurance Act (12 U.S.C. 1824) is amended—

(1) by striking out "$3,000,000,000" and inserting in lieu thereof "$5,000,000,000, subject to the approval of the Secretary of the Treasury"; and

(2) by adding at the end the following new sentence:

"The Corporation may employ such funds for purposes of the Bank Insurance Fund or the Savings Association Insurance Fund and the borrowing shall become a liability of each such fund to the extent funds are employed therefore.".

SEC. 217. EXEMPTION FROM TAXATION; LIMITATION ON BORROWING.

Section 15 of the Federal Deposit Insurance Act (12 U.S.C. 1825) is amended—

(1) by inserting "(a) GENERAL RULE.—" before "All"; and

(2) by adding at the end the following new subsections:

"(b) OTHER EXEMPTIONS.—When acting as a receiver for a national bank, a branch of a foreign bank, or a savings association (but not as a receiver of a State bank under State law), the following provisions shall apply with respect to the Corporation:

"(1) The Corporation including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, except that, notwithstanding the failure of any person to challenge an assessment under State law of such property's value, such value, and the tax thereon, shall be determined as of the period for which such tax is imposed.

"(2) No property of the Corporation shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Corporation, nor shall any involuntary lien attach to the property of the Corporation.

"(3) The Corporation shall not be liable for any amounts in the nature of penalties or fines, including those arising from the failure of any person to pay any real property, personal property, probate, or recording tax or any recording or filing fees when due. This subsection shall not apply with respect to any tax imposed (or other amount arising) under the Internal Revenue Code of 1986.

"(c) LIMITATION ON BORROWING.—

"(1) COST ESTIMATE REQUIRED.—Before—

"(A) issuing any note, debenture, bond, or similar obligation; or

"(B) issuing any guarantee or otherwise incurring any liability for any obligation of any other person,

the Corporation shall estimate the cost to the Corporation for such obligation, guarantee, or other liability.

"(2) COST ESTIMATE FOR OBLIGATIONS ISSUED AND LIABILITIES INCURRED BEFORE FIRREA.—As soon as practicable after the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Corporation shall estimate the aggregate cost to the Corporation for all outstanding obligations or guarantees which were issued by the Corporation before such date and all outstanding liabilities which were incurred by the Corporation before such date.

"(3) ESTIMATES OF LIABILITIES REQUIRED TO BE INCLUDED IN FINANCIAL STATEMENTS.—The financial statements of the Corporation shall reflect the estimate made by the Corporation under paragraphs (1) and (2) of the aggregate amount of the costs to the Corporation for outstanding obligations or other liabilities and the Corporation shall make such adjustments as the Corporation may determine to be appropriate in the estimate of such aggregate amount no less frequently than once each fiscal quarter.

"(4) LIMITATION IMPOSED.—Except as provided in paragraph (5), the Corporation may not—

"(A) issue any note, debenture, bond, or similar obligation; or

"(B) issue any guarantee or otherwise incur any liability for any obligation of any other person, with respect to the Bank Insurance Fund or the Savings Association Insurance Fund, to the extent the issuance or incurrence of such obligation or liability would reduce the net worth of the appropriate insurance fund to less than zero.

"(5) EXCEPTION FOR CERTAIN LIABILITIES IN EXCESS FUND ASSETS.—With the prior approval of the Secretary of the Treasury, the Corporation may issue obligations or guarantees, or incur liabilities, in an aggregate amount not to exceed $5,000,000,000 in excess of the limitations contained in paragraph (4), except that the maximum dollar amount which the Corporation is authorized to borrow from such Secretary under section 14 shall be reduced by an amount equal to the aggregate amount of the obligations or guarantees issued and liabilities incurred in excess of the limitations contained in paragraph (4).

"(6) NET WORTH OF INSURANCE FUND.—For purposes of this subsection, the net worth of the Bank Insurance Fund or the Savings Association Insurance Fund shall be calculated on the basis of the most recent audit of such Fund by the Comptroller General of the United States and adjusted in accordance with the adjustments required under paragraph (3).".

SEC. 218. REPORTS.

(a) ANNUAL REPORT.—Section 17(a) of the Federal Deposit Insurance Act (12 U.S.C. 1827(a)) is amended to read as follows:

"(a) The Corporation shall annually submit a full report of its operations, activities, budget, receipts and expenditures for the preceding 12-month period. Such report shall be submitted to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of Congress, and the President as soon as practicable after the first day of January each year.".

(b) OTHER REPORTS.—Section 17 of the Federal Deposit Insurance Act (12 U.S.C. 1827(a)) is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e) respectively, and by inserting after subsection (a) (as amended by subsection (a) of this section) the following new subsection:

"(b) QUARTERLY REPORTS.—

"(1) FINANCIAL OPERATING PLANS AND FORECASTS.—Before the beginning of each fiscal quarter, the Corporation shall provide to the Secretary of the Treasury a copy of the Corporation's financial operating plans and forecasts.

"(2) FINANCIAL CONDITION AND REPORTS OF OPERATIONS.—As soon as practicable after the end of each fiscal quarter, the Corporation shall submit to the Secretary of the Treasury a copy of the report of the Corporation's financial condition as of the end of such fiscal quarter and the results of the Corporation's operations during such fiscal quarter.

"(3) ITEMS TO BE INCLUDED.—The plans, forecasts, and reports required under this subsection shall reflect the estimates required to be made under section 15(b) of the liabilities and obligations of the Corporation described in such section.

"(4) RULE OF CONSTRUCTION.—The requirement to provide plans, forecasts, and reports to the Secretary of the Treasury under this subsection may not be construed as implying any obligation on the part of the Corporation to obtain the consent or approval of such Secretary with respect to such plans, forecasts, and reports.".

SEC. 219. REGULATIONS GOVERNING INSURED FINANCIAL INSTITUTIONS.

Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) by amending subsection (a) to read as follows:

"(a) INSURANCE LOGO; ADVERTISING.—

"(1) INSURED SAVINGS ASSOCIATIONS.—Each insured savings association shall display at each place of business maintained by such association a sign containing only the following items:

"(A) A statement that insured deposits are backed by the full faith and credit of the United States Government.

"(B) A statement that each account is federally insured to $100,000.

"(C) The symbol of the American eagle.

The sign shall not contain any reference to a Government agency and shall accord each item substantially equal prominence.

"(2) INSURED BANKS.—Each insured bank shall display at each place of business maintained by such bank a sign that conforms to 1 or other of the following:

"(A) the sign required to be displayed by insured banks under regulation prescribed by the Corporation in effect on January 1, 1989; or

"(B) the sign prescribed under paragraph (1).

"(3) REGULATIONS.—

"(A) DISPLAY OF SIGNS AND LOGO.—The Corporation shall have authority to prescribe regulations to carry out the purposes of this subsection, including regulations governing the manner of display or use of such signs, except that the size of the sign prescribed under paragraph (1) shall be the same as that prescribed under paragraph (2)(A).

"(B) DISPARAGING ADVERTISING.—The Corporation shall, within 60 days after the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, adopt rules designed to provide that advertising of Bank or Savings Association Insurance Fund members shall not disparage the condition of either fund, refer to the length of time that another institution has been a member of a fund or that it was formerly a member of another fund.";

(2) in subsection (c)—

(A) in paragraph (2), by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) the Corporation, if the acquiring, assuming, or resulting bank is to be a State nonmember insured bank (except a District bank or a savings bank supervised by the Director of the Office of Thrift Supervision); and

"(D) the Director of the Office of Thrift Supervision, if the acquiring, assuming, or resulting institution is to be a savings association.";

(B) by striking out paragraph (12);

(C) in paragraphs (3), (4), (6), (7), and (9), by inserting after "bank" and "banks" each place such terms appear, "or savings association" and "or savings associations", respectively; and

(D) in paragraph (3), by striking out "failure" and inserting in lieu thereof "default";

(3) in subsection (i)—

(A) in paragraph (1), by striking out "nonmember bank (except a District bank)" and inserting in lieu thereof "financial institution (except a member bank, a District bank, or a Federal savings association)"; and

(B) in paragraph (2)—

(i) in subparagraph (C)—

(I) by inserting after "resulting bank" the following: "or savings association"; and

(II) by striking "bank)." and inserting in lieu thereof "bank or a Federal savings bank); or"; and

(ii) by adding at the end the following new subparagraph:

"(D) the Director of the Office of Thrift Supervision, if the resulting institution is to be a Federal savings association.";

(4) in subsection (j)(5), by striking out "not"; and

(5) by adding at the end the following new subsection:

"(m) ACTIVITIES OF SAVINGS ASSOCIATIONS SUBSIDIARIES.—

"(1) PROCEDURES.—If an insured savings association establishes or acquires control of a company or elects to conduct any new activity through a company that the insured savings association controls, the insured savings association shall—

"(A) notify the Corporation and the Director of the Office of Thrift Supervision not less than 30 days before the establishment or acquisition of any such new company, and not less than 30 days before the commencement of any such activity, and in either case shall provide at that time such information as each such agency may, by regulation, require;

"(B) except as provided in section 5(t) of the Home Owners' Loan Act, deduct its entire investment in, and loans and other financial accommodations to, the company from its own capital for the purposes of determining capital adequacy if the company is engaged in activities not permissible for a national bank; and

"(C) conduct the activities of the company in accordance with such rules, regulations and orders as may be established by the Director of the Office of Thrift Supervision.

"(2) ENFORCEMENT POWERS.—With respect to any company controlled by an insured savings association—

"(A) the Corporation and the Director of the Office of Thrift Supervision shall each have, with respect to such company, the respective powers and authorities that each may possess with respect to the insured savings association under this section or section 8; and

"(B) the Director of the Office of Thrift Supervision or the Corporation, as appropriate, may—

"(i) determine, after notice and opportunity for hearing on the record, after opportunity for a hearing, that the continuation by the insured savings association of its ownership or control of, or its relationship to, the company—

"(I) constitutes a serious risk to the financial safety, soundness or stability of the insured savings association; or

"(II) is inconsistent with sound banking principles or the purposes of this Act;

"(ii) upon making any such determination, order the insured savings association to divest itself of control of the company; and

"(iii) take any other corrective measures with respect to the company, including requiring the company to terminate the activities or operations posing such risks, as the Director may determine to be appropriate.

"(3) ACTIVITIES INCOMPATIBLE WITH DEPOSIT INSURANCE.—

"(A) REGULATIONS.—

"(i) IN GENERAL.—The Board of Directors may determine, by regulation of general applicability to all State savings associations, that any specific activity poses a serious threat to the Savings Association Insurance Fund. Any such regulation shall be issued in accordance with section 553 of title 5, United States Code.

"(ii) CONSULTATION.—Before any proposed regulation under clause (i) becomes final, the Corporation shall—

"(I) consult with the Director of the Office of Thrift Supervision;

"(II) provide appropriate State supervisors with opportunity for comment on the proposed regulation; and

"(III) shall specifically take such comments into consideration.

"(B) RESTRICTION ON ACTIVITY.—Upon issuing any regulation under subparagraph (A) with respect to any activity for which a determination was made under such subparagraph, the Corporation may prohibit any Savings Association Insurance Fund member from directly engaging in such activity to a greater extent than is permissible for a Federal savings association under the Home Owners' Loan Act of 1933.

"(C) LIABILITY OF MEMBERS.—No Savings Association Insurance Fund member shall be or become liable for the liabilities or obligations arising out of any activity referred to in subparagraph (B) conducted indirectly, except to the extent such liability or obligation—

"(i) is in writing;

"(ii) has been executed by the member and person or entity to whom the liability or obligation is owed—

"(I) if the liability or obligation was created before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, before the end of the 120-day period beginning on such date; or

"(II) otherwise, contemporaneously with the creation of the liability or obligation;

"(iii) has been approved by the Board of Directors or an official committee of the member; and

"(iv) has been, continuously, from the time of its creation, an official record of the member.

"(D) AUTHORITY OF DIRECTOR.—This section shall not be construed as limiting the authority of the Director of the Office of Thrift Supervision to issue regulations to promote safety and soundness or to enforce compliance with other applicable laws.

"(4) COMPANY DEFINED.—For purposes of this subsection, the term 'company' does not include any insured financial institution.

"(5) RESTATEMENT OF EXISTING LAW.—This subsection shall not derogate from the rights and authorities of the Corporation under any other provision of law.

"(6) ACTIVITIES CONDUCTED IN SUBSIDIARIES.—

"(A) Except as provided in paragraphs (2) and (3), an insured savings association which—

"(i) is lawfully engaged, through a subsidiary (as defined in section 13(f)(8)(G)), in any type of activity which are not permitted for national banks on the date of enactment of the Financial Institution Regulatory Reform, Recovery and Enforcement Act of 1989;

"(ii) was in compliance with its capital requirements on December 31, 1988; and

"(iii) continues to remain in compliance with its capital requirements or adopts and maintains a capital plan acceptable to the Director of the Office of Thrift Supervision or the Corporation, as appropriate,

shall be allowed to maintain the same level of financial commitments and shall not be required to deduct its investments in or loans to such subsidiary from capital under this section or section 5(t) of the Home Owners' Loan Act of 1933 solely because

such subsidiary is engaging in an activity which is not permitted for national banks.

"(B) The Corporation or the Director of the Office of Thrift Supervision may order any insured savings association to terminate or modify any such investment or activity pursuant to paragraph (2)(B).

"(7) ACTIVITIES OF CERTAIN SAVINGS BANKS.—Subparagraphs (A) and (B) of paragraph (1) shall not apply to—

"(A) any Federal savings bank that was chartered before October 15, 1982, as a savings bank under State law; or

"(B) any savings association that acquired its principal assets from an institution that was chartered before October 15, 1982, as a savings bank under State law.".

SEC. 220. NONDISCRIMINATION.

Section 22 of the Federal Deposit Insurance Act (12 U.S.C. 1830) is amended to read as follows:

"SEC. 22. NONDISCRIMINATION.

"It is not the purpose of this Act to discriminate in any manner against State nonmember banks or State savings associations and in favor of national or member banks or Federal savings associations, respectively. It is the purpose of this Act to provide all banks and savings associations with the same opportunity to obtain and enjoy the benefits of this Act.".

SEC. 221. RISK MANAGEMENT TRAINING.

The Federal Deposit Insurance Act (12 U.S.C. 1181 et seq.) is amended by inserting after the section added by section 914 of this Act the following new section:

"SEC. 29. RISK MANAGEMENT TRAINING.

"(a) SEMINARS.—The Corporation shall develop and administer training seminars in risk management for its employees and the employees of insured financial institutions.

"(b) STUDY OF RISK MANAGEMENT TRAINING PROGRAM.—Within 1 year after the date of the enactment of this section, the Corporation shall—

"(1) conduct a study on the feasibility and appropriateness of establishing a formalized risk management training program designed to lead to the certification of Risk Management Analysts; and

"(2) report to the Congress the results of such study.".

SEC. 222. BROKERED DEPOSITS.

(a) DEFINITIONS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by inserting after subsection added by section 204 of this Act the following new subsections:

"(y) DEFINITIONS RELATING TO DEPOSIT BROKER.—

"(1) DEPOSIT BROKER.—The term 'deposit broker' means—

"(A) any person engaged in the business of placing funds, or facilitating the placement of funds, of third parties with insured financial institutions or the business of placing funds with insured financial institutions for the purpose of selling interests in those deposits to third parties; and

"(B) an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured financial institutions to use the proceeds of the account to fund a prearranged loan.

"(2) EXCLUSIONS.—The term 'deposit broker' does not include—

"(A) an insured financial institution, with respect to funds placed with that financial institution;

"(B) an employee of an insured financial institution, with respect to funds placed with the employing financial institution;

"(C) a trust department of an insured financial institution or of an institution insured by the Federal Savings and Loan Insurance Corporation, if the trust in question has not been established for the primary purpose of placing funds with insured financial institutions;

"(D) the trustee of a pension or other employee benefit plan, with respect to funds of the plan;

"(E) a person acting as a plan administrator or an investment adviser in connection with a pension plan or other employee benefit plan provided that that person is performing managerial functions with respect to the plan;

"(F) the trustee of a testamentary account;

"(G) the trustee of an irrevocable trust (other than one described in paragraph (1)(B)), as long as the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(H) a trustee or custodian of a pension or profitsharing plan qualified under section 401(d) or 403(a) of the Internal Revenue Code of 1986; or

"(I) an agent or nominee whose primary purpose is not the placement of funds with depository institutions.

"(3) EMPLOYEE.—For purposes of this subsection, the term 'employee' includes only an employee—

"(A) who is employed exclusively by the insured financial institution for which such employee is soliciting deposits;

"(B) whose compensation is primarily in the form of a salary;

"(C) who does not share such employee's compensation with a deposit broker; and

"(D) whose office space or place of business is used exclusively for the benefit of the insured financial institution which employs such individual.

"(z) TROUBLED INSTITUTION.—The term 'troubled institution' means an insured financial institution which is entitled to the benefits of insurance under this Act and which the Corporation has determined, for the purpose of section 30, does not meet the minimum capital requirements applicable with respect to such institution.".

(b) APPLICABILITY OF LIMITATION.—The Federal Deposit Insurance Act (12 U.S.C. 1181 et seq.) is amended by inserting after section 29 added by section 221 of this Act the following new section:

"SEC. 30. BROKERED DEPOSITS.

"(a) PROHIBITION.—A troubled institution may not increase the amount of funds deposited into one or more deposit accounts by or through a deposit broker.

"(b) SCOPE OF APPLICATION.—The prohibition contained in subsection (a) shall not apply if the Corporation, following receipt of an application from an institution, determines that the acceptance or use of such deposits does not constitute an unsafe or unsound practice.".

TITLE III—SAVINGS ASSOCIATION SUPERVISION IMPROVEMENTS

SEC. 301. DEFINITIONS.

Section 2 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1462) is amended to read as follows:

"SEC. 2. DEFINITIONS.

"For purposes of this Act—

"(1) DIRECTOR—The term "Director" means the Director of the Office of Thrift Supervision.

"(2) CORPORATION.—The term 'Corporation' means the Federal Deposit Insurance Corporation.

"(3) OFFICE.—The term 'Office' means the Office of Thrift Supervision.

"(4) SAVINGS ASSOCIATION.—The term 'savings association'—

"(A) means—

"(i) any Federal savings and loan association or Federal savings bank;

"(ii) any building and loan, savings and loan, or homestead association or any cooperative bank which is organized pursuant to and operated in accordance with the laws of the State (as defined in section 3(a) of the Federal Deposit Insurance Act) in which such association or bank is chartered or organized; and

"(iii) any other corporation which the Director determines is operating in substantially the same manner as a savings and loan association; and

"(B) includes any institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(5) FEDERAL SAVINGS ASSOCIATION.—The term 'Federal savings association' means a Federal savings and loan association or a Federal savings bank which is chartered under section 5 of this Act.

"(6) STATE SAVINGS ASSOCIATION.—The term 'State savings association' means any savings association which is not—

"(A) a Federal savings association; or

"(B) a State bank (as defined in section 3(a) of the Federal Deposit Insurance Act) which is a Bank Insurance Fund member.

"(7) INSURED SAVINGS ASSOCIATION.—The term 'insured savings association' means a savings association which is a Savings Association Insurance Fund member.

"(8) INSURED STATE SAVINGS ASSOCIATION.—The term 'insured State savings association' means a State savings association which is a Savings Association Insurance Fund member.

"(9) FEDERAL BANKING AGENCIES.—The term 'Federal banking agencies' means the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.".

SEC. 302. OFFICE OF THRIFT SUPERVISION DIRECTOR.

The Home Owners' Loan Act of 1933 (12 U.S.C. 1461 et seq.) is amended by inserting after section 2 the following new section:

"SEC. 2A. DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION.

"(a) ESTABLISHMENT OF OFFICE.—There is hereby established the Office of Thrift Supervision.

"(b) ESTABLISHMENT OF POSITION OF DIRECTOR.—

"(1) IN GENERAL.—There is hereby established the position of the Director of the Office of Thrift Supervision who shall be the head of the Office of Thrift Supervision and subject to the general oversight of the Secretary of the Treasury.

"(2) AUTHORITY TO PRESCRIBE REGULATIONS.—The Director may prescribe such regulations and issue such orders as the Director may determine to be necessary for carrying out this Act and all other laws within the jurisdiction of the Director.

"(3) AUTONOMY OF DIRECTOR.—The Director shall perform the duties of the office, and exercise the powers of the office, with the degree of autonomy from the Secretary of the Treasury equal to that of the Comptroller of the Currency.

"(c) APPOINTMENT; TERM.—

"(1) APPOINTMENT.—The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States.

"(2) TERM.—The Director shall be appointed for a term of 5 years.

"(3) VACANCY.—A vacancy in the position of Director which occurs before the expiration of the term for which a Director was appointed shall be filled in the manner established in paragraph (1) and the Director appointed to fill such vacancy shall be appointed only for the remainder of such term.

"(4) SERVICE AFTER END OF TERM.—An individual may serve as Director after the expiration of the term for which appointed until a successor Director has been appointed.

"(d) PROHIBITION ON FINANCIAL INTERESTS.—It shall not be lawful for the Director of the Office of Thrift Supervision to have a financial interest, either directly or indirectly, in any member of a Federal home loan bank.

"(e) POWERS OF THE DIRECTOR.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, there is hereby vested in the Director all power and authority which—

"(A) were vested in the Federal Home Loan Bank Board (in such Board's capacity as such or as the board of trustees of the Federal Savings and Loan Insurance Corporation) or the Chairman of such Board on the day before the date of the enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989; and

"(B) were not—

"(i) expressly transferred to the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, the Resolution Trust Corporation, or the Federal Home Loan Mortgage Corporation pursuant to any amendment made by such Act; or

"(ii) established under any provision of law repealed by such Act.

"(2) CERTAIN FUNCTIONS SPECIFICALLY INCLUDED.—The power and authority vested in the Director under paragraph (1) include the functions which the Chairman of the Federal Home Loan Bank Board, the Federal Home Loan Bank Board, the Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation had or could exercise immediately before August 24, 1954, or immediately before June 24, 1954 (other than any authority with respect to the Federal home loan banks).

"(f) ANNUAL REPORT REQUIRED.—The Director shall make an annual report to the Congress.

"(g) CONGRESSIONAL DECLARATION OF PURPOSE.—The Congress hereby declares that the establishment of the position of Director of the Office of Thrift Supervision is the establishment by law of a new officer of the United States under the authority provided by the second paragraph of section 2 of Article II of the Constitution of the United States of America.

"(h) LIMITATION ON AUTHORITY OF CERTAIN INDIVIDUALS TO SERVE IN ACTING CAPACITY.—No individual who was Chairman or a member of the Federal Home Loan Bank Board on May 3, 1989, may—

"(1) serve as the Director of the Office of Thrift Supervision unless nominated to such position by the President and confirmed in such position by the Senate; or

"(2) serve in an acting capacity as the Director of the Office of Thrift Supervision or in any other capacity with respect to such position after the end of the 120-day period beginning on such date of enactment.

"(i) STAFF.—

"(1) IN GENERAL.—Notwithstanding section 301(f)(1) of title 31, United States Code, and after consulting with the Secretary of the Treasury, the Director may employ, direct, and fix the compensation and number of such employees, attorneys, and agents as the Director may determine to be necessary to carry out the duties of the Office.

"(2) CERTAIN FEDERAL EMPLOYEE PROVISIONS NOT APPLICABLE.—The compensation of employees, attorneys, and agents of the Office shall be determined without regard to the provisions of any law or regulation (including title 5, United States Code) relating to Federal employee and officer compensation.

"(3) COMPENSATION LEVELS.—In directing and fixing such compensation, the Director shall seek to maintain comparability with the compensation at other Federal banking agencies and the National Credit Union Administration.

"(4) DELEGATION AUTHORITY.—The Director may—

"(A) designate who shall serve in the absence of the Director; and

"(B) notwithstanding any other provisions of law, may delegate to any duly authorized employee, representative, or agent any power vested in the Director by law.

"(j) LIMITATION ON OVERSIGHT AUTHORITY OF SECRETARY OF THE TREASURY.—The Secretary's oversight and direction of the Director under subsection (a) of this section or section 309 of title 31, United States Code, shall not extend, directly or indirectly, to any office or joint office of a Federal home loan bank with respect to any in credit-related or correspondent banking activity.

"(k) PRINCIPAL SUPERVISORY AGENT.—The principal supervisory agent of the Director of the Office of Thrift Supervision in each Federal home loan bank district—

"(1) may not be the president of such Federal home loan bank;

"(2) shall report to the chief supervisory official of the Office of Thrift Supervision; and

"(3) may be removed for cause by such Director.

"(l) GAO AUDIT.—The General Accounting Office shall have authority to audit all of the activities of the Office of Thrift Supervision.".

SEC. 303. SUPERVISION OF SAVINGS ASSOCIATIONS.

(a) IN GENERAL.—The Home Owners' Loan Act of 1933 (12 U.S.C. 1461 et seq.) is amended by inserting after the section added by section 302 of this title the following new section:

"SEC. 3. SUPERVISION OF SAVINGS ASSOCIATIONS.

"(a) FEDERAL SAVINGS ASSOCIATIONS.—

"(1) IN GENERAL.—The Director may provide for the examination, safe and sound operation, and regulation of Federal savings associations.

"(2) REGULATIONS.—The Director may issue such regulations as the Director determines to be appropriate to carry out the responsibilities of the Director or the Office.

"(3) HOUSING CREDIT ROLE TO BE ENCOURAGED.—The Director shall exercise all powers granted to the Director under this Act in a manner which encourages savings associations to maintain such associations' role of providing credit for housing in a manner consistent with principles of safe and sound operation.

"(b) STATE SAVINGS ASSOCIATIONS.—

"(1) IN GENERAL.—The Corporation may provide for the examination, safe and sound operation, and regulation of insured State savings associations in accordance with the provisions of this Act and the Federal Deposit Insurance Act.

"(2) SCOPE OF AUTHORITY.—In administering the provisions of this Act which apply to insured State savings association (or which are made applicable to State savings associations by section 4), the Corporation shall apply the regulations prescribed by the Director pursuant to any such provision.

"(3) REGULATIONS.—Subject to paragraph (2), the Corporation may issue such regulations as the Corporation determines to be appropriate to carry out the responsibilities of the Corporation under this Act.

"(4) ENFORCEMENT AUTHORITY UNDER OTHER ACTS.—For purposes of enforcing compliance with any requirement imposed under this Act or any regulation prescribed by the Director under this Act, the Corporation may exercise any other authority conferred on the Corporation by the Federal Deposit Insurance Act and any other law.

"(c) ACCOUNTING AND DISCLOSURE.—

"(1) IN GENERAL.—The Director shall, by regulation, prescribe uniform accounting and disclosure standards for savings associations to be used in determining compliance by such associations with all applicable regulations.

"(2) SPECIFIC REQUIREMENTS FOR ACCOUNTING STANDARDS.—The uniform accounting standards prescribed under paragraph (1) shall—

"(A) incorporate generally accepted accounting principles to the same degree that generally accepted accounting principles are used to determine compliance with regulations prescribed by the Federal banking agencies;

"(B) be coordinated with capital standards established by the Director pursuant to section 5(t) of this Act; and

"(C) except as provided in section 5(t), allow for no deviation from full compliance with such standards as are in effect after December 31, 1994;

"(D) with respect to compliance by savings association before January 1, 1995, require full compliance by savings associations with accounting standards in effect at any time before such date in accordance with the schedule provided in section 563.23-3 of title 12, Code of Federal Regulations (as in effect on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989).

"(d) REGULATIONS CONSISTENT WITH BANKING REGULATIONS.—The regulations and policies of the Director and the Corporation governing the safe and sound operation of savings associations, including policies governing asset classification and appraisals, shall be no less stringent than those established by the Comptroller of the Currency for national banks.".

(b) TRANSFER OF EXISTING PROVISION OF LAW RELATING TO SAVINGS ASSOCIATIONS.—Section 409 of the National Housing Act (12 U.S.C. 1730b) (relating to investment of certain funds in accounts of savings associations) is—

(1) transferred to section 3 of the Home Owners' Loan Act of 1933 (as added by subsection (a) of this section) and inserted in such section after subsection (d) of such section; and

(2) amended—

(A) by striking out "SEC. 409. The" and inserting in lieu thereof the following:

"(e) INVESTMENTS OF CERTAIN FUNDS IN ACCOUNTS OF SAVINGS ASSOCIATION.—The";

(B) by striking out "institutions insured by the Corporation," and inserting in lieu thereof "insured savings associations"; and

(C) by striking the section heading for such section.

(c) TRANSFER OF EXISTING PROVISION OF LAW RELATING TO SAVINGS ASSOCIATIONS.—Section 3 of the Home Owners' Loan Act of 1933 (as added by subsection (a) of this section) is amended by inserting after subsection (e) of such section (3) (as added by subsection (b) of this section) the following new subsection:

"(f) PARTICIPATION BY SAVINGS ASSOCIATIONS IN LOTTERIES AND RELATED ACTIVITIES.—

"(1) PARTICIPATION PROHIBITED.—No savings association may—

"(A) deal in lottery tickets;

"(B) deal in bets used as a means or substitute for participation in a lottery;

"(C) announce, advertise, or publicize the existence of any lottery; or

"(D) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

"(2) USE OF FACILITIES PROHIBITED.—No savings association may permit—

"(A) the use of any part of any of its own offices by any person for any purpose forbidden to the institution under paragraph (1); or

"(B) direct access by the public from any of its own offices to any premises used by any person for any purpose forbidden to the institution under paragraph (1).

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) DEAL IN.—The term 'deal in' includes making, taking, buying, selling, redeeming, or collecting.

"(B) LOTTERY.—The term 'lottery' includes any arrangement under which—

"(i) 3 or more persons (hereinafter in this subparagraph referred to as the 'participants') advance money or credit to another in exchange for the possibility or expectation that 1 or more but not all of the participants (hereinafter in this paragraph referred to as the 'winners') will receive by reason of the advances of such participants more than the amounts such participants have advanced; and

"(ii) the identity of the winners is determined by any means which includes—

"(I) a random selection;

"(II) a game, race, or contest; or

"(III) any record or tabulation of the result of 1 or more events in which any participant has no interest except for the bearing such event has on the possibility that such participant may become a winner.

"(C) LOTTERY TICKET.—The term 'lottery ticket' includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

"(4) EXCEPTION FOR STATE LOTTERIES.—Paragraphs (1) and (2) shall not apply with respect to any savings association accepting funds from, or performing any lawful services for, any State operating a lottery, or any officer or employee of such State who is charged with the administration of the lottery.

"(5) REGULATIONS.—The Director and the Corporation shall prescribe such regulations as may be necessary to provide for strict enforcement of this subsection and to prevent any evasion of any provision of this subsection.".

(d) TRANSFER OF EXISTING PROVISION OF LAW RELATING TO SAVINGS ASSOCIATIONS.—Section 413 of the National Housing Act (12 U.S.C. 1730f) (relating to disclosures with respect to certain federally related mortgage loans) is—

(1) transferred to section 3 of the Home Owners' Loan Act of 1933 (as added by subsection (a) of this section) and inserted in such section after subsection (f) of such section (as added by subsection (c) of this section); and

(2) is amended—

(A) by striking out "SEC. 413." and inserting in lieu thereof the following:

"(g) FEDERALLY RELATED MORTGAGE LOAN DISCLOSURES.—"; and

(B) by striking out "insured institution" and "institution" each place such terms appear and inserting in lieu thereof "savings association".

(e) TRANSFER OF EXISTING PROVISION OF LAW RELATING TO SAVINGS ASSOCIATIONS.—Section 414 of the National Housing Act (12 U.S.C. 1730g) (relating to State usury override for certain loans) is—

(1) transferred to section 3 of the Home Owners' Loan Act of 1933 (as added by subsection (a) of this section) and inserted in such section after subsection (g) of such section (3) (as added by subsection (d) of this section); and

(2) amended—

(A) by striking out "SEC. 414." and inserting in lieu thereof the following:

"(h) PREEMPTION OF STATE USURY LAWS.—";

(B) by striking out "insured institution" and "institution" each place such terms appear and inserting in lieu thereof "savings association"; and

(C) by striking out "(which, for the purpose of this section, shall include a Federal association the deposits of which are insured by the Federal Deposit Insurance Corporation)".

(f) TRANSFER OF EXISTING PROVISION OF LAW RELATING TO SAVINGS ASSOCIATIONS.—Section 3 of the Home Owners' Loan Act of 1933 (as added by subsection (a) of this section) is amended by inserting after subsection (h) of such section 3 (as added by subsection (e) of this section) the following new subsection:

"(i) LIMITATION ON FORM OF SECURITIES.—No savings association may—

"(1) issue securities which guarantee a definite maturity except with the specific approval of the Director or the Corporation, as appropriate; or

"(2) issue any securities the form of which has not been approved by the Director or the Corporation, as appropriate.".

SEC. 304. APPLICABILITY.

The Home Owners' Loan Act of 1933 is amended by inserting after the section added by section 303(a) of this title the following new section:

"SEC. 4. APPLICABILITY.

"(a) PROVISIONS APPLICABLE TO ALL SAVINGS ASSOCIATIONS.—The following provisions of this Act shall apply to all savings associations: section 3, subsections (d), (f), (i), (k), (o), (p), (q), (s), (t), (u), and (v) of section 5, and sections 6, 7, 9, 10, 11, 12, 13, 14, 15, and 16.

"(b) PROVISIONS APPLICABLE TO FEDERAL SAVINGS ASSOCIATIONS.—Subsections (a), (b), (c), (e), (g), (h), (j), (l), (m), (n), and (r) of section 5 and section 8 shall apply to Federal savings associations.".

SEC. 305. CONFORMING AMENDMENTS.

Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended—

(1) by striking out "association", "Federal association", and "Federal savings and loan association" each place such terms appear in subsections (b), (c) (other than in subparagraphs (D) and (F) of paragraph (1) of subsection (c)), (g), (h), and (i) (other than in clauses (iv) and (v) of paragraph (3)(A) and clause (ii) of paragraph (3)(B) of subsection (i)), (j), (l), (n), (p), and (r) (other than where such term is preceded by "domestic building and loan" in subsection (r)) and inserting in lieu thereof "Federal savings associations";

(2) by striking out "association" and "Federal association" each place such terms appear in subsections (d), (f), (k), (o), (q), and (s) and inserting in lieu thereof "savings association";

(3) in subsection (c)(1)(R), by striking out "and loan" each place such term appears after "savings";

(4) in subparagraphs (A)(iv), (A)(v), and (B)(ii) of subsection (i)(3), by striking out "association" each place such term appears and inserting in lieu thereof "savings association";

(5) in subsection (m), by striking out "building and loan" and inserting in lieu thereof "savings"; and

(6) in subsection (p)(1), by striking out "mutual savings and loan association" and inserting in lieu thereof "mutual savings association".

SEC. 306. SAFETY AND SOUNDNESS.

Section 5(a) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(a)) is amended by inserting "consistent with the safe and sound operation of Federal savings associations" after "credit for housing".

SEC. 307. AMENDMENTS TO SECTION 5(c) OF THE HOME OWNERS' LOAN ACT OF 1933.

(a) LOAN LIMITATIONS.—Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof the following new paragraph:

"(6) ENFORCEMENT ACTION.—The Director and, in the case of a State savings association, the Corporation, may take any action authorized by law against any savings association that violates any provision of this section, including requiring such savings association to divest specific assets.".

(b) LIMITATIONS ON COMMERCIAL LENDING.—

(1) Section 5(c)(1)(B) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(B)) is amended to read as follows:

"(B) REAL PROPERTY LOANS.—

"(i) RESIDENTIAL REAL PROPERTY LOANS.—Loans on the security of liens upon residential real property located in the United States.

"(ii) NONRESIDENTIAL REAL PROPERTY LOANS.—Loans on the security of liens upon nonresidential real property, except that the aggregate amount of loans under this clause may not exceed 20 percent of the association's assets.".

(2) Section 5(c)(1)(R) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(R)) is amended to read as follows:

"(R) COMMERCIAL AND OTHER LOANS.—Secured or unsecured loans for commercial, corporate, business, or agricultural purposes, except that the aggregate amount of investments and loans under this subparagraph may not exceed 10 percent of the assets of the association.".

(3) Section 5(c)(3)(D) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(3)(D)) is amended to read as follows:

"(D) CONSTRUCTION LOANS WITHOUT SECURITY.—Loans—

"(i) the principal purpose of which is to provide financing with the respect to what is or is expected to become primarily residential real estate; and

"(ii) with respect to which the association—

"(I) relies substantially on the borrower's general credit standing and projected future income for repayment, without other security; or

"(II) relies on other assurances for repayment, including a guarantee or similar obligation of a third party,

except that the aggregate amount of such investments shall not exceed the greater of the sum of the association's surplus, undivided profits, and reserves, or 5 percent of the assets of the association.".

(c) DEPOSITS.—

(1) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended—

(A) by amending subparagraph (A) to read as follows:

"(A) CAPITAL.—Subject to the terms of the association's charter and such regulations as the Director may prescribe, an association may—

"(i) raise capital in the form of such deposit, share, or other accounts, including demand deposit accounts, (hereinafter in this section referred to as 'accounts'); and

"(ii) issue passbooks, certificates, or other evidence of accounts."; and

(B) in subparagraph (B), by striking out the 1st sentence.

(2) Section 5(c)(1)(G) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(G)) is amended to read as follows:

"(G) DEPOSITS.—Investments in time deposits, savings accounts certificates, or accounts (including accounts described in subparagraph (A)) of any insured financial institution (as defined in section 3(v)(2) of the Federal Deposit Insurance Act).".

SEC. 308. SUPERVISORY REVISIONS.

(a) REPEAL OF REDUNDANT ADMINISTRATIVE ENFORCEMENT PROVISIONS.—Section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)) is amended by striking out paragraphs (2) through (5), paragraphs (7) through (10), subparagraphs (A) and (B) of paragraph (12), and paragraphs (13) and (15).

(b) TRANSFER OF EXISTING PROVISIONS OF LAW RELATING TO SAVINGS ASSOCIATIONS.—Paragraphs (1), (2), (3), and (4) of section 407(m) of the National Housing Act (12 U.S.C. 1730(m)) are—

(1) transferred to section 5(d) of the Home Owners' Loan Act of 1933 and inserted in such subsection after paragraph (1) of such subsection; and

(2) amended—

(A) by redesignating such paragraphs as paragraphs (2), (3), (4), and (5), respectively;

(B) by striking out "institution" and "insured institution" each place such terms appear and inserting in lieu thereof "savings association";

(C) by striking out "Federal Home Loan Bank Board" where such term appears in paragraph (2) (as so redesignated by subparagraph (A) of this paragraph) and inserting in lieu thereof "Director or the Corporation, as the case may be,";

(D) by striking out "on behalf of the Corporation" where such term appears in paragraph (2) (as so redesignated by subparagraph (A) of this paragraph);

(E) by striking out "Corporation" each place such term appears (other than in paragraph (5) (as so redesignated by subparagraph (A) of this paragraph) or in connection with the term amended in subparagraph (D) of this paragraph) and inserting in lieu thereof "Director or Corporation, as the case may be,"; and

(F) in paragraph (5) (as so redesignated by subparagraph (A) of this paragraph)—

(i) by striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "Corporation";

(ii) by striking out "Federal association" and inserting in lieu thereof "State savings association"; and

(iii) by striking out "Federal Deposit Insurance Corporation as it or the Corporation has under paragraphs (1) and (2)" and inserting in lieu thereof "Corporation as the Director has under paragraphs (2) and (3)".

SEC. 309. RECEIVERSHIPS.

Section 5(d)(6) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(6)) is amended—

(1) by amending subparagraph (A)(iii) to read as follows: "(iii) an unsafe or unsound condition to transact business, including substantially insufficient capital, an inability to pay the debts or obligations of the savings association as they come due, or otherwise;";

(2) in subparagraph (B), by striking out "the Federal Savings and Loan Insurance Corporation or";

(3) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (F), (G), and (H), respectively;

(4) by inserting after subparagraph (B) the following new subparagraphs:

"(C) APPOINTMENT OF CONSERVATOR OR RECEIVER OF STATE ASSOCIATIONS UNDER CERTAIN CIRCUMSTANCES.—Notwithstanding any other provision of Federal law, the law of any State, the constitution of any State, or any other provision of this section, the Corporation, during the 3-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, may appoint the Resolution Trust Corporation, and after the end of such period, may appoint the Corporation, as sole conservator or receiver of an insured State savings association, if the Corporation determines that any of the following grounds for the appointment of a conservator or receiver exists with respect to such savings association:

"(i) The assets of the savings association are less than the liabilities of the association.

"(ii) Substantial dissipation of the assets or earnings of the savings association due to any violation or violations of any law or regulation, or to any unsafe or unsound practice of the savings association.

"(iii) An unsafe or unsound condition of the savings association to transact business, including substantially insufficient capital or an inability to pay the debts or obligations of such association as such debts or obligations come due.

"(D) CONSERVATORSHIP AND RECEIVERSHIP POWERS.—The Corporation and the Resolution Trust Corporation shall have the same powers and duties with respect to cases described in subparagraph (C) as the Corporation has under section 11(c) of the Federal Deposit Insurance Act.

"(E) COORDINATION WITH STATE OFFICIALS.—

"(i) WRITTEN APPROVAL OF EXISTENCE OF GROUNDS FOR APPOINTMENT.—The authority conferred under subparagraph (C) shall not be exercised without the written approval of the State official having jurisdiction over the insured State savings association that the grounds specified for such exercise exist.

"(ii) APPOINTMENT WITHOUT APPROVAL.—If—

"(I) the approval of the State official referred to in clause (i) has not been received within 30 days after receipt of notice to the State that the Corporation has determined that grounds exist for the appointment of the Corporation as conservator or receiver under subparagraph (C); and

"(ii) the Corporation has responded in writing to the State's written reasons (if any) for withholding such approval,

the Corporation may proceed without State approval."; and

(5) in subparagraph (G) (as so redesignated by paragraph (3) of this section)—

(A) by striking out "Federal Savings and Loan Insurance" and inserting in lieu thereof "Corporation and the Resolution Trust Corporation"; and

(B) by striking out the last sentence.

SEC. 310. TECHNICAL AMENDMENT.

Section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)) is amended—

(1) by redesignating paragraph (11) as paragraph (7);

(2) by redesignating paragraph (12) as paragraph (8);

(3) by redesignating subparagraphs (B) and (C) of paragraph (8) (as so redesignated by paragraph (2) of this section) as subparagraphs (A) and (B), respectively;

(4) by redesignating paragraph (14) as paragraph (9); and

(5) by redesignating paragraph (16) as paragraph (10).

SEC. 311. AMENDMENT TO SECTION 5.

(a) Section 5(d)(9) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(9)) (as so redesignated by section 310(4) of this title) is amended to read as follows:

"(9) TREATMENT OF CERTAIN DEFINITIONS.—

"(A) IN GENERAL.—Any reference in this subsection to—

"(i) savings account holders or members of savings associations shall be deemed to be references to holders of withdrawable accounts in savings associations over which the Director or the Corporation, as the case may be, has any statutory power of examination or supervision under this Act; and

"(ii) boards of directors of savings associations shall be deemed to be references to boards of directors or other governing boards of such associations.

"(B) AUTHORITY TO CLARIFY USE OF CERTAIN TERMS.—The Director may, by regulation, clarify the meaning of the terms used or referred to in subparagraph (A) for purposes of this paragraph.".

(b) Section 5(s) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(s)) is hereby repealed.

SEC. 312. PROVISIONS FOR LOW-TO-MODERATE INCOME HOUSING LENDERS.

Section 5(d)(6) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)(6)) is amended by adding at the end thereof the following new subparagraph:

"(F) LOW- TO MODERATE-INCOME HOUSING LENDER.—

"(i) IN GENERAL.—In making any determination to appoint a conservator or receiver for a solvent savings association, the Director shall take into account and consider the extent of the association's low- to moderate-income housing loans.

"(ii) LOW- TO MODERATE-INCOME HOUSING LOANS.—The term 'low- to moderate-income housing loans' means loans secured by residential property (including manufactured housing) whose purchase price is 60 percent or less of the median purchase price at the time the loan is originated of single family homes located in the same standard metropolitan statistical area or, for property not located in such an area, the same State.".

SEC. 313. CONVERSIONS.

(a) STOCK-MUTUAL CONVERSIONS.—Section 5(i)(2) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(i)(2)) is amended to read as follows:

"(2) CONVERSIONS.—

"(A) STOCK AND MUTUAL CONVERSIONS.—Subject to such regulations as the Director or the Corporation may prescribe, any savings association may convert from the mutual form to the stock form, or from the stock form to the mutual form, upon the approval by the Director or the Corporation, as the case may be, of a plan of conversion submitted by such savings association.

"(B) PUBLICATION OF NOTICE.—The Director or the Corporation, as the case may be, shall publish notice of any final action of the Director or Corporation with respect to any plan of conversion submitted by any savings association pursuant to subparagraph (A)—

"(i) in the Federal Register; or

"(ii) in such other manner as the Director or Corporation may determine, by regulation, to be appropriate to inform the public of such final action.

"(C) REVIEW OF FINAL ACTION ON PLAN.—

"(i) IN GENERAL.—Except as provided in clause (ii), any aggrieved person may obtain judicial review of any final action of the Director or the Corporation, as the case may be, with respect to a plan of conversion submitted pursuant to subparagraph (A) in the manner provided in section 10(j) of this Act for orders subject to review under such section.

"(ii) TIME WHEN STATUTE OF LIMITATION COMMENCES RUNNING.—The 30-day period provided in section 10(j) of this Act for filing a petition for review of any final order under such section shall, for purposes of obtaining judicial review of any final action of the Director or Corporation under this subparagraph, begin on the later of—

"(I) the date notice of such final action is published in the Federal Register in accordance with subparagraph (B)(i); or

"(II) the date notice of such final action is published in accordance with regulations prescribed pursuant to subparagraph (B)(ii).

"(D) CHANGE IN DESIGNATION OF FEDERAL ASSOCIATION.—Any Federal savings association may change its designation from a Federal savings and loan association to a Federal savings bank or from a Federal savings bank to a Federal savings and loan association.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 5(i) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(i)) is amended—

(1) in paragraph (3)(B), by striking out "Federal Savings and Loan Insurance Corporation" each place such term appears and inserting in lieu thereof "Director or the Corporation";

(2) in paragraph (3)(B)(i), by striking out "under section 403 of the the National Housing Act" and inserting in lieu thereof "on savings associations under this Act"; and

(3) by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4).

SEC. 314. CAPITAL STANDARDS.

Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by adding at the end thereof the following new subsection:

"(t) MINIMUM CAPITAL STANDARDS.—

"(1) ESTABLISHMENT REQUIRED.—

"(A) IN GENERAL.—Before the end of the 180-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the Director shall, by regulation, establish and maintain uniformly applicable capital standards for savings associations.

"(B) FACTORS.—The standards prescribed under subparagraph (A) may take into account any relevant risks, including credit risk and interest-rate risk.

"(C) EQUIVALENCE WITH NATIONAL BANK CAPITAL STANDARDS.—Except as provided in paragraph (2), the standards prescribed under subparagraph (A) shall be materially equivalent to and no less stringent than the capital standards applicable to national banks, including risk-based capital standards.

"(D) PROHIBITION ON LESS STRINGENT STANDARD.—Except as otherwise provided in this subsection, if the capital standards established under subparagraph (A) are not the same as capital standards applicable to national banks, where such deviations exist, the standards may not be less stringent than those applicable to national banks.

"(E) CORE CAPITAL REQUIREMENT.—Notwithstanding any other provision of this paragraph and subject to the provisions of paragraph (2), the Director shall adopt minimum capital standards which require savings associations to maintain a ratio of core capital to assets of 3 percent, as core capital is defined for national banks.

"(F) MORTGAGE SERVICING RIGHTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, any capital standard in effect at any time under this paragraph shall treat purchased mortgage servicing rights in the same manner as purchased mortgage servicing rights are treated at such time under regulations prescribed by the Corporation with respect to insured State nonmember banks.

"(ii) SIMILAR TREATMENT.—For purposes of clause (i) of this subparagraph, the Corporation shall treat retained mortgage servicing rights in the same manner as the Corporation treats purchased mortgage servicing rights.

"(2) RULES RELATING TO TREATMENT OF CERTAIN ASSETS.—

"(A) INCLUSION OF QUALIFYING INTANGIBLE ASSETS IN CORE CAPITAL ALLOWED DURING TRANSITION PERIOD.—Notwithstanding the definition of core capital contained in paragraph (1)(E), a savings association may include qualifying intangible assets described in any clause of subparagraph (B) of this paragraph in core capital (for purposes of the minimum core capital requirement contained in paragraph (1)(E)) during the periods described in the following table to the extent the percentage of core capital (of such savings association) which consists of capital other than such assets is equal to or greater than the percentage applicable with respect to such period:

"For the period:	The applicable percentage is:
Beginning June 1, 1990	50.00 percent
Beginning January 1, 1992	66.66 percent
Beginning January 1, 1993	75.00 percent
Beginning January 1, 1994	87.50 percent
Beginning January 1, 1995	100.00 percent

"(B) QUALIFYING INTANGIBLE ASSETS DESCRIBED.—Notwithstanding any provision of paragraph (1), during the period ending on December 31, 1994, the following items shall be treated as qualifying intangible assets and included in capital for the purpose of satisfying the risk-based capital standards established pursuant to such paragraph:

"(i) Supervisory goodwill existing on April 1, 1989.

"(ii) Contributed mortgage servicing rights permitted before April 1, 1989, pursuant to a written action of the Federal Home Loan Bank Board.

"(C) MINIMUM SOUNDNESS REQUIREMENT.—Notwithstanding subparagraph (A) or (B) of this paragraph, no savings association may include any item described in any clause of subparagraph (B) in capital unless the Director determines that—

"(i) the savings association's management is competent and in compliance with all applicable laws, regulations, orders, and supervisory directives; and

"(ii) the savings association's management has not engaged in insider dealing, speculative practices, or any other activities that jeopardized the association's safety and soundness or contributed to the association's impaired capital position.

"(D) RISK WEIGHT.—

"(i) CAPITAL DESCRIBED IN SUBPARAGRAPH (B).—Qualifying intangible assets described in any clause of subparagraph (B) shall have a risk weight of 100 percent for purposes of risk-based capital standards established pursuant to paragraph (1).

"(ii) ASSETS SUBJECT TO CERTAIN FSLIC AGREEMENTS.—Any assets which are subject to any loss sharing arrangement or yield maintenance agreement which was entered into with the Federal Savings and Loan Insurance Corporation before the date of the enactment of this subsection shall have the same risk weight as mortgage-backed securities for purposes of risk-based capital standards established pursuant to paragraph (1).

"(E) SPECIAL AMORTIZATION RULE.—Supervisory goodwill existing on April 1, 1989, with respect to any savings association shall be amortized over any period of amortization, not to exceed 20 years, the use of which, by such savings association for regulatory accounting purposes, was not disapproved before such date by the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, or any agent of such Board or Corporation.

"(3) ACCOUNTING FOR INVESTMENT IN SUBSIDIARIES.—

"(A) IN GENERAL.—For purposes of determining compliance with capital standards established pursuant to paragraph (1), the savings association's entire investment in, and loans to, any subsidiary company engaged in activities not permissible for a national bank shall be deducted from the capital of the savings association.

"(B) EXCEPTION FOR MORTGAGE BANKING UNITS.—Notwithstanding subparagraph (A), any investment by a savings association in any subsidiary of such association which is engaged solely in mortgage banking activities, and any loan by such association to such subsidiary shall not be deducted from the capital of the association.

"(C) CONSOLIDATION.—For purposes of determining compliance with capital standards in effect under this subsection, the assets and liabilities of any subsidiary (of any savings association) which is exempt from the requirements of subparagraph (A) by reason of the application of section 18(m)(6) of the Federal Deposit Insurance Act to such savings association shall be consolidated with the assets and liabilities of such savings association.

"(D) EXCEPTION FOR CERTAIN FEDERAL SAVINGS BANKS.—This paragraph shall not apply with respect to any Federal savings bank

that was chartered prior to October 15, 1982, as a savings bank under State law, or to a savings association that acquired its principal assets from an institution that was chartered prior to October 15, 1982, as a savings bank under State law.

"(4) REGULATIONS TO INCLUDE DEFINITIONS.—The standards established under this subsection shall include all relevant substantive definitions established by the Comptroller of the Currency for national banks.

"(5) LIMITATIONS ON ASSET GROWTH.—

"(A) DISCRETIONARY LIMITATION ON OR BEFORE JUNE 1, 1990.—Until June 1, 1990, the Director or the Corporation, as the case may be, may restrict the asset growth of any savings association not in compliance with capital standards established pursuant to this subsection.

"(B) MANDATORY LIMITATION AFTER JUNE 1, 1990.—After June 1, 1990, the Director or the Corporation, as the case may be, shall prohibit the asset growth of any savings association or class of savings associations not in compliance with capital standards established pursuant to this subsection.

"(C) DIRECTOR AND FDIC AUTHORIZED TO PROVIDE LIMITED GROWTH EXCEPTION.—Notwithstanding subparagraphs (A) and (B), the Director or the Corporation, as the case may be, may permit any savings association which is subject to the provisions of any such subparagraph to increase the assets (as defined in regulations issued pursuant to this subsection) of such savings association in an amount not to exceed the growth of net interest credited to the savings association's deposit liabilities if—

"(i) the association obtains prior supervisory approval;

"(ii) such growth is fully supported by risk-adjusted and core capital (in addition to any such capital which is held by the savings association sufficient to support the level of assets at the time such growth is occurring) to satisfy the regulations issued pursuant to this subsection with respect to such asset growth;

"(iii) all such growth is invested in low-risk assets, which may include, for purposes of this subparagraph, first mortgage loans secured by 1- to 4-family residential real property and fully secured consumer loans; and

"(iv) such savings association thereafter maintains a core capital-to-assets ratio no lower than the ratio the savings association had on June 1, 1990.

"(D) ADDITIONAL LIMITATION IN CASE OF EXCESSIVE RISKS OR RATES.—The Director or the Corporation, as the case may be, may restrict the asset growth of any savings association that the Director or the Corporation determines is taking excessive risks or is paying excessive rates for deposits.

"(6) OTHER ACTION REQUIRED FOR FAILURE TO MEET APPLICABLE CAPITAL STANDARDS.—

"(A) BUSINESS PLAN.—Until June 1, 1990, the Director or the Corporation, as the case may be, shall require any savings association not in compliance with capital standards established pursuant to this subsection to submit a business plan acceptable to the Director or the Corporation which—

"(i) addresses the need for increased capital;

"(ii) describes the manner in which the savings association will increase capital sufficiently to achieve compliance with all applicable capital standards; and

"(iii) provides that any increase in assets will be fully supported by increases in tangible capital.

"(B) SUPERVISORY AGREEMENTS.—After June 1, 1990, the Director or the Corporation, as the case may be, shall place any savings association not in compliance with capital standards established pursuant to this subsection under a supervisory agreement (which may include such restrictions on the payment of dividends and compensation as the Director or the Corporation determine to be appropriate).

"(C) LIMITED EXCEPTION FOR CERTAIN SAVINGS ASSOCIATIONS.—Subparagraphs (A) and (B) shall not apply with respect to any savings association which is not in compliance with the applicable capital standards if the Director or the Corporation, as the case may be, determines that such association will be in compliance with such standards as of the end of the subsequent quarterly reporting period.

"(D) FAILURE TO COMPLY WITH PLAN OR AGREEMENT.—Any failure on the part of any savings association to comply with the provisions of any business plan submitted by such association under subparagraph (A) or any supervisory agreement under subparagraph (B) shall be treated as an unsafe or unsound practice.

"(7) EXEMPTION FROM SUPERVISORY AGREEMENT REQUIREMENT AND OTHER SANCTIONS.—

"(A) APPLICATION FOR EXEMPTION.—Any savings association not in compliance with the capital standards established pursuant to this subsection may apply to the Director or the Corporation, as the case may be, for an exemption from any applicable sanction or penalty for noncompliance (including the requirement of paragraph (6)(B)) which the Director or the Corporation may impose.

"(B) EFFECT OF GRANT OF EXEMPTION.—Notwithstanding any other provision of this Act or the Federal Deposit Insurance Act (except as provided in subparagraph (F) of this paragraph), if the application of any savings association under subparagraph (A) is approved, the only sanction or penalty which shall be imposed for the failure of such savings association to comply with the capital standards established pursuant to this subsection is the limitation contained in paragraph (5)(B) on the growth of the assets of such savings association or, to the extent provided in the approval of such application, the limitations contained in paragraph (5)(C) with respect to such growth.

"(C) DENIAL OR REVOCATION OF APPROVAL.—The Director or the Corporation, as the case may be, shall deny any application submitted under subparagraph (A) and revoke any prior approval granted with respect to any such application if the Director or Corporation finds that the association's failure to meet any minimum capital standards established pursuant to this subsection is accompanied by—

"(i) a pattern of consistent losses;

"(ii) substantial dissipation of assets;

"(iii) evidence of imprudent management or business behavior;

"(iv) a willful violation of any Federal law, any law of any State to which such association is subject, or any applicable regulation; or

"(v) any other unsafe or unsound condition or activity, other than the failure to meet such capital standard.

"(D) SUBMISSION OF BUSINESS PLAN REQUIRED.—Any application submitted under subparagraph (A) shall be accompanied by a business plan which—

"(i) meets the requirements of paragraph (6)(A); and

"(ii) is acceptable to the Director or the Corporation, as the case may be.

"(E) FAILURE TO COMPLY WITH BUSINESS PLAN.—Any failure on the part of any savings association which has been granted an exemption subject to this paragraph to comply with the provisions of any business plan submitted by such association under subparagraph (D) shall be treated as an unsafe and unsound practice.

"(F) EXEMPTION NOT AVAILABLE WITH RESPECT TO UNSAFE OR UNSOUND PRACTICES.—This paragraph shall not be construed as limiting any authority of the Director or the Corporation, as the case may be, under any provision of this Act or any other provision of law, including section 8 of the Federal Deposit Insurance Act, to take any appropriate action with respect to any unsafe or unsound practice or condition of any savings association, other than the failure of such savings association to comply with the capital standards established pursuant to this subsection.

"(8) DEFINITIONS.—For purposes of this subsection—

"(A) NATIONAL BANK.—The term 'national bank' has the meaning given to such term in section 3(d) of the Federal Deposit Insurance Act.

"(B) COMPANY.—The term 'company' does not include an insured financial institution.".

SEC. 315. LIMITATION ON INVESTMENTS BY SAVINGS ASSOCIATIONS.

Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by inserting after the subsection added by section 314 of this title the following new subsection:

"(u) LIMITATION ON EQUITY INVESTMENTS.—

"(1) IN GENERAL.—A savings association chartered under State law shall not directly acquire or retain any equity investment of a type or in an amount that is not permissible for a Federal savings association.

"(2) SERVICE CORPORATION EXCEPTION.—Paragraph (1) shall not apply with respect to the acquisition or retention of shares of 1 or more service corporations (other than service corporations which are subsidiaries to which paragraph (3) applies) if—

"(A) the Corporation has determined that the amount the association has invested in such shares and the activities engaged in by the service corporation pose no significant risk to the affected deposit insurance fund; and

"(B) the savings association is and remains in compliance with the fully phased-in capital standards prescribed pursuant to subsection (t).

"(3) COORDINATION WITH SECTION 18(m)(6) OF THE FEDERAL DEPOSIT INSURANCE ACT.—Paragraph (1) shall not apply with respect to the retention by any savings association of shares of any subsidiary described in section 18(m)(6) to the extent the amount of the savings association's financial commitment to such subsidiary is subject to the requirements and limitations which—

"(A) are contained in such section; or

"(B) are imposed by the Director or Corporation pursuant to such section.

"(4) TRANSITIONAL RULE.—

"(A) MAY 1, 1989, HOLDINGS.—Notwithstanding paragraph (1), if a savings association held an equity investment on May 1, 1989, the savings association may retain the equity investment for such a period and on such terms as the Corporation may determine by regulation or order pursuant to subparagraph (B).

"(B) DIVESTMENT.—The Corporation shall require savings associations to divest any equity investment that is not permissible under paragraph (1) or (2), as quickly as can be prudently done, and in any event not later than June 1, 1994.".

SEC. 316. TECHNICAL AMENDMENT.

Section 8 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1466a) is amended—

(1) by striking out "Federal savings and loan associations" each place such term appears and inserting in lieu thereof "Federal savings associations";

(2) by striking out "District of Columbia associations" each place such term appears and inserting in lieu thereof "District of Columbia savings associations"; and

(3) by striking out "Federal Home Loan Bank Board" and "Board" each place such terms appear and inserting in lieu thereof "Director".

SEC. 317. COST OF EXAMINATION AND REPORTS.

Section 9 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1467) is amended to read as follows:

"SEC. 9. EXPENSES OF EXAMINATIONS OF SAVINGS ASSOCIATIONS OR AFFILIATES.

"(a) EXAMINATION OF SAVINGS ASSOCIATIONS.—The cost of conducting examinations of savings associations pursuant to section 5(d) of this Act shall be assessed by the Director or the Corporation, as the case may be, against each such savings association in proportion to the assets or resources of any such savings association.

"(b) EXAMINATION OF AFFILIATES.—The cost of conducting examinations of affiliates of savings associations pursuant to this Act may be assessed by the Director or the Corporation, as the case may be, against each such affiliate which is examined in proportion to the assets or resources held by such affiliate on the date of any such examination.

"(c) ASSESSMENT AGAINST ASSOCIATION IN CASE OF AFFILIATE'S REFUSAL TO PAY.—

"(1) IN GENERAL.—Subject to paragraph (2), if any affiliate of any savings association—

"(A) refuses to pay any assessment under subsection (b); or

"(B) fails to pay any such assessment before the end of the 60-day period beginning on the date of the assessment,

the Director or the Corporation, as the case may be, may assess such cost against, and collect such cost from, such savings association.

"(2) AFFILIATE OF MORE THAN 1 SAVINGS ASSOCIATION.—If any affiliate referred to in paragraph (1) is an affiliate of more than 1 savings association, or if there is more than 1 affiliate (which is not a savings association) of any savings association, the assessment under such paragraph with respect to such affiliate may be assessed against, and collected from, any such savings association in such proportions as the Director or Corporation may prescribe.

"(d) CIVIL MONEY PENALTY FOR AFFILIATE'S REFUSAL TO COOPERATE.—

"(1) PENALTY IMPOSED.—If any affiliate of any savings association—

"(A) refuses to permit any examiner appointed by the Director or the Corporation to make an examination of such affiliate; or

"(B) refuses to provide any information required to be disclosed in the course of any such examination,

such savings association shall forfeit and pay a civil penalty of not more than $15,000 for each day that any such refusal continues.

"(2) ASSESSMENT, ETC.—Any penalty imposed under paragraph (1) shall be assessed and collected by the Director or the Corporation, as the case may be, in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.

"(e) REGULATIONS.—The Director or Corporation, as the case may be, may prescribe regulations with respect to—

"(1) the computation of, and the assessment for, the cost of conducting examinations pursuant to this section; and

"(2) the collection of such assessments.

"(f) COSTS OF OTHER EXAMINATIONS.—

"(1) EXAMINATION OF FIDUCIARY ACTIVITIES.—In addition to any assessment imposed pursuant to subsection (a), the cost of conducting examinations of fiduciary activities of savings associations which exercise fiduciary powers (including savings associations or similar institutions in the District of Columbia) shall be assessed by the Director or the Corporation, as the case may be, against such savings associations (or similar institutions).

"(2) EXAMINATIONS IN EXCESS OF 2 PER CALENDAR YEAR.—If any savings association or affiliate of a savings association is examined by the Director, or the Corporation, as the case may be, more than 2 times in any calendar year, the cost of conducting such additional examinations shall be assessed, in addition to any assessment imposed pursuant to subsection (a), by the Director or the Corporation, as the case may be, against such savings association or affiliate.

"(g) ADDITIONAL INFORMATION.—Any savings association and any affiliate of any savings association shall provide the Director or Corporation, as the case may be, with access to any information or report with respect to any examination made by any public regulatory authority and furnish any additional information with respect thereto as the Director may require.

"(h) TREATMENT OF EXAMINATION ASSESSMENTS.—

"(1) DEPOSITS.—Amounts received by the Director or the Corporation from assessments under this section (other than an assessment under subsection (d)(2)) may be deposited in the manner provided in section 5234 of the Revised Statutes with respect to assessments by the Comptroller of the Currency.

"(2) ASSESSMENTS ARE NOT GOVERNMENT FUNDS.—The amounts received by the Director or the Corporation from any assessment under this section shall not be construed to be Government or public funds or appropriated money.

"(3) ASSESSMENTS ARE NOT SUBJECT TO APPORTIONMENT OF FUNDS.—Notwithstanding any other provision of law, the amounts received by the Director or the Corporation from any assessment under this section shall not be subject to apportionment for the purpose of chapter 15, of title 31, United States Code, or under any other authority.".

SEC. 318. RECOVERY REGULATIONS REPEALED.

(a) Section 10 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1467a) is hereby repealed.

(b) Section 416 of the National Housing Act (12 U.S.C. 1730i) is hereby repealed.

SEC. 319. CONTINUED EFFECTIVENESS OF APPROVED CAPITAL RECOVERY PLANS.

Notwithstanding the repeal by section 318 of this title of section 10 of the Home Owners' Loan Act of 1933 and section 416 of the National Housing Act—

(1) any plan approved by the Federal Home Loan Bank Board under such section 10 for any Federal savings association shall continue in effect as long as such association adheres to the plan and continues to submit to the Director of the Office of Thrift Supervision regular and complete reports on the association's progress in meeting the association's goals under the plan; and

(2) any plan approved by the Federal Savings and Loan Insurance Corporation under such section 416 for any State savings association shall continue in effect as long as such association adheres to the plan and continues to submit to the Federal Deposit Insurance Corporation regular and complete reports on the association's progress in meeting the savings association's goals under the plan.

SEC. 320. SAVINGS AND LOAN HOLDING COMPANIES.

(a) TRANSFER OF SAVINGS AND LOAN HOLDING COMPANY REGULATION TO DIRECTOR.—Section 408 (except subsection (m) of such section) of the National Housing Act (12 U.S.C. 1730a) is transferred to the Home Owners' Loan Act of 1933, inserted in such Act after section 9 of such Act, and redesignated as section 10.

(b) AMENDMENTS TO SAVINGS AND LOAN HOLDING COMPANY PROVISIONS.—Section 10 of the Home Owners' Loan Act of 1933 (as so redesignated, transferred, and inserted into such Act by subsection (a) of this section) is amended—

(1) by striking out "insured institution", "insured institutions", and "institution" each place such terms appear and inserting in lieu thereof "savings association", "savings associations" and "association", respectively;

(2) by striking out "Corporation" each place such term appears and inserting in lieu thereof "Director";

(3) by striking out "subsection (m) of this section" and "section 406(f)" each place such terms appear and inserting in lieu thereof "section 13(k) of the Federal Deposit Insurance Act" and "section 13(c) of the Federal Deposit Insurance Act", respectively;

(4) in subsection (a)(1)—

(A) by amending subparagraph (A) to read as follows:

"(A) SAVINGS ASSOCIATION.—The term 'savings association'—

"(i) means—

"(I) any Federal savings and loan association or Federal savings bank; and

"(II) any building and loan, savings and loan, or homestead association, cooperative bank, or State savings bank which is a member of the Savings Association Insurance Fund; and

"(ii) includes any savings bank or cooperative bank which is deemed by the Director to be a savings association under subsection (l).";

(B) by amending subparagraph (B) to read as follows:

"(B) UNINSURED INSTITUTION.—The term 'uninsured institution'—

"(i) means any association or bank referred to in subparagraph (A) the deposits of which are not insured by the Federal Deposit Insurance Corporation; and

"(ii) does not include any Federal savings bank which is a member of the Bank Insurance Fund.";

(C) by striking out "and" at the end of subparagraph (K);

(D) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof "; and"; and

(E) by inserting after subparagraph (L) the following new subparagraph:

"(M) the term 'Director' means the Director of the Office of Thrift Supervision.";

(5) by striking out subsections (g), (m), (p), and (t) and redesignating subsections (h), (i), (j), (k), (l), (n), (o), (q), (r), and (s) as subsections (g), (h), (i), (j), (k), (l), (m), (n), (o), and (p), respectively;

(6) in subsection (c)—

(A) by striking out paragraph (3)(B)(i) and inserting in lieu thereof the following:

"(i) all or all but 1 of the savings association subsidiaries of such company were initially acquired by the company, or an individual who would be deemed to control such company if such individual were a company, in connection with an acquisition—

"(I) under subsection (c) or (k) of section 13 of the Federal Deposit Insurance Act (or section 408(m) of the National Housing Act as in effect before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of (1989); or

"(II) with respect to which assistance was continued to a savings association under the provisions of section 13(i) of the Federal Deposit Insurance Act."; and

(B) by inserting at the end thereof the following new paragraph:

"(8) SUBSECTION NOT APPLICABLE TO BANK HOLDING COMPANIES.—For purposes of this subsection other than paragraph (1)(A), the term 'savings and loan holding company' shall not include any bank holding company (as defined in section 2(a) of the Bank Holding Company Act of 1956).";

(7) by amending subsection (d) to read as follows:

"(d) TRANSACTIONS WITH AFFILIATES.—Transactions between any savings association subsidiary of a savings and loan holding company and any affiliate (of such savings association subsidiary) shall be subject to the limitations and prohibitions contained in section 11(a) of this Act.";

(8) in subsection (e)—

(A) in paragraph (2), by inserting "any acquisition under paragraph (5)(A) of this subsection," before "or any transaction under";

(B) by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4); and

(C) by inserting after paragraph (4) (as so redesignated by subparagraph (B) of this paragraph) the following new paragraph:

"(5) ACQUISITIONS BY CERTAIN INDIVIDUALS.—

"(A) IN GENERAL.—Notwithstanding subsection (h)(2), any director or officer of a savings and loan holding company, or any individual who owns, controls, or holds with power to vote (or holds proxies representing) more than 25 percent of the voting shares of such holding company, may acquire control of any savings association not a subsidiary of such savings and loan holding company with the prior written approval of the Director.

"(B) TREATMENT OF CERTAIN HOLDING COMPANIES.—If any individual referred to in subparagraph (A) controls more than 1 savings and loan holding company or more than 1 savings association, any savings and loan holding company controlled by such individual shall be subject to the activities limitations contained in subsection (c) to the same extent such limitations apply to multiple savings and loan holding companies, unless all or all but 1 of the savings associations (including any institution deemed to be a savings association under subsection (1) of this section) controlled directly or indirectly by such individual was acquired pursuant to an acquisition described in subclause (I) or (II) of subsection (c)(3)(B)(i).";

(9) by amending paragraph (2) of subsection (h) (as so redesignated by paragraph (5) of this subsection) to read as follows:

"(2) any director or officer of a savings and loan holding company, or any individual who owns, controls, or holds with power to vote (or holds proxies representing) more than 25 percent of the voting shares of such holding company, to acquire control of any savings association not a subsidiary of such savings and loan holding company, unless such acquisition is approved by the Director pursuant to subsection (e)(5); or";

(10) in paragraph (5) of subsection (m) (as so redesignated by paragraph (5) of this subsection), by adding at the end thereof the following:

"(C) QUALIFIED NEW THRIFT INVESTMENTS.—The term 'qualified new thrift investments' means, with respect to any insured institution, the sum of—

"(i) the aggregate amount of loans, equity positions, or securities held by the insured institution which are related to domestic residential real estate or manufactured housing made or acquired after February 28, 1989;

"(ii) the value of property used by such institution or subsidiary in the conduct of the business of such institution or subsidiary acquired after February 28, 1989;

"(iii) subject to paragraph (6), liquid assets which—

"(I) are of the type required to be maintained under section 14 of this Act; and

"(II) are acquired after February 28, 1989;

"(iv) subject to paragraph (6), 50 percent of the dollar amount of the residential mortgage loans originated after February 28, 1989, by such insured institution or subsidiary and sold within 90 days of origination;

"(v) subject to paragraph (6), loans for personal, family, or household purposes, including loans reasonably incident to the provisions of any such credit made or acquired after February 28, 1989;

"(vi) the aggregate amount of loans and equity positions made or acquired after February 28, 1989, related to the acquisition, development, and construction of 1- to 4-family residential real estate the value of which (at the time of acquisition or upon completion of the development and construction) is not greater than 60 percent of the median value of comparable newly constructed 1- to 4-family residences within the local community in which such real estate is located, provided that 25 percent of the value of the development may consist of commercial properties related to the development;

"(vii) loans made or acquired after February 28, 1989, for the acquisition or improvement of residential real property, churches, schools, and nursing homes located within, and loans for any other purpose to any small business located within, any area which has been identified by the Director, in connection with any review or examination of community reinvestment practices, as a geographic area or neighborhood in which the credit needs of the low- and moderate-income residents of such area or neighborhood are not being adequately met;

"(viii) investments made or acquired after February 28, 1989, in the capital stock or obligations of, and any other security issued by, any corporation which is incorporated under the laws of the State in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by—

"(I) associations chartered by such State; and

"(II) associations which have their home offices in such State,

except that such service corporation derives at least 80 percent of its annual gross revenues from activities related to domestic residential real estate;

"(ix) loans for educational expenses made or acquired after February 28, 1989; and

"(x) loans for the purchase or construction of churches, schools, nursing homes, and hospitals, other than those qualifying under clause (vii), and loans for the improvement and upkeep of such properties made or acquired after February 28, 1989.";

(11) by amending paragraph (8) of subsection (m) (as so redesignated by paragraph (5) of this subsection) to read as follows:

"(8) COMPUTATION OF QUALIFIED NEW THRIFT INVESTMENT PERCENTAGE.—

"(A) LIMITATION ON TREATMENT OF CERTAIN ASSETS AS THRIFT INVESTMENTS.—The aggregate amount of the assets described in clauses (iii), (iv), and (v) of paragraph (5)(C) which may be taken into account in determining the amount of the qualified new thrift investments of any savings association shall not exceed the amount which is equal to 20 percent of 80 percent of a savings association's tangible assets acquired after February 28, 1989.

"(B) ADDITIONAL CREDIT FOR CERTAIN ASSETS.—The aggregate amount of the assets described in clauses (vi) and (vii) of paragraph (5)(C) which may be taken into account in determining the amount of the qualified thrift investments of any savings association shall be doubled, but the resulting sum shall not exceed the amount which is equal to 20 percent of 80 percent of a savings association's tangible assets made or acquired after February 28, 1989.";

(12) in paragraph (1) of subsection (m) (as so redesignated by paragraph (5) of this subsection), by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C) respectively, and inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the qualified new thrift investments of such insured institution equal 80 percent of the sum of the total tangible assets of such institution acquired after February 28, 1989."; and

(13) in subsection (m) (as so redesignated by paragraph (5) of this subsection), by adding at the end thereof the following new paragraph:

"(9) PROVISIONS FOR PUERTO RICO SAVINGS ASSOCIATIONS.—With respect to any savings association headquartered and operating primarily in Puerto Rico—

"(A) the terms 'qualified thrift investments' and (with respect to loans made or acquired by such savings association after February 28, 1989) 'qualified new thrift investments' include, in addition to the items specified in subparagraphs (B) and (C) of paragraph (5)—

"(i) the aggregate amount of loans for personal, family, educational, or household purposes made to persons residing or domiciled in the Commonwealth of Puerto Rico; and

"(ii) the aggregate amount of loans for the acquisition or improvement of churches, schools, or nursing homes, and of loans to

small businesses, located within the Commonwealth of Puerto Rico; and

"(B) the aggregate amount of loans related to the purchase, acquisition, development and construction of 1- to 4-family residential real estate—

"(i) which is located within the Commonwealth of Puerto Rico; and

"(ii) the value of which (at the time of acquisition or upon completion of the development and construction) is below the median value of newly constructed 1- to 4-family residences in the Commonwealth of Puerto Rico,

which may be taken into account in determining the amount of the qualified thrift investments and (if originated or acquired by such savings association after February 28, 1989) qualified new thrift investments of such savings association shall be doubled.".

(c) AMENDMENTS RELATING TO MUTUAL HOLDING COMPANIES.—Subsection (p) (as so redesignated by subsection (b)(5) of this section) of section 10 of the Home Owners' Loan Act of 1933 (as redesignated, transferred, and inserted into such Act by subsection (a) of this section) is amended—

(1) in paragraph (1)(A), by inserting ", except as otherwise provided in this section," after "wholly owned";

(2) in paragraph (4)—

(A) by striking out "OWNERSHIP.—Persons" and inserting in lieu thereof:

"(4) OWNERSHIP.—

"(A) IN GENERAL.—Persons"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) HOLDERS OF CERTAIN ACCOUNTS.—Holders of savings, demand or other accounts of—

"(i) a savings association chartered as part of a transaction described in paragraph (1); or

"(ii) a mutual savings association acquired pursuant to paragraph (5)(B),

shall have the same ownership rights with respect to the mutual holding company as persons described in subparagraph (A) of this paragraph.";

(3) in paragraph (7), by inserting after "REGULATION.—" the following new sentence: "A mutual holding company shall be chartered by the Director and shall be subject to such regulations as the Director may prescribe.";

(4) by redesignating paragraph (8) as paragraph (10) and by inserting after paragraph (7) the following new paragraphs:

"(8) CAPITAL ENHANCEMENT.—

"(A) PLEDGE OF STOCK OF SAVINGS ASSOCIATION SUBSIDIARY.—This section shall not prohibit a mutual holding company from pledging all or a portion of the stock of a savings association chartered as part of a transaction described in paragraph (1) to raise capital for such savings association.

"(B) ISSUANCE OF NONVOTING SHARES.—This section shall not prohibit a savings association chartered as part of a transaction described in paragraph (1) from issuing any nonvoting shares or less than 50 percent of the voting shares of such association to any person other than the mutual holding company.

"(9) INSOLVENCY AND LIQUIDATION.—

"(A) IN GENERAL.—Notwithstanding any provision of the law or constitution of any State, or any provision of Federal law, upon—

"(i) the default of any savings association—

"(I) the stock of which is owned by any mutual holding company; and

"(II) which was chartered in a transaction described in paragraph (1);

"(ii) the default of a mutual holding company; or

"(iii) a foreclosure on a pledge by a mutual holding company described in paragraph (8)(A),

a trustee shall be appointed receiver of such mutual holding company and such trustee shall have the authority to liquidate the assets of, and satisfy the liabilities of, such mutual holding company pursuant to chapter 7 of title 11, United States Code.

"(B) DISTRIBUTION OF NET PROCEEDS.—Except as provided in subparagraph (C), the net proceeds of any liquidation of any mutual holding company pursuant to subparagraph (A) shall be transferred to persons who hold ownership interests in such mutual holding company.

"(C) RECOVERY BY CORPORATION.—If the Corporation incurs a loss as a result of the default of any savings association subsidiary of a mutual holding company which is liquidated pursuant to subparagraph (A), the Corporation shall succeed to the ownership interests of the depositors of such savings association in the mutual holding company, to the extent of the Corporation's loss."; and

(5) in paragraph (10) (as so redesignated by paragraph (4) of this subsection), by adding at the end the following new subparagraph:

"(C) DEFAULT.—The term 'default' means an adjudication or other official determination of a court of competent jurisdiction or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed.".

SEC. 321. TRANSACTIONS WITH AFFILIATES; LOANS TO INSIDERS.

The Home Owners' Loan Act of 1933 (12 U.S.C. 1461 et seq.) is amended by redesignating section 11 as section 13 and by inserting after section added by section 320(a) of this title the following new section:

"SEC. 11. TRANSACTIONS WITH AFFILIATES; LOANS AND EXTENSIONS OF CREDIT TO EXECUTIVE OFFICERS, DIRECTORS AND CONTROLLING PERSONS.

"(a) AFFILIATE TRANSACTIONS.—

"(1) IN GENERAL.—Subject to paragraph (3), the provisions of sections 23A and 23B of the Federal Reserve Act shall apply to every savings association in the same manner and to the same extent as if such savings association were a member bank and a bank (as such terms are defined in such Act).

"(2) AFFILIATES DESCRIBED.—Any company which would be an affiliate (as defined in sections 23A and 23B of the Federal Reserve Act) of any savings association if such savings association were a member bank and a bank (as such terms are defined in such Act) shall be deemed to be an affiliate of such savings association for purposes of paragraph (1).

"(3) ADDITIONAL RESTRICTIONS AUTHORIZED.—The Director may impose such additional restrictions on any transaction between any savings association and any affiliate of such association which the Director determines to be necessary for reasons of the safety and soundness of any savings association.

"(b) LOANS TO EXECUTIVE OFFICERS, DIRECTORS AND CONTROLLING PERSONS.—

"(1) IN GENERAL.—Subject to paragraph (2), the provisions of section 22(h) of the Federal Reserve Act (relating to limits on loans and extensions of credit by a member bank to its executive officers or directors or to any person who directly or indirectly owns, controls, or has the power to vote more than 10 percent of any class of voting securities of such member bank) shall apply to every savings association in the same manner and to the same extent as if such savings association were a member bank (as defined in such Act).

"(2) ADDITIONAL RESTRICTIONS AUTHORIZED.—The Director may impose such additional restrictions on loans or extensions of credit to any director or executive officer of any savings association, or any person who directly or indirectly owns, controls, or has the power to vote more than 10 percent of any class of voting securities of such association, which the Director determines to be necessary for reasons of the safety and soundness of any savings association.

"(c) LIMITATIONS ON COMMERCIAL LOANS.—No savings association may make any commercial loans or extensions of credit to any borrower in excess of the amount a national bank may lend to such borrower under section 5200 of the Revised Statutes, and, for purposes of applying this paragraph, any reference in such section to the Comptroller of the Currency shall be deemed to be a reference to the Director or the Corporation, as the case may be.

"(d) EXCEPTION FOR CERTAIN TRANSACTIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act other than paragraph (2) of this subsection—

"(A) any approval granted under section 408(d)(6) of the National Housing Act (as in effect before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989), relating to transactions, agreements, understandings, or payments involving the purchase or sale of residential mortgage, personal, family, or household loans, any interest in any such loan, or any servicing right with respect to any such loan, shall remain in effect in accordance with the terms of such approval;

"(B) any savings association may purchase loans secured by first liens on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of 1 to 4 families from any affiliate of such association which engages in no activities other than the origination and sale of such loans, the management and control of the savings association, and activities incidental to such activities if—

"(i) each such loan satisfies standards of creditworthiness that were furnished to the affiliate by the savings association before the affiliate committed itself to make the loan;

"(ii) the savings association committed itself to purchase each such loan, subject to the savings association's determination that the loan satisfied such standards of creditworthiness, before the affiliate committed itself to make the loan;

"(iii) the savings association—

"(I) on January 1, 1989, maintained, and continuously thereafter maintains, only 1 office that accepts deposits;

"(II) does not directly originate any loans secured by liens on residential real property; and

"(III) satisfies the capital standards established by the Director under section 5(t), without giving effect to any delay in the implementation of such standards under such section 5(t) and without including goodwill in capital;

"(iv) before January 1, 1981, a company controlling the savings association fur-

nished a stipulation satisfactory to the Federal Home Loan Bank Board that such company would maintain the net worth of the savings association as required by the regulations of the Federal Savings and Loan Insurance Corporation as then or thereafter in effect; and

"(v) the company described in clause (iv) furnishes a stipulation satisfactory to the Director that it will maintain the capital of the savings association in accordance with clause (iii)(III); and

"(C) any savings association described in subparagraph (B)(ii) which is controlled by a company described in clauses (iv) and (v) of subparagraph (B) may purchase from any affiliate of such association, mortgage related securities (as defined in section 3(a)(41) of the Securities Exchange Act of 1934) representing ownership of, or secured by, promissory notes or certificates of interest or participation in such notes, all of which notes evidence loans or extensions of credit which—

"(i) are secured by first liens on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from 1 to 4 families; and

"(ii) were sold to such affiliate subject to the agreement of the member bank to purchase such mortgage related securities.

"(2) APPLICABILITY OF ARMS LENGTH TRANSACTION RULES.—Section 23B of the Federal Reserve Act shall apply to any purchase referred to in subparagraph (B) or (C) of paragraph (1) by any savings association described in any such subparagraph in the same manner and to the same extent as if the savings association were a member bank (as defined in that Act).

"(e) ADMINISTRATIVE ENFORCEMENT.—Violations of this section shall be enforced by the Director or the Corporation, as the case may be, in accordance with section 8 or 18(j) of the Federal Deposit Insurance Act, as appropriate.".

SEC. 322. ADVERTISING.

The Home Owners' Loan Act of 1933 is amended by inserting after the section added by section 321 of this title the following new section:

"SEC. 12. ADVERTISING.

"No savings association shall carry on any sale, plan, or practices, or any advertising, in violation of regulations promulgated by the Director.".

SEC. 323. TRANSFER OF SECTIONS OF THE FEDERAL HOME LOAN BANK ACT TO THE HOME OWNERS' LOAN ACT OF 1933.

(a) TRANSFER OF SECTION 5A.—Section 5A of the Federal Home Loan Bank Act (12 U.S.C. 1425a) is—

(1) transferred to the Home Owners' Loan Act of 1933 and inserted in such Act after section 13 (as so redesignated by section 321 of this title); and

(2) amended—

(A) by striking out "SEC. 5A. (a) The purpose" and inserting in lieu thereof the following:

"SEC. 14. LIQUID ASSET REQUIREMENTS.

"(a) PURPOSES.—The purpose";

(B) by striking out "Board" each place such term appears and inserting in lieu thereof "Director";

(C) in the 1st sentence of subsection (b)(1), by striking out "an insured institution as defined in section 401(a) of the National Housing Act" and inserting in lieu thereof "a savings association";

(D) in subsection (b)(1)—

(i) by striking out "and" at the end of subparagraph (F);

(ii) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; and"; and

(iii) by adding at the end thereof the following new subparagraph:

"(H) OTHER ASSETS MAY BE INCLUDED.—To such extent as the Director may provide by regulation, other assets which the Director determines are assets which are appropriate for the purpose of this section.";

(E) in the 1st sentence of subsection (d), by striking out "its" and inserting in lieu thereof "the Director or the Corporation, as the case may be";

(F) in the 2nd sentence of subsection (d), by striking out "Federal Savings and Loan Insurance"; and

(G) in subsection (f), by striking out the last sentence and inserting in lieu thereof the following: "Section 5(d)(1) of this Act shall apply with respect to any such examination or investigation.".

(b) TRANSFER OF SECTION 8a.—Section 8a of the Federal Home Loan Bank Act (12 U.S.C. 1428a) is—

(1) transferred to the Home Owners' Loan Act of 1933 and inserted in such Act after section 14 (as redesignated, transferred to, and inserted in such Act by subsection (a) of this section); and

(2) amended—

(A) by striking out the heading for such section;

(B) by striking out "SEC. 8a. There is" and inserting in lieu thereof the following:

"SEC. 15. THRIFT ADVISORY COUNCIL.

"(a) ESTABLISHMENT.—There is";

(C) by striking out "Board" each place such term appears and inserting in lieu thereof "Director";

(D) in the 1st sentence, by striking out "Federal Savings and Loan" and inserting in lieu thereof "Thrift";

(E) in paragraph (1)—

(i) by striking out "and board of trustees of the Federal Savings and Loan Insurance Corporation"; and

(ii) by striking out "and such Corporation"; and

(F) in paragraph (2), by striking out "and the board of trustees of such Corporation".

(c) REPEAL OF SECTION 22A.—Section 22A of the Federal Home Loan Bank Act (12 U.S.C. 1442a) is hereby repealed.

SEC. 324. POWERS OF EXAMINERS.

The Home Owners' Loan Act of 1933 (12 U.S.C. 1461 et seq.) is amended by inserting after section 15 (as redesignated, transferred to, and inserted in such Act by section 323(b) of this title) the following new section:

"SEC. 16. POWERS OF EXAMINERS.

"For the purposes of this Act, examiners appointed by the Director shall—

"(1) be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under title LXII of the Revised Statutes and the Federal Reserve Act; and

"(2) have, in the exercise of functions under this chapter, the same powers and privileges as are vested in such examiners by law.".

SEC. 325. AMENDMENT OF ADDITIONAL POWERS OF DIRECTOR.

(a) Section 502(c) of the Housing Act of 1948 (12 U.S.C. 1701c(c)) is amended by striking out "Federal Home Loan Bank Board (which term as used in this section shall also include and refer to the Federal Savings and Loan Insurance Corporation, the Home Owners Loan Corporation, and the Chairman of the Federal Home Loan Bank Board)," and inserting in lieu thereof the following: "Director of the Office of Thrift Supervision,".

(b) Section 502(c)(1) of the Housing Act of 1948 (12 U.S.C. 1701c(b)(1)) is amended by striking out "of any State" and inserting in lieu thereof "of any Federal, State,".

SEC. 326. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) COMPENSATION OF DIRECTOR.—Section 5314 of title 5, United States Code, is amended by striking out "Chairman of the Federal Home Loan Bank Board" and inserting in lieu thereof "Director, Office of Thrift Supervision".

(b) COORDINATION WITH OTHER LAWS.—Section 5373(2) of title 5, United States Code, is amended by inserting ", section 2A(i) of the Home Owners' Loan Act of 1933, or section 2B(b) of the Federal Home Loan Bank Act" before the semicolon.

SEC. 327. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) OFFICE ESTABLISHED AS AN OFFICE WITHIN THE DEPARTMENT.—

(1) IN GENERAL.—Subchapter I of chapter 3 of title 31, United States Code, is amended by redesignating section 309 as section 310 and by inserting after section 308 the following new section:

"§ 309. Office of Thrift Supervision

"The Office of Thrift Supervision established under section 2A(a) of the Home Owners' Loan Act of 1933 shall be an office in the Department of the Treasury.".

(2) CLERICAL AMENDMENT.—The table of chapters for subchapter I of chapter 3 of title 31, United States Code, is amended by redesignating the item relating to section 309 as section 310 and by inserting after the item relating to section 308 the following new item:

"309. Office of Thrift Supervision.".

(b) CONFORMING AMENDMENT.—Section 321(c) of title 31, United States Code, is amended—

(1) by adding at the end thereof the following new paragraph:

"(3) of the Director of the Office of Thrift Supervision;";

(2) by striking out "and" at the end of paragraph (1); and

(3) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and".

(c) GAO AUDIT AUTHORITY.—Section 714(a) of title 31, United States Code, is amended—

(1) by inserting ", and the Office of Thrift Supervision" before the period; and

(2) by striking out "and" after "Corporation,".

(d) CERTAIN REORGANIZATION PROHIBITED.—Section 321 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) CERTAIN REORGANIZATION PROHIBITED.—The Secretary of the Treasury may not merge or consolidate the Office of Thrift Supervision, or any of the functions or responsibilities of the Office or the Director of such office, with the Office of the Comptroller of the Currency or the Comptroller of the Currency.".

(e) TECHNICAL AND CONFORMING AMENDMENT TO GOVERNMENT CONTROL ACT.—Section 9101(3) of title 31, United States Code is amended by striking out subparagraph (E).

SEC. 328. PRESERVING MINORITY OWNERSHIP OF MINORITY FINANCIAL INSTITUTIONS.

(a) CONSULTATION ON METHODS.—The Secretary of the Treasury shall consult with

the Director of the Office of Thrift Supervision and the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation on methods for best achieving the following goals:

(1) Preserving the present number of minority depository institutions.

(2) Preserving their minority character in cases involving mergers or acquisition of a minority depository institution by using general preference guidelines in the following order:

(A) Same type of minority depository institution in the same city.

(B) Same type of minority depository institution in the same State.

(C) Same type of minority depository institution nationwide.

(D) Any type of minority depository institution in the same city.

(E) Any type of minority depository institution in the same State.

(F) Any type of minority depository institution nationwide.

(G) Any other bidders.

(3) Providing technical assistance to prevent insolvency of institutions not now insolvent.

(4) Promoting and encouraging creation of new minority depository institutions.

(5) Providing for training, technical assistance, and educational programs.

(b) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of enactment of this Act, and every 6 months thereafter, the Secretary of the Treasury, the Direcor of the Office of Thrift Supervision and the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress on the actions taken by such Secretary, Director, or Chairman pursuant to this section.

(c) DEFINITIONS.—For purposes of this section—

(1) MINORITY FINANCIAL INSTITUTION.—The term "minority depository institution" means any depository institution that—

(A) if a privately owned institution, 51 percent is owned by one or more socially and economically disadvantaged individuals;

(B) if publicly owned, 51 percent of the stock is owned by one or more socially and economically disadvantaged individuals; and

(C) in the case of a mutual institution where the majority of the Board of Directors, account holders, and the community which it services is predominately minority.

(2) MINORITY.—The term "minority" means any black American, Native American, Hispanic American, or Asian American.

TITLE IV—DISSOLUTION AND TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SEC. 401. DISSOLUTION.

(a) IN GENERAL.—Effective at the end of the 60-day period beginning on the date of the enactment of this Act—

(1) the Federal Savings and Loan Insurance Corporation established under section 402 of the National Housing Act is dissolved; and

(2) except as otherwise provided in this Act or any amendment made by this Act to any other provision of law, any function vested in the Corporation under any section of title IV of the National Housing Act is terminated.

(b) TRANSFER OF INSURANCE AND RECEIVERSHIP FUNCTIONS.—Except as otherwise provided in this Act or any amendment made by this Act to any other provision of law, all insurance and receivership functions performed by the Federal Savings and Loan Insurance Corporation before the dissolution of such Corporation shall be performed by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, as appropriate.

(c) DISPOSITION OF AFFAIRS.—The Federal Deposit Insurance Corporation shall take any action necessary on behalf of the Federal Savings and Loan Insurance Corporation in connection with the dissolution of such Corporation in accordance with this title.

(d) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not be construed as affecting the validity of any right, duty, or obligation of the United States, the Federal Savings and Loan Insurance Corporation, or any other person, which—

(A) arises under or pursuant to any section of title IV of the National Housing Act; and

(B) existed on the day before the date of the enactment of this Act.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Federal Savings and Loan Insurance Corporation shall abate by reason of the enactment of this Act, except that the appropriate successor to the interests of such Corporation shall be substituted for such Corporation as a party to any such action or proceeding.

SEC. 402. CONTINUATION AND COORDINATION OF REGULATIONS.

(a) REGULATIONS RELATING TO INSURANCE, CONSERVATORSHIP, AND RECEIVERSHIP FUNCTIONS.—All regulations and orders of the Federal Savings and Loan Insurance Corporation, or the Federal Home Loan Bank Board (in such Board's capacity as the board of trustees of such Corporation), which are in effect on the date of the enactment of this Act and relate to—

(1) the provision, rates, or cancellation of insurance of accounts;

(2) the administration of the insurance fund of the Federal Savings and Loan Insurance Corporation; or

(3) the conduct of conservatorships or receiverships,

shall remain in effect and shall be enforceable by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, as the case may be, unless determined otherwise by the Federal Deposit Insurance Corporation after consultation with the Director of the Office of Thrift Supervision.

(b) OTHER REGULATIONS.—All regulations and orders of the Federal Savings and Loan Insurance Corporation other than the regulations and orders described in subsection (a) shall remain in effect and shall be enforceable by the Director of the Office of Thrift Supervision or, in the case of regulations and orders applicable with respect to State savings associations (as defined in section 2(4) of the Home Owners' Loan Act of 1933), the Federal Deposit Insurance Corporation.

(c) IDENTIFICATION OF REGULATIONS WHICH REMAIN IN EFFECT PURSUANT TO THIS SECTION.—Before the end of the 60-day period beginning on the date of the enactment of this Act, the Director of the Office of Thrift Supervision and the Chairperson of the Federal Deposit Insurance Corporation shall—

(1) identify the regulations and orders referred to in subsections (a) and (b) of this section in accordance with the allocation of authority between them under this Act and the amendments made by this Act; and

(2) promptly publish notice of such identification in the Federal Register.

(d) PROCEDURE FOR DIFFERENCES IN DEPOSIT INSURANCE COVERAGE BETWEEN FSLIC AND FDIC.—

(1) TRANSITION RULE.—Until the effective date of regulations prescribed under paragraph (3)(B), any determination of the amount of any insured deposit in any financial institution which becomes an insured financial institution as a result of the amendment made to section 4(a) of the Federal Deposit Insurance Act by section 205(1) of this Act shall be made in accordance with the regulations and interpretations of the Federal Savings and Loan Insurance Corporation for determining the amount of an insured account which were in effect on January 1, 1989.

(2) LIMITATION ON EXTENT OF COVERAGE.—Before the effective date of regulations prescribed under paragraph (3)(B), the amount of any insured account which is required to be treated as an insured deposit pursuant to paragraph (1) shall not exceed the amount of insurance to which such insured account would otherwise have been entitled pursuant to the regulations and interpretations of the Federal Savings and Loan Insurance Corporation which were in effect on January 1, 1989.

(3) UNIFORM TREATMENT OF INSURED DEPOSITS.—The Federal Deposit Insurance Corporation shall—

(A) review its regulations, principles, and interpretations for deposit insurance coverage and those established by the Federal Savings and Loan Insurance Corporation; and

(B) before the end of the 180-day period beginning on the date of the enactment of this Act, prescribe a uniform set of regulations which shall be applicable to all insured deposits in insured financial institutions (except to the extent any provision of this Act, any amendment made by this Act to the Federal Deposit Insurance Act, or any other provision of law requires or explicitly permits the Federal Deposit Insurance Corporation to treat insured deposits of Savings Association Insurance Fund members differently than insured deposits of Bank Insurance Fund members).

(4) FACTORS REQUIRED TO BE CONSIDERED.—In prescribing regulations providing for the uniform treatment of deposit insurance coverage, the Federal Deposit Insurance Corporation shall consider all relevant factors necessary to promote safety and soundness, depositor confidence, and the stability of deposits in insured financial institutions.

(5) NOTICE; EFFECTIVE DATE.—Regulations prescribed under this subsection shall—

(A) provide for effective notice to depositors in insured financial institutions of any change in deposit insurance coverage which would result under such regulations; and

(B) take effect before the end of the 180-day period beginning on the date such regulations become final.

(6) DEFINITIONS.—For purposes of this subsection—

(A) INSURED ACCOUNT.—The term "insured account" has the meaning given to such term in section 401(c) of the National Housing Act (as in effect before the date of the enactment of this Act).

(B) INSURED FINANCIAL INSTITUTION.—The term "insured financial institution" has the meaning given to such term in section 3(v)(2) of the Federal Deposit Insurance Act.

(e) REGULATORY AUTHORITY OF FDIC TO PREVENT SERIOUS RISKS TO INSURANCE

FUNDS.—The Federal Deposit Insurance Corporation may prescribe such regulations and issue such orders as the Corporation determines to be necessary to prevent actions or practices of savings associations that pose a serious threat to the Savings Association Insurance Fund or the Bank Insurance Fund.

(f) CONTINUATION OF FSLIC INSURANCE TREATMENT FOR CERTAIN DEPOSITS.—In the case of any financial institution which becomes an insured financial institution (as defined in section 3(v)(2) of the Federal Deposit Insurance Act) as a result of the amendment made to section 4(a) of the Federal Deposit Insurance Act by section 205(1) of this Act, the trust estate of each participant in deferred compensation plans on deposit in, or held in trust by, such institution shall be evaluated for deposit insurance coverage purposes as if the participant were the beneficiary of an irrevocable trust and the interest of the participant had fully vested as of the date such financial institution became an insured financial institution.

(g) TREATMENT OF OBSOLETE REFERENCES IN ADJUSTABLE RATE MORTGAGE INSTRUMENTS.—

(1) IN GENERAL.—For purposes of adjustable rate mortgage instruments that are in effect as of the date of enactment of this Act, any reference in the instrument to the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board, or institutions insured by the Federal Savings and Loan Insurance Corporation before such date shall be treated as a reference to the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, the Office of Thrift Supervision, or institutions which are members of the Savings Association Insurance Fund, as appropriate, unless the context of the reference requires otherwise.

(2) SUBSTITUTION FOR OBSOLETE INDEXES.—If any index used to calculate the applicable interest rate on any adjustable rate mortgage instrument is no longer calculated and made available as a direct or indirect result of the enactment of this Act, a new index may be substituted by the holder of any such adjustable rate mortgage instrument if—

(A) the new index has an historical movement substantially similar to that of the original index; and

(B) the substitution of the new index will result in an interest rate substantially similar to the rate in effect at the time the original index became unavailable.

(3) AGENCY ACTION TO PROVIDE SUBSTITUTE INDEXES REQUIRED.—Promptly after the enactment of this subsection, the Director of the Office of Thrift Supervision, the Chairperson of the Federal Deposit Insurance Corporation, and the Chairperson of the Federal Housing Finance Board shall take such action as may be necessary to assure that—

(A) the indexes prepared by the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board, and the Federal home loan banks immediately prior to the enactment of this subsection and used to calculate the interest rate on adjustable rate mortgage instruments continue to be available; or

(B) indexes which are substantially similar to the indexes described in subparagraph (A) are made available for purposes of calculating the interest rate on adjustable rate mortgage instruments.

SEC. 402. FDIC AND RTC PERSONNEL.

(a) DETERMINATION OF FUNCTIONS AND EMPLOYEES TRANSFERRED TO FDIC OR RTC.—

(1) IN GENERAL.—The Director of the Office of Thrift Supervision and the Chairperson of the Federal Deposit Insurance Corporation shall jointly determine the functions or activities, and the number of employees, of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation necessary, on the day before the date of the enactment of this Act, to perform or support such functions or activities which are transferred from the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation to the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, as the case may be.

(2) SUPERVISORY AND EXAMINATION PERSONNEL.—Employees of the Federal home loan banks or the joint offices of such banks who, on the day before the date of the enactment of this Act, are performing supervisory and examination functions on behalf of the Federal Home Loan Bank Board shall be treated as employees of the Federal Home Loan Bank Board for purposes of paragraph (1) to the extent such supervisory and examination functions are transferred to the Federal Deposit Insurance Corporation or the Office of Thrift Supervision.

(b) ALLOCATION OF EMPLOYEES TO FDIC AND RTC.—The Director of the Office of Thrift Supervision and the Chairperson of the Federal Deposit Insurance Corporation shall allocate the employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation consistent with the number determined pursuant to subsection (a) in a manner which the Director and the Chairperson, in their sole discretion, deem equitable, except that, within work units, the agency preferences of individual employees shall be accommodated as far as possible.

(c) RIGHTS OF TRANSFERRED EMPLOYEES.—The employees identified for transfer under subsection (b) shall be entitled to the following rights:

(1) Each employee so identified shall be transferred to the appropriate agency for employment no later than 60 days after the date of the enactment of this Act and such transfer shall be deemed a transfer of function for the purpose of section 3503 of title 5, United States Code.

(2) Each transferred employee shall be guaranteed a position with the same status, tenure, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 1 year after the date of transfer, except for cause.

(3) In the case of employees occupying positions in the excepted service, the excepted appointing authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.

(4) If the Federal Deposit Insurance Corporation determines, after the end of the 1-year period beginning on the date the transfer of functions to the Federal Deposit Insurance Corporation is completed, that a reorganization of the combined workforce is required, that reorganization shall be deemed a "major reorganization" for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(5) Any employee accepting employment with the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, as the case may be, as a result of this transfer may retain any benefit of, or continue membership in, any employee benefit program of the Federal Home Loan Bank Board, including insurance, to which such employee belongs on the date of the enactment of this Act if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Office of Thrift Supervision.

The difference in the costs between the benefits which would have been provided by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation and those provided by this section shall be paid by the Director of the Office of Thrift Supervision. If the employee elects to give up membership in a health insurance program or the health insurance program is not continued by the agency or entity to which the employee transferred, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

(6) A transferring employee in the Senior Executive Service shall be placed in a comparable position at the Federal Deposit Insurance Corporation or the Resolution Trust Corporation.

(7) Transferring employees shall receive notice of their position assignments not later than 120 days after the effective date of their transfer.

(8) Upon the termination of the Resolution Trust Corporation pursuant to section 21A(o) of the Bank Holding Company Act, the employees of such Corporation shall be transferred to the Federal Deposit Insurance Corporation in accordance with the provisions of paragraphs (2) through (7) of this subsection.

(d) ALL EMPLOYEES ENTITLED TO BENEFIT OF AT LEAST 1 PERSONNEL TRANSFER PROVISION.—All employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall be entitled to the benefit of at least 1 of the following sections: this section or section 407 or 703 of this Act.

(e) USE OF FHLBB EMPLOYEES AND FACILITIES BY FDIC IN SUPERVISING STATE-CHARTERED ASSOCIATIONS.—In transferring responsibilities from the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation to the Federal Deposit Insurance Corporation, and especially in making the Federal Deposit Insurance Corporation the appropriate Federal regulator of State-chartered savings associations, the Federal Deposit Insurance Corporation shall, to the maximum extent possible, use current employees and the regional facilities of the Federal Home Loan Bank Board and the Federal home loan banks (with respect to employees and facilities of such banks which were involved in the activities which are transferred to the Federal Deposit Insurance Corporation.

SEC. 404. DIVISION OF PROPERTY.

Before the end of the 60-day period beginning on the date of the enactment of this Act, the Director of the Office of Thrift Supervision, the Chairperson of the Federal Deposit Insurance Corporation, and the Chairperson of the Federal Housing Finance Board shall jointly divide all property of the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Bank Board used to perform functions and activities of the Federal Home Loan Bank

Board among the Office of Thrift Supervision, the Federal Housing Finance Board, the Federal Deposit Insurance Corporation, and the Resolution Trust Corporation, in accordance with the division of responsibilities, functions, and activities effected by this Act. Any disagreement between them in so doing shall be resolved by the Director of the Office of Management and Budget.

SEC. 405. REPEALS.

Except as otherwise provided in this Act, sections 401, 402, and 403, subsections (a), (b), (c), (d), (i), (g), and (k) of section 404, and sections 405, 406, 407, 410, 411, 415, and 416 of the National Housing Act are hereby repealed.

SEC. 406. REPORT.

Immediately before the termination of the Federal Savings and Loan Insurance Corporation under section 401, the Corporation shall provide by written report to the Secretary of the Treasury, the Director of the Office of Management and Budget and to the Congress, a final accounting of its finances and operations, and shall thereafter cease operations.

SEC. 407. OTS PERSONNEL.

(a) DETERMINATION OF FUNCTIONS AND EMPLOYEES TRANSFERRED TO OTS.—The Director of the Office of Thrift Supervision shall determine the functions or activities, and the number of employees, of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation necessary, on the day before the date of the enactment of this Act, to perform or support functions or activities which are transferred from the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation to the Office of Thrift Supervision.

(b) ALLOCATION OF EMPLOYEES TO OTS.—The Director of the Office of Thrift Supervision shall allocate the employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation consistent with the number so determined in a manner which the Director, in the Director's sole discretion, deems equitable, except that, within work units, the agency preferences of individual employees shall be accommodated as far as possible.

(c) RIGHTS OF TRANSFERRED EMPLOYEES.—The employees identified for transfer under subsection (b) shall be entitled to the following rights:

(1) Each employee identified in a transferred function shall be transferred to the Office of Thrift Supervision for employment and such transfer shall be deemed a transfer of function for the purpose of section 3503 of title 5, United States Code.

(2) All Federal Home Loan Bank Board and Federal Savings and Loan Insurance Corporation employees transferring with their function shall be transferred to the Office of Thrift Supervision not later than 60 days after the date of the enactment of this Act, and shall be placed in positions for which they are qualified before the Office of Thrift Supervision may make an appointment from any other source to that position.

(3) A transferring employee in the Senior Executive Service shall be placed in a comparable position at the Office of Thrift Supervision.

(4) Transferring employees shall receive notice of their position assignments not later than 120 days after the effective date of their transfer.

(5) If the Director of the Office of Thrift Supervision determines, after the end of the 1-year period beginning on the date the transfer of functions is complete, that a reorganization of the Office's workforce is required, such reorganization shall be deemed a "major reorganization" for purposes of affording transferred employees early optional retirement under section 8336(d)(2) or section 8414(b)(1)(B) of title 5, United States Code.

(6) Any employee employed by the Office of Thrift Supervision as a result of the transfer may retain through the end of the calendar year during which such transfer occurs membership in any employee benefit program of the Federal Home Loan Bank Board, including insurance, which such employee has on the date of enactment of this Act, if such employee does not elect to give up such membership and the benefit or program is continued by, and paid by, the Director of the Office of Thrift Supervision. In the event such employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Director of the Office of Thrift Supervision, such employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or discontinuance, without regard to any other regularly scheduled open season.

TITLE V—FINANCING FOR THRIFT RESOLUTIONS

Subtitle A—Resolution Trust Corporation

SEC. 501. RESOLUTION TRUST CORPORATION ESTABLISHED.

(a) IN GENERAL.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 21 the following new section:

"SEC. 21A. RESOLUTION TRUST CORPORATION ESTABLISHED.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is hereby established a corporation to be known as the Resolution Trust Corporation (hereinafter in this section referred to as the 'Corporation') which shall be an instrumentality of the United States.

"(2) STATUS.—The Corporation, when acting as a corporation and not as conservator or receiver of an insured financial institution, shall be deemed to be an agency of the United States for purposes of subchapter II of chapter 5 and chapter 7 of title 5, United States Code.

"(b) DUTIES.—

(1) IN GENERAL.—The duties of the Corporation are as follows:

"(A) To carry out a program, under the direction of the Oversight Board, to manage and resolve all cases involving financial institutions—

"(i) the accounts of which were insured by the Federal Savings and Loan Insurance Corporation before the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; and

"(ii) for which a conservator or receiver—

"(I) had been appointed at any time during the period beginning on January 1, 1989, and ending on the date of the enactment of such Act (including any institution described in paragraph (5)(A)); or

"(II) is appointed within the 3-year period beginning on the date of the enactment of such Act.

"(B) To manage the assets of the Federal Asset Disposition Association, subject to subsection (k)(1).

"(C) To perform any other function authorized under this section.

"(2) AUTHORITY TO HOLD INTERESTS IN INSTITUTIONS.—In connection with activities under this section, the Corporation may take warrants, voting and nonvoting equity, or other participation interests in institutions or assets or properties of institutions described in paragraph (1)(A).

"(3) CONSERVATORSHIP, RECEIVERSHIP, AND ASSISTANCE POWERS.—Except as provided in paragraph (4) and in addition to any other provision of this section, the Corporation shall have the same powers and rights to carry out the duties of the Corporation with respect to financial institutions described in paragraph (1)(A) that the Federal Deposit Insurance Corporation has under sections 11, 12, and 13 of the Federal Deposit Insurance Act with respect to insured financial institutions (as defined in section 3(c)(2) of the Federal Deposit Insurance Act) other than the financial institutions described in paragraph (1)(A).

"(4) LIMITATION ON PARAGRAPH (3) POWERS.—The Corporation—

"(A) may not obligate the Federal Deposit Insurance Corporation or, except to the extent specifically provided in any other provision of law, any funds of the Federal Deposit Insurance Corporation; and

"(B) in connection with providing assistance to an institution under this subsection, shall be subject to the limitations contained in section 13(c)(4) of the Federal Deposit Insurance Act.

"(5) SUCCESSOR TO FSLIC AS CONSERVATOR OR RECEIVER.—As of the date of enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989—

"(A) the Corporation shall succeed the Federal Savings and Loan Insurance Corporation as conservator or receiver with respect to any institution for which the Federal Savings and Loan Insurance Corporation was appointed conservator or receiver during the period beginning on January 1, 1989 and ending on such date of enactment;

"(B) the Corporation shall assume the position and the responsibilities of the Federal Savings and Loan Insurance Corporation under the management agreement dated February 7, 1989, among the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board, and the Federal Deposit Insurance Corporation notwithstanding any provision of such agreement, and such agreement shall remain in full force and effect until the earlier of—

"(i) such time as the Oversight Board and the Federal Deposit Insurance Corporation may enter into a new contract under this section; or

"(ii) the end of the 180-day period beginning on such date of enactment; and

"(C) the Federal Deposit Insurance Corporation shall act for and on behalf of the Corporation in performing the Corporation's functions and duties under this section until the earlier of—

"(i) the date on which the Oversight Board or the Federal Deposit Insurance Corporation certifies to Congress that the Corporation has sufficient resources and personnel to perform such functions and duties; or

"(ii) the end of the 180-day period beginning on such date of enactment.

"(c) OVERSIGHT BOARD.—

"(1) MEMBERSHIP.—The Corporation shall be under the management of an Oversight Board consisting of 5 voting members and 1 nonvoting member as follows:

"(A) VOTING MEMBERS.—The following are members of the Oversight Board and are entitled to vote on all matters before the Oversight Board:

"(i) The Secretary of the Treasury or the designee of the Secretary.

"(ii) The Chairman of the Board of Governors of the Federal Reserve System or the designee of the Chairman.

"(iii) The Attorney General of the United States or the designee of the Attorney General.

"(iv) The Secretary of the Department of Housing and Urban Development or the designee of the Secretary.

"(v) 1 member of the private sector.

"(B) NONVOTING MEMBER.—The Chairperson of the Federal Deposit Insurance Corporation, or the designee of the Chairperson, shall be a nonvoting member of the Oversight Board.

"(2) CHAIRPERSON.—The Chairperson of the Oversight Board shall be the Secretary of the Treasury.

"(3) PRIVATE SECTOR MEMBER.—

"(A) APPOINTMENT.—The private sector member shall be appointed by the President, by and with the advice and consent of the Senate, and shall have substantial experience in the management of large business organizations engaged in real estate, finance, or development activities.

"(B) TERM.—The private sector member shall serve at the pleasure of the President.

"(4) TERMS OF OFFICE, SUCCESSION, DELEGATION, AND VACANCIES.—

"(A) TERMINATION OF MEMBERSHIP.—If any member of the Oversight Board who was appointed to such board as an officer or employee of the United States leaves such position, such member's service on the Board shall terminate on the date such member leaves such position.

"(B) VACANCY OF PRIVATE SECTOR MEMBER.—Any vacancy on the Oversight Board shall be filled in the manner in which the original appointment was made.

"(C) EXPIRATION OF TERMS.—Except as provided in paragraph (3)(B), the term of each member of the Oversight Board shall expire when the Corporation is terminated.

"(5) COMPENSATION AND EXPENSES.—

"(A) EXPENSES.—Members of the Oversight Board shall receive allowances in accordance with subchapter I of chapter 57 of title 5, United States Code, for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Oversight Board, as set forth in the bylaws issued by the Oversight Board.

"(B) NO ADDITIONAL COMPENSATION FOR UNITED STATES OFFICERS OR EMPLOYEES.—Members of the Oversight Board who are full-time officers or employees of the United States shall receive no additional pay by reason of service on such Board.

"(C) NO COMPENSATION FOR PRIVATE SECTOR MEMBER.—The private sector member of the Oversight Board shall not receive compensation by reason of service on the Oversight Board.

"(6) DUTIES OF THE OVERSIGHT BOARD.—The Oversight Board—

"(A) shall prescribe bylaws, consistent with law, which provide for the manner in which—

"(i) officers, employees, and agents of the Corporation shall be selected;

"(ii) the property of the Corporation shall be acquired, held, or transferred;

"(iii) the general operations of the Corporation shall be conducted; and

"(iv) the rights and duties of the Corporation shall be exercised and carried out;

"(B) shall have overall responsibility for, and shall review and oversee, the work, progress, management, and activities of the Corporation;

"(C) may, in the discretion of the board, disapprove any regulation, policy, procedure, guideline, statement, contract, or other action of the Corporation; and

"(D) shall approve or disapprove (and establish procedures for review of) any agreement for the acquisition (in any manner described in section 13(f)(8)(E) of the Federal Deposit Insurance Act) by any person of any financial institution described in subsection (b)(1)(A).

"(7) QUORUM.—

"(A) REQUIRED.—A quorum shall be required to transact the business of the Oversight Board.

"(B) DEFINED.—3 voting members of the Oversight Board shall constitute a quorum.

"(8) MAJORITY VOTE REQUIRED.—All decisions of the Board shall require an affirmative vote of at least a majority of the members voting.

"(9) STAFF.—

"(A) IN GENERAL.—Except as provided in subparagraph (C), the Oversight Board may employ such staff as such board determines to be necessary or appropriate to fulfill the obligations of such board under this section.

"(B) TERMS AND CONDITIONS.—Staff employed by the Oversight Board under this paragraph shall be subject to the terms and conditions of employment which are applicable to employees of the Corporation under subsections (e)(5) and (u).

"(C) UTILIZATION OF PERSONNEL OF OTHER AGENCIES.—At the request of the Oversight Board, the head of any Federal agency who is a voting member of such board (or whose designee is a voting member of such board) shall detail, on a reimbursable basis, any of the personnel of such agency to the Oversight Board to assist such board in carrying out the duties of such board under this section.

"(10) REGULATIONS AND RECORDS.—The Oversight Board shall—

"(A) prescribe such regulations as such board may determine to be appropriate to carry out such board's duties under this section; and

"(B) keep permanent and accurate records of the acts and proceedings of the Oversight Board.

"(11) MINORITY OUTREACH PROGRAM.—

"(A) ESTABLISHMENT REQUIRED.—The Oversight Board shall prescribe such regulations as such board determines to be appropriate to establish and oversee a minority outreach program to ensure inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the Corporation with such persons or entities, public and private, in order to manage the institutions and their assets for which the Corporation is responsible or to perform such other functions as authorized under this Act.

"(B) REPORT TO CONGRESS.—Before the end of the 180-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Oversight Board shall submit to the Congress a report containing a complete description of the actions taken by the Oversight Board pursuant to subparagraph (A) and such recommendations for administrative and legislative action the Oversight Board may determine to be appropriate to carry out the purposes of such paragraph.

"(d) CHIEF EXECUTIVE OFFICER.—

"(1) IN GENERAL.—The Corporation shall have a chief executive officer who shall be appointed by the Oversight Board and shall serve at the pleasure of the Board.

"(2) LIMITATION ON POST-EMPLOYMENT ACTIVITIES.—During the 2-year period beginning on the date any individual appointed as chief executive officer ceases to serve in such position, such individual may not—

"(A) hold any office, position, or employment with any institution which, during such individual's term of office, was a participant in any case resolution activity of the Corporation in which such individual was personally and substantially involved;

"(B) engage in any business transaction concerning any such institution; or

"(C) represent, aid, or advise anyone (other than the United States) concerning such business transactions with respect to assets involved in case resolution activities.

"(e) CORPORATE POWERS.—The Corporation shall have the following powers:

"(1) To adopt, alter, and use a corporate seal, which shall be judicially noted.

"(2) To issue capital certificates as provided in subsection (l) of this section.

"(3) To provide for 1 or more vice presidents, a secretary, a general counsel, a treasurer, and such other officers, employees, attorneys, and agents as the Corporation may determine to be necessary, to define the duties of such officers or employees, and to require surety bonds or make other provisions against losses occasioned by acts of such individuals;

"(4) Subject to subsection (u) and the approval of the Oversight Board, to employ and compensate any individual for any position established by the Corporation pursuant to paragraph (3) without regard to title 5, United States Code, except that the compensation and benefits provided by the Corporation with respect to any such position shall be consistent with and shall not exceed the compensation and benefits provided by the Federal Deposit Insurance Corporation with respect to any comparable position.

"(5) With the consent of any executive agency or department—

"(A) to obtain and use any information from such agency or department;

"(B) to obtain the services of any officer or employee of such agency or department; and

"(C) to obtain the use of any facility of such agency or department,

for purposes of carrying out the duties of the Corporation under this section.

"(6) To enter into contracts and modify, or consent to the modification of, any contract or agreement to which the Corporation is or has become a party under this section or in which the Corporation has an interest under this section.

"(7) To make advance, progress, or other payments.

"(8) To acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to the operations of the Corporation.

"(9) To sue and be sued in its corporate capacity in any court of competent jurisdiction.

"(10) To deposit any securities or funds held by the Corporation in any facility or depositary described in section 13(b) of the Federal Deposit Insurance Act under the terms and conditions applicable to the Federal Deposit Insurance Corporation under section 13(b) of the Federal Deposit Insurance Act.

"(11) To make loans pursuant to subsection (s)(3)(A).

"(12) To use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(13) To exercise any other power established under this section and such incidental powers as are necessary to carry out the powers, duties, and functions of the Corporation under this section.

"(f) SPECIAL POWERS.—In addition to the powers of the Corporation described in subsections (b) or (e), the Corporation shall have the following powers:

"(1) CONTRACT AUTHORITY.—The Corporation may enter into contracts with the Federal Deposit Insurance Corporation, and such other persons or public entities, including State Housing Finance Authorities (as such term is defined in section 3(u) of the Federal Deposit Insurance Act) and insured financial institutions, as the Corporation determines to be necessary or appropriate, to provide for the management of the institutions over which the Corporation has jurisdiction or the assets of such institutions, except that—

"(A) any contract with any person or public entity other than the Federal Deposit Insurance Corporation shall be subject to the competitive bidding procedures established pursuant to subsection (i)(2)(A); and

"(B) in the case of any contract or agreement with the Federal Deposit Insurance Corporation, the compensation or reimbursement paid to the Federal Deposit Insurance Corporation by the Corporation for any such services may not exceed the actual and reasonable cost incurred by the Federal Deposit Insurance Corporation in performing such services.

"(2) CREDIT STANDARDS.—The Corporation may set the policy on credit standards to be used by any institution over which the Corporation has jurisdiction.

"(3) MERGERS AND CONSOLIDATIONS.—The Corporation may require a merger or consolidation of an institution over which the Corporation has jurisdiction.

"(4) ORGANIZATION OF MUTUAL SAVINGS ASSOCIATIONS.—The Corporation may organize 1 or more Federal mutual savings associations—

"(A) which shall be chartered by the Director of the Office of Thrift Supervision; and

"(B) the deposits of which shall be insured by the Federal Deposit Insurance Corporation through the Savings Association Insurance Fund;

"(5) REVIEW OF PRIOR CASES.—

"(A) IN GENERAL.—The Corporation—

"(i) may review and analyze all assisted insolvent financial institution cases resolved by the Federal Savings and Loan Insurance Corporation during the period beginning on January 1, 1988, and ending on the date of the enactment of this section; and

"(ii) shall actively review all means by which the Corporation can reduce costs under Federal Savings and Loan Insurance Corporation or Federal Home Loan Bank Board agreements entered into in connection with any case referred to in clause (i), including the reduction of costs through the exercise of any right of the Corporation (under this section or as successor in interest to the Federal Savings and Loan Insurance Corporation) to restructure such agreements, subject only to the review and approval of the Oversight Board.

"(B) REPORT.—The Corporation shall submit a report to the Oversight Board and the Congress containing the results and conclusions of the review conducted under subparagraph (A) and such recommendations for administrative or legislative action as the Corporation may determine to be appropriate.

"(C) RESTRUCTURING.—After the Corporation submits the report required under subparagraph (B) and upon the express concurrence of the Oversight Board—

"(i) the Corporation shall restructure any agreement entered into by the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board in connection with any case referred to in subparagraph (A)(i) (to the extent permitted by the terms of such agreement) if the Corporation determines that savings would be realized from such restructuring; and

"(ii) the costs of any such restructuring shall be a liability of the Corporation.

"(6) The Corporation may exercise all resolution powers and activities which may be exercised by the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act or which the Federal Savings and Loan Insurance Corporation could have exercised on the day before the date of the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 including the powers and authorities with respect to conservatorships or receiverships, to engage in assistance transactions, to collect indebtedness, to enforce liabilities and obligations, and to exercise the incidental powers and authorities provided the Federal Deposit Insurance Corporation all of which may be performed and exercised by the Corporation under this section as may be necessary to fulfill its obligations and duties under this Act.

"(g) REAL ESTATE ASSET DIVISION.—

"(1) ESTABLISHMENT REQUIRED.—The Corporation shall establish a Real Estate Asset Division to develop such policies and programs as may be necessary to provide for the management, sale, or other disposition of the real property assets of institutions subject to the jurisdiction of the Corporation (including the real property assets under contract with the Federal Asset Disposition Association) as specified in this section.

"(2) PURPOSE.—The Real Estate Asset Division shall have primary responsibility for the oversight of any action taken by the conservator, receiver, or manager of any institution which is subject to the jurisdiction of the Corporation to the extent any such action is related to the management, sale, or other disposition of any real property assets held by such institutions.

"(3) REAL PROPERTY ASSET INVENTORY.—

"(A) PERIODIC PUBLICATION AND NOTICE.—Before the end of the 60-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and on a periodic and timely basis after such date, the Real Estate Asset Division shall publish an inventory of the real property assets of institutions which are subject to the jurisdiction of the Corporation (including the real property assets under contract with the Federal Asset Disposition Association) and provide notice concerning the availability of such assets for sale.

"(B) IDENTIFICATION AND DESCRIPTION OF ASSETS.—The inventory shall identify such assets by group or class and provide a brief description of other relevant factors pertaining to each asset.

"(4) ROLE OF PRIVATE SECTOR.—In carrying out the Corporation's duties under this section, the Corporation, the Oversight Board, and the Federal Deposit Insurance Corporation shall utilize the services of private persons, including real estate and loan portfolio asset management, property management, auction marketing, and brokerage services, unless such services are unavailable in the private sector or the utilization of any such services is impracticable or inefficient.

"(5) REVIEW AND APPROVAL BY OVERSIGHT BOARD.—All policies and programs established or implemented by the Real Estate Asset Division for the management, sale, or other disposition of assets shall be subject to final review and approval by the Oversight Board prior to implementation.

"(h) NATIONAL AND REGIONAL ADVISORY BOARDS.—

"(1) NATIONAL ADVISORY BOARD.—

"(A) ESTABLISHMENT.—The Corporation shall establish a national advisory board to assist and advise the Corporation and the Real Estate Asset Division in the development and implementation of policies and programs for the sale or other disposition of the real property assets of institutions which are subject to the jurisdiction of the Corporation (including the real property assets under contract with the Federal Asset Disposition Association) and the policies and procedures described in subsection (i).

"(B) MEMBERSHIP.—The national advisory board shall consist of—

"(i) the chairpersons of any regional advisory boards established pursuant to paragraph (2); and

"(ii) 3 individuals appointed as follows:

"(I) 1 individual appointed by the Director of the Office of Thrift Supervision.

"(II) 1 individual appointed by the Chairperson of the Federal Deposit Insurance Corporation.

"(III) 1 individual appointed by the Comptroller of the Currency.

"(2) REGIONAL ADVISORY BOARDS.—

"(A) ESTABLISHMENT.—Whenever the Oversight Board of the Corporation determines that, within any region corresponding to the regions represented by the Federal home loan banks, there exists a significant portfolio of real property assets (as determined in such manner as the Board may determine to be appropriate pursuant to subsection (i)) of institutions which are subject to the jurisdiction of the Corporation (including the real property assets under contract with the Federal Asset Disposition Association), the Corporation shall establish an advisory board for such region to assist and advise the Real Estate Asset Division in the development and implementation of policies and programs for the sale or other disposition of such assets.

"(B) APPOINTMENT OF MEMBERS OF REGIONAL ADVISORY BOARDS.—Each regional advisory board established pursuant to paragraph (2) shall be composed of 5 members appointed by the chief executive officer of the Corporation from among—

"(i) individuals who will represent the views of low- and moderate-income consumers and small businesses; and

"(ii) individuals who are specially qualified to advise the Corporation by virtue of their education, training, or experience with respect to real property or financial services.

"(3) TERMS OF MEMBERS OF REGIONAL ADVISORY BOARDS.—Each member of any regional advisory board established pursuant to this subsection shall serve a term not to exceed 2 years, except that the bylaws of the Corporation shall provide for classes of members so that the terms of not more than 3 mem-

bers of any such board shall expire in any 1 year.

"(4) PROHIBITION ON COMPENSATION FOR MEMBERS OF REGIONAL ADVISORY BOARDS.—Members of the national and regional advisory boards shall serve without compensation, except that such members shall be entitled to receive allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the boards, in accordance with subchapter I of chapter 57 of title 5, United States Code.

"(5) TERMINATION OF ADVISORY BOARDS.—Any advisory board established under or pursuant to this subsection which is in existence on the date on which the Corporation ceases to exist under this section shall also cease to exist on such date.

"(l) POLICIES AND PROCEDURES FOR MANAGEMENT AND DISPOSITION OF REAL PROPERTY ASSETS.—

"(1) IN GENERAL.—Before the end of the 90-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Corporation shall prescribe (by regulation) policies, procedures, and guidelines for the management and disposition of the real property assets of institutions which are subject to the jurisdiction of the Corporation (including the real property assets under contract with the Federal Asset Disposition Association) in a manner that will—

"(A) maximize the net present value return from the sale or other disposition of such assets;

"(B) minimize the impact of such transactions on local real estate and financial markets; and

"(C) maximize the preservation of the availability and affordability of residential real property for low- and moderate-income individuals to the extent consistent with a reasonable economic return to the Corporation and subparagraphs (A) and (B).

"(2) SPECIFIC PROVISIONS.—The policies, procedures, and guidelines established pursuant to paragraph (1), shall include—

"(A) procedures for the solicitation and selection of offers for assisted acquisitions and disposition of assets of institutions subject to the jurisdiction of the Corporation, subject to approval by the Oversight Board, which shall—

"(i) provide for adequate competition and fair and consistent treatment of offerors, consistent with the objectives of assisted acquisitions and asset dispositions and the need to minimize the costs of the Corporation and the Government;

"(ii) prohibit discrimination on the basis of race, sex, or ethnic group in the solicitation and consideration of offers;

"(iii) provide for the active solicitation of offers from minorities and women; and

"(iv) require that—

"(I) unsuccessful offerors be notified in writing within 30 days that the offers of such offerors have not been accepted; and

"(II) any unsuccessful offeror, upon the request of the offeror, be debriefed and provided with the reasons for the nonacceptance of their offers;

"(B) guidelines for establishing the market value of assets based upon standard market analysis, valuation, and appraisal practices;

"(C) procedures requiring the timely evaluation of any purchase offer for any such asset and guidelines specifying the limited circumstances under which the Corporation, or any conservator, receiver, or manager may sell or otherwise dispose of such assets at a price which is less than the amount which is equal to 90 percent of the value of such assets (as determined in accordance with the method established pursuant to subparagraph (B));

"(D) guidelines for the development of a business plan for the orderly sale or other disposition of such assets in any geographic area within the Federal Home Loan Bank System that may be adversely affected by such transactions as a consequence of conditions in local real estate or financial markets;

"(E) procedures for bulk sales and auction marketing of such assets; and

"(F) guidelines for the conveyance of such assets to units of general local government, States, and public agencies designated by a unit of general local government or a State, for use in connection with urban homesteading programs approved by the Secretary of Housing and Urban Development under section 810 of the Housing and Community Development Act of 1974.

"(3) PREPARATION AND MAINTENANCE OF RECORDS RELATING TO SOLICITATION AND ACCEPTANCE OF OFFERS.—The Corporation shall—

"(A) document decisions made in the solicitation and selection process and the reasons for the decisions; and

"(B) maintain such documentation, as well as any other documentation relating to the solicitation and selection process, in the offices of the Corporation.

"(j) INSTITUTIONS ORGANIZED BY THE CORPORATION.—

"(1) LIMITATIONS ON CERTAIN ACTIVITIES.—All insured savings associations organized by the Corporation under this section shall be subject to such limitations, restrictions, and conditions as determined by the Corporation with respect to the following activities:

"(A) Growth of assets.

"(B) Lending activities.

"(C) Asset acquisitions (except as necessary to serve its existing customer base with residential mortgages or consumer loans).

"(D) Use of brokered deposits.

"(E) Payment of deposit rates.

"(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—All insured savings associations organized by the Corporation under this section shall be subject to all laws, rules, and regulations otherwise applicable to them as insured savings associations.

"(3) JURISDICTION OF BANKING AGENCIES.—Any insured savings association organized by the Corporation under this section that holds deposits insured by the Federal Deposit Insurance Corporation shall continue to be subject to supervision by the Director of the Office of Thrift Supervision and the Federal Deposit Insurance Corporation, as the case may be, under any other provision of law.

"(k) FADA.—

"(1) IN GENERAL.—Before the end of the 180-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Corporation shall—

"(A) convert the Federal Asset Disposition Association into a corporation or other business entity and sell such corporation or other business entity, using competitive bidding procedures; or

"(B) wind down or dissolve such Association.

"(2) NO TRANSFER OF CONTRACT RIGHTS.—No contractual right of the Federal Asset Disposition Association or any contractor with such Association with respect to the management of disposition of the assets of any institution or of the Federal Savings and Loan Insurance Corporation may be transferred by the Corporation in connection with the disposition of the resulting entity under paragraph (1)(A).

"(3) RESTRICTION ON USE OF NAME.—Any resulting entity under paragraph (1)(A) may not use the name 'Federal Asset Disposition Association'.

"(l) CAPITAL CERTIFICATES.—

"(1) AUTHORIZATION TO ISSUE.—Notwithstanding any other provision of law and consistent with the provisions of section 21B of this Act, the Resolution Trust Corporation may issue nonvoting nontransferable capital certificates to the Resolution Funding Corporation.

"(2) REQUIREMENT RELATING TO THE AMOUNT OF CERTIFICATES.—The aggregate amount of the capital certificates issued by the Resolution Trust Corporation under paragraph (1) shall be equal to the aggregate amount of funds provided by the Resolution Funding Corporation to the Resolution Trust Corporation pursuant to section 21B of this Act.

"(3) CERTIFICATES MAY BE ISSUED ONLY TO THE RESOLUTION FUNDING CORPORATION.—The nonvoting nontransferable capital certificates issued under paragraph (1) may be issued only to the Resolution Funding Corporation in the manner and to the extent provided in section 21B of the Federal Home Loan Bank Act and this subsection.

"(4) NO DIVIDENDS.—The Resolution Trust Corporation shall pay no dividends on any capital certificates issued under this paragraph.

"(m) EXEMPTION FROM STATE AND LOCAL TAXATION.—The Corporation, the capital, reserves, surplus, and assets of the Corporation, and the income derived from such capital, reserves, surplus, or assets, shall be exempt from State, municipal, and local taxation except taxes on real estate held by the Resolution Trust Corporation, according to its value as other similar property held by other persons is taxed.

"(n) TERMINATION.—

"(1) RESOLUTION TRUST CORPORATION.—The Resolution Trust Corporation shall terminate 10 years after the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(2) TRANSFERS.—Simultaneously with the termination of the Resolution Trust Corporation under paragraph (1)—

"(A) all assets and liabilities of the Corporation shall be transferred to the FSLIC Resolution Fund; and

"(B) the net proceeds of the assets shall be transferred to the Resolution Funding Corporation.

"(o) POWER TO REMOVE; JURISDICTION.—

"(1) JURISDICTION OF FEDERAL COURTS.—Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the Corporation is a party shall be deemed to arise under the laws of the United States.

"(2) REMOVAL.—The Resolution Trust Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia, or if the action, suit or proceeding arises out of the actions of the Corporation with respect to an institution for which a conservator or receiver has been appointed, the United States district court for the district in which the institution's principal business is located.

"(p) GUARANTEES OF FSLIC.—

"(1) ASSUMPTION BY CORPORATION.—On the date of the enactment of this section, the Corporation shall, by operation of law (and without further action by the Corporation, the Oversight Board, the Chairperson of the Federal Housing Finance Board, the Federal Savings and Loan Insurance Corporation, or any court), assume all rights and obligations of the Federal Savings and Loan Insurance Corporation with respect to any guarantee issued by the Federal Savings and Loan Insurance Corporation during the period beginning on January 1, 1989, and ending on such date of enactment, in connection with any loan to any savings association by any Federal Reserve bank or Federal home loan bank (hereinafter in this subsection referred to as a 'lender').

"(2) PAYMENT BY CORPORATION.—Any obligation assumed by the Corporation under paragraph (1) for any guarantee described in such paragraph to any lender shall be paid by the Corporation before the end of the 1-year beginning on the date of the enactment of this section from the proceeds of capital certificates issued to the Resolution Funding Corporation or any other funds or assets available to the Corporation.

"(3) PRIORITY OF CLAIMS OF LENDERS.—Any claim by any lender with respect to any obligation assumed by the Corporation under paragraph (1) for any guarantee described in such paragraph shall have priority over all other secured or unsecured obligations of the Corporation.

"(4) TREASURY BACKUP.—If the resources of the Corporation are insufficient to pay all the obligations assumed by the Corporation under paragraph (1) within the 1-year period described in paragraph (2), the Secretary of the Treasury shall pay, from funds appropriated for such purpose, the amount of any such deficiency.

"(q) REGULATIONS.—The Corporation may prescribe such regulations and issue such policies, procedures, guidelines, or statements as the Corporation determines to be necessary or appropriate to carry out this section.

"(r) BORROWING.—

"(1) IN GENERAL.—The Corporation shall borrow, to such extent and in such amounts as are provided for in advance in appropriations Acts, from the Secretary of the Treasury, and the Secretary of the Treasury shall lend to the Corporation, on such terms as may be fixed by the Secretary of the Treasury, not to exceed $5,000,000,000 outstanding at any time.

"(2) INTEREST RATE.—Any loan to the Corporation under paragraph (1) shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable periods to maturity.

"(s) DISPOSITION OF RESIDENTIAL PROPERTIES.—

"(1) IN GENERAL.—

"(A) PURPOSE.—It is the purpose of this subsection to provide homeownership and rental housing opportunities for lower income families.

"(B) OFFERS TO SELL RESIDENTIAL PROPERTIES TO NONPROFIT ORGANIZATIONS, PUBLIC AGENCIES, AND LOWER INCOME FAMILIES.—Upon a determination by the Corporation (or the Real Estate Asset Division) to dispose of any eligible residential property, the Corporation—

"(i) shall consult with the appropriate regional advisory board regarding local market conditions, as reflected by—

"(I) homeownership opportunities for families not traditionally served in the market area;

"(II) the need to assist the homeless through permanent housing options;

"(III) the availability and long-term affordability of housing for lower income families; and

"(IV) the vacancy rate in decent housing with rents affordable to a family whose income is not more than 50 percent of the area median income; and

"(ii) shall offer to sell the property to any qualified nonprofit organization, public agency, or lower income family for a 3-month period (or any longer period determined by the Corporation to be reasonable) prior to offering to sell the property to any other qualified purchaser.

"(C) OFFERS TO SELL RESIDENTIAL PROPERTIES TO OTHER QUALIFIED PURCHASERS.—If, upon the expiration of the period referred to in subparagraph (B)(ii), no qualified nonprofit organization, public agency, or lower income family has made a bona fide offer to purchase the property, the Corporation may offer to sell the property to any qualified purchaser.

"(2) LOWER INCOME OCCUPANCY REQUIREMENTS.—

"(A) REQUIREMENT FOR SALES TO NONPROFIT ORGANIZATIONS AND PUBLIC AGENCIES.—Of the residential dwelling units purchased by any single qualified nonprofit organization or public agency under paragraph (1)(B)—

"(i) not less than 20 percent shall be reserved for occupancy or purchase by, and maintained as affordable for, very low-income families during the remaining useful life of the properties in which the units are located; and

"(ii) not less than an additional 15 percent shall be reserved for occupancy or purchase by, and maintained as affordable for, lower income families during the remaining useful life of the properties in which the units are located.

"(B) PREFERENCE FOR ALL SALES.—In selling any property under paragraph (1), the Corporation shall give preference among substantially similar offers to the offer involving the highest percentage of dwelling units to be reserved for occupancy or purchase by, and maintained as affordable for, very low-income families and lower income families during the remaining useful life of the property.

"(C) EXEMPTIONS.—

"(i) CONTINUED OCCUPANCY OF CURRENT RESIDENTS.—No purchaser of a property under paragraph (1) may terminate the occupancy of any person residing in the property on the date of purchase for purposes of meeting the lower income occupancy requirement applicable to the property under this paragraph. The purchaser shall be considered to be in compliance with this paragraph if each newly vacant dwelling unit is reserved for lower income occupancy until the lower income occupancy requirement is met.

"(ii) REDUCED NEED FOR LOWER INCOME HOUSING.—The Corporation may waive or reduce the lower income occupancy requirement applicable to any property under this paragraph if the Corporation determines that there is no longer a need for housing for lower income families in the area involved.

"(3) FINANCING OF SALE.—

"(A) ASSISTANCE BY CORPORATION.—

"(i) SALE PRICE.—The Corporation shall agree to sell a property under paragraph (1) at a price below the net realizable market value to the extent necessary to permit the purchaser to comply with the lower income occupancy requirements applicable to the property under paragraph (2).

"(ii) PURCHASE LOAN.—The Corporation may provide a loan to the purchaser of a property under paragraph (1) for all or a portion of the purchase price, which loan shall be secured by a first or second mortgage on the property. The Corporation shall agree to a reduced rate of interest on the loan to the extent necessary to permit the purchaser to comply with the lower income occupancy requirements applicable to the property under paragraph (2).

"(B) ASSISTANCE BY HUD.—

"(i) SECTION 8 ASSISTANCE.—The Secretary of Housing and Urban Development may (to the extent of amounts approved in appropriation Acts under clause (ii)) make project-based assistance available under subsections (b)(1) and (e)(2) of section 8 of the United States Housing Act of 1937 with respect to properties purchased under paragraph (1). The Secretary shall take such actions as may be necessary to expedite the allocation of assistance pursuant to this clause.

"(ii) AUTHORIZATION OF FUNDS.—For purposes of clause (i), the budget authority available under section 5(c) of the United States Housing Act of 1937 is authorized to be increased—

"(I) for assistance under section 8(b)(1) of such Act pursuant to 10-year contracts, by $284,550,000 for fiscal year 1990 and by such sums as may be necessary for fiscal year 1991; and

"(II) for moderate rehabilitation assistance under section 8(e)(2) of such Act pursuant to 10-year contracts, by $230,430,000 for fiscal year 1990 and by such sums as may be necessary for fiscal year 1991.

"(C) ASSISTANCE BY FMHA.—

"(i) LOAN GUARANTEES.—The Secretary of Agriculture may, in accordance with section 517(d) of the Housing Act of 1949 and to the extent of amounts approved in appropriation Acts, guarantee loans made for the purchase of properties under paragraph (1) that are located in rural areas.

"(ii) RENTAL ASSISTANCE PAYMENTS.—

"(I) IN GENERAL.—The Secretary of Agriculture may (to the extent of amounts approved in appropriation Acts under subclause (II)) enter into rental assistance payment contracts under section 521(a)(2)(A) of the Housing Act of 1949 with respect to properties purchased under paragraph (1) that are located in rural areas. The Secretary shall take such actions as may be necessary to expedite the allocation of assistance pursuant to this subclause.

"(II) AUTHORIZATION OF FUNDS.—For purposes of subclause (I), the budget authority available under section 513(c) of the Housing Act of 1949 is authorized to be increased for 5-year rental assistance payment contracts under section 521(a)(2)(A) of such Act by $60,000,000 for fiscal year 1990 and such sums as may be necessary for fiscal year 1991.

"(iii) LOAN SERVICING.—The Secretary of Agriculture may service (directly or through contract) any loan assisted by the Secretary pursuant to clause (i) or (ii).

"(4) QUARTERLY INVENTORY.—The Corporation shall, for each 3-month period, publish a listing of eligible residential properties. Each listing shall be made available to any person upon request and shall also be made available for public inspection in the central and regional offices of the Federal home loan banks.

"(5) CONTRACTING RULES.—Contracts entered into under this subsection shall not be subject to the requirements of subsection (f)(1)(A).

"(6) USE OF SECONDARY MARKET AGENCIES.—

"(A) IN GENERAL.—In the disposition of residential properties, the Corporation shall, in consultation with the Secretary of Housing and Urban Development, explore opportunities to work with secondary market entities to provide housing for low- and moderate-income families.

"(B) CREDIT ENHANCEMENT.—With respect to such Corporation properties, the Secretary may, consistent with their statutory authorities, work through the Federal Housing Administration, the Government National Mortgage Association, and with the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and other secondary market entities to develop risk sharing structures, mortgage insurance, and other credit enhancements to assist in the provision of home ownership, rental, and cooperative housing opportunities for low-income families.

"(C) REPORT.—In the annual report submitted by the Secretary to the Congress, the Secretary of Housing and Urban Development shall include a detailed description of the activities of the Secretary under this paragraph, including recommendations for such additional authorization the Secretary may determine to be necessary to implement the provisions of this subsection.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) ELIGIBLE RESIDENTIAL PROPERTY.—The term 'eligible residential property' means a residential property that—

"(i) is owned by the Corporation, or is controlled by the Corporation in its responsibilities under this section as a conservator or receiver; and

"(ii) has an appraised value that does not exceed—

"(I) in the case of a 1- to 4-family residence (including a manufactured home), the applicable dollar amount set forth in the first sentence of section 203(b)(2) of the National Housing Act (without regard to any increase of such amount for high-cost areas); or

"(II) in the case of a property consisting of more than 4 dwelling units, the applicable dollar amount set forth in section 221(d)(3)(ii) of the National Housing Act for elevator-type structures (without regard to any increase of such amount for high-cost areas).

"(B) LOWER INCOME FAMILIES.—The term 'lower income families' means families and individuals whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Corporation with adjustments for smaller and larger families.

"(C) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means a private organization—

"(i) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual; and

"(ii) that is approved by the Corporation as to financial responsibility.

"(D) PUBLIC AGENCY.—The term 'public agency'—

"(i) means any Federal, State, local, or other governmental entity; and

"(ii) includes any public housing agency or State housing finance agency.

"(E) PURCHASER.—The term 'purchaser' includes—

"(i) any successor in interest of the original purchaser under paragraph (1); and

"(ii) any lower income family who purchases an eligible residential property under paragraph (1).

"(F) RURAL AREA.—The term 'rural area' has the meaning given the term in section 520 of the Housing Act of 1949.

"(G) VERY-LOW INCOME FAMILIES.—The term 'very-low income families' means families and individuals whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Corporation with adjustments for smaller and larger families.

"(t) PUBLIC DISCLOSURE OF ASSISTED TRANSACTIONS.—

"(1) DISCLOSURE REQUIRED.—Except as otherwise provided in this subsection, the Corporation shall make available to the public—

"(A) any agreement entered into by the Corporation relating to an assisted transaction not later than 30 days after the first meeting of the Oversight Board after such agreement is entered into; and

"(B) all agreements relating to assisted transactions which arose from cases resolved by the Federal Savings and Loan Insurance Corporation on or after January 1, 1986.

"(2) EXCEPTION FOR DISCLOSURES AGAINST THE PUBLIC INTEREST.—

"(A) IN GENERAL.—The Oversight Board may withhold from public disclosure any document or part of a document if the Oversight Board determines, by a unanimous affirmative vote of the members of the Board, that disclosure would be contrary to the public interest.

"(B) REPORT OF DETERMINATION.—A written report shall be made of any determination by the Oversight Board to withhold any part of any document from public disclosure pursuant to subparagraph (A) which shall contain a full explanation of the specific reasons for such determination.

"(C) PUBLICATION AND SUBMISSION OF REPORT.—The report prepared pursuant to subparagraph (B) shall be—

"(i) published in the Federal Register; and

"(ii) transmitted to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(3) AGREEMENT DEFINED.—For purposes of this subsection, the term 'agreement' includes—

"(A) all documents which set forth the terms and conditions of the assisted transaction;

"(B) a comparison which the Corporation shall prepare of—

"(i) the estimated cost to the Corporation in connection with the transaction, with

"(ii) the estimated cost to the Corporation of liquidating the insured institution; and

"(C) a description which the Corporation shall prepare of any economic or statistical assumptions on which such estimates are based.

"(u) CONGRESSIONAL REVIEW OF EMPLOYMENT, COMPENSATION, AND BENEFIT PRACTICES.—

"(1) CONDITIONS.—The Corporation may not employ any individual or implement any employee compensation and benefit plan unless the Oversight Board submits to the Congress a report containing a detailed description of—

"(A) the employment and retention procedures established by the Oversight Board for the Corporation; and

"(B) the classification standards for employment positions established by the Oversight Board for the Corporation and the compensation rates and benefits established for each such class of positions.

"(2) JOINT RESOLUTION.—The Corporation may not employ any individual or implement any employee compensation and benefit plan if, within the 60-day period beginning on the date the report required under paragraph (1) is submitted to the Congress, a joint resolution is enacted disapproving the employment and retention procedures, the classification standards for employment positions, or the compensation rates and benefits established for each such class of positions.

"(3) COMPUTATION OF PERIOD.—The days on which either House of Congress is not in session because of an adjournment of more than 3 days to a date certain shall be excluded in the computation of the 60-day period referred to in paragraph (2).

"(4) PROVISIONS APPLICABLE TO TREATMENT OF JOINT RESOLUTION.—

"(A) IN GENERAL.—If a joint resolution disapproving the employment and retention procedures, the classification standards for employment positions, or the compensation rates and benefits established for each such class of positions is introduced in the House of Representatives or in the Senate during the 45-day period beginning on the first day of the 60-day period referred to in paragraph (2), the provisions of subsections (c), (d), (e), and (f) of section 208 of the Defense Authorization Amendments and Base Closure and Realignment Act shall apply (except as provided in subparagraph (B)) to such joint resolution in the same manner and to the same extent as such subsections apply to a joint resolution described in subsection (a) of such section.

"(B) DATE SUBSTITUTION.—For purposes of this paragraph, subsection (c) of section 208 of the Defense Authorization Amendments and Base Closure and Realignment Act shall be applied by substituting—

"(i) 'before the end of the 45-day period referred to section 21A(u)(4) of the Federal Home Loan Bank Act' for 'before March 15, 1989'; and

"(ii) 'as of the end of the 45-day period referred to section 21A(u)(4) of the Federal Home Loan Bank Act' for 'as of March 15, 1989'.

"(v) REPORTS.—

"(1) ANNUAL REPORT.—The Corporation shall annually submit a full report of the Oversight Board's operations, activities, budget, receipts, and expenditures for the preceding 12-month period.

"(2) CONTENTS.—The report required under paragraph (1) shall include—

"(A) audited statements and such information as is necessary to make known the financial condition and operations of the Corporation in accordance with generally accepted accounting principles;

"(B) the Corporation's financial operating plans and forecasts (including estimates of actual and future spending, and estimates of actual and future cash obligations) taking into account the Corporation's financial commitments, guarantees and other contingent liabilities;

"(C) the number of minority and women investors participating in the bidding process for assisted acquisitions and the disposition of assets and the number of successful bids by such investors; and

"(D) the results of the annual audit of the Corporation's financial transactions conducted by the Comptroller General pursuant to section 9105(a) of title 31, United States Code.

"(3) SUBMISSION TO CONGRESS AND THE PRESIDENT.—The Corporation shall submit each annual report required under this subsection to the Congress and the President as soon as practicable after the end of the calendar year for which such report is made but not later than June 30 of the year following such calendar year.

"(w) ADMINISTRATIVE EXPENSES.—The administrative expenses approved by the Oversight Board shall be paid from proceeds received from the Funding Corporation from the issuance of its obligations.

"(x) ADDITIONAL REPORTS.—

"(1) REPORTS REQUIRED.—In addition to the annual report required under subsection (v), the Corporation shall submit to Congress by April 30 and October 31 of each calendar year, a semiannual report on the activities and efforts of the Corporation, the Federal Deposit Insurance Corporation, and the Oversight Board for the 6-month period ended on the last day of the month prior to the month in which such report is required to be submitted.

"(2) CONTENTS OF REPORT.—Each semiannual report required under paragraph (1) shall include the following information with respect to any activities relating to the assets of savings associations:

"(A) A statement of the total book value of assets held or managed by the Corporation, the Federal Deposit Insurance Corporation, or the Oversight Board or other governmental entity, at the beginning and end of the period.

"(B) A statement of the total book value of assets which are under contract to be managed by private persons and entities at the beginning and end of the reporting period.

"(C) The number of employees of the Corporation, the Federal Deposit Insurance Corporation, and the Oversight Board at the beginning and end of the reporting period, and the total amounts expended on employee wages, salaries, and overhead, during such period, which is attributable to employees involved in or overhead incurred in connection with—

"(i) contracting with, supervising, or reviewing the performance of private contractors, or

"(ii) managing or disposing of assets.

"(D) A statement of the total amount expended on private contractors for the management of assets.

"(E) A statement of the efforts of the Corporation to maximize the efficient utilization of the resources of the private sector during the reporting period and in future reporting periods and a description of the policies and procedures adopted to ensure adequate competition and fair and consistent treatment of qualified third parties seeking to provide services to the Corporation, the Federal Deposit Insurance Corporation, or the Oversight Board.".

(b) INSPECTOR GENERAL OF THE CORPORATION.—

(1) ESTABLISHMENT.—

(A) APPOINTMENT AND REMOVAL.—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting "the Resolution Trust Corporation," after "the Pension Benefit Guarantee Corporation,".

(B) DEFINITIONS.—Section 11 of such Act (5 U.S.C. App.) is amended—

(i) in paragraph (1), by inserting "the Oversight Board of the Resolution Trust Corporation" before "; as the case may be;"; and

(ii) in paragraph (2), by inserting "the Resolution Trust Corporation," after "the Railroad Retirement Board,".

(2) POSITION AT LEVEL IV OF THE EXECUTIVE SCHEDULE.—

(A) IN GENERAL.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof, "Inspector General, Resolution Trust Corporation".

(B) APPROPRIATION.—There is hereby authorized to be appropriated such sums as may be necessary for the operation of the Office of Inspector General established by the amendment made by paragraph (1) of this subsection.

(c) ANNUAL GAO AUDIT REQUIRED.—Section 9105(a)(2) of title 31, United States Code, is amended by striking out "Federal Savings and Loan Insurance Corporation" and inserting in lieu thereof "Resolution Trust Corporation".

(d) CONFORMING AMENDMENTS TO URBAN HOMESTEADING PROGRAM.—

(1) LISTING OF PROPERTIES.—Section 810(f) of the Housing and Community Development Act of 1974 (12 U.S.C. 1706e(f)) is amended—

(A) by inserting "the Resolution Trust Corporation," after "Agriculture," the first place it appears; and

(B) by inserting "the Corporation," after "Agriculture," the second place it appears.

(2) REIMBURSEMENT BY HUD.—Section 810(g) of the Housing and Community Development Act of 1974 (12 U.S.C. 1706e(g)) is amended by adding at the end the following new paragraph:

"(3) The Secretary is authorized to reimburse the Resolution Trust Corporation, in an amount to be agreed upon by the Secretary and the Corporation, for property that the Corporation conveys to a unit of general local government, State, or agency for use in connection with an urban homesteading program approved by the Secretary.".

Subtitle B—Resolution Funding Corporation

SEC. 502. RESOLUTION FUNDING CORPORATION ESTABLISHED.

(a) IN GENERAL.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 21A (as added by section 501 of this title) the following new section:

"SEC. 21B. RESOLUTION FUNDING CORPORATION ESTABLISHED.

"(a) PURPOSE.—The purpose of the Resolution Funding Corporation is to provide funds to the Resolution Trust Corporation in order for such corporation to carry out its purposes under this Act.

"(b) ESTABLISHMENT.—Notwithstanding any other provision of law and not later than 5 days after the enactment of this title, the Federal Housing Finance Board shall charter a corporation to be known as the Resolution Funding Corporation (hereinafter referred to in this Act as the 'Funding Corporation').

"(c) MANAGEMENT OF THE FUNDING CORPORATION.—

"(1) DIRECTORATE.—The Funding Corporation shall be under the management of a directorate composed of 3 members as follows:

"(A) The director of the Office of Finance of the Federal home loan banks (or the head of any successor office to such office); and

"(B) 2 members selected by the Oversight Board from among the presidents of the Federal home loan banks.

"(2) TERMS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the 2 members appointed under paragraph (1)(B) shall be appointed for a term of 3 years.

"(B) STAGGERED TERMS.—Of the 2 members first appointed under paragraph (1)(B), 1 shall be appointed for a term of 2 years and 1 shall be appointed for a term of 3 years, as designated by the Oversight Board at the time of appointment.

"(3) VACANCY.—If any member leaves the office in which such member was serving when appointed to the Directorate—

"(A) such member's service on the Directorate shall terminate on the date such member leaves such office; and

"(B) the successor to the office of such member shall serve the remainder of such member's term.

"(4) EQUAL REPRESENTATION OF BANKS.—No president of a Federal Home Loan Bank may be appointed to serve an additional term on the Directorate until such time as the presidents of each of the other Federal home loan banks have served as many terms on the Directorate as the president of such bank (before the appointment of such president to such additional term).

"(5) CHAIRPERSON.—The Oversight Board shall select the chairperson of the Directorate from among the three members of the Directorate.

"(6) STAFF.—

"(A) NO PAID EMPLOYEES.—The Funding Corporation shall have no paid employees.

"(B) POWERS.—The Directorate may, with the approval of the Chairperson of the Federal Housing Finance Board, authorize the officers, employees, or agents of the Federal home loan banks to act for and on behalf of the Funding Corporation in such manner as may be necessary to carry out the functions of the Funding Corporation.

"(7) ADMINISTRATIVE EXPENSES, ISSUANCE COSTS, AND CUSTODIAN FEES.—

"(A) IN GENERAL.—All administrative expenses, issuance costs (as defined in subsection (k)(4)), and custodian fees (as defined in subsection (k)(5)) of the Funding Corporation shall be paid by the Federal home loan banks.

"(B) PRO RATA DISTRIBUTION.—The amount each Federal home loan bank shall pay shall be determined by the Oversight Board by multiplying the total administrative expenses, issuance costs and custodian fees for any period by the percentage arrived at by dividing—

"(i) the aggregate amount the Oversight Board required such bank to invest in the Funding Corporation (as of the time of such determination) under paragraphs (4) and (5) of subsection (e) (as computed without regard to paragraphs (3) or (6) of such subsection); by

"(ii) the aggregate amount the Oversight Board required all Federal home loan banks to invest (as of the time of such determination) under such paragraphs.

"(C) ADMINISTRATIVE EXPENSES DEFINED.—For purposes of this paragraph, the term 'administrative expenses' does not include any interest on (and any redemption premium with respect to) any obligation of the Funding Corporation.

"(8) REGULATION BY OVERSIGHT BOARD.—The Directorate of the Funding Corporation shall be subject to such regulations, orders, and directions as the Oversight Board may prescribe.

"(9) NO COMPENSATION FROM FUNDING CORPORATION.—Members of the Directorate of the Funding Corporation shall receive no pay, allowances, or benefits from the Funding Corporation by reason of their service on the Directorate.

"(d) POWERS OF THE FUNDING CORPORATION.—The Funding Corporation shall have only the following powers, subject to the other provisions of this section and such regulations, orders, and directions as the Oversight Board may prescribe—

"(1) to issue nonvoting capital stock to the Federal home loan banks;

"(2) to purchase nonvoting nontransferable capital certificates issued by the Resolution Trust Corporation under section 21A of this Act;

"(3) to issue debentures, bonds, or other obligations and to borrow, to give security for any amount borrowed, and to pay interest on (and any redemption premium with respect to) any such obligation or amount;

"(4) to impose assessments in accordance with subsection (e)(7);

"(5) to adopt, alter, and use a corporate seal;

"(6) to have succession until dissolved;

"(7) to enter into contracts;

"(8) to sue and be sued in its corporate capacity, and to complain and defend in any action brought by or against the Funding Corporation in any State or Federal court of competent jurisdiction; and

"(9) to exercise such incidental powers not inconsistent with the provisions of this section or section 21A(l) of this Act as may be necessary or appropriate to carry out the provisions of this section.

"(e) CAPITALIZATION OF THE FUNDING CORPORATION.—

"(1) IN GENERAL.—Each Federal home loan bank shall invest in nonvoting capital stock of the Funding Corporation at such times and in such amounts as the Oversight Board may prescribe under this subsection.

"(2) PAR VALUE; TRANSFERABILITY.—Each share of stock issued by the Funding Corporation to a Federal home loan bank shall have a par value in an amount determined by the Oversight Board and shall be transferable only among the Federal home loan banks in the manner and to the extent prescribed by the Oversight Board at not less than par value.

"(3) MAXIMUM INVESTMENT AMOUNT LIMITATION FOR EACH FEDERAL HOME LOAN BANK.—The cumulative amount of funds invested in nonvoting capital stock of the Funding Corporation by each Federal home loan bank shall not exceed the aggregate amount of—

"(A) the sum of—

"(i) the reserves maintained by such bank on December 31, 1988, pursuant to the requirement contained in the first 2 sentences of section 16 of this Act (as in effect on such date); and

"(ii) the undivided profits (as defined in paragraph (8) hereof) of such bank on such date; minus

"(iii) the amounts used as of such date to invest in the capital stock of the Financing Corporation pursuant to the requirement contained in section 21 of this Act; and

"(B) for the period beginning on January 1, 1989, and ending on the later of December 31, 1991, or such date as may be necessary to fund the Funding Corporation Principal Fund pursuant to subsection (g), an aggregate amount equal to—

"(i) the sum of—

"(I) the amounts added to reserves after December 31, 1988, pursuant to the reserve requirements contained in section 16; and

"(II) the undivided profits of such bank accruing after December 31, 1988; minus

"(ii) the amounts used to invest in the capital stock of the Financing Corporation after December 31, 1988, pursuant to the requirement contained in section 21 of this Act.

"(4) PRO RATA DISTRIBUTION OF FIRST $1,000,000,000 INVESTED IN THE FUNDING CORPORATION BY THE FEDERAL HOME LOAN BANKS.—With respect to the first $1,000,000,000 in the aggregate which the Chairperson of the directorate of the Financing Corporation pursuant to section 21 or the Oversight Board under this section, as the case may be, may require the Federal home loan banks to invest in the capital stock of the Financing Corporation and the Funding Corporation under section 21(d) and this subsection, respectively, the amount which each Federal home loan bank (or any successor to such bank) shall invest shall be determined by the Chairperson or the Oversight Board, as the case may be, by applying to the aggregate amount of such investment by all banks the percentage appearing in the following table for each such bank:

"Bank	Percentage
Federal Home Loan Bank of Boston	1.8629
Federal Home Loan Bank of New York	9.1006
Federal Home Loan Bank of Pittsburgh	4.2702
Federal Home Loan Bank of Atlanta	14.4007
Federal Home Loan Bank of Cincinnati	8.2653
Federal Home Loan Bank of Indianapolis	5.2863
Federal Home Loan Bank of Chicago	9.6886
Federal Home Loan Bank of Des Moines	6.9301
Federal Home Loan Bank of Dallas	8.8181
Federal Home Loan Bank of Topeka	5.2706
Federal Home Loan Bank of San Francisco	19.0644
Federal Home Loan Bank of Seattle	6.1422

"(5) PRO RATA DISTRIBUTION OF AMOUNTS REQUIRED TO BE INVESTED IN EXCESS OF $1,000,000,000.—With respect to any amount in excess of the $1,000,000,000 amount referred to in paragraph (4) which the Oversight Board may require the Federal home loan banks to invest in capital stock of the Funding Corporation under this subsection, the amount which each Federal home loan bank (or any successor to such bank) shall invest shall be determined by the Oversight Board by multiplying such excess amount by the percentage arrived at by dividing—

"(A) the sum of the total assets (as of the most recent December 31) held by all Savings Association Insurance Fund members (as defined in section 7(l)(5) of the Federal Deposit Insurance Act) which are members of such bank; by

"(B) the sum of the total assets (as of such date) held by all Savings Association Insurance Fund members (as defined in section 7(l)(5) of the Federal Deposit Insurance Act) which are members of any Federal home loan bank.

"(6) SPECIAL PROVISIONS RELATING TO MAXIMUM AMOUNT LIMITATIONS.—

"(A) IN GENERAL.—If the amount any Federal home loan bank is required to invest in capital stock of the Funding Corporation pursuant to a determination by the Oversight Board under paragraph (5) (or under subparagraph (B) of this paragraph) exceeds the maximum investment amount applicable with respect to such bank under paragraph (3) at the time of such determination (hereinafter in this paragraph referred to as the 'excess amount')—

"(i) the Oversight Board shall require each remaining Federal home loan bank to invest (in addition to the amount determined under paragraph (5) for such remaining bank and subject to the maximum investment amount applicable with respect to such remaining bank under paragraph (3) at the time of such determination) in such capital stock on behalf of the bank in the amount determined under subparagraph (B);

"(ii) the Oversight Board shall require the bank to subsequently purchase the excess amount of capital stock from the remaining banks in the manner described in subparagraph (C); and

"(iii) the requirements contained in subparagraphs (D) and (E) relating to the use of net earnings available for dividends shall apply to such bank until the bank has purchased all of the excess amount of capital stock.

"(B) ALLOCATION OF EXCESS AMOUNT AMONG REMAINING HOME LOAN BANKS.—The amount each remaining Federal home loan bank shall be required to invest under subparagraph (A)(i) is the amount determined by the Oversight Board by multiplying the excess amount by the percentage arrived at by dividing—

"(i) the amount of capital stock of the Funding Corporation held by such remaining bank at the time of such determination; by

"(ii) the aggregate amount of such stock held by all remaining banks at such time.

"(C) PURCHASE PROCEDURE.—The bank on whose behalf an investment in capital stock is made under subparagraph (A)(i) shall purchase, annually and at such issuance price, from each remaining bank an amount of such stock determined by the Oversight Board by multiplying the amount available for such purchases (at the time of such determination) by the percentage determined under subparagraph (B) with respect to such remaining bank until the aggregate amount of such capital stock has been purchased by the bank.

"(D) LIMITATION ON DIVIDENDS.—The amount of dividends which may be paid for any year by a bank on whose behalf an investment is made under subparagraph (A)(i) shall not exceed an amount equal to ¼ of the net earnings available for dividends of the bank for the year.

"(E) TRANSFER TO ACCOUNT FOR THE PURCHASE OF STOCK REQUIRED.—Of the net earnings available for dividends for any year of a bank on whose behalf an investment is made under subparagraph (A)(i), such amount as is necessary to make the purchases of stock required under subparagraph (A)(ii) shall be placed in a reserve account (established in such manner as the Oversight Board shall prescribe by regulations) the balance in which shall be available only for such purchases.

"(F) NET EARNINGS AVAILABLE FOR DIVIDENDS DEFINED.—For purposes of this paragraph, the term 'net earnings available for dividends' means the net earnings of a bank for any period as computed after reducing the amount of earnings for such period by the amount required to be carried (for such period) to reserves maintained by such bank pursuant to the reserve requirements contained in section 16.

"(7) ADDITIONAL SOURCES.—If each Federal home loan bank has exhausted the investment amount applicable with respect to such bank under paragraphs (3) and (9), as calculated under paragraphs (4), (5), and (6), the amounts necessary to provide addi-

tional funding for the Funding Corporation Principal Fund shall be obtained in the manner provided in the following subparagraphs (in the order in which such subparagraphs appear):

"(A) The Funding Corporation, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, shall assess against each Savings Association Insurance Fund member an assessment (in the same manner as assessments are assessed against such members by the Federal Deposit Insurance Corporation pursuant to section 7 of the Federal Deposit Insurance Act) except that—

"(i) the maximum amount of the aggregate amount assessed shall be the amount of additional funds necessary to fund the Funding Corporation Principal Fund;

"(ii) the sum of—

"(I) the amount assessed under this paragraph; and

"(II) the amount assessed by the Financing Corporation under section 21 of this Act,

shall not exceed the amount authorized to be assessed against Savings Association Insurance Fund members pursuant to section 7 of the Federal Deposit Insurance Act;

"(iii) the Financing Corporation shall have first priority to make such assessment; and

"(iv) the amount of the applicable assessment rate determined under such section 7 shall be reduced by the sum described in clause (ii) of this subparagraph.

"(B) To the extent funds available pursuant to subparagraph (A) are insufficient to provide sufficient capital to fund the Funding Corporation Principal Fund, the Federal Deposit Insurance Corporation shall transfer to the Funding Corporation from the receivership proceeds of the FSLIC Resolution Fund the remaining amount of funds necessary for such purpose.

"(8) UNDIVIDED PROFITS DEFINED.—For purposes of paragraph (3), the term 'undivided profits' means retained earnings minus the sum of—

"(A) that portion required to be added to reserves maintained pursuant to the reserve requirements contained in section 16;

"(B) the dollar amounts held by the respective Federal home loan banks in special dividend stabilization reserves on December 31, 1985, as determined by the table set forth in section 21(d)(7) of this Act.

"(9) AGGREGATE ANNUAL FEDERAL HOME LOAN BANKS CONTRIBUTION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section or section 21 or 21A of this Act, the sum of the supplementary capital and supplementary interest payments by the Federal home loan banks in any year shall not exceed the amount which is equal to the lesser of—

"(i) $300,000,000; or

"(ii) 20 percent of the aggregate net earnings of the Federal home loan banks for such year.

"(B) SUPPLEMENTARY CAPITAL AND SUPPLEMENTARY INTEREST PAYMENTS DEFINED.—For purposes of subparagraph (A):

"(i) SUPPLEMENTARY CAPITAL PAYMENT.—The term 'supplementary capital payment' means the sum of the amounts required (in accordance with paragraph (3)(B) of this subsection) to be invested in nonvoting capital stock of the Funding Corporation by each Federal home loan bank under this subsection in excess of the maximum amount limitation established for each such bank under paragraph (3)(A) of this subsection.

"(ii) SUPPLEMENTARY INTEREST PAYMENT.—The term 'supplementary interest payment' means the sum of the amounts required to be contributed by each Federal home loan bank under subsection (f)(3)(C) to the Funding Corporation for interest payments by the Funding Corporation.

"(10) RESERVE REQUIREMENTS CONTAINED IN SECTION 16 DEFINED.—For purposes of this subsection, the term 'reserve requirements contained in section 16' means—

"(A) with respect to the period ending on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the first 2 sentences of section 16; and

"(B) with respect to the period beginning on such date of enactment, the reserve requirements contained in section 16(a).

"(f) OBLIGATIONS OF THE FUNDING CORPORATION.—

"(1) ISSUANCE.—The Funding Corporation, subject to the direction of the Resolution Trust Corporation, may issue bonds, notes, debentures, and similar obligations, in an aggregate amount not to exceed $50,000,000,000.

"(2) INTEREST PAYMENTS.—The Funding Corporation shall pay the interest due on (and any redemption premium with respect to) such obligations from funds obtained for such interest payments in the manner provided in the following subparagraphs (in the order in which such subparagraphs appear):

"(A) EARNINGS ON CERTAIN ASSETS.—All earnings on assets (of the Funding Corporation) which—

"(i) are described in subsection (g)(1) of this section; and

"(ii) are not invested pursuant to subsection (g)(2),

shall be used to make interest payments on Funding Corporation obligations when interest is due.

"(B) PROCEEDS OF RTC.—The Resolution Trust Corporation shall pay to the Funding Corporation—

"(i) the net proceeds received by the Resolution Trust Corporation from the liquidation of institutions under the management of the Corporation pursuant to section 21A of this Act to the extent the amount of such proceeds are determined by the Oversight Board to be in excess of the amount of funds necessary for resolution costs in the short-term period following the date of such determination; and

"(ii) any proceeds from warrants and participations of the Resolution Trust Corporation.

"(C) SUPPLEMENTARY PAYMENTS BY HOME LOAN BANKS.—To the extent the funds available pursuant to subparagraph (A) and (B) are insufficient to cover the amount of interest payments, the Federal home loan banks shall pay to the Funding Corporation—

"(i) the aggregate annual amount of $300,000,000; minus

"(ii) the sum of—

"(I) the aggregate amount paid by such banks to the Financing Corporation pursuant to section 21 of this Act during such year; and

"(II) the aggregate amount of capital certificates of the Funding Corporation which were purchased by such banks during such year,

with each bank's individual share to be determined pursuant the formulation and limitations of paragraphs (3) through (6) of subsection (e).

"(D) ASSETS OF RTC.—Upon the dissolution of the Resolution Trust Corporation, the net proceeds from all assets of such corporation shall be transferred to the Funding Corporation for payment of interest under this paragraph.

"(E) TREASURY BACKUP.—

"(i) IN GENERAL.—Notwithstanding any other provision of this Act, if the Directorate determines, after consultation with and subject to the approval of the Secretary of the Treasury, that the Funding Corporation is unable to pay the interest on any obligation issued under this subsection from the sources of funds under the preceding subparagraphs of this paragraph, the Secretary of the Treasury shall pay, out of any funds appropriated for such purpose, to the Funding Corporation the additional amount due which shall be used by the Funding Corporation to pay such interest.

"(ii) LIABILITY OF FUNDING CORPORATION.—In each such instance where the Secretary of the Treasury is required to make a payment under this paragraph to the Funding Corporation, the amount of the payment shall become a liability of the Funding Corporation to be repaid to the Secretary of the Treasury upon dissolution of the Funding Corporation (to the extent the Funding Corporation may have any remaining assets).

"(iii) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Treasury, for fiscal year 1989 and each fiscal year thereafter, such sums as may be necessary to carry out clause (i) of this subparagraph.

"(3) PRINCIPAL PAYMENTS.—On maturity of an obligation issued under this subsection, the obligation shall be repaid by the Funding Corporation from the liquidation of noninterest bearing instruments held in the Funding Corporation Principal Fund established by subsection (g)(2).

"(4) PROCEEDS TO BE INVESTED IN CAPITAL CERTIFICATES OF THE RESOLUTION TRUST CORPORATION.—Subject to such terms and conditions as may be approved by the Oversight Board, the proceeds of any obligation issued by the Funding Corporation shall be used to—

"(A) purchase the capital certificates issued by the Resolution Trust Corporation under section 21A of this Act; or

"(B) refund any previously issued obligation the proceeds of which were invested in the manner described in subparagraph (A).

"(5) INVESTMENT OF UNITED STATES FUNDS IN OBLIGATIONS.—Obligations issued under this section by the Funding Corporation, at the direction of the Oversight Board shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer of the United States.

"(6) MARKET FOR OBLIGATIONS.—All persons having the power to invest in, sell, underwrite, purchase for their own accounts, accept as security, or otherwise deal in obligations of the Federal home loan banks shall also have the power to do so with respect to obligations of the Funding Corporation.

"(7) TAX EXEMPT STATUS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), obligations of the Funding Corporation shall be exempt from tax both as to principal and interest to the same extent as any obligation of any Federal home loan bank is exempt from tax under section 13 of this Act.

"(B) EXCEPTION.—The Funding Corporation, like the Federal home loan banks,

VOL 135 PT 9 JE 14 22 1989 UMI

shall be treated as an agency of the United States for purposes of the first sentence of section 3124(b) of title 31, United States Code (relating to determination of tax status of interest on obligations).

"(8) OBLIGATIONS ARE EXEMPT SECURITIES.—Notwithstanding paragraph (11) of this subsection, obligations of the Funding Corporation shall be deemed to be exempt securities (within the meaning of the laws administered by the Securities and Exchange Commission) to the same extent as securities which are direct obligations of the United States or are guaranteed as to principal or interest by the United States.

"(9) MINORITY PARTICIPATION IN PUBLIC OFFERINGS.—The Oversight Board and the Directorate shall ensure that minority owned or controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate to a significant degree in any public or negotiated offering of obligations issued under this section.

"(10) SMALL INVESTOR PARTICIPATION IN PUBLIC OFFERINGS.—

"(A) IN GENERAL.—In order to provide small investors the opportunity to participate in public offerings of obligations of the Funding Corporation, such portion of any public auction of such obligations as the Oversight Board may determine to be appropriate shall be—

"(i) offered in a minimum denomination not to exceed $1,000; and

"(ii) available for purchase on original issue through Federal Reserve banks and branches.

"(B) BROAD DISTRIBUTION.—The Funding Corporation shall attempt to make obligations issued in small denominations pursuant to subparagraph (A) broadly available to the general public.

"(C) TREASURY STUDY.—The Secretary of the Treasury shall—

"(i) examine additional methods for encouraging small investors to participate in public offerings of obligations of the Funding Corporation; and

"(ii) on the basis of any experience gained in public offerings pursuant to subparagraph (A), consider the feasibility of any such methods as a means of encouraging further small investor participation in offerings of Treasury obligations.

"(11) NO FULL FAITH AND CREDIT OF THE UNITED STATES FOR PRINCIPAL.—Except as provided in subsection (f)(2)(E)(i) with respect to interest on obligations of the Funding Corporation, such obligations shall not be obligations of, or guaranteed as to principal by, the Federal Housing Finance Board, the Federal home loan banks, the Resolution Trust Corporation, or the United States and the obligations shall so plainly state.

"(g) USE AND DISPOSITION OF ASSETS OF THE FUNDING CORPORATION NOT INVESTED IN RESOLUTION TRUST CORPORATION.—

"(1) IN GENERAL.—Subject to such regulations, restrictions, and limitations as may be prescribed by the Oversight Board, any assets of the Funding Corporation which are not invested in capital certificates issued by the Resolution Trust Corporation under section 21A of this Act and which are not needed for current interest payments, shall be invested in—

"(A) direct obligations of the United States;

"(B) obligations, participations, or other instruments of, or issued by, the Federal National Mortgage Association or the Government National Mortgage Association;

"(C) mortgages, obligations, or other securities for sale by, or which have been disposed of by, the Federal Home Loan Mortgage Corporation under section 305 or 306 of the Federal Home Loan Mortgage Corporation Act; or

"(D) any other security in which it is lawful for fiduciary and trust funds to be invested under the laws of any State.

"(2) SEGREGATED ACCOUNT FOR ZERO COUPON INSTRUMENTS HELD TO ASSURE PAYMENT OF PRINCIPAL.—The Funding Corporation shall invest amounts received pursuant to subsection (e) in, and hold in a segregated account (hereinafter in this section referred to as the the 'Funding Corporation Principal Fund'), noninterest bearing instruments—

"(A) which are securities described in paragraph (1); and

"(B) the total of the face amounts (the amount of principal payable at maturity) of which is approximately equal to the aggregate amount of principal on the obligations of the Funding Corporation.

"(h) MISCELLANEOUS PROVISIONS RELATING TO THE FUNDING CORPORATION.—

"(1) TREATMENT FOR CERTAIN PURPOSES.—Except as provided in subsection (f)(7)(B), the Funding Corporation shall be treated as a Federal home loan bank for purposes of section 13 (to the extent such section relates to State, municipal, and local taxation) and section 23 of this Act.

"(2) FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.—The Federal Reserve banks are authorized to act as depositaries for or fiscal agents or custodians of the Funding Corporation.

"(3) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO GOVERNMENT CORPORATIONS.—Notwithstanding the fact that no Government funds may be invested in the Funding Corporation, the Funding Corporation shall be treated, for purposes of sections 9105, 9107, and 9108 of title 31, United States Code, as a mixed-ownership Government corporation which has capital of the Government.

"(4) POWER TO REMOVE AND JURISDICTION.—

"(A) FEDERAL COURT JURISDICTION.—Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the Resolution Funding Corporation is a party shall be deemed to arise under the laws of the United States.

"(B) REMOVAL.—The Resolution Funding Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia.

"(i) TERMINATION OF THE FUNDING CORPORATION.—

"(1) IN GENERAL.—The Funding Corporation shall be dissolved, as soon as practicable, after the maturity and full payment of all obligations issued by the Funding Corporation under this section.

"(2) OVERSIGHT BOARD AUTHORITY TO CONCLUDE THE AFFAIRS OF THE FUNDING CORPORATION.—Effective on the date of the dissolution of the Funding Corporation under paragraph (1), the Oversight Board may exercise on behalf of the Funding Corporation, any power of the Funding Corporation which the Oversight Board determines to be necessary to settle and conclude the affairs of the Funding Corporation.

"(j) REGULATIONS.—The Oversight Board may prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations defining terms used in this section.

"(k) DEFINITIONS.—For purposes of this section—

"(1) INSURED SAVINGS ASSOCIATION.—The term 'insured savings association' means a savings association (as defined by section 3(u) of the Federal Deposit Insurance Act) which was insured by the Federal Savings and Loan Insurance Corporation on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(2) OVERSIGHT BOARD.—The term 'Oversight Board' means—

"(A) the Oversight Board of the Resolution Trust Corporation; and

"(B) after the termination of the Resolution Trust Corporation, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Attorney General, the Secretary of Housing and Urban Development, and the Chairperson of the Federal Deposit Insurance Corporation.

"(3) DIRECTORATE.—The term 'Directorate' means the directorate established in the manner provided in subsection (c)(1) to manage the Funding Corporation.

"(4) ISSUANCE COSTS.—The term 'issuance costs'—

"(A) means issuance fees and commissions incurred by the Funding Corporation in connection with the issuance or servicing of any obligation of the Funding Corporation; and

"(B) includes legal and accounting expenses, trustee and fiscal paying agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses, to the extent that any such cost or expense is incurred by the Funding Corporation in connection with issuing any obligation.

"(5) CUSTODIAN FEES.—The term 'custodian fee' means—

"(A) any fee incurred by the Funding Corporation in connection with the transfer of any security to, or the maintenance of any security in, the segregated account established under subsection (g); and

"(B) any other expense incurred by the Funding Corporation in connection with the establishment or maintenance of such account.

"(l) REPORTS.—

"(1) ANNUAL REPORT.—The Corporation shall annually submit a full report of the Oversight Board's operations, activities, budget, receipts, and expenditures for the preceding 12-month period.

"(2) CONTENTS.—The report required under paragraph (1) shall include—

"(A) audited statements and such information as is necessary to make known the financial condition and operations of the Corporation in accordance with generally accepted accounting principles;

"(B) the Corporation's financial operating plans and forecasts (including estimates of actual and future spending, and estimates of actual and future cash obligations) taking into account the Corporation's financial commitments, guarantees and other contingent liabilities; and

"(C) the results of the annual audit of the Corporation's financial transactions conducted by the Comptroller General pursuant to section 9105(a) of title 31, United States Code.

"(3) SUBMISSION TO CONGRESS AND THE PRESIDENT.—The Corporation shall submit each annual report required under this subsection to the Congress and the President as soon as practicable after the end of the calendar year for which such report is made but not later than June 30 of the year following such calendar year.".

(b) ANNUAL GAO AUDIT REQUIRED.—Section 9105(a)(2) of title 31, United States Code, as amended by section 501(c) of this

title, is amended by inserting ", Funding Corporation," after "Corporation".

SEC. 503. FINANCING CORPORATION.

Section 21 of the Federal Home Loan Bank Act (12 U.S.C. 1441) is amended—

(1) by striking out "insured institution" "insured institutions" each place such terms appear and inserting in lieu thereof "insured savings association" and "insured savings associations", respectively;

(2) by striking out "institution" each place such term appears (other than in connection with any term amended under paragraph (1) of this subsection) and inserting in lieu thereof "association";

(3) by striking out "Federal Home Loan Bank Board" each place such term appears and inserting in lieu thereof "Federal Housing Finance Board";

(4) in subsection (c)(2), by inserting "before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and on and after such date the FSLIC Resolution Fund" before the period;

(5) in subsection (c)(9), by striking out "or section 402(b) of the National Housing Act";

(6) in subsection (d)(3)(A)(i), by inserting "(as in effect on such date)" before the semicolon;

(7) in subsection (d)(3)(B)(i), by striking "pursuant to the requirement contained in the first 2 sentences of section 16" and inserting in lieu thereof "pursuant to the reserve requirements contained in section 16";

(8) in subsection (d)(4), by striking out "With respect to the first $1,000,000,000" and all that follows through the colon (preceding the table) and inserting in lieu thereof "With respect to the first $1,000,000,000 in the aggregate which the Chairperson of the directorate pursuant to this section or the Oversight Board under section 21A, as the case may be, may require the Federal home loan banks to invest in the capital stock of the Financing Corporation and the Funding Corporation under this subsection and section 21B(e), respectively, the amount which each Federal home loan bank (or any successor to such bank) shall invest shall be determined by the Chairperson or the Oversight Board, as the case may be, by applying to the aggregate amount of such investment by all banks the percentage appearing in the following table for each such bank:";

(9) in subsection (d)(5), by inserting "amount referred to in paragraph (4)" after "$1,000,000,000";

(10) in subsection (d)(6), by striking "pursuant to the first two sentences of section 16 of this Act" and inserting in lieu thereof "pursuant to the reserve requirements contained in section 16";

(11) in subsection (d)(7)(A), by striking "pursuant to the first two sentences of section 16 of this Act" and inserting in lieu thereof "pursuant to the reserve requirements contained in section 16";

(12) by adding at the end of subsection (d) the following new paragraph:

"(8) RESERVE REQUIREMENTS CONTAINED IN SECTION 16 DEFINED.—For purposes of this subsection, the term 'reserve requirements contained in section 16' means—

"(A) with respect to the period ending on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the first 2 sentences of section 16; and

"(B) with respect to the period beginning on such date of enactment, the reserve requirements contained in section 16(a).";

(13) by striking out paragraph (2) of subsection (e);

(14) in subsection (e)(3)(A), by inserting "before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and on and after such date, purchase capital certificates or capital stock issued by the FSLIC Resolution Fund" before the semicolon;

(15) in subsection (e)(7) by striking out "the Federal Savings and Loan Insurance Corporation" and inserting in lieu thereof "the FSLIC Resolution Fund";

(16) by amending subsection (f) to read as follows:

"(f) SOURCES OF FUNDS FOR INTEREST PAYMENTS; FINANCING CORPORATION ASSESSMENT AUTHORITY.—The Financing Corporation shall obtain funds for interest payments on obligations in the manner provided in the following paragraphs (in the order in which such paragraphs appear):

"(1) PREENACTMENT ASSESSMENTS.—The Financing Corporation assessments which were assessed on insured institutions pursuant to this subsection (as in effect before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989).

"(2) NEW ASSESSMENT AUTHORITY.—The Financing Corporation, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, shall assess against each insured Savings Association Insurance Fund member an assessment in the same manner as assessments are assessed against such members by the Federal Deposit Insurance Corporation pursuant to section 7 of the Federal Deposit Insurance Act, except that—

"(A) the sum of—

"(i) the amount assessed under this subsection; and

"(ii) the amount assessed by the Funding Corporation under section 21B of this Act,

shall not exceed the applicable annual assessment rate under section 7 of the Federal Deposit Insurance Act;

"(B) the Financing Corporation shall have first priority to make such assessments; and

"(C) the amount of the applicable annual assessment rate under such section 7 shall be reduced by the sum described in subparagraph (A) of this paragraph.

"(3) RECEIVERSHIP PROCEEDS.—Subject to the requirements of section 21B(e)(7)(B) of this Act, to the extent the funds available pursuant to paragraphs (1) and (2) are insufficient to cover the amount of interest payments, the Federal Deposit Insurance Corporation shall transfer to the Financing Corporation from the receivership proceeds of the FSLIC Resolution Fund the remaining amount of funds necessary for the Financing Corporation to make interest payments.";

(17) in subsection (g)(1), by striking out "National Housing Act," and inserting in lieu thereof "National Housing Act (as in effect before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989) or capital certificates or capital stock issued by the FSLIC Resolution Fund,";

(18) by amending subsection (j)(1)(A) to read as follows:

"(A) the maturity and full payment of all obligations issued by the Financing Corporation pursuant to this section; or"; and

(19) by amending subsection (l)(1) to read as follows:

"(1) INSURED SAVINGS ASSOCIATION.—The term 'insured savings association' means any savings association (as defined by section 3(b)(1) of the Federal Deposit Insurance Act) which was insured by the Federal Savings and Loan Insurance Corporation before the date of enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.".

SEC. 504. MIXED OWNERSHIP GOVERNMENT CORPORATION.

Section 9101(2) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(L) The Resolution Funding Corporation.".

SEC. 505. WHOLLY OWNED GOVERNMENT CORPORATION.

Section 9101(3) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(N) The Resolution Trust Corporation.".

SEC. 506. COMPTROLLER GENERAL AUDIT AND ACCESS TO RECORDS.

(a) AUDIT OF AGENCIES OR OTHER PERSONS PERFORMING FUNCTIONS UNDER BANKING LAWS.—All agencies, corporations, organizations and other persons of any description which perform any function or activity under this Act, or any other Act which is amended by this Act, shall be subject to audit by the Comptroller General of the United States with respect to such functions or activities (other than any function of the Board of Governors of the Federal Reserve System or the Federal Reserve Banks that is otherwise exempt by law from audit by the Comptroller General pursuant to section 911(a)(3) of the International Lending Supervision Act of 1983 or is exempt from audit pursuant to paragraphs (1) through (4) of section 714(b) of title 31, United States Code).

(b) AUDIT OF PERSONS PROVIDING CERTAIN GOODS OR SERVICES.—All persons and organizations which, by contract, grant or otherwise, provide goods or services to, or receive financial assistance from, any agency or other person performing functions or activities under this Act shall be subject to audit by the Comptroller General with respect to such provision of goods or services or receipt of financial assistance.

(c) PROVISIONS APPLICABLE TO AUDITS UNDER THIS SECTION.—

(1) NATURE AND SCOPE OF AUDIT.—The Comptroller General shall determine the nature, scope, and terms and conditions of audits conducted under this section.

(2) COORDINATION WITH OTHER PROVISIONS OF LAW.—The authority of the Comptroller General under this section shall be in addition to any audit authority available to the Comptroller General under other provisions of this Act or any other law.

(3) RIGHTS OF ACCESS, EXAMINATION, AND COPYING.—The Comptroller General, and any duly authorized representative of the Comptroller General, shall have access to, and the right to examine and copy, all records and other recorded information in any form, and to examine any property, within the possession or control of any agency or person which is subject to audit under this section which the Comptroller General deems relevant to an audit conducted under this section.

(4) ENFORCEMENT OF RIGHT OF ACCESS.—The Comptroller General's right of access to information under this section shall be enforceable pursuant to 31 U.S.C. 716.

(5) MAINTENANCE OF CONFIDENTIAL RECORDS.—The provisions of section 716(e) of title 31, United States Code, shall apply to information obtained by the Comptroller General under this section.

SEC. 507. GAO EXAMINATION OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RESOLUTIONS.

The Comptroller General of the United States shall examine and monitor all insolvent institution cases resolved by the Federal Savings and Loan Insurance Corporation from January 1, 1988, through the date of the enactment of this Act, and shall provide Congress with an estimate of the costs of the agreements entered into by the Corporation pursuant to such resolutions. Not less than annually, the Comptroller General shall provide Congress with revisions to such estimates, to take into account any new information that he obtains with regard to such agreements.

SEC. 508. ESTABLISHMENT OF PRESIDENTIALLY APPOINTED INSPECTOR GENERAL.

(a) ESTABLISHMENT OF OFFICE.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by striking "Nuclear Regulatory Commission" and inserting "Federal Deposit Insurance Corporation, the Nuclear Regulatory Commission,"; and

(2) in paragraph (2), by inserting "the Federal Deposit Insurance Corporation," after "the Environmental Protection Agency,".

(b) CONFORMING AMENDMENTS.—

(1) INSPECTOR GENERAL ACT AMENDMENT.—Section 8E(a)(2) of the Inspector General Act of 1978 is amended by striking "the Federal Deposit Insurance Corporation,".

(2) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Inspector General, Federal Deposit Insurance Corporation.".

TITLE VI—THRIFT ACQUISITION ENHANCEMENT PROVISIONS

SEC. 601. ACQUISITION OF THRIFTS BY BANKS AND BANK HOLDING COMPANIES.

Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsection:

"(l) ACQUISITION OF SAVINGS ASSOCIATIONS.—

"(1) IN GENERAL.—Beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Board may approve an application by any bank holding company under subsection (c)(8) to acquire any savings association in accordance with the requirements and limitations of this section.

"(2) PROHIBITION ON TANDEM RESTRICTIONS.—In approving an application by any bank holding company to acquire a savings association, the Board shall not impose any restriction on transactions between the savings association and its holding company affiliates, except as required under the provisions of sections 23A and 23B of the Federal Reserve Act or any other applicable law.

"(3) MODIFICATION OF PRIOR APPROVALS.—If, before the date of the enactment of this subsection, the Board imposed any restriction which is prohibited under paragraph (2) with respect to an application by a bank holding company to acquire a savings association, the Board shall modify such approval in a manner which is consistent with the requirements of paragraph (2).

"(4) ADDITIONAL PROVISION APPLICABLE TO CERTAIN INSTITUTION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, if, on or before December 31, 1985, a bank holding company entered into a letter of intent or a written memorandum of understanding which provided for the acquisition of the savings association described in subparagraph (B) by such bank holding company or any of its subsidiaries (through merger, consolidation, reorganization, acquisition, or combination of any means) from the holding company, person, or entity which controls such savings association, such bank holding company shall—

"(i) be permitted to consummate such transaction at any time after the date of the enactment of this paragraph;

"(ii) upon consummation of the acquisition, be allowed to terminate any status that such savings association may have with the Federal Savings and Loan Insurance Corporation (or the Savings Association Insurance Fund) in connection with such savings association's conversion into, merger with, acquisition by, consolidation with, reorganization into, or combination by any means with such bank holding company or any of its subsidiaries; and

"(iii) be allowed to convert such savings association into a commercial bank, including a national bank, the deposits of which shall be insured by the Bank Insurance Fund.

"(B) SAVINGS ASSOCIATION DESCRIBED.—The savings association referred to in subparagraph (A) is a State savings association which—

"(i) has never accepted deposits;

"(ii) was not insured by the Federal Savings and Loan Insurance Corporation on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989;

"(iii) is not insured by the Federal Deposit Insurance Corporation; and

"(iv) has been owned by an entity which is required by Federal statute to divest itself of such savings association.".

SEC. 602. INVESTMENTS BY SAVINGS AND LOAN HOLDING COMPANIES IN UNAFFILIATED THRIFT INSTITUTIONS.

Section 10(e)(1)(A)(iii) of the Home Owners' Loan Act of 1933 (as redesignated, transferred, and inserted into such Act by section 320 of this Act) is amended to read as follows:

"(iii) to acquire, by purchase or otherwise, or to retain more than 5 percent of the voting shares of a savings association not a subsidiary, or of a savings and loan holding company not a subsidiary, or in the case of a multiple savings and loan holding company, to so acquire or retain more than 5 percent of the voting shares of any company not a subsidiary which is engaged in any business activity other than the activities described in subsection (c)(2) of this section, except—

"(I) this clause shall not apply to the purchase and retention of shares by any savings and loan holding company in connection with a qualified stock issuance if such purchase is approved by the Director under subsection (q)(1)(D);

"(II) this clause and section 4(f)(2)(A)(ii) of the Bank Holding Company Act of 1956 (if otherwise applicable) shall not apply to the acquisition or retention by an insurance company (as defined in section 2(a)(17) of the Investment Company Act of 1940) of voting shares of a savings and loan holding company described in subsection (c)(3) of this section if such acquisition is not made, and such shares are not retained, with a view to acquiring, exercising, or transferring control of such savings and loan holding company;

"(III) this clause shall not apply with respect to the acquisition and retention of voting shares of a savings association which is not a subsidiary if such shares are acquired in connection with an underwriting in the normal course of an underwriting business or are held in an account solely for trading purposes;

"(IV) this clause shall not apply to shares held as a bona fide fiduciary (whether with or without sole discretion to vote such shares);

"(V) this clause shall not apply to shares acquired in securing or collecting a debt previously contracted in good faith until the end of the 2-year period beginning on the date of such acquisition or for such additional time (not exceeding 3 years) as the Director may permit, if the Director determines that such additional time will not be detrimental to the public interest; and

"(VI) this clause shall not apply to shares over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation; or".

SEC. 603. TECHNICAL AMENDMENTS TO THE BANK HOLDING COMPANY ACT.

(a) DEFINITION.—Section (2)(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)) is amended to read as follows:

"(j) INSURED INSTITUTION; SAVINGS ASSOCIATION.—For purposes of this Act, the terms 'insured institution' and 'savings association'—

"(1) mean—

"(A) any Federal savings and loan association or Federal savings bank; and

"(B) any building and loan, savings and loan, or homestead association, or cooperative bank; and

"(2) include any savings bank or cooperative bank which is deemed by the Director to be a savings association under section 10(l) of the Home Owners' Loan Act of 1933.".

(b) PASSIVE INVESTMENTS BY COMPANIES CONTROLLING GRANDFATHERED BANKS.—Section 4(f)(2)(A)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)(A)(ii)) is amended—

(1) in subclause (I), by inserting "(whether with or without the sole discretion to vote such shares)" before the semicolon;

(2) by striking out "and" at the end of subclause (IV);

(3) by striking out "or" at the end of subclause (V); and

(4) by adding at the end the following new subclauses:

"(VI) shares acquired solely for the benefit of employees of such company or any subsidiary of such company and the beneficiaries of such employees;

"(VII) shares over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation; and

"(VIII) shares or assets acquired in securing or collecting a debt previously contracted in good faith, during, in the case of shares, the 2-year period beginning on the date of such acquisition or for such additional time (not exceeding 3 years) as the Board may permit, if the Board determines that such additional time will not be detrimental to the public interest; or".

SEC. 604. PURCHASE OF MINORITY INTEREST IN UNDERCAPITALIZED SAVINGS ASSOCIATIONS BY OTHER SAVINGS AND LOAN HOLDING COMPANIES ALLOWED.

(a) INTEREST ACQUIRED IN CONNECTION WITH QUALIFIED STOCK ISSUANCE NOT TREATED AS CONTROLLING INTEREST.—Section 10(a) of the Home Owners' Loan Act of 1933 (as redesignated, transferred, and inserted into such Act by section 320 of this Act) is

amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE RELATING TO QUALIFIED STOCK ISSUANCE.—Notwithstanding any other provision of this subsection, no savings and loan holding company shall be deemed to control a savings association solely by reason of the purchase by such savings and loan holding company of shares issued by such savings association, or by any savings and loan holding company which controls such savings association, in connection with a qualified stock issuance if such purchase is approved by the Director under subsection (q)(1)(D), unless the savings and loan holding company (which acquires shares issued by the savings association or holding company) directly or indirectly, or acting in concert with 1 or more other persons, or through 1 or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than 25 percent of the voting shares of such savings association or holding company.".

(b) QUALIFIED STOCK ISSUANCE.—

(1) IN GENERAL.—Section 10 of the Home Owners' Loan Act of 1933 (as redesignated, transferred, and inserted into such Act by section 320 of this Act) is amended by adding at the end thereof the following new subsection:

"(q) QUALIFIED STOCK ISSUANCE BY UNDERCAPITALIZED SAVINGS ASSOCIATIONS OR HOLDING COMPANIES.—

"(1) IN GENERAL.—For purposes of this section, any issue of shares of stock shall be treated as a qualified stock issuance if the following conditions are met:

"(A) The shares of stock are issued by—

"(i) an undercapitalized savings association; or

"(ii) a savings and loan holding company which controls an undercapitalized savings association if, at the time of issuance, the savings and loan holding company is legally obligated to contribute the net proceeds from the issuance of such stock to the capital of an undercapitalized savings association subsidiary of such holding company.

"(B) All shares of stock issued consist of previously unissued stock or treasury shares.

"(C) All shares of stock issued are purchased by a savings and loan holding company that is registered, as of the date of purchase, with the Director in accordance with the provisions of subsection (b)(1) of this section.

"(D) Subject to paragraph (2), the Director approved the purchase of the shares of stock by the acquiring savings and loan holding company.

"(E) The entire consideration for the stock issued is paid in cash by the acquiring savings and loan holding company.

"(F) At the time of the stock issuance, each savings association subsidiary of the acquiring savings and loan holding company (other than an association acquired in a transaction pursuant to section 13 of the Federal Deposit Insurance Act (or any predecessor provision) has regulatory capital (after deducting any subordinated debt, intangible assets, and deferred, unamortized gains or losses) of not less than 6½ percent of the total assets of such savings association.

"(G) Immediately after the stock issuance, the acquiring savings and loan holding company holds less than 25 percent of the outstanding voting stock of the issuing undercapitalized savings association or savings and loan holding company.

"(2) APPROVAL OF ACQUISITIONS.—

"(A) ADDITIONAL CAPITAL COMMITMENTS NOT REQUIRED.—The Director shall not disapprove any application for the purchase of stock in connection with a qualified stock issuance on the grounds that the acquiring savings and loan holding company has failed to undertake to make subsequent additional capital contributions to maintain the regulatory capital of the undercapitalized savings association at or above the minimum level required by the Director or any other Federal agency having jurisdiction.

"(B) OTHER CONDITIONS.—Notwithstanding the provisions of subsection (a)(4), the Director may impose such conditions on any approval of an application for the purchase of stock in connection with a qualified stock issuance as the Director determines to be appropriate, including—

"(i) a requirement that transactions between the savings association receiving the proceeds of the qualified stock issuance and the savings and loan holding company acquiring such stock (and any affiliate of such holding company) shall be subject to the restrictions of subsection (d) of this section if such savings association is, pursuant to an order issued or regulation prescribed by the Director, deemed to be an affiliate of the savings and loan holding company acquiring such stock;

"(ii) a requirement that any savings association subsidiary of the acquiring savings and loan holding company limit dividends paid to such holding company for such period of time as the Director may require; and

"(iii) such other conditions as the Director deems necessary or appropriate to prevent evasions of this section.

"(C) APPLICATION DEEMED APPROVED IF NOT DISAPPROVED WITHIN 90 DAYS.—Except as otherwise required under guidelines prescribed pursuant to section 410 of the Competitive Equality Banking Act of 1987, an application for approval of a purchase of stock in connection with a qualified stock issuance shall be deemed to have been approved by the Director if such application has not been disapproved by the Director before the end of the 90-day period beginning on the date such application has been deemed sufficient under regulations issued by the Director.

"(3) NO LIMITATION ON CLASS, ETC., OF STOCK ISSUED.—The shares of stock issued in connection with a qualified stock issuance may be shares of any class, whether common or preferred, whether voting or nonvoting, and whether there are outstanding at the time of issuance of such shares any other shares of the same class.

"(4) UNDERCAPITALIZED SAVINGS ASSOCIATION DEFINED.—For purposes of this subsection, the term 'undercapitalized savings association' means any savings association—

"(A) the assets of which exceed the liabilities of such association; and

"(B) the regulatory capital of which (as determined after deducting any subordinated debt, intangible assets, and any deferred, unamortized gains or losses) is less than 5 percent of the total assets of such savings association.".

(2) FINANCIAL AND MANAGERIAL RESOURCES; ANTICOMPETITIVE EFFECTS REQUIRED TO BE CONSIDERED.—Section 10(e)(2) of the Home Owners' Loan Act of 1933 (as redesignated, transferred, and inserted into such Act, and as amended, by section 320 of this Act) is amended by inserting "any acquisition of stock in connection with a qualified stock issuance," before the matter inserted therein by section 320(b)(8)(A) of this Act.

(c) AMENDMENT TO DEFINITION OF EXEMPT ACTIVITY.—Section 10(c)(2) of the Home Owners' Loan Act of 1933 (as transferred to and inserted in such Act and redesignated by section 320 of this Act) is amended by adding at the end thereof the following new subparagraph:

"(G) In the case of a savings and loan holding company, purchasing, holding, or disposing of stock acquired in connection with a qualified stock issuance if the purchase of such stock by such savings and loan holding company is approved by the Director pursuant to subsection (q)(1)(D).".

(d) AMENDMENT TO DEPOSITORY INSTITUTION MANAGEMENT INTERLOCKS ACT.—Section 205 of the Depository Institution Management Interlocks Act (12 U.S.C. 3204) is amended by adding at the end thereof the following new paragraph:

"(9) Any savings association (as defined in section 10(a)(1)(A) of the Home Owners' Loan Act of 1933 or any savings and loan holding company (as defined in section 10(a)(1)(D) of such Act) which has issued stock in connection with a qualified stock issuance pursuant to section 10(q) of such Act, except that this paragraph shall apply only with respect to service as a management official of such savings association or holding company, or any subsidiary of such savings association or holding company, by a management official of the savings and loan holding company which purchased the stock issued in connection with such qualified stock issuance, and shall apply only when the Director of the Office of Thrift Supervision has determined that such service is consistent with the purposes of this Act and the Home Owners' Loan Act.".

(e) AMENDMENTS TO BANK HOLDING COMPANY ACT.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended—

(1) in paragraph (10)(A), by inserting "or section 13(k) of the Federal Deposit Insurance Act, or in a qualified stock issuance pursuant to section 10(q) of the Home Owners' Loan Act of 1933" after "National Housing Act";

(2) in paragraph (10)(B), by striking out "either—" and inserting in lieu thereof "in the case of an acquisition under section 408(m) of the National Housing Act or section 13(k) of the Federal Deposit Insurance Act, either—";

(3) by adding at the end thereof the following new paragraph:

"(11) EXEMPTION UNAFFECTED BY CERTAIN OTHER ACQUISITIONS.—For purposes of clauses (i) and (ii)(V) of paragraph (2)(A), an insured institution is described in this paragraph if the insured institution was acquired (or any shares or assets of such institution were acquired) by a company described in paragraph (1)—

"(A) from the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, or the Director of the Office of Thrift Supervision, whether in such any such Corporation's corporate capacity, or as receiver or conservator for the insured institution or in any other capacity; or

"(B) in an acquisition in which the insured institution has been found to be in danger of default (as defined in section 3(x)(2) of the Federal Deposit Insurance Act) by the appropriate Federal or State authority."; and

(4) in clauses (i) and (ii)(V) of paragraph (2)(A), by striking out "paragraph (10)" and inserting in lieu thereof "paragraph (10) or (11)".

VOL 135 PT 9 JE 14 — 22 1989 UMI

SEC. 801. POWER OF DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION TO REGULATE SAVINGS AND LOAN HOLDING COMPANIES.

Section 10(b) of the Home Owner's Loan Act of 1933 (as redesignated, transferred, and inserted in such Act by section 320(a) of this Act) is amended—

(1) by adding at the end of paragraph (1) the following: "Insofar as State law is concerned, the Director is solely authorized, under such rules and regulations as the Director may prescribe, to provide for the organization, examination, operation, and regulation of each savings and loan holding company and each subsidiary of, other than a State savings association. The preceding sentence shall not be construed as depriving any Federal agency of any jurisdiction over any savings and loan holding company or any subsidiary of a savings and loan holding company."; and

(2) by amending paragraph (4) to read as follows:

"(4) EXAMINATIONS.—Each savings and loan holding company and each subsidiary of any savings and loan holding company, other than a bank, shall be subject to such examinations as the Director may prescribe. The cost of such examinations shall be assessed against and paid by such holding company. The Director shall use, for purposes of this subsection, reports filed with, or examinations made by, other Federal agencies to the extent the Director determines to be feasible.".

TITLE VII—FEDERAL HOME LOAN BANK SYSTEM REFORMS

Subtitle A—Federal Home Loan Bank Act Amendments

SEC. 701. DEFINITIONS.

(a) BOARD DEFINED.—Section 2(1) of the Federal Home Loan Bank Act (12 U.S.C. 1422(1)) is amended to read as follows:

"(1) BOARD.—The term 'Board' means the Federal Housing Finance Board.".

(b) ADDITIONAL DEFINITIONS.—Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended by adding at the end thereof the following new paragraphs:

"(10) SAVINGS ASSOCIATION.—The term 'savings association' has the meaning given to such term in section 2(4) of the Home Owners' Loan Act of 1933.

"(11) CHAIRPERSON.—The term 'Chairperson' means the Chairperson of the Board.

"(12) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.".

(c) CONFORMING AMENDMENTS.—Except as otherwise specifically provided in this title, the Federal Home Loan Bank Act is amended by striking out "board" and "Federal Home Loan Bank Board" each place such terms appear (other than in section 18(c) and inserting in lieu thereof "Board".

SEC. 702. FEDERAL HOUSING FINANCE BOARD ESTABLISHED.

(a) IN GENERAL.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 2 the following new sections:

"SEC. 2A. FEDERAL HOUSING FINANCE BOARD ESTABLISHED.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is hereby established the Federal Housing Finance Board.

"(2) STATUS.—The Board is an independent agency in the executive branch of the Government.

"(3) PRIMARY DUTY.—The primary duty of the Board is to oversee and supervise the Federal home loan banks established pursuant to this Act.

"(b) MANAGEMENT.—

"(1) IN GENERAL.—The management of the Board shall be vested in a Board of Directors consisting of 7 members as follows:

"(A) The Secretary.

"(B) 2 presidents of Federal home loan banks selected pursuant to an election by the presidents of all the Federal home loan banks in accordance with such procedures as such presidents may determine to be appropriate.

"(C) Subject to paragraph (2), 4 citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate.

"(2) PROVISIONS RELATING TO APPOINTED MEMBERS.—

"(A) CONSUMER REPRESENTATIVES.—At least 2 of the members appointed pursuant to paragraph (1)(C) shall be representatives chosen from organizations with more than a 2-year history of representing consumer or community interests on banking services, credit needs, or housing and financial consumer protections.

"(B) POLITICAL AFFILIATION.—Not more than 2 of the members appointed pursuant to paragraph (1)(C) may be members of the same political party.

"(C) BANK DISTRICT REPRESENTATION.—No individual may be appointed as a member pursuant to paragraph (1)(C) while such individual resides in a Federal home loan bank district in which any other member of the Board appointed pursuant to such paragraph resides.

"(D) LIMITATIONS ON CONFLICTS OF INTEREST.—No member appointed pursuant to paragraph (1)(C) may, while such person is a member—

"(i) serve as a director or officer of any Federal home loan bank or any member of any such bank; or

"(ii) hold shares of, or any other financial interest in, any member of any Federal home loan bank.

"(c) CHAIRPERSON.—

"(1) DESIGNATION.—The President shall designate 1 of the members of the Board appointed pursuant to subsection (b)(1)(C) to be the Chairperson of the Board.

"(2) DUTY.—The Chairperson shall be the chief executive officer of the Board.

"(3) ACTING CHAIRPERSON.—The Chairperson shall designate another member of the Board to serve as acting chairperson during the absence or disability of the Chairperson.

"(d) TERMS.—

"(1) IN GENERAL.—

"(A) APPOINTED MEMBERS.—Each member appointed pursuant to subsection (b)(1)(C) shall be appointed to a term of 7 years.

"(B) BANK PRESIDENTS.—Each president of a Federal home loan bank selected as a member of the Board pursuant to subsection (b)(1)(B) shall be appointed to a term of 2 years.

"(C) INTERIM APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term.

"(2) CONTINUATION OF SERVICE.—Except as provided in paragraph (3), any member appointed pursuant to subparagraph (B) or (C) of subsection (b)(1) may continue to serve on the Board after the expiration of the term of such member until a successor has taken office.

"(3) CESSATION OF SERVICE.—If any member who was appointed pursuant to subparagraph (A) or (B) of subsection (b)(1) ceases to serve in the position described in any such subparagraph, such member's service on the Board shall terminate on the date such member ceases to serve in such position.

"(4) VACANCY.—

"(A) IN GENERAL.—Any vacancy on the Board shall be filled in the manner in which the original appointment was made.

"(B) ACTING SECRETARY MAY SERVE.—In the event of a vacancy in the office of the Secretary or during the absence or disability of the Secretary, the Acting Secretary shall act as a member of the Board in place of the Secretary.

"SEC. 2B. POWERS AND DUTIES; REPORTS TO CONGRESS.

"(a) GENERAL POWERS.—The Board shall have the following powers:

"(1) To prescribe such regulations and issue such orders as the Board may determine to be necessary or appropriate to carry out the purposes of this Act, particularly with their mission to support housing finance, and to enforce any such regulation or order.

"(2) Notwithstanding any other provision of law, to delegate any function of the Board to any officer, employee, agent, or administrative unit of the Board as the Board may determine to be appropriate (other than the authority to prescribe regulations under section 553 of title 5, United States Code, or to conduct adjudications which are subject to section 554 of such title).

"(3) To suspend or remove any director, officer, employee, attorney, or agent of any Federal home loan bank upon notification of such director, officer, employee, attorney, or agent, and such Federal home loan bank in writing of the cause for such suspension or removal.

"(4) To determine necessary expenditures under this Act and the manner in which such expenditures shall be incurred, allowed, and paid.

"(5) To use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(b) STAFF.—The Board may select, employ, and fix the compensation of such officers, employees, attorneys, and agents as the Board may determine to be necessary for the performance of the Board's duties under this Act.

"(c) ESTABLISHMENT OF ADMINISTRATIVE UNITS AUTHORIZED.—

"(1) IN GENERAL.—The Board may establish collective offices or administrative units of the Federal home loan banks which, except as provided in paragraphs (2) and (3), shall have the same status for purposes of any provision of law, as the Federal home loan banks.

"(2) APPOINTMENT OF HEADS OF UNITS.—The Board may, after consultation with the presidents of the Federal home loan banks, appoint the heads of any collective office or administrative unit established pursuant to paragraph (1).

"(3) STAFF.—The Board may provide for the appointment and fix the compensation of such employees, attorneys, and agents of any collective office or administrative unit established pursuant to paragraph (1) as the Board may determine to be necessary without regard to any provision of law applicable to officers or employees of the United States, including title 5, United States Code.

"(d) RECEIPTS OF THE BOARD.—The receipts of the Board derived from assessments upon the Federal home loan banks and from

other sources (other than receipts from the sale of consolidated Federal home loan bank bonds and debentures issued under section 11 of this Act) shall be deposited in the Treasury of the United States, and may be withdrawn to defray the expenses of the Board and pay the salaries of the employees of the Board.

"(e) AUDITS AND REPORT.—

"(1) AUDITS.—The Comptroller General of the United States—

"(A) may audit the activities of the Board and the Federal home loan banks; and

"(B) shall perform an annual financial audit of the Board.

"(2) REPORTS.—The Comptroller General shall submit a report to Congress on the findings and conclusions of the Comptroller General with respect to the annual financial audit conducted under paragraph (1)(B).".

(b) APPOINTMENT OF INSPECTOR GENERAL.—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out "Federal Home Loan Bank Board," and inserting in lieu thereof "Federal Housing Finance Board,".

SEC. 703. TERMINATION OF THE FEDERAL HOME LOAN BANK BOARD AND THE POSITION OF CHAIRMAN.

(a) IN GENERAL.—Section 17 of the Federal Home Loan Bank Act (12 U.S.C. 1437) is hereby repealed.

(b) TERMINATION OF BOARD.—The Federal Home Loan Bank Board and the position of Chairman of the Federal Home Loan Bank Board are hereby abolished.

(c) DETERMINATION OF FUNCTIONS AND EMPLOYEES ENGAGED IN FUNCTIONS TRANSFERRED TO BOARD.—The Chairperson of the Federal Housing Finance Board and the Director of the Office of Thrift Supervision shall jointly determine the functions and activities, and number of employees (if any), of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation necessary, on the day before the date of the enactment of this Act, to perform or support such functions or activities which are transferred from the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation to the Federal Housing Finance Board.

(d) ALLOCATION OF EMPLOYEES TO BOARD.—The Chairperson of the Federal Housing Finance Board and the Director of the Office of Thrift Supervision shall jointly allocate the employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation consistent with the number determined pursuant to subsection (c) in a manner which the Chairperson and the Director, in their sole discretion, deem equitable, except that, within work units, the agency preferences of individual employees shall be accommodated as far as possible.

(e) RIGHTS OF TRANSFERRED EMPLOYEES.—The employees identified for transfer to the Federal Housing Finance Board under subsection (d) shall be entitled to the following rights:

(1) Each employee identified in a transferred function shall be transferred to the Federal Housing Finance Board for employment and shall be guaranteed a position with the same status, tenure, and pay such employee had on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 1 year after the date of transfer, except for cause.

(2) All Federal Home Loan Bank Board and Federal Savings and Loan Insurance Corporation employees transferring with their function shall be transferred to the Federal Housing Finance Board not later than 60 days after the date of the enactment of this Act, and shall be placed in positions for which they are qualified before the Federal Housing Finance Board may make an appointment from any other source to that position.

(3) A transferring employee in the Senior Executive Service shall be placed in a comparable level position at the Federal Housing Finance Board.

(4) Transferring employees shall receive notice of their position assignments not later than 120 days after the effective date of their transfer.

(5) If the Federal Housing Finance Board determines, after the end of the 1-year period beginning on the date the transfer of functions to the Board is completed, that a reorganization of its workforce is required, such reorganization shall be deemed a "major reorganization" for purposes of affording transferred employees early optional retirement under section 8336(d)(2) or section 8414(b)(1)(B) of title 5, United States Code.

(6) Any employee employed by the Federal Housing Finance Board as a result of the transfer may retain through the end of the calendar year during which such transfer occurs membership in any employee benefit program of the Federal Home Loan Bank Board, including insurance, which the employee has on the date of enactment of this Act, if the employee does not elect to give up such membership and the benefit or program is continued by, and paid by, the Chairperson of the Federal Housing Finance Board. If the employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Federal Housing Finance Board, the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or discontinuance, without regard to any other regularly scheduled open season.

(f) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (b) shall not be construed as affecting the validity of any right, duty, or obligation of the United States, the Federal Home Loan Bank Board or any other person which—

(A) arises under or pursuant to any section of title IV of the National Housing Act or under the Federal Home Loan Bank Act; and

(B) existed on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Federal Home Loan Bank Board (or any Federal home loan bank with respect to any function of the Board which was delegated to the bank) shall abate by reason of the enactment of this Act, except that the appropriate successor to the interests of such Board or bank shall be substituted for such Board or bank as a party to any such action or proceeding.

SEC. 704. REPEAL OF PROVISION RELATING TO LAWFUL CONTRACT RATE.

Section 5 of the Federal Home Loan Bank Act (12 U.S.C. 1425) is hereby repealed.

SEC. 705. REPEAL OF PROVISION RELATING TO RATE OF INTEREST ON DEPOSITS.

Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is hereby repealed.

SEC. 706. CAPITAL STOCK.

Section 6 of the Federal Home Loan Bank Act (12 U.S.C. 1426) is amended—

(1) by striking out subsections (a), (f), and (g) and by redesignating subsections (b), (c), (d), (e), (h), (i), (j), (k), and (m) as subsections (a), (b), (c), (d), (e), (f), (g), (h), and (i), respectively;

(2) by striking out the second sentence of subsection (f) (as redesignated by paragraph (1) of this section) and inserting in lieu thereof the following: "If any member's membership in a Federal Home Loan Bank is terminated (or the borrowing privileges of any nonmember borrower are terminated), the indebtedness of such member or nonmember borrower to the Federal home loan bank shall be liquidated in an orderly manner (as determined by the Federal home loan bank), and upon completion of such liquidation, the capital stock in the Federal home loan bank owned by such member shall be surrendered and canceled. Any such liquidation shall be deemed a prepayment of any such indebtedness, and shall be subject to any penalties or other fees applicable to such member."; and

(3) in subsection (i) (as redesignated by paragraph (1) of this section), by striking out "charter" and all that follows through the period at the end and inserting in lieu thereof "charter as a Federal savings association (as defined in section 2(5) of the Home Owners' Loan Act of 1933).".

SEC. 707. ELECTION OF BANK DIRECTORS.

Section 7(a) of the Federal Home Loan Bank Act (12 U.S.C. 1427(a)) is amended by inserting after the period at the end thereof the following new sentences: "At least 2 of the directors of each Federal home loan bank who are appointed by the Board shall be representatives chosen from organizations with more than a 2-year history of representing consumer or community interests on banking services, credit needs or housing and financial consumer protections. No member of the board of directors of any Federal home loan bank who is appointed pursuant to this subsection may, during such member's term of office, serve as an officer of any Federal home loan bank or a director or officer of any such bank or hold shares of, or any other interest in, any member of a Federal home loan bank.".

SEC. 708. REPEAL OF PROVISION RELATING TO CERTAIN POWERS OF THE FEDERAL HOME LOAN BANK BOARD.

Section 19 of the Federal Home Loan Bank Act (12 U.S.C. 1439) is repealed.

SEC. 709. POWERS AND DUTIES OF BANKS.

Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended—

(1) in subsection (e)(1), by inserting "incidental to activities authorized" after "not";

(2) in subsection (f), by striking out "or whenever in the judgment of at least four members of the board an emergency exists requiring such action";

(3) by amending subsection (k) to read as follows:

"(k) BANK LOANS TO FDIC.—

"(1) LOANS AUTHORIZED.—Subject to paragraph (3), the Federal home loan banks may, upon the request of the Federal Deposit Insurance Corporation and with the approval of the Board, make loans to such Corporation for the use of the Savings Association Insurance Fund.

VOL 135 PT 9 14 — 22 1989 JE UMI

"(2) LIABILITY OF THE FUND.—Any loan by a Federal home loan bank pursuant to paragraph (1) for the benefit of the Savings Association Insurance Fund shall be a direct liability of such Fund.

"(3) INTEREST ON AND SECURITY FOR LOANS.—Any loan by a Federal home loan bank pursuant to paragraph (1) shall—

"(A) bear a rate of interest not less than such bank's current marginal cost of funds, taking into account the maturities involved; and

"(B) be adequately secured, as determined by the Board."; and

(4) by adding at the end thereof the following new subsection:

"(l) COMMUNITY DEVELOPMENT LENDING TRAINING PROGRAMS.—

"(1) IN GENERAL.—Each Federal home loan bank shall establish a program to train officers and employees of savings associations which are members of or nonmember borrowers from such bank to underwrite loans which primarily benefit low- and moderate-income households or low- and moderate-income communities.

"(2) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed as requiring the Federal home loan banks to establish a different set of underwriting standards for loans which primarily benefit low- and moderate-income households.".

SEC. 710. RESERVES AND DIVIDENDS.

Section 16 of the Federal Home Loan Bank Act (12 U.S.C. 1436) is amended to read as follows:

"SEC. 16. RESERVES AND DIVIDENDS.

"(a) RESERVES.—Each Federal home loan bank may carry to a reserve account from time to time such portion of its net earnings as may be determined by its board of directors. The bank may charge against such reserves any part or all of such losses as may be suffered by the bank at any time or from time to time. Except as provided in subsection (b), no dividends shall be paid except out of earnings remaining after all reserves and chargeoffs required under this Act have been provided for, and then only with the approval of the Chairperson.

"(b) DIVIDENDS.—Notwithstanding subsection (a) or any other provision of this Act, a Federal home loan bank may declare and pay dividends to members of such bank and may charge the same against 1 or more of—

"(1) net earnings;

"(2) undivided profits (as defined in section 21(d)(7) of this Act);

"(3) dividend stabilization reserves; and

"(4) reserves established by such bank before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 pursuant to the first 2 sentences of subsection (a) as in effect on the day before such date.

"(c) LIMITATION ON PAYMENT OF DIVIDENDS.—Notwithstanding any provision of subsection (b), no dividends may be paid by any Federal home loan bank under such subsection to the extent the amount of such payment would reduce the aggregate capital of such bank remaining after the payment below the sum of—

"(1) the paid-in capital of such bank; and

"(2) the amount of any reserves established pursuant to subsection (a) after the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(d) NO EFFECT ON RESOLUTION FUNDING OBLIGATIONS.—This section shall not reduce or diminish the obligation of any Federal home loan bank to invest in the Financing Corporation or the Resolution Funding Corporation pursuant to the provisions of sections 21 and 21B of this Act, respectively, to the extent provided in such sections.".

SEC. 711. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1437(b)) is amended to read as follows:

"(b) ASSESSMENTS FOR ADMINISTRATIVE EXPENSES.—

"(1) IN GENERAL.—The Board may impose, on such equitable basis as the Board may determine to be appropriate, a semiannual assessment on the Federal home loan banks the aggregate amount of which is sufficient in the Board's determination to provide for the payment of the Board's estimated expenses for the period for which such assessment is made.

"(2) EXPENSES TO BE PAID FROM ASSESSMENTS.—All expenses which the Board incurs in carrying out the provisions of this Act shall be paid from the proceeds of the assessments imposed under paragraph (1).

"(3) DEFICIENCIES.—If, at any time, amounts available from any assessment for any semiannual period are insufficient to cover the expenses of the Board during such period, the Board may make an immediate assessment against the banks to cover the amount of the deficiency for that semiannual period on the same basis as the original assessment was made.

"(4) SURPLUSES.—If, at the end of any semiannual period for which an assessment was made, any amount remains from such assessment, such amount shall be deducted from the assessment by the Board for the following semiannual period.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 18(c) of the Federal Home Loan Bank Act (12 U.S.C. 1438(c)) is amended—

(1) by striking out "Chairman of the Federal Home Loan Bank Board" and "Board" each place such terms appear and inserting in lieu thereof "Director of the Office of Thrift Supervision" and "Director", respectively;

(2) in the 1st sentence of paragraph (5), by striking out "under this subsection" and all that follows through the period and inserting in lieu thereof a period;

(3) in the 1st sentence of paragraph (6), by striking out "(A) annually prepare" and all that follows through "and (B)"; and

(4) by striking out the 2d sentence of paragraph (6).

SEC. 712. NONADMINISTRATIVE EXPENSES; APPORTIONMENT.

Subsection (a) of section 18 of the Federal Home Loan Bank Act (12 U.S.C. 1438(a)) and section 19A of such Act (12 U.S.C. 1439-1) are hereby repealed.

SEC. 713. FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION INDUSTRY ADVISORY COMMITTEE.

Subsection (i) of section 21 of the Federal Home Loan Bank Act is repealed.

SEC. 714. ELIGIBILITY FOR MEMBERSHIP.

(a) INSURED BANKS AND CREDIT UNIONS.—The first sentence of section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended by striking out "or savings bank," and inserting in lieu thereof "savings bank, any insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act), or any insured credit union (as defined in section 101(7) of the Federal Credit Union Act),".

(b) AMENDMENT OF SECTION 27.—Section 27 of the Federal Home Loan Bank Act (12 U.S.C. 1447) is amended by striking out "Any institution, except a national bank, trust company, or other banking organization organized under any law of the United States, including the laws relating to the District of Columbia," and inserting in lieu thereof "Any insured depository institution which is eligible to become a member of a Federal home loan bank under section 4(a) of this Act,".

SEC. 715. STUDY OF BANK BOARD TRANSFER OF JURISDICTION.

(a) IN GENERAL.—The Secretary of the Treasury (or any designee of the Secretary other than any officer or employee of the Office of Thrift Supervision) shall conduct a study of the anticipated benefits of transferring institutions that are members of a Federal home loan bank from 1 district to another, with particular emphasis on transferring the institutions that have their principal offices in the State of Maryland from the jurisdiction of the Federal Home Loan Bank of Atlanta (district 3) to the Federal Home Loan Bank of Pittsburgh (district 4).

(b) FACTORS TO BE CONSIDERED.—Taking into account the importance of apportioning districts with due regard for the convenience and customary course of business of the eligible institutions in each district, the Secretary shall consider, at a minimum, the following factors in conducting the study required under subsection (a):

(1) The anticipated benefits of more evenly distributing the workload, number of institutions, and total assets of the institutions in each district.

(2) The anticipated benefits of more evenly distributing the total population of potential depositors supported by each district, the geographic location of the States in each district, and anticipated demographic changes in each district.

(3) The anticipated benefits of reducing the substantial supervisory and financial burdens of a district while improving the examination, supervision, and credit of the members of a Federal home loan bank in another district.

(c) CONSULTATION.—

(1) IN GENERAL.—In carrying out this study, the Secretary shall consult with, in particular, the Federal Home Loan Bank of Atlanta, the Federal Home Loan Bank of Pittsburgh, institutions that are members of a Federal home loan bank with their principal offices in the State of Maryland, and other interested members of the public.

(2) CONFIDENTIALITY OF SOURCES.—The Secretary shall establish procedures to ensure the complete confidentiality of any information provided to the Secretary, including the names of individuals and institutions providing the information.

(3) OTHER INFORMATION AND REPORTS.—The Secretary shall request—

(A) peer review reports;

(B) investigative reports prepared by the Comptroller General of the United States;

(C) any other reports or information that may show bias or preferential treatment for institutions within a district on the basis of regional dissimilarity or any other factor; and

(D) such other documents and information as the Secretary may determine to be appropriate.

(d) REPORT.—

(1) REQUIRED.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary shall submit a report on the study conducted under subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Commit-

tee on Banking, Housing, and Urban Affairs of the United States Senate.

(2) CONTENTS OF REPORT.—The report shall include any recommendation of the Secretary with respect to the anticipated benefits of transferring supervision of the savings and loan institutions in Maryland from the Federal Home Loan Bank of Atlanta to the Federal Home Loan Bank of Pittsburgh, as well as any recommendation with respect to transferring supervision of any other members of any Federal home loan bank to a bank in another district.

SEC. 716. CONFORMING AMENDMENTS.

(a) Section 3 of title I of Public Law 93-495 (12 U.S.C. 250) is amended by striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "Director of the Office of Thrift Supervision".

(b) Section 22(a) of the Federal Home Loan Bank Act (12 U.S.C. 1442(a)) is amended by inserting "the Director of the Office of Thrift Supervision," after "Reserve Board,".

SEC. 717. ADVANCES.

(a) ADVANCES.—Section 10(e) of the Federal Home Loan Bank Act (12 U.S.C. 1430(e)) is amended—

(1) by striking out "insured institution" each place such term appears and inserting in lieu thereof "savings association";

(2) by striking out paragraph (3)(A);

(3) by redesignating subparagraph (3)(B) as (3)(A);

(4) in paragraph (3)(A) (as so redesignated by paragraph (3) of this subsection), by striking out "section 408(o) of the National Housing Act" and inserting in lieu thereof "section 10(m) of the Home Owners' Loan Act of 1933"; and

(5) by amending paragraph (3)(C) to read as follows:

"(B) ACTUAL THRIFT INVESTMENT PERCENTAGE.—The term 'actual thrift investment percentage' has the same meaning as in section 10(m)(5)(A) of the Home Owners' Loan Act of 1933 and, in the case of a member that is not a savings association (as defined in section 10(a)(1)(A) of such Act), shall be computed for such member as if such member is a savings association.".

(b) COMMUNITY SUPPORT.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by adding at the end thereof the following new subsection:

"(g) COMMUNITY SUPPORT REQUIREMENTS FOR ELIGIBILITY FOR ADVANCES.—

"(1) IN GENERAL.—

"(A) REGULATIONS REQUIRED.—Before the end of the 2-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Board shall adopt regulations establishing minimum standards of community investment or service for financial institution members to maintain continued access to advances (other than advances provided to enable members to maintain liquidity necessary for safe and sound operations).

"(B) FACTORS TO BE CONSIDERED.—The regulations shall take into account a member's—

"(i) performance under the Community Reinvestment Act of 1977 and the member's commitment to lending in low- and moderate-income neighborhoods,

"(ii) lending for acquisition, development or rehabilitation of low- or moderate-income residential properties,

"(iii) community and economic development activities with identifiable benefits for low- and moderate-income families, and

"(iv) record of lending to first-time home buyers.

"(C) ELIGIBILITY.—Notwithstanding any failure to achieve or maintain the eligibility standards hereunder or under the qualified thrift lender standard, a member may still be eligible for access to advances in connection with the Community Investment Program and the Affordable Housing Program established by the Federal home loan bank making such advances. Each bank shall be responsible for determining the creditworthiness and other qualifications for projects, and advances related to such projects, proposed for its district.

"(2) COMMUNITY INVESTMENT PROGRAM.—Each bank shall designate a community investment officer who shall have operational responsibility for implementation of community lending and affordable housing advance programs of the banks under this subsection and who shall provide technical assistance and outreach to promote such programs. Each bank shall establish a program designed to provide funding for members to undertake community-oriented lending for mortgages as to which an established secondary market has not developed. Advances under this program shall be priced at the cost of consolidated Federal home loan bank obligations of comparable maturities, taking into account reasonable administrative costs exclusive of profit or return on capital for the bank.

"(3) AFFORDABLE HOUSING PROGRAM.—

"(A) Each bank shall establish an Affordable Housing Program for the purpose of subsidizing the interest rate on advances to members engaged in lending for long-term affordable low- and moderate-income housing at subsidized interest rates. Each institution receiving advances under this program shall report annually to the bank concerning the utilization advances received under the program. Each bank shall annually contribute the percentage of its annual net earnings prescribed in the following clauses to support such loans through the Affordable Housing Program:

"(i) 5 percent of net income in 1990, 1991, 1992, and 1993, or such prorated sums as may be required to assure that the aggregate contribution of all the banks shall not be less than $75,000,000 for each such year.

"(ii) 6 percent of its net income for 1994, or such prorated sum as may be required to assure that the aggregate contribution of the banks shall not be less than $90,000,000 for such year.

"(iii) 10 percent of its net income for 1995 and subsequent years, or such prorated sums as may be required to assure that the aggregate contribution of the banks shall not be less than $150,000,000 for each such year.

Any prorations required under this paragraph shall be undertaken based on the proportion of the total assets of all members of each bank to the total assets of all members of all banks.

"(B) In providing advances to members authorized under subparagraph (A) of this paragraph, each bank shall give priority to qualified projects such as the following:

"(i) The purchase, rehabilitation, or construction, of multifamily rental housing, at least 40 percent of the units of which will be occupied by low- or moderate-income households for not less than 30 years.

"(ii) The purchase or rehabilitation of housing held by the United States Government or any agency or instrumentality of the United States.

"(iii) Housing sponsored by any nonprofit organization, any State or political subdivision of any State, any local housing authority or State housing finance agency.

"(C) If any bank fails to utilize or commit the full amount provided in this paragraph to the Affordable Housing Program in any year, the excess above 10 percent of the full amount that should have been utilized or committed in that year shall be placed in an Affordable Housing Reserve Fund administered by the Board. Any unutilized or uncommitted amount retained by a bank hereunder must be fully utilized or committed by that bank during the following year and any remaining portion thereof must be placed in the Affordable Housing Reserve Fund. Under regulations established by the Board, funds from the Affordable Housing Reserve Fund, may be made available to any bank to meet additional affordable housing needs in such bank's district pursuant to the provisions of subparagraph (A) of this paragraph.

"(D) The net earnings of any Federal home loan bank shall be determined, for purposes of this paragraph—

"(i) after carrying the required amount to reserves pursuant to section 16(a) and making any payment required under section 21 or 21B of this Act; and

"(ii) before declaring any dividend under section 16(b).

"(4) OTHER PROGRAMS.—No provision of this subsection shall preclude any bank from establishing other community investment cash advance programs or contributing additional sums to the Affordable Housing Reserve Fund.

"(5) ADVISORY COUNCIL.—Each bank shall appoint an Advisory Council of from 7 to 15 persons drawn from community and nonprofit organizations actively involved in providing or promoting low and moderate income housing in its district. The Advisory Council shall meet with representatives of the board of directors of the bank quarterly to advise the bank on low- and moderate-income housing programs and needs in the district and on the utilization of the advances for these purposes. Each Advisory Council established under this paragraph shall submit to the Board at least annually its analysis of the low-income housing activity of the bank by which it is appointed.

"(6) REPORTS TO CONGRESS.—

"(A) The Board shall monitor and report to the Congress and the Advisory Council for each bank annually on the support of low-income housing and community development by the banks and the utilization of advances for these purposes.

"(B) The reports submitted by the Advisory Councils to the Board under paragraph (5) shall be included as part of the report to the Congress.

"(7) DEFINITIONS.—For the purpose of this subsection—

"(A) LOW- OR MODERATE-INCOME HOUSEHOLD.—The term 'low- or moderate-income household' means any household which has an income of 80 percent of the area median or less.

"(B) LOW- OR MODERATE-INCOME NEIGHBORHOOD.—The term 'low- or moderate-income neighborhood' means any neighborhood in which 51 percent or more of the households are low- or moderate-income households.

"(C) AFFORDABLE RENTAL HOUSING.—The term 'affordable rental housing' means any housing in which low- or moderate-income households may not be required to pay more than 30 percent of the monthly adjusted income of the household as rent.".

VOL 135 PT 9 JE 14 — 22 1989 UMI

(e) BANKS ARE SOURCE OF NEEDED LIQUIDITY FOR MEMBERS.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by inserting after subsection (g) (as added by subsection (b) of this section) the following new subsection:

"(h) BANKS ARE SOURCE OF NEEDED LIQUIDITY FOR MEMBERS.—

"(1) GENERAL RULE.—The Federal home loan banks have a duty to provide needed short-term liquidity to solvent savings associations which are members of the banks.

"(2) LIQUIDITY ADVANCES TO PARTICULAR SAVINGS ASSOCIATIONS.—Each Federal home loan bank shall, upon the certification of the Director of the Office of Thrift Supervision that—

"(A) a particular solvent savings association presents a supervisory concern due to the poor financial condition of such association; and

"(B) such association has reasonable and demonstrable prospects of returning to a satisfactory financial condition,

make short-term liquidity advances to that savings association on terms and conditions (including requirements for adequate collateral security and interest rates) no less favorable than those regularly made available for similar liquidity advances to savings associations that do not present such supervisory concern.

"(3) LIQUIDITY ADVANCES TO INSTITUTIONS ON A COMMUNITY OR REGIONAL BASIS.—The Board shall, upon the certification of the Director of the Office of Thrift Supervision that severe financial conditions exist in any community or region that threaten the stability of a significant number of savings associations in that community or region, or that severe financial conditions exist which threaten the stability of savings associations possessing significant financial resources, consult with the Director and establish credit policies, procedures, and standards that shall maximize the availability of advances to such savings associations consistent with principles of prudent lending, including collateral requirements and interest rates, and the public interest.".

SEC. 718. AMENDMENTS RELATING TO WITHDRAWALS FROM FEDERAL HOME LOAN BANK MEMBERSHIP.

Section 6(i) of the Federal Home Loan Bank Act (12 U.S.C. 1426(m)) (as redesignated by section 706(1) of this title) by striking out "five" and inserting in lieu thereof "10".

SEC. 719. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 10a of the Federal Home Loan Bank Act (12 U.S.C. 1430a) is repealed.

(b) Section 23 of the Federal Home Loan Bank Act (12 U.S.C. 1443) is amended to read as follows:

"SEC. 1443. FORMS OF BANK STOCK AND OBLIGATIONS.

"Any stock, debentures, bonds, notes, or other such obligations issued under the authority of this chapter may be issued in uncertificated form, utilizing a book entry method, or in certificated form under such rules, regulations, or guidelines as the Board of Directors of the Federal Housing Finance Board may provide.".

(c) Section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302) is amended—

(1) in paragraph (1), by striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "Office of Thrift Supervision"; and

(2) in paragraph (3), by striking out "savings and loan association" and inserting in lieu thereof "savings association".

(d) Section 1004(a)(4) of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3303(a)(4)) is amended by striking out "Chairman of the Federal Home Loan Bank Board" and inserting in lieu thereof "Director, Office of Thrift Supervision".

(e) Section 1006(d) of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3305(d)) is amended in the 2d sentence by inserting "and employees of the Federal Housing Finance Board" after "supervisory agencies".

(f) Section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) is amended—

(1) in paragraph (1), by striking out "savings and loan" and inserting in lieu thereof "savings association";

(2) in paragraph (6), by striking out subparagraph (B) and redesignating the remaining subparagraphs as subparagraphs (B) through (H), respectively; and

(3) in paragraph (6)(B) (as so redesignated), by striking out "the Federal Home Loan Bank Board" and inserting in lieu thereof "Director, Office of Thrift Supervision".

(g) Section 207(4) of the Depository Institutions Management Interlocks Act (12 U.S.C. 3206(4)) is amended to read as follows:

"(4) the Office of Thrift Supervision with respect to federally chartered savings associations which are members of a Federal Home Loan Bank and savings and loan holding companies,".

(h) The Alternative Mortgage Transactions Parity Act of 1982 (12 U.S.C. 3801-06) is amended by striking out "Federal Home Loan Bank Board" each place such term occurs and inserting in lieu thereof "Director of the Office of Thrift Supervision".

(i) Section 610(a)(2) of the Expedited Funds Availability Act (12 U.S.C. 4009(a)(2)) is amended to read as follows:

"(2) section 5(d) of the Home Owners' Loan Act of 1933 in the case of federally chartered savings associations, by the Director of the Office of Thrift Supervision.".

(j) Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended—

(1) in the 4th sentence, by striking out "Federal Savings and Loan Insurance Corporation" and inserting in lieu thereof "Resolution Trust Corporation"; and

(2) in the 8th sentence, by striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "Director of the Office of Thrift Supervision".

(k) Section 2(a)(10) of the Paperwork Reduction Act of 1980 (44 U.S.C. 3502(a)(10)) is amended by striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "the Federal Housing Finance Board".

(l) Section 602(d)(11) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(d)(11)) is amended—

(1) by inserting "the Resolution Trust Corporation" after "Department of Housing and Urban Development";

(2) by striking out "savings and loan accounts" and inserting in lieu thereof "savings association accounts"; and

(3) by inserting "under the Federal Deposit Insurance Act or any other law." after "National Housing Act".

(m) Section 13(4) of the Public Buildings Act of 1959 (40 U.S.C. 612) is amended by striking out subparagraph (D).

(n) Section 2 of the Bank Protection Act of 1968 (12 U.S.C. 1881) is amended—

(1) in paragraph (4), by—

(A) striking out "Federal Home Loan Bank Board" and inserting in lieu thereof "Director, Office of Thrift Supervision";

(B) striking out "and loan"; and

(C) striking out everything after "associations"; and

(2) in paragraph (3), by inserting "state-chartered savings associations, and" after "with respect".

(o) Section 19(b)(1)(A)(vi) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(vi)) is amended to read as follows:

"(vi) any savings association (as defined in section 3(b)(1) of the Federal Deposit Insurance Act) which is an insured financial institution (as defined in section (c)(2) of such Act) or is eligible to apply to become an insured financial institution under section 5 of the Federal Deposit Insurance Act.".

(p) Section 19(b)(4)(B) of the Federal Reserve Act (12 U.S.C. 461(b)(4)(B)) is amended by striking out "the Federal Home Loan Bank Board," and inserting in lieu thereof "the Director of the Office of Thrift Supervision, the Federal Housing Finance Board,".

Subtitle B—Conforming Amendments

SEC. 721. FEDERAL HOME LOAN MORTGAGE CORPORATION.

(a) STATEMENT OF PURPOSE.—

(1) IN GENERAL.—Section 301 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended—

(A) by inserting "(a)" after the section designation; and

(B) by adding at the end the following new subsection:

"(b) It is the purpose of the Federal Home Loan Mortgage Corporation—

"(1) to provide stability in the secondary market for home mortgages;

"(2) to respond appropriately to the private capital market; and

"(3) to provide ongoing assistance to the secondary market for home mortgages (including mortgages securing housing for low- and moderate-income families involving a reasonable economic return to the Corporation) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing.".

(2) CONFORMING AMENDMENT.—The section heading for section 301 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) is amended to read as follows:

"SHORT TITLE AND STATEMENT OF PURPOSE".

(b) BOARD OF DIRECTORS.—

(1) NEW BOARD.—Section 303(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)) is amended to read as follows:

"(a)(1) There is hereby created the Federal Home Loan Mortgage Corporation, which shall be a body corporate under the direction of a Board of Directors. Within the limitations of law and regulation, the Board of Directors shall determine the general policies that govern the operations of the Corporation. The principal office of the Corporation shall be in the District of Columbia or at any other place determined by the Corporation.

"(2)(A) The Board of Directors of the Corporation shall consist of 18 persons, 5 of whom shall be appointed annually by the President of the United States and the remainder of whom shall be elected annually by the voting common stockholders. The Board of Directors shall at all times have as members appointed by the President of the United States at least 1 person from the homebuilding industry, at least 1 person

from the mortgage lending industry, and at least 1 person from the real estate industry.

"(B) Each member of the Board of Directors shall be such or elected for a term ending on the date of the next annual meeting of the voting common stockholders.

"(C) Any appointive seat on the Board of Directors that becomes vacant shall be filled by appointment by the President of the United States, but only for the unexpired portion of the term. Any elective seat on the Board of Directors that becomes vacant after the annual election of the directors shall be filled by the Board of Directors, but only for the unexpired portion of the term.

"(D) Any member of the Board of Directors who is a full-time officer or employee of the Federal Government shall not, as such member, receive compensation for services as such a member.".

(2) TRANSITIONAL PROVISIONS.—

(A) INTERIM BOARD.—

(i) ESTABLISHMENT.—There shall be an interim Board of Directors of the Federal Home Loan Mortgage Corporation, which shall serve from the date of the enactment of this Act until the date of the 1st meeting of the voting common shareholders of the Corporation at which the first election of the directors elected by the shareholders occurs.

(ii) MEMBERS.—The interim Board of Directors of the Federal Home Loan Mortgage Corporation shall consist of—

(I) the President of the Corporation; and

(II) the persons who were (on the day before the date of the enactment of this Act) the Chairman of the Federal Home Loan Bank Board and the Secretary of Housing and Urban Development (or their designees).

(iii) QUORUM.—A quorum of the interim Board of Directors of the Federal Home Loan Mortgage Corporation shall consist of a majority of the directors duly serving from time to time.

(B) ELECTION OF PERMANENT DIRECTORS.—The first meeting of the voting common shareholders of the Federal Home Loan Mortgage Corporation for election of directors shall occur, under procedures established by the Corporation, within 6 months after the date of the enactment of this Act.

(c) REGULATORY POWER.—Section 303 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452) is amended—

(1) by redesignating subsections (b) through (f) as subsections (c) through (g), respectively; and

(2) by inserting after subsection (a) the following new subsection:

"(b)(1) The Secretary of Housing and Urban Development shall have general regulatory power over the Corporation and shall make such rules and regulations as shall be necessary and proper to ensure that the purposes of this title are accomplished.

"(2) The Secretary of Housing and Urban Development may require that a reasonable portion of the mortgage purchases of the Corporation be related to the national goal of providing adequate housing for low- and moderate-income families, but with reasonable economic return to the Corporation.

"(3) The aggregate amount of cash dividends paid by the Corporation in any fiscal year on account of any share of its common stock shall not exceed any rate that may be determined from time to time by the Secretary of Housing and Urban Development to be a fair rate of return after consideration of the current earnings and capital condition of the Corporation.

"(4) The Secretary of Housing and Urban Development may examine and audit the books and financial transactions of the Corporation and may require the Corporation to issue any reports on its activities that the Secretary determines to be advisable. The Secretary shall, not later than June 30 of each year, submit to the Congress a report describing the activities of the Corporation under this Act.

"(5) The aggregate amount of notes, debentures, or substantially identical types of unsecured obligations outstanding at any time shall not exceed the amount which is 15 times the sum of the Corporation's capital, capital surplus, general surplus, reserves, and undistributed earnings unless a greater ratio shall be fixed at any time or from time to time by the Secretary of Housing and Urban Development. The outstanding total principal amount of any obligations of the Corporation which are entirely subordinated to the general debt obligations of the Corporation shall be deemed to be capital of the Corporation for the purpose of determining the aggregate amount of notes, debentures, or substantially identical types of unsecured obligations outstanding at any time.

"(6) All issuances of stock, and debt obligations convertible into stock, by the Corporation shall be made only with the approval of the Secretary of Housing and Urban Development.

"(7)(A) The exercise of the authority of the Corporation pursuant to commitments or otherwise to purchase, service, sell, lend on the security of, or otherwise deal in conventional residential mortgages under section 305(a) shall be subject to the approval of the Secretary of Housing and Urban Development.

"(B) Any conventional mortgage programs or activities with respect to purchasing, servicing, selling, lending on the security of, or otherwise dealing in mortgages in which the Corporation has engaged or is engaging, as of the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall be deemed to have been approved by the Secretary of Housing and Urban Development as required by this paragraph.

"(8) If the Corporation submits to the Secretary of Housing and Urban Development a request for approval or other action under this title, the Secretary shall, not later than the expiration of the 45-day period following the submission of the request, approve the request or transmit to the Congress a report explaining why the request has not been approved. The period may be extended for an additional 15-day period if the Secretary requests additional information from the Corporation, but the 45-day period may not be extended for any other reason or for any period in addition to or other than the 15-day period. If the Secretary fails to transmit the report to the Congress within the 45-day period or 60-day period, as the case may be, the Corporation may proceed as if the request had been approved.".

(d) COMMON STOCK.—

(1) IN GENERAL.—Section 304(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453(a)) is amended to read as follows:

"(a)(1) The common stock of the Corporation shall consist of—

"(A) nonvoting common stock, which shall be issued only to Federal home loan banks; and

"(B) voting common stock, which shall be issued to such holders in the manner and amount, and subject to any limitations on concentration of ownership, as may be established by the Corporation.

"(2) The nonvoting common stock and the voting common stock shall have such par value and other characteristics as the Corporation provides. The voting common stock shall be vested with all voting rights, each share being entitled to 1 vote. The free transferability of the voting common stock at all times to any person, firm, corporation or other entity shall not be restricted except that, as to the Corporation, it shall be transferable only on the books of the Corporation. Nonvoting common stock of the Corporation shall be evidenced in the manner and shall be transferable only to the extent, to the transferees, and in the manner, provided by the Corporation.".

(2) CONVERSION OF STOCK.—On the date of the enactment of this Act, each share of outstanding senior participating preferred stock of the Federal Home Loan Mortgage Corporation, with a par value of $2.50 per share, shall be changed into and shall become 1 share of voting common stock of the Corporation. Such voting common stock shall, with respect to the nonvoting common stock of the Corporation, retain all of the rights, priorities and privileges of the senior participating preferred stock. The transformation of the senior participating preferred stock into voting common stock under this paragraph shall be deemed to satisfy the obligation of the Corporation to redeem senior participating preferred stock for non-callable common stock.

(3) CONFORMING AMENDMENTS.—

(A) SUBSCRIPTIONS OF FEDERAL HOME LOAN BANKS.—Section 304(b) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453(b)) is amended by inserting "nonvoting" before "common".

(B) ALLOCATION OF SUBSCRIPTIONS.—Section 304(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453(c)) is amended by striking "such" and by inserting "nonvoting common" before "stock".

(C) RETIREMENT OF STOCK.—Section 304(d) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1453(d)) is amended by inserting "nonvoting common" before "stock" each place it appears.

(e) LENDING ACTIVITIES.—Section 305(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)) is amended by adding at the end the following new paragraph:

"(5) The Corporation is authorized to lend on the security of, and to make commitments to lend on the security of, any mortgage that the Corporation is authorized to purchase under this section. The volume of the Corporation's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees in its secondary market operations under this paragraph, shall be determined by the Corporation from time to time; and such determinations shall be consistent with the objectives that the lending activities shall be conducted on such terms as will reasonably prevent excessive use of the Corporation's facilities, and that the operations of the Corporation under this paragraph shall be within its income derived from such operations and that such operations shall be fully self-supporting. The Corporation shall not be permitted to use its lending authority under this paragraph (A) to advance funds to a mortgage seller on an interim basis, using mortgage loans as collateral, pending the sale of the mortgages in the secondary market; or (B) to originate mort-

VOL 135 PT 9 JE 14 — 22 1989 UMI

gage loans. Notwithstanding any Federal, State, or other law to the contrary, the Corporation is hereby empowered, in connection with any loan under this paragraph, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Corporation.".

(f) REFERENCES TO FSLIC AND FHLBB.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended—

(1) by striking "Federal Savings and Loan Insurance Corporation" each place it appears and inserting "Resolution Trust Corporation"; and

(2) in subsection (a)(2), by striking "Federal Home Loan Bank Board" and inserting "Federal Housing Finance Board".

(g) STANDBY CREDIT.—Section 306(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1455(c)) is amended to read as follows:

"(c)(1) The Secretary of the Treasury may purchase any obligations issued under subsection (a). For such purpose, the Secretary may use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under such chapter are extended to include such purpose.

"(2) The Secretary of Treasury shall not at any time purchase any obligations under this subsection if the purchase would increase the aggregate principal amount of the outstanding holdings of obligations under this subsection by the Secretary to an amount greater than $2,250,000,000, and such purchases may be made only to such extent or in such amounts as are approved in appropriation Acts.

"(3) Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon terms and conditions established to yield a rate of return determined by the Secretary to be appropriate, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the purchase.

"(4) The Secretary of the Treasury may at any time sell, upon terms and conditions and at prices determined by the Secretary, any of the obligations acquired by the Secretary under this subsection.

"(5) All redemptions, purchases and sales by the Secretary of the Treasury of obligations under this subsection shall be treated as public debt transactions of the United States.".

(h) TERMS OF OBLIGATIONS.—Section 306 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1455) is amended by adding at the end the following new subsections:

"(j)(1) Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation evidencing money borrowed, whether general or subordinated, shall be issued upon the approval of the Secretary of the Treasury and shall have such maturities and bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury.

"(2) Any notes, debentures, of substantially identical types of unsecured obligations of the Corporation having maturities of 1 year or less that the Corporation has issued or is issuing as of the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection. Such deemed approval shall expire 365 days after such date of enactment.

"(3) Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation having maturities of more than 1 year that the Corporation has issued or is issuing as of the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection. Such deemed approval shall expire 60 days after such date of enactment.

"(k)(1) Any securities in the form of debt obligations or trust certificates of beneficial interest, or both, and based upon mortgages held and set aside by the Corporation, shall be issued upon the approval of the Secretary of the Treasury and shall have such maturities and shall bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury.

"(2) Any securities in the form of debt obligations or trust certificates of beneficial interest, or both, and based upon mortgages held and set aside by the Corporation, that the Corporation has issued or is issuing as of the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection.".

(i) CONFORMING AMENDMENTS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT.—

(1) STATEMENT OF PURPOSE.—Section 301 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) is amended—

(A) by striking paragraphs (a) and (b) and inserting the following new paragraphs:

"(1) provide stability in the secondary market for home mortgages;

"(2) respond appropriately to the private capital market;

"(3) provide ongoing assistance to the secondary market for home mortgages (including mortgages securing housing for low- and moderate-income families involving a reasonable economic return) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing; and"; and

(B) by redesignating paragraph (c) as paragraph (4).

(2) LENDING ACTIVITIES.—Section 304(a)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(a)(2)) is amended—

(A) by inserting after the 3d sentence the following new sentence: "The corporation shall not be permitted to use its lending authority (A) to advance funds to a mortgage seller on an interim basis, using mortgage loans as collateral, pending the sale of the mortgages in the secondary market; or (B) to originate mortgage loans."; and

(B) by striking the 1st and 2d sentences.

(3) AUDITS BY GAO.—Section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a) is amended by adding at the end the following new subsection:

"(j) The financial transactions of the corporation shall be subject to audit by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporation transactions under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. A report on each such audit shall be made by the Comptroller General to the Congress. The corporation shall reimburse the General Accounting Office for the full cost of any such audit as billed therefor by the Comptroller General.".

SEC. 722. REPEAL OF LIMITATION OF OBLIGATION FOR ADMINISTRATIVE EXPENSES.

Section 7(b) of the First Deficiency Appropriation Act of 1936 (15 U.S.C. 712a(b)) is amended by striking out "1. Federal Home Loan Bank Board;", "2. Home Owners' Loan Corporation;", and "11. Federal Savings and Loan Insurance Corporation;".

SEC. 723. AMENDMENT OF TITLE 5, UNITED STATES CODE.

(a) Section 5314 of title 5, United States Code (5 U.S.C. 5315) is amended by adding at the end thereof "Chairperson, Federal Housing Finance Board".

(b) Section 5315 of title 5, United States Code (5 U.S.C. 5315) is amended by striking out "Members, Federal Home Loan Bank Board" and inserting in lieu thereof "Members, Federal Housing Finance Board".

SEC. 724. AMENDMENT OF BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT PROVISIONS.

(a) Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended—

(1) by inserting after the item relating to the Comptroller of the Currency the following new item:

"Director of the Office of Thrift Supervision;";

(2) by striking out "Federal Home Loan Bank Board;" and inserting in lieu thereof the following new items:

"Federal Deposit Insurance Corporation, Bank Insurance Fund;

"Federal Deposit Insurance Corporation, FSLIC Resolution Fund;

"Federal Deposit Insurance Corporation, Savings Association Insurance Fund;";

(3) by striking out "Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation"and inserting in lieu thereof "Federal Housing Finance Board"; and

(4) by inserting after the item relating to the Postal service fund the following new items:

"Resolution Funding Corporation;

"Resolution Trust Corporation;".

(b) Section 256(b)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 256(b)(4)) is amended—

(1) by striking out subparagraphs (C) and (D), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

"(B) Director of the Office of Thrift Supervision.";

(2) by inserting after subparagraph (C) (as redesignated by paragraph (1) of this subsection) the following new subparagraph:

"(D) Federal Housing Finance Board."; and

(3) by adding at the end thereof the following new subparagraphs:

"(H) Resolution Funding Corporation.

"(I) Resolution Trust Corporation.".

SEC. 715. STUDY REGARDING CAPITAL REQUIREMENTS FOR GOVERNMENT-SPONSORED ENTERPRISES.

(a) IN GENERAL.—The Comptroller General of the United States, in consultation with and with the cooperation of the government-sponsored enterprises, shall conduct a study of the risks undertaken by and the appropriate level of capital consistent with—

(1) the financial soundness and stability of the government-sponsored enterprises; and

(2) minimizing any potential financial exposure of the Federal Government.

(b) SPECIFIC REQUIREMENTS.—The study shall examine and evaluate—

(1) the types of risks that are undertaken by the government-sponsored enterprises in the course of their operations;

(2) the appropriateness of applying a risk-based capital standard, which includes at a minimum both an interest rate risk component and a credit risk component, to each of the government-sponsored enterprises, taking into account the nature of the business each government-sponsored enterprise conducts;

(3) the costs and benefits to the public from application of a risk-based capital standard to the government-sponsored enterprises and the impact of such a standard on the capability of each government-sponsored enterprise to carry out its statutory mission; and

(4) the categories of risks and the overall level of capital appropriate for the government-sponsored enterprises.

(c) REPORT TO CONGRESS.—The Comptroller General of the United States shall, not later than May 1, 1990, submit to the Congress a report setting forth—

(1) the results of the study conducted under this section; and

(2) any recommendations of the Comptroller General with respect to appropriate capital standards for each government-sponsored enterprise.

(d) DEFINITION.—For purposes of this section, the term "government-sponsored enterprises" means the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Farm Credit System, the Federal Agricultural Mortgage Corporation, the College Construction Loan Insurance Corporation, the Student Loan Marketing Association, the Resolution Trust Corporation, and the Resolution Funding Corporation.

TITLE VIII—BANK CONSERVATION ACT AMENDMENTS

SEC. 801. DEFINITIONS.

Section 202 of the Bank Conservation Act (12 U.S.C. 202) is amended by inserting "or any other financial institution chartered under Federal law and subject to the supervision of the Comptroller of the Currency" after "national banking association".

SEC. 802. APPOINTMENT OF CONSERVATOR.

Section 203 of the Bank Conservation Act (12 U.S.C. 203) is amended to read as follows:

"SEC. 203. APPOINTMENT OF CONSERVATOR.

"(a) APPOINTMENT.—The Comptroller of the Currency may, without notice, appoint a conservator which may be the Federal Deposit Insurance Corporation, to take possession and control of a bank whenever the Comptroller determines that one or more of the following circumstances exists—

"(1) the conditions for appointment of a receiver for the bank are present;

"(2) the bank is in danger of closing, such that the bank is not likely to be able to meet the demands of its depositors, or pay its obligations in the normal course of business, or the bank has incurred or is likely to incur losses that will deplete all or substantially all of its capital;

"(3) a violation or violations of laws, rules or regulations or any unsafe or unsound practice or condition which is likely to cause insolvency or substantial dissipation of assets or earnings, or is likely to weaken the condition of the bank or otherwise seriously prejudice the interests of its depositors;

"(4) the bank is in an unsafe and unsound condition to transact business;

"(5) the bank's board of directors consists of less than 5 members;

"(6) a willful or continuing violation of an order enforceable under subsections (i) and (j) of section 8 of the Federal Deposit Insurance Act;

"(7) concealment of books, papers, records, or assets of the bank or refusal to submit books, papers, records, or affairs of the bank for inspection to any examiner or to any lawful agent of the Comptroller; or

"(8) such other circumstances which, in the Comptroller's opinion, warrant appointment of a conservator for the benefit of depositors and other creditors.

"(b) JUDICIAL REVIEW.—

"(1) Not later than 10 days after the initial appointment of a conservator pursuant to this section, the bank may bring an action in the United States District Court for the judicial district in which the home office of such bank is located, or in the United States District Court for the District of Columbia, for an order requiring the Comptroller to terminate the appointment of a conservator, and the court, upon the merits, shall dismiss such action or shall direct the Comptroller to terminate the appointment of such conservator. The Comptroller's decision to appoint a conservator pursuant to this provision shall be set aside only if the court shall find that such decision was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(2) Upon the commencement of such an action, the court having jurisdiction of any other action or proceeding to which the bank, or the conservator thereof, is a party shall stay such action or proceeding during the pendency of the action for removal of the conservator.

"(3) Except as provided in this subsection, no court shall have jurisdiction to affect by injunction or otherwise the appointment of a conservator, or to review, modify, suspend, terminate or set aside any order or action taken pursuant to such conservatorship, except that a court, upon application by the Comptroller, shall enforce an order of the Comptroller relating to the conservatorship and the bank in conservatorship or restraining or affecting the exercise of powers of functions of a conservator.

"(c) ADDITIONAL GROUNDS FOR APPOINTMENT.—In addition to the foregoing provisions, the Comptroller may appoint a conservator for a bank in the event that—

"(1) the bank, by an affirmative vote of a majority of its board of directors or by an affirmative vote of a majority of its shareholders, consents to such appointment; or

"(2) in lieu of the provisions of section 8(o) of the Federal Deposit Insurance Act, the bank's status as an insured bank is terminated by the Federal Deposit Insurance Corporation.

The appointment of a conservator pursuant to this subsection shall not be subject to review.

"(d) EXCLUSIVE AUTHORITY.—The Comptroller shall have exclusive power and jurisdiction to appoint a conservator for a bank. Whenever the Comptroller appoints a conservator for any bank, the Comptroller may appoint the Federal Deposit Insurance Corporation conservator for such bank. The Federal Deposit Insurance Corporation, as such conservator, shall have all the powers granted under the Federal Deposit Insurance Act, and (when not inconsistent therewith) any other rights, powers, and privileges possessed by conservators or receivers of banks under this Act and any other provisions of law. The Comptroller may also appoint another person as conservator, who shall be subject to the provisions of this Act.

"(e) The Comptroller may, without notice or hearing, replace a conservator with another conservator. Such replacement shall not affect the bank's right under subsection (b) to obtain judicial review of the Comptroller's original decision to appoint a conservator.".

SEC. 803. EXAMINATIONS.

Section 204 of the Bank Conservation Act (12 U.S.C. 204) is amended to read as follows:

"SEC. 204. EXAMINATIONS.

"The Comptroller of the Currency, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation when the Corporation is appointed conservator, is authorized to examine and supervise the bank in conservatorship as long as the bank continues operations as an ongoing national bank. The Comptroller may use reports and other information provided by the Federal Deposit Insurance Corporation for this purpose.".

SEC. 804. TERMINATION OF CONSERVATORSHIP.

Section 205 of the Bank Conservation Act (12 U.S.C. 205) is amended to read as follows:

"SEC. 205. TERMINATION OF CONSERVATORSHIP.

"(a) Any time the Comptroller becomes satisfied that it may safely be done and that it would be in the public interest, the Comptroller, with the agreement of the Board of Directors of the Federal Deposit Insurance Corporation when the Corporation is appointed conservator, may—

"(1) terminate the conservatorship and permit the involved bank to resume the transaction of its business subject to such terms, conditions and limitations as the Comptroller may prescribe; or

"(2) terminate the conservatorship upon a sale, merger, consolidation, purchase and assumption, change in control, or voluntary liquidation of the involved bank.

"(b) The Comptroller also may terminate the conservatorship upon a declaration that the bank is insolvent and upon the appointment of a receiver pursuant to section 1 of the Act entitled 'An Act authorizing the appointment of receivers of national banks, and for other purposes.' and approved June 30, 1876.

"(c) Such terms, conditions and limitations as prescribed by subsection (a)(1) of this section shall be enforceable under the provisions of subsections (i) and (j) of sec-

VOL 135 PT 9 JE 14 — 22 1989 UMI

tion 8 of the Federal Deposit Insurance Act to the same extent as an effective and outstanding order issued pursuant to section 8(b) of such Act that has become final, except that the bank may bring an action in the United States district court for the judicial district in which the home office of such bank is located or in the United States District Court for the District of Columbia for an order requiring the Comptroller to terminate the order. An action for judicial review of the terms, conditions and limitations may not be commenced later than 30 days after the date of the termination of the conservatorship or the imposition of the order, whichever is later.

"(d) Upon termination of the conservatorship under subsection (a)(2)—

"(1) when the Federal Deposit Insurance Corporation is appointed conservator, the Federal Deposit Insurance Corporation, as conservator, shall proceed to wind up the affairs of the conservatorship; or

"(2) when another person is appointed conservator, the conservator shall proceed to wind up the affairs of the conservatorship as follows:

"(A) Within 180 days after the sale, merger, consolidation, purchase and assumption, or voluntary liquidation, the conservator shall deposit all net proceeds received from the transaction, less any expenses of the conservatorship that are outstanding, with the United States district court for the judicial district in which the home office of such bank is located and shall cause notice to be published for 3 consecutive months and notify by mail all known creditors and shareholders. Within 60 days thereafter, any depositor, creditor, or other claimant of the bank, or any shareholder of the bank may bring an action in interpleader in that court for distribution of the proceeds. The district court shall disseminate such funds in an equitable manner. If no such action is instituted within 1 year after the date the funds were deposited with the district court, title to such net proceeds shall revert to the United States and the district court shall remit the funds to the Treasury of the United States.

"(B) The conservator shall be deemed to have discharged all responsibility of the conservatorship upon the deposit of the proceeds with the District Court and fulfillment of the required notifications.".

SEC. 806. CONSERVATOR, POWERS AND DUTIES.

Section 206 of the Bank Conservation Act (12 U.S.C. 206) is amended to read as follows:

"SEC. 206. CONSERVATOR, POWERS AND DUTIES.

"(a) A conservator shall have all the powers of the shareholders, directors, and officers of the bank and shall be authorized to operate the bank in its own name unless the Comptroller in the order of appointment limits the authority of the conservator.

"(b) The conservator shall be subject to such rules, regulations, and orders as the Comptroller from time to time deems appropriate; and, except as otherwise specifically provided in such rules, regulations, or orders, shall be vested with or subject to the same rights, privileges, duties, restrictions, penalties, conditions, and limitations that apply to directors, officers, or employees of a national bank, except as otherwise provided in section 209.

"(c) The Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors such amounts as in the opinion of the Comptroller may safely be used for this purpose, except that all depositors and creditors who are similarly situated shall be treated in the same manner.

"(d) The conservator and professional employees appointed to represent or assist the conservator shall be paid amounts no greater than are payable for employees of the Federal Government for similar services, except that the Comptroller of the Currency may authorize payment at higher rates, not to exceed rates prevalent in the private sector, if the Comptroller determines that payment of such higher rates is necessary in order to recruit and retain competent personnel.

"(e) All expenses of any such conservatorship shall be paid by the bank and shall be a lien upon the bank which shall be prior to any other lien.".

SEC. 806. LIABILITY PROTECTION.

Section 209 of the Bank Conservation Act (12 U.S.C. 209) is amended to read as follows:

"SEC. 209. LIABILITY PROTECTION.

"(a) The conservator shall not be held liable for damages in tort or otherwise for acts or omissions of acts performed pursuant to and in the course of the duties and responsibilities of the conservatorship unless such acts or omissions of acts are grossly negligent, as determined by a court.

"(b) The Comptroller shall have authority to indemnify the conservator on such terms as the Comptroller deems proper.".

SEC. 807. RULES AND REGULATIONS.

Section 211 of the Bank Conservation Act (12 U.S.C. 211) is amended to read as follows:

"SEC. 211. RULES AND REGULATIONS.

"The Comptroller of the Currency may prescribe such regulations as the Comptroller may deem necessary to carry out the provisions of this Act.".

SEC. 808. REPEALS.

Sections 207 and 208 of the Bank Conservation Act (12 U.S.C. 207 and 208) are hereby repealed.

SEC. 809. CONFORMING AMENDMENT.

Section 5373(2) of title 5, United States Code (as amended by section 326(b) of this Act) is amended by inserting ", section 203 of the Bank Conservation Act" after "title 12,".

TITLE IX—REGULATORY ENFORCEMENT AUTHORITY AND CRIMINAL ENHANCEMENTS

SEC. 900. SHORT TITLE.

This title may be cited as the "Enhanced Enforcement Powers Act of 1989".

Subtitle A—Expanded Enforcement Powers, Increased Penalties, and Improved Accountability

SEC. 901. EMPLOYEES, AGENTS, AND SHAREHOLDERS OF A FINANCIAL INSTITUTION SUBJECT TO ADMINISTRATIVE ENFORCEMENT ORDERS, SUBSTITUTION OF "FINANCIAL INSTITUTION" FOR "BANK" IN ENFORCEMENT PROVISIONS.

(a) PERSON PARTICIPATING IN THE CONDUCT OF THE AFFAIRS OF AN INSURED FINANCIAL INSTITUTION DEFINED.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding after the subsection added by section 209 of this Act the following new subsection:

"(u) PERSON PARTICIPATING IN THE CONDUCT OF THE AFFAIRS OF AN INSURED FINANCIAL INSTITUTION DEFINED.—For purposes of this Act, the term 'person participating in the conduct of the affairs of an insured financial institution' may include—

"(1) any employee, agent, consultant, or stockholder of or for an insured financial institution (or any company treated as an insured financial institution under paragraph (3) or (8) of subsection (b) for purposes of this section),

"(2) any person who has filed or is required to file a change-in-control notice with the appropriate Federal banking agency, and

"(3) any accountant, appraiser, attorney, or joint venture partner, who is not an officer, director, employee, agent, consultant, or stockholder of such institution, or such other persons as the appropriate Federal banking agency may prescribe by regulation, of or for an insured financial institution (or any company treated as an insured financial institution under paragraph (3) or (8) of subsection (b) for purposes of this section) who knowingly or with reckless disregard participates in—

"(A) any violation of any law or regulation;

"(B) any breach of fiduciary duty; or

"(C) any unsafe or unsound practice,

which caused or is likely to cause a loss or other adverse effect.".

(b) PERSON PARTICIPATING IN THE CONDUCT OF THE AFFAIRS OF AN INSURED CREDIT UNION DEFINED.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end thereof the following new subsection:

"(r) PERSON PARTICIPATING IN THE CONDUCT OF THE AFFAIRS OF AN INSURED CREDIT UNION DEFINED.—For purposes of this Act, the term 'person participating in the conduct of the affairs of an insured credit union' may include—

"(1) any committee member, employee, consultant, or agent, of or for an insured credit union; and

"(2) any accountant, appraiser, attorney, or joint venture partner, who is not an officer, director, employee, agent, consultant, or committee member of such credit union, or such other persons as the Board may prescribe by regulations, of or for an insured credit union who knowingly or with reckless disregard participates in—

"(A) any violation of any law or regulation;

"(B) any breach of fiduciary duty; or

"(C) any unsafe or unsound practice,

which caused or is likely to cause a loss or other adverse effect.".

(c) SUBSTITUTION OF "FINANCIAL INSTITUTION" FOR "BANK".—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by striking out "bank" and "banks" each place such terms appear and inserting in lieu thereof "financial institution" and "financial institutions", respectively, except in subsections (b)(3), (m), (o), (q), and (r).

SEC. 902. AMENDMENTS TO CEASE AND DESIST AUTHORITY WITH RESPECT TO RESTITUTION, RESTRICTIONS ON SPECIFIC ACTIVITIES, GROUNDS FOR ISSUANCE OF A TEMPORARY ORDER, AND INCOMPLETE OR INACCURATE RECORDS.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—

(1) CEASE AND DESIST AUTHORITY.—Section 8(b) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is amended—

(A) in paragraph (3), by striking out "subsections (c) through (f) and (h) through (n)" and inserting in lieu thereof "subsections (c) through (n)"; and

(B) by adding at the end thereof the following new paragraphs:

"(6) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR PRAC-

TICES.—The authority to issue an order under this subsection and subsection (c) which requires an insured financial institution, or any director, officer, or other person participating in the conduct of the affairs of an insured financial institution, to take affirmative action to correct any conditions resulting from any violation or practice with respect to which such order is issued includes the authority to require such financial institution, director, officer, or other person to—

"(A) make restitution or provide reimbursement, indemnification, or guarantee against loss if—

"(i) such financial institution, director, officer, or other person was unjustly enriched in connection with such violation or practice; or

"(ii) the violation or practice involved a reckless disregard for the law or any applicable regulations or prior order of the appropriate Federal banking agency;

"(B) restrict the growth of the institution;

"(C) dispose of any loan or asset involved;

"(D) rescind agreements or contracts; and

"(E) employ qualified officers or employees (who may be subject to approval by the appropriate Federal banking agency at the direction of such agency); and

"(F) take such other action as the banking agency determines to be appropriate.

"(7) AUTHORITY TO LIMIT ACTIVITIES.—The authority to issue an order under this subsection or subsection (c) includes the authority to place limitations on the activities or functions of an insured financial institution, or any director, officer, or other person participating in the conduct of the affairs of an insured financial institution.

"(8) EXPANSION OF AUTHORITY TO SAVINGS AND LOAN AFFILIATES AND ENTITIES.—This subsection and subsections (c) through (n) shall apply to any savings and loan holding company and to any subsidiary (other than a bank or subsidiary of that bank) of a savings and loan holding company, to any service corporation of a savings association and to any subsidiary of such service corporation, whether wholly or partly owned, in the same manner as they apply to a savings association.".

(2) INCOMPLETE OR INACCURATE RECORDS.—Section 8(c) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)) is amended—

(A) in paragraph (1), by striking out "substantial" and inserting in lieu thereof "significant"; and

(B) by adding at the end thereof the following new paragraph:

"(3) INCOMPLETE OR INACCURATE RECORDS.—

"(A) TEMPORARY ORDER.—If a notice of charges served under subsection (b)(1) specifies, on the basis of particular facts and circumstances, that an insured financial institution's books and records are so incomplete or inaccurate that the appropriate Federal banking agency is unable, through the normal supervisory process, to determine the financial condition of that financial institution or the details or purpose of any transaction or transactions that may have a material effect on the financial condition of that financial institution, the agency may issue a temporary order requiring—

"(i) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or record; or

"(ii) affirmative action to restore such books or records to a complete and accurate state, until the completion of the proceedings under subsection (b)(1).

"(B) EFFECTIVE PERIOD.—Any temporary order issued under subparagraph (A)—

"(i) shall become effective upon service; and

"(ii) unless set aside, limited, or suspended by a court in proceedings under paragraph (2), shall remain in effect and enforceable until the earlier of—

"(I) the completion of the proceeding initiated under subsection (b)(1) in connection with the notice of charges; or

"(II) the date the appropriate Federal banking agency determines, by examination or otherwise, that the insured financial institution's books and records are accurate and capable of reflecting the financial condition of the financial institution.".

(b) CREDIT UNIONS INSURED BY THE NCUA.—

(1) CEASE AND DESIST AUTHORITY.—Section 206(e) of the Federal Credit Union Act (12 U.S.C. 1786(e)) is amended by adding at the end thereof the following new paragraphs:

"(3) AFFIRMATIVE ACTION TO CORRECT CONDITIONS RESULTING FROM VIOLATIONS OR PRACTICES.—The authority to issue an order under this subsection and subsection (f) which requires an insured credit union, or any director, officer, or other person participating in the conduct of the affairs of an insured credit union, to take affirmative action to correct any conditions resulting from any violation or practice with respect to which such order is issued includes the authority to require such insured credit union, director, officer, or other person to—

"(A) make restitution or provide reimbursement, indemnification, or guarantee against loss if—

"(i) such credit union, director, officer, or other person was unjustly enriched in connection with such violation or practice; or

"(ii) the violation or practice involved a reckless disregard for the law or any applicable regulations or prior order of the Board;

"(B) restrict the growth of the institution;

"(C) rescind agreements or contracts;

"(D) dispose of any loan or asset involved; and

"(E) employ qualified officers or employees (who may be subject to approval by the Board at the direction of such Board); and

"(F) take such other action as the Board determines to be appropriate.

"(4) AUTHORITY TO LIMIT ACTIVITIES.—The authority to issue an order under this subsection or subsection (f) includes the authority to place limitations on the activities or functions of an insured credit union, or any director, officer, or other person participating in the conduct of the affairs of an insured credit union.".

(2) INCOMPLETE OR INACCURATE RECORDS.—Section 206(f) of the Federal Credit Union Act (12 U.S.C. 1786(f)) is amended—

(A) by redesignating paragraph (3) as paragraph (4);

(B) in paragraph (1), by striking out "substantial" and inserting in lieu thereof "significant"; and

(C) by inserting after paragraph (2) the following new paragraph:

"(3) INCOMPLETE OR INACCURATE RECORDS.—

"(A) TEMPORARY ORDER.—If a notice of charges served under subsection (e)(1) specifies, on the basis of particular facts and circumstances, that an insured credit union's books and records are so incomplete or inaccurate that the Board is unable, through the normal supervisory process, to determine the financial condition of that insured credit union or the details or purpose of any transaction or transactions that may have a material effect on the financial condition of that insured credit union, the Board may issue a temporary order requiring—

"(i) the cessation of any activity or practice which gave rise, whether in whole or in part, to the incomplete or inaccurate state of the books or record; or

"(ii) affirmative action to restore such books or records to a complete and accurate state, until the completion of the proceedings under subsection (e)(1).

"(B) EFFECTIVE PERIOD.—Any temporary order issued under subparagraph (A)—

"(i) shall become effective upon service; and

"(ii) unless set aside, limited, or suspended by a court in proceedings under paragraph (2), shall remain in effect and enforceable until the earlier of—

"(I) the completion of the proceeding initiated under subsection (e)(1) in connection with the notice of charges; or

"(II) the date the Board determines, by examination or otherwise, that the insured credit union's books and records are accurate and capable of reflecting the financial condition of the credit union.".

SEC. 903. MERGER OF REMOVAL AND PROHIBITION AUTHORITY.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—

(1) IN GENERAL.—Section 8(e)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(1)) is amended to read as follows:

"(1) AUTHORITY TO ISSUE ORDER.—Whenever the appropriate Federal banking agency determines that—

"(A) any director, officer, or other person participating in the conduct of the affairs of an insured financial institution has, directly or indirectly—

"(i) violated—

"(I) any law or regulation;

"(II) any cease-and-desist order which has become final;

"(III) any condition imposed in writing by the appropriate Federal banking agency in connection with the grant of any application or other request by such financial institution; or

"(IV) any written agreement between such financial institution and such agency;

"(ii) engaged or participated in any unsafe or unsound practice in connection with any insured financial institution or business institution; or

"(iii) committed or engaged in any act, omission, or practice which constitutes a breach of such person's fiduciary duty;

"(B) by reason of the violation, practice, or breach described in any clause of subparagraph (A)—

"(i) such insured financial institution or business institution has suffered or will probably suffer financial loss or other damage;

"(ii) the interests of the insured financial institution's depositors have been or could be prejudiced; or

"(iii) such director, officer, or other person has received financial gain or other benefit by reason of such violation, practice, or breach; and

"(C) such violation, practice, or breach—

"(i) involves personal dishonesty on the part of such director, officer, or other person; or

"(ii) demonstrates willful or continuing disregard by such director, officer, or other person for the safety or soundness of such insured financial institution or business institution,

the agency may serve upon such director, officer, or other person a written notice of the agency's intention to remove such person from office or to prohibit any fur-

ther participation, by such person, in any manner in the conduct of the affairs of any insured financial institution.".

(2) TEMPORARY SUSPENSION OR PROHIBITION.—Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended by striking out paragraphs (2) and (4), by redesignating paragraphs (3), (5), and (6) as paragraphs (2), (4), and (5), respectively, and by inserting after paragraph (2) (as so redesignated) the following new paragraph:

"(3) TEMPORARY ORDER.—

"(A) SUSPENSION OR PROHIBITION AUTHORIZED.—If the appropriate Federal banking agency serves written notice under paragraph (1) or (2) to any director, officer, or other person participating in the conduct of the affairs of an insured financial institution of such agency's intention to issue a temporary order under such paragraph, the appropriate Federal banking agency may suspend such director, officer, or other person from office or prohibit such person from further participation in any manner in the conduct of the affairs of the financial institution, if the agency—

"(i) determines that such action is necessary for the protection of the financial institution or the interests of the financial institution's depositors; and

"(ii) serves such person with written notice of the order.

"(B) EFFECTIVE PERIOD.—Any temporary order issued under subparagraph (A)—

"(i) shall become effective upon service; and

"(ii) unless a court issues a stay of such order under subsection (f), shall remain in effect and enforceable until—

"(I) the date the appropriate Federal banking agency dismisses the charges contained in the notice served under paragraph (1) or (2) with respect to such person; or

"(II) the effective date of an order issued by the agency to such person under paragraph (1) or (2).

"(C) COPY OF ORDER.—If an appropriate Federal banking agency issues a temporary order under subparagraph (A) to any director, officer, or other person participating in the conduct of the affairs of an insured financial institution, the agency shall serve a copy of such order on any insured financial institution with which such director, officer, or other person is associated at the time such order is issued.".

(3) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES REQUIRED.—Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended by adding after paragraph (5) (as so redesignated by paragraph (2) of this subsection) the following new paragraph:

"(6) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES REQUIRED.—Any order issued under this subsection shall specifically prohibit the person to whom such order is issued from engaging in an activity described in any paragraph of subsection (j).".

(4) CONFORMING AMENDMENTS.—

(A) Section 8(f) of the Federal Deposit Insurance Act (12 U.S.C. 1818(f)) is amended—

(i) by striking out "(e)(4)" and inserting in lieu thereof "(e)(3)"; and

(ii) by striking out "(e)(1), (e)(2), or (e)(3)" and inserting in lieu thereof "(e)(1) or (e)(2)".

(B) Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended by striking out "(1), (2), (3), or (4)" and inserting in lieu thereof "(1), (2), or (3)".

(b) CREDIT UNIONS INSURED BY THE NCUA.—

(1) IN GENERAL.—Section 206(g)(1) of the Federal Credit Union Act (12 U.S.C. 1786(g)(1)) is amended to read as follows:

"(1) AUTHORITY TO ISSUE ORDER.—Whenever the Board determines that—

"(A) any director, officer, or other person participating in the conduct of the affairs of an insured credit union has, directly or indirectly—

"(i) violated—

"(I) any law or regulation;

"(II) any cease-and-desist order which has become final;

"(III) any condition imposed in writing by the Board in connection with the grant of any application or other request by such credit union; or

"(IV) any written agreement between such credit union and the Board;

"(ii) engaged or participated in any unsafe or unsound practice in connection with any insured credit union or business institution; or

"(iii) committed or engaged in any act, omission, or practice which constitutes a breach of such person's fiduciary duty;

"(B) by reason of the violation, practice, or breach described in any clause of subparagraph (A)—

"(i) such insured credit union or business institution has suffered or will probably suffer financial loss or other damage;

"(ii) the interests of the insured credit union's members have been or could be prejudiced; or

"(iii) such director, officer, or other person has received financial gain or others benefit by reason of such violation, practice or breach; and

"(C) such violation, practice, or breach—

"(i) involves personal dishonesty on the part of such director, officer, or other person; or

"(ii) demonstrates such individual's unfitness to serve as a director or officer of, or to otherwise participate in the conduct of the affairs of, an insured credit union, the Board may serve upon such director, officer, or other person a written notice of the Board's intention to remove such person from office or to prohibit any further participation, by such person, in any manner in the conduct of the affairs of any insured credit union.".

(2) TEMPORARY SUSPENSION OR PROHIBITION.—Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended by striking out paragraphs (2) and (4), by redesignating paragraphs (3) and (5) as paragraphs (2) and (4), respectively, and by inserting after paragraph (2) (as so redesignated) the following new paragraph:

"(3) TEMPORARY ORDER.—

"(A) SUSPENSION OR PROHIBITION AUTHORIZED.—If the Board serves written notice under paragraph (1) or (2) to any director, officer, or other person participating in the conduct of the affairs of an insured credit union of the Board's intention to issue a temporary order under such paragraph, the Board may suspend such director, officer, or other person from office or prohibit such person from further participation in any manner in the conduct of the affairs of the institution, if the Board—

"(i) determines that such action is necessary for the protection of the credit union or the interests of the credit union's members; and

"(ii) serves such person with written notice of the order.

"(B) EFFECTIVE PERIOD.—Any temporary order issued under subparagraph (A)—

"(i) shall become effective upon service; and

"(ii) unless a court issues a stay of such order under paragraph (6), shall remain in effect and enforceable until—

"(I) the date the Board dismisses the charges contained in the notice served under paragraph (1) or (2) with respect to such person; or

"(II) the effective date of an order issued by the Board to such person under paragraph (1) or (2).

"(C) COPY OF ORDER.—If the Board issues a temporary order under subparagraph (A) to any director, officer, or other person participating in the conduct of the affairs of an insured credit union, the Board shall serve a copy of such order on any insured credit union with which such director, officer, or other person is associated at the time such order is issued.".

(3) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES REQUIRED.—Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended by adding after paragraph (4) (as so redesignated by paragraph (2) of this subsection) the following new paragraph:

"(5) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES REQUIRED.—Any order issued under this subsection shall specifically prohibit the person to whom such order is issued from engaging in an activity described in any paragraph of subsection (1).".

(4) CONFORMING AMENDMENTS.—Section 206(g)(6) of the Federal Credit Union Act (12 U.S.C. 1786(g)(6)) is amended—

(A) by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (3)"; and

(B) by striking out "(1), (2), or (3)" and inserting in lieu thereof "(1) or (2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations committed and activities engaged in after the date of the enactment of this Act.

SEC. 904. INDUSTRYWIDE APPLICATION OF REMOVAL, SUSPENSION, AND PROHIBITION ORDERS.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended by inserting after the paragraph added by section 103(a)(3) of this Act the following new paragraph:

"(7) INDUSTRYWIDE PROHIBITION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no person who, pursuant to an order issued under this subsection or subsection (g), has been removed or suspended from office in an insured financial institution or prohibited from participating in the conduct of the affairs of an insured financial institution may, while such order is in effect, continue or commence to hold any office in, or participate in the conduct of the affairs of—

"(i) any insured financial institution;

"(ii) any institution treated as an insured bank under subsection (b)(3) or as a savings association under subsection (b)(8);

"(iii) any insured credit union under the Federal Credit Union Act;

"(iv) any institution chartered under the Farm Credit Act of 1971;

"(v) any appropriate Federal depository institution regulatory agency; and

"(vi) the Federal Housing Finance Board and any Federal home loan bank.

"(B) EXCEPTION IF AGENCY PROVIDES WRITTEN CONSENT.—If, on or after the date an order is issued under this subsection which removes or suspends from office any director, officer, or other person participating in the conduct of the affairs of an insured financial institution or prohibits such direc-

tor, officer, or other person from participating in the conduct of the affairs of an insured financial institution, such director, officer, or other person receives the written consent of the appropriate Federal depository institution regulatory agency of any institution described in any clause of subparagraph (A) to continue or commence to hold any office in, or participate in the conduct of the affairs of, such institution, subparagraph (A) shall cease to apply to such director, officer, or other person with respect to the institution described in the written consent as of the date such consent is received by the director, officer, or other person. When such consent has been granted, each agency (other than the Corporation) shall report such action to the Corporation and publicly disclose it.

"(C) VIOLATION OF PARAGRAPH TREATED AS VIOLATION OF ORDER.—Any violation of subparagraph (A) by any person who is subject to an order described in such subparagraph shall be treated as a violation of the order.

"(D) APPROPRIATE FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY DEFINED.—For purposes of this paragraph and subsection (j), the term "appropriate Federal depository institution regulatory agency" means—

"(i) the appropriate Federal banking agency, in the case of an insured financial institution;

"(ii) the Farm Credit Administration, in the case of an institution chartered under the Farm Credit Act of 1971; and

"(iii) the National Credit Union Administration Board, in the case of an insured credit union (as defined in section 101(7) of the Federal Credit Union Act).

"(E) CONSULTATION WITH ISSUING AGENCY.—Before providing written consent under subparagraph (B) to any person with respect to whom an order described in such subparagraph was issued, the appropriate Federal banking agency shall consult with the appropriate Federal depository institution regulatory agency which issued the order (if other than such banking agency).".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Section 206(g)(7) of the Federal Credit Union Act (12 U.S.C. 1786(g)(7)) is amended to read as follows:

"(7) INDUSTRYWIDE PROHIBITION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no person who, pursuant to an order issued under this subsection or subsection (i), has been removed or suspended from office in an insured credit union or prohibited from participating in the conduct of the affairs of an insured credit union may, while such order is in effect, continue or commence to hold any office in, or participate in the conduct of the affairs of—

"(i) any insured financial institution;

"(ii) any institution treated as an insured bank under subsection (b)(3) of the Federal Deposit Insurance Act or as a savings association under subsection (b)(8) of such Act;

"(iii) any insured credit union;

"(iv) any institution chartered under the Farm Credit Act of 1971;

"(v) any appropriate Federal depository institution regulatory agency; and

"(vi) the Federal Housing Finance Board and any Federal Home Loan bank.

"(B) EXCEPTION IF AGENCY PROVIDES WRITTEN CONSENT.—If, on or after the date an order is issued under paragraph (1), (2), or (3) which removes or suspends from office any director, officer, or other person participating in the conduct of the affairs of an insured credit union or prohibits such director, officer, or other person from participating in the conduct of the affairs of an insured credit union, such director, officer, or other person receives the written consent of the appropriate Federal depository institution regulatory agency of any institution described in any clause of subparagraph (A) to continue or commence to hold any office in, or participate in the conduct of the affairs of, such institution, subparagraph (A) shall cease to apply to such director, officer, or other person with respect to the institution described in the written consent as of the date such consent is received by the director, officer, or other person. When such consent has been granted, the agency shall report such action to the Board and publicly disclose it.

"(C) VIOLATION OF PARAGRAPH TREATED AS VIOLATION OF ORDER.—Any violation of subparagraph (A) by any person who is subject to an order described in such subparagraph shall be treated as a violation of the order.

"(D) APPROPRIATE FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY DEFINED.—For purposes of this paragraph and subsection (l), the term "appropriate Federal depository institution regulatory agency" means—

"(i) the appropriate Federal banking agency, as provided in subsection (q) of section 3 (12 U.S.C. 1813);

"(ii) the Farm Credit Administration, in the case of an institution chartered under the Farm Credit Act of 1971; and

"(iii) the National Credit Union Administration Board, in the case of an insured credit union (as defined in section 101(7) of the Federal Credit Union Act).

"(E) CONSULTATION WITH ISSUING AGENCY.—Before providing written consent under subparagraph (B) to any person with respect to whom an order described in subparagraph (D)(i)(I) was issued, the Board shall consult with the appropriate Federal depository institution regulatory agency (if other than the Board).".

SEC. 905. ENFORCEMENT PROCEEDINGS ALLOWED AFTER SEPARATION FROM SERVICE.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—Section 8(i) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)) is amended by adding at the end thereof the following new paragraph:

"(3) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, or other person participating in the conduct of the affairs of an insured financial institution (including a separation caused by the closing of such institution) shall not affect the jurisdiction and authority of the appropriate Federal banking agency to issue any notice and proceed under this section or section 18(j) against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such financial institution.".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Section 206(k) of the Federal Credit Union Act (12 U.S.C. 1786(k)) is amended by adding at the end thereof the following new paragraph:

"(3) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, committee member, or other person participating in the conduct of the affairs of an insured credit union (including a separation caused by the closing of such credit union) shall not affect the jurisdiction and authority of the Board to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such credit union.".

(c) CHANGE IN CONTROL OF FINANCIAL INSTITUTION.—Section 7(j)(15) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(15)) is amended by adding at the end thereof the following new sentence: "The resignation, termination of employment or participation, divestiture of control, or separation of or by an officer, director, employee, agent, shareholder, or other person participating in the conduct of the affairs of a financial institution (including a separation caused by the closing of such institution) shall not affect the jurisdiction and authority of the appropriate Federal banking agency to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such bank.".

(d) NONMEMBER INSURED BANKS.—Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C.1828(j)) is amended by adding at the end the following new paragraph:

"(6) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, employee, agent, or other person participating in the conduct of the affairs of a nonmember bank (including a separation caused by the closing of a nonmember bank) shall not affect the jurisdiction and authority of the Corporation to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such bank.".

(e) NATIONAL BANKS.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by adding at the end thereof the following new subsection:

"(c) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, employee, agent, or other person participating in the conduct of the affairs of such an association (including a separation caused by the closing of an association) shall not affect the jurisdiction and authority of the Comptroller of the Currency to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such association.".

(f) MEMBER BANKS.—Section 29 of the Federal Reserve Act (12 U.S.C. 504(a)), as amended by section 907(g) of this Act, is amended by adding at the end the following new subsection:

"(m) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, or other person participating in the conduct of the affairs of a member bank (including a separation caused by the closing of a member bank) shall not affect the jurisdiction and authority of the appropriate Federal banking agency to issue any notice and proceed under this section against any such person, if such notice is served before the

end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such bank.".

(g) MEMBER BANKS.—Section 19 of the Federal Reserve Act (12 U.S.C. 505) is amended by adding at the end thereof the following new subsection:

"(m) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, employee, agent, or other person participating in the conduct of the affairs of a member bank shall not affect the jurisdiction and authority of the Board to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such bank.".

(h) BANKS.—Section 106(b)(2) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(2)) is amended by adding at the end the following new subparagraph:

"(I) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, employee, agent, or other person participating in the conduct of the affairs of such a bank (including a separation caused by the closing of the bank) shall not affect the jurisdiction and authority of the appropriate Federal banking agency to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such bank.".

(i) BANK HOLDING COMPANIES.—Section 8 of the Bank Holding Company Act of 1956 (12 U.S.C. 1847) is amended by adding at the end the following new subsection:

"(e) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, employee, agent, or other person participating in the conduct of the affairs of a bank holding company (including a separation caused by the closing of a bank holding company) shall not affect the jurisdiction and authority of the Board to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such a holding company.".

(j) SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(i) of the Home Owners' Loan Act of 1933 (as redesignated, transferred, and inserted in such Act by section 319 of this Act and subsequently redesignated by section 319(7) of this Act) (12 U.S.C. 1730a(j)) is amended by adding at the end thereof the following new paragraph:

"(5) NOTICE UNDER THIS SECTION AFTER SEPARATION FROM SERVICE.—The resignation, termination of employment or participation, or separation of an officer, director, employee, agent, or other person participating in the conduct of the affairs of a savings and loan holding company or subsidiary thereof (including a separation caused by the closing of such holding company or a subsidiary thereof) shall not affect the jurisdiction and authority of the Director to issue any notice and proceed under this section against any such person, if such notice is served before the end of the 5-year period beginning on the date such person ceased to hold such position or to participate in the conduct of the affairs of such a holding company or its subsidiary.".

SEC. 966. EXPANSION OF REMOVAL POWERS FOR STATE CRIMINAL PROCEEDINGS.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended—

(1) in the 1st sentence, by striking "authorized by a United States attorney"; and

(2) in the 4th sentence, by striking "with respect to such crime" and inserting in lieu thereof ", a plea of nolo contendere, or an agreement to enter a pre-trial diversion or other similar program".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)) is amended—

(1) in the 1st sentence, by striking "authorized by a United States Attorney"; and

(2) in the 4th sentence, by striking "with respect to such crime" and inserting in lieu thereof ", a plea of nolo contendere, or an agreement to enter a pre-trial diversion or other similar program".

SEC. 967. AMENDMENTS TO EXPAND AND INCREASE CIVIL MONEY PENALTIES.

(a) GENERAL PROVISIONS FOR FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—Section 8(i)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)) is amended to read as follows:

"(2) CIVIL MONEY PENALTY.—

"(A) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any insured financial institution which, and any director or officer of such financial institution or other person participating in the conduct of the affairs of such financial institution who, violates—

"(i) any law or regulation (the violation of which by such insured financial institution, director, officer, or other person is not otherwise subject to a civil money penalty);

"(ii) any final order issued pursuant to subsection (b), (c), (e), (g), or (s);

"(iii) any condition imposed in writing by the appropriate Federal banking agency in connection with the grant of any application or other request by such financial institution; or

"(iv) any written agreement between such financial institution and such agency,

shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(B) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subparagraph (A), any insured financial institution which, and any director or officer of any financial institution or any other person participating in the conduct of the affairs of any financial institution who—

"(i) knowingly or with reckless disregard for the possibility of the result described in clause (iii);

"(ii)(I) commits any violation described in any clause of subparagraph (A);

"(II) breaches any fiduciary duty; or

"(III) engages in any unsafe or unsound practice in conducting the affairs of such institution;

"(iii) resulting in a substantial loss to the financial institution or significant pecuniary gain or other benefit to such person,

shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under subparagraph (C) for each day during which such violation, breach, or practice continues.

"(C) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN SUBPARAGRAPH (B).—The maximum daily amount of any civil penalty which may be assessed pursuant to subparagraph (B) for any violation, breach, or practice described in any clause of such subparagraph is—

"(i) in the case of any person other than an insured financial institution, an amount to not exceed $1,000,000; and

"(ii) in the case of any insured financial institution, an amount not to exceed the lesser of—

"(I) $1,000,000; or

"(II) 1 percent of the total assets of such institution.

"(D) ASSESSMENT.—

"(i) WRITTEN NOTICE.—Any civil penalty imposed under subparagraph (A) or (B) may be assessed and collected by the appropriate Federal banking agency by written notice.

"(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), a hearing is not requested pursuant to subparagraph (G)(i) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(E) AUTHORITY TO MODIFY OR REMIT PENALTY.—Any appropriate Federal banking agency may, in its discretion compromise, modify, or remit any civil penalty which such agency may assess or had already assessed under subparagraph (A) or (B).

"(F) MITIGATING FACTORS.—In determining the amount of any penalty imposed under subparagraph (A) or (B), the appropriate agency shall take into account the appropriateness of the penalty with respect to—

"(i) the size of financial resources and good faith of the insured financial institution or other person charged;

"(ii) the gravity of the violation;

"(iii) the history of previous violations; and

"(iv) such other matters as justice may require.

"(G) HEARING.—

"(i) OPPORTUNITY REQUIRED.—The insured financial institution or other person against whom any civil penalty is assessed under this paragraph shall be afforded an opportunity for agency hearing if such institution or person submits a request for such hearing within 20 days after the issuance of the notice of assessment.

"(ii) ADMINISTRATIVE ADJUDICATION.—In any hearing under this subparagraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(iii) FINAL ORDER.—The agency's assessment of any civil penalty under this paragraph shall be made by final order which may be reviewed only as provided in subparagraph (H).

"(iv) FINALITY OF PENALTY IMPOSED BY ORDER.—If, judicial review of any final order under clause (iii) is not requested pursuant to subparagraph (H)(i) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(H) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(i) IN GENERAL.—Any insured financial institution or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this paragraph may obtain review of such order by—

"(I) the United States Court of Appeals for the circuit in which the home office of the insured financial institution is located

or in which such other person resides or is located; or

"(II) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 20 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the appropriate Federal banking agency.

"(ii) FILING OF RECORD.—Upon receipt of any notice under clause (i), the agency shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(iii) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this subparagraph.

"(I) COLLECTION.—

"(i) REFERRAL.—If any insured financial institution or other person fails to pay an assessment after—

"(I) any penalty assessed under this paragraph has become final and unappealable under subparagraph (D)(ii) or (G)(iv); or

"(II) the appropriate court of appeals has entered final judgment in favor of the agency pursuant to any review under subparagraph (H),

the agency shall recover the amount assessed by action in the appropriate United States district court.

"(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), the validity and appropriateness of the civil penalty shall not be subject to review.

"(J) DISBURSEMENT.—All penalties collected under authority of this paragraph shall be paid to the appropriate Federal banking agency.

"(K) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(L) REGULATIONS.—Each appropriate Federal banking agency shall prescribe regulations establishing such procedures as may be necessary to carry out this paragraph.".

(b) GENERAL PROVISIONS FOR CREDIT UNIONS INSURED BY THE NCUA.—Section 206(k)(2) of the Federal Credit Union Act (12 U.S.C. 1786(k)(2)) is amended to read as follows:

"(2) CIVIL MONEY PENALTY.—

"(A) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any insured credit union which, and any director or officer of such credit union or other person participating in the conduct of the affairs of such credit union who, violates—

"(i) any law or regulation (the violation of which by such insured credit union, director, officer, or other person is not otherwise subject to a civil money penalty);

"(ii) any final order issued pursuant to subsection (e), (f), (g), (i), or (q);

"(iii) any condition imposed in writing by the Board in connection with the grant of any application or other request by such credit union; or

"(iv) any written agreement between such credit union and such agency,

shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(B) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subparagraph (A), any insured credit union which, and any director or officer of any financial institution or other person participating in the conduct of the affairs of such credit union who—

"(i) knowingly or with reckless disregard for the possibility of the result described in clause (iii);

"(ii)(I) commits any violation described in any clause of subparagraph (A);

"(II) breaches any fiduciary duty; or

"(III) engages in any unsafe or unsound practice in conducting the affairs of such credit union; or

"(iii) resulting in a substantial loss to the credit union or significant pecuniary gain or other benefit to such person,

shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under subparagraph (C) for each day during which such violation, breach, or practice continues.

"(C) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN SUBPARAGRAPH (B).—The maximum daily amount of any civil penalty which may be assessed pursuant to subparagraph (B) for any violation, breach, or practice described in any clause of such subparagraph is—

"(i) in the case of any person other than an insured credit union, an amount to not exceed $1,000,000; and

"(ii) in the case of any insured credit union, an amount not to exceed the lesser of—

"(I) $1,000,000; or

"(II) 1 percent of the total assets of such credit union.

"(D) ASSESSMENT.—

"(i) WRITTEN NOTICE.—Any civil penalty imposed under subparagraph (A) or (B) may be assessed and collected by the Board by written notice.

"(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), a hearing is not requested pursuant to subparagraph (G)(i) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(E) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Board may, in its discretion compromise, modify, or remit any civil penalty which such agency may assess or had already assessed under subparagraph (A) or (B).

"(F) MITIGATING FACTORS.—In determining the amount of any penalty imposed under subparagraph (A) or (B), the Board shall take into account the appropriateness of the penalty with respect to—

"(i) the size of financial resources and good faith of the insured credit union or the person charged;

"(ii) the gravity of the violation;

"(iii) the history of previous violations; and

"(iv) such other matters as justice may require.

"(G) HEARING.—

"(i) OPPORTUNITY REQUIRED.—The insured credit union or other person against whom any civil penalty is assessed under this paragraph shall be afforded an opportunity for agency hearing if such institution or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(ii) ADMINISTRATIVE ADJUDICATION.—In any hearing under this subparagraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(iii) FINAL ORDER.—The Board's assessment of any civil penalty under this paragraph shall be made by final order which may be reviewed only as provided in subparagraph (H).

"(iv) FINALITY OF PENALTY IMPOSED BY ORDER.—If, judicial review of any final order under clause (iii) is not requested pursuant to subparagraph (H)(i) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(H) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(i) IN GENERAL.—Any insured credit union or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this paragraph may obtain review of such order by—

"(I) the United States court of appeals for the circuit in which the home office of the insured credit union is located or in which such other person resides or is located; or

"(II) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 20 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Board.

"(ii) FILING OF RECORD.—Upon receipt of any notice under clause (i), the Board shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(iii) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this subparagraph.

"(I) COLLECTION.—

"(i) REFERRAL.—If any insured credit union or other person fails to pay an assessment after—

"(I) any penalty assessed under this paragraph has become final and unappealable under subparagraph (D)(ii) or ((G)(iv); or

"(II) the appropriate court of appeals has entered final judgment in favor of the Board pursuant to any review under subparagraph (H),

the agency shall recover the amount assessed by action in the appropriate United States district court.

"(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), the validity and appropriateness of the civil penalty shall not be subject to review.

"(J) DISBURSEMENT.—All penalties collected under authority of this paragraph shall be paid to the Board.

"(K) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(L) REGULATIONS.—The Board shall prescribe regulations establishing such procedures as may be necessary to carry out this paragraph.".

(c) NONMEMBER INSURED BANKS.—Section 18(j)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)(4)) is amended to read as follows:

"(4) CIVIL MONEY PENALTY.—

"(A) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any nonmember insured bank which, and any director, officer, employee, or agent of such nonmember insured bank or other person participating in the conduct of the affairs of such nonmember insured bank who, violates any provision of section 22(h), 23A, or 23B of the Federal Reserve Act or any lawful regulation issued pursuant thereto, or any provision of section 20 of

the Banking Act of 1933, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(B) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subparagraph (A), any nonmember insured bank which, and any director, officer, employee, or agent of such noninsured member bank or other person participating in the conduct of the affairs of such nonmember insured bank who, knowingly or with reckless disregard for the requirements of the provisions described in subparagraph (A), commits any violation described in subparagraph (A) resulting in a substantial loss to the nonmember insured bank or significant pecuniary gain or other benefit to such person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under subparagraph (C) for each day during which such violation continues.

"(C) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN SUBPARAGRAPH (B).—The maximum daily amount of any civil penalty which may be assessed pursuant to subparagraph (B) for any violation described in such subparagraph is—

"(i) in the case of any person other than a nonmember insured bank, an amount to not exceed $1,000,000; and

"(ii) in the case of any nonmember insured bank, an amount not to exceed the lesser of—

"(I) $1,000,000; or

"(II) 1 percent of the total assets of such nonmember insured bank.

"(D) ASSESSMENT.—

"(i) WRITTEN NOTICE.—Any civil penalty imposed under subparagraph (A) or (B) may be assessed and collected by the Corporation by written notice.

"(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), hearing is not requested pursuant to subparagraph (G)(i) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(E) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation may, in its discretion compromise, modify, or remit any civil penalty which the Corporation may assess or had already assessed under subparagraph (A) or (B).

"(F) MITIGATING FACTORS.—In determining the amount of any penalty imposed under subparagraph (A) or (B), the Corporation shall take into account the appropriateness of the penalty with respect to—

"(i) the size of financial resources and good faith of the nonmember insured bank or other person charged;

"(ii) the gravity of the violation;

"(iii) the history of previous violations; and

"(iv) such other matters as justice may require.

"(G) HEARING.—

"(i) OPPORTUNITY REQUIRED.—The nonmember insured bank or other person against whom any civil penalty is assessed under this paragraph shall be afforded an opportunity for agency hearing if such nonmember insured bank or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(ii) ADMINISTRATIVE ADJUDICATION.—In any hearing under this subparagraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(iii) FINAL ORDER.—The Corporation's assessment of any civil penalty under this paragraph shall be made by final order which may be reviewed only as provided in subparagraph (H).

"(iv) FINALITY OF PENALTY IMPOSED BY ORDER.—If, judicial review of any final order under clause (iii) is not requested pursuant to subparagraph (H)(i) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(H) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(i) IN GENERAL.—Any nonmember insured bank or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this paragraph may obtain review of such order by—

"(I) the United States court of appeals for the circuit in which the home office of the nonmember insured bank is located or in which such other person resides or is located; or

"(II) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 20 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Corporation.

"(ii) AGENCY FILING.—Upon receipt of any notice under clause (i), the Corporation shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(iii) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this subparagraph.

"(I) COLLECTION.—

"(i) REFERRAL.—If any nonmember insured bank or other person fails to pay an assessment after—

"(I) any penalty assessed under this paragraph has become final and unappealable under subparagraph (D)(ii) or (G)(iv); or

"(II) the appropriate court of appeals has entered final judgment in favor of the Corporation pursuant to any review under subparagraph (H),

the Corporation shall recover the amount assessed by action in the appropriate United States district court.

"(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), the validity and appropriateness of the civil penalty shall not be subject to review.

"(J) DISBURSEMENT.—All penalties collected under authority of this paragraph shall be paid to the Corporation.

"(K) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(L) REGULATIONS.—The Corporation shall prescribe regulations establishing such procedures as may be necessary to carry out this paragraph.".

(d) CHANGE IN CONTROL OF FINANCIAL INSTITUTION.—Section 7(j)(16) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(16)) is amended to read as follows:

"(16) CIVIL MONEY PENALTY.—

"(A) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any person who violates any provision of this subsection, or any regulation or order issued by the appropriate Federal banking agency under this subsection, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(B) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subparagraph (A), any person who knowingly or with reckless disregard for the requirements of this subsection commits any violation described in subparagraph (A) which results in a substantial loss to the financial institution or substantial pecuniary gain or other benefit to such person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under subparagraph (C) for each day during which such violation continues.

"(C) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN SUBPARAGRAPH (B).—The maximum daily amount of any civil penalty which may be assessed pursuant to subparagraph (B) for any violation described in such subparagraph is—

"(i) in the case of any person other than a financial institution, an amount to not exceed $1,000,000; and

"(ii) in the case of a financial institution, an amount not to exceed the lesser of—

"(I) $1,000,000; or

"(II) 1 percent of the total assets of such institution.

"(D) ASSESSMENT; ETC.—Any penalty imposed under subparagraph (A) or (B) shall be assessed and collected by the appropriate Federal banking agency in the manner provided in section 8(i)(2) for penalties imposed (under such section) and any such assessment shall be subject to the provisions of such section.

"(E) DISBURSEMENT.—All penalties collected under authority of this paragraph shall be paid to the appropriate Federal banking agency.".

(e) NATIONAL BANKS.—Section 5239(b) of the Revised Statutes (12 U.S.C. 93(b)) is amended to read as follows:

"(b) CIVIL MONEY PENALTY.—

"(1) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any national banking association which, and any director, officer, employee, or agent of such association or other person participating in the conduct of the affairs of such association who, violates any provision of this title or any of the provisions of the first section of the Act of September 28, 1962, (76 Stat. 668; 12 U.S.C. 92a) or any regulation issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(2) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding paragraph (1), any national banking association which, and any director, officer, employee, or agent of such association or other person participating in the conduct of the affairs of such association who, knowingly or with reckless disregard for the requirements of the provisions described in paragraph (1), commits any violation described in paragraph (1) resulting in a substantial loss to the association or significant pecuniary gain or other benefit to such person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (3) for each day during which such violation continues.

"(3) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (2).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (2) for any violation described in such paragraph is—

"(A) in the case of any person other than a national banking association, an amount to not exceed $1,000,000; and

"(B) in the case of a national banking association, an amount not to exceed the lesser of—

"(i) $1,000,000; or

"(ii) 1 percent of the total assets of such association.

"(4) ASSESSMENT.—

"(A) WRITTEN NOTICE.—Any civil penalty imposed under paragraph (1) or (2) may be assessed and collected by the Comptroller of the Currency by written notice.

"(B) FINALITY OF ASSESSMENT.—If, with respect to any assessment under subparagraph (A), a hearing is not requested pursuant to paragraph (7)(A) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(5) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Comptroller may, in the discretion of the Comptroller, compromise, modify, or remit any civil penalty which the Comptroller may assess or had already assessed under paragraph (1) or (2).

"(6) MITIGATING FACTORS.—In determining the amount of any penalty imposed under paragraph (1) or (2), the Comptroller shall take into account the appropriateness of the penalty with respect to—

"(A) the size of financial resources and good faith of the association or other person charged;

"(B) the gravity of the violation;

"(C) the history of previous violations; and

"(D) such other matters as justice may require.

"(7) HEARING.—

"(A) OPPORTUNITY REQUIRED.—The association or other person against whom any civil penalty is assessed under this subsection shall be afforded an opportunity for agency hearing if such association or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(B) ADMINISTRATIVE ADJUDICATION.—In any hearing under this paragraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(C) FINAL ORDER.—The Comptroller's assessment of any civil penalty under this subsection shall be made by final order which may be reviewed only as provided in paragraph (8).

"(D) FINALITY OF PENALTY IMPOSED BY ORDER.—If judicial review of any final order under subparagraph (C) is not requested pursuant to paragraph (8)(A) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(8) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(A) IN GENERAL.—Any association or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this subsection may obtain review of such order by—

"(i) the United States court of appeals for the circuit in which the home office of the association is located or in which such other person resides or is located; or

"(ii) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 30 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Comptroller.

"(B) FILING OF RECORD.—Upon receipt of any notice under subparagraph (A), the Comptroller shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(C) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this paragraph.

"(9) COLLECTION.—

"(A) REFERRAL.—If any association or other person fails to pay an assessment after—

"(i) any penalty assessed under this paragraph has become final and unappealable under paragraph (4)(B) or (7)(D); or

"(ii) the appropriate court of appeals has entered final judgment in favor of the Comptroller pursuant to any review under paragraph (8),

the Comptroller shall recover the amount assessed by action in the appropriate United States district court.

"(B) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under subparagraph (A), the validity and appropriateness of the civil penalty shall not be subject to review.

"(10) DISBURSEMENT.—All penalties collected under authority of this subsection shall be paid to the Comptroller.

"(11) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(12) REGULATIONS.—The Comptroller shall prescribe regulations establishing such procedures as may be necessary to carry out this subsection.".

(f) NATIONAL BANKS.—The second paragraph of section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by striking "$100" and inserting "$15,000".

(g) MEMBER BANKS.—Section 29 of the Federal Reserve Act (12 U.S.C. 504) is amended to read as follows:

"SEC. 29. CIVIL MONEY PENALTY.

"(a) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any member bank which, and any director, officer, employee, or agent of such member bank or other person participating in the conduct of the affairs of such member bank who, violates any provision of section 22 or 23A, or any regulation issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(b) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subsection (a), any member bank which, and any director, officer, employee, or agent of such member bank or other person participating in the conduct of the affairs of such member bank who, knowingly or with reckless disregard for the requirements of the provisions described in subsection (a), commits any violation described in subsection (a) resulting in a substantial loss to the member bank or significant pecuniary gain or other benefit to such person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under subsection (c) for each day during which such violation continues.

"(c) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN SUBSECTION (b).—The maximum daily amount of any civil penalty which may be assessed pursuant to subsection (b) for any violation described in such subsection is—

"(1) in the case of any person other than a member bank, an amount to not exceed $1,000,000; and

"(2) in the case of a member bank, an amount not to exceed the lesser of—

"(A) $1,000,000; or

"(B) 1 percent of the total assets of such member bank.

"(d) ASSESSMENT.—

"(1) WRITTEN NOTICE.—Any civil penalty imposed under subsection (a) or (b) may be assessed and collected by written notice—

"(A) in the case of a national bank, by the Comptroller of the Currency; and

"(B) in the case of a State member bank, by the Board.

"(2) FINALITY OF ASSESSMENT.—If, with respect to any assessment under paragraph (1), a hearing is not requested pursuant to subsection (g)(1) within the period of time allowed under such subsection, the assessment shall constitute a final and unappealable order.

"(e) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Comptroller or the Board, as the case may be, may, in its discretion compromise, modify, or remit any civil penalty which the Comptroller or the Board, as the case may be, may assess or had already assessed under subsection (a) or (b).

"(f) MITIGATING FACTORS.—In determining the amount of any penalty imposed under subsection (a) or (b), the Comptroller or the Board, as the case may be, shall take into account the appropriateness of the penalty with respect to—

"(1) the size of financial resources and good faith of the member bank or other person charged;

"(2) the gravity of the violation;

"(3) the history of previous violations; and

"(4) such other matters as justice may require.

"(g) HEARING.—

"(1) OPPORTUNITY REQUIRED.—The member bank or other person against whom any civil penalty is assessed under this section shall be afforded an opportunity for agency hearing if such member bank or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(2) ADMINISTRATIVE ADJUDICATION.—In any hearing under this subsection, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(3) FINAL ORDER.—The assessment of any civil penalty under this section by the Comptroller or the Board, as the case may be, shall be made by final order which may be reviewed only as provided in subsection (h).

"(4) FINALITY OF PENALTY IMPOSED BY ORDER.—If, judicial review of any final order under paragraph (3) is not requested pursuant to subsection (h)(1) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(h) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(1) IN GENERAL.—Any member bank or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review of such order by—

"(A) the United States court of appeals for the circuit in which the home office of the member bank is located or in which such other person resides or is located; or

"(B) the United States Court of Appeals for the District of Columbia Circuit,

VOL 135 PT 9 JE 14 — 22 1989 UMI

by filing a notice of appeal in such court within 20 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Comptroller or the Board, as the case may be.

"(2) FILING OF RECORD.—Upon receipt of any notice under paragraph (1), the Comptroller or the Board, as the case may be, shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(3) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this subsection.

"(i) COLLECTION.—

"(1) REFERRAL.—If any member bank or other person fails to pay an assessment after—

"(A) any penalty assessed under this section has become final and unappealable under subsection (d)(2) or (g)(4); or

"(B) the appropriate court of appeals has entered final judgment in favor of the Comptroller or the Board, as the case may be, pursuant to any review under subsection (h),

the Comptroller or the Board, as the case may be, shall recover the amount assessed by action in the appropriate United States district court.

"(2) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under paragraph (1), the validity and appropriateness of the civil penalty shall not be subject to review.

"(j) DISBURSEMENT.—All penalties collected under authority of this paragraph shall be paid to the appropriate Federal banking agency.

"(k) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(l) REGULATIONS.—The Comptroller of the Currency and the Board shall prescribe regulations establishing such procedures as may be necessary to carry out this section.".

(h) MEMBER BANK.—Section 19(l) of the Federal Reserve Act (12 U.S.C. 505(l)) is amended to read as follows:

"(l) CIVIL MONEY PENALTY.—

"(1) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any member bank which, and any director, officer, employee, or agent of such member bank or other person participating in the conduct of the affairs of such member bank who, violates any provision of this section, or any regulation issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(2) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding paragraph (1), any member bank which, and any director, officer, employee, or agent of such member bank or other person participating in the conduct of the affairs of such member bank who, knowingly or with reckless disregard for the requirements of the provisions described in paragraph (1), commits any violation described in paragraph (1) resulting in a substantial loss to the member bank or significant pecuniary gain or other benefit to such person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (3) for each day during which such violation continues.

"(3) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (2).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (2) for any violation described in such paragraph is—

"(A) in the case of any person other than a member bank, an amount not to exceed $1,000,000; and

"(B) in the case of a member bank, an amount not to exceed the lesser of—

"(i) $1,000,000; or

"(ii) 1 percent of the total assets of such member bank.

"(4) ASSESSMENT.—

"(A) WRITTEN NOTICE.—Any civil penalty imposed under paragraph (1) or (2) may be assessed and collected by the Board by written notice.

"(B) FINALITY OF ASSESSMENT.—If, with respect to any assessment under subparagraph (A), a hearing is not requested pursuant to paragraph (7)(A) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(5) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Board may, in the discretion of the Board, compromise, modify, or remit any civil penalty which the Board may assess or had already assessed under paragraph (1) or (2).

"(6) MITIGATING FACTORS.—In determining the amount of any penalty imposed under paragraph (1) or (2), the Board shall take into account the appropriateness of the penalty with respect to—

"(A) the size of financial resources and good faith of the member bank or other person charged;

"(B) the gravity of the violation;

"(C) the history of previous violations; and

"(D) such other matters as justice may require.

"(7) HEARING.—

"(A) OPPORTUNITY REQUIRED.—The member bank or other person against whom any civil penalty is assessed under this subsection shall be afforded an opportunity for agency hearing if such member bank or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(B) ADMINISTRATIVE ADJUDICATION.—In any hearing under this paragraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(C) FINAL ORDER.—The Board's assessment of any civil penalty under this subsection shall be made by final order which may be reviewed only as provided in paragraph (8).

"(D) FINALITY OF PENALTY IMPOSED BY ORDER.—If judicial review of any final order under subparagraph (C) is not requested pursuant to paragraph (8)(A) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(8) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(A) IN GENERAL.—Any member bank or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this subsection may obtain review of such order by—

"(i) the United States court of appeals for the circuit in which the home office of the member bank is located or in which such other person resides or is located; or

"(ii) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 30 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Board.

"(B) FILING OF RECORD.—Upon receipt of any notice under subparagraph (A), the Board shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(C) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this paragraph.

"(9) COLLECTION.—

"(A) REFERRAL.—If any member bank or other person fails to pay an assessment after—

"(i) any penalty assessed under this paragraph has become final and unappealable under paragraph (4)(B) or (7)(D); or

"(ii) the appropriate court of appeals has entered final judgment in favor of the Board to any review under paragraph (8),

the Board shall recover the amount assessed by action in the appropriate United States district court.

"(B) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under subparagraph (A), the validity and appropriateness of the civil penalty shall not be subject to review.

"(10) DISBURSEMENT.—All penalties collected under authority of this subsection shall be paid to the Board.

"(11) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(12) REGULATIONS.—The Board shall prescribe regulations establishing such procedures as may be necessary to carry out this subsection.".

(i) BANKS.—Section 106(b)(2)(F) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(2)(F)) is amended to read as follows:

"(F) CIVIL MONEY PENALTY.—

"(i) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any bank which, and any director, officer, employee, or agent of such bank or other person participating in the conduct of the affairs of such bank who, violates any provision of this paragraph shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(ii) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding clause (i), any bank which, and any director, officer, employee, or agent of such bank or other person participating in the conduct of the affairs of such bank who, knowingly or with reckless disregard for the requirements the provisions of this paragraph, commits any violation described in clause (i) resulting in a substantial loss to such bank or significant pecuniary gain or other benefit to such person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under clause (iii) for each day during which such violation continues.

"(iii) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN CLAUSE (ii).—The maximum daily amount of any civil penalty which may be assessed pursuant to clause (ii) for any violation described in such clause is—

"(I) in the case of any person other than a bank, an amount to not exceed $1,000,000; and

"(II) in the case of a bank, an amount not to exceed the lesser of—

"(aa) $1,000,000; or

"(bb) 1 percent of the total assets of such bank.

"(iv) ASSESSMENT.—

"(I) WRITTEN NOTICE.—Any civil penalty imposed under clause (i) or (ii) may be assessed and collected by written notice—

"(aa) in the case of a national bank, by the Comptroller of the Currency;

"(bb) in the case of a State member bank, by the Board; and

"(cc) in the case of an insured nonmember State bank, by the Federal Deposit Insurance Corporation.

"(II) FINALITY OF ASSESSMENT.—If, with respect to any assessment under subclause (I), a hearing is not requested pursuant to clause (vii)(I) within the period of time allowed under such subclause, the assessment shall constitute a final and unappealable order.

"(v) AUTHORITY TO MODIFY OR REMIT PENALTY.—The agency having authority to impose a civil money penalty may, in its discretion, compromise, modify, or remit any civil penalty which such agency may assess or had already assessed under clause (i) or (ii).

"(vi) MITIGATING FACTORS.—In determining the amount of any penalty imposed under clause (i) or (ii), the agency having authority to impose the penalty shall take into account the appropriateness of the penalty with respect to—

"(I) the size of financial resources and good faith of the bank or other person charged;

"(II) the gravity of the violation;

"(III) the history of previous violations; and

"(IV) such other matters as justice may require.

"(vii) HEARING.—

"(I) OPPORTUNITY REQUIRED.—The bank or other person against whom any civil penalty is assessed under this subparagraph shall be afforded an opportunity for agency hearing if such bank or person submits a request for such hearing within 20 days after the issuance of the notice of assessment.

"(II) ADMINISTRATIVE ADJUDICATION.—In any hearing under this clause, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(III) FINAL ORDER.—The assessment of any civil penalty under this subparagraph shall be made by final order which may be reviewed only as provided in clause (viii).

"(IV) FINALITY OF PENALTY IMPOSED BY ORDER.—If judicial review of any final order under subclause (III) is not requested pursuant to clause (viii)(I) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(viii) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(I) IN GENERAL.—Any bank or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this subparagraph may obtain review of such order by—

"(aa) the United States court of appeals for the circuit in which the home office of the bank is located or in which such other person resides or is located; or

"(bb) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 20 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Comptroller of the Currency, the Board, or the Federal Deposit Insurance Corporation, as the case may be.

"(II) FILING OF RECORD.—Upon receipt of any notice under subclause (i), the the Comptroller of the Currency, the Board, or the Federal Deposit Insurance Corporation, as the case may be, shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(III) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this clause.

"(ix) COLLECTION.—

"(I) REFERRAL.—If any bank or other person fails to pay an assessment after—

"(aa) any penalty assessed under this clause has become final and unappealable under clause (iv)(II) or (vii)(IV); or

"(bb) the appropriate court of appeals has entered final judgment in favor of the agency that imposed such penalty, to any review under clause (viii),

such agency shall recover the amount assessed by action in the appropriate United States district court.

"(II) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under subclause (I), the validity and appropriateness of the civil penalty shall not be subject to review.

"(x) DISBURSEMENT.—All penalties collected under authority of this subsection shall be paid to the agency that imposed such penalty.

"(xi) VIOLATE DEFINED.—For purposes of this paragraph, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(xii) REGULATIONS.—The Comptroller of the Currency, the Board, and the Federal Deposit Insurance Corporation shall prescribe regulations establishing such procedures as may be necessary to carry out this subparagraph.".

(j) BANK HOLDING COMPANIES.—Section 8 of the Bank Holding Company Act of 1956 (12 U.S.C. 1847) is amended—

(1) in subsection (a), by striking out the first 2 sentences and inserting in lieu thereof the following:

"(a) Any company which knowingly violates any provision of this Act, or any regulation or order issued by the Board pursuant thereto, shall be fined not more than $100,000 for each day during which the violation continues. Any individual who knowingly violates any provision of this Act shall be fined not more than $100,000, imprisoned not more than 1 year, or both. Any individual who knowingly violates any provision of this Act with intent to deceive, to defraud, or to profit significantly shall be fined not more than $1,000,000, imprisoned not more than 5 years, or both."; and

(2) by amending subsection (b) to read as follows:

"(b) CIVIL MONEY PENALTY.—

"(1) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any company which violates, and any individual who participates in a violation of, any provision of this Act, or any regulation or order issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(2) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding paragraph (1), any company which commits, and any individual who participates in a commission of, any violation described in paragraph (1), knowingly or with reckless disregard for the requirements of the provisions described in paragraph (1), resulting in a substantial loss to a bank or significant pecuniary gain or other benefit to such company or person shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (3) for each day during which such violation continues.

"(3) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (2).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (2) for any violation described in such paragraph is—

"(A) in the case of any person other than a company, an amount to not exceed $1,000,000; and

"(B) in the case of a company, an amount not to exceed the lesser of—

"(i) $1,000,000; or

"(ii) 1 percent of the total assets of such company.

"(4) ASSESSMENT.—

"(A) WRITTEN NOTICE.—Any civil penalty imposed under paragraph (1) or (2) may be assessed and collected by the Board by written notice.

"(B) FINALITY OF ASSESSMENT.—If, with respect to any assessment under subparagraph (A), a hearing is not requested pursuant to paragraph (7)(A) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(5) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Board may, in the discretion of the Board, compromise, modify, or remit any civil penalty which the Board may assess or had already assessed under paragraph (1) or (2).

"(6) MITIGATING FACTORS.—In determining the amount of any penalty imposed under paragraph (1) or (2), the Board shall take into account the appropriateness of the penalty with respect to—

"(A) the size of financial resources and good faith of the company or other person charged;

"(B) the gravity of the violation;

"(C) the history of previous violations; and

"(D) such other matters as justice may require.

"(7) HEARING.—

"(A) OPPORTUNITY REQUIRED.—The company or other person against whom any civil penalty is assessed under this subsection shall be afforded an opportunity for agency hearing if such association or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(B) ADMINISTRATIVE ADJUDICATION.—In any hearing under this paragraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(C) FINAL ORDER.—The Board's assessment of any civil penalty under this subsection shall be made by final order which may be reviewed only as provided in paragraph (8).

"(D) FINALITY OF PENALTY IMPOSED BY ORDER.—If judicial review of any final order under subparagraph (C) is not requested pursuant to paragraph (8)(A) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(8) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(A) IN GENERAL.—Any company or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this subsection may obtain review of such order by—

"(i) the United States court of appeals for the circuit in which the home office of the company is located or in which such other person resides or is located; or

"(ii) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 30 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Board.

"(B) FILING OF RECORD.—Upon receipt of any notice under subparagraph (A), the Board shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(C) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this paragraph.

"(9) COLLECTION.—

"(A) REFERRAL.—If any company or other person fails to pay an assessment after—

"(i) any penalty assessed under this paragraph has become final and unappealable under paragraph (4)(B) or (7)(D); or

"(ii) the appropriate court of appeals has entered final judgment in favor of the Board pursuant to any review under paragraph (8),

the Board shall recover the amount assessed by action in the appropriate United States district court.

"(B) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under subparagraph (A), the validity and appropriateness of the civil penalty shall not be subject to review.

"(10) DISBURSEMENT.—All penalties collected under authority of this subsection shall be paid to the Board.

"(11) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(12) REGULATIONS.—The Board shall prescribe regulations establishing such procedures as may be necessary to carry out this subsection.".

(k) SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(i) of the Home Owners Loan Act of 1933 (as redesignated, transferred, and inserted in such Act by section 319 of this Act and subsequently redesignated by section 319(7) of this Act) (12 U.S.C. 1730a(j)) is amended—

(1) by striking paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1)(A) Any company which knowingly violates any provision of this section, or any regulation or order issued by the Director pursuant thereto, shall be fined not more than $100,000 for each day during which the violation continues.

"(B) Any individual who knowingly violates any provision of this section shall be fined not more than $100,000, imprisoned not more than 1 year, or both.

"(C) Any individual who knowingly violates any provision of this section with intent to deceive, to defraud, or to profit significantly shall be fined not more than $1,000,000, imprisoned not more than 5 years, or both.";

(2) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(3) by amending paragraph (3) (as so redesignated by paragraph (2) of this subsection) to read as follows:

"(3) CIVIL MONEY PENALTY.—

"(A) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any company which violates, and any individual who participates in a violation of, any provision of this section, or any regulation or order issued pursuant thereto, shall forfeit and pay a civil penalty of not more than $15,000 for each day during which such violation continues.

"(B) PENALTY IMPOSED FOR CERTAIN VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subparagraph (A), any company which commits, and any individual who participates in a commission of, any violation described in paragraph (1), knowingly or with reckless disregard for the requirements of the provisions described in paragraph (1), knowingly or with reckless disregard for the requirements of the provisions described in subparagraph (A), resulting in a substantial loss to a savings association or significant pecuniary gain or other benefit to such company or individual shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under subparagraph (C) for each day during which such violation continues.

"(C) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN SUBPARAGRAPH (B).—The maximum daily amount of any civil penalty which may be assessed pursuant to subparagraph (B) for any violation described in such subparagraph is—

"(i) in the case of any person other than a company, an amount to not exceed $1,000,000; and

"(ii) in the case of any company, an amount not to exceed the lesser of—

"(I) $1,000,000; or

"(II) 1 percent of the total assets of such company.

"(D) ASSESSMENT.—

"(i) WRITTEN NOTICE.—Any civil penalty imposed under subparagraph (A) or (B) may be assessed and collected by the Director by written notice.

"(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), hearing is not requested pursuant to subparagraph (G)(i) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.

"(E) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Director may, in its discretion, compromise, modify, or remit any civil penalty which the Director may assess or had already assessed under subparagraph (A) or (B).

"(F) MITIGATING FACTORS.—In determining the amount of any penalty imposed under subparagraph (A) or (B), the Director shall take into account the appropriateness of the penalty with respect to—

"(i) the size of financial resources and good faith of the company or other person charged;

"(ii) the gravity of the violation;

"(iii) the history of previous violations; and

"(iv) such other matters as justice may require.

"(G) HEARING.—

"(i) OPPORTUNITY REQUIRED.—The company or other person against whom any civil penalty is assessed under this paragraph shall be afforded an opportunity for agency hearing if such company or person submits a request for such hearing within 10 days after the issuance of the notice of assessment.

"(ii) ADMINISTRATIVE ADJUDICATION.—In any hearing under this subparagraph, all issues shall be determined on the record pursuant to section 554 of title 5, United States Code.

"(iii) FINAL ORDER.—The Director's assessment of any civil penalty under this paragraph shall be made by final order which may be reviewed only as provided in subparagraph (H).

"(iv) FINALITY OF PENALTY IMPOSED BY ORDER.—If judicial review of any final order under clause (iii) is not requested pursuant to subparagraph (H)(i) within the period of time allowed, the order shall constitute a final and unappealable assessment of such penalty.

"(H) JUDICIAL REVIEW OF ADMINISTRATIVE ORDER.—

"(i) IN GENERAL.—Any company or other person against whom an order imposing a civil money penalty has been entered after agency hearing under this paragraph may obtain review of such order by—

"(I) the United States Court of Appeals for the circuit in which the home office of the company is located or in which such other person resides or is located; or

"(II) the United States Court of Appeals for the District of Columbia Circuit,

by filing a notice of appeal in such court within 30 days after the date of service of such order and sending a copy of such notice by registered or certified mail to the Director.

"(ii) FILING OF RECORD.—Upon receipt of any notice under clause (i), the Director shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code.

"(iii) SCOPE OF REVIEW.—Section 706 of title 5, United States Code, shall apply with respect to any proceeding under this subparagraph.

"(I) COLLECTION.—

"(i) REFERRAL.—If any company or other person fails to pay an assessment after—

"(I) any penalty assessed under this paragraph has become final and unappealable under subparagraph (D)(ii) or (G)(iv); or

"(II) the appropriate court of appeals has entered final judgment in favor of the Director pursuant to any review under subparagraph (H),

the Director shall recover the amount assessed by action in the appropriate United States district court.

"(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), the validity and appropriateness of the civil penalty shall not be subject to review.

"(J) DISBURSEMENT.—All penalties collected under authority of this paragraph shall be paid to the Director.

"(K) VIOLATE DEFINED.—For purposes of this section, the term 'violate' includes any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(L) REGULATIONS.—The Director shall prescribe regulations establishing such procedures as may be necessary to carry out this paragraph.".

(l) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations committed and activities engaged in after the date of the enactment of this Act, except that the increased maxi-

mum civil penalty of $15,000 per violation or per day may apply to such violations or activities committed or engaged in before such date if such violations or activities—

(1) are not already subject to a notice issued by the appropriate Federal banking agency or the Board (initiating an administrative proceeding); and

(2) occurred after the last completed report of examination.

SEC. 908. CLARIFICATION OF CRIMINAL PENALTY PROVISIONS FOR VIOLATION OF CERTAIN ORDERS.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—Section 8(j) of the Federal Deposit Insurance Act (12 U.S.C. 1818(j)) is amended to read as follows:

"(j) CRIMINAL PENALTY.—Whoever, being subject to an order in effect under subsection (e) or (g), without the prior written approval of the appropriate Federal banking agency, knowingly participates, directly or indirectly, in any manner (including by engaging in an activity specifically prohibited in such an order) in the conduct of the affairs of—

"(1) any insured financial institution;

"(2) any institution treated as an insured bank under subsection (b)(3) or as a savings association under subsection (b)(8);

"(3) any insured credit union (as defined in section 101(7) of the Federal Credit Union Act); or

"(4) any institution chartered under the Farm Credit Act of 1971,

shall be fined not more than $1,000,000, imprisoned for not more than 5 years, or both.".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Section 206(l) of the Federal Credit Union Act (12 U.S.C. 1786(l)) is amended to read as follows:

"(l) CRIMINAL PENALTY FOR VIOLATION OF CERTAIN ORDERS.—Whoever—

"(1) under this Act, is suspended or removed from, or prohibited from participating in the affairs of any institution or credit union described in section 8(j) of the Federal Deposit Insurance Act; and

"(2) knowingly participates, directly or indirectly, in any manner in the conduct of the affairs of such an institution or credit union;

shall be fined not more than $1,000,000, imprisoned for not more than 5 years, or both.".

SEC. 909. SUPERVISORY RECORDS.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by inserting after subsection (m) (as added by section 211(10) of this Act) the following new subsection:

"(n) SUPERVISORY RECORDS.—In addition to the requirements of section 7(a)(2) to provide to the Corporation copies of reports of examination and reports of condition, whenever the Corporation has been appointed as receiver for an insured financial institution, the appropriate Federal banking agency shall make available all supervisory records to the receiver which may be used by the receiver in any manner the receiver determines to be appropriate.".

SEC. 910. INCREASED PENALTY FOR PARTICIPATION BY CONVICTED INDIVIDUALS.

(a) BANKS INSURED BY THE FDIC.—Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended to read as follows:

"SEC. 19. PENALTY FOR UNAUTHORIZED PARTICIPATION BY CONVICTED INDIVIDUAL.

"(a) PROHIBITION.—Except with the prior written consent of the Corporation—

"(1) any person who has been convicted of any criminal offense involving dishonesty or a breach of trust may not participate, directly or indirectly, in any manner in the conduct of the affairs of an insured financial institution; and

"(2) an insured financial institution may not permit such participation.

"(b) PENALTY.—Whoever knowingly violates subsection (a) shall be fined not more than $1,000,000 for each day such prohibition is violated or imprisoned for not more than 5 years, or both.".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Section 205(d) of the Federal Credit Union Act (12 U.S.C. 1785(d)) is amended to read as follows:

"(d) PENALTY FOR PROHIBITED PARTICIPATION.—

"(1) PROHIBITION.—Except with the prior written consent of the Board—

"(A) any person who has been convicted of any criminal offense involving dishonesty or a breach of trust may not participate, directly or indirectly, in any manner in the conduct of the affairs of an insured credit union; and

"(B) an insured credit union may not permit such participation.

"(2) PENALTY.—Whoever knowingly violates paragraph (1) shall be fined not more than $1,000,000 for each day such prohibition is violated or imprisoned for not more than 5 years, or both.".

SEC. 911. AMENDMENTS TO VARIOUS PROVISIONS OF LAW RELATING TO REPORTS.

(a) BANK PROTECTION ACT.—Section 3(b) of the Bank Protection Act of 1968 (12 U.S.C. 1882) is amended by striking out "and shall require the submission of periodic reports with respect to the installation, maintenance, and operation of security devices and procedures".

(b) AMENDMENTS RELATING TO NATIONAL BANKS.—

(1) Section 5211 of the Revised Statutes (12 U.S.C. 161) is amended—

(A) in the 5th sentence of subsection (a), by striking out "within ten days after the receipt of a request therefor from him" and inserting in lieu thereof "within the period of time specified by the Comptroller"; and

(B) in subsection (c), by striking out the last sentence.

(2) Section 5213 of the Revised Statutes (12 U.S.C. 164) is amended to read as follows:

"SEC. 5213. PENALTY FOR FAILURE TO MAKE REPORTS.

"(a) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any association which—

"(1) fails to make, obtain, transmit, or publish any report or information required by the Comptroller of the Currency under section 5211 of this chapter; or

"(2) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected.

"(b) AUTHORITY TO IMPOSE GREATER PENALTY FOR VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding subsection (a), if any association knowingly or with reckless disregard for the accuracy of any information or report described in subsection (a) engages in conduct described in subsection (a), the Comptroller may, in its discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets of the association, whichever is less, per day for each such day.

"(c) ASSESSMENT.—Any penalty imposed under subsection (a) or (b) shall be assessed and collected by the Comptroller of the Currency in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(c) AMENDMENT RELATING TO STATE NONMEMBER INSURED BANKS.—The last sentence of section 7(a)(1) of the Federal Deposit Insurance Act (12 U.S.C.1817(a)(1)) is amended to read as follows: "Any such bank which—

"(A) fails to make or publish any report required under this paragraph within the period of time specified by the Corporation; or

"(B) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected.

Notwithstanding the preceding sentence, if any such bank knowingly or with reckless disregard for the accuracy of any information or report described in such sentence engages in conduct described in such sentence, the Corporation may, in its discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets of such bank, whichever is less, per day for each such day. Any penalty imposed under any of the 2 preceding sentences shall be assessed and collected by the Corporation in the manner provided in section 8(i)(2) (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(d) AMENDMENT RELATING TO STATE MEMBER BANKS.—The penultimate sentence of the 6th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 324) is amended to read as follows: "Any bank which—

"(1) fails to make such reports within the period of time specified by the Board; or

"(2) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected. Notwithstanding the preceding sentence, if any bank knowingly or with reckless disregard for the accuracy of any information or report described in such sentence engages in conduct described in such sentence, the Board may, in its discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets of such bank, whichever is less, per day for each such day. Any penalty imposed in any of the 2 preceding sentences shall be assessed and collected by the Board in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(e) AMENDMENT RELATING TO BANK HOLDING COMPANIES.—Section 8 of the Bank Holding Company Act of 1956 (12 U.S.C. 1847) is amended by adding after the subsection added by section 905(i) of this Act the following new subsection:

"(d) PENALTY FOR FAILURE TO MAKE REPORTS.—

"(1) PENALTY IMPOSED FOR CERTAIN VIOLATIONS.—Any company which—

"(A) fails to make, submit, or publish such reports or information as may be required

VOL 135 PT 9 JE 14 — 22 1989 UMI

under this Act or regulations prescribed by the Board pursuant to this Act within the period of time specified by the Board; or

"(B) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected.

"(2) AUTHORITY TO IMPOSE GREATER PENALTY FOR VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding paragraph (1), if any company knowingly or with reckless disregard for the accuracy of any information or report described in paragraph (1) engages in conduct described in paragraph (1), the Board may, in its discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets of such company, whichever is less, per day for each such day.

"(3) ASSESSMENT.—Any penalty imposed under paragraph (2) or (3) shall be assessed and collected by the Board in the manner provided in subsection (b) (for penalties imposed under such subsection) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such subsection.".

(f) AMENDMENT RELATING TO FEDERAL ASSOCIATIONS.—Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by inserting after the subsection added by section 319 of this Act the following new subsection:

"(u) REPORTS OF CONDITION; PENALTIES.—

"(1) REPORTS OF CONDITION.—Each savings association shall make reports of condition to the Director which shall be in such form and shall contain such information as the Director may require.

"(2) PUBLICATION.—The Director may require reports of condition to be published in such manner as it may direct.

"(3) PENALTY FOR FAILURE TO REPORT.—Any savings association which—

"(A) fails to submit or publish any report or information required by the Director under paragraph (1) or (2) within the period of time specified; or

"(B) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected.

"(4) AUTHORITY TO IMPOSE GREATER PENALTY FOR VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding paragraph (3), if any savings association knowingly or with reckless disregard for the accuracy of any information or report described in paragraph (3) engages in conduct described in paragraph (3), the Director may, in its discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets, whichever is less, per day for each such day.

"(5) ASSESSMENT.—Any penalty imposed under paragraph (3) or (4) shall be assessed and collected by the Director in the manner provided in section 8(i) of the Federal Deposit Insurance Act for penalties imposed under such subsection, and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such subsection.".

(g) AMENDMENT RELATING TO SAVINGS AND LOAN HOLDING COMPANIES.—Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by inserting after the subsection added by subsection (f) of this section the following new subsection:

"(v) PENALTY FOR FAILURE TO PROVIDE TIMELY AND ACCURATE REPORTS.—

"(1) IN GENERAL.—Any savings and loan holding company, and any subsidiary of such holding company, which—

"(A) fails to submit or publish any report or information required under this section or regulations prescribed by the Director within the period of time specified; or

"(B) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected.

"(2) AUTHORITY TO IMPOSE GREATER PENALTY FOR VIOLATIONS WITH SERIOUS CONSEQUENCES.—Notwithstanding paragraph (1), if any savings and loan holding company or any subsidiary of such a holding company knowingly or with reckless disregard for the accuracy of any information or report described in paragraph (1) engages in conduct described in paragraph (1), the Director may, in its discretion, assess a penalty of not more than $1,000,000 or 1 percent of total assets of such company or subsidiary, whichever is less, per day for each such day.

"(3) ASSESSMENT.—Any penalty imposed under paragraph (1) or (2) shall be assessed and collected by the Director in the manner provided in section 407(k)(3) (for penalties imposed under such subsection) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such subsection.".

(h) AMENDMENT RELATING TO CREDIT UNIONS.—Section 202(a)(3) of the Federal Credit Union Act (12 U.S.C. 1782(a)(3)) is amended by striking out the 2nd sentence and inserting in lieu thereof the following new sentences: "Any insured credit union which—

"(A) fails to submit or publish any report required under this subsection or section 106 within the period of time specified by the Board; or

"(B) submits or publishes any false or misleading report or information,

shall be subject to a penalty of not more than $15,000 for each day during which such failure continues or such false or misleading information is not corrected.

Notwithstanding the preceding sentence, if any insured credit union knowingly or with reckless disregard for the accuracy of any information or report described in such sentence engages in conduct described in such sentence, the Board may, in its discretion, assess a penalty of not more than $1,000,000 or one percent of total assets of such credit union, whichever is less, per day for each such day. Any penalty imposed under any of the 2 preceding sentences shall be assessed and collected by the Board in the manner provided in section 206(k)(2) (for penalties imposed under such section) and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(i) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to reports filed or required to be filed after the date of the enactment of this Act.

SEC. 912. AUTHORITY OF THE FDIC TO TAKE ENFORCEMENT ACTION AGAINST SAVINGS ASSOCIATIONS.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding after the subsection added by section 901(a) of this Act the following new subsection:

"(v) AUTHORITY OF BOARD TO TAKE ENFORCEMENT ACTION AGAINST SAVINGS ASSOCIATIONS.—

"(1) AUTHORITY TO RECOMMEND THAT DIRECTOR OF OFFICE OF THRIFT SUPERVISION TAKE ENFORCEMENT ACTION.—The Corporation, based on an examination of a savings association by the Corporation or by the Director of the Office of Thrift Supervision or on other information, may recommend that the Director take any enforcement action authorized under this section or under section 18(j) with respect to any savings association.

"(2) AUTHORITY OF BOARD TO ORDER CORPORATION TO TAKE ENFORCEMENT ACTION IF DIRECTOR OF OFFICE OF THRIFT SUPERVISION FAILS TO FOLLOW RECOMMENDATION.—If the Director fails to take the recommended action or to provide an acceptable plan for addressing the concerns of the Corporation as set forth in its recommendation within 60 days after receipt of the formal recommendation from the Corporation, the Board of Directors may order the Corporation to take such action if the Board determines that the association is in an unsafe or unsound condition to continue as an insured financial institution or that failure to take the recommended action will result in continuance of unsafe or unsound practices in conducting the business of the savings association.

"(3) EFFECT OF EXIGENT CIRCUMSTANCES.—

"(A) AUTHORITY TO ACT.—Notwithstanding paragraphs (1) and (2), the Board of Directors may order the Corporation to exercise its authority without regard to the time period set forth, in exigent circumstances upon notification of the Director.

"(B) AGREEMENT ON EXIGENT CIRCUMSTANCES.—The Corporation shall, by agreement with the Director, set forth those exigent circumstances in which the Corporation may act without regard to the time period set forth above.

"(4) REQUESTS FOR FORMAL INVESTIGATIONS.—

"(A) SUBMISSION OF REQUESTS.—The Federal Home Loan banks shall concurrently submit all requests for formal investigations or enforcement actions to both the Director and the Corporation.

"(B) DIRECTOR REQUIRED TO REPORT QUARTERLY ON REQUESTS.—The Director shall report quarterly to the Corporation the status or disposition of all such requests, including the reasons for the Director's decision to either approve or deny all such requests and the status of all ongoing investigations and enforcement proceedings.

"(5) NONDELEGATION.—Any decisions by the Board of Directors to order actions described in this subsection shall not be delegated.".

SEC. 913. PUBLIC DISCLOSURE OF ENFORCEMENT ACTIONS REQUIRED.

(a) ORDERS ISSUED BY APPROPRIATE FEDERAL BANKING AGENCIES.—Section 8 of the Federal Deposit Insurance Act is amended by adding after the subsection added by section 912 of this Act the following new subsection:

"(w) PUBLIC DISCLOSURE OF NOTICES AND FINAL ORDERS.—

"(1) IN GENERAL.—The appropriate Federal banking agency shall publish and make available to the public—

"(A) any final order issued with respect to any administrative enforcement proceeding initiated by such agency against any insured financial institution or individual under this section or any other provision of law; and

"(B) any modification to or termination of any final order described in subparagraph (A) of this paragraph.

"(2) DELAY OF PUBLICATION UNDER EXCEPTIONAL CIRCUMSTANCES.—If the appropriate

Federal banking agency makes a determination in writing that the publication of any final order pursuant to paragraph (1) would seriously threaten the safety or soundness of an insured financial institution, such agency may delay the publication of such notice for a reasonable time.".

(b) ORDERS ISSUED BY NCUA.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by inserting after the subsection added by section 901(b) of this Act the following new subsection:

"(s) PUBLIC DISCLOSURE OF NOTICES AND FINAL ORDERS.—

"(1) IN GENERAL.—The Board shall publish and make available to the public—

"(A) any final order issued with respect to any administrative enforcement proceeding initiated by such agency against any such bank or individual under this section or any other provision of law; and

"(B) any modification to or termination of any final order described in subparagraph (A).

"(2) DELAY OF PUBLICATION UNDER EXCEPTIONAL CIRCUMSTANCES.—If the Board makes a determination in writing that the publication of any final order pursuant to paragraph (1) would seriously threaten the safety or soundness of an insured credit union or other federally regulated depository institution, the Board may delay the publication of such notice for a reasonable time.".

SEC. 914. AGENCY DISAPPROVAL OF DIRECTORS AND SENIOR EXECUTIVE OFFICERS OF CERTAIN FINANCIAL INSTITUTIONS.

(a) FINANCIAL INSTITUTION INSURED BY THE FDIC.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 28. AGENCY DISAPPROVAL OF DIRECTORS AND SENIOR EXECUTIVE OFFICERS OF INSURED FINANCIAL INSTITUTIONS OR FINANCIAL INSTITUTION HOLDING COMPANIES.

"(a) PRIOR NOTICE REQUIRED.—An insured financial institution or financial institution holding company shall notify the appropriate Federal banking agency of the proposed addition of any individual to the board of directors or the employment of any individual as a senior executive officer of such institution or holding company at least 30 days before such addition or employment becomes effective, if the insured financial institution or financial institution holding company—

"(1) has been chartered less than 2 years in the case of an insured financial institution;

"(2) has undergone a change in control within the preceding 2 years; or

"(3) is not in compliance with the minimum capital requirement applicable to such institution or is otherwise in a troubled condition, as determined on the basis of such institution's or holding company's most recent report of condition or report of examination or inspection.

"(b) DISAPPROVAL BY AGENCY.—An insured institution may not add any individual to the board of directors or employ any individual as a senior executive officer if the appropriate Federal banking agency issues a notice of disapproval of such addition or employment before the end of the 30-day period beginning on the date the agency receives notice of the proposed action pursuant to subsection (a).

"(c) EXCEPTION IN EXTRAORDINARY CIRCUMSTANCES.—

"(1) IN GENERAL.—Each appropriate Federal banking agency may prescribe by regulation conditions under which the prior notice requirement of subsection (a) may be waived in the event of extraordinary circumstances.

"(2) NO EFFECT ON DISAPPROVAL AUTHORITY OF AGENCY.—Such waivers shall not affect the authority of each agency to issue notices of disapproval of such additions or employment of such individuals within 30 days after each such waiver.

"(d) ADDITIONAL INFORMATION.—Any notice submitted to an appropriate Federal banking agency by any insured financial institution pursuant to subsection (a) shall include such information as the agency may prescribe by regulation.

"(e) FACTORS TO BE CONSIDERED.—In making any determination with respect to any notice submitted pursuant to subsection (a), the appropriate Federal banking agency shall consider the background, qualifications, experience, and integrity of the individual with respect to whom such notice is submitted.

"(f) DEFINITION REGULATIONS.—Each appropriate Federal banking agency shall prescribe by regulation a definition for the terms 'troubled condition' and 'senior executive officer' for purposes of subsection (a).".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Title II of the Federal Credit Union Insurance Act (12 U.S.C. 1781 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 212. BOARD DISAPPROVAL OF DIRECTORS, COMMITTEE MEMBERS, AND SENIOR EXECUTIVE OFFICERS OF INSURED CREDIT UNIONS.

"(a) PRIOR NOTICE REQUIRED.—An insured credit union shall notify the Board of the proposed addition of any individual to the board of directors or committee or the employment of any individual as a senior executive officer of such credit union at least 30 days before such addition or employment becomes effective, if the insured credit union—

"(1) has been chartered less than 2 years; or

"(2) is in troubled condition, as determined on the basis of such credit union's most recent report of condition.

"(b) DISAPPROVAL BY THE BOARD.—An insured credit union may not add any individual to the board of directors or employ any individual as a senior executive officer if the Board issues a notice of disapproval of such addition or employment before the end of the 30-day period beginning on the date the agency receives notice of the proposed action pursuant to subsection (a).

"(c) EXCEPTION IN EXTRAORDINARY CIRCUMSTANCES.—

"(1) IN GENERAL.—The Board may prescribe by regulation conditions under which the prior notice requirement of subsection (a) may be waived in the event of extraordinary circumstances.

"(2) NO EFFECT ON DISAPPROVAL AUTHORITY OF BOARD.—Such waivers will not affect the authority of the Board to issue notices of disapproval of such additions or employment of such individuals within 30 days after each such waiver.

"(d) ADDITIONAL INFORMATION.—Any notice submitted to the Board by any insured credit union pursuant to subsection (a) shall include such information as the agency may prescribe by regulation.

"(e) FACTORS TO BE CONSIDERED.—In making any determination with respect to any notice submitted pursuant to subsection (a), the Board shall consider the background, qualifications, experience, and integrity of the individual with respect to whom such notice is submitted.

"(f) DEFINITION REGULATIONS.—The Board shall prescribe by regulation a definition for the terms 'troubled condition' and 'senior executive officer' for purposes of subsection (a).".

SEC. 915. CLARIFICATION OF NCUA'S AUTHORITY TO CONDUCT COMPLIANCE INVESTIGATIONS.

(a) EXAMINATIONS.—Section 204(b) of the Federal Credit Union Act (12 U.S.C. 1784(b)) is amended—

(1) by inserting after "insured credit unions," the following: "or with other types of investigations to determine compliance with applicable law and regulations,"; and

(2) by inserting after "subpena duces tecum" the following: "and to exercise such others powers as are set forth in section 206(p)".

(b) ENFORCEMENT.—Section 206(p) of the Federal Credit Union Act (12 U.S.C. 1786(p)) is amended in the first sentence—

(1) by inserting after "any proceeding under this section" the following: "or in connection with any claim for insured deposits or any examination or investigation under section 204(b)";

(2) by inserting after "the Board" the first place such term appears the following: ", in conducting the proceeding, examination, or investigation or considering the claim for insured deposits,"; and

(3) by inserting ", claims, examinations, or investigations" before the period.

(c) PAYMENT OF CLAIMS.—Section 207(c)(1) of the Federal Credit Union Act (12 U.S.C. 1787(c)(1)) is amended in the last sentence by inserting after "before paying the insured accounts," the following: "may investigate said claims under section 206(p),".

SEC. 916. CONTINUITY OF AUTHORITY FOR ONGOING LITIGATION.

All ongoing litigation in which the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation are named parties, shall be pursued after the effective date of this Act by the Director of the Office of Thrift Supervision or the Federal Deposit Insurance Corporation, as appropriate under this Act.

SEC. 917. EXTENSION OF AUTHORITY.

(a) CONTINUITY OF ADMINISTRATIVE ACTIONS.—Any administrative hearing or proceeding initiated before the effective date of this Act or any order issued, agreement entered, condition imposed, memorandum of understanding entered, penalty assessed or capital directive issued pursuant to those provisions in section 5(d) of the Home Owners' Loan Act (12 U.S.C. 1464(d)) (as such sections were in effect before the date of the enactment of this Act) or pursuant to subsections (e) through (h), (k), or (p) of section 407 of the National Housing Act (as such sections were in effect before the date of the enactment of this Act) shall be continued by the Director of the Office of Thrift Supervision as if those provisions remained in effect.

(b) CONTINUITY OF CERTAIN PROHIBITIONS.—Any individual who has been prohibited by order of the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board from voting for any director or serving or acting as a director, officer, or employee or from participating in the affairs of any institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation before the effective date of this Act, of any holding

VOL 135 PT 9 JE 14 — 22 1989 UMI

company, or of any subsidiary or service corporation of such institution or holding company, may not serve or act in any of those capacities with respect to a financial institution that is a member of the Savings Association Insurance Fund, without the prior written approval of the Director of the Office of Thrift Supervision.

SEC. 918. IMPROVED ADMINISTRATIVE HEARINGS AND PROCEDURES.

The Federal banking agencies and the National Credit Union Administration Board shall jointly—

(1) establish their own pool of administrative law judges, and

(2) develop a set of uniform rules and procedures to improve and expedite the administrative hearings, including provisions for summary judgment rulings where there are no disputes as to material facts of the case.

SEC. 919. TASK FORCE STUDY OF DELEGATION OF ENFORCEMENT ACTIONS.

(a) CREATION OF TASK FORCE.—The Federal banking agencies and the National Credit Union Administration Board shall create a joint task force to study the desirability and feasibility of delegating investigation and enforcement authority to their regional or district offices or banks.

(b) COMPOSITION OF TASK FORCE.—The composition of the task force shall be reasonably balanced between officials from headquarters and officials from the regions, districts, or district banks.

(c) REPORT.—Not later than September 30, 1990, the task force shall report to the Congress the findings and recommendations of the Task Force, together with the responses of the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Chairman of the Federal Deposit Insurance Corporation, the Chairman of the Federal Reserve Board, and the Chairman of the National Credit Union Administration.

SEC. 920. IMMUNITY OF AGENCY EMPLOYEES FOR FURNISHING INFORMATION TO OTHER AGENCIES.

(a) IN GENERAL.—When acting in their official capacity, officials and employees of the Federal banking agencies and the National Credit Union Administration shall be immune from all civil actions in State and Federal court arising from transmittal—

(1) of a criminal referral (and information contained therein) to a State law enforcement agency or to the Attorney General; or

(2) information to a State or Federal banking agency.

(b) ADDITION TO OTHER IMMUNITIES AND DEFENSES.—This provision shall be in addition to any other immunities or defenses that are otherwise available to a Federal employee in the exercise of the official duties of the employee.

SEC. 921. ANNUAL REPORT TO CONGRESS.

(a) IN GENERAL.—Each agency described in subsection (b) shall submit an annual report to the Congress which shall contain the following information with respect to the 12-month period for which such report is made:

(1) The number of formal and informal supervisory, administrative, and civil enforcement actions initiated or completed by such agency during such 12-month period, including actions initiated or taken with respect to memoranda of understanding, written agreements, cease and desist orders (including temporary orders), suspension orders, removal or prohibition orders, and civil money penalty assessments.

(2) The number of individuals and institutions against whom civil money penalties were assessed by such agency during such 12-month period, the amount of each such penalty, the total amount of all such penalties, and data on uncollected penalties for such period and prior years.

(3) A description of all other enforcement efforts and initiatives relating to unsafe and unsound practices, criminal misconduct, and insider abuse which were undertaken by such agency during such 12-month period.

(4) Recommendations concerning the need for additional legislation or financial resources.

(b) AGENCIES REQUIRED TO SUBMIT REPORTS.—The agencies referred to in subsection (a) are as follows:

(1) The Comptroller of the Currency.

(2) The Board of Governors of the Federal Reserve System.

(3) The Federal Deposit Insurance Corporation.

(4) The Federal Housing Finance Board.

(5) The Office of Thrift Supervision.

(6) The National Credit Union Administration.

(7) The Attorney General of the United States.

SEC. 922. CREDIT UNION AUDIT REQUIREMENTS.

Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding at the end thereof the following new paragraph:

"(6) AUDIT REQUIREMENT.—

"(A) IN GENERAL.—Before the end of the 120-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and notwithstanding any provision of Federal law, the law of any State, or the constitution of any State, the Board shall prescribe, by regulation, audit standards which require an outside, independent audit of any insured credit union by a certified public accountant for any fiscal year (of such credit union)—

"(i) for which such credit union has not conducted an annual supervisory committee audit;

"(ii) for which such credit union has not received a complete and satisfactory supervisory committee audit; or

"(iii) during which such credit union has experienced persistent and serious recordkeeping deficiencies, as determined by the Board.

"(B) UNSAFE OR UNSOUND PRACTICE.—The Board may treat the failure of any insured credit union to obtain an outside, independent audit for any fiscal year for which such audit is required under subparagraph (A) as an unsafe or unsound practice within the meaning of section 206(b).".

Subtitle B—Termination of Deposit Insurance

SEC. 926. REVISION OF PROCEDURES FOR TERMINATION OF FDIC DEPOSIT INSURANCE.

Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(1) by striking out "(a) Any insured bank" and all that follows through the period at the end of the 4th sentence and inserting in lieu thereof the following:

"(a) TERMINATION OF INSURANCE.—

"(1) VOLUNTARY TERMINATION.—Any insured financial institution which is not—

"(A) a national member bank;

"(B) a State member bank;

"(C) a Federal branch;

"(D) a Federal savings association; or

"(E) an insured branch which is required to be insured under subsection (a) or (b) of section 6 of the International Banking Act of 1978,

may terminate such financial institution's status as an insured financial institution if such insured institution provides written notice to the Corporation of the institution's intent to terminate such status not less than 90 days before the effective date of such termination.

"(2) INVOLUNTARY TERMINATION.—

"(A) NOTICE TO PRIMARY REGULATOR.—If the Board of Directors determines that—

"(i) an insured financial institution or the directors or trustees of an insured financial institution have engaged or are engaging in unsafe or unsound practices in conducting the business of the financial institution;

"(ii) an insured financial institution is in an unsafe or unsound condition to continue operations as an insured institution; or

"(iii) an insured financial institution or the directors or trustees of the insured institution have violated any applicable law, regulation, order, condition imposed in writing by the Corporation in connection with the approval of any application or other request by the insured financial institution, or written agreement entered into between the insured financial institution and the Corporation,

the Board of Directors shall notify the appropriate Federal banking agency with respect to such institution (if other than the Corporation) or the State banking supervisor of such institution (if the Corporation is the appropriate Federal banking agency) of the Board's determination and the facts and circumstances on which such determination is based.

"(B) NOTICE OF INTENTION TO TERMINATE INSURANCE.—If, after giving the notice required under subparagraph (A) with respect to an insured financial institution, the Board of Directors determines that any unsafe or unsound practice or condition or any violation specified in such notice requires the termination of the insured status of the insured financial institution, the Board shall—

"(i) serve written notice to the insured financial institution of the Board's intention to terminate the insured status of the institution;

"(ii) provide the insured financial institution with a statement of the charges on the basis of which the determination to terminate such institution's insured status was made (or a copy of the notice under subparagraph (A)); and

"(iii) notify the insured financial institution of the date (not less than 30 days after notice under this subparagraph) and place for a hearing before the Board of Directors (or any person designated by the Board) with respect to the termination of the institution's insured status.

"(3) HEARING; TERMINATION.—If, on the basis of the evidence presented at a hearing before the Board of Directors (or any person designated by the Board for such purpose), in which all issues shall be determined on the record pursuant to section 554 of title 5, United States Code, and the written findings of the Board of Directors (or such person) with respect to such evidence (which shall be conclusive), the Board of Directors finds that any unsafe or unsound practice or condition or any violation specified in the notice to an insured financial institution under subparagraph (B) has been established, the Board of Directors may issue an order terminating the insured status of such financial institution effective as of a date subsequent to such finding.";

(2) by striking out "Unless the" and inserting in lieu thereof the following:

"(4) APPEARANCE; CONSENT TO TERMINATION.—Unless the";

(3) by striking out "Any insured financial institution whose insured status" and inserting in lieu thereof the following:

"(5) JUDICIAL REVIEW.—Any insured financial institution whose insured status";

(4) by striking out "The Corporation may publish" and inserting in lieu thereof the following:

"(6) PUBLICATION OF NOTICE OF TERMINATION.—The Corporation may publish";

(5) by striking out "After the termination of the insured status" and inserting in lieu thereof the following:

"(7) TEMPORARY INSURANCE OF DEPOSITS INSURED AS OF TERMINATION.—After the termination of the insured status";

(6) in paragraph (7), by striking out "of two years" and inserting in lieu thereof "of at least 6 months or up to 2 years, within the discretion of the Board of Directors";

(7) by adding at the end the following new paragraph:

"(8) TEMPORARY SUSPENSION OF INSURANCE.—

"(A) IN GENERAL.—If the Board of Directors initiates a termination proceeding under paragraph (2), and the Board of Directors, after consultation with the appropriate Federal banking agency, finds that—

"(i) an insured financial institution (other than a savings association) has no common or perpetual noncumulative preferred equity capital, or its equivalent for mutual institutions; or

"(ii) a savings association has no risk-adjusted capital and no core capital (as determined under section 5(t) of the Home Owners' Loan Act of 1933),

the Corporation may issue a temporary order suspending deposit insurance on all deposits received by the institution after the effective date of such order.

"(B) EFFECTIVE PERIOD OF TEMPORARY ORDER.—Such order shall become effective not earlier than 10 days from the date of service upon the institution and, unless set aside, limited or suspended by a court in proceedings authorized hereunder, such temporary order shall remain effective and enforceable until an order of the Board under paragraph (3) becomes final or until the Corporation dismisses the proceedings under paragraph (3).

"(C) JUDICIAL REVIEW.—Within 10 days after any temporary order has been served upon an insured financial institution under subparagraph (A), such institution may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the home office of the institution is located, for an injunction setting aside, limiting or suspending the enforcement, operation or effectiveness of such order, and such court shall have jurisdiction to issue such injunction.

"(D) CONTINUATION OF INSURANCE FOR PRIOR DEPOSITS.—The insured deposits of each depositor in such financial institution on the effective date of the order issued under this paragraph, minus all subsequent withdrawals from any deposits of such depositor, shall continue to be insured, subject to the administrative proceedings as provided in this Act.

"(E) PUBLICATION OF ORDER.—The Corporation may publish notice of any order issued under this paragraph and the financial institution shall give notice of such order to each of its depositors in such manner and at such times as the Board of Directors may find to be necessary and may order for the protection of depositors.

"(F) NOTICE BY CORPORATION.—If the Corporation determines that the financial institution has not substantially complied with the notice to depositors required by the Board of Directors, the Corporation may provide such notice in such manner as the Board of Directors may find to be necessary and appropriate.

"(G) LACK OF NOTICE.—The failure of a depositor to receive notice shall not affect the effectiveness of any order issued under this paragraph, except that a deposit shall remain insured to the extent that the depositor establishes that—

(i) such deposit consists of additions made by automatic deposit the depositor was unable to prevent; or

(ii) such depositor did not have notice of the suspension of insurance."; and

(8) by adding after the paragraph added by paragraph (7) of this section the following new paragraph:

"(9) FINAL DECISIONS TO TERMINATE INSURANCE.—Any decision by the Board of Directors to—

"(A) issue a temporary order terminating deposit insurance; or

"(B) issue a final order terminating deposit insurance;

shall be made by the Board of Directors and may not be delegated.".

Subtitle C—Improving Early Detection of Misconduct and Encouraging Informants

SEC. 931. INFORMATION REQUIRED TO BE MADE AVAILABLE TO OUTSIDE AUDITORS.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by adding at the end thereof the following new paragraph:

"(8) REPORT TO INDEPENDENT AUDITOR.—

"(A) IN GENERAL.—Each insured financial institution which has engaged the services of an independent auditor to audit such financial institution within the past 2 years shall transmit to such auditor a copy of the the most recent report of condition made by such financial institution (pursuant to this Act or any other provision of law) and a copy of the most recent report of examination received by such financial institution.

"(B) ADDITIONAL INFORMATION.—In addition to the copies of the reports required to be provided to an auditor under subparagraph (A), each insured financial institution shall provide such auditor with—

"(i) a copy of any supervisory memorandum of understanding with such financial institution and any written agreement between a Federal banking agency and the financial institution which is in effect during the period covered by the audit; and

"(ii) a report of any action initiated or taken by the agency during such period under subsection (a), (b), (c), (e), (g), (i), or (s) of section 8, or any other civil money penalty assessed under any other provisions of law with respect to—

"(I) the financial institution;

"(II) any officer or director of the financial institution; or

"(III) any other person participating in the conduct of the affairs of the financial institution.".

(b) INSTITUTIONS INSURED BY THE NCUA.—Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding after the paragraph added by section 922 of this Act the following new paragraph:

"(7) REPORT TO INDEPENDENT AUDITOR.—

"(A) IN GENERAL.—Each insured credit union which has engaged the services of an independent auditor to audit such financial institution within the past 2 years shall transmit to such auditor a copy of the most recent report of condition made by such credit union (pursuant to this Act or any other provision of law) and a copy of the most recent report of examination received by such credit union.

"(B) ADDITIONAL INFORMATION.—In addition to the copies of the reports required to be provided to an auditor under subparagraph (A), each insured credit union shall provide, within 30 days after the date the reports are transmitted pursuant to subparagraph (A), such auditor with—

"(i) a copy of any supervisory memorandum of understanding with such credit union and any written agreement between the Board and the credit union which is in effect during the period covered by the audit; and

"(ii) a report of any action initiated or taken by the Board during such period under subsection (e), (f), (g), (i), (l), or (q) of section 207, or any other civil money penalty assessed by the Board under this Act, with respect to—

"(I) the credit union;

"(II) any officer or director of the credit union; or

"(III) any other person participating in the conduct of the affairs of the financial institution.".

SEC. 932. FINANCIAL INSTITUTION EMPLOYEE PROTECTION REMEDY.

(a) EMPLOYEES OF FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding after the section added by section 222(b) of this Act the following new section:

"SEC. 31. FINANCIAL INSTITUTION EMPLOYEE PROTECTION REMEDY.

"(a) PROHIBITION AGAINST DISCRIMINATION AGAINST WHISTLEBLOWERS.—No federally insured financial institution may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to any financial institution regulatory authority or to the Attorney General regarding a possible violation of any law or regulation by the financial institution or its officers, directors, or employees.

"(b) ENFORCEMENT.—Any employee or former employee who believes he has been discharged or discriminated against in violation of subsection (a) may file a civil action in Federal district court within 1 year after the date of such discharge or discrimination. The complainant shall also file a copy of the complaint initiating such action with the appropriate Federal banking agency.

"(c) REMEDIES.—If the district court determines that a violation of subsection (a) has occurred, it may order the financial institution which committee the violation—

"(1) to reinstate the employee to his former position,

"(2) to pay compensatory damages, or

"(3) take other appropriate actions to remedy any past discrimination.

"(d) LIMITATION.—The protections of this subsection do not apply to any employee who—

"(1) deliberately causes or participates in the alleged violation of law or regulation, or

"(2) knowingly or recklessly provides false information to such an agency or the Attorney General.

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(e) PENALTY FOR ACTIONS BROUGHT IN BAD FAITH.—If the district court finds that an action filed under this section has been brought in bad faith, the court may award to the defendant financial institution a reasonable attorney's fee not exceeding $20,000.".

(b) EMPLOYEES OF CREDIT UNIONS INSURED BY THE NCUA.—The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended by inserting the after section added by section 914(b) of this Act) the following new section:

"SEC. 213. CREDIT UNION EMPLOYEE PROTECTION REMEDY.

"(a) PROHIBITION AGAINST DISCRIMINATION AGAINST WHISTLEBLOWERS.—No federally insured credit union may discharge or otherwise discriminate against any employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to the request of the employee) provided information to any financial institution regulatory authority or to the Attorney General regarding a possible violation of any law or regulation by the credit union or its officers, directors, or employees.

"(b) ENFORCEMENT.—Any employee or former employee who believes he has been discharged or discriminated against in violation of subsection (a) may file a civil action in Federal district court within 1 year after the date of such discharge or discrimination. The complainant shall also file a copy of the complaint initiating such action with the Board.

"(c) REMEDIES.—If the district court determines that a violation of subsection (a) has occurred, it may order the credit union which committed the violation—

"(1) to reinstate the employee to his former position,

"(2) to pay compensatory damages, or

"(3) take other appropriate actions to remedy any past discrimination.

"(d) LIMITATIONS.—The protections of this subsection do not apply to any employee who—

"(1) deliberately causes or participates in the alleged violation of law or regulation, or

"(2) knowingly or recklessly provides false information to such an agency or the Department of Justice.

"(e) PENALTY FOR ACTIONS BROUGHT IN BAD FAITH.—If the district court finds that an action filed under this section has been brought in bad faith, the court may award to the defendant financial institution a reasonable attorney's fee not exceeding $20,000.".

SEC. 933. REWARD FOR INFORMATION LEADING TO RECOVERIES OR CIVIL PENALTIES.

(a) FINANCIAL INSTITUTIONS INSURED BY THE FDIC.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding after the section added by section 932(a) of this Act the following new section:

"SEC. 32. REWARD FOR INFORMATION LEADING TO RECOVERIES OR CIVIL PENALTIES.

"(a) IN GENERAL.—An appropriate Federal banking agency, with the concurrence of the Attorney General, may pay a reward to a person who provides original information which leads to—

"(1) recovery, in an amount that exceeds $50,000, of a criminal fine, restitution, or civil penalty—

"(A) under—

"(i) the Federal Deposit Insurance Act;

"(ii) the Federal Credit Union Act;

"(iii) sections 5213, 5239(b), and 5240 of the Revised Statutes;

"(iv) the Federal Reserve Act;

"(v) the Bank Holding Company Act Amendments of 1970;

"(vi) the Bank Holding Company Act of 1956; or

"(vii) the Home Owners' Loan Act of 1933;

"(B) pursuant to a conviction for an offense under section 215, 656, 657, 1005, 1006, 1007, 1014, 1341, 1343, 1344, or 3663 of title 18, United States Code, affecting a financial institution insured by the Federal Deposit Insurance Corporation, or for a conspiracy to commit such an offense; or

"(C) under section 951 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; or

"(2) a forfeiture under section 981 or 982 of title 18, United States Code, that—

"(A) arises in connection with a financial institution insured by the Federal Deposit Insurance Corporation; and

"(B) exceeds $50,000.

"(b) PERCENTAGE LIMITATION.—An appropriate Federal banking agency may not pay a reward of more than 25 percent of the amount of the fine, penalty, restitution, or forfeiture or $100,000, whichever is less.

"(c) OFFICIALS AND PERSONS INELIGIBLE.—An appropriate Federal banking agency may not pay a reward to—

"(1) an officer or employee of the United States, State, or local government who provides information described in subsection (a), obtained in the performance of official duties; or

"(2) a person who—

"(A) deliberately causes or participates in the alleged violation of law or regulation, or

"(B) knowingly or recklessly provides false information to such an agency or the Attorney General.

"(d) NONREVIEWABILITY.—A reward decision, or decision not to give a reward, made pursuant to this section by the appropriate Federal banking agency is final and not reviewable by any court.".

(b) CREDIT UNIONS INSURED BY THE NCUA.—Title II of the Federal Credit Union Act (12 U.S.C. 1790 et seq.) is amended by inserting after the section added by section 932(b) of this Act the following new section:

"SEC. 214. REWARD FOR INFORMATION LEADING TO RECOVERIES OR CIVIL PENALTIES.

"The Board may pay rewards in connection with an offense affecting a federally insured credit union, under the same circumstances and subject to the same limitations that a Federal banking agency may pay rewards under section 30 of the Federal Deposit Insurance Act in connection with an offense affecting a financial institution insured by the Federal Deposit Insurance Corporation.".

Subtitle D—Right to Financial Privacy Act Amendments

SEC. 941. DEFINITIONS.

Section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(2) in paragraph (7) (as so redesignated), by striking all that precedes subparagraph (A) and inserting in lieu thereof:

"(7) 'supervisory agency' means with respect to any particular financial institution, holding company, or any subsidiary of a financial institution or holding company, any of the following which has statutory authority to examine the financial condition, business operations, or records or transactions of that institution, holding company or subsidiary;"; and

(3) by inserting after paragraph (5) the following new paragraph (6) to read as follows:

"(6) 'holding company' means any 'bank holding company' as defined in section 2 and any company described in section 3(f)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), or any 'savings and loan holding company' as defined in the Home Owners' Loan Act of 1933.".

SEC. 942. ADDITIONAL EXCEPTIONS.

Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(b)) is amended—

(1) by amending subsection (b) to read as follows:

"(b) This chapter shall not apply to the examination by or disclosure to any supervisory agency of financial records or information in the exercise of its supervisory, regulatory, or monetary functions, including conservatorship or receivership functions, with respect to any financial institution, holding company, or any subsidiary of a financial institution or holding company or any officer, director, employee, agent, or other person participating in the affairs thereof."; and

(2) by adding at the end the following new subsections:

"(m) This title shall not apply to the examination by or disclosure to employees or agents of the Board of Governors of the Federal Reserve System or any Federal Reserve Bank of financial records or information in the exercise of the Federal Reserve System's authority to extend credit to the depository institutions or others.

"(n) This title shall not apply to the examination by or disclosure to the Resolution Trust Corporation or its employees or agents of financial records or information in the exercise of its conservatorship, receivership, or liquidation functions with respect to a financial institution.

"(o) This title shall not apply to the examination by or disclosure to the Federal Home Financing Board or any of the Federal home loan banks of financial records or information in the exercise of the Federal Home Financing Board's authority to extend credit (either directly or through a Federal home loan bank) to depository institutions or others.".

SEC. 943. PROHIBITION.

Section 1120 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420) is redesignated as section 1120(a) and is amended by adding at the end the following new subsection:

"(b) No officer, director, partner, employee, shareholder, or attorney of a financial institution shall, directly or indirectly, notify—

"(1) any customer (of such institution) whose records are sought pursuant to a grand jury subpoena served on such institution in connection with an investigation relating to a possible—

"(A) crime against any financial institution or supervisory agency; or

"(B) conspiracy to commit such a crime; or

"(2) any target of a grand jury investigation in the course of which such a subpoena has been served, about the existence or contents of such subpoena, or information that has been furnished to the grand jury in response to such subpoena. Section 8 of the Federal Deposit Insurance Act shall apply to any violation of this subsection.".

SEC. 944. MISCELLANEOUS PROVISIONS.

Section 1112(e) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(e)) is amended—

(1) by inserting after "with respect to a financial institution" the following: ", holding company, or any subsidiary of a financial institution or holding company,"; and

(2) by striking out "Council" and inserting in lieu thereof "Council and the Securities and Exchange Commission".

Subtitle E—Civil Penalties for Violations Involving Financial Institutions

SEC. 951. CIVIL PENALTIES.

(a) IN GENERAL.—Whoever violates any provision of law to which this section is made applicable by subsection (c) shall be subject to a civil penalty.

(b) AMOUNT OF PENALTY.—

(1) GENERALLY.—The amount of the civil penalty under this section shall not exceed twice the amount of actual loss to the Government. Actual loss to the Government includes costs of experts, attorneys' fees, administrative overhead, salaries of employees, and other costs in regulating, investigating, and prosecuting civil and criminal cases with respect to the conduct that is the basis of the claim for a civil penalty under this section. Actual loss to the Government also includes all moneys paid out of any Federal deposit insurance fund and any other costs incurred by the Government as a result of such conduct.

(2) SPECIAL RULE FOR VIOLATIONS CREATING GAIN OR LOSS.—If any person derives pecuniary gain from the violation, or if the violation results in pecuniary loss to a person other than the violater, the amount of the civil penalty may exceed the amount described in paragraph (1) but may not exceed the amount of such gain or loss.

(c) VIOLATIONS TO WHICH PENALTY IS APPLICABLE.—This section applies to a violation of, or a conspiracy to violate—

(1) section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344 of title 18, United States Code;

(2) section 1341 or 1343 of title 18, United States Code, affecting a Federally insured financial institution.

(d) MODE OF RECOVERY.—The Attorney General may in a civil action recover a civil penalty under this section.

(e) BURDEN OF PROOF.—In a civil action to recover a civil penalty under this section, the Attorney General must establish the right to recovery by the preponderance of the evidence.

Subtitle F—Criminal Law and Procedure

SEC. 961. INCREASED CRIMINAL PENALTIES FOR CERTAIN FINANCIAL INSTITUTION OFFENSES.

(a) RECEIPT OF COMMISSIONS OR GIFTS FOR PROCURING LOANS.—Section 215(a) of title 18, United States Code, is amended—

(1) by striking "$5,000" and inserting "$1,000,000"; and

(2) by striking "five" and inserting "20".

(b) THEFT, EMBEZZLEMENT, OR MISAPPLICATION BY BANK OFFICER OR EMPLOYEE.—Section 656 of title 18, United States Code, is amended—

(1) by striking "$5,000" and inserting "$1,000,000 or twice the amount authorized by section 3571(d), whichever is greater,"; and

(2) by striking "five" and inserting "20".

(c) LENDING, CREDIT, AND INSURANCE INSTITUTIONS.—Section 657 of title 18, United States Code, is amended—

(1) by striking "$5,000" and inserting "$1,000,000 or twice the amount authorized by section 3571(d), whichever is greater,"; and

(2) by striking "five" and inserting "20".

(d) BANK ENTRIES, REPORTS, AND TRANSACTIONS.—Section 1005 of title 18, United States Code, is amended—

(1) in the 1st paragraph, by inserting "bank or savings and loan holding company," after "member bank,";

(2) in the 3rd paragraph—

(A) by inserting "or company" after "bank" each place it appears; and

(B) by striking the "—" at the end and inserting a semicolon;

(3) by adding after the 3rd paragraph the following:

"Whoever with intent to defraud the United States or any agency thereof, or any financial institution referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such financial institution—";

(4) by striking "$5,000" and inserting "$1,000,000 or twice the amount authorized by section 3571(d), whichever is greater"; and

(5) by striking "five" and inserting "20".

(e) FEDERAL CREDIT INSTITUTION ENTRIES, REPORTS, AND TRANSACTIONS.—Section 1006 of title 18, United States Code, is amended—

(1) by striking "$10,000" and inserting "$1,000,000 or twice the amount authorized by section 3571(d), whichever is greater"; and

(2) by striking "five" and inserting "20".

(f) FEDERAL DEPOSIT INSURANCE CORPORATION TRANSACTIONS.—Section 1007 of title 18, United States Code, is amended to read as follows:

"§ 1007. Federal Deposit Insurance Corporation Transactions

"Whoever, for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation, knowingly makes or invites reliance on a false, forged, or counterfeit statement, document, or thing shall be fined not more than $1,000,000 or twice the amount authorized by section 3571(d), whichever is greater, or imprisoned for not more than 20 years, or both.".

(g) FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION TRANSACTIONS.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by striking section 1008.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 47 of title 18, United States Code, is amended by striking the item relating to section 1008.

(h) LOAN AND CREDIT APPLICATIONS GENERALLY; RENEWALS AND DISCOUNTS; CROP INSURANCE.—Section 1014 of title 18, United States Code, is amended—

(1) by striking "a Federal Home Loan Bank, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, a Federal Saving and Loan Association";

(2) by striking "the Federal Saving and Loan Insurance Corporation, any bank the deposits of which are insured by";

(3) by striking "any member of";

(4) by inserting "the Resolution Trust Corporation" after "Federal Deposit Insurance Corporation,";

(5) by striking "$5,000" and inserting "$1,000,000 or twice the amount authorized by section 3571(d), whichever is greater"; and

(6) by striking "two" and inserting "20".

(i) FRAUDS AND SWINDLES.—Section 1341 of title 18, United States Code, is amended—

(1) by striking "$1,000" and inserting "$1,000,000"; and

(2) by adding at the end "If the violation affects a financial institution, such person shall be fined not more than $1,000,000 or imprisoned not more than 20 years, or both.".

(j) FRAUD BY WIRE, RADIO, OR TELEVISION.—Section 1343 of title 18, United States Code, is amended—

(1) by striking "$1,000" and inserting "$1,000,000"; and

(2) by adding at the end "If the violation affects a financial institution, such person shall be fined not more than $1,000,000 or imprisoned not more than 20 years, or both.".

(k) BANK FRAUD.—Section 1344 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "$10,000" and inserting "$1,000,000 or twice the amount authorized by section 3571(d), whichever is greater"; and

(B) by striking "five" and inserting "20";

(2) in subsection (b)—

(A) in paragraph (1), by striking "bank" and inserting "institution";

(B) by striking paragraphs (2) and (4) and redesignating paragraphs (3) and (5) as paragraphs (2) and (4), respectively; and

(C) by inserting "or" at the end of paragraph (2) (as so redesignated).

(l) LIMITATIONS.—

(1) IN GENERAL.—Chapter 213 of title 18, United States Code, is amended by adding at the end the following:

"§ 3293. Financial institution offenses

"No person shall be prosecuted, tried, or punished for—

"(1) a violation of section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344;

"(2) a violation of section 1341 or 1343, if the offense affects a financial institution; or

"(3) a conspiracy to commit a violation described in paragraph (1) or (2),

unless the indictment is returned or the information is filed within 10 years after the commission of the offense.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 213 of title 18, United States Code, is amended by adding at the end the following new item:

"3293. Financial institution offenses.".

(3) EFFECT OF AMENDMENTS ON OFFENSES FOR WHICH THE CURRENT PERIOD OF LIMITATIONS HAD NOT RUN.—The amendments made by this section shall apply to an offense committed before the effective date of this section, if the statute of limitations applicable to that offense under this chapter had not run as of such date.

(m) SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, and section 21 of the Sentencing Act of 1987, the United States Sentencing Commission shall promulgate guidelines, or shall amend existing guidelines, to provide that a serious banking related offense be assigned an offense level under chapter 2 of the sentencing guidelines that is not less than level 24.

(2) DEFINITION OF "SERIOUS BANKING RELATED OFFENSE".—As used in this subsection the term "serious banking related offense" means an offense under section 215, 656, 657, 1005, 1006, 1007, 1014, 1341, 1343, or 1344 of title 18, United States Code, or a conspiracy to commit such an offense, that substantially jeopardizes the safety and soundness of a Federally insured financial institution.

(3) EXPIRATION OF REQUIREMENT.—The requirement of this subsection shall expire on December 31, 1993.

SEC. 962. MISCELLANEOUS REVISIONS TO TITLE 18.

(a) SPECIFIC TERMINOLOGY CHANGES AND REPEAL.—

(1) SECTION 212.—Section 212 of title 18, United States Code, is amended—

(A) by striking "bank" and "banks" each place such terms appear (except in "land bank", "member banks", and "Federal Reserve bank") and inserting in lieu thereof "financial institution" and "financial institutions", respectively; and

(B) in the 2nd undesignated paragraph, by striking "or by the Federal Deposit Insurance Corporation" and inserting in lieu thereof ", by the Federal Deposit Insurance Corporation, by the Office of Thrift Supervision, or by the Federal Housing Finance Board".

(2) SECTION 213.—Section 213 of title 18, United States Code, is amended by striking "banks the deposits of which" and inserting "financial institutions the deposits of which".

(3) REPEAL OF SECTION 1009.—Title 18, United States Code, is amended by striking out section 1009.

(4) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 47 of title 18, United States Code, is amended by striking out the item relating to section 1009.

(5) SECTION 1030(e)(4).—Section 1030(e)(4) of title 18, United States Code, is amended—

(A) in subparagraph (A), by striking "a bank" and inserting "an institution,";

(B) by striking subparagraph (C); and

(C) by redesignating subparagraphs (D), (E), (F), (G), and (H), as subparagraphs (C), (D), (E), (F), and (G), respectively.

(6) SECTION 1114.—Section 1114 of title 18, United States Code, is amended—

(A) by striking "the Federal Savings and Loan Insurance Corporation,"; and

(B) by striking "the Federal Home Loan Bank Board" and inserting "the Office of Thrift Supervision, the Federal Housing Finance Board, the Resolution Trust Corporation".

(7) CHANGES RELATING TO NATIONAL CREDIT UNION ADMINISTRATION.—Sections 657, 1006, 1014, and 2113(h) of title 18, United States Code, are each amended by striking "Administrator of the National Credit Union Administration" and inserting "National Credit Union Administration Board".

(b) CROSS REFERENCE CHANGE.—Section 1306 of title 18, United States Code, is amended by striking "section 20 of the Federal Deposit Insurance Act, or section 410 of the National Housing Act" and inserting "or section 20 of the Federal Deposit Insurance Act".

(c) OBSTRUCTION OF CRIMINAL INVESTIGATIONS.—Section 1510 of title 18, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

"(b) Whoever, being an officer, director, partner, employee, or attorney of a financial institution, knowingly notifies, directly or indirectly—

"(1) a customer of that financial institution whose records are sought by a grand jury subpoena that has been served relating to—

"(A) a possible violation of—

"(i) section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344; or

"(ii) section 1341 or 1343 affecting a financial institution; or

"(B) a possible conspiracy to commit any violation described in either clause of subparagraph (A); or

"(2) a target of a grand jury investigation in connection with which such a subpoena has been served,

about the existence or contents of that subpoena, or information that has been furnished to the grand jury in response to that subpoena shall be fined under this title or imprisoned not more than 1 year, or both, or, if the offense was committed with the intent to obstruct the enforcement of the subpoena or to obstruct any other proceeding, shall be fined under this title or imprisoned not more than 5 years, or both.".

(d) CONFORMING TERMINOLOGY IN BANK ROBBERY SECTION.—Section 2113 of title 18, United States Code, is amended—

(1) in subsection (f), by striking "any bank the deposits of which" and inserting "any institution the deposits of which";

(2) by adding before the period at the end of subsection (h) ", and any 'Federal credit union' as defined in section 2 of the Federal Credit Union Act"; and

(3) by striking subsection (g) and redesignating subsection (h) as subsection (g).

(e) CREATION OF GENERAL DEFINITION OF FINANCIAL INSTITUTION FOR TITLE 18.—

(1) IN GENERAL.—Subsection (b) of section 215 of title 18, United States Code, is transferred to the end of chapter 1 of such title.

(2) UPDATING AND TECHNICAL AMENDMENTS.—Such subsection (b), as so transferred, is amended—

(A) by inserting at the beginning the following section heading:

"§ 20. Financial institution defined"

(B) by striking "(b)";

(C) by striking "this section" and inserting "this title";

(D) in paragraph (1), by striking "a bank" and inserting "an institution"; and

(E) by striking paragraphs (2) and (8); and

(F) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (2), (3), (4), (5), and (6), respectively.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 18, United States Code, is amended by adding at the end the following new item:

"20. Financial institution defined.".

SEC. 963. CIVIL AND CRIMINAL FORFEITURE.

(a) CIVIL FORFEITURE.—Section 981(a)(1) of title 18, United States Code, is amended by adding at the end the following:

"(C) Any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344 of this title.".

(b) TRANSFER OF PROPERTY UNDER CIVIL FORFEITURE.—Section 981(e) of title 18, United States Code, is amended—

(1) in the matter before paragraph (1), by striking out "determine to—" and inserting in lieu thereof "determine—";

(2) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) to any other Federal agency;

"(2) to any State or local law enforcement agency which participated directly in any of the acts which led to the seizure or forfeiture of the property;

"(3) in the case of property referred to in subsection (a)(1)(C) (if the affected financial institution is in receivership or liquidation), to any Federal financial institution regulatory agency—

"(A) to reimburse the agency for payments to claimants or creditors of the institution; and

"(B) to reimburse the insurance fund of the agency for losses suffered by the fund as a result of the receivership or liquidation;

"(4) in the case of property referred to in subsection (a)(1)(C) (if the affected financial institution is not in receivership or liquidation), upon the order of the appropriate Federal financial institution regulatory agency, to the financial institution as restitution, with the value of the property so transferred to be set off against any amount later recovered by the financial institution as compensatory damages in any State or Federal proceeding; or

"(5) in the case of property referred to in subsection (a)(1)(C), to any Federal financial institution regulatory agency, to the extent of the agency's contribution of resources to, or expenses involved in, the seizure and forfeiture, and the investigation leading directly to the seizure and forfeiture, of such property."; and

(3) by adding at the end the following new sentence: "The United States shall not be liable in any action arising out of a transfer under paragraph (3), (4), or (5) of this subsection.".

(c) CRIMINAL FORFEITURE.—Section 982 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)"; and

(B) by adding at the end the following:

"(2) The court, in imposing sentence on a person convicted of an offense under section 215, 656, 657, 1005, 1006, 1007, 1014, 1341, 1343, or 1344 of this title, or a conspiracy to commit such an offense, affecting a financial institution, shall order that the person forfeit to the United States any property constituting, or derived from, proceeds the person obtained directly or indirectly, as the result of such violation."; and

(2) in subsection (b), by striking "(b) The provisions" and all that follows through "However, the" and inserting in lieu thereof the following:

"(b)(1) Property subject to forfeiture under this section, any seizure and disposition thereof, and any administrative or judicial proceeding in relation thereto, shall be governed—

"(A) in the case of a forfeiture under subsection (a)(1) of this section, by subsections (c) and (e) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853); and

"(B) in the case of a forfeiture under subsection (a)(2) of this section, by subsections (b), (c), (e), and (g) through (p) of section 413 of such Act.

"(2) The".

SEC. 964. GRAND JURY SECRECY.

(a) IN GENERAL.—Chapter 215 of title 18, United States Code, is amended by striking section 3322 and all that follows through section 3328 and inserting the following:

"§3322. Disclosure of certain matters occurring before grand jury

"(a) An attorney for the government (as defined in the Federal Rules of Criminal Procedure), and a person to whom matters have been disclosed under rule 6(e)(3)(A)(ii) of such Rules, may disclose matters occurring before a grand jury concerning a banking law violation to another attorney for the government for use in enforcing section 951 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"(b)(1) Upon motion of an attorney for the government, a court may direct disclo-

sure of matters occurring before a grand jury during an investigation of a banking law violation to identified personnel of a financial institution regulatory agency—

"(A) for use in relation to any matter within the jurisdiction of such regulatory agency; or

"(B) to assist an attorney for the government to whom matters have been disclosed under subsection (a).

"(2) A court may issue an order under paragraph (1) only upon a finding of particularized need.

"(c) A person to whom matter has been disclosed under this section—

"(1) in the case of a disclosure under subsection (a) or (b) for the purpose set forth in paragraph (1)(B), shall not utilize the matter disclosed for any purpose other than to enforce section 951 of the Financial Institution Reform, Recovery and Enforcement Act of 1989; and

"(2) in the case of a disclosure under subsection (b) for the purpose set forth in paragraph (1)(A), shall not utilize the matter disclosed other than in relation to any matter within the jurisdiction of such regulatory agency.

"(d) As used in this section, the term 'banking law violation' means—

"(1) a violation of—

"(A) section 215, 656, 657, 1005, 1007, 1014, or 1344; or

"(B) section 1341 or 1343 affecting a financial institution; or

"(2) a conspiracy to commit any violation described in paragraph (1).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 215 of title 18, United States Code, is amended by striking out the item relating to sections 3322 through 3328 and inserting the following:

"3322. Disclosure of certain matters occurring before grand jury.".

SEC. 965. DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION.

(a) IN GENERAL.—There is authorized to be appropriated, without fiscal year limitation—

(1) $65,000,000 for the fiscal year ending September 30, 1989 and for each of the 2 succeeding fiscal years, to the Attorney General, for purposes of investigations and prosecutions involving financial institutions to which this Act and amendments made by this Act apply; and

(2) $10,000,000 for the fiscal year ending September 30, 1989 and for each of the 2 succeeding fiscal years, to the Attorney General, for purposes of civil proceedings involving financial institutions to which this Act and amendments made by this Act apply.

(b) SUPPLANTATION AND REALLOCATION PROHIBITED.—Sums authorized by this section—

(1) are in addition to any other sums authorized to be appropriated for such purposes;

(2) shall not be used to supplant sums otherwise available for such purposes; and

(3) shall not be reallocated for any other purpose.

(c) REPORT TO CONGRESS.—During the period for which sums are authorized to be appropriated by this section, the Attorney General shall report to Congress on the expenditure of such sums, and on the number and status of grand jury investigations and investigations being conducted by the Federal Bureau of Investigations, and indictments obtained and civil actions filed by the Attorney General pursuant to this Act. The Attorney General shall file—

(1) the 1st such report not later than 180 days after the date of the enactment of this Act;

(2) the 2nd such report not later than 1 year after such date; and

(3) the succeeding 2 reports annually thereafter.

SEC. 966. AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE JUDICIARY.

There is authorized to be appropriated to the Federal courts system $10,000,000, to carry out such system's duties under this Act, for each of fiscal years 1989 through 1991.

TITLE X—STUDY OF FEDERAL DEPOSIT INSURANCE AND BANKING REGULATION

SEC. 1001. STUDY OF FEDERAL DEPOSIT INSURANCE SYSTEM.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Comptroller of the Currency, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Office of Thrift Supervision, the Chairperson of the Federal Deposit Insurance Corporation, the Chairman of the National Credit Union Administration Board, the Director of the Office of Management and Budget, and individuals from the private sector, shall conduct a study of the Federal deposit insurance system, including an appropriate structure for the offering of competitive products and services to consumers consistent with standards of safety and soundness.

(b) TOPICS.—As part of the study required under subsection (a), the Secretary of the Treasury shall investigate, review, and evaluate the following:

(1) The feasibility of establishing a deposit insurance premium structure which would take into account, on an institution-by-institution basis—

(A) asset quality risk;

(B) interest rate risk;

(C) quality of management; and

(D) profitability and capital.

(2) Incentives for market discipline, including the advantages of—

(A) limiting each depositor to 1 insured account per institution;

(B) reducing the amount insured or establishing a graduated scale according to which marginal insurance coverage declines from 100 to zero percent;

(C) combining federal with private insurance in order to bring the market discipline of private insurance to bear on the management of the financial institution; and

(D) ensuring, by law or regulation, that on the closing of any financial institution, the appropriate Federal insurance fund will honor only its explicit liabilities, and will never make good any losses on deposits not explicitly covered by federal deposit insurance.

(3) The scope of deposit insurance coverage and its impact on the liability of the insurance fund.

(4) The feasibility of market value accounting, assessments on foreign deposits, limitations on brokered deposits, the addition of collateralized borrowings to the deposit insurance base, and multiple insured accounts.

(5) The impact on the deposit insurance funds of varying State and Federal bankruptcy exemptions and the feasibility of—

(A) uniform exemptions;

(B) limits on exemptions when necessary to repay obligations owed to federally insured financial institutions; and

(C) requiring borrowers from federally insured financial institutions to post a personal or corporate bond when obtaining a mortgage on real property.

(6) Policies to be followed with respect to the recapitalization or closure of insured depositories whose capital is depleted to or near the point of, insolvency.

(7) The efficiency of housing subsidies through the Federal home loan bank system.

(8) Alternatives to Federal deposit insurance.

(9) The feasibility of requiring, by statute or other means, that—

(A) independent auditors and accountants of a financial institution report the results of any audit of the institution to the relevant regulatory agency or agencies;

(B) a regulator share reports on a financial institution with the institution's independent auditors and accountants; and

(C) independent auditors and accountants participate in conferences between the regulator and the financial institution.

(10) The feasibility of adopting regulations which are the same as or similar to the provisions of England's Banking Act, 1987, ch. 22 (4 Halsbury's Statutes of England and Wales 527-650 (1987)), enacted on May 15, 1987, relating to the Bank of England's relationship with auditors and reporting accountants (including sections 8, 39, 41, 45, 46, 47, 82, 83, 85, and 94 of such Act).

(c) FINAL REPORT.—Not later than the close of the 18-month period beginning on the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Congress a final report containing a detailed statement of findings made, and conclusions drawn from, the study conducted under this section, including such recommendations for administrative and legislative action as the Secretary determines to be appropriate.

SEC. 1002. SURVEY OF BANK FEES AND SERVICES.

(a) ANNUAL SURVEY REQUIRED.—The Board of Governors of the Federal Reserve System shall conduct an annual survey of—

(1) the retail banking services provided by insured financial institutions; and

(2) the fees, if any, which are imposed by such institutions for providing such services.

(b) ANNUAL REPORT TO CONGRESS REQUIRED.—

(1) PREPARATION.—The Board of Governors of the Federal Reserve System shall prepare a report of the results of each survey conducted pursuant to subsection (a).

(2) CONTENTS OF REPORT.—Each report prepared pursuant to paragraph (1) shall include—

(A) a description of any discernable trend with respect to any increase or decrease in—

(i) the number of retail banking services provided by insured financial institutions;

(ii) the number of such services for which a separate fee is imposed; and

(iii) the amount of fees imposed by such institutions for providing any such service;

(B) a description of the correlation, if any, between—

(i) the amount of the fees imposed by insured financial institutions for providing retail banking services; and

(ii) the costs incurred by such institutions in providing such services;

(C) a description of the extent to which the net profits of insured financial institutions are attributable to fees imposed by such institutions for providing retail banking services; and

(D) a description of the correlation, if any, between—

(i) any increase in the amount of any deposit insurance premium assessed by the Federal Deposit Insurance Corporation against insured financial institutions; and

(ii) any increase in—

(I) the amount of the fees imposed by such institutions for providing retail banking services; or

(II) the number of such services for which a separate fee is imposed.

(3) SUBMISSION TO CONGRESS.—The Board of Governors of the Federal Reserve System shall submit—

(A) the first annual report required under paragraph (1) not later than June 1, 1990; and

(B) each subsequent annual report not later than June 1 of each calendar year beginning after 1990.

(c) PARTICIPATION OF OTHER BANKING AGENCIES REQUIRED.—

(1) COLLECTION OF DATA REQUIRED.—Each appropriate Federal banking agency shall—

(A) in the course of any examination of an insured financial institution by such agency, collect information on the number and amount of fees imposed by such institution for providing retail banking services; and

(B) prescribe, by regulation, a requirement that information on the number and amount of such fees be included in each report of condition submitted by any insured financial institution to such agency.

(2) TRANSMISSION OF DATA TO THE BOARD.—Each appropriate Federal banking agency shall transmit the information collected by such agency under paragraph (1) to the Board of Governors of the Federal Reserve System on a regular and timely basis for inclusion in the Board's annual survey under subsection (a).

SEC. 1003. LIMITATION ON EXPANDING DEPOSIT INSURANCE COVERAGE DURING STUDY PERIOD.

(a) IN GENERAL.—The Federal Deposit Insurance Corporation may not prescribe, issue, or implement any regulation, order, or interpretation which has the effect of—

(1) extending deposit insurance coverage to any obligation of an insured financial institution (as defined in section 3(c)(2) of the Federal Deposit Insurance Act) which would not be treated as a deposit for which insurance coverage is available under regulations, orders, or interpretations of the Corporation in effect on April 6, 1989; or

(2) extending deposit insurance coverage on a pro rata or pass-through basis to—

(A) individual investors in any unit investment trust; or

(B) individual participants in any pension or profit-sharing plan which is a qualified plan under section 401(a) of the Internal Revenue Code of 1986,

if such coverage was not available with respect to such investors or participants on such basis on April 6, 1989.

(b) INAPPLICABILITY OF PREVIOUSLY ISSUED ORDERS TO SUBSEQUENTLY ISSUED OBLIGATIONS.—

(1) GENERAL RULE.—Except as provided in paragraph (2), any regulation, order, or interpretation which—

(A) has the effect of extending deposit insurance coverage on a pro rata or pass-through basis to individual participants in any qualified plan under section 401(a) of the Internal Revenue Code of 1986; and

(B) was prescribed or issued by the Federal Deposit Insurance Corporation before April 6, 1989,

shall not apply with respect to any obligation issued after April 6, 1989, by any insured financial institution with respect to any such plan.

(2) EXCEPTION FOR CERTAIN RENEWALS BEFORE DATE OF ENACTMENT OF OBLIGATIONS ISSUED BEFORE APRIL 6, 1989.—Paragraph (1) shall not apply to the extension of deposit insurance coverage on a pro rata basis to individual participants with respect to the renewal at maturity of any obligation which is not a bank investment contract and was first issued before April 6, 1989, to retirement plans for employees of any State or local government or any agency or instrumentality of any such government, if such renewal occurs before the date of the enactment of this Act.

(c) EFFECTIVE PERIOD.—The limitations contained in subsections (a) and (b) shall not apply after the end of the 6-month period beginning on the date on which the Secretary of the Treasury submits to the Congress the final report under section 1001(c).

SEC. 1004. GENERAL ACCOUNTING OFFICE STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of deposit insurance issues raised by section 1001 emphasizing in particular—

(1) analysis of the policy considerations affecting the scope of deposit insurance coverage;

(2) evaluation of the risks associated with bank insurance contracts both as to the issuing institution and the deposit insurance funds; and

(3) the effect of proposed changes in the definition of "deposit" on—

(A) market discipline; and

(B) the ability of other participants in capital markets to raise funds.

(b) REPORT.—Not later than the close of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Congress the results of the study required by subsection (a).

SEC. 1005. ANNUAL REPORT ON THE CONDITION OF THE FEDERAL DEPOSIT INSURANCE FUNDS.

(a) IN GENERAL.—On January 31, 1990, and on or before January 31 of each succeeding year, the Federal Deposit Insurance Corporation shall deliver a detailed written report and analysis to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on—

(1) the current financial condition of the Bank Insurance Fund and the Savings Association Insurance Fund;

(2) the current level of the economic factors;

(3) the exposure of each insurance fund to insured losses if no changes occur in the economic factors;

(4) the exposure of each insurance fund to insured losses under reasonably possible changes in each of the economic factors, including worst case reasonably possible scenarios for each factor and an aggregate worst case reasonably possible scenario for all factors combined; and

(5) background information on historic levels and variations in each of the economic factors to substantiate the reasonableness of the scenarios presented.

(b) ECONOMIC FACTORS.—For purposes of this section, the economic factors shall include—

(1) the general level of interest rates;

(2) the general volatility of interest rates;

(3) the shape of the yield curve for United States Treasury obligations;

(4) the spread relationship between interest rates paid on United States Treasury obligations and interest rates paid on obligations of insured financial institutions;

(5) the default rate on outstanding loans held by insured financial institutions; and

(6) the rate of prepayments on fixed and variable rate loans held by insured financial institutions.

TITLE XI—REAL ESTATE APPRAISAL REFORM AMENDMENTS

SEC. 1101. ESTABLISHMENT OF APPRAISAL SUBCOMMITTEE OF THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1011. ESTABLISHMENT OF APPRAISAL SUBCOMMITTEE.

"There shall be within the Council a subcommittee to be known as the 'Appraisal Subcommittee', which shall consist of the designees of the heads of the Federal Financial Institutions Regulatory Agencies. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession.".

SEC. 1102. FUNCTIONS OF APPRAISAL SUBCOMMITTEE.

(a) IN GENERAL.—The Appraisal Subcommittee shall—

(1) monitor the requirements established by States for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility;

(2) monitor the requirements established by the Federal Financial Institutions Regulatory Agencies and the Resolution Trust Corporation with respect to—

(A) appraisal standards for federally related transactions under their jurisdiction, and

(B) determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser.

(3) maintain a national registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions; and

(4) transmit an annual report to the Congress not later than January 31 of each year which describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year.

(b) MONITORING AND REVIEWING FOUNDATION.—The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

SEC. 1103. CHAIRPERSON OF APPRAISAL SUBCOMMITTEE; TERM OF CHAIRPERSON; MEETINGS.

(a) CHAIRPERSON.—The Council shall select the Chairperson of the subcommittee. The term of the Chairperson shall be 2 years.

(b) MEETINGS; QUORUM; VOTING.—The Appraisal Subcommittee shall meet at the call of the Chairperson or a majority of its members so often as there is business to be conducted. A majority of members of the Appraisal Subcommittee shall constitute a quorum but 2 or more members may hold hearings. Decisions of the Appraisal Subcommittee shall be made by the vote of a majority of its members.

SEC. 1104. OFFICERS AND STAFF.

The Chairperson of the Appraisal Subcommittee shall, subject to the provisions of title 5 of the United States Code relating to the competitive service, classification and General Schedule pay rates, appoint such officers and staff as may be necessary to carry out the functions of this title.

SEC. 1105. POWERS OF APPRAISAL SUBCOMMITTEE.

The Appraisal Subcommittee may, for the purpose of carrying out this title, establish advisory committees, hold hearings, sit and act at times and places, take testimony, receive evidence, provide information, and perform research, as the Appraisal Subcommittee considers appropriate.

SEC. 1106. PROCEDURES FOR ESTABLISHING APPRAISAL STANDARDS AND REQUIRING THE USE OF CERTIFIED AND LICENSED APPRAISERS.

Appraisal standards and requirements for using State certified and licensed appraisers in federally related transactions pursuant to this title shall be prescribed in accordance with procedures set forth in section 553 of title 5, United States Code, including the publication of notice and receipt of written comments or the holding of public hearings with respect to any standards or requirements proposed to be established.

SEC. 1107. AUTHORIZATION OF APPROPRIATIONS.

For purposes of this title there are authorized to be appropriated to the Appraisal Subcommittee a one-time payment of $5,000,000 for the 24-month period beginning on the date of the enactment of this time. Thereafter, expenses of the subcommittee shall be funded through the collection of registry fees from certain certified and licensed appraisers pursuant to section 1108 or, if required, pursuant to section 1121(3) of this title.

SEC. 1108. ROSTER OF STATE CERTIFIED OR LICENSED APPRAISERS; AUTHORITY TO COLLECT AND TRANSMIT FEES.

(a) IN GENERAL.—Each State with an appraiser certifying and licensing agency whose certifications and licenses comply with this title, shall (1) transmit to the Appraisal Subcommittee, no less than annually, a roster listing individuals who have received a State certification or license in accordance with this title; and (2) collect from such individuals who perform or seek to perform appraisals in federally related transactions, an annual registry fee of not more than $25, such fees to be transmitted by the State agencies to the Council on a semiannual basis. Subject to the approval of the Council, the Appraisal Subcommittee may adjust the dollar amount of registry fees, up to a maximum of $50 per annum, as necessary to carry out its functions under this title.

(b) USE OF AMOUNTS APPROPRIATED OR COLLECTED.—Amounts appropriated for or collected by the Appraisal Subcommittee under this section shall be used—

(1) to maintain a registry of individuals who are qualified and eligible to perform appraisals in connection with federally related transactions;

(2) to support its activities under this title;

(3) to reimburse the general fund of the Treasury for amounts appropriated to and expended by the Appraisal Subcommittee during the 24-month startup period following the date of the enactment of this title; and

(4) to make grants in such amounts as it deems appropriate to the Appraisal Foundation, to help defray those costs of the foundation relating to the activities of its Appraisal Standards and Appraiser Qualification Boards.

SEC. 1109. FUNCTIONS OF THE FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES RELATING TO APPRAISAL STANDARDS.

Each Federal Financial Institutions Regulatory Agency and the Resolution Trust Corporation shall prescribe appropriate standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of each such agency or instrumentality. These rules shall require, at a minimum, that real estate appraisals be performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation; provided that each such agency or instrumentality may require compliance with additional standards if it makes a determination in writing that such additional standards are required in order to properly carry out its statutory responsibilities.

SEC. 1110. TIME FOR PROPOSAL AND ADOPTION OF STANDARDS.

Appraisal standards established under this title shall be proposed not later than 6 months and shall be adopted in final form and become effective not later than 12 months after the date of the enactment of this title.

SEC. 1111. FUNCTIONS OF THE FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES RELATING TO APPRAISER QUALIFICATIONS.

Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe, in accordance with section 1112 of this title, which categories of federally related transactions should be appraised by a State certified appraiser and which by a State licensed appraiser under this title.

SEC. 1112. TRANSACTIONS REQUIRING THE SERVICES OF A STATE CERTIFIED APPRAISER.

In determining whether an appraisal in connection with a federally related transaction shall be performed by a State certified appraiser, an agency or instrumentality under this title shall consider whether transactions, either individually or collectively, are of sufficient financial or public policy importance to the United States that an individual who performs an appraisal in connection with such transactions should be a State certified appraiser, except that—

(1) a State certified appraiser shall be required for all federally related transactions having a value of $1,000,000 or more; and

(2) 1-to-4 unit, single family residential appraisals may be performed by State licensed appraisers unless the size and complexity requires a State certified appraiser.

SEC. 1113. TRANSACTIONS REQUIRING THE SERVICES OF A STATE LICENSED APPRAISER.

All federally related transactions not requiring the services of a State certified appraiser shall be performed by either a State certified or licensed appraiser.

SEC. 1114. TIME FOR PROPOSAL AND ADOPTION OF RULES.

As appropriate, rules issued under sections 1112 and 1113 shall be proposed not later than 6 months and shall be effective upon adoption in final form not later than 12 months after the date of the enactment of this title.

SEC. 1115. CERTIFICATION AND LICENSING REQUIREMENTS.

(a) IN GENERAL.—For purposes of this title, the term "State certified real estate appraiser" means any individual who has satisfied the requirements for State certification in a State or territory whose criteria for certification as a real estate appraiser currently meets the minimum criteria for certification issued by the Appraiser Qualification Board of the Appraisal Foundation.

(b) RESTRICTION.—No individual shall be a "State certified real estate appraiser" under this section unless such individual has achieved a passing grade upon a suitable examination administered by a State or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualification Board of the Appraisal Foundation.

(c) DEFINITION.—As used herein, the term "State licensed appraiser" shall mean an individual who has satisfied the requirements for State licensing in a State or territory.

(d) ADDITIONAL QUALIFICATION CRITERIA.—Nothing in this title shall be construed to prevent any Federal agency or instrumentality under this title from establishing such additional qualification criteria as may be necessary or appropriate to carry out the statutory responsibilities of such department, agency, or instrumentality.

SEC. 1116. ESTABLISHMENT OF STATE APPRAISER CERTIFYING AND LICENSING AGENCIES.

To assure the availability of State certified and licensed appraisers for the performance in a State of appraisals in federally related transactions and to assure effective supervision of the activities of certified and licensed appraisers, a State may establish a State appraiser certifying and licensing agency.

SEC. 1117. MONITORING OF STATE APPRAISER CERTIFYING AND LICENSING AGENCIES.

(a) IN GENERAL.—The Appraisal Subcommittee shall monitor State appraiser certifying and licensing agencies for the purpose of determining whether a State agency's policies, practices, and procedures are consistent with this title. The Appraisal Subcommittee and all agencies, instrumentalities, and federally recognized entities under this title shall not recognize appraiser certifications and licenses from States whose appraisal policies, practices, or procedures are found to be inconsistent with this title.

(b) DISAPPROVAL BY APPRAISAL SUBCOMMITTEE.—The Federal Financial Institutions Regulatory Agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Resolution Trust Corporation shall accept certifications and licenses awarded by a State appraiser certifying the licensing agency unless the Appraisal Subcommittee issues a written finding that—

(1) the State agency fails to recognize and enforce the standards, requirements, and procedures prescribed pursuant to this title; or

(2) the State agency is not granted authority by the State which is adequate to permit the agency to carry out its functions under this title; or

(3) decisions concerning appraisal standards, appraiser qualifications and supervision of appraiser practices are not made in a manner that carries out the purposes of this title.

(c) REJECTION OF STATE CERTIFICATIONS AND LICENSES.—

(1) OPPORTUNITY TO BE HEARD OR CORRECT CONDITIONS.—Before refusing to recognize a State's appraiser certifications or licenses, the Appraisal Subcommittee shall provide

that State's certifying and licensing agency a written notice of its intention not to recognize the State's certified or licensed appraisers and ample opportunity to provide rebuttal information or to correct the conditions causing the refusal.

(2) ADOPTION OF PROCEDURES.—The Appraisal Subcommittee shall adopt written procedures for taking actions described in this section.

(3) JUDICIAL REVIEW.—A decision of the subcommittee under this section shall be subject to judicial review.

SEC. 1118. RECOGNITION OF STATE CERTIFIED AND LICENSED APPRAISERS FOR PURPOSES OF THIS TITLE.

(a) EFFECTIVE DATE FOR USE OF CERTIFIED OR LICENSED APPRAISERS ONLY.—

(1) IN GENERAL.—No later than July 1, 1991, all appraisals performed in connection with federally related transactions shall be performed only by individuals certified or licensed in accordance with the requirements of this title.

(2) EXTENSION OF EFFECTIVE DATE.—Subject to the approval of the council, the Appraisal Subcommittee may extend, until December 31, 1991, the effective date for the use of certified or licensed appraisers if it makes a written finding that a State has made substantial progress in establishing a State certification and licensing system that appears to conform to the provisions of this title.

(b) TEMPORARY WAIVER OF APPRAISER CERTIFICATION OR LICENSING REQUIREMENTS FOR STATE HAVING SCARCITY OF QUALIFIED APPRAISERS.—Subject to the approval of the Council, the Appraisal Subcommittee may waive any requirement relating to certification or licensing of a person to perform appraisals under this title if—

(1) the Appraisal Subcommittee or a State agency whose certifications and licenses are in compliance with this title, makes a written determination that there is a scarcity of certified or licensed appraisers to perform appraisals in connection with federally related transactions in a State leading to inordinate delays in the performance of such appraisals; and

(2) the waiver terminates when the Appraisal Subcommittee determines that such inordinate delays have been eliminated.

(c) REPORTS TO STATE CERTIFYING AND LICENSING AGENCIES.—The Appraisal Subcommittee or any other Federal agency, instrumentality or federally recognized entity shall report any action of a State certified or licensed appraiser that is contrary to the purposes of this title, to the appropriate State agency for a disposition of the subject of the referral. The State agency shall provide the Appraisal Subcommittee or the other Federal agency or instrumentality with a report on its disposition of the matter referred. Subsequent to such disposition, the subcommittee or the agency or instrumentality may take such further action, pursuant to written procedures, it deems necessary to carry out the purposes of this title.

SEC. 1119. VIOLATIONS IN OBTAINING AND PERFORMING APPRAISALS IN FEDERALLY RELATED TRANSACTIONS.

(a) VIOLATIONS.—Except as authorized by the Appraisal Subcommittee in exercising its waiver authority pursuant to section 1118(b), it shall be a violation of this section—

(1) for a financial institution to knowingly seek, obtain, or give money or any other thing of value in exchange for the performance of an appraisal by a person who is not a State certified or licensed appraiser in connection with a federally related transaction; and

(2) for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Resolution Trust Corporation to knowingly contract for the performance of any appraisal by a person who is not a State certified or licensed appraiser in connection with a real estate related financial transaction defined in section 1120(5) to which such association or corporation is a party.

(b) PENALTIES.—A financial institution that violates subsection (a)(1) shall be subject to a civil penalty of not more than $25,000 for the first violation, and not more than $50,000 for each subsequent violation.

(c) PROCEEDING.—

(1) IN GENERAL.—A proceeding with respect to a violation of this section shall be an administrative proceeding which may be conducted by a State appraiser certifying and licensing agency whose certifications and licenses are in compliance with this title or by a Federal Financial Institutions Regulatory Agency in accordance with the procedures set forth in subchapter II of chapter 5 of title 5, United States Code.

(2) JUDICIAL REVIEW.—Notwithstanding any other provision of law—

(A) a decision of a State appraiser certifying and licensing agency under this section shall be subject to review by a court of competent jurisdiction of the State; and

(B) a decision of a Federal Financial Institutions Regulatory Agency under this title shall be subject to review by the United States Court of Appeals for the District of Columbia in accordance with chapter 7 of title 5, United States Code.

SEC. 1120. DEFINITIONS.

For purposes of this title:

(1) STATE APPRAISER CERTIFYING AND LICENSING AGENCY.—The term "State appraiser certifying and licensing agency" means a State agency established in compliance with this title.

(2) APPRAISAL SUBCOMMITTEE; SUBCOMMITTEE.—The terms "Appraisal Subcommittee" and "subcommittee" mean the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(3) COUNCIL.—The term "council" means the Federal Financial Institutions Examinations Council.

(4) FEDERALLY RELATED TRANSACTION.—The term "federally related transaction" means any real estate-related financial transaction which—

(A) a Federal Financial Institutions Regulatory Agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and

(B) requires the services of an appraiser.

(5) REAL ESTATE RELATED FINANCIAL TRANSACTION.—The term "real estate-related financial transaction" means any transaction involving—

(A) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;

(B) the refinancing of real property or interests in real property; and

(C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(6) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.—The term "Federal Financial Institutions Regulatory Agencies" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporations, the Office of Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

(7) CHAIRPERSON.—The term "Chairperson" means the Chairperson of the Appraisal Subcommittee selected by the council.

(8) FOUNDATION.—The terms "Appraisal Foundation" and "Foundation" means the Appraisal Foundation established on November 20, 1987, as a not for profit corporation under the laws of Illinois.

SEC. 1121. MISCELLANEOUS PROVISIONS.

(a) TEMPORARY PRACTICE.—A State appraiser certifying or licensing agency shall recognize on a temporary basis the certification or license of an appraiser issued by another State if (1) the property to be appraised is part of a federally related transaction, (2) the appraiser's business is of a temporary nature, and (3) the appraiser registers with the appraiser certifying or licensing agency in the State of temporary practice.

(b) SUPPLEMENTAL FUNDING.—Funds available to the Federal Financial Institutions Regulatory Agencies may be made available to the Federal Financial Institutions Examination Council to support the council's functions under this title.

(c) PROHIBITION AGAINST DISCRIMINATION.—In addition to State certification or licensing, the Federal agencies or instrumentalities, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and the entities regulated by or in a contractual relationship with them under this title may require other specific appraiser qualifications or experience for certain federally related transactions, except that any such other appraiser qualifications shall be necessary to carry out or to meet the statutory responsibilities of such agencies, instrumentalities or federally recognized entities, shall be related to the special skills that are required of an individual in connection with the specific appraisal assignment, and shall not exclude an appraiser for consideration for such assignment solely by virtue of membership or lack of membership in any particular appraisal organization.

(d) STUDIES.—The Appraisal Subcommittee shall—

(1) conduct a study to determine whether real estate sales and financing information and data that is available to real estate appraisers in the States is sufficient to permit appraisers to properly estimate the values of properties in connection with federally related transactions; and

(2) study the feasibility and desirability of extending the provisions of this title to the function of personal property appraising and to personal property appraisers in connection with Federal financial and public policy interests.

The Appraisal Subcommittee shall report its findings to the Congress with respect to the study described in paragraph (1) no later than 12 months after the date of the enactment of this title, and; and report its findings with respect to the study described in paragraph (2) to Congress no later than 18 months after the date of the enactment of this title.

TITLE XII—MISCELLANEOUS PROVISIONS

SEC. 1201. AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after the section added by section 933(a) of this Act the following new section:

"SEC. 38. INDEPENDENT ANNUAL AUDITS OF INSURED FINANCIAL INSTITUTIONS AND INSTITUTIONS APPLYING FOR INSURANCE.

"(a) ANNUAL INDEPENDENT AUDITS OF FINANCIAL STATEMENTS.—Notwithstanding any other provision of law, each insured financial institution, or financial institution applying to the Corporation for insurance, shall have an annual audit made of the institution's financial statements by an independent public accountant in accordance with generally accepted auditing standards.

"(b) AUDIT REPORTS.—

"(1) SCOPE OF AUDIT.—Each audit conducted pursuant to subsection (a) shall determine and report whether the financial statements of the financial institution present fairly its financial position, the results of its operations, and its cash flows in accordance with generally accepted accounting principles.

"(2) REPORT ON MANAGEMENT ASSERTIONS.—Annually, in conjunction with the annual audit, and in accordance with applicable attestation standards of recognized auditing standards setting bodies, the independent public accountant shall render 1 or more reports on management's assertions contained in the reports required under subsection (c).

"(c) REPORT OF RESPONSIBILITIES OF MANAGEMENT OF INSURED FINANCIAL INSTITUTIONS AND FINANCIAL INSTITUTIONS APPLYING FOR INSURANCE.—The management of each financial institution subject to subsection (a) shall prepare an annual report which contains—

"(1) a description or statement of its responsibilities for establishing and maintaining an adequate internal control structure over—

"(A) financial accounting and reporting; and

"(B) procedures directly related to providing, or designed to provide, reasonable assurance as to compliance with specified laws and regulations related to safety and soundness; and

"(2) an assessment, as of the institution's most recent fiscal year end, of—

"(A) the effectiveness of such internal control structure and procedures; and

"(B) the institution's compliance with specific laws and regulations related to safety and soundness.

"(d) CONTENTS AND DISTRIBUTION OF REPORTS.—

"(1) FORM AND CONTENT OF REPORT.—

"(A) IN GENERAL.—The form and content of the auditor's report under subsection (b)(2) shall conform with applicable attestation standards of recognized auditing standards setting bodies.

"(B) INTERNAL CONTROL STRUCTURE.—For purposes of the report on management's assertions of the effectiveness of the internal control structure and procedures, the regulations of the Corporation shall require the auditor to apply such attest services and standards as are determined appropriate by recognized auditing standards setting bodies.

"(C) COMPLIANCE WITH APPLICABLE LAW.—

"(i) IN GENERAL.—For purposes of the report on management's assertions of compliance with specific laws and regulations related to safety and soundness, the regulations of the Corporation shall—

"(I) require attest services to be based upon specified procedures; and

"(II) require the auditor's report to be in the form of a summary of procedures and findings.

"(ii) SPECIAL RULE.—The regulations of the Corporation shall allow the financial institution and such institution's auditor to agree upon a higher level of attest service in accordance with applicable attestation standards of recognized auditing standards setting bodies.

"(2) SPECIFIC CRITERIA REQUIRED.—The Corporation shall, by regulation, require the management report described in subsection (c), to the extent practicable, to recognize and specify criteria and guidance developed by recognized private sector bodies which the Corporation determines to be consistent and adequate to the purposes of this section.

"(3) DESIGNATION OF APPLICABLE LAWS.—

"(A) IN GENERAL.—The Corporation, by regulation, shall specify those laws and regulations relating to safety and soundness which are required to be taken into account for purposes to which the management's report under subsection (c)(2) applies.

"(B) CRITERIA APPLICABLE TO DESIGNATION.—In designating the applicable laws pursuant to subparagraph (A), the Corporation shall specify only those laws and regulations—

"(i) which relate to financial matters within the competence of auditors to evaluate;

"(ii) which establish requirements with sufficient precision to permit objective evaluation of financial institution compliance; and

"(iii) for which reasonable criteria are available and can be applied to measure compliance and permit an assertion with respect to compliance that is capable of reasonably consistent estimation or measurement.

"(4) FILING OF REPORTS.—

"(A) IN GENERAL.—Reports under subsection (b) and subsection (c) shall be filed with the Corporation and with such Federal banking agencies as the Corporation may designate by regulation.

"(B) PUBLIC INSPECTION.—Unless otherwise restricted by law or by rule of the Corporation, such reports shall be available for public inspection.

"(C) LIMITATION ON USE OF REPORTS.—The use of the auditor's report under subsection (b)(2) shall be limited to the purposes of the Corporation and designated Federal banking agencies and such auditor's report shall include an appropriate statement indicating the intended limited use of such report.

"(5) REGULATIONS TO BE PRESCRIBED AFTER NOTICE AND COMMENT.—The Corporation shall prescribe regulations under this section only after public notice and opportunity for comment, and consultation with recognized auditing standards setting bodies and the Comptroller General of the United States.

"(e) REQUIREMENT FOR SMALL BANKS.—In lieu of the requirements contained in subsections (a) through (d) of this section, the Corporation shall prescribe, by rule, alternative auditing and reporting requirements that shall apply to each insured bank that has less than $150,000,000 in total assets at the end of the bank's fiscal year. In prescribing alternative requirements under this subsection, the Corporation shall consider the cost of complying with such requirements.

"(f) EFFECTIVE DATE.—The reporting requirements under subsection (b)(2) and subsection (c) shall apply with respect to fiscal years of financial institutions which begin after the conclusion of the 18-month period which begins on the date of the enactment of this Act.".

SEC. 1202. STUDY OF STRUCTURE AND CONDITION OF CREDIT UNION SYSTEM.

(a) STUDY REQUIRED.—The Comptroller General of the United States, in consultation with the Chairman of the National Credit Union Administration Board, the Comptroller of the Currency, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Office of Thrift Supervision, the Chairman of the Federal Deposit Insurance Corporation, and the Director of the Office of Management and Budget, shall conduct a study of the structure of the National Credit Union Administration, including the financial condition of the national credit union system, the present and future role of credit unions in the financial marketplace, the solvency, structure, and funding of the National Credit Union Share Insurance Fund, credit union supervision and regulation at the Federal and State level, credit union capital levels, credit union common bond issues, and an appropriate structure for the offering of competitive products and services to consumers consistent with standards of safety and soundness.

(b) TOPICS.—As part of such study required under subsection (a) of this section, the Comptroller General shall investigate, review, and evaluate whether—

(1) the contributions to the National Credit Union Share Insurance Fund should be accounted for in a manner consistent with those of insured banks and savings associations;

(2) the capital, accounting, and other supervisory standards are appropriate and consistent with those of insured banks and savings associations;

(3) the National Credit Union Administration examinations of credit unions are comparable in frequency and quality to supervisory examinations of insured banks and savings associations;

(4) the National Credit Union Share Insurance Fund should be separated from the other functions of the National Credit Union Administration;

(5) the position of Chairman of the National Credit Union Administration Board should be reestablished as a separate bureau in the Department of the Treasury;

(6) the credit union tax exemption continues to be warranted; and

(7) the common bond rules regarding credit union membership continue to serve their original purpose and the extent to which recent interpretations of such rules may have contributed to the growth of credit unions.

(c) REPORT REQUIRED.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit to the Congress a final report which shall contain a detailed statement of findings and conclusions in connection with the study conducted pursuant to subsection (a), including such recommendations for administrative and legislative action as the Comptroller General determines to be appropriate.

SEC. 1203. OCC EMPLOYMENT PROVISION.

Section 5240 of the Revised Statutes (12 U.S.C. 482) is amended by striking out the first sentence and inserting in lieu thereof "After consulting with the Secretary of the Treasury, the Comptroller of the Currency shall fix the compensation and number of employees of the Office of the Comptroller of the Currency and shall make a report thereof to the Congress. Such compensation shall be determined by the Comptroller

without regard to the provisions of any law or regulation (including title 5, United States Code) relating to Federal employee and officer compensation. In setting and adjusting such compensation, the Comptroller shall seek to maintain comparability with the compensation at the other Federal bank regulatory agencies.".

SEC. 1204. NCUA EMPLOYMENT PROVISION.

Section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by adding at the end thereof the following new subsection:

"(j) EMPLOYEE PROVISION.—The number and compensation of employees appointed by the Board pursuant to subsection (i)(1) shall be determined by the Board without regard to the provisions of any law or regulation (including title 5, United States Code) relating to Federal employee and officer compensation. In setting and adjusting such compensation, the Board shall seek to maintain comparability with the compensation at the other Federal bank regulatory agencies. The salaries and expenses of the Board and employees of the Board shall be paid from fees and assessments (including income earned on insurance deposits) levied on insured credit unions under this Act.".

SEC. 1205. EXPANSION OF USE OF UNDERUTILIZED MINORITY BANKS, WOMEN'S BANKS, AND LOW-INCOME CREDIT UNIONS.

(a) CONSULTATION ON EXPANDED USE.—The Secretary of the Treasury shall consult with the appropriate Federal banking agencies and the National Credit Union Administration Board on methods for increasing the use of underutilized minority banks, women's banks, and limited income credit unions as depositaries or financial agents of Federal agencies.

(b) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary of the Treasury, each appropriate Federal banking agency, and the National Credit Union Administration Board shall submit a report to the Congress on actions taken by such Secretary, agency, or Board pursuant to subsection (a).

(c) DEFINITIONS.—For purposes of this section:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the meaning given to such term in section 3(q) of the Federal Deposit Insurance Act.

(2) MINORITY BANK.—The term "minority bank" means any depository institution described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act—

(A) more than 50 percent of the ownership or control of which is held by minority individuals; and

(B) more than 50 percent of the net profit or loss of which accrues to minority individuals.

(3) MINORITY.—The term "minority" means any Black American, Native American, Hispanic American, or Asian American.

(4) LOW-INCOME CREDIT UNION.—The term "low-income credit union" means any depository institution described in section 19(b)(1)(A)(iv) of the Federal Reserve Act which serves predominately low-income members (as defined by the National Credit Union Administration Board pursuant to section 101(5) of the Federal Credit Union Act).

(5) WOMEN'S BANK.—The term "women's bank" means any depository institution described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act—

(A) more than 50 percent of the outstanding shares of which are held by women;

(B) a majority of the directors on the board of directors of which are women; and

(C) a significant percentage of senior management positions of which are held by women.

SEC. 1206. CREDIT STANDARDS ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—There is hereby established the Credit Standards Advisory Committee (hereinafter in this section referred to as the "Committee").

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Committee shall consist of 11 members selected as follows:

(A) The Chairman of the Board of Governors of the Federal Reserve System, or the Chairman's designee.

(B) The Director of the Office of Thrift Supervision, or the Director's designee.

(C) The Chairperson of the Federal Deposit Insurance Corporation, or the Chairperson's designee.

(D) The Comptroller of the Currency, or the Comptroller's designee.

(E) The Chairman of the National Credit Union Administration, or the Chairman's designee.

(F) 6 public members selected by the President who are knowledgeable with the credit standards and lending practices of insured depository institutions, no more than 3 of whom shall be from the same political party.

(2) TERMS.—Each member appointed under paragraph (1)(F) shall serve for a term of 2 years.

(3) CHAIRPERSON.—The members shall elect a chairperson of the Committee who shall serve for a term of 1 year.

(4) VACANCIES.—Any vacancy on the Committee shall be filled in the manner in which the original appointment was made.

(5) PAY AND EXPENSES.—Members of the Committee shall serve without pay but each member of the Committee shall be reimbursed for expenses incurred in connection with attendance of such members at meetings of the Committee. All expenses of the Committee shall be shared equally by the Federal financial regulators appointed in subparagraphs (A) through (E) of paragraph (1).

(6) MEETINGS.—The Committee shall meet, not less frequently than quarterly, at the call of the chairperson or a majority of the members.

(c) DUTIES OF THE COMMITTEE.—The Committee shall do the following:

(1) REVIEW CREDIT STANDARDS, LENDING PRACTICES, AND SUPERVISION BY FEDERAL REGULATORS.—Review the credit standards and lending practices of insured depository institutions and the supervision of such standards and practices by the Federal financial regulators.

(2) PREPARE RECOMMENDATIONS.—Prepare written comments and recommendations for the Federal financial regulators to ensure that insured depository institutions adhere to prudential credit standards and lending practices that are consistent for all insured depository institutions, to the maximum extent possible.

(3) MONITOR CREDIT STANDARDS, LENDING PRACTICES, AND SUPERVISION BY FEDERAL REGULATORS.—Monitor the credit standards and lending practices of insured depository institutions, and the supervision of such standards and practices by the Federal financial regulators, to ensure that insured depository institutions can meet the demands of a modern and globally competitive financial world.

(d) ANNUAL REPORT.—

(1) REQUIRED.—Not later than January 30 of each year, the Committee shall submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) CONTENTS.—The report required by paragraph (1) shall describe the activities of the Committee during the preceding year and the reports and recommendations made by the Committee to the Federal financial regulators.

(e) CONFLICT OF INTEREST GUIDELINES.—The Committee shall prescribe such guidelines as the Committee determines to be appropriate to avoid conflicts of interest with respect to the disclosure to and use by members of the Committee on information relating to insured depository institutions and the Federal financial regulators.

(f) FEDERAL ADVISORY COMMITTEE ACT DOES NOT APPLY.—The Federal Advisory Committee Act shall not apply to the Committee.

SEC. 1207. MINIMUM REQUIREMENTS FOR ACCREDITATION OF STATE DEPOSITORY INSTITUTION SUPERVISORY AGENCIES AND FOR STATE EXAMINATIONS OF FEDERALLY REGULATED OR INSURED INSTITUTIONS.

(a) CONGRESSIONAL PURPOSE.—The purposes of this section are—

(1) to establish a uniform procedure, with the consent of the States, for establishing accreditation standards for State depository institution supervisory agencies and for reviewing the adequacy of State examinations of depository institutions which are also subject to examinations by Federal depository institutions regulatory agencies;

(2) to prohibit Federal depository institutions regulatory agencies from relying solely on any such State examinations in lieu of conducting their own examinations of such depository institutions if the State examinations are deemed inadequate pursuant to such review or if the State refuses to allow such review to be made; and

(3) to require Federal depository institutions regulatory agencies to accept State examinations of financially sound depository institutions if such State examinations are determined to be adequate pursuant to such review.

(b) ESTABLISHMENT OF MINIMUM REQUIREMENTS.—

(1) IN GENERAL.—In consultation with the liaison committee established by the Council pursuant to section 1007 of the Federal Financial Institutions Examination Council Act of 1978, the Council shall establish minimum requirements for accreditation of State depository institutions supervisory agencies and for examinations of depository institutions by State depository institution supervisory agencies in order for any such examination of any depository institution to be deemed adequate for purposes of Federal law.

(2) CRITERIA FOR REVIEW.—In establishing the minimum requirements described in paragraph (1) for any State depository institution supervisory agency, the Council shall establish standards relating to—

(A) the frequency of safety and soundness examinations of depository institutions;

(B) the quality and thoroughness of safety and soundness examinations;

(C) the standards and procedures for classifying loans and supervising lending practices;

(D) the education, training, and experience of examiners (including the number of commissioned or certified examiners), supervisors, and other individuals employed by such agency who are involved in conducting or supervising safety and soundness examinations; and

(E) such other conditions and procedures as the Council may determine to be appropriate.

(3) LIMITATION.—The requirements established under paragraphs (1) and (2) for any State depository institution supervisory agency, as in effect at any time, may not exceed the minimum standards in effect for the corresponding Federal regulatory agency at such time.

(c) REQUEST FOR PERMISSION TO REVIEW.—At least once during each calendar year, the Council shall request each State depository institution supervisory agency which conducts examinations of depository institutions within such State which are also subject to examinations by a Federal depository institutions regulatory agency to allow the Council to conduct a review, in accordance with subsection (d), of the administration of such examinations by such State agency.

(d) REVIEW.—

(1) IN GENERAL.—If, pursuant to a request under subsection (c), the Council receives permission to review the administration of examinations by a State depository institution supervisory agency, the Council shall determine whether such agency meets the minimum requirements established under subsection (b) in administering such examinations.

(2) PROCEDURES.—The Council, in consultation with the liaison committee, shall prescribe by regulations the procedures for conducting any review under paragraph (1).

(e) NOTIFICATION OF FAILURE TO MEET MINIMUM REQUIREMENT.—

(1) IN GENERAL.—If, at any time, the Council determines a State depository institution supervisory agency does not meet the minimum requirements established under subsection (b), the Council shall notify the head of such agency of such determination. Such determination and notice shall not be made public by the Council.

(2) DETAILED EXPLANATION.—Any notice under this subsection shall be accompanied by a report containing a detailed explanation of the circumstances by reason of which the agency was found not to be in compliance with the requirements established under subsection (b).

(3) PERIOD FOR REMEDYING THE DEFICIENCY.—

(A) INITIAL PERIOD.—Upon making a determination described in paragraph (1), the Council shall prescribe, on the basis of all the circumstances of the case, the period of time it will provide to the agency to cure the deficiency giving rise to such determination before taking any action under subsection (f).

(B) EXTENSIONS.—The period so prescribed may be extended by the Council in its discretion, except that the period so prescribed in any case, including any such extensions, shall not exceed 3 years.

(f) NOTICE TO FEDERAL DEPOSITORY INSTITUTIONS REGULATORY AGENCIES.—

(1) IN GENERAL.—The Council shall notify each Federal depository institutions regulatory agency of—

(A) the refusal by any State depository institution supervisory agency to comply with any request by the Council under subsection (c) for permission to review the administration of examinations by such agency; or

(B) the failure by any State depository institution supervisory agency to remedy any deficiency giving rise to a determination under subsection (e)(1) within the period of time allowed by the Council under subsection (e)(3).

(2) AGENCY NOTICE TO REGIONAL OFFICES.—If examinations of depository institutions which are subject to examination by a Federal depository institutions regulatory agency are actually conducted by regional banks, branches, or other offices of such agency, the agency shall notify each such bank, branch, or other office of any notice received by such agency under paragraph (1).

(g) SOLE RELIANCE ON STATE EXAMINATIONS PROHIBITED WHILE NOTICE IS IN EFFECT.—While any notice under subsection (f) with respect to any State depository institution supervisory agency is in effect, each Federal depository institutions regulatory agency and each regional bank, branch, or other office of any such agency shall not rely solely on any report of examination by such State agency in lieu of conducting examinations otherwise required under any Federal law or any regulation prescribed by such Federal agency.

(h) SPECIAL RULES.—

(1) SEPARATE REVIEW AND NOTICE.—If a State depository institution supervisory agency has separate branches or departments each of which have authority to conduct examinations, the Council may—

(A) review each such department or branch separately under subsection (d); and

(B) limit the scope of any notice issued under subsection (f) to the department or branch in which the deficiency has been found which resulted in the notice.

(2) DEFICIENCIES RELATING TO EXAMINATIONS OF PARTICULAR TYPES OF INSTITUTIONS.—If a State depository institution supervisory agency has authority to examine more than 1 type of depository institution and the Council's determination of a deficiency which results in a notice under subsection (f) relates to the State agency's capacity to conduct examinations of a particular type of depository institution, the Council may limit the scope of the notice to examinations of that type of depository institution.

(i) ACCEPTANCE OF STATE EXAMINATIONS REQUIRED UNDER CERTAIN CIRCUMSTANCES.—

(1) INSURED BANKS.—Section 7(a)(2) of the Federal Deposit Insurance Act (as amended by section 208(1) of this Act) is amended by adding at the end thereof the following new subparagraph:

"(C) REQUIRED ACCEPTANCE OF STATE EXAMINATIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the Corporation shall accept any report of examination made by a commission, board, or authority described in subparagraph (A) in connection with an examination of a financially sound insured bank if, in the most recent review of such commission, board, or authority by the Financial Institutions Examination Council under section 1207(d) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Council determined that such commission, board, or authority met the minimum requirements established under section 1207(b) of such Act.

"(ii) NOTICE OF REASON FOR FAILURE TO ACCEPT.—The Corporation may refuse to accept any report of examination described in clause (i) if—

"(I) the Corporation determines that the commission, board, or authority which made the report fails to meet a requirement established under section 1207(b) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; and

"(II) the Corporation notifies the commission, board, or authority of such refusal and a detailed explanation of the reason for such refusal.

"(iii) FINANCIALLY SOUND INSURED BANK.—For purposes of this subparagraph, the term 'financially sound insured bank' means an insured bank with a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System or an equivalent rating under a comparable rating system.".

(2) MEMBERS OF, AND NONMEMBER BORROWERS FROM, HOME LOAN BANKS.—Section 8 of the Federal Home Loan Bank Act (12 U.S.C. 1428) is amended—

(A) by striking out the following:

"EXAMINATIONS AND STUDIES BY THE BOARD

"SEC. 8. The"

and inserting in lieu thereof the following:

"SEC. 8. EXAMINATIONS AND STUDIES BY THE BOARD.

"(a) IN GENERAL.—The"; and

(B) by adding at the end thereof the following new subsection:

"(b) REQUIRED ACCEPTANCE OF STATE EXAMINATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Board shall accept any report of examination made by a commission, board, or authority having supervision of State-chartered member or nonmember borrowers under this Act in connection with an examination of a financially sound borrower if, in the most recent review of such commission, board, or authority by the Depository Institutions Examination Council under section 1207(d) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Council determined that such commission, board, or authority met the minimum requirements established under section 1207(b) of such Act.

"(2) NOTICE OF REASON FOR FAILURE TO ACCEPT.—The Board may refuse to accept any report of examination described in paragraph (1) if—

"(A) the Board determines that the commission, board, or authority which made the report fails to meet a requirement established under section 1207(b) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; and

"(B) the Board notifies the commission, board, or authority of such refusal and a detailed explanation of the reason for such refusal.

"(3) FINANCIALLY SOUND BORROWER.—For purposes of this subsection, the term 'financially sound borrower' means a member or nonmember borrower under this Act with a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System or an equivalent rating under a comparable rating system.".

(3) INSURED THRIFTS.—Section 14 of the Home Owners' Loan Act of 1933 (as added by section 323 of this Act) is amended by adding at the end thereof the following new subsection:

"(g) REQUIRED ACCEPTANCE OF STATE EXAMINATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Corporation shall accept any report of examination made by a commission, board, or authority having supervision of State-chartered insured institutions in connection with an examination of a fi-

VOL 135 PT 9 14 — 22 1989 JE UMI

nancially sound insured institution if, in the most recent review of such commission, board, or authority by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Council determined that such commission, board, or authority met the minimum requirements established under section 1207(b) of such Act.

"(2) NOTICE OF REASON FOR FAILURE TO ACCEPT.—The Corporation may refuse to accept any report of examination described in subparagraph (A) if—

"(A) the Corporation (or the Board) determines that the commission, board, or authority which made the report fails to meet a requirement established under section 1207(b) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; and

"(B) the Corporation notifies the commission, board, or authority of such refusal and a detailed explanation of the reason for such refusal.

"(3) FINANCIALLY SOUND INSURED INSTITUTION.—For purposes of this subsection, the term 'financially sound insured institution' means an insured institution with a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System or an equivalent rating under a comparable rating system.".

(4) INSURED CREDIT UNIONS.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784) is amended by adding at the end thereof the following new subsection:

"(e) REQUIRED ACCEPTANCE OF STATE EXAMINATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Board shall accept any report of examination made by a commission, board, or authority described in subsection (d) in connection with an examination of a financially sound insured credit union if, in the most recent review of such commission, board, or authority by the Depository Institutions Examination Council under section 1207(d) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Council determined that such commission, board, or authority met the minimum requirements established under section 1207(b) of such Act.

"(2) NOTICE OF REASON FOR FAILURE TO ACCEPT.—The Board may refuse to accept any report of examination described in paragraph (1) if—

"(A) the Board determines that the commission, board, or authority which made the report fails to meet a requirement established under section 1207(b) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; and

"(B) the Board notifies the commission, board, or authority of such refusal and a detailed explanation of the reason for such refusal.

"(3) FINANCIALLY SOUND INSURED CREDIT UNION.—For purposes of this subsection, the term 'financially sound insured credit union' means an insured credit union with a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System or an equivalent rating under a comparable rating system.".

(j) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The eighth paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended by adding at the end thereof the following new sentence: "The directors shall not approve any examination by any State authority while any notice under section 1207(f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 is in effect with respect to such authority.".

(2) The second sentence of section 7(a)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(2)(A)) is amended by inserting "(other than any such commission, board, or authority with respect to which a notice under section 1207(f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 Depository Institution Examination Improvement Act of 1989 is in effect)" after "authority" the first place such term appears.

(3) The 2d to last sentence of section 8(a) of the Federal Home Loan Bank Act (12 U.S.C. 1428) (as amended by subsection (i)(2)) is amended by inserting "(and any State examination with respect to which a notice under section 1207(f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 is in effect shall be deemed inadequate)" after "Home Loan Banks".

(4) Subsection (d) of section 204 of the Federal Credit Union Act (12 U.S.C. 1784(d)) is amended by inserting "(other than any such commission, board, or authority with respect to which a notice under section 1207(f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 is in effect)" after "credit union".

(k) TRAINING AND EXAMINATION COSTS.—

(1) TRAINING COSTS.—

(A) REIMBURSEMENT FROM DEPOSIT INSURANCE FUNDS.—Notwithstanding any other provision of law, in order to help ensure that examiners and others involved in conducting safety and soundness examinations receive adequate training, the appropriate Federal depository institutions regulatory agency shall reimburse, from amounts in the appropriate deposit insurance fund, any State supervisory agency for 65 percent of the costs of training directly related to improving the technical skills of such examiners and the State supervisory agency shall provide the remaining 35 percent of such costs.

(B) ELIGIBLE TRAINING PROGRAMS.—Such training may be provided by the Council, member agencies of the Council, any State depository supervisory agency, or a constituent professional association of the State depository supervisory agencies.

(C) ELIGIBLE TRAINING COSTS.—The Council shall determine the types of activities to which this reimbursement program applies.

(2) WITHHOLDING OF ASSESSMENT CREDIT.—In the case of any insured financial institution (as defined in section 3(c)(2) of the Federal Deposit Insurance Act) and any insured credit union (as defined in section 101(7) of the Federal Credit Union Act) which is located in a State which is subject to a notice issued under subsection (f), the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) and the National Credit Union Administration Board shall withhold 1/2 of the assessment credit to which such financial institution or credit union would otherwise be entitled for the year in which such State agency is the subject of such notification.

(l) RULE OF CONSTRUCTION.—Section 7(a)(2)(C)(i) of the Federal Deposit Insurance Act shall not be construed to prevent the Federal Deposit Insurance Corporation from—

(1) performing an examination of an insured financial institution whenever such Corporation is otherwise authorized do so; or

(2) relying on the determinations or conclusions of such Corporation based on all of the information available to such Corporation.

(m) DELAYED EFFECTIVE DATE.—Subsection (g) and the amendments made by subsections (i), (j), and subsection (k)(2) shall take effect at the end of the 3-year period beginning on the date of the enactment of this Act.

SEC. 1208. COMPARABILITY IN COMPENSATION SCHEDULES.

The Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration Board, and the Office of Thrift Supervision, in establishing and adjusting schedules of compensation which are to be determined solely by each agency under applicable provisions of law, shall inform the heads of the other agencies and the Congress of such schedules and shall seek to maintain comparability in such schedules.

SEC. 1209. STUDY BY SECRETARY OF THE TREASURY.

Not later than the close of the 18-month period beginning on the date of the enactment of this Act, the Secretary of the Treasury shall conduct a study and report to the Congress on—

(1) whether, and to what extent, the issuance of bonds by the Resolution Funding Corporation and other United States Government securities in small denominations benefits small investors, increases the participation of small investors in United States Government securities offerings, and promotes savings and thrift by the average United States taxpayer; and

(2) additional measures the Secretary recommends be taken to expand the availability of bonds issued by the Resolution Funding Corporation and other United States Government securities to benefit small investors, increase their participation in United States Government securities offerings, and to promote savings and thrift by the average United States taxpayer.

SEC. 1210. EXPENDITURE OF TAXPAYER MONEY ONLY FOR DEPOSIT INSURANCE PURPOSES.

Funds appropriated to the Secretary of the Treasury pursuant to an authorization contained in this Act, and any amount authorized to be borrowed from the Secretary of the Treasury by any entity pursuant to this Act, may only be used as permitted in this Act, any amendment made by this Act, or by the Federal Deposit Insurance Corporation, and may not otherwise be used for making any payment to any shareholder in, or creditor to, any insured financial institution.

SEC. 1211. SEPARABILITY OF PROVISIONS.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

TITLE XIII—PARTICIPATION BY STATE HOUSING FINANCE AUTHORITIES

SEC. 1301. DEFINITIONS.

For purposes of this title:

(1) STATE HOUSING FINANCE AUTHORITY.—The term "State Housing Finance Authority" means any public agency, authority, or corporation which—

(A) serves as an instrumentality of any State or any political subdivision of any State; and

(B) functions as a source of residential mortgage loan financing in such State.

(2) MORTGAGE-RELATED ASSETS.—The term "mortgage-related assets" means—

(A) residential mortgage loans secured by 1- to 4-family or multifamily dwellings; and

(B) real property improved with 1- to 4-family or multifamily residential dwellings, which are located within the jurisdiction of the applicable State Housing Finance Authority.

(3) NET INCOME.—The term "net income" means income after deduction of all associated expenses calculated in accordance with generally accepted accounting principles.

SEC. 1302. STATE HOUSING FINANCE AUTHORITY AUTHORIZATION.

Notwithstanding any other provision of Federal law, State law, or the constitution of any State, State Housing Finance Authorities may purchase mortgage-related assets from the Resolution Trust Corporation or from financial institutions with respect to which the Federal Deposit Insurance Corporation is acting as a conservator or receiver (including the assets associated with any trust business), and any contract for such purchase shall be effective in accordance with its terms without any further approval, assignment, or consent with respect to contract, except that any State Housing Finance Authority which purchases mortgage-related assets pursuant to this section shall be required to invest any net income attributable to the ownership of such assets in the financing, refinancing, or rehabilitation of low- and moderate-income housing within the jurisdiction of such State Housing Finance Authority.".

TITLE XIV—TAX PROVISIONS

SEC. 1401. EARLY TERMINATION OF SPECIAL REORGANIZATION RULES FOR FINANCIAL INSTITUTIONS.

(a) GENERAL RULE.—

(1) REORGANIZATIONS.—Subparagraph (D) of section 368(a)(3) of the Internal Revenue Code of 1986 (as amended by section 4012 of the Technical and Miscellaneous Revenue Act of 1988) is amended to read as follows:

"(D) AGENCY RECEIVERSHIP PROCEEDINGS WHICH INVOLVE FINANCIAL INSTITUTIONS.—For purposes of subparagraphs (A) and (B), in the case of a receivership, foreclosure, or similar proceeding before a Federal or State agency involving a financial institution referred to in section 581 or 591, the agency shall be treated as a court.".

(2) NET OPERATING LOSS RULES.—The last sentence of section 382(l)(5)(F) of such Code (as so amended) is amended by striking "after December 31, 1989" and inserting "on or after May 10, 1989".

(3) FINANCIAL ASSISTANCE.—

(A) Section 597 of such Code (as so amended) is amended to read as follows:

"SEC. 597. TREATMENT OF TRANSACTIONS IN WHICH FEDERAL FINANCIAL ASSISTANCE PROVIDED.

"(a) GENERAL RULE.—The treatment for purposes of this chapter of any transaction in which Federal financial assistance is provided with respect to a bank or domestic building and loan association shall be determined under regulations prescribed by the Secretary.

"(b) PRINCIPLES USED IN PRESCRIBING REGULATIONS.—

"(1) TREATMENT OF TAXABLE ASSET ACQUISITIONS.—In the case of any acquisition of assets to which section 381(a) does not apply, the regulations prescribed under subsection (a) shall—

"(A) provide that Federal financial assistance shall be properly taken into account by the institution from which the assets were acquired, and

"(B) provide the proper method of allocating basis among the assets so acquired (including rights to receive Federal financial assistance).

"(2) OTHER TRANSACTIONS.—In the case of any transaction not described in paragraph (1), the regulations prescribed under subsection (a) shall provide for the proper treatment of Federal financial assistance and appropriate adjustments to basis or other tax attributes to reflect such treatment.

"(3) DENIAL OF DOUBLE BENEFIT.—No regulations prescribed under this section shall permit the utilization of any deduction (or other tax benefit) if such amount was in effect reimbursed by nontaxable Federal financial assistance.

"(c) FEDERAL FINANCIAL ASSISTANCE.—The purposes of this section, the term 'Federal financial assistance' means—

"(1) any money or other property provided with respect to a domestic building and loan association by the Federal Savings and Loan Insurance Corporation or the Resolution Trust Corporation pursuant to section 406(f) of the National Housing Act or section 21A of the Federal Home Loan Bank Act (or under any other similar provision of law), and

"(2) any money or other property provided with respect to a bank or domestic building and loan association by the Federal Deposit Insurance Corporation pursuant to sections 13(c), 15(c)(1), and 15(c)(2) of the Federal Deposit Insurance Act (or under any other similar provision of law),

regardless of whether any note or other instrument is issued in exchange therefor.

"(d) DOMESTIC BUILDING AND LOAN ASSOCIATION.—For purposes of this section, the term 'domestic building and loan association' has the meaning given such term by section 7701(a)(19) without regard to subparagraph (C) thereof.".

(B) Subparagraph (B) of section 904(c)(2) of the Tax Reform Act of 1986 is hereby repealed.

(C) The table of sections for part II of subchapter H of chapter 1 of such Code is amended by striking the item relating to section 597 and inserting the following:

"Sec. 597. Treatment of transactions in which Federal financial assistance provided.".

(b) TECHNICAL AMENDMENTS.—

(1) Section 904 of the Tax Reform Act of 1986 (other than subsection (c)(2)(B) thereof) is hereby repealed and the Internal Revenue Code of 1986 shall be applied as if the amendments made by such section had not been enacted.

(2) The last sentence of paragraph (3) of section 4012(c) of the Technical and Miscellaneous Revenue Act of 1988 is amended to read as follows:

"In the case of any bank or any institution treated as a domestic building and loan association for purposes of section 597 of the 1986 Code by reason of the amendment made by subsection (b)(2)(B), the amendments made by this subsection shall also apply to any transfer before January 1, 1989, to which the amendments made by subsection (b)(2) apply.".

(3) The last sentence of section 593(e)(1) of such Code is amended to read as follows:

"This paragraph shall not apply to any transaction to which section 381 applies, or to any distribution to the Federal Savings and Loan Insurance Corporation (or any successor thereof) or the Federal Deposit Insurance Corporation in redemption of an interest in an association, if such interest was originally received by any such entity in exchange for assistance provided under a provision of law referred to in section 597(c).".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a)(1).—The amendment made by subsection (a)(1) shall apply to acquisitions on or after May 10, 1989.

(2) SUBSECTION (a)(2).—The amendment made by subsection (a)(2) shall apply to transactions on or after May 10, 1989.

(3) SUBSECTION (a)(3).—

(A) IN GENERAL.—The amendments made by subsection (a)(3) shall apply to any amount received or accrued by the financial institution on or after May 10, 1989, except that such amendments shall not apply to transfers on or after such date pursuant to an acquisition to which the amendment made by subsection (a)(1) does not apply.

(B) INTERIM RULE.—In the case of any payment pursuant to a transaction on or after May 10, 1989, and before the date on which the Secretary of the Treasury (or his delegate) takes action in exercise of his regulatory authority under section 597 of the Internal Revenue Code of 1986 (as amended by subsection (a)(3)), the taxpayer may rely on the legislative history for the amendments made by subsection (a)(3) in determining the proper treatment of such payment.

(4) SUBSECTION (b)(1).—The provisions of subsection (b)(1) shall take effect on the date of the enactment of the Tax Reform Act of 1986.

(5) SUBSECTION (b)(2).—The amendment made by subsection (b)(2) shall take effect on the date of the enactment of the Technical and Miscellaneous Revenue Act of 1988.

(6) SUBSECTION (b)(3).—The amendment made by subsection (b)(3) shall take effect on the date of the enactment of this Act.

(7) CLARIFICATION OF PRIOR LAW.—Any reference to the Federal Savings and Loan Insurance Corporation in section 597 of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act) shall be treated as including a reference to the Resolution Trust Corporation and the FSLIC Resolution Fund.

SEC. 1402. TAX EXEMPTION FOR RESOLUTION TRUST CORPORATION AND RESOLUTION FUNDING CORPORATION.

(a) GENERAL RULE.—Subsection (l) of section 501 of the Internal Revenue Code of 1986 (relating to government corporations exempt under subsection (c)(1)) is amended to read as follows:

"(l) GOVERNMENT CORPORATIONS EXEMPT UNDER SUBSECTION (c)(1).—For purposes of subsection (c)(1), the following organizations are described in this subsection:

"(1) The Central Liquidity Facility established under title III of the Federal Credit Union Act (12 U.S.C. 1795 et seq.).

"(2) The Resolution Trust Corporation established under section 21A of the Federal Home Loan Bank Act.

"(3) The Resolution Funding Corporation established under section 21B of the Federal Home Loan Bank Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 1403. ANNUAL REPORTS ON TRANSACTIONS IN WHICH FEDERAL FINANCIAL ASSISTANCE PROVIDED.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate shall submit annual reports to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

VOL 135 PT 9 JE 14 — 22 1989 UMI

(1)(A) the transactions which occur during the year for which the report is made and with respect to which Federal financial assistance is provided;

(B) the aggregate amount of Federal financial assistance provided with respect to such transactions; and

(C) any tax benefits available by reason of such transactions; and

(2) the aggregate amount of Federal financial assistance provided during such year, and the aggregate tax benefits utilized during such year, which are attributable to such transactions in prior years.

(b) DEFINITION.—For purposes of this section, the term "Federal financial assistance" means any assistance to which section 597 of the Internal Revenue Code of 1986 applies.

SEC. 1301. ANNUAL STUDY OF RELATIONSHIP BETWEEN PUBLIC DEBT AND ACTIVITIES OF GOVERNMENT-SPONSORED ENTERPRISES.

(a) IN GENERAL.—In order to better manage the bonded indebtedness of the United States, the Secretary of the Treasury shall annually conduct a study to assess the financial safety and soundness of the activities of all Government-sponsored enterprises and the impact of their operations on Federal borrowing.

(b) ACCESS TO RELEVANT INFORMATION.—

(1) INFORMATION FROM GSE'S.—Each Government-sponsored enterprise shall provide full and prompt access to the Secretary to its books and records, and shall promptly provide any other information requested by the Secretary.

(2) INFORMATION FROM SUPERVISORY AGENCIES.—In conducting the study under this section, the Secretary may request information from, or the assistance of, any Federal department or agency authorized by law to supervise the activities of any Government-sponsored enterprise.

(c) ASSESSMENT OF RISK.—In assessing the financial safety and soundness of the activities of Government-sponsored enterprises, and the impact of their activities on Federal borrowing, the Secretary shall quantify the risks associated with each Government-sponsored enterprise. In quantifying such risks, the Secretary shall determine the volume and type of securities outstanding which are issued or guaranteed by each Government-sponsored enterprise, the capitalization of each Government-sponsored enterprise, and the degree of risk involved in the operations of each Government-sponsored enterprise due to factors such as credit risk, interest rate risk, management and operations risk, and business risk. The Secretary shall also report on the quality and timeliness of information currently available to the public and the Federal Government concerning the extent and nature of the activities of Government-sponsored enterprises and the financial risk associated with such activities.

(d) REPORT TO CONGRESS.—Not later than March 1 of each year, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report setting forth the results of the study conducted under this section.

(e) DEFINITIONS.—For purposes of this section:

(1) GOVERNMENT-SPONSORED ENTERPRISE.—The term "Government-sponsored enterprise" means—

(A) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, the Farm Credit Banks, the Banks for Cooperatives, the Federal Agricultural Mortgage Corporation, the Student Loan Marketing Association, the College Construction Loan Insurance Association, and any of their affiliated or member institutions; and

(B) any other Government-sponsored enterprise, as designated by the Secretary.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

The CHAIRMAN. The amendment printed in part 1 of House Report 101-85 accompanying House Resolution 173 shall be considered as having been adopted.

No amendments to said substitute are in order except the amendments printed in part 2 of House Report 101-85. Said amendments shall be considered only in the order and manner specified and shall be considered as having been read. Debate time specified for each amendment shall be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. Said amendments shall not be subject to amendment except as specified in House Report 101-85 and shall not be subject to a demand for a division of the question, except for amendment No. 1 printed in part 2 of House Report 101-85.

If more than one of the amendments on the subject of supervisory goodwill is adopted, only the last amendment adopted shall be considered as finally adopted and reported back to the House.

AMENDMENTS EN BLOC OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, pursuant to the rule, I offer amendments in bloc.

The CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. GONZALEZ: Page 4, strike the item relating to section 809.

Page 205, strike line 14 and all that follows through page 206, line 7, and insert the following:

"(1) APPOINTMENT AND COMPENSATION.—After consulting with the Secretary of the Treasury, and notwithstanding section 301(f)(1) of title 31, United States Code, the Director shall fix the compensation and number of, and appoint, employees of the Office of Thrift Supervision.

"(2) RATES OF BASIC PAY.—Rates of basic pay for employees of the Office may be set and adjusted by the Director without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

"(3) ADDITIONAL COMPENSATION AND BENEFITS.—The Director may provide additional compensation and benefits to employees of the Office if the same type of compensation or benefits are then being provided by any other Federal bank regulatory agency or, if not then being provided, could be provided by such an agency under applicable provisions of law, rule, or regulation. In setting and adjusting the total amount of compensation and benefits for employees of the Office, the Director shall seek to maintain comparability with other Federal bank regulatory agencies.".

Page 284, strike line 17 and insert the following:

"Section 5314 of"

Page 281, line 11, strike "(a) COMPENSATION OF DIRECTOR.—".

Page 281, strike line 16 and all that follows through line 20.

Page 297, strike line 25 and all that follows through page 298, line 1, and insert the following:

of this transfer may retain for 1 year after the date such transfer occurs membership in any employee benefit program of the

Page 302, line 8, after "employment" insert "no later than 60 days after the date of enactment of this Act".

Page 302, strike line 11 and all that follows through line 18, and insert the following:

"(2)(A) Each transferred employee shall be guaranteed a position with the same status, tenure, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 1 year after the date of transfer, except for cause.

"(B) In the case of employees occupying positions in the excepted service, the excepted appointing authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.".

Page 303, line 12, strike "through" and all that follows through "occurs" in line 13.

Page 303, line 18, strike ", and paid by,".

Page 316, strike line 20 and all that follows through page 317, line 4, and insert the following:

"(4)(A) Subject to subsection (u) and the approval of the Oversight Board, to fix the compensation and number of, and appoint, employees for any position established by the Corporation pursuant to paragraph (3).

"(B) To set and adjust rates of basic pay for employees of the Corporation without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

"(C) To provide additional compensation and benefits to employees of the Corporation if the same type of comapensation or benefits are then being provided by any other Federal bank regulatory agency or, if not then being provided, could be provided by such an agency under applicable provisions of law, rule, or regulation; in setting and adjusting the total amount of compensation and benefits for employees of the Corporation, the Corporation shall seek to maintain comparability with the other Federal bank regulatory agencies, except that the Corporation shall not in any event exceed the compensation and benefits provided by the Federal Deposit Insurance Corporation with respect to any comparable position.

Page 425, strike lines 13 through 16, and insert the following:

"(b) STAFF.—

"(1) APPOINTMENT AND COMPENSATION.—The Board shall fix the compensation and number of, and appoint, employees of the Federal Housing Finance Board. Rates of basic pay for employees of the Board may be set and adjusted by the Board without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

"(2) ADDITIONAL COMPENSATION AND BENEFITS.—The Board may provide additional compensation and benefits to employees of the Board if the same type of compensation or benefits are then being provided by any other Federal bank regulatory agency or, if not then being provided by such an agency under applicable provisions of law, rule, or regulation. In setting and adjusting the total amount of compensation and benefits for employees, the Board shall seek to maintain comparability with other Federal bank regulatory agencies.".

Page 428, line 23, strike "(1)" and insert "(1)(A)".

Page 429, after line 6, insert the following:

"(B) In the case of employees occupying positions in the excepted service, the excepted appointing authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.".

Page 429, line 17, strike "level".

Page 430, line 8, strike "through" and all that follows through "which" in line 9, and insert "for 1 year after the date".

Page 430, strike lines 14 and 15, and insert the following:

or program is continued by the Director of the Office of Thrift Supervision. The difference in costs between the benefits which would have been provided by the Federal Housing Finance Board and those provided by this section shall be paid by the Director of the Office of Thrift Supervision. If the em-

Page 475, after line 10, insert the following:

(c) Section 3132(a)(1) of title 5, United States Code, is amended—

(1) in subparagraph (B), by striking "or" after the semicolon;

(2) in subparagraph (C), by adding "or" after the semicolon; and

(3) by adding at the end the following:

"(D) the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Housing Finance Board, the Resolution Trust Corporation, and the National Credit Union Administration;".

Page 489, strike lines 4 through 8.

Page 695, strike lines 13 through 25, and insert the following:

The third undesignated paragraph of section 5240 of the Revised Statutes (12 U.S.C. 482) is amended—

(1) by striking the 1st sentence thereof and inserting the following:

"Notwithstanding any of the preceding provisions of this section, after consulting with the Secretary of the Treasury, the Comptroller of the Currency shall fix the compensation and number of, and appoint, all employees of the Office of the Comptroller of the Currency. Rates of basic pay for all employees of the Office may be set and adjusted by the Comptroller without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code. The Comptroller may provide additional compensation and benefits to employees of the Office if the same type of compensation or benefits are then being provided by any other Federal bank regulatory agency or, if not then being provided, could be provided by such an agency under applicable provisions of law, rule, or regulation. In setting and adjusting the total amount of compensation and benefits for employees of the Office, the Comptroller shall seek to maintain comparability with other Federal bank regulatory agencies."; and

(2) by redesignating the remaining sentences of such undesignated paragraph as a new undesignated paragraph.

Page 696, strike lines 5 through 16, and insert the following:

"(j) STAFF.—

"(1) APPOINTMENT AND COMPENSATION.—The Board shall fix the compensation and number of, and appoint, employees of the Board. Rates of basic pay for employees of the Board may be set and adjusted by the Board without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

"(2) ADDITIONAL COMPENSATION AND BENEFITS.—The Board may provide additional compensation and benefits to employees of the Board if the same type of compensation or benefits are then being provided by any other Federal bank regulatory agency or, if not then being provided, could be provided by such an agency under applicable provisions of law, rule, or regulation. In setting and adjusting the total amount of compensation and benefits for employees of the Board, the Board shall seek to maintain comparability with other Federal bank regulatory agencies.

"(3) FUNDING.—The salaries and expenses of the Board and employees of the Board shall be paid from fees and assessments (including income earned on insurance deposits) levied on insured credit unions under this Act.".

Page 718, line 14, after "Board," insert "the Federal Housing Finance Board, the Resolution Trust Corporation, the Farm Credit Administration,".

Page 719, after line 25, insert the following new sections (and redesignate the succeeding section and amend the table of contents accordingly):

SEC. 1211. AMENDMENT TO SECTION 5373 OF TITLE 5, UNITED STATES CODE.

Paragraph (2) of section 5373 of title 5, United States Code, is amended to read as follows:

"(2) sections 248, 482, 1766, and 1819 of title 12, section 206 of the Bank Conservation Act, sections 2B(b) and 21A(e)(4) of the Federal Home Loan Bank Act, and section 2A(i) of the Home Owners' Loan Act of 1933;".

SEC. 1212. FARM CREDIT ADMINISTRATION EMPLOYMENT PROVISION.

(a) OFFICERS AND EMPLOYEES.—Section 5.11(c)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2245) is amended to read as follows:

"(2) OFFICERS AND EMPLOYEES.—

"(A) APPOINTMENT, COMPENSATION, AND BENEFITS.—The Chairman shall fix the compensation and numbers of, and appoint, employees of the Administration. The Chairman may set and adjust the rates of basic pay for employees of the Administration without regard to the provisions of chapter 51, or subchapter III of chapter 53, of title 5, United States Code. The Chairman may provide such additional compensation and benefits to employees of the Administration as is necessary to maintain comparability with the total amount of compensation and benefits provided by other Federal bank regulatory agencies. In setting and adjusting the total amount of compensation and benefits for employees of the Administration, the Chairman shall seek to maintain comparability with other Federal bank regulatory agencies.

"(B) DEFINITION.—For purposes of this subsection, the term "other Federal bank regulatory agencies" includes—

"(i) the Office of the Comptroller of the Currency;

"(ii) the Federal Deposit Insurance Corporation;

"(iii) the Office of Thrift Supervision;

"(iv) the Resolution Trust Corporation;

"(v) the Federal Housing Finance Board; and

"(vi) the National Credit Union Administration.

"(C) ETHICS IN GOVERNMENT.—The officers and employees of the agency shall be—

"(i) subject to the Ethics in Government Act of 1978 (2 U.S.C. 701 et seq.); and

"(ii) considered officers or employees of the United States for the purposes of sections 201 through 203, and sections 205 through 209, of title 18, United States Code.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3132(a)(1) of title 5, United States Code, is amended—

(A) in subparagraph (B), by striking "or" after the semicolon;

(B) in subparagraph (C), by inserting "or" after the semicolon; and

(C) by adding at the end the following new subparagraph:

"(D) the Farm Credit Administration;".

(2) Section 5373 of title 5, United States Code, is amended—

(A) in paragraph (3), by striking "or" after the semicolon;

(B) in paragraph (4), by striking the period and inserting in lieu thereof "; or"; and

(C) by adding at the end the following new paragraph:

"(5) section 5.11 of the Farm Credit Act of 1971.".

Page 155, strike the sentence beginning on line 9, and insert the following: "If the parties elect to seek review under this paragraph in lieu of filing suit under paragraph (3), the Corporation shall consider the claim after opportunity for a hearing on the record.".

Page 670, strike line 1 and all that follows through page 672, line 7, and insert the following new section (and amend the table of contents accordingly):

SEC. 1003. STUDY OF DEPOSIT INSURANCE PASS-THROUGH.

Not later than 6 months after the date of the enactment of this Act, the Federal Deposit Insurance Corporation shall transmit to the Committee on Banking, Housing, and Urban Affairs, of the Senate and the Committee on Banking, Finance and Urban Affairs and the Committee on Education and Labor of the House of Representatives a report containing its findings and recommendations relating to the pass-through of deposit insurance either to individual investors in unit investment trust funds or to individual participants in pension or profit-sharing plans that are qualified plans under section 401(a) of the Internal Revenue Code of 1986. Such report shall also contain the Corporation's assessment of the potential effects on the operation of capital markets of such broadening of deposit insurance coverage.

Page 374, strike line 20 and all that follows through page 378, line 11, and insert the following:

"(9) AGGREGATE ANNUAL CAPITAL CONTRIBUTION OF FEDERAL HOME LOAN BANKS.—The sum of the amounts subject to paragraph (3)(B) that are invested by the Federal home loan banks under paragraph (1) shall, for each calendar year for which paragraph (3)(B) applies, equal—

"(i) $300,000,000, in the case of a calendar year before 1993; or

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(ii) the adjusted dollar amount determined under subparagraph (B), in the case of a calendar year after 1992.

"(B) ADJUSTED DOLLAR AMOUNT FOR YEARS AFTER 1992.—

"(i) IN GENERAL.—The adjusted dollar amount under subparagraph (A) for any calendar year shall be calculated by multiplying the dollar amount which applied under subparagraph (A) for the preceding calendar year by the sum of 1 and whichever of the following is lower:

"(I) CPI ADJUSTMENT.—The CPI adjustment under subparagraph (C).

"(II) NET EARNINGS ADJUSTMENT.—The net earnings adjustment under subparagraph (D).

"(ii) MAXIMUM AMOUNT.—The adjusted dollar amount for any calendar year shall not exceed $600,000,000.

"(C) CPI ADJUSTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (B)(i), the CPI adjustment for any calendar year is the percentage (if any) by which—

"(I) the consumer price index for the preceding calendar year; exceeds

"(II) the consumer price index for the second preceding calendar year.

"(ii) CONSUMER PRICE INDEX.—For purposes of clause (i), the consumer price index for any calendar year is the average, as of the close of such year, of the last consumer price index for all-urban consumers published by the Department of Labor.

"(D) NET EARNINGS ADJUSTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (B)(i), the net earnings adjustment for any calendar year is the percentage (if any) by which—

"(I) the net earnings for the preceding calendar year; exceeds

"(II) the net earnings for the second preceding calendar year.

"(ii) NET EARNINGS.—For purposes of clause (i), the net earnings for any calendar year is the aggregate net earnings of the Federal home loan banks for such year.

"(10) RESERVE REQUIREMENTS CONTAINED IN SECTION 16 DEFINED.—For purposes of this subsection, the term 'reserve requirements contained in section 16' means—

"(A) with respect to the period ending on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the first 2 sentences of section 16; and

"(B) with respect to the period beginning on such date of enactment, the reserve requirements contained in section 16(a).

"(f) OBLIGATIONS OF THE FUNDING CORPORATION.—

"(1) ISSUANCE.—The Funding Corporation, subject to the direction of the Resolution Trust Corporation, may issue bonds, notes, debentures, and similar obligations, in an aggregate amount not to exceed $50,000,000,000.

"(2) INTEREST PAYMENTS.—The Funding Corporation shall pay the interest due on (and any redemption premium with respect to) such obligations from funds obtained for such interest payments in the manner provided in the following subparagraphs (in the order in which such subparagraphs appear):

"(A) EARNINGS ON CERTAIN ASSETS.—All earnings on assets (of the Funding Corporation) which—

"(i) are described in subsection (g)(1) of this section; and

"(ii) are not invested pursuant to subsection (g)(2),

shall be used to make interest payments on Funding Corporation obligations when interest is due.

"(B) PROCEEDS OF RTC.—The Resolution Trust Corporation shall pay to the Funding Corporation—

"(i) the net proceeds received by the Resolution Trust Corporation from the liquidation of institutions under the management of the Corporation pursuant to section 21A of this Act to the extent the amount of such proceeds are determined by the Oversight Board to be in excess of the amount of funds necessary for resolution costs in the short-term period following the date of such determination; and

"(ii) any proceeds from warrants and participations of the Resolution Trust Corporation.

"(C) SUPPLEMENTARY PAYMENTS BY HOME LOAN BANKS.—To the extent the funds available pursuant to subparagraph (A) and (B) are insufficient to cover the amount of interest payments, the Federal home loan banks shall pay to the Funding Corporation—

"(i) an aggregate annual amount equal to—

"(I) $300,000,000 in the case of a calendar year before 1993; or

"(II) the adjusted dollar amount determined under subsection (e)(9)(B), in the case of a calendar year after 1992; minus

□ 1040

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to say briefly that the passage of amendments offered in this en bloc first amendment represent agreements between the committees of the House on the issues that are either technical or jurisdictional in nature, and in each case the committees have worked together to resolve these differences or to make technical changes required by the actions of another committee.

Mr. Chairman, I believe that these amendments represent a very fair compromise.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Mrs. UNSOELD], a member of the Committee on Education and Labor.

MODIFICATION OFFERED BY MRS. UNSOELD TO THE AMENDMENTS EN BLOC OFFERED BY MR. GONZALEZ

Mrs. UNSOELD. Mr. Chairman, I ask unanimous consent that the amendment printed on page 7 of House Report 101-85, striking line 1, page 670, and all that follows through page 672, line 7, be modified to instead strike on page 664, line 10, through line 15 on page 666, and insert the following new section as printed on page 7 of House Report 101-85.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Washington?

Mrs. ROUKEMA. Mr. Chairman, reserving the right to object, and I will not object, but I reserve the right only for the purposes of permitting the gentlewoman from Washington [Mrs. UNSOELD] to explain the nature of her unanimous-consent request and what the intention is.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, I thank the gentlewoman from New Jersey [Mrs. ROUKEMA] for yielding.

Mr. Chairman, this unanimous-consent request is made only to correct a technical drafting error and will insure that the original amendment's line and page numbers are adjusted to the corresponding line and page numbers of the text entitled "Committee Print, Committee on Rules, June 13, 1989." There is no substantive change being made from the original Hawkins amendment as made in order by the Rules Committee.

Mrs. ROUKEMA. Mr. Chairman, I withdraw my reservation of objection.

Mr. WYLIE. Mr. Chairman, reserving the right to object, I was given the courtesy of looking at the amendment a little earlier. It is purely technical in nature, not substantive. I do not like the provision in substance, but I will not object to correcting it technically.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The CHAIRMAN. The modification is adopted.

Mr. GONZALEZ. Mr. Chairman, our first amendment, the en bloc amendment, is mostly technical changes and is also jurisdictional because of the fact that we had three other; actually five, but three in reality, other committees that have pertinent jurisdiction on a sequential referral basis.

Mr. Chairman, this first one on personnel issues is an amendment that the gentlewoman from Ohio [Ms. OAKAR], who served very valiantly with tremendous exertion on her part both as a member of the Committee on Post Office and Civil Service and as a member of the Committee on Banking, Finance and Urban Affairs in doing that which is necessary in view of our reconstruction of the regulatory environment and the agencies that will be created so that in effect this would establish the composition and the number of employees in the agencies that are provided for in the bill.

Mr. Chairman, this includes a new Office of Thrift Supervision, the Office of the Comptroller of the Currency, both under the Treasury De-

partment and the Federal Housing Finance Board, the Resolution Trust Corporation, and the National Credit Union Administration.

The amendment is also designed to provide for pay comparability, and to that end each agency is directed to maintain comparability with the other Federal bank regulatory agencies.

I might say that this is the first time that we have what some Members like to call a symmetry in this area among our various regulatory agencies.

Mr. Chairman, the amendment from the distinguished gentlewoman from Ohio [Ms. OAKAR] essentially is defined that way. I know of nothing beyond that.

I believe that the gentleman from Texas [Mr. DE LA GARZA] had a similar proviso with respect to the Farm Credit Administration, also with respect to pay comparability, and I now see the distinguished chairman of the Committee on Agriculture here.

Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA] to explain his part of this amendment.

Mr. DE LA GARZA. Mr. Chairman, I rise today on behalf of the Committee on Agriculture, in support of the en bloc amendment to H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. This amendment, among other things, adds a new section 1212 concerning the Farm Credit Administration. The provisions of the amendment regarding the Farm Credit Administration, or FCA, are designed solely to allow the FCA to be competitive with other Federal financial regulatory agencies in hiring and retaining employees. the FCA is the Federal financial regulatory agency charged with regulating the institutions of the Farm Credit System, and is within the jurisdiction of the Committee on Agriculture.

These provisions concerning the Farm Credit Administration have the support of the Honorable EDWARD R. MADIGAN, the ranking minority member of the Committee on Agriculture, as well as the Honorable GLENN ENGLISH and the Honorable E. THOMAS COLEMAN, the chairman and ranking minority member, respectively, of the Subcommittee on Conservation, Credit, and Rural Development, which is the subcommittee of jurisdiction. I know of no opposition to the amendment.

Under current law, the Federal Deposit Insurance Corporation [FDIC] has broad authority to pay compensation and benefits to its employees at rates higher than can be paid by the FCA or by other Federal financial regulatory agencies. As reported, H.R. 1278 would amend current law in an effort to harmonize these authorities by authorizing the Federal financial regulatory agencies other than the FCA to offer compensation and benefit packages comparable to those offered by the FDIC.

Mr. Chairman, some key FCA employees have already been hired away from the FCA by the FDIC, and the problem could get worse in the near future. Approximately 200 prospective bank examiners are currently being trained by the FCA pursuant to the requirements of the Farm Credit Act of 1971, as amended most recently by the Agricultural Credit Act of 1987. These examiners are being trained at the expense of the institutions of the Farm Credit System. Because these institutions are cooperatively owned by the farmers and ranchers who borrow funds from these institutions, it is these farmers and ranchers who must foot the bill for the recruitment, employment, and training of these FCA employees.

Without this amendment, the 200 bank examiners currently being trained by the FCA could be hired away from the FCA by any of the other financial regulatory agencies who, because of the provisions of H.R. 1278, could offer them higher pay and better benefits than the FCA. In fact, many of these other agencies will require new hires to meet the demands placed on them by H.R. 1278. Similarly, the FCA would be at a competitive disadvantage with these other agencies with respect to the hiring and training of future employees.

H.R. 1278 currently includes provisions to enhance the appointment and pay-fixing authorities of the Office of the Comptroller of the Currency, the National Credit Union Administration, the new Office of Thrift Supervision, the new Resolution Trust Corporation, and the new Federal Housing Finance Board. Other provisions of the en bloc amendment are designed to perfect these provisions and to harmonize the authorities of those Federal financial regulatory agencies to hire and pay compensation and benefits to qualified personnel. The provisions of the amendment relating to the Farm Credit Administration are designed to give parallel authorities to the FCA.

I would like to acknowledge and thank Chairman GONZALEZ of the Committee on Banking, Finance and Urban Affairs, Chairman FORD of the Committee on Post Office and Civil Service, and Congresswoman OAKAR for their cooperation and assistance in drafting these provisions of the amendment. I appreciate their recognition of the importance of these provisions of the amendment to the farmer-borrowers of the Farm Credit System.

This amendment will help the FCA to hire, train, and retain the skilled employees the agency requires to effectively regulate the institutions of the Farm Credit System, to efficiently serve the borrower-owners of the System, and to protect the interests of the taxpayer through the regulation of the System's institutions. I commend the amendment to the House and urge my colleagues to support its adoption.

I also include in the RECORD a summary of the provisions of the amendment concerning the Farm Credit Administration.

PROVISIONS OF THE AMENDMENT CONCERNING THE FARM CREDIT ADMINISTRATION

The Farm Credit Administration (FCA) provisions of the en bloc amendment are designed to provide the FCA the same authorities provided to other financial regulatory agencies by H.R. 1278. Specifically, the amendment would—

(1) authorize the Chairman of the FCA to set rates of basic pay for FCA employees without regard to either (a) the grades and classifications or (b) the General Schedule pay rates established in Chapter 51 and subchapter III of Chapter 53 of title 5 of the United States Code, respectively;

(2) authorize the Chairman of the FCA to provide additional compensation and benefits to FCA employees as is necessary to maintain comparability with other Federal financial regulatory agencies;

(3) require the Chairman of the FCA to (a) seek to maintain comparability with other financial regulatory authorities in setting and adjusting the total amount of compensation and benefits of FCA employees, and (2) inform the other agencies and the Congress of such compensation schedules;

(4) add the FCA to the list of agencies exempted from the definition of an "agency" for purposes of the application of the Senior Executive Service established under subchapter II of Chapter 31 of title 5 of the United States Code; and

(5) add the FCA to the list of agencies exempted from the GS-18 pay limit (currently $75,500) on employee pay established under setion 5373 of title 5 of the United States Code.

Mr. GONZALEZ. Mr. Chairman, as I said, and I repeat, the amendments go a long way in making the personnel provisions of these various agencies as similar as possible, and the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI], chairman of the Committee on Ways and Means, is here to give us his explanation.

Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the Gonzalez en bloc amendment especially that part of it which increases and ensures the contribution the industry must make toward the funding of the assistance package.

First, let me say that I am happy to join with HENRY GONZALEZ, chairman of the Banking Committee, in an effort to develop a fair compromise on what the industry contribution should be. Members of both committees have struggled with this issue. While we do not want to place undue burden on the banks, we must consider the American taxpayer as well. It is important to remember that whatever costs the indus-

VOL 135 PT 9 JE 14 — 22 1989 UMI

try does not pay will be passed on to the taxpayer.

The language in the bill calls for an annual contribution by the Federal home loan banks of the lesser of $300 million or 20 percent of net earnings. This second option allows for the contribution to fall below $300 million. The provision does not index the contribution for inflation, allowing the real value to decline over time. A $300 million contribution in 2021, the final year of the package, is equivalent to $39 million today.

The amendment before us calls for an annual industry contribution of $300 million, indexed by the lesser of inflation or the increase in net earnings. In addition, a $600 million cap is placed on the contribution. This provision assures that the industry contribution never falls below $300 million, which protects the taxpayer, and never exceeds $600 million, which protects the solvency of the industry. The indexing mechanism assures that we do not let the real value of the industry contribution to interest payments decline over time.

Taxpayers will have to pay 70 to 80 percent of the cost of this bailout. I can't believe that this Congress would choose to add to this burden, rather than asking the Federal home loan banks to make a significant contribution toward the restoration of their industry.

This amendment does not place an unreasonable burden on members of the industry. It merely assures that they make a significant contribution, one that does not decrease in value over time.

I urge that this amendment be adopted.

Mr. WYLIE. Mr. Chairman, I yield such time as he may consume to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, particularly the gentleman from Ohio [Mr. WYLIE], I thank you very much for yielding to me at this time, as we begin another day on the debate on the savings and loan bill, I thought what I would like to do is read into the RECORD here verbatim the letter that I received from the President, dated yesterday, but received just this morning, to more clearly define specifically where the President stands on this legislation and in support of what we are attempting to do here by cleaning up this S&L mess.

THE WHITE HOUSE,
Washington, June 14, 1989.

Hon. ROBERT H. MICHEL,
Republican Leader of the House of Representatives, the Capitol, Washington, DC.

DEAR BOB: Today the House of Representatives begins floor consideration of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). This legislation will provide vitally needed funds to restructure or close insolvent thrift institutions. The legislation would also overhaul the existing system of thrift regulation. Inadequacies in capital rules, accounting practices and supervisory oversight in the past were fundamental causes of this disaster.

In addition to protecting depositors, passage of this bill will allow us to begin reducing the ongoing losses in the S&L industry. This program will cost the American public tens of billions of dollars to replace deposits of the public lost through speculation, criminality, fraud and irresponsible risk-taking.

I am determined that in the future federally-insured institutions should have to put their own money at risk before that of the insurance fund and the taxpayers. This is an essential element in protecting against any future repetition of this problem.

The capital provisions of the legislation adopted by the Banking Committee recognize the need for a new core capital requirement to protect the public. Thrifts that fail this capital standard would be required to submit a prudent business plan, and they would generally be subjected to closer supervisory oversight and limitations on excessive future growth.

Unfortunately, amendments have been offered that would allow as much as $20 billion of "supervisory goodwill" to be included in the computation of tangible net worth, even though it has no tangible value. Any such amendment could permit a relatively small group of firms to maintain $600 billion in loans without investing one dollar in tangible capital. Under this approach the American public could be required to carry 100% of this risk for decades.

I adamantly oppose each of the proposed amendments that will be debated on the House floor concerning supervisory goodwill. Giving recognition to goodwill as capital or creating procedural changes that could have the same effect is not justifiable. There should be no mistake. This matter goes to the very heart of my determination to clean up the abuses of the past among the savings and loans, about which every voter is entitled to be outraged. Each of the amendments to the tough capital standards proposed by the Banking Committee would render this bill unacceptable to me.

In financing the thrift plan, the Administration's proposal, as adopted by the Senate and the House Banking Committee, preserves the Gramm-Rudman-Hollings (GRH) process. It properly scores on-budget all Treasury payments, while industry contributions to the financing package are kept out of the budget. The alternative proposal by the Ways and Means Committee requires a waiver of $44 billion to GRH, which is our only statutory bulwark for fiscal discipline. Maintaining bipartisan efforts to control our budget process is a critical objective to continuing a positive domestic and international economic climate.

The legislation I submitted also seeks a number of other important provisions to strengthen our supervisory system. These include a substantial increase in civil and criminal penalties for those who have committed wrongdoing in insured institutions. As the legislation moves forward, I ask each Representative to review carefully the specific items outlined in the Administration Statement of Position as well as my letters of May 22 to the House leadership.

As I stated in today's meeting, I am firmly committed to these principles and offer again my support to your efforts to enact responsible legislation. The United States Government must seek to ensure the safety and soundness of the thrift industry once and for all, as well as to protect the trust of insured depositors and the interest of the American public.

Since I sent my proposed legislation to the Congress, more than $1.1 billion in potentially avoidable losses have occurred. The industry had total losses of $3.4 billion in the first quarter alone, on top of more than $13 billion in 1988. This financial hemorrhage continues to mount at a cost of more than $10 million every day. I urge Congress to complete its work and pass an effective and responsible bill that reflects adequately my concerns, and those of the American public.

Sincerely,

GEORGE BUSH.

□ 1050

I just wanted, Mr. Chairman, to have that read into the RECORD at the very outset of today's deliberations because, as indicated by the President in his letter, there will be a number of amendments that were made in order by the rule and to be offered and debated on the floor, several having significant implications with respect to supervisory goodwill and other aspects of the bill.

I intend to support the President's position and my votes during the course of this day are certainly going to mirror what the President intends by his legislation. Of course, if several of those amendments are offered later in the day, I will have appropriate remarks of my own to make specifically on those amendments.

I thank the distinguished gentleman from Ohio for yielding me this time to make this statement.

Mr. WYLIE. Well, Mr. Chairman, I thank the gentleman for his excellent contribution. I think his remarks were timely and most appropriate.

The point the gentleman is making is that this is not a partisan issue. It has the support of the President of the United States and the Democratic leadership in the House, as well as the minority leadership in the House and in the Senate and the Democratic leadership in the Senate.

The President, may I say, called this morning and is concerned about this, but restated his willingness to talk to anyone about the issues at any time during the day if there was some doubt as to the strength of his position.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding this time, and I would like to enter into a colloquy with the gentleman from Ohio.

I would like to seek clarification of language in the House committee report defining "supervisory goodwill." The committee report states that supervisory goodwill includes goodwill resulting from a merger where the market value of the assets of the savings association acquired was less than

the market value of its liabilities at the time of the transaction and where the accounting treatment of the goodwill has been approved by the Federal Home Loan Bank Board. With respect to the approval requirement, can you confirm that this would include the case where: First, the accounting treatment of the goodwill was fully described in the merger application; second, pursuant to a condition of the Bank Board resolution approving the merger, the accounting treatment of the goodwill was subsequently furnished to the principal supervisory agent; third, the principal supervisory agent confirmed that the condition was satisfied, and, finally; fourth, such accounting treatment has been reflected in reports filed with the Federal Home Loan Bank Board since the acquisition?

Mr. WYLIE. Yes, Mr. Chairman, if the gentleman will yield, I would confirm the gentleman's statement. I think he does make a good point in his timing for the record.

There ought to be a track record on regulatory agency approval and of industry approval, too, and what would constitute approval by the Federal Home Loan Bank Board, as intended by the committee. So I think the gentleman's statement does clear that up, and I thank the gentleman for his contribution.

Mr. REGULA. Mr. Chairman, I thank the gentleman for his contribution.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am opposed to certain portions of this technical amendment. I am opposed to the Hawkins amendment regarding the pass through of deposit insurance on certain deposits. I also have some concerns about the indexing of Federal Home Loan Bank contributions to the bailout.

Let me explain briefly what the amendment will do.

First, the en bloc amendments of the gentlewoman from Ohio [Ms. OAKAR] are a series of technical amendments clarifying personnel and pay provisions which were adopted by the Banking Committee. Generally, the committee has lifted pay ceilings for the Federal banking agencies, such as the new Office of Thrift Supervision, the OCC, the new Federal Housing Finance Board, and the Resolution Trust Corporation. I think that these are good provisions. With billions of dollars of the Government's money at risk, we need competent, well paid examiners and personnel.

Second, Congressman DE LA GARZA's amendments will extend to the Farm Credit Administration essentially the same provisions to ensure these employees are paid at a competitive salary. We certainly do not want another bailout of the FCA, and competent, well paid examiners are an integral part of ensuring that this doesn't happen again.

Third, Congressman FRANK's amendment will allow those who file claims against the FDIC, and choose to accept an administrative remedy, rather than going into court immediately, to have the opportunity for a hearing on the record.

Finally, the Gonzalez provision strikes a compromise between the Banking Committee and Ways and Means Committee. Under the bill as proposed by the President, the home loan banks would have contributed $300 million annually to help pay the costs of the FSLIC bailout. The Banking Committee adjusted this to provide $300 million or 20 percent of annual earnings. The Ways and Means Committee deleted the 20 percent alternative, but instead chose to index the $300 million annually for inflation.

The compromise will leave the $300 million contribution in place, and have it indexed to the lesser of the inflation index or the banks' earnings. For example, if the CPI is 4 percent, and the home loan banks earnings increase 2 percent, the contribution would be $306 million. Most importantly, the contribution level can never fall below $300 million, thus ensuring that the industry pays its fair share of this bailout.

Nevertheless, I am somewhat concerned about the indexing provision. Home loan bank earnings are expected to be volatile over the next several years in terms of percentage, unless, however, they were measured against a base, like their 1988 earnings of $1.5 billion. Unfortunately, no base is provided in this amendment, thus, the home loan banks' contributions will essentially be indexed against the inflation indicator for some time, which I do not believe is the real intent of the bill. While I am all for the industry paying its fair share, I think the President's bill should have been left alone in this regard.

HAWKINS AMENDMENT

Let me now turn to the Hawkins amendment. This amendment strikes an important part of this bill. The Banking Committee bill provides for a study and moratorium on the pass-through of deposit insurance coverage for bank investment contracts. These are relatively new products by which banks guarantee principal and interest on investments. Of course, this is all backed by FDIC insurance. Therein lies the danger.

There is an old saying—"we have met the enemy, and it is us." This applies here. I am sure that many on the Education and Labor Committee have decried the cost of this bailout. They have decried this bailout for the crooks. I could not agree more. However, expanding the scope of deposit insurance to cover risky new products is a part of this problem. Members of the Education and Labor Committee have become unwitting participants in this.

There are several problems with the amendment;

First, it only studies the problem, without a moratorium. Outstanding bank investment contracts are currently valued at $1 to $3 billion, and growing rapidly. Without a moratorium, it may be too late to stop the increased liability for the FDIC.

Unhealthy banks, who need access to funds, can offer high rates of return on these investments—and of course if the bank goes under, its all insured by the FDIC.

We need more market discipline in the Federal deposit insurance area, not less. But listen to what members on the Education and Labor Committee said, when writing to the late Chairman Claude Pepper—without passthrough coverage on bank investment contracts, pension managers will have to undertake rigorous investigations of the creditworthiness of the particular banking institution. This is of course exactly what they should be doing, not blindly investing in any bank offering the highest rates.

Finally, the study is only being conducted by the FDIC, not the GAO as well, as the Banking Committee provided. I believe that the Congress' investigative arm should study this also.

□ 1100

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am happy to yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, I want to commend the gentleman for his statement on the Hawkins amendment, and I think that there is no question that the Committee on Education and Labor is well intentioned in its amendment, but I think that they are missing a very important point about what this bill is supposed to accomplish.

We are about to spend a very large amount of taxpayers' money. The estimates are from $250 to $350 billion over the next 30 years, and there is one thing that my constituents have said to me over and over again, "Don't let this happen again," and one of the reasons that this happened was something called hot money. There were weak institutions, and they needed deposits, and they went around the country with higher and higher deposit rates being offered to bring in brokered deposits.

Why could they do that? They could do that because of deposit insurance. We now have pension funds. Pension funds today can get guaranteed investment contracts from banks, from insurance companies, from anyone they wish who is willing to guarantee them

an interest rate, and they should be able to do that. There is nothing wrong with their getting those kinds of investments. But they should oversee them and make sure they are not risky.

Some people have characterized this as an argument between the banks and the insurance companies, that the insurance companies want this business and want it taken away from the banks. That is false. That is not what this is about. Banks can sell this product now if they have a high enough investment grade rating, but they have to sell it without the Federal Government taking the risk. Once the Federal Government takes the risk, this is going to become the hot-money issue of the 1990's.

Mr. Chairman, today it is $1 to $3 billion. In the 2 years it is going to take to do the study, if we do not do a moratorium, it will be $20 or $30 billion.

Does anyone think that if the study says it is a bad idea and the pension funds are in for $20 or $30 billion that we will be able to pass an amendment to close it down? Right now people are afraid to vote to close it down for 2 years because labor does not want it closed down, and the banks do not want it closed down.

The taxpayer wants it closed down until we can be sure that this is not going to create a huge new liability. It is a mistake, I think it is regrettable, that this amendment was made in order.

The Committee on Banking, Finance and Urban Affairs looked at this as it should be looked at. It is a deposit insurance liability question. It is not a labor issue. It is not a pension issue. It is not any of those things. It is not for the insurance companies. It is not for the banks. It is for the taxpayers.

I really think the people should very seriously consider whether they want to hand over this new hot-money check to the pension funds.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

The gentleman from Connecticut has stated the issue most succinctly, and he certainly is absolutely correct.

With that, I will conclude my statement. As I mentioned, I support the en bloc amendment in balance. I do not support the Hawkins amendment.

Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 13 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, as a member of the Banking Committee and as the ranking member of the Labor-Management Subcommittee of the Education and Labor Committee, I rise in support of the Education and Labor Committee's amendment regarding section 1003 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Specifically, section 1003 would prevent the FDIC, for 2 years, from extending deposit insurance to any obligations issued after April 6, 1989. This could conceivably include insurance on traditional deposit investments such as CD's, money market certificates, simple pass-book savings accounts, and checking accounts. In addition, FDIC deposit insurance coverage could not be extended on a passthrough basis to individual investors in any "unit investment trust" or individual participants in any tax qualified pension or profit-sharing plan.

Part 4 of title I of ERISA requires a fiduciary with respect to an employee benefit plan to invest plan assets prudently. If this moratorium were to remain in place, then the entire business of pension investments could be disrupted. This would affect not only employees and retirees of corporate employers but would also affect pension plans of State and local government employees, farmers, professionals and others who use Keogh-pension plans.

Both the legislative history of ERISA and the statutory framework itself clearly reject the notion that pension funds be precluded from investing in certain types of instruments. But since section 1003 precludes any FDIC insurance on deposits from pension funds, it in effect makes all time-deposit instruments issued by banks, including certificates of deposit, a less attractive investment and effectively limits the class of investments a pension plan fiduciary could consider as a prudent investment.

This issue was brought to the Banking Committee because there was a concern for the impact open-ended Bank Investment Contracts [BICS], would have on the FDIC insurance fund. The amendment was raised without advanced notice and with little discussion. At that time, I cautioned that there could be unforeseen consequences for the investment practices of pension plans if this amendment were adopted. I indicated to the author of the amendment that the provisions of this amendment may be subject to oversight by the Education and Labor Committee. I was wrongly advised that there would be no impact on the ability of pension plan fiduciaries to continue to make prudent investment decisions and that there would be no conflict with current ERISA laws.

I believe that at the time the amendment was adopted by the Banking Committee, members were not fully cognizant of the scope of the matter. And perhaps, even the author did not fully understand the total impact of the amendment.

As we have reviewed this provision since its adoption, we have determined that the impact of the amendment goes much beyond the original intent of the drafters. Therefore, the Education and Labor Committee, claimed a jurisdictional right to review this issue.

I believe that before any action is taken to restrict time-deposit investment instruments from pension plan fiduciaries, a full and open debate must occur. Since this issue was never brought to the Education and Labor Committee's attention no testimony has been presented to our Subcommittee on Labor-Management Relations, or to the Banking Committee, which would indicate the existence of a problem when pension funds invest in time deposits offered by banking institutions. Further, in response to this matter, the FDIC has indicated that it was opposed to section 1003 because it saw no significant risk to the insurance fund in passthrough coverage to beneficial owners of pension plans.

Because I believe the provisions of section 1003 seriously undercut ERISA's fiduciary rules, it is necessary to offer the Education and Labor Committee amendment which calls for a study of this matter. Our amendment, which is similar in intent to what is in the Senate version of the S&L bill, would also allow the Labor-Management Subcommittee to hold oversight hearings and properly investigate and evaluate this issue.

I urge the House to adopt this amendment so that our committee will have the opportunity, through hearings, to review the implications of this issue.

Mr. Chairman, the letter from Ann L. Combs, Deputy Assistant Secretary, U.S. Department of Labor, is included for the RECORD, as follows:

U.S. DEPARTMENT OF LABOR, PENSION AND WELFARE BENEFITS ADMINISTRATION,
Washington, DC, June 13, 1989.

Hon. MARGE ROUKEMA,
House of Representatives,
Washington, DC.

DEAR CONGRESSWOMAN ROUKEMA: You have requested our views concerning the continuation of passthrough deposit insurance coverage to pension plan participants while a study of FDIC coverage is being conducted.

H.R. 1278, as amended by the House Banking Committee, would limit to $100,000 in the aggregate the Federal deposit insurance coverage on bank obligations issued after April 6, 1989 held by qualified pension and profit sharing plans during the period of the deposit insurance study required under title X of the bill and for 6 months thereafter (the so-called Schumer amendment). Currently, full $100,000 deposit insurance coverage on bank obligations held by qualified plans is passed through to individual participants in such plans.

In his April 25, 1989 response to Congressman Neal's request for the views of the Federal Deposit Insurance Corporation [FDIC]

on the Schumer amendment, William Seidman, chairman of the FDIC, stated the belief that passing through coverage to beneficial owners of pension plans poses no significant risk to the insurance fund and that there is no evidence that these deposits represent a particular threat to the fund. He also expressed the belief that it is preferable to study the pass-through issue before taking action that could have a disruptive effect on a major segment of the deposit market.

The Department regulates pension plans under the Employee Retirement Income Security Act of 1974 [ERISA] and has a strong interest in policies that have an effect on pension plan investments. It is the Department's position, noting the expertise of the FDIC in this area and its statements concerning the passthrough issue, that it is important that no action be taken that would limit the deposit insurance protections currently available to plan participants before the study is completed.

The Department therefore believes that full passthrough of deposit insurance coverage to plan participants should continue during the period of the study required under title X of the bill.

The Office of Management and Budget has advised the Department that there is no objection from the standpoint of the administration's program to the submission of this report for your consideration.

Sincerely,

ANN L. COMBS,
Deputy Assistant Secretary.

□ 1110

Mr. WYLIE. Mr. Chairman, I yield myself 3 minutes to respond.

I knew what I was voting for, I would respectfully suggest to the gentlewoman from New Jersey, when I voted for the amendment in committee. The gentleman from Connecticut [Mr. MORRISON] made the point that this are brokered investment contracts and the original purpose of FDIC insurance and FSLIC insurance was to insure only individual accounts up to $100,000.

What we really should do is be offering an amendment whereby a person would have to give his Social Security number in order to get insurance on FCIC or FSLIC, and then we would know that each individual account was insured up to $100,000 and not through these passthrough deposit-type accounts which are insured up to millions and millions of dollars.

The Committee on Education and Labor itself acknowledged that there would be some exposure of the FDIC insurance fund when they wrote to the chairman of the Rules Committee and said, and I repeat this for the purposes of the gentlewoman from New Jersey, "Without pass due coverage on the bank investment contract, pension managers will have to undertake rigorous investigations of the creditworthiness of particular banking institutions." That is what they should be doing.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, I commend the gentleman again for his clarifications. I do not think members of the Committee on Banking, Finance and Urban Affairs cast important votes in the dark. I think there was a lot of careful consideration of all the committee did, and I think that is why it is a very good bill that the Committee on Banking, Finance and Urban Affairs has brought to the floor, and I hope it is going to get the support of the House.

The gentleman from New York spoke about certificates of deposit. We are not talking about certificates of deposit here, we are talking about guaranteed investment contracts. What is this? This is a guarantee of a certain interest rate. There is a certain risk involved in making that guarantee, and the competition is to pay the highest possible interest rate. That is what the competition is to get the money. And there ought to be market discipline, the gentleman is absolutely correct, and banks ought to have to deal with this as a risk investment by them, not as a standard deposit covered by deposit insurance.

This is not a special interest provision that is in the banking bill. This is not a protection for particular entities, and it really is not pension policy. Ask the question: Do the pension funds get to decide how the Securities and Exchange Commission regulates the stock markets? They perhaps would like insurance on what is in the securities that they buy. Everyone would like the Federal Government to guarantee that there will be no risk, but every time we do that we remove the market discipline that the gentleman from Ohio so correctly said we need more of, not less of.

We are really taking a risk here. It is a shame that people want to do it. We could do much better to wait the 2 years. It would not interfere with any of the investments that are out there. The gentlewoman from New Jersey said this would interfere. It would not. People can roll over the amounts of money under the committee amendment, and they can also keep the investments they already have. This is no new investments would be able to be made. It is the prudent, safe thing to do.

Mr. WYLIE. The gentleman from Connecticut is obviously well informed on the issue, and I conclude with that.

Mr. GONZALEZ. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri, [Mr. CLAY], a member of the Committee on Education and Labor.

Mr. CLAY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Gonzalez cross-committee amendments, containing the amendment proposed by the members of the Committee on Education and Labor. This amendment strikes section 1003 of the bill reported by the Banking Committee and thus eliminates the 2-year moratorium on passthrough insurance for bank time deposits of qualified pension and profit-sharing plans. In addition, the amendment requires that the Federal Deposit Insurance Corporation [FDIC] study the issue of passthrough insurance and report back to Congress on its conclusions within 6 months.

Section 1003 of the bill reported by the Banking Committee contains matters affecting the jurisdiction of the Committee on Education and Labor over pension and profit-sharing plans covered under the Employee Retirement Income Security Act of 1974 [ERISA]. Part 4 of title I of ERISA, which is solely within the jurisdiction of the Committee on Education and Labor, requires a fiduciary with respect to an employee benefit plan to invest plan assets prudently. Both the legislative history of ERISA and the statutory framework itself clearly reject the notion that pension funds should be precluded from investing in certain types of investments. All types of investments begin on an equal footing under ERISA, but plan fiduciaries must evaluate the suitability of each investment by applying the prudence standard.

Pension funds have a long history of investing in traditional bank time deposits—such as certificates of deposit, money market certificates, simple passbook savings accounts, and checking accounts. A substantial percentage of pension assets, particularly those of pension plans sponsored by small businesses, have been invested in these traditional bank time deposits. In the past, these investments have been popular and safe for pension funds and a stable source of capital for banking institutions.

For many years, under regulations of the Federal Deposit Insurance Corporation [FDIC], insurance on these deposits has been applied to pension plans on a pro rata or pass-through basis to each participant in the plan, with each such participant subject individually to the $100,000 insurance limit. Of course, deposit insurance premiums have also been paid to the FDIC on the basis of the number of participants covered by the deposit insurance.

Section 1003 precludes the FDIC from insuring on a pass-through basis deposits of qualified pension and profit-sharing plans covered under ERISA made after April 6, 1989. Contrary to the information provided to many of my colleagues by the American Council on Life Insurance, this prohibition on FDIC insurance passthrough is sweeping in its scope and

affects any new deposits or rollovers of existing deposits for all qualified pension plans of private companies and state and local governments made after that date. A narrow exception for certain rollovers of existing deposits for State and local plans was also included in the bill reported by the Banking Committee, but the provision was limited to rollovers prior to the date of enactment.

This moratorium on deposit insurance would last for a period of 2 years. Under section 1001 of the reported bill, the Secretary of the Treasury would be required to study various issues related to the Deposit Insurance Program, including whether pro rata or passthrough insurance as applied to pension plans ought to be continued. The moratorium would extend through the period of the study—18 months—plus an additional 6 months.

Thus section 1003 would immediately make time deposits offered by banking institutions a far less attractive investment vehicle for pension plans. The adoption of a moratorium on pass-through insurance coverage would require pension plan fiduciaries to undertake a substantially different and, in some respects, more sophisticated type of financial analysis that would currently be required to determine whether the investment in bank time deposits is prudent.

This abrupt withdrawal of deposit insurance coverage would complicate the pension investment decisionmaking process by forcing plan fiduciaries to undertake immediately and without any notice or transition period a far more rigorous and burdensome investigation of the creditworthiness of the particular banking institution offering the certificate of deposit than is required under current law in order to satisfy the prudence requirements. This would totally disrupt the pension investment decisionmaking process for the millions of pension plans that invest in time deposits offered by banking institutions. Thus the practical result of section 1003 would be that most pension funds, particularly the small ones, would simply avoid investing in banking institution time deposits since they could not afford to do the requisite financial analysis quickly enough or at all to assure the investment was prudent.

This concerns us. To deny pension plan participants of pass-through insurance coverage arbitrarily for a class of investments that have in the past been both popular and productive for pension funds without public hearings or the opportunity to discuss or debate the merits of the issue is troubling. The unsubstantiated claims of both the proponents of this moratorium and the life insurance industry that bank time deposits pose some undifined threat to the Federal deposit insurance system cannot be allowed to overshadow the legitimate interests of workers, retirees, employers and pension plan managers in assuring that the long-standing practice of passthrough insurance for pension plan deposits continue.

Moreover, for years members of the Committee on Education and Labor and others in Congress have been urging the financial institutions to develop investment products that are simple, safe, and reliable for small employers to use so as to remove a major disincentive to new pension plan formation—the need to hire expensive and sophisticated investment advisors to counsel employers how to invest pension assets. In the past 10 years, these certificates of deposit appear to have done the job—they have provided solid and safe investments.

Now that these bank products are being used by pension plans, the insurance industry is worried about competition. Thus it has promoted the idea that somehow these are risky products that pose a great risk to the FDIC if the current system of pass-through deposit insurance continues.

I know that all of us are wary. I know that none of us want to be back in a few years having to face another bailout. But there is not one shred of evidence that any of these bank time deposits have been a problem in the past or will be a problem in the future. If there is a problem with these investments, if they do pose some risk to the Federal Deposit Insurance Corporation, we would have heard about it by now. Do not let the climate of serious concern over the dimensions and cost of our current problem with the thrifts cause us to take action to disrupt pension plan investments without any concrete examples of abuse.

Since no factual basis has been demonstrated for the allegations of the proponents of the moratorium that bank time deposits are a threat to the insurance system, we believe it is inappropriate to withdraw passthrough insurance for pension plan participants at this time. Nevertheless, we believe that this issue is sufficiently complicated and technical to warrant the study called for in the bill so that a full and open debate over the merits of this issue can occur. But in the interim, since neither a factual basis for the allegations of risk to the deposit insurance system nor a compelling need for such drastic action have been shown, it seems unnecessary and contrary to sound pension policy to prejudge any conclusion the study might reach about the desirability and risk to the system of continuing the long-standing practice of passthrough insurance by withdrawing the insurance protection while the study is going on.

The Subcommittee on Labor-Management Relations, which I chair, has held a series of oversight hearings, focusing on pension fund investment practices, beginning in early February of this year. Neither at those hearings nor in the past have concerns about the security or safety of time deposit investments offered by banking institutions been brought to our attention. Nor have we had any evidence nor information that shaky banks were offering high rates of return to pension funds in order to lure them to invest in time deposits.

Investments and investment practices of pension funds are issues clearly within the oversight and legislative jurisdiction of the Committee on Education and Labor. While the study is going on, the subcommittee will investigate this issue and thus be in the position to contribute to the debate, once the statutory study is completed, based on our own oversight activities.

In summary, I believe that before actions are taken that would seriously undercut the statutory framework of ERISA's fiduciary rules, effectively prelude pension funds from taking advantage of a particular type of investment that has proved both attractive and successful for pension funds in the past, and totally disrupt the investment market, particularly for defined contribution plans of small employers, a full public discussion and debate should occur. Passthrough insurance coverage ought not to be arbitrarily withdrawn based on the hypothetical risks to the insurance system raised by the insurance industry, the major beneficiary of the market disruption that would occur were section 1003 to be enacted.

Both the FDIC and the U.S. Department of Labor, speaking for the Bush administration on this issue, oppose the moratorium on pass-through insurance. In addition, among the other groups opposing the moratorium and supporting the position of the members of the Committee on Education and Labor are the following:

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).
American Association of Retired Persons.
American Bankers Association.
National Coordinating Committee for Multiemployer Plans.
International Ladies' Garment Workers' Union.
American Federation of State, County and Municipal Employees.
American Federation of Teachers.
Government Finance Officers Association.
International Association of Firefighters.
Natinal Association of State Retirement Administration.
National Conference of Public Retirement Systems.
Service Employees International Union.

Finally, our amendment striking section 1003 of the reported bill, contained in the Gonzalez en bloc amendment, would delete language limiting the FDIC's authority to define the term "deposit" for purposes of the deposit insurance program. Contrary to

the allegations that this issue is outside the scope of the jurisdictional interest of the Committee on Education and Labor, this issue is integral to our pension plan concerns and affects our jurisdication over pension plans. In some respects, this issue has the potential for causing far more harm to pension plans and their participants than the moratorium on pass-through FDIC coverage.

In order to be insured by the FDIC at all, an investment must be a deposit. According to the chairman of the FDIC, L. William Seidman, in a letter to Congressman STEPHEN NEAL dated April 25, 1989, this provision calls into question the validity of the deposit insurance coverage for the substantial existing bank deposits—including traditional certificates of deposit—held by pension plans. Chairman SEIDMAN indicates that, according to the Federal Reserve Bulletin, as of the first quarter of 1988, pension and profit-sharing plans held over $124 billion in bank demand and time deposits.

Thus the limitation of FDIC's authority contained in section 1003 is far-reaching, overly broad, disruptive, unjustified, and will have a substantial impact on pension funds.

The more I have examined section 1003 and probed its impact, the more concerned I have become that Congress is being railroaded into acting in a high-handed and precipitous manner without really understanding what it is doing or what the ramifications of its actions are. Both banking law and pension law are complicated and technical areas. Careful study is necessary before attempting to change either.

Congress should demand the facts before it acts. If there is a genuine problem with any facet of passthrough insurance, the 6-month study required under the Hawkins amendment should reveal it. Then, if necessary, we can take action. Hasty congressional action based on unsubstantiated claims that a problem exists can prove far more detrimental in the long run than a brief delay to determine whether there really is a problem in the first place.

I urge my colleagues to support the amendment offered by the members of the Committee on Education and Labor as part of the Gonzalez package of cross-committee technical amendments.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, as a member of the Committee on Banking, Finance and Urban Affairs, I want to associate myself with the remarks of the gentleman from Missouri. I really feel if I had to make a judgment, and I will make a judgment on the provision that was in the bill as opposed to the Education and Labor Committee amendment, I think that the approach of the gentleman from Missouri is the more reasonable approach. As he said, there have been no hearings on this matter and we do not know what kind of problems are involved.

When we went to the agencies to say what do you think about it, they said we do not support the provision in the banking bill. We think that a study would be more timely.

So I want to say that I support what the Education and Labor Committee has done in this regard and feel that we have improved the bill by their approach.

Mr. CLAY. I thank the gentleman from Georgia.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Missouri. I think he has approached this in a comprehensive manner, a reliable manner by asking for a study.

The fact is that pension and profit-sharing plans by many groups across the country have placed large certificates of deposit in banking institutions. This is a form of an investment contract. It is defined as a large certificate of deposit.

As the gentleman mentioned, this has been in existence for over 20 years, and I think studying that and dealing with it more comprehensively is the right approach. I, like my friend on the other side of the aisle, did support this in committee, but did not realize because we had not had hearings on this issue the ramifications of the disruption that this would cause. So I want to associate myself with the remarks of the gentleman from Missouri and support the Committee on Education and Labor's point of view on this particular item to study it, and in 6 months deal with it comprehensively.

Mr. CLAY. I thank the gentlewoman from Ohio.

Mrs. UNSOELD. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentlewoman from Washington.

Mrs. UNSOELD. Mr. Chairman, I rise today in support of the Gonzalez en bloc amendment, which includes a provision—the Hawkins-Goodling amendment—that impacts heavily upon workers and pensioners.

For many years, the Federal Deposit Insurance Corporation has insured the deposits made by pension funds subject to the $100,000 maximum limit applied individually on a passthrough basis to each participant in tax-qualified pension or profit-sharing plans. Without the Hawkins-Goodling amendment, section 1003 of H.R. 1278 precludes the FDIC from extending deposit insurance to pension plans on a passthrough basis with respect to any new deposits made after April 6, 1989.

Such a moratorium would cause widespread disruption to the pension plan investment market since it affects the qualified pension and profit-sharing plans of virtually every type of employer.

Over the years, many pension funds have invested a substantial portion of their asset portfolios in time deposits, such as certificates of deposits, offered by banking institutions. This is especially true of small funds and State and local pension funds. It is also true of multiemployer pension funds covering workers in the building and construction trades, since bank investments increase the pool of assets available to finance construction project loans.

Under the Employee Retirement Income Security Act of 1974 [ERISA], time deposits have proved attractive because of their competitive rates of return and their safety. In no small measure, the existence of passthrough FDIC insurance has been a significant factor in this investment decision. No evidence of harm to the insurance fund has ever been demonstrated that would require such drastic and precipitous action. No hearings were held. No public debate or discussion was held. The first time the issue was raised was late in the subcommittee markup.

I believe such a precipitous withdrawal of passthrough FDIC insurance protection would unnecessarily disrupt the current pension plan market for time deposits offered by banking institutions without the slightest bit of evidence that the continuation of this practice poses any risk to the FDIC insurance system, beyond the self-serving assertions to that effect made by the life insurance industry.

The security of our Nation's pension funds and the integrity of the fiduciary's decisionmaking—the key element of the ERISA enforcement scheme—is of obvious concern to the workers and pensioners everywhere. It is in this framework that I rise in support of this bipartisan amendment which I have coauthored. It is supported by virtually all the members of the House Committee on Education and Labor, as well as many other groups including:

AFL-CIO;

National Coordinating Committee for Multiemployer Plans;

American Federation of State, County, and Municipal Employees;

Government Finance Officers Association;

National Conference of Public Retirement Systems;

American Federation of Teachers;

International Association of Firefighters;

VOL 135 PT 9 JE 14 — 22 1989 UMI

National Association of State Retirement Administration;

Service Employees International Union;

International Ladies' Garment Workers' Union;

American Association of Retired Persons; and

American Bankers Association.

Some of the letters of support are herewith attached to be included in the CONGRESSIONAL RECORD.

Our amendment is the same as that adopted in the Senate and provides for a 6-month study by the Federal Deposit Insurance Corporation as to the need for such a legislative denial of the passthrough protection for these classes of deposits to individual participants. Certainly, it is more prudent, and a more responsible means of legislating if we first determine if there is some problem that needs solving before making permanent law changes which could affect pension fund security. Based on such a study, it will then be to the deliberative bodies of the Congress to make an informed decision based not just on what is profitable for one industry but on what is good for the solvency of the Federal Deposit Insurance Corporation and the good credit of this country. Only after careful consideration can the security of our pension funds be reconciled with the interest of the competing financial institutions.

Mr. Chairman, I urge my colleagues to vote for the Gonzalez amendment. Workers and their pension funds should not be held hostage in a war between the banking and insurance industries. A yes vote will protect the billions of dollars in pension funds of so many hard-working Americans.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, June 12, 1989.

DEAR REPRESENTATIVE: This week the House will consider H.R. 1278, the "Financial Institution Reform, Recovery, and Enforcement Act." The AFL-CIO supports this legislation, with the addition of two amendments and the retention of certain key provisions.

First and foremost, we strongly urge your support for a bipartisan amendment that will be offered to Section 1003 of the bill by Representatives Hawkins, Goodling, Clay, and Roukema.

Section 1003 of the reported bill would preclude the Federal Deposit Insurance Corporation (FDIC) from extending passthrough insurance coverage to deposits from pension plans made after April 6, 1989. This moratorium would last at least two years (an 18-month study plus six months).

Pension plans have considerable assets involved in bank deposits. For twenty years, the FDIC has passed through insurance coverage to pension plan participants and beneficiaries.

In the AFL-CIO's view, by repealing federal insurance for bank deposits of pension plans, Section 1003 would have a serious impact on pension plans and the responsibilities of plan fiduciaries. The retirement benefit security of workers and their families would be jeopardized, thereby undermining important policies and purposes of the Employee Retirement Income Security Act (ERISA). Significant in this vein is that the proposed moratorium would compel a shift in pension fund investments toward higher risk vehicles without any documented showing that such a drastic action is warranted.

It is our understanding that Section 1003 was conceived to a large extent to deal with the offering by some banks of deposit products called Bank Investment Contracts (BICs). However, we are concerned that Section 1003 singles out deposits made by pension funds for its harsh treatment. Additionally, Section 1003 has a far broader application than that apparently intended by its proponents. Indeed, the difficulty that the proponents of Section 1003 evidently had in defining which bank products should be denied FDIC insurance reinforces the conclusion that no change in current FDIC insurance practices should occur while there is a study of the issue of pass-through insurance.

Based on the foregoing, we strongly urge your support for the Hawkins-Goodling-Clay-Roukema Amendment to Section 1003. This amendment, which is identical to that adopted in the Senate, would retain the requirement that the matter of pass-through insurance protection be studied while continuing the current law practice of passing through insurance protection for pension plan participants during the study period.

We also support another amendment to be offered by Chairman Gonzalez and Representative Kennedy which, under the Home Mortgage Disclosure Act, would require mortgage lenders to disclose information about applicants for home loans, rather than information only with respect to loans actually made, and requires federal supervisory agencies to publish their evaluations of compliance by lending institutions with the Community Reinvestment Act.

Specifically, we support provisions in the reported bill which set the minimum capital standards required under Section 5 of the Home Owners Loan Act of 1933, which would require savings associations to maintain a ratio of core capital to assets of three (3) percent, and the provision which assures on-budget financing of the operations of the Resolution Funding Corporation.

In addition, we support retention of those provisions which require the Federal Home Loan Bank to establish a Community Investment Program and an Affordable Housing Program setting aside up to $150 million per year at interest rates equal to the cost of borrowing plus administration for member institutions making loans for affordable low and moderate income housing at below-market interest rates, and the provision requiring the Resolution Trust Corporation, in its sale of properties acquired from bankrupt savings and loan associations, to offer for a three month period to sell the property to any qualified nonprofit organization, public agency, or lower income family, prior to offering to sell the property to any other qualified purchaser.

Based on the foregoing, the AFL-CIO urges your support for H.R. 1278, as reported, with the amendments discussed above.

Sincerely,

ROBERT M. MCGLOTTEN,
Director,
Department of Legislation.

AARP,
Washington, DC, June 5, 1989.

Hon. JOE MOAKLEY,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE MOAKLEY: The American Association of Retired Persons supports a rule that would allow amendment to H.R. 1278, the Financial Insitutions Reform, Recovery and Enforcement Act of 1989. In particular, AARP supports an amendment to Section 1005 of the bill, to be offered by Chairman Hawkins, Rep. Goodling, and other members of the Committee on Education and Labor, that would retain the requirement that pass-through insurance protection for pension plans be studied, but that would leave intact current law protection for plan participants.

Section 1005, as currently written, would disallow the Federal Deposit Insurance Corporation (FDIC) from extending its insurance protection on a pass-through basis to deposits made by pension or profit-sharing plans after April 6, 1989. The moratorium on FDIC protection would last two years, during which time a study on pass-through protection would be required from the Secretary of the Treasury.

In effect, current Section 1005 would make time deposits offered by banking institutions a less attractive investment option for pension plans. By requiring a more in-depth review of the credit status of a particular bank, pension funds, particularly smaller plans, would avoid investment in such vehicles. In essence, the inability to analyze individual banking institutions will limit the type of investment that a plan fiduciary would consider prudent.

At present, a large percentage of pension assets, particularly for small business pension plans, are invested in time deposits. It has not been demonstrated why longstanding FDIC protection for these deposits—which is currently applied on a pass-through basis to each plan participant—should be withheld.

The FDIC has stated its opposition to Section 1005, stating that there is "no significant risk" from pass-through coverage. By singling out pension plans for unfavorable treatment, the present bill would undermine pension benefit security for millions of workers and retirees. At the same time, this bill would deter pension plans from investing in an attractive and prudent investment option.

Given that there is no immediate risk to the insurance fund from pass-through protection, and given the potential harm to penion plans and the benefit security of millions of workers and retirees covered under these plans, the Association believes that a moratorium on pass-through insurance protection is not warranted. The Association therefore supports a rule that allows amendment to Section 21005 of H.R. 1278.

Sincerely,

JOHN C. ROTHER,
Director, Legislation,
Research and Public Policy.

INTERNATIONAL LADIES' GARMENT WORKERS' UNION,
Washington, DC, June 12, 1989.

DEAR REPRESENTATIVE: The International Ladies' Garment Workers' Union strongly opposes Section 1003 of H.R. 1278 which precludes extension of pass-through Federal Deposit Insurance Corporation (FDIC) coverage to bank deposits of pension plans after April 6, 1989.

There is no apparent basis for terminating the time honored pass-through FDIC coverage to pension plan participants and beneficiaries. Pension plans traditionally use bank time deposits as a secure, low risk investment mechanism with a view towards protecting vested participants, as well as pensioners in pay status.

The proposed moratorium would impose additional and unnecessary cost and administrative burdens if, to preserve the insurance coverage, ERISA funds were compelled to make individual $100,000 deposits in separate banks. Further, to avoid the newly imposed administrative and cost consequences, pension funds may be compelled to utilize higher risk investment products.

The ILGWU wholeheartedly endorses the Hawkins-Goodling-Clay-Roukema amendment to Section 1003. Such amendment continues the essential pass-through insurance while studying whether the drastic action of terminating the pass-through is warranted with respect to ERISA pension fund bank deposits.

We firmly believe that the dire results brought by an unamended Section 1003 are unwarranted, unintended and unnecessarily detrimental to workers and pensioners as well as their families. We urge that FDIC pass-through insurance be continued while the matter receives further study.

Sincerely,

EVELYN DUBROW,
Vice President
and Legislative Director.

U.S. DEPARTMENT OF LABOR, PENSION AND WELFARE BENEFITS ADMINISTRATION,
Washington, DC, June 13, 1989.

Hon. WILLIAM L. CLAY,
Chairman, Labor-Management Relations Subcommittee, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: You have requested our views concerning the continuation of pass-through deposit insurance coverage to pension plan participants while a study of FDIC coverage is being conducted.

H.R. 1278, as amended by the House Banking Committee, would limit to $100,000 in the aggregate the federal deposit insurance coverage on bank obligations issued after April 6, 1989 held by qualified pension and profit sharing plans during the period of the deposit insurance study required under Title X of the bill and for six months thereafter (the so-called Schumer Amendment). Currently, full $100,000 deposit insurance coverage on bank obligations held by qualified plans is passed through to individual participants in such plans.

In his April 25, 1989 response to Congressman Neal's request for the views of the Federal Deposit Insurance Corporation (FDIC) on the Schumer Amendment, William Seidman, Chairman of the FDIC, stated the belief that passing though coverage to beneficial owners of pension plans poses no significant risk to the insurance fund and that there is no evidence that these deposits represent a particular threat to the fund. He also expressed the belief that it is preferable to study the pass-through issue before taking action that could have a disruptive effect on a major segment of the deposit market.

The Department regulates pension plans under the Employee Retirement Income Security Act of 1974 (ERISA) and has a strong interest in policies that have an effect on pension plan investments. It is the Department's position, noting the expertise of the FDIC in this area and its statements concerning the pass-through issue, that it is important that no action be taken that would limit the deposit insurance protections currently available to plan participants before the study is completed.

The Department therefore believes that full pass-through of deposit insurance coverage to plan participants should continue during the period of the study required under Title X of the bill.

The Office of Management and Budget has advised the Department that there is no objection from the standpoint of the Administration's program to the submission of this report for your consideration.

Sincerely,

ANN L. COMBS,
Deputy Assistant Secretary.

JUNE 9, 1989.

DEAR REPRESENTATIVE: The security of state and local government pension plan investments will be adversely affected by a provision in H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989. Under section 1005 of the bill, the Federal Deposit Insurance Corporation is precluded from extending its insurance protection on a pass-through basis to deposits made by pension plans after April 6, 1989. We urge your support for an amendment to H.R. 1278 which may be offered by Chairman Hawkins and Representatives Goodling, Clay and Roukema and other members of the Committee on Education and Labor that would retain the requirement that pass-through insurance protection for pension plans be studied, but would leave intact current law protection for plan participants and beneficiaries.

Based on an incorrect analysis of the Internal Revenue Code, some proponents of this provision have informed Congress that the proposed restrictions would not affect state and local government pension plans—this is not so. Public plans hold hundreds of billions of dollars in cash deposits and investments in the nation's financial institutions, and the millions of pension plan participants and retirees rely on the security provided by deposit insurance.

The availability of "pass-through" deposit insurance has been an important incentive for public plan investment managers to retain funds in demand and time accounts and to invest in certificates of deposit and overnight accounts. Without the deposit insurance, this investment strategy will have to be reevaluated. It seems ironic that as Congress is striving to reestablish the stability of the nation's financial system that a provision which will encourage disinvestment in banks and savings and loans is contained in H.R. 1278.

Current law deposit insurance rules must be retained for state and local government pension plan deposits and investments. Accordingly, we again request your support for the amendment to be offered by members of the Committee on Education and Labor.

Sincerely,

American Federation of State, County and Municipal Employees, American Federation of Teachers, Government Finance Officers Association, International Association of Firefighters, National Association of State Retirement Administration, National Conference of Public Employee Retirement Systems, Service Employees International Union.

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, DC, April 23, 1989.

Hon. STEPHEN L. NEAL,
House of Representatives, Washington, DC.

DEAR MR. NEAL: Thank you for requesting our views concerning Congressman Schumer's amendment adopted by the Subcommittee on Financial Institutions ("Subcommittee") adding a new section 1005 to H.R. 1278 ("Schumer Amendment"). The effect of the Schumer Amendment would be to severely restrict the recognition of pension plan beneficiaries' interests for insurance purposes in bank obligations held by the plans. In general, federal deposit insurance coverage provisions now protect the interests of pension plan beneficiaries in deposit products held by such plans by providing "pass-through" insurance coverage to the individual plan participants.

We are extremely troubled by the Schumer Amendment for several reasons. First, it calls into question the deposit insurance coverage applicable to the substantial bank deposit market represented by deposit products held by pension and profit sharing plans. A recent article in the *Federal Reserve Bulletin* indicated that in the first quarter of 1988, pension and profit sharing plans held over $124 billion in demand and time deposits.

Second, the Schumer Amendment would interfere with the FDIC's implementation and interpretation of *existing* statutory provisions, regulations and orders, thus impairing the ability of the agency to carry out its mandate. Specifically, it inhibits our ability to issue interpretations or opinions regarding deposit insurance coverage. Apparently, the amendment was occasioned by the offering by some banks of deposit products called bank investment contracts ("BICS"). The amendment has a far broader application, however.

Third, this provision, when coupled with a separate amendment introduced by Representative Hubbard (No. 91) and adopted by the Subcommittee, creates a disparity between commercial banks and thrifts in the treatment of identical deposit products held by pension and profit sharing plans. Mr. Hubbard's amendment would assure that thrift products receive full pass-through insurance treatment up to the entire beneficial interest of the beneficiary (which itself is more favorable than existing statutes that would protect only up to the "vested" interest of the beneficiary). The anomaly created by providing full pass-through treatment for one type of federally insured depository institution and essentially no pass through treatment for another is competitively unfair and likely to cause consumer confusion.

Your letter asks several specific questions. The first is whether there is an inherent risk of volatility in BICs "covering" pensions plans or profit sharing plans, and if so, how that risk compares to other deposit instruments. (We should note that, contrary to the implication in the purpose language of the Schumer Amendment, banks do not fund pension plans but merely provide vehicles in which the plans' funds may be deposited.) There may be some risks in BICs which do not exist in the "garden variety" certificate of deposit because there is a period after the initial deposit during which funds may be deposited at a guaranteed rate. However, we believe the banking regulators are fully capable of evaluating this risk and dealing with it on a case-by-case basis, just as we would with any other activi-

ty of an insured bank. It is our understanding that a very limited number of insured banks, approximately 20 or 30, are issuing BICs.

You next ask if the FDIC believes there is any significant risk to the insurance fund in passing through coverage to beneficial owners in pension plans. The FDIC emphatically believes that there is no significant risk to the insurance fund in passing through coverage to beneficial owners of pension plans. Such coverage has been in existence for over twenty years, and there is no evidence to indicate that these deposits represent a particular threat to the deposit insurance fund.

You also ask whether the moratorium in the Schumer Amendment raises doubts about previous interpretations by the FDIC in similar pass-through situations. We believe that the amendment does raise doubts about all interpretations applying to virtually any pension plan, with the exception of individual retirement accounts ("IRAs"), where the deposit is made after April 6, 1989.

Finally, you ask whether the coverage provided by passing through deposit insurance coverage in BICs is consistent with the public purpose underlying deposit insurance, that is, to protect small savers. The FDIC believes that the proposed Schumer Amendment would affect virtually all new deposits by pension plans, regardless of the size of the bank or the plan. Indeed, there are many small savers who are participants in pension plans. Since a BIC is a deposit, the same public purpose applies in allowing pass-through insurance coverage to its holder as it would to any other deposit instrument.

Under current law pension fund deposits are accorded pass-through insurance coverage. In addition, a BIC meets the definition of deposit and thus is insured. Thus we see this issue as not one of defining terms, but one of defining powers and, as such, should be decided in another forum.

During recent deliberations over a similar amendment, the Senate Banking Committee adopted a provision requiring a study of the potential effects on capital markets of the FDIC's proposed rule expanding deposit insurance coverage and BICs. We believe that it is preferable to study the issue before action is taken which could have a severely disruptive effect on a major segment of the deposit market. We urge the Committee to delete § 1005 of H.R. 1278.

Please let me know if you would like to discuss the subject further.

With best wishes.

Sincerely,

L. WILLIAM SEIDMAN,
Chairman.

HALLMARK CARDS, INC.,
Kansas City, MO, May 15, 1989.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: Recently, as you know, the House Banking Committee, while considering the FSLIC legislation, agreed to the Schumer/McCollum Amendment (Section 1005, Title 10). This amendment places an 18-month moratorium on the issuance of FDIC insurance coverage on Bank Investment Contracts (BICs) while a study of the deposit insurance issues is undertaken.

The Senate Banking Committee, wisely, we think, rejected this amendment in favor of a six-month study of the issues with no moratorium until such time as the study's findings are reviewed and evaluated.

I am writing to you because this is a matter of significant importance to Hallmark management and the company's benefit plan fiduciaries as the House proposal would proscribe the use of an extremely useful investment vehicle that has been used rather extensively in company-sponsored benefit plans; i.e., the Hallmark profit-sharing and thrift plans.

Hallmark purchases investment contracts (both Guaranteed Investment Contracts or GICs and BICs) using a competitive bidding procedure in which insurance companies and banks are given identical information and requested to submit bids effective as of a specific time and day. Our experience during the last year has been that in most instances, the banks have offered more competitive bids. As fiduciaries of the plans, we feel that the competition being offered by the banks is good for both the financial services industry and plan participants.

We feel that the complaint that FDIC insurance coverage of BICs is an unfair advantage to the banks is completely spurious. Insurance premiums paid to FDIC by the issuing banks are fully reflected in their quoted rates. Furthermore, due to the high credit quality that we demand of banks with which we do business, the probability of ever having to rely on the FDIC insurance is minute.

We would like to also comment on the comparison between BICs and CDs. In our view, they have been identical. To our knowledge few, if any, banks are issuing "window" contracts, i.e., those which allow future deposits at predetermined interest rates. All of the contracts which we have placed have been at fixed rates and for fixed periods. Thus, the plans (and ultimately the participants) do bear the risk that interest rates will rise once the contract is completed as they can subsequent to a CD purchase.

We would also like to point out that our Thrift and Profit Sharing plans are the primary source of income for our employees when they retire. Both plans are of a "defined contribution" nature. As such, every penny of assets in the plans belongs to, and in fact, is allocated to the employees. Thus, the original intent of FDIC insurance coverage is well served. To the extent that the plans invest in BICs, FDIC insures each participant's pro rata share. Those pro rata shares are conceptually identical to individual savings accounts.

Senator, we are hopeful that when the Senate-House conference begins on the many difficult issues that are raised by the S&L crisis, you will consider strongly supporting the Senate language for the six-month study without the House moratorium language.

I have asked Rae Evans, Vice President in our Washington office, to be in touch with your staff on this matter. If we can be of any further assistance, I do hope you will be in touch.

Sincerely,

IRVINE O. HOCKADAY, Jr.

SELECT COMMITTEE ON AGING,
Washington, DC, June 9, 1989.

Hon. JOE MOAKLEY,
Chairman, Committee on Rules, Washington, DC.

DEAR MR. CHAIRMAN: As Chairman of the House Select Committee on Aging, I urge the Committee on Rules to consider a rule that would allow an amendment to section 1003 of H.R. 1278, the Financial Institutions Reforms, Recovery and Enforcement Act of 1989. This amendment to be offered by Chairman Hawkins and Rep. Goodling and other members of the Education and Labor Committee, retains the requirement that pass-through insurance protection for pension plans be studied, but that no moratorium be placed on deposit insurance.

As written, section 1003 would unfairly penalize pension plan investors who would become ineligible for the same FDIC protection as other investors. I fully support the intent of ERISA which stipulates a fiduciary with respect to an employee benefit plan to invest plan assets prudently. However, ERISA does not encourage nor discourage any particular type of investment, as long as it is considered prudent. As written, section 1003 violates this neutrality and discourages pension plan investors from investing in time deposits by disallowing the FDIC pass-through insurance protection. The withdrawal of this insurance coverage poses a threat to pension plan participants and discriminates against pension plan investors by requiring a far more rigorous and burdensome investigation than ERISA intended.

I join with my colleagues on the Education and Labor Committee, and the American Association of Retired Persons, the AFL-CIO, the American Banking Association and the Federal Deposit Insurance Corporation in urging you to support the amendment to H.R. 1278, section 1003, to protect the pension plans of current and future retired Americans.

Sincerely,

EDWARD R. ROYBAL,
Chairman.

NATIONAL COORDINATING COMMITTEE FOR MULTIEMPLOYER PLANS,
Washington, DC, May 26, 1989.

Re H.R. 1278—Financial Institutions Reform, Recovery and Enforcement Act of 1989.

Hon. JOE MOAKLEY,
Member of Congress, U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE MOAKLEY: I am writing as Chairman of the National Coordinating Committee for Multiemployer Plans ("NCCMP") to urge you to support the request of the Education and Labor Committee that the Committee on Rules make in order, under the rule for H.R. 1278, an amendment to section 1005 of the bill that would preserve Federal deposit insurance for employee pension plan assets.

The NCCMP is an organization of more than 170 multiemployer pension, health and welfare plans and their labor-management sponsors. Since 1975, the NCCMP has represented the interests of multiemployer plans, and the workers, retirees and families covered by such plans, before Congress.

Multiemployer pension plans have many billions of dollars in assets which are invested to finance retirement benefits for millions of American workers. Many of these plans invest substantial assets in time deposits (*e.g.*, certificates of deposit) with banks. In addition, most multiemployer plans have substantial assets in demand deposits with banks. The Federal Reserve has reported that well over $100 billion in pension and profit sharing plan assets are held in demand and time deposits with banks. A significant portion of that amount represents multiemployer plan assets.

Multiemployer plan fiduciaries deposit plan assets with banks in reliance on the Federal deposit insurance against bank de-

fault. More specifically, they rely on the pass-through insurance treatment which pension plan deposits have received under Federal Deposit Insurance Corporation ("FDIC") regulations for more than twenty years. Under this pass-through treatment, deposit insurance up to the $100,000 limit is provided in effect for each pension plan participant. This treatment permits a pension plan to deposit more than $100,000 in a bank without losing the security provided by Federal deposit insurance. Such insurance is a matter of protecting pension plan assets against the risk of loss; it is a matter of retirement benefit security for workers and their families.

Despite this, section 1005 of H.R. 1278, as reported by the Committee on Banking, Finance and Urban Affairs, would repeal pass-through insurance coverage for pension plans for a "moratorium" period of at least two years (an 18-month study period plus 6 months). As we read section 1005(b) of the bill in particular, the FDIC would be prohibited from providing pass-through insurance for any pension plan deposits made after April 6, 1989 and this prohibition would continue for at least the two-year "moratorium" period. This repeal provision was inserted in the bill without consideration of the impact on pension plans and the responsibilities of plan fiduciaries under the Employee Retirement Income Security Act of 1974 ("ERISA") by the committee with jurisdiction over such matters, the Committee on Education and Labor.

The repeal of Federal insurance for bank deposits of pension plans would undermine important policies and purposes of ERISA. It would limit investment options for pension plans contrary to ERISA's policy of expanding investment opportunities. Indeed, the effect of the bill would be to eliminate a low-risk investment vehicle and compel pension plan fiduciaries to invest retirement monies in more risky vehicles.

Undoubtedly the repeal of Federal deposit insurance will cause pension plans to withdraw funds from banks and to limit future deposits. Much of the money so lost to banks would be longer-term time deposits inasmuch as pension plans tend to invest for the longer term. This reaction can only serve to destabilize banks, contrary to the purposes of H.R. 1278. The savings and loan crisis has already shaken pension plan depositors. The passage of H.R. 1278 in its current form would be the proverbial "other shoe."

I note that FDIC Chairman L. William Seidman, in a letter of April 25, 1989 to Representative Stephen L. Neal, stated that the "FDIC emphatically believes that there is no significant risk to the [bank deposit] insurance fund in passing through coverage to the beneficial owners of pension plans. Such coverage has been in existence for over twenty years, and there is no evidence to indicate that these deposits represent a particular threat to the deposit insurance fund."

It would be a tragic mistake for Congress to repeal this longstanding protection for retirement assets, particularly before thoroughly studying the implications for the millions of workers, retirees and families who depend on pension plans and the security of plan assets. Accordingly, the NCCMP urges you to support the request of the Education and Labor Committee for approval of an amendment that would require a study but maintain pass-through insurance during the study period.

Respectfully,

ROBERT A. GEORGINE,
Chairman.

SEAFIRST,
May 1, 1989.

Hon. JOLENE UNSOELD,
House of Representatives, Longworth House Office Building., Washington, DC.

DEAR CONGRESSWOMAN UNSOELD: This letter is to express concern about the proposed new section 1005 to H.R. 1278 ("Schumer Amendment"). The amendment would severely restrict FDIC protection for individuals placing their retirement savings in FDIC insured banks through employee benefit plans. Bank Investment Contracts (BICs) are an example of an investment vehicle that would be restricted.

Seafirst and other banks offer BICs to customers from around the country. They have become popular among working men and women seeking a place to put their pension plan savings that will provide the greatest benefit and security. At issue is a feature of this type of account that provides deposit insurance to individual plan participants on a "pass-through" basis. Proponents of the amendment, who typically offer a competing product, state that FDIC pass-through insurance on BICs benefits large monolithic corporate funds and poses a significant risk to the insurance fund.

Rather than being large corporate deposits, defined-contribution money invested in BIC's consists of accounts held by individual savers, who direct their own investments and bear the risk in the event of default. Congress established the FDIC insurance to protect the small depositor. It is against this often stated intent of Congress to withdraw the FDIC protection from citizens saving for their retirement through a plan. The present amendment is a direct result of the insurance industry's attempt to restrict competition and reduce interest paid on retirement savings.

Seafirst strongly supports the prompt passage of FSLIC legislation. Efforts to substantially modify the integrity of the FSLIC plan presented by President Bush will delay and adversely impact progress. This amendment is not related to reform of the savings and loan industry and does not help solve the current crisis situation. For these, and other reasons outlined in the attached discussion sheet, we urge you to reject this amendment.

Please don't hesitate to call me at (206) 358-6940 or Jeff Lewis our Manager of Public Affairs at (206) 358-3433 if you have any questions. Thank you for your interest.

Sincerely,

JAMES H. WILLIAMS,
EVP and Chief Financial Officer.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentlewoman from Ohio [Ms. OAKAR], a distinguished member of the Committee on Banking, Finance and Urban Affairs.

MODIFICATION OFFERED BY MS. OAKAR TO EN BLOC AMENDMENTS OFFERED BY MR. GONZALEZ

Ms. OAKAR. Mr. Chairman, I ask unanimous consent that the amendment pending before the Committee of the Whole House on the State of the Union be modified by, after the words "other Federal bank regulatory agencies," striking the words "Page 284, strike line 17 and insert the following:

Section 5314 of.".

□ 1120

This was a typographical error on the part of the Committee on Rules. They put in extraneous language that we did not in fact mean to do. It is only a typographical error and I just think it is easier to deal with that right now.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

Mr. WYLIE. Mr. Chairman, reserving the right to object, I am sorry I did not hear the request of the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, yes, the modification would remove extraneous language placed in the amendment related to personnel; as a result of a typographical error the language to be deleted makes no sense. It is my understanding this modification has been cleared with minority and the Committee on Post Office and Civil Service and apparently was a typographical error.

Mr. WYLIE. It merely makes a correction of a typographical error?

Ms. OAKAR. The gentleman is correct.

Mr. WYLIE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The CHAIRMAN. The modification is agreed to.

Ms. OAKAR. Mr. Chairman, I would like to discuss the issue that relates to personnel.

Mr. Chairman, due to the magnitude of this legislation, this bill had been referred to many committees. In order to move the legislation forward, the Committee on Post Office and Civil Service, of which I am a member, as well as the Committee on Banking, Finance and Urban Affairs, waived sequential referral. What we tried to do, Mr. Chairman, was work on amendments that were agreed upon unanimously to make all of the personnel-related matters uniform as respects all the different agencies, the current ones, the ones we are forming, to have parity with respect to personnel.

So the primary purpose of the proposed amendments is to establish uniform appointment and pay-fixing parity for the newly formed Office of Thrift Supervision, the Federal Housing Finance Board, the Resolution Trust Corporation, and the Office of Comptroller of the Currency as well as

the National Credit Union Administration.

While the Committee on Banking markups provide a consistency regarding compensation levels within the Federal banking regulatory agencies, these amendments retain that consistency but emulate the language regarding the Federal Deposit Insurance Corporation. In other words, what we are trying to do is establish parity among organizations so that we really do have talent and excellent regulators.

I believe that this bill and what we are trying to do by way of reform will only be as good as the caliber of personnel who are involved in regulation and oversight.

That is why it is very, very important that we have a uniform pay policy and that we are able to have parity and have the best caliber people so that we do not head into some of the problems that we have had in the past.

Mr. Chairman, the amendment clarifies the scope and authority of each relevant agency as it pertains to setting compensation levels and benefits.

In addition, each agency may provide additional compensation and benefits to its employees if the same type of compensation or benefits package is being provided under applicable law by any other bank regulatory agency.

What we are doing now basically is finetuning the personnel amendments that we proposed that were adopted unanimously on both sides of the aisle in the Committee on Banking, Finance and Urban Affairs.

We are really trying to put in something that was an oversight, I think, in drafting the initial legislation by the administration. That was to take into consideration the personnel, the pay scales and so forth.

Mr. Chairman, I am delighted to see the spirit of cooperation relevant to these amendments, not only by the bipartisan approach in the Committee on Banking, Finance and Urban Affairs, led by my distinguished chairman and the minority leader, but also on behalf of the administration.

I am delighted that they agree with the amendment as well.

The only question I would have is why we in the future will have to address the district banks and their personnel in terms of oversight and the Federal Reserve System. But we have done quite a bit of work right now, and I ask for its adoption.

Mr. Chairman, as we all know, due to the magnitude of this legislation, this bill has been referred to many committees. In order to move this legislation forward and in an expeditious manner and to save the taxpayers further expense, the Post Office and Civil Service Committee waived sequential referral on the differing personnel titles. As a member of the Post Office and Civil Service Committee as well as the Banking Committee, Chairman GONZALEZ asked me to coordinate the concerns of both committees.

Mr. Speaker, these amendments were worked out by all the Federal banking regulators, the full Banking Committee and my staff with technical advice from the staff of the Committee on Post Office and Civil Service. The primary purpose of the proposed amendments is to establish uniform appointment and pay-fixing authorities for the newly formed Office of Thrift Supervision, the Federal Housing Finance Board, Resolution Trust Corporation and the Office of the Comptroller of the Currency as well as the National Credit Union Administration. While the Banking Committee markups provided consistency regarding compensation levels within the Federal banking regulatory agencies, these amendments retain that consistency but emulates the language regarding the Federal Deposit Insurance Corporation.

Mr. Speaker, the FDIC, under their pay-fixing authority is allowed flexibility to acquire and retain talented examiners. Historically, Federal banking regulatory agencies have competed for top talent unfairly. In many instances, examiners performing the same supervisory function are paid vastly different sums of compensation. Also, while some Federal banking regulators may provide for geographic pay differentials, others do not. The OCC, for example, is not allowed to offer its examiners regional compensation packages while the FDIC provides for such packages. This disparity has caused human resources shortfalls within some agencies.

Mr. Speaker, under the proposed amendments, each of the agencies would be authorized to appoint and fix the compensation of employees of the agency. This amendment clarifies the scope and authority of each relevant agency as it pertains to setting compensation levels and benefits. In addition, each agency may provide additional compensation and benefits to its employees if the same type of compensation or benefits package is being provided, or could be provided under applicable law, by any other bank regulatory agency. For example, the relevant amendment to the OCC's authority provides that the Comptroller shall, after consulting with the Treasury Secretary, appoint OCC employees and fix the number and compensation of these employees. Thus, the examiners performing supervisory functions in the Midwest need not be compensated at the same level as those in the Boston area. However, in setting and adjusting the total amount of compensation and benefits for employees of the agency, each agency is required to maintain comparability with the compensation and benefit programs provided by the other Federal bank regulatory agencies.

Last, Mr. Speaker, in addition to the above proposed amendment, there are technical changes to several sections relating to the rights of Federal employees who will be transferred from the FSLIC/Bank Board to one of the other Federal bank regulatory agencies. These changes are intended to ensure that substantially the same rights and protections are afforded to the transferred employees under each of the sections.

In conclusion, Mr. Speaker, the emphasis of this omnibus legislation is to protect the Federal interest and to provide the necessary safeguards to ensure that this fiscal tragedy never occur again. I wish to thank the Post Office and Civil Service Committee, the full Banking Committee, and the Federal bank regulatory agencies for helping to craft this much needed legislation. All parties agree that having consistent and uniform employment guidelines will help to acquire talented professionals in examining and supervising our Nation's financial institutions. But most of all, these provisions will go a long way in preventing this crisis from recurring.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I rise in strong support of Congressman HAWKINS' amendment contained in this package. The Hawkins amendment corrects a grave error made by the Committee on Banking, Finance and Urban Affairs that threatens the hard-earned moneys of pension plan participants across the country by restricting their deposit insurance. The Hawkins amendment solves this problem and I urge my colleagues to adopt the amendment.

The fact is there has been no evidence of harm or risk to the FDIC demonstrated; no hearings have been held, no public debate or discussion. The Hawkins amendment is exactly the right approach to dealing with this issue calling for a study in 6 months.

H.R. 1278, as reported by the Banking Committee, provides for a study of bank investment contracts, so-called BIC's, and their effect on the safety and soundness of insured institutions. BIC's are a device similar to a certificate of deposit. For a number of years pension funds, trusts, and similar organizations have placed large certificates of deposit in banking institutions. Historically, the deposit insurance has always run through these certificates to the beneficial owners. In other words, the FDIC has always held that the beneficiaries of a pension plan are each entitled to insurance coverage of $100,000 when their pension fund deposits money in a bank in the form of a large CD. The terms of these CD's have always been negotiable between the bank and the pension fund, as is the case with all large CD's. The only thing new about a BIC is that in a BIC the pension plan has the right to add additional sums to the CD at a later date, as is the case with a number of ordinary consumer CD's.

BIC's are not in any fashion risky. They are nothing more than a large traditional CD. The funds obtained by a bank from such a deposit are used in the same manner as any other deposit in the banking institution. BIC's pose no additional risk to the deposit insurance fund. They are nothing more than an ordinary large deposit. Insurance premiums are paid on all such deposits in the same manner they are on any other deposit. It is my understanding that the FDIC strongly supports the Hawkins amendment and opposed the committee's efforts to limit deposit insurance on pension plans.

Through the use of BIC's we are able to protect the savings of pension plan participants by providing them deposit insurance. In fact, BIC's have become popular with pension plans recently because of the perception that competitors who provide similar instruments, such as insurance companies, may be facing financial problems in the future. Therefore, prudent pension fund managers are moving to protect their participants' funds by taking advantage of Federal deposit insurance. This is their right and I believe Congress should not restrict deposit insurance for pension funds unless a severe threat to the deposit insurance fund can be demonstrated. I believe that no such threat exists and I strongly support the Hawkins amendment.

Mr. Chairman, I would also like to comment though on the Committee on Ways and Means amendments to index the contributions that the Federal Home Loan Banks make to the funding of REFCOR.

The current contribution of $300 million has been deemed to be what the Federal Home Loan Bank Board's banks can afford by the Bush Administration. By placing this additional burden on the Federal Home Loan Bank's earnings, the Congress will further limit the ability of the institutions, member institutions, to raise capital.

We have gotten a lot of discussion about raising capital. Capital comes from profits, and one of the places that profits come from is the dividends paid by the Federal Home Loan Bank Board System to the individual member banks or savings and loans.

It seems to me that by going beyond what was deemed to be the appropriate level in terms of money being taken from the Federal Home Loan Banks, we are going to contribute to future difficulties in the S&L's being able to raise capital. This will eventually lead to higher costs for the taxpayers, not lower costs, and a revisiting of these issues in later years.

I would urge my colleagues to defeat the Committee on Ways and Means amendment to the particular Gonzalez package that is being offered.

Mr. GONZALEZ. Mr. Chairman, I yield 1½ minutes to the gentleman from Delaware [Mr. CARPER] for the purpose of asking a question.

Mr. CARPER. I thank the gentleman for yielding.

I think when we look at the causes or try to affix the blame for the hold that we are in, the coupling of deregulation early in this decade with "desupervision" is at the top of the list. We had too few examiners. We did not compensate them fairly. As a result, the turnover among examiners was high, but their experience level was not. These factors contributed greatly to the crisis that we are not trying to resolve.

I would like to ask a couple of questions of the gentlewomen from Ohio with regard to the issue of pay and benefits for those who supervise and examine our Nation's depository institutions.

It is our intent here to seek to maintain comparability in levels of compensation between the regulatory agencies, to seek to maintain, rather than to mandate absolute comparability between these agencies?

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. CARPER. Mr. Chairman, I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, the former point that the gentleman made is correct.

Mr. Chairman, I also want to commend the gentleman [Mr. CARPER] for his work on these issues and thank him for all of this help. So, yes, to maintain.

Mr. CARPER. During our debate in committee we questioned who should have to consult, which agencies should have to consult with Treasury.

Our understanding is that the Office of the Comptroller of the Currency, the Office of Thrift Supervision would have to consult because they are going to be part of Treasury; the other agencies would not have to consult with Treasury in setting compensation levels or number of employees. Is that also correct?

Ms. OAKAR. The OCC and the thrift supervision agency, on that the gentleman is correct, they are the ones who have to consult.

Mr. CARPER. Do I further understand that what we are providing is the kind of flexibility, including geographical pay differentials, that FDIC now enjoys compared to the other regulatory agencies?

Ms. OAKAR. Yes. And we used FDIC as a kind of role model in that respect.

Mr. CARPER. Finally, that the regulatory agencies themselves concur and agree with these viewpoints and intent as expressed in this technical amendment?

Ms. OAKAR. The gentleman is correct, they do concur.

Mr. CARPER. I thank the gentlewoman and I salute her.

□ 1130

Mr. GONZALEZ. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman from Texas [Mr. GONZALEZ] for his generous offer of time. Before I begin my remarks, I do want to salute the chairman. I think it is appropriate now, for his leadership on this bill throughout. Every time we were in a hole, the chairman of this committee rallied the forces and gathered members together. He deserves a heck of a lot of credit, even as we speak today. I am glad to see him smiling.

I am worried about a part of this amendment. I am very worried. That is the Committee on Education and Labor part. The reason I am worried is this: If Members look at how we got into this mess with the thrifts, it was because we took market forces out of the whole equation. We said that any institution that wants to pay a higher rate of interest could get money and then do whatever it wanted with it. But the amendment that the Committee on Education and Labor has asked for, very simply it says, let us say the Bank of Podunk wishes to increase their deposits by millions and hundreds of millions and billions of dollars. They could then go to a big pension fund and say, "We will give you 11 percent interest." Right now, if we did not have these BIC's, it would be the fiduciary obligation of the pension fund, whatever the fund is, to say, "Wait a minute, the Bank of Podunk is not very strong. It does not have much ability to invest all this kind of money," et cetera. However, if the BIC's continue, then the responsibility of the pension fund to look at the safety and soundness of the institution it is invested in would be removed. Once it is removed, the system goes crazy, as we learned with the whole thrift crisis, because even though the pension fund's money may be invested in very risky and very shaky things, the pension fund does not have to worry because under this amendment, they could insure not just $100,000 of the pension fund's money but tens of millions, hundreds of millions, even billions of dollars of the pension fund money. That, ladies and gentlemen, is a formula for disaster. It is a different guise, but it is the same issue that will be before us on the rest of the bill.

Admittedly, this issue is not the heart of the bill. I would urge my colleagues who feel strongly about this issue, as I do, that this should not be something that is going to divide Members. There are other more important issues ahead.

However, my colleagues, I want the RECORD to show that by expanding Federal deposit insurance so that any pension plan can put tens of millions, nay, hundreds of millions of dollars in any bank, and good old Uncle Sam, or in this case Uncle Sap, can come and insure the whole amount, is telling Members that no one is going to be watching where the money is invested. That is how we got into this crisis. I would say unless we are careful with these kinds of funds we will get into them again.

Should banks be allowed to do these contracts? Yes. Should they be allowed to insure them over $100,000? A strong and vociferous no. The Committee on Education and Labor amendment allows them to insure these contracts, not for $10,000 or

VOL 135 PT 9 JE 14 — 22 1989 UMI

$100,000 but for millions, and even in some cases hundreds of millions of dollars. That is wrong. That is what got Congress into this mess. I would hope in conference or at some point in the future we could look at this issue and deal with it in the way that we should.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] has 7½ minutes remaining and the gentleman from Ohio [Mr. WYLIE] has 5 minutes remaining.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, this bank investment contract issue is an awfully important issue. Let me say the reservations I have had on this bill are in three areas. This was not one of them because I thought the committee acted so responsibly to take care of this issue. So to find it reemerging today is disconcerting.

Until this BIC issue was raised, I saw only three major problems with the bill. First, I found a problem with how we treat supervisory goodwill. I understand, however, that reasonable people can differ on the goodwill issue. Second, I think we should have had restraints put on the States that caused these problems such as Texas and California. We have lost that issue in the Committee on Rules. Third, there is a problem, perhaps, in the bill, on how the bailout will be funded, on budget or off budget. These are the three major issues.

However, this BIC issue is a time bomb or a land mine of gigantic proportions. Under this amendment a bank investment contract could allow pension funds to come in and invest literally billions of dollars with the right to add to deposits over the life of that contract or to take out deposits. Yet pension funds will only benefit when the rate of interest is higher on the contract, than it is in the marketplace. When BIC interest rates exceed market rates the pension funds will add to their BIC's. When BIC rates are below market rates, they will withdraw funds. In either case, it is the FDIC, and thus Federal taxpayers, who will bear the extra risk and become the insurers of these pension funds. This is tantamount to creating a second financial disaster, but not in the FSLIC but in the FDIC, the very institution which we are trying to put in order with increased premiums. I urge my colleagues to really look at this issue because BIC's are very risky, both for banks and for the FDIC.

I also want to call your attention to something else. I want it clearly on the record. I can understand the banks wanting the U.S. Government's taxpayers to underwrite their BIC's so they can make a profit. That is not unusual in this Congress or in this country. What we also have here is a joining of the labor unions with the banks. These strange bedfellows have crawled into bed together and said they want their BIC's and their pension funds 100 percent insured. I do not know whether we should have insured pension funds for working people in this country, but if we are going to, let Members do it directly and have insured pension funds or a Government pension fund, but by God, let Members not pay money managers a percentage to manage pension funds and give them the opportunity to have total government insurance without risk to those pension funds.

This is the greatest disaster in the entire bill. I predict not too far in the future we are going to be standing in this well of the House, not with a bailout of S&L's, but a bailout of the banking institutions of this country because of the irresponsible act today of the Committee on Education and Labor, bowing down to organized labor. Labor wants total protection for some of their pension funds, and so they crawled into bed with the bankers of this country and put the taxpayers of the United States at great risk. I think it is a sham. I think it is a disgrace. we went over this in the Banking Committee. The Banking Committee's action was proper. This bill is proper on this issue, but with the adoption of this amendment we will be raping the American taxpayer.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I yield to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I thank the gentleman for yielding. I rise in strong support of the gentleman from Texas [Mr. GONZALEZ] en bloc amendment, as it contains the amendment that is a bipartisan agreement supported by 30 members of the Committee on Education and Labor. I thank the gentleman and wish simply to express the support of the Committee on Education and Labor.

Mr. Chairman, I rise in strong support of the Gonzalez en bloc technical amendment, as it contains the Hawkins-Goodling-Clay-Roukema amendment supported by 30 members of the Committee on Education and Labor.

The Hawkins-Goodling amendment would require the Federal Deposit Insurance Corporation to conduct a 6-month study on the issue of FDIC passthrough deposit insurance to individual participants in qualified pension or profit-sharing plans. This study replaces the current section 1003 moratorium which would deny currently available passthrough protection to deposits from pension and profit-sharing plans covered under ERISA made after April 6, 1989, while a broader mandated study is undertaken. Members of the Education and Labor Committee, both Republican and Democrats, share a very deep concern over the impact of the original section 1003 moratorium on pension funds over which our committee has jurisdiction. Specifically, we believe this section greatly affects the security of pension funds and undercuts the fiduciary's decision-making, a key element of the ERISA enforcement scheme.

Mr. Chairman, as I indicated in my statement to the Rules Committee, there is an incredible degree of confusion, even by the original sponsors of section 1003, over what the original language actually did or was intended to do, and what instruments and obligations were affected by the amendment. We were first told that there was a real threat to the soundness of the FDIC as a result of certain new products called BIC's [bank investment contracts]; then we learned they weren't new having been available in the market for a number of years, nor was the availability of the passthrough protection for these deposits new. We asked for evidence of such a threat and received no data or information to substantiate that claim. We were told that the original provision did not apply to State and local pension funds, only to find out that it did. We were told it was really designed to deal only with BIC's yet we discovered the language was so broad that even your standard vanilla CD was covered by the moratorium. And then, apparently it really wasn't BIC's after all that was of the greatest concern to the sponsors of the amendment but rather it was the pending consideration by the FDIC of the question of passthrough protection for individual investors in unit investment trusts now in formal rulemaking, in addition to the consideration by the FDIC of what constitutes a "deposit," specifically relating to "deposit notes," now also in formal rulemaking. Both sets of rules would have been stayed under the provisions of the original amendment.

Mr. Chairman, it should be noted that the other body rejected any notion of a new threat to the FDIC, and opted instead to take the prudent course of first determining the facts before amending permanent law which would damage pension fund security. We also should take such prudent action. My amendment, as included in the Gonzalez en bloc amendment, with the clear support of the majority of the Republican and Democratic members of the Education and Labor Committee, provides for such a study. It will then be to the deliberative bodies of the Congress to make an informed decision based not just on what is profitable for one industry but what is good for the Federal Deposit Insurance Corporation and the good credit of this country, with due consideration for the security of our pension funds for thousands of participants, as well as interests of the competing financial institutions. Let us, my colleagues, first find out what the facts are and then consider remedial action if necessary. Isn't this really a better way to legislate? I hope that all my colleagues will support the Hawkins-Goodling-Clay-Roukema amendment, as contained in the en bloc amendment.

Mr. BARTLETT. Mr. Chairman, I thank the chairman for his support of one of the excellent amendments contained in this bloc of amendments.

I rise on two amendments. First, in somewhat reluctant support of the compromise amendments of No. 4, of the compromise amendment for the

tax on advances from Federal Home Loan Banks. It is a compromise, and thus my reluctant support. The Committee on Banking, Finance and Urban Affairs did that correctly. We provided for a $300 million per assessment on the Federal Home Loan Bank System, or 20 percent of the system's earnings, whichever was lesser. The Committee on Ways and Means then provided us $300 million to be adjusted by a totally unrelated index of the Consumer Price Index; the compromise which I accepted, with some reluctance, would provide for either the percentage of the earnings or the CPI, whichever is lesser.

I want to use that, though, as an opportunity to remind colleagues of the enormous numbers and size of taxes on the industry in this bill already, without the extra tax that was placed on at the last minute, that is in the so-called Affordable Housing Program.

□ 1140

Mr. Chairman, I prepared a chart which demonstrates the size of the taxes. This is a chart showing the total collections from 1989 to the year 2020. It shows that the banking systems retained earnings currently at $3 billion which would be expropriated. It then shows appoximately $18 billion of this tax on earnings, which I think is wholly appropriate.

It then shows another $145 billion of bank insurance premiums or add-ons. That is also wholly appropriate.

Then it shows the $60 billion of new capital requirements that is also wholly appropriate.

I want to call the attention of the House to the fact that section 717 of the bill places a new tax in this that has not been discussed very much, and this is one that the gentleman from Georgia [Mr. BARNARD] and I will be offering an amendment to delete later on. This is a tax on advances or a transaction liquidity tax. It has never been heard of before and hopefully will never be heard of again. It could well be the straw that broke the camel's back which would go to subsidizing a new housing program. That is the one that I think needs to be deleted later on in the debate.

I also support the Hawkins amendment. I serve on both the Education and Labor Committee and the Banking Committee. The fact is that current law provides for desposit insurance for pension funds as they are moving their money though banks into permanent investments. That is a sound system.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

Mr. WYLIE. Mr. Chairman, I yield 30 additional seconds to the gentleman from Texas [Mr. BARTLETT].

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, I would ask the gentleman, especially since he is on both the Banking Committee and the Education and Labor Committee, what are the records showing how the banks have been impaired here?

Mr. BARTLETT. There is no record, there is no problem. No one has produced a problem. There has not been a study of the issue, and there has not been a hearing of any issue. No regulatory agency has come forward with a problem. The Banking Committee version would change a current system which is working just fine, a deposit insurance directed toward individuals.

Mr. BARNARD. There is no record of loss?

Mr. BARTLETT. There is no record of loss. There has been no hearing, and there is no record of a problem.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 1½ minutes remaining, and the gentleman from Texas [Mr. GONZALEZ] has 4½ minutes remaining.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Washington [Mrs. UNSOELD], a member of the Education and Labor Committee.

Mrs. UNSOELD. Mr. Chairman, if the distinguished gentleman from New York were a member of the Education and Labor Committee, he would know that the Employee Retirement and Income Security Act of 1974 [ERISA] prevents currently the horrors that were described. He suggests that our amendment will expand deposit insurance, but for 20 years billions of dollars have been insured under these pension plans.

This is nothing new, and nothing is at risk. Nothing has been shown to be at risk. This is contrary to the way it has been described. Pension funds and workers are attempted to be held hostage by a battle between the insurance and banking industries, and we should protect them by approving the Gonzalez amendment today.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the chairman of the committee for yielding time to me. I thank him also for his leadership, and the evidence of that leadership is going to be shown throughout the course of the debate on this bill.

I wish it were that this was a no-problem situation established over a 20-year period. Only last September did the FDIC say that pass-through insurance was available, and that is because the FDIC is desperate for deposit insurance payments. We have given them an answer to that with expanded deposit insurance payments under this bill. That is a much better answer.

It is really not the workers who are being held hostage; it is the taxpayers in the long run who are being threatened. The gentleman from Pennsylvania is absolutely correct. If we want to protect the pension funds of workers, let us do it directly. Let us not do it in a system that creates an incentive to undermine the stability of our deposit insurance. We have learned that these payments sometimes come due because we are paying a heck of a lot of money in this FSLIC crisis. Let us not start another time bomb ticking.

Mr. WYLIE. Mr. Chairman, I yield my remaining time, 1½ minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman—this is my first opportunity to speak on the House floor on this legislation. Today we begin debate on the most controversial legislation that we will address in the 101st Congress, H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. The bill provides for an historic rescue of the Nation's savings and loan insurance fund, and makes sweeping reforms in the S&L industry.

As a member of the House Banking Committee, I want to commend the distinguished chairman of the committee, Mr. GONZALEZ, the chairman of the Financial Institutions Subcommittee, Mr. ANNUNZIO, and our ranking minority member, Mr. WYLIE, for their patience and tireless efforts in shepherding this bill through subcommittee and full committee markup.

During markup, the House Banking Committee considered almost 300 amendments and its members debated almost 75 hours before reporting this bill to the House. The fairness demonstrated by Chairman ANNUNZIO and Chairman GONZALEZ, and the comity which members extended to one another during the markup ensured that the debate and deliberations were both well organized, fair, and thorough.

The immediate purpose of this bill is to resolve the insolvency of the Federal Savings and Loan Insurance Corporation [FSLIC]. The second purpose of this bill is to ensure that the current financial catastrophe in the S&L industry will never occur again.

The capital requirements for savings and loan institutions contained in this bill are critical to preventing the speculative abuse and the errant mismanagement that jeopardized the S&L industry in the past. Under its current provisions, this bill will require all savings and loan institutions to maintain a 3-percent core capital standard by June 1, 1990. By January 1, 1995, S&L's must replace intangible capital such as supervisory goodwill with tangible capital consisting of common and preferred stockholder's equity and retained earnings.

As we debate this bill, we should avoid two temptations that would impair the effectiveness of this legislation. The first is to weaken the capital standards that would be required of savings and loan institutions. The second is to attach extraneous provisions which will increase the cost of the bill for both financial institutions and taxpayers.

VOL 135 PT 9 JE 14 — 22 1989 UMI

In recent weeks, part of the S&L industry has stepped up its efforts to modify and weaken the capitalization requirements. With regard to supervisory goodwill, the arguments in support of such proposals as the Hyde amendment, to be offered by the very distinguished and able gentleman from Illinois [Mr. HYDE] are compelling insofar as they involve the integrity and credibility of the U.S. Government and the Federal regulators who established agreements with S&L's to take over troubled institutions.

However, until savings and loans have adequate capital investments in their institutions, the Federal Government, and the American taxpayer, will continue to be more financially at risk than the institutions themselves. Continued recognition of supervisory goodwill as tangible capital will only prolong the S&L crisis, and expose the Federal Government to additional losses in the future. Therefore, the gentleman reluctantly must urge rejection of the Hyde amendment.

To use this bill as the legislative vehicle for substantial new social programs will only increase its cost and delay the resolution of the immediate problem before us—the insolvency of the FSLIC. Again, while the arguments in support of these programs may be very tempting, these programs should be considered on their own merits separate from this legislation.

Admittedly, this legislation is expensive and while complex, relatively narrow in purpose, and because of it, the bill has few supportive, well-organized constituent or interest groups. However, unlike other financial bailouts in which Congress and the Federal Government have chosen to intervene—such as Chrysler, Lockheed, New York City, or the Farm Credit System—this a situation in which we have no choice but to move forward to conference with legislation to stop the escalating costs. The FSLIC is insolvent. The longer we delay passage of legislation, the larger the cost of resolving the problem. Currently, that insolvency is growing by approximately $1 billion per month.

There are numerous reasons to explain how the savings and loan industry got into their current situation: poor management; insider abuse and fraud; rapid growth in speculative investments; an inappropriate ideological preoccupation with deregulation by appointees of the previous administration; inadequate supervision by regulators; an inherently incestuous relationship between the Federal Home Loan Bank Board and the institutions it was supposed to be regulating; a nearly covert, last-minute legislative initiative on earlier legislation that increased the deposit insurance level from $40,000 to $100,000; and extremely broad and permissive grants of power under state statutes for State chartered S&L institutions—especially in States like California, Texas, and Florida. Those grants of authority, in connection with highly inadequate regulatory supervision in some of those States contributed very heavily to the disaster that FSLIC, the Congress, the executive branch, and the taxpayers now face.

I regret that this legislation has a crucial flaw in that it does not require those same States and their taxpayers to pay a larger share of the costs for this crisis. Certainly Texas should pay more since an estimated 65 percent of the total FSLIC disaster can be attributed to that State. California should also bear a larger share of the costs. We have thus far been unable to adopt such requirements in this legislation. Without such provisions, this legislation constitutes a massive regional transfer of costs and Federal funds of an unprecedented size. This Member will support any reasonable conference committee effort to correct this major flaw.

It would also be a disservice and a lack of candor if the role and responsibility of Congress, and former key congressional leaders, in contributing to this unprecedented financial scandal was not recognized. Congress, especially the past Democratic leadership of the House and the past House Banking Committee majority leadership, must share the blame for the current S&L crisis because as key leadership of the institution it failed to be diligent in its oversight of the S&L industry and Federal regulators and to act in a timely and proper fashion. The Banking Committee leadership in the body on the other side of Capitol Hill is certainly not blameless either. The influence of the S&L industry which permeated Congress and regulatory agencies contributed to lenient legislative and regulatory treatment of the industry, as did the campaign funding activities of the Democratic Congressional Campaign Committee.

For those who want a well-documented and cryptic account of the current S&L crisis and an explanation of the influence peddling by a few institutions and individuals in the S&L industry, I would recommend to my colleagues that they read chapter 14 of the book by Brooks Jackson, Wall Street Journal investigative reporter entitled "Honest Graft."

Thus, this legislation is, sadly, the unavoidable legacy of the failed and flawed legislative and regulatory policies of the past. From this experience, we should commit ourselves to ensuring that this tragic experience is never repeated—even in a minor fashion.

In conclusion, this Member again warns that weakening the capital standards contained in this bill would be legislatively irresponsible. We must maintain strong capitalization requirements in this legislation and push for other important provisions in this legislation today on the floor, as permitted under the adopted rule, and in conference.

Primarily, I rise to engage in a colloquy with respect to one part of the en bloc amendments now under consideration. The gentlewoman from Ohio [Ms. OAKAR], my colleague on the Banking Committee, previously made reference to the part of the amendments related to personnel, and I would like to ask my colleague, the gentleman from Delaware [Mr. CARPER], who has also been active on a bipartisan task force of the Banking Committee, along with this gentleman, to study the proper number and salary levels of regulatory agency examiners.

At several stages in the subcommittee and committee deliberations, we discussed the necessity of giving the Office of Thrift Supervisor the authority to set the compensation and the number of on-the-line regulatory employees of that office regardless of what the Treasury might intend. That is the intent of the Banking Committee. The same would be true of the Office of the Comptroller of the Currency.

So while it says, "In consultation with the Secretary of the Treasury" I want to make it perfectly clear for the legislative record we are establishing here, and which was established in the Banking Committee and its Financial Institutions Subcommittee, that "consultation" does not in any way mean "control." Treasury is to be consulted, but their advise can be ignored. I would like to yield to the gentleman from Delaware [Mr. CARPER] for any concurring remarks or any other remarks he might wish to make.

Mr. CARPER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I agree that "consultation" does not mean veto power, and "consultation" does not mean the "Secretary can block unilaterally." "Consultation" does not mean the Secretary has to agree with the actions of the OCC or OTS. It means only consultation.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] has 2½ minutes remaining.

Mr. GONZALEZ. Mr. Chairman, I yield the balance of my time, 2½ minutes, to the gentleman from Georgia [Mr. BARNARD], a distinguished member of the Committee on Banking, Finance and Urban Affairs, to conclude debate on these amendments.

Mr. BARNARD. Mr. Chairman, the action of the Rules Committee in permitting these en bloc amendments at this point was, I think, very, very wise. All of these amendments are very necessary. The amendments improve the bill.

We have had a very good and healthy debate on a number of these amendments, and I think it is well that all sides be expressed. We have in these en bloc amendments some very definite improvements to this bill. The amendment having to do with the Ways and Means Committee amendment, amendment No. 2, is a good compromise from what the Ways and Means Committee did. It is very necessary.

The amendment offered by the gentlewoman from Ohio [Ms. OAKAR], No. 51, is likewise an improvement in the bill. It brings into conformity and consistency the salary schedules which we certainly need to be addressing. Likewise, the Annunzio amendment improves the bill. And I am also in support of the Hawkins amendment. So in closing this hour of debate on these particular amendments, I would like to encourage all the Members to vote for these en bloc amendments. They have been well considered. They have appropriately been put into this one amendment, and I think all of them

will lead to the improvement of the bill. So I would like to encourage the Members to support these en bloc amendments, and let us move on to further consideration of the legislation.

Mr. GOODLING. Mr. Chairman, as the ranking member of the Committee on Education and Labor, I rise in support of the committee's amendment to section 1003 of H.R. 1278.

The amendment strikes section 1003 and substitutes a 6-month study by the Federal Deposit Insurance Corporation relating to the passthrough of deposit insurance to individual investors in unit investment trusts and to individual participants in pension and profit-sharing plans that are qualified under section 401(a) of the Internal Revenue Code of 1986. Absent the adoption of this amendment, a 2-year moratorium on passthrough insurance will be imposed on all bank deposits in which such qualified pension plans invest.

Numerous concerns have been raised in connection with the potential disruption such a moratorium would have on the investment operations of both private and public pension plans.

Given the Committee on Education and Labor's jurisdictional responsibility to oversee the regulation of our Nation's pension system and to set pension investment policy, I believe at this time the best course is to adopt the 6-month study which will also allow the committee to hold hearings and afford all parties an opportunity to share their expertise on this complex issue.

The administration also shares these views on the need for a study. For example, the Department of Labor, which regulates pension plans under the Employee Retirement Income Security Act of 1974 [ERISA], also has a strong interest in policies that have an effect on pension plan investment. In a letter from the administration dated June 13, 1989, the Department of Labor stated its position that it is important that no action be taken that would limit the deposit insurance protections currently available to plan participants before the 6-month study is completed. Furthermore, the Department believes that full passthrough of deposit insurance coverage to plan participants should continue during the period of the study required under title X of H.R. 1278.

In an earlier letter to the Congress, FDIC Chairman William Seidman raised additional objections to the moratorium on passthrough insurance coverage under section 1003. Generally, Mr. Seidman expressed concern: First, that the breadth of the amendment would affect not only bank investment contracts but other traditional bank obligations: second, that that amendment would single out pension funds for passthrough restrictions while leaving other investors unaffected, and also that the amendment would interfere with the regulatory interpretations of the Federal Deposit Insurance Corporation.

Given these concerns raised by the two agencies of jurisdiction and the lack of evidence of any harm to the FDIC system of passthrough insurance, I would urge my colleagues to act favorably on the Education and Labor Committee amendment when offered by Mr. GONZALEZ as provided under the rule.

The CHAIRMAN. All time has expired.

The question is on the en bloc amendments offered by the gentleman from Texas [Mr. GONZALEZ], as modified.

The en bloc amendments, as modified, were agreed to.

The CHAIRMAN. The next amendment is amendment No. 2, Supervisory Goodwill.

AMENDMENT OFFERED BY MR. QUILLEN

Mr. QUILLEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. QUILLEN:

Page 235, strike line 4 and insert the following:

cember 31, 1994, contributed mortgage servicing rights permitted before April 1, 1989, pursuant to a written action of the Federal Home Loan Bank Board, shall be

Page 235, strike lines 8 through 14 and insert the following: such paragraph.

Page 237, strike lines 3 through 12.

Page 245, after line 20, insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(8) SUPERVISORY GOOD WILL.—

"(A) Notwithstanding any other provision of law, any capital standard applicable to a savings association pursuant to Federal law—

"(i) shall not provide for the deduction from core, risk based, or other capital of any good will accounted for in accordance with generally accepted accounting principles (including the period and rate of amortization thereof) or as permitted under applicable regulations of the Federal Savings and Loan Insurance Corporation then in effect; and

"(ii) shall provide for the amortization of such good will in accordance with generally accepted accounting principles or on such a basis as specified in a written agreement between a savings association and the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation.

"(B) As used in subparagraph (A)(ii), the term 'written agreement' includes a resolution adopted by an agency with respect to the treatment of good will by a named savings association (or by any successor in interest to which the resolution applies), and any document issued by such agency (or a duly authorized employee or agent thereof) in accordance and consistent with such resolution.

"(C) This paragraph shall apply only with regard to good will that existed as of April 1, 1989 (or resulted from a transaction with respect to which a definitive written agreement existed as of that date), and resulted from a supervisory transaction.".

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. QUILLEN] will be recognized for 30 minutes, and a Member opposed, the gentleman from Texas [Mr. GONZALEZ], will be recognized for 30 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. QUILLEN].

□ 1150

Mr. QUILLEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think that a deal is a deal and, if we cannot trust our Federal Government, who can we trust?

Back in the early 1980's, the Federal Home Loan Bank Board went to some healthy savings and loan institutions throughout the country and said in effect, "You have a good financial statement, you have good management, and we need your help. There are some failing savings and loans in your area. The Federal Government does not have the insurance funds to bail them out, and we need your help. If you will go and take over these failing institutions, we will allow good will to be amotized over a period up to 40 years."

Mr. Chairman, these were healthy savings and loans that were making money and tried to help their Government. They accepted the agreement that the Federal Home Loan Bank Board offered them. The Federal Home Loan Bank Board issued a written commitment and agreement stating, "If you'll do this for us and save the taxpayers money, we'll let you amortize the good will over a period up to 40 years."

Mr. Chairman, they did that. Some 700 institutions are involved. Now the House banking bill reneges on that agreement, the Federal Government's word, the Federal Government's agreement, the Federal Government's contract, and I think that we cannot in clear conscience do away with the word of the Federal Government. After all, who makes the laws? We make the laws that the regulatory agencies comply with, and it is a directive from the administration on down the line.

Mr. Chairman, if the banking bill goes through as now structured, approximately 150 savings and loan associations will go down the drain, in my opinion, and the taxpayers will have to pick up the bill.

We are here today to shore up the savings and loan industry with up to $150 billion of the taxpayers' money. Shore it up we must, but at the same time we must not create another crisis in the savings and loan industry throughout the country. I say to my colleagues, "If you cure a problem, you must cure it in a way that is fair."

Mr. Chairman, my amendment applies to title III, of the banking bill. There is another amendment to be offered by the gentleman from Illinois [Mr. HYDE] that involves title IX, allowing a legal procedure for savings and loans to achieve the same goal.

I find myself here on the floor of the House with an amendment that grandfathers in all of these savings and loan institutions that had such agreements, and it is a good amendment. However, Mr. Chairman, if we are going to debate this amendment, and then debate the amendment of

VOL 135 PT 9 JE 14 — 22 1989 UMI

the gentleman from Illinois [Mr. HYDE], I think it is unfair to the House to do so.

So, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

The CHAIRMAN. Amendment No. 3, the amendment of the gentleman from New York [Mr. SCHUMER] is the next amendment.

The Chair awaits the gentleman from New York [Mr. SCHUMER] to see whether he wishes to offer amendment No. 3.

PARLIAMENTARY INQUIRIES

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, my understanding from the distinguished gentleman from New York [Mr. SCHUMER] was that he had intended to withdraw and not offer his amendment.

Would it be in order for me to ask unanimous consent that the gentleman from New York be permitted to withdraw his amendment, or is it just simply passed over?

The CHAIRMAN. Either the amendment is not offered or the gentleman from Texas [Mr. GONZALEZ] may ask unanimous consent for that purpose, and, if no Member objects, the amendment will be considered withdrawn.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. SCHUMER] be permitted to withdraw his amendment, No. 3.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Chairman, reserving the right to object, I am just trying to figure out what the process is here.

Mr. Chairman, we have an amendment which the Committee on Rules has made in order that the gentleman from New York [Mr. SCHUMER], who was the designated person to offer that amendment, now wishes to withdraw.

Mr. GONZALEZ. Mr. Chairman, that is my understanding.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, may I ask that the gentleman from California [Mr. TORRES] be recognized for purposes of a colloquy on the immediate preceding amendment?

The CHAIRMAN. Could the gentleman from Texas [Mr. GONZALEZ] do that during the amendment time or during the next debate?

Mr. GONZALEZ. Yes, Mr. Chairman.

Mr. HYDE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HYDE. Mr. Chairman, do we have an hour to debate this amendment?

The CHAIRMAN. The gentleman from Illinois [Mr. HYDE] is correct.

The Clerk will first designate the amendment. Then the gentleman from Illinois [Mr. HYDE] will have 1 hour equally divided.

Mr. HYDE. In addition, Mr. Chairman, will I be in charge of the time?

The CHAIRMAN. The gentleman from Illinois [Mr. HYDE] will have 30 minutes, and a gentleman opposed will have 30 minutes.

Mr. HYDE. Mr. Chairman, will I have the right to close debate?

The CHAIRMAN. Under the circumstances set forth in the rule, the gentleman from Illinois [Mr. HYDE] is correct. He will have the right to close debate in this instance.

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, will we be allowed 30 minutes on our side in opposition?

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] is correct.

AMENDMENT OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HYDE:

(b) ACTIONS AND PROCEEDINGS ON GROUNDS OF ALLEGED CAPITAL INADEQUACY.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding after the subsection added by section 913(a) of this Act the following new subsection:

"(x) ACTIONS AND PROCEEDINGS ON GROUNDS OF ALLEGED CAPITAL INADEQUACY.—

"(1) GENERAL RULE.—Except pursuant to the procedures provided in this subsection, an appropriate Federal banking agency shall not take any action under this section, based on the capital requirements determined under section 5(t) of the Home Owners' Loan Act of 1933, with respect to a savings association that—

"(A) meets such requirements but for the exclusion of supervisory goodwill; and

"(B) has a substantial claim that the exclusion of supervisory goodwill would violate either a contractual obligation of an agency of the United States or the Constitution.

"(2) PROCEDURE FOR CONSIDERATION OF CLAIM.—Upon receiving notice of a claim in the circumstances described in paragraph (1), the appropriate Federal banking agency shall afford notice to all interested parties and an opportunity for a hearing on the record to determine the merits of the claim. If the appropriate Federal banking agency determines that the claim is meritorious, such agency shall make an appropriate order with respect to the inclusion of supervisory goodwill in the required capital on an interim or long-term basis as the equities may require.

"(3) JUDICIAL REVIEW.—A determination by the appropriate Federal banking agency under paragraph (2) is a final agency action for the purposes of judicial review under chapter 7 of title 5, United States Code.".

Page 616, line 7, insert "(a) IN GENERAL.—" before "Section".

The CHAIRMAN. Under the rule, the gentleman from Illinois [Mr. HYDE] will be recognized for 30 minutes and the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, as my colleagues know, one of the biggest lies in America is the statement that "I'm from the Government, and I'm here to help you."

Mr. Chairman, this bill undergirds and reinforces the cynicism behind that comment. A fundamental goal of our system ought to be "for every wrong there's a remedy," and part of this bill is radically wrong and perpetrates an egregious injustice, and cries out for remedy.

□ 1200

About 8 years ago the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Bank Board was confronted with about a hundred savings and loans, thrifts, around the country that were failing, that were terminally ill. Now, that is out of a total of approximately 3,000 savings and loans in the country.

FSLIC, the Federal Savings and Loan Insurance Corporation, did not have the money in its insurance deposit fund to take care of the depositors in these 100 institutions, so they talked other institutions into merging with the sick institutions. They got some healthy institutions to merge with the sick institutions.

The healthy institutions said:

Well, what is in it for us? Will you give us cash to make up the difference between the assets and the liabilities of these sick institutions?

The regulators said:

Oh, no, we don't have that kind of money. What we will do is let you count supervisory goodwill, which is the difference between the assets and the liabilities of that sick in-

stitution. We will authorize and permit you to count that as part of your capital structure and you will have to amortize that, turn that into cash over a period of up to 40 years.

Now, these savings and loans were given that concession as a tradeoff for getting half sick themselves, assuming the liabilities and the responsibilities of some failing savings and loans. So the agreement was made, this contract, which includes offer, acceptance and consideration. I have been a lawyer for nearly 40 years and that is my understanding of what constitutes a contract. In reliance on the promise of the Government, these healthy institutions merged with these sick institutions and proceeded to do business.

There would have been no reason to merge. There would have been no reason in God's green Earth for these healthy institutions to assume the liability of the sick institutions unless they were granted the concession of being permitted to count supervisory goodwill.

Now, remember, supervisory goodwill was not the creation of the savings and loans. This is a concept in generally accepted accounting principles that was created by the Federal Home Loan Insurance Corporation as an inducement to the healthy savings and loans to merge with the sick ones.

Now, these mergers, I might add, saved the taxpayers about $13 billion.

I want you to know that the savings and loans that find themselves currently victimized by this legislation are not the bad guys. They are not the high fliers. They are not the fast buck artists that exploited the deposit insurance to make risky investments. Their only sin, the cardinal sin of which they are guilty, was trusting the bank regulators and accepting their word that they could count this accounting procedure, this supervisory goodwill, for up to 40 years, and in reliance on the word of their Government they merged and they tried to make viable and profitable and solvent the sick institutions.

Now, what is the remedy? My amendment does not grandfather-in the sick institutions. My amendment does not erode the capital standards that are set by this bill. It provides a due process hearing, a hearing for these savings and loans that trusted the Government, to their detriment, and merged with the sick institutions, procedural due process on a case-by-case basis before the regulators, not a court, not somebody else, just the regulators.

Now, to qualify for this hearing, and that is all it is, a hearing, no result is mandated, just a hearing, a chance to make your case before the sword falls, before you get supervised by the regulators, before the scarlet letter is painted on your forehead, the same consideration that five blocks away from here rapists and drug dealers and murders get, a hearing before you are punished. That is all it provides.

Now, to qualify for this radical remedy of a hearing before you are punished you have to prove two things: You must prove that you would comply with the new capital standards but for the disallowance of supervisory goodwill. That is No. 1.

The second hurdle is that you have a contract with the Government or a constitutional claim under the fifth amendment which says, and I remind you because we are all dedicated to the Constitution in this 200th year, this bicentennial year, that "no person shall be deprived of life, liberty or property, without due process of law."

Now, I assume when we took our oath that we would defend and protect the Constitution we were serious about it. So I just thought I would remind you that due process of law is part of that Constitution.

So to qualify you have to meet the new higher capital standards but for the disallowance of supervisory goodwill which they promised you could count up to maybe 40 years, and you have a contract. These promises were reduced to writing or are evidenced by documentation, or you have a constitutional cause of action for an unlawful taking.

This reduces the number of affected savings and loans, by our calculation, to 241, 8 percent of the industry. Ninety-two percent of the industry is covered by the new capital standards when this bill is signed, but 8 percent is a special group, 241 out of 3,000, because special circumstances have disadvantaged them and we are seeking to accord them due process. That is all the amendment does.

I am amazed at what the press accounts and the editorial accounts have characterized this amendment as, somehow supporting the high fliers, the bad guys, eroding the capital structure. I do not erode it. I affirm it. I support it. We need strong capital structure and it should be cash or tangible assets, but in our rush to solvency and to symmetry, we ought not to roll over some people whose crime was trusting the Government.

Let me tell you, I have seen movies all my life about the CIA, and other Government agents, they are all portrayed as bad guys, they are amoral, they are cynical, they are assassins, they are underworld people, and I am sick and tired of it. I do not like my Government to be portrayed as less than honest, but I must say if this bill passes some people, 241 businessmen, I know they are not the homeless, I know they are not the schoolteachers lobby, they are just American citizens who had a right to believe in their Government and they did believe in their Government and now they are hurting.

The administration bill introduced a short 3 months ago gave them 10 years to amortize their goodwill, 10 years on a straight line basis, which meant that you could count it all for 10 years. Now suddenly it is down to 5 years and half of it goes in the first year.

We hear about ethics in Government; oh, do we hear about ethics in Government. I am at a loss to determine what is more fundamental to the concept of ethics than keeping your word. All we ask is a hearing. We do not erode. We do not corrode the standards. We affirm them, but before execution on a one-to-one basis before the very regulators that promised these institutions supervisory goodwill, let us have a hearing, not formal, it can be informal. They make the determination whether the thrift can qualify and their order can be anything they want it to be. They can say "close up." They can say shut down or they can say take 10 years. It is entirely up to them. There is no result mandated.

I just want to point out that these S&L's are not free from regulatory sanctions during the hearing process. Any unsafe practice, any unsound practice, and the whole weight of the law can fall down on them, cease and desist orders, take away their insurance, do anything you want, but where supervisory goodwill is concerned, where you promised it to them and they relied on your promise, give them a hearing before you punish them.

□ 1210

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, of course, time is on us. We intend in a bipartisan way to continue, and we have promised to share our time with the distinguished ranking member, the gentleman from Ohio [Mr. WYLIE]. I will restrict my statement to just about a minute or a minute and a half.

Of course, I am in strong opposition to the Hyde amendment, and the reason is simple. If anybody wants to find out what has happened in three States already, including Maryland, where we have thousands of good, innocent depositors who still have not gotten their money back because the legislatures in those States, the regulators in those States did exactly what the gentleman from Illinois [Mr. HYDE] is asking us to do on the national level.

Let us not for 1 minute deceive ourselves as to the impact of the Hyde amendment. It just guts the strong capital standards that the bill, as approved by the Committee on Banking, Finance and Urban Affairs, has approved already.

VOL 135 PT 9 JE 14 — 22 1989 UMI

I urge my colleagues for every reason conceivable in the experience we have had to, please, vote against the Hyde amendment.

Mr. Chairman, during the late 1970's and early 1980's, economic and competitive conditions adversely affected the financial position of many savings and loans and mutual savings banks. High interest rates eroded profit margins and many financial institutions recorded significant losses.

Some institutions received outright financial assistance in the form of income capital or net worth certificates, some institutions were encouraged to dispose of the low yielding loans, take the loss and amortize that deferred loan loss over an agreed upon period, and others were closed and merged or acquired based on a supervisory decision with the acquirer recording goodwill.

In return for taking on a low yielding—not a nonperforming—portfolio of loans, those institutions who acquired troubled thrifts not only received supervisory goodwill but also immediately:

Realized substantial amount of growth, which ordinarily would have been considered excessive and grounds for a supervisory control.

Acquired a well-established branch network giving them a significant edge over their competition and an enhanced ability to generate earnings through fee income and consolidation of activities.

Obtained a substantial presence in a number of States that would have normally been prohibited.

Acquired forbearance from capital maintenance, growth, and earnings standards.

Obtained large amount of core deposits which could be used at their discretion to acquire high quality yielding assets.

In addition to these benefits, institutions that recorded supervisory goodwill as a result of a merger or acquisition of a troubled institution prior to 1983, had an advantage in that they could offset the goodwill—which was reducing income based on a 25-year amortization period—with the loan discount established from the writedown of the low yielding loans—which was increasing income based on a 10-year amortization period. This situation allowed institutions to increase their net income, retained earnings, and therefore increase their capital base.

Furthermore, those institutions that entered into these supervisory arrangements were able to sell the low yielding loans acquired under more favorable economic conditions and realize substantial gains, which also increased their income, retained earnings and capital base.

Based on all these factors it appears that institutions that assisted FSLIC in the resolution of troubled institutions were well compensated and if the operations had been prudently run should have realized substantial capital.

Some Members have stated that in the early 1980's the Bank Board ran out of cash in assisting troubled institutions and begged healthier thrifts to take over failing institutions by allowing the acquirers to record goodwill.

Although it was true that the Bank Board in the early 1980's recognized that they did not have adequate reserves to resolve cases in the traditional way, they did not simply beg other institutions to take on troubled institutions. On the contrary, from January 1981 to December 1984 FSLIC closed 13 institutions and provided assistance in the merger of 116 troubled thrifts. The cummulative assets of FSLIC assisted cases was approximately $70 billion.

In resolving the problems in the industry caused primarily by a mismatch between the earnings generated from long-term mortgages and interest paid on deposits, FSLIC introduced new resolution techniques such as; use of income capital certificates, new worth certificates, negotiable notes, interstate and interindustry acquisitions, and mutual to stock conversions. FSLIC also continued to provide outright cash, indemnification against future losses and guarantees on the earnings of certain assets.

Thus, those institutions that acquired troubled institutions without financial assistance did so on their own behalf, primarily attracted by opportunities for geographic expansion or the creation of new lines of business.

HYDE AMENDMENT

Mr. Chairman, I strongly oppose the Hyde amendment which provides for a lengthy and disruptive administrative appeals process that will have the effect of nullifying the improvements in regulation this bill requires. The agencies responsible for assuring the safe operation of this Nation's savings and loans must be able to act swiftly and decisively when an institution is in jeopardy of failing. The Hyde amendment limits the regulators flexibility and severely hampers their efforts to protect the deposit insurance fund, and ultimately the taxpayers, from additional preventable losses.

Some say "a deal is a deal." I agree. After the Great Depression, the Congress made a deal with the American public. It pledged that deposits in banks and savings associations would be protected from loss. That's why this rescue legislation is before us today. The moneys provided in this bill will allow the Federal insurance funds to keep faith with the depositors in failed financial institutions.

But just as providing the funds for the clean-up is important—it is essential that necessary reforms be made. First on this list is to shift a portion of the risk from the taxpayers to the thrift operators.

Allowing supervisory goodwill to be counted as capital in an unlimited amount or for an indefinite period would provide no real cushion for the institutions' losses. The purpose of a minimum capital standard is to require the savings associations' owners to have an amount of their own money at risk.

According to the Justice Department:

The new capital standards would not constitute a fifth amendment "taking," [of property] or give rise to well-founded contractual claims against the Government. FSLIC's forbearance letters simply do not create an interest that rises to the level of a property right that would limit Congress' power to legislate in this area. A contracting party assumes the risk that Congress may alter, amend, or abolish the statutory scheme upon which an agreement was based. Passage of FIRREA would not cause a failure of performance because the parties involved did not bargain for a promise of inaction by Congress.

Mr. Chairman, in blunt terms, the Bank Board and FSLIC insurance fund managers entered into bad deals—I might even call them steals. We as legislators have a responsibility to restore the public's confidence in our financial system and ensure that this hideous crisis never reoccurs.

Goodwill is not a good deal for the American public or the integrity of its financial institutions.

Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO], who labored very hard, and it was his amendment to the Wylie-Gonzalez amendment that did the very thing that the gentleman from Illinois [Mr. HYDE] says is not being done.

Mr. VENTO. Mr. Chairman, it is imperative that this House reject this amendment. The bill that we have before us does not put any S&L out of business, but we do get some standards for S&L's that are going to be in business in the future in this country.

In other words, the gentleman says that he supports capital standards. He supports the standards, but he is not supporting the implementation of those standards. It is ridiculous. The fact is that he suggests that we cannot correct a bad regulation or a failed policy. That is, indeed, what this has been: a failed policy, a $150 billion failed policy, and our constituents in this Nation, the people we represent, and many of us, are very angry about what is happening.

The Hyde amendment is a $10 or $15 billion proposition, at least, in terms of what is at stake. Let's put the record straight here. Let Congress write some fair rules. Let Congress not adopt and readopt the failed S&L policies of the past. Let us deal with the problem that is persented to us.

The Vento amendment adopted, wrote in committee between myself and the gentleman from Texas [Mr. GONZALEZ] and the gentleman from Ohio [Mr. WYLIE] is fair. Yes, it is tougher than what President Bush sent to us. That is what we are about. We are trying to make certain that this failed S&L policy is not repeated.

I do not question the good intentions of the gentleman from Illinois, but I certainly question the consequence of this Hyde amendment. This is a oneway amendment which provides legal benefits and other advantages for specific S&L's. These S&L's received significant benefits in the merger process. They received tax breaks, they got new franchises, they took some chances. If they want to do business, they can do business, but there are going to be realistic standards in place and Congress must put such standards in place. We do have the power, in fact we have the responsibility, to modify such flawed agreements. We modify tax laws and we

modify other regulations regularly and with deliberation and thought.

Mr. Chairman, I urge my colleagues to reject the Hyde amendment, to reject the premise of it, and to move forward so that we can have a bill that we can be certain will not result in the repeat of the same problems. We have difficulties enough to deal with without exacerbating and reenacting a failed regulators weak standards and policies which the Hyde amendment represents.

Mr. HYDE. Mr. Chairman, I yield 5½ minutes to the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Chairman, I support the amendment. I would prefer to see goodwill treated fairly, but wild and hysterical claims have made rational lawmaking impossible. The amendment is a step toward reversing the frenzied stampede against supervisory goodwill.

No topic in the S&L bill has generated more misunderstanding than supervisory goodwill. It has become, quite wrongly, a scapegoat for the cause of every problem in the S&L industry. It has become the "bloody shirt" of the savings and loan crisis, to be waved about as proof that all savings and loans are bankrupt, that savings and loan employees are crooks, and that the Congress is in the pocket of the industry's lobbyists.

Nothing about supervisory goodwill could be further from the truth.

Institutions with supervisory goodwill have become the innocent sacrificial lambs of the savings and loan morality play. They are to be sacrificed for the sins of the high-flyers, the crooks and the incompetents. Their sin is to still be in business after the wrong-doers are gone. For surviving, and for trying to help the FSLIC with their own money, they are to be punished.

Supervisory goodwill was created when healthy savings and loans agreed to take over insolvent savings and loans. They did so, in many cases, at the urging of the Federal Government to keep FSLIC from having to pay out cash that FSLIC did not have.

Last year FSLIC did not give acquirers supervisory goodwill when resolving insolvent thrifts. Instead, it gave them tangible assets, like cash, and notes backed with the full faith and credit of the United States.

The total cost of the 1988 deals is estimated by GAO to be $62 billion on a cash basis. And who will pay the $62 billion? Our taxpaying constituents will pay that $62 billion, that's who.

Compare that with the thrifts with supervisory goodwill. Those thrifts have written off an estimated $6 billion in supervisory goodwill. That is $6 billion that the Government would have had to pay if the institutions had not assumed the liabilities and losses of the insolvent thrifts. These thrifts paid for those losses out of their own earnings. They have paid the $6 billion, not your taxpaying constituents.

With an estimated $18 billion of supervisory goodwill still in existence, that is a large undertaking. And it will save your taxpaying constituents $18 billion.

If there is a scandal over supervisory goodwill, it will be that the United States broke its word over the approvals of supervisory goodwill.

In all cases involving supervisory goodwill, the Federal Government approved the takeovers.

It is ironic that Congress is willing to leave the 1988 deals basically untouched, but wants to undo the supervisory goodwill approvals.

It makes no sense to me that Congress would uphold the deals that may cost the taxpayer money and then overturn those agreements in which others volunteered to take the losses. Yet that is what H.R. 1278 does.

In December FSLIC gave Ronald Perelman, a man with an estimated net worth of $5 billion, assistance worth $5.1 billion to take over five insolvent Texas thrifts. Included were $2.80 in tax breaks for every dollar he put into the deal. Perelman had no experience in savings and loans, but he was savvy enough not to take any Government goodwill. He wanted, and he got, cash aid.

The news media has been in a feeding frenzy over intangible assets: "smoke and mirrors," "no real capital," "bad accounting." Let's take a look at the business side of the news. The Washington Post Company, $342 million in intangible assets. The New York Times Company, $547 million in intangible assets. Dow Jones & Company, publisher of the Wall Street Journal, $964 billion in intangible assets. Chicago's Tribune Company, $1 billion in intangible assets. Gannett Company, publisher of USA Today, $1.5 billion in intangible assets.

Intangible assets are not good enough for savings and loan shareholders, but they are good enough for media shareholders.

Unfortunately, some Members and the media have decided to make those thrifts with supervisory goodwill the sacrificial offering in lieu of the actual wrong-doers. These thrifts are still in existence and operating. Thus they stand the risk of being punished and wiped out to satisfy the blood lust that has been whipped up.

The amendment is a small step to moderate this misdirected frenzy.

Mr. Chairman, this is a modest amendment designed to restore some sanity to the storm over goodwill, and I urge its adoption.

□ 1220

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I rise in support of the Hyde amendment. I am one of those Members who sat through marathon sessions of the Rules Committee in support of every amendment we could find to strengthen this S&L bill.

Let me just point out what would happen if the U.S. Government did not live up to its word and had to reimburse all of these solvent savings and loan associations who were coerced into buying out the insolvent ones. It would cost billions of dollars if the United States were to be fair with them, billions of dollars paid for by the taxpayers of this country.

I supported the Leach amendment to strengthen capitalization. I supported his amendment to knock out all of the special pork exemptions that are in bill, I supported every way that we could strengthen it. And I support the Hyde amendment to provide due process of law for those solvent S&Ls who did what was asked by their Government.

Let me point out one thing, the Senate bill, which is resting over here right now, passed by a vote of 91 to 8. Do my colleagues know that it has a weakening amendment in it that is much, much worse than what this bill is that we are considering here today?

Let me tell Members that the Hyde amendment is a strengthening amendment, it is a due process amendment which treats the American depositors and the American people fair. Ladies and gentleman, we should be fair and we should support the Hyde amendment.

Mr. HYDE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, in the early 1980s a number of savings and loans were asked by our Government to acquire ailing thrifts in order to help the Government and the taxpayers avert paying billions of dollars in bailout funds. Estimates indicate that these acquisitions saved the Government at least $13 billion.

These institutions did not get cash or FSLIC notes for taking on these ailing thrifts, but instead received what has become known as supervisory goodwill. In agreements with the Government these acquiring thrifts were allowed to write off this goodwill over a period of 20 to 40 years. Their ability to help the Government and get involved in these transactions in the first place was premised upon this agreed treatment of supervisory goodwill. These saving institutions relied on these agreements and would not have gotten involved in these transactions had there not been such agreements.

H.R. 1278 in its present form would require these S&Ls to write off this goodwill in a scant 5 years. This legislation violates the present agreements that these institutions made with the Federal Government and will unnecessar-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ily and arbitrarily turn many otherwise healthy and profitable thrifts into losing enterprises—many of these institutions will be considered in noncompliance with the capital standards in this legislation.

This is unfair and unnecessary. Those of us who support the Hyde amendment are simply asking that our Government live up to the agreements it has made. None of the institutions who acquired ailing thrifts would have done so in the first place had they known the Government was going to change the rules in the middle of the game. Had these S&Ls insisted on cash to take over the ailing thrifts or simply refused to take over those thrifts, the Government would have been forced to pay billions of dollars more in the early 1980s to bail out ailing thrifts. Instead, these institutions helped us out and in return what is this Government proposing to do? Congress is proposing to renege on Government agreements and push the very thrifts who helped us out, down the road of financial insolvency.

How many institutions will trust the Government in the future after seeing Congress abrogate these deals? As our colleague from Tennessee has said "If you can't trust the Federal Government, who can you trust?" Mr. Chairman, "A deal is a deal." If our Government and this Congress is to maintain any credibility and help restore any of its tarnished integrity, we had better act and support the Hyde amendment and ensure that the Federal Government lives up to the agreements it has made.

Mr. GONZALEZ. Mr. Chairman, it is with a great sense of privilege that I yield 10 minutes of our time to the distinguished gentleman from Ohio [Mr. WYLIE], the minority manager.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] is recognized for 10 minutes, and without objection, he may yield time to other Members.

There was not objection.

Mr. WYLIE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the gentleman from Illinois [Mr. ANNUNZIO] who was in the well a little while ago, said that other corporations use goodwill on their books, in their accounting, and he is right about that, but he misses the point. The point is here we are using depositors' money. No money was advanced by a lot of these operators to buy sick thrifts.

It is true that maybe some of them were led down the primrose path and were promised goodwill when they took a sick thrift off the hands of the Federal Home Loan Bank Board, but they recognized a good deal when they saw one. In some cases they have up to 40 years of goodwill carried on their books. In a situation like that, they are not really gambling, they are not really gambling with their own money because they do not have any money up front. They are gambling with the public's money. If the business succeeds, management gets the profits. If the business goes down the drain, the Federal Savings and Loan Insurance Corporation has to pick up the losses, and that is what we are talking about.

That is a real money tree that they have discovered. In some cases, as I say, they may have been led down the primrose path, but we are not talking about naive dunces here, we are talking about smart people who entered into these agreements, and they sensed a good deal when they saw one.

What about the thrift institutions out there who have their 3-percent capital, who are meeting the requirements? There are over 2,000 of them, and we are beginning to hear from them. I got a letter from Great Western and World Savings. They took out full-page ads: "Support the higher capital standards in the House Banking Committee amendment."

I have a letter here from Mr. Shackleford in my own district who says:

> The long-run solution, as we have discussed before, is for S&Ls to meet the comparable capital requirements and risk regulations of commercial banks.

That is another point, 14,000 commercial banks have to meet these capital standards, and 2,000 thrifts already meet those capital standards, as I say. Only 441 are between 0 and 3 percent, tangible capital and most of them are big ones, and they can meet the capital standards requirements, in this bill.

I got a letter from the Governor of Ohio this morning and he said:

> Do not go back on the capital standards requirement. Remember what happened to us in Ohio when we had no deposit insurance and we had no money at risk up front because we did not have any capital requirements.

We went through a very agonizing situation in the State of Ohio. We came out of it, and those institutions now have to have capital up front. They have to have their own money at risk. We do not want to bail out these thrifts that have goodwill as capital. We need these strong capital requirements in this bill, and I urge all of the Members to vote in opposition to the Hyde amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, as usual, the gentleman from Illinois [Mr. HYDE] has made a very powerful case, but the question is whether it is compelling. I would simply raise to the body three modest weaknesses to the Hyde approach:

First, it is shallow constitutionalism; second, it is weak regulation; and third, it is bad public policy.

From the constitutional perspective, it is nuts to think that the Government can be bound forever by deals which were made by a regulator with insolvent funds. The Supreme Court has long held that Federal agencies cannot supersede and override the constitutional powers of the Congress. Let me quote from the Supreme Court of the United States:

> Immunity from Federal regulation is not gained through forehanded contracts. Were it otherwise, the paramount powers of Congress could be nullified by "prophetic discernment."
>
> Those who do business in the regulated field cannot object if the legislative scheme is buttressed by subsequent amendments to achieve a legislative end.

That is the Supreme Court speaking.

Simply put, there is no God-given right to offer federally insured deposits. It is a privilege, not a right.

The Hyde amendment is premised on the assumption that regulators have done a good job. But we would not be here if that had been the case.

Yes, Henry, for every bad deal there should be a remedy. Regulators have given us bad deals, $100 billion worth of bad deals. Now is the time for remedy.

At issue is the question of whether the word of this body should be kept to the industry that has made highway robbery of the American public, or whether it should be kept to the taxpayer who is asked to pay the piper. The analogy that must be kept in mind would be to the National Transportation Safety Board. If a large number of planes crashed and the Board did not toughen supervision of aircraft safety, we would all cry in despair. The fact of the matter is, in the savings and loan industry the wings are falling off. It is time we toughen regulation; it is time we defeat the Hyde amendment and support the President of the United States.

Mr. WYLIE. Mr. Chairman, I reserve the balance of my time.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida, Mr. CRAIG JAMES.

Mr. JAMES. Mr. Chairman, I have listened hard to all the arguments concerning the extremely controversial issue of supervisory goodwill. I fervently support efforts to require the strictest of capital requirements. If we had had the proper Federal regulations in place we never would have plunged into this crisis in the first place. But we didn't—and in the early 1980's the Federal Government approached healthy thrifts and asked for their assistance. Asked that these healthy thrifts assume liability for failing institutions. The Federal Government used as the attraction a bit of accounting wizardry called supervisory goodwill. These healthy thrifts would be allowed to carry this goodwill on their books as an asset. Was this a bad idea? Yes it was. Were Federal regulators wrong to allow thrifts to count as assets something that didn't even exist? Definitely. But our Government promised to allow these healthy

thrifts to use supervisory goodwill in calculating their capital for a period of 20 to 40 years. Our Government gave its word. In return we were able to save billions of Federal dollars that would have otherwise gone toward bailing out these failing thrifts. Now, many in this Congress are recommending that this Government break its promise, renege on its contracts, go back on its word. I cannot support this recommendation. If a government's word is not as good as gold, then its integrity and credibility vanishes. If our Government, if any government cannot be trusted, then we do not have government—we have anarchy. I ask that you vote to retain the integrity and credibility of our Government. I ask that you vote to keep the word and the promise of our American Government. I ask that you vote in favor of the Hyde amendment.

□ 1230

The CHAIRMAN. The Chair will announce that the gentleman from Illinois [Mr. HYDE] has 10½ minutes remaining, the gentleman from Ohio [Mr. WYLIE] has 4 minutes remaining, and the gentleman from Texas [Mr. GONZALEZ] has 16 minutes remaining.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, there ought to be a short story written about the genesis of this legislation. We should call it the Anatomy of a Public Policy. It is quite a tale with all of the intrigue, scandal, and inefficient Government which seems to attract readers these days.

The story is lacking in sex and violence. But what it does have for spice is my dear friend from Illinois [Mr. HYDE]. His amendment is worthy of the House's consideration because it illustrates the real complexity of this issue.

The story is one of financial speculation, economic decline, and Government mismanagement. As the gentleman so well pointed out, it began several years ago when savings and loans across America were going belly up. The Government stepped in and enticed strong savings and loan institutions to merge with weak ones to prop them up. The Government's inducement to do this was fool's gold, a thing called goodwill, which the Government promised to turn into real gold by allowing it as a capital asset.

Now admittedly goodwill is an acknowledged acceptable accounting principle where in the transfer of businesses there really is some bona fide goodwill by name that changes hands. But the principle of goodwill was stretched out to the ultimate in these cases, believe me.

Many good, solid savings and loans bought into that Government offer. I have often wondered why, but they did. They put the fools gold on their books as a capital asset and the Government accepted it.

Now, however, the crisis in the savings and loan industry remains, and the Government no longer has the luxury of offering quick fixes and economic miracle drugs like goodwill.

The problem, which my friend HENRY HYDE acknowledges in his amendment, is that more than 240 savings and loans across the country, many of which are in Illinois, are left holding the bag, and with one stroke of our pen here today we are declaring a solvent institution insolvent because they carry goodwill on their books. That has been a hard one for me to deal with over the last several weeks.

The gentleman from Illinois believes those institutions though they had an honest contract with their Government on the use of goodwill as an asset regardless of how unsound the practice seemed then or now. But I tell you around here every once in a while we pass laws doing exactly the opposite of what we did a few years prior because we though what we did at the time was right but we had to recant and turn around. People have lost great sums of money because of that, in the tax bill particularly. So, while the gentleman's response to the problem may be responsible, I have to ask myself is it really right? I am not so sure. I have serious reservations about it.

We do face an economic crisis now, but we would face one of monumental proportions 3 years from now if we do not take the right steps now. We have to be not only responsible but we have to be right today.

Perpetuating goodwill in these cases, frankly, perpetuates the problem.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

Mr. WYLIE. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. I thank the gentleman for yielding.

I wanted to tell the gentleman from Illinois that I could not support him, it is a difficult decision for me. The problem is not, as Mr. HYDE said, nearly as simplistic as it is being portrayed on the nightly news.

I want to compliment my colleague from Illinois for the honorable motivation behind his amendment and express my appreciation to him for having the courage to present another view that at least deserves to be heard on the floor of this House.

But having said that, I want to urge my colleagues to defeat his well-motivated amendment.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to my friend, the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. I thank the gentleman for yielding.

Mr. Chairman, that is what is known in debating circles as "the perfumed icepick," but I welcome it.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the distinguished gentleman from North Carolina [Mr. NEAL] who has been a stalwart in this battle.

Mr. NEAL of North Carolina. I thank the distinguished chairman for yielding.

Mr. Chairman, I just want to say to Mr. HYDE and to others supporting his side of this argument that I have a good deal of sympathy with their positions. This was, frankly, the most agonizing issue that we had to deal with in committee.

But when you spend time on it, as we were forced to do in the committee, over a number of weeks during hearings, in subcommittee deliberations, in full committee, and so on, you come to the inescapable conclusion that we cannot solve this problem without making sure that there is adequate private capital in this industry. The capital simply is not there.

If we were to allow the continued counting of goodwill which is not worth anything if you have to liquidate one of these failed institutions, then we will be right back here again in a very short period of time.

As agonizing as it is, we simply must reject this amendment. We must make sure that there is real tangible capital in this industry.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, the issue here is "Don't let it happen again." And the way we don't let it happen again is we protect the taxpayers' deposits, protect the deposits and the taxpayers with adequate capital. This bill has adequate capital. The Hyde amendment undermines adequate capital.

We are not violating any promises that have been made. We are putting in new regulatory requirements on cash money, 3 percent, not goodwill, cash money for capital. We are not undermining any promises. There is an available procedure to get an exemption if you are really building up your capital. There is that already.

The process that is due is already there. We do not need any more due process for those people who are going to risk the taxpayers' money. We need to protect the taxpayers' money and see to it that it does not happen again.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LEHMAN].

□ 1240

Mr. LEHMAN of California. This amendment would continue and expand the subversion of the regulatory process that got Congress into this problem in the first place. It would encourage the favoritism to continue and would encourage more legislative meddling in the regulatory process.

Just as a hypothetical, what do any of the Members think a regulator would do if five legislators happened to sit down with him prior to one of the hearings and discuss what ought to be done with good will? I come from a State with a lot of good will on the books. I had to study this issue very carefully, very deliberately. I came to the same conclusion that the administration came to, and the same conclusion that the Senate came to, and the same conclusion that the vast majority of the Committee on Banking, Finance and Urban Affairs came to: That the one thing we could do to prevent this from happening again is to have a strong capital requirement, no exemptions, no exceptions, as the Hyde amendment would permit. We do not close down those institutions, by the way, if they do not meet the capital requirement. We merely require that they provide a plan by which they will meet the capital requirement and we limit their growth until they do. This is a sound policy. I urge a no vote on the Hyde amendment.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, some would have Members believe that S&L's which will not meet the capital standards in this bill would just be closed, closed automatically. No appeal. No hearing. No consultation. Well, let's consider a couple of points. First, over three-fourths of the S&L's in the country today already meet the 1990 standards that are in the bill; over two-thirds of the S&L's in the country already meet the tougher standards that will exist after 1994.

Earlier today, someone said all they are asking for with this amendment is for those institutions not meeting capital standards to have a hearing. Let me take a minute to explain what happens under the bill if an S&L does not meet the standards that are called for in this legislation. They ask for hearings. They go to the chairman of the FDIC, and they say, "We would like to have the opportunity to sit down. Here is our business plan to enable us to meet the capital standards by a date certain. Yes, we are making a profit. No, we are not dissipating our assets. Yes, we are prudent managers." The FDIC has to sit through those hearings. They have to judge the merit of the presentation of each S&L. Then, the FDIC must decide which S&L to exempt from the capital standards.

As a practical matter, my colleagues, we may not have authorized enough money in this entire bill to close down all of the institutions that we need to close down. The FDIC is going to be looking, as a practical matter, for those promising, albeit marginal, institutions that it can help by providing them with short-term exemptions from capital standards which demonstrate the ability ultimately to meet those standards.

I urge my colleagues to stick with the bill and oppose the Hyde amendment.

Mr. HYDE. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in strong support of the Hyde amendment.

Mr. Chairman, one of the greatest complaints the people of this country have about Congress is we make it impossible to plan for the future because we change directions so frequently that people are forced to operate from a defensive position.

We cannot operate in a historic vacuum when creating legislation. We must make laws today with an eye toward what happened yesterday as well as what should happen tomorrow.

To discount supervisory goodwill categorically is to ignore the reasons it was created in the first place and to turn on the very institutions that helped the Government resolve a serious financial dilemma 5 years ago.

FSLIC asked healthy thrifts to merge with insolvent thrifts in the early 1980's. These thrifts did the Government a favor and were made promises in return. Now they're kicking themselves for trusting us.

It is unfair that we are trying to go back on our word. If we don't offer to give thrifts at least a fair hearing we are sending a strong message to all Americans: Don't bother planning for the future. There's a good chance we'll pull the carpet out from under you if you do.

That is not a message we should be sending.

Mr. Chairman, the Hyde amendment does not require the Government to honor all of the goodwill it has previously approved in encouraging mergers. All it does is provide an administrative procedure—a hearing—where the issue can be raised.

Frankly, without the Hyde provisions, it is inevitable that those thrifts that were encouraged to merge—some 240 institutions—will take the Government to court to force us to recognize our commitments and treat them with equity.

Mr. Chairman, Hyde provides the possibility of relief to a small number of institutions. It does not undermine the strong capital requirements of the bill, which I believe should be part of the law I support. But thoughtful Members of this body underrated the obligations of the past and the need, contractually, constitutionally, and equitably, to give them some measure of recognition in fashioning new policy—and needed new policy—for the future.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Chairman, I yield to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I rise today in support of the Hyde amendment. I believe the Hyde amendment improves the capital provisions of the bill as adopted by the Banking Committee. The Hyde amendment does not alter the capital standards one bit. All it says is that if you have supervisory goodwill on your balance sheet, that has been granted by the regulator, then you are permitted a hearing to determine whether your arrangement with the regulator is binding. This represents the most fundamental form of due process.

Critics of Congressman HYDE'S amendment indicate that it will create delay for the regulators in dealing with problem institutions. I believe that the procedures called for by Congressman HYDE are no different than the administrative procedures already utilized by the regulators. I believe that each of the sanctions imposed for capital inadequacy under section 314 of the bill represent "final agency actions" under the Administrative Procedures Act. This means that the regulators' decisions will likely be subject to some form of review even without the Hyde amendment. What the Hyde amendment would do would be to clarify the parameters of a hearing on the goodwill issue. It would create no new hearing requirement but merely tracks current law under section 8 of the Federal Deposit Insurance Act. No greater delay should occur than already occurs pursuant to ordinary administrative enforcement actions. To state that this procedure will add months and years to the resolution of problem cases demonstrates a fundamental lack of knowledge on how the agencies currently conduct enforcement actions. By virtue of this legislation, the Government is reneging on a $23 billion agreement it had with industry members who took the Government's word in lieu of cash or notes that were not available. With this legislation we take this agreement away from the industry in one fell swoop. All Congressman HYDE'S amendment does is to give these institutions their day before the agency to present evidence that they had entered into a binding arrangement. Fairness dictates that Congress should give them such a hearing.

Additionally, I am troubled by the legal precedent we are setting for future FDIC and RTC case resolutions. The documents used in the supervisory goodwill deals were based on documents used in similar private transactions. The Bank Board documents were made as parallel to documents used in comparable private transactions as possible so that the provisions would have a common legal interpretation. No one denies that the underlying documents of the goodwill deals would form a binding arrangement if the agreement was between private parties. If we permit the Government to abrogate these contracts, how will the documents for future case resolutions be

drafted. Will the FDIC have to begin to pay a premium, almost a performance bond, to potential acquirers who will not be able to judge or price the deals they are entering into with any certainty when dealing with the Government. If the supervisory goodwill arrangements are abrogated without even a hearing on the issue, why will potential acquirers rush to pick up new problem cases. I am very concerned by the precedent we are setting here and the precedent Congress is setting for institutions that are interested in dealing with the FDIC or the RTC in the future.

I strongly support Congressman HYDE'S reasonable approach to inject a small measure of due process into the system. I urge my colleagues to support the Hyde amendment.

Mr. DREIER of California. Mr. Chairman, I thank my friend for his very able contribution.

Mr. Chairman, attracting private capital to the thrift industry is something that we all want to see. There is no doubt about the fact we want to continue to encourage it. However, when one looks at what we are doing with this provision of this bill, it is clearly a disincentive for attracting private capital.

In the early part of this decade, the Federal Home Loan Bank Board tried to provide an incentive for strong thrifts to acquire the week; that incentive was provided by way of supervisory good will. What we are trying to do with the Hyde amendment is to recognize the fact that that agreement did exist, and we have to consider recognizing it on a case by case basis.

One of the things that we face as a real threat is legal challenges emanating from virtually every institution which would be denied the ability to count supervisory goodwill. All the gentleman from Illinois [Mr. HYDE] does with his amendment is establish a hearing process. That hearing process could play an important role in eliminating, eliminating, the threat of a legal challenge. I think we need to take that into consideration as we debate this very balanced amendment.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Chairman, the issue of appropriate capital standards for savings and loans, obviously, has been one on which the Banking Committee and the Judiciary Committee have been round and round for many weeks.

Many have suggested, and will suggest during this debate and, indeed, through conference, that a compromise is necessary to permit those with supervisory and other forms of goodwill to be treated more leniently or with special procedures. One of my perspectives is that a compromise has been struck.

When the administration bill was introduced it called for S&L's to have leverage capital equal to that of national banks and provided for a phase-in period ending on June 1, 1991, at which time S&L's not in compliance would be growth prohibited. Leverage capital for national banks is 6 percent. All goodwill could, with the concurrence of the Secretary of the Treasury, be counted for up to 10 years with straight line amortization, even though national banks have virtually none of it on their books now and were totally stopped from posting it in 1985.

The Banking Committee bill and, therefore, the Gonzalez amendment—the last in this king of the mountain round—provides for only 3 percent leverage capital, with goodwill having to be purged from the books, by phases, by January 1, 1994. Moreover, growth is permitted if the S&L can file a business plan acceptable to the office of thrift supervision, or the FDIC.

Members who believe the Banking Committee has been unduly harsh on the industry should recognize that there has been fully a one half cut in the standards which the administration originally recommended.

I would have preferred that we did not get embroiled in what is essentially a very detailed accounting matter, more fit for regulators. Plainly, what I was up against was that the regulatory track record was very poor. Since early in the decade, the FHLBB had ravaged capital standards to the point where they made no sense. The FHLBB rule on leverage capital in place today is simply incoherent. However, a committee made up of regulators, such as the FED, which have a history of toughness, could have addressed this whole area much better and with more flexibility geared to needs and shortcomings of given S&L's.

However, the time for that is passed, and we are stuck with the more narrow approach of complex legislating of capital, something which Congress has avoided for decades. This is so for no other reason than capital needs change. Indeed, the bank regulators are in the process of altering to a whole new system, based on asset risk instead of leverage ratios.

Additionally, the banking formula could have been improved by providing more leniency on goodwill for institutions which have it but which are consistently profitable. The banking language has the shortcoming that it punishes firms without looking at whether they really are successful and not merely leaning on goodwill as a crutch. I would recommend to the conference considering some sort of "bonus" in the growth permitted for institutions made capital deficient by banking's standards but which are consistently profitable.

Despite my problems with the banking text, I found little to recommend supporting any of the amendments permitted by rules except the banking reinstatement language to be offered by Mr. GONZALEZ.

Mr. QUILLEN would not move goodwill off the books as fast as possible. Mr. SCHUMER's accelerated requirements for purging goodwill from the books would ask the impossible. Mr. HYDE's approach concerns the improbable.

By improbable, I mean it is addressed to a problem which I do not believe exists—that some form of property right was vested in acquirers of defunct or failing institutions by the FHLBB when it permitted those acquirers to hold goodwill generated by the acquisition as qualifying regulatory capital. I am persuaded in this by the excellent letter of the Justice Department to Mr. WYLIE of June 12, 1989.

In any event, what we should be doing today is not deciding on whether banking's language violates the fifth amendment's prohibition on taking property without due process and compensation or breaches contract rights. What we should be doing is setting basic policy on S&L capital standards by signalling that the party is over. Supreme Court rulings on contract rights and the fifth amendment in the future will be case by case with all parties being able to present whether they have been specifically wronged.

In conclusion with respect to capital issues, I have sat through literally hundreds of hours of hearings; reviewed thousands of pages of material on the subject; listened to endless conversations; weighed and worried about solutions. The Banking Committee has done just about as well as possible to date. Conference will undoubtedly provide some improvements, especially with respect to technical problems in drafting, but the vote today should be for the document banking has produced.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. Mr. Chairman, I rise today in opposition to the Hyde amendment and in support of the committee's position. The treatment of good will was one of the most contentious issues that we faced in the Committee on Banking, Finance and Urban Affairs during the long deliberation of this bill. Some members on the committee were sympathetic to those institutions that carry large amounts of good will on the books, and recognize that some were responsible institutions, and, in fact, the Government had encouraged these forebearances. Keeping that in mind, we worked to draft a compromise that was fair. Some members would have been willing to discuss stretching out the transition period for the writing off of good will somewhat beyond 5 years as required by the Committee on

VOL 135 PT 9 JE 14 — 22 1989 UMI

Banking, Finance and Urban Affairs bill provided, but there would be reasonable, required adequate tangible capital.

However, I am sorry to say that the Hyde amendment will completely eviscerate these real standards. Some have argued the Hyde amendment is a fair, reasonable approach to the question of good will. Instead, it is an administrative nightmare. Not only would the administrative hearings required by the amendment delay enforcement of the bill's new capital requirements, it would also increase the already difficult burden shouldered by the regulators, diminish their flexibility, and greatly hamper their ability to deal with the S&L crisis. I urge a "no" vote on the Hyde amendment.

Mr. GONZALEZ. Mr. Chairman, I am delighted to yield 1 minute to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I rise today to urge my colleagues to vote against the Hyde amendment. This amendment, in the the most plain and simple terms, is an attempt to keep the cost of running a thrift on the taxpayers of this country rather than the operators of the savings and loan associations. It is this kind of mentality that created the current situation; it is this kind of practice we must stop.

The proponents of this amendment say a "Deal is a Deal" and wear buttons proclaiming this sentiment. But to claim that Congress can never change a regulator's decision even if that decision has already cost our Nation billions of dollars and could continue to cost us billions in the future is simply not tenable.

We change laws constantly. The tax laws are changed all the time to improve public policy without regard to their effect on business decisions made in reliance on prior law. Previously approved substances upon being found to be detrimental to health, are outlawed without regard to previous permissions by the Government. Supervisory goodwill is one of the remaining poisons of the savings and loan industry, and it is time we ended the practice of using it.

If the proponents of this amendment are so concerned that a deal is a deal, they should freeze all past regulatory promises or deals. In their world, banks should not have to change to risk-based capital standards; S&L's should be able to continue all their current capital practices. We all know that to prohibit such changes, based on the supposed sanctity of past deals and decisions, would be wrongheaded and unprecedented.

I agree with the proponents, however, that these changes should not be made lightly. That is why the House Banking Committee worked so long and hard to develop standards that were tough and fair, and that provided considerable administrative flexibility at the end of the phase-in period for the new standards. The provisions that were developed meet our most important commitment: to protect the Nation's taxpayer. It is this commitment and contract that I hope we will follow today.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of North Carolina. Mr. Chairman, I rise today in opposition to the Hyde amendment. This amendment is only forbearance by another name. It guts the capital requirement by delaying action by the FDIC to correct an undercapitalized situation, and ultimately can increase the size of the taxpayers' bailout. The primary cause of the thrift problem was weak regulatory power in a framework of Government deposit guaranty. This and other amendments would perpetuate the problem.

A crucial purpose of the bill is to place undercapitalized thrifts under greater and timely supervisory oversight because they pose a constant risk to the deposit insurance fund and taxpayers. If this oversight can't be exercised during the hearing period called for in the Hyde amendment, thrifts will be able to continue the practices that led to this crisis.

The Hyde amendment weakens the power of the FDIC to work out a viable solution with those institutions who, after 5 years, still don't meet the minimal capital adequacy test. Why, as trustees of the taxpayers' dollars, should we allow a litigious administrative review in a situation that can best be handled between the regulators and the industry.

Hyde is offered on the premise that it allows for a due process review of S&L's who carry supervisory good will. What many don't understand is the bill already calls for case-by-case review. If an S&L does not meet the capital requirements, the result may not be immediate closure, but increased supervisory oversight—exactly what is needed. Regulators will work with the institution under a business plan to bring it into compliance and soundness.

It is these very measures in the bill that maintain the constructive tension that deals with the immediate financial situation, rather than resort to litigation and lack of action. The spirit of the Hyde amendment is right—it is correct to honor commitments made, but only in the interest of preserving a sound thrift and protecting the public exposure in its guarantee of deposits. The bill provides for that in a timely manner.

Supervisory good will is not an asset owned by the thrift, but an accounting treatment granted by the regulators to facilitate a workout in the public interest. I urge my colleagues to support the committee bill and defeat this and other weakening amendments.

□ 1250

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, among the thundering hooves of the lynch mob trying to rid the land of vandals, it is difficult sometimes to hear the quiet voice of reason, but let us think for a moment. The most important investment American families make is their home, and they will have no stake in the S&L industry. They have no stake in what their neighbor next door does when he leaves his home vacant to go to another job somewhere else in another State. But in this process, with the foreclosure of S&L's and the dumping of assets in the marketplace, that innocent person, having no stake in this, will see property values precipitously decline as properties are dumped in the marketplace.

That is fact of life. It is occurring today in Louisiana, and it will occur in other States as this process proceeds.

Let us for a moment think quietly about the cost of resolution. In some cases the cost of closing the institution and dumping the assets is higher than the cost of continued forbearance and the extension of good will. There is no question that a case-by-case resolution of this matter is the most important and the logical way to proceed.

Mr. Chairman, this is not due process just for the savings and loan industry; it is due process for the American homeowner and the taxpayer.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I rise in opposition to the Hyde amendment. This amendment would have the effect of weakening the capital standards which are at the heart of this legislation. Strong capital standards are absolutely essential if we are to resolve the current savings and loan crisis and to ensure that the crisis is never repeated.

One important lesson we have learned through the savings and loan crisis—and we have learned it the hard way—is that deposit insurance works when private capital is at risk. Institutions and individuals with nothing of their own to lose often take greater risks than they might if they had their own assets on the line. That, indeed is what we saw happen in the savings and loan industry, and now the American taxpayer must pay the cost for those failed risks.

The capital standards included in H.R. 1278 as passed by the Banking

Committee were designed to protect the American taxpayer by mandating that institutions must establish and maintain a cushion of real, hard, tangible capital—cash—which will protect the deposit insurance system and the taxpayer. Strong capital standards are the single most important safeguard we can provide.

The Hyde amendment undermines the goal of tough capital standards by placing procedural obstacles in the way of the regulators who are responsible for ensuring that institutions meet the capital standards. The capital standards in this bill are basic—we must resist efforts to allow ailing institutions to drag out the process and thus continue to act as a drain on the resources of the deposit insurance system.

The purpose of the deposit insurance system is to provide a level of safety to depositors in our financial institutions. Let me repeat, safety is the operative word. Proponents of the amendments to weaken the capital standards are basing their arguments on fairness to the thrift industry, not safety of the deposit insurance system. While I, along with my colleagues, am an ardent advocate of fairness, being fair is often a subjective determination. The American taxpayer deserves objectivity here—objective, hard, tangible capital will provide the best protection to the taxpayer—goodwill will not.

Fairness to thrifts will not pay the bill; it will not prevent a reoccurrence of distortions in the accounting system; it will not rebuild the deposit insurance system and maintain that system as a healthy, functioning entity. We, as Members of Congress, have a responsibility to insist on the reestablishment of safety as the primary purpose.

Passage of the Hyde amendment would serve as a disincentive to many companies to take the necessary steps to raise capital. It would allow them to stall by implementing a complex procedure through which they could tie the regulators' hands. Included in the language already in the bill is a provision giving the regulators some latitude in working with institutions that can make a legitimate case that they are making progress toward meeting the new capital standards.

We must be serious in our determination to revitalize the savings and loan industry. We must be serious in our determination to protect the deposit insurance system and the American taxpayer and we must be serious in our determination to see that this crisis cannot and will not happen again. The Hyde amendment sends the opposite message—it says to the thrift industry that we are willing to make exceptions to strong capital standards and that we are willing to drag our feet on a real, workable resolution to the problem.

I understand that this decision may be a hard one for my colleagues. The Hyde amendment is well-crafted. From the standpoint of the thrift industry, the Hyde amendment is appealing. But I caution them that it is dangerous.

We have to choose here between making a decision in favor of the American taxpayer or in favor of the savings and loan industry. The Hyde amendment represents a bail-out for the savings and loan industry, with the taxpayer bearing the cost. I urge my colleagues to make their decision in favor of the taxpayer, not the savings and loans. I urge my colleagues to oppose the Hyde amendment.

Mr. HYDE. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, the debate on capital standards over the past couple of months has escalated from tough to tougher to toughest. Everybody is on this macho legislative trip to make sure we have the most rigorous capital standards possible. We should not settle for less and I do not think there is any dissent on this issue. But the Hyde amendment is not about tough capital standards. The Hyde amendment is about toughness, fairness, and practicality.

Let us think about what we are doing here. We are asking for a case-by-case review of those healthy institutions that had grafted onto themselves unhealthy institutions when asked by the Federal Government.

Those who simply want to be tough, should eat some spinach, go down to the weight room, and ignore what I have to say. But if you want to be tough and fair, you should consider this amendment carefully. We have these institutions with supervisory goodwill. The Federal Government asked them to absorb unhealthy institutions. We are not grandfathering all supervisory goodwill for all time and under all circumstances. We are merely asking the regulators, with the idea that we can avoid additional costs to the taxpayers, to take a look at these 200 or 300 institutions individually. We will be able to identify those that can survive if we amortize the good will as promised. Let them continue to amortize it. We will be able to identify those that should be shut down, and if amortization of goodwill would be accommodation, then the regulators can close the door.

My colleague, the gentleman from Illinois [Mr. HYDE], is not asking for anything more than a case-by-case review of those institutions which absorbed unhealthy institutions at the request of their government. It is reasonable and it is appropriate, to deal with them in this fashion because the $150 billion we have in this legislation cannot cover the potential obligations of these institutions. They are not the "go-go" "high flying" institutions. They were healthy until the government asked them to become unhealthy and gave them time to become sound again. The record should be clear as to the nature of supervisory goodwill.

Goodwill is not permanent, it is transitional. It has a scheduled, defined, limited lifespan. In the case of supervisory goodwill, it can only be carried on the balance sheets for a limited period of time as agreed to by the acquiror and the Federal regulator. Under generally accepted accounting principles, goodwill is normally carried on the books from 10 to 25 years. The deduction of goodwill from a company's or financial institution's balance sheet over time is referred to as "amortizing" the goodwill.

Amortization means liquidation. A company's goodwill disappears over time. As it disappears, it must be replaced by net income from business operations or some other form of capital for the company to maintain its net worth level.

Tangible replaces intangible. Amortization requires replacing intangible capital to maintain net worth. Most thrifts have been and continue to replace goodwill with tangible capital. Goodwill is no different in this respect from any other assets which are subject to depreciation on the theory that they do not last forever and the portion used up in a particular year should be written off.

Goodwill is an asset. It is so recognized by thrift regulators, the Securities and Exchange Commission, and the standards of the accounting profession. Goodwill exists for all types of companies, including thrifts, newspapers, and manufacturers. It represents the "going concern" value of a business acquired, including its customer base, reputation, and location.

Goodwill, however, is not and should not be a component of capital for banks or thrifts. A tough, tangible core capital requirement is the proper goal that should be established in this bill. But, it is vitally important to keep a few important points in mind in establishing this goal. First, we must consider how future deals will be impacted by reneging on standing agreements with the U.S. Government. Second, we must consider whether, on a case by case basis, some institutions, those who have considerable equity at risk, continue to raise significant capital, are profitable and have been amortizing the goodwill should simply have an opportunity to be considered by the Federal regulators for some leniency on the deduction of goodwill from capital. In order to enable them to continue to raise capital unim-

paired, the regulator must make this determination before they are determined to be unsafe and unsound, are placed under a supervisory arrangement and have their growth controlled. Most importantly, it provides the regulators with sufficient flexibility to avoid spending taxpayer money to seek acquirors or to liquidate what are essentially viable institutions. Similar, less restrictive, language is proposed by the Office of the Comptroller of the Currency for national banks.

Such an approach would not undermine the tangible standard and would not provide for a general grandfather of goodwill. It would simply provide the regulator with flexibility concerning the most viable institutions with goodwill accumulated in federally supervised transactions.

I urge my colleagues to support the Hyde amendment which enables those institutions that have this supervisory goodwill to have their cases reviewed individually. It is that sinple, but that important.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, let me first of all thank the chairman of the committee for yielding this time to me.

Mr. Chairman, we read in the newspapers that the killer bees are on their way to this country. I think they have arrived in the Chamber today in the form of the Hyde amendment, because clearly this amendment goes right to the heart of this bill, and if in fact it is adopted, I think in a few years we are going to have to revisit this financial crisis.

Throughout the entire debate on this issue, the S&L's came before the committee opposing every portion of the bill. They opposed regulation by the FDIC, they opposed increased premiums, and at the end of all this opposition they said they want the same logo as banks. So they want to look like banks, they want to talk like banks and they want to smell like banks. But when the committee provided the same capital standards that banks have, then they said, "Well, we don't want to be banks anymore."

Mr. Chairman, I ask the Members to oppose the Hyde amendment. Wisconsin's S&L's are already at this heightened capital standard. I think it is time the rest of the industry followed suit, and let us stop the buzzing.

Mr. Chairman, we'll hear one argument over and over.

Thrifts which were able to work out deals with FSLIC earlier in this decade which allow them to operate with no real capital will argue that they should be allowed to maintain those low standards.

The slogan of the day? "A deal's a deal."

If anyone should be arguing that "A deal's a deal," it should be the taxpayers.

The deal they made with the savings and loan industry was that our system of deposit insurance would be financed by the industry itself, not by the taxpayers.

The industry has told the Congress: "That deal's off. We want the taxpayers to bail us out."

We haven't heard much about the abrogation of that particular contract.

Those who lobby for favorable treatment for thrifts which hold substantial amounts of goodwill make the case on behalf of the stockholders of their thrifts.

Each of us, however, represents approximately 500,000 stockholders. When we throw around slogans like "A Deal's a Deal," let's keep in mind that they're entitled to a hearing as well.

To protect their interests, I urge my colleagues to vote against the Hyde and Quillen amendments to reduce capital standards.

Mr. WYLIE. Mr Chairman, I yield 2 minutes, the balance of my time, to the gentleman from Wisconsin [Mr. ROTH].

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, the Hyde amendment should be opposed. It guts the bill, and it is totally unnecessary.

Mr. Chairman, I rise in opposition to the Hyde amendment which would gut the important and necessary capital requirements of the bill.

Strong capital requirements are essential to correct past mistakes and protect against incurring significant new costs to the insurance funds and the American taxpayer.

The Hyde amendment would seriously jeopardize the process under which the regulators can protect the insurance fund and weed out weak institutions. Which of course, was implicit in the President's promise of "never again."

Goodwill agreements are essentially regulatory forebearances and not contracts. There is no constitutional imperative here.

The Justice Department has determined that the imposition of new capital standards would not be a governmental appropriation of private property since goodwill is not tangible property.

An agency may limit its own discretion under a regulatory scheme but it cannot limit Congress' power to modify that scheme in the future.

This legislation already permits goodwill to be counted for 5 years. This should be enough of a commitment for those thrifts have goodwill. Permitting 20 or 30 years of goodwill accounting is well beyond the reasonable for the crisis we are in.

The bill before us already provides a process under which S&L's not in compliance with the capital standards can remain open and operation. This discretion is encompassed in the Vento-Roukema Amendment adopted in the Committee.

The Hyde amendment will be dilatory and will permit unnecessary delays in making the S&L industry safe and sound.

The President opposes this amendment. The Home Loan Bank Board, the FDIC and the Comptroller oppose this measure.

I urge defeat of this amendment.

Mr. ROTH. Mr. Chairman, there have been a lot of tears shed this morning about the poor people involved in the takeover of these S&L's. I would like us to come down from the clouds into the real world. Let us take a look at some of these takeovers, are really sweethearts deals.

In one deal, for $350 million last year and $150 million this year, the buyers are taking over $8 billion in goods assets. In addition, they have a guarantee against loss for 10 years. What other business in the United States of America has guarantees like that?

The only people who are losing under this legislation are the taxpayers. In many of these takeovers, the purchasers also get fat contracts from FSLIC to sell off the bad assets, which the Government kept. They have everything to gain and nothing to lose.

□ 1300

Mr. Chairman, when we talk about the savings and loans and goodwill, we are not talking about all 2,900 savings and loans. We are only talking about 750 S&L's that are involved with goodwill. This is not chicken feed. This is not penny ante.

Mr. Chairman, half of all the capital in the S&L industry is in goodwill, amounting to $23 billion. This is a big, big issue. This is the guts of this bill.

I hope my colleagues will vote no on this amendment. Goodwill is nothing but smoke. Goodwill is nothing but cotton candy. It looks good, it looks inviting, but, if an S&L had to bite into it, there is nothing there.

I say to my colleagues, "If you adopt this amendment, this will be nothing but a blatant bailout."

This amendment is really the taxpayers versus the S&L's. First it was a $10 billion problem, then a $15 billion problem. Now it is $284 billion. Where is it going to end?

I say to my colleagues, "This amendment is milking the taxpayers like you milk a dairy cow."

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. HOAGLAND], who has been supportive and stalwart.

Mr. HOAGLAND. Mr. Chairman, I appreciate the kind remarks of the gentleman from Texas [Mr. GONZALEZ] and his yielding this time to me.

I have some prepared remarks here. It is with considerable reluctance that I oppose the Hyde amendment. It has not been an easy decision to determine what to do on the supervisory goodwill issue. I recognize the equities in favor of it. I have a problem concerning supervisory goodwill in my district that makes the decision particularly hard

for me, but I think in the end we have simply got to oppose the Hyde amendment for the reasons stated in these remarks I will put in the RECORD.

In the meantime, Mr. Chairman, given the limited time I have here today, I think it would be helpful to remind the body that President Bush has taken a strong position on this, and I would like to read his words to our Speaker in a letter dated yesterday. This is just a paragraph from page two of the President's letter:

I adamantly oppose each of the proposed amendments that will be debated on the House floor concerning supervisory goodwill. Giving recognition to goodwill as capital or creating procedural changes that could have the same effect is not justifiable. There should be no mistake. This matter goes to the very heart of my determination to clean up the abuses of the past among the savings and loans, about which every voter is entitled to be outraged. Each of the amendments to the tough capital standards proposed by the Banking Committee would render this bill unacceptable to me.

Mr. Chairman, the Hyde amendment to section 926 provides certain savings associations with an opportunity for an administrative hearing concerning the treatment of supervisory goodwill.

This amendment was offered and defeated in the Judiciary Committee. It would make it very difficult to take enforcement actions against institutions that have supervisory goodwill.

This provision will only serve to weaken the existing language in the bill regarding an institution's right to apply for an exemption from regulatory action.

This amendment would allow an undercapitalized institution to continue to grow without restriction for an indefinite period of time while it had an application for an exemption pending with the FDIC or office of thrift supervision.

This amendment would also allow an undercapitalized institution to be granted an exemption from growth restrictions contained in the bill's existing language. The current language of the bill allows an institution to apply to the appropriate regulator for an exemption from any regulatory sanction or penalty except the growth restriction.

It is essential that undercapitalized institutions not be permitted to increase in size without the supervision of the appropriate regulator. Widespread unsupervised growth of institutions without sufficient capital to support this growth is one of the primary reasons why the Nation's thrift industry is in the crisis it is in today. If we are to prevent the continuation of this crisis, we must put an end to the factors such as uncontrolled, undercapitalized growth, that led to the crisis in the first place.

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the Hyde amendment. I opposed it in the Committee on the Judiciary.

Mr. Chairman, I rise in support of H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act, and in specific opposition to the Hyde amendment. The issue we face today is the preservation of the safety of our Nation's financial institutions. Make no mistake about it; our financial institutions, and particularly the savings and loan industry, represent a potential ticking time bomb for American financial security.

Critics charge that the savings and loan industry is responsible for the massive problem we face today, arguing that negligent, and in some cases fraudulent investment decisions, were made by greedy management looking for a quick profit and an unrealistically high rate of return. Others blame Congress for deregulating thrift institutions and giving them new powers to make risky loans without effective oversight. Clearly, the Reagan administration deserves partial responsibility, for refusing to hire enough auditors and inspectors to guard against fraud and abuse, and for failing to enforce the law when it had reason to believe depositors were threatened. Finally, the regulators from the Federal Home Loan Bank Board and the FSLIC worked with many savings and loan institutions as if they were all business partners as opposed to the arms-length relationship of regulators that is demanded by the American people. All of these allegations are substantially true, but even more clear is the fact that American depositors and taxpayers are not at all responsible for the massive fraud and mismanagement.

It is a primary function of government to protect the bank and savings accounts of Americans. The consequences of deregulation and minimal government are now coming home to roost to the tune of hundreds of billions of dollars. We must respond to the concerns of the average American who has a simple message: Make certain my hard earned money is protected; make sure my savings are there so I can buy a house; make sure my money is safe so I can send my children to college. The fox cannot be trusted to watch the chicken coop, nor can a financial institution be charged with self-regulation; it doesn't work and always endangers the savings account. As such, our laws need to be toughened to insure that managers and owners of S&Ls act as trustees of the money in accounts, that the Government employs enough auditors and inspectors to properly scrutinize the industry, and that we fully enforce civil and criminal laws if violations are found to have occurred.

Strong capital standards, tight regulation, and harsh penalties are at the heart of this bill. Our votes on these issues will test whether this Congress legislates for specific financial institutions or for the taxpayers of the United States. We are in a crisis situation. Tough reforms must be made to prevent future failures and to restore consumer confidence in our savings and loan industry. Without adequate capital standards, up to $1 trillion of savings and loan assets could be at risk. At risk to the owners? No. At risk to the insurance fund and the taxpayers. This legislation, H.R. 1278, provides that the first dollar of risk be borne by the owners, not by the taxpayers. Without their own money at risk, the owners have no incentive to operate in a safe and sound manner.

And to my friends on the Democratic side of the aisle, I ask who are our constituents here? Will we bow to pressures from politically well-connected businesses, pressures which attempt to erase the distinction between ours and the Republican Party; or will we take a stand for a fundamental, middle class, Democratic message—the protection of the savings of average Americans? While most savings and loan associations are run by honest people, the question must be asked—Will Democrats prop up the failing fortunes of some high-flying businesses that may have imprudently invested millions of dollars? Or will we insist on a regulatory structure that will protect and secure the owners of those millions from unwarranted risk? Let's reassert the traditional Democratic belief that government has a role in protecting the safety of our financial institutions. Our fundamental concern must be with middle class Americans who want to know that their money is protected from undue risk in junk bonds, the commodities market, or empty skyscrapers. We must take a decisive step to once again make government work for the average citizen through a rigorous and fair regulatory system. The Hyde amendment represents an indirect way to reduce the capital requirements, and an inefficient way at that. As the Wichita Eagle-Beacon stated in its editorial, June 16, 1989 entitled "S&L Thievery": "Perpetuating the mechanism that allowed the plundering—and led to billions in losses to American citizens—is indeed, as one industry source said, "like giving a new ax to Lizzie Borden." There is absolutely no reason to believe the same thing won't continue to happen without strong capital requirements." The Hyde amendment, while well intentioned, perpetuates the problems and jeopardizes the savings of average savers and depositors. We must be fair to savings and loan associations, but more importantly we must be fair to the tens of millions of depositors, savers and taxpayers who have their money in the bank and who will foot the bill of the problems of the past.

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, I rise in opposition to the Hyde amendment.

Mr. Chairman, the capital requirements as reported by the Banking Committee are fair and will provide additional protection for the savings of the American people and as importantly will help prevent further taxpayer involvement to support the insurance fund of these thrift institutions.

As has been said here many times today, the capital requirements in the bill have been increased and tightened during the considerations of both the subcommittee and full committee. The 3-percent tangible capital level to be attained over a 5-year period allows for an orderly transition from the phantom capital positions of many institutions.

The Banking Committee considered and debated the many options proposed for inclusion in the revised capital requirements. Subordinated debt, supervisory goodwill, GAAP goodwill, convertible debt, purchased mortgage servicing rights, retained mortgage servicing rights, loan loss reserves, capital forebear-

ances, risk based capital, leverage ratios and core capital were all examined, discussed, and in many cases voted upon. The committee's work was inclusive and encompassing and the capital requirements that were finally fashioned provided a sound capital base for these institutions.

The capital requirements serve as a first line of defense against abuse and fraud. In addition to this a strong, stable, and competent field examination force must be in place to examine and review the actions of the thrift institutions. The hearing record is replete with references to lapses in the frequency and thoroughness of these examinations, exacerbated by efforts in the early 1980's by the Office of Management and Budget in the White House to reduce the number of examiners.

Some have claimed that the Congress encouraged lax examination practices because Congress did not authorize or appropriate enough funds to provide for adequate examinations. It is very important to understand that Congress does not appropriate funds for the examination process because the examination process is self-sustaining through fees levied on the thrift institutions that are examined.

Thrift institutions pay an annual fee based on the amount of assets held by the institution and a special examination fee that is assessed at the time of an examination. This fee is based on an amount paid each day an examiner is in the institution. For the year ended June 30, 1988, these fees amounted to $96.2 million for the entire Home Loan Bank System. The examination system is funded by these fees independent of congressional authority.

I supported Chairman GONZALEZ' first amendment this morning, which provided a clear and uniform pay structure for all the examining agencies. It was needed and makes clear that Congress regards the examination process a most important part of the safety and soundness of this Nation's thrift institutions. I also oppose this amendment, which would reverse a basic amount of hard capital to protect the savers of this country. I urge its rejection.

Mr. FRENZEL. Mr. Chairman, I rise today before the House to oppose the Rostenkowski amendment. This amendment would place H.R. 1278's funding mechanism on-budget while exempting it from the Gramm-Rudman deficit calculations. The amendment's supporters justify their position by stating that the Banking Committee's version of this bill furthers budget gimmickry and that it adds to the resolution cost by eschewing cheaper Treasury borrowing.

Even if true, there is no evidence that this amendment would address these concerns. I opposed this amendment in the Ways and Means Committee, and I believe that the reasons for doing so are as cogent now as they were then.

Proponents of placing the Resolution Funding Corporation [REFCORP] on-budget argue that it would somehow be more honest. This is simply not true. Would it be more honest to go back on the agreement that was reached in the 1990 Bipartisan Budget Summit? Would it be more honest to turn our backs on the assumption that was made in the House budget resolution, in the conference agreement we reached with the Senate and in the concurrent budget resolution? No, it would not. Yet that is precisely what this amendment's backers want us to do, all in the name of honesty.

They respond that this amendment would result in more honest budgeting. Again, this is not the case. This amendment would put REFCORP on-budget while simultaneously taking it off Gramm-Rudman. Is this more honest? When we brought the budget resoluton before the House, Member after Member rose to attack the practice of having social security off-budget but on Gramm-Rudman as a charade. I ask you, how do these cases differ? This amendment would have us repeat this legerdemain by adding to the budget but subtracting from the deficit.

If it is honesty that is desired, then I suggest my colleagues vote to put this on-budget and on Gramm-Rudman. They will get that opportunity when the House next considers the LaFalce amendment. After you have voted for this honesty I suggest you get ready to explain to your constituents why you have decided to impose a $20 billion sequester on the rest of the budget.

The other argument of this amendment's supporters is their claim that it will save $150 million per year due to the interest rate difference between Treasury and non-Treasury borrowing. In fact they have gone farther still. They claim there exist savings of interest on interest. Finally they also state, that if Treasury did the borrowing it would be able to issue debt of various maturities which would enable it to capture the most advantageous interest rates.

As Treasury points out, the slighest doubts on Wall Street concerning Gramm-Rudman's continued efficacy could result in a $250 million increase in servicing the national debt with only a single basis point rise. The market's negative reaction will be all the more likely and severe should another program follow this example. I am told that the economic expertise of Wall Street prevents them from seeing this circumvention of Gramm-Rudman as a precedent. This is not a question of economic expertise but of political acumen. And I ask the august experts seated before me, How many of you do not see a loophole large enough for virtually any program to fit through?

As for the arguments about interest on interest and for savings from Treasury's ability to issue debt of varying maturities, let me quote from a Congressional Budget Office letter to Representative CHARLES SCHUMER dated June 6, 1989. CBO writes concerning the issue of debt maturity: "CBO believes that there is no clear basis for projecting such savings." In regards to the question of interest on interest CBO states: "While interest costs have become a major component of Federal spending, we question how useful it is to measure a program's cost by including financing costs ad infinitum." The CBO letter follows this statement.

If Members are seriously concerned about minimizing the Government's costs of resolving the S&L crisis then let me remind them of two facts. First, the longer we delay in getting a bill out and putting money into the hands of the regulators, the higher the total resolution cost. Experts have put this cost of delay as high as $1 billion per month. This amendment does nothing if not add to the time that will be consumed in crafting a final version with the Senate which has already defeated a similar attempt.

Second, rejecting this amendment forces the thrift industry to assume the maximum amount of resolution costs. This is because the administration crafted its plan, which the House Banking and the Senate adopted, in order to require the industry to offset the resolution's principal expenditures. If these payments are not forthcoming from the industry, the plan will not be scored as off-budget. What guarantee can this amendment's proponents offer you compared to this one? They have none, and they have none because once the principal is excluded from Gramm-Rudman deficit calculations there is no real budgetary reason why the industry's contribution is necessary. If we are not counting the principal costs anyway, why do we need to worry about defeasing it?

I agree with this amendment's supporters in their desire to achieve honesty and to reduce the cost to the American taxpayer. The best way to achieve honesty is not by abandoning the deals we have already made or to legislate further budget obfuscation. The best way to save the American taxpayer money is not by abandoning the most effective deficit reduction tool we have—Gramm-Rudman. The best way to achieve the ends that this amendment's supporters embrace is to vote against their proposal.

The savings and loan crisis is too large and too immediate for a perfect solution and admittedly, the administration's plan is not perfect. Yet it is the best, most comprehensive plan we have for dealing with this catastrophe. We should pass it without this amendment. The letter follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 9, 1989.

Hon. CHARLES E. SCHUMER,
Task Force on Urgent Fiscal Issues, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am pleased to respond to your request that the Congressional Budget Office evaluate and estimate certain incremental costs that may be associated with off-budget financing of savings and loan resolutions. Your letter mentioned three types of costs: (1) additional interest costs resulting from the use of long-term debt rather than Treasury's selection of maturities; (2) Treasury's additional interest costs on the borrowings needed to finance the extra cost of REFCORP securities; and (3) the administrative and issuing expenses of REFCORP. I will discuss each of these separately.

DEBT MATURITY

Mr. Bert Ely, in his testimony before your task force, indicated that one of the advantages of Treasury financing would be the flexibility to use short-maturity Treasury bills rather than the 30-year REFCORP bonds anticipated in the Administration's plan. He suggested that by using short-term financing for several years, and then shifting to long-term Treasury bonds when long-term rates are presumably lower, the Treasury would save billions of dollars in interest costs.

CBO believes that there is no clear basis for projecting such savings, because the Treasury does not manage the debt in the way that Mr. Ely suggests. That is, the Treasury does not seek to minimize interest costs by shifting large amounts of borrowing among different maturities. Rather, it borrows funds using a wide range of maturities, from three months to 30 years. In managing the debt, the Treasury tries to balance many objectives, taking into account its significant influence on the financial markets resulting from the large size of its offerings and its access to information on future government policies. It has particularly emphasized regularity and predictability. While short-term financing might appear superior on occasion, the Treasury has generally avoided excessive reliance on it, because such debt must be constantly refinanced and heightens the budget's vulnerability to interest rate fluctuations.

While the Treasury borrows in every maturity, it has met the bulk of its financing needs since the early 1980s by selling medium- and long-term securities. Annual totals vary, but the Treasury has typically met about three-fifths of its net marketable financing needs in maturities of five years or more (and about one-third in maturities of 20 to 30 years). For the first seven months of fiscal year 1989, about three-fourths of Treasury's net market borrowing has been in maturities of five years or more. The Treasury has said on many occasions that it seeks to continue lengthening the maturity of the federal debt. (In any event, since the Treasury does not auction debt for specific programs or purposes, it would be impossible even after the fact to ascribe specific Treasury issues to the savings and loan legislation.)

There is some question as to whether the Treasury, if it tried, could successfully reduce interest costs by guessing future interest rates and shifting its financing mix accordingly. As a rule, though, it doesn't try.

INTEREST ON INTEREST

CBO has estimated that under H.R. 1278, as reported by the House Committee on Banking, Finance and Urban Affairs, the interest rates on REFCORP securities would exceed the rates on similar Treasury issues by 40 basis points in 1989, by 35 basis points in 1990, and by 30 basis points in 1991. On $50 billion in REFCORP securities, the additional interest costs would come to about $75 million a year. The added costs of the REFCORP securities would amount to $1.5 billion over the fiscal years 1989 through 1999, and such costs would continue to accrue through the year 2022.

In his testimony before your task force, Dr. David Jones pointed out that the Treasury would have to borrow in order to pay these additional costs, further increasing the government's interest costs. CBO estimates that over the 1989-1999 period the government would incur another $0.7 billion in interest costs in order to finance the $1.5 billion in added outlays for the REFCORP securities.

While interest costs have become a major component of federal spending, we question how useful it is to measure a program's cost by including financing costs ad infinitum. The cost of dams, aircraft carriers, and the operations of government agencies are not usually measured by including their effect on interest on the public debt. Similarly, a home purchased for $100,000 may result in mortgage payments totaling $400,000 over 30 years, but the cost of that home is usually considered to be $100,000. Finally, the value of a dollar 20 or 30 years from now is vastly different from the value of a dollar today; thus, adding together a stream of dollars over many years produces a total that has little economic meaning.

A more meaningful measure of costs would be a discounted present value calculation, which measures the value today of a future stream of cash flows. Depending on the interest rate differential assumed and the discount rate used, we estimate that the use of REFCORP financing rather than Treasury debt would add between $1.5 billion and $2 billion, measured in 1990 dollars, to the cost of the savings and loan legislation.

ADMINISTRATIVE AND ISSUING EXPENSES

Administrative and issuance costs necessitated by the creation of REFCORP would be negligible in comparison to the other costs involved in the savings and loan legislation. REFCORP would have no employees of its own; its functions would be performed by employees of the Federal Home Loan Banks and its administrative costs would be covered by the banks. Issuance costs would also be small. For example, the Financing Corporation (FICO) in its first 16 months of existence (through December 31, 1988) issued $5.85 billion worth of bonds and incurred issuance and custodial costs totaling less than $0.8 million. Such costs for $50 billion in REFCORP bonds would probably amount to several million dollars, mostly in the next three years.

Dealer concession fees would be more substantial but they are encompassed by the interest rate spreads assumed for the REFCORP bonds relative to Treasury issues. (About 5-6 basis points of the spread are probably attributable to such fees.) Such costs are therefore already reflected in our estimate of the added interest costs for the REFCORP bonds.

CONCLUSION

CBO believes that the government would save money by financing the savings and loan resolutions through Treasury borrowing rather than REFCORP bonds, because funds could be raised more quickly and at lower interest rates. In our view, the three factors you identified in your letter do not significantly affect the amount of the savings when measured in present value terms.

If you wish further information on these matters, we will be pleased to provide. The CBO staff contact is Robert Sunshine, who can be reached at 226-2860.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Mr. DONNELLY. Mr. Chairman, I am in strong opposition to H.R. 1278, the savings and loan legislation. This legislation places an outrageous burden on the backs of the taxpayers of this country and suggests that they should pay for the scandalously lax regulation of this industry during the early part of the decade.

Mr. Chairman, this problem has been coming for 5 years. In 1984, the State of Ohio faced an S&L crisis. In 1985, former Governor Hughes of Maryland called the State legislature into emergency session to resolve that State's S&L crisis. The point is, the regulators of the S&L industry saw this coming, knew or should have known this was coming, and did nothing.

To his credit, President Bush took steps within 2 weeks of his assuming office to begin to deal with this crisis. Unfortunately, the Bush plan—and this bill—place the burden on the taxpayers of America to the tune of $50 billion—and the Washington Post reported 2 weeks ago that the cost could easily be $100 billion.

Much has been said about this legislation, and how it will prevent this crisis from occurring again. That is just not true. The solution offered puts honest taxpayers on the line to bail out unscrupulous thrift administrators and those who had the legal and the moral responsibility to regulate this industry. I will not be a party to this waiver of liability.

Let me give you just one example of how the industry views its level of responsibility. Prior to the date on which the Committee on Ways and Means adopted title 14 of this bill, there were three enormously generous tax benefits available to purchasers of financially troubled S&L's. The committee adopted my amendment to repeal these benefits, which Tax Notes magazine has called the last remaining tax shelter.

As a result of the tax benefits available, we have a situation where $4 billion of tax breaks were given away to cosmetic manufacturers, automobile companies, and investment bankers when they acquired financially troubled S&L's for the tax benefits available. Those acquisitions illustrate the feeding frenzy the industry went on up to the last possible minute—and it is that type of behavior which H.R. 1278 would excuse.

Ironically, I was denied my right to offer an amendment which would have recaptured those tax benefits. Were I allowed to offer my amendment, the industry could have at least—in some small way—paid back the taxpayers of this country for the mess they created. But my amendment was not allowed. I have no choice but to oppose this bill, and I urge its defeat.

Mr. KYL. Mr. Chairman, I rise in support of H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act.

I intend to vote for the bill for one simple reason: It protects depositors—not those savings and loan [S&L] executives who squandered millions of dollars, and not the shareholders or bondholders who invested in those S&L's, consciously risking their money. It protects depositors.

This bill tells Americans who put their money in accounts insured by the Federal Savings and Loan Insurance Corporation [FSLIC] that the insurance wasn't just a scam. The Federal Government made a commitment to back their accounts to $100,000, and it will make good on that commitment.

Moreover, the bill includes a number of tough requirements that will ensure that this debacle isn't repeated. For example, its higher capital requirements will promote more prudent investment decisions, guard against future losses, and, in the event of losses, minimize the need for additional taxpayer dollars. I strongly support these capital requirements.

Some S&L's will litigate the issue of removing supervisory goodwill from capital on grounds that they had a binding contract with the Government allowing them to include goodwill. I will support the Hyde amendment because I believe it will provide a better proc-

ess for resolving the issue of how to treat supervisory goodwill. An administrative determination is usually much quicker than litigation in court. And, the only institutions that could use the administrative procedure are those that meet the new capital standards except for the statutory change in goodwill, and prove they have legitimate preexisting contracts with the Government allowing the ongoing use of supervisory goodwill.

The intent of the Hyde amendment is being somewhat mischaracterized—it will not benefit insolvent institutions. The intent is simply to ensure that the Government honors the contracts it has made with institutions that are being prudently operated—institutions which would meet the new capital standards but for the contracts they signed with the Government. Honoring contracts is what this bill is all about. We won't unilaterally abrogate our contracts with depositors to protect their accounts; we shouldn't abrogate contracts with healthy S&L's either.

But, whether or not the Hyde amendment is adopted, this bill must pass. It's absolutely critical to fund the new Resolution Trust Corporation with the $50 billion to protect depositors' accounts.

The bill increases civil and criminal penalties for crimes involving financial institutions and improves methods to detect misconduct in financial dealings. It estalishes civil penalties of $1 million per day for misconduct involving financial institutions, and criminal fines of up to $1 million and up to 20 years in prison. I believe the penalties provided in the Judiciary Committee's amendment are even stronger; but, these will go a long way toward ensuring that those who acted improperly will be punished.

I hope we will also have an opportunity to eliminate all of the provisions granting special treatment to a handful of S&L's before we take a vote on final passage. The taxpayers' interest, not special interests, ought to prevail.

While the bill has some very worthwhile and necessary provisions, it isn't perfect. But, in this instance, we can't afford to wait for perfection. Every day we delay adds another $10 million to the ultimate cost to the taxpayers.

Mr. Chairman, one of the flaws of the legislation is its funding mechanism. Ideally, it should be put on-budget and subject to the Gramm-Rudman-Hollings law. That would require us to make some tough decisions about other spending and taxes, but it would save the taxpayers about $140 billion in carrying costs over the next 30 years.

If the LaFalce amendment subjecting the costs to Gramm-Rudman-Hollings is defeated, the better alternative is the administration's position taking it off-budget and exempting it from Gramm-Rudman. I hope the President will eventually be able to sign a bill that handles the budget issue in that fashion to avoid the bad precedent that is otherwise likely to be set.

I also oppose the new tax in title VII which is to be imposed on the industry, not to finance the cleanup of insolvent S&L's, but to finance a new housing subsidy program. Such subsidies have no place in this bill. They divert funds that would otherwise be used to pay examination and thrift supervision costs.

If these new housing subsidies have merit, they should be authorized and funded through the regular appropriations process, not through this emergency legislation.

Finally, I oppose the new disclosure requirements under the Community Reinvestment Act and the Home Mortgage Disclosure Act that will be proposed in the Kennedy amendment.

While the bill isn't perfect, the costs of delay are too great, and the need to protect depositors as the Government has promised is too important. I will vote for the bill on final passage and urge my colleagues to do the same.

Mr. STOKES. Mr. Chairman, I rise today to support the bill, H.R. 1278, to reform and recapitalize the savings and loan industry, and I do so with some reservations. While I support the stronger capital standards required by the bill, and I strongly support the Kennedy-Gonzalez amendment to require community investment disclosure, I am loath to place the burden of the cost of this plan to rescue the thrift industry on the backs of the taxpayer. They are the innocent ones in this tragedy. They did not make the bad loans and insider deals that lost billions of dollars, and forced the Federal Government to step in to rescue the industry insurance fund.

However, despite this major reservation, I support the bill because it achieves the compromises necessary to strengthen the industry, clean up the worst situations, restore the public confidence, and still be fair to the institutions, which although healthy, will struggle to meet the stringent capital requirements.

The new tangible capital standard of 3 percent of total assets will provide the security from economic hardship to insure public confidence in the savings and loan industry, and prevent another depletion of the deposit insurance fund.

The new capital requirement will not eliminate goodwill from the books of thrifts, but will disallow the counting of goodwill toward the tangible capital standard. This provision has met with stiff opposition from the savings and loan industry, which argues that healthy thrifts will be forced into bankruptcy without goodwill. H.R. 1278 provides a solution for this problem, allowing healthy thrifts, with well-managed, secure portfolios, but unable to meet the January 1991 deadline, to negotiate with Federal regulators an extension of up to 5 years to meet the new requirements.

I am also a strong supporter of the Kennedy-Gonzalez amendment, which requires Federal regulatory agencies to disclose the ratings and evaluations that they give to banks and thrifts regarding lending to the communities that they serve. The amendment also requires mortgage lenders to disclose the number of applications they receive by categories of race, income, and gender, and the number of applications they approve by the same categories. This amendment is necessary to put a stop to the disgraceful practice of red-lining within the mortgage lending industry. It is also an essential part of the bill, because if we will be requiring all Americans to pay taxes to fund this enormous bailout, it is only appropriate that the bill include some provision to help insure that all Americans have equal access to credit for home mortgages.

Along these same lines, I opposed the Bartlett-Barnard amendment which would have stripped from H.R. 1278 the provisions requiring the Federal Home Loan Banks to set aside funds for the Affordable Housing Program and the Community Investment Program. As I said previously, since we are asking the American taxpayer to fund the majority of the cost of this bailout, we should insure that the savings and loan industry, which was created to assist buyers in obtaining home mortgage loans, is fulfilling that mandate for the sector of our society that needs their assistance the most, low- and moderate-income families.

As I said at the outset, I am not in absolute agreement with each and every provision of this legislation, but I recognize the complexity of the task involved in developing such a massive and vital piece of legislation in such a short time, and I believe that the bill we have before us achieves the strongest reforms in the savings and loan industry, while insuring fairness to both the thrifts and the consumers.

Mr. HYDE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I find that we have a strange combination of characters on the floor today, so many people from both sides supporting and opposed to his amendment.

Mr. Chairman, I would just like to call my colleagues' attention, particularly those who are not on the floor, to something that is very important. We hear a lot about how much this involves and everything, but, when we look at the bailout that is occurring, we have to analyze how it came about.

According to the Federal Home Loan Board, less than 5 percent of the institutions that have failed thus far in the savings and loan industry had any substantial amount of supervisory goodwill. Supervisory goodwill was a method used by the regulators of this administration in the early 1980's to encourage good S&L's around this country to take over bad S&L's, put in good management, and succeed, and eventually pay that goodwill off. That saved the FSLIC, and thus U.S. taxpayers, billions of dollars.

In Pennsylvania alone that is part of the record. We have $4 billion in risk in Pennsylvania alone if we do not pass the Hyde amendment.

Now it seems to me that, if everybody is talking about going back to virginity and purity, as we did in the Southwest in Texas, may I call my colleagues' attention to something? Down in Texas last year and the year before two-thirds of all the money lost by S&L's in the entire United States flowed into Texas. Do my colleagues know what this aid amounted to? Three times the Marshall plan.

Now why are we going to go out and attack maybe 100 successful money-making, well-operated, well-managed

S&L's in this country and increase the loss because we want to be macho and hold on to what we call high capital standards without realizing the commitment we made when the Governmenty gave out supervisory goodwill in lieu of cash or FSLIC notes.

I say to my colleagues, "If you really are interested in being sound and getting to a level playing field, it is important, it seems to me, to support the Hyde amendment and to shore up that portion of the industry which came to the Government's aid in the early 1980's. The gentleman from Wisconsin [Mr. ROTH] said, "Sure as God we'll be back here if we pass this."

I can say to my colleagues, "If we don't pass the Hyde amendment, 3 years from now we'll be back running a rescue on 150 S&L's that will have failed because of this act today."

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I oppose the amendment offered by the distinguished gentleman from Illinois [Mr. HYDE].

This S&L bailout will be financed 70 percent by the taxpayers and only 30 percent by the industry. The taxpayers are being stuck for the lion's share of the cost. In my judgement, their interests would be badly served by the Hyde amendment.

One of the major causes of the S&L crisis was the fact that owners and managers of S&L's have been able to operate without tangible capital. Instead they have operated off the Federal guaranties. The results have been disastrous. Unless we require that S&L's operate with their own money, instead of the public money, we will be asking for more disasters.

These capital-free S&L's were not forced to accept the acquisitions which generated the goodwill now on their balance sheets. The Congress made them no promises. We change regulations all the time. We change laws all the time. In the Tax Reform Act of 1986, we changed tax laws retroactively which were ruinous to individuals and corporations alike.

The capital-free S&L's, if they are healthy as is claimed, have access to new capital. They might take some profits into capital, even if that has not been the standard of the industry.

Our prime responsibility is to the people. The people are best served by a safe system. The very best guarantee of safety is the requirement that S&L's operate with tangible capital.

How can we face those taxpayers who we have to stick with costs of the bailout, if we can't guarantee to them they won't have to bail out the industry again? If we compromise the capital standards, we may be asking those taxpayers to shoulder greater burdens in the future.

In our economy, few persons can run a business, and expect to be able to make a profit, with no tangible capital. Fewer still can attact business on the basis of a Federal guarantee. The capital requirement of the bill imposes minimal levels of tangible investment. Weakening that requirement will create a substantial risk for further S&L failures.

The net of this issue is that no law or regulation, or even a letter from a Government agency, is forever. The S&L emergency overrides the goodwill arrangements whenever or however made. The interests of the people demand that the capital requirements of the bill be maintained.

Therefore, the Hyde amendment must be defeated.

Mr. HYDE. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, I rise today in support of the Hyde amendment as the person who has carried the weight for it in the committee, and I rise in support of it because, when the regulators said that we need someone to come with the live support system, they came to those persons who had the system, those persons who had assets, those persons who had cash, those persons who could, in fact, help them to bail the industry out.

Now, Mr. Chairman, we come back to them and say, "We have a capital standard. You cannot meet the capital standard because you gave us what you had in order that we could solve this $23 billion problem."

Now we say to them, "We're pulling the plug. We're going to let you down. We have sympathy for you."

Mr. Chairman, sympathy will not solve the problem. The reality that must be clear in our understanding is that those institutions are in the position they are in because the Government put them in that position.

It is only fair. It is only right. It is only just that we stand with them now and say to them that, "As you gave us your life support system, we are willing to support you now. We will let you live."

I urge my colleagues' support on this amendment.

Mr. Chairman, I would like to thank you for your cooperation as we attempt to resolve the major issues confronting this body as we complete action on H.R. 1278. I rise in favor of the Hyde amendment because I believe it is good public policy. The overriding objective is to maintain tough and adequate capital standards so that the current situation does not reoccur. Therefore, this amendment is limited to fair and equitable treatment of institutions which participated in the specific situations in which a healthy institution acquired a failing savings association in order to aid the Government in resolving problem institutions.

First, this amendment is specific to the situation when a healthy thrift institution acquired a failed or failing association with the approval of the Federal Home Bank Board or its agent. In the process of this acquisition, FSLIC and the Bank Board provided assistance to the the healthy institution in the form of supervisory goodwill. It is important to state clearly that supervisory goodwill served the same purpose as cash or FSLIC notes as a form of Government support to resolve failing institutions, except for one major difference—in the case of supervisory goodwill the cost of support borne by private industry is much greater. Instead of cash which earns interest or notes on which interest is paid to the holder, supervisory goodwill has negligible cost to the Government. In effect, the use of supervisory goodwill is the most favorable method from a Government cost perspective for resolving the problem of a failing institution.

Second, this amendment requires that the institutions involved have real capital consisting of common stockholders' equity, perpetual preferred stock and related surplus, and retained earnings in an amount equal to not less than 2 percent of total assets immediately, and 3 percent of total assets after June 1, 1991.

This clearly means that the owners and managers of these institutions must have capital at risk which serves as a real buffer between the institutions and the insurance fund. For institutions in New York, as well as others across the country, common stockholders' equity, perpetual preferred stock and related surplus and retained earnings is real money invested in savings institutions by average ordinary citizens who believed in these institutions which are an integral part of helping these citizens achieve their dreams of home ownership.

In summary, this amendment is a compromise on the treatment of supervisory goodwill so that the concerns for adequate capital are addressed. The overriding purposes of this compromise amendment bill are to protect the financial system and ultimately the taxpayers by requiring adequate capital standards; to provide fairness by upholding contracts which our Government or its agents entered into; to encourage and foster a good public policy concept of using private involvement to help resolve problems within the industry; and to recognize that supervisory goodwill and private sector involvement effectively saved the FSLIC significantly more than $20 billion.

Overall, it is important to emphasize that this legislation does not weaken capital standards—it just treats Government contracts fairly and intelligently. For long range public policy reasons, it is important that the Government honor these agreements especially because they do not cost the Government money.

Also, as we attempt to place all the mechanisms in place to resolve this problem, such as transferring the responsibility of the FSLIC to the FDIC, setting up the RTC, arranging financing, and providing capable management of failed institutions, by not adopting this amendment, we will add to the current burden facing the regulators by forcing otherwise healthy institutions into FDIC oversight. Conversely, the passage of this amendment will in no way limit the regulator's ability to protect the insurance fund from risky operations by

any institutions which have supervisory goodwill.

The supervisory goodwill transactions are working effectively. I firmly believe that private industry is more capable of managing the assets which these healthy thrifts acquired when they took management control of these failed institutions as compared to Government management. This time, I am in agreement with President Bush and earnestly believe that private industry involvement is better than Government micromanagement. I am sure that most of my Democratic and Republican colleagues will agree with the need for private participation with effective Government oversight.

But, I am very concerned that if the agreements made with private industry regarding supervisory goodwill are not honored, not only will the problem institutions acquired by healthy associations require more Government assistance to resolve, but it will also be very difficult to get private industry involved in the future. For these reasons, I urge passage of this amendment.

Supervisory goodwill refers specifically to agreements between FSLIC and institutions which acquired failing S&L's. First, let me provide an example of how this goodwill was generated:

BALANCE SHEET

	Bank A	Bank B	Bank B*	Bank A/B	Bank A/B#
ASSETS					
Cash	$100	$50	$50	$100	$100
Loans	50	50	25	75	75
Goodwill	0	0	0	0	25
Total	100	100	75	175	[illegible]
LIABILITIES					
Deposits	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt	5	5	5	10	10
	[illegible]	[illegible]	95	[illegible]	[illegible]
Net worth	5	5	(20)	(15)	10
Total	[illegible]	[illegible]	75	175	200

*Write down of assets
Acquisition assisted by FSLIC with goodwill

As shown above, if two banks with the same balance sheets are combined assuming that Bank B assets are devalued by 50 percent—loans of $25 versus $50 on balance sheet, there are two basic scenarios. Under the bank A/B combination, the write down of the assets are subtracted from the net worth of the acquiring Bank A. The results are that the combined institution has a negative net worth and would therefore be declared insolvent.

In the combination of Bank A/B#, FSLIC allows the writedown of assets to be shown as goodwill and written off over a term of 25 to 40 years to allow the acquiring institution to change policies in order to return to profitability. The combination makes good business sense because Bank A projects that it can improve the management of Bank B. In some instances this reflects sharing cost such as advertising, computer operations and loan processing which are all large fixed cost items which are easily spread over a larger institution. With the cost savings from reorganization, the combined Bank A/B# will have the profits necessary to write off goodwill.

It should be noted that the other means for resolving the "hole" due to the write down of Bank B's assets would have been for FSLIC to provide cash assistance or notes. Since FSLIC did not have cash, the use of goodwill with long term writeoffs appears to have been a reasonable strategy.

In regard to decreasing the term of the write off, a simple example illustrates the impact. Assume goodwill of $99. With a 40-year write off, the annual expense would be approximately $2.5. If the term is reduced to 10 years, the annual writeoff would be $9.9. Clearly, a reduction of terms would require substantially higher profits to service the write-off of goodwill. In addition, it should be noted that the shorter period would invalidate contracts and would therefore make it more difficult to encourage other institutions to participate in these types of assisted bailouts.

In conclusion, I hope that a fair review of legitimate agreements made in good faith are upheld while making sure that the legislation completely and equitably resolves the crisis.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I thank the gentleman from Texas [Mr. GONZALEZ] for yielding this time to me.

Mr. Chairman, I rise in support of the committee plan and in opposition of the Hyde amendment. The committee plan is a very reasonable plan. It allows a full 5-year phaseout of goodwill, supervisory goodwill, plus it then looks at the goodwill on a case-by-case basis. This is a more lenient plan than, for example, most industries dream of in a transition rule. This is more lenient treatment than we are giving the notch babies around the United States. This is a very good compromise, and the House should stick with it.

Mr. Chairman, we have been too lenient with the S&L industry in the past. The Hyde amendment is too lenient. Let this House not cave in to the S&L industry one more time. We are asking the taxpayers of this country to fork over $50 billion plus. Let us make sure that this rescue plan works. Let us stick with the committee plan.

Mr. GONZALEZ. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, the House Banking Committee spent hours and deliberated on many amendments regarding capital standards within this omnibus legislation. The actual guts of this legislation are the capital standards. In order to prevent the insurance fund from suffering future losses, Congress must mandate that all institutions maintain an adequate "tangible" core capital requirement. In addressing the capital standards, one only has to question, how can I protect the Federal interest? How can I be sure that this financial catastrophe never occurs again? The answer my distinguished colleagues is to have real, tangible money in place.

Mr. Chairman, when this bill was sent by the administration, many felt that Treasury's proposed capital guidelines were sufficient and comprehensive. The administration's capital provisions called for the chairman of the appropriate Federal banking agency to draft capital standards applicable to national banks. Also, the chairman shall prescribe a timetable for the implementation of these capital standards that requires their full implementation by no later than June 1, 1991. While the administration's proposed capital guidelines appear stringent, they don't address the tangible core capital requirement. Under these original capital guidelines, an institution could have no real tangible capital for a period of many, many years. In other words, an institution could fully reach their designated capital requirements with no real tangible capital but with all goodwill.

Mr. Chairman, when the House first considered H.R. 1278, the Senate Banking Committee had completed their deliberation of their legislation to address the savings and loan crisis. The capital standards reported by the committee left in tact the administration's proposed capital requirements regarding tangible capital. Also, goodwill would be allowed to be written off over a longer period of time. Only after the committee bill was sent to the floor, an amendment was accepted to require thrift institutions to maintain a tangible core capital ratio of 1.5 percent effective June 1, 1991. However, while this provision requires thrifts to maintain 1.5 percent tangible capital, it allows the institution to write off their goodwill over a long period of time.

Mr. Chairman, I commend both Chairman ANNUNZIO and Chairman GONZALEZ for their leadership in requiring institutions to meet tangible capital requirements. Within the subcommittee on financial institutions markup, a 1.5 percent tangible core capital requirement was incorporated to be effective June 1, 1990.

In the full committee deliberation, provisions were adopted to phase in new capital standards by 1995. Two separate measures of capital would be used. First, there would be a core capital requirement of 3 percent. It would become effective in 1990 with an allowance for qualifying intangibles. Intangibles eligible to be counted as part of that core capital would be phased out between 1990 and 1995. In other words, institutions could not carry on their books any type of goodwill for a period of more than 5 years. Also, as goodwill and other qualifying intangibles are phased out, higher tangible core capital requirements will be phased in. For example, beginning June 1, 1990, institutions are required to maintain 1.5 percent tangible capital. By January 1, 1992, institutions are required to maintain 2.0 percent tangible capital. After December 1, 1994, institutions must phase out all qualifying intangibles and maintain 3 percent tangible capital.

Mr. Chairman, the second capital measure based on the principals of risk-based capital, would recognize that the asset portfolios of savings institutions consist largely of residential mortgages which are less risky than many other kinds of credit because of the security in the property or insurance backing up the mortgage.

Mr. Chairman, in order to adhere to many of our constituents' wishes and to prevent this financial crisis from recurring, I urge all my colleagues to install tangible core capital requirements within this legislation. I realize no one wants to be back in this same position 2 years from now; but we will, if tangible core capital requirements are not in place.

□ 1310

Mr. GONZALEZ. Mr. Chairman, I yield our remaining time to the gentleman from New York [Mr. SCHUMER] to close the debate.

Mr. SCHUMER. Mr. Chairman, a lot has been said about this amendment. Make no mistake about it, this amendment guts the bill. It is a substantive amendment in procedural clothing, because it will change the way weak banks, the banks who need the most regulation, are regulated. Regulators depend on moving quickly and swiftly when a bank is in trouble and what this amendment does is allow those very weak institutions to delay and delay and delay the day of reckoning. While they delay and delay and delay, the taxpayers will pay and pay and pay.

Mr. Chairman, we are voting $150 billion, a huge and outrageous and appalling sum of money, for a great mistake, a mistake that was made by the administration, by the Congress, by the regulators and everyone else. How dare we make the same mistake again by supporting the Hyde amendment. I urge my colleagues to vote it down decisively.

Mr. HYDE. Mr. Chairman, I yield myself the remainig time to close the debate.

Mr. Chairman, let me respond briefly to the last gentleman, the gentleman from New York [Mr. SCHUMER], the administration's new and very effective ally on this and I am sure many other matters.

The gentleman says this will allow weak institutions to delay and delay and delay.

They are weak because they trusted the Government. That is first of all. They were healthy until they sat down with the Federal Home Loan Bank Board and were talked into merging with some sick ones and took supervisory good will on as compensation.

Delay? It takes 2 years to shut one of these down anyway. The timeframe of the hearing, it is an administrative hearing before the regulators. It is up to the regulators. They can speed it up or not have one at all, as the gentleman wants.

The gentleman from Wisconsin [Mr. ROTH] and the gentleman from Minnesota [Mr. FRENZEL], my dear friends, were talking about something else, not my amendment.

The gentleman from Ohio [Mr. WYLIE] said, this amendment was to "Bail out these thrifts." Let me tell you, when the Government invites you into a rowboat because they need help pulling the oars and they get you out in the middle of the lake and then they drill a hole in the bottom, you need a bailout. It is not your fault.

The gentleman from Iowa [Mr. LEACH] talked about highway robbery. You have a real problem when you do not know who the robber is and who the victim is. You ought to be able to distinguish the good guys from the bad guys.

I am talking about those few 8 percent of the industry who trusted the Government and got sick and now but for the trust of the Government they would be healthy. They need special consideration. All we give them is a hearing within the control of the administration.

Now, I cannot believe the cavalier way the Government's promises are dismissed. I remember seeing conventions, and I will not tell you which party, but in front of the podium it said, "Promises made, promises kept." I suggest if this bill passes unamended, do not ever use that again, because it will confirm your cynicism.

God help us on future promises. Do not ever listen to your Government or believe your Government unless you get it in writing with the seal from the White House and the Cabinet and even then, according to a legal brief the Justice Department sent up, it is not worth the paper it is written on.

Let me say something to my Republican people and everybody. You have been lobbied by the White House. You have been lobbied by the Treasury. You made commitments, and I know that. I have not lobbied anybody.

But let me just say something. Edmund Burke said, in effect,

> A member of Parliament owes total fidelity to his constituency, but he owes his conscience to nobody.

As far as I am concerned, this is a matter of conscience. You are in the anomalous position of having to give your word to the White House or the Treasury to facilitate the Government breaking its word.

Let me appeal again to my Republican colleagues. In the foreseeable future, you will never be a chairman and you will never be a chairman of a subcommittee. You cannot have any power to move things around here. There is one thing you can do and that is fight injustice. That is the psychic payoff for this job, the agony, the exhaustion. You get to fight injustice, and when businessmen trust their Government and their Government breaks its word, that is a gross injustice and you can fight that injustice here.

Due process of law, boy, how we brush that off. Go down to the mall. You will see a lot of names on a monument of people who fought for the idea of justice and due process of law. I just suggest to you, think about this. Show your independence. Vote for a little hearing for the good guys whose only sin was trusting their Government.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in opposition to the Hyde amendment. However, I want to emphasize that this was a very difficult decision and a close call for me. I am very concerned about the appearance of the Federal Government reneging on its commitments. Mr. Chairman, I feel very strongly about the issue of retroactivity. During the 8½ years of my chairmanship on the Committee on Ways and Means, my committee has taken a strong and consistent position against retroactive changes in the tax law.

When we considered amendments to this savings and loan bill in the Ways and Means Committee, there was an amendment to undo the tax aspects of the deals negotiated and consummated last December. Late last year, the chairman of the FSLIC rushed to advertise, accept bids for, and negotiate the sale of troubled thrift institutions before the tax rules changed on January 1. In the 1 month before the 50 percent cutback of these tax provisions took effect, he sold $4.5 billion worth of tax benefits. He sacrificed the public interest in order to get rid of a few problems of his own. What the FSLIC did in December was to undo the hard work of the Ways and Means Committee in 1986 to eliminate tax driven transactions. However, I opposed this amendment in committee because "a deal is a deal."

On the other hand, supervisory good will is not a tangible asset. It is simply thin air, that cannot be used to pay depositors if the thrift is in default. Real capital is cash. The President, the House Banking Committee, and the public demand that the Hyde amendment be rejected. Under the Banking Committee bill, supervisory good will is phased out over a period of time. Everyone recognizes that tough capital standards are needed. Undercapitalized savings and loan institutions have been demonstrated to be enormously costly to the American public. This country cannot afford another savings and loan crisis in the future.

I believe the Federal Government should be able to change requirements when they have proven to be disastrous and contrary to the public interest. The contracts between the savings and loan owners when they acquired failing institutions in the early 1980's are not contracts written in stone. These arrangements are clearly different than the tax deals negotiated last December.

Mr. Chairman, taking into account all of these competing concerns, I have decided to oppose the Hyde amendment. The American people cannot afford another savings and loan crisis in the future. Although the proponents of the Hyde amendment present reasonable arguments, I have concluded that the public interest would be better served if the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. HYDE].

The question was taken; and the Chairman announced that the noes appeared to have it.

VOL 135 PT 9 JE 14 — 22 1989 UMI

RECORDED VOTE

Mr. HYDE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 94, noes 326, answered "present" 5, not voting 8, as follows:

[Roll No. 87]

AYES—94

Ackerman
Annunzio
Armey
AuCoin
Baker
Bartlett
Boggs
Boucher
Bruce
Burton
Byron
Carr
Coleman (MO)
Craig
Crane
Dannemeyer
Davis
DeFazio
DeLay
DeWine
Dornan (CA)
Douglas
Dreier
Durbin
Early
Emerson
English
Espy
Fawell
Fish
Flake
Gaydos
Gekas
Goodling
Hall (OH)
Hall (TX)
Hammerschmidt
Hastert
Hefley
Hiler
Hochbrueckner
Holloway
Horton
Hyde
Inhofe
Jacobs
Jones
Kanjorski
Kolter
Kyl
LaFalce
Lipinski
Livingston
Lowery (CA)
Luken, Thomas
Lukens, Donald
Manton
Marlenee
McCandless
McEwen
McGrath
Molinari
Mollohan
Moorhead
Morrison (WA)
Murphy
Murtha
Nowak
Packard
Paxon
Porter
Quillen
Ridge
Roberts
Robinson
Russo
Saiki
Shumway
Slattery
Smith (IA)
Smith (MS)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (OR)
Solomon
Staggers
Stump
Tauzin
Walgren
Watkins
Weldon
Whittaker
Yatron
Young (AK)

NOES—326

Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Archer
Aspin
Atkins
Ballenger
Barnard
Barton
Bateman
Bates
Bellenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Biley
Boehlert
Bonior
Borski
Bosco
Boxer
Brennan
Broomfield
Browder
Brown (CA)
Brown (CO)
Bryant
Bunning
Bustamante
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coelho
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Cox
Coyne
Crockett
Darden
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Engel
Erdreich
Evans
Fascell
Fazio
Feighan
Fields
Fippo
Florio
Foglietta
Ford (MI)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hamilton
Hancock
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hefner
Henry
Herger
Hertel
Hoagland
Hopkins
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Ireland
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lloyd
Long
Lowey (NY)
Machtley
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Montgomery
Moody
Morella
Morrison (CT)
Mrazek
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pease
Peloni
Penny
Perkins
Petri
Pickett
Pickle
Poshard
Price
Pursell
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roe
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (NE)
Smith (TX)
Smith (VT)
Smith, Robert (NH)
Snowe
Solarz
Spence
Spratt
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waxman
Weber
Weiss
Wheat
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Young (FL)

ANSWERED "PRESENT"—5

Brooks
Hayes (LA)
Madigan
Martin (NY)
Sisisky

NOT VOTING—8

Buechner
Collins
Coughlin
Courter
Ford (TN)
Lehman (FL)
Whitten
Wright

□ 1336

The Clerk announced the following pair:

On this vote:

Mr. Buechner for, with Mr. Coughlin against.

Messrs. BONIOR, OWENS of Utah, FLIPPO, HAYES of Illinois, GILMAN, FASCELL, and ROE changed their vote from "aye" to "no."

Messrs. HALL of Texas, LIVINGSTON, and TAUZIN changed their vote from "no" to "aye."

Mr. McCLOSKEY changed his vote from "present" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT OF WITHDRAWAL OF AMENDMENT NO. 5

Mr. GONZALEZ. Mr. Chairman, I withdraw the next pending amendment.

The CHAIRMAN. The amendment is withdrawn.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Texas is recognized.

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I yield to the gentleman from Georgia.

□ 1340

Mr. BARNARD. Mr. Chairman, I would like to ask the distinguished chairman of the House Committee on Banking, Finance and Urban Affairs a question about the effect of H.R. 1278 on prior supervisory actions by the Federal Home Loan Board where acquirors of troubled thrifts were allowed to contribute tangible assets as capital.

It is my understanding that where: First, supervisory transactions were approved by the Federal Home Loan Board prior to the enactment of H.R. 1278; second, the Federal Home Loan Bank Board authorized certain capital treatment for tangible assets, like land, as part of these supervisory transactions; and, third, the FHLBB valued those contributed assets at market value for regulatory capital purposes; those assets would continue to be treated as capital to the same extent previously authorized.

Such treatment would be comparable to the treatment the Comptroller of the Currency provides national banks in its risk based capital regulations. In section 3.3(a) of the regulations, institutions may continue to count as capital, to the extent previously authorized, certain capital instruments approved as capital prior to the effective date of their risk based capital regulations.

The alternative, Mr. Chairman, is to leave these institutions in limbo as to the treatment of their capital or force them to sell real estate at bargain basement prices. This would be unfair. This is a discrete problem applicable to only a few institutions.

Mr. Chairman, is it also the view of the gentleman that the bill would not affect the valuations in these transactions?

Mr. GONZALEZ. Yes, it is also my view, provided the FDIC will follow the reappraisal and reconfirm the capital asset.

Mr. BARNARD. Mr. Chairman, I thank the gentleman for clarifying that issue.

Mr. GONZALEZ. Mr. Chairman, I yield to the gentleman from Missouri [Mr. VOLKMER] for the purpose of conducting a colloquy.

Mr. VOLKMER. Mr. Chairman, I thank the Chairman for yielding.

Mr. Chairman, I would like to begin by congratulating the distinguished chairman of the Banking Committee and the ranking minority member, Mr. WYLIE, for the tremendous effort that went into bringing this complex legislation to this stage. The President and the American public have rightly asked the Congress to act promptly in addressing the savings and loan crisis, and while there remain some important issues to be resolved, we should not lose sight of the fact that there is agreement of the basic need to fund the FSLIC deficiency up front, and put in place the regulatory reforms necessary to ensure that a crisis of this type does not reoccur.

One of the most important regulatory reforms is the requirement that savings and loan associations be subject to the same capital and accounting standards as commercial banks. Here again, there is no basic disagreement as to the goal although the method and precise timing of getting from here to there is still a matter of some dispute. My purpose in speaking out today is not to focus on the appropriate capital rules, but to bring attention to the special needs of mutual associations in meeting higher capital requirement.

Mutual associations still constitute over 55 percent of the savings and loan industry, and in the State of Missouri, this percentage is even higher—66 of our 80 S&L's are mutuals.

Mutual savings and loans have historically carried out the mortgage finance mission of the thrift industry, and continue to represent an extremely important part of the industry, especially in the central part of the country and in the small communities of our Nation. There is no reason to believe that mutuals cannot continue to play a vibrant, essential role in the American financial system.

It is widely recognized that it is more difficult for mutuals to increase their capital than is the case for stock companies. One source of external capital is the mutual holding company, and I am pleased to note that the bill does include some important changes designed to enhance this new type of corporate structure. Another equally important capital-raising vehicle, which already exists in current law, is the mutual capital certificate.

In order to facilitate the transition to higher capital requirements by mutual S&L's, our distinguished colleague from North Carolina [Mr. LANCASTER] introduced an amendment to extend for 1 year the time period for capital compliance by mutual institutions. I support this amendment, and hope it can be accommodated in conference. Iin the same vein, my colleague from Missouri [Mr. BUECHNER] filed an amendment with the Rules Committee that would clarify current law in order to enhance the efficacy of mutual capital certificates.

Given the time constraints in which we are trying to move this legislation and the fact that these amendments are highly technical in nature, I do not propose to take the time of the full House to address them. However I do ask the managers of the bill for their cooperation in seeing to it that the special needs of mutual institutions will receive due attention during the conference committee on this legislation.

Mr. GONZALEZ. Mr. Chairman, the gentleman from Missouri has raised an excellent point, and I can assure him that we will work with our colleagues from the Senate to make certain that the mutual form of organization is not disadvantaged by this legislation. Indeed, it is my personal view that mutual savings and loan associations have made an outstanding contribution to homeownership in America.

Mr. WYLIE. Mr. Chairman, if the gentleman will yield. I would also like to commend our distinguished colleagues, Messrs. VOLKMER, BUECHNER, and LANCASTER, for their efforts to focus greater attention on this issue, and I look forward to working with them to effect the changes in current law that may be necessary to help mutual institutions meet the new capital requirements called for by this legislation.

Mr. VOLKMER. Mr. Chairman, I thank the gentlemen for their time and attention. In closing, I include for the RECORD at this point a recent article on this subject that appeared in the St. Louis Post Dispatch.

S&L'S ABANDONING MUTUAL OWNERSHIP

(By Adam Goodman)

The days may be numbered for mutual savings and loan associations—the traditional customer-owner S&Ls that dominate the industry.

Strengthened capital requirements that are part of the various S&L bailout proposals making their way through Congress promise to make life difficult for many S&Ls. And mutual S&Ls are especially vulnerable to that pressure.

"The issue of mutuals has been a forgotten issue," said Alex J. Pollock, chairman and chief executive at Community Federal Savings and Loan Association in Des Peres.

Unlike stock institutions that can sell stock to shareholders to raise capital, mutuals have no stockholders. They typically raise additional capital only through retained profits.

As the S&L reform plan is finalized, a growing number of mutual S&Ls will convert into stock institutions through public or private stock offerings or will be merged into stock institutions, industry experts say.

"We see a lot of institutions researching and exploring their options at the present time," observed Dennis R. Havener, assistant director of applications at the Federal Home Loan Bank of Des Moines, Iowa.

The local market already is experiencing a rush of stock offerings by mutual institutions:

Home Federal Savings, a mutual S&L based in Alton, last week agreed to be merged into Roosevelt Bank, a subsidiary of publicly held Roosevelt Financial Group Inc. of Chesterfield. Roosevelt will sell stock to Home Federal customers and to the public as part of the acquisition.

Great Southern Savings and Loan Association, a mutual S&L based in Springfield, Mo., agreed May 26 to merge with United Savings and Loan Association, a publicly held S&L in Lebanon, Mo. The combined institution will issue new stock to Great Southern's customers and the public.

Metro Savings Bank of Wood River is preparing to apply to federal regulators within the next two weeks to convert to a stock institution. It will offer stock to its customers and the public.

"The anticipated government requirement for S&Ls to build up capital levels under any reform plan is fueling the mergers and conversions," said lawyer Robert L. Freedman, Freedman, a partner in the firm of Silver Freedman & Taff in Washington, is representing Roosevelt and Great Southern in their deals.

"The idea of a mutual is almost American," commented Edward G. Throop, chairman of Jefferson Savings and Loan Association one of the most highly capitalized mutual S&Ls in the area and one now intending to buck the stock-conversion trend. ". . . For them to go stock and be owned by the wealthy minority is unfortunate."

Many mutual S&Ls do not plan to make a move until Congress approves a final version of the S&L legislation. "It's difficult for many institutions to make any definite plans until they know what the legislation will be," said Havener of the Federal Home Loan Bank.

One large mutual S&L contemplating a conversion or merger is Illinois Federal Savings and Loan Association of Fairview Heights, Illinois Federal has assets of $562 million and 10 offices.

"Until the bill passes we really don't know what the final decision will be," explained Richard C. May Illinois Federal's chairman.

Illinois Federal almost had a public stock offering in 1984, but pulled back because of a downturn in the market, May said. And May said he believes the nation "will see the mutual concept disappearing" eventually because of the industry's recent troubles and the regulatory changes those troubled will bring.

"It is increasingly difficult to know exactly what direction to go," May said.

Mutual S&Ls that are large enough and strong enough to convert on their own will probably do so, S&L executives say. But some other mutual S&Ls will be left to be acquired.

"They may desire to go public, but the marketplace may not desire to buy their stock," said Michael J. Gorman, executive vice president of United Postal Savings Association, a mutual S&L based in Warson Woods.

"United Postal, with assets of $1.4 billion, has studied going public for several years but has made no commitments," Gorman said. Although United Postal's capital level represents a healthy 6.5 percent of its

VOL 135 PT 9 JE 14 — 22 1989 UMI

assets, the S&L's management view a public offering as a potential way to better its position for making future merges when an industry shakeout occurs.

"Clearly there are going to be a lot of institutions going by the wayside," Gorman said.

Metro Savings Bank is one small Institution trying to keep its local roots by proposing a stock offering. Formerly called Wood River Savings and Loan Association, Metro has assets of $87 million.

"It is our desire to stay independent," said Metro's president, Eugene V. Wrischnik. "It is just more practical to do it on a stock basis."

The public offering would be aided by the savings bank's directors, who are interested in buying about 34 percent of the proposed stock issue, and an employee stock ownership plan, which could buy up to 10 percent, Wrischnik said.

"Our management is well in place, and we are fairly young." Wrischnik said. But management at other mutual S&Ls—some of whom have spent decades at the institutions—may be ready to leave the business in the wake of the industry's latest upheaval.

Longtime S&L executives "may just want to bail out," said Raymond T. Gusnard, chairman of Roosevelt, which is acquiring Home Federal in a merger-conversion. Roosevelt itself was a mutual until it converted into a publicly held stock institution in 1987.

Home Federal President Eugene L. Frizzo, who intends to remain in the management ranks after the merger into Roosevelt, said Home Federal's directors approved the merger plan with Roosevelt after recognizing the pressures that new capital requirements will put on S&Ls in the future.

"Without sufficient capital, these will be restrictions on your activities," he said.

Despite the widespread interest in merger conversions among mutuals, representatives of stock institutions say it can be difficult to find likely target acquisitions.

"The market is thin," John J. Wuest, president of Heartland Savings Bank, a privately held stock institution in St. Louis." . . . They are either so far underwater you don't want to make up the capital or they are of the size that they can do it on their own and they don't need you."

And negative publicity about the industry has also given some S&L executives second thoughts about trying to find investors for their stock.

Troubled Community Federal, a mutual S&L with assets of $3.6 billion, last year proposed a stock conversion through the private placement of its stock with the help of a California venture-capital firm.

But its proposal is so far stalled this year. There is so much uncertainty around about what Congress will do, you can't do a deal," said Pollock, the S&L's chief executive.

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

(By unanimous consent Mr. GONZALEZ was allowed to proceed for 5 additional minutes.)

Mr. GONZALEZ. Mr. Chairman, I yield to the gentleman from California [Mr. TORRES] for the purposes of a colloquy.

Mr. TORRES. Mr. Chairman, I thank the chairman for yielding.

Mr. Chairman, I wish to engage in a colloquy with Chairman GONZALEZ of the Banking Committee regarding the status under H.R. 1278 of finance subsidiaries of State-chartered savings associations.

Under H.R. 1278, certain investment activities of savings associations would be limited. While it is clear that these limitations are designed to prevent speculative investments by savings associations, I wish to clarify that they would not affect finance subsidiaries of State-chartered savings associations. Established pursuant to Bank Board regulations, finance subsidiaries are limited in their activities to raising funds for their savings association parents through the sale of securities, principally debt offerings collateralized with assets transferred to the subsidiary by the parent association.

In the past several years, finance subsidiaries have been generally well received in the financial markets. Financial market participants reluctant to invest directly in savings association securities have invested in securities of separate finance subsidiaries of associations. The result is greater access to capital markets for savings associations.

H.R. 1278 does not affect finance subsidiaries of federally chartered savings associations, however, the issue of state finance subisidiaries is open to question.

The bill clearly intends to establish parallel regulation of State and federally chartered associations by generally requiring State associations to operate under policies applicable to Federal associations. Given this intent, and in view of the fact that the bill does not affect finance subsidiaries of Federal associations, it is appropriate to conclude that the legislation is not intended to affect finance subsidiaries of state associations. I would ask Chairman GONZALEZ if he agrees with my view?

Mr. GONZALEZ. Mr. Chairman, I do agree with that. The gentleman is correct.

The gentleman has correctly interpreted the thrust and language of the bill pending.

Since the Federal finance associations may establish their finance subsidiaries as incidental to the main purpose of carrying out their functions, the State associations certainly would, under the existing laws, and regulations governing the Federal. So there is all reason to conclude that the gentleman is quite correct in his interpretation, and I think the RECORD should show that.

Mr. TORRES. Mr. Chairman, I thank the gentleman for his clarification on this question.

□ 1350

Mr. GONZALEZ. Mr. Chairman, for the purpose of colloquy, I yield to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Chairman, If I might have the attention of the distinguished chairman of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance, I would like to say to the chairman that during the Subcommittee on Financial Institutions, Supervision, Regulation and Insurance markup of H.R. 1278, the distinguished chairman introduced an amendment that would require thrift institutions to increase the amount of traditional mortgage lending. The amendment, subsequently approved by the subcommittee, sets forth an 80 percent of assets qualified new thrift investment test for assets acquired after February 28, 1989. It left in place the existing 60 percent of assets qualified thrift lender test for thrift investments made prior to that date.

The distinguished Chairman's amendment also provided for a reduction, from 40 percent of assets to 20 percent of assets, in the permissable amount of nonresidential real property lending for federally chartered thrifts. Is it the distinguished chairman's intent to apply this new standard on a prospective basis?

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Yes, that is correct. It would be unreasonable to require thrift institutions to divest existing nonresidential real property loans or not to honor outstanding commitments on such loans which were made prior to the date of enactment of this legislation.

Mr. NEAL of North Carolina. I thank the distinguished chairman for his response. I share his view and will be pleased to work with him in conference to further clarify this point.

Mr. ANNUNZIO. I also want to thank my good friend, the distinguished gentleman from North Carolina, for his offer to assist with this matter.

AMENDMENT OFFERED BY MR. BARNARD

Mr. BARNARD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BARNARD:

Page 655, before line 21, insert the following new section (and redesignate subsequent sections and amend the table of contents accordingly):

SEC. 965. CRIMINAL DIVISION FRAUD SECTION REGIONAL OFFICES.

(a) ESTABLISHMENT.—Not later than 120 days after the date of the enactment of this Act, the Department of Justice shall—

(1) create regional offices of the Fraud Section of the Criminal Division;

(2) locate such offices in the Central District of California and the Northern District of Texas; and

(3) maintain such offices, by providing sufficient legal and other staff and office space, through fiscal year 1992.

(b) STUDY.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall study and report to the Congress on whether additional task forces or regional offices of the Fraud Section of the Criminal Division should be established in other parts of the country.

The CHAIRMAN. Under the rule, the gentleman from Georgia [Mr. BARNARD] will be recognized for 20 minutes in support of his amendment, and the gentleman from Wisconsin [Mr. KASTENMEIER] will be recongized for 20 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Chairman, this amendment is being offered by myself and the gentleman from New York [Mr. SCHUMER]. We worked very long and hard on title IX of this bill which is in the enforcement powers section of the legislation.

What we have promised the taxpayers of this country is that we will see to it that those who are guilty of wrongdoing, those who are guilty of bringing down these savings and loans, would be prosecuted. In the bill we set up a mechanism whereby this would be done, along with giving various powers to the regulators, to enforce prosecution and to bring wrongdoers to pass.

The purpose of our amendment this morning is to reinstate section 965 of the Banking Committee's bill. This provision would establish two temporary DOJ Criminal Division Fraud Section regional offices, one in the Dallas area and the other in southern California—areas where backlog of bank and S&L fraud investigations is the greatest. Under the sunset provision of September 1992, the Justice Department would have to operate these temporary offices for 3 years. Section 965 also requires the GAO to study the need for offices elsewhere.

Both the Banking Committee and the Government Operations Committee have taken the following positions: First, the fraud section has a major role to play—together with U.S. attorneys—because it has handled some of the more serious bank fraud cases and has developed an expertise in this area. Second, these two regional offices could help reactivate many of the major cases backlogged in California, Texas, and neighboring States. There are almost 3,600 cases of financial institution fraud or embezzlement cases involving losses of $100,000 or more, with over a thousand cases probably in a dormant status.

The existing DOJ structure has failed, and placing additional U.S. attorneys in 25 out of 94 U.S. attorney offices, as Justice has proposed to do, will not provide the flexibility nor the expertise which is needed. At least two regional offices would be a much more efficient means of handling cases than constant travel from Washington, and also a less costly way. I estimate that the Justice Department would probably save several hundreds of thousands of dollars annually in travel costs, if not more—money better spent on salaries. For example, Justice is probably spending at least $15,000 to $20,000 a month by sending 10 fraud section attorneys to Dallas twice a month, for a week each time.

Also, cases would be better handled with attorneys nearby. We had several U.S. attorneys testify in front of my Government Operations Committee that bringing in attorneys from 1,500 to 2,000 miles away for a few days at a time is not a satisfactory solution, even when travel funds exist. They testified that you need an attorney onsite or in a city close by who can work daily on these cases and gain the confidence of the judges there. Fraud section attorneys in regional offices would more efficiently handle these cases.

There was unanimous support in the Banking Committee for the inclusion of this provision, offered by myself and Mr. SCHUMER, who is also cosponsoring this amendment today with me. Also, the House Government Operations Committee's extensive October 1988 report, "Combating Fraud, Abuse, and Misconduct in the Nation's Financial Institutions: Current Federal Efforts Are Inadequate" strongly recommended the creation of these offices. This proposal was deleted by the Judiciary Committee, after only brief consideration and, with all due respect, without a full understanding of the fraud section's important role in supplementing inadequate U.S. attorney resources and an awareness of the inefficiencies and travel cost constraints.

We are offering this amendment, not primarily to save money—and I am always reluctant to tell an agency where it should direct its efforts—but because the American people want timely and fair justice for those who have committed criminal fraud and contributed to this mess, and the public is not getting it. We are extremely disappointed by the slow pace of efforts in the Southwest and the Far West, including the poor results of the fraud section's current massive efforts in Dallas to redress S&L fraud. We are also concerned by the fraud section's reluctance to take on new criminal cases in the West and other locations, because of the recurrent shortages in travel funds. This inability extends, not only to bank fraud cases, but also to defense procurement and telemarketing fraud cases. Consequently, individuals defrauding a bank or an S&L in the West and Southwest, especially in less populated States, are much less likely to be prosecuted, because many of those States are unlikely to receive either any new Federal prosecutors or adequate numbers of them under the proposed appropriations.

On February 10, the Wall Street Journal ran a front page story on the fraud section's massive efforts in Dallas. I quote from it:

> Although the Dallas task force is still the largest in Justice Department history, it has failed to achieve much. Budget cuts, low pay, low morale, and ineffective strategies have plagued it * * * The force is stretched thin. Of 11 fraud section lawyers currently working for it, only [one] actually lives in Dallas. The rest commute from Washington, dividing their time between task force cases and investigations in other parts of the country * * *. [T]he incessant travel is tiring and demoralizing. Task force lawyers feebly joke that the Justice Department should establish a legal defense fund to handle their divorce settlements. At one point, money appropriated for the task force was deverted to the National Obscenity Enforcement Unit * * *. With travel to Dallas * * *. Restricted to 1 trip a month, the investigation was largely directed by remote control from 1,500 miles away.

A Los Angeles Fraud Section Office could assist, at much less cost and travel, those U.S. attorney offices throughout California, which has the most pending financial institution fraud cases of any State.

The Justice Department opposes these regional offices, even on the temporary trial basis provided in this amendment, because the officials in the fraud section, with the Attorney General's support, want sections efforts centralized in Washington. Although, the Justice Department does have a number of regional offices, including Criminal Division and Antitrust Division regional offices. Centralization may work in most cases; it is not working now.

The Judiciary Committee set forth two criteria under which it rejected this proposal. Its report states:

> The Committee believes that Congress should mandate management decisions such as [this] only under the most extraordinary circumstances. One such circumstance would be a showing of a failure of the existing structure, and an unjustified Refusal of the Attorney General to implement changes. No such record exists. * * *

With all due respect to that committee, the two criteria have been met and a record exists. First, the Department of Justice has failed to respond in writing to this and other recommendations in the October 1988 House Government Operations report, unlike several banking and other agencies which did respond, for the most part favorably. We are dealing with an agency which wants to do business as usual. Second, we are dealing with an extraordinarily circumstances: An amount of fraudulent misconduct that is staggering. Moreover, there is a ample legislative record for this recommendation: Years and years of in-

VOL 135 PT 9 JE 14 — 22 1989 UMI

vestigation by the Government Operations Committee with numerous reports, beginning in 1983; years of oversight by the Banking Committee; and also 2 days of hearings before the Judiciary Committee's Criminal Justice Subcommittee, chaired by Mr. SCHUMER.

To conclude, locating specialized units of DOJ attorneys for 3 years in these two regions would go far in reactivating these massive fraud cases and responding to the wishes of the American people for justice. While I have great respect for the Attorney General, the Department of Justice's wish to do business as usual will not suffice. The American people want action against all persons who committed fraud in financial institutions. This amendment would significantly contribute to that effort, and I urge its adoption.

□ 1400

Mr. Chairman, I would like to state further that in regard to creating these offices in Dallas and Los Angeles, the Financial Assistance Division of FSLIC and the Office of the General Counsel of the Bank Board have both opened offices in Dallas and Los Angeles, finding that this is the best remedy in order to take some control in these situations.

Mr. CRAIG. Mr. Chairman, will the gentleman yield?

Mr. BARNARD. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I stand in strong support of reinstating section 965 in H.R. 1278. I served as the ranking Republican on the Subcommittee of the Committee on Government Operations chaired by my colleague, the gentleman from Georgia [Mr. BARNARD], when we made extensive investigative efforts in the area of fraud in the savings and loan industry.

It is very clear that if we are to answer to the public in rooting out the fraud and prosecuting those who in part were responsible for the downfall of this industry, that we not attempt to rehabilitate today, we deal with it in a timely fashion, and that we provide the adequate resources to do so.

I believe the Barnard amendment attempts to accomplish this. If any of our Members question this, they should read House Report 100-1088 of the Government Operations Committee which strongly recommends the fraud section regional offices in Texas and California, as referred to by my colleague, the gentleman from Georgia [Mr. BARNARD].

Mr. SHUMWAY. Mr. Chairman, will the gentleman yield?

Mr. BARNARD. I yield to the distinguished gentleman from California, a member of the Banking Committee.

Mr. SHUMWAY. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I think that there is excellent reason for this amendment. It is a very modest amendment. Yet, I think the extraordinary circumstances that the gentleman from Georgia [Mr. BARNARD] referred to are indeed present.

As I have talked with my constituents about the issue we are now grappling with, I find that there is a great deal of misunderstanding. Many of the provisions of this bill have been misconstrued. People have gone off in different directions, and sometimes, incorrectly so. But there is one thing that everybody seems to be very united about, and that is that we should exert every possible effort to go after and prosecute and sue civilly those who are responsible for getting us into this mess.

I think it makes eminent good sense for that reason to beef up our presence in the those forces in California and in Texas, so that we can indeed accomplish this kind of prosecution and civil suits.

Mr. Chairman, the amendment is a modest one. I think it moves us very significantly in the right direction, and I urge my colleagues to support it.

The CHAIRMAN pro tempore (Mr. MONTGOMERY). The gentleman from Georgia [Mr. BARNARD] has used 11 minutes of his time.

The gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 20 minutes in opposition to the amendment.

Mr. KASTENMEIER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment to H.R. 1278 offered by the gentleman from Georgia [Mr. BARNARD]. The Attorney General has announced his intention to eliminate all organized crime task forces based in the field rather than in Washington. His reason is that the investigation and prosecution of organized crime should be based in the local U.S. attorneys' offices. While I have some questions about the Attorney General's decision, I do not believe that we should recreate the situation he is seeking to avoid by establishing two new fraud offices, which would be regional offices of the fraud section of the Department of Justice.

In addition, I understand that the Justice Department already has a joint bank fraud task force in Dallas, consisting of lawyers from both the Department and the local U.S. attorney's office, and that its success is due largely to the fact that it is a cooperative venture between Washington and Dallas. Prosecutions are handled locally, and not out of Washington.

I do not believe that we know enough yet to decide whether to set up these offices. My subcommittee, which has jurisdiction over the U.S. attorneys offices, has not had a chance to hold hearings on this issue. I know that the Government Operations Committee has considered the issue, but it rejected the recommendations of lower level departmental officials. We should seek the advice of the Attorney General, who I understand opposes the amendment.

The Justice Department opposes these regional task forces on the grounds that they will create undesirable fragmentation of enforcement responsibilities. They are inconsistent with the Department's policy that there be one primary enforcement agency responsible for Federal criminal prosecutions.

The local U.S. attorneys offices have demonstrated their ability to deal with these cases. If they need more resources and personnel, the answer is not to bring people in from Washington. It is to provide them with the resources so that they can do the work out of their own offices.

I urge you to vote no on this amendment.

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from Florida.

Mr. McCOLLUM. Mr. Chairman, I thank the gentleman very much for yielding.

Mr. Chairman, I want to concur in the gentleman's assessment of this matter. The Attorney General definitely opposes this amendment because it restricts his hands, and it seems to me that what we are about in this legislation is to try to allow maximum flexibility to the Justice Department to give them the resources they need. They need the resources and maximum flexibility to go out and get these guys that were bad, to prosecute the fraud cases, and we should not further tie the hands of those people we want to do the job.

□ 1410

Mr. Chairman, what the proposed amendment does is to require the Attorney General to establish a criminal division, fraud section, regional office in Dallas, TX, and another one in Los Angeles, CA, and that would set an unfortunate precedent in micromanaging the law enforcement activities of the Department of Justice. It is just as simple as that. I think it was properly rejected by the Committee on the Judiciary. The Attorney General has the responsibility and the capability of assessing whether regional offices in particular locations are the most effective way to combat financial institution crimes, and that is where the power ought to lie to make those decisions.

With respect to Dallas, as the gentleman has pointed out, there already is

a Dallas task force for fraud. It is located, granted, in Washington, but that is the prerogative of the Attorney General. If he wanted to put it in Dallas, if he thought it was more efficient, then let him do that. I would not have any opposition to that, but we should not dictate that to him.

Even if it were to be concluded that the concept of these regional fraud offices are the place that we should put our emphasis and that they should be established, it is unwise to require that these offices be located in the fraud section of the criminal division because that is too confining, and the Attorney General has specifically pointed out that fact. If we were to establish divisions like this, they should not be in the fraud section. The AG might determine that there are other structures, such as a group of U.S. attorneys offices or task forces not under the fraud section that represent a better approach.

So, all in all I think that the gentleman from Wisconsin [Mr. KASTENMEIER] has hit the nail on the head. All of us want to see tough prosecution of those people who have caused the debacle to the degree they have caused it in the savings and loans matter. All of us want to see the Attorney General and the U.S. attorneys go after them with a strong arm. There is money in this bill to do that. There are new stiff criminal penalties in this bill to do that, but it is wrong to go out and spell out to the AG the details in micromanagement of where he locates his personnel and which places he has to open offices in rather then allowing him to determine that and what divisions, what sections, what structures he uses.

I thank the gentleman from Wisconsin [Mr. KASTENMEIER] for yielding, and I oppose the amendment.

Mr. KASTENMEIER. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I thank the distinguished gentleman from Wisconsin [Mr. KASTENMEIER] for yielding, and I want to, first of all, congratulate the gentleman from Georgia [Mr. BARNARD]. I think he has focused in on something that we need to take a much more serious look at. I, too, would prefer to see us begin to regionalize many of our operations. I think that is one of the concerns that the gentleman from Georgia has.

Mr. Chairman, I think it is often very difficult to run a fraud or other investigation from headquarters in Washington, so I think the gentleman is right on target in many respects. We should be regionalizing not just fraud sections, but a whole host of other ongoing criminal investigations.

I might say also that we are awash in fraud investigations in this country, not just with regard to thrift fraud. White collar crime has been on the upswing, and we are not committing sufficient resources to investigate what is a very pernicious, a very serious, form of crime that we too often have put on the back burner and have not paid enough attention to.

So, Mr. Chairman, I very reluctantly oppose the amendment of the gentleman from Georgia [Mr. BARNARD]. In the Judiciary Committee I am asked often to micromanage the Drug Enforcement Administration. I say to my colleague, the gentleman from Georgia [Mr. BARNARD], that many of our colleagues want drug task force operations in their particular congressional district, and I am forever attempting to defend the Drug Enforcement Administration against micromanagement that would put strike forces and task forces in particular parts of the country. I think that is the wrong direction.

Mr. Chairman, we do have serious problems in the South, and certainly in California, the Far West, and I can understand the attractiveness of attempting to at this point determine that we want regional offices in both Dallas, TX, and Los Angeles, CA, but I say to my colleague from Georgia [Mr. BARNARD] that tomorrow it is goint to be major fraud investigations in New York, or in Chicago or in some other part of the country. We just cannot begin to micromanage the Justice Department in this fashion.

So, Mr. Chairman, while I am very sympathetic, I think it is a wrong direction. It is a terrible precedent. I think it is a terrible precedent because frankly it is for the Justice Department to decide where they need to commit these resources and what structure it should take.

Now I am not so sure that it should not take the form of a strike force or a task force, perhaps a mobile task force that we can move around to various regions. However that is something that the Attorney General is best able to assess and determine when he sees what the total case load is.

So, Mr. Chairman, I urge my colleagues to reject the amendment while it certainly is attractive. I think the gentleman from Wisconsin [Mr. KASTENMEIER] and certainly my colleagues from Florida [Mr. MCCOLLUM] is absolutely correct when they say that is the wrong direction for us to take. I would urge that the amendment be rejected.

Mr. BARNARD. Mr. Chairman, I yield 2 minutes to a distinguished member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Illinois [Mr. ANNUNZIO], who is chairman of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance.

Mr. ANNUNZIO. Mr. Chairman, I rise in strong support of the amendment offered by my distinguished colleague, Mr. BARNARD of Georgia, reinstating the "field office" provisions originally passed by the Subcommittee on Financial Institutions and reported out by the full House Banking Committee.

I say to the Members of the House that it is clear that we have a serious problem on our hands. Fraud, insider abuse, and self-dealing have run rampant through parts of the thrift industry. Unscrupulous officers and directors have taken brash advantage of the public trust, squandering the hard-earned dollars of our constituents without fear of punishment from Federal authorities.

The Subcommittee on Financial Institutions sought to change this. After numerous hearings and 4 long days of markup, the subcommittee reported out a bill—with the able assistance of Mr. BARNARD and others—that created two special field offices of the Department of Justice, one in Texas and one in California, to prosecute the criminals within the industry. It is in these two States where fraud is most prevalent—it is there that we must focus our resources.

We cannot fight fires a thousand miles from the source—we need to be on the scene, with a strong public presence. We must show these criminals we mean business, by prosecuting them, tossing them in jail, and throwing away the key.

We must be tough on these wrongdoers. Creation of these special field offices takes a big step in that direction. I urge all of the members to strongly support this amendment.

On February 10, the Wall Street Journal ran a front page story on the fraud section's massive efforts in Dallas, and I quote from it:

> Although the Dallas task force is still the largest in Justice Department history, it has failed to achieve much. Budget cuts, low pay, low morale, and ineffective strategies have plagued it. The Force is stretched thin, of 11 fraud section lawyers currently working for it, only [one] actually lives in Dallas. The rest commute from Washington, dividing their time between task force cases and investigations in other parts of the country.
>
> [T]he incessant travel is tiring and demoralizing. Task force lawyers feebly joke that the Justice Department should establish a legal defense fund to handle their divorce settlements. At one point, money appropriated for the task force was diverted to the national obscenity enforcement unit. With travel to Dallas, restricted to 1 trip a month, the investigation was largely directed by remote control from 1,500 miles away.

A Los Angeles fraud section office could assist, at much less cost and travel, those U.S. attorney offices throughout California, which has the most pending financial institution fraud cases of any State in the Union, and I urge adoption of the Barnard amendment.

Mr. BARNARD. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MCCANDLESS].

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. McCANDLESS. Mr. Chairman, I thank the gentleman from Georgia [Mr. BARNARD] for yielding this time to me.

Mr. Chairman, I would first like to say that I have a great deal of respect for my colleagues that serve on the Committee on the Judiciary.

□ 1420

The experience of the Government Operations Committee has not led us to any conclusion lightly. The Office of the Attorney General has not been that responsive to what I consider to be a crisis situation.

We have 3,600 cases currently pending that are under investigation or in some part of the judicial system. It is my understanding, Mr. Chairman, that there are another 7,000 cases yet to be undertaken, so if one were to take a look at this from the total potential, 10,600 cases could conceivably be the ultimate result of the situation that we are here discussing today.

I am not a micromanager, but I must say in all candidness, based on our experience in the Government Operations Committee relative to the activities of the Attorney General in his field leads us to believe that because we are placing in this bill $75 million over a 3-year period, there needs to be a better result from the Attorney General in this specific field where the allegations are coming than we have currently experienced.

Too much time is being spent on airplanes. As one who spends time on airplanes, I can respect the problems because you are usually tired by the time you get there. So instead of spending that time and resource traveling, instead of spending that time and resource trying to conduct something long distance from Washington or another location, to me it is very timely that we take the resources being allocated under this bill and establish two regional offices in the areas that have been talked about and develop those regional offices to handle these potential 10,000-plus cases.

Not being an attorney, Mr. Chairman, I would simply say that 10,000 cases, with my limited experience in court, is going to take many, many years to resolve if we were to get that far.

The CHAIRMAN pro tempore (Mr. MONTGOMERY). The gentleman from Georgia [Mr. BARNARD] has 4 minutes remaining. The gentleman from Wisconsin [Mr. KASTENMEIER] has 9 minutes remaining.

The Chair will rule that because this section of the bill did come from the Judiciary Committee that the gentleman from Wisconsin [Mr. KASTENMEIER] in effect is managing this part of the legislation, so the gentleman from Wisconsin will be allowed to close debate.

Mr. BARNARD. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. SCHUMER], a cosponsor of this amendment.

Mr. SCHUMER. Mr. Chairman, I thank the gentleman from Georgia for yielding me this time.

First, let me compliment the gentleman for his leadership on this whole issue of enforcement. It has been a passion and a goal of the gentleman from Georgia to see that there be adequate enforcement. He has really steered this legislation.

I speak in the anomalous position of wearing two hats. I am a member of the Judiciary Committee, and in fact I am chairman of the Criminal Justice Subcommittee. I am also a member of the Banking Committee. I really believe that this amendment is the correct thing to do.

Mr. Chairman, our constituents have been asking us, "Why have there been so few prosecutions?" Here we have huge amounts of fraud, huge amounts of potential criminal prosecution and so little to show for it.

The question is why? Well, there are a whole lot of reasons, one of which there is not enough money, although I must tell my colleagues that one of the most important reasons to vote for this bill is that it does put $75 million in for these kinds of prosecutions.

Another is that the penalties were not tough enough, but this bill does strengthen the penalties and strengthen significantly.

But the third reason and the reason this amendment is important is a lack of focus. If you are the U.S. attorney of a certain area, you have thousands and thousands of responsibilities. At one point in time drugs may be very important in your area. Then there may be bank robberies. Then there may be counterfeiting and your attention shifts from one issue to the other.

What is needed to help prosecute those who have caused these terrible, terrible crimes, is focus and concentration, and given the fact that U.S. attorneys have so much responsibility, I would argue to all of you that the best way to get that focus, to get that concentration, is very simply to set up these units.

These types of cases, my colleagues, take years to develop and build. There is a very real risk that there is no payoff if the case cannot be brought, and because there are so many other types of prosecutions that are quicker or more glamorous or enticing, all too often the prosecutions of these kinds of fraud cases get fourth or fifth priority. If we set up the kinds of task forces envisioned in the amendment introduced by the gentleman from Georgia and myself, we are certain that there will be the focus that is needed.

We are not saying all the money should go into these task forces. In fact, the vast majority of the money will go to the U.S. attorneys throughout the country to prosecute these issues, but a small amount of the money under this amendment will go into these task forces.

I say to my colleagues, as well as to this fly that is buzzing around here, I say to my colleagues, why not try it both ways? Why not give the U.S. attorneys the money they need, but why not authorize these task forces which will provide the focus that has been so sorely missing?

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I am happy to yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I think the gentleman is making an excellent statement.

This amendment was part of an enforcement package which the gentleman from Georgia and I introduced as an amendment in the committee, as the gentleman knows. What it would do would be to require the Department of Justice to set up field offices in Texas and California.

I am sure this point has been made, but most of the fraudulent activity has occurred in financial institutions in Texas and California.

There is currently an investigative backlog in cases in those States and I think it makes sense to try to expedite it.

Mr. SCHUMER. Well, I thank the gentleman for his valued leadership on this issue.

If you want to put these guys in jail where they belong, vote for the Barnard-Schumer amendment.

Mr. KASTENMEIER. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS], the chairman of the Committee on Government Operations.

Mr. CONYERS. Mr. Chairman, I rise in strong support of the Barnard amendment.

Mr. KASTENMEIER. Mr. Chairman, to conclude the debate, I must say that I do not wear two hats. I just wear one. But in behalf of the Committee on the Judiciary, I would urge that we reject this amendment.

As I indicated earlier, the gentleman from Georgia in his investigations in the Government Operations Committee turned up some very useful information and made a number of very important suggestions about use of personnel; but I suggest to you that "going both ways" is not the answer; that is to say, buying back this section, which was eliminated, which says to create regional offices of the broad section of the criminal division and locate them in the central district of California and the northern district of Texas is not an answer to the issue of

using resources for the purpose of prosecuting these cases.

As has been pointed out, we have drug problems, we have organized crime problems, we have white collar crime problems, we have all sorts of potential task forces that could be organized and utilized if that were the answer alone. It is not. What we would be doing is imposing a statutory scheme on a Department of Justice that does not want it.

You will not find this in the Senate bill. We should not seek, as they do not, to micromanage the Justice Department. They are responsible to us, and I am sure the gentleman from Georgia and the gentleman from New York [Mr. SCHUMER] in their respective capacities, and the gentleman from New Jersey [Mr. HUGHES], chairman of the Crime Subcommittee of the Judiciary Committee, will insist in months to come that the Justice Department pursue these cases effectively under its present system and that we will dedicate enough resources to them to achieve that without imposing this sort of structure upon them.

Mr. Chairman. I ask that the committee reject the amendment.

The CHAIRMAN pro tempore (Mr. MONTGOMERY). The question is on the amendment offered by the gentleman from Georgia [Mr. BARNARD].

The amendment was agreed to.

□ 1430

AMENDMENT OFFERED BY MR. ANNUNZIO

Mr. ANNUNZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. MONTGOMERY). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ANNUNZIO: Page 637, strike out line 22 and all that follows through page 638, line 9, and insert in lieu thereof the following (and redesignate the subsequent paragraph accordingly):

(b) AMOUNT OF PENALTY.—

(1) GENERALLY.—The amount of the civil penalty shall not exceed $1,000,000.

(2) SPECIAL RULE FOR CONTINUING VIOLATIONS.—In the case of a continuing violation, the amount of the civil penalty may exceed the amount described in paragraph (1) but may not exceed the lesser of $1,000,000 per day or $5,000,000.

Page 638, beginning on line 14, strike out "amount described in paragraph (1)" and insert in lieu thereof "amounts described in paragraphs (1) and (2)".

Page 639, beginning on line 5, strike out "the preponderance of the evidence" and insert in lieu thereof "clear and convincing evidence".

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] will be recognized for 20 minutes and a Member in opposition will be recognized for 20 minutes.

Mr. HUGHES. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from New Jersey [Mr. HUGHES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is a referendum on crooks. The American public is shocked and outraged over the problems that exist in our Nation's savings and loan industry. They cannot believe that crooks, wearing tailor-made suits and wily smiles, have pilfered the industry of billions of dollars in cash, and that they, the taxpayers, have been left to pick up the tab.

The Subcommittee on Financial Institutions, which I Chair, did everything in its power to ensure that such crooks got their due—we imposed long prison terms and large penalties for taking advantage of the American taxpayer. The Full Banking Committee, by a 49-to-2 vote, strongly endorsed these provisions. However, the Judiciary Committee has decided to lessen some of these penalties, giving the appearance that we are letting these crooks off scot-free.

The administration wants tough penalties. The Banking Committee wants tough penalties. And the American people want tough penalties.

One of the big questions facing America today is whether there should be a death penalty for drug dealers. Given the strong feeling that many Americans have towards providing realistic punishment to criminals, how can we favor lessening the penalties against financial crooks who have created an economic problem rivaled only by the Great Depression? The American public will not stand for this.

My amendment is quite simple. It would reinstate the $1 million a day civil monetary penalty for violations of specified criminal statutes passed by the subcommittee, with aggregate penalties of up to $5 million. The Judiciary Committee's language would reduce this amount to twice the actual loss to the Government.

Some will argue that the Judiciary Committee's language is stronger because it has no cap on penalties. They are mistaken—there is no cap on penalties under my amendment either. Under an existing provision of the bill, if the gain or loss involved is above $5 million, then the Justice Department can get it. This provision will remain applicable under my amendment. Clearly, my amendment is much stronger than Judiciary's version.

Under the Judiciary Committee approach, if the crooks get caught before they cause the Government any loss, they will hardly incur any civil penalty for committing a crime. We are letting the crook off even though his hands just got caught in the cookie jar. Let's get tough on these criminals—let us throw them in jail, toss away the key, and get back the money they pilfered from the American taxpayer to boot.

In confronting this problem, the Subcommittee on Financial Institutions addressed head-on the concerns of Federal regulators and their need for additional enforcement powers. We carefully crafted a strong web of enforcement provisions which vastly increased the power of these regulators to combat fraud and insider abuse in the bank and thrift industries. The Full Banking Comittee endorsed these tough enforcement standards.

The Judiciary Committee, however, after only one day of debate, and then only by an 18-14 vote, proposes to lessen the criminal penalty provisions in the Banking Committee-passed bill.

As soon as these Banking Committee-passed penalty provisions were passed, bankers across the country started to complain that it was too harsh a penalty. The felt that innocent officers and directors would be subject to large fines.

Well, nothing can be further from the truth—these penalties only apply to the "bad guys" within the industry—those who engage in bribery, embezzlement, filing false reports, perpetrating deposit insurance fraud, filing false statements and overvaluation to mislead regulators or are engaged in fraudulent activities.

Honest and responsible and individuals and institutions have nothing to fear from such tough penalty provisions. The provisions may be strong, but they are necessary. After all, my colleagues, we are talking about a $300 billion bill to be paid by the American taxpayer because of these crooks.

Some will claim that this amendment will impose unconstitutionally disproportionately harsh and unconstitutional civil penalties. The taxpayer has a $300 billion bill from the savings and loan crisis. Yes, the penalties are disproportionate, disproportionately low.

There is nothing unconstitutional about a million dollar penalty for a $300 billion crime. If anything, the civil penalties are not unconstitutional; they are too low.

We need to be tough. If the industry does not like it, let them find another business to engage in, one that does not provide them with a Federal safety net for their misdeeds, and which does not place upon them the noble responsibility of protecting the public trust.

In conclusion, we should not be endorsing any lessening of the tough standards reported out by the House Banking Committee—to do so would be a grave disservice to our constituents. We must punish criminals for

VOL 135 PT 9 JE 14 — 22 1989 UMI

crimes that may eventually cost the American taxpayer over $300 billion.

We should be doing everything in our power to ensure that this body is never again confronted with a financial problem of such magnitude that it dominates the local and national media and places fear in the hearts of our neighbors. Every one of us in this Chamber has been contacted by numerous constituents outraged over having to foot the bill for regulatory laxity and financial mismanagement. We cannot go back to these same constituents and admit that we have weakened the sanctions that would apply to these crooks.

The press and many Members of Congress have called for severe penalties, because an institution has supervisory goodwill on its books.

If we can even consider taking severe action against legitimate, well-run institutions, how can we not take even harsher action against crooks who have stolen billions of dollars from the American taxpayers? The choice is clear.

I ask for Members' support on this important issue.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. ANNUNZIO. I am happy to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I rise in support of the amendment. The gentleman should know three things: The Attorney General just said that he cannot prosecute, cannot even investigate, more than two-thirds of all the major financial fraud cases, major. He just said that yesterday.

No. 2, in another Committee on Judiciary, when I asked them, considering S&L penalties, what about civil RICO, the only law that allows treble damages for white-collar crooks, does the gentleman know what the witness told me? "I don't know anything about that bill; I don't know anything about that law." It has only been on the books about 10 years.

No. 3, today, and for the last 2 years, all of these white-collar criminals through their lobbyists and legislative representatives and advisers and friends who are at our doors are up here trying to knock out the civil RICO treble damages for the white-collar criminals, the Milkens, the Boeskys, the Levines, all the investment companies that are quietly pleading guilty.

Mr. Chairman, we need this amendment. This bill is not worth the paper it is written on if we are not going to give the Attorney General and the Department of Justice some way to authorize this, and I am glad to see one member of the Committee on Banking, Finance and Urban Affairs, among others, who is willing to put some teeth into this law as we write a $300 billion check.

□ 1440

Mr. ANNUNZIO. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New Jersey [Mr. HUGHES] is recognized for 20 minutes.

Mr. HUGHES. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, I want to say that it is very seldom that I am ever on the other side of an issue with my good friend and colleague, the gentleman from Illinois, who is a most distinguished member of the Committee on Banking, Finance and Urban Affairs. But in this instance, I really respectfully believe he is wrong.

We do not hear from the Justice Department today because I think the Justice Department recognizes that they made a mistake in this section dealing with civil penalties. After this legislation was sent to the Congress a decision came down in the matter of United States versus Halper. It was decided on May 15, 1989 and that dealt with civil penalties, and that is what we are talking about. When the Justice Department sent this legislation to Congress for consideration, they asked that we increase criminal penalties, which we have done, and for good reason; and that we increase the civil penalties, and make it cumulative; that is, in addition to the criminal penalties, which we have done. We all agree with that, and we all agree that we need to increase criminal penalties; that is, jail terms and fines for these people who have bilked the taxpayers of hundreds of billions of dollars.

But we need to do it first of all constitutionally, and Halper said it is not what it says, it is not whether you call it a civil penalty if it is really another criminal penalty, it is whether it is in fact a civil penalty. That is whether it is crafted to be remedial in nature or crafted to be criminal in nature.

If it is criminal and you have convicted the person of a felony or any other crime, a misdemeanor, then it is double jeopardy if you then attempt to levy again on them what is in fact a criminal penalty. It has to track the actual loss to the Government, and that is the problem with the Banking Committee language. I say to my colleague, the gentleman from Illinois.

When the Justice Department sent this to us they did not know that Halper was going to be decided on May 15 as it was. I do not fault anybody. But what we have tried to do is clean that up in the Judiciary Committee so we have, in fact, a constitutional civil penalty. We all want to clobber the crooks.

The second thing we did was to remove the cap of $5 million on what the Government can recover of $1 million per day, up to $5 million. So if the Government loss, which is conceivable, is $50 million, if we pay out in insurance $50 million, guess what; if the amendment of the gentleman from Illinois carries, the most the Government can collect is $5 million maximum.

Something else occurred in the Committee on Banking, Finance and Urban Affairs which the Judiciary Committee did not think made sense. They increased the standard of proof to a clear and convincing standard, the so-called Schumer amendment. Why did they do that? Why do they want to make it harder for the Government to prosecute these crooks? I'm not sure.

So if my colleagues support the gentleman from Illinois, they are going to make it tougher for the Justice Department to prosecute those that violate our laws. If that is what Members want to do, then support the gentleman from Illinois. But if they want to sock it to them, and they want the Government to collect up to twice its actual loss, that is, if it is $50 million that the Government has lost, to collect up to $100 million in civil penalties then what the Judiciary Committee has done will permit that.

I hope my colleagues will reject the amendment of the gentleman from Illinois. It is generally a good bill, and I commend my colleagues for strengthening the capital requirements. I do have some concerns, but I think overall it is a good bill.

We need to preserve what was done in the Judiciary Committee to make it the tough bill we all want in this area of civil penalties.

Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. McCOLLUM].

Mr. McCOLLUM. Mr. Chairman, I thank the gentleman for yield time to me.

Mr. Chairman, I think the gentleman from New Jersey has made an excellent point. The key to this whole proposition is we are dealing now with civil penalties, not crimial. The fact of the matter is criminal penalties that are really tough, that come out of the Committee on Banking, Finance and Urban Affairs, are untouched by anything that happened in the Judiciary Committee. We have good stuff in there, we ought to leave it alone, and we have.

But when it comes to civil penalties, there was a defect in what came out of the Banking Conmittee and went over to the Judiciary Committee. One of the most glowing defects was the fact that the burden of proof was a clear and convincing standard. We went to a prepponderance of the evidence standard. We allow the Justice Department then not to have to carry as though a burden of proof as otherwise would be the case.

If the Annunzio amendment is adopted, the one we are considering right now, we will go back to more dif-

ficult standard for the Justice Department to be able to get civil penalties.

If Members want to have civil penalties collected by the Justice Department under this bill, they should defeat the Annunzio amendment. It is as simple as that.

The second point the gentleman from New Jersey made is equally true, and that is that there is a constitutionality question if we go and pass this amendment. For that reason, if we want to have the kind of results in the civil penalty area that we all I think share, that is the opportunity to have criminal penalties and a cumulative civil penalty on top of that, Members need to stick with what is now in the bill that the Judiciary Committee put there. We need to allow the opportunity for the Justice Department to show the proportionality, to show the relationship of the civil penalty, the actual costs that are involved in this, the attorneys' fees, the loss to the insurance fund, and so forth. We allow for double those costs, but we say they have to prove the cost. If they prove those costs, if they prove that is actually a cost to the Government we are dealing with, then there is no constitutional problem and they can recover criminal and civil penalties against the bad guys in this case.

If the Annunzio amendment is adopted, then we have big constitutional battle that is going to go to the Supreme Court, and chances are they are going to throw out these civil penalties.

So vote down the Annunzio amendment and leave the bill the way it is with tough criminal and civil penalties and an easier burden of proof on the Justice Department.

Mr. ANNUNZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, we have a lot of lawyers on the Judiciary Committee. Many of them are going to be judges in the futures, many of them were prosecutors before, and some of them taught law, and they are astute at making laws and understanding the civil and criminal justice provisions.

I am also on the Judiciary Committee. But in this matter, as I read it, what we are doing here is setting up an amendment that will allow the Department of Justice to piggyback the criminal and civil penalties together, is that not correct?

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. The gentleman from Michigan is absolutely correct.

Mr. CONYERS. So what we are doing here is raising a constitutional objection based on interpreting the Halper case, which I want to suggest is very distinguishable. The court emphasized repeatedly in the Halper case that these determinations must be made on a case-by-case basis.

The Banking Committee version permits up to $1 million, not more than $5 million in the case of continuing violation. This permits the court discretion in imposing penalties. But in the case everybody is telling us is going to send this amendment to the Supreme Court, in Halper, there was a $2,000 a day penalty, and it was absolute. There was no discretion to raise or lower it.

Ladies and gentleman, that distinguishes the case that my Judiciary Committee colleagues are so sure is going to send this to the Supreme Court. I think that is probably prophetic insight, but I do not think it has a darn thing to do with socking it to the white collar criminals who are making us write a $300 billion check over 33 years on the American people.

Mr. ANNUNZIO. Mr. Chairman, I thank the gentleman from Michigan for his contribution.

Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my good friend, the gentleman from Illinois, for yielding time to me. I want to congratulate him on what I consider to be a very fine amendment.

□ 1450

As I interpret the amendment, it means that we are going to have stiffer penalties for those people who are going to be brought to justice. That is what we should strive for. The gentleman from New Jersey made an excellent presentation, and so did our friend from Florida. I like to look at the facts of these things rather than just the rhetoric.

In 1987, we had 4,000 cases of fraud reported to the Justice Department. In 1988, we had 6,000 cases of fraud reported to the Justice Department.

Now my question is how many have been brought to justice? How many have been brought to trial? The facts indicate 25, that is right, 25 out of 10,000 cases reported to the Justice Department. I feel the job is not being done properly. That is why I am for this amendment.

We need a strong deterrent, but we also need a strong detergent, and this is the "Ivory Soap" amendment of this legislation.

It is our responsibility to decide how these cases will be prosecuted and the penalties to be imposed. We need an effective deterrent to prevent future fraud.

Of the three pillars of this bill, two of them are that we will not revisit this bill again and that the crooks are brought to justice. These are incorporated in this particular amendment.

When the Attorney General appeared before the Banking Committee in the other body, he said essentially that there is little use in going after the criminals if we retrieve $1 when it is going to cost us $1 to prosecute. But that is not the way I look at it. It is not only a matter of money, it is a matter of telling our taxpayers that we are going to go after the people who are causing this $284 billion bill. That is why it is important to have this amendment.

In the "December deals" I asked the Attorney General to look at their legality, because they started at $18 billion, and in 3 months they grew to $29 billion. That is an $11 billion increase in just 3 months. The taxpayers cannot put up with that, and that is why I support this amendment.

The CHAIRMAN pro tempore (Mr. MONTGOMERY). The gentleman from Illinois [Mr. ANNUNZIO] has 7 minutes remaining and the gentleman from New Jersey [Mr. HUGHES] has 13 minutes remaining.

The Chair will inform the two managers of the time that under a ruling of the Chair, because this section was handled by the Committee on the Judiciary, the gentleman from New Jersey will have the privilege of closing the debate.

Mr. HUGHES. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MCCOLLUM].

Mr. Chairman, will the gentleman yield?

Mr. MCCOLLUM. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Chairman, I say to my colleagues, "Don't listen to the debate, read the bill, read the bill."

In the Banking Committee bill there was $5 million cap which means that the Government can only collect up to $5 million. If in fact the insurance fund is tapped for $25 million, the maximum the Government can recover is up to $5 million, as I read the Banking Committee bill.

Now can the gentleman from Florida tell me is there any question about that?

Mr. MCCOLLUM. There is not. There is no question that you have a much higher recovery potential against the bad guy under the Judiciary Committee amendment than you would under Mr. ANNUNZIO's amendment. No question at all. You could collect double the losses, and that includes losses to these insurance funds that could be millions and millions of dollars.

Mr. HUGHES. Am I correct that in the Banking Committee bill the standard of the Government is by clear and convincing proof standard?

Mr. MCCOLLUM. The gentleman is correct.

Mr. HUGHES. What is the general civil recovery standard in our civil courts, will the gentleman tell me?

Mr. McCOLLUM. The preponderance of evidence, and a much lighter standard, clear and convincing.

Mr. HUGHES. So the Banking Committee required a clear and convincing standard, making it tougher for the Government to prove the cases.

Mr. McCOLLUM. The gentleman is correct, absolutely right. That is why Annunzio amendment should be defeated in this case, we should stay with the lighter burden of proof, the preponderance of the evidence and the potential for much heavier penalties.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Wisconsin.

Mr. ROTH. I thank the gentleman for yielding.

In the 10,000 cases of fraud reported to the Justice Department, what is the highest we have ever retrieved?

Mr. McCOLLUM. I have no idea what the highest is that we have retrieved. But the point is you could receive a lot higher under our bill because we spell out when you can retrieve, the actual losses, administrative costs, attorneys fees, money paid out of the insurance fund, investigative costs, and double that amount could be recovered specifically under this bill, and the burden of proof is much lighter here than it would be if the Banking Committee provision were adopted.

Mr. ANNUNZIO. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. I thank the gentleman for yielding.

Mr. Chairman, I would just like to clarify some of the comments that have just been made. The way I read the Banking Committee bill, it says $5 million or, or, underline "or", and it says, this "may not exceed the amount of such gain or loss."

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. BARNARD. I yield to the gentleman from Florida.

Mr. McCOLLUM. I thank the gentleman for yielding.

Mr. Chairman, we put in our bill double the total amount of loss. So you are limited to $5 million loss, and we have twice the loss in our bill.

Mr. BARNARD. It is double cost, double cost. It says double cost, not double the loss.

Mr. McCOLLUM. Double the loss, double the loss, and the loss includes by definition all the insurance funds, all the investigative costs.

Mr. BARNARD. My interpretation of what the Judiciary Committee said was double the cost, but they did not—in other words they did not change double loss.

Mr. McCOLLUM. Will the gentleman yield?

Mr. BARNARD. Yes, because I think this needs to be clarified because I do not think that the penalties under the Judiciary amendment is harsher than what it is in the Banking Committee.

Mr. ANNUNZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman from Illinois for yielding.

Mr. Chairman, it is the practice around here often, when you are going to disagree with someone, first you lionize him. I do not usually do that, if you will check the record. I will in this case.

I have as much respect for the gentleman from New Jersey in this area of considerable expertise as anyone else, and he has raised some points that I think ought to be addressed. I hope we can address them in conference because I believe that the language in the Banking Committee, which the gentleman from Illinois, the chairman of the subcommittee, worked so hard on, sends some very important messages and has some important parts here.

The decision came afterward. There is some question which we just raised, and it deals with—a lot will turn on who you mean by "person." There is a definition in the bill on page 638; if we were to change the definition of "person" some, I think we would meet the problem the gentleman from New Jersey raised about the $5 million cap.

But the fundamental point is I think the gentleman from Michigan accurately described the Halper decision, as I understand it. And we have some room.

We are told by Justice they plan to do civil and criminal together. They plan to do a lot of things when they testified. We have to look at what they do. There has been historically, not just recently but historically, a severe underutilization of the criminal process to protect the public interest in cases of this sort. Maybe it is going to change in the future, but I would not base public policy on it. Having very, very stern civil penalties of the sort the gentleman from Illinois put in the Banking Committee bill seems to me important.

Some of these constitutional and other questions that have been raised can be addressed in conference. We always have room in conference and flexibility to deal with things.

But the thrust I would hope that we would vote here that we want to be as tough as possible.

The Halper decision, having come down subsequently, may put some litigation. I do not want to accept that until we have to.

We are told it will be litigated. It will be litigated in any case. The best way to send a very strong message and put us in the best shape to get the best possible penalty is with the language of the gentleman from Illinois.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] has 4 minutes remaining and the gentleman from New Jersey [Mr. HUGHES] has 11 minutes remaining.

Mr. HUGHES. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. McCOLLUM].

Mr. Chairman, will the gentleman yield to me?

Mr. McCOLLUM. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

I just want to say to my colleagues once again, all we have to do is read the language in the legislation. It refers to a person and the person does not include the Government of the United States. In the Judiciary Committee amendment we purposely included all the expenses, all the costs to the Government, including a tapping of the insurance fund, which could be humongous.

□ 1500

Mr. McCOLLUM. I would like to read the language because the gentleman from Georgia [Mr. BARNARD] raised this point. The actual language of the Committee on the Judiciary says the penalty shall be "the amount of the civil penalty under this section shall not exceed twice the amount of actual loss to the Government," not cost, but loss to the Government. "Actual loss to the Government includes cost of experts, attorneys' fees, administrative overhead, salaries of employees, and other costs in regulation, investigating and prosecuting civil and criminal cases with respect to the conduct that is the basis of the claim for a civil penalty under this section. Actual loss to the Government also includes all moneys paid out of any Federal Deposit Insurance Fund and any other costs incurred by the Government as the result of such conduct."

We pick up every conceivable loss. Very intentionally on our past, we pick it up and we say, "twice that loss," could be the penalty. It is a much tougher, potentially much more expensive loss factor for the person who is being penalized than the Committee on Banking, Finance and Urban Affairs' version, and we have a lighter burden of proof on the Government, the ponderance of the evidence.

I think there is a lot of confusion. I do not think there should be any question, though, that the Committee on the Judiciary actually strengthened this penalty provision, not weakened it, strengthened it, makes it tougher and makes it easier for the Government to collect the civil penalty, either

cumulatively with criminal or civil alone. I think we are arguing about something we should not be. We actually improved it.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, let me offer this illustration. What if a person defrauded a bank or savings and loan of $300,000, but yet it brings down a $30 million institution; in other words, which provision is the harshest penalty, the Committee on the Judiciary or the Committee on Banking, Finance and Urban Affairs?

Mr. McCOLLUM. Mr. Chairman, the Committee on the Judiciary would be harsher because it brings down that institution. The chances are it will be paying out millions of dollars to depositors and the insurance fund will sustain millions of losses. It could be $100 million or $200 million, you could select in civil penalties under the Committee on the Judiciary version, and no more than $5 million under the Committee on Banking, Finance and Urban Affairs.

Mr. BARNARD. If the gentleman will yield, are you saying you would be able to collect twice the cost of the Government?

Mr. McCOLLUM. Twice the actual losses and costs under the Committee of the Judiciary version. That is why it explicitly says that both, everything, all-encompassing. I think that is a missed point in this thing. Very, very tough penalty.

Mr. ANNUNZIO. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Chairman, we are dealing in some particularly technical legal language, and of course, it does take lawyers and judges and professors of the law to adequately interpret this. I do not fault that.

Certainly, I have a high regard and respect for members of the Committee on the Judiciary and their evaluations. Members of the Committee on Banking, Finance and Urban Affairs felt incumbent to send a strong message to those that have defrauded banks, committed fraud in banks, and brought down banks and savings and loans. We serve notice those individuals are going to pay. They are going to pay very dearly. They are going to pay from their illegal gains through their activities. They are going to pay, also, from the standpoint of jail terms.

I think that the reason that we were so adamant about this, and probably that we had stronger provisions than the Committee on the Judiciary, because we wanted to send a message to the taxpayers, that we want to see wrongdoing prosecuted. However, likewise, we wanted to send a message to those that are out there who have flagrantly, and cavalierly breaking banks, creating riches for themselves. When they are prosecuted and found guilty, they are going to have to pay. That is the reason that we have tried to insist that the harsher penalties be imposed. That is why we felt like our amendments, the Committee on Banking, Finance and Urban Affairs amendment was stronger.

I would urge the members of the committee to support the Committee on Banking, Finance and Urban Affairs on this. We understand where we are trying to go on this particular amendment. We feel like the taxpayers will be happier with what we are doing in bailing out the savings and loans, if they know where there is wrongdoing, wrongdoing will have to pay the price.

Mr. ANNUNZIO. Mr. Chairman, I yield myself 1 minute.

It is being said on the floor today that the Committee on the Judiciary amendment is tougher on the crooked bankers. If that were true, why are the bankers, and I read all of their magazines and periodicals, opposed to my amendment?

This is a simple amendment. Vote for the Annunzio amendment to put the crooks in jail. A vote for the Committee on the Judiciary is a vote to go easy on crooks. That is what it is all about. We have heard all of those arguments throughout the day on supervisory good will. All these crooks were going to take this money. Now we have an opportunity. We have an opportunity to catch the crooks, find out what the crooks are, and as President Bush said in his inaugural address here to the Congress, we must put a fine of $1 million a day on these crooks, with a $5 million cap. I am trying to follow the instructions of my President.

Mr. HUGHES. Mr. Chairman, I yield myself such time as I may consume.

I have three points. First of all, Mr. Chairman, I think our intent is the same, to try to make it the strongest possible civil penalty that we can draft. The only place where we differ from the Committee on Banking, Finance and Urban Affairs, and we have to deal with title XVIII and criminal penalties all the time, is as to how to do that. We think we do not have to clean it up in conference as the gentleman from Massachusetts suggested. We think we have done that. We think we have made it constitutional. However, more importantly, Mr. Chairman, the language in the bill already makes it possible for our Government to impose a more severe civil penalty because we removed the $5 million cap. For example if the loss to the Government is $100 million, Mr. Chairman, under the Committee on the Judiciary language in the bill, we can recover as a Government up to $200 million, twice the loss to the Government. That is the first thing.

Finally, we make it easier for prosecutors to make their case. I do not know why the Banking Committee increased the burden of proof. It was not sent to the Committee on Banking, Finance and Urban Affairs with a clear and convincing evidence standard by the Justice Department. That is not the usual standard. The usual standard in a civil case is by a ponderance of the evidence. The Committee on Banking, Finance and Urban Affairs proposal by Mr. ANNUNZIO would again return Members to the clear and convincing standard which makes it more difficult for the Government to make a civil case.

So Mr. Chairman, if my colleagues want to strengthen the civil penalties, they should support the language in the bill and reject the Annunzio amendment.

Ms. OAKAR. Mr. Chairman, I come out in strong support of Chairman ANNUNZIO'S amendment that would reinstate and restore the Banking Committee provision authorizing civil penalties of up to $1 million a day for certain criminal offenses. Letter after letter from my constituents call for harsh penalties of those executives who engage in fraudulent activity which cost the American taxpayer billions of dollars. The Congress must mandate that these executives be accountable for their actions when federally insured money is at stake.

Mr. Chairman, in reading the National Thrift & Mortgage News Weekly just recently, there appeared four major fraud cases involving millions of dollars worth of losses to the FSLIC because the FSLIC does not have the adequate funds to compensate for these losses, the American taxpayer must be called on once again. Just recently, the Justice Department's Dallas bank fraud group expressed frustration with a sentence recently handed down. A Louisiana financier, has contributed to the collapse of 16 savings and loans in four States which amounted to over $40 million in damages. He was allegedly also associated with funding the purchase of other thrifts, most of which are now insolvent due to suspected fraud. Now my fellow colleagues, here we are debating whether to reinsert stronger penalties for fraud and abuse. Let me share with all of you, the actual penalty this individual received. For causing at least $40 million in damages, with additional association with other now defunct thrifts, this individual received a 1-year sentence.

Stories like this are common. Law enforcement personnel are frustrated. I urge my fellow colleagues to support Chairman ANNUNZIO'S amendment and make those pondering fraudulent activity think twice.

The CHAIRMAN pro tempore (Mr. MONTGOMERY). The question is on the amendment offered by the gentleman from Illinois [Mr. ANNUNZIO].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HUGHES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 382, noes 41, answered "present" 5, not voting 5, as follows:

[Roll No. 88]

AYES—382

Ackerman
Akaka
Alexander
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Billey
Boehlert
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coelho
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Cox
Coyne
Craig
Crane
Crockett
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fiske
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hefley
Hefner
Henry
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hutto
Hyde
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Klecska
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martinez
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shays
Shumway
Shuster
Siljander
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swift
Talion
Tanner
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)

NOES—41

Anderson
Ballenger
Bliley
Coleman (MO)
Dannemeyer
DeWine
English
Fish
Gekas
Gillmor
Goss
Gradison
Hancock
Herger
Hughes
Hunter
Inhofe
Kasteenmeier
Kolbe
Kyl
Lent
Lewis (CA)
McCollum
McCurdy
Molinari
Mollohan
Moody
Nielson
Pease
Rohrabacher
Schaefer
Shaw
Slaughter (VA)
Smith (MS)
Stangeland
Stump
Synar
Tauke
Thomas (CA)
Thomas (WY)
Young (AK)

ANSWERED "PRESENT"—5

Boucher
Brooks
Hayes (LA)
Martin (NY)
Sisisky

NOT VOTING—5

Buechner
Collins
Courter
Gephardt
Leath (TX)

□ 1530

Messrs. NIELSON of Utah, ROHRABACHER, and HANCOCK changed their vote from "aye" to "no."

Messrs. BROWN of Colorado, DUNCAN, HEFLEY, SMITH of Texas, and RITTER changed their vote from "no" to "aye."

Mr. BROOKS changed his vote from "aye" to "present."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1530

AMENDMENT OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROSTENKOWSKI: Page 359, strike line 18 and all that follows through page 391, line 6, and insert the following:

SEC. 502. RESOLUTION FUNDING CORPORATION ESTABLISHED.

(a) IN GENERAL.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 21A (as added by section 501 of this title) the following new section:

"SEC. 21B. RESOLUTION FUNDING CORPORATION ESTABLISHED.

"(a) STATEMENT OF PURPOSE.—It is the purpose of this section to establish a Resolution Funding Corporation to provide the funds necessary for the Resolution Trust Corporation to carry out its purposes under this Act.

"(b) ESTABLISHMENT.—There is hereby created a body corporate to be known as the Resolution Funding Corporation. The Funding Corporation shall be an instrumentality of the Federal Government and shall maintain any offices necessary or appropriate in the conduct of its business.

"(c) MANAGEMENT.—

"(1) IN GENERAL.—The Funding Corporation shall be subject to the general supervision and direction of the Secretary of the Treasury.

"(2) STAFF.—The Funding Corporation shall have no paid employees. The Secretary may, on a reimbursable basis, authorize the officers or employees of the Department of the Treasury to act for and on behalf of the Funding Corporation in the manner necessary to carry out the functions of the Funding Corporation.

"(3) ADMINISTRATIVE EXPENSES AND ISSUANCE COSTS.—

"(A) IN GENERAL.—All administrative expenses and issuance costs of the Funding Corporation shall be paid by the Federal home loan banks.

"(B) PRO RATA DISTRIBUTION.—The amount each Federal home loan bank shall pay shall be determined by the Secretary by multiplying the total administrative expenses and issuance costs for any period by the percentage arrived at by dividing—

"(i) the aggregate amount the Secretary required the bank to pay to the Funding Corporation (as of the time of such determination) under paragraphs (3) and (4) of subsection (e) (as computed without regard to paragraphs (2) or (5) of such subsection); by

"(ii) the aggregate amount the Secretary required all Federal home loan banks to pay (as of the time of such determination) under such paragraphs.

"(d) POWERS.—The Funding Corporation shall have only the following powers, subject to the other provisions of this section and any regulations issued by the Secretary:

"(1) REQUIRE PAYMENTS.—To take such actions as may be necessary to collect amounts required to be paid to the Funding Corporation in this section.

"(2) TRANSFER FUNDS.—To transfer funds to the Resolution Trust Corporation.

"(3) ISSUE OBLIGATIONS.—To issue debentures, bonds, or other obligations to the Secretary and to pay interest on (and any redemption premium with respect to) any such obligation.

"(4) IMPOSE ASSESSMENTS.—To impose assessments in accordance with subsection (e)(6).

"(5) CORPORATE SEAL.—To adopt, alter, and use a corporate seal.

"(6) SUCCESSION.—To have succession until dissolved.

"(7) CONTRACTS.—To enter into contracts.

"(8) AUTHORITY TO SUE.—To sue and be sued in its corporate capacity, and to complain and defend in any action brought by or against the Funding Corporation in any State or Federal court of competent jurisdiction.

"(9) INCIDENTAL POWERS.—To exercise incidental powers which are not inconsistent with this section and are necessary or appropriate to carry out this section.

"(e) PAYMENTS BY FEDERAL HOME LOAN BANKS AND OTHERS FOR FUNDING CORPORATION PRINCIPAL FUND.—

"(1) IN GENERAL.—

"(A) TOTAL AMOUNT REQUIRED.—The Secretary shall ensure that the aggregate of the amounts obtained under this subsection shall be sufficient to permit the total of the face amounts (the amount of principal payable at maturity) of noninterest bearing instruments in the Funding Corporation Principal Fund to be equal to the aggregate amount of principal on the obligations of the Funding Corporation.

"(B) PAYMENTS BY FEDERAL HOME LOAN BANKS.—Each Federal home loan bank shall make payments to the Funding Corporation for the Funding Corporation Principal Fund at times and in amounts prescribed by the Secretary.

"(2) MAXIMUM PAYMENT LIMITATION FOR EACH FEDERAL HOME LOAN BANK.—The cumulative amount of funds paid to the Funding Corporation by each Federal home loan bank under paragraph (1) shall not exceed the aggregate amount of—

"(A) the sum of—

"(i) the reserves maintained by the bank on December 31, 1988, pursuant to the reserve requirements contained in section 16 (as in effect on such date); and

"(ii) the undivided profits of the bank on such date; minus

"(iii) the amounts used as of such date to invest in the capital stock of the Financing Corporation pursuant to the requirement contained in section 21; and

"(B) for the period beginning on January 1, 1989, and ending on the later of December 31, 1991, or such date as may be necessary to fund the Funding Corporation Principal Fund pursuant to subsection (g), an aggregate amount equal to—

"(i) the sum of—

"(I) the amounts added to reserves after December 31, 1988, pursuant to the reserve requirements contained in section 16; and

"(II) the undivided profits of the bank accruing after December 31, 1988; minus

"(ii) the amounts used to invest in the capital stock of the Financing Corporation after December 31, 1988, pursuant to the requirement contained in section 21.

"(3) PRO RATA DISTRIBUTION OF FIRST $1,000,000,000 PAID TO FUNDING CORPORATION BY FEDERAL HOME LOAN BANKS.—With respect to the first $1,000,000,000 of the aggregate which the Chairperson of the directorate of the Financing Corporation pursuant to section 21 or the Secretary under this section (as the case may be) may require the Federal home loan banks to invest in the capital stock of the Financing Corporation under section 21(d) or pay to the Funding Corporation under this subsection, respectively, the amount which each Federal home loan bank (or any successor to the bank) shall invest or pay shall be determined by the Chairperson or the Secretary (as the case may be) by applying to the aggregate amount of such investment or payment by all banks the percentage appearing in the following table for each such bank:

Bank:	Percentage
Federal Home Loan Bank of Boston	1.8629
Federal Home Loan Bank of New York	9.1006
Federal Home Loan Bank of Pittsburgh	4.2702
Federal Home Loan Bank of Atlanta	14.4007
Federal Home Loan Bank of Cincinnati	8.2653
Federal Home Loan Bank of Indianapolis	5.2863
Federal Home Loan Bank of Chicago	9.6886
Federal Home Loan Bank of Des Moines	6.9301
Federal Home Loan Bank of Dallas	8.8181
Federal Home Loan Bank of Topeka	5.2706
Federal Home Loan Bank of San Francisco	19.9644
Federal Home Loan Bank of Seattle	6.1422

"(4) PRO RATA DISTRIBUTION OF AMOUNTS REQUIRED TO BE PAID IN EXCESS OF $1,000,000,000.—With respect to any amount in excess of the $1,000,000,000 amount referred to in paragraph (3) which the Secretary may require the Federal home loan banks to pay to the Funding Corporation under this subsection, the amount which each Federal home loan bank (or any successor to the bank) shall pay shall be determined by the Secretary by multiplying the excess amount by the percentage arrived at by dividing—

"(A) the sum of the total assets (as of the most recent December 31) held by all Savings Association Insurance Fund members (as defined in section 7(1)(5) of the Federal Deposit Insurance Act) which are members of the bank; by

"(B) the sum of the total assets (as of such date) held by all Savings Association Insurance Fund members (as defined in section 7(1)(5) of the Federal Deposit Insurance Act) which are members of any Federal home loan bank.

"(5) SPECIAL PROVISIONS RELATING TO MAXIMUM AMOUNT LIMITATIONS.—

"(A) IN GENERAL.—If the amount any Federal home loan bank is required to pay to the Funding Corporation pursuant to a determination by the Secretary under paragraph (4) (or under subparagraph (B) of this paragraph) exceeds the maximum amount applicable with respect to the bank under paragraph (2) at the time of such determination (in this paragraph referred to as the 'excess amount')—

"(i) the Secretary shall require each remaining Federal home loan bank to pay (in addition to the amount determined under paragraph (4) for the remaining bank and subject to the maximum amount applicable with respect to the remaining bank under paragraph (2) at the time of such determination. on behalf of the bank the amount determined under subparagraph (B);

"(ii) the Secretary shall require the bank to subsequently reimburse the remaining banks in the manner described in subparagraph (C); and

"(iii) the requirements contained in subparagraphs (D) and (E) relating to the use of net earnings available for dividends shall apply to the bank until the bank has reimbursed the remaining banks for all of the excess amount.

"(B) ALLOCATION OF EXCESS AMOUNT AMONG REMAINING FEDERAL HOME LOAN BANKS.—The amount each remaining Federal home loan bank shall be required to pay under subparagraph (A)(i) is the amount determined by the Secretary by multiplying the excess amount by the percentage arrived at by dividing—

"(i) the amount paid to the Funding Corporation by the remaining bank at the time of such determination; by

"(ii) the aggregate amount of such payments made by remaining banks at such time.

"(C) REIMBURSEMENT PROCEDURE.—The bank on whose behalf a payment is made under subparagraph (A)(i) shall annually pay to each remaining bank an amount determined by the Secretary by multiplying the amount available for such payments (at the time of such determination) by the percentage determined under subparagraph (B) with respect to the remaining bank until the aggregate amount of the excess amount has been reimbursed by the bank.

"(D) LIMITATION ON DIVIDENDS.—The amount of dividends which may be paid for any year by a bank on whose behalf a payment is made under subparagraph (A)(i) shall not exceed an amount equal to ¼ of the net earnings available for dividends of the bank for the year.

"(E) TRANSFER TO ACCOUNT FOR REIMBURSEMENTS REQUIRED.—Of the net earnings available for dividends for any year of a bank on whose behalf a payment is made under subparagraph (A)(i), the amount necessary to make the reimbursements required under subparagraph (A)(ii) shall be placed in a reserve account (established in the manner prescribed by the Secretary) the balance in which shall be available only for such reimbursements.

"(6) ADDITIONAL SOURCES.—If each Federal home loan bank has exhausted the amount applicable with respect to the bank under paragraphs (2) and (7), as calculated under paragraphs (3), (4), and (5), the amounts necessary to provide additional funding for the Funding Corporation Principal Fund shall be obtained in the manner provided in the following subparagraphs (in the order in which such subparagraphs appear):

"(A) ASSESSMENTS.—The Funding Corporation, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, shall assess against each Savings Association Insurance Fund member an assessment (in the same manner as assessments are assessed against such members by the Federal Deposit Insurance Corporation pursuant to section 7 of the Federal Deposit Insurance Act) except that—

"(i) the maximum amount of the aggregate amount assessed shall be the amount of additional funds necessary to fund the Funding Corporation Principal Fund;

"(ii) the sum of—

"(I) the amount assessed under this paragraph; and

"(II) the amount assessed by the Financing Corporation under section 21;

shall not exceed the amount authorized to be assessed against Savings Association Insurance Fund members pursuant to section 7 of the Federal Deposit Insurance Act;

"(iii) the Financing Corporation shall have first priority to make the assessment; and

"(iv) the amount of the applicable assessment determined under such section 7 shall be reduced by the sum described in clause (ii) of this subparagraph.

"(B) RECEIVERSHIP PROCEEDS.—To the extent funds available pursuant to subparagraph (A) are insufficient to provide sufficient capital to fund the Funding Corporation Principal Fund, the Federal Deposit Insurance Corporation shall transfer to the Funding Corporation from the receivership proceeds of the FSLIC Resolution Fund the remaining amount of funds necessary for such purpose.

"(7) AGGREGATE ANNUAL PRINCIPAL CONTRIBUTION OF FEDERAL HOME LOAN BANKS.—

"(A) AMOUNT REQUIRED.—The sum of the amounts subject to paragraph (2)(B) that are paid by the Federal home loan banks under paragraph (1) shall, for each calendar year for which paragraph (2)(B) applies, equal—

"(i) $300,000,000, in the case of a calendar year before 1993; or

"(ii) the adjusted dollar amount determined under subparagraph (B), in the case of a calendar year after 1992.

"(B) ADJUSTED DOLLAR AMOUNT FOR YEARS AFTER 1992.—

"(i) IN GENERAL. The adjusted dollar amount under subparagraph (A) for any calendar year shall be calculated by multiplying the dollar amount which applied under subparagraph (A) for the preceding calendar year by the sum of 1 and whichever of the following is lower:

"(I) CPI ADJUSTMENT.—The CPI adjustment under subparagraph (C).

"(II) NET EARNINGS ADJUSTMENT.—The net earnings adjustment under sybparagraph (D).

"(ii) MAXIMUM AMOUNT. The adjusted dollar amount for any calendar year shall not exceed $600,000,000.

"(C) CPI ADJUSTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (B)(i), the CPI adjustment for any calendar year is the percentage (if any) by which—

"(I) the consumer price index for the preceding calendar year; exceeds

"(II) the consumer price index for the second preceding calendar year.

"(ii) CONSUMER PRICE INDEX.—For purposes of clause (i), the consumer price index for any calendar year is the average, as of the close of such year, of the last consumer price index for all-urban consumers published by the Department of Labor.

"(D) NET EARNINGS ADJUSTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (B)(i), the net earnings adjustment for any calendar year is the percentage (if any) by which—

"(I) the net earnings for the preceding calendar year; exceeds

"(II) the net earnings for the second preceding calendar year.

"(ii) NET EARNINGS.—For purposes of clause (i), the net earnings for any calendar year is the aggregate net earnings of the Federal home loan banks for such year.

"(f) OBLIGATIONS OF FUNDING CORPORATION.—

"(1) ISSUANCE TO SECRETARY.—

"(A) IN GENERAL.—The Funding Corporation may issue bonds, notes, debentures, and similar obligations to the Secretary, in an aggregate amount not to exceed $50,000,000,000. No obligation may be issued under this paragraph unless, at the time of issuance, the face amounts (the amount of principal payable at maturity) of noninterest bearing instruments in the Funding Corporation Principal Fund are equal to the aggregate amount of principal on the obligations of the Funding Corporation that will be outstanding following such issuance.

"(B) TERMS AND CONDITIONS OF PURCHASE.—The Secretary shall purchase each obligation issued under this paragraph upon terms and conditions established by the Secretary. Each such obligation shall bear interest at a rate determined by the Secretary, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity.

"(2) INTEREST PAYMENTS.—The Funding Corporation shall pay the interest due on (and any redemption premium with respect to) such obligations from funds obtained for such interest payments in the manner provided in the following subparagraphs (in the order in which such subparagraphs appear):

"(A) EARNINGS ON CERTAIN ASSETS.—All earnings on assets (of the Funding Corporation) which—

"(i) are described in subsection (g)(1); and

"(ii) are not invested pursuant to subsection (g)(2);

shall be used to make interest payments on Funding Corporation obligations when interest is due.

"(B) PROCEEDS OF RTC.—The Resolution Trust Corporation shall pay to the Funding Corporation—

"(i) the net proceeds received by the Resolution Trust Corporation from the liquidation of institutions under the management of the Corporation pursuant to section 21A to the extent the amount of such proceeds are determined by the Oversight Board to be in excess of the amount of funds necessary for resolution costs in the short-term period following the date of such determination; and

"(ii) any proceeds from warrants and participations of the Resolution Trust Corporation.

"(C) PAYMENTS BY FEDERAL HOME LOAN BANKS.—To the extent the funds available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, the Federal home loan banks shall pay to the Funding Corporation—

"(i) an aggregate annual amount equal to—

"(I) $300,000,000, in the case of a calendar year before 1993; or

"(II) the adjusted dollar amount determined under subsection (e)(7)(B), in the case of a calendar year after 1992; minus

"(ii) the sum of—

"(I) the aggregate amount paid by such banks to the Financing Corporation pursuant to section 21 during the year; and

"(II) the aggregate amount paid by such banks to the Funding Corporation pursuant to subseciton (e) during the year;

with the individual share of each bank to be determined pursuant to the formulation and limitations of paragraphs (2) through (5) of subsection (e).

"(D) ASSETS OF RTC.—Upon the dissolution of the Resolution Trust Corporation, the net proceeds from all assets of such corporation shall be transferred to the Funding Corporation for payment of interest under this paragraph.

"(E) TREASURY BACKUP.—

"(i) IN GENERAL.—Notwithstanding any other provision of this Act, if the Secretary determines that the Funding Corporation is unable to pay the interest on any obligation issued under this subsection from the sources of funds under the preceding subparagraphs of this paragraph, the Secretary shall pay, out of any funds appropriated for such purpose, to the Funding Corporation the additional amount due, which shall be used by the Funding Corporation to pay such interest.

"(ii) LIABILITY OF FUNDING CORPORATION.—In each such instance where the Secretary is required to make a payment under this paragraph to the Funding Corporation, the amount of the payment shall become a liability of the Funding Corporation to be repaid to the Secretary upon dissolution of the Funding Corporation (to the extent the Funding Corporation may have any remaining assets).

"(iii) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary, for fiscal year 1989 and each fiscal year thereafter, such sums as may be necessary to carry out clause (i).

"(3) PRINCIPAL PAYMENTS.—On maturity of an obligation issued under this subsection, the obligation shall be repaid by the Funding Corporation from the liquidation of noninterest bearing instruments held in the Funding Corporation Principal Fund.

"(4) PROCEEDS TO BE TRANSFERRED TO RESOLUTION TRUST CORPORATION.—Subject to terms and conditions approved by the Secretary, the proceeds of any obligation issued by the Funding Corporation shall be used to—

"(A) transfer amounts to the Resolution Trust Corporation under section 21A; or

"(B) refund any previously issued obligation the proceeds of which were transferred in the manner described in subparagraph (A).

"(g) USE AND DISPOSITION OF ASSETS OF FUNDING CORPORATION NOT TRANSFERRED TO RESOLUTION TRUST CORPORATION.—

"(1) IN GENERAL.—Subject to regulations, restrictions, and limitations prescribed by the Secretary, assets of the Funding Corporation which are not required to be transferred to the Resolution Trust Corporation under section 21A and are not needed for current interest payments shall be invested in direct obligations of the United States issued by the Secretary.

"(2) SEPARATE ACCOUNT FOR ZERO COUPON INSTRUMENTS HELD TO ENSURE PAYMENT OF PRINCIPAL.—

"(A) IN GENERAL.—The Funding Corporation shall invest amounts received pursuant to subsection (e) in, and hold in a separate account to be known as the Funding Corporation Principal Fund, noninterest bearing instruments—

"(i) which are direct obligations of the United States issued by the Secretary; and

"(ii) the total of the face amounts (the amount of principal payable at muturity) of which is approximately equal to the aggregate amount of principal on the obligations of the Funding Corporation.

"(B) PREVENTION OF DOUBLE COUNTING AGAINST PUBLIC DEBT LIMIT.—Noninterest bearing instruments purchased by the Funding Corporation under subparagraph (A) shall not be taken into account for purposes of determining compliance with the public debt limit under section 3101(b) of title 31, United States Code.

"(h) MISCELLANEOUS PROVISIONS.—

"(1) JURISDICTION AND POWER TO REMOVE.—

"(A) FEDERAL COURT JURISDICTION.—Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the Funding Corporation is a party shall be deemed to arise under the laws of the United States.

"(B) REMOVAL.—The Funding Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia.

"(2) IMPOSITION OF LIEN FOR FAILURE TO MAKE PAYMENTS.—

"(A) IN GENERAL.—If any entity fails to make a payment required to be paid to the Funding Corporation under this section within 10 days after demand for such payment, then there shall be a lien in favor of the Funding Corporation equal to the amount not paid upon all property and rights to property, whether real or personal, belonging to such entity.

"(B) APPLICABLE RULES.—Any amount with respect to which a lien is imposed by subparagraph (A) shall be treated as taxes due and owing the United States, and rules similar to the rules of subsections (c), (d), and (e) of section 4068 of the Employee Retirement Income Security Act of 1974 shall apply with respect to a lien imposed by subparagraph (A) and the amount with respect to such lien.

"(i) ANNUAL REPORT.—

"(1) IN GENERAL.—The Secretary shall annually submit a full report of the operations, activities, budget, receipts, and expenditures of the Funding Corporation for the preceding 12-month period.

"(2) CONTENTS.—The report required under paragraph (1) shall include—

"(A) audited statements and any information necessary to make known the financial condition and operations of the Funding Corporation in accordance with generally accepted accounting principles;

"(B) the financial operating plans and forecasts (including estimates of actual and future spending, and estimates of actual and future cash obligations) of the Funding Corporation taking into account its financial commitments, guarantees, and other contingent liabilities; and

"(C) the results of the annual audit of the financial transactions of the Funding Corporation conducted by the Comptroller General pursuant to section 9105(a) of title 31, United States Code.

"(3) SUBMISSION TO CONGRESS AND PRESIDENT.—The Secretary shall submit each annual report required under this subsection to the Congress and the President as soon as practicable after the end of the calendar year for which the report is made, but not later than June 30 of the year following such calendar year.

"(j) TERMINATION OF FUNDING CORPORATION.—

"(1) IN GENERAL.—The Funding Corporation shall be dissolved, as soon as practicable, after the maturity and full payment of all obligations issued by the Funding Corporation under this section.

"(2) AUTHORITY OF SECRETARY TO CONCLUDE AFFAIRS OF FUNDING CORPORATION.—Effective on the date of the dissolution of the Funding Corporation under paragraph (1), the Secretary may exercise on behalf of the Funding Corporation any power of the Funding Corporation which the Secretary determines to be necessary to settle and conclude the affairs of the Funding Corporation.

"(k) DEFINITIONS.—For purposes of this section:

"(1) ADMINISTRATIVE EXPENSES.—The term 'administrative expenses' does not include any interest on (and any redemption premium with respect to) any obligation of the Funding Corporation.

"(2) FUNDING CORPORATION.—The term 'Funding Corporation' means the Resolution Funding Corporation established in subsection (b).

"(3) FUNDING CORPORATION PRINCIPAL FUND.—The term 'Funding Corporation Principal Fund' means the separate account established under subsection (g)(2).

"(4) ISSUANCE COSTS.—The term 'issuance costs' means issuance fees and commissions incurred by the Secretary in connection with the issuance or servicing of any obligation under chapter 31 of title 31, United States Code, the proceeds of which are used to purchase obligations of the Funding Corporation, as determined by the Secretary in accordance with procedures established by regulation.

"(5) NET EARNINGS AVAILABLE FOR DIVIDENDS.—The term 'net earnings available for dividends' means the net earnings of a Federal home loan bank for any period as computed after reducing the amount of earnings of such period by the amount required to be carried (for such period) to reserves maintained by the bank pursuant to the reserve requirements contained in section 16.

"(6) OVERSIGHT BOARD.—The term 'Oversight Board' means—

"(A) the Oversight Board of the Resolution Trust Corporation; and

"(B) after the termination of the Resolution Trust Corporation, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Attorney General, the Secretary of Housing and Urban Development, and the Chairperson of the Federal Deposit Insurance Corporation.

"(7) RESERVE REQUIREMENTS CONTAINED IN SECTION 16.—The term 'reserve requirements contained in section 16' means—

"(A) with respect to the period ending on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the first 2 sentence of section 16; and

"(B) with respect to the period beginning on such date of enactment, the reserve requirements contained in section 16(a).

"(8) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(9) UNDIVIDED PROFITS.—The term 'undivided profits' means retained earnings minus the sum of—

"(A) the portion required to be added to reserves maintained pursuant to the reserve requirements contained in section 16; and

"(B) the dollar amounts held by the respective Federal home loan banks in special dividend stabilization reserves on December 31, 1985, as determined by the table set forth in section 21(d)(7).

"(l) REGULATIONS.—The Secretary may prescribe any regulations necessary to carry out this section.".

(b) ANNUAL GAO AUDIT OF FUNDING CORPORATION.—Section 9105(a)(2) of title 31, United States Code (as amended by section 501(c) of this title) is further amended by inserting ", Resolution Funding Corporation," after "Corporation".

(c) BUDGETARY TREATMENT OF FUNDING CORPORATION.—

(1) INCLUSION IN BUDGET.—The receipts and disbursements of the Resolution Funding Corporation shall be included in—

(A) each budget of the Federal Government submitted by the President under title 31, United States Code; and

(B) each concurrent resolution on the budget considered by the Congress pursuant to title III of the Congressional Budget Act of 1974.

(2) EXCLUSION FROM CALCULATION OF DEFICIT.—

(A) IN GENERAL.—The outlays of the Resolution Trust Corporation which are attributable to the net Treasury borrowing of the Resolution Funding Corporation shall not be counted for purposes of calculating—

(i) the deficit in each budget of the Federal Government submitted by the President under title 31, United States Code, for purposes of comparison with the maximum deficit amount in section 3(7) of the Budget and Impoundment Control Act of 1974;

(ii) the deficit under section 3(6) of the Congressional Budget and Impoundment Control Act of 1974 for purposes of comparison with the maximum deficit amount in section 3(7) of the Budget and Impoundment Control Act of 1974; and

(iii) the deficit and excess deficit for purposes of sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) NET TREASURY BORROWING.—For purposes of this paragraph, the term "net Treasury borrowing" means—

(i) the principal amount of the obligations of the Resolution Funding Corporation purchased by the Secretary of the Treasury under subsection (f)(1) of section 21B of the Federal Home Loan Bank Act; minus

(ii) the funds invested by the Resolution Funding Corporation in noninterest bearing instruments under subsection (g)(2) of such section.

(C) IDENTIFICATION OF AMOUNT EXCLUDED.—The amount excluded pursuant to subparagraph (A) for any fiscal year shall be identified in—

(i) each budget of the Federal Government submitted by the President under title 31, United States Code;

(ii) each concurrent resolution on the budget considered by the Congress pursuant to title III of the Congressional Budget Act of 1974; and

(iii) each report submitted by the Director of the Office of Management and Budget or the Director of the Congressional Budget Office under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(3) EXEMPTION FROM SEQUESTRATION.—The Resolution Funding Corporation shall be exempt from any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

Page 316, strike lines 11 and 12.

Page 333, strike line 12 and all that follows through page 334, line 10.

Page 397, strike lines 5 through 9 and insert the following (and amend the table of contents accordingly:

SEC. 504. RESOLUTION FUNDING CORPORATION AS WHOLLY OWNED GOVERNMENT CORPORATION.

Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (N) (as added by section 505 of this title) the following new subparagraph:

"(O) the Resolution Funding Corporation.".

Mr. ARCHER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Chairman, I rise in favor of the bill.

I rise to make clear my understanding that, notwithstanding the separation of the credit and regulatory functions of the existing home loan bank system, Congress intends with the passage of this bill, to insure that the Federal home loan banks continue to have access to all reports, records, and other information they currently receive regarding the condition and ownership of institutions with which they transact business.

I refer specifically to information like the monthly and quarterly financial reports submitted by the institutions to their regulators, as well as examination reports and other information prepared by the regulators regarding the institutions.

This bill, as I understand it, requires the new Office of Thrift Supervision to provide the Federal home loan banks all of the information they now receive about their member institutions in the same prompt fashion that they now receive this information.

This information is essential to the safe operation of the home loan banks. It should be made available to the home loan banks as soon as its accuracy is confirmed by the regulators. This is how the system has operated in the past, and this is how it should continue to operate.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. CHAIRMAN, I rise in strong support of the amendment passed by the Committee on Ways and Means to move the Resolution Funding Corporation, or REFCORP, on-budget.

Before discussing the details of the committee amendment, I want to stress that this amendment has become far more controversial than I think is necessary. When the Ways and Means Committee decided to move the REFCORP on-budget, it did so for two simple reasons. First, the committee decided that an agency that is created to finance a liability insured by the Federal Government should be included in the Federal budget and be managed like any ordinary Government agency. However, the primary reason the committee adopted the on-budget provision is because it saves the American taxpayer money. The administration can try to hide the problem from the public by placing such an agency off-budget. But we simply cannot hide the cost, for we are asking the taxpayers of America to help pay it.

The Federal Reserve Board, the Treasury Department, and the Congressional Budget Office [CBO] all agree that the administration's off-budget proposal to borrow from the public without the full faith and credit of the U.S. Government would significantly increase the borrowing cost relative to direct Treasury borrowing in the market.

According to CBO's projections, the committee's proposal for direct Treasury borrowing will reduce borrowing costs by more than $600 million over the next 5 years, and by approximately $4.5 billion over the next 30 years. These additional interest savings will reduce the burden on the American taxpayer.

In order to avoid triggering sequestration, the committee amendment exempts outlays resulting from the $50 billion in borrowing from calculations of the deficit for the purposes of Gramm-Rudman. This provision seems to be the principal point of contention with the administration. The Treasury Department has argued that providing such an exemption from the Gramm-Rudman act might raise the overall interest cost of Treasury borrowings. They claim that Wall Street would see this as setting a precedent for further Gramm-Rudman exemptions in the future.

I think we should give Wall Street more credit than that. The financial markets recognize that the off-budget financing approach is simply a back door method of avoiding the Gramm-Rudman act restrictions. The off-budget financing scheme also has potential implications—troubling implications—for the budget process. Using an off-budget agency to finance public policy objectives would set a precedent that could be followed for other spending initiatives.

Furthermore, the case for an exemption from Gramm-Rudman will be hard to duplicate. The unique aspect of this case is that the costs have already been incurred and the Federal Government is already liable. We are not asking for additional spending, but simply trying to finance these incurred costs in the most efficient, inexpensive, and honest way possible.

Several committees of the House—the Budget Committee, the Rules Committee, the Banking Committee, and the Government Operations Committee—have heard extensive testimony from Wall Street that the Gramm-Rudman exemption will not cause any additional concern. They view the on-budget option as a more honest, money-saving approach. In addition, CBO has projected no increased interest cost as a result of an exemption from Gramm-Rudman. In addition, upon adoption of the Ways and Means on-budget amendment last month, I directed the committee staff to monitor the financial markets to see if there was an adverse reaction as predicted by the Treasury Department. In fact, just the opposite occurred—the stock market, the bond market, and particularly the market for 30-year Treasury bonds have all strengthened since the on-budget amendment was adopted. There is no evidence of a weakening market.

It seems clear to me that the Ways and Means Committee made the right decision in moving REFCORP on-budget. The American taxpayer saves money, and the Congress demonstrates more honest budgeting by accounting for these expenses in the Federal budget. I urge my colleagues to join me in approving this committee amendment. The administration should place its priorities elsewhere than in opposing a proposal which saves the taxpayer $4.5 billion.

□ 1540

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, during general debate, I outlined my own major objections to the on-budget amendment adopted by the Ways and Means Committee.

I would like to take a minute at this time to read a portion of a letter I received yesterday from Secretary of the Treasury Nicholas Brady expressing his concerns about the two financing plans.

I quote:

> The Administration strongly supports the financing plan reported by the House Banking Committee, which has also passed the Senate. This plan preserves the budget discipline of the Gramm-Rudman-Hollings Act which remains our best check on government spending. My recent conversations with our major foreign trading partners have only confirmed this point. Furthermore, the plan locks up the thrift industry's contribution and is not likely to have any significant impact on interest rates.
>
> The alternative approach in the Ways and Means Committee amendment has none of these advantages. Its explicit exemption from Gramm-Rudman-Hollings is a fundamental breach of the budget process. Others will be lining up with their exemption requests if this one passes. This budget breakdown is likely to cause interest rates to rise, wiping out any purported savings of the alternative financing approach. A rate increase of as little as 10 basis points—1/10 of a percent—would add as much as $1.4 billion each year to our debt financing costs.

Let me add that the on-budget amendment, if adopted will only delay enactment of this urgent legislation. Even if the conference committee agreed to it, the Senate would need a 60-vote supermajority to waive Gramm-Rudman-Hollings. We need to enact this legislation without further delay if we are serious about stemming the losses of the thrift industry.

I feel strongly that the House must preserve the discipline of Gramm-Rudman-Hollings, reject the committee amendment, and speed the passage of this urgent bill. I urge my colleagues to vote "no" on the committee's amendment.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, it might be useful for the folks who might not understand the arcane language of Congress to define the difference between on budget and off budget. The difference is: Are we going to tell people about it or are we not? If we put it on budget, everybody

knows what we are doing. They can see it. If we keep it off budget, somehow there is some suspicion that maybe no one will understand it ever happened. That is the difference, for the folks back home and the folks in the country who wonder what this language is all about.

For a decade we have made a career here in Washington, DC, of ducking and bobbing and weaving around all of these things. I read David Stockman's book about budgeting during the first half of this decade, and the whole point was: Just try to obscure everything, just do not tell people what is going on, play with the budget.

We know where that got us. We used gimmicks for years, and it got us nowhere.

The whole proposition is: If we have to do this, then let us put it on the budget. Let us do it straight up. The President's proposal to us is to not put it on the budget. His proposal is to spend $4 billion or $5 billion more and keep it off the budget. He wants to spend the equivalent amount of 4 years' appropriations for the Food for Peace Program and keep if off the budget.

How on Earth can we justify that? The President says that if we put it on budget he will veto it. Come on, show us, would you really veto it? Just because the Congress says it finally ought to be on the budget where people can see it and understand what we are doing? Mr. Secretary, do you really believe that if we take it off the budget somehow Wall Street will be fooled? No. This is a very simple proposition.

This amendment makes good sense. This ought to be on budget. We ought to make a "U" turn and provide a breath of fresh air in this Congress to say what we do from now on that we are going to tell folks we are going to do; we are going to do it right up front, no more budgetary gimmicks.

That is what this amendment is all about, and that is why I support it.

Mr. ARCHER. Mr. Chairman, I yield 4 minutes to the respected Republican leader of the House, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, last year the House voted to move the Postal Service off budget by a vote of 390 to 16. The Senate kept it on budget. This year our colleague, the gentleman from Texas [Mr. LELAND], introduced legislation to take it off budget, and the bill already has 363 cosponsors. Five years ago we voted to take Social Security off budget, even though we kept it on budget for Gramm-Rudman. Two years ago we voted to put the Financing Corporation bonds off budget, and only one Member wanted them on budget.

Two Congresses ago there was more talk of taking the highway trust fund off budget, but it was left on budget. The House also voted to keep the aviation trust fund on budget when some wanted it off budget. But the House moved the farm credit reform package off budget instead of on budget.

When the Congress took its first run at congressional budgeting back in the 1940's, everything was on budget. That effort failed.

Now we suffer from budgetary schizophrenia. We never seem to be sure. We sing different tunes. First we put the on budget in, and then the off budget out. Then we put the off budget in and shake it all about. We do the hokey-pokey and turn ourselves around. That's what it's all about.

That could have been done musically.

At some point, this House must address off budget and on budget issues in the larger context of the sound budget policy, and what we ultimately decide ought to be consistent across the board. We either have a unified budget policy or we don't.

The point is if we accept the logic of the gentleman from Illinois that his amendment is merely honesty in budgeting, then we ought to be honest every day, not just today. If you want to be honest, you also must concede that putting this program on budget but exempting it from Gramm-Rudman, is also inconsistent.

If we want to be honest, we must also concede that this action is going to cause more delay in passage of this legislation at a cost of $10 million a day. Is that responsible budgeting?

The administration plan keeps on budget that which the taxpayer will be obligated to pay, and that is as it should be. What is off budget is that which we dearly hope will be financed without a greater burden on the taxpayer.

This is the second time now today, unfortunately, that I have stood here in the well to oppose an amendment offered by a dear colleague from Illinois, a close friend as well, and I do so only because I believe that their arguments are legitimate but ill-timed. This is not the time to get snarled in budgetary policy debates. It just is not the time to correct past mistakes on the goodwill issue.

We have to keep this process on track, get this legislation passed and signed into law as quickly as we can. Let us do the right thing here today and defeat this amendment.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I found the presentation by the distinguished minority leader, as usual, to be articulate, but I am even more confused than before by his argument. He is saying there has been inconsistency in the past, so let us be more inconsistent. That makes no sense at all.

Mr. Chairman, if we are going to be honest and forthright, let us do it today. Off budget is an attempt at out of sight.

If the shoe were on the other foot and the Democrats were in the White House and there were this kind of a deficit, I wonder what the gentleman from Illinois and others on the minority side would be saying. They would come up here and they would scream "irresponsibility," "be forthright, put it on the budget," and they also would be saying, "How can you stand here and defend losing $4 billion to $5 billion?"

The answer is there is no defense for that. There is none. The administration came before us and gave these arguments and persuaded none of us.

On budget with a waiver, if necessary, is more forthright. It is also said, "We will create a precedent." I want to speak for myself, this is no precedent for me, waiver of Gramm-Rudman.

It is a more honest way though to proceed to put it on the budget.

□ 1550

The delay of $10 million a day, there will be delay of $10 million a day only if the President were to carry forth with his threat to veto a bill because it is more fiscally responsible. I cannot believe he will do so.

I am in favor of this amendment, and I hope on both sides of the aisle we can strike one small blow today for honesty and saving a few billion dollars at the same time.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. WYLIE], the ranking Republican on the Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding time to me and I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

I think there is a misconception here, Mr. Chairman. The $50 billion would be raised through the sale of REFCORP bonds to the private sector, and any moneys expended by Treasury would be on budget. The REFCORP bonds are sold in the private market; they are not guaranteed by the Federal Government. They are guaranteed by the purchase simultaneously of so-called zero coupon bonds which would be worth $50 billion at maturity.

But I think the gimmickry comes when we say we are going to do this through Treasury borrowing, but since fiscal year 1989 has already passed so far as Gramm-Rudman is concerned, we are going to waive Gramm-Rudman. I think that would be a very dangerous precedent. Under the discipline of Gramm-Rudman, we have gone from a deficit of $220 billion down to $100 billion in 1990, and while

we might disagree as to the realities of these reductions, the market thinks we are doing something right.

Mr. Greenspan came before our committee and estimated that the cost in the overall difference might be as little as $1.2 billion, in net present value but that again depended on the market. But he said that would be a small cost to ensure the discipline of Gramm-Rudman and send the right signal, not the wrong signal, to our trading partners that we are indeed serious about the discipline of Gramm-Rudman.

I wanted to find out too from the market people which is better. Merrill Lynch and to J.P. Morgan, said the off-budget arrangement would be cheaper in the long run. The gentleman from Merrill Lynch said, "In our opinion, the distributional problems associated with significantly larger Treasury borrowing would push long-term yields up by at least 50 basis points." That would increase the cost in the long term far above any cost that has been talked about here.

Mr. Preston of J.P. Morgan Co. said the same thing, and said "We strongly support the President's off-budget approach."

I understand the arguments made by the gentleman from the Ways and Means Committee, but I continue to strongly support the administration's funding approach as being the more honest approach. I think that we have heard a lot of talk about honest budgeting from critics of the administration plan, but I would repeat again that all Treasury expenditures are on budget in this off-budget arrangement suggested by the President in his bill which he sent up to us. I think if we go on the on-budget route, it might drive up interest rates on Government borrowing, and we could lose money in the long run.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PANETTA], chairman of the Committee on the Budget.

Mr. PANETTA. Mr. Chairman, in dealing with this issue of on budget or off budget, I really think that the issue before the House is not so much how we treat it for accounting purposes, although I understand the arguments on all sides with regard to that. I think the more important question is what saves the most money, and I think putting it on budget clearly saves more money, and that is in the best interest of the President, the best interest of the Congress, and in the best interest of the Nation.

The unfortunate fact is we are dealing with a crisis, and it is never pleasant to have to deal with a crisis that demands emergency action. But from a budget point of view, there is no clean or pure approach. Members will hear a lot of arguments that someone has the pure approach today. The gentleman from Illinois was absolutely correct, there is no pure approach.

The administration recommends that we put this off budget and, therefore, we avoid the budget altogether. The approach suggested by the Committee on Ways and Means is that we put it on budget, but exempt it from Gramm-Rudman, and the LaFalce approach, which will be offered here later, says we keep it on budget without any kind of exception, but it also does not tell us how we are going to pay for it.

So the key question, it seems to me, that we all have to ask is what saves more money. It is clear from all of the evidence, it is clear from the testimony we have received in committee, it is clear from the witnesses who have come before our task forces, and it is clear from the Congressional Budget Office that by putting it on budget we will immediately save $5 billion in interest cost. And there is testimony that shows that we could save as much as $20 to $25 billion by virtue of providing flexibility on the interest rates over the 30-year period of these bonds.

Treasury's argument, on the other hand, is somehow by taking it off budget this could impact on basis points and interest rates, but there really is no evidence that in fact that will happen. That assumes that most investors somehow do not understand what we do when we are making exemptions from Gramm-Rudman, and that is just not the case.

In addition, this does not establish the kind of precedent that is argued by the Treasury Department. Martin Feldstein has testified that what we are dealing with here is a debt that is already incurred. This is not as if we are dealing with spending because of new spending that we have to achieve in the future, it is dealing with a debt that is already there in the society.

I realize that this is not a pleasant bill to deal with. It has angered a lot of people because of the poor management and the greed that has been involved with regards to this crisis. But it is a crisis, and it is something that we are going to have to deal with one way or the other, and to do it we ought to do it in a way that saves us the most money.

We spend our time in the Budget Committee struggling and fighting to try to achieve some degree of savings. By putting it on budget we are assured that we can save $5 billion and perhaps as much as $20 to $25 billion. That is enough of an argument for me to support putting it on budget.

I thank the gentleman for yielding time and giving me the opportunity to speak to the issue of how best to finance the Federal response to the thrift institution crisis.

THE THRIFT INSTITUTION CRISIS

H.R. 1278 is before the House today because the Federal Savings and Loan Insurance Corporation [FSLIC] cannot fulfill its obligations as the Federal insurer of deposits in thrift institutions. Almost 600 federally insured, but insolvent, thrift institutions already have been identified. Some of these insolvent institutions were closed or sold by FSLIC during 1987 and 1988. Some have been taken over by Federal regulators. Many others still await Federal action. We must and will act to honor and preserve Federal insurance of thrift deposits.

The administration has estimated that $205 billion will be required over the next 10 years to deal with insolvent thrifts, with the Federal Government paying 30 percent and industry sources 70 percent of that cost. However, the Congressional Budget Office estimates that the Government will have to pay 70 percent of the cost, because the assumptions used by the Office of Management and Budget about industry contributions are overly optimistic. In addition, the General Accounting Office has estimated that the total long-term cost of resolving the crisis will be $285 billion. Private estimates are even larger.

Clearly, the most critical matter is that thrift rescue legislation be passed immediately. The enactment of the legislation is more important than whether the financing is done on- or off-budget. However, we are acting quickly to complete the legislation. The issue of on- or off-budget financing, then, is a major issue which we should examine carefully.

ON-BUDGET OR OFF-BUDGET FINANCING?

The administration has proposed off-budget financing, which is reflected in H.R. 1278 as reported by the Banking Committee. The Ways and Means Committee amendment contains on-budget Treasury financing with an exemption from Gramm-Rudman deficit calculations. Both of these approaches violate proper budgeting principles. However, the evidence presented to the Budget Committee indicates that the on-budget alternative is significantly less costly. For this reason, a majority of the House Budget Committee favors on-budget financing of the rescue plan with an exemption from deficit calculations under Gramm-Rudman, as proposed by the Ways and Means Committee.

On-budget Treasury borrowing to deal with the thrift crisis and to protect insured deposits in insolvent institutions would save taxpayers tens of billions of dollars in interest payments over the life of the thrift insurance rescue plan. In this regard, it is important to note that whatever interest the Resolution Funding Corporation [REFCORP] cannot pay must be paid by the Federal Government under the administration's plan and H.R. 1278 as reported by the Banking Committee. As a result, any savings in interest costs would reduce the Federal Government's cost and the ultimate burden on the taxpayer.

The Congressional Budget Office has estimated that on-budget Treasury borrowing will cost $5 billion less than off-budget REFCORP borrowing because of the higher interest rates that would have to be paid on REFCORP bonds over their 30-year life. In addition, expert witnesses testifying before the House Budget Committee Task Force on Urgent Fiscal Issues on May 19 indicated that there are two other ways in which on-budget financ-

ing would be less costly. First, the extra $5 billion of interest which would have to be paid on REFCORP bonds by Treasury would require additional borrowing by Treasury, compounding the interest cost. One witness estimated that this interest compounding would cost an additional $17 billion to $25 billion over the same 30-year period.

Second, REFCORP would have to lock in today's long-term interest rates on its 30-year bonds. In contrast, Treasury has the ability to manage the maturity structure of its debt. It could borrow short term now and shift to longer term debt when interest rates decline. Significantly, both OMB and CBO project that interest rates will decline through 1994. Another witness at the May 19 hearing estimated that managing the maturity of the $50 billion of new financing in the thrift crisis plan could save $20 to $50 billion over the next 30 years, depending on interest rates.

These extra costs are simply too high a price to pay for financing the thrift insurance rescue off-budget. Let there be no mistake, the proposed exemption from Gramm-Rudman deficit calculations also is an evasion of proper budget control. However, we believe such an exemption is no worse a violation of budget principles than the creation of a new off-budget source of financing, and it would cost tens of billions of dollars less.

The administration argues that such an exemption from Gramm-Rudman deficits would provide an excuse for exempting future emergency spending. However, we should note the point made by Dr. Martin Feldstein, former Chairman of the Council of Economic Advisers under President Reagan. An exemption from Gramm-Rudman is justified on fiscal policy grounds because the Government's liabilities already have been incurred, and the economic impact of the outlays associated with the thrift plan has also occurred. On-budget financing merely recognizes what has already happened. Contrary to arguments made by the administration, this fiscal policy rationale for an exemption does not rely on to the argument that the thrift crisis is an emergency and does not provide a precedent for exempting future emergency spending from Gramm-Rudman.

A majority of the members of the House Budget Committee support on-budget financing with an exemption from Gramm-Rudman deficit calculations for the reasons I have outlined. We urge you to vote for the ways and Means Committee amendment and, ultimately, for H.R. 1278 on final passage. This legislation is necessary to protect insured deposits in insolvent thrift institutions, to put in place the reforms needed to minimize the risk of any future crisis, and to restore depositor confidence in their thrift institutions.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I rise in strong opposition to this amendment which places the rescue cost for the depositors and the S&L industry on budget.

This is a misguided amendment which would completely undermine the much needed discipline of the Gramm-Rudman provisions. This dangerous precedent would endanger the future value and viability of the Gramm-Rudman mechanism. A mechanism that is responsible for over $120 billion in deficit reduction so far.

Supporters of this amendment claim that we are missing a chance to save the taxpayers $150 million a year.

This is simply not true. The fact is that any potential savings in lower interest rates would be consumed immediately by the resulting market reaction and rise in interest rates because Gramm-Rudman would be broken—and with it the market's faith in the Government's budget discipline.

Indeed, if interest rates increase only 1 basis point, the increase in our debt servicing cost would be $280 million. Mr. Speaker, the cost/benefit analysis of this amendment simply does not work.

I might add that the President and the Senate oppose this on-budget treatment—as well they should. I urge my colleagues to maintain the budget discipline forced on this body should protect the Gramm-Rudman firewalls and reject this amendment.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL], chairman of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI]. I urge my colleages to support that amendment.

We have already discussed the question of the cost of this matter to the Federal Government if this matter is done in the quaint, curious and excessively costly way that the administration would have it be done.

□ 1600

The total cost of that is supposed to be somewhere around $4.5 to $5 billion. But beyond this there is another defect which I believe this body should address. And that is carrying forward in the fashion the administration would have us carry forward would leave the investors in obligations issued by this curious corporation without the protection that would ordinarily be available to an investor under the securities laws because these obligations, even though they were issued by a private institution, would be exempt from the registration laws which assure protection for all other investors who would invest in similar kinds of obligations.

This leaves the investor, whether he be an individual or whether he be an institution, in the position of, A, not having the information; and B, investing in what he thinks is in fact a Government obligation.

But beyond that it carries a further liability, and that is the discipline of the registration process which assures investors that truthful reporting as to the reliability and the character of the security would be denied him even though it appeared to be on its face a Government security. That is an intolerable condition.

The Government finds it costs more; the taxpayers pay more; the obligation masquerades as a Government security and it is exempt from the requirements of registration. So that there is no discipline upon the issuer and so that there is a richer opportunity for fraud and misbehavior.

Mr. Chairman, I urge my colleagues, on all of these bases, to support the amendment offered by the gentleman from Illinois to get us a responsible program for issuance of responsible securities and to do so at the least cost to the taxpayers.

Mr. Chairman, I urge my colleagues to vote for the Rostenkowski amendment.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the recommendations of the Committee on Ways and Means.

Mr. Chairman, we will see plenty of finger-pointing during this debate. To be sure, there is plenty of blame to go around. But rather than look for culprits, I would rather look for reasons, and then develop legislation that best solves the immediate problem and ensures it does not recur. One key issue concerns the budget accounting of the bailout package, whether the financing is on or off budget.

How important is the fiscal accounting? In my view, it's critical.

First, some perspective. According to Dr. Ronald Utt of the Heritage Foundation, the current dollar costs of the S&L bailout are exceeded only by what our country spent on World War II. It seems only reasonable, then, to ask how this mess grew to such size, especially in face of unprecedented public concern over the deficit and extensive media reporting on the issue.

The answer, I believe, is apparent. We face this huge cost today because Congress routinely swept the issue under the rug. As a result, and despite the media, the costs of the S&L debacle went largely unregistered with the public. Because the costs, current and prospective, were kept off budget, they have never shown up in the politically sensitive deficit.

Out of sight, out of mind, one might say. Let me put it this way: Do any of my colleagues believe that we would be debating legislation to deal with a problem whose cost GAO now puts at $285 billion if all the costs had been reflected in the budget, and hence the deficit, estimates? Most likely, we would have excised this cancer when the cost was much, much lower, and the problem would be behind us.

By continuing our sweep it under the rug, off-budget policy, we only invite, if not guaran-

VOL 135 PT 9 14 — 22 JE 1989 UMI

tee, additional costs in the not too distant future. It is long past the time to change this policy.

Other reasons abound for recording the costs of the S&L bailout on budget. The most often heard has to do with Gramm-Rudman. While I appreciate the point that members would rather not be recorded as voting for a waiver of Gramm-Rudman, as on-budget accounting would require, the issue is otherwise unambiguous. The fact is that Gramm-Rudman is waived in either case—whether the bailout is on budget or off budget. The issue is whether to waive Gramm-Rudman explicitly by putting the bailout's financing on budget, or to waive Gramm-Rudman implicitly through off-budget accounting.

By now, we should all know the folly of arguing that the markets will react adversely to on-budget financing, that somehow on-budget financing will demonstrate to the financial world our lack of will with respect to deficit reduction. Well, the markets have known about the possibility of on-budget financing for some time, have taken it into account, and with no discernible effects.

If anything, off-budget financing tells the world more about the reality of our deficit commitment precisely because of its lack of budget candor. Certainly, the markets are not fooled, nor was there ever any reason to expect them to be fooled. After all, the borrowing requirement is the same in either case.

The financial markets' view of our devotion to frugality is best reflected in the recent congressional testimony of First Boston's Allen Sinai:

> Exempting the GRH budget deficit targets from the thrift bailout costs [sic] would not cause a loss of confidence in GRH as a budget-balancing lever nor a crisis of confidence in the eyes of international investors. GRH has long ceased to be viewed as a mechanism for credible deficit reduction. As much chance exists for a loss in confidence on resolve to reduce the budget deficit through avoiding GRH than exempting through GRH the thrift bailout costs from the budget targets. And, on-budget financing is cheaper!

This last point deserves some elaboration. Depending on economic assumptions, the extra cost of 30-year off-budget financing ranges from $4.5 to $49.8 billion. Treasury itself has long acknowledged that off-budget financing is more expensive.

Frankly, I'm a lot more comfortable telling my constituents that in voting to waive Gramm-Rudman, I voted to save them at least $4.5 billion than I am in saying I voted to impose on them an added and totally unnecessary cost on the taxpayer of at least $4.5 billion and as much as $50 billion.

In voting for on-budget financing, I'm also one member who will not have to explain why he voted for a windfall premium for the wealthy investors who would buy the off-budget REFCORP bonds and, in the process, generated unnecessary commissions for Wall Street bond traders.

Off-budget proponents have also argued that an amendment requiring off-budget financing must be passed in the Senate with 60 votes. To be blunt, this is disingenuous. The fact is the Senate must pass this legislation with 60 votes regardless of whether the financing is on or off budget.

And don't be taken in by the argument that on-budget and off-budget financing are both gimmicks. As GAO, CBO, and CRS have pointed out, the bailout constitutes an economic wash—substituting one liability for another. However financed, the essential element is that capital is being withdrawn from the credit markets and then put right back. Just as asset sales are appropriately on-budget and exempt from Gramm-Rudman deficit targets, so too is it appropriate for the S&L bailout to be on-budget and exempt from Gramm-Rudman.

Supporters of off budget, off Gramm-Rudman financing have pressed the point that time is of the essence. I agree. Yet, if the goal is to shut down insolvent thrifts as soon as possible, then the fastest way to get the money to do the job is for Treasury to raise the money.

Off-budget proponents have also argued that on-budget financing would not guarantee full participation of the thrift industry. This is a curious argument. In the face of all the earmarked taxes, user fees, assessments, and premiums that are routinely collected from defined contributors and duly recorded on budget, I leave it to others to explain why this argument should not be dismissed out of hand.

Finally, I ask my colleagues to simply look around. The list of off-budget advocates is, well, short. Aside from a noticeably small number of administration advocates, where is the support for off-budget status? How about the business community (hint: the U.S. Chamber favors on-budget)? Have you seen any editorials or op/eds in favor of off-budget status? And where is the record of expert testimony favoring off budget?

There is no need to belabor this issue. If ever there was a one-sided argument, this is it. I urge my colleagues to support on-budget financing. It is the right thing to do.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. EDWARDS].

Mr. EDWARDS of Oklahoma. Mr. Chairman, the Ways and Means proposal is simply not honest. The administration's plan, the Banking Committee's plan puts public spending on budget and counts it against the Gramm-Rudman targets.

The Ways and Means plan counts private money toward the Federal budget and exempts public spending from deficit reductions calculations. That makes no sense whatsoever.

The advocates of the Ways and Means amendment eliminate Government payments from deficit reduction calculations from Gramm-Rudman, and yet they say that their amendment is more honest. It is not more honest, it is deceptive.

Mr. Chairman, private debt has no place on the Federal budget; public debt has no place off the Federal budget.

The administration's proposal, supported by the Banking Committee and the Senate, recognizes this. The marketplace and the American people recognize this, but the Ways and Means Committee does not.

Mr. Chairman, I urge opposition to this amendment.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I rise today in support of the proposition that Federal rescue of the savings and loans industry which the House is considering today should be financed in an on-budget manner. My primary reason for supporting on-budget financing is that it is the least expensive way to finance the bailout. On-budget financing will save taxpayers at least $4.5 billion over the next 30 years. In addition, I believe that the on-budget approach gives a truer and more accurate picture on the Nation's finances.

I have very serious reservations about the administration's proposal to create yet another off-budget Government sponsored enterprise to finance what are, by any reasonable standards, obligations of the Federal Government. I am afraid that this REFCORP is, in large part, an attempt to sweep these potential liabilities under the rug, and to hide fiscal reality behind a smoke screen of accounting mumbo jumbo. It is unrealistic to pretend that the obligations of REFCORP are not the responsibility of the Federal Government, and we should not engage in Federal bookkeeping gimmicks that make such pretense possible.

In fact, I am concerned that we may have gone too far down that road already. Existing Government sponsored enterprises have already issued or guaranteed debt exceeding $700 billion. This debt is not considered to be on-budget, but, if Government sponsored enterprises run into hard times, as did the savings and loan industry, I assure my colleagues that their potential liabilities will become very real debts which the Congress and the taxpayer will be called upon to pay. I recognize that some of these enterprises are well run, and my goal is not to alarm the public. But I caution my colleagues that we must carefully monitor their activities. And, I believe it is extremely unwise to create any additional Government sponsored enterprises for the sole purpose of keeping Federal debts off the Federal Budget.

It is for this reason that Congressman BILL GRADISON and I supported the provision of this legislation that calls for the Department of the Treasury to fully study the activities of all Government sponsored enterprises and the effect they have on the Federal debt. While there is currently some reporting on the part of some of these enterprises, neither the Department of the Treasury nor the tax-writing committees of the Congress receive a reporting or overall accounting of

these activities. The public is entitled to know that these activities are being operated on a sound basis, and that they are not endangering the credit of the United States.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Chairman, I thank my friend for yielding.

Back in 1985, Mr. Chairman, I was an unenthusiastic proponent of Gramm-Rudman. I was one who did not like the prospect of abrogating our responsibility to an OMB computer. But I have to stand here 4 years later saying that Gramm-Rudman certainly has had a very stabilizing effect on the marketplace and on interest rates.

I am greatly concerned, Mr. Chairman, at the prospect of our violating Gramm-Rudman now. We have seen a clear stabilization which must be maintained. If we do begin the process with this bill we will see continued violations and I believe that, while my friend from California said, we do not have empirical evidence that it will be the case, we do face the serious prospect of increased interest rates.

Mr. Chairman, I am adamantly opposed to this proposition.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the chairman of the committee for yielding this time. I want to thank the Committee on Ways and Means and their chairman for their leadership on this issue.

I think of the many issues before us today, this one is really the most clear-cut. As chairman of the task force on fiscal issues of the Committee on the Budget, we had extensive hearings on this particular issue. And the number of arguments on the other side were negligible.

Experts on the market agree that this would be cheaper; experts on the market agreed that on-budget would make the markets more confident; experts on the market agree that the markets are not so dumb as to be fooled by an off-budget item. They knew darned well that we would be borrowing the money.

Furthermore, experts on the market agreed that the cost of savings would not just be the $4.5 billion that the 20 or 30 basis points would matter, but closer to $20 billion over the 30 years because of compounding interest on interest.

So there are many reasons to be for this amendment. It saves money, it is more honest, it avoids the kinds of things that the gentleman from Texas mentioned when you have to have a GSE, which have not worked in the past.

The only argument on the administration's side is, "Well, we have to exempt things from Gramm-Rudman," and that is a terrible idea.

Well, my colleagues, when you have to do something off budget that also sets a precedent. We could be back here next year doing other off-budget items.

At the very least the on-budget approach imposes some market discipline because it shows the budget deficit number to be closer to what it actually is rather than hidden under the rug in the off-budget method.

We started out many, many months ago urging that we do this on-budget.

I would say to the gentleman from Oklahoma that the Banking Committee is not for the administration's position; most of us are for this position.

So I say to my colleagues this is the right way, the honest way, and the cheaper way to do it; let us vote for it.

□ 1610

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I thank the chairman of the Committee on Ways and Means for yielding time to me and rise in strong support of this amendment to put the cost of the S&L cleanup on budget.

I do so for two very simple reasons. As far as I am concerned, the evidence is overwhelming that if we put this on-budget and put the full faith and credit of the U.S. Government behind these bonds, it is going to reduce the interest rate by somewhere between 25 and 40 basis points. I do not think there is any question about that particular point. That will save $4 to $5 billion. Ladies and gentlemen, when the taxpayers are being fleeced as they are in this whole mess, the least we can do is save $4 or $5 billion for them.

In addition to that, there is a fundamental question of honesty with the American public. As far as I am concerned, we should be honest with them and tell them the truth. We are not going to reach the $100 billion deficit target because of this problem. We should put in on-budget and tell the American people the truth.

For those two simple reasons, Mr. Chairman, I rise in strong support of this amendment, and I urge my colleagues to join me in supporting it.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I thank the gentleman for yielding to me.

I rise in support of keeping the provision off budget. Earlier it was said by one of my colleagues on the Committee on Banking, Finance and Urban Affairs that a majority of members of the Committee on Banking, Finance and Urban Affairs support moving it on budget. I do not know how the gentleman would know that. We never had the vote in the Committee on Banking, Finance and Urban Affairs. We never had this issue debated and voted on in the Committee on Banking, Finance and Urban Affairs.

The fact is, whatever savings might occur by going on budget, if by going on budget, if by exempting this from Gramm-Rudman, if we put the concern out among the financial markets that this is the first of a number of items that will change their category, that will exempt them from Gramm-Rudman, this potential future cost of having higher interest rates on the existing financial debt will far surpass and far outweigh any potential savings that might come from having it on budget. So I urge my colleagues to continue to keep it off budget.

The CHAIRMAN pro tempore (Mr. MONTGOMERY]. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. MURTHA) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Kalbaugh, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1614

FINANCE INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

The Committee resumed its sitting.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Hawaii [Mr. AKAKA].

Mr. AKAKA. Mr. Chairman, I rise in support of the amendment and in support of H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989. I would like to congratulate and commend my good friend from Texas, the distinguished chairman of the Banking Committee [Mr. GONZALEZ], and all the members of the committee for their thoughtful consideration of this complex legislation.

Mr. Chairman, I also rise in support of the amendment offered by Mr. ROSTENKOWSKI on behalf of the Ways and Means Committee. Adoption of this amendment will reduce the taxpayer burden by $5 billion dollars by making the Resolution Finance Corporation an on-budget entity authorized to borrow directly from the Treasury. The off-budget financing prescribed

VOL 135 PT 9 JE 14 — 22 1989 UMI

by the President would not fool our financial markets, nor would it strengthen budgetary discipline, but it would add tens of billions of dollars to the taxpayers' cost of this resolution. Off-budget treatment fools no one—instead it punishes everyone—I urge my colleagues to minimize the burden borne by the American taxpayer and support the Rostenkowski amendment.

Mr. Chairman, the reform and rescue package is a bipartisan, constructive remedy to a financial crisis of monumental proportion. The plan goes a long way to restore public and investor confidence in the American financial system. In H.R. 1278, we do not attempt to bailout poorly-managed savings and loans. Rather, this bill will swiftly close sick thrifts while safeguarding the good-faith deposits of individual savers. This bill also includes the regulatory reforms and supervision necessary to insure that we do not witness a repeat of past mistakes, high-risk investments, and harebrained schemes. Finally, this bill reasserts the thrift industry's fundamental commitment to home finance borrowing.

We in Hawaii are fortunate that all our thrifts are secure and well-managed. Passage of H.R. 1278 without weakening amendments will insure the continued soundness of the Hawaii financial community, and preserve the hard-earned public faith and confidence in our local financial institutions. I thank the gentleman for yielding me this time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in support of the Rostenkowski amendment.

So often we hear some platitudes about the Gramm-Rudman law. Many Members could not vote for the law because we felt it was not workable. The Congress ought to be making decisions. Gramm-Rudman is a political law, because as Members have come to treat it, all of a sudden, the bottom line is not whether we are working toward a balanced budget, but whether the deficit is only $150 or $100 billion. Members and the administration are claiming success, which is interesting. When they attain such goals under only the most tortured budget computations, I do not think that is success. I do not think the American public believes it is success. However, that is current political life decision-making as it goes in terms in today's fiscal and spending policy.

This amendment will change the proposal of the administration. Congress and the American people need some truth in budgeting. This is not political. It is $4 or $5 billion of costs we are discussing and debating about here. We have a responsibility to deal with the issues. I would hope that the Members would adopt this and provide some dollars for housing and other needs in this Nation rather than pursuing a separate Federal agency that will cost the borrowing entity 30 to 50 basis points more in borrowing without the coordination of total Treasury borrowing. Don't we owe the most efficent, economical policy in this instance to the taxpayer. Earlier today the House voted 94 to 326 in favor of eliminating the S&L hocus pocus bookkeeping tricks. It is now time to get rid of the Bush administration's own sleight of hand. Mr. Chairman, this amendment would properly place this bailout on budget at the lowest cost to the constituents we represent.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I am a supporter of Gramm-Rudman. I am not interested in smoke and mirrors. I am not interested in playing games with Gramm-Rudman or the Gramm-Rudman targets.

I do believe this amendment is well-advised, and I believe we should support it. There has been some discussion about whether or not we can save money by issuing bonds by the U.S. Treasury Department, as opposed to some new quasi-government agency like REFCORP. I believe the answer is clear. I think that we can save money with the adoption of this amendment. A lot of it. The interests costs on the U.S. Treasury obligations will be less, perhaps $5 billion over 30 years. An even bigger savings can accrue—as much as $20 billion—because the on-budget approach permits the use of a full range of Treasury maturities. If it makes sense to issue short-term maturities to raise funds, the Treasury Department may do so. The converse is also true. On the other hand, an off-budget approach likely will result in the saturation of the market with long-term REFCORP bonds. I urge support of this amendment.

The CHAIRMAN pro tempore (Mr. MURTHA). The gentleman from Texas [Mr. ARCHER] has 16 minutes remaining and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 8 minutes remaining.

Mr. ARCHER. Mr. Chairman, I yield 5 minutes to a respected member of our Committee on Ways and Means, the ranking Republican on the Committee on the Budget, the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, the amendment that the House is now considering is claiming to possess two advantages: First, that it helps honesty in budgeting; and the second, that it saves money.

I would like to suggest to the House that it really does neither. The administration proposal, that is, the Committee on Banking, Finance and Urban Affairs bill, provides for off-budget borrowing by REFCORP. The amendment provides for on-budget borrowing, but that borrowing is exempted from Gramm-Rudman. What Members have here is two equally devious schemes to prevent any strictures of the budget slowing down any of the spending or interfering with any other spending. What we must make our choices between is two different scams, neither one of which has anything to do with honesty. As a matter of fact, if Members accept the Committee on Ways and Means amendment, Members will have put this on budget but off Gramm-Rudman.

As the distinguished minority leader indicated, we already have Social Security off budget and on Gramm-Rudman. What happens is the House simply puts these things where it is convenient, so that it does not interfere with any of the rest of our spending.

Now if Members are really looking for honesty in budgeting, Members would vote for the LaFalce amendment. We actually considered that in the Committee on Ways and Means. Members understood that that would provide somewhere between $25 and $30 billion of unaccounted spending and plunge us into immediate sequester. Our budget now does not make Congress immune from sequester, but at least we have the chance that it might not happen. If Members really want honesty, vote for the LaFalce amendment, and then Members can be guaranteed some wonderful sequester and see some of your programs cut. However, if Members believe the committee on Ways and Means is honesty in budgeting, disabuse yourself of that motion, because there is no relationship between it and honesty, but it punches three separate holes in Gramm-Rudman: exempting it from sequester, taking it out of our budget resolution, and making sure that for Gramm-Rudman purposes the President is exempted from taking this into account in his budget message to the Congress.

□ 1620

The second advantage of this amendment is that it is supposed to save money. The allegation is that the Federal Government can borrow up to 20 to 25 fewer basis points and save up to $125 million. The Treasury allegation, of course, is that if the credit markets perceive that punching these holes in Gramm-Rudman is a bad deal and if our interest rates were raised by one basis point, we would automatically make up the difference of that $125 million, and if the fear were that it would be 10 basis points or 50 basis points or 250 basis points, we would be in for annual losses of billions of dollars.

The gentleman from Ohio [Mr. WYLIE] has already pointed out what his advisers suggested. Another Member suggested that all the experts said it was cheaper to do it the Ways and Means Committee way. I would like to suggest to the House that experts vary in their opinions, and at the moment those who want to say that the Treasury does not know what it is doing are cheerfully advised to do so and may cheerfully go ahead and do so. But I think their warnings of risks have to be taken into account. Therefore, there is no honesty in the amendment, and there is no guaranteed savings in the amendment. In fact, there is risk in this amendment of incurring much greater costs.

We must remember, too, that the taxpayers are paying about 70 percent of this bailout when we get done with the 30-year period. Would they rather pay 20 extra basis points and be relatively secure, or would they rather worry about a much greater number of basis points being applied to the whole short term or even some of the long-term portion of our debt?

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman from Minnesota [Mr. FRENZEL] has expired.

Mr. ARCHER. Mr. Chairman, I yield 1 additional minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, the reason that the precedent of the Treasury's suggestion is better is that it is harder to reproduce. The income stream provided by the industry enables the system to back this debt with zero bonds which pay it off ultimately. The Treasury and the taxpayers then do not have the obligation for the bond. The committee amendment has to make a waiver or, rather, punches three holes in Gramm-Rudman and puts the full faith and credit of the Government and the taxpayers behind the bond.

It is very apparent to people who have studied this question that the Gramm-Rudman wreckage is easier to reproduce, and, therefore, that is a far more dangerous precedent than following the bill of the Banking Committee and the proposal of the Treasury.

Mr. Chairman, I urge the defeat of the Ways and Means Committee amendment. It is too risky to subject the taxpayers to this treatment.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. ROSTENKOWSKI] has 8 minutes remaining and the gentleman from Texas [Mr. ARCHER] has 10 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, I rise in strong support of the Rostenkowski-Ways and Means Committee amendment to put this package on budget. Fiscal responsibility and accountability requires that this multibillion dollar program be on budget.

There are three important reasons to do so. First: plain old honesty, honesty in budgeting. Public support for any very expensive program, any controversial program—and this is certainly that—requires knowledge and understanding of the program. Otherwise people rebel against it, and rightfully so, in a democracy.

The first step to understanding this program is to honestly describe the program, and the first step to honestly describe the program is put it on budget. That way we can see it and follow it, and know what the burdens and the benefits are. So honesty in budgeting is the first requirement. It is essential for public support.

The second reason to put the program on budget is oversight, congressional oversight. It is a simple fact that this Congress spends much more time and energy watching and overseeing things that are on budget, things that we are directly responsible for. If it is on budget, we are going to watch it a lot closer, and if there is anything that has been lacking in the sad story of the S&L mess, it has been oversight. So that is the second reason.

The third reason is cost, the total dollar cost. The cost advantage of putting the program on budget are truly large. First of all, we have a substantial interest differential—more expensive interest—because the borrowing would be off budget and not backed by full faith and credit of the U.S. Treasury. Off-budget financing would cost us at least 30 basis points and probably about 50 basis points—one half of one percentage point—in difference. Right now FICO bonds, which are also off budget are the nearest thing we have to REFCOR bonds. FICO bonds carry an extra 50 basis points, or one half of one percentage point higher interest rates than Treasury notes of comparable maturity. Now, if the 50-basis point differential proves true, the extra 30-year financing cost of the package would not be $4.5 billion, but $7.5 billion. It would cost the taxpayers $7.5 billion simply to take it off budget for basically window dressing purposes.

But that is only the beginning. There are two more cost items. The next cost item is the interest costs of borrowing that extra $7.5 billion. Since the Nation is in a deficit situation, we are going to have to borrow the $7.5 billion and therefore pay interest on it. Over 30 years, the cumulative compound interest cost amounts to $17 billion, or perhaps $20 billion, depending on interest rates.

Finally, the largest cost item of all would be the off-budget approach of borrowing all the money at a 30-year maturity. Not only would that congest the long end of the bond market, but it would preclude the Treasury from selecting among all the available maturities and thereby selecting whichever one is cheapest. At this time 30-year bonds are more expensive than short-term bonds, so it costs much more to borrow 30-year money of different, shorter maturities. Why would we want to insist, as the administration bill does, that we borrow at the most expensive part of the maturity range? That would cost an estimated additional $20 billion.

So we are talking spending up to $47.5 more billion if the bill goes off budget. The maturity problem, the extra premium problem, and the cost of borrowing those differences all argue for an on-budget approach. Honesty in budgeting and adequate congressional oversight also do.

So, Mr. Chairman, for all those reasons I think it is very important that we put the whole enormous S&L bailout package on budget. Only then will we begin to face fiscal reality and structure the rescue package in the most forthright and cost-conscious manner.

Mr. ARCHER. Mr. Chairman, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I support the Rostenkowski approach.

Mr. Chairman, before the Banking Committee, witness after witness, whether it was an economist or the Comptroller General at the GAO, all have stated their concern of putting this financing package off budget. The GAO's latest estimates are that REFCORP's borrowings will carry higher interest rates than Treasury's in the range of 25 basis points. If this conservative estimate is correct, it will add an additional $4 billion to interest costs over the 30-year life of bonds issued by REFCORP.

Mr. Chairman, others have testified that in addition to incorporating this financing mechanism off budget, the proposed schedule of maturity is inefficient. In order to save our Nation's taxpayers further expense, a variety of maturities which mixes in varying interest rates should be incorporated. To issue 30-year bonds in this current high interest rate environment will only add to already excessive costs. In addition, the secondary market for Treasury bonds is significant. The duration regarding the maturity of the bond sold determines whether an investor will consider this instrument appealing. I believe flexible, short-term maturities, which are part of the Treasury auction, will provide a much needed savings to our constituents. I urge my colleagues to put this financing plan on budget. We owe it to the taxpayers.

Mr. ROSTENKOWSKI. Mr. Chairman, I reserve the 4 minutes remaining on this side in support of my amendment.

AMENDMENT OFFERED BY MR. LA FALCE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ROSTENKOWSKI.

Mr. LAFALCE. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The CHAIRMAN pro tempore (Mr. MURTHA). The Clerk will designate the substitute.

The text of the amendment offered as a substitute for the amendment is as follows:

Amendment offered by Mr. LAFALCE as a substitute for the amendment offered by Mr. ROSTENKOWSKI:

Page 333, strike out line 12, and all that follows through page 334, line 10, and insert in lieu thereof the following new subsection:

"(l) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Corporation for fiscal years 1990, 1991, and 1992, the sum of $50,000,000,000, to be available without fiscal year limitation.

"(2) PURCHASE OF CAPITAL STOCK BY FEDERAL HOME LOAN BANKS—

"(A) IN GENERAL.—Each Federal home loan bank shall invest in nonvoting capital stock of the Resolution Trust Corporation at such times and in such amounts as the Oversight Board may prescribe under this subsection.

"(B) PAR VALUE; TRANSFERABILITY.—Each share of stock issued by the Corporation to a Federal home loan bank shall have par value in an amount determined by the Oversight Board and shall be transferable only among the Federal home loan banks in the manner and to the extent prescribed by the Chairman of the Oversight Board at not less than par value.

"(3) MAXIMUM INVESTMENT AMOUNT LIMITATION FOR EACH FEDERAL HOME LOAN BANK.—The cumulative amount of funds invested in nonvoting capital stock of the Corporation by each Federal home loan bank shall not exceed the aggregate amount of—

"(A) the sum of—

"(i) the reserves maintained by such bank on December 31, 1988, pursuant to the reserve requirements contained in section 16 of this Act; and

"(ii) the undivided profits (as defined in paragraph (8)) of such bank on such date; and

"(B) for the period beginning on January 1, 1989, and ending on the later of December 31, 1991, or such date as may be necessary to fund the Funding Corporation Principal Fund pursuant to subsection (g), an aggregate amount equal to—

"(i) the sum of—

"(I) the amounts added to reserves after December 31, 1988, pursuant to the reserve requirements contained in section 16; and

"(II) the undivided profits of such bank accruing after December 31, 1988; minus

"(ii) the amounts used to invest in the capital stock of the Financing Coroporation after December 31, 1988, pursuant to the requirement contained in section 21 of this Act.

"(4) PRO RATA DISTRIBUTION OF 1ST $1,000,000,000 INVESTED IN CORPORATION BY HOME LOAN BANKS.—With respect to the first $1,000,000,000 in the aggregate which the Chairperson of the directorate of the Financing Corporation pursuant to section 21 or the Oversight Board under this section, as the case may be, may require the Federal home loan banks to invest in the capital stock of the Financing Corporation and the Funding Corporation under section 21(d) and this subsection, respectively, the amount which each Federal home loan bank (or any successor to such bank) shall invest shall be determined by the Chairperson or the Oversight Board, as the case may be, by applying to the aggregate amount of such investment by all banks the percentage appearing in the following table for each such bank:

"Bank	Percentage
Federal Home Loan Bank of Boston	1.8629
Federal Home Loan Bank of New York	9.1006
Federal Home Loan Bank of Pittsburgh	4.2702
Federal Home Loan Bank of Atlanta	14.4007
Federal Home Loan Bank of Cincinnati	8.2653
Federal Home Loan Bank of Indianapolis	5.2863
Federal Home Loan Bank of Chicago	9.6886
Federal Home Loan Bank of Des Moines	6.9301
Federal Home Loan Bank of Dallas	8.8181
Federal Home Loan Bank of Topeka	5.2706
Federal Home Loan Bank of San Francisco	19.9644
Federal Home Loan Bank of Seattle	6.1422

"(5) PRO RATA DISTRIBUTION OF AMOUNTS REQUIRED TO BE INVESTED IN EXCESS OF $1,000,000,000.—With respect to any amount in excess of $1,000,000,000 referred to in paragraph (4) which the Oversight Board may require the Federal home loan banks to invest in capital stock of the Corporation under this subsection, the amount which each Federal home loan bank (or any successor to such bank) shall invest shall be determined by the Oversight Board by multiplying such excess amount by the percentage arrived at by dividing—

"(A) the sum of the total assets (as of the most recent December 31) held by all Savings Association Insurance Fund members (as defined in section 7(1)(6) of the Federal Deposit Insurance Act) which are members of such bank; by

"(B) the sum of the total assets (as of such date) held by all Savings Association Insurance Fund members (as defined in section 7(1)(6) of the Federal Deposit Insurance Act) which are members of any Federal home loan bank.

"(6) SPECIAL PROVISIONS RELATING TO MAXIMUM AMOUNT LIMITATIONS.—

"(A) IN GENERAL.—If the amount any Federal home loan bank is required to invest in capital stock of the Corporation pursuant to a determination by the Oversight Board under paragraph (5) (or under subparagraph (B) of this paragraph) exceeds the maximum investment amount applicable with respect to such bank under paragraph (3) at the time of such determination (hereinafter in this paragraph referred to as the 'excess amount')—

"(i) the Oversight Board shall require each remaining Federal home loan bank to invest (in addition to the amount determined under paragraph (5) for such remaining bank and subject to the maximum investment amount applicable with respect to such remaining bank under paragraph (3) at the time of such determination) in such capital stock on behalf of the bank in the amount determined under subparagraph (B);

"(ii) the Oversight Board shall require the bank to subsequently purchase the excess amount of capital stock from the remaining banks in the manner described in subparagraph (C); and

"(iii) the requirements contained in subparagraphs (D) and (E) relating to the use of net earnings available for dividends shall apply to such bank until the bank has purchased all of the excess amount of capital stock.

"(B) ALLOCATION OF EXCESS AMOUNT AMONG REMAINING HOME LOAN BANKS.—The amount each remaining Federal home loan bank shall be required to invest under subparagraph (A)(i) is the amount determined by the Oversight Board by multiplying the excess amount by the percentage arrived at by dividing—

"(i) the amount of capital stock of the Corporation held by such remaining bank at the time of such determination; by

"(ii) the aggregate amount of such stock held by all remaining banks at such time.

"(C) PURCHASE PROCEDURE.—The bank on whose behalf an investment in capital stock is made under subparagraph (A)(i) shall purchase, annually and at the issuance price, from each remaining bank an amount of such stock determined by the Oversight Board by multiplying the amount available for such purchases (at the time of such determination) by the percentage determined under subparagraph (B) with respect to such remaining bank until the aggregate amount of such capital stock has been purchased by the bank.

"(D) LIMITATION ON DIVIDENDS.—The amount of dividends which may be paid for any year by a bank on whose behalf an investment is made under subparagraph (A)(i) shall not exceed an amount equal to 1/2 of the net earnings available for dividends of the bank for the year.

"(E) TRANSFER TO ACCOUNT FOR PURCHASE OF STOCK REQUIRED.—Of the net earnings available for dividends for any year of a bank on whose behalf an investment is made under subparagraph (A)(i), such amount as is necessary to make the purchases of stock required under subparagraph (A)(ii) shall be placed in a reserve account (established in such manner as the Oversight Board shall prescribe by regulations) the balance in which shall be available only for such purchases.

"(F) NET EARNINGS AVAILABLE FOR DIVIDENDS DEFINED.—For purposes of this paragraph, the term 'net earnings available for dividends' means the net earnings of a bank for any period as computed after reducing the amount of earnings for such period by the amount required to be carried (for such period) to reserves maintained by such bank pursuant to the reserve requirements contained in section 16 of this Act.

"(7) ADDITIONAL SOURCES.—If each Federal home loan bank has exhausted the investment amount applicable with respect to such bank under paragraphs (3) and (9), as calculated under paragraphs (4), (5), and (6), the amounts necessary to provide additional funding for the Corporation shall be obtained in the manner provided in the following subparagraphs (in the order in which such subparagraphs appear):

"(A) The Corporation, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, shall assess against each Savings Association Insurance Fund member an assessment (in the same manner as assessments are assessed against such members by the Federal Deposit Insurance Corporation pursuant to section 7 of

the Federal Deposit Insurance Act) except that—

"(i) the maximum amount of the aggregate amount assessed shall be the amount of additional funds necessary to fund the Corporation;

"(ii) the sum of—

"(I) the amount assessed under this paragraph; and

"(II) the amount assessed by the Financing Corporation under section 21 of this Act,

shall not exceed the amount authorized to be assessed against Savings Association Insurance Fund members pursuant to section 7 of the Federal Deposit Insurance Act;

"(iii) the Financing Corporation shall have first priority to make such assessment; and

"(iv) the amount of the applicable assessment determined under such section 7 shall be reduced by the sum described in clause (ii) of this subparagraph.

"(B) To the extent funds available pursuant to subparagraph (A) are insufficient to provide sufficient funds for the Corporation, the Federal Deposit Insurance Corporation shall transfer to the Funding Corporation from the receivership proceeds of the FSLIC Resolution Fund the remaining amount of funds.

"(8) UNDIVIDED PROFITS DEFINED.—For purposes of paragraph (3), the term 'undivided profits' means retained earnings minus the sum of—

"(A) that portion required to be added to reserves pursuant to the reserve requirements contained in section 16; and

"(B) the dollar amounts held by the respective Federal Home Loan Banks in special dividend stabilization reserves on December 31, 1985, as determined under the table contained in section 21(d)(7)(B) of the Federal Home Loan Bank Act.

"(9) ADDITIONAL ANNUAL CONTRIBUTION BY FEDERAL HOME LOAN BANKS.—

"(A) IN GENERAL.—In addition to the investments in nonvoting capital stock of the Resolution Trust Corporation, the Federal Home Loan Banks shall pay to the Corporation the aggregated annual amount of $300,000,000.

"(B) DISTRIBUTION OF ANNUAL CONTRIBUTION.—Each bank's individual share of the annual contribution required under subparagraph (A) shall be determined pursuant to the formulation and limitations of paragraphs (3) through (6).

"(10) RESERVE REQUIREMENTS CONTAINED IN SECTION 16 DEFINED.—For purposes of this subsection, the term 'reserve requirements contained in section 16' means—

"(A) with respect to the period ending on the day before the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the first 2 sentences of section 16; and

"(B) with respect to the period beginning on such date of enactment, the reserve requirements contained in section 16(a).".

Page 316, strike out lines 11 and 12 and insert in lieu thereof the following new paragraph:

"(2) To issue nonvoting capital stock to the Federal home loan banks as provided in subsection (1).".

Page 335, line 5, insert ", including the liability for the nonvoting capital stock issued by the Corporation," before "shall be transferred".

Page 359, strike out line 16 and all that follows through page 391, line 6, and insert in lieu thereof the following new substitle heading (and redesignate subsequent sections and amend the table of contents accordingly):

"Subtitle B—Miscellaneous Provisions"

Page 397, strike out line 5 and all that follows through line 9 (and redesignate subsequent sections and amend the table of contents accordingly).

Page 57, line 7, strike out "Funding Corporation" and insert in lieu thereof "Resolution Trust Corporation".

Page 57, line 8, strike out "21B" and insert in lieu thereof "21A,".

The CHAIRMAN pro tempore. The gentleman from New York [Mr. LAFALCE] is recognized for 15 minutes in support of his substitute amendment, and a Member opposed will be recognized for 15 minutes.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in opposition.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 15 minutes in opposition to the substitute amendment.

PARLIAMENTARY INQUIRY

Mr. WYLIE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. WYLIE. Mr. Chairman, may I ask the gentleman, is the amendment made in order under the rule that is being offered by the gentleman from New York [Mr. LAFALCE]?

Mr. LAFALCE. Yes, it is, Mr. Chairman.

Mr. WYLIE. So, Mr. Chairman, we are going straight to the next amendment provided for by the Rules Committee?

Mr. LAFALCE. Mr. Chairman, I am offering the amendment provided for by the Rules Committee, yes. Let me state that I would like to have unanimous consent for a modification to that amendment to conform with the technical amendments that have been agreed to between the Republicans and the Democrats as offered by the gentleman from Texas [Mr. GONZALEZ], but I have been specifically advised that the other side would object to that unanimous-consent request, and for that reason I will not go through with a charade.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his explanation.

The CHAIRMAN. The gentleman from New York [Mr. LAFALCE] is recognized.

Mr. LAFALCE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I will strongly support the Ways and Means Committee amendment regardless of the fate of my amendment. Yet I strongly hope that my amendment will pass. Then I would be able to support the Ways and Means Committee amendment much more enthusiastically.

Why so? Up until now, the debate in the media and in the Congress has focused on whether the costs of the S&L bail-out should be off budget or on budget. Now, there is certainly some relevance to this debate.

□ 1630

If we go on budget, I think almost everyone agrees we can save from $5 billion to $25-$30 billion. I think that is very important. But that is not the only issue.

Insofar as fiscal integrity is concerned, the off-budget approach circumvents Gramm-Rudman. It is tremendously evasive, and attempts to ignore the very real costs we are incurring. The on-budget approach is not evasive. It is very explicit. It exempts the costs of the bailout from Gramm-Rudman. But both approaches are assaults on fiscal integrity.

What I want this body to do is stand up for both fiscal integrity and, most importantly, moral responsibility.

With respect to fiscal integrity, if we put the costs of the bailout on budget and on Gramm-Rudman, we force the issue.

What will the issue be? The issue will be how to pay for approximately $15 billion more per year for the next 3 years.

Will we cut spending, will we increase taxes, or will we come in with some combination of the two? I have my own preference, of course. I would prefer a 1½-percent surtax for the next 3 years. But we do not decide that issue in this amendment. We leave it up to this House, but force the issue to be decided, thereby saving carrying costs of approximately $200 billion over the next 30 years.

Moral responsibility is the next issue, and the most important one. My colleagues can see that what we are going to be borrowing for, either under the approach of the Committee on Banking, Finance and Urban Affairs, or the approach of the Committee on Ways and Means, is not capital construction. No. It is not even present consumption. It is past consumption. One should never borrow for past consumption.

What we would be doing, my colleagues, if we accept either of these two approaches, is saying:

> There's a serious problem here. We must deal with it. We will deal with it, but we'll have our children and our grandchildren pay for it.

Mr. Chairman, we have been doing that, and that has been immoral. We ought not to continue doing it, because that would be to continue in immoral legislative action by foisting costs that we should bear ourselves off on our children and grandchildren.

My colleagues, let us stop doing that. If we exempt the S&L bailout from Gramm-Rudman, we are saying that it is more important than the problems of the poor. We are saying that the S&L bailout is more impor-

tant than the problems of the blind and the afflicted.

Let us not do that.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to the LaFalce amendment. The amendment of the Committee on Ways and Means would move the resolution funding corportion on-budget in order to save the American taxpayer almost $5 billion. The LaFalce amendment strikes the exemption from Gramm-Rudman. This amendment will add $23 billion to the Federal deficit in fiscal year 1990. The consequences of the amendment would be that we will either have to come up with an additional $23 billion of deficit reduction—by raising taxes or cutting spending—or we will have to accept a $23 billion sequester this fall. In order to prevent this disruption of the budget process, the Ways and Means Committee and the Government Operations Committee provided a Gramm-Rudman exemption for the financial assistance plan in order to avoid sequestration.

The budget process this year has been long and arduous. In the end, all we have is a slide-by budget—something to hold us over for 1 more year. Committees are now meeting to draft their reconciliation bills, and cutting spending is not an easy task. Asking for an additional $23 billion in spending cuts or revenue increases is simply not possible. The President will not sign a major revenue increase bill. I wish he would, but it will not happen this year.

In lieu of legislating an additional $23 billion in deficit reduction, a huge sequestration will inevitably occur this fall. Even if we pass the reconciliation and the appropriations bills as agreed to in the budget resolution, the LaFalce amendment would require sequestration of an additional $30 to $40 billion of budget authority reductions in the defense programs and a similar amount in the nondefense programs. This may save us some tough decisions, but it is irresponsible and both defense and nondefense programs will suffer greatly.

The LaFalce amendment jeopardizes the passage of a good, sound policy of placing the financial assistance plan on budget. If passed, it ensures a significant sequestration. The Ways and Means Committee amendment sets forth a responsible on-budget package that saves the American taxpayer $5 billion and does not put unreasonable burdens on the fiscal year 1990 budget. I strongly urge that we reject the LaFalce amendment, and then approve the responsible amendment of the Committee on Ways and Means.

Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Chairman, I thank the gentleman from New York [Mr. LAFALCE] for yielding this time to me.

First let me commend the gentleman from New York [Mr. LAFALCE]. He has worked hard for this concept through committee, and he continues his fight.

On the question of whether or not this ought to be on budget or not, there are several important points. In the first place, sure, it ought to be on budget. It is honest. It is an expenditure of funds. It ought to be on the budget.

Second, it will save us money, many billions of dollars, if we put this on the budget.

Third, as was pointed out earlier, it will give us the opportunity for better oversight.

It was mentioned that the Committee on Banking, Finance and Urban Affairs did not put this on budget. We did not, but we did not have a vote on it. If we had voted, I feel certain that the Committee on Banking, Finance and Urban Affairs would have put it on budget. It just was not within our jurisdiction.

Mr. Chairman, as to the quest of the gentleman from New York [Mr. LAFALCE] that we be honest about this thing and pay for it, he is exactly on target. If we will pay for it over the next 2 or 3 years, we will literally save well over a hundred billion dollars.

Mr. Chairman, I commend the gentleman. He is 100 percent correct.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from New York [Mr. LAFALCE]. My friend from New York takes a good idea and drives a stake through its heart.

When we talk about Gramm-Rudman, we are talking about a goal, not a commandment. It would be nice for us to be in the position of saying that we should never open the flood gates of Gramm-Rudman by doing things off budget, and in a normal world that would be the way we would behave.

Sadly, Mr. Chairman, we do not live in a normal world. We live in a world where the President of the United States has said, "I don't want to see any tax increases."

The consequences of adopting the amendment of the gentleman from New York [Mr. LAFALCE] would mean very simply that we would have to come up with $23 million in additional revenue, or we would have to cut spending by $23 billion, or we would have to be prepared for sequestration.

Now I say to my Republican friends, "None of you are beating down the door to raise $23 billion in new taxes, so that is not an option."

I would say to my Democratic friends, "You clearly are not interested in seeing us open the door to further reductions in domestic spending."

Mr. Chairman, given that reality, we are stuck with the unpleasant, but real situation of saving the money that the Committee on Ways and Means saves and taking it away from the Gramm-Rudman targets. We are doing what the gentleman from New York [Mr. LAFALCE] is suggesting.

No one here is prepared to do that. We would be engaging in the greatest level of legerdemain since the adoption of Gramm-Rudman.

So, Mr. Chairman, I say to my colleagues, "Please, please, don't be silly. Recognize that the Ways and Means Committee deals with the world as we know it and not the world that some would like to see us live in."

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, I thank the gentleman from New York [Mr. DOWNEY] for yielding, and I would just observe that there is one fundamental point here, and that is: Are we going to pay today for the mistakes that were made in the last few years during the Reagan administration watch and during the watch of some of the Members of this Congress? Are we going to pay for those mistakes now? Or are we going to borrow the money and spread it out over a long period of time? And, if we do it that way, it is going to cost us at least four or five times as much as it will if we pay now.

All I am saying, Mr. Chairman, is that the gentleman from New York [Mr. LAFALCE] is absolutely correct. We should do what is necessary to come up with the $20 to $25 billion necessary to pay for our bills now and to avoid more of this mindless borrowing from our kids.

□ 1640

All I am saying is that we have to pay our bills now. The LaFalce approach is the honest approach. If it means raising revenues, then let it be; if it means cutting other programs, then let it be, but let us pay our bills. Let us be responsible and let us stop mortgaging the future of this country.

Mr. DOWNEY. Mr. Chairman, the gentleman's refrain reminds me of the great Beatles song, "Let It Be." The only letting it be that we are going to let be is the fact that this House is unprepared to do what the gentleman would like us to do. The House is unprepared to pay for the bills today. The House is unprepared to cut the budget, as the gentleman would like to cut it.

I agree with the gentleman. In the world that you should live in, the LaFalce amendment would make perfect sense. It is a world without Gramm-Rudman. It is the world where the President would be prepared to face the reality of raising revenues or cutting spending.

Mr. SLATTERY. Mr. Chairman, will the gentleman yield further?

Mr. DOWNEY. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, I guess my point is that we are the decisionmakers. Those of us in this body are the decisionmakers. We have got to force this issue and that is what I hope the LaFalce amendment will do.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Chairman, the LaFalce amendment brings a degree of honesty to a bill that by its requirements needs it desperately. We are rescuing people around this Nation and asking others who have had no part in the fiasco to help pay for it. To do it with the additional con game of either side on budget, but no Gramm-Rudman, off budget, is two different con games.

I absolutely refuse to accept the fact that this House cannot and will not act.

Is it any wonder that people have lost faith in us if we do not face this honestly?

Let me tell you what else it says. It says in effect that those of you who support defense, that defense was never important enough to change Gramm-Rudman. For those of you who believe in education, that was never important enough to change Gramm-Rudman. For those of you who want to help the poor, who want to help the farmers, none of that was ever important enough, but this is.

Well, nothing should be important enough to take us from our goal. Vote for the LaFalce amendment.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, let me just say that I believe the LaFalce amendment is the most honest and I think the least expensive means to finance the legislation that is before us today. If the long-term savings of the Ways and Means amendment, which I support, can be measured in billions of dollars, the long-term savings of the LaFalce amendment can be measured in the tens of billions of dollars, perhaps even in the hundreds of billions of dollars.

The decision to exempt Gramm-Rudman in this instance I fear invites future exemptions to Gramm-Rudman. That is not a prospect which I relish.

Given the reluctance of some to raise taxes and given the reluctance of others to cut spending, what we end up doing is really neither. We fudge on the numbers in our budget estimates, and the deficit continues to grow.

Earlier, I believe the gentleman from New York [Mr. DOWNEY] said the LaFalce amendment reminded him of the old Beatles song, "Let It Be." I am reminded by our efforts to subvert Gramm-Rudman targets of another Beatles song, "Strawberry Fields Forever." Or, maybe the old Platters tune, "Smoke Gets In Your Eyes," is more appropriate, given our penchant for smoke and mirrors around here. If we fail to adopt both the Lafalce and Rostenkowski amendments, we are still working with smoke in terms of dodging the Gramm-Rudman targets. We continue to overestimate economic growth, and we continue to underestimate expenditures in crafting our Nation's budget.

Here, we have the opportunity to eschew smoke and mirrors, to do the right thing, and I would urge support for the LaFalce amendment.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in support of the amendment. Both the basic amendment that the gentleman from Illinois [Mr. ROSTENKOWSKI] has offered that the Ways and Means Committee never voted on and the Banking Committee, I have supported and I think the two committees have supported, that is a realistic amendment. It suggests that if we are really going to treat the instrumentality of the Federal Government as a Treasury note, thereby saving some $4 or $5 billion, the LaFalce amendment to the underlying amendment really deals with the issue in the ideal manner, whether we are going to pay for this now or we are going to finance it for 10, 20, or 30 years. You pick the cost of the program based on what the financing costs are for the 10, 20, or 30 years. It could be $100, $200, or $300 billion in financing costs. Pick the time of the bonds and the corresponding cost.

What LaFalce is saying is that here is a problem that is occurring right now. We ought to address that particular problem through the tax and revenue program today. The Gramm-Rudman law has become the biggest dodge, rather than facing up to our fiscal responsibilities.

So I support the LaFalce amendment so we can deal with the problems that are occurring today now, rather than postponing them until tomorrow and compounding the cost and the injury from this S&L bailout.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, in the discussion on the previous amendment, the one that this amendment seeks to amend, I indicated that the LaFalce amendment was the real truth in budgeting amendment, because this puts the bailout both on budget and on Gramm-Rudman.

Many Members who feel overpowered by urges to be wholly honest and to make good their pledges of truth in advertising may want to support it for that reason.

The problem with it, however, has been pointed out I think very clearly on the floor of this House, and that is that it will plunge us $23 billion into certain sequester.

Now, I happen to be one who thinks that sequester would not be a bad idea for the House, but I do not think it is something that the House wants to consider in this environment and at this time. Like other Members, I have not seen any heroic figures come forward volunteering to assess new taxes or to slash their favorite spending programs. Until they do, I think we ought to set the LaFalce amendment aside and make our budget decision in the proper environment, which is the consideration of the budget resolution for the House.

So those Members who want to make a sacrifice of laying on $23 billion or more of new taxes or cutting other people's favorite programs by that much will certainly want to support the LaFalce amendment.

I think the rest of us will say that the Rostenkowski amendment, or the Ways and Means Committee amendment, is bad enough. It is going to cause us trouble. It has a Senate point of order lying against it. It has administration objections to it. I think that is bad enough and we ought to be satisfied with it.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, the savings and loan industry would like us to believe that they are picking up the principal and all the American taxpayer has to do is pick up the interest on paying off the savings and loan crisis.

The fact is that it is a sham on the American people. If we look at the costs of this bill, the savings and loan industry will end up footing the bill for about $2 billion and the American taxpayer will have to pick up a bill of about $150 billion, which is the interest on the loans.

It is time for this body to start standing up for the working people and the poor people of our country. If we look at the Tax Code, we will find that the wealthy individuals are getting off the hook. People with $200,000 a year incomes and the like end up having their taxes dropped,

and yet the ordinary working people see their taxes go up and up and up.

The fact is that it is about time we played fair with the American people. We are not doing it today.

I believe that the LaFalce amendment will allow this country to stand up to the savings and loan industry. There are a lot of people, President Bush included, who say there will be no new taxes in any amount. It is time we stood up to the wealthy and powerful interests that put this crisis on the American people and we can do that by supporting the LaFalce amendment.

□ 1650

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I rise in support of the gentleman's amendment.

The simple fact is that the American taxpayer is going to pay. But is the American taxpayer going to pay $50 billion over the next 3 years in a cheap and economical solution, or is the American taxpayer going to pay an extra $150 billion over the next 30 years?

The money is already spent, folks. We cannot save it. So there is no budget-cutting to solve this problem.

We ought to be raising the revenue now to pay for it, and that $150 billion is going to be spent forever as soon as those bonds are issued, 30-year bonds, and there will not be any canceling of them. It will be a $150 billion bill for the next 30 years. It is now that we have to act on-budget is the right move.

The amendment of the gentleman from Illinois is correct, but it will be a better amendment if we tell the American people that we are ready to raise the revenue today to pay the bill.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Chairman, never before in the history of the Nation has there been a bill before us which proposed as large an authorization for a nondefense measure as this monumental bill we have before us now. We are going to obligate ourselves to $157 billion or more.

I applaud the fact that the Committee on Ways and Means has voted to move this bill on-budget, this obligation on-budget, but we should go further, because if we are going to assume this kind of obligation, we ought to maximize the truth. We ought to have it out there fully exposed so the American people can see it.

Every decision that is going to be made about budgets for the next 5 to 10 years we are going to have to consider the impact of this measure. It is always going to be there in the background. Something is always going to be made of it.

Why not have it on-budget, fully on-budget, not exempt from Gramm-Rudman? Then we can see fully what is happening. Let us bite the bullet and do what is necessary.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I have a tremendous amount of respect for the motives and the goals of the gentleman from New York and what he seeks to do here in terms of the budget. But the biggest problem we have in dealing with the deficit and in dealing with the budget is that it is always pleasant to talk about these issues but very difficult to do anything about them, and the amendment, unfortunately, makes the same mistake. It fails to do the very thing it says it wants to do, which is to tell us how we are going to pay for $23 billion being added to the deficit.

The fact is when we add $23 billion to the deficit, we have either got to pay for it in additional taxes or additional cuts in spending or sequestration. Those are the options.

Unfortunately, what we have shown in the last few months is that there is not a willingness to proceed with any dramatic addition to taxes. When it comes to cuts in spending, there is not a tremendous amount of enthusiasm for that either. If we add the $23 billion here to the deficit, we are guaranteeing sequestration this fall, and what that means is that we are going to cut programs like education, housing, health research, AIDS research, all of the programs we care about, in order to bail out the S&L industry. That does not make much sense either, very frankly.

We have a tough enough time dealing with the deficit as it is. This amendment is the equivalent of giving 2 gallons of bad wine to an alcoholic in order to say, "If we give you a little more booze, perhaps you might take care of your problem." It does not work that way.

The reality is we have a tough job facing us with the deficit that we have. This amendment in the name of responsibility is irresponsible because it undermines the budget resolution that we have put in place, and it undermines the reconciliation process that the committees are now working on.

In the name of honesty, it is being dishonest, because it really does not include how we pay for it. If this were the kind of amendment it proposes to be, then taxes ought to be part of it or cuts in spending ought to be part of it, but, instead, it says, "Let us leave that problem for sometime down the road," and we know what that means.

In the name of good budgeting, this undermines the only budgeting we have in place, the budget resolution, the budget agreement which, very frankly, whether we like it or not, is the only game in town.

Please, please, if Members are all going to be brave enough to raise taxes or cut spending, let us do it in the name of deficit reduction and not to assist the S&L industry in bailing them out. Please vote against the LaFalce amendment.

BACKGROUND

In the debate on the Ways and Means Committee amendment just agreed to, I indicated that both off-budget financing, as requested by the President and reported by the Banking Committee, and on-budget financing with an exemption from Gramm-Rudman deficit calculations violate proper budget principles. I supported on-budget financing, as did a majority of the budget committee members, not because it represents any better method of budgeting but because it has overwhelming cost savings advantages.

The LaFalce amendment is an attempt to capture the cost saving advantages of on-budget financing while maintaining the best budget principles. This is a worthy objective, one to which I also subscribe and for which I am committed to work. Unfortunately, the LaFalce amendment does not reach this objective. Perhaps no means of financing the Federal response to this extraordinary thrift crisis can fully maintain budget principles and minimize the cost to taxpayers at the same time, because of the political circumstances that now exist.

OBJECTIONS TO THE LA FALCE AMENDMENT

I oppose the LaFalce amendment for several reasons. First, the amendment is incomplete. It does not tell us how the new financing necessary to deal with the thrift crisis will be done. It must be paid for with tax increases or additional spending cuts. A complete amendment would not leave that choice for another day.

Second, the amendment is unrealistic. If the exemption from Gramm-Rudman deficit calculations is removed, the amount of deficit reduction required in 1990 would increase by $23 billion. It is much too late in the budget cycle for Congress and the administration to agree on $23 billion of additional spending reductions for 1990. Further, given the President's campaign pledge, it is impossible to reach agreement on $23 billion of new revenues for 1990 to cover the costs of this crisis.

If such agreements are impossible, and I believe that is the case, this amendment would trigger a $23 billion or larger sequestration cut. That would translate into an automatic 9.6-percent reduction in defense programs and an 8-percent reduction in nondefense programs. Even if such agreements were possible, they would be inconsistent with and would undermine the bipartisan budget compromise, which was reached earlier this year before the outline of the thrift legislation was known.

Third, the $23 billion of additional spending cuts or revenue increases required in 1990 by this amendment would have a sharp contractive effect on the economy. Because the economy has already slowed, and is projected

by the blue chip consensus to grow only at a rate of 1.6 percent in 1990, the additional restraint could easily cause a recession. This amendment is not fiscally neutral; it would have a restrictive effect on the economy.

REASONS FOR AN EXEMPTION FROM GRAMM-RUDMAN DEFICIT CALCULATIONS

In contrast, spending on the thrift crisis is fiscally neutral. As former CEA Chairman Martin Feldstein indicated to the Budget Committee, the economic impact of the Federal spending to deal with insolvent thrifts has already occurred. Because the economic effects have already taken place, recognition of these costs in the Federal budget is really an accounting change, not a fiscal change. This recognition does not increase spending and public consumption nor does it decrease national saving. This means spending on the thrift crisis is consistent with the purpose and goals of Gramm-Rudman. That is the justification for an exemption. And, as I indicated in the debate on the previous amendment, most budget emergencies are not fiscally neutral, so I do not believe that this exemption from Gramm-Rudman creates a precedent for other exemptions in the future.

The two realistic alternatives are: off-budget financing or on-budget financing with an exemption from Gramm-Rudman deficit projections. As stated before, both of these choices violate some of our budget principles; however, I believe the exemption from Gramm-Rudman is less offensive than trying to hide the costs off-budget. The most compelling argument is the tens of billions of dollars to be saved with on-budget financing compared to off-budget financing.

We must move forward with this legislation to restore confidence in the deposit insurance system and to stop the continuing losses being realized by insolvent thrifts. For all of the reasons I have outlined, I ask you to vote against the LaFalce amendment and to maintain the Ways and Means financing plan.

Mr. LAFALCE. Mr. Chairman, I yield 1½ minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, it is not often that I have to rise in opposition to my good friend, the chairman of the Committee on the Budget, the gentleman from California [Mr. PANETTA], but on this occasion I must.

When Gramm-Rudman was passed by the Congress and signed into law by the President of the United States, I believe we collectively made a commitment to the American public to reach the $100 billion deficit-reduction target. Ladies and gentleman, the economy in this country is performing well. There is no reason, why we should not honor that commitment. If we need, to find another $23 billion to $28 billion in defined reductions to avoid sequestration next year, we can do that. Do not let anybody tell us we cannot do that.

Mr. Chairman, as far as I am concerned, in the final analysis what we are talking about here today is whether this institution and this President want to pay for this mess today or do we want to pay later, and if we pay later, we are going to pay with interest, and we are going to pay with about $100 billion to $150 billion in interest. That is money that is going to come out of the American taxpayers' hides.

As far as I am concerned, if we want to talk about honesty, we have to start now and say that we are going to pay for our bills. This is one of the bills that has come due, and it is time for us to pay our bills.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I rise in support, very strong support, of the LaFalce amendment.

As far as I am concerned this is probably the most important amendment to the bill, because it means that the bill we ultimately approve will be three times less expensive than the Bush plan.

This chart summarizes the true costs of the savings-and-loan bill over 30 years, totaling over one-third of a trillion dollars.

The amendment offered by the gentleman from New York [Mr. LAFALCE] would make sure that we pay for it as we go annually on a year-by-year basis, and ask the President and Congress to stand up to their financial responsibilities to this country.

To date, of the bonds that have been sold by the Federal Savings and Loan Insurance Corporation, over one-third have been purchased by Japanese financial interests. This country is becoming beholden to foreign creditors and long-term debt. That is not the type of legacy we wish to give to our children and grandchildren into the 21st century.

Mr. Chairman, it is time to stand up to our financial responsibilities.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a bold amendment which comes at the wrong time. I have considerable doubts that when the Committee on Ways and Means proposes tax increases or spending cuts next year for the purposes of deficit reduction that there will be many bold supports as there are today.

The Ways and Means Committee is currently thinking about how we are going to raise $5.3 billion. We are presently having a tough time doing that.

We have a President who will not sign a bill that increases taxes. He has said this on many occasions. Yet, if this amendment passes, the Committee on Ways and Means will either have to raise $23 billion in revenues or cut $23 billion in spending, or we'll have to accept sequestration.

This is a mischievous amendment offered at the worst possible time.

However, I want to inform my colleagues that I expect to bring a responsible deficit reduction bill to the House floor next year, and we will see how many strong Members will vote for a tough deficit reduction package in the next budget cycle.

Mr. Chairman, I yield back the balance of my time.

□ 1700

Mr. LAFALCE. Mr. Chairman, I yield myself my remaining 2½ minutes.

Mr. Chairman, I say to my distinguished colleague and friend, the gentleman from Illinois [Mr. ROSTENKOWSKI] and to those gentlemen who spoke in opposition to my amendment, such as the gentleman from New York [Mr. DOWNEY], the gentleman from Minnesota [Mr. FRENZEL], the gentleman from California [Mr. PANETTA], and others: as I heard you I wanted to thank you very much for praising my amendment and for saying that my amendment is a courageous amendment, it is an honest amendment, it is the way we should go if we lived in a better world. But, you argued, this is the wrong time.

Gentlemen, this is the only time. It is now or never.

My colleagues also argue that we cannot vote for this amendment because this House would not support biting the bullet now. Ladies and gentlemen, the vote on this amendment would bite the bullet now. It says we do not want to pass these costs on to future generations of Americans. We want to deal with the problem now and we will force ourselves to do it by voting for an amendment putting it on budget and on Gramm-Rudman.

The gentleman from California [Mr. PANETTA] says there are other ways to handle it. If we go off Gramm-Rudman we can define the problem out of existence. I have great respect for the chairman of the Budget Committee, but there has been too much smoke and mirrors. We have dealt with problems too often by defining them out of existence. There is only one problem with that approach: the problem remains.

But we do not deal with it. We say we have dealt with it, but we let our children and grandchildren pay for it.

Each of my colleagues likes to go into the classrooms in his or her district, each of us likes to talk to children in grammar school, to students in high school and college. When we go into the grammar schools in our congressional districts, when we see our own children at home, let us not say we dealt with the problem by giving them the check. This is a generational inequity that we would be perpetrating on our children and grandchildren. Let us stop doing it.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. LAFALCE] as a substitute for

VOL 135 PT 9 JE 14 — 22 1989 UMI

the amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LAFALCE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 171, noes 256, answered "present" 1, not voting 5, as follows:

[Roll No. 89]

AYES—171

Alexander
Anderson
Andrews
AuCoin
Barnard
Barton
Bates
Bellenson
Bennett
Bentley
Bereuter
Bilbray
Bliley
Bosco
Boxer
Broomfield
Brown (CO)
Bruce
Bryant
Burton
Campbell (CA)
Campbell (CO)
Carper
Carr
Chandler
Coleman (TX)
Cooper
Costello
Cox
Craig
Dannemeyer
DeFazio
Dellums
Derrick
DeWine
Dixon
Dorgan (ND)
Dreier
Duncan
Durbin
Early
Evans
Fascell
Fawell
Fiske
Frost
Gaydos
Gejdenson
Gibbons
Glickman
Goodling
Gordon
Goss
Grandy
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hatcher
Hefley
Henry
Herger
Hertel
Hiler
Hoagland
Holloway
Hopkins
Hughes
Jacobs
James
Jenkins
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kleczka
Kolbe
Kostmayer
Kyl
LaFalce
Laughlin
Leath (TX)
Leland
Lewis (FL)
Lightfoot
Long
Luken, Thomas
Lukens, Donald
Martin (IL)
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
McNulty
Miller (CA)
Miller (OH)
Moody
Moorhead
Morella
Morrison (CT)
Murphy
Neal (NC)
Nielson
Nowak
Oberstar
Olin
Owens (NY)
Owens (UT)
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Penny
Perkins
Petri
Pickett
Pickle
Price
Quillen
Rahall
Ravenel
Rhodes
Richardson
Ridge
Rinaldo
Roberts
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sawyer
Saxton
Schneider
Schuette
Schumer
Shaw
Shumway
Shuster
Skaggs
Skeen
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Snowe
Solarz
Spence
Spratt
Stallings
Stearns
Stokes
Sundquist
Swift
Tanner
Thomas (GA)
Torricelli
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walsh
Waxman
Weber
Whittaker
Whitten
Williams
Wolf
Wright
Wylie
Young (FL)

NOES—256

Ackerman
Akaka
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Baker
Ballenger
Bartlett
Bateman
Berman
Bevill
Bilirakis
Boehlert
Boggs
Bonior
Borski
Boucher
Brennan
Browder
Brown (CA)
Bunning
Bustamante
Byron
Callahan
Carlin
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coelho
Coleman (MO)
Combest
Conte
Conyers
Coughlin
Coyne
Crane
Crockett
Darden
Davis
de la Garza
DeLay
Dickinson
Dicks
Dingell
Donnelly
Dornan (CA)
Douglas
Downey
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Gallegly
Gallo
Garcia
Gekas
Gephardt
Gillmor
Gilman
Gingrich
Gonzalez
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hammerschmidt
Hansen
Harris
Hastert
Hawkins
Hayes (IL)
Hefner
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Kennelly
Kildee
Kolter
Lagomarsino
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Machtley
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nelson
Oakar
Oberstar
Ortiz
Oxley
Packard
Pallone
Panetta
Parker
Parris
Paxon
Pelosi
Perkins
Petri
Pickett
Pickle
Price
Quillen

ANSWERED "PRESENT"—1

Hayes (LA)

NOT VOTING—5

Brooks
Buechner
Collins
Courter
Hangel

□ 1722

Messrs. GALLEGLY, McDADE, SHAW, and DORNAN of California changed their vote from "aye" to "no."

Messrs. DONALD E. "BUZ" LUKENS, BLILEY, MOORHEAD, COX, and LELAND changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] has 4 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we conclude this debate on the Ways and Means Committee amendment, I strongly urge an aye vote in favor of on-budget financing. This is a vote to save the American taxpayer approximately $5 billion in interest savings and could save additional billions of dollars if debt management savings are also achieved. In addition, there are indications that the administration will not veto this bill over this on-budget issue, particularly in light of our earlier vote today for strong capital standards.

Mr. Chairman, in the interest of saving $5 billion for American taxpayers, I strongly urge an affirmative vote on the Ways and Means Committee amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The question was taken; the Chairman answered that the ayes appeared to have it.

RECORDED VOTE

Mr. ROSTENKOWSKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 280, noes 146, answered "present" 1, not voting 6, as follows:

[Roll No. 90]

AYES—280

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Coelho
Coleman (TX)
Conyers
Cooper
Costello
Coyne
Crane
Crockett
Dannemeyer
Darden
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fiske
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Goss
Gradison
Grant
Gray
Guarini
Hall (OH)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hefner
Hertel
Hoagland
Hochbrueckner
Houghton
Hoyer
Huckaby

Hughes
Hutto
Hyde
Jacobs
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thoma
Machtley
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McHugh
McMillen (MI
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Molinari

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bateman
Bentley
Bliley
Boehlert
Broomfield
Brown (CO)
Bunning
Burton
Callahan
Chandler
Clinger
Coble
Coleman (M
Combest
Conte
Coughlin
Cox
Craig
Davis
DeLay
Dickinson
Dornan (CA
Douglas
Dreier
Duncan
Edwards (O
Emerson
Fields
Fish
Frenzel
Gallegly

Hughes
Hutto
Hyde
Jacobs
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenimeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Lukens, Thomas
Machtley
Manton
Markey
Martinez
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Pastor
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Rahall
Ray
Regula
Richardson
Ridge
Rinaldo
Roe
Rogers
Ross
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sensenbrenner
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Solarz
Solomon
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wright
Wyden
Yates
Yatron
Young (AK)

NOES—146

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bateman
Bentley
Bilbray
Boehlert
Broomfield
Brown (CO)
Bunning
Burton
Callahan
Chandler
Clinger
Cobb
Coleman (MO)
Combest
Conte
Coughlin
Cox
Craig
Davis
DeLay
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Goodling
Grandy
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Hubbard
Hunter
Inhofe
Ireland
James
Johnson (CT)
Kasich
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Madigan
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Moorhead
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parris
Pashayan
Paxon
Pursell
Quillen
Ravenel
Rhodes
Ritter
Roberts
Robinson
Rohrabacher
Roth
Rowland (CT)
Saiki
Saxton
Schaefer
Schiff
Schneider
Schuette
Schulze
Shaw
Shays
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Spence
Stangeland
Stearns
Stump
Sundquist
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Whittaker
Wolf
Wylie
Young (FL)

ANSWERED "PRESENT"—1

Hayes (LA)

NOT VOTING—6

Buechner
Collins
Courter
Lukens, Donald
Rangel
Wilson

□ 1742

The Clerk announced the following pairs:

On this vote:

Mr. Donald E. "Buz" Lukens for, with Mr. Buechner against.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent to strike the last word in order to recognize the gentleman from Alabama [Mr. ERDREICH] for a brief colloquy on some questions having to do with the thrust of the language of the bill with respect to any impact on pending litigation. It has nothing to do with any amendment.

The CHAIRMAN pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Texas [Mr. Gonzalez] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Chairman, I yield to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, is my understanding correct that enactment of H.R. 1278 would not affect in any way the rights of an institution currently involved in litigation with the Federal regulators regarding the alleged wrongful denial of their application to leave the FSLIC? In other words, the law in effect at the time of the filing of the lawsuit would be applied, and not this new legislation we are enacting today.

Mr. GONZALEZ. Yes, it does remain, and, as far as I know, there is no retroactive language in any part of the bill that would have any impact one way or the other on pending litigation.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GONZALEZ:

Page 357, after line 10, insert the following new subsections:

"(y) MAXIMUM AMOUNT LIMITATIONS ON OUTSTANDING OBLIGATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, the amount which is equal to—

"(A) the sum of—

"(i) the total amount of contributions received from the Resolution Funding Corporation; and

"(ii) the total amount of outstanding obligations of the Corporation; minus

"(B) the sums of—

"(i) the amount of cash held by the Corporation; and

"(ii) the total value (determined on the basis of the fair market value) of assets held by the Corporation,

may not exceed $50,000,000,000.

"(2) LIMITATION BASED ON AMOUNT OF CONTRIBUTIONS.—The total amount of outstanding obligations of the Corporation (other than obligations described in paragraph (4)(C) and obligations which are fully secured by assets held by the Corporation) at any time may not exceed the sum of—

"(A) the total amount of contributions received from the Resolution Funding Corporation; and

"(B) the total of the outstanding amounts borrowed from the Secretary of the Treasury pursuant to subsection (r).

"(3) PROCEDURE FOR REQUESTING LEGISLATION INCREASING THE AMOUNT OF THE PARAGRAPH (2) LIMITATION.—

"(A) REQUEST FOR INCREASE.—If the Oversight Board determines that, for purposes of carrying out the duties of the Corporation, the Corporation should be allowed to incur obligations in an amount in excess of the sum of the amounts described in subparagraphs (A) and (B) of paragraph (2), the Oversight Board shall submit a request for legislation which increases the amount of the limitation contained in paragraph (2) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives in accordance with subparagraph (B).

"(B) CONTENTS OF REQUEST.—Any request submitted to the Committee on Banking, Finance and Urban Affairs pursuant to subparagraph (A) shall contain—

"(i) the specific dollar amount by which the Oversight Board has determined the limitation contained in paragraph (2) should be increased;

"(ii) the specific period of time for which the Oversight Board has determined such increase should be effective;

"(iii) a detailed explanation of—

"(I) the necessity for the increase in the amount of such limitation;

"(II) the basis for the request for the effective period of such increase; and

"(III) the types and amounts of outstanding obligations of the Corporation at the time of the submission of such request.

"(4) OUTSTANDING OBLIGATION DEFINED.—For purposes of this subsection, the term 'outstanding obligation' includes—

"(A) any obligation or other liability assumed by the Corporation from the Federal Savings and Loan Insurance Corporation under this section or pursuant to any provision of the Financial Institutions Reform, Recovery and Enforcement Act of 1989;

"(B) any guarantee issued by the Corporation;

"(C) the total of the outstanding amounts borrowed from the Secretary of the Treasury pursuant to subsection (r); and

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(D) any other obligation for which the Corporation has a direct or contingent liability to pay any amount.

"(5) OBLIGATIONS REQUIRED TO INCLUDE MAXIMUM DOLLAR AMOUNT LIMITATION.—Notwithstanding any other provision of this section—

"(A) the Corporation may not enter into any agreement or issue any guarantee, indemnity, or other instrument under which the Corporation assumes any liability which does not contain a provision which establishes the maximum dollar amount which the Corporation may be liable to pay with respect to such agreement, guarantee, indemnity, or instrument; and

"(B) the maximum dollar amount required to be included under subparagraph (A) shall be the dollar amount taken into account under paragraph (1)(A)(ii) (for purposes of paragraph (1)) and paragraph (2).

"(z) INFORMATION PROVIDED TO AND APPEARANCES BEFORE CONGRESSIONAL COMMITTEE.—

"(1) SEMIANNUAL APPEARANCE REQUIRED.—At the end of each 6-month period beginning after the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, the Oversight Board shall appear before the Committee on Banking, Finance and Urban Affairs of the House of Representatives to—

"(A) report on the progress made during such period in resolving cases involving institutions described in subsection (b)(1)(A)(ii);

"(B) provide an estimate of the short-term and long-term cost to the United States Government of obligations issued or incurred during such period;

"(C) report on the progress made during such period in selling assets of institutions described in subsection (b)(1)(A)(ii) and the impact such sales are having on the local markets in which such assets are located;

"(D) describe the costs incurred by the Corporation in issuing obligations and managing and selling assets acquired by the Corporation;

"(E) provide an estimate of the income of the Corporation from assets required by the Corporation;

"(F) provide an assessment of any potential source of additional funds for the Corporation; and

"(G) provide an estimate of the remaining exposure of the United States Government in connection with institutions described in subsection (b)(1)(A)(ii) which, in the Oversight Board's estimation, will require assistance or liquidation after the end of such period.

"(2) DISCLOSURE OF ASSISTED TRANSACTIONS.—The Corporation shall make available to the Committee on Banking, Finance and Urban Affairs of the House of Representatives any agreement entered into by the Corporation relating to an assisted transaction not later than 25 days after the first meeting of the Oversight Board after such agreement is entered into.

"(3) APPEARANCE BEFORE START-UP OF CORPORATION.—

"(A) APPEARANCE REQUIRED.—Before the earlier of—

"(i) the date which is 30 days before the date described in subsection (b)(5)(C)(i); or

"(ii) the end of the 150-day period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989,

the Oversight Board shall appear before the Committee on Banking, Finance and Urban Affairs of the House of Representatives for the purposes described in subparagraph (B).

"(B) PURPOSE OF APPEARANCE.—In connection with the appearance of the Oversight Board pursuant to subparagraph (A), the Oversight Board shall—

"(i) provide and describe in full detail the business plan established by the board for the operations of the Corporation;

"(ii) provide and describe in full detail the policies and procedures established or proposed to be established for the Corporation;

"(iii) provide any regulation proposed to be prescribed by the Corporation; and

"(iv) provide and describe the proposed case resolution schedule established by the board.".

Page 357, line 10, strike the closing quotation marks and the 2d period.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes and the gentleman from Ohio [Mr. WYLIE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I really want to get the attention of my colleagues. This is a very important amendment.

I think my colleagues will remember, as I do, on January 3, when we opened this session, I had almost every Member present from both sides of the aisle coming and asking me with great anxiety, "How could this blizzard of announcements in December by the Home Loan Bank Board committing itself to these billions of dollars happen? How can this happen? What do you know about them?"

All I could say is, "All I know is the press releases that have been made by the Home Loan Bank Board," and indeed the Home Loan Bank Board and FSLIC committed the Treasury to $44 billion without any accountability of the regular processes of authorization, or appropriation, or coming to the Congress. Mr. Chairman, even the President cannot do that.

So, in order to prevent any chance of this happening with this tremendous apparatus that will result by passage of this bill, the Resolution Trust Corporation, which will have 400 billion plus of REO, real estate ownership, and having FSLIC, or what FSLIC was doing, happen again with the Resolution Trust Corporation by allowing it to commit itself way over and beyond the resources it has.

In other words, Mr. Chairman, under this bill, the RTC will have all of the case resolution powers of the FDIC and the FSLIC as we have known them. This broad grant of power includes the ability to provide financial assistance to acquirers of insolvant thrifts, assistance such as notes.

In 1988, the Bank Board provided to acquirors promissory notes and agreements that guaranteed the value of and return on assets. The projected costs from these notes and with what the Treasury settled is $44 billion.

As the bill now stands the RTC will have this same power as FHLBB to obligate the Federal Government. The RTC should not hold a blank check on the U.S. Treasury. Without a limit, the ultimate taxpayer cost of resolving insolvent institutions could be increased by the RTC without regard to the $50 billion authorized for the bailout. Without a cap the mistakes of 1988 could be repeated on a grand scale.

My amendment limits the RTC's ability to issue unsecured obligations by requiring the RTC to budget such obligations against the cash it receives from REFCORP. This is accomplished in two ways. First, the amendment provides for an overall cap by limiting the total of RTC's unsecured debt and REFCORP obligations to $50 billion. Technically, the amendment provides that the total of RTC unsecured obligations plus REFCORP borrowing minus RTC cash and assets may not exceed $50 billion. Thus, if the RTC issues unsecured notes of $15 billion, as CBO has predicted, and receives and spends $35 billion from REFCORP, additional REFCORP borrowing will have to be used to retire the existing unsecured debt. Under this amendment, the RTC will not be able to spend all its cash and leave the American people with an unauthorized and unpaid tab for the bailout.

□ 1750

The amendment also limits the incremental growth in RTC obligations by providing that in addition to the overall cap, the RTC cannot at any time have more unsecured obligations than net worth as represented by the total REFCORP borrowing to date and RTC's outstanding borrowings from Treasury. The bill authorizes it to borrow up to $5 billion dollars from the Treasury. If the RTC needs additional cash, the amendment establishes a procedure for the RTC to request from Congress additional borrowing authority. This request would have to include specific information as to why the Oversight Board believes the RTC needs this additional authority and information as to RTC's current outstanding obligations.

To avoid the danger of asset dumping my amendment excludes from both the total cap and the incremental cap the secured loans. The RTC will be able to use its assets as collateral for loans and such secured loans will not be counted for purposes of the caps.

The amendment simply says that if the RTC needs to borrow, it must have the resources to honor those commitments, it cannot rely on the taxpayer to pay its bills.

The amendment addresses another concern that arose after the Bank Board's December deals—as I said earlier—unquantifiable obligations such as asset maintenance agreements. The amendment requires the RTC to include a maximum amount in every obligation entered into by the RTC and requires that this stated maximum be used to calculate the limits I have described. This requirement in effect provides that if the RTC cannot fix the terms of the deal it should make the deal.

The amendment also requires the RTC to appear before the Banking Committee every 180 days to provide information on the RTC's outstanding obligations and the status of its activities.

Finally, the amendment requires the RTC to come before the committee before the expiration of the period during which the FDIC acts on behalf of the RTC to explain the status of the RTC's startup activities, and it provides for the disclosure of assisted transactions to Congress.

Mr. Chairman, I urge the adoption of this amendment.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I reluctantly oppose the gentleman's amendment. I say reluctantly because I think the gentleman is on to something when he wants to impose a cap on RTC borrowing authority, but I oppose it because I wanted the opportunity to offer my own amendment which would have provided the RTC with more flexibility, which the Rules Committee did not allow me to do.

Under the chairman's amendment, RTC borrowing authority would be limited to assets sold. For example, if the RTC closed down an institution, put $10 billion into the institution to close it down, recovered $7 billion in assets, the RTC then could only issue notes against that $7 billion in assets after it was sold. They could not issue notes against the assets at the time of acquisition, even though it might be quite clear that the assets are worth $7 billion.

Now, unlike the FSLIC notes, the RTC notes would be under close scrutiny by the Oversight Board. The Oversight Board has the Secretary of the Treasury, the Secretary of HUD, the Attorney General, the Chairman of the Federal Reserve Board, and finally, the FDIC Chairman as nonvoting positions on the Board as advisors. All those persons are on this Oversight Board, which could examine the RTC and determine whether it was doing the right thing or not.

I think the RTC might need some flexibility to use bridge or interim financing to resolve the maximum number of institutions over the shortest period of time.

As I say, these RTC notes are backed by the assets which came into the hands of the RTC, through the closing down of a financial institution.

It seems to me if this amendment were carried to its extreme, it might be an incentive for the RTC to dump assets in order to come up with badly needed cash so they could issue some more notes and could handle further case resolutions more expeditiously; additionally, I think there is a disincentive to liquidate an institution in the proper fashion.

I had hoped to be able to offer an amendment which would place a cap on the RTC borrowing, which as I say I think is a good move. It would have limited the RTC obligations to those notes which are fully collateralized notes backed by the REFCORP through the sale of bonds, the Treasury line of credit which is about $5 billion right now, an emergency line of credit, and seized assets to which I made previous reference.

For those reasons, as I say, I think the concept of the Gonzalez amendment is appropriate. I do feel that RTC borrowing should be limited in its line of credit, but on the other hand I think it has the unintended effect of being too restrictive and may in the final analysis cost the RTC money.

For those reasons, Mr. Chairman, I will vote against the amendment.

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume. I will yield to the distinguished gentleman from North Carolina [Mr. PRICE] in a moment.

I would like the RECORD to show that the gentleman from North Carolina [Mr. PRICE] has been a tremendous asset to the committee. He was the first one to raise the issue about the proper capping of this tremendous organization-to-be. I think he should be recognized for that endeavor. I certainly want the RECORD to show that we respect him for that and that we are in his obligation for first having offered an amendment during the time we had the bill in the committee, and subsequent to that.

I want to render tribute to the gentleman for actually inspiring us on the amendment we are presenting today. In fact, it reflects substantially the Price amendment.

Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I thank the gentleman for his generous words and I want to commend the gentleman for offering this amendment. I think it is an important addition to the bill and I very strongly urge its adoption.

In the Banking Committee, along with our colleague, the gentleman from Nebraska [Mr. HOAGLAND], I offered an amendment to strictly limit the amount of notes or other obligations that the FDIC could issue in resolving failed financial institutions.

What this amendment that the gentleman from Texas [Mr. GONZALEZ] has offered would do essentially would be to put a similar limit on the Resolution Trust Corporation, which will be heavily involved in the disposition of failed thrifts once H.R. 1278 becomes law.

Currently under both the House and the Senate bill, the RTC has the authority to issue notes or other obligations with no apparent limit. The bill must be changed in this area.

I support the amendment of the gentleman from Texas [Mr. GONZALEZ] which would ensure that the RTC is limited in its ability to obligate itself or the Federal Government through notes or any other forms of assistance agreements. No Government entity should have the ability to obligate Treasury funds without explicit authority from the Congress and the President. It was an outrage when the Bank Board did it and it would be even more outrageous if we let the RTC to do it.

Mr. Chairman, we must adopt this amendment. I urge my colleagues very strongly to vote in support of it.

□ 1800

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN. Mr. Chairman, today I rise in support of the Gonzalez amendment.

The question is: The Federal Home Loan Bank Board in December stole the Treasury checkbook to the tune of $44 billion; the question revolving around this amendment is: Are we going to allow the RTC to steal the Treasury's checkbook going forward?

Many members of the committee were incensed by the December deals that the Bank Board cut with a lot of financiers across this country. As Bill Simon himself said, the Chairman of the FDIC, it is an unusual situation where a Government agency can add $30 billion to Federal Treasury's obligations in 4 weeks without congressional action.

The time is now to ask who gave the Treasury checkbook to the Bank Board then, and are we going to give it to the RTC in the future.

There is one more important point to make. If it is true, as we have heard in testimony, that the administration has grossly underestimated the costs of this crisis to the tune of $20 to $30 billion, are we going to allow the administration to backdoor finance this potential shortfall in the future with promissory notes without congressional approval?

Our esteemed chairman's amendment will allow the kind of congres-

sional approbation that is needed and should be a part of this bill.

I urge its adoption.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentlewoman from South Carolina [Mrs. PATTERSON].

Mrs. PATTERSON. Mr. Chairman, I rise in support of the Gonzalez amendment. Many of us believe that the Resolution Trust Corporation is the Achilles's heel of this bill. The RTC's ability to obligate the U.S. Government through promissory notes and debt guarantees should be limited.

With the Resolution Trust Corporation, we are creating a new bureaucracy that will become one of America's largest institutions on the day the President signs this bill into law. It will control hundreds of billions of dollars in assets.

Yet, the RTC is an institution that has the potential for severe problems in the future. It will be managed by an oversight board composed of high Government officials who already have enormous responsibilities. They will not be able to give this huge agency their undivided attention.

In addition to a lack of strong control and accountability, the RTC's mission and responsibility are poorly defined. We should not give them unlimited power to put the Federal Government in debt. They should not be able to unilaterally bind us to deals.

An advertisement in a trade publication 2 days ago only adds to my concern about the RTC. Let me read the ad to you. It says, "Who's Going to Cash in When the Resolution Trust Corp. Opens Its Doors? How About You?" Ladies and gentlemen, there are people out there waiting to pick the RTC's pockets before it even gets its pants on.

We should not give the RTC unlimited authority. I commend Chairman GONZALEZ on his amendment and urge my colleagues to support the Gonzalez amendment.

[From the National Thrift & Mortgage News, June 12, 1989]

WHO'S GOING TO CASH IN WHEN THE RESOLUTION TRUST CORP. OPENS ITS DOORS?—HOW ABOUT YOU?

The Resolution Trust Corp. will start operations as the biggest American business in history, with more than $400 billion in assets.

It will be hiring staff, contracting out work and selling assets throughout the 1990s.

Its activities will affect every real estate market in the country and every developer, insurer, appraiser and, of course, every lender as it undertakes the enormous task of dealing with the residue of the thrift collapse of the 1980s.

Now you can follow the activities of this enormous government organization in a biweekly report designed for managers and advisers who must know what RTC is selling; who's buying and at what price.

Resolution Trust Reporter will be your ongoing guide to the people and the deals that will impact the entire financial community for a decade or more to come.

Resolution Trust Reporter will arrive on your desk every other Monday with the latest information on what, where and how RTC is operating and what the competitive impact is on the markets where deals are done.

Resolution Trust Reporter will be published by the Dorset Group in cooperation with National Thrift & Mortgage News (formerly National Thrift News.)

Stan Strachan, editor of NTMN will serve as consulting editor of the report and Brian Collins, former editor of the Banking Regulator and a member of NTMN's Washington news staff, will be Washington editor.

NTMN's award-winning news staff will contribute regularly to Resolution Trust Reporter offering in-depth coverage and detail that would be impossible for a publication devoted to general financial coverage.

National Thrift News won the George Polk award for financial reporting in recognition of its 1988 coverage of the Federal Savings and Loan Insurance Corp. crisis.

Resolution Trust Reporter will be produced by a professional news team that understands the issues involved in thrift resolutions and real estate workouts.

Resolution Trust Reporter will focus on what RTC is doing, giving you an ongoing reference source that will serve as a working file whenever your business comes in contact with an RTC transaction.

Resolution Trust Reporter will begin regular publication Monday, September 11. But as soon as Congress has set out the parameters on the operations of RTC, we will be sending all charter subscribers a special report detailing just what the lawmakers expect of RTC and what the rules and the opportunities will be.

We'll be sending bulletins throughout the summer as RTC hires its executive staff and publishes regulations for contractors and bidders.

Let us be your eyes and ears at RTC operations in Washington and around the country.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to make my position clear on this amendment and the position of the administration clear.

The administration recognizes the need to place a cap on the aggregate amount of RTC notes and obligations based on last year's FSLIC experience. That has been referred to as the guidepost by which we need a cap amendment like this, and I agree.

But FSLIC was issuing notes and guarantees on the questionable strength of premium income it expected to receive over the next 20 to 30 years. That is why the administration does support a cap. They support a cap, though, like the one that would have been an amendment which I filed with the Committee on Rules which was not made in order.

The administration believes that all RTC obligations should be backed by tangible assets as my amendment would have required. Assets would be limited to the amount of funds to be received from REFCORP, the $5 billion line of credit with Treasury, the estimated market value of assets held by the RTC as a result of case resolutions, plus the cash and investments that are readily convertible into cash.

Because the taxpayers were exposed to excessive risks with the FSLIC notes and guarantees, we do need the cap amendment, and we certainly do not want a repeat of that.

As I say, I reluctantly oppose the gentleman's amendment, not because of the concept, but because my alternative amendment was not made in order.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Chairman, I would like to support the gentleman's fine amendment. I would like to commend the chairman for it, and I say that I think it is absolutely essential, but I also would like to say I would like to see us go just a little bit further.

As the Chairman knows, after we reported our bill, we held a hearing on the question of the budget treatment of this bill, and that hearing evolved into consideration of some other matters, and among those other matters was this RTC. I came to think that as a result of those hearings we ought to make the FDIC Board the board of the RTC. The board of the RTC as currently conceived has no experience in asset disposition. They do not know how to dispose of shopping centers and office buildings and houses. They know nothing about it.

Mr. Chairman, the FDIC has 50 years of experience in this area, and it just seems to me that we ought to pinpoint responsibility, pinpoint accountability, and that making the FDIC Board the board of this would do that.

The Committee on Rules did not make our amendment in order, so I just wanted to bring up the question at this time. My worry about the RTC is that it can become another FADA if we are not careful. If we do not exercise good oversight, that could happen. I just wanted to raise that caution.

I hope that we will keep an eye on this organization. It is going to be responsible for handling a whole lot of money, and as I say, the Board as now constituted is not experienced in this area, and we had better keep a close eye on it.

Having said that, I would like to commend the chairman for his fine amendment and urge support for it.

Mr. WYLIE. Mr. Chairman, I have no further requests for time at the present, but I reserve the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, one of the major recommendations submitted

to the Banking Committee regarding this omnibus legislation was to structure the Resolution Trust Corporation to the greatest possible extent possible. The Resolution Trust Corporation will have a monumental task on their hands in closing, and liquidating insolvent institutions throughout the country. In addition, the RTC will have to manage billions and billions of dollars worth of real estate and other tangible assets from these insolvencies. The U.S. Government will become the largest land owner ever.

Mr. Chairman, with all the responsibility levied upon the RTC, the Congress must install limitations on what this entity may accomplish. Chairman GONZALEZ' amendment would limit the RTC's total debt at any time to the $50 billion requested by the administration. In addition and most importantly, the RTC cannot at any time, have more obligations than its net worth as represented by bonds issued by REFCORP. Also, the Congress would have further oversight by establishing a procedure for the RTC to request from Congress additional borrowing authority, if needed.

Congress will need to monitor and scrutinize this entity very closely. I commend the distinguished chairman for his amendment and urge my fellow colleagues to support this provision. We must provide the necessary protections to shield our taxpayers from further exposure.

□ 1810

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. HOAGLAND].

Mr. HOAGLAND. Mr. Chairman, I appreciate our illustrious Chairman of the full Banking Committee yielding time to me and appreciate his gracious handling of these complex issues in committee, and now on the floor. It is a great pleasure to serve with the gentleman from Texas. He has done the Nation and our Congress proud with his handling of this bill.

I would just like to rise to echo the sentiments expressed by my colleagues, the gentleman from North Carolina, Mr. DAVID PRICE. He and I cosponsored a similar amendment dealing with FDIC, dealing with the same sorts of restrictions on lending and borrowing practices, and I think the same principle applies here It is a good amendment, and I encourage my colleagues to support it.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] has 1 minute remaining, and the gentleman from Ohio [Mr. WYLIE] has 14 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield the balance of my time and concluded by saying that the gentleman from Nebraska [Mr. HOAGLAND], and the gentleman from North Carolina. [Mr. PRICE], Mr. HOAGLAND being a more recent member of the committee and the Congress, are a wonderful inspiring example of how much we have received of very brilliant, honest, hard-working performance.

The gentleman from Nebraska also had an amendment patterned on an attempt to try to restrain and control this tremendous power that will be inherent in this Resolution Trust Corporation, and the gentleman from North Carolina, having had a similar and anterior amendment, the gentleman from Nebraska yielded, and it was based on their efforts that we constructed, and reconstructed, and reshored-up this amendment that is now pending.

I ask my colleagues to support this amendment. It is a must. It will do credit to the Congress, and it will protect the American people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GONZALEZ].

The amendment was agreed to.

The CHAIRMAN. The Chair awaits the gentleman from Massachusetts.

Mr. ECKART. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from Massachusetts be carried over without prejudice, due to his momentary delay reaching the floor. The gentleman from Massachusetts is on his way, and did not expect the completion of the prior amendment and so imminent a handling of his own.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. WYLIE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The gentleman from Ohio may wish to ask unanimous consent to strike out the last word, and he could be recognized in that fashion.

Mr. ECKART. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Ohio is recognized for 5 minutes.

There was no objection.

Mr. ECKART. Mr. Chairman, the legislation we have before us is very critical and obviously affects the welfare financially and in many other respects of thousands of American depositors.

Mr. Chairman, I know that this matter is of great concern to many of our constituents, and I would thank all of my colleagues for their cooperation and for making today's events so successful.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

AMENDMENT OFFERED BY MR. KENNEDY

Mr. KENNEDY. Mr. Chairman, I offer an amendment.

The CHAIRMAN, The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KENNEDY: Page 719, after line 25, insert the following new sections (and redesignate the subsequent section and amend the table of contents accordingly):

SEC. 1211. FAIR LENDING OVERSIGHT AND ENFORCEMENT.

(a) INFORMATION REGARDING INCOME LEVEL, RACIAL CHARACTERISTICS, AND GENDER OF MORTGAGORS AND MORTGAGE APPLICANTS.—Section 304(b) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(b)) is amended—

(1) in paragraph (2), by striking "and" after the semicolon at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) the number and dollar amount of mortgage loans involving mortgagors or mortgage applicants grouped according to income level, racial characteristics, and gender.".

(b) INFORMATION REGARDING LOAN APPLICATIONS.—

(1) GENERAL REPORTING REQUIREMENT.—Section 304(a)(1) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(a)(1)) is amended by inserting after "that institution" the following: "(or for which the institution received applications)"

(2) CONFORMING AMENDMENTS.—

(A) The last sentence of section 304(a)(2) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(a)(2)) is amended by inserting after "originated or purchased" the following: "(or for which applications were received)".

(B) Section 304(g)(1) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(g)(1)) is amended by inserting after "made" the following: "(or for which applications are received)".

(C) Section 304(g)(2) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(g)(2)) is amended by inserting after "approved" the following: "(or for which applications are received)".

(D) The first sentence of section 311 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2810) is amended by inserting after "approved" the following: "(or for which applications are received)".

(c) APPLICABILITY OF REPORTING REQUIREMENTS TO ALL MORTGAGE LENDERS.—Section 303(2) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2802(2)) is amended—

(1) by striking ", or" and inserting a comma; and

(2) by inserting before the semicolon at the end the following: ", or any person not otherwise referred to in this paragraph who engages in the business of mortgage lending".

(d) EFFECTIVE DATE.—The amendments made by this section shall be applicable to the portion of calendar year 1989 that begins 60 days after the date of the enactment of this Act, and to each calendar year beginning after December 31, 1989.

SEC. 1212. AMENDMENT TO THE COMMUNITY REINVESTMENT ACT OF 1977.

(a) CONFORMING AMENDMENT TO DEFINITION OF REGULATED FINANCIAL INSTITUTION.—

VOL 135 PT 9 JE 14 — 22 1989 UMI

Section 803(2) of the Community Reinvestment Act of 1977 (12 U.S.C. 2902(2)) is amended by striking out "insured bank as defined in section 3 of the Federal Deposit Insurance Act or an insured institution as defined in section 401 of the National Housing Act" and inserting in lieu thereof "insured financial institution (as defined in section 3(w)(2) of the Federal Deposit Insurance Act)".

(b) EXAMINATION IMPROVEMENT.—The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 807. WRITTEN EVALUATIONS.

"(a) REQUIRED.—

"(1) IN GENERAL.—Upon the conclusion of each examination of an insured depository institution under section 804, the appropriate Federal depository institution regulatory agency shall prepare a written evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

"(2) PUBLIC AND CONFIDENTIAL SECTIONS.—Each written evaluation required under paragraph (1) shall have a public section and a confidential section.

"(b) PUBIC SECTION OF REPORT.—

"(1) FINDINGS AND CONCLUSIONS.—The public section of the written evaluation shall—

"(A) state the appropriate Federal depository institutions regulatory agency's conclusions for each assessment factor identified in the regulations prescribed by the Federal depository institutions regulatory agencies to implement this Act; and

"(B) discuss the facts supporting such conclusions.

"(2) EMPHASIS ON SPECIFIC TYPES OF CREDIT.—The statement, discussion, supporting facts, and conclusions shall place special emphasis on the insured depository institution's record of serving the housing credit needs of low- and moderate-income persons, small business credit needs, and small farm credit needs.

"(3) ASSIGNED NUMERICAL RATING.—The public section shall also contain the institution's numerical rating and a statement describing the basis for the rating.

"(c) CONFIDENTIAL SECTION OF REPORT.—

"(1) PRIVACY OF NAMED INDIVIDUALS.—The confidential section of the written evaluation shall contain all references that identify any customer of the institution, any employee or officer of the institution, or any person or organization that has provided information in confidence to a Federal or State depository institutions regulatory agency.

"(2) OTHER TOPICS NOT SUITABLE FOR DISCLOSURE.—The confidential section shall also contain any inflammatory statements or other such statements which, in the judgment of the appropriate Federal depository institutions regulatory agency, are not properly subject to disclosure to the institution or the public.

"(3) NONDISCLOSURE TO DEPOSITORY INSTITUTION.—The confidential section shall not be disclosed to the institution or the public, unless the appropriate Federal depository institutions regulatory agency determines that such disclosure would be in the public interest.".

SEC. 111. REPORTS ON GEOGRAPHIC ORIGIN OF DEPOSITS OF DEPOSITORY INSTITUTIONS.

(a) REPORTS REQUIRED.—Before the end of the 180-day period beginning on the date of the enactment of this Act and subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe under subsection (c), each federally insured depository institution shall submit a report to the appropriate Federal depository institutions regulatory agency on the geographic origins of the deposits in such institution and the extent to which the deposits in such institution are derived from areas outside the communities served by such institution.

(b) TRANSFER OF REPORTS TO THE BOARD OF GOVERNORS.—After the end of the 180-day period described in subsection (a), each appropriate Federal depository institution regulatory agency (other than the Board of Governors of the Federal Reserve System) shall promptly transmit the information collected from depository institutions pursuant to subsection (a) to the Board of Governors of the Federal Reserve System.

(c) ADDITIONAL REQUIREMENTS PRESCRIBED BY THE BOARD.—The Board of Governors of the Federal Reserve System may prescribe such regulations governing reports under this section as the Board determines to be appropriate, including requirements relating to the extent of the details required to be reported and variations in the reporting requirements on the basis of various classes of institutions which the Board may establish.

(d) STUDY BY BOARD.—After the Board of Governors of the Federal Reserve System receives all the reports required under this section, the Board shall conduct a study on the basis of such reports to determine the extent to which the acquistion of deposits by depository institutions from depositors located outside the communities of States served by such institutions is detrimental to the purposes and requirements of the Community Reinvestment Act of 1977.

(e) REPORT BY BOARD.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall submit a report to the Congress on the results of the study conducted under subsection (d) and any recommendations for administrative or legislative action as the Board may determine to be appropriate.

(f) PUBLIC AVAILABILITY OF REPORTS.—Reports filed by depository institutions under subsection (a) shall be made available to the public.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. KENNEDY] will be recognized for 20 minutes and the gentleman from Ohio [Mr. WYLIE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the purpose of this amendment is twofold. First of all, it has to do with the Community Reinvestment Act.

As many of the Members in this Chamber know, the Community Reinvestment Act was passed in 1977 with great support in this body. This particular amendment asks that the ratings and evaluations under the CRA be disclosed in a public fashion. The amendment which was passed back in 1977 simply required that the banks and savings and loans put investments back into the very communities and neighborhoods from which they withdrew their funds.

What we have found is that out of the 50,000 banks that have applied through the CRA, only 9 have failed. The purposes of this amendment is very simple. We ask the bank regulators, we do not ask anything more of the savings and loans, we do not ask anything more of the banks, we just ask the Federal regulators to disclose to the public the ratings and evaluations.

The second thrust of the amendment has to do with the Home Mortgage Disclosure Act. That has demonstrated from recent data from across the country based on a study of over 3,100 savings and loans that it is 2 to 3 times harder if the color of your skin happens to be black or brown than if the color of your skin in white, coming from the same neighborhoods with the same incomes, to receive a home mortgage. It does seem to me if we are pumping in over $200 billion into the savings and loan industry and into our Nation's financial institutions, that the very least we could expect is that we do not continue a pattern of discrimination that may exist, and we ask those institutions to lend back in to the very communities that provide them with the capability of going out and competing in the marketplace.

We need to have a little fairness associated with this bill, and I think the two thrusts of this amendment will go a long way toward dealing with some of the injustices that take place in the financial markets of our Nation.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Texas.

Mr. BARTLETT. Very quickly, Mr. Chairman, if the gentleman from Massachusetts was quoting the Atlanta Study on Racial Characteristics, it does seem to me that an accurate reading of that study was not a reading of the same neighborhood or the same income levels. In fact, it did demonstrate some redlining, but the redlining was by geographic area, not by racial characteristic.

Mr. KENNEDY. The fact is, as I understand the study, it was done using the best available information, which only gets the information down to the ZIP Code, and what the study demonstrated was that if you come from the same ZIP Code, which is basically the same neighborhood, if you come from that neighborhood and the color of your skin happens to be black or brown versus the color of your skin being white, and the income levels are the same whether your skin is black or white or brown, you are 2 to 3 times more likely to have your home mortgage turned down if you are black or brown than if you are white.

Mr. BARTLETT. Will the gentleman yield further for a moment?

Mr. KENNEDY. I yield to the gentleman from Texas.

Mr. BARTLETT. I think the study actually shows a disparity between ZIP Codes, but not according to race within the same code, because the fact is, as the gentleman is seeking to point out, we do not have the information on the racial characteristics of home loans. We have it only according to the ZIP Code. So it is simply not available, according to the rates.

Mr. KENNEDY. The fact is it is available at the local level in banks and savings and loans, they do take the information in, and the question is whether or not we are going to allow that information to be passed along to the regulators themselves.

Mr. Chairman, I reserve the balance of my time.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. BARNARD].

□ 1820

Mr. BARNARD. Mr. Chairman, I thank the gentleman from Ohio for yielding this time to me.

Mr. Chairman, whatever else we can say about the causes and solutions of the savings and loan crisis, CRA and HMDA had nothing to do with it. These amendments are extraneous to this bill and a similar version of them was soundly rejected during the markup by the full Banking Committee.

The Senate has no such provisions and inclusion of the amendment in the bill will guarantee a protracted conference with the Senate, all at a time when we have already delayed this legislation far too long.

Even if CRA and HMDA bore some relation to the S&L crisis, I would still have to oppose these amendments. CRA and HMDA unquestionably have good intent, but are badly flawed. The amendment before us does not address these problems but instead adds more structure to an already shaky foundation.

The Senate held hearings on CRA last September and again last week. It will continue the hearings in the near future. We should follow the Senate's example. If and when we do, my review of the Senate testimony indicates that we will find that—

First. There is no interagency uniformity and consistency in making CRA evaluations.

Second. There is a great need for increased regulatory and community guidance concerning community assessments.

Third. There is a very serious lack of reasonable procedural safeguards such as maximum timeframes for protests.

Fourth. There is also a lack of congressional hearings and regulatory studies into the impact of the secondary market or other nonbank underwriters as obstacles to CRA. For example, do PMI underwriters prevent low income loans by denying insurance?

One of the worst features of the existing CRA process is the lack of reasonable procedural safeguards involving challenges to various regulatory applications by depository institutions.

There are no maximum time limits for protests, although there are mimimum time limits. Regardless of the merits, or the number of times the same protests have been raised, protesting groups use this as a means to extort financial settlements or other concessions from banks who are engaged in the regulatory applications process. For specific examples, I refer you again to the Senate testimony.

One of the worst results of CRA occurred in the recent attempt of a bank to acquire Grand Canyon National Bank in Arizona. The bank, generally considered to have a good CRA record, saw its application denied on CRA grounds. Grand Canyon recently failed.

Whose interests were served? The taxpayers? The insurance fund? The consumers?

I know that the Democratic Party is committed to consumers and the disadvantaged. I hope that the fact that this amendment is labeled as such will not keep you from voting against it on substantive and procedural grounds. It is easy to get a stranglehold on the moral issue and to demagog on this type of legislation. That is fine for the Phil Donahue show, but it makes for bad legislation.

Mr. KENNEDY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Georgia has indicated that he has done the research and found one or two banks that have gotten themselves in some difficulty with an example which I did not quite understand about the CRA.

The fact is we are here today dealing with hundreds and hundreds of banks that have gotten themselves into great difficulty which have nothing to do with the CRA, but had to do with the fact that there were grave injustices that took place, people getting themselves fat and rich. It does seem to me that what we have to be concentrating on is the fact that if this amendment is so onerous and so difficult, then why, out of 50,000 banks that have applied, have only 9 failed?

The fact is that we ought to be looking at whether or not there is discrimination. And studies, a Pulitzer Prize was just received by a journalist with the Atlanta Constitution to indicate that there is massive discrimination that is potentially taking place in this industry.

All we are trying to do is determine that.

There is no real teeth in this amendment. All we are really suggesting is that we want disclosure, we want disclosure of those ratings in a public way and we want to have the information be gathered with regard to race, color, creed, and that that be passed along to the Federal regulators.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. GONZALEZ], the chairman of the full committee.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, American democracy proclaims that men and women, unequal in their endowments, shall be equal in their right to develop those endowments. I think that is our basic inherent promise of American democracy.

Racial discrimination, or ethnic discrimination, or religious discrimination, or economic discrimination, or discrimination on account of sex, all of these being factors that are God-endowed talents and differences, are obnoxious. We should not tolerate any kind of such discrimination.

This kind of discrimination is crushing when it is used to deny any American his or her access to a fair and an equal basis to loans at institutions, particularly those that will continue to live because of all of the taxpayers, of all descents contributing to their survival. It just seems to me reprehensible that we would not stand and at least speak out and make this effort for which I compliment and thank the gentleman from Massachusetts [Mr. KENNEDY].

In the committee it was known as the Kennedy-Gonzalez amendment.

It is an issue that no matter what and how pressing it is, that we proceed, that we must mark, stop, pause, consider, and then act favorably on this amendment which, despite the arguments to the contrary, will not place any onerous burden of any kind, of substance, on any of the institutions affected.

I will say one thing in conclusion. The gentleman from Georgia brought up the Continental Illinois, which, incidentally, is still under Government ownership, and its denial by the Federal Reserve Board implementing the existing laws, such as they are, on the type of amendment we are seeking here, in denying its application to acquire this other institution in Arizona.

There is no question that the Federal Reserve Board had ample reasons on other grounds to deny that but the blame was placed on the Community Reinvestment Act, such as it is.

□ 1830

I urge my colleagues, despite the difficulty it would be, to support this amendment.

VOL 135 PT 9 JE 14 — 22 1989 UMI

The CHAIRMAN. The gentleman from Massachusetts [Mr. KENNEDY] has 11 minutes remaining and the gentleman from Ohio [Mr. WYLIE] has 15 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I rise in opposition to the Kennedy amendment.

The provisions in the amendment concerning the Home Mortgage Disclosure Act and the Community Reinvestment Act have no place in this bill. Similar amendments offered by the gentleman from Massachusetts were decisively defeated in the Banking Committee.

The portion of the amendment dealing with HMDA expands the act to any organization that purchases or originates mortgages. This would expand the scope of the act to include mortgage bankers, Freddie Mac, Fannie Mae, the Veterans' Administration, and countless others. This is a tremendous far-reaching change in the law and we are considering it today without even a single day of hearings on this issue before the Banking Committee. In my four terms on the Banking Committee, we have held separate hearings on this act. I believe it is inappropriate to make the far-reaching changes contained in this amendment without proper consideration.

The CRA portion of the amendment requires the regulators to disclose an institution's CRA rating. The Federal Reserve Board vigorously opposes this provision and is concerned that the general public will confuse the CRA rating with an institution's safety and soundness rating. It is my understanding that the Banking Committee has never, ever held hearings on the Community Reinvestment Act and yet the gentleman from Massachusetts is proposing broad changes to the act, contrary to the regulators expert opinions. I am not necessarily opposed to the goals of this amendment. However, I do think it is dangerous to be considering these amendments without the benefit of committee consideration.

I would like to make two additional points concerning CRA policy. First, the regulators have recently adopted new policy guidelines concerning the Community Reinvestment Act. I believe this is a result of the controversy that has surrounded this legislation in recent years. I believe that Congress should permit these guidelines to take effect and be evaluated before pursuing legislative initiatives in this area.

Second, and more importantly, poorly conceived CRA policy may represent a threat to the Federal Deposit Insurance Fund. As an example, Continental Illinois Bank recently sought to purchase Grand Canyon State Bank located in Scottsdale, AZ. The Federal Reserve Board rejected this application for acquisition based on CRA grounds. Subsequently, Grand Canyon was declared insolvent and it is estimated that the liquidation will end costing the FDIC $1.8 million. The Grand Canyon situation is unfortunate, and demonstrates the need to consider CRA policy in a thoughtful and prudent manner through the committee process.

Thus, I believe that we should not be considering broad changes in HMDA and the Community Reinvestment Act without adequate committee review and I urge my colleagues to defeat the Kennedy amendment just as similar amendments were defeated in the Banking Committee.

Mr. KENNEDY. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, this amendment is the first discussion, and outside of my raising the subject of redlining, the first mention of this subject that we have had. How amazing, on a subject of bailing out billions of dollars, we are now up to $305 billion now from the $40, $50 billion that was projected to relieve the S&L's of this mess a couple of years ago. Now at the close of this debate we present an elementary amendment that would seek only to ask the banking regulators to disclose their Community Reinvestment Act ratings, require lenders to report the number of applications they receive and reject by race, gender, and income as required under the Home Mortgage Disclosure Act, and now we are saying that there were no hearings. This is very complicated. This is heavy duty. This is so basic to this amendment, to be asking 30 million African-Americans to acquiesce in a $300 million bailout and tell them that racially discriminatory practices in mortgage lending will have to continue until after we hand over the check, and then we will hold some hearings to see if it is valid, flies in the face of morality and common sense.

First of all, in Atlanta, the newspapers have done it. Banks and S&L's favor citywide areas by a margin of 5 to 1. In Detroit, a Free Press study shows the banks and savings institutions in Metro Detroit make home loans in the city's white middle-income neighborhoods at 3 times the rate of similar black neighborhoods.

All this information was inadvertently released, accidentally disclosed. We want to put it on the RECORD.

If this legislation is to mean anything, and I compliment the chairman of the committee for endorsing this amendment, it is totally irrelevant whether it passed or failed in the Committee on Banking, Finance and Urban Affairs. I am asking 434 of my colleagues to join with me in the most important dimension of this civil rights amendment to savings and loan bailout. Members will not enjoy my support, and this is not a warning. There is no way in the world I can go back to my constituency and explain to them why redlining is still a practice in this country.

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise in opposition to the amendment, but not in opposition to reforming the Community Reinvestment Act or the Home Mortgage Disclosure Act.

However, the fact is that we do not know what we are doing here with this amendment. The fact is there is a good deal of reform that ought to be done with those two acts, and there is a good deal of very careful and aggressive thought and action that ought to be made to the practice of redlining in this country. However, redlining occurs on a geographic basis. What we know about it, we know occurs when geographical areas, neighborhoods, are redlined by forces beyond the power of either the financial institutions individually or the residents, to do anything about.

This amendment, if we were to adopt it on an unrelated bill would, in fact, stop the process that needs to happen of some kind of set of reforms in both the Community Reinvestment Act and HMDA. Consider what the amendment does: First thing it does is it applies the Home Mortgage Disclosure Act reporting requirements to all mortgage lenders. Now, it is unclear as to who-all that is. The bill says—any person engaged in mortgage lending. That may be VA, FHA, may not be. It surely is FNMA, FHLMC, insurance companies, any individual mortgage banker, without any indication as to whether those are the agencies or the problem. If it does not include VA and FHA, it is without any decision as to whether FHA may well be part of the problem, and it may well be.

What I am suggesting is what we ought to do is take some time, examine the causes of redlining, because it does occur; then construct a bill in the Committee on Banking, Finance and Urban Affairs that will address and solve those problems.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. I thank the gentleman for yielding. With regard to the concerns, the concerns are that if there are, in fact, banks and savings and loans making mortgages, home mortgages available, and that there are other factors that should be taken into account, that is all we are asking them to do. All we are trying to get them to do is disclose not only what

the rating is, but asking the banks themselves and the savings and loans to tell Members race, creed, and color.

Mr. BARTLETT. I understand the gentleman's amendment. The difficulty is that may or may not be related to the problem. We know that the problem is a geographic problem.

Mr. KENNEDY. If it is not related to the problem, it does not hurt the banks. All we ask for is information. Not a single thing in the amendment that is in any way punishing to any institution or the regulations. Just asking them to give the raw material.

Mr. BARTLETT. Mr. Chairman, reclaiming my time, let me suggest a few things we could be doing and would be doing if the Congress was given some opportunity to do it and the Committee on Banking, Finance and Urban Affairs is given a nudge, a mandate, perhaps by the debate on the House floor, to consider the Community Reinvestment Act.

For example, some amendments that I filed, they were not made in order under this rule to this amendment, including a mandatory increase agency uniformity on reporting requirement. Right now, reporting requirements for each agency are different, allowing for public comments on applications submitted to the regulators, but setting a time limit. Today, the CRA applications are without time limit, with no sense of any finality to it.

□ 1840

A form of public disclosure in the regulator's rationale is the rating. Today banks and savings and loans do not know why, in any rational way, they get a CRA rating of 1, 2, 3, 4, or 5.

Mr. Chairman, if I may proceed, we could be considering advanced public notice of branch closings or we could be considering the assessment criteria, the voluntary provision of basic banking, or check cashing, something that is not in the gentleman's amendment nor in the current law. Whether the banks and savings and loans want this, they are given no CRA credit, but this gives that banking institution a period of time in which the rating would not be contestable if they get a good rating, and then they could continue on to do their business. Perhaps most significant here is the safe harbor, where we say that a financial institution has a safe harbor. If we create a community development corporation or some kind of a community reinvestment activity, that creates a safe harbor for them.

What we really need to do with this on HMDA is to step back from it and consider what the causes of redlining are and consider how we can through legislation mitigating against that red lining.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

Mr. WYLIE. Mr. Chairman, I yield 30 additional seconds to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I think the gentleman's amendment is very well intentioned, but the fact is that we do not know what we are doing with his amendment. We do know one thing, that we are expanding the Community Reinvestment Act and HMDA, which has not worked at all with anybody in a whole group of new activities, some of which may not be involved in redlining and some of which have not been expanded but are included in the gentleman's amendment.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

Mr. KENNEDY. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I thank the gentleman from Massachusetts for yielding time to me, and I commend him for his amendment.

In response to the gentleman from Texas [Mr. BARTLETT], I would say that one of the best reasons to support this amendment is because it will make the marketplace work. In fact, consumers have the right to know that the savings and loans they are putting their money in are responsible community lenders. This modest provision just asks the regulators to disclose 1, 2, 3, or 4 or 5 ratings that the regulators have on file about these institutions. It imposes no new reporting requirements on banks or S&L's; it just requires public disclosure.

As someone who has funds in a savings and loan, I certainly would like to know whether they are making responsible loans in my community. What is interesting is that we know that racial disparity prevails today even among neighborhoods of comparable income categories, so we think this will make these lending institutions more responsible. In fact, it will hold them more accountable.

One of the reasons these S&L's got into trouble is because they have been high fliers. They have been more interested in windmill farms and condominiums than they have been in making bankable loans to average consumers who want to buy smaller homes.

Mr. KENNEDY. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in support of the amendment offered by my distinguished chairman and our colleague on the House Banking Committee that will strengthen the disclosure provisions of the Community Reinvestment Act and the Home Mortgage Disclosure Act. By requiring Federal regulatory agencies to disclose the ratings and evaluations that they make of an institution's lending practices with regard to race, gender, or the location of neighborhoods, we will help to ensure that financial institutions in communities across our Nation will remain viable and active members of the very communities they serve.

Mr. Chairman, I disagree with those that say that this amendment, this policy initiative, this opportunity, is somehow not the right time to tackle the issue of consumer rights and discrimination. For some, it never is the right time to tackle discrimination.

To say that the idea of accountability through disclosure is in some way not germane or irrelevant to the legislation at hand is a smokescreen. The real result is to allow the reprehensible practices of redlining and discriminatory lending by some financial institutions to continue to operate virtually in the dark without oversight. This is the amendment—the necessary policy. This is the bill. This is the time to force financial institution accountability through public disclosure.

This bill has been referred to as a bailout bill. Congress is considering the allocation of hundreds of billions of dollars to replenish the insurance fund commitment to millions of depositors and permit the S&L industry to continue to function. These financial institutions have a legal and moral responsibility to practice nondiscriminatory lending. It is not extraneous nor onerous to require that information already being collected from institutions regarding their lending practices to prospective borrowers be made public. Monumental bailout sums such as we require here deserve to have responsible public policy strings attached.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. KENNEDY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, some of my colleagues do not believe that this is the right time and the right place to address redlining, but this is the place and the time the Rules Committee has given us. I have to tell the Members that from my position redlining is an abomination. It is an abominable practice that needs to be eliminated.

I might say to some of my conservative friends that the problem is that we often oppose things that are raised in the name of civil rights that are being spending measures, and I believe we ought to try to hold the public purse and we probably ought to

VOL 135 PT 9 JE 14 — 22 1989 UMI

oppose those things. But here is something where we are talking about opportunity and access. We are not talking about spending a lot of money; we are talking about opportunity and access, and we have been given the opportunity to address it.

So, Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, I appreciate the gentleman's yielding.

The point is that we do not have any consistency here. Each regulatory agency has its own standard for CRA.

Mr. WALKER. Reclaiming my time, Mr. Chairman, I appreciate the gentleman's point. The problem is that I see many, many times when the Rules Committee has only given us a certain time to act, and this is the time we have to act.

Mr. WYLIE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I agree with the gentleman who just spoke in the well that redlining is an abomination and it should be discontinued. The gentleman's amendment, though, may I submit to the gentleman from Pennsylvania, is a very mischievous amendment.

At a time when our preeminent concern is the public's perception of the safety and soundness of financial institutions, I think the last thing we should do is to be proposing a public disclosure of the ratings of an institution that could be misinterpreted by its depositors.

This all-encompassing amendment on which we have not had an opportunity for hearings, in addition to covering mortgage subsidies—and I wish the gentleman from Pennsylvania would listen to this—not only includes bank subsidiaries but also includes and extends the Home Mortgage Disclosure Reporting Act to any person who engages in the business of mortgage lending, which would include insurance companies, pension plans, and so forth. We have not had hearings in the Banking Committee on those issues, and may I say that HMDA was summarily extended in the housing act later, and the Federal Reserve, in response to our bill, has only now come forward with a copy of a pamphlet with guidelines on how you may comply with this Home Mortgage Disclosure Act. Here it is.

I strongly oppose this amendment, because we tried this out in our committee. It was defeated on a bipartisan basis. It is a combination of three amendments. Why it was made in order to this bill by the Rules Committee, I do not know.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. Mr. Chairman, let me finish first.

Disclosure of CRA ratings, as I said, could be confused by the public with safety and soundness ratings. Can we imagine what would happen if a savings and loan we are trying to close and pay off the depositors has a bad numerical rating by one of these agencies? I think it would be confusing and potentially very destabilizing at a time when we do not want to destabilize.

Under this amendment, under the home mortgage disclosure provision, information would be published, but not for the legitimate reasons of being turned down for the reasons of debt load and creditworthiness. And also it would apply to the Nation's 14,000 banks.

The amendment is very controversial. I think we need to have more time and have a full hearing in the Banking Committee. I know that the Senate defeated a similar amendment on the Senate floor, and I urge my colleagues to defeat the amendment on the House floor.

Mr. CONYERS. Mr. Chairman, will the gentleman yield now?

Mr. WYLIE. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I know that the gentleman from Ohio would not want to stand between the gentleman from Massachusetts [Mr. KENNEDY] bringing together the gentleman from Pennsylvania [Mr. WALKER] and the gentleman from California [Mr. DELLUMS]. We have something here that is unparalleled in S&L legislation. This may never happend again, I say to the gentleman.

Mr. WYLIE. Mr. Chairman, I am more concerned about another issue, may I say to the gentleman from Michigan.

Mr. KENNEDY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, as we stand here today and address this savings and loan bill, it is interesting to me that every time we talk about something that affects the lives of people, we talk about the American people and we talk about the public. I want to ask a question. Who is the public? Who are the American people?

□ 1850

Obviously it is not representative of those people who have been discriminated against, people who apply for loans who have the resources, the wherewithal, to be able to pay their mortgage on a timely basis and yet in many instances are denied in a community like mine, like Queens, where out of every 1,000 applications that are made, 42 of them, if they are white, are accepted. Eighteen of them are accepted if they are not.

Mr. Chairman, there is something wrong when we reduce this to geographical—talking about geography. We know that certain ZIP Codes represent certain predominantly minority communities. Other ZIP Codes represent communitites that are not predominantly minority.

Who are we fooling? We have already made the drawing line, we have cut the edge. We need to be clear about one thing.

Mr. Chairman, that is that red lining represents the height of the discrimination and that this is an opportunity for us in the House of Representatives to say to all Americans:

> We are concerned about you, we're going to do the right thing for you, and we're going to be just in our pursuit.

Mr. KENNEDY. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. The 4 minutes will conclude the time of the gentleman from Massachusetts.

Mr. DELLUMS. Mr. Chairman and my colleagues, first I would like to join my distinguished colleague, the gentleman from Michigan [Mr. CONYERS] in complimenting our distinguished colleague, the gentleman from Pennsylvania [Mr. WALKER]. I admire his integrity and his consistency as a conservative at this particular moment.

There has been a great deal of discussion on this floor about this amendment. I find it almost uncanny. The gentleman from Massachusetts [Mr. KENNEDY] and the gentleman from Texas [Mr. GONZALEZ] simply are asking for information. But Members on both sides of the aisle are coming forward suggesting that there is some extraordinary burden placed upon institutions in order to provide this information, which leads me to believe that they do not want this information to become public.

Therefore, Mr. Chairman, I feel even stronger about this amendment than I did when I walked on the floor of Congress by simply listening to the quality of the opposition. If people are so afraid to receive information in a body that ostensibly prides itself in sunshine and disclosure, suddenly we are talking about a billion of multibillions of dollars that will cost American taxpayers across race, across sex, across class, and across geography billions of dollars in real terms, and in priority terms, and in programmatic terms.

So, in the context of this institution we ought to be willing, Mr. Chairman and members of this Committee, to say that in America in 1989, "This is not America 1929. This is not America 1939."

I hope, Mr. Chairman, not to die in a nation that is not intelligent enough, and bright enough and compassionate enough to get beyond the earthbound, mundane, pedestrian notions of race, and yet here we are in 1989

playing these extraordinary games about why institutions cannot give this information. Do not give me these flimsy reasons.

The gentleman from Massachusetts [Mr. KENNEDY] is correct, very straightforward. We know that blacks and other Third World people in this country have not been the beneficiaries of billions of dollars in monetary largesse. We know that. We know redlining is a reality, Mr. Chairman.

Some Members have said, "Well, we don't know what this amendment will do."

Huh? Mr. Chairman, they know exactly what it will do. That is why they are opposed to it.

Mr. Chairman, maybe this information may not be useful. If it is not useful, we will throw it out. However, if it is, we have the basis upon which to establish national policy.

I am shocked and appalled that I still live in a nation that has not embraced national policies that say, "All human beings, irrespective of race, creed or color, national origin, economic attainment, sexual preference, or whatever, are equal human beings in the context of American government."

I urge every single one of my colleagues to support this amendment. There is no rational, sane reason for opposition to this amendment that has merit. If my colleagues believe in the rights and the dignity of human beings, then they have to support this amendment. If they believe that redlining is an abomination, they should support this amendment. If they believe racism and discrimination should be abolished from the American scene, they should support this amendment.

Mr. Chairman, this is no amendment that is earth shattering. There are no great teeth in this amendment. There is no enforcement in this amendment. It simply asks for information.

Are we in this body afraid of information? This is a body that has paraded across the American scene for the last few weeks concerned about ethics. We cannot be ethically concerned about dealing with the eradication of discrimination and redlining, one of the great ethical issues of our time.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 3½ minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield myself the 3½ minutes.

Mr. Chairman, I do not expect to compete with the oratory of the gentleman from California [Mr. DELLUMS], but I do think that something needs to be said.

Everyone is against redlining, but this just does not apply to race. This amendment requires lenders to report loans and applications grouped by race, sex, and income. This is a triple reporting requirement because every borrower has three characteristics, race, sex, and income.

This reporting requirement is further complicated by the fact that most mortgages are sought by couples. Will reporting requirements for the race, sex, and income of each applicant literally double the reporting requirements?

This amendment includes a third element that was also rejected by the Committee on Banking, Finance and Urban Affairs, a burdensome new reporting requirement that all depository institutions report on the geographic origin of their deposits. What does that have to do with redlining? I submit it does not have anything to do with redlining.

This amendment is not related to the bill's purpose, which is to try to fix our savings and loan system. The Senate had a similar debate. Mr. DIXON suggested and moved that they have hearings on the amendment, and that is what the Senate is doing, and it was not voted on as a part of the savings and loan crisis bill over in the Senate, and I suggested we do the same thing in the House, that we turn it down here and have some hearings on it in the Committee on Banking, Finance and Urban Affairs so we will know for sure what we are doing.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Indiana.

Mr. HILER. Mr. Chairman, I would ask for a question of great concern on this issue, but to the best of the knowledge of the gentleman from Ohio [Mr. WYLIE] has the Committee on Banking, Finance and Urban Affairs held separate hearings on either of these two issues in the last 4, 5, 6 years?

Mr. WYLIE. Mr. Chairman, we have not. At least we have not had any hearings on whether a depository institution should report on the geographic origins of their deposits and make that public. We have not had any hearings on whether this should be a public disclosure based on whether it is on race, creed, or origin of the loan. Those subjects have not been the subject of hearings by the Committee on Banking, Finance and Urban Affairs I submit.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, let me say that I certainly appreciate the fine speech that was made by the gentleman from California [Mr. DELLUMS]. I think he is right on target, but this is not a antiredline bill.

Mr. Chairman, all we are saying is, "Why don't we have a deliberative process? Why don't we bring all of these facts to the attention of our committee?"

Mr. KENNEDY. All we are trying to do—Mr. Chairman, will the gentleman yield?

Mr. BARNARD. Mr. Chairman, I only have a few seconds.

Mr. Chairman, I ask my colleagues, "Why don't we go through a deliberative process? Why are we trying to hide all these facts? Why doesn't the Banking Committee have hearings?"

Mr. Chairman, we are not trying to hide anything. We should have a bill to address all of that.

That is the point. The point is not that we are trying to deprive somebody of credit. That is not it at all. The idea is that we have never addressed CRA in the Committee on Banking, Finance and Urban Affairs. When it goes back to 1977 or 1978, when this was first brought, it was brought not through our Committee on Banking, Finance and Urban Affairs. It was never voted on on this floor. It was accepted in conference.

All we are saying is, "Let's do it right. Let's do it through the deliberative process and not just by some emotion."

Mr. ESPY. Mr. Chairman, I am glad to rise in support of the amendment offered jointly by the distinguished chairman of the Banking Committee and colleague from Massachusetts.

This amendment offers further assurances to the people who are served by our Nation's mortgage lenders that they will be dealt with fairly and honestly. I believe the current reporting regulations for lenders requires disclosure on the number of loans that are made within tracts and this is too general and needs more detail.

Some may see this amendment as regulatorily burdensome, but surely you can see Mr. Chairman, it is the assurances of fairness and access that are sought. The mortgage lenders will be required to disclose the number of applications they receive by categories of rece, income, and gender, and the number of applications they approve by the same categories.

Mr. Chairman, this is another step we must take toward a just lending system. It is a step toward protecting against the creeping possibilities of redlining and outright lending discrimination.

I am glad to rise in support of the Kennedy-Gonzalez amendment, and I urge the support of my colleagues.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WYLIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 200, answered "present" 5, not voting 14, as follows:

[Roll No. 91]

AYES—214

Ackerman
Akaka
Anderson
Annunzio
Aspin
Atkins
AuCoin
Bates
Bellenson
Bennett
Berman
Bevill
Bochlert
Boggs
Bonior
Borski
Boxer
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bryant
Bustamante
Campbell (CA)
Cardin
Carper
Carr
Clay
Coleman (TX)
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Coyne
Crockett
Dannemeyer
de la Garza
DePazio
Dellums
Dicks
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Erdreich
Espy
Evans
Fazio
Feighan
Fish
Flake
Florio
Foglietta
Ford (MI)
Frost
Garcia
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gonzalez
Gordon
Gradison
Gray
Green
Guarini
Gunderson
Hall (OH)
Harris
Hawkins
Hayes (IL)
Henry
Hertel
Hochbruckner
Hopkins
Horton
Hoyer
Hubbard
Hughes
Jacobs
Jones (NC)
Jontz
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken, Thomas
Machtley
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McClosky
McCurdy
McDade
McDermott
McNulty
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Moody
Morella
Morrison (CT)
Mrazek
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pashayan
Payne (NJ)
Pease
Pelosi
Perkins
Petri
Peyser
Pursell
Rahall
Ravenel
Richardson
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Sensenbrenner
Sharp
Shays
Sikorski
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
Staggers
Stark
Stokes
Studds
Swift
Synar
Tallon
Tauke
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Vento
Visclosky
Walgren
Walker
Walsh
Watkins
Waxman
Weiss
Weldon
Wheat
Wise
Wolpe
Wyden
Yates

NOES—200

Alexander
Andrews
Anthony
Applegate
Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boucher
Browder
Bruce
Bunning
Burton
Byron
Callahan
Campbell (CO)
Chandler
Chapman
Clarke
Clement
Clinger
Coble
Combest
Cox
Craig
Crane
Darden
DeLay
Derrick
DeWine
Dickinson
Dingell
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
English
Fascell
Fawell
Fields
Frenzel
Gallegly
Galleg
Gaydos
Gillmor
Gingrich
Glickman
Goodling
Goss
Grandy
Grant
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Hatcher
Hefley
Hefner
Herger
Hiler
Hoagland
Holloway
Houghton
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Kanjorski
Kolbe
Kolter
Kostmayer
Kyl
Lagomarsino
Lancaster
Laughlin
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Lukens, Donald
Manton
Marlenee
McCandless
McCollum
McCrery
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Miller (OH)
Molinari
Mollohan
Montgomery
Moorhead
Morrison (WA)
Murphy
Murtha
Myers
Neal (NC)
Nelson
Nielson
Olin
Oxley
Packard
Parris
Patterson
Paxon
Payne (VA)
Penny
Pickett
Pickle
Porter
Price
Quillen
Ray
Regula
Rhodes
Ridge
Roberts
Robinson
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saiki
Sangmeister
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Shaw
Shumway
Shuster
Skaggs
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tanner
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Valentine
Vander Jagt
Volkmer
Vucanovich
Weber
Whittaker
Whitten
Williams
Wilson
Wolf
Wylie
Yatron
Young (AK)
Young (FL)

ANSWERED "PRESENT"—5

Brooks
Hayes (LA)
Madigan
Martin (NY)
Slaisky

NOT VOTING—14

Buechner
Coelho
Coleman (MO)
Collins
Davis
Flippo
Ford (TN)
Frank
Jenkins
Lipinski
McHugh
Rangel
Smith (VT)
Wright

□ 1918

The Clerk announced the following pairs:

On this vote:

Mr. Jenkins for, with Mr. Flippo against.

Mr. Rangel for, with Mr. Buechner against.

Mr. SLATTERY and Mr. DONALD E. "BUZ" LUKENS changed their votes from "aye" to "no."

Messrs. STAGGERS, PASHAYAN, and SCHUETTE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1920

AMENDMENT OFFERED BY MR. DORGAN OF NORTH DAKOTA

Mr. DORGAN of North Dakota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DORGAN of North Dakota:

Page 199, after line 5, insert the following new section:

SEC. 223. PROHIBITION OF INVESTMENTS BY INSURED SAVINGS ASSOCIATIONS IN JUNK BONDS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 30 (as added by section 222(b) of this Act) the following new section:

"SEC. 31. PROHIBITION ON INVESTMENTS BY INSURED SAVINGS ASSOCIATIONS IN JUNK BONDS.

"(a) IN GENERAL.—Except as provided in subsection (c), no insured savings association and no subsidiary of any insured savings association may acquire or retain any junk bond.

"(b) JUNK BOND DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'junk bond' means any obligation of a corporation evidenced by a bond, debenture, note, or certificate, or other evidence of indebtedness, if such obligation meets the requirements of one of the subparagraphs of paragraph (2).

"(2) REQUIREMENTS.—

"(A) SUBORDINATION.—An obligation meets the requirements of this subparagraph if principal or interest with respect to such obligation is—

"(i) subordinated to the claims of trade creditors of the issuing corporation generally,

"(ii) subordinated to the payment of any substantial amount of unsecured indebtedness, either outstanding or subsequently issued, of the issuing corporation.

"(B) RATING IS BELOW INVESTMENT GRADE.—An obligation meets the requirements of this subparagraph if such obligation bears, at the time of its issue, a rating from any nationally recognized rating agency and such rating is below that agency's rating for investment grade obligations.

"(C) HIGH YIELD TO MATURITY.—An obligation meets the requirements of this subparagraph if—

"(i) such obligation, at the time of its issue, has a yield to maturity of more than 135 percent of the applicable Federal rate (as defined in section 1274(d) of the Internal Revenue Code of 1986) with respect to such obligation; or

"(ii) all or a portion of the principal or interest payable pursuant to the terms of such obligation is guaranteed by a person which is not a member of the affiliated group of corporations which includes the issuing corporation.

"(D) OTHER EQUITY FEATURES.—An obligation meets the requirements of this subparagraph if—

"(i) such obligation is by its terms at any time convertible into or exchangeable or redeemable for any property other than cash at the option of any person or otherwise;

"(ii) such obligation is part of an investment unit or other arrangement which includes, in addition to such obligation, an equity interest in any entity or an option to acquire, directly or indirectly, an equity interest in any entity, or

"(iii) the amount of, or due date for, any payment of principal or interest with respect to such obligation is, under the terms of such obligation, contingent.

"(3) AFFILIATED GROUPS.—All members of an affiliated group of corporations which includes the issuing corporation shall be treated in the aggregate, pursuant to regulations prescribed by the appropriate Federal banking agency, as the issuing corporation.

"(4) AFFILIATED GROUP DEFINED.—For purposes of this subsection, the term 'affiliated group' has the meaning given to such term by section 1504(a) of the Internal Revenue Code of 1986 (determined without regard to the exceptions contained in section 1504(b)).

"(c) TRANSITION RULE.—Notwithstanding subsection (a), any insured savings association, or any subsidiary of an insured savings association, which holds a junk bond on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 may not be required, by the appropriate Federal banking agency, to divest such junk bond before the end of the 2-year period beginning on such date, unless the agency determines that the divestment of the junk bond by such institution or subsidiary is necessary (before the end of such period) to protect the safety and soundness of the insured savings association.".

The CHAIRMAN. The gentleman from North Dakota [Mr. DORGAN] will be recognized for 20 minutes.

Mr. NEAL of North Carolina. Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The gentleman from North Carolina [Mr. NEAL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment that I have offered today is not a very complicated amendment. The amendment essentially says that while we are here to bail out the thrift institutions and provide substantial public money for failed thrifts, we want to prevent those same institutions and other institutions in the thrift industry from purchasing so-called junk bonds. Junk bonds are a special category of high-risk bonds, so defined by their name, junk, because they are by definition high-risk, noninvestment-grade bonds.

The question is, Do we want savings and loans in this country, at a time when so many of them have failed, and so many now require a Federal bailout, to go out and purchase substantial quantities of junk bonds? I think the answer is "No."

The point is, Mr. Chairman, I do not think we ought to provide this bailout and commit substantial Federal funds, and then just sort of turn away and say it is fine if the thrifts now want to go out and continue to buy junk bonds, by definition high-risk assets.

There is about a $200 billion market in this country now for junk bonds, and it has grown exponentially. About $13 billion in junk bonds is now held by thrifts, and almost three-quarters of that is owned by only a dozen or so institutions.

The purpose of my amendment is to say if we are going to provide the taxpayers with a guarantee for their deposits, we do not want those deposits to be invested in high-risk ventures. Junk bonds are high risk.

Federal banks, banks in this country, are not able to invest in junk bonds. Members will not see junk bonds in the portfolios of banks, and yet this bill, with the Senate bill, unless it is amended, would see the savings and loans continue to buy additional junk bonds.

My amendment does two things. It says you shall not purchase or retain junk bonds, number one; and for those who have, they have 2 years to divest them. That is a very simple amendment.

Let me make a couple of quick observations. Some have floated some notions around this House today that this amendment would somehow catch Ginnie Mae and Freddie Mac. I just got off the phone with the Ginne Mae folks, and they said, Look, we are not affected by this amendment. This amendment talks only about corporate obligations. We don't issue them, we issue agency securities.

So whoever is floating that sort of admonition about this amendment, that is simply not the case. This amendment attempts to focus on junk bonds, and we provide a definition.

Let me be quick to admit that maybe the definition is not perfect. I do not know. If there are some unintended effects from this definition, I am certainly willing to work with Members in conference to correct it. But at least those effects that have been floated in the last day or so do not turn out to be accurate.

So, Mr. Chairman, that is my amendment. I hope the House will consider it seriously and pass it this evening so that when we bail out the thrifts we are not saying to them yes, we have bailed you out, but you just continue going right on ahead and buying junk bonds, because we think that is just fine. With this Member, it is not just fine. It is far too risky to have them now throwing the dice when the taxpayer is required to pick up the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. NEAL of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the committee has considered this question a number of times over recent years, and in almost every instance has voted to allow savings and loans to own high-yield bonds. The reason generally has been diversity. It has been felt that an institution is in better health if it can diversify its lending portfolio.

In the case of the bill that we are dealing with now, we are taking the approach of higher capital requirements for different kinds of investments. Let me give an example of what I mean by diversity. Let us take the example of a community, for instance, like one of those in Texas that was hard hit when oil prices fell dramatically and agriculture prices fell at the same time. Therefore, people got behind on their mortgage loans and so on. If a savings and loan had all of its investments in housing loans, for example, and that community had a turndown, then that savings and loan is in trouble. It has all of its eggs in one basket, as they say. But if they can diversify their portfolio, they have a better chance of surviving a downturn.

Junk bonds, of course, is a pejorative term. What that means is that they are not rated as highly as investment grade bonds. But if we can sort of get beyond that and look at a few facts, the General Accounting Office did a study of the impact of high-yield bonds on the savings and loan problem. Let me show Members this headline which states, "Junk Bonds Not to Blame for Saving and Loan Ills, GAO Finds."

Let me quote from the first few sentences. This is Washington, dated March 2, 1982.

> A widespread assumption that rapid and reckless investment in junk bonds contributed to the thrift industry crisis is wrong, according to the General Accounting study to be released today. There is no evidence that investment in high-yield bonds has been responsible for current problems of the 500 insolvent institutions comprising a troubled segment of the thrift industry, said Assistant Comptroller General, Richard L. Fogel, in written testimony.

Mr. Chairman, as I started to say, the approach to this bill is to apply risk-based capital standards. In the case of high-yield bonds, the capital requirement would be twice what it is for a home mortgage loan.

□ 1930

We think that is the right approach. But if you go beyond that and say for some reason that you do not agree with the GAO, you do not agree with the committee and say that junk bonds, high-yield bonds should never be allowed. I think we ought to take a fairly close look at this amendment itself. The author of the amendment is correct. There was an earlier concern that it might have affected FNMA's and FHLMC's, but we believe that is not the case.

We believe it is the case, though, that it would stop savings and loans from holding investments in what are known as REMIC's, real estate mortgage investment certificates, and CMO's, which are collateralized mortgage obligations. Both of these are mortgages packed as securities and then sold to the public to provide money for housing finance.

Billions of dollars for housing finance would not be available if we prohibit savings and loans from buying these instruments. I just frankly cannot see what is served by this.

The regulators already have the ability to prohibit any such invest-

ment or any high-yield bond if in their opinion it is risky to an institution.

I believe this is overkill, unnecessary. I believe there are some other, maybe drafting flaws, you would say, in here. For instance, the language says that a thrift institution could not own one of these bonds if it were below investment grade at the time of its issue.

In the case of Chrysler and WPPSS, for example, those were investment grade at the time of issue but later they became very risky and in the case of Chrysler they came back and they are high-yield again.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. NEAL of North Carolina. I have a few other folks I would like to yield to. I have talked too long. Let me stop at this point and recognize some of the gentlemen who are on the list.

Mr. LENT. Will the gentleman yield just briefly?

Mr. NEAL of North Carolina. I yield to the gentleman briefly.

Mr. LENT. I thank the gentleman for yielding.

Mr. Chairman, No. 1, I do not serve on the Banking Committee. I serve on the Committee on Energy and Commerce. But I was concerned, curious as to whether any of the failures of the S&L's across the country have been attributed to ownership of high-yield bonds?

Mr. NEAL of North Carolina. No. The General Accounting Office has said that none of them are attributed to high-yield bonds.

Mr. LENT. Has anybody looked into what the effect would be on the marketplace if some $13 billion worth of high-yield bonds had to be divested and dumped out into the marketplace?

Mr. NEAL of North Carolina. I think the gentleman makes a very good point. There have been no hearings on this. We do not know what the effect of that would be. I believe it would be a very poor effect.

Mr. Chairman, I reserve the balance of my time.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. I thank the gentleman for yielding.

I would simply say there may be some subtle definitional problems that need cleaning up in conference. But the question this amendment poses to Congress is simple: Should the U.S. taxpayer subsidize leveraged buyouts, takeover artists, and large corporate mergers? If you think the Federal Government's scarce resources should be stretched for such Wall Street machinations, then you should not support this amendment. If you think the savings and loan industry should help middle-class families finance the purchase of their homes, then you should support this amendment.

Every billion dollars that a thrift invests in junk bonds is $1 billion less for families to invest in their homes.

Alas, this body and various State legislatures have passed legislation in the past that has turned institutions designed to serve the little guy into the private piggybanks for the well-heeled.

The question before us with this amendment is whether thrifts should be allowed to have governmental subsidies—including Federal deposit insurance, tax breaks, access to cheap money through Federal home loan banks—for concentration of corporate ownership or for decentralization of home ownership, whether middle-class families should have to stand in line for credit behind Ivan Boesky, F.J. Reynolds, and Mike Milken.

Finally, a note about risks: While junk bonds do have a yield, they may not be high enough. In a recent Harvard study, the default rate for high-yield so-called junk bonds issued between 1977 and 1978 was 34 percent, for bonds issued between 1979 and 1983, between 19 and 26 percent; and for bonds issued between 1984 and 1986, 4 to 9 percent. Junk bonds defaulted at these extraordinarily high rates during the longest peacetime expansion in the history of this economy.

The Harvard study thus punctures two commonly held assumptions: One, that the default rate for junk bonds is less than 2 percent; and second, that the problems in the junk bond market will only emerge when the economy stutters.

The fact is they are risky investments in good times as well as bad. Therefore from a safety and soundness perspective as well as from the perspective of home ownership this body should reorder its priorities and support this amendment.

Using thrifts to finance the junk bond market is an idea whose time has gone.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Chairman, I rise in opposition to the Dorgan amendment to prohibit federally insured savings and loan institutions from acquiring or retaining high-yield bonds. Permit me to share the following information with my colleagues about why I am opposed to this amendment.

A widespread assumption that rapid and reckless investment in high yield or junk bonds has contributed to the thrift industry crisis is wrong, according to the General Accounting Office [GAO] study that was released during the hearing held March 2 of this year by our House Banking Subcommittee on General Oversight and Investigations, which I am privileged to chair. Indeed, our General Oversight and Investigations Subcommittee has held several hearings on the issue of high yield securities and federally insured institutions, one during the 99th Congress and the one I mentioned earlier, the March 2 hearing, concerning these bonds.

I think the findings of the March 2 hearing are notable. According to Assistant Comptroller General Richard L. Fogel:

> There is no evidence that investment in high yield bonds has been responsible for the current problems of the 500 insolvent institutions comprising the troubled segment of the thrift industry.

The GAO also concluded that,

> No thrift has failed because of unsuccessful high yield bond investing.

The GAO also concluded that an actively managed and diversified portfolio of high yield bonds has provided savings and loans with higher returns than other investments, such as U.S. Treasury bonds, adjustable rate mortgages and commercial loans, after taking defaults into account.

By definition high yield bonds do pay a higher rate of return than "investment grade" debt due to their slightly greater rate of default: Around 1.5 to 2 percent annually. However, the Federal regulatory agencies are already initiating the establishment of new safeguards for high yield securities. In January 1989, the Federal Home Loan Bank Board issued guidelines for investing in high yield bonds by FSLIC-insured institutions. These new directives limit investments by thrifts with low capital ratios and prohibit investments by insolvent institutions.

The Dorgan amendment is unnecessary. H.R. 1278 gives the FDIC and the new Federal Home Loan Bank System the full authority to restrict or prohibit investment in high yield bonds. Further, H.R. 1278 will likely result in a requirement that savings and loans that invest in high yield bonds must raise double the capital that would be required for home mortgages.

There are many other reasons to oppose the Dorgan amendment. In summary, let me just urge my colleagues to avoid an issue that is born out of emotion. There are no facts to support the Dorgan amendment, and if my colleagues are serious about wanting to assure a healthy and profitable thrift industry in the future, I urge them to vote no on the Dorgan amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I rise in support of the Dorgan amendment. I am happy to cosponsor this amendment.

Those opposed to it have suggested that we would be robbing the thrift industry of delivery.

Let me suggest, ladies and gentlemen of the House, we have robbed the federally chartered banks of this same opportunity for diversity. And the reason we have done so, I think, is very obvious; we have said to these institutions that federally insured banks cannot invest in junk bonds. Why? They are high-risk paper.

They have a 33-percent higher default rate than ordinary investments.

At a time when we are attempting to restore the soundness of the thrift industry, when we are trying to give it back its reputation, why on Earth would we allow thrifts to continue to put their futures in the junk bond market?

How many S&L's are affected if the Dorgan amendment passes? Seventy-six percent of all the junk bonds held by thrifts are held by 10 savings and loans, 10 of them, across the United States, holding $9.9 billion in high-risk junk bonds. Let us return the thrifts to their primary mission, the mission of providing mortgage lending and sound investments. Taking junk bonds out of thrift portfolios means more mortgage money for American families, the same families who are going to have to shoulder the tax burden of this S&L bailout.

□ 1940

Mr. NEAL of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Mr. Chairman, I think anyone who gets up on the floor to say they are not particularly happy with an amendment affecting junk bonds is probably doing so at great risk. However, I do not think this amendment is well drafted, and I think it is more harmful than good.

I think a lot of good was done in the committee with respect to junk bonds. Myself and many members of the committee felt there was too much use of junk bonds by thrifts, and that ought to be curtailed. We took two substantial steps in committee to do that. One, we now have a risk-based capital system for the first time, so that institutions that want to do riskier things must put up more capital. Under the bill, without this amendment, an institution that wanted to buy a high-yield bond would have to have six times as much capital in reserve as they would for a home mortgage to protect against potential losses.

Also, the original Annunzio amendment in subcommittee would raise the qualified thrift test for using the advance window from 60 percent to 80 percent. As one institution in California currently has 40 percent in junk bonds, the most they could have under our bill would be 20 percent, and they would have to reserve six times as much capital for that activity as they would have to for a home mortgage, thus creating a great incentive for home mortgages.

What the gentleman from Illinois [Mr. DURBIN] said with respect to banks is really not true, because banks do deal in risky securities. They do so through their holding companies and through their affiliates and in what is called mezzanine financing. Also, this amendment does not really prohibit entities from purchasing all junk bonds as it was intended to do, because it defines junk bonds as a high-yield bond at the time of issue. Many bonds are at the time of issue, but may be perfectly sound. An institution may buy them, but they become junk down the way. So any institution that wants to buy a high-yield bond after it has been issued may still continue to do so under this amendment, and hold them in their portfolio.

The committee adequately addressed the problem. We should reject this effort.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding time to me.

I fought for this amendment in the Committee on Rules, because it is badly needed. Make no mistake about it, this is an amendment which has to do with standards, which is why we are here tonight. If the House is going to be consistent with the vote which was cast several hours ago on cap standards, this amendment should be adopted.

Mr. Chairman, it makes no sense at all to commit tens of billions of dollars' worth of taxpayers' money to rescue savings and loan industries without at the same time addressing those practices which brought the S&L industry to ruin in the first place.

Low capital requirements were only part of the problem. It is high time we started looking at investment standards. This amendment does exactly that. It is a great amendment. It is also time that the savings and loan industry was brought back to reality. This amendment works to that end.

Mr. Chairman, there is only one restriction currently governing investments in junk bonds by federally insured thrifts. S&L's may invest up to 11 percent of its tangible assets for this purpose. Now that is a hot one. This bill would set a core capital requirement at 3 percent, but a thrift would be permitted to put nearly quadruple that amount into high-risk bonds. That does not make any sense at all, gentlemen. If Members really want to do what we are all expected to do here, which is solve this problem, Members will enact this amendment today. The gentleman from North Dakota, Mr. DORGAN's amendment is badly needed to back up this bill.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Chairman, I thank the gentleman for yielding to me.

I think the gentleman from New York is mixing apples and oranges on assets and capital, but I would like to reiterate a couple of comments that the gentleman from California [Mr. LEHMAN] made, because I think they are particularly succinct.

No. 1, we have instituted in this bill risk-based capital so that any thrift that would invest in a high-yield bond will have to have higher capital standards backing up that investment in that high-yield bond. So in a sense we are preserving at the time of investment the concept that there will be capital to back it up. No. 2, thrifts have to meet a qualified thrift lending test. So the amount of total capital or total assets at any time that they can have invested in a high-yield bond is minimized. No. 3, the Fed, the Bank Board System, has already put out regulations in this area and has the authority to issue more regulations and to keep more control on this, if necessary. No. 4, the GAO has done a study that was released as recently as March 1989 that there have not been any thrifts that have gone under, that have gone under because of high-yield bonds.

We keep slaying dragons that are not out here on the floor today. We keep talking that this bill is to clean up a problem, and that somehow high-yield bonds are a part of the problem. They have not been a part of the problem. The GAO and the report used within the last 3 months, and the Congress has indicated as much. Last, 149 thrifts will be obligated to divest $13 billion in bonds over the next 2 years. Does any Member believe that that divesture is going to take place without having a subsequent loss to those thrifts because of that?

I urge my colleagues to vote against this amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the amendment by the gentleman from North Dakota that would prohibit savings associations from investing in junk bonds.

As we have all recently seen, junk bond investments can be extraordinarily speculative and dangerous. Why should the full faith and credit of the U.S. Government be behind an insured thrift that sees fit to speculate in the volatile junk bond markets? Why should U.S. taxpayer dollars be threat-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ened by financing risky leveraged buyouts financed by junk bonds?

I would argue that we should not jeopardize our taxpayers' investment in the thrift insurance fund, and we should send a message to the savings institutions that continue to acquire and hold junk bonds. That message is that Congress will no longer tolerate the types of risky investment and speculation that got us in this horrendous situation in the first place.

I urge my colleagues to support this amendment.

The CHAIRMAN. The gentleman from North Dakota [Mr. DORGAN] has 7 minutes remaining, and the gentleman from North Carolina [Mr. NEAL] has 7 minutes remaining.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. Mr. Chairman, today I rise in opposition to the Dorgan amendment offered by my colleague. I commend the gentleman for his intent to put constraints on risky investments, but this amendment is the wrong vehicle. We are attacking the wrong subject, high yield bonds.

It has been noticed that GAO has said last March that there is no connection between defaults and savings and loan and high yield investments. This amendment is an overkill. It is far more extreme than anything the Bush bill, the House bill or the Senate bill has proposed.

I might add, high yield investments are not investments in fly-by-night companies. They are investments in MCI and Holiday Inns, and to respond to what the gentleman from Minnesota said about risky investments, how about a lot of the leveraged buyouts being financed by banks using conventional debt financing? Our bill has plenty of limitations. For one, Federal savings banks can only invest in high yields to the extent of 11 percent. Our bill gives the regulators discretion to cease and desist those investments if a thrift is unprofitable or pursuing unsafe and unsound practices.

Finally, the Bank Board has issued risk-based guidelines that are based on a formula so that the riskier the investment, the more capital they put up. As the gentleman mentioned in the case of high yield, they have to put up 6 times what a home mortgage would require. I might also add if it were a thrift in Texas in the last 4 years and they put all their money into home mortgages, they would be in sorry trouble today. The high yield provisions in this bill is the kind of prudent diversification that is necessary.

□ 1950

If we are going to attract the kind of capital we need in the thrift industry—and believe me, we will need lots of capital—we are going to have to allow them to prudently diversify.

Last and most importantly is the fact that most profitable thrifts in this country have invested in high yield bonds, and I think if we move on the Dorgan amendment, we will be moving in the wrong direction.

Mr. Chairman, I urge a vote against the amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I rise in support of the Dorgan amendment.

I rise to note that "high risk" is the description of these bonds. That is the description, "high risk." That is how they are sold.

"High risk" is the essence of what these financial instruments are.

It is probably true that they have not yet contributed in any substantial way to any of the problems which the S&L industry has. However, the same thing could probably be said about the Texas real estate and oil industries before a recession hit Texas in the oil and real estate industries of the Southwest. At that point we had to test, unfortunately, the portfolio of oil and real estate holdings by the S&L industries of those States, and we saw what happened.

Right now what we have on our hands is a situation where the Senate has passed a bill which caps at 11 percent the assets in junk bonds which any savings and loan can hold. There are $13 billion in junk bonds which are held by all savings and loans in this country, and $9 billion of the $13 billion is held by eight savings and loans. We should not as a matter of public policy allow for those eight savings and loans to be tested in a recession with regard to whether or not the definition, "high risk junk bonds," will in fact have n adverse effect upon their stability. We might as well just start writing out the check right now from the American taxpayer.

This 11 percent in the Senate bill is much, much too high. If we do not like this zero in the Dorgan amendment, we still must vote for it. We must go to the conference committee and dramatically lower the 11 percent overall mix that is allowed for junk bonds in the portfolio or else we will run the risk of repeating the S&L crisis in real estate and oil all over again.

Mr. Chairman, I urge the Members to vote for the Dorgan amendment.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Chairman, the proponents of this amendment have been arguing that it deals with high-risk or leveraged buyout paper. But if we read the amendment, that is not what it says at all.

In fact, this amendment makes any convertible debenture illegal for an S&L to hold. It could be a convertible debenture of AT&T or IBM or the best credit in the world, and it is illegal under this amendment.

Despite what has been said earlier, there is nothing in the amendment about leveraged buyouts.

The fact of the matter is that this amendment is just playing on the scare words, "junk bonds." In fact, there is nothing particularly scary about bonds that are convertible debentures, nor need there be anything scary about a prudent portfolio of bonds which are less than triple B, which is an alternative criterion for disqualifying investment under this amendment.

Mr. Chairman, the General Accounting Office has looked at this situation and told us that high-yield bonds have not been a problem, and that the recent regulations of the Home Loan Bank Board deal adequately with this high-yield bond issue. I urge defeat of the amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, one of the lessons that should be learned from all of this is that the American people certainly have the right to expect that the Congress, the Government, and the regulators shall be involved and shall have a say in trying to protect the Federal guarantee.

That is what this amendment is about. It just says that junk bonds by definition, by nature, are risky, and they are highly speculative or they would not be in that category. The Federal Government is not going to guarantee these speculative investments, so where we are going to have a guarantee, we are not going to be involved in this type of investment.

Mr. Chairman, this makes sense, and I urge my colleagues to support this amendment.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. THOMAS A. LUKEN].

Mr. THOMAS A. LUKEN. Mr. Chairman, if there were no limits in the bill on the percentage of assets which are to be invested in junk bonds, this amendment might make sense.

The proposed amendment, by seeking to totally outlaw high-yield bond investments by all thrifts, regardless of capital, track record, or amount owned, is far more extreme and restrictive than anything proposed by the Bush administration, the Senate, or the Federal Home Loan Bank Board.

This total prohibition is especially unjustified in light of a recent GAO report finding that high-yield bonds have been among the most profitable investments for thrifts through the 1980's and did not contribute in any way to the current crisis. And the big losers would not be the high flyers that caused the crisis, but many of the very profitable, well-capitalized thrifts being counted on to finance the bailout.

It is also unnecessary. The Federal Home Loan Bank Board bars insolvent S&L's from buying high-yield bonds and requires undercapitalized thrifts to get explicit permission to do so; and the House bill gives the regulators unfettered authority to bar any investment by thrifts that threatens the insurance fund; finally, the bill will force S&L's buying high-yield bonds to raise more of their own money than S&L's investing in mortgages, a tough check on abusive high-yield bond investing.

The amendment would require the 149 thrifts that own a total of about $13 billion in high-yield bonds—9 percent of the market—to divest these securities within 2 years. A forced dumping on the high-yield bond market of so many bonds could result in massive price decreases for all other holders of high-yield bonds, and huge losses for those thrifts being forced to liquidate.

S&L's, through their purchase of high-yield bonds, are providing critical growth capital for hundreds of America's fastest growing companies. By wiping out 9 percent of the market, the Dorgan amendment will raise the cost of capital for many of the companies leading America's competitive resurgence.

It is true, as sponsors note, that national banks cannot invest in high-yield bonds. But they do make far riskier junk loans to less developed countries; also, this bill's goal is to preserve a distinct S&L industry, not make all thrifts the same as banks; as long as S&L's must put 60 percent—or more—of their assets into frequently unprofitable home mortgages, they must be able to diversify into areas such as high-yield bonds to generate the profits required to subsidize this mortgage lending obligation.

The CHAIRMAN. The gentleman from North Dakota [Mr. DORGAN] has 4 minutes remaining, and the gentleman from North Carolina [Mr. NEAL] has 2½ minutes remaining.

Mr. NEAL of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, I rise in opposition to the gentleman's amendment to H.R. 1278. The Dorgan amendment would require thrifts to sell off their junk bonds within 2 years and prevent further acquisitions. This amendment has a lot of superficial appeal, and I can understand why some Members might be tempted to support it. One could easily assume that there must be some connection between junk bonds and the S&L failures. I listened in vain to the sponsors explain their amendment for any mention of S&L failure based on failure on high-yield bonds in their portfolio.

S&L's currently own about $13 billion in high-yield bonds. These junk bonds have not been any part of the S&L problem; to the contrary, they have been one the few investments S&L's have made that have performed extraordinarily well. They have not been part of the S&L problem; they have been part of the solution. According to a March 1989 GAO report, "high-yield bonds have not caused the current thrift industry problem." Although high-yield bonds involve a somewhat higher risk than some other investments, they have provided an attractive yield for thrifts compared to many alternative investments. With the new bank board regulations governing high-yield bond investments, this amendment is mischievous. The GAO believes that thrifts can safely invest in high-yields "without incurring unnecessary or unreasonable risk."

This is a classic example of an "if it ain't broke, don't fix it" amendment.

This amendment would prevent thrifts from investing in junk bonds when those bonds have caused no problems. The amendment will prevent thrifts from investing in profitable and safe bonds, and, presumably force thrifts to purchase more speculative investments.

Why do I say this amendment is mischievous? Because it could have an unintended result. It could have a calamitous effect on the high-yield bond markets of the United States and create problems not only for the very thrifts that the amendment purports to protect, but tens of thousands of pension funds and innocent investors with a substantial stake in high-yield bonds. Divestiture of the $13 billion in high-yield bonds now held by S&L's is 10 percent of the junk bond market. Suppose the government forced 10 percent of your neighbors to sell their houses in the next 2 years; what would that edict do to the price of your house? Obviously, the value of your house would fall. I do not think that pulling the rug out from under the bond market and forcing down the value of the thrifts' portfolios will protect the safety and soundness of the thrift industry. And it could hurt thousands of your constituents out in the country who believe in—and invest in—through their pension plans and IRA's and individually, the kind of investment products we are talking about in this amendment.

The definition of junk bonds as used in the amendment is excessively broad. For example, it includes bonds that are "convertible into or exchangeable or redeemable for any property other than cash at the option of any person or otherwise." This provision could include the most blue chip convertible debenture. A AAA rated IBM convertible bond would be considered junk under this amendment.

But even if all of my concerns about the junk bond market are true, why should anybody care? Because junk bonds provide the primary source of fixed rate long term capital for many of America's new companies. I listen to my colleagues on the other side of the aisle bemoaning the fact that American companies are not sufficiently competitive, especially vis-a-vis Japan. Yet this amendment would knock a leg out from under our companies and their ability to obtain the capital that is needed for new plants, new equipment, new products, and new jobs.

Finally, I have a serious procedural concern about this bill. The Rules of the House grants the Energy and Commerce Committee jurisdiction over securities and exchanges. This amendment was never considered by the Energy and Commerce Committee. We have no hearing record on this amendment in the Energy and Commerce Committee—or for that matter, any other committee. It is ill advised for the House to approve an amendment to legislation as important as this bill, without allowing the committee of jurisdiction to look at the issues that the amendment raises.

I believe that this amendment cures a problem that does not exist, and ends up hurting thrifts, American companies, and the American people. I urge my colleagues to look beyond the superficial appeal of this amendment and reject it.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, this is a very good amendment. I normally would not think that we should dictate to any private financial institution that any particular investment be off limits. But in fact we are in the S&L mess exactly because S&L's have engaged in a lot of risky investments. These instruments are, by definition, very risky investments, a potentially very dangerous part of a portfolio.

If the S&L's had a track record of very sound portfolio and investment management, a little bit of danger in one corner of their portfolios might be all right. But that is not what we have seen. What we have seen is that in many cases there has been a massive flirtation with danger. We have seen S&L portfolios that have a high mix of danger instead of a low mix of danger. Should the taxpayers insure, by way of S&L's, these highly risky securities.

If we are going to bail these folks out—and I think we have to for the sake of the depositors—I think the taxpayers—the ultimate underwriters—deserve to have some protection in the form of requirements against very high risk material.

So, Mr. Chairman, I urge the adoption of this amendment.

Mr. NEAL of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we may find it interesting that only one member of the Banking Committee has spoken against the bonds, and I think that is because we have spent some time on it in the committee, and I think generally speaking members of the committee have come to the conclusion that there is safety in diversity.

We pointed out numerous times that the GAO has reported that the junk bonds, the high yield bonds, have been responsible for no part of the problem we face, that money for housing finance would be greatly reduced if we were to pass this amendment, and that there have been no hearings.

So we do not know what would happen if we were to outlaw them and then dump on the market billions of dollars' worth of these bonds. The regulators can already prohibit investment in these bonds in appropriate circumstances.

Mr. Chairman, I believe that this amendment is well-intentioned, but I believe it is sort of a play on the words, junk bonds. If we refer to these as high yield bonds, I just do not believe there would be any support for this amendment at all.

□ 2000

Mr. Chairman, I do not think it is well advised. I think it will limit the ability of the thrifts to make safe investments, and I would urge its defeat.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I rise in support of the amendment, and speaking as a member of the Committee on Banking, Finance and Urban Affairs, I would like to respond to the gentleman from North Carolina [Mr. NEAL] that I think members of the Committee on Banking, Finance and Urban Affairs are aware of riskiness as a problem with banks and S&L's. To say that this particular kind of risky investment has not caused this problem is to overlook the fact that in the 1970's the banks were lending money in the Third World willy-nilly, and making a fortune, and saying, "no problem there," and then in the 1980's those became the source of great instability in the banking system.

Mr. Chairman, our job here is to make sure this problem does not happen again. The way to do that is to worry about risk, not to worry about which risk caused the current problem.

The amendment of the gentleman from North Dakota [Mr. DORGAN] focusses on a new form of risk that the S&L's are taking on. Let us not let them get down this road and create another crisis. Let us stop them right here and now, and the gentleman's amendment is a great amendment and should be supported.

Mr. DORGAN of North Dakota. Mr. Chairman, someone mentioned playing on the word "junk." The term "junk" is not an accident. I did not come here to the floor tonight and invent the term "junk bond."

Mr. Chairman, the term "junk" is used to describe a very high risk, noninvestment-grade bond.

If my colleagues want to go home and say to their constituents, "We bailed out the savings and loans because they had a lot of risks out there, and a lot of it failed; they played the dice, and they played the tables with the taxpayers' money; we bailed them out, but we did not do anything to prevent them from doing even more, investing and buying substantial junk bonds."

If my colleagues want to say that to their constituents, fine. I do not.

Mr. Chairman, I want my constituents to know that we tried to solve this problem and prevent future occurrences of it.

There is an old story about somebody jumping off a 10-story building, and as he crossed or came down through the fourth floor, people leaned out the window and heard him say, "Well, so far, so good," but it did not last long for him. And this is not going to last long.

They say that the default rate is fine. Well, the default rate on the oldest of junk bonds, according to a Harvard study, is now up in the mid-30 percent.

Junk bonds are junk, highly speculative, highly risky, and they have no place in any substantial quantity in the portfolio of a savings and loan.

Do my colleagues want to come here tonight and bail out savings and loans, and then open your arms and say: "You just keep doing this. You just keep buying risky assets with it because we're behind you all the way. The good old taxpayer will take care of you at the end. You buy more junk bonds, my folks will take care of you."

Many of my colleagues will say that, but not this Member of Congress, and I hope that enough Members of Congress tonight will stand up and say: "Yes, we're going to correct the problem, but, no, we're not going to allow it to happen again because we will not allow those kind of risk assets to be purchased by savings and loans in the future."

Mr. Chairman, that is what the issue is. Some people want to try to make it much more confusing and more complicated than it is. It is not. We do not think savings and loans ought to buy junk bonds, period.

Mr. DREIER of California. Mr. Chairman, the easy vote is "yes." The responsible vote is "no." The Banking Committee has had numerous hearings on the subject of thrift investments in high yield bonds, and there is absolutely no basis for this onerous amendment.

In fact, a March 1989 GAO report to the General Oversight Subcommittee stated: "There's no evidence that thrift investment in high yield bonds has been responsible for the current industry problems." The report also noted that:

No thrift has failed because of unsuccessful high yield bond investing;

Net returns to thrifts from such investments were second only to credit cards; and

The risks of high yield bonds are outweighed by their yields.

Mr. Chairman, because savings associations account for almost 10 percent of today's high yield market, the effect of the Dorgan amendment would be to force them out of a highly profitable investment and increase the cost of capital for American businesses. This would be particularly damaging in California, where three of the seven thrifts with the highest percentage of assets in high yield bonds are located.

As seen from the following information, contained in a 1987 study, firms in California rely heavily on the high-yield bond market for growth capital:

Between January 1, 1977, and April 30, 1987, 391 California corporations and their parent firms issued noninvestment grade bonds.

Altogether, the high yield bond issues sold by these firms have raised $37 billion in capital, exclusive of any identifiable financing related to hostile takeovers.

These 391 companies employed a total of 179,613 California workers throughout the State as of April 30, 1987.

CALIFORNIA HIGH-YIELD BOND ISSUES BY INDUSTRY

Category	Amount issued (billions)	Percent of California issues
Manufacturing	$10.5	28.2
Service and retail	9.9	26.6
Finance	5.2	13.9
Energy	2.6	7.0
Communications	2.4	6.3
Health care	2.3	6.1
Agriculture	1.6	4.4
Construction	1.9	4.2
Transportation	1.2	3.3

Mr. Chairman, this amendment seeks to correct a problem that does not exist. According to Richard Fogel of the GAO,

There are approximately 160 thrifts that have some investment in high-yield bonds, but the percentage of thrifts that have investments even close to 11 percent is relatively low, so our assumption is that if there was a higher default rate, that would not have a significant overall effect on the industry.

The amendment will actually work to the detriment of the savings and loan industry, while severely destabilizing the high-yield bond market and increasing the cost of capital to American businesses. I urge my colleagues to vote against the Dorgan amendment.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from North Dakota [Mr. DORGAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GREEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 303, noes 114, answered "present" 4, not voting 12, as follows:

[Roll No. 92]

AYES—303

Ackerman
Akaka
Anderson
Annunzio
Applegate
Archer
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Broomfield
Brewster
Brown (CA)
Bruce
Bryant
Bustamante
Cardin
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Coyne
Crane
Crockett
Dannemeyer
Darden
de la Garza
DeFazio
DeLay
Derrick
DeWine
Dicks
Donnelly
Dorgan (ND)
Douglas
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Engel
English
Espy
Evans
Fawell
Fazio
Fish
Flippo
Florio
Foglietta
Ford (TN)
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Gonzalez
Gordon
Goss
Grandy
Grant
Guarini
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Harris
Hatcher
Hawkins
Hayes (IL)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Huckaby
Hunter
Hyde
Ireland
Jacobs
James
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Long
Lowey (NY)
Machtley
Madigan
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHugh
McMillan (NC)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Moody
Moorhead
Morella
Morrison (CT)
Mrazek
Myers
Nagle
Natcher
Neal (MA)
Nelson
Nielson
Oakar
Oberstar
Obey
Olin
Owens (NY)
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Penny
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Pursell
Rahall
Ravenel
Regula
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Sikorski
Skeen
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Tallon
Tanner
Tauke
Tauzin
Thomas (WY)
Torricelli
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vento
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Wheat
Whittaker
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Young (AK)
Young (FL)

NOES—114

Alexander
Andrews
Anthony
Armey
Baker
Barnard
Bartlett
Barton
Bliley
Bosco
Brown (CO)
Bunning
Burton
Byron
Callahan
Campbell (CA)
Campbell (CO)
Carper
Clarke
Clay
Cox
Craig
Dickinson
Dingell
Dornan (CA)
Downey
Dreier
Edwards (OK)
Erdreich
Fascell
Feighan
Fields
Flake
Ford (MI)
Frank
Frenzel
Frost
Gallegly
Gillmor
Glickman
Goodling
Gradison
Green
Hall (OH)
Hamilton
Hansen
Hastert
Hiler
Hoyer
Hubbard
Hughes
Hutto
Inhofe
Johnson (CT)
Jones (GA)
Kleczka
Lehman (CA)
Leland
Lent
Lewis (CA)
Lowery (CA)
Luken, Thomas
Lukens, Donald
Manton
McCandless
McEwen
McGrath
McMillen (MD)
Molinari
Mollohan
Montgomery
Morrison (WA)
Murphy
Murtha
Neal (NC)
Nowak
Ortiz
Owens (UT)
Oxley
Packard
Price
Quillen
Ray
Rhodes
Richardson
Rohrabacher
Roybal
Sawyer
Schiff
Schulze
Shumway
Shuster
Skaggs
Slattery
Smith (FL)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Stump
Sundquist
Synar
Thomas (CA)
Thomas (GA)
Torres
Towns
Vander Jagt
Visclosky
Vucanovich
Walker
Weber
Williams
Yatron

ANSWERED "PRESENT"—4

Brooks
Hayes (LA)
Martin (NY)
Sisisky

NOT VOTING—12

Buechner
Coelho
Coleman (MO)
Collins
Davis
Dellums
Dixon
Gray
Lipinski
Rangel
Skelton
Wright

□ 2022

Mr. RICHARDSON and Mr. DORNAN of California changed their vote from "aye" to "no."

Messrs. SCHAEFER, ANNUNZIO, MILLER of Washington, DARDEN, ROWLAND of Georgia, and HALL of Texas changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 444, strike line 21, and all that follows through page 452, line 9, (and redesignate the subsequent subsection accordingly).

The CHAIRMAN. The gentleman from Texas [Mr. BARTLETT] will be recognized for 30 minutes and the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I yield myself 4 minutes.

Mr. BARTLETT. Mr. Chairman, I offer this amendment which would strike the so-called affordable-housing section of the savings and loan bill. I do so with a great deal of respect for the chairman of the Committee on Banking, Finance and Urban Affairs, who has conducted the committee hearings in this with a great deal of fairness and integrity.

Mr. Chairman, the fact is this section in the bill is out of place. It is bad housing policy. It is a new tax that has never been seen before, that is off-budget in its taxing and off-budget in its expenditures. It is unrelated to savings and loans. It has a great deal of regional disparity in it.

First, it is a new tax. The bill is already taxing savings and loans. This is a new $150 million-per-year tax that is, in effect, a tax on savings and loans, and a tax on single-family mortgages.

□ 2030

It is a tax on a very narrow, single industry, the purposes of which go to broad public policy. It is exactly the opposite of anything one would expect to come out of Congress or even out of the Ways and Means Committee.

In fact, the Ways and Means Committee asserted its jurisdiction over this tax, thought that they had the tax changed, and just the day before yesterday and self-executing rule put the tax back into the bill.

I want to point out to Members that the tax on the Federal home loan bank system and thus on savings and loans is a private tax that is in addition to the taxes or the assessments that are already placed on the industry for purposes of the savings and loan, and that is appropriate. It is a tax that is in addition to what the Treasury Department proposed, and in addition to what the committee added on for purposes of the saving and loan

VOL 135 PT 9 JE 14 — 22 1989 UMI

deposit insurance fund, and became the straw that broke the camel's back of a tax for subsidized housing purposes only.

In a best case scenario of bank earnings, it would take 50 percent of all of the earnings of the bank board. In a worst case it would take over 100 percent of the earnings in the first place. It is an off-budget tax. It is a tax that is collected off budget by no one's jurisdiction and spent off budget by the Federal home loan bank system that has no expertise and no idea how to provide for a HUD-type public housing program.

It is a new housing program that is not really well thought out. There has been no debate, there has been no bill introduced, no hearings, no markups. It only passed the committee late at night on a bipartisan 27-to-24 vote.

It has parts that just simply do not work. It includes a requirement for 40 percent of units in multifamily to be subsidized, whereas most housing programs require only 20 percent. It requires 30-year certificates which do not even exist in Federal law today.

In addition, it places its emphasis in the wrong place. We ought to be providing single-family home loans. This is a multifamily tax and a multifamily expenditure entirely, and it has a great deal of regional disparity. It taxes the places that cannot afford it and it spends the money in places in this country that do not need it.

We ought to send this back to the Committee on Banking, Finance and Urban Affairs and to the Housing Subcommittee for a better try. There are 29 housing bills that have been introduced in this Congress since January 1. The new HUD Secretary is in the midst of proposing a new housing policy for the 1990's. The Banking Committee can do much better than an off-budget tax with an off-budget expenditure that emphasizes exclusively multifamily subsidies, not a nickel of single-family mortgage money in this entire expenditure. In fact, it takes the money from single-family mortgages to spend on multifamily subsidies.

It is the wrong place at the wrong time and the wrong tax on the wrong bill.

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in as strong an opposition as it is humanly possible to be against this amendment. It would, of course, knock out the amendment that was placed in the committee that gave a little bit of soul to a soulless Presidential bill.

I want to ask my colleagues if every one of them votes in the final vote for this bill and the providing of funds for continued life of the S&L industry, but with not 1 dollar's commitment to affordable housing, it is incredible. I cannot believe it.

But the thought that really anguishes me the most is the "Dear Colleague" letter put out by my colleague from Texas [Mr. BARTLETT] which is totally wrong. I am sure my colleague from Texas means to act in good faith, but I have always said that we are all entitled to our opinion. We have a right to our opinion, but we do not have a right to be wrong in our facts.

He got up a while ago and repeated these erroneous statements. This is not a tax at all. All it does is to make sure that we do not allow these home loan board presidents, and particularly the one from the Texas region who is strong against this, because they want to continue to do what they have been doing, to have that window financed to give sums for high-flying S&L's such as has brought the misery and destruction to the industry in Texas. Why, I would not expect the president of the home loan bank, Mr. Barkley, in Texas to be for affordable housing, for moderate-income families. He gets a salary greater than the President's. He gets $206,000 a year. He gets a chauffeur-driven limousine. The only thing he does not have is openly public housing such as the President has because the White House, after all, is public housing.

But how in the world can we say that the only thing that gives a legitimacy of public purpose by providing housing finance in a bill that every American would think and would take for granted would have that could bring about this onslaught against a very modest amendment?

The other thing is besides it not being a tax, what it does do is open a third window of finance or funds or cash for mortgages for low, moderate-income mortgages, moderate-income families. Even the Los Angeles Times and other major newspapers have endorsed our proviso for that main reason, that it is one little glimmer of hope for that American family who has lost the dream of home ownership. This is a revival of that dream.

On top of that, one of the reasons we are on the floor with this mammoth bill is because the Congress failed to require the home loan banks and the savings and loans to live up to their statutory roles as housing lenders. This is why we are here. It would be incredible to me to tell my colleagues that we would go and vote in anguish and travail in producing this kind of legislation, and then come out and say but there is not one penny of commitment for housing finance for moderate-income families. That is the majority of our families. Less than 6½ percent of American families today can qualify to buy a newly constructed home. That is wrong. That is a sin. Here is our first chance to put an end to this terrible debacle, and say let us please vote down the amendment offered by my colleague, the gentleman from Texas [Mr. BARTLETT].

It seems to me that the least we can do is provide this modicum of housing finance, the last vestige of an attempt to keep these institutions in line with their primordial, their original, their statutory, their congressionally intended purpose to begin with.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] has consumed 5 minutes.

Mr. BARTLETT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to respond to jus two or three things that the chairman just said.

First of all, it is not just the chairman of the Federal home loan bank board in Dallas. It is also the chairmen of the Federal home loan banks in 6 out of 12 of the districts, in Atlanta, Chicago, Dallas, Topeka, Des Moines, Indianapolis, who all have signed letters opposing this tax and this program. If my colleague will call the other six on the telephone, they would say exactly the same thing. It is a tax on something that should not be taxed.

Second, of course it is a tax. It is an expenditure of funds that is required. It is not voluntary, as per this memorandum from the Legal Services Division of the Congressional Research Service dated June 9, 1989, and that is why the Ways and Means Committee attempted to assert its jurisdiction over this tax, and would have had its jurisdiction over it and stopped it cold except it was changed in the committee report before it came to the floor.

Third, the fact is this program has nothing to do with home loans or mortgages. It says, according to what the bill says, the priority is public rehabilitation, construction of multifamily rental housing.

□ 2040

Mr. GONZALEZ. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I was somewhat puzzled to hear the gentleman from Texas say we should oppose it because it was off-budget. This whole program came to us from the administration off-budget. Complaining about this being off budget is like having the Iranian Government sue for violation of the freedom of speech clause.

This is the group that wanted it all off budget.

As to being anti-homebuilder or homeowner, the National Association of Realtors opposes the amendment and supports the bill as is.

Yes, it is expenditure of funds. In fact, the amount involved is less than

the additional interest that would have paid if we had done this the administration's way of keeping it off budget.

We would like to do housing in some other ways. The fact is that for 8 years the housing programs of this country have been decimated.

James Watt alone has gotten more money than a statistically significant percentage of the poor people from the housing program.

The fact is that every effort we have made to deal with housing—and it has been passed in this House, I agree, we have had a majority for it and we are not going to be able to do anything unless we have a majority today. But the bills are vetoed, they are blocked in the other body, we do not have the two-thirds and we have not had the 60 percent that they need over there with their rules and their filibusters.

We have a terrible housing crisis. Yes, it deals with multifamily. My friend from Texas says, well, it is not about single-family homes, it is about multifamily homes. I do not find that a bad thing. I rather think multifamily homes are an important part of the housing stock.

We have had a lot of concern about the homeless, people wanting to feed the homeless, shelter the homeless, they want to do everything for the homeless execept to build them homes.

They will then be better fed, better clothed, better cared-for homeless people, still miserable and degraded.

We are a wealthy society. We are voting today without much hesitation well over $100 billion to pay off depositors because the savings and loans behaved badly in some cases and we did not regulate them well. Can we not at a time of great expenditure spare a pittance for the very poorest? Because that is what we have in this bill.

Yes, there are other places in which we might do it legislatively, if we could override a veto, if we could override the obstructionism that would arise in the other body. As to the formula, it is not a good formula, we did not look at the formula. It will be changed in conference to provide equity.

But I have to say to my friends on this side: Allow those who are opposed—and I should say the gentleman from Texas talked about other housing programs, all of which he is against as he is entitled to be. There is no formula that would get the gentleman from Texas to vote for this bill unless it was one which was slipped into his drink.

The fact is the gentleman is opposed at all times and all places to increased spending for the production of housing. And if you do not do something to help more low-income housing to get built, there just is not going to be any more housing and you are moving pieces on a chessboard.

I am sorry that we have not got more support on both sides. It has been no great source of pleasure for people on our side to be as supportive of the President as we have been on this bill. In committee, on the floor, we have voted a tough bill and we are going to vote one on passage I hope. It has rough capital standards, angering some people. It is going to put some burdens financially on the taxpayer, well over $100 billion, to pay off the savings and loans. It would not have seemed to me that we would have engendered such a near-unanimous reaction of opposition on the other side when we said in the midst of this erroneous expenditure of funds to pay for regulatory errors and in the absence of our ability to do it in other places, may not the majority of this House find a pittance for the very poor? And people say, well, we are going to do it later, we will do it here, we will do it there.

Understand well what this vote will auger; if we cannot get a majority for this small program here which creates no bureaucracy, which funds through existing programs, then they will take that and they will make it very, very difficult to pass any housing.

If you have spoken about alleviating the problems of the homeless and the poor, this is the first chance to do it.

Mr. BARTLETT. Mr. Chairman, I yield 5 minutes to the cosponsor of the amendment, the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Chairman and members of the committee, all of us respect highly the attitude of our chairman of the Committee on Banking, Finance and Urban Affairs and how he feels about housing, as well as the housing subcommittee. We appreciate it and we respect their earnestness and their zeal to provide low-cost housing for our citizens. We appreciate that. But the question comes about what is the purpose of this bill? I mean, I thought this bill had to do with addressing the problems of the savings and loan industry. Now there has been some attitude that, "OK, if they're going to bail out the thrifts, they are going to pay the price."

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. BARNARD. I yield to the chairman of the committee, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Speaker, the first title, under purpose, section 101 line 3, "The purposes of this act are as follows: number one, to promote a safe and stable system of affordable housing finance through the regulatory reform." That is the first purpose of the bill.

Mr. BARNARD. It means different things, Mr. Chairman, to different people. It says affordable financing. It did not say affordable subsidization. What this amendment does is a subsidization program outside of the budget.

The problem is how much can we tax the savings and loan industry? That is the whole question. I mean, how much blood can we take out of this turnip? Already the bill requires a contribution from the savings and loan industry of $2.1 billion. We all agree they ought to pay the price of this. This is the $2.1 billion that is going to pay for the principal on the resolution bond.

Then after that, my friends, there is an additional annual assessment of $300 million to service the interest on those bonds. Now this happens to be about 20 percent of the net income of the banks.

Now the members of the Federal home loan banks, who are they? They happen to be, my friends, the savings and loans; they are the thrifts. So consequently then we go to say where would this money normally go? They need these earnings to carry on operating expenses.

You ask why are they failing? Well, here on top of all this we are taking money away from them to fit into a program, a good program that ought to be put out of the appropriation funds. It ought to go through the budget.

We went to an extreme today, and I supported it, to put this program on budget. But we are not putting this housing program on budget; no, we are taking it from the earnings of the Federal home loan banks that are paying the price of this bailout, restricting their own dividends on which they would build capital.

My friends, these costs will severely impair the bank earnings available for dividends. Already, nonmandatory members such as FDIC insured savings banks are leaving the system, while other institutions are selling their bank stock that is over and above what is necessary for membership.

While H.R. 1278 opens up membership to new types of institutions, few are likely to join if the banks are too severely impaired.

There is no question that we must maximize industry contributions to the bailout and that the Federal home loan banks have been profitable and should contribute. It is clear from the above that past a certain point, we are simply doing more damage to the industry and raising the overall costs of the bailout. The banks are not a financial resource separate and apart from the thrift industry.

The low-income housing provisions added to H.R. 1278 take us well past the damage point, regardless of which assessment formula is adopted.

The Affordable Housing Program requires contributions that begin at 5

VOL 135 PT 9 JE 14 — 22 1989 UMI

percent of net earnings and increase to 10 percent with a minimum of $75 million for the period from 1990 to 1993 and a minimum of $150 million commencing in 1995.

The additional charges further reduce the dividend capacity of the banks as well as their overall financial health. This will only serve to place still more pressure on profitable thrifts and those trying to raise capital. This can only reduce their capacity to carry out their basic home lending function. The special advances program serves as a further disincentive to new investment in the thrift industry. Finally, the additional funds make no contribution to paying for the bailout, which is the overriding purpose of H.R. 1278. The additional charges serve solely to finance a new housing subsidy.

Aside from the above issues, there is the problem of whether such a program should be funded through off budget, private means, as opposed to on budget appropriations. Many Members of Congress, including many supporters of the special advances program, have vigorously opposed funding the bailout off budget and we have heard a great deal about honesty in that debate.

While there are some good reasons to do the bailout off budget, it is difficult to see how anyone opposed to that can argue that the special advances program should somehow be exempt from the budget process. Just because a program is supposed to help a good cause does not justify such differential treatment. We all have what we perceive as good causes, yet we cannot proceed in this manner.

This is a dangerous precedent. If we retain this means of funding, then there is a good possibility that it will be extended to other entities where there is an income stream such as the Federal Reserve or other Government sponsored enterprises. Budget discipline would suffer a severe blow at a time when we can least afford it.

I appreciate your patience in considering the above arguments and I urge you to vote to delete these provisions. This is a complex and confusing bill, but I hope that we will carefully consider this provision before allowing it to pass out of the House.

Mr. Chairman, we are sympathetic with the housing provision. I do not doubt at all that our chairman wants affordable housing. But how much can the savings and loan industry really pay? How much can they pay if they expect to restore them to their normal vitality?

□ 2050

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, a few years back, the Congress, by an overwhelming majority passed something called the Farm Credit Act providing $4 billion of a plan to help bail out the Farm Credit System. That system, which lent money to farmers all over this country, was in very much the same kind of trouble that our S&L is right now. Not as big in terms of scope, but affecting people just as desperately. About seven-eights of the Members of that body voted for that bill, including people on this side of the aisle and people on that side of the aisle. Not only did we provide direct assistance on that bill, but we provided indirect assistance almost indentical to what the committee's bill provides in this housing bill.

Let me tell Members what was in there: Moratorium on farms foreclosure; special and preferential provisions for new and low income farmers; there was mandatory rights of first refusal to keep people on their farms; there was arbitration provisions to keep people on their farms. These provisions were not directly related to the provisions of the Farm Credit System bailout, but we felt we had an obligation to keep those people, particularly the need of the farmers, on their farms during a period of tight financial trouble.

Now, this is not exactly parallel to that. However, it is close enough for me to come down on the floor to say to those Members, particularly from rural America, farm America, when we provided that assistance, the Farm Credit System, we also provided the assistance to farmers to keep their homes and to keep their farms. It may not have been working perfectly, but there was this general commitment in this place that it was a moral obligation for Members to at least try that kind of assistance.

I say that we have the same kinds of obligations here. We, in rural America, received that kind of assistance. Those Members on this side and on that side voted for it. I think that same moral obligation is required of Members in a limited fashion. I urge Members to vote against the Bartlett amendment and for the committee's position.

Mr. BARTLETT. Mr. Chairman, I yield myself 30 seconds.

It does seem to me that a more exact parallel to what we are doing to the Farm Credit System would be as if we decided to tax the Farm Credit System, which was a credit system for ownership of farms, and to spend the money on operating subsidies for crop subsidies.

What we are doing here is we are taxing a very narrow segment, a very narrow financial institution industry and sending the proceeds on a HUD type housing project, multifamily, that is a public purpose.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Chairman, this is like deja vu. Let me make it very clear, this is not a handout. I believe that this Chamber has been very responsible on this legislation.

I think at the end of this evening, under the leadership of our chairman, we can walk out of this Chamber holding our heads high because we are acting responsibly. There is no question in my mind. I believe the saddest part I have is over the last 8 years. I have heard the same story about the hardship about this, about that. Let me say to my colleagues, this bill and this amendment will probably end up benefitting your constituents on that side, the blue-collar worker, the families that are earning $20 to $40,000 with two people working, than my constituents.

I say that to Members because I can tell without hestitation and without any doubt that what we are trying to do here is take .5 out of 1 percent of $15 billion, which is the first year. I think that we have a responsibility not only to my constituents but to your constituents. I would ask, and I want to make it very clear, I would ask that those Members on that side of the aisle do not be limited, do not be limited by thinking that this is a handout. It is not a handout. What we are saying to the people in America is that through this bill and because of this bill we are going to be able to say to those people, come on, for those young families that right to this moment could not have gotten a mortgage, now they will be able to do it. I say that because I believe that that is our responsibility.

I also would like to close by saying the following: Housing is one of the most important things that we can do. Young married couples today are having it much more difficult, much more difficult than we have had it. If a Member asks a person 25 to 35 years old who is looking to buy a home, going into the marketplace to buy a two- or three-family home so they can help pay their rent and pay the mortgage, and then if they can do it, the bottom line is that they cannot. Why not? Because in the marketplace, the mortgages are too high and the money is not available.

What the chairman of this committee is saying to all Members and to the American people is that we are going to make it possible with a very, very small percentage of this legislation, to make available affordable housing.

Mr. BARTLETT. Mr. Chairman, I yield 3 minutes to the ranking Republican member of the Subcommittee on Housing and Community Development, the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from Texas for yielding this time to me, and I rise in support of his amendment.

As members of the committee know, I am the ranking minority member of the Housing Subcommittee, and I have a solid record during the years I have served on the committee as being sensitive to the housing requirements of those Americans who are most in need.

The chairman of our subcommittee, who wrote the provision in question, and I have a very good working relationship. I know that his motives are all to the good.

However, I must reluctantly oppose his position.

The housing provision now in the bill should be struck for several reasons.

First, this is simply the wrong bill for this proposal. This is a bill to address the very serious problems of the thrift industry. We should not encumber it with extraneous provisions, no matter how important they may be.

Also this major housing provision has had inadequate consideration and study. It was never introduced in bill form, and thus Members had no opportunity to study it. The Banking Committee has not held a single hearing on this housing measure. We called in no experts to give the committee their evaluation or any suggestions for revisions.

There are several major housing initiatives pending in the Housing Subcommittee. In fact, we have prepared these three charts which are displayed in the well to list the housing bills which have been introduced and referred to the Housing Subcommittee. These include the chairman's own bill, H.R. 1180, and legislation which the gentleman from New York [Mr. RANGEL] and I have introduced, H.R. 1637, the National Affordable Housing Act. The Members of the House can see that there is no shortage of housing proposals. There are many good ideas in the bills listed on these charts. Prudence would require that we examine these bills closely, hold hearings, receive expert testimony, and then mark-up a housing authorization bill.

The chairman has scheduled hearings on housing matters beginning at the end of this month. That should be the time to consider housing proposals, and whatever the committee ultimately decides to approve should come to the full House as a separate housing bill, not as part of the bill before us today.

I am pleased that the chairman has scheduled hearings before the Housing Subcommittee, and I am sure he knows that I am prepared to work with him in good faith to produce a housing bill.

In addition the provision as it now stands has substantive problems. The affordable housing fund would be used to subsidize interest rates on advances made to member institutions for low-income housing loans. To finance this fund, each bank would be required to contribute 5 percent of its net income in 1990 through 1993, 6 percent in 1994, and 10 percent in 1995 and thereafter. Obviously, this places a new, additional burden on an industry which is already in deep financial difficulty, and it may aggravate the problem we are trying to fix.

The proposal as it now stands also requires that 40 percent of the housing it finances be retained for low-income use for 30 years. How are low-income tenants, people with incomes of 80 percent or less of area median income, supposed to pay their rent on such units? Bear in mind that they would not be allowed to pay more than 30 percent of their income for rent. Clearly, some type of assistance directly to the tenant would be necessary. The implication of the legislation is that we are committing ourselves to 30 years of subsidy to these tenants.

I would also note that the allocation of the money raised by the assessment contained in the bill has no relationship to need. That is, money raised in a bank district is advanced to institutions in that district. Under this bill some of the areas of the country which are in relatively good shape with respect to housing must raise the greatest amount of money. Other areas of the country which have great housing needs are required to raise relatively little. In short, the money raised by this bill would not be distributed according to housing needs.

Finally, I will let the members of the Ways and Means Committee detail their objections to what amounts to a new tax. However, I would just observe that it is a new tax which drains money away from a sick industry to finance a new Federal housing program which ought to be considered by the Housing Subcommittee and should not be part of this bill.

If we are to create housing let's provide a subsidy or direct allocation—not a tax targeted on a simple industry.

In conclusion, I want to reiterate my pledge to the distinguished chairman of the Housing Subcommittee to work with him to advance a housing bill this year. However, I must urge the Members of the House to oppose the provision contained in H.R. 1278 and support the amendment offered by the gentleman from Texas [Mr. BARTLETT] and the gentleman from Georgia [Mr. BARNARD].

□ 2100

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

(Ms. PELOSI asked and was given permission to revise and extend her remarks.)

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to congratulate the chairman of the committee for the work he has done on this legislation, and I must say it was particularly proud day when the Banking Committee passed this particular aspect of the savings and loan bill. I was interested to see our colleague illustrate some of the legislation that has come out of Congress. Perhaps she could be of assistance in getting us a signature on some of the legislation so it could be part of public policy.

I join the chairman of the committee in his disappointment in the "Dear Colleague" letter that went out today from the sponsors of this amendment. I would like to address a couple of points that were made in it.

First of all, there was myth No. 1: The provision will only subsidize developers in buying or repairing rental units.

Fact: The language of the bill indicates that priority should be given to housing sponsored by nonprofit organizations, States, local housing authorities, and State housing finance agencies.

A second priority is the purchase of rehabilitation of housing held by the U.S. Government. Another priority is indeed multifamily rental units. Clearly, young families will be among the beneficiaries of this provision.

Myth No. 2: This is a tax.

This is not a tax. Unlike the savings and loan bailout, this section of the bill will not cost the American taxpayer one penny. The program is not a new concept. In the late 1970's, regional banks had in place community investment programs. As times got bad, low-income families paid the price. The affordable housing provisions put teeth in operating and maintaining community reinvestment efforts.

The program will work hand-in-hand with Federal housing programs and save tax dollars. The loan program will subsidize between 60,000 and 125,000 housing units per year. It also disposes of boarded-up foreclosed federally controlled housing properties.

Mr. Chairman, I urge my colleages to support the chairman's report and to oppose the Bartlett-Barnard amendment. That is the very least we can do for the homeless people of America.

Mr. BARTLETT. Mr. Chairman, I yield 3 minutes to the ranking Republican member of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield to me briefly?

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. BARTLETT. Mr. Chairman, I do want to call to the attention of the gentlewoman from California [Ms. PELOSI], the previous speaker, her own supplemental views in the committee report in which she, as well as two other members, state this: "It was our intent that the subsidization of the cash advance windows would focus a lender's priorities on the purchase, rehabilitation, or construction of multifamily rental housing."

Mr. ARCHER. Mr. Chairman, I feel very strongly that this important legislation to address the financial crisis in the Nation's thrift industry is not the appropriate vehicle for initiating a costly new subsidized housing program. Importantly, the funding for this program would come from savings and loan assets badly needed to provide their stability in the years to come. There are many other ways to increase affordable housing. The Congress has never turned its back on this national need.

The manner in which this provision wound up in the bill in its present form is also a serious matter in and of itself. Quite frankly, it violates normal House procedures.

Some procedural history is in order. The original language reported by the Banking Committee set off a jurisdictional firestorm in the Ways and Means Committee when we began our conceptual markup of the bill. As reported out by the Banking Committee, the funding mechanism used for the housing provisions appeared to be a tax, pure and simple. We were compelled to challenge it from the standpoint of jurisdiction.

In response to those concerns, and in an effort to avoid losing its jurisdiction over the provision, the Banking Committee majority took the extraordinary step of changing the language before filing the report in the House.

It was not a technical change. The revised language provided for a completely different funding mechanism from what had been voted in committee.

An exchange of letters between Chairman GONZALEZ and Chairman ROSTENKOWSKI, acknowledged that the rewrite of the provision apparently negated our committee's jurisdictional claim.

But something happened on the way to the House floor. The original language is now back in the bill—which arguably places the funding outside of the Banking Committee's jurisdiction and back into the jurisdiction of the Ways and Means Committee.

As the member of the committee who felt compelled to raise the jurisdictional point initially, I'm very disappointed that our legitimate concerns in that regard have been cast aside.

At this point, though, it really doesn't matter, because all points of order have been waived. But it's been a valuable lesson in procedural chicanery—one which I hope none of us will allow to be repeated in the future.

For that reason, as well as the substance of the provisions themselves, I urge the adoption of the Bartlett amendment.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I appreciate the kind of leadership the chairman of the committee has given us on this issue.

Mr. Chairman, I find it very hard to do justice to my feelings and the feelings of my constituency regarding this Bartlett amendment because I am bitterly opposed to it.

Mr. Chairman, I rise to speak against the Bartlett amendment and in favor of H.R. 1278, the Enforcement Powers Improvement Act of 1989. By now, we all would agree that the savings and loan crisis has to be considered one of the worst financial calamities ever to strike this country. In my view, a resolution of this situation will be fair, only if it protects the interests of low- and moderate-income depositors—ordinary taxpayers and mortgage borrowers.

However, at the present time, the country is facing another catastrophe, equally, if not more serious than the savings and loan crisis. That catastrophe is the shortage of affordable and accessible housing. Fortunately, some of the provisions of H.R. 1278 are designed to address this problem.

I realize that everyone benefits from stability in the financial system. Deposit insurance has gone a long way to promote such stability, and the Federal Government, rightfully, must stand behind the insurance funds. At the same time it is the responsibility of Congress to take a bold step in addressing the problem of housing. There are thousands, perhaps millions, of Americans crying out for our assistance.

As a matter of fact, it is past time to deal with this situation. As we plan to allocate an unprecedented amount of money to the savings and loan industry, which is estimated to cost the American taxpayers upward of $157 billion, it seems only logical that we give something back to the very people these institutions were established to assist. They, my friends, are the low- and moderate-income Americans looking to buy homes.

Any legislation that allocates billions of tax dollars for a mismanaged S&L industry, must ensure that the industry survives to serve a public purpose. H.R. 1278 without this amendment addresses this public policy demand by establishing an affordable housing program at the Federal Home Loan Bank and by giving nonprofit groups the right of first refusal when the Government sells residential properties from liquidated S&L's.

This provision calls for a minimum amount, $75 million in 1990, rising to $150 million in 1995, that must be set aside for the program. Although this annual amount is extremely modest in relation to FHLB earnings, it will institutionalize some public purpose for the boards and their shareholders, the S&L industry. It will also help thrifts tap new and profitable markets in traditionally underserved communities.

The public at large, is angry that they are being forced to bail out an industry that squandered publicly insured deposits on commodities speculation and junk bonds while the shortage of affordable housing reached crisis proportions. If a specialized, publicly supported financial industry is to survive, which we believe is a laudable goal, it must serve its original public purpose of assisting Americans with affordable housing.

The provisions in H.R. 1278 which address the housing crisis bring the savings and loan industry back to is original intent. I urge my colleagues to consider the beneficial impact these provisions will have on the American public. In doing so, it will be clear that this legislation deserves a yea vote.

Mr. BARTLETT. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, affordable housing is a laudable goal. Many of us in this House, including myself, have supported programs for affordable housing in this Congress, and I intend to support them again.

The concern I have and, I think, one that is shared by many in this House is that this is not the place to do it. More importantly, the cost of this program falls upon the wrong classification of citizens.

We are not going to find $75 million a year out of the nice blue sky. It has to come from somebody. Who does it come from? It comes from the asset base of the same S&L's, the same financial institutions that are hemorrhaging today.

Where do they get it from? They get it from those who borrow from them.

Just think today if you were sitting on an adjustable mortgage right now and you were watching those adjustable rates go up and interest rates go up and you find out tomorrow that now the banks have to supply an extra $75 million a year and an extra $150 million a year beginning in 1995, and forever; who do we think ends up paying for it? Those who have already borrowed money from those institutions that are troubled today.

Let me tell it like it is. If we want affordable housing in America and we are willing to put together a housing program, we ought to have the fortitude to come forward with the cost of that program as a general tax. If we instead are going to ask those who have already borrowed and are trying to finance their homes and trying to make their payments watch their interest rates go up so we can finance this program through this back door approach, then I think we are taking the wrong step. This is not the bill on which to add another costly program.

In 30 years, $6.2 billion is going to be the cost of this program, and who will pay for it? Those who are struggling to pay their housing mortgages today.

Mr. Chairman, I hope that we will support the Bartlett amendment and pass it, because this particular program, as good as its goals are, is placed on the wrong bill and taxes the wrong people.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. MORRISON].

□ 2110

Mr. MORRISON of Connecticut. Mr. Chairman, I would like to commend the chairman of the Committee on Banking, Finance and Urban Affairs for his creativity and his commitment that brought this amendment forward in the Committee on Banking, Finance and Urban Affairs and made it a part of this bill. He has been a champion of housing in this House for his entire career, and he remains our greatest champion for housing.

Mr. Chairman, I really find it discouraging, to say the least, to hear Members of this body say that this is the wrong place and the wrong time to deal with the need for housing. It is never the right place and the right time around here. The same gentleman who offers this amendment is always offering amendments to cut money out of the appropriations for housing, so he can never find it to be the right place and the right time to pay for housing.

Now let us talk turkey about where this money comes from. The Federal Home Loan Bank Board borrows money in the marketplace with a Federal guarantee. The taxpayers stand by it. They get preferential interest rates, and we are saying out of that benefit that they get that they owe something back, and that is to help the weakest and poorest of our citizens have a little better chance to have a permanent home in which to live.

Mr. Chairman, to look at this as a tax is fraudulent. The tax is what all American taxpayers pay to guarantee those loans so that the Federal Home Loan Bank Board gets lower interest rates.

This is not a tax on the system. It is a creation of a purpose for the Federal Home Loan Bank System, and the purpose is housing, market rate lending for market rate housing, at-cost lending to support housing for moderate-income people, and a small amount of subsidy for the poorest Americans to get a home that they can afford.

Mr. BARTLETT. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. BUNNING].

I would ask the gentleman from Kentucky [Mr. BUNNING] to yield to me briefly.

Mr. BUNNING. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I do want to briefly correct the gentleman from Connecticut.

The purpose of the Federal Home Loan Bank System is to provide liquidity to savings and loans so that those savings and loans can loan money to single-family homeowners. That is the purpose. We are taxing it away in this bill and providing it for an entirely different purpose.

Mr. BUNNING. Mr. Chairman, I was very encouraged this year with the new makeup of the House Banking Committee. During my freshman year, the committee was ruled by "the little dictator." There was no democracy, no order, only Freddie's rules governed.

This year, with the dictator's defeat, I was looking forward to working on the Banking Committee.

Our first order of business on the Banking Committee was the FSLIC crisis. Subcommittee went well. In fact, it was downright refreshing. Chairman ANNUNZIO let the will of the majority govern. It was a welcome relief from the order of the committee in the past.

So too, at full committee, Chairman GONZALEZ let the will of the majority take its course. Everyone who wanted to speak was given a chance and he didn't throw his weight around unreasonably.

It was one of the most refreshing changes that I had seen since coming to Congress. The Banking Committee operating in a democratic manner.

However, what happened after the full committee markup let us on the Republican side know it was business as usual on the Banking Committee.

As we all know by now, after the markup and before the report was issued by the committee, Chairman GONZALEZ made substantive changes to the language of the bill.

In committee, by a narrow vote, we added an amendment by the chairman establishing the affordable housing plan. This was a plan to tax the Federal home loan banks for the purpose of low-income, subsidized housing. It has nothing to do with the S&L crisis.

The way that this plan was funded in the chairman's amendment was to tax the retained earnings of the Federal home loan banks. A tax would be assessed every year on the bank's retained earnings with a minimum amount due.

After the committee narrowly voted to accept this subsidized housing tax, it became obvious that the House Ways and Means Committee would have jurisdiction over it, as they do on all tax measures.

So, in order to avoid some one else having anything to say about his white elephant, Chairman GONZALEZ changed the language of the bill that had already been voted upon. His change was to make the funding mechanism for the affordable housing plan different.

What he did was say forget the tax that we voted on and he substituted a new fee on the advances at the window of the Federal home loan banks. Now, we all know that this is a tax, as well, but we can get away with calling this a fee instead of a tax. Thereby, we can keep Ways and Means hands off of the plan entirely.

Magically, with a wave of his chairman's magic wand, the bill was amended without a vote of the committee.

Consider for a minute if we were considering a tax bill instead of this bill. At the Ways and Means Committee they agreed to place a tax on inventory. But when it was reported it is a tax on accounts receivable. Some may argue that because the same amount of revenue is raised than the provision is the same.

We all know that this is not the truth. A change is a change, is a change. And it is a smoke screen to call it anything else.

It appears that we are going back to business as usual at the Banking Committee.

Thank goodness that the Rules Committee had the leadership and foresight to change the language back to the way it was reported from the Banking Committee. However, the fact still remains, we are voting on a tax that has never been before Ways and Means Committee.

During floor consideration of this bill you will get the opportunity to vote on the Barnard-Bartlett amendment to strike the affordable housing plan. I submit that the rules of play and committee referral mandate your support for this amendment.

However, there are also substantive reasons why we should support the Barnard-Bartlett amendment. This is a bill to solve the ills of an industry, not the problems of the world. Let a housing program come in the context of a housing bill, but not here.

Moreover, it seems a little strange that we are taxing a failing industry. We are before the Congress right now to provide funds to keep the industry afloat. At the same time we are taxing them further. The Federal home loan banks are federally-sponsored, privately-held institutions. Their stock is owned by the member thrifts in the district. They are currently exempt from any Federal taxation. The affordable housing plan changes that.

Under the bill, a large portion of the retained earnings of the Federal home loan banks are dedicated to resolving the crisis. Now, on top of that we are adding an additional tax for subsidized housing. Considering the tax payer burden in this bill, this money would be better spent on resolving the crisis.

Finally, let's fact it, this is just another "sin tax." The sin was committed by the high rollers and caused the downfall of an industry. Now we are going to teach them a lesson by a tax on that sin.

VOL 135 PT 9 JE 14 — 22 1989 UMI

And just like the other sin taxes on alcohol and cigarettes, this FSLIC sin tax places an unfair burden on States like Kentucky that have a strong and viable thrift industry.

This is a bill to solve the problems of an industry. It is not meant to solve the problems of the world. Yet States like Kentucky, where thrifts have stuck to the traditional mortgage lending practices intended for the industry are going to be paying for the sins of the high rollers in the industry.

Despite the outcome of the vote on the affordable housing plan and its obvious substantive problems, the Banking Committee reported a good bill that deserves your support.

In subcommittee and full committee we spent nearly 80 hours in markup considering hundreds of amendments.

Included in our consideration was a great deal of discussion and consideration on the topic of capital and what can be used to compose capital, that is, goodwill, deferred loan loss and mortgage servicing rights.

If you think that the debate on tangible core capital and what composes it is confusing, you should look at a chronology of capital requirements under the bill. You are in a big boat. It seems everyone has experienced a little confusion all along.

When the Bush plan came to the Hill it had absolutely no requirements for tangible core capital. The capital standard was stated as not less than the standards for national banks, but it let goodwill count in the formula immediately and then amortized it over 10 years.

In other words, under the administration proposal, capital could be 100 percent goodwill with no tangible core capital.

Then the bill came to the financial institutions subcommittee. An amendment there sought to add a tangible core capital requirement. The amendment sought to divide capital into two tiers and half of tier one had to be tangible.

The administration opposed this requirement. But, in the end after all of the amendments to the capital provisions either passed or failed, we had a much tougher requirement than originally proposed by the administration.

The Senate then took up the bill and upped the tangible capital requirement passed at subcommittee even higher. Now, the provision once called a vetoable item by Secretary Brady had become the rallying point. He publicly applauded the Senate action and said they were headed in the right direction.

Finally, we came to the full Banking Committee, were we adopted an even tougher core requirement but then weakened it under agreement with Secretary Brady by moving back the effective date and adopting a "sliding scale" effective date for compliance.

Personally, I think that this sliding scale approach made these new capital standards ineffective and therefore opposed the amendment in committee.

I stated in my views on this bill that the terms tougher and weaker in reference to capital standards have been highly overused as buzz words. The media, the trade associations, the administration all have tried to couch every amendment in these stronger versus weaker terms.

Yet when you follow a substantive chronology you can see that these terms are in fact subjective, misunderstood and drastically overused.

All things considered on this bill, it is a good proposal that deserves your support.

Mr. GONZALEZ. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, as we come together today, once again we find ourselves in the midst of a crisis situation, and yet the institution that is charged with the responsibility for trying to address that crisis says that it has no business here. We have no responsibility for it. We cannot do it on this floor. This is a social program. This is another affirmative action program.

Mr. Chairman, it is not that. It is a proactive program. It is not restrictive to race or ethnicity. This program has to do with young people who cannot afford to share in the American dream of homeownership. This program has to do with people who are part of the ever-increasing population of homeless persons who meander through this land hoping that one day they will be able to have a place where they will be able to lay their heads.

Mr. Chairman, it is a strange thing that, as we have been presented these beautiful charts with all of this interesting data, we have not done it with the kind of feeling that suggests we know that we are dealing with the plight of human beings.

I urge the support of my colleagues on the bill and urge their vote against the Barnard-Bartlett amendment.

Mr. BARTLETT. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DREIER], a member of the subcommittee and also the chairman of the Task Force on Housing for the Republican Research Committee.

Mr. DREIER of California. Mr. Chairman, I thank the gentleman from Texas [Mr. BARTLETT], my friend, for yielding.

Mr. Chairman, affordable housing is clearly something that every single one of us wants to see every American able to attain. The thing that concerns me most is the fact that we have the only housing bill of the year here on the floor which is unamendable. Twenty-nine different housing bills have been offered in this 101st Congress, and there are some great ideas in those, but not one of those things can be offered as amendments to this.

Mr. Chairman, I went before the Committee on Rules to offer a very modest amendment to Chairman GONZALEZ' proposal. It said that, if we were going to be offering this tremendous influx of cash to deal with affordable housing, what we should do is deal with the onerous local and State regulations which are imposed on a home buyer.

Look at the situation which exists today. In Los Angeles County alone, 1978 to today, $3,000 was the cost of regulation for a new home purchase. Today it is $22,000.

Mr. Chairman, on a nationwide basis 25 percent is the increase in cost due to zoning, rent control, impact fees, et cetera. They are costs which jeopardize housing affordability.

I urge support of this amendment.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Chairman, first I would like to thank and congratulate our chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ] for his excellent work on this entire legislation, House bill 1278, and for his opposition to this particular amendment.

Mr. Chairman, the original purpose of the savings and loan industry was to create housing opportunities for Americans. What is the purpose of the S&L industry today? S&L officials answer that question: "The main purposes of today's S&L is to create housing opportunities for Americans."

H.R. 1278, this bill, is to resolve the S&L crisis. Unlike S&L bailout, this section of the Banking Committee bill, a bill which passed by a vote of 49 to 2 in the House Banking Committee on May 2, does not cost the American taxpayer one penny.

It's simple. As much as the gentleman from Texas [Mr. BARTLETT] and the gentleman from Georgia [Mr. BARNARD], are highly respected members of the House Banking Committee, if this Bartlett-Barnard amendment passes, the savings and loan industry gets off the hook from helping low and moderate-income families to purchase homes.

I urge my colleagues to vote "no" on the Bartlett-Barnard amendment.

□ 2120

Mr. BARTLETT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HILER], a member of the subcommittee.

Mr. HILER. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, I rise in strong support of the Bartlett-Barnard amendment to delete the Gonzalez housing provisions placed in H.R. 1278 by the

Banking Committee. I would like to make three points in the Gonzalez proposal.

First, the Gonzalez plan is purely a tax. The provisions of the Gonzalez housing proposal represents an additional tax on the earnings of Federal home loan banks. These institutions already must contribute $300 million of their earnings to the thrift bailout and the Gonzalez housing proposal further taxes their income stream.

Second, the Gonzalez proposal is bad housing policy. It does nothing to concentrate upon the problems of purchasing single-family homes. Its concentration is strictly on multifamily dwellings and will aid developers buying or repairing rental units and not homebuyers. Further, if the Banking Committee wishes to make housing policy, they should do it pursuant to a housing bill. Twenty-nine separate pieces of housing legislation have already been introduced this Congress and Secretary Kemp is now preparing his own proposal at HUD.

Third, the Gonzalez housing proposal creates regional disparity. The rich get richer. The distribution of housing moneys is not based on need but instead on earnings. Therefore, areas of the country where the economy is the strongest will receive the most housing funds. Those economically depressed areas of the country most in need will be excluded. I believe this to be a grossly inequitable result.

I am hopeful that this Congress will pass meaningful housing legislation. However, H.R. 1278 is not the right vehicle. Pass the Bartlett-Barnard amendment and send the issue of housing back to our committee for hearings and a comprehensive, thoughtful approach. I urge my colleagues to support the Bartlett-Barnard amendment and to defeat this inequitable tax.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, the issue before us tonight is a close one. It is a close call. The same issue before our committee was a close call as well.

I voted for what I think is this very modest, affordable housing initiative within our committee. I would encourage my colleagues to resist the temptation to strike it now.

Each one of us here knows there is a crisis in affordable housing in our country. Each one of us here knows that we have cut the appropriations for housing dramatically in the course of the last 8 years. Each of us knows that the housing appropriations in the supplemental were struck. Each of us knows that we have to try something new, something different, be willing to experiment. The provision of this bill, this affordable housing provision, is just that, an experiment.

Our bill broadens the membership of the 12 regional home loan banks. Traditionally only thrifts could be members, only thrifts could buy stock in those home loan banks.

Our bill says that a lot of others, including banks, may become members of the home loan banks, buy stock, making those regional banks much more profitable.

Under this bill that new profitability, a very small portion of it, initially 5 percent, eventually 10 percent, could be used to help make housing a bit more affordable for low-income people.

Is it an experiment? Yes, it is an experiment.

Is it worth trying? I think that it is.

I would encourage each of my colleagues to carefully weigh this particular issue, and if you are in doubt on this particular question, give your vote to the chairman of our committee.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield for a question?

Mr. CARPER. I am happy to yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I did not hear the gentleman state where the new found profitability was coming from.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I think that the S&L's went astray somewhat when some of them forgot the original mandate of the 1932 act. What this amendment will do is gut what is prevailing in the report that was acted upon in the committee.

Let us look at the 1932 act. In 1932, Congress enacted the Federal Home Loan Bank Act in response to a directive—now, listen to this, Mr. Chairman—from President Hoover, that the establishment of the Federal Home Loan Bank System was required in order to revive employment, by facilitating new home construction, mitigate the difficulties of refinancing mortgages on homes and farms and to encourage home ownership.

Let us look at the committee conference report of 1932:

> This measure is an important and integral part of the comprehensive program for economic recovery undertaken by Congress. No consideration has previously been given to the homeowner, who after all is the backbone of our Nation. The home loan bank system will serve the wage earner and people in the humbler walks of life, through serving those institutions which are devoted to helping them accumulate their savings for the "rainy day" and also helping them to own their own homes.

Mr. Chairman, it is time to go back to the 1932 act. The rate of homeownership has declined for the first time since World War II. Why? Because young people have no accessibility.

I urge you to vote against the Bartlett amendment.

Mr. BARTLETT. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. HUCKABY], and I ask the gentleman to yield to me.

Mr. HUCKABY. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, the whole point, of course, based on the last statement of the gentlewoman, is that nothing in this section provides for single family homes. All three priorities are multifamily.

Mr. HUCKABY. Mr. Chairman, I rise in support of the Bartlett amendment.

I believe this is the wrong time, the wrong vehicle, for another new housing program.

Keep in mind that even with the passage of this bill, this is going to be a sick industry. It is going to be a struggling industry for years and years to come, and now is not the time to burden this industry with yet additional costs, because it is a spread. They operate on a spread between their cost of money and the interest they charge, and here we are saddling them with additional costs which in the long run their borrowers are going to have to pay, the American people.

I urge the adoption of the Bartlett-Barnard amendment.

□ 2130

Mr. BARTLETT. Mr. Chairman, I yield 30 seconds to a new Member of this House, the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. Mr. Chairman, I support the amendment. The issue is not the merits of the housing provisions. The issue is that the housing provisions do not belong in this bill.

Its supporters say that these provisions are well-intentioned, but that is the reasoning that has held up the Veterans' Administration emergency funding. That funding has not passed because of other unrelated but well-intentioned provisions which have been saddled onto it.

Mr. Chairman, I believe the amendment should pass, and these provisions should go in the housing bill.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, the 101st Congress simply must begin the reconstruction of our Nation's Federal housing policy, ending the tragedy of the homeless sleeping in our Nation's streets and helping young families with homeownership opportunities.

An excellent example of this type of innovative thinking we need to revitalize the Federal role in housing is the amendment offered by the gentleman from Texas [Mr. GONZALEZ] to require the Federal home loan banks to set aside a small amount of their profits

each year to provide low-cost loans for low- and moderate-income housing.

I support this amendment because I believe it is consistent with the public purpose of the thrift industry, and it will help inject more resources into local affordable-housing initiatives, and contrary to what is being claimed by some in this debate, it would neither tax the savings and loan industry nor divert funds from the recapitalization of the savings and loan insurance fund.

It is also flatly erroneous to suggest, as was said a moment ago, that the Gonzalez proposal only subsidizes developers in buying or repairing rental units, multifamily rental units. The bill does list multifamily housing as a priority, but there are other priorities that would cover all types of housing for low- and moderate-income families including single-family homes.

Much work needs to be done to reinvigorate the Federal Government's role in housing policy. We can make the first down payment on a new affordable-housing policy for our country today.

I urge my colleagues to leave the provisions intact of the Committee on Banking, Finance and Urban Affairs, and to vote against the Bartlett amendment.

Mr. BARTLETT. Mr. Chairman, I yield the balance of my time, 3 minutes, to the gentleman from Pennsylvania [Mr. RIDGE], a member of the subcommittee, who has sponsored or cosponsored more housing legislation in this body than most Members of the body, and, in fact, probably more than all the speakers combined, and I say that with some exaggeration.

Mr. RIDGE. Mr. Chairman, I have to question of my colleagues how many would step down and pick up a penny or a nickel or a dime that has been discarded on the sidewalk. If they are so inclined to pick up a small piece of change, I certainly hope that they listen to what I have to say about this particular amendment. This bill has a price tag of between $150 and $200 billion. We have heard some discussion of this modest amendment. It only costs us $75 million in the first year, maybe $1 billion in the first 5 years, and only $5 billion or $6 billion in 20 or 30 years.

Mr. Chairman, some say this is a drop in the bucket; others say it is a very modest amount, something we certainly ought to be doing. But I remind my colleagues that this is not a housing bill, this is not a housing reauthorization bill. We are asking the taxpayers of the United States to pick up the cost, the bulk of the cost, of $150 to $200 billion to take care of the savings and loan industry. This effectively reduces the ability of that industry to contribute what we mandate they contribute to the refinancing package.

There are not an infinite number of places we can look for money for this $150 to $200 billion. Really, there are only two: It is either the taxpayer or the thrift industry. If we want to tax the thrift industry, and it is a tax on net income, and a tax on net income affects profitability, and if we affect profitability, we will affect their ability to raise capital.

I thought that is what this debate was all about: tougher standards and ensuring that they raise more capital to meet those tougher standards.

What are we doing? We are saying to the savings and loan industry:

Tougher standards. We want you to be profitable. We want you to go out there and generate more income, become more profitable so you can meet those capital standards but, oh, along the way, we are going to skim off the top just a billion or two over the next couple of years.

Not only is this a bad tax, not only is it an inappropriate financing mechanism, but the distribution is grossly unfair. Most of the bulk of it will go to three or four regions who have received most of the money in this bill and who received most of the money in the bailouts of 1988. It is a gross mismatch. It is a gross tax. It is really a gross fabrication to suggest that we can be in favor of tough capital standards. We have to get out there and raise capital, be profitable, but we are going to skim a little bit off the top from the savings and loan industry in order to fund the housing program.

If we want tougher capital standards, we should be worried about the negative impact of this kind of initiative on their ability to raise capital, and I am going to tell the Members that if they are willing to pick up that small piece of change on the sidewalk, if that penny or nickel or dime means something to them, and $1 billion or $6 billion means something to them, and if they truly believe that they want to minimize the impact on the taxpayer who is footing most of this bill, remember when the S&L's pay less, and they will pay less, if we pass this, and if we leave this language the way it is, if they do pay less, the taxpayer will pay more.

I encourage my colleagues to support the Bartlett-Barnard amendment.

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in opposition to the amendment and in support of the language that will help avert the housing crisis in this bill.

This legislation has been fundamentally improved by the inclusion of the Affordable Housing Program through the cash-advance windows. The provision seeks to reestablish and refocus the lending practices of the savings and loan industry to its founding origins—creating housing opportunities for Americans. Because of these underlying principles, this bill is the appropriate vehicle to begin addressing the critical situation that has developed in housing over the last 8 years.

Opponents of the Affordable Housing Program have attacked the measure with arguments that do not hold water.

They argue that this provision will only subsidize developers in buying and repairing rental units. This allegation is misleading. They fail to mention that funds available for multifamily rental housing through the cash-advance windows are subject to strict requirements for low- to moderate-income households. They fail to mention the priority established for the purchase or rehabilitation of housing held by the U.S. Government. They fail to mention the priority given to housing sponsored by nonprofit housing and State or local housing authority projects. And they fail to mention that each bank will have an advisory council consisting of active low- to moderate-income housing providers from that district that will analyze the activities of their respective bank.

Opponents of the provision argue that it does not take into account areas of actual housing need. First, Federal housing programs have been cut over 70 percent in the last 8 years. Housing needs are not isolated to one or two regions of the Nation. The housing shortage is critical across the country. In the U.S. Conference of Mayors annual report on hunger and homelessness in America's cities, demand for assisted housing was shown to have increased an average of 43 percent in 88 percent of the cities. Not one of the cities found a decrease in demand. Second, the program provides that if a bank fails to utilize all of the set-aside funds, they will be returned to a centralized affordable housing reserve fund administered by the Board to be distributed to banks with unmet need.

The opponents of the Affordable Housing Program allege that the targeted cash-advance window is a tax. It is not a tax. It will not cost the American taxpayers a penny. It is a modest requirement for an assessment on the net income of the regional home loan banks.

The administration has modestly estimated that this legislation would cost about $157 billion over 10 years. This affordable housing targeted cash-advance program is a minimal $75 million per year for the first 4 years, gradually increasing to $150 million by 1995. That represents $1.14 billion that will be gradually allocated through the cash-advance window over the next 10 years. That is less than 1 percent of the total cost of this bill. Less than 1 percent.

Most importantly, this program will have a sizable impact on the availability of affordable housing throughout the Nation. It has been estimated that it will subsidize some 62,086 to 124,171 units of housing per year.

Finally, the Affordable Housing Program will refocus a program that was established in the late 1970's. The Community Investment Program was a successful stimulus for community development initiatives at the time. Unfortunately, this program has not been utilized to its fullest potential during the past 8 years. Providing a specific structure through a targeted cash-advance window is just what the

doctor ordered for community investment by the S&L's.

Mr. Chairman, to suggest that this provision is inappropriate is to suggest that the savings and loan industry no longer has the responsibility that was the root of its creation. Providing housing to Americans is essential to the industry and it is essential to this bill.

Mr. Chairman, I urge my colleagues to vote "no" on the Bartlett amendment.

Mr. GONZALEZ. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, I rise in very strong opposition to the Bartlett amendment.

Mr. Chairman, the Gonzalez housing provisions are crumbs from a table that is set for an S&L feast—financed by taxpayers.

The assertion that the Federal home loan banks are somehow private institutions without a public purpose is factually and legally wrong:

The Federal home loan banks were created and chartered by the Federal Government for a public purpose and can be abolished at any time.

The Federal home loan banks have a $4 billion line of credit to the Treasury. This draw on the taxpayer is why they are able to issue bonds so cheaply, thereby allowing S&Ls a cheap source of liquidity.

The operative court case on the question of the exact status of the Federal home loan banks is *Fahey et al.* v. *O'Melveny* (U.S. Circuit Court of Appeals, 9th Circuit, 1952). The court held that the banks are not the property of private investors (even though thrifts subscribe to stock in them) but are a "federal instrumentality."

The court said:

> A Federal Home Loan Bank is a federal instrumentality organized to carry out public policy and its functions are wholly governmental. * * *

The court also said:

> We hold that all Federal Home Loan Banks within the system are, and operate as, public banking agencies and instrumentalities of the federal government.* * *

The court further reaffirmed the public purpose:

> While the Home Loan Banks are operated under carefully delimited private management, this fact in nowise militates against our view that they are governmental banking agencies. No constitutional limitations are suggested which forbid Congress to create this type of agency to perform certain functions of a public nature.* * *

These are not private entities. They are creatures of Congress.

Mr. GONZALEZ. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I take this minute in order to rebut the absolute incorrectness, the falsity of the diagrams and the alleged distribution of the formula that has been advanced on the other side.

The funding formula is applied equitably in all of the district banks, determines the pool of funds available to subsidize low- and moderate-income housing, not just multiple housing but single-family housing mortgages as well.

The money is used within the district first to the extent that there are worthy projects in the district. This determination is made by community investment officers in that region subject to criteria established by the Federal Housing Finance Board.

To the extent that the need in any region is not sufficient to utilize the funds provided, then that goes into a pool, a national pool, and is subtracted thereof accordingly.

Mr. Chairman, I yield the remainder of my time, 1 minute, to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, leadership is bold, daring, creative, innovative, courageous, and it has vision. It challenges us to be different, and in doing so to make a difference.

The provisions in this bill offer a glimmer of hope for the American family. It is an opportunity for us to seize this great imperative and to do the right thing. There are those who said that this is a tax. The real tax on all of us in America who look at this exercise tonight is the $150 billion that all of us will have to pay throughout this generation for this debacle that we find ourselves in.

□ 2140

I say to you who are the 94 percent who cannot affort to buy a newly constructed home, the 100 percent who have to bear the burden of this bailout, that you stand tonight all over this Nation, the elderly, American farmers, those in our inner cities, the blue-collar workers, the young couples who are fighting to make ends meet, and challenge us tonight in this Congress to take this opportunity and to do the right thing.

This is a bad amendment and I urge its defeat.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the Bartlett amendment to strike the Afforable Housing Program.

I strongly support low-income housing. The Federal Government has an obligation to make sure that all Americans have access to affordable, decent shelter. And I believe that under my chairmanship the Committee on Ways and Means has an impressive record of providing effective incentives for low-income housing through the Tax Code.

However, from a substantive standpoint, the Housing Program currently contained in the bill is a new, unfocused, off-budget program.

I have profound reservations about the creation of off-budget programs. I believe that programs are best run if they are reflected directly on the budget and are subject to the discipline of the budget process. Congress has much less control over off-budget programs. For example, over 40 percent of the benefits of this proposed Housing Program flow to California and Texas. Congress would never directly legislate a program in which the benefits flow so disproportionately to two areas of this country. We would not legislate this type of program directly; and we should not do it indirectly.

Let us also be clear that this program would be funded by an indirect tax increase on savings and loan depositors. The money earmarked under the bill for the Housing Program is raised through a tax equal to a certain percentage of the annual net earnings of the Federal home loan banks. I point out again that we would never legislate a flat tax on savings directly. It is far more preferable to fund the housing programs we enact through general appropriations financed by the Federal income tax.

The prudent course of action is to pass the Bartlett amendment and strike the Housing Program. We should then join forces and approve an expanded Federal Housing Program directly. For example, the Committee on Ways and Means will soon be considering an extension and expansion of the low-income housing tax credit. In my view, this is a more reasonable approach to providing Federal assistance for low-income housing than what is currently before us.

I urge Members to support the motion to strike.

Mr. LEHMAN of California. Mr. Chairman, I want to raise my voice in support of affordable housing. I am pleased to see that you refocus the savings and loan industry toward home financing—the original intent as established in the 1930's. It is my understanding that the use of the community investment fund has been lax to nonexistent at most district banks. Your amendment not only requires that they develop and maintain such a program, but that each district bank establish an affordable Housing Program that will subsidize low- and moderate-income housing for qualifying projects.

As you know, in California there is a low-income housing fund—a nonprofit financial intermediary established 4½ years ago. The activities of this fund are all focused on very low-income households. In making specific projects work, this fund requires a large number of sources of financing, long-term deferred loans and subsidies. A simple reduction in conventional rates—even 2 percent—would play an important role in enhancing a project's feasibility. The $75 million you initially propose from the banks at a 2-percent interest rate subsidy will create $3.75 billion of loans to be dedicated toward low- and moderate-income housing projects.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. BARTLETT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BARTLETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 206, noes 208, answered "present" 6, not voting 13, as follows:

VOL 135 PT 9 JE 14 — 22 1989 UMI

[Roll No. 93]

AYES—206

Alexander
Anderson
Andrews
Annunzio
Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehlert
Broomfield
Brown (CO)
Bruce
Bunning
Burton
Byron
Callahan
Campbell (CA)
Chandler
Clinger
Coble
Cunbest
Coughlin
Craig
Crane
Dannemeyer
Darden
DeLay
Derrick
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
English
Fawell
Fields
Flippo
Frenzel
Gallegly
Gallo
Gaydos
Gekas
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hatcher
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Jones (NC)
Kasich
Kolbe
Kyl
Lagomarsino
Laughlin
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Lukens, Donald
Machtley
Martenez
Martin (IL)
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (WA)
Murtha
Myers
Nielson
Olin
Oxley
Packard
Parker
Parris
Pashayan
Paxon
Payne (VA)
Penny
Petri
Pickett
Porter
Purselll
Quillen
Ravenel
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ruse
Rostenkowski
Roth
Roukema
Rowland (GA)
Saiki
Saxton
Schaefer
Schiff
Schneider
Schuette
Schulze
Sensenbrenner
Shays
Shumway
Shuster
Skeen
Slattery
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Wilson
Wolf
Wylie
Yatron
Young (AK)
Young (FL)

NOES—208

Ackerman
Akaka
Anthony
Applegate
Aspin
Atkins
AuCoin
Bates
Bellenson
Bennett
Berman
Bilbray
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Browder
Brown (CA)
Bryant
Bustamante
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Coleman (TX)
Conyers
Cooper
Costello
Courter
Coyne
Crockett
de la Garza
DeFazio
Feighan
Fish
Flake
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gray
Guarini
Hall (OH)
Hamilton
Harris
Hawkins
Hayes (IL)
Hefner
Hertel
Hoagland
Hochbrueckner
Hoyer
Hubbard
Jacobs
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Patterson
Payne (NJ)
Pease
Pelosi
Perkins
Pickle
Poshard
Price
Rahall
Richardson
Rinaldo
Roe
Rowland (CT)
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sharp
Sikorski
Skaggs
Slaughter (NY)
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Synar
Tallon
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates

ANSWERED "PRESENT"—6

Brooks
Hayes (LA)
Mazzoli
Martin (NY)
Sisisky
Tanner

NOT VOTING—13

Buechner
Coelho
Coleman (MO)
Collins
Conte
Cox
Davis
Lipinski
Rangel
Shaw
Skelton
Swift
Wright

□ 2159

The Clerk announced the following pairs:

On this vote:

Mr. Buechner for, with Mr. Rangel against.

Mr. Cox for, with Mrs. Collins against.

Messrs. MOLINARI, PORTER, and FLIPPO changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 2200

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GONZALEZ: Page 39, strike out line 15, and all that follows through page 40, line 2.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 5 minutes in support of his amendment, and the gentleman from Ohio [Mr. WYLIE] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment deletes an amendment that was placed on my request by a vote of 37 to 11 by the committee, conditioned on my reaffirming some of the assurances I was given at the time, and conditioned on those reassurances by the FDIC after 2 weeks of reexamination, and the FDIC not being able to confirm what had been reported to me to begin with, I then requested that I be given permission to offer this amendment to delete that amendment, and I do so now.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

The distinguished chairman of the full committee is to be commended for this amendment. As everyone knows, he is a Member with absolute integrity. When this amendment was offered in the committee, I asked if it would impact negatively on FDIC. The chairman said no, and when he discovered it would, he came to me and said that he would offer this amendment tonight. The gentleman is as good as his word, and I compliment him for it and support his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GONZALEZ].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HOAGLAND

Mr. HOAGLAND. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HOAGLAND: Page 616, after line 2, insert the following new section (and amend the table of contents accordingly):

SEC. 923. NCUA POWERS AS LIQUIDATING AGENT AND CONSERVATOR.

(a) IN GENERAL.—Section 207 of the Federal Credit Union Act (12 U.S.C. 1787) is amended—

(1) in subsection (a), by striking out paragraph (2) and by redesignating paragraph (3) as paragraph (2);

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) BOARD AS CONSERVATOR OR LIQUIDATING AGENT.—

"(1) POWERS AND DUTIES.—As conservator, pursuant to section 206(h) of this Act, or liquidating agent, the Board shall have the following authorities and duties:

"(A) The Board is authorized—

"(i) as conservator or liquidating agent, and by operation of law shall succeed to (I) all the rights, the titles, powers, and privileges of the credit union, and of its members with respect to the insured credit union and

its assets, and (II) title to the books, records, and assets of every description of any previous conservator or other legal custodian of such insured credit union,

"(ii) as conservator or liquidating agent, to take over the assets of and operate the insured credit union with all the powers of the members, the directors, and the officers of the credit union and shall be authorized to conduct all business, collect all obligations and money due the credit union, and perform all functions of the credit union in its own name which is consistent with the appointment as conservator or liquidating agent and to preserve and conserve the assets and property of such credit union,

"(iii) as conservator, to take such action as may be necessary to put the insured credit union in a sound and solvent condition,

"(iv) as conservator, to take such action as may be appropriate to carry on the business of the insured credit union and preserve and conserve the assets and property of the credit union,

"(v) as conservator or liquidating agent and subject to the direction of the general counsel of the Board, to institute, prosecute, maintain, defend, intervene, and otherwise participate in any and all actions, suits, or other legal proceeding by or against the conservator, the liquidating agent, the credit union, or any creditors or member with respect to the credit union,

"(vi) as liquidating agent, to transfer any asset or liability of the insured credit union, such transfer to be effective without any approval, assignment, or consent with respect to such transfer, except, that if the transferee is another insured financial institution, the transfer must be approved by the appropriate Federal banking agency for such institution,

"(vii) as liquidating agent, to determine claims under the provisions set forth under subsection (k),

"(viii) as conservator or liquidating agent, to exercise all powers specifically granted to conservators or liquidating agents, respectively, by the provisions of this Act and such incidental powers as shall be necessary to carry out the powers so granted, and to take any actions authorized by this Act, whichever shall appear to be in the best interests of the insured credit union, of its accountholders, or the Board.

"(B) The conservator or liquidating agent shall pay all valid credit obligations of the insured credit union in accordance with the prescriptions and limitations set forth in this Act.

"(2) NOTICE REQUIREMENTS.—

"(A) PUBLICATION REQUIRED.—In cases of liquidation, or other closing or winding up of the affairs of a closed insured credit union, the liquidating agent shall—

"(i) promptly publish a notice to the credit union's creditors to present their claims, together with proof, to the liquidating agent by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and

"(ii) republish such notice at the end of each 30-day period beginning after the date of the publication under clause (i) until the end of the period established in the first notice for submitting claims.

"(B) MAILING REQUIRED.—The liquidating agent shall mail a notice similar to the notice published under subparagraph (A)(i) at the time of such publication to any creditor shown on the insured credit union's books—

"(i) at the creditor's last address appearing in such books; or

"(ii) upon discovery of the name and address of a claimant not appearing on the credit union's books within 30 days of discovery.

"(C) CLAIMS DISALLOWED AFTER END OF PERIOD.—Claims filed after the date specified in subparagraph (A) shall be disallowed (and such disallowance shall be final) except that any claim later filed may be considered if the claimant that holds such a claim did not have notice of the conservatorship or liquidation in time for filing of such claim and such claim is filed in time to permit payment of such claim.

"(D) ALLOWANCE OF CLAIMS.—The liquidating agent shall allow any claim received before or on the date specified in subparagraph (A) and proved to its satisfaction. The liquidating agent may wholly or partly disallow any creditor claim or claim of security, preference, or priority not so proved, and shall within 180 days notify the claimant of the disallowance and the reason therefor. Mailing notice of the disallowance to the claimant's last address appearing on the insured credit union's books or on the proof of claim shall be sufficient notice. Unless, within 30 days after notice is mailed, the claimant files a written objection to the disallowance, disallowance shall be final. Those claims to which an objection is properly and timely filed shall be decided in accordance with the provisions of subsection (k).

"(E) PAYMENT OF CLAIMS.—The liquidating agency may pay creditor claims which are allowed by the liquidating agent or approved by a final determination by the liquidating agent in accordance with subsection (k), from time to time, in the liquidating agent's discretion, to the extent funds are available, in such manner and amounts as are authorized under this Act.

"(3) The liquidating agent shall—

"(A) retain for the account of the Board such portion of the amounts realized from any liquidation as the Board may be entitled to receive in connection with the subrogation of the claims of accountholders; and

"(B) pay to accountholders and creditors the net amounts available for distribution to them.

"(4) The liquidating agent may, in its discretion, pay dividends on proved claims at any time, and no liability shall attach to the Board itself or as such liquidating agent by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

"(5) The conservator or liquidating agent may request a stay for a period of up to 90 days after the appointment of the liquidating agent as to any legal action or proceeding to which the liquidating agent or the insured credit union is or may become a party. Upon petition, the court shall grant such stay as to all parties.

"(6) CONTRACTS.—

"(A) AUTHORITY TO REPUDIATE CONTRACTS.—The conservator or liquidating agent may disaffirm or repudiate any contract or lease the performance of which the conservator or liquidating agent in its discretion considers to be burdensome, and in its discretion considers the disaffirmance or repudiation of which will promote the orderly administration of the insured credit union's affairs:

"(i) If the conservator or liquidating agent repudiates or disaffirms any contract other than as provided in clauses (ii), (iii), and (iv), the claim for damages resulting from such repudiation or disaffirmance shall be limited to actual direct compensatory damages, and, in the case of contracts and agreements referred to in clause (v) of this subparagraph, shall be measured as of the date of disaffirmance or repudiation. There shall be no liability on the part of the conservator or liquidating agent for any other damages, including punitive, exemplary, or damages for lost profits or opportunity or damages for pain and suffering. With respect to contracts and agreements under clause (v) of this subparagraph, lost profits and opportunity shall be deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims, and, except as otherwise specifically provided, shall be paid in accordance with this subsection and subsections (j) and (k) of this section.

"(ii) If the conservator or liquidating agent disaffirms or repudiates a lease under which the financial institution was the lessee within 90 days from the date the Board is appointed or discovers the existence of the lease, the conservator or liquidating agent shall not be liable with respect to such lease, except that the lessor shall be entitled to the contractual rent for the period from the appointment to the date the notice of disaffirmance or repudiation is mailed or effective, unless the lessor is in default or breach of the terms of the lease, and the lessor shall have a claim to be paid in accordance with subsections (j) and (k) of this section for any unpaid rent, subject to all appropriate offsets and defenses (but shall have no claim for damages under acceleration or other penalty provisions), due as of the date of the appointment.

"(iii) If the conservator or liquidating agent repudiates an unexpired written lease of real property of the insured credit union under which the institution is the lessor and the lessee is not in default, the lessee under such lease may treat the lease as terminated by such repudiation; or, in the alternative, the lessee may remain in possession of the lease-hold interest for the balance of the term of the lease unless the lessee defaults under the terms of the lease. If such lessee remains in possession under the provisions of this paragraph, the lessee shall continue to pay the contractual rent, and may offset against the rent unpaid for the balance of the term after the date of the repudiation of the lease, any damages occurring after such date caused by the nonperformance of any obligation of the insured credit union under the lease after such date, but the lessee does not have any rights against the conservator or liquidating agent on account of any damages arising after such date from the repudiation, other than such offset.

"(iv) If the conservator or liquidating agent repudiates a written contract of the insured credit union for the sale of real property, which satisfies the provisions of section 208(a)(3), under which the purchaser is in possession and not in default, such purchaser may treat the contract as terminated, or in the alternative, may remain in possession of such real property. If the purchaser remains in possession, the purchaser shall continue to make all payments due under the contract, but may offset against such payments any damages occurring after the date of the repudiation of the contract caused by the nonperformance of any obligation of the credit union contained in the contract after such date, but the purchaser does not have any rights against the conservator or liquidating agent on account of any damages arising after such date from the repudiation, other than such offset; and the conservator or liquidating agent shall deliv-

er title to the purchaser in accordance with the provisions of the contract, but is relieved of all other obligation to perform under the contract. Nothing herein is intended to limit the conservator or liquidating agent's right to assign such contract and sell the property subject to the contract and the provisions of this paragraph. If such an assignment and sale is consummated, the conservator or liquidating agent shall have no further liability.

"(v) CERTAIN FINANCIAL CONTRACT.—

"(I) Subject to subclause (III) and clause (x) of this subparagraph, but notwithstanding any other provision of this Act (other than section 208(a)(3) of this Act), or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination or liquidation of a securities contract, forward contract or repurchase agreement, with an insured credit union based upon the appointment of the Board as conservator for the purpose of liquidation or liquidating agent or any rights under any security arrangement relating to the foregoing, or any rights to set off or net out any termination values, payment amounts, or other transfer obligations arising under or in connection with one or more such contracts and agreements, including any master agreement for such contracts or agreements: *Provided, however,* That if any party to such a contract or agreement shall bring any judicial action or proceeding against such conservator or liquidating agent or insured credit union, the provisions of subsection (b)(1)(A)(vi) of this Act shall be applicable.

"(II) Notwithstanding clause (vi) of this subparagraph, the Board, in its corporate, liquidation, and conservatorship capacities, shall have no authority to avoid any transfer of money or other property made in connection with a contract or agreement defined in subclause (III) except upon a showing of actual intent by such party to hinder, delay, or defraud such financial institution, the creditors of such financial institution, or the conservator or liquidating agent.

"(III) For purposes of subclauses (I) and (II), the following terms shall have the following meanings:

"(aa) The term 'securities contract' has the meaning given to such term in section 741(7) of title 11, United States Code, for purposes of section 555 of title 11, United States Code: *Provided, however,* That the term 'security' as used in such section 741(7) shall have the meaning given to such term in section 101(43) of title 11, United States Code, and shall include mortgage loans and interests herein: *Provided further, however,* That a participation in a commercial mortgage loan does not itself constitute a 'securities contract', unless the Board determines by regulation, rule, resolution, or order to include a participation in a commercial mortgage loan itself within such term.

"(bb) The term 'forward contract' has the meaning given to such term for purposes of section 556 of title 11, United States Code.

"(cc) The term 'repurchase agreement' has the meaning given to such term in section 101(41) of title 11, United States Code, for purposes of section 559 of title 11, United States Code: *Provided, however,* That the term ', mortgage-related securities (as such term is defined in section 3(a)(41) of the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.), mortgage loans, and interests therein' is inserted after the word 'States' the second time the word 'States' appears in such definition, inserted before the word 'with' in such definition, and inserted before the word 'as' the second time the word 'as' appears in such definition: *Provided further, however,* That a participation in a commercial mortgage loan does not itself constitute a repurchase agreement, unless the Board determines by regulation, rules, resolution, or order to include a participation in a commercial mortgage loan itself within such term.

"(dd) The term 'transfer' has the meaning given to such term in section 101(50) of title 11, United States Code.

"(IV) Notwithstanding any other provision of this Act or any other provision of Federal or State law, the provisions of subsection (k)(4) and section 208(a)(3) of this Act shall not apply with respect to any contract or agreement referred to in subclause (III) of this clause, so long as the person claiming under such contract or agreement has relied in good faith on a written representation and undertaking made by the insured credit union that the insured credit union has complied with and will continue to comply with the requirements of section 208(a)(3) of this Act.

"(vi) Nothing herein is intended to allow the avoidance of any legally perfected security interest in any of the assets of the institution except where such an interest is taken in contemplation of the institution's insolvency or with the intent to hinder, delay, or defraud the institution or its creditors.

"(vii) The conservator or liquidating agent shall determine whether or not to exercise the rights of repudiation under this section within a reasonable period following its appointment.

"(viii) If, pending its determination whether or not to exercise the right of repudiation under this section, a conservator or liquidating agent accepts performance by the other party to a contract for services, the other party shall be paid under the terms of the contract for the services performed as an administrative expense of such conservatorship or liquidation. Any claim of such other party for services performed prior to the appointment of the conservator or the liquidating agent shall be a claim to be paid in accordance with subsections (j) and (k) and shall be deemed to have arisen as of the date of the Board's appointment as such conservator or liquidating agent. Such acceptance of services shall not be a waiver of the conservator or liquidating agent's right to later repudiate.

"(ix) In effecting any transfer of assets or liabilities of an insured credit union, the liquidating agent or conservator shall either—

"(I) transfer to a single financial institution, as appropriate (other than an insolvent insured credit union), all financial contracts (as defined in clause (v)) of a party with such credit union, all claims of a party and its affiliates under financial contracts against such insured credit union (other than claims subordinated by any such financial contracts to the claims of general unsecured creditors), all claims of such insured credit union in default against such party and its affiliates under all such financial contracts, and all property securing claims under all such financial contracts; or

"(II) transfer no financial contracts of an insolvent insured credit union with the particular party or its affiliates, no claims of a party and its affiliates under financial contracts against such insured credit union, no claims of such financial institution against such party and its affiliates under such financial contracts, and no property securing claims under such financial contracts.

"(x) The conservator or liquidating agent shall use its best efforts to notify a party whether it has effected a transfer of assets and liabilities of an insured credit union in accordance with clause (ix)(I) prior to 12:00 local time on the business day following its first appointment. If a party to a contract or agreement specified in clause (v) of this subparagrpah is notified by the conservator or liquidating agent by the close of business on the business day following its first appointment as such that it has transferred to a single financial institution (other than an insured credit union in default) all financial contracts with the insured credit union for which it has been appointed as conservator or liquidating agent, all claims of a party and its affiliates under financial contracts against such insured credit union (other than claims subordinated by any such financial contracts to the claims of general unsecured creditors) all claims of such financial institution in default against such party and its affiliates under all financial contracts, and all property securing claims under all financial contracts, then the provisions of clause (v)(I) shall not apply. For purposes of this clause, the conservator or liquidating agent shall be deemed to have notified a party if it has taken steps reasonably calculated to provide notice to such party. As used in this clause, 'business day' means a day other than a Saturday, Sunday, or day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed. As used in this clause and clauses (ix) and (xi) of this subparagraph, the term 'financial contract' means a contract or agreement referred to in clause (v) of this subparagraph.

"(xi) Notwithstanding any other provision of this Act (other than subsections (b)(7) and (k)(4) of this section and section 208(a)(3) of this Act) or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination, liquidation, or acceleration of financial contracts with an insured credit union in a conservatorship based upon a default under such financial contracts enforceable under applicable noninsolvency law, or any rights under any security arrangement relating to such financial contracts, or any rights to set off or net out any termination values, payable amounts, or other transfer obligations arising under or in connection with financial contracts.

"(7) The conservator or liquidating agent may enforce any contract, other than a directors or officers liability insurance contract or a financial institution bond, entered into by the insured credit union, notwithstanding any provision of the contract providing for termination, default, acceleration, exercise of rights upon insolvency or the appointment of a conservator or liquidating agent or following such appointment. Nothing in this paragraph shall impair or affect any right, if any, of the conservator or liquidating agent that may have existed immediately prior to the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 to enforce or recover under a directors or officers liability insurance contract or financial institution bond with regard to institutions for which a conservator or liquidating agent has already been appointed before the date of the enactment of such Act or those institutions for which such appointment is made after such date. No extension of credit from a Federal home loan bank or Federal Reserve bank shall be subject to this subsection.

"(8) The Board as conservator or liquidating agent shall, consistent with its established accounting and reporting practices and procedures, keep a full accounting of each conservatorship and liquidation or other disposition of institutions and shall make such accounting or reports, as appropriate, regarding each such conservatorship or liquidation available to the Comptroller General of the United States or, in the case of a State-chartered credit union, the authority appointing the conservator or liquidating agent under State law, if appropriate, which report shall be available upon request to any shareholder or any member of the public.

"(9) In any case in which funds remain after all account holders, creditors, other claimants, and administrative expenses are paid, the liquidating agent shall distribute such funds to the insured credit union's shareholders or members along with the accounting specified in paragraph (8).

"(10) The Board may, any time 6 years after its appointment as liquidating agent of an insured credit union, destroy any records of such institution which the Board in its discretion deems to be necessary unless otherwise prohibited by statute or applicable regulation.

"(11) Notwithstanding any contractural provisions to the contrary, the applicable statute of limitations with regard to any action brought by the Board as conservator or liquidating agent shall be 6 years for contract claims and 3 years for tort actions, or in either case the applicable State statute of limitations. The statute of limitations on such actions shall not begin to run until the date of the appointment of the Board as such conservator or liquidating agent or the accrual of the cause of action, whichever is later.

"(12) Whenever the authority having supervision of any insured State chartered credit union appoints a conservator or liquidating agent for such State insured credit union and tenders appointment to the Board, the Board may accept such appointment. The Board as such conservator or liquidating agent shall possess all the rights, powers, and privileges granted by State law to a conservator or liquidating agent of a State insured credit union of any kind, in addition to and not in derogation of the powers conferred upon the Board under this Act. As such conservator or liquidating agent, the Board shall not be subject to the discretion or supervision of any other agency or Department, State or Federal, in the exercise of its rights, powers, and privileges. For the purposes of this section, the term 'liquidating agent' includes a liquidating agent, receiver, conservator, commission, person, or other agency charged by law with the duty of winding up the affairs of a credit union.";

(3) in subsection (c)—

(A) by striking out the 5th sentence of paragraph (1); and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) PAYMENT OF INSURED ACCOUNTS.—

"(A) In cases of liquidation, or other closing or winding up of the affairs of a closed insured credit union payment of the insured accounts in such insured credit union shall be made by the Board as soon as possible, subject to the provisions of subsection (h) of this section either by cash or by making available to each account holder transferred funds in a new insured credit union in the same community or in another insured credit union in an amount equal to the insured funds of such account holder.

"(B) The Board, in its discretion, may require proof of claims to be filed and may approve or reject such claims.

"(C) In the case of a disputed claim, the Board shall have the power to resolve such disputed claims according to rules and regulations established by the Board for that purpose with full regard for the due process rights of all parties.

"(D) Final determination made by the Board shall be reviewable by the Court of Appeals for the District of Columbia Circuit or the court of appeals for the circuit where the insured credit union is located.

"(E) Any request for review of a final determination by the Board shall be filed with the appropriate circuit court of appeals not later than 60 days after such determination is ordered.

"(F) In the absence of rules and regulations, the Board may require the final determination of a court of competent jurisdiction before paying such claim.";

"(4) by striking out subsection (j) and inserting in lieu thereof the following new subsection:

"(j) VALUATION OF CLAIMS AGAINST CREDIT UNIONS IN LIQUIDATION.—Notwithstanding any other law, State or Federal, or the constitution of any State, and regardless of the method which the Board determines to utilize with respect to an insured credit union, the following provisions shall govern the rights of the creditors (but not insured account holders) of such credit union:

"(1) MAXIMUM LIABILITY.—The maximum liability of the Board to any person having a claim against the liquidating agent of an insured credit union shall be equal to the amount such claimant would have received from the liquidating agent upon liquidation of such institution.

"(2) ADDITIONAL PAYMENT AUTHORIZED.—The Board may, in its discretion, pursuant to section 208, use its own resources to make additional payments or credit additional amounts to or with respect to or for the account of any claimant or category of claimants: Provided, That the Board shall not be obligated as a result of having made any such payment or credited any such amount to or with respect to or for the account of any claimant or category of claimants, to make payment to any other claimant or category of claimants.

"(3) The Board may make the payments or credit the amounts specified in paragraphs (1) and (2) directly to the claimants or may make such payments or credit such amounts to an open insured financial institution to induce the open insured financial institution to accept liability for such claims."; and

(5) by adding at the end thereof the following new subsection:

"(k) RULEMAKING AND CLAIMS DETERMINATION AUTHORIZED.—

"(1)(A) The Board shall have the power to make rules and regulations for the conduct of conservatorships and of liquidations where it is so appointed and the Board may, by regulation or order, provide for the exercise of functions by members or directors, or officers of a credit union during conservatorship or liquidation.

"(B) The Board shall also have the power to make rules and regulations regarding the allowance of claims and the administrative adjudication of claims.

"(C) No court shall have jurisdiction over any claim or action seeking payment from, or a determination of rights with respect to, the assets of any credit union for which the Board has been appointed conservator or liquidating agent, including assets which the Board may acquire from itself as such conservator or liquidating agent, or with respect to any act or omission of the institution or the Board as conservator or liquidating agent, except as set out in this subsection.

"(2) The Board shall have 180 days from the date a claim is timely filed under subsection (b)(2)(C) to determine whether or not to allow the claim. The amount of time for such a determination may be extended in writing by the claimant and the Board.

"(3) Within 60 days after the end of the period provided in paragraph (2) of this subsection, or within 60 days after the Board denies the claim, whichever is sooner, a claimant may either seek review within the Board under paragraph (6) or file a suit in the district or territorial court of the United States held within the district in which the credit union's principal place of business is located or in the district court for the District of Columbia, or to continue a suit filed before the appointment of a liquidating agent.

"(4) The Board shall establish a procedure for expedited relief outside of the routine claims process for claimants with legally valid and perfected security interests who allege irreparable injury if the routine claims procedure is followed. 60 days after the filing of a request for expedited relief, or as soon as the Board denies the claim, whichever is sooner, the claimant shall be permitted to file or continue a suit filed before the appointment of the liquidating agent with respect to such security interest but only as to the claimant's rights as to such security interest. If suit is not filed, or motion to renew a previously filed suit is not made, within such 60-day period, the claim shall be deemed disallowed, such disallowance shall be final and the claimant shall have no further rights or remedies.

"(5) There shall be no judicial review of the Board's decision not to allow a claim under paragraph (2). A claimant's only remedy shall be to file or continue a suit as provided in paragraphs (3) and (4).

"(6) If a claimant elects to seek review under this paragraph in lieu of filing suit under paragraph (3), the Board shall consider the claim de novo after opportunity for a hearing on the record. The final determination of the Board with respect to such claim shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(7) The Board shall establish such alternative dispute resolution processes as may be appropriate for the resolution of claims under this section. In creating such processes, the Board shall strive for procedures which are expeditious, fair, independent, and low cost. The Board may establish both binding and nonbinding systems, which may be conducted by any government or private party, but all parties, including the claimant and the Board, must agree to the use of the process in a particular case. The Board shall seek to develop incentives for claimants to participate in the alternative dispute resolution process. The Board shall report to the Congress within 180 days of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, on such systems and incentives.

"(8) No agreement which does not meet the requirements set forth in section 208(3) shall form the basis of, or substantially comprise, a claim against the liquidating agent or the Board.

"(9) The Board may not by regulation or rule disturb the final nonappealable adjudi-

VOL 135 PT 9 JE 14 — 22 1989 UMI

cation of a court rendered prior to the appointment of the Board as conservator or liquidating agent. In the event of such a judgment, the liquidating agent shall have all the rights and remedies available to the institution prior to failure and the Board in general, including removal to Federal court and all appellate rights, but shall not be required to post any bond in order to pursue such remedies.

"(10) No attachment or execution may issue by any court upon assets in the possession of the liquidating agent.".

(b) Section 206(h)(3) of the Federal Credit Union Act (12 U.S.C. 1786(h)(3) is amended by adding at the end thereof the following sentence: "Except as provided in this paragraph, no court may take any action, except at the request of the Board by regulation or order, to restrain or affect the exercise of powers or functions of the Board as a conservator.".

The CHAIRMAN. Under the rule, the gentleman from Nebraska [Mr. HOAGLAND] will be recognized for 5 minutes in support of his amendment and the gentleman from Nebraska [Mr. BEREUTER] will be recognized for 5 minutes.

Mr. HOAGLAND. Mr. Chairman, I'd like to offer an amendment today which is technical and conforming in nature but very important in substance.

It provides to the National Credit Union Administration the statutory authority to continue doing what it has been doing: regulating the federally insured crecdit unions of this country in an effective and successful manner.

In the past, the NCUA has had to rely upon case law construing the statutory authority of the FDIC and the FSLIC to demonstrate its authority in liquidation and conservatorship situations. Under H.R. 1278, the statutory authority of the FDIC will change significantly, but the NCUA will be left out in the cold. It may be unable to cite FDIC case law, because the statutory laws for FDIC will have been revised.

This amendment seeks to bring NCUA's authority into conformity with the authority granted to the FDIC for liquidation and conservatorship purposes, and to clearly delineate NCUA's authority and duties as conservator and liquidating agent. In this way, the amendment seeks to mirror the commendable work Chairman GONZALEZ has done in clarifying the liquidation and conservatorship provisions of Federal Banking laws in H.R. 1278.

I am pleased to be able to say that the Chairman of the House Banking Conmittee and officials of the National Credit Union Administration strongly support the adoption of the amendment. It needs to be done.

The credit unions of this country, through their representatives, have been most helpful in developing this amendment. It is not accident that the credit union insurance fund is the healthiest of the three insurance funds. In light of the experiences occasioning this bill, it is crucial we keep it that way. Credit unions take a proprietary—even a jealous—interest in the health of their insurance fund. To their credit, they have generally supported enhanced enforcement authorities for the NCUA, as well as regulatory efforts to minimize insurance fund losses.

They are to be commended for their work in developing this amendment. I thank them for their cooperation.

I appreciate very much the work of Chairman MOAKLEY in allowing me to present this amendment. With Mr. BEREUTER of Nebraska, I urge my colleagues to adopt it. Thank you, Mr. Chairman.

Mr. HUBBARD. Mr. Chairman, I rise in support of the amendment offered by my good friend, PETER HOAGLAND of Nebraska.

On June 2, the subcommittee on general oversight and investigations of the House Banking Committee that I chair, and on which Congressman HOAGLAND is a member, held a hearing in Congressman HOAGLAND's district, in Omaha, NE. During this hearing we heard the testimony from the National Credit Union Administration on legislative initiatives that could be implemented to increase their ability to adequately supervise credit unions to ensure the continued safety and soundness of these institutions.

This amendment will maintain the regulatory authority of the NCUA on the same level as the Federal Deposit Insurance Corporation [FDIC] after the passage of H.R. 1278.

I congratulate the gentleman from Nebraska on his good and needed amendment, and I urge its adoption.

Mr. HOAGLAND. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR]

Ms. OAKAR. Mr. Chairman, I rise in support of the amendment offered by my colleagues, Messrs. HOAGLAND and BEREUTER, with whom I am pleased to serve on the Banking Committee. I applaud the gentlemen from Nebraska for their work on this amendment.

Mr. Chairman, I am proud to be an ardent supporter of the role credit unions play in the Nation's financial marketplace. I know that most Members of this body recognize the special mission which the Nation's credit unions carry out—namely to provide basic, low-cost financial services to nearly 60 million Americans, many of whom would be denied such services if it were not for credit unions.

There is one thing which I would like to mention to my colleagues which each of you should be aware of in this time of economic uncertainty—and that is the safety and soundness of the Nation's credit union community. Mr. Chairman, we should note that since the voluntary 1984 recapitalization of the National Credit Union Share Insurance Fund—legislation which I am pleased to have helped steer through Congress—it has been by far the strongest of the three Federal deposit insurers. Furthermore, while the FDIC and FSLIC were busy closing down a record high number of banks and savings and loans last year, the NCUSIF closed down a record low number of credit unions.

To my colleagues who are wondering why we are talking about credit unions in this emergency legislation, I want to state for the record that it is not because we are experiencing—or expecting—problems with credit unions. We are not. Rather, this is merely a technical amendment to provide the National Credit Union Administration with authorities which are uniform with powers available to bank and savings and loan regulators.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of the amendment being offered by my distinguished colleague from Nebraska [Mr. HOAGLAND].

As the gentleman knows, the Omaha-Council Bluffs metropolitan area and our entire State were recently shocked by the failure of a credit union in Nebraska which has become one of the largest credit union failures in the history of the NCUA.

While I do not believe that one credit union failure is indicative of wholesale or widespread problems in the credit union industry, the ability of this $40 million fraudulent scam to occur should give us pause to consider the adequacy, and more importantly, the quality of the current regulation of federally insured credit unions.

Of course, the bulk of this legislation quite properly pertains to regulation and restructuring of the savings and loan sector and it ensures that the Federal insurance funds for savings and loan institutions and commercial banks remain sound. Congress also has a responsibility to ensure that the regulatory problems which have occurred in the S&L industry do not similarly afflict our Nation's credit unions.

The amendment which my colleague offers today is a reasonable and necessary one that will grant to the National Credit Union Administration the same authority as that given to the FDIC and the FSLIC so as to manage the assets of failed institutions which are in liquidation or conservatorships. The amendment provides for procedures that will be consistent with the procedures and caselaw applicable to the FDIC and the FSLIC.

While the regulated industry surely should not ultimately be determining what powers the regulator should have, it is noteworthy that this

amendment has been reviewed and approved by the NCUA, and association representatives from the Credit Union National Association [CUNA], and the National Association of Federal Credit Unions [NAFCU].

I would also note that a previous amendment offered by my colleague from Nebraska [Mr. HOAGLAND] for himself, for the distinguished gentleman from Kentucky [Mr. HUBBARD] and this Member, to strengthen the annual audit requirement for credit unions, and an amendment by this gentleman which authorizing a GAO study of a variety of credit union issues, were both adopted by the Banking Committee during markup. Both are also important to credit unions and the security of the credit union insurance fund and they are complimentary to the Hoagland amendment. This Member intends to work hard to ensure that these amendments, and the one being offered today, survive in the conference with the other body.

Again, I support the amendment offered by my colleague, and I urge its adoption.

Mr. HOAGLAND. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, I rise to express my support for and reservations about H.R. 1278, the savings and loan bailout bill. The Federal Government's responsibility to restore the stability of the savings and loan system is unquestioned. Savings and loans have historically performed a critical role in assisting people to realize the American dream of owning their own home. These institutions also hold the deposits of millions of Americans. We clearly must restore the viability of these institutions to protect their depositors. We also must make changes so that the abuses, the fraud, and the mismanagement which played a major role in the creation of this financial mess are never allowed to be repeated.

The Federal Government has no choice but to stabilize the savings and loan industry. That requires strengthening regulations and enforcement and guaranteeing deposits. I am concerned, however, about the cost of this program and where that burden will ultimately fall. It seems to me that there should be procedures in this bill to place additional responsibility on those responsible for the vast majority of failures. After much contemplation, I have decided to support this measure because failure to do so would only leave a worse, more costly, problem to be confronted in the future. Simply put, the crisis must be dealt with and dealt with now.

Under H.R. 1278, thrifts will be required to maintain a larger cushion of capital to absorb losses. The savings and loan insurance system will be better prepared to handle future savings and loan failures as a result of an increase in the insurance payments paid by thrifts and commercial banks. Insolvency will become less likely thanks to new standards which I trust will be strongly enforced by a newly restructured system of regulations. And fines will be levied on violators of those regulations. These reforms are urgently needed to restore confidence and reliability in this industry. In my view, they are the heart of this legislation because they are designed to see that we do not permit the irresponsible acts that contributed to this situation to happen again.

If H.R. 1278 is adopted, its greatest contribution will be in preventing another crisis like the one currently overwhelming so many savings and loans. The solvency of the savings and loan industry involves more than the health of a business proposition. This industry is tied to a basic tenet of the American dream. It's time to get the thrifts back into the business of providing stable, affordable mortgages to home buyers and out of the speculative ventures and high risk gambles that have created, in large part, the mess they are in today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. HOAGLAND].

The amendment was agreed to.

Mr. RICHARDSON. Mr. Chairman, we are all very aware of the current crisis in the savings and loans industry. But, what about the depositors?

Individuals, their life savings insured by the Federal Government, expected their money to remain safe and secure. Instead, mismanagement and fraud, by a few "bad apples" threatens to destroy the entire industry.

Now the people of the United States will have to pay to close or restructure these institutions in order to pay back the depositors. And they are not happy.

The Federal Government instilled in the people the assurance that their money would remain safe if in federally insured institutions. Now that some of these institutions are in trouble, we have no choice but to bail them out. We cannot let the depositors suffer.

In exchange, we owe the taxpayers three things: First, to prevent a situation like this from ever happening again; second, to establish severe penalties for the abuse, misuse or fraud against federally insured institutions, and; third, to ensure that the Nation's taxpayers do not bear the financial burden of this legislation.

I am not condemning the entire savings and loan industry, however, I am condemning the 500 savings and loans that were operating in an unsafe and unsound manner and exposing their institution's funds to imprudent risks.

Mr. Chairman, I believe the savings and loan industry is important to the financial well-being of our communities, our businesses, and home ownership. However, I also believe that they must pay for their misconduct, not the American taxpayer.

Mr. DANNEMEYER. Mr. Chairman, there are certain things which must be said at this juncture, as Congress is trying to resuscitate FSLIC, the Government-owned and operated deposit insurance system for the thrift industry, which has been brain-dead for many a year.

The savings and loan industry had a great mission in this country. It was to gather funds for the benefit of the homemakers, and to reward the savers whose thrift made the American dream a reality. There is no question that, under a regime of stable prices and interest rates, the savings and loan industry could fulfill its mission and flourish. Deposit insurance was designed to serve as a safety net, not as a milch cow.

But a funny thing happened on the way to the forum, before the American dream could be fulfilled. In 1968, Congress eliminated the gold reserve requirement of the Federal Reserve notes, and thus let the genie of inflation out of the bottle. The reason given for this mindless act was the need to make good on America's pledge that the dollar was as good as gold, and that America was going to honor its commitment to pay out gold to foreign holders of dollars down to the last bar in Fort Knox. When in 1971, President Nixon temporarily shut the gold window, no mention of America's pledge to foreigners was made. The cork was blithely thrown away, and with it our chance that the genie of inflation might be put back into its bottle.

The intervening years have clearly demonstrated that the dire predictions of monetary scientists, warning of the dangers of irredeemable currency, were well-founded. The genie of inflation ushered in the regime of high and increasingly volatile prices and interest rates. High prices robbed the wage earners of their reward for an honest day's work. High-interest rates, far from helping the savers, ruined the capital of the producers, the productivity of the wage earners, and the balance sheets of the banks. We make a financial distinction between solvent and insolvent savings banks. But if we apply strict accounting standards, then all our financial institutions are insolvent. Solvency nowadays is established by cooking the books, that is, by carrying assets at a figure far higher than true market value, and by the sleight of hand of goodwill, tailormade to cover the shortfall.

A counsel of perfection was dollar stabilization. It would have arrested not just the obvious price-spiral, but also the less conspicuous, albeit more insidious interest-rate spiral plaguing our economy. The books of the savings banks could have been balanced easily in a stable-interest environment.

Instead, we followed the counsel of despair. We called for deregulation. Like first graders having been invited by the teacher to help themselves at the candy store, the managers of our savings banks went on a wild binge. They invested in everything short of mortgages on real estate in the Moon. They thought they were playing "heads—I win; tails—your lose". They would keep the profits, but would pass on the losses to the taxpayer.

As this debate in the House shows, we are still not ready to learn the lessons from this bitter experience. Evil is not the thrift industry or its managers; evil is not the deposit insurance system; evil is not deregulation per se. Evil is the government which deliberately engages in the debasement of its own currency. No bailout plan, regardless of how many billions of dollars are earmarked for it, can possibly succeed until we realize that central fact. Congress, in all humility, must admit its full share of the blame for the fiasco.

According to Federal Reserve Chairman Alan Greenspan, the genie of inflation is a one-armed bandit, the one arm being the price spiral, and he pledges to disarm it. But

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. Greenspan is mistaken. The genie of inflation is, in fact, a two-armed bandit. It has a second arm: the interest-rate spiral. As Mr. Greenspan attempts to disarm the first, it will continue to deal its deadly blows to the economy with its second free arm, the existence of which we even refuse to admit. Our blindness to this second arm of the genie of inflation also spells the doom of the bailout plan we are here to debate today.

I wish to sound the alarm, with all the earnestness that I can muster in this hour of great need, that this House is about to throw taxpayer money at a problem without understanding the nature of the problem itself. The same problem will come back later with a vengeance. But by that time it may be of unmanageable dimensions—unless we wake up and address the underlying cause, the ailing dollar. Congress must stop the rot, and offer its won propitiation for past errors of omission and commission in the monetary arena. Congress must stabilize the dollar.

Mr. ROWLAND of Connecticut. Mr. Chairman, today we are debating equity and fairness. Within Chairman GONZALEZ's en bloc amendment is an amendment offered by my colleague Mr. HAWKINS, the chairman of the Education and Labor Committee, which would eliminate the provision in H.R. 1278 which places a 2-year moratorium on the FDIC extending passthrough insurance to deposits from pension plans.

For many years, insurance companies in the U.S. have been providing pension managers with secure investment opportunities through guaranteed investment contracts [GIC's]. Within the past 2 years, banks have begun to enter this market by offering bank investment contracts [BIC's]. Mr. Chairman, those who know me, know me to be one who ardently advocates competition in the marketplace. However, if competition is to work, those competing must play on equal terms. The banks offering BICs do not play fair.

The BIC, Mr. Chairman, has an unfair advantage over the GIC of exactly 100,000 times. That's because every BIC depositor is insured by Uncle Sam, the FDIC, and the American taxpayer to the tune of $100,000. The insurance company GIC, however, has no such backing. The GIC's backing is the hard work and business acumen of the insurance company. If anyone were to describe this situation as fair competition, I would know that I was speaking to a fool.

I am not saying that banks should not be allowed to compete with GIC's for pension fund investors. H.R. 1278, as it stands now, would not prevent that in the least. What the bill does provide for, is that banks and insurance companies would have to offer their BIC's and GIC's on an equal footing. Even then, the moratorium on extending "pass through" would only last until a study on the "past through" issue is completed. Banks and insurance companies with equal credit worthiness should compete for the pension fund investors, but the banks and thrifts should not have FDIC backing during the time the study is being conducted.

Mr. Chairman, it is very much the case that savings and loan and banks with credit ratings of B, or perhaps worse, are offering BIC's, backed by the FDIC, and taking business away from AAA-rated insurance companies. Mr. Chairman, if the B-rated savings and loan becomes insolvent, and let us not forget that the business before us is precisely that—insolvent savings and loans and what to do with them—the FDIC will have to cover every single BIC depositor. The FDIC's role in the bailout is work enough. Let's not make the job that much harder, costly and unworkable. In the name of fairness, defeat the Hawkins' amendment. Thank you, Mr. Chairman.

Mr. SLATTERY. Mr. Chairman, Groucho Marx once said, "Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies."

This certainly is true of section 1003 of H.R. 1278, which would preclude the FDIC for the next 2 years from extending deposit insurance to pension plans on a passthrough basis with respect to any new deposits made after April 6, 1989.

Over the years, many pension funds have invested a substantial portion of their asset portfolios in time deposits, such as certificates of deposit, offered by banking institutions. This is especially true of small funds and State and local pension funds.

Time deposits have proved attractive because of their competitive rates of return and their safety. Undoubtedly, the existence of passthrough FDIC insurance has been a significant factor in this investment decision. No one has ever expressed concern to me about any problems that exist with these investments.

Based on an incorrect analysis of the Internal Revenue Code, some proponents of section 1003 have told Congress that the proposed restrictions would not affect State and local Government pension plans. This is not the case. Public plans hold hundreds of billions of dollars in cash deposits and investments in the Nation's financial institutions, and the millions of pension plan participants and retirees rely on the security provided by deposit insurance.

The availability of passthrough deposit insurance has been an important incentive for public plan investment managers to retain funds in demand and time accounts and to invest in certificates of deposit and overnight accounts. Without deposit insurance, this investment strategy will have to be reevaluated. It seems ironic to me that while Congress is striving to reestablish the stability of our financial system, a provision which would encourage disinvestment in banks and savings and loans has been included in H.R. 1278.

In my home State of Kansas, the Kansas Public Employee Retirement System [KPERS] held $110,900,000 in pension funds in cerificates of deposit offered by banks across the State at the time this matter was first taken up by the House Banking Committee. Those certificates of deposit were up for renewal on June 3 of this year. This money is resting safely in Kansas financial institutions, helping to provide capital for economic expansion across the State. Under the provisions of section 1003, KPERS was able to rollover those CD's and maintain insurance coverage, but no new deposits by KPERS in Kansas financial institutions could be made. There is no good reason to take these additional funds contributed by public employees in the State of Kansas and invest them in the stock market instead of in home State financial institutions.

The amendment offered by the House Education and Labor Committee leadership would provide for a 6-month study by the FDIC with respect to the need of such a legislative denial of the passthrough protection for these classes of deposits to individual participants. It is only simple common sense to first determine if there is a problem that needs correcting before we make permanent law changes that could affect pension fund security. I urge my colleagues to join me in supporting this amendment.

Mr. GRADISON. Mr. Chairman, 3 years ago, I was one of about a dozen House Members who voted against the previous S&L bailout bill. At that time, I said my vote was based on three deficiencies in the legislation:

First, that the funding was off-budget; second, that the resources being provided were inadequate; and third, that much needed reforms were essentially absent.

Today, regrettably, I find myself in much the same situation. While I am pleased that the House bill, H.R. 1278, dictates on-budget financing, the resources provided in this legislation to shut down insolvent thrifts are likely to fall well short of what is needed. For this reason alone, we are likely to be back for another go around. This will also raise the total cost.

Unlike the last bailout, this bill does contain reforms. Unfortunately, I believe the way in which they are drafted risks failure.

My detailed evaluation of this problem is presented in my RECORD statement of May 2, 1989, so I will not burden my colleagues further with anything more than a summary of my principal concerns.

If this bill becomes law, special interests will have won a clear victory over the American people. This reform package is unnecessarily complex and convoluted. It sets up a regulatory system without clearly identifying and defining authorities and responsibilities. In fact, on careful reading, it almost appears as if legal obfuscation is one of the objectives.

H.R. 1278 provides unwarranted administrative loopholes and ambiguities and overlapping and confusing bureaucratic jurisdictions. It vests unintended and unwise discretion with the regulators. I think the program prescribed in this bill is unadministerable; certainly, it is inefficient. This bill blurs important distinctions between governmental and private responsibilities. These deficiencies will make it more difficult for Congress to perform its oversight function. And given our recent history of oversight, this is not a minor point.

The various entities created by this bill will be outside the purview of civil service pay and position classifications. Apparently, salaries will be determined by the entities themselves, and without the pesky constraints, such as salary caps, normally applicable to government workers and agencies. So, don't be surprised when your constituents question the excessive salaries in those new agencies. I fail to see why these government employees should receive more compensation than, say, the Secretary of the Treasury who, after all, is supposed to be in charge.

We do our constituents a disservice by enacting this legislation. Despite the potential additional cost of further delay, I believe it would be better to start over from scratch. I am not convinced it would be more expensive if we were to stop and go back to the drawing board, if in doing so we come up with a more rational bill.

Mr. ACKERMAN. Mr. Chairman, in the early 1980's, faced with large numbers of failing thrift institutions and limited funds, the Federal Savings and Loan Insurance Fund [FSLIC] undertook an aggressive program of merging small failing S&L's with healthier institutions. Over 700 thrifts agreed to assist the Government by acquiring troubled thrifts on the basis that goodwill generated in the supervisory acquisitions would be treated as capital and gradually be eliminated through amortization over a period of up to 40 years. The Government had no cash to provide acquirers and therefore offered to use goodwill to make up the difference between the liabilities and the assets of the acquired institutions. Those mergers would not otherwise have been accomplished, and there would have been a great burden placed upon the American taxpayer.

Under the legislation we are considering today, the ability to count supervisory goodwill as capital would be eliminated. In its present form, H.R. 1278 would abrogate written agreements made by the U.S. Government to thrifts that acquired failing institutions by changing the rules in the middle of the game and no longer counting goodwill as capital after a 4-year transition period. In effect, the Government is saying, "Thanks for your help, but we don't need you anymore, so we're breaking our promise."

The treatment of goodwill under new capital standards is an issue of equity as well as the perceived credibility and integrity of our Government. Federal regulators approached healthy S&L's and asked for their assistance in resolving insolvent institutions because the Government itself could not cover the cost of liquidating the sick thrifts. As a tradeoff, the Government promised that in lieu of cash payment, supervisory acquirers could recognize goodwill as capital and depreciate it over time.

Many savings and loan institutions trusted the Federal Government, depended on the Government's word, and acquired failing S&L's. It would now appear that thrifts that relied in good faith on the word of the Federal Government did so to their detriment. Under H.R. 1278, institutions that acquired supervisory goodwill would be victimized for trusting bank regulators and accepting their word that they could count capital as goodwill for a number of years. The sudden loss of capital would place hundreds of thrifts in financial jeopardy, if not insolvency, resulting in further obligations by the Federal thrift insurance funds. Reneging on this promise will clearly undermine confidence in the Federal Government. It will bring into question whether the Government is trustworthy, whether it is to be believed. At a time when thrifts will be trying to increase their capital to meet the new requirements, investors and healthy financial institutions will be wary of cooperating with Federal efforts to dispose of insolvent institutions through mergers or sales.

The Federal Government made a deal with healthy thrifts that should be kept. I urge my colleagues to take action to ensure that the Government does not break its commitment to recognize supervisory goodwill as capital.

Mr. EVANS. Mr. Chairman, although I commend the hard work of the members of the Banking Committee as well as members of the other committees that had jurisdiction over the legislation, I must oppose it for several reasons.

I feel very strongly that we cannot ask the average American taxpayer to fund the bailout of an industry that has failed due in large part to fraud, mismanagement, and lax supervision. Why should we ask the average taxpayer to assume the costs of this bailout that will deprive them of funding for domestic programs that have already been slashed to the bone during the Reagan administration. These citizens did not benefit in any way from the rampant speculation that contributed to this problem. Why should they pay?

To make matters worse, we don't know for sure what we will pay for this bailout. By spreading the costs over 30 years, we both increase them and make them harder to estimate. I cannot approve legislation that obligates our taxpayers, their children and grandchildren to an unspecified amount of tax dollars for this bailout. There is every reason to believe that the administration's figures on the costs are low. Their estimates of the price tag rely heavily on rosey assumptions of future interest rates and unrealistic estimates of savings and loan growth.

I believe that we need to take the honest approach—pay for the bailout in 3 years with new revenues. We could clean up this mess for approximately $15 billion a year for 3 years—saving the $150 billion that will be required to spread the costs over 30 years. And, we could do this by increasing taxes on the highest income individuals and corporations—the people who can best afford to pay and who will benefit the most from the bailout.

In addition, I am concerned that this legislation does not provide adequate assurances that the savings and loans will serve their original purpose of providing mortgage funds for moderate income and first-time home buyers without discrimination. This bill does not ensure that the industry serves this public purpose.

For these reasons, I must cast my vote in opposition to this legislation.

Mr. BRENNAN. Mr. Chairman, I rise today to urge my colleagues to support tough capitalization standards for savings and loans, including the phaseout of goodwill. The genesis of the crisis was the fact that thrift operators could put millions in highly speculative investments and not worry about the return, because if the investment failed the bill was going to be paid by Uncle Sam. Tough capital standards put the thrift operators money at risk in an investment, Just like the money of an individual investor and, lest we forget, the American taxpayer.

Mr. Speaker, I know the real issue in the debate with regard to capital has been goodwill. Goodwill is an accounting device that lets thrifts count what is in many cases essentially thin air as capital. If we were to allow thrifts to use goodwill in their calculations, we would be cutting the tough capital standards in H.R. 1278. I have little sympathy for those who are saying they had a contract with the Government. These thrifts knew full well what they were undertaking when they acquired failing thrifts, and they did not do so because they were in a charitable mood—they did it because they viewed it as good business.

I do not wish to condemn all savings and loan institutions, indeed, most of them are solid and responsible. But if we here in this house are to craft a bill that is also sound and responsible, we must make it clear where we stand. We stand for fairness: The gradual elimination of goodwill is fair both to those thrifts who have goodwill and those investors, and taxpayers, who want security. We stand for integrity: Requiring thrifts to more honestly account when calculating their own risk means good, solid investments by thrifts. Finally, and most importantly, we stand for justice. The level of greed and white-collar crime that caused this crisis is a disgrace, and while I stand strong for the full prosecution of those who are criminally responsible, I want to ensure that such a crisis never occurs again. The key to doing this is to require the strongest capital standards possible.

Mr. Chairman, we must take care not only to dispose of the mess created by this crisis, but also prevent it from happening again. Eliminating goodwill over a period of time is sound accounting and responsible public policy. I urge my colleagues to support tough capital standards and the phaseout of goodwill.

Mr. WEISS. Mr. Chairman, I rise today to support the bill H.R. 1278, to reform and recapitalize the savings and loan industry, with several amendments. I must stress that my support for this bill is not without reservation, especially considering the enormous cost of this bill to American taxpayers.

There are three essential sections in this bill which I wish to discuss. They are the strong capital standards currently in the bill, the Ways and Means Committee proposal to put the financing on budget, and the Gonzalez-Kennedy provisions in the bill to create an Affordable Housing Program and a Community Investment Program.

Strong capital standards are the key to the bill before us this week. The Bush administration, the House Banking Committee, industry experts, and consumer groups all recognize that the lack of adequate private, tangible capital requirements for thrifts was a major cause of the current crisis. If we are going to ask the American taxpayers to contribute hundreds of billions of dollars toward rescuing the ailing savings and loan industry, imposition of these standards is imperative to increase consumer confidence and to minimize the risk of future failures and additional bailouts.

I would remind my colleagues that the capital standards provision in the bill before us, and in the Gonzalez amendment, represents a reasonable compromise between the needs of American consumers and taxpayers and the concerns of healthy institutions which may be affected by the bill. It gives thrifts 5 years to phase out the use of supervisory goodwill as an asset and to meet a 3-percent minimum tangible capital requirement, far less than is

expected of national banks. This reasonable provision is crucial to the bill as it is before us today.

Also crucial to the interests of taxpayers in our consideration of this bill is the outcome of the vote on the Ways and Means Committee amendment to put the financing of this bailout on budget. The Congressional Budget Office has estimated that making the Resolution Funding Corporation [REFCORP], which would be responsible for raising the funds for dealing with insolvent savings and loans, an on-budget Government corporation would save the American taxpayer at least $5 billion over the life of this bailout. It is incumbent upon us, as we prepare to approve a $150 billion expenditure, to do whatever we can to lighten the burden of this legislation on the average taxpayer, and this amendment would do just that. I urge my colleagues to support the Ways and Means Committee amendment.

Mr. Chairman, among the most important provisions in this bill are those that have been least discussed, but which address the fundamental problem that savings and loans were created to address, and that is the need for financing for affordable housing in our Nation. This huge taxpayer bailout of the savings and loan industry is only palatable because of what savings and loans represent to millions of low- and moderate-income homeowners across the Nation, and that is a source of financing for purchasing those homes.

Mr. Chairman, since 1980, Federal spending on housing has decreased by 70 percent. The incredible rise in homelessness, among not only those in poverty but also families of some means, is largely due to the abandonment of the Federal Government's commitment to providing housing for people of low- and moderate-income. The 101st Congress must begin to do something about this tragic reversal in policy. While the housing provisions in this bill are by no means a solution—in fact, the bill authorizes only $75 million a year for housing programs, a paltry sum considering the magnitude of our housing crisis—they do represent a step in the right direction.

An amendment will be offered during consideration of the bill to remove the housing provisions, by Members who consider $75 million a year to be too great a financial burden on the thrift industry. Let me remind my colleagues that the thrift industry earned $1.5 billion in profits in 1988, and requiring a small fraction of those profits to be used for a public purpose is a small price for an industry that is about to be the beneficiary of the biggest Government bailout in American history. I urge my colleagues to vote against the Bartlett-Barnard amendment.

Mr. Chairman, it is my hope that with the passage of this bill, Congress can clean up the current mess in the savings and loan industry, prevent another recurrence of this crisis, and set us on a course toward addressing the housing shortage in our country today.

Mr. PICKLE. Mr. Chairman, I support H.R. 1278, the Financial Institutions Recovery, Reform, and Enforcement Act of 1989. I salute the work of the Banking Committee, and its chairman, Mr. GONZALEZ, my distinguished colleague from Texas. The Banking Committee has brought to the floor a bill which will fulfill the Federal Government's commitment to insure the deposits of the average saver who placed his faith in savings and loan institutions.

Equally important, the bill sees to it that another savings and loan crisis does not arise by insisting on strict capital standards for S&L's. It also establishes reasonable enforcement mechanisms, like those for banks, for S&L's which fail to meet capital standards.

I am glad to see that the Banking Committee has toughened capital requirements, so that the fraud, abuse, and plain bad judgment that led to the current crisis cannot happen again.

But I want to be sure that these tougher requirements do not penalize those thrifts with good, honest management, which are the victims of hard economic conditions and weak real estate markets. These are often small thrifts, which serve their communities well, which are doing an honest job, but might not be able to meet the new capital requirements.

It will be hard for these small thrifts, in the midst of a real estate depression, to attract the capital needed to meet the new standards. It is my hope that the FDIC work with these thrifts to bring them into compliance with the capital standards, so that they can continue to serve their communities.

Mr. Chairman, the FDIC must move quickly and forcefully to close S&L's which cannot survive and have abused the trust that depositors placed in them. But for those S&L's which have a proven track record of good, honest management, the FDIC should give them every chance to pull through hard times. The marginally safe S&L's are doing a good job against great odds. We need to infuse them with some new capital, and the FDIC can and should do that. These independent locally owned institutions are a good investment. I call on the FDIC to help them and to help them now.

Mr. EVANS. Mr. Chairman, a combination of economic factors, fraud, mismanagement and lax supervision, brings us here today to vote on the biggest ever taxpayer bailout of an industry. I share the outrage of American taxpayers who are being asked to pay hundreds of billions of dollars to rescue the savings and loan industry.

If the taxpayers are going to be asked to fund the cleanup of this mess, we have a responsibility to demand certain reforms. First, S&L's must be tightly regulated. The laissez-faire policy of the Reagan years has gotten us to this point. Second, we must ensure that S&L's serve their original purpose of providing mortgage funds for moderate income and first-time home buyers—no more junk bond investments or discriminatory lending practices. And third, we must see that the average taxpayer does not bear the brunt of the costs of this cleanup. They neither caused nor benefited from the rampant speculation that contributed to this failure.

In this vein, I would like to submit for the RECORD a letter I received from Ms. Joan Claybrook, president, and Ms. Sherry Ettleson, staff attorney of Public Citizen:

PUBLIC CITIZEN,
June 6, 1989.

DEAR REPRESENTATIVE: Soon you will be asked to vote on the savings and loan bailout—which is now estimated by GAO to cost a staggering $285 billion. Unless the S&L bailout is paid for equitably—and with reforms to ensure this fiasco never happens again—this bill will be one of the greatest consumer ripoffs in history.

The S&L collapse was caused by a combination of reckless deregulation, agency failure and rampant white-collar crime and fraud. According to the Federal Deposit Insurance Corporation (FDIC), fraud was a factor in 75 percent of S&L insolvencies. This crime wave was allowed to flourish by agencies and lawmakers because of aggressive lobbying and lavish campaign contributions by the S&L industry. Now those same lobbyists are coming to Congress again, asking for a bailout without any necessary reforms.

Public Citizen strongly urges you to support provisions that: do not place the unprecedented cost of the bailout on the backs of average taxpayers and depositors, provide for public access to agency information so the public can protect itself from future crisis, retain strict capital requirements, end discriminatory redlining and instead promote affordable housing, and limit the Resolution Trust Corporation's ability to issue debt and establish guidelines under which to operate.

THE S&L BAILOUT COSTS SHOULD NOT BE PLACED ON THE BACKS OF AVERAGE TAXPAYERS

The bill as marked up by successive committees has placed the bailout on budget—a move that has been supported by an overwhelming majority of newspapers and citizen groups. The Bush administration proposed putting the bailout off-budget. By rejecting such a transparent attempt to mitigate the political magnitude of the bailout, the House can strike a blow for fiscal sanity.

But true budgetary reponsibility—not to mention fairness—requires that average taxpayers not bear the brunt of the cost of this bailout. Average citizens neither caused nor benefited from the wave of financial deregulation that spawned this scandal. Instead, the bailout should be funded by those who benefited—the very wealthy, the S&Ls and other financial institutions. Reps. Joseph Kennedy III and Bruce Morrison will offer an amendment that would fund the bailout through direct appropriation and require the Ways and Means committee to raise the sufficient revenues. We strongly urge you to support it. Otherwise your constituents will be stuck with the tab—and the cost will crowd out needed spending for critical programs, from education to our national infrastructure.

SUPPORT PROVISIONS THAT PROVIDE FOR PUBLIC ACCESS TO AGENCY INFORMATION SO THE PUBLIC CAN PROTECT ITSELF FROM FUTURE CRISES

The Federal Home Loan Bank Board and other regulators stood idly by as the S&L industry spun out of control. But the press and public were blocked from receiving information about agency conduct. And now even Congressional committees have been refused crucial data—at the height of the crisis.

The reason? A unique, indefensible blanket exemption to the Freedom of Information Act (FOIA) covers all banking-related information. The exemption is legitimately designed to prevent runs on financial institutions due to the disclosure of raw bank examinations and similar material. But there can be no excuse for blocking public access to agency documents dealing with the health of an entire industry or compliance

with consumer protection anti-discrimination laws.

House Government Operations Committee Chairman John Conyers will offer an amendment to trim this overbroad exemption. Under the proposal, information that directly concerns the solvency and soundness of banks and S&Ls would be exempt. All other records including information about failed institutions and about compliance with anti-discrimination laws would be available to the public.

TO AVOID FUTURE FIASCOS, S&L'S SHOULD BE TIGHTLY REGULATED

Loose regulation of S&Ls has allowed high-flying financiers to gamble away depositors' money, with disastrous results. For example, thrifts are allowed to count "goodwill" and bad-debt reserves as assets to meet the institution's capital requirements. The House Banking Committee bill tightens these standards to put thrifts on the same sound footing as commercial banks.

A fierce lobbying campaign by the U.S. League of Savings Institutions seeks to drastically dilute these reforms. This is precisely the formula for disaster that led to the current crisis.

If Congress votes to strip away these needed protections, future disasters are inevitable. We strongly urge you to place the interests of depositors and taxpayers ahead of self-serving and discredited S&Ls.

The House Banking Committee's report on the bailout recommend that capital standards for savings and loans be raised to three percent by 1994, the same level required of commercial banks. By requiring S&Ls to back up their investments with more of their own money, Congress will protect against S&Ls gambling with depositors money and instead return to their traditional role of providing housing for families.

S&L'S EXIST TO PROVIDE CREDIT FOR HOUSING—THE BAILOUT SHOULD ENSURE THAT THOSE GOALS ARE ADVANCED.

Thrifts are given special government protection because of their mission to provide capital for housing. Yet, too many S&Ls lost sight of this mission during the speculative frenzy, pouring money into junk bonds and other high-risk investments, instead of into home mortgages and other real estate in their community. Now the proposed S&L bailout offers little protection against a continuation of the disastrous practices that led to the current crisis.

Any legislation that asks average taxpayers to pay the exorbitant price for this bailout should ensure that the industry serves a public purpose. The public should not be asked to bailout an industry that does not invest in the community and discriminates in its lending practices. Congressmen Joe Kennedy and Henry Gonzalez will offer an amendment to require public disclosure of more complete information on financial institutions' mortgage lending practices.

SUPPORT LIMITATIONS ON THE RESOLUTION TRUST CORPORATION'S ABILITY TO ISSUE DEBT AND ESTABLISH GUIDELINES UNDER WHICH IT MAY OPERATE.

The current legislation sets up a new agency, the Resolution Trust Corporation (RTC), to assist failing or failed S&Ls. However, the legislation offers little guidance as to what extent the RTC can issue bonds, and obligate the government.

To protect against a new and unrestrained government agency, Representative Gonzalez will offer an amendment to limit the RTC's total obligations at any time to the $50 billion authorized by the bill. The amendment also provides for timely reporting of RTC's debt status and operational plan to allow better congressional oversight of its progress on managing and disposing of failed S&L assets.

This S&L bailout legislation is not the kind of a bill that you can "put behind you." It will continue to fester and erupt its unsavory combination of greed, corruption and uncontrolled power over institutions and careers—private and public. The news media is just beginning to report on this mixture. How much better it would be for strengthened and just legislation to separate the past from the future rather than merely to extend its dismal legacy for a repeat performance.

Sincerely,

JOAN CLAYBROOK,
President.
SHERRY ETTLESON,
Staff Attorney.

Mr. PARRIS. Mr. Chairman, I rise to congratulate the House for finally addressing the savings and loan crisis in a comprehensive and substantive manner. The legislation that we are now considering, H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989, will most likely go down in history as one of the most important and expensive bills dealing with the financial services industry ever considered by the Congress. The task before us is nothing less than a complete restructuring of our Federal deposit insurance system and a major reformation in the way our Nation's banks and thrifts are held accountable for their own stability, as well as the way in which they conduct their business.

It is indeed unfortunate that the Congress is just now considering this very serious crisis, especially since the problems within the S&L industry and the Federal Savings and Loan Insurance Corporation—the FSLIC—have been known for quite sometime. In fact, it was in 1985 that I requested a report from the General Accounting Office on the status of the FSLIC and learned that the insurance fund was in serious trouble. It was that report which prompted me to address the House in October 1985 in a 1-hour special order to inform the House of the impending FSLIC crisis. Regrettably, no action was taken, and each subsequent year since 1985 I have addressed the House on the need to recognize and resolve the S&L crisis.

Mr. Chairman, I will include in the RECORD, following my statement, the three floor statements I presented before the House from 1985 to 1988.

In 1985, the cost of resolving the FSLIC crisis was estimated to be approximately $15 to $20 billion. And today, just 4 short years later, the estimated cost of resolution is between $150 to $190 billion.

There is plenty of blame to go around for the FSLIC crisis. From the regulators to the S&L industry, from the Congress to the White House, there are many who are responsible for the loose oversight and inaction that has contributed to the problems we face today with the thrift industry and the FSLIC.

I generally believe that H.R. 1278 is a good bill and a comprehensive approach to resolving the S&L crisis. H.R. 1278 was considered at great length by the Banking Committee and passed by an overwhelming vote of 49 to 2, and I was among those voting in the affirmative.

H.R. 1278 makes much needed reforms to the Federal deposit insurance system, and I would like to briefly address some of the major provisions of this legislation.

Some of the most important elements of this legislation are the provisions dealing with the capital requirements. For too long, the thrift industry has been allowed to operate with little or no capital, and it was these lax capital standards that have ultimately increased the losses to the FSLIC and the American taxpayer.

I support strong capital requirements for all federally insured financial institutions. It is simply ludicrous that S&L's have been allowed to operate with little or no money to backup their business activities. Allowing insolvent or "financial hollow" institutions to continue to operate has compounded the losses to the FSLIC and, ultimately, the American taxpayer.

When H.R. 1278 was considered by the Subcommittee on Financial Institutions, I joined with my colleague from Illinois [Mr. ANNUNZIO] in offering an amendment that strengthened the capital requirements in the President's original proposal. Whether it was done intentionally or in error, the President's bill, as originally introduced, would have permitted S&L's to count up to 100 percent of core capital in goodwill: an inferior form of capital.

That is why I was pleased when the subcommittee moved to adopt tougher capital provisions by supporting the Annunzio-Parris amendment which not only moved the compliance date from 1994 to 1991, but it also required that not more than 50 percent of core capital could include intangible capital like goodwill and purchased mortgage servicing rights, and with the proviso that all intangible capital be completely phased out of core capital so that capital standards of thrifts are identical to those of national banks.

The full committee moved to further improve the capital requirements in the bill. As the bill now stands, it would require that thrifts reach a 3-percent level of tangible capital by December 31, 1994, and it ties the remaining capital over the 3-percent core capital to a risk-based capital system. I believe these provisions are necessary, long overdue, and they may prevent an S&L crisis from occurring in the future.

One of the most troubling consequences of the thrift crisis is the fact that the American taxpayer is being called upon to pay a substantial portion of the resolution cost. It is extremely tragic that the S&L crisis was allowed to continue to the point where in order for the Government to honor its full faith and credit guarantee of deposits it must now draw funds from the U.S. Treasury.

The financing mechanism established through H.R. 1278 will require funds from the U.S. Treasury, but it will also utilize funds from the S&L industry and the Federal Home Loan Bank System. Yes, it is unfortunate that healthy, well-managed thrifts will be forced to pay for the unhealthy one-third of the S&L industry. But I believe it is even more unfortunate that the taxpayers in Virginia will have to pay for a problem that has been most promi-

VOL 135 PT 9 JE 14 — 22 1989 UMI

nant in States like Texas, California, Oklahoma, and Louisiana. This is an industry problem, and I feel strongly that the S&L industry should pay a large portion of the price to clean up the savings and loan mess.

H.R. 1273 will draw billions of dollars from thrifts by increasing the insurance premiums for institutions insured by the new S&L insurance fund created under H.R. 1278. It will also draw funds from the resources of the 12 Federal home loan banks, and it will establish a financing corporation known as REFCORP, to raise cash through the issuance of "REFCORP bonds."

Specifically, the bill calls for the issuance of $50 billion in REFCORP bonds to be bought by the S&L industry. The $50 billion raised through the sale of REFCORP bonds will be used to dissolve, sell, merge, or otherwise deal with the insolvent portion of the thrift industry. The interest on these bonds over the 30-year maturation period will be paid through a combination of sources including: the S&L industry; proceeds from the sale of assets held by insolvent institutions; and, direct funding from the U.S. Treasury.

When the Banking Committee adopted the financing mechanism to fund the resolution cost, it overwhelmingly supported provisions to keep the funding off-budget. I firmly believe that this is important and I am disappointed that the Ways and Means Committee voted to put the funding cost on-budget by waiving the Gramm/Rudman budget law.

In my opinion, it would be a mistake to place the resolution cost on-budget. I agree with President Bush and Secretary Brady that it is in the best policy interests of the Federal budget process that the resolution cost be kept off-budget. By waiving the budgetary requirements of Gramm/Rudman we will be setting a dangerous precedent for dismissing the only form of budgetary discipline this Congress has. Moreover, what kind of signal does this send to domestic and international financial markets? I believe that waiving Gramm/Rudman will prove to everyone that Congress is not serious about reducing the Federal budget deficit or adhering to the strict budgetary guidelines of Gramm/Rudman.

If we are able to fund the resolution cost without making a sham of our budget process, then I believe we should do so. I hope the House will support the Banking Committee's original proposal and vote to keep the funding off-budget.

H.R. 1278 effectively dissolves the Federal Savings and Loan Insurance Corporation and creates a new Government entity—the Resolution Trust Corporation [RTC]—to dispose of the insolvent one-third of the S&L industry. The RTC will be under strict supervision by an oversight board and it will be limited to a "date certain" as to the amount of time it has to cleanup the thrift mess. Furthermore, H.R. 1278 places a cap on the amount of funds that the RTC may spend.

I am particularly pleased to note that the committee adopted language which instructs the RTC to utilize the resources of the private sector which specialize in liquidating real estate that is, for various reasons, difficult to dispose of. I believe it is important that we draw from the experience in the private sector in order to ensure the greatest return on real estate owned by troubled thrifts because these savings will ultimately be passed on to the taxpayer.

In dissolving the FSLIC and the current structure of the Federal Home Loan Bank Board, the fate of many Federal employees is directly affected. As the Representative of many Federal employees who are employed at the Bank Board, I was greatly concerned that these hardworking individuals be provided the utmost consideration and fairness in transferring from their employment at the Bank Board to other positions within the Government. For this reason, I was pleased to support the provisions in H.R. 1278 which will ensure that the rights and benefits of Bank Board employees are protected when transferring from the Bank Board to the Resolution Trust Corporation, the Office of Thrift Supervision, or any other Federal agency.

One of the most tragic elements of the savings and loan crisis is the fraud and criminal negligence committed by some "high flying" thrift executives. These unprincipled operators were involved in what many have referred to as a game of "heads I win, tails FSLIC loses." Their squandering of depositors money drained the resources of the FSLIC and contributed greatly to the dilemma we now face.

I firmly believe that we must go after these individuals and punish them for their actions that are now costing the American taxpayers billions of dollars. Moreover, we must strengthen enforcement and penalties to prevent future occurrences of fraud and mismanagement of institutions insured by the Federal Government. H.R. 1278 goes a long way in providing funds to track down and prosecute thrift executives suspected of engaging in fraudulent activities, and it greatly increases the severity of penalties for future abuses. I've been told by some industry representatives that the enforcement and penalty provisions in this bill are too tough. I say that's good. Let's hope they are so tough that people will think twice before squandering taxpayer dollars in the future.

Finally, I would like to touch upon some provisions in H.R. 1278 about which I have some concern: specifically, the provisions when they are offered as an amendment at the committee level because they simply do not belong in an emergency bill to resolve the savings and loan crisis. The President has stated repeatedly that he wants a FSLIC bill that is void of extraneous provisions that do not directly relate to solving the S&L crisis. I agree with the President on this point and I do not feel that exceptions should be made on this matter.

But what troubles me even more than the actual housing provisions in H.R. 1278, is the fact that these provisions were substantively rewritten after the committee had adopted the amendment and reported the bill. This type of egregious abuse undermines the integrity of the committee process, and I hope that the House will vote to strike the housing provisions from this legislation.

H.R. 1278 is not a perfect bill, but I believe it goes a long way toward achieving a responsible solution to the S&L crisis. We owe it to our constituencies to solve this problem once and for all, and to do so in a manner that will ensure that future generations never face this type of crisis.

Floor statements referred to follow:

STATEMENT BY HON. STAN PARRIS, THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND THE SAVINGS AND LOAN INDUSTRY, APRIL 28, 1988

Mr. Speaker, I take to the well of the House today to again bring to the attention of my fellow colleagues in the Congress and the citizens of this great nation, the continuing problems of the thrift industry and the Federal Savings and Loan Insurance Corporation or FSLIC.

It has been approximately one year since I spoke at length on this issue and, unfortunately, the precarious state of the FSLIC and the thrift industry has worsened greatly. The state of the thrift industry and the FSLIC is, and should continue to be, a matter of great concern to American taxpayers.

As I have previously stated, there is no justification for S&L depositors to be concerned about the stability or access to individual accounts in local FSLIC insured thrift institutions at least up to the statutory limit of $100,000. The full faith and credit of the United States guarantees those deposits and will be available to them in any circumstance. The Congress reaffirmed this backing in "sense of Congress" language incorporated in the "Competitive Equality Banking Act" passed last year.

This is a problem which affects an industry rather than one that jeopardizes the existence or future of individual savings accounts.

But before I continue, Mr. Speaker, I think it would be beneficial to look at how we arrived at where we are today.

Savings and loan institutions were formally designated by the Congress during the 1930's to be special lenders for housing. S&L's were to be supported by various federal agencies and programs, and were specifically intended to provide long-term, fixed-rate home mortgages while, at the same time, taking in deposits on a short-term basis.

The savings and loan scheme worked quite well up through the late 1970's. In the view of many, we had a sound credit system founded on regulated deposit interest rates and regulatory structure that restricted competition. On the surface, the system worked well because institutions took in deposits at a lower rate than the rate at which they were lending.

However, many experts believe, and I would agree, that this was a sure recipe for failure in the long-term.

What happened? Well, during the early 1980's federal regulators removed the interest rate ceilings on deposits and the result was an increase in competition between S&L's. At prima facie value, an increase in competition sounds like a healthy practice, but the deregulation of interest rates was a policy which would have a tremendous negative impact on the S&L industry. In 1981 and 1982, hundreds of S&L's failed. The industry's overall reported losses for that two year period were approximately $9 billion. Its real losses were undoubtedly much higher.

As federal regulators gradually phased out interest rate ceilings, some savings institutions took advantage of this phase out and began to actively compete for deposits by offering high yields for interest on deposits. Depositors have not always looked for the institution that is the most sound but, as

long as it is federally insured, the one which pays the highest interest rate. All too often, the institutions that pay the highest interest rate are not the most competent. Meanwhile, many S&L's used these fresh deposits to begin lending in a very aggressive manner.

Since there were many lenders now looking for business, many S&L's seriously relaxed their loan policies. The result was risky lending and, inevitably, borrowers who were unable to repay their loans.

Increased competition between S&L's, banks, and credit unions has provided consumers with a number of institutions from which to apply for a loan or deposit their savings. Eventually, the supply of deposits outstripped loan demand, and savings institutions turned to other sources of income in order to stay alive.

S&L's have turned to direct investments in an attempt to return to profitability. Unfortunately, many of these investments have backfired. This has compounded the problems for S&L's. Furthermore, many of the investments were made in areas such as commercial real estate and in areas dependent on the energy and agricultural areas of the economy. When the economy went sour in these areas, the result was even greater losses for the thrift industry.

The problems that have confronted the thrift industry have taken a heavy toll on the FSLIC. As the FSLIC has tried to deal with the failures of savings and loans, its own financial condition has deteriorated.

LAST YEAR'S SPECIAL ORDER

A year ago at this time, I reported that the thrift industry was in poor condition. I also reported that of the 3,287 thrift institutions in the U.S., 1,043 or 32%, almost one-third, were either insolvent or in a weak and inadequate capital position. The average return on the assets of these institutions was a negative 0-.16%.

I also pointed out the geographical distribution of the problem and that 140 of the GAAP insolvent and undercapitalized institutions were in Texas, 60 were in California, 45 in Florida, 49 in Louisiana, and 25 in Oklahoma. Moreover, I discussed actions which were underway at that time to deal with the FSLIC issue, specifically, the Recapitalization Plan and the reasons why I believe it is inadequate. Finally, I outlined my proposal for bailing out the troubled thrift industry and the FSLIC.

OVERVIEW OF ACTION TAKEN LAST YEAR BY THE [illegible]

As you know, Mr. Speaker, last year the Congress passed H.R. 27, the "Competitive Equality Banking Act of 1987" (CEBA). Included in this legislation was a plan to recapitalize the FSLIC. The final outcome of the proposal was a variant of a proposal developed by the Administration.

The Recapitalization Plan as passed under H.R. 27 uses funds which are already available in the Federal Home Loan Bank System, of which the FSLIC is a part, to support borrowing for the insurance fund. The funds are being raised by a financing corporation that issues debt instruments, called FICO bonds, in the private markets. The borrowings will be repaid in the far distant future from the returns on zero-coupon bonds purchased with funds supplied by the Federal Home Loan Bank System. The annual interest costs will be met by the FSLIC. Effectively, the Recapitalization Plan would raise approximately $10.8 billion, with no more than $3.75 billion sold annually.

As I have previously stated, I believe that the Recapitalization Plan is flawed in many respects. If anything, all it has done is buy us some time in the short-term for resolving the problems with the S&L industry; but, this is very expensive time. In the long-term, however, it has not helped the problem but, rather, exacerbated it. Essentially, we have punted this problem to the next Congress and Administration.

To begin with, the plan effectively mortgages the future of the FSLIC because the bond interest will be paid from future FSLIC premiums. In addition, the bonds being sold by the financing corporation to raise equity for the FSLIC are sold at a higher rate than U.S. Treasury bonds. Early this month, FICO bonds were selling at 104 basis points (more than one full percentage point) over 30-year Treasury bonds. This means that FSLIC's burden of paying the interest on FICO bonds will be great. If high spreads over Treasuries continue, this spread could add approximately $1 billion to the cost of the plan.

To make matters worse, the sale of FICO bonds may not be a roaring success. Already, many investors are wary about buying these bonds because they question FSLIC's ability to stand behind them.

The Recap Plan also places an unnecessary strain on all savings institutions in trying to meet the increased assessments for their deposit insurance. A recent study by the Federal Home Loan Bank Board estimated that FSLIC-insured institutions pay a 20 to 40 basis point premium over FDIC-insured institutions to retain and attract deposits. While the exact magnitude of the rate premium is not known, it definitely harms thrifts in trying to raise the new equity capital that so many of them need.

Furthermore, the Recapitalization Plan does not generate enough cash resources to keep up with the amount of losses currently occurring within the industry. FSLIC's losses are approximately $8 billion annually which is $2 to $3 billion more per year than the plan will generate to dispose of ailing institutions.

Finally, if one looks at the current state of the thrift industry, one would find that the Recap Plan is clearly inadequate. It is estimated that the cost of disposing of all of the insolvent thrifts is between $50 to $60 billion. As you can see, this amount goes far beyond what is provided by the Recap Plan. I continue to believe that the American taxpayer ultimately will have to pick up the cost of closing these institutions—a cost which will continue to grow unless we substantively address this issue now.

WHERE ARE WE TODAY?

In order to fully understand the magnitude and urgency of this problem, we should look at where we are today. I would propose that the problem is, unfortunately, one which is growing like a cancer. Regrettably, the situation has not improved since Congress dealt with it last year in CEBA.

At this time, the 1987 annual audit by the General Accounting Office (GAO) of the FSLIC has not been released. It is my understanding, however, that the figures on the FSLIC are not going to be positive.

According to a recent article in the Washington Post, government sources claim that the GAO report may show that FSLIC's liabilities are as much as $13 billion more than its assets at the end of 1987. The Post article also notes that this figure is more than double the deficit of $6.3 billion that the insurance fund had at the end of 1986.

To further illustrate the current state of the FSLIC I will point out that as of September 30, 1987, FSLIC's accumulated insolvency losses were estimated to be approximately $52 billion. According to a financial consulting firm in Alexandria, Virginia, this is equal to the regulatory worth of the entire thrift industry, and is more than double the industry's tangible net worth. Furthermore, experts now believe that the $52 billion may be a bit conservative, and that a more accurate figure may be around $60 billion.

CURRENT CONDITION OF THE THRIFT INDUSTRY

The thrift industry also is in poor shape. The Federal Home Loan Bank Board recently released the 1987 fourth quarter figures for the thrift industry, and reported that the industry had a record loss of $6.8 billion for the year 1987 as compared with earnings of $132 million in 1986.

For the fourth quarter of 1987, the profitable two-thirds of the industry earned $1.3 billion, while the overall industry lost $3.2 billion. Three hundred forty-five thrifts that were regulatory insolvent at the end of 1987 and losses of $3.2 billion with total losses for 1987 at $9.5 billion. Finally, the Bank Board's report shows that total losses in 1987 caused a substantial reduction in the industry's retained earnings, producing a decline in its aggregate capital/assets ratio from 4.51 percent at the end of 1986, to 4.12 percent at the end of 1987, the lowest since 1984.

Overall, it is apparent that many thrifts are still trying to make up for losses they incurred during the early 1980's. For the most part, one could categorize sick thrifts into four types of institutions: 1. interest-rate insolvent thrifts from the early 1980's, of which there are still a few; 2. poorly managed institutions that got into trouble in the early 1980's and have made their problems worse due to a variety of problems relating to mis-management; 3. adequately managed thrifts that are victims of local economic conditions, particularly in economically depressed rural and energy belt regions; and 4. thrifts that have grown wildly since the early 1980's while practicing marginal if not criminal lending practices.

While many institutions are making some progress, there are equally as many, if not more, that have never recovered from the losses of the early '80s. To make matters worse, the efforts of S&L's are further hampered due to the increased assessments they must now pay for deposit insurance.

As we continue to allow these insolvent thrifts to operate, the problem continues to grow. Many insolvent thrifts are not closed because the FSLIC's simply does not have the resources to allow them to fail. In a sense, FSLIC's hands are tied by bureaucratic constraints in that it can only resolve these problems at the rate of $5 billion per year as provided by the recapitalization plan enacted last year. This amount is far lower than the annual rate at which losses are occurring, and the result is that insolvent thrifts continue to operate at a loss while slipping further into the hole.

THE FUTURE OF THE THRIFT INDUSTRY

The future of the thrift industry relies, to a large extent, on the stability of the economy. Presently, the overall economy of the United States is not in recession, and yet a large part of the thrift industry is in very weak condition. A recession would most assuredly have a severe negative impact on S&L's. One only has to look at the situation in Texas and apply that scenario nationally

to understand the ramifications which could result if the national economy went into recession.

The future of the thrift industry also will depend on the industry's ability to adapt to changes in marketplace driven by revolutionary changes in financial and electronic technology. Some financial experts believe that the thrift industry is slowly being driven out of its original business, intermediating the deposits of savers into home mortgages, by structural changes in the financial markets that are, at the same time, beneficial to both savers and home buyers.

THE NEED TO ACT NOW

Mr. Speaker, while I do not wish to sound overly pessimistic or paint a stark picture of impending doom, I firmly believe that we must recognize the problems confronting the FSLIC and, therefore, the American taxpayer. The situation is continuing to worsen, and yet we in the Congress are not addressing the problem. As I stated earlier, the Recap Plan passed last year fails to address the thrift crisis, and we simply cannot afford to wait until the three-year Recap Plan is over before we wrestle with this issue.

Approximately one third of the S&L's in the thrift industry are in trouble. Of the 345 RAP insolvent thrifts in the United States, 149 are located in the Southwest. However, some experts estimate that there are approximately 700 to 800 institutions that are going to need assistance.

With this many insolvent thrifts currently in operation, one may wonder how they manage to raise cash in order to operate and pay interest on deposits.

Basically, many of these "brain dead" thrifts continue to operate by not making investments or loans, but only by taking in deposits and paying the interest on them. This "game" goes as follows: a thrift offers a high interest yield to attract deposits and, for the most part, uses the fresh deposits it raises to pay for overhead costs and interest on deposits. The problem with this practice is that the longer these "brain dead" thrifts continue to play this "Ponzi" scheme, the more negative their net worth becomes.

Also, because many insolvent thrifts have literally nothing to lose, they continue to make risky investments and loans with the hope of making a profit. Why do they have nothing to lose? These thrifts have nothing to lose because they are already insolvent, and they realize that the FSLIC will cover any losses they are unable to pay. Many have termed this game: "Heads I Win, Tails FSLIC Loses."

Clearly, Mr. Speaker, the longer thrifts are allowed to engage in these unsound practices, the deeper they sink into debt. This will obviously make the ultimate losses upon liquidation even greater.

We must address this issue now. As the situation currently stands, the problem is growing at the rate of $8 billion a year before taking into account what FSLIC spends to reduce the problem.

While I believe it is safe to say that neither the Congress nor the Administration has any desire of addressing this issue during this legislative session, I believe it would be negligent on our part to not act at this time. Noah didn't wait for rain to build the ark, and I do not think we should wait for a crisis before taking substantive action to correct the problems confronting the thrift industry.

I also believe the problems confronting the FSLIC are beyond the realm of being contained by the political process. This is evidenced if one takes into account the action taken by the Congress last year. After succumbing to political pressure from the S&L industry, the Congress passed an inadequate recapitalization plan. Also, the Congress has resisted proposals to use government funds which could add to the budget deficit. I fear this pattern of action will continue into the future and undoubtedly will influence any future funding decisions.

Furthermore, I believe we must all face the reality that the S&L industry is not going to accept, nor can it afford, to pay another increase in its deposit insurance assessment. Both strong and weak S&L's are concerned with having to pay an additional increase in their insurance assessment on deposits. Healthy institutions feel they should not have to pay amounts supplemental to their regular insurance premiums to finance the FSLIC's resolution of problem institutions. In addition, large insurance premiums could very well tip weak institutions into the "failed" category.

Moreover, the ability of the Congress and the Administration to enact interest rate ceilings is not an option in view of the political power of our nation's depositors. We also must face the reality that the next dollar lost will be the taxpayers. The extent to which the FSLIC will need taxpayer assistance depends directly on when and how the Congress acts to help the FSLIC. Politics aside, we must begin to deal with this issue realistically.

WHAT CAN BE DONE?

As you know, Mr. Speaker, the Committee on Banking, Finance and Urban Affairs will soon consider legislation to expand banks' powers. Because of the urgency to draw attention to this issue, I intend to offer an amendment to this legislation which would create a bi-partisan, bi-cameral, Congressional task force to study the current situation of the thrift industry and the FSLIC, and to make recommendations for resolving FSLIC's heavy case load while, at the same time, adding stability to our federal insurance funds.

Moreover, Mr. Speaker, I believe that any proposal to resolve the problems with FSLIC must take into account a number of factors including the following points:

1. The FSLIC is bankrupt.

2. The Recapitalization Plan passed last year will not work because it will not raise the funds needed to cover FSLIC's accumulated insolvency loss of at least $52 billion.

3. An outright merger of the FSLIC with the FDIC is not desirable for three reasons. To begin with, the FDIC's excess reserves plus the funds to be raised under the Recapitalization Plan, are substantially less than FSLIC's present and future liabilities. Also, a merger will not address FSLIC's most serious problem, which is disposing of failed thrifts in the least costly manner. Finally, a merger will not accomplish one important step in dealing efficiently with the insolvent thrifts: separating them from the healthy thrifts so that they will not contaminate the healthy thrifts. This separation would be comparable to creating a "good bank-bad bank" situation whereby a failing bank's problem assets are transferred into a separate entity where specialized management can minimize future losses on those problem assets.

4. Taxpayer funds eventually will have to be injected into FSLIC because Congress cannot renege on its full-faith-and-credit backing for the three federal deposit insurance funds without endangering the entire American financial system. As I stated earlier, the Congress reaffirmed this backing in "sense of Congress" language incorporated in CEBA. Furthermore, the Ohio and Maryland legislatures, in using state taxpayer funds to bail out quasi-private deposit insurance funds, set precedents that cannot be ignored in dealing with FSLIC's pending bankruptcy.

5. Reregulation of the thrift industry will not bail out the FSLIC or the insolvent thrifts, yet reregulation would be very damaging to those thrifts that otherwise could survive in our rapidly changing financial world.

I believe, Mr. Speaker, that the objective of any proposal should be to provide the best opportunity possible for healthy thrifts to survive as free-standing depository institutions while, at the same time, harmonize the regulatory structure between thrifts and commercial banks. Furthermore, we must encourage new equity capital investments in thrifts that have the potential to survive as free-standing institutions, and reduce the role of the federal government in providing funding for depository institutions.

For these reasons, I continue to support my plan as outlined in my special order one year ago. At that time, I proposed that the healthy part of the thrift industry transfer to the FDIC, after paying a reasonable exit fee to FSLIC. Permit me to emphasize at this point, however, that while I do not support an outright merger of the insurance funds, we must face the reality that it is almost inevitable that there will be a restructuring of the federal deposit insurance funds. Certainly, the Congress will utilize all possible options before using taxpayer funds to clean up the FSLIC mess. This separation of good from bad should be a part of this clean-up process.

The FSLIC's main responsibility would then be to dispose of the remaining "brain dead" S&L's within a time period of three to five years. Taxpayer funds would be the last dollars used to meet FSLIC's prospective losses. FSLIC's existing resources, future income, exit fees, and the retained earnings of the federal home loans banks would be used first to fund FSLIC's losses.

Finally and most importantly, Mr. Speaker, I would urge Members to reject quick fixes and additional delays, and work instead to restore public confidence in the system before a crisis occurs.

IMMEDIATE DISPOSAL OF INSOLVENT THRIFTS

There is no question that the task before us is great. Yet, to keep failing institutions open for indefinite periods while funding is being decided clearly adds to the cost that taxpayers ultimately will have to bear. I firmly believe, therefore, that we must begin to liquidate or merge insolvent thrifts in an expeditious and organized manner.

We must move immediately because it is obvious that the thrift industry cannot afford to pay the tab for this alone. The alternative is to default on consumer deposits. Needless to say, this is neither politically nor economically feasible. Thus, use of taxpayer funds is inevitable. Our challenge today is to spend those funds wisely by moving quickly.

REGULATORS NEED TO DEAL MORE AGGRESSIVELY WITH PROBLEM INSTITUTIONS

As I mentioned earlier, many insolvent institutions continue to make loans and investments even though they have a negative net worth. It is my belief that the Federal Home Loan Bank Board has not been ag-

gressive enough in dealing with failing and insolvent thrifts, or in controlling the scope of risky business ventures in which they may engage. This only serves to dig a deeper hole that must be filled later with taxpayer dollars. This senseless digging must be stopped!

While I understand that the FSLIC may not be capable of immediately closing all of the failed institutions, the Board must be more aggressive in using its authority to restrict the types of activities in which a failing or insolvent institution engages.

The Congress attempted to address this issue last year under Section 406 of the "Competitive Equality Banking Act." Section 406 increases the authority of the Federal Home Loan Bank Board in dealing with failing and insolvent thrifts, and requiring minimum capital requirements for these institutions.

It simply goes against common sense to allow an institution which a negative net worth to continue to lead and invest money which it simply does not have. Therefore, I would hope that the Bank Board will utilize its authority as granted under Section 406 of CEBA to the fullest extent possible.

THE SOUTHWEST PLAN

Finally, Mr. Speaker, I would like to address the so-called "Southwest Plan" currently under consideration by the Federal Home Loan Bank Board.

As I reported earlier, the region of the United States which has the most weak and insolvent thrifts is the Southwest. 104 of the country's RAP insolvent-thrifts are located in Texas. In Texas alone, the entire thrift industry had a net loss of $2.15 billion for the fourth quarter of last year.

Because of the many problems confronting the thrift industry in the Southwest, the Federal Home Loan Bank Board devised the "Southwest Plan" with the hope of strengthening this beleaguered region. However, I would submit that the "Southwest Plan" is bad medicine for a seriously ill patient.

The "Southwest Plan" is basically premised on consolidation and attracting equity. The "Plan" calls for the consolidation of nearly 100 savings institutions located in Texas.

In the Bank Board's Resolution 88-68 the Board states that the consolidation of insolvent thrifts with some combination of healthy institutions and capital infusions would achieve various benefits including the following:

Significant savings in operating expenses;

Management teams capable of providing the leadership and controls necessary to achieve viability;

The ability to permit higher cost deposits to be reduced by cash flow from investments supported by lower cost deposits;

Merging within one institution complex financial investments in several institutions, with attendant unnecessary costs;

Attract equity capital to a market that currently has too many inefficiencies to produce a reasonable return on new capital.

Certainly, Mr. Speaker, these goals are laudable, however, I do not believe the "Southwest Plan" will be successful. The problem with this proposal is that it does not go far enough in addressing the grossly inadequate capital base of savings institutions located in the Southwest.

While consolidation is the main premise of the "Southwest Plan," I believe that consolidation is the plan's fatal flaw. The "Plan" is implicitly premised on consolidation on an intrastate basis. I say "implicitly premised" because the Board's resolution does not make any reference to out-of-state capital. Healthy institutions in this region are few and far between, and the end result will be melding the weak with the very weak.

Before we can begin to attack the problems with the thrift industry in the Southwest and, in particular, Texas, we must recognize the heart of the problem. In my view, the heart of the problem is an inadequate capital base.

To illustrate this point I would point to the fact that as of December 31, 1987, the thrift industry in Texas had a RAP negative net worth of $6.2 billion. The entire thrift industry in Texas had a GAAP negative net worth of $7.4 billion. I use Texas as an example because it is the state which has the most insolvent thrifts.

An example of intrastate consolidation is First Republic Bank of Texas, and we all know how successful that was. Melding the sick with the very sick will not make a healthy institution but, rather, a larger unhealthy one with a greater cost to close.

What is needed in the Southwest is an increased capital base for savings institutions. S&L's in this region do not have the capital necessary to sustain themselves, and merging them together while preventing the infusion of capital from resources located outside the state will not serve to help the problem. The most practical way to bring in outside capital is to encourage healthy banks and thrifts based in other states to acquire Texas thrifts.

CONCLUSION

Mr. Speaker, we can no longer afford to view this problem as a parochial issue solely affecting the thrift industry. Each month we delay action and allow FSLIC's problems to continue, we are increasing the final burden the American taxpayer will eventually have to shoulder. The FSLIC must be dealt with in a manner which will minimize the future cost to the taxpayer.

In this day of raging deficits, it seems that every bankrupt tentacle of the Federal government is making a run on the U.S. Treasury. I can assure you that the FSLIC will be no different from these other unfortunates. The question is, when and how are we going to administer the last rites and call the caretaker to come and remove the corpse.

Clearly, Mr. Speaker, there are many difficult decisions that we must confront in addressing this issue. Nonetheless, I believe that now is the time when we in the Congress must work toward achieving a viable solution before the ultimate cost to the American taxpayer reaches an exorbitant amount.

Thank you, Mr. Speaker, for allowing me this opportunity to address the House.

HON. STAN PARRIS ON THE THRIFT INDUSTRY, APRIL 1, 1987

Mr. Speaker, I take to the well of the House today to discuss what I consider to be a very significant, and an increasingly frightening prospect now facing this Congress and the U.S. financial services industry, and millions of depositors in our nations thrifts looking to us protect their hard-earned savings.

I refer to the problems of the thrift industry, and the precarious financial state of the Federal Savings and Loan Insurance Corporation, better known as the FSLIC. The deteriorating state of a significant segment of the thrift industry and the FSLIC has increasingly been the subject of discussion in the business sections of our local papers and is from time to time making front page news. Its compounding problems are beginning to permeate the public conscience. We in the Congress must take some responsible action to put the thrift industry and FSLIC back on its feet at the earliest possible date. Not doing so will erode public confidence even further, and regrettably, our citizens will one day begin to withdraw their deposits from savings institutions. Hopefully, this would not manifest itself in the form of a depression style banking crisis, but I believe, and I am not alone in that thought, that if something substantive is not done now, the depositors will soon begin to lose faith in the savings system at an ever-increasing rate as they become increasingly aware of the situation which exists and which continues to deteriorate daily. We cannot permit nor afford a crisis of confidence in our financial system.

Before we begin an in depth consideration of this matter let me reiterate to depositors around the country that there is no justification for them to be concerned about the stability or access to their individual accounts in their local FSLIC-insured thrift institutions at least up to the statutory limit of $100,000. The full faith and credit of the United States guarantees those deposits and will be available to them in any circumstance. This is a program affecting an industry rather than one that jeopardises the existence or future of individual savings accounts.

To fully understand this problem, it is important to understand how we have reached this point. Let me begin by discussing the recent history of the thrift problem.

BEGINNING OF THE THRIFT PROBLEMS

For years S&L's met this country's need for long-term fixed-rate mortgages—a market that many commercial banks were barred from filling. In conjunction with this, the U.S. Government promoted home ownership through a panoply of supports and subsidies to S&L's. Thrifts responded by making millions of long-term mortgages at fixed rates.

Despite the popularity of these mortgages with the home buyer—the funding scheme of S&L's, which was predicated on borrowing short term and lending long term, has always been questionable, if not unsound. Maturity mismatches between thrift rates and liabilities has always left thrifts vulnerable to insolvency and failure whenever interest rates jumped. We learned in the Ohio and Maryland crises that should depositors of any S&L, well capitalized or not, ever began a run on S&L, it would have trouble raising the cash to meet these needs, except if it sold its mortgages at "fire sale" prices.

Until the late 1970's, the thrift funding scheme worked well, but the interest rate fluctuations of that period and into the early 1980's posed great problems for thrifts. S&L's held millions of fixed rate mortgages that were worth less than their face value. Low-yielding loan portfolios made many thrifts insolvent based on the market value of these loans. At the same time, the deregulation of deposit rates forced many thrifts to compete for deposits and to pay higher interest rates to preserve their core deposit base. In 1981 and 1982, S&L's failed by the hundreds. The thrift industry as a whole reported a total of $9 billion in losses in these 2 years alone.

Adding to these problems, many S&L's turned to direct investments in an attempt to return to profitability. Unfortunately, many of these risky ventures backfired and

resulted in even greater losses for many S&L's. That has had the effect of compounding the problems facing FSLIC. To add fuel to the fire, many investments were made in energy and agriculture dominant areas. The subsequent downturn of the economy in those industries has resulted in an even greater number of thrift failures.

What all this means is that the strain on FSLIC resources has been significant. In 1985, FSLIC had $4.6 billion in primary reserves. By the end of 1986 these primary reserves had shrunk to a negative $4.5 billion. More critically, FSLIC had only $4 billion in cash and securities to use in meeting its obligations. We were told last month that FSLIC's cash resources had since been depleted to $1.4 billion. It is obvious that the FLSIC's liquidity problems are clearly far worse than is generally recognized. FSLIC's depleted cash position and its negative reserve position dramatizes its inability to absorb insolvency losses beyond its current cash income.

Insolvent thrifts increasingly are bidding up interest rates in order to attract deposits. Unfortunately, healthy thrifts also have to pay these higher rates. Thus, FSLIC's problems are clearly affecting all thrifts it insures.

Now that we have examined how we have gotten to this point, let me tell you where we are today; the state of the thrift industry; and the size of the problem that FSLIC faces.

THRIFT INDUSTRY STATUS, 1987

The thrift industry is not in good financial condition. Approximately one-third of the industry is in a severely weakened condition. The other two-thirds of the industry is generally well managed and is in a good financial condition, and have in fact, reported record profitability. However, as the good thrifts prosper, the weak of "brain dead" institutions, are losing more than the good ones are earning.

As of October 31, 1986 low quality assets equaled 90 percent of the industries' net worth under regulatory accounting practices. Two years earlier they were only 53 percent. The picture is worse if goodwill and other intangibles are substracted from net worth. After reducing industry net worth by intangible assets low quality assets equaled 168 percent of reduced net worth in the third quarter of last year. Delinquent loans and repossessed assets have increased $29 billion dollars over the last 2 years.

In order to assess the state of the industry, let us use the latest GAO figures which have been provided to the Banking Committee, figures which are not disputed by the FHLBB. In fact, the Bank Board has used many of the statistics to argue in favor of recapitalizing FSLIC.

As of September 1986, there were 445 insolvent thrifts in the U.S. as determined by Generally Accepted Accounting Principles [GAAP]. This means that every one of these institutions has a negative net worth, which means that their liabilities exceeds the value of their assets under GAAP accounting. These 445 institutions had assets totaling $112 billion.

Beyond these 445 there are 598 institutions with net worths between 0-3 percent, which is dangerously low. In the early 1970's, the Bank Board would close institutions whose net worth had reached that level. The average return on assets of these institutions is a negative −0.16 percent. That figure is startling and dangerous, because it implies that there are hundreds more institutions that could slip into GAAP insolvency, and ultimately become FSLIC cases that must be resolved with FSLIC funds. The inescapable conclusion is that the problem is really much larger than generally thought, and will take many more dollars to solve than has ever been publicly acknowledged.

It is a clear fact that of the 3,287 thrift institutions in the U.S., 1,043 or 32 percent, almost one-third, are either insolvent or are in a very weak and inadequate capital position. All totaled these institutions have $395 billion in assets.

Not all of the approximately 1,000 troubled institutions are unprofitable. In fact about half still report a profit, but the return on assets from this group is so small, and their positions so precarious that the lightest change in any number of factors could make them unprofitable, and quickly move them into GAAP insolvency.

The geographics of this problem are also very significant. Texas is at the center of the fire storm. One-hundred-forty of the GAAP insolvent and undercapitalized institutions are in Texas. Sixty are in California. Forty-five are in Florida. Forty-nine are in Louisiana, and 25 are in Oklahoma. It is obvious therefore that the Southwest has been hit hardest by this crisis. Many of these institutions have been seriously affected by the economic depression in that area. Many, however, are what we call high-flyers. They made risky investments, with no thought that the oil boom and the real estate market would even end. Now that the good times are over, these thrifts threaten to destroy the rest of the S&L industry.

In addition, it cannot be ignored that the economics and structure of the thrift industry are changing in an irreversible manner. Recent innovations in mortgage securitization, enhanced by the 1986 tax legislation are rapidly altering the thrift industry. Origination and servicing functions by specialists financing home mortgages thru REMICS, floating rates, mortgage backed securities, and new computer technologies have enabled thrifts to reduce costs and rates. New accounting rules and increased capital standards, satisfied in many cases by shrinking in asset size and looking to origination fees as an immediate source of profits and cash flow will bring further changes to the thrift industry.

These changes, and others, surely to follow in the marketplace, with or without approval of the regulators, will force the traditional thrift out of its original business which was funding home mortgages with retail deposits.

The fundamental question then that must be asked is, when faced with the growing competition from nondepository and no-reserve lenders, will the funding cost disadvantage that now burden thrifts largely eliminate any viable long term role for an industry of depository institutions that largely specialized in home mortgage lending?

In fairness it should be state that although the current situation was in part generated by gross mismanagement, abuse, and some outright fraud among a portion of thrift industry managers, that was only a small portion of the influences at work.

The economics of the industry, technology and changes in the market place also were involved and the failure of the regulatory structure, and the regulators themselves were also partly responsible for the dilemma with which we are faced.

Acknowledgement should be given to the fact that the profitable and well managed thrifts did not cause the FSLIC problem and therefore they should not get punished for it.

While the thrift industry has suffered these major losses, it's insurance fund, FSLIC, has slowly dwindled toward bankruptcy.

FSLIC TODAY

As I pointed out earlier, FSLIC has used its resources down to the point that it stands at least at a negative $4 billion according to the GAO and admitted by the Bank Board Chairman.

Why has the GAO determined that FSLIC is insolvent. Let me quote from their testimony:

"As part of our audit of FSLIC's calendar year 1986 financial statements, we have preliminarily determined that FSLIC needs to establish a contingent liability in the range of $8 billion to handle cases that will require action in the near future. When this amount is deducted from FSLIC's reserves, FSLIC would have a deficit of over $3 billion at the end of 1986. Clearly, such a fund balance cannot handle the real liability FSLIC now faces."

The liquidity problem that FSLIC faces has affected its ability to handle the insolvent cases that it has in its caseload. In 1986, FSLIC acted upon only half of its serious cases. During the same period, its serious case list doubled. It is now up to 182.

Another aspect of FSLIC's problems is that the cost of liquidations increased from $981 million to at least $3 billion in 1986. Assistance to open institutions rose form $4.8 billion to $6.9 billion last year.

Another cloud on the horizon for FSLIC is the large amount of uncollateralized advances or loans that have been made by the regional Federal Home Loan Banks with the full backing of the FSLIC. The banks have made $5.9 billion in advances to 83 troubled institutions. Of these, $3.4 billion are guaranteed by the FSLIC. The FSLIC guarantee is most likely the only source of prompt repayment on these loans to the troubled institutions. We have seen recently that regional bank auditors will not give a clean bill of health to these institutions when a bankrupt entity, FSLIC, is the guarantor of these notes.

There is no reason to believe that the regional banks will continue to be willing to make more uncollateralized loans to the troubled thrifts. The director of these banks have a fiduciary duty to their shareholders, all of which are other thrifts. If the foundation of the regional Federal Home Loan Banks is shaken, their stock value will decline, and the ripple effect will plunge even more thrifts into GAAP insolvency.

Another problem with an insolvent FSLIC is that it has $4.5 billion in outstanding notes payable to troubled thrifts. Once again, accountants will have to face the question of whether an institution can count a note as an asset if it is from an insolvent corporation.

FSLIC's prospective insolvency loss at the end of 1986 among insolvent and barely solvent thrifts is estimated to be $35-$45 billion. This figure represents the difference between *market* value of the assets and their insured and collateralized liabilities as of the end of 1986. In effect, this range represents the amount of cash FSLIC would have to disburse, as of the end of last year, to pay third parties to take over all of the assets and just the insured and collatoralized liabilities of every thrift that was insolvent at that time.

These are the losses that are looming for FSLIC. The ongoing operating losses in 347 so called "significant supervisory cases" alone are $6 million a day. This totals over $2 billion a year, and these daily losses alone exceed FSLIC's total income. Another 400 thrifts also lost money in the 3rd quarter of 1986 with the possibility of their loss amounting to another $2 or $3 million daily.

FSLIC's income is composed of regular assessments of ⅛th of 1% of deposits that generate $740 million annually and a special assessment, now in its third year, of ⅛ of 1%, which is a *burden* to the thrift industry, and yet it is *the primary source FSLIC's income*. It produces about $1.1 billion a year.

Insolvent thrifts increasingly are bidding up interest rates in order to attract deposits. Unfortunately, healthy thrifts also have to pay these higher rates solely because they are FSLIC-insured rather than FDIC-insured. All totaled, these excessive interest rates are costing the industry another $4 billion a year.

An additional cost of delay of resolving of this situation is the certainty of future declines in market values of deteriorating assets.

What all this means is that the FSLIC probably has no more than $2 billion on hand today. Furthermore, and most importantly, the FSLIC at the present time has no money and no way to resolve the troubled cases on which it needs to act. The total cash resources it could marshall to meet its cash requirements approximate just 1% of total thrift deposits which were almost $900 billion at the end of 1986.

The problems of the thrift industry are apparent, but the conditions that I have highlighted here have been known to the Administration, and to the respective House and Senate Committees for some time now. Despite this, the Congress has been slow to act on the FSLIC crisis. The irony is now that as we near some kind of action it may be too little, too late.

Now that the problems of the thrift industry have been laid on the table, and the troubled condition of the FSLIC fully exposed over these past few years, we have all searched, albeit slowly, for a solution.

ACTIONS ANTICIPATED BY THE CONGRESS

History assures that neither the Bank Board or its staff will provide anything approaching adequate direction as the thrift industry approaches its hour of crisis.

Individual state regulators will have little influence because restructuring of the Nation's financial institutions will be determined by Congress, which will not be overly attentive to state interests if doing so will increase the cost or necessity of bailing out FSLIC with Federal Treasury funds.

While Congress will not repudiate resolutions of full faith and credit behind the Federal deposit insurance guarantees, it will do everything possible to avoid backing up those guarantees with appropriations of hard cash from the treasury. Political expediency, driven by the budget deficit, will delay the actual injection of taxpayer funds into FSLIC. Congress will also be extremely reluctant to divert money from its cherished domestic programs.

If funds have to be diverted to FSLIC many will propose that we consider reregulation as a preferable approach. However, reregulation will generate no cash or other support for FSLIC and will instead perpetuate an already outmoded industry structure.

Because of the budget deficit and the adverse impact that the use of federal funds would have on it, the Congress and probably the Administration would surely impose even more of FSLIC's insolvency losses on the thrift industry itself so as to avoid using taxpayer funds to bail out FSLIC.

If it becomes obvious to all that FSLIC's problems cannot be contained within the thrift industry, which is another way of saying that a recap plan will not work, Congress will, as an action that will carry with it political exposure less than direct appropriations, order the merger of the two insurance funds and the use of FDIC insurance reserves to help stem the tide with attendant risks to the banking industry as it faces more bank failures this year than in any year since the depression in the 1930's. A merger would open a Pandora's box that ultimately would effect every type of financial services institution, as well as creating foreign concern about the soundness of the entire American banking system.

In addition there are major structural policy decisions that would have to be made in the event of a merger or a loan from FDIC to FSLIC.

So what are the alternatives for solving the FSLIC problem?

The Senate has offered to issue bonds in order to give the FSLIC $7.5 billion for the next two years. Importantly, the Senate bill would cap what the FSLIC can borrow at $3.75 billion each year.

The House Banking Committee is giving FSLIC bonding authority of $5 billion over 2 years with an annual limit of $2.5 billion.

I must ask the question, does anyone who is really serious about this problem believe that it can be corrected with an effort of just $5 or $7.5 billion in two years, or that we can simply wait out this problem and hope it will shrink in two years? If they do, they are very, very wrong because as has already been shown, the potential insolvency loss is $35 to $45 billion and the proposed remedy to that problem would be only about 10%-15% of the resolution cost. The 85% balance of the cost to solve this problem would simply be ignored—in a desperate hope that maybe it will go away.

Let me say now, however, that this should not be interpreted as a plea for the Treasury's recapitalization plan because even that plan, had it been adopted, would have been inadequate as well. I am convinced that any of the proposed recap plans are not feasible under any possible scenario.

But I am saddened that the small sum plans are being discussed and might well become the law for the next two years.

In that two years period or perhaps even sooner, FSLIC will suffer losses that will far outstrip its ability to meaningfully correct this problem. Consequently FSLIC will be forced to again delay the resolution of its problem thrifts until that time expires and we will again face the same problem, again at a much higher cost.

The problems that the losing institutions face are not interest rate problems. Their profitability will not return even if interest rates decline as they did for many thrifts in the mid 1980's. Neither will an economic turn around in the Southwest save many of these thrifts because most of them have asset quality problems. That means the market value of their loans and investments are not as large as the amount of debt that these assets secure. Asset quality problems are potentially more expensive to the insurance fund than were the interest-rate spread problems of the early 1980's. They also can be more difficult to deal with.

Let me quote from GAO on this problem "we have seen that asset quality problems are both less predictable and more costly to the insurance fund than interest rate spread problems. Perseverance is not a virtue for an institution with poor credit risks, bad assets, and a worsening insolvency problem. First, evey dollar of continuing losses by an insolvent thrift adds to the FSLIC's cost and creates a growing imbalance between the liabilities for which FSLIC is responsible and the assets it must manage at the time of case resolution".

FSLIC will be forced to defer any meaningful action while the losses build up. I don't think that this is what the Congress wants. Unfortunately we cannot simply wait out this problem as that would lead to certain catastrophe.

Let me give you three more reasons why any action short of an adequate solution to this situation is negative for the thrift industry. A small sum such as proposed will actually increase the future cost of borrowing in the marketplace, as all the recap plans depend on long term borrowing. The financial condition of FSLIC, the weakness of a large part of the industry, the certainty that Congress will have to revisit this problem in the near future and growing skepticism that the bonds can be marketed successfully at a reasonable interest rate, all will cause the bonds to be more expensive to market. They will in effect become government "junk bonds" because of the high risk associated with the problems of FSLIC.

Another risk of delay. The Bank Board estimates that just a modest increase of 200 basis points in interest rates would cost FSLIC an additional $7 billion over the next two years—and jeopardize the future of hundreds more thrift institutions. Even this is undoubtedly an underestimate given the Bank Board's previous optimism.

There is another major problem that is associated with the theory that we can "wait out" this problem. It is more than likely that interest rates will slowly increase in the future rather than continue to decline significantly. Therefore, the longer the delay, the greater the interest and carrying costs incurred on FSLIC's accumulated insolvency loss.

The final cost of delay is perhaps the most frightening in that it could result in increasing costs by additional billions of dollars. The new tax bill made the resolution of thrift failures more difficult after December 31, 1988. One provision will tax FSLIC financial assistance used to acquire failing thrifts. The other provision removes the ability of acquiring institutions to use loss carryforwards in mergers with troubled institutions. Without these tax advantages, unassisted mergers will not be viable alternatives. To quote the Bank Board on this issue "FSLIC's costs will be raised by having to compensate acquirers for future tax payments or by having to liquidate institutions for which mergers are no longer feasible."

You may ask, why is this so devastating? Well, the benchmark for solving this size of problem is asset resolution percentage. In the early 70's, the Bank Board could resolve a problem S&L at a cost of about 3% of assets. Now, 25% is the benchmark for resolving an institutions failure. The percentage the Bank Board must expend to solve their problem cases will increase as fewer failing thrifts can be merged or acquired by other institutions. The higher the resolution percentage, the greater the cost to the FSLIC, and ultimately to the American taxpayer.

I am and will continue to be opposed completely to any short sighted and unrealistic bailout scheme that will surely fail. To quote the Bank Board Chairman's views on the smaller funding plans, "the adoption of plans involving lesser recapitalization resources would be tantamount to the adoption of a continuous crisis resolution. No one has demonstrated that such sums are even remotely adequate to meet the full magnitude of the FSLIC's problems."

The other major alternative that has been offered to recapitalize FSLIC is the Treasury plan.

TREASURY PLAN PROBLEMS

The Treasury Plan shares some of the problems that the smaller plan does, but it authorizes the sale of $15 billion of Recap plan bonds over the next five years.

One major defect in the Treasury's Plan is that it would require thrifts to pay the interest on the borrowed bonds with the special assesment, and would have the effect of mortgaging the future of all of the thrift industry for many years to come. Thrifts are already paying two and one half times as much in premiums as are their FDIC counterparts. It is increasingly difficult for healthy thrifts to attract depositors and make a profit with the special assessment in affect. The Treasury bill proposes to phase out the special assessment within five years. But the GAO has demonstrated that even the Treasury plan may not be enough to solve the problem. If this is true, the special assessment may have to continue indefinitely, effectively "bleeding" the profitable portion of the thrift industry for many years to come. Clearly, if enacted, the Treasury plan would seriously harm the stronger element of the thrift industry and weaken its profitable segment.

Additionally, there is considerable question whether or not we can market these bonds at a reasonable rate of interest—the risk premium may be very high.

Finally, the other major defect in the Treasury logic is that it erroneously assumes an 8% annual growth in deposits. The shaken confidence in the FSLIC fund has already reduced the growth of S&L deposits, and will have an increasingly adverse effect on any future increases.

According to the Wall Street Journal, Tuesday, March 24, withdrawal from federally insured S&L's exceeded deposits by $2.2 billion in January. The Bank Board is quoted as saying this represents a "much larger deterioration in deposits" (than the normal holiday withdrawals of December). Does anyone believe that people are going to put their money into S&L's over the next two years unless we really solve this problem, and restore public confidence? In addition, higher capital requirements are going to give thrift management an incentive to shrink their deposits because it will be easier and less dilutive to existing stockholders to raise capital ratios by shrinking in size than by selling additional stock.

The Treasury recap plan fundamentally pledges and leverages much of FSLIC's highly unpredictable income stream over the next 20-30 years and simply will not begin to generate sufficient funds to pay for FSLIC's present or future insolvency problems.

The approach in anybody's recap plan therefore, can be summarized as follows: cover up the serious nature of this situation with accounting gimmicks; postpone a painful resolution as long as possible; if money is needed to bail it out, get the winners in the program to subsidize the losers; provide bandaids and window dressing and show appropriate concern and compassion by ordering forebearance thru the use of capital certificates of an insolvent agency, certificates which are nothing more or less than a phony IOU; and finally tap the Treasury only indesperation after all else fails.

So what is the answer to this frightening spectrum?

I believe there is a better alternative, and perhaps several of them. The one I prefer and propose, would, I believe, permanently solve the thrift crisis, and not simply postpone the inevitable recognition of the problem.

I have for the past two years watched as the FSLIC crisis has grown. I first began to talk openly about FSLIC's deteriorating financial condition in 1985. I have taken to the well of the House twice before to speak at length on this issue and I asked GAO to conduct a study of FSLIC's financial state. That report and its on-going follow ups have been available to us all for some months now.

I have put a great deal of time, effort, and thought into the FSLIC issue. At times, I was the only voice speaking on this issue. A year ago, I warned Members of Congress that the size of the FSLIC problem was at least $22-23 billion. At that time, the Bank Board strongly disagreed with my assumptions. All along, the Bank Board has deliberately underestimated or refused to acknowledge the size of solving this situation.

It is time to construct a plan that will save the thrift industry now. We cannot forget that it was not raining when Noah built the ark.

The plan that I propose will be controversial and is a dramatic departure from our recent history. It makes several assumptions. Among those are:

1. FSLIC is bankrupt.

2. The Re-cap plan will not work because it raises an insufficient amount of money to correct FSLIC's existing and future liabilities.

3. An outright merger of FDIC and FSLIC is not desirable for a number of reasons. Three of these are: A. Even FDIC reserves are not enough to pay both its own bills and FSLIC's liabilities; B. a merger will not dispose of failing thrifts in the least costly manner; and C. a merger would not accomplish the severability of the healthy thrifts from the brain dead ones so that the latter don't drag down the former.

4. Reality is that the taxpayers of this nation will ultimately have to provide money to solve the problem. To think otherwise is pure fantasy. To wait for the problem to become worse adds billions annually to the cost of the solution of this situation.

5. The thrift industry is slowly being driven out of the original business for which it was formed—and it must diversify

6. Reregulation of the industry will not bail out FSLIC or the insolvent thrifts and would be damaging overall to the thrift industry.

The plan that I propose is fairly simple.

First, we should have the healthy part of the industry transfer to the FDIC. All the thrifts that can meet the capital requirements of the FDIC would transfer under this plan. Upon transfer, each institution would pay a "reasonable" exit fee to the FSLIC. Over a five year transition period, uniform accounting standards, regulatory practices, and capital requirements would be imposed on banks and thrifts so that the playing field would become truly level. I would reason that at the very least, two-thirds of the industry would choose to transfer. Others close to the capital requirement threshold would have a tremendous incentive to raise fresh capital in order to be permitted to join the FDIC club.

Secondly, my proposal would charge FSLIC with just one responsibility: that is, disposing of the thrifts that are unable or unwilling to transfer to FDIC coverage, and doing so in a manner that minimizes for the taxpayer the present or future cost of disposal. In order to fund FSLIC we would combine FSLIC's present reserves with exit fees from the healthy thrifts, and the retained earnings of the Federal Home Loan Banks. Under this proposal there would be no reason to maintain the Federal Home Loan Banks, thus allowing us to use their retained earnings to pay for some of the FSLIC's losses. Additionally, we would place the full faith and credit of the U.S. behind the FSLIC fund so as to avoid any loss of confidence among depositors in those institutions.

FSLIC would be given five years to accomplish the task of disposing of the remaining insovlent thrifts. I think that this time period is sufficient to allow those thrifts that are currently experiencing problems to build their capital to transfer to FDIC. Those that are beyond saving should be closed as soon as possible in order to minimize FSLIC's losses.

As with all ideas, there will be parts of this plan that will be subject to criticism from industry sectors. But this proposal rises above these interests and is a giant leap forward, not only in solving our current thrift crisis, but in paving the way for long overdue regulatory reform of America's financial services.

Allow me to expand on the positives that this proposal offers in solving the FSLIC problem.

First, and most importantly, it will minimize the cost to the American taxpayer. Maryland and Ohio eventually had to use taxpayer funds for a bailout. Why not recognize that some budget assistance is inevitable, and compartmentalize the problem in order to minimize our losses?

Second, this proposal will save the healthy portion of the thrift industry, which is holding hundreds of billions of dollars of deposits. Unlike the Treasury recap plan, it will not burden healthy thrifts with onerous special assessments or extract prohibitive exit fees. Most of the institutions supporting the smaller dollar plans are doing so because they recognize that their own solvency is in danger under the Treasury scheme.

Third, the Congress would immediately restore public confidence in the banking system. No longer will it have to witness a FSLIC crisis spelled out in the papers everyday. Safety and soundness will be restored to the majority of savings institutions. No longer will they be threatened with the loss of business as the American public becomes increasingly disenchanted with thrifts.

Let us not fool ourselves into thinking that if we re-visit this problem in one or two years that we will have some kind of quick resolution. It has taken us three years to reach this point alone. Public confidence will surely erode if we don't solve this problem now.

Fourth, we will prevent a crisis driven merger of the FSLIC and FDIC. Nothing could be worse for all sectors of the industry. It would jeopardize the FDIC fund, would hide the real problems of the thrift industry, and not address the need to meld

together two financial regulatory structures which have outlived their usefulness. It is the easy answer, but the most dangerous solution. But in an election year Congress, or a Congress that faces an exhausted public, will be very tempted to simply merge the funds. We must prevent that!

Finally, the Congress will simply be ratifying the changes that have taken place in the marketplace. The market place has overrun the ability of the regulatory system to regulate it. We do not need a separate thrift industry anymore simply to fund home mortgages. That already is being accomplished by the secondary mortgage market, mortgage bundling, REMIC's and so forth. We really don't need the Home Loan Banks anymore or even the Federal Home Loan Bank Board. We no longer fear a shortage of home mortgages in the marketplace. Home mortgages are big business now. Who hasn't heard of Ginnie Mae's, Freddie Mac, Fannie Mae. A merger of the funds won't destroy home mortgages, it will make them cheaper and more accessible all to the benefit of the consumer. the thrifts recognize that already, and it is time that the Congress does the same.

In conclusion Mr. Speaker, this Congress faces a very serious problem, and as is often the case, rather than leading the way we will continue to grope and stumble until the problem overtakes us and gives us no choice but to do something even if it is too late.

This is not the first time, nor the last time, even today, that a Member will plead his cause on a particular issue before the House. It is serious, it is a problem, it is a crisis, we hear these words so often that they have become cliches, and they usually fall on deaf ears.

But it is just a matter of time before this crisis does catch up to us. It will be a political problem for many. No one wants to have the thrift industry collapse on their watch. I don't want it to happen on mine.

It will have a budget impact, because sooner or later we will have to bail out the FSLIC, and no one around here likes to cut spending, or increase the deficit, but we may have to do both! And if you don't think a bailout is coming, you have ignored the fact that we are witnessing a race to the Federal Treasury between FSLIC and the Farm Credit System (FCS), and they will soon be joined by the Pension Benefit Guaranty Corp., and the Federal Maritime Commission—all those hogs rooting in the public trough all at once is mind boggling.

Finally, I would ask my fellow Members of this Congress to focus on this problem. To give consideration to the most thoughtful approach. To reject quick fixes, and to restore confidence with the pulbic so that we can indeed handle this problem before it becomes a crisis, and to prove that we are capable of preventing continuation of this situation through insufficient action.

Thank you for this opportunity to address the House Mr. Speaker.

STATEMENT OF HON. STAN PARRIS OF VIRGINIA, BEFORE THE HOUSE OF REPRESENTATIVES, OCTOBER 29, 1985

I have today introduced legislation which reaffirms that deposits at all federally insured institutions are backed by the full faith and credit of the United States Treasury. A similar resolution, House Concurrent Resolution 290, passed the House of Representatives on March 18, 1982 by an overwhelming margin of 382-7. The Senate passed this guarantee to depositors unanimously. I commend that resolution to my colleagues and am confident it will receive substantial support.

I take the well of the House today, Mr. Speaker, in an attempt to increase what I have called less than complete public understanding of the problems facing the nation's thrift industry. Regulators at the Federal Savings & Loan Insurance Corporation (FSLIC), which protects Depositors' accounts up to $100,000 per depositor per institution, have become increasingly concerned about a portion of the savings institutions it insures. The problem is twofold: in our older, industrial states, thrifts are still crippled by interest rate problems left over from the collapse of 1981-1982. In some of our Sunbelt states a new, potentially more costly problem has emerged related to exposure to credit risk. 80 percent of the thrift industry's problems are in four states: California, Texas, Florida and Louisiana, but in those states particularly, those problems are severe.

I want to assure my fellow Virginians that, according to federal regulators, Virginia savings institutions are generally very safe and sound.

Scores of our nations thrifts see little prospect of an early return to profitability; therefore, these institutions have little to lose by making highly speculative loans and direct equity investments with money obtained from the federal credit window; they know the FSLIC will cover all their losses. The situation therefore, amounts to an industry that is steadily deteriorating—a condition that can no longer be tolerated.

The Chairman of the Federal Home Loan Bank Board has testified that the insurance fund could be at zero balance within a year. An independent study by the General Accounting Office (GAO) reveals that 42% of all savings institutions are insolvent or have a dangerously low net worth. This group of 1343 institutions, at the end of 1984, had roughly one-half of the industry's assets, $483.7 billion. Most are not earning a profit and are, in fact, accumulating losses. Over time, the potential cost of liquidating all these troubled institutions is estimated at between $15 and $20 billion. The cost could even amount to between $30 and $50 billion, according to FSLIC officials.

This far outstrips the insurance fund's current reported $3.2 billion unobligated balance. The GAO study is important because it focuses on the low net worth of the entire thrift industry and provides an independent assessment of the number of insolvent institutions that may need assistance from the FSLIC. The numbers also demonstrate that Congress was correct in adopting the principle of expanded powers for thrifts in 1980 and 1982 in order to allow the market value of the thrift industry's sagging loan portfolio to recover from the ravages of inflation and to enjoy the benefits of a declining interest rate. In addition, it is clear that any attempt to require the industry to set aside a portion of its own resources would move an additional 159 thrifts into insolvency and categorize 247 more in a low net worth position, depleting funds available to protect the industry from future losses which would make the future even more bleak. But equally important, these powerful facts confront the Congress, thrift regulators, and the industry with a crucial window of opportunity to address the insolvency crisis at FSLIC before the cost escalates dramatically and the nation's healthy and profitable thrifts are adversely affected by the unfortunate condition of low or negative net worth, which is the condition of a portion of thrift institutions now.

Mr. Speaker, these are the unfortunate facts we have gathered from conversations with top officials at the insurance fund and experts who have investigated the thrift industry at the General Accounting Office, Congress's independent auditor.

Let me hasten to add, the thrift industry is in the midst of a serious situation, but there is no reason for the average depositor to be concerned. Congress will never allow deposits at federally insured savings institutions to be lost. That precedent has been firmly established and will not be repudiated. In 1982, when a portion of the thrift industry was collapsing, Congress pleaded the full faith and credit of the United States Treasury in support. I don't believe there is one Member of Congress who does not feel obligated to stand behind this promise, even though the thrift industry may face much more costly problems today. No account holder should feel compelled to withdraw their deposits from their neighborhood savings and loan. Yet all of us as taxpayers must urge the thrift industry, its regulators and we in the Congress to calmly and decisively begin improving the situation which exists at institutions that threaten this $1 trillion industry, the bulwark of our housing finance efforts. We simply cannot afford to ignore the situation any longer. It would be unthinkable to permit the excesses of a few to jeopardize the future of the many in this important industry.

The real issues surrounding this crisis, Mr. Speaker, only indirectly relate to the current balance of the Federal Savings and Loan Insurance Fund. We must begin to consider the questions: How many thrifts will or should be allowed to fail? Who will pay to correct this increasingly serious situation? How much will it cost the nation's taxpayers? And how many profitable thrifts will be adversely affected by the mistakes in judgment by a number of thrifts that are already insolvent or floundering in low net worth?

I wholeheartedly agree with the principles advocated by the Federal Deposit Insurance Corporation, the insurer of commercial banks' deposits. "Public confidence in the banking system is enhanced when the public receives fair and meaningful disclosure, and confidence is eroded when the public believes it is being deceived or is not receiving all the facts it needs to evaluate a situation."

As one Member of Congress and one Member of the House Banking Committee, I believe it is long since past time to be candid with America about the extent of the problems at the Federal Savings and Loan Insurance Corporation. Therefore these remarks are the beginning of what I hope will be increased candor by all concerned with this situation.

FSLIC is a wholly owned government corporation that is governed by the Federal Home Loan Bank Board. FSLIC is responsible for insuring the safety of deposits in thrift and home financing institutions.

At my request, a team of economists at the General Accounting Office (GAO) has compiled the most up-to-date pubilc analysis of the problems facing the thrift industry and the solvency of the insurance fund available. "Thrift Industry Problems: Potential Demands on the FSLIC Insurance Fund," dated October 23, 1985, was prepared by and through the auspices of the GAO.

This independent analysis of the perilous financial condition of a significant portion of thrift institutions insured by the Federal

Savings and Loan Insurance Corporation dramatically illustrates the problems faced by the fund. What's more, GAO's timely study exposes the strains a significant number of financially distressed thrifts have placed on the large majority of savings and loans who have labored to retain a margin of profitability.

These glaring numbers illustrated in tables and charts, to which I will refer throughout these remarks, are based on data supplied to the GAO by the Federal Home Loan Bank Board. The GAO analyzed the Bank Board's data in a sophisticated computer study, using one of the best data bases on the thrift industry currently available. The figures presented in the study are based on data from 1977 to December 31, 1984, and are consistent with historical data which is comparable over time. The numbers clearly show the developing trends.

By way of background, in the 1960s and 1970s, thrift industry profits were healthy. Commercial banks and savings institutions operated under interest rate ceilings. The financial of housing was a priority for this country, and S&Ls were given a slight advantage over commercial banks on what they could pay for deposits in order to compete with banks.

Savings and loans would take in deposits on a fixed rate basis and lend out those funds as home mortgages. Thrift failures were rare, but economic and financial upheaval in the 1970s began to unravel this scenario.

Inflation and a volatile interest rate environment left thrifts with an asset base of primarily long-term, fixed rate mortgages yielding lower rates of return than the institutions had to pay to attract deposits to support their loans. The easy days of thrift profits from fixed rate deposits loaned out as home mortgages were long gone.

Pressure built for Congress to address these structural problems. In 1980 Congress passed legislation to phase out consumer interest rate ceilings by 1986, with the passage of the Depository Institutions Deregulation and Monetary Control Act. Nevertheless, banks and thrifts remained hampered by interest rate ceilings and were losing deposits. Consumers had a choice about where they would deposit their money. Money market mutual funds, free to offer market rates, attracted over $200 billion by 1982. Consequently, the thrift industry was thrown into the throes of a real crisis between 1981 and 1982.

As interest rates soared to unprecedented heights, thrifts failed in record numbers. According to figures compiled by Washington Financial Reports, a full 20 percent of the federally insured savings industry vanished between 1980 and 1984. FSLIC-insured thrifts either failed or were merged out of existence. The number of federally insured savings institutions fell from 4,002 in 1980 to 3,167 in 1984, with a record 252 thrifts failing in 1982. In contrast, only 117 savings institutions failed between 1934, when the FSLIC was set up, and 1980, a failure rate of 2.5 institutions per year, 1/100th of last years rate.

Congress soon realized that the process of lifting consumer interest rate ceilings had to be accelerated. Legislation passed in 1982, the Garn-St. Germain Depository Institutions Act, thrust depository institutions onto the same level playing field as uninsured money market mutual funds. It gave federally-insured institutions a money market deposit account, a ceiling-free, ready-access account and expanded operations opportunities. Once again, depository institutions could offer the small saver market rates of interest on savings.

Today, the thrift industry has approximately $1 trillion in total assets. Deposits amount to 80% of this $1 trillion figure. Net income, the after-tax profits for the industry, has improved for many thrifts, especially the larger, better managed thrifts. A great majority of federally insured thrifts—80% of all thrifts according to the Bank Board Chairman—are returning to profitability. Many analysts project that the savings and loan industry will earn between $4 and $5 billion in 1985. This year could well bring record profits for the industry, but earnings are still a modest return on assets when compared with other commercial ventures. However, the thrift industry's earnings are historically declining.

(See Net Income, Table 1.)

The 1985 after tax earnings should be an improvement over the $2 billion in profits earned in 1983 and the $1.7 billion the industry earned in 1984. But let's put the $4 to $5 billion projected earnings for 1985 in proper perspective. They are a modest return when contrasted with the $1 trillion size of the industry. In fact, these earnings are probably overstated because the Bank Board and Congress have permitted creative accounting techniques to artificially increase net worth and earnings; the undesirability of these accounting methods will become clear when we examine the net worth of FSLIC-insured institutions.

The rate of return on assets in the thrift industry has been steadily deteriorating—reduced from .80 to .25% return on assets—and casts doubt on whether the thrift industry can attract much needed new capital for private mergers of insolvent thrifts, at a time when regional and national banking are developing.

(See table 2, Net Worth as a Percentage of Total Assets.)

The net worth of federally-insured savings institutions, that is assets minus liabilities, fell below 3% of assets at the end of 1984 for the thrift industry as a whole, according to the GAO study. This is measured according to generally accepted accounting principles. Industry analysts project that net worth will improve marginally in 1985, hovering around the 3% mark for the year; but that is still the level at which, under the Bank Board's own rules, an individual institution should be closed.

Net worth is one measure of how well protected against losses the thrift industry is. It presents a much truer snapshot of the industry than regulatory net worth, which was 3.87% for the last quarter of 1984. Regulatory net worth is measured according to the Bank Board's more liberal regulatory accounting principles (RAP).

Let me give you a short lesson on thrift accounting history.

In 1980, net worth for all FSLIC-insured institutions was roughly 5.5%, as measured by the Bank Board's regulatory accounting standards and generally accepted standards. But net worth plunged between the middle of 1980 and the end of 1984. Remember, the industry was caught between the one two punch of long-term, fixed rate mortgages yielding lower rates of return than the thrifts had to pay to attract deposits to support their loans.

Confronted with a collapsing thrift industry, the Bank Board, with Congress's blessing, devised new definitions of net worth for regulatory purposes. Prior to the adoption of these creative accounting "reforms," FSLIC could close or bailout a savings institution when its net worth fell below 5%. This was eased to 4% in 1980 and dropped to 3% in 1982.

Regulatory net worth is calculated according to regulatory approved principles. It is a Washington device that many disdainfully call creative accounting. RAP amounts to a two front assault on a sinking balance sheet.

(Go to table 5, Net Worth Certificates.)

First, capital is bolstered through the use of a device called net worth certificates, a "paper for paper" exchange between the insurance fund and an ailing thrift, which can list them as assets. If net worth certificates aren't enough to prop up a savings and loan, then, when FSLIC takes over an insolvent thrift, it can make another capital infusion called income capital certificates.

According to the Bank Board Chairman, FSLIC has had to reduce its unobligated insurance balance by $580 million in 1985 in order to bailout just 17 thrifts with these capital infusions and the meter is still running. The Chairman has said that more than a billion and a half dollars more may be needed to sustain these and other thrifts before the end of the year.

(Go to table 5, Deferred Losses.)

At the end of 1984, regulatory net worth appears to be a somewhat stronger percentage of assets, but as table 5 demonstrates, roughly 26% of RAP is creatively accounted. The thrift industry does not earn profits on these assets and good will, which is 63% of net worth, is also pumped into net worth, but they are all non performing in terms of profits. Deferred losses work this way. You sell your bad assets but only acknowledge 10% of the loss. Over the next ten years you carry the balance as remaining asset, which it clearly is not—deferred losses equal full 17% of the RAP net worth of insured institutions.

(Go to table 3, GAAP Insolvent Thrifts.)

The General Accounting Office reports that at the end of 1984, a total of 434 savings and loans and mutual savings banks insured by the FSLIC—with total assets of $101.6 billion—are insolvent under generally accepted accounting principles. Ten percent of the industry's total assets are held by insolvent institutions. I am told by generally reliable sources close to the crisis that this number has recently increased by another 25, bringing the total to roughly 460 insolvent institutions.

(Go to table 4, Low Net Worth Thrifts.)

Unfortunately, more troubles loom on the horizon. 909 Depository institutions insured by FSLIC—with total assets of $382.1 billion—have a low net worth of between 0 and 3 percent of assets. Again, the source of this information is the independent General Accounting Office relying on FSLIC's own numbers. Keep in mind, savings and loans with a net worth below 3% were often closed by FSLIC before 1982.

If you combine the 909 thrifts with low net worth with the 434 insolvent thrifts being kept in business because FSLIC lacks the resources to reorganize them, you find a staggering 1343 problem institutions. Viewed on a percentage basis, almost one-half of all thrifts still in business today—42%—should be technically closed if the regulatory standards were impartially applied.

(Go to table 6, Estimates of FSLIC Losses.)

The cost to close just the 434 insolvent thrifts with (negative net worth) at the end of 1984 may have exceeded $15 billion. This figure does not include the potential cost of having to liquidate or assist the 909 thrifts

with net worth between 0 and 3 percent at the end of 1984.

The $15 billion price tag is based on a 15% average cost to the insurance fund of dealing with failed institutions in 1984. Obviously this potential cost is far in excess of the often-cited $3.2 billion FSLIC currently has on hand to insure over $800 billion of deposits.

The GAO cost is probably conservative. The Bank Board Chairman recently told the House Banking Committee that the loss ratio FSLIC is experiencing on bailout this year is between 15 and 20 percent. In Texas, the FSLIC estimates losses at some thrifts could go as high as 70% of assets.

A high ranking Bank Board official has told Members of Congress that the cost of riding the savings and loan industry of all the threatened thrifts could cost $30–$50 billion over the next several years.

Early this fall, the head of the FSLIC told the House Banking Committee that the reserves of the insurance fund were $6.6 billion. On October 17, the Bank Board Chairman told the same panel that the unobligated reserves are currently $3.2 billion.

But he also conceded that $2.6 billion "represents the effective, usable reserves of the fund available at this time to deal with the problem cases." And there is some confusion about whether that figure includes all of the Banks' obligations for income certificates and net worth certificates or not.

We know all too well that there is no shortage of problem thrifts. Right now, FSLIC is operating a holding operation for 18 insolvent thrifts it was forced to liquidate but for which it lacks a buyer. A team of recognized experts from solvent institutions, who are on loan to FSLIC under short-term management consignment contracts, operate these federally-chartered institutions. FSLIC injects capital through income capital certificates.

When FSLIC reopens these managed thrifts, they begin with a negative net worth. FSLIC has put together a fine group of thrift executives who are laboring to straighten out these troubled institutions.

However, these 18 thrifts have cost the insurance fund $580 million in this year alone, over $32 million a piece. Liquidity is provided through the reserve window at the Federal Home Loan District Banks. To date, just these 17 thrifts have received $1.2 billion in cash advances guaranteed by FSLIC.

The Chairman also admitted at the October 17 hearing that within the next six or seven months the fund would be depleted by another $1 to $1.5 billion, just to keep alive the 17 thrifts it is operating under management contract, plus prop up another 30 to 70 thrifts located mainly in California and Texas.

FSLIC will receive up to $1 billion over the next year from a special premium assessed on the industry. Also, the fund will receive another billion dollars from investment revenue and from the regular industry premium, which is 1/12 of deposits of insured institutions.

But, the Chairman has publicly stated that FSLIC "could run out of money much sooner than (a year) if we chose to resolve all these cases and not just keep them."

The magnitude of the problem, therefore, far outstrips FSLIC's current and future resources, unless other funds are provided.

There are those in the thrift industry who indicate that the mounting problems among the 20% or so of the industry that are the most serious are not really significant because, with time, many of these institutions will recover. Meanwhile, FSLIC can quietly close the thrifts that are unable to make it.

(Go to table 7, Profit Experience.)

The GAO analysis contradicts this hope. The vast majority of insolvent thrifts for 1984 did not earn a profit for the year, when profit performance is measured on an average annualized basis.

The economists at GAO found that of the 19 thrifts whose liabilities exceeded assets by 9 to 12 percent, only one turned a profit for the year. What's more, this group's rate of return on assets can only be considered a disaster, ranging from negative 3.2% to negative 8.12%. That means their net worth is falling every day and their problems are worsening.

The table shows that of the 334 thrifts whose liabilities exceeded assets by 0 to 6 percent, only 138 earned a profit for the year.

For the 179 thrifts with a positive net worth, whose assets exceeded liabilities by 1 percent, only half (89) managed to generate a profit. The average rate of return for this group was a negative 0.16%. The picture is not much better for many of the 302 thrifts with a net worth as a percentage of assets between 1 and 2 percent.

Therefore, the profit experience for those institutions with a negative net worth is generally one of declining net worth for every day they remained in business in 1984. These institutions are piling up losses, which clearly indicates we cannot expect that they can work themselves out of their unprofitable condition.

(Go to figure 1.)

This chart shows that the institutions with the greatest negative net worth are losing money at the fastest rate. That does not give you cause for great optimism that they can work themselves out of these problems.

By comparison, there were 455 thrifts with a positive net worth, whose assets exceed liabilities by 3 to 4 percent. This group's rate of return on assets is a positive 0.39%. Only 21% of this group failed to earn a profit in 1984. This is a positive sign and is cause for optimism for their future. But, as shown in figure 1, the poor thrifts are getting poorer, and they are deteriorating rapidly. The ones whose net worth are the lowest are generally performing worst. Congress, the regulators, and the healthy thrifts must act quickly to correct this imbalance.

Presently, the guardians of our federal insurance fund are powerless to act, except to move against the thrifts in the most dire straits. Unfortunate, yes, but reality. FSLIC officials are understandably apprehensive that if they enforce the law and close insolvent thrifts, the fund will be exhausted soon after they begin the job of reducing the number of threatened thrifts. Depositor confidence could be shaken, even though the full faith and credit of the United States Treasury stands behind insured thrift deposits. As you can see, there are so many problems and so little money.

This study clearly demonstrates that the longer FSLIC is immobilized, the higher the cost to the taxpayer will be and the greater the damage to the majority of all thrifts whose fortunes are improving.

The complexion of thrifts' problems has changed from the earnings spread problems encountered in 1981 and 1982. The cost of correcting that situation is proving to be minor in comparison to the asset quality problems with which FSLIC is now confronted.

We were told on October 17, 1985 that the cost of solving today's asset deterioration crisis is between three and five times as great as the earnings spread costs experienced in 1981 and 1982. At that time, FSLIC spent 4 to 5 percent on bailouts; today the cost is running between 15–20% of insolvent thrift's assets.

Most of the thrift failures this year were largely due to bad judgment on real estate and credit extensions.

Recall that Congress passed legislation in 1980 and 1982 to assist thrifts to meet the changing competition. The 1980 law also granted federally chartered thrifts new authority to make commercial real estate and consumer loans and to invest in commercial paper and corporate securities.

The Garn-St Germain Depository Institutions Act, passed in 1982, greatly expanded savings institutions' power to make commercial real estate and consumer loans. The 1982 law also gave thrifts the power to make commercial loans. Many states also expanded the loans and investment powers of their state chartered, federally insured thrifts.

But clearly, real estate activities are the leading cause of today's thrift problems. Under current federal regulation, Federally chartered thrifts can invest, in effect, no more than 3% of their assets in direct real estate investments. These activities include the ownership of land held for development, commercial projects, and equity and service corporations.

But state chartered thrifts have been able to utilize a greater share of their assets in direct investments. In California, for example, state chartered thrifts can invest up to 100% of their assets in real estate development and other investments held on the thrift's behalf.

If the risky ventures pay off, then owners and lenders benefit. If they do not, then losses due to excessive risk taking by some thrifts may be borne by other, more conservatively managed institutions, or ultimately, if the insurance funds were depleted, by the U.S. Treasury.

As I previously indicated, California, Texas, Florida, and Louisiana have lead the way in liberalizing direct investment and loan powers for their state chartered thrifts. They are also the states where the FSLIC is uncovering the most troubled institutions.

The worst failures have occurred in these four states, where the legislatures freely grant lending and investment powers in excess of federal authority, but have no obligation to pay the cost when failures occur.

To his credit, the Bank Board chairman recognized the risk to the fund taken by these state chartered thrifts and rushed through regulations that now require state-chartered thrifts to obtain Bank Board permission for direct investments greater than 10% of their assets.

It would be simplistic to say a problem of this magnitude has been caused by real estate activities alone. The problem is more widespread, and includes federally chartered institutions. While FSLIC stands by, unable to deliver the treatment of liquidation or assisted merger, desparate thrift executives who find themselves trapped in an unprofitable position are taking other types of big risks in a last ditch effort to grow out of their problems. Failures are inevitable.

"Common threads are woven through the fabric of such failure" the Chairman told us, "Exceedingly fast growth, very high levels of brokered funds, very poor underwriting of loans and investments, shoddy management systems and practices, atro-

cious record-keeping, and questionable documentation, misleading and sometimes fraudulent behavior by those vested with a public trust as insurance depository institution executives."

The Chairman lays much of the blame on "high flyers and dare devils," who have tried to grow out of their problems. For the last two years the industry has enjoyed an annual growth rate in deposits of 20%. Bank Board officials have told me they have found 25 thrifts in Texas that have been growing at a rate 70-90 percent above what the Board thinks is prudent.

The Bank Board recently provided Congressional investigators a glimpse of the problems FSLIC has uncovered at a number of California thrifts now operated by the fund. The deposed executives of the large thrift invested in a mushroom farm and a tire retreading company, which FSLIC must now dispose of.

FSLIC is also trying to figure out what to do with Olympic Village, a Squaw Valley time-share resort, in which one federally-chartered thrift invested. This "investment," made without a feasibility study is a $750,000 a month drain on this FSLIC operated thrift. This thrift's problems are compounded by the drain created in its being the sole lender for another time share developer with poorly planned locations throughout the country. All told, the thrift is losing $2 million a month on its holdings.

This same thrift's interest in vacation projects extended to its own facilities. It built a $25 million headquarters complete with executive bedrooms, wine cellar, raquetball courts, a 2-story theater and a 30 foot waterfall. Shortly after this palatial headquarters was completed, the thrift collapsed. By now the excesses in some of the thrift industry are legend.

But even lending to those in the housing business has brought on problems for some savings institutions. In Texas, where FSLIC is bracing for more asset problems, a glut in apartment construction is forcing some thrifts that loaned money for construction projects to foreclose and sell the properties at a loss.

The Wall Street Journal reported on October 16 that Texas has accounted for fully half the nation's apartments constructed since 1983. The article cited the problem landlords face in Fort Worth. In that city alone, experts predict that it would take an estimated six years to rent all the apartments now available and more are being built. The city's vacancy rate has hit 16%, up from 12% in 1984. Meanwhile, rents have remained stagnant.

Well managed thrifts are being hurt by those with extended positions. A number of the FSLIC operated thrifts in California are unable to attract deposits without paying interest rates up to 1½ percentage points above the market rate. This is pushing up the cost of funds for the most healthy thrifts, and forcing them to redouble their loan and investment returns to cover the high rates of return they must meet to hold their position in the market.

(Go to figure 2, Consolidated Bond Financings.)

Of even greater concern, Home Loan bank note rates are up since July of this year, possibly caused by a proposal to buttress FSLIC with an asset management division financed by Federal Home Loan Banks bond issues, a so-called Sec. 406 bank. 0

Clearly, sophisticated investors are beginning to attach risk to the Bank's offerings, and investors are demanding higher rates of interest for these securities.

The Maryland and Ohio thrift crises precipitated by state insurance failures reveals how precious depositor confidence is to the stability of a thrift system, while at the same time demonstrating how fragile this important resource is.

If the danger of unacceptable low net worth ratios are not soon addressed, it could quickly spread and unfairly threaten some of our nation's large number of stable, profitably managed, secure savings and loans which are the institutions that are taking prudent steps to build on increased earnings.

If depositors are not comfortable with and do not have confidence in their thrifts, what is there to prevent a huge drain of thrift deposits into commercial banks, which are protected by a much stronger Federal Deposit Insurance Corporation?

Healthy thrifts, therefore, have much to gain in the long run from the correction of the problems of that important portion of their industry that is troubled.

(Go to Table 8, Market Value of Assets.)

This table clearly indicates that the losses have been reduced by adoption of the banking legislation of 1982. Table 8 also shows that even the troubled thrifts, with low-yielding loans in the early 1980's, have gained from adjustable rate mortgages and lower interest rates. The market value of the loan portfolio of 66 thrifts who received net worth certificates has gained by about one third between the end of 1982 and 1984. Thus, the market value of the entire industry is dramatically higher today than it was two years ago.

Should we wait much longer? No, interest rates will probably not trend much lower, if at all. Can we afford to rely on the uncertainty of the continuation of relatively-low interest rates into 1986, which would permit healthy thrifts to maintain favorable earnings spreads and profits?

Even if rates did continue to decline, it is not clear that additional delay would prove beneficial to the thrift industry. Consumers will begin to refinance their mortgages in greater numbers if rates continue to drop and this could erode the market value of many thrifts' assets even further.

What's more, with regional banking a reality and nationwide banking being advocated by many, the value of a thrift charter to those interested in its advantages will not last for long and voluntary mergers with profitable institutions in the future will become more difficult to arrange.

We now, therefore, have a window of opportunity in which the cost to the taxpayers of liquidating or merging thrifts can be minimized. The benefits of waiting have already been maximized.

So, what do we do about the situation?

There are no easy answers to the severe problems facing the thrift industry and its insurance fund. We have only painful, costly options. Frankly, there is no ready cure. I can only begin to identify for my colleagues in Congress a menu of possible alternatives available. Many of these entrees are so costly that perhaps none of us could support any or all of them.

The alternatives available must also be considered against our current backdrop of money problems;

We have a $180 billion national deficit;

Congress is being asked to consider a multi-billion dollar bailout of the farm credit system;

We may have to provide billions of dollars of funds to our neighbors in the less developed countries who are running out of cash and cannot obtain loans from the international banking system because these countries are no longer good credit risks.

Nevertheless, we must address the immediate and long term funding problems that face the Federal Savings and Loan Insurance Fund. Through a combination of some of the following alternatives, and those that are developed through the ingenuity of the many responsible parties at work to save the thrift industry, I hope that we can reduce the number of troubled institutions and renew confidence in the majority of thrift institutions returning to a profitable position.

The first alternative is, obviously, to do absolutely nothing. We could turn our backs on depositors and the industry, allowing them to bear the cost. This is indefensible. Depositors must be fully protected. We cannot return to the uncertainty of the 1920s, when depositors had to sort out the good financial institutions from the bad without any guidance or backing if their guesses proved wrong. Besides, this option is morally and politically unjustifiable.

The second alternative is equally as undesirable. Congress could write a blank U.S. Treasurer's check for FSLIC to draw upon whenever the need would arise. This option is equally unacceptable. At a time of record deficits and other pressing problems, the taxpayers would not support an increase in the deficit or individual and corporate taxes to bailout the thrift industry.

(Go to Table 9, 1% Recapitalization.)

A third option involves collecting more money from the savings and loan industry itself. The thrift industry itself has always provided the capital necessary to enable FSLIC to meet its obligations to insured depositors. This could take several forms.

We would recapitalize the insurance fund with industry profits. It has been suggested that the industry pay 1% of its deposits into the FSLIC fund, to be held as an asset on the thrift's balance sheet until they are used by FSLIC and then they would be expensed. The credit union industry recently completed a similar proposal, but credit union problems are simply not comparable to those facing FSLIC. This option would provide the fund with an additional $8.5 billion. In effect, the total tangible net worth of the industry at the end of 1984 would be transferred to FSLIC.

The main problem is that GAO figures show that if this set-aside plan had been adopted at the end of 1984, an additional 159 institutions would have plunged from low net worth to insolvency. An additional 247 thrifts would have tumbled from a position of adequate net worth to low net worth below 3 percent. While this $8.5 billion infusion appears to help the industry bridge the funding crisis at FSLIC, the industry is opposed. Many healthy thrifts would simply convert to a bank charter, in order to preserve their stockholders' profits and escape the levy of this set-aside proposal. It is not an attractive prospect and appears to provide no benefit either long or short term.

Another potential solution to the problem of FSLIC would be for it to turn to the Federal Home Loan Bank System for funding. Currently, the 12 District Banks have approximately $9 billion in capital, some portion of which could be used to bailout FSLIC. How much of this money would be actually available is in question because much of the total capital, which is held by the member thrifts, is tied up in capital stock. But invading the District Bank's capital could send tremors through the money

markets, where the Bank's must borrow money on a constant basis.

The District Banks are also authorized to raise money in the financial markets and lend what they borrow to FSLIC. The District Banks could issue bonds in the financial markets as a possible option to bailing out FSLIC. Rather than having the District Banks go to the credit market, Congress could increase the FSLIC credit line at the Treasury from the current line of $750 million to somewhere approaching the $3 billion line of credit the FDIC enjoys.

Another industry solution to FSLIC's problems would be to set up a federally chartered S&L to help the insurance fund to dispose of problem assets, the so-called sec. 406 bank. This institution would acquire and liquidate assets now held by FSLIC. The corporation would be funded initially through the purchase of stock by FSLIC and the Federal Home Loan Banks. The immediate goal of the corporation would be to inject capital back into the insurance fund through the purchase of low-quality assets.

This semi-private company, operating free of budget and personnel constraints that pertain to the fund, could perhaps manage and dispose of the more than $2.3 billion in assets that the insurance fund has acquired from failed thrifts. Advocates of this proposal say it would be a vehicle for FSLIC's liquidations to operate more efficiently at a lower cost to the insurance fund. But unless carefully structured, this company could simply be another level of regulatory management under the government. In addition, there is some question whether the 12 District banks, who would provide some of the startup capital, can legally take an equity position in this Sec. 406 proposed semi-private banking corporation. So, many difficult questions remain.

Another potential solution to the problem of FSLIC under-capitalization is to merge the FSLIC and the FDIC, the commercial banks' insurance fund. According to the former FDIC Chairman, the FDIC is so strong financially it may be able to handle thrift institutions solely from the earnings of the combined fund. However, a merger would force the banking industry to pay for the excesses of its competitors and could possibly require a supplemental tariff on member banks. It would most certainly take some time to phase in and would surely bring an end to the thrift industry as we know it. In fairness, substantial changes in the federal laws and regulations would be required to bring about greater parity in capital requirements, the ability to offer various financial products and services, and many other areas. Both bankers and thrift executives oppose this option. Merger would still leave the taxpayers with a huge number of ailing thrifts.

Another option would be to attract additional capital to the thrift industry from whatever source; these non-thrift firms could be enticed to acquire weak but still salvageable thrifts. Financial service firms engaged in securities activities, such as insurance firms and bank holding companies, could serve as potential acquirers. These entities may be willing to inject capital into the thrift industry in order to gain access to the federal payments window. But how realistic is it to think that nonfinancial institutions would be willing to invest in thrift charters when nationwide banking may be just around the corner and FSLIC is having to provide cash to induce healthy thrifts to take over its backlog of ailing thrifts?

There are still other, long-term remedies that Congress may choose to consider. These options include:

Risk-related deposit insurance premiums or risk-related capital requirements, which would allow FSLIC to charge a higher premium or increased capital based on the risk an institution poses to the insurance fund. But this would require some subjective rating process by the regulators.

Thrifts could also be required to sell short-term subordinated debt to the market. This would subject thrifts to market discipline, since a thrift engaging in risky activities would either have to offer a much higher interest rate to sell its subordinated debt, or would not be able to market its debt instruments at all. Of course, this option would have to be coupled with increased disclosure to the public of problems thrift examiners uncover and dramatically intensified supervision. Examiners would also have to be better compensated for the insurance fund to attract and retain high-quality people who can analyze sophisticated loans and investments.

A change to market value accounting may also be required. At present, institutions value both their assets and liabilities for regulatory purposes at the initial cost or value of the asset or liability.

Since the initial value of an asset or liability does not represent its current value, this method does not give the regulator a true picture of the institution. One proposal to correct this problem is to switch to market value accounting, under which the asset is valued at its value in the market at the time of the report.

And there are other possible alternatives, all of which must be considered.

After listening to this description of the magnitude of the problems facing our thrift industry and its insurance fund, you may join me in the realization that no easy answers exist. I have been studying the problems for weeks; I have discovered no ready cure. Perhaps my colleagues will summarily dismiss all the options I have set forth today for dealing with this situation, but I do hope I have begun to identify the problem and alternatives. Congress cannot begin to act alone. We need the assistance and the suggestions of all responsible parties associated with the thrift industry.

In closing, I hope I have begun to increase the public's understanding of the problems facing the thrift industry. The public, is after all the final arbiter of what actions we here in this body take.

I am confident that Congress will act calmly and decisively. Depositors should remain assured that the full faith and credit of the United States Treasury stands behind their money. In 1982, when similar problems confronted the thrift industry, Congress overwhelmingly move to restore confidence to our historic system of federal deposit insurance. I have little doubt that Congress will renew this important pledge so that we can act decisively to revitalize the thrift industry, an important aspect of the financial planning of many Americans.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. GEPHARDT] having assumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, pursuant to House Resolution 173, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendments to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

□ 2010

The SPEAKER pro tempore (Mr. GEPHARDT). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LEACH OF IOWA

Mr. LEACH of Iowa. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LEACH of Iowa. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LEACH of Iowa moves to recommit the bill H.R. 1278 to the Committee on Banking, Finance and Urban Affairs with instructions to report back the same forthwith with the following amendments:

Page 270, after line 13, insert the following new subsection:

(d) HOLDING COMPANY ACTIVITIES CONSTITUTING SERIOUS RISK TO SUBSIDIARY SAVINGS ASSOCIATION.—Section 10 of the Home Owners' Loan Act of 1933 (as so redesignated, transferred, and inserted into such Act by subsection (a) of this section) is amended by adding at the end the following new subsection:

"(q) HOLDING COMPANY ACTIVITIES CONSTITUTING SERIOUS RISK TO SUBSIDIARY SAVINGS ASSOCIATION.—

"(1) DETERMINATION AND IMPOSITION OF RESTRICTIONS.—Notwithstanding any other provision of this section, whenever the Director determines that there is reasonable cause to believe that the continuation by a savings and loan holding company of any activity constitutes a serious risk to the financial safety, soundness, or stability of a savings and loan holding company's subsidiary savings association, the Director may impose such restrictions as the Director determines to be necessary to address such risk. Such restrictions shall be issued in the form of a directive to the holding company and any of its subsidiaries, limiting (A) the

VOL 135 PT 9 JE 14 — 22 1989 UMI

payment of dividends by the savings association; (B) transactions between the savings association, the holding company, and the subsidiaries or affiliates or either; and (C) any activities of the savings association that might create a serious risk that the liabilities of the holding company and its other affiliates may be imposed on the savings association. Until or unless such directive lapses or is rescinded or modified as provided in paragraph (2), it shall be effective as a cease and desist order that has become final.

"(2) REVIEW OF DIRECTIVE.—

"(A) ADMINISTRATIVE REVIEW.—At any time after a directive referred to in paragraph (1) is issued, the savings and loan holding company, or any subsidiary of such holding company subject to the directive, may object and present in writing its reasons why the directive should be modified or rescinded. Unless within 10 days after receipt of such response the Director either affirms, modifies, or rescinds the directive, such directive shall automatically lapse.

"(B) JUDICIAL REVIEW.—If the Director affirms or modifies a directive as provided in subparagraph (A), the affected party or parties may immediately thereafter petition the United States district court for the district in which the savings and loan holding company has its main office or in the United States District Court for the District of Columbia to stay, modify, terminate or set aside the directive. Upon a showing of extraordinary cause, the savings and loan holding company, or any subsidiary of such holding company subject to a directive, may petition a United States district court for relief without first pursuing or exhausting the administrative remedies set forth in this paragraph.".

Page 31, strike line 20 and all that follows through page 32, line 14, and insert the following:

"(C) APPROVAL DURING MORATORIUM.—The Corporation may approve a conversion transaction at any time if—

"(i) the conversion transaction affects an insubstantial portion, as determined by the Corporation, of the insured liabilities of each financial institution participating in the conversion transaction; or

"(ii) the Corporation and, during the existence of the Resolution Trust Corporation, the Oversight Board of the Resolution Trust Corporation determine that the conversion transaction is in the best interests of the Bank Insurance Fund and the Savings Association Insurance Fund.

Page 42, strike line 3 and all that follows through page 43, line 6, and insert the following:

"(5) LIMITATION.—During the 5-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989—

"(A) no Savings Association Insurance Fund member shall have any liability to the Corporation under this subsection arising out of assistance provided to or loss incurred by the Corporation as a result of the default of a Bank Insurance Fund member; and

"(B) no Bank Insurance Fund member shall have such liability with respect to assistance provided to or loss incurred by the Corporation as a result of the default of a Savings Association Insurance Fund member.

Page 45, line 18, insert closing quotation marks and a 2d period after the period.

Page 45, strike line 19 and all that follows through page 46, line 18.

Page 271, beginning on line 5, strike "and a bank (as such terms are" and insert "(as such term is".

Page 271, line 11, strike "and a bank (as such terms are" and insert "(as such term is".

Page 272, strike line 24 and all that follows through page 276, line 15 (and redesignate the subsequent subsection accordingly).

Page 292, strike line 17 and all that follows through page 293, line 4 (and redesignate the subsequent subsection accordingly).

Page 402, line 8, insert closing quotation marks and a 2d period after the period.

Page 402, strike line 9 and all that follows through page 404, line 5.

Mr. LEACH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa [Mr. LEACH] is recognized for 5 minutes in support of his motion to recommit.

Mr. LEACH of Iowa. Mr. Speaker, we are at the end of a historic bill. There are a lot of amendments this gentleman wanted to offer, including one to require higher capital standards for the industry as well as for Freddie Mac and Fannie Mae, and also an amendment that would relate to savings banks.

Personally I believe capital standards are inadequate. I also believe that estimates of the depth of the hole in the insurance fund are insufficient and that we will have to revisit this bill in 18 to 36 months.

However, Mr. Speaker, I have taken the advice of my leadership and have designed a motion to recommit that does not simply swing at windmills; it swings at power.

This motion to recommit strikes all the special interest exceptions in the bill and gives the Federal thrift regulators stronger oversight power over thrift holding companies.

I recognize that many of the exceptions in the bill, such as those put in by the gentleman from Georgia [Mr. BARNARD], my friend, and the gentleman from North Dakota [Mr. DORGAN], reflect their public policy concerns. But the issue in this bill is reform.

Mr. Speaker, we are looking at the greatest debacle, the greatest lapse of legislative judgment in this history of this Republic with the bailout requirements in the 12-figure range and fraud estimates in the range of 10 figures. What we are looking at is a bailout larger than Chrysler, and Lockheed and New York City times a factor of 10. We are looking at a fraud problem larger than Teapot Dome to Abscam times a factor of 100.

Under these circumstances the only way the American people can accept the cost implication of this bill; cost estimates, by the way, that amount in this bill alone to almost $500 per every man, woman, and child in this country and which are likely in the next decade to exceed a $1,000 for every man, woman, and child, is to have as few exceptions as possible.

Mr. Speaker, now is the time for reform, not politics as usual. I urge bipartisan support for this very modest, very simple motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, I have very mixed emotions about the bill we are about to pass. On the one hand, it corrects many of the errors of the past that allowed the thrift crisis to grow this large. On the other hand, the financing of the bailout is terribly inequitable and forces the many to pay for the sins of a few.

Among the positive contributions made by this legislation are:

First, the bill separates the thrift insurance fund from the thrift chartering agency so that the often conflicting goals of these two groups do not jeopardize the health of our thrift industry, or its insurance fund.

Second, it puts one person in charge of the chartering agency instead of a board. A single head will provide the Office of Thrift Supervision with uniform direction and continuity, and will enhance responsibility and accountability.

Third, this legislation mandates higher and more uniform capital standards for banks and thrifts, and makes capital standards risk-based so that more capital will be required for relatively risky investments. This will give institutions a market incentive to be more careful and it will provide the deposit insurance funds and the taxpayers with greater protection. While I feel the transition rule included in the bill for supervisory goodwill is inadequate and unfair, I strongly support the overall goal of higher capital standards for both banks and thrifts.

Fourth, our bill authorizes risk-based insurance premiums. Just as the amount of capital an institution must maintain should vary depending on the riskiness of its investments, so too should the premiums it pays. An institution with the bulk of its funds invested in home mortgages should not pay as much in premiums as a similarly sized institution with the bulk of its funds in commercial loans or junk bonds. I regret we did not mandate risk-based premiums, and I sincerely hope that the regulators will act quickly to use their new discretionary authority to implement risk-based premiums.

While they are at it, the regulators should use their discretionary authority to vary both capital and premiums based on the individual experience of each institution. An institution with a long track record of stable and sound

investment, should not have to have as much capital, or pay as much in premiums, as a new and untested, institution, or an institution which has been beset with problems in the past.

Fifth, the committee bill makes it easier for the deposit insurance funds to take action against individual managers, as well as individual institutions.

Sixth, the bill prohibits the States from granting risky new powers to State-chartered thrifts unless they are approved by Federal regulators. Since it is the Federal Government, and not the State governments, which supports the deposit insurance system and pays for mistakes, it is the Federal Government which should determine which powers are too risky to insure. In particular, this bill and new regulations proposed by the regulators will limit the use of brokered deposits, limit investments in junk bonds, and limit the rate of growth of individual institutions.

Seventh, our bill sets new minimum Federal standards for bank and thrift examinations, State bank and thrift examiners, real estate appraisals, and real estate appraisers. It also requires annual audits of banks and thrifts over $150 million in size, sets standards for auditing, and requires abbreviated reviews of the books of smaller banks and thrifts.

Eighth, our legislation makes it easier for Federal regulators to take over failing institution before it fritters away all its assets. This will preserve capital, reduce the risk of a troubled institution making risky loans, and minimize the long-term cost to the deposit insurance fund and the taxpayer.

Ninth, the House bill will centralize asset disposition in one agency that is clearly owned, operated, and controlled by the Federal Government, thus ending the failed FADA experiment. This follows the recommendations of both my task force of the House Banking Committee, and the General Accounting Office, and includes many of the specific recommendations the gentleman from Maryland [Mr. MCMILLEN] and I included in our bill to abolish FADA.

Tenth, the committee bill as amended by the amendment of the gentlewoman from Ohio [Ms. OAKAR], enhances our ability to attract and maintain quality bank examiners by allowing greater flexibility in pay and compensation so that the regulatory agencies can compete effectively with the private sector. As a member of the House Post Office and Civil Service Committee, as well as the Banking Committee, I am pleased to have worked with the gentlewoman from Ohio, and Chairmen GONZALEZ and FORD, on these important provisions.

Eleventh, the House bill will provide important additional resources to the Justice Department and the FBI to catch and prosecute individuals guilty of embezzlement and fraud.

Twelfth, the bill also increases the penalties for financial fraud from the current maximum of $5,000 and 5 years in jail, to $1,000,000 and 20 years in jail. If there is one message we should be sending to the American people tonight, it is that we will vigorously prosecute all those who violated the law, and we will seek maximum restitution in order to minimize the cost of the bailout to American taxpayers.

Thirteenth, as improved by the adoption of the amendment of the gentleman from Illinois [Mr. ROSTENKOWSKI], the bill puts the bailout on-budget rather than off-budget as proposed by President Bush. Putting the bailout on-budget is not only more intellectually honest, but according to a report done for me by the General Accounting Office it will save Federal taxpayers $4.5 billion, no small sum of money.

Fourteenth, the legislation raises $75 to $150 million a year from the Federal Home Loan Banks to provide low-cost loans to low- and moderate-income families. Since the housing sector of the Federal budget has been cut more over the last decade than any other single section of the budget, this provision will provide meaningful help for many families who are in need of safe, decent, and affordable housing, and who would not otherwise have a chance to achieve the American dream of home ownership.

Fifteenth, the committee bill also gives nonprofit groups the right of first refusal to purchase single-family homes acquired by the Resolution Trust Corporation, in order to help house the homeless.

Sixteenth, the bill requires the regulators to conduct an annual survey of bank and thrift fees and services.

The flaws in this legislation are much less numerous than its good points. Unfortunately, however, they are fundamental in nature, and go directly to the issue of fairness.

Data from the Federal Home Loan Bank Board and the Federal Deposit Insurance Corporation both strongly indicate that the thrift crisis to date results almost exclusively from losses at State-chartered thrifts, and not federally chartered thrifts, and largely from State-chartered thrifts in just a handful of States. State-chartered thrifts in just one State, Texas, are responsible for a substantial majority of our losses.

Under this legislation, in a period of just a couple of years, the taxpayers of 49 States will be sending more than three times as much money to the State of Texas then we sent to all of Europe during the Marshall plan after World War II.

This is the largest bailout, and the largest transfer of wealth among the States, since our Nation was founded.

When the Federal Government bailed out Chrysler, Lockheed, New York City, and various States' unemployment insurance funds, it did not make direct grants to these entities as it is in this legislation. Instead it issued loans and loan guarantees which had been paid back with interest. It also required those who benefited to make major sacrifices, either in the form of lower wages, cash contributions, or tax surcharges.

Yet this legislation does not require any similar sacrifice by those who created this mess in the first place. Texas and other States which gave away charters and powers like candy, and which were negligent in their supervision and examination, are getting a totally free ride under this legislation.

I do not believe that Texas and other States should pay the full cost of this bailout. No one ever proposed that. What I proposed, along with the gentlewoman from Ohio [Ms. KAPTUR], the gentleman from Michigan [Mr. WOLPE], the gentlemen from New York [Mr. HORTON and Mr. LAFALCE], and the gentleman from Wisconsin [Mr. ROTH], was that Texas should pay at least some small part of the excessive costs which it imposed on the taxpayers of the other 49 States.

Unfortunately, we were denied an opportunity to offer our amendment to more fairly distribute the burden of paying for this bailout.

It is also unfortunate that the news media has whipped up a frenzy of misunderstanding and hysteria over the supervisory goodwill issue.

No one disagrees that capital standards must be raised and that goodwill should not be permitted in the future.

In fact, for all intents and purposes, goodwill did not exist in the thrift industry prior to the Reagan-Bush administration.

It was not the thrift industry which created or requested supervisory goodwill. The Reagan-Bush administration created supervisory goodwill when it needed to close down failing thrifts but did not have enough money in the FSLIC fund to pay off depositors. Those failing thrifts experienced troubles in the early 1980's as a result of the rapid rise in interest rates in the late 1970's.

Instead of doing the right thing, which would be to close these institutions and pay off their depositors, the Reagan-Bush regulators engaged in an elaborate financial shell game.

They went to healthy thrifts and begged and pleaded with them to become "White Knights" and take over the failing thrifts. But instead of offering the healthy thrifts cash or notes to compensate for the fact that the failing thrifts' liabilities exceeded their assets, all the Government offered was supervisory goodwill.

After the passage of the CEBA bill, the Government finally had some cash to deal with troubled thrifts, but instead of using the cash to buy back the supervisory goodwill it issued in the early 1980's it used it instead to deal with the growing backlog of problem thrifts in the Southwest.

The white knight thrifts of the early 1980's, located primarily in the Northeast, only received supervisory goodwill. Institutions which took over troubled thrifts in 1987 and 1988 in the Southwest, however, received much more valuable cash or notes. This is a blatent case of regional discrimination, made all the worse by the fact that the Southwest thrifts' troubles were largely due to bad lending practices and fraud, both of which are the result of bad management, while the Northeastern thrifts' problems were due to rapid increases in interest rates over which the thrifts' had little control.

Ironically, therefore, not only will the residents of 49 States be paying through the nose for fraud and abuse in Texas, but Texas' thrift industry will emerge from this bill healthier than ours because Texas thrifts which experienced difficulties received cash and notes, while Northeastern thrifts only received supervisory goodwill.

I should also note, Mr. Speaker, that supervisory goodwill is not what is causing thrift institutions to fail. They are failing as a result of fraud, abuse, and bad loans. According to the Federal Home Loan Bank Board, only 10 of the 205 thrifts which failed last year had any

significant amount of supervisory goodwill. Thus supervisory goodwill is not part of the problem, it was part of the Reagan-Bush administration's solution to the thrift problems of the early 1980's.

We should not grant additional supervisory goodwill in the future, and we must increase capital standards for all banks and thrifts. At the same time, it is unconscionable that in this bill we are not providing a more reasonable transition rule for profitable thrifts which came to the aid of the Government during its time of need. These are, after all, the thrifts which saved the deposit insurance fund, and thus U.S. taxpayers, billions of dollars.

Finally, Mr. Speaker, let me note that this bill, and the Bush thrift plan on which it is based, are predicated on somewhat rosy estimates for inflation, interest rates, deposit growth, and our ability to recover assets from failed thrifts. I am deeply concerned that as large as this bailout is, it may not be large enough. Only careful administration of this law by the executive branch and the Federal banking regulators will keep us from being in the same position 3 or 5 years from now. It will be incumbent on us as Members of Congress to ensure that the new law is aggressively enforced and that the FDIC and the RTC in particular do their job properly. I will continue to encourage the Banking Committee to vigorously exercise its oversight responsibilities in this area.

Only then can we be sure that President Bush's pledge of "never again" will become a reality.

Mr. GONZALEZ. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Speaker, for nearly 55 years our Government has promised the American people that their savings and checking accounts in banks, savings and loans, and credit unions will be safe and sound, guaranteed by Federal deposit insurance.

Mr. Speaker, we simply must stand behind this pledge. Our Government has given its word. We have no choice. In fact, if we fail to honor this solemn commitment there would be a run on the banks and other financial institutions, the likes of which we haven't seen since the Great Depression.

Mr. Speaker, H.R. 1278 is not a perfect bill, but it fully honors that commitment. It also honors several other important principles: It provides a framework for an effective solution to the problem; it seeks to do so at the lowest possible cost to the American taxpayers; finally, perhaps most important it seeks to ensure that this kind of S&L debacle will never happen again.

As we consider this bill, Mr. Speaker, I believe it will be helpful to take a brief look at what happened to create this huge and costly problem. If we understand clearly what happened, it will help us to make sure it never happens again and will help assure that what we do will be effective.

Mr. Speaker, from the end of World War II until the mid-1970's, the savings and loan business was generally safe, steady, and predictable. The Federal Government set the interest rates that S&L's could pay on savings, keeping them low to ensure low-cost housing loans for American families. An S&L could lend money at about 3 percent more than it paid depositors and make a very good living. Everything was straightforward and simple.

But Mr. Speaker, the high inflation rates in the late 1970's changed all this. As inflation and interest rates soared, a whole new industry emerged to compete with S&L's. The new Money Market Mutual Funds, unregulated, paid much higher interest rates than the regulated S&L's were allowed to offer. In a short time, hundreds of billions of dollars flowed out of the S&L's into these funds.

In response to pleas from S&L's that they be allowed to compete, Congress and the Reagan administration agreed to deregulate deposit interest rates. S&L's were permitted for the first time to pay market rates. By this time, however, inflation had pushed interest rates to the high double digits. As a result, the S&L's had to pay 12, 15 percent or more for money. At the same time, their income came mainly from old mortgage loans of 6 to 8 percent. That gap made profitable operations impossible. S&L's were lending long-term at low-interest rates and borrowing short-term at high interest rates—a formula for disaster. The S&L industry started losing money in a big way, and much of its capital drained away.

Looking back, some say that Congress should not have deregulated S&L interest rates. But frankly I don't know what else we could have done. The American people wanted higher interest rates and would not have put money in S&L's without getting a competitive return. There was little choice.

The next blow to S&L's came when the 1981–82 recession hit. The Federal Reserve had dedicated its policies to halting ruinous inflation of the 1970's. Even more severe economic decline came, for a variety of reasons, to the oil patch States of the Southwest and the farm States of the Midwest. As the economy sagged and income declined, families had trouble meeting mortgage payments and other S&L loans started going bad. The ailing S&L's were getting in even worse trouble.

At that point, to give S&L's a chance to survive, Congress, the President, and the regulators allowed S&L's to leave their familiar turf of housing and move into other kinds of lending. This, too, created problems because many S&L managers simply didn't have the experience to properly manage these new products and services. Some made risky, hairbrained loans at high rates in a desperate attempt to recover losses. Some engaged in outright criminal activity.

Mr. Speaker, about this time, with the S&L industry already in turmoil, the Reagan administration was launching a Governmentwide crusade against regulation. President Reagan was extremely popular and he was an eloquent consistent spokesman, as he had been for many years, in behalf of getting the Government off industry's back. The administration and the OMB refused to adequately staff and provide resources for the force overseeing the S&L's. The S&L regulators who were left were often too easy on the industry, encouraging, for example, creative accounting practices that lowered capital standards for S&L's.

For S&L's, this couldn't have come at a worse time. Lax regulators and aggressive S&L operators—a dangerous combination. Some S&L's weren't looked at for years at a time. That's when the high flyers, bad managers, and outright crooks figured out that no one was watching the store; they went wild. They paid unrealistically high rates to lure deposits from all over the country, often using the services of deposit brokers, and lent the money out on risky ventures with the promise of high returns.

Mr. Speaker, the worst abuses and misjudgments in the S&L industry were made in the mid-1980's. By 1987, Congress and the administration began to recognize that the problem was worse than we had thought. We provided some money to shore up the FSLIC, an amount the Federal Home Loan Bank Board said at the time said was adequate. Now we see that the amount was woefully inadequate and that the industry was in much worse shape than recognized. By the beginning of 1989, we had a clearer idea of the magnitude of S&L failures nationwide, and we began working on the bill that we are considering here today.

Mr. Speaker, what do we seek to do in H.R. 1278? As I said, we have to honor our commitment to depositors. We have to provide a plan to resolve this problem effectively and efficiently and at the lowest possible cost to the taxpayers. And we have to make sure—very sure—that this kind of debacle never happens again.

Some have suggested that the S&L industry should pay the full cost of this cleanup. That would be nice, but it's not a realistic idea. There is not enough capital in the industry to cover it. Counting up the assets and liabilities of the whole industry at the end of 1988, the General Accounting Office found that there was about $46.5 billion of GAAP capital. Of that, about $23 billion is in "goodwill." So there is some $23 billion or less of net hard capital in the industry. If we took that, we would bankrupt the rest of the industry, and we would then face another huge problem. The Bush administration estimates that it will take $90 billion to solve the S&L problem—a task far beyond the industry's capability.

This bill requires the industry to pay a substantial part of the cost, but clearly there is not near enough capital in the industry to pay it all.

Mr. Speaker, as we can see from reviewing the history of the S&L debacle, the two big problems have been: lack of adequate private capital and lack of adequate regulation.

Our bill insists on real, tangible capital. The Bush administration agrees that we must resist any attempt to weaken the capital standards. We must defeat any and all amendments offered to reduce these standards. Without adequate capital standards we would not have a bill worth passing.

Our bill provides for beefing up the regulatory staff overseeing this industry, in an attempt to be sure that the loose practices of recent years will not recur, and stiffens criminal penalties.

Mr. Speaker, in fairness to taxpayers, it is also important that we resist those, including the Bush administration, who would like to put this costly S&L cleanup off-budget. This expense should be a clearly stated part of the

budget. Nor should we exempt it when we calculate the deficit for the purposes of the Gramm-Rudman-Hollings Deficit Reduction Act. We should start paying our own bills instead of passing them along to our children.

Everyone agrees that we can save at least $4.5 billion by putting it on budget. More important, it is the only honest thing to do. The monies spent under provisions of this bill are federal expenditures and there should be no attempt to hide this fact from the American people.

Mr. Speaker, to make certain that we don't wind up in this fix again, we should do some other things: We should severely limit the practice of brokered deposits. The S&L high flyers were attracting money from all over the country that was federally guaranteed and then using that money in very risky ways. The committee adopted my amendment to this bill restricting the use of brokered deposits by S&Ls. We should watch this practice very carefully.

I think in addition we ought to examine whether we should have deposit insurance at all. I'm not prepared to make a judgment now, but clearly we wouldn't have this problem if there were not Federal deposit insurance. Our bill provides for a study of this question. Should brokered deposits be limited to a certain amount per person for a lifetime? Should only a percentage of deposits be covered by insurance? I don't have the answer to these questions, but we need to consider them and our bill requires such a study.

Clearly, Mr. Speaker, we need to examine this idea that government—and especially all government regulation—is evil. It's unrealistic to think that the Federal Government should guarantee deposits but not have anybody watching how insured deposit institutions are managed. This practice has caused a major part of the problem—a practice that will cost American taxpayers tens, maybe hundreds of billions of dollars.

There's no doubt that a lot of the S&L high flyers did things that were simply criminal. Our bill stiffens penalties for wrongdoing. It adds substantial funds for enforcement. There's money for pursuing these criminals so that we can try to recoup all the money we can. I doubt, however, that there is much left to recover; some has been spent on high living; some is sitting around in half-completed office buildings and apartments and failed projects. But our bill provides lots of money for enforcement and increases criminal penalties in an attempt to recover all we possible can and save taxpayers as much as possible. In fact, thousands of cases have been turned over to the Justice Department for prosecution and there will be many more.

Finally, it would help if we made clear to the people of this country that this is not a bailout bill for the owners and managers of failed S&Ls. This bill is intended to help depositors—your neighbors and mine, mostly ordinary folks—who have their money in S&Ls. It makes good our promise to insure their deposits. This bill does nothing to "bail-out" the owners, managers, stockholders or bondholders in the S&L business. At my request, the committee added an amendment attempting to make clear that the money in this bill is for the purpose of fulfilling promises made to depositors, not owners and managers. This bill is not a bailout of the S&L industry. It's making good a commitment to the American people, I must say this: the most important aspect of the bill is capital requirements. We must not let them be weakened; they are our best insurance that this fiasco will not be repeated.

Mr. Speaker, the Banking Committee has worked in a bipartisan way over a long period of time on this bill. We reported H.R. 1278 out on a vote of 49 to 2. The Bush administration essentially agrees with what we have done; we've taken their ideas and drafted a bill that's even stronger than the one they suggested.

It is important now that the Congress pass this bill as soon as possible and get it to the President for his signature. Every day of delay is costly.

Mr. Speaker, this is not a perfect bill. We may not have foreseen some of the problems that will arise. We have to make decisions based on the information we have. But this bill provides a good framework for handling the failed S&Ls and improving regulation. The Banking Committee will be monitoring the implementation of this bill, however, and can propose changes if needed. I urge my colleagues to support H.R. 1278.

Mr. GONZALEZ. Mr. Speaker, I yield to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Speaker, the S&L legislation is the only solution to the current crisis. It is not perfect legislation. It will cost a lot of money and frankly a lot of it will have to come at the taxpayer's expense. It is, however, the only way to save the industry, the only workable solution so far proposed.

If we are to support the economic recovery in Texas, if we are to continue to fulfill the American dream of home ownership we must have this legislation. It will provide the type of regulatory control that will prevent this from ever happening again. It will provide stricter criminal penalties for those who broke the law. It will strengthen the integrity of deposit insurance, a system that separates us from the financial chaos that started the Great Depression.

Many people saw Ralph Nader's comments on television the other day where he said that the ballot was going to cost every taxpayer $1,000. I think his comments were irresponsible. If I had voted no I would have abandoned a system on the verge of collapse. If I had voted no I would have ensured that the taxpayer paid even more, in higher rates, in lost deposits, in reduced availability of credit, in a lengthened and more painful economic recovery for the whole State of Texas, already burdened by high unemployment and depressed property values.

A thousand dollars over 30 years works out to $33 a year. It is still a lot of money but I know that the situation is serious enough that we have no other choice. Think of those $33 against the $20 to $200 million we are losing for every day we delay this legislation. The situation is worsening exponentially and it must be corrected.

Finally, a lot of my constituents have said they are worried because the few greedy men who turned a bad situation into a crisis will escape justice. I'm here to tell you that this is not the case. Most of those who took advantage of the system have seen their careers destroyed and are facing appropriate charges.

Mr. GONZALEZ. Mr. Speaker, I yield to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Speaker, I would like to take this opportunity to bring to my colleagues' attention the General Accounting Office's latest estimate of the cost of the S&L bailout legislation we are considering today. After studying these figures—which GAO issued just this morning—I am sure my colleagues will agree with me that the long-term costs can only be described as staggering.

The bottom line of GAO's estimate is that resolving the thrift crisis will require $305.9 billion over the next 33 years. Of this amount, $157.3 billion will come from the taxpayers' pockets, while $148.6 billion will come from the S&L industry. And I would hasten to add that this estimate is based on the administration's optimistic projections on factors such as interest rates, the growth of S&L deposits, et cetera. If this rosy scenario proves off the mark, the taxpayers' burden could be significantly greater.

The breakdown on GAO's cost estimate for fiscal years 1989 through 1999 is as follows: $61.6 billion for closing down S&L's that went bust prior to fiscal year 1989; $50 billion for closing down S&L's expected to go bad over the next 3 years; $24 billion for closing down S&L's that are expected to go broke in fiscal year 1992 through fiscal year 1999; $22 billion in interest—from the Treasury—on bonds issued by the Resolution Funding Corporation [Refcorp] that would be established by this bill; an additional $14.4 billion in interest on Refcorp bonds—with this portion paid through contributions from the Federal home loan banks; $10.7 billion in interest on bonds issued as result of 1987 legislation to recapitalize the FSLIC fund; $6 billion for paying off principal on Refcorp bonds; $8.8 billion to establish a new S&L insurance fund to replace FSLIC; and $0.7 billion for repayment of advance premiums paid by the S&L's to FSLIC.

These fiscal year 1989 through fiscal year 1999 costs of $198.2 billion are, unfortunately, just the beginning. In fiscal year 2000 through 2021, another $78.7 billion in interest will be incurred on long-term Refcorp bonds—along with $20.3 billion in interest on bonds issued to recapitalize the FSLIC fund. Finally, we must add another $8.7 billion to the total. This figure respresents the loss in tax revenues the Treasury will experience as a result of sweetheart tax breaks given in 1988 by the FSLIC to firms who took over ailing S&L's.

Adding all these figures up we get a total of $305.9 billion. But wait, that still may not be all. While GAO's estimate does not reflect it, the U.S. Treasury will incur additional borrowing costs to finance the Government's portion of this bailout. These borrowing costs may add another $40 billion or so, giving us a grand total to almost $350 billion and a final tab to the taxpayers of about $190 billion.

As these figures clearly reflect, this can only go down as a sad day for the taxpayers of this country—and a red letter day for the bond dealers of Wall Street.

VOL 135 PT 9 JE 14 — 22 1989 UMI

TABLE 1.—*Funding needs of thrift legislation based upon the administration's analysis and assumptions*

[In billions of dollars]

OMB estimate—based on fiscal year 1989-99 budget outlays:	
Old cases and administrative costs	61.6
RTC cases	50.5
Post-RTC cases	24.0
Refcorp interest expense	22.0
Subtotal	157.6
Fiscal year 1989-99 items not counting as budget outlays:	
Establish new fund	8.8
Defense Refcorp bonds	6.0
Industry/FHLBanks contribution for Refcorp interest	14.0
FICO reserve interest [1]	19.7
Secondary reserve credit [1]	0.7
Subtotal—fiscal year 1989-99 funding needs	198.2
Fiscal year 2000-21 interest on Refcorp debt	78.7
Fiscal year 2000-21 FICO interest expense [1]	20.3
Subtotal—direct funding requirements	297.2
Lost tax revenue from 1988 deals [2]	8.7
Total 33-year estimated funding needs [3]	305.9

[1] Deducted from insurance premiums payable to FSLIC/SAIF.

[2] Not recognized as a funding need by the administration.

[3] This estimate is based solely upon the administration's assumptions. As GAO has stated on numerous occasions, we believe many of the administration's assumptions, including those related to interest rates and deposit growth, are optimistic. To the extent the assumptions prove optimistic, the funding needs could increase. For example, if interest rates are 1 percent higher than the administration assumed, the REFCORP interest costs would increase by $12.2 billion.

Source: OMB funding summaries and FSLIC projection of tax benefits attributed to its 1988 assistance actions.

TABLE 2.—*Funding requirements and sources of funds based upon administration's analysis and assumptions* [1]

[In billions of dollars]

Funding requirements:	
Pre-1989 assistance actions and administrative costs:	
Yield maintenance payments	29.7
Interest on notes issued	9.2
Note retirement	19.6
Administrative costs	3.1
Subtotal—Pre-1989 funding needs and administration	61.6
Fiscal year 1989-92 (RTC cases)	50.0
Fiscal year 1993-99 (Post-RTC cases)	24.0
Subtotal—Funding for resolutions and administration	132.5
Refcorp interest	115.1
FICO interest	31.0
SAIF fund	8.8
Refcorp bond defeasement	6.0
Secondary reserve credit	0.7
Subtotal—Direct funding requirements	297.3
Forgone tax revenues	8.7
Total funding requirements	305.9
Private funding sources:	
Refcorp bond proceeds	80.0
FICO bond proceeds	7.1
Insurance premiums [2]	52.0
Receivership proceeds and corporate held assets	21.8
FHLBank contributions	11.7
Other	6.0
Total private funds	148.6
Government resources needed:	
Direct funds needed	148.6
Tax revenue forgone	8.7
Total Governmental resources [3]	$157.3

[1] These estimates are based solely upon the administration's assumptions. As GAO has stated on numerous occasions, we believe many of the administration's assumptions, including those related to interest rates and deposit growth, are optimistic. To the extent the assumptions prove optimistic, the amount of governmental resources needed will increase. For example, if interest rates are 1 percent higher than the administration assumed, the REFCORP interest costs and the amount of governmental resources needed would increase by $12.2 billion. Also, if insured deposit growth is 1 percent less than assumed, the governmental contribution must increase by $1.5 billion to make up the shortfall in premium revenue.

[2] Includes $20.3 billion in premiums during FY 2000-2021 to pay for FICO interest expenses during that period. No other insurance premiums or SAIF costs are included for that period because it is difficult to predict what costs will be that far into the future.

[3] Does not include any interest costs that the Treasury may incur as a result of having to borrow the funds to pay the governmental contribution since CBO and OMB do not include such costs as program costs. Instead, they deal with these costs at the aggregate level for all of the government's borrowing.

Source: OMB funding summaries and FSLIC projection of tax benefits attributed to its 1988 assistance actions.

Mr. GONZALEZ. Mr. Speaker, I am opposed to this motion. It does not differentiate purpose, nor intent of the effective provisions.

Mr. Speaker, what it does is to say that any provision that affects a narrow group is bad, no matter what, no matter why. I might not like or support all of these provisions he refers to, but the motion gives me no way to distinguish between them.

Mr. Speaker, this is inherently an unfair motion, and, therefore, I must oppose it, ask my colleagues to oppose it, just on the simple basis that it is grossly unfair.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEACH of Iowa. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 412, noes 7, answered "present" 4, not voting 10, as follows:

[Roll No. 94]

AYES—412

Ackerman
Akaka
Alexander
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher

Neal (MA)	Rowland (CT)	Stearns
Neal (NC)	Rowland (GA)	Stenholm
Nelson	Russo	Stokes
Nielson	Sabo	Studds
Nowak	Saiki	Stump
Oakar	Sangmeister	Sundquist
Oberstar	Sarpalius	Swift
Obey	Savage	Synar
Olin	Sawyer	Tallon
Ortiz	Saxton	Tauke
Owens (NY)	Schaefer	Tauzin
Owens (UT)	Scheuer	Thomas (CA)
Oxley	Schiff	Thomas (GA)
Packard	Schneider	Thomas (WY)
Pallone	Schroeder	Torres
Panetta	Schuette	Torricelli
Parker	Schulze	Towns
Parris	Schumer	Traficant
Pashayan	Sensenbrenner	Traxler
Patterson	Sharp	Udall
Paxon	Shaw	Unsoeld
Payne (NJ)	Shays	Upton
Payne (VA)	Shumway	Valentine
Pease	Shuster	Vander Jagt
Peloui	Sikorski	Vento
Penny	Skaggs	Visclosky
Perkins	Skeen	Volkmer
Petri	Slattery	Vucanovich
Pickett	Slaughter (NY)	Walgren
Pickle	Slaughter (VA)	Walker
Porter	Smith (FL)	Walsh
Pashard	Smith (IA)	Watkins
Price	Smith (MS)	Waxman
Pursell	Smith (NE)	Weber
Rahall	Smith (NJ)	Weiss
Ravenel	Smith (TX)	Weldon
Ray	Smith (VT)	Wheat
Regula	Smith, Denny (OR)	Whittaker
Rhodes	Smith, Robert (NH)	Whitten
Richardson	Smith, Robert (OR)	Williams
Ridge	Snowe	Wilson
Rinaldo	Solarz	Wise
Ritter	Solomon	Wolf
Roberts	Spence	Wolpe
Robinson	Spratt	Wyden
Roe	Staggers	Wylie
Rogers	Stallings	Yates
Rohrabacher	Stangeland	Yatron
Ross	Stark	Young (AK)
Rostenkowski		Young (FL)
Roth		
Roukema		

NOES—7

Anderson	Frank	Roybal
Barnard	Gonzalez	
Bonior	Quillen	

ANSWERED "PRESENT"—4

Brooks	Sisisky
Hayes (LA)	Tanner

NOT VOTING—10

Buechner	Davis	Skelton
Coelho	Lipinski	Wright
Coleman (MO)	Martin (NY)	
Collins	Rangel	

□ 2238

Mr. QUILLEN changed his vote from "aye" to "no."

Messrs. AuCOIN, FROST, FORD of Tennessee, NELSON of Florida, HAWKINS, ERDREICH, APPLEGATE, MARTINEZ MAZZOLI, McMILLEN of Maryland, CONYERS, BROWN of California, WISE, STAGGERS, MOAKLEY, WAXMAN, AND CROCKETT, Ms. PELOSI, Messrs. CLARKE, JACOBS, PERKINS, LELAND, ACKERMAN, DE LA GARZA, LEWIS of Georgia, ANNUNZIO, and PICKLE, Mrs. LOWEY of New York, and Messrs. FEIGHAN, HAYES of Illinois, SCHEUER, JOHNSTON, NEAL of Massachusetts, AKAKA, FORD of Michigan, GARCIA, and GRAY changed their votes from "no" to "aye."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, could the Chair, in this rather unusual circumstance where we win a motion to recommit, explain to the House where we may be with regard to final passage and what the schedule might be for the rest of the evening and the rest of the week?

□ 2240

The SPEAKER. The Chair will inform the gentleman that the motion to recommit with instructions having been agreed to, it is the Chair's intention to recognize next the distinguished gentleman from Texas [Mr. GONZALEZ], chairman of the Committee on Banking, Finance and Urban Affairs, who will then offer amendments to the bill, reporting the bill back forthwith with the amendments, and the Chair will put the question on the amendments and on engrossment and third reading of the bill and on final passage.

As previously announced, the vote on final passage, if by recorded vote, will be limited to 5 minutes.

The majority leader's intention is not to schedule any further action this evening or for the week.

Mr. WALKER. I thank the Chair.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, pursuant to the instructions of the House, I report the bill, H.R. 1278, back to the House with amendments, as follows:

Page 270, after line 13, insert the following new subsection:

(d) HOLDING COMPANY ACTIVITIES CONSTITUTING SERIOUS RISK TO SUBSIDIARY SAVINGS ASSOCIATION.—Section 10 of the Home Owners' Loan Act of 1933 (as so redesignated, transferred, and inserted into such Act by subsection (a) of this section) is amended by adding at the end the following new subsection:

"(q) HOLDING COMPANY ACTIVITIES CONSTITUTING SERIOUS RISK TO SUBSIDIARY SAVINGS ASSOCIATION.—

"(1) DETERMINATION AND IMPOSITION OF RESTRICTIONS.—Notwithstanding any other provision of this section, whenever the Director determines that there is reasonable cause to believe that the continuation by a savings and loan holding company of any activity constitutes a serious risk to the financial safety, soundness, or stability of a savings and loan holding company's subsidiary savings association, the Director may impose such restrictions as the Director determines to be necessary to address such risk. Such restrictions shall be issued in the form of a directive to the holding company and any of its subsidiaries, limiting (A) the payment of dividends by the savings association; (B) transactions between the savings association, the holding company, and the subsidiaries or affiliates or either; and (C) any activities of the savings association that might create a serious risk that the liabilities of the holding company and its other affiliates may be imposed on the savings association. Until or unless such directive lapses or is rescinded or modified as provided in paragraph (2), it shall be effective as a cease and desist order that has become final.

"(2) REVIEW OF DIRECTIVE.—

"(A) ADMINISTRATIVE REVIEW.—At any time afer a directive referred to in paragraph (1) is issued, the savings and loan holding company, or any subsidiary of such holding company subject to the directive, may object and present in writing its reasons why the directive should be modified or rescinded. Unless within 10 days after receipt of such response the Director either affirms, modifies, or rescinds the directive, such directive shall automatically lapse.

"(B) JUDICIAL REVIEW.—If the Director affirms or modifies a directive as provided in subparagraph (A), the affected party or parties may immediately thereafter petition the United States district court for the district in which the savings and loan holding company has its main office or in the United States District Court for the District of Columbia to stay, modify, terminate or set aside the directive. Upon a showing of extraordinary cause the savings and loan holding company, or any subsidiary of such holding company subject to a directive, may petition a United States district court for relief without first pursuing or exhausting the administrative remedies set forth in this paragraph.".

Page 31, strike line 20 and all that follows through page 32, line 14, and insert the following:

"(C) APPROVAL DURING MORATORIUM.—The Corporation may approve a conversion transaction at any time if—

"(i) the conversion transaction affects an insubstantial portion, as determined by the Corporation, of the insured liabilities of each financial institution participating in the conversion transaction; or

"(ii) the Corporation and, during the existence of the Resolution Trust Corporation, the Oversight Board of the Resolution Trust Corporation determine that the conversion transaction is in the best interests of the Bank Insurance Fund and the Savings Association Insurance Fund.

Page 42, strike line 3 and all that follows through page 43, line 6, and insert the following:

"(5) LIMITATION.—During the 5-year period beginning on the date of the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989—

"(A) no Savings Association Insurance Fund member shall have any liability to the Corporation under this subsection arising out of assistance provided to or loss incurred by the Corporation as a result of the default of a Bank Insurance Fund member; and

"(B) no Bank Insurance Fund member shall have such liability with respect to assistance provided to or loss incurred by the Corporation as a result of the default of a Savings Association Insurance Fund member.

Page 45, line 18, insert closing quotation marks and a 2d period after the period.

Page 45, strike line 19 and all that follows through page 46, line 18.

Page 271, beginning on line 5, strike "and a bank (as such terms are" and insert "(as such term is".

Page 271, line 11, strike "and a bank (as such terms are" and insert "(as such term is".

Page 272, strike line 24 and all that follows through page 276, line 15 and redesignate the subsequent subsection accordingly).

Page 292, strike line 17 and all that follows through page 293, line 4 (and redesignate the subsequent subsection accordingly).

Page 402, line 8, insert closing quotation marks and a 2d period after the period.

Page 402, strike line 9 and all that follows through page 404, line 5.

The SPEAKER pro tempore (during the reading). Without objection, further reading of the amendments will be dispensed with.

There was no objection.

The SPEAKER. The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The quesiton is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GONZALEZ. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 320, noes 97, answered "present" 6, not voting 10, as follows:

[Roll No. 95]

AYES—320

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bartlett
Barton
Bellenson
Bereuter
Berman
Bilbray
Billey
Boehlert
Boggs
Boner
Borski
Bosco
Boucher
Boxer
Brennan
Broomfield
Browder
Brown (CA)
Bryant
Bunning
Bustamante
Callahan
Campbell (CA)
Cardin
Carper
Chandler
Chapman
Clarke
Clay
Clinger
Coble
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crockett
Darden
de la Garza
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Dorgan (CA)
Downey
Dreier
Duncan
Dwyer
Early
Erdahl
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Fascell
Fazio
Feighan
Fields
Fish
Flake
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hefner
Herger
Hiler
Hochbrueckner
Holloway
Houghton
Hoyer
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Kanjorski
Kasich
Kastenmeier
Kennedy
Kildee
Kleczka
Kolbe
Kostmayer
Kyl
LaFalce
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (WA)
Mineta
Moakley
Molinari
Montgomery
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parker
Parris
Pashayan
Patterson
Pease
Payne (VA)
Penny
Pickett
Pickle
Porter
Price
Pursell
Rahall
Ravenel
Rhodes
Richardson
Ridge
Rinaldo
Roberts
Röhlmann
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Sabo
Saiki
Sarpalius
Sawyer
Saxton
Scheuer
Schroeder
Schuette
Schumer
Sharp
Shaw
Shays
Shumway
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Traxler
Udall
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Wilson
Wise
Wolf
Wyden
Wylie
Yates
Young (AK)
Young (FL)

NOES—97

Baker
Bateman
Bates
Bennett
Bentley
Bevill
Billrakis
Brown (CO)
Bruce
Burton
Byron
Campbell (CO)
Carr
Clement
Costello
Cox
Crane
Dannemeyer
DeFazio
DeLay
Dellums
Donnelly
Dorgan (ND)
Douglas
Durbin
Dymally
Dyson
Evans
Flippo
Gallegly
Gaydos
Gejdenson
Gradison
Hall (OH)
Hancock
Hefley
Henry
Hertel
Hopkins
Horton
Hubbard
Jacobs
James
Jontz
Kaptur
Kolter
Lagomarsino
Leath (TX)
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Long
Machtley
Marlenee
Mazzoli
McGrath
Miller (CA)
Miller (OH)
Molinari
Moody
Moorhead
Murphy
Nowak
Owens (NY)
Pallone
Payne (NJ)
Perkins
Petri
Poshard
Quillen
Ray
Regula
Ritter
Rohrabacher
Russo
Sangmeister
Savage
Schaefer
Schiff
Schneider
Schulze
Sensenbrenner
Shuster
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stark
Stearns
Stump
Tallon
Towns
Traficant
Upton
Williams
Wolpe
Yatron

ANSWERED "PRESENT"—6

Brooks
Hayes (LA)
Madigan
Martin (NY)
Sisisky
Tanner

NOT VOTING—10

Buechner
Coelho
Coleman (MO)
Collins
Davis
Kennelly
Lipinski
Rangel
Skelton
Wright

□ 2250

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. CONTE. Mr. Speaker, on rollcall 93, I was in the well here before the vote was announced. I asked to vote. I was told that the vote had been announced.

Mr. Speaker, I have been told by the parliamentarian after the vote that I was right. I would have voted "no" on rollcall 93, the so-called Bartlett amendment.

PERSONAL EXPLANATION

Mr. SWIFT. Mr. Speaker, I would like to follow the gentleman from Massachusetts [Mr. CONTE], who had precisely the same problem I did. There seems to be a tent out where normally one would be able to find a place to park their vehicle in order to vote. I would have voted exactly the same way, "no" on the Bartlett amendment.

PERSONAL EXPLANATION

Mr. COX. Mr. Speaker, I was in the Chamber at the time of the vote on the Bartlett amendment, presented my voting card and was informed that voting was closed. I would have voted "aye" on the amendment.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1278, FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 1278, the Clerk be authorized to correct section numbers, cross-references, punctuation, and indentation, and to make any other technical and conforming changes necessary to reflect the actions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 1278, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRIVILEGES OF THE HOUSE—RETURNING TO THE SENATE S. 774, FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT

Mr. ROSTENKOWSKI. Mr. Speaker, I rise to a question of the privileges of the House.

Mr. Speaker, I offer a privileged resolution (H. Res. 177) returning to the Senate the bill S. 774 and ask for its immediate reconsideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. RES. 177

Resolved, That the bill of the Senate (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour on his question of privilege.

Mr. ROSTENSKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House has just passed H.R. 1278, a bill providing financial assistance to troubled savings and loan institutions. The Senate passed its version of the bill, S. 774, on April 19, 1989. Like the House bill, S. 774 would create two corporations to administer the financial assistance under the bill: the Resolution Trust Corporation and the Resolution Financing Corporation. The Senate bill confers tax exempt status to these two corporations. Without these two tax provisions, these two corporations would be taxable entities under the Federal income tax.

The presence of these two provisions in S. 774 causes the Senate bill to be a revenue-matter which violates the prerogatives of the House to originate revenue legislation which, therefore, should be returned to the other body.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL MIDNIGHT SATURDAY, JUNE 17, 1989, TO FILE REPORT ON H.R. 2655, FOREIGN ASSISTANCE ACT AUTHORIZATION, FISCAL 1990-91

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight, Saturday, June 17, 1989, to file a report on the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I would at this time direct my remarks to the chairman of the Committee on Foreign Affairs. Has the gentleman requested a rule on the foreign aid bill?

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Speaker, yes, the minority and I have requested a rule on the foreign aid bill.

Mr. SOLOMON. Would the gentleman care to just give us an idea of what kind of rule he has asked for?

Mr. FASCELL. We have asked for an open rule, 1 hour of general debate, 8 hours on all amendments.

Mr. SOLOMON. So that it would be an open rule subject to 1 hour of debate and 8 hours on the amendments.

Mr. FASCELL. That is correct.

Mr. SOLOMON. And I would assume that if the 8 hours is used up and there are additional amendments, we would go under the regular rules of the House where there would be 5 minutes on either side to explain the amendment.

Mr. FASCELL. I am not the parliamentarian, but I think the gentleman is absolutely correct.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Further reserving the right to object, I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I just want to confirm what the chairman said, that the minority approves of the unanimous-consent request.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Further reserving the right to object, I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I just want to check on the procedure. Would the amendments that would be considered then at the end of the 8 hours have had to have been printed in advance in the CONGRESSIONAL RECORD under the rule that the gentleman is requesting?

Mr. FASCELL. Mr. Speaker, the rule that we are requesting does not change the rules of the House, I would say to the gentleman from Pennsylvania.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. If I might, Mr. Speaker, I would propound a question to the Chair then in the form of a parliamentary inquiry, continuing my reservation.

The SPEAKER. The gentleman will state it.

Mr. SOLOMON. Mr. Speaker, as I understand the rules of the House, then, if we are on the 8-hour amendment process and at the end of the 8 hours when debate ends and there are still amendments that want to be offered by Members on either side of the aisle, that we continue then under the 5-minute rule, 5 minutes in favor and 5 minutes opposed to it, is that correct? Is that the rule of the House?

The SPEAKER. That is the rule of the House.

Mr. SOLOMON. So that does not have to appear in the rule, that is the rule of the House, and we will proceed accordingly.

The SPEAKER. Unless the special rule would change the rule.

Mr. SOLOMON. Unless the rule prohibited that procedure.

The SPEAKER. Yes.

Mr. SOLOMON. I thank the gentleman. I think that is a fair rule in my opinion.

Mr. FASCELL. Mr. Speaker if the gentleman will yield, I have to make a statement with regard to that last colloquy.

The rules of the House are the rules of the House, and this rule that we are seeking does not change that. The gentleman from New York is correct that if an amendment is in the RECORD, under the rules, then that amendment will be considered and the proponent would have 5 minutes and the opponent would have 5 minutes.

And if it is not printed in the RECORD, then the Member would proceed to just offer the amendment and vote on it. But I must remind the gentleman that we are going to read the bill by title. That means Members still have to be timely with amendments. They just cannot wait forever.

Mr. SOLOMON. I think the gentleman has explained it. That is certainly more than reasonable, I believe. I want to thank the chairman for being more than reasonable.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT, FRIDAY, JUNE 16, 1989, TO FILE CONFERENCE REPORT ON H.R. 2072, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL 1989

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tomorrow, Friday, June 16, 1989, to file a conference report on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes.

Mr. SPEAKER. Is there objections to the request of the gentleman from Mississippi?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I request this time so that I might inquire of the distinguished new majority leader the program for next week.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. I thank the gentleman for yielding.

First the program for today is finished. On Friday, June 16, the House will not be in session.

□ 2300

The program for the week of June 19, 1989, is as follows. On Monday, the House will meet at noon but there will be no legislative business. It will be a pro forma session. Tuesday, June 20, the House will meet at noon. Private Calendar, there will be suspension, six bills. Recorded votes on suspensions will be postponed until after debate on all the suspensions. The suspensions will be:

H.R. 2539, to extend title I of the Energy Policy and Conservation Act;

H.R. 1485, providing for the sale of certain Federal lands to Clark County, Nevada, for national defense and other purposes;

H.R. 1529, to establish the White Haven National Historic Site in Missouri;

H.J. Res. 175, Palau Compact of Free Association Implementation Act;

H.R. 2214, to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations;

H. Res. 120, to express the sense of the House in support of actions to eliminate preventable deaths and disabling illness, especially among children, and of efforts to attain the U.N. goals of universal childhood immunization by 1990 and health for all by the year 2000.

The House will meet at noon on Wednesday and 10 a.m. on Thursday. We will be considering the Foreign Assistant Act authorization for fiscal years 1990 and 1991, subject to a rule, which we just discussed.

At any time during these 2 days we will be looking to consider a conference report on H.R. 2072, the direct emergency supplemental appropriations, fiscal 1989, subject to a rule.

It would be the intention to try to finish each night by 7 or 8 o'clock. Obviously, if there is action that is required on the emergency supplemental which we do not foresee, one of those evenings could go later than that. It is our intention on Friday, June 23, that the House would not be in session. Of course, conference reports may be brought up at any time, and any further program would be announced later.

ANNOUNCEMENT OF APPOINTMENT OF REPUBLICAN OBSERVERS TO THE CHEMICAL WEAPONS TALKS IN GENEVA

Mr. MICHEL. Mr. Speaker, pursuant to the agreement between the bipartisan leadership of the House of Representatives, I am pleased to announce that the following Republican Members will be observers to the chemical weapons talks in Geneva:

Mr. PORTER of Illinois; and
Mr. HEFLEY of Colorado.

ANNOUNCEMENT OF APPOINTMENT OF REPUBLICAN OBSERVERS TO STRATEGIC ARMS REDUCTION TALKS

Mr. MICHEL. Pursuant to the agreement between the House and Senate joint congressional leadership, I am pleased to announce that the following Republican Members of the House will be observers to the strategic arms reduction talks:

Mr. BROOMFIELD of Michigan;
Mr. DICKINSON of Alabama;
Mr. LAGOMARSINO of California;
Mr. COLEMAN of Missouri;
Mr. EDWARDS of Oklahoma;
Mr. COURTER of New Jersey;
Ms. SNOWE of Maine;
Mr. BEREUTER of Nebraska;
Mrs. MARTIN of Illinois;
Mr. MARTIN of New York; and
Mr. BATEMAN of Virginia.

ADJOURNMENT TO MONDAY, JUNE 19, 1989

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, June 20, 1989, it adjourn to meet at 12 noon on Wednesday, June 21, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

APPOINTMENT AS MEMBER OF THE HOUSE OFFICE BUILDING COMMISSION

The SPEAKER. Pursuant to the provisions of 40 U.S.C. 175 and 176, the Chair appoints the gentleman from Missouri [Mr. GEPHARDT], as a member of the House Office Building Commission, to serve with himself and the gentleman from Illinois [Mr. MICHEL].

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following resignation from the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE MAJORITY WHIP,
Washington, DC, June 15, 1989.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Attached is the letter sent to the Governor of California notifying him of my resignation from the U.S. House of Representatives effective today, June 15 at the close of business.

Sincerely,

TONY COELHO.

HOUSE OF REPRESENTATIVES,
OFFICE OF THE MAJORITY WHIP,
Washington, DC, June 15, 1989.

Hon. GEORGE DEUKMEJIAN,
Governor of California, State Capital, Sacramento, CA.

DEAR GEORGE: This is to notify you that effective today, I have resigned my seat in the U.S. House of Representatives, as Representative for the 15th District of California.

Sincerely,

TONY COELHO.

ANNOUNCEMENT OF APPOINTMENT OF DEMOCRATIC OBSERVERS TO THE STRATEGIC ARMS REDUCTION TALKS AND CHEMICAL WEAPONS TALKS

Mr. FOLEY. Pursuant to an agreement with the Republican leadership of the House, and with the joint leadership in the Senate, there will be observers from the House, from the Democratic side and from the Republican side, to the strategic arms reduction talks and to the chemical weapons talks. The observers to the strategic arms reduction talks from the Democratic side will be as follows:

Mr. GEPHARDT of Missouri;
Mr. FASCELL of Florida;
Mr. ASPIN of Wisconsin;
Mr. DOWNEY of New York;
Mr. DICKS of Washington;
Mr. MOODY of Wisconsin;
Mr. TORRES of California;
Mr. MAVROULES of Massachusetts;
Mr. AUCOIN of Oregon;
Mr. CARR of Michigan; and
Mr. BERMAN of California.

The observers to the chemical weapons talks from the Democratic side will be as follows:

Mr. OWENS of Utah; and
Mr. LANCASTER of North Carolina.

COMPREHENSIVE VIOLENT CRIME CONTROL ACT OF 1989—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 73)

The SPEAKER pro tempore (Mr. MURPHY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, June 15, 1989.)

COMMUNITY LIFE AMENDMENT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, in 1985 the Brookings Institution—not known for conservative viewpoints—issued a study entitled "Religion in American Public Life." This study concluded that "a society that excludes religion totally from its public life, that seems to regard religion as something against which public life must be protected, is bound to foster the impression that religion is either irrelevant or harmful." Again, these are the words of a Brookings Institution report.

Mr. Speaker, I am now introducing legislation that will successfully correct the impression that a formal recognition of God in our public schools is either irrelevant or harmful as we have been told through a series of Supreme Court decisions.

The time is now right to let public school kids formally acknowledge the Creator who endowed them with life, liberty, and the pursuit of happiness.

Mr. Speaker, today I introduce the Community Life Amendment to the Constitution of the United States. The text of the amendment is as follows:

SECTION 1. The right of the people to allow voluntary school prayer and the teaching of the Judeo-Christian ethic in public schools shall not be denied or abridged by the United States.

SEC. 2. For the purpose of section 1, the term "teaching of the Judeo-Christian ethic" shall include the Ten Commandments, and the creation of the earth as accepted in Judeo-Christian tradition.

SEC. 3. Section 1 shall not force the people to enact any statute against their will.

SEC. 4. Nothing in this Amendment shall constitute an establishment of religion, nor shall this Amendment permit any governmental or administrative authority to prescribe the form or content of any voluntary prayer.

Mr. Speaker, America is at a crossroads. The dilemma we face in this great Nation transcends all other problems faced by mankind. The quest for peace pales in relation. The hungry, the homeless, the ill, the abused are all secondary concerns. The shrouded beast of national debt that threatens all of us with his sickle of poverty is, by comparison, of minuscule proportion. These are all but symptoms of a malignancy that is robbing the heart and soul of America.

We have broken faith with ourselves. We have attempted to deceive the very nature of our being, and in the process, we have robbed ourselves of the only solution to so many of our temporal woes. I am speaking of perspective and purpose. America, it seems, has succumbed to perhaps the ultimate delusion of mankind, the highest act of egotism. We have cast our eyes on the world, found it comely, called it our own, and have relinquished the eternities. America now serves at the altar of man.

For some individuals, serving at the altar of man is the highest personal reward, a lofty goal upon which our land was founded. I disagree. The America that I have come to love and admire is a land of liberty, a fertile soil where the seeds of individual liberty and dedication will permit good works to bear fruit. This liberty comes from our Creator and to think otherwise is to lessen the potential of our existence. For if man is the source of his own liberties, then he is justified in their vanquishment. As a nation serves at the altar of man it is only in servitude. I prefer to be a servant and not a slave.

Most of America, indeed the world, is enslaved by selfish conceit. When imperfect man bestows upon himself the title of perfection, the last authority, the great conqueror of our existence, then mankind is doomed to a life of chaos, uncertainty, disappointment, and tragedy.

The United States has lost much of the vision of its founders. Our forefathers came to this land to be unencumbered by the philosophies of men. Free to think, free to assemble, free to act responsibly. This was the vision of America, a place where imperfect men asked no more of each other than liberty, and as a result, this people have prospered as never before recorded in history.

Unfortunately, prosperity has never been man's strong suit, and inevitably, a prosperous America slowly forgot what had made her that way. We have ultimately forgotten that the circumstances of our existence, not the mechanics of our existence, pave the way to prosperity; that it is our freedoms that permit prosperity and not our genius. To our detriment, over the last 25 years, we have conveniently assumed the latter.

We Americans have not been immune to the pride and egotism that have eventually confounded every world civilization. We have even formalized these weaknesses into a bit of deceptive sophistry that we proudly wear as "humanism."

Much has been written about and spoken of humanism in all its variations. But what is particularly relevant to the Community Life Amendment, Mr. Speaker, is that the humanist philosophy has kicked the God of Abraham, Isaac, and Jacob, and all rivals other than man himself, out of our Nation's public school system.

In all deference to toleration, kicking deity out of our public schools

VOL 135 PT 9 JE 14 — 22 1989 UMI

might have been marginally bearable were it not for compulsory school attendance laws, existing in every State, which require schoolage children to attend an approved private or public school. Many private religious schools, or State laws accommodating home schooling, exist to appease the social pressures of a religious people, but not all persons are able to afford a private school nor do many have the luxury of time to school their children at home. In other words, most children are stuck with the public school system.

Regardless of what might have been, the benefits of voluntary prayer and teaching the principles of the Judeo-Christian ethic in our public schools supersede a position of compromise on this issue. I have not come before you today to genuflect before the altar of man and make of the Community Life Amendment a sacrifice in a spirit of compromise. I rise before you, in all humility, to offer each of you the opportunity to magnify your stewardship as a duly elected leader of these United States.

Members of Congress know, perhaps better than anyone, that it is never convenient to do what is right. There will always exist good reasons not to do something. The issues contained in the community life amendment are a magnet for such reasons, but I would like to tell you why this amendment deserves your support and loyalty.

The day that the United States took the teaching of the principles of the Judeo-Christian ethic out of public schools was the day that this Nation lost all purpose and identity. This despair was not instantaneous. After all, not every public school classroom throughout the United States held daily prayer, not every child had been instructed in ethics identified as religious in nature prior to 1962. No, the identity crisis we bear today has come with time.

For the past 25 years, the rising generation have been denied a full opportunity to address the most fundamental of life's questions: Who am I?, Why am I here?, and Where am I going? Any education, in my opinion, that does not fully access all intellectual avenues to sufficiently answer these questions is a mockery to an enlightened people. It is the height of arrogance for anyone to believe that an enduring and valued education can be created precluding these questions.

Without answers to these three fundamental questions all people will spend a life full of empty victories and debilitating defeats. Humanism cannot fill the substantive void left by the expulsion of religious principles and beliefs from public schools. Man, judging life by his own experience, by what he sees, is incapable of sustaining an ethical system founded on his own authority. The evidence of failure is everywhere. From abused children to juvenile delinquents to unethical business practices to the modern welfare state.

Judeo-Christian principles and beliefs relegated to their "proper place" are not enough to effectively influence the active minds of children who spend most of their days away from both home and church and in an environment that unhesitatingly proclaims that such instruction is antithetical to reasoned thought and intellectual stimulation.

Children attending public schools got along quite nicely for over a century when the principles of the Judeo-Christian ethic were not precluded from their daily activities. The United States has always been a melting pot of ethnics, creeds, and religions. This fact was never a stumbling block in education. I am not naive enough to believe that questions were never raised about the utility of school prayer or the use of religous documents in instruction, but these questions must have been appropriately addressed within the various communities.

Why are we so different today? Are we not mature enough as a people to tolerate differing beliefs? Or does our modern problem originate from the judicial activism and statist mentality of power politics? I believe, frankly, that many adults rejecting the fundamental tenets of the Judeo-Christian ethic have, it their disdain, unconstitutionally bequeathed their narrow-mindedness to America's youth.

The time has come to say to these modern day know-nothings that it is far better that one may be offended that a whole nation dwindle in unbelief. The intrinsically barbed, but carefully worded, provisions of the Community Life Amendment allow no fence-sitters. We must regain our heritage through the lives of our children or else continue to suffer the consequences of a failed stewardship.

JUDICIAL HISTORY

Mr. Speaker, prayer in public schools, for all intent and purpose, was ruled unconstitutional by the Supreme Court on June 25, 1962. The case of *Engel* v. *Vitale*, 370 U.S. 421 (1962), centered on a state-imposed and drafted prayer that was recited daily in the public schools of the State of New York. The beginning of each day would begin with:

> Almighty God, we acknowledge our dependence on Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.

The Court held that:

> The constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government.

And further, that the first amendment's "prohibition against governmental establishment of religion, as reinforced by the provisions of the Fourteenth Amendment, government in this country, be it State or Federal, is without power to prescribe by law any particular form of prayer which is to be used as an official prayer in carrying on any program of governmentally sponsored religious activity."

The nondenominational aspect of the Regent's prayer did not persuade the Court to preclude it from application under the First Amendment. Neither did the fact that student participation was strictly voluntary. Left unresolved was the issue of whether or not other issues such as student initiated voluntary prayers, reading the Bible in class, and posting the Ten Commandements were constitutional.

Only one year later, on June 17, 1963, the Court addressed these other concerns in *Abington School District* v. *Schempp* (374 U.S. 203, 1963). Each morning at Abington Senior High School selected students would read ten verses of the Holy Bible over the school's intercommunications system. The reading was followed by the recitation of the Lord's Prayer with all student's being ask to stand and repeat the prayer in unison. The exercises were closed with a flag salute and the Pledge of Allegiance. Once again, these activities were voluntary and students could either refrain from participation in class or leave the room entirely until completion of the exercise.

In ruling against Abington School District, as with its forerunner Engel, the Court ruled that such exercises were a violation of the establishment clause as applied to the States under the 14th amendment. The majority arguments in both cases rested on the 14th amendment incorporating the establishment clause.

> This Court has decisively settled that the First Amendment's mandate that 'Congress shall make no law establishing an establishment of religion, or prohibiting the free exercise thereof' has been made wholly applicable to the States by the Fourteenth Amendment. (Abington)

The 1940 case of Cantwell versus Connecticut was the seminal decision on incorporation. The Court ruled:

> The fundamental concept of liberty embodied in that Amendment embraces the liberties guaranteed by the First Amendment. The First Amendment declares that Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof. The Fourteenth Amendment has rendered the legislatures of the states as incompetent as Congress to enact such laws. * * *

Of course, underlying this interpretation is the rejection of the contention that the Establishment Clause forbids only governmental preference of one religion over another. The seminal decision on this matter was handed down in Everson versus Board

of Education (1947). Referring to Everson, the Court quoted:

> The [First] Amendment's purpose was not to strike merely at the official establishment of a single sect, creed or religion, outlawing only a formal relation such as had prevailed in England and some of the colonies. Necessarily it was to uproot all such relationships. But the object was broader than separating church and state in this narrow sense. It was to create a complete and permanent separation of the spheres of religious activity and civil authority by comprehensively forbidding every form of public aid or support for religion.

The Court in Abington interestingly concluded:

> While none of the parties to either of these cases has questioned these basic conclusions of the Court, both of which have been long established, recognized and consistently reaffirmed, other continue to question their history, logic and efficacy. Such contentions, in the light of the consistent interpretation in cases of this Court, seem entirely untenable and of value only as academic exercises.

Mr. Speaker, for the Supreme Court of the United States to dismiss the original intent of the Constitution as an "academic exercise" is beyond reason. This judicial sleight of hand to control constitutional nomenclature can legitimately be deemed the sophistry of judicial activists. As the Legislative branch does with extreme effectiveness, the Court has chosen to ignore the past (inasmuch as it detracts from their argument) and has invoked a new constitutional order based on revisionist history that, in this case, did not commence until 1940.

Perhaps it is a latter-day Court's perogative to interpret the Constitution contrary to its original intent. But the Court should have the integrity to explicitly tell Americans that it has decided to change course.

In a concurring opinion regarding Abington, Justice William Brennan writes that "a too literal quest for the advice of the Founding Fathers * * * seems to me futile and misdirected * * *." He then offers four reasons why he believes this.

First, Justice Brennan believes that "the historical record is at best ambiguous" surrounding the Framers intent of the First Amendment; second, he claims that "American education has greatly changed" since the Amendment was adopted; third, Brennan suggests that time has created a religious community in America "vastly more diverse" than originally; and, fourth, "free public education" is driven from our religious diversity.

Each point is arguable; some more than others. The first point, regarding the historical record, is the least arguable. Constitutional scholar and law professor Raoul Berger, author of Government By Judiciary (Harvard University Press, 1977), in his chapter entitled "Incorporation of the Bill of Rights in the Fourteenth Amendment", addresses this very issue of the historical record. In it he writes, "* * * the paramount consideration is to ascertain the intention of the legislature. That intention may be evidenced by statements of leading proponents, and, if found, is to be regarded as good as written into enactment: 'the intention of the lawmaker is the law'." Berger cites a plethora of Court cases and congressional records not only in support of congressional intent, but also in support of the Founder's refusal to incorporate the Bill of Rights in the 14th amendment.

Writing that the "invocation of the Bill of Rights against the States is of fairly recent origin", Professor Berger continues that at our founding:

> It was not fear of State misgovernment but distrust of the remote federal newcomer that fueled the demand for a federal Bill of Rights which would supply the same protection against the federal government that State Constitutions already provided against States.

Agreeing with Professor Berger in dissent to Abington, Justice Potter Steward declared:

> As a matter of history, the First Amendment was adopted solely as a limitation upon the newly created National Government. The events leading to its adoption strongly suggest that the Establishment Clause was primarily an attempt to insure that Congress not only would be powerless to establish a national church, but would also be unable to interfere with existising state establishments. Each State was left free to go its own way and pursue its own policy with respect to religion. Thus Virginia from the beginning pursued a policy of disestablishmentarianism. Massachusetts, by contrast, had an established church until well into the nineteenth century. * * *
>
> I accept wihtout question that the liberty guaranteed by the Fourteenth Amendment against impairment by the States embraces in full the right of free exercise of religion protected by the First Amendment. * * * I accept too the proposition that the Fourteenth Amendment has somehow absorbed the Establishment Clause, *although it is not without irony that a constitutional provision evidently designed to leave the States free to go their own way should now have become a restriction upon their autonomy.* But I cannot agree with what seems to me the insensitive definition of the Establishment Clause contained in the Court's opinion. * * *

Remembering back, Justice Brennan's third point against applying the original intent of the Framers to both the first and 14 amendments is entirely moot. It is not really possible to be "more heterogeneous religiously" than in the past. Justice Brennan's point is insensitive to all religions who disagree in doctrine in one way or another. The lack of Jews and Catholics or atheists in 18th century America is irrelevant to the diversity that did actually exist in that day. Religious diversity has always existed in America.

Where Justice Brennan's arguments could have had impact but didn't was on his two points regarding the evolution of education. He argues that the public nature of today's education, both in control and funding, requires "an atmosphere in which children may assimilate a heritage common to all American groups and religions. This heritage is neither theistic nor atheistic, but simply civic and patriotic."

Notwithstanding, for the moment, his infantile understanding of modern education, Justice Brennan follows this breath with a clear lack of progressive foresight:

> Attendance at the public schools has never been compulsory; parents remain morally and constitutionally free to choose the academic environment in which they wish their children to be educated.

Assuming that compulsory attendance at a state-approved school has never been law, though a totally false assumption, modern economic problems force many Americans to send their children to public schools. Whether the reason is time, money or locale, most kids are stuck with public education. What was once an argument in favor of "at atmosphere of a common heritage" is now an argument in favor of allowing religious instruction in public schools. Forcing religious Americans to attend an anti-religious institution is certainly a violation of that other forgotten first amendment right: the free exercise of religion.

Perhaps the most suspect assumption in Justice Brennan's argument is that of an educational system totally void of partisan morality and ethical teachings. Along this line of reasoning, the Abington decision was used by the Court to create a test whereby activities to be in violation of the first amendment could be judged. Justice Thomas Clark, author of the majority opinion, wrote that:

> The test may be stated as follows: what are the purpose and primary effect of the enactment? If either is the advancement or inhibition of religious then the enactment exceeds the scope of legislative power as circumscribed by the Constitution. That is to say that to withstand the structures of the Establishment clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion.

Mr. Speaker, I agree with Justice Clark that every position should ask what are the purpose and primary effect of enacting any policy in our public schools. However I reject the notion that our country was founded on the premise that the Constitution is an incubus for amorality. As we all know, very few laws of great significance in society can be considered amoral, and to ascribe judicial approval, let alone the existence, of such a concept to our Founding Document is beyond reason and historical understanding.

Most every parent and teacher in America will agree that students should be taught values and ethics. By

VOL 135 PT 9 JE 14 — 22 1989 UMI

continuing to submit ourselves to the ill-wisdom of Engel and Abington, effectively inhibiting the inculcation of the foundation of Western civilization within our public school children. Congress is sending a message to the youth of this nation that moral and ethical values can be viewed exclusive of the Judeo-Christian ethic.

The primary secular legislative purpose of the amendment is to reinforce in the minds of our children the declaratory edict from the founding of our Nation that all people are endowed by their Creator with certain inalienable rights.

A formal recognition of God in public school can serve as a daily reminder to students that they have a few liberties and responsibilities that are not delegated to the governments of men and, hence, cannot be taken away by men.

The fundamental proposition of America is that life, liberty, and the pursuit of happiness are rights granted us by our Creator. In addition, our entire system of American jurisprudence is based on Judeo-Christian ethics. The ability of parents to teach these principles to their children depends upon the opportunity for them to exercise their formal recognition of the Source of these rights in public school.

Without this formal recognition, America is left with humanism. Are Members of Congress prepared to genuflect before the altar of man? Are the American people?

WHAT IS HUMANISM?

Mr. Speaker, our whole lives are spent discerning between opposites. Out of necessity we must experience the burdens of mortality to experience the many joys of our existence. Bad accompanies good and sadness accompanies happiness. We cannot know the true meaning of one without the other.

This principle of opposites presents a dilemma for humanism. On the one hand, it is stated, humanism exists simply because man exists, and "existence" was not created. (First Affirmation of the Humanist Manifesto I.) But on the other hand, humanism claims moral authority to guide the lives of men. (Eighth Affirmation of the Humanist Manifesto I.)

The dilemma is that since the beginning of time man has accepted God or the concept of a Supreme Being as the ultimate moral force in the world, the source of moral good. To deny the existence of God, as the humanists do, is to relinquish any claim of moral authority over man. One thing cannot substitute or displace another thing which is nonexistent. All things are relative to the humanist, including morals. Hence, humanism cannot meet the demands of the principle of opposites. In practice this means that humanism cannot accept a "hollow" existence of man and, simultaneously, provide a substantive solution for our existence.

This dilemma shows the sophistry of humanism. This "nontheistic" religion is nothing more than a revolt against God and his people. It holds that,

1. The universe is self-existing and not created;
2. Man has followed an evolutionary pattern of existence;
3. Man is void of Spirit;
4. Religion is cultural;
5. God does not exist;
6. All religious intellectual thought is outdated;
7. True religion can only consist of human action;
8. Life is limited to this earthly sphere;
9. Social cooperation is the apex of human development;
10. Supernatural religious expression is intolerable;
11. All actions will be based on the limitations of the human mind;
12. Religion inhibits creativity;
13. Religions must be controlled by the state;
14. Communism must supplant free enterprise;
15. Traditional religion is personlly restrictive, close-minded, bigoted and unjust. (Humanist Manifesto I, 1933)

Forty years later, humanists issued a second Manifesto.

As in 1933, humanists still belive that traditional theism, especially faith in the prayer-hearing God, assumed to love and care for persons, to hear and understand their prayers, and to be able to do something about them, is an unproved and outmoded faith. Salvationism, based on mere affirmation, still appears as harmful, diverting people with false hopes of heaven hereafter.

The signatories, all influential in their own right, added punctuation to the first document,

We can discover no divine purpose or providence for the human species. While there is much that we do not know, humans are responsible for what we are of will become. No deity will save us; we must save ourselves.

Promises of immortal salvation or fear of eternal damnation are both illusory and harmful * * * There is no credible evidence that life survives the death of the body. We continue to exist in our progeny and in the way our lives have influenced others in our culture.

We affirm that moral values derive their source from human experience. Ethics is autonomous and situational, needing no theological or ideological sanction. Ethics stem from human need and interest * * * We strive for the good life here and now.

Reason and intelligence are the most effective instruments that humankind possesses. There is no substitute: neither faith nor passion suffices in itself.

The right to birth control, abortion, and divorce should be recognized * * * neither do we wish to prohibit, by law or social sanction, sexual behavior between consenting adults.

The separation of church and state and ideology and state are imperatives. (Humanist Manifesto II, 1973.)

Mr. Speaker, these are but a few examples of what humanism represents, direct from the mouth of humanists. Perhaps the most influential signatory of the Humanist Manifesto was educator John Dewey. Should America be so surprised that God had been kicked out of public schools with this kind of progenitor?

How many of our constituents would subscribe to the humanist way of thinking? And yet the forces that are allowed to shape education policy in this Nation are ideological soulmates of humanism. In fact, they are one and the same. The National Education Association, Planned Parenthood, the American Civil Liberties Union, People for the American Way, et cetera, all are defenders of the antitheistic humanist ideology.

In Torcaso versus Watkins (1961) the Supreme Court explicitly included within the scope of religion nontheistic faiths as well as atheism, stating:

Among religions in this country which do not teach what would generally be considered a belief in the existence of God are Buddhism, Taoism, Ethical Culture, Secular Humanism, and others. (367 U.S. at 495, n. 11.)

But the Court's most comprehensive definition of religion in the conscientious objection cases of *United States* v. *Seeger* (380 U.S. 163, 1965) and *Welsh* v. *United States* (398 U.S. 333, 1970). In these cases, the Court was required to determine the scope of the statutory phrase "religious training and belief" as used in the Selective Service Act. The act defined the term seemingly in theistic terms stating it to mean:

An individual's belief in the relation to a Supreme Being involving duties superior to those arising from any human relation, but not including essentially political, sociological, or philosophical views or a merely personal code.

The Court, in Seeger, construed the phrase "in relation to a Supreme Being" to mean:

Whether a given belief that is sincere and meaningful occupies a place in the life of its possessor parallel to that filled by the orthodox belief in God of one who clearly qualifies for the exemption.

In *Welsh*, the Court wrote:

What is necessary * * * for a registrant's conscientious objection to all war to be "religious" within the meaning of Section 6(j) is that this opposition to war must stem from the registrant's moral, ethical, or religious beliefs about what is right and wrong and that these beliefs be held with the strength of traditional religious convictions.

These opinions were not only incorporated into the Selective Service Act, but also the Immigration and Naturalization Act and the Civil Rights Act of 1964.

Mr. Speaker, clearly humanism is a religion. It is certainly a way of life. Even more paramount is that humanism is the ideology of America's public schools. One religion has replaced all others in the name of the first amendment. The community life amendment would simply allow the people of the United States the discretion to set their own internal policies regarding the establishment of religion and its free exercise. Currently, public school students have no choice. They must submit to humanism. And by our allowing this tragedy to continue we are facilitating a national religion and a gross violation of the Establishment Clause.

THE SCHOOL PRAYER PROVISION

Only 6 percent of Americans do not believe in God (Gallup, 1986), unchanged from 1947. All but a few of the majority believe voluntary school prayer should be allowed in public schools (66 percent, CBS News-New York Times Poll, August 1988). The community life amendment will allow children, encouraged if desired by the people, to once again offer prayer in school. This scenario should be as simple as little Johnnie or Susie requesting of the teacher some appropriate time to offer a prayer from the heart. The process would be no different for little Abdul, Ling, Menacham, or Manuel. The teacher may even ask the children if any would like to avail themselves of the opportunity.

Justice Potter Stewart, in his dissenting opinion on Engel, wrote:

> With all respect, I think the Court has misapplied a great constitutional principle. I cannot see how an "official religion" is established by letting those who want to say a prayer say it.

My colleagues, please consider the simple act of a child offering a public prayer. Atheists and agnostics may be offended at even the thought, but every person who professes a belief in God has little room for discomfort. It is one matter to weigh a claim of offense from a person affirming a religious belief and quite another matter to respond likewise to a person offended in disdain of a religious belief. I reiterate that it is far better that one man be offended than for a whole nation to dwindle in unbelief.

WHY NOT THE TEN COMMANDMENTS?

Mr. Speaker, the bloodhounds of humanism are always on the lookout for any violations of the separation of church and state. A nativity scene on the grounds of a local courthouse is a particularly onerous crime in their book. Most schoolchildren are no longer allowed to outwardly celebrate Christmas, Hanukkha, or Ramandan. They now have generic holiday parties. Kids today take off for spring break, not Easter vacation as in the past. No more Halloween, just character or imagination day.

Heaven forbid * * * excuse me, mortality forbid that a teacher or student should hang an image of diety on the classroom wall, unless of course the picture is a religious favorite of the humanists.

The National Education Association version of natural selection holds true for wall posters and placards imprinted with value-oriented slogans as well. A poster stating, "It's not a good deal to go out and steal" will certainly past muster. But change the message to "Thou shalt not steal" and the lords of lunacy cramp and gyrate themselves all the way to the Supreme Court. Do the religious overtones of this latter message really warrant the label of an unconstitutional offense?

The teaching of the Ten Commandments, and other similar tenets of the Judeo-Christian ethic, in our public schools is of immense educational worth. The primary benefits, as I see them, are twofold. First, the Ten Commandments teach children that ethics represent much more than mere lessons of utility, and second, the Ten Commandments broaden our earthly perspectives.

The values which built America were grounded more in our spiritual nature than in some philosophical concept of utility. An orderly society dependent upon the voluntary actions of men must necessarily transcend all appeals to the self-serving nature of utility to avoid chaos. To simply teach a child that stealing is not in their best interest, due to potential punishments or retribution, ignores the intellects of those kids who may actually profit from stealing.

Teaching children that "thou shall not steal" is a clear lesson: Whether you benefit or not, don't steal; not only do we have laws to punish such acts, we are adamant that the act itself is wrong and unbecoming any citizen. This message can be given in any language, within any culture, and among all serious religions. More than this, most kids will positively respond to this idea of an all-encompassing authority, or equally acceptable, to the society that is governed by this idea.

Second, teaching the Ten Commandments in our public schools will broaden the earthly perspectives of children. Most people focus on the last six commandments: Honor thy father and mother, thou shall not kill, thou shall not commit adultery, thou shall not steal, thou shall not bear false witness, and thou shall not covet thy neighbor's anything. Forgotten are the first four concerning our relationship to diety.

Children are always in need of being reminded to think of others. Later, as adults, they are in constant need of humility. Helping school children to understand that selfishness is not a virtue is only a forerunner to helping these kids, as adults, remember their mortal limitations. Showing reverence for their God, or even mortal recognition of the unknown, introduces the human mind to something it rarely considers: That the individual is not the center of the universe around which all else revolves. Humanism is incapable of teaching this fundamental lesson.

CREATION AS ACADEMICS

This same reasoning is why school children ought to be taught, along with various other theories, about the divine creation of the Earth. Creationism, as it is popularly referred to, adds to kids' perspectives. It will remind them time and again to be cautious of the smug assumptions of humanism.

I was humored to read a National Academy of Sciences [NAS] report entitled, Science and Creationism: A View From The National Academy of Sciences (1984), in which the authors prefaced their remarks by referring to the front and back covers of the publication. The back cover illustrated a map of the world as imagined in the days of Columbus, while the front cover displayed a satellite photograph of how the world really looks. The analogy of contrast, of course, was drawn between creationism and science, respectively.

The report followed with:

> Teaching creationism is like asking our children to believe on faith without recourse to time-tested evidence, that the dimensions of the world are the same as those depicted in maps drawn in the days before Columbus set sail with his three small ships, when we know from factual observations that they are really quite different.

What humored me was the smugness of the authors. After all, that satellite camera could have just as easily been pointed at the expansive universe with a caption reading "all that science does not know about, and may never know about."

Those who accept the divine creation of the Earth deeply appreciate the knowledge of the Ultimate Scientist who created it. The divine creation and physical science are one, and all efforts to discredit this fact are demagogic smokescreens.

Yes, unashamedly we will ask school children to accept on faith certain phenomena, not "without recourse to time-tested evidence", but just until we have developed some recourse. Faith is the first fundamental principle of any bona fide religion. It is also the first fundamental principle of life. Do we not have faith that the sun will rise each morning? Because we can observe its pattern does not explain why it happens. We accept this on faith.

The late physicist Dr. Joseph F. Merrill, 40 years ago, eloquently addressed the relationship between science and faith:

> In discussing gravity * * * no text book, no teacher, ever speaks of any mystery. We are so used to this familiar phenomenon that

VOL 135 PT 9 JE 14 — 22 1989 UMI

the idea of mystery never occurs to us * * * Newton's law merely describes how one body attracts another—a phenomenon that can be accurately measured in the laboratory. But what is the nature of the force of gravitation that pulls two bodies together, as the earth and the apple, as the earth and the sun? * * * Can you conceive of how one body can exert force on another except through a medium of some kind? * * * But [Newton's law] gives no idea why they attract each other, that is, of the cause and nature of the force, or why the force can exist between them when there is no medium * * * in this matter of a falling apple lies one of the most profound mysteries in the universe * * * Every moment you are in contact with a mystery of the first order.

Dr. Merrill concludes:

There never was a time when man knew more and perhaps could explain less of what he knows about nature than at present, because the deeper he digs the more unexplainable his findings * * * How can anyone accept the teachings of science and reject those of religion on the ground of miracles and mysteries? * * * The whole of modern science experimentation rests upon the principle of causation. Should not this drive any reasonable man to the first great cause, to God? Is it reasonable to apply this principle only in the part of the realm of nature known to the scientist and abandon it elsewhere? (God the Father, edited by Gordon Allred, pgs. 255-278.)

School children need to be exposed to this type of reasoning. Humanism will dare not allow similar words to be uttered in public schools without the Community Life Amendment. Children have faith in so many things, one being the honesty and integrity of their teachers. How do you explain to a child that the moral value systems which guide his parents, his community, and his Nation for so many years are not allowed to be properly addressed in his school, an authoritative place of learning assigned to him by society?

The failure to answer this question, I am convinced, is a major reason why there are so many troubled youth in America today. We are denying them a full opportunity to comprehend the nature of their existence. The Community Life Amendment will provide local communities with a valuable opportunity, a pearl of great price, to assist men and women of good heart in their stewardship over the youth of our Nation.

Last, Mr. Speaker, I appeal to the liberal nature of my opponents. All of us can hide behind the Constitution's seemingly endless meanings backed by any given modern Court interpretation. But what, I ask are we hiding from? Do opponents of prayer in public schools really worry about the establishment of religion, or are they actually obsessed with their own particular brand of anti-religious ideology. Are they interested in the general welfare and education of youth, or are they constrained by their own prejudices and bigotry?

Humanism is a religion and, as such, its doctrines taught in public schools must necessarily violate the establishment clause if the Court is to avoid duplicity. The Federal Government, through the actions of the Court and the inactions of Congress, have allowed humanism to become entrenched in society at taxpayer expense thereby breaching that liberal metaphor "the wall of separation of church and state". My liberal friends should be mindful of hypocrisy.

Cato's Letters provided the popular justification and intellectual force for our American Revolution. One "letter" proclaimed:

Ignorance accompanies Slavery, and is introduced by it. People who live in Freedom will think with Freedom; but when the Mind is enslaved by fear, and the Body by Chains, Inquiry and Study will be at an End. (6th edition, 1755, 1:96.)

Obviously, either side could use this quote as a defense to allow or restrict their or an opponent's beliefs. But this is exactly my point. If our minds are "enslaved by fear," then by all means let this House prohibit States from setting their own courses on the issue of religious education in public schools. However, if we are truly secure with our freedom, then let us "think with freedom".

I am opposed to humanism, but I am not opposed to its teachings in public school. I support the Judeo-Christian ethic and would like to see it candidly taught in public schools. Because a value-free education is not possible nor desirable for our youth, why not allow the people the option to open their schools to all positive values, no matter the source. This is a policy a free mind would allow. Congress should set this policy as a first amendment standard.

Mr. Speaker, I ask my colleagues for their support.

PRAISE FOR THE LAKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr. Speaker, as this thrilling couple of days comes to an end, I take this special order for a very important purpose. I would like to point out something that needs to be recognized. I rise to officially recognize the valiant effort of the Los Angeles Lakers.

□ 2310

Yes, I realize that the Detroit Pistons swept the Lakers in four straight games to the shock of many of us, however it is very important to note that Magic Johnson and Byron Scott, arguably one of the most noted backcourts in the National Basketball Association, were not suited up for most of the series, but enough for excuses, Mr. Speaker.

The Pistons are a fine basketball team. My colleague, the gentleman from Michigan [Mr. HERTEL] will now enjoy the fruits of the Pistons labor as this morning in his office I presented him with two Sun World California seedless watermelons. That came about as a result of our wager. California is famous for many things, and now notably for our seedless watermelons.

Mr. Speaker, this is also a fitting time for us to pay tribute to Kareem Abdul Jabbar who is retiring. Clearly, as most everyone will agree, he is the National Basketball Association's greatest player ever. We in Los Angeles will sorely miss his talents, and we wish him all the best.

Enough thought. They did not win their third consecutive championship, however, Mr. Speaker, I doubt that anyone can dispute the fact that the Los Angeles Lakers were most clearly the leading NBA team of this entire decade.

HEADING OFF FUTURE PROBLEMS WITH THE S&L INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. PEASE] is recognized for 5 minutes.

Mr. PEASE. Mr. Speaker, I rise to discuss for a moment the bill that we just passed on the savings and loan industry.

Mr. Speaker, I voted for the bill. I think it was a responsible vote. I wish that we had some other choices than the one we did in bailing out the S&L industry. However I do not think we had any choice, and, therefore, I voted for the bill.

I do want to say though that I am disappointed that the Committee on Rules did not make in order an amendment that I had hoped to offer which would speak to heading off future problems with the S&L industry. It is my belief that we got into the trouble we are in today with upwards of $200 to $300 billion of liability for deposit insurance because, among other things, the S&L industry got out of control completely, and too many people began to abuse the deposit insurance system.

Mr. Speaker, we set up deposit insurance back in the 1930's to prevent runs on banks and to assure small depositors that the money they put in institutions would be safe. That got changed over the years, and in the early 1980's the amount was raised to $100,000 per account. That was very ill-advised in my view, but worse than that it was made and has been on a per-account basis rather than a per-person basis.

Mr. Speaker, what that means is that corporations, wealthy individuals, and pension funds have put millions of dollars into savings and loans spreading them out over 10, or 20, or 30 different institutions around the country. Unfortunately, they have put their money in those institutions which provide the highest interest rates. They provide the highest interest rate because they are the weakest institutions and have to offer the most interest in order to attract any deposits at all.

Mr. Speaker, I think without question the size of the bailout that we are facing now was exacerbated by the fact that we had unlimited deposit insurance. My amendment would have limited deposit insurance to $100,000 per person rather than per account. I think it would have been a very solid step toward preventing this kind of repetition rather than the kind of problem we are now in. Again, I am sorry that the Committee on Rules sought fit not to make that amendment in order.

Notwithstanding my amendment, I decided that as a responsible Member of this House I ought to vote for the S&L bill, and I did.

A TRIBUTE TO DR. DAVID GOULD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, all of us remember the terrible tragedy on December 21, 1988, when Pan Am flight 103 exploded in the skies over Scotland. One of the passengers killed on that flight was a remarkable man from Pittsburgh, Dr. David Gould. Dr. Gould was associate professor of public administration at the University of Pittsburgh and director of the management training program there. No one will ever know just how many friends he had and how many lives he touched both here and in Africa; but there is a glimpse of his magnificent work and contribution in a collection of tributes to him that were recently compiled by his friends.

I know that my colleagues join me in offering condolences to Dr. Gould's family and friends. In honor of his memory, I would like to request that the tributes to him be printed in the RECORD.

BELOVED AMERICAN EDUCATOR TO AFRICA LOST IN PAN AM CRASH

(By friends and colleagues of David Gould)

Dr. David Gould, Associate Professor of Public Administration at the University of Pittsburgh, was returning from his latest of ten trips to Africa in 1988 when Pan Am 103 was blown from the air over Scotland on December 21st. As Director of Pittsburgh's management training program, Gould was the best known American educator in French-speaking Africa over most of the last decade. The many messages of condolence which have come from the countries whose leaders have participated in Gould's programs, from Senegal in the west to Madagascar in the east, from Ministers and Ambassadors, are evidence that Gould was also a greatly loved American in this vast and little known area of the Third World.

A graduate of Harvard and New York University with a superb mastery of French, Gould (45) founded Pittsburgh's Management Development Program for Francophone Africa and Haiti in 1979. Each summer, with funding from the USAID, the World Bank, and other official sources, Gould brought senior and mid-level managers from among twenty African countries and Haiti to Pittsburgh's seven-week, state-of-the-art management training course. In addition, Gould and his colleagues, including the best of French Africa's management trainers, organized over 50 specialized courses in 15 selected African countries, reaching thousands more with modern management techniques and, what is more, with his infectious optimism and humor. His ability to communicate in French was almost unsurpassed by professional diplomats. More importantly, Gould understood intuitively the bureaucratic context in which his colleagues functioned and was able to bring that awareness to bear in his personal contacts.

For most of his African and Haitian trainees, their trip to Pittsburgh for the seminar was their first visit to the United States. The impressions gained in this exposure were invariably positive. Gould never tired of explaining the ins and outs of American culture and the sometimes "difficult to comprehend" reactions of American people. The highlight for many of his foreign visitors was Gould's annual 4th of July picnic, hosted at his house for the more than 100 participants who now enroll in the summer course. Gould's French-language description of democracy in America was both a primer and a challenge to leaders from countries striving to emulate many of the values so cherished in our democratic society.

Trying to keep up with David was an impossible task. Gould was ever airborne, "breaking ice", and testing limits. He would show up unexpectedly on flights to and from, and across Africa. His travels around the continent put him in touch with diverse programs and people; his political savvy, empathy, and humor enabled him to cross-fertilize friendships and activities.

For U.S. Government colleagues, bumping into David in his myriad criss-crossings of the continent was always a special experience. He would welcome you with a warm, effusive greeting, delivered in a classic French bureaucratic context with a twinkle in his eye: "Hello, courageous representative of the American people (Bonjour, M. ou Mme. le representant du vaillant peuple américain)!" David was a veritable "tam-tam" of what was happening around the continent, transmitting the latest reassignments of senior (and not so senior) officials. Afterwards, while others slept, he would hunch over his laptop computer, to prepare a draft reporting cable on a recently completed training program. Or, he would dash off follow-up thank-you notes to those he had just left behind.

These notes scribbled from airplanes were numerous, always courteous and efficient and somehow wistful. They expressed thanks for cooperation and gently reminded his colleagues of follow-up actions. His scrawl, which seemed to arise from his subconscious, suggested how deep his commitment was to his work, and made those who read his notes wonder if he ever rested.

It was nothing for David to report for work following thirty-six hours of grueling non-stop travel, appearing exhausted but brimming with energy. Toting a shopping bag overflowing with both documents and gifts, chocolate, UPitt t-shirts, and recorded music tapes. Everybody relished David's attention, including secretaries and drivers as well as ministers and ambassadors. Everyone appreciated his warmth and humor, bringing people to smile at the ironies which he as an outsider was able to detect, to chortle at the salty jokes he deftly used to liven training sessions, and, most astonishingly, to laugh at themselves.

During his visits, David used weekends to convene Ambassadors, former training participants, and donors to discuss his programs round restaurant tables. Right up to the time of his departure for the airport he was proposing yet another meal together, another seminar idea, another civil servant for sending to the U.S.

More eloquent, however, than a description of David's indefatigable, humorous, intelligent spirit, are the condolences cabled from both Americans and Africans shortly following the Pan Am disaster. Reprinted below are samples of the many expressions of loss and remembrance from those touched by Gould's extraordinary persona. Representative of these messages is one from a colleague of Gould's, personal advisor to President Diouf of Senegal, and himself one of Africa's most distinguished management experts:

"In my country we are urged not to cry for the departed but to pray for them. It is difficult, however, not to mourn the death of a close friend, even more so when it concerns a friend with exceptional human qualities that I have known for 12 years. David was a man whose very being transcended willingness and openness towards others, loyalty, peace, love and respect. Despite the press of external demands, David always manifested these qualities.

"In my thirty years of professional experience, I have never met a man so persistent, innovative and devoted to his work. David's daily program was infinitely expandable, with no time for rest. In the office or in the field, he was always the same, dynamic and zestful * * * David was also demanding in his concern for quality, for himself as well as for others, expressed with a remarkable sense of tact and sensitivity. This unyielding commitment for excellence led him to step in for, if necessary, his colleagues even when it required fifteen or sixteen hour days.

"David was skilled at convening a wide range of senior African officials to share both his dreams and his loves. The network of skilled collaborators he created is unique in the United States, although other universities have attempted to copy the University of Pittsburgh's example."—Aliou Samba Diallo, Human Resources Development Advisor to President Diouf, Dakar, Sénégal.

"In this difficult moment, I would like to convey for myself, for all of the previous participants in the University of Pittsburgh's management development program, and for David Gould's friends living in Burkina Faso (formerly Upper Volta), my sincerest condolences on the occasion of his tragic death. Cruel destiny has snatched away Professor Gould at the very moment in which he was contributing his extraordinary technical and human qualities to the betterment of the Burkinabé people and to the noble cause for friendship and cooperation among all nations. We remain convinced that the passing of this remarkable friend of Burkina Faso will only strengthen

the bonds of solidarity which unites our two peoples."—Ambroise Zagre, Assistant Dean of the University of Ouagadougou, Ouagadougou, Burkina Faso.

"Having been profoundly affected by the accidental death of our dear friend David Gould, I would like to inform you that the Ministry of Agriculture of the Republic of Cote d'Ivoire shares the grief of the mourning family. Mr. David Gould who has contributed greatly to the training of several Ivorian cadres, was highly regarded for his moral qualities, his availability and his courteousness. It is with great pleasure that we received him here for the preparation of a management seminar which was scheduled to take place here from February 20 through March 3, 1989.

"I entreat you to kindly accept and transmit to the afflicted family, the expression of our most sincere and sorrowful condolences."—D. Bra Kanon, Minister of Agriculture, Abidjan, Ivory Coast.

"It is with sadness and grief that we learned of this tragic loss. The USAID staff and many Burundians who knew him join all his other friends in mourning for him. He will be missed. Please accept our sincerest condolences."—James Dunn, USAID/Burundi Mission, Bujumburu, Burundi.

"We at REDSO/WCA send our deepest condolences to the Gould family, friends and associates at University of Pittsburgh. We will remember David as a valuable colleague and friend not only because of his support to our development efforts in Africa, but also because of the personal relationships he developed with individual Americans and Africans in West and Central Africa. David has been one of our strongest partners in African Human Resources Development."—Mission Staff USAID/Abidjan, Abidjan, Ivory Coast.

"In life he was a true friend and supporter of Francophone Africa. His memory and work will live on as those he trained makes strides toward further developing their respective countries. Their work will serve as a living memorial in his honor. As one who cared, he will be deeply missed."—Mission Staff USAID/Mali, Bamako, Mali.

"I first met David a little over two years ago and was immediately impressed by his sophisticated appreciation of Africa and Africans. His superb French, won above all his friendly outgoing manner and his usual ability to quickly win the confidence of all of his interlocutors. Those of us who got to know him felt privileged to count him as a friend. When we received word here in Benin that he had been on the Pan Am flight, there was widespread shock amongst my Embassy colleagues, government ministries, senior civil servants, international representatives and the many Beninois who had profited from his counsel.

"On behalf of all my colleagues, please accept our deepest sympathy. You and your family can take considerable pride in the fact that David's legacy will live on and continue to make life richer and happier for countless people in this and many other countries."—Walter E. Sadler, U.S Ambassador to Benin Cotonou, Benin.

"Death of Professor David Gould, a loyal friend of our country.

"Among the victims of the Pan Am airplane that crashed in Scotland (Great Britain) was a great friend of Mauritania and the Third World, Mr. Gould, Director of the International Institute for Management Development of the University of Pittsburgh (Pennsylvania) * * *:

"Mr. Gould is indeed, first and foremost, a management expert. His writings on this subject are authoritative. He was also an unequaled organizer and seminar leader. He brought together a team of specialists from Africa, Europe and America who brought such credit and fame to the seminar that the lectures are "exported" in the form of seminars and conferences sponsored by the University of Pittsburgh.

"Mr. Gould and his team of experts organized two seminars during visits to Mauritania. The first seminar on human resources management was organized in 1986 with the ENA and the CGEM, and in January 1987 a second seminar on project management was organized with the collaboration of the Ministry of Economy and Finance. These two seminars generated wide interest at the time.

"Nicknamed 'Ould' by his Mauritanian friends, we often recalled anecdotal the kindness, warm welcome, and hospitality of our fellow countrymen. He talked about this so often that one could perceive a certain nostalgia for the Mauritanian way of life.

"Death struck him down in the force of this age (45 years old) before he could return to Mauritania where he had a number of projects.

"Those who knew him well surely regret his absence which deprives Africa in general and our country in particular of loyal friend and remarkably gifted man who had so many qualities and capabilities."—Mr. Mohamed Ould Babetta, Deputy Commissioner, Food Security Agency, Government of the Islamic Republic of Mauritania (Appeared in the December 23, 1988 edition of the Chaab Newspaper in Nouakchett, Mauritania.)

"It is with sadness and grief tnat we learned of this tragic loss. The many people here who know him and the many Senegalese who have participated in this program join all his other seminar is largely due to this professionalism. Devotion to the principles of development our sincerest condolences."—Sarah Jane Littlefield, Director, USAID/Dakar, Dakar, Senegal.

"I was shocked to hear of David Gould's death on Pan Am 103. He was an old friend and former neighbor of my sister in Pittsburgh. No one worked more tirelessly to develop better relations between the U.S. and Francophone Africa."—Robert M. Pringle, American Ambassador to Bamako, Bamako, Mali

"The office of the AID Representative in Mauritania expresses its most profound condolences to the family of Dr. David Gould as well as to his colleagues at University of Pittsburgh to our collective loss. His loss is especially painful for those of us in AID who have known David from as early as his years in Lumumbashi, Zaire and before at Chico State University, California. His disappearance from the scene of management training for Africans will be indelible."—Mission Staff, USAID/Nouakchott, Nouakchott, Mauritania.

"Please convey my shock and profound condolences to Mrs. Gould about the tragic death of her husband. I knew David well and had tremendous respect for his energy and great service and dedication in promoting management training for so many Africans."—Mark Edelman, American Ambassador to Cameroon, Yaoundé, Cameroon.

"U.S. Mission in Kinshasa has just learned the extremely sad news of the death of David Gould. USAID Director and several members of his staff had the pleasure of seeing David several weeks ago and plans were being prepared to see him again soon in Congo and Zaire. The news of his passing is truly a shock to all those who have worked with David throughout the past several years.

"David's friends from Zaire and within the American community of Kinshasa have always appreciated his openness and profound commitment to the development of human potential and institutions. The intensity of his work and his very kind approach to everyone were very much cherished by all those that came in contact with him"—Mission Staff, USAID/Kinshasa, Kinshasa, Zaire.

"It is with profound regret that I have just learned of the accidental death of David Gould, American citizen, known to us in the Central African Republic for the enormous service he has rendered to the country, in the field of training Central African civil servants. The death of this great friend of the Central African Republic leaves a difficult void to be filled.

"As for me, from my personal ties with David, this news was the greatest shock of my life.

"I would like to take this opportunity to extend my condolences to all the Embassy staff, and request that you also transmit to his family the pain I feel and will continue to always feel."—Michel Salle, Minister of Energy, Mines, Geology and Hydrology, Bangui, Central African Republic.

"We are certain that David has left behind many intangible but invaluable memorials throughout Francophone Africa, in Haiti, and elsewhere. The spirit of learning, enhanced collaboration and rapport which he helped establish among Francophone country and American colleagues is a lasting memorial. It is a memorial based on mutual appreciation, high professional standards, and good cheer. For those responsible for development in resource-poor countries, he called much-needed attention to the promise of improved management and of international cooperation. The geographic scope of his work has been truly vast. We of the Performance Management Project and the Institutional Development and Management division of this Office join you in appreciation for David's distinguished contributions to international development cooperation, and friendship."—Kenneth Kornher and Jeanne North, S&T/RD, USAID/Washington, Washinton, D.C.

"Entire Mission and Togolese community is grief stricken to learn of the tragic death of professor David Gould. We join with the many missions and hundreds of Africans who have benefitted over the past two decades from the teachings of this remarkable man in mourning his untimely passing. His lively sense of humor, energetic creativity and non-stop dynamism served as a catalyst for introducing modern management training in Francophone Africa. Moreover, his infectious love for Africa and commitment to seeing Africa grow through human resources development have left a lasting impact on all those who knew him.

"David Gould was such a rare and great friend of Africa and contributed so immensely to the training of Africans that his passing should not go unmarked. He will be missed as few have ever been missed. He and his works are the stuff legends are made of. He will be well remembered and his indomitable spirit will most certainly live on."—Mission Staff, USAID/Lome, Lomé, Togo.

"I didn't know David for very long, but he left a lasting impression after the first encounter. During his recent visit to Ouagadougou, we played softball together—on the same team and we won. We played volley-

ball together; David won some and lost some. He gave me a briefing (always enthusiastic) on his past and future seminars in Burkina FASO. I watched him participate at the Ran Hotel on Tuesday evening, December 20, 1988, together we handed out T-Shirts (often ill-sized) to the Burkinabe guests. David spoke to the group in fluent and beautiful French. His humor was infectious; his rapport with Bourkinabé unique. David Gould will be deeply missed by his many Burkinabe and American friends in Burkina Fasco."—David H. Shinn, U.S. Ambassador to Burkina Fasco, Ouagadougou, Burkina Faso.

"On behalf of the many friends of David Gould in the USAID Mission, the U.S. Embassy and throughout the Government and private citizens of Burkina Faso, I express a profound sense of loss from David's death in the senseless tragedy. Ougadougou had been David's final stop in this last of many trips to Africa. He hosted a well-attended reception for the many Burkinabé alumni of Pittsburgh's Development Management Seminar on the evening of his fateful departure for Frankfurt to discuss possible FRG sponsorship of participants at future Pittsburgh seminars. David was indefatigable in working for his beloved seminar with which he was so intimately identified. I had personally known David for the past thirteen years, had worked with him closely in the development and conduct of in-country seminars, sponsoring many participants to his seminar in Pittsburgh. His death is the loss of a personal friend as well as that of a professional colleague. Francophone Africa has lost a great friend but his commitment, dedication, and contribution to development will continue to live through his former participants."—Herbert Miller, Director, USAID/Ouagadougou, Ouagadougou, Burkina Faso.

"Like so many others, my wife Judith and I were deeply saddened by the news of your husband's death. We were very fortunate in having come to know David in the course of his frequent visits to begin during our three years there, and through continuing contacts following our return to Washington. We learned much from him, he was a wonderful teacher, sensitive to Africa's aspirations and needs. Committed to bringing to Africa the best of American management philosophy and practice. He will be greatly missed. But he will always be remembered for his rich legacy. A whole new generation of Francophone African leaders who, because of his extraordinary commitment, have acquired the tools to master their own destinies and chart a brighter future for their countries. Please accept this expression of our heart-felt condolences."—George Moose, Ambassador to Senegal, Dakar, Senegal.

"The news of David's death came as a devastating shock to the many people in our firm who knew him and admired him so much. It is hard to imagine that nay individual in the United States has had more impact than David did on the education, training, and personal growth of Francophone Africans. The term magnetic does not begin to do him justice: his warmth, enthusiasm and sheer brilliance drew everyone to him. We mourn the loss of a friend and a uniquely gifted colleague who left his mark, in a way that very few individuals do, in the international development field.

"It is gratifying to know that David's ideals and commitment to excellence will be sustained by the University, and that the fine programs which he initiated will be carried on by his colleagues. The best way we can honor his memory is to continue the work that we enjoyed doing together, in Rwanda, Zaire, Niger, and many other countries."—Albert H. Barclay, Jr., Senior Vice President, Development Alternatives (DAI), Washington, D.C.

"We bitterly mourn the sudden and tragic death of professor Gould, who remains for us an exemplary architect of cooperation between America and Togo, particularly in the field of training."—Barry Moussa, Minister, Ministry of Plan and Mines, Lomé, Togo.

"The death of Dr. David Gould is certainly a loss for his family, for the U.S. But it is also painful for Africa and specifically for Mali. Dr. Gould has always fully devoted himself to the training of Malian participants and other senior government officials in management Seminar (FDMS). Dr. Gould has constantly and efficiently fought against underdevelopment in Africa through the development of human resources which is the key to any social and economic development effort.

"The circumstances of his death are proof that Dr. Gould has devoted his life to the training of African cadres for it was on his return trip from Africa that the accident occurred.

"Dr. Gould has been a loyal and persevering personality who conquered the friendship and attraction of all Malian officials who attended FDMS. On behalf of members of the AUA please transmit our heart-felt condolences to the family, the Department of State and all the staff of FDMS."—Members, Alumni of Returned Participants, Bamako, Mali.

"It is still hard to get use to the death of David Gould. A vital and warm person—now just a memory to those of us who knew him personally when we were at the University of Pittsburgh as students in 1987. Our sincere condolence for the untimely death of Prof. Gould. And big sympathy to his family, especially his wife, Terri."—Shaubhagya Lal Shrestha, USAID/Kathmandu, Sudanarshan K.C. Central Panchayat Training, Institute, Kathmandu, Subhakar Baidya, Ministry of Panchayat and local development, Kathmandu, Ram Krishna Shrestha, Public Youth Campus, Kathmandu, Kathmandu, Nepal.

REINTRODUCTION OF KIDNEY PATIENTS PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK], is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today, Representatives CHANDLER, DONNELLY, LEVIN, COYNE, PICKLE, MOODY and I are introducing a revised End State Renal Disease Patient Protection and Quality Assurance Act to ensure that kidney disease patients receive the best care possible.

Last October 12, I introduced a similar bill, H.R. 5515 (CONGRESSIONAL RECORD, E3391), and sought public comment and ideas on the proposal. We have received dozens of suggestions and ideas on that bill, and I would like to thank everyone who has helped suggest improvements. The American Association of Kidney Patients, the National Renal Administrators Association, the letters to the editor of Nephrology News & Issues, the Renal Physicians Association, the National Dialysis Association, the American Nephrology Nurses' Association, the Government of the District of Columbia, the National Kidney Patients Association, National Medical Care Inc., the Forum of ESRD Networks, and the National Kidney Foundation, all spent a great deal of time and effort on suggesting ways to improve the bill. Not all of these ideas could be included in the bill, but I believe that this new version is a substantial improvement over H.R. 5515.

There are approximately 110,000 ESRD Medicare beneficiaries who are dialyzed three times a week for the their disease in outpatient maintenance dialysis facilities or who receive various types of dialysis treatment at home.

The very lives of these Medicare beneficiaries depend upon successful dialysis treatments. By and large the treatments are very safe and permit thousands of beneficiaries to live relatively normal lives. Without dialysis treatment or transplantation, these people would die quickly.

Given the life-sustaining nature of dialysis treatment, any change in Medicare payments or policy—such as the administration is proposing—creates concern among ESRD beneficaries. This is particularly true, because for reasons that we do not understand, the yearly mortality in the ESRD patient population has been rising gradually. While there is no clear documentation that quality of care is a problem, there has been a growing uneasiness in the renal community that some facilities have reduced services and staffing in the face of steadily declining real dollar levels of Medicare reimbursement and that these reductions could jeopardize the health and safety of patients.

The bill we are introducing seeks to ensure certain minimum levels of quality of care. Those who cannot meet these standards, standards which are geared to the outcome of the patient in terms of health, should either clean up their act or get out of the dialysis business.

First, the bill spells out the rights and responsibilities of ESRD patients. Currently, many of these rights are contained in regulations governing the program but there is concern that these rights are not being fully implemented nor are there effective means of enforcing them. This year's bill repeats the rights of H.R. 5515, but adds several new items:

First. Patients may form councils or committees within a facility.

Second. Patients may review their own medical records.

Third. Network organizations shall provide patients with information about facilities in their area that offer home or self-care dialysis and flexible hours of dialysis.

In the past, there have been stories of patients unaware of facilities much closer to their homes, who for years commuted long distances to other, less-convenient facilities. For a facility, a patient is cash-flow, and patients are not always agressively made aware of more convenient options. This is why it is particularly important that patients receive early and frequent counseling about other facilities and other treatment options: transplantation, peritoneal dialysis, and self-care at home.

VOL 135 PT 9 JE 14 — 22 1989 UMI

A recent poll of ESRD patients shows that they are hungry for more information and that those who were given more information about options were more likely to choose treatments such as peritoneal dialysis—a mode of treatment generally considered to permit a higher quality of life.

Fourth. Patients shall be provided a statement of policy explaining that they may not be transferred or discharged from a facility except for reasons identified in the bill.

The previous bill did not address the most contentious issue in ESRD treatment today: Whether patients can refuse to be treated with reused dialysis filters and bloodlines. To some patients, this is an extremely serious issue. Yet tens of thousands of patients reuse their filters repeatedly without known adverse impact. Indeed, some physicians find that reused filters have less chance of causing certain kinds of toxic shock. Obviously, if patients use properly cleaned filters, a facility can save money. If patients insist on a new filter each time, the cost of treatment is increased. The bill adopts language proposed by the American Association of Kidney Patients saying that a patient cannot be discharged for refusing to be treated with a reused filter, but adds a clause saying that this protection applies only to patients that have obtained a nephrologist's written opinion that such reuse is not safe for overriding medical reasons.

This section is likely to be the most controversial part of the new bill, and I remain open to comment and reaction on the proposal.

Second, the bill requires a new survey and certification process for ESRD outpatient facilities that is patient outcome oriented and will better able to assure quality of care. This section of the bill and its enforcement mechanisms is modeled on the 1987 changes in nursing home and home health quality programs.

In this year's bill, more attention is given to ensuring that the survey protocol's are more or less standard throughout the Nation and are administered by trained or experienced survey teams.

Added to the list of items reviewed by the survey teams is the facility's own internal Quality Assurance Program. Rather than relying on government inspectors to insure quality through yearly visits, quality must be a daily, ongoing effort promoted by each facility's own staff and quality assurance plan.

One quality issue that State surveyors are to look at is whether patients are started on dialysis too soon or are perhaps dialyzed unnecessarily. As the American Nephrology Nurses' Associaton notes.

There is a possibility that patients may be started earlier than actually needed and referrals to other therapies, particularly home dialysis, may not be made.

The survey process should pay close attention to these possible abuses.

There is a danger whenever minimum quality, standards are set that they will indeed become the standard—and that excellence beyond the minimum will be neglected. If we hunt hard enough for bad apples, we are sure to find bad apples. To get away from the policing nature of our past approaches to quality, the bill proposes that the States may, if they want to, develop a multitude of annual awards for excellence in quality. Rather than encouraging minimum levels of quality, the States can encourage ever higher levels of performance. We would envision a variety of awards—with adjustments to account for differences in the severity of cases at different facilities. Awards could be for referral to successful transplantation, for reductions in morbidity, for rehabilitation, for facility morale, for patients following dietary guidelines, et cetera, et cetera.

Since patients are somewhat free to select the facility they want to, awards will provide a free market incentive to perform at the highest possible level. I hope that a number of States will explore this option and see if new levels of quality can be achieved.

The bill also specifically allows the States to cooperate in developing survey capabilities. We are asking for a more sophisticated, thorough survey program. But for some smaller States and rural Western States, this could be a burden. Therefore, to reduce costs, some States may want to cooperate in putting together survey teams or, possibly, contracting with another State for survey services.

Third, to help develop uniform protocols for quality standards, the Secretary would be required to establish an advisory board. The new bill ensures a wider membership on the board, and provides for two followup reports on a 2-year cycle on ways in which quality can be further improved. This board would also make recommendations on ways to improve the administration of the ESRD Program within HHS. In the past, the program has sometimes seemed lost in the larger Medicare Program, and the Department has been slow to resolve issues involving data collection and reimbursement levels.

Fourth, as a condition of participation facilities would be required to employ at least one registered professional nurse experienced in dialysis therapy to directly supervise patient care personnel during dialysis treatment. This means a nurse on the floor, in contact with the patients—not a nurse in the backroom, processing paperwork.

Fifth, all suppliers, not just staff-assisted suppliers, would be required to provide data to the networks.

Sixth, the function of the networks is adjusted. We have heard a great deal of criticism that the networks have not been functioning aggressively, perhaps because of legal problems involved in criticizing centers and perhaps because of delays at HHS. Since the survey teams will be greatly enhanced "sticks" to ensure quality, network critiques become somewhat of a duplication. Therefore, the bill proposes to make the networks the "carrots," organizations to help facilities with plans of correction, to help resolve patient-facility problems, and to provide information to patients.

Mr. Speaker, I hope that all or part of this bill could be included in the next round of Medicare amendments considered by the Congress. It will help bring peace of mind to tens of thousands of patients.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goss) to revise and extend their remarks and include extraneous material:)

Mr. DREIER, for 5 minutes, today.
Mr. RITTER, for 5 minutes, today.
Mr. MCEWEN, for 5 minutes, today.

(The following Members (at the request of Mr. HARRIS) to revise and extend their remarks and include extraneous material:)

Mr. COYNE, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. STARK, for 5 minutes, today.
Mr. LIPINSKI, for 5 minutes, on June 20.
Mr. JONES of Georgia, for 60 minutes, on June 21.
Mr. LIPINSKI, for 60 minutes, on June 21.
Ms. PELOSI, for 60 minutes, on June 20 and 21.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GONZALEZ, for 60 minutes, on June 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROSTENKOWSKI prior to the vote on the Hyde amendment in the committee of the whole today.

(The following Members (at the request of Mr. Goss) and to include extraneous matter:)

Mr. CRANE.
Mr. SPENCE in two instances.
Mr. BROOMFIELD.
Mrs. MEYERS of Kansas.
Mr. SHAYS.
Mr. MICHEL in two instances.
Mr. COX.
Mr. MACHTLEY in two instances.
Mr. DORNAN of California in two instances.
Mr. PURSELL.
Mr. LAGOMARSINO in two instances.
Mr. LOWERY of California.
Mr. ARMEY.
Mr. KYL.
Mr. MCEWEN.
Mr. EMERSON.
Mr. SCHEUER in two instances.
Mr. PACKARD.
Mr. SOLOMON.
Mr. GRADISON.
Ms. SNOWE.
Mr. DANNEMEYER.
Mr. CLINGER.
Mr. ROWLAND of Connecticut.

(The following Members (at the request of Mr. HARRIS) and to include extraneous matter:)

Mr. LIPINSKI.
Mr. BERMAN.
Mr. DOWNEY.
Mr. TRAFICANT.
Mr. PENNY.
Mr. SOLARZ in two instances.
Mr. HOYER.
Mr. MANTON.
Mr. SKELTON.
Mr. BILBRAY.
Mr. HOCHBRUECKNER.
Mr. TOWNS.
Mr. WILLIAMS in four instances.
Mr. ALEXANDER.
Mr. LEHMAN of Florida.
Mr. SCHUMER.
Mr. DELLUMS.
Mr. MARKEY.
Mr. SLATTERY.
Mr. BONIOR.
Mr. TORRES.
Ms. KAPTUR.
Mr. STARK.
Mr. CARR.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1184. An act to allow the obsolete destroyer United States ship Edson (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable sixty-day congressional review period; to the Committee on Foreign Affairs.

S. Con. Res. 44. Concurrent resolution to express the sense of the Congress concerning the funeral of Imre Nagy, the former Prime Minister of Hungary, and other heroes of the 1956 revolution in Hungary; to the Committee on Armed Services.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 274. Joint resolution to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 15 minutes p.m.), under its previous order the House adjourned until Monday, June 19, 1989, at 12 noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2539. A bill to extend title I of the Energy Policy and Conservation Act (Rept. 101-86). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. H.R. 536. A bill to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces; with an amendment (Rept. 101-87). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on Foreign Affairs. Report on allocation of budget totals under the Concurrent Resolution on the Budget for fiscal year 1990, submitted pursuant to section 302 of the Congressional Budget Act of 1974 by the Committee on Foreign Affairs (Rept. 101-88). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEJDENSON (for himself and Mr. ROTH):

H.R. 2653. A bill to authorize appropriations for fiscal year 1990 to carry out the Export Administration Act of 1979; to the Committee on Foreign Affairs.

By Mr. RITTER:

H.R. 2654. A bill to amend the Internal Revenue Code of 1986 to deny any deduction for loss on certain abandonments of nuclear powerplants, and for other purposes; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. HAMILTON, Mr. YATRON, Mr. SOLARZ, Mr. WOLPE, Mr. CROCKETT, Mr. GEJDENSON, Mr. DYMALLY, Mr. LANTOS, Mr. KOSTMAYER, Mr. TORRICELLI, Mr. SMITH of Florida, Mr. BERMAN, Mr. LEVINE of California, Mr. FEIGHAN, Mr. ACKERMAN, Mr. UDALL, Mr. CLARKE, Mr. FUSTER, Mr. OWENS of Utah, Mr. JOHNSTON of Florida, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. BOSCO, Mr. MCCLOSKEY, Mr. PAYNE of New Jersey, Mr. GILMAN, Mr. SMITH of New Jersey, Mrs. MEYERS of Kansas, and Mr. MILLER of Washington):

H.R. 2655. A bill to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize approriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ARCHER:

H.R. 2656. A bill to amend the Internal Revenue Code of 1986 to provide that unearned income of a child attributable to damages received on account of personal injuries or sickness of the child shall not be taxed at the marginal rate of such child's parents; to the Committee on Ways and Means.

By Mr. CROCKETT (for himself, Mr. BERMAN, Mr. FAUNTROY, Mr. LELAND, Mr. OBERSTAR, Mr. TOWNS, and Mr. WEISS):

H.R. 2657. A bill to provide for direct mail delivery to Cuba and for the installation, maintenance, and repair of telephone communications equipment and facilities in Cuba, and for other purposes; jointly, to the Committees on Post Office and Civil Service; Energy and Commerce; and Foreign Affairs.

By Mr. GRAY:

H.R. 2658. A bill to clarify the application of section 531(b)(5) of the Deficit Reduction Act of 1984; to the Committee on Ways and Means.

By Mr. MONTGOMERY:

H.R. 2659. A bill to amend title 38, United States Code, to terminate as of April 1, 1990, the authority for the provision of certain assistance to the Republic of the Philippines for medical care and treatment of veterans and the authority for a Department of Veterans' Affairs Regional Office in the Republic of the Philippines; to the Committee on Veterans' Affairs.

By Mr. UPTON (for himself, Mr. IRELAND, and Mr. SISISKY):

H.R. 2660. A bill to amend the Regulatory Flexibility Act to provide for judicial review of certain administrative certifications, to provide for regulatory flexibility analyses of IRS interpretive rules, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. RIDGE (for himself, Mr. LEWIS of Georgia, Mr. BURTON of Indiana, Mr. WALGREN, Mr. EDWARDS of Oklahoma, Mr. NEAL of North Carolina, Mr. HYDE, Mr. MURPHY, Mr. BATEMAN, Mr. ERDREICH, Mr. CLINGER, Mr. SLATTERY, Mr. MCDADE, Mr. SMITH of Mississippi, Mr. SMITH of New Hampshire, Mr. ROBERTS, Mr. BUNNING, Mr. COUGHLIN, Mr. SENSENBRENNER, Mr. WELDON, Mr. HANCOCK, Mr. WALKER, Mr. KOLTER, Mr. DICKINSON, Mr. HILER, and Mr. SCHULZE):

H.R. 2661. A bill relating to decennial censuses of population; to the Committee on Post Office and Civil Service.

By Mr. SKAGGS (for himself and Mrs. SCHROEDER):

H.R. 2662. A bill to prohibit the Department of Energy from paying fines or penalties assessed against national security programs contractors for violations of laws or regulations and to direct the Secretary of Energy to revise the system of award fees to such contractors to encourage discovery and remedy of conditions and practices that could lead to such violations; to the Committee on Armed Services.

By Mr. THOMAS of Georgia:

H.R. 2663. A bill to amend the Internal Revenue Code of 1986 to encourage reforestation and preservation of our Nation's forest habitats; to the Committee on Ways and Means.

By Mr. VISCLOSKY (for himself, Mr. CLAY, Mr. GAYDOS, Mr. MARTINEZ, Mr. JONTZ, Mr. HAYES of Illinois, Mr. MURPHY, Mrs. UNSOELD, Mr. KILDEE, Mr. RAHALL, Mr. OWENS of New York, Mr. SAWYER, Mr. MFUME, Mr. FUSTER, Mr. PAYNE of New Jersey, Mr. PERKINS, and Mr. WILLIAMS):

H.R. 2664. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to provide for joint trusteeship of single-employer pension plans; to the Committee on Education and Labor.

29-059 O-90-18 (Pt. 9)

By Mr. WILLIAMS:

H.R. 2665. A bill to amend the Job Training Partnership Act to improve the operations of the Job Corps, and for other purposes; to the Committee on Education and Labor.

By Mr. WILLIAMS (for himself and Mr. MOAKLEY):

H.R. 2666. A bill to establish a Mildred and Claude Pepper Scholarship Program; to the Committee on Education and Labor.

By Mr. WILLIAMS (for himself, Mr. STAGGERS, and Mr. SMITH of New Hampshire):

H.R. 2667. A bill to amend the Communications Act of 1934 to prohibit encryption of broadcast programming produced with Federal subsidization; to the Committee on Energy and Commerce.

By Mr. CAMPBELL of Colorado (for himself, Mr. UDALL, Mr. WHITTEN, Mr. MINETA, Mr. YOUNG of Alaska, Mr. CLAY, Mr. BOSCO, Mr. RHODES, Mr. KILDEE, Mr. VENTO, Mr. WILLIAMS, Mr. RICHARDSON, Mr. LEWIS of Georgia, Mr. DEFAZIO, Mr. FALEOMAVAEGA, Mrs. VUCANOVICH, Mr. RANGEL, Mr. WEISS, Mr. BENNETT, Mr. BEVILL, Mr. BROWN of California, Mr. BUSTAMANTE, Mr. COLEMAN of Texas, Mr. DELLUMS, Mr. FASCELL, Mr. FRENZEL, Mr. FUSTER, Mr. GORDON, Mr. JOHNSON of South Dakota, Mr. LEWIS of California, Mr. PASHAYAN, Mr. SMITH of Florida, Mr. SYNAR, and Mr. TOWNS):

H.R. 2668. A bill to authorize the establishment with the Smithsonian Institution of the National Museum of the American Indian, to establish a memorial to the American Indian, and for other purposes; jointly, to the Committees on House Administration; Public Works and Transportation; and Interior and Insular Affairs.

By Mr. CLINGER (for himself, Mr. ANDERSON, Mr. HAMMERSCHMIDT, Mr. SAVAGE, Mr. MCEWEN, Mr. HORTON, Mr. BALLENGER, Mr. BORSKI, Mr. BOSCO, Mr. BROWDER, Mr. COSTELLO, Mr. DE LUGO, Mr. EMERSON, Mr. HANCOCK, Mr. HASTERT, Mr. INHOFE, Mr. KOLTER, Mr. LIPINSKI, Mr. LEWIS of Georgia, Mr. MINETA, Mr. NOWAK, Mr. OBERSTAR, Mr. PACKARD, Mr. PALLONE, Mr. PARKER, Mr. PAYNE of Virginia, Mr. RAHALL, Mr. ROE, Mr. SHUSTER, Mr. STANGELAND, and Mr. TOWNS):

H.R. 2669. A bill to improve budgetary information by requiring that the unified budget presented by the President contain an operating budget and a capital budget, distinguish between Federal funds and trust funds, and for other purposes; jointly, to the Committees on Government Operations and Public Works and Transportation.

By Mr. DICKS (for himself, Mr. FOLEY, Mr. SWIFT, Mr. MORRISON of Washington, Mr. CHANDLER, Mr. MILLER of Washington, Mrs. UNSOELD, and Mr. MCDERMOTT):

H.R. 2670. A bill to direct the Administrator of the Environmental Protection Agency to make grants to the State of Washington Puget Sound Water Quality Authority to implement the Puget Sound water quality management plan; to the Committee on Public Works and Transportation.

By Mr. FLAKE:

H.R. 2671. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of, and the deduction of contributions to, home ownership plans; to the Committee on Ways and Means.

By Mr. MCEWEN:

H.R. 2672. A bill to authorize the President to provide appropriate protective measures for persons who, in the judgment of the President, may be under threat by reason of their knowledge of sensitive matters relating to national security; to the Committee on the Judiciary.

By Mr. MARKEY (for himself and Mr. DONNELLY):

H.R. 2673. A bill to amend title XVIII of the Social Security Act to provide coverage of nurse practitioner services under the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PACKARD (for himself, Mr. KOLBE, Mr. ROHRABACHER, Mr. BROWN of California, Mr. HALL of Texas, Mr. LEWIS of Florida, Mr. RITTER, and Mr. CRAIG):

H.R. 2674. A bill to encourage the development and full capability of a competitive U.S. space transportation industry by requiring the Federal Government to contract for commercially provided space transportation services with certain exceptions; to the Committee on Science, Space, and Technology.

By Mr. PORTER (for himself and Ms. PELOSI):

H.R. 2675. A bill to amend the Immigration and Nationality Act to provide for special immigrant status for certain aliens who are nationals of Hong Kong; to the Committee on the Judiciary.

By Ms. SCHNEIDER (for himself, Mr. WOLPE, Mr. SCHEUER, Mr. HENRY, Mr. BROWN of California, Mr. SHAYS, and Mrs. MORELLA):

H.R. 2676. A bill to establish within the Environmental Protection Agency a program for research and assistance to State and local governments with respect to solid waste prevention; to the Committee on Science, Space, and Technology.

By Ms. SNOWE (for herself, Mr. MILLER of Washington, Mrs. MORELLA, and Mr. CHANDLER):

H.R. 2677. A bill to amend title XVIII of the Social Security Act to establish a drug utilization review system to prevent adverse drug reactions, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. STARK (for himself, Mr. CHANDLER, Mr. DONNELLY, Mr. LEVIN of Michigan, Mr. COYNE, Mr. PICKLE, and Mr. MOODY):

H.R. 2678. A bill to amend title XVIII of the Social Security Act to protect the rights of, and improve the quality of services provided to, end stage renal disease patients; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WHITTEN:

H.J. Res. 296. Joint resolution providing authority for accelerated use of fiscal year 1989 appropriations by the Department of Veterans' Affairs; to the Committee on Appropriations.

By Mr. DANNEMEYER (for himself, Mr. ARMEY, Mr. BAKER, Mr. BALLENGER, Mr. BARTON of Texas, Mr. BLILEY, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. COBLE, Mr. CRAIG, Mr. DORNAN of California, Mr. EMERSON, Mr. FIELDS, Mr. HANCOCK, Mr. HANSEN, Mr. HOLLOWAY, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. MCEWEN, Mr. MOORHEAD, Mr. NIELSON of Utah, Mr. OXLEY, Mr. ORTIZ, Mr. ROHRABACHER, Mr. SHUMWAY, Mr. SMITH of Mississippi, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. STENHOLM, Mr. SUNDQUIST, and Mr. MCCRERY):

H.J. Res. 297. Joint resolution proposing an amendment to the Constitution of the United States relating to the right of the people to allow voluntary prayer and the teaching of the Judeo-Christian ethic in public schools; to the Committee on the Judiciary.

By Mr. DOWNEY (for himself, Mr. GEJDENSON, Mr. GIBBONS, Mr. FRENZEL, Mr. GRADISON, Mr. GEPHARDT, Mr. STARK, Mr. FEIGHAN, and Mr. DE LA GARZA):

H. Con. Res. 153. Concurrent resolution relating to congressional support of a Presidential waiver of the provisions of the Jackson-Vanik amendment with respect to the Soviet Union; jointly, to the Committees on Ways and Means and Foreign Affairs.

By Mr. SOLARZ (for himself and Mr. HOYER):

H. Con. Res. 154. Concurrent resolution condemning the brutal treatment of, and blatant discrimination against, the Turkish minority by the Government of the People's Republic of Bulgaria; to the Committee on Foreign Affairs.

By Mr. ROSTENKOWSKI:

H. Res. 177. Resolution returning to the Senate the bill S. 774; considered and agreed to.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of South Dakota:

H.R. 2679. A bill for the relief of Elmer Feather; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 81: Mrs. LOWEY of New York.

H.R. 83: Mr. LIVINGSTON.

H.R. 373: Mr. GARCIA, Mr. ROBERT F. SMITH, Mr. POSHARD, Mr. SAXTON, Mr. DANNEMEYER, Mr. JACOBS, Mrs. UNSOELD, Mr. VALENTINE, Mr. WOLF, Mr. MCCANDLESS, Mr. KILDEE, Mr. MORRISON of Washington, Mr. PETRI, Mr. BILIRAKIS, Mr. LEHMAN of Florida, Mr. LIPINSKI, Mr. BEVILL, Mr. MOORHEAD, and Mr. HERGER.

H.R. 418: Mr. OBERSTAR.

H.R. 572: Mr. HANCOCK.

H.R. 578: Mr. LAGOMARSINO.

H.R. 586: Mr. WILSON.

H.R. 594: Mr. MADIGAN, Mr. PICKLE, and Mr. JOHNSTON of Florida.

H.R. 614: Mr. VOLKMER.

H.R. 624: Mr. GUNDERSON and Mr. BROOMFIELD.

H.R. 633: Mr. ERDREICH and Mr. INHOFE.

H.R. 673: Mr. GINGRICH and Mr. MARTIN of New York.

H.R. 746: Mr. FRENZEL, Mr. PARRIS, Mr. HUGHES, Mr. PAXON, Mr. DANNEMEYER, Mr. GALLEGLY, Mr. WISE, Mr. ROGERS, Mr. BARNARD, and Mr. WALSH.

H.R. 747: Mr. PARKER, Mr. THOMAS of Georgia, Mr. BROWN of California, Mr. GAYDOS, Mr. DE LA GARZA, Mr. CLAY, Mr. ROYBAL, Mr. IRELAND, Mr. NAGLE, Mr. SARPALIUS, Mrs. SCHROEDER, Mr. HOCHBRUECKNER, and Mr. NOWAK.

H.R. 790: Mr. ANNUNZIO.

H.R. 800: Mr. DURBIN and Ms. SCHNEIDER.

H.R. 957: Mr. MCDERMOTT.

H.R. 995: Mr. MONTGOMERY, Mr. KOLTER, and Mr. HASTERT.

H.R. 1024: Mr. BONIOR, Mr. LEVINE of California, Mr. HUNTER, and Mr. SMITH of Vermont.

H.R. 1028: Mr. HENRY, Mrs. SMITH of Nebraska, Mr. DONNELLY, Mr. MOODY, Mr. JONES of Georgia, Mr. HAMILTON, Mr. RAVENEL, Mr. RAHALL, Mr. WHITTAKER, Mr. KLECZKA, Mr. OBERSTAR, Mr. STARK, Mr. WALGREN, Ms. PELOSI, Mr. SAXTON, Mr. TORRES, Mr. LAGOMARSINO, Mr. COLEMAN of Texas, Mr. KOLBE, Mr. BOSCO, Mr. SMITH of Vermont, Mr. ENGLISH, Mr. TALLON, Mr. RANGEL, Mr. YOUNG of Alaska, Mr. DYMALLY, Mr. CAMPBELL of California, Mr. MOORHEAD, Mr. DWYER of New Jersey, Mr. KENNEDY, Mr. OLIN, Mr. BEREUTER, and Mr. WILSON.

H.R. 1036: Mr. ROBINSON, Mr. HERGER, Mr. TORRICELLI, and Mr. TRAFICANT.

H.R. 1044: Mr. HAYES of Illinois, Mr. DYMALLY, Mr. SMITH of Mississippi, and Mr. CROCKETT.

H.R. 1046: Mr. CLEMENT, Mr. KYL, Mr. BLAZ, Mr. SCHUMER, Mrs. UNSOELD, and Mr. FROST.

H.R. 1078: Mr. GINGRICH, Mr. CLAY, Mr. SLATTERY, and Mr. WEISS.

H.R. 1083: Mr. STARK, Mr. AUCOIN, Mr. DEFAZIO, Mr. DICKS, Mrs. UNSOELD, Mr. ENGLISH, Mr. FRANK, and Mr. BROWN of California.

H.R. 1100: Mr. KYL.

H.R. 1112: Mr. DURBIN.

H.R. 1117: Mr. ENGEL.

H.R. 1197: Mr. COMBEST, Mr. EDWARDS of Oklahoma, Mr. SMITH of Mississippi, Mr. DYSON, Mr. STALLINGS, Mr. SMITH of Florida, Mr. MADIGAN, Mr. ERDREICH, Mr. PARKER, and Mr. SHUSTER.

H.R. 1227: Mr. SMITH of New Hampshire, Mr. BLILEY, Mr. STEARNS, Mr. JAMES, and Mr. RHODES.

H.R. 1235: Mr. CROCKETT.

H.R. 1242: Mr. ROHRABACHER, Mr. DANNEMEYER, Mr. PAXON, Mr. MCEWEN, Mr. CRAIG, Mr. LAGOMARSINO, and Mr. INHOFE.

H.R. 1281: Mr. FUSTER, Mr. DONNELLY, Mr. VALENTINE, Mr. BRYANT, Mr. ROGERS, Mr. GOSS, Mr. FORD of Michigan, Mr. HILER, Mrs. BOXER, Mr. FROST, Mr. WILSON, Mr. LEVIN of Michigan, and Mrs. MEYERS of Kansas.

H.R. 1283: Mr. LEVIN of Michigan, and Mr. JOHNSON of South Dakota.

H.R. 1287: Mr. MARTINEZ.

H.R. 1317: Mr. CRANE, Mr. CARDIN, Mr. RAVENEL, Mr. MOORHEAD, Mr. EMERSON, Mr. CAMPBELL of California, Mr. JONES of North Carolina, and Mr. COBLE.

H.R. 1334: Mr. FLORIO.

H.R. 1336: Mr. PARKER.

H.R. 1337: Mr. SYNAR, Mr. STUDDS, and Mr. JONTZ.

H.R. 1377: Mr. BORSKI, Mr. KOSTMAYER, Mr. LEWIS of Florida, Mr. HUTTO, Mr. TOWNS, Mr. HUGHES, Mr. DEFAZIO, Mr. MCEWEN, and Mr. BOSCO.

H.R. 1602: Mr. BROWN of California and Mr. GLICKMAN.

H.R. 1608: Mr. SCHUETTE.

H.R. 1643: Mr. JONTZ and Mr. GARCIA.

H.R. 1652: Mr. SOLARZ.

H.R. 1687: Mr. ARMEY and Mr. LIGHTFOOT.

H.R. 1703: Mr. WALKER, Mr. PACKARD, Mr. GALLEGLY, and Mr. HERGER.

H.R. 1780: Mr. HAMMERSCHMIDT, Ms. PELOSI, Mr. SMITH of New Jersey, and Mr. BURTON of Indiana.

H.R. 1839: Mr. LIPINSKI, Mr. DONNELLY, Mr. LEWIS of Georgia, Mr. OWENS of New York, Mr. VENTO, and Mr. ATKINS.

H.R. 1875: Mr. BUSTAMANTE, Mr. PARRIS, and Mr. ROHRABACHER.

H.R. 1953: Mr. PARRIS.

H.R. 2050: Mr. FALEOMAVAEGA.

H.R. 2097: Mr. COURTER, Mr. HENRY, Mr. BUECHNER, Mr. ROBINSON, Mr. ARMEY, Mr. GRANT, Mr. OWENS of New York, Mr. PACKARD, and Mr. HOLLOWAY.

H.R. 2099: Mr. OLIN.

H.R. 2131: Mr. ROE, Mr. WELDON, and Mr. PRICE.

H.R. 2190: Mr. CAMPBELL of Colorado, Mr. DYSON, Mr. GUARINI, Mr. KENNEDY, Mr. MCCRERY, Mr. MCDERMOTT, Mr. PENNY, Mrs. SAIKI, Mr. TAUZIN, Mr. TORRES, Mr. WYDEN, Mr. ROBINSON, Mr. MAVROULES, Mr. RICHARDSON, Mr. INHOFE, Mr. JOHNSON of South Dakota, Mr. FAUNTROY, Mr. BOEHLERT, Mr. FLORIO, Mr. FORD of Michigan, Mr. RAY, Mr. BRYANT, Mr. TRAFICANT, Mr. BROOKS, and Mr. BONIOR.

H.R. 2195: Mr. FLORIO.

H.R. 2197: Mr. PARKER, Mr. ESPY, and Mr. WHITTEN.

H.R. 2202: Mrs. BOXER, Mr. RAVENEL, and Mr. TALLON.

H.R. 2217: Mr. WALSH, Mr. STENHOLM, Mr. SAVAGE, and Mr. DONNELLY.

H.R. 2257: Ms. SNOWE.

H.R. 2258: Mr. COMBEST.

H.R. 2269: Mr. FIELDS and Mr. MANTON.

H.R. 2273: Mr. SKAGGS, Mr. YATRON, Mr. SANGMEISTER, Mr. JENKINS, Mr. JOHNSON of South Dakota, Mr. GREEN, Mr. DYSON, Mr. CLEMENT, and Mr. SLATTERY.

H.R. 2277: Mr. HANCOCK.

H.R. 2287: Mr. FUSTER, Mr. MARTINEZ, Mr. ROBINSON, Mr. FAUNTROY, Mr. ATKINS, Mrs. BENTLEY, Mr. BILBRAY, and Mr. HUGHES.

H.R. 2335: Mr. HEFNER, Mr. NEAL of North Carolina, and Mr. JONES of North Carolina.

H.R. 2374: Mr. DYMALLY, Mr. STARK, Mr. FUSTER, Mr. PAYNE of New Jersey, Mr. GEJDENSON, Mr. CONYERS, Mr. LANCASTER, Mr. PARKER, Mr. OWENS of New York, Mr. LIPINSKI, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Ms. PELOSI, and Mr. DE LUGO.

H.R. 2386: Mrs. JOHNSON of Connecticut, Mr. LIPINSKI, Mr. MILLER of California, Ms. SCHNEIDER, Mr. FORD of Michigan, Mr. FAWELL, Mr. KILDEE, Mr. DE LUGO, and Mr. BATES.

H.R. 2395: Mr. SCHUETTE, Mr. SCHEUER, and Mr. WISE.

H.R. 2417: Mr. GINGRICH, Mr. ROBINSON, Mr. WALGREN, Mr. DE LUGO, Mr. TRAFICANT, Mr. UPTON, Mr. MCEWEN, Mr. CLINGER, Mr. DEFAZIO, Mr. LIGHTFOOT, Mr. HANCOCK, Mr. EMERSON, Mr. LENT, Mr. STANGELAND, Mr. VALENTINE, Mr. COX, Mr. PACKARD, Mr. SHUSTER, Mr. GRANT, Mr. PETRI, Mr. BALLENGER, Mr. ROGERS, Mr. HASTERT, Mr. HAMMERSCHMIDT, Mr. KOLTER, Mr. COURTER, and Mr. WISE.

H.R. 2418: Mr. PENNY, Mr. EMERSON, Mr. HANCOCK, Mr. MOLLOHAN, and Mr. FAWELL.

H.R. 2437: Mr. FUSTER and Mr. WILSON.

H.R. 2462: Mr. DEFAZIO, Mr. HAYES of Illinois, Mr. PARKER, Mr. BROWN of California, Mrs. COLLINS, Mr. BUSTAMANTE, Mr. WOLPE, Mr. ATKINS, Mrs. LOWEY of New York, Mr. STUDDS, and Mrs. PATTERSON.

H.R. 2465: Mr. BEREUTER, Mr. DYMALLY, Mr. FUSTER, Mr. HERGER, Mr. INHOFE, Mr. KOLTER, Mr. MRAZEK, Mr. OXLEY, Mr. PAXON, Mr. PENNY, Mr. ROBINSON, Mr. WALSH, Mr. FORD of Michigan, and Mrs. MEYERS of Kansas.

H.R. 2466: Mr. MINETA, and Mr. SABO.

H.R. 2467: Mr. SMITH of Missisippi, Mr. BARTON of Texas, Mr. WOLPE, and Mr. JONES of North Carolina.

H.R. 2480: Mr. DUNCAN, and Mr. TANNER.

H.R. 2507: Mr. MACHTLEY and Mr. LAGOMARSINO.

H.R. 2543: Mr. RANGEL, Mr. CHAPMAN, and Mr. OWENS of Utah.

H.R. 2547: Mr. FAZIO.

H.R. 2585: Mr. MINETA, Mr. OBERSTAR, and Mr. PALLONE.

H.J. Res. 36: Mrs. ROUKEMA, Ms. PELOSI, Mr. RINALDO, and Mr. MANTON.

H.J. Res. 54: Mr. STARK and Mr. MARKEY.

H.J. Res. 67: Mr. MAVROULES, Mr. AKAKA, and Mrs. VUCANOVICH.

H.J. Res. 127: Mr. VALENTINE and Mr. PRICE.

H.J. Res. 178: Mr. PARKER, Mrs. LOWEY of New York, Mr. ROE, Mr. HAYES of Illinois, Mr. LIVINGSTON, Mr. ASPIN, Mr. WILSON, Mr. ROWLAND of Georgia, and Mr. DORGAN of North Dakota.

H.J. Res. 188: Mr. HOLLOWAY.

H.J. Res. 221: Mr. BORSKI, Mr. BOUCHER, Mr. LEACH of Iowa, Mr. MOORHEAD, Mr. OLIN, and Mr. SARPALIUS.

H.J. Res. 226: Mr. HEFNER, Mr. WEISS, Mr. PRICE, Mr. GALLO, Mr. FORD of Michigan, Mrs. PATTERSON, Mr. ROE, Mr. SIKORSKI, Mr. WYLIE, and Mr. STALLINGS.

H.J. Res. 263: Mr. HORTON.

H.J. Res. 265: Mr. ACKERMAN, Mr. GEJDENSON, Mr. HUNTER, Mr. FAUNTROY, Mr. FROST, Mr. OWENS of New York, Mr. ROE, Mrs. BOGGS, Mr. HAYES of Louisiana, Mr. LIVINGSTON, Mr. MATSUI, Ms. PELOSI, Mr. ANDERSON, Mr. BENNETT, Mr. TRAFICANT, Mr. MACHTLEY, and Mr. BLILEY.

H.J. Res. 282: Mr. FAZIO, Mr. KOLTER, Mr. OWENS of New York, Mr. SHUMWAY, Mr. EMERSON, Mr. APPLEGATE, Mr. BOUCHER, Mr. BUSTAMANTE, Mr. CARPER, Mr. ATKINS, Mr. VENTO, Mr. DE LUGO, Mr. EVANS, Mr. DEFAZIO, Mr. FLORIO, Mr. FAWELL, Mr. GARCIA, Mr. GRANDY, Mr. HAYES of Louisiana, Mr. HOCHBRUECKNER, Mr. HYDE, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. HAMMERSCHMIDT, Mr. SCHUETTE, Mr. PARKER, Mrs. COLLINS, Mr. WALSH, Mr. DORGAN of North Dakota, Mr. COURTER, Mr. FORD of Tennessee, Mr. FAUNTROY, Mr. FUSTER, Mr. LANCASTER, Mr. LEWIS of Florida, Mr. LIPINSKI, Mr. THOMAS A. LUKEN, Mr. MARKEY, Mr. MARTIN of New York, Mr. LEVIN of Michigan, Mr. HERTEL, Mr. HALL of Texas, Mr. MCCLOSKEY, Mr. ESPY, Mr. MCCOLLUM, Mr. MCDADE, Mr. MCEWEN, Mr. MILLER of California, Mrs. MEYERS of Kansas, Mr. NEAL of North Carolina, Mr. CONTE, Mr. SMITH of Florida, Mr. CRAIG, and Mr. VANDER JAGT.

H. Con. Res. 48: Mr. PICKLE and Mr. OBERSTAR.

H. Con. Res. 62: Mr. KOLTER, Mr. GALLO, Mr. MCNULTY, Mr. EVANS, Mr. GUARINI, Mr. DONNELLY, Mr. ROWLAND of Connecticut, and Mr. AKAKA.

H. Con. Res. 130: Mrs. BOXER, Mr. DIXON, Mr. ENGEL, Mr. FAZIO, Mr. MFUME, Mr. NEAL of North Carolina, and Mr. WILSON.

H. Res. 95: Mr. DANNEMEYER.

H. Res. 134: Mr. RHODES.

H. Res. 139: Mr. ENGLISH, Mr. ESPY, Mr. SOLOMON, and Mr. HEFNER.1

EXTENSIONS OF REMARKS

AN ANALYSIS OF THE CURRENT CRISIS IN THE PEOPLE'S REPUBLIC OF CHINA

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SPENCE. Mr. Speaker, in the wake of the tragic and suppressive actions taken by the Government of China, I would like to share with my colleagues an editorial written by a noted professor of government and international studies at the University of South Carolina, an exceptional institution located in my congressional district. Prof. James T. Myers has been a professor of East Asian affairs at the university for the past 20 years. In this piece, entitled "Whither China?" Dr. Myers illustrates the realities of the Beijing crisis by bringing the student riots into historical perspective. He reminds his readers that "democracy" was not on the verge of becoming the new ideological basis for the Government in China; nor was it the principal catalyst for the turmoil. Dr. Myers reascertains that communism is alive and well in China and, that the harsh actions taken by the Chinese Government against the will of the students and also its people, while contemptible, should not come as a surprise to anyone.

WHITHER CHINA?

(By James T. Myers, professor of government and international studies, University of South Carolina)

Recent events the People's Republic of China have caused world leaders to express "regret," "outrage," even "shock," that the Chinese government would resort to the use of naked, deadly force against its own people. There can be no argument about the tragic nature of these events, not only for the cause of human rights in China, but also for the increasingly faint hope for the success of the Chinese modernization plans. But the decision of the Chinese government to use units of the People's Armed Police and the People's Liberation Army (P.L.A.) against a non-violent demonstration by the Chinese people should not be a cause of astonishment to anyone. Regret surely, but not surprise.

It was, afterall, only a few short weeks ago that the same Chinese government ordered the use of deadly force against peaceful demonstrations by Tibetan-Chinese citizens in Tibet. The fact that the Chinese government has carried out a policy of genocide against the Tibetan people for decades, and that the Tibetans want their independence from China, makes the Lhasa demonstrations different from those in Tiananmen Square only in detail, not in principle. I suspect the real source of the world's shock is the intensive media coverage which the Beijing student demonstrations have received and the attendant pious but naive commentary to the effect that democracy was about to come to China, that the "Mandate of Heaven" was slipping away from China's Communist government, and that the progress of the Chinese reform movement toward "liberalism" was irreversible. If nothing else good comes out of this tragedy it will perhaps have a heuristic value, reminding us that nothing in politics is irreversible, especially the march toward Western liberal democracy in a political system like that of the People's Republic of China.

In fact, the spectacle of the Chinese government engaging in the "wanton slaughter" of its own people, to quote a distinguished member of the U.S. Congress in describing the use of the Army against the students, is really nothing new.

If we look back to 1951, for example, the first year in which the new Communist government had consolidated complete control over the Mainland, Hainan Island and Tibet, the government launched what can only fairly be described as a year-long reign of revolutionary terror. The campaign was called "Suppression of Counterrevolutionaries." The precise human toll of this campaign is impossible to calculate, but responsible scholars estimate the numbers of deaths in the hundreds of thousands, and perhaps in the millions. The Land Reform Movement was taking place at the same time with the bloody and violent (and successful) attempt to eliminate the gentry class in the Chinese countryside. One figure may give an indication of the scale of the killing; in the city of Canton alone, the government reported more than 20,000 executions in a ten-month period in 1951. To such execution statistics must be added large numbers of suicides plus the deaths associated with the agrarian reform movement in the countryside. Mao Zedong had explained all this with his usual clarity.

"Our state is a people's democratic dictatorship. * * * What is dictatorship for? Its function is to suppress the reactionary classes and elements and those exploiters in our country who resist the socialist revolution, to suppress those who try to wreck socialist construction."

Mao's point is an important one to remember in the context of current events because it was made in 1957 in response to the "thaw" of the so-called "100 flowers" period when the Party asked for the helpful criticism of Chinese intellectuals. What the Party got for its trouble was an outburst of criticism not unlike the recent criticism of the Beijing students, namely: the problem with China is the Party itself. The Party was no more receptive to this notion in 1957 than it has been in 1989.

And in the mean time, there have been all the other campaigns in which the Chinese government has turned on its own people, such as the "three-anti" and "five-anti" and "anti-rightist" campaigns of the 1950s and, of course, the famous Great Leap Forward. We now know from extremely reliable demographic studies that the famine in China caused principally by the Great Leap policies created in China in 1960–61 a population deficit of approximately 31 million. A famine may not be as sudden as a massacre, but the end result is pretty much the same. It is also important to remember that Deng Xiaoping was General Secretary of the Communist Party and a member of the Politburo during most of this period.

And then, there was the famous Great Proletarian Cultural Revolution (1966–1976), the details of which we need not belabor here. The "wounded" literature of the survivors of China's holocaust is well-known, some of the personal accounts of this period having become best sellers in the United States. Deng himself became a victim of the Cultural revolution, purged and branded a "capitalist roader." His son was thrown out of a window at Beijing University and paralyzed for life.

Over the years, then, the record of government violence against the Chinese people is a rather substantial one.

During this time the factional strife within the Communist leadership has not been between "liberals" and "conservatives" in the Western sense, or between "hard liners" and those who advocated "human rights," but between those more willing to take risks to make the inefficient Marxist system work more efficiently and those more comfortable with the security of the inefficient status quo. Deng has been among the risk takers, but it has been a mistake to regard him as a "liberal" in the Western sense, leading his country toward democracy and capitalism. Deng has never favored the sort of intellectual disorder which is necessary to make a pluralist, democratic political system work. Deng has always been identified with the forces of order and repression whenever things got out of hand.

The problem is that Deng has wanted to have it both ways. He has wanted to maintain control and order, but he has also wanted to encourage the sort of intellectual innovation which is necessary to achieve economic development and modernization. Unfortunately, from his perspective, every time political openness has invited innovation, someone has innovated the response that China's problems lay in its Marxist-Leninist Communist system and that the Communist Party should go away and leave the people alone. And each time the government's predictable response has been repression. The recent case is different only in its scale and in the intensity of media coverage which it has attracted.

And now, the army is in the streets with reports of fighting between units loyal to various factions or individuals in the leadership. None of this is entirely new either. Indeed, the middle-aged and senior officers of the P.L.A. have been through this not so long ago in the Cultural Revolution when wholesale violence and civil disorder swept the nation for nearly three years. Army units battled each other and armed rival Red Guard units. In the end though, the army came together to end the violence and to restore order, and essentially to run the country for the next five or six years. And this despite the fact that deep political divisions remained within the leadership which were not finally solved until after Mao's death in 1976.

Can the same thing happen again, or is China doomed to disintegration and civil war? It is always hazardous to predict the future and especially so in a situation as

fluid and volitile as that which exists in China today. Several points, however, are worth remembering.

There is no effective opposition to communist rule in China. There is, to be sure, widespread popular discontent, unease, malaise, call it what you will, but such "opposition" is atomized. There is no focus, no leadership, no structure, no institutional support for the opposition. Suppose the "hard liners" Deng Xiaoping and Li Peng should be ousted, who would replace them? Deng and Li, after all, are last year's "reformers," and Deng was cited as *Time* Magazine's "Man of the Year" for leading his country toward capitalism. There are no philosopher kings waiting in the wings, only Communist Party bureaucrats who have spent a lifetime maneuvering their way to the top of the Party hierarchy.

In addition, the P.L.A. has an enormous stake in seeing that China does not fragment and drift into anarchy. It is not entirely unlikely that the army will bury its differences as they did during the Cultural Revolution and restore order and at least the appearance of a normally functioning society. The current situation cannot persist for much longer with public transportation paralyzed, food deliveries to many cities interrupted or stopped, and essential services shut down because no one is going to work.

It is, of course, also possible that civil war will break out in China, though this seems the less likely outcome of what is essentially an intra-Party power struggle at the moment. Indeed, we should probably not be surprised if, a year from today, the government of China looks much like it did before the student demonstrations, with a Central Committee and a Politburo run by most of the same people, and Chairman Mao's portrait still in its place over the Gate of Heavenly Peace.

The problems symbolized by the student demonstrations in Beijing are long-term problems which are not susceptible to short-term solutions. It is true that we are witnessing history in the making, that China will never be the same, even that this may be the end of Communist rule in China, but the culmination of these events is not likely to be sudden and dramatic. The May 4, 1919 Movement may have marked the birth of modern China, but it was a decade before the impact of this movement was seen in the political life of the nation.

Many of the problems which the students and intellectuals of 1919 were responding to had been around since the 1890s. They sought the appropriate political formula for China's successful entry into the modern world. Those who believed that Communist rule provided this formula have been proven wrong. For the Chinese students and intellectuals of the 1990s, like their counterparts of a century ago, their quest will be neither quick nor easy.

THE LAST SCHOOLBOY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SKELTON. Mr. Speaker, recently I had the opportunity to read a short item about the now-retired Senator from Mississippi, John C. Stennis. He was in many ways an inspiration to us all. I submit this writing to the CONGRESSIONAL RECORD by Mr. Nicholas Glakas, the former general counsel of the Senate Appropriations Committee, so that it may be shared with the other Members of this body.

THE LAST SCHOOLBOY

Many years ago when I first read James Hilton's classic, "Goodbye, Mr. Chips," I could not know that one day I would find myself in the role of that novel's last schoolboy. Perhaps this is because when life imitates art, it often does so in subtle ways. For me, this will happen at year's end with the departure of the senior senator from Mississippi—John C. Stennis—chairman of the Appropriations Committee and President Pro Tempore of the Senate. When he finally does leave this institution which he so loves and where he is in turn revered by all, he will undoubtedly do so in the same steady way he has served it for almost 42 years and under eight presidents: with quite grace, unflinching modesty and serene gentility.

John Stennis was born when the century was new—in 1901— and as our nation now stands on the threshold of the last decade of this long century, he will return to his beloved Mississippi from where he was first sent to the Senate in 1947. He will leave behind a legacy which is almost unique: a senatorial career that spans one-fifth of the republic's history, including our country's emergency after World War II as a superpower. In this respect, and as it was once remarked of Dean Acheson, it may be said of John Stennis that he, too, was "present at the creation."

I came to know this great and gentle man in the twilight of his career when he chose me to serve as general counsel to the Senate Appropriations Committee. At 85, he had just assumed the chairmanship of one of the most powerful committees in the Senate, and at 42 I was being offered a job that most lawyers could only dream about.

The Chairman counseled me that first morning on the duties and responsibilities that would be mine and then spoke in reverent fashion of the great men he had known and served with over the course of his 40 years in the Senate. None occupied a higher place in his pantheon of heroes than Dick Russell—the legendary senator from Georgia who many years before had also been chairman of the Appropriations Committee and who had taken under his wing the young John Stennis. Whenever he spoke of Russell, who died in 1973, it was as if his mentor were still present and he, John Stennis, still had so much to learn.

Over the following weeks and months as we came to know each other, and our daily conversations ranged over the numerous and varied issues before the committee, a bridge was slowly built between the years that separated us. In discussing military matters, if I strayed into remembering my own wartime experience as a young naval officer in Vietnam or my father's service in World War II, he remembered and spoke of his uncle who fought and died at Gettysburg. If our conversation turned to politics where my earliest recollections were of the Kennedy-Nixon debates, he remembered with clarity his first presidential election which involved Woodrow Wilson. He always considered himself a Woodrow Wilson Democrat, and so informed President Reagan when first they met in 1981. The new President's reply was immediate: "That's what I am!" And so the bond was forged with yet another chief executive.

I cannot remember when it first dawned on me that I was slowly becoming the privileged recipient of a wonderful oral history of our country. Instead, I saw myself as a schoolboy again—a student to a teacher who had the marvelous ability of being able to consider the problems of the present within the context of the solutions of the past. The critical problem this year of adequate appropriations for a future manned space station reminded him of President Kennedy's request to him many years ago for assistance in getting sufficient funds from the committee to support the new president's announced goal of putting a man on the moon before the end of that decade. Similarly, President Reagan's recent visit to the Soviet Union to conclude the INF Treaty with representatives of that "evil empire" reminded John Stennis of when President Nixon first sought his advice on a secret plan to visit China and the repercussions which might result if Nixon were to try and open relations with a country which he had so bitterly denounced over the years. When Senator Stennis informed the president that he supported the secret overture, Nixon asked: "But will you support me on the Senate floor if I fail?" John Stennis replied, "Yes I will, Mr. President." There is in Senator John Stennis a deep reverence for the office of the presidency surpassed only by his love for the Constitution. Presidents come and go, but the office, like the Constitution, remains and must be protected. Perhaps because he never aspired to the office, but memorized every word of the document, that the Constitution remains paramount.

I once raised the notion of his writing a book about all that he had seen, learned, and been privy to over the course of his career—of his first meeting with President Harry Truman, of his long friendship with Lyndon Johnson, of his relationships with the 400 senators with whom he had served. "No," he said, "I don't think there would be much interest in such a book." And when I persisted over the course of several weeks, even giving him a short chronology of the major events of the past 40 years, explaining that there would indeed be a large audience of scholars, historians, politicians and others who would benefit from his perspective on these events, he would smile, sitting there in his wheelchair, blue eyes twinkling, and reply again and again, "No, I have no lessons to teach."

Of course, he was wrong. Or perhaps he understood better than I that what I hoped he would spell out were the traits he has come to embody for his colleagues and which cannot really be taught except by example. Senator J. Bennett Johnston of Louisiana has said that John Stennis is a man who "defines the word integrity." Senator Ted Stevens of Alaska has called him "an inspiration to new senators for four decades." Senator John Warner has likened him to a "second father." Senator Sam Nunn has declared that "no higher honor has come my way than serving in the United States Senate with John Stennis." Senator Mark Hatfield, the ranking Republican on the Appropriations Committee and one of the Chairman's closest friends, will show you that on the wall of his inner office are only family pictures, except for one—that of John Stennis. Perhaps for all of these qualities and so much more, President Reagan has announced that as an expression of the nation's gratitude for his years of public service, the Navy's next aircraft carrier would be named in his honor and christened the *USS John C. Stennis* (CVN-74).

VOL 135 PT 9 JE 14 — 22 1989 UMI

In the words of his Senate colleagues, "integrity," "inspiration," "honor," and "service" are the hallmarks of John Stennis. And although he may not believe he has any lessons to teach, he has already taught them to a generation of today's leaders. And in his own quiet way, he has even found the time to teach me—his last general counsel.

I have seen firsthand the true quality of courage from a man who has faced adversity in the form of gunshot wounds, amputation of a cancerous leg and the loss of his beloved wife, but who has steadily maintained his love for life, his work and his country. I have observed integrity from one who embodies that virtue in the eyes of his colleagues and who, 34 years ago when our political institutions were cowed by Senator Joseph McCarthy, was the first to take to the Senate floor to denounce the "slush and slime" of McCarthy's tactics in pursuit of Communists and who later went on to devise the Senate's first code of ethics. I have seen real modesty in a man who has added so much to the fabric of our nation, especially during the 1970's when he served as chairman of the Senate Armed Services Committee, but who fervently believes that his contributions were small and that others deserve the real credit. I have learned from this man that there should be no room in a person's life for self-pity regardless of how unfair or harsh life may sometimes be. I have learned that honor and duty are the touchstones of public service and that the "old-fashioned" virtues remain the sign posts on the journey through life.

And finally, I have seen the quintessential graceful exit of a great man from an institution which he loves: At his last meeting with the staff of the Appropriations Committee the Chairman thanked everyone for their hard work this year in helping to enact 13 individual Appropriation bills and then reflected on his pending retirement. "You know, I had been giving some thought to making the Senate a career, but finally decided against it." Amid the laughter which ensued, more than just a few tears were noticeable around the room.

John Stennis has had many general counsels over his career, but I was the last—the last schoolboy to sit with Mr. Chips. And like the last schoolboy in the novel, the lessons he has taught and the example he has shown will remain with me for the rest of my life. I am a better man for having known him and when the time comes to say goodbye, we will laugh one last time together.

I wish you well, Mr. Chairman, and may your spirit forever echo down the halls of your beloved Senate.

A CONGRESSIONAL TRIBUTE TO PASTOR H. FRANK COLLINS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted 26 years to his congregation and the community of Bellflower, CA. Pastor H. Frank Collins will be honored on Sunday, June 18, 1989 as he celebrates his 26th anniversary with Calgary Baptist Church. This occasion allows me to thank Pastor Collins for the valuable influence he has had on his congregation and the community.

Pastor Collins was born on a farm in north western Alabama, and was the youngest of 12 children. He attended Lamar County schools in Alabama before moving on to the Dallas School of Music in Texas and later the Chadok Conservatory of Music in Tennessee. He also attended Franklin College in Indiana. After attending the Northern Baptist Seminary in Chicago he was ordained to the ministry on July 2, 1951. Since then, he has been given three doctorates, from Bob Jones University, California Graduate School of Theology, and Pacific Coast Baptist Bible College.

Also during this time Pastor Collins was very active in music. Between 1941–49 his performances were covered on 10 radio stations and both CBS and mutual network weekly programs. He shared this musical interest with his wife, Bernice, whom he married in 1946. Bernice was a professional singer with CBS Network and WHAS Radio Station in Louisville, KY, at the time. Pastor Collins has continued his interest in broadcasting as the speaker for the radio and television program "Meetin' Time at Calvary," heard in the Los Angeles area, for the past 15 years.

After being ordained to the ministry, Pastor Collins pastored churches in Franklin, IN, and Greenville, SC. He also served as assistant to the president at the Baptist Bible College in Springfield, MO, before being called to pastor at Calvary Baptist Church in Bellflower in June 1963.

While under his pastorship, the congregation has grown from 400 members to 3,200, and the church has acquired property and built four new buildings. His influence has extended around the world, as the Calvary Baptist Church now supports 52 missionaries worldwide and three educational institutions. One of the institutions, located in the Phillipines, was built solely by the Calvary Baptist Church. Two of these colleges have dormitories that bear his name.

Always active, Pastor Collins has also conducted 12 tours of Europe and the Holy Land. He is also in constant demand as a National and International Bible Conference speaker.

My wife, Lee, joins me in extending our congratulations to this generous and caring individual, and to his wife, Bernice, and children, Sandra Gale Lapham of Bellflower, and David Scott Collins of Lubbock, TX. He is truly a remarkable individual who, over the years, has provided support and comfort to his congregation and has devoted his talents to building his church and community. We wish Pastor Collins all the best in the years to come.

MEALS ON WHEELS AMERICA ROLLS ON

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. DOWNEY. Mr. Speaker, as chairman of the Subcommittee on Human Services of the House Select Committee on Aging, I was pleased to participate in the Meals on Wheels America second annual press conference breakfast on Wednesday, May 31. At this breakfast an announcement was made of the selection of 10 additional communities to be included in the Meals On Wheels America Program for the coming year.

Meals On Wheels America is the nationwide supplemental meals program designed to benefit the homebound elderly. Officially launched on June 8, 1988, in Washington, DC, Meals On Wheels serves as a complement to Federal funding under the Older Americans Act. The home-delivered meals program was added as a separate section to the Older Americans Act in 1978, and has been included in every reauthorization since.

As Meals On Wheels America expands this year, even more elderly Americans will receive not only meals, but also the accompanying benefits which this outstanding service provides. This past Thanksgiving, 25,000 hot holiday meals were delivered to needy elderly who otherwise might not have been able to eat.

Not only were the meals delivered, but in many cases time was spent visiting with the elderly, who most likely would have spent the holiday alone. This added aspect of attention and human caring is what makes Meals On Wheels America so special and so necessary.

The additional cities which have been included in the program are: Boise, ID; Huntsville, AL; North Little Rock, AR; Colorado Springs, CO; New Castle, DE; St. Louis, MO; Cleveland, OH; Nashville, TN; Madison, WI; and Rochester, in my home State of New York. These cities will join the founding cities in serving the needs of the Nation's elderly. This expansion must be viewed as a victory not only for Meals On Wheels America, but for the elders of America as well. Meals On Wheels America helps to provide an alternative to institutionalization for many elderly people, and is provided at a small fraction of the cost to the Government.

Throughout the last year, thousands of elderly homebound in our Nation have been made much more secure because of Meals On Wheels. Thousands more may look forward to this assistance in the coming year thanks to the efforts and leadership of Commissioner Janet Sainer of the New York City Department of the Aging, which continues to serve as a model for the program.

I would also like to congratulate the sponsors of Meals On Wheels America, Bristol Myers Products and Joseph E. Seagram & Sons, Inc., whose generosity continues to bring happiness to more cities, and more people.

TRIBUTE TO 50TH ANNIVERSARY OF LAFAYETTE HIGH SCHOOL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SOLARZ. Mr. Speaker, I take great pleasure in rising today to pay tribute to Lafayette High School, located in the Gravesend section of my district, which is celebrating its 50th anniversary this year. I am proud of the exemplary service that it has given to the high

school students of Gravesend for so many years.

Lafayette has played a very important role in the community since it began functioning in 1939. Whether supporting the war effort during the 1940's, delighting the neighborhood with a spring carnival in the 1950's, or rallying fans around the school's exceptional athletic teams during the 1960's, 1970's, and 1980's, Lafayette has been a model educational institution and community center since its founding.

Through time, the school has flourished under the loving attention of devoted principals and faculty, and has grown to accommodate changes in the population and ethnic character of the surrounding community.

Everyone connected with Lafayette believes that the school is not only an academic community, but a social one as well, and as a result, extracurricular activities have thrived. The first student elections were held in 1940, and ever since, succeeding principals have encouraged and have recognized the importance of programs sponsored by the student organization.

The Lafayette community has long held the philosophy that public service goes hand-in-hand with learning and has established a tradition of involvement that will continue to benefit Gravesend residents for years to come. Through many years of growth and enrichment, the school has continued to add to the strength of the area and has enabled Gravesend to grow into one of the most prosperous neighborhoods in Brooklyn.

While Lafayette's presence is felt most strongly in the neighborhoods surrounding it, the school has had even more widespread impact. Indeed, graduates of Lafayette—excelling in areas as diverse as entertainment, medicine, engineering, and professional baseball—have not only made major contributions to Brooklyn's greatness, but to New York City's, New York State's, and the United States' as well.

On the celebration of this milestone, I am proud to honor Lafayette High School as among the finest institutions of learning and community activity in my district.

LET'S SWAP FSX FOR HDTV

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. PALLONE. Mr. Speaker, I would like to bring to the attention of my colleagues the following article, written by my fellow New Jerseyan, the Honorable JAMES J. FLORIO and published in the June 12, 1989, edition of the Christian Science Monitor. There are many mutual benefits to a continued close relationship between the United States and Japan. The only thing that American business and American workers ask is that they be allowed to compete on a level playing field with their Japanese counterparts. I believe that Congressman FLORIO offers us a reasonable, commonsense approach to maintaining our close relationship with Japan by allowing each nation to benefit from the other's expertise and enhancing both countries' national security and economic strength in the process.

LET'S SWAP FSX FOR HDTV

(By James J. Florio)

The Bush administration believes there are valid reasons for the United States to co-develop the FSX fighter jet with Japan. If that's the case, then why wouldn't a similar agreement in which the roles of the United States and Japanese industries are reversed also be justified?

Japan has an infant aircraft industry; we are the world leaders in aircraft manufacturing. Under the FSX agreement, we will show Japan how to build the FSX, *and* Japan will get 60 percent of both the development and production work generated by the project. The U.S. will get 40 percent of the development and production work.

The U.S., on the other hand, has an infant high-definition television (HDTV) industry, while Japan is a leading world competitor in this newest high-technology industry. Why shouldn't we require Japan to share its HDTV technology with us, in order to sell its HDTV products in the U.S.? Furthermore, if Japan can demand 60 percent of the development and production work for the FSX, then we have every bit as much right to require that 60 percent of the development and production of HDTVs sold here be done by American firms.

Some might say that national security is a factor in the FSX agreement, which makes Japan's demands for technology, development, and production sharing justified. But what could be more directly related to national security than the ability to produce state-of-the-art high-technology electronics on which most modern weapons systems depend?

High-Delinition television is the technology driver for the next generation of electronics that will dominate and redefine the workplace and transform defense and other electronics products in a matter of just a few years. America's national security demands that we have a capability in this critical new industry.

What's good for the FSX should be good for HDTV. Don't prohibit the sale of Japanese HDTVs in our market; but as in the case of the FSX, force Japan to share its technology with us, and we will manufacture those HDTVs sold here using a majority American content.

If, as the administration claims, Japan's national interests justify building its own fighter plane, then we have the right to ensure the preservation of our electronics industry, on which our defense strength directly depends.

To be strong, America must help Japan and our other allies meet their legitimate economic and defense needs. But we must also keep our essential industries competitive and strong and fight to expand markets. If the FSX agreement is a legitimate way to address Japan's defense needs, I believe and similar agreement may also be our best hope for maintaining the competitiveness of the U.S. electronics industry.

OUTSTANDING LEADERSHIP OF MR. MARVIN E. HOWELL

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. PURSELL. Mr. Speaker, I would like to bring to the attention of the House and this Nation, the outstanding leadership given to Michigan's community of Hillsdale, by Mr. Marvin E. Howell. While I cannot begin to state the many accomplishments that are his, I know his integrity, enthusiasm, and love of community and family have driven a remarkable career and contribution to Hillsdale.

On May 24, 1989, Marvin Howell Day was celebrated in Hillsdale, MI. It was an opportunity for the city to honor a giant among its citizens.

While adding my most sincere and heartfelt congratulations and thanks to Marv Howell, I would also like to submit the following editorial which appeared in the Hillsdale Daily News:

[From the Hillsdale Daily News, May 26, 1989]

A FITTING TRIBUTE TO "MARV-ELOUS"

They don't call Marvin E. Howell "Marvelous" for nothing, even though the name is just used in fun.

He's earned it.

A packed house at Hillsdale College's Curtiss Dining Hall heard friends and co-workers of Howell roast and toast him Wednesday evening as part of the Exchange Club's honoring of him as their 1989 Book of Golden Deeds recipient.

It was a fitting tribute to a man who has adopted Hillsdale County as his own county and Hillsdale as his home town. We are lucky he and his wife Joyce made the decision to send down roots in our community.

Marv Howell is one of those unique individuals who performs and provides community service without asking "what's in it for me?" or "what's the bottom line?"

Those truly selfless people are hard to find.

You may not realize it, but traveling through the county you will see many businesses or activities in which Howell has had a hand.

He has found a niche in economic development and the projects in which he has played a part are many. In some projects, he has taken a lead role; in others, he has been a player. In all cases, he is a team player.

In church work, in Rotary activities, in business, in his efforts and behalf of the Hillsdale County Industrial Development Commission, the Hillsdale County Railway and more, he is the consummate team member working toward a goal, shoring up his team mates, sharing the success with those around him.

He has a quick wit and a ready smile; he's a great kidder. Those who know him admire him, respect him and enjoy his company. He is friendly and genuine in his love of people and community.

Jack Barker, Hillsdale attorney and one of the speakers at the banquet, talked about the good in Marv Howell. Granted, he said, the "big" good things one does is evident to all. It is the "little" good things that count the most.

Yes, Howell has done many good things big and little and the sum total is a man who has friends and admirers galore. That

VOL 135 PT 9 JE 14 — 22 1989 UMI

was most evident at the impressive turnout Wednesday evening.

Around the tables during dinner, people talked about the guest of honor, sharing anecdotes and reviewing his many accomplishments.

He is community servant in its purest form. If it's good for the community, it's good for Howell. He never says "no" to a good cause or personal involvement in something he sees as being beneficial to the community.

And yes, he has been a success in business; this is a tribute to the person who finds time first for others and then for himself. Good comes to those who give of themselves for the right reason.

We applaud the Exchange Club for its choice; the speakers for their good-natured humor and warm remembrances; Howell's family members who have encouraged him to give of himself to his community; and those who came to honor their friend Marv Howell.

But most of all, we applaud Marv Howell for really putting himself into this community and for taking risks on our behalf.

We're all better for it.

He really is Marv-elous.

IN RECOGNITION OF THE DISTINGUISHED SERVICE OF SENATOR STROM THURMOND

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SPENCE. Mr. Speaker, not long ago, the senior Senator from South Carolina, the Honorable STROM THURMOND, was honored for his distinguished service to the veterans of this Nation. Throughout the greater part of the 20th century, Senator THURMOND has exerted his influence as a statesman, a patriot, and a dedicated public servant. We are all grateful for his untiring devotion to duty. To further commemorate his several achievements, I would like to share with my colleagues remarks made by several prominent Americans which testify to the Senator's many fine qualities and his countless efforts in behalf of the people of South Carolina and of the United States. I can only add to their comments by stating that, truly, Senator STROM THURMOND is one the great Americans in our country's history.

TRIBUTE TO SENATOR STROM THURMOND

(Remarks by distinguished guests on May 4, 1989, when South Carolina Senator Strom Thurmond was presented the prestigious "Award for Life Service to Veterans" by the Paralyzed Veterans of America and the Vietnam Veterans Institute.)

Senator ALAN CRANSTON. Strom's imprint has been on every piece of veterans legislation enacted since our committee came into being. I have many memories of our work together, but the two most vivid are of our collaboration on the special discharge upgrading legislation in 1977 and our more recent efforts on the legislation finally enacted last year to bring VA and Ed Derwinski into the President's Cabinet.

Strom's influence also has been felt very directly at the Department of Labor in the Veterans Employment and Training Service. In fact, it was his effort that led to the creation of the Assistant Secretary position to head that office.

Strom Thurmond's record on behalf of veterans is surely absolutely first rate, and he well deserves this recognition, and what I'm sure is a wonderful portrait over here by Tom Nielsen.

Congratulations to you, Strom.

General WILLIAM WESTMORELAND: I am really privileged to be a part of this ceremony because of my long association with Senator Thurmond. He and I are fellow South Carolinians, going back many, many generations.

Since that time, we are very proud in our state that he has been our senator. And now he is one of the senior statesmen in the Congress of the United States. And he is one heck of a guy. He is a man of tremendous stature, not only as a politician, particularly as a statesman, but it's already been mentioned that he also has quite a record as a soldier. He did land with the 82nd Airborne Division in Normandy in a glider and fought his way across the peninsula.

He's a man that has visited our troops in every conflict we've had since that time. He's a man that is not only respected highly in his home state of South Carolina, but throughout the nation. And I feel that I've been privileged to have known a great statesman, Strom Thurmond; and who is not only well known and is revered in the great state of South Carolina, but in the Congress of the United States, as we have noted from the remarks that have recently been made.

So, Senator Thurmond, speaking for the veterans, which I assume I'm not entitled to do as of now, but before you became veterans, I was entitled to speak for you.

Representative FLOYD SPENCE. I want to say two things.

You could have looked the whole world over and never found a better person to be the recipient of your award this evening. All those things that have been said about him by other people, I couldn't add to it. I don't command enough of the vocabulary I'd like to be able to adequately express my feelings for this gentleman, except to say he's a great American and to tell you that I'm honored to be in his presence, and your presence, because you're heroes, all of you. And history is going to record it.

Thank you very much.

Secretary EDWARD DERWINSKI. Something all of you know: that the man who was the most persistent advocate of creating a new Department of Veterans was Strom Thurmond. So that now that we've had two months of a new Department, you haven't seen any miracles, but I hope you've seen some progress. Whatever progress you've seen is attributable to Strom Thurmond, whose persistence—I commend all of you for recognizing him tonight, as you do. And I commend all of you for your support, not only to your own organization, but all the causes of veterans.

If we at the new Department could help, we're going to do our best. And I think if Strom has anything to say about it, we might even have a slightly improved budget position.

So, thank you, Strom.

Representative JOHN PAUL HAMMERSCHMIDT. Members of the PVA, VVI, your honored guests, my distinguished colleagues in the Congress.

The Life Service to Veterans Award. Life service. You know, let me ask all of you here this evening, how could we find anyone more qualified to be honored for a full life of public service than the recipient of your award tonight? And, yes, a great part of that life has been service to veterans.

You know, the Paralyzed Veterans of America and the Vietnam Veterans Institute do themselves very proud, and in fact the nation proud, by their selection of Senator Strom Thurmond as the 1989 recipient of their prestigious Award for Life Service to Veterans.

Two years ago, as you know, I was greatly honored by your organization to be included among the distinguished award winners: Senator Robert Byrd, Senator Alan Cranston, Congressman Sonny Montgomery, and Senator Bob Dole. Certainly it was a gratifying experience to be associated in this manner with these esteemed colleagues.

And now, to join the Senior Senator from South Carolina as your latest recipient of the Life Service to Veterans Award makes each of us even more gratified for your memorable recognition.

Strom Thurmond comes to this place tonight with a remarkably distinguished record. In war and in peace, he has demonstrated great leadership and courage. If I tried to comment even briefly on Senator Thurmond's 60 years of public service, it would take more time than allotted for this whole program. He's such a renowned public figure, most of us here know that story anyway. So, suffice it to say he is admired and respected by his colleagues and by his countrymen all across the land.

The Senator knows that global wars have an individuality about them that transcends the millions of persons involved. The Senator knows that war often has a pain attached to it that never goes away, pain that can never be fully described, even by those upon whom it's inflicted. And he knows and understands that in the governing process there is a rightful place for a just veterans legislative program, a program that is and ought to be the pride of our nation. He's been in the forefront of those who would assure that this is so.

He knows and understands how a great nation must govern itself, that such a nation needs and must have leaders who can match the greatness of her people.

So, Senator Thurmond has made a difference. He's made good government better government. His exercise of leadership in the halls of Congress has a firm foundation in the life experience of a soldier, educator, lawyer, judge, and governor.

This special friend of veterans is being honored tonight by very special veterans. You who bestow your highest award tonight are front-line defenders of freedom, heroes whose commendation has great meaning to the recipient. The award itself is distinctive. And I expect that even Tom Nielsen's terrific talent has been challenged by the task of painting some of us.

But with Strom's wonderful wife Nancy here this evening, Tom, you may be tempted to paint the ladies of honorees, instead.

But again let me express my appreciation to the PVA and the VVI for the pleasure and honor of being part of this auspicious occasion honoring the great Senator Strom Thurmond.

A CONGRESSIONAL SALUTE IN HONOR OF THE GALA CHRISTENING OF THE "CALIFORNIA HORNBLOWER"

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to recognize the *California Hornblower*, a luxurious 1,000-passenger dining yacht, that will be christened on June 17, 1989. This occasion gives me the distinct pleasure of recognizing this fine vessel as the newest addition to southern California's maritime commerce and the Long Beach community.

This luxurious dining yacht, flagship of the Hornblower Dining Yachts' fleet of 16 yachts in California ports, will serve both Worldport LA and my district's Port of Long Beach. Once christened she will be the largest capacity dining yacht on the west coast.

In an area that prides itself on a strong and distinct maritime industry, the *California Hornblower* will undoubtedly add a new dimension to maritime and port activities. Her classic steamship style, impeccable service by uniformed stewards, and fine cuisine freshly prepared on board, are expected to attract many new and diverse individuals to the harbor. The *California Hornblower* will offer elegant dining cruises on an individual basis and will be a resource for corporate executives nationwide seeking unique and upscale sites for conventions, special events, and meetings in the Los Angeles area.

A grand ship, the *California Hornblower* evokes the memories of the early 1900's when classic steamships like the *Harvard* and *Yale* sailed the California coast. The vessel is now making her way through the Panama Canal toward Worldport LA and the Port of Long Beach for her gala christening ceremony this Saturday night. In honor of this occasion, my wife, Lee, enthusiastically joins me in extending our congratulations to the *California Hornblower*, and in welcoming her to Long Beach.

A TRIBUTE TO ROY RICHARDSON

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. BERMAN. Mr. Speaker, I rise today to honor a respected and popular member of the community, Mr. Roy Richardson. After 11 challenging years as mayor of San Fernando, Roy is retiring and it is my distinct pleasure to salute a dedicated public servant who has consistently worked to improve the lives of his fellow citizens.

Roy Richardson has served the city of San Fernando with intelligence, skill, and dedication and has been a bold and effective city leader. His record of accomplishments reflect his ability and his vision. Roy's hard work and high professional standards have revolutionized the fiscal direction of San Fernando. During Roy's tenure, the city has gone from near bankruptcy to its current state of fiscal stability and healthy reserves. Under Roy's sure hand, enhanced revenue and sound financial administration together with economy and efficiency in government have become the key elements in San Fernando's revitalization.

In addition, Roy was instrumental in bringing new business to San Fernando along with new police facilities, a senior center and the upgrading of city park grounds and facilities.

In other spheres as well, Roy's accomplishments are substantive and his career includes a full spectrum of triumphs in the many associations and programs designed to better the city of San Fernando.

Roy Richardson has been a resident of San Fernando for almost 60 years and has served as director and officer in the 20–30 Club, chamber of commerce, Rotary Club, and Lions Club.

Roy attended UCLA and graduated as a pilot in the Naval Air Corps in Corpus Christi, TX. He and his wife, Frankie, have six beautiful children of whom they are very proud.

Mr. Speaker, it is my honor and pleasure to ask my colleagues to join me in saluting Roy Richardson, a lifetime leader of the city of San Fernando, a truly dedicated citizen and an exemplary role model for future generations.

EMPLOYEE PENSION RIGHTS ACT

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. VISCLOSKY. Mr. Speaker, in recent years, there has been growing concern about various problems associated with corporate mergers and acquisitions and the concurrent growth in corporate debt. While some mergers have been good for the companies and their employees, others have resulted in the loss of jobs and the devastation of entire communities.

Pension funds have often been used to help finance these corporate restructurings. In a number of cases, corporate raiders have terminated pension plans and used so-called excess pension assets to help finance the takeover. In other cases, the assets of ongoing pension plans have been invested in junk bonds and other financial instruments which are used to underwrite the corporate takeovers.

Pension plans represent deferred compensation. In effect, workers forego higher wages and benefits in exchange for future retirement income. These benefits are actually earned by employees over their working careers and, in a very real sense, the moneys which are contributed to a pension plan represent another form of compensation to which workers are entitled.

It is only fair that employees should have a voice in the management of their pension funds. Therefore, I have introduced legislation, the Employee Pension Rights Act, that calls for employee representation on the boards that oversee single-employer pension funds. The number of employee representatives would be equal to the number of management representatives on the board.

Although labor unions theoretically have the right to negotiate for worker representatives on single-employer pension plans, in practice this has not been feasible. Employers which sponsor these plans have guarded their "management prerogative" to name the pension plan trustees. Unlike the multiemployer setting, where control over the plan is already diffused among a number of employers, in the single-employer setting companies have not been willing to allow workers to have a voice in the management of their pension funds.

The notion of workers being represented on the board of trustees of a pension plan is not unprecedented. Workers have long had representatives on the boards of trustees of multiemployer pension plans. Section 302 of the Labor-Management Relations Act specifically provides for equal union-management representation on multiemployer plans. There is no reason why this same principle should not be extended to single-employer pension plans.

TRIBUTE TO MRS. MABEL HOGGARD

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. BILBRAY. Mr. Speaker, I rise before my colleagues today with deep sadness. An outstanding member of the Las Vegas community and an inspiration to all Americans, Mrs. Mabel Hoggard, passed away on Wednesday, May 31, 1989, after a long illness. Mrs. Hoggard was 84 years old.

Mabel Hoggard was a remarkable woman, who will be remembered as Nevada's first black school teacher.

Born on March 10, 1905, to Marshall and Maybelle Welch in Pueblo, CO, Mrs. Hoggard worked during the summers for her parents in the family grocery store in Pueblo. The remainder of the year, she lived with her grandparents in Iowa and went to elementary and high school in Des Moines and Colfax, IA. While growing up, she informed one and all that someday she was going to be a teacher.

She graduated with a cum laude degree in education from the Bluefield State Teachers College in Bluefield, WV. Her first job was as a teaching principal in a two-room school house in Jenkins, KY. She did postgraduate work at the University of Southern California and the University of Nevada, Las Vegas.

When she came to Las Vegas in the 1940's for a visit, she decided to stay. In 1946 she became the first black teacher hired in Nevada. For the next 24 years she taught first and second grades.

Mrs. Hoggard's energy and commitment to helping and educating people was shown in her dedication to civic work. She volunteered in a number of organizations and founded several programs to help people—especially minorities. In 1975 Mrs. Hoggard founded Project Savings at West Side Federal Credit Union. She did this to help children learn the value of savings accounts.

VOL 135 PT 9 JE 14 — 22 1989 UMI

For her distinguished and selfless contributions, Mrs. Hoggard received many commendations and awards. Among her achievements she was recognized as a Distinguished Nevadan by UNLV. She was named woman of the year by several clubs and was honored by the American Red Cross, NAACP, Las Vegas Rotary Club, Zion Methodist Church and Wesleyan Service Guild, and the Clark County Classroom Teachers' Association. But, one of the most noticeable honors and probably the most lasting memory of her is the Mabel W. Hoggard Elementary School.

"Only when the horizons of all children have been broadened—when children are motivated to move ahead, to secure the education they must have in order to fill positions of responsibility in our society—then, and only then, will we be able to make much needed change possible without undue painful conflict," Mrs. Hoggard said in 1974, when she spoke to the Clark County School Trustees, who renamed Bonanza Elementary School in her honor.

Mrs. Hoggard had a great impact on children, the community, the church, the NAACP and people everywhere she went. Her dedication to children and her contribution to her profession and her community earned her the respect and love of all whose lives she touched. She was admired by many friends, coworkers, and countless Las Vegans and her passing leaves a void that will not easily be forgotten. Her boundless energy, talent, and zest for life serves as a true inspiration to us all.

Mr. Speaker, the passing of Mrs. Mabel Hoggard is a great loss to all Las Vegans and Nevadans, but she leaves behind a legacy for which her family and all Americans can be proud.

NEWPORT HARBOR LAWN BOWLING CLUB'S 50TH ANNIVERSARY

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. COX. Mr. Speaker, it is my privilege today to recognize the 50th anniversary of a California institution, the Newport Harbor Lawn Bowling Club. Lawn bowling, a challenging and exhilarating sport, has enjoyed great popularity around the world in this millennium. Nowhere is the tradition more properly represented than in Orange County, CA.

In 1937, William V. Jones arrived in the Newport area from British Columbia. He raised more than $2,000 to build a lawn bowling field and, with the cooperation of local officials and the assistance of many volunteers, a green was ready by the summer of 1938. The articles of incorporation were prepared and filed with the California Secretary of State in 1939, which is why we now recognize the club's 50th anniversary.

Mr. Speaker, the sport of lawn bowling has a long and noble history. Its origins can be traced to 13th century England, when the first of the more than 4,000 clubs that exist today was founded in Southhampton. As the first club remains strong and active, so does the Newport Harbor Lawn Bowling Club. The Newport Harbor membership, now numbering 120, is dedicated to preserving the great traditions of the sport for future generations. I ask my colleagues to join me today in saluting the Newport Harbor Lawn Bowling Club upon its 50th anniversary.

KANSAN COLONEL EARNS RECOGNITION

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mrs. MEYERS. Mr. Speaker, it is with great pleasure that today I pay tribute to a fine constituent of the Third Congressional District of Kansas, Col. David A. Ballentine. In August, Colonel Ballentine will be retiring from his position as deputy director of the Marine Corps Reserve Support Center in Overland Park, KS.

A native Kansas, Colonel Ballentine has served in the U.S. Marine Corps for the past 23 years. His Marine Corps career began in 1966 and, since that time, he has distinguished himself by valiantly earning the Distinguished Flying Cross and the Air Medal with Two Gold Stars. He has been the deputy director of the Marine Corps Reserve Support Center since December 1988.

Apart from these achievements, Colonel Ballentine has distinguished himself as an active member and deacon of the Overland Park Chnstian Church. He is a model citizen and soldier, who sets the ideal example for Kansans and all Americans.

Colonel Ballentine has now decided to return to his birthplace in Bonner Springs and raise his family.

I commend Colonel Ballentine for his years of service, dedication, and generosity. His service has not gone unnoticed, and it will certainly be long remembered.

Mr. Speaker, I wish to express my appreciation to Colonel Ballentine for his honorable service to our country and its people.

VOICE OF AMERICA—STILL THE BEST BARGAIN IN AMERICAN FOREIGN POLICY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. MICHEL. Mr. Speaker, media reports tell of the explusion from Communist China of two American journalists for allegedly violating martial law restrictions and inciting counterrevolutionary activities.

One of those expelled is Alan W. Pessin, the bureau chief of the Voice of America, the international broadcasting service of the U.S. Government. Mr. Pessin has been covering China since 1984 and, according to the Chinese, engaged in "illegal newsgathering."

It should not be news when a totalitarian government expels an American journalist for doing his job. Totalitarian governments, like that of Communist China, have no conception of a free press.

But in one sense the expulsion of Mr. Pessin is good news. By that I mean that it reminds us of the importance of the Voice of America. In an age of high-tech gadgetry, of television by satellite, of fax machines and glasnost, the Voice of America may have seemed to some to be old-fashioned, a "relic of the Cold War" as some have said.

To the contrary—the Voice of America remains, as it has been since World War II, a voice of freedom, of solid, factual news, of opinion that is labeled opinion and of clear, authoritative, official U.S. policy. The jazz programs of Voice of America's Willis Conover have introduced millions in Europe and Asia to the best of American culture and, in doing so, have opened a window through which freedom of artistic expression could be glimpsed by those long denied such freedom.

If the expulsion of Mr. Pessin reminds us of the importance of the Voice of America, perhaps it was worth the price. We in the United States, who are used to freedom of information, and who take it for granted, forget how important a free flow of information can be to those who lack freedom.

I just want to congratulate the Voice of America, its director Richard Carlson and the entire staff. An organization whose representative is expelled for telling the truth to those denied freedom deserves the support and the applause of the American people. I hope our colleagues recognize the importance of this great American institution and that we provide the funding and support its needs. The Voice of America remains, what it has been for years, the best bargain the American people have in foreign policy.

TRIBUTE TO CSABA KUR

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Csaba Kur, a Hungarian-American artist, who came to the United States in search of the American dream and is now bestowing the world with his invaluable gifts of art.

Csaba war born in Hungary in 1926 and arrived in America in 1951 impoverished. Driven from his homeland by the Red Army, he sought refuge in Germany where he received his preliminary training in the arts. Mr. Kur began his career creating prints with water colors, but soon moved to creating statues, for which he is most famous today.

Mr. Kur has sculpted many works that can be seen in public buildings in Chicago, New York, and Cleveland. He also has a statue in the permanent collection at the John F. Kennedy Center for the Performing Arts in Washington, DC. Presently he runs his own gallery in my 17th Congressional District of Ohio and teaches classes to individuals in hopes of spreading his love of art to others. His expressionistic style of art captures the deep meaning behind all of his subjects.

Mr. Speaker, Csaba Kur has truly made an outstanding contribution not only to my district but also to the world. The recording of history in his manner will allow the events to live on forever in a true to life form. I am extremely grateful for his contributions, and consider it an honor to represent him.

THE 25TH ANNIVERSARY OF THE SCHOOL VOLUNTEER ASSOCIATION

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SHAYS. Mr. Speaker, I am pleased to have this opportunity to extend my warmest wishes to the School Volunteer Association, a worthy organization in Bridgeport, CT, that is celebrating its 25th anniversary today.

Since its inception as Youth Opportunities Unlimited, this organization has provided tutorial and enrichment services to many thousands of Bridgeport students. Drawing on the time, talents, and efforts of dedicated volunteers from Bridgeport and neighboring communities, SVA continues to meet the changing needs of the school system. Each year more than 1,000 men and women tutor students in basic skills and motivate them to achieve career goals. Their gifts of encouragement and concern make a world of difference to the young people whose lives they touch.

Today the School Volunteer Association celebrates 25 years of helping those in need and making our Bridgeport community a better place to live. In recognition of this special anniversary, I am honored to bring to my colleagues' attention the achievements of this worthy organization.

OUTSTANDING ACCOMPLISHMENT OF ATOM KYLE DUSZYNSKI

HON. JOLENE UNSOELD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mrs. UNSOELD. Mr. Speaker, I would like to use this time to call to my colleagues attention the outstanding accomplishments of one of my constituents. Nowadays it seems the only news we hear about the young people of America is negative. When you pick up a newspaper, stories about the achievements of students in this country will most likely be buried in the back pages. It seems that these positive stories rarely get heard.

That is why I feel privileged to use my position to honor a young student in my district who has been singled out for his talents as a writer. Atom Kyle Duszynski, an eighth grader at Winlock Junior High School, has recently been selected as a finalist for the Respec-Teen National Youth Forum. Out of more than 5,300 seventh and eight graders from across the country approximately 200 were chosen as finalists.

The students were judged by letters that they wrote to their U.S. Representatives, and the finalists were selected according to the quality of their writing. Atom's letter dealt with the issue of gun control. It makes me happy to see young people like Atom Duszynski taking interest in current affairs, developing their opinions, and then eloquently and concisely expressing those opinions. I am sure that Atom's parents are very proud of his achievement and the promising future that these talents guarantee.

So I ask my fellow Members of the House of Representatives to think of Atom Duszynski and remember all the other young talented students in their own States that may not make the headlines but are deserving of our praise.

McCARRAN-WALTER CONTINUES TO EMBARRASS THE UNITED STATES

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. HOYER. Mr. Speaker, the Vienna followup meeting of the Conference on Security and Cooperation in Europe, which concluded in January 1989, examined implementation of the Helsinki Final Act and the Madrid Concluding Document in the areas of military security, trade, and human rights. The participating States sought to highlight areas where improved performance was necessary and adopt new measures to encompass more fully the ideas of freedom, self-determination, democracy, and human dignity. The Vienna Concluding Document, adopted by all 35 participating CSCE states, called for specialized meetings to be held during the next 3 years in such areas as information, economics, the environment, culture and human rights. In addition, two major sets of talks dealing with military security have been convened.

On May 30, 1989, the first of the three Human Dimension Conferences opened in Paris. Under discussion are violations of Helsinki commitments, measures to improve compliance with those commitments and the usefulness and effectiveness of the human rights mechanism formulated during the Vienna followup meeting. The mechanism was devised as an additional tool by which any CSCE State may raise any human rights issue with any other CSCE state.

Mr. Speaker, it is significant that the first of three conferences on the Human Dimension is taking place in Paris, for next month marks the 200th anniversary of the French Revolution, a course of events heralding the spread of liberty, equality, and justice across Europe. These ideals are still clearly at work today in countries where people are taking to the streets and demanding free expression, free elections and self-determination. Each of the 35 states at the Paris Conference has shared a commitment to honor such freedoms. In Paris their commitment to these ideals will be tested at a time when a similar revolution of ideas beckons across Eastern Europe and the Soviet Union.

The human rights mechanism set forward in the Vienna Concluding Document provides a useful vehicle to act upon specific injustices and widespread abuses of stated Helsinki commitments. It provides for a four-step approach to issues under discussion, starting with a request for information and moving on to bilateral and multilateral discussion of the issues at hand. In short, the mechanism is a formal diplomatic channel for lodging complaints on human rights performance.

The United States has invoked the mechanism on four occasions: with the Romanian Government for arresting six former leading officials who circulated a letter critical of the Romanian regime; with the Czechoslovak Government for the arrest and detention of eight human rights activists including Vaclav Havel; with the Bulgarian Government for the arrest and detention of human rights activists; and with the Soviet Government for denying visas to Lithuanian Americans invited to attend a conference in Vilnius. The U.S. Government considered each instance carefully and used the mechanism to raise stark violations of the spirit and letter of the Helsinki Final Act.

Mr. Speaker, as I have indicated, the mechanism is not solely a Western device. It is available to all of the CSCE States equally. Recently, the Soviet Union invoked the mechanism against the United States for denying visas to Soviet doctors and journalists in January of this year because of their affiliation with Communist trade unions. Once again the 1952 McCarran-Walter Act has become an international embarrassment to the United States, undermining our credibility not only with the nations we single out for human rights violations, but with our allies in the human rights struggle as well.

The 1952 law, enacted over the veto of President Truman, systematically excludes foreigners on the basis of their beliefs and affiliations. For example, under the McCarran-Walter Act Communist Party members and representatives of labor unions from Communist countries can be excluded from entering the United States. The subsequently adopted McGovern Amendment, which provides for an automatic waiver of entry denial for Communist Party members, does not extend to the afore-mentioned labor union representatives. Last month, at the CSCE London Information Forum on the free flow of information, the United States was roundly criticized by Eastern nations and Western allies for its restrictive visa policies. It is hardly appropriate for this nation, founded on principles of liberty and democracy to maintain a law that permits government officials to determine which ideas and individuals will be given voice in the United States. It is hardly appropriate that in this age of satellites, computers and fax machines, ideas can transcend borders but their authors cannot.

The McCarran-Walter Act contradicts the very spirit of the Helsinki Final Act, and at the same time needlessly damages U.S. credibility. While I believe that the United States maintains an exceptional record in implementing the letter and spirit of the Final Act, the McCarran-Walter Act stands in splendid isolation as an exception and has become an easy object of criticism both here and abroad.

The newly established mechanism demands that the United States demonstrate good faith by conscientiously examining its own implementation record when challenged by other CSCE participants and responding in a timely manner. It is my belief that an appropriate response would be radical revision of the McCarran-Walter Act. For years now the United States has answered recurring criticism of its visa laws by insisting that Congress is considering changes to the law. That tired response is quickly losing all credibility, given the long years of its use. It is time for the administration to give serious consideration to working with Congress in carrying out this important legislative reform.

TRIBUTE TO STEVEN P. MELLO

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Steven P. Mello of East Providence, RI, this year's recipient of the first annual Ronald K. Machtley Award for East Providence High School in East Providence, RI.

This award is presented to the student, chosen by East Providence High School, who demonstrates a mature blend of academic achievement, community involvement, and leadership qualities.

Steven has clearly met this criteria by being a member of the Rhode Island Honor Society, and president of the National Honor Society. Steven was valedictorian of his class and has also been active in the school band.

I commend Steven for his achievements and wish him all the best in his future endeavors.

THE 600TH ANNIVERSARY OF THE BATTLE OF KOSOVO

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. CRANE. Mr. Speaker, for thousands of Serbians, this month marks the 600th anniversary of the Battle of Kosovo where, in 1389, they lost their freedom. In remembrance of the anniversary, the Free Serbian Orthodox Diocese of the United States and Canada, as well as other Serbian national organizations, will host a 3-day event in my district recalling the Battle of Kosovo.

For the Serbs, the Battle of Kosovo, although a defeat, became a symbol of steadfast courage and valor. The Serbs lost their independent kingdom—now a region of Yugoslavia—to the Turkish forces headed by Sultan Murad, an oppression that would continue for the better part of six centuries.

The leader of the Serbs, Prince Lazar, had been forewarned the day preceding the battle that three of his top soldiers were thinking of becoming traitors, including Milosh Oblich. But when the wounded Lazar was captured and taken to the Sultan's tent, he found that Oblich had done one of the most heroic acts in Serbian history. Pretending to surrender and waiting to kiss the Sultan's foot in repentance, Oblich pulled out a concealed dagger and mortally wounded Murad.

When those brave, dedicated, Christian Serbs chose immortality on this historic occasion, they did so with the knowledge that they had paid the last full measure of devotion on behalf of the ideals promulgated by our Lord almost 1,400 years before when He achieved immortality to save the souls of us all. Western civilization owes unending gratitude to those brave Serbians. On this special occasion, let us rededicate ourselves to those precious ideals and pledge ourselves to the memorialization of those brave souls who did not die in vain but preserved an example that we must all exalt and follow.

I ask my colleagues to join me in saluting the dedicated descendants of this sublime Serbian tradition, who gather together at the Monastery of the Protection of the Most Holy Mother of God in Third Lake, IL, to keep this fine tradition alive.

PROGRESSIVE POLICY INSTITUTE STUDY ON WORK AND POVERTY

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. PENNY. Mr. Speaker, I rise today to insert in the CONGRESSIONAL RECORD a copy of a recent study by the Progressive Policy Institute that makes a cogent case for a modest increase in the minimum wage coupled with an expansion of the earned income tax credit [EITC].

I have recently introduced legislation, H.R. 2543, to increase the minimum wage in three steps to $4.25 in 1992 and to enhance and expand the EITC in 1991. Mr. Speaker, I urge you and our colleagues to read the Progressive Policy Institute study and if you agree with its conclusion to cosponsor H.R. 2543.

Mr. Speaker, I ask that a copy of the Progressive Policy Institute study that I have attached be included in the RECORD at this point:

WORK AND POVERTY: A PROGRESSIVE VIEW OF THE MINIMUM WAGE AND THE EARNED INCOME TAX CREDIT

EXECUTIVE SUMMARY

Is the federal minimum wage an anachronism—or, worse yet, a regressive as well as outdated policy? So it seems today, when less than one-fifth of minimum-wage workers are poor, and any increase means higher prices for everyone, including the poor. However, the current dispute between the President and Congress over the minimum wage does have the salutary effect of focusing attention on the plight of America's working poor.

In this report, the Progressive Policy Institute proposes to refocus the minimum-wage debate on a clear goal: No American family with a full-time worker should have to live in poverty. The Institute believes that this pledge is an integral part of a progressive social compact for the 1990s, and that any society that persistently allows hard-working people and their families to live in poverty tacitly undermines the moral and practical value of the work ethic.

The most efficient and fair way of lifting working poor families out of poverty is not a higher minimum wage, but an expanded Earned Income Tax Credit. The EITC targets assistance to those supporting families on poverty incomes, rewarding their work efforts without subsidizing low-wage earners from more prosperous families.

The Institute recommends that over time, the EITC should be expanded sufficiently to eliminate poverty among all families of full-time workers. As an interim step, we recommend a compromise to break the current stalemate over the minimum wage: Combine Democratic proposals for an expansion of the EITC, with the President's proposal for a $4.25-an-hour minimum wage.

HIGHLIGHTS

While the EITC targets all those working and supporting families on incomes below or near the poverty line, more than 80 percent of those helped by the minimum-wage law live in non-poor families.

If the hourly minimum wage goes to $4.55, the majority of the working-poor would gain nothing—those who are self-employed, or who work for salaries, or in firms exempt from the minimum-wage law, or for wages above $4.55-an-hour. Half of those who would benefit live in families making over $23,000 a year.

While most poor families would not gain from a $4.55 hourly minimum, everyone—poor and rich alike—would help bear the estimated $14.7 billion in additional labor costs, passed on in higher prices to consumers.

Once firms pass on these costs, the $4.55 minimum wage will cost an average family nearly $200 through higher prices; the cost for poor families would average $112.

A $5 billion expansion in the EITC, along with a $4.25-an-hour minimum, would bring a family of three $535 closer to non-poverty status than would the $4.55-an-hour minimum—at less total cost.

WORK AND POVERTY: A PROGRESSIVE VIEW OF THE MINIMUM WAGE AND THE EARNED INCOME TAX CREDIT

(By Robert J. Shapiro, Progressive Policy Institute, Director of Economic Studies)

Once again, a Republican President and a Democratic Congress are embroiled in a dispute over the minimum wage. In their customary roles, liberals are promoting legislated wage rates and conservatives are defending free markets. While focusing attention on the serious plight of America's working poor, the debate thus far has been frozen along ideological lines drawn in the Great Depression. As a result, we are failing to address the realities facing working-poor Americans today.

Can liberals face the evidence that the minimum wage, despite its progressive beginnings, now has certain regressive effects? In the late 1980s, four of every five minimum-wage earners are not poor, and legislating a raise is not an efficient way to help those who are. Worse yet, the poor, most of them gaining nothing from a higher minimum wage, have to help pay for it along with everyone else.

Can conservatives accept that, for millions of Americans, the U.S. economy in the 1980s does not reward hard work with an income that a family can live on? Despite their romance with free markets, our economy lets millions of working families stay poor, how-

ever hard and long they work. If we are to redeem the pledge of the American work ethic, that anyone who works hard in America will not have to live in poverty, government will have to help do it.

Democrats are right to reject a status quo that condemns millions of working Americans to living in poverty. The question for progressives concerns the means: Is the minimum wage still the best way to aid the working poor?

The Progressive Policy Institute proposes to refocus this debate on a clear goal: No American family with a full time, year-round worker should have to live in poverty. We consider this pledge a basic part of a progressive social compact.

In the 1980s and 1990s, the practical and progressive way to stand behind the work ethic is the "Earned Income Tax Credit" (EITC), widely recognized as the most direct way of supplementing the incomes of those working for poverty wages. It is more efficient than the minimum wage because it targets those working under or near the poverty line. It is more progressive because it does not make poor people help subsidize pay raises for low-wage earners in families that aren't poor.

We can best enhance the value of work by expanding the EITC over time to lift every full-time working household out of poverty, and letting the minimum wage fade into history.

For now, with both sides committed to increasing the minimum wage, we propose an interim step to break the veto deadlock between President Bush and the congressional majority: Combine a moderate minimum-wage hike with an expansion of the EITC. In this compromise, Democrats would accept the President's offer for a $4.25 hourly minimum, and Republicans would agree to expand the EITC.

We believe that the current impasse offers liberals and conservatives the opportunity to reconsider their traditional positions and to collaborate on promoting, at once, greater economic equity and the traditional values of family and hard work.

MINIMUM WAGE INCREASES: WHO BENEFITS?

"One-third of our population . . . is ill-nourished, ill-clad, and ill-housed," Franklin Roosevelt reminded Congress when he first proposed a minimum wage in 1937. And when Congress passed the first minimum wage the following year, it was a policy to recover some of the economic ground lost by millions of family breadwinners. That first law raised the wages of 11 million people, nearly one of every four Americans at work, to 25 cents an hour, at a time when the average hourly wage was 62 cents.[1]

Today, fewer than 4 million people work for the current $3.35 minimum hourly wage, little more than 3 percent of the national labor force, and less than 900,000 of them are heads of households.[2] If the Government were to raise the hourly minimum to $4.65—a dime more than approved by Congress—it would affect some 14 million of America's 116 million workers. Still, only a quarter would be heads of household.[3]

Raising the minimum wage is not an efficient way to reduce working poverty, because most of those affected are not poor but middleclass. Despite the old stereotypes of minimumwage workers as invariably poor, the people earning minimum wages today live in families pretty much like everyone else's, because so many are second or third earners in relatively middle-class households. Last year, only about 18 percent of those working for the $3.35 minimum wage lived in poor families, while two-thirds were working part-time to supplement the family's income.[4]

A 1983 study based on Department of Labor data showed that minimum-wage earners in the 1970s lived in families that were distributed roughly evenly among every income level, from the poorest decile to the richest. In fact, the richest 20 percent of American households had a larger share of minimum-wage workers than did the poorest 20 percent of households.[5] Today, according to Department of Labor data, half of those who would benefit from a raise to $4.55-an-hour live in families making more than $23,000, and almost 85 percent live in families above the poverty line.[6]

Some people's making more than $4.55-an-hour could also gain through a "ratchet" effect. For example, the $4.00-an-hour server at a fast-food restaurant would likely get a raise if the minimum wage dishwasher received a raise under federal law. This effect is probably limited, however; and only a small minority of those affected would live in poor families.

The demographics of the low-wage work force make it clear that minimum-wage laws now target, not the working poor but those working for low wages—poor, middle-class or rich—and most are middle-class. Stated simply, the chief effect of a higher minimum wage today would be to increase incomes, not for working poor people but for a group of workers who are predominantly part-time, second earners in middle-class families.

More generally, the debate over the minimum-wage increase goes to the larger issue of the politics of entitlement, often defended by traditional liberals: Which economic benefits should the Government entitle people to, regardless of how rich or poor they are?

MINIMUM WAGE INCREASES: WHO PAYS?

Even if a higher minimum wage is not an efficient way to help poor workers, what's wrong with passing a law giving a raise to 14 million Americans from every walk of life, including more than 2 million poor people? It might, for example, improve the quality of some services by attracting more skilled second the third-earners into part-time, minimum-wage jobs. The answer is, it also would be regressive for many poor people who gain nothing and end up bearing part of the cost.

Some argue that the minimum wage is regressive because it reduces job opportunities for the poor—a view often pressed by conservatives opposed to most federal programs for the poor and eager to hold down costs for business. But that's not the basic reason it can be regressive. Certainly, employers will hire fewer minimum-wage workers when they have to pay more for them—but like the larger universe of low-wage jobs, these positions will be lost mainly by part-time workers in middle-class families.

There is also much dispute over the extent of those job losses, with estimates ranging from 60,000 to 350,000. Taking the midpoint—assuming that both sides are equally right or equally wrong—there will be 200,000 fewer new jobs if the minimum wage rises to $4.55 over 3 years, as Congress proposes. And these 200,000 fewer jobs, most part-time, represent $1.3 billion in lost economic output—a small, but real, cost in a $5 trillion economy supporting 116 million jobs.[7]

But if the higher minimum wage leaves the economy $1.3 billion smaller than it would otherwise be, where does the money come from to pay the additional labor costs for some 14 million people—which we estimate at $14.7 billion—when the minimum goes to $4.55 an hour?

(The estimate for the total cost of the additional pay for everyone earning an hourly wage of less than $4.55 is derived by calculating differences between current workers' wages and $4.55, and estimating the hours worked. We estimated the total to be $16 billion. There is a $1.3 billion savings, representing the wages of those whose jobs would be cut, leaving $14.7 billion.)

The answer, in a word, is inflation. As a rule, over time businesses pass on wage increases by raising their prices. Wherever there are minimum wage workers—at the supermarket, the laundromat, the movie theater; at restaurants, retail stores and gas stations—prices will go up.

In short, raising the minimum wage to $4.55-an-hour would be financed by transferring $14.7 billion from consumers to some 14 million people working today, full-time or part-time, for less than $4.55. There is no line item in the federal budget for their pay hike; but the federal action would cost every American, on average, $59 a year, or nearly $200 per family. (Note the cost will increase if there is a significant "ratchet" effect raising the wages of some people earning just over $4.55-an-hour.)

The $14.7 billion transfer may enhance the general social welfare, and $200 is not a large burden on prosperous families, or for those receiving the raise. But here's the problem: Less than one-quarter of the poor live in households where someone works for an hourly wage of less than $4.55.

Whatever its sponsors intend, raising the minimum wage entails a transfer that is regressive for the remaining three-fourths of America's poor, or almost 25 million people: Poor families headed by people working for themselves or in jobs excluded from the minimum wage; and poor households headed by people who don't work because they're elderly, or disabled, or can't read and write, or have an infant at home to take care of.[7]

Poor families spend less than average Americans—they have less to spend—and so, minimum-wage inflation will cost them less than the $200 average. Adjusting for expenditures by poor families, we estimate that the average poor household would pay $112 a year in higher prices. Even so, the poor bear the biggest burden of a higher minimum wage: $112 is almost 2 percent of the $5,774 median income for poor families—while $200 represents less than seven-tenths of 1 percent of the national median family income of $30,853.[8]

Despite the history of the minimum wage, despite its sponsors' good intentions, an increase, by itself, has certain plainly regressive effects: More than 75 percent of poor Americans would gain nothing, while having to pay an average of $112 per family in higher prices—in order to boost the incomes of some low-wage workers, nearly 85 percent of whom are not poor.

HELPING THE WORKING POOR

The enduring appeal of the minimum wage lies in a basic tenet of the American work ethic: Any American who works hard should be able to support a family in dignity—by living on the prosperous side of the poverty line. If the demographics of the work force preclude our honoring this prin-

Footnotes at end of article.

ciple by simply raising the minimum wage, progressives can take other steps.

Who are the working poor? They number more than 8 million Americans; 23 percent of them work full-time, year-round, and still their families are below the poverty line. Unlike poor people of America's central-city underclass, the working poor live in traditional families much like most Americans—but on less money. Nearly two-thirds of all working-poor families are headed by someone with at least a high school education; more than two-thirds are headed by a father or mother in their twenties or thirties; more than two-thirds live in suburbs or small towns.[7]

Despite their efforts to follow a traditional work ethic, full-time working-poor families are actually the poorest single group in America. They begin less poor than those who cannot work because they are disabled and elderly, or those who do not work; but they end up worse off because they get so little help from the government.

Harvard professor David Ellwood writes: "The social welfare system creates an astonishing inverse relationship between work and poverty. After government aid [e.g., Social Security, SSI, Medicare], the disabled and elderly who do not work are the least poor. Those who are unemployed or partially employed are the next worse off [i.e., after AFDC, medicaid and food stamps]. The full-time working poor end up the least secure of all. . . . *On average they are as far below the poverty line as single-parent families on welfare in which no one is working.*" *(emphasis added)*[10]

The only major support offered working poor families is the EITC, which currently provides up to $910, with an average benefit of $291. (EITC provides benefits equal to 14 percent of the wages of anyone supporting one or more children and earning less than about $6,500 a year, with smaller benefits for those with family incomes of up to about $19,000 a year. The current maximum benefit is not enough for someone earning $6,500 to support a family of three above the poverty line.)

EXPANDING THE EITC: HONORING THE WORK ETHIC FOR POOR WORKING FAMILIES

The EITC's means-tested benefits raise the incomes of needy working people, consistent with the promise of the American work ethic. Like the minimum wage, it ties government support to work, but by targeting the support to families based on their incomes, not on the wages of one member. Moreover, while less than one-third of all working poor would be covered by a $4.55 minimum wage, the EITC helps any working poor family with children—those who are salaried or self-employed, as well as those earning an hourly wage. And it is administered easily through the computers that presently withhold payroll and income taxes.

As a first step, a $5 billion expansion in EITC benefits, along the lines of legislation introduced by Senator Al Gore and Representative Thomas Downey, for instance, would bring a family of three within $1,500 of the poverty line—reducing working poverty nearly as much as would raising the minimum wage to $4.55 an hour, which will cost consumers nearly $15 billion.

The EITC is more efficient not only because it targets wage assistance for those who most need it—the working poor. Moreover, it helps all working poor and near-poor families with children—not just the 30 percent or so of the working poor who fall within the provisions of the minimum wage law. It also will not cost the economy jobs and output, because it does not raise labor costs for business. In fact, it may well help create jobs, by attracting more non-working poor into the work force. And the EITC is more progressive as well as more efficient. It will not increase prices for consumers, because it does not raise labor costs for business—and as a result, its costs are not passed on to millions of poor people who are not benefitting from it. Instead, the cost of honoring the work ethic by expanding the EITC can come from taxes which exempt poor people, working and non-working.

In the face of economic reasoning and evidence, why does Washington resist common sense? Apart from the force of ideological habit, the minimum wage debate today is driven by an understandable desire to help the working poor without increasing the deficit and facing hard choices on spending and taxes. Just as too many liberals and conservatives are stuck in the political formulas of the 1930s, so too many are also locked into the fiscal myopia of the 1980s, which considers any cost shifted to consumers and business to be "free." But outside official Washington, most Americans know that whether they reach into their pockets as taxpayers or as customers, the money comes from the same wallet.

For now, we recommend that progressives break the current deadlock by combining Republican support for a $4.25 hourly minimum wage with Democratic proposals for expanding the EITC, such as the Gore-Downey bill. (The Democrats' modest "training wage" plan is also much preferable to the President's more extensive one.)

The bipartisan combination would bring more working Americans closer to non-poverty, than would either step alone. Taken together, the two steps would bring a family of three headed by a full-time worker within $800 of the poverty line. The total cost to taxpayers and consumers would be less than the cost to consumers of the $4.55-an-hour minimum wage—which by itself would leave the same family $1,335 shy of the poverty line. (Taken alone, the $4.25-an-hour minimum would leave them $2,225 below the poverty line.)[11]

Over time, EITC benefits should be further increased, adjusted for the size of the family, and made available to working-poor households without children, in order to finally lift the families of all full-time workers out of poverty. At that point, the minimum wage can be allowed to fade into history.

A bigger and better EITC should not be financed by more federal borrowing, which can fuel inflation or higher interest rates, followed by a recession which would strike working-poor families hard and fast. But the deficit cannot be a permanent excuse for not honoring the national commitment to the work ethic. Political leaders determined to end poverty among hard-working families will find funds for the EITC by cutting spending that does not affect working families, or by raising new revenues. It will require new political leadership to mobilize public support for additional federal spending cuts—in defense, entitlements and some discretionary accounts. We also recommend restoring more progressive tax rates, so that wealthy taxpayers pay a higher rate than middle-class families.

A PROGRESSIVE SOCIAL COMPACT: FIRST STEPS

A society that persistently allows hard-working people and their families to live in poverty tacitly undermines the moral and practical value of work. And a society in which low-wage jobs often provide a lower standard of living than welfare, cannot credibly claim that hard work is the surest route to security and self-reliance.

These are the perverse outcomes of the market's failure to provide living wages for many on the low rungs of the economic ladder, and the government's failure to face up to how outdated policies affect working families.

We can remedy these failures—but not effectively through minimum wages.

We can begin with political leadership to expand the EITC, as part of a set of initiatives based on a progressive social compact that can nourish the work ethic and moderate America's growing economic inequality.

Even the EITC is only a temporary solution. Ultimately, the best response for working poverty is to help low-wage workers become more productive, so they can earn non-poverty incomes on their own. People become more productive by learning new skills and by working with more productive technologies. We should implement educational reforms and a comprehensive system of basic skills training. And we should encourage both research and development and job-training efforts in the industries and firms that depend on low-wage labor.

We also should reconsider the impact on all working families of the payroll tax, a regressive levy that finances a growing share of all federal programs.

A progressive social compact entails responsibilities for business, along with government and individual citizens. For example, millions of low-wage workers and their families do not have health-care coverage, and ultimately must depend on public programs. While business benefits from federal support for R&D and job training, as well as from the EITC for low-wage employees, so business should shoulder a significant share of the burden of providing health-care coverage from all full-time workers.

In coming months, we will offer more details of a progressive view on American citizenship. The first provision: Americans who work hard to support themselves and their families have the right to live above the poverty line.

FOOTNOTES

[1] *William E. Leuchtenburg,* Franklin D. Roosevelt and the New Deal, *The University Library, Harper & Row, Publishers, NY: 1963, p. 263; Paul H. Douglas and Joseph Hackman, "The Fair Labor Standards Act of 1938, I,"* in Political Science Quarterly, *Vol. LIII, No. 4, pp. 491ff.*

[2] *Department of Labor, Wage Rates, March 1988.*

[3] *Calculations based on data provided by Senate Committee on Labor and Human Resources.*

[4] *Ibid.; Isabel V. Sawhill, "Assisting the Working Poor," Statement before the Subcommittee on Human Resources, House Ways and Means Committee, March 21, 1989.*

[5] *William R. Johnson and Edgar K. Browning, "The Distributive and Efficiency Effects of Increasing the Minimum Wage: A Simulation,"* in American Economic Review, *Vol. 73, No. 1, pp. 204–211.*

[6] *Department of Labor; Wage Rates, March 1988.*

[7] *There are an estimated 2.2 million poor people working for an hourly wage of less than $4.55, with an estimated 7.8 million family members, or 24 percent of the nation's poor people. Some 59 percent of all poor households are headed by disabled or elderly persons or by someone who does not work. An estimated 17 percent of poor households are headed by working persons not eligible for the minimum wage, because they are self-employed or excluded from coverage, or working part-time for wages above $4.55 an hour. (See Sawhill,* op. cit.; Poverty in the United States, 1987, *Bureau of the Census, Current Population reports, series P-60.) In 1988, for example, 40 percent of working families with incomes below $9,100 a year—under the poverty line for a family of three—have wage earners working*

for more than $4.65 an hour. (Department of Labor, Wage Rates, March 1988.)

[8] *Calculation based on data from* Consumer Expenditure Survey, *Table I, Bureau of Labor Statistics, U.S. Department of Labor, April 1988 and* Poverty in the United States, *op. cit., Table 6 (family size). Note, some of the cost for elderly and disabled poor would be offset by COLA increases in social security benefits a year later: COLA increases attributed in the additional labor costs, however, also add to the total cost of the higher minimum wage.*

[9] *David T. Ellwood,* Poor Support, Poverty in the American Family, *Basic Books, N.Y.: 1988, chapter 4.*

[10] Ibid.

[11] *Note, the $5 billion EITC expansion would leave a family of three $1,500 shy of non-poverty status; the $4.55-an-hour minimum wage, along with the current EITC, would leave the same family $1,335 below the poverty line, at a consumer cost of $14.7 billion. (See Isaac Shapiro and Robert Greenstein, "Making Work Pay: A New Agenda for Poverty Policies," Center on Budget and Policy Priorities, Washington, DC: March 21, 1989.)*

HONORING F. SHERWOOD ROWLAND

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. COX. Mr. Speaker, it is my privilege to represent Orange County, CA, one of the leading urban areas in America. Today in our county, we have world class cities, internationally respected institutions of higher learning, and a thriving high technology economy that is unsurpassed around the globe.

Just a few short decades ago, however, Orange County was far different: part sleepy suburb of Los Angeles, part agricultural outpost, recognized mostly for being located in between the city of Angels and San Diego. The county has changed rapidly during the past half century. While all Orange Countians share in the pride of our region's accomplishments during recent history, the credit for much of our progress can be directly attributed to the hard work, dedication, vision, and leadership of a few greats.

In recognition of this fact, the University of California, Irvine, will honor F. Sherwood "Sherry" Rowland as one of Orange County's greats on Friday, June 16, 1989, with the award of its highest honor: The UCI Medal. This Congress should join in that tribute, and for that reason I am pleased to do so today.

The work of Sherry Rowland is familiar to all of us here in Washington. His research into the destruction of the Earth's ozone layer was a critical prerequisite to a new, higher awareness of our global environment. He was a founding faculty member at UC Irvine and has been responsible for drawing national and international recognition to our region with his outstanding academic research.

Mr. Speaker, Sherry Rowland, one of Orange County's greats, deserves the recognition of the U.S. Congress for the outstanding leadership and dedication that he has exhibited for the benefit of all. It is my privilege to applaud his accomplishments and to join with my colleagues today in saluting him as a great American.

TRIBUTE TO ED WILLIAMS

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. TANNER. Mr. Speaker, I rise today to recognize Mr. Ed Williams of Friendship, TN, who recently retired from the position of mayor of hometown. I think Mr. Williams' career as a public official deserves special recognition because he has devoted his life to public service.

In addition to 13 years in the mayor's office, Mr. Williams served on the Tennessee Highway Patrol for over 20 years, as a veterans service officer for 7 years, and as postmaster for 15 months. He also served in a part-time capacity as a special assistant to my predecessor Ed Jones. Serving as a mayor at the time, he was able to bring a special insight to the problems facing towns and communities in rural areas.

Ed Williams closes out his public career with the high regard of everyone who knows him. He never met a person he did not win over immediately and he never encountered a problem he did not try to solve. Friendship, TN, is going to miss his experience and his leadership, but he will, at last, be able to devote full time to his love of the outdoors.

I extend wishes for Ed and his wonderful wife Dorothy a long and happy retirement.

THE 40TH ANNIVERSARY OF MONSIGNOR O'GORMAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise today to call to the attention of the House an important event which will be celebrated on June 25 of this year, the 40th anniversary of the ordination of Msgr. Charles O'Gorman of Santa Clara Church in Oxnard, CA.

Monsignor O'Gorman has had a long and fruitful vocation in the service of church, country, and community. He was born January 27, 1925, in a farmhouse in Ballyhaise, County Cavan, Ireland, the ninth child of Edward and Mary Anne Cahill O'Gorman. He received his primary and high school education in local schools, and in 1943, following in the footsteps of two uncles who were priests, he entered All Hallows Seminary, where he was ordained in 1949.

Father O'Gorman then came to Los Angeles, where, after three parochial assignments, he volunteered for service in the U.S. Navy and was commissioned a lieutenant junior grade in June 1957. Eleven duty assignments, some in the United States, three overseas and one aboard ship followed. In September 1971 then Comdr. Charles O'Gorman, chaplain at Point Mugu Naval Air Station, received the Bronze Star with combat distinguishing device and Combat Action Ribbon, for meritorious service with Marine air units in Vietnam, ministering to isolated units and helping to organize social welfare programs for Vietnamese civilians.

In July 1977 he retired at Miramar Naval Air Station and came to Santa Clara Church as administrator in January 1978. He was named monsignor in September 1988 and formally installed on November 1, 1988.

Mr. Speaker, I would like to extend to Monsignor O'Gorman the best wishes and congratulations of the U.S. House of Representatives for his distinguished service to God, country, and community, and to wish him the very best as he marks the 40th anniversary of his ordination in the priesthood.

THE MILDRED AND CLAUDE PEPPER SCHOLARSHIP PROGRAM

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. WILLIAMS. Mr. Speaker, last year our late and beloved colleague Claude Pepper requested that the House pass legislation to create a scholarship program in honor of his late wife, Mildred. It is appropriate that we now so honor both Mildred and Claude Pepper. I am pleased to introduce today, along with Congressman MOAKLEY, legislation to authorize $500,000 to create a scholarship program in honor of the late Claude and Mildred Pepper. During his 41 years of public service, Claude Pepper was committed to reaching out to help those most in need of additional assistance. The Mildred and Claude Pepper Scholarship program will offer a special opportunity to those secondary students who are hearing impaired or otherwise disadvantaged or disabled; an opportunity to learn first hand about the American legislative process; a process to which he devoted so much of his life. Scholarship recipients will attend a week long seminar to observe the workings of the Congress followed by a month-long internship assignment in a congressional office.

The Mildred and Claude Pepper Scholarship Program will provide incentive to hundreds of young Americans to continue in the Pepper tradition of public service and achievement. It will also recognize Congressman Pepper's dedication and service to the handicapped, by focusing on the disabled student, primarily those with hearing impairments. The program will inevitably promote more independence for individuals with these special disabilities and would serve a very worthwhile transitional service, bridging the gap between the security of the classroom and the risks and opportunities in adulthood. Last year, Mr. Pepper wrote to me about this scholarship program, giving it his total support. I believe such a program would be a fitting tribute to him. I urge your support in continuing the work of our former colleague Claude Pepper by supporting this legislation.

VOL 135 PT 9 JE 14 — 22 1989 UMI

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. LEHMAN of Florida. Mr. Speaker, earlier today I missed the vote on the Hyde amendment due to a meeting I was attending on the Senate side concerning a matter in the supplemental appropriations bill. Although I had requested the Cloakroom to notify me of any votes, an unfortunate error in writing down the appropriate phone number prevented the Cloakroom from reaching me in time. Had I been present, I would have voted "no."

TRIBUTE TO MIO AU SABLE HIGH SCHOOL BASKETBALL TEAM

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to recognize the Mio Au Sable High School boys basketball team. Mio is located in the 10th Congressional District, which I have the honor of representing.

The Michigan High School Athletic Association recently selected the Mio Au Sable High School to be the first recipient of the new "tournament sportsmanship award" for their outstanding sportsmanship during the Michigan High School Athletic Association State finals held at the Crisler Arena. This award complements Mio's perfect 28–0 season. Mr. Speaker, the Mio High School basketball team not only demonstrated outstanding sportsmanship, this talented group of young men exhibited exemplary teamwork and sheer determination to capture the first Class D State Championship in the school's history. This honor demonstrates that high school athletics brings a school and community together in a common cause, sharing good memories that enrich the lives of everyone involved.

Mr. Speaker, and my colleagues in the House, please join me in congratulating this North Star League School for their accomplishments. They have made us all proud and I wish them the best of luck in the future.

U.S. ROLE IN EUROPE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SCHEUER. Mr. Speaker, I am pleased to submit into the RECORD an exemplary article by Elliott Kulick, the director of the National Democratic Institute for International Affairs and the Center for Democracy.

Elliott Kulick and I both recently attended ceremonies commemorating the 40th anniversary of the Council of Europe. We share the view that the United States should pay close attention to and maintain influence over the great changes that are taking place in Europe.

[From the International Herald Tribune, May 19, 1989]

(By Elliott Kulick)

I recently attended ceremonies to commemorate the 40th anniversary of the Council of Europe, Europe's oldest postwar institution and a vital instrument of Europe's new integration. Sadly, I was one of very few Americans there. My European friends were not surprised. The low U.S. presence at the event was not a matter of diplomatic error or administrative understaffing. It reflected a wider malaise: a drifting away from Europe at a time when the Continent is moving in new directions.

Traditionally, the American view of Europe has been divided into two extremes: Europe as a group of diverse and unrelated nation states, and Europe as a collective political and economic power. With the recent publicity surrounding the European Community and the plan for a single market in 1992. America has emphasized the latter perspective.

This dual vision has led to a good deal of confusion. Now, more than ever, it is debilitating. Economic and security issues are being brought together in new ways. The questions which lie ahead are significant. Will America continue its present levels of support for NATO? Will a wealthy European Community pay for its own defense, will East-West trade grow, and how does this affect the security relationship? It is a critical time for dialogue. But dialogue is sadly lacking.

America needs to be able to focus upon developments within a broad range of European spheres. It also needs to be able to anticipate European events. One practical means of achieving this would be to establish a stronger presence within the Council of Europe. The Council, with 23 member nations is the largest forum for policy recommendations within Europe. The 340 members of the Parliamentary Council are important representatives in their home governments. They are an excellent barometer of European opinion and are involved in the shaping of government policies. The council has contributed significantly to European policy in areas such as international law, health, education, the environment and transportation.

The Council of Europe also offers America a potentially useful forum for stressing common values and identity—what was once referred to as Atlantic "unity." An increasing number of European leaders find themselves questioning American understanding of the changes occurring in Europe, particularly with regard to East-West relations. At the same time, U.S. leaders are increasingly questioning the relevance and commitment of certain European groups to the Atlantic alliance.

The United States cannot afford to view events in Europe from the perspective of an outsider. American leaders must develop long-range strategies in conjunction with European leaders. Day-to-day cooperation and dialogue are the only methods through which the United States can help to shape European events.

American ideas can and should have an influence over the changing face of Europe, just as European ideas must be continually built into the American consciousness. This is a heritage of political ideals and shared values. It must not falter.

JOHN KUYERS, NEW PRESIDENT OF EDPAA

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. ARMEY. Mr. Speaker, I would like to recognize John A. Kuyers, newly elected president of the Data Processing Auditors Association [EDPAA]. Long and active member of the business and computer communities, Mr. Kuyers has displayed exceptional talent and durability in his field. His most recent accomplishment certainly merits our attention.

The EDPAA was founded in 1969 to assist in the maintenance of electronic data processing system control. It has since grown into an international organization concerned with the worldwide communication and education of its members. As the sole professional membership association committed to information systems auditing, the EDPAA combines data processing, accounting, management, and security for the purpose of developing more effective information systems.

Mr. Kuyers, a graduate of Michigan State University, boasts a career as successful as it is long. During his 23 years with the firm of Ernst & Whinney, he designed the company's national training program for computer auditing and served as regional director of computer audit for both the South and Midwest. A member of the computer system security and privacy advisory board, Mr. Kuyers holds a master's degree in business administration and is a certified CPA.

In this, the EDPAA's 21st year, the membership has selected John Kuyers to lead them. As president, he will build on the organization's already rich past by skillfully directing its promising future. I wish this most deserving new president the best of luck and continued success.

UNITED STATES-CUBA COMMUNICATIONS ACT INTRODUCED

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. CROCKETT. Mr. Speaker, today I am pleased to introduce the United States-Cuba Communications Act of 1989.

This act provides for the beginning of direct mail service to Cuba. In addition, it permits a United States common carrier to install, maintain, repair, and upgrade telephone communications equipment and facilities in Cuba. The bill also calls for the release of frozen funds held by the Treasury Department in compliance with the United States embargo against Cuba. The funds to be released are Cuba's share of revenues that have accrued over the years from telephone calls. The bill mandates that those released funds then be applied to the telephone repairs.

The freedom to communicate is a basic first amendment right. There is no reason why Americans should be deprived of that right in

peacetime. Yet as it stands now, mail from the United States to Cuba is sent via Canada or Mexico and can take up to 3 weeks. In addition, the telephone lines in Cuba are in such a state of disrepair that AT&T is only able to connect an estimated 2 percent of the phone calls placed each day.

The United States embargo against Cuba has prevented a United States common carrier such as AT&T from repairing or upgrading the lines, which were installed more than 30 years ago and have badly decayed over the years.

Mr. Speaker, I realize that usually when anyone mentions Cuba, red flags appear. I just want you to know that this bill is in no way as controversial as it might seem. For example, we have found that while Cuba-Americans differ substantially on whether the United States should normalize relations with Cuba, a large majority of them strongly support efforts to ease communications between their family members in Cuba and the United States.

Therefore, I urge my colleagues to look closely at this issue and to come down on the side of the freedom to communicate by supporting this bill.

HONORING HOWARD SCHNEIDERMAN

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. COX. Mr. Speaker, it is my privilege to represent Orange County, CA, one of the leading urban areas in America. Today in our county, we have world class cities, internationally respected institutions of higher learning, and a thriving hi-tech economy that is unsurpassed around the globe.

Just a few short decades ago, however, Orange County was far different: part sleepy suburb of Los Angeles, part agricultural outpost, recognized mostly for being located in between the City of Angels and San Diego. The county has changed rapidly during the past half century. While all Orange Countians share in the pride of our region's accomplishments during recent history, the credit for much of our progress can be directly attributed to the hard work, dedication, vision, and leadership of a few greats.

In recognition of this fact, the University of California, Irvine, will honor Howard Schneiderman as one of Orange County's greats on Friday, June 16, 1989, with the award of its highest honor: The UCI Medal. This Congress should join in that tribute, and for that reason I am pleased to do so today.

Howard Schneiderman, one of the early deans of biological sciences at UC Irvine, deserves much credit for the university's meteoric rise to world-class status. While he retired from teaching to join Monsanto 10 years ago, those at UC Irvine will tell you that he never really left the campus. He has continued serving as a professor on leave and, in the words of university administrators, "has served as a UCI ambassador throughout the country."

Mr. Speaker, Howard Schneiderman, one of Orange County's greats, deserves the recognition of the U.S. Congress for the outstanding leadership and dedication that he has exhibited for the benefit of all. It is my privilege to applaud his accomplishments and to join with my colleagues today in saluting him as a great American.

TRIBUTE TO WILLIAM HENDREN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise to bring to the attention of the House the retirement of William F. Hendren, senior pastor of the Church of the Foothills in Ventura, CA. Pastor Hendren has had a notable career as a minister, spanning 30 years, 23 of them in Ventura, as well as a distingushed record of community service.

A graduate of Carleton College and the Pacific School of Religion, Pastor Hendren began his career in 1959 as pastor of the North Berwyn Congregational Church in Berwyn IL. He began his pastorship at the Church of the Foothills in Ventura in 1966. In this position, Pastor Hendren has involved his congregation in various services to the community including the Victim-Witness Program, housing for the homeless, and hosting delegations from the U.S.S.R. He has served on the pastoral search committee for conference ministerial positions on the Southern California Conference of the United Church of Christ. He is also a member of the conference board of directors, and the church development and evangelism commission. He was elected conference moderator, the highest elected position, in 1986.

Pastor Hendren has also found time for numerous civic activities. He served as president of the Poinsettia School PTA, vice president of the Master Chorale, and cofounded and coached the Tigre Youth Track Club. He volunteers at a hotline as a call receiver, the Kimball House, and the American Field Service.

Pastor Hendren's lifetime of service to the community and to his chosen profession is an inspiration to us all, and on behalf of the U.S. House of Representatives, I would like to extend sincerest congratulations and our best wishes for a long and happy retirement.

TRIBUTE TO COMDR. DOUGLAS TIDBALL

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. WILLIAMS. Mr. Speaker, I rise today to take a moment to recognize my constitutent, Comdr. Douglas Tidball. Commander Tidball retires this week after serving more than 25 years in the U.S. Navy. Through those 25 years his outstanding years of service have included Vietnam shipboard duty, graduation from the Navy's Post Graduate School and most recently served as military special assistant to the Specification Control Advocate General of the Navy.

In this capacity Tidball was charged with implementing the congressionally mandated acquisition streamlining initiative. Starting from scratch Commander Tidball drew upon the intent of this initiative and built a program, both in policy and mechanics, that has been a valuable tool to Navy acquisition. He personally developed and implemented the training that has been critical in spreading the success of this initiative throughout the Navy. He personally established the mechanisms which effectively operate this initiative—thereby refocusing the entire acquisition mind-set of the Navy. As a result, Commander Tidball has been primarily responsible for the more than $2 billion in Navy acquisition savings attributed to this program.

Because such accomplishments often go unnoticed, I am pleased and proud to take this opportunity to recognize Comdr. Douglas Tidball for his distinguished career in service to these United States, and to say thank you for a job well done.

TRIBUTE TO BILL S. TANNER

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. TANNER. Mr. Speaker, I rise today to pay tribute to one of the many heroes of World War II. He is Bill Tanner, who served with distinction and honor with the 47th Infantry Regiment during some of the heaviest fighting in the European theater.

Bill Tanner received an Army commission as a second lieutenant in 1941. In 3 short years, he was promoted to lieutenant colonel and assumed the command of an infantry battalion prior to engagement in the decisive battle at Remagen Bridge over the Rhine River. For his gallantry in engagements of eight campaigns, Bill was awarded the Silver Star, the Bronze Star and the Purple Heart with Oak Leaf Cluster. Like many of his contemporaries, Bill returned home to Union City, TN, after the war, married, started farming, and raised a family.

Recently his exploits during the war came to light through feature stories in the Union Daily Messenger printed prior to his going to visit with the 3d Battalion, 47th Regiment now posted at Fort Lewis, WA. I ask that those articles be included in the RECORD.

Bill Tanner is recognized and respected by his community both for his service to his country in time of war and his involvement in the work of his community. The people of Union City and Obion County share great pride in Bill Tanner's achievements. Likewise, his family takes great pride in his accomplishments:

TANNER TO RECALL WAR DAYS FOR TODAY'S 47TH REGIMENT

(By David

(By David Bartholomew)

El Guettar. Bizerte. Sicily. The Remagen Bridge. The Roer Dams.

Chances are anyone under 60 might think they were getting a geography test if some-

one mentioned those far away places with the strange sounding names to them. But for those who have been there, and those who were waiting back home, the words have a hallowed ring.

They mean many things: The dreaded shock of a telegram saying a husband, son or brother was lost in action. The memory of being wounded in combat. A medal for heroism and bravery. And most of all, the sites are signposts along the way to an allied victory in World War II which preserved the freedoms we so often take for granted today.

Union Citian Bill Tanner will try to take the officers and non-coms of the 47th Infantry Regiment back to those decisive battles this weekend when he addresses them in a banquet at the regiment's home base, Fort Lewis, Wash.

As a young lieutenant colonel commanding the 3rd Battalion during the difficult days of World War II, Tanner distinguished himself and his unit, fighting first in North Africa and then through Europe, including leading his men into Germany, part of the first wave that crossed the Rhine River into the Nazi homeland.

A Distinguished Member of the Regiment, Tanner will leave for Fort Lewis Thursday for a four-day visit with his old outfit. While he sees his cronies from the war at annual reunions, he is being asked to share his memories of the 47th with men who were not even born when the outfit was kicking the Third Reich.

"It is a program, modeled I think, after the British program of famous regiments," Tanner explained. "They have the Blackwatch Regiment, the Coldstream Guards and others. Basically, it is designed to establish regimental continuity, build tradition and esprit de corps," Tanner said.

Tanner will be joined for the occasion by retired Brig. Gen. Chip Maness for the ceremonies. Maness was one of the commanders who served with Tanner and opted for a military career.

The ceremonies had been planned for several months ago but were delayed because the 47th has been serving in the Sinai Peninsula in the Middle East as part of the United Nations peacekeeping force.

While Tanner prefers to talk about the actions of his outfit, his own personal accolades are many. In three and a half years, he rose from a second lieutenant to lieutenant colonel and was successively a platoon leader, company commander and then battalion commander, a unit of 700 to 800 men.

Military records and data show Tanner was "recognized by all the officers and men of the regiment as one of the most courageous aggressive leaders in the regiment."

His personal honors are many, including the Silver Star, the nation's second highest award for personal gallantry; the Bronze Star with Oak Leaf Cluster; Purple Heart with Oak Leaf Cluster; Combat Infantryman's Badge; and a Presidential Unit Citation.

The Silver Star came in March 1943 while Tanner was serving in the North African campaign. His unit pinned down by machine gun fire, he charged the Nazi position and destroyed the machine gun nests, armed at the time only with a pistol.

He was wounded three times, the last time rather seriously at Dessau on the Elbe River, the farthest point of penetration by the 47th into Germany. While recuperating in England, he was personally invited by Gen. Randall—with whom he had served in North Africa—to come to the Pacific and take command of another battalion as the war was continuing there. "I told him thanks but no thanks. I had had enough and I was ready to come home," Tanner recalls.

Tanner will give the members of the 3rd Battalion some of the unit's history, trying to help the professional soldiers establish some roots with their unit. But it won't be history from a textbook. It will be the best kind, living history, not only from a man who was there but one who was a central figure in making it.

EIGHT CAMPAIGNS PUSHED COLONEL TANNER INTO SOME OF WAR'S WORST FIGHTING

It could have been yesterday, not almost a half-century ago, as Bill Tanner, decorated World War II veteran, recalls the eight major campaigns he was involved in with one of the Army's most famous units, the 47th Infantry.

Tanner commanded a battalion of that regiment and will be in Fort Lewis, Wash., this weekend to share his memories with the men who are now in the regiment's 3rd Battalion.

Perhaps the most famous battle came at the Remagen Bridge. As the Germans were being driven back to their homeland, they failed to blow the bridge and allied troops soon captured it. The 47th was to cross it and start the decisive drive towards the German heartland which would end the war.

Tanner recalls the role his battalion played.

"We were about 20 miles away and had marched right through the German army to get to a point overlooking the Rhine, just opposite Bonn. We walked in at night and I remember getting down by the side of the road, the men holding a blanket over me so I could look at the topographical map by flashlight.

"We had men who spoke German, so they led and would speak to any sentries we encountered and take care of them. As we came to houses, we sent men inside to make sure nothing went wrong. We were so close to their army we could smell their bacon frying and hear their orders. We got behind them though and spent a week or so calling for artillery fire to drop a few rounds right into the middle of their command post. We were watching every time we saw staff cars coming or going. But I had orders and coordinates so as not to call any fire on the cathedral there in town because it contained so many treasures," Tanner recalls.

On March 9, his unit was ordered down to the Remagen Bridge. Discovered by the Germans, the unit fought its way out through day-long bad weather and arrived at the bridge, just to be sent into battle about 7:30 in the evening, his objective a town about two miles away.

Concerned about hitting the heavily fortified fortress head-on, Tanner led his men across a mountain, coming out on the backside of the Germans. "I recall we got into some grape vines as we crossed the mountain and we had to crawl through row after row, each one having two wires, one about knee high and the other near head height. I was afraid we were going to get caught there come daylight but we made it through."

When the Germans discovered what had happened, they hastily turned their firepower around and set off what was one of the most fierce battles of the war as the Nazis tried desperately to retake the bridge and utilized the river to halt allied forces.

"We fought from one end of the town to the other, often in the same house together as we cleared it room by room. I recall seeing one company of 160 men; by nightfall there was a sergeant and eight men left. Another had only its lieutenant and 16 men. I lost the bulk of my battalion that day." Tanner remembers.

What Tanner and his battalion did that day as they worked to lead the allied forces forward has been memorialized in several books.

"It was surely some of the most intense fighting in the history of the world," he pointed out. The fierceness of it was so that during the course of the campaign, Tanner's rifle companies had 1,800 percent casualties.

He remembers the El Guettar battle along with the Remagen Bridge as the stiffest he was ever in. What didn't start out as much of a battle wound up costing many lives following the American landing at Saffi in French Morocco. It was there Tanner was elevated to company commander after his captain was killed.

He remembers other battles as well, such as the North African campaign, the work in Sicily and landing on the French coast in the Normandy invasion, four days after D-day.

He saw the war as his job, a responsibility thrust on him as he graduated from the University of Tennessee with a commission in 1941. What he will share in Fort Lewis is that if there is another place and another time but similar circumstances, he and the others of the 47th will be counting on the regiment to continue the proud tradition of being winning fighters.

JULIUS NAIMAN WINS 1989 SILVER POET AWARD

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. LEHMAN of Florida. Mr. Speaker, recently, a constituent and special friend of mine, Julius Naiman, was unanimously voted the 1989 Silver Poet Award by the World of Poetry's board of directors. This is an exclusive award for poets who have shown the confidence, skill, and depth to express themselves in poetry.

On September 2, 1989, Mr. Naiman will be honored for his achievement at the Fifth Annual World of Poetry Convention in Washington, DC. I would like to congratulate Julius Naiman on his outstanding poetry and share with my colleagues one of his excellent poems:

HAPPY NEW YEAR

(By Julius Naiman)

Today starting a new year,
  This is the wish I send:
May good fortune be yours always,
  And I your faithful friend.

It's my wish that you'll find happiness,
  Through the year that's on its way,
And only good and pleasant things,
  Will fill each coming day.

I hope that you'll have riches,
  Both in happiness and health,
And even though a small detail,
  I also wish you wealth.

A man and his dough may be parted,

But friendship never ends,
I'm not so rich in money,
But I'm wealthy when it comes to friends.
I'm proud to list you among them,
For a pal is worth more than gold.
You can trade money for chattels,
But friendship can't be bought or sold.
This card may be worth but a penny,
But I send it on its way,
It's just my little agent,
To express what I want to say.

STEVEN HUEY—A WINNER

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to extend my congratulations to Steven Huey, son of Gary and Bonnie Huey of Big Rapids, MI.

Steven placed first in the Grand Rapids Spelling Bee Finals to become the spelling bee champion for the State of Michigan. For his excellent performance, this eighth grade student from Big Rapids Middle School will have the privilege to apply his talents at the 1989 Scripps Howard National Spelling Bee Finals held in Washington, DC. This is the first time a student from the Big Rapids area has had the opportunity to compete in national competition.

Steven demonstrated his skill and determination which has proven to be very successful.

Mr. Speaker, and my colleagues in the House, please join me in congratulating Steven for his great accomplishment. Steven should be very proud and I extend to him my best wishes for success in the national finals.

STATEMENT ON DRUG ABUSE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SCHEUER. Mr. Speaker, I am pleased to insert into the CONGRESSIONAL RECORD a brief statement on drug abuse by Francis J. Wolfe, a longtime crime fighter in the city of New York.

CONGRESSMEN: I am Francis J. Wolfe. In 1968, I retired from the New York City Police Department after 28 years of service.

I spent ten years in the N.Y.C. Narcotics bureau, as lieutenant, captain and deputy inspector. I was in charge of all narcotics work in N.Y.C.

In 1968, I had four captains; eight lieutenants; 16 sergeants; 400 detectives; and a 20 man clerical staff. There were 55,000 addicts in N.Y.C. Today there are over 335,000 addicts, and we are losing the war! We now have 2100 men in the narcotics bureau.

In 1968, we used to seize kilos of cocaine and heroin. Today, we seize it by the ton. Gentlemen, we are losing the war.

If we were to enact a bill to legalize narcotics in the U.S., it would do the following:

1. Eliminate 90% of the crime.
2. Stop drug related shootings, killings, stabbings, robberies, burglaries, etc.
3. Eliminate organized crime cartels.
4. Reduce the number of High School dropouts.
5. Put people back to work.
6. Open factories for cars, steel, appliances, etc.
7. Make our streets, subways, and houses safe.
8. Make the U.S. the number one world economy.
9. Would help balance the budget.
10. We could feed, clothe, and educate the impoverished.
11. No more crack and heroin babies.
12. Reduce the number of Aids cases.
13. Put more cops on the beat further reducing crime.
14. Use jails for treating addicts.

CARL GARNER REACHES MILESTONE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. ALEXANDER. Mr. Speaker, it gives me great pleasure to mark a very significant milestone in the life of my good friend, Carl Garner of Heber Springs, AR.

On Friday, Carl—who serves as resident engineer at Greers Ferry Lake in my district—will receive a certificate in observance of his 50th year of Government service.

The person who coined the phrase "above and beyond the call of duty" must have known Carl, or at least someone like him. It is certainly the way he has approached his job during the past five decades.

Carl Garner is not only responsible for the development, construction, operation, and maintenance of Greers Ferry Lake, its parks, dams, and powerplant—he also has responsibility for 700 miles of streams and rivers, 55 miles of levees, and in providing assistance in disasters such as floods and tornadoes in a 4,000-square mile area of north central Arkansas.

That's a pretty full plate as we say at home, but Carl Garner doesn't stop there.

Because of his genuine love for the State of Arkansas and its environment, he was responsible for initiating the annual Greers Ferry Lake and Little Red River Cleanup Program. That program, Mr. Speaker, has received national recognition and served as the model for Federal Pulbic Land Day which came into being under a bill I was proud to sponsor in the House.

The purpose of the legislation was to take Carl Garner's cleanup idea beyond Greers Ferry. It worked. Today, efforts similar to the one he launched are carried on at many lakes, parks, and other locations throughout the Nation.

I would like to list just a few awards this most commendable program has received since it was launched in 1970: Eleven Keep America Beautiful National Awards (including two National Model Awards); three Take Pride in America Awards; Department of the Army Community Relations Award of Excellence; Chief of Engineers Award of Excellence; Congressional Award of Merit; Governor's Award of Excellence, and the Keep Arkansas Beautiful Association Pioneer Award.

Since 1970, more than 40,000 volunteers have been involved in the cleanup at Greers Ferry/Red River alone. They have removed 1,500 tons of garbage from the banks of the lake and river, making these beautiful locales even more enjoyable for the thousands of visitors who come each year.

I have been honored to participate in each of the cleanups and can personally attest that while the work is hard, the rewards are many.

The attention the program has received has also made people more aware of the problem of litter and preservation of the environment during the entire year.

Carl has also received the Department of the Army Exceptional Civilian Service Award, the highest civilian award the service can bestow, as well as being named Employee of the Year in the Little Rock District and Employee of the Year in Federal Service in Arkansas.

In addition to all of the time and energy he had devoted to his job, Carl also finds time to serve on Governor Bill Clinton's Keep Arkansas Beautiful Commission as well as giving his services to a number of other organizations.

During Carl Garner's 50 years of service, he has come in contact with people from all walks of life—from the family enjoying the beauty of the Greers Ferry Lake and Red River area to President John F. Kennedy. It was Carl Garner who was responsible for preparations for the dedication of Greers Ferry Dam by President Kennedy.

Carl was born and raised on a farm near Sulphur Rock, AR. His wife, Jean, also works for the Corps of Engineers—making it truly a family affair.

My friend, Carl Garner, has much to be proud of and we hope that he knows we are very proud of him. He exemplifies the best of those who have chosen Federal service as their careers.

ROBERTA COHEN-KOLIN

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. TOWNS. Mr. Speaker, it is my distinct honor to congratulate Ms. Roberta Cohen-Kolin of Staten Island, NY, on her years of service in the New York City school system.

Ms. Cohen-Kolin has served the community with dedication and commitment for over 25 years. Beginning in 1963, with her career as an elementary schoolteacher, Ms. Cohen-Kolin has evinced a willingness to employ a direct approach to overcome the difficult problems facing the inner-city school system. Willing to accept new challenges, Ms. Cohen-Kolin has served in various positions at all levels of the school-based educational hierarchy. Currently serving as principal of P.S. 290 in Brooklyn, NY, Ms. Cohen-Kolin manifests a type of educational leadership borne of experience, industriousness, and devotion.

In addition to her active participation in the education of others, Ms. Cohen-Kolin has managed to find time to further her education by acquiring a master of science degree in education.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Finally, her dedication to the educational mission was recognized by her peers when she was voted one of the Outstanding Elementary School Teachers of America.

I commend Ms. Cohen-Kolin for her professional achievements and service to the community. I wish her continued success in her future efforts.

DECONFRONTATION AGREEMENT ALONG THE GREEN LINE IN CYPRUS: LET'S KEEP THE MOMENTUM GOING

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. BROOMFIELD. Mr. Speaker, I want to commend the good work of the United Nations in brokering a deconfrontation agreement between the two parties to the Cyprus dispute. I trust that this plan will be the prelude to further progress in resolving the complex questions underlying the long standing Cyprus problem.

Since the 1974 invasion of Cyprus and the tragic partition of that island, United Nations forces have manned the green line, a buffer zone that divides the island. The military positions of the Greek and Turkish Cypriot forces in certain areas of Nicosia were, until recently, dangerously close to each other. This proximity resulted in numerous incidents over the years that claimed the lives of both Greek and Turkish Cypriot soldiers. Blood was shed for no reason along that line and more names were added to the long list of those who have been victimized by the Cyprus dilemma.

After lengthy discussions involving the United Nations, the Turkish Cypriots and the Greek Cypriots, a disengagement agreement went into effect on May 17 which resulted in the demanning of 12 sentry posts on each side of the buffer zone. These limited military adjustments are designed to avoid further unnecessary tragedies along the green line.

I want to commend the good work of the Secretary General as well as the persistence of Maj. Gen. Clive Milner of Canada, the new commander of the United Nations Forces in Cyprus, in making this disengagement plan a reality.

If progress can be made on the deconfrontation issue, I hope that the Greek and Turkish Cypriots will also be able to move forward with the same spirit of cooperation and bring about a resolution of the New Famagusta [Varosha] problem. Since 1974, that once thriving coastal city has been abandoned and millions of dollars in buildings and city services have been ruined by lack of proper upkeep. With the exception of a few Turkish and Greek Cypriot students, that city has been put "off limits" to both Turkish and Greek Cypriots. A 1984 Security Council Resolution called for the transfer of the city to the administration of the United Nations. A resolution of the New Famagusta issue would be a welcome step forward in the ongoing intercommunal talks between the two communities on that island.

I have followed the tragedy of Cyprus for many years here on the Foreign Affairs Committee. I am realistic and know that there are no quick and easy solutions to the complex problems on that divided island. A dramatic breakthrough, however, is desperately needed in the ongoing talks. I hope that this recent small achievement can lead to further substantive progress in resolving the challenging issues that characterize the Cyprus dispute.

HONORING RICHARD HAUSMAN

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. COX. Mr. Speaker, it is my privilege to represent Orange County, CA, one of the leading urban areas in America. Today in our county, we have world class cities, internationally respected institutions of higher learning, and a thriving high technology economy that is unsurpassed around the globe.

Just a few short decades ago, however, Orange County was far different: Part sleepy suburb of Los Angeles, part agricultural outpost, recognized mostly for being located in between the City of Angels and San Diego. The county has changed rapidly during the past half century. While all Orange Countians share in the pride of our region's accomplishments during recent history, the credit for much of our progress can be directly attributed to the hard work, dedication, vision, and leadership of a few greats.

In recognition of this fact, the University of California, Irvine, will honor Richard Hausman as one of Orange County's greats on Friday, June 16, 1989, with the award of its highest honor: The UCI Medal. This Congress should join in that tribute, and for that reason I am pleased to do so today.

Richard Hausman, vice chairman of Allergan Pharmaceutical, Inc., has been a close friend of the University of California for over 15 years. He established one of the first endowed chairs in the College of Medicine, and recently agreed to cochair UC Irvine's first capital campaign. His company's growth to become a world leader has been a key to our region's success. Dick Hausman's committment to higher education and commerce is truly exemplary.

Mr. Speaker, Richard Hausman, one of Orange County's greats, deserves the recognition of the U.S. Congress for the outstanding leadership and dedication that he has exhibited for the benefit of all. It is my privilege to applaud his accomplishments and to join with my colleagues today in saluting him as a great American.

JOB CORPS AMENDMENTS OF 1989

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. WILLIAMS. Mr. Speaker, I rise today to introduce amendments to the Job Corps Program which are designed to improve services to the many young Americans who participate in Job Corps each year.

These amendments would: First, increase the upper age limit in the program from 22 to 25; second, clarify the authority to permit concurrent or subsequent participation in Job Corps and JTPA for the benefit of the individual; third, increase the limitation on nonresidential participation in Job Corps from 10 to 20 percent nationally; fourth, provide child care for children of enrollees; fifth, provide alcohol and drug abuse counseling; and, sixth, establish limits on administrative reductions.

My amendments are primarily the result of the research and demonstration findings conducted by the Department of Labor.

TRIBUTE TO HUBERT STEELE, JR.

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. McEWEN. Mr. Speaker, I rise today to bring to your attention the accomplishments of Hubert Steele, Jr., of Portsmouth, OH. Hubert holds the rank of captain in the Salvation Army, but to those who know him best, Hubert holds the far greater unofficial title of "Good Neighbor Extraordinaire."

In Portsmouth, and in his previous home of Middletown, OH, Hubert has developed an unmatched reputation for helping those who are needy and less fortunate. That is not to say that he has performed his good deeds with an eye on drawing attention to himself. On the contrary, this selfless man has done much of his best work under nightfall, when scarcely anyone else has been awake to notice.

Hubert is special because he views an opportunity to help others as a blessing, and it doesn't seem to bother him that those opportunities can present themselves at times which others might consider inconvenient. Though a Salvation Army officer is not required to be on call 24 hours a day, Hubert has spent many a sleepless night serving people in need.

For instance, Hubert has been called at 3 or 4 o'clock in the morning to drive people he did not know to the hospital. He has responded willingly. Similarly, Hubert worked night and day supplying food to firefighters as they fought severe summer forest fires in southern Ohio the past several years. It is at such odd hours, under trying circumstances, when people like Hubert reveal the true extent of their concern for others.

His fellow workers in the Salvation Army have watched Hubert take the shoes off his own feet in order to give them to a homeless person who had no shoes. He has worked tirelessly to end the use of drugs in his community, and taken the children of drug-torn families under his wing, steering them down the path toward productive lives. He has taken the last $5 from his wallet in order to buy milk for a mother to give to her hungry baby.

Many good and decent people try to be helpful to others, to perform charitable acts and ease suffering in a less-than-perfect

world. But the human tendency is to help others on our own terms, in ways that best fit our busy schedules. Hubert is noteworthy because he steps in to help not when it is easy to do so, but when it might require the greatest personal sacrifice.

After many years of helping southern Ohioans, Hubert, a retired steelworker, and his wife, Diane, are moving to New York, where he will become the head of an alcohol rehabilitation center in Manhattan. It is my wish that the people of New York City might receive just a fraction of the benefits of Hubert's service that he has already freely given to the people of Ohio. But of course, Hubert will give New Yorkers his very best, which is much indeed.

Mr. Speaker, I hope you and our colleagues will join Hubert's sons, Hubert III and Scott, his daughter, Rhonda, and his grandchildren, and Hubert's many friends and me in applauding his good work, and wishing him all the best in his new assignment in New York.

TERROR IN CHINA

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, we are all acutely aware of the large number of American citizens who have been detained in China since troops moved into Tiananmen Square on June 3. I am sure all of my colleagues have joined me in devoting their efforts to the safe and immediate return of all the Americans detained in China.

Today, I would like to welcome home two members of New York's First Congressional District. Profs. Scott Feld and his wife Jill Suitor have recently returned to their home in South Setauket, NY, after being detained in Beijing by Chinese troops. Mr. Feld and his pregnant wife showed inspiring bravery as they calmly responded to the horror of being faced with Chinese guns. We can only try to imagine the terror this couple lived with as they were lined up against a wall by troops, fearing they would be shot. The couple's nightmare continued as they were detained in large rooms surrounded by troops. After their release, the couple spent 2 grueling days making accommodations to return to the United States.

I am very pleased that Scott Feld and Jill Suitor are safely back in New York and I ask my colleagues to join me in welcoming this couple home. I want to encourage the Members of Congress to continue to work for the safe return of all American citizens who are facing fear similar to that of this returned couple.

IN RECOGNITION OF THE FORT GUIJARROS MUSEUM FOUNDATION

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. LOWERY of California. Mr. Speaker, today I would like to applaud the tireless volunteer efforts of the Fort Guijarros Museum Foundation of San Diego, CA.

Over the past few years, extremely limited land resources have forced the Naval Submarine Base of San Diego to build on sites of suspected or known archeological significance. To mitigate the adverse effects caused by the construction projects, the foundation, headed by Ronald Y. Mays, has provided advice and counseling to the naval base commander and coordinated with the State historic preservation officer, naval engineering command, and local agencies and archeologists.

In addition, the Fort Guijarros Museum Foundation has volunteered vast amounts of equipment and labor to locate and document such sites as Fort Guijarros, the first coastal fortification in California, and the Ballast Point whaling station. Of particularly significant merit was the whaling station project, located on the proposed site of a Coast Guard search and rescue facility. On short notice, over 400 man-days were contributed to the recovery of the whaling station. Among the discoveries was a Tryworks Oven Foundation, the brick furnace in which metallic pots were used to render whale oil.

The Tryworks, which was relocated and preserved for future study, is the only known intact example of its kind in the United States. The efforts of the foundation allowed the Coast Guard's project to be completed on time and as planned, saving the Government more than $50,000.

The foundation's efforts have not only assisted in the preservation of irreplaceable archeological artifacts, but also facilitated the successful and efficient development of the submarine base, increased overall awareness of the unique history of San Diego, and greatly improved public relations for the Navy in the area. Mr. Speaker, I ask you to join me in saluting the inspiring dedication and initiative of the Fort Guijarros Museum Foundation.

HONORING DONALD BREN

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. COX. Mr. Speaker, it is my privilege to represent Orange County, CA, one of the leading urban areas in America. Today in our county, we have world class cities, internationally respected institutions of higher learning, and a thriving hi-tech economy that is unsurpassed around the globe.

Just a few short decades ago, however, Orange County was far different: Part sleepy suburb of Los Angeles, part agricultural outpost, recognized mostly for being located in between the City of Angels and San Diego. The county has changed rapidly during the past half century. While all Orange Countians share in the pride of our region's accomplishments during recent history, the credit for much of our progress can be directly attributed to the hard work, dedication, vision, and leadership of a few greats.

In recognition of this fact, the University of California, Irvine, will honor Donald Bren as one of Orange County's greats on Friday, June 16, 1989, with its highest award: The UCI Medal. This Congress should join in that tribute, Mr. Speaker, and for that reason I am pleased to bring this commendation to the floor of the House today.

Donald Bren, the chairman of the board of the Irvine Co., has long been committed to improving the quality of life for all Americans, as evidenced by his outstanding support of higher education and his extraordinary contribution to our economy. Through his company, he has helped hundreds of businesses to create thousands of jobs for Californians, and he has helped to house thousands more. He has, moreover, been a leader in UCI's efforts to educate future generations of Californians and future world leaders. His endowment of the Bren Fellows program and his key role in the construction of the Bren Center at UCI are just two examples of his dedication to higher learning and to our citizens.

Mr. Speaker, Donald Bren, one of Orange County's greats, deserves the recognition of the U.S. Congress for the outstanding leadership and dedication that he has exhibited for the benefit of all. It is my privilege to applaud his accomplishments and to join with my colleagues today in saluting him as a great American.

THE SATELLITE PUBLIC EDUCATION AND INFORMATION ACT OF 1989

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. WILLIAMS. Mr. Speaker, today I am introducing the Satellite Public Education and Information Act of 1989. This legislation seeks to promote the widest possible dissemination and use of telecommunications programming which is supported by the Federal Government.

For some time the Federal Government, through a number of efforts and agencies, has helped finance and promote a wide variety of valuable educational and informational programming. It is an excellent and worthwhile endeavor that well serves the American public by expanding the range of information our free society relies upon. These efforts are especially important for folks who live in the sparsely populated or rural regions of our country where conventional reception of telecommunications often is difficult.

In this age of extraordinary advances in communications, our national policy should do all it can to encourage the free and unrestrained flow of information—especially information and programming which the American

VOL 135 PT 9 JE 14 — 22 1989 UMI

taxpayers have financed. Unfortunately, in some areas restrictions have been imposed on the access and use of federally supported programming. My bill simply asserts that open dissemination, instead of the narrowing of avenues for information, is the best public policy, and it calls for the unrestrained dissemination of programming which the Federal Government has financed.

CONSECRATION OF ASSUMPTION GREEK ORTHODOX CHURCH

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to the parishioners, clergy, and friends of Assumption Greek Orthodox Church of St. Clair Shores, MI, as they consecrate their new church according to ancient Byzantine rites.

Beginning with a Vespers service on Saturday, June 17, 1989, honoring the memory of martyrs who died for their ideas. His Eminence Archbishop Iakovos, His Grace Bishop Timmothy of Detroit, Pastor Reverend Demetrios S. Kavadas, and Assistant Pastor Reverend Constantine Makrinos will lead the parish in the ceremonial baptism of their new church, thereby setting it apart as a sacred place.

The consecration ceremony will occur the next morning on Sunday, June 18, 1989. During this ancient Byzantine ceremony, Archbishop Iakovos will permanently seal a gold box containing the relics of St. George the Great Martyr, St. Boniface and the Martyrs of Mount Sinai, all from the third century, in the cavity of the altar. This timeless ceremony will establish a spiritual link between their new church and the Holy Land thousands of miles away.

Furthermore, I understand that the Greek Orthodox clergy has invited the religious leaders from the many different faiths of greater Detroit to participate in an ecumenical council prior to the opening vesper service. This weekend represents the most important event in a church's spiritual life. The willingness of the Assumption parishioners to share this special moment exemplifies their commitment to the community and to the foundations of our free country.

I am honored to see the Greek Orthodox hierarchy transplant their centuries-old traditions and beliefs here in St. Clair Shores, MI. As a Nation we have always welcomed people of many creeds and religious beliefs, guaranteeing them freedom of thought and religion. And as a Nation, I am sure my colleagues will agree that we have become the most culturally rich society in the world.

Mr. Speaker, thank you for allowing me to commemorate this special moment. I would like to offer the very best wishes and hopes to the clergy, parishioners, and friends of Assumption Greek Orthodox Church for their continued success in the years to come.

SALUTE TO MRS. GERALDINE STOCKER

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. EMERSON. Mr. Speaker, my colleagues and I know that as Members of the House of Representatives, we are fortunate to have the opportunity to meet many diverse types of people. However, it is truly a rare and welcome occasion when one is afforded the opportunity to meet an individual as dynamic, inspiring, and special as Geraldine Stocker.

Mrs. Stocker, who is from Farmington, MO, located in the Eighth District of Missouri which I represent here in the House, received her general equivalency diploma [GED] after completing the Adult Basic Education Program at Lead Belt Vocational Technical School. Now, the unique twist in this very special success story is that Mrs. Stocker is 92 years old—the oldest person in the State of Missouri to ever earn an equivalency degree. Mrs. Stocker decided to finish her high school diploma after her children began families of their own and her husband of 46 years passed away. As you might imagine, because 78 years had passed since she had completed the ninth grade, Mrs. Stocker experienced the most problems with the math and social sciences questions. Can you imagine having to test out on the new math today? On the other hand, the reading and writing sections of the exam posed few problems, thanks to Mrs. Stocker's experience in writing for senior citizen's publications. Mrs. Stocker passed the examination for her general equivalency diploma with a score of 248. Even more remarkable is that she earned her GED on her first attempt.

What is Mrs. Stocker planning for the future? Never one to rest on her laurels, Mrs. Stocker has great plans for her years ahead. In a recent inteview in the St. Louis Post Dispatch she said, "I hope to go to college this fall. I want to learn sign language. I'm sort of hard of hearing myself, and a couple at the church had a grandson who was born deaf. Maybe it'll be a help to someone."

For her own self-edification, Mrs. Stocker wants to study geology in college—that is if she has time between pursuing her hobbies of playing the organ and listening to Cardinals baseball games and dancing at the local senior citizens center.

Mr. Speaker, I have recently had the pleasure of meeting Mrs. Stocker. I was extremely impressed by her great fortitude and strength. Not many of us can boast of such courage, will, and gumption when we are 22 years old, much less 92. I am proud that I am able to refer to Geraldine Stocker as a constituent of mine. I am proud that she has seized this opportunity to further her education and improve herself. I am proud of Geraldine Stocker. And, I would like to take this opportunity to salute this truly remarkable individual.

BEST WISHES IN FUTURE ENDEAVORS TO MR. AND MRS. WRIGHT

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. WILLIAMS. Mr. Speaker, Dr. Nick Masters recently wrote the following letter to his friend, Jim Wright.

In particular, I wanted to bring the next to last paragraph to the attention of the House.

CONGRESS OF THE UNITED STATES,
Washington, DC, June 1, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The announcement of your resignation as Speaker and later as a Member of the House of Representatives can only be viewed by me with the deepest regret. The defense of your position as to the alleged violation of House rules was eloquently presented by you before the House of Representatives and, indeed as a result of television, before the American people. The citizens of Fort Worth, your Texas Democratic colleagues, and Members from every congressional delegation were saddened by the turn of events that led to your resignation.

What is amazing in this whole process, and I think to your credit, was that there was very little disagreement as to the facts. Everyone knew that Mrs. Wright drew a salary. Everyone knew that there was a condominium at her disposal when in Fort Worth. Everyone knew that Carlos Moore published a book written by you. Everyone also knew that these books were sold in bulk and that you received royalties from the sale of the book. What then really happened if no one disagrees as to the basic facts?

Mr. Richard Phelan, Special Counsel, started with the basic proposition that facts are meaningless unless they are related to some explanatory theory. Given this assumption, Phelan constructed a theoretical scheme to explain these facts. In so doing, Phelan was very selective about what facts he would leave out, and very careless in reporting the details surrounding his theory. Even worse, Phelan committed the most egregious error of all—he deliberately misrepresented or misconstrued critical testimony presented to the House Committee on Standards and Conduct and sought to cover up his misdeed by having the Committee threaten a witness who attempted to correct his testimony. He did all this before the respondent or his attorneys had a reasonable opportunity to question Mr. Phelan's theoretical explanation of the facts. I don't think there is any question that the Committee on Standards and Conduct, and I say this largely because of the advice given to Members of the Committee by their Special Counsel, violated the basic requirements of due process.

In any event, none of this matters now, because the American people will pay for Mr. Phelan's actions for years to come. Mr. Speaker, you are a man of substance. You are a man who is concerned about the direction of public policy. You are a person who uses power to assist and help people. In short, over your 34 years in the Congress, you have made a difference. Therefore, be-

cause of your departure, and because I believe it will be some time before we return to your kind of leadership, there will be fewer people getting a college education. There will be fewer people buying homes at reasonable prices. There will be fewer people benefiting from the Nation's health services. And there will be fewer people finding meaningful jobs in society. Indeed, you have made a difference and it will be some time before we fill the void left by your resignation.

May I join the millions of Americans who, I am sure, hope that you remain a public man. I wish the best of luck to you and Mrs. Wright in whatever endeavor you may choose.

Sincerely,

NICHOLAS A. MASTERS,
Committee on the Budget.

THE BOASTINGS OF AN ABORTIONIST—THE TRAGEDY CONTINUES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. DORNAN of California. Mr. Speaker, I would like to share with you an incredible article which was published about 9 years ago in the San Diego Union. Although it was published on October 12, 1980, it is still worthy of receiving careful attention today. It reveals the horrible truths about the American abortion industry.

This article is an interview with a doctor who became a multimillionaire by forming the largest chain of abortion clinics in California. By his own words and example, Dr. Allred testifies to the callous, greedy, and racist attitudes which are prevalent in the abortion industry, an industry which generates at least $282 million annually as recently reported in the media. Dr. Allred boasts that he has "eliminated needless patient-physician contact," that he likes to spend no more than 5 minutes on each abortion, and that he opened his clinics to "help stem the Hispanic tide" into the United States.

This candid testimony, coming from the doctor who profits from the abortion business, exposes the inherent realities of the American tragedy of abortion—the exploitation of women, the poor, and the "undesirables," not to mention the cold-hearted disregard for human life.

I urge my colleagues to read this horrifying article.

[From the San Diego Union, Oct. 12, 1980]

DOCTOR'S ABORTION BUSINESS IS LUCRATIVE

(By Anthony Perry)

Abortion is a business in Edward Campbell Allred, and business has never been better.

Since finishing a two-year hitch as an Army doctor in 1967 with "a negative net worth," Allred has become a multimillionaire by forming the largest chain of abortion clinics in California. Allred estimates his clinics will perform upwards of 60,000 abortions this year—up from 40,000 just two years ago.

Allred also owns two industrial medical practices, two pharmacies and a portfolio of silver and oil stocks, but his main investment is his abortion business.

Allred declines to discuss his finances, but state health officials estimate Allred's 12 clinics and 22-bed abortion hospital will gross more than $12 million this year—about 25 percent from Medi-Cal.

A new clinic will open in Long Beach this January, and Allred talks of opening one in Calexico to "help stem the Hispanic tide" into the United States.

"I love to work very hard," said Allred, who performs an estimated 1,800 abortions each month. "I almost feel guilty when I'm not working. Golf is the only thing that can take my mind off work. But if I'm away more than a day or two I get nervous and worried and have to get back to work."

Allred may love to work, but he also loves his leisure hours and the pleasures his lucrative Family Planning Associates Medical Group abortion clinics can buy.

Allred owns homes in Fresno, Long Beach and La Crescenta, a 270-acre ranch near San Luis Obispo, a 6,500-acre cattle ranch in Nevada, and one of the largest stables of quarter horses in the country. He uses his Mercedes 450XL or two planes, including his 10-place King Air 200 turboprop, to travel between clinics.

An Allred horse named Rich Grich won the $330,0000 Golden State Derby this year at Bay Meadows Race Track in San Mateo. Allred's Charger Bar earned nearly $500,000 before being retired for breeding. Allred owns about 200 quarter horses—about 40 of which are on the race track circuit.

Allred, 44, is a 1964 graduate of the Loma Linda University Medical School run by the Seventh-day Adventist Church. He said he would have prefered to be a lawyer or politician but "every good Seventh-day Adventist boy is supposed to become a doctor."

"I was not much interested in science or medicine, frankly," Allred said "I went to USC Law School but dropped out. I didn't have much aptitude for science but all my friends were going to medical school so I went. My instincts, I think, were better suited to the business world than medicine.";

Allred's interest in politics persists, however. A moderate to conservative Republican, Allred has contibuted to Ronald Reagan's campaigns "since the early days." He also contributed to the gubernatorial campaign of Sen. Ken Maddy, R-Fresno, (despite Maddy's anti-abortion views) and the campaign by Carey Peck to defeat Rep. Robert Dornan, R-Calif., a staunch foe of abortion.

Allred began his abortion business soon after passage of a 1967 state law allowing abortion in cases where the mother's mental health was endangered. Allred was administrator of the 22-bed Avalon Memorial Hospital (which he later bought) near Watts when the law passed.

Allred quickly made Avalon the leader in the abortion business. He says he was urged to turn Avalon into a abortion hospital by officials of the Los Angeles Free Clinic—a version of events which clinic officials say is not true.

"Here we were, this tiny hospital in the worst area of town, doing 17,000 abortions the year before the 1973 Supreme Court decision and our nearest competitor was doing 6,000," Allred said. "We just worked at it harder and were organized better than our competitors.

"Half of our patients were from out of state. Planeloads would come in on the weekends from Houston and Dallas-Fort Worth. We'd meet them at the plane with a bus and take them directly to the hotel. I'd work fom 6 in the morning until midnight performing abortions."

After the Supreme Court struck down all anti-abortion laws. Allred began expanding into outpatient clinics where women could get abortions without staying overnight in a hospital. Allred now has clinics in San Diego, Orange, Riverside, Los Angeles, Ventura, Kern, Fresno and Stanislaus counties.

"We've been pioneers in so many ways," Allred said. "We dropped the psychiatric evaluation even before the Supreme Court decision. We let the physican make the mental health decision. We streamlined, we made efficiencies, we employed the suction technique better than anyone, and we eliminated needless patient-physician contact."

A typical Allred clinic does abortions only two or three days a week. On other days nurses give pregnancy exams and postoperative follow-ups. Allred and his staff arrive only for the abortions. Allred tries to visit each clinic at least once a month.

Allred prides himself on keeping the clinics clean, comfortable and stocked with the least in medical equipment. The San Diego clinic, for example, has a plush, carpeted waiting room, two spotless operating rooms, two recovery rooms, and every piece of equipment suggested for outpatient gynecological surgery in a recent edition of Clinical Obstetrics and Gynecology.

Allred and his staff work quickly. Allred likes to spend no more than five minutes on each abortion in order, he says, to reduce the amount of anesthesia needed and the chances of anesthesia-related problems. Speed also means lower prices, Allred argues.

At the San Diego clinic, on Alvarado Road, a first trimester suction abortion costs $160 with a local anesthetic, $185 with a general anesthetic, according to clinic director Kazumi Kato. Abortions for Mexican nationals cost $150, regardless of the type of anesthetic, Kato said, because "they can't afford more."

Kato says the doctors sometimes are told to slow down because the recovery rooms are full.

The secret of the clinics' efficiency, Allred said, is "giving everyone one job to do and them making them an expert at it."

"We try to use the physician for his technical skill and reduce the one-to-one relationship with the patient," Allred said. "We usually see the patient for the first time on the operating table and then not again. More contact is just not efficient. A nurse-practitioner is adequate, although, of course, the doctors are always ready if there are problems."

Allred is also proud that he has neve lost a malpractice suit. Nor has a medical charge ever been filed against him with the Board of Medical Quality Assurance. Even Camen Trujillo, president of the California Pro-Life Council, says, "Our feedback is that the clinics are clean and medically sound."

The clinics do not require hospital licenses and thus do not receive the same scrutiny as hospitals by state health officials—a fact that suits Allred fine. "We hate having state bureaucrats crawling around," he said. "The state doesn't know a damned thing about abortions."

The Allred clinics perform the abortions for the Insurance Co. of North America and three hospitals run by the Kaiser health plan ("We're negotiating to get the work from two more.")

Allred said he was interested in population control even before he went into the

VOL 135 PT 9 JE 14 — 22 1989 UMI

abortion business. He said he and his wife decided 20 years ago to have no children and never regretted his decision. He suffers the controversy surrounding abortion without apparent turmoil ("It's inevitable") and refuses to debate morality ("I'm not a philosopher.")

Population control is too important to be stopped by some right-wing pro-life types," Allred said. "Take the new influx of Hispanic immigrants. Their lack of respect for democracy and social order is frightening. I hope I can do something to stem that tide; I'd set up a clinic in Mexico for free if I could. Maybe one in Calexico would help. The survival of our society could be at stake."

Eliminating welfare would be a good step toward population control, Allred said.

"The Aid to Families with Dependent Children program is the worst boondoggle ever created," he said. "When a sullen black woman of 17 or 18 can decide to have a baby and get welfare and food stamps and become a burden to all of us, it's time to stop. In parts of South Los Angeles having babies for welfare is the only industry the people have."

If the state eliminates Medi-Cal funding for abortions, Allred said his clincis might continue giving free abortions to poor women "for the social good." Besides, he said, the funding issue will be moot when the pharmaceutical industry perfects the abortion suppository, probably within the next decade.

"When the suppository is available at every drugstore, I'll be a dinosaur," Allred said. "I'll be glad to get out of the business. I'm sure I'll be remembered as a pioneer. I love what I've created, and I love my organization."

THE STEVEN McDONALD STORY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. MANTON. Mr. Speaker, today I am commending to my colleagues' attention the second and third parts of the series in Newsday on Steven McDonald. Steven and his wife Patti Ann suffered a tragedy of immeasurable consequences 3 years ago when Steven, a young New York City Police officer at the time, was seriously injured in a vicious shooting while questioning three young suspects. Yet, both Steven and Patti Ann have demonstrated a strength of will and courage which most of us could only hope to achieve and maintain. Their determination not to allow this tragic misfortune to defeat them, I believe, can be attributed in great part to their deep love for one another and their young son, Conor, and the strength and support of their family and friends.

Steven McDonald and the many other public safety officers throughout our country who have suffered similar catastrophic injuries in the line of duty deserve our recognition and support for their unselfish service to their communities. I hope my colleagues will join me as original cosponsors of the Steven McDonald Public Safety Officer's Compensation Act.

THE STEVEN McDONALD STORY—THE EARLY MONTHS AT BELLEVUE

(By Steven McDonald and Patti Ann McDonald with E.J. Kahn III)

Bellevue Hospital, July 12, 9 p.m.—A group of officers led us through the emergency ward entrance. In the crowd outside the trauma room, I spotted my mother and father. I was startled. Their faces looked as if . . . as if someone had died.

"Why is everyone here?" I demanded to know. "What's going on? I want to know."

"Calm down," my mother tried to advise me.

"No," I said. "Where is Steven? I want to see him."

"Oh, he's somewhere else," they told me. "Sit down. We'll bring you up to date . . ."

"No," I cut them off angrily. "I want to see him now."

After a few minutes, the hospital relented, and I was allowed into the three-bed emergency ward, just off the trauma room. Then I saw Steven. I was shocked.

Steven was swollen, blown up from the trauma. He was a mess, swabbed in yellow Betadine. The respirator tube was in his mouth; they hadn't performed a tracheotomy yet. He couldn't communicate at all, but he was awake and saw me.

Tomorrow, I thought, I'm going to come back and they're going to tell me this isn't as bad as it looks. Because there's just no way this is happening to us. We're having a baby in 7 months. This is just not reality.

Bellevue Hospital, July 16, 1986: By Sunday afternoon I'd been moved upstairs, to the intensive care unit on Bellevue's 15th floor. The doctors put me in a small cubicle, a tiny room with its own door, and a variety of machines and computers were monitoring my vital signs. The scene was chaotic, with my family, Patti Ann's family, the cops, the city officials, and everyone else who wanted to see me crowding in.

The doctors agreed I needed exploratory surgery on my neck to trace the bullet's path—and a tracheostomy, in which a hole would be cut at the base of my throat, and a metal tube implanted to carry air from a mechanical respirator into my lungs. The tube the doctors chose is called a cuff trache.

The cuff trache allowed the hospital to pull the air tube out of my mouth, which was positive. But there was a negative side effect, too. The air balloon was positioned so it pressed against my vocal chords, not permitting any air to pass over them.

Even with the tube out of my mouth, I couldn't speak above a whisper. To understand what I was saying, you either had to read my lips or put your ear next to my mouth.

Less than 24 hours after the shooting, improvement seemed to be wishful thinking. The first deputy policy commissioner, Richard Condon, had been told by one surgeon, "If I had wanted to do the most damage to the human body, without affecting the mind, I'd go in with a scalpel right where that bullet lodged."

I went upstairs to Steven's room, but I couldn't say anything. I stood there, my arms wrapped around my stomach where our baby was growing. I wanted Steven to hold me, but he couldn't reach out to me. And he couldn't talk.

He looked at me and mouthed a sentence. "I'm paralyzed," he tried to say.

I nodded my head to show I understood, but I couldn't speak either. All I could do was cry.

Bellevue, July 20, 1986: The doctors moved me from the intensive care ward on the 15th floor to the special neurosurgical ICU on the 7th floor. This was an open ward, maybe six or seven beds, with no private rooms, no doors, no walls.

For me, it meant no sleep. Even the drugs they were giving me wouldn't let me rest. The morphine, the Demerol, the painkillers . . .

They helped me avoid thinking about the way I was. And the way I had been. No more basketball. No more football. No more dancing until four in the morning. With the drugs, I'd escape. From the paralysis, from the people around me, from Patti Ann. It would be weeks before anyone could bring me back and focus me on the future.

Future? There was, I thought, no future. Bellevue, August 1986: By the end of my first week in Bellevue, I'd been moved out of neurological intensive care and into a private room on the seventh floor—the neurology department.

My body was no longer my own—it was out of my control, punctured by needles and tubes, tied into computer monitors. A large plastic tube pumped air into my chest from an oversized respirator next to my bed. Another tube led into my stomach, where some blenderized food concoction would be fed into me. Intravenous lines sent glucose and medicines into my arms. A Foley catheter removed my urine.

I felt none of it. My entire field of sensation extended from the top of my forehead to just below my jaw, and back on either side to my ears. There was nothing else, not even enough strength in my neck muscles to lift my head and hold it straight. Instead, it lolled to one side or the other, until someone thought to straighten it out.

Fevers wracked my body, which now had no internal temperature controls. Patti Ann, my family, friends would come and go, but I was only dimly aware.

The hospital continued to assess my injuries, fight my fevers, and maintain my bowels. I barely made it through a bout of sepsis, blood poisoning from bacteria created by the bullet wound in the neck. The bullet had penetrated my larynx, the back of my throat, and had caused an infection from contamination. That had been compounded by an abscess in my neck, and by pneumonia. And, of course, I was drugged.

The X-rays and CAT scan pictures showed that the .22-caliber bullet had shattered into three fragments that had lodged in the spinal canal around the spinal cord. Their placement was high on the spinal column between the second and third vertebrae below the brain stem. The cord was partially severed. Below the C-2 vertebra, my nervous system was out of operation. I was a quadriplegic, with no control or feeling in my arms and legs. I could not breathe on my own, nor urinate, nor defecate. I couldn't feel hot, or cold. My automatic nervous system, which normally controlled my blood pressure and my body temperature, had also been derailed.

Later, I'd find out I'd be susceptible to light-headedness, and fainting, when I was elevated too quickly; I'd be vulnerable to hypothermia and hyperthermia, getting either too hot or too cold; and there'd be spasticity in my arms and legs, a reflex action generated by the healthy spinal cord, located below my injury, that was no longer regulated by the brain.

You have to have hope, they told me.

Looking back now, what I remember most vividly are the drugs—the morphine, the

painkillers, the Demerol. I was asking for them into October, seeking the oblivion that would deflect the reality of my injury. And they worked.

The drugs shielded me from everything, even the people who were caring. Even when I didn't have pain, I'd say, "I need another shot."

By the early fall, Patti Ann, my nurse Nina, and my mother were pressing me to stop relying on the drugs.

One afternoon, a lawyer named Peter Johnson, another friend of Brian Mulheren's who'd been visiting off and on through the summer, took it upon himself to try and talk me out of my despair. I didn't really know Johnson; like other visitors, he'd come into my room, say a few words, maybe stay for mass, and leave. Since I couldn't respond, except with a whisper or two, there wasn't much give and take.

"I heard you were down," Peter said, speaking sympathetically. "I heard you wanted to give up. You really don't know me, but we have something in common. When I was 18, I had cancer. Hodgkins disease. The people around me thought I was going to die. I knew better.

"You've come through the hardest part," Peter continued. "You understand that even when it looks the most hopeless, it's not."

I tried to nod that, yes, I understood, but I wasn't sure I did. Did we have more in common than I thought?

"I'll pray for you," I mouthed, as he left.

Finally, it clicked.

I knew I wasn't going to die. I'd gotten to the point where I could tell myself, "Jeez, this is the way it is for now. I can't kid myself. It's not going to go away."

Bellevue, September 1986—The hospital was giving Steven almost all the medication he asked for. Steven was straight his whole life. I didn't want him to become an addict now. One early fall day, I don't remember exactly when, I found him wiped out, semi-conscious.

"What did you give him?" I demanded.

"It's not so high a dosage," said the doctor.

"Well, why is he so out of it?" I said. "It's five o'clock in the afternoon, and he's zonked out. He's been sleeping the whole day."

I began sobbing, and Steven's mother joined me. When he finally awoke, and was alert enough to recognize us, we confronted him.

"What do you want to do?" I said, my voice rising. "Are you going to lay here in a daze forever? Is this what you want to do? Never mind walking out of here paralyzed. Do you want to walk out of here being a drug addict, too? Do we have to do that, too?

"Steven," I said, softly, "I love you. You've got to stop, for me and for the baby."

Behind me, his mother wept. Steven said he'd try.

THE STEVEN MCDONALD STORY—THE BIRTH OF A SON

Bellevue's Sixth Floor, January, 1987—When Patti Ann's due date arrived and she stopped visiting, the isolation we'd suffered at the beginning of our marriage returned. It had been bad to feel the baby inside. Now I didn't even have her.

Patti Ann called the morning of January 29, then left for the hospital. I wanted to be at Mercy Hospital. My connection would be via a video fax machine hooked to a camera outside the delivery room. I'd be watching tiny black-and-white stills on a nine-inch monitor. This wasn't right.

At 3:56 p.m., the call came from the hospital. A few minutes later, the fuzzy pictures. I could barely make them out. A son. Who did he look like? Me? Patti Ann? It didn't matter. Thank God, he was healthy. But Patti had had a cesarean. She'd be in the hospital for a week, anyway. The baby would stay with her.

And the press had another piece of news. Five hours before Conor came into the world, Shavod Jones, whose trial had ended in early December, two weeks after it had begun, was sentenced. For shooting me, he got three-and-a-half to ten years. For the bike theft he'd pleaded guilty to before he shot me, another three-and-a-half-to-ten sentence.

A week passed, and I still hadn't seen Conor. Patti Ann was hurting from the operation. Then, on Saturday morning, the nurses put me in a wheelchair facing the window, my back to the door.

I must have dozed, because the next thing I knew, something was tickling my ear. I turned as quickly and as far as my neck muscles would let me. Our baby. Conor. I was stunned. His eyes closed, wrapped in swaddling, hands in tight fists, legs jerking . . . it was as if I could move my own arms and legs again. He looked just like me. He was me. A blessing. Patti Ann kept him close to my face, smiling at my wonder.

"Steven, I'm so happy to be with you," Patti told me, as I stared. "Being away was too hard. Everything's okay now, I'm going to be here always. You've got this beautiful baby, this baby we prayed for. We can thank God for this."

Bellevue's Sixth Floor, February, 1987—I wanted to find improvement, but it was hard. Conor's birth had been one more sign that life was moving on, but I wasn't progressing at all.

On the sixth floor, maybe 30 feet from my door, was the gymnasium. On mats and benches, other patients would work on rehabilitation exercises. I didn't like to visit the gym; everybody there, it seemed, had more to work with than I did. But Dr. [Greg] Fried insisted. One afternoon, he placed my chair in front of a full-length mirror. For six months I had not looked at myself.

"Take a look at your head," he said. "You can hold it up now. Six months ago, you couldn't."

I stared. Watching me was a young man in a sweat suit, his brown hair falling in bangs over his forehead. The young man in the mirror, his face straining with effort, nodded slightly. Dr. Fried was right. Sitting in a chair with my head erect, I'd gotten a piece of myself back. Not a lot, but it was a start.

On Feb. 3, 1987, Dr. Fried said, "I'll show you that you can talk. Trust me, I'm not going to let you die."

Talk? I was willing to try almost anything to talk again, to find my own voice and be understood.

Dr. Fried turned up the respirator to give me more air. He gently held the valve on my trache tube. He pressed a button on the valve. There was a slight hiss of pressure being released; inside my larynx, the balloon that had been pressing against my vocal cords sagged and flattened. For the first time in seven months, air could pass over the cords. The entire procedure had taken seconds and had been painless.

"Now talk," he said.

"Hello," I offered. My voice sounded mechanical, like a robot's. It could be heard though. The two or three seconds Dr. Fried spent deflating the balloon had given a gift I hadn't had during the past six months: the ability to communicate.

Brian Mulheren picked up the phone, dialed Patti's number, and held the receiver to my mouth.

"Hi, Patti," I said, in this froggy croak. "I love you."

"Steven?" she said. "Steven? Is that really you?"

Malverne, L. I., February-March, 1987—I'd been reluctant to ask the Cardinal to christen Conor, because I didn't want him to feel I was imposing. Finally, I asked.

"I've been waiting," the Cardinal said with a smile.

Bellevue, March 1, 1987—On the night before the baptism, Peter Johnson came to my room. For two months, Peter had been discussing the possibility of a public statement. Peter and I had more or less agreed to a message of thanks, acknowledging the prayers, letters and expressions of love Patti and I had received from all over the country. Conor's birth, and the promise of our new family, made me want to go further. Early on, Peter and I had discussed saying something positive about Shavod Jones to the media.

"I want to forgive him," I mouthed.

"Yes," Peter nodded. "That would be good. And inspirational."

I didn't know about that. I only knew it came from my heart.

The next morning, Peter read me a draft. Those were my sentiments, I nodded. Yes.

Malverne to Bellevue, March 1, 1987—I woke early, dressed the baby in his white baptismal gown, packed Steven's clothes and left for Bellevue. I wanted Steven to look good; many people would be seeing him sitting in a chair for the first time. It was also his 30th birthday.

"I baptize you in the name of the Father, the Son, and the Holy Ghost," said the Cardinal. Conor cried, and Steven smiled. I took his hand, and with it, traced the Cross on the baby's forehead. As the fellow cops and family members came forward to take Communion from the Cardinal, they paused to kiss Steven's forehead, or touch his cheek.

"On this happiest day of our life together," I read, my voice beginning to crack with emotion, "Steven has asked me to let you know what he is thinking. So I read this letter from Steven to the people of New York City.

"I became a police officer to help the people of New York in any small way I could. My father and my grandfathers before me had the same dream.

"On some days when I am not feeling very well, I can get angry. But I have realized that anger is a wasted emotion, that I have to remember why I became a police officer. I'm sometimes angry at the teenage boy who shot me. But more often I feel sorry for him. I only hope that he can turn his life to helping and not hurting people. I forgive him and hope that he can find peace and purpose in his life."

"I have always had the love of my mom and dad, brothers and sisters, Patti Ann and now our son Conor Patrick," I continued fighting sobs. "I never thought there could be anyone else in my life. The last months have proven me wrong. But let me tell you, there is more love in this city than there are street corners."

My Face was wet with tears, my emotions torn by the beauty of Steven's thoughts and the horror of his injury.

"I chose the life of a police officer with all its risks. I believe that I am the luckiest man on the face of this earth. I only ask you to remember the less lucky, the less fortunate than I am who struggle for the dignity of life, without the attention and without the helping hands that have given me this life."

The less fortunate. The sound of Steven's respirator, like a metronome, filled the church. Whoop-whoosh.

Bellevue, March 1, 1967—With the birth and the baptism over, it was time to plan my future.

"We'd all agreed that Bellevue was no long-term answer. The weaning had been a failure, and I still lacked a voice. Even using Dr. Fried's technique with the cuff trache, I couldn't handle talking more than 30 minutes a day, and the effort it took barely made it worthwhile to me, though I realized how grateful others were to hear me.

Bellevue, March 26, 1987—At 8:30 in the morning, Dr. Robert Menter, [a staff physician at Englewood, Colorado's] Craig Hospital, and Sue Nyre [admissions director] arrived at Steven's room. After reviewing the X-rays, the doctor began a pinprick test on Steven, a simple way to confirm the level of injury, and how badly Steven's phrenic nerve—the nerve that controls the diaphragm, opening and closing it to allow air in and out—had been damaged. When the pinprick test was finished, though, Dr. Menter had some disappointing news. The central nervous system was as damaged as the X-rays suggested.

"It doesn't look like I can get you off the ventilator," he said. "Not completely, anyway. Maybe several hours a day, but I don't want to make you any promises."

We invited the rest of our families, and Brian, into the room to watch a videotape that described Craig. We saw patients outdoors, and in shopping malls, learning how to manage excalators and to get in and out of vans.

When the tape was over, Steven was ready to leave immediately. I was sold, too, except for the fact that it was so far away.

If Steven and I had any future at all, I now knew, it would have to begin at the base of the foothills of the Rocky Mountains. At Craig Hospital.●

PUGET SOUND CLEANUP PROGRAM

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. DICKS. Mr. Speaker, I am proud to join my colleagues from the great State of Washington today in introducing a bill that will promote a more directed and better coordinated approach to protecting one of the Pacific Northwest's most treasured natural resources, Puget Sound. The legislation that I and my seven colleagues are introducing today will provide specific authorization for the Puget Sound cleanup program, which until now has been funded as part of the overall national estuary program by the Environmental Protection Agency.

In some respects this legislation signifies a small change form the present situation—it merely creates a separate line item in the Federal budget for the Puget Sound program. However, it is a move that we view as absolutely fundamental to the success of the large-scale task of protecting the health and vitality of the sound for posterity—an effort that will require the energy and resources of numerous governmental entities, small and large businesses, farmers, developers and, of course individual citizens around the Puget Sound region.

There can be no doubt about the consensus in our region: protecting the marine organisms that inhabit Puget Sound and preserving for future generations this important part of our northwest culture is top priority. Our livelihoods and our recreational opportunities depend upon maintaining the health of Puget Sound. We cannot become complacent and we must remain vigilant in preventing any additional contamination of the sound. As we look around the beaches of the Nation in such areas as New York and New Jersey, we are reminded that disposing of our garbage by throwing it away in offshore waters or estuaries doesn't work anymore. The east coast situation provides a strong keynote for our efforts in Puget Sound. We need a stronger, more concerted Federal and State effort to identify contaminants already in Puget Sound and to stop further contamination from entering the sound's waters.

To accomplish these objectives, we need a mroe directed Federal approach to complement the aggressive stance that the State of Washington has already taken through its cleanup program. The legislation that we are submitting today provides specific authority for the administrator of the Environmental Protection Agency to make funds available to the Puget Sound water quality authority for the purpose of carrying out cleanup activities in the Puget Sound estuary. The bill signals a giant step forward in addressing a problem that is plaguing too many of our Nation's large inland and coastal water bodies, and which threatens our own Puget Sound.

We are fortunate in Washington State to have the Puget Sound Water Quality Authority, established in 1985, working actively to ensure that well-defined goals for water quality are both established and implemented. Puget Sound has many critical needs that must be addressed immediately in order to avert further contaminaiton in its waters. In our short experience with analyzing the impact of hazardous chemicals in Puget Sound, researchers have uncovered alarming evidence of harm to species in the area; including: High concentrations of PCB's in the tissue of marine birds in some locations along the sound; tumors in fish due to concentrations of aromatic hydrocarbons; malignant cancer in shellfish; and liver abnormalities in English sole and other species.

The water quality authority has identified an ongoing need in such areas as the monitoring of water and sediment quality, research, technical studies, and the implementation of source control programs. However, without Federal involvement, this task will be made much more difficult. This bill provides an authorizing vehicle for permitting critically needed resources to be made available to Puget Sound through the water quality authority for the implementation of its management plan, which the EPA has referred to as a model for other estuaries throughout the Nation.

While the water quality authority is beginning to receive recognition for its initial achievements, this legislation is aimed at ensuring that it also gets the resources to move the cleanup program from the research phase to the action phase. In addition to implementing and updating the water quality authority's management plan, the bill authorizes other critical activities, including the implementation of a program for: Monitoring the water quality of Puget Sound—including sampling and the analysis of the sediment, water quality, and plant and animal populations and habitats of Puget Sound and its fresh water tributaries; and conducting supporting research aimed at increasing an understanding of Puget Sound, its ecological systems, and the implications of human activities in its waters.

This legislation mandates that the Federal share of activities carried out with the grants provided is not to exceed 75 percent of the total cost of such activities, and further requires the water quality authority to submit an annual report to the administration of EPA outlining progress on the activities carried out using the grants. Furthermore, the goals and intent of the bill are not unprecedented, as Congress in the past has recognized the need to designing large water bodies in order to better respond to their geological uniqueness and complexity. Prior legislation has already provided such provisions for Boston Harbor, the Great Lakes, and Chesapeake Bay.

Mr. Speaker, this bill is a valid attempt to protect a national treasure, and to leave an environmental legacy for future generations in the Pacific Northwest.

TIE WHITE RIBBONS EVERYWHERE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SOLOMON. Mr. Speaker, there's a reason why the rest of the world still looks to America. It's because America still stands for freedom. It's true of us as a nation, and its true of us as individuals, like Theresa Lawrence of West Milton, NY.

We were all filled with hope when hundreds of thousands of Chinese from all walks of life—not just students—showed the world how human and universal is the longing for freedom. And when the tanks of Deng Xiaoping crushed the budding democratic movement in Beijing, we watched and read with horror.

Mr. Speaker, there's a way we can stand up and be counted, and let the world know America still stands for freedom, and still condemns every attempt to stamp out freedom everywhere in the world. And I'm proud to say the idea has come from someone who lives in my district.

Theresa Lawrence thinks we should tie white ribbons everywhere.

She was quoted in a local newspaper as saying "We typical people, we need to do something to show we care. I really feel for those people."

Many Americans already tied yellow ribbons around trees when our Embassy hostages were being held by the Iranians. We can't use red ribbons, either, because as Theresa Lawrence said "there's been enough bloodshed there already." But white ribbons would stand for the purity of the desire felt in every human heart for freedom.

That desire beats especially strong in the hearts of all the Theresa Lawrence's in all the congressional districts of this country. I think we should urge all Americans to tie white ribbons everywhere—around trees, poles, fence posts—everywhere we can show our solidarity with the freedom-loving millions of China and our contempt for their brutal slavemasters.

END DISCRIMINATION AGAINST THE MILITARY—SUPPORT H.R. 572, H.R. 2277, H.R. 2300

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. DORNAN of California. Mr. Speaker, I have introduced three key pieces of legislation which will go a long way to restore fairness and equitable treatment to members of the U.S. Armed Forces.

H.R. 572, H.R. 2277, and H.R. 2300 would amend the Spouse Protection Act to make it more consistent with the existing pension plans, which Congress has established for members of the Foreign Service, the Central Intelligence Agency, and portions of the civil service retirement/survivors benefits. Specifically:

One. H.R. 572 would terminate court ordered retirement payments to ex-military spouses upon remarriage. Public Law 97-252 currently provides an ex-spouse with a lifetime military retirement pension even though they may have been married for as little as 10 years. Yet, the military member must devote more than 20 years of service for eligibility. The ex-spouse continues to receive these benefits even if he/she remarries. If the remarriage is to another military member, there exists the possibility of two Government pensions. This a priori judgment is neither fair nor equitable.

Two. H.R. 2277 would explicitly state that a court may not force a military member to pay a spouse or former spouse any portion of his or her retired pay until the service member is him/herself entitled to retired pay. This is consistent with both the intent of Congress and the existing law for other Federal employees.

Three. H.R. 2300 will not only correct an inequity, but will provide incentive for service members to stay in. This legislation simply ensures that any increase in retired pay resulting from increased service or promotion after a separation would be the separate property of the member. It makes no sense that an ex-spouse should receive the additional benefits that accrue for time served in the military after the marriage is dissolved.

It is important to note that all three bills follow congressional precedents and common State divorce provisions. Further, note that in all cases, although the legislation is retroactive, savings provisions are incorporated requiring no repayment of previous awards, and no further payments shall ensue after enactment. None of the changes affect spousal or child support provisions. Just retirement.

I believe these changes, as well as others being considered by our Senate colleagues, are long overdue to provide the Armed Forces members the protection afforded the other Government employees upon retirement. Retired pay is perhaps the No. 1 incentive for retention of our Armed Forces and equal treatment with other Federal retirees is only equitable and fair.

Please take the time and review the analysis that was prepared for me by the Military Retirees Spouses organization of Santa Maria, CA.

ANALYSIS AND COMPARISON OF FEDERAL EMPLOYEES EX-SPOUSAL AWARD TREATMENT BY FEDERAL STATUTES: DISCRIMINATION AGAINST THE ARMED FORCES ACTIVE AND RETIRED MEMBERS

(Prepared by Floyd W. Kniss)

ANALYSIS

The Ex-spousal Comparison Chart illustrates continual Federal statutory discriminatory treatment of members of the Armed Forces (DOD) retired pay awards to former spouses, compared to the Central Intelligence Agency (CIA) and Foreign Service Agency (FSA) members, for no compelling reason. To wit:

1. Only the Armed Forces law (P.L. 97-252, 10 U.S.C. 1408) was fully retroactive, reversing a 130 year traditional personal entitlement of the member (U.S. Supreme Court, *McCarty vs. McCarty* decision, June 26, 1981); but not the CIA or FSA, and

2. Ex-spousal awards of retired/retainer pay of the Armed Forces:

A. continue after remarriage of ex-spouse; not so for the CIA and FSA, and

B. are awarded with no minimum marriage time; not so for CIA and FSA, and,

C. "earned contribution time", or "pro-rata share" is not defined; it is for the CIA and FSA, and

D. have no statute of limitations time for filing after divorce; it is limited for the CIA and FSA, and

E. have no ex-spouse minimum/maximum age specified; these are for "certain CIA and FSA ex-spouses".

3. The Armed Forces member is subject to Title 10 restrictions for life, including pay forfeiture for civil or criminal convictions; not so for the CIA or FSA member, or an ex-spouse.

4. The Armed Forces members always pay ex-spousal awards; their ex-spouses receive "windfall" increases due to a member's service time and promotion after divorce; certain CIA and FSA members never suffer a reduction in their annuity for ex-spousal awards.

5. Note the chronological dates of major legislation; FSA (1980), CIA (1982), Armed Forces (1983) and again, CIA and FSA (1987). On not one occasion were the Armed Forces afforded the 6 Federal statutory provision that protect the CIA and FSA members (all of the provisions in 1 and 2 above are at no cost to the taxpayer).

In summary: Federal statutes protect the CIA and FSA members with 6 provisions not afforded the Armed Forces member, and the 1987 CIA and FSA laws on ex-spousal awards were paid by the taxpayers, which includes members of the Armed Forces.

Further, CIA and FSA annuities—and ex-spousal awards—are from community cash contributions, which clearly makes them community assets divisible upon divorce.

The discrimination against the Armed Forces member/retiree is consistent and continuing. Clearly, they should be afforded the same reasonable statutory protection afforded the CIA and FSA member/retiree. Public Law 97-252 should be amended to correct this continuing discriminatory oversight.

EX-SPOUSAL AWARDS OF (FEDERAL EMPLOYEES) RETIRED PAY COMPARISON

[Prepared by: Military Retirees Spouses (MRS), Santa Maria, CA]

Statutory provisions	Central Intelligence Agency (CIA)		Foreign Service Agency (FSA)		Armed forces (DOD)	[illegible]
	1982	1987	1980	1987	1983	
Retroactivity	No	No	No	No	Yes	(1)
Remarriage	Yes	Yes	Yes	Yes	No	
Time factors:						
Marriage time	Yes	Yes	Yes	Yes	No	
Earned time (pro rata)	Yes	Yes	Yes	Yes	No	
Statute of limitations	Yes	Yes	Yes	Yes	No	(2)
Ex-spouse age	No	Yes	Yes	Yes	No	
Member eligibility	Years	10		10	20	
Payee	Member	(3)	Member	(3)	Member	

[1] DOD unlimited (McCarty, 6/26/81)
[2] DOD unlimited (property).
[3] U.S Government.

NOTES

1. This analysis was made using the major applicable Federal statutes dealing with the subject, and the "CRS Report for Congress, No. 88-512A, dated July 25, 1988, Treatment of Former Spouses Under Various Federal Retirement Systems."

2. Some specific provisions were purposely omitted for brevity sake; e.g., the FSA ex-spouse had to be over 50 years old and not remarry prior to age 55 or 60. These specifics are found in the (Note 1) CRS Report, and in the particular Public Law or U.S. Code. Those details can be provided by calling the author.

3. All data used was compiled from publicly available unclassified data.

SUPPORT A PRESIDENTIAL WAIVER OF THE JACKSON-VANIK AMENDMENT WITH RESPECT TO THE SOVIET UNION

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. DOWNEY. Mr. Speaker, today I am introducing legislation that supports a waiver of the Jackson-Vanik amendment with respect to the Soviet Union. My resolution affirms that Congress is prepared to support such a waiver once the President has received appropriate assurances that the Soviet Government is on a course toward sustained high levels of emigration.

We are witnessing very significant progress in Soviet emigration performance. I believe that concrete actions by the United States

VOL 135 PT 9 JE 14 — 22 1989 UMI

that encourage the Soviets to make even further progress—and there is more to be made—are essential to our national interests and to the interests of all people in the Soviet Union who wish to emigrate. A Presidential waiver of the Jackson-Vanik amendment is one such action.

The fact is that Jackson-Vanik has worked as it was envisioned by its authors. Emigration of Soviet Jews in 1989 may well surpass any previous year. Once the President is assured that this is a trend that will continue and so requests a waiver, we are ready to support him.

I am equally aware that, while something has been happening in the Soviet Union, there is also something exciting happening in the American Jewish community. This community, which has fought so tirelessly to promote the human rights of Soviet Jews, has been examining its own position on the waiver of Jackson-Vanik over the last several months. I am pleased that the new and historic position of the National Conference on Soviet Jewry also supports a Presidential waiver once appropriate assurances have been received.

The success of this waiver effort will demand hard and honest work on the part of the Soviet Union. And it will also require the continued foresight of the Jewish community, the administration, and the Congress. Working together, we can make this happen. And it must happen if we are to ensure that United States-Soviet relations are based on a mutual respect for the dignity of all human beings.

CONDEMNATION OF BULGARIA'S TREATMENT OF ITS TURKISH MINORITY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. HOYER. Mr. Speaker, today while the world's attention remains riveted on the tragic events unfolding in China, I wish to focus on another Communist regime's efforts to crush its own people, who are striving to secure basic human rights. I speak, in my capacity as cochairman of the Commission on Security and Cooperation in Europe, of the Bulgarian Government's continuing violation of the human rights of its approximately 1,000,000 citizens of Turkish background.

I am pleased to join my good friend and colleague STEVEN SOLARZ in introducing a resolution condemning the discriminatory practices of the Bulgarian Government toward the country's ethnic Turkish community. STEVEN SOLARZ has a long and distinguished record as a defender of human rights worldwide and his untiring work on behalf of oppressed peoples everywhere truly exemplifies American idealism at its finest and most effective.

The resolution STEVEN SOLARZ and I are sponsoring also calls on Bulgaria to honor its obligations to allow Bulgarian citizens to emigrate freely and urges the President and Secretary of State to make diplomatic representations to the Bulgarian Government protesting the brutal treatment of Bulgarian Turks. A similar resolution is being introduced in the Senate by my esteemed friend and colleague DENNIS DECONCINI, chairman of the Commission on Security and Cooperation in Europe.

The Bulgarian Government claims that it is a single-nationality state in which all of its citizens, even Muslims, are of Bulgarian descent. As for the ethnic Turks, they are the descendants of Bulgarians who were forcibly "Turkicized" during the country's 500 years of Ottoman rule. In recent years, officials maintain, these ethnic Turks have begun to revert voluntarily to the original Bulgarian identity.

This explanation for this assimilation process is discounted by the world community and by ordinary Bulgarians themselves. The truth is that since the 1950's the Bulgarian regime has tried to assimilate forcibly the Turkish minority. In 1984, however, the Government stepped up the campaign's tempo and scope, seemingly aiming at nothing less than the elimination of a people's cultural and religious heritage. Harsh measures directed at Turkish-Bulgarians have included forcing them to adopt Bulgarian-sounding names, forbidding them from speaking Turkish, and severely restricting their practice of Muslim religious rites. Moreover, the Koran is not permitted to be published in Bulgaria and cannot be imported.

The name change campaign was particularly infamous for the way in which it was carried out: Often by military and security forces at gun point. Several deaths resulted and hundreds of ethnic Turks were imprisoned for their nonviolent opposition to this all-out attack on their ethnic identity.

I have seen the effects of the assimilation program firsthand. At the invitation of the Bulgarian Government, I led a delegation to Bulgaria in September 1987 in my capacity as chairman of the Helsinki Commission. We went to the Kurdzhali region, where many ethnic Turks live. While I appreciated Bulgaria's willingness to receive us and the openness of officials we spoke with there, I can accept neither the Government's dubious rationale for its assimilation policy nor its harsh methods of implementation.

In reaction to this inhumane policy, ethnic Turks in several towns in the northeastern part of Bulgaria participated in peaceful demonstrations last month. The demonstrators clashed with security forces, who violently broke up the protests. Estimates of the casualties vary, but some place the figure at around 30 ethnic Turks killed and hundreds more wounded.

Since May 25 several thousand ethnic Turks have been forcibly deported from Bulgaria, with many then making their way to Turkey. Ethnic Turks, like all Bulgarians, have always been denied the right to travel freely and to emigate freely by the authorities. Now, in a cynical twist on these past practices, President Todor Zhivkov has declared that "all Bulgarian Muslims" are free to leave the country. What he did not add was that his Government has started forcing ethnic Turks to leave Bulgaria, whether they wish to or not, and the emigrants or deportees are not being compensated for their homes, businesses, or farms.

Some analysts believe that, during a time of severe economic strain for Turkey, Zhivkov is trying to embarrass Turkey, which has a declared open-door policy for all ethnic Turks.

Whatever the motivations underlying Bulgaria's recent actions, this forced deportation of its citizens is yet another example of the regime's brutality toward its largest minority community. Yet, in spite of its egregious human rights record, Bulgaria seldom receives the world's attention, let alone its condemnation. This absence of criticism and pressure is a tribute to the tight grip the Communist leadership maintains over its citizenry and its almost airtight control of what information leaves and enters Bulgaria.

Because the Bulgarian Government rigidly restricts the foreign media's access to the country, no cameras or journalists have been on hand to give eye-witness reports of the abuses committed by the authorities over the years. We must rely on the accounts provided by Western diplomats and Bulgarian emigres who talk of what they have personally experienced and pass on what friends and family still in Bulgaria report to them.

There isn't always a lot of information available, but enough manages to get through to paint a chilling picture of a government that nearly does achieve the totalitarian goal of maintaining rigid control of all aspects of life. Although conditions for Bulgaria's ethnic Turks are even harsher and more restricted than they are for the country's Slavic majority, all Bulgarians are subject to a system that permits them absolutely no alternative to the Communist Party for participation in public life and precious little space for private life as well.

For the ethnic Turks of Bulgaria, however, it isn't just a question of eking out some kind of private life within the narrow limits set by the regime. Rather, for them it is a question of their cultural survival. The international community must do more than it has heretofore to protest this unfolding atrocity. If we wait to act, the eradication of the language, culture, the very identity of Bulgaria's ethnic Turks may become a fait accompli.

The human rights violations being committed by the Bulgarian regime against the country's ethnic Turks are very real; so then must be the condemnation of these acts. The results of the assimilation campaign against the Turkish Bulgarians have been frighteningly effective, so then must our counterpressure be against the Bulgarian authorities. This outrage against a perople is a cirme of great magnitude, but, to let this persecution continue without mounting systematic and sustained opposition to it, would also be a crime. Thank you, Mr. Speaker.

THE DRUG UTILIZATION ACT OF 1989

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Ms. SNOWE. Mr. Speaker, today I am introducing a bill, the Drug Utilization Act of 1989. I believe this legislation will be a very important step in preventing needless painful and costly adverse drug reactions among our Nation's Medicare beneficiaries. It also more specifically clarifies the intent of Congress for integrat-

ing a comprehensive drug utilization review process with the claims processing system in the implementation of the prescription drug benefit of the Medicare Catastrophic Coverage Act of 1988.

The Human Services Subcommittee of the Select Committee on Aging, of which I am the ranking minority member, held a hearing on mismedication among the elderly a few weeks ago and a few facts stood out very starkly. First, Americans over 65 years old represent about 12 percent of the population, yet use 30 percent of the prescribed drugs. They also average 15.5 prescriptions a year and are more sensitive to medications. Consequently, they suffer a corresponding high rate of adverse reactions to those drugs, often resulting in costly hospitalizations and nursing home placements.

A recent draft report on adverse drug reactions issued by the Inspector General of the Department of Health and Human Services estimated that Americans over age 60 comprise 17 percent of the total U.S. population but account for 30 percent of all hospitalizations and 51 percent of deaths from drug reactions.

By reviewing a patient's entire medication profile for potential adverse reactions before filling prescriptions, a pharmacist can often prevent adverse drug reactions from occurring. Many chain drug stores have pioneered such computerized systems which for years have been in use in community pharmacies throughout the Nation. A May 1989 GAO report on a review of some currently available drug utilization systems found that the attributes of computer capability to fulfill the patient profile information and other functions required by this bill are currently available in at least some systems.

Furthermore, the design of the specific system can be piloted in Seattle, King County, WA, which will clearly demonstrate the feasibility and workability of medication management and the anticipated savings as a result of substantially fewer hospital admissions. The pilot has been designed by a community team, headed by Chisato Kawabori, regional program director, region X, for the Administration on Aging, and private funding is being sought for it.

The bill which I am introducing would bring that same protection to all Medicare beneficiaries by requiring computer identification of potential adverse drug reactions that may result from drug interactions with other drugs, allergies, known physical conditions or illnesses, and under, over and misutilization of the prescribed drug. The bill also guarantees the privacy of beneficiaries by giving them protection from being required to disclose information and safeguarding access to their medication profiles.

As we move toward implementation of the Medicare prescription drug benefit in January 1991, I believe it is imperative that Congress also strengthen its intent that an integrated, comprehensive computerized drug utilization review system be in place to safeguard aging Medicare beneficiaries against preventable drug reactions. I believe that we must lose no time in moving forward to develop the national system capability required to do the job. That is why I am introducing this bill today.

SPACE TRANSPORTATION SERVICES PURCHASE ACT OF 1989

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. PACKARD. Mr. Speaker, I rise today to introduce the Space Transportation Services Purchase Act of 1989, legislation to enhance the viability of the U.S. space transportation industry.

The primary objective of the U.S. space transportation policy should be to encourage the emergence of a strong competitive U.S. commercial space industry. The Space Transportation Services Purchase Act furthers this objective through enhanced competitiveness in the U.S. space transportation industry.

Obtaining this objective will give the United States two important benefits. One, the safe and successful launching into orbit of Government and private payloads at the lowest possible cost. Free competition among private companies will promote competitive pricing without sacrificing performance. Two, NASA can focus on its original objective of space exploration and research. NASA can use its resources to increase our knowledge of space and leave commercial development of space to the private sector.

The U.S. space transportation services companies are at a severe competitive disadvantage with foreign launch companies because the foreign governments either subsidize the launch cost or provide a portion of third-party liability coverage. It is true that the intensity of world competition for the launch services market will depend in part on the level of demand for services. Yet, the fact remains that the European Arianespace and the Chinese Long March offer increasingly competitive space transportation services, and the Japanese are currently planning to begin operation of their space transportation services in 1992.

Mr. Speaker, only commercialization will permit a restructuring of U.S. space activities necessary and sufficient to establish a viable U.S. space transportation industry capable of competing internationally. The U.S. Government should encourage this privatization by purchasing launch services in a commercially reasonable manner from the private sector.

The bill I am introducing today addresses these two key areas which will greatly affect the viability and privatization of the American space transportation industry.

First, the Government would be required to purchase all space transportation services from the private sector, except for specialized military and shuttle-specific payloads. This is being done currently on a very limited basis. Presently, the Government usually purchases space transportation vehicles from a company, then later purchases launch services from that same company. By contrast, a private sector payload owner always purchases a complete package—space transportation services—never the vehicle, then the services. As a buyer of the vehicles, the U.S. Government has maintained unnecessary regulatory and oversight authority over the construction and operation of the vehicle which results in substantially higher costs incurred and lack of engineering and operating freedom.

To be internationally competitive in the long term, the U.S. industry must be launching competitively designed and priced vehicles, not vehicles designed by Government regulation. Major launch companies have a commercial division and a Government division. There should be no difference between the two. The commercial division's product design is supposed to reflect marketplace demands such as cost, efficiency, and reliability. By contrast, the Government division's design is governed by the Federal Acquisition Regulations, mil-specs, and the procuring agency's needs. The more that the Government buys commercially rather than in the traditional manner, the more commercial features will appear in these vehicles, the lower the cost, and the greater the efficiency of the company.

The second key area which will affect privatization is the Government's space transportation services procurement policy. This legislation mandates that all Federal agencies procure space transportation systems in a commercially reasonable manner which would result in a significant cost savings to the Government and to the space transportation industry. The traditional procurement methods of the Government impose burdensome and unnecessary cost controls and accounting procedures at great cost to the industry.

Mr. Speaker, the U.S. private sector has the capability and entrepreneurial spirit needed to expand its role as a major competitor in the world commercial space market. The economic, technological, scientific, foreign policy, and national security benefits the Nation would reap from this achievement are great. I invite my colleagues to join me in supporting the Space Transportation Services Purchase Act of 1989 as an important step toward enhancing the commercial environment for the U.S. space transportation industry.

A TRIBUTE TO LYNN TYLCZAK FOR HER PUBLIC SERVICE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. SCHUMER. Mr. Speaker, today, I wish to honor Lynn Tylczak, mother, consumer activist, and concerned citizen for her one-woman crusade to make the world a safer place for America's children. There is no greater public service a citizen can provide than protecting our Nation's youngsters from hidden dangers.

Mrs. Tylczak has single-handedly brought national attention to an issue of importance to all consumers, parents and nonparents alike—the existence of a bittering agent known as denatonium benzoate which when added to common household products could save millions of children from poison ingestion each year.

The American Association of Poison Control Centers has graphic evidence to support Mrs. Tylczak's concern. Of the 731,000 children under 6 reportedly exposed to poison in 1987, 166,700 sampled household products, pesti-

cides, or automotive products. In 1987, cleaning products alone caused 14 deaths and 100,000 children were rushed to the emergency room for suspected poison ingestion.

The mother of two, ages 5 months and 4 years, Mrs. Tylczak knows of kids' insatiable curiosity first-hand. And upon learning of Great Britain's widespread use of denatonium benzoate to keep kids from consuming killer doses of sweet-smelling home and garden products, Mrs. Tylczak took matters into her own hands and sought to investigate its history in America.

Finding that few American manufacturers lace their products with this bitterest of substances known to man, Mrs. Tylczak began a letter-writing campaign and now runs the Poison-Proof Project out of her Albany, OR home. She has received thousands of letters from parents across the country who are ready to fight for denatonium benzoate in American products and are alarmed that most American manufacturers have not sought to use denatonium benzoate already. Mrs. Tylczak and her supporters are planning an intensive lobbying effort to urge American companies to use the bitter additive as an extra measure to prevent children tempted by scented cleaners and candy-colored car products from sampling more than a small, very bitter taste.

Rather than sit back and wait for a tragic poisoning to grab media attention and spark public interest, Mrs. Tylczak took the initiative to alert American consumers to the need for denatonium benzoate before it becomes too late. In doing so, Lynn Tylczak has given voice to the rights of American consumers.

Her efforts to warn parents of the reality of accidental poisonings and her readiness to fight for further safeguards deserve special commendation. Mr. Speaker, I ask that you join with me in honoring Lynn Tylczak for her undying contribution to the preservation of public safety and the lives of America's children.

HONORING SEYMOUR HOLTZMAN, BALDWIN PARK CHAMBER OF COMMERCE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. TORRES. Mr. Speaker, I rise today to recognize a very special individual, Mr. Seymour Holtzman, executive director of the Baldwin Park Chamber of Commerce. Seymour is retiring from the chamber and will be honored at a special dinner on Friday, June 30, 1989.

Seymour Holtzman served as executive director for the Baldwin Park Chamber of Commerce for 12 years, longer than any other person holding the position in this chamber. As executive director, Seymour provided continuity and stability to the chamber.

Seymour was born in 1917 in New York City. A few years later, his family moved to California where he attended Washington High School in Los Angeles and is a proud alumnus of UCLA. He also served 4 years in the U.S. Army during World War II. After the war, Seymour and his wife, Audrey, owned Harley Shoe Store in El Monte for 33 years.

In El Monte, Seymour became interested in community involvement, and in 1965 served as president of the Downtown El Monte Business Association. He was the key figure in the development of El Monte's progressive downtown mall. It was through his dedication and leadership that the downtown merchants rallied together to be the first in the State to implement assembly bill 103 (parking and promotional district), which allows chambers of commerce to use a percentage of business license fees for promotion and parking. Seymour served as president of the El Monte/South El Monte Chamber of Commerce in 1970–71. In 1965, he was named Distinguished Citizen of the Year by the Jaycees, and in 1966 he was named Citizen of the Year by the El Monte/South El Monte Chamber of Commerce.

In 1977, Seymour came to the Baldwin Park Chamber of Commerce as its executive director. His immediately began to work on implementing AB103, the district assessment program in Baldwin Park. The plan was adopted for the downtown area, and as a result of the bill and an accompanying ordinance passed by the city council, the Baldwin Park chamber does not rely on funding from the city. One of his proudest achievements has been the establishment of the benefit assessment program in both El Monte and Baldwin Park.

Seymour developed a Royal Ambassador membership team and chamber membership went from a tentative 166 to a healthy 500 plus today, thus making the Baldwin Park Chamber of Commerce financially independent.

Seymour was recently honored three times by the Baldwin Park Chamber of Commerce Board of Directors in unprecedented action to make him an honorary past president—the first time this honor has ever been awarded. In addition, he was made an honorary lifetime member of the group and was named 1989 Baldwin Park Citizen of the Year.

Seymour Holtzman lives in Arcadia with his wife of 47 years, Audrey. They have two children, and twin granddaughters.

Mr. Speaker, on June 30, 1989, the citizens of Baldwin Park will honor Seymour Holtzman for his tremendous contributions to the businesses and residents of this community. I ask my colleagues to join me in saluting Seymour Holtzman for his outstanding record of service to the community of Baldwin Park.

NURSE PRACTITIONERS CAN HELP PROVIDE LONG-TERM HEALTH CARE AT NO ADDITIONAL COST

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. MARKEY. Mr. Speaker, in this day of spiraling health care costs and growing long-term health care needs, we are all looking for ways to provide more care without more cost. Today, with my colleague, Mr. DONNELLY, I am introducing legislation which will do just that. Our bill would allow Medicare reimbursement for services provided by nurse practitioners working in collaboration with a physician. This is an important step, particularly in the area of long-term care, as it will increase the supply of quality care available to senior citizens.

This is an idea which has been tried and tested in a very successful project in Massachusetts, the Nursing Home Connection. Since 1983, the Nursing Home Connection has been operating under a Medicare waiver allowing teams of nurse practitioners and physician assistants working with a physician to provide primary care services to nursing home residents. Preliminary results of an evaluation of the program conducted by the Health Care Financing Administration indicate that the program provides better quality care at no additional cost to Medicare.

Serving over 100 nursing homes in the Commonwealth, the Nursing Home Connection addresses both the acute shortage of physicians available to care for geriatric patients and the rigid cap of one reimburseable visit per month per nursing home patient. This policy provides a strong disincentive to treat residents more than once a month, meaning that health problems which could be treated with two or three visits may develop into more serious illnesses, requiring residents to be treated in a much more costly hospital setting.

Our bill addresses this inflexibility in two ways. The first is by giving carriers the discretion to provide routine payment for up to 1.5 visits per month per patient, giving providers more freedom in determining when a patient needs treatment beyond just one visit per month. Second, we instruct the Secretary to provide for a demonstration project in which an innovative new model of determining payments would be applied. This model would allow providers to meet the cap on visits by averaging the number of reimbursable visits over the aggregate number of patients receiving services from the physician-nurse practitioner-physician assistant team.

We feel that this legislation is a small, yet significant step in meeting the long-term health care needs of this country.

CONGRESSMAN MEL LEVINE'S REMARKS ON TRADE COMPETITIVENESS AND OUR ECONOMY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. BERMAN. Mr. Speaker, I recently had the opportunity to hear our colleague MEL LEVINE deliver an important and insightful speech. It outlines, in a very impressive way, the unprecedented changes and challenges which face our Nation, both at home and abroad. I ask for unanimous consent to include it in the RECORD and commend it to the attention of all of our colleagues.

REMARKS BY CONGRESSMAN MEL LEVINE ON AMERICA'S ECONOMY, JUNE 1, 1989, LOS ANGELES

This is an appropriate occasion to take stock as we witness some of the most momentous changes of the post-war era.

In this country, our society is being transformed as we deal with challenges that we barely knew existed even a decade ago. And, perhaps most dramatically, the world today is undergoing the most profound period of change in the post-war era.

Think of Moscow, Tiananmen Square, a reunifying Europe, a newly resurgent Japan, a third world in turmoil. On the surface, these swirling events often seem separate and disconnected. But one theme connects them all: we are moving toward becoming one global civilization more quickly than ever before in human history.

The United States, as author Joel Kotkin notes, symbolizes this emerging global civilization. We are the first "world nation" in history, with people living here from every corner of the globe. And it is our principles that are now spreading around the world. Chinese students quote Thomas Jefferson, Muscovites call for free elections and free enterprise much of Asia follows our model, and Latin America and Eastern Europe move toward democracy as well.

Since others emulate our ideals and institutions, we have a special role in helping the world to become a global civilization. To do so, it seems to me, we need to realize three great truths:

First, the principal global struggle is no longer the Cold War. The Cold War should no longer dominate our thinking. Russians and Chinese now study American political institutions, and they regard democracy as their ideal. We have an opportunity today to accomplish both nuclear and conventional arms reductions thought impossible just a few short years ago.

Second, economic competition is the key battleground of our time. Evan as the Cold War is winding down, a new sort of conflict has begun. It is a battle of markets—not missiles, trade—not tanks. And strangest of all, it is being fought between friends, not foes. Some of our closest military allies have become some of our fiercest economic competitors. And our economic competition with allies like Japan and a United Europe will do far more to determine our living standards and our sovereignty than will our relationship with the Soviet Union.

Third, success requires that we rebuild at home rather than blame others abroad. It is ironic that, just at the moment when our ideals have triumphed around the world, we find our industrial base challenged at home. Eight irresponsible years have seen us lose our lead in every strategic industry from machine tools to high definition television. We are no longer the world's industrial leader for the first time since Henry Ford invented the assembly line. Eight years ago, most of the world's largest banks were American. Today, nine of the ten largest are Japanese. We have become the world's largest debtor. We are challenged by an array of enormous problems—drugs, homelessness, global warming, ozone layer depletion, poor schools.

So it may be natural that many, frustrated by such problems, would begin to blame others for them. One hears increasing talk of "economic nationalism," protectionism, "Japan-bashing," these days.

But though this may be natural, it makes very bad policy. We do need to speak out when our competitors gain unfair advantage over us. This is why I have helped lead the fight in Congress to stop the sale of the FSX fighter to Japan.

But we must realize that, on the whole, our problems begin at home, not abroad. I have introduced a bill to lengthen the school year because I do not believe we can blame others for the fact that our children study only 180 days a year, while children in other nations study 220-240 days a year. I am fighting to increase civilian funding for research and development and technology commercialization, because it is our fault that other countries outspend us in these areas. And we fought against an American, not a Japanese oil company last year that sought to drill off the coast of Pacific Palisades.

I have helped to found a think tank called Rebuild America because of our future, and that of our own kids, requires that we rebuild at home in order to win abroad.

Rebuild America has an ambitious agenda:

We seek to promote a new "investment economics," developed by a team of eminent economists led by Nobel Laureate Robert Solow.

A group of business, leaders including Robert Noyce, a Silicon Valley pioneer who co-invented the microprocessor, are working with us to develop an "industry-led policy" to revitalize and strengthen our strategic industries.

We encourage "investment in people," particularly by promoting new learning technologies that can increase students' desires to learn.

And we seek to build support for "global co-development and growth" through economic superpower cooperation, rather than the protectionism that has proven so disastrous in the past.

Some may say that such an agenda is too ambitious. But I think we have no alternative.

Last week, Rebuild America held a conference in Washington on the anniversary of President John F. Kennedy's launching of the space age. It recalled the excitement of those days—the spirit that took it for granted that we would hold the cutting-edge. It was an occasion to remember what it was like for our whole nation to be united—to reflect on the true meaning of national commitment.

I think it is time to rekindle that spirit again—to say that we will no longer settle for second-best, to say we will gain the cutting-edge, from the classroom to the shop floor to the boardroom. For a strong economy and industrial base will help to ensure of all of the other vital objectives we seek, such as a clean environment, a sound health care system, an effective foreign assistance program, affordable housing, or educational excellence.

This is what you have sent to Congress to do. And, with your support, this is what we can achieve together in the challenging years to come.

INTRODUCTION OF THE FEDERAL BUDGET STRUCTURE ACT OF 1989

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. CLINGER. Mr. Speaker, today I introduced the Federal Budget Structure Act of 1989.

Before describing the provisions of this legislation, however, I wish to express my appreciation for the valuable assistance of Charles Bowsher, the Comptroller General, and his staff in helping to develop this legislation. The Comptroller continues to play a valuable leadership role in improving our antiquated financial management practices.

The Federal Budget Structure Act simply seeks to identify, define, and present separate operating and capital components of the Federal budget, and to distinguish between Federal funds and trust funds, while maintaining a unified budget. It is not yet a perfect piece of legislation, but hopefully it will help fuel a needed debate. We've begun down that path with this year's budget resolution.

Mr. Speaker, let me reiterate that this legislation seeks to retain a unified budget. This proposal does not attempt to reduce the Federal budget deficit through more smoke and mirrors by taking capital expenditures off-budget. A unified budget is maintained. This legislation seeks to provide what the existing budget does not—adequate information on the revenues, expenditures, surplus/deficit amounts, and financing requirements for capital activities of the Federal Government. It also attempts to provide a distinction between Federal funds and trust funds, and between capital and operating activities in a manner which does not hinder identifying the resources needed to meet the Government's capital infrastructure needs.

The benefits of a capital budget are many. The private sector and a large majority of State and local governments have set a financial example of the direction the Federal Government should follow. A capital budget:

Focuses attention to a greater degree on the deteriorating physical infrastructure of the Nation and allows us to make more rational investment decisions;

Promotes intergenerational equity by burdening future generations with debt service only for activities that provide future tangible benefits [capital];

Provides more equitable budget treatment of capital activities by avoiding the current front-end loading of the full costs in the first year; and

Shows that borrowing to finance capital investments is accompanied by an increase in the Nation's assets.

A capital budget that remains part of the unified budget may also help us better define "what is a balanced budget?" As we move in the direction of a balanced budget, we need to more fully explore whether it makes sense for the Federal Government to balance its annual budget under current bookkeeping practices.

Efforts to improve Federal financial management and better identify capital activities will bear directly on the quality and clarity of the financial information that we use to make budget decisions.

In closing, Mr. Speaker, Congress continues to debate reducing the Federal budget deficit, budget process reform, and more. However, all this may be to no avail, unless we recognize the most fundamental problem—the lack of accurate, timely, and comprehensive Federal financial information.

NO NET LOSS OF WETLANDS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. BENNETT. Mr. Speaker, I read with great interest an article recently published in the Washington Post on President Bush's initiatives to preserve wetlands in the United States. I applaud his efforts and would like to bring attention to my bill H.R. 1746, the Wetlands No Net Loss Act of 1989 which aims to meet President Bush's goals.

Senate Majority Leader MITCHELL and other Members should be commended for their legislation aimed at specific types of wetlands, such as those in coastal regions, but since such wetlands only represent a fraction of the entire U.S. wetland base, we should move toward a national policy on all wetlands. My bill does that, and I hope my colleagues will join in cosponsoring H.R. 1746. I have 17 cosponsors and several environment groups in support of this legislation.

Because the preservation of wetlands is so essential to maintaining our environment, it is appropriate to have this Washington Post article placed in the CONGRESSIONAL RECORD as it appeared in the June 9, 1989, edition as follows:

[From the Washington Post, June 9, 1989]

PRESIDENT TAKES FIRST STEPS TO PRESERVE WETLANDS

(By Ann Devroy)

President Bush announced yesterday that he has formed a government task force to help implement his campaign pledge of maintaining the nation's wetlands and he endorsed in principle new legislation to achieve that goal.

During his presidential campaign, Bush pledged a "no net loss" policy to preserve wetlands that would replace every acre taken out of preservation with land added by public or private purchase. "It's time to stand the history of wetlands destruction on its head," Bush told a symposium on the issue yesterday.

Wetlands preservation has been a major environmental preoccupation for decades. More than half the original 200 million American acres have been drained, filled or cleared since 1950. Most of the wetlands are privately owned and almost 500,000 acres are lost to development each year.

Environmental groups have lauded Bush's pledge to meet the no-net-loss standard but have been impatient with his lack of initiative to implement the promise. Yesterday, he took two of the early steps they sought: endorsing the concept of new wetlands legislation and setting up an interagency task force to produce a "united federal policy" on wetlands preservation.

The president said a bill sponsored by Senate Majority Leader George J. Mitchell (D-Maine) is among the measures the White House is examining. The Mitchell bill is aimed at implementing a North American plan to preserve wetlands that calls for protecting an additional 50,000 acres of land along the East Coast of the United States. Funding would be provided through various fees.

The president, who has been emphasizing environmental issues this week leading up to his planned announcement Monday of new clear air proposals, also used the speech to outline his environmental principles. He said these include his belief that "a strong ecology and a strong economy can coexist." He also emphasized that environmental protection is a federal-state-local effort, that his goal will be preventing, not just cleaning up, environmenal problems and that such problems "know no borders."

Scott Feierabend of the National Wildlife Federation praised the speech for "not diluting or back-tracking" on Bush's campaign pledges, but said he was "somewhat disappointed" that Bush did not offer more specifics nor a broader statement of governmental responsibility.

After the speech, about two dozen leaders of environmental groups met with Bush to discuss the Clean Air Act. Several of the environmentalists said they are hopeful the administration's response will be, as one put it, "at least 70 percent acceptable."

One environmentalist showed Bush a chart that indicated the air near his summer compound in Kennebunkport, Maine, failed to meet pollution standards for several days during a testing period last summer. Bush was told the same was true near his other "homes" in Houston, Washington and Connecticut, where he was born. Officials said Bush replied that "he's surprised he's still alive."

NAMIBIAN PEACE PROCESS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. DELLUMS. Mr. Speaker, we have all been watching the United States-negotiated peace plan take hold in Namibia. I wish to share with you an account of the peace process from the highly respected Lawyers' Committee on Civil Rights. This weekly account is being provided to give the Members an objective view of the events unfolding there daily. These weekly reports will be provided on a regular basis from members of a newly formed group of representatives that will be following the process to ensure that the people of Namibia have a fair opportunity for freedom and democracy.

THIS WEEK IN NAMIBIA

(Week of June 4–11, 1989)

(A weekly report filed by the Lawyers' Committee for Civil Rights Southern Africa Project Staff in Namibia.)

GENERAL COMMENTS

The Administrator General's (AG) capacity to administer impartially the 435 process was thrown into doubt this week by reports linking his Chief Election Officer to discussions aimed at preventing a SWAPO victory in the upcoming elections. In a front-page article headlined EXPOSED, The Namibian published minutes from a September 7, 1988 meeting of the former National Security Council (NSC) which promoted the use of civil servants in a strategy to "discredit SWAPO while boosting the internal parties". DTA Chairman Dirk Mudge chaired the September 7 meeting in his then capacity as Governmental Affairs Minister. Other top government, army and police officials were present. Chief Election Officer Visser did not attend the meeting but acknowledged receiving the minutes.

AG Pienaar publicly denied that the revelations compromised his impartiality. He pointed out that the NSC dissolved along with the interim government just prior to the implementation of 435. He stressed that he was not a member of the NSC and only attended two of its meetings. He assured the public that his current administration "is an impartial one established in terms of Resolution 435", and that "up to this point [he has] fully demonstrated [his] impartiality and that of [his] officials".

It appears unlikely The Namibian revelations will force either the AG or the Chief Election Officer to step down. Nonetheless, they clearly exacerbate what a recent National Democratic Institute (NDI) delegation terms the "atmosphere of distrust [which] permeates the political scene" here. The AG's impartiality was further thrown into doubt by his admission that although the NSC was disbanded, the National Intelligence Service (a security police force administered separately from SWAPOL) still operates. He contended that the service used to fill "a security function", but now simply reports to him on the "effectiveness of the administration". One local observer captured the general public reaction commenting, "this is a wholly implausible contention".

IMPLEMENTATION OF RESOLUTION 435

1. Amnesty:

The proclamation for amnesty (No. AG 13 1989), subtitled "The Granting of Amnesty to Certain Persons," was issued on June 7. As the subtitle suggests, it applies only to persons who were born in Namibia (and their spouses and children) and were "ordinarily resident outside Namibia" immediately prior to the act's commencement. The amnesty covers "any criminal offense committed by such person in the territory or elsewhere" at anytime prior to enactment of the proclamation. In order to be eligible for amnesty, such person must enter Namibia through designated entry points. The proclamation empowers the AG to designate additional entry points or broaden the application of designate additional entry points or broaden the application of the amnesty to include additional persons or categories of persons.

While the amnesty was generally welcomed, reservations were expressed. It only applies to returnees and does not cover persons currently living in Namibia. In addition, it requires those wishing to take advantage of the provision to enter through designate entry points. Those refugees who do not want to call attention to their return by going through a process monitored by South Africa will not qualify for amnesty. Finally, it does not cover civil claims.

2. Release of Political Prisoners:

Reportedly, arguments before the UN's independent jurist regarding at least 25 prisoners are scheduled to be completed by June 15. Some disagreement persists as to

the definition of "political". As noted last week, SWAPO announced the release of 204 political prisoners. However, objections to the release have been raised by the South African government and opposition political parties. Reportedly, UNHCR representatives were not allowed into the camps to count the number of SWAPO detainees and consequently the total numbers prove difficult to verify. In addition, reports released this week in the Namibian describe angry SWAPO detainees and detail their alleged mistreatment and torture.

3. Repeal and Amendment of Discriminatory and Restrictive Laws:

The draft repeal of laws (No. AG 14, 1989) was issued on June 5 and officially gazetted June 12. The Proclamation (short title Abolition of Discriminatory or Restrictive Laws For Purposes of Free and Fair Election) repeals 36 laws and amends 10. The amended and repealed laws include the Terrorism Act, the Internal Security Act, AG 9 (1979) and AG 26 (1,978). Among other things, AG 14 spells an end to detention without trial (AG 9 and the Terrorism Act), the end of forced conscription of white Namibians into the South African Defense Force (Defense Act), the lifting of the curfew in the north (Security Districts Proclamtion) and an end to the South African State President's capacity to terminate trials of SADF officers (Defense Act).

For most Namibians, AG 14 marks the beginning of the end to a long era of legalized oppression. However, many local commentators, including DTA Chairman Dirk Mudge, protested that AG 8, the 1980 proclamation dividing Namibia's population into 11 semi-autonomous ethnic groups, has not been repealed. (Mr. Pienaar suggested that "parties say it's part of their political programme to repeal AG 8.") In addition, the likelihood of further repeals is a matter of some dispute. On June 6, the AG implied that AG 14 represents the lion's share of laws to be amended or repealed. On the same day, however, the Special Representative (SR) suggested that the proclamation covers only an initial list of laws. In any event, the AG appears to have the upper hand. AG 14 vests the ability to request further repeals with the vague category of persons "having an interest in the election." Final decisions are based solely on the AG's discretion and he is not required to provide rationale for these decisions.

4. Repatriation

Promulgation of AG 13 and 14 paves the way for the long-delayed repatriation of Namibian refugees, though at the last moment the AG hesitated to sign the empowering protocol. He reportedly raised several new pre-conditions to repatriation, including requirements that UNHCR pay cash for airplane fuel (purchased at the designated entry points). Eventually the protocol was signed, and the refugees are scheduled to begin arriving from Angola and Zambia on June 12.

The returnees are scheduled to arrive over a six week period, six days a week. Most will spend from 1-7 days at secondary reception centers. On departure from the centers, they will be given a month's food ration and other items. The World Food Program (WFP) will continue supplying food for another 11 months.

Potential obstacles to the repatriation process posed by the lawsuit of 11 tribal leaders against SWAPO, the CCN nd 6 others (see "This Week" May 28–June 4) were for the most part removed late this week. Lawyers for the headmen compromised, eliminating certain orders restricting repatriation from the relief they were seeking. Final arguments in the case are scheduled for late evening June 12. Nevertheless, enthusiasm for repatriation continues to be dampened by concern for the overall security situation in the north.

OVERALL SECURITY SITUATION

The school boycott protesting Koevoet's presence in SWAPOL continues. A recent student delegation to the north reports a noticeable presence of casspir troop carriers, in apparent violation of Resolution 435 which limits SWAPOL to the "carrying of small arms." Most Casspirs have double barrelled machine guns on top and are occupied by SWAPOL members in grey uniforms, most of whom according to local residents are former members of Koevoet. Both Reverend Brian Brown, Africa Secretary of the British Council of Churches and the NDI delegates called for Koevoet's immediate withdrawal from SWAPOL. The AG maintains that SWAPOL has sufficiently "restrained" Koevoet. Ironically, however, the AG's spokesman himself summed up the population's general concern when he said "perhaps the perception that Koevoet is still a major presence has been accentuated by the fact that they are still using Casspirs and because some of them are wearing their old uniforms."

Additional security concerns have been raised by reports that Citizen Forces were rearmed in the wake of events of early April. Under 435, these forces (along with commandos and ethnic forces) are to be demobilized and dismantled. However, under the repeal of discriminatory and restrictive laws, no changes were made in the Police Act, No. 7, 1958, under which police forces established by tribal, communal and regional authorities are allowed to perform police duties. In addition, Sections 34 and 34(a) of the Act respectively provide for the appointment of "special constables" and create a police reserve of former SWAPOL and South African police members. Despite earlier pledges by the South African government to reduce the Namibian police force from 8300 to 6000, the head of the Organization of African Unity's recent advance mission reports that police force enrollment has reached 8000.

ROLE OF UNTAG

When asked this week about the overall security situation in the north, the SR responded "I don't think we can say the situation here today is perfect." UNTAG maintains that paramilitary entities are supposed to be disbanded (including Koevoet) and the SR has reportedly asked for details on the existence of and numbers in the security forces. Thus far, however, the UN has taken no official action. Continuing concern about the overall security situation has raised questions in the minds of the local population regarding UNTAG's credibility.

In the north, there is tremendous confusion regarding UNTAG's role. At a meeting among school teachers, principals and UNTAG police monitors held in Oshakati on May 26, the teachers vented their frustration over UNTAG's performance, which they reportedly declared had been ineffectual in protecting them against intimidation and abuse. To some extent, these objections arise out of basic misconceptions about UNTAG's role under 435, which include assumptions that UNTAG is granted control of functions previously performed by the SADF and SWATF and/or SWAPOL and that the UN Special Representative's authority equals that of the AG in the implementation process.

ELECTORAL PROCESS

1. Political Parties: Focus: SWAPO President: Sam Nujoma; National Chair: David Meroro; Vice President: Hendrik Witbooi; Secretary General: Andimba Toivo ja Toivo.

SWAPO was founded as the Ovamboland People's Congress (OPC) in 1957 by a group of SWA expatriates in Cape Town. OPC originally focused on the plight of the Ovambo workers. It was renamed the Ovamboland Peoples' Organization (OPO) and merged temporarily with the South West Africa National Union (SWANU). In 1959, key members of OPO broke from SWANU and committed to building a national (rather than Ovambo) following. OPO was renamed the South West African People's Organization (SWAPO).

In the 1960's SWAPO formed the Peoples' Liberation Army of Namibia (PLAN) and launched a campaign of armed resistance against South Africa. In the 1970's SWAPO placed representatives with the FAO, ILO and UNESCO and helped establish the U.N. Institute for Namibia. The U.N. recognized SWAPO as "the sole and authentic representative of the Namibian people."

SWAPO differs substantially from its main political opponent, the Democratic Turnhalle Alliance (DTA), particularly with regard to economic policy. SWAPO envisions a socialist economy with elements of private enterprise. DTA advocates a free market economy and "independence without economic chaos."

CALIFORNIA SOCCER HONORED

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. STARK. Mr. Speaker, I would like to submit for the RECORD an example of America's increased interest in a global institution, soccer. On June 16 of this year, approximately 1,200 soccer players, from 10 through 18 years old, their families, and numerous spectators will meet for the 1989 USYSA Far West Regional Championship at Foothill High School in Pleasanton, CA.

The California Youth Soccer Association [CYSA], which will host the competition, is the largest State youth soccer association in the United States. This is the first time the Far West Championship has been held in northern California since 1981. I am pleased to honor the CYSA on this, its 20th anniversary.

Soccer is not only the fastest growing youth participation sport in the country it is already the largest. I commend the young athletes and the CYSA for helping to make California prominent in the world's most popular sport.

SAVINGS AND LOAN CRISIS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Ms. KAPTUR. Mr. Speaker, the collapse of the savings and loan industry provides yet another glimpse of our capacity as a government

VOL 135 PT 9 JE 14 — 22 1989 UMI

"of the people, by the people, and for the people" to ignore the people—that is, until we have to find someone to pay the bill. The American taxpayer did not cause the savings and loan crisis. Yet the Bush administration legislation will cost the taxpayer a minimum of $150 billion over the next 30 years to fund an "off budget" bond financing scheme to resolve troubled thrifts. Some estimate the cost to the taxpayers could rise as high as $300 billion depending on what happens to interest rates and the health of savings and loan institutions in the future.

In fact, the Bush administration bond proposal is the biggest tax increase in recent memory that will begin kicking in in 1991, at a rate of $4 billion per year for 30 years to pay the interest costs on the new bonds issued. Where will the annual $4 billion come from to pay the interest on the bonds? Where will the $120 billion in interest over 30 years come from? Whose taxes will be raised to make these payments? Which budget accounts will be short changed as a result—education, health care, veterans, defense? No one in the executive branch wants to answer these questions.

Incredibly, this bond scheme—which is actually a hidden tax—is being done in the name of fiscal responsibility—that is to meet Gramm-Rudman-Hollings budget targets. Yet if Congress would put the bailout on-budget and pay for it over the next 3 years, it would be three times less expensive than the Bush plan and the cost to the taxpayer would be cut by 300 percent. This is why I support both the Ways and Means Committee amendment to place the bailout on-budget and the LaFalce amendment to force the Congress to pay for the bailout annually on a pay-as-you-go basis.

If the bailout is placed on-budget, Congress and the President should negotiate and use a process similar to what was done on the recent budget agreement to make those responsible for this debacle pay for it. The average taxpayer is not guilty. States in certain regions of our Nation that permitted their State-chartered institutions to engage in excessively risky activities must be made to pay their fair share. The financial services industry, financial intermediaries and certain individuals that took advantage of high interest rate, brokered deposits also should pay their fair share of the bailout. Special taxes could be assessed on these groups for a limited time period to help fund the bailout.

If the Bush administration off-budget tax scheme must be used, the interest payments on the bonds should at least be structured to benefit the American taxpayer. The operative question should be: How can the bond offering be structured to benefit the American public which will pay the tab for this "debacle of deregulation with lax examination?" My amendment adopted in the Banking Committee to lower the face value of bonds sold to $1,000 (from the Bush proposal of minimum face value $10,000) is one step to make the bond offering more available to our citizens. But why should U.S. taxpayers pay billions of dollars in interest payments over 30 years to foreign investors—who are the most likely buyers of these bonds—when the American taxpayer is being asked to fund the bailout? My amendments defeated at the Banking Committee gave the Treasury an incentive to sell the bonds to the U.S. public first by limiting to 10 percent the amount foreign creditors could purchase in the first 18 months of the bond offering. I also proposed a report back to Congress on which foreign creditors buy these bonds and to whom Americans thus owe principal and interest. Americans have a right to know to whom our financial system is indebted.

Finally, in any acceptable solution to the S&L crisis, reinvestment must take place in communities which have faced lending discrimination. It is a pathetic commentary on those who steered the S&L industry down this dead-end path that deposits flowed out of communities that were red-lined in order to pay for risky investments made far from home by institutions that manipulated small depositors' funds. It is sad public policy that the Banking Committee did not pass the Gonzalez/Kennedy amendments to strengthen the Community Reinvestment Act and the Home Mortgage Disclosure Act to make restitution to those who have been discriminated against.

I believe that the enforcement provisions of this legislation go a long way to assure that this thrift debacle will never occur again. But in solving the present crisis, I believe this legislation failed miserably in proposing a fair financing mechanism to give American taxpayers something for their money—namely, fairness. That is why I must vote against this legislation.

SRI LANKA GOVERNMENT

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. CARR. Mr. Speaker, as you know, the Government of Sri Lanka is fighting a guerrilla movement of Tamil nationalists. The war is producing human rights violations that are of great concern worldwide. The case of George Alexis is one such violation.

On September 8, 1988, George Alexis, a 30-year-old carpenter, was arrested in Sri Lanka by officials of the Indian Peace Keeping Force. He was taken to the Pandeteruppu camp. Camp officials at first refused Alexis' relatives entry, then told them that Alexis had been released. The camp commander showed the family Alexis' thumb-print on the release document. The family pointed out that Alexis can read and would have signed his name, and that a curfew was in effect at the time of Alexis' supposed release. He has not been seen since.

George Alexis is one of 700 civilians who have been disappeared in recent years by the security forces in Sri Lanka. Even though the Government is fighting the Tamil insurgent movement, the disappearance of civilians is wrong. I call on the Sri Lankan Government to find Alexis and the others who have disappeared. They should be either charged and given fair trials or unconditionally released. Sri Lanka must end this violation of human rights now.

SECRETARY OF STATE BAKER'S MIDEAST POLICY SPEECH: "EMINENTLY FAIR"

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1989

Mr. WOLPE. Mr. Speaker, Israel and the Palestinians have been engulfed for over 18 months in the turmoil and challenges posed by the uprising, known as the intifada, in the occupied territories. These are events of historical significance and great human anguish. The intifada reflects the truth that the status quo in the West Bank and Gaza that has prevailed since 1967 can no longer endure—even though these territories were thrust upon Israel, against her will, in a war of aggression initiated by the combined military might of th Arab world. The intifada demonstrates that the legitimate political aspirations of the Palestinians must be accommodated. But just as clearly it shows there is only one road to peace: through a cessation of the violence; direct, face-to-face negotiations, without conditions, between Palestinian representatives and Israel; and the forging together of a future that will let Israelis and Palestinians live with each other in peace.

In the wake of these momentous developments, two important and positive initiatives have emerged. First, the PLO has met the conditions established by successive Presidents regarding the recognition of Israel and the renunciation of terrorism—and on that basis, a dialog has begun between the United States and the PLO. It is imperative, at each and every session with the PLO, that we test the intentions of the PLO's leadership, members and supporters, and hold the PLO strictly accountable for both its rhetoric and actions. The dialog that has begun can just as easily be suspended, and the PLO should not doubt for a moment our resolve that terrorism against Israel, its people, and its armed forces will not be tolerated. Indeed, I have joined in sponsoring legislation that requires the Secretary of State to regularly ascertain PLO compliance with the policies and conditions governing the dialog with the PLO.

Second, the Government of Israel has come forward with a far-reaching and just proposal for elections to be held in the territories to select bona fide representatives of the Palestinians to enter negotiations with Israel over their future. Many details of this proposal need to be resolved. But this courageous initiative is a necessary first step if any progress is to be made. The issues are too difficult, and the political gulf too broad, for the tabling of sweeping proposals by either side. But beginning a framework in which all issues can be discussed is essential. The Palestinians have a choice: riots or ballots. They have been heard—in Israel and around the world. It is time to talk.

Until diplomacy is underway, however, the violence of the intifada, and Israel's response to it, continues. So many children—far too many children—have been killed by the application of lethal force by the Israeli Army. This is an offense to moral sensibility, and it must

be stopped. Th
Israeli attitudes
taking the law
posing cruel v
cents. Controls
an workers, an
cards, have
smack of the
regimes.

At the same
been murdere
Israel—a chilli
fear that unde
raelis and Pale

More and m
the raw chara
and 1930's—
strife.

Israelis and
from the abyss
tary of State J
tional Confere
Affairs Commi
ly tough, but
Palestinians t
Israel, to relin
Israel, and to
elections in th
tiative on the
Arab nations t
cott of Israel,
and to repudi
racism.

Speaking to
the special r
our countries,
any annexatio
to its policy,
338, of excha

Secretary
ment of long
States Gover
sistently foun
American Jew

Many leadi
statements
speech. I wh
and according
colleagues th
American Je
Jewish Comm
Hebrew Cong

[From the
JEWISH ORG

In reactio
Baker's spe
Public Affai
K. Lifton, p
issued a sta
tary's rema
mately reas
in the Mid-E
marks "esse
U.S. policy,"
have overlo
Secretary B
ians are co
those made

The full te

Secretary
bering but
of the pres
East. His p
ventory of
in the area.
speech esse

be stopped. The violence has also hardened Israeli attitudes generally, with Israeli settlers taking the law into their own hands, and imposing cruel vigilante justice, often on innocents. Controls on the movement of Palestinian workers, and the issuance of identification cards, have been imposed—practices that smack of the reprehensible policies of other regimes.

At the same time, over 40 Palestinians have been murdered as "collaborationists" with Israel—a chilling message of intimidation and fear that undercuts the hopes of moderate Israelis and Palestinians alike.

More and more, the territories are taking on the raw character of Palestine in the 1920's and 1930's—venues of ethnic warfare and strife.

Israelis and Palestinians must pull back from the abyss. It was in this spirit that Secretary of State James Baker addressed the National Conference of the America Israel Public Affairs Committee [AIPAC]. He made extremely tough, but eminently fair, demands on the Palestinians to cease their violence against Israel, to relinquish their hopes of destroying Israel, and to embrace Israel's proposal for elections in the territories—the only peace initiative on the table today. He called on the Arab nations to terminate their economic boycott of Israel, to recognize the Jewish State, and to repudiate the calumny that Zionism is racism.

Speaking to Israel, the Secretary reaffirmed the special relationship that exists between our countries, and asked Israel to renounce any annexation of the territories and to adhere to its policy, under U.N. Resolutions 242 and 338, of exchanging land for peace.

Secretary Baker's speech was a restatement of longstanding views of the United States Government—policies that have consistently found favor in Israel and within the American Jewish community.

Many leading organizations issued strong statements of support for the Secretary's speech. I wholeheartedly concur with them, and accordingly am pleased to share with my colleagues the press releases issued by the American Jewish Congress, the American Jewish Committee, and the Union of American Hebrew Congregations:

[From the American Jewish Congress]

JEWISH ORGANIZATION REASSURED BY BAKER REMARKS

In reaction to Secretary of State James Baker's speech before the American-Israel Public Affairs Committee yesterday, Robert K. Lifton, president of the AJCongress, has issued a statement noting that the Secretary's remarks were "a sobering but ultimately reassuring assessment of the events in the Mid-East." Calling the Secretary's remarks "essentially an extension of existing U.S. policy," he noted that some observers have overlooked the fact that the demands Secretary Baker has made on the Palestinians are considerably more rigorous than those made on Israel."

The full text of the statement follows:

Secretary of State Baker delivered a sobering but ultimately reassuring assessment of the present state of events in the Mid-East. His presentation is a hard-headed inventory of the challenges facing all parties in the area. The important factor is that his speech essentially represents an extension of existing U.S. policy with respect to the territories and which continues to value Israeli security as among its highest priorities.

Some observers have overlooked the fact that the demands Secretary Baker has made on the Palestinians are considerably more rigorous than those made on Israel. He called on the Palestinians to end the intifade violence, to "renounce the policy of phases," to amend the covenant, to accept the current Israeli peace initiative, to enter direct, face-to-face negotiations with Israel, and to accept a transitional period of autonomy prior to a final settlement, which will "mean full recognition of Israel as a neighbor and partner in trade and in human contact." He also urged the Arabs to end the economic boycott, to "stop the challenges to Israel's standing in international organizations," and to "repudiate the odious line that 'Zionism is racism.'"

There may be occasions down the road when the views of the Administration will seem to us inadequately responsive to the real dangers Israel confronts. It has happened before. But it would be wrong, as some have done, to act in anticipation of an event that has not occurred.

[From the American Jewish Committee]

NEW YORK, May 23.—Commenting on Secretary of State Baker's remarks yesterday on the Middle East situation, Ira Silverman, executive vice president of the American Jewish Committee, said today:

The American Jewish Committee believes Secretary of State James Baker's call to the parties to the Arab-Israeli dispute to take concrete steps toward peace is both timely and correct. We share his characterization of the Israeli Government's proposal for Palestine elections in the territories as "an important and very positive start down the road toward constructing workable negotiations." We also welcome Secretary Baker's reaffirmation of the importance of continued bipartisan U.S. support for Israel, his declaration that "a key condition for progress" is "a productive United States-Israeli partnership," his opposition to any imposed settlement, and his clear message to the Palestinians that "no one is going to deliver Israel for you."

We applaud and agree with Secretary Baker's call to the Arab states to end their economic boycott of Israel, to take steps to make peace with Israel, and to repudiate the obscene equation of Zionism with racism.

We agree whole-heartedly that it is time and past timefor the Palestinians to end the violence in the territories, for the PLO to abandon its "strategy of stages" for the piece-by-piece destruction of Israel, to appropriately amend its Charter, and to cease its use of UN specialized agencies for its own political purposes.

Regarding the specific steps that the Secretary calls upon Israel to take, it has long been the AJC position that UN Security Council resolutions 242 and 338 apply in the West Bank and Gaza. This means trading land for peace within the context of a comprehensive settlement that assures Israeli security within properly defensible borders. Similarly, while we believe that Jews have a right to live on the West Bank, we have urged that settlement be voluntarily halted in order to advance the peace process.

Overall, AJC agrees with Secretary Baker that it is necessary for all sides, the Israelis, the Arab states and the Palestinians, to take concrete measures to build confidence and move the peace process forward. We want and need a settlement that will make it possible for Israel, its neighbors and the Palestinians to live in peace and security, with human rights secured for all.

The American Jewish Committee protects the rights and freedoms of Jews the world over; combats bigotry and anti-Semitism; promotes human rights for all; works for the security of Israel and deepened understanding between Americans and Israelis; defends democratic values and seeks their realization in American public policy; enhances the creative vitality of the Jewish people. Founded in 1906, it is the pioneer human-relations agency in the U.S.

COMMENT BY RABBI ALEXANDER M. SCHINDLER, PRESIDENT, UNION OF AMERICAN HEBREW CONGREGATIONS (REFORM JUDAISM) ON AN ADDRESS BY SECRETARY OF STATE BAKER

Secretary Baker's speech deserves to be commended and not criticized. It was an eminently fair statement of what Israel and the Arabs must do to bring peace. His words have been described as "blunt" and even "tough." Is that necessarily bad for Israel? Is it better to hear sweet nothings or honest talk about what has to be done on both sides?

In fact, the tougher demands were made of the Arab side—by far. If I were an Arab policymaker at PLO headquarters in Tunis or in Damascus or Baghdad or Amman, I would regard the Baker statement of American Middle East policy as a devastating blow. Let's take a look at what the Secretary said:

He called on the Palestinian Arabs to abandon violence and begin a serious political dialogue with Israel. He urged the Palestinians to relinquish their hopes of destroying Israel and to renounce all talk of taking over Israel in stages—the first stage being a Palestinian state in the West Bank and Gaza.

He endorsed Prime Minister Shamir's proposal for elections in the territories as "an important and positive start down the road toward constructing workable negotiations." He called on Arab governments to end their economic boycott of Israel, to stop their unremitting challenges to Israel's standing in the international community and to "repudiate the odious lie that Zionism is racism."

The Secretary called on the PLO to rescind its charter, which calls for the destruction of Israel, and said that attempts to destort the programs and services of international organizations, such as the World Health Organization, should be ended.

The major issue in the Middle East today is the refusal thus far of the Palestinian Arabs to bring a halt to the intifada and to accept Israel's plan for free elections in the territories. Secretary Baker knows that. His remarks were, it seems to me, directed mainly at the Palestinians for their refusal to turn from violence to negotiations.

In my judgment, Israel will have few problems in taking Mr. Baker's advice. The American Secretary of State is not the first of Israel's friends to urge Israel to abandon the idea of annexing the West Bank and Gaza. Previous Administrations have done so; many American Jews have done so; I have done so. In any case, annexation of the territories is nowhere in Israel's present plans, as far as I understand.

Moreover, the 'constituency for peace' that Mr. Baker urged already exists in Israel. Israel—not the Arabs—long ago ac-

cepted UN Security Council Resolution 242 as the basis for a settlement with the Arabs. And Israel would be more than eager to follow Mr. Baker's suggestion to reopen the schools in the West Bank, provided only that they are used as educational institutions and not as staging areas for the intifada.

On settlements, there may be some differences between Washington and Jerusalem. But that is a minor matter compared with all of the other major points on which the United States and Israel clearly agree, particularly since Israeli budgetary restraints make this academic anyway.

Arab-Israel peace will come not by violence, not by terrorism, not by continuing the intifada but rather, in the Secretary's words, through "full recognition of Israel as a neighbor and partner in trade and human contact."

It is gratifying to know that Secretary Baker clearly understands this reality. He has told the Palestinians that violence will not work. He has made clear that a Middle East settlement can be reached only through direct negotiations. He has reiterated the American position that opposes the creation of an independent Palestinian state.

For all these reasons, I welcome the Secretary's remarks. All who love Israel should do so.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SENATE—*Friday, June 16, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord; and in His law doth he meditate day and night. And he shall be like a tree planted by the rivers of water, that bringeth forth his fruit in his season; his leaf also shall not wither; and whatsoever he doeth shall prosper. The ungodly are not so: but are like the chaff which the wind driveth away. Therefore the ungodly shall not stand in the judgment, nor sinners in the congregation of the righteous. For the Lord knoweth the way of the righteous: but the way of the ungodly shall perish.—Psalm 1.

Gracious God our Heavenly Father, give us seeing eyes, hearing ears, understanding minds, receptive hearts and the will to take seriously the fundamental wisdom of the first Psalm, its promised blessing, its perilous warning.

In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

THE PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 16, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting majority leader is now recognized.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. CRANSTON. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business not to extend beyond 10:30 a.m., with Senators permitted to speak for up to 5 minutes each. At 10:30 the Senate will resume debate on S. 5, the child care bill.

As the majority leader indicated on yesterday, there will be no rollcall votes today. Any votes ordered today and Monday will not occur prior to 5:30 p.m. on Monday, June 19.

THE CHILD CARE BILL

Mr. CRANSTON. I would like to say a word about the child care bill. I was one of the originators of this measure, an original cosponsor. It is a very fine, a very important step toward providing care for children who need it when their parents are not providing it for one reason or another. And it is designed to end the tragic choice that many parents face where they either have to be at work and leave their child unattended, or stay with their child and be on welfare. We obviously should end that tragic situation for parents and for children, and for society generally.

S. 5 is a measure designed to move us in the direction that our society needs to go. It is a family oriented bill, and I am proud to be one of its architects and one of its principal supporters.

RESERVATION OF THE MAJORITY LEADER'S TIME

Mr. CRANSTON. I ask unanimous consent that the remainder of the time for the majority leader be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the Republican leader is now recognized.

Mr. DOLE. I yield all my leader time to the Senator from Iowa.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 9 minutes and 50 seconds.

THE CHILD CARE BILL

Mr. GRASSLEY. Mr. President, first of all, I thank the Republican leader for yielding his time to me. I also appreciate very much this opportunity to visit with you about the ABC bill, the child day-care bill. I rise in context of the debate on that bill.

The issue I am addressing has concerned me ever since I entered public service over 30 years ago. That is the tendency of the Federal Government to discriminate against religious persons when providing services that are available to everyone else.

In this particular case, it was the discrimination against religious providers of child care.

I recognize that a hopefully workable compromise is included in the new substitute amendment. But I am compelled to raise this matter again. It is important to air this topic because we should not have even considered legislation which would restrict religious freedom.

Unfortunately, it is all too common to sacrifice our constitutional right of religious liberty, in favor of efforts to expand, and unfortunately distort, the concept and effect of our constitutional protection of separation of church and state.

The concept of separation should be aimed at protecting, not threatening, religious liberty.

I am not an attorney, but I have long been a student of the Constitution as most of my colleagues probably have been. It has always been my belief that one of the great tenets on which this country was founded is that of religious liberty.

Yet, it seems that this Congress exerts much more of its legislative prowess to restrict religious practices with overreaching interpretations of separation of church and state.

Mr. President, I applaud the work of the majority leader, the chairman of the Labor and Human Resources Committee, and the chairman of the Children and Family Subcommittee.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Their cooperation in reaching a compromise will enable families to select day care providers which include religious activities without forfeiting their much-needed Federal assistance.

As good as this agreement is, we need to put this whole issue, including the compromise, in the proper context. Except for the work of the Senator from Kentucky [Mr. FORD] and the Senator from Minnesota [Mr. DURENBERGER] there would be no agreement. They are to be commended for an excellent job on this part of the legislation.

They persisted to find a solution to protect the rights of religious liberty, without compromising separation of church and state. Their leadership ensured that this bill does not discriminate against religious child care providers.

Otherwise, Mr. Chairman, we might have a bill like that of last year. As introduced, S. 1885 made a point to specifically exclude church-run day care centers from Federal programs.

The committee version worsened things by allowing churches to participate, but only by shrouding all religious symbols—a rather spectral sight for little children.

This year, S. 5, the "new and improved" ABC, acknowledged that religious organizations perform a valuable social service, but would have deprived them of their church functions. Such child care centers could receive Federal assistance, but only on the condition that they deny children and their families the opportunity to practice their faith while in day care.

Can you imagine, in church, before a meal, at a day-care center, that the children would not be able to thank God for that food? The "compromise" in this bill has seen a long and hard road. Lest I seem disparaging, I do appreciate the accommodation made for the constitutionally guaranteed right of religious freedom.

I deplore, however, the bloodletting, such as experienced by the Senators from Minnesota and Kentucky, that it has taken.

Why should Congress be so afraid of religion? Even people who do not make any pretense of being religious generally agree that it is good that other people are.

Even people who do not claim a religious faith often enroll their children in Sunday school or parochial school. Further, most non-church people agree with Proverbs 22:6—"Train a child in the way he should go, and when he is old, he will not turn from it."

Why? Because religion teaches good values and morals! Because people active in church and synagogues generally make good citizens! Because people feel they can trust churches.

What right do we have to dictate how a family chooses to instill religious values and morals in their young children?

A good share of parents have faith in the values of religious organizations which provide child care. We have no right to deny that freedom of choice.

A 19th century author and poet once said that, "Now-a-days, we know the price of everything and the value of nothing."

He must have had Congress in mind when he wrote that. We have revenue estimates and cost projections for every thing we legislate. But we seldom take the time to look at what a program is really worth—and what its value is to our constituents. I was always taught that value increases with personal and community investment.

There is a big difference between investment and interference.

It is so tempting for the long arm of the Federal Government to reach its greedy fingers into the personal decisions of families.

It is too easy for politicians and bureaucrats to impose what they believe to be omniscient knowledge, based on the wealth of information from the bowels of the Federal Government, on trusting and unknowing constituents.

Mr. President, as a Federal legislature, we should proceed very carefully into family policy. We should look for solutions to family needs and concerns in existing community institutions. Churches and synagogues are the very pillars of community institutions.

Families need support from community institutions in order to handle our complicated society, especially when many families live hundreds of miles away from their extended families.

The Federal Government should encourage, not stifle, that support structure. Religious and charitable organizations are exactly what Congress should look toward to solve our societal and family problems.

But most important, we must seek creative means for families to help themselves. No one should think that by restricting religious liberty that families are best helped.

I am frustrated with the Federal Government, specifically the Congress, for putting so much emphasis on the separation clause of the first amendment, that, in effect, we impinge on the free exercise clause of the first amendment.

In closing, one of my favorite books, which was written way back in 1954, regarding the Constitution, is entitled, "The Forgotten Ninth Amendment." I think a book could also be written about "The Forgotten Free Exercise of Religion Clause in the First Amendment."

Though this may be a cliche: The Constitution guarantees the freedom of religion, not the freedom from religion. I hope that adopting the Ford/Durenberger amendment is an indication that this body will give equal time to both protections provided in that very important first amendment.

The ACTING PRESIDENT pro tempore. The leaders' time has expired.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for a period of time not to exceed 5 minutes.

The Senator from Iowa.

Mr. GRASSLEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. SIMON. I thank the Chair.

(The remarks of Mr. SIMON pertaining to the submission of Senate Concurrent Resolution 47 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. SIMON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Will the Senator withhold?

Mr. SIMON. Yes, I will.

NUKE DUMP A SHAM

Mr. REID. Mr. President, the nuclear waste dump planned for Nevada has always been a sham, foisted on the people of Nevada by outsiders who bent the rules and ignored the experts to get their own way at our expense. Every independent study has proven that the nuke dump is a sham. The people of Nevada know the dangers of radiation poisoning firsthand because of our experience with the Nevada Testing Site. In the last week we have seen additional proof that the very idea of a nuclear waste dump in Nevada is absurd and reprehensible.

I am referring to the Rocky Flats nuclear weapons plant in Colorado, where FBI agents spotted illegal burning of toxic solids and illegal dumping of tainted chemicals into streams that run through the plant grounds. If they cannot stop criminal dumping and dangerous negligence at a weapons plant that is just a few years old, what makes the Department of Energy think it is going to do a better job with 70,000 tons of high-level radioactive poison, buried under Yucca

Mountain, in the fastest growing State in the country, in a nuke dump that is supposed to last for 10,000 years?

They were wrong before and they are wrong now. I stand today in the Senate with the firm commitment, Mr. President, that the people of Nevada and their elected representatives in Washington will do everything we can to prevent Nevada from becoming the garbage dump for the rest of the country.

I ask unanimous consent to have printed in the RECORD the following editorial, "After Rocky Flats, Can We Trust DOE?" which appeared in the Las Vegas Review-Journal on Tuesday, June 13, 1989. It is just one example of the rage and skepticism felt by the people of Nevada.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Las Vegas Review-Journal, June 13, 1989]

AFTER ROCKY FLATS, CAN WE TRUST DOE?

The news concerning the Rocky Flats nuclear weapons plant in Colorado last week reflected poorly—to say the least—on the Department of Energy's already shaky credibility.

It must have been quite a spectacle to see 75 federal agents swarming through the sprawling plant, 16 miles northwest of Denver. The FBI aptly dubbed the Rock Flats raid Operation Desert Glow. The operation was designed to secure further evidence that the plant has been grossly mismanaged over the years, and that the DOE has consciously participated in a coverup.

Following the raid, the FBI released a slew of documents that catalogs a pattern of illegal dumping, burning and polluting at Rocky Flats, the nation's sole manufacturer of plutonium triggers used in nuclear warheads.

The FBI documents allege that the plant illegally burned hazardous waste, illegally disposed of up to 40 different hazardous chemicals on the 6,550-acre grounds and dumped 13 different toxic chemicals into two creeks that flow directly into the drinking water supplies of several Denver suburbs.

All this was occurring at a time when the DOE awarded Rockwell International (main contractor for the weapons plant) $8.6 million as a bonus for "excellent" management of Rocky Flats.

Perhaps the most damaging document released by the FBI was a 1986 memo—written by a DOE employee—acknowledging that some of the waste facilities at the site "are patently illegal" and stating that "we have serious contamination." The memo also noted that the public had no idea "just how really bad the site is."

What's even more galling is that the FBI documents also outline a pattern of coverup by the DOE which apparently sought to hide gross mismanagement at the plant.

In light of the events at Rocky Flats, is it any wonder Nevadans are wary of DOE's plans to bury 70,000 metric tons of high-level nuclear waste at Yucca Mountain? DOE has created for itself a major credibility problem, and Nevadans will need some big-time convincing before they come to believe the Yucca Mountain repository can be operated safely.

TRIBUTE TO THE LATE JESSE W. SWEETSER

Mr. NUNN. Mr. President, I want to take a few minutes to pay tribute to Jesse W. Sweetser, who died recently at his home in Washington, DC. He was 87 years old and had been suffering from cancer.

Jess Sweetser, a native of St. Louis, MO, and a graduate of Exeter Academy and Yale University, had a long and distinguished business career. Jess began as a stockbroker in New York City in the mid-1920's and continued in this field until he joined Curtiss-Wright Aircraft Co. as a salesman. Following World War II, he moved to Baltimore and continued his career in the aircraft industry with the Glenn L. Martin Aircraft Co. Jess was soon promoted to the vice president of sales, and retained this position following the merger of Martin Aircraft Co. and the American Marietta Co. He retired in 1967, and, after that, worked as a consultant in the Washington area.

From those who knew him in these fields, Jess was remembered as an astute, knowledgeable businessman who possessed an eye for the future. With each task he undertook, regardless of its scope or difficulty, Jess sought to broaden his own vision. He was adept at bringing his collective experience to bear on problems to reach the most effective solutions.

While most of us strive to lead such a distinguished career, this was only part of Jess' contributions to our country. Fitting of the ideals Plato held in the Republic, Jess Sweetser developed and honed not only his mental abilities, but his physical talents as well. This aspect is where he is most widely remembered.

Jess Sweetser was an accomplished baseball player, track athlete, and amateur golfer. Jess always claimed that his true sports love was baseball, but it was in amateur golf that he left an indelible mark. Although all the accomplishments of his career would be too numerous to list, I would like to provide some of them for the record.

In 1920, and only 2 or 3 years after he began playing golf, Jess won the National Collegiate Athletic Association championship. Two years later he defeated Charles Evans, Jr., 3 and 2 to capture the U.S. Amateur Championship. In 1926, Jesse Sweetser became the first native-born American to win the British Amateur by beating A.F. Simpson by the score of 6 and 5.

Jess Sweetser was a member of the first U.S. Walker Cup team in 1922, and again represented our Nation in this competition in 1923, 1924, 1926, 1928, and 1932. Jess also captained the Walker Cup team in 1967 and 1973. These years were notable in the fact that each of these U.S. teams came away victorious.

I would like to add a few personal remarks about the friendship I enjoyed with Jess Sweetser. Each time I joined Jess for a game of golf and strolled down a fairway with him I sensed that I was witnessing a part of history. He competed against and won against Bobby Jones, yet adapted easily to the modern era ushered in by Arnold Palmer and Jack Nicklaus. He had an uncanny ability to recall shots he had hit a half-century earlier, to remember the layout of holes he had not seen in 40 years, and to simplify golf to its most basic terms.

In golf, you often encounter players who have the ability to focus singly on the task at hand. Jess Sweetser was a man with a strong competitive drive, as evidenced by his record of successes, but he was also a consummate gentleman. He would share his vast experience with the game as easily as one greets an old friend. I recall more than one occasion when Jess would pass by me on the driving range as I practiced. Jess gently would tell me that I was making the game too difficult. He stated that golf was no harder than taking the club back with your left hand, and then hitting the ball with your right hand.

Perhaps golf is no more complicated than that. Or perhaps it is life that is not so complicated when it is enjoyed by a man of such grace and talent as Jess Sweetser. With Jess, life and golf were inseparable. Though his friends and family will miss Jess, we will never forget the contribution he made to the game he loved so much, and the love of life he brought to all those who had the pleasure of knowing him.

MOYNIHAN RESOLUTION ON JACKSON-VANIK—SENATE CONCURRENT RESOLUTION 45

Mr. DOLE. Mr. President, yesterday the distinguished Senator from New York [Mr. MOYNIHAN] submitted a concurrent resolution dealing with the so-called Jackson-Vanik amendment—legislation which seeks to use the leverage of trade benefits to encourage improved human rights performance in the Soviet Union.

I want to commend Senator MOYNIHAN for this initiative. It reflects the growing recognition that the reforms we are seeing in the Soviet Union are real and significant; and the growing conviction that it is in our interest to encourage a continuation and acceleration of those reforms.

Senator MOYNIHAN's office and mine sought to work out some differences on language in his resolution, prior to its submission, but we were not able to accomplish that. As a result, I am not in a position yet to put my name on as a cosponsor. But I do agree with the basic proposition of the concurrent resolution: that the Congress ought to

respond favorably to a request from the President to extend MFN to the Soviet Union, when the President is satisfied that the immigration reforms in the Soviet Union are not going to be set aside, and will be faithfully implemented.

Hopefully, as the committee considers this resolution and we move to later floor action, some language adjustments can be made to bring on board many additional cosponsors, including this Senator. In the meantime, I again want to commend the Senator from New York for his initiative, and to indicate my support for the principle embodied in this resolution, and the policy articulated by the President.

LIVING IN EXTRAORDINARY TIMES

Mr. COHEN. Mr. President, we are living in an extraordinary period of time. It is extraordinary not only because of the enormity of the events that we are witnessing in the world but in the rather feeble reaction to those events.

I recall several weeks ago, for example, we saw the elections take place in Panama and Mr. Noriega send out his so-called dignity battalions. There is an irony involved in the use of the word "dignity" for those goon squads that were sent out to beat, pummel, and brutalize the opposition that was seeking to restore a sense of democracy to that country. He declared the elections to be null and void, and said he had to do so because there was massive fraud committed by people who were seeking a democratic opportunity for their country.

I noted last week that the Tass news agency almost immediately praised Noriega's actions. Tass said they were necessary because of the fraud being perpetrated by the people who were in the streets, and, therefore, the election should remain null and void.

This is not the new thinking that Mr. Gorbachev is promoting, but, rather, the old thinking that we have seen for so many years. I was in China back in 1979. I traveled to China with Senator GLENN, of Ohio, Senator HART, of Colorado, and Senator NUNN, of Georgia. That was the first trip that was made after the recognition of China, and I had an opportunity to meet with Vice Premier Deng Xiaoping. I also traveled to China several years later with Senator WILSON, and he has his own experiences to relate about his trip to China. I recall asking Deng Xiaoping how long he would tolerate this new breeze of democracy that was starting to blow through the city of Beijing, how long he would tolerate that wall of democracy staying up where people were writing the news and reading the news that was open, and not controlled by the official press. And he said that this breeze of democracy would flow through the city of Beijing forever and ever. Those were his words.

Well, today's news tells a very different story. Today's accounts that appear in the Washington Post and New York Times, the morning telecasts, say that no students shed any blood. No bullets were ever fired. The only people who died in the recent demonstrations were the valiant soldiers who fought against those counterrevolutionaries. But the fact is, the world witnessed students being shot. I can tell you that they were not only shot, but the 27th Army went through and bayoneted hundreds, if not thousands, of students. They were run over by tanks, and now they are being hunted down and arrested and beaten into signing confessions and then executed.

In this country we have had reports that Chinese officials have been videotaping students who have been out demonstrating on behalf of their fellow students back in China, and they are threatened with retaliation against them and their families, who remain in China.

I was one of the architects of the Speedy Trial Act of 1978 in which we mandated that a person who was indicted ought to be brought to trial within a period of 90 days. Well, in China you get a very speedy trial. In less than 90 minutes you can be charged, tried, sentenced, and executed. The Chinese Government has said that these freedom demonstrations never occurred; it was a figment of the outer world's imagination. Can you not see? There were no riots, no burned-out tanks, no students in the streets. Everything is quite back to normal.

Some of our allies who spoke of these murderous actions of the Chinese Army spoke with a weak voice—they are back to business as usual. According to the Washington Post, Japan, ever eager to seek profits, decided that profits are more important than principle. It is an internal affair, according to the reports, as far as the Japanese attitude is concerned.

Mr. President, the United States should not permit our principles to be swept into the Tiananmen Square ash heap. We cannot allow the image of those brave people, who died for freedom, to be airbrushed away. Now, it may be an internal affair for China, but it is of international concern and, I would hope, international consequence. For years, the Soviet Union said that its brutal treatment of its own citizens was no one else's business. We rejected that, and we denied them trade benefits under the Jackson-Vanik amendment, until they changed. Now they are changing and we are considering lifting that trade restriction.

Mr. Gorbachev has tried to move the Soviet Union into the 21st century, to introduce glasnost, and hopefully a more humane way of dealing with people who disagree with the Communist Party line. We wish him well. But there are several notes of irony I feel compelled to point out today. The students who hailed Mikhail Gorbachev several weeks ago when he was in Beijing as the champion of democracy would have to take note that he left Beijing claiming the students were simply a group of hotheads. He has been noticeably mute on the events in China, and I suggest that his words rival the ambiguity of the Delphic Oracle. He said that he regretted some aspects of what took place in China. What aspects? The fact that the students were in the streets or the fact that the soldiers were running them over? Where is the clarification of which aspects he regrets? It seems to me astonishing, absolutely astonishing to witness the wisdom that is being imparted to his words today.

President Bush went to West Germany 2 weeks ago. He said the Berlin Wall must come down. He was clear; he was unambiguous. He said that wall stands as a scar against the conscience of humanity. Take it down. Mr. Gorbachev was reported in today's paper, saying that nothing is eternal in this world; the wall can disappear once the conditions that created the need for it disappear. What is he saying? What is Gorbachev saying? Did he mean that once the people of the eastern bloc stopped yearning for freedom, they would no longer have to stay in jail? Is that what he means by "once the conditions disappear, the wall will disappear"?

He said there was no evil intention on the part of those who erected the wall. Apparently, no evil interest by those people who shot down and murdered over 200 people trying to flee the brutality of the East for the dream of the West. According to the Washington Post today, Hans Klein praised Mr. Gorbachev's statement as immensely positive.

I must tell you, this sent me running to my library. Lawrence Durrell, a famous poet-author once wrote that everything here is believable, because nothing here is real. This was contained in a work of fiction. We find the converse true. Everything here is real, and to me, it is absolutely unbelievable.

I thought of that wonderful little story called "Being There." some of you may recall that Peter Sellers played the part in the movie. It was a short novel written by Jerzy Kosinski. The reaction to Mr. Gorbachev's statement brought it clearly into focus. Chance Gardiner had a meeting with the President of the United States and the President said to Mr. Gardiner,

who was not really a rocket scientist, to say the least, "Mr. Gardiner, what do you think about the bad season on The Street?" He was meaning Wall Street. Finally, Chance Gardiner said, "In a garden, growth has its season. There are spring and summer, but there are also fall and winter. And then spring and summer again. As long as the roots are not severed, all is well and all will be well." To which the President responded: "I must admit that what you have just said is one of the most refreshing and optimistic statements I have heard in a very, very long time." He said, "We welcome the inevitable seasons of nature, yet we are upset by the seasons of our economy! How foolish of us!" He smiled at Chance and said, "I envy Mr. Gardiner his good solid sense. This is just what we lack on Capitol Hill."

I could not help but think of that particular scene, as we witnessed the reaction of a West German spokesman saying, the wall will come down when the conditions for the need for the wall disappear. What a marvelous reaction we had from the West German spokesman. George Orwell warned us over 40 years ago about the very thing that is taking place today.

He talked about Newspeak and doublethink, where the Government starts controlling words and, of course, the distortion of language is always the precursor to a debasement of values. We found a situation in which the Government could declare black is white and white is black—not only declare it, but make you believe it. And that all one had to do to deal with history is simply to rewrite it on a constant basis.

History is being continuously rewritten day to day, falsification of the past carried out by the ministry of truth, and it is as necessary as the stability of the regime itself. If it is necessary to rearrange one's memories or tamper with the written records, then it is necessary to forget that one has done so. I will quote from this one section: "Even the names of the four ministries by which we are governed exhibit a sort of impudence in their deliberate reversal of the facts. The Ministry of Peace concerns itself with war, the Ministry of Truth with lies, the Ministry of Love with torture, the Ministry of Plenty with starvation. These contradictions are not accidental, nor do they result from the ordinary hypocrisy: They are deliberate exercises in doublethink. For it is only by the reconciling of contradictions that power can be retained indefinitely."

Mr. President, some lies are so gracefully told, so artfully constructed, that the lies take on the perfume of truth. This is not the case in Panama, and it surely is not the case in China. Let the Chinese Government say that it has had little experience in dealing with democracy or dissent.

Let the Chinese Government say that the United States, the champion of democracy, has not had an unblemished record in dealing with dissidents or human rights. Let the Chinese Government say that it overreacted and it failed to stop or restrain the brutality of its own army, and let them call off the manhunts, the persecutions, and the purges, and instead let them provide amnesty for those students who were demonstrating for nothing more than the right to be free. Then the West can perhaps try to reengage and help China make its way into the modern world.

Mr. President, let me say that the Chinese Government cannot ask us, the United States, the free world, to swallow the Chinese Government's pride and its lies and declare that 2 plus 2 equals 5. The lies that are being told today do not have the perfume of truth. They have the stench of lies.

I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized under the previous order.

Mr. WILSON. Mr. President, let me begin by thanking the senior Senator from Maine for the eloquence that we have become accustomed to expect from him, but I think that the poignancy of the situation that he has described is one that is truly difficult to comprehend.

Those of us who watched on television with great hope and optimism what seemed to be the first real breaths of freedom and democracy in the People's Republic were deluded for that brief period as were many others, including those who had the courage to utter those protests. I think the senior Senator from Maine has put in perspective the fact that wishing will not make it so, that those who have had that courage are now suffering a terrible retribution from a society whose governors have decided that however much they might desire Western economic modernization they are not willing to pay the price of the accompanying political democracy that necessarily makes both function for the benefit of people in the West. It is clear they have chosen repression and control at the expense of their people and at the expense of it would seem any near-term hope for democracy.

HAPPY BIRTHDAY TO ASPEN MUSIC FESTIVAL

Mr. WIRTH. Mr. President, I am pleased to note that 1989 marks the 40th anniversary of the Aspen Music Festival.

Aspen, CO, is well known as one of the most beautiful resort communities, with some of the best skiing in the world. Nestled in the high Colorado Rockies, beneath clear skies and against the magnificient backdrop of the Maroon Bells Wilderness, Aspen is a place of breathtaking beauty. This atmosphere makes Aspen a haven for the spirit and the body.

For the last 40 years, the Aspen Music Festival has augumented the lives of so many in Aspen and in Colorado. The festival is an internationally recognized cultural event, bringing nearly 100,000 visitors to Aspen each year. It is a world class event, and I hope my colleagues and all those who love fine music, will have the opportunity to attend.

The Aspen Music School has been an integral part of the festival's success. From modest beginnings in 1952, the Aspen Music School has grown from a 200-student Institute of Music housed in temporary quarters to a prestigous campus with an expected enrollment this year of nearly 1,000 students. The school has attracted an outstanding faculty and an international alumni including such names as William Bolcom, James Conlon, Dennis Russell Davies, David Del Tredici, Barbara Hendricks, James Levine, Jorge Mester, John Nelson, Nadja Salerno-Sonnenberg, Leonard Slatkin, Morton Subotnik, Joan Tower, and other members of leading orchestras the world over.

Under the leadership of Gordon Hardy since 1962, the Aspen Music School has been dedicated to the advancement and education of young musical talent. The Aspen Music Festival has served to showcase this extraordinary talent. The festival also provides a forum for adventurous programming and creative trailblazing in music.

I can think of no more eloquent testimonial to the festival than that which came from one Aspen Music School graduate, who said:

> There is no place like Aspen. It is a testing ground for us, one where we can experience a total immersion in music. We come for that, and to play, not only under, but with some of the finest professional artists anywhere.

Like many Colorado communities, Aspen was nearly busted during the great silver slump at the close of the 19th century. Aspen survived tis economic crash, and its special beauty, combined with the frontier spirit of its people, have produced a recreational and cultural renaissance we recognize by celebrating the 40th birthday of the Aspen Music Festival.

This festival has achieved much, and continues to aspire to greatness. I know all Coloradans, and the members of the Senate, will want to join me in wishing the Aspen Music Festival a very happy 40th birthday.

VOL 135 PT 9 JE 14 — 22 1989 UMI

THE 1,553D DAY OF TERRY ANDERSON'S CAPTIVITY

Mr. MOYNIHAN. Mr. President, it is now 1,553 days that Terry Anderson has been held in captivity in Beirut.

A report that appeared in Time on February 2, 1987, describes a rash of hostage-taking—termed a "wave of terror" by the author—which occurred during this time. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time Magazine, Feb. 2, 1987]

TERRORISM: A FRENZY OF HOSTAGE TAKING

(By Michael S. Serrill)

For the small knot of foreigners still crazy or desperate enough to brave the mean streets of Beirut, it was one of the worst weeks in memory. In the short span of eight days, eight new hostages were swept up in a frightening new paroxysm of terrorist kidnapings. Almost any foreigner was fair game, and the reign of terror struck almost anywhere in the tortured city, from the backseat of a taxicab to a sun-drenched sidewalk, from a quite hotel room to a seat of higher learning.

The first victim was Rudolf Cordes, a West German businessman, who was pulled out of his cab in the West Beirut slum of Ouzai by two carloads of pistol-wielding terrorists. Three days later, Alfred Schmidt, an engineer for Siemens, the giant West German electronics firm, was rousted from bed in his hotel room at gunpoint. He was led away wearing only his pajamas and a leather jacket. On Friday, two more men were kidnaped in downtown West Beirut. Police later said they were Lebanese Armenians, not West Germans as claimed earlier by the kidnapers. Finally, on Saturday night, a well-organized band of machine-gun-toting thugs pulled off the week's most daring escapade. Disguised as Lebanese police, they drove unchallenged onto the campus of Beirut University College, gathered four professors, three of them Americans and the other an Indian-born man carrying a U.S. passport, and drove off, holding guns to the heads of their stunned prey.

The abductions brought to eight the number of Americans known to be held in Lebanon. Ironically, the episode that sparked the new wave of terror appeared to be the Jan. 13 arrest in Frankfurt, West Germany, of a Lebanese suspect in the 1985 hijacking of a TWA jetliner and the subsequent murder of a U.S. Navy diver. The kidnapings also coincided with the latest mission to Beirut by Anglican Emissary Terry Waite, his first since it was revealed last November that the U.S. had sold weapons to Iran in exchange for hostages held by pro-Iranian groups in Lebanon.

Waite vanished on Tuesday into secret enclaves controlled by the Shi'ite terrorist group known as Islamic Jihad, or Holy War. Islamic Jihad is thought to be holding U.S. Hostages Thomas Sutherland, acting dean of agriculture at American University, and Terry Anderson, chief Middle East correspondent for the Associated Press. But when Waite, the towering (6 ft. 7 in.) envoy of Archbishop of Canterbury Robert Runcie, failed to reemerge by early this week after five days of talks, fears grew that he might have become a kidnap victim himself.

Saturday's mass abduction began to unfold when three men wearing olive-drab uniforms and the trademarks red berets of the Lebanese special police entered the college campus at about 7 p.m. in what appeared to be a police patrol jeep. They had campus security guards round up a dozen of the school's teaching staff, saying they wanted to discuss new security arrangements. When the group had assembled, police said later, the terrorists picked out the four professors, "drew their guns and took them all away."

"I thought they were regular policemen," reported a Lebanese campus guard. "They wore the red berets of the Squad 16 riot police, which made me unsuspicious. I was astonished to see them about 10 minutes later racing out in a jeep with the professors. They were pointing guns to the professors' heads. One of them yelled at me, 'If you talk we shall finish you!' "

Police and university officials identified the Americans as Alann Steen, a journalism professor; Jesse Turner, a computer-science instructor; and Robert Polhill, assistant professor of business. The fourth victim was Mithileshwar Singh, chairman of the business department.

In Washington, the National Security Council informed Ronald Reagan of the kidnapings at the President's Camp David retreat. "The President is concerned," said a White House spokesman. "We hold those individuals who took the hostages responsible for the safety of the hostages, and call for their immediate release." State Department officials, meanwhile, re-emphasized that all of Lebanon is dangerous for U.S. citizens. Washington, they said, cannot guarantee the safety of those few Americans who continue to live there.

Even before last week's grim harvest of hostages, the roster of those already held captive in Lebanon consisted of five Americans, five Frenchmen, two Britons, an Italian, an Irishman, a South Korean and a Saudi Arabian. Last week Vice President Geroge Bush confirmed that another American hostage, CIA Beirut Station Chief William Buckley was killed last year by his captors. Anderson and Sutherland were abducted in the spring of 1985 by Shi'ite radicals. Their captors' principal demand: the release of 17 presumed Shi'ites who are serving prison sentences for, among other things, terrorist attacks on the U.S. and French embassies in Kuwait. Three other Americans, Joseph Cicippio, Frank Reed and Edward Tracy, are said to be held by groups called the Revolutionary Justice Organization and Arab Revolutionary Cells-Omar Moukhtar Furces.

The outrages in Beirut followed what seemed a rare break in the long and painful campaign against international terrorism. That was the chance arrest in West Germany of Mohammed Ali Hamadei, 22, one of four alleged ringleaders in the TWA hijacking and suspects in the killing of Navy Diver Robert Stethem. Hamadei is thought to be one of the two gunmen who were actually aboard TWA Flight 847 when it was commandeered and who savagely beat and then shot the American sailor. Hamadei was detained at Frankfurt's international airport after officials discovered he was carrying a false passport and bottles with liquid explosives.

West German elation at Hamadei's arrest quickly dissolved when Cordes, then Schmidt, was kidnaped. It was immediately assumed that the abductors planned to use the West German hostages as bargaining chips for Hamadei's release. The hostage takings were a rude awakening for West Germans. For years Bonn has cultivated good relations throughout the Muslim world. Partly as a result, the three-year spree of kidnapings in Lebanon, until now aimed mostly at the U.S. and France, has had little impact on Germans living in Beirut, who continued to operate more or less normally.

The West Germans' captors lost no time making their demands known. Within 24 hours of Cordes' disappearance, officials in Bonn received word that his kidnapers were indeed demanding a hostage-for-prisoner swap. Suspicion immediately centered on the radical Shi'ite organization Hizballah (Party of God), to which Hamadei is thought to be linked. A West German radio station, quoting an unnamed Christian source in Beirut, said the abductions were planned by Hamadei's brother Abdul, who is thought be a Hizballah security officer.

Bonn was also under pressure from the Reagan Administration to extradite Hamadei to the U.S., where he faces a dozen separate charges related to the 1985 hijacking. Early in the week, the Justice Department reluctantly agreed to promise that it would forgo the death penalty for Hamadei, bowing to a provision in the U.S.-West German extradition treaty that prevents Bonn from turning over prisoners who face capital punishment. After first indicating that extradition would be arranged quickly, Bonn officials grew concerned that any such course would doom one or both of the new hostages. Turning Hamadei over to the U.S., they suggested, would take at least several weeks and might not be possible at all. Said one government official: "Nothing will happen suddenly."

For Chancellor Helmut Kohl, the hostage crisis could hardly have come at a worse time. In the closing days of a reelection drive that he was expected to win handily, Kohl was forced to spend much of his time directing the behind-the-scenes effort to free the hostages. Bonn's strategy: to negotiate the release of the German hostages with the help of Middle East governments linked to Hizballah, including Iran and Syria. The Chancellor carefully consulted leaders of the opposition Social Democratic Party, the major challenger to his center-right coalition. SDP Candidate Johannes Rau declared that the hostage crisis would not become a last-minute election issue.

Even as the crisis escalated, Anglican Emissary Waite decided to prolong his latest mission to the Lebanese capital. Just before his scheduled departure from Beirut early in the week, Waite announced that he had re-established contact with the Islamic Jihad and promptly drove off into West Beirut with his usual bodyguard of Druze militiamen. As time passed and Waite did not reappear, both Anglican officials in England and Waite's Druze protectors repeatedly assured the press that he was in no danger. Said a Druze spokesman late Friday: "He is fine, and he is still negotiating with the hostage holders."

The mission was Waite's fifth attempt to free hostages held in Lebanon. When the U.S.-Iran arms-for-hostages deals surfaced, there was immediate speculation that the secret American weapons shipments to Iran—and not Waite's negotiating skills—might have been responsible for the release of three U.S. hostages; originally the Anglican official had been credited with securing their freedom. Last week Waite insisted that despite Iranscam, "my credibility has

not been affected as a negotiator." Perhaps not. But as the list of hostages continued to lengthen, even in the face of delicate negotiations and secret deals, more than a few government leaders had to be wondering exactly what could be done to end the terror.

PUBLIC SERVICE OF WILLIAM H. TAFT IV

Mr. NUNN. Mr. President, I would like to take a few minutes today to recognize the public service of William H. Taft IV, who has recently left his position as Deputy Secretary of Defense. At a moment when he is about to assume another important position in the Federal Government, I think it is appropriate to commend Will for his many contributions to our national security.

After having already served in several Federal agencies, Will Taft joined the Department of Defense in 1981 as its general counsel. Then, 3 years later, he was appointed to the key position of Deputy Secretary of Defense. Now, President Bush has nominated Will to be the U.S. Ambassador to NATO.

During his 8 years of service in the Pentagon, Will has served two Presidents and three Secretaries of Defense. He has loyally and energetically carried out his many demanding responsibilities. As Deputy Secretary of Defense, in particular, he assisted the Secretary in managing the largest and most complex organization in the free world.

I have had the opportunity to work closely with Will on several defense issues of mutual interest. For example, in his position as Chairman of the Defense Resources Board, which is the senior budget policymaking committee in the Defense Department, Will took the lead in implementing the concept of biennial budgeting for the Department of Defense. I know he shares my hope that, over time, 2-year budgeting will enhance the stability and cohesion of defense planning. This was a major shift in the Pentagon that required Will Taft's determined leadership.

Another major interest that Will and I have shared are the security relationships between the United States and its allies in NATO and the Pacific. Will has worked extremely hard to strengthen those alliances, and he can take pride in the progress that has been achieved. One particular improvement on which we have cooperated is the growth of armaments collaboration. Will took the lead within the Pentagon in encouraging the military services to join allied services in developing and producing common military equipment. That effort has been difficult but essential if we hope to mitigate the effects of structural disarmament. I commend Will for pursuing armaments cooperation with vision and tenacity.

I am looking forward to continuing to work with Will on this and other issues of importance to the NATO alliance. As the new U.S. Ambassador to NATO, he will, in effect, be the point man in representing the United States within its most important security alliance. He will assume this position at a particularly challenging time in the history of NATO, but I am confident that he will display the same expertise and dedication that characterized his service in the Department of Defense.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the time for morning business is ended. Morning business is now closed.

Mr. SIMON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CHILD CARE IMPROVEMENT ACT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of S. 5, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 5) to provide a Federal program for the improvement of child care and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Mitchell Amendment No. 196, in the nature of a substitute.

Mr. DODD. Mr. President, I invite colleagues today who would care to speak on the legislation before us to come to the floor. We are anxious to hear what some of our colleagues may have to say about the bill.

The majority leader has announced that there would be no votes today, but certainly if there are amendments that Members have, I would ask them to submit them. We could look at them and there may be some, in fact many, that could be agreed to without having to go to a vote.

So the fact there will be no votes does not mean that we would not consider amendments to the legislation. And if they are noncontroversial amendments or ones that can be accepted by both the minority as well as the majority, we could possibly move this bill along. So even though there are no votes planned, that does not mean we cannot consider proposals affecting the legislation before us.

I would just like to make a couple of observations if I could. I listened yesterday with great interest to the comments of a number of our colleagues and particularly those who have raised questions regarding the intentions behind the legislation before us, suggesting somehow that what is before us is really not the intent of the sponsors.

The legislative process, as every Member of this body knows, is an evolving one and until you finish a conference report, legislation is always subject to change and modification, based on new information and new ideas that come forward in the process of debate, the tension that a forum like this creates. So to imply or suggest somehow that because the legislation is now different than what it was when first introduced, that somehow that is a subterfuge is, I think, really an unfair characterization.

Even a freshman student of the political process knows that the legislative product that we produce is a process of give and take, of discussion and debate. So the bill that we have before us is exactly a reflection of that.

We have debated this issue for 2 years. I have listened with great interest to a number of people who took very strong positions in opposition to the original bill as it was proposed, including my chief cosponsor, the distinguished Senator from Utah, and it was as a result of his ideas, hearings that we held, listening to people from across the country who are involved in early childhood development, that we changed the legislation even before it came to the committee this year. And I commend him for that.

Many others have raised ideas and suggestions which are now incorporated as part of that legislation, including the Senator from Kentucky, Senator FORD, who raised concerns about whether or not certificate holders would be able to send their children to religious-based child care programs. That proposal by the distinguished Senator from Kentucky is now a part of the pending matter. It is part of the bill before this body. It is not a question of a future amendment being offered. That is part of the Act for Better Child Care.

Now there may be some who want to change that but, nonetheless, to suggest somehow that that is not a part of the bill is just an inaccurate characterization.

So, as we debate the legislation, I would urge those who have possibly a Pavlovian, almost, objection to the legislation that they read the product that is now before the Senate and not refer back to some data they may have had a year or two or even 6 months ago.

The legislation has changed. If we are going to debate this legislation, it

VOL 135 PT 9 JE 14 — 22 1989 UMI

is important that those who want to express opposition to it do so with the full knowledge of what is in the bill today, what is pending before this body. And that is important as we move forward.

I hope that we could move on this legislation early next week. As I said earlier, I am prepared to entertain amendments, even accept some. I know of a couple that, I think, it is likely that will be offered that I think we can accept without votes. So we could actually move the legislative product along without having to engage in votes either today or Monday which, of course, under the agreement reached between the majority leader and minority leader would not be the case anyway until after 5:30 p.m. on Monday.

So, Mr. President, I look forward today to our colleagues coming to the floor and raising questions. I invite questions about the Act for Better Child Care. That is the way the legislative process works. If there are Members who have concerns about various aspects of the bill as it is before us today, then I wish they would come over and raise those questions. If they have questions about what was in the bill 6 months ago or a year ago, that may be interesting, but it is not going to be terribly enlightening in terms of the legislative product.

So, Mr. President, I look foward to the debate today, I look foward to the debate on Monday, and hopefully completing action on this legislation sometime early next week, wherein this body, this Congress, will go on record for the first time in 46 years as supporting a national child care program.

Let me correct that statement. I should say 21 years ago this body actually did support a national child care program. It was vetoed by President Nixon. But prior to that time, in 1943, this Congress, this body, supported a national child care program that was signed into law during World War II. That is the last time that we had a national child care program. When women were working in war production, men were fighting in the Pacific and in European theaters, and this Senate on a voice vote, in the middle of World War II, appropriated $20 million so that women could have decent, quality, affordable child care as they worked and their husbands fought to defend the interests of this country.

Thank God today we are not in a conflict, we are not in a war, at least the kind we were in 40 years ago. But there is no doubt that we are in the same situation, wherein women are working today out of necessity. Certainly the reasons for child care today are no less significant than they were in 1943.

My hope would be that this body would act in the same fashion that its predecessor did 46 years ago on a voice vote. It was not even a recorded vote, there was that much unanimity. In fact, the legislation was offered by the distinguished Senator from Utah for a national child care program and supported by Republicans and Democrats right across this Chamber.

So again I hope that we might tear a page, if you will, out of history, and look back at what a Congress did 46 years ago when it appropriated $20 million in the middle of World War II. One might have argued we could not afford that kind of money because the high priority had to be the war effort, and yet this Congress understood that the war effort, as important as it was, that children were also important and families were important.

Today I would like to suggest that that is the case as well; that families and children are important. What we propose is an effort to try and make it possible for families to be able to stay together, to be able to meet their economic needs, to be productive and to work and, simultaneously, to be able, at least to a minimal extent, to guarantee a quality environment for the children who are not able to speak for themselves, infants and others.

Mr. President, I look foward to the debate today and in ensuing days as we move forward. I am confident in adopting a very comprehensive and thoughtful child care program for this country.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Missouri.

Mr. BOND. Mr. President, yesterday the distinguished Republican leader joked that the problem he had with beginning debate on the bill was everyone on this side of the aisle, and I expect many on the other side of the aisle, has his or her own bill that he considers is certain to solve the child-care problem. I come to the debate today as one of those Senators who does have some very specific views on what is needed to solve the problem of adequate child care in this country.

Child care has been in the works for almost 2 years now, but the major parties are no closer to agreement on many issues than they were at the start of this debate.

Last September when Senate considered the so-called family package, I began a floor statement with words to the effect that there was now agreement that the Federal Government should play a role in assisting communities and parents with their child care problems, but certainly no consensus on how that ought to be done existed. I think I could have opened today's statement with those same words.

In fact, in many ways, there was less controversy or at least fewer controversial issues in last year's parental leave child care antiporn package than in this year's package, which has become an omnibus tax child health child care employee benefits church-state entanglement package.

I commend the supporters, the authors, and the amenders of the bill in working to resolve many of the problems that have arisen. Unfortunately, while we have made progress in a number of areas, I definitely do not think that what we have achieved is the best possible child care package and I have some grave reservations about it.

While it is true that a compromise has been reached on the standards issue with the National Governors Association, of which I used to be a member, I question whether all of the Governors or all of the State agencies involved and concerned about child care would accept it. Certainly the so-called NGA compromise is an improvement over where we were. But I share the concerns that my colleague from Oregon expressed yesterday that the incentives for State standards and the nature of those standards are apt to be the forerunner of mandated Federal standards.

As one who spent a number of years trying to develop effective programs in spite of Federal restrictions and limitations which often tied our hands, cost too much time, effort and energy in meeting those standards, and denied us the ability to place resources and efforts where we needed them, I feel that any effort to establish Federal standards is not the right way to go. A number of old issues have been dredged up by the amendment and they are still unresolved. And there are some new questions that have come up as a result of the scope of the Mitchell amendment.

The effect is unsettling. No one wants to consider voting against a child care bill. However, I am reluctant to support the Mitchell amendment for a number of reasons. I would hope some of the things that do not deal directly with child care could be taken out. Section 89 is an issue which I and many of my colleagues have addressed in this Chamber. I do not think this is the proper time or place to try to deal with the very serious burdens that section 89 puts on many of our employers. I would like to see us deal with that issue separately and I do not believe a halfway resolution of that issue will suffice to relieve the burdens and the tremendous disincentive for employers to provide health care insurance.

Let me continue with specific concerns I have with this bill and the amendment to it. First, about the money involved.

Both sides seem to have concluded that a major ongoing Federal commitment is necessary to meet the need our families have with regard to taking care of our children. However, this provision in the amendment before us could conceivably turn into a multibillion-dollar bill, far beyond the original $2.5 billion envisioned by the sponsors of ABC. In fact, the $2.5 billion ABC authorization would be for next year only. As has been pointed out before, beginning in 1991 we are offering an open-ended authorization for the next 4 years.

"Such sums as are necessary," that wonderful phrase, never turns into a narrowing of Federal involvement. It always means more, bigger, and more expense.

I do not think this is responsible, nor is it necessary in this time of great budget constraints. While it is necessary to provide assistance to families with very low income, I strongly question whether States should be required to spend a minimum of 70 percent of their allotment on that type of assistance. I believe that parents face far more problems than just obtaining affordable child care.

I note with interest in Senate bill 5, the original draft, there is a great deal of emphasis placed on the need for availability of child care services.

Mr. President, let me tell you, I have spent a good bit of time, as my staff has, talking with parents in Missouri, talking with child care providers, talking with people who regulate child care providers, civic groups who are interested in it, and employers who are concerned about assuring adequate child care for their many employees who now need child care.

I would agree, as I assume everyone in this body would, with the statistics that more and more parents are working and need child care. Whether it is a two-parent working family or a single parent head of household, we have increased significantly, in our economy, the need for child care.

But what I have found, as I have gone back to Missouri, is a tremendous crying need for more spaces. A civic leadership group in Kansas City, Kansas City Consensus, took a look at some of the problems facing that city. And they found an overwhelming shortage of infant care in Kansas City.

I have talked with employers who provide day care services. Some of them are hospitals. They have excellent day care facilities but they have waiting lists as long as the enrolled list now. And they keep telling me that they are looking for additional ways to establish more child care slots.

Our Missouri Department of Social Services, and Division of Family Services, has taken a lead role in promoting child care, regulating child care, making sure that the child care afforded to the children of Missouri is the best available at the dollars which can be provided. They tell me that their greatest concern is a shortage of subsidized slots. There are 400 children that the State has money for on waiting lists and there is no place to put them.

I provided in a bill that I submitted a much more modest authorization for funds for assistance for children from families who need subsidization of child care costs. I believe, for a much more modest sum, we can deal with the problem of families below the median income. It does not help us, however, to put more money simply into the affordability, into the assistance for low-income parents. We have at least 400 children for which there is money available and there are no slots. I do not think we are focusing on the real need, which is a lack of available child care resources.

Second, I have some problems with the scope of the bill and the direction of it. I continue to believe we could get much more for our money by using Federal seed money to begin programs that will leverage State and local dollars in expanding the supply of care. Federal programs work best when they require commitment from the State and local level and when the recipients of aid do not begin to rely on the Federal Government for ongoing and expensive assistance.

We already provide assistance to the States. The States match that. And that money is essential for helping those who really do need care. But that, to me, is not the problem we see in my State and I would suggest to my colleagues that if they will look at the child care situation in their States, they may find similiar problems.

Third, I have some real problems with the extent of earmarking. The priorities that are established may sound good to a number of us. Certainly we all like to see more dollars placed in assisting low-income families to get their children into good child care. But, as I have said before, that is not the problem. I might state parenthetically, I support a general tax credit or earned income tax credit for low-income families as a matter of good social policy. It is a good way to assist people at the low-income end of the economic spectrum.

It is probably an excellent idea if we were considering a consumption-based tax. It may well be a better solution to assisting low-income families and increasing the minimum wage, as several of my colleagues have suggested. But that, too, does not deal specifically with the problem of availability of care.

To go back to the ABC bill and the Mitchell substitute, one of the good things that the bill's sponsors like to say about the bill is that it provides for State flexibility and control. If I gave you a $10 bill and told you how to spend $9 of it, would that be flexible? That, in fact, is what the ABC bill does; $7 of $10 must be spent on direct assistance through grants to providers or certificates to parents. Eighty cents will be spent on administrative costs. Up to $1 will be used to set up mandatory resource and referral systems, teacher training programs, and scholarships to the teacher training programs. An unspecified amount will be used by the State to ensure everyone who should be registered is registered, a day care police. I am not sure we need to spend money on that effort, but the States do not have the flexibility of deciding where their needs are. The total of these items comes to about $9 out of $10. States are not able to choose how to use the resources available to meet the needs as they see in their State.

Among the things that we have found as we have talked with people interested in child care are a couple of overwhelming needs. No. 1, there is a concern about liability. How can they pay the liability insurance premiums that are required? Personally, I think we ought to be putting money into a risk retention, a liability pool to lower the costs of insurance for all day-care providers so that they will not be shut out of the market or have to charge such high fees that they will discourage moderate-income families from participating in child care. That, I think, needs to be addressed. Many companies have said that they are looking at child care and they are discouraged by the amount of the initial startup costs to get involved in child care, to set up the facilities they need. I think there ought to be more flexibility so States could assist with that type of use of resources to provide, either through tax credits or grants, partial reimbursement for establishing child care.

Finally, there is one major area which I think is left out of this bill. It is mentioned in passing as one of the possible opportunities. The bill defines an eligible child as one under 16 but it virtually guarantees that the assistance will go to children under 5. Mr. President, what about the millions of children who go home from school to empty houses or whose parents have to go to work early before the school opens? I think that the latchkey approach to day care is extremely important. We have seen latchkey programs working on a pilot basis in Missouri. They have been assisted by the use of State funds to set up the startup costs of beginning an extended day program by putting money up front for doing the surveys, doing the training and establishing the programs. They have

been able to get good extended day care programs in Missouri. Some 30 school districts provide it. In some instances, the schools provide it directly, hiring people who are day care providers to come in and use the school facilities after hours and before hours. In other instances, they cooperate with community organizations, such as the YMCA in St. Louis does a wonderful job. Still, there are far too many years in the State of Missouri where children in school do not have a place to go, while their parents work, after school hours or before school hours.

I really believe that we need to focus more attention and more effort on extended day care. From my own family's experience, I know when you have two working parents you are very much concerned about what happens to your child before or after school. One of the things that Scholastic magazine found when it asked children to write about what they feared was a tremendous number of children who said they feared being at home alone.

Mr. President, I think we need a bill that either directs or at least allows more flexibility for States to provide the startup costs. Really getting these programs started is expensive, and we could use Federal seed money to do that. The fees for the parents with adequate incomes would carry the program and the subsidies that are already built in could provide for scholarships for children whose parents cannot afford the day care costs that would be charged.

With all of the other requirements in the bill, if we are going to earmark these provisions, then we should at least establish a floor of activity so that the latchkey component can be addressed. I will be supporting amendments to this bill which I hope will direct its focus more toward assuring the availability of services, and I hope that they will succeed. In any event, I am prepared to offer an amendment, if we choose to go the earmarking way, which will earmark funds specifically for the startup costs for latchkey children.

Funding the startup costs, whether it be construction or in the case of schools the surveys and the training needed, are essential if we are going to address the availability problem. I hope we will be able to direct this bill away from the current jumble of issues which are addressed into one which effectively and economically provides for meeting the great need that we see in this country, and that is to provide more adequate child care for children in need.

I thank the Chair.

Mr. DODD. Will my colleague yield? I want to commend him for his comments and tell him we will take a look at the amendment the distinguished Senator would like to offer in that regard. I want to commend him for a couple points. As he will not be terribly surprised, I also want to disagree with a couple points he raised.

One of the criticisms we have received from opponents of the ABC bill is there is no supply problem. A lot of the correspondence suggested there is not a supply problem; there are plenty of slots available. My colleague from Missouri has accurately pointed out the situation in his State.

Let me share with him very quickly the statistics nationally in supply, just so we make the case. Seventy-four percent; a survey done recently indicated that it was difficult for working parents to find quality care at affordable prices. In a 1986 survey, 230 public housing projects across the country with on-site child-care centers reported combined waiting lists of 96,000 children. That is the AFDC family we are talking about. Most of the on-site child care is provided by hospitals, and the hospital industry is the largest work-site child-care center. One hundred twenty-nine of the centers showed that two out of every three babies whose parents applied were turned away. Centers were serving 12,336 children while 7,988 were on waiting lists at hospitals.

The Senator is absolutely correct. For those who will make the case that availability is not an issue here, they just have not read the data, and I invite them to do so. It is objective data collected by hospitals and State organizations like the distinguished State of Missouri.

I also suggest there is a relationship between availability and affordability. In a survey just completed by Lou Harris for the Philip Morris Corp. in April or May, interestingly, child care is more expensive in our urban areas, the urban poor areas, than it is for families in the $35,000 to $50,000 range income. Part of it, I suspect, is because there are fewer available child-care sites in the inner cities, and so the market is such that those centers can charge whatever they want because there is little competition there. Actually, those poorer families are paying more. So there is a relationship, I would suggest, between affordability and availability as well.

Third, and here I will disagree with my colleague, our bill provides $7 of $10, to use his analogy of the $10, directly for parents. One of the things that has been raised, I think, where there is unanimity of thought here, is the money ought not to go to the Federal Government or the State government or the local government. We ought to be providing assistance to parents. That is where the real issue is, get the money to the parents. So in our legislation here, $7 out of every $10 goes directly to parents, not to some State agency that might or might not do something intelligent with it, but goes directly to parents. The remaining $3 is discretionary. Obviously what we want to see the States do is more in the supply area, to increase availability, with low interest loans and the like to increase supply. But the $7 goes directly to folks, to parents to make choices about where they want their children to go.

Last, I would say that there is a liability provision in the bill. Senator HATCH is the author of it. It is $100 million. I think my colleague might argue we should have more in there. I would not necessarily disagree; we may need some more, but we do have that important issue of insurance included in there.

He is absolutely correct on the latchkey issue. We have to work out something to maybe do a bit better job. The problem with the proposal of the President and minority leader, their bills cut off all assistance after the child reaches the age of 4, in the case of the minority leader, and in the President's bill up to the age of 3.

My colleague from Missouri has pointed out there is a serious problem with children between the ages 6 and 15 and I could not agree more with him. Our bill provides assistance up to the age 16 in child care.

What we might want to do is lower that age for child-care assistance and then build in a factor beyond the age of, say, 10 or 12 for latchkey and do something else for children in the school system but something along the lines of the suggestion of my colleague from Missouri would be very helpful. I commend him for his comments and point out some areas I would have some disagreement with him, but I thank him.

The PRESIDING OFFICER (Mr. KOHL). The Senator from Missouri.

Mr. BOND. Mr. President, to respond to my colleague from Connecticut, as I indicated, there are many areas of agreement that we have and certainly availability of spaces is one where I think we really do not have an argument. We have talked to too many people in our State of Missouri who say, "We cannot get it. We just do not have the child care available."

Now, the Department of Labor has not been a great fan of the proposition that there is a shortage of child-care slots but even the Department of Labor study last year conceded that if there was one it would be about a million latchkey slots. So that is a grudging recognition that there is a lack of availability.

I am not as familiar with the national figures as my colleague from Connecticut, but I can tell you that we have talked to people who are in the child-care business, and those who are parents who are seeking child care and the lack of availability is the overwhelming need. Four hundred children in Missouri: The State depart-

ment of social services has the money but they do not have the spaces. And that is why I would like to see the focus of this measure directed toward things that will provide for availability. The extended day I think is extremely important beginning from whatever, 5, 6 years old, whenever the child gets in school perhaps through 12. We can agree or disagree within a couple of years, but I think getting schools to participate in that requires simply some startup or seed money, so we will be discussing with my colleague from Connecticut that option.

But now that we have agreed the problem is availability, I hope that we could free more of the money to go for those things which could assist employers to set up day care, or which would provide a revolving loan fund. To help the small in-home day care provider to meet State standards. These are the things that are going to bring more slots into the market. The 400 children that have been identified by the Division of Family Services are from low-income families who need direct State assistance. I can tell you from direct personal experience that the pool of children needing day is much larger and I hope we can address that.

I thank my colleague from Connecticut. Mr. President, I yield the floor.

Mr. KERREY. Mr. President, I have listened with great interest to the distinguished Senator from Missouri, as I did to the Senator from Iowa earlier, in particular the concerns of the Senator from Missouri for the States and their role. The Senator from Missouri, having been a Governor before, understands the difficulty that States have with Federal mandates and the costs very often imposed by these mandates are not provided for in the legislation.

The National Governors Association approached me, and I approached the distinguished Senator from Connecticut on this issue, and the Senator from Connecticut was willing to make some alterations in the bill that took that into account. As a result, the National Governors Association now is in full support of this piece of legislation. The Republican Governor of New Jersey, the Republican Governor of Iowa, the Democratic Governor of Arkansas, and the Democratic Governor of Virginia are the lead Governors for the Governors in support of this.

They are concerned about mandates. The welfare reform bill, the nursing home regulation bill that was passed last year, have added additional costs to States without any commensurate reimbursement coming from the Federal Government and they are concerned about the rising costs of these mandates. The Senator from Missouri is absolutely correct. I am sure he could get up at length and talk about the cost of mandates during his time as Governor, and I can as well.

I had some concerns about the vouchers. I have enjoyed the support of the education association of my State for a long time and they have opposed the bill as a consequence of vouchers. I have overcome my concern for that and have managed to irritate in a minor way some friends of mine who see this as an opening. I do not. My concern for this particular problem causes me to override my concern for irritating my friends.

I listened to the Senator from Iowa talk about his concern for freedom of religion and the importance of religion in the lives of American families, and I think his voice needs to be heard more. I, as well, believe that an individual who has the requisite faith will be able to endure all kinds of problems, will be guided by that faith, will be enabled to overcome all kinds of adversity. The precepts and the lessons of religion are extremely important. We have a first amendment that I think wisely guides us to keep religion and Government separate.

Again, the distinguished Senator from Connecticut has made many concessions that have pushed those of us who are concerned about the first amendment, have pushed us to our limit. I think he has conceded concerns all of us have that religion be an integral part of the life of a young person as they mature.

The question of Government involvement is also an important issue, and I wrestled with this at great length, but as an individual who has been assisted myself as a consequence of Government involvement I am able to say the demand is so great that Government involvement is absolutely essential. We have to look for a way to accomplish the objectives we have, and I think again the distinguished Senator from Connecticut has made every effort to do that in this bill. It seems to me he is extremely reasonable in that regard.

I have heard concern that the cost of this program might rise. The Senator from Missouri raised that issue. I have been challenged before by people at home who say, gee, we are going to start this program and it is going to grow in cost." The truth is the requirement of cost is much greater than this bill even provides and that many people, myself included, have some difficulty with this bill because of the amount of money that is being provided is so low.

We all know that although there will be an authorization of $2 billion, $2.5 billion, it is very likely that the ABC bill, if it is passed, will be dealt with in a similar fashion as the drug bill. It is not likely there will be $2.5 billion appropriated in the final analysis. There will be far less.

As a former Governor, I was concerned, as again I am quite certain the Senator from Missouri is, that we will be saddled at the State level with additional costs without adequate resources being provided. I agree with the Senator from Missouri. I think much more needs to be done, that there are other problems that with which we are faced. He referenced the title 20 reimbursement. It is woefully inadequate.

And it places an enormous burden on individuals who are trying through educational training to provide for children and for themselves simultaneously. The health care and nutritional needs of our children in many instances is an embarrassment and should be an embarrassment to all.

Mr. President, before I proceed further I want to join the rising chorus of people who are heaping praise on the Senator from Connecticut, and as well the Senator from Utah who joined forces to fight for this legislation. I believe they are fighting against most difficult odds, not only the odds, but the people who resist, the previous administration and this administration resisting this particular form of legislation, people who believe that it is going to do terrible things. Not only is he battling against the specific instances of disagreement, but, Mr. President, I believe he is also battling against our worst tendency, and that is the tendency to procrastinate until an opportunity becomes an emergency, until we are threatened with all the adverse consequences of crisis.

Our inclination, our natural inclination to wait until tomorrow, prevents us from responding as we should when we observe the facts of the current condition of America's children. We look, and with notable and fortunate exception of the Senator from Connecticut and the Senator from Utah and others who have labored long for this bill, we are unwilling to act. I believe we will stand 20 years from now and look at the individuals who fought long and hard for this piece of legislation, and everyone almost unanimously will agree that it was necessary that we should have done it earlier.

We are overcoming our resistance to do something we have not done before that we desperately need to do, and we need to do, in my judgment, more of.

We simply do not feel the crisis. So we are unable to connect the difficulties that are faced by many American schools because malnourished and poorly developed children are arriving daily. Our teachers, American teachers, are increasingly distracted by the extra attention required for children whose care is insufficient. A child who arrives at school a year or two behind will arrive at the end of their education 4 or 5 years behind. It is almost impossible to catch up.

We do not feel the crisis, and so we are unable to connect the increasing violence of our cities as well as the

rising populations of our prisons with the damage that is being done to children raised in an environment where such violence is rewarded. Our law enforcement officers are increasingly dismayed by the rising tide of juvenile disorder and disobedience. They know that tough laws are only part of the solution.

We do not feel the crisis, and so we are unable to connect the rising cost of health care in America with the decreasing availability of early childhood care. Here our tendency to wait until tomorrow is illustrated best: The baby looks healthy so we do not intervene; the child looks good so we do not act; we wait until the illness caused by neglect becomes evident and more costly.

We do not feel the crisis, and so we wait until the child grows into an adult. We wait until the adult cannot read a job application, or cannot operate the sophisticated technology of today's work place. We wait until human potential has been nearly extinguished, and then we wonder what we can do.

Mr. President, one man who knows there is a crisis and has been urging us not to wait is the Senator from Connecticut. The controversy of church/State concerns, the worry over federally imposed standards, the alternative proposals offered to avoid having to appropriate money, none of these have caused him to quit. He has patiently endured and now we are near the beginning of Federal action that is long over due.

Mr. President, a remarkable measure of our need to act now is the presence and the courage of the Senator from Utah in support of this legislation. He is not a man given to rash actions that require movement by the Federal Government. He is a man whose conservative credentials are impeccable.

With the Senator from Connecticut and the Senator from Utah marshalling their forces behind S. 5 I do not understand why it does not garner the same kind of mandate given the S&L legislation. Surely, the needs of our children are greater. Surely, the wallet which became available to rescue this Nation's gamblers can rescue those on whom we are all betting to carry us into the next century.

Mr. President, Nebraska is a State blessed with strong families who have always been the foundation of our society and the foundation of our economic effort. They have always been the source of our greatest pride and accomplishment. They have always nourished the most remarkable human efforts of creativity and perseverance.

Nebraska families need the Act for Better Child Care. There are 140,000 children under the age of 5 in our State. Of those, 72,500 need child care. However, there are only 35,000 slots available, slightly less than half the number who need care.

There are only 1.2 positions in Nebraska's State government reserved for administering child-care programs. This is woefully inadequate.

Mr. President, there is a further dilemma, a dilemma that I and everyone else who has visited child-care facilities have seen, a dilemma that is in Nebraska and I suspect it is not unique to my State. It is a dilemma of parents struggling to pay for the cost of the care and centers that are struggling to hire qualified people at the existing level of reimbursement.

Last year this Senate passed the welfare reform bill, providing opportunities for individuals who are on welfare to move into the work force. And one of the most imposing barriers that are there is the cost of child care for that individual.

The average cost of quality child care in Nebraska is $3,000 a child, a figure that is far beyond the means of many families who want only the best for their children. However, Mr. President, with this level of reimbursement most centers in Nebraska can only afford to hire employees at or slightly above the minimum wage. This does not permit the hiring of care givers whose skill level is as advanced as we would desire.

As I have referenced in my earlier remarks, Mr. President, this situation is simply far worse for title XX reimbursement.

Mr. President, I urge my colleagues to see child care in the same way that we look at our own children. We love our children. They are not problems to be solved. We accept full responsibility for their care, not because we have to but because we choose to. Perhaps the most difficult aspect of this effort taking care of our children and helping our children is accepting that at least to some measure we will fail. Not all will blossom with our nourishment. Sometimes we will simply not know what to do. The rule will be an incremental program, and very often it does not conform and does not reproduce well on campaign brochures. The exception will be when an individual says thank you and expresses some gratitude.

I know that many of my colleagues have grown skeptical of Government's ability to provide care and assistance, and I have heard that skepticism repeated over and over and over. I understand and have seen myself programs that simply do not work. Sometimes they are corrupted as we have recently in the Housing and Urban Development scandal by the very people we hire to make them work. Sometimes they are undermined by consultants, more interested in fees than they are in results.

Mr. President, I stand here today before my colleagues and remind all of them that Government programs designed by them have helped me. The Army doctors who operated on me on the 15th of March, 1969, saved my life. And the time I spent in the Philadelphia Naval Hospital in 1969, and Veterans' Administration hospitals after that enabled me to put my life back together. The Government programs allowed me to go back to school, and Government assistance gave me the income I needed to live a better life.

Mr. President, I can be very critical of Government. I have a very healthy disrespect for Government and its actions. It is a long way from perfect. The care we give does not always help, but in my case it did.

I hope we will pass this bill in the same spirit. Moreover, I hope it is simply a first step in a long march toward a comprehensive policy for our children. Such a policy must look 10 to 20 years ahead. We should be considering what we can do so you and I can celebrate in the year 2008 the great progress that will be made by the children that will be born in the summer and fall of 1990.

That is the kind of forward look that we need in order to do the right things now. Such a policy must recognize that quality child care encompasses not merely custodial care of children while their parents work. Many children need help for complete development, including health, education, and nutrition.

S. 5 is a beginning in setting up the framework needed for such a program. In order to make sure that it is done well, we must dedicate ourselves to providing the final resources to get the job done. If we can make the commitment to the health of our financial institutions, if we can move a bill as rapidly as we did to provide for the health of our financial institutions, $157 billion over 10 years, $300 billion over the 30-year life of this program, if we can see the urgency that is required to provide the health of our financial institutions, surely we can do the same thing for our children, surely we can look at the lives of the children of the United States of America and see that we will depend upon them, at least as much as we will depend upon our savings and loans institutions to build our homes. They will be building America in the 21st century, and, Mr. President, I think it is time for us to act.

Morever, Mr. President, I call upon President Bush and Vice President Quayle to put the same kind of energy they are putting into perfecting our relations with other nations into the effort to perfect our children, American children. Let me further suggest that this would be a good assignment for the Vice President of the United States. So far this year I have seen him in a bar in Australia, a refugee camp in Thailand, and rafting on a river in West Virginia, and the day before yesterday he was in El Salvador. Rather than standing between two Salvadoran generals with a Soviet flamethrower in his hands, I would like the President of the United States to assign the Vice President to rally Americans to be concerned about our children and to ask what we need to do. This is a first step.

This will not answer all the questions, will not solve all the problems, will not do all that we need to do. It will open the problem up and say to Americans that we need to do much more. We need to look at the preamble of the Constitution and look at it carefully. We are not here in this Nation to secure the blessings of liberty just for ourselves. We are here to secure the blessings of liberty for ourselves and posterity.

Mr. President, it seems to me that this piece of legislation sets us firmly on a course to get that done. I look forward to working toward the goal of providing high quality child care for all the children of the United States of America.

Mr. President, I yield the floor.

Mr. SANFORD addressed the Chair.

The PRESIDING OFFICER. Senator Sanford.

Mr. SANFORD. Mr. President, I want to commend Senators DODD and HATCH and other cosponsors of this ABC bill. They have strongly supported S. 5 and formulated a great idea into a workable plan, worked on it now for several years. And I want to congratulate, also, our distinguished majority leader for so skillfully bringing together several very diverse components into one bill, making it the most comprehensive piece of child-care legislation ever to be offered in Congress.

This child-care bill will help North Carolina make child care more effective. It is not a new Federal program. It will help the State do a better job. It will help our State create an environment where our children grow up safe, supported, and nurtured.

In 1986 there were 487,000 children under 6 years of age in North Carolina. Ninety-five thousand of these children lived in poverty, and 58 percent, 6 out of 10 mothers with children under 6, were employed. The child-care bill is projected to help serve 32,000 children in North Carolina. It is an important first step, and there is much yet to be done.

Senator BENTSEN's tax credit legislation would provide a new, refundable tax credit to help low-income families provide health insurance coverage for their children; make the current dependent child care credit refundable and increase the amount of the credit for low-income families. His initiative would also repeal the current section 89 nondiscrimination rules for employee benefit plans and replace them with new, simplified test.

Now, of course, these tax credits alone would not be enough. That is where the ABC bill comes into play. S. 5 addresses in a comprehensive manner the key issues of cost, availability, and quality that low-income families face in meeting their child care needs.

The ABC bill not only makes child care more affordable for parents and encourages their involvement, but also insures minimum standards for providers and looks at ways to improve their wages. It is forward looking and an approach which views the development of children as an investment. The very best investment in our country's future.

It is clear that child care is no longer a luxury for American families—it has become a bottom-line necessity. Policymakers from all points of the political spectrum now argue that we can no longer ignore the changing demographics of our work force and its effect on children and families. So, we are no longer debating whether to act on the critical issue of child care, but rather, how to act and how much to spend.

Some critics argue that there is only a shortage of funds to pay for child care, not a shortage of child-care programs in this country. Let me state resoundingly for the record that that is just not so. In my State of North Carolina, for example, 55,476 children are not being served in day-care programs.

If we continue to neglect the child care and early childhood development of millions of poor children, we imperil not only their future, but our own. This is especially unfortunate when study after study reveals that high quality, comprehensive early childhood development programs lay the foundation for the basic skills that our children must have for success in school and later at work. These programs are even more crucial for disadvantaged children and can help them to overcome some of the harmful effects of poverty.

Our employment policies have not kept pace with the changing realities of our work force. With the exception of South Africa, the United States is the only Western industrialized nation that does not have a parental leave policy that allows parents to stay home with their new babies. As a result, most low-income mothers must return to work and seek care for very young infants. Nearly half of the women who went back to work 4 to 7 months after childbirth faced significant problems finding child care.

Additionally, many members of my constituency believe homebased child care is an integral part of a parent-child relationship. Therefore, in looking at the child-care needs of mothers who, for a variety of reasons, choose to work outside the home, we should likewise seek to make possible the effective choice of a mother to remain out of the labor force and to provide home-based child care. This certainly is not a constitutional right, but it is good public policy.

Samuel Sava, executive director of the National Association of Elementary School Principals, has spoken of the "endangered promise" of early childhood. Mr. Sava's well researched document reports that early childhood programs can contribute to children's development, help prevent the personal and social problems of children living in poverty, and save society money. The danger is that we may squander the opportunity, by not providing the good care that not only protects children from immediate harm but also contributes to their long-term development.

The wisdom of old sayings is the correct advice today. Let us avoid being left with a pound of cure, nine unneeded stitches, and the tree growing in the wrong direction. Let's move now to take the ounce of prevention, make the stitch in time, and bend the twig in the right direction.

Thank you, Mr. President.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, briefly, I just wanted to commend my colleague from North Carolina for his remarks and also the very fine speech by Senator KERREY of Nebraska. I want to personally thank them for their kind comments about the senior Senator from Connecticut, but I particularly am moved by a number of their observations regarding child care and the future of this country.

I would invite my colleagues on both sides of the aisle to read, if they have not heard, the comments of the Senator from Nebraska and the Senator from North Carolina this morning.

Mr. President, I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

(The remarks of Mr. EXON pertaining to the introduction of S. 1197 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. EXON. Mr. President, I suggest the absence of a quorum.

VOL 135 PT 9 JE 14 — 22 1989 UMI

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD). Without objection, it is so ordered.

Mr. KOHL. Mr. President, we live in a society in which an increasing number of parents must both work to make ends meet.

In the next 5 years, two-thirds of all pre-school-age children and almost 80 percent of school-age children will have mothers working outside the home.

Whether we like it or not, whether we agree on who can provide the best care for our Nation's children, increasing numbers of children are doing without quality child care.

Families are being torn apart at the seams—economically, socially and emotionally. And many have ruptured.

There are 15.5 million children who live in single-parent families. And the hopes and dreams of these children in particular are in jeopardy. The promise of free and equal opportunity is being violated. When parents must make a choice between food and child care, the child loses either way.

The pressures on the American family, Mr. President, are not the fault of the children.

The children are the victims of so many of our policies that I cannot even begin to name them.

But I do know that we must invest in the children, not deprive them. We must love them, not make them feel like the problem. We must turn them on to learning, not turn them off. We must give to these children and their families the very best that we have to offer.

The worst thing we can do is to leave the children unsupervised, or poorly supervised. The best thing we can do is to invest in their futures, and in so doing, preserve our own future.

I am proud to be a cosponsor of the Act for Better Child Care. We know it is an expensive proposal. But we also know that to provide early childhood education now, to provide a nurturing and nutritional environment now, to build the understanding and self-esteem of otherwise underprivileged children now, will save a fortune later.

It is not only the fair and compassionate thing to do, it is the wise thing to do.

In closing, I remind my colleagues of a series of television advertisements that were aired extensively early last fall. The images were of a loving family—playing together, picknicking together, embracing each other. Throughout the ad, our eyes focused on a child—alert, smiling, running, laughing. At the very end of this truly beautiful image, the child was lifted up; raised above and beyond the hopes and dreams of the grandfather.

It is a vision that the American people shared, Mr. President. It represents our past and our future. It represents our traditional values.

I urge my colleagues to support the Act for Better Child Care, to fulfill that promise to America's families—and most importantly—to America's children.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I rise today in opposition to S. 5, the Act for Better Child Care or ABC bill. I do so for a number of reasons, but primarily because S. 5 does not provide parents with a wide range of choices concerning the care of their children.

I think it is safe to say that child care is an issue on the minds of many Americans as increasing numbers of couples are forced into the workplace by financial pressures. That is a reality we may want to decry, but it is a reality nonetheless.

No one questions that families, especially low-income families, need help with their child-care needs. We must pursue solutions with a compassionate realism, recognizing our budgetary limitations but motivated by a concern for children and their best interests.

This is a goal I share with my distinguished colleague from Connecticut, to provide high quality child care to those who need it the most. But I am convinced that the ABC bill he has proposed is a misguided effort at reform in a manner that multiplies our troubles, not divides them.

On May 1, of this year, Newsweek magazine published an article by Robert J. Samuelson entitled "Helping the Working Poor." The article was very incisive and revealed what I believe to be the key defect in approaches like S. 5. Mr. Samuelson opens his article by noting that "the most important kind of help is self-help. Government programs don't pull people out of poverty; people pull themselves out of poverty." He then goes on to say that what the Government can best do but does not is to help those who help themselves. It can, "provide tax relief for the working poor. This is the most straightforward way of aiding many poor parents and their children. The poorest workers deserve to keep all of their wages. Taxes simply push them closer to welfare, where their prospects diminish and they become a burden on society. Tax relief is common sense. * * *"

Tax relief is common sense, and that is what this debate is all about. There are two very different approaches to child care. One is a commonsense approach which gives tax relief to the working poor so that they can make these important child care decisions for themselves. The other is a $2.5 billion boondoggle that will primarily benefit bureaucracies, not individuals. The two approaches could not be more different, nor the effect more profound.

In developing a Federal approach to child care we must keep this in mind, and we must remember certain key, yet basic principles, principles that are irreconcilable with those that animate the ABC bill, principles that should set the limits for our approach to child care.

First, we must always remember that the child care needs of employed parents are diverse. Less than one preschool child in three has a mother employed full time. Less than one in five has a mother employed full time throughout the year. A truly profamily policy must not neglect the needs or overlook the contributions of working families that sacrifice the benefits of a second income to have a parent stay at home. We must consider the needs of all parents with children, not just the needs of those in which both parents work.

This past Sunday, the Washington Post carried an article by David Blankenhorn, president of New York's Institute for American Values. The articles entitled "Ozzie and Harriet, Alive and Well" addressed what I will call the great American lie, namely, that the traditional American family is a relic of the past. Mr. Blankenhorn surmises, and I agree, that this charge is not only false, but pernicious. The fact of the matter is, that more than one-third of all families with preschool age children are "Ozzie and Harriets," homemaker mothers married to breadwinner fathers. Says Mr. Blankenhorn: "They comprise the Nation's largest single category of families with young children." These families sacrifice on the average of $13,000 a year to have mom at home raising the children. They are paying in effect, $13,000 a year for child care. Yet under the ABC bill, these families would get nothing. I do not know about you, but I do not think that is fair, and I can assure you that these hardworking families will not think it fair either if we pass this discriminatory bill.

Mr. President, in looking at these principles we must carefully target scarce Federal resources to those most in need. Though it is sold as a broad-based relief for financially strapped families, the ABC child-care bill actually benefits only a tiny minority. Remember, a majority of families with children under 5 do not have mothers in the work force. And if we even expand that category to include all children under age 18 we still find that the basic picture does not change. While 44 percent of these mothers

work full time, 35 percent are not in the labor force at all. Further, since the Dodd bill only covers "licensed day care" it excludes some 90 percent of providers from eligibility. All told, the ABC bill would give help to about 1 in 10 American children.

And I would add that the small number of children that are helped, ironically, do not come from lower income families, but from wealthier, professional ones. When low-income families use day care at all, they seldom use the professional, licensed facilities that would primarily benefit from ABC. Their choice, more often than not, is a relative or a neighbor. Mothers in professional or white-collar jobs are three times more likely to put their children in professional group care than are mothers in blue collar or service jobs. Lower income families would not benefit from ABC, but they would help foot the bill in taxes.

Third, we must expand, not restrict, parental choice in child care. This is my chief complaint about the ABC bill. We should not subsidize licensed, group day care over alternatives like relatives, neighbors, or the mother herself. That is a choice which should remain with parents. And I find it particularly disturbing that sectarian providers would be severly limited in their provision of child-care services. Many would not quality under ABC is they used even $1 of their own funds for "sectarian purposes or activities."

My distinguished colleague from Connecticut believes that families would best be helped by putting $2.5 billion in the hands of bureaucrats, governments, and professional child care providers. He believes that governments, not parents can best determine what quality child care is. He believes that the governments, and not parents, can best regulate child care, and can best protect the health and welfare of our Nation's youth. He believes that parental choice should be limited to licensed, regulated, nonsectarian care. I disagree with that approach and for that reason, am opposed to the ABC bill.

Mr. KERREY. Will the Senator yield?

(Mr. KOHL assumed the chair.)

Mr. COATS. Mr. President, I will be happy to yield after I have finished my statement. I would like to finish my statement first.

Mr. President, I believe that as Federal legislators we must do everything we can to provide parents with a wide range of choices concerning the care of their children. In developing any child care policy, we must keep the principles I have outlined in mind—principles which clearly demonstrate the irreconcilable differences between the ABC bill and, say, the Domenici-Wallop-Coats bill. It is the principles, that must be determinative and indeed undergird our policy. We must be careful not to rush toward passage of legislation that while fiscally responsible—which I do not think this ABC bill is—undermines the very fabric of our most precious resource, the family.

I hope my colleagues who are listening and watching now understand that simply adding a tax component to the ABC bill will not work because the ABC bill is fundamentally flawed. Working families need help. But the ABC bill gives more comfort to bureaucrats than those who need it the most. The last thing we want is a national child-care bureaucracy run with all the efficiency and compassion of the license bureau. The last thing we want is a program that helps those who are wealthier at the expense of the poor.

A universal tax credit targeted toward lower income families provides the greatest direct benefit to families most in need, while assuring flexibility and parental choice.

Parents could use the tax credit for whatever type of child care they, and not the Federal Government, determined to be best for their children—be it licensed or unlicensed care, care at a neighbors house, care by a relative, or care by a church or synagogue. They would have the choice. They should have the choice.

Mr. KERREY. Will the Senator yield?

Mr. COATS. Mr. President, I am happy to yield for a question from the Senator from Nebraska.

Mr. KERREY. The Senator from Indiana has made, I think, some effective arguments, and I have listened to those arguments, in fact, prior to my joining the Senator from Connecticut on this bill. But a couple of comments that he made caused me to wonder if he and I are reading the same pieces of legislation.

The one that was most disturbing to me was the reference to it being a $2½ billion boondoggle. What in the bill caused the Senator to describe this as a boondoggle?

Mr. COATS. Well, my concern is, while we will be spending up to $2½ billion in the first year and such sums thereafter if ABC is adopted, that the funding will not truly address the concerns of the working poor and truly expand, in the way that we ought to, the choices that are available for parents to place their children into child care and that it would be money ill spent—perhaps that is a better phrase—but money ill spent, not money which is utilized by the Federal Government to assist those who need child care in providing the broadest choice, the broadest range of options to parents. By directing the funds through licensed care, through the programs as set up by ABC, I do not believe it is the wisest use of Federal tax dollars. I think we can get far more coverage for that amount of money by taking a different approach.

Mr. KERREY. Will the Senator yield for another question?

Mr. COATS. I am happy to yield for an additional question.

Mr. KERREY. I agree that a wiser choice of words would have been that it is not as good a program as it should be rather than a boondoggle.

But it seems to me, as I hear the Senator's argument, the Senator's concern seems to be that we are not addressing all the problem; that ABC does not get the job done entirely, it just hits a small percentage of the children being served.

By the way, for the Senator's information, I support the President's tax credit proposal. I do not see the two being mutually exclusive. I see the problem being so large that we need to address it.

Does the Senator look at situations like this and try to reach some percentage before a program is going to be satisfactory? I mean, does the Senator have a percentage in mind? Is it that 50 percent of the childen have to be served, or 40 percent, or 30? Do we need to expand this program a bit before the Senator would support it?

Mr. COATS. I will respond to my colleague from Nebraska that the content of my statement clearly indicated that while one of the concerns I have is that ABC, for the expenditure, does not provide us with a sufficient amount of child care per dollar spent, much more important to my opposition to S. 5 is that it does not meet the undergirding principles that I think ought to be part of any child-care bill. It takes away the choice of parents in terms of where that child will be placed. That is a choice that I think should rest with the parents.

Second, and perhaps most important, it discriminates against the mothers who chooses, sometimes at great financial sacrifice, to stay home and provide child care for their children and directs Federal tax dollars not into forstering the family in a pro-family way, but directing funds to only those who choose the child-care option.

It is those underlying bases that form my opposition to S. 5 far more than any particular percentage as to how many slots we will be able to open up with a particular amount of money.

Mr. KERREY. Well, I hear in the argument, though, with all due respect to the Senator from Indiana, I hear in the argument a premise that would say "Let's not build the interstate highway until we all have cars. Until every American owns a car, let's not invest in our highways, let's not build bridges, let's not make any investment whatsoever until all of us can enjoy it."

VOL 135 PT 9 14 — 22 1989 JE UMI

What I hear in the Senator's argument is seems to be almost circular. The parents have no choice now because there is no Federal response to a real problem that is there.

Mr. COATS. Mr. President, if the Senator will allow me to respond again. In response to the Senator, let me say a couple of things. No. 1, the Federal Government is involved in helping children. We pay $7 billion a year of Federal tax dollars to provide the dependent care tax credit for a whole range of child care uses in this country. What we are talking about here is an additional provision and how best to utilize those dollars.

Second, it is not a matter of simply saying when we reach a certain critcial mass we will then provide the additional funds. Because, as the Senator knows, I have introduced my own legislation and worked for several years in the House of Representatives on developing what I think is a very responsible child care bill that meets the criteria that I outlined here.

I am a sponsor of the Domenici-Coats-Wallop bill. I am a sponsor of the President's effort to provide child care through tax credits.

So it is not a question of whether or not this Senator from Indiana believes that there is a need for response from the Federal Government to assist the working poor in particular in meeting child care needs. I support the current tax credit that is in place, although I think it ought to be revised, and I have have suggested a number of ways to make it more effective and truly target the resources toward those in need.

I do not believe the taxpayer, given the limitation on the number of slots available for child care, particularly for working poor people, that we ought to be subsidizing at the Federal level those who are in the income ranges of $75,000, $100,000, and $150,000. It is available to corporate presidents, those executive vice presidents, to lawyers on Wall Street with starting salaries of $85,000. In fact, they are utilizing most of that $7 billion. I think that ought to be targeted.

But it is not a question of whether or not this Senator, or most of us on this side of the aisle, support child care. We do. We just think there is a more effective approach, a more effective way of delivering child care while we take those very essential principles that we think are critical to any Federal response, those that I outlined in my bill.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, I have listened with great interest to the debate between Senator COATS and Senator KERREY. Additionally I want to compliment Senator DODD for the many hours that he has spent on this bill.

Mr. President, I rise in support of the majority leader's substitute to S. 5, the Act for Better Child Care, the so-called ABC bill. As we listen to these arguments, they seem to be saying to us that we are not doing enough for our children or that the child care issue can simply be handled by a nonstructured program. This would include giving some tax credits to some people. But let me emphasize that a great portion of the people we are trying to help do not deal very well with tax credits. They do not understand them very well. They have a very difficult time with the complexity of vouchers. Alternatively, what we are trying to establish here are two things: First, grants to help the people who require them and, second, a structure where their children will be safe.

Goodness only knows, everybody in this body wants to be certain that we have helped the States strengthen their child-care facilities to make certain they are safe, and to see that the Federal Government assists the States in taking care of this problem caused by new democratic demographic figures for the entire United States.

We have been taking care of our elderly, passing a number of programs, and I have supported those initiatives. But our future lies with our children and some of the statistics I am going to give, Mr. President, were horrifying to me and I think should be horrifying to the American public, regarding how we are neglecting basic care for our very young.

If we neglect that basic care, those children will never have a chance in our educational system. If they do not have a chance in our educational system, they will not have a chance in our work force. And if our work force is not a high quality work force, we will not stand a chance in the competitive world of high technology we all face.

Many of us who have lived through the Depression and through the times of World War II sometimes look back and wonder how we managed to make it. But the competition was not nearly as strong in the educational area, and therefore the need for child care was not as great.

I am pleased, as the Senator stated, that there are still one-third of the families that are the Ozzie and Harriet families, so called: one working, one at home, able to take care of their children. Hurrah for that. But that is not where our problem is.

It is in the other two-thirds, Mr. President, where we have created the latchkey kids. The latchkey kid must come home to no one because both are working, and often he or she has to take care of younger siblings. We cannot be confident of our Nation's future if we do not take better care of our children.

Mr. President, I want to emphasize and I hope that as we go through this debate we understand this, that this is not a bill about philosophy. It is not about a so-called traditional model of a mother staying at home. Maybe it is desirable for this to occur. But we are long past that in the history and the demography of this country. That debate can wage on for years.

Rather, this bill that Senator DODD, the majority leader, and Members on the other side of the aisle have helped work on—and one which I played a small part in—deals with the following statistics: 63 percent of the mothers with children under age 18 are working. These are the two-thirds who are not the Ozzie and Harriet families staying at home. Two-thirds of those mothers are either the sole supporter of their family or have husbands who earn less than $15,000 a year. And only 2 percent of all the preschool children with working mothers can be accommodated in the licensed day-care centers we have today. The question can easily be asked: Where are the rest of the children? Well, they are stuck in nooks and crannies throughout this country, Mr. President, and that is wrong. They are the latchkey kids. They are staying with a grandmother which may be all right; or may be with nobody in the house.

We are not trying to stop people from doing things. We are trying to aid the ones who are in deep trouble. That is what this is, a small bill in terms of the total problem. It is a bill that begins to address the worst of the problem with the hopes that we can address the rest of it in any one of a number of innovative services. And I hope the Senator from Indiana has some additional things because this bill is a start, a start on the most difficult of the problems.

Let us take my own State of Washington. We are looked upon as a prosperous State, Mr. President. Unfortunately, we have, like much of the United States, a kind of a Swiss cheese economy. We have some places that are very prosperous. We have some places that are not very prosperous. And in my State, 43 percent of the mothers of children under the age of 6, nearly half, are in the labor force. Some 65,000 children under the age of 5 in the State of Washington live in poverty. I am ashamed of that statistic, Mr. President. We have prosperity but it has not spread throughout the whole land.

Of these 65,000 children, only 8,700 of them received any child-care subsidy last year.

It has been said on this floor that we are paying a lot of money out to help with child support. But let me answer by saying that we are shifting our

younger population into the work force and as they are going into the work force, both have to work, even those who have children, and these children are left behind. These children are not receiving child care. These are working people; working people who have children who are not receiving adequate care.

My State is trying to meet these needs. It is not that the States are ignoring it. Washington State spent $16 million last year. But they do not have the resources. They do not have the tax base. State of Washington cannot take care of the problem alone.

Beyond facts and figures, Mr. President, emotionally, in our hearts, and in our souls, we need to think about the need for quality of day care and why improvement is imperative.

We need a floor of safety and protection for children and that is what this bill does. That is part of the bill. That is why I support it. That is why I did not just support a voucher bill.

My God, if we put a safety net under our elderly and under the poor, we must also have it under our children who are our future. Nobody will remember what we say here today. My colleagues and myself will be gone, but those children will be here. Those children need to have had a floor of safety, of health and protection beneath them. This is America, one of the wealthiest Nations in the world. We must be able to tell our children, you will stand tall, you will have a chance. You will enter the first grade with sufficient health, mental capacity and ability where you can develop your personality and your abilities to the fullest.

We must be able to tell our children, we will not send you into the world half crippled, or halfway into a life of crime and delinquency. We will give you a chance.

So, whether we are talking about protection from injury, or promoting the mental and physical health of our children, we must provide enough money so that the States can license, train, and provide technical assistance to child care providers. That is the genius of Senator DODD's bill.

Mr. President, this might be called the "peace of mind legislation," peace of mind for parents working at very low wages knowing that when they arrive home at the end of the day their child is all right and maybe, their child is a little ahead of where he or she was in the morning.

Peace of mind for the mother and the father and the family of a small child who worry where that child is all day and what they are doing. For many of us who are parents it is impossible to put a price tag on it.

I was lucky to grow up in a generation after World War II where we still did have the Ozzie and Harriet family. I was awfully happy to arrive home at night and see everybody was still all right. If there had been a broken arm during the day it got fixed, or if one of the children had been sick, there had been some care. But times have changed, Mr. President.

Mr. President, this bill works to reduce future costs for the Government, future costs for America. Mr. Lawrence Schweinhart from the High/Scope Educational Research Foundation pointed out that from a cost-benefit ratio, quality day care is an excellent investment. For instance, in 1988, an annual program cost per participant of $6,600 achieves benefits of $39,000 per child. Why? Because it is savings in costs of special education, crime, welfare assistance, and higher tax revenues due to projected increases in lifetime earnings.

Mr. President, I have had to serve on a committee in this body where we are dealing with crime in the District of Columbia. I can state to you flatly that money spent in the lower grades and money spent for child care so that children have a chance entering into the Head Start Program and into the schools will save us millions. I have just come out of an appropriations conference where we appropriated millions more for special prosecutors and $50 million more for additional persons. And we will have to come back later and ask for another special prison. We are putting people in prison rather than into jobs. It all starts with whether we have initially provided for our children.

In addition, Mr. President, the chairman of the Finance Committee has developed a tax credit proposal that will provide additional assistance to those parents who care for their children within their own home. I support that approach and I thank the Finance chairman. We are not trying to take children out of the home. We are just trying to make the situation a little better, giving the children a chance in life.

I believe that this is a compatible approach and can work hand in hand with ABC. We are serious about a comprehensive child care package, and the Senator from Connecticut has led us in this direction. I appreciate that.

In conclusion, Mr. President, I implore my colleagues to provide their support. Our children are a very fragile resource. They need to be nurtured, cherished and, above all, prized. They hold our families together. They are the reasons we have families, and they are the reasons why we can pursue our own dreams. What we accomplish may be very little, but we can dream for what our children can accomplish.

In the end, Mr. President, it is the children who are going to build on what we have left. Is it not important to give them a chance, a sound mind, a healthy body, and a drive to achieve a destiny we can all be proud of?

Mr. President, I am pleased to have been both an original cosponsor of this bill and part of this committee. I plead with the Members of this body to pass this legislation, a comprehensive child-care bill. I know I want my children to do better than I have done, and I think that dream is shared by every parent in America.

Thank you, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Texas [Mr. BENTSEN].

Mr. BENTSEN. I thank the distinguished Senator from the State of Washington for the comments he has made, and also the Senator from Connecticut for his extraordinary effort on behalf of children and child care.

Last Tuesday, by a vote of 17 to 3 we passed out of the Finance Committee a bill which also addresses child care under a somewhat different approach, one which complements the approach that has been offered by the Senator from Connecticut. I think each complements the other. We also approved a major initiative on child health, and a delay and simplification of the regulations on section 89 of the Internal Revenue Code. In reporting changes in section 89 we have responded forthwith to a vote by the Members of this body.

The other thing we have done in putting together the Finance Committee package is to provide the funding for it, to see that it is revenue neutral, that it does not contribute to the deficit.

And now the Finance Committee bill is incorporated as title II of this major piece of legislation that has been presented by the majority leader.

I would like to take a few minutes to describe some of the points in that piece of legislation, but before I do, I would like to respond to some of the concerns expressed about procedures of the Finance Committee in bringing this package to the floor.

Let me say, first of all, that the members of the staff of the Finance Committee worked with the Treasury Department for almost a week, talking about section 89, and how to ensure that there was enough revenue to cover this initiative. Second, at the request of my colleagues from the other side of the aisle, I scheduled a hearing on the health credit component of the committee bill. In fact, the markup on the tax provisions was delayed in order to take care of that request.

Third, on the afternoon before the committee markup, the staff—Republican and Democratic committee staff and personal office staff—met to iron out some important issues. They talked about the provisions to be taken up in the markup, and talked about the procedure that we would be following during the markup on Tues-

day afternoon. And the intention to link the child care and the child health credits with section 89 was discussed at that time.

Finally, when that markup began, I turned to the members of the committee and once more stated my desire to report the section 89 and the child care credits together. I stated that Members would have a chance to vote on any section of the bill, but when we had finished the process we were putting everything together as one piece of legislation, because one part complemented the other and, in addition, because we had to have the umbrella of revenues to cover all features.

I asked if anyone objected, and no one did. We had a representative of the Department of Treasury there, and I turned to him for any objection he might have, and he had none. When we voted out that legislation, the vote was not even close. It was 17 to 3; strong bipartisan support.

Now why was it desirable to bring out these provisions together? It was desirable for budgetary reasons. It allowed us to match the revenues with the costs of tax credits and the section 89 reforms. And that was essential because otherwise we would have been subject to a point of order, and objections for not having been responsible. It was desirable for reasons of equity because the child health care credit is going to be a lot more successful, a lot more meaningful with section 89 antidiscrimination provisions that work. If you do not have section 89, the problem you could have is an employer who decided, well, the employees are going to get this $500 tax credit if they have health insurance covering their children, so I will just switch some of the cost over to them. But then we would not be accomplishing our objective. So the section 89 piece is germane, it fits together with the health insurance credit, and it complements it.

So I am perplexed by the criticism. Sure, we acted quickly. That is what was asked. That is what the majority leader wanted, that is what the ranking member wanted, and that is what the President wanted.

I also understand there was regret by some on behalf of the administration that they failed to obtain enough votes to win in committee.

But I take issue with the charge that the committee might have acted improperly. The process was open. There was a chance to influence the substance, plenty of chance to influence the procedure, and plenty of chance to object every step of the way.

I must say when I look at this bill I do not see how anybody could oppose what we brought out of the committee. How could anyone oppose a bill which ends a practice that subsidized child care for people making $5 million a year but not for people making $5,000 a year? That is not equity. That does not make sense, but that is the current law.

Now everyone benefits. People opposing this bill are to child care what Grinch was to Christmas.

And these provisions—on both child care and health care—are going to be welcomed by working families.

After all, working families have a tough time making it in America today. It is tough to hold down a job full time, then come home to feed the kids, help them with homework, even before changing your clothes. But American parents are doing it every day. They know it is their job and they are accomplishing it.

And leveling the playing field a little by letting them use this kind of a tax credit now being used by the affluent? I think that's our job.

That is what has to be accomplished, and that is what we have tried to do with this legislation. It can help the millions now locked out of a chance to see their kids treated by doctors when they are sick and cared for when they are well.

A few weeks ago we had a situation where the police charged a mother here in Washington with the death of her infant son. She had gone to take her first job. She called her husband to ask for money for a babysitter, and he refused to give it to her. So she went on to the job and took the baby with her. She felt she had no other choice but to lock up the baby in the car. She was housecleaning for her employer for 3 hours. She came out, and the child had died in those 3 hours.

Now, I do not argue that the provisions of the Finance Committee bill would have necessarily avoided that particular tragedy, but I do argue that such incidents demonstrate the interrelated nature of child care and child health. The fact is America is facing what one health group recently called a "child health crisis" in our country.

White American babies die at a greater rate than babies born in Singapore—or a dozen other countries. Minority babies born within a couple of miles of where we are seated now have a greater chance of dying before their first birthday than babies in Cuba. This is not something to be very proud of in this country of ours.

Of the nearly 40 million Americans without health insurance, 13 million are children. 40 percent of the children under 4 do not get their immunizations. In fact, the percentage of immunizations in this country has actually gone down in the 1980's, which helps explain the sharp upsurge we are seeing in measles, mumps, and whooping cough. Not only do millions of kids not get their shots, they do not get the basic health care that they need.

In recent years we have seen the costs of health insurance premiums going up. We see employers dropping health insurance, particularly dropping health insurance for dependents, because it adds substantially to their costs. A 1988 employer survey by the Health Insurance Association of America showed that annual premiums that year increased by an average of 11 percent for conventional plans, and 17 percent for PPO plans. Meanwhile, a 1988 study by CRS found that the percentage of people under 65 lacking health insurance grew from 14.6 percent in 1979 to 17.5 percent in 1986.

What was the biggest change? In the coverage of dependents.

Am I just talking about the poorest of the poor? Not at all. About one-third of the uninsured kids come from families making from the proverty line to 185 percent of poverty. A parent working full time for, say, the minimum wage—and this one really grates on me—has less chance for access to medical care for her child than someone on welfare. That is not right. There is something wrong with the system. And that is what we are trying to address in this specific piece of legislation.

The problem of children health is exacerbated by the crisis in child care. Right now there are more than 11 million preschool kids with mothers in the labor force, and that number goes up each year as part of the change in this society of ours. It used to be about the only jobs women were allowed to hold were as a nurse or a teacher—great professions, but for them was limited access to the work force. Now jobs are spread across the spectrum, and women are filling all kinds of specializations. But that means a lot of them are not home with the kids these days. So they send their children to child care centers, and they are expensive—often $3,000 a year. Upper-income families spend about 5 percent of their income to try to see that their kids are in adequate child care centers, but poor people can spend as much as 25 percent of their income to accomplish that.

Mr. President, that is why we reported out of the Finance Committee a bill that we thought would address both needs, at least in part. It offers help with child care and with health insurance coverage to protect both children and parents.

These provisions build on a mechanism that is already in the law—the dependent care tax credit already used by over 8 million families to pay for child care.

The committee bill amends that credit in two ways. First, it makes the current credit refundable, which means that it can be used even by families that are not making enough money to pay taxes, or paying such a

small amount that this at least becomes a supplement. Second, it adds a new credit to cover health insurance for kids. Families do not have to choose between those two credits. They can take advantage of both.

This is how the provision works. Right now the dependent care credit almost exclusively helps middle-income and upper-income families. They will still receive a subsidy. But under the package developed by Senators PACKWOOD and MOYNIHAN, most of the new child care money claimed under the refundable credit will go to low-income families. The amount of the credit is also increased for very low-income families. Right now the maximum credit is 30 percent for families with income below $10,000.

The committee's proposal will increase that credit to 34 percent for taxpayers with an adjusted gross income of less than $8,000, and to 32 percent for taxpayers with adjusted gross income of between $8,000 and $10,000.

How about the child health insurance credit? How does that work? It works the same way. Families are eligible if they have a child under the age of 19. They can apply that credit toward a policy covering the child only, or the child and other family members.

The credit amount is based on a sliding percentage of $1,000 of expenditures. Thus, families with incomes under $12,000 are eligible for 50 percent, or $500. The credit phases out completely for families with incomes above $21,000.

Finally, there is a provision aimed at making health coverage more available.

I can remember when I was a kid growing up. You just did not have health insurance. I remember I had a cold, and I could not get rid of it. And my parents took me to see the doctor in our small town. I remember my father asked the doctor what it was going to cost to take my tonsils out. It was terribly important to him how much it was going to cost, and he wanted to be sure he could pay for it. I have forgotten what the doctor told him. At that point, it did not make that much difference to me, a 12-year-old kid. I knew some way dad could raise the money. I was not sure I wanted my tonsils out anyway. But the cost was probably $40 or $50, which was a lot of money then.

I remember my father turned to him, and said, "Don't all kids have to have their tonsils out?" In those days they thought so, and the doctor said yes. So my father said, "Well, if you charge $40 for one, what would you charge for five?" And the doctor said, "Why, Lloyd, you don't have five kids." He said, "No, but with my brother, we have five."

So the doctor told him, and he gave him a substantial discount. My father called my uncle, and five kids, five of us, had our tonsils out that afternoon. And it was a group approach to paying for health care.

But we have moved ahead quite a bit since that time in what we are doing with health insurance. And in this bill we are trying to do more in that regard. We are trying to develop new policies aimed at kids, and families with kids.

Let me make a couple more points about this package. First, it is not going to increase the Federal deficit. The 5-year cost of the bill is estimated by the staff of the Joint Tax Committee to be $10.6 billion. But the new cost will be fully offset by revenues, or we would have never let it leave our committee.

Second, this legislation by itself is not going to solve the problems of child health. But it is a piece of the puzzle. It is a piece of that quilt that we are putting together that compliments the various ways that Congress has sought to strengthen the Medicaid and Maternal and Child Health Programs, things we have brought out of our committee, and things that have been brought out of the committee of the Senator from Massachusetts and the committee of the Senator from Connecticut.

There is one final component of this bill, and that is the repeal of section 89 rules and their replacement with a practical alternative. Those rules were so complex they were causing employers to consider dropping their health plans completely. If they do, they are going to dilute the effectiveness of the child health insurance credit.

Without antidiscrimination rules, you would have that distortion in the premiums that I talked about earlier. There are some who simply argue we ought to repeal all of those rules. But I do not think repeal is the right answer. The Members of this body showed the other night that they did not think it was the right answer. It would mean going back to no rules.

Under the Finance Committee bill, if an employer wants to take advantage of the tax benefits for his highest paid employees, then he has to offer the same coverage to at least 90 percent of his employees. That seems fair to me. And this time, I think the test will work.

The charge has been made that the health insurance credit that we will propose will not increase the number of people who are covered. But that is based on a static analysis. That is the same way the child-care credit has been estimated, too. That is an estimating assumption—not evidence of what will really happen.

What I fear you are going to see is more and more plans dropped, and more and more dependents cut out of plans. You will see the continued escalation in health insurance costs. That is what we are trying to squelch—that kind of an erosion.

We have had testimony before the committee by insurers saying they will respond to the incentives we are providing by making available low-cost products with the objective of reaching children and their parents.

We are seeing some innovative things done, and I believe States, hospitals, schools, or even churches will have an incentive to respond with an affordable insurance package for children. One group in Florida is already putting together a demonstration project providing for health insurance through the school system. That is the kind of innovative approach we ought to see across the country. Some new programs that have been put together in California cost as little as $300 to $400 a year, depending on the age of the child.

And will the health insurance credit buy something worth while? Absolutely. For example: The actuarial value of the child portion of the Blue Cross/Blue Shield standard option for Federal employees is about $1,000. It gives you unlimited hospital care, major medical coverage, and well-child services—some very substantial benefits for children.

The Health Insurance Association of America also agrees that the credit will expand coverage. They concluded the health insurance credit would make a dramatic difference in the proportion of low-income employees choosing to extend health care coverage to their kids. That is a gap that has to be taken care of.

When the Joint Tax Committee estimated the cost of this exchange they concluded the bill would help a lot of people already insured but struggling to pay those premiums and beginning to drop them. I would be surprised if there are not families that now decide to buy that additional insurance.

So I think it is a positive step forward that should be taken.

I urge very strongly that Members of this body support the proposal of the majority leader which will be a step toward closing that gap of child care and child health for the children of this country.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. WILSON. Mr. President, at the outset of my remarks, let me commend my colleague from Connecticut, Senator DODD, for his extraordinary efforts in the area of child care. The Senator has been an outspoken advocate for the kind of legislation that he hopes will bring about a marked improvement, and indeed he has called this

legislation the Act for Better Child Care. That is clearly his fervent hope, and he is deserving of much credit for bringing the ABC bill and more importantly the subject of child care to the forefront of the legislative agenda.

I say that having publicly and privately differed with him on approach. The happy thing is that those of us in the Congress and certainly President Bush in this campaign have made clear that we accord to the subject of caring for children the priority that it must enjoy if in fact we are to keep faith with the children who are our inspiration and for whom we hold such aspirations that they will know a better life than we have.

But as has been pointed out repeatedly on this floor, we are in a time of great change, indeed change has occurred, marked change, since the time that most privileged to serve on this floor were themselves children. At the time that the men and women now Members of the Senate were growing up the norm was that they would be given care within their own family, typically by mothers and grandparents, living in what was then an extended family.

That is no longer the norm and tragically so. I say that I think we have lost a great deal.

I learned a great deal from not only my own mother but also my grandmother, who had a high school education, I guess the equivalent of it. She came from the old country, born in County Clare about a half mile from the River Shannon, but she knew geography, she knew history, she knew a great deal of literature. Somehow she managed to teach me to read before I got to kindergarten, which was a source of some distress to my kindergarten teacher. In any case, I think I was privileged to enjoy a rather remarkable child care in the context that we all did at that time because at that time women worked to be certain. They worked as homemakers. They worked in the home.

But today, Mr. President, for reasons that relate to inflation, reasons that relate more importantly to the fact that there are a great many more single parents than in the time that you and I were children, we have seen the vast majority of women of child-bearing years enter the marketplace and in most cases not simply as a matter of fulfillment, but as a matter of economic necessity.

It is because we differ on approach that this very healthy debate is taking place, and I must say that having commended the Senator from Connecticut for having pressed relentlessly to bring this legislation to the floor and to focus upon the need for better child care.

I would commend him as well, he and the majority leader, and the chairman of the Finance Committee, for having sought to accommodate those of us who hold different views, who agree upon goals but would differ with respect to approach, and I will discuss some of the changes that have been made in this legislation since it was first introduced and do so with the commendation that they have sought to be accommodating.

I will also say I wish that I could have been more persuasive with my colleagues than in fact I have been, but the debate continues and perhaps the legislation that is before us will change; in fact I think that it will.

Mr. President, I had hoped that we would be considering legislation which adopts a different and I believe an even better approach to the child-care issue, one which the administration could support without qualification.

In my view we should fashion child-care legislation which adheres to four basic principles.

First, I believe that the choice as to the most appropriate care for a child must remain with the parent and not with well meaning bureaucrats. The choice should be in the hand that rocks the cradle, not the decision, I repeat, of some bureaucratic professional who cannot be possessed of the wisdom of Solomon and hope to prescribe for the differing circumstances that exist in every community across our land, for the different needs that relate to difference in circumstance of the consumer, the parents involved, that relate to differences arising from economic and ethnic and societal differences. In my own State, Los Angeles is not Lodi. They are not the same community. They do not have the same challenges or the same opportunities and the circumstances of parents there differ.

So parents should be able to choose freely from the widest possible range of child-care services whether the services that he prefers or that she prefers be that offered by a church-based organization, or by a neighbor, or a relative, or be it after school care or that offered by so-called professionals who are offering child care in a center-based way, whether it be through a proprietary or for profit or nonprofit institution.

That choice should be that of the consumer, the parent, and the Federal Government ought not to seek to influence that choice through the use of public assistance and specifically it ought not to seek to narrow the choice by reducing the variety that is presently available under existing State standards.

Second, I believe that the Federal child-care policy that we adopt should not discriminate against those families in which one parent chooses to remain at home to care for the children.

I spoke of my own upbringing. I realize that affords a straight line to many of my witty colleagues, but, as a matter of fact, I think I was not atypical.

I think that a great many of us learned a great deal from mothers and fathers, from grandmothers.

But since 1970, the number of women entering the work force with children has grown by over 20 percent. And it is a fact, like it or not, that, for a variety of reasons, we do have a majority of women of child-bearing ages in the marketplace and again I repeat that for most of them that is not really a matter of choice but too often a matter of economic necessity.

That is clearly true in the case of the single working parent whose choice is to remain home on welfare. And for those who have sought, instead, to draw a payroll, be on a payroll rather than on a welfare roll, they obviously must have the peace of mind and sense of security that their child is not only safe and secure but hopefully experiencing the kind of learning process that will contribute to the emotional as well as the physical growth of the child.

In order to assist families in which both parents work or those in which a single parent has chosen work rather than welfare, the dependent care tax credit which now exists provides these families with a credit worth $1,440 annually for child care costs. However, for those families in which one of the parents of two has sacrificed additional income to remain at home with the children to give that special kind of child care that I think really is available in no other way, there is no tax relief available.

The so-called at-home moms really do not enjoy the same tax benefit. At a time when families must face all manner of societal challenges—drug traffic in their streets, gang activity in their neighborhoods, other destabilizing elements—there is perhaps an even greater impetus than ever before for this kind of very personal familial care. I believe Congress should enact a policy which does not penalize those families in which one parent remains in the home to care for the young children. Rather, we should seek to encourage it.

Similarly, for that single parent, the working parent with young children, we must ensure that the present dependent care tax credit is a worthwhile benefit, one that actually gives some help. Now, I say that because, unless it is made refundable, to many parents, many single parents and low-income wage earners, we have a situation in which this credit simply is not useful because their tax liability is not sufficient so that they will derive real benefit from the credit.

In addition, many of these single-parent families do not have documentable child-care expenses which is a re-

quirement under the law for them to receive the dependent care tax credit.

Third, Mr. President, we should seek to increase the range of choices available to families rather than unncessarily restricting access to certain child care services through funding prohibitions and burdensome requirements.

Mr. President, during debate of the family and medical leave legislation last fall I spelled out what I felt to be some of the serious shortcomings of the ABC child care amendment that was offered at that time. One requirement contained within that measure was compliance with Federal standards. Standards were mandated and States were required to comply with those standards. And, indeed, whatever those standards might turn out to be after the regulations were adopted by a national commission having devised what the generalized prescription should be in every community across the land, in that instance, compliance was mandatory or there could be no Federal assistance.

Similarly, for single-parent families with young children there was not the kind of assistance that I think must be offered by a tax credit approach. Specifically, the ABC legislation that then was offered would have required the States and, more importantly, most publicly subsidized child-care providers to comply with those standards, including at the time training requirements for relatives, for neighbors.

Now, there is nothing wrong with standards. Obviously, we must have standards, but we must be very careful. As my friend from Oregon, the junior Senator from Oregon, pointed out yesterday in a very eloquent statement on this floor, we must see to it that we do not, in the name of imposing standards to assure quality, in fact, create such great burdens that we narrow the range of choice by narrowing the availability of child-care providers.

During testimony before the Senate Finance Committee recently and during my remarks on the floor last fall, I indicated that the effect of these burdens and requirements would necessarily be to increase child care costs for families and, even more significantly, a reduction in the range of those child-care choices for those families, which the amendment, ironically, of course, intends to assist, the working poor.

And again I thought my colleague from Oregon was most eloquent on this subject as he examined two studies, one by the New York Human Resources Administration and another by ABT from Cambridge, both of which found that we need to look very carefully at standards and at the burdens that we impose in the name of assuring quality through the imposition of standards.

Mr. President, if I am to understand the compromise legislation that is now before us, there is no longer a requirement for national standards. Instead, the States would be required to set child care standards and those standards would not be mandated to meet that national standard, but there would be recommended national standards and incentives would be offered to the States to meet a so-called model standard prescribed by an ad hoc advisory committee.

Mr. President, this is a step and it is a step that I applaud my colleague from Connecticut for taking. I believe it represents movement toward progress on a successful child care package. However, I have to say that I still have strong reservations about requiring States to set standards in very specific areas.

All the Members of this body share a concern that there be access to American life in the fullest sense of the word for those who are disabled. We have spent taxpayers' dollars to remove architectural barriers to provide access. And quite rightly so. We have sought to remove employment barriers for those suffering disabilities. And quite rightly so. Not only is that justice for those who, through no fault of their own, suffer some disability, but as talent scouts for American society, we need their talent.

But, Mr. President, I ask what sense it makes to prescribe, as a case in point, architectural barrier requirements for what will be a home-based child care center in which—to use Senator PACKWOOD's 28-year-old Susie, a neighbor who brings into her home three or four neighborhood children—what sense does it make to impose those requirements upon her if, in fact, the children that she will be taking care of are not disabled?

Under the compromise legislation before us, States would retain the right to set the level of their standards based upon their unique needs. But after 3 years, those States would be compelled to elect, to make a choice, between foregoing that incentive, as it is described, or meeting the recommended model standard, a national standard to receive additional assistance to serve a greater number of eligible families. That would be their choice. They would either do so or they would forego that bonus.

Mr. DODD. Will my colleague yield on that point?

Mr. WILSON. I will be pleased to yield.

Mr. DODD. That provision has already been changed in the substitute as well. There is no longer any differential.

Mr. WILSON. Well, if I am correct, I understand there is now a floor of 80 percent.

Mr. DODD. That is true.

Mr. WILSON. But, as I understand it, there is still a bonus offer?

Mr. DODD. No. That has been changed.

Mr. WILSON. Further progress has been made. I commend my friend from Connecticut.

According to the committee report, about 18 million children will be eligible for assistance under the ABC bill. The committee indicated that approximately 1 million children would receive direct assistance annually.

That figure may have changed because, as I understand it, the amount being authorized would be $1.75 billion with 70 percent of that funding being allocated to vouchers; that would be roughly $1.3 billion, which, divided by an average market cost of child care at $3,000, comes out to about half a million slots.

More importantly, the ABC bill would not adequately provide assistance to the majority of very low-income families with young children. The arithmetic that I have just gone through, I think, illustrates the point. The Bureau of Labor Statistics estimates that there are roughly 4 million children under age 5 who are members of families making less than $13,000 per year. If the ABC bill would serve 1 million children rather than the estimate of half a million that is directed by the reduction in authorization to $1.75 billion, if that were the case, then, according to the Bureau of Labor Statistics, with 4 million children under age 5 and only 1 million being served, why, then, nearly 3 million children from very low-income families would not receive assistance.

It is a rich program for a relatively few consumers.

A better approach, Mr. President, would be to offer a tax credit which can assist, if not fully pay for, the child care costs of a far greater number of eligible low-income parents.

Mr. President, this brings me to another point. Under the ABC bill, the funding distribution requirements are broadly defined. States must give a priority to "very low-income families," presumably those which I have just discussed, those whose income does not exceed 100 percent of the State median income and who choose services offered on a sliding fee scale.

The question then, Mr. President, that occurs in the context of this 1 million who will be provided for against a universe of need of 4 million is: How is the State to determine which parents, which child care consumers are to be the lucky few to receive that assistance?

Will we do it by lottery? What about the 3 million other children?

By enacting the ABC bill we are creating an environment in which low-income families will have to compete with their neighbors for limited Feder-

al assistance. That is the effect if not the intent. It is the effect at the end, if not a procedural process that is envisioned. Since the need for child care services will continue to grow, increasing pressure will be placed upon the States to meet demand. As a result, the States will be all but compelled to assist additional families through increased State funding or by applying for some further incentive grant. Strained State finances make it likely that the States will seek additional Federal funds.

My friend from Oregon expressed the view last night that those who backed the ABC legislation as it was presented last year have come to a point where they recognized the need for compromise to get half a loaf. But his expectation and mine is that their honest conviction is that what they sought to have introduced, what they sought to enact as law last year, will be their ultimate goal. They will continue to press for those standards that now, apparently, have been removed.

I think we we have to anticipate, as did the junior Senator from Oregon [Mr. PACKWOOD], that in subsequent sessions of the Congress we will see amendments proposed to make mandatory Federal standards which we have seen in prior versions of this legislation as mandates. We think that the kind of strained State finance that have infinite numbers of claims will, in fact, look to the Federal Government. That is a concern that he has. It is a concern that I have.

Our concern, ultimately, is that that hunger for dollars in order to accommodate the need for child care will, in fact, have the effect of reducing the variety of child care that is available because it will work through what will become mandatory State standards, if those who sought this legislation in its original form have their way.

Assuming that the National Advisory Committee on Recommended Child Care Standards were to choose the most stringent State models, that being those offered by the State of New York, child-care costs would inescapably escalate. I had a very ugly, if effective, chart which I presented in the Finance Committee hearings which made the point that only New York would meet the New York State standards. Other States would necessarily engage in marked increases in the cost of providing care to meet the New York State standards.

The junior Senator from Oregon yesterday, citing the two studies that I mentioned, took pains to point out that there was no evidence that more expensive child care—that provided by the so-called professionals who have been certificated, who have been given advanced degrees, who are paid far more than Senator PACKWOOD's 28-year-old Susie taking in three or four neighborhood children—provides, necessarily, the best child care. Nor even the best opportunity for a learning experience for the growth of those children.

But, under the scenario where we have, if not a subtle form of bribery, an incentive offered to make State standards meet the national recommended standard, ultimately the fact that it is recommended and not expressly mandated becomes a semantic difference rather than a substantive one. Under that scenario the winner would not be the American working family. They would be the real losers for the very simple reason, Mr. President, that that kind of policy would inevitably diminish the variety of child care available. And clearly, that was the intention of those who first offered the unchanged version of the ABC bill. Because, as you know, there was at that point an expressed, explicit prohibition against the provision of child care by a church-based organization.

There was an expressed requirement that only secular organizations could be engaged in the provision of child care which, had it continued to exist, I think, probably would have doomed this legislation. And for the very good and simple reason that it would have needlessly and wrongly eliminated about 40 percent of the available child care in this Nation and, incidentally, some of the most affordable child care, if you are looking at center-based child care rather than that provided in the home.

Mr. President, we must ask ourselves can we afford such a policy? Can we afford a policy that tends to reduce the variety and availability of child care; a policy that reduces choice for the ultimate consumer, the parent? A policy that does that is not, Mr. President, a policy which helps the majority that we are seeking to assist.

Should we support an ABC bill if there are more effective means, such as a tax credit, to provide assistance to all eligible families? And the answer is we should seek to provide some support to all eligible families, rather than having this lottery by whatever means that provides for a rich program for approximately one-quarter of the most low-income children in America.

The final principle that we should uphold in our concern to provide quality care for children is driven by the fact that Federal resources are limited, therefore, assistance must be targeted to low-income families with young children. For these families, the ability to provide child-care services is the most difficult. Federal child-care legislation must recognize this fact. It must target assistance to these families, those most in need.

Having outlined what I believe to be the core criteria which Congress should follow in developing a national child-care policy, let me discuss several concerns, concerns that I share with a number of colleagues, about this specific legislation before us, the ABC bill.

Simply stated, were it enacted in its present form, I believe the ABC bill will inevitably be limiting, not expanding, parental choice. It will have the effect of restricting, not expanding, access to existing child-care services. In addition, as discussed previously, the ABC bill filters scarce Federal resources through a very limited method of assistance—a child-care voucher, a system based upon prevailing market rates. That is why it is so expensive per unit cost; that is why it is a program for a very few, a rich program for a very few. It is sort of a Davis-Bacon child-care program.

In short, for the millions of families who must ask the question who will watch our children, the ABC bill does not offer the best solution. It restricts choice; it does not serve the universe of need; it leaves three-quarters of the most needy children without Federal assistance.

Does the ABC bill preserve parents' rights to choose the most appropriate care for their children? That is the most fundamental question, and the answer is, it does not. It will be said that it does, that nothing in this legislation restricts that choice. But that is inevitably not the case when you reduce the variety when those who are able to offer care under existing State standards can no longer do so.

Like President Bush, I believe a parent should be able to choose freely from the widest possible range of child-care services, but the ABC bill would prohibit parents from selecting a family-based child-care provider or their next door neighbor, for example, who currently meets existing State standards but who may not meet new State standards as, in fact, they evolve because the ABC bill urges them on to a national recommended standard.

It is the committee's analysis at page 31 of the committee report that low-income families have been forced to utilize informal services, by which they mean those provided by a neighbor; that they have been forced to utilize such services out of economic necessity. I think that is a premise that is, indeed, subject to challenge.

I would say that probably many have done so as a matter of choice because they know the provider and trust them. But if those families choose the very same child-care arrangement when provided by a fully paid voucher, then why should Congress seek to restrict that type of child care? It is because it is the policy of those who wanted the original ABC bill to force families to turn to "center-based care."

Mr. President, neither the Senator from Connecticut, my friend who has expended so much of his time and energy on this, nor I can say how long it would be before those who seek with a foot in the door to gain the beginning of a child-care policy that they hope to change. We can neither of us say how long it would be before change would occur, but it is the history of Federal programs that increasingly those who control the purse strings, those who dole out Federal assistance insist on more and more control substantively of the programs that they are funding.

I would say that I think we need to have a child-care bill in this 101st Congress. It was my hope we might even have made sufficient changes to have gained one in the 100th Congress, but it is also true that we should have the right kind of child care because, No. 1, we are faced with fiscal constraints but, No. 2, and really more important, we need to be very certain that as we begin with a legislated program, a program in which we set forward a policy that we seek very clearly and permanently to preserve the maximum possible choice by the parent, the ultimate consumer of child care, and yet I know there will be people who will vote for this legislation with the idea they will change it in future sessions.

Throughout this 2-year-long debate, a perception has developed that most States have not regulated the child-care industry. Indeed, I have spoken to proponents of the ABC bill who have told me that when told that, in fact, they have regulated, that the States have been in the business of prescribing some standards. Some have shrugged off those standards as inadequate. That has been their justification for instead requiring States to enact a significant number of standards under the guise of protecting our children, and the means by which they seek to do that is by tightening the purse strings. The truth is that every State in the Nation regulates the child-care industry.

Mr. President, I ask unanimous consent that two tables prepared by the Department of Labor be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REGULATION OF CHILD CARE UNDER STATE LAW—FAMILY DAY CARE

State	Type of regulation	Minimum size to be covered	Maximum size before becoming group home or center	Number of children under age 2 permitted with 1 caretaker [1]	Preservice training required	Criminal/child abuse records checks: Criminal records checked	Criminal/child abuse records checks: Child abuse registry checked	Inspections per year
Alabama	License	1	6	6	Yes	Yes	No	1.
Alaska	do	4	6	2 under 30 mo	No	No	No	1 per 2 yr.
Arizona	([2])	1	Not regulated	Not regulated	No	No	No	2.
Arkansas	License	6	16	Varies	No	No	No	3 to 4.
California	do	1	6	3 to 4	No	Yes	Yes	10 percent sample.
Colorado	do	1	6	2	Yes	Yes	Yes	33 percent sample.
Connecticut	do	1	6	2	No	Yes	No	1 per 2 yr.
Delaware	do	1	6	4	Yes	No	Yes	1.
District of Columbia	do	1	5	2	No	No	No	1.
Florida	License (county) Registration (State).	1	5	No limit	Yes	Yes	Yes	2.
Georgia	Registration	3	6	6	Yes	Yes	No	3 percent sample.
Hawaii	do	3	5	2	Yes	Yes	No	1.
Idaho [3]	License	Not regulated	4	2	No	No	No	1.
Illinois	do	4	8	3	No	Yes	Yes	1.
Indiana	do	5	10	No limit	No	No	No	1.
Iowa	Registration (voluntary)	1	6	4	No	Yes	Yes	20 percent sample.
Kansas	License	1	10	Varies	No	Yes	Yes	Unknown.
Kentucky	do	4	Varies with age	No limit	No	Yes	No	1.
Louisiana	None	Not regulated	Not regulated	Not regulated	No	No	No	0.
Maine	License or registration	3	12	3 to 4	No	No	Yes	1.
Maryland	Registration	1	6	2	No	No	No	1.
Massachusetts	do	1	6	2	Yes	Yes	No	Unknown.
Michigan	do	1	6	2	No	Yes	Yes	0.
Minnesota	License	1	10	3 (30 mo.)	Yes	Yes	No	Unknown.
Mississippi	do	6	15	Varies	No	No	No	2.
Missouri	do	5	10	2	No	Yes	Yes	2.
Montana	Registration	1	6	3	No	No	No	15 percent of sample.
Nebraska	do	4	8	2 to 4	No	Yes	Unknown	5 percent per month.
Nevada	License	5	6	4	Yes	Yes	No	4.
New Hampshire	do	3	6	3	Yes	Yes	No	3 per 2 yr.
New Jersey	License (voluntary)	Not regulated	Not regulated	Not regulated	No	No	No	1 per 3 yr.
New Mexico	License	5	12	2	No	Yes	No	2.
New York	do	3	6	2	No	No	Yes	1.
North Carolina	Registration	1	5	No limit	No	No	No	Unknown.
North Dakota	License	6	7 (4 under age 2)	4	No	No	Yes	2.
Ohio	do [4]	1	12	4 under 18 mo	No	No	No	2.
Oklahoma	do	4	5	No limit	No	No	No	4.
Oregon	do [4]	1	6	2	No	Yes	Yes	0.
Pennsylvania	Registration	4	6	4	No	Yes	Yes	20 percent sample.
Rhode Island	License	4	6	2	Yes	Yes	No	1 per 2 yr.
South Carolina	Registration [3]	1	6	3	No	No	No	0.
South Dakota	do [3]	1	12	No limit	No	No	Yes	1 to 12.
Tennessee	License	5	7	4	No	Yes	Yes	2.
Texas	Registration	4	12	Varies	No	Yes	No	0.
Utah	License	1	6	2 to 3	Yes	Yes	Yes	1 per 2 yr.
Vermont	License and Registration	1	6	2 to 3	No	No	No	2.
Virginia	License	6	9	4	No	No	No	2.
Washington	do	1	6	2	No	Yes	Yes	0.
West Virginia	Registration (voluntary)	1	7	No limit	No	Yes	No	1.
Wisconsin	License [3]	4	8	3 under age 1	Yes	No	No	Varies.
Wyoming	Registration	3	6	2	Yes	No	No	Do.

[1] Entries denoting a range in the number of children permitted are usually the result of State requirements concerning the mix of ages in the group and other factors.
[2] Arizona, South Carolina, South Dakota, and Wisconsin. Reportedly, only subsidized family day care is regulated.
[3] Idaho: Secondary source information available at this time is contradictory with respect to family day care licensing requirements for this State.
[4] Ohio and Oregon: Reportedly, family day care of fewer than 6 children is regulated only if subsidized.

Source: "The National State of Child Care Regulation 1986," by Owen Morgan, published by Work/Family Directions, Inc. This information consists of 1986 data.

REGULATION OF CHILD CARE UNDER STATE LAW-CHILD CARE CENTERS

State	Permitted age of entry	Child/Staff ratios[1]			Group size permitted[1]			Criminal/Child abuse records checks		Preservice training required			Health/first aid training required for staff		Inspections per year
		Up to 1 yr. old	3 yrs. old	5 yrs. old	Up to 1 yr. old	3 yrs. old	5 yrs. old	Criminal records checked	Child abuse registry checked	Directors	Teachers	Assistants	Health	First aid	
Alabama	3 weeks	6:1	10:1	20:1	6	10	20	Yes	No	Yes	No	Unknown	No	No	1.
Alaska	6 weeks	5:1	10:1	15:1	NR	NR	No	No	No	No	No	No	No	Yes	1 per 2 yrs.
Arizona	NR	5:1 or 11:2	13:1	13:1	NR	NR	NR	Yes	No	Yes	Yes	No	Yes	No	2.
Arkansas	6 weeks	6:1	12:1	18:1	NR	NR	NR	No	No	Yes	No	No	No	No	3–4.
California	NR	4:1	12:1	12:1	NR	NR	NR	Yes	Yes	Yes	No	No	No	No	1.
Colorado	6 weeks	5:1	10:1	15:1	10	NR	NR	Yes	Yes	Yes	Yes	No	No	Yes	1 per 2 yrs.
Connecticut	4 weeks	4:1	10:1	10:1	8	20	20	Yes	No	Yes	No	No	No	Yes	1 per 2 yrs.
Delaware	NR	5:1	15:1	20:1	NR	NR	NR	No	Yes	Yes	Yes	No	No	Yes	1.
District of Columbia	6 weeks	4:1	8:1	15:1	8	16	25	No	No	Yes	Yes	No	No	No	1.
Florida	NR	6:1	15:1	25:1	NR	NR	NR	Yes	Yes	Yes	No	No	Yes	Yes	4.
Georgia	NR	7:1	15:1	20:1	NR	NR	NR	Yes	No	No	Yes	Yes	No	No	4.
Hawaii	2 years	Under 2 yrs.	16:1	20:1	NR	NR	NR	Yes	No	Yes	Yes	Yes	Yes	No	1–3.
Idaho	6 weeks	6:1	10:1	15:1	NR	NR	NR	Yes	No	No	No	No	No	No	1.
Illinois	3 months	4:1	10:1	20:1 or 30:2	12	20	30	Yes	Yes	Yes	Yes	No	No	No	1.
Indiana	NR	4:1	12:1	15:1	8	NR	NR	No	No	Yes	No	No	No	Yes	3
Iowa	2 weeks	NR	NR	NR	NR	NR	NR	Yes	Yes	Yes	No	No	No	No	1.
Kansas	2 weeks	3:1	12:1 or 18:1	14:1 or 12:1	9	24 or 20	28 or 24	Yes	Yes	Yes	Yes	No	Yes	No	Unknown.
Kentucky	NR	6:1	12:1	15:1	NR	NR	NR	Yes	No	No	No	No	Yes	No	1.
Louisiana	NR	6:1	14:1	20:1	NR	NR	NR	No	No	No	No	No	No	No	1
Maine	6 weeks	4:1	10:1	10:1	12	NR	NR	Yes	No	Yes	No	No	No	No	1
Maryland	8 weeks	3:1	10:1	13:1	6	20	26	No	No	Yes	Yes	No	Yes	No	1.
Massachusetts	NR	3:1 or 7:2	10:1	15:1	7	30	NR	No	No	Yes	Yes	No	Yes	Yes	Unknown.
Michigan	2 weeks	4:1	10:1	12:1	NR	NR	NR	Yes	Yes	Yes	No	No	Yes	No	1.
Minnesota	6 weeks	4:1	10:1	10:1	8	20	20	No	No	Yes	Yes	No	Yes	No	Unknown.
Mississippi	NR	5:1	14:1	20:1	NR	NR	NR	No	No	No	No	No	No	No	2.
Missouri	6 weeks	4:1	10:1	16:1	8	NR	NR	Yes	Yes	Yes	Yes	No	No	No	2.
Montana	NR	4:1	8:1	10:1	NR	NR	NR	No	No	Yes	Yes	No	Yes	No	1.
Nebraska	6 weeks	4:1	10:1	15:1	NR	NR	NR	Yes	N/A	Yes	Yes	No	No	Yes	2.
Nevada	NR	6:1	10:1	10:1	NR	NR	NR	Yes	No	Yes	Yes	Yes	Yes	Yes	4.
New Hampshire	6 weeks	4:1	8:1	15:1	8	NR	NR	Yes	No	No	Yes	Yes	Yes	No	3 per 2 yrs.
New Jersey	NR	4:1	15:1	NR	NR	NR	NR	No	No	Yes	Yes	No	Yes	No	1 per 3 yrs.
New Mexico	6 weeks	6:1	15:1	20:1	NR	NR	NR	Yes	No	Yes	No	No	No	Yes	2.
New York	8 weeks	4:1	6:1 or 7:1	8:1 or 9:1	8	18 or 14	24 or 18	No	Yes	No	Yes	No	Yes	No	1.
North Carolina	NR	7:1	15:1	25:1	14	25	25	No	No	Yes	Yes	No	No	Yes	3.
North Dakota	NR	4:1	7:1	12:1	NR	NR	NR	No	Yes	Yes	Yes	Yes	Yes	No	2.
Ohio	NR	6:1	12:1	14:1	12	24	28	No	No	Yes	Yes	Yes	No	Yes	2.
Oklahoma	NR	6:1	12:1	15:1	NR	NR	NR	No	No	Yes	No	No	No	No	4
Oregon	6 weeks	4:1	10:1	15:1	8	20	30	Yes	Yes	Yes	No	No	No	Yes	1.
Pennsylvania	NR	4:1	10:1	10:1	NR	NR	NR	Yes	Yes	Yes	Yes	No	No	Yes	1.
Rhode Island	6 weeks	4:1	15:1	20:1	4	15	25	Yes	No	Yes	Yes	Yes	No	Yes	1.
South Carolina	NR	8:1	15:1	25:1	NR	NR	NR	Yes	No	Yes	No	No	Yes	No	Varies.
South Dakota	NR	5:1	10:1	10:1	20	20	20	No	Yes	Yes	No	No	Yes	No	1–12
Tennessee	NR	5:1	10:1	25:1	10	20	25	Yes	Yes	No	No	No	No	Yes	2.
Texas	NR	5:1 or 12:2	15:1 or 17:1	22:1 or 24:1	5 or 12	35	35	Yes	No	Yes	Yes	Yes	No	No	2.
Utah	NR	4:1	15:1	20:1	8	25	25	Yes	Yes	Yes	No	No	No	No	3.
Vermont	NR	4:1	10:1	10:1	8	20	20	No	No	Yes	Yes	No	No	Yes	2.
Virginia	NR	4:1	10:1	12:1	NR	NR	NR	Yes	No	Yes	Yes	No	Yes	No	2.
Washington	4 weeks	4:1	10:1	10:1	8	20	20	Yes	Yes	Yes	No	No	No	Yes	1.
West Virginia	NR	4:1	10:1	15:1	NR	NR	NR	Yes	No	Yes	No	No	Yes	No	1
Wisconsin	4 weeks	4:1	10:1	17:1	8	20	32	No	No	Yes	Yes	Unknown	Yes	No	Varies.
Wyoming	3 months	5:1	10:1	20:1	NR	NR	NR	No	No	No	No	No	No	Yes	1.

[1] Entries denoting more than one ratio or permitted group size, are usually the result of State requirements concerning the mix of ages in the group and other factors.

Notes: NR—Not regulated. N/A—Not applicable. NC—Not covered.

Source of Data: "The National State of Child Care Regulation 1986" by Gwen Morgan, published by Work/Family Directions, Inc. This information consists of 1986 data.

Prepared by: Division of State Employment Standards Programs, Office of State Liaison and Legislative Analysis, Employment Standards Administration, U.S. Department of Labor, February 18, 1988.

(Mr. WIRTH assumed the chair.)

Mr. WILSON. The first of these two tables illustrates existing State standards for a family-based child-care provider—34 States licensed family day care and 15 register these providers. All States, with the exception of Arizona, Louisiana, and New Jersey have developed group-sized thresholds. All but six States inspect family day-care providers on a regular basis.

With regard to group-based providers, as illustrated in the second chart, all States, with the exception of Iowa, have established child/staff ratios, the number of individual adults to children being cared for. The majority require preservices training for providers and all conduct inspections on a regular basis. That statement relates to group-based providers.

Clearly a State child regulatory network already exists. The States have not felt it necessary to wait for Federal assistance. They have moved because they have had the need to do so and because they are not without the wits or the caring, the concern to devise programs that seem adequate to the needs of the parents who have sought that kind of child care at the State level. Therefore, we should weigh very carefully the costs and the benefits of imposing additional standards upon the States especially if our goals are to increase access to child-care services and to preserve parental choice in selecting the most appropriate care for children.

Mr. President, I say again, it should be the hand that rocks the cradle that makes that choice and not some well meaning Federal bureaucrat. Mr. President, I have outlined what I believe to be essential principles in a national child-care policy, what I believe to be the shortcomings of the ABC bill's approach in the context of those needed and essential principles.

In the days ahead I will outline what I believe to be a better alternative in amendment form, one which I hope the majority of my colleagues will support, one which will reflect the principles to which I have made reference today.

Mr. President, the debate that is occuring is a healthy one. It reflects a very great concern on the part of the Members of this body that we take the kind of action necessary to give the relief to parents, working parents, nonworking parents who have chosen to stay in the home to give child care, to afford to those who are differently situated some relief of an adequate kind because there is nothing more precious than America's children. It is the reason we undertake most of the legislative activity that brings to this floor.

So the debate could not be a healthier one, one long overdue. For that

reason I think it is terribly important that we have that debate fully, honestly, that we really look at the kinds of first principles that are necessary to have a successful child-care policy rather than simply another failed Federal good intention.

Mr. President, I say that not depreciating the sincere conviction and the very hard work that has brought the ABC bill to the floor. To the contrary, I have great admiration for my colleague from Connecticut in particular because he has given great leadership in this area. He has worked very long and hard. He has sought to be accommodating, and in fact it is the spirit of accommodation that has existed which makes me optimistic that we will in fact achieve child-care legislation of the right kind, of the kind that has been worth all the time and the effort and the healthy debate we are engaged in at this point.

I thank the Chair and at this point relinquish the floor.

Mr. DODD. Mr. President, first of all, I thank my colleague from California for his very kind and generous remarks regarding the legislative product before us, albeit a product that he has not endorsed 100 percent, but his recognition of support for much of what is in this legislation. I would like to make, if I could, a couple of comments regarding my colleague's speech.

I should first of all point out to him it is not just the Senator from Connecticut. The Senator from Utah is my principal cosponsor. I do not know of anyone who would want to challenge the conservative credentials of the distinguished Senator from Utah [Mr. HATCH]. As I have listened over the last 2 days, some would like to paint this product as somehow a liberal bill, the product of only a group of liberal Senators. They have not, I would add, looked at the list of cosponsors of the bill including my chief cosponsor, Senator ORRIN HATCH of Utah. Certainly he does not need any expressions of support in terms of his conservative credentials from the Senator from Connecticut, but nonetheless it is somewhat amusing to me there are those who would suggest somehow he has lost his credentials as a conservative because he supports the Act for Better Child Care. And go down the long list here of people who are cosponsors, many of whom clearly fall into the conservative column in this body. The issue here is not conservative or liberal.

I think the effort of those who would like to defeat this legislation is to frame the debate as if it were a liberal-conservative debate, but it is not a liberal-conservative debate. This legislation is the product of a lot of people who come from the Republican Party, the Democratic Party, who are liberals and conservatives and moderates, who have tried to fashion a piece of legislation that makes sense in terms of putting together a well-brought-out child care program for this country that deals with what is now recognized—and it has taken 2 years to get this, I might add—as three basic pillars of many child care program: to deal with the availability of child care, to deal with the affordability of child care, and to deal with the quality of that child care.

We are no longer debating whether or not that is the issue. Now we are debating about how best to achieve those goals, to achieve the best quality, the maximum availability, and to reduce the cost to the extent possible.

I clearly remember standing in the places over the last 2 years where you could not even get recognition of that, whether or not that was the debate. In fact, many argued that we did not need to do anything in the area of child care.

Now, some have suggested that the real motives of those of us who sponsor the ABC bill is to somehow mandate all sorts of programs, deprive families of choice, to crawl into the homes of Americans, lure their mothers out into the work force and steal their children and place them in a child-care center, some sort of abusive system somehow.

How ludicrous can you be? That because this bill reflects what normally goes on in a legislative product: debate, discussion, modification, and to impugn the intentions or the motives of those who have made some changes would be to suggest that those who oppose the ABC bill initially never have wanted to do anything about child care. I do not believe that.

I think those who have opposed child care legislation in the past have done so because they honestly believed the product before them could be better crafted. I do not question whether or not they wanted to do something in that area. And so for the other side to suggest somehow that because the product today is different than it was a year ago and that our real intentions are to do something terrible onerous and unfair to the American family is just unfair. Let me go into some specifics here if I can, briefly.

Mr. HATCH. Will the Senator yield?

Mr. DODD. I will be glad to yield to my colleague.

Mr. HATCH. I really have enjoyed my distinguished colleague's remarks. Of course, the subject is of much interest because I have supported this bill. But I have come to the conclusion that if it had not been for this bill we would not be here today. As a matter of fact, a year and a half ago, 2 years ago, when the distinguished Senator form Connecticut and I were trying to come up with an appropriate way of doing this, I am just asking my friend is it not true there was very little support for a child care bill on either floor of Congress? As a matter of fact, it did not look like we would ever get one up; it looked like we were going to be continually embroiled in a mess that would prevent any type of resolution of these problems. Does the Senator not think this is true?

Mr. DODD. My colleague from Utah is absolutely correct. I do not question the motives of people, but I always find it is somewhat intriguing that the very day we marked out of our committee a child care bill, within an hour all of a sudden there was a child care proposal out of the White House.

Yesterday we got to the floor with this package. All of a sudden there is a substitute. Where was the substitute 2 days ago, a week ago, a month ago? All of a sudden it emerges out of nowhere within a matter of hours after we get to the floor. I say my colleague is absolutely correct. It is somewhat intriguing to me that we find ourselves today with everyone coming to the floor. I do not find an opponent of child care.

Mr. HATCH. That is right. Will the Senator yield for a couple comments?

Mr. DODD. I am happy to yield.

Mr. HATCH. Not only do we not find an opponent, but everybody has a child care bill and everybody has a child care idea. I think that is healthy, and to be honest with you I have enjoyed the process. But what has really driven it has been the work done in our committee in forcing people to face this issue and the problems that are involved and the statistics and the down-home pain and anguish of people all over this country because they are worried about their children and they are worried about this country and they are worried about what is going to happen to these kids who are easy prey to the drug lords, the drug pushers, the pornographers, those who foster and foment juvenile delinquency. There are up to 15 million kids without any supervision at all.

What I am getting down to and what I would like to ask my colleague about, because I think it is important, the original bill which I was very critical of.

Mr. DODD. Correct.

Mr. HATCH. Because I thought it was too bureaucratic, too Federal Government-oriented; it did not take care of home care, religious problems—as a matter of fact, it seemed to be hostile to religious intentions. It did get out there and try to increase the availability of child care. As a matter of fact, it had pure Federal standards which some believe is nirvana but I believe the majority thinks is not really the way to go because we have different needs throughout different parts of the country.

But am I correct as the chief sponsor of this bill, that we have worked

VOL 135 PT 9 JE 14 — 22 1989 UMI

on every one of these problems to try to solve them so we have a package that everybody can support across the board? Does the Senator not think I am correct?

Mr. DODD. My colleague from Utah is absolutely correct. I do not agree with the statement that the original bill was hostile to religious-based institutions because they provide the bulk of child care in the country, and in the legislation I initially and absolutely insisted that the religious-based institutions be included. There has been some change because of the question of what the States do. Many States have contracts or grants. Some provide direct assistance to the parents. We, because of what our colleagues have said, do not tell States what to do and do not mandate to States. We tried to recognize that distinction.

My colleague is correct. We have this bill because of the hearings, because of my colleagues' input, because our friend and our colleague from California has a bill, a child care bill. He is absolutely correct. His bill, much of it, incorporated in what is before us here, targets dollars to families of low and moderate incomes, States must establish standards in specific areas, $100 million in the liability risk retention group, revolving loan fund for family providers, makes dependent care credit refundable—those are all part of the legislation of the Senator from California, all of which are part of the Act for Better Child Care.

Mr. WILSON. If I may say so, I am coming to like the bill better.

Mr. DODD. Come on aboard.

Mr. HATCH. We think the Senator will enjoy it.

Mr. WILSON. I told my friend from Connecticut that I think he should be commended for seeking accommodation with those who have labored in the vineyard with it.

Mr. President, if I may just take 1 minute. My friend from Connecticut has been very, very patient. No one is depreciating the motives of anyone. Certainly, no one is depreciating the motives of the two men who are standing there on the floor. To the contrary, they have made very clear their concern. But what I think is clear is versions of the legislation have not indicated any different approach, and accommodation has been made.

Obviously some of us think still more accommodation needs to be made but I think really what we are concerned with here is that those who have testified in favor of the legislation have made it very clear that it is their honest conviction that a different approach should apply. I commend them for their conviction. We have disagreement on approach. It is not a matter of impugning anybody's motives. I do not think those who are approaching the thing in a different way seek to do any evil to anyone else.

Mr. DODD. I appreciate my colleague's comments.

Mr. WILSON. It is simply that the difference in approach is one that I think is clear from the different initial versions of ABC bill as indicated.

Mr. DODD. As I said to my colleague earlier—he may not have been in the Chamber at the time—I think there may be some point I suppose if someone wants to go back and visit what earlier versions look like, but what I sense somehow is that point is being used somehow to discredit the product in front of us. I say that because we seem to be—at least half the debate is—focused on what has existed in some prior bill. Unfortunately, in some cases, I get the feeling people have written the statements and then read the bill, the recent product, just submitted as of yesterday.

I do not question the fact because other people oppose our original bill that they were totally opposed to child care, and if they had their way there would never be any legislation in this area. That would be unfair. I think there are people who did support child care who are opposed to the ABC bill who did not buy every single piece of it at all. We have gone through a legislative process which is normally the way things are done here. I do not know what we have a committee structure for if you have the Republican minority leader, the Democratic chairman of the committee, spend 2 years working on a product, get the Governors' association, the National League of Cities, National Association of State Legislatures, business groups, labor groups, all across the country, we go out and do the work, we put together a product, we come to the floor, and we are told it is not good enough. All of a sudden there is a miraculous substitute. I do not understand what has happened to our process here if that process no longer works, that it does not make any difference when a very conservative Member of the Senate and a very liberal Member of the Senate, who can work together, come out with a product together, present it to our colleagues, and it is still not good enough.

Mr. HATCH. If the Senator will yield, I want to say to my distinguished friend from California, who, I think, has been one of the better leaders on this issue, frankly, we are not saying that the ABC part of this bill is all we want. We are happy to look at any tax credit program that the Senator cares to consider. I will say that the distinguished Senator from Connecticut has been open to anybody's suggestions from the beginning. That is why I get a little bit upset. I am not mad at the distinguished Senator from California because I watched him work. We have worked together. We have tried to resolve these problems. I know he will help in the end to resolve this one way or the other. If there is a further refinement, correction, improvement in the ABC bill, we are going to listen to him here on the floor. If he has a desire to change it, we will listen. We are open to these types of things.

What really irritates me is that some on my side of the floor, and especially some of our political persuasion, have gone off and used the old ABC bill as though it is the present bill on the floor. It is not. There is disinformation about that bill, about this bill, based upon that bill, all over the floor, all over the country, and some of it, I think, is deliberate. It bothers me a little bit because this bill has been drastically changed. Anybody who thinks that the tax credit approach is the sole approach that works does not look at affordability, does not look—it looks at affordability to a very modest degree—does not look at availability very carefully, and certainly is not looking at quality very carefully.

We have to take all three of these problems into consideration. That is why we think the ABC portion of this bill, which is a bulk portion of this bill, makes a lot of sense because it addresses all three major issues that are worrying parents to death. We also feel that if there is a way of coming up with a reasonable tax credit that will bind everybody together and get child care through the floor, we are certainly open to it, and interested in it.

Mr. WILSON. Mr. President, I thank my friends. I will take no more of their time.

I look forward to responding to the invitation from the Senator from Utah. I think we need to have a lengthy, at least a full, debate on the subject of the use of tax credits because I think it is a necessary tool that offers great promise. Properly amended, I think it can be not only affordable but it affords much greater choice.

I look forward to that debate next week. Both Senators have been generous this morning on that issue.

Mr. DODD. I thank my colleague.

Of course, as we have talked about California a little bit, Mr. President, I ask unanimous consent that an editorial from the Los Angeles Times dated May 16, 1989, be included in the RECORD along with a resolution, a joint resolution, adopted February 9, 1988, by the California State Legislature which strongly supports the ABC bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, May 16, 1989]

HELP THE CHILDREN NOW

Oregon Gov. Neil E. Goldschmidt last year went to Portland's City Club and ticked off what the assembled business and civic leaders must do together to give children a healthy start in school. He expected

a modest response. He got a standing ovation.

The people were ahead of him, he discovered. The people are ready to address children's issues in the 1990s. And the proposals are ready before the U.S. Congress and the California Legislature. Small programs are even in place here and there across the country. What is needed now is leadership to secure the money, votes and commitment to duplicate those demonstrated successes.

One of the most comprehensive proposals come from Rep. George Miller (D-Martinez), who chairs the House Select Committee on Children, Youth and Families. He and Rep. Henry Waxman (D-Los Angeles) are co-sponsoring a measure that emphasizes helping children early in life. Miller can point to report after report to buttress his case. For example, he says, "the Committee for Economic Development, composed of the leaders of Fortune 500 companies, estimates that each year's high school dropouts cost the country $240 billion in lost productivity and forgone taxes."

Miller's bill sets 1993 as a target to provide all impoverished pregnant women, their infants and children with health-care coverage under the Medicaid program. There would be a similar 1993 goal for complete coverage of those groups by the federal Women, Infant and Children nutrition program and for full immunization of all preschool children. Miller also wants appropriations increased for disabled preschool children and for ensuring an adequate vaccine supply.

His program is ambitious—and not as expensive as not acting. The first year of the four-year effort would cost $1.4 billion. In the long run, this investment in children's futures will save billions more than it will cost.

Congress must also pass and pay for a child-care bill. Not a tax credit, as President Bush proposes, but the kind of bill that creates new child-care spaces, helps parents pay for decent care, requires that safety standards be set and helps improve the training of child-care workers. The Act for Better Child Care, sponsored by Sen. Christopher J. Dodd (D-Conn.), is such a bill.

There also is much that can be done in California, where one out of every nine American children lives. Leaders of a California advocacy group, Children Now, report that only a small fraction of needy children here receive health checkups, preschool education and other preventive measures. Not only must state government devote more of its resources to children, it must not cut valuable programs like the Office of Family Planning or community mental health services. More, not less, must be done to help prevent child abuse and supervise children who must be placed in foster care. None of these programs can be expanded unless the Gann spending limit that straitjackets the state is lifted.

Ultimately, the issues of income and housing for poor families must be squarely addressed as well. All these tasks are made difficult by the fact that neither the United States nor California has any coherent policy on what should be done for children. President Bush could provide leadership by reporting each year on the tasks that remain.

But the real work is done on the local level with state money. A few counties and private agencies may lead the way to better coordination. For example, Ventura County has established a network that coordinates mental health, social services, corrections and special education programs to help treat all of a child's needs. Stuart House in Santa Monica, which helps abused children, brings together under one roof social workers, medical personnel and law enforcement agencies to reduce youngsters' trauma. The state could profit by these examples of coordination. Citizens need to get far more involved as well, by helping their local programs or working as Children Now does to push for a stronger state commitment.

The people are indeed ahead of their government on this issue. The children, the greatest resource for the nation's future, are ready, too. Where are the leaders?

ASSEMBLY JOINT RESOLUTION NO. 62

Whereas, after food, shelter, and taxes, child care is the fourth highest family expense and ranges anywhere from $250 to $500 per month per child; and

Whereas, California's subsidized child-care program only meets the needs of 7 percent of low-income working families who are eligible; and

Whereas, there are at least 1.2 million children in California who have working parents in need of some child care, yet our state can only accommodate a portion of this need; and

Whereas, predictions show that within 10 years, the number of children under the age of six needing child care will increase by 50 percent; and

Whereas, the need for, and price of, child care will continue to rise; and

Whereas, experimental programs have proven that low-income children who have been enrolled in high-quality child-care programs develop higher levels of self-esteem, grow up to be more confident, and become productive adults and are less dependent upon social programs; and

Whereas, our congressional leaders have recognized the need for more affordable, better quality child care through House Bill 3660 and Senate Bill 1885, the Act for Better Child Care Services of 1987; and

Whereas, this act will provide $2.5 billion to help states supplement current child-care programs, resulting in $221 million for California; and

Whereas, the act will make funds available to increase the number of child-care openings, provide training and technical assistance to child-care providers, help local governments improve licensing standards, and help providers meet licensing standards; and

Whereas, the act has received bipartisan support and is supported by more than 150 national organizations; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully joins in support of House Bill 3660 and Senate Bill 1885, the Act for Better Child Care Services of 1987 and calls for its enactment; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative in the Congress of the United States.

Mr. DODD. Mr. President, I lastly point out that there are a lot of data which our colleague from California has gone into, talking about the numbers of people who qualify or should qualify under the poverty rates and so forth. I would point out that under this bill as it is now amended about $170 million would go to the State of California if our bill is passed.

The cost, of course, to child care, just in San Diego County, as our colleague well knows, having been the former mayor of the city of San Diego, just the cost of child care in that county: infants 0 to 23 months, range between almost $4,000 to in excess of $6,000 a year; preschool to 5 years, range $2,700 to $5,000; school age over 5 years, $2,700 to $5,000 a year. So you get an idea of the cost of child care.

Then, of course, you look at where people are in terms of poverty and then you look at what the substitute would offer. The substitute would offer $500 to a family in poverty for child care costs. Then, of course, they do not have to spend the $500 on child care. The likelihood that some very poor person would get a $500 tax credit faced with a $3,000 to $5,000 a year cost is going to somehow immediately drop welfare and get into the work force to pick up that is I think totally unrealistic. I think that is the point some are trying to make.

We appreciate the fact there is some movement in that area. It is unrealistic to assume those kinds of costs people face in California—and those numbers are not, I would point out, terribly different than they are in Connecticut or elsewhere in the country—particularly when you do not insist that the credit be used for child care which I think we should, otherwise, it would end up for all sorts of things that may have nothing to do with that child or that family's basic needs at all. That can be presumptuous in some cases, but if we are trying to do something about child care, it seems to me we ought to target those tax credits as we do with the present child-care credits for child care use, rather than saying here is $500 for a child; go out and do with it what you will. That is a waste, in my view, when we are looking at fiscal problems in this country. I hope we would be able to target a couple of those proposals a little more carefully.

I see my colleague from Minnesota wants to get the floor. I want to make a couple additional points regarding our distinguished colleague from Texas, the chairman of the Finance Committee, who addressed this issue along with, of course, substantially, the part of the legislation that emanates from his committee, which is part of the majority leader's substitute. I want to commend the distinguished Senator from Texas. He, like many others, has had a very positive and sound effect on the Senator from Connecticut, his ideas and suggestions, on how I could make the Act for Better Child Care a better piece of legislation. I want to personally thank him for those suggestions. As he has

suggested here earlier today, what has come out of the Finance Committee and what we have produced in the Labor Committee, fit very nicely together. They complement one another, the two parts of this package.

The children's health credit, which has come out of the Finance Committee does relate directly, as the chairman of the Finance Committee indicated this morning, with child care, children who are not in proper child care, just nutrition alone, and my colleagues said we should not set standards. My Lord, we have the school lunch programs; we insist that kids in Minnesota and Connecticut get proper nutrition in a school lunch program.

Asking the States to develop a standard, their standard, on child nutrition is not asking too much. These are vulnerable kids who cannot speak for themselves. The failure to do that is one example of how a child's health can be adversely affected. His health care credit would go to all kinds of families, including those with mothers at home, so the child care health credit is an extremely important feature of this package.

When you get 13 million—almost 40 million uninsured people in this country are children. Here we are now going to provide some real relief to those children and their families, in terms of the premium costs, that is going to have a tremendous and positive impact on the whole question of the wellbeing of young children. So I highly commend the Finance Committee and, particularly, the chairman of the Finance Committee for including the children's health credit as a part of this package that is before us. I hope that our colleagues would support that particular aspect.

Unlike, of course, the proposal, alternative proposal being suggested to us, these particular child-care credits are targeted to address a critical need of poor families with children, improving the quality of their health care. So it is an extremely important add-on to the legislation, as was clearly explained by the distinguished chairman of the Finance Committee. Again, I commend him and his colleagues on the committee, both Democrats and Republicans, for including that as part of this.

My colleague from Utah and I find these are not matters we were directly involved in, but we see these aspects as being positive ones. So I applaud him for those efforts.

Last, Mr. President, I want to emphasize a couple of points again, regarding the standards question. I realize that no matter how often I say these things, no matter how clear it is in the legislation that is now before this body, there will be those who will want to disregard the facts because the speech has been written, the statements have been given, letters have been sent out; and no matter what has been done to change this bill, they want to still desperately hold on to what they would almost like.

I suspect what they are angry about is that I have not retained the provisions that they disagreed with before. They are sort of upset with me because I got rid of the provisions they did not like. They are angry that I have modified the bill to their satisfaction, but upset because it makes it more difficult to oppose it. I find the argument still coming in that this bill mandates standards for the States. Absolutely untrue, absolutely untrue. That has been changed entirely in this legislation. Or that somehow I am now prohibiting religious-based child-care centers from receiving assistance under this legislation. Patently false.

Senator FORD and Senator DURENBERGER have offered language which is now incorporated as part of this substitute offered by the majority leader. That issue is over with. I know it disappoints some of my colleagues, who would like desperately to argue that we are discriminating against religious-based child-care centers.

That is just not the case any longer. In a sense, I am sorry that you are disappointed. We have taken care of the concern you raised. It has been taken care of. They say that somehow that we have established a huge Federal bureaucracy. I will say this as clearly as I know how. There is not 1 single cent in this bill to establish a Federal bureaucracy—none, none. Not 1 single penny of taxpayer money is to establish an agency or establish some broad group of people that are going to somehow control the child-care agenda of this country.

This is a bill that sends those funds back to the States, back to local communities, directly to parents. The Federal Government is involved in this proposal only to the extent that we are coming up with the money to provide for it. We are proposing the money. But once the money is appropriated, once the tax credits are passed, those dollars go to the parents, to the States, and to the local communities. That is it.

Now, I do not know how more clearly I can say that. So I would hope that when these debates go on over the next few days, I do not have to stand up every time some opponent gets up and talks about those issues again. I do not mind people opposing the legislation, if they want to. I do not mind them being critical. All I ask is that they read the legislation, that they know what they are talking about, what the bill says, before they come over and start reaching back to the old file or some misguided statement that they picked up someplace and decided to make that the basis of a speech on the floor.

So I urge my colleagues to look at the legislation carefully, but, again, I make the point as clearly as I know how in the area of standards, the religious question in the bill, and on the costs. And I have had people talk about the bill, as a $2.5 billion bill. Read the bill. That bill has been cut in half in the last 48 hours. Again, I urge you to have some staff work done, so that before you come over to give the speech, know what is here and know what changes have been made.

Again, I have nothing but the highest commendation for my colleague from Texas who has added what I think are very important elements to the legislation. Again, I know my colleague from Minnesota has been anxious to be heard on this legislation.

On that point, I will yield the floor.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I listened with interest, and I am glad I came in at a time to hear my friend from Connecticut talking about the new and revised ABC bill, which I have looked at in some detail. I am somewhat surprised to hear him say that there is not going to be any Federal imposition of Federal standards and Federal bureaucracy. It will be the first bill ever to go through here, spending this kind of money, that left without imposing a number of standards.

As I read his new, revised bill, in which the Senator from Utah joins, there are still plenty of requirements that are imposed on the States, so that I think that this bill indeed is going to do what he says it will not. It would establish quite a large Federal bureaucracy, and before we finish negotiating on this with the House, it may even grow some more.

I would say to my friend from Connecticut that the comparison of child nutrition standards and the School Lunch Program is not an appropriate one. In child nutrition programs, the Government is dealing with schools which deal with hundreds, sometimes thousands, of students at one time. That is very different from dealing with hundreds of thousands of home care providers who will care for three, two or even one child at a time, or perhaps for as many as eight or nine.

I also feel that this side of the aisle has not suddenly produced a substitute. Lots of child care bills have been up, including one that I have introduced, so that all of the options and all of the various elements to be considered have been before the Senate for quite some time. Of course, we are now packaging them somewhat differently and putting them together somewhat differently.

I admire the fact that the Senator from Connecticut and the Senator from Utah have joined forces. That certainly makes it more interesting. I am not sure that it makes the bill more credible because one is a conservative and one is a liberal.

I find that on various issues people are hard to track by liberal and conservative labels in this body. However, I admire the fact that both are on the bill. I admire the fact that both are so interested in child care, because it is a subject that does demand our attention and it is a subject on which some legislation should go forward.

I have taken a very practical approach to child care, as I do to most issues. There is not necessarily a liberal and conservative split on this issue, although I think if you compare the original ABC bill, to some of the other legislation, there is indeed a liberal and conservative split.

But we are all concerned about the availability and affordability of child care. I for one am very impressed with the need for parents to be able to make choices. The program we pass here must not impede the ability of parents to make choices in obtaining child care for their children. I also think it is enormously important not to burden the child care system of this country with additional Government regulation, if it can be avoided. Can it be avoided entirely? Absolutely not. I understand that.

But I still understand that of the child-care providers in this country, roughly 80 percent are now unregulated and kind of underground. Roughly 80 percent are people who perhaps are not paying taxes. About 80 percent of them are not licensed child-care providers.

I would submit to my friend from Utah and my friend from Connecticut that in the event we make child care more bureaucratic, that number is going to rise even above the 80 percent level. Fewer and fewer child-care providers will want to participate in the system or subject themselves to regulation, and we will succeed in driving more people underground and making the regulated part of child care, in my judgment, more expensive.

In preparing for this debate my office has held throughout Minnesota 60 to 80 hearings with child-care providers, parents, and people who are interested in the issue of child care. I have attended approximately a dozen of those hearings.

When it comes to child care, Minnesota is an unusual State. While we are the 21st State in population, in number of licensed child-care providers we are third. We have about 12,000 licensed child-care providers, 12,000 people who subject themselves to State regulations.

It is interesting to note their reaction to child care legislation. The bill I have authored is very different from the ABC bill, at least in its initial form, and certainly the ABC bill has come more my way, so to speak, but there is still a great deal of difference. Frankly, I thought that the child-care providers were going to go for the ABC approach. This is a program that seemed to shower money on the system. This is a program that talks in terms of billions of dollars. This is a program that I thought would provide a basis for growing child-care organizations around the country and therefore would be supported by them.

But interestingly the largest child-care association in Minnesota has endorsed the Boschwitz child care bill, in a State that is third only to California and Texas in the number of licensed child-care providers.

My approach to child care begins with the understanding that most child care originates not in a large setting, not in a setting where 60 or 80 or 100 children are taken care of, but in a home where a mother cares for her children and some other children from the area. She takes in children basically from her neighborhood or from among our friends to provide the family with a second income. Much child care also starts among relatives, among grandmothers, among aunts and uncles who decide they will take care of some other member of the family. It is to those people that I have tried to address my child-care legislation.

Most child care begins, and indeed ends, with a woman who wants to stay home with her own children and cares for some additional children to provide a second income for her family. That is the reality, and that is where we should direct our efforts, in order to make that kind of child care easier to achieve.

The State of Minnesota really has an exceptional child-care system, where there is a partnership among parents care providers, and the State. The care providers endorsed my bill because it provided for direct tax benefits that go directly to the parents or to the day-care provider. It has left regulation pretty much to the States themselves.

Minnesota child-care providers believe that if the Federal Government begins to set standards, their input into the systems will diminish or disappear.

The 12,000 Minnesota child-care providers feel that they will be able to have some input with the State legislature of Minnesota. They will be able to go to St. Paul and deal with those State legislators. But if we move the focus of the entire child-care system or the center of regulation to Washington, they feel, and correctly so, that they would lose their impact. They feel their ability to influence the outcome of the business in which they spend so much time is going to be diminished, and there is no question that they are correct.

That is why I want to keep the power, so to speak, close to the people. I want to give those people who are engaged in child care the ability to influence the events, to have an influence on the regulations that are to guide them.

Recently I stopped to ask for directions in the small town of Watertown, MN. I drove into somebody's yard, and the husband and wife were outside doing some gardening. It was a weekend day. She told me that she was a child-care provider and said that her first child arrived at 5 in the morning and her last child left at approximately 5:30 in the afternoon.

That is not an uncommon day. It is an early start, but it is not uncommon that day-care providers have their first child appear at 6 or 6:30 and their last child leave at the dinner hour. It is important that we do not complicate their lives unduly, that we do not suddenly make new provisions with respect to fire walls, new provisions with respect to so many square feet in a house for each child, new provisions with respect to how many children they can provide for within their house.

Reasonable standards indeed should be imposed, but child care is not something that has to be the subject of extensive regulation. Child care is not something for which there has to be books and guides written that will go into the hundreds and indeed thousands of pages in the event the Federal Government gets into it. That will certainly be the result of the Federal Government becoming the chief regulator or the supervisor of those who regulate child care.

My approach, therefore, is more basic and more practical. We provide tax credits for people who have their children in day care. We provide a refundable tax credit, so that the poor can indeed use that credit. Even if they do not owe any taxes, the working poor would still benefit from the credit.

Very frankly, I am willing to trust parents who obtain this tax credit to spend the money on their children. I do not think that the Federal Government should reach down into the family and say, "We want to develop a system that compels you to spend the money in a certain way."

The amount of regulation that is required to achieve that is such that I think it would threaten the integrity of the family, and I do not want to see that happen.

We have in our bill a number of other elements. We provide a refundable tax credit for those parents who use child care, and we have the earned income tax credit in addition for the

VOL 135 PT 9 JE 14 — 22 1989 UMI

working poor. Under this approach, parents are eligible for a refundable tax credit for their child-care expenses and an earned income tax credit in the event that they have low income. So they will have the assistance of a refundable tax credit for child care and the incentive of an earned income tax credit to move them into the workplace.

In addition, my bill has a tax credit which the ABC and other bills normally do not have, a tax credit for the child-care provider. If that child-care provider has to make improvements in his or her home, we will give a 20-percent tax credit on those improvements, to a maximum credit of $1,800.

We also provide in our bill for an additional meal or snack under the child-care food program. The current child-care food program provides the child who stays at a person's house 8 hours or more two meals and a snack. Small children particularly have to eat quite frequently. We would provide for an additional meal or snack.

Part of my goal is to make the child-care food program more meaningful to child-care providers. The program is only available to licensed providers. A better child-care food program becomes an incentive for providers to become licensed, under State standards. The program can help encourage many of the 80 percent of providers who are now unlicensed to become licensed and take advantage of it.

We also have a latchkey program that would provide money for schools, so that in the event that a family needs to leave at 7 in the morning, there will be somebody at the school. In the event that the parents come home later at night, somebody would stay at the school with the child after the close of the school day.

We also have a program that supports child care at postsecondary institutions. Many times, single mothers have to go back to school in order to give them the education needed to earn a decent living. Child care is an important need for those mothers.

We even have a provision to expand library services. This funding would support bookmobiles that go to child care homes or centers on a regular basis and provide new reading materials. This would enrich the experience of the children in those kinds of licensed facilities.

So there are many ways, in my judgment, to provide better child care. My bill gives tax credits directly to the parents so that they have the choice, tax credits that go to the providers so that they can make improvements in their homes. It provides funding for important programs, as I have already described.

I take, Mr. President, a practical approach to child care. Once again, most child care starts with a mother who wants to stay home with her own children and decides that she not only want to stay home, but has to provide some income by taking other children into her home. How to preserve that system, how not to overregulate that system, how to preserve the choice on the part of the parents so that they can fit into this system easily, how to make the system the kind that will encourage child care providers to become licensed, that is the purpose of my bill. I think it achieves that.

I will be offering amendments to the bill before us here on the floor to try to achieve those ends. The time has come for child care legislation, and it demands the attention of the Congress of the United States. We will come through this debate, in my judgment, with a good bill, a sound bill that will help the children and parents of America.

I yield the floor.

Mr. HATCH. Mr. President, I have really enjoyed and appreciated the debate thus far. I think we have discussed this matter in a certain amount of detail in the last couple of days and I look forward to the debate next week.

I do have a couple of things I would like to say before we finish today. Several of my colleagues have commented on various provisions of the new ABC bill and I would like to respond to several of these criticisms.

As a matter of fact, I am sure we are going to be debating this bill over perhaps a number of days, but certainly next week and much more thoroughly. However, I would like to clear up some misunderstandings on a few points that have been made by some of our colleagues.

For instance, I was interested that one or more of them have indicated that they think the ABC bill, as currently drafted, is biased in favor of center care. Well, I agree that the previous bill, the original version of the ABC bill, was biased in favor of center-based care. But with the improvements that we have made, this is no longer the case.

First, we have added a loan fund solely to assist family-based providers. Family-based providers are the first choice of parents with infants. In fact, between 80 to 85 percent of all parents with preschool-age children prefer to have their children cared for in a home setting. So it was critical that our bill expand the availability of this particular option, and it does. We have changed the bill to encourage home-base care. So it is a very unjust criticism to state that it does otherwise.

Second, family-based child care providers have great difficulty being able to obtain and afford liability insurance. One family provider in Utah, one of our family providers, told me that her liability insurance costs her about $900 per year. Well, the ABC bill permits the States to establish liability insurance pools to address those needs.

I might add, the substitute amendment by the distinguished minority leader and Senator PACKWOOD have borrowed that concept, as well. In fact, almost everybody has borrowed that concept. But we have it in our bill, and it will work and help address the liability needs of the providers, especially the home providers.

Third, our bill permits child care certificates to be used for home-based care. So the ABC bill takes care of it from that standpoint.

Fourth, our bill not only permits the reimbursement for child care rendered by grandparents, aunts, and uncles. It also exempts relatives from any requirements for licensing or regulation, provided the State itself does not impose the requirement.

The bill does not require the same standards set for center-based care to apply to family-based care. Standards are to be appropriate for family-based child care.

One criteria for training, resource and referral programs is their outreach to and recruitment of family-based providers. Various support programs, including programs for substitute care givers are authorized.

So it is not only an oversimplification, it is an absolute, downright falsehood to indicate that the ABC bill as currently drafted is biased in favor of center care. I think we have more than adequately addressed that particular problem.

So all I can conclude is that our colleagues who have asserted this are very badly misinformed. I would certainly not accuse them of prevarication but they certainly are misinformed and I want to clarify that.

One of the criticisms that has arisen is about our new change in standards. And I might add, even the distinguished Senator from Minnesota, who has studied in light of the amendments even as late as yesterday on standards, I think, is still somewhat misinformed as to what our standards provision provides. They have a feeling that there is an ulterior motive for even having modest standards in the bill.

The Senator from Oregon, for instance, yesterday suggested that the model standards exist in order for liberals to put pressure on State legislatures to raise State standards to the level of model standards.

My response to the distinguished Senator from Oregon is: So what? I do not think it is our place to cut off debate within the States as to which standards they should or should not select, as long as they have the total, absolute control to accept whatever standards they want. The whole purpose of the model standards is to try

to set minimum standards that people should want to accept.

The fact that we do not require the States to accept any particular standards, model standards included, means that those who come up with the model standards, the advisory panel from back here, are going to have to be reasonable in those standards or the States will not adopt them. But I think as a practical matter we will find that States will voluntarily adopt them because they will be reasonable, modest and workable standards that will not be imposed upon them. They will voluntarily take them and that is the goal here.

So we addressed one of the most important issues that 95 percent of all parents are concerned with, and that is: What about the quality of care? And we do that in the ABC bill by listing six categories of what we would like them to do, one of which has, I think, six subcategories. I think anybody who looks at child care would say these are reasonable categories. Now the States can fill in what they want with regard to standards.

If the Senator from Oregon is correct that these model standards are the camel's nose under the tent and that Congress will eventually be asked to make them mandatory, then I will be the first in line to oppose such legislation. And the Senator from Connecticut knows that as well, and I think, although he might prefer a different approach, ultimately he has been super to deal with in trying to resolve what really has been the No. 1 problem to resolve with regard to the ABC bill.

Then, I might add, the Senator from Oregon is correct in one sense, the model standards are there to stimulate discussion and self-examination within the States with regard to the quality of child care provided or to be provided.

Let me just mention another one. Others have said on the floor, including the Senator from Oregon, that the ABC bill probably subsidizes secular day-care centers. Well, first, even in contracting situations, the subsidy provided for by the ABC bill is for the purpose of providing care to the children of low-income parents. It is not a benefit to the institution. It is to reimburse the institution rendering child-care services to children.

Second, States are not prohibited in any way from signing contracts with religious institutions. In fact, in many needy areas, both rural and urban, the church may be the only logical provider.

Third, churches currently provide a significant number of child-care slots. States are not so stupid as to ignore the potential of churches and synagogues to provide quality care. In fact, 30 to 40 percent of the child care being provided in our country today, is in an institutional church center.

Fourth, child-care certificates provided for under this bill permits parents to enroll their children with any licensed or regulated provider, including a religious one.

The Ford-Durenberger provisions which are already adopted in the Mitchell amendment that is currently being debated include—I might say in Senator MITCHELL's modification—and emphasize our intention not to exclude child care provided by sectarian institutions or to hamstring parents who want this particular option.

Another argument that they have used is that the ABC bill is discriminatory because two-parent, one-income families are taxed to provide child care for two-earner families. Well, under this reasoning, education programs, which expand taxpayer dollars, are equally discriminatory against citizens who do not have children. And I have heard those arguments through the year and they are what I would call phony arguments.

Working parents pay taxes on their incomes. While low-income families have limited tax liability, they are still contributing their taxes and their work product to the national economy. These services are not free if parents are working. Without child-care assistance, many of these low-income parents would be on welfare and guess who is going to pay for that. And that, of course, is free—I guess somebody would try to say.

So that is not a good argument and it is one that really is somewhat offensive.

Some critics have said that the quality of care cannot be measured quantitatively. I do agree with the distinguished Senator from Oregon that there is no way to measure caring or kindness on the part of child-care providers. I agree that a child-care worker's individual commitment to her charges—child-care workers are usually women—can sometimes compensate for a large group size or the lack of formal training. But I asked my colleagues and I put it to parents all over America who have entrusted their children to out-of-the-home child-care providers: Do you not think that parents need some assurance that their children are with adults who know basic first aid? Or who recognize chicken pox? Or who know how and have the means to put out an electrical fire?

Even meat is graded for quality by the USDA, and it seems to me we ought to be at least as concerned about children. Subjective measures of quality are important, but they will not help one adult get 20 toddlers out of a burning building. Objective standards have a purpose, too.

An argument that was made yesterday was the ABC bill would tax poor families to subsidize day care for the rich. Well, how do opponents of ABC come to this conclusion? Any family earning more than the State median income is ineligible for ABC benefits.

The Utah median income is $17,600. Do the opponents of the bill believe that is rich? At least my State, under the ABC bill, has the option of providing some help to the average Utah family on a sliding fee scale basis.

A tax credit that applies only to families below $13,000 is not going to help very much. In fact, it will hardly make a dent on the cost of child care which averages $3,000 per child in this country; hardly a dent on the total cost of child care.

If you add it up and look at it carefully, a tax credit only takes care of kids ages 1 to 4. And if you want to take credit for four kids, that means you have to have four kids under the age of 4, which is not very logical. It would be very unlikely to have three kids under the age of 4. But what happens to those from 5 to 12; or under our ABC bill as currently drafted, 5 to 16?

We may, before this is over, reduce that down a little bit. The fact of the matter is that it is a phony argument.

Another argument is that tax credits provide direct assistance without middlemen. "Without the middleman."

I say I like the tax credit approach but not as the sole approach to these problems. A tax credit also does not make hardly a dent in a family's actual child-care costs. Under the proposal to be offered by the distinguished minority leader, as advocated by Senator PACKWOOD—and I sincerely appreciate what he is trying to do here—a family would receive a maximum of only $500 additional credit for one child under 4, and $250 for each additional child under 4, and families with incomes over $13,000 would not be eligible. That would not even cover the least expensive child care for one child. A tax credit does not encourage additional child-care availability because the purpose of the credit is not specified. I am not saying it should be. But we cannot say that parents will have any additional choices of care. So to argue against ABC which does give additional choices for care, which does have appropriate standards, which does touch many more people, which includes children up to the age of 16, as currently drafted, which, of course, has all that the Dole substitute will have in it as far as the $400 million, it seems to me the ABC bill does an awful lot which the tax credit approach does not do.

I think the best way to solve this problem is to marry the two and put them into one bill. For those who believe that tax credits are the only answer to child care, we will put it in there. That is what the Bentsen proposal does. I suspect that is what the

VOL 135 PT 9 JE 14 — 22 1989 UMI

President's proposal wants to do. But let us acknowledge that there is a place for the grant process, and we have carefully drafted it so that it is not an entitlement process, and we can say that the grant process makes a lot of sense, especially with the changes that have been made in the ABC bill.

In that regard, I have to particularly thank the distinguished Senator from Connecticut [Mr. DODD] and, of course, the distinguished Senator from Maryland [Ms. MIKULSKI]. The three of us have spent hour after hour after hour trying to resolve difficulties that would bring more and more people into support of the ABC bill. It is basically a very good bill.

If we add the tax credit component to it, in whatever form, none of us are going to cry about it. As a matter of fact, all of us have supported a refundable tax credit approach. So it is not that we are behind the curve on that either. We might prefer our own tax credit approach, but we know that there is enough desire on the part of certain people around here to have a tax credit approach added, that we can accept almost anything that will work and make sense. However, we would like it to be in a married bill so that you have the best of both worlds—you have a grant program plus you have the tax credit program.

With regard to the religious institution amendment, true, the tax credit would work better because you give the money directly to the parents but that does not necessarily mean it goes to child care, therefore, you do not run into the constitutional problems that you do through a grant program, but we have written the grant program with the Durenberger language so well, that we give maximum protection to religious institutions under the circumstances provided for in constitutional law, and that is about all we can do. It still does not negate the fact that it pays in some ways to look not only at affordability, but also availability and quality.

In this case, we reached all three. No tax credit approach that I have seen today reaches all three of those problems which every parent, every provider and everybody who is astute in this area says has to be done. Our bill does. I think our colleagues ought to take that into consideration.

There are a lot of other criticisms of the bill I would like to dispel right now, but I think I have taken enough time for today. We will get into it more next week.

I do not want to disparage the tax credit approach. I admire the people who want to do it. Both Senator DODD and I, including Senator MIKULSKI and others, are not adverse at all to a tax credit approach.

But let us understand how important the ABC approach is at this point. We have covered every problem through the years. We have been working on this, and I think we have done it in a way that should bring people in and cause them to want to support this bill.

You can find good arguments on both sides on both issues. I think if we marry them together, we will have the best of both worlds. Let us not disparage the ABC bill because we have worked too hard and know too much about this issue to think it does not have a noble perspective toward resolving some of the serious problems the families are facing in this country with regard to child care.

I want to again thank my distinguished friend and colleague for his leadership in this matter. Regardless of how it turns out, regardless of what happens, I have to say he deserves a great deal of credit for trying to do something to help in the child-care area. And regardless of how it turns out, I think he deserves a great deal of credit for the ultimate result. I commend him for it, and I just want to say how much I personally admire him.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. First let me say I do not believe we have any more people on this side who wish to be heard on this issue today, and so I would anticipate the close of my remarks to note the absence of a quorum and then I guess the leadership will be coming to close out matters for today.

Before my colleague from Utah leaves, let me thank him once again for his kind comments. Some of our colleagues may have left to return to their respective States, but those Senators and their staffs who may have been listening the last 15 or 20 minutes, the remarks of the Senator from Utah are extremely important. I encourage all of our colleagues to read those comments if they have not heard them because he dispels in a very efficient and clear way the myths that persist and make this debate a difficult one, because we are still dealing, unfortunately, with arguments which no longer should exist. So I commend him for the clarity of his comments, taking to task the various arguments that have been raised.

Mr. President, as I understand it, we will resume debate on this matter late Monday morning or early Monday afternoon. I encourage colleagues who have amendments to this legislation to bring them forward on Monday, and even though under our agreement there will be no votes until after 5:30 p.m., it is highly likely that many of the amendments to be offered we can accept and will not require votes. So I strongly encourage colleagues on both sides of the aisle to put their amendments in order and then notify our respective staffs, the staff of Senator HATCH as well as my own, as to the content of those amendments and we will try if at all possible to accommodate our colleagues. It may not be possible, but if it is we would like to accommodate our colleagues.

So, Mr. President, on that note I again commend my colleague from Utah for his comments, for the clarity of his statement, and I also want to thank our colleagues from both sides of the aisle who did come to the floor today to express their views on this legislation, both pro and con. My hope is that we can get to the amendments very quickly on Monday and continue the debate and hopefully conclude the early part of next week.

Mr. President, I see my colleague from Colorado. I will yield the floor. At the conclusion of his remarks, unless someone else desires to speak, I will then note the absence of a quorum, after which we can conclude the business of the day.

Mr. WIRTH addressed the Chair.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Colorado [Mr. WIRTH].

Mr. WIRTH. I thank the Chair. I have been in the chair for much of the debate the last couple hours and planned to comment on Monday, but I thought it was appropriate today to add some remarks in support of the legislation from other than authors of the legislation, the Senators from Connecticut and Utah, whom I think have done such a superb job maintaining the momentum of this legislation. We all know that without this kind of advocacy, things have a way of slowing down. But their efforts have brought before us a viable compromise.

We have listened this morning and this afternoon to a lot of misconceptions about what is in the bill. Some of those are valid because they are based, perhaps, on earlier drafts of the legislation. Some are not valid. I think the two sponsors of the legislation, especially the Senator from Utah, have been careful in pointing out where those misrepresentations have been made.

As one of the cosponsors of the Act for Better Child Care, I support this version as amended by Senator MITCHELL, which has received such broad bipartisan support in the Senate and in the House and the endorsement, as has been pointed out, of the National Governors Association and 137 other State and local organizations. The ABC bill is certainly the appropriate vehicle to ensure the long-overdue commitment to the well-being of our Nation's children, along with providing peace of mind to working parents that they have adequate options for their children to receive quality care.

As the number of families headed by single mothers increases and the economic status of two-parent families with children declines, more and more

mothers are entering the work force out of economic necessity. Often a mother's paycheck is all that stands between her family and poverty. In 1988 alone, more than 35 million children, or 60 percent of all children under the age of 18, lived in families in which both parents or the sole parent were in the work force. In addition, 56 percent of all mothers with preschool-age children worked outside the home.

With the realization that parents in the work force have become an economic reality, the need for quality child care becomes paramount. Unfortunately, our national supply is completely inadequate to meet the needs of the American family. A recent poll conducted by Marian Edelman and the Children's Defense Fund discovered that 74 percent of the working parents find it difficult to find quality child care at affordable prices, and 63 percent said there were not enough child care services to provide even for expected needs.

We must remember that one of the ways parents care for their children is by working to provide income. As a country, we must ensure that parents can afford quality child care in order to fulfill these responsibilities. In addition, we have to create a healthy supply of quality child care and never ask parents to enroll their children in anything less. I believe the ABC bill provides a comprehensive approach to meet these needs and am very proud to be a cosponsor of this important effort.

The legislation provides funds for direct financial assistance, targeted at low-income families, to select the form of child care that best meets their needs, as well as funds to help establish new, and expand existing, child care facilities. These are two critically important pillars of any comprehensive legislation.

In addition, the ABC bill works to enhance the quality of day care by requiring States to ensure that all providers required by the State be licensed, are so licensed. Recommendations for minimum national heatlh and safety standards will also be issued. Each State may use these recommendations when developing their own required standards. Let us remember that these standards are extremely important to assure parents that their children are being taken care of in an appropriate, careful, and professional fashion.

The ABC bill is an outstanding vehicle for establishing a comprehensive policy for child care involving a strengthened commitment by all levels of government, in addition to a more visible and vigorous private sector. In expanding child care, we will enhance the economic opportunity for the American family to move away from poverty and dependence on welfare toward economic self-sufficiency through education, training, and employment. The ABC bill is sound policy and a wise investment in our families and in our Nation's future. That commitment is one worth making and warrants our very broad support.

A final note, if I might, Mr. President. One of the most disturbing trends in the United States today is the growing gap between rich and poor. That gap has never been broader in America. Statistical abstracts are now showing that at no time in our Nation's 200-year history has the gap been so great and at no time has it accelerated more rapidly. One of the reasons for that is the people at the bottom end of the income scale simply do not have access to many opportunities. They do not have access to good education programs. They do not have access to reasonable job opportunities. They do not have access to all of those institutions that are necessary to make the American dream come true. It is that kind of access to which our Government should be committed.

We have a responsibility to do everything we can to provide every American individual with that access and that opportunity. We are not going to guarantee them anything. We are not going to guarantee them that they will have a particular job or are going to get A's in school, but we can make sure they have access and are given the opportunity to achieve. If they throw that opportunity away, that is the individual's responsibility. But we have an institutional responsibility to provide it. And maybe no place is that more important than for little kids.

We have found through the experience of the Head Start Program that the single best investment we have ever made in our society in terms of a broad education program is the Head Start Program. Now operating for more than 20 years, that program has been a superb track upon which very small children have flourished, and the evidence is very clear that those children who are involved in Head Start have done significantly better than those who have not.

That program was criticized when it was first passed. I was in Washington during the late 1960's when it happened. When that program first passed, we were going to be reaching in and grabbing children out of households, putting them in Communist-inspired classrooms; we were going to experience the Devil himself having an undue influence over these small children.

No one ever makes that argument today. Head Start has been an extraordinarily good program with results far beyond what anyone dreamed. ABC is taking that Head Start Program and, in effect, expanding it so that even more children have the opportunity, not only to have that kind of carefully put together child-care program, while allowing for their parents to provide for those kids.

Child care is more than just providing supervision and growth for our youngsters. Child care also means giving the parent the economic opportunity to allow that child to grow up and flourish and have opportunities for their future well-being. So this legislation has many implications.

We have an obligation to pass this bill, Mr. President, and I hope opponents will take the time over the weekend to read the carefully crafted compromise that has been put together, and analyze the very careful, and I thought, very balanced discussion of Senator HATCH. The Senator from Connecticut has done a wonderful job, but I was especially struck by how Senator HATCH came back over and over and over again and took all the arguments that remain and say they are no longer there or they do not make any sense.

I commend the distinguished senior Senator from the State of Connecticut for his good efforts. I am pleased to be a cosponsor of the bill. This is part of the obligation we have to provide opportunities to all Americans. Let us move this legislation and do so as rapidly as possible.

I thank the Chair. I yield the floor.

Mr. DODD. Mr. President, I thank my colleague from Colorado for his very kind and generous comments, but more important is the very unique element he adds to this debate, which has not been raised over the last 2 days, and that is the notion that child care not only provides opportunities for children but provides greater opportunities for parents as well, the opportunity for that AFDC mother to get off welfare as the welfare reform package is designed to. Our colleague from New York [Mr. MOYNIHAN] and others really did an excellent job on that legislation.

They provided child care for the year of training, and there is even some child care for the first year thereafter. Then it ends.

So in the sense of a cruel circumstance, if you can go through the training period, get the job, then lose the very thing that made it possible for you to get off the welfare, it would be tragic. In a sense we are trying to pick that up now and make it possible for that person to continue. I think that argument that has been raised by our distinguished colleague from Colorado is an extremely important one, one that really has not been raised in the last year or so of this debate.

We have been focusing on that child, how we create opportunities for that child, providing some help for the families, but really focusing on the opportunities for American families as

well to grow and become better families.

We all know historically what happens to the parent that works, that has a job, how much difference that economic independence can mean in terms of the loving care the children get if they are not preoccupied with the economic situation at home. The rates of alcoholism and unemployment just overlap. It seems so clear. There are so many cases of child abuse. The likelihood of a child being abused in a home with its unemployed parents or an employed parent head of household are just remarkable.

So all of those statistics seems to indicate we are broadening the opportunity here. I really do thank my colleague from Colorado for making that observation.

Again, I just underscore what he has said about our colleague from Utah who has left the floor now, but I really commend to our colleagues reading the fact and fiction discourse that our colleague from Utah gave this afternoon about some of the arguments that have been raised against this legislation.

At any rate, Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. Thank you, Senator DODD.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DODD. Mr. President, I now ask unanimous consent that there be a period for morning business during which Senators be permitted to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD TO REMAIN OPEN

Mr. DODD. Mr. President, I ask unanimous consent that the record remain open until 3:30 p.m. today for statements and the introduction of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1296. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on budget rescissions and deferrals dated June 1, 1989; pursuant to the order of January 30, 1975, as modified on April 11, 1986, referred jointly to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry; the Committee on Armed Services; the Committee on Banking, Housing, and Urban Affairs; the Committee on Commerce, Science, and Transportation; the Committee on Energy and Natural Resources; the Committee on Environment and Public Works; the Committee on Finance; the Committee on Foreign Relations; the Committee on the Judiciary; and the Committee on Labor and Human Resources.

EC-1297. A communication from the Secretary of Defense, transmitting, pursuant to law, the Interagency Net Assessment; to the Committee on Armed Services.

EC-1298. A communication from the Secretary of Energy transmitting, pursuant to law, energy targets for net imports, domestic production, and end use consumption of energy; to the Committee on Energy and Natural Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-163. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 11

"Whereas, The Medicare Catastrophic Health Care Act of 1988 abandons the traditional insurance financing principles of social security and Medicare; and

"Whereas, All Medicare beneficiaries will pay an escalated premium covering 37 percent of the new benefits; and

"Whereas, Approximately 44 percent of Medicare beneficiaries, or 14,300,000 persons will, under the act, pay an additional supplemental premium covering 63 percent of the cost of the new benefits; and

"Whereas, The supplemental premium cannot be used as an income tax deductible expense item; and

"Whereas, There is a growing dissatisfaction with the financing provisions of the act by the four million elderly in California; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to amend the Medicare Catastrophic Coverage Act of 1988 to restore the traditional insurance financing principles of funding the Medicare program; and be it further

"Resolved, That the act be amended to eliminate the discriminatory supplemental tax on federal income taxes to fund Part B coverage, the new prescription drug coverage, and other new coverages; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice Presidnt of the United States, to the Speaker of the House of Representatives, the Chairpersons of the House and Senate Committees on Aging, and to each Senator and Representative from California in the Congress of the United States."

POM-164. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION 248

"Whereas, under the present federal law, Section 1612(a) of the Social Security Act, elderly parents living with their children, in Hawaii, for example, must court their rooming privileges as "in-kind" income and lose some or all of their Social Security supplemental income; and

"Whereas, caring for elderly parents at home is a tradition and customary practice in Hawaii and may be considered a socially beneficial practice for all Americans, and such practice should be encouraged rather than penalized by our Social Security laws; and

"Whereas, a bill has been introduced in Congress to amend our present Social Security Act to provide that support and maintenance furnished in kind in the form of room or rent to any individual by an immediate family member shall be disregarded in determining the amount of the individual's Social Security benefits; and

"Whereas, if such measure were to be enacted it would in effect eliminate the penalty against our senior citizens who find living quarters amongst their family members and children: Now, therefore, be it

"Be it resolved by the House of Representatives of the Fifteenth legislature of the State of Hawaii Regular Session of 1989, the Senate concurring, That this honorable body hereby expresses support for the pending measure in Congress which would have the effect of Social Security penalty against our elderly recipients who live with their families; and

* * * * *

POM-165. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE RESOLUTION 138

"Whereas, every country in the world, through the World Health Assembly, has set a common goal in which they are striving to eradicate the worst aspects of poverty in the world by the year 2000; and

"Whereas, the worst aspects of poverty include sub-standard health care, hunger, homelessness, and illiteracy; and

"Whereas, President Reagan in 1987 announced that the United States would support and assist in ending hunger in sub-Saharan Africa by the year 2000; and

"Whereas, in 1987, the president of the World Bank stated, "In the large poor countries of Asia, we wish to support government strategies to eliminate the worst aspects of absolute poverty in Asia by the year 2000"; and

"Whereas, the South Asian Association for Regional Cooperation has committed itself to achieving the following goals: providing universal immunization by the year 1990; and by the year 2000, providing universal primary education; adequate maternal and child nutrition; safe drinking water; and adequate shelter for all persons in the world; and

"Whereas, the United States through the Foreign Assistance Act of 1961 has committed itself to assisting "people in developing countries to eliminate hunger, poverty, illness, and ignorance"; and

"Whereas, the government of India has established the goal of eliminating absolute poverty in that country by the year 2000; and

"Whereas, currently before the United States Congress is the Global Poverty Reduction Act which requests the President of

the United States to establish a plan for the United States to assist in eliminating the worst aspects of poverty by the year 2000; and

"Whereas, this Act also sets the following goals to be achieved by the year 2000: an under-five mortality rate of 70 per cent; a female literacy rate of 80 per cent; and an absolute poverty level of not more than 20 per cent; now, therefore, be it

Resolved by the Senate of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, That the United States Congress is respectfully urged to support the enactment of Global Poverty Reduction Act; and be it further

Resolved, That certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and Hawaii's congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, with an amendment in the nature of a substitute:

S. Res. 13: A resolution to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate (Rept. No. 101-54).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 147: An original resolution to authorize the Secretary of the Senate to discharge certain functions under chapter 37 of title 31, United States Code (relating to claims of or against the United States Government).

S. Res. 148: An original resolution relating to the purchase of calendars.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MACK:

S. 1196. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit to parents for dependents under age 6, and for other purposes to the Committee on Finance.

By Mr. EXON:

S. 1197. A bill to prohibit the payment of Federal benefits to illegal aliens; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. KASTEN):

S. 1198. A bill to amend title 17, United States Code to provide certain rights of attribution and integrity to authors of works of visual art; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. BRADLEY, Mr. MOYNIHAN, and Mr. DASCHLE):

S. 1199. A bill to amend the Social Security Act to improve Medicare and Medicaid payment levels to community health clinics; to the Committee on Finance.

By Mr. KERRY (for himself, Mr. JEFFORDS, Mr. ADAMS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BRADLEY, Mr. BURDICK, Mr. CHAFEE, Mr. COCHRAN, Mr. CRANSTON, Mr. DASCHLE, Mr. DURENBERGER, Mr. GLENN, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEAHY, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MITCHELL, Mr. MOYNIHAN, Mr. NUNN, Mr. RIEGLE, Mr. ROBB, Mr. SANFORD, Mr. STEVENS, and Mr. WIRTH):

S.J. Res. 158. A joint resolution designating October 22 through 28, 1989, as "World Population Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD, from the Committee on Rules and Administration:

S. Res. 147. An original resolution to authorize the Secretary of the Senate to discharge certain functions under chapter 37 of title 31, United States Code (relating to claims of or against the United States Government); placed on the calendar.

S. Res. 148. An original resolution relating to the purchase of calendars; placed on the calendar.

By Mr. SIMON (for himself, Mr. BOSCHWITZ, Mr. BOREN, and Mr. DODD):

S. Con. Res. 47. A concurrent resolution expressing the sense of the Congress on multilateral sanctions against South Africa; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MACK:

S. 1196. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit to parents for dependents under age 6, and for other purposes; to the Committee on Finance.

TAX CREDIT FOR FAMILIES ACT

● Mr. MACK. Mr. President, we have begun debate on the child-care issue. The ABC bill is a big government, big bureaucracy bill that limits parental choices. I fundamentally disagree with this approach. The child-care problem is not so much a lack of affordable child-care opportunities. The real problem is that families are overtaxed. In 1948, a median-income family of four paid 2 percent of its income to the Federal Government in taxes. Today, a median-income family of four pays 24 percent of its income to the Federal Government in taxes.

For this reason, I am today introducing the Tax Credit for Families Act, a bill which I think is much more consistent with what the families of America want. This is the Senate version of the Holloway-Schulze toddler tax credit which has already received significant support in the House.

The appeal of this bill crosses partisan lines. Families all over the country want to make their own decisions about child care. My bill gives parents what they want: a tax credit freeing up income for appropriate child care of their choice.

The bill provides up to a $1,000 refundable tax credit for one child and up to a $2,000 refundable tax credit for two or more children for families to use in purchasing or providing care for their preschool children under 6 years old. And, unlike other proposals, not a single dollar is wasted on administrative costs. Every dollar is targeted to the children.

This bill is fair to all families, providing a solution which is controlled and administered by the parents. It does not penalize families who choose to care for their own children, as do other bills which require that both parents work. Instead, it extends tax benefits to both single and double income households.

While my bill targets its benefits to low-income families, it does not ignore the needs of middle-income families. For example, families earning $30,000 a year can claim a $700 per child tax credit.

The family, not government, is where responsible, equitable and nondiscriminatory child-care decisions should be made. This legislation gives more choice and more assistance to more families than any other proposal.●

By Mr. EXON:

S. 1197. A bill to prohibit the payment of Federal benefits to illegal aliens; to the Committee on the Judiciary.

PROHIBITING FEDERAL BENEFITS FOR ILLEGAL ALIENS

Mr. EXON. Mr. President, I rise to introduce legislation to prohibit the payment of direct Federal benefits to illegal aliens. This legislation will help deter illegal immigration and reduce unintended Federal spending.

In 1986, the Congress made good progress in the effort to control illegal immigration into the United States. By making it illegal to hire illegal aliens, the Congress removed one of the magnets for illegal immigration. Another powerful "magnet" still remains. That attraction to illegal immigration is the real or perceived availability of U.S. Government benefits to illegal aliens.

This legislation would establish a Governmentwide policy that direct Federal financial benefits not be paid to illegal aliens unless specifically provided by the Immigration and Nationality Act.

Over the years, the Congress has crafted ad hoc qualifications in Federal benefit statutes. At times, due to congressional inaccuracy or expansive court interpretations, these statutes have been used to provide Federal financial benefits to illegal aliens.

This situation has led to the payment of unemployment benefits, Social Security benefits, health care benefits and housing benefits to individuals who have no legal right to even be in the United States.

VOL 135 PT 9 JE 14 — 22 1989 UMI

In an era of massive Federal deficits, even small instances of waste, fraud, and abuse cannot be tolerated.

The Federal Government must insure that limited Federal funds go to their intended beneficiaries. The Congress made good progress in requiring verification of status for certain entitlement programs and in authorizing the systematic alien verification for entitlement programs better known as the "save" program.

However, these steps contained in the Immigration Reform and Control Act of 1986 can only be as effective as the interpretations of the various underlying benefit statutes.

I expect the opponents of this legislation to ask for sympathy for the illegal aliens who have come to depend on the generosity of Uncle Sam.

They will certainly cite some compelling stories about illegal aliens in unfortunate situations. I am most sympathetic. However, there are stories as dire and compelling among our own citizens.

When our Nation is facing large Federal deficits and the constraints of the Gramm-Rudman law, Federal dollars paid to an illegal alien, sympathetic or otherwise, are literally dollars taken away from one of our own citizens.

This legislation gives the Congress an opportunity to set the record straight in a comprehensive manner. This measure is both a means to control illegal immigration and means to control budget deficits. Without the real or perceived attraction to Federal benefits, illegal immigration will be deterred. Without the seepage of benefits away from intended beneficiaries, money will be saved.

I introduced this legislation in the last Congress. The Senate Judiciary Committee held a hearing on this bill. It is long past time that this problem be corrected. I am hopeful that this legislation can be passed as a free-standing bill; however, I am prepared to offer this legislation as an amendment to an appropriate immigration or spending measure.

Simply put, Mr. President, this legislation states that Federal benefits should not go to those who are in the United States illegally. If my colleagues feel as I do, that taxpayer's dollars should not go to illegal aliens, I ask them to join me in support of this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) DIRECT FEDERAL FINANCIAL BENEFITS.—That on or after the date of enactment of this act, notwithstanding any other provision of law, no direct Federal financial benefit or social insurance benefit may be paid or otherwise given to any person not lawfully present within the United States except pursuant to a provision of the Immigration and Nationality Act as amended.

(b) UNEMPLOYMENT BENEFITS.—No alien who has not been granted employment authorization pursuant to Federal law shall be eligible for unemployment benefits.

(c) DEFINITION.—For the purposes of this act, the term "person not lawfully within the United States" shall be any person who at the time he or she applies for, receives, or attempts to receive such Federal financial benefit is not a United States citizen, a United States national, a permanent resident alien, an asylee, a refugee, a parolee, or a nonimmigrant in status.

By Mr. KENNEDY (for himself and Mr. KASTEN):

S. 1198. A bill to amend title 17, United States Code, to provide certain rights of attribution and integrity to authors of works of visual art; to the Committee on the Judiciary.

VISUAL ARTISTS RIGHTS ACT OF 1989

● Mr. KENNEDY. Mr. President, I am pleased to reintroduce the Visual Artists Rights Act. The bill will establish long-overdue rights for America's visual artists.

I believe that the Federal Government has a responsibility to provide leadership in the arts and to ensure a lively climate in America that will enable creative men and women to pursue careers and livelihoods in the arts. The Visual Artists Rights Act of 1989 will help the Federal Government fulfill that responsibility. It will guarantee the integrity and attribution rights of fine artists.

Nearly 70 countries around the globe protect artists' authorship rights and the integrity of creative works. Still, the United States permits any individual to maliciously mutilate or destroy a work of art without fear of any sort of reprisal. Without these protections, cultural properties have been irretrievably damaged. Congress can no longer overlook its responsibility to safeguard the Nation's artistic heritage.

In the last Congress, the Judiciary Committee took a careful look at this legislation and endorsed it. Compromise language was agreed to which protects legitimate interests of museum and curatorial work. Further limitations were included to clarify the scope of the legislation to address only the unique circumstances of fine art creative works of painters and sculptors. Also, appropriate exemptions have been included to treat work that is attached to buildings. In this year's bill, we have added protection for fine art photography, a very limited class of still photographic images produced for exhibition purposes in galleries and museums.

A second provision of the bill will require that the Registrar of Copyrights and the Chair of the National Endowment for the Arts shall jointly conduct a study to evaluate the feasibility of new initiatives that would permit visual artists to share in the financial appreciation of his or her work after its first sale. The study will provide much needed empirical data to guide Congress in future legislative initiatives to ensure that artists realize a fair profit from their work.

This bill addresses a narrow and specific problem—the mutilation and destruction of works of fine art which are often one-of-a-kind and irreplaceable. Over the past three Congresses, I have worked with the copyright community to craft a precise bill that does not inadvertently affect other copyrighted works. I look forward to speedy approval by the committee and the full Senate, without changes that would upset this delicate balance.

President Kennedy observed that—

> To further the appreciation of culture among all the people, to increase respect for the creative individual, to widen participation by all the processes and fulfillments of art—this is one of the fascinating challenges of these days.

It remains today an exciting challenge and I look forward to working with my colleagues here in the Senate to reaching that goal.

I ask unanimous consent that the full text of the bill be inserted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1198

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Visual Artists Rights Act of 1989".

SEC. 2. WORK OF VISUAL ART DEFINED.

Section 101 of title 17, United States Code, is amended by inserting after the paragraph defining "widow" the following:

"A 'work of visual art' is a painting, drawing, print, sculpture, or still photographic image produced for exhibition purposes only, existing in a single copy, in a limited edition of 200 copies or fewer, or, in the case of a sculpture, in multiple cast sculptures of 200 or fewer. A work of visual art does not include—

"(1) any version that has been reproduced in other than such limited edition prints or cast sculptures;

"(2)(A) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audio visual work, book, magazine, periodical, or similar publication;

"(B) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;

"(C) any portion or part of any item described in subparagraph (A) or (B);

"(3) any work made for hire;

"(4) any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in paragraph (1), (2), or (3); or

"(5) any work not subject to copright protection under section 102 of this title.".

SEC. 3. RIGHTS OF ATTRIBUTION AND INTEGRITY.

"(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Chapter 1 of title 17, United States Code, is amended by inserting after section 106 the following new section:

"§ 106A. Rights of certain authors to attribution and integrity

"(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—

"(1) shall have the right—

"(A) to claim authorship of that work, and

"(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

"(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work as described in paragraph (3); and

"(3) subject to the limitations set forth in section 113(d), shall have the right—

"(A) to prevent any distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional or grossly negligent distortion, mutilation, or modification of that work is a violation of that right, and

"(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

In determining whether a work is of recognized stature, a court or other trier of fact may take into account the opinions of artists, art dealers, collectors of fine art, curators of art museums, conservators of recognized stature, and other persons involved with the creation, appreciation, history, or marketing of works of recognized stature. Evidence of commercial exploitation of a work as a whole, or of particular copies, does not preclude a finding that the work is a work of recognized stature.

"(b) SCOPE AND EXERCISE OF RIGHTS.—The author of a work of visual art has the rights conferred by subsection (a), whether or not the author is the copyright owner, and whether or not the work qualifies for protection under section 104. Where the author is not the copyright owner, only the author shall have the right during his or her lifetime to exercise the rights set forth in subsection (a).

"(c) EXCEPTIONS.—(1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification was the result of gross negligence in maintaining or protecting the work.".

"(2) The modification of a work of visual art which is the result of conservation is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.

"(d) DURATION OF RIGHTS.—(1) With respect to works of visual art created on or after the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989, the rights conferred by subsection (a) shall endure for a term consisting of the life of the author and fifty years after the author's death.

"(2) With respect to works of visual art created before the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989, but not published before such effective date, the rights conferred by subsection (a) shall be coextensive with, and shall expire at the same time as, the rights conferred by section 106.

"(3) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

"(e) TRANSFER AND WAIVER.—(1) Except as provided in paragraph (2), the rights conferred by subsection (a) may not be waived or otherwise transferred.

"(2) After the death of an author, the rights conferred by subsection (a) on the author may be exercised by the person to whom such rights pass by bequest of the author or by the applicable laws of interstate succession.

"(3) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any fixation of that work, or of a copyright or any exclusive right under a copyright in that work.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by inserting after the item relating to section 106 the following new item:

"106A. Rights of certain authors to attribution and integrity.".

SEC. 4. REMOVAL OF WORKS OF VISUAL ART FROM BUILDINGS.

Section 113 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d)(1)(A) Where—

"(i) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

"(ii) the author or, if the author is deceased, the person described in section 106A(e)(2), consented to the installation of the work in the building in a written instrument signed by the owner of the building and the author or such person,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply, except as may otherwise be agreed in a written instrument signed by such owner and the author or such person.

"(B) An agreement described in subparagraph (A) that the rights conferred by paragraphs (2) and (3) of section 106A(a) shall apply shall not be binding on any subsequent owner of the building except where such subsequent owner had actual notice of the agreement or where the instrument evidencing the agreeing was properly recorded, before the transfer of the building to the subsequent owner, in the applicable State real property registry for such building.

"(2) If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

"(A) the owner has made a diligent, good faith attempt without success to notify the author or, if the author is deceased, the person described in section 106A(e)(2), of the owner's intended action affecting the work of visual art, or

"(B) the owner did provide such notice by registered mail and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

If the work is removed at the expense of the author or the person described in section 106A(e)(2), title to that fixation of the work shall be deemed to be in the author or such person, as the case may be. For purposes of subparagraph (A), an owner shall be presumed to have made a diligent, good faith attempt to send notice if the owner sent such notice by registered mail to the last known address of the author or, if the author is deceased, to the person described in section 106A(e)(2).

"(3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building, or persons described in section 106A(e)(2) with respect to that work, may record their identities and addresses with the Copyright Office. The Register shall also establish procedures under which such authors or persons may update the information so recorded, and procedures under which owners of building may record with the Copyright Office evidence of their efforts to comply with this subsection.".

SEC. 5. PREEMPTION.

Section 301 of title 17, United States Code, is amended by adding at the end the following:

"(f)(1) On or after the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

"(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to—

"(A) any cause of action from undertakings commenced before the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989; or

"(B) activities violating legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual art.".

SEC. 6. INFRINGEMENT ACTIONS.

"(a) IN GENERAL.—Section 501(a) of title 17, United States Code, is amended—

(1) by inserting after "118"; the following: "or of the author as provided in section 106A(a)"; and

(2) by striking out "copyright." and inserting in lieu thereof "copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a).".

(b) EXCLUSION OF CRIMINAL PENALTIES.—Section 506 of title 17, United States Code, is amended by adding at the end thereof the following:

"(f) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Nothing in this section applies to infringement of the rights conferred by section 106A(a).".

(c) REGISTRATION NOT A PREREQUISITE TO CERTAIN REMEDIES.—(1) Section 411(a) of title 17, United States Code, is amended in the first sentence by inserting after "United States" the following: "and an action

VOL 135 PT 9 JE 14 — 22 1989 UMI

brought for a violation of the rights of the author under section 106A(a)".

(2) Section 412 of title 17, United States Code, is amended by inserting "an action brought for a violation of the rights of the author under section 106A(a) or " after "other than".

SEC. 7. STATUTE OF LIMITATIONS.

Section 507(b) of title 17, United States Code, is amended by adding at the end the following: "For purposes of an action brought for infringement of the rights under section 106A(a) of an author of a work of visual art, the claim accrues when the author (or person described in section 106A(e)(2), as the case may be) knew or should have known of the violation of the author's rights under section 106A(a).".

SEC. 8. FAIR USE.

Section 107 of title 17, United States Code, is amended by striking out "section 106" and inserting in lieu thereof "sections 106 and 106A".

SEC. 9. STUDY ON RESALE ROYALTIES.

(a) IN GENERAL.—The Register of Copyrights, in consultation with the Chair of the National Endowment for the Arts, shall conduct a study on the feasibility of implementing—

(1) a requirement that, after the first sale of a work of art, a royalty on any resale of the work, consisting of a percentage of the price, be paid to the author of the work; and

(2) other possible requirements that would achieve the objective of allowing an author of a work of art to share monetarily in the enhanced value of that work.

(b) GROUPS TO BE CONSULTED.—The study under subsection (a) shall be conducted in consultation with other appropriate departments and agencies of the United States, foreign governments, and groups involved in the creation, exhibition, dissemination, and preservation of works of art, including artists, art dealers, collectors of fine art, and curators of art museums.

(c) REPORT TO CONGRESS.—Not later than 28 months after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report containing the results of the study conducted under this section, and any recommendations that the Register may have as a result of the study.

SEC. 10. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b) and except as provided in subsection (c), this Act and the amendments made by this Act take effect 6 months after the date of the enactment of this Act.

(b) APPLICABILITY.—The rights created by section 106A of title 17, United States Code, shall apply to works created but not published before the effective date set forth in subsection (a), and to works created on or after such effective date, but shall not apply to any destruction, distortion, mutilation, or other modification (as described in section 106A(a)(3) of such title) of any work which occurred before such effective date.

(c) SECTION 9.—Section 9 takes effect on the date of the enactment of this Act.●

● Mr. KASTEN. Mr. President, I rise today in support of S. 1198, the Visual Artists Rights Act of 1989.

The Constitution of 1787 declared the following:

> The Congress shall have the power * * * to promote the progress of Science and useful Arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discovers.

Today, more than 200 years later, the rights of one of our Nation's most important groups of inventors remain at risk. It is time Congress exercised its power to promote and secure the rights of America's visual artists.

The Federal Government has a responsibility to provide leadership in the arts and to ensure a lively climate in America that will enable men and women to pursue their art.

A very important part of the omnibus trade bill was the protection of U.S. intellectual property rights abroad. Can we in good conscience fail to protect the rights of visual artists right here at home?

This is an important and necessary bill to provide rights of integrity and attribution to visual artists. Works protected by this bill are one of a kind or very limited editions. When these works are altered or destroyed, they are gone—forever. We have a duty to protect them.

During the last Congress this legislation was carefully reviewed. Compromise language was agreed to which protects legitimate interests of museum and curatorial work.

Today there is no guarantee that the owner of a fine work of art will protect the integrity of that art. We have all heard the horror stories about paint being removed from sculpture, murals painted over, paintings altered. We have to commit ourselves to the fundamental premise that even when an artist has sold his work he has the moral and legal right to see the integrity of that work preserved.

This bill will require the Registrar of Copyrights and the Chair of the National Endowment for the Arts to study the feasibility of an artist sharing in the financial appreciation of their work after its first sale. The study will provide much needed data to guide Congress in future legislative initiatives to ensure that artists realize a fair profit from their work.

It is time we protect the creative skills of artists. I am proud to be an original cosponsor of this legislation introduced by my colleague from Massachusetts. I urge my colleagues to support this initiative.●

By Mr. CHAFEE (for himself, Mr. BRADLEY, Mr. MOYNIHAN, and Mr. DASCHLE):

S. 1199. A bill to amend the Social Security Act to improve Medicare and Medicaid payment levels to community health clinics; to the Committee on Finance.

COMMUNITY HEALTH CLINIC IMPROVEMENT ACT

● Mr. CHAFEE. Mr. President, I am introducing the Community Health Clinic Improvement Act, legislation which would reform the reimbursement under Medicare and Medicaid for community health clinics. I am joined in this effort by Senators BRADLEY, MOYNIHAN, and DASCHLE.

We face extraordinary problems in our health care system today. The number of Americans, especially children, without insurance coverage, and therefore, without access to services has been growing in the past few years. Something is desperately wrong in a country where we spend more than $500 billion per year on a health care system that does not even come close to being comprehensive, and fails to reach far too many.

The focus of our system is on high-technology care, mostly for people who are already sick. There is a decided lack of emphasis on preventive and primary care services. This results from the mistaken notion that people can afford prevention and primary care, but not acute care. This is not true—not for the working poor, not for the unemployed, and not for low-income families.

It seems to me we have been neglecting an important, and perhaps critical, resource in our fight to improve services and access: community health centers. Over the years, I have come to the conclusion that community health clinics should be our first line of offense in this effort.

There are over 900 health clinics in the United States. Most of them serve not only the uninsured, but also Medicare and Medicaid beneficiaries. These health clinics provide primary and preventive services, as well as acute care, to approximately 6 million Americans who might otherwise have nowhere to go for medical help.

Although they are providing exactly the sort of care we should be encouraging in the United States, our investment in their efforts, at both the State and Federal levels, is falling short.

Because we are in the midst of a budget crisis, their Public Health Service grant funds have been limited. In addition, they have had to rely on other Federal programs for adequate reimbursement—specifically, Medicare and Medicaid.

Unfortunately, payment under Medicare and Medicaid is insufficient to cover reasonable costs of providing care, because the method of reimbursement for providers in these two programs is completely unsuited to health clinics.

As a result, it appears that many health clinics are being forced to use scarce Federal grant funds to, in a sense, subsidize the Medicare and Medicaid Programs. This situation has put even more demands on already limited public and private grants and has hampered the clinics' ability to provide care to the uninsured. Moreover, because health clinics serve a disproportionate share of low-income and Medicare and Medicaid patients, there is virtually no capacity to shift costs. The net effect is that the ability of

health clinics to care for the working poor is slowly but surely being sapped of its strength.

The legislation I am introducing today would change the method of reimbursement under Medicare and Medicaid, and take into account the unique situation and composition of health clinics.

My bill would expand an existing program under Medicare which allows federally funded health clinics to qualify for cost-based reimbursement. It would make this same reimbursement method available to the 475 nonfederally funded health clinics. These clinics are virtually identical in function to the federally funded clinics, but do not qualify for this special status simply because of the limited funds available to the Public Health Service to certify and fund new clinics.

My proposal would allow health clinics that meet all the criteria for a federally funded health clinic to be certified and thus to qualify for cost-based reimbursement. The Medicaid Program also would be changed to establish cost-based reimbursement for all health clinics.

This measure would significantly increase access to health care—at a relatively low cost. Together, these changes will allow community health clinics in both rural and urban areas to serve about 750,000 additional people each year. I believe it will cost in the neighborhood of $40 million each year.

Community health clinics can and do play a critical role in our efforts to improve access to services for all Americans. We have a choice: We can continue to inadequately reimburse our health clinics, forcing more and more low-income people, including children, to lose access to health care each year; or, we can enact this legislation and expand access to health care for the uninsured. I urge my colleagues to join in this effort to provide reasonable Medicare and Medicaid reimbursement for community health clinics.●

By Mr. KERRY (for himself, Mr. JEFFORDS, Mr. ADAMS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BRADLEY, Mr. BURDICK, Mr. CHAFEE, Mr. COCHRAN, Mr. CRANSTON, Mr. DASCHLE, Mr. DURENBERGER, Mr. GLENN, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEAHY, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MITCHELL, Mr. MOYNIHAN, Mr. NUNN, Mr. RIEGLE, Mr. ROBB, Mr. SANFORD, Mr. STEVENS, and Mr. WIRTH):

S.J. Res. 158. Joint resolution designating October 22 through 28, 1989, as "World Population Awareness Week"; to the Committee on the Judiciary.

WORLD POPULATION AWARENESS WEEK

● Mr. KERRY. Mr. President, during the past year Congress has increasingly focused its attention on the problems of global warming, rain forest deforestation, natural resource depletion, third world debt, and the dangers such environmental destruction present to the health and prosperity of the world and its people. Population growth is another essential factor in this equation and demands our attention.

Today the world's population exceeds 5 billion, and if population growth continues at its present rate, the world's population will double in the next 40 years. Most of the additional 5 billion people will be living in the Indian subcontinent, the Middle East, Africa, and Latin America—precisely those areas that are least equipped to support such growth.

If the United States is going to do something to address the pressing problems facing today's planet, we must recognize the strain that rapid population growth places on the already scarce resources of so many developing nations.

Last year, World Population Awareness Week educated Americans from Maine to Hawaii about the implications of rapid population growth in the developing world. The hundreds of university forums, public library exhibits, and community meetings that were held in relation to the week were extremely important.

The American public must continue to learn about the complex ways in which rapid population growth effects peace and prosperity in the Third World. We must be aware that infant mortality rates and death rates among mothers could be decreased if voluntary child spacing and maternal health programs were expanded. Half of the women of reproductive age in the developing world would like to control the size of their families but lack the means or ability to gain access to family planning.

The great effort that we are expending on environmental issues will not be enough if we ignore the fact that, according to demographers' predictions, Ethiopia's population will increase fourfold in the next several decades; India is expected to grow by 1 billion people; at present growth rates, El Salvador, a country the size of the State of Massachusetts, is expected to grow to 15 million people by the year 2025, and Mexico will gain 20 million people in the next 10 years.

This year World Population Awareness Week will take place on October 22 through October 28, 1989. Ten other countries, including Turkey, Brazil, Bangladesh, Tunisia, Zimbabwe, Costa Rica, Indonesia, Colombia, China, and Nigeria will also be participating. The expanded number of educational activities and events to be held this year will help the American public understand the implications of rapid population growth and will illustrate the direct effects that environmental destruction and other global problems have on people living in the Third World and the United States.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 158

Whereas the population of the world today exceeds 5,000,000,000 and is growing at an unprecedented rate of approximately 90,000,000 per year;

Whereas virtually all of this growth is occurring in the poorest countries, those countries least able to provide even basic services for their current citizens;

Whereas the demands of growing populations have contributed substantially to enormous environmental devastation and pose threats of even greater harm to the world;

Whereas one-half of the 10,000,000 infant deaths and one-quarter of the 500,000 maternal deaths that occur each year in the developing world could be prevented if voluntary child spacing and maternal health programs could be substantially expanded.

Whereas research reveals that one-half of the women of reproductive age in the developing world want to limit the size of their families but lack the means or ability to gain access to family planning;

Whereas the global community has for more than 20 years recognized that it is a fundamental human right for people to voluntarily and responsibly determine the number and spacing of their children and the United States has been a leading advocate of this right;

Whereas the demands of growing populations force many countries to borrow heavily and sell off their natural resources to cover the interest on their debt;

Whereas selling off natural resources in such circumstances often causes irretrievable losses, such as the destruction of the tropical rain forests at a rate of 50,000 acres per day;

Whereas the reliance of a rapidly growing world population on burning fuels is a critical factor in the emission of carbon dioxide into the atmosphere, which many scientists believe has already catalyzed a warming of the Earth's climate;

Whereas pollution is damaging the ozone layer to such an extent that within 40 years the ultraviolet light reaching our planet is expected to be up to 20 percent greater than it is today; and

Whereas in 1988, 40 State Governors proclaimed "World Population Awareness Week" in their States to call attention to the consequences of rapid population growth and the House of Representatives also passed a resolution to that effect: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 22 through 28, 1989, is designated as "World Population Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week

with appropriate programs, ceremonies, and activities.●

ADDITIONAL COSPONSORS

S. 216

At the request of Mr. MOYNIHAN, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 216, a bill to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such act.

S. 478

At the request of Mr. DODD, the names of the Senator from Pennsylvania [Mr. HEINZ] and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 478, a bill to provide Federal assistance to the National Board for Professional Teaching Standards.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 724

At the request of Mr. GRAHAM, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 724, a bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, water, and natural resources within the park, and for other purposes.

S. 811

At the request of Mr. BENTSEN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 811, a bill to amend the Internal Revenue Code of 1986 to provide notice to any taxpayer of amounts withheld in excess of such amounts reported on a tax return by such taxpayer.

S. 933

At the request of Mr. HARKIN, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 933, a bill to establish a clear and comprehensive prohibition of discrimination on the basis of disability.

S. 993

At the request of Mr. KOHL, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 993, a bill to implement the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Their Destruction, by prohibiting certain conduct relating to biological weapons, and for other purposes.

S. 1041

At the request of Mr. CONRAD, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1041, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers who realize capital gain on the transfer of farm property to satisfy an indebtedness, and for other purposes.

S. 1130

At the request of Mr. PRYOR, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1130, a bill to amend titles II and XVI of the Social Security Act to improve supervision of representative payees on behalf of beneficiaries under those programs.

S. 1139

At the request of Mr. ROTH, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 1139, a bill to provide for equality of State taxation of domestic and foreign corporations.

S. 1149

At the request of Mr. BAUCUS, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1149, a bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to limit application of the benefits and premiums of the Medicare Catastrophic Coverage Act of 1988 to those voluntarily enrolled in part B of the Medicare program.

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 124

At the request of Mr. GORTON, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Joint Resolution 124, a joint resolution to designate October as "National Quality Month."

SENATE JOINT RESOLUTION 157

At the request of Mr. LEVIN, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 157, a joint resolution designating June 16, 1989, as "Soweto Remembrance Day."

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. MOYNIHAN, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of Senate Concurrent Resolution 45, a concurrent resolution relating to congressional support of a Presidential waiver of the provisions of the Jackson-Vanik amendment with respect to the Soviet Union.

AMENDMENT NO. 196

At the request of Mr. BENTSEN, his name was added as a cosponsor of amendment No. 196 proposed to S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

At the request of Mr. MITCHELL, the names of the Senator from Iowa [Mr. HARKIN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from California [Mr. CRANSTON], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of amendment No. 196 proposed to S. 5, supra.

SENATE CONCURRENT RESOLUTION 47—RELATING TO MULTILATERAL SANCTIONS AGAINST SOUTH AFRICA

Mr. SIMON (for himself, Mr. BOSCHWITZ, Mr. BOREN, and Mr. DODD) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 47

Whereas the Congress found in the Comprehensive Anti-Apartheid Act of 1986 that "international cooperation is a prerequisite to an effective anti-apartheid policy";

Whereas the Comprehensive Anti-Apartheid Act of 1986 states that it is the policy of the United States "to seek international agreements with the other industralized democracies to bring about the complete dismantling of apartheid";

Whereas the Comprehensive Anti-Apartheid Act of 1986 states that "Sanctions imposed under such agreements should be both direct and official executive or legislative acts of governments.";

Whereas the Comprehensive Anti-Apartheid Act of 1986, Congress expressed its sense that the President "should instruct" the Permanent Representative of the United States to the United Nations to propose that the United Nations Security Council impose measures against South Africa "of the same type as are imposed by this Act";

Whereas the Permanent Representative of the United States to the United Nations contravened the intentions of the Congress, as expressed in the Comprehensive Anti-Apartheid Act of 1986, by vetoing two proposed Security Council Resolutions, on February 20, 1987, and March 7, 1988, that would have imposed selective but mandatory international economic sanctions against South Africa, similar to those imposed by the United States through the enactment of the Comprehensive Anti-Apartheid Act of 1986;

Whereas those vetoes by the United States in the United Nations Security Council run counter to the recommendations of the Secretary of State's Advisory Committee on South Africa, established pursuant to Executive Order 12532 of September 9, 1985;

Whereas the Advisory Committee concluded in its January 1987 report that the "most effective external pressure" on the Government of South Africa will come from a "concerted international effort";

Whereas the Advisory Committee recommended that the President begin "urgent consultations" with United States allies to "enlist their support for a multilateral program of sanctions" drawn from those measures in the Comprehensive Anti-Apartheid Act of 1986;

Whereas the European Community, the British Commonwealth, and Japan have adopted selected economic sanctions against the Government of South Africa which parallel some of the measures taken by the United States, such as a ban on new investment and on the importation of gold coins, iron, and steel;

Whereas Japan, Italy, France, the United States, the United Kingdom, and the Federal Republic of Germany are South Africa's major trading partners, accounting for 81 percent of South Africa's imports and 78 percent of South Africa's exports in 1987;

Whereas Japan and the Federal Republic of Germany became South Africa's top trading partners in 1987;

Whereas the United States General Accounting Office concluded in its September 1988 summary report on South Africa that sanctions imposed by the United States on South Africa under the Comprehensive Anti-Apartheid Act of 1986 reduced South African exports by $417 million and caused a total trade reduction of $469 million be-

cause of South Africa's inability to redirect trade to other markets;

Whereas the United States, United Kingdom, the Federal Republic of Germany, and Switzerland account for almost half of South Africa's international debt of $23 billion;

Whereas Congress authorized the President in the Comprehensive Anti-Apartheid Act of 1986 to limit the importation into the United States of products or services of a foreign country "to the extent to which such foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition" imposed under the Comprehensive Anti-Apartheid Act of 1986;

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should—

(1) take immediate steps to achieve a consensus among South Africa's major trading partners on effective economic, political and diplomatic measures to bring about an end to apartheid;

(2) implement to the fullest extent all the provisions of the Comprehensive Anti-Apartheid Act of 1986;

(3) implement to the fullest extent the recommendations of the Advisory Committee;

(4) take active steps designed to bring about concerted multilateral pressure by Japan, Canada, the member states of the European Community, and other United States allies on the Government of South Africa to dismantle its immoral and inhumane system of apartheid through a process of negotiation with legitimate representatives freely chosen by all the citizens of South Africa;

(5) instruct the Permanent Representative of the United States to the United Nations to offer a resolution in the Security Council that would impose selective mandatory sanctions similar to those embodied in the Comprehensive Anti-Apartheid Act of 1986 against South Africa for a period of twelve months;

(6) instruct the Permanent Representative of the United States to the United Nations to vote for any resolution offered in the Security Council that would impose selective mandatory sanctions against South Africa as a means of promoting an end to apartheid;

(7) strengthen the impact of the Comprehensive Anti-Apartheid Act of 1986 through the use of diplomatic and political pressure in private as well as public fora;

(8) direct the Department of State, the Department of Commerce and other appropriate executive agencies to monitor carefully trade relationship between South Africa and United States allies; and

(9) take effective action against those foreign countries benefitting from or taking advantage of United States sanctions against South Africa.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. SIMON. Mr. President, I am submitting a concurrent resolution today cosponsored by Senator BOSCHWITZ, Senator BOREN, and Senator DODD, that calls on the United States to ask other countries to join in the limited sanctions that we have right now with South Africa. It is not a substitute for strengthened sanctions by our own country, and I would add it is not contrary to what the administration's position is. Right now the administration has not taken a position on this, and Secretary of State James Baker has made clear in statements to the Foreign Relations Committee that they have not taken a position on this.

What we would like the administration to do is to simply ask Japan, West Germany, Great Britain, the other major trading partners of South Africa, to join so that peaceful change can be achieved in South Africa.

Today is the 13th anniversary of the Soweto Township uprising when there was a massive slaughter of young people and many others.

South Africa is a time bomb. South Africa is going to explode. I cannot tell you whether it is going to explode 6 days from now or 6 months from now or 6 years from now, but explode it certainly will unless there is peaceful change moving away from apartheid, and we have to get that message to them that we want peaceful change.

It is not punitive. I do not want to punish anyone. I just want to bring justice to people in South Africa, and that is in the interest of the whites, the blacks, the coloreds, the Asians, the major categories that they list.

Let me just mention a couple of other things very briefly. There are those who say, well sanctions really do not work. The GAO report in September says that sanctions have cost South Africa at least $469 million in trade and in terms of their credit market there is no question that it has cost South Africa. South Africa today pays about 20 percent interest. That is a huge interest rate for a country that has the basic economic strengths that South Africa has.

The study also indicated that six countries, the United States, Japan, Italy, France, West Germany, and Great Britain account for 81 percent of the trade in South Africa. There is just no question that we can have an impact.

Let me add, because my colleague from Kansas, the Republican leader, mentioned the other day apparently in response to a news article, that was not accurate, that Bishop Tutu and others are backing off their call for sanctions. That is just not the case. The real black leaders of South Africa are urging sanctions.

My hope is that we can adopt this concurrent resolution in the very near future and that we can continue to send a very clear message to South Africa. We want justice for all the people of South Africa. We want to get rid of the system of apartheid. We do not expect it to disappear overnight, but we want to see a plan that moves that nation in the direction of justice.

If apartheid does not change, there is going to be massive bloodshed in South Africa and the lesson of history is that that kind of massive bloodshed is not going to be contained within the borders of one country.

SENATE RESOLUTION 147—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE DISCHARGE OF CERTAIN FUNCTIONS BY THE SECRETARY OF THE SENATE

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 147

Resolved, That, for purposes of subchapter I and II of chapter 37 of title 31, United States Code (relating to claims of or against the United States Government), the United States Senate shall be considered to be a legislative agency (as defined in section 3701(a)(4) of such title), and the Secretary of the Senate shall be deemed to be the head of such legislative agency.

SEC. 2. Regulations prescribed by the Secretary pursuant to section 3716 of title 31, United States Code, shall not become effective until they are approved by the Senate Committee on Rules and Administration.

SENATE RESOLUTION 148—ORIGINAL RESOLUTION REPORTED RELATING TO THE PURCHASE OF CALENDARS

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 148

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $72,800 for the purchase of one hundred and four thousand 1990 "We The People" historical calendars. The calendars shall be distributed as prescribed by the committee.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GLENN. Mr. President, I would like to announce that the Governmental Affairs Committee will hold a hearing on Wednesday June 21, at 9:30 a.m., in SD-342 Dirksen continuing with the subject: "Averting Alcohol Abuse," new directions in prevention policy. For further information, please call Len Weiss, staff director, at 224-4751.

Mr. President, I would like to announce that the Governmental Affairs Committee will hold a hearing on Friday, June 23, at 9:30 a.m., on the legislation: S. 253, National Nutrition Monitoring Act. For further information, please call Len Weiss, staff director, at 224-4751.

VOL 135 PT 9 JE 14 — 22 1989 UMI

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MEDICARE AND LONG-TERM CARE

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Medicare and Long-Term Care of the Committee on Finance be authorized to meet during the session of the Senate on June 16, 1989, at 9:30 a.m. to hold a hearing on the issue of physician payment reform under the Medicare Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 16, 1989, at 9:30 a.m. to hold a hearing on the nominations of Richard Harrison Truly, of Texas, to be Administrator, and James R. Thompson, Jr., of Alabama, to be Deputy Administrator, of the National Aeronautics and Space Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GOVERNMENT INFORMATION AND REGULATION

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Government Information and Regulation, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on June 16, 1989, at 9:30 a.m., to discuss the reauthorization of the Paperwork Reduction Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE AND CIVIL SERVICE

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Friday, June 16, 1989, at 9:30 a.m., to examine policy issues regarding operational testing, as well as contracting practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Friday, June 16, 1989, at 10:30 a.m., to hold a oversight hearing on the Bail Reform Act of 1984.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Friday, June 16, 1989, at 10 a.m., to conduct hearings on S. 566, the National Affordable Housing Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Friday, June 16, 1989, at 10 a.m., to conduct a hearing on the implementation of the 1987 Amendments to the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MAGGIE

● Mr. LEAHY. Mr. President, Vermont's favorite columnist has written her final entry for the Burlington Free Press, my State's largest newspaper. Maggie Maurice, known simply as Maggie by the newspaper's readers, has retired after more than 23 years of reporting on people and events in Chittenden County.

A friendly, wonderfully charming person, Maggie developed a style of community reporting that was a readable and entertaining as it was informative.

In a wonderful story on her retirement, John Johnston, a Free Press staff writer notes:

> Her Sunday column was like a visit to the general store from many Vermonters. It was the place a person could find out about the latest comings and goings, could learn who's who and what's what, or could just listen to the proprietor's musings on the weather.

A person like Maggie Maurice helped define an entire community. The outpouring of affection for her upon retirement represents the gratitude and appreciation of the public she served so well.

I would ask that this excellent article by Mr. Johnston, that appeared in the June 2, 1989, edition of the Burlington Free Press, be reprinted in the CONGRESSIONAL RECORD, so that the Senators and public at large can learn more about this wonderful person.

Vermonters miss you already, Maggie, but thank you for the memories.

The article follows:

MAGGIE!

(By John Johnston)

One day in late December 1965 two production workers at The Burlington Free Press thought aloud about the newly hired women's editor, who was mired in a mass of wedding, engagement and anniversary announcements. "I give her six weeks," one quipped.

The women's editor, a bit overwhelmed by the new job, overheard the remark and wondered if they were right.

But she persevered, began churning out stories, and over the next 23½ years became one of the newspaper's most popular and respected writers.

Today that writer, Maggie Maurice, retires from the newspaper. She plans to stay active, take classes and possibly travel.

"She's very, very much going to be missed," said Free Press President and Publisher Donna Donovan, echoing the thoughts of legions of loyal readers.

Said Gov. Madeline Kunin: "Maggie Maurice is a Vermont institution. It's hard to imagine opening up the Sunday Free Press and not seeing her column. She captures the human side of the news, those small but important events that add pleasure to our lives."

Reading Maurice's column, which has appeared Sundays in the Living section for 14 years, was like a visit to the general store for many Vermonters. It was the place a person could find out about the latest comings and goings, could learn who's who and what's what, or could just listen to the proprietor's musings on the weather.

"We pick up our Sunday Free Press from a delivery tube en route to church," said former Free Press Publisher J. Warren McClure. "As I drive, I always ask my wife, Lois, 'What's in Maggie's column today?' "

"It's like reading a letter from your best friend," said Maggie Green, who retired last year as director of the Sara Holbrook Community Center. "For many of us, she's the reason we buy the Sunday paper. She is the personal side of Burlington for us."

The column was born in 1975 along with the newspaper's Sunday features section. A group of editors from Gannett Co., which bought the Free Press in 1971, took Maurice to lunch and announced: "You're going to be a columnist."

Her philosophy from the outset, Maurice said, was "to tell newsy things that weren't in other parts of the paper." But in the beginning that was easier said than done.

"Nobody would tell me a thing," she said. Jeannie Williams, who now writes a column for USA Today, was one of the Gannett editors who helped launch the Free Press Living section. She encouraged Maurice to attend events that might yield newsworthy nuggets.

"But Jeannie, I'm not invited," Maurice said.

"Go!" came the response.

"So I got pretty brazen," Maurice said.

But she knew what her column *would not* include. "I wouldn't ever write anything to hurt anybody. It's not worth it to me," she said.

Former Gov. Philip Hoff, who has known Maurice almost 40 years, said her non-judgmental nature is one of her most endearing qualities.

"Maggie has that wonderful characteristic of being able to accept people for what they are, and then finding something unique and interesting about them.

"She always finds a way of looking at people in their most favorable light. It isn't a question of just being kind, it's that this is the way she approaches life."

The column sometimes produced some interesting results. On Jan. 10, 1982, Maurice wrote: "No more time and temperature by calling the Burlington Savings Bank. It was a nice service. Not cost effective advertising,

a representative of the bank said. So it goes."

Three weeks later, the bank placed a large advertisement in the Free Press announcing the reinstatement of time and temperature. It carried this headline: "OK, Maggie, you win."

Although the column contributed heavily to her popularity, her feature stories earned her the most professional recognition.

An article Maurice wrote in 1978 about the appearance of poet Archibald MacLeish in Middlebury won first prize in the Best of Gannett feature writing competition, which included entries from 78 daily newspapers.

In a note MacLeish wrote to Maurice after the article appeared, he said he was "naturally quite pleased by it, but that is not why I am writing. . . . What moves me is the piece itself. You have caught the tone and feel of that room, that audience, the rain on the roof. Lovely, lovely writing!"

Other accolades have come from the New England Women's Press Association, the New England Press Association, the Visiting Nurse Association and the Vermont Council on the Arts.

She is most grateful for the Vermont awards. Indeed, her feelings for the state run deep. "I love Burlington," she said. "I love Vermont. I believe in Burlington."

The Syracuse, NY, native moved here after graduating from Tufts University with an English degree in 1944. She was hired by the Free Press to write obituaries, weather reports and birth announcements, but acknowledges that she "goofed off." She was fired after a year.

"It was the best thing that ever happened to me," she said. "I have been hustling ever since. I never goofed off again."

That year also was significant because she was assigned to interview soldiers returning from World War II. One of them was Melville "Pug" Page Maurice, an Army Veteran who had seen action in the Pacific.

When the article appeared, his name was spelled "Morris." Mr. Maurice called Maggie Armstrong and pointed out the mistake. "I hoped I'd never see him again," she now says.

But they met shortly thereafter on the street and he held no grudge. Fourteen months later, he asked her to marry him and this year they will celebrate their 43rd wedding anniversary.

After leaving the Free Press, Maurice worked a year as a proofreader for the old Burlington Daily News, then spent one-year stints with radio stations WJOY and WCAX. She quit work for 13 years to raise her four children.

"Don't regret a bit of it," she said.

But with two dyslexic children and bills piling up, she went back to work as an editorial assistant for the University of Vermont Extension Service in the early 1960s. In 1965, then-Free Press Editor Gordon Mills asked if she wanted to apply for the job of women's editor, and she got the job.

Once Maurice had the multitude of social announcements under control, she wanted to do more. So she began coming in early and writing a story or two a week.

One of her role models was Vic Maerki, who covered City Hall and now writes a weekly column for the newspaper's opinion page.

"He was brilliant," Maurice said. "He sort of challenged me because he thought I was no good and I wanted to show him. If it weren't for Vic Maerki I'd still be typing those weddings."

In 1968, Publisher McClure sent Maurice to a two-week American Press Institute seminar where she learned lessons in reporting, writing and layout. "That changed my life," she said. "I came back and announced I was lifestyles editor."

And indeed she covered the gamut of lifestyles. The Maggie Maurice byline perched above stories on priests, politicians, rabbis, restaurateurs, writers—the list of the famous and not-so-famous goes on and on.

Former Free Press photographer Stu Perry often was paired with Maurice on assignments. "She could charm the pants off any celebrity," he said. "In fact, she did exactly that when she called on the late comedian Georgie Jessel at a South Burlington motel. Jessel answered his own door, clutching his cane in one hand and his pants in another. Never blinking an eye, Maggie launched into her interview before Jessel had the second leg in his pants."

No one knows how many interviews Maurice has conducted—"It's better we don't," she said—but Green notes that it's likely countless readers feel a special attachment to the Free Press writer.

They are the people whose family albums and scrapbooks contain newspaper articles that have touched their lives. Articles with the byline: By Maggie Maurice.

Said Green: "She may be gone from the Free Press, but she'll always be with us because of those memories."

HE'LL MISS MAGGIE'S COMPASSION

(By John Johnston)

As I scanned old clips for the accompanying story on Maggie Maurice I came across something she wrote when Walter Cronkite retired.

"I wonder how Walter Cronkite really felt on Friday night when he did his last broadcast as CBS anchorman," she wrote in her March 8, 1981, column. "So many tributes have appeared that you'd think he died. Probably he was glad to get it over with, the leaving, I mean, although who knows how to relish a great moment better than Walter Cronkite."

As Maggie embarks on her first summer off in 28 years, I'm sure she, too, will be glad to get the leaving over with.

The fact that the newspaper is making a relatively big deal about all this no doubt makes her more than a little uncomfortable. Maggie is a private person who would, I'm sure, prefer to make a quiet exit.

That's just my perception, of course, based on my interview with her and the number of times—roughly a dozen—that she prefaced a statement with "You don't have to write this down."

Since I'm already in trouble for mentioning the "R" word (Maggie prefers the phrase "moving on" to "retiring"), I figured I might as well dig myself a deeper grave by devoting this column to her.

Certainly there's no shortage of material. Mention that Maggie is retiring and it triggers an outpouring of affection from the people she's worked with and written about. To wit:

Bish Bishop, retired Free Press outdoors editor: "She's one of the most pleasant people I've ever worked for in a business that's known for its stress. Nobody's indispensable, but some people are really missed and she's going to be one of them."

Former Free Press librarian Barbara VonBruns: "Maggie is not only a gifted writer but a thoughtful and considerate lady. Be it her family, her friends or her church, she generously cares about people."

Bishop John A. Marshall of the Catholic Diocese of Burlington: "She has a very genuine interest in the person she's interviewing. She has that style of writing that catches the interest of people."

Kay H. Ryder, public relations director for the Visiting Nurse Association: "When I saw her in someone's home, she always reminded me of the way our staff operates—we're guests. It wasn't 'I'm going to interview you,' it was 'I want to interview you. I want to hear what you have to say.'"

Sheila Herberg, executive director of the Humane Society of Burlington: "She's been a great help to me at the shelter and made many people aware of what we do here. She's part of the whole scene in Burlington."

The list could go on and on.

I've probably learned more facts about Maggie Maurice in the past week than I learned in the two years since I first met her. But the really important stuff I didn't have to be told: that she is a compassionate, caring, witty, dedicated person with a heart of gold.

When Maggie leaves the newsroom, I'll not only miss her stories and column, but the little, less noticeable things: her compliments, because she was always the first to say, "Nice story"; the funny notes she'd write on the computer; and I'll even miss the way she answers the phone. There was something comforting about hearing her say "Hello" instead of "Free Press newsroom."

Maggie's Jan. 1, 1984, column looked back over the past year. I think it's just as relevant today as it was then. Here's an excerpt:

"But isn't life a journey? You may get lost and never find your destination, but you have all kinds of adventures along the way.

"Looking back over the year is like getting on the scales. Unless you're somebody like Meryl Streep, you don't want to look. But then you do, and what you see gives you new resolve. You can do anything, you tell yourself, if you just try."

Not only can you do anything, but as Maggie showed us, you can do it with class.●

DENIS GALVIN, NATIONAL PARK SERVICE

● Mr. McCAIN. Mr. President, excellence and dedication to service are qualities that Americans admire and cherish. Today I would like to call attention to a remarkable individual who has set a standard for those qualities throughout his 27-year career with the National Park Service. I am speaking about Mr. Denis Galvin, whose leadership and expertise as Deputy Director of NPS will be sorely missed.

As you know, Mr. President, the American people have long prized the Park Service as a jewel among Government agencies with uncompromising standards for excellence. The stewardship of Denis Galvin is one of the primary reasons that we have held this agency in such high regard. His commitment to the agency's mission, knowledge of the issues, creativity, dependability and ethical standards reflected the best in public service. He has distinguished himself and is a role model to any young man or woman contemplating a career in public service.

VOL 135 PT 9 14 — 22 1989 JE UMI

I had the great pleasure of working with Denis on a number of issues affecting the National Park System. Of particular note is our work on issues involving the Grand Canyon National Park—especially the problem of unrestricted overflights in the Canyon area. His interest and assistance were essential in helping me clarify both the issues and objectives of protecting the pristine experience that is the essence of hiking or rafting the Grand Canyon. He approached this issue in his usual fashion—with vigor, unquestioned professionalism, and the best interests of the resource at heart. I might add that while the 100th Congress finally enacted legislation to restrict overflights, in 1975 it was Denis who had recommended taking action on that issue. This was typical of his foresight and ability.

His guiding hand played a role in so many important efforts to restore, preserve, and protect our Nation's natural and historical heritage—too many to number here. As Denis looks back on his assignment as Deputy Director at the Park Service, he must do so with great satisfaction. His stewardship has left a special legacy—one that can be measured in the joy found by the millions who visit our Nation's parks. Denis, please accept the deepest and warmest heartfelt thank you from a grateful Nation on a job well done. Your contribution is enduring.●

SELMA TEAM WINS ODYSSEY OF THE MIND COMPETITION

● Mr. SHELBY. Mr. President, I rise today to recognize the outstanding achievement of seven young Alabamians from Meadowview Elementary School who were judged the best "Ye Gods" team at the Odyssey of the Mind international competition held in Boulder, CO.

The Meadowview Elementary School in Selma, AL, embodies many characteristics that set it apart as a leader. With an innovative curriculum and an outstanding faculty, there are many factors that distinguish the Meadowview Elementary School from its counterparts nationwide. Selected from over 600 schools across the world, the "Ye Gods" team from Selma, AL, won high marks not only for its academic excellence in creative problem solving, but also for the commitment, dedication, and understanding of the coaches Martha Lockett, Wanda Calame, and Leah Weaver.

Odyssey of the Mind is a creative problem solving competition. The teams competing consist of especially gifted students. Members of the first-place Meadowview team are: Peyton Lockett, Patrick Weaver, Scott Weaver, Logan Casey, Clay Blanton, Matt Calame, and Amanda Calame. The "Ye Gods" team put together an advertising campaign to promote a product related to a mythical character. The students competed with 47 other teams in their category and while the competition was fierce, they managed to come out on top.

Frequently in Congress, we have the opportunity to witness the culmination of many levels of effort. We have a chance to see our combined goal—excellence in education—come to fruition through the unity of Federal, State, and local efforts. Meadowview Elementary School is a product of a community that cares about education and that wants the best for its children.

I applaud the school; its principal, tremendous faculty, and, of course, the Odyssey of the Mind team members and coaches.●

STALEMATE IN AFGHANISTAN?

● Mr. HUMPHREY. Mr. President, Representative SOLARZ, chairman of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs, held a timely hearing on Afghanistan yesterday at which he graciously allowed me to testify. There has been concern expressed by some of my colleagues recently as to the continued commitment of the United States for the Afghan people. I commend Chairman SOLARZ for focusing the attention of his subcommittee on Afghanistan at such a crucial juncture.

I have been concerned that recent press reports about the situation in Afghanistan would erode congressional support for the Afghan Mujahideen. My concern was so great, in fact, that I traveled to Pakistan only 2 weeks ago to determine what was truly going on inside the country. The statement that I include in the RECORD today, and which I delivered before Chairman SOLARZ' subcommittee yesterday, represents the findings of my trip, and assessments of the situation based on 5 years of close involvement with the Afghan issue. I hope my colleagues can take the time to review the brief remarks.

Mr. President, I ask that the accompanying statement be included in the RECORD.

The statement follows:

STATEMENT OF SENATOR GORDON J. HUMPHREY BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE, JUNE 14, 1989

Mr. Chairman, thank you for the opportunity to testify.

In recent weeks, some accounts of the situation in Afghanistan have portrayed it as a stalemate. Even worse, some accounts have portrayed the struggle as merely a "civil war" and by implication a struggle in whose outcome we should have little interest. Some accounts assert the United States and Pakistan have decided to opt for a political settlement, as though that is a new policy and represents an abandonment of the Afghan resistance. In my view, such accounts result from misunderstandings of fact.

Is there a stalemate? There is not. It's easy to understand why some might perceive a stalemate, when, first of all, one recalls the predictions that the Kabul regime would fall automatically upon the withdrawal of Soviet troops. There was never any grounds for such self-delusion, for the Soviets made it clear from the start that they would attempt to keep their puppet regime in power by all means short of continued military occupation. Indeed, the Soviets left behind a mountain of weaponry and have provided a continuous resupply so massive that it might exceed last year's levels. Second, fighting always comes to a virtual halt between November and June, when the mountains are blocked by snow and it is literally impossible to resupply the resistance forces. Indeed, this year's snowfall was the heaviest in decades. And it isn't only a problem of snow, there is the added problem of swollen rivers in the spring runoff. To say there is a stalemate before the fighting season begins, is on the face of it illogical.

It is true, the resistance has failed so far to take Jalalabad. But, again, bear in mind, the Kabul regime has been able to concentrate its forces at Jalalabad, because fighting elsewhere has been negligible. Very soon the Kabul regime will find itself thinly stretched, as fighting resumes throughout the country.

One further point about Jalalabad. Reading the reports over the last several weeks, one gains the impression that the resistance have been firing upon the city without restraint, causing large numbers of needless civilian casualties. One gains the impression that Jalalabad, the most beautiful city in Afghanistan, is being utterly destroyed. Mr. Chairman, I invite my colleagues to request an intelligence briefing. I invite them to look at the overhead photos of excellent quality, as I have as recently as one week ago. My colleagues will see that the city has hardly been touched. Try to find even one rooftop destroyed, try to find one damaged structure. However, then view photos of areas outside the city, where the Kabul regime's military fortifications lie, and you will see a profusion of craters and destroyed structures. The photo evidence is quite convincing: the city of Jalalabad has suffered only light damage. The resistance have not been indiscriminate in their firing. They have been careful, because, in fact, many of them have relatives in the city.

The second question is, is this just a "civil war" and, by implication, a struggle about whose outcome we should feel ambivalent? Let us not forget, Mr. Chairman, that before being elevated by his Soviet patrons, Mr. Najibullah was the head of the Afghan version of the KGB. Let us not forget that he and his party cooperated in a genocide against the Afghan people costing well over one million lives. Let us not forget the PDPA cooperated with the Soviets in littering the countryside with millions of mines that have torn off the legs of thousands of children and will tear off yet more thousands of legs for years to come. This is no civil war. This is a struggle to overthrow an illegitimate regime imposed by brutal force at the point of 125,000 Soviet bayonets.

The massive sacrifice on the part of the Afghan people makes it a moral imperative for the United States and Pakistan to continue to seek genuine self-determination for Afghanistan. Let us never yield to the expedient of re-defining this important struggle as a civil war and, in so doing, opening the back door to a sell-out. That would be a great tragedy for Afghanistan. Let us not permit the Soviets to win through clever po-

litical maneuvering what they failed to win by force of arms. The Soviets have learned an important lesson about the limits of militarism and imperialism. That lesson, I believe contributed substantially to the reduction of the influence of military spheres within the Soviet system under perestroika. Let us never erase that lesson by accommodating a sell-out of the Afghan resistance. The struggle in Afghanistan is not a civil war. It is a struggle to overthrow a regime imposed by a foreign army of occupation.

The third question is, Has there been a change in U.S. and Pakistani policy? Does the recent talk of a political settlement mean there has been a backing away from support of the resistance? The answer is no, because our policy and that of Pakistan has always been to seek a political solution, using military leverage to secure the right kind of political solution.

I quote a letter from Secretary Schultz dated January 17, 1987, "our objective is a negotiated settlement, consistent with UN resolutions, and predicated on the prompt and complete withdrawal of Soviet troops and full self-determination for the people of Afghanistan."

I cite a State Department update of December, 1987: "The U.S. seeks a negotiated settlement in Afghanistan that brings about the prompt and complete withdrawal of Soviet troops and self-determination for the Afghan people. This is outlined in the U.N. General Assembly resolutions passed overwhelmingly each year for the past 8 years."

From the remarks of Ambassador Herbert S. Okun before the U.N. General Assembly on November 10, 1987, "My government supports these fundamental principles. It supports as well the search for a negotiated political settlement to end the agony the Afghan people have so long endured. The policy of the United States Government toward the Afghanistan situation is clear and consistent. The United States seeks an early settlement which provides for the prompt withdrawal of the invading forces and for the restoration to the Afghan people of freedom to choose their own political course. The United States firmly believes that a peaceful settlement is possible."

By an increasing margin, the U.N. for nine years running adopted resolutions urging the withdrawal of foreign forces and self-determination for the Afghan people.

And just last week, the Prime Minister of Pakistan, in her impressive address to the joint meeting of Congress, reminded us that our objective has been self-determination for the people of Afghanistan. The Prime Minister pointed out that for ten years the United States has stood side by side with Pakistan in supporting the cause of a free Afghanistan.

Yet, apparently some would abandon that cause. Some would seize upon the Soviet withdrawal as negating our second objective of long standing, self-determination. For all of these years we haven't been just saying withdrawal of foreign forces. We have been saying withdrawal of foreign forces and self-determination. They are separate and distinct. Self-determination is not forced power-sharing with a Nazi-like regime. Forcing the resistance into power-sharing by cutting off the flow of weapons would be a sell-out, not the achievement of self-determination.

Prime Minister Bhutto identified the obstacle to genuine self-determination, when she told a recent press conference in Pakistan: "If a political settlement is not in ascendancy at the moment, it is because of the recent situation in Afghanistan. The present administration in Kabul is not acceptable to the Pakistan-based Mujahideen, the Iran-based Mujahideen, the Afghan commanders, and even ex-King Zahir Shah." She added that the impediment to an Afghan settlement is "an obstinate refusal of the administration in Kabul to step down."

In short, Mr. Chairman, there is no stalemate, the first fighting season since the Soviet withdrawal is just beginning. The struggle in Afghanistan is not a civil war and one whose outcome can little concern us. It is a struggle to oust a regime installed at the point of 125,000 Soviet bayonets. As Prime Minister Bhutto has asserted, that regime is the barrier to self-determination. And finally, the recent remarks by the U.S. and Pakistan about a political settlement are nothing new. Our policy of long-standing is to seek such a settlement, using military leverage to secure the right kind of settlement. And Mrs. Bhutto is right when she defines the right kind of settlement as one which excludes the PDPA regime in Kabul.

President Bush has reaffirmed our commitment to self-determination by reaffirming our commitment to support the resistance forces. And let us remember the words we heard just a week ago in the House of Representatives, when Prime Minister Bhutto spoke of our joint commitment to self-determination, and then urging steadfastness said, "Let us not at this stage out of impatience or fatigue become indifferent. We cannot, we must not abandon their cause."●

CALL TO CONSCIENCE

● Mr. BOREN. Mr. President, I rise today asking my colleagues to join me in a call to conscience concerning the repeated refusal on the part of the Soviet Union to allow the five members of the Genis family to emigrate from that country. These Soviet Jews have been denied permission to emigrate continually since 1977.

In the past several years, I and other Senators concerned with the civil rights of citizens of the Soviet Union have been greatly encouraged by the improvements brought by Mr. Gorbachev to his country in the areas of tolerance and openness. But despite these changes, there remains a great number of people who are still denied their right to freely emigrate. The problem of human rights in the Soviet Union has not been resolved.

Today, I want to call particular attention to the Genis family. The father, Anatoly, aged 51, and the mother, Gayla, 44, are both highly educated former mathematicians and engineers. They have three sons, Peter, Seva, and Stephen, aged 21, 17, and 4. In 1980, 3 years after their first attempt to emigrate, Gayla became terribly ill, suffering from pains in her sides, chest, and back accompanied by heart palpitations and severe depression. Two of the sons have acquired an endocrine disorder which causes high blood pressure, leaving only the father Anatoly and one of the brothers to take care of the entire family.

Furthermore, Mr. President, Anatoly has problems of his own. Due to his refusenik status, he cannot obtain even the most menial employment despite his extensive professional training in one of Moscow's most prestigious universities.

Out of desperation, Anatoly began peacefully demonstrating in January 1988. He has been arrested several times, the last ending in an unjustified 10-day prison sentence. Reportedly, if he is arrested again he will face much stiffer penalties, including up to a year and a half in a Soviet prison.

Anatoly also must contend with the upcoming difficulties of his 17-year-old son, Seva. When Seva reaches the age of 18, despite his medical condition he will become eligible for the draft. If Seva is, in fact, drafted, he can automatically be refused emigration for 5 years after his service is terminated on the grounds that he knows "state secrets."

Mr. President, time is surely running out for the Genis family. For too long they have been denied a right guaranteed to them under the Helsinki accords. I sincerely hope that my colleagues will join me in my efforts on behalf of the Genis family. Their plight is indeed tragic, and we have in our power the ability to help. I hope all of my colleagues will join me in a cause that is truly just.●

AUTHORIZING THE PRINTING AS A DOCUMENT OF TRIBUTES TO THE LATE SENATOR CLAUDE PEPPER

Mr. DODD. Mr. President, I have cleared the matter I am about to raise with the minority leader. So I move to that.

I ask unanimous consent that the Senate now proceed to the consideration of House Concurrent Resolution 150, a concurrent resolution authorizing printing of statements made in tribute to the late Representative Claude Pepper now at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 150) authorizing the printing as a House document a collection of statements made in tribute to the late Representative Claude Denson Pepper.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 150) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS UNTIL MONDAY, JUNE 19, 1989, AT 11:30 A.M.

Mr. DODD. Mr. President, there is no further business that I am aware of. I see no additional Member of the Senate seeking recognition.

I now ask unanimous consent that the Senate stand in recess under the previous order until 11:30 a.m., Monday, June 19, 1989.

There being no objection, the Senate, at 2:43 p.m., recessed until Monday, June 19, 1989, at 11:30 a.m.

VOL 135 PT 9 JE 14 — 22 1989 UMI

HOUSE OF REPRESENTATIVES—*Friday, June 16, 1989*

CONFERENCE REPORT ON H.R. 2072

Pursuant to the order of June 15 1989, Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-89)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 7, 13, 22, 30, 38, 39, 50, 52, 53, 56, 57, 65, 73, 82, 86, 91, 108, 121, 129, 132, 140 and 141.

That the House recede from its disagreement to the amendments of Senate numbered 1, 4, 8, 14, 16, 20, 26, 31, 32, 34, 43, 45, 46, 47, 48, 49, 63, 64, 69, 70, 76, 83, 84, 85, 114, 116, and 126, and agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the section number named in said amendment, insert *302*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the section number named in said amendment, insert *303*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES PROGRAM OPERATIONS

For activities authorized under section 799A(e) of the Public Health Service Act, $800,000.

And the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

HIGHER EDUCATION

For an additional amount for "Higher Education" which shall be available for such project as the Secretary may deem appropriate which is authorized under existing law, $1,600,000.

And the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended to read as follows:

CONSERVATION RESERVE PROGRAM

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Conservation Reserve Program", delete the sum "$1,864,000,000" and insert in lieu thereof "$1,789,000,000", and delete the sum "$385,000,000" and insert in lieu thereof "$370,000,000".

And the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

For an additional amount for orphan product grants and contracts, $500,000.

And the Senate agree to the same.

Amendment numbered 94:

That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named, insert *$12,000,000*; and the Senate agree to the same.

Amendment numbered 97:

That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows:

In lieu of the chapter number named by said amendment insert: *XII*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 6, 11, 12, 15, 17, 18, 19, 21, 23, 24, 25, 27, 28, 29, 33, 35, 37, 40, 41, 44, 51, 54, 58, 59, 60, 61, 62, 66, 67, 68, 71, 74, 75, 77, 78, 79, 80, 81, 87, 88, 89, 90, 92, 93, 95, 96, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 109, 110, 111, 112, 113, 115, 117, 118, 119, 120, 122, 123, 124, 125, 127, 128, 130, 131, 133, 134, 135, 136, 137, 138, and 139.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
NEAL SMITH,
SIDNEY R. YATES,
DAVID R. OBEY,
EDWARD R. ROYBAL,
TOM BEVILL,
JOHN P. MURTHA,
BOB TRAXLER,
WILLIAM LEHMAN,
JULIAN C. DIXON,
VIC FAZIO,
W.G. BILL HEFNER,
VIRGINIA SMITH,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
J. BENNETT JOHNSTON,
QUENTIN BURDICK,
PATRICK LEAHY,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
HARRY REID,
BROCK ADAMS,
WYCHE FOWLER, JR.,
J. ROBERT KERREY,
MARK O. HATFIELD,
TED STEVENS,
JIM MCCLURE,
JAKE GARN,
THAD COCHRAN,
BOB KASTEN,
ALFONSE D'AMATO,
WARREN RUDMAN,
ARLEN SPECTER,
CHUCK GRASSLEY,
DON NICKLES,
PHIL GRAMM,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplements, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: Deletes the table of contents to the bill proposed by the House and stricken by the Senate.

TITLE I—DIRE EMERGENCY SUPPLEMENTALS AND TRANSFERS

Amendment No. 2: Reported in disagreement.

Amendment No. 3: Senate recedes. The House chapter number is retained.

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

Amendment No. 4: Appropriates $4,000,000 for the Public Safety Officers' Benefits Program as proposed by the Senate. The House bill included these funds under title I, Chapter I Emergency Drug Funding.

VOL 135 PT 9 JE 14 — 22 1989 UMI

CHAPTER III

Amendment No. 5: Restores Chapter number proposed by the House.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which transfers $2,225,000 to "General regulatory functions" from "Construction, general".

Amendment No. 7: Restores language proposed by the House and stricken by the Senate relating to the Sunset Harbor, California, project.

Amendment No. 8: Deletes language proposed by the House and stricken by the Senate relating to exchange of Federal land.

Amendment No. 9: Restores language proposed by the House and stricken by the Senate relating to the Saylorville Lake, Iowa, project and changes section number.

Amendment No. 10: Restores language proposed by the House and stricken by the Senate relating to the Sims Park, Ohio, project and changes section number.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate relating to the Bonneville Lock and Dam, Oregon and Washington, project, with an amendment as follows:

In lieu of the first section number named in said amendment insert: *"304"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate relating to the West Fork of Mill Creek Lake, Ohio, project, with an amendment as follows:

In lieu of the first section number named in said amendment insert: *"305"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

West Columbus, Ohio, Local Protection Project.—The conferees are aware that the Corps of Engineers is reviewing a request from local sponsors of the West Columbus, Ohio, local protection project to advance funds for pre-construction activities. In order to eliminate further delay, the conferees direct the Secretary of the Army to accept up to $2,000,000 in fiscal years 1989 and 1990 combined from local sponsors to continue preconstruction engineering and design of the West Columbus, Ohio, project. This action is taken with the understanding that any credit to the sponsors towards the requirement of local cooperation would be provided by the Federal Government only when and if construction funds are appropriated by the Congress for the project. Further, this action is not a commitment to future project construction.

Continuing Authorities Program.—The conferees are aware of a number of dire emergencies within the Corps of Engineers' Continuing Authorities Programs, (which consist of small navigation projects, small flood control projects, small streambank and shoreline protection projects, small beach erosion control projects, snagging and clearing for flood control, and mitigation of shore damage due to navigation), and, therefore, have no objection to the initiation of new construction starts in the Continuing Authorities Programs for the remainder of fiscal year 1989 using available funds.

CHAPTER IV

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ECONOMIC SUPPORT FUND

Amendment No. 13: Restores chapter number as proposed by the House.

ASSISTANCE FOR POLAND

Amendment No. 14: Deletes the word "electoral" from the language proposed by the House.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds Senate language relating to democratic transition in Poland.

Amendment No. 16: Deletes House language relating to international observer missions in Poland.

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds language relating to the independent media and publishing activities in Poland.

PROMOTION OF DEMOCRACY IN NICARAGUA

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided further, That there shall be available an additional amount for the "Economic Support Fund", $3,000,000, which shall be made available notwithstanding any other provision of law for the promotion of democracy in Nicaragua: Provided further, That of the funds made available under this heading for the promotion of democracy in Nicaragua, $1,500,000 shall be made available as a contribution to the Organization of American States to carry out election monitoring activities in Nicaragua: Provided further, That the amount provided for promotion of democracy in Nicaragua under this heading shall be derived from funds appropriated under such heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1987, or from funds earmarked under such heading in Public Law 100-202 for reconstruction and rehabilitation of the National University of El Salvador and other institutions of higher education in El Salvador: Provided further, That such funds shall be in addition to funds made available for the promotion of democracy in Nicaragua by Public Law 100-461*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to provide a total of $3,000,000 for the promotion of democracy in Nicaragua, of which $1,500,000 is designated for the Organization of American States to carry out election monitoring activities in Nicaragua under the El Salvador Accords. None of the funds provided for the promotion of democracy in Nicaragua are to be available for obligation until the Committees on Appropriations are notified.

The conferees agree that the Organization of American States should review its per diem rate for Nicaragua in order to bring it in line with realistic costs.0

NATURAL RESOURCE DEPLETION ACCOUNTING

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate with an amendment as follows:

In lieu of the first section number named in said amendment, insert the following: *401*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees recognize that methods of incorporating natural resource depletion into national accounting systems still are in the process of being developed and field tested. As such, the timeframe for adoption by national governments (including the United States), and therefore the timeframe for use by international organizations and bilateral donors, will depend upon the development of an internationally accepted model of accounting. The conferees direct the Agency for International Development and the Department of Treasury to work to expedite the development and utilization of accounting systems that score resource depletion or enhancement. The Agency for International Development is encouraged to provide technical assistance to developing country governments interested in pursuing that objective.

INTERNATIONAL PEACEKEEPING ACTIVITIES AND OPERATIONS

Amendment No. 20: Deletes language proposed by the House concerning funding for Peacekeeping forces. Funding for Peacekeeping is addressed under amendment number 109.

ASSISTANCE FOR HAITI

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides two additional exemptions to the current restrictions on U.S. foreign assistance for Haiti.

Amendment No. 22: Retains chapter number "V" as proposed by the House, instead of "IV" as proposed by the Senate.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $7,300,000 to be available until September 30, 1990, and establishes an Oil Spill Emergency Fund in the Department of the Interior, as proposed by the Senate. The Fund would be available to agencies of the Department for contingency planning, and for response and natural resource damage assessment activities related to the Exxon Valdez oil spill in Prince William Sound, Alaska on March 24, 1989.

It is the managers' intent that the Department pursue full and complete recovery, to the maximum extent practical, for all damages to lands and resources under its jurisdiction. Further, the Secretary should seek full reimbursement for the expenses of this recovery effort from Exxon and any other responsible parties. Such reimbursement shall include full charges for all work performed by any employees or consultants of the Department.

In addition to the establishment of the Fund and the provision for related reimbursements to the affected programs of the Department, Amendment 23 amends section 102 of the Department's FY 1989 Appropriations Act to permit the emergency transfer of funds from any no-year appropriations available to the Secretary for the purpose of "contingency planning subsequent to actual oil spills, response and natural resource damage assessment activities related to actual oil spills."

Within thirty days, the Secretary of the Interior is requested to provide a comprehensive plan, with cost estimates, for the oil spill clean up work done to date, and for the work that remains to be done, by agencies under his jurisdiction.

The Department is expected to report monthly to the Committees on Appropriations on disbursements from, and reimbursements to, the Oil Spill Emergency Fund. These reports should indicate what amounts have been provided to which agencies and for what purposes, and should be structured in a manner to indicate current balances in the fund. Such reports should be accompanied by a status report of the Department's oil spill recovery efforts in Alaska.

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that projects resulting from a third solicitation of demonstrations under the clean coal technology program shall be selected no later than January 1, 1990.

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

SEC. 501. No funds appropriated or made available heretofore or hereafter under this or any other Act may be used by the executive branch to contract with organizations outside the Department of Energy to perform studies of the potential transfer out of Federal ownership, management or control by sale, lease, or other disposition, in whole or in part, the facilities and functions of Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912, and Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915: Provided, That the negotiation of changes to the unit plan contract with Chevron which governs operation of Elk Hills, where the purpose of the changes is to prepare for the divestiture of the Reserve, is prohibited.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment would prohibit the use of outside contractors to perform divestiture studies on the Naval Petroleum Reserves, and would also prohibit negotiation of changes to the current unit plan contract with Chevron at Elk Hills if the purpose of such changes is preparation for divestiture of the Elk Hills Reserve. The original House amendment prohibited all divestiture activities, including use of DOE personnel, and the Senate amendment prohibited use of outside contractors only in fiscal year 1989.

Amendment No. 26: Deletes House provisions relating to oil spills. The same provisions are included in Amendment Numbered 23.

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *502*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment provides for the distribution of excess timber receipts. The language clarifies Public Law 100-446, and provides for the same formula distribution of the excess receipts as directed in P.L. 100-446. The managers agree that the additional funds provided to the timber sales program under the formula are to be used to address the timber sales preparation pipeline. The provision of funds herein for the timber pipeline is not intended to change the volume of the timber sales program proposed in the FY 1990 President's Budget.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *503*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment adds the citation of Public Law 100-383 to the "Miscellaneous Payments to Indians" account. This will allow $150,000 to be reprogrammed from the Old Age Assistance Program to begin implementation of the Aleutian and Pribilof Island Restitution Act in fiscal year 1989. The funds will be used to begin to identify individuals who are eligible for restitution payments under the Act. It is not intended that the Bureau will make any actual restitution payments with these funds, except in cases where extreme emergencies exist.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment, insert: *504*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment provides for a transfer of $400,000 from the National Forest System appropriation account to the Forest Research appropriation account. These funds are to be used for research related to the effect of fires which occurred in the Yellowstone area during 1988. The managers direct that the National Forest System funds are to be transferred as follows: $200,000 from Timber Sales Administration and Management; $100,000 from Wildlife and Fish Habitat Management; and $100,000 from Soil, Water, and Air Management.

The managers agree further that $400,000 is to be reprogrammed within funds available for the Operation of the National Park System to conduct research related to the fires which occurred in the Yellowstone National Park area during 1988. The managers direct that the $400,000 be derived from those funds previously set aside by the National Park Service at the regional level for Alaska oil spill emergencies. These funds are available for release since the managers have provided $7.3 million for an oil spill emergency fund to address such requirements.

Apparently both the National Park Service and the Forest Service have developed separate priority lists of Yellowstone-related fire research projects. The managers expect the Services to convene a panel of experts to merge these priority lists immediately so that a single list of the most important fire research projects in priorty order will guide all federal research in the Yellowstone area. This panel should be comprised of two representatives from the National Park Service, two from the Forest Service, and three recognized experts from universities in three different states. The panel should confine its activities to the merger of the two lists of research projects in priority ranking; new projects should not be proposed.

Funds available to the National Park Service and the Forest Service and previously identified for research in the greater Yellowstone area, together with an additional $400,000 from other park operations and $400,000 to be transferred to the Forest Research Department from the National Forest System account, are to be obligated to accomplish the research tasks in their order of priority on the soon-to-be-developed interagency list of fire research projects. All such research projects are to be awarded competitively. The managers understand that, in practice, one agency's funds may be used to accomplish the other agency's priorities. The agencies are further encouraged to solicit supplemental resources from State and local organizations to accomplish these research priorities. It is intended that any contractual assistance be awarded on a competitive basis and that the research program be executed on a cooperative basis in much the same manner as the Interagency Grizzly Bear Committee.

CHAPTER VI

Amendment No. 30: Restores chapter number proposed by the House.

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

TRADE ADJUSTMENT ASSISTANCE

Amendment No. 31: Appropriates $90,648,000 as proposed by the Senate instead of $126,648,000 as proposed by the House.

Amendment No. 32: Earmarks $56,000,000 for trade adjustment weekly benefits as proposed by the Senate, instead of $92,000,000 as proposed by the House.

The conferees are concerned that the Department has not been sufficiently sensitive to the difficulties the State of Hawaii is encountering in establishing a culturally effective job training program for American Samoans residing in Hawaii and on the mainland. For example, the conferees expect that the funds provided in the regular fiscal year 1989 appropriations bill will be used to establish outreach programs on the various Hawaiian Islands and thus result in significant administrative costs and possible reduction in training services during the startup years. The Department is directed to work closely with the State of Hawaii to ensure that funds necessary for administrative purposes shall be released and further, that the State shall be able to expand last year's program to similarly address the pressing employment needs of other Pacific islander and Asian immigrants.

The conferees recommend that the Office of Job Corps give consideration prior to September 30, 1989, to expanding those Job Corps centers (1) which are currently operating in excess of their capacity, (2) which have predominantly Hispanic or other minority enrollment, and (3) which have demonstrated superior performance and effectiveness as determined by the Office in its annual rankings.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which states that funds made available in the fiscal year 1989 Appropriations Act under section 6 of the Wagner-Peyser Act may be used to carry out the targeted jobs tax credit program under section 51 of the Internal Revenue Code of 1986.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 34: Appropriates $3,200,000 as proposed by the Senate. The House bill included no funds for this purpose.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes available $1,445,000 by transfer from the Black Lung Disability Trust Fund appropriation. The House bill included no similar provision.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

Amendment No. 36: Appropriates $800,000 for a study of rural health manpower needs as proposed by the Senate and corrects the legal citation for the study.

HEALTH CARE FINANCING ADMINISTRATION

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate, which prohibits the use of the appropriation for rural health care transition grants for forward or multi-year funding. The conferees have agreed that funds appropriated by the Department of Health and Human Services Appropriations Act of 1989 to implement section 4005(e) of the Omnibus Budget Reconciliation Act of 1987, Public Law 100-203, may not be used to provide forward or multi-year funding. The conferees expect the Health Care Financing Administration to award at least 160 first-year grants of $50,000 to rural hospitals. The conferees intend to provide second-year funding for this program in fiscal year 1990, enabling rural hospital grantees to have two full years to complete restructuring.

REFUGEE AND ENTRANT ASSISTANCE

Amendment No. 38: Delete language proposed by the Senate to modify the refugee authorizing statute by amending the 1989 appropriations Act to make assistance to Nicaraguans an eligible activity for targeted assistance grants.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

Amendment No. 39: Deletes language proposed by the Senate which would have placed a cap on fiscal year 1990 State administrative costs under the title IV-E foster care program.

The conferees are gravely concerned over the escalating administrative costs associated with the foster care program. Administrative costs increased by 868% from FY 1981 to FY 1987. At the same time, maintenance costs increased by 52% and the number of children served only increased by 9%. Should administrative costs remain unchecked, they will soon exceed the amount provided for maintenance payments. Further, the conferees are concerned that while Federal costs have increased, these increases may not necessarily reflect increased services to children. The conferees are encouraged that the Senate Finance Committee intends to address this problem this year.

DEPARTMENT OF EDUCATION

IMPACT AID

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment insert the following:

IMPACT AID

Section 5(e)(1)(D) of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), shall not apply to any local educational agency that was an agency described in section 5(c)(2)(A)(ii) of the Act in fiscal year 1987 but is an agency described in section 5(c)(2)(A)(iii) of the Act in fiscal year 1989 as a result of families being moved off-base in order to renovate base housing: Provided, That any school district which received a payment under section 5(b)(2) of the Act for fiscal year 1986 but which the Department of Education has determined to be ineligible for section 2 assistance due to a review of the original assessed value of the real property involved at the time of acquisition of the federal property shall be deemed eligible for payments under section 2, for fiscal year 1989 only.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement retains language proposed by the Senate related to certain school districts receiving assistance under section 5(c)(2) of the Impact Aid program. In addition, the conferees have agreed to similar language affecting school districts receiving payments under section 2 related to federal property. Both parts of the agreement are effective for fiscal year 1989 only.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

Amendment No. 41: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment which clarifies that section 517 of Public Law 100-436 does not apply to activities in the Rehabilitation Services and Handicapped Research account during fiscal year 1989.

HIGHER EDUCATION

Amendment No. 42: Appropriates $1,600,000 for Higher Education as proposed by the Senate but modifies the Senate language to provide these funds for such project as the Secretary may deem appropriate which is authorized in law. The Senate bill earmarked these funds for the Urban Education Foundation as authorized under Public Law 98-312. The House bill contained no similar provision.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

(RESCISSION)

Amendment No. 43: Inserts heading as proposed by the Senate.

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which rescinds $5,533,000 of funds previously appropriated for the National Student Loan Data System.

OFFICE FOR CIVIL RIGHTS

Amendment No. 45: Appropriates an additional $790,000 for the Office for Civil Rights as proposed by the Senate.

OFFICE OF THE INSPECTOR GENERAL

Amendment No. 46: Appropriates an additional $440,000 for the Office of the Inspector General as proposed by the Senate.

RELATED AGENCIES

Amendment No. 47: Modifies heading as proposed by the Senate.

RAILROAD RETIREMENT BOARD

Amendment No. 48: Provides $150,000 as proposed by the Senate for the Railroad Retirement Board Inspector General to conduct an audit of the Board's contract for processing Medicare claims.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Amendment No. 49: Appropriates $1,750,000 as proposed by the Senate for the White House Conference on Library and Information Services.

Amendment No. 50: Restores chapter number proposed by the House.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate which provides that the Library of Congress shall provide financial management services to the United States Capitol Preservation Commission.

CHAPTER VIII

DEPARTMENT OF AGRICULTURE

Amendment No. 52: Restores House proposed Chapter number.

COOPERATIVE STATE RESEARCH SERVICE

Amendment No. 53: Deletes Senate language providing that funds available for the support of the Mid-America World Trade Center shall be used for the promotion of nonagricultural products, as well as agricultural products, and for the development of the rural economy through international trade.

AGRICULTURAL RESEARCH SERVICE

The conferees agreed to pass without prejudice House report language regarding planning funds for the Agricultural Research Service Center in Lane, Oklahoma. The conferees agreed this issue will be addressed in connection with the fiscal year 1990 bill.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The conferees agreed to pass without prejudice Senate report language regarding the use of available resources for control and monitoring scrapie. The conferees agreed that this program will be addressed in the fiscal year 1990 bill.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

Amendment No. 54: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that of the funds available for the Agricultural Stabilization and Conservation Service, $275,000 shall be trans-

ferred to the Cooperative State Research Service to be paid to the Kansas Agricultural Research Experiment Station at Kansas State University for the purpose of disseminating information to farmers on methods of alleviating drought problems and exploring improved water conservation techniques.

CONSERVATION RESERVE PROGRAM

Amendment No. 55: Restores House language deleted by the Senate which provided for a $75,000,000 reduction in the funds appropriated for the Conservation Reserve Program. The conference agreement also reduces the amount avvailable under the Conservation Reserve Program for cost share assistance by $15,000,000 as proposed by the Senate instead of $75,000,000 as proposed by the House.

Amendment No. 56: Deletes Senate language since this amendment was incorporated into Amendment No. 55.

EMERGENCY CONSERVATION PROGRAM

Amendment No. 57: Deletes Senate language requiring the Secretary of Agriculture to issue regulations or take such other action as is necessary to provide payments for emergency water conservation or water enhancing measures that benefit confined animals within thirty days of enactment of this Act.

In view of the continuing drought situation in the Midwest, the Department is urged to consdier seriously the addition of a practice advocated in the Senate bill and report.

ADVANCED DEFICIENCY PAYMENTS

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

ADVANCED DEFICIENCY PAYMENTS

Notwithstanding any other provision of law, effective only for the 1988 crops of wheat, feed grains, upland cotton and rice, if the Secretary determines that any portion of the advanced deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refunds shall not be required prior to December 31, 1989, for that portion of the crop for which a disaster payment is made under section 201(a) of the Disaster Assistance Act of 1988: Provided, That for the purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), this provision is a necessary (but secondary) result of a significant policy change.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement makes a technical change to the Senate language. The Disaster Assistance Act of 1988 provided that certain producers may have to refund advanced deficiency payments for that portion of a crop for which a disaster payment is made. The Act stipulates that these refunds shall not be required prior to July 31, 1989. Because of the continuing drought, the conferees recommend that these refunds not be required prior to December 31, 1989. This period of time will allow farmers to harvest their 1989 crop and generate the funds necessary to refund any required advanced deficiency payments on the 1988 crop.

FARMERS HOME ADMINISTRATION

AGRICULTURAL CREDIT INSURANCE FUND

OPERATING LOANS

(INCLUDING TRANSFER OF FUNDS)

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

OPERATING LOANS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for insured operating loans, $70,000,000, to be derived by transfer from emergency disaster loans, to remain available until September 30, 1990: Provided, That the Secretary shall allocate immediately insured farm operating loans to States from the national reserve, from pooling of unobligated funds previously allocated to States, and from this appropriation, in a manner that will provide each State with an opportunity to fund at least the same level of obligations as in fiscal year 1988.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $70,000,000 in additional operating loans instead of $75,000,000 as proposed by the House and stricken by the Senate. The conference agreement also provides that the funds shall be transferred from emergency disaster loans and shall remain available until September 30, 1990. The conference agreement incorporates Senate language directing the Secretary to allocate immediately insured farm operating loans to the States from the national reserve, from pooling of unobligated funds previously allocated to States, and from this appropriation, in a manner that will provide each State with an opportunity to fund at least the same level of obligations as in fiscal year 1988. The conferees wish to stress that such provision shall not prevent the transfer of unneeded funds to other States where there is a need.

Amendment No. 60: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Agricultural Credit Insurance Fund", delete the sum of $14,000,000" and insert in lieu thereof $7,000,000", delete the first sum of $3,000,000" and insert in lieu thereof "$1,500,000", and delete the sum of "$2,000,000" and insert in lieu thereof "$1,000,000".

The managers on the part of the Senate will offer a motion to recede and concur in the amendment of the House to the amendment of the Senate.

The conference agreement reduces the amount available for water development, use, and conservation loans from $11,000,000 in insured loans and $3,000,000 in guaranteed loans to $5,500,000 in insured loans and $1,500,000 in guaranteed loans. The conference agreement also reduces the amount available for Indian tribe land acquisition loans from $2,000,000 to $1,000,000. The Senate amendment proposed to reduce total funding for water development, use, and conservation loans to $7,000,000 and Indian tribe land acquisition loans to $120,000.

RURAL HOUSING INSURANCE FUND

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which amends the language in the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1989 (Public Law 100-460) regarding the obligation of funds for rural rental assistance agreements. Due to previous reductions in financing for farm labor housing—sections 514 and 516—and other factors, the need for rural rental assistance for farm labor housing has diminished. However, the need remains to use these funds under the rural rental housing program. The agreement will not reduce funds available for farm labor housing; rather, it will permit the use of the funds for other low-income households eligible under the section 515 program. This change will ensure full use of funds made available for fiscal year 1989 and will not affect the Federal budget.

RURAL DEVELOPMENT INSURANCE FUND

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

RURAL DEVELOPMENT INSURANCE FUND

For an additional amount for insured water and sewer facility loans, $2,500,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides an additional $2,500,000 in water and sewer facility loans as proposed by the Senate, and also provides that the funds shall remain available until expended.

RURAL WATER AND WASTE DISPOSAL GRANTS

Amendment No. 63: Appropriates an additional $7,500,000, to remain available until expended, for water and wate disposal grants as proposed by the Senate.

SOIL CONSERVATION SERVICE

Amendment No. 64: Inserts a paragraph heading as proposed by the Senate.

CONSERVATION OPERATIONS

Amendment No. 65: Deletes Senate language appropriating an additional $5,000,000 for conservation operations of the Soil Conservation Service since additional funding is provided in connection with Amendment No. 66.

REIMBURSEMENT TO THE SOIL CONSERVATION SERVICE FOR CONSERVATION RESERVE PROGRAM ASSISTANCE

Amendment No. 66: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

REIMBURSEMENT TO THE SOIL CONSERVATION SERVICE FOR CONSERVATION RESERVE PROGRAM ASSISTANCE

The Agricultural Stabilization and Conservation Service shall reimburse the Soil Conservation Service for services provided to carry out the Conservation Reserve Program pursuant to the Food Security Act of

VOL 135 PT 9 JE 14 — 22 1989 UMI

1985 (16 U.S.C. 3831-3845), at a rate of $3.00 per acre bid in the program: Provided, that reimbursement for this service is made retroactive to October 1, 1988.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement amends Senate language to provide for a reimbursement of $3.00 per acre bid rather than $2.50 per acre enrolled. These funds are provided to reimburse the Soil Conservation Service for technical assistance provided by the Service in connection with the Conservation Reserve Program.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Amendment No. 67: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum of "$80,000" named in said amendment, insert: *"$4,000,000"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement reduces the amount available for watershed and flood prevention loans provided in the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1989 (Public Law 100-460) from $7,949,000 to $4,000,000. The Senate amendment proposed to reduce this loan program to $80,000.

RESOURCE CONSERVATION AND DEVELOPMENT

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum of "$56,000" named in said amendment, insert: *"$600,000"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement reduces the amount available for resource conservation and development loans provided in the Rural Development, Agriculture, and Related Agences Appropriations Act, 1989 (Public Law 100-460) from $1,207,000 to $600,000. The Senate amendment proposes to reduce these loans to $56,000.

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

Amendment No. 69: Appropriates an additional $224,624,000 for the food stamp program as proposed by the Senate. The President submitted a supplemental budget request for additional funds for the food stamp program after the supplemental appropriations bill had been considered by the House.

FOOD AND DRUG ADMINISTRATION

Amendment No. 70: Inserts a paragraph heading as proposed by the Senate.

Amendment No. 71: Reported in disagreement.

Amendment No. 72: Appropriates an additional $500,000 for orphan product grants and contracts. The Senate amendment provided $1,000,000 for orphan drug grants and contracts. The House bill contained no similar provision.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION

Amendment No. 73: Restores chapter number as proposed by the House.

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

Amendment No. 74: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers", $6,600,000: Provided, That notwithstanding any other provision of law, after September 30, 1989, no subsidy shall be paid for any service to or from any essential air service point in the contiguous United States for which the per passenger subsidy exceeds $300.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees recognize the importance of the Essential Air Service (EAS) program in providing transportation service to small, isolated communities. The bill therefore includes sufficient funds to continue existing service through the end of the fiscal year. However, the conferees are concerned that excessive per passenger subsidies exist in certain instances. Accordingly, language is included in the bill that would prohibit subsidies from being paid for service to or from any subsidized EAS point in the contiguous forty-eight states after September 30, 1989, that exceeds $300 per passenger based on the most recent fiscal year data available to the Department of Transportation.

The conferees direct the Secretary of Transporation to submit within 60 days of enactment of this Act a report to the House and Senate Committees on Appropriations on the impact of a per passenger subsidy cap. The Secretary shall report on those instances where a per passenger subsidy cap is not the best measure for evaluating the value of the service provided because of other considerations such as the necessity of air freight delivery or the lack of other common carriers such as truck, bus and rail. If a per passenger cap is determined not to be the best evaluative measure, the report should identify alternative measures that the Secretary deems to be more appropriate, and how the affected subsidized points perform against those measures. The conferees expect to consider the Secretary's findings in determining the appropriate funding level for fiscal year 1990.

STATE AND LOCAL ANTI-APARTHEID POLICIES

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that inserts the words "or subsequent".

COAST GUARD

OPERATING EXPENSES

Amendment No. 76: Inserts heading as proposed by the Senate.

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate requiring that sums provided by any party, including sums provided in advance, as reimbursement of operating expenses incurred by the United States Coast Guard in response to the oil spill from the "Exxon Valdez" grounding, shall be credited to the "Operating expenses" appropriation for the United States Coast Guard, and shall remain available until expended.

The conferees direct the Coast Guard to submit a status report on funding and reimbursements relating to the Coast Guard's expenses as of June 1, 1989, updated monthly thereafter until all "Exxon Valdez" reimbursements are collected.

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

From funds made available under this head in Public Law 100-457, up to $5,600,000 shall be made available until expended for development, acquisition, installation, operation, and support, including personnel, or equipment to provide vessel traffic management information in the New York Harbor area: Provided, That the United States Coast Guard shall initiate action within sixty days of the date of enactment of this Act to establish such a system: Provided further, That, within sixty days of the date of enactment of this Act, the Secretary shall initiate a rulemaking to determine which class or classes of vessels operating in the New York Harbor area shall be required to participate in an active vessel traffic management system, and the specific operating procedures and requirements of such a mandatory system.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

Notwithstanding any other provision of law, funds available under this head in both Public Law 100-457 and this Act shall be available for expenses incurred in fiscal year 1989 by the Coast Guard in responding to any oil spill.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees direct the Coast Guard to immediately notify the House and Senate Committees on Appropriations of the expenditure of funds pursuant to this authority.

FEDERAL AVIATION ADMINISTRATION

INSTALLATION AND USE OF EXPLOSIVE DETECTION EQUIPMENT

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that requires the Federal Aviation Administrator to initiate rulemaking action regarding the deployment of explosive detection systems at such airports, both domestic and foreign, as the Administrator determines necessary. The Senate amendment also requires the Federal Aviation Administration to renegotiate certain Logan County Airport grant agreements.

The conferees concur in the House report language earmarking $360,000 for the Mid-American Aviation Resource Consortium.

FEDERAL HIGHWAY ADMINISTRATION

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that reiterates the legislative history of the

provision in the fiscal year 1987 supplemental appropriations Act regarding the Dubuque City Island Bridge.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

Amendment No. 82: Restores Chapter number as proposed by the House.

Amendment No. 83: Deletes a provision proposed by the House which would have transferred $2,063,000 from Salaries and expenses to International Affairs and inserts a provision proposed by the Senate which transfers $1,623,000 from Salaries and expenses to International Affairs.

FINANCIAL MANAGEMENT SERVICE

Amendment No. 84: Deletes a provision proposed by the House which would have authorized the transfer of $5,500,000 to the Financial Management Service.

The Conferees have denied the Administration request to transfer $5,500,000 from other Treasury bureau accounts to cover the increased costs of postage for the Financial Management Service. In denying this request, the Conferees direct the Department of Treasury to exercise its existing general transfer authority to cover the increased costs due to postage. The Conferees have agreed to a provision in the bill increasing the Department's authority to transfer funds between accounts from one percent to two percent. In so doing, the Conferees expect the Department to comply with the transfer guidelines included in the Fiscal Year 1989 appropriations Act.

The Conferees note that the costs for postage may exceed the additional $5,500,000 requested and directs the Department to provide the Committees on Appropriations of the House and Senate with a report on specifically how it expects to fund these additional costs in Fiscal Year 1989.

INTERNAL REVENUE SERVICE

Amendment No. 85: Deletes provisions proposed by the House which would have authorized the transfer of $73,983,000 between appropriation accounts of the Internal Revenue Service. The conferees have been informed that the Service can accomplish its mission within the transfer authority available.

CHAPTER XI

Amendment No. 86: Restores Chapter number as proposed by the House.

DEPARTMENT OF VETERANS' AFFAIRS

Amendment No. 87: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: *: Provided, That of the sums appropriated under this heading in fiscal year 1989, personnel compensation and benefits payments for the two-week pay period ending September 23, 1989, shall be made by no later than September 29, 1989, and pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary) result of a significant policy change*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides that the salary payments for the last pay period in fiscal year 1989 be made by no later than September 29, 1989. The Administration currently has the authority to make such payments by September 29. This action is similar to the action proposed for the last pay period for employees of the Department of Defense.

The conferees have deleted the language earmarking not less than $6,800,000,000 of total 1989 medical care funding for personnel compensation and benefits object classifications because of the difficulty of hiring qualified medical personnel in some geographic areas and the short time in which the additional funds will be available in fiscal year 1989. However, the Veterans Health Service and Research Administration is directed to proceed as quickly as possible to increase the average employment to an annual rate of 194,720. This is the staffing level assumed in the 1989 Appropriations Act and anticipated for 1990. The VA estimates that approximately $6,750,000,000 of 1989 medical care funds will be obligated for personnel compensation and benefits object classifications. The conferees wish to make clear that the VA is not to hire temporary administrative and engineering support personnel simply to increase the 1989 staffing level. The VA is expected to hire permanent employees so as to be able to enter fiscal year 1990 at the 194,720 level. If the VA, despite all best efforts, should not be able to utilize these funds to reach this staffing level, the conferees direct that any remaining portion projected to be available during the closing days of the fiscal year be obligated by the VA for acquisition of urgently needed medical equipment and prostheses.

Amendment No. 88: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

(TRANSFER OF FUNDS)

For an additional amount for the purchase of prosthetic appliances for "Medical care", $5,000,000, to be derived by transfer from "Construction, major projects".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that the amount available in the construction, major projects appropriation for facility development plans be reduced $10,000,000, and $5,000,000 of that amount be transferred to the medical care appropriation for the purchase of prosthetic appliances. The balance of the reduction, $5,000,000, is to be placed in the working reserve. This action will provide funds, as required, for major construction projects.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 89: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate exempting recaptured section 8 moderate rehabilitation funds in the annual contributions for assisted housing appropriation in excess of $47,000,000 from being rescinded.

Amendment No. 90: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

For an additional amount for "Payments for operation of low-income housing projects", $88,000,000, to remain available until September 30, 1990: Provided, That such amount shall be derived by transfer from "Annual contributions for assisted housing", and the amount specified for the section 8 moderate rehabilitation program in the first proviso under that head in the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1989 (Public Law 100-404, 102 Stat. 1014) shall be reduced by such amount: Provided further, That from the foregoing amount, $8,200,000 shall be made available, notwithstanding section 9(d) of the United States Housing Act of 1937, for grants for use in eliminating drug-related crime in public housing projects, consistent with the criteria set forth in section 5125(b), and reflected in other requirements of the Public Housing Drug Elimination Act of 1988 (Public Law 100-690, 102 Stat. 4301).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 91: Deletes language proposed by the Senate transferring $8,200,000 since this language is incorporated in amendment numbered 90.

INDEPENDENT AGENCIES

COURT OF VETERANS APPEALS

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided, That, notwithstanding section 4081 of title 38, United States Code, during fiscal year 1989 (1) the United States Court of Veterans Appeals may (A) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint not to exceed 35 employees (and employees to replace any employees so appointed whose employment by the Court is terminated) who shall be eligible for noncompetitive conversion to a position in the competitive service if (i) application therefor is made to the Office of Personnel Management by December 31, 1990, and (ii) the Director of the Office of Personnel Management determines that such noncompetitive conversion is in the interest of the Government, and (B) procure the services of experts and consultants under section 3109 of such title, (2) in the making of appointments pursuant to clause (1), preference among equally-qualified persons shall be given to persons who are preference eligibles (as defined in section 2108(3) of such title), and (3) the authorities provided in clause (1) may be exercised by the Chief Judge of the Court whenever there are not at least two Associate Judges on the Court*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", up to $5,000,000, which shall be derived by transfer from "Abatement, control, and compliance": Provided, That of the sums appropriated under this hearing in fiscal year 1989, personnel compensation and benefits payments for the two-week pay period ending September 23, 1989, shall be made by no later than September 29, 1989,

and pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary) result of a significant policy change.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are in agreement that the reductions in abatement, control, and compliance be taken from contracting and consulting services other than from activities augmented by the Congress.

The conference agreement also provides that the salary payments for the last pay period in fiscal year 1989 be made by no later than September 29, 1989. The Administration currently has the authority to make such payments by September 29. This action is similar to the action proposed for the last pay period for employees of the Department of Defense.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 94: Restores language proposed by the House and stricken by the Senate appropriating $15,000,000 by transfer from the urban development action grants program for the emergency food and shelter program, amended to appropriate $12,000,000.

The conferees agree with the Senate report language directing FEMA to make available $250,000 from within the funds previously appropriated in fiscal year 1989 for the emergency management planning and assistance appropriation for the State and local direction, control, and warning program element for a matching grant to Kanawha County, WV for purchase and installation of a comprehensive early warning signal system.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Amendment No. 95: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFERS OF FUNDS)

For an additional amount for "Research and program management", up to $35,000,000, to be derived by transfer from "Research and development" and "Space flight, control and data communications": Provided, That of the sums appropriated under this heading in fiscal year 1989, personnel compensation and benefits payments for the two-week pay period ending September 23, 1989, shall be made by no later than September 29, 1989, and pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary) result of a significant policy change.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The conferees expect NASA to follow traditional reprogramming procedures prior to the initiation of any proposed use of this transfer authority.

The conference agreement also provides that the salary payments for the last pay period in fiscal year 1989 be made by no later than September 29, 1989. The Administration currently has the authority to make such payments by September 29. This action is similar to the action proposed for the last pay period for employees of the Department of Defense.

NATIONAL SCIENCE FOUNDATION

Amendment No. 96: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language appropriating $75,000,000 for research and related activities.

These funds will provide for replacement of the 300-foot National Radio Astronomy Telescope at the Green Bank Astronomy Observatory in Green Bank, WV.

CHAPTER XII—DISTRICT OF COLUMBIA

Amendment No. 97: Inserts new chapter and heading for fiscal year 1989 supplemental appropriations for the District of Columbia government as proposed by the Senate and changes the chapter number to conform with the numbering sequence in the bill. The District's supplemental request is included in House Doc. No. 101-61 and was submitted too late to be included in the House version of the bill.

The District's fiscal year 1989 supplemental request consists of $1,000,000 in Federal funds to be derived by transfer and $144,396,000 in local District revenues consisting of $28,426,000 in operating expenses and $115,972,000 in capital outlay. The amount recommended by the conferees totals $1,000,000 in Federal funds derived by transfer as proposed by the Senate and $159,096,000 in District funds. The District funds total reflects increases of $15,700,000 above the request and includes $1,000,000 to allow for the payment of additional inaugural expenses from the District treasury which was inadvertently omitted in the District's request and $14,700,000 in additional capital borrowing authority for the new Correctional Treatment Facility to be constructed in the District of Columbia. These matters are discussed under subsequent amendments in this chapter.

Amendment No. 98: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

INAUGURAL EXPENSES PAYMENT

(TRANSFER OF FUNDS)

For an additional amount for "Inaugural expenses payment", $1,000,000, to be derived from Expenses, Presidential Transition, General Services Administration.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action appropriates $1,000,000 derived by transfer from Expenses, Presidential Transition, General Services Administration, to reimburse the District of Columbia for expenses incurred in connection with the January 1989 Presidential Inaugural as proposed by the Senate.

The conferees note that the additional costs incurred by the District government totaled $1,029,574 but the estimate submitted by the Administration totaled only $1,000,000.

DISTRICT OF COLUMBIA FUNDS

DIVISION OF EXPENSES

Amendment No. 99: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for "Governmental direction and support", $26,000: Provided, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 to 2269-2), $7,216,000 are rescinded for a net decrease of $7,190,000.

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for "Economic development and regulation", $1,990,000: Provided, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-2), $19,016,000 are rescinded for a net decrease of $17,026,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Governmental Direction and Support.—The conference action appropriates an additional $26,000 and rescinds $7,216,000 for a net decrease of $7,190,000 as proposed by the Senate.

Economic Development and Regulation.—The conference action appropriates an additional $1,990,000 and rescinds $19,016,000 for a net decrease of $17,026,000 as proposed by the Senate.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

Amendment No. 100: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $29,360,000, of which $5,064,000, to remain available until expended, shall be solely for overtime expenses of the Metropolitan Police Department and $800,000, to remain available until expended, shall be solely for overtime expenses of the Superior Court: Provided, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-2 to 2269-4), $1,210,000 are rescinded for a net increase of $28,150,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Public Safety and Justice.—The conference action appropriates $29,360,000 of which $5,064,000 is solely for police overtime and $800,000 is solely for overtime in the Superior Court, both amounts to remain available until expended, and rescinds $1,210,000 for a net increase of $28,150,000. The conference agreement increases the amount available for police overtime from $5,000,000 as proposed by the Senate to $5,064,000 which is the exact amount of the fourth quarter payment to the Federal

Bureau of Prisons that is forgiven under amendment number 103.

Superior Court.—The conference agreement provides $995,000 for the Superior Court of the District of Columbia as proposed by the Senate. The conferees agree that $800,000 of these funds shall be available until expended for overtime for court personnel involved in processing criminal cases.

Metropolitan Police Department.—The conference agreement provides that $5,064,000 be transferred to the Metropolitan Police Department for overtime expenses as part of the District's efforts to stem drug and homicide crimes in the Nation's Capital. The increase of $64,000 over the Senate proposal reflects the exact amount of the fourth quarter payment to the United States for District inmates housed in Federal Bureau of Prisons facilities that is forgiven under amendment number 103.

Department of Corrections.—The conference agreement transfers to the Metropolitan Police Department for police overtime the $5,064,000 fourth quarter payment to the United States that is forgiven under amendment number 103. The Senate proposal transferred $5,000,000.

PUBLIC EDUCATION SYSTEM

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $4,529,000, which shall be allocated as follows: $3,758,000 for the public schools of the District of Columbia and $771,000 for the District of Columbia School of Law: Provided, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $2,000,000 for the University of the District of Columbia, $6,000 for the Educational Institution Licensure Commission, $389,000 for the Public Library, and $185,000 for the Commission on the Arts and Humanities are rescinded for a net increase of $1,949,000.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $45,858,000: Provided, That $3,611,000 of this appropriation, to remain available until expended, shall be available solely for the District of Columbia's employees' disability compensation: Provided further, That of the funds provided for the Office of Emergency Shelter and Support Service, $750,000 shall be used to provide food for the homeless and may not be used for any other purpose: Provided further, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $9,945,000 are rescinded for a net increase of $35,913,000.

PUBLIC WORKS

(INCLUDING RESCISSION)

For an additional amount for "Public works", $5,436,000: Provided, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $10,655,000, including $300,000 from the school transit subsidy are rescinded for a net decrease of $5,219,000.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center fund", $543,000.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-5), $5,834,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $13,950,000: Provided, That in addition, all net revenue that the District of Columbia government may collect as a result of the District of Columbia government's pending appeal in the consolidated case of U.S. Sprint communications et al. v. District of Columbia, et al., CA 10080-87 (court order filed on November 14, 1988), shall be applied solely to the repayment of the general fund accumulated deficit.

SHORT-TERM BORROWINGS

For an additional amount for "Short-term borrowings", $4,592,000.

PERSONAL SERVICES ADJUSTMENTS

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), $18,553,000 as determined by the Mayor, are rescinded: Provided, That the Mayor shall reduce appropriations and expenditures for personal services within object classes 11, 12, 13 and 14: Provided further, That during the fiscal year ending September 30, 1989, the Mayor shall reduce the number of authorized, full-time, funded positions above DS-10 by 318.

INAUGURAL EXPENSES

For an additional reimbursement for necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973 (87 Stat. 824; D.C. Code, sec. 1-1803), $1,000,000, which shall be apportioned by the Mayor within the various appropriation headings in this Act.

ENERGY ADJUSTMENT

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), an additional $349,000 as determined by the Mayor are rescinded from object class 30(a) energy.

EQUIPMENT ADJUSTMENT

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), $3,500,000 as determined by the Mayor are rescinded from object class 70 (equipment).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Public Education System.—The conference action appropriates $4,529,000 of which $3,758,000 is for the public school system and $771,000 is for the District of Columbia School of Law and rescinds $2,580,000 from funds previously appropriated for the University of the District of Columbia ($2,000,000), the Educational Institution Licensure Commission ($6,000), the Public Library ($389,000), and the Commission on the Arts and Humanities ($185,000) for a net increase of $1,949,000 under this heading as proposed by the Senate.

Human Support Services.—The conference action appropriates an additional $45,858,000 of which $750,000 is solely for food for the homeless and rescinds $9,945,000 for a net increase of $35,913,000 under this heading as proposed by the Senate.

Public Works.—The conference action appropriates an additional $5,436,000 and rescinds $10,655,000 for a net decrease of $5,219,000 in this appropriation account as proposed by the Senate.

Washington Convention Center Fund.—The conference action appropriates an additional $543,000 as proposed by the Senate to finance building repairs and maintenance projects at the Washington Convention Center.

Repayment of Loans and Interest.—The conference action rescinds $5,834,000 as proposed by the Senate.

Repayment of General Fund Deficit.—The conference action appropriates an additional $13,950,000 and requires that all net revenues which may be collected by the District government in a pending court case shall be applied to the repayment of the general fund accumulated deficit as proposed by the Senate.

Short-Term Borrowings.—The conference action appropriates an additional $4,592,000 as proposed by the Senate.

Personal Services Adjustments.—The conference action rescinds $18,553,000 as proposed by the Senate.

Inaugural Expenses.—The conference action inserts a new heading and paragraph under District of Columbia funds appropriating the additional $1,000,000 payment provided from Federal funds under amendment number 98 to cover expenses incurred in connection with the January 1989 Presidential inaugural activities. The conferees note that the additional costs incurred by the District government totaled $1,029,574 but the estimate submitted by the Administration totaled only $1,000,000.

Energy Adjustment.—The conference action rescinds an additional $349,000 as proposed by the Senate.

Equipment Adjustment.—The conference action rescinds $3,500,000 as proposed by the Senate.

CAPITAL OUTLAY

Amendment No. 102: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

CAPITAL OUTLAY

(INCLUDING RESCISSION)

For an additional amount for "Capital outlay", $146,642,000, to remain available until expended: Provided, That of the amounts appropriated under this heading in prior fiscal years, $15,970,000 are rescinded for a net increase of $130,672,000: Provided further, That $14,700,000 shall be avail-

VOL 135 PT 9 JE 14 — 22 1989 UMI

able solely for the Correctional Treatment Facility of which $8,700,000 shall be for delay claims owed to the contractor for construction delays and $6,000,000 shall be for fixtures and equipment connected to the floors, walls, and ceilings of the Facility by means of structural, mechanical, or electrical requirements: Provided further, That $4,185,000 shall be available for project management and $9,425,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: Provided further, That $25,000,000 shall be available to the Department of Corrections for a feasibility study, site acquisition, and design and construction of a jail that is generally bounded by G Street, N.W. on the north, 6th Street, N.W. on the west, Pennsylvania Avenue, N.W. on the south and 1st Street, N.W. on the east: Provided further, That the feasibility study shall include a companion analysis of a revised mission for the present jail to prevent duplication: Provided further, That the executive branch is prohibited from disposing of any property in the Judiciary Square area that is under the jurisdiction of the Mayor until a site has been chosen.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action appropriates an additional $146,642,000 and rescinds $15,970,000 for a net increase of $130,672,000 instead of an additional $131,942,000 and rescissions of $15,970,000 for a net increase of $115,972,000 as proposed by the Senate. The conference action provides an increase of $14,700,000 in capital borrowing authority above the Senate proposal for the new 800-bed Correctional Treatment Facility to be constructed in Southeast Washington. The increase includes $8,700,000 to cover delay costs resulting from various court actions and restudies and $6,000,000 for kitchen, medical, maintenance and recreational fixtures and equipment connected to the floors, walls, and ceilings of the facility by means of structural, mechanical, or electrical requirements. The conferees are aware of the potential for increased costs to complete the construction of this facility and are committed to ensuring that it is constructed without delay.

REPROGRAMMING AND REDUCTIONS

Amendment No. 103: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

WATER AND SEWER ENTERPRISE FUND

Of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-7), $100,000 shall be available to compensate individuals as provided in the Water Main Break Fund Emergency Act of 1988, effective December 21, 1988 (D.C. Act 7-269; to be codified at D.C. Code, sec. 47-375, note).

ADMINISTRATIVE PROVISIONS

The United States hereby forgives $5,064,000 of the fourth quarter indebtedness incurred by the District of Columbia government to the United States pursuant to the Act of March 3, 1915, D.C. Code, sec. 24-424, as amended, this amount being equal to the increased cost of housing District of Columbia convicts in Federal penitentiaries during the fiscal year ending September 30, 1989: Provided, That for the fiscal year ending September 30, 1990, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

Notwithstanding any other provision of law, including, but not limited to the District of Columbia Historic Landmark and Historic District Protection Act of 1978, D.C. Law 2-144, as amended, 25 DCR 6939 (1979), the District of Columbia Government is directed to begin construction of a correctional facility to be located in the District of Columbia, as described in Public Law 99-591, within thirty days of enactment of this Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Reprogramming and Reductions.—The conference action deletes the paragraph entitled Reprogramming and Reductions proposed by the Senate. The conferees believe this paragraph is a duplication of the District's existing internal reprogramming requirements and the reprogramming guidelines in section 122 of the District's fiscal year 1989 appropriations Act.

Water and Sewer Enterprise Fund.—The conference action provides that not to exceed $100,000 of funds previously appropriated shall be available to compensate individuals as provided by the Water Main Break Fund Emergency Act of 1988 as proposed by the Senate.

Administrative Provisions.—The conference action includes language forgiving the District's fourth quarter indebtedness to the Federal government of $5,064,000 reflecting the increased costs associated with housing District of Columbia inmates in Federal penal institutions as proposed by the Senate. The conferees agree that this should not be viewed as an abrogation of responsibility by the District nor as a reason to stop taking D.C. prisoners but rather as a short-term response to a very serious crime problem in the District. The conference action also includes language requiring the District government to pay interest on their quarterly payments to the United States that are made more than 60 days after receipt of the itemized statement from the Federal Bureau of Prisons showing the amounts due for the preceding quarter.

The conference action, in the second paragraph of the Administrative Provisions, directs the District government to begin construction in the District of an 800-bed correctional facility which was previously approved and funded. The language requires that construction begin within 30 days of enactment of this Act notwithstanding any other provision of law including but not limited to the District of Columbia Historic Landmark and Historic District Protection Act of 1978, as amended. Funds for this facility were first appropriated in December 1985 and construction has yet to begin.

TITLE II—URGENT SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

Amendment No. 104: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed in said amendment insert the following:

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $28,400,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate had proposed a transfer of $19,200,000 from the Economic Development Administration's Economic Development Revolving Fund to the National Oceanic and Atmospheric Administration for the following items: $13,200,000 to meet contractual payments for the geostationary satellite program; $2,129,000 to meet certain requirements under the Marine Mammal Protection Act Amendments of 1988, and $3,871,000 to meet part of the FY 1989 funding shortfall of the National Weather Service. The House bill contained no provision on this matter.

The conference agreement provides a total of $28,400,000 in new budget authority for the National Oceanic and Atmospheric Administration. Of this amount, $19,200,000 is for the items which the Senate had proposed to fund by transfer and $9,200,000 in new budget authority is for the remaining FY 1989 funding shortfall of the National Weather Service.

DEPARTMENT OF JUSTICE

Amendment No. 105: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a heading.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Amendment No. 106: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed in said amendment insert the following:

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $1,800,000.

ASSETS FORFEITURE FUND

(RESCISSION)

Of the $75,000,000 in expenses authorized by 28 U.S.C. 524 and appropriated from receipts of the Assets Forfeiture Fund in 1989 (Public Law 100-459), $2,232,000 are rescinded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment would have provided $1,000,000 for the Office of Redress Administration to handle the processing of claims by Japanese Americans interned during World War II, to be derived by transfer from Federal Prison System, salaries and expenses. The House bill contained no similar provision.

The conference agreement provides $1,800,000 in new budget authority for the

Office, and assumes that the remaining $300,000 in estimated costs for FY 1989 shall be provided from within funds previously appropriated for General Legal Activities. The conferees understand that $2,100,000 is required to fully fund the current efforts of the Department to process these claims, however, sources to fully offset these additional costs could not be found.

The conference agreement also rescinds amounts from the Assets Forfeiture Fund and the Office of Justice Programs, which are no longer required for the purposes for which they were originally appropriated, in order to offset outlays associated with the above new budget authority.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

Amendment No. 107: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed in said amendment insert the following:

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

(INCLUDING RESCISSION)

From the amounts made available to the National Institute of Justice in Public Law 100-459, there shall be available $200,000 for a grant to the University of South Carolina for the purpose of studying the causes and effects of the increasingly disproportionate use of illegal drugs in the black community: Provided, That of deobligated funds previously awarded from appropriations for "Justice assistance", $2,053,000 are rescinded, notwithstanding any other provision of law.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment added language making $200,000 of existing appropriations to the National Institute of Justice available for a grant to study the causes and effects of the disproportionate use of illegal drugs in the black community. The House bill contained no similar provision.

The conference agreement includes the Senate language, amended to add a rescission of funds previously appropriated to the Office of Justice Programs. This rescission will partially offset new budget authority added in amendment Number 106. The amounts rescinded were identified by the Department as no longer required for the reasons originally appropriated. The programs affected are: Juvenile Justice and Delinquency Prevention Programs, $1,673,000; state and local law enforcement grants, $200,000; and the Bureau of Justice Statistics, $180,000.

The conferees agree that the $200,000 grant for the study of the impact of drugs on black communities shall be awarded immediately following the receipt by the National Institute of Justice of a grant proposal from the University of South Carolina.

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

Amendment No. 108: Deletes language proposed by the Senate which would have directed the FBI Director to pay a cost-of-living allowance to Newark division employees. The House bill contained no similar provision.

The conferees agreed to delete the Senate amendment because it is a piecemeal approach to resolving a nationwide problem involving compensation of Federal employees residing in high cost areas. The conferees agree that decisions to increase pay in such areas should be deferred until results are in on the various studies being made on this issue.

INTERNATIONAL PEACEKEEPING ACTIVITIES AND OPERATIONS

Amendment No. 109: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

DEPARTMENT OF STATE

GENERAL PROVISION

(TRANSFER OF FUNDS)

SEC. 1. In order to meet urgent requests that may arise during fiscal year 1989 for contributions and other assistance for new international peacekeeping activities, and to reimburse funds originally appropriated for prior international peacekeeping activities, which have been reprogrammed for new international peacekeeping activities, the President may transfer during fiscal year 1989 such of the funds described in section 2(a) as the President deems necessary, but not to exceed $125,000,000 to the "CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES" account or the "PEACEKEEPING OPERATIONS" account administered by the Department of State, notwithstanding section 15(a) of the Department of State Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law.

SEC. 2. (a) IN GENERAL.—The funds that may be transferred under the authority of this heading for use in accordance with section 1 are—

(1) any funds available to the Department of Defense during fiscal year 1989, other than funds appropriated by the Department of Defense Appropriations Act, 1989 (Public Law 100-463); and

(2) any funds appropriated by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461) for the "MILITARY ASSISTANCE" account, for the "INTERNATIONAL MILITARY EDUCATION AND TRAINING" account, or for grants under the "FOREIGN MILITARY FINANCING PROGRAM" account.

(b) RELATIONSHIP TO CERTAIN OTHER PROVISIONS.—Funds described in subsection (a)(2) may be transferred and used for contributions or other assistance for new international peacekeeping activities in accordance with section 1 of this provision notwithstanding section 514 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (as amended by section 589 of that Act), relating to transfers between accounts.

SEC. 3. (a) REVIEW OF PROPOSED TRANSFERS.—Any transfer of funds pursuant to section 1 shall be subject to the regular reprogramming procedures of the following committees:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Armed Services of each House of Congress if funds described in paragraph (1) of section 2(a) are to be transferred.

(3) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate if funds described in paragraph (2) of section 2(a) are to be transferred.

(b) REVIEW OF PROPOSED OBLIGATIONS.—The regular reprogramming procedures of the following committees shall apply with respect to the obligations of any funds transferred pursuant to section 1:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

SEC. 4. (a) Of the amount that may be transferred pursuant to section 1, $38,950,000 shall be made available upon enactment for contributions with respect to implementation of the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations on December 22, 1988 (hereafter known as the Tripartite Agreement) only if the President determines and certifies to the appropriate Congressional committees that (1) the armed forces of the South West Africa People's Organization (SWAPO) have left Namibia and returned north of the 16th parallel in Angola in compliance with the agreements, (2) the United States has received explicit and reliable assurances from each of the parties to the Bilateral Agreement that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date, and (3) the Secretary General of the United Nations has assured the United States that it is his understanding that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date.

(b) An additional $38,950,000 of such amount shall be made available after August 15, 1989, for implementation of the Tripartite Agreement only if the President has determined and certified to the appropriate Congressional committees that (1) each of the signatories to the Tripartite Agreement is in compliance with its obligations under the Agreement, (2) the Government of Cuba has complied with its obligations under Article 1 of the Bilateral Agreement (relating to the calendar for redeployment and withdrawal of Cuban troops), specifically with respect to its obligations as of August 1, 1989, (3) the Cubans have not engaged in any offensive military actions against UNITA, including the use of chemical warfare, (4) the United Nations and its affiliated agencies have terminated all funding and other support, in conformity with the United Nations impartiality package, to the South West Africa People's Organization (SWAPO), and (5) the United Nations Angola Verification Mission is demonstrating diligence, impartiality, and professionalism in verifying the departure of Cuban troops and the recording of any troop rotations.

(c) Funding of these activities by the United States may not be construed as constituting recognition of any government in Angola.

(d) The term "Bilateral Agreement" means the Agreement Between the Governments of the People's Republic of Angola and the Republic of Cuba for the Termination of the International Mission of the Cuban Military Contingent, signed at the United Nations on December 22, 1988, and the term "Tripartite Agreement" means the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations of December 22, 1988.

(e) The term "appropriate Congressional committee" means the Committees on Ap-

VOL 135 PT 9 JE 14 — 22 1989 UMI

propriations, Foreign Affairs, and Permanent Select Committee on Intelligence of the House of Representatives, and the Committee on Appropriations, Foreign Relations, and the Select Committee on Intelligence of the Senate.

SEC. 5. The Secretary of the Treasury shall instruct the United States Executive Directors to the International Monetary Fund and the International Bank for Reconstruction and Development to vote in opposition to the entry of the Government of Angola into these financial institutions or to approve any loans to Angola unless the President certifies to the appropriate Congressional committees that progress is being made toward national reconciliation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement for Peacekeeping Activities and Operations includes new bill lauguage that replaces language proposed by the House, in amendment number 20.

The conferees agree that the funds for Peacekeeping are to be transferred into the accounts and from the sources of funds proposed by the House.

Language proposed by the Senate concerning Peacekeeping operations in Namibia has been modified. Funding for Peacekeeping operations in Namibia may be provided upon enactment of the bill, and after August 15, 1989, in equal tranches of $38,950,000, based on Presidential certification and assurances.

The conferees also modified language relating to SWAPO combatants to indicate that the provision referred to the armed forces of the South West Africa People's Organization. While a large majority of the individual SWAPO combatants who infiltrated into Namibia have apparently now moved north of the 16th parallel in Angola, the conferees recognize that some individual SWAPO combatants may still remain south of that line. Precise estimates are not possible, given the vast size of the territory and the possibility that individuals may now be sheltered by families or relatives in Namibia. The modified language is intended to account for the possibility that a small number of individual SWAPO combatants may remain south of the 16th parallel when the President certifies that the parties are in compliance with the Tripartite Agreement. The conferees emphasize their intent is only to take account of the fact that the President may not be able to certify that every single SWAPO combatant has withdrawn, and not to create a loophole that would allow any organized SWAPO combatant units to remain in Namibia south of the 16th Parallel.

The conference agreement modifies Senate language concerning instructions related to the United States Executive Directors to the International Monetary Fund and the International Bank for Reconstruction and Development. The revised language indicates that the Secretary of the Treasury is to instruct the Executive Directors to these institutions to vote in opposition to the entry of the Government of Angola into these institutions and to vote not to approve any loans to Angola unless the President certifies to the appropriate Congressional committees that progress is being made toward national reconciliation.

Finally, the conference agreement deletes Sense of the Senate language relating to Angola. The conferees note that the Senate has already expressed its view.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

FEDERAL SHIP FINANCING FUND

Amendment No. 110: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which waives certain provisions of the Jones Act for the following vessels: The Liberty, Nancy Ann, Nor'Wester and Navatek I. The House bill contained no similar provision.

LEGAL SERVICES CORPORATION

ADMINISTRATIVE PROVISION

Amendment No. 111: Reported in disagreement.

UNITED STATES INFORMATION AGENCY

ADMINISTRATIVE PROVISION

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds an administrative provision to facilitate the testing of television broadcasting to Cuba, as funded in the FY 1989 Appropriations Act. This language is required to enable the Agency to lease, maintain and operate an airplane for a portion of the test. The House bill contained no similar provision.

THE JUDICIARY

ADMINISTRATIVE PROVISION

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

SEC. 104. Section 631(b)(1) of title 28, United States Code, is amended by striking out all after "Puerto Rico, or the Virgin Islands of the United States," through "the bar of the district court of the Virgin Islands;" at the end of subparagraph (B), and by striking out the words "the first sentence of" that appear in the same paragraph.

SEC. 105. None of the funds provided in this or any prior Act shall be available for obligation or expenditure to relocate, reorganize or consolidate any office, agency, function, facility, station, activity, or other entity falling under the jurisdiction of the Department of Justice and the Small Business Administration.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment added language amending 28 U.S.C. 631 to give Federal District Courts the authority to fill a vacant magistrate position with an experienced magistrate who is not a member of the bar of the State or jurisdiction in which the vacancy occurs. Current law limits the hiring of magistrates to individuals who are members of the bar of the affected State. The House bill contained no similar provision.

The conference agreement provides substitute language which further expands the pool of qualified magistrate applicants. Under the conference agreement, an applicant for a magistrate vacancy would still have to be a member of the bar, but not necessarily a member of the bar of the particular state or jurisdiction in which the vacancy occurs. This will bring the qualifications for magistrates more in line with those applicable to bankruptcy judges.

The conference agreement also adds a new general provision (Sec. 105) which prohibits the Department of Justice and the Small Business Administration (SBA) from relocating, reorganizing or consolidating offices under their jurisdiction. The conferees have been forced to take this drastic step because of actions taken by the Department and SBA which are contrary to the intent of the House and Senate Appropriations Committees. Section 606 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989, includes language prohibiting the reorganization of offices unless the Committees on Appropriations are notified 15 days in advance of such an action. The notification requirement was placed into this provision as an alternative to a flat-out prohibition, but only with the understanding that any proposals are subject to the approval of the Appropriations Committees. The presence of the notification requirement (and the tacit agreement requiring approval of the Committees) provides the Departments and Agencies the flexibility they need to manage their resources. In the past, all Departments and Agencies under the jurisdiction of the Subcommittee on the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies have in good faith and in the spirit of comity, complied with the unwritten agreement that they will not go forward with reorganizations if the Appropriations Committees disapprove their proposals. In the past several months, the Justice Department and the SBA have proposed reorganizations which have not been approved by the Committees. The conferees have learned that both the Justice Department and SBA plan to go ahead with their proposals contrary to the wishes of the Committees. The conferees agree that the only alternative left in this situation is to prohibit all reorganizations for the remainder of fiscal year 1989. The conferees agree, absent assurances by the Department of Justice and SBA that they will comply in the future, that this reorganization prohibition should be continued into fiscal year 1990.

CHAPTER II

DEPARTMENT OF DEFENSE—MILITARY

ADMINISTRATIVE PROVISIONS

Amendment No. 114: Section 201—Inserts subsection designation as proposed by the Senate.

Amendment No. 115: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which directs that the increase provided for Morale, Welfare and Recreation activities be used to cover only the cost of transporting exchange merchandise overseas and the adverse change in foreign currency exchange rates.

Amendment No. 116: Deletes language proposed by the House which would have prohibited the use of Department of Defense funds for research, development, test, evaluation, production, deployment, or operation of the Mid-infrared Advanced Chemical Laser/SEALITE Beam Director during fiscal year 1989 unless regular reprogramming procedures were followed.

Amendment No. 117: Section 204—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds the High Mobility Multipurpose Wheeled Vehicle (HMMWV) to the listed systems eligible for multiyear procurement contracts in fiscal year 1989.

Amendment No. 118: Section 205—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires the Army to procure $50,000,000 of Extended Cold Weather Clothing Systems (ECWCS) during fiscal year 1989 from previously appropriated funds.

Amendment No. 119: Section 206—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 206. The Secretary of Defense may, in conjunction with the Office of Personnel Management, conduct a test program to adjust pay rates to reflect local prevailing rates of pay for civilian employees in the following health care occupations: nurse, physician assistant, medical records librarian, medical laboratory technician, and radiology technician.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate included a provision allowing the Department of Defense (DOD) to implement a test program to adjust pay rates to reflect local prevailing rates of pay for civilian employees in five health care specialities. The conferees have amended the Senate's provision to ensure that the test program is performed in conjunction with the Office of Personnel Management (OPM). The test program must be conducted under existing law.

The conferees are extremely concerned about the competitiveness of DOD when competing for health care specialists. The conferees expect OPM and DOD to work together for an expeditious implementation of this test program. The Department should keep the conferees informed on the progress of this test program.

Amendment No. 120: Sections 207 and 208—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 207. Section 8037 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-23), is amended by striking out "39 individuals" and inserting in lieu thereof "42 individuals".

SEC. 208. Within funds available to the Department of Defense, the Secretary of Defense shall transfer or otherwise make available funds as necessary to accommodate repair of real property, aircraft, and other Department of Defense assets damaged during the storm at Fort Hood, Texas, on May 13, 1989: Provided, That funds made available pursuant to this section shall be in accordance with established authorities and procedures.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate proposed bill language to raise the ceiling on Executive Schedule positions in the Department of Defense from 39 to 45. The House contained no similar proposal. The conferees understand that the position of the Comptroller of the Department of Defense (DOD) is an Executive Schedule Level IV position under 5 U.S.C. 5317. Additionally, the positions of Assistant Secretary of Defense of Intelligence and Assistant Secretary of the Air Force for Financial Management were authorized as additional Assistant Secretary positions (Public Law 100-456). Since Assistant Secretary positions are normally Executive Schedule Level IV, the conferees recognize only these positions and the Comptroller of DOD as additional legitimate Executive Schedule positions and agree to raise the ceiling to 42.

On May 13, 1989, a severe wind storm hit Ft. Hood, Texas. The high winds from this storm damaged a number of Army aircraft and facilities. The Army has estimated that the cost of emergency repairs in fiscal year 1989 will be $176,700,000.

The conferees have included a provision directing the Secretary of Defense to use funds available to the Department of Defense (DOD) to accommodate emergency real property and aircraft repair requirements at Ft. Hood. The conferees agree that the Department should seek prior approval from the House and Senate Appropriations Committees and the House and Senate Armed Services Committees before any transfer or reprogramming of DOD assets for this purpose.

Furthermore, the conferees note that the Army has requested authority to realign an $80,000,000 mission from supply operations to depot maintenance (FY 89-13PA), without an increase in depot maintenance funding. The conferees agree that $36,200,000 should remain in depot maintenance to fund aviation maintenance contracts. The remainder should be transferred to the Army's P-2 mission account to fund unit level maintenance and repair of facilities. Therefore, the conferees agree that the realignment of mission requirements from supply operations should be postponed until fiscal year 1990. Any additional 1989 funding requirements for supply operations should be accommodated with a future reprogramming request.

KWAJALEIN MISSILE RANGE

The Senate report contained language regarding serious disruptions in the civilian contract work force at the Kwajalein missile range and the lack of consultation with the Congress about funding shortfalls in logistics support which precipitated the problem. The Senate language required the Army to submit a report no later than June 30, 1989 on several aspects of this problem and on the Army's plan to mitigate the impacts on the civilian work force and to prevent recurrence of similar problems in the future.

The managers on the part of the House share the concerns expressed by the Senate in its report. The House managers endorse the Senate requirements for the Army report and direct that the report be submitted to the House Committee on Appropriations when it is submitted to the Senate.

CHAPTER IV

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

Amendment No. 121: Restores House language regarding interest payments on promissory notes issued to the Secretary of the Treasury.

GENERAL PROVISIONS

Amendment No. 122: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *Notwithstanding any other provision of law, the New York State Bridge Authority shall have the authority to collect tolls on the Newburgh-Beacon Bridge and to utilize the revenue therefrom for the construction and reconstruction of and for the costs necessary for the proper maintenance and operation of any bridges and facilities under the jurisdiction of such Authority and for the payment of debt service on any of the Authority's obligations issued in connection therewith.*

Section 341 of Public Law 100-457 is amended by deleting "2" and inserting in lieu thereof "4".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

Amendment No. 123: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which authorizes the transfer of two E2C aircraft from the Customs Service to the Coast Guard.

GENERAL PROVISIONS

Amendment No. 124: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which increases the amount the Department of the Treasury may transfer to or from any one of its accounts from 1 percent to 2 percent in fiscal year 1989.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

Amendment No. 125: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $1,500,000 for grants to certain political parties in Puerto Rico.

Amendment No. 126: Changes a word in a center heading from singular to plural as proposed by the Senate.

FEDERAL ELECTION COMMISSION

Amendment No. 127: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $250,000, to be derived by transfer from "Expenses, Presidential Transition", General Services Administration.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that $250,000 is to be transferred from Expenses, Presidential Transition to the Commission.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

Amendment No. 128: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

SEC. 201. (a) Notwithstanding any other provision of law, the General Services Administration is hereby authorized to purchase, from annual funds available in the Federal Buildings Fund in fiscal year 1989, such additional furniture and equipment as may be necessary, not to exceed $1,500,000, for the National Oceanic and Atmospheric Administration to relocate to the Silver Spring, Maryland Metro Center.

(b) The National Oceanic and Atmospheric Administration will reimburse the General Services Administration for such expenditures in equal amounts over a period of two years, beginning in fiscal year 1990.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that this use of funds by the General Services Administration for the purchase of furniture and equipment for the National Oceanic and Atmospheric Administration is being done on a one-time only basis. The conferees are also agreed that the National Oceanic and Atmospheric Administration will fully reimburse the General Services Administration with the first repayment to be made at the beginning of fiscal year 1990.

EXPENSES, PRESIDENTIAL TRANSITION

Amendment No. 129: Deletes a provision proposed by the Senate which would have rescinded $250,000 from this account.

CHAPTER VI

DEPARTMENT OF VETERANS AFFAIRS

Amendment No. 130: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate permitting the costs of external contract audits in 1989 to be charged to the construction, major projects; construction, minor projects; or supply fund accounts instead of the general operating expenses account.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 131: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The Secretary of Housing and Urban Development may make amounts reserved or obligated under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for particular projects under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), available as subsidy amounts for such projects under section 202(h)(4) of such Act: Provided, That from loans made under this section (section 202) the amounts realized from non-recourse sales of mortgages held as security for such loans shall be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of the Congressional Budget Act of 1974.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes language permitting the receipts from section 202 mortgage sales to be scored in the section 302 budget allocation. Language specifically authorizing actual sales of such mortgages must be included in subsequent legislation prior to any such sales.

TITLE IV—GENERAL PROVISIONS

Amendment No. 132: Restores a general provision inserted by the House and stricken by the Senate which permits a very limited exception to the Alcoholic Beverage Labeling Act of 1988.

Amendment No. 133: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 404. (a) Within 6 months of the enactment of this Act and after granting notice and opportunity to comment to affected tenants, the Secretary shall review the drug-related eviction procedures of all jurisdictions having a Public Housing Authority for the purpose of determining whether such procedures meet Federal due process standards.

(b) Upon conclusion of the review mandated by subsection (a), if the Secretary determines that due process standards are met for a jurisdiction, the Secretary shall issue that jurisdiction a waiver of the procedures required in section 6(k) of the United States Housing Act of 1937, 42 U.S.C. 1437d(k), for evictions involving drug-related criminal activity which threatens the health and safety of other tenants of public housing authority employees as long as evictions of a household member involved in drug-related criminal activity shall not affect the right of any other household member who is not involved in such activity to continue tenancy.

(c) Within 60 days of completion of the review mandated by subsection (a), the Secretary shall report to Congress the findings of the review including all waivers granted in accordance with subsection (b).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

PANAMA

Amendment No. 134: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate with an amendment as follows:

In lieu of the section number named in said amendment insert the following: *405*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to include Sense of the Senate language regarding the appointment of a new administrator for the Panama Canal Commission.

SENSE OF THE SENATE—RESTORATION OF EASTERN AIRLINES

Amendment No. 135: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number "405" insert: *406*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NON-PROLIFERATION AND STINGER MISSILES

Amendment No. 136: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with the amendment of the Senate with an amendment as follows:

In lieu of section number "406" named in said amendment, insert the following: *407*. And, in lieu of section number "407" named in said amendment, insert the following: *408*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to the Senate language concerning nuclear, chemical, biological and missile non-proliferation and to the Senate language on the temporary suspension of the right to repurchase Stinger missiles from Bahrain.

Amendment No. 137: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the first section number named in said amendment insert: *409*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment modifies the Social Security Act to waive civil service hiring procedures for the National Commission on Children and to permit the Commission to hire consultants.

SENSE OF THE SENATE—LEVERAGED ACQUISITION OF AIR CARRIERS

Amendment No. 138: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number "409" insert: *410*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 139: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the first section number named in said amendment, insert: *411*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement inserts a general provision as proposed by the Senate which provides that "The Secretary of Agriculture may use his section 32 authority in appropriate instances to stabilize the apple market and to satisfy the requests of recipient agencies." The conferees agreed that this language is not intended to restrict the historic use of section 32. The conference agreement also changes the section number.

Amendment No. 140: Deletes language proposed by the Senate expressing the sense of the Senate regarding Section 89 of the Internal Revenue Code of 1986. This question is one of legislation, and it was felt that an expression in an appropriations bill might be misunderstood. Therefore, it was dropped leaving the question to be resolved by the appropriate legislative committees.

Amendment No. 141: Deletes without prejudice language proposed by the Senate expressing the sense of the Senate that the Finance Committee should consider legislation prior to September, 1989 that would modify the Medicare Catastrophic Coverage Act of 1988.

The Senate conferees wish to make clear that they are receding for technical reasons, and not for reasons of substance.

The Senate conferees remain committed to the purposes of the sense of the Senate as expressed in amendment 141, that the Senate Finance Committee should consider modifying the supplemental premiums required under the Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360). The Senate Finance Committee should also

consider reinstating voluntary participation, and a delay in the supplemental premium and benefits that have not become effective in 1989; and that these actions should be taken prior to September 1989.

The Senate conferees further intend that States should more aggressively enforce non-duplication requirements in private Medigap insurance, and that other Senate committees should address the issue of duplication of benefits for military, Federal and other retirees.

MILITARY CONSTRUCTION

MINOR CONSTRUCTION, NAVY

The conferees disagree with the Senate report language earmarking $1,000,000 for construction of a community center at Naval Radio Station, Sugar Grove, West Virginia. However, the conferees direct the Department of Defense to submit a reprogramming request for minor construction funds together with a notification as required by 10 U.S.C. 2805, in order that this project may be executed in a timely manner.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1989 recommended by the Committee of Conference, with comparisons to the fiscal year 1989 budget estimates and House and Senate bills for 1989 follows:

Budget estimates of new (obligational) authority, fiscal year 1989	$2,389,697,000
House bill, fiscal year 1989	3,721,111,500
Senate bill, fiscal year 1989	3,264,128,500
Conference agreement, fiscal year 1989	[1] 3,219,518,500
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1989	[1] +829,821,500
House bill, fiscal year 1989	[1] −501,593,000
Senate bill, fiscal year 1989	[1] −44,610,000

[1] Excludes $821,579,000 reported in true disagreement in amendment no. 2.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
NEAL SMITH,
SIDNEY R. YATES,
DAVID R. OBEY,
EDWARD R. ROYBAL,
TOM BEVILL,
JOHN P. MURTHA,
BOB TRAXLER,
WILLIAM LEHMAN,
JULIAN C. DIXON,
VIC FAZIO,
W.G. BILL HEFNER,
VIRGINIA SMITH,
Managers on the Part of the House.

ROBERT C. BYRD,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
J. BENNETT JOHNSTON,
QUENTIN BURDICK,
PATRICK LEAHY,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
HARRY REID,
BROCK ADAMS,
WYCHE FOWLER, JR.,
J. ROBERT KERREY,
MARK O. HATFIELD,
TED STEVENS,
JIM MCCLURE,
JAKE GARN,
THAD COCHRAN,
BOB KASTEN,
ALFONSE D'AMATO,
WARREN RUDMAN,
ARLEN SPECTER,
CHUCK GRASSLEY,
DON NICKLES,
PHIL GRAMM,
Managers on the Part of the Senate.

29-059 O-90-21 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

HOUSE OF REPRESENTATIVES—*Monday, June 19, 1989*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. BEVILL].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC.,
June 16, 1989.

I hereby designate the Honorable TOM BEVILL to act as Speaker pro tempore on Monday, June 19, 1989.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, may our lives be touched by Your spirit so we are open to the gift of hope and anticipation for the future. We know not the road ahead, nor do we expect to be free of the tensions of our times, but we know You to be our Creator, the giver of life and the one who nurtures our growth. So may Your good spirit, O God, which is and was and will ever be, show us the beauty of life and love and fill our empty hearts with that hope for tomorrow that gives us confidence for this new day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GEKAS] will please lead the House in the Pledge of Allegiance.

Mr. GEKAS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolution of the House of the following titles:

H.R. 2344. An act to authorize the transfer to the Republic of the Philippines of two excess naval vessels; and

H. Con. Res. 150. Concurrent resolution authorizing the printing of a collection of statements in tribute to the late Representative Claude Denson Pepper.

The message also announced that pursuant to Public Law 99-624, the Chair on behalf of the President pro tempore, appoints Mr. HEINZ, to the Eisenhower Centennial Commission, vice Mr. ARMSTRONG, resigned.

REMOVING PRIVILEGE OF MOST-FAVORED-NATION TREATMENT FROM CHINA

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the American people are shocked and appalled at what is happening in China. The time has come for the Congress to take stronger action.

The Chinese regime has massacred its most promising youth. Now it denies that it ever did so. Yet, lies are not so easy in an age of television and instantaneous global mass communications. The record is there, the evidence is there.

With my distinguished colleague, the Republican cochairman of the Congressional Human Rights Caucus, Congressman JOHN PORTER of Illinois, I have introduced legislation calling for the United States to deny China the privileges of most-favored-nation treatment for its trade and the benefits of the Overseas Private Investment Corporation [OPIC].

It is high time we told the butchers of Beijing that business as usual will not go on as long as they massacre young men and women whose sole crime it is to cry out for freedom and democracy.

Mr. Speaker, I urge all of our colleagues to join us in cosponsoring this legislation.

AMERICA'S EMBASSY IN BEIJING

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, 10 years ago, Iranian militants stormed our Embassy in Tehran. Back then, America was the world's punching bag.

In the last 8 years, America has regained the world's respect—but only by standing firm.

If we learned anything in Iran, we now know that the world has no respect for the half-hearted, for those who are not willing to take a stand.

Today, America faces a new challenge in Beijing. As our distinguished Speaker suggested yesterday, Congress feels strongly about the safety of the Chinese couple in our Embassy. And we feel strongly about the sanctity of our Embassy grounds. The Chinese Government should be aware of that.

There are times to be flexible, and times to stand firm. This is a time to draw the line, and I urge the President to get that message through in every way he can. America will not tolerate another Embassy seizure, and the Chinese leadership ought to know it.

FOOD CONTAMINATION PREVENTION ACT

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SMITH of New Jersey. Mr. Speaker, new information has come to light indicating that there are an increasing number of trucks which haul food to one destination and garbage on the return trip.

Mr. Speaker, with landfills on the east coast reaching capacity, especially in New Jersey, it appears that this practice is on the increase. Drivers who are bringing meat, produce, and grain products from the Midwest to the east coast are often returning with bales of solid waste to be disposed of in landfills. This practice of backhauling garbage was exposed in recent news accounts, including a story from the Philadelphia Inquirer, which I will submit for the RECORD.

The threat of contamination to our food supply is both serious and immediate. A professor of food science at Penn State University compared this practice to "shipping milk to Alaska and bringing back oil in the same truck."

In order to correct this situation, today I am introducing the Food Contamination Prevention Act, along with Mr. CLINGER of Pennsylvania and others, which will require the Department of Transportation to promulgate regulations within 90 days to prohibit any vehicle which transports solid waste or hazardous waste from being

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

used to transport food. Violators of this prohibition will be subject to criminal penalties of up to $250,000 and/or 5 years in jail.

Mr. Speaker, according to a 1987 report by the Environmental Protection Agency, "* * * competitive pressures on the trucking industry encourage back hauling of dissimilar materials and discourage expensive cleaning procedures." Unfortunately, truckers bringing food to the east coast often find few loads to return with. However, in New Jersey, we have about 15,000 tons of solid waste per day that needs to be shipped to landfills in western Pennsylvania and Ohio. This results in about 750 trucks a day hauling garbage to landfills in the Midwest. Although these trucks must be licensed by New Jersey to haul garbage within or out of the State, there are no requirements which prevent these same trucks from returning with a cargo of food.

Mr. Speaker, I have contacted all of the relevant departments and agencies of the Federal Government which have jurisdiction over this matter: the Department of Transportation, the Department of Agriculture, the Environmental Protection Agency, the Food and Drug Administration and the Interstate Commerce Commission. Each of them seems to have some requirements which touch upon this subject, but none of them could flatly prohibit the practice. The Food Contamination Prevention Act will make it very clear: if you want to haul garbage in your truck, you will not be allowed to haul food. I would urge all of my colleagues to support this legislation and put an end to this health threatening practice.

[From the Philadelphia Inquirer, June 2, 1989]

HAULING FOOD—AND GARBAGE, TOO—A GROWING NUMBER OF TRUCKS ARE CARRYING BOTH

(By Barbara Brueggebors)

STATE COLLEGE, PA.—An armada of tractor-trailers, the same trucks that carry the nation's food to market, has quietly and quickly become the new wave in America's interstate garbage fleet.

An ever-increasing number of trucks are sandwiching trips to the landfill between stops at food warehouses, produce docks, packing and processing plants and supermarkets.

"It boggles the imagination," Manfred Kroger, professor of food science at Penn State, said last week. "The implications for food contamination are tremendous. It's like shipping milk to Alaska and bringing back oil in the same truck."

Few hard statistics are available on the extent to which food-hauling trucks are doubling as garbage haulers. But at truck plazas on Pennsylvania's Interstate 80, drivers casually swap war stories about hauling meat, cheese, corn flakes and bananas to Eastern cities and heading back to Midwest landfills loaded with 20 or more tons of baled garbage.

During the last three weeks, a Centre Daily Times reporter observed many trailers and refrigerator trucks ("reefers" in trucker jargon) either carrying or being loaded with municipal solid waste at Pennsylvania transfer station and being unloaded at a large Ohio landfill.

Refrigerator trailers, with their ribbed, stainless-steel floors and hard plastic sides, normally carry meat, poultry, dairy products, fresh fruits and vegetables to market. Other trucks, called dry vans, carry a wide variety of cargo, including cereals, canned goods, potato chips, soda, paper products and disposable diapers.

"Neither one should be carrying garbage," said a 28-year-old trucker from Indiana who asked not to be identified. "Reefers seem worse because they carry fresh food. When you unload them at landfills, the fumes just belch out of the back when they open the doors. It's enough to make you not want to eat."

Truckers and solid-waste industry representatives say the practice of back-hauling garbage in dry and refrigerator trucks is growing because of three factors:

An almost complete lack of government or other regulations.

The unrelenting escalation of the East Coast garbage stream, a declining number of disposal sites, and the resulting enormous demand for trucks—any kind of trucks—to haul the trash westward to willing landfills.

Economic competition in the trucking industry that tempts, in fact, virtually forces haulers to scramble for the paying cargo of garbage as their rigs head back from the East Coast to the Midwest.

Trucking association officials say they have no knowledge of the practice. But drivers say company dispatchers have been routinely steering them to solid-waste transfer stations in places such as Jersey City, Philadelphia, Allentown and Bloomsburg, Pa., for the last year or two.

"The fact that garbage is moving in dry vans and refrigerator trucks that sometimes also carry food is something that's becoming increasingly apparent," said Dave Pointon of the National Solid Wastes Management Association." As an association, we feel it is unhealthy, unaesthetic and unappealing, but, right now, there's nothing on the books to prohibit it."

Food industry spokesmen, federal regulatory officials, consumer advocates and lawmakers reacted with amazement when told of the cross-hauling.

"It would be the worst imaginable publicity for our products to be in any way associated with garbage or dumps or landfills," Dennis Madsen of the Washington-based National American Wholesale Grocers Association said recently. "The trend in our industry is to get more backhauls—but certainly not garbage. I'm sure our membership would think this abhorrent."

Madsen said the 325 wholesale grocer members of the national association and its 250-member International Foodservice Distributors division put 20,000 trucks on the road every day. "None of them—as far as I know—is hauling garbage. I couldn't conceive of it happening," he added.

Penn State's Kroger, who also said he did not know food and garbage were traveling in the same trucks, said the practice pointed out a glaring lapse in the regulatory system. He said the crossover of waste and food products was something that could cause contamination under even the most carefully controlled conditions.

"Even if both the garbage and the food were plastic wrapped—which I'm sure they're not—and even if all the trucks were scrubbed and fumigated between hauls—which I'm sure they're not—there could still be contamination. It would be quite possible if bacteria lodged in the nooks and crannies of the trailer or in the cooler of a refrigerated van," he said.

Garbage odors, too, could easily be picked up by food products—either through air recycled through a trailer's refrigeration unit or from a dry van's wooded floor that has become saturated with garbage "ooze," said Kroger, a food-safety specialist.

U.S. Rep. William F. Clinger (R., Pa.) said recently that he was appalled to hear of the practice and surprised to learn it wasn't already prohibited by some federal regulation.

Clinger's congressional district in north-central and northwestern Pennsylvania includes nine counties and parts of three others. It also takes in a wide swatch of I-80, a principal solid-waste artery.

"I think the people who believe garbage should be hauled in trucks reserved just for garbage make a legitimate point," Clinger said in a telephone interview from his Washington office. "Clearly hauling garbage in food trucks poses a risk to the public health. I'd consider trying to introduce legislation to stop that practice myself."

At disposal sites like Browning-Ferris Industries' vast 800-acre Carbon Limestone, Sanitary Landfill near Poland, Ohio, tractor-trailers stand in long rows—cargo doors flung wide—inching their way toward the unloading area.

Eventually, a cleat-tracked compactor hitches to each trailer's cable-strung load and, with one long pull, yanks 20 or more tons of baled garbage from the truck's insides.

The Carbon Limestone landfill, Ohio's second largest, receives 12,500 cubic yards of municipal solid waste every day—more than half of it from out of state.

Every day, six days a week, some 400 trucks (about 200 from the East Coast) visit Poland, an Ohio town south of I-80 just across the Pennsylvania line.

Landfill manager Mike Herher said slightly more than half of those trucks are vans. Perhaps 10 to 15 percent of the vans are refrigerated, he estimated.

Herher said he knew some of the trucks dumping trash at his disposal site would carry food products on their next haul. He said he did not think that was right but quickly added that it was not his call to make.

Promised anonymity, truckers are happy to discuss the ins and outs of the food/garbage hauling game.

They talk about waiting for hours in mud, dust and filth to unload in giant landfills located just off interstate highways in Pennsylvania, West Virginia, Ohio, Indiana and other states.

They talk about between-load cleanouts that consist of nothing more than a quick sweep with a push broom and a spray or two of air freshener.

And they talk about lying if the subject of garbage ever comes up at the warehouse or food terminal.

"As long as your trailer looks and smells all right, nobody on the loading dock is going to challenge you," a Zeeland, Mich., driver said while waiting for orders from his dispatcher at I-80's Buckhorn interchange.

"With the deodorizing agents they have, I've left landfills with the inside of my trailer smelling better than it does after hauling a load of chicken. And if it doesn't, you can always throw in a couple of handfuls of ground roast coffee. That works wonders."

Truckers like the Michigan driver say government regulations relating to safe and sanitary interstate food transport—such as they are—are being circumvented or simply ignored.

U.S. Department of Agriculture representatives admit that trucking companies routinely violate a departmental regulation prohibiting meat and poultry products from being hauled in a vehicle that has carried anything inedible.

"Certainly if we knew trucks were used for inedibles, we wouldn't let them haul meat or poultry," said Bob Murphy, a food technologist with the USDA's Food Safety Inspection Service. "The trouble is, if it looks clean and smells clean, how can we tell?"

The U.S. Food and Drug Administration requires interstate carriers of all other food products (besides meat and poultry) to provide clean and sanitary vehicles. But to successfully prove a violation, the agency must be able to show the correlation between the condition of the truck and some type of adulteration of the food, FDA officials say.

"We've had any number of cases involving trucks and food adulteration, due to rodents and insects, but we've never had a case that had anything to do with garbage-hauling," Curtis Kocher of the FDA's Division of Regulatory Guidance said last week. "If this becomes an industrywide practice, though, I suppose we will."

Kocher said neither the FDA nor the USDA would be likely to check a truck unless one happened to be at a food loading dock when a government inspector was touring the plant.

"The FDA has 700 inspectors in the field trying to cover everything from TV sets to microwaves to drugs to seafood," Kocher said. "I leave it to your judgment as to whether that's adequate considering we regulate one-quarter of the gross national product of this country."

Penn State's Kroger said federal regulatory agencies, given current staffing and budget constraints, could not be expected to provide adequate scrutiny. He added that it was unrealistic to assume that stringent between-haul sanitation and fumigation procedures for trucks would be followed, assuming any existed.

"There must be sharp demarcation lines drawn in the trucking industry," Kroger said. "Food trucks should be reserved for food. Garbage trucks should be reserved for garbage. That's the only thing that would work."

From the point of view of those in the trucking industry, garbage is a ticket off the East Coast.

Hauling trash is a golden—if foul-smelling—way to avoid running empty or losing time waiting around for a sweeter-smelling cargo to come along.

Truckers say they don't make money on the deal. Companies generally get somewhere between $1 and $2 per mile for long-hauling 20 tons of baled garbage from Eastern transfer stations to Midwestern landfills.

"Trucking companies are making just enough on garbage to move the truck and keep it moving," said George, a Minneapolis driver whose refrigerated truck carries meat, potatoes, cheese and muncipal solid waste.

The 62-year-old veteran trucker, who was interviewed at Bestway truck plaza just off I-80 at Milesburg, said he did not think garbage should travel in a fresh-food truck.

"But with deregulation," he said, "trucking companies have to take whatever they can get to stay in business."

Interviewed during a stop for repairs at I-80's Snow Shoe interchange, a 28-year-old tractor-trailer driver who regularly picks up garbage in Jersey City, N.J., and drops it in Wabash, Ind., described the situation as terrible.

"Between 700 and 800 trucks a day go into New York," she said. "Garbage is the way for companies to get those trucks off the coast. It gives them something to haul."

UPDATE ON STATUS OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER pro tempore (Mr. BEVILL). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise in order to continue what I promised the first week that the 101st Congress entered into session or convened, and my assumption of the chairmanship of the Committee on Banking, Finance and Urban Affairs and I pledged to my colleagues that I would keep them abreast of the happenings, occurrences, plans, and doings of this committee.

I felt that this committee, on the threshold of a very, very trying time and confronting the need for legislation of such a comprehensive nature, that such a committee in the Congress, as a fact, has not confronted in 55 years.

□ 1210

As a matter of fact, the legislation approved, H.R. 1278, last Thursday at about 10 p.m., is the most comprehensive financial institution and regulatory overhaul in the history of this committee. The different enactments in the 1930's were just that. They were different and separate enactments. We had the ultimate bank, the 1935 Fundamental Bank Act, which was the actual predicate for the foundation for the structuralization of our financial institutions in our country in which we had a clear dividing line or a line of demarcation between the commercial and the banking activities. We had separate legislation having to do, and antecedent to this one. For instance, very few of my colleagues would have recognized the so-called savings and loan legislation. The Federal Home Loan Board Act as well as the subsequent enactment known as the Federal Savings and Loan Insurance Corporation Act, but the first one being the handiwork of Herbert Hoover's administration. During the election year of 1932 and before his defeat and departure from Office, this was one of the fundamental acts that Herbert Hoover offered the Congress and the Congress adopted. In his words, he said "This is the only hope American families will have to think in terms and dreaming of owning their own homes."

It is a very ironic twist of events, though, that through the years, I doubt very few Americans would have attributed this legislation to Herbert Hoover, yet the truth is that it was. However, then as now, it was born out of sheer necessity. Then as now, the antecedent, undercurrents were the same. The only difference, the context of the world then as compared to the world today. However, the same forces that contributed to the demise of the economic or the fiscal, as well the monetary system of not only the country but the world occurred for the same basic reasons as what we are confronting today.

I wanted to remind my colleagues that I am particularly grateful to them for their tremendous and heroic action last Thursday night. First, in putting an end to the very actions that have clearly, clearly marked this course of travel of this terrible misfortune or debacle that is confronting our Nation and the taxpayers. It put an end to sweeping under the rug those awesome problems, nettlesome political problems, unpopular it seems by some politicians, afraid to confront the people with the truth, ignorant of the facts, that the American people all through their history, once knowing the truth, can be depended upon to make the right decisions. However, they have to be given the facts and the figures and the truth. This had not been done.

I wanted to point out that the same underlying factors that led to the enactment of the Federal Home Loan Board Act of 1932 is exactly what led to the United States House of Representatives approval of what we call H.R. 1289, the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The Senate passed a somewhat different version substantially along the same channels, but somewhat and in very substantive ways, earlier. I pointed out why we anticipated, why we were lucky, if we could have the House consider this in the full House by the middle of June, though I had hoped fervently we could have done so before we went on the Memorial Day break. However, I pointed out, and have prior to this special order, that the Senate's committee, unlike ours, can handle the entire panoply of issues of a given bill or legislative act by one committee, whereas in the House we have different committees that have substantive jurisdiction over different sections of such a comprehensive bill as H.R. 1278. So we know that we would have to go to the Committee on Ways and Means to pass and have their say-so on that title, having to do with the resolution trust corporations and the issue of bonds, and the tax treatment to be given those bonds.

After all, the Constitution mandates that all tax matters must originate and be considered by the Committee on Ways and Means. We had another title that had to do with the enforcement provisions because, unlike the 1932, 1933, 1945 enactments, we had to do everything in one package. We had to have not only the prime reason that we are confronting this crisis, and that is to shore up, to infuse with the necessary funds, the insurance fund, FSLIC. This is what should have been done ten years ago almost. It was obvious by then that we were headed for a crisis. However, as I said, the tendency to sweep things under the rug for political opportunism of the moment, clearly left to a point where we had no choice but to do everything, change completely the regulatory environment, reform it completely because it would have been unthinkable to ask the American people, as President George Bush so well stated, to go ask them to come in and save the insurance funds, and in effect, the industry to have a certain strength while we would go back to the possibility of the same thing happening.

It so happened that the title setting up the resolution trust corporation, which should really have been, and I want to tell my colleagues this is why I wanted to report to Members today, that we intend to continue particular sustained action with respect to this title, even though, hopefully, we will act expeditiously, together with the Senate, in the conference that I hope will be formed, and that we can get going this week. However, it remains for Members to continue to work.

This was the next thrust of what I wanted to say. We must evoke history, though, because we are in the same dilemma that our Nation was after a halcyon, glorious period of prosperity. I recall I was 10 years old, perhaps, but I remember what seemed to be never-ending prosperity. However, in 1929, the question of home ownership was a blue note; that is, only a fraction of the families in the United States in 1929, I am talking about a time that was still considered prosperous. Again, by way of parentheses, I want to explain, then like now, in 1987 on October 19, the stock market bust was not considered a big thing at the time.

□ 1220

The Depression did not really hit until 3 years later, when businesses went under, unemployment was rampant, banks and the financial systems were teetering and tottering, and as one of his first acts of the glorious first 100 days of his administration, Franklin Roosevelt instituted the Bank Holiday. The truth of the matter is that we have had a repetition of this already, not on the national level but on a State level. These actions, I say to my colleagues, are a precursor to what we are in the midst of right now.

This is what I wanted to discuss with the Members, because I think we are going to be calling on them again to show the solidarity, the understanding, and the great spirit of cooperation that poured forth recently from both sides of our membership. And at this point I want to make it clear that it was known from the beginning and the first time I took this podium in this 101st Congress that we would have to go to work, and I said that my fundamental intention was to work and the only way we could work successfully would be on a bipartisan track. I pointed out that the dimensions of the problem, the depths of its intricacy, and the complexity of this issue was of such a nature that, even working together in the utmost harmony, it will be taxing the ingenuity and the ability of the best minds in the Congress and out of the Congress.

I said that in the first special order I took here in January, soon after we had the historic hearings 24 hours after the 101st Congress was sworn in. As a matter of fact, we could not technically call those hearings because the committee itself was not organized, so we called them briefings, and such they were. But they were the prime issues that we saw would be engulfing us, as they seemed to have been since the month of December.

So going back to the genesis and the origination and why is it necessary for us to understand this, I must remind the Members that in 1966—and I said this is my last special order—we had what was then called the first credit crunch. What was the reason for it? The reason for it was the overnight jacking up of the prime interest 1 whole percentage point, on June 19, 1966. This was unprecedented, even during the Civil War, which, of course, was a period in which no such thing as a national banking system, as we know it now, existed. However, we did have antiusury national laws. We did have interest rates capped from the beginning of our country until 1865 and the passage of the National Currency Act, just about the time that Abraham Lincoln was shot. As a matter of fact, from reading history, we see that that was the uppermost subject matter on the President's mind at the time. He feared the inroads of those tremendous financial interests. He had those fears, and prior Presidents and subsequent Presidents have had the same fears, from Thomas Jefferson at the beginning of our Nation on.

I must remind my colleagues that these problems are not new. Fundamentally, the same issues have confronted our people, as they have confronted all peoples throughout history, and the question is: Who or what groups will be controlling the allocation of credit of any society? Interest rates then became the critical factor because the definition of "interest rate" is that mechanism by virtue of which wealth is transferred within a society. It is that simple. Interest has been punished by death. As long ago as 7,000 years before Christ, in the Code of Hammurabi, you will see those prohibitions. But we saw this in the very, very divisive bloody periods of the Civil War and at almost the terminal point of that bloody war. And we should shudder at the thought of even those words, "civil war," and such wars as are ravaging countries to the south of us and in other parts of the world.

We Americans are so privileged that we have slipped into the background and dust of history those raw memories of that Civil War period, because civil wars mean brother against brother, father against son, mother against daughter, and daughter against mother, and it is something that we must pray the Almighty to ever shed His grace and continue to shed His grace on us never to know this type of fratricidal strife again.

But the potential is there in all these factors, because in 1865, taking advantage of the dilemma then facing the Government, the Government then had to take action and had to borrow money in order to finance the Civil War. Some of us will recall in our history classes the Specie Act and the like, and the Greenbacks. All of those events occurred, as they are now, for the same reasons. The only difference is that ironically, while we are celebrating the 200th anniversary of our independence, in many ways America has allowed itself to revert to a mercantile system. We worry about the inroads of the Japanese in their purchase of our assets and our lands and what-not, but, frankly, the Japanese have about one-half of what Great Britain has in the United States. But we do not hear too much about that. Maybe it is perhaps because of a little racial antipathy.

Who knows what will happen? All I know is this: At the bottom of all this and at the bottom of all these flagellations we are floundering in on the domestic level, we have these other contributing forces which we must understand. That is the other reason for getting us to prepare for a victory, a victory as great as the one last Thursday, because as a matter of fact, as it seems to be a prelude to a successful conference, even if the President signs this bill into law, I want my colleagues to know that it is only the beginning. This must not be considered as having defined or even to have halfway resolved the problem.

So it goes back again into historical antecedents. When the 1865 Currency Act was passed, it was passed in the name of creating a national banking

VOL 135 PT 9 JE 14 — 22 1989 UMI

system. Before then, going back to the first U.S. bank and the second U.S. bank chartered by the Congresses of that day, terminated by President Andrew Jackson, who pledged to throw the moneychangers out of the temple of democracy, the big dispensers of credit were on the State level, the State banking system.

So with the advent of the 1865 Currency Act, the cap on interest rates was very quietly done away with. We have had no control of interest rates and no antiusury laws on the national level since 1865.

In 1964 I wrote a history about interest rates and their caps in the United States, and this is the reason why it seems as if I know a little bit about it. The truth is that every society, I do not care which, becomes victimized by instability, particularly in the allocation of credit, and this was the issue when the Nation was born. I want to remind my colleagues that during the first 10 years of our national existence, such an office as the Presidency was not even thought of. In fact, it was feared very much. So we had the First and the Second Continental Congresses, and like all governments, as I said before, having prosecuted the successful War for Independence against Great Britain, they owed money. So the idea in Philadelphia was to charter a bank, and indeed the first one was chartered. That was the Bank of North America. But the bankers moved in, and that is natural. It is to be expected. What is not to be expected is that the government should be turned over to the bankers or that Congresses should quietly sit by and watch that power of constitutional responsibility slip away from them and see it placed in the hands of those who are not going to seeking the greatest for the greatest number. Mr. Speaker, that should have been obvious to so many, but it just has not been.

□ 1230

So, going back to history, it was Thomas Jefferson, whose expressions about bankers made anything I have said sound like a Boy Scout troop code of honor, and the reason was that, yes, they loaned money, but it would have to be at *x*-plus interest rates, and Thomas Jefferson said, "No way."

So, they finally compelled, through the chartering of the Bank of North America, the borrowing of money, but they capped the interest rate at no more than 6 percent. That was Thomas Jefferson.

Even Alexander Hamilton, who would be considered today—he would be called a conservative, but actually those are modern-day jargon words that have no relevancy in that historical input. The forces were the same. Hamilton was considered to be a centralist. He favored a strong Federal Government, and with that he also met with strong control of the credit allocations though there might have been philosophical differences between he and the agrarian Jefferson.

Mr. Speaker, the fact remains that we are talking about such a different world that to try to reconcile words today is like trying to reconcile words in our language like "democracy" with what that word means in order lands with different traditions, different cultures, different historical antecedents. It is just a dangerous thing to do, dangerous because the chance of erring is great.

The fact is that the leaders of our country did not succumb to the temptation to seek the praises, and the support and the money of the bankers. They controlled them, as they should have, and they did so in the name of national credit.

Subsequent to that and the formation of the Union, the enactment of the Constitution, the First Congress in 1789, came the chartering of the First United States Bank, or the Bank of the United States, and the second one had 20-year charters by the time the second charter was still extant. President Jackson became President, and he did not tolerate the tremendous accumulation of power and credit.

But then, between then and the Civil War, there were issues that faced into the background in respect to this, but all during that time you had strict control of interest. Surely you had different economies, but the fundamental premise is still the same, that he who allocates or they who allocate the credit of a nation determine that nation's standard of living, determine whether or not the engines of industry, small business, will survive or not. It is that simple. It is not any complicated thing at all. Those who would seek to cloud the issue of course would like to make it look as if it is an abstruse or esoteric sign, but it is no such thing.

It is very simple. What is the people's is the people's and what the Constitution says is the people's should stay with the people, and, as the Representatives of the people, we have a continuing duty to do two things; one, to undo some of the things that have been done sometimes very quietly in sleeper clauses such as in 1952, 1953, during President Eisenhower's regime in which the entire manner of paying, funding, and managing the debt was changed so that today we talk about the bailout.

Today, this year, the interest to be paid by the American people is compound interest, if my colleagues please, not simple interest, for servicing the so-called debt, and it will be in excess of $250 billion. How long, how long can that continue?

Mr. Speaker, this is a reason why, when we referred that section on the tax consideration to be given the bonds to be issued, to finance and obtain the funds with which to replenish the deposit insurance funds, that the President's bill, which in effect, I think, did not much credit to the administration because it continued its myth of off-budget expenses or commitments because they do not seem to add to the size of the deficit. But of course they do.

Right now the Treasury is in the danger of junkifying Treasury bonds. I got up on this House floor last year, over a year ago, pointed out how we had to do something, especially that it was clear after the Wall Street break on October 19, 1987. The fervor of speculation continues undiminished.

Since then, Mr. Speaker, I have said this repeatedly on this House floor. Ten-year U.S. bonds are held for less than 30 days. There is a tremendous flux, speculative unfortunately, that continues to dominate such transactions as the Wall Street stock market. The stock market activities today do not symbolize, do not reflect, honest-to-goodness industrial business activity out there. It is paper chasing paper and speculating on paper.

It would have been incredible to have told our predecessors 20, 30, 40 years ago, on these committees especially, that such things as Milken, Blinken, and Nod would be over there with $500 million a year; on what? Pure speculative money where our most august corporations, especially those that had been founded by families that had managed them well were profitable, employing people, even like the Safeway grocery chain suddenly finding themselves, in order to stay alive, having to borrow over their heads in order to fight the takeover.

What is worse, and this is a reason I wanted to take this special order and tell my colleagues that this is just the beginning. We intend, at least I do, and I told my colleagues in the beginning that, after I was elected, the only power I felt the chairman really has is to set the agenda. The chairman sets the course.

My colleagues, what is that course now? That course is and has already been underway. Sure we have this bill before us, but, even while we have the bill, we are also setting the agenda immediately on such other things as the disaggregation of deposits.

The deposit insurance system of the United States is what is at stake. It is not the bailout of any particular entity now after we cleaned up the President's bill, but it is the entire system of deposit insurance.

Mr. Speaker, I have been pointing out since the early seventies that the risk is there. How could we have had as early as 1973, 1974, 1975 in the S&L industry alone over $750 billion so-called insurance deposits with less, less than $10 billion in actual funds?

In addition, the banks are worse off. There is a trillion plus in so-called insurance deposits. I ask my colleagues, "How much have you got in that fund?"

Well, let me remind my colleagues that I had predicted that, unless we did something a year ago, we stop the hemorrhaging then, which incidentally still continues to the tune of $10 to $20 billion, that it would eventually reach such proportions as unmanageable.

□ 1240

The great risk was taking a bet that you would not have loss of confidence; but I pointed out that since the seventies in the case of the banks, a trillion dollars or so in insured deposits, with how much to cover them in the fund? Even if the fund used the ultimate $3 billion the Treasury has there, it would not even have been $20 billion.

You do not have to be an expert to know that then the insurance fund has been distorted in meaning and in purpose. It is not an insurance fund and it has not been an insurance fund, even though that is what millions of our fellow Americans think that is what they got.

So when the motion was made to jack that up from $45,000 to $100,000, I was one of the very few outcast voices saying, Hey, all you are going to do is protect and reward inefficient and even perhaps corrupt management of these institutions, because they are using the fund as the ultimate capital asset that they can use over and, of course, the rest has been history. There is no use going through that.

All I am going to say is that at this point during the debate and before that, the very distinguished gentleman from Ohio, he is not a member of our Banking Committee, but he has been very much in tune with our activities, the distinguished gentleman from Ohio [Mr. PEASE] wanted to have an amendment that would have tended to do something about this disaggregation in insured deposits. What does that mean? That is a fancy word. What it means is that you can have one individual with $5 million in different $100,000 accounts, all insured. He ends up with having $5 million insured. That is not the intent of the insurance of deposits at all.

Unfortunately, the gentleman from Ohio [Mr. PEASE] could not get the Rules Committee to do that, and of course, there was a good reason for their refusal. It is a complicated subject. I tried to explain to the gentleman from Ohio [Mr. PEASE] that we have not had hearings, we intend to, and I want to notify my distinguished colleague, the gentleman from Ohio [Mr. PEASE], that we intend to start pretty soon on that. We have got to. We have got to put back on track the true meaning of insurance, deposit insurance. Until we do that, all we are doing is flailing the air with these so-called reform acts, which yes, might do some good right now, but look out.

We had plenty of warning. We should not have waited long after the State of Nebraska Insurance Fund, they call it the Guarantee Fund, went broke. Fortunately for Nebraskans, though, they went to work pretty quick and the attorney general of Nebraska, I was told by our distinguished brand new member on the committee, the gentleman from Nebraska [Mr. HOAGLAND], and this is a real inspiration, here is a young man, served in the State Legislature of Nebraska, is here for his first year and he has become one of the most valuable members of the Banking Committee.

This is the beauty of our House. I have always said that if the Members, unrestrained and unfettered, were given an opportunity to contribute that we would have the results we had last Thursday. I think that is ample proof of the brilliance and the ability that is inherent here in this membership of the House, if given that opportunity.

I think this is where we, the so-called leaders of the moment, as chairmen, anyway, have the greatest responsibility, to make sure that nobody is shunted, that in our processes, as they were meant to be, every single sacred segment of America known as a congressional district shall have its Representative unfettered and never, never shut up for any procedural or any political reason at all.

I wanted to say that is one area we are going to look into. The other will be our need to constantly monitor the formation of this new entity known as the Resolution Trust Corporation. This is a real big one.

I think that we perfected the President's bill. The President's bill was what I call an amorphous, vague thing. I think we filled it in.

Then last Thursday, I want to thank my colleagues for giving me the overwhelming vote on my amendment to cap, so that the RTC will not go out here and take the Treasury down without anybody's consent.

Commitments such as the Home Loan Bank Board and FSLIC did last year are incredible. There is not an American, my colleagues, who will believe you when you say, "Well, we don't know what we could do," that this Board, quasi-private, quasi-public, could encumber the U.S. taxpayer and the U.S. Treasury $43 billion in less than a year and a half without having to come to the Congress, without having to account to anybody, making the deals that God only knows will be the ultimate cost, and that is why, by way of parenthesis, that we have a proviso in the RTC that says all those deals are going to have to be reconsidered, reviewed, as of January 1, 1988.

But who would think that even the President cannot do that. The President cannot go out and commit $43 billion without going through the authorization and appropriation process.

But here is Mr. Danny Wall issuing wallpaper notes. Why, I could have given a note as valuable as Mr. Danny Wallpaper notes, given all last year in Texas and up here in the north in December, not worth the paper they are written on. Is the taxpayer going to have to pay for that?

In one deal alone in the Southwest, plans, so-called were, where you have this incestuous relationship between the industry and the Home Loan Bank Board.

Let me remind my colleagues, we have got to look over the setup that we are providing in this legislation on the home loan banks.

A home loan bank president is paid more than the President of the United States. You have this crazy situation in which the 12 home loan bank presidents get more money than the members of the National Federal Home Loan Bank Board itself. It does not make sense, I am telling you.

How long did some of us cry bitterly in the wilderness? In fact, we found ourselves defending ourselves from the charge of being flamboyant, from being publicity seekers, even though we got no publicity. I wish we had. I wish somebody had listened to what we were saying since 1966, and particularly since 1985. It was obvious when the Nebraska deal went under, 60 Minutes had time on it, and when those facts were communicated to Ohio where you had a similar smelly situation, it produced a near panic, so the Ohio Insurance Fund went under. That was a private fund. It went under. It was a State setup, like in Maryland.

I want to remind my colleagues what I said the other day in debate. If you want to know how overdue this legislation is, just go out here and talk to several thousand Marylanders who still have not gotten their deposit money back from those Maryland S&L's that went broke. There were 108 State chartered uninsured banks with a paltry little insurance fund by the State of Maryland to protect them. The legislature, like the Congress on the national level, was not about to provide the funds to have real deposit insurance. That is exactly what has been happening to us nationally.

So in Maryland, go talk to some of these poor folks, hard-working Americans, who put their savings in these banks, the wife and father working, put their savings in so that their little kids could go to college someday to the University of Maryland, only to find

that they cannot get their money back. There were 108 of those institutions. There are only 22 left. Eighty-eight of them were either merged or, what, Federal chartered. The Federal Government came in and just simply passed a charter.

□ 1250

What has that cost the Federal Government? I have the staff trying to figure that out at this moment, but certainly nobody was saying anything at the time.

We had the same thing in Ohio except worse, because there, at least, the Ohio State Legislature finally did come in and appropriate tax moneys in order to pay out.

We could not expect that average citizen to tell the difference between an insured and uninsured. In fact, in Texas right now, we have institutions in my district, about half a dozen or more, that are stone broke. They have been stone broke, but the Southwest plan came in, put them together, patched them all up together, stitched them together. What are they traveling on? Advertising extremely high rates of yield and, incidentally, the same thing has happened with FDIC, with some of the banks that took over as well as some of the S&L's.

What does that do to the other little institutions that are trying to stay alive? They cannot compete by offering those high interest yields these dead institutions are offering.

What have they to lose? Nothing. Because the Southwest plan guarantees them never to lose; 2½ percent over their cost of funds is what Uncle Sam, through FSLIC, has promised them and committed to, so it has been a joke over in my part of the country.

I have seen these big shot rich ones laughing, "Well, we don't have anything to lose. If inflation comes back, we are OK, and if it doesn't, well, the Government comes over, takes over, and we are scot-free. In fact, we are guaranteed never to lose, because we'll be given 2½ percent over the cost of our funds."

Why, that is a thief's dream. Even the most dream-like promise could never be fulfilled better than that, and even there we have some of those who have come in, like the multimillionaires Hunt woman, benefited by acquiring hundreds of assets, putting up no cash, and then subordinated through debentures and the trust which really had the money, but through a deal later with Mr. M. Danny Wall, taking out that subordinated debt, absolutely no risk, no nothing, no guarantee, no money.

Those institutions are still there advertising every day that I am sure, even here as I am talking to the Members. My colleagues, that is sinful. That is wrong. How could that have happened?

It is like a Greek tragedy, and I will not take more than to say that the actions of the Members have brought great credit not only to our committee but to this whole House where we have come out with something that, at least if enacted into law, will stop the hemorrhaging. The insurance fund will go in and do what it should have been doing all along as I was advocating exactly a year ago. I offered the basic plan and, again, my compliments to President Bush and Secretary Nicholas Brady, because as soon as the election was over, the Secretary made a statement, and I had a meeting with him on November 23 last year when it was obvious that it looked like I would be elected chairman of the committee. I will give him credit for at least accepting that which their predecessor President did not even mention. Why, President Reagan left office on January 20 this year, and not at one time did the word "S&L" cross his lips. So that gives us an idea of for how long political expediency put these things under the rug or attempted to: "To hell with the little depositor, to hell with the taxpayer." As one of them said, "I have a God-given right to profits." That was the astonishing remark of one of the high-flying operators, "I have a God-given right to profits."

So we come in and we try to reform.

Everybody here would think that the home loan banks mean that they are for home mortgages. No, sirree, these are the banks that gave all of the funds for these high-flyers to go and buy junk bonds and everything else.

I put in an amendment that would say, "Hey, let us go back to fundamentals. You should provide for moderate housing, moderate-income Americans, this little bit, this modicum of the bill, plus have funds for that purpose, mortgages, not relief, mortgage credit."

They repelled as if they had been stuck with a hot iron bar, and they had the audacity to come up, the presidents who earn more than the President of the United States, and they are driven around in chauffeured limousines, and one can go to Dallas and see them, and they made deals with their buddies in industry, because they come from the industry, and they are going back to the so-called industry.

With that, my colleagues, I say that this is just the beginning. We will be back.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. UPTON) to revise and extend their remarks and include extraneous material:)

Mr. RITTER, for 5 minutes, on June 20.

Mr. FAWELL, for 60 minutes, on June 28.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HATCHER, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, on June 20 and 26.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. UPTON) and to include extraneous matter:)

Mr. BROOMFIELD in two instances.

Mr. TAUKE.

Mr. PORTER.

Mr. SMITH of New Jersey.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. DE LA GARZA.

Mr. HOYER.

Mrs. BOXER.

Mr. SABO.

Mr. JOHNSON of South Dakota.

Mr. MAZZOLI.

Mr. ROE.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 20, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1356. A letter from the Office of the Comptroller, Department of Defense, transmitting fiscal years 1990 and 1991 budget revision, April 1989, pursuant to 10 U.S.C. 114; to the Committee on Armed Services.

1357. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the report of political contributions by Joseph Bernard Gildenhorn, of the District of Columbia, Ambassador Extraordinary and Plenipotentiary-designate to Switzerland, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1358. A letter from the Assistant Secretary of State for Legislative Affairs, trans-

mitting copies of the report of political contributions by William H. Taft, IV, of Virginia, U.S. Representative-designate on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1359. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original reports of political contributions by Frederick Morris Bush Ambassador Extraordinary and Plenipotentiary-designate to Luxembourg, by Chas W. Freeman, Jr., Ambassador Extraordinary and Plenipotentiary-designate to the Kingdom of Saudi Arabia; and by Thomas Patrick Melady Ambassador Extraordinary and Plenipotentiary-designate to the Holy See, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1360. A letter from the Secretary of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, section 203(b), United States Code, to delete the requirement that settlements of claims in excess of $1 million on a construction contract be provided for specifically in an appropriation law, and to provide instead that the Secretary notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1 million; to the Committee on Veterans' Affairs.

1361. A letter from the Secretary, Railroad Retirement Board, transmitting the first annual report on the financial status of the railroad unemployment insurance system, pursuant to 45 U.S.C. 369; jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on June 15, 1989, the following reports were filed on June 16, 1989]

Mr. WHITTEN: Committee of conference. Conference report on H.R. 2072 (Rept. 101-89). Ordered to printed.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 2655. A bill to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes (Rept. 101-90). Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 19, 1989]

Mr. UDALL: Committee on Interior and Insular Affairs. Supplemental report on H.R. 1529 (Rept. 101-83, Pt. 2). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 2467. A bill entitled the "1988 Disaster Assistance Extension Act"; with an amendment (Rept. 101-91). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

[The following action occurred on June 16, 1989]

Under clause 5 of Rule X the following action was taken by the Speaker:

H.R. 1549 was referred to the Committee on Energy and Commerce extended for a period ending not later than July 17, 1989.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Submitted June 19, 1989]

By Mr. DYMALLY:

H.R. 2680. A bill to require automobile rental companies to make full disclosures of charges in advertising and to rental customers, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SMITH of New Jersey (for himself, Mr. CLINGER, Mr. MOLINARI, Mr. COURTER, Mrs. ROUKEMA, and Mr. FUSTER):

H.R. 2681. A bill to amend the Hazardous Materials Transportation Act to require the Secretary of Transportation to issue regulations prohibiting the use of the same motor vehicle for the transportation of hazardous materials or solid waste and food, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. TAUKE (for himself and Mr. TAUZIN):

H.R. 2682. A bill to amend the Communications Act of 1934 to eliminate the comparative renewal process and to specify public interest responsibility requirements for the renewal of radio and television broadcast stations; to the Committee on Energy and Commerce.

By Mr. DOUGLAS (for himself, Mr. AKAKA, Mr. ANDERSON, Mr. APPLEGATE, Mr. ATKINS, Mr. BAKER, Mr. BALLENGER, Mr. BARTLETT, Mr. BATEMAN, Mr. BENNETT, Mr. BEREUTER, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLAZ, Mr. BOEHLERT, Mrs. BOGGS, Mrs. BOXER, Mr. BRENNAN, Mr. BROOMFIELD, Mr. BROWDER, Mr. BUECHNER, Mr. BUNNING, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mrs. BYRON, Mr. CAMPBELL of Colorado, Mr. CHANDLER, Mr. CLEMENT, Mr. CLINGER, Mr. COBLE, Mr. COLEMAN of Missouri, Mr. COLEMAN of Texas, Mr. CONTE, Mr. COOPER, Mr. COSTELLO, Mr. COUGHLIN, Mr. COURTER, Mr. COX, Mr. CRAIG, Mr. CRANE, Mr. DANNEMEYER, Mr. DARDEN, Mr. DEFAZIO, Mr. DELAY, Mr. DEWINE, Mr. DORNAN of California, Mr. DREIER of California, Mr. DUNCAN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. ENGLE, Mr. ERDREICH, Mr. EVANS, Mr. FAUNTROY, Mr. FIELDS, Mr. FRANK, Mr. FRENZEL, Mr. FUSTER, Mr. GALLEGLY, Mr. GALLO, Mr. GARCIA, Mr. GAYDOS, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GILLMOR, Mr. GILMAN, Mr. GINGRICH, Mr. GOODLING, Mr. GOSS, Mr. GRANDY, Mr. GRANT, Mr. GREEN, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HANCOCK, Mr. HARRIS, Mr. HASTERT, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HEFLEY, Mr. HERGER, Mr. HILER, Mr. HOLLOWAY, Mr. HORTON, Mr. HOUGHTON, Mr. HOYER, Mr. HUCKABY, Mr. HUGHES, Mr. HUNTER, Mr. HYDE, Mr. INHOFE, Mr. IRELAND, Mrs. JOHNSON of Connecticut, Mr. JOHNSTON Florida, Mr. JONES of Georgia, Mr. JONES of North Carolina, Mr. KANJORSKI, Ms. KAPTUR, Mr. KASICH, Mr. KENNEDY, Mr. KLECZKA, Mr. KOLBE, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LAUGHLIN, Mr. LEACH of Iowa, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. LOWERY of California, Mrs. LOWEY OF NEW YORK, Mr. THOMAS A. LUKEN, Mr. DONALD E. LUKENS, Mr. MACHTLEY, Mr. MANTON, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MCCANDLESS, Mr. MCCOLLUM, Mr. MCDERMOTT, Mr. MCEWEN, Mr. MCGRATH, Mr. MCNULTY, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MILLER of California, Mr. MILLER of Ohio, Mr. MONTGOMERY, Mr. MOODY, Mr. MOORHEAD, Mrs. MORELLA, Mr. MYERS of Indiana, Mr. NEAL of Massachusetts, Mr. NIELSON of Utah, Mr. OLIN, Mr. OWENS of New York, Mr. OXLEY, Mr. PALLONE, Mr. PARKER, Mr. PASHAYAN, Mrs. PATTERSON, Mr. PAXON, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PERKINS, Mr. PETRI, Mr. PICKLE, Mr. PORTER, Mr. POSHARD, Mr. PURSELL, Mr. RAVENEL, Mr. RHODES, Mr. RINALDO, Mr. ROBERTS, Mr. ROE, Mr. ROGERS, Mr. ROHRABACHER, Mr. ROTH, Mr. ROWLAND of Connecticut, Mr. ROYBAL, Mr. SABO, Mrs. SAIKI, Mr. SARPALIUS, Mr. SAWYER, Mr. SAXTON, Mr. SCHEUER, Mr. SCHIFF, Mr. SCHUETTE, Mr. SHAYS, Mr. SHUSTER, Mr. SKAGGS, Mr. SKEEN, Mr. SKELTON, Mr. SLAUGHTER of Virginia, Mr. SMITH of Iowa, Mr. SMITH of Mississippi, Mrs. SMITH of Nebraska, Mr. SMITH of New Hampshire, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. SMITH of Vermont, Ms. SNOWE, Mr. SOLARZ, Mr. SOLOMON, Mr. STAGGERS, Mr. STALLINGS, Mr. STARK, Mr. STENHOLM, Mr. SUNDQUIST, Mr. TALLON, Mr. TANNER, Mr. TAUKE, Mr. TAUZIN, Mr. THOMAS of Wyoming, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mrs. UNSOELD, Mr. UPTON, Mr. VANDER JAGT, Mr. VOLKMER, Mrs. VUCANOVICH, Mr. WALSH, Mr. WATKINS, Mr. WAXMAN, Mr. WELDON, Mr. WOLF, Mr. WOLPE, Mr. WYLIE, Mr. YOUNG of Alaska, Mr. YOUNG of Florida, and Mr. DE LA GARZA):

H.J. Res. 298. Joint resolution designating July 14, 1989, as "National Day to Commemorate the Bastille Day Bicentennial"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

156. The SPEAKER presented a memorial of the Assembly of the State of California, relative to the Medicare Catastrophic Coverage Act of 1988; jointly, to the Committees on Ways and Means and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 40: Mr. JOHNSON of South Dakota.

H.R. 45: Mr. LANTOS.

H.R. 118: Mr. HUNTER.

H.R. 292: Mr. ENGEL.

H.R. 505: Mr. YOUNG of Florida, Mr. ROWLAND of Georgia, Mr. THOMAS of Wyoming, Mrs. LOWEY of New York, Mr. MAVROULES, Mr. HUCKABY, Mr. STENHOLM, Mr. MACHTLEY, Mr. EMERSON, Mr. YATRON, and Mr. HAMMERSCHMIDT.

H.R. 529: Mr. HOCHBRUECKNER, Mr. CROCKETT, and Mr. RANGEL.

H.R. 530: Mr. HOCHBRUECKNER, Mr. CROCKETT, and Mr. RANGEL.

H.R. 799: Mr. JONTZ.

H.R. 1059: Mr. SWIFT and Mr. SKAGGS.

H.R. 1083: Mr. HAYES of Illinois, Mr. BOSCO, Mr. CHAPMAN, Mr. OWENS of Utah, Mr. MINETA, Mr. BERMAN, Mr. DARDEN, and Mr. FUSTER.

H.R. 1574: Mr. NEAL of North Carolina, Mrs. JOHNSON of Connecticut, and Mr. WALKER.

H.R. 1662: Mr. SMITH of New Jersey.

H.R. 1782: Mrs. BENTLEY, and Mr. CHAPMAN.

H.R. 1883: Mr. FLORIO.

H.R. 2008: Mr. GOSS, Mr. SCHIFF, Mr. WYLIE, Mr. GALLO, Mr. LENT, Mr. ROBERTS, Mr. BILIRAKIS, Mr. BROWN of Colorado, Mr. COX, and Mr. SCHAEFER.

H.R. 2096: Mr. MARTINEZ, Mr. DE LUGO, and Mr. GARCIA.

H.R. 2123: Mr. WEISS and Mr. VENTO.

H.R. 2181: Mr. BARNARD.

H.R. 2184: Mr. MORRISON of Connecticut, Mr. DWYER of New Jersey, Mr. FUSTER, Mr. MARTINEZ, Mrs. MEYERS of Kansas, Mr. ATKINS, Mr. HUGHES, and Mr. HOYER.

H.R. 2241: Mr. ANDREWS.

H.R. 2265: Mr. DOWNEY and Mr. WAXMAN.

H.R. 2479: Mr. GOSS, Mr. SMITH of Florida, Mr. SCHEUER, and Mr. IRELAND.

H.R. 2493: Mr. ATKINS.

H.R. 2503: Mr. MCEWEN and Mr. FRENZEL.

H.R. 2534: Mr. CRANE.

H.R. 2561: Mr. OWENS of New York, Mrs. MEYERS of Kansas, Mr. FAWELL, and Mr. DWYER of New Jersey.

H.R. 2569: Mr. BONIOR, Mr. BROOMFIELD, Mr. CARR, Mr. CONYERS, Mr. CROCKETT, Mr. DAVIS, Mr. DINGELL, Mr. FORD of Michigan, Mr. HENRY, Mr. HERTEL, Mr. KILDEE, Mr. LEVIN of Michigan, Mr. PURSELL, Mr. SCHUETTE, Mr. UPTON, Mr. VANDER JAGT, and Mr. WOLPE.

H.R. 2596: Mr. WOLPE, Mr. GALLEGLY, Mr. COBLE, Mr. LIPINSKI, Mr. LAGOMARSINO, Mr. BONIOR, Mr. GIBBONS, and Mr. HEFLEY.

H.R. 2598: Mr. DYMALLY.

H.J. Res. 221: Mr. BATEMAN, Mr. GARCIA, Mr. JONES of Georgia, Mr. MARTINEZ, Mr. TORRICELLI, and Mr. WOLF.

H.J. Res. 257: Ms. KAPTUR, Mr. MURTHA, Mr. CONTE, Mr. WOLF, Mr. GALLEGLY, Mr. PICKETT, Mr. SAWYER, Mr. LAFALCE, Mr. DORNAN of California, Mr. MACHTLEY, Mr. MFUME, Mr. OWENS, of New York, Mr. SHAYS, Mr. ROE, Mr. MARTINEZ, and Mr. MORRISON of Washington.

H. Con. Res. 66: Mr. FOGLIETTA.

H. Con. Res. 83: Mr. RAHALL, Mr. LEACH of Iowa, Mr. WILLIAMS, Mr. HATCHER, Mr. STUDDS, Mr. BOEHLERT, Mr. GLICKMAN, Mr. DORGAN of North Dakota, Mr. SMITH of Texas, Mr. STALLINGS, and Mr. BROWDER.

H. Res. 104: Mr. DIXON, Mr. JONES of Georgia, Mr. CLINGER, Mr. PRICE, Mr. SOLARZ, Mr. CRAIG, Mr. LEACH of Iowa, and Mr. WAXMAN.

SENATE—*Monday, June 19, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the Honorable TOM HARKIN, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*God of Abraham, Isaac and Jacob, Father of us all, Moses warned Israel as she was about to become a nation: "And it shall be, if thou do at all forget the Lord thy God, and walk after other gods, * * * I testify against you this day that ye shall surely perish. As the nations which the Lord destroyeth before your face, so shall ye perish. * * **—Deuteronomy 8:19, 20.

Thomas Jefferson asked the penetrating question: "Can the liberties of a nation be secure when we have removed their only firm basis, a conviction in the minds of the people that these liberties are the gift of God?"

Gracious God, every day since the Senate began 200 years ago, it has opened with prayer. They did it because they believed they needed it. Heavenly Father, forbid that we should continue it perfunctorily, simply because it is a custom to be gotten out of the way for more important things. Restore to our Nation the beliefs of our founders, infused as they were with Biblical values. Help us not to forget Thee, Lord, nor take Thee for granted. Help us to realize our daily, desperate need for Thee in the totality of our being and doing.

In the name of Him who is Lord of Heaven and Earth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 19, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Tom Harkin, a Senator from the State of Iowa, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. HARKIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business, not to extend beyond 12 noon, with Senators permitted to speak therein for up to 5 minutes each.

At noon the Senate will resume debate on S. 5, the child care bill. As I indicated last week, and under the order which now exists, any votes ordered today will not occur prior to 5:30 p.m. Under that order, the same provisions applied to any votes ordered on Friday. During Friday while there was extensive and informative debate on the subject, there were no votes ordered.

So as of now, no votes are scheduled for 5:30; although, if amendments are offered this afternoon with respect to which there could be action, either a vote on the amendment or tabling or otherwise, then the votes could occur at 5:30.

I hope, for the benefit of our colleagues, that we will get some indication of how we plan to proceed this afternoon, and we will be able to make an announcement so that the Senators can adjust their schedules accordingly. As of this moment, no votes are scheduled to occur today.

If any are scheduled this afternoon, they will not occur prior to 5:30, and I hope to have some indication as to whether or not there will be any such votes in advance of that time, so that Senators may be apprised of what will occur, so they can adjust their schedules accordingly.

Mr. President, I reserve the remainder of my leader time. I am pleased to yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the Republican leader is recognized.

Mr. DOLE. Mr. President, I know some of my colleagues will not be here any time today, and that is the only reason to be given notice on votes. I am not certain, but at least I know of no amendment on this side today. There may be some. I think we will find probably tomorrow we will have our substitute ready, and there may be single amendments on this side, but hopefully, by midafternoon I will be in a position to advise the majority leader.

Mr. MITCHELL. If I may suggest, in order to give our colleagues time to make the necessary travel arrangements, would it be possible for the distinguished Republican leader and I to meet and discuss this, perhaps prior to 1 o'clock, at which time I could then be in a position to make an announcement to indicate to Senators what is or is not likely to occur.

Therefore, Senators may look forward to a further announcement in this regard, hopefully, sometime around 1 p.m. or shortly thereafter.

A MESSAGE TO CONFEREES

Mr. DOLE. Mr. President, it is my understanding that the House will not be ready to send over its version of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, H.R. 1278 until tomorrow. Once we receive the bill, we will proceed to conference on the thrift reform legislation.

URGENT ACTION NEEDED

I want to remind my colleagues from both Houses who will be participating in this conference how important it is that they move quickly to resolve the differences between the House and Senate versions of the bill and reach an agreement.

In President Bush's State of the Union Address on February 9, he gave Congress 45 days to complete action on this legislation. Today is day No. 130, and we still do not have a bill ready for the President's signature.

Senator JAKE GARN has stated repeatedly that we need to stop the "hemorrhaging." I agree. The losses have been piling up at a rate of $1 bil-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

lion a month. It is crucial that we move to contain them.

Two full months have passed since the Senate passed its version of the bill, raising the ultimate cost of the thrift industry bailout by as much as $2 billion. The American taxpayer cannot afford further delay.

A bipartisan effort to produce reform in both Houses of Congress has generated two strong bills. The President was particularly pleased when Members of the House voted Thursday to defeat the Hyde amendment by a vote of 326-94. The House leadership on both sides of the aisle, the chairman of the House Banking Committee, HENRY GONZALEZ, and the ranking member, CHALMERS WYLIE, are to be commended for their efforts on this issue.

A STRONG BILL IS NEEDED

There are major differences between the House and Senate versions of the bill. The funding and housing provisions are obvious examples. These differences will have to be ironed out in the conference.

My hope is that the conferees will decide to include the toughest provisions in both bills in the conference agreement. I think we have to move quickly, but we also need to move responsibly.

We owe the American taxpayer our best effort to ensure that this never happens again. That means reducing the risk to the Federal deposit insurance funds by requiring that the industry put up real capital—not good will, not something else, but real capital.

This is a massive piece of legislation. It lays the groundwork for a structural overhaul of the thrift regulatory system and provides a funding mechanism for the largest bailout in history—the total cost could run over $157 billion. Nobody knows what the final cost will be.

KEEP THE MOMENTUM

There is work to be done, but we must not lose the momentum from the House action last week and the President's meeting with Republican and Democratic leaders in the House and Senate.

I urge my colleagues to push for a conference agreement as soon as possible.

Mr. President, I reserve the remainder of my time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 12 p.m., with Senators permitted to speak therein for a period of 5 minutes each.

The distinguished Senator from Illinois is recognized.

INCREASED UTILIZATION OF ETHANOL FUEL

Mr. DIXON. Mr. President, President Bush has just unveiled his proposal to Congress on the Clean Air Act. I am happy that the President has weighed in on the clean air debate, and I think his proposals will help the Congress and the White House to reach a consensus on how to clean up the Nation's air. Although his proposal is light on specifics, I heartily agree with the President on at least one important issue—the necessity of increasing our domestic utilization of oxygenated fuels, especially ethanol.

From a fledgling endeavor, the ethanol industry has grown to a domestic fuel industry that produced and marketed over 840 million gallons of fuel in 1988. In the process, the ethanol industry has created a cash market for some 340 million bushels of grain, thereby, increasing farm income by an estimated $1 million and lowering Federal farm program costs by $700 million. At the same time, this domestic industry has helped to reduce oil imports by nearly 40 million barrels.

Mr. President, in addition to being an excellent octane enhancing additive to gasoline, ethanol offers a whole host of significant environmental benefits which make it an effective pollution reduction option. Ethanol blended fuels can enable the over 80 carbon monoxide and ozone nonattainment areas to come into compliance with EPA standards. Current predictions suggest that the use of ethanol blends will reduce motor vehicle emission of carbon monoxide approximately 25 to 30 percent. Indeed, because the oxygen content of an ethanol blend is almost twice that of other oxygenated fuels, its ability to reduce carbon monoxide levels is greater than any alternative oxygenated fuel.

Motor vehicles are the major source of ozone precursors, the major source of carbon monoxide, and a significant source of air toxics. Control of vehicle emissions of these pollutants has focused on the vehicle. In turn, Detroit has made dramatic improvements in this area. We have already made most of the improvements possible on petroleum powered cars, buses, and trucks. It makes sense that the next round of improvements come from vehicles powered by clean renewable fuels. The President has called for car manufacturers to produce a million clean-fueled vehicles per year by 1997. I say this is a step in the right direction, and I hope to see at least that many clean cars and trucks sold by the turn of the century.

Mr. President, it is time that we recognize the importance of ethanol in solving our smog and air toxics problem. It is good for our air; it is good for our farmers; and it is good for reducing our dependency on foreign oil. Mr. President, this is a profoundly good idea.

I encourage my colleagues on the Environment and Public Works Committee to include the benefits of ethanol in the clean air reauthorization bill that they are now drafting.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ACT FOR BETTER CHILD CARE SERVICES

Mr. BINGAMAN. Mr. President, I rise today to speak in favor of the Act for Better Child Care Services, the most sweeping piece of child care legislation ever introduced here in the Congress.

This bill is one of the most important pieces of legislation we will consider this year, and I urge its swift passage.

Finding safe, affordable child care has become critically important in recent years to families throughout my home State of New Mexico and across the country.

More and more households are headed by single working parents, and in two-parent households, more and more often both parents are working outside the home. Thus, growing numbers of dual-career families are confronted with the problem of finding a way to provide their children with safe and affordable care.

Nationally, 56 percent of all American women work outside the home. In New Mexico, some 43,000 households are headed by single mothers, and last year, more than 60 percent of the court-ordered child support was either not paid at all or was paid only in part. Child support payments that were made averaged only about $1,300 a year.

A recently completed study undertaken by the New Mexico Preschool Project Task Force, which I helped organize last year, revealed that more than 61,500 of our State's children under the age of 6 had mothers who worked outside the home.

But licensed child care space available in our State was for only 21,388, or space available for 35 percent of those children.

But even for the parents who do find care for their children, worries often continue. Each day parents wonder how things are going at home or at the sitter's. Do their children receive enough personalized attention? Are

they being challenged mentally? Are they safe? Does the sitter really care about them? Can a mother or father be a good parent if she or he leaves a child alone or with someone outside the family?

Through a series of forums and hearings conducted over the past couple of years, I have met parents and providers throughout New Mexico who have voiced these concerns to me. And I am troubled because I know there is a direct tie between the quality of child care and the ability of a child to become a happy, productive, useful member of society.

At a minimum, we know what the studies have shown. Quality, safe, supervised, and educational care, even as early as 3 years of age, eventually translates into well-rounded individuals, better school performance, lower dropout rates, lower unemployment rates, and lower crime rates. It means that 15 years later more children will go to college or participate in vocational and job training programs.

It makes sense that if our children get the proper nurturing and education during those critical preschool years, they likely will be that much more successful through the school years and beyond.

However, the need for quality care is not limited to children of preschool age. Indeed, many experts believe the benefits of early intervention can be negated if a child does not receive proper care and attention during the school years. And as with parents of infants and preschoolers, the working parents of school-age children daily face the challenge of finding affordable, supervised, care for their children during the hours before and after school.

During a field hearing of the Congress' Joint Economic Committee, which I chaired last year in Albuquerque, NM, I learned of the extent of this child care dilemma and of the urgent need for the Federal Government to work with States and local communities to assure access to quality, affordable school-age child care for families with such a need.

Clearly, as more and more parents move into the work force, whether from necessity or desire, the need for us to focus on all of the dimensions of this Nation's child care challenge becomes even more critical.

So far, we have not done that. In New Mexico we are trying, but with a child care delivery system comprised of many poorly funded programs, we are unable to meet a need that is growing out of control.

Without question, we in the Federal Government can and must do more to help. Many things can be done. First, the Congress and the President need to recognize that child care is an issue that must be addressed comprehensively.

We must address the availability and affordability of care, and to that end, I believe a refundable tax credit for families with young children is an excellent idea. It is a proposal that should be supported. But a tax credit or refund is not a substitute for—and will not ensure—safe child care.

We also must address the quality of care our children receive. This is an issue that we have neglected and ignored for too long. For our children's future, we must address it now.

The Act for Better Child Care Services is a significant step toward a comprehensive solution to the child care dilemma. The bill recognizes and supports the efforts of State and local governments and employers to address child care.

It would put into place a Federal foundation that will not impose a new bureaucracy or child care system; instead, it provides States with flexible support so that they can build upon their current efforts to help parents choose quality child care settings.

The act, as amended, will not impose strict standards of care on providers. The States, not the Federal Government, will set their own standards based on their particular needs and concerns.

A national panel will recommend basic child care safety standards, which the States may or may not adopt. In many States, the standards will be very basic. Always, the health and well-being of our children should remain our greatest concern.

This act is a major step forward for the Federal Government, yet a full 70 percent of its funds will go directly to parents, who can best select the type of care suited for their children. This is how it should be—a partnership involving Federal and State governments, local communities, and parents working together to ensure a safe, bright future for our children.

I will close by reiterating the need to acknowledge that child care is a national problem which must be addressed in a comprehensive way. We must realize it is a challenge that must be met if we are to meet all of the other challenges we face as a nation.

An investment in a comprehensive child care program is an investment in our Nation's future. It is an investment in New Mexico's children, in Wyoming's children, in Mississippi's children, in all of our children, that will pay off in stronger families, increased productivity in the workplace, and a healthier local, national, and international economy.

Simply put, it is an investment we must make for our children and our future.

I appreciate the chance to speak on this.

I yield the floor.

TRIBUTE TO DAVE GRIGGS

Mr. GARN. Mr. President, this past Saturday morning, my good friend and fellow crewmember from my flight aboard the space shuttle *Discovery*, Dave Griggs, was killed in a crash of an aircraft he was flying. Dave was more than just a good friend, as are all of the members of the crew with whom I flew in space. The unique bond that is formed among those who have traveled in space together is unlike anything else I have seen in human experience. We have seen and felt things that very few humans have felt and which are almost impossible to describe completely. So much of what we shared together remains in the realm of the unspoken.

The relationships formed in that experience are life long. In the years that have followed since that flight, I have maintained close contact with each member of that crew and their families as well as with many of the other astronauts and people at NASA who were involved in the preparation for and conduct of that flight. We have had crew reunions and get togethers; we have joined together in celebration of milestones in each others' lives; we have socialized and laughed and played together, and we have worked together to insure the continuation of our Nation's manned space flight program.

Dave's loss is a very deep and personal one. But it is also a great loss to NASA and to the Nation. Dave's entire career has been full of examples of his dedication to excellence. Rather than detail all of his many accomplishments, I ask unanimous consent that Dave's biography be printed in the RECORD at this time.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL DATA

Name: S. David Griggs (Mr.), NASA Astronaut.

Birthplace and date: Born September 7, 1939, in Portland, Oregon. His parents, Mr. and Mrs. Jack L. Griggs, Sr., reside in Lawrence, Michigan.

Physical description: Brown hair; brown eyes; height: 5 feet 10 inches; weight: 175 pounds.

Education: Graduated from Lincoln High School, Portland, Oregon, in 1957; received a bachelor of science degree from the United States Naval Academy in 1962 and a master science in Administration from George Washington University in 1970.

Marital status: Married to the former Karen Frances Kreeb of Lake Ronkonkoma, Long Island, New York. Her parents, Mr. and Mrs. Charles Kreeb, reside in Lake Ronkonkoma, New York.

Children: Alison Marie, August 21, 1971; Carre Anne, May 14, 1974.

Recreational interests: He enjoys flying, auto restoration, running, and skiing.

Organizations: Member, Society of Experimental Test Pilots, National Air Racing Group, Naval Reserve Association, Naval Academy Alumni Association, Association of

Naval Aviators, Naval Institute, Naval Aviation Museum Foundation, Naval Order of the United States, Tailhook Association.

Special honors: Awarded the Navy Distinguished Flying Cross, Meritorious Service Medal, 15 Air Medals, 3 Navy Commendation Medals, Navy Unit Commendation, Meritorious Unit Citation, Defense Distinguished Service Medal, National Defense Service Medal, Republic of Vietnam Campaign Medal, Vietnamese Cross of Gallantry, NASA Space Flight Medal, NASA Achievement Award, and NASA Sustained Superior Performance Award.

Experience: Mr. Griggs graduated from Annapolis in 1962 and entered pilot training shortly thereafter. In 1964, he received his Navy wings and was attached to Attack Squadron-72 flying A-4 aircraft. He completed one Mediterranean cruise and two Southeast Asia combat cruises aboard the aircraft carriers U.S.S. *Independence* and U.S.S. *Roosevelt*. Mr. Griggs entered the U.S. Naval Test Pilot School at Patuxent River, Maryland, in 1967, and upon completion of test pilot training, was assigned to the Flying Qualities and Performance Branch, Flight Test Division, where he flew various test projects on fighter and attack-type aircraft. In 1970 he resigned his regular United States Navy commission and affiliated with the Naval Air Reserve in which he currently holds the rank of Rear Admiral.

As a Naval Reservist, Rear Admiral Griggs has been assigned to several fighter and attack squadrons flying A-4, A-7 and F-8 aircraft based at Naval Air Station New Orleans, LA, and Miramar, CA. His most recent assignments have been as Commanding Officer, Attack Squadron 2082, Executive Officer, Carrier Group 0282, mobilizing to Battle Force Sixth Fleet, Commanding Officer, Naval Reserve Naval Space Command 0166 stationed at the Naval Space Command Headquarters, Dahlgren, Virginia, and Commanding Officer, Office of Naval Research/Naval Research Laboratory 410, Houston, Texas. Rear Admiral Grigg's current mobilization assignment is as Chief of Staff Commander Naval Air Force, United States Pacific Fleet, San Diego, California.

He has logged 9,500 hours flying time—7,800 hours in jet aircraft—and has flown over 45 different types of aircraft including single and multi engine prop, turbo prop and jet aircraft, helicopters, gliders, hot air balloons and the Space Shuttle. He has made over 300 carrier landings, and holds an airline transport pilot license and is a certified flight instructor.

NASA experience: Mr. Griggs has been employed at the Lyndon B. Johnson Space Center as a research pilot since July 1970, and during this time, he has worked on various flight test and research projects in support of NASA programs. In 1974, he was assigned duties as the project pilot for the shuttle trainer aircraft and participated in the design, development, and testing of those aircraft pending their operational deployment in 1976. He was appointed Chief of the Shuttle Training Aircraft Operations Office in January 1976 with responsibility for the operational use of the shuttle trainer, and held that position until being selected as an astronaut candidate by NASA in Juanuary 1978. In August 1979, he completed a 1-year training and evaluation period and became eligible for Space Shuttle flightcrew assignment.

From 1979 to 1983 Mr. Griggs was involved in several Space Shuttle engineering capacities including the development and testing of the Head-Up Display (HUD) approach and landing avionics system, development of the Manned Maneuvering Unit (MMU), and the requirements definition and verification of on-orbit rendezvous and entry flight phase software and procedures. In September 1983 he began crew training as a mission specialist for flight STS 51-D, which flew April 12-19, 1985. During the flight, Mr. Griggs conducted the first unscheduled extravehicular activity (space walk) of the space program. The space walk lasted for over three hours during which preparations for a satellite rescue attempt were completed.

Current assignment: Mr. Griggs is in flight crew training as pilot for STS-33, as dedicated Department of Defense mission, scheduled for launch in August 1989.

February 1989.

[NASA news release, June 17, 1989]

ASTRONAUT S. DAVID GRIGGS KILLED IN AIR CRASH

Veteran Shuttle astronaut Rear Admiral S. David Griggs, USNR, was killed today when the North American AT-6 vintage trainer airplane he was flying crashed near Earle, Arkansas. Griggs was alone in the airplane when the accident occurred about 9:15 am cdt.

Griggs joined NASA in 1970 as a research pilot in the Johnson Space Center's Aircraft Operations Division. He served as project pilot for the shuttle trainer aircraft and later as Chief of the Shuttle Training Aircraft Operations Office before being selected as an astronaut candidate in 1978.

He made his first spaceflight in April, 1985, as a mission specialist aboard Discovery on missions STS 51-D, during which Griggs conducted the first unscheduled spacewalk in history.

Griggs had been in training as pilot for Shuttle mission STS-33, a classified Department of Defense flight aboard Discovery, scheduled for November of this year.

Mr. GARN. On Saturday when I learned of Dave's tragic death, I was simply incapable of granting the several requests for interviews which I received. Therefore, I issued a statement expressing my feelings about his death. I further ask unanimous consent to have that statement printed in the RECORD at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JAKE GARN ON THE DEATH OF ASTRONAUT S. DAVID GRIGGS, JUNE 17, 1989

It is difficult to find the words to express my deep sorrow at the death of my good friend Dave Griggs, who was killed this morning in the crash of the airplane he was flying.

Dave and I flew aboard *Discovery* together in April of 1985. That experience, and the training we underwent together prior to that flight, created a special bond between us, and between all the members of that crew. We shared the ultimate flying experience together, from the thrill of lift-off to the long gliding return to earth a week later. We shared unforgettable moments, as we were able to float quietly in the darkened flight deck of the shuttle and look down on this incredibly beautiful planet, and the eternity beyond it. It prompted us all to look deeply within ourselves to see the real meaning of our lives.

I watched as Dave and Jeff Hoffman walked in space and prepared for the attempt to rescue the ailing satellite we had launched; I was so proud of them and all of that crew and what they accomplished. To me they came to represent the very epitome of excellence and skill. Dave took his responsibilities as an astronaut very seriously. He knew that his performance would help shape the future of all space travelers, and he worked hard to make sure that he did the very best he could at whatever task was before him. That dedication led to his recent promotion to Rear Admiral in the Naval Reserve and to his selection to be the Pilot of STS-33, to be launched aboard *Discovery* this coming November.

I spoke to Dave just two days ago. I could sense this excitement in his preparations for his next space flight, and his unbridled enthusiasm for the space program he loved so much. He was filled with a sense of purpose and justificable pride in the contribution he was making to the future. We talked about his wife Karen, and their daughters, and about what other members of our crew were doing. To suddenly have him gone is difficult to accept. I have lost a person who was a part of the most incredible experience of my life. NASA has lost one of its best and most promising astronauts. This nation has lost one of its most capable, dedicated and talented individuals. And, most tragically, Karen and her two daughters have lost a loving husband, friend, and father. Kathleen and I share their grief and our prayers are with them.

Mr. GARN. No matter how many times we face the tragic loss of people close to us both personally and professionally it never becomes any easier. I join Dave's wife Karen and their two daughters, Allison and Carey, and Dave's many friends and family in mourning his death and urge my colleagues to join me in paying tribute to this noble and great American.

Mr. CONRAD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

(The remarks of Mr. CONRAD pertaining to the introduction of S. 1200 are located on today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

LOUIS PASSMAN CELEBRATES 100TH BIRTHDAY

Mr. DIXON. Mr. President, I would like to congratulate Louis Passman who was born in Chicago on July 8, 1889, and who will celebrate his 100th birthday this July 8.

Louis was raised in a small house on 1034 West 31st Street with his four brothers and sisters, and the Passman family became a vital part of this predominantly Irish section of Chicago. Through hard work and dedication Louis graduated from the Holden School while devoting much of his free time to helping his father on a horse and wagon in the scrap business. Louis also became active in politics

and developed a longstanding friendship with the late Mayor Daley.

Until his retirement, Louis was successful in the steel and scrap business for 80 years. His late wife, Goldie, bore two daughters and one son, and Louis now has five grandchildren and eight great-grandchildren.

I heartily congratulate Louis Passman on his long and prosperous life. He and his family are a tribute to Illinois and I wish him all the best and many more birthdays to come.

LT. COL. ROBERT S. "BO" BLUDWORTH

Mr. BYRD. Mr. President, on the occasion of his recent retirement from the U.S. Army, I wish to commend Lt. Col. Robert S. "Bo" Bludworth for 22 years of dedicated service to our Nation. During his military career "Bo" Bludworth has rendered effective service in a wide range of responsibilities. Members and employees of the Senate have come to know and appreciate "Bo" as a "top-flight" officer in the Army's Office of Legislative Liaison to the Senate.

As Senate Army Liaison Officer, Colonel Bludworth's duties involved serving as the initial contact between the Army and Senate. In this important capacity he has provided Senate Members, committees, and staffs with accurate, up-to-date information concerning defense related matters. His broad expertise has helped to fill Senate needs for information on the military, from constituent services to congressional investigations.

In addition to these tasks, Colonel Bludworth was of great assistance to Members of Congress in planning, coordinating and escorting over 75 congressional factfinding delegations, most of which were to locations overseas.

I recall in particular Colonel Bludworth's performance during the Senate's first delegation to the Soviet Union to meet Secretary Gorbachev, which I led in August 1985. During that trip Colonel Bludworth's steadfast attention to detail was important to the success of our mission.

Colonel Bludworth served in Vietnam as a helicopter and ground platoon leader, and he has held other important assignments in the United States and abroad, such as commander of armor units. His military awards and decorations include the Silver Star, Distinguished Flying Cross, Bronze Star, Air Medal, Army Commendation Medal for Valor, and Combat Infantryman's Badge.

Colonel Bludworth's commonsense attitude, distinguished service, and sense of honor demonstrate a conscientious officer in whom the Army and the Nation can take pride.

As Colonel Bludworth retires to begin his new career in private enterprise, our best wishes go to "Bo" and his wonderful wife, Sheila, and their fine children, James, Stephanie, and Todd. I am certain that his future endeavors will match the success of his distinguished military career.

AGENT ORANGE UPDATE: THE AMERICAN LEGION STUDY

Mr. CRANSTON. Mr. President, since agent orange first came to public attention in the late 1970's, I have been working to address and to attempt to resolve the concerns raised about possible adverse health effects arising from veterans' exposure to this herbicide in Vietnam. During this time, it has been my practice to provide periodic updates for my colleagues and others with an interest in this issue on current scientific research. I am continuing that practice today by placing in the RECORD evaluations of a study—generally known as "The American Legion Study"—the results of which were published in the December 1988 issue of Environmental Research. This journal published five articles by Jeanne and Steve Stellman et al. examining the health effects of herbicide exposure and service in Vietnam, based on questionnaires completed by American Legion members.

In November 22, 1988, letters to the Veterans' Advisory Committee on Environmental Hazards, the Agent Orange Working Group, and the Office of Technology Assessment, the chairmen and ranking minority members of the House and Senate Veterans' Affairs Committees requested that these groups comment on the scientific methods used in these studies, the validity of the statistical analyses, and the strength of the findings.

In a January 19, 1989, letter, Don M. Newman, the chairman of the Domestic Policy Council Agent Orange Working Group, submitted a letter and summary of findings from the chair of the science panel. He also included the individual opinions of each scientist. On January 26, 1989, Dr. John H. Gibbons, Director of the Office of Technology Assessment, responded to our request enclosing an OTA staff paper reviewing the studies. On January 30, 1989, Oliver H. Meadows, chairman of the Veterans' Advisory Committee on Environmental Hazards, wrote advising that the studies would not be reviewed by the full committee until its April 25 and 26, 1989, meeting, but that Dr. Yanders, the chairman of the Committee's Scientific Council, had reviewed the papers and prepared a summary of his views on them, which was enclosed for our information. Because I wanted to share these reports together, I delayed this update until I received information on the results of the full committee's review. On June 2, 1989, I received a copy of the committee's assessment.

Mr. President, I ask unanimous consent that these letters and their enclosures be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD:

CONGRESS OF THE UNITED STATES,
OFFICE OF TECHNOLOGY ASSESSMENT,
Washington, DC, January 26, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR ALAN: The enclosed OTA Staff Paper reviews a study titled "The Columbia University-American Legion Vietnam Veterans Study" sponsored by the American Legion of the effects of service in Southeast Asia during the Vietnam era. As you and your colleagues requested in your letter of November 22, 1988, the OTA review discusses the scientific methods used and the validity of the findings.

The study (referred to as "The American Legion Study") is based on responses to a mailed questionnaire by a sample of Legionnaires in six states who had served either in Southeast Asia (SEA) or elsewhere during the Vietnam era. Questions concerning military experiences and aspects of subsequent functioning and wellbeing were asked. The study was conducted by researchers based at the Columbia University School of Public Health, and the results were published in five papers in the December 1988 issue of *Environmental Research*.

The study investigators reported deficits in a number of social, economic, physical, and psychological measures that they attributed to having served in SEA. They also reported that among SEA veterans, problems appeared to be associated with the extent of combat experience and with having higher scores on an Agent Orange exposure estimate scale.

OTA finds that the study has major flaws that call into question the validity of virtually all the findings reported. These flaws include: (1) aspects of the method of selecting the study population and low rate of response to the questionnaire, both of which may have contributed to a biased comparison of SEA and non-SEA veterans, and of subgroups of SEA veterans; (2) an unvalidated and probably invalid method for assessing Agent Orange exposure; and (3) an unvalidated and probably invalid approach to collecting health (and possible other) information about the participants. All epidemiologic studies suffer from some bias, and no methodology is perfect. However, the American Legion study has such serious problems that, even though some of its conclusions might be correct, the evidence produced by the study cannot be relied upon for an understanding of the consequences of having served in SEA during the Vietnam era.

An editorial by Michael Gochfeld, which accompanies the American Legion Study reports, suggests that the method used to estimate exposure to Agent Orange in this study is an improvement on previous attempts, and should be applied widely in other studies of veterans. He ascribes the government's decision to halt the Congressionally-mandated Agent Orange study to CDC's "arguing nihilistically that since exposure cannot be well documented, the study was not feasible." The Government's

decision was made because of compelling evidence, from serum dioxing testing and also from a more sophisticated exposure estimation procedure than that used by the American Legion investigators, that there did not exist a large group of ground troops with significant exposure. The American Legion Study has done nothing to alter these conclusions.

I hope you find this review helpful. If you have any questions or comments on it, please feel free to call me, or to contact Clyde Behney or Hellen Gelband of the OTA Health Program (at 8-6590).

Sincerely,

JOHN H. GIBBONS.

OTA REVIEW OF: THE COLUMBIA UNIVERSITY-AMERICAN LEGION VIETNAM VETERANS STUDY*

(Staff Paper Prepared by Hellen Gelband, Special Projects Office of the Health Program, Office of Technology Assessment, U.S. Congress, January 1989)

SUMMARY

The American Legion sponsored a study in which a sample of their membership who had served during the Vietnam era filled out questionnaires concerning their military experiences and aspects of their subsequent functioning and wellbeing. The study was conducted by researchers based at the Columbia University School of Public Health, and the results were published in five papers published in the December 1988 issue of *Environmental Research*.

The investigators reported deficits in a number of social, economic, physical, and psychological measures that they related to having served in Southeast Asia (SEA). They also reported that among SEA veterans, problems appeared to be associated with more extensive reported combat experience, and with having higher scores on an Agent Orange exposure estimate scale. OTA was asked by the Chairmen and Ranking Minority Members of the Senate and House of Representatives Committees on Veterans' Affairs to comment on the methodology of the Columbia University-American Legion Vietnam Veterans Study (referred to as the "American Legion Study"), as well as the validity and strength of the findings reported.

This study has major flaws that call into question the validity of virtually all the findings reported. These flaws include: 1) aspects of the method of selecting the study population and low rate of response to the questionnaire, both of which may have contributed to a biased comparison of SEA and non-SEA veterans, and of subgroups of SEA veterans; 2) an unvalidated and probably invalid method for assessing Agent Orange exposure; and 3) an unvalidated and probably invalid approach to collecting health (and possibly other) information about the participants. All epidemiologic studies suffer from some bias, and no methodology is perfect. However, the American Legion study has such serious problems that, even though some of its conclusions might be correct, the evidence produced by the study cannot be relied upon for an understanding of the consequences of having served in SEA during the Vietnam era.

INTRODUCTION

This review gives a general description of the design and findings of the American Legion study, and discusses the Agent Orange exposure estimation methodology used, aspects of the participant selection process that might have affected the results, problems with self-reported data of the type collected in this study, and problems with the study questionnaire. The review concentrates on reported physical and psychological health outcomes.

DESCRIPTION OF THE STUDY AND FINDINGS

The American Legion study is a cross-sectional survey of 2,858 veterans who served in Southeast Asia during the Vietnam era (SEA veterans) and 3,952 who served elsewhere during that time. These were the respondents out of 12,588 Vietnam-era veterans to whom questionnaires were mailed.[1] While the participants are described as a "random sample" in the reports, that does not appear to be the case, as explained below (see *Study Population*).

Respondents filled out a printed questionnaire [2] and sent it back to the investigators. The questions cover military experience, basic demographics and education, attitudes toward the Veterans Administration, personal health history and current status, reproductive history, some aspects of lifestyle, economic status, and social relationships. The questionnaires were the sole source of information for the analyses published in *Environmental Research;* no independent documentation (e.g., military or medical records) of any information was collected. (A statement is made, however, that data on birth defects will be presented in a future report because of the necessity for medical verification.) Some problems with the questionnaire are discussed below (see *The Questionnaire*).

A variety of standard statistical techniques were used in the analyses, but inconsistencies in the types of adjustments made caused difficulties in interpreting some results. For example, some analyses relating findings to Agent Orange exposure scores are adjusted to attempt to remove the effect of combat (the study's Agent Orange exposure scores and combat scores are highly correlated), but some are not, leaving a question as to whether effects seen are associated with Agent Orange scores, combat scores, or both. In general, not enough information is given for the reader to reproduce the analyses given or to reanalyze the data in other ways.

Despite a wealth of detail, the study methodology is not described sufficiently well, there appear to be inconsistencies throughout the papers in the numbers of men in various categories, and there is a general lack of precision in reporting the methods and findings.

Reported health and reproductive outcomes

Health and reproductive outcomes are discussed in one paper.[3] A variety of physical conditions were reported more frequently by SEA veterans than by non-SEA veterans. These include: heart disease, venereal disease, benign fatty tumors, and various skin conditions. A greater percentage of men who reported handling herbicides directly, compared with other men who served in SEA, reported higher rates of high blood pressure, heart disease (but not when adjusted for differing age distributions), stomach or duodenal ulcer, and various skin conditions. Among men who served in SEA but did not handle herbicides directly, higher rates of benign fatty tumors and various skin conditions are reported with higher Agent Orange exposure scores. Among SEA veterans (excluding those who handled herbicides directly), higher rates of a number of conditions were reported in association with higher combat exposure scores: high blood pressure, stomach or duodenal ulcer, benign fatty tumors, arthritis or rheumatism, hepatitis, genito-urinary problems, nervous system disease, and major injury. In another analysis, various symptoms were grouped into five scales called (1) faint, (2) fatigue, (3) aches, (4) colds, and (5) skin. On the questionnaire, men were given a choice among the following answers to rate the symptoms included in these scales: (1) not a problem, (2) minor problems, (3) a problem, or (4) really a major problem. Results reported are as follows: (1) SEA veterans scored significantly higher (more problem symptoms) than non-SEA veterans on each scale; (2) men who reported handling herbicides directly had significantly higher scores on each scale than did other SEA veterans; (3) in multiple regression analysis, combat scores and Agent Orange exposure scores were correlated with scores on each scale. In the latter analyses, the combat scale was more strongly correlated than was the Agent Orange scale.

A slightly (but significantly) higher percentage of SEA veterans compared with non-SEA veterans reported either having children or having tried to have children (90.3 percent vs. 88.4 percent); the percentage increased significantly with combat level (low, medium, high). The percentage reporting difficulty having children was significantly higher among SEA veterans compared with non-SEA veterans (18.0 percent vs. 14.9 percent), but was not associated with combat levels. Rates of miscarriage in female partners correlated with Agent Orange exposure scores and with combat scores.

Post-traumatic stress disorder (PTSD)

Between 1.8 and 15.0 percent of SEA veterans in the study were reported to have PTSD, depending upon which of three definitions was used.[4] Using at least one of the definitions, the rate of PTSD increased with increasing combat scores.

AGENT ORANGE EXPOSURE ESTIMATION METHOD

The method used to arrive at numeric Agent Orange (and other herbicide) exposure scores for individual participants is described in a 1986 paper by Stellman and Stellman.[5] As have previous attempts at developing an Agent Orange exposure index, this one combines information from soldiers' locations and the computerized records of herbicide spraying (from the HERBS and Services HERBS tapes), taking into account time and distance from spraying. The authors make a number of claims for this methodology, the most general being that it "can be profitably used in most epidemiologic studies of the effects of herbicides on U.S. troops." Further, that "the accuracy and precision of the method are comparable to, or exceed, those used in many major environmental and occupational studies." They state that "a sizeable number of individuals were classified as 'high' exposure," and that the data "make the convincing point that sufficient numbers of troops are available and identifiable for epidemiologic study of herbicide effects."

The American Legion exposure estimation method suffers from more severe problems than did CDC's earliest attempt at an exposure index, which OTA rejected. The most serious of the problems with the exposure estimation method are:

---

*The views expressed in this Staff Paper do not necessarily represent the views of the Technology Assessment Board or its individual members.

Footnotes at end of article.

1. Self-reported location data: Nearly 20 years after the fact, veterans were asked to recall each location at which they spent time during their tour of duty in Vietnam. Especially for men who moved around frequently (probably those in combat), this is an almost impossible feat.

2. Locations were chosen from a list of place names provided in the questionnaire. While men might have been near a particular town, large US bases, where many men were stationed, and where combat troops were likely to be, were not in the middle of towns. The place names may refer to places many miles off, yet it was presumably these actual towns that the American Legion researchers used as points of "location," from which the distances to spray coordinates were calculated. It is impossible to judge the accuracy of this method, and the investigators provide no information to support their claim that the method is "precise and accurate." In fact, it appears to be far less precise than CDC's method using grid coordinates from military records of troop locations.

3. There is no discussion of missing data, yet there must have been significant gaps in the information reported on the questionnaires. If gaps were ignored, as seems likely, it is possible that reporting a lot of places or accounting for a greater percentage of the tour of duty would produce higher scores. This is one point on which no information is found in the papers.

4. Any location up to 15 kilometers away from a spray path coordinate virtually any time—including years later—after spraying, is considered in the exposure zone, the scores diminishing with increasing distance from the coordinate. The highest exposure score appears to be given for being within 5 kilometers of spraying. The experimental data that exist from trials at Eglin Air Force Base, which, while not necessarily definitive are the best available, suggest that virtually no Agent Orange would have travelled more than 2 kilometers from the spray line, and even at that distance, the amounts were minuscule. In CDC's analyses, nearly all troop locations that were "within 5 kilometers" of spraying were actually beyond 2 kilometers (i.e. betwen 2 and 5 kilometers), so even what is considered to represent the highest exposure in the American Legion study would likely have been almost no exposure at all in most instances. While it is entirely possible that some people were within 2 kilometers of spraying, particularly some time after spraying, they would likely be in the minority. The rationale for including distances up to 15 kilometers does not appear to be supportable given the set of facts available.

The investigators do not give examples of other occupational or environmental studies that have less precise and accurate exposure measures, but at least in studies of herbicide or dioxin exposure, this is not true. Several studies have focused on occupational groups with known, direct exposure, including the studies of Swedish foresters, the current NIOSH studies of chemical production workers, and the Air Force Ranch Hand study. NIOSH and the Air Force are also measuring residual dioxin in the body by means of blood serum testing. Studies of heavy environmental exposure in Missouri and Seveso include groups with known, direct exposure. In no case would a person living 15 kilometers from where herbicides were sprayed be assumed to have had significant exposure, unless some direct exposure could be documented. A person living even 5 kilometers away from a plant producing a dioxin-contaminated chemical would in no way be considered exposed comparably to workers in the plant, even if some dioxin were entering the general environment from the plant. While everyone acknowledges that conditions in Vietnam were different in many ways, there is no evidence suggesting that a scenario as unlikely as that underlying the American Legion exposure estimation method existed.

The comment that a "sizeable" number of men were classified as having had high exposure is misleading. Although no description is given of the method used to divide the group into low, medium, and high exposure categories, it appears that divisions were made to create groups of convenient size for analysis. This conclusion is based on examining the "Agent Orange Exposure Index" distribution in Figure 3 (page 120) of the first paper.[6] It is clear that most of the 557 men classified as having had "high" exposure were very nearly the same as those classified as "medium" and that the entire range of scores, except for a few men in a long tail in the high end, was quite tight. Any array of individuals with specific numeric scores, which can vary by even small amounts, is divisible arbitrarily into groups, but doing so is not necessarily meaningful. To give a simple example, a man who was 10 kilometers from a spray would presumably have a higher score (for that occasion) than a man who was 15 kilometers, but in all likelihood, neither had a significant exposure, even if one is called "high" and the other "medium."

The authors claim a measure of validity for this index because they say that men could not have known, by the information they provided, how they would be classified. But according to data presented in the 1978 paper, men's self-reports of exposure were predictive of their exposure status as calculated. This could be due to the high correlation of the Agent Orange and combat indexes, suggesting that, in general, men who scored higher on the subjective combat exposure index also believed they had been more exposed to Agent Orange (and ultimately reported more health problems). Because of the gross imprecision represented by the Agent Orange index, the idea that it was actually measuring something else is a plausible explanation for the findings.

CDC's final exposure assessment method, used in their "validation study"[7] was superior to the American Legion method. When CDC arrayed their scoress, the range was quite small, with very few who had objectively high scores. This lack of clearly defined high exposure was borne out by the results of serum dioxin testing. In that study, the group of men who had served in heavily sprayed areas in Vietnam had dioxin levels no different from a similar group of men who had served elsewhere. If there were, in fact, large numbers of ground troops with high exposures, it is possible that CDC's method would have identified them accurately. The finding of only "background" dioxin levels in the ground troops contrasted sharply with significantly elevated levels in a group of Ranch Hands with known, direct exposure,[8] providing assurance that a heavily exposed group is easily identifiable from one with low exposure even 15 or 20 years after the exposure ceased. The American Legion study refers to testing for residual dioxin in the body as a means of detecting past exposure as "yet to be validated." That statement appears to be inaccurate, in light of CDC's study, a similar study conducted under the auspices of the New Jersey Agent Orange Commission[9] (co-authorized by Michael Gochfeld, who wrote the editorial[10] in *Environmental Research* that accompanied the American Legion study reports), as well as studies of heavily exposed Missouri residents,[11] and recent results of serum dioxin testing in individuals living in a dioxin-contaminated area near Seveso, Italy.[12]

The editorial accompanying the American Legion Studies[13] erroneously states that the Government's decision to halt the Congressionally mandated Agent Orange study was a result of CDC "arguing nihilistically that since exposure cannot be well documented, the study was not feasible." This is not true. The decision was made because of compelling evidence, from serum dioxin testing and the military records, that there did not exist a large group of ground troops with significant exposure. The American Legion study has done nothing to alter this set of facts.

STUDY POPULATION

The participants in the American Legion study are referred to as a "random sample" of male Vietnam-era Legionnaires from six States. However, this does not appear to be the case, and the divergence from the ideal of a random sample could well have been responsible for some of the reported differences in health and other outcomes reported. The procedure for identifying potential participants describes an initial list of randomly selected names of American Legionnaires in the six States included in the study. Late in the process, 770 "volunteer researchers" were used to contact people on the lists to determine their time and place of service. Each volunteer was given a list of about 200 names, with the charge of identifying 15 SEA and 15 non-SEA Vietnam-era veterans. There is no suggestion that these volunteers contracted people on the list in a random order. Though the procedure is confusingly presented, it appears that once 15 from each group were identified, the volunteer could stop. This introduces some selectivity by the volunteers, the effect of which is unquantifiable. In a study of this type, it is important that the participants be selected independent of any characteristics other than their having served in Southeast Asia (for the SEA group) or having served elsewhere in the military during the Vietnam era (for the non-SEA group).

A second potential problem is participation bias. Once having received a questionnaire from the investigators, those who had been identified by the volunteers decided whether or not to participate. Every study that depends upon individuals freely choosing whether or not to participate has a potential problem with response bias. The greater the influence of other factors on selection into the study, particularly, for instance, if SEA veterans were more likely to participate if they had many health problems than if they were relatively healthy, the greater the potential for ending up with spurious results. The effects of this type of bias can be minimized in a number of ways. First, investigators attempt to get a high response rate from both groups, so that the "non-responders," even if they had participated, would have had little effect on the results. The overall response rate in the American Legion study was poor, reported to be between 52.5 percent and 64.1 percent, although it is impossible to determine, based on the information given, the precise response rate. The authors claim that the

sample is not significantly biased, but in the many figures they cite, and in the discussion, they do not include a simple comparison of the response rates of SEA veterans and non-SEA veterans separately, which is of fundamental importance. The information presented to substantiate their claim that the sample is not unduly biased and is representative of the class of veterans they represent is inadequate.

The low overall response rate and the potential bias introduced by the volunteer researchers suggest that the study population may not fairly represent the groups to which they belong, and that differential influences on response between SEA and non-SEA veterans, and possibly among various subgroups of SEA veterans may have affected the results significantly.

PROBLEMS WITH SELF-REPORTED, UNVERIFIED INFORMATION

This study depends entirely on information about "exposures" and a whole range of health and other outcomes. Nothing was verified by objective data. CDC's Vietnam Experience Study [14] (VES) clearly demonstrates that self-reporting of health events and reproductive history can lead to the erroneous conclusion that Vietnam veterans, and those who believe they were exposed to herbicides, have more health problems than non-Vietnam veterans and Vietnam veterans who do not believe they were exposed, respectively. Except for a small number of specific conditions (e.g., hearing loss), these differences were not borne out in the VES by standardized, detailed physical examinations, now was a reported excess of birth defects among the children of Vietnam veterans confirmed when all birth records were examined. These differences can occur because of underreporting by one group, overreporting by the other, or a combination of the two. It is not necessarily a result of individuals knowingly misreporting, but can be explained by differential recall.

Taking a specific example, the SEA veterans in the American Legion study reported significantly more skin problems than did the non-SEA veterans. Those who reported actually handling herbicides (and therefore would clearly have known that he would be in an "exposed" category) reported higher rates than SEA veterans who did not report handling herbicides. In addition, there was an increasing tendency to report skin conditions with increasing Agent Orange scores (though that association could be related to combat scores rather than Agent Orange scores) among the SEA veterans. In the VES, a similar excess of self-reported skin conditions was found. However, on physical examination, including an examination for scars of past skin problems, there was no difference between the two groups in the prevalence of any skin condition. With no corroboration of these differences based only on self-reporting, the American Legion study findings cannot be taken as evidence for real differences in health history or current health status.

The American Legion investigators claim that participants' health reporting could not have been influenced by prior knowledge of their Agent Orange exposure scores, therefore associations with Agent Orange are not the result of biases in response. This contention is not supported by the data presented, however. First, as discussed earlier, self-described exposure was correlated with exposure scores in the 1986 study. Second, Agent Orange exposure scores were highly correlated with combat scores. Combat scores were based on eight questions about experience in SEA, which in all likelihood led to a ranking reflecting mainly men's perceptions of how extreme their combat experiences were. The questions were all answered subjectively, the participant choosing between "never," "rarely," "sometimes," "often," and "very often," to describe the frequency of eight types of experiences, e.g., firing his weapon at the enemy, killing the enemy, seeing someone killed, etc. The way a veteran feels about and has dealt with his war experience in general is bound to affect the way in which he answers these questions. While this scale may be a valid measure of how a veteran perceives his wartime experience, which is of clear importance, it has not been validated against military records to determine whether these answers correspond to the veteran's actual experience. Nonetheless, the American Legion study uses this combat index as though it were an objective measure.

Issues related to PTSD assessment

The definition of PTSD in this study is based on use of the combat scale (eight questions) as a surrogate for identifying a traumatic event, and questions about PTSD symptoms, as defined by the Diagnostic and Statistical Manual of Mental Disorders ("DSM-III"). By arbitrarily defining different cutoffs and combinations of combat scores, the investigators arrive at different rates of PTSD among the SEA veterans. They refer to numbers of men "diagnosed" or with a "clinical diagnosis," though, in fact, none of the specific measures they use have been validated against the standard, which is a diagnosis based on an in-person clinical examination. The fact is that some particular percentage of these men actually has PTSD, and more have some symptoms of it. The actual numbers may be in the range circumscribed by the above estimates, but it is not possible to base conclusions about specific rates on this study.

Although validation of the questions used to define PTSD is mentioned, the claims are unsupported and in some cases misleading. The authors claim that the combat scale has been validated, but whether it has or not, it was not designed as a surrogate for detecting a traumatic event, but as a measure of combat. Any validation refers only to that. There is no evidence that the particular questions about PTSD symptoms used in this questionnaire, specifically self-administered, are a valid means of collecting this information.

At this point, with the National Vietnam Veterans Readjustment Study (NVVRS) and the VES completed, it is clear that PTSD is a real and significant problem for Vietnam veterans. Those two studies were better designed than the American Legion study, particularly the NVVRS, which did use a clinical examination to validate the in-person questionnaires on which PTSD prevalence estimates were based.

THE QUESTIONNAIRE

Two kinds of problems with the questionnaire itself, in addition to those already mentioned, may have affected the validity of various outcomes reported by the investigators. These problems include the "demand characteristics" of the questionnaire and several instances of faulty logic.

Demand characteristics

It is well known that the way in which questions are asked can influence the answers given, and these influences are known as demand characteristics. In the American Legion study questionnaire, the questions that might evoke negative feeling—e.g., about combat situations, about exposures to chemicals in the military, about flashbacks and anxieties—are asked first. Then the questions about happiness, satisfaction, and health are asked. This tends to set up certain hypotheses in the minds of participants as the questionnaire progresses.

The wording of some individual questions also suggest hypotheses. For example, one set of questions (which are obviously related to PTSD) is introduced with the statements: "Serving in the military often puts us in situations that stay in our memories for a long time." The first question then asks: ". . . how often have you: Had vivid recollections of your military services, especially bad scenes?" The introduction to the question sets up a situation in which the respondent would be encouraged to report recollections. If a person reported that he never or rarely has recollections, his response would be contrary to the statement made in the questionnaire. Answers to the rest of the questions in that group could be affected similarly.

Another example is a multipart question that begins with: "When all things are considered, to what degree were your military experiences stressful?" The next part of the question asks: "Taking all things together, how happy are you these days?" and then "In general, how satisfying is your life?" The grouping of these questions forces the respondent to evaluate happiness and satisfaction today in light of the level of stress he experienced in the military, as though there necessarily is a connection.

Faulty logic

The American Legion questionnaire, like many questionnaires, contains groups of questions that do not apply to all participants. To deal with this, "skip patterns" are built into it. For instance, the non-SEA veterans are told appropriately to skip the section on SEA military service. In two major instances, however, in the sections on drinking alcohol and the one dealing with family/marital relationship, inappropriate skips are introduced. The data on both subjects are reported in the papers with no mention of this problem, nor with any suggestion that the responses apply only to a portion of the respondents.

In the section entitled "Beverages, Tobacco and Medication," question 5 asks: "Do you drink alcoholic beverages?" If the answer is "No," the instruction is to go on to question 13. If yes, one continues with 6 through 12. Questions 6, 7, and 8 concern current drinking habits, and are skipped appropriately. Questions 9 through 12, however, should apply equally to former drinkers, e.g., question 10, which reads: "Has there been a change in your drinking habits since your discharge from the service?" The choices are: "no change," "yes, I drink more," or "yes, I drink less." Question 11: "Have you ever had a serious drinking problem?" Question 12: "Have you ever found yourself unable to consume alcohol even when you felt like it?" No other questions that would elicit the information that a respondent had stopped drinking are asked.

In the introduction to the section on family and marital relationships, respondents who had "lived alone for the past six months" are instructed to skip the entire series of questions. However, within the section to be skipped are questions directed clearly at men living alone: "If you have not lived with another person during the past six months have you had any friends of the opposite sex that you have enjoyed being

with?" In addition, a battery of questions concerning relationships with children are skipped. No rationale for this is given in the paper reporting these results, and they are reported as though they apply to the entire study sample.

In both of these cases (drinking alcohol and relationships) the information collected is incomplete, and the questionnaire may have been confusing to the respondent, making the accuracy of the reported results highly suspect.

FOOTNOTES

[1] Stellman, Jeanne M., and Stellman, Steven D., "Columbia University—American Legion Vietnam veterans study: Report #1," booklet, dated May 29, 1985.

[2] Vietnam Era Veterans Study, printed questionnaire, including letter signed by Keith Kreul and Jeanne M. Stellman, Ph.D., 12 pp., January 1984.

[3] Stellman, Steven D., Stellman, Jeanne Mager, and Sommer, John F., Jr., "Health and reproductive outcomes among American Legionnaries in relation to combat and herbicide exposure in Vietnam," *Environmental Research* 47:150-174, 1988.

[4] Snow, Barry R., Stellman, Jeanne Mager, Stellman, Steven D., and Sommer, John F., Jr., "Post-traumatic stress disorder among American Legionnaries in relation to combat experience in Vietnam: Associated and contributing factors," *Environmental Research* 47:175-192, 1988.

[5] Stellman, Steven D., and Stellman, Jeanne M., "Estimation of exposure to Agent Orange and other defoliants among American troops in Vietnam: A methodological approach," *American Journal of Industrial Medicine* 9:305-321, 1986.

[6] Stellman, Steven D., Stellman, Jeanne Mager, and Sommer, John F., Jr., "Combat and herbicide exposures in Vietnam among a sample of American Legionnaires," *Environmental Research* 47:112-128, 1988.

[7] CDC Veterans Health Studies, "Serum 2,3,7,8-tetrachlorodibenzo-p-dioxin levels in US Army Vietnam-era veterans," *JAMA* 260:1249-1254, 1988.

[8] CDC Agent Orange Projects Office, "Comparison of serum levels of 2,3,7,8-TCDD with indirect estimates of Agent Orange exposure in Vietnam veterans," typescript, August 1987.

[9] Kahn, Peter C., Gochfeld, Michael, Nygren, Martin, et al., "Dioxins and dibenzofurans in blood and adipose tissue of Agent Orange-exposed Vietnam veterans and matched controls," *JAMA* 259:1661-1667, 1988.

[10] Gochfeld, Michael, "New light on the health of Vietnam veterans," (editorial), *Environmental Research* 47:109-111, 1988.

[11] Patterson, D.G., Jr., Needham, L.L., Pirkle, J.L., et al., "Correlation between serum and adipose tissue levels of 2,3,7,8-tetrachlorodibenzo-p-dioxin in 50 persons from Missouri," *Arch. Environ. Contam. Toxicol.* 17:139-143, 1988.

[12] Mocarelli, P., Pocchiari, F, and Nelson, N, "Preliminary report: 2,3,7,8-tetrachlorodibenzo-p-dioxin exposure to humans—Seveso, Italy," *MMWR* 37(48):733-736, 1988.

[13] Gochfeld, Michael, "New light on the health of Vietnam veterans," (editorial), *Environmental Research* 47:109-111, 1988.

[14] CDC Vietnam Experience Study, "Health status of Vietnam veterans," *JAMA* 259:2701-2719, 1988.

VETERANS' ADMINISTRATION,
OFFICE OF GENERAL COUNSEL,
Washington, DC, January 30, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that the series of papers reporting on the health status of Vietnam era veterans who are members of the American Legion which were recently published in "Environmental Research" (vol. 47, pp. 129-209, (1988)) will be reviewed at the next meeting of the Veterans' Advisory Committee on Environmental Hazards (currently scheduled for April 25 and 26, 1989). Due to conflicting schedules of Committee members, it is not feasible to convene a meeting of the Committee or of the Dioxin Panel prior to that date for the purpose of discussing these papers. However, Dr. Yanders, the Chairman of the Committee's Scientific Council has reviewed the papers and has prepared a summary of his personal views on them. I am enclosing that summary for your information.

A similar letter is being sent to the Chairman and Ranking Minority Members of the House and Senate Veterans' Affairs Committees. If I can be of further assistance, please let me know.

Sincerely,

OLIVER H. MEADOWS,
Chairman, Veterans' Advisory, Committee on Environmental Hazards.

EVALUATION OF THE STUDIES BY THE STELLMANS AND THEIR ASSOCIATES, ENVIRONMENTAL RESEARCH 47 (1988).

1. The major problem with this work is apparent in the first paper, which asserts that "categorization of Vietnam Veterans according to herbicide exposure can be successfully accomplished, based on an existing detailed herbicide application data base." No data are cited. There is no support for this position. In fact, the far larger, far better designed study earlier begun by CDC was abandoned precisely because no such exposure could be established from the records of pesticide application and troop movements.

2. The second problem, of almost equal magnitude, is the total reliance of the investigators on a self-administered questionnaire with no attempt at confirmation. Such procedures are notoriously prone to errors for which "internal checks" alone are not sufficient.

3. In a contentious and self-serving editorial in the same issue of the journal which contains all five papers, Gochfeld refers to them as "a remarkable series of epidemiologic studies." They are indeed remarkable for their far-reaching conclusions based on inadequate and faulty evidence. The editorial also is heavily biased against the CDC and VA, and plays upon the emotions of the reader by implying that the failure of more rigorous studies to find increased levels of morbidity and mortality in the population studied is evidence that the Vietnam Veterans continue to be mistreated because of their participation in an unpopular war. The editorial—and the papers themselves—adopt an "us against them" tone, in which "us" are those who agree with this position, and "them" are everyone else. The papers selectively cite work which supports their position and largely ignore that which does not.

4. The inclusion of Post-Traumatic Stress Disorder (PTSD) in the study confuses the issue. By this inclusion, Agent Orange is implicated by association, but the authors do not even suggest a relationship. It is also interesting to note that no data on PTSD are given for those veterans who did not fall into the "median or above" combat category.

5. The studies involve a population that is considerably different from the Vietnam Veteran as a whole, in that it is (a) predominantly white, (b) predominantly Northern, and (c) predominantly Midwest. There is also the likelihood that being a Legionnaire is more prevalent in certain social classes than in others. Even if its conclusions were correct, this work is on shaky grounds when it attempts to speak for "the Vietnam Veterans"

6. These studies contain nothing of value to the V.A., and should be completely disregarded.

VETERANS' ADMINISTRATION,
OFFICE OF GENERAL COUNSEL,
Washington, DC, June 2, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Shortly after the publication of a series of papers reporting on the health status of Vietnam era veterans who are members of the American Legion were published last September you wrote to me requesting the views of the Veterans' Advisory Committee on Environmental Hazards concerning these papers. The papers were reviewed by the Committee at its April meeting and I am enclosing a copy of the Committee's assessment.

A similar letter is being sent to the Chairman and Ranking Minority Members of the House and Senate Veterans' Affairs Committees. If I can be of further assistance, please let me know.

Sincerely yours,

OLIVER MEADOWS,
Chairman, Veterans' Advisory Committee on Environmental Hazards.

The Veterans Advisory Committee on Environmental Hazards at its April 1989 meeting reviewed a series of papers reporting the results of a study of randomly selected members of the American Legion who had military service during the Vietnam era. The authors sought to analyze information on the personal, reproductive, family, and mental health of the veterans, and on health behaviors, such as smoking, drinking, and drug use, and to determine the extent to which these factors varied with respect to exposure to combat and herbicides. In the first paper, "Combat and Herbicide Exposures in Vietnam among a Sample of American Legionnaires" (Stellman, et al., Environ. Res. 47: 112-128 (1988)), the authors analyzed the patterns of exposure to combat and herbicides.

The study population was derived from American Legion members in six states (Colorado, Ohio, Maryland, Pennsylvania, Indiana, and Minnesota). The randomly selected participants were mailed a self-administered questionnaire.

The authors noted that "(e)stimation of exposure to herbicides such as Agent Orange in Southeast Asia is without doubt the most difficult component of the entire study." They used a probabilistic exposure index based upon the Department of Defense's HERBS tape and supplementary files developed by the U.S. Army and Joint Services Environmental Support Group in conjunction with the subject's self-reported recall as to his geographic location in Vietnam. The authors noted the data used in the construction of the index were "derived from respondents' self-reports of locations in Vietnam, and, as such, are subject to recall error. Nevertheless," the authors stated, "subjects appear to have exercised considerable care filling out this portion of the survey." The index of exposure was described as counting all sprayings which ever occurred near each location reported by the veteran and was weighted inversely according to distance and exponentially according to elapsed time. The authors did not provide evidence that the exposure index is a valid measure of actual exposure to herbicides, and blood or tissue levels of dioxin or other chemicals were not measured.

To measure combat exposure, the investigators asked eight questions which sought to characterize the extent to which the respondents had undergone traumatic combat

experiences. Again, the authors did not provide evidence that their calculated combat index is, in fact, a valid measure of actual combat exposure.

The authors concluded that this (or similar) methodology could be used in most epidemiologic studies of the effects of herbicides on U.S. troops. The Committee had serious reservations about the scientific validity of this paper. Particular criticism was directed towards the authors' indices of exposure for both Agent Orange and combat. With respect to Agent Orange, the Committee noted the complete reliance upon the HERBS tapes and the recall of the study's participants. The authors provided no evidence to support the validity of the exposure indices. The failure to do so, in the opinion of the Committee, constitutes a serious flaw in the study design, and raises serious questions about the validity of the authors' conclusions. The authors themselves commented that they realized that the "classification of exposure to herbicides of Vietnam veterans is fraught with controversy" and commented that they had addressed the methodological issues previously.

The Committee believed that the authors relied excessively upon the presumed accuracy of the HERBS tapes as indicators of spray paths. The members observed that the tapes can be very inaccurate and not representative of actual combat missions in Vietnam. Also, assumptions concerning the dispersal of the herbicide, particularly the authors' failure to consider the biological degradation and absorption by the foliage, were a source of concern to the Committee.

Another limitation of the study involves the possible bias due to nonresponse. The authors indicated that "return rates ranged from a low of 52.5% in Pennsylvania to a high of 64.1% in Minnesota." The Committee commented that a health survey with such low response rates is at best questionable with respect to its validity. A survey with a response rate below 75%, the Committee observed, is relatively prone to bias. The authors attempted to address this issue when they stated that "the critical question is whether the distribution on important variables differs between men coming from high response Posts, compared with men from low response Posts." The authors then went on to state, "(they) examined the relevant distributions of many variables and found no differences that could have affected the study results materially." The Committee observed that such comparisons do not involve veterans who did not respond, and, therefore, fail to address the issue of non-response bias. In the opinion of the Committee, the authors' argument appeared contrived leaving the possibility of nonresponse bias a serious limitation of the study. Additionally, the authors failed to provide information about possible differential response rates between the Southeast Asia group and the control group. A differential response rate could be another source of bias.

The Committee also expressed reservations about the reliance upon self-reporting. The Committee observed that both the Centers for Disease Control's Vietnam Experience Study and the Ranch Hand study demonstrated the occurrence of bias when self-reporting was used to assess health effects. Stellman, et al., made no effort to verify the response by physical examination or medical record review.

Self-reporting bias may also affect the calculated exposure indices. There was apparently no attempt to validate the veterans' responses by comparing them to the pertinent military data.

The Committee concluded that because of its serious flaws in design, the study could not provide valid information about exposure to herbicides or to combat.

The Committee then reviewed the paper entitled, "Social and Behavioral Consequences of the Vietnam Experience among American Legionnaires." (Environ. Res. 47: 129-149 (1988).) The authors reported their analyses of the data acquired as described in the preceding paper. Combat and exposure to herbicides were considered as independent variables. The analyses involved multiple regression that included terms for combat and Agent Orange exposures as well as a term for their interaction.

The authors reported a wide range of adverse effects. Vietnam combat veterans were found to have significantly lower family income irrespective of their educational levels. Men who experienced high levels of combat intensity were found to be at greater risk for divorce or separation. With regard to sexual satisfaction, the authors found statistically significant terms in the multiple regression model for combat exposure and for its interaction with Agent Orange. The Agent Orange term itself was not significant. The authors stated, "This result, where herbicide is not an independent predictor but only enters the equation in an interactive term, suggests that herbicide effect which is manifest only at very high levels of combat is present." The authors found, however, that in similar analyses of parental and marital outcome only combat was significant; neither Agent Orange nor the interaction term were significant.

With regard to psychological well-being, the authors employed five measures: depression, anxiety, helplessness/hopelessness, degree of anger/irritation, as well as physical symptoms of depression. All five scales were significantly associated with combat. For Agent Orange exposure, however, none of the five scales, after adjustment for combat exposure, showed an association. Consumption of alcoholic beverages was the only other variable analyzed with respect to Agent Orange exposure. After controlling for the effects of combat, the results revealed no association.

The authors concluded, "(O)ur data give some indication that certain behavioral effects related to combat intensity may be exacerbated by concurrent exposure to herbicides and indicated the need for further exploration of this issue. . . . Further study, with a larger population, is necessary in order to control the confounding effects of combat more effectively and thereby estimate more accurately the effects of herbicides on psychological well-being."

The Committee commented that this study must be interpreted cautiously due to the serious flaws in its design and execution difficulties revealed in the previous paper. The Committee again identified major areas of concern: failure to validate the measure of Agent Orange exposure, potential bias due to the low study response rates, and the total reliance on self-reporting without independent verification of the data. It was also observed that the observed effects were often relatively small. The effects may be statistically significant but biologically unimportant.

The Committee then reviewed the paper, "Health and Reproductive Outcomes among American Legionnaires in Relation to Combat and Herbicide Exposure in Vietnam." (Stellman, et al., *Environ. Res.* 47: 150-174 (1988).) The authors noted that the study was not designed to investigate the possible relationship between herbicide exposure and the development of malignancies. The authors stated, "Because of the low background rates of all types of cancer in a group with this age distribution, the present study does not have the statistical power to detect such effects. Also for the majority of the cohort, insufficient time has elapsed for the natural latency of the disease process to have passed."

For health conditions, the investigators found statistically significant increased associations for herbicide handlers versus nonhandlers in regard to reported histories of hypertension, heart disease, ulcers, sensitivity to light, change in skin color and skin rash with blisters. With regard to dose response relationship, the authors found statistically significant associations of herbicide exposure with histories of benign fatty tumors, adult acne, increased sensitivity to light, and skin rash with blisters.

By means of factor analysis, the investigators determined five symptom scales; faintness, fatigue or physical depression, aches and pains, colds, and skin effects. For each of these scales, the mean among herbicide handlers was significantly higher than among nonhandlers. Multiple regression with terms for combat exposure, Agent Orange exposure and their interaction revealed statistically significant associations for each of combat and Agent Orange exposure with all five symptom scales. In these analyses, generally, combat exposure had the stronger relation compared with Agent Orange exposure.

For reproductive effects, the authors confined their analysis to never-married men born in 1940 or later. With regard to dose-response relations with Agent Orange exposure, after adjustment for level of combat, no significant association was found for: difficulty having children, delay in fathering (defined as the time elapsed between the end of military service and the first reported pregnancy of a spouse), number of pregnancies fathered, gender of liveborn children, and birth weight of live-born children. The one reproductive outcome where the investigators did find a significant association with Agent Orange exposure was miscarriages.

The authors commented that "while the manifold effects noted in this study span a wide range of outcomes, they are by no means haphazard, but in fact constitute a set of highly specific endpoints, most of which were initially chosen for study because of previous reports in the literature on exposure to stress and to phenoxy herbicides or TCDD. . . . These findings on physical and reproductive health are consistent with and mutually reinforce the conclusions of the other papers in this series concerning the pervasive effect of combat and herbicide exposure on the lives of veterans of the Vietnam war."

The Committee commented that this paper is subject to the same serious criticisms as the other studies in this series because of flaws in design and execution. Also, this particular study has the additional statistical limitations associated with making multiple comparisons.

Finally, the Committee reviewed the paper entitled, "Post-traumatic Stress Disorder among American Legionnaires in Relation to Combat Experience in Vietnam: Associated and Contributing Factors," by Snow, et al. (Environ. Res. 47: 175-192

(1988). The authors stated four goals. Those were to examine (1) the frequency of combat-related PTSD and its components in a large, randomly selected sample of Vietnam veterans, (2) the nature of the precipitating factors that are necessary for PTSD to be experienced, (3) the etiologic roles of selected demographic and precombat health variables upon the development of PTSD, and (4) the stability of the PTSD symptom complex over time. The authors reported their various findings and concluded that their research provided strong evidence for the existence of PTSD in a large nonclinical sample of Vietnam veterans and that the symptoms were most likely to occur in individuals who had higher levels of traumatic combat exposure.

The Committee did not consider this paper to be relevant to its charge as it did not involve Agent Orange or herbicide exposure. The Committee noted that the study contained the same design flaws as the other papers and that, consequently, the authors' conclusions are open to serious question.

UNDER SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, January 19, 1989.

Hon. ALAN CRANSTON,
Chairman, Senate Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As promised in my recent letter, the Science Panel of the Domestic Policy Council Agent Orange Working Group (DPC/AOWG) has reviewed the American Legion Epidemiologic Studies of Vietnam Veterans (*Environmental Research* 1988; 47109-209). At a specially convened meeting of the DPC/AOWG on January 10, 1989, their evaluation was reviewed and received concurrence.

In sending you the review, I include the letter and summary of findings from the Chair of the Science Panel. Of particular note, we have included the individual opinions of each scientist by name. Missing from the individual opinions is that of the representative from the Congressional Office of Technology Assessment (OTA) who contributed much to our deliberations. OTA will be making its own review and report under separate cover.

In sending this report, I also bid farewell as the Chairman of the DPC/AOWG. The important work of research will continue under new leadership until this vital issue is resolved.

It has been a privilege to have served our Nation's veterans and to have worked with you in the process.

With warm personal regards,

Sincerely,

DON M. NEWMAN,
Chairman, Domestic Policy Council, Agent Orange Working Group.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
January 9, 1989.

Memorandum to: Mr. Don M. Newman, Chair, Domestic Policy Council, Agent Orange Working Group.

From: Chair, Science Panel, Agent Orange Working Group.

Subject: Review of the American Legion Study Papers Published in Environmental Research, December 19, 1988.

Because of concern about my own potential bias, I did not direct or participate in this review. The response from the Center for Environmental Health and Injury Control, Centers for Disease Control, were coordinated by Stephen B. Thacker, M.D., M.Sc., Assistant Director for Science, who also chaired the meeting of the Science Panel. My role was limited to convener and movement of paper to the various members of the Science Panel.

The Science Panel did not review the final article in the series entitled "Utilization, Attitudes and Experiences of the Vietnam-Era Veterans with the Veterans Administration Health Facilities: The American Legion Experience," in great detail. However, the Science Panel concurs with the reviews done by Dr. Han K. Kang and Dr. Lawrence B. Hobson of the Veterans Administration, which are attached as a portion of this communication.

Despite several requests, we were never able to obtain the protocol for this study. We did obtain a copy of the questionnaire but from a source other than the American Legion or the authors of the papers.

Included for transmission to the Congress is a summary review of the nine responders from the Center for Environmental Health and Injury Control, CDC, in addition to their individual reviews. Also included are reviews from Dr. Lawrence B. Hobson and Dr. Han K. Kang of the Veterans Administration; Dr. Manning Feinleib, Director, National Center for Health Statistics, CDC; Dr. Marie Sweeney from the National Institute of Occupational Safety and Health, CDC; Dr. Jeff Lybarger of the Agency for Toxic Substances and Disease Registry, Public Health Service; Colonel William H. Wolfe of the Department of the Air Force; Dr. John F. Young of the National Center for Toxicological Research, Food and Drug Administration; Dr. Donald Barnes of the Environmental Protection Agency; and Captain David Uddin of the Department of Defense, accompanied by a review prepared by Dr. Jerome Bricker, consultant to the Department of Defense, regarding the article, "Combat and Herbicide Exposure in Vietnam Among a Sample of American Legionnaires" by Stellman, et al, *American Journal of Industrial Medicine* 9:305-321 (1986), which apparently was the basis for the herbicide exposure cited in the American Legion studies.

The following is the review by the Science Panel.

The data presented in the American Legion report of the Epidemiologic Studies of Vietnam Veterans (Environmental Research 1988; 47:109-209) do not support the conclusions drawn by the authors. The study is seriously flawed due to major problems in study design and execution. First, there is potential selection bias due to nonrandom sampling and low response rates. Second, there is potential information bias due to poor questionnaire design and the analysis only of self-reported data without external validation. Probably of greatest concern, any observed association between combat or herbicide exposure is confounded by the investigators' use of subjective measures of combat and herbicide exposure. Combat exposure was not validated by comparison with military records. The herbicide exposure index used by the authors has not been validated, and based on the Agent Orange Validation Study and the Ranch Hand Study, does not accurately predict exposure. Because of these problems, the results of the American Legion report are of little or no value in further understanding the Agent Orange issue. The collective decision of the Government not to proceed with the CDC Agent Orange Study was correct and is not affected by the American Legion report.

Interpretation of the findings are made more difficult by the absence of standard tables on demographic distributions for the original sample, the participant sample, or the sample of veterans that provided sufficient information for estimation of herbicide exposure. Some of the information provided on service experience could have been cross-checked by reviewing discharge records for at least some veterans. The American Legion reports as well as the accompanying editorial imply erroneously that evaluating herbicide exposure in this study is not much different than in retrospective studies of exposure to workers where individual exposures are not measured. The analogy is misleading because in well-conducted occupational studies, one knows from objective records that the employee was in an area of potential exposure and that workers are exposed during operations. In contrast, in the American Legion Study, we do not know if veterans were within miles of a sprayed area, and we do not know if any dose, let alone a measurable dose, was received.

Discussion of the findings of the American Legion study is incomplete. Findings from the Vietnam Experience Study (VES), the Agent Orange Validation Study, and other important studies should have been addressed more thoroughly. For self-reported health outcomes, the results are similar to those obtained with the VES questionnaire. As with the American Legion study, almost all outcomes in the VES were reported more often by Vietnam veterans than by other Vietnam-era veterans. Those Vietnam veterans who reported either handling herbicides or having more combat experience also reported higher rates of most outcomes. Most of the verifiable self-reported conditions, however, were not substantiated by objective evidence obtained during the physical examination. It is not clear why the authors of the American Legion papers, as well as the author of the accompanying editorial, ignore these available data which would have helped them interpret their subjective data.

When one views the full range of the studies on Vietnam veterans, including those with detailed objective data, clear and consistent conclusions emerge:

(1) Many Vietnam veterans report psychologic and physical symptoms. Psychological abnormalities have been demonstrated by objective evidence to be slightly more prevalent in Vietnam Veterans. Combat-related Post Traumatic Stress Disorder has been shown to be a problem in several studies. Almost all physical abnormalities have not been confirmed.

(2) Many Vietnam veterans also were in and around herbicide or pesticide applications in Vietnam, and they have subsequently been told about dioxin and its "extreme" toxicity.

(3) Many Vietnam veterans, therefore, attribute their current symptoms to past herbicide exposure.

(4) Very few Vietnam veterans, unless occupationally exposed (e.g., sprayer or mixer), have been shown to absorb significant quantities of 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD) (and therefore other harmful herbicide constituents).

Because of the selected and limited exposure of soldiers in Vietnam, studies of adverse effects produced by herbicide exposure cannot be efficiently done from general samples of Vietnam veterans. Studies which

can provide more precise measures of the effect on humans of TCDD are in progress in the small number of people with serum levels of TCDD's markedly above the background due to heavy and repetitive (usually occupational) exposure. The major studies are the Air Force Ranch Hand Study, the NIOSH Mortality and Morbidity studies, and the studies around the Seveso incident in Italy. Because of the documented absence of exposure in ground troops in Vietnam, even if these ongoing studies find exposure-related health effects, they cannot be applied directly to the vast majority of Vietnam veterans.

VERNON N. HOUK, M.D.,
Assistant Surgeon General, Director, Center for Environmental Health and Injury Control.

REVIEW OF THE AMERICAN LEGION STUDY OF THE HEALTH OF VIETNAM VETERANS

(Environmental Research 1988;47:109-209)

(Prepared by: Stephen B. Thacker, M.D., M.Sc., Assistant Director for Science, Center for Environmental Health and Injury Control, Centers for Disease Control, January 4, 1989)

SUMMARY

The data presented in the American Legion Study of the Health Effects of Vietnam Veterans (Environmental Research 1988;47:109-209) do not support the conclusions drawn by the authors. The study is seriously flawed due to major problems in study design and execution. First, there is potential selection bias due to non-random sampling and low response rates. There is potential information bias due to questionnaire design and self-reporting data without external validation. Finally, probably of greatest concern, any observed association between combat or herbicide exposure without biological validation of herbicide exposure. The herbicide exposure index used by the author has not been validated, and based upon the Agent Orange Validation Study and the Ranch Hand Study, that index is very likely to be flawed. Together, these problems make interpretation of the results of the study difficult.

The findings are made more difficult by the absence of standard tables on demographic distributions for the original sample, the participant sample, or the sample that provided sufficient information for estimation of herbicide exposure. Some of the provided information on service experience could have been cross-checked by reviewing discharge records for at least some veterans. The accompanying editorial implies erroneously that evaluating herbicide exposure in this study is not much different than retrospective studies of exposure to workers where individual exposures are not measured. The analogy is misleading because one knows from objective records in occupational studies that the employee was in an area of potential exposure, and that workers are exposed during operations. In the American Legion study, we do not know if veterans were in spray areas at the time of spraying, and we do not know if any dose, let alone a measurable dose, was received.

Discussion of the findings of the American Legion study is incomplete. Findings from the Vietnam Experience Study (VES), the Agent Orange Validation Study, and other important studies should have been addressed more thoroughly. For health outcomes, the results are very similar to the questionnaire component of VES. As with the American Legion study, almost all outcomes in the VES are reported more often by Vietnam veterans than by other veterans. Among Vietnam veterans, those who report either handling herbicides or having more combat experience report higher rates of most outcomes. Most of these associations, however, were not substantiated by the physical examination, and it is likely that in most cases the higher rates were due to recall bias. This is also probably true in the American Legion study. It is not clear why the authors of the American Legion papers, as well as the author of the accompanying editorial ignore available data that would have helped them interpret their subjective data.

When one views all of these studies, including those with very costly objective data, there is a clear and consistent alternative set of interpretations which is not at variance with any of the data reported to date by any study group:

(1) Many combat veterans have psychologic and physical symptoms.

(2) Many of them also were in and around herbicide applications in Vietnam, and they have subsequently been told about dioxin and its "extreme" toxicity.

(3) Many of them, therefore, attribute their current symptoms to past herbicide exposure, when complaints related to physical findings were objectively evaluated in the VES, most differences between the Vietnam group and the non-Vietnam era veteran could not be substantiated. Psychological abnormalities were found to be slightly more prevalent in Vietnam veterans. Combat-related Post Traumatic Stress Disorder has been shown to be a serious problem in several studies.

(4) Very few Vietnam veterans, unless occupationally exposed (e.g., sprayer or mixer), have been shown to absorb significant quantities of 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD) (and therefore other harmful herbicide constituents) from the types of casual or non-repetitive exposures they experienced.

Because of the selected and limited exposure of soldiers in Vietnam, studies of adverse effects produced by herbicide exposure cannot be efficiently done from general samples of Vietnam veterans. Studies which can provide more precise measures of the effect on humans of TCDD are in progress in the small number of people with heavy, and repetitive (usually occupational) exposure. The major studies are the Air Force Ranch Hand Study, the NIOSH Mortality and Morbidity studies, and the studies around the Seveso incident in Italy. Preliminary reports for two of these studies suggest the hypothesis that TCDD is substantially less toxic to man than to guinea pigs. The NIOSH studies are not yet reported.

BACKGROUND

In the December 1988 issue of Environmental Research a series of five papers appears reporting on a study of the health of Vietnam era veterans who are members of the American Legion. Funded by the American Legion and conducted by investigators at Columbia University, the first four papers describe the results of a cross-sectional study of Legionnaires from six states relating health problems to the Vietnam exposure, in particular exposure to combat and herbicides.[1 2 3 4] The fifth paper reports on Legionnaires' utilization of Veterans Administration health facilities.[5]

The results of the American Legion study are in many ways consistent with those reported by the Centers for Disease Control (CDC) as they relate to veterans perception of illness and its relationship to the Vietnam experience.[6 7 8] There are, however, striking differences when the American Legion researchers attempt to relate herbicide exposure to specific adverse health effects. Any epidemiologic study can be criticized, and what must be decided is whether sufficient care has been taken in the design, implementation, analysis, and the interpretation of the results of the study, and whether or not the methods of a particular study will support the conclusions. In the American Legion studies there is sufficient concern with these issues to question the validity of the results of the study and their interpretation. The following discussion will spell out these concerns with the first four reports as they relate to sample selection, representativeness, questionnaire construction, measure of exposure to herbicides and combat, data analysis, and selected outcomes. We will not discuss the utilization study.

SAMPLE SELECTION

The authors chose a cross-sectional sample from American Legion membership roles from six states (CO, OH, MD, PA, IN, and MN). After exclusion of those with 20 or more years of membership, one-seventh of the records were selected at random. Each man in the one-seventh sample was sent a postcard to indicate if he was a Vietnam Era veteran, since this information is not included in Legion membership records. Those who did not return the card (an unspecified proportion) were contacted by the Post Adjutant to identify those known to be non-Era veterans. Vietnam Era veterans and those of unknown status were then contacted by 'volunteer researchers' to determine actual service location, and to encourage participation.

From these papers and a 1985 document,[9] it seems that the sample selection is based on an assumption that about 15 percent of all Legionnaires are Vietnam-era veterans. From the earlier report, we know that 85,000 men were included in the 1/7th random sample from all 6 states, and that 50,000 returned the postcard indicating time of service. The remaining 35,000 were apparently classified by volunteer researchers. 12,588 men were identified as Vietnam-era veterans and 6,810 completed questionnaires. None of the "attrition" in the population is broken down by cohort status.

It appears, however, from statements elsewhere in the papers that there was more to the sampling procedure than this. The authors state that they oversampled Vietnam veterans (taking 15 of each would indeed be slight oversampling of Vietnam veterans), yet their final sample has 42-percent Vietnam veterans and 58-percent non-Vietnam veterans. This is precisely what you would expect without oversampling. The first paragraph of the first paper says that 32 percent to 48 percent of era veterans served in Southeast Asia.

The authors also say nothing about differential response rates between the two groups. In the Vietnam Experience Study (VES), the Vietnam group was more likely than the comparison group to participate in the study. If there had been also a higher response rate among Vietnam veterans, it is even less clear how the investigators did

---

Footnotes at end of article.

their sampling. In the VES, we found only one factor that differentially influenced participation rates in the examination component between Vietnam and non-Vietnam veterans. Non-Vietnam veterans with higher education levels were more likely to participate in the examination, perhaps because they understood the importance of their participation.

The preliminary 1985 report of these data[9] raises additional questions. The description of the sampling design differs somewhat from that described in the *Environmental Research* series of papers, although we believe they are describing the same exact study. This earlier report, however, says the 770 research volunteers were given the names of only those legionnaires who did not return postcards. They were still said to have been given 200 names each. This 1985 report also says that 12,588 men were identified as Vietnam veterans and mailed questionnaires. The 1988 report says that 2,858 subjects who served in Southeast Asia returned questionnaires. Since their response rate is reported to be between 52 percent and 64 percent for both cohorts combined (Southeast Asia and other), it is difficult to understand precisely what was done.

REPRESENTATIVENESS

The authors admit that they do not have a "representative" sample of Vietnam Era veterans, since American Legion members represent the "solid middle section of white America". Demographic data on both the total sample and respondents are sketchy, but the authors did indicate that 98 percent of the participants were white. The authors also indicate that participants have been resocialized sufficiently to join the American Legion.

There are further reasons to doubt that the survey participants were representative of Vietnam veterans:

1. In the Agent Orange Validation Study (AOVS), interviewed veterans who believed they had health problems or were exposed to herbicides were clearly more likely to go for medical exam than those who believed they were in good health or had little exposure to herbicides.[10] It is plausible that the same bias would occur in the American Legion Study in those willing to spend time filling out a long questionnaire.

2. Bias could be introduced by the use of volunteers to determine service location and establish contact. Recruitment of volunteers for assistance may have its place in studies with a strong *a priori* hypothesis known to the volunteers. In this case, however, the hypothesis is quite clear to the volunteer researchers, to the American Legion, and to the participants. Vietnam veterans with health or psychological problems and non-Vietnam veterans without problems could have selected themselves for the study by returning the postcards. Even more disturbing, the volunteer researchers could have selectively influenced participation. The researchers were given "goals" to identify 15 Southeast Asia and 15 non-Southeast Asia veterans for the study. With these expectations, it is easy to hypothesize that a well-meaning volunteer could have chosen the "worst" Vietnam veterans and/or the "best" non-Vietnam veterans.

3. The relatively low participation rate could lead to bias and a non-representative sample.

4. The definition of the eligible and final study population is inadequate. The reader should be given the following information: the size of the original total population sampled and the ⅐th random sample; the number of men comprising the one-seventh random sample of members with less than 20 years of continuous membership; the numbers of Vietnam and non-Vietnam veterans to whom questionnaires were sent; the number from this sample who returned postcards, who were ultimately contacted, and who could never be reached in any way and remained status unknown; of those who were contacted, how many participated, how many refused, and how many were lost to follow-up at this stage; and as much of the above as possible should be given by cohort status. With these numbers, one can compute the magnitude of losses and thus provide an assessment of the adequacy of the final respondent sample. The authors do not explain why they used these unorthodox recruitment procedures or why these procedures would not introduce bias in a study of this type.

The authors fail to use standard, accepted methods of presenting data. The extent of the potential bias introduced by this sampling scheme cannot be evaluated, because the authors do not provide baseline demographic information on the original sample and the selected population. Even basic information, such as age distributions by type of service (Army, Navy, etc.), are not provided. Information on at least some veterans, such as place of service, service dates, rank, and discharge status could have been verified from discharge records, yet the authors did not do so. The same holds true of cohort comparisons among respondents. The reader should see, for example, the age, race, education, and income distributions for Vietnam vs. non-Vietnam veterans and also for the different combat cohorts since so many comparisons are made by combat status. This is especially important because so many of their presented analyses are essentially crude and do not control for all these important variables.

The authors could also compare their sample of veterans to veterans from other studies if they want to examine representativeness. They say their study group is 98.5 percent white; this obviously is not representative of the general population or of the racial distribution found in other veteran studies. They say that their study group is "representative of the solid 'middle section' of white America, with its relatively high educational and income level and marriage rate" (p. 147). This statement may be a little misleading. Compared to other veteran studies that included more non-white veterans,[6 7 8 11] Legionnaires appear to have no more education than the veterans in the CDC study and substantially less than veterans studied by Card. The marriage rate among the Legionnaires may in fact be very nonrepresentative. Using the numbers of "ever-married" veterans (p. 136), the rate of ever married is 68 percent in both cohorts. This is extremely low; the rate in the VES study is about 91 percent and in the Card study about 93 percent.[11]

The authors do report on different response rates by state. On p. 124 they give it as ranging from 52.5 percent in Pennsylvania to 64.1 percent in Minnesota. (This is apparently inflated somewhat—bad addresses are removed before calculating the rate.) On p. 179, however, response rates range from 58.1 percent in Pennsylvania to 64.6 percent in Minnesota. These data become even more puzzling in Table 4 (p. 125), which shows more total respondents from Minnesota than from Pennsylvania. Since Pennsylvania has three times the populations of MN, either the investigators weighted the sample by state or Minnesotans are far more likely to join the American Legion than Pennsylvania veterans.

The authors claim that "representativeness of study subjects is intimately related to their response rates," and then proceed to give us response rates by state instead of by cohort. The total response rate in this study is not good to begin with (about 54 percent), and if the rate varies significantly by cohort, this could be a serious source of bias. The authors exclude from the denominator of their response rate those questionnaires "returned for bad addresses or otherwise undeliverable." This is very unconventional and will inflate the response rate a little or a lot depending on the number of veterans who could not be tracked down. So, the response rates presented are already inflated by some unknown degree.

In order to address potential bias in representation, the authors compare "the distribution of important variables" between men coming from high-response posts and men from low-response posts in an effort to address the question of representativeness of their sample. Because they did not find differences between these "high-response" and "low-response" subjects for these variables, they conclude that they have little response bias. This is a meaningful analysis only if you make the unsubstantiated assumption that respondents from "low-response" posts are more like non-respondents than respondents from "high-response" posts. The observation that age was related to response rate could, on the other hand, completely explain inter-post differences (i.e., respondents from all posts are similar, but some posts have higher rates of non-response because their membership is older). The authors also suggest that their sample is not biased because reported herbicide and combat levels by posts with high response rates are comparable to those with low response rates, although their outcome data suggest otherwise. Nearly 9 percent more men from high response posts report excellent health than those from low response posts. This suggests that those with the most health or psychologial problems could have been recruited first, with low response posts never getting around to recruiting other veterans. With their low response rates, it is quite possible that socio-demographic differences attributed to Vietnam service may be heavily influenced by differential motivational factors for participation. Finally, the authors try to address bias statistically, but tests of statistical significance probably are not appropriate for assessing selection bias. Such an approach to confounding, on the other hand, is well accepted.[12]

QUESTIONNAIRE CONSTRUCTION

The questionnaire is designed so that information on combat, herbicide exposure, symptoms of post-traumatic stress disorder (PTSD), social factors upon return, and helpfulness of the Veterans Administration were collected before the outcome data. Structuring this questionnaire in this way may bias respondents to falsely associate exposure with illness. Also, the tone of the questions implies that the veterans did have problems upon return. The herbicide section even includes questions on acute symptoms following exposure, thereby reinforcing to the respondent the potentially harmful effects of exposure.

The use of a self-administered questionnaire has a number of important limitations that could affect the quality of the re-

sponses: the respondent can take as little or as much time as he wants to complete the questionnaire; the absence of a trained interviewer precludes the ability to answer clarifying questions and to encourage completion of all questions; and the respondents can ask family, friends, or oher veterans for their opinions and help in filling out the questionnaire.

HERBICIDE INDEX

As Lilienfeld recently stated, "It is the assessment of exposure that is the cornerstone of any environmental epidemiologic study . . ."[13] Thus, the validity of the findings in this series of papers depends on the accuracy with which exposure was assessed in this study. We reviewed carefully the original paper describing the exposure estimation procedure[14] as well as the summary of exposure estimates for the men in this study. Especially in light of the findings in other publications, the authors of these studies must show that they have overcome the recognized difficulties and obtained valid exposure measures. We believe that their measures are unreliable for the following reasons:

1. Estimates of exposure are based completely on veterans' recollection of their locations and dates of service, without validation from military records.

2. The authors' procedure greatly overestimates the relative exposure of veterans who were more than 1-2 km from known herbicide sprays.

3. The procedure implicitly assumes that the only exposure of concern was from contaminated soil and perhaps water, which may result in a substantial overestimate of exposure for those within 2 km of a documented spray.

4. There were no comments concerning calculation of time periods for which no location was reported.

5. The authors ignore demonstrated limitations in indirect indices for dioxin exposure.

6. The exposure classifications appear arbitrary with no clear biological basis.

The following are detailed comments on these issues:

1. There are several concerns about exposure estimates based on recall not validated by historical records. Both published manuscripts report that exposure was estimated by asking veterans the dates they had served at about 100 locations in South Vietnam. First, because only 73 percent of Vietnam veterans reported enough location data to estimate herbicide exposure, for all analyses using this variable, at least ¼ of the data are missing. Second, it is difficult to remember specific dates and places nearly 20 years after the fact. Third, the questionnaire listed the names of base camps, villages, (along with a small map of Vietnam) yet much of the herbicide exposure may have occurred in more remote areas. Fourth, even with accurate recall of location and time, veterans would have difficulty giving correct exposure information. Veterans would think they were most heavily exposed when walking through defoliated areas, although by that time, the chemical constituents would have decomposed. In contrast, veterans would have been most exposed shortly after spraying and before chemical decomposition, when the jungle looked relatively normal. Using the model developed by the American Legion investigators, it would not be unusual for veterans to preferentially remember time spent in defoliated areas, and with the one-year half-life for herbicide in the environment built into the model, these men would be considered exposed.

For an alternative measure of personal exposures, veterans were asked if they had ever handled herbicides. Veterans could have responded positively if they handled many different types of chemicals, which they now presume were herbicides. Most of the chemicals used near base camps, etc. were insecticides, not herbicides. Thus, the index could represent belief in exposure to Agent Orange rather than actual exposure. In good faith, veterans could think they were exposed because they walked through defoliated areas, and because they sprayed or were otherwise exposed to unknown chemicals. On the other hand, this variable should not be discounted simply because it does not reflect objective exposure. The CDC studies found that reported exposure is associated with many adverse outcomes. The AOVS, however, found no correlation between reported exposure and objective exposure as measured by serum TCDD levels, suggesting that the association between reported exposure and adverse outcome is not due to exposure to TCDD.

The authors report that they obtained adequate data from 73 percent of the respondents to calculate a score, but they do not define what constitutes adequate. Because of the long half-life the authors used, their exposure measures probably do not depend very much on accurate date information. The VES showed that many soldiers moved frequently. Possibly their data are least adequate for those Army and Marine veterans who moved the most (and might be the most interesting group to study). It would be most adequate for those who remained in one spot for the war. The authors give no information on this. They do say that the entire questionnaire took 45-60 minutes to complete, including health status and feelings about the Veterans Administration, so that veterans could not have taken too long on the map portion. The score reflects where they served in Vietnam and when, which may be a surrogate for occupational specialty and branch of service (i.e., these are potential confounders for herbicide exposure). The results of the AOVS indicate that this exposure score, as well as epidemiologic exposure measures developed by CDC, probably has nothing to do with exposure to Agent Orange.

The authors should have tried to verify veterans' recollection of where they served by validating a sample of questionnaires with military records. Such records were used in the AOVS; they are the dates during which a veteran served in various units (from his military record), and the locations of those units on those dates (abstracted from military records by the Environmental Support Group).[10] In addition, the AOVS showed that there is no relation between current TCDD levels and relative opportunity for exposure according to a wide variety of scores derived from the military records or from self-reported exposure. Vietnam veterans whose main job was not handling herbicides have tissue TCDD levels similar to unexposed civilians of the same age. Thus, there is no evidence that ground troops who served in South Vietnam had meaningful exposure to TCDD.

2. Simulated Ranch Hand sprays at Eglin Air Force Base, Florida, showed exposure decreasing far more rapidly (as a negative exponential), with negligible exposure more than 1-2 km from the center of the spray path.[15] The exposure measure used in the American Legion study, however, allows for substantial exposure up to 15 km from a spray, with exposure decreasing as the inverse of the distance from the spray. Most perimeter sprays had no more dispersion than did Ranch Hand sprays, since most of the perimeter sprays would have been from ground level or low altitude. In contrast to this new report, for most scores the AOVS used only locations within 2 km of a spray to estimate exposure, a procedure that is in much better agreement with the available data.

In addition, some base camps in South Vietnam were quite large, so that perimeter spraying would not necessarily result in significant exposure for all veterans stationed at that camp. While no details are given, it is possible that each base camp is represented as a point in computing potential exposure in this report. In their 1986 report, the authors show that, for 6 base camps, there are far more herbicide spray "hits" 5-15 km from these base camps than within 5 km.[14] These considerations suggest that the authors may have substantially overestimated herbicide exposure for many veterans, in contrast to their statement that "Computed exposures will thus tend to underestimate true exposures."

3. The exposure measure in the American Legion study assumes a half-life of 1 year for the decay of TCDD in the environment. This is roughly consistent with the experimental data on the half-life of TCDD absorbed to soil and similar to the half-life of 5 years used to compute the "slow" or E_0 score in the AOVS. However, this half-life is about two orders of magnitude longer than the estimated half-life of several days for TCDD on vegetation. The Stellman exposure measure, therefore, assumes that the significant source of exposure is soil and gives an estimated exposure far greater than that which would be obtained if the important source was TCDD on vegetation. In fact, the relative importance of vegetation vs. soil is unknown.

The distribution of their herbicide index basically shows most veterans clustered at the low end with a few scattered out on a long tail. Even if one were to make the assumption that this index (based on HERBS tapes and self-reported location) has any validity, there is still no discussion of what the levels of the index might represent in biological terms. Until and unless some type of method of validation can be applied, the value of any such index is completely unknown. Certainly, past study of epidemiological and biological markers has taught us that and the authors should at least acknowledge the limitation of such markers.

4. There were no comments concerning calculation of scores for time periods for which no location was reported. If these periods were merely assigned a zero, then the analysis should have been adjusted for the number missing days. Otherwise results could be biased: men who report more illnesses might also report locations for more days, receive a higher score, and artifactually create the impression of an association between health outcomes and herbicides.

5. The half-life of TCDD in humans has been estimated at 7.1 years (95 percent confidence interval 5.8 to 9.6 years) which means that only 2-3 half-lives have elapsed since the Vietnam War.[4] Measurements in Ranch Hand Veterans have demonstrated that selected veterans who were exposed to Agent Orange in Vietnam have measurable and quantifiable serum TCDD levels which are above background levels.[16] When the same serum TCDD measurements were

made on ground troops who were classified as highly exposed by any one of five exposure indices including self-reported exposure, the supposed highly exposed group had a distribution of serum TCDD levels almost identical to veteran controls with no Vietnam experience.[17] The large set of data on Vietnam veterans in the AOVS with a variety of exposures has established the serum TCDD measurement as the current preferred method of assessing TCDD exposure in Vietnam veterans.

6. The criteria for "high," "medium," and "low" exposure classifications were not given. However, from the frequency distribution (p. 120) and numbers in the tables (pp. 158-159) it appears that "high" included anyone with an exposure level at or above the mean, i.e. 0.36-1.60. That means that, with the unreliability of the question responses, there was probably little difference between the "medium" (0.10-0.36) and "low" (0.0-0.10) groups.

Of note, the U.S. Air Force formulated an Agent Orange exposure index for Ranch Hand veterans, based on excellent records of the actual activities of the Ranch Hand veterans during their tours of duty. After comparing their index with measured serum TCDD levels on a subset of Ranch Handers, the Air Force decided the index was inadequate and that they should obtain a serum TCDD level on each of the Ranch Hand veterans. The blood samples have already been collected and the analyses are in progress. It is discomforting, therefore, that the authors describe their system as the gold standard, while referring to others as "yet to be validated exposure methods such as analysis of dioxin residues in tissue collected some 15 years postexposure." [11]

COMBAT INDEX

In their studies the American Legion investigators used a self-reported combat scale analgous to the one used by CDC. Their computation of an herbicide exposure opportunity index was based on the same sets of spray data used by CDC, and their OE3 formula is analogous to the E2 score used by CDC in its TCDD validation study in III Corps area veterans. The main methodologic difference was that in their questionnaire each veteran was given an annotated Vietnam map, with place names and military unit names and was asked to recall and record his location by month and year. With time limited to month, they were forced to use the assumption of a rather slow TCDD decay curve in their OE3 formula. In its TCDD study CDC used military records to identify the unit and probable location of each veteran for each day, thus allowing the use of both rapid and slow decay models for separate analyses.

The combat index used does not give sufficient detail to serve as a major exposure variable. The study includes groups other than ground troops, but focuses only on ground troop experience. For instance, fixed wing pilots or medical personnel could have had traumatic combat-related events, that are not described by this index. The combat index has limitations, even if it is confined to ground troop experience. The questions are redundant, and their intent is unclear. For instance, shooting one Vietnamese could elicit a response to 5 of the 8 questions. The index focuses on frequency not intensity. Seeing a dead man on five separate occasions could get more weight than being involved in one large ambush. The scoring procedures are also not weighted according to the severity of the experience. For instance, finding yourself in a situation you thought you would never survive receives equivalent weight as firing your weapon or seeing dead enemy. None of the combat indices, including the one used in the VES, are ideal but since combat is their major exposure of interest, they could have asked a more extensive battery of questions rather than a screening battery.

There were inconsistencies regarding the number of veterans invarious combat classifications. On page 119, for example, it was stated that 2087 Southeast Asia veterans had combat scores. However, on page 160 the total number of Southeast Asia veterans with combat scores was 2845, a number which apparently did not include herbicide handlers. This is unlikely since the total number of Southeast Asia veterans who were not herbicide handlers was only 2858 − 102 = 2756.

Some of their conclusions based on these indices are open to question. Higher combat score correlates with lower income Yet, given the cross-sectional nature of the data, it is impossible to distinguish cause from effect. The authors conclude that "significant family income loss has occurred among Vietnam combat veterans", but possibly those with lower income for whatever reason are more likely to score something as "very often" rather than "rarely, sometimes, or often". The finding of higher separation and divorce rates among the high combat group could be attributed to the same circular logic. In this section an observation that seems to reflect the authors bias is that divorce rates were 4 times as high in the high combat group as in the non-Vietnam group, although the percentages given, 60.4 percent vs. 28.4 percent (p. 136) do not reflect this.

The herbicide and combat indexes are correlated, and the herbicide index drops out in some multivariate analyses. Because of the resulting multicollinearity, the standard errors on the coefficients (not given) would be quite large. Although the resulting coefficients may be significantly different from zero, they are unlikely to be significantly different from each other. Therefore, their relative "importance" would be difficult to assess. Further, because of the instability of these estimates, these kinds of regressions often change radically when more subjects are added to the analyses. In addition, if combat is subject to misclassification and combat leads to certain health outcomes, then residual confounding may exist even after adjustment for the combat score. Thus, residual confounding could account for apparent association between exposure to herbicides and adverse health outcomes, each after adjustment using the combat score. The finding of correlation of both indices with self reports of physical and reproductive health problems is consistent with the VES. In the VES, however, these results were found on the interview component and almost never substantiated by the physical and laboratory exam.

There are two potential sources of bias with these analyses that the authors do not acknowledge or address. Because the combat index relies on self-reported data, it may not reflect actual combat; we know only that it reflects perceived combat, and the data should be analyzed and interpreted in that light. Second, even if the combat index validly reflects combat, the men who saw more combat may have been different going in than the men who saw little or no combat. The Louis Harris study of attitudes toward Vietnam era veterans found that "among those who served in Vietnam, those with less than high school educations at induction were three times as likely to see heavy combat as were those with college educations".[18] They concluded that "combat assignment processes . . . served to mirror the underlying class discrimination of the society itself". If this is the case, then many of the socio-demographic, behavioral, and health differences seen by combat status in the American Legion study may be due to preexisting differences in the men who saw different levels of combat. This issue could have been better addressed by more adequate control for all available covariates in the analyses. The general lack of specificity associated with combat (i.e., it is related to almost every reported health outcome) increases the likelihood of a reporting or selection bias.

The three combat exposure groups and the three herbicide exposure groups may differ appreciably with respect to other characteristics that are associated with reporting of outcomes. For example, Navy and Air Force veterans make up about 49 percent of the Low combat exposure group but only 10 percent of the High exposure group (Table 3 and Figure 5). Although not shown, the military rank profile of those exposure groups could also be quite different. Both branch of service and military rank could be important correlates of outcome reporting and should have been taken into consideration in comparisons among the combat and herbicide exposure groups. Other baseline traits that would be important to take into consideration are military occupational specialty and whether a man was drafted or volunteered for military service. Another point that should have been addressed is the possibility of response bias or selective reporting of outcomes by Vietnam veterans. Further, it is not possible from a cross-sectional study that relies on self-reported exposures (particularly combat) and self-reported outcomes to establish with certainty whether the exposure led to the outcome or vice versa.

ANALYTIC STRATEGY

There are several points of concern in the analysis:

Crude associations are reported in most instances. Joint effects of combat and herbicide exposure were assessed (and hopefully the 'non-significant' main effect of herbicide exposure was left in the model with and herbicide-combat cross-product term), but collected data on demographic variables or smoking, drinking and drug use were not included in multivariate models.

Dates during which the study was conducted were not given.

The possibility of residual confounding of the association between the herbicide index and various health outcomes by combat, age, etc., does not appear to be fully appreciated.

Power calculations leading to choice of sample size including the achieved power for various prevalences are not given. Is power for herbicide exposure clearly better than the Air Force Ranch Hand Study, where there are clearly exposed and unexposed groups?

No mention is ever made of missing data and how they are handled. Since the numbers are not consistent throughout the papers, the authors appear to have chosen to ignore this issue in the analyses. Depending on the extent of missing data, this could represent a real bias. For example, the analysis of average weekly consumption of alcohol is based on 1824 (64 percent) non-Viet-

nam veterans and 3254 (83 percent) Vietnam veterans. Because of a substantial amount of missing data and a large difference between the two cohorts, and validity of any comparison is questionable. For many outcomes, numbers are not given so no estimate of missing data can be made.

The authors classify persons as "In-Country" or not. There is no discrimination as to how long they were "In-Country" and no controls for this factor in any of the analyses in this report. A related problem is the use of birth year for analyses, not year of service in Vietnam. As we know from VES, the age of the veteran at time of service, and the actual year in which that service occurred were important factors in all of the analyses. The American Legion investigators confound both of these issues in their design.

The data did not demonstrate "that sufficient numbers of troops are available and identifiable for epidemiologic study of herbicide effects". This statement is a leap of faith from very limited and questionable exposure data. From Figure 3 (p. 120) it appears (assuming their herbicide exposure index is measuring exposure) that there might be insufficient numbers of men with high exposure scores.

The authors say that the "internal consistency of the findings also lends credibility to the study". However, nowhere do they present data that support what is really meant by internal consistency (i.e., that a particular association is present in various subgroups of the total study group). By internal consistency, the authors seem to mean that there was a large number of positive exposure-response associations for combat and herbicides. This is circular reasoning, using the health outcome results to justify the validity of the exposure measures.

While the findings in Table 1 (p. 156) are consistent with the results of the VES telephone interview component, results for the infrequent conditions should have been tabulated for descriptive purposes and for completeness. Also, all conditions should be shown, not just those that were reported more frequently in the Vietnam veterans.

Why would herbicide handlers have the highest mean combat score in view of their job distribution in Table 2 (p. 121)?

There is no discussion of why the herbicide handler group does not show an excess of adult acne (OR=0.99) whereas the High herbicide exposure group does show an excess for this condition (OR=1.45) (Tables 2, 3).

There is no discussion of the curious finding that "benign fatty tumors" is the only reported condition that is positively associated with both combat and herbicide exposure.

Despite the large number of statistical tests presented, the authors fail to discuss the problems of multiple comparisons in the same data set.

Psychological scales: Most scales chosen represent general adjustment and not specific diagnoses. The scales are all said to be reliable (e.g., repeatable), but they do not provide documentation of their reliability or any discussion of their validity.

The authors should have pointed out that the correlations obtained, while statistically significant, are weak (Tables 6 and 8).

There is a tendency of the authors to downplay, not to recognize, or to ignore the limitations of this study and to make only selected references to available knowledge in the literature such as the VES and the AOVB.

FINDINGS

Both the American Legion studies and the CDC studies found that self-reported combat exposure and self-reported or computed herbicide exposure opportunity are correlated, and that combat exposure correlates with subsequent anxiety, depression, post-traumatic stress syndrome, and certain self-destructive behaviors. In other words, we agree that combat tends to leave long-lasting "invisible wounds." Furthermore, both sets of studies found that combat-exposed people (often also believing that they were exposed to herbicides) tend to report more physician visits and more "yes" answers to a wide variety of symptoms and illnesses, including more miscarriages for their wives. Because of its larger budget, CDC was able to seek objective confirmation of some of the subjective data. Upon physical examination and laboratory tests, most of the differences between the Vietnam and non-Vietnam groups disappeared. Further, CDC found low residual TCDD levels (used as a marker of prior herbicide exposure) in the Vietnam veterans, not different from the levels found in the non-Vietnam group. Among the Vietnam veterans, there was no correlation between TCDD levels and either self-reported herbicide exposure or exposure opportunity scores calculated several ways.

High residual TCDD levels are being found by CDC's laboratory, however, in Air Force Ranch Hand veterans exposed occupationally, in civilians who are former herbicide production workers, in people with heavy environmental exposures in Missouri, and in people who were heavily exposed to the fall-out of an explosion in a herbicide factory in Italy. This last group has residual TCDD levels several orders of magnitude higher than the highest level found either in the CDC studies or in Vietnam veterans studied by the New Jersey group, yet after 12 years chloracne is the only ill-effect seen so far in the Italian group.[19]

Reproductive outcome

The reproductive findings are confined to ever-married men born in 1940 or later. The restriction on birth year is done in an attempt to "eliminate reproductive experiences that occurred before the Vietnam era". This is a very crude way to accomplish this goal and is subject to significant misclassification. Many children with no opportunity for "exposure" will be included and others who were conceived after service will be eliminated. In order to obtain meaningful results the investigators must have the veterans' dates of service and the dates of the reproductive events; all children and pregnancies should be included or excluded based on these dates, not on the birth year of the veteran. The authors found that Vietnam veterans reported more difficulty having children than non-Vietnam veterans, but both cohorts reported fathering the same average number of pregnancies. These results are similar to those of the VES.

The analysis of miscarriages is very difficult to evaluate because only a subset of veterans are included in the analysis. The report starts out with 5097 veterans who were ever-married and born 1940 or later. However, the miscarriage data are based on 6622 "birth outcomes" reported by 2950 veterans. There is no explanation why over 40 percent of the eligible veterans have been excluded from the analysis. The Table 10 (p. 166) note says that the restrictions on the veterans now include discharged 1974 or earlier, with the first pregnancy reported subsequent to discharge, but there is no explanation of why these restrictions are needed or how many men were lost from each cohort through the application of these restrictions. Thus, their data show a great deal of underreporting of this event in both cohorts (as did the VES data and most data that are based on fathers' reports). Clearly, there was a great deal of underreporting. Both the retrospective nature of the study and the fact that most of the reports may have been proxy reports would have affected the underreporting. Veterans who have no reason to suspect reproductive problems as a result of their previous military experience are likely to forget more miscarriages of their wives than the Vietnam veterans. Because of these limitations, one cannot be expected to comment responsibly on these findings because they are based on what is clearly a small subset of the total study group other than to say that rates of miscarriage in the general population are in the range of 20 percent to 25 percent of all pregnancies, far higher than the 7.6 percent and 5.5 percent rates found in the American Legion Study for Vietnam and non-Vietnam Veterans, respectively.

Social and behavioral consequences

The general items that were used to assess social and behavioral outcomes (pp. 132-133, and actual questionnaire were reviewed) are very limited. Generally, they represent symptom ratings. Only a few are time linked (within the last 6 months). Although some of these probably would correlate with more standardized and valid psychological instruments, one would expect that their validity would be more limited than the standardized tests due to the limited number of items (even though they have reasonable reliability). The fact that all of the variables are highly intercorrelated suggests that these different scales are not really measuring different factors, but probably are measuring general "psychological distress" (p. 139). This has been a problem for the scale that much of this has been taken from, the Psychiatric Epidemiological Research Interview. These measures do not provide a DSM-III diagnosis sincek the DSM criteria and methods were not used in the study. Given that the symptoms are never time-linked, a subject could have had one symptom this year, another last year, and another 5 years ago and ended up with a high score.

The interpretation of some of the findings are questionable. For example, the authors state that "the correlation is comparatively strong with combat exposure". Given that one is r = 0.18, the other r = 0.30, accounting for less than 2 percent and 9 percent of the predicted variance, these are unimpressive correlations. In Table 5 (p. 141), there is no correlation with combat exposure over 0.30, most are under 0.22. The Agent Orange index correlations are even lower. The mean differences between groups in Table 6 (p. 141) are also of limited clinical meaning, although statistically significant given the large sample sizes. It is misleading to suggest that the Vietnam veterans are more psychologically distressed than the non-Vietnam veterans, since these score differences are minimal (1 point generally out of 20 possible). The graphs on page 142 (Fig. 6) seem distorted given that the correlations are all less than 0.30.

It is of concern that the authors never look at the relationship between well recognized risk factors for psychological symptoms such as drinking and smoking and any of the psychological data. Instead, they con-

clude that the psychological problems are caused by the Vietnam experience, as are the drinking and drug problems when it is known that the psychological and drinking problems are highly interrelated and may account for more of the current findings than anything else.

Post traumatic stress syndrome (PTSD)

The main concern is the diagnosis of PTSD. First, the multiple approach to combat exposure classification is crucial. The authors assume that any subject who had a high combat exposure score had exposure to a traumatic event, as required by the PTSD criteria. This is not always accurate, as people working on transportation details may have seen many dead bodies, but never have been in life-threatening situations or had been traumatized. PTSD rates depend on the combat exposure index, which of course is correlated with PTSD symptoms. There is circularity to this approach to this disorder's definition. The authors use a symptom checklist without time frame (viz., date of discharge from service); no DSM-III diagnosis is made without a timeframe for symptom co-occurrence. In addition, the authors fail to diagnose other disorders whose symptoms may be similar, if not identical (anxiety disorders, depression, substance abuse, etc.). Therefore, there is no way to identify just those veterans who had PTSD, when they had it, or what else they may also had. Other traumatic events in the veterans lives are ignored, and it is not clear what "often" and similar words may have meant to a particular veteran. In short, this approach cannot provide a DSM-III PTSD diagnosis. At best, it provides a group of symptom ratings (p. 182) over a number of years (different for different veterans).

On page 183, the investigators use mean values of PTSD symptoms. This is not meaningful when one recognizes that one veteran may score 4-5 points on 5 symptoms over a 15-year period and get a score of 20, while another veteran may score rarely (2 points) on 10 symptoms over the past month and also get a score of 20. These men are not likely to have psychological problems. One is more concerned with the second rather than the first in some instances; yet, the authors treat both of these men as identical in their analyses.

FOOTNOTES

[1] Stellman SD, Stellman JM, Sommer JF. Combat and herbicide exposures in Vietnam among a sample of American Legionnaires. Environ Research 1988; 47:112-28.

[2] Stellman JM, Stellman SD, Sommer JF. Social and behavioral consequences of the Vietnam experience among American Legionnaires. Environ Research 1988; 47:129-49.

[3] Stellman SD, Stellman JM, Sommer JF. Health and reproductive outcomes among American Legionnaires in relation to combat and herbicide exposure in Vietnam. Environ Research 1988; 47:150-74.

[4] Snow BR, Stellman JM, Stellman SD, Sommer JF. Post-traumatic stress disorder among American Legionnaires in relation to combat experience in Vietnam: associated and contributing factors. Environ Research 1988; 47:175-92.

[5] Stellman JM, Stellman SD, Sommer JF. Utilization, attitudes, and experiences of Vietnam era veterans with veterans administration health facilities: The American Legion experience. Environ Research 1988; 193-209.

[6] Centers for Disease Control. Health Status of Vietnam veterans: I. Psychosocial characteristics. JAMA 1988; 259:2701-7.

[7] Centers for Disease Control. Health Status of Vietnam veterans: II. Physical health. JAMA 1988; 259:2708-14.

[8] Centers for Disease Control. Health Status of Vietnam veterans: III. Reproductive outcomes and child health. JAMA 1988; 259:2715-9.

[9] Stellman JM, Stellman SD. Columbia University—American Legion Vietnam Veterans Study. National Veterans and Rehabilitation Commission, the American Legion. Report #1, May 29, 1985.

[10] CDC Veterans Health Studies. Serum 2, 3, 7, 8-tetrachlorodibenzo-p-dioxin levels in US Army Vietnam-era veterans. JAMA 1988; 260:1249-54.

[11] Card JJ.. *Lives after Vietnam: The Personal Impact of Military Service.* Lexington, MA: D.C. Heath and Company, 1983.

[12] Rothman K. *Modern Epidemiology.* Little, Brown, and Company, Boston, 1988.

[13] Lilienfeld DE. Changing research methods in environmental epidemiology. Stat Science 1988:3:275-80.

[14] Stellman SD, Stellman JM. Estimation of exposure to Agent Orange and other defoliants among American troops in Vietnam: a methodological approach. Amer J. Industrial Med 1986; 9:305-21.

[15] Harrigan ET. Calibration test of the UC-123K/A/A45Y-1 Spray System. Armament Developmental Test Center, Air Force Systems Command, United States Air Force. Technical Report ADTC-TR-70-36. February 1970.

[16] Wolfe WH, Michalek JE, Miner JC, et al. Serum 2, 3, 7, 8-tetrachlorodibenzo-p-dioxin Levels in Air Force Health Study Participants—Preliminary Report. MMWR 1988; 37:309-311.

[17] Pirkle JL, Wolfe WH, Patterson DG Jr., et al. Estimates of the Half-life of 2, 3, 7, 8-tetrachlorodibenzo-p-dioxin in Ranch Hand Veterans. J. Environ Health Toxicol (In press).

[18] Louis Harris and Associates, Inc. Myths and realities: A study of attitudes toward Vietnam era veterans. Veterans Administration, Study No. 792801, July 1980.

[19] Centers for Disease Control. Preliminary report: 2, 3, 7, 8-tetrachlorodibenzo-p-dioxin exposure to humans—Seveso, Italy. MMWR 1988; 37:735-6.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
November 28, 1988.

From: Chief, Agent Orange Projects, OD, CEHIC, (F16).

Subject: Comments on the Vietnam Experience Studies of Stellman, et al.

To: Stephen B. Thacker, M.D., M.Sc., Assistant Director Science, CEHIC, (F29).

These papers are a bit sloppy (data reported in one part are not consistent with that reported in another), but they probably do report accurately the results of the survey. The authors do not report well the potential sources of bias. They overgeneralize their conclusions and in some cases draw conclusions opposite to those I would draw about the generalizability of their results. They also provide little detail on the way their sample was drawn. In addition, they ignore other research of which they are certainly aware (AOVS in particular).

It is not possible to pronounce on the details of their sample selection scheme, because the details are not given. They have subsampled members of the American Legion (AL) in 6 states. Although they state that the AL has 700,000 era veterans, "a meaningful percentage of those approx. 3-4 million men who served in the military during that era" (p. 113), they also state that 9 million men served in the era (p. 112) of whom 3-4.4 served in SE Asia. These statements are inconsistent. I believe the membership is 700,000 out of 9 million, or about 8 percent of era veterans. They note that membership is mostly white. They state that AL members are more stable than nonmembers who are veterans and that therefore, physical and mental health problems would be worse in a larger sample. This is opinion. It could also be argued that AL members are less comfortable in the general social atmosphere and therefore join groups of old military vets because they have more scars from their past service and more trouble adjusting to the world at large.

It is not clear how they subsampled the veterans. Unfortunately, they give some information on further sampling procedures, but no numbers to determine how many people dropped out at each stage. They eliminated a percentage of non era veterans if they returned a postcard indicating whether they were era or non era, but do not say how many did or did not complete this step. They then sent the remainder of the names to individual posts of the AL to have post secretaries decide who was or wasn't an era veteran. Members of the AL, termed volunteer researchers, were then given lists of about 200 names, including those known to be era veterans plus those not known to be either era or non era by either of the above two steps (return of postcard or knowledge of post secretary). This selection technique looks OK so far (save that they're all AL members), except for the absence of numbers on how many fell into each group. The volunteer researchers were trained by Stellman and Stellman to identify 15 who served in SE Asia and 15 who did not from their list of 200. This is where I begin to get worried about the sample design.

Surely the volunteer researchers knew the study was to look at the health effects of Vietnam service and AO exposure. They may have volunteered because they had media generated opinions on the outcome of the study. If they only had to identify a total of 30 people out of a list of 200 (not all of whom where actually era veterans), they would most likely have stopped their effort when they got to 15 in each group. Perhaps they contacted first those people they were personally acquainted with. Perhaps a higher percentage of these had preformed opinions of the health effects of the Vietnam war.

It appears, however, from statements elsewhere in the papers that there was more to the sampling procedure than this. They say they oversampled Vietnam veterans (taking 15 of each would indeed be slight oversampling of Vietnam veterans), yet their final sample is 42 percent Vietnam and 58 percent non-Vietnam. This is precisely what you would expect without oversampling (and not what you'd get from 15 of each). The first paragraph of the first paper says that 32 to 48 percent of era veterans served in SE Asia. They also say nothing about differential response rates between two groups. In our study, the Vietnam group was more likely to travel to Abq. than the comparison group. If this research team also had a higher response rate among VN vets, it is even less clear how they did their sampling.

Report #1, the 1985 report on the same studies produced as an American Legion document, raises additional questions on the sampling. It appears to be reporting on the exact same study, but describes it differently. We are here given the information that 50,000 postcards were returned indicating war era. However, this earlier report says the 770 research volunteers were given the names of only those Legionnaires who did not return postcards. They were still said to be given 200 names each.

This 1985 report also says that 12,588 men were identified as "Vietnam veterans" and mailed questionnaires. The 1988 report says that 2858 subjects who served in SE Asia returned questionnaires. This is not consistent with the response rate reported as between 52 percent and 64 percent for both cohorts combined (SE Asia and other).

They do report on different response rates by state. On p. 124 they give it as ranging from 52.5 percent in PA to 64.1 percent in MN. (This is apparently inflated some-

what—bad addresses are removed before calculating the rate.) On p. 179 it's 58.1 percent in PA to 64.6 percent in MN. Table 4, p. 125 also shows more total respondents from MN than from PA. PA has three times the pop. of MN. Either they weighted the sample by state or Minnesotans are far more likely to join the AL.

The rest of the report also discusses only VN versus other. They never again use the category SE Asia, so I can't tell which they were actually looking at. They also never again mention branch of service (after p. 122). This seems a serious omission.

What they have so far is a sample with a high degree of self selection and an obviously high potential for bias on exactly the outcomes of interest.

The first sentence of the discussion of p. 123 indicates the bias on the part of the authors: "The data presented here once again confirm the massive use of herbicidal agents in Vietnam." The data presented have nothing to do with that issue. All they have done is describe their sample selection and given some hints about their AO exposure scale and their combat scale. All herbicide use data is borrowed from documents published long ago.

THE AO EXPOSURE CLASSIFICATION SYSTEM

This system is described to some extent in the 1986 publication. It relied on the vet sending back a map of VN with 98 places at which he could indicate his dates of service. They say they got adequate info back from 70% to calculate a score, but they don't define what constitutes adequate. That's a lot of recall unless most individuals spent their entire tour in one location. We know from our study of army ground troops, that many moved frequently. Possibly their data is least adequate for those army and marine veterans who moved the most (and might be the most interesting group to study). It would be most adequate for those who parked in one spot for the war. They give no info on this. They do say that the entire q'aire took 45–60 min. to complete, including health status and feelings about the VA, so they didn't take too long on the map portion. Their scoring system has both a proximity and a time component. What it probably serves as is a measure of where they served in VN, which may be a surrogate for occupational specialty and branch of service. The AOVS would indicate that it probably has nothing to do with AO exposure. The authors take the extreme position of standing logic on its head (p. 127) and describe their system as the gold standard, while referring to others as "yet to be validated exposure methods such as analysis of dioxin residues in tissue collected some 15 years postexposure".

THE COMBAT INDEX

On p. 179, you find their combat exposure index in Table 1. There's nothing inherently wrong with it except that it's very subjective. The difference between seeing someone killed rarely (score 2) or very often (score 5) is in the eyes of the beholder. Their recall of these events and classification of them between rarely and very often may be highly biased by their subsequent feelings about the war, physical health, and mental health. It would almost certainly be linked to their answers to the PTSD questions. Which came first would be a hopelessly muddled question.

Some of their conclusions based on these indices are open to question. Higher combat score correlates with lower income. They conclude (p. 135) that "significant family income loss has occurred among VN combat veterans". Well, maybe, but then maybe those with lower income for whatever reason are more likely to score something as very often rather than rarely, sometimes, or often. They also find higher separation and divorce rates among the high combat group. Same possibly circular logic. They also say that divorce rates were 4 times as high in the high combat group as in the non VN group. How 60.4 percent is four times 28.4 percent (p. 136) is something I do not understand.

They also attempt to look at their AO index and combat index as separate variables. They do find they are correlated, and that usually the AO index drops out in multivariate analysis. This is not a surprise. The combat index probably measures very closely the same thing as the sexual satisfaction, skin rash index, whereas the AO exposure index more closely measures branch of service, type of unit, and location in VN.

They also find some correlation with both indices and various self reports of physical and reproductive health problems. These are also not a surprise. They are not at all out of line with what we found in the VES (without an AO exposure index) in terms of either symptoms mentioned or odds ratios. However, we found these results on the interview component only. They were almost never substantiated by the physical and laboratory exam. The synthesis chapter of the VES monograph (Chapter 14) discusses our findings in this regard. Symptoms of four health problems correlated well with self reported herbicide exposure (mapping index was not used), but signs of the same four problems did not (p. 13). The same was true of the correlation with self reported combat exposure (p. 15–16).

SUMMARY

The combat index probably has something to do with combat. It is shown to be highly correlated with branch of service. It would be nice to see their results within Army only. However, combat index is subjective enough that this subjectivity alone could easily explain the entire correlation with physical and mental health and social outcomes.

The AO exposure index would be more interesting if we hadn't already published the AOVS. I agree that the individual could not have deliberately scored himself high for AO exposure. However, their index is serving as a surrogate for something else that related to their Vietnam service, not their exposure to Agent Orange. This something else is in return related to their reported health outcomes, although not particularly independently of their combat index. Again, it's probably a branch of service and occupational specialty index with a definite correlation to combat of its own.

Because there is no attempt to verify any of the questionnaire responses, you're basically back at square 1. The results of the VES fairly convincingly found that VN vets report more adverse health outcomes than comparison vets, but that these are not substantiated by physical or laboratory exam.

All of this, coupled with their sampling of a self selected group means that this study adds nothing to our knowledge of this issue. This is the type of research that launched the concerns about Vietnam service and Agent Orange exposure. It is many years out of synch with current efforts.

EDWARD A. BRAHN.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
December 16, 1988.

From: Senior Statistician, AIDS Program.

Subject: Comments on the manuscripts by Stellman, Stellman, et al. on health of Vietnam veterans published in Environmental Research, December 1988.

To: Stephen M. Thacker, M.D., Assistant Director for Science, Center for Environmental Health and Injury Control.

I read carefully the first paper and the Stellmans' previous paper on estimating exposure. I was particularly interested in this part of this material because I had responsibility for overall coordination of the CDC Agent Orange Validation Study (AOVS), did a substantial part of the work on estimating herbicide exposure for the veterans in that study, and had the main role in writing the report and manuscript describing the AOVS results.

COMMENTS ON ESTIMATING EXPOSURE

Many studies of tissue TCDD levels have shown that Vietnam veterans whose main job was not handling herbicides have levels similar to unexposed civilians of the same age. In addition, the AOVS showed that there is no relation between current TCDD levels and relative opportunity for exposure according to a wide variety of scores derived from the military records or from self-reported exposure. Thus, there is no evidence that typical troops who served in South Vietnam had meaningful exposure to TCDD.

Analyses of herbicide spray and military unit location records show that units were seldom within 2 km of a Ranch Hand spray within a week after the spray (unpublished analysis done for the AOVS). Thus the greatest potential for exposure to herbicides shortly after spraying was likely to result from sprays around base camps. The Agent Orange Advisory Committee recognized that the records are seriously incomplete for these sprays (General Murray report).

As Lilienfeld recently stated, "It is the assessment of exposure that is the cornerstone of any environmental epidemiologic study" (D.E. Lilienfeld, Changing research methods in environmental epidemiology, Statistical Science 1988, 3: 275–280). Thus, the validity of the findings in this series of papers depends on the accuracy with which exposure was assessed in this study. I reviewed carefully the original paper describing the exposure estimation procedure (SD Stellman & JM Stellman, Estimation of exposure to Agent Orange and other defoliants among American troops in Vietnam: a methodological approach, Amer J. Industrial Med 1986, 9: 305–321) as well as the summary of exposure estimates for the men in this study. Especially in light of the findings in other publications, the authors of these studies must show that they have overcome the recognized difficulties and obtained valid exposure measures. I believe that their measures may be unreliable for the following reasons:

1. The authors' estimates are based completely on Vietnam veterans' recollection of their locations and dates of service, without any apparent validation from military records.

2. The authors' procedure greatly overestimates the relative exposure of veterans who were more than 1–2 km from known herbicide sprays.

3. The authors' procedure implicitly assumes that the only exposure of concern was from contaminated soil and perhaps

water, which may result in a substantial overestimate of exposure for those who actually were within 2 km of a documented spray.

The following are detailed comments on these issues.

1. Both published manuscripts report that exposure was estimated by asking veterans the dates they had served at about 100 locations in South Vietnam. The authors appear to believe that the provision of sufficient data to calculate an exposure measure is evidence that the data are reliable (1986, 311-315; 1988, 116 and 119-120). Because of the long half-life the authors used, their exposure measures probably do not depend very much on accurate date information. However, it would seem essential to verify veterans' recollection of where they served by validating a sample of questionnaires with military records. Such records were used in the Agent Orange Validation Study (AOVS); they are the dates during which a veteran served in various units (from his military record), and the locations of those units on those dates (abstracted from military records by the ESG).

2. The exposure measure allows for substantial exposure up to 15 km from a spray (1988, p. 116), with exposure decreasing as the inverse of the distance from the spray. Simulated Ranch Hand sprays at Eglin AFB, Florida, showed exposure decreasing far more rapidly (as a negative exponential), with negligible exposure more than 1-2 km from the center of the spray path (the AOVS report contains a reference to the U.S. Air Force study containing these data). It seems reasonable to believe that most perimeter sprays had no more dispersion than did Ranch Hand sprays, since most of the perimeter sprays would have been from ground level or low altitude. In contrast to this new report, the AOVS used only locations within 2 km of a spray to estimate exposure, a procedure that is in much better agreement with the available data.

In addition, some base camps in South Vietnam were quite large, so that perimeter spraying would not necessarily result in significant exposure for all veterans stationed at that camp. While no details are given, it is possible that each base camp is represented as a point in computing potential exposure in this report. In their 1986 report, the authors show that, for 6 base camps, there are far more herbicide spray "hits" 5-15 km from these base camps than within 5 km (1986, p. 311, Table II). Note also that use only of sprays within 5 km changes the ranking of these base camps with respect to their relative opportunity for exposure.

These considerations suggest that the authors may have substantially overestimated herbicide exposure for many veterans, in contrast to their statement (1986, p. 317) that "Computed exposures will thus tend to underestimate true exposures" and that the exposure scores do not rank relative opportunity for exposure correctly.

3. The exposure measure used here assumes a half-life of 1 year for the decay of TCDD in the environment (1988, p. 116). This is roughly consistent with the experimental data on the half-life of TCDD adsorbed to soil and similar to the half-life of 5 years used to compute the "slow" or E_0 score in the AOVS. However, this half-life is about two orders of magnitude longer than the estimated half-life of several days for TCDD on vegetation. The Stellman exposure measure, therefore, assumes that the significant source of exposure is soil and gives an estimated exposure far greater than that which would be obtained if the important source was TCDD on vegetation. In fact, the relative importance of vegetation vs. soil is unknown.

OTHER COMMENTS

These reports do not seem to contain much of the basic information necessary to evaluate the results of an epidemiologic study, including:

Why were the 6 particular states chosen?

What were veterans told about the purpose of the study?

What were response rates in Vietnam vs. non-Vietnam vets?

During what dates was the study conducted?

What power calculations were done leading to the choice of the sample size; what was the achieved power for various prevalences? (The only statement about power I found is in paper 1, p. 115, last sentence before "Characterization of Herbicide Exposure.") Is power for herbicide exposure better than the Air Force Ranch Hand Study, where we have clearly exposed and unexposed groups?

The dates the study was conducted and what vets were told do matter. Contrary to the statement in paper 1, p. 123, para. 2 of Discussion, vets could have given response leading to higher exposure scores. A book of maps showing locations of known herbicide sprays was published in California (I don't know date of publication). Thus it could matter whether questionnaires were completed before these maps were published.

REPRESENTATIVENESS AND BIAS

Are Legion members representative of all vets? Are members in these 6 states representative of Legion members? Are those responding respresentative of Legion members in those states? There is reason to doubt representativeness:

A. In the AOVS, interviewed veterans who believed they had health problems or were exposed to herbicides were clearly more likely to go to Lovelace Medical Foundation for the medical exam than those who believed they were in good health or had little exposure to herbicides (see Table 2 in the JAMA article). It is plausible that the same bias would occur in those willing to spend time filling out a long questionnaire.

b. There is some possibility that bias could be introduced by the use of volunteers to determine service location and establish contact. These volunteers might have worked harder to get a Vietnam vet with perceived or actual health problems to participate than a similar vet in good health. There was concern about this type of recruitment bias in the original American Cancer Society study of smoking and health (possible reference: TD Sterling, A critical reassessment of the evidence bearing on smoking as the cause of lung cancer. Amer J Pub Health 1975, 65; 939-953).

The relatively low participation rate gives ample room for bias and a non-representative sample. There is very little analysis of potential bias, and I did not find the analysis of representativeness convincing.

JOHN M. KARON, Ph.D.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
December 5, 1988.

From: Pierre Decoufle, Sc.D., Epidemiologist, Developmental Disabilities Branch (F-37).

Subject: Review of papers by Stellman & Stellman on health of Vietnam veterans published in December, 1988 issue of Environmental Research.

To: Stephen B. Thacker, M.D., Assistant Director for Science, Center for Environmental Health and Injury Control (F-29).

General Comments:

1. Representatives of the population from which the study group was selected—Are members of the American Legion representatives of any larger population of Vietnam veterans, let alone all Vietnam veterans?

There are no data given in the papers that address this issue, except the statement that the approximately 700,000 Vietnam era veterans in the American Legion constitute a "meaningful" percentage of the approximately 3 to 4 million men who served in the military during that era.

2. S lection of study sample: It is difficult to judge the adequacy (validity) of the final respondent sample because several key numbers were not given. These are as follows:

The number of men comprising the one-seventh random sample of members with less than 20 years of continuous membership;

The number of Vietnam era veterans in the one-seventh random sample;

The number of veterans in the one-seventh random sample that could *not* be classified as to era;

The numbers of Vietnam and non-Vietnam veterans to which questionnaires were sent.

With these numbers, one can compute the magnitude of losses and response rates and, thus, assess the adequacy of the final respondent sample.

3. Representativeness of final respondent group: The authors could at least have compared selected demographic and socioeconomic characteristics of their respondents with those of other groups of Vietnam era veterans so that one could assess the adequacy of their study group. The authors do state that their group is 98.5% white, for example, which is very different from the racial composition of every other group of Vietnam era veterans that has been studied.

4. Relationships between combat exposure and outcomes and herbicide exposure and outcomes: There are at least two important points about these exposure-response analyses that the authors do not address. One is the possibility that the three combat exposure groups and the three herbicide exposure groups differ appreciably with respect to other characteristics that are associated with reporting of outcomes. For example, Navy and Air Force veterans make up about 49 percent of the Low combat exposure group but only 10 percent of the High exposure group (based on data from Table 3 and Figure 5 on p. 122). Although not shown, the military rank profile of these exposure groups could also be quite different. Both branch of service and military rank could be important correlates of outcome reporting and should have been taken into consideration in comparisons among the combat and herbicide exposure groups. Other baseline traits that would be important to take into consideration are military occupational speciality and whether a man was drafted or

volunteered for military service. The second point that should have been addressed is the possibility of response bias or selective reporting of outcomes by Vietnam veterans. Further, it is not possible from a cross-sectional study that relies on self-reported exposure (particularly combat) and self-reported outcomes to establish with certainty whether the exposure led to the outcome or vice versa.

5. Use of a self-administered questionnaire: This mode of data collection has a number of important limitations that could affect the quality of the responses, such as:

A respondent can take as little or as much time as he wants to complete the questionnaire;

Absence of a trained interviewer precludes the ability to answer clarifying questions and the ability to encourage completion of all questions;

Respondents can ask family, friends, or other veterans for their opinions and help in filling out the questionnaire.

Specific Comments (keyed to page numbers of journal):

1. P. 112: What is the basis for the statement in the first sentence of the second paragraph?

2. P. 119 (Fig. 2): The graphical display seems to indicate that more Agent White was sprayed than Agent Orange in Vietnam. Why is that?

3. P. 123: Why would herbicide handlers have the highest mean combat score in view of their job distribution in Table 2, p. 121?

4. P. 123: The first sentence of the Discussion Section is meaningless. This study was not needed to confirm that herbicides were used in Vietnam on a large scale.

5. P. 124: The authors do not provide the basis for the statement given in the last sentence of the first full paragraph. Where are the data that support this statement?

6. P. 124: The discussion of the representativeness of the study group misses the point entirely. No amount of internal analyses of respondents will permit an assessment of whether the group is representative of all Vietnam veterans. The authors never compare the demographic & socioeconomic characteristics of their sample with any other external population to judge representativeness.

7. P. 126 (top): Just because 1 percent of the study group said they joined the American Legion because they needed assistance on a special "problem" does not eliminate "membership selection" as a possible source of bias. These data seem irrelevant to an assessment of bias.

8. P. 126 (middle): Their data do not demonstrate "that sufficient numbers of troops are available and identifiable for epidemiologic study of herbicide effects". This statement is a "leap of faith" from very limited and questionable exposure data. From Fig. 3 on p. 120 it would appear (assuming their herbicide exposure index is measuring exposure) that there might be insufficient numbers of men with high exposure scores.

9. P. 127: In the last paragraph of the article the authors claim that the accuracy and precision of their exposure assessment method "are comparable to, or exceed, those used in many environmental and occupational studies" without giving any basis for this conclusion.

10. P. 148: The authors say that the "internal consistency of the findings also lends credibility to the study". However, nowhere do they present data that support what is really meant by internal consistency, i.e. that a particular association is present in various subgroups of the total study group. By internal consistency, the authors seem to mean that there was a large number of positive exposure-response associations for combat and herbicides. Of course, this is circular reasoning, using the health outcome results to justify the validity of the exposure measures.

11. P. 156 (Table 1): These findings are consistent with the results of the VES telephone interview component. Results for the infrequent conditions should have been tabulated for descriptive purposes and for completeness. Also, all conditions should be shown, not just those that were reported more frequently in the SEA group.

12. P. 158 (Table 2 & 3): There is no discussion of why the herbicide handler group does not show an excess of adult acne (OR-0.99) whereas the High herbicide exposure group does show an excess for this condition (OR-1.45).

13. P. 158 (bottom): There is no discussion of the curious finding that benign fatty tumors is the only condition that is positively associated with both combat and herbicide exposure.

14. P. 162 (Table 6): The authors should have pointed out that the correlations obtained, while statistically significant, are weak.

15. P. 163 (Table 8): Same comment as in 14 above.

PIERRE DECOUFLE.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
December 20, 1988.

From: Chief, Epidemiologic Studies Section, ERSSB, DCDCCI, Center for Chronic Disease Control and Health Promotion, (F11).

Subject: Comments regarding the Vietnam Experience Studies of Stellman et al.

To: Stephen B. Thacker, M.D., M.S., Assistant Director for Science, CEHIC, (F29).

Most of my comments have to do with sample selection, response rates, questionnaire construction, and creation of combat and herbicide indices, as potential biases introduced by these components make interpretation of results difficult.

American Legion Members as the Sampling Frame: This study, funded by the American Legion, was limited to members of this organization. The authors admit that they do not have a 'representative' sample of Vietnam Era veterans, since American Legion members represent the 'solid middle section of white America'. Demographic data on both the total sample and respondents is sketchy, but the authors did indicate that 98 percent of the participants are white. The authors also indicate that participants have been resocialized sufficiently to join the American Legion. The majority view it as a social organization, but information on services available to veterans is also provided. The authors suggest that a study based on this group represents a 'best case' analysis of the potential health and social effects of the War. It is also possible, given some of the issues discussed below, that the biases introduced by the sample selection and information collection procedures could lead to an over-representation of veterans with residual problems that they attribute to Vietnam service.

Sample Selection: The authors chose a cross-sectional sample from American Legion membership roles from six states (CO, OH, MD, PA, IN, and MN) on a specific date. After exclusion of those with 20 or more years of membership, one-seventh of the records were selected at random. Those in the one-seventh sample were sent a postcard to indicate if he was a Vietnam Era veteran, since this information is not included in Legion membership records. Those who did not return the card (an unspecified proportion) were contacted by the Post Adjutant to identify those known to be non-Era veterans. Vietnam Era veterans and those of unknown status were then contacted by 'volunteer researchers' to determine actual service location, and to encourage participation. The authors appear to have adopted this strategy from the American Cancer Society (ACS) where they were once employed. Recruitment of volunteers for assistance may have its place in studies without a strong prior hypothesis known to the volunteers, but in this case, the hypothesis is quite clear to the volunteer researchers, to the American Legion, and to the participants.

Vietnam veterans with health or psychological problems and non-Vietnam veterans without problems could have selected themselves for the study by returning the postcards. Even more disturbing, the volunteer researchers could have selectively influenced participation. The researchers were given "goals" to identify 15 Southeast Asia and 15 non-Southeast Asia veterans for the study. With these expectations, it is easy to presume that a well-meaning volunteer could have chosen the "worst" Vietnam and/or the "best" non-Vietnam veterans. These unorthodox recruitment procedures are not used in large-scale epidemiologic studies except by the ACS, yet the authors do not explain why they used them or why they would not introduce bias in a study of this type. At least some of the service-related information provided by participants could have been verified by obtaining discharge records. Information on at least some veterans, such as place of service, service dates, rank, and discharge status could have been verified from discharge records, yet the authors did not do so. The extent of the potential bias introduced by this sampling scheme cannot be evaluated, because the authors do not provide baseline demographic information on the original sample and the selected population. Even basic information, such as distributions by type of service (Army, Navy, etc.) is not provided.

Questionnaire Construction: The questionnaire is designed so that information on combat, herbicide exposure, symptoms of post-traumatic stress disorder (PTSD), social factors upon return, and helpfullness of the Veterans Administration are collected before the outcome data. Also, the tone of the questions implies that the veterans did have problems upon return. The herbicide section even includes questions on acute symptoms following exposure, thereby reinforcing its potentially harmful effects. Placing the exposure questions before the outcome questions is not standard practise, and the potential for biasing subsequent responses is clear.

Data Collection: Information was obtained by mailed questionnaire. It appears that the authors sent 12,500 questionnaires and received 6,810 (54.5 percent), a low response rate for survey research. With mailed questionnaires, one can never be assured that the intended person has completed the questionnaire or that he has not received undo assistance. With "volunteer researchers" available, the ability to receive this sort of help is enhanced. The authors suggest their sample is not biased because reported herbicide and combat levels by posts with

high response rates compared to those with low response rates, although their outcome data suggest otherwise. Nearly 9 percent more men from high response posts report excellent health than those from low response posts. This suggests that those with the most health or psychological problems could have been recruited first, with low response posts never getting around to recruiting other veterans. It might be difficult for volunteers to selectively recruit veterans by exposure because the scaling procedures are not known, but it would be very easily to consciously or subconsciously select veterans who seem to be in poor health. The usual information on methods, such as the number of mailings conducted and demographic characteristics of responders was not provided. In the VES, we found only one factor that differentially influenced participation rates in the examination component between Vietnam and non-Vietnam veterans. Non-Vietnam veterans with higher education levels were more likely to participate in the examination, presumably because they understood the importance of their participation. With their low response rates, it is quite possible that socio-demographic differences attributed to Vietnam service may be heavily influenced by differential motivational factors for participation.

Herbicide Index: Drew Baughman, John Karon and others are more familiar than I with construction of herbicide indices, but a few points come to mind. Only 72 percent of Vietnam veterans provided sufficient information on location for estimating herbicide exposure. For exposure data, it is not clear why a one-year half-life was chosen, and based on our knowledge, this seems quite long. The authors indicated they counted all sprayings which ever occurred near each location reported by the veteran. From their report, it does not appear that they excluded sprayings that occurred after the veteran had been in the location of interest. For location data, veterans were asked to give dates of services for about 100 locations of major troop activity. It would be difficult to remember specific dates and places nearly 20 years after the fact. The questionnaire listed the names of base camps, villages, etc. (along with a somewhat illegible map of Vietnam), yet most herbicide exposure would have occurred in more remote areas. Veterans would think they were most heavily exposed when walking through defoliated areas, although by that time, the chemical constituents of the herbicide would have decomposed. In contrast, veterans would have been most exposed shortly after spraying and before chemical decomposition when the jungle looked relatively normal. It would not be unusual for veterans to perferentially remember time spent in defoliated areas, and with the one-year half-life built into the model, these men would be considered exposed. For personal exposures, veterans were asked if they had ever handled herbicides. Veterans could have responded positively if they handled many different types of chemicals, which they now presume were herbicides. Most of the chemicals used near base camps, etc. were insecticides, not herbicides. Thus, the index could represent belief in exposure to Agent Orange rather than actual exposure. In good faith, veterans could think they were exposed because they walked through defoliated areas, and because they sprayed or were otherwise exposed to unknown chemicals. The potential for intentional exaggeration of exposure is also clear. This variable should not be discounted because it does not reflect objective exposure. Our studies suggest that belief in exposure rather than objective exposure as measured by blood dioxin levels, is a strong risk factor for many adverse outcomes, and in particular, depression.

Combat Index: The study includes groups other than ground troops, but focuses only on ground troop experience. For instance, fixed wing pilots or medical personnel could have had traumatic combat-related events, that are not described by this index. The index focuses on frequency not intensity. Seeing a dead man on five separate occasions could get more weight than being involved in one large ambush. The combat index has limitations, even if it is confined to ground troop experience. The questions are redundant and their intent is unclear. For instance, shooting one Vietnamese could elicit a response to 5 of the 8 questions. The scoring procedures are not weighted according to the severity of the experience. For instance finding yourself in a situation you thought you would never survive receives equivalent weight as firing your weapon or seeing dead enemy. None of the combat indices, including the one used in the VES, are ideal but since combat is their major exposure of interest, they could have asked a more extensive battery of questions rather than a screening battery.

Psychological Scales: Most scales chosen represent general adjustment and not specific psychiatric diagnoses. The scales are all said to be reliable (e.g. repeatable), but they do not provide documentation of their reliability or any discussion of their validity.

Analytic Strategy: Crude associations are reported in most instances. Joint effects of combat and herbicide exposure were assessed (and hopefully the "non-significant" main effect of herbicide exposure was left in the model with and herbicide-combat cross-product term), but collected data on demographic variables or smoking, drinking and drug use were not included in multivariate models.

In summary, this study is difficult to interpret due to major problems in study design and execution. Of these, problems with sampling, with questionable design, and with low response rates appear to have the most potential for introducing bias that cannot be corrected or otherwise evaluated. The authors have made interpretation of their findings more difficult by not providing standard tables on demographic distributions for the original sample, the participant sample, or the subsample that provided sufficient information for estimation of herbicide exposure. Some of the provided information on service experience could have been cross-checked by reviewing discharge records for at least some veterans. The accompanying editorial implies that evaluating herbicide exposure is not much different than for retrospective studies of exposure to workers where individual exposures are not measured. The analogy is misleading, because for the occupational studies, you know from objective records that the employee was in an area with potential for exposure, and that workers are exposed during operations. In this study, we do not know if veterans were in spray areas at the time of spraying and we do not know if any dose, let alone a measurable dose, was received. Findings from our dioxin study (that were initially surprising to us), should have been addressed in some manner rather than just labeling our conclusions as "nihilistic."

I hope these comments have been useful, and I would be most interested in seeing a copy of your final response.

NANCY STROUP, Ph.D.

DECEMBER 18, 1988.

Dr. VERNON HOUK,
Director, Center for Environmental Health and Injury Control, Centers for Disease Control, Atlanta, GA.

DEAR DR. HOUK: This is in response to your request for my critique of the recently published American Legion studies of Vietnam veterans. Although they drew their sample in a way that is very different from the explicit and random method used in CDC's Vietnam Experience studies, their mailed questionnaire (subjective) findings are very similar to the telephone interview (subjective) findings reported by DCD. Their failure to consider the objective data available to them from CDC and from the New Jersey group, led them, however, to an unbalanced (too narrow) interpretation of their data.

Methods. In their studies they used a self-reported combat scale analogous to the one used by CDC. Their computation of an herbicide exposure opportunity index was based on the same sets of spray data used by CDC, and their OE3 formula is analogous to the E2 score used by CDC in its dioxin (TCDD) validation study in III Corps area veterans. The main methodologic difference was that in their questionnaire each veteran was given an annotated Vietnam map, with place names and military unit names, and was asked to recall and record his location by month and year. With time limited to month, they were forced to use the assumption of a rather slow TCDD decay curve in their OE3 formula. In its TCDD study CDC used military records to identify the unit and probably location of each veteran for each day, thus allowing the use of both rapid and slow decay models for separate analyses.

Findings. Both sets of studies found that self-reported combat exposure and self-reported or computed herbicide exposure opportunity are correlated, and that combat exposure correlates with subsequent anxiety, depression, post-traumatic stress syndrome, and certain self-destructive behaviors. In other words, we agree that combat tends to leave long-lasting "invisible wounds." Furthermore, both sets of studies found that combat-exposed people (often also believing that they were exposed to herbicides) tend to report more physician visits and more "yes" answers to a wide variety of symptoms and illnesses, including more miscarriages for their wives. Because of its larger budget, CDC was able to seek objective confirmation of some of the subjective data. Upon physical examination and laboratory tests, most of the differences between the Vietnam and non-Vietnam groups disappeared. Further, CDC found low residual TCDD levels (used as a marker of prior herbicide exposure) in the Vietnam veterans, not different from the levels found in the non Vietnam group. Among the Vietnam veterans, there was no correlation between TCDD levels and either self-reported herbicide exposure or exposure opportunity scores calculated several ways.

High residual TCDD levels are being found by CDC's laboratory, however, in Air Force Ranch Hand veterans exposed occupationally, in civilians who are former herbicide production workers, in people with heavy environmental exposures in Missouri, and in people who were heavily exposed to

the fall-out of an explosion in a herbicide factory in Italy. This last group has residual TCDD levels several orders of magnitude higher than the highest level found either in the CDC studies or in Vietnam veterans studied by the New Jersey group, yet chloracne is the only ill-effect seen so far in the Italian group.

Interpretation: The authors of the American Legion studies apparently did not read the studies mentioned above, since they accept their own subjective data at face value, without comment as to alternative explanations for those findings. When one views all of these studies, including those with very costly objective data, there is a clear and consistent alternative set of interpretations which is not at variance with any of the data reported to date by any study group:

(1) Many anxious, depressed combat veterans have psychologic and physical symptoms.

(2) Many of them also were in and around herbicide applications in Vietnam, and they have subsequently been told about dioxin and its "extreme" toxicity.

(3) Many of them, therefore, attribute their current symptoms to past herbicide exposure.

(4) Very, very few of them actually absorbed significant quantities of TCDD (and therefore other harmful herbicide constituents) from the types of casual or non-repetitive exposures they experienced.

Therefore, studies of adverse effects produced by herbicide exposure cannot be efficiently done from general samples of Vietnam veterans. This logical conclusion from the available data is not "nihilistic", as implied in the editorial accompanying the American Legion reports. Such studies can be efficiently done in the small number of people with clearly heavy, repetitive (usually occupational) exposure. Such studies are under way. Preliminary reporters suggest the hypothesis that TCDD is substantially less toxic to man than it is to guinea pigs.

One is left wondering why the authors of the American Legion studies and the author of the accompanying editorial seem to have selectively ignored recent objective data available to them for arriving at a more balanced interpretation of their subjective data.

With best regards,

ROBERT M. WORTH, MD, PHD,
Hawaii Department of Health (formerly Chief Scientist, Agent Orange Studies, CDC).

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
January 5, 1989.

From: Member, Agent Orange Science Panel.

Subject: Review of the American Legion Studies published in *Environmental Research*.

To: Chairman, Agent Orange Science Panel.

In have reviewed the editorial and 4 epidemiological studies regarding Vietnam veteran members of the American Legion published in *Environmental Research*, Volume 47, Number 2, December 1988. I have, however, restricted my comments to portions of the editorial by M. Gochfeld, the 2 articles by S. Stellman et al., and 1 article by J. Stellman et al. which relate to herbicide exposure.

Editorial: New Light on the Health of Vietnam Veterans: I found this editorial to be unnecessarily inflammatory in a manner better fit for the newspapers than a scientific journal. Expressions like "in the face of remarkably complacent responses by the Department of Defense and the Veterans Administrations" are inappropriate. Gochfeld argues that broad surrogates of herbicide exposures, such as service in Vietnam, are inappropriate predictors of exposure and that blood dioxin levels are the best measures of exposure, but seems to dismiss the work performed by the Centers for Disease Control which did perform blood dioxin tests on a number of ground troop veterans. This testing was not able to adequately define an exposed group of veterans for evaluation. Despite arguing the importance of having a biological determination of exposure, Gochfeld then tends to endorse the exposure index created by Stellman and Stellman which is an unvalidated predictor of exposure.

Although I find the articles interesting in an exploratory or pilot sense, I would not agree with Gochfeld that they represent "a landmark in veteran health research and occupational epidemiology."

Combat and Herbicide Exposures in Vietnam among a Sample of American Legionnaires: The only conclusion that I can strongly agree with in this paper is that "our analysis demonstrates conclusively that mere presence in Vietnam cannot be used as a proxy for exposure to Agent Orange." This statement is not an original finding, but supports work previously performed by the Centers for Disease Control. This article, and their previous work published in 1986, describe a complicated mathematical index which addresses multiple factors thought to increase the risk of exposure to Agent Orange, such as assignment, occupation, and proximity to spraying.

The authors report that their exposure index to Agent Orange and combat experience were associated. This is not surprising since, I suspect, that the largest number of persons in the jungle where spraying occurred were ground combat troops.

Despite the apparent background work performed by the authors and complexity of the index, no information is provided about their model to make it a better predictor of exposure than others previously created. The Department of Defense, the Veterans Administration, and the Center for Disease Control used the Department of Defense records to create a predictive model. These government agencies, however, attempted to validate their model with biological testing and found that they could not define an exposed group of Vietnam veterans. The Stellmand and Stellman is not validated, and, thus, we do not know if it is predictive of exposure. In some analyses the authors use occupation as evidence of exposure, which may be a more reliable indicator, as was found in the Ranch Hand studies.

Health and Reproductive Outcomes among American Legionnaires in Relation to Combat and Herbicide Exposure in Vietnam: This paper describes the rate of self reported symptoms and diseases among study participants. The study cohort was defined via mailing and contact with American Legion posts. The actual participation rate for the study group was 42 percent for those serving in Southeast Asia and 58 percent for those serving elsewhere. These participation rates are not very high, and the presence, type, and direction of bias generated by the low participation are not predictable. One may be concerned about a potential bias, that participation may have been more likely among persons concerned about the effects of the Vietnam experience or those who believe that their health has been adversely impacted. This, however, cannot be evaluated.

The authors report significant elevations in the reporting of benign fatty tumors, adult acne, skin rash with blisters, and increased sensitivity of eyes to light. This corresponds to the elevated reporting of multiple health conditions among the Vietnam Veterans among the Centers for Disease Control Vietnam Experience Study (JAMA, May 13, 1988—Vol. 259, No. 18). In the Centers for Disease Control Study all veterans interviewed and those veterans eventually examined reported multiple health problems, many similar to those found by Stellman et. al., including chloracne and other skin conditions. These conditions, however, were not confirmed upon dermatological examination. One must be concerned that over-reporting may be responsible for the Stellman et. al. findings, but transient adverse health effect that have resolved cannot be discounted. The herbicide handlers did not have large number of significantly elevated adverse health conditions, but did report more skin rash with blisters and change in skin color.

Stellman et. al. also report a significant increase in reported spontaneous abortions among wives of Vietnam veterans. I could not determine if the information about spontaneous abortions was provided by the veteran or his wife. Previous studies report that men are poor sources of information about their wives maternity/gynecological medical history.

Social and Behavioral Consequences of the Vietnam Experience among American Legionnaires: This paper only describes herbicide exposure to be interaction terms in the relationship between combat and adverse social and behavioral outcomes.

Conclusions: I find this series of papers to be interesting as pilot studies and they would be informative if many more definitive studies had not already been performed. Validation of the exposure index would strenthen the results of this data. If the exposure index truly predicts exposure, as defined by dioxin blood testing, we could be more certain that the truly exposed veterans had been studied. Without this information the study of presumed exposed persons for non-validated self-reported health problems should only be considered as exploratory rather than definitive.

JEFFREY A. LYBARGER, M.D.

DECEMBER 26, 1988.

To: Tony Fowler.

From: Robin Morris, Ph.D.

Re: Comments on *Environmental Research* articles on American Legion Study.

Report No. 1, May 29, 1985: I am surprised that the hypotheses (pgs. 1 & 2) are stated in such a way. These are not "null" hypotheses and clearly set a psychological set for all participants in the study. I am particularly concerned with the use of Legion "research volunteers" making contact and discussing the study with potential participants. Even if the participants read the original hypotheses, this would bias their views of the study, and effect their responses since participants are prone to support the researchers hypotheses if they know them (I think this is called the Rosenthal Effect in psychology, but can remember for sure, there has been lots of research on this problem). Even though they state that they "volunteers" were trained "in the proper manner of contacting members" (pg. 4), there is no reported methodology to

monitor them to ensure it. Given the nature and multiple purposes of the study, I consider this a real limitation before any questions are even asked.

The general classificatory data they have is also of concern. They classify persons as "In-Country" or not. There is no discrimination on how long they were "In-Country", and no controls for this factor in any of the analyses in this report. A related problem is their use of birth year for analyses, not year of service in Vietnam. As we know from VES, the age of the vet at time of service, and the actual year in which that service occurred was an important factor in all of our analyses. They confound both of these issues in their design.

Their combat exposure scale is very similar to the one use in VES. Their summing of scores, and breakdown into low, moderate, or high combat exposure is also reasonable given the nature of the scale and its use in the past. It is still important to note that this is a self-report scale regarding combat exposure, and although reliable (pg. 6), there is no validation of its accuracy. The authors continue to report this data as if it is reality, when all other types of factors, including current psychological functioning may affect one's report on it. In other words, there may be correlations between it and other measures of psychological health, but this does not mean that combat exposure caused the psychological health, only that people who rate themselves high on combat exposure also rate themselves high on depression items, and vice versa. There are numerous studies showing that persons who are depressed, etc. have at tendency to answer all (even unrelated) scales in a more negative manner. This point needs to be kept in mind throughout all of the papers, as the authors clearly overstate the meaning of the findings and don't consider other interpretations which may have equal validity. They have no data to make such directional/causative statements. As you remember, we have similar difficulties in some of the VES analysis.

Another issue which I think shows their tendency to go past their data, is in their statements at the end of page 7 which try to argue that they there is no selection bias among those who join the Legion. Unless they question all those persons who did not join the Legion, and their reasons for not joining can they make the necessary analyses to address such a issue. What would happen if all those veterans who didn't join said that the reason they didn't was because they didn't want to have contact with military related organizations, etc. . . . Then the "military personality" may be alive and socializing with like personalities (which all persons are prone to do) in the Legion. Their logic is very odd throughout all of the study reports. I will not detail all such occurrences, only note my concern and the biases which appear to be involved.

A major analysis concern for all of the data they report is the lack of more sophisticated co-variate analyses. They rarely control for those data which they know are different between groups in analyses which are confounded by such variables. In addition, they have no "entry" data on these vets when they went into the service. As we know from VES, the GT, enlistment status (drafted, etc.), etc. at times accounted for a great deal of the variance among various analysis groups. They seem to have a very limited statistical model to adjust for such possible factors in their analyses. A good example of this issue is the differences between incomes in some of their groups. They do not control for the vets time since discharge, age, marital status (previous divorces?), employment history, etc. Given the big effects of each of these on income, their results are just not very telling from my viewpoint.

I know that the part dealing with the VA is not of specific relevance, but the lack of control for those men who have used the VA ever, in the recent past, etc., is a major problem with their analysis, again there appears to be a very simplistic analysis model which appears to be focused on presenting a specific viewpoint.

Comments on "Social and Behavioral Consequences" paper (pp. 129-149): The general items that were used to assess social and behavioral outcomes (pg. 132-133, and actual questionnaire was reviewed) are very limited. Generally, they represent symptom ratings. Only a few are time linked (within the last 6 months). Although some of these probably would correlate with more standardized and valid psychological instruments, one would expect that their validity would be more limited than the standardized tests due to the limited number of items (even though they have reasonable reliability). Of specific importance in all of these data is the paragraph on pg. 139 (1st under psychological well-being section). The fact that all of the variables are highly intercorrelated suggests that these different scales are not really measuring different factors, but probably are measuring general "psychological distress", or something like that. This has been a problem for the scale that much of this has been taken from (PERI). It should also be noted that these measures do *not* provide a DSM-III diagnosis, no matter what the authors imply. Given that the symptoms are never time-linked, a subject could have had one symptom this year, another last year, and another 5 years ago and ended up with a high score. Their interpretation of some of the findings (pg. 140, 1st pp) still leave a lot to be desired. As an example, they state that "The correlation is comparatively strong with combat exposure"—compared to what I have to ask, given one is r.=.18, the other r.=.30, accounting for less than 2 percent and 9 percent of the predicted variance! These are not correlations that I would be excited about, and many psychological journals wouldn't necessarily let you publish such a statement about them. Notice that in Table 5 (pg. 141), there is not a correlation over the .30, most are under .22, with combat exposure, and the agent orange index correlations are even lower. The mean differences between groups in Table 6 (pg. 141) are also of limited clinical meaningfulness, although clearly statistically significant given the large sample sizes. I feel that such data is misleading suggesting that the Vietnam vets are more psychologically distressed than the non-Vietnam vets, these score differences are minimal (1 point generally out of 20 possible). I also don't understand how the graphs on page 142 (Fig. 6) can possibly represent their data, given that the correlations are all less than .30 between these data. I think this is graphic "manipulation" of the actual relationships between this data. Do those look like such low correlations to you?

I also have great trouble in that they never look at the relationship between drinking, smoking, etc. and any of the psychological data. We all know that these interact with each other, but they do not use them for any comparisons. Again, they come to the conclusion that the psychological problems are caused by Vietnam, as are the drinking problems, etc., when we know that the psychological and drinking problems are highly interrelated, and may account for more of the current findings than anything else.

Comments on PTSD paper (pp. 165-192): Again, the main issue here is how they diagnosed PTSD. First, their multiple approach to combat exposure classification is a major factor for their findings. Their basic assumption is that any subject who had a high combat exposure score had to have had exposure to a traumatic event, as required by the PTSD criteria. This is not always accurate, as people working on transportation details may have seen lots of dead bodies, but never have been in life-threatening situations, or traumatized. Anyway, as can be seen by their data, PTSD rates all depend on how you cut the combat exposure index, which of course is correlated with PTSD symptoms, etc. Again, there is some circularity to this approach to this disorder's definition. Their approach is again generally using a symptom checklist without timeframe (since your d/c from service!). No DSM-III diagnosis is made without a timeframe for symptom co-occurrence, as has been discussed before. In addition, they diagnose no other disorders whose symptoms may be similar, if not identical (anxiety disorders, depression, substance abuse, etc.). Therefore, there is no way to identify just those vets who had PTSD, when they had it, or what else they may have also had. They also don't address other traumatic events in their lives (1% maybe had them), nor what "often" etc. may have meant to a particular vet. I do not consider this approach to provide a DSM-III PTSD diagnosis. The best it does is provide a group of symptom ratings (pg. 182) over a number of years (different for different vets of course). Yes there may be something in the data of interest, but I don't see how you can get it.

On page 183, they take the mean values of these PTSD symptoms. This is not very meaningful when you figure that one vet may score 4-5 points on 5 symptoms over a 15 year period and get a score of 20, while another vet may score rarely (2 points) on 10 symptoms over the past month and also get a score of 20. Are these men the same? I would be more concerned with the second rather than the 1st in some instances. They treat them in their analyses as identical.

As you can see, I'm not highly impressed with the psychological methodology, the analysis sophistication, nor the interpretation of the data presented. After the VES, all of these issues are too important and if you don't collect good data, there is just not much you can say about the findings.

If there are any questions for me, I'll be back to Atlanta on Jan. 2 (afternoon).

DECEMBER 20, 1988.

From: Medical Epidemiologist, Behavioral Epidemiology and Evaluation Branch, Division of Chronic Disease Control and Community Intervention, CCDPHP.

Subject: Comments on the Study by Stellman et al.

To: Stephen B. Thacker, M.D., Assistant Director for Science, CEHIC.

GENERAL COMMENTS

This is a cross-sectional study based on self-reported information. The results are very similar to the interview results from VES (Vietnam Experience Study)—almost all outcomes are reported more often by

Vietnam veterans than by other veterans, and, among Vietnam veterans, those who report handling herbicides or more combat experience reported higher rates of most outcomes. As with VES, it is possible that these higher self-reported frequencies are, in part, due to recall bias. One difference between this study and VES is the use of a herbicide exposure index based on the HERBS tapes and the veteran's report of his specific locations of service in Vietnam. This index also predicts self-reported outcomes among Vietnam veterans.

To evaluate the Stellman herbicide exposure index, we could ask Agent Orange Validation Study participants to complete the Stellman Vietnam location instrument. We could then compute exposure scores per Stellman and compare these scores to previously measured serum dioxin levels. We could similarly compute these scores for VES examination participants and see whether there is an association between this index and certain objective measures which correspond to the self-reported findings from the Stellman study (i.e.—"fatty skin tumors", evidence of acne, etc.).

SPECIFIC COMMENTS

Methods:

(1) The study population is not representative of the total Vietnam-era veteran population as it includes only American Legion members and is 98.5% white. This unrepresentativeness restricts generalization of the results.

(2) Because they did not restrict their population to men who served a single term of enlistment and because most career servicemen during the Vietnam-era served at least one term in Vitenam, the Vietnam group is likely to include a higher percentage of career servicemen than the comparison group. This limits comparability between the groups.

(3) The method of recruitment allows self-selection of study participants.

(4) The overall response rate was low (53-64 percent), increasing the possibility of selection bias. Neither the exact overall response rate nor the response by POS is specified. They attempt to address non-response by comparing responses from a "high" response state (Minnesota) and a low response state (Pennsylvania), but this is not helpful as it fails to address differences between non-respondents and respondents. Besides, the response was poor from all six states (64 percent or less).

(5) They have no objective measure of dioxin exposure with which to validate their exposure index. Furthermore, I question the ability of a person to recall exact time and place of service in Vietnam 20 years after the fact.

(6) Their five symptom scales are statistically derived rather than clinically based. It is unclear whether they are biologically plausible.

Results:

(1) The results are nonspecific as the odds ratio is increased for almost all outcomes.

(2) Our troops in Vietnam experienced higher incidence rates of venereal diseases and viral hepatitis than troops who served elsewhere during that era (see Ognibene AJ, Barrett O Jr, eds. General medicine and infectious diseases (vol. II): Internal medicine in Vietnam. Washington, D.C.: United States Army, Office of the Surgeon General and Center of Military History, 1982:233-256 and 419-442). The higher rates of these conditions reported by Vietnam veterans in this study probably reflect events which occurred while the veteran was still in the service.

THOMAS R. O'BRIEN, M.D., M.P.H.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
December 21, 1988.

From: Director, NCHS.

Subject: Review of American Legion Study of CEHIC.

To: Dr. Vernon Houk, Director, CEHIC.

I understand that on December 6 you asked NCHS to review the American Legion-Columbia University Vietnam Veterans Study for study design, sampling, response rates, and analytic methods that the authors used to cope with flaws. The following are some issues raised by the information sent for us to review. We only reviewed the findings regarding "Health and Reproductive Outcomes."

The American Legion study was a retrospective study of a well-publicized suspected toxic exposure experienced by men one to two decades ago. That is, the potential participants of the study were not "blinded" to the hypotheses. As such, there are many aspects that make it difficult to ever do such a study and get reliable, meaningful results. The investigators provided the reader with minimal information relevant to these issues and did not give adequate discussion regarding the interpretation of the findings.

SUBJECT RECRUITMENT

The subjects were recruited from the American Legion rolls in six States. There was an attempt to determine all veterans on these rolls that were in the services during the Vietnam era. The number was not explicitly stated, but it appears to be 12,588 (Report #1, p. 3). There was a 54 percent response rate to a mailed questionnaire. However, the investigators provided no information regarding the nonresponders. Hence, it was not stated whether there was a different response rate among veterans who served in Southeast Asia or who suspected that they had been sprayed with Agent Orange as compared to other veterans.

QUESTIONNAIRE

Many variables requested time in month and year. Given that the period of recall was as long as 20 years, the data from these questions were probably unreliable. Hence, the careful analysis that combined this information with the records of herbicide spraying were also likely to be unreliable.

The questions regarding skin conditions were stated in terms of "ever experienced" these conditions. The article implies, however, that the conditions were current.

ANALYSES

The criteria for "high," "medium," and "low" exposure classifications were not given. However, from the frequency distribution (EHR, p. 120) and numbers in the tables (EHR, 158-159) it appears that "high" included anyone with an exposure level at or above the mean, i.e. 0.36-1.60. That means that, with the unreliability of the question responses, there was probably little difference between the "medium" (.10-.36) and "low" (0.0-.10) groups.

Combat and herbicide exposure were confounded. There were inconsistencies regarding the number of veterans in various combat classifications. On EHR p. 119 it was stated that 2087 Southeast Asia veterans had combat scores. However, on EHR p. 160 the total number of Southeast Asia veterans with combat scores was 2845 . . . a number which apparently did not include herbicide handlers. This is unlikely since the total number of Southeast Asia veterans who were not herbicide handlers was only 2858-102—2756!

SELECTED FINDINGS REGARDING "HEALTH AND REPRODUCTIVE OUTCOMES"

Because the combat and herbicide exposures were confounded, it is hard to determine a primary cause (combat vs herbicide exposure) even if one regression coefficient may appear to be larger than another. Because of the resulting multicollinearity, the standard errors on the coefficients (not given) would be quite large. Although the resulting coefficients may be significantly different from zero, they are unlikely to be significantly different from each other. Therefore, their relative "importance" would be difficult to assess. Further, because of the instability of these estimates, these kinds of regressions often change radically of these estimates, these kinds of regressions often change radically when more subjects are added to the analyses.

The finding regarding the percentage of spouses' pregnancies that resulted in miscarriages is suspect. The miscarriage rate of pregnancies to women in the general population is 20-25 percent. However, this study only reported 7.6 percent for Vietnam veterans and 5.5 percent for others. Clearly, there was a great deal of underreporting. Both the retrospective nature of the study and the fact that most of the reports may have been by proxy reports would have affected the underreporting. Veterans who have no reason to suspect reproductive problems as a result of their previous military experience are likely to forget more miscarriages of their wives than the Vietnam veterans. Therefore, these data provide no evidence that the miscarriage rates have been different for wives of these study subjects.

The health symptom complex is based on symptoms severe enough for the veteran to seek medical attention one or more years following discharge. This means that veterans who may have sought attention while in the military as long as several years after serving in Vietnam would not be included. On the other hand, because of the recent, heavy publicity regarding Agent Orange exposure and these symptoms, veterans of Southeast Asia would have been more likely to seek medical attention regarding these health symptoms. Therefore, with regard to these symptoms, there may have been bias in terms of which group of men would have actually sought medical attention.

SUMMARY

There are several aspects of retrospective studies in general, and this study in particular, that make the interpretation of these results difficult. None of the above findings, and others, were discussed in light of the likely recall bias of this study population. Some of the numbers of subjects included in analyses are inconsistent and no information is given regarding the nonresponders. The authors do conduct largely within group comparisons, however, they are not critical of the effect of strong confounding of the variables of most interest.

MANNING FEINLEIB, M.D., Dr. P.H.

DEPARTMENT OF HEALTH
AND HUMAN SERVICES,
December 20, 1988.

From: Epidemiologist, Birth Defects and Genetic Diseases Branch, BDDD (F-37).

Subject: Review of Stellman & Stellman Vietnam Veteran Study.

To: Stephen B. Thacker, M.D., Assistant Director for Science, CEHIC (F-29).

EXPLANATION OF STUDY POPULATION

Pg. 114: The definition of the eligible and final study population is inadequate. The reader should be given the following information: the size of the original total population sampled and the ⅓th random sample; the number from this sample who returned postcards, who were ultimately contacted, and who could never be reached in any way and remained status unknown; of those who were contacted, how many participated, how many refused, and how many were lost to follow-up at this stage; as much of the above as possible should be given by cohort status.

From what I've been able to piece together from these papers and an earlier document, it seems that the sample selection is based on an assumption that about 15 percent of all Legionnaires are Vietnam-era veterans (maybe they got this from their pilot study in south Dakota). From an earlier report, we know that 85,000 men were included in the ⅓th random sample from all 6 states, and that 50,000 returned the postcard indicating war era. The remaining 35,000 were supposedly classified by volunteer researchers. 12,588 men were identified as Vietnam-era vets and 6,810 completed questionnaires. None of the "attrition" in the population is broken down by cohort status.

Why were these particular 6 states chosen for study? Some explanation is needed.

POSSIBLE SOURCES OF BIAS

Pg. 124: The authors claim that "representativeness of study subjects is intimately related to their response rates," and then proceed to give us response rates by state instead of by cohort! The total response rate in this study is not good to begin with (54 percent by my calculation) and if it varies significantly by cohort, they could easily have a serious source of bias operating.

They exclude from the denominator of their response rate those questionnaires "returned for bad addresses or otherwise undeliverable." This is very unconventional and will inflate the response rate a little or a lot depending on the number of vets who could not be tracked down. So, the response rates they are presenting are already inflated by some unknown degree.

Pg. 124–125: They conduct a strange comparison of "the distribution of important variables" between men coming from high-response Posts and men from low-response posts in an effort to address the question of representativeness of their sample. Because they did not find differences between these "high-response" and "low-response" subjects for these variables, they conclude that they have little response bias. This is a meaningful analysis only if you make the assumption that respondents from "low-response" posts are more like non-respondents than respondents from "high-response" posts. I know of no reason why this assumption should be true. They say that age was related to response rate; this variable alone could completely explain inter-post differences (i.e. respondents from all posts are similar, but some posts have higher rates of non-response because their membership is older).

Some of the standard things they could have done to address bias and representatives, they did not do. Any information they have available about nonrespondents should be presented to the reader. They mention almost ancedotally that age was related to response rate (pg. 125). Do they know anything else about nonrespondents? Why isn't the age distribution of respondents and nonrespondents compared? Why isn't the cohort (VN+, VN-) distribution of respondents and nonrespondents compared? These are standard, accepted methods of presenting data. The same holds true of cohort comparisons among respondents. The reader should see the age, race, education, income, etc. distributions for VN+ vs. VN- and also for the different combat cohorts since so many comparisons are made by combat status. This is especially important because so many of their presented analyses are essentially crude and do not control for all these important variables.

The authors could also compare their sample of veterans to veterans from other studies if they want to examine representativeness. They say their study group is 98.5 percent white; this obviously is not representative of the general population or of the racial distribution found in other veteran studies. They say that their study group is "representative of the solid 'middle section' of white America, with its relatively high educational and income level and marriage rate" (pg. 147). This statement may be a little misleading. Compared to other veteran studies that include more non-white veterans (CDC's VES Studies and Card's Lives After Vietnam), the Legionnaires appear to have no more education than the CDC veterans and substantially less than Card's veterans. The marriage rate among the Legionnaires may in fact be very nonrepresentative. Using the numbers of "ever-married" veterans given on pg. 136, I calculated the rate of ever married to be about 68 percent in both cohorts. This is extremely low; the rate in the CDC study is about 91 percent and in the Card study about 93 percent. (This very low marriage rate is difficult to evaluate with certainty because different numbers of ever-married vets—restricted to those born after 1940—are given on pg. 163 and are larger than those given on pg. 136—they should be smaller because of the additional year of birth restriction).

MISSING DATA

No mention is ever made of missing data and how it is handled. Since the numbers keep changing throughout the paper, my best guess is that they just ignore this issue in the analyses. Depending on the extent of missing data, this could represent a real bias. For example, the analysis of average weekly consumption of alcohol (pg. 145) is based on 1824 (64 percent) VN+ veterans and 3254 (83 percent) VN- veterans. This represents a substantial amount of missing data in total and a large difference between the two cohorts. The validity of such a comparison is in question. For many outcomes, numbers are not given so no estimate of missing data can be made.

HERBICIDE EXPOSURE

Pg. 116: 73 percent of VN—vets gave enough (self-reported) location data to be classified as to agent orange exposure. Consequently, for all analyses using this variable, at least ¼ of the data are missing.

Pg. 120 and 126: The authors present the correlation between the spraying activities and the military buildup in Vietnam as a finding of their study. This correlation is well documented; no study was necessary to detect it. As we have found, this does not necessarily imply that a great number of men actually incurred a biologically meaningful exposure.

Pg. 120: The distribution of their agent orange exposure index basically shows most vets clustered at the low end with a few scattered out on a long tail. Even if one were to make the assumption that this index (based on Herbs tapes and self-reported location) has any validity, there is still no discussion of what the levels of the index might represent in biological terms. Until and unless some type of method of validation can be applied, the value of any such index is completely unknown. Certainly past study has taught us that, and the authors should at least acknowledge it.

COMBAT

The authors analyze most of their data by level of combat within Vietnam service where combat is defined by self-reports. There are two problems and potential sources of bias with these analyses that the authors do not acknowledge or address. First and most obviously, because it relies only on self-reported data, the combat index may not validity reflect actual combat; we know only that it reflects perceived combat, and the data should be analyzed and interpreted in that light. Second, even if the combat index validly reflects actual combat, the men who saw more combat may have been different going in than the men who saw little or no combat. It makes sense that officers would see less combat than enlisted men and that older men would see less combat than younger men. But, since their data are never controlled for rank and rarely for age, we do not know if these variables might explain differences now attributed to combat. The Louis Harris study, Myths and Realities: A Study of Attitudes Toward Vietnam Era Veterans, found that "among those who served in Vietnam, those with less than high school educations (at induction) were three times as likely to see heavy combat as were those with college educations". They concluded that "combat assignment processes . . . served to mirror the underlying class discrimination of the society itself". If this is the case, then many of the sociodemographic, behavioral, and health differences seen by combat status in the Legionnaires study may be due, in whole or in part, to basic preexisting differences in the men who saw different levels of combat. This issue could have been better addressed by more adequate control for all available covariates in the analyses and through discussion. The general lack of specificity associated with combat (i.e. it is related to almost everything) increases the likelihood of a reporting or selection bias.

REPRODUCTIVE OUTCOMES

Pg. 162: The reproductive findings are confined to ever-married men born in 1940 or later. The restriction on birth year is done in an attempt to "eliminate reproductive experiences that occurred before the Vietnam era". This is a very crude way to accomplish this goal and is subject to significant misclassification. Many children with no opportunity for "exposure" will be included and others who were conceived after service will be eliminated. They must have the veterans' dates of service and the dates of the reproductive events; all children and pregnancies should be included or excluded based on these dates, not on the birth year of the veteran.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Pg. 164: They found that VN+ veterans reported more difficulty having children than VN− veterans, but both cohorts reported fathering the same average number of pregnancies. These results are similar to ours.

Pg. 164-166: The analysis of miscarriages is very difficult to evaluate because only a subset of veterans are included in the analysis. We start out with 5097 veterans who were ever-married and born 1940 or later (pg. 163 Table 9). However, the miscarriage data are based on 6622 "birth outcomes" reported by 2950 veterans (pg. 164). There is no explanation why over 40 percent of the eligible veterans have been excluded from the analysis. The Table 10 (pg. 166) note says that the restrictions on the veterans now include discharged 1974 or earlier, with the first pregnancy reported subsequent to discharge, but there is no explanation of why these restrictions are needed or how many men were lost from each cohort through the application of these restrictions. I cannot comment on these findings because they are based on what is clearly a small subset of the total study group other than to say that true rates of miscarriage are in the range of 20 percent of all pregnancies. Thus, their data show a great deal of underreporting of this event in both cohorts (as did our data and most data that are based on fathers' reports).

EUGENIA E. CALLE, Ph.D.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
January 5, 1989.

Memorandum to: Members, Science Panel, AOWG.

From: Chairman, Science Panel, AOWG.

Subject: Review of the American Legion/Stellman Papers.

Attached are copies of the reviews we have received to date on the subject study. There will be a Science Panel meeting from 11 a.m. to 1 p.m. January 10, 1989, in the Under Secretary's Conference Room, 6th Floor, Hubert Humphrey Building, to discuss this and attempt to prepare a final document for transmission to AOWG. This will be followed at 2 p.m. by a joint meeting of the AOWG and the Science Panel in the same room.

I am personally not involved in this review process but am only the convener of meetings and the sender of papers. Dr. Stephen Thacker, Assistant Director for Science, Center for Environmental Health and Injury Control, is taking the lead in coordinating these responses and preparing the final document.

Sincerely yours,

VERNON N. HOUK, M.D.,
Assistant Surgeon General, Director, Center for Environmental Health and Injury Control.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., January 9, 1989.

Dr. VERNON HOUK,
Science Panel, Chair, Agent Orange Work Group, Washington, DC.

DEAR DR. HOUK: At your request I have reviewed the five articles by the Stellman team published in the December, 1988 issue of Environmental Research, focusing on the first and third articles in the series: exposure and health outcomes. Some detailed comments on those two papers are attached.

In summary, I believe that the authors have taken upon themselves a complex task, with limited resources; namely, investigating a possible relationship between service in Vietnam (effects of combat and exposure to Agent Orange) and adverse outcomes (health, reproduction and social/behavioral). I fear that they have fallen short of establishing a relationship between exposure to Agent Orange and adverse health/reproduction effects. More regretably, they appear to be unable to recognize this shortcoming.

Specifically, in epidemiological studies several key points must be addressed, among they being a) representativeness of the sample population selected, b) an appreciation for the accuracy/validity of the exposure measure chosen, and c) some assurance of the validity of the effects reported. The Stellman studies leave serious questions in each of these areas.

The first concern is the representativeness of the study population. The authors selected their sample from American Legion Posts from six northern/border states. They imply that their conclusions are applicable to all veterans who saw service in Southeast Asia during the Vietnam Era. Questions regarding American Legion members vs. nonmembers and possible U.S. geographic differences remain unaddressed.

The second concern lies at the crux of study; that is, the adequacy of the "exposure index" (OE3) that is used as a surrogate for exposure to Agent Orange. The potentially fatal flaw in the approach lies in the fact that the index is not a validated measure of exposure. As you know, the Science Panel, the Office of Technology Assessment, and CDC have worked for several years with all of the data used by the Stellman group, plus considerably more (i.e., troop movement data), to devise various "exposure opportunity indices", which conceptually are similar that used in the Stellman study. And yet, when the CDC index was tested for validity using human tissue analyses (at the behest of the Science Panel and along the lines recommended by Dr. Gochfeld in the accompanying editorial), the index was found to be such an inadequate surrogate that further study could not be justified. There is every reason to think that the Stellman index would suffer a similar fate when subjected to a critical test for validation.

The third concern relates to the health effects reported. In the Stellman studies these effects are "self-reported", with confirmation being sought only for the reported birth defects. The link between the reported effects—many of them subjective (e.g., headaches)—and a biologically plausible mechanism related to exposure to Agent Orange is, in many instances, tenuous at best. For example, there is no mechanism even postulated by which Agent Orange exposure to the male could lead to miscarriages later in life, without manifesting a similar effect on what the authors characterize as an even more sensitive measure of reproductive impact; i.e., birth weight.

Finally, it is surprising that the researchers, the reviewers, and the editor appear to be unaware of the work of the Agent Orange Work Group and CDC. There is no reference to the previously mentioned work on exposure opportunity index and the validation studies which have been so critical in reacting to the whole Ground Troops Study issue. Also, while referencing the immunological phenomena initially reported in the Missouri population, there is no mention of the later CDC study which essentially rescinded that earlier work.

In conclusion, I hope that the combined comments of the Science Panel members will help to put the Stellman studies into a proper perspective, thereby counterbalancing the excessive enthusiasm of the accompanying editorial. No doubt, the Stellmans will be presenting their results in various scientific meetings which will serve, to some degree, as peer review fora. However, I believe it would also be useful for a subset of members of the Science Panel to meet with the Stellmans to share our respective insights. Such an exchange of views should be enlightening for all parties.

Sincerely,

DONALD G. BARNES.

COMMENTS ON FIRST STELLMAN ARTICLE IN DECEMBER 1988 ISSUE OF ENVIRONMENTAL RESEARCH

COMBAT AND HERBICIDE EXPOSURES IN VIETNAM AMONG A SAMPLE OF AMERICAN LEGIONNAIRES

1. General Concern:

The study includes various statistical analyses which seems to supply a level of sophistication that is not merited by the crude input data themselves.

2. AO Exposure Index:

This is the key to the study. If this is faulty, then the entire discussion of effects/AO exposure is wanting.

a. The data sources used by the Stellmans were also used by AOWG and CDC. In addition, however, the two latter groups used record verified troop location information, rather than subjective recalls.

b. It is difficult to imagine that many veterans can accurately recall their dates and locations more than a decade after the event. Clearly, such assertions should be subjected to some validation. The statement that ". . . subjects appear to have exercised considerable care in filling out this portion of the survey" is an inadequate substitute for such validation.

c. The rationale behind the exposure index is not presented here. In the earlier article, it was presented as a somewhat, but not completely, arbitrary measure which could be calculated from existing data. It would be interesting to consider a sensitivity analysis of the possible functional forms for such an index.

d. It is not clear to me how the apparent singularities (i.e., when Dij = 0, the value to the term go to infinity) were handled.

e. The quote for the half life of one year (Young, 1976) was superseded by a later reference by the same author (Young, circa 1981) indicating that 10 years was more reasonably for the halflife of 2, 3, 7, 8-TCDD in soil.

f. Could those people who classified themselves as "herbicide handlers" were actually "insecticide handlers". It would have been good to have some questions that tried to tease out this difference.

g. There is a continuing inference in the paper that "herbicide handlers" received higher exposures than others, despite having similar exposure indices. While I agree with the assertion, I believe that it should and can be supported by specific references from the literature. It would be good to estimate the extent to which the exposure of these people might exceed that of others.

h. The correlation between AO exposure index and combat score suggests that there was, in fact, a correlation between combat experience and AO application. That is, these data suggest that there was combat in AO sprayed areas and little combat in non-

sprayed areas. Is this true? I thought the combat followed AO spraying by several weeks and I would have thought that there was considerable combat in some areas which were not sprayed.

This question also arises in regard to "herbicide handlers" who according to Fig 6b had higher combat exposure than any of the AO groups, but according to p. 120 ". . . appear to have been stationed in areas of Vietnam which received an 'average' amount of herbicide spraying" (and, hence, only "average combat exposure, as deduced from Fig 6a).

i. It is not clear to me what values of OE3 are associated with "high", "medium" and "low" AO exposure index categories.

j. Conclusions challenges—due to the above concerns, I believe that the following assertions have not been scientifically supported:

(1) P. 126, "Our data . . . make the convincing point that sufficient number of troops are available and identifiable for epidemiologic study of herbicide effects.

(2) P. 126, "[From Fig. 3 it can be seen that] a sizable number of individuals were classified as "high" exposure index." How is "high" defined in terms of OE3 values?

(3) P. 127. "The availability of a readily used and inexpensive exposure classification system . . . is encouraging for future studies. Both accuracy and precision of the method are comparable to, or exceed, those used in many major environmental and occupational studies." Simply because something can be done, doesn't mean that it is correct. Further, most epidemiological studies' surrogate measures for exposure are subjected to certain validation steps. The index in this study should be subjected to such tests as well; e.g., tissue analyses.

3. Validity of responses:

Many of the concerns listed below relate to innovative approaches taken by the authors, in part, due to the considerable expense necessary to gather the information in a more conventional manner.

a. The use of Legionnaire "volunteer researchers" is interesting, particularly since these people are likely to be motivated and certainly less expensive. However, their performance (after 1-day of training) vs. that of professional trackers/interviewers used in others studies is a question.

b. The self-administered questionnaire contains many questions which are rather subjective in nature; cf "headaches". It is not clear that reports of "medically diagnosed" conditions as described by the subject would, in fact, be verified by an examination of health records.

4. "Discoveries":

The paper presents information that has been known from previous studies. For example,

a. From the abstract, "Our analysis demonstrates conclusively that mere presence in Vietnam cannot be used as a proxy for exposure to Agent Orange." First, that possibility was never seriously suggested by anyone; second, the Stellman studies have no data on exposure, only probable exposure.

b. P. 123 "The data presented here once again confirm the massive use of herbicidal agents in Vietnam."

c. P. 126 "Our data . . . provide quantitative evidence of the concomitant buildup and movement of troops alongside herbicide spray operations".

5. Lack of attention to detail:

a. "Vietnam Era" is not directly defined.

b. P. 112 talks about 3-4 million men serving in Southeast Asia. P. 113 talks about 3-4 million men who served in the military during the Vietnam Era. The connection between the two statements is unclear.

c. When originally discussing the exposure index, the authors correctly referred to it as a measure of opportunity for exposure. However, throughout most of the paper, the index is referred to as exposure itself. Common sense and the CDC human tissue analyses suggest that the two can be vastly different.

6. Representativeness of sample:

The authors do not appear to address the question of how representative of the entire Vietnam Era group the American Legionnaires are.

7. Tone:

a. Portions of the paper appear to advocate certain policy/political positions which are important and legitimate, but are generally considered beyond the realm of scientific objectivity and commentary; cf., pp. 112-113.

b. The paper seems to conclude that the very fact that the method gives *some* results, in and of itself, validates the approach; cf., p. 127.

COMMENTS ON THIRD STLEEMAN ARTICLE IN DECEMBER, 1988 ISSUE OF ENVIRONMENTAL RESEARCH

HEALTH AND REPRODUCTIVE OUTCOMES AMONG AMERICAN LEGIONNAIRES IN RELATION TO COMBAT AND HERBICIDE EXPOSURE IN VIETNAM

1. Study design:

A. P. 153. The study chose not to examine malignancies due to the small numbers and latency issues. In fact, one of the most contentious issues deals with cancer (soft tissue sarcoma) which has been implicated in other studies. Some of the cohort have been exposed for 25 years, arguably sufficient latency for some tumors.

2. Classification issues:

a. P. 153. "SEA (in country)" suggests an equality between service in Southeast Asia and presence in Vietnam. It is not clear that this is correct. Also, length of stay in Vietnam is not addressed in this procedure.

b. P. 154. "Medically diagnosed" is something of a misnomer since this is still a self-reported classification.

c. P. 156. Here we find "high", "medium", and "low" AO exposure defined in terms of OE3 values, which were not apparent in the first paper. The choice of these divisions is not discussed and seems a bit strange; e.g., the mean value is in the "high" category.

d. P. 157. It is not clear that handlers of chemicals did or did not know that they were handling herbicides.

3. Verification:

a. P. 154. It is not clear why birth defects was the only endpoint for which it was considered necessary to obtain verification.

4. Clarity of the issue and rationale for choices:

a. P. 156. The reasons for selecting the particular endpoints for study are not clear. Not all of them are related to AO or combat; e.g., venereal disease.

b. P. 156. AO has been associated with "chloracne". The connection of this specific condition to "skin rash with blisters" is not clear. For example, poison ivy should not be confused with chloracne!

c. P. 161. The connection between the symptom components and AO is not clear; c.f., "Aches" which consists of "Headaches", "Back pain", and "Neck and shoulder pain".

5. "Symptom complexes":

a. P. 154. The paper should discuss the biological rationale, not simply appeal to the statistical justification, for these five symptom scales.

a. P. 159. It would be interesting to see what type of correlation there is between the variables (combat and AO exposure) and each of the 28 health conditions.

6. Cautionary notes and significance:

a. P. 160. It should be noted that the mean Fatigue score was 14.60, out of a possible value of 44. This means that the average score for any one of the 11 health conditions contributing to the Fatigue scale was 1.3; i.e., closer to "1 (not a problem)" than to "2 (minor problem)". The average value for the components in the control was 1.2. It is hard to see that there is much of a difference or, if there is a difference, whether there is much significance.

This argues even more for an analysis for each of the health conditions separately.

b. P. 162. In similar vein, the values in Table 7 should be viewed from the perspective that the maximum value for each of the other four symptom scales is 12. The value recorded here is in the 3-5 range: i.e., an average of 1-2 per component or between "1 (not a problem)" and "2 (minor problem)".

7. Reproductive effects:

a. P. 162. It is not clear that eliminating men born before 1940 successfully eliminates reproductive experiences which occurred before the Vietnam era. Men born in 1940 would have been between 24 and 35 during the Vietnam era (1964-1975), which leaves more than ample time for pre-Vietnam reproductive experiences.

b. P. 164. Several measures of reproductive effects are examined. Only after special statistical treatment was one is identified as being AO exposure related; i.e., miscarriages. There was no discussion of the significance of this finding in the light of the other results which did not show a positive relationship. Some attempt should be made to include a discussion of the entire set of data taken together.

c. PP. 161-168. While various endpoints are discussed and analyzed, there is no discussion of biological plausibility that would account for the data presented. For example, it is not apparent how effects on males could influence reproductive outcomes many years later. This is particularly the case in light of an experimental examination of an animal model (Lamb, et al, circa 1982, NIEHS) which showed no association. Similarly, one might anticipate that birthweights should also be affected if AO is a reproductive effects agent.

8. Attention to detail and work of others:

a. P. 151. Unclear distinction made between 2,3,7,8-TCDD and "dioxins".

b. P. 152. The 1986 study by Hoffman has been superseded by a later study of the same population which suggests no effects.

c. P. 152. There is no mention of the pending NIOSH studies which promise to have considerable impact on this issue.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, January 6, 1989.

Dr. VERNON N. HOUK, M.D.,
Chairman, Science Panel, Agent Orange Working Group, Centers for Disease Control, Atlanta, GA.

DEAR DR. HOUK: I have read the studies published in Environmental Research. I believe the major discrepancy in this study is the fact that they have no objective evidence of exposure such as serum dioxin. Since the CDC has demonstrated that with serum measurements you cannot distinguish

a group defined as exposed from a group defined as not exposed using military records, any studies subsequent to that would not have as much weight as they might prior to availability of that objective evidence. While there are a number of specific areas in the selection of the population, the method in which the individuals were questioned, and the use of a select group such as the American Legion, these deficiencies can be seen in other epidemiological studies as well. Without an objective measure, describing the minimal effects observed as dose-related overstates the case.

Dr. Jerome Bricker has also reviewed this information. Since his experience in the analysis of spray patterns and the HERBS data set is so extensive, I am including his complete analysis of the American Journal of Industrial Medicine article.

Sincerely yours,

DAVID E. UDDIN,
Capt. MSC, USN,
Senior Policy Analyst for Medical Research.

REVIEW PREPARED BY DR. JEROME BRICKER

1. "Combat and Herbicide Exposures in Vietnam among a Sample of American Legionnaires," by S.D. Stellman, J.M Stellman and J.F. Sommer, Jr.

Since the conclusions in this and subsequent articles in the series concerning Vietnam veterans exposure to Herbicide Orange are based on the original methodology proposed by the authors in the 1986 article entitled "Estimation of Exposure to Agent Orange and Other Defoliants Among American Troops in Vietnam: A Methodological Approach" published in the American Journal of Industrial Medicine 9:305-321 (1986) it is necessary to first point out the potential problems believed to exist in the exposure estimation methodology. In the introduction the authors state that the 2,4,5-T used as Herbicide Orange was heavily contaminated with TCDD with a mean concentration of 2 ppm. The authors point out that the LD50 for guinea pigs is less than 2 micrograms/kg of body weight, however, they fail to mention that a similar LD50 for hamsters is 5000 times greater.

In the Materials and Methods section of the 1986 article a spray track diagram is presented for Ranch Hand missions flown near Pleiku with the city as the center point of three concentric circles of 5, 10, and 15 km radii. The authors did not seem to consider the meteorological and wind effects on these spray tracks. In this case, if the winds during this spray mission came from either the south or west then there would be no likely exposure to persons in Pleiku. At a release altitude of 150 ft. above the trees by C-123 (Provider) spray aircraft at a speed of 130 knots, even with the worst possible wind conditions (directly from the NE and greater than 10 knots) the downwind travel of any recordable amount of the herbicide would not have exceeded 2000 feet or less than a kilometer, hence probably none of the agent would have reached Pleiku. The authors are probably not familiar with the various military simulation models based on actual field test results for a line source release of chemical agents under various meteorological conditions. The Ranch Hand missions were planned and executed to put down a maximum concentration of herbicide in a per plane swath width of 260 (+/-20) foot spray line. The missions were accomplished either at the break of dawn or just at dusk when wind conditions were almost still. Missions were aborted if the wind speed exceeded 10 knots to avoid lateral dispersion of the herbicide and thus degrade the desired herbicide effects or possibly cause deleterious effects on friendly Vietnamese agricultural plots.

The authors use a decay rate of 1 year for TCDD, this may be true when the TCDD is adsorbed into the soil and is protected from the effects of light. The herbicide from the Ranch Hand missions was primarily deposited on triple canopy jungles requiring penetration through the foliage canopy with only 6 percent reaching the ground. Hence 94 percent of a typical aircraft herbicide load was deposited on the leaves of the three levels of jungle canopy. Most of the Ranch Hand missions were conducted at dawn, therefore the TCDD contained in herbicide orange would be exposed to photolytic decay from the sunlight during the day. The photodechlorination of TCDD at position 8 to produce 2,3,7-tri CDD have been reported to decrease the toxicity by 10,00D times. The detoxification of 2,3,7,8-TCDD is reported to proceed three times faster at 30 degrees C. (mean annual daytime temperature of Saigon) than at 23 degrees C. Under such sunlight conditions TCDD contained in the herbicide has been found to have a half-life of 2 hours on leaves. Therefore, by sundown of the day of a dawn spray mission the remaining TCDD on leaves would be about 3.125 percent of the original concentration deposited at 8 A.M. in the morning by the Ranch Hand spray mission. TCDD deposited on grasses (part of the 6 percent which penetrated the canopy and reached ground level) has been reported to have a half-life of as long as 6 days. Only when the TCDD enters the soil is its half-life postulated as 1 year. Hence the entire calculation of exposure is based on an exceptionally long TCDD half life situation since the great preponderance of the herbicide was deposited on the leaves where photolytic decay of TCDD was effective. The authors may not be aware that much of the herbicide was absorbed into the leaves within 30 minutes of application and hence was entrapped in the leaves, still subject to photolytic decay, but unavailable to expose humans. Thunderstorms taking place within 45 minutes after spray application did not wash off the herbicide as defoliation still took place four to six weeks later. The authors relate their 1 year decay rate of TCDD on the findings of herbicide Orange spraying of range C-52A at Eglin AF Base. This was a flat, sandy plot of land, 1 mile on each side, completely without any significant trees or vegetation. It received 948 pounds of herbicide per acre total and was considered to be the most heavily sprayed area in the world. Sometimes more than one spray mission would be made on the range during the same day. Such massive daily applications of the TCDD containing herbicide quickly penetrated the sandy soil and became protected from photolytic decay. This test situation was not comparable to the triple canopy jungles that were primarily defoliated by the Ranch Hand spray aircraft.

The use of three radii of 5, 10, and 15 km. from the spray line or spray source appears to be very excessive based on Eglin AF base spray trials and helicopter spray testing. In one severe Eglin test 100 micron droplets of Orange were carried 1594 feet in a lateral track from the flight path in a 9 knot cross wind. These 100 micron or smaller droplets (smaller than the width of a human hair) constituted 1.88 mean percent of the herbicide load. Droplets ranging from 50 to 70 microns constitute only 0.09 percent of the herbicide Volume, however these droplets could travel a maximum distance of 2.01 km. in a 9 knot wind. The rate of deposition for these 50 to 70 micron droplets would be 0.DOD2 gal/acre, or infinitesimally small amount of TCDD beyond 2 km. Helicopter spray testing produced, under strong cross wind conditions, a maximum swath width of 1020 feet at a flight altitude of 75 feet. In this test 93.9 percent of the herbicide mass was deposited in a swath width of 440 feet. Consequently, it is believed that the exposure consideration should have been limited to a maximum distance of no more than 2 kilometers from the spray source within a maximum period of no more than three days after the spray mission date. No significant residual contamination would be expected to exist in the jungle environment because of the confinement of the spray and photolytic decay of the TCDD on the leaves and grasses.

It should also be noted that in certain aspects the HERBS tapes were quite accurate. However there are certain hidden discrepancies such as the fact that although a mission may have listed 1000 gallons as disseminated the A/A45Y-1 herbicide spray tank (1 per C-123 aircraft) could not be filled beyond 970 gallons or it would not function properly. Also in the Services HERBS tape there were about 5 percent of the sprays with unknown herbicide being sprayed. The article places much emphasis on the use of backpack sprayers being used for firebase and perimeter spraying. This was not a very effective method as many of the areas needing spraying were heavily mined and thus dangerous to a man on foot. Many other methods were used such as the HIDAL helicopter spray system used in H-19 and H-34 helicopters, field expedient spray systems using 55 gal drums and field constructed spray booms on UH-1B and UH-1D helicopters, Agrinautics spray systems for UH-1B/D helicopters in 1967, jeep mounted Buffalo Turbines used along roads and around perimeters, and power driven decontaminating apparatus mounted on large trucks. These truck mounted devices contained up to 600 gallons of herbicide which could be disseminated through fire hoses at a considerable lateral distance over mine fields. Limited spraying was done with backpack garden sprayers because of the restricted distance of the spray.

The authors seem to assume that a circular area of contamination exists out to ranges of 5, 10, and 15 kilometers. This could not logically take place as 87 percent of herbicide disseminated from the A/A45-Y1 spray system used in the Ranch Hand C-123's was in droplets having a mass median diameter between 100 and 500 microns. These droplets travel with the wind and behave the same as other liquid agent droplets. They have well defined fall rates based on their diameters, and impact on the ground at predictable times and concentrations depending on the wind speed and the meteorological lapse rate conditions. The fallout plots are in some ways comparable to radioactive fall-out plumes and would not be circular in all directions. In a no wind inversion condition very little lateral transfer takes place as was so graphically evidenced by the sharp edged defoliated spray areas recorded by aerial photographs after defoliation had taken place subsequent to the Ranch Hand missions. Therefore, personnel upwind and lateral to a spray mission would not be exposed. Only those directly downwind in the fall-out plume would have any

likelihood for exposure. In only one case, such as a helicopter spray mission completely around the circumference of a small firebase could you consider that all of the personnel within the firebase could be exposed. Any long distance spray line release, such as was routinely accomplished by the Ranch Hand aircraft, would have a fallout plume in one direction that is downwind of the prevailing wind and this would be fairly well defined by the settling rate of the various droplet sizes. During this downwind travel, these droplets would also be acted upon by the sunlight and evaporative processes, and by dilution within the air currents. For example, 13 percent (about 126 gallons/1000 gal. tank) of the herbicide Orange released from a Ranch Hand aircraft flying at an altitude of 150 feet above the jungle canopy was lost to evaporation before the herbicide reached the top layer of foliage which further decreased the amount of herbicide used in earlier calculations. This evaporative process would continue with time as the cloud traveled downwind. A 100 micron droplet in a no wind condition takes about two minutes to fall 150 feet, while a 500 micron droplet would take only 24 seconds.

Another consideration in the exposure methodology comes from the fact that throughout the several years of spraying of herbicides only about 1/10 of South Vietnam was sprayed. In many parts of Vietnam there was not any need to spray, and thousands of troops were in these non-treated areas. The major portion of the Ranch Hand spraying was over densely forested jungle areas occupied primarily or continually by enemy troops. The defoliation missions were conducted to expose the enemy caches, training sites, storage facilities, and supply trails to observation from our aircraft so we could bomb and strafe these targets. The Ranch Hand Squadron aircraft had the highest battle damage of any Air Force unit in Vietnam. They constantly encountered enemy ground fire during their spray missions. Fighter aircraft were allowed to strafe the sources of this enemy fire. Many of these enemy areas were repeatedly sprayed but these were areas which were never fully controlled or occupied by American forces. Hence thousands of gallons of herbicide were distributed over enemy controlled areas with no likely possible exposure to American or Vietnamese forces. Forces even 5 km upwind or to the side of a spray track would have no possible exposure probability. It is believed that the model should have concentrated more heavily on the exposure probabilities to spray operations along our friendly lines of communications and roads, perimeter spraying of firebases, base camps, and along the banks of rivers. At least in these locations there was a minor possibility of some exposure to our personnel. However, as the authors point out by the heading of their Fig. 3, these were "Minor Uses of Herbicides in Vietnam, 2965-71". Such a specific modeling methodology would have required an exact day-to-day geographic placement of each responding veteran rather than the generalized method of using 100 geographic place names over extended periods of assignment time based on recall of events some 10 to 15 years earlier. Further, many of these combat veterans may have been stationed in one location but they could have been airlifted into combat situation by helicopter far from their base location for extended periods of time. A day-to-day exact location plot for each member would have to be made before reasonable exposure probability could be developed.

The authors downplay the possibility that a veteran could have known the many locations of the Ranch Hand spray missions because he was not likely to have access to the HERBS Tapes. This may not be completely factual as many copies of the official HERBS tape document were supplied to individual veterans, veterans groups and to State Veterans Organizations. Further, a publication containing the HERBS Tapes and detailed maps was published out in California by a private organization and sold to veterans for $25.00 each. This large oversized document contained detailed information as to how to plot your assigned location to that of a Ranch Hand spray track. Also hundreds of letters were answered by the Department of Defense in which the veterans were told how they could obtain copies of the HERBS Tapes from the National Technical Information Service either in hard copy or microfiche and gave the mailing address and purchase cost. Therefore, the HERBS tapes were no secret to many veterans, veterans organizations, and state veterans commissions.

The authors point out in their 1986 article that men could have been exposed by spending time in areas long after spraying took place. They then went on to mention that tissue samples from rodents, birds, fish, and reptiles trapped several years after spray tests were halted at a Florida test site (Range C-52A probably) contained traces of dioxin. They neglected to mention that these animals had lived their entire life in this area, ate the vegetation which may have contained the TCDD, burrowed in the sand which was heavily (948 lbs/acre) contaminated, licked their fur, and may have inhaled sand and soil dust containing the TCDD that had penetrated into the soil before sunlight could act upon it. It is not surprising that the beach mouse had 300 to 2400 ppt levels of TCDD. But, troops did not have that exposure nor live in a contaminated area for years. No area in Vietnam ever received the per square meter concentrations of Orange as was laid down on this range or spilled at the loading sites.

For the reasons stated in the preceding paragraphs, the model equations would seem to overestimate the possible exposures to troops stationed in Vietnam and would generally be quite liberal as to exposure probability.

In the most recent article, 1988, the authors provided a breakdown in Figure 1, of the amounts of the various herbicides and the purpose such as defoliation, crop destruction, and base perimeters. A much more meaningful chart would have been to show the number of gallons of herbicides distributed by year by Corps area. A chart should also have been included as to the numbers of those considered exposed persons serving in each of the four Corps areas. The III Corps area received about twice as much herbicide as the other Corps areas.

One particular puzzling finding was that "Herbicide Handlers had the highest mean combat scores, about 50 percent higher than those with the lowest Agent Orange index OE3." Herbicide handlers are not fully described as being exclusively combat infantrymen or whether they were support troops. These herbicide handlers may never have been in contact with Herbicide Orange, as they may have only taken part in the use of agents blue or white for perimeter clearing of firebases. The herbicide handlers need to be questioned in great detail to effectively establish exposure.

The good correlation between high OE3 Orange exposures and high combat exposures is quite logical when radii up to 15 km. are used for the exposure model. Ranch Hand aircraft often sprayed where the enemy was concentrated or known to be operating and consequently our troops would be expected to be near these enemy controlled areas trying to engage them in combat. But these proximities do not mean that our troops were sprayed on or even entered defoliated areas while there was any residual hazard present. There was no way in which an infantry soldier could by observation determine which herbicide was used on an area he may have passed through or tell exactly how recently it was sprayed.

In the Discussion Section of the article, the authors compare the yearly spraying amounts of herbicides with the number of American troops present in Vietnam by year and state that this comparison makes the convincing point that sufficient numbers of troops are available and identifiable for epidemiologic study of herbicide effects. This premise might be valid if there was a direct correlation such that herbicides were sprayed in the largest amounts in areas where the highest concentrations of troops were located. This was not the case, the herbicides were used where they were needed to open up dense enemy controlled jungles so we could bomb and strafe the enemy supply routes, caches, camps, and assembly points and to destroy enemy controlled agricultural plots. This premise might then be much more applicable to Vietcong and North Vietnamese troops than our American forces. Large numbers of American and allied forces served in areas in Vietnam which never required herbicide applications because of the nature of the environment and foliage cover. One must remember that only 1/10 of Vietnam was ever sprayed with herbicides, and some of this 1/10 area was strongly held by enemy forces, and required yearly respraying to keep the jungle open for observation of the enemy and bombing of his routes of supply and assembly locations.

DEPARTMENT OF THE AIR FORCE,
Brooks Air Force Base, TX,
December 30, 1988.

Dr. VERNON N. HOUK, M.D.,
Director, Center for Environmental Health and Injury Control (F29), Centers for Disease Control, Atlanta, GA.

DEAR DR. HOUK: My comments concerning the series of reports on the American Legion/Columbia University study of Vietnam veterans fall into five primary areas: the exposure index, statistical interpretation, questionnaire format, bias, and literature review. Many of my comments cross several of these areas. I have summarized my impressions below but have included specific comments about each individual report or document in an attachment.

The most significant problem of these reports is the calculation of exposure indices based on probabilistic models. The exposure indices used by these authors is similar in many respects to the index used in the CDC validation study. The CDC index was the more accurate of the two since it was based on records of actual troop locations rather than memory of respondents nearly two decades later. Even the more accurate CDC index was found to be invalid as a measure of herbicide exposure. Locations of military service were provided from memory by the respondents and the authors made no attempt to determine the accuracy of those reports. They state that "lying" by respondents would not affect the index, but other-

wise ignored the misclassification that could have resulted. These data were collected only to the general area of named towns, villages, and the military areas by month. In contrast, the HERBS tapes contain data by day and time. This difference in precision further limits the comparability of these data sources.

The initial article on the exposure indices was published in 1986, before the CDC validation data were available. However, the authors had ample time before the publication of the reports in Environmental Research to take those results into account. They did not make use of the CDC work despite more than 12 months in which to make revisions.

The authors also make several untenable assumptions in calculating the indices. They use an estimate of 1 year as the half-life of dioxin in the environment; however, the half-life is on the order of hours to days as long as the dioxin is not bound in the soil. Once in the soil, its availability to troops traveling through the area would be minimal. The use of up to 15 km. from herbicide spraying is also an overestimation of the area of spray drift. In the light of the imprecision of determining locations of service, an area this large was probably necessary in order to have enough "exposed" men to study. Terrain features and prevailing winds are also ignored in the index. Troops upwind of spraying and those protected by high terrain would not have been exposed.

The use of sophisticated mathematical techniques to calculate the indices does not automatically make them valid. The indices are only as good as the quality of the primary data, which is known to be invalid. The fact that the authors cite a high correlation between two of their indices (r=0.88) does not make either index accurate or valid. It is likely that only the 83 men who reported handling herbicides were actually exposed. This group represents only approximately 4 percent of the studied group.

The questionnaire is poorly designed. The data on illicit drug use are likely to be seriously underreported. Data of this type must be collected by random response techniques to obtain reasonably accurate data. The location of the questions about attitudes toward the VA before questions on health could have biased subsequent responses. The answer choices are unbalanced with three "true" choices and only one "false" choice. Many of the questions are also biased in wording; the use of words like "fully" and "all" should not be used. Veterans not needing pension or compensation services should not be expected to be "very" knowledgeable about these programs. Many questions ask for opinion about "most" veterans; this is biased. Questions are generally superficial and choices are often poor, leading to possible sources of bias. Questions about attitudes toward the VA are generally biased in wording. Some endpoints such as "skin rash with blisters" are unnecessarily vague, making interpretation hard, while the authors ignore the fact that all endpoints were "reported"; none were verified.

The interpretation of correlation coefficients throughout the reports is flawed (0.08 and 0.15 are NOT significant correlations). Most correlations between the exposure index and endpoints are 0.30 or less, a level that shows poor correlation at best. The fact that correlations were all statistically significant is irrelevant. The low p value is an artifact of large sample size and the sum of all pairwise relationships in the correlation matrix. This p value has no bearing on the validity of the correlations, with most showing only poor associations at best. The p values only indicate a measure of pairwise variance of large sample sizes and not the validity of the correlations.

All of the conclusions may be biased by the characteristics of Legion members. Use of American Legion members could induce significant selection bias, due to differences between members and nonmembers. The use of "volunteer" researchers may also generate bias in identification. There is no method of quality assurance of their work. The use of Legionnaires raises the issue of significant selection bias since they are not representative of all Vietnam veterans. The authors demonstrate lack of participation bias between SEA and non-SEA vets but not between members and nonmembers. Do Vietnam vets join the Legion in different patterns than non-Vietnam vets? This issue is not addressed and could cause severe bias. The racial distribution is markedly different. Blacks are underrepresented in the study (only 1.5 percent). These results could be biased by the patterns of membership in the Legion. This finding may represent reporting bias, but the possibility is never considered by the authors.

The statement that "Mean levels of Agent Orange exposure were ALWAYS significantly higher in . . . miscarriage . . ." appears unlikely. Surely some miscarriages occurred in women married to "low" men. This elevation in every case is highly to highlight the effect of overreporting. The use of Legion representatives who work full-time in monitoring the VA to develop the questions is inappropriate.

The editorial group appears to be quite limited with 22 percent currently at Mt. Sinai (13 of 58). This fact, coupled with the failure of reviewers to recognize the results of the CDC validation work, leads me to doubt the thoroughness of peer review. The subjective opinions of the authors are clear in the text, e.g., ". . . CDC has declined to perform . . . arguing nihilistically . . ." and comments on the "reluctance" of the VA show prejudice. Evaluation of attitudes toward the VA seems to indicate a political motive to the study. This is not appropriate for a scientific journal. The articles are rife with value-laden terminology and demonstrate a major lack of objectivity in interpretation.

The literature cited is not a complete summary of available data. Selective citation of references is evident throughout the reports. There is no attempt to differentiate between acute effects and long-term effects of exposure. The literature review does not discuss the differences between exposure of pregnant females and males. Repeatedly, pertinent and recent data were not cited or used.

Sincerely,

WILLIAM H. WOLFE,
Colonel, USAF, MC,
Chief, Epidemiology Division.

COMMENTS ON THE STELLMAN STUDIES

Environmental Research 47, 109-111 (1988)

EDITORIAL

Page, paragraph, and comment

There appears to be a limited editorial group, with 22 percent of those listed currently working at Mt. Sinai (13 of 58). I doubt the thoroughness of the peer review given to this series of articles.

P. 109, 3: Subjective opinions are clear in text that ". . . CDC has declined to perform . . . arguing nihilisticly . . ." Study was halted when accurate assessment of exposure indicated that identifiable ground troops had no increase in TCDD.

P. 110, 1: Ignores CDC ground troop validation-Published the month before these articles were submitted and 14 months before publication; allowing adequate time for revision.

P. 110, 3: Ignores the fact that all endpoints were "reported"; none were verified.

P. 110, 5: Comments on the "reluctance" of the VA show prejudice; inaccurate statements are made without evidence.

P. 111, 2: The measure of exposure is invalid by CDC work; data are unverified.

American Journal of Industrial Medicine
9:305-321 (1986)

ESTIMATION OF EXPOSURE OF AGENT ORANGE

Page, paragraph, and comment

P. 305: The probabalistic model is shown to be invalid by CDC work. This article was published before that work, but is now invalid. The indices are "opportunity" indices, not "exposure" indices. The use of 1 year half-life is probably too long in a non-soil environment.

P. 306, 2: The use of "heavy" to characterize contamination is very selective and ignores data on other species with different thresholds.

P. 306, 3: The effects cited are primarily acute effects with the exception of chloracne.

P. 306, 4: The key question of "exposure" is not validly addressed.

P. 306, 5: Citation of AFHS data omitted caution that data on birth defects was not verified.

P. 308: No attempt was made to validate the index or determine its accuracy. The index is basically the same as that used by the CDC. 309 1 The CDC index was more accurate, as it was based on records of troop locations and not on memory of place names 10 years later. 2 The use of a 15 km. area is excessive and fails to consider terrain effects and wind direction. Both are key to assessing actual exposure risk.

P. 308, 3-5: Sophisticated math manipulations and formulae are only as good as the weakest data element. Therefore, the index in this study is worthless in light of lack of correlation between serum TCDD and troop locations and self-reported exposure by ground troops (CDC).

P. 310, 1: Use of memory to pinpoint location of duty is crude when relating to specific and far more accurate spray locations. 311 1 Six to 10 miles (10-15 km.) had to be used to get adequate number of subjects. Failure to account for terrain and wind make this an estimate of maximum likelihood and creates severe missclassification.

P. 310, 3-5: No attempt was made to assess accuracy of the reported locations. Memory collected to month, but HERBS tapes to day and time. Authors doubt "lying" affected the reporting. This does not make the reports accurate for placement in/near sprayed areas.

P. 317, 1: The fact that the index is similar to methods used in industry is not reassuring. Old studies are most likely as weak as this one.

P. 3320, 1: The statement is made that the method is "readily applied at minimal expense" is true, but it is not based on reality. It should not be confidently used in any studies. The AFHS index is probably more valid than this one, and it is being replaced due to its weaknesses.

Environmental Research 47, 112-128 (1988)

COMBAT AND HERBICIDE EXPOSURE

Page, paragraph, and comment

P. 112, abst: Use of American Legion members could Combat and Herb Exp induce significant selection bias, due to differences between members and nonmembers. Authors cite a correlation coefficient of 0.24 as meaningful. This is at best only a weak relaltionship between combat and exposure to herbicides. This error of interpretation is seen throughout these reports. Authors had access to CDC data for more than a year but failed to use or cite the data in revisions of the manuscript.

P. 112, 2: Authors are standing on a "soapbox" using overstatements and ignoring contrary reports and data.

P. 113, 4: Evaluation of attitudes to VA seems to indicate a political motive to the study. This is not appropriate for a scientific journal.

P. 114, 3: Assumption that the index measures exposure to herbicides is incorrect.

P. 115, 2: Use of "volunteer" researchers may generate bias in identification. There is no method of quality assurance of their work.

P. 116: Same comments as on pages 308-311 of AJIM.

P. 117, 2: The fact that two calculated indices are highly correlated (0.88) does make either one accurate or valid.

P. 120, 3: The 83 men who were herbicide handlers are the only ones in the study truly exposed. They represent only 4% of the studied group.

P. 124, 1: Mere proximity in time and space does not equate to actual exposure. 4: The use of Legionnaires raises the issue of significant selection bias since they are not representative of all Vietnam veterans. Authors demonstrate lack of participation bias between SEA and non-SEA vets but not between members and non-members. Do Vietnam vets join the Legion in different patterns than non-Vietnam vets? This issue is not addressed and could cause severe bias. Racial distribution is markedly different.

Environmental Research 47, 129-149 (1988)

SOCIAL AND BEHAVIORAL CONSEQUENCES

Page, paragraph, and comments

P. 129: Article is rife with value-laden Social Consequences terminology and demonstrates a major lack of objectivity in interpretation.

P. 129, abst: Scales for herbicide are not "validated as stated. Some selection factors may account for some of the findings. The observed combat effects are clear, but it is unclear to what extent they are real or are influenced by selection bias. The statement on the interactive "effect" with concurrent exposure to herbicides is not valid in the light of the deficiencies in the exposure index.

P. 130: The literature cited is not a complete summary of available data. Selective citation of references is evident.

P. 131, 2: As previously noted, the index of exposure is quite weak.

P. 132: None of the endpoints were verified by records review or examination. 133, 2: Mere proximity over an extended time to a sprayed area does not equal exposure.

P. 134, 1: Blacks are underrepresented in the study. Only 1.5 percent vs at least 12 percent overall.

P. 135: The study suggests that combat had some adverse effect, but the effect of selection bias is not considered or accounted for. The conclusions that income loss has occurred is not supportable from these data.

P. 136-137: The analyses of outcomes with the exposure index are conspicuously absent.

P. 138, 2: These results could be biased by the patterns of membership in the Legion.

P. 138, 4: The sophisticated exposure indices are essentially worthless in view of the lack of a relationship between probabalistic indices and actual exposures as measured by serum levels.

P. 139, 3: The statement that all measures are correlated with combat is false. All correlations are .30 or less, a level that shows poor correlation at best.

P. 140, 2: The fact that correlations were all statistically significant is irrelevant. The low p value is an artifact of large sample size and the sum of all pairwise relationships in the correlation matrix. This p value has no bearing on the validity of the correlationships, with most showing only poor associations at best.

P. 144, 4: The use of manufactured data for an analysis of alcohol use should be deleted. The assumptions implicit in the calculation make it untenable.

P. 147, 1: The data on illicit drug use are likely to be seriously underreported. Data of this type must be collected by random response techniques to obtain reasonably accurate data.

P. 148: The conclusions may be biased by the characteristics of Legion members. The interpretations of correlation coefficients is flawed (0.08 and 0.15 are not significant corrections). There is no discussion of the limitations of the exposure index, especially in view of 1987 CDC data. There was ample time for these data to be included or cited in this publication.

Environmental Research 47, 150-174 (1988)

HEALTH AND REPRODUCTIVE OUTCOMES

Page, paragraph, and comments

P. 150: There is heavy use of value-laden Health and Repro terminology in this paper. There is no mention of probable existence of differential reporting and its bias, absent the conclusions concerning herbicide exposure are unwarranted.

P. 151, 2-3: The literature review does not discuss the differences between exposure of pregnant females and males.

P. 152, 1: Pertinent and recent data were not cited or used.

P. 153: None of the claims of exposure were validated and health endpoints were not verified.

P. 154, 1: Some endpoints such as "skin rash with blisters" are unnecessarily vague, making interpretation hard.

P. 154, 3: There is no attempt to differentiate between acute effects and longterm effects of exposure.

P. 155, 1: Pre SEA reproductive experiences were discussed. This is potentially an important confounder.

P. 159, 2: All correlations are misinterpreted. The p values only indicate a measure of pairwise variance of large sample sizes and not the validity of the correlations.

P. 160, 4: The index does not measure exposure to herbicides. It measures something else but what is not clear.

P. 162, T: All correlations for year of birth, combat and "Agent Orange" are poor.

P. 163, 2: Data on the variable "child bearing attempts" is presented. What is the purpose of this variable? Why would Vietnam vets want to have more children? This appears to be a chance finding.

P. 164, 2: This finding may represent reporting bias, but the possibility is never considered.

P. 166, 2: Statement that "Mean levels of Agent Orange exposure were ALWAYS significantly higher in . . . miscarriage . . ." appears to highlight the effect of overreporting. This elevation in every case is highly unlikely. Surely some miscarriages occurred in women married to "low" men.

P. 170, 2: Again, no verification was attempted.

Environmental Research 47, 175-192 (1988)

POST-TRAUMATIC STRESS DISORDER

Page, paragraph, and comments

P. 175: This appears to be the best written of PTSD the series. It was clearly authored by a psychologist or psychiatrist.

P. 179, 1: Response bias is accounted for, but selection and reporting biases are generally ignored.

P. 179, 2: The group under study is not representative of any group other than American Legion members (too many whites).

P. 182, T: The numbers in the tables are not consistent (Tables 2-6).

P. 190, 3: This is the first mention of self reporting bias in the series.

VIETNAM ERA VETERANS STUDY (STELLMAN ET AL.) QUESTIONNAIRE

The questions are generally superficial and the choices offered to the respondent are often poor, leading to potential sources of bias.

Data locations of service in Vietnam are only "accurate" to the month. This makes it difficult to relate veterans activities to daily spray missions.

Questions about attitudes toward the VA are generally biased in wording.

The health inventory is very cursory, vague in many areas and only covers 1½ pages.

Questions on alcohol and smoking are so short that the data are probably unreliable for any reasonable analysis.

Environmental Research 47, 193-209 (1988)

UTILIZATION, ATTITUDES AND EXPERIENCES

Page, paragraph, and comments

P. 193, abst: Biased terminology is prevalent in VA in this VA report. The effect of the media and its effect on reporting is not considered.

P. 196, 1: The use of Legion representatives who work full-time in monitoring the VA to develop the questions is inappropriate. This likely injected bias in the questionnaire, as evidenced by the wording of the questions.

P. 196, 7: The location of the questions about attitudes toward the VA before questions on health could have biased subsequent responses. The answer choices are unbalanced; 3 "true" choices and only 1 "false" choice.

P. 198, 2: Supporting data for the statement about major medical insurance and combat level are lacking.

P. 202, T: Many of the questions are biased in wording. The use of words like "fully" and "all" are biasing. Veterans not needing pension or compensation services should not be expected to be "very" knowledgeable about these programs. Many questions ask for opinion about "most" veterans; this is biased.

P. 203, T: Only data for selected questions are presented in table and text. Where are results for other questions?

P. 203, 3: In interpreting responses, "slightly true" is interpreted as a negative

response. Words such as "considerable proportion" convey vagueness.

P. 208, 1: Use of "particularly disturbing" is not objective, and should be reserved for an editorial. Bias of the author is clear.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
December 30, 1988.

Dr. VERNON HOUK, M.D.,
Director, Center for Environmental Health and Injury Control, Centers for Disease Control, Atlanta, GA.

DEAR DR. HOUK: In response to your letter of November 22, 1988, please find enclosed our review of three papers by Stellman *et al.*, 1988 one paper by Snow *et al.*, 1988, and the editorial by Michael Gochfeld, which are based on a single study conducted on a sample of American Legionnaires. The review was completed by Marie Haring Sweeney, Teresa Schnorr, Ph.D., Victoria Wells, M.D., Ph.D., and Marilyn Fingerhut, Ph.D. Each paper is reviewed separately. A summary of our findings is presented here:

This largely negative study of a sample of American Legionnaires, who served in Vietnam and in other areas, does not confirm that experience in Vietmam caused serious health or reproductive effects among the sample of Vietnam veterans compared to non-Vietnam veterans. Serious methodological limitations include incompleted ascertainment of the target sample, lack of verification of self-reported health conditions and reproductive events, inadequate control of risk factors such as smoking and other factors in the analysis of health outcomes, and absence of adjustment for multiple comparisons. The limitations require that the few positive findings be interpreted cautiously.

The detailed reviews of each article are enclosed.

Sincerely yours,

MARIE HARING SWEENEY,
Chief, Dioxin Activity, Industrywide Studies Branch, Division of Surveillance, Hazard Evaluations and Field Studies.

COMBAT AND HERBICIDE EXPOSURES IN VIETNAM AMONG A SAMPLE OF AMERICAN LEGIONNAIRES

Stellman S, Stellman JM, Sommer JF., Environmental Research 47, 112-128 (1988)

This paper presents a brief description of methods used to estimate exposure to Agent Orange using a "probabilisitic exposure index" based on information on spray missions carried out in Vietnam (date of application, herbicide type and coordinates of application) and methods to calculate level of combat experience. Methods for selection of the study population and the resulting participation rate were also discussed.

Selection of study population, data collection methods and participation rate: Major concerns include biases introduced due to possibily incomplete ascertainment of the target population, the data collection methodology of a mailed questionnaire, and the low participation rates.

Population selection: The study population was composed of members of the American Legion in six states who had been members for less than 20 years as of 10/1/83. Selection bias and the problem of non-representativeness of the study population are inherent in this type of study because the subjects are self-selected as members of the American Legion, thus omitting non-member Vietnam and Vietnam-era veterans. This study is unlike the CDC study which included a sample of all living Army veterans. Yet like the CDC study, the design is cross-sectional, omitting those who died prior to the study. The Stellman study (1988) also excludes members who let their membership lapse.

A particular concern of this study is the potential inability to identify the entire target population. It is not clear from the text that all Vietnam and Vietnam-era veterans fitting the inclusion criteria of the sample were identified and asked to participate in the study. If the entire target population was not requested to participate, the results would not be representative of the membership of the American Legion, nor the Vietnam veteran population. For example, if those who responded were members worried about combat-related or Agent Orange exposure and their current health, the results would be biased.

Data collection methods: All data were collected using self-administered questionnaires. No verification of self-reported health effects was conducted. This issue is particularly a problem for interpretation of self-reported medical conditions and reproductive events and, therefore, is discussed in the review of "Health and Reproductive Outcomes among American Legionnaires in Relation to Combat and Herbicide Exposure in Vietnam."

Participation rate: The text does not state the exact response rate for each state. The report indicates that participation ranged from 52.5 percent to 64.1 percent, suggesting that participation of those contacted was low.

The method for assessing response bias appears reasonable for description of the respondents, but it is also important to determine the characteristics of the nonrespondents and whether or not the nonrespondents were similar in health and exposure parameters to those who participated. A characterization of non-respondents was not discussed.

Exposure assessment: The authors state that they "provide an analysis of patterns of exposure of American Legionnaires to various levels of . . . herbicides". Actually, they utilize their 1986 exposure indices which calculate proximity (within 15 km) between the location self-reported by the participants to the location of herbicide sprays obtained from the Air Force HERBS tapes and related documents.

Unfortunately, the authors failed to discuss the validation study conducted by the CDC to test the adequacy of a similar exposure system based upon the HERBS tapes, even though they were aware of the study. The validation study, required by the Office of Technology Assessment of the Congress, demonstrated conclusively that there was no association between the exposure levels predicted by the proximity of geographic location of troops with location of herbicides sprays as documented on the Air Force HERBS tapes. It is standard procedure for researchers to point out how their methods and results compare with others. The failure of the authors to explain why they consider their method to be valid in light of the demonstration of the CDC that a similar effort was proven incorrect leads to a worrisome concern about lack of objectivity in conducting the research or writing the paper. We would have preferred to see the authors propose that their system be tested in a similar fashion. Instead, they conclude that they have provided "a readily used and inexpensive exposure classification system", even though they have not tested its accuracy in any way nor have they pointed out the clear failure of a very similar system designed with at least equivalent care and effort by the CDC.

SOCIAL AND BEHAVIORAL CONSEQUENCES OF THE VIETNAM EXPERIENCE AMONG AMERICAN LEGIONNAIRES

Stellman JM, Stellman SD, Sommer JF, Environmental Research 47:129-149 (1988)

This paper reviewed demographics, smoking and alcohol consumption patterns and social and behavioral parameters among the studied sample of Legionnaires.

Demographic characteristics and personal habits: The study population was composed of all males and was 98.5 percent white. This is in contrast to the Army veterans studied by CDC who were 83.2 percent white males. Among the Legionnaires, there was no difference in the level of education achieved between Vietnam and non-Vietnam veterans. When comparing the Legionnaire data to the CDC cohort, 6.3 percent of the Vietnam veterans and 5.5 percent of the non-Vietnam veterans achieved less than a high school education while in the CDC cohort, 14.1 percent of the Vietnam veterans and 11.6 percent of the non-Vietnam veterans did not graduate from high school. These data suggest that the Legionnaires tend to be more highly educated than other groups of veterans.

Social and behavioral functioning: The report concluded that social and behavioral functioning, such as sexual satisfaction and marital stability, diminish with increasing exposure to combat. The arguments are presented clearly. Unfortunately, some factors which may predispose individuals to increasing combat level and the outcomes under study, e.g., personality characteristics developed prior to service, are not fully studied. The Card (1980) study claims that the men who served in Vietnam were "comparable to their peers who did not . . . (serve in Vietnam)," but it seems likely that unmeasured (and perhaps often unmeasurable) factors might lead to "increased combat exposure," and "social dysfunctioning."

Likelihood of exposure to Agent Orange was "statistically associated" with two behavioral outcomes, anxiety and physical depression. However, when "exposure to combat" was added to the model, these associations were not statistically significant. The authors conclude that the effects of herbicides on psychosocial well-being should be studied only with "exposure to combat" as a potential confounder. It is our opinion, that based on the results of the CDC serum 2,3,7,8-TCDD validation study, there is little evidence of exposure for the majority of the veterans stationed in Vietnam. Since the results of the CDC study were available to the researchers, it is surprising that their discussion include a recognition of this information. The results of this study implicate combat intensity as a contributor to increased social dysfunctioning.

HEALTH AND REPRODUCTIVE OUTCOMES AMONG AMERICAN LEGIONNAIRES IN RELATION TO COMBAT AND HERBICIDE EXPOSURE IN VIETNAM

Stellman S, Stellman JM, Sommer JF., Environmental Research 47:150-174 (1988)

A. HEALTH EFFECTS OTHER THAN REPRODUCTIVE

The study found generally negative results for most self-reported conditions which the authors describe as endpoints of exposure to phenoxy herbicides or TCDD.

Interpretation of the few statistically significant excess risks among veterans stationed in Vietnam compared to non-Vietnam veterans is severely limited due to possible selection biases. The limitations of the health data are as follows:

(1) Questionnaire construction: Many of the outcomes collected in the questionnaire are confined to broad classifications of diseases e.g., heart disease, genito-urinary problems or nervous system disease, rather than specific conditions. Information on specific conditions was not solicited. Collection only of broad classes of conditions is not appropriate because the relevant literature does not associate every disease within a broad classification with exposure to phenoxy herbicides. A better method would have been to collect the names of the specific conditions and then combined related effects in the analysis. In addition, some of the questions ask for past occurrences of unrelated conditions, which may lead to erroneous conclusions. For example, the article defines sebaceous cysts as an example of benign fatty tumors. Sebaceous cysts have been described in workers diagnosed with chloracne, however, according to our consulting dermatologist, sebaceous cysts are quite rare and they are not considered to be benign fatty tumors. Therefore, the excess of benign fatty tumors described among Vietnam veterans with "the potential for high Agent Orange exposure" may be an artifact of incorrect question construction.

(2) Risk Factors: An extremely important omission in the text is the lack of discussion about which confounders or other risk factors were included in the assessment of the reported conditions. For example, the risk for heart disease was adjusted for age, but there is no mention that the analysis was adjusted for smoking, high blood pressure, obesity or other factors which are well-known risk factors for many types of heart disease. Information on smoking and current weight and height was collected in the questionnaire and could have easily been introduced into the analysis.

Several skin conditions were also reported in excess among Vietnam veterans compared to non-Vietnam veterans. These conditions may also be related to exogenous or endogenous factors including medications, allergies, chemical exposures, none of which were quantified or controlled for in this study.

(3) Confirmation of self-reported conditions and symptoms: All of the information collected on each health outcome and symptom was self-reported in a mailed questionnaire. None of the conditions were confirmed by examination of records documenting such events. Although validation of self-reported events is an arduous task, it is necessary to assess and control for the possibility of recall and reporting biases in the study groups. Previous studies have documented that individuals with a disease of interest or with exposure to a substance under investigation, have heightened recall of events compared to controls without the disease or the exposure. For example, the four skin conditions asked about in the questionnaire were found to be statistically significantly elevated among Vietnam veterans. These conditions have been repeatedly reported in the scientific literature and popular press to be associated with exposure to dioxin-contaminated materials, particularly in exposed occupational populations. This coverage could have influenced the responses of the subjects.

Reporting bias may also be a problem if there is not a consensus on the interpretation of each question by the targeted responders. Short of employing training interviewers to administer the questionnaires, review of clinical records would help to confirm the diagnosis of the self-reported events. Without any type of confirmatory data, it is not possible to rule out the possibility that positive findings are the result of reporting and recall bias.

(4) Another major concern regarding this study is the lack of documentation of other exposures, particularly occupational, which are related to the health outcomes of interest and which may have occurred during the 20 years between the veteran's tour in Vietnam and his participation in the study. Many other chemicals and physical agents cause health effects which are also associated with exposure to dioxin-contaminated materials. The omission of this information is a serious flaw in the design of the study.

(5) There are many statistical tests conducted on this data set. However, there was no mention that corrections were made to correct for the multiple comparisons problem.

Summary: The health effects reported in this paper are generally negative, although some conditions were reported in excess among Vietnam veterans. The quality of the self-reported data are suspect because they were not confirmed with more objective data, such as information from medical care providers. Outcomes found in excess among Vietnam veterans compared to non-Vietnam veterans must be interpreted cautiously due to the absence from the models of risk factors other than the exposure and combat indices.

B. REPRODUCTIVE OUTCOMES

In the reproductive component of the study, there is not sufficient detail in the report to permit us to draw meaningful conclusions regarding reproductive effects. The descriptions of the study methods and the analytic techniques omit critical details. These are enumerated below:

(1) The response rate was apparently quite low. Of the 12,588 Vietnam veterans mailed a questionnaire (Stellman preliminary report) only 6,810 (54 percent) responded.

(2) The study population for the reproductive outcome analysis is not well described. In Table 9, a total of 3,372 men are reported to have had or tried to have children. In "the Delay in Fathering" analysis, 3,078 men were included in the analysis. This was 294 fewer men, presumably because 294 men had fathered a pregnancy prior to Vietnam service. In the miscarriage analysis, 2,950 men were analysed. This number is 128 fewer than the number given for the Delay in Fathering Analysis but no explanation is given for the difference.

(3) There is some concern about the validity of the outcome data for three reasons. (1) The data on the outcomes of pregnancies were obtained from men, not the women. Other studies have shown men to be poor informants regarding their wives' pregnancy outcomes. (2) The data were obtained by a mailed questionnaire, which is less detailed or complete than other administered questionnaires. (3) The pregnancy outcome responses were not validated with medical records, so the potential for differential recall cannot be evaluated.

(4) All pregnancies were included in the analysis. Inclusion of all pregnancies can lead to a biased estimate since the pregnancies of an individual woman are not independent events. In the analytic technique used, a single women could have contributed many miscarriages to the data set. The authors do not discuss this issue and did not attempt to control for this factor in the analysis.

(5) Factors such as parity and prior spontaneous abortion are important risk factors for spontaneous abortion. However, these factors were not considered in the analysis.

(6) It appears from the questionnaire that date of the pregnancy and date of Vietnam service were available for consideration in the analysis. An analysis of miscarriage by time since Vietnam service would have been useful in interpreting the findings.

(7) The question used to determine whether the veterans had difficulty having children was phrased rather vaguely "Have you ever experienced difficulty in having children?" A more objective definition such as "Did you ever try to have a child for at least one year but were unable to?" would have been more likely to be interpreted uniformly by respondents.

Summary: Given the limitation in the data collection and analyses, at this time, it is difficult to agree with the authors' conclusions that miscarriages showed a dose-related risk with Agent Orange exposure.

Post-traumatic stress disorder among American Legionnaires in relation to combat experience in Vietnam: associated and contributing factors. Snow BR, Stellman JM, Stellman SD, Sommer JF. Environmental Research 47: 175–192 (1988).

Of the four papers in the series, this one has the best organization and clearest presentation; the hypotheses and objectives of the analyses were stated clearly, and the results were to the point. The authors state that the instruments used to assess post-traumatic stress syndrome (PRSD) included a list of symptoms from the DSM/III and a combat scale, which had been validated in previous studies. The data indicate the individuals with exposure to eight or more combat events report more of the symptoms consistent with PTSD and that a higher combat score is directly related to higher PTSD intensity scores. According to one definition of PTSD, the percent of participants in this study reporting symptoms consistent with a diagnosis of PTSD (15 percent) was similar to the percent of Army veterans in the CDC study who had met the diagnostic criteria for PTSD at some time during or after service (15 percent).

Summary: This article shows that some veterans in this sample demonstrate symptoms which are consistent with PTSD. Although the authors state that the subjects were a "random sample" of Legionnaires, the first paper in the series points out the volunteer nature of the participation. Therefore, it is not possible to know whether or not the nonrespondents experience the same pattern of symptoms as respondents.

EDITORIAL: NEW LIGHT ON THE HEALTH OF VIETNAM VETERANS

By Michael Gochfeld

Although this editorial may have been written prior to the 1988 JAMA publication of the results of the CDC validation study, the MMWR carried the information in 1987, and the data were presented in October 1987 at the Seventh International Symposium on Dioxin in Las Vegas. Dr. Gochfeld omits a description of the CDC study, although he clearly supports the concept that "measurement of TCDD levels in blood is a feasible biologic marker of past exposure to dioxin . . ." and that ". . . such a surrogate may be utilized as an index of exposure

. . .". It is our opinion that the CDC validation study clearly demonstrated that there was not substantial exposure to Agent Orange among the ground troops in Vietnam. Failure to compare the two exposure systems in the editorial leaves the reader without a critical evaluation of them.

Dr. Gochfeld refers to the conclusion (drawn justifiably, in our opinion) to cancel the CDC study of Agent Orange-exposed veterans and he agrees that the CDC validation study had demonstrated that "only a minority of veterans had appreciable herbicide exposure". That validation study also demonstrated that the HERBS tapes failed to predict exposure levels which correlated with levels of dioxin in veterans. Consequently, we disagree with Dr. Gochfeld's statement that the present paper explains how to avoid the misclassification of exposure in prior studies. We suggest that the authors follow the CDC example and test their exposure-system by evaluation of dioxin levels in a sample of veterans identified as having high, medium, and low levels of exposure to Agent Orange. Until they have demonstrated that their system is accurate, it should be assumed to have the same flaws as the system ultimately rejected by CDC.

The editorial also misses the opportunity to explain the epidemiologic pitfalls of the study, including selection and reporting biases and non-representativeness of the sample. This would have been a perfect chance to educate the interested public in the problems associated with cross-sectional studies. However, the author does point out of the limitations of reconstructed exposure histories and the inherent biases of exposure misclassification.

With regard to health effects, the author suggests that the "health effects data actually confirm some fears" but he does not explain that the report reflects the opinions of the sampled veterans about their health because there was no confirmation of the accumulated data, and, therefore, the results of the study must be interpreted cautiously.

VETERANS' ADMINISTRATION,
Washington, DC, December 30, 1988.

Dr. VERNON N. HOUK, M.D.,
Director, Center for Environmental Health and Injury Control, Centers for Disease Control, Atlanta, GA.

DEAR DR. HOUK: As requested, enclosed are comments prepared by myself and Dr. Han K. Kang on the recently completed American Legion studies.

If you have any questions regarding our comments prior to the January 10, 1989, meeting of the Agent Orange Working Group Science Panel please feel free to call me at FTS 373-3064/4117. Dr. Kang can be reached at (202) 634-4600.

Sincerely,

LAWRENCE B. HOBSON, M.D.,
Director, Environmental Medicine Office.

AMERICAN LEGION STUDIES ON HEALTH OF VIETNAM VETERANS

1. The studies by Stellman and Stellman for the American Legion have produced a paper on methodology (AM. J. Industr. Med. 9:305-321, 1986) and a series of five papers on results (Envir. Research. 47:112-209, 1988). The latter series also contains an editorial by Gochfeld.

2. The entire effort depended on self-reporting by 6,810 American Legion members who are Vietnam era veterans and 2,860 of whom served in "Southeast Asia." Each subject received a questionnaire asking about his service in Vietnam, medical and psychological status, reproductive history, socioeconomic factors, and attitude toward the Veterans Administration. The questionnaire required some one and a half hours to complete and the American Legion assigned a "volunteer researcher" to each subject to ensure a high compliance rate. The investigators believe, but without evidence, that this did not influence responses to the questions.

3. Copies of the questionnaire have not been supplied on request, but some details are mentioned in the papers. The form asked whether a doctor had informed the veteran that he had one or more of 23 diseases (not listed in the paper) and also 28 "health conditions currently a problem" (also unlisted). In addition, specific questions were asked about acne, skin rash with blisters, changes in skin color, and a part of the body becoming more sensitive to light. These are said to have been "questionnaire derived."

4. Exposure to Agent Orange was calculated by a somewhat complex formula that depended on the veteran's locating himself in Vietnam. To do so he was given a list of at least 98 place names with a map and asked at which and on what dates he served there. Information from the HERBS tapes was used to locate spraying. The evaluation method is essentially the same as that tried and discarded by the AOWG Science Panel, Office of Technology Assessment, the VA, and the Centers for Disease Control. It has numerous serious defects and now has been shown to be useless by the finding of no exposure among ground troops by blood assays for 2,3,7,8-TCDD even for such veterans whose supposed contact with Agent Orange was calculated to be great.

5. Combat experience was judged by response to eight questions. No attempt was made to validate the answers by comparing with military records, i.e. assignment to companies, correlation with company records of location, military specialties, and special duties.

6. Results, especially physical and mental health, are reported in a confusing fashion, especially in respect to a causal relation distinguishing between Agent Orange exposure and combat stress. Thus heart disease is sometimes included among the effects of Agent Orange and at other times is specifically excluded. In most places, the health effects of herbicides are given as four: skin rash with blisters; adult acne; increased sensitivity to light, and benign fatty tumors. The latter are reported as including sebaceous cysts, not properly so considered. Veterans who had actually handled herbicides were said to have had more cases of hypertension and gastric or intestinal ulcers. Wives of veterans who were said to be exposed to Agent Orange were reported to have had greater risk of miscarriages.

7. Truly serious physical diseases, such as epilepsy, ulcerative colitis, and Addison's disease, had too few occurrences to be correlated and some, such as kidney disease and diabetes, occurred uniformly in various groups. Other medical conditions were said to be related to service in "Southeast Asia," e.g., heart disease, without ascription to a specific cause.

8. Combat stress was found to be dose-related to hypertension, ulcers, fatty tumors, arthritis, G-U problems, and major accidents. There was also an increasing prevalence of post traumatic stress disorder with an increasing level of combat, as judged from the questionnaires. Among 28 percent of veterans with higher combat stress, 15 percent reported PTSD according to the definition used.

9. Questions about relationships with the VA where biased in several instances, e.g. "I have been fully informed about the availability of an Agent Orange examination at the VA." Results included a lower level of knowledge about the VA and more negative attitudes toward the VA among veterans who had never used the VA. Emphasis was given to the failure of VA facilities to ask questions relevant to PTSD and about combat experiences.

10. The questionnaire survey was completed in 1984. No mention is made of Vet Centers, nor of the VA registry, of recent research, of late Air Force reports on Ranch Hand studies. The CDC blood level experience is completely ignored.

11. In view of the technical flaws, of the lack of reference to recent research, and the trivial nature of the health effects attributed to exposure to Agent Orange, the Stellmans' reports hardly justify the statement that the findings are of major importance or indicate serious health defects resulting from exposure to Agent Orange.

A REVIEW OF THE AMERICAN LEGION STUDIES PUBLISHED IN ENVIRONMENTAL RESEARCH

I. EDITORIAL: NEW LIGHT ON THE HEALTH OF VIETNAM VETERANS

The editorial points out "only a minority of veterans had appreciable herbicide exposure." No one seems to disagree on this point. The question that everyone is struggling with is how to identify them within the limits of resources and time. The Stellman et al paper simply presents another way to classify Vietnam veterans based on military records without any evidence that their classification method is reliable. The CDC validation study demonstrated convincingly that military records alone are not a sufficient basis for the categorization of Vietnam veterans according to their probable Agent Orange exposure. The editorial did not mention the CDC study.

Dr. Grochfeld seems to favor the use of a surrogate measurement, TCDD levels in blood, as an index of the exposure and as a basis for analytical stratification. However, it is not conceivable to apply this invasive, costly procedure to all of the 3 to 4.4 million veterans who served in Southeast Asia.

Granted this is an editorial, but some phrases are inflammatory and not substantiated. For example, "remarkably complacent responses" referring to the VA and the DOD, "a dearth of well designed studies" discussing scientific evidence, "arguing nihilistically" describing the CDC, "with much reluctance" and "of varying reliability" characterizing the VA Agent Orange Registry Program.

Contrary to the editorial, the VA has provided priority medical care to all Vietnam veterans under PL 97-92, 99-166 without regard to the veteran's age, service-connected status or the veteran's ability to pay for the expense of such care. Almost all Vietnam veterans who may have been exposed to Agent Orange are eligible for medical care under this program except those veterans presenting the following types of conditions that are not ordinarily considered to be due to Agent Orange exposure: 1. congenital defects; 2. conditions which are known to have pre-existed military service; 3. conditions resulting from trauma; 4. conditions having a special and well established etiolo-

gy. This priority treatment program has been in existence for 6 years (not 2 years) and a total of 1.3 million outpatient visits and 25,000 inpatient treatments have been made under this program. These figures indicate that the eligibility requirement for medical care is not as stringent as the editorial suggested.

II. COMBAT AND HERBICIDE EXPOSURES IN VIETNAM AMONG A SAMPLE OF AMERICAN LEGIONNAIRES

This paper describes two critical methods for determining the likelihood of exposure to Agent Orange and the extent of combat experience based on military records or self-reported data. Analyses and interpretation of the subsequent four papers very much hinge on the validity and reliability of these methods. The paper fails to present any convincing evidence that both methods are valid and reliable. The fact that "a large proportion of men whose likelihood of herbicide exposure was either nil or low, while a sizeable number of individuals were classified as high exposure" is not by itself evidence that the method is valid. This may be a simple reflection that herbicides were not applied uniformly throughout South Vietnam. Furthermore, "that health-related effects to be presented in the successor paper of this paper often display a dose-response relationship with respect to herbicide exposure" may be resulting from selective recall of veterans who may have various health conditions. The results of the study would have been more convincing had there been some effort to validate questionnaire data against readily available military personnel records and medical records.

No reference or discussion was made concerning the CDC validation study which indicated no matter how one uses military records to classify exposure likelihood, classification based on military records is not supported by TCDD levels in blood.

Aside from the lack of validation, there is no evidence that an internal consistence in responses was carefully checked. There are some questions I would like to ask.

1. What is the definition of Vietnam Era in this study?

2. How many veterans selected for the study by the "volunteer researchers" were found not meeting the eligibility criteria after questionnaires were completed?

3. How many veterans served in Cambodia or Laos? What was their Agent Orange exposure classification? What were their stated health problems? To my knowledge HERB tape and Services HERB tape do not contain data on use of herbicide in Cambodia or Laos. Therefore, veterans who served in either country should have been classified as no or minimum exposure unless they handled herbicides.

4. One out of 10 veterans who served in non Southeast Asia were classified as having levels of combat ranging from 11 to 15. Were they mostly career type veterans whose military service dates included a period of other war? If not, can their stated combat exposure away from hostile enemy activities in Southeast Asia be explained?

III. SOCIAL AND BEHAVIORAL CONSEQUENCES OF THE VIETNAM EXPERIENCE AMONG AMERICAN LEGIONNAIRES

The entire report is based on questionnaire data without a single item being checked for accuracy or a systematic bias. How does one rule out the possibility of selective recall among those veterans experiencing social and behavioral problems? Although the effects of combat experience on social and behavioral outcomes are plausible, erroneous findings cannot be ruled out. When there is substantial difference in the marital status of these two groups (Vietnam and non-Vietnam veterans), family income rather than veterans' income may not be an appropriate measure of socio-economic status of veterans.

IV. HEALTH AND REPRODUCTIVE OUTCOME AMONG LEGIONNAIRES IN RELATION TO COMBAT AND HERBICIDE EXPOSURE IN VIETNAM

Lack of any attempt to validate data on both outcome variables and independent variables is again of major concern in the report. Notwithstanding this concern, the observation that only one medical condition (benign fatty tumors) was associated with Agent Orange exposure provides a sense of relief. With respect to reproductive outcomes, it should be noted that male veterans were asked family reproductive histories rather than their wives. On page 152, the Hoffman et al. (1986) paper was cited for "statistically significant differences in immune system response". It should be noted, however, that in a later year the authors reported the failure to confirm depressed delayed-type hypersensitivity skin test reactions in the TCDD-exposed cohort. (Dioxins 87, October, 1987).

V. POST-TRAUMATIC STRESS DISORDER AMONG AMERICAN LEGIONNAIRES IN RELATION TO COMBAT EXPERIENCE IN VIETNAM: ASSOCIATION AND CONTRIBUTING FACTORS

The existence and elevated rate of PTSD among Vietnam veterans are certainly plausible but the lack of validation of combat experience makes the finding less convincing. It should be noted that the prevalence of PTSD can range from 1.8 percent to 15.0 percent depending on the definition of evidence of exposure to a traumatic event.

VI. UTILIZATION, ATTITUDES, AND EXPERIENCES OF VIETNAM ERA VETERANS WITH VETERANS ADMINISTRATION HEALTH FACILITIES: THE AMERICAN LEGION EXPERIENCE

There seems to be a gross misconception of the role of the VA in providing medical care to veterans. The VA under the law provides medical care (both in patient and outpatient) primarily to veterans with service connected health problems. If beds are available services are provided to other veterans. In other words, the VA is not authorized to provide free medical care to all veterans.

Several questions were asked which would likely generate negative responses. For example, (1) the lifetime health benefits of the VA were a strong incentive to me to join the service; (2) in an emergency situation I would prefer to go to a VA facility than to a community hospital; (3) the VA system is a good, secure alternative for me for health care needs in the future; and (4) the VA system provides security and peace of mind to most Vietnam era veterans.

Some questions were phrased in such a way that answers would be almost always "not true". Examples are (1) I am fully aware of all the benefits . . .; (2) I am very knowledgeable . . .; (3) I am aware of the workings of the . . .; and (4) I have been fully informed about the availability of . . . One question seems to ask other veterans' perceptions rather than the respondent's, i.e. most Vietnam veterans feel very positive about the VA. It is encouraging that the majority of those who used the VA have expressed a great deal of satisfaction toward their experience.

In conclusion, I do not find much fault in the mechanical handling of data that has been collected. Statistical tests seem appropriate and interpretation seems reasonable. However, they fail in one crucial area: no attempt was made to validate any of the data items they collected. If one starts out with invalid data, no amount of statistical manipulation will make it right.

HAN K. KANG, DR. P.H.,
Veterans' Administration,
Office of Environmental Epidemiology.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
December 23, 1988.

From: John F. Young, Ph.D., Dirctor, Division of Reproductive and Developmental Toxicology.

Subject: Review of articles from Environmental Research (47:112-209,1988) by Stellman et al.

To Dr. Vernon Houk, Chairman, AOWG Science Panel.

Overall Impression: A large study involving a lot of work which was fairly well done! The strong correlation between combat and Agent Orange (AO) exposures is not unexpected data to the way the study was conducted (self-reporting questionnaire); additionally, any correlation with combat status will also correlate with Agent Orange exposure. However, in light of the recently published CDC's TCDD serum data of Vietnam veterans (JAMA 260:1249-1254, 1988) which used similar procedures to identify the potentially highest AO exposure troops (including self-reporting) and which indicated that actual AO exposure probably did not occur to any appreciable extent in any of the ground troops, the findings by Stellman et al. in relation to AO exposure has less significance.

The combat scale is inconsistent among the five papers. Why?

Paper 1—Fig. 4 & 6 -> 3 levels of low, medium, and high. Table 3 -> 5 levels of numerical scores. Fig. 5 -> levels of lowest, low, medium, high, and highest.

Paper 2—3 levels used throughout this paper.

Paper 3—3 levels in Tables 4 and 5.

Paper 4—3 categories different from all other papers -> median, 1 or more events, and all 8 events.

Paper 5—Fig. 1,2,3, and Table 6-5 levels. Fig. 4-2 levels of average or less and above average.

Specifics:

PAPER 1: COMBAT AND HERBICIDE EXPOSURES IN VIETNAM AMONG A SAMPLE OF AMERICAN LEGIONNAIRES

Environ Res 47: 112-128, 1988

(1) Fig. 2.—Are the Orange and White labels reversed? It would appear to be reversed if Figure 1 is correct with the usage amount of AO about twice that of Agent White.

(2) Table 2.—How were the 95 percent confidence intervals calculated? According to the text (page 120, 2nd paragraph), the herbicide exposure index OE3 mean was 0.357 with a standard deviation of 0.752 which would translate into a 95 percent CI (+/− 2 SD) of 0-1.861. However, the table was a 95 percent CI of 0.32-0.39. I wonder about the rest that cannot be checked.

(3) The combat ranking scale varied from Table to Table or Figure; e.g., Table 3 has 5 levels of combat scores, Figure 5 has 5 levels of lowest, low, medium, high, and highest, and Figure 6 has 3 levels of low, medium, and high. How do these various rating scales

interrelate? Is the "lowest" in Figure 5 the same as the score of 8-10 in Table 3? Is the "low" in Figure 6 the same as the "low" in Figure 5 or is it equivalent to the "low + lowest" in Figure 5?

(4) In a paper describing a procedure of picking cohorts, it would be of interest to see the responder characteristics between the Vietnam veteran and the non-Vietnam veteran (the two comparison groups). Instead the authors chose to present the responses between two States (Table 4). Isn't this trivial information that skirts the main issue of comparison?

(5) In general it would have been informative if the authors had presented the actual logistical information of total number of members of the 6 American Legion state organizations, number of postcards sent out and returned, number of questionnaires sent out and returned, and complete demographic information on the two cohorts.

PAPER 2: SOCIAL AND BEHAVIORAL CONSEQUENCES OF THE VIETNAM EXPERIENCE AMONG AMERICAN LEGIONNAIRES

Environ Res 47:129-149, 1988

(1) The authors stated that education was predictive of income (p. 134, last paragraph) and that income was inversely related to combat level (Fig. 1). Is there any information from the available literature that would indicate that lower educated troops were more often used in the more intense combat areas? Does the "pre-Vietnam" educational level also correlate inversely with combat level?

(2) I doubt the significance of the data in Table 3. I find it hard to believe that a mean income difference of −$3000 will be statistically significant (Table 3) or that the bars in Fig. 1 are really the 95 percent CI. If we take the data from Fig. 1 for "Not SEA", the 95 percent CI would include incomes of between $20,000 and $21,000; using Table 2, 95 percent of the "Served elsewhere" group would have an upper income of $21,000 and a lower income of $20,000. Therefore only about half of the graduate/professional school group would be earning over $21,000 and only half of the group with less than a high school education are earning less than $20,000. I don't believe this is reasonable. It may be a minor point, but what does it mean in relation to the rest of the numbers that are presented as means and 95 percent CI that cannot be checked.

(3) The authors also state in regards to this same data that "These findings demonstrate that significant family income loss has, on the average, occurred among Vietnam combat veterans, irrespective of their degree of educational attainment." (p. 135, first sentence of last paragraph). They do not present the data to substantiate this statement.

(4) Table 4.—How do they calculate the odds ratios? I don't understand how they can calculate a "p" value from count data. What is used for the variance? It would have been helpful if the authors had chosen to present their statistical treatment procedures.

(5) On page 148, first paragraph, the authors state that ". . . there is an over-representation, by design, of men with combat zone experience, . . .". What is this based on and how was it done? There are more non-SEA persons than Vietnam veterans in the total study, there are more persons in the low combat category than the high, and the level of combat experience was only obtained after the questionnaire was returned. Therefore how or what was done "by design".

PAPER 3: HEALTH AND REPRODUCTIVE OUTCOMES AMONG AMERICAN LEGIONNAIRES IN RELATION TO COMBAT AND HERBICIDE EXPOSURE IN VIETNAM

Environ Res 47:150-174, 1988

(1) In the other 4 papers in this series, the measured parameter of interest is correlated to combat level and then to Agent Orange. In most cases the effect of AO is minimal due to the strong correlation that was obtained between combat and AO. Therefore the culprit was "combat" that caused all of the problems. However, in this paper the authors have reversed the order of regression with AO being the primary culprit and combat taking the secondary role. Why have they taken this approach and changed their mode of statistical evaluations?

(2) Table 1.—It is interesting to note that in every instance, the Vietnam veteran had a higher incidence of the disease or condition. Might not this indicate that the Non-SEA person was less likely to report a malady than the Vietnam veteran? Why was cancer (especially Non-Hodgkin's lymphoma or soft-tissue sarcomas) not included on the list of medically diagnosed diseases? That is the area that has received the most press for a number of years.

(3) On page 162, the authors explain that birth defects data is not included because it is necessary to have medical verification for such findings. Why is verification of the other medical diagnosis not necessary?

(4) Page 166, 2nd paragraph: Where is the data to support the authors' statement "Mean levels of Agent Orange exposure were always significantly higher in pregnancies which ended in miscarriage, compared to those that ended in live births, . . .".

(5) There is a general lack of a real discussion section in this paper. The literature is discussed but the "data" presented in this paper is not discussed.

PAPER 4: POST-TRAUMATIC STRESS DISORDER AMONG AMERICAN LEGIONNAIRES IN RELATION TO COMBAT EXPERIENCE IN VIETNAM: ASSOCIATED AND CONTRIBUTING FACTORS

Environ Res 47:175-172, 1988

(1) Page 190, 2nd paragraph: The authors state that PTSD-like symptoms were found in veterans not considered to be exposed to heavy combat, yet no data was presented to compare the Vietnam veteran to the "no combat" Non-SEA group. The data was apparently available to make such a comparison.

(2) AO is not discussed in this or the final paper, even as a potential interaction element, as was done in the first two papers. I wonder why?

PAPER 5: UTILIZATION, ATTITUDES, AND EXPERIENCES OF VIETNAM ERA VETERANS WITH VETERANS ADMINISTRATION HEALTH FACILITIES: THE AMERICAN LEGION EXPERIENCE

Environ Res 47:193-209, 1988

(1) I didn't find anything really surprising in this paper other than there was no comparison to the AO exposure level.

EDITORIAL: NEW LIGHT ON THE HEALTH OF VIETNAM VETERANS

Michael Gochfeld, Environ Res 47:109-111, 1988

The author indicates his bias very early in the editorial with the statement concerning the "remarkably complacent responses" of the DoD and VA. Later in the article he refers to the VA's role with terms such as "with much reluctance", "of varying reliability", and "the VA's inadequate role".

He also makes a much bigger point of the role of AO in the statistical analyses of the 5 papers than is actually found in the data. Mr. Gochfeld does indicate the value of TCDD blood levels as a biomaraker for AO exposure, but does not follow through with the logical inclusion of a reference to the CDC work; perhaps a problem with timing. In light of the DC JAMA article, I do not agree with Mr. Gochfeld or the Stellman et al. articles that "categorization of Vietnam veterans according to herbicide exposure can be successfully accomplished".

Unfortunately, the editorial put too little emphasis on the main issue of combat level related issues in the obvious desire to over implicate the weaker role of Agent Orange exposure.

THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION

Mr. DIXON. Mr. President, in the near future the President will announce the results of the "management study" which he commissioned during his State of the Union Address. This study is to provide an overall review of the Defense Department's management structure and procurement practices, and initiate steps to bring the Department into full compliance with the recommendations of the "Packard Commission." I look forward to the conclusions and recommendations that the President and Defense Secretary Cheney will make.

Mr. President, since coming to the Senate in 1981 I have been personally involved in the Senate's review of and legislative initiatives in the area of defense procurement policy. In fact, I offered the first legislative proposal in the Congress to create the position of the Under Secretary of Defense for Acquisition—a position that Congress enacted in July 1986 and refined in subsequent legislative provisions. As a member of the Senate Armed Services Committee, I have been a student of the background and intent behind the Packard Commission recommendations, and a strong supporter of those very important guidelines.

When I introduced the first legislation to create the Office of the Under Secretary of Defense for Acquisition, I had one principal purpose in mind—to create a senior level official in the Department of Defense who would be the child policymaker for defense acquisition, and who would have the oversight authority for the Pentagon's weapons systems purchases. The position was to be the designated "czar" of all phases of defense procurement. Regrettably, I must report that, despite my efforts and those of my colleagues in the Congress, our goal has never been achieved.

Our congressional hopes and aspirations for the successful implementation of this critical position will have no future if this entire enterprise is not moved off dead center. Because that initiative appears fuzzy at the administration's end of this undertaking,

it appears that the task may once again be left to Congress.

Since the Packard Commission issued its report in June 1986 there has been a followup report which Mr. Packard personally conducted for President Reagan, and dozens of studies and analyses of the status of the recommendations. I remember vividly the testimony of former Deputy Secretary Taft—proudly announcing that the department had fully implemented all of the Packard Commission's recommendations. We now have the Department acknowledging that not all of the recommendations have been implemented, and more work needs to be done. This unfinished agenda has been confirmed by the General Accounting Office and several followup congressional hearings on both sides of the Capitol.

The law and legislative history, as well as the DOD implementing directive, make it clear that the Under Secretary of Defense for Acquisition is the primary Department of Defense official for procurement matters. It is that simple, Mr. President. I can not for the life of me understand why it is proving so difficult, so impossible, to get this show on the road. The statute relating to the duties of the Under Secretary of Defense for Acquisition provides for four functions for this job:

First, supervising all Department of Defense acquisitions;

Second, establishing policies for all phases of acquisition for all of the Department of Defense;

Third, establishing policies for the defense industrial base; and

Fourth, providing authority to direct the service secretaries of the military departments in all matters for which the Under Secretary has responsibility provided for by law or by direction of the Secretary of Defense. The law also specifically provides that, with respect to all matters for which the Under Secretary for Acquisition has responsibility, the person holding that position "takes precedence in the Department of Defense" After the Secretary and the Deputy Secretary.

The authority could not be stated any more clearly. Yet both of the men who held that position during the Reagan administration complained that they were hampered in carrying out their assigned statutory responsibilities. Suffice it to say, the failures do not stem from any ambiguity in the law or the Department's written directives.

I discussed the roles and responsibilities of the Under Secretary for Acquisitions with Secretary Cheney during his confirmation hearing. I probed this issue again with Don Atwood, the Deputy Secretary of Defense, when the Senate Armed Service Committee held his confirmation hearing. Atwood talked openly and candidly on the record about the role of the Under Secretary for acquisition, and the relationship which that individual should have with him and Secretary Cheney. Despite some early misinterpretations of his position, Secretary Atwood put his thoughts in writing to the Senate Armed Services Committee on the role of that post to the Department's senior leadership. I ask unanimous consent that the text of Mr. Atwood's letter be incorporated in the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DIXON. Mr. President, we are awaiting the nomination of the first Under Secretary for Acquisition chosen by the Bush-Cheney administration. From the press reports concerning the search process, it appears that well over two dozen people have apparently declined the opportunity to serve in this important post, for a variety of reasons. I hope that a candidate will be nominated in the near future.

Mr. President, in the last Congress, I introduced S. 2621, which would have enhanced the statutory authority of the Under Secretary of Defense for acquisition. I had considered reintroducing that legislation, with changes, today. However, given the forthcoming management study intended to provide further guidance concerning the roles and responsibilities of the Under Secretary for Acquisitions within the Department of Defense, I have decided to withhold introducing my legislative proposal for the time being. However, I ask unanimous consent that the text of my proposed legislation appear at the end of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 2.)

Mr. DIXON. I will be watching both the words, and the deeds, of the President and of the Department of Defense when the management study is released. I am willing to wait for the confirmation process of a new Under Secretary of Defense for Acquisition, and the opportunity to question the candidate on his or her background, vision for this critical position, and assurances that have been received regarding the role of the position in the scheme of things at the Pentagon, and the interpretation of the authority and responsibility for the position within the Office of the Secretary of Defense and the service secretaries.

This position is too important to be left vacant or cut adrift at the start of the new administration. This Senator will be waiting and watching the Department's actions. To be prefectly candid, deeds thus far have not come close to matching up with the words coming from the Pentagon. Congress knows what it wants. It is now time for the Department of Defense to comply with those wants. Our citizens expect a dollar's worth of value for their defense dollar. They have not been getting that result, and the acceptance by the Department of Defense of the strategic importance of that position has to come if the taxpayers are to get their due. Compliance with the intent of Congress can come easy or it can come hard—but, Mr. President, it is going to come.

EXHIBIT 1

APRIL 10, 1989.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: During last Wednesday's hearing on my nomination to be Deputy Secretary of Defense, I was asked to expand upon my written response to your pre-hearing Question 9, regarding the relationships among the Under Secretary of Defense for Acquisition (USD(A)), the Deputy Secretary of Defense, the Services Secretaries and the Service Acquisition Executives.

The legislative history of the statute that created the USD(A) position, and the subsequent hearings conducted by the Senate Armed Services Committee relating to the Department's implementation of the statute, provide clear statements of Congressional intent on the relationship between the USD(A) and the other Departmental officials identified in Question 9. The USD(A) is responsible for the supervision and direction of the Department's acquisition system, subject to the Secretary's authority, direction, and control. He is responsible for the formulation of policy regarding the full range of matters encompassed within the Department's acquisition system. It is expected that his policy decisions will be implemented by the Secretaries in the Military Departments and their Service Acquisition Executives.

It is clear to me from the Senate Report accompanying the legislation that created the USD(A) position (Senate Report 100-331) that, since the USD(A) will be held accountable for supervising the entire acquisition system, it is essential that he be empowered to enforce compliance with Defense-wide policies. In this regard, in the exceptional case where it may become necessary for the Under Secretary to issue a direction in an individual case, he has that power as provided by law. The Under Secretary will normally participate in or make programmatic decisions at relatively major programmatic decision points. To the extent that these decisions may differ with the wishes of a Service Secretary or a Service Acquisition Executive, the statute makes clear that the decisions of the Under Secretary will prevail in his area of responsibility. I believe that the DOD Directive specifying the responsibilities, functions, relationships, and authorities of the USD(A), revised following the Senate Armed Services Committee's September 22, 1987 hearing, seeks to embody this understanding.

With respect to relationships between the Deputy Secretary and the USD(A), the law is clear that the USD(A) is subject only to the authority, direction, and control of the Secretary of Defense. If the Deputy Secretary of Defense is to exercise supervision or exercise approval authority regarding acquisition policies, directives, or other decisions of the USD(A), it would be done only in the

capacity of acting for the Secretary under a delegation of the Secretary's authority.

The foregoing captures my understanding regarding the intent of the Congress regarding the relationships among the USD(A), and the Deputy Secretary of Defense, the Secretaries of the Military Department, and the Service Acquisition Executives.

Sincerely,

DONALD J. ATWOOD.

EXHIBIT 2

S. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Department of Defense Procurement Improvements Act of 1989".

SEC. 2. EXPANSION OF RESPONSIBILITIES OF THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) RESPONSIBILITIES.—Subsection (b) of section 133 of title 10, United States Code, is amended to read as follows:

"(b)(1) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Acquisition shall be responsible for the following:

"(A) The centralized procurement of all property and services for the Department of Defense.

"(B) The establishment and implementation of procurement policies for the Department and the approval of exceptions from the application of such policies in the case of any procurement.

"(C) All contract administration functions of the Department of Defense, including all functions relating to audit and oversight of contractor activities.

"(D) The supervision, direction, and control of all advocates for competition in the Department of Defense.

"(2) The Under Secretary may delegate his authority with respect to the procurement of any particular type or class of property or service to the senior procurement executive of a military department if the Under Secretary determines that the delegation of such authority will result in savings to the United States or is necessary to provide the property or service to the military department in a timely and efficient manner.".

(b) OTHER FUNCTIONS.—Section 133 of such title is further amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (g), respectively;

(2) by inserting after subsection (b), the following new subsection (c):

"(c) The following functions shall come under the Office of the Under Secretary of Defense for Acquisition:

"(1) All functions of the Department of Defense relating to the procurement of property and services.

"(2) All functions of the Defense Acquisition Regulatory Council and the Defense Logistics Agency.

"(3) All functions of the Office of Small and Disadvantaged Business Utilization of the Department of Defense (established under section 15(k) of the Small Business Act (15 U.S.C. 644(k)).": and

(3) by inserting after subsection (e), as redesignated by clause (1), the following new subsection (f):

"(f) The Secretary of Defense, in consultation with the Under Secretary, shall appoint the senior procurement executive of each military department by and with the advice and consent of the Senate. Each senior procurement executive shall report directly to the Under Secretary.".

(c) CONSULTATION WITH INSPECTOR GENERAL.—Subsection (e) of such section, as redesignated by subsection (b)(1), is amended—

(1) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) In carrying out responsibilities relating to audit and oversight of contractor activities by the Department of Defense, the Under Secretary shall consult with the Inspector General of the Department of Defense."; and

(2) by redesignating paragraph (3) as paragraph (2).

(d) UNDER SECRETARY TO REPORT DIRECTLY TO SECRETARY.—Section 133 of such title is further amended by adding at the end the following new subsection:

"(h) The Under Secretary shall be subject only to the authority, direction, and control of the Secretary of Defense and shall report directly, without intervening review or approval, to the Secretary of Defense personally on all matters relating to the functions specified in subsections (b) and (c).".

SEC. 3. REVIEW AND APPROVAL OF CONTRACTS FOR FULL-SCALE DEVELOPMENT AND FOR PRODUCTION

(a) IN GENERAL.—Chapter 137 of such title 10, United States Code, is amended by adding at the end the following new section:

"§ 2331. Contracts for full-scale development and for production

"A contract for the full-scale development of a major system or for the procurement of a major system may not be entered into unless the Under Secretary of Defense for Acquisition has reviewed and approved the contract. In reviewing any proposed contract for procurement of a major system, the Under Secretary shall evaluate the plans and specifications for the system, determine the necessity for production, consider the commonality of parts and components of the system, and consider the complexity and practicality of the system.".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2331. Contracts for full-scale development and for production.".

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS

(a) CIVILIAN EMPLOYEES.—Section 1584 of such title is amended—

(1) by striking out "of a military department" and inserting in lieu thereof "of the Department of Defense"; and

(2) by striking out "the Secretary of that department" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition".

(b) PROCUREMENT MANAGEMENT PERSONNEL.—Section 1621(1) of such title is amended by striking out "the Secretary of a military department" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition".

(2) Section 1622 of such title is amended—

(A) in subsection (a)—

(i) by striking out "The Secretary of each military department" and inserting in lieu thereof "The Under Secretary of Defense for Acquisition"; and

(ii) by striking out the last sentence; and

(B) in subsection (d), by striking out "the Secretary concerned" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition".

(3) Section 1623 of such title is amended—

(A) in subsection (a)—

(i) by striking out "The Secretary of each military department" and inserting in lieu thereof "The Under Secretary of Defense for Acquisition".

(ii) by striking out the last sentence; and

(B) in subsection (c), by striking out "The Secretary concerned" and inserting in lieu thereof "The Under Secretary of Defense for Acquisition".

(c) PROCUREMENT GENERALLY.—(1) Section 2302(1) of such title is amended by striking out ", the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force," and inserting in lieu thereof "(acting through the Under Secretary of Defense for Acquisition),".

(2) Section 2303(a) of such title is amended by striking out paragraphs (2), (3), and (4) and by redesignating clauses (5) and (6) as clauses (2) and (3), respectively.

(3) Section 2305(d) of such title is amended—

(A) in the first sentence of paragraph (1)(A), by striking out "The Secretary of Defense shall ensure that," and all that follows through the "head of an agency" and inserting in lieu thereof "The Under Secretary of Defense for Acquisition, in preparing a solicitation for the award of a development contract for a major system, shall";

(B) in the second sentence of paragraph (1)(A), by striking out "head of an agency" and inserting in lieu thereof "Under Secretary"; and

(C) in the first sentence of paragraph (2)(A), by striking out "The Secretary of Defense shall ensure that," and all that follows through "the head of an agency" and inserting in lieu thereof "The Under Secretary of Defense for Acquisition, in preparing a solicitation for the award of a production contract for a major system, shall".

(4) Section 2306(h) of such title is amended—

(A) in paragraph (2)(A), by inserting ", acting through the Under Secretary of Defense for Acquisition," after "Secretary of Defense"; and

(B) in paragraph (2)(D), by striking out "agencies in".

(5) Section 2311 of such title is amended by inserting "and subject to section 133(b)(2) of this title" after "Except as provided in section 2304(d)(2) of this title.

(6) Section 2318 of such title is amended by striking out subsection (c) and inserting in lieu thereof the following:

"(c) All advocates for competition in the Department of Defense shall be under the supervision, direction, and control of the Under Secretary of Defense for Acquisition.

"(d) Each advocate for competition of a military department or a Defense Agency shall transmit to the Under Secretary of Defense for Acquisition a report describing the activities of the advocate during the preceding year. The report of each advocate for competition shall be included in the annual report of the Secretary of Defense required by section 23 of the Office of Federal Procurement Policy Act (41 U.S.C. 419), in the form in which it was submitted to the Under Secretary.".

(7) Section 2324(h)(2) of such title is amended by striking out "or the Secretary of the military department concerned".

(8) Section 2327 of such title is amended in subsection (c)(2)—

(A) by striking out "Upon the request of the head of an agency, the Secretary of Defense" in the first sentence and inserting in lieu thereof "The Under Secretary of Defense for Acquisition"; and

(B) by striking out "Secretary of Defense" in the second sentence and inserting in lieu thereof "Under Secretary".

(9) 2329 of such title is amended—

(A) in subsection (b), by striking out "the Secretary of a military department" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition";

(B) in subsection (c)—

(i) by striking out "the Secretary concerned" each place it appears and inserting in lieu thereof "the Under Secretary of Defense for Acquisition"; and

(ii) by striking out the last sentence of paragraph (3) and inserting in lieu thereof the following: "The Under Secretary shall establish criteria for cases in which a percentage less than 50 percent may be specified.".

(d) RESEARCH AND DEVELOPMENT.—(1) Section 2352 of such title is amended by striking out "a military department" and inserting in lieu thereof "the Department of Defense".

(2) Section 2353 of such title is amended—

(A) in the first sentence of subsection (a)—

(i) by striking out "a military department" and inserting in lieu thereof "the Department of Defense"; and

(ii) by striking out "the Secretary of the military department concerned" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition"; and

(B) in subsection (b)(3), by striking out "the Secretary concerned" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition".

(3) Section 2354 of such title is amended—

(A) in subsection (a), by striking out "the Secretary of the military department concerned, any contract of a military department" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition, any contract of the Department of Defense";

(B) in subsection (c)—

(i) by striking out "the Secretary of the department concerned" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition"; and

(ii) by striking out "of his department"; and

(C) in subsection (d), by striking out "the Secretary concerned" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition".

(4) Section 2355 of such title is amended—

(A) by striking out "Secretary of each military department" and all that follows through "Comptroller General," and inserting in lieu thereof "Under Secretary of Defense for Acquisition, with the approval of the Comptroller General, may"; and

(B) by striking out "his department" and inserting in lieu thereof "the Department of Defense".

(5) Section 2356(a) of such title is amended to read as follows:

"(a) The Under Secretary of Defense for Acquisition may delegate any authority under section 1584, 2353 (except subsection (b)(3) of such section), 2354, 2355, or 2358 of this title to any employee of the Defense Logistics Agency.".

(6) Section 2357 of such title is amended by striking out "The Secretary of each military department" and inserting in lieu thereof "The Secretary of Defense".

(e) MISCELLANEOUS PROCUREMENT PROVISIONS.—(1) Section 2381 of such title is amended—

(A) in subsection (a)—

(i) by striking out "The Secretary of a military department" and inserting in lieu thereof "The Under Secretary of Defense for Acquisition"; and

(ii) by striking out "that department" in clause (1) and inserting in lieu thereof "the Department of Defense"; and

(B) in subsection (b), by striking out "the Secretary concerned" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition".

(2) Section 2388 of such title is amended—

AN OPEN LETTER TO PRESIDENT GEORGE BUSH

Mr. HELMS. Mr. President, Sunday's Washington Post, June 18, contained the specious mouthings of someone identified as Charlotte R. Murphy who was protesting, among other things, the fact that there is widespread resentment to the American taxpayers' money being wasted on crude, blasphemous, and childish "works of art" by people to whom nothing is sacred.

I do not know Ms. Murphy and do not care to know her. The saints have been good to me in that regard. But what she needs to understand, and obviously does not, is that intellectual honesty is imperative in any rational discussion.

She claimed in her diatribe that she is "an adult working in the arts." She proclaimed that "Corcoran's chilling decision to drop the Robert Mapplethorp photographic exhibit" was a personal "misfortune" to her.

But what she doesn't say, Mr. President, is what kind of "photographic exhibit" it was that got canceled. She knows that the public, except for a minute segment of it, can never be made aware of the nature of the "art" which she feels is worthy of mandatory support by all American taxpayers.

Pictures of male genitals placed on a table is not art—except perhaps to homosexuals who are trying to force their way into undeserved respectability. Ms. Murphy failed to mention the prizewinning—$15,000 of the taxpayers, money—photograph that caused the uproar in the first place: A jerk filled a glass container with his own urine, struck a crucifix into the container, and took a picture of it. Even worse, he gave a name to his "work of art"—using a word that I will not utter in this Senate Chamber. Suffice it to say, this "artist" blasphemed the name of Jesus Christ.

Sure, Mr. President, I protested. I protested mightily. But I was not stronger in my condemnation of the "artist" than I was the "stewards" of Federal funds who decided to pay this "artist"—this jerk—$15,000 for this photograph of a crucifix resting in a glass container of the "artist's" urine.

In her Washington Post piece on Sunday Ms. Murphy referred to "a few reactionary politicians—like Senator JESSE HELMS—and their small-minded followers who have no interest in "art"—no matter how repulsive, no matter how blasphemous, no matter how arrogant.

I've got news for Ms. Murphy: All across America, good, decent taxpaying citizens are up in arms. If that's "chilling censorship," there are lot of folks around who intend to make the most of it.

Mr. President, over the weekend I read an article published last week, June 13, in the New York Tribune. It was written by James F. Cooper, the Tribune's art critic. Mr. Cooper writes a weekly column for the newspaper on the subject of Ameican culture.

Mr. Cooper's article was presented under the heading "An Open Letter to President George Bush." I intend to do my best to make sure that the President does indeed read it. It is an eloquent answer to the perverse elements in our society—to those who come forth with disgusting, blasphemous "art" which is not art at all.

Mr. President, I ask unanimous consent that Mr. Cooper's "Open Letter to President Bush" be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York City Tribune, June 13, 1989]

AN OPEN LETTER TO PRESIDENT GEORGE BUSH

MR. PRESIDENT: You are about to appoint a new chairman for the National Endowment for the Arts, an agency that dispenses almost $200 million per year to the arts.

Although articles about potential candidates have been appearing in the press for weeks, little space has been devoted to the critical role the arts play in the life of a nation.

Much attention has been focused on problems in fundraising, but less money was spent on the Italian Renaissance than is spent each year for public art in the United States. It is evident that Americans have been vastly shortchanged on their investment. The Medicis and popes gained works by Michelangelo, Raphael, and Leonardo, while American taxpayers have had to settle for "Titled Arc," "Piss Christ," and "Batcolumn."

The issue of public art should focus on quality, not quantity. Since the passage of the 1965 act establishing the National Endowments program recommended by John F. Kennedy, the number of art institutions in the nation have increased by more than 1,000 percent. In New York City alone there are now 29 orchestras, 33 opera companies, 35 theater companies and 214 dance companies.

Thousands of sculptures of questionable value have been installed in public spaces across the nation under the Art in Architecture program administered by the General Service Administration (GSA), which allocates one percent of federal money spent on construction to be set aside for public art.

Without exception, not one of these thousands of public sculptures evidence qualities that might be described as beautiful or meaningful. Millions of dollars of taxpayers money have been thrown down the drain.

Worse than the waste of money is the internecine message disseminated by these

ugly confrontational artworks. And what is that message?—that America reveres nothing: not beauty, not patriotism, not even virtue!

In contrast to the moral and aesthetic qualities evidenced in all great art since the time of the pharaohs, American public art inflicts a negative, self-destructive image upon the psyche of our nation.

Tilted Arc and *Batcolumn* by no means the worst examples) are characteristic of the thousands of ugly, confrontational, and vacuous art forms that deface public malls from Boston to Seattle. Together they stand as mournful symbols of the failure of national leadership to provide a *raison d'etre* for American culture.

Such was not always the case. George Washington, in his first annual address to Congress, advised: "Nothing better deserves your patronage than the promotion of science and literature." Washington provided money in his will to endow a national university for the arts and sciences.

In 1816, New York governor De Witt Clinton opened ceremonies at the American Academy of Fine Arts by proclaiming: "Can there be a country in the world better calculated than ours to exercise and exalt the imagination—to call into activity the creative powers of the mind, and to afford just views of the beautiful, wonderful, and sublime American wilderness and American cultural landscape."

Such words did not fall on deaf ears. Samuel B. Morse was already organizing the National Academy of Arts, and within a year a young immigrant, Thomas Cole (1801-48), from Liverpool, England would begin a cultural revolution that would establish the agenda of the nation for the next hundred years. Cole, and the artists of the Hudson River School—Frederic E. Church, Jasper F. Cropsey, Asher B. Durand, and George Inness—celebrated the American landscape as a second Garden of Eden and a "fitting place for God" in their magnificent paintings.

Morse's vision of the Academy was founded upon the moral responsibility of the artist to improve America. "We may be of essential aid to the cause of morality; or we may be an efficient instrument in destroying it; we may help to elevate and purify the public mind by the dissemination of purity of taste, and raise the arts to its natural dignity as the handmaid of Truth and Virtue, or we may assist to degrade it to the menial office of pandering for the sensualist."

Morse's moral role for the arts was not unique. In France, the great painter Jacques-Louis David, founder of the Institute of Fine Arts and Ecole des Beaux-Arts, proclaimed: "I would help the arts toward their true destiny which is to serve Morality and elevate men's souls."

Both Mores and David drew inspiration from Plato's admonition to "Seek artists whose instincts guide them to what is lovely and gracious, so that our young men may drink in from noble works."

What bureaucrat today among those who administer public-funded cultural programs speaks of moral and aesthetic values?

Former President Ronald Reagan, in his farewell address to the nation, warned against the loss of values in popular culture, which he said has seriously hurt the nation. He left it to the next administration—the "educational" presidency—to create a national cultural agenda.

The rise of crime, drug abuse, and the decline in the family, work ethic, education, and morality, are a direct result of the negative impact of American culture, particularly upon the young.

Federal art programs today are administered by elephantine agencies devoid of policy guidelines. The National Endowment for the Arts, the National Council on the Arts, Commission of Fine Arts, Arts in Architecture program of the General Service Administration (GSA), National Endowment for the Humanities, each maintain vast byzantine networks of support agencies and advisers.

No one seems to be in charge. When a public-funded exhibition of photographs of Christ and the Pope submerged in vats of urine toured the United States for a year, none of the organizers and sponsors—which included the National Endowment for the Arts (NEA), Awards in the Visual Arts, Southeastern Center for Contemporary Art, The Equitable Foundation, The Rockefeller Foundation, Los Angeles County Museum of Art, or the Virginia Museum of Fine Arts—would accept responsibility for awarding the artist, Andres Serrano, a grant of $15,000.

Each of the judges, curators, and art experts interviewed insisted they had no final say in the selection process. Indeed, suggestions that they should be held accountable drew counter charges of "censorship" and abrogation of freedom of expression granted under the First Amendment.

The fact is that it is the large cultural agencies who practice discrimination and censorship. It is clear that the NEA and the GSA have enforced their own brand of censorship by refusing to consider art forms that evidence moral or aesthetic values contrary to their own limited definition of what is and what *is not* "art."

Instead of allowing the creative expression of the individual artist, these agencies support only those artists who fit within their narrow interpretation of "modernism."

In this *Alice in Wonderland* artworld, Andres Serrano—who created *Piss Christ* and *Piss Pope*—received *several* grants funded with public money, while gifted artists, such as Stephen Gjertson—who paint intensely spiritual scenes—have been repeatedly denied grants from the National Endowment.

Ten years ago a report issued by the Interior Subcommittee of the House Appropriations Committee accused the NEA of "mismanagement," and reliance on a "closed circle" of advisers that resulted in a conflict of interest in contracts and grants. The report charged "The arts endowment budget has grown beyond its ability to administer and manage its programs in accordance with its own objectives."

The report's strongest criticism of the NEA was reserved for its failure "to develop and promote a national policy for the arts."

The report concluded, "the endowment has abrogated its leadership role and allowed the various project applications submitted from the field to become a surrogate national policy, shaping the program direction and emphasis of the endowment."

Despite an enormous infusion of federal funds since 1979, there has been little improvement in the management of the NEA.

In light of this Mr. President, I respectfully suggest that you withhold your selection of a new chairman for the National Endowment for the Arts until it is clear in your mind what purpose the arts serve. It might even be advisable that the National Council on the Arts—which is the advisory body to the NEA—assist you vigorously in the construction of a sound and vibrant culture agenda for the nation.

The current crisis in the arts is alarming. The Biblical admonition that "the people perish without a vision," is all so tragically true. Civilizations collapse from internal rather than external pressure, warned historian Arnold Toynbee.

The source of this dilemma can be traced to a selection process commandeered by a few who are actively involved in guiding the cultural destiny of the United States to the exclusion of a broad spectrum of artistic expression. William Diamond, regional director of the GSA, acknowledged as much when he finally bowed to the demands of several thousand federal employees to remove *Tilted Arc* from Federal Plaza in Lower Manhattan. "For too long," he said, "decisions about public art have been left to a small bunch of elitists."

The problem goes deeper than that. The conflict derives from a lack of values as well as the criterion used to determine what purpose a national art program serves. Both "aesthetics" and "morality" must play strong roles in that program. There is no evidence that these two factors play *any* part in public art today.

The arts have become so important in determining the quality of American life—indeed, the very survival of this great nation that a cabinet post should be created for its disposition. France and England both have established a Ministry of Culture.

In comparison, the NEA is the closest institution we have to such a ministry. Therefore, the chairmanship should not be tantamount to a political "reward" or "plum." It is a position in need of a "visionary," who is cognizant of the past, willing to address the current crisis, and capable of initiating a cultural agenda worthy of this nation.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today is the 1,556th day of Terry Anderson's captivity in Beirut.

On March 17, 1989, a date which marked the fourth full year of Terry Anderson's ordeal, an article appeared in the Washington Post which summarized this ordeal and commented thereon. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A CAPTIVE IN A TRAGIC LAND—ANDERSON IN 5TH YEAR AS HOSTAGE IN LEBANON

(By Nora Boustany)

BEIRUT, March 16.—It was a sunny morning in March four years ago today when American journalist Terry Anderson, shaking off suspicions that he was being observed and followed, decided to go ahead with his tennis game in a city where he felt he belonged.

But within minutes, gunmen intercepted his car, dragged him out and bundled him into a Mercedes with drawn curtains.

After covering the news of tragedies in Lebanon as The Associated Press bureau chief here, Anderson, now 41, became the news himself, as threatening statements from his pro-Iranian captors, the Islamic Jihad, shaped fears and expectations about his fate.

Today, he began his fifth year in captivity as the longest-held foreign hostage in Lebanon. Except for occasional messages, pic-

tures and videocassettes distributed by his captors and containing appeals to the U.S. government and public, Anderson now rarely makes headlines, having become yet another nearly forgotten symbol of Lebanon's despair and chaos.

During his captivity, Anderson's father and a brother have died. A daughter, born shortly after his capture, has never seen him. Four other American hostages have been freed, as have all the French hostages.

One of the released Frenchmen, journalist Jean-Paul Kauffmann, freed last year after being held three years, made an impassioned plea today for rekindled public interest in the hostages, The Associated Press reported from Paris.

In the newspaper Le Monde, Kauffmann lamented that the hostages are no longer objects of mass compassion, no longer bargaining chips, no longer even political pawns.

"The truth is that the hostages in Lebanon today have become the damned of the West," he wrote. "Without hope of being saved, imprisoned in silence and darkness, deprived of the sight of the world of the living, forgotten, they no longer represent anything. . . .

"The most tragic thing is that this torment is administered as much from the outside by countries and people indifferent to their fate as on the inside by their captors."

Trapped in an unending game of conflicting interests involving Iran, Syria and local Lebanese groups that specialize in the business of hostage-taking, Anderson and the eight other Americans still held hostage have become the only consent factor—their captivity a kind of insurance policy for their captors.

Although prospects of their release seemed to improve with a cease-fire in the Persian Gulf war last summer, Tehran's crisis with the West over a book many Moslems consider blasphemous to Islam has dashed hopes that Anderson and other hostages will soon be freed.

The controversial book, "The Satanic Verses," by British author Salman Rushdie, led to a reversal of Iran's moves toward rapprochement with western powers. The row over the book overshadowed the significance of detente between Iran and the West and the importance of the liberation of foreign hostages.

The other Americans still held captive are Thomas Sutherland, kidnaped in June 1985; Frank Herbert Reed, Joseph James Cicippio and Edward Austin Tracy, kidnaped in 1986; Alann Steen, Jesse Jonathan Turner and Robert Polhill, held since 1987, and Marine Lt. Col. William Higgins, kidnaped in 1988. Other hostages include Terry Waite, a representative of the Church of England, seized in 1987.

The kidnaping of Anderson has had a devastating effect on first-hand western press coverage of Lebanon, driving out most foreign journalists. The virtual absence now of outside journalists in a country that once served as a window for understanding the forces at play in the Middle East has had grave implications for international understanding and press freedoms in the region.

Anderson—and the others—have become casualties in a struggle against a kind of darkness that has set in. In a desperate country that is daily at war or on the brink of war, the cause of absent or captive journalists is fading. Concern over blockades, airport closures, personal safety and the bare instincts of life and death now predominate.

GEN. BILL LEE: FATHER OF 82D AIRBORNE DIVISION

Mr. HELMS. Mr. President, one of the important heroes to hundreds of thousands of Americans is Gen. William C. Lee, who is known as the father of the gallant 82d Airborne Division. On a number of occasions I have spoken of General Lee and his enormous contribution to victory over Nazi Germany in World War II.

General Bill Lee was a native of Dunn, NC, a remarkable city in so many ways. In May, Dunn was named an "All-American City" by the National Civic League. As much as anything else, that recognition was bestowed because of a museum that has been created in Dunn to house all manner of memorabilia relating to the life and career of Gen. Bill Lee, father of the 82d Airborne Division.

Mr. President, two of the many people who have worked hard on this memorial to General Lee are Hoover Adams, publisher of the Dunn Daily Record, and Robert M. Pace, now a resident of Chapel Hill, NC. Their untiring efforts have paid off. The General Lee Museum is a splendid reality, and there is an annual celebration in honor of the general, who died in 1948.

On June 6, columnist Dennis Rogers of the Raleigh, NC, News and Observer published a column of great interest to all of us who are proud of General Lee. The heading on the column: "Bill Lee created the airborne and inspired his hometown." I believe all Senators, and others who read the CONGRESSIONAL RECORD, will find this column fascinating. Thus, Mr. President, I ask unanimous consent that the Dennis Rogers column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILL LEE CREATED THE AIRBORNE AND INSPIRED HIS HOMETOWN

DUNN.—Bill Lee from Dunn looked a lot like another North Carolinian, a movie star named Randolph Scott. He was the perfect picture of a major general.

He stood tall and ramrod straight. His quiet demeanor, steely gaze and deep affection for his men inspired them to perform feats that even today, 45 years to the day after his and their greatest accomplishments, his name is still legend in the annals of those brave men who jump from airplanes.

D-Day, June 6, 1944. The Longest Day, movie makers called it. It is a day laden with myth and derring-do. It is the day that the largest invasion in history slammed onto the beaches of France. A well-planned but risky move, it spelled doom for Adolf Hitler and victory for the Allies. Bill Lee from Dunn was one of those who made it work.

Bill Lee from Dunn. Just a local kid, a football player and a baseball player. A big, strapping boy, he loved Dunn and Dunn loved him. He grew up in Dunn and went away to college but he always came home when he could. No one knew what would become of the Lee boy. But he did himself and his hometown proud.

There is a mansion at 209 W. Divine St. with a heroic statute on the lawn. It was Bill and Dava Lee's house, the place he came when war would lessen and he could get away. And it is in this house, and on this lawn, that his memory is preserved and his story told.

He was a career soldier. Fresh out of N.C. State University, he did his fighting in World War I, serving 18 months in the infantry in France. Then came a long, fallow period for soldiers. Throughout the 1920s and 1930s, with the Army shrinking around him, Bill Lee stayed in uniform and kept his eyes open.

During an assignment in Europe in the late 1930s, he watched, alarmed, as Hitler's army grew. And the thing that fascinated him the most were the German paratroopers. No one had done that sort of thing before, drop soldiers from airplanes with parachutes, but Bill Lee saw what they could become.

He came home to a frightened Washington. Everyone knew war was coming and knew it would be in Europe and we would be in it up to our bayonets. He talked to anyone who would listen about seeing those soldiers coming out of the sky. We need to be able to do that, he said. But no one wanted to hear it. After all, he was talking to generals who still believed in a cavalry on horseback.

But one man, just one, listened to Bill Lee from Dunn and believed what he had to say. He was President Franklin D. Roosevelt. It was the president himself who gave Bill Lee, the country boy from Dunn, the chance to become a legend.

He told Bill Lee to put together a platoon of young soldiers and see what he could do with this parachute business. He took a handful of volunteers from the 29th Infantry and within four years had formed, trained, and sent to war two of the most famous fighting outfits in the world, the 82nd Airborne Division and the Screaming Eagles of the 101st Airborne Division.

In four years this back-room organizer, trainer and planner had turned one platoon of 30 men into 20,000 elite sky soldiers.

And on this day, 45 years ago, those men jumped into the night skies of France, buying space and time for the hundreds of thousands of their comrades who stormed ashore from the English Channel.

It was a tradition that when paratroopers leaped from their planes into the thin air, they shouted a battle cry. That cry was "Geronimo!"

But not on D-Day. On that jump, when the future of the world was riding with them, they leapt from their planes and yelled, "Bill Lee!" No general could have had a greater honor, to be so loved and respected by the men he had trained and led.

But Bill Lee wasn't there with them that night. He was in Dunn, in his bedroom at 209 W. Divine St. Stricken by a massive heart attack four months earlier, he had been sent home, back to the shelter and safety of the small Harnett County town that had long been his refuge. He died there in 1948.

Bill Lee from Dunn did something else for this town. He gave the people something to believe in.

Five years ago, Dunn was just another little town on the way to nowhere. Nothing much was happening, and no one seemed to care. Realizing that something had to be done, some folks got together and proposed

that the Bill Lee's house be saved and that the people of Dunn tell the world how proud they were of their boy Bill by putting a museum in his old house. The "Father of the Airborne," they called him and they were not exaggerating.

That decision began a rejuvenation of both the house at 209 W. Divine St. and the spirit of a town that was lackadaisically taking itself for granted. The museum was finished, the town of 9,300 got some civic pride back, sights were set toward the future and last month Dunn named an All-American City by the National Civic League.

They held the local ceremony on the front lawn of Bill Lee's house. He was a shy, self-effacing man, but I think he would have liked that. He couldn't be there when his soldiers helped save the world, but he could be home, at least in spirit, when his friends and neighbors saved their town.

RESUMPTION OF NUCLEAR AND SPACE TALKS

Mr. DOLE. Mr. President, today the United States and the Soviet Union resume the strategic arms reduction talks in Geneva. If a START agreement is reached, it will have immense consequences for our national security. Therefore, as I have said before, it is essential that we take the time to do it right.

Our negotiators need to be patient, and we here in the Senate need to be patient. We in the Senate also need to be aware that our actions in this body can affect the United States negotiating posture in Geneva. This is especially true as we near consideration of the defense authorization bill.

We must be careful not to undermine our negotiators through unilateral cuts or other restrictions which could make it difficult for our negotiators to carry out their instructions from the President. President Bush has demonstrated his commitment to serious arms control. In order for these negotiations to be successful, this body must support him in that commitment.

I believe we must also keep in mind what success means in these negotiations—namely, enhanced stability and security. Our goal is not, and should not be just to make cuts. Our goal is—and should remain—to make 50 percent cuts in a way which enhances the stability of the strategic balance.

Reductions should be achieved in the context of a comprehensive and forward-looking approach to our force structure. That is why the distinguished President pro tempore Senator BYRD. The distinguished Senator from California [Mr. WILSON], and I cosponsored a resolution to last year's defense authorization bill calling for a comprehensive report on the implications a START agreement may have on our strategic force posture during the 1990's.

The Bush administration has approached our section 908 report seriously and I expect we will receive it this week.

We may not all agree on every element of a post-START force structure, but the section 908 report should provide a good basis for discussion.

In my view the U.S. approach toward a post-START environment should include an ever-increasing role for strategic defenses. America's SDI Program shows great promise for our goals of enhanced stability and security. SDI offers us the best insurance against any gaps in a START verification regime. Furthermore, strategic defense will also be our best insurance against mobile missiles.

In view of SDI's great potential, it is critical that the United States continue to protect and promote strategic defenses at the defense and space talks. In fact, I believe that a transition to greater reliance on strategic defenses will complement our efforts in the area of strategic offensive reductions in START.

I wish the best of luck to our Ambassadors Richard Burt and Hank Cooper in Geneva. The Senate observers will be traveling to Geneva next week and will be meeting with our negotiators. I won't be able to make this trip, but I look forward to hearing their report upon their return.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CHILD CARE IMPROVEMENT ACT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of S. 5, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 5) to provide a Federal program for the improvement of child care and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Mitchell amendment No. 196, in the nature of a substitute.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, today I rise to express support for the Act for Better Child Care legislation. It has been almost a year since I conducted the Senate Appropriations Committee field hearings in Las Vegas to investigate child care concerns and needs. I heard some shocking and even moving testimony from needy families and single mothers who cannot find work because they cannot afford child care.

Mr. President, at this hearing there were a number of witnesses who testified: juvenile court judges who deal with this problem on a daily basis, we had statements of child care providers, sociologists from the university and high school level, and many other people testified.

What I want to bring before the Senate today is just a little bit of testimony from some of the mothers who testified at this hearing. As I indicated, Mr. President, this is just a little bit of the testimony that was given from some people who I think see it from a perspective that perhaps we do not. This is a statement of a woman by the name of Diana Cybil.

My name is Diana Cybil. I'm a resident of Las Vegas now for almost 20 years. I have been on the ADC for almost 2 years, since my divorce, with my two sons.

When I found out about this program I was thrilled to know I could go back into the work field. Only because of the child care did I accept to go on with this program.

This was a new, experimental program that allowed women to work and also have child care.

My main reason for not working and staying at home with my children was because of not having the child care.

Now that I am working and receiving child care, it's given me the incentive to go on and make something of my life and for my kids. But if we lose this program here with the ADC, when I get off of it, when I find a job, it will not be beneficial to me or my children to go on with the work field. More or less stay on ADC.

Another statement from a woman by the name of Julia Davis:

I'm a resident of Las Vegas. I've been here 2 years.

I am here to talk about child care. Because of the very difficult marriage that ended in divorce which left me as a single parent, I have two kids. I had no other choice but to apply for ADC.

Through ADC I got on the work program. I'm getting good training, but once the training is over I'll be prepared to get a job.

But once you get a job, you lose all your benefits and child care will still be a major problem.

If child care was available years ago I wouldn't be on ADC now.

I don't want to be on ADC. And there are many others on ADC that feel the same way that I do.

I want to work but the child care expenses will be at least one-half or more of my pay. The system, the way it is now, won't allow me into the work field.

Mr. President, here is the statement of a 12-year-old girl. Again, we look at her problem, I think, from different eyes but let us look at it in her own eyes.

My name is Lashona. And some of my experience is—OK, like when we get out of school you see some kids around where I live at. People are selling drugs to the kids and, you know, the parents are off at work.

And we need a day care center for the kids to go to until their moms get off from work.

So we need to have a day care established because you wouldn't like your kids around pushing drugs, pushing drugs onto other kids and kids dying because of different drugs being pushed on and different diseases. Our parents need to work and sometimes kids cannot be around some of our parents because of things that's going on.

Like parents in a divorce, they need time with their kids in a day care center but I think we really do need a day care center for the kids to go into and stop drugs from being pushed around.

Mr. President, a woman by the name of Deborah Mays gave some examples of how difficult it is in Las Vegas, which is like other places as far as finding a place for your children to be provided for. This is a woman talking about making the commitment to go to work but having the problems of trying to find a place for her three children.

I began my search for a babysitter, with three kids by my side and no money, at the grocery store bulletin boards. The boards were full of ads from other single mothers also in need of sitters. I also searched many laundromats and found the same thing. There were lots of ads from others in need of care providers.

I did find one ad for licensed day care in a private home. The charge was $24/day for three children. I was making $6.78/hour, (which is twice as much as many other single mothers earn), and still I could not afford to pay out half of my paycheck for a babysitter and pay my bills and household expenses. I just coud not afford to do it!

I checked the senior citizen job referral listings and the jobs requested list. I found that there were many others requesting sitters but apparently no seniors interested. I telephoned local churches, talked to school officials, and to other parents and found only that the child care dilemma was nothing new. I knew it would be difficult but I found the problem unbelievable and out of control.

I placed an ad in the newspaper, for a sitter to come to my home. I received calls from other people asking what type of response I got from my ad and they wanted to know if I could help them. Finally, I found someone willing to work with me according to my ability to pay.

Still there were many other child care problems that came up. I didn't even know what to expect when I came home. I didn't know if my children would be fed, bathed, safe from neighborhood bullies and off the street or babysitting the babysitter! I had to put up with people and situations that I didn't want to in order to keep child care services so I could keep my job.

Sometimes, when my main sitter was not available, I had to rely on neighborhood teenagers. Some months, I would have several different sitters. With each sitter, there was a new set of problems! My home was ransacked and things came up missing. Groceries disappeared from my shelves. Meals I prepared for my children were fed to others while my children went without supper. My job was threatened by harrassing phone calls to my employer. Every day it was something different. There was even a jealousy problem because some neighbors could see I was getting ahead. Some of the sitters questioned the children about our personal lives. I have put up with unreasonable attitudes and irresponsible behavior so I could work and stay off welfare.

At one point, my children insisted that I stay home with them. They promised to clean yards to pay the bills so they would not have to deal with the parade of sitters. My children did not understand when I told them it was time for us to move up and that all of these problems were a part of the process. It is much harder on me because I know I am fighting for our survival.

My testimony represents the problems of many other women, both those on A.D.C. and the working poor. Our children don't understand the way we must live. We need assistance with job training, educationl and child care. It is my main concern that the ABC Bill (Act for Better Child Care), if passed, will first benefit those families on ADC and the working poor who earn less than $13,000 a year.

Mr. President, there is more, much more. This is some of the testimony that went into the Act for Better Child Care and I applaud and commend Senator DODD for his tireless work on this effort because the people that I read into the Record here today are the people that this legislation will help. We are not working in a vacuum. There are people who will benefit directly and they will benefit quickly as a result of the passage of this legislation.

At this hearing, I heard the grim statistics all over again. I had heard them before, but somehow the numbers become real when you see and hear the hurt and frustration of a parent trying to make a living and care for their children. This testimony that I heard in Las Vegas made this a personal experience for me.

Mr. President, my personal experience has always included a traditional family scenario in which the mother stays at home and rears the children while the father provides for the family's financial needs. My support for the ABC bill in no way diminishes my respect for those who make the choice to be full-time mothers, but for most women entering the work force, this is no longer a matter of choice. In the decade from 1970 to 1980, the number of single-parent families in Nevada increased by the extraordinary rate of 146 percent. From 1980 to 1990, I believe it will go even higher. In families with two parents, the dual income is no longer a luxury; it is a necessity.

In Nevada the lack of affordable child care takes on a great urgency because we have a 24-hour-a-day economy. Both men and women work shifts all through the day and all through the night. The child does not always have a traditional haven provided when the mother and father return home after a day of work on the job. Day care in Nevada means night care in many instances. The ABC bill requirements for licensed child care facilities and health and saftey standards is critical for the well-being of children whose parents are away from the house by day or by night.

A short time ago, I introduced legislation for victims' rights with the focus on the rights of child victims. While working on this legislation, I delved deeper into challenges that a young child carries on his shoulder as he makes his way through day care, through school, on the streets and even at home. None of these places are always inviting or are they safe. When I introduced my bill, I repeated the familiar saying that today's children are our hope for the future. I actually invoked the words of a parent who said children are our future, but we are their salvation.

We have a responsibility in the United States Senate to the children of this Nation. Passage of ABC honors at least part of that obligation. Some who oppose child care legislation allege that it will cost too much, but the money spent now would be minimal compared to what is usually paid out for remedial education, juvenile justice, rehabilitation and welfare generally.

Mr. President, in this hearing held in Las Vegas, there was some unique testimony by Judge John McGroarty, who is a judge of a court of unlimited jurisdiction who has the assignment and has for the last several years been the chief judge responsible for juvenile matters in Clark County where Las Vegas is. He said that we would save for every dollar spent on child care. We would make for this government $5 in money that would not have to be spent for remedial education, juvenile justice and welfare generally. Judge McGroarty speaks for the juvenile judges in this country. There is a problem. We are being penny wise and pound foolish because this bill will save money.

The situation is very similar—that of child care—to that which I have come to know well in Nevada, the problem of illiteracy. Directing money toward literacy programs now means less money paid out later. Illiteracy exacts its price on a greater number of welfare beneficiaries; lost taxes and lost productivity. Literacy, like child care, requires an investment now with a tremendous pay back for a stable productive society in the future.

Mr. President, I extend my strong support for the Act for Better Child Care, and I would like to conclude with a statement by a public private enterprise in Nevada called the Children's Cabinet. This group studied the plight of Nevada's children and summarized the situation with a statement applicable to the children throughout our country. We should heed their words, which are as follows:

Our future and our children's future depend on the priorities we select today. It depends on our success in keeping children safe and families together. We can choose to continue to build more detention centers, jails and prisons, or we can choose to commit our resources to prevention, early intervention, and treatment programs to strengthen families and protect our most precious resource, our children.

I yield the floor.

Mr. DODD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from

Mr. DODD. Let me commend my colleague from Nevada, first of all, for his comments this morning, but second, as far as I know, he is one of the few Members of this body who on his own conducted a hearing in his own State on this issue. Others of us have listened to our constituents and talked to groups as they have come through town. I held hearings, of course, here in the city and elsewhere as chairman of the subcommittee dealing with this issue. It is unique, indeed, when a Member not necessarily involved in a committee situation, as the Senator was at the time I believe, but invited people all across his State representing a diverse set of view points, in the State of Nevada to come and testify before him so he can learn first hand what the needs of his own State would be in the child care arena. I commend him for taking that step because it gives our Members and colleagues an opportunity to get a feel and a sense of how our own constituents feel about this at the local level.

I think there is an assumption with legislation like this that it is an idea popular in Washington maybe; that this is an idea like some specialist or some academicians or some professionals in the arena would like to see adopted but that it does not mean much to the average constituent who is working hard trying to raise a family and making ends meet. Our colleague from Nevada has gone out and tested that theory in his own State and discovered that, in fact, his constituents, without getting into the specifics, if you will, of a specific piece of legislation have said we have a problem; we have a problem in paying for child care. It is very expensive for the average family. We are concerned about whether or not we can find it even if we can afford it and if we can find it and afford it, we are deeply worried about who these people are who are watching the most prized possessions in our lives, our children.

So the answer came back from the people of Nevada, we would like to see something happen that would help us out in terms of improving the quality of child care, making it available and, to the extent possible, reducing the cost of working families for child care as they try and make ends meet.

I commend him immensely for having taken that step. His knowledge of the issue is rooted in that first-hand information which is the best information Members can always get, and that is from the people they represent. I thank him for his kind comments, I thank him for his remarks this morning and, most specifically, I thank him for taking the steps of inquiring of his constituents what their real interests are in this legislation.

Mr. President, I would like, if I could, at this juncture to bring my colleagues up to date on the legislation before us. We have had now two days of debate, not full days, only about 3 hours or so on Thursday and 3 hours or so on Friday. There were no votes. The leader has indicated there would be no votes today prior to 5:30 p.m., and even that may change depending upon a meeting, I gather, the leadership will be having a little later this afternoon. There are a number of amendments that are being drafted that I believe are noncontroversial, in which case the votes would not be required. We may deal with some of those this afternoon.

If I could, I would like to just brief my colleagues on the parts of the ABC bill, what is in the ABC bill as it is now before the Senate, having been resubmitted in the form of a substitute offered by the majority leader.

Mr. President, what I have with me is a chart that lays out the elements that are included in the Act for Better Child Care, S. 5, as revised, I would add, by, one, the National Governors Association agreement that was struck a number of days ago, and further by a substitute that was offered by the majority leader last Thursday that is now the legislation pending before the Senate.

First of all, the Act for Better Child Care is rooted on the desire to try to address three basic problems that the American family is facing today with the need for child care; that is, the availability of child care, the cost of it, and the quality of it. That has been said over and over again.

I might add, Mr. President, at the outset there was some debate as to whether or not those three issues were legitimate issues, whether or not in fact American families were having difficulty with those three parts of the child care issue. We now know as a result of numerous surveys that have been conducted across the country in fact those are the three problems that people are looking at.

In the Act for Better Child Care, we thought, unlike many other bills that have been adopted in the past, what we ought to try to do is see to it that the greatest percentage of the resources go directly to the parents in need rather than going through bureaucracies at the Federal level or the State or the local level, trying to get as much assistance directly to the people who have the crisis in child care, the affordability side, try to relieve the burden of cost. So 70 percent of the funds included in the legislation are direct assistance to low-income and working families. The income levels that are qualified to receive these funds are to be determined by each State with a cap that goes on about a level of 120 percent or so of median income, so the range would depend upon what the State decided, but it goes from low right up to the working families and 70 percent of the funds are direct assistance to people in those income categories.

Who can receive that assistance in addition to the parents? Relatives. There was great concern about whether grandma or grandpa could actually provide child care and be compensated, or the aunt or the uncle or the sibling who would be of majority age. In fact, all of them are included as potential recipients under the 70 percent. No one is excluded.

Second, some said you are going to deny choice to people, you are going to discriminate against religious based institutions or center based or school based or neighborhood based. You come up with a name. The fact is, Mr. President, no one is exempt. No one is excluded. Religious church care, center-based care, neighborhood care, family care, relative care, all of them quality, provided of course the State has licensed them, which is the way it ought to be. It is not the Federal Government licensing them; it is the State licensing them.

Last, in that same category, we should emphasize that there is no effort to try to take those funds and get them caught up in the cost of running these programs, which has been the case in the past.

So the first element, the 70 percent, is designed to reduce the affordability problem and not to deny at all people the opportunity to choose where they would best like to get child care. It is direct and it is meaningful assistance.

The second element deals with the availability of child care and to some extent the quality of that child care. To that we allocate 22 percent of these funds. These would allow for establishing some State standards, training, resource and referral, licensing, grants, and loans to help encourage people who might want to get into the child-care business, low-interest loans to make the renovations in their homes or elsewhere to get underway, a special authorization for State liability risk retention pools. We have been told as a result of our hearings over and over again that one of major costs of child care is insurance, and at the suggestion of our colleague from Utah [Mr. HATCH] we included the special authorization for State liability risk retention pools.

There is a section in this part of the legislation that encourages business partnerships. We are trying to encourage far more businesses to be involved in supporting child care. Today there are only about 750 or so businesses that actually have onsite child care. There are only a few thousand that support child care even to the extent of getting involved in resource and referral issues. So the 22 percent goes to improve supply, increase the availability, encourage the expansion of child care services in our States and local-

ities, and simultaneously to try to raise the level of quality and to do that in a positive, constructive way rather than a threatening way.

It has not been uncommon in the past when Federal legislation was adopted that the Federal Government has said if you do not do these things, we are going to penalize you. That is not what we do in this legislation. First of all, we do not say to the States exactly what each standard ought to be. We let the States decide that. So when we get to the issue of class size, let the State decide it. If Connecticut decides that there only should be 15 or 20 young people in a child-care classroom, then that is up for Connecticut to decide. If Utah wants 40, that is up to Utah. What we say is the class size is something to which ought to pay attention. We say much the same about ratio of adults to minors, supervision. Again there are those who will advocate it should be one adult to four children, that is enough children to supervise. I am inclined to agree. But rather than say in this legislation each and every State has one adult for every four infants, we let the States decide what that ratio ought to be. And that is the case in each and every one of the standards.

We feel very strongly that there ought to be minimum health and safety standards. Again, that is not anything people ought to argue with but rather than have the Federal Government say to all 50 States, to Iowa or Connecticut, here is what your health and safety standards have to look like, we allow Iowa and Connecticut to decide what those specific standards ought to be in that category. So unlike legislation in the past which has provoked a great deal of dissent and argument, this legislation is designed to give maximum flexibility to States, maximum flexibility for choice.

Let me come back to parental choice because that is one of the major points raised by those who oppose this legislation—we deny somehow parental choice.

We feel just the opposite. We feel we encourage and maximize parental choice by insisting that there be some standards in this area; we make it possible for families to make better choices. I happen to feel it is unfair to ask the average mother or father to go into a child-care center and determine whether or not the electrical or plumbing system is sound or safe. There ought to be a basic floor of minimum standards to which parents can have some degree of confidence and assurance that those standards will guarantee a minimum protection. What we have done in this legislation, by establishing those minimum standards which each State would decide, we increase the flexibility of parents. We make the choices easier for parents when they walk into a potential site where they are going to leave their infant child. Remember, an infant child under the age of 4 is not in a position to go home at night and complain about the food or to suggest the plumbing or the electrical system is not good. You are taking a highly vulnerable infant and placing them in a situation where the parents are gone. Every day, they are with people they do not know and you ought to have some assurance and some confidence as a parent that the basic minimum health and safety standards are in place; that you as a parent shopping for child care ought not have to determine whether or not the child care providers are felons, whether or not they have a record of child abuse. These are the kinds of things that States ought to be able to do to maximize the choice that parents have in deciding the child care setting they would like for their children.

So 22 percent goes into that area, to have some model standards, to encourage standards in those areas, and also to encourage the availability, to support and expand the availability of child care.

Last, Mr. President, 8 percent of these funds are for State administration. Again, not an uncommon complaint we received is that too often we provide or insist upon States doing certain things and then provide no assistance to them for the cost of doing those things. Well, here we have allocated 8 percent of these funds to be used by the States for whatever costs may be associated with this bill at the local level.

So in every single area, direct assistance going to the parents, allowing them to have maximum choice, trying to increase the supply of child care, provide, at least to the extent possible, encouraging standards which will guarantee improved quality of child care and then reducing or eliminating the costs to the States in having to take on the burdens that some of this legislation may impose.

So those are the three major legs of this legislation that are important, I think, for Members to be aware of. Since the substitute has been offered or at the time the substitute was offered by the majority leader I should add there have been three elements which were changed and included in that substitute. One is the level of the authorization of this bill. It has been reduced. This legislation in the past had an authorization level of $2.5 billion. That authorization level has been cut in half to 1.75 so that if you take the tax element of this legislation, the tax credit for child care equals the authorization for the Act for Better Child Care. So you have some symmetry in the bill.

Second, we have modified this version to include the so-called Ford-Durenberger amendment which permits parents to use certificates for sectarian child care programs provided this is done in a manner that is consistent with the Constitution. That, again, was a major element that people have been concerned about. It is no longer an issue here. It is included in the legislation.

Last, we made some changes in the incentive grant program. Under the leader's substitute, no State will be rewarded and no State will be penalized based on where the State standards are in relation to the national recommended standards. All States would have a 20-percent State match as long as they received ABC funds. That had been a concern of some in the past, that there was some discrimination here between the funding. That is no longer the case at all.

So those are the modifications that have been made in the legislation.

There are, of course, other elements to this bill that have already been addressed by the chairman of the Finance Committee, Senator BENTSEN, who on Friday addressed the part of the legislation which emanates from the Finance Committee. By a vote of 17 to 3, the Finance Committee reported the tax credits legislation. Let me just mention briefly what is in those again for the purpose of Members being aware of what is in the bill: The tax credit for child health insurance premiums, the bill to provide a new refundable tax credit of up to $500 for low-income families that purchase health insurance coverage for their children. A credit would be allowed up to 50 percent of the amount paid requiring health insurance up to $1,000 annually. The 50-percent credit phased out for families with adjusted gross incomes between $12,000 and $21,000. The phaseout is accomplished by reducing the credit by 5 percentage points for each $1,000 if the taxpayer's AGI exceeds $12,000.

To be eligible for the credit, the health insurance policy must provide coverage for one or more of the taxpayer's dependents under the age of 19. The credit would be effective for taxable years beginning in 1991.

The second part of the legislation involves a change in the refundable dependent tax care credit. The present law provides tax credit for qualifying child care expenses that enable the individual to work. The credit is 30 percent of allowable employment-related expenses for taxpayers with an AGI of up to $10,000. The committee measure would make the current dependent credit refundable for taxpayers with adjusted gross income of $28,000 or less. The credit would be 33⅓ percent refundable for 1990 and 100 percent refundable for all subsequent years.

Beginning in 1990, the percentage for credit would also be increased for

VOL 135 PT 9 JE 14 — 22 1989 UMI

the lower income families, be raised to 34 percent for taxpayers with an AGI of less than $8,000 and 32 percent for families with adjusted gross income between $8,000 and $10,000.

The current law credit would also be modified to provide that no credit would be allowed for child care expenses to the extent they are paid, reimbursed, or subsidized by the Federal, State, or local governments.

I am sure the chairman of the Finance Committee and others who have been involved in that will be glad to go over the specifics of those in the bill. But they have been added to the Act for Better Child Care. So you have the refundable tax credit—a tax credit for health care costs. We now know of 37 million Americans with no health coverage at all. About 12 million to 13 million of that number are children. We are trying to reduce that number, of course, in the ABC portion of the bill.

I see my colleague from Utah has come to the floor. But I will be anxious to have Members come over who are interested in examining this legislation, and to go over the various pieces of it as we further debate the legislation today.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from Iowa.

Mr. HARKIN. Mr. President, today the Senate is presented with an important opportunity—an opportunity to do something positive for thousands of American families. Families in which parents are confronted every day with the kinds of choices with which no one wants to be faced—choices which involve the safety and well-being of their children and the economic integrity of their families.

Some early childhood experts contend that young children suffer if their mothers leave home and enter the work force. Others disagree. The point is that for many women today, entering the work force is not a matter of choice. It is a matter of economic necessity. It is not a matter of going to work to be able to afford life's little luxuries, it is a matter of going to work to be able to afford the basics—things like rent, food, and health care for their families. And every day these young parents are being forced to make untenable choices regarding their children's welfare.

The question of who will care for the children of this growing number of working mothers and how these children will be cared for is among the most urgent problems we face as a nation. We cannot afford to let this opportunity pass by.

Not so long ago, tragedy struck right here in the D.C. suburbs, when a working couple, with no better option available to them, was forced to leave their 8-year-old daughter in charge of her little brother and his playmate. When a fire broke out and she ran for help, the door locked behind her and both of the younger children died.

Out of sheer desperation, too many parents are forced to leave their children in situations that they realize are far less than satisfactory, if not downright dangerous. Low-income parents particularly face the dilemma of having to place their children in inadequate or potentially harmful situations or forgoing the work and training opportunities they need to provide food and shelter for their families.

We can no longer allow our children to pay the price for unsafe and inadequate care. As the parent of two young daughters myself, I do not believe there is a parent out there who does not worry about the safety and well-being of their children when they cannot be with them. We have the opportunity now to do something that will go a long way toward making safe, appropriate, and affordable child care available to the families that need it most.

My constituents back in Iowa are very concerned about child care, and they tell me that one of the most important things that a child care bill should do is to make sure that parents have a choice as to where they leave their children. Right now many parents do not have that choice.

It may come as a surprise to some that there is a critical shortage of child care in rural areas. Why there is not even one licensed child-care center in Van Buren County in Iowa, a county of 8,600 people. And it is not because there is not a market for child care. The newspaper recently reported the dilemma of one young mother in Keosauqua—a town in Van Buren County—who is looking for child care for her baby. She says she is looking for "something with a clean environment, balanced meals, a place that is State-approved and isn't too overcrowded." Well, she is going to have a hard time finding it in Van Buren County when there is not even one child care place in the entire county. And this situation repeats itself over and over again all across the country, especially in our rural areas.

Parents like this young woman do not have a choice when it comes to child care. And giving them a few extra dollars a week through a tax credit will not give them that choice. Tax credits as they are being proposed by the Bush administration and others do nothing to address the availability of quality child care to meet the varied needs of today's families. And they certainly are not sufficient to give these parents the option of staying home.

Tax credits as are proposed in this bill will be a way of enhancing the income of the poor, and they will complement the provisions of the ABC bill. That is why I support the tax credits that are part of this bill, because they do not supplant but they complement the other provisions of the ABC bill that speak to availability, quality, and affordability of child care.

That is why tax credits must be a part of the bill, but must not be the only thing in and of themselves. Tax credits alone will not give families a choice. Tax credits alone will not give these families the power to decide for themselves how they want their children taken care of. Tax credits, as a part of the overall bill, will indeed provide that kind of choice.

The Act for Better Child Care Services will help communities increase the availability of, and access to, good quality child care. It will encourage diversity and will expand, and not constrict, parents' child care options, options which would include family and relative care, as well as church-based care. The ABC bill will help build the infrastructure of child care to give parents a real choice. It will not build a new bureaucracy. The bottom line for me, basically, is that the ABC bill gives power to families to make the choices, to decide for themselves where they want to have their children taken care of.

A window of opportunity is now open to use to secure the future of America's families, especially those low-income families who share the same concerns, hopes and fears for their children, as do you or I. We must take advantage of this opportunity and not let it go by.

I am pleased to be an original cosponsor for the Act for Better Child Care services. I want to take this opportunity to commend my colleagues, especially the distinguished Senator from Connecticut, my good friend, Senator DODD, who has given, I know, at least 2 years of his life to making sure that this bill is drafted through committee and here on the floor of the Senate.

Again, Senator DODD, I know, has spent hours, days, weeks, months of his life, ensuring that we have a bill that addresses all the needs, not a narrow bill, but a broadly based bill, and one which really addresses the essential problems of the lack of affordable quality child care for our working families.

I also want to commend the chairman of the full committee, Senator KENNEDY, and the ranking member, Senator HATCH, and their staffs, who have spent countless hours developing a balanced and comprehensive response to the child care crisis in a truly bipartisan spirit.

The recent agreement reached with the National Governors Association regarding child care standards attests to the fact that all of us realize that the time has arrived to support comprehensive child care legislation.

I also want to point out, Mr. President, that the current vice-chairman and in-coming chairman of the National Governors Association, is the distinguished Governor of my State of Iowa, Governor Branstad. I am pleased and proud that he has signed on as a supporter of the ABC bill that is now before us.

The addition of a tax credit component, as I said, further complements this bill. We can be proud that we have finally recognized that American families deserve bipartisan support. An editorial appearing in the Des Moines Register this past year stated that the ABC bill, "has the potential to make life better for America's working poor, make life safer for their children, and ease the welfare burden on all of society."

Mr. President, I think that about says it all about the child care bill before us. I am hopeful that we will handle any and all amendments expeditiously. I hope that the bill passes as quickly as possible and that the President will sign it into law at the earliest possible time.

Again, I want to really compliment my friend and distinguished colleague from Connecticut for all of the work that he has done on this child care bill. As I said earlier in my remarks, for the last couple of years there has not been a time when I have met Senator DODD in the hallway and on the elevator and in a committee meeting that he has not said something to me about the ABC bill and the need to get it wrapped up and through the floor, and get it on its way. He has been the real engine that has been driving this legislation, the sparkplug behind it, and it is really a credit to him that we now have it on the floor, I think, with strong bipartisan support.

I also want to compliment Senator KENNEDY and Senator HATCH. Senator HATCH, I know, has worked a long time on this bill, also, and has had great input into it; from working with Senator HATCH on other issues, especially those dealing with the handicapped, I have been impressed with his deep care and concern about this issue of child care and his concern that families have choices, that they are able to put their children where the parents feel best, not where the State or Government or some bureaucrat might feel is best. I want him to know that I join him also in that concern.

The last thing, Mr. President, as the Chair of the Subcommittee on Appropriations that appropriates money for Health, Human Services, Education, and related agencies, it will fall within that subcommittee to try to find the money for this child care bill. As I said, I hope that the bill expeditiously passes and the President signs it into law, and then we will have to come down to the really hard business of finding the funds for next year. The clock is ticking away. We now find ourselves in mid-June, and we hope to have our appropriations bills passed and on their way by the end of September, to meet the deadline of the beginning of the fiscal year.

I urge my colleagues and others who support this very important piece of legislation, to help secure a 302(b) allocation from the Budget Committee and the full Appropriations Committee, that will allow us to begin funding the ABC bill; to make sure that we do not just pass authorizing legislation and then not have any money to meet the real needs of the families out there that have been waiting a long time for this legislation.

So I am hopeful that we will get this bill passed, but I hope that we can find the financial resources, so that when September rolls around, we will be able to put in the appropriations sufficient money to get this program on its way at the beginning of the next fiscal year.

I yield the floor.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I have consulted with the distinguished Republican leader and with the managers of the bill, both Senators DODD and HATCH, and I believe the best course of action now is for me to indicate that there will be no rollcall votes today, that amendments may be offered which can be accepted.

If any amendments are offered which require votes, then we will, by agreement, put them off until tomorrow. So there will be no rollcall votes today.

We expect to continue on the bill. Senators should be aware—and I repeat this, and I believe this will be the third time I have said that, so I hope Senators will take it to heart—that there are likely to be evening sessions with votes throughout this week. I hope to finish this bill this week, and it is an important bill, very complex, and, in some respects, controversial.

So Senators should be aware and should arrange their schedules in such a manner as to anticipate the possibility of lengthy sessions throughout the week, including Friday, if necessary.

Mr. President, I thank my distinguished colleague.

I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. DODD].

Mr. DODD. I commend our colleague from Iowa for the statement and for his help over the last year and a half or so. We serve on the Labor Committee together, and he is a member of the Subcommittee on Children and Families and Drugs and Alcoholism, from which this legislation has come. He has been tremendously helpful, and the record ought to reflect that as a result of his labors, one of the things that have been included in this bill is a significant emphasis on rural child care delivery. The tendency, if you listen to some of the remarks and speeches, is to think this is geared to urban areas. As a result of the efforts from the Senator from Iowa, we have insisted that a major portion of this legislation be focused on rural delivery of child-care services, the availability, quality and cost of that child care, and I thank him immensely for that involvement.

I also point out—and the Senator from Iowa has said this is a bipartisan bill, and it clearly is, as reflected by the two managers of this legislation on the floor, Senator HATCH and myself, who are proposing this legislation; but it goes beyond just partisanship here in the U.S. Senate.

The distinguished Governor of the State of Iowa who is a member of the Republican Party in good standing, I might add, a conservative Republican Governor of Iowa, Governor Branstad, who is the incoming chairman of the National Governors Association, signed a letter along with Governor Kean of New Jersey, a Republican Governor, and Governor Clinton of Arkansas and Governor Baliles of Virginia, two Democrats, the outgoing chairmen of the National Governors Association and the two incoming chairmen of the Governors Association in support of the Act for Better Child Care.

So when we have our Governors across the country, Democrats and Republicans, from the States of Iowa, Virginia, Arkansas, New Jersey, as well as Republicans and Democrats here in the Senate, supporting this effort, then I think we can lay claim to the fact that we have reached out and developed clearly a bipartisan proposal.

So I thank Governor Branstad as well for his support of this effort and again particularly the Senator from Iowa for his help on the critical areas of resource and referral in rural areas of this country. He has done an excellent job.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, it is my privilege to be on the floor and to chat about this particular bill a little bit more as we go into this week, an important week historically, it seems to me, for women, children, and families. This is a family issue. This is an issue that I think can make a difference in America and can help to solve some of the problems that we have in this country that are causing great anguish and great difficulty for a lot of people.

I thank the distinguished Senator from Iowa for his kind remarks concerning me as well as the others who

have worked so hard to try to bring this bill to fruition.

This is not an inconsequential bill. This is a bill that has tried to reach out or at least the chief sponsor and myself have tried to reach out to every Member of the U.S. Senate, and hopefully the Members of the House as well by trying to fashion this bill and conform it so that it meets the needs and the wishes of the vast majority of the people in the Congress.

I started on Friday talking a little bit about some of the misconceptions about this bill and some of the things that have been said about it, and I would like to continue that for just a few minutes and then I would like to chat just a little bit more about child care and how important it is and how important this particular subject is.

I am interested in one of the criticisms that some of the opponents of this bill have lodged against the bill. One of them is that they say that the families will receive virtually no ABC funds, that this bill really does not do much for child care.

I have to say there are a lot of misunderstandings with regard to the 70-percent requirement for direct assistance. They are saying that the only way the family is going to have a choice for child care is of course to do it through the refundable tax credit approach or through a tax credit approach where the families can use the money any way they want to. Of course, there is no obligation for them to use that money for child care, nor is there any way under the tax credit approach which I also support that they will have quality child care guaranteed because there is no way there is any encouragement to try to meet certain minimum standards to effectuate good child care, nor is there any way that there will be an increase of child care slots through solving the problem of availability if you go the tax credit route.

The fact of the matter is that that is not the only way that you can get families to have the choice with regard to the child care that is available. These funds in the ABC bill are to be used for direct subsidies to families. They can go directly to the parents in the form of a child care certificate or some call it a voucher, or they can go directly to the parents in the form of a prepaid slot in a child-care facility or in a family home.

Now that is helping parents and they can make the choice where their child goes for child care. If they get a child care certificate or voucher, they can use that certificate anywhere where child care is provided. If they ask for a prepaid slot, then they make the choice as to which slot their children are able to choose.

So there is little or no difference except that the moneys pursuant to this bill go for actual child care. They go for child care that has a reasonable set of minimum standards to be set by the State but certainly within categories that we define in this bill that I do not know anybody who would disagree with such categories, and they go for child care that is in the opinion of those parents the best form of child care for them and their children.

We considered requiring States to utilize voucher systems only, but were instead persuaded by the argument that States deserve the flexibility to use whichever mechanism or combination of mechanism for service delivery they believed was most effective to meet their own needs.

So we have left it up to the States. If they want to put the money into child care certificates, they can do that. But if they want to pay for prepaid slots for children so that the children can be placed in whatever slots the parents like, that is fine, too, whatever they would like to do. We have tried to bring bureaucracy down to a minimum. In fact, there is only one person under this bill in the Federal Government who will be responsible for child care, and that person is an existing member of the Department of Health and Human Services. We provide for a title for that person.

The real power is given to the States, but we do suggest that they handle these moneys for child care and that they utilize some of these moneys for the development of available slots for the children, and that they work to create quality child care for their families within their individual States.

For example, States may want to use certificates for areas within the State that have a variety of available child care options. States may also believe that prepaid care is better where availability is a problem.

So the States have that flexibility and in the process it really translates that the parents have the flexibility because either way they can call upon the States for help.

Currently, 26 of our 50 States have certificate programs, and I certainly agree that that approach is very desirable and we do have that as part of this bill.

But, I do not agree that a State's use of a contracting method means that families will not be directly helped, because they will be under this particular bill and anybody who says otherwise is not being fair or they just have not read the bill.

Another criticism that has arisen about the child care ABC bill is that the ABC bill provides no help to typical families since 75 percent of per-school children are cared for by parents and relatives.

I certainly agree that parents should have choices. When a grandparent or relative can provide care, I think that is wonderful. The ABC bill does allow for care by relatives virtually without restriction.

Unfortunatley, testimony provided to the House Select Committee on Children and Families in 1987 indicated that reliance on care by family members or relatives was dropping and that this care was becoming relatively—no pun intended—more expensive.

Additionally the ABC bill does not prohibit informal child care arrangements with friends and neighbors. Perhaps the opponents of this legislation are referring to the fact that when public money changes hands, certain strings are attached. If a neighbor cares for children, there are no restrictions really imposed by this bill on that neighbor unless the State itself has already made such arrangements subject to State regulation or registration.

So the argument that the ABC bill provides no help to typical families, since 75 percent of schoolchildren are cared for by parents and relatives, is not quite accurate, because family care is dropping.

The ABC bill also requires States to set standards for family-based providers receiving public funds that are appropriate for this type of care. There is clear recognition in this ABC bill that family-based providers should not be held to the same standards as center-based providers.

So we clearly, clearly resolve that problem. And, again, those who make these kinds of arguments either have not read the bill or they have not cared to analyze it correctly.

Another criticism that has arisen through the many months that we have tried to fashion this bill so that it would meet the needs of the most people in our society is that the child care certificates authorized by ABC would be ineffectual.

It has been said, based on experience with the social services block grant, that most States would not offer certificates. The fact is that most States do operate certificate programs. Twenty-six States offer vouchers to eligible parents. The ABC bill certainly does not discourage this practice.

It has been said that parent's choices would be restricted under a certificate program because they could not be used with a wide variety of providers. The fact is that parents issued a certificate under the ABC bill could use it absolutely anywhere that met the State requirements for licensing, regulation or registration. These choices for parents include family-based care, churches, school-based extended day programs, for-profit providers, or community-based programs. The only exception is a certificate used to reimburse a grandparent, aunt or uncle. Relatives do not need to meet any requirements imposed by the ABC bill.

Critics of the ABC bill argued that a provision requiring a three-way contract among the State, provider, and parent was a backdoor method for diluting parental choice. In fact, this provision was to assist the State in accounting for and monitoring the proper expenditure of funds. It was never intended by the committee to undermine the use of certificates. So, to be absolutely clear, this contract requirement was deleted from the bill as part of the Ford-Durenberger amendment requirement.

So much for that particular argument.

Now, finally, one of the arguments has been that grandmothers would have to meet standards.

Not so. Relative care is exempt from any standard or requirement imposed by this bill. And this bill basically imposes no standards other than we give six categories and some subcategories of areas where quality child care can be arranged and can be fulfilled.

Only if a State-imposed independent requirement on relative care would there be any regulation at all. And we have no right to interfere with whatever States want to do. Personally, I would not like to see those kinds of regulations. But if a State chooses to do so, they can. But this bill does not do so.

Majority Leader MITCHELL's modification makes several technical changes to clarify this intent, including the deletion of the contract provisions.

Additionally, the Ford-Durenberger language concerning the use of certificates for religious providers negates the red herring argument that grandmothers could not read Bible stories to their grandchildren and still be reimbursed with an ABC certificate.

Another argument that constantly crops up that is also false is that the ABC bill would require States to license child care programs in religious institutions.

Well, the bill is carefully drafted so that States set the categories of care to be licensed or regulated. A State that did not already require religious providers to be licensed would not be forced to do so upon passage of S. 5.

The so-called uniformity provision—over which there has been much confusion—States only that providers who are required to be licensed or regulated by the State are all subject to the same standards for their category of care. That is, a church-based provider accepting an ABC certificate under this bill would not be subject to more stringent standards than a church-based provider who did not receive ABC moneys, provided the State required licensing of church-based providers in the first place. And if they do not, well, then, there is no problem at all. And I do not think there is a problem anyway.

Mr. President, I understand the distinguished Senator from Arizona would like to speak on this matter and, of course, I would be happy to interrupt my remarks to enable him to do so. I yield the floor.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER (Mr. BINGAMAN). The Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank my friend and colleague from Utah for his courtesy and for his leadership. If he stays around here, his ears will burn because I am going to say some very nice things about the Senator from Utah. He knows I feel very strongly about my friendship with him.

Before I do that, Mr. President, I rise in support of the ABC bill. Today it is estimated that half the women in America have to leave their babies in child-care programs they do not trust. As a nation, we can do much better than this and we must.

Right now, in this country, 21 States, as has been pointed out, do not require criminal record checks of child care provides. As a nation, we can do much better.

Today, across these United States, almost 2 million children come home from school each day to an empty house. As a nation, we must be better.

This country is in the midst of a child-care explosion. We have all heard the numbers time and time again. Half of all mothers with preschool children are now in the work force. Their number will only get bigger each day. And so will the demand for decent, affordable child care.

In Louisiana, 9,000 families are on the waiting list for child care. In Tennessee, only 1 out of 5 infants who need child care can get it. In my own State of Arizona, there are 130,000 latchkey children with no child care. There is a national need in this country to make child care more available.

In a community near Chicago, 47 children were found being cared for in a basement by only 1 adult. One adult for 47 children—and half of those children were younger than 2 years of age. That program cost $25 a week—one-third of the cost of most child care in the community.

The bottom line is simply this: Those children were in that child-care situation because their parents could afford no better. The facts speak out loud and clear: There is a national need in this country to make child care more affordable.

In Florida, two small boys burned to death when they climbed into the family clothes dryer. On that particular day, their child-care arrangements had fallen through, and their mother was forced to leave the boys on their own at home. Make no mistake: There is a national need in this country for child care that is safe.

President Bush has called child care "the single most important issue arising from the changes in our work force." In poll after poll, Americans are saying that child care is not an urgent need. To repeat: The need is urgent—not one that simply needs to be taken care of when we all have time, but now.

Few of us dispute the need, Mr. President. That is no longer the question. The question now is: What will Congress do about it?

All of us know what the Congress did last year. We brought legislation similiar to this bill to the floor of the Senate, only to see that it was killed by a filibuster. How cruel that is—that we could have child care provisions now that would be part of our national policy and law, but we lost a year.

Now, we have a second chance, and we have an even better bill than before. Senator DODD, who has sponsored this bill and has labored long and hard to see it go through the process in the last Congress and now this Congress, deserves the great deal of thanks and gratitude that have been expressed on the floor to him. And I express the same gratitude.

The same goes for Senator HATCH, only perhaps in a particular way. ORRIN HATCH and I arrived here in the same year. In 1977, we were sworn in. We both were new Senators. We both served on the Judiciary Committee. We found much in common; we talked about family issues from time to time; we talked about child care more than 6 or 7 years ago.

Senator HATCH last year introduced his own bill. And there was some reluctance by many to join the Senator from Utah in a different approach from what the ABC bill was. He talked to me about it, and I could tell through his usual genuine way of wanting to find a solution to a compelling problem that I should join in support of his bill, and I did enthusiastically.

As a result, I would like to think that Senator DODD and Senator HATCH were able to forge together this bill before us today. There were some different views to begin with, some concern about standards, about States being able to evolve their own process. They put together a bipartisan bill in the best of spirits, realizing the importance of the underlying issue—as Senator HATCH has pointed out and Senator DODD time and time again—the family.

If we are really interested in the family, it is time we do something here without intruding and without mandating that a family alter its ways of living. But let us provide an opportunity. Senator HATCH has moved in that

VOL 135 PT 9 JE 14 — 22 1989 UMI

leadership capacity together with Senator DODD.

I do not know how much has been mentioned about him here, but the Senator from California, Senator CRANSTON, started this process about 6 years ago. I recall a memo that I received from him talking about the need for a comprehensive study as to how to approach child care on a national basis—one that would be realistic, affordable, and safe.

I want to compliment the Senator from California for the effort that he has put in. There are many others—Senator KENNEDY, and many others—who have labored long and hard. Senator DODD and Senator HATCH have forged a bipartisan bill that gives greater flexibility to the States. This bill promotes more business involvement. It offers protection against liability. Most importantly, it gives parents more choices. The ABC bill not only encourages, but insists on parental involvement in child-care programs.

Mr. President, we have a great number of bills in the Congress that claim to be the best answer to the child-care problem. Many are tax credit proposals. One is a tax credit proposal by the President.

Now tax credits are important. They can help low-income families pay for child care. I support the tax credit incorporated in the Mitchell amendment.

I even introduced a bill that would grant a tax credit, on a one-time basis, to businesses for establishing a child care center on or near the workplace.

But, Mr. President, tax credits alone are not the answer. The only bill on the table—the only one—that addresses all three parts of our child care problem is the Act for Better Child Care Services.

More than a year and a half ago the Nation watched the rescue of Jessica McClure. Jessica is the young girl who fell down the well in Texas. But what most of us did not know was the Jessica was being cared for in an unlicensed day-care home—with 1 person caring for 9 small children. Jessica was lucky.

Not everyone is so fortunate. I heard a mother from Springfield, VA, testify how her young daughter had died in the home of a day-care provider. The provider had given Ashley massive doses of an antidepressant drug to keep her quiet. Other parents had seen Ashley tied to a high chair, but said nothing. They said nothing because the child-care provider had told them Ashley was a Downs syndrome baby. Ashley was 10-months' old when she died.

This should not happen, ever—not in Virginia, not in Arizona, not any place in America. But it does happen, and people who believe there is no need for safe child care in this country are burying their heads in the sand.

Right now, 32 States require no first aid training for child-care center workers. Seven States have no requirement that staff wash their hands. In 10 of our States children enrolled in family day-care homes do not have to be immunized. Parents want child care to be affordable. They want it to be available. But they also want it to be safe.

In a child-care center in Virginia toddlers are locked in the bathroom for talking. This does not happen occasionally, Mr. President. This is a matter of routine discipline.

In Maryland, toddlers in some day-care centers are hit on the bottoms of their feet for talking at nap time. They are routinely expelled for wetting their pants. Do you know what happens in some centers near the Capitol when a child is bitten by another child? The child who is bitten is encouraged to bite the other child back.

Now, Senators may say that this is unbelievable. My colleagues may say that it is outrageous—and indeed it is. I say it is another kind of child abuse that is going on in our Nation today.

When a nation says people need a license to cut our hair, but not to care for our children—that nation has its priorities backward.

When a nation requires that our sausage be inspected regularly, but not the facility that cares for our children—then that nation has perhaps lost its priorities.

The ABC will give us accountability, Mr. President, in caring for the most important resource we have. The ABC bill, if modified by the Mitchell amendment, will provide us with model standards for child care. These are not mandated standards. They are recommended standards in critical areas of health and safety and quality.

The States would be free to set their own standards within these categories. These are not national standards we are talking about. We are not saying that the Federal Government is going to mandate and force something down the State's throat or its legislature or its regulatory agency.

This is a carefully crafted bill put together by the Senators from Connecticut and Utah and others of us in order to be sure that the States have every opportunity to realize the importance of some safety, some availability, some constant direction in child care. These are not national standards that we are talking about. They are State standards set by the State at its own speed, according to its own needs and its own resources.

For those who may be shaking their heads and saying: "Wait a minute, we have heard about that before where Washington says, 'Don't worry, be happy, we will take care of you' "—I say, is a simple tax credit approach to this sufficient? Is this going to be the whole answer that we have? Or perhaps a grant program where we hand some money over to States and say, "Hey, do with it as you like?"

This is not quite what we had in mind.

Imagine being in charge of a day-care center, and a fire breaks out. How many babies do my colleagues think they could carry to safety?

Let me ask has any Senator ever tried to pick up a child of 8 months' old or 13 months' old and carried him around in his arms? Try it. I have tried it. It is hard to do, particularly if we are in a hurry and there is an emergency.

If anyone can carry more than two for the distance across this Chamber, he is a very, very strong person.

And yet, right now, in this country, 11 States allow five or more babies to be cared for in family day-care homes—by just one person—without any assistant. Eleven States allow this practice today.

Recently I got a letter from a constituent who criticized day-care centers because she said they are a hot bed for infectious diseases. Now I do not think the answer is to keep a child out of a day-care center if this is what you want. I think the answer is not to allow a day-care center to endanger the health and safety of our children.

This is precisely what the ABC bill tries to do. In order to be eligible for ABC funds, States must take some action to prevent and control infectious diseases. They must take some action to prevent child abuse, and to have adequate safety exits in case of a fire. These are not unrealistic expectations. They are common sense actions that could prevent tragedy.

I repeat, under the Mitchell amendment the States will be able to set their own priorities and move at their own speed. They will have 3 years from the date of enactment to put their standards in place. If a State does not measure up to the national recommended levels at the end of that time, it will not be punished; it will not be penalized. It would be eligible for an incentive grant to improve its child-care quality.

Eleven short months ago George Bush was on the campaign trail. Eleven months ago he pronounced child care "nothing short of a family necessity." He called on the States and the Federal Government "to provide additional resources * * * for a broader range of choices and higher quality child care."

The President used the word "quality." Now a tax credit alone will not give you quality in child care. But the ABC bill before us today shoots for this goal.

The American people have spoken out—and spoken overwhelmingly—for quality in child care. In a national poll taken just 2 months ago, 73 percent of the parents surveyed believed the Fed-

eral Government should establish and pay for child-care programs to "provide quality day care for children."

Mr. President, I want to thank a couple of people who have helped me in my efforts to support this legislation. One, of course, is my wife Susan, who is a social worker and has been involved in a number of efforts around the country and in my own State, who is one of the moving forces in the establishment of the Child-Care Center for Senate Employees. The National Council of Jewish Women, has worked hard, as have the American Academy of Pediatrics, the National Junior League, and the Catholic Conference—just to mention a few.

Lynn Kimmerly of my own staff, and others on my staff, have labored long and hard to see that a piece of legislation of this magnitude and with this sensitivity toward the States rights and the people's rights to make some decisions themselves can be before us today.

I urge my colleagues to vote for the ABC bill. We have a chance to pass a bill that can make child care more affordable, more available and safer. We have a chance to make a difference, a positive difference in the lives of our children. We have a chance to make a difference in this country's future. It is the future that, after all, is in very small hands.

Mr. President, this is an important piece of legislation. I cannot think of anything that has come before us in this Congress and maybe the last Congress that we should try to move more and strive to find a consensus. I doubt there are too many, even those who will oppose the Mitchell amendment to this bill, who really do not believe that we need to do something to promote child care. It is a matter of how you accomplish it.

Legislation is a matter of compromise. We all learn that here. Nobody, I do not believe no matter how powerful you may be here or think you are—gets exactly what you want. It is a matter of compromise and—putting together and that is the way it is supposed to work—so we have legislation that takes in these other views and then comes to the center. This is exactly what we have achieved in this bill. I compliment the managers of the bill and thank them for letting me speak.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I want to take a moment to thank our colleague from Arizona. He has been tireless in this effort. I have to go back a number of years when I first got involved in this issue—and the Senator is absolutely correct in identifying Senator CRANSTON as one of the people early on who tried to generate some interest in this subject matter. Senator DECONCINI has on every single occasion, without exception—and we have had press conferences, meetings, discussion groups on how best to proceed with this legislation—been there. We would not, I think, have moved as successfully as we have through the subcommittee and the committee to the floor.

I want to take this moment to thank him and also to thank Susan DeConcini. Susan DeConcini is an active force in her own right. In addition to being the spouse of our colleague, she has been a participant in major conferences all across this country. Every conference I have spoken to on child care, I look out in the audience and the first person sitting in the front row as a participant is Susan DeConcini. She has an active interest in this and has formed a coalition of parents across this Nation who are concerned about the future of our children and has done a remarkably good job of involving people, regardless of party persuasion, of political ideology, of geography, religion and bringing them together under the united effort to improve the quality of life of young people in this country.

One out of every four Americans is a child. As DENNIS DECONCINI said eloquently this afternoon, this Nation's future without question is in the hands of those 64 million Americans. Not because we have carved in the lintels of our great buildings the statements of our fearbears or the strong pronouncements of our Declaration of Independence or our Constitution. All of those are reminders of what this Nation's heritage is and the road signs of how we ought to conduct our affairs. It is people, each generation of Americans who sustains these values. If we fail to provide the generation of young Americans with the tools necessary to be educated, to be healthy, to be strong and to be informed, then we jeopardize those values. We make it possible for a demagog or others to erode those values and those principles.

What we are trying to do here with this child care legislation is to assist families and to assist children, and Susan DeConcini and DENNIS DECONCINI have been in the forefront of that battle for many years. I am honored that he is a cosponsor. I am honored he is a supporter, and I believe we will ultimately be successful because of his efforts. I am delighted with his statement today, Mr. President.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I also want to compliment my good friend and colleague from Arizona. I have watched Senator DECONCINI through the years, and on so many issues he has been right. On this one he is also right again. I also want to compliment his wife Susie. She has been a great friend to me through the years. Early on in this particular battle she came to me and said she was willing to help in every way she possibly could because she appreciated some of the things we were trying to do with regard to alleviating these problems that families have with regard to child care. She is a very active, very noble, very good person. It meant a lot to me at that time and still does.

I personally appreciated the kind remarks of the distinguished Senator from Arizona because I do not know of many people whose remarks mean as much to me as his always do. He is a good friend, and he is certainly a stalwart in fighting for these particular principles that mean so much to his families in the State of Arizona and my families in the State of Utah and I think for all families throughout the country. I want to personally thank him for his kind remarks.

When we began this debate, I made some points about some of the statistics involved in the child-care battle. I think these statistics are stark and they are very, very important. I would, therefore, like to go into some more detail. Let me begin by saying that I start from the premise that it is better to have a parent in the home with the children. That is the ideal. Nothing comes close to that because parents know what is best for their children; they personally feel the anguish and the problems and the vicissitudes and difficulties and exhilarations and joys that the children have more than any other human beings. Of course, they are the ones who anguish so much if their children are not getting the very best that they can offer in this life. And when they have to work, it really adds an additional burden. So it is better to have that parent in the home with the children whether it be the father or the mother. In most cases, it turns out to be the mother. Either way, it is better to have a parent with the children during the daylight hours, helping them with their problems, there for counsel and advice, there to pave the way, smooth the way and to help them through this really rocky road of life.

But today that is not a reality in this society. When reality is different, I think we have to approach things from a realistic standpoint and try and resolve the problems. About 45 percent of all of our workers in this society are women. That is going to go 50 percent by the year 2000. Two-thirds of those women are either single heads of households, meaning divorced, widowed, or otherwise unmarried, or are married to husbands who earn $15,000 or less a year. They have to work.

What happens to those children left at home? Seventy percent of all women between the ages of 25 and 34 now work in our society; 70 percent. Those are the principal child-bearing

years in marriage. They are all in the labor force. By the year 2000, 61.5 percent of all women will be employed.

It is almost a necessity to keep our country going because our labor demographics are trending downward and the only way we can make it up with regard to quality is with women in the labor force.

Three-fifths of all new entrants to the job market and the work force today are women—three-fifths. Three out of every five jobs are taken by women today.

According to Labor Department data, the labor force participation of mothers more than tripled between 1950 and 1981. It rocketed from 18.4 percent to 58.1 percent in that 30-year period. Think about it, tripled.

In 1950, only 12 percent of mothers with children under age 6 worked. Today 57 percent of them do.

That is reality. That is what we have to face and we cannot just do it by conflicts on the floor. We have to resolve those conflicts. If anybody has worked hard to do it, certainly the distinguished Senator from Connecticut and I have done that. We may not have resolved all the conflicts, but we have certainly come a long way in trying to meet everybody's needs.

Of all the mothers with children under age 14, almost two-thirds of them are in the work force. Of all mothers with children under age 14, two-thirds of them are in the work force today. In 1984, just 5 years ago—and it is worse today—over 6 million families were maintained by single parents—6 million families with children were maintained by single parents. A 1982 Census Bureau survey found that 45 percent of single parents and 36 percent of low-income parents would work if child care were available at a reasonable cost. And you are going to find that we are going to need to have these people work.

In 1983, 6 years ago, there were between 5 and 15 million latchkey children. These are elementary school children that are latchkey children, and that estimate did not include the millions of preschool age children with parents in the work force who need child care services. So 5 to 15 million latchkey children who are elementary students in this country, and it does not include the millions of kids of preschool age, in other words, 1 to 4 years of age.

Just stop and think about it. Look at my home State of Utah. If there is any State that is pushing to keep a parent in the home with the children, it has to be Utah. I think all States are trying, but Utah more than any other State emphasize it is better to have that parent in the home. My home State prides itself in the family. The word "family" is the most important word in the State I think. Everybody there wants their children to be raised properly and to be supervised properly. And yet look at Utah. In Utah there are 214,600 children between the ages of 0 to 5, and 292,000 children between the ages of 6 to 13. Approximately 149,412 children between the ages of 0 to 13 need child care because their parents work and they have no relatives at home to care for them.

Utah's fertility rate is the highest in the United States. Thirteen percent of the population is under 5 years of age compared to 7 percent of the population under 5 years of age throughout the United States. We are approximately double the average fertility rate.

Utah's population is the youngest of any State in the Nation with an median age of 25.5 years compared to an median of 32.1 years in the United States. In Utah, 40 percent of our total population is under age 19, and yet of the total number of women in Utah, 59.9 percent are in the labor force compared to 56 percent for the United States. We are above the national average even though families are emphasized and having a parent in the home is major emphasis in our State. Utah's labor force increased 170 percent from 238,115 in 1950 to 641,756 in 1980. That was compared to an increase of 83 percent in the Nation as a whole.

Between 1950 and 1980, labor force participation rates for women in Utah increased dramatically from 25.2 to 52.4 percent, more than doubling in that period of time, a little over 30 years.

In 1987, 57 percent of our Utah mothers with children under 6 and 71 percent of mothers with children ages 6 to 17 were in the labor force. Nearly three-quarters, or 74 percent, of all employed mothers with school-age children age 6 to 17 and two-thirds, or 67 percent, with children under 6 worked full time. That is according to the Bureau of Labor Statistics in 1987, just 2 years ago. And it is worse today. Three-quarters of employed adult women are full-time workers compared with more than 9 out of 10 men. The number of years an average 20-year-old woman could expect to spend in the labor force nearly doubled in Utah between 1950 and 1977, rising from 14.5 to 26 years. In contrast, the work life expectancy of a 20-year-old man drifted down from about 41.5 to 37 years over the same period.

Women remain concentrated in traditionally female occupations or female occupational fields. In 1982, throughout the Nation, 99 percent of the secretaries, 96 percent of the nurses and 82 percent of the elementary schoolteachers were women. Among women, work life expectancy has increased faster than life expectancy and in 1977, a 20-year-old woman could expect to spend 45 percent of her life in the labor market, and that is up from 27 percent in 1950.

In 1987, there were 407,000 families in Utah. Utah's income per capita for 1987 was 11,246 compared to 15,340 on the average throughout the United States. In 1987, there were 39,000, or 9.6 percent, Utah families living in poverty. In 1987, there were 42,000 families in Utah with women heads of household—14,000 of them were living in poverty. That is 33.3 percent of the women who are heads of household and their children living in poverty.

In 1987, in Utah, there were 64,000 children living in families with women heads of household—33,000 of the children were living in poverty. In 1987, the total number of children living in poverty in Utah was 80,000 or 12.8 percent.

What about income of women in Utah? In 1979, 9,372 out of 33,422 female heads of families—28 percent—had incomes below the poverty level in Utah. By 1983, 13,700 out of 38,808 or 33.5 percent were poor. The median income of female heads of family in Utah in 1979 was 46 percent of that of male family heads.

Utahns who were male householders with no wife present with children under 18 had in 1979 an average income of $20,053. For females in the same situation the average income was $10,476 or just about half. Women are suffering today. Families are suffering today. Nationwide, after 1 year of divorce, a woman's standard of living decreases by 73 percent while a man's increases by 42 percent. The estimated 1980 median income of Utah women aged 15 and older with income is $4,012 which is only 31 percent of the median income of their male counterparts. This ratio has remained constant over the past 11 years, thus even though more women are working, their average moneymaking capability has not improved with respect to that of males. The estimated median income ratio of year-round full-time working women for 1980 is 54.5 percent of the median income for comparable males.

I might say it is noteworthy that women with 4 years of college have a median income equivalent to that of males with only an eighth grade education.

I ask unanimous consent that a table be placed in the RECORD evidencing that at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

UTAH'S 1980 MEDIAN INCOME BY EDUCATIONAL ATTAINMENT BY SEX, YEAR AROUND FULL-TIME WORKERS

Years of school completed	Median income		Female to male ratios	
	Male	Female	Utah	United States
Total, age 25+	$20,683	$11,117	53.7	59.9
8 years	12,444	3,382	67.4	[illegible]

UTAH'S 1980 MEDIAN INCOME BY EDUCATIONAL ATTAINMENT BY SEX, YEAR AROUND FULL-TIME WORKERS—Continued

Years of school completed	Median income		Female to male ratios	
	Male	Female	Utah	United States
9–11 years	15,940	8,024	50.3	60.1
12 years	18,982	9,712	51.2	59.3
13–15 years	17,689	10,418	58.9	62.0
16 years	20,251	12,455	61.5	62.3
17+ years	24,201	17,005	70.3	65.4

Mr. HATCH. There are many changes in the American family. The all-American family continues to be envisioned as dad at work, and mom at home with the children. Yet in 1980, less than 19 percent of families in the United States conform to this mode. The percentage of children in the United States with single parent households continues to increase from 19.1 percent in 1960 to 23.9 percent in 1987.

What about child care in Utah? Where are we there? There are 244 licensed child care facilities or centers in the State of Utah caring for approximately 18,000 children. There are 1,500 licensed family day-care homes in the State of Utah caring for approximately 12,000 children. Some State and Federal money is used to purchase day care for low-income families. Care is subsidized for approximately 7,500 children per month.

What about the salaries of those who give this care?

Based upon data collected in a survey of child care centers in Utah in 1988, the average salary paid to directors was $12,175 per year. Teachers earn an average of $4.08 per hour and teacher aides earn an average of $3.65 per hour. Forty-six percent of the care givers terminated their jobs last year, the majority of them because of low pay. So there is a high turnover in this industry as well.

Utah data on the income of family day-care providers is not fully available at this time. However, according to the National Day-Care Home Study of 1977, 87 percent of family day-care providers earned less than the minimum wage. Ninety-four percent of the family day-care providers earned wages below the poverty level. The National Day-Care Home Study showed that family day-care providers earn an average of $1.25 per hour with a weekly average of $73.92 per week. Those figures do not take the cost of food and supplies into account.

There is a lot you could say about this. The very least that anybody could conclude is, yes, although it is an admirable thing and a wonderful thing and the ideal thing to have a parent in the home with the children, that is not realistic today. It is also not relistic to think that all these kids are taken care of. I think it is an absolute disgrace that literally 5 to 10 million latchkey children have no adult supervision during daylight hours in the greatest country in the world. No wonder we are so drug-ridden, and no wonder they are so susceptible to the drug lords, the drug pushers, the pornographers, and those who foster and push juvenile deliquency and criminal activity.

I brought this statistic out last week; that is, 20,000 children, less than 4 years of age, have no adult supervision during the daylight hours. Again, how does a 1 to 4 year old take care of himself or herself? We cannot allow this condition to exist in this civilized society. We cannot allow this condition to exist in a society that provides for itself and its families. We cannot allow this condition to exist because of budgetary reasons at all.

I am known as a fiscal conservative around here. But there are things I would spend money on. This is one of them. It is worthwhile. In the end, it will pay off because in the end we will have less crime, we will have less poverty, we will have more educated people, we will be able to compete better, and we will be able to solve a lot of problems we would not otherwise solve if we continued to ignore these problems as I think this country has been doing for a number of years.

There is a real divisiveness here on the floor on whether there should be a tax credit approach, or whether a direct subsidy approach with block granting moneys to the States is the way to go.

I prefer both of them. For those who like the tax credit approach let us make that part of this bill. That is what the Bentsen amendment does. There are aspects of the Bentsen amendment I absolutely dislike. The fact of the matter is he has made a real attempt to try to resolve these problems with the refundable tax credit.

The President's approach is a very, very good approach. I like it. I think it is something that is worthwhile. It is something I would like to support. But do not knock the ABC approach as amended either, because it is a good approach, too. They both come at it from different ways, one directly, and the other indirectly. But both of them subsidize and both of them try to help with child care. One of them makes it child care, and the other makes it moneys to the family in the home.

I think it is very important that we perhaps put both of these in this bill, in the final bill that comes to the forefront because I believe both of them are extremely important.

But lest one side think they have all the answers compared to the other—and sometimes I get the impression that those who support their side think they all have the answers—let me make a few points on that. As much as I support it I recognize its limitations. Why should the tax credit approach be considered superior to this one? There are some good reasons. Under the President's approach he would take care of the mother who stays at home or the parent who stays at home as long as the other parent works. They would share in whatever child-care benefits occur. That is a nice idea. I like that idea. I wish we could amend our bill today to incorporate that idea. Maybe we will before it is all said and done.

To me that is the single most valid point that is made with regard to the President's approach, and there are others. The other approach is they give the benefit directly to the families, and they can do with it what they want. That is both a plus and a minus by the way, because although the benefit comes directly to the family it does not necessarily go out for child care. Under our bill it has to go for child care. Under the tax credit approach it does not necessarily go out to quality child care because there is nothing in that bill that would indicate that there is a question regarding quality. Under our bill we try to encourage more available child-care slots. As you can see, Utah has all this need, 149,000 students, but we only have about 30,000 slots. So it is apparent that we have to solve that problem some way or the other.

Let me just give some reasons why the tax credit approach is not the only way of solving this problem and maybe a limited way at best. No. 1, the amount of the credit that the President would have in his bill, or that I think the Dole-Packwood substitute that will be brought to the floor before this week is over will have in their bill, barely makes a dent in the true cost of child care. First of all, the average cost of child care in this country is $3,000 per year. That is a lot of money. Sometimes it will be a little lower but in some areas you pay a lot more too, up to $5,000 or $6,000 a year.

So the child-care tax credit approach barely makes a dent. It hardly makes a helpful contribution to the cost of child care but it is something. I have to admit, I prefer to have it rather than not have it.

No. 2, all tax credit bills, including the family earned income tax credit which both Senator DODD and I support, limit eligibility to young children. None of these bills help with the expenses of care for schoolage children, they only care for children up to age 4. The way you get more money is by having more children, but in order to have the maximum benefits you would have to have four children under the age of 4. That is a pretty hard thing to do in this day and age. Do not count on the maximum benefits from any of these tax credit bills.

VOL 135 PT 9 JE 14 — 22 1989 UMI

You might have two or three children so none of the amount of the benefit goes up but it still hardly makes a dent in the true cost of the care of those children.

No. 3, unless use of the credit is restricted to child care such as the dependent care tax credit, it will not necessarily stimulate more slots or a greater array of choices of care. If the credit is restricted, then families with mothers at home would be automatically ineligible under this approach. So it does not attack the problem of availability as well as the ABC bill does.

No. 4, a tax credit, unless restricted to the child-care approach as meeting specific criteria, will not necessarily improve the quality of care available for what parents can generally afford.

While quality is a subjective term, most people agree that child care workers or family providers should know some basic things—first aid, for instance, and how to recognize the measles or chicken pox. They should have a clean and wholesome environment, proper toys and games, outdoor access, fire extinguishers, and so forth. I think most people will agree that those are minimum requirements.

You might ask why would I support a tax credit with some of these criticisms. Well, it is important. It is an unrestricted subsidy for families with young children. The ABC bill is a direct subsidy; the tax credit is an indirect subsidy. I think these families need and deserve a break, and the tax credit is a way of doing it, but do not be deceived; it is not a panacea for all day-care problems. I also predict that direct subsidy provided by any Federal program will stretch only to help the most needy and the tax credit will help pick up where the grant program leaves off.

So if we have both, I think we have the best of all possible worlds—a direct subsidy approach and indirect subsidy approach. So I look forward to hopefully coming up with the very best possible tax credit approach that we can possible have and going from there. That still comes back to the basic issue, and that is, if we believe in families in this country, we cannot continue to ignore the problems that families have.

If we believe in raising children properly, then we can no longer allow them to wander about unrestricted or unsupervised during daylight hours. If we believe that 20,000 children between the ages of 1 and 4 who have no adult supervision during daylight hours should have that supervision, then we have to provide for it. If we do not provide for it, then it seems to me we are opening up these children's lives to all kinds of perverse and evil influences that could really destroy them, and in the process hurt our society irreparably. That is why this debate is so important, and that is why we have been fighting so hard to try and resolve some of these problems.

I have a lot more to say about this in the future, but I notice that the distinguished Senator from California is here, and he would like to speak.

I yield the floor.

Mr. WILSON addressd the Chair.

The PRESIDING OFFICER (Mr. REID). The Senator from California.

Mr. WILSON. Mr. President, I thank my distinguished friend from Utah. Mr. President, I ask unanimous consent that I be allowed to proceed as if in morning business for a period of somewhat under 10 minutes, for the purpose of introducing a resolution.

The PRESIDING OFFICER. Hearing no objection, the Senator from California is recognized for a period up to 10 minutes, as if in morning business.

Mr. WILSON. Thank you, Mr. President.

The PRESIDING OFFICER (Mr. REID). The Senator from California is recognized.

Mr. WILSON. I thank the Chair.

(The remarks of Mr. WILSON pertaining to the submission of Senate Concurrent Resolution 48 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. DODD. Mr. President, I, at this juncture, suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DIXON). Without objection, it is so ordered.

AMENDMENT NO. 198 TO AMENDMENT NO. 196

(Purpose: To provide that the chief executive officer establish and appoint a board that shall serve as the lead agency)

Mr. KERREY. Mr. President, I send an amendment to the desk to the bill under consideration, S. 5, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 198 to amend numbered 196.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 16, insert before the period the following: "or the State Child Care Board appointed and identified by the chief executive officer of the State as the lead agency under section 6(a).".

On page 21, line 15, insert before the period the following: ", or the State Child Care Board that is appointed by the chief executive and that meets the requirements of subsection (b), to serve as the lead agency.".

On page 21, between lines 16 and 17, insert the following new paragraph:

"(1) APPOINTMENT OF BOARD.—

"(A) ESTABLISHMENT.—The chief executive officer of a State desiring to participate in the program authorized by this Act shall, if such chief executive officer has not designated a lead agency under subsection (a), establish a State Child Care Board that shall be composed of seven members to be appointed by such chief executive officer with the advice and consent of the legislature of such State.

"(B) CHAIRPERSON.—The chief executive officer of the State shall designate a member of the Board to serve as chairperson. Such chairperson shall report directly to the chief executive officer and serve at the pleasure of such chief executive.

"(C) TERMS, VACANCIES, COMPENSATION.—The chief executive officer of the State, with the advice and consent of the State legislature shall determine the terms of office of the members and chairperson of the Board established under subparagraph (A), the method to be used to fill vacancies on such Board, and the compensation to be received by such members.

"(D) DUTIES.—The Board established under this paragraph shall act as the lead agency for the State for the purposes of this Act.".

On page 21, line 17, strike out "(1)" and insert in lieu thereof "(2)".

On page 21, line 22, strike out "(2)" and insert in lieu thereof "(3)".

On page 22, line 3, strike out "(3)" and insert in lieu thereof "(4)".

On page 26, after line 25, add the following subsection:

"(e) REDESIGNATION.—The chief executive officer of a State may modify the original decision concerning the designation of a lead agency if such chief executive determines that the original designation is not appropriate.".

On page 27, line 9, insert ", that shall be prepared by the lead agency or the State Child Care Board established under section 6(b)(1)," before "that is".

On page 27, strike out lines 12 through 15, and insert lieu thereof the following new paragraph:

"(1) LEAD AGENCY OR STATE CHILD CARE BOARD.—The plan shall identify the lead agency or the members of the State Child Care Board appointed under section 6(b)(1), the location of the offices of such Board, and shall contain a certification that the Board solicited input from the local advisory councils in preparing the plan.".

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, the amendment I offer to the child-care bill is a further attempt to give the States, who will be implementing this act, the flexibility that they need to implement this bill effectively. The States are the ones who will carry out the program under the ABC bill.

The Senator from Connecticut and the Senator from Utah previously conceded some changes to this bill that gave the States the ability to develop

the regulations under which this program will be carried out. They have attempted to overcome practically every objection with a concession. In this case, I think a reasonable concession saying to the States, not only will we give the Governor the authority to make the assignment to a department of social services or a department of health care or a department of public institutions or Department of Education, giving the Governor the authority to make those kinds of assignments, but also giving the Governor authority, if the Governor chooses to, to create a seven-person board, to appoint a seven-person board with the approval of the legislature to administer this program.

The reason that this amendment will help the States is it does something that I think is particularly important today, particularly given some of the arguments that I have heard on this floor in opposition to S. 5. It will elevate child care. It will open it up so we will begin to see it for what it is: Parents making a decision to work, needing to find someone who will care for their children, not having some of the other options that were referenced by people who are in opposition, finding themselves needing to go to a church, needing to go to a synagogue, needing to go to some other operation that is providing child care and to purchase child care.

What we I think, in this Nation need to do is elevate child care and bring it out in the open so we can see what it looks like in 1989. As I said in earlier remarks, parents are having difficulty affording the cost of child care. It is a terrible dilemma. It is no longer baby sitting. It is no longer parents simply saying I need to find somebody to watch my child for a few hours. It is care. It is trying to provide an environment in which that child can be fully nourished. Mr. President, today, that environment is inadequate.

A couple of days ago, the vice chairman of AT&T, Randy Tobias, gave a speech in which he talked about the problem of dropouts in the United States of America. Three thousand five hundred students drop out every single day school is in session—3,500 a day. Mr. Tobias calculates that is $240 billion of gross national product lost forever, not counting the cost of incarceration, not counting the cost of special care that is needed once those adults have found themselves unable to read, to write, to do the things that are going to be needed in our society. Two hundred and forty billion dollars. What ABC does is just get us started to helping parents provide that kind of environment that they want and that we need.

I hear people proposing tax credits as an alternative, rushing to find something they can propose and say, "We care about children, too." I do not object to the use of tax credits, although I think it flies in the face of an effort to keep our taxes simplified, and although I suspect that it is an effort to be able to stand and say, "We care about children," without actually respsonding with the dollars.

I do not object to the tax credit that is being offered, but, Mr. President, it will not reach many American parents who are making decisions about providing care for their children. This bill just gets us started. It deals with parents that are having difficulty affording it, but it will in no way deal with the reverse part of that dilemma, and that is that this reimbursement is still insufficient to provide the revenue stream that these child-care centers need to go out and hire the kind of professionals most of us would want to provide care for our children.

The United States of America, in my opinion, is behind other industrial nations in trying to deal with the changes that have occurred over a relatively short period of time. Increasing numbers of parents, for a variety of reasons, not just economic, not just social, but for a variety of reasons, are choosing to go to work, both mother and father, and placing their children in the care of someone else.

Mr. President, I see an urgency in the United States of America that has caused me to override many things about this bill that I would prefer to be changed. I have some misgivings about some of the standards changes that were made. I have some misgivings about the concept of a voucher. I have some misgivings about a variety of things, but in the end the urgency overrides all of that, and my hope is that the rest of this body will similarly look at the problem and see that the facts present a proper conclusion to act in support of this legislation.

This amendment simply gives the States one additional tool they will need in order to carry out this program well. It gives the Governors a sufficient amount of flexibility, the kind of flexibility I think they need, so the program can change, so that it does not develop into some encrusted bureaucracy that is difficult for parents to approach and difficult for politicians to accept, so that Goverors can keep it flexible, keep it moving, as the situation changes in front of them, as the citizens demand; it is not top down bureaucracy; it is the States in charge; it has a variety, not according to horizontal need but vertical care as well, according to the health of the individual.

This amendment, in my opinion, gives the States the real flexibility they need, not taking away from the urgent need of the money as well. In the end, Mr. President, it seems to me this still gets down to a question of are you willing to appropriate money. Are you willing to spend $2.5 billion in authorization. And none of us believes that that total will be approriate. Are you willing to put that amount of cash on the line for America's children or do you see the problem to be of such little urgency that you are not willing to spend that amount. I wish the amount was larger, Mr. President. I wish the program was more comprehensive. I wish the program attempted to provide an even better environment at as early an age as possible, because I believe it is earnestly needed not only for America's children but for its economic and social health as well.

I urge adoption of the amendment.

I thank again the Senators from Utah and Connecticut for considering this amendment. I yield the floor.

Mr. DODD. Mr. President, I commend the Senator from Nebraska for his amendment. We reviewed it. This is, as I understand it, an option Governors would have, and one of the main points we have tried to emphasize in this legislation is flexibility in options, choices, choices for parents particularly, but also some flexibility for Governors. One of the reasons why the National Governors Association supports this legislation, why our colleagues from Virginia and Nebraska, both our colleagues today, as former Governors, are cosponsors in support of the legislation, is because we do maximize flexibility and allow them to set up a seven-member State child-care board to develop and implement the State child-care plan. Governors would thus have the option of designating the lead agency or establishing a State child-care board. The amendment would not modify any of the bill's other provisions for developing and implementing a State child-care plan.

This board will be appointed by the Governor and confirmed by the legislature.

The Governor would designate a chair of the State child-care board who could report directly to the Governor.

The Governor would notify his or her initial decision on whether to go with designating a lead agency or establishing a State child-care board, total flexibility of the Governors, and I support the amendment and urge its adoption.

Mr. HATCH. Mr. President, I commend the distinguished former Governor of the State of Nebraska, who has had to deal with some of these problems directly and who has vast experience as a result of his experience as Governor of the State of Nebraska, for this amendment. I think it is a helpful addition to this bill and certainly does provide more flexibility, which is what the distinguished Senator from Connecticut and I and others have tried to do. So it fits right in line with all of those principles and we certainly have

29-059 O-90-23 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

no objection to it on this side and urge its acceptance.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 198) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Are we in a parliamentary position where we can just speak to the subject matter without any time limit?

The PRESIDING OFFICER. The Senator is advised that the Pastore rule has expired and the Senator is free to address his remarks.

Mr. DOMENICI. Mr. President, I yield myself as much time as I use.

Let me first say to those who have worked so hard on the so-called ABC bill which is now before the Senate in a substantially modified manner from that of its original purpose and original authorization, that knowing how hard they worked and the dedicated commitment that they have to this subject matter, I wish I could be here on the floor today saying that I could wholeheartedly support the approach to filling one of our very significant needs in this country, but I cannot.

I hope in just a few moments that I could outline in a general way, without a lot of detail and specificity, some of the philosophical notions that bother me about the bill and, as I do that, to sort of indicate in my own way what I would hope we would ultimately be able to do.

Let me first start by saying I do not think there could be any question that one of the most significant problems in the United States today is the issue of child care for the very young children in families across this land, in particular those families that have to work and yet have young children.

It is obvious that the population has changed in our country, the work force has changed in our country, and it also is obvious that our country had for a long, long time a very significant profamily policy exhibited in our Tax Code. We do not have to go back very far. This Senator is 57 years of age. I had four sisters and I can think back and in fact did that, looked at the Tax Code of the United States and the policy in the Tax Code with reference to an incentive to help mothers and fathers raise those children.

I might say right at the start of this discussion on my part that we used to allow a very significant tax deduction for dependent children. We still have one. In fact, in the Tax Code we reformed we raised it a bit over what it was a few years ago. But my research would indicate that over the years it has suffered significantly. It is approximately 29 percent per child off what it was when we had the most profamily Tax Code in the United States.

Those do not mean anything—29 percent, 39 percent, 50 percent. But what I am saying is that we had an American policy that said if you are a wage earner, whether both are working or, as it was in the days that I was a child, predominantly one-worker families, we had a very significant amount of money that we said you earn and you do not pay tax on because we want to help you raise your children. Whatever you call it, it has been significantly diminished over the years.

So it seems to me that whenever we talk of child care we ought to think about that first and we ought to say how can we help the parents of children who are earning some money, one working or two working, or a single head of household working, but the first thing that comes to my mind is how can we for those working Americans give them more resources to spend as they see fit for their children and in particular for that much-needed commodity today called child care.

So one might suspect right at the beginning that the Senator from New Mexico is most interested in a debate which for the first time is going to put the Federal Government into a policymaking position, into a sensitizing position, into either a disincentive or an incentive as the case may be to help mothers and fathers or single heads of households have more money in their pockets for the work and the dollars they earn to make some choices about their children and the child care that they need.

I happen to believe that the first major American debate on that issue ought to focus as much on policy as on somebody's idea about programs, and I start with the policy, at least from my standpoint, that says most parents will make good choices about taking care of their children. Most parents who work will make good choices if we can given them more resources. I opt philosophically and policywise to say let us let them make more choices.

Having said that, one would immediately know that in spite of a need, I do not favor the Federal Government setting up a fund, whether it is $5 billion as ABC started, or $1.7 billion, as it is today, for the first year of an appropriated amount which gets divvied up to the States for government to decide who gets subsidized and what do we build or help build institutionally to help these children.

I start with the notion that we ought to first address the issue of helping most parents with this child-rearing issue by giving as many of them as possible the right to choose and money to choose with.

Having said that, it is interesting that the reason for this so-called ABC bill and the reason it did not go in the direction that I am speaking of was because most people around who promoted it and who were excited about it had a notion of national standards.

I am not trying to exaggerate the case because I know my good friends are waiting here who are now on a new ABC bill and they will say, "Wait a minute, we don't have national standards in this bill anymore." But, Mr. President, the whole idea of it in its beginnings was out there in America they are not taking good care of little children and if we set national standards, whip, there will be a national miracle and they will all be taking care of children well because we are going to tell them how.

I submit that if you now take the national standards out what do you need a national bill for.

So to those who are going to stand up and say, "Well, the Senator from New Mexico is mistaken; the new ABC has no national standards," I wonder how they held all the coalitions who wanted the national standards because States did not do it right. There was even an implication that parents do not do it right; we ought to set national standards. There certainly was more than an implication that the hundreds of neighborhood centers, where one person stayed at home and cared for three or four children from the neighborhood for hire sometimes, where grandmothers and aunts and others took care of their related young children, were inadequate. That was the argument.

Now, it would be said we do not have standards in this bill. We have a model. And I assume, without reading all of the detail, which I will do this evening, that that model is now mandated on anybody. I understand the model does not even give anybody a preference; if they adopt the model standards, they get the same amount of money.

Well, then, if we are doing all that because we wanted to make everybody do it better, then it seems to me the motive is to eventually tell people,

States, counties, regions, localities, churches, that they have to follow this model. I do not believe it is in their just because we take some pride of authorship and put in a bill what a model looks like and here it is for you to look it.

So my second point is that we do not need any national standards but there, unless, unless we are sending a signal to the American people, to the Governors of the 50 sovereign States of the United States, that we have models and we are starting a program and we are going to pay for the program—"we," the Federal Government.

My second objection is that we are not going to pay for the program. The $1.7 billion could not be followed in this authorization bill with year No. 2 at $1.7 billion and year No. 3 at $1.7 billion and year No. 4 at $1.7 billion because, Mr. President, the cost is so big that nobody knows what it is. So in the usual manner when we really want to say we are eventually going to spend all it takes or fool somebody into thinking well, this bill is $1.7 billion in the first year and thereafter such sums as are necessary.

Mr. President, if I were a Governor of one of our sovereign States and this proposal were offered to me—and I see the distinguished occupant of the chair a former Governor—I would come to Washington and say:

> Now, look here, boys. We've seen this before. You give us the standard and you say they will be bound by it. Are you going to give us the money to pay for it?

I think some Governor said that. And I think they got rid of the standard and said, "Let's call it a model."

Mr. President, my rough estimate—and I am going to err on the conservative side—if you want to fulfill the implied goals of ABC for the American people, and you are certainly sounding like you are going to, and you do not need $1.7 billion. You do not need $5 billion. You do need $10 billion. I think you need no less than $20 billion. And that is almost arithmetic.

Unless you intend to subsidize these children, over 6 million who qualify as poor children, unless you intend to subsidize them in a very, very tiny amount; unless you are going to leave it in the hands of bureaucrats to pick and choose perhaps 1 out of 10 the first round and then maybe 2 out of 10 the second round, and then you are not even going to come close to middle-income America even though the bill says you can, at the State level, have your own plan and subsidize beyond poverty.

Mr. President, there are 21.6 to 22 million children in the United States who would be entitled under normal circumstances to child care, the kind of children we think should have it, either in their own home because they are still babies or in some center or neighborhood or with grandma or Aunt Jane, or the like. Of those, over six are poor. And I just ask you where 70 percent of $1.7 billion is going to take us down that line of helping them. I do not think very far.

If we once send a signal through the appropriation of dollars that we are in the child-care business in a big way, Mr. President, everybody in this Senate ought to be prepared to say we either are never going to live up to the implied promise or we better be prepared to double, triple, and quadruple that amount of money unless we think it is such a marvelous program, in spite of its enormous costs, that the States and the localities are going to find money growing on trees and finish the job. So I believe tax credits would be a much more appropriate way.

So my first concern is standards or models versus choice at the local level, and incentives to have the States do their own modeling and their own standards, versus appropriating and/or tax incentives in their hands of families and parents, dollars in their pockets for choice.

In that regard, choice of where you have your children taken care of has another resonance to it besides where you have your baby children taken care of. The other choice is, do you want to work? Should both spouses have to work to get some help from a new Government policy on child care? That has been given a new name—homemakers or stay-at-home parents.

I submit to you that we should not adopt in the U.S. Senate—not today, not next week, never—an American policy on child care that is motivated by encouraging parents not to stay at home or, put it the other way, that does not at least treat those parents who choose to stay at home with their children with equal dignity with those who want to work.

I am not here suggesting that this policy is going to be that big a motivator in that arena one way or another. But I say to my fellow Senators, if you have been home or if you have been communicating with people at home with children, if you have not heard from a young mother who will walk up to you and say, "I heard about child care. Mr. Senator, I choose to stay home and take care of them. How do I get helped?", then you are not talking to the people. And there are far more than we are led to believe that are making that choice. Because, Mr. President, the demographics and statistics we are reading are about the whole profile of working parents. Boil it down to working parents of small children and you find there are a lot of them staying at home, a much higher percentage than the percentage that are not working, because many are choosing that.

So my second concern is that we ought to maximize a national policy of equal treatment for the parent who chooses not to work. If one works and one stays home, we ought not say, "Since you choose to take care of that child, we are not concerned about your child care needs."

The amount of money we have in a tax incentive program can be regulated as to the amount by capping the income level of such parents, so we are not subsidizing the parent who stays home whose spouse is earning $100,000. They made that decision but they are not necessarily sacrificing economically. We do not intend in any tax incentives to help that situation. You draw a line based upon income.

So obviously appropriations to the States to spend money on either centers or selective children versus tax incentives, putting money in the hands of parents, is one philosophical difference. I choose the latter.

And then with reference to the latter, there are two ways to do that. One is to give the credit to those only that work. I choose to say any bill we produce here ought to do both. For those who are working and paying something, we ought to give them a refundable-type tax credit for the costs. For those who choose not to, they ought to get a new refundable credit or some addition to the earned income tax credit which is already part of the tax lore of this country.

My next point has to do with so-called sectarian centers. That is sort of another word for religious centers.

Mr. President, we are going to get, in the ABC bill, ourselves into the quagmire of the U.S. Supreme Court having to make interpretations as sure as we are here of whether any subsidy is legal even if we use certificates of payment. We are going to get into the courts because of our Constitution. And that is because the United States today has about 50 percent of the eligible children in this country already being taken care of in sectarian centers.

I use the word "sectarian" because those expert on this issue have tried to distinguish betweeen sectarian and religious. I assume that means that if the Catholic church, the Presbyterian church, the Baptist church, or the Jewish synagogue merely uses their basement for little children in day care and that is it, that is sectarian. But if there is some religious overtone to it, it is religious.

I believe if we do down that path we are inviting litigation; we are inviting discrimination; we are inviting excuses when it comes to whether we are going to help or not. I do not think we have to get in that mess.

We are told that only 6 to 8 percent of the little children are in religious centers, because somebody is drawing that nice little line that in that Presbyterian church, if you are teaching

VOL 135 PT 9 JE 14 — 22 1989 UMI

about Christ that is religious, but if the crucifix is on the wall and you are not teaching about Him, it is not religious.

I really think we are in for nothing but opportunities for the bureaucrats to make excuses. Do we really want our States to go out there and start saying: well, we will monitor the First Baptist child-care center for a month and we will report to the second in charge in our labor and health and human services department and they will report to so and so and finally the Governor will decide if that is religious or not? I do not think we need to do that.

I think we ought to put some money in the hands of the mothers and fathers whose little children are in those centers and let them say it is my right to spend that money in behalf of my child how I would like and according to my desires. If I choose a very ritzy, nonreligious center, fine. If I choose one in the basement of the Holy Rosary Catholic Church that does not look very good but I like it, give them some money to pay for it.

My last point is going to be on homemakers or stay-at-home mothers. I want to repeat this argument one more time. Mr. President, not only do I believe that we should not discriminate or choose in those situations and move the pendulum of financial support in the direction of one or the other, but, rather, I believe we should make sure that we do not send a signal that you are going to be economically disadvantaged if you choose to stay home, if one spouse chooses to stay home. I move we should send a positive signal that if we can help make that choice by making it a little more economically significant and helpful, we ought to do that.

So I think the bill before us, the ABC bill, and the proposed tax credits that are going to be added to it—as I understand they are the two that came out of the Finance Committee—they are very deficient, from the standpoint of my philosophy and my ideas.

The Senator from New Mexico thinks we ought to get into this field. I do not think a $3 billion a year bill, eventually, on the tax side, is too big. I think we can afford it. I think the Finance Committee has made tax adjustments to afford it. But I conclude that to start down the path of direct Federal subsidies in the name of producing better centers—that was the issue—and then to say we are not going to have national standards—because obviously they would not sell—but then to say we will have model standards is nothing more than getting the big Federal foot in the door without the resources to open the door. And just as sure as the foot is in the door, the model standards are going to mean something more than "this is kind of nice." The States and those providing are going to live up to them eventually. If not on the first round, on the second round of money.

We are going to find an accidet in the day-care center and we are going to say if we had had these great national standards, it would not have occurred.

My last remarks are going to be addressed to the issue that seems to be accepted as if it were living truth and that is that there is a desperate shortage of facilities, these new handsome centers that we want to build with all these marvelously trained people taking care of the little children of America.

Mr. President, the truth of the matter is that it is resources that are lacking, not centers. Centers are growing each year, almost exponentially.

If we put more money in the hands of parents to make the choice, then facilities, neighborhood facilities, other kinds, will continue to grow in number. And the business sector will begin to build them, too. And you will have parents who work in those businesses getting their refundable tax credits and saying to their employer: We will match you. You put it in the business or with three other businesses, we will give you our refundable tax credit, and centers will keep pace. But we will do it in a much better American style than the notion of many, who started ABC's idea, and it was: We will tell you all how to do it. We know best.

My last comment, for those who are the least bit concerned about reality, let me just tell my version of why we are not going to be able to carry out over 6 or 8 or 10 years, the goals of the ABC bill. Senators are not going to find enough men and women to be trained to be the expert caretakers provided for and assumed and hoped for in this law. It is an absolute impossibility to look at the United States and say: We are going to have almost all our little children in centers with national standards and licensed personnel, without asking where will the people to be licensed come from?

There is a teacher shortage today. Almost every vocational training program around is short of personnel.

Nurses are in short supply. Those who would teach people who are disabled are in short supply.

Some would say if the Federal Government would put a little more seed money into training we would have more. But when you push them in hearings and say: are you not really saying there are just not enough people around to do this? The answer is, normally: you are right.

Mr. President, we should just think. Out there across America, with the goals of a bill that says we are going to appropriate money for subsidies for individuals and facilities with the primary objective being licensed personnel and licensed centers will be where the little children are, and just ask how many hundreds of thousands will be needed to do that. Frankly, I think the neighborhood might be better. The young mother who elects to stay at home and take in three neighborhood children to make additional money might be better than what we are talking about. In fact, it might be better, with additional resources, for the child or two children to stay with Uncle Tom and Aunt Jane in the neighborhood, and get paid for it.

There are plenty of people who say that is not good for America. We have to take care of them in some more orderly manner. Well, I, frankly, believe choice as to work; choice as to how to take care of them and who takes care of them, will get more appropriate response from parents for the dollar we spend in tax credits than the success rate over a long period of history, of Government knowing best and being the caretaker.

I just cannot believe that we really are going to be committed to the billions of dollars that we are talking about here over years to try to take the choices and make them more single minded and more directed at government taking care of things. I just do not believe it will work. I think it is a step in the wrong direction. I hope we do not do it. I hope the President lives up to his commitment and says if you do it that way, I will not sign it. I hope he stands firm if we pass a bill like ABC. By the time it gets out of the House, it might be twice as big. If not, next year it will be twice as big or is assumed to be. We will just have government in the business more and more.

I think there is a better way. I think we will find out about it in the next few days.

Several Senators addresses the Chair.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Kentucky [Mr. FORD].

Mr. FORD. I thank the Chair.

Mr. President, I rise today in support of the Mitchell substitute amendment to S. 5, the Act for Better Child-Care Services. This amendment contains the Ford-Durenberger compromise language regarding religious providers. Before I explain why this provision is so important, let me take a moment to recognize the efforts of Senator DODD. His tireless efforts on behalf of this Nation's childern have not gone unnoticed and I commend him for his work.

The ABC bill represents a major step toward expanding affordable and safe child care for low-income working families. But the original legislation went beyond what the constitution requires to ensure separation of church

and state. Section 19(a) of the original bill would have effectively prohibited churches from providing services under ABC thereby denying parents the choice to place their child in a religious setting.

I know that several Washington-based religious organizations take exception to this, but they are wrong. I met in Kentucky with the Kentucky Catholic Conference and the Kentucky Council of Churches. Their message to me was clear. The churches in Kentucky could not participate in the ABC bill as reported. Let me point out, Mr. President, that one-fifth of all child care slots in Kentucky are filled by religious providers. Nationwide that figure is between 30 to 40 percent. We cannot afford to jeopardize the care these institutions provide. If we are truly serious about increasing the availability and affordability of child care, we must ensure the ability of these institutions to participate in the ABC program.

The original bill would have required religious-based care, whether purely secular or not, to remove all religious references, context, and perhaps even symbols and garb. It also would have required that all other providers, including grandmothers, aunts, uncles, and other in-home providers who receive assistance under this bill, completely sanitize their environment. Under these conditions, parents would be denied the right to choose religiously oriented care. Quite frankly, Mr. President, I do not believe that the Constitution of this great Nation, founded on the principle of religious freedom, requires us to go this far.

The Ford-Durenberger compromise language in the Mitchell substitute would allow parents to exercise their religious freedom with regard to child care for their children without running afoul of the establishment of religion clause of the first amendment. Families would have the freedom to choose whatever type of care they want for their child, including, if upheld by the courts, religious care.

The Ford-Durenberger compromise language is contained in section 121 of the Mitchell substitute. Specifically, this provision exempts certificates from the bill's prohibition against religious use of funds. In order to ensure that the exemption for certificates rests on constitutional grounds, two conforming changes are included in the Ford-Durenberger compromise. First, the requirement in the original bill that a written contract be signed between providers which receive certificates and the State, has been deleted. Second, the provisions of the bill referring to placement of a child with a provider are amended to refer only to services funded by contracts or grants.

It is significant to note that in recent years, the Supreme Court has differentiated between direct and indirect funding of services provided by religious institutions when examining establishment clause cases. The court has allowed forms of indirect assistance, such as tax benefits, vouchers and grants, to flow to religious institutions if the aid has been received purely due to individuals' choices. A recent analysis of the constitutionality of such an approach, prepared by the nonpartisan Congressional Research Services, concluded that excluding certificates from the bill's prohibition against religious funding would not seem to violate the establishment clause.

Obviously, Congress cannot authorize spending in violation of the Constitution. We believe that this language does not do so. To make it clear that Congress does not intend for this provision to create an unconstitutional use of funds, language has been added stating that no financial assistance provided under the ABC title of the act can be used in any manner inconsistent with the Constitution. This is not a statement of opinion; it is a statement of fact. Ultimately, the courts will resolve this issue in a manner consistent with the competing interests of the first amendment.

There are those that would argue that a bill funded only by tax credits does not raise this problem. But that approach ignores the fact that for very low income families, even an advance funded, refundable tax credit will not cover the full cost of child care. In those situations, the States will need federally appropriated money for grants to parents or providers to make up the difference. And if we are to have grants, it is important to note that once parents receive that subsidy even the tax credit assistance is tainted so that parents cannot choose religious care.

There are also those who would oppose this provision for fear it would be a foot in the door to tuition vouchers in education. As a staunch opponent of tuition tax credits and vouchers, I flatly reject this argument. I strongly believe in our public education system, and do not support weakening it through Federal tax credits or vouchers for private schools. But I feel just as strongly that while child care may have an educational component it should not be an extension of our public education system. Those hours outside of the regular school day belong to the child and his or her parents. And if parents are unable to be with the child during that time, then they should have the right to choose the provider that most closely reflects their own values and beliefs.

We should not have to take God out of the lives of a 6-week-old child in order to comply with the Constitution. The same Constitution that protects us against Government establishment of religion through separation of church and state also guarantees us the free exercise of religion. I do not believe that our Founding Fathers intended for those two freedoms to be mutually exclusive.

The Ford-Durenberger compromise allows parents to choose the most appropriate care for their child, even if that care is religious in content. We are confident that the courts will affirm this approach, which is both constitutionally sound and consistent with a child-care policy that gives parents the ultimate responsibility for choosing who cares for their children.

I commend my colleague, Senator DURENBERGER, for his leadership on this issue and for his assistance in drafting this compromise. I thank Senators DODD and KENNEDY for their efforts to reach this agreement, and I thank the majority leader, Senator MITCHELL, for including this provision in his substitute amendment. I encourage my colleagues to support this important provision.

Mr. President, I ask unanimous consent that a letter from John Bush—that is a good name—of the Kentucky Council of Churches and a letter from Ralph Quellhorst, of the Indiana-Kentucky Conference of the United Church of Christ, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

KENTUCKY COUNCIL OF CHURCHES,
Lexington, KY, June 14, 1989.

Hon. WENDELL FORD,
U.S. Senate, Washington, DC.

DEAR SENATOR FORD: I want to thank you for meeting with Ken Dupre and me regarding certain concerns around the Act for Better Child Care (S. 5). As I told you then, it would not be possible for Kentucky Council of Churches to reach a consensus in support of this bill without changes to the provisions of section 19a.

Your amendment addresses these concerns specifically. Without your amendment, we believe that the smaller Protestant congregations, as well as churches with a more comprehensive interest in education, would not be able to participate in the provision of child care under S. 5. Reading the committee report, I find it very clear that the intent of section 19a is to require that the facilities and environment be sanitized of all religious symbols, references and content. That circumstance is unacceptable to most of our constituency in Kentucky.

Further, as it stands, S. 5 deprives parents of the right to choose to provide child care in a specifically religious setting. While we do not believe that religious content should be forced on any child or family, we do believe that parents should have a choice among child care providers which may or may not be entirely secular.

As I understand the Ford-Durenberger Parental Choice Amendment to S. 5, you are addressing this concern in a constitutionally permissible manner.

VOL 135 PT 9 JE 14 — 22 1989 UMI

While I understand that the view I have expressed varies from that of the National Council of Churches and a number of Washington-based denominational offices, I would point out that the constituency of Kentucky Council of Churches is more diverse than theirs since our membership includes both the Roman Catholic Church and several evangelical Christian bodies.

Thank you for your support for increased child care. This is a vital issue to families, churches and social institutions. It must be addressed by the Congress in ways that provide the greatest variety of services possible.

Sincerely,

JOHN C. BUSH,
Executive Director.

INDIANA-KENTUCKY CONFERENCE,
Indianapolis, IN, June 7, 1989.

Hon. WENDELL FORD,
U.S. Senate, Washington, DC.

DEAR SENATOR FORD: I continue to believe that the Better Child Care bill is still a very important bill before the Congress. I do believe that it will go a long way to help poor income families.

I do, however, want to offer a correction to my last letter. After being informed more fully about certain amendments to the bill I want to support the Ford Durenberger Parental Choice amendment. This amendment provides for church groups to offer care for pre-school and after school care but not care during the regular school educational process. While I do not support use of certificates for educational times, I do believe that use of certificates for child care for pre-school age and after school programs and other child care such as home care is helpful. Further information has convinced me such a provision is not unconstitutional.

I encourage you to support the bill and this amendment to section 19a. Thank you also for hearing my point of view one more time.

Sincerely,

RALPH C. QUELLHORST,
Conference Minister.

Mr. FORD. Mr. President, I also ask that an analysis by the Congressional Research Service, dated May 9, 1989, be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, May 9, 1989.

From: American Law Division.

Subject: Constitutionality of Possible Amendment to S. 5 Removing Certificates From § 19(a).

This is in response to your inquiry regarding a possible amendment to S. 5 to remove child care certificates from the strictures of § 19(a). More specifically, you asked about the constitutionality of such an amendment under the establishment of religion clause of the First Amendment. We have not seen the language of the proposed amendment, and so this analysis is necessarily tentative. But an amendment simply excluding certificates from the scope of § 19(a) would not seem to violate the establishment clause.

The establishment of religion clause of the First Amendment provides that "Congress shall make no law respecting an establishment of religion . . ." To guide the determination of whether a particular enactment violates the establishment clause, the Supreme Court has devised and generally employs a tripartite test:

"First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion . . .; finally, the statute must not foster 'an excessive entanglement with religion.'" *Lemon v. Kurtzman*, 403 U.S. 603, 612-13 (1971).

In applying this test to various public aid programs benefiting religious institutions, the Court has drawn two critically important distinctions. First it has drawn a distinction between religious institutions that are pervasively religious, i.e., that are devoted to inculcating religious faith, and those that may have a religious affiliation or identity but are not devoted to religious indoctination.[1] Second, it has made clear that a distinction can be made between public assistance that flows directly from government to religious institutions and public assistance that flows to religious institutions only indirectly, i.e., that gets there only as the result of an intervening choice by the primary recipient of the assistance.[2]

Direct assistance to religious institutions or programs, it has held, must be limited to "secular, neutral, and nonideological purposes."[3] Where the institution or program has not been pervasively religious, the Court has found aid so limited to be constitutionally permissible.[4] But direct aid to pervasively religious programs or entities the Court has found to be largely precluded by the establishment clause either because the aid would inevitably have a primary effect of advancing religion or because the government monitoring of its use would excessively entangle government with the religious institution.[5]

Indirect assistance such as tax benefits or vouchers, however, the Court has not found necessarily to be so constrained. Four decisions by the Court are particularly pertinent in this regard—*Committee for Public Education v. Nyquist, supra; Sloan v. Lemon*[6]; *Mueller v. Allen*[7]; and *Witters v. Washington Department of Services for the Blind, supra.* The gravamen of these decisions appears to be that indirect assistance programs will not pass muster under the establishment clause if their design virtually guarantees that the assistance flows largely to pervasively sectarian entities. But where the design of the program is genuinely religiously neutral and does not dictate to the immediate beneficiary (the taxpayer or voucher recipient) where the assistance is to be channeled, the program will be upheld as constitutional notwithstanding the fact that even pervasively religious entities may be benefited.

Nyquist involved, *inter alia*, two complementary programs enacted by New York to help the parents of children attending private elementary and secondary schools. A tuition grant program reimbursed low-income parents earning less than $5000 a year at the rate of $50 for each elementary school child and $100 for each secondary school child attending private school for whom the parents paid tuition. A tax relief program permitted parents not receiving a tuition grant to take a deduction from their gross income for each child attending a private elementary and secondary school in an amount that varied according to income. Parents with incomes of less than $9000 a year could deduct $1000 for each such child, with the deduction gradually declining to $0 for parents earning $25000 for more. The deduction had no relation to the amount of tuition paid but provided an amount of tax savings comparable to the amount of the tuition grants.

The Supreme Court held both programs unconstitutional, 6-3. With respect to the tuition grant program, the Court noted that such aid could not be given directly to sectarian schools, because the aid was not limited to secular use and thus would subsidize and advance the religious mission of the schools.[8] The fact that the aid was disbursed instead to parents, the Court held, was a factor to be considered but was not itself dispositive. More critical were the facts that aid was available only to the parents of nonpublic school children and that more than 85 percent of the private schools attended were pervasively religious in nature. As a consequence, the Court held, "the effect of the aid is unmistakably to provide desired financial support for nonpublic, sectarian institutions."[9] The tax relief program, it said, was no different: "In both instances the money involved represents a charge made upon the state for the purpose of religious education."[10] It made no difference, the Court stated, whether the program was denominated a tax deduction or a tax credit: "Insofar as [special tax] benefits render assistance to parents who send their children to sectarian schools, their purpose and inevitable effect are to aid and advance those religious institutions."[11]

Sloan v. Lemon, supra, involved a similar tuition grant program enacted by the State of Pennsylvania. Parents who paid tuition to nonpublic schools were entitled to receive grants of $75 for each child in a private elementary school and $150 for each child in a private secondary school. The grants were available to all such parents, regardless of income, and more than 90 percent of the private school attended were religiously affiliated. The Court held the program unconstitutional, 6-3, saying "we find no constitutionally significant distinctions between this law and the one declared invalid today in *Nyquist*."[12]:

"The State has singled out a class of its citizens for a special economic benefit. Whether that benefit be viewed as a simple tuition subsidy, as an incentive to parents to send their children to sectarian schools, or as a reward for having done so, at bottom its intended consequence is to preserve and support religion-oriented institutions. . . . We hold that Pennsylvania's tuition grant scheme violates the constitutional mandate against the 'sponsorship' or 'financial support' of religion or religious institutions." [*Sloan v. Lemon, supra*, at 831-33.

In both *Mueller* and *Witters*, on the other hand, the Court upheld the programs in question as constitutional. *Mueller* involved a tax relief program enacted by the State of Minnesota under which parents could deduct from their gross income a broad variety of expenses incurred in educating their children, including tuition, nonreligious books and instructional materials, transportation, lab fees, gym clothes, and course materials. The deduction was limited to $500 for each elementary school child and $700 for each secondary school child. In holding the program to be constitutional, 5-4, the Court cited three factors. First, it said, the Minnesota scheme was a "genuine tax deduction," and it noted that the courts traditionally give broad deference to legislative classifications in the tax area. Second, and "most importantly," it said,

". . . the deduction is available for educational expenses incurred by *all* parents, including those whose children attend public schools and those whose children attend

---

Footnotes at and of article.

nonsectarian private schools or sectarian private schools. . . . 'The provision of benefits to so broad a spectrum of groups is an important index of secular effect.'" *Mueller v. Allen, supra*, at 398, quoting *Widmar v. Vincent*, 454 U.S. 263, 274 (1981).

Finally, it said, Minnesota reduced possible establishment clause objections "by channeling whatever assistance it may provide to parochial schools through individual parents":

"It is true, of course, that financial assistance provided to parents ultimately has an economic effect comparable to that of aid given directly to the schools attended by their children. It is also true, however, that under Minnesota's arrangement public funds become available only as a result of numerous, private choices of individual parents of schoolage children. . . . Where, as here, aid to parochial schools is available only as a result of decisions of individual parents no 'imprimatur of state approval' can be deemed to have been conferred on any particular religion, or on religion generally." *Id.*, at 399.

The dissenters argued that notwithstanding the facial neutrality of the statutory scheme, most of the benefits would flow to the parents of children attending sectarian schools because the bulk of the deductions would be claimed for tuition at private schools and 96 percent of the children in private schools attended religiously affiliated institutions. But the majority rejected the argument, stating "we would be loath to adopt a rule grounding the constitutionality of a facially neutral law on annual reports reciting the extent to which various classes of private citizens claimed benefits under the law." [13]

Finally, *Witters v. Washington Department of Services for the Blind, supra*, involved the vocational rehabilitation program of the State of Washington. The program provided assistance, *inter alia*, to visually handicapped persons "to overcome vocational handicaps and to obtain the maximum degree of self-support and self-care." An otherwise eligible blind applicant sought assistance to enable him to study at a private Christian college in preparation for a career as a pastor, missionary, or youth director. But the State denied him aid on the grounds it would violate the establishment clause. The Supreme Court unanimously reversed and held that it would not. Two factors, it said, were critical. First, it said, "any aid provided under Washington's program that ultimately flows to religious institutions does so only as a result of the genuinely independent and private choices of aid recipients." [14] The program, it observed, permitted training to be secured at institutions of all kinds, public and private, sectarian and nonsectarian, and it was in no way "skewed" toward religious training. Secondly, it stated, there was no evidence that "any significant portion of the aid expended under the Washington program as a whole will end up flowing to religious educaton." [15] The program was simply not designed "to provide desired financial support for nonpublic, sectarian institutions." As a consequence, the Court concluded, "we think the Washington program works no state support of religion prohibited by the Establishment Clause." [16]

The Court's opinion in *Witters* made no mention of *Mueller*. But five members of the Court authored concurring opinions to make clear their view that *Mueller* was directly relevant to the case, even though *Witters* involved a grant rather than a tax benefit. As Justice Powell [17] wrote with respect to whether the vocational rehabilitation grant had a primary effect of advancing religion.

"*Mueller* makes the answer clear: state programs that are wholly neutral in offering educational assistance to a class defined without reference to religion do not violate the second part of the *Lemon* v. *Kurtzman* test, because any aid to religion results from the private choices of individual beneficiaries. . . .Thus, in *Mueller*, we sustained a tax deduction for certain educational expenses, even though the great majority of beneficiaries were parents of children attending sectarian schools. . . .We noted the State's traditionally broad taxing authority. . . .but the decision rested principally on two other factors. First, the deduction was equally available to parents of public school children and parents of children attending private schools. . . .Second, any benefit to religion resulted from the 'numerous private choices of individual parents of school-age children.'" *Witters* v. *Washington Department of Service for the Blind, supra*, at 490-91 (Powell, J., concurring).

Thus, the critical element in these decisions does not appear to be whether the program involves a tax benefit or a voucher. Nor do the decisions appear to hinge solely on the fact that the benefits are channeled initially to parents. Instead, the critical issue appears to be whether there is a genuinely independent decisionmaker between the government and the ultimate beneficiary of the assistance. If the design of the program, as in *Nyquist* and *Sloan*, virtually requires that the assistance be channelled by the initial recipient to pervasively sectarian institutions, the program appears likely to be held unconstitutional. If, on the other hand, the design of the program does not dictate that the assistance be employed at pervasively sectarian institutions but provides a genuine choice to the initial recipient, as in *Mueller* and *Witters*, the program appears likely to pass muster under the establishment clause, even though pervasively sectarian institutions may be among the ultimate beneficiaries.

S. 5 would permit States funded under the bill to subsidize a board variety of child care services either by making grants to, or entering into contracts with, eligible child care providers, or distributing child care certificates to the parents of eligible children. According to the report of the Committee on Labor and Human Resources,[18] providers eligible for assistance would include "nonprofit and for-profit organizations, schools, community-based organizations, units of general purpose local government, employers, close relatives of eligible children . . ., and churches and synagogues that offer nonsectarian services." [19] That nonsectarian requirement derives essentially from § 19(a) of the bill, which proivdes that "[n]o financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship and instruction." No assistance under the reported version of the bill, including certificates, in other words, could be expended for child care services that were religious in nature.

Under the foregoing interpretation of the pertinent cases, an amendment to S. 5 to remove certifcate assistance from the sectarian use prohibitions of § 19(a) would appear to be constitutional, even though pervasively religious child care providers might be among the ultimate beneficiaries of such assistance. If S. 5 dictated to the parents who received the certificates that they be redeemed only at pervasively sectarian child care providers, the amendment likely would not pass muster under the establishment clause. But S. 5 does not appear to so dictate. Estimates suggest that church-related child care comprises no more than a fourth to a third of center-based care, and it seems reasonable to assume that much of that is nonsectarian in nature. Moreover, the universe of choice available to a certificated parent would also include group home providers, family providers, businesses, public educational institutions, and community-based organizations. Thus, the scheme would not seem to have an inherent bias toward religious child care but to be religiously neutral. As a result, "any aid . . . that ultimately flows to religious institutions [would do] so only as a result of the genuinely independent and private choices of aid recipients."[20]

The one constitutional issue that might still be raised about the amendment, however, and that is not fully resolved by existing judicial decisions concerns excessive entanglement. S. 5 defines a "child care certificate" as something that is issued only "pursuant to a written agreement between the State and an eligible child care provider" providing for the use and redemption of certficates. In other words, the State would have to enter into a certificate use and redemption contract with providers wanting to participate in the certfiicate program. In addition, S. 5 would apply to such providers its full regulatory scheme, including applicable State and local licensing and regulatory requirements and the Federal standards to be developed after the bill is enacted. Whether these regulations, as applied to the pervasively sectarian child care providers that might participate in the certificate program, might excessively entangle government with the religious institutions is uncertain. Excessive entanglement is a matter of degree and in some instances may implicate the free excercise clause as well as the establishment clause. Generally, the Court has not found it to exist except where there has been a "comprehensive, discriminating, and continuing state surveillance" of publicly funded activities on the premises of prevasively sectarian institutions.[21] Moreover, it has upheld the application of certain kinds of regulations to sectarian institutions.[22] Nonetheless, in the absence of a decision involving the kinds of regulations that might be imposed under S. 5, a question might be said to exist.

I hope the above is responsive to your request. If we may be of additional assistance, please call on us.

DAVID M. ACKERMAN,
Legislative Attorney.

FOOTNOTES

[1] Compare, e.g., *Committee for Public Education v. Nyquist*, 413 U.S. 756 (1973) with *Roemer v. Maryland Board of Public Works*, 426 U.S. 736 (1976).

[2] Compare, e.g., Lemon v. Kurtzman, supra, with *Witters v. Washington Department of Services for the Blind*, 474 U.S. 481 (1986).

[3] *Committee for Public Education v. Nyquist*, supra, at 780.

[4] *Bradfield v. Roberts*, 175 U.S. 291 (1899); *Tilton v. Richardson*, 403 U.S. 672 (1971); *Roemer v. Maryland Board of Public Works*, supra; Bowen v. Kendrick, 108 S. Ct.—(1988).

[5] *Lemon v. Kurtzman*, supra; *Committee for Public Education v. Nyquist*, supra; *Wolman v. Walter*, 433 U.S. 230 (1977); *Grand Rapids School District v. Ball*, 473 U.S. 373 (1985); *Aguilar v. Felton*, 473 U.S. 402 (1985).

[6] 413 U.S. 825 (1973).

[7] 463 U.S. 388 (1983).

[8] "In the absence of an effective means of guaranteeing that the state aid derived from public funds will be used exclusively for secular, neutral, and nonideological purposes, it is clear from our cases that direct aid in whatever form is invalid." *Committee for Public Education* v. *Nyquist*, supra, at 780.

[9] Id., at 783.

[10] Id., at 791, quoting from the lower court decision at 350 F.Supp. 655, 675 (1972).

[11] Id., at 793.

[12] *Sloan* v. *Lemon*, supra, at 830.

[13] *Mueller* v. *Allen*, supra, at 401.

[14] *Witters* v. *Washington Department of Services for the Blind*, supra, at 487.

[15] Id.

[16] Id., at 489.

[17] Justice Powell, it might be noted, authored the Court's opinions in Nyquist and Sloan but also joined the Court majority in Mueller.

[18] S. Rept. 17, 101st Cong., 1st Sess. 1989).

[19] Id., at 42.

[20] *Witters* v. *Washington Department of Services for the Blind*, supra, at 487.

[21] See, e.g., *Lemon* v. *Kurtzman*, supra, *Meek* v. *Pittenger*, 421 U.S. 349 (1975); *Aguilar* v. *Felton*, supra.

[22] See *Bob Jones University* v. *United States*, 461 U.S. 574 (1983) (imposition of racial nondiscrimination requirements on tax exemption afforded religious school held not to violate free exercise clause) and Tony and Susan Alamo Foundation v. Donovan, 471 U.S. 290 (1985) (application of recordkeeping and reporting requirements of Fair Labor Standards Act to religious foundation held not to precipitate excessive entanglement).

Mr. FORD. Mr. President, I yield the floor.

Mr. GORTON. Mr. President, my dear friend, the respected senior Senator from New Mexico, has shared with me on a number of occasions the thoughts which he expressed on the floor a few minutes ago. Indeed, we have discussed in detail each of the concerns which he so eloquently shared with this body.

In that respect, at least, there is no way that I can add to or improve upon the comments which he has made or the conclusion which he has reached except to reemphasize his argument.

The debate in which we are engaged with respect to S. 5 is not a debate over the desirability of a Federal policy with respect to child care. In a time of a rapidly changing economy and a constant increase in families with either both parents working or the only parent in single-parent family having the necessity to work, few issues are of so great a concern among parents and those who sympathize with parents across the United States of America than child care.

That there should be Federal policies to enhance the ability of such parents to find appropriate care for their children is beyond debate. Both sides see a challenge. Both sides agree that the challenge must be met.

Nevertheless, in spite of the profound amendments which have been engrafted onto S. 5 and to its predecessor in the last Congress, there are deep differences in the philosophies and attitudes with which the two sides approach this debate over child care.

The first of those differences arises over the functions of the Federal Government in setting standards under which approved child care shall be provided. The predecessor of the ABC bill in another Congress set out a wide range of mandated Federal standards for the provision of child care, whether based in child care centers, in religious institutions, among one or more of the potential children.

Because the setting of Federal standards has proved unpopular enough and controversial enough, it has been constantly watered down in succeeding versions of this bill, to the point at which S. 5 in its present form simply calls for model standards to be encouraged by the Federal Government in one way or another. Nonetheless, the philosophy remains the same, that there is some wisdom in the Federal Government with which it is appropriate to impose upon States, local governments and child care providers, or at the very least to provide incentives or strong suggestions to conform to that "wisdom." On the other side, the philosophy is simply one that the best set of regulations are those which are locally imposed and those which are chosen by parents as they look at the choices available to them with respect to child care.

Paradoxically, we hear a great deal of debate in connection with availability. One of the goals of all parties yet the stiffer the standards and the more the Federal interference in those standards, the less available child care will be, particularly informal child care in the homes of relatives or in small cooperative groups.

I am inclined to believe that even the model standards remain in the ABC bill because the concept of Federal standards is so vitally important to those who originally wrote the bill and because they feel that however innocuous these model standards may be, they can lead in the future to Federal standards which are both more thorough and more directly enforceable.

The second and perhaps even more profound differences between the two basic approaches to this debate is whether or not the Federal Government should undertake an obligation to pay for child care either directly or indirectly to the provider of that care or whether the appropriate and best Federal Government participation should be to help parents make choices and to pay for child care, aiming that help and assistance at parents in lower income groups to a large extent.

The ABC bill as it appears before us here, of course, does not meet the need which it is perceived to meet throughout the country for the direct payment of child care. Any alternative proposal involving tax credits will not be able to provide enough in tax credits sufficient to cover all of the costs of all of the people who genuinely need help with respect to child care. Nonetheless, the difference between a tax credit, refundable or otherwise, and a direct or indirect payment by the Federal Government is a profound one and has to do with the degree of faith we have in parents to make their own choices in life and with respect to child care.

The third difference is in connection with the treatment of parents who choose to care for their own children.

In the ABC bill these families are ignored. In some tax credit proposals they have been ignored as well. It is the view of this Senator as it is of his friend, the Senator from New Mexico, that we should not even indirectly discriminate against parents who choose to care for their own children. The Federal Government should not express a preference as to whether parents should choose to care for their own children or have another person care for them while they work.

Whatever tax credit system is proposed, it ought to be equally available to those who choose to work and those who choose to stay at home to care for their own children, and perhaps the children of others.

The fourth difference is the difference addressed by the Senator from Kentucky in the last set of remarks before this body: the impact of these alternatives on the provision of care in religious institutions, and/or with a religious content. It is my understanding from the distinguished junior Senator from Oregon [Mr. PACKWOOD], who has been at the forefront of this debate, that roughly only 7 or 8 percent of all child care in the United States at the present time has a consciously systematic religious content. Yet that 7 or 8 percent represents hundreds of thousands of parents making a conscious choice about the influences which they wish to play upon their preschool children.

Another 30 percent or even more of child care is provided in religious institutions which may have some incidental religious content.

From the very beginning, the primary supporters of the ABC bill have resolutely set their heads against providing what they would consider any aid to religion, direct or indirect. Only at this last moment have they recognized that without at least a bow in the direction of the religious sensibilities of our people do they have any chance of winning a debate in this body, and so they have agreed to the amendment by the Senator from Kentucky [Mr. FORD]. Yet, to paraphrase in part, I think the Senator from Kentucky "doth protest too much."

The amendment he has proposed falls into one of two categories in the veiw of the Senator: either it will be effective and judged to be unconstitutional, or it will be ineffective in allowing the kind of freedom of choice which exists at the present time for

those who wish their children to have child care with a religious content.

Those of us who are on the other side and believe primarily in the use of tax credits simply do not face that dilemma. We do not have to write pages of small print in our statute or amendments to allow the fair choice on the part of the parent to choose secular, quasi-religious or fully religious child care for their children. The tax credit goes to the parent and not to the provider, and thus freedom of choice will not only be protected but enhanced.

Even in the current bill, those provisions which relate to discrimination, to religion, and the like, very carefully include with them a severability clause. That way, if any of the provisions which attempt to protect freedom of choice with respect to religious content of child care are found to be unconstitutional, the rest of the bill nonetheless remains in effect.

I predict that many of the most staunch and systematic proponents of the ABC bill from its beginning will be among the first to challenge the religious provisions in this bill and attempt to get them thrown out in court. Those who are sincerely concerned about that freedom of choice should support an alternative.

When it comes right down to it, there is one great difference between these two basic approaches. One emphasizes the choice of parents, enabling parents to be able to find and to choose for their children the kind of child care they wish, whether in a formalized institutional setting, in a church basement, in their own homes or in the homes of neighbors or friends or relatives, it emphasizes choice, and a trust in the ability of parents to make the best choice for their children. It is the antithesis of the alternative, a proposal which relies on the State both to decide and to administer the type of child care provided for our children.

Recognizing that neither proposal is completely adequate, the Senator from New Mexico, and I agree with the side offering to parents the right and the ability to make their own choices, enabling them to make those choices somewhat more easily than they can now, and we disagree with the alternative which, to exactly the extent it is effective, substitutes its own judgment for the judgments of parents.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Utah [Mr. HATCH].

Mr. HATCH. Mr. President, I have enjoyed listening to the parts of the speech of my distinguished colleague in which he states that he dislikes parts of the ABC bill, but apparently likes the tax credit approach. I have said time after time that the tax credit approach has some merit. It has some definite qualities that I think would make anybody want to support a tax credit approach if it properly meshes with the direct approach we are taking under ABC. But what the critics seem to fail to understand is the ABC bill has some very great merits, too.

I think we ought to at least answer some of the questions that have been raised by the distinguished Senator from New Mexico as well as our friend and colleague from Oregon.

For instance, Senator DOMENICI said benefits to families for children under the Tax Code have eroded about 29 percent over the years. And restoring those benefits ought to come first. Well, I do not disagree. That is one reason I am a cosponsor, as is Senator DODD, of a tax credit approach.

As a matter of fact, I am a cosponsor of the bill introduced by Senator DOMENICI which has a great deal of the former Hatch-Johnston bill in it. In fact, almost all of these bills have taken ideas from the Hatch-Johnston bill which was the first child care bill filed early on in this whole battle. We are very proud of that fact. We do not have any claim of authorship. We are happy to see that many people like the ideas that we put into that bill. The ABC bill has adopted a great number of those ideas. I think virtually everybody admits those are the ideas that are cost effective and will work.

So we are all in agreement. That is one reason why we are coming up with these child-care approaches—to stop the erosion of benefits and moneys to American families. The Tax Code has eroded. But that is not an argument against the ABC bill, and I am not sure the distinguished Senator from New Mexico intended it to be.

Two, as I understood the argument of the Senator from New Mexico it was that he would oppose setting up a fund for the Government to assign the choice for child care and not giving the choice to parents. Let me tell you something. If I thought the ABC bill was that, that we were setting up a fund so government could assign what happens to children in families, I would not be supporting it. I am, however, a strong supporter of the ABC bill as currently amended in the Mitchell amendment. We have resolved a lot of those problems, and parents will have a choice under the ABC bill. What is amazing to me is that many of my conservative colleagues say, throughout many debates on many subjects that we need to have State and local control of these things; that all wisdom does not repose in the Federal Government; that it tends to become too bureaucratic; that there are lots of problems with the Federal Government; and that we do not want them imposing their will upon us in the States.

Well, if ABC does anything, it turns over the control of all of these funds to State and local governments. As a matter of fact, there is only one official that is appointed, the currently existing official at the Department of HHS, whose sole responsibility is to make sure these funds are distributed to the States and that other matters within the bill are carried out, none of which are offensive to the States or place any onerous or bureaucratic burdens on the States or the families.

I do not think there is much of an argument there. It could not be based upon the bill that we are discussing right now, and that is the Mitchell amendment, which is the modification to the original committee amendment. This was a very good bill to begin with. But it is improved by the Mitchell amendment. A number of us have participated in helping to bring about those improvements.

Further, we have heard a lot of talk about national standards. Now that we have reduced the standards to purely State and local standards, which I do not think anybody can refute at this point, we are hearing that the very fact that the Federal Government is involved, they are going to ultimately wind up being Federal standards. Well, you cannot have it both ways.

The ABC bill did initially prescribe Federal standards. But we have completely accommodated our colleagues, because we have concluded that a majority of our colleagues believe that Federal standards is not the way to go, that we ought to leave it up to the States to set the standards because each State and region has their own particular difficulties and problems. But, the minute we do that, they come back in and say that even though we now have only State and local standards, the fact that we are passing a Federal bill might lead to Federal standards again.

Well, one reason I am a cosponsor on this bill—and I am working very hard to support the distinguished Senator from Connecticut, who has done a marvelous job trying to accommodate everybody—is because I want to make sure that those standards remain State and local standards. Yes, in this bill we provide for six categories of help for things like first aid, recognizing chicken pox or measles, having some outdoor facilities, being able to have clean facilities, having appropriate toys, health and safety standards, minimum health and safety standards that the States can set within those categories. And what we are saying here is that those standards will be set by the States.

I intend to stick with my position with this bill, and I do not think anybody is going to override it under the circumstances, and I do not believe anybody is going to come in here and push Federal standards at this point.

Mr. DODD. Will my colleague yield?

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. HATCH. Yes.

Mr. DODD. I commend the Senator from Utah for what he is saying. I, too, listened to our good friend from New Mexico talk about standards. I had one sense that he was sort of upset at the fact that we had done exactly what many people advocated, to allow the maximum flexibility at the State and local level, which is what we did and why the National Governors Association is supportive of the legislation.

Let me add another element that I think gets forgotten when we are talking about standards. Standards in the area of child care—somehow, as if this is an area where no one ought to be setting standards—we set very tough Federal-mandated standards for the elderly, which came out of the Finance Committee a few years ago. One could argue that they are two of the most vulnerable populations, the child and elderly, standards under Medicaid. Standards, in a sense, have been historic, in terms of Federal dollars being spent.

We understood, as the Senator has indicated, that the repository of good sense and judgment regarding child care does not necessarily reside here in Washington. So we are allowing the States to do that. But the notion, somehow inherently—that standards are inherently evil, I think there is more of a notion of that, regardless where they come from.

Mr. HATCH. Will the Senator yield on that?

Mr. DODD. I will be glad to.

Mr. HATCH. I believe most parents want basic standards. The Lou Harris poll shows 90 percent of all people who responded to that poll wanted standards for their children. They want minimum standards, and as a matter of fact, they listed quality, which really involves standards, as their top concern with regard to child care.

States, with input from their citizens and parental advisory groups, can develop those appropriate standards any way they want to. This bill does not tell them how to do it; it sets categories that anybody would agree with it. Frankly, now that we have gotten to this point, as the distinguished Senator from Connecticut says, they come in and say, well, but you are probably going to go beyond that and impose Federal standards later anyway. If we cannot do it now, we are not going to impose them later. I would have fought this bill, if all it were going to have were Federal standards.

Mr. DODD. If the Senator will yield, one other point. They talk about the model standards, to allow parents unannounced access to the child-care centers. About 10 States in this country right now prohibit parents from showing up at the child-care center, to walk in and see how their child is being treated during the day. You think of standards being a burden somehow. Some of the standards we are talking about here are a great asset and benefit to families so they can go in and find out what is going on. Imagine a child-care center saying to parents "You have no right to show up at any point during the day to see how your child is being treated."

If you only have a tax credit approach, you never get to that issue. We do not mandate it. We set it as a model standard, encourage States to allow parents to have access in those situations. But if you abandon that part altogether and exclusively rely on the Tax Code, you never get to that issue at all; I point that out. And there are health and safety standards. How many parents are qualified electricians or plumbers who can walk in and say that this is a safe building, putting aside the issue of whether or not the people who are working there are qualified. Is this a safe building for my infant child to be in for 8 hours of the day? Most people are not experts in those areas. They cannot make those decisions. It is impossible for them to do it. Are we being onerous because we suggest there ought to be a model standard that says that minimum health and safety standards must be in place? Does that not help parental choice rather than confound it, complicate it?

If you had to go in and say what kind of paint did you use on the wall, is there lead in that paint, how do I know there is not lead in that paint? What sort of plumbing facilities are they? Are the electrical facilities protected; can children get electrocuted? They do not know those things. It is unfair to ask American families to be competent in all these areas, as they take their infant child, their infant child and leave it with a stranger, because they have to work for 8 hours a day, 5 days a week, as many weeks as required in the year for them.

We are saying: Give parents a choice. Give them a choice, and do not ask them to make impossible choices. They should not be asked to make impossible choices. That is all we are talking about here, and leaving it up to the States to decide what those standards are. Maybe we will talk about these standards, and they are written with the parents and families in mind, not Washington, not some State capitol at all, but with parents in mind, what helps them in that choice and decisionmaking process.

I apologize for interrupting my colleague from Utah.

Mr. HATCH. I appreciate the comments you have made. They are right on point. The Senator from Oregon suggested that the model standards that we provide for in this bill exist in order for liberals to put pressure on State and local governments to raise State standards to the level of national standards or the model standards.

My response to my friend from Oregon is: So what? I do not think it is our place to cut off the debate within the States on what their State status should be. The Senator from Oregon is exactly correct; the model standards are there to stimulate discussion and self-examination within the States about the quality of child care provided. That is why we put them in there.

If the Senator from Oregon is correct that those model standards are the camel's nose under the tent, and that the Congress will eventually be asked to make them mandatory, or if the Senator from Washington is correct, then I am going to be the first in line to oppose that legislation. I do not think there is any question about it. The fact is that the model standards are talking points, and there will be pressure on those developing those standards to make them reasonable so the States will adopt them—and most States already exceed what are likely to be the model standards.

What we are concerned about are some of the States that have no standards at all. Everybody admits we ought to have some standards in child care when we are dealing with the lives of our children. It does not take much effort to realize that that is so. And most States have standards. Most States will have more standards than the model standards will include, but they will be there as a beacon for people to look at. They are going to come from the best minds in child care in this country.

So I think it is a red herring to keep raising the standards issue since we met what I think are the desires of the vast majority of Senators on this floor that basically the States will have total carte blanche to do whatever they want to do with regard to standards.

Also, if I heard the argument correctly, the Senator from New Mexico said the cost is so large that if the ABC bill is passed, the authorization will just run out of control. He said the States cannot live with the ABC bill of only $1.7 billion; they would need much more than that. I ask, is the Senator from New Mexico advocating that we make this an entitlement? If so, his projections are probably rather modest or conservative. But we have carefully drawn this so it is not an entitlement. It is not an entitlement.

We do not claim that we are going to help every family in America. We are not making the outrageous claim that we are going to help every family in America that is eligible under this program. As a matter of fact, that is one reason I do support the tax credit in addition, because it will be a little extra help to the parents as well.

But under the ABC bill, States can target assistance. A tax credit by itself takes a scatter-gun approach that we sort of sprinkle a little bit of money out there and hope that it does some good. We do not even know if it goes for child care. That is fine with me. I am glad to do that, hoping that it does go to child care. But the fact of the matter is that with the ABC bill, we are able to target some of the money to solve the problem. We are not totally willing to just scatter the money and throw it out there to the wind and say, "We hope that you use it for child care, but if you don't, it is all right anyway."

Mr. DODD. Mr. President, will my colleague yield on that point as well?

Mr. HATCH. I am glad to yield.

Mr. DODD. He has again touched on a point that I think is extremely important here because our colleague from New Mexico talked about choice. If you are a working family with not a huge income, one of the most important elements in choice in child care is the ability to have the resources financially when you need them. You are not in the position where your disposible income is so large that you can afford to wait until next April 15 or sometime thereafter to collect back from the Internal Revenue Service that which you have expended up to $500 under the alternative proposal, in child care expenses. If your income is around $12,000 or $13,000 a year and if you have two children who need child care because you are working and are a single parent, put it in that category, a single parent, let us use that example, child care costs on the average run around $3,000 per year, actually if you take the statistics as provided in terms of mean cost, on cost, the numbers even when parents with no child care expenses are averaged in, the mean annual amount paid by parents is $2,280 a year. What is worse is the lower a family's annual income, the more money that family is likely to pay for child care services.

This is a Lou Harris survey done for the Phillip Morris Corp. The categories of families most likely to be poor and most dependent on their child-care arrangements—blacks, Hispanics, single mothers, and those in large cities—not only pay well above the national average, but more than those earning between $35,000 and $50,000 a year.

I suspect the reason for that is the lack of availability in some of these areas. So the choices are not great. One of the things we try and do is encourage expansion of child care services.

So you have to wait for the tax credit, and I am for a tax credit as a feature of this thing. But if you are put in a position to say, well, you must only have tax credits, I think what we have done here is try to put together two proposals so that it can work for families in this category. If you only have the tax credit and you are making an income of $12,000 a year with two children, that is $6,000. Or even use this statistic here. Say it is $5,000 a year. That is off your gross income of $12,000. And then to say, I am going to give you back $750 of that $5,000 cost provided that you now get off welfare and go back to work, I think it unrealistic.

I think people are not going to be able to wait the year in order to get the money back from the Internal Revenue Service. They need the money when they have the cost, and one of the features obviously of the ABC bill is that 70 percent of the funds go directly to parents when they need the cost at that very low-income level and the tax credit folds in, because we do not necessarily have to pay all of that child care cost, and the tax credit the following year when you get your credits back can offset the remainder of that cost. So it dovetails very neatly.

Mr. HATCH. And with the limited amount of tax credit you are not sure they are going to get $750 either.

Mr. DODD. That is true. I am giving the maximum case.

Mr. HATCH. What I am saying is if you assume the maximum case.

Mr. DODD. That is the maximum example from the alternative you offer.

Mr. HATCH. If you assume the maximum it is not enough.

Mr. DODD. That is an average.

Mr. HATCH. If you assume what is likely to occur because of the limited amount of dollars that really can be targeted for this, it is going to be just a small dent in the total overall cost of child care.

Mr. DODD. And you do not get it when you need it.

Mr. HATCH. What bothers me is—I admit that the tax credit approach really appeals to me, but it is not nirvana. It is not the final solution because it is only a small dent in the overall cost of child care, and the distinguished Senator from Connecticut is abolutely right.

There is a lot of misunderstanding with respect to the 70-percent requirement for direct assistance under our bill.

Mr. DODD. If my colleague will yield, I have one other point, which I think is worthwhile. There is not a single State in the United States that uses the State tax system to support child care. It is interesting, not one—there are only six States that do not have a State income tax. But of the 44 States that do, not one single State in this country uses the tax credit system to support child-care services.

They have drawn the conclusion that it just does not provide the kind of assistance when people need it, so they have gone for the direct support option. I merely point that out to my colleague as a good example of what States have already encountered.

I say that as someone who still believes that the tax credit feature we have added to this is vitally important for the full effectiveness of this legislation.

Mr. HATCH. We both support tax credits.

I mentioned before I am pleased to be a cosponsor of the President's child care tax credit proposal. Senator DODD and I have our own family earned income tax credit approach. I cosponsored a bill with Senator DOMENICI and other colleagues on this side of the aisle that contains a tax credit for families with young children. I agree that a tax credit can be a real boon to families, but it is not the total answer. Tax credits alone cannot solve this problem.

As we said first, the amount of money involved would not even provide a major dent in the cost of child care.

So the proposal which I presume that the distinguished Senator from New Mexico and the distinguished Senator from Washington are advocating is that which will be proposed by the minority leader sometime tomorrow that would at best add a grand total of $1,000 to the pockets of low-income families. That may sound like a lot, but in order to receive this maximum amount, a family would have to earn between $7,143 and $8,000 and the credit begins to phase out at that income level.

Then a family would have to have four children under the age of 4 in order to get that. Probably not too many American families would fit that criteria.

Finally, even the least expensive child care can be expected to cost between $2,000 and $3,000 per year per child.

Work it out. If a babysitter charges a rock bottom rate of $1 per hour for a 9-hour day, that is $9 per day; multiplied for a 5-day week, that is $45. Assume child care is needed for 50 weeks each year, that is $2,250 per year for one child.

The additional tax credit of $500 for one child will not even cover one-quarter of the cost of that very nominally priced child care. And how many people are going to be able to get child care at $1 an hour?

Second, tax credits do not address the need for increased availability and choices for parents.

As the junior Senator from Missouri noted the other day, the lack of supply of care is a major part of the child-care problem. There are waiting lists for subsidized care all over America. There are parents who would prefer to have their children cared for

closer to home, but there are no slots. There may be parents who want their children in extended day programs at school, but there is a long waiting list for that.

If it is available, the kids will be in high school before their names are called.

There may be parents who have children who have special needs. There is a real dearth of child care for these types of children.

A tax credit is not going to address greater availability.

Taxpayers can spend their credit money for any number of other purposes, and I agree that the credit must be unrestricted and the families who sacrifice a second income to have a full-time parent should benefit from this particular credit.

But we have to admit that such an unrestricted credit will not, by itself, result in the creation of a greater number of new child-care slots. It just will not.

Third, a tax credit is not going to improve the quality of care that parents have to choose from. Now what parent who must entrust their child to a nonrelative provider would not want some basic assurances that the provider was honest and competent? The tax credit bills do nothing to provide these assurances. So as good as they are, as important as they may be, there is a lot they do not do and that is why the ABC bill, among other reasons, is so important. I do think we need both and I am fighting as hard as I can to see that we have both.

I want to see the President's ideas come to fruition. On the other hand, if bringing those to fruition means knocking the ABC bill that has now been amended so that it will work very well, and give the States control over their own destiny, then I am not going to be very happy with that.

Now the distinguished Senator from New Mexico also seems to say that with regard to mothers at home, ABC does not help. Well, statistics do not do full justice to families who choose to have a parent at home. And I agree with that. That is why a comprehensive approach is needed. But the ABC bill should be a part of that approach.

In other words, if we put the tax credit, which does take care of the mother at home to a limited degree, with an ABC bill that does help with availability, quality and affordability, three of the most important aspects of this whole debate, then you may have something that will work. Also, if you put both of them side by side in a bill, then you can see which one does work the best and I think you are going to find that both of them work and both of them work for different reasons and for different purposes. And that is what I think we ought to try and get our colleagues to see.

Now what about the sectarian problems? It seems to me that that was raised also by the distinguished Senator from New Mexico. The language in this bill, the so-called Ford-Durenberger amendment, draws the line where many, myself included, believe it ought to be drawn, so that any restrictions with respect to the use of aid are consistent with, but do not exceed, what is required under the establishment clause of the Constitution. The Supreme Court has held that Federal dollars cannot go directly to subsidize pervasive religious teaching. That is the law and I don't believe anyone differs with it.

As a cosponsor of this bill, however, I certainly do not want to restrict the ability of parents to receive funds to send their children to religious institutions unless such participation is constitutionally prohibited. I really believe that that is a very, very important thing. But the language in this bill, including the addition of the Ford-Durenberger amendment, appears perfectly consistent with the Constitution and with precedents set by the court. And this language would likely ensure that the restrictions regarding use of direct aid for sectarian purposes would not apply to child care certificates.

Now, it may very well also be true, and probably is, that with the tax credit approach, since all the money comes directly to the parents and they can use it for anything they want to, maybe even child care, that they can send their children to a religious school where religion is taught, even though those dollars originally were Federal dollars. I do believe that that would be consistent with the Constitution, and I would argue that before the court no matter what.

But that is another reason why you need both of these. You can add that the tax credit approach is a good approach from that standpoint, but what we have done in this bill is the best that can be done under constitutional law for a direct subsidy and, with the Ford-Durenberger amendment, we have expanded the choices of parents using certificates to the extent permissible by the Constitution.

Now, the distinguished Senator from New Mexico pointed out that we need teachers, nurses, et cetera, in order to run adequate child care. Well, we agree. That is one reason why we need child care assistants. The teacher in some areas of my State makes barely enough to make ends meet. We need nurses. Now, that could be why hospitals have been in the forefront of providing on-site child care.

So in all of these, I do not see any really legitimate sticking reasons why the distinguished Senator from New Mexico, or anybody else, for that matter, should be against the ABC bill.

I could see why somebody might be against it because it is a direct payment by the Federal Government. But, really, if you stop to think about it, it is not too much different from an indirect payment from the Federal Government in the form of refundable taxes.

Now, the distinguished Senator from Washington made some points. Again, he does not like the standards aspect. He argues it should be left to the States. We do. He argues that the standards raise the cost of child care. They do. But without them we may have all kinds of health and other concerns, safety concerns, that parents are concerned about.

He argues that the model standards might lead to more and more standards. Well, they might, but they might not, too. The fact is that most States have adequate standards, and I think that model standards, will take that into consideration.

With regard to standards, the whole thing this bill does, other than turn it over to States and provide that there will be a national advisory panel to create model standards, is we suggest six categories where the States may be interested in working on the quality of child care.

No. 1 is staff-child ratio. Everybody who looks at this problem knows that that is a major consideration. If you are going to have 13 kids with one staff person, that may be a difficult situation where the children may not have adequate protections and care. So there may be some reasonable way that we can come up with in the States with an adequate staff-child ratio.

No. 2 would be group size. How big should the group be? How big should the child care facilities needs be? How much should they meet?

No. 3, health and safety. I do not know of anybody who is not concerned about that when you talk about our children.

We ought to be concerned with these six subcategories under health and safety.

Prevention and control of infectious diseases; injury prevention surely. We are concerned about whether a child has measles or chickenpox or the flu or any number of other things and a minimum of teaching may be able to make our people aware of child-care centers and otherwise as to what can be done in those areas. Everybody has to be concerned about that for our children. How about the building and physical premises? The distinguished Senator from Connecticut pointed out most parents are not engineers nor are we electricians. Nor are we safety experts or safety inspectors. It may be that the States should look at that, and I believe they should.

How about general health and nutrition? If they are going to give lunches or breakfasts or suppers at these child-care centers or in these homes or wherever child care is done, would it not be helpful to have some advice on general health and nutrition?

How about special needs children? Everyone of us ought to be concerned about that. There may be a good reason to come up with some basically satisfactory guidelines to help with special needs children.

How about child abuse prevention? Would it not be wonderful to make sure that in all the child care delivered in this country we can avoid child abuse?

Well, these are six categories, which I do not think anybody can disagree with, that ought to be looked at by the States, and we just suggest that they do.

Now, the next one is preservice training and background checks on personnel. It seems to me that is a logical thing to do.

The fifth one is parental involvement. Just how involved should the parents be? Some of the best child care in this country involves the parents, gets them to participate. They come in and give so much of themselves to these child-care facilities and in the process the children benefit. They feel part of it. The family participates and in the end it is a better center or it is a better child-care situation.

How about in-service training, which is the sixth major category?

Well, those are the categories with regard to child care. I think if we are going to do anything, we have to worry about the quality of child care delivered in our State and local areas and the States will be worried about that.

Our friend from Washington raises whether the Government should pay the providers directly or help the parents pay by delivering the tax credit to the parents in a refundable way and letting them pay for the child care of their choice.

Well, I am not sure that the difference between the tax credit and direct funding reflects a difference in freedom. Under this bill the State has the right to directly fund child-care slots for and on behalf of individual families or the State can give them child-care certificates which enable them to go anywhere they want to go with their child for child-care purposes and those certificates can be redeemed to help pay for the cost of the child care.

We are talking apples and oranges, in one sense. I think both approaches are legitimate and valid and both have their pluses and both have their minuses. Again, that is why we need a comprehensive bill that includes both.

My friend from Washington said that there is a concern for the treatment of parents who want to care for their own children. Well, he said we should not discriminate even indirectly; child care should be available to both.

I cannot differ with that. Both Senators from New Mexico and Washington are concerned about the impact of child care on religious institutions. Well, so am I. And to the extent we are dealing with direct funding in the ABC bill and also with certificates, we have permitted the greatest amount of participation by both sectarian and nonsectarian institutions permitted under the Constitution.

In the case of tax credits, it may very well be that they will work well in the sense that the moneys come to the parents. They can use it any way they want to. Therefore we do not have the church-state problems that we otherwise have, at least with respect to direct aid under the ABC bill.

Again, that is another reason why both approaches are desirable.

If I understand the amendment of the distinguished Senator from Kansas, our minority leader, it will be a substitute for the whole bill that would subsume and do away with the ABC portion of this bill, which can do so much good and can be so directly influential in helping to alleviate some of the child-care problems in this society, and replacing it completely with a refundable tax credit approach with the same $400 million block grant to enable the States to do so much that really came from the Hatch-Johnston bill that we filed early in the game, the earliest one filed.

The fact is that is already written into the ABC bill, and all we need is the refundable tax credit side and I think we would have a bill that really will work. So I am going to fight anybody who wants to do away with the ABC aspect of this because I think it has been amended to such a degree that it will work. It makes a lot of sense. It will help to alleviate problems that the other approach will not alleviate. And even though it does not do everything the other approach does, it does a lot of things the other approach cannot do. And that being the case, it seems to me it is deserving of our support.

So, I am hopeful that before all is said and done we will be able to merge the two. That way the President becomes part of this and, of course, we get the best aspects of both bills and we have a situation that really will work in our society for the benefit of families all over America, but ultimately for the benefit of these children, who simply have to be taken off the streets and given adequate care and supervision during daylight hours.

I am concerned about some of the things that have been raised, but let us not look at it just from one perspective. Let us look at it from a total perspective and comprehensive perspective and in the end I think we can benefit our families as never before.

I am happy to yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut [Mr. DODD].

Mr. DODD. Mr. President, once again Senator HATCH, our colleague, has very adequately addressed the arguments that have been raised this afternoon in opposition to this legislation. He has done so in a very clear and concise way. It needs to be reemphasized.

Unfortunately, what we seem to be dealing with, I will say this again, is the fact that people, it seems, are sort of regretful, in a sense, that we have not introduced the old bill. They would like us to go back a couple of years and reintroduce the old bill, because that was an easier bill to attack. We have, in the last couple of days, had to remind people that the old bill is just that, it is the old bill. We have gone through a process of hearings and conferences and meetings with Governors and others, and this bill has evolved, as legislation does. I have never seen a bill yet that looked the same on the day it was passed as the day it was introduced. That is the legislative process. And this bill was introduced 2 years ago.

To listen to some people talk today, that bill is before us; it is on the floor. It is not. It has been gone for a long time. So we need to focus on what is before us. And what is before us, as the Senator from Utah pointed out, is a balanced appropriate piece of legislation that maximizes parental choice, provides assistance for people in making those choices, gives maximum flexibility to our States to set up standards that reflect what those States' needs are and the needs of the people who live in those States. It deals realistically with cost. It provides both tax credits as well as direct financial assistance. It marries the two ideas that people have been debating for 2 years: do we go the tax credit route or do we go the direct appropriations route?

A group of us sat down and said what seems to make sense here, because there is merit in both of those approaches, to put together a bill that reflects the benefits or the best aspects of both the credits and the direct appropriations. And that is what we have done with this legislation. It maximizes business-private, private-public partnerships, to encourage the expansion of child-care services, it encourages business participation through a variety of vehicles to be able to increase the availability of child care in this country. So, it reaches the quality issue, the availability issue and the affordability question, all of which are vitally important

and which no one disagrees with today.

If we just go the tax credit route we run the risk of not dealing effectively with the quality issue or the availability issue. If we just dealt with the ABC portion we do not deal effectively, in my view, with the affordability question and we may not get the kind of availability through expansion, because of people having more dollars to spend on child-care services that they need.

So, really, one side needs the other, in a sense, and that is what this process has produced. The evolution, if you will, of this piece of legislation has produced this.

Again, our colleague from New Mexico has indicated that we ought to be promoting parents staying at home; that somehow we are acting as a siren call, luring mothers out of their homes into the job market rather than staying at home where they belong.

First of all, I would say with all due respect to my colleague from New Mexico that is insulting to single parents who have no choice. A recent study or survey done by the New York Times indicated that well over 70 percent of women in the work force, regardless of their incomes, prefer to be at home with their children; poor and rich would prefer to be at home.

Obviously the ones who have money are making a choice not to be. We do not deal with them. We provide no subsidy, no assistance, nothing at all for that crowd.

I personally come down on the side that, people have the opportunity to make a choice. I would like to see them make a choice of one parent staying at home. That was my experience growing up. I think it is the best world for young children.

The reality is, as the Senator from Utah has pointed out, that there is a whole crowd of people, the overwhelming majority of people in the work force, who fall into that latter category, who do not have the choice. And some suggest, somehow, that they are doing something wrong by working, being productive, providing for their family, their two or three children they may be raising on their own; that they are doing something wrong by doing that. Ironically, some of the people who make that argument are the ones who I have heard for the last 15 years stand up and argue about that welfare mother, she ought to get out of the house and go to work. She ought to be productive.

Am I to believe now that those people who made all those statements for years really wanted her to stay at home and raise those children? Or is it a double standard? The welfare mother ought to work, but if you have a little money, you ought to stay at home? I mean that seems to me to be what they seem to be suggesting here, based on where you come from or what your economic position is here.

Again, I say most, the overwhelming majority of people we are talking about are either single parents raising children or those who have spouses who earn less than $15,000 a year. Our bill says that you cannot take advantage of either the tax credits or the direct financial assistance if your income gets above 100 percent of poverty in any State.

In my State, for a family of four, that would be around $30,000 a year. In the State of my colleague from Utah it is substantially lower than that number. He stated it the other day, but it is much lower, almost half that number.

So the idea that somehow we are providing some terrific incentive for affluent people here to lure them out of the home is just false: absolutely, categorically untrue. There is nothing in this legislation that indicates that.

For those who would stand up and suggest so, they are just not being honest in their appraisal of this legislation. I do not mind criticism. I do not mind an argument against the bill. But, please, do not raise arguments about parts of a bill that do not exist.

And that is what we are facing here. There are too many of these criticisms that are raised about it: Standards, denial of choice. My colleague from Utah could not have been clearer on that in terms of what we are talking about here in model standards and maximizing choice for parents with infants, or the choice between a tax credit and a direct appropriation.

A tax credit once it is done, it is done. That money is there for as far as the eye can see in the future. An appropriation requires this body to come back every year and approve it. Clearly, if we find that business is doing more, that the issue is being addressed by other means, we can decide not to appropriate the funds. The tax credit, once we do it, as we all know here, it is very difficult to take back the credit once you have established one. You have to change the law to do that.

So, again, I am repeating much of what has been said here by the Senator from Utah in a number of these areas. Again, I cite over and over again, I do not think—I see our good friend from Virginia who is occupying the Chair—the Governor of Virginia, Governor Baliles, Governor Kean, certainly a Republican in good standing in New Jersey, and the Governor of Arkansas, these people did not sign a letter supporting the act for better child care because they thought it was a huge federally mandated program that was going to impose restrictions on their States. Those Governors and the States they represent are not foolish.

The Senator from New Mexico suggested we are going to make the States pay for all this. You can walk back and see it, 8 percent of the funds go for State administration, one of the first times that has ever been done. Even when we do not mandate, we allocate the resources here, 8 percent being for the States so they do not have to go back to the citizens of Virginia or Connecticut and increase taxes to pay for expanded child care in their States.

I would hope my colleagues would walk to the back of the room and read what is in the bill. Some people said they have not read it yet; they will read it tonight. But they are on the floor today criticizing it. How do I handle an argument like that? Read the bill and then come over and debate it. Do not come over and tell me what is in the bill and tell me tonight I am going to go home and read that bill but today I want to tell you what is wrong with it.

I am willing to debate; I am willing to argue. It is pretty difficult to debate with people who have not read the legislation and yet want to be critical about it. I think what we have here, Mr. President, is a situation where people seem to be annoyed that we worked hard, and it has been a lot of hard work. As the Senator from Utah said the other day, there have been literally hundreds of hours, and that is not an exaggeration, hundreds of hours of people who walked into the room totally disagreeing with each other and hundreds of hours later walking out and agreeing. That is what legislators are supposed to do or try to do to see if you cannot come to some agreement when there is clearly a need that must be met. Child care as every single Member of this body knows, is an issue that must be met. We need to deal with that issue. We are not debating that any longer. We are not debating whether the three problems are quality, availability and affordability. We all agree with that. Now the issue is how best do you do it.

The Senator from Utah, the Senator from Connecticut, along with others, like the Senator from Maryland, can sit down for hundreds of hours with professionals and experts and parents and religious leaders in this country and spend 2 years putting together a bill that is now before us and then have someone walk out on the floor and say: "I haven't read it yet, but I'm against it." What kind of legislating is that?

We have not only read it, we have worked at it, we cried over it, we fought over it, we yelled at each other over it. We have done everything we can to produce a product that we think represents the best 2 years of labor. Tomorrow I hope we will get to some amendments. We have only dealt with one here today. We did not have recorded votes. We ought to get to

this, if there are alternatives, if people have good ideas, that is what we have floor debate for. If people have ideas as to how we can modify it or make it better, the Senator from Utah and I are open to that. We have never closed our eyes and ears to a good argument or good idea in this legislation. Certainly we have not arrived at that point, as far as this Senator is concerned.

If there are Members who would like to come forward and propose some ideas and suggestions in the spirit of making this a better product, I want to hear about them. If they are good ideas, I will take them, I will try and accept them. That is how we ought to proceed. I hope we do not get amendments and arguments being offered for the sake of trying to kill the bill or trying to come up with an alternative just for the sake of an alternative so someone claims credit for some product.

The best quote I ever heard about taking credit came from Gen. George Marshall who once said there is no limit to what you can accomplish in Washington, DC, as long as you are willing to give someone else credit for it. By God, if someone wants credit for it they can have credit for it if I can have their vote so we can do something about child care.

Sometimes I think that is the motivation behind all this: Whose name is on it, which party takes credit for it. The Senator from Utah and I got over that a long time ago in trying to put this together. I think we are both proud of that fact. I would not be here without him; this bill would not be on the floor. It would not have come out of committee had it not been for the conservative Senator from Utah. I believe that with every fiber of my body. It is a bipartisan proposal because the Senator from Utah and some of his colleagues worked to bring it to this point. The best legislation this place ever produces is when it is produced in that process. I am proud to be associated with him in that effort.

Again, Mr. President, I commend my colleague from Utah for his response to some of the criticism raised about the legislation today. All I can urge is tomorrow when Members come to the floor to debate this, I hope they will do what they said they will do, read the bill tonight, so we can have a good debate tomorrow.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah, Senator HATCH.

Mr. HATCH. Mr. President, I really enjoyed and appreciated the remarks of my distinguished colleague from Connecticut. I do not know how anybody could have worked harder. I think what he has done is gained some important details.

I think one of the most important details is anybody who argues that wealthy women are going to benefit from this bill has not read the bill and does not know what is going to happen. Anybody who argues that all we are doing is enticing women to go out of the home—hey, they are already out there, and they do not know what to do. They do not know what to do about their children. They are scared to death for their children, and they ought to be, in this drug-ridden and crime-ridden society today. I am not about to leave these kids just completely at the whim of the adverse influences on our society, which is what is happening.

The fact of the matter is, that this is to help families who really cannot afford to take care of child care. Neither of these approaches, either the tax credit approach or the ABC direct subsidy approach, is going to help people who do not need the help. Like the distinguished Senator from Connecticut said, there are literally millions of families out there in anguish because they do not know what to do with their children and they both have to work, or in the case of most women who are working, they have to work because they are a single, sole head of that household. They are divorced or widowed or otherwise unmarried and they do not have any other choice but to work unless they stay on welfare.

One of the best remarks he made was some of the people who are criticizing this the most are those who made the big stink about welfare mothers sitting and sapping up the tax dollars. Let me tell you something, you cannot have it both ways. If we want them to work and support their families, then we have to help them with their children.

I cannot begin to tell you over the last 4, 5 or 6 years since we worked with women in our State and with the Women's Advisory Committee that has advised me from the left to the right, Democrats, Republicans, independents, how this issue continues to crop up because women do not know what to do, if they have to work, with their children. They do not know what to do.

By the way, if we can create additional licensed slots that will effectively and carefully care for our children, then we ought to do that. That will benefit everybody, even women for any reason at all who want to work. They have every right to do that.

I agree with the distinguished Senator from Connecticut. I do not know of a parent yet who does not wish that parents or a parent could be in the home with their children. I do not know one family who would not want the better choice, and that is to have a parent home with the children. They would love to do it. In most of these cases, they have no other way. If they can work, and they do not want to be on welfare, and they want to be self-sufficient, and they want to have the self-esteem—that comes from taking care of themselves and their children—then, my gosh, you cannot imagine the anguish they must have when they realize they cannot take care of their children and work, too, or they cannot work and find a way to take care of their children.

I have had women come to me and tell me that even though they are making a fairly decent living, they do not have anywhere to send their kids. They do not have a baby sitter, they do not have family; they do not have anybody else in the town that they live in; they do not have anybody volunteering. They are willing to pay, but they do not even have the opportunity to find somebody to care for their kids. Where they can find them, they cannot afford them. And like Robin Brown, who I mentioned on the first day, with four kids, she had to work overtime constantly, two jobs, sometimes three jobs, in order to care for those kids and put food on the table, and her 10-year-old had to watch the younger children. She was cited for child neglect twice, and she is a wonderful mother. But because she was not home with those kids and had nobody to care for them and had to feed them, she did not have any choice other than to work and get cited for child neglect.

Look, let us get with the real world and let us try to solve these problems. I agree with the distinguished Senator from Connecticut. Let us not criticize the bill unless you can point to chapter and verse and say this needs to be changed and then we will change it. We are not averse to amendments. We would love to have them, but do not tell me that only the tax credit approach worked and this one does not. It used to be only the ABC bill worked and the tax credit did not work.

With the help of people with good will, we have now been able to elucidate the advantages of each of these approaches, and if we bind them together we will have something that really will work for the benefit of families in our society.

To that extent I want to tell the distinguished Senator from Connecticut how much of may respect he really has. I do not know anybody who could have worked as indefatigably as he has, to do what is right for families in America. I have total admiration for him.

As to the distinguished Senator from Maryland, BARBARA MIKULSKI, I cannot begin to tell you, Mr. President, how hard she has worked on this bill and all the approaches to it, and the intelligence she has brought to the process. It has been remarkable. My esteem and respect for these Senators could not be higher.

VOL 135 PT 9 JE 14 — 22 1989 UMI

I think this bill is important and I would like to see it pass before the end of this week. I think it will give heart and hope, not total solutions; we do not have enough money to do that, to almost every family in America who is situated in such a condition as some of these people to whom I have been referring.

Mr. President, I think it is time maybe to end the debate for this day, and with that I yield the floor.

COMPANY CHILD CARE

Mr. COATS. Mr. President, we are in the middle of a debate over child care that has occupied our attention with a thousand sometimes petty controversies. But, when pieced together, they form the distinct outline of a more fundamental disagreement. We have come upon a great truth by way of smaller quarrels.

On one side are those whose trust in the unfailing wisdom of Government has never been tempered by the hard facts and failures of recent history. On the other side are those who trust instead in the judgment and ingenuity of intermediary institutions that stand between individuals and the state—groups like the family, the church, even private businesses.

Both of these approaches believe in activism to meet the child-care needs of lower income families. But the first approach restricts individual choice to those options Government can control. The second, in contrast, is a protest against paternalism. It does not substitute its own judgment for that of parents or businesses. It simply expands the range of options by adjustments in the Tax Code.

It is with this division in mind that I submit an article I recently read into the RECORD titled "Company Child Care"—Indiana Business, June 1989—it is an excellent example of how businesses in Indiana are meeting child care needs without intrusive Government intervention and regulation. These are the types of efforts that the Government should be encouraging. Our goal must not be the extention of governmental power but the provision of help. The only Government activism in child care that is worth our exertion is an activism that enables, not directs. Our object should be to help a free people meet their own goals—not a Government that puts its pudgy and soiled finger into every pie.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KID STUFF NO MORE

(By Susan Guyett)

Child care isn't kid stuff anymore. It's discussed in presidential campaigns, debated in the state legislature and considered by top management in corporate Indiana.

A growing dependence on women in the work force and a decline in population have forced businesses to take a new look at how child care plays a role in the marketplace. Quality child care gives working parents the peace of mind to concentrate on business. Quality child care supplements the educational and social skills children need as employees of tomorrow.

For more and more families, it's not a matter of whether Mommy is going back to work, it's when. A recent report commissioned by Lilly Endowment, Inc., on the state of the child in Indiana indicated that as of 1985, mothers with children under 6 comprise 53 percent of the work force.

The key issues in child care are affordability, availability and quality, the experts say. What's available in a city may be too expensive for some workers. On the other hand, there are times when what's out there may be merely substandard babysitting that offers little more than diaper-changing. Some parents have no choice but care that offers neither nurturing nor developmentally appropriate interaction.

A bill offering tax credits to businesses that subsidize child care failed in both houses of the Indiana General Assembly during this past session. The attention it received, however, has given child-care advocates reason to be hopeful. The measure left many Indiana people thinking that child care is an issue whose time has come.

But even without tax incentives, some Indiana businesses have realized that what is good for children is good for their employees as well. Throughout the state there are examples of companies that are participating in innovative child-care solutions. Support comes in many forms, including on-site day-care centers, sophisticated information and referral systems, flexible work hours, cooperative ventures and even outright payments to assist families with child-care needs.

Businesses have discovered that child care isn't just a women's issue anymore, says Ena Shelley, associate professor of education at Butler University in Indianapolis and president of the Indiana Alliance for Better Child Care. Child care is a business issue, a work force issue and, in some localities, a community development issue.

Businesses that have been successful in tackling child-care issues are those in which top executives have given their enthusiastic support to plans that carefully fit their company and employee needs.

For Excel Industries, Inc.'s Nyloncraft subsidiary in Mishawaka, the answer was an on-site, 24-hour-a-day learning center. The 8-year-old operation has a complicated transportation schedule that not only takes children to and from school but also delivers them, bundled up, to their parents at a sister plant in South Bend at the end of the 11:30 p.m. shift.

For Lincoln National Corporation in Fort Wayne, the answer was a nationally acclaimed information and referral system that provides employees with the names of qualified and monitored home day-care providers. The company, in addition, has taken on the job of helping the child-care providers become savvy businesswomen and, in turn, more-professional care givers.

That has nothing to do with the insurance business, but it does have something to do with improving the city's economy by helping nearly 300 small-business people. Madeleine Baker, Lincoln National's child-care coordinator, says home-care providers on the company-approved roster earn anywhere from $5,000 to $19,000 a year.

For a chain of Burger King restaurants in northern Indiana, the child-care solution was an outright subsidy. Qualified day shift workers can collect up to $45 a week for child-care expenses.

Dan Fitzpatrick, president of Burger Services, Inc., in South Bend, which owns and operates 41 Burger Kings in northern Indiana and in Michigan, says many of his 600 employees are working parents. The $1.50-an-hour subsidy has helped him recruit and keep quality workers. Approximately 30 workers are now taking advantage of the allowance. "All I can say is that it made sense and it makes sense today for us. If it didn't make sense, I wouldn't be doing it," he says.

Not every employer sees the issue as simply as Fitzpatrick does. Many executives who are working to find a solution to their employees' child-care needs are more cautious.

Frank McAlister, the Indiana Chamber of Commerce's senior vice-president for human resources, has had a lot of questions about child care lately. "I think there is a heightened enlightenment and awareness about the problem on behalf of the employers," he says. "But I'd be telling you wrong if I said there was a big stampede right now toward doing something."

Private sector initiatives are also popping up. Innovative Design Concepts of Indianapolis included a day-care center for infants in the design of a new building. Architect Brad Lewis says the building is expected to attract small-business operators who may have been working out of their homes. A day-care center for older children is located next door.

If company employees haven't expressed interest in child-care issues, it's not because families don't deal with them every day. Consider these statistics reported by the child-care consultation service at the Lutheran Hospital of Fort Wayne, Inc.:

Both spouses work outside the home in 60 percent of all two-parent families;

Single-parent households doubled in the past decade;

By 1990, 65 percent of the people entering the labor market will be women;

By 2000, four out of every five babies in the United States will have mothers working outside the home.

Unfortunately, there are no hard figures on the amount of child care that is needed. More than 2,100 licensed day-care centers and homes are registered with the state. Many more churches, schools and civic groups such as the YWCA also offer child care. These organizations aren't required to be licensed, though, if they provide care for only a few hours a day. According to the Indiana Department of Public Welfare's day-care licensing supervisor, Keith Carver, those licensed centers and homes can care for about 55,000 children. 1980 U.S. Census figures indicate that a total of 400,000 children age 6 and under live in Indiana, says Michael Mirable, president of the Indiana Licensed Day Care Association. Not all children are in need of licensed day care, to be sure, but there's no way of knowing how many children are under the care of someone other than their parents.

"We call it the 'underground market,'" says Ginny Purcell, a project director for the Fort Wayne Women's Bureau. "This is a major problem in Indiana. We know these children are receiving care because their parents are in the work force but they are not countable."

Finding a child-care solution in a business or community sometimes takes a decision maker who understands the stresses parents feel.

Marjorie Soyugenc of Evansville is a mother who is employed outside her home. She's spent all of her adult years going to school or working and, in the process, finding proper care for her children. She remembers the uncertainty and what she calls the "absolute panic" that sets in when a child-care provider abruptly fails to deliver services. She also remembers occasions when she couldn't give all of her attention to her job because of child-care worries.

Soyugenc's children are grown now, but, as president of Welborn Baptist Hospital, she's in a position to put other minds at ease. Next year, Welborn will open a $750,000 child-care facility a few blocks from the hospital. Welborn was prepared to go it alone but invited local businesses to participate. A dozen Evansville corporations have signed on as contributing members so their employees can take advantage of the service. It took five years to come up with the studies, plans and economic justification to get the Welborn center project off the ground, Soyugenic says.

Cal Olson, president of Child Care Management of Indiana, Inc., in Zionsville says businesses sometimes shy away from child-care issues because they think their only option is to build an on-site center. Consultants such as Olson recommend a needs assessment or survey to determine a company's individual requirements.

Asking the right questions is vital, says Kathleen Likeness, director of the Lutheran Hospital center in Fort Wayne. "Questions like 'Do you need child care?" just doesn't do it," she says. A carefully worded and analyzed survey may reveal that your employees have few child-care worries. Or an employer may discover workers have trouble finding before- and after-school care or their biggest worry is care for sick children. Research should tie in traffic patterns, care already available in the community and family trends within a company's employee population, Likeness says.

Fitzpatrick skipped the consultants when he set up the restaurant chain's subsidy program. "This isn't rocket science. It's really pretty simple," he says. "You have a bunch of people who work for you, so you talk to them. You say 'What do you need and how are we doing?' " His company uses a referral service so that the children in the subsidized program are cared for in monitored, licensed day-care homes near the worker's residence or near the restaurant where he or she works.

Liability factors also weigh heavily on executives' minds, says Loretta Kollar, director of the Excel-Nyloncraft center. They worry not only about injury lawsuits but also about child-abuse accusations. Kollar thinks liability fears, while a legitimate concern, shouldn't overshadow the benefits.

Olson advises clients who are concerned about liability to explore options—including voucher systems and contract arrangements with established day-care centers—to minimize the concern. Child-care officials blame the news media for blowing the number and extent of child-abuse cases out of proportion. Very few of the abuse incidents take place in licensed day-care centers, says Mirable, who is director of ECLC Learning Centers, Inc., in Indianapolis. The trouble, he says, is that news accounts categorize every child-care situation as having happened in a "center" whether it is a licensed center or not.

One thing that can stop cold any movement in child-care benefits is a CEO who isn't behind the notion, the experts say.

Just as there are differences of opinion among employers, families show preferences about child-care options. Mothers of young babies show a clear preference for home care rather than day-care centers, Olson says. "There's almost like a natural stigma attached to taking your child to a center, like you're taking them to an institution."

There's reluctance by traditionalists to acknowledge the changing family structure. "We have a lot of people, still, who really feel mothers should be home and that there's no excuse for mothers to work," Butler University's Shelly says. "We're really trying to educate them that for whatever reason they work, whether it be financial or just choice, the fact of the matter is, there are these children who need care."

Mr. DODD. Mr. President, I know of no other Members who wish to be heard on our side today on the matter before the Senate, and I gather the same is true on the Republican side.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on June 16, 1989, during the recess of the Senate, received a message from the President of the United States submitting sundry nominations and withdrawals, which were referred to the appropriate committee.

(The nominations and withdrawals received on June 16, 1989, are printed in today's RECORD at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1299. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to permit the secretaries concerned to correct expeditiously military records regarding the promotion and pay of enlisted members of the armed forces; to the Committee on Armed Services.

EC-1300. A communication from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting, pursuant to law, a report on the conversion of the packaging/transportation support function at McClellan Air Force Base, California, to performance by contract; to the Committee on Armed Services.

EC-1301. A communication from the Assistant Secretary of the Interior (Fish and Wildlife and Parks), transmitting, pursuant to law, maps of undeveloped coastal barriers along the Great Lakes that qualify for inclusion in the Coastal Barrier Resources System; to the Committee on Environment and Public Works.

EC-1302. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on extradition and mutual legal assistance treaties and model comprehensive antidrug laws; to the Committee on Foreign Relations.

EC-1303. A communication from the Administrator of the Agency for International Development, transmitting, pursuant to law, the semiannual report of the Inspector General, Agency for International Development, for the period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1304. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1988; to the Committee on Governmental Affairs.

EC-1305. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "A Review of Condominium Conversion Fees Collected and Disbursed for the Period 1983 through 1988"; to the Committee on Governmental Affairs.

EC-1306. A communication from the Acting Director of the Office of Personnel Management, transmitting, pursuant to law, a report entitled "Performance Management and Recognition System FY 1987 Performance Cycle"; to the Committee on Governmental Affairs.

EC-1307. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation with respect to a claim against the United States; to the Committee on the Judiciary.

EC-1308. A communication from the Secretary of Education transmitting, pursuant to law, a report of the National Center for Education Statistics entitled "The Condition of Education"; to the Committee on Labor and Human Resources.

EC-1309. A communication from the Chairman and Members of the Railroad Retirement Board, transmitting, pursuant to law, a report on the actuarial status of the railroad retirement system including any recommendations for financing changes; to the Committee on Labor and Human Resources.

EC-1310. A communication from the Secretary of Education, transmitting, pursuant to law, Final Priority, Required Activities, and Selection Criteria for a High Technology Competition under the Cooperative Demonstration Program; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 358: A bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes (Rept. No. 101-55).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CONRAD:

S. 1200. A bill to implement a national comprehensive plant management program that will protect our environment by controlling or containing undesirable plant species on Federal lands; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BENTSEN (for himself, Mr. CHAFEE, Mr. RIEGLE, Mr. MATSUNAGA, and Mr. BRADLEY):

S. 1201. A bill to amend title XIX of the Social Security Act to make certain modifications in the Medicaid program to provide pregnant women and children greater access to health care under such program, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WILSON:

S. Con. Res. 48. A concurrent resolution expressing the Sense of the Congress regarding human rights abuses in China since the Red Army massacre of June 3, 1989; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD:

S. 1200. A bill to implement a national comprehensive plant management program that will protect our environment by controlling or containing undesirable plant species on Federal lands; to the Committee on Agriculture, Nutrition, and Forestry.

NOXIOUS WEED CONTROL ACT

Mr. CONRAD. Mr. President, today, I am introducing legislation to address a growing problem in my State and throughout the West—the spread of noxious weeds.

Leafy spurge, spotted knapweed, and other harmful weeds are threatening the quality of our forage, land, air, and water resources. These nuisance plants increase soil erosion and sediment yields which damages water quality. They are a threat to both wildlife and domestic animals as they reduce the growth of desirable vegetation. They adversely affect reforestation efforts and recreational opportunities. And they cause human health hazards through the spread of pollen and allergies.

The infestation and spread of noxious weeds creates a two-pronged financial loss for North Dakota and other Agricultural states: The loss of land; and the loss of the tax base because the land value is diminished.

North Dakota's most pervasive noxious weed, leafy spurge, now covers 1.5 million acres in North Dakota—in fact, this acreage level has doubled since 1973, according to the North Dakota State University.

The threat and damage imposed by noxious weeds will only get worse unless we act not to control the situation. At the top of our agenda should be better coordination of inter-agency weed control efforts and communication. No weed abatement strategy will be effective unless weeds are controlled across the board, regardless of landownership. For example, efforts to control weeds solely on Federal lands are ill-fated if the neighboring State or private land does not have a program.

The purpose of the bill I am introducing today is twofold: First, to coordinate Federal, State, and local efforts to manage weeds on private, State, and Federal lands through cooperative agreements; and, second, to require all Federal agencies managing or administering Federal lands to designate a specific office and contact person for coordinating noxious weed control efforts.

I am convinced that a unified, systematic, approach to weed control, coupled with research advancements we are achieving at the four USDA grasslands research centers and other facilities—such as the Weed Science Center at North Dakota State—will be the winning formula necessary for effective noxious weed management.

Mr. President, this weekend, I again traveled across my State and saw firsthand the threat that we are facing from the spread of noxious weeds. Leafy spurge is out of control. Kochia is out of control. Many of these weed infestations are on Federal lands, on conservation reserve acres.

The drought of last year provided an almost perfect environment for the weeds to prosper. It is a remarkable circumstance when hardship visited on a State is only made worse because it provides an environment in which weeds can spread even further.

Mr. President, it almost sounds humorous to have a war on weeds. And we have had some on this floor, some of my colleagues, who have in the past made it humorous to talk about weeds. I must say I share that feeling. But we also understand, those of us who represent agricultural States, as does the current occupant of the chair, that it is no laughing matter when the weeds take over and threaten the economic viability of an agricultural area.

I urge my colleagues to join me in this war against weeds, and I ask unanimous consent that the full text of my bill, the Noxious Weed Control Act, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Noxious Weed Control Act".

SEC. 2. FINDINGS.

(a) CURRENT CONDITIONS.—The Congress finds that undesirable plant species are—

(1) contaminating Federal lands by taking over and encroaching on desirable plant species;

(2) polluting air, land, and water resources by increasing soil erosion and decreasing natural ground cover;

(3) spreading from Federal lands to contaminate State and private lands;

(4) causing wildlife species to migrate from Federal lands by taking over the natural habitat of those wildlife species; and

(5) causing human health hazards through the spread of pollen, insects, and disease.

(b) CONSEQUENCES OF INACTION.—The Congress further finds that unless undesirable plant species are controlled or contained, they will—

(1) increase exponentially, causing further contamination and deterioration of wildlife habitat, recreational resources, and aesthetic values;

(2) increase soil, water, and air pollution;

(3) have a detrimental effect to human health; and

(4) further eliminate natural species of vegetation.

(c) INADEQUACY OF EXISTING LAW.—The Congress further finds that even though there are numerous laws addressing the stewardship and management of Federal lands, those laws do not directly or effectively deal with the management of undesirable plant species on Federal lands.

(d) NECESSARY ACTION.—The Congress further finds that a comprehensive, national undesirable plant management act will—

(1) protect our environment by preventing the pollution of air, land, and water resources and will reduce soil erosion by preventing the introduction and continuing the spread of undesirable plant species on Federal lands;

(2) protect recreation uses and aesthetic values on Federal lands by reducing the risk of introduction of undesirable plant species from one area to another;

(3) protect habitat for wildlife and domestic animals on the Federal lands by reducing the spread of undesirable plants which are detrimental to desirable vegetation;

(4) protect threatened and endangered species listed under the provisions of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) by reducing the infestation of undesirable plant species to protected ecosystems; and

(5) provide for the management, development, and enhancement of Federal lands by protecting those lands from the continuing spread of undesirable plant species.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) COOPERATIVE AGREEMENT.—The term "Cooperative Agreement" means a written agreement between a Federal agency and a State agency entered into pursuant to section 5.

(2) EXOTIC PLANT.—The term "exotic plant" means a plant with one or more of the following attributes—

(A) it is not a regular member of the native or natural community in which it is found;

(B) it is of little economic value; or

(C) it colonizes disturbed habitats.

(3) FEDERAL AGENCY.—The term "Federal agency" means a department, agency, or bureau of the Federal Government responsible for administering or managing Federal lands under its jurisdiction.

(4) FEDERAL LANDS.—The term "Federal lands" means lands managed by or under the jurisdiction of the Federal Government.

(5) INTEGRATED MANAGEMENT SYSTEM.—The term "integrated management system" means a system for the planning and implementation of a program using an interdisciplinary approach to select a method for containing or controlling an undesirable plant species or group of species using all available methods, including—

(A) education;

(B) preventive measures;

(C) physical or mechanical methods;

(D) biological agents;

(E) herbicide methods;

(F) cultural methods; and

(G) general land management practices.

(6) INTERDISCIPLINARY APPROACH.—The term "interdisciplinary approach" means an approach to making decisions regarding the containment or control of an undesirable plant species or group of species, which—

(A) includes participation by personnel of Federal or State administrative agencies with experience in areas including weed science, range science, wildlife biology, land management, and forestry; and

(B) includes consideration of—

(i) the most efficient and effective method of containing or controlling the undesirable plant species;

(ii) scientific evidence and current technology,

(iii) the physiology and habitat of a plant species; and

(iv) the economic, social, and ecological consequences of implementing the program.

(8) NOXIOUS PLANT.—The term "noxious plant" means a plant, seed, or part of a plant or seed with one of more of the following attributes—

(A) it is aggressive, difficult to manage, detrimental, destructive, or poisonous;

(B) it is a carrier of insects or disease;

(C) it is parasitic; or

(D) its direct or indirect effect is detrimental to the management of a desired ecosystem.

(8) STATE AGENCY.—The term "State agency" means a State Department of Agriculture or other State agency responsible for the administration of the undesirable plant laws of a State.

(9) UNDESIRABLE PLANT SPECIES.—The term "undesirable plant species" means plant species that are—

(A) of little economic, aesthetic, or nutritional value; or

(B) are classified as exotic plants or noxious plants as under State law or, in the absence of applicable State law, under Federal law.

SEC. 4. MANAGEMENT OF UNDESIRABLE PLANT SPECIES.

(a) IN GENERAL.—Each Federal agency shall—

(1) designate a specific office and person adequately trained in the management of undesirable plant species to develop and coordinate a program for the management of undesirable plant species on Federal land under the agency's jurisdiction;

(2) establish and adequately fund through the agency's budgetary process a program to manage undesirable plant species on a continuing basis;

(3) enter into and implement cooperative agreements with State and local agencies regarding the management of undesirable plant species on Federal lands under the agency's jurisdiction and on State and private lands adjacent to Federal land;

(4) establish integrated management systems to control or contain undesirable plant species targeted under cooperative agreements;

(5) require that equipment (including road construction equipment, recreational vehicles, and farm or ranch equipment) and agronomic crops (including hay, alfalfa, straw, and other feed for livestock or wildlife), prior to entry onto Federal lands, be certified free of undesirable plant species under certification standards set by the Federal agency in consultation with appropriate Federal and State agencies; and

(6) complete an environmental assessment or environmental impact statement that may be required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to implement plant control or containment no later than 1 year after the necessity of preparing such an assessment or statement is ascertained.

(b) EFFECT ON PERMIT HOLDERS.—(1) A Federal agency shall conduct undesirable plant control and containment in such a manner as will not unduly impair the enjoyment of the benefit of a permit, lease, easement, or right of way for the use of Federal land by the holder thereof.

(2) A holder of a permit, lease, easement, or right of way for the use of Federal land shall be required to exercise the holder's rights under the permit, lease, easement or right of way in such a manner as will not unduly impair a Federal agency's ability to conduct necessary control or containment of undesirable plant species.

SEC. 5. COOPERATIVE AGREEMENTS WITH STATE ADMINISTRATIVE AGENCIES.

(a) IN GENERAL.—A Federal agency shall enter into cooperative agreements with State agencies to coordinate the management of undesirable plant species on Federal lands and State and private lands adjacent thereto.

(b) CONTENTS OF PLAN.—A cooperative agreement entered into pursuant to subsection (a) shall—

(1) prioritize and target undesirable plant species to be controlled or contained within a specific geographic area;

(2) describe an integrated management system to be used to select a method to control or contain the targeted undesirable plant species; and

(3) detail the means of implementing the selected method, define the duties of the Federal agency and the State agency in prosecuting that method and establish a timeframe for the initiation and completion of the tasks specified in the integrated management system.

By Mr. BENTSEN (for himself, Mr. CHAFEE, Mr. RIEGLE, Mr. MATSUNAGA, and Mr. BRADLEY):

S. 1201. A bill to amend title XIX of the Social Security Act to make certain modifications in the Medicaid program to provide pregnant women and children greater access to health care under such program, and for other purposes; to the Committee on Finance.

MATERNAL AND CHILD HEALTH ACT OF 1989

● Mr. BENTSEN. Mr. President, Senators CHAFEE, RIEGLE, and I are pleased to introduce today S. 1201, a bill addressing one of the Nation's most serious problems—the health of America's children.

When I was a kid it was routine to get measles. Now a shot takes care of it. Whoever knew a family that didn't have one case of diptheria or rheumatic fever—or whooping cough? And what parent living through the fifties can forget the dread with which parents viewed summertime—and the onset of polio epidemics?

Now we can eliminate that with a few injections—or a sugar cube.

Except for one thing. Too many kids can't afford innoculations. Forty percent of children under 4 don't even get their basic set of immunizations.

The fact is, America is facing what one health group recently called a "child health crisis."

White American babies die at a greater rate than babies born in Singapore—or a dozen other countries. Minority babies born here today—just a few miles from this chamber—have a greater chance of dying before their first birthday than babies born in Cuba.

Of the 37 million Americans without health insurance, 13 million are children. Not only do millions of them not get immunized; they don't get regular health care of any kind, whether it is amoxicillin for an ear infection or getting the plaque scraped off their teeth.

And things aren't getting better. Between 1979-86 dependent insurance—that means insuring your kids—declined. So did immunizations. And according to CDC, childhood diseases went up. In 1985 mumps tripled over the year before. In 1986 we had the highest number of whooping cough cases since 1970—60 percent of them in kids under 5.

Am I talking just about the poorest of the poor? Not at all. A third of the uninsured kids come from families making from the poverty line to 185 percent of poverty. A parent working fulltime for, say, the minimum wage, can find out her kids have less access to a doctor than they would if she was on welfare. That's not right.

And that, Mr. President, is what this bill is designed to correct.

This bill expands Medicaid, and improves services included under the maternal and child health services block grant. It takes a comprehensive approach to correct the many problems facing pregnant women and children. It complements a variety of other initiatives now pending before this body. It closes gaps in access. It removes a lot of the financial barriers which prevent pregnant women from seeing doctors even when they feel early contractions.

Here's how it works.

First, S. 1201 extends Medicaid coverage to all pregnant women and children under the age of six with incomes below 185 percent of the Federal poverty line. It allows States to expand their coverage even further—for children until their 19th birthday—for families with incomes below the Federal poverty line.

There are some children who until now have been called uninsurable; this means that if they were born with a leaky heart valve, or epilepsy, or developed diabetes, they often can't get insurance even if their families can pay the premiums. This bill will authorize three statewide demonstration projects allowing States to either extend Medicaid coverage or buy employer based coverage for them.

Removing financial barriers can't do everything. There have been other obstacles for pregnant women or sick kids. One of them is the assets test for Medicaid eligibility. This bill simplifies that test. In fact, it would require States to offer health care coverage to pregnant women who seem to meet the criteria while their applications are being processed.

There are other areas covered by this bill. For example:

EPSDT: Medicaid's early periodic screening, diagnosis, and treatment program has been highly praised those who have seen it work. This bill requires States to offer EPSDT screening whenever doctors suspect medical or mental health problems. It also requires prompt treatment once a condition has been diagnosed. And it requires the Secretary of HHS to find ways of increasing participation in this program which is now used only by about 25 percent of those who are eligible.

Maternal and child health services block grant funding: This bill increases it—from the $563 million now authorized to $711 million. Not much. But enough to enable States to help pregnant women and those children with special health needs—those with cerebral palsy, for example, or muscular dystrophy, or AIDS.

Provider participation: What happens when more and more pregnant women become eligible for Medicaid? We will need more doctors and clinics providing obstetrical and pediatric care. S. 1201 provides financial protection for hospitals caring for kids with costly illnesses. It requires States to provide administrative assistance to obstetrical and pediatric care providers for Medicaid patients.

Home health care: Where would most kids rather be? In a hospital ward or in their own home? I think their own home. Outpatient treatment cuts costs, too. But kids sometimes need equipment in their homes. This bill allows States to increase the number of kids they can treat in the home or community. It allows them to offer home or community based service as an optional Medicaid service for pediatric AIDS patients—or for kids who have to be hooked up to ventilators in order to breathe.

Those are the major provisions.

Mr. President, let me make a few points about this bill.

First, does it cost some money? Yes.

Because of the bill's scope, the Congressional Budget Office was unable to complete a final estimate in time for introduction today. Once they've prepared the final estimate, we may have to make adjustments in the benefit package or effective dates.

Nevertheless, a pretty good ballpark estimate is that this bill will cost about $1 billion—one-tenth of 1 percent of the budget. But what does it offer in return? Among other things, it extends medical insurance to almost two million kids. That's about 15 percent of those now without insurance. It proves the point of those who have been arguing for years, that insurance is cheap, if you design your proposals well.

Which we've done, thanks to the help we got from so many national organizations closely involved with child health, whether the American Academy of Pediatrics, the March of Dimes, the Association of Maternal and Child Health Programs, the National Governors Association, the Children's Defense Fund, or a lot of others.

Besides, these programs more than pay for themselves. Providing prenatal care saves about $3 in the first year of a child's life for every dollar we spend, and immunization? It more than pays for itself—even after the recent upsurge in litigation that's made vaccines so expensive. How can you beat that?

Is this a bill that helps only a few groups of people, or a few areas of the country? Not at all. This bill helps people all over America—not just in the ghettos of New York and Detroit but the small towns of Texas.

Because we've seen what happens to kids when their families can't afford insurance. Recently we had a 4 year old at a for-profit hospital in one Texas city transferred to a public hospital because he had no insurance. His heart stopped in the ambulance. And while he lived, others weren't so lucky. In Another Texas town a pediatric cardiologist—the only one in town—refused to see two twins with heart defects because they had no insurance. Bundled into an ambulance in a desperate attempt to get them the 60 miles to another hospital, both kids died.

Whatever you feel about who's to blame in this kind of incident, the fact is, it will continue to happen when we have so many uinsured kids. This bill is not about abstractions. It's about real kids, and real pain—and real cures.

There are those who oppose any efforts in Washington to help poor people. Some think they just don't work. Some think that no matter how poor you are, you can work hard, get ahead, and if you don't it's your own fault.

Well, maybe. But how does that apply to a 4-year-old in agony because of an ear infection? How does that apply to a kid in the burn unit of a hospital because a kerosene heater short-circuted? How does that apply to a kid with a heart defect, racing to a hospital far away because he's been refused care? How does that apply to the not-yet-born, whose mother simply doesn't know that smoking and drinking are dangerous not only for her—but the fetus?

Mr. President, with surgeon-like precision, we have a chance to remove major obstacles to health care, right now, without even picking up a scalpel. That helps both kids and their parents.

Because working families have a tough time making ends meet in America. It's tough to hold down a job fulltime, then come home to feed your kids and help them with homework before you even change your clothes. But American parents are doing it every day. They know it's their job. They're doing their job.

And levelling the playing field a little by giving their kids a chance at basic health care? I think that's our job.

It will pay dividends for America.

"Childhood shows the man," Milton wrote, "as morning shows the day."

When we examine the childhood of Americans beginning life, we'll be able to tell what kind of citizens they'll become. I urge my colleagues to join us in supporting this bill which will brighten the morning of their lives—and help bring to the rest of their lives, a bit more sunshine.

I ask unanimous consent that the text of S. 1201 and a bill summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Maternal and Child Health Act of 1989".

SEC. 2. MANDATORY COVERAGE OF CERTAIN LOW-INCOME PREGNANT WOMEN AND CHILDREN.

(a) MANDATORY COVERAGE.—Section 1902(l) of the Social Security Act (42 U.S.C. 1396a(l)) is amended—

(1) in paragraph (1), by striking subparagraph (B) and inserting in lieu thereof the following new subparagraph:

"(B) children who have not attained 6 years of age, and"; and

(2) in paragraph (2), by striking subparagraph (A) and inserting in lieu thereof the following new subparagraph:

"(A) For purposes of paragraph (1), with respect to individuals described in subparagraphs (A) and (B) of that paragraph, the State shall establish an income level which is a percentage equal to 185 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(l)(4) of such Act (42 U.S.C. 1396a(l)(4)) is amended—

(A) in subparagraph (A) by striking "infants under age 1" and inserting in lieu thereof "children under the age of 6", and

(B) in subparagraph (B) by striking "provided under clause (ii) of such paragraph" and inserting in lieu thereof "provided under such paragraph".

(2) Section 1902(a)(10)(A)(i)(IV) of such Act (42 U.S.C. 1396a(a)(10)(A)(i)(IV)) is amended by striking "minimum".

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall become effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning on or after January 1, 1990.

(2) For purposes of the amendment made in subsection (a)(1) the term "6 years of age" shall be considered to be "4 years of age" with respect to payments under title XIX of the Social Security Act for calendar quarters beginning on or after January 1, 1990, and ending before January 1, 1991.

SEC. 3. OPTIONAL COVERAGE OF CERTAIN LOW-INCOME CHILDREN.

(a) OPTIONAL COVERAGE.—Section 1902(l) of the Social Security Act (42 U.S.C. 1396a(l)) is further amended—

(1) in paragraph (1), by striking subparagraph (C) and inserting in lieu thereof the following new subparagraph:

"(C) at the option of the State, children who have attained 6 years of age but have not attained 19 years of age,"; and

(2) in paragraph (2)(B), by striking ", or if less, the percentage established under subparagraph (A)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning on or after January 1, 1990.

SEC. 4. DEMONSTRATION PROJECTS TO STUDY THE EFFECT OF ALLOWING STATES TO EXTEND MEDICAID TO CERTAIN LOW-INCOME FAMILIES NOT OTHERWISE QUALIFIED TO RECEIVE MEDICAID BENEFITS.

(a) IN GENERAL.—(1) The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall enter into agreements with 3 States submitting applications in accordance with subsection (b)(1) for the purpose of conducting demonstration projects to study the effect on access to health care, private insurance coverage, and costs of health care when such States are allowed to extend benefits under title XIX of the Social Security Act, either directly or in the same manner as alternative assistance authorized in section 1925(b)(4)(D), to certain children who because of a preexisting medical condition or who having exhausted health benefits available under private insurance can be considered to be medically uninsurable (as defined by the Secretary) and who are not otherwise qualified to receive benefits under such title.

(2) The Secretary shall also enter into an agreement with one state submitting an application in accordance with subsection (b)(2) for the purpose of conducting a demonstration project to study the effect on access to health care, private insurance coverage, and costs of health care when such State is allowed to extend benefits under title XIX of the Social Security Act, either directly or in the same manner as alternative assistance authorized in section 1925(b)(4)(D), to certain children who are members of families whose incomes are below the level described in subsection (b)(2), but who are not otherwise qualified for benefits under such title.

(b) PROJECT REQUIREMENTS.—(1) Each State applying to participate in a demonstration project under subsection (a)(1) shall assure the Secretary that only those children who are determined medically uninsurable by the Secretary under subsection (a)(1) shall be eligible to participate in such demonstration project.

(2) Each State applying to participate in the demonstration project under subsection (a)(2) shall assure the Secretary that eligibility shall be limited to—

(A) children who have not attained 6 years of age who are in families with income below 185 percent of the income official poverty line (as described in subsection (c)(1)); and

(B) children who have attained 6 years of age but who have not attained 20 years of age who are in families with income below 100 percent of the income official poverty line (as described in subsection (c)(1)).

(3) The Secretary shall further provide in conducting demonstration projects under this section that if one or more of such demonstration projects utilizes employer coverage as allowed under section 1925(b)(4)(D) of the Social Security Act that—

(A) such project shall require an employer contribution; and

(B) at least one of such projects shall be limited to employers with 50 or less employees.

(c) PREMIUMS.—Children eligible to participate in such demonstration projects whose family income level is—

(1) below 100 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved shall pay no premium;

(2) between 100 and 200 percent of the income official poverty line (as described in paragraph (1)) shall pay a premium equal to the lesser of—

(A) the actuarial value of the coverage, or

(B) 3 percent of the family's average gross monthly earnings (less the average monthly costs for child care); and

(3) over 200 percent of the income official poverty line (as described in paragraph (1)) shall pay a premium equal to the actuarial value of the coverage.

(d) DURATION.—A demonstration project conducted under this section shall be commenced not later than July 1, 1990, and shall be conducted for a 3-year period unless the Secretary determines that a State conducting a project under this section is not in substantial compliance with the requirements contained in subsection (b).

(e) WAIVER.—The Secretary where he deems appropriate may waive—

(1) the statewideness requirement described in section 1902(a)(1); and

(2) the requirements described in section 1902(a)(10)(A).

(f) LIMIT ON EXPENDITURES.—The Secretary in conducting the demonstration projects described in this section shall limit the amount of the Federal share of benefits paid and expenses incurred under title XIX of the Social Security Act to no more than—

(1) $100,000,000 in fiscal year 1990; and

(2) $250,000,000 for fiscal years 1991 and 1992 combined.

(g) EVALUATION AND REPORT.—(1) For each demonstration project conducted under this section, the Secretary shall conduct an evaluation on the effect of the project with respect to—

(A) access to health care;

(B) private health care insurance coverage; and

(C) costs with respect to health care.

(2) The Secretary shall prepare and submit to the Congress an interim report containing a summary of the evaluations conducted under paragraph (1) not later than January 1, 1992, and a final report containing such summary together with such further recommendations as the Secretary may determine appropriate not later than January 1, 1994.

(h) EFFECTIVE DATE.—The provisions of this section shall become effective upon the date of enactment of this Act.

SEC. 5. MODIFICATION OF ASSET TEST FOR PREGNANT WOMEN.

(a) IN GENERAL.—Section 1902(l)(3) of the Social Security Act (42 U.S.C. 1396a(l)(3)) is amended by inserting before the semicolon at the end of subparagraph (B) the following: "(except that, for purposes of this subparagraph, there shall be excluded from the term 'resources', without regard to the value thereof, any automobile, household goods, personal effects, burial spaces, and insurance policies)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective with respect to eligibility for medical assistance on or after January 1, 1990.

SEC. 6. PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN REQUIRED.

(a) IN GENERAL.—Section 1902(a)(47) of the Social Security Act (42 U.S.C. 1396a(a)(47)) is amended by striking "at the option of the State,".

(b) DAY OF ELIGIBILITY MODIFIED.—Section 1920(c) of such Act (42 U.S.C. 1396r-1(c)) is amended by striking paragraphs (2) and (3) and inserting after paragraph (1) the following new paragraph:

"(2) A qualified provider that determines under subsection (b)(1)(A) that a pregnant woman is presumptively eligible for medical assistance under a State plan shall notify the State agency of the determination within 5 working days after the date on which the determination is made.".

(c) CONFORMING AMENDMENTS.—Section 1920 of such Act (42 U.S.C. 1396r-1) is amended—

(1) in subsection (a) by striking "may provide" and inserting in lieu thereof ", in order to meet the requirement of section 1902(a)(47), must provide"; and

(2) in subsection (b)(1)(B)—

(A) by inserting "or" at the end of clause (i);

(B) by striking ", or" at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by striking clause (iii).

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to pregnant women who are qualified to become presumptively eligible on or after January 1, 1990.

SEC. 7. MANDATORY ELIGIBILITY, CONTINUITY OF CARE AND TEMPORARY EXTENSION OF MEDICAID ELIGIBILITY.

(a) CONTINUOUS ELIGIBILITY FOR PREGNANT WOMEN.—Section 1902(e)(6) of the Social Security Act (42 U.S.C. 1396a(e)(6)) is amended—

(1) by striking "At the option of the State, in" and inserting in lieu thereof "In"; and

(2) by striking "the State plan may nonetheless treat" and inserting in lieu thereof "the State plan shall treat".

(b) CONTINUOUS ELIGIBILITY FOR CERTAIN CHILDREN.—Section 1902(e) of such Act (42 U.S.C. 1396a(e)) is amended by adding at the end thereof the following new paragraph:

"(11)(A) In the case of a child who has not attained 6 years of age and who is determined eligible for medical assistance under this title (other than a child eligible for such assistance because such child is receiving aid under part A or E of title IV or under title XVI), such child shall remain eligible for medical assistance under this title after each determination of eligibility for a period of 6 months and no redetermination of such child's eligibility shall take place for a period of 6 months from the determination of eligibility of such child, regardless of any change in income or resources of the family of which such child is a member.

"(B) With respect to a child who has not attained 6 years of age and who is receiving aid under part A or E of title IV or under title XVI and who is determined to be no longer eligible for such aid, the State may not discontinue medical assistance under this title for such child until the State has determined that such child is not eligible for medical assistance under this title on a basis other than the receipt of aid under such parts or title.".

(c) EXTENSION OF MEDICAID ELIGIBILITY.—Section 20(b) of the Child Support Enforcement Amendments of 1984 is amended by striking "and before October 1, 1989".

(d) EFFECTIVE DATE.—(1) The amendments made by subsections (a) and (b) shall become effective with respect to eligibility determinations for medical assistance under title XIX of the Social Security Act on or after January 1, 1990.

(2) The amendment made by subsection (c) shall become effective upon the date of enactment of this Act.

SEC. 8. ADJUSTMENT IN PAYMENT FOR HOSPITAL SERVICES FURNISHED TO LOW-INCOME CHILDREN.

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end thereof the following new subsection:

"(a) In order to meet the requirements of subsection (a)(53), the State plan must provide that payments to hospitals under the plan—

"(1) for inpatient hospital services furnished to infants who have not attained the age of 1 year, and to children who have not attained the age of 18 years and who receive such services in a disproportionate share hospital described in section 1923(b)(1), shall—

"(A) if made on a prospective basis (whether per diem, per case, or otherwise) provide for an outlier adjustment in payment amounts for medically necessary inpatient hospital services involving exceptionally high costs or exceptionally long lengths of stay,

"(B) not be limited by the imposition of day limits with respect to the delivery of such services to such individuals, and

"(C) not be limited by the imposition of dollar limits with respect to the delivery of such services to any such individual who has not attained their first birthday (or in the case of such an individual who is an inpatient on his first birthday until such individual is discharged); and

"(2) shall be made to a hospital in another State for inpatient hospital services furnished by such hospital to children (covered under the State plan) who have not attained the age of 19 years at the rates paid for such services in the State in which the hospital is located, unless the States involved have entered into an agreement providing for payment on another basis or rate.".

(b) CONFORMING AMENDMENT.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (51);

(2) by striking the period at the end of paragraph (52) and by inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(53) provide, in accordance with subsection (a), for adjusted payments for certain inpatient hospital services.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning on or after January 1, 1990.

SEC. 9. REQUIRED COVERAGE OF NURSE PRACTITIONER SERVICES.

(a) IN GENERAL.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) in paragraph (20), by striking "and";

(2) by redesignating paragraph (21) as paragraph (22); and

(3) by inserting at the end of paragraph (20) the following new paragraph:

"(21) services furnished by a certified pediatric nurse practitioner or certified family nurse practitioner (as defined by the Secretary) which the certified pediatric nurse practitioner or certified family nurse practitioner is legally authorized to perform under State law (or the State regulatory mechanism provided by State law), whether or not the certified pediatric nurse practitioner or certified family nurse practitioner is under the supervision of, or associated with, a physician or other health care provider;".

(b) CONFORMING AMENDMENT.—Section 1902 (a)(10)(A) of such Act (42 U.S.C. 1396a(a)(10)(A)) is amended by striking "(1) through (5) and (17)" and by inserting in lieu thereof "(1) through (5), (17) and (21)".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective with respect to services furnished by a certified pediatric nurse practitioner or certified family nurse practitioner on or after January 1, 1990.

SEC. 10. OPTIONAL STATE COVERAGE OF HOME OR COMMUNITY BASED SERVICES TO CERTAIN CHILDREN.

(a) STATE OPTION PROVIDED.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) as amended by this Act, is further amended—

(1) by redesignating paragraph (22) as paragraph (23); and

(2) by inserting at the end of paragraph (21) the following new paragraph:

"(22) home or community based services (as described in section 1915(c)(1)) for children—

"(A) who have not attained the age of 18 years; and

"(B)(i) who have acquired immune deficiency syndrome, or

"(ii) who are medically dependent on a ventilator for life support;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to services furnished on or after January 1, 1990.

SEC. 11. OPTIONAL STATE COVERAGE OF HOME VISITOR SERVICES.

(a) STATE OPTION PROVIDED.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) as amended by this Act, is further amended—

(1) by redesignating paragraph (23) as paragraph (24); and

(2) by inserting at the end of paragraph (22) the following new paragraph:

"(23) home visitor services as prescribed by a physician and furnished by a registered nurse to infants during their first 6 months of life who have medical conditions which require treatment with life sustaining medications or equipment or technologically assisted feeding; and".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective with respect to services furnished on or after January 1, 1990.

SEC. 12. LIMIT ON NUMBER OF INDIVIDUALS ALLOWED TO PARTICIPATE IN HOME AND COMMUNITY BASED PROGRAMS UNDER WAIVERS INCREASED.

(a) IN GENERAL.—Section 1915(c)(10) of the Social Security Act (42 U.S.C. 1396n(c)(10)) is amended by striking "200" and inserting in lieu thereof "500".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective with respect to waivers granted or renewed under section 1915(c) of the Social Security Act on or after January 1, 1990.

SEC. 13. ALLOCATION OF PAYMENTS AND REQUIREMENTS RELATED TO SUCH PAYMENTS UNDER THE MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT MODIFIED.

(a) INCREASED AUTHORIZATION.—Subsection (a) of section 501 of the Social Security Act (42 U.S.C. 701) is amended by striking "$553,000,000" and all that follows through "fiscal year 1989" and inserting in lieu thereof "$561,000,000 for fiscal year 1989, and $711,000,000 for fiscal year 1990".

(b) REALLOCATION OF PAYMENTS.—Title V of such Act (42 U.S.C. 701 et seq.) is amended by striking section 502 and inserting in lieu thereof the following new section:

"ALLOTMENTS TO STATES AND FEDERAL SET-ASIDE

"SEC. 502. (a)(1) Of the amounts appropriated under section 501(a) for a fiscal year the Secretary shall retain an amount equal to 15 percent thereof for the purpose of carrying out (through grants, contracts, or otherwise) the projects and programs described in this subsection, including—

"(A) special projects of regional and national significance, training, and research;

"(B) the funding of genetic disease testing, counseling, and information development and dissemination programs; and

"(C) comprehensive hemophilia diagnostic and treatment centers.

The authority of the Secretary to enter into any contracts under this title is effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(2) For purposes of paragraph (1)—

"(A) amounts retained by the Secretary for training shall be used to make grants to public or nonprofit private institutions of higher learning for training personnel for health care and related services for mothers and children;

"(B) amounts retained by the Secretary for research shall be used to make grants to, contracts with, or jointly financed cooperative agreements with, public or nonprofit institutions of higher learning and public or nonprofit private agencies and organizations engaged in research or in maternal and child health or programs for children with special health care needs for research projects relating to maternal and child health services or services for children with special health care needs which show promise of substantial contribution to the advancement thereof; and

"(C) amounts retained by the Secretary for special projects of regional and national significance may be used to make grants, contracts with, or jointly financed cooperative agreements with, public or private organizations for projects—

"(i) for the screening of infants for sickle-cell anemia and other genetic disorders,

"(ii) to promote access to primary health services for children and community based service networks and case management services for children with special health care needs,

"(iii) promoting the use of outpatient and community based services (including day care) for children with special health care needs who utilize substantial amounts of inpatient hospital care;

"(iv) described in paragraph (3); and

"(v) to achieve the purposes set forth in section 501(a), based on priorities established by the Secretary.

"(3)(A) The Secretary shall conduct demonstration projects to evaluate and extend basic health insurance coverage to children under the age of 19 who are not covered by other public or private programs. The Secretary may enter into agreements (subject to the provisions of subparagraph (B)) to provide such coverage through public and private cooperative arrangements sponsored by organizations such as (but not limited to) (i) school based plans; (ii) plans operated under the auspices of nonprofit entities offering health insurance; and (iii) plans operated by nonprofit hospitals.

"(B) The agreements entered into between the Secretary and organizations under subparagraph (A)(ii) shall provide—

"(i) that such agreements will be in effect for a period of 3 years subject to the provisions of this paragraph;

"(ii) for non-Federal sources to fund such projects at a level not less than—

"(I) 50 percent in the first year of such agreement,

"(II) 65 percent in the second year of such agreement, and

"(III) 80 percent in the third year of such agreement;

"(iii) that with respect to an organization which at the time of entering into such agreement is conducting a project similar to the one described in this paragraph that such organization must maintain its current level of non-Federal funding at such current level unless such level is less than the applicable level described in clause (ii); and

"(iv) that organizations may not with respect to the health care plan provided by such organizations under this paragraph—

"(I) restrict enrollment in such plan on the basis of a child's medical condition, and

"(II) impose waiting periods or exclusions for preexisting conditions.

"(C) The Secretary in conducting demonstration projects under this paragraph shall provide in his agreements that all such organizations described in subparagraph (A) may charge a premium to individuals enrolling in the health care plan provided by such organizations.

"(D) The demonstration projects conducted under this paragraph shall evaluate the effects of such coverage on—

"(i) the access to health services,

"(ii) the availability of insurance coverage to participating children and their families,

"(iii) the characteristics of participating children and their families, and

"(iv) health care costs.

"(E) The Secretary shall publish no later than March 1, 1990, criteria governing the eligibility and participation of organizations in the demonstration projects conducted under this paragraph.

"(4) No funds may be made available by the Secretary under this subsection unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain and be accompanied by such information as the Secretary may specify. No such application may be approved unless it contains assurances that the applicant will use the funds provided only for the purposes specified in the approved application and will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under this title.

"(b) From the remaining amounts appropriated under section 501(a), the Secretary shall allot to each State which has transmitted a description of intended activities and statement of assurances for the fiscal year under section 505, an amount determined as follows:

"(1) The Secretary shall determine, for each State—

"(A)(i) the amount provided or allotted by the Secretary to the State and to entities in the State under the provisions of the consolidated health programs (as defined in section 501(b)(1)), other than for any of the projects or programs described in subsection (a), from appropriations for fiscal year 1981,

"(ii) the proportion that such amount for that State bears to the total of such amounts for all the States, and

"(B)(i) the number of low-income children in the State, and

"(ii) the proportion that such number of children for that State bears to the total of such numbers of children for all the States.

"(2) Each State beginning on or after January 1, 1990, must use not less than 30 percent of its allotment for services for children with special health care needs, including family centered community based coordinated care, as defined by the Secretary.

"(3) Each State beginning on or after January 1, 1990, must use not less than 5 percent of its allotment for any or all of the following: primary health services demonstration projects and programs for children, the development of community based service networks and case management services for children with special health care needs, and projects for the screening of infants for sickle-cell anemia and other genetic disorders.

"(c)(1) To the extent that all the funds appropriated under this title for a fiscal year are not otherwise allotted to States either because all the States have not qualified for such allotments under section 505 for the fiscal year or because some States have indicated in their descriptions of activities under section 505 that they do not intend to use the full amount of such allotments, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this paragraph.

"(2) To the extent that all the funds appropriated under this title for a fiscal year are not otherwise allotted to States because some State allotments are offset under section 506(b)(2), such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this paragraph.".

(c) STATEWIDE NEEDS ASSESSMENT REQUIRED.—Section 505 of such Act (42 U.S.C. 705) is amended—

(1) in paragraph (1)—

(A) by striking "and (D)" and inserting in lieu thereof "(D)"; and

(B) by striking "such payments" and inserting in lieu thereof "such payments, and (E) a Statewide needs assessment as described in paragraph (3); and

(2) by inserting at the end of paragraph (2) the following new paragraph:

"(3) A statewide needs assessment described in this paragraph shall include—

"(A) a needs assessment on maternity and infant care, preventive and primary care for children, and services for children with special health care needs;

"(B) a plan for meeting the needs identified by the assessment; and

"(C) a description of how the funds received under this title will be utilized for the coordination and direct provision of services under the plan.".

(d) ADDITIONAL STATE ASSURANCES REQUIRED.—Section 505(2) of such Act (42 U.S.C. 705(2)) is amended—

(1) in subparagraph (D), by striking "and" at the end thereof;

(2) in subparagraph (E), by striking the period, and inserting in lieu thereof a semicolon; and

(3) by inserting after subparagraph (E) the following new subparagraphs:

"(F) the State will develop the annual report described in paragraph (1) with a State maternal child health advisory board appointed by the State official responsible for administering the State's program under this title and such board shall—

"(i) include representatives of families, State Medicaid and other related State agencies, health care providers, voluntary health and disability groups, and other appropriate participants;

"(ii) conduct public hearings;

"(iii) provide an annual written review and comments on the administration of the State's program under this title along with suggestions on improving the delivery of maternal and child health services under

VOL 135 PT 9 JE 14 — 22 1989 UMI

such program, to be included as part of such annual report; and

"(iv) participate in the planning and development of services provided under this title, including family centered community based coordinated care for children with special health care needs described in subparagraph (G);

"(G) the State for fiscal years 1990, 1991, and 1992 in administering the State's program under this title will—

"(i) plan and develop a system of family centered community based coordinated care for children with special health care needs in collaboration with other programs, including—

"(I) programs receiving funds under title XIX,

"(II) Federal special education programs,

"(III) voluntary health service agencies,

"(IV) practicing health care professionals; and

"(V) parent groups; and

"(ii) designate a coordinator of services to children with special health care needs; and

"(H) the State will—

"(i) provide for the development and maintenance of a consolidated data base containing information describing medical and support service providers operating and available in the State to meet the needs of chronically ill children;

"(ii) provide for a toll-free telephone number for the use of parents with chronically ill children to access the information described in clause (i); and

"(iii) annually update and ensure the accuracy of the data base described in clause (i).".

(e) ANNUAL REPORTS EXPANDED.—Section 506(a) of such Act (42 U.S.C. 706(a)) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) Each State shall include as part of the annual reports prepared and submitted under paragraph (1), information on—

"(A) the extent to which the State has met or not met the needs of individuals with respect to specific services;

"(B) the specific services provided by the State under this title, including—

"(i) the number of women, infants, and children served,

"(ii) the characteristics of the persons served,

"(iii) discharge planning, and

"(iv) family centered community based coordinated care for children with chronic illnesses;

"(C) information related to health status outcomes, including infant morbidity and mortality; and

"(D) the amount of funds allotted by the State for the purpose of developing the family centered community based coordinated care described in section 505(2)(G).".

(f) FEDERAL ADMINISTRATION AND ASSISTANCE.—Section 509(a) of such Act (42 U.S.C. 709(a)) is amended—

(1) in paragraph (5) by striking "and" at the end thereof;

(2) in paragraph (6) by striking the period and inserting in lieu thereof "; and" and

(3) by adding at the end thereof the following new paragraphs:

"(7) assisting States in the development of care coordination systems;

"(8) promulgating regulations to require consistent and accurate reporting formats to assure accountability in the use of funds under this title; and

"(9) developing and distributing to the State agency (or agencies) designated by each State a national directory listing by State the toll-free telephone numbers described in section 505(2)(H).".

(g) STATE FUNDING REQUIREMENT.—A State receiving funds for maternal and child health services under title V of the Social Security Act shall maintain the level of funds being provided solely by such State for maternal and child health programs at a level at least equal to the level that such State provided for such programs in 1989.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal years beginning and annual reports made after the date of enactment of this Act.

SEC. 14. ANNUAL REPORT ON HEALTH STATUS OF CHILDREN.

Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end thereof:

"ANNUAL REPORT ON HEALTH STATUS OF CHILDREN

"SEC. 1142. The Secretary shall, not later than January 1, 1991 and for every 12-month period thereafter, publish an annual report on the health status of the children of the United States. Such report shall include—

"(1) information summarizing the States' annual reports prepared and submitted to the Secretary pursuant to section 506(a)(1);

"(2) statistics on infant mortality (including annual percentages of decrease or increase in such) by State and population group;

"(3) information on and statistics related to the number of children, by State, participating in early and periodic screening, diagnostic, and treatment services as defined in section 1905(r);

"(4) information and statistics with respect to the increase or decrease, by State, in the delivery of maternity and prenatal care services;

"(5) information and statistics with respect to child morbidity, infectious diseases, and mortality;

"(6) information on the sources and extent of health insurance (both private and public) provided to children;

"(7) information on the utilization and costs of health services provided to children;

"(8) information and statistics on catastrophic illnesses among children; and

"(9) information and statistics on immunization rates with respect to children.".

SEC. 15. UNIFORM APPLICATION FOR MEDICAID.

The Secretary of Health and Human Services shall not later than January 1, 1991, develop and make available to States a model uniform application for benefits under title XIX of the Social Security Act for individuals who are not receiving cash assistance under part A of title IV of the Social Security Act, and who are not institutionalized. The model application developed under this section shall be made available to States as specified in the preceding sentence, but, such model shall not be required to be adopted by States as part of their State plan.

SEC. 16. REQUIREMENTS OF THE SECRETARY.

(a) DEFINITION OF MEDICALLY HIGH RISK PREGNANCY AND CHILDREN TO BE DEVELOPED.—(1) The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall in consultation with appropriate professional health care related groups develop definitions of medically high risk pregnancy and children at a high risk of medical problems. In developing such a definition the Secretary shall consider, among other factors, low birthweight and placement in foster care.

(2) The Secretary shall report to Congress on the definition developed under paragraph (1) along with such further information or comments as the Secretary may deem relevant not later than March 1, 1990.

(b) DEFINITION OF MEDICALLY UNINSURABLE CHILDREN TO BE DEVELOPED.—(1) The Secretary shall in consultation with appropriate professional health care groups and health insurers develop alternative definitions of medically uninsurable children.

(2) The Secretary shall report to Congress on the definition developed under paragraph (1) along with such further information or comments as the Secretary may deem relevant not later than March 1, 1990.

(c) MODEL HEALTH BENEFIT PACKAGE FOR PREGNANT WOMEN AND CHILDREN TO BE DEVELOPED.—(1) The Secretary shall in consultation with appropriate professional health care groups and consumers develop a model health benefit package for pregnant women and children through age 18. The package developed by the Secretary shall include (but not be limited to)—

(A) appropriately timed primary care visits (including visits for prenatal care, immunizations, screening, and followup treatment of health problems); and

(B) protection against catastrophic expenses for inpatient hospital care.

(2) The Secretary shall report to Congress on the health benefit package developed under paragraph (1) along with such further information or comments as the Secretary may deem relevant not later than March 1, 1990.

(d) REPORT ON IMPROVING PUBLIC HEALTH COORDINATION.—(1) The Secretary shall study different methodologies to improve the coordination between various public health programs, in particular the coordination of benefits provided under titles V and XIX of the Social Security Act, and the special supplemental food program (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(2) The Secretary shall report to Congress on the findings of the study conducted by the Secretary under paragraph (1) not later than March 1, 1990.

(3) The Secretary in conducting the study under paragraph (1) shall consult with the Governors of the various States and the Secretary of Agriculture.

SEC. 17. EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT SERVICES.

(a) DEFINED.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end thereof the following new subsection:

"(r) The term 'early and periodic screening, diagnostic, and treatment services' means:

"(1) Screening services—

"(A) which are provided—

"(i) at intervals which meet reasonable standards of medical and dental practice, as determined by the State after consultation with recognized medical and dental organizations involved in child health care; and

"(ii) at such other intervals indicated as medically necessary to determine the existence of suspected physical or mental illnesses or conditions, without any requirement for prior authorization by the State; and

"(B) which shall at a minimum include—

"(i) a comprehensive health and developmental history, including assessments of physical and mental health and development and nutritional status;

"(ii) a comprehensive unclothed physical exam;

"(iii) appropriate immunizations according to age and health history;

"(iv) laboratory tests (including lead blood level assessment appropriate for age and risk factors); and

"(v) health education including anticipatory guidance.

"(2) Vision services—

"(A) which are provided—

"(i) at intervals which meet reasonable standards of medical practice, as determined by the State after consultation with recognized medical organizations involved in child health care; and

"(ii) at such other intervals, indicated as medically necessary to determine the existence of suspected physical or mental illnesses or conditions, without any requirement for prior authorization by the State; and

"(B) which shall at a minimum include diagnosis and treatment for defects in vision including eyeglasses.

"(3) Dental services—

"(A) which are provided—

"(i) at intervals which meet reasonable standards of dental practice, as determined by the State after consultation with recognized dental organizations involved in child health care; and

"(ii) at such other intervals, indicated as medically necessary to determine the existence of suspected physical or mental illnesses or conditions, without any requirement for prior authorization by the State; and

"(B) which shall at a minimum include relief of pain and infections, restoration of teeth, and maintenance of dental health.

"(4) Hearing services—

"(A) which are provided—

"(i) at intervals which meet reasonable standards of medical practice, as determined by the State after consultation with recognized medical organizations involved in child health care; and

"(ii) at such other intervals indicated as medically necessary to determine the existence of suspected physical or mental illnesses or conditions, without any requirement for prior authorization by the State; and

"(B) which shall at a minimum include diagnosis and treatment for defects in hearing, including hearing aids.

"(5) Such other necessary health care, diagnostic services, treatment, and other measures to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the State plan.".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(43)(A) of such Act (42 U.S.C. 1396a(a)(43)(A)) is amended by striking "and treatment services as described in section 1905(a)(4)(B)" and inserting in lieu thereof "and treatment services as described in section 1905(r)".

(2) Section 1905(a)(4) of such Act (42 U.S.C. 1396d(a)(4)) is amended by striking subparagraph (B) and inserting in lieu thereof the following:

"(B) early and periodic screening and diagnostic services (as defined in subsection (r)) for individuals who are eligible under the plan and are under the age of 21; and".

(c) DEMONSTRATION PROJECTS.—(1) The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall conduct demonstration projects (as described in paragraph (2)) to increase participation in early and periodic screening and diagnostic services provided under title XIX of the Social Security Act.

(2) In carrying out the demonstration projects under this section the Secretary shall—

(A) examine and utilize different methods to increase provider and recipient participation in early and periodic screening and diagnostic services; and

(B) examine and utilize different methods to reduce reporting requirements related to early and periodic screening and diagnostic services.

(3) The Secretary shall compile the results of the projects conducted under this subsection and shall issue a report to Congress summarizing the findings of the Secretary with respect to such projects not later than July 1, 1991.

(d) ANNUAL PARTICIPATION GOALS.—The Secretary shall, not later than July 1, 1990 and every 12 months thereafter, develop and set annual participation goals for each State for participation of individuals who are covered under the State plan under title XIX of the Social Security Act in early and periodic screening and diagnostic services. Such goals shall along with statistics on each State's results in attaining such goals be included in the Secretary's annual report on the health status of children as provided in section 1140 of the Social Security Act, as amended by this Act.

(e) STUDY AND REPORT.—(1) With respect to current early and periodic screening and diagnostic services provided under title XIX of the Social Security Act the Secretary shall conduct a study of such services and requirements related thereto with respect to mental illness. The Secretary in conducting a study of such services shall consult with appropriate medical and mental health organizations involved in child health care.

(2) The Secretary shall report the results of the study, along with any recommendations for changes in the current requirements with respect to such services, to the Congress no later than December 31, 1990.

SEC. 18. SECTION 209(b) STATES PROHIBITED FROM DENYING MEDICAL ASSISTANCE TO CHILDREN 18 YEARS OF AGE OR YOUNGER RECEIVING BENEFITS UNDER SSI.

(a) IN GENERAL.—Section 1902(f) of the Social Security Act (42 U.S.C. 1396a(f)) is amended—

(1) by striking "and section 1619(b)(3)," and inserting in lieu thereof ", section 1619(b)(3) and paragraph (2) of this subsection,";

(2) by striking "(1)" and inserting in lieu thereof "(A)";

(3) by striking "(2)" and inserting in lieu thereof "(B)";

(4) by inserting "(1)" after "(f)"; and

(5) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of paragraph (1), a State shall provide medical assistance to any individual who is eligible for and receiving benefits under title XVI and who has not attained the age of 18 years.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective with respect to medical assistance provided on or after January 1, 1990.

SEC. 19. PAYMENT FOR OBSTETRICAL AND PEDIATRIC SERVICES.

(a) CODIFICATION OF ADEQUATE PAYMENT LEVEL PROVISIONS.—Section 1902(a)(30)(A) of the Social Security Act (42 U.S.C. 1396a(a)(30)(A)) is amended by inserting before the semicolon at the end the following: "and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population".

(b) REQUIRING STATE ADMINISTRATIVE ASSISTANCE TO PROVIDERS OF OBSTETRICAL AND PEDIATRIC SERVICES.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)) as amended by this Act, is further amended—

(1) by striking "and" at the end of paragraph (52);

(2) by striking the period at the end of paragraph (53) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(54) provide to physicians, nurses, and other health professionals and clinics offering obstetrical or pediatric services under the State plan assistance in complying with billing and recordkeeping requirements mandated under this title, such assistance shall include—

"(A) training sessions in complying with administrative requirements under this section;

"(B) a State toll-free phone number for resolving administrative problems encountered in meeting administrative requirements with respect to obstetrical and pediatric services; and

"(C) appointing a State ombudsman for resolving the complaints of physicians, nurses, and other health professionals providing obstetrical and pediatric services.".

(c) REPORT OF SECRETARY ON STATE PAYMENT FOR OBSTETRICAL AND PEDIATRIC SERVICES.—The Secretary of Health and Human Services shall, not later than January 1, 1990, issue a report to Congress on current State practices with regard to the adequacy and timeliness of payment by States for obstetrical and pediatric services covered under the State plan and on factors influencing the number of days within which payment is made by States to providers of obstetrical and pediatric services.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall become effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning on or after January 1, 1990.

SEC. 20. HEALTH CARE PLANS FOR FOSTER CARE CHILDREN.

(a) IN GENERAL.—Section 475(1) of the Social Security Act (42 U.S.C. 675(1)) is amended—

(1) by inserting "(A)" before "The term"; and

(2) by adding at the end the following new subparagraph:

"(B) The case plan must also include a health care record for the child involved which includes information obtained from the child's parents, the foster care provider responsible for the daily care of the child, the child's health care providers, and other providers of care to the child, including the following:

"(i) A copy of a preplacement health care record that has been completed before the placement of the child in foster care (or within 30 days, in the case of emergency placement in foster care) and provided to the child's foster care provider to ensure that the provider is immediately made aware of the child's health and developmental needs that require continuing attention and services. The preplacement health care record shall, at a minimum, include the following:

"(I) A record of the child's health, mental health, and dental history, including allergies, current medications, immunizations,

and any known health and mental health problems.

"(II) Other information about matters concerning the child that may require emergency attention.

"(III) The names and addresses of the child's physician, dentist, and other providers of medical, mental health, developmental, and rehabilitation services.

"(ii) A record indicating that the child's foster care provider was advised of the child's eligibility under the early and periodic screening, diagnosis, and treatment program under title XIX.

"(iii) A health care plan for the child that is maintained by the agency indicating that the ongoing health, mental health, and dental needs of the child are being met. At a minimum, the health care plan shall include a record of the following:

"(I) Periodic health and dental examinations of the child.

"(II) Other diagnoses and treatment received by the child (including the dates of such examinations and treatments and the names and addresses of the health care providers).

"(III) Immunizations received by the child with a schedule of needed future immunizations.

"(IV) Known allergies of the child and prescribed treatment, if any.

"(V) Medications currently being taken by the child.

"(VI) Names and addresses of all health care providers, including those providing mental health, developmental, and rehabilitation services who have information regarding the child's current health care status.

"(iv) A record indicating that—

"(I) the foster care provider has been informed of its responsibilities related to maintaining and updating an abbreviated summary of the child's health care plan documenting the health, mental health, and dental services rendered to the child while in the care of the foster care provider;

"(II) the foster care provider and caseworkers assigned to the child clearly understand their responsibilities with respect to meeting the health care needs of the child; and

"(III) the agency has periodically reviewed the abbreviated summary of the child's health care plan which is maintained by the foster care provider to ensure that the child's health care plan is being adhered to and updated.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1990.

SEC. 21. USE OF MOST RECENT DATA IN CALCULATION OF FEDERAL MATCHING PERCENTAGE.

(a) IN GENERAL.—Section 1101(a)(8)(B) of the Social Security Act (42 U.S.C. 1301(a)(8)(B)) is amended—

(1) by striking "between October 1 and November 30" and inserting in lieu thereof "between April 1 and May 31"; and

(2) by striking "promulgation: *Provided*" and all that follows, and inserting in lieu thereof "promulgation. The Secretary shall publish in the Federal Register in October of each year a preliminary estimate for each State of the Federal percentage that will become effective in the following October.".

(b) EFFECTIVE DATE AND TRANSITION.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to payments for quarters beginning on or after October 1, 1990.

(2) In July 1989 the Secretary of Health and Human Services shall promulgate the Federal percentage in accordance with section 1101(a)(8)(B) of the Social Security Act as amended by subsection (a), using the most recent data that was available as of May 31, 1989. For quarters beginning on April 1, 1990 and on July 1, 1990, the Federal percentage for each State shall be the higher of the Federal percentage that became effective on October 1, 1989, or the Federal percentage calculated under this paragraph.

SUMMARY OF THE MATERNAL AND CHILD HEALTH ACT OF 1989

OPTIMIZING MEDICAID ELIGIBILITY

1. Mandatory coverage of pregnant women and children up to age 6 with family incomes below 185 percent of the federal poverty level.

Under curent law, as of July 1, 1990 states must cover all pregnant women and infants with incomes below the federal poverty line. States are allowed to cover pregnant women and infants with family incomes below 185% of the federal poverty line and may impose a premium for the coverage of those with family incomes in the 150-185% of poverty range. States must cover children up to the age of 7 whose family income is below the state AFDC limit, and may cover children up to the age of 8 with family incomes below the federal poverty level.

This provision would require states to provide Medicaid coverage to low income pregnant women and young children, so that vital preventive health measures, such as prenatal care and immunizations, will be accessible during the child's early formative years. It would extend these vital services to over 2½ million infants and children who currently have no health insurance.

Provision:

This provision would be phased in over 2 years, with states being required to cover pregnant women and children up to the age of 4 by January 1, 1990 and children up to the age of 6 by January 1, 1991 with family incomes below 185% of the federal poverty level.

2. Optional coverage of children up to age 19 with family incomes below the federal poverty level.

Currently states must cover children up to the maximum age set by the state (ages 18-21) who qualify for cash assistance and may cover children up to age 21 whose family income is below the state AFDC level but do not meet other criteria for cash assistance.

This provision would extend health care coverage to many of the uninsured poor children for whom preventive and early care is postponed, an action which can result in significant life-long costs.

Provision:

States would be allowed to cover children up to 19 with incomes between the state AFDC level and the federal poverty line. If a state opts for this coverage, all children age 6 to 19 at a particular income level must be covered.

3. Coverage of children receiving SSI benefits.

Currently, 14 states use the Medicaid 209b option which allows them to use criteria more restrictive than SSI standards to establish Medicaid eligibility.

Provision:

This provision would require states to provide Medicaid coverage to all children under the age of 18 who are SSI recipients.

4. Mandatory presumptive eligibility for pregnant women.

Through the OBRA of 1986 states are permitted to receive federal Medicaid dollars to offer health care coverage to pregnant women who are presumed to meet income and assets criteria for participation in Medicaid ("Presumptive eligibility"). This coverage enables pregnant women to obtain ambulatory prenatal care for 45 days while their Medicaid applications are being processed. Currently 20 states have adopted the presumptive eligibility option.

Pregnant women that obtain prenatal care during the first trimester are more likely to deliver healthy, full-term babies. The time it takes for Medicaid eligibility determinations to be made can unnecessarily delay access to early prenatal care. This provision would allow more women to obtain prenatal care sooner during the critical first trimester, rather than having to wait until they have a Medicaid card.

Provision:

States would be required to extend presumptive eligibility to pregnant women for 45 days. The states would be required to provide documentation only at the end of the eligibility period, rather than at interim points as is currently required, thus reducing the amount of paperwork required of states.

5. Utilization of a less restrictive asset test for pregnant women.

Through the OBRA of 1986 states may choose whether to impose an asset test when making eligibility determinations for pregnant women applying for Medicaid only. Currently 37 states have no asset test.

Provision:

This provision would require states that choose to use an asset test when making eligibility determinations for pregnant women, to apply the asset tests to liquid assets only, therefore exempting such items as automobiles, household goods, personal effects, burial spaces, and insurance policies.

6. Continuity of care for pregnant women and children.

(a) Under current law states can continue Medicaid coverage for pregnancy-related services for 60 days after delivery to any woman who was on Medicaid during her pregnancy, regardless of changes in her financial status. The infant born to this woman remains eligible for the same time period. Currently 39 states have guaranteed pregnant women and their infants continuous eligibility until 60 days after delivery.

In states where this option has not been implemented, prenatal care can be fragmented for a pregnant woman who must undergo eligibility redeterminations due to fluctuations in her income.

Provision:

This provision would require states provide continuous eligibility for pregnant women and infants until 60 days after delivery.

(b) For infants and children qualifying for Medicaid and not cash assistance, continuity of care is frequently interrupted while states are performing the monthly or quarterly eligibility redeterminations used for children whose families receive AFDC payments.

Provision:

This provision would require states to determine eligibility no more frequently than every six months for children up to the age of 6.

(c) Currently, continuity of care is also interrupted when children no longer meet the eligibility requirements for AFDC cash assistance and a redetermination must be performed to see if they are still eligible for Medicaid on some other basis. The following provisions would maintain health care cov-

erage under Medicaid for young children while redetermination of their eligibility is being processed.

Provisions:

If a child below the age of 6 loses eligibility for cash assistance, the state may not discontinue Medicaid coverage until the state determines that the child is not eligible for Medicaid on some other basis. This clarifies current law.

A child who loses eligibility for AFDC cash assistance due to increased collection of child support payments, continues to be eligible for Medicaid for 4 months. This provision, which is due to expire on October 1, 1989, would be made permanent.

7. Development of a uniform Medicaid application.

Currently some pregnant women and children who are eligible for Medicaid, but not for cash assistance, are required to complete the same eligibility forms used by those applying for cash assistance. Under this provision the process of application for health coverage would be streamlined by having the Secretary of HHS develop a model Medicaid application for this special group, which could be shorter since less information is needed to make eligibility determinations for Medicaid than for cash assistance.

Provision:

The Secretary would be required to develop a uniform application for Medicaid benefits for individuals who are not institutionalized and do not receive cash assistance. States would have the option of using this application.

8. Medicaid buy-in demonstration projects.

This provision would extend health care coverage to low income uninsured children and to "medically uninsurable children" not on Medicaid by requiring the Secretary of HHS to conduct 4 demonstration projects where parents of these children could buy into the Medicaid program or could use Medicaid assistance to purchase employer-based health insurance.

Provision:

The Secretary of HHS would be required to conduct demonstration projects in 4 states to study the effect on access to health care, private insurance coverage, and costs of health care when Medicaid coverage is extended to children not otherwise qualified to receive benefits. Three of the demonstration projects would limit eligibility for participation to children who because of a pre-existing medical condition or who having exhausted health benefits under private insurance can be considered medically uninsurable, as defined by the Secretary. If a state conducting a demonstration project for "medically uninsurable" children chooses to buy into employer-based health insurance plans, they must limit buy-ins to firms of 50 or fewer employees. One of the demonstration projects would be directed at populations of children who are not "medically uninsurable", but are low income (family income below 185% of poverty if the child is below the age of 6 and below 100% of poverty if the child is ages 6 to 18). If a state conducting a demonstration project chooses to buy into employer-based health insurance, the state must require an employer contribution. Families participating in these demonstration projects whose income level is below the federal poverty level would pay no premium, those whose incomes are between 100 and 200% of poverty would pay a premium equal to the actuarial value of the coverage of 3% of the family's average gross monthly earnings (less the average monthly child care costs) whichever amount is less, and those with incomes over 200% of poverty would pay a premium equal to the actuarial value of the coverage. The Secretary could waive statewideness for these demonstration projects. The demonstration projects would begin no later than July 1, 1990 and be conducted for a three year period. Under this provision, the FY90 funds for these demonstration projects would be capped at $100 million and for FY91 and FY92 combined $250 million.

ENSURING ADEQUACY IN PROVIDER PARTICIPATION

1. Payment adjustments for hospital services to low income children.

In the Medicare Catastrophic Coverage Act (PL 100-360), financial protection was extended to hospitals serving a disproportionate share of low income patients by prohibiting states from imposing limits on Medicaid payments for lengthy stays and requiring Medicaid to make extra "outlier" payments for infants whose conditions are expensive to treat. The following provisions extend additional financial protection to hospitals for excessive costs they incur when providing care to pediatric Medicaid recipients.

Provisions:

States would be prohibited from placing a limit on the number of covered hospital days and outlier payments are required in States that use a prospective payment system for infants in any hospital and children under the age of 18 in a disproportionate share hospital.

States would be prohibited from imposing overall dollar limits on the amount of inpatient hospital services provided to children beginning before their first birthdays and in the case where a child reaches his first birthday in the hospital, ending with the date of discharge.

States would be required to pay for a child's care in an out-of-state hospital at the receiving state's rate, unless the involved states have negtotiated an alternative payment agreement.

2. Payment for obstetrical and pediatric services.

As Medicaid eligibility is extended to increasing numbers of pregnant women and children, efforts are also required to ensure that there exist an adequate number of obstetric and pediatric providers so that needed services can be obtained. In a recent survey by the National Governor's Association, three-fourths of State Medicaid and Maternal Child Health agencies said they had a signficant problem getting providers to take Medicaid patients. The reasons cited for low provider participation included: low reimbursement rates, excessive paperwork, and difficult with claims processing. The following provisions would correct many of the current claims processing problems and address the adequacy of provider payments.

Provisions:

Current Medicaid regulations that states must set Medicaid payment rates at levels which are sufficient to induce enough providers of obstetric and pediatric services to participate in the program would be written into the statute.

States would be required to provide obstetrical and pediatric care providers participating in Medicaid administrative assistance in complying with billing and recordkeeping requirements. At a minimum, this assistance must include training, establishment of a toll-free number where problems can be addressed, and the establishment of a State ombudsman position to expedite resolution of provider complaints.

The Secretary of HHS would be required to issue a report on the adequacy and timeliness of Medicaid payments to providers of obstetric and pediatric services.

EXPANSION OF SERVICES AVAILABLE TO CHILDREN

1. Nurse practitioner services.

As Medicaid eligibility is expanded to include more children it is essential to ensure that there are sufficient providers available to deliver the health care services which these children need. Certified pediatric and family nurse practitioners currently provide needed preventive and primary health care services to many children.

Provision:

Under this provision states would be required to reimburse directly the services of certified pediatric and family nurse practitioners which are allowed under the state practice laws.

2. Expansion of home and community based services.

Improved technology and treatment methods have increased survival rates and produced better outcomes for many low birth weight infants and children suffering from a variety of chronic illnesses. Once the acute treatment period has passed, these children no longer need to receive maintenance treatment in an inpatient hospital setting and provision of care in a home or community setting is possible. Under current law, to provide home and community based services to Medicaid recipients, states must apply for a waiver through a cumbersome process which limits the number of persons who can be included in the waiver. The following provisions expand the ability of states to deliver needed health care services to chronically ill children in non-institutional settings.

Provisions:

This provision would enable states to cover home and community based services for children with AIDS and children who are ventilator dependent in their Medicaid state plan.

The limit on the number of individuals a state can cover in a home and community based waiver would be raised from 200 to 500 individuals.

States would be able to cover home visitor services for infants up to the age of 6 months in their state plan if the children have medical conditions which require certain types ot technological support.

MATERNAL CHILD HEALTH SERVICES BLOCK GRANT

Since 1981, when 7 categorical health programs were consolidated into the Maternal and Child Health Services Block Grant, Congress has made few changes in the program other than increasing its level of authorization. MCH supports activities to improve the health status of mothers and children, including the provision of preventive and primary care services to pregnant women and children and treatment services to children with special health care needs. In order to receive MCH Block Grant funds, states must match $3 of their own funds for each $4 in federal funds received. Most of the MCH Block Grant funds are distributed directly to state governments, but a portion is set aside for the Federal Government to support special projects of regional and national significance (SPRANS). States decide which services they will offer with MCH Block Grant funds. Currently, very little information is available describing how states

are using their MCH money, how many individuals are served, or how the program meets the health care needs of American mothers and children. This lack of data hinders the sharing of information about innovative, effective state initiatives and precludes the development of information about the national health care needs.

Provisions:

1. Increased Authorization.

This provision would increase the MCH block grant's authorization level by $150 million to a level of $711 million in FY90. This level of funding is less than the $739 million which results when the 1981 MCH authorization level is trended forward using the Consumer Price Index, but given the current constrained fiscal environment it is not possible to reach that level. The increased authorization level, however, will maintain important health care services which are provided to mothers and children under this block grant.

The current state match rate required to receive federal MCH funds would remain unchanged. All MCH funds would be allocated between the States (85%) and the Federal government's special projects (15%). States would be required to use at least 30% of their MCH funds for children with special health care needs and 5% of their MCH funds for projects in sickle-cell anemia and genetic disorders screening, community-based service network and case management services for children with special health care needs, and primary health care services for children.

2. Improved planning process and reporting.

The states would be required to revise their planning process for the use of MCH funds to include a needs assessment, establishment of a State maternal child health advisory board, and preparation of an annual report on the program's accomplishments.

3. Development of information network.

States would be required to develop and maintain a consolidated data base containing information about the medical and support services and providers available in the state to meet the needs of chronically ill children and to provide a toll-free telephone number for parents to access this information.

4. New Federal SPRANS projects.

The Secretary would be required to use a portion of the Federal set-aside funding to conduct demonstration projects which utilize alternative approaches to providing health insurance coverage to children under the age of 19 who are not covered by other public or private programs. These projects could be sponsored by schools, nonprofit organizations offering health insurance, nonprofit hospitals, or other qualifying organizations. The Secretary would also be required to support projects which promote the use of outpatient and community based services for children with special health care needs.

ENHANCED UTILIZATION OF THE EPSDT PROGRAM

The Early and Periodic Screening, Diagnosis, and Treatment Program is a service that all states must offer to Medicaid eligible children from birth to age 21. The EPSDT program is designed to provide regularly scheduled well-child examinations of the general physical and mental health of infants and children. Currently the EPSDT services are underutilized with only an estimated 25-30% of eligible children participating in the program. This provision will require states to offer interperiodic screens and treatment for conditions found during those examinations, thereby promoting improved utilization of this valuable program.

Provisions:

1. Codification of regulatory requirements.

Currently, most of the requirements of the EPSDT program appear only in the regulatory form. This provision would codify the regulations and assure that key elements of the program could only changed by legislative action.

2. Inclusion of interperiodic screens.

Under current regulation states have developed EPSDT periodicity schedules which specify the number of diagnostic visits children should obtain at various age levels. This provision would require states to offer EPSDT screening whenever a child demonstrates a medical, dental, or mental health problem, rather than only at the times indicated by the periodicity schedule.

3. Required treatment.

Appropriate treatment of conditions diagnosed during the screening process is included in the EPSDT program. Currently, states must provide certain treatment services to children participating in the EPSDT program and have the option of providing other treatment services that are not included in their Medicaid state plan. This provision would require that states cover health care services needed to treat or correct the illnesses or conditions identified by the EPSDT screen, regardless whether they are part of the Medicaid state plan.

4. Increasing EPSDT participation.

This provision is aimed at increasing the participation in the EPSDT program by two methods.

The Secretary of HHS will conduct demonstration projects to increase provider and recipient participation in EPSDT.

The Secretary will establish annual state EPSDT participation goals, work with states to measure attainment, and report the results to Congress.

HEALTH CARE PLANS FOR FOSTER CARE CHILDREN

Currently foster care providers are not always informed about the health status of the children who are placed into foster care.

Provision:

This provision would require federally financed foster care children to have a preplacement health care record completed and then provided to the foster care provider before the child is placed in foster care or within 30 days in the case of an emergency foster placement. The foster care provider must be notified of the child's eligibility to participate in the EPSDT program. The health care record must be maintained while the child is in foster care.

REQUIREMENTS OF THE SECRETARY OF HEALTH AND HUMAN SERVICES

1. Annual report on the health status of children.

Currently, no government office compiles global data related to the health status of American children. This provision would assign that responsibility to the Department of Health and Human Services by requiring the Secretary to report annually on a series of health, utilization, and financing factors relating to access and cost of pediatric care. Trends in these indicators provide valuable guidance for health policy analysis and proposals.

Provisions:

The Secretary of HHS would be required to publish an annual report on the health status of the nation's children.

2. Coordination of programs serving children.

The various health programs which serve children are poorly coordinated at the Federal and the state levels, resulting in lack of coverage as well as duplication of efforts. This provision is intended to promote more efficient and cost effective use of resources.

Provision:

In consultation with the Governors and the Secretary of Agriculture, the Secretary of HHS would study ways to improve coordination between Medicaid, MCH, WIC, and other public health programs.

The recent plethora of studies on maternal and child health have indicated an absence of agreement on key definitions and content and frequency of needed health care services. In order to better target maternal and child health resources in the future, development of consensus on these concepts would be helpful.

Provision:

In consultation with appropriate professional groups, the Secretary of HHS would develop definitions of medically high risk pregnancy, medically high risk children, and medically uninsurable children.

In consultation with appropriate professional health care groups and consumers, the Secretary of HHS would develop a model health benefit package for pregnant women and children through the age of 18.

MODIFY TIMETABLE FOR CALCULATING FEDERAL MATCHING RATE FOR AFDC, MEDICAID, FOSTER CARE, AND ADOPTION ASSISTANCE.

Matching rates are currently annually recalculated in October, to be effective the following October. The formula is based on the state per capita income for the most recent 3-year period for which data are available. This provision would shorten the lag time between promulgation and the effective date, allowing for the use of more recent data that more accurately reflect the condition of the state's economy.

Provision:

The Secretary of HHS would be required to promulgate the recalculation in April, to be effective the following October (an estimate would be published each October, one year in advance of the actual change). This provision will become effective for all states for payments for quarters beginning on or after October 1, 1990. However, for the third and fourth quarters of fiscal year 1990 (beginning on April 1, and July1, 1990), those states that would have a higher Federal percentage under the new rule (using the most recent data available as of April 1989) shall be paid using that higher percentage.●

● Mr. CHAFEE. Mr. President, I am proud to be joining Senator BENTSEN in sponsoring the Maternal and Child Health Act of 1989, legislation to expand access to health care for millions of low-income children and pregnant women.

Making an investment in our children's health is the most important investment we can make as parents and as a nation. Yet, despite good intentions, our efforts have fallen short. There are 12 million children who have little or no access to health care. Their future and the future of this Nation is at stake unless we move to correct this problem now.

We have been making incremental steps toward correcting this problem over the past few years despite fiscal

restraints. We have made a difference—unfortunately, it is a small difference in comparison with what we must accomplish.

We must ensure that all low-income pregnant women, infants, and children have access to quality and affordable health care. Children deserve to be born healthy and get a good start in life. Low-income pregnant women must have access to prenatal care regardless of their income. Without that care, their babies may be born with serious physical and mental impairments.

There are several reasons why health care is unavailable to millions of children. First, our health care system has changed dramatically over the past 20 years. The hometown family physician who provides affordable primary and preventive care doesn't exist for many American families anymore. Health care costs have risen dramatically, making it extremely difficult for providers to deliver affordable care to low-income families.

Public and private efforts to protect families from catastrophic illnesses has contributed to the evolution of a sick care system instead of a health care system. This means that primary and preventive care are no longer emphasized as they should be, particularly for growing children.

Second, many State Medicaid programs reimburse health care providers below their actual cost of providing care. Therefore, more and more providers of care are turning away from serving Medicaid beneficiaries.

Third, malpractice premiums, particularly for obstetricians and gynecologists, are increasing at alarming rates. The malpractice problem has led to the practice of defensive medicine which has led providers to perform costly and often unnecessary procedures. This in turn results in inefficient use of precious health care resources.

Fourth, and most importantly, the existing Medicaid Program only covers a portion of children who are poor, and does even less for the near-poor. It is not necessary to have an income below the Federal poverty level to be unable to afford health insurance. About half of the 12 million uninsured children are in families with incomes above the Federal poverty level. That is a large part of what our legislation seeks to remedy. Although we can't solve all the problems of access to health care for children without structural changes to the system, we can make a very large step by enacting this legislation.

Our bill would expand Medicaid eligibility to cover these poor and near-poor children. States would be required to provide care to pregnant women, infants and children under age 6 with incomes below 185 percent of the Federal poverty level. This requirement would be phased in over 2 years. In addition, States would be given the option to cover children under age 18 who are below poverty.

This legislation also addresses the problems of asset tests for the purposes of determining eligibility for pregnant women and children. Immediate coverage of pregnant women is critical in preventing low-weight births. Therefore our bill would extend presumptive Medicaid eligibility to all pregnant women and streamline the process for States by delaying documentation requirements. The bill also excludes the value of necessities such as personal effects, household goods, and burial plots from the asset test for pregnant women. Eligibility determinations would be made on a one-time basis for pregnant women and their newborn children until the child is 2 months old and every 6 months for children under age 6 who are eligible for Medicaid but not cash assistance.

The Maternal and Child Health Act of 1989 also creates Medicaid buy-in demonstration projects to extend health care coverage to low income uninsured children and to "medically uninsurable children" ineligible for Medicaid. These demonstration projects incorporate the principles established in legislation called MedAmerica which I introduced in the last Congress. MedAmerica would cover all individuals below 100 percent of poverty and allow people between 100 and 200 percent of poverty to purchase health care coverage on a sliding scale basis. In addition, the bill would allow those individuals who had exhausted their private insurance or who because of a preexisting condition were unable to purchase insurance to buy Medicaid coverage at a reasonable rate. By demonstrating these principles in four projects in the United States, we will be able to determine the effectiveness and affordability of expanding the Medicaid Program to those who have no other way to obtain health care.

The bill also seeks to promote Medicaid participation by health care providers. The current barriers for health care providers are addressed in the legislation by a number of technical provisions.

Both the early and periodic screening, diagnosis, and treatment benefit [EPSDT] under Medicaid and the maternal and child health block grant would be improved by our legislation. Medicaid would cover any medically necessary service identified as necessary through the EPSDT Program. The MCH block grant's authorization level would be increased by $150 million. A portion of these funds must be used for children with special health care needs.

There are too many provisions that will significantly increase care for uninsured children to list. However, I urge my colleagues to take a good hard look at this legislation and see how much we can accomplish for the amount of money spent. This Medicaid expansion would cover nearly 2.5 million children by 1991, making it a wise and cost efficient use of funds. It is not only a good investment—it is what our children need and deserve.

I commend the chairman of the Finance Committee for his efforts to increase access to health care for our children. I am proud to join him in sponsoring this bill and hope that my colleagues in the Finance Committee and in the Senate will do the same.●

ADDITIONAL COSPONSORS

S. 58

At the request of Mr. BOSCHWITZ, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 58, a bill to amend the Housing and Community Development Act of 1987 to improve the enterprise zone development program, to amend the Internal Revenue Code of 1986 to provide tax incentives for investments in enterprise zones, and for other purposes.

S. 148

At the request of Mr. PRESSLER, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

S. 417

At the request of Mr. HEINZ, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 417, a bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of applications of Federal employees seeking retirement benefits, and for other purposes.

S. 435

At the request of Mr. REID, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 503

At the request of Mr. BAUCUS, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 503, a bill to protect the ozone layer by reducing chlorofluorocarbons and halons, and for other purposes.

S. 656

At the request of Mr. GRASSLEY, the name of the Senator from Idado [Mr. MCCLURE] was added as a cosponsor of S. 656, a bill to amend the Internal Revenue Code of 1986 to restore the

VOL 135 PT 9 JE 14 — 22 1989 UMI

deduction for interest on educational loans.

S. 685

At the request of Mr. METZENBAUM, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 685, a bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pension plans and to provide for an explicit exception to such rules for employer reversions meeting certain requirements.

S. 805

At the request of Mr. MCCLURE, the names of the Senator from Washington [Mr. GORTON], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 805, a bill to amend the Food Security Act of 1985 to permit certain school districts to receive assistance to carry out the school lunch program in the form of all cash assistance or all commodity letters of credit assistance.

S. 849

At the request of Mr. DASCHLE, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 849, a bill to repeal section 2036(c) of the Internal Revenue Code of 1986, relating to valuation freezes.

S. 979

At the request of Mr. DASCHLE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 979, a bill to provide grants for designating rural hospitals as medical assistance facilities.

S. 1076

At the request of Mr. BURDICK, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Colorado [Mr. WIRTH], the Senator from Wisconsin [Mr. KOHL], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 1076, a bill to increase public understanding of the natural environment and to advance and develop environmental education and training.

S. 1091

At the request of Mr. GRAHAM, the names of the Senator from Alabama [Mr. SHELBY], the Senator from New York [Mr. D'AMATO], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1091, a bill to provide for the striking of medals in commemoration of the bicentennial of the U.S. Coast Guard.

S. 1149

At the request of Mr. BAUCUS, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1149, a bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to limit application of the benefits and premiums of the Medicare Catastrophic Coverage Act of 1988 to those voluntarily enrolled in part B of the medicare program.

S. 1155

At the request of Mr. PRYOR, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1155, a bill to amend the Internal Revenue Code of 1986 to provide that certain educational and training grants to nonresident aliens shall be exempt from income tax, and for other purposes.

S. 1170

At the request of Mr. INOUYE, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1170, a bill to amend the Federal Aviation Act of 1958 to provide for the establishment of limitations on the duty time for flight attendants.

S. 1191

At the request of Mr. HOLLINGS, the names of the Senator from Hawaii [Mr. INOUYE], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1191, a bill to authorize appropriations for the Department of Commerce's Technology Administration, to speed the development and application of economically strategic technologies, and for other purposes.

SENATE JOINT RESOLUTION 64

At the request of Mr. SPECTER, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of Senate Joint Resolution 64, a joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

SENATE JOINT RESOLUTION 129

At the request of Mr. DOLE, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Joint Resolution 129, a joint resolution to provide for the designation of September 15, 1989, as "National POW/MIA Recognition Day."

SENATE JOINT RESOLUTION 133

At the request of Mr. SPECTER, the names of the Senator from Indiana [Mr. COATS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Vermont [Mr. JEFFORDS], the Senator from South Carolina [Mr. THURMOND], the Senator from California [Mr. WILSON], the Senator from Idaho [Mr. SYMMS], the Senator from Missouri [Mr. DANFORTH], the Senator from Oregon [Mr. HATFIELD], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Missouri [Mr. BOND], the Senator from New York [Mr. D'AMATO], the Senator from Delaware [Mr. ROTH], the Senator from Utah [Mr. GARN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. HATCH], the Senator from Washington [Mr. GORTON], the Senator from Kansas [Mr. DOLE], the Senator from South Dakota [Mr. PRESSLER], the Senator from Oregon [Mr. PACKWOOD], the Senator from Idaho [Mr. MCCLURE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. STEVENS], the Senator from Ohio [Mr. METZENBAUM], the Senator from Nevada [Mr. REID], the Senator from North Dakota [Mr. BURDICK], the Senator from Arkansas [Mr. BUMPERS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PELL], the Senator from Michigan [Mr. LEVIN], the Senator from Georgia [Mr. NUNN], the Senator from Illinois [Mr. SIMON], the Senator from Montana [Mr. BAUCUS], the Senator from Georgia [Mr. FOWLER], the Senator from Virginia [Mr. ROBB], the Senator from Alabama [Mr. HEFLIN], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. RIEGLE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Tennessee [Mr. GORE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Colorado [Mr. WIRTH], the Senator from Arkansas [Mr. PRYOR], the Senator from Nebraska [Mr. EXON], the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. BRADLEY], the Senator from Connecticut [Mr. DODD], the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. CRANSTON], the Senator from Ohio [Mr. GLENN], the Senator from Washington [Mr. ADAMS], and the Senator from West Virginia [Mr. ROCKEFELLER], were added as cosponsors of Senate Joint Resolution 133, a joint resolution designating October 1989 as "National Domestic Violence Awareness Month."

SENATE JOINT RESOLUTION 155

At the request of Ms. MIKULSKI, the names of the Senator from Virginia [Mr. WARNER], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Virginia [Mr. ROBB], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Indiana [Mr. LUGAR], the Senator from New Jersey [Mr. BRADLEY], and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Joint Resolution 155, a joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day."

SENATE RESOLUTION 136

At the request of Mr. CONRAD, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Resolution 136, a resolution to express the sense of the Senate that the Committee on Appropriations should make the full appropriations authorized for carrying out programs for assessment and mitigation of

radon unde
Control Act.

SENATE C
TION 48—
RIGHTS

Mr. WILS
ing concurre
referred to t
Relations:

Whereas th
rested more t
civilians in th
3, 1989 mili
Square;
Whereas int
itoring orga
International
mented incid
ture, and bea
military on a
Whereas t
reinstituted t
ment for poli
Whereas th
established t
local commu
press purpos
ing political c
try;
Whereas
have uniform
human right
Chinese peo
for democra
since the ma
Whereas r
associations
democratic
nation must
people's mo
them;
Whereas
United Natio
face of th
against its o
Resolved b
resentatives
sense of the
(1) the Ch
release all m
peaceful ex
human right
(2) the Ch
names of all
with the re
sons for the
not become
cal abuse wh
(3) the P
clearly info
ership that
matic and n
directly dep
releasing al
assembling
and enterin
the countr
ment;
(4) the
publicly de
sider the e
thorities ac
throughout
the require
eligibility
(MFN) tr
States; and
(5) the U
and Securi
sive action

radon under the Toxic Substances Control Act.

SENATE CONCURRENT RESOLUTION 48—RELATING TO HUMAN RIGHTS VIOLATIONS IN CHINA

Mr. WILSON submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 48

Whereas the Chinese government has arrested more than 1,000 students and other civilians in the aftermath of the brutal June 3, 1989 military assault on Tienanmen Square;

Whereas international human rights monitoring organizations such as Amnesty International and Asia Watch have documented incidences of arbitrary arrests, torture, and beatings by the Chinese police and military on a daily basis;

Whereas the Chinese government has reinstituted the death sentence as punishment for political dissent;

Whereas the Chinese government has reestablished telephone hotlines and other local communications networks for the express purpose of identifying and imprisoning political dissidents throughout the country;

Whereas Chinese communist officials have uniformly denied that any abuses of human rights or activities to suppress the Chinese people's expression of their desire for democratic government have occurred since the massacre in Tienanmen Square;

Whereas regular citizens and grassroots associations within China that support democratic reform programs for their nation must be made aware of the American people's moral and political solidarity with them;

Whereas officials and agencies of the United Nations have remained silent in the face of the Chinese government's war against its own people;

Resolved by the Senate (the House of Representatives Concurring), That it is the sense of the Congress that—

(1) the Chinese government immediately release all men and women detained for the peaceful exercise of their fundamental human rights;

(2) the Chinese government publicize the names of all citizens arrested in connection with the recent protests as well as the reasons for their detainment so that they will not become the victims of torture or physical abuse while in custody;

(3) the President of the United States clearly inform the Chinese communist leadership that any resumption of normal diplomatic and military relations with China will directly depend on the Beijing government's releasing all those imprisoned for peacefully assembling to express their political beliefs and entering negotiations with leaders of the country's student democratic movement;

(4) the President of the United States publicly declare that he will carefully consider the extent to which the Chinese authorities act to restore basic human rights throughout their nation before he issues the required 1989 certification of China's eligibility to receive Most Favored Nation (MFN) trading status with the United States; and

(5) the United Nations General Assembly and Security Council condemn the repressive actions by the Chinese government and army and urge the communist party to open discussions with representatives of the political opposition.

The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State immediately upon its passage.

Mr. WILSON. Mr. President, I rise to continue to focus the spotlight of American pressure on the Communist Government of the People's Republic of China for its appalling abuses of basic human rights, during the 2 weeks that have followed the Red Army's massacre of students in Tiananmen Square.

Mr. President, Amnesty International and Asia Watch both report that Chinese officials have arrested more than 1,200 people since the suppression of the student democratic movement on June 3. Several of my Chinese-American constituents in California, who have relatives within the People's Republic of China, have told me that eyewitnesses have observed Communist soldiers invade Beijing-area campuses and dormitories, dragging young students away to unreported and unknown fates. Men and women all over China have been handcuffed to trees, stuffed in prisons and, tragically, many stacked in the morgue.

Though police now have infested neighborhoods, a Stalinist-style telephone hotline has been provided to government informants so that they may expose dissenters. At least 11 civilians in Beijing and Shanghai have received death sentences during the past 7 days. In the meantime, Mr. President, with the sickening smell of bloodshed and the acrid fragrance of gunpowder still hanging heavy in the Beijing air, the Chinese Government continues the technique of the big lie. A spokesman smiling benignly at Tom Brokaw on Friday night denied that anyone had been crushed or anyone killed in Tiananmen Square.

As a result of this ongoing terror and the effort to shroud it from the world, by this truly Orwellian distortion, I am submitting a concurrent resolution to document the most repressive activities of the Chinese Government since the June 3 massacre and calling upon the Communist authorities to release all innocent civilians from imprisonment, as well as to publicize the names of those that they are holding and the reasons for their detention.

This concurrent resolution also urges the President to carefully consider the extent to which the Chinese authorities act to restore basic human rights before he certifies later this year that China can receive most-favored-nation trading status with the United States. Furthermore, it demands that the United Nations end its shameful silence on this tragic, tragic, and inexcusable repression of basic human rights.

In 1980 the President exercised his authority, under the Jackson-Vannick provision of Public Law 93-618, to grant China a waiver to the Trade Agreements Extension Act of 1951, denying all nonmarket countries most-favored-nation trading status with the United States. Although the Jackson-Vannick amendment permits the granting of this waiver if the country in question allows its citizens the right to emigrate, it also requires that the President ensure that our trade policies with totalitarian governments emphasize "the continued dedication of the United States to fundamental human rights."

China, Mr. President, received its waiver not because of its specific immigration policies, but as a result of a section of the Jackson-Vannik legislation giving the President authority to confer most-favored-nation status, if such an action "would substantially promote the policy objectives of the statute, including the general proposition of human rights."

It remains, clear, therefore, that at least the spirit, if not the letter, of existing law requires that the President consider a Communist nation's broader human rights record in determining whether to grant preferential treatment. But aside from the legal authority, we have the moral obligation to promote ideals, as well as interests, in the execution of American foreign policy.

If the President publicly states, as this concurrent resolution urges, that he will monitor Beijing's progress in restoring civil liberties as part of the process for his deciding on a renewal of China's most-favored-nation status, the Communist leadership will get a clear and early signal of America's intention not to apply the gentle rules of diplomacy to dictators who murder their own people.

We have seen in the history of the Jackson-Vannik legislation that the pressure that it brought to bear upon the Soviet leadership did, over a period of years, finally contribute to the relaxation of immigration standards that allow its Soviet Jewry and other persecuted minorities to leave the Soviet Union to travel to the United States, to Israel.

Moreover, I am convinced in my own mind it was part of the great public pressure that has led to whatever change seems to be occurring now in terms of a hoped-for democratization of the Soviet Union. But the United Nations, Mr. President, has adopted the even more gentle and abhorrent policy of silence. Its silence speaks volumes.

The General Assembly has not even given an indication of when it will meet to consider a resolution condemning the repression of the Chinese Government.

If this organization truly wishes to escape from the stigma of hypocrisy and cowardice, if it is at all sensitive to the charge that it imposes a double standard, one upon dictatorships and a far more stringent standard upon those nations that aspire to be described as democracies, it will put the power of the international diplomatic community behind the forces of liberation and democracy in China.

The students of Tienanmen Square, have shown that tanks and truncheons cannot bury the hopes for freedom that burn in the hearts of millions of courageous Chinese. From Beijing to Tibet, youngsters, workers, mothers, and monks all have taken a bold stand for liberty and pluralism before the gun barrels of the world's largest Communist power. Their voices heralded the promise of a new China where the old but enduring traditions of accountability from government, intimate families, free expression, and open markets can once again be not just a fond hope, but a realistic one for China. These voices have been shamefully suppressed. So now the obligation remains with us who are free not simply to enjoy our freedom in isolation, but instead to speak out and to tell the world that the proud people of China can and should be free as well. This resolution takes a modest step, but a necessary one in that direction, lest we too be accounted as part of that group who are simply too silent, too unconcerned with what has happened there to care. We need it and I ask my colleagues from both parties to enthusiastically support it.

The people of the United States I am convinced do not wish us to sit silent in the face of this kind of repression.

The world has grown much smaller since World War II. We are today shrunken, brought into far more intimate and immediate contact because of the marvel of modern communication, however much the present regime in Communist China seeks to shut down that kind of communication. It was notable in the most recent film footage that among the arrests made, among the other forms of repression, Communist soldiers were also photographed confiscating copying machines.

Mr. President, they cannot shut out the rest of the world. They cannot forever keep their people in bondage.

But if having the means to communicate we choose silence, if we do not communicate, not just our displeasure but our outrage, then we are not entitled to enjoy our own freedom. And our own freedom is threatened.

Mr. President, I urge my colleagues to join as cosponsors, I will seek expedited treatment because I think that we need not only to be heard but to be heard soon and unequivocally.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, first of all, let me just commend my colleague for his resolution. I am confident the Foreign Relations Committee and others will take a look at it very quickly. It is obviously a timely resolution.

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE

KERREY AMENDMENT NO. 198

Mr. KERREY proposed an amendment to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

On page 11, line 16, insert before the period the following: "or the State Child Care Board appointed and identified by the chief executive officer of the State as the lead agency under section 6(a).".

On page 21, line 15, insert before the period the following: ", or the State Child Care Board that is appointed by the chief executive and that meets the requirements of subsection (b), to serve as the lead agency.".

On page 21, between line 16 and 17, insert the following new paragraph:

(1) APPOINTMENT OF BOARD.—

(A) ESTABLISHMENT.—The chief executive officer of a Senate desiring to participate in the program authorized by this Act shall, if such chief executive officer has not designated a lead agency under subsection (a), establish a State Child Care Board that shall be composed of seven members to be appointed by such chief executive officer with the advice and consent of the legislature of such State.

(B) CHAIRPERSON.—The chief executive officer of the State shall designate a member of the Board to serve as chairperson. Such chairperson shall report directly to the chief executive officer and serve at the pleasure of such chief executive.

(C) TERMS, VACANCIES, COMPENSATION.—The chief executive officer of the State, with the advice and consent of the State legislature shall determine the terms of office of the members and chairperson of the Board established under subparagraph (A), the method to be used to fill vacancies on such Board, and the compensation to be received by such members.

(D) DUTIES.—The Board established under this paragraph shall act as the lead agency for the State for the purposes of this Act.

On page 21, line 17, strike out "(1)" and insert in lieu thereof "(2)".

On page 21, line 22, strike out "(2)" and insert in lieu thereof "(3)".

On page 22, line 3, strike out "(3)" and insert in lieu thereof "(4)".

On page 26, after line 25, add the following new subsection:

(e) REDESIGNATION.—The chief executive officer of a State may modify the original decision concerning the designation of a lead agency if such chief executive determines that the original designation is not appropriate.

On page 27, line 9, insert ", that shall be prepared by the lead agency or the State Child Care Board established under section 6(b)(1)," before "that is".

On page 27, strike out lines 12 through 15, and insert in lieu thereof the following new paragraph:

(1) LEAD AGENCY OR STATE CHILD CARE BOARD.—The plan shall identify the lead agency or the members of the State Child Care Board appointed under section 6(b)(1), the location of the offices of such Board, and shall contain a certification that the Board solicited input from the local advisory councils in preparing the plan.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Friday, July 14, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building on amendments to the Indian Child Welfare Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON AGRICULTURAL CREDIT

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Credit of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Monday, June 19, 1989, at 1 p.m. to hold a hearing on the Credit Act of 1987; borrowers rights and restructuring provisions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HEALTH FOR FAMILIES AND THE UNINSURED

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Health for Families and the Uninsured of the Committee on Finance be authorized to meet during the session of the Senate on June 19, 1989, at 10 a.m. to hold a hearing on proposals to provide universal access to health care.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 19, 1989, at 10 a.m. to hold a hearing on the authorization needs of the U.S. Coast Guard for fiscal years 1990 and 1991.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, June 19, 1989, at 2

VOL 135 PT 9 JE 14 — 22 1989 UMI

p.m. to hold a nomination hearing on Mark Edelman to be Deputy Administrator of the Agency for International Development.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JOE'S GIFT

● Mr. LEVIN. Mr. President, on the floor of the U.S. Senate we hear often about the champions of sport, the men and women who fulfill their dreams and enrich our lives with the very hard work of their play. Behind these champions are stories of families and communities that build young people into engines of effort that go beyond sport. In the recent series that brought the Detroit Pistons to the championship of professional basketball, Joe Dumars was named most valuable player to the delight of his many fans in Michigan and across the country. A recent story in the Detroit News shows there was more than tenacious defense and clutch offense behind this young man, but also a family whose strength serves as an inspiration to us all. I ask that the story of this man and this remarkable family be printed in the RECORD.

The story follows:

[From the Detroit News, June 18, 1989]

JOE'S GIFT

(By Fred Girard)

NATCHITOCHES, LA.—The Red River spills out of the Arkansas badlands into the northwest corner of Louisiana, tumbles through Shreveport and the fields of cotton and soybean south of it, and into Natchitoches Parish.

That's pronounced *NACK-a-dish*, several young men shooting hoops on Martin Luther King Jr. Street helpfully instruct a stranger.

Up a hill and around a bend from the basketball court, a storm fence and a neat patch of lawn dotted with tall lilies fronts the simple, one-story brick house where Detroit Pistons' superstar Joe Dumars was raised.

Ophelia Jones Dumars holds court in the front room, amid a profusion of pictures of their nine grandchildren and the six sons and one daughter—Joe was the baby—she and her husband, Joe, raised.

One of the grandkids, Tiffany, 12, is playing secretary today, racing to and fro importantly, dirndl skirt aswirl. Two phone lines are ringing continuously, and Tiffany scribbles note after note on folded-up paper plates.

"It's Channel 31," she calls out. "They want Joe to be a judge in the Miss Black America contest."

Ophelia laughs. That doesn't sound like Joe's kind of night.

"I was up in Detroit not long ago, and after a game one night (John) Salley said to Joe, 'You want to go out? The girls are always asking for you—they know you're single.' Joe said right back, 'You tell the girls I said hello, 'cause I'm goin' home and go to bed.' "

Four rooms open off the living room—a small bedroom where Martha lived in splendid isolation as the only girl child in the family; a second, larger bedroom where all six brothers slept; the kitchen; and Ophelia and Joe's bedroom.

That's where the heart of the little brick house beats—and always has.

It's a small room, dominated by a large bed with brass headrails, an overstuffed easy chair and a color television set. Joe Dumars, 63, his arms and chest still roped with the muscles of a lifetimes of hard work, spends most of his time in this bed, both his legs amputated above the knee, a result of the ravages of diabetes.

He never has seen a Pistons game in person, but the television is equipped with cable. Joe Dumars plays every game broadcast as hard as his son, jerking in sympathetic body English, and taking off on one commercial by shouting at every critical point—to the vast amusement of his grandkids—"Gimme the ball! Gimme the ball!"

"I get too excited, but I just can't help myself," he said. "During the Chicago series, I was sitting here hollering and jumping around, and I started to get a shortness of breath, and my chest hurt . . . so I started hollering, 'Take me to a doctor.'

"I promised myself if the games got too exciting after that, I'd just pull the covers up over my head and forget about it.

"I try to level off, but I just can't sometimes. It gets so exciting, and these grandchildren hollering and cutting up in here—I just can't stop myself, so I just get with 'em."

It was from this bed that Joe arose at 4 o'clock every morning, from 1963 to 1985, to drive the 52 miles to Alexandria and his job as a grocery truck driver. He wouldn't get home until 10:30 or 11 at night, but whichever children were at home would be waiting for him—especially Joe, or "Boopsie," as they all called him, and sometimes still do. Joe and Boopsie, Ophelia says, would "talk father talk."

"He's crawl up here in the bed with me," Joe said, "and we had this little game we'd play. I'd say, 'Father to father, son to son; come here son, tell me everything you've done.' Well, he'd tell me everything, even the little bad things he did, and Tootsie—that's what we call his mama—she'd be listening to every word.

"Well, it didn't take him long to catch on to that. One day I tried to play our little game, and he said, 'Aw, Daddy, you just want Tootsie to whup me.' "

And as the little boy grew, the talks turned to more serious things . . . to Joe Dumars' idea of how success could be achieved.

"Attitude is everything," he said during an interview Thursday afternoon, the room dim and cool, the curtains pulled against the afternoon sun. It seemed natural for the reporter to sit on the end of the bed, where the Dumars children have been so many times; and the rest of the interview was conducted that way.

"Back in those days the places I went with my delivery truck were . . . rural." His eyes said the rest: Louisiana whites weren't used to seeing a black man drive up to their stores in a big delivery truck.

But Joe Dumars had been through worse. He had driven a truck for two years in the Army in Europe during World War II, landed on Omaha Beach on D-day, gotten lost with Patton in his lightning swoop into Germany, and given up his life for lost more than one. Bigots he could handle.

"My attitude was, let's be low-key. I have pride, but it's in here"—touching his chest. "I don't have to prove anything to the guy out on the street.

"If your attitude is good, you can make it. If it's bad, everywhere you turn you're going to run into problems."

Joe's own character was tempered but hurt. He was one of two sons, but for reasons he still doesn't understand, only his brother was raised by Bernice and Joe, his parents. Joe was sent to live with his grandmother, near the plot of ground where his house now sits, until he left school in the seventh grade to go to work.

"That stung me. For a long time, I fought with that. It was only when I got religion that I was finally able to work that out, to learn that I couldn't undo it, so I just had to accept. Its made me a better man.

"But I always said if I had children, I wouldn't treat them the way my Mom and Dad did."

Joe's method of child-rearing—he knows some disagree with it—was never to be satisfied.

"I've had people tell me, 'You never give your kids no play' "—cut them any slack, in today's idiom. "But I do that to prove a point.

"Whatever they did, I would say, 'You can do better.' Even their mother would say, 'You never give them any credit.' I'd say, 'you let me handle this.'

"And they would always try to prove to me that they're the best."

Young Joe certainly did. At first he was a football star, but he gave that up, his mother said, "one day when this boy hit him so hard he turned I don't know how many somersaults."

In his freshman year of high school, young Joe played junior varsity basketball for J.D. Garrett, a Natchitoches native who had been a running back with the New England Patriots of the National Football League.

Garrett recognized something in Joe right away. Not just talent, but drive. Joe Dumars was a kid with something to prove.

"He would practice real hard," recalled Garrett, still the coach at Natchitoches Central High, "and then he'd go get a bite to eat, and slip right back out and go to the college, and play with the college kids. When you see a kid practice that hard, you know he's on his way somewhere."

Young Joe was trying to impress his most beloved critic—and finally, he did.

"He would look me in the eye and say, 'Joe, I can play,' " his father recalls. "And I'd say, 'Boopsie, you can't hang with them big boys. They'll slap you up side the head, and you'll come home cryin'.'

"Last year, after the Chicago series, when he held that Michael Jordan so close and played so good, I said to him, 'Boopsie, you made me eat crow. You convinced me. You can play.' "

Old Joe felt as if a debt had been paid that day. He had done a father's job, and gotten the only reward he ever wanted.

"I've told all of my children, all you ever owe me is respect—and we owe each other love," he said.

"I don't want them to think they have to take care of me. I tell them, 'I want you to do just as good for your family as I did for y'all. No—do better. Then we're improving the Dumars family.

" 'But if I ever need a loaf of bread, you better come runnin' with two.' "

Across the street from the little brick house is one of Natchitoches' largest liquor

stores. People marvel that Dumars and his wife raised seven children who have never given their parents or their community the first speck of trouble.

Ophelia's explanation: "I wanted them to see just how liquor makes you act. Let them see that kind of life, and then decide to have a different one."

And old Joe's: "The thing we had in this family was love. We always stick together. I tell them if they ever get weak with one another, anyone can come in and break them apart. But if when one's down the others gives him a hand, you can't break a chain as strong as that.

"Being a black family, people just don't believe you can have that kind of love and affection. So many black families don't have that strong father figure."

Young Joe's hometown of 17,400, the oldest settlement in the 1714 Louisiana Purchase, plans to turn out in honor when he's finally able to return in two weeks or so.

Mayor Joe Sampite wasn't able to say on the record exactly what's planned, but hinted broadly that a street will be renamed in Joe's honor, and an addition made to the "Walk of Stars" on the sidewalk in front of a downtown bank, already featuring tributes to John Wayne, who made The Horse Soldiers there 30 years ago, and Dolly Parton and Sally Fields, who filmed the as yet unreleased Steel Magnolias there last year.

But nothing particularly impressed old Joe until he learned what young Joe planned to give him for a Father's Day gift: his championship ring, from the first title in the team's history, in which he was voted the Most Valuable Player.

"I was very surprised when he said that. I thought that was the thing he'd keep by him for the rest of his days," Joe said.

"But giving it to me is the same as if he'd kept it himself. We're that close.

"We're all that close."●

WEST POINT GRADUATION

● Mr. D'AMATO. Mr. President, on May 24 of this year the U.S. Military Academy at West Point, NY, graduated the class of 1989.

The Vice President of the United States delivered the commencement address to the graduating cadets. So we may all enjoy his poignant remarks, I ask that they be reprinted in the CONGRESSIONAL RECORD.

The remarks follow:

REMARKS BY THE VICE PRESIDENT, COMMENCEMENT ADDRESS TO THE U.S. MILITARY ACADEMY

General Palmer, Distinguished Guests, and men and women of the Corps of Cadets:

It is a high honor for me to address you today. Gathered here today are Americans from every walk of life, from backgrounds that reflect the richness and diversity of our nation's character and heritage. But despite this diversity, we all stand united behind one simple conviction: the belief that freedom can only be enjoyed by a people that is willing and able to defend it. That belief is the reason West Point exists. That belief—that commitment—is what West Point embodies.

Because this institution plays such a vital role in the life of our Nation and our world, I always paid special attention to the qualifications of the candidates I nominated for appointments to West Point during my 12 years in Congress. I am especially pleased that three of my nominees—Greg Buehler, Steven Calhoun, and Brett Jenkinson—are graduating today. And I'm proud to note that Greg and Steven made the Dean's List.

Today, I want to address special messages to three distinct groups in our audience—all of whom have dedicated themselves, in different ways, to the commitment to defend freedom.

First, I want to speak directly to the parents and loved ones who are with us here this morning. Your support for these superb young men and women, your understanding and encouragement, have been vitally important to these cadets. Now that they have earned the privilege of pinning the bar of gold on their Army green, you share not only in their joy, but also in the credit for their achievement.

As President Bush has emphasized time and again, America's families are the bedrock of our society. This is particularly evident on occasions such as these, which are, in effect, celebrations of our families and of their role in instilling values in succeeding generations of young Americans.

But your role is far from over; indeed, in some ways, it has only begun. For these men and women, as leaders in our armed forces, will face new and more demanding challenges in the years ahead. I ask, therefore, that you continue to provide them with the loving support that has been so important in their lives up to this point. They will need your reinforcement to get them through the tough times—and a cold dose of reality when everything seems to be going their way. And whatever the circumstance, always remember to be proud—very proud—that they have chosen to serve their country. There is no more noble calling.

Second, I want to express my appreciation for the staff and faculty here at the military academy. Once again, you have done a magnificent job. The task of educating and training our young men and women for a lifetime of service to our nation is crucially important to this country. Keep up the splendid work!

And, most important, to those of you graduating today, I offer my warmest congratulations. Your class has compiled an enviable record, both academically and in athletics. There are remarkable scholars in your midst—like Lisa Ann Shay, who was awarded a Marshall Scholarship at Cambridge; John Michael George, who received a Rhodes Scholarship at Oxford; and Andrew Fedorchek, who won both Hertz and National Science Foundation Fellowships. In football, your class has won a 20-15 victory over Navy that evened the series and captured the Commander-in-Chief trophy; in golf, you captured the eighth consecutive MAAC championship; in men's tennis, you captured the MAAC for the fourth time; and in women's tennis, you ranked second in the East. Not bad at all!

But all of these achievements are, of course, secondary to your basic achievement: you have successfully completed your vigorous course of study and training here, and are now ready to lead in the service of our country. I'm sure all of you recognize that you have been enormously privileged to attend this institution and to have the chance to join the "long gray line." Many talented candidates competed for appointments, but they were not as fortunate as you. You have received an education whose true value will become even more apparent with time. Moreover, you are about to realize the greatest privilege of all: leading our outstanding men and women in uniform.

As an officer in the regular Army, your service will be fulfilling and valuable for the Nation, but you will face some significant challenges. You will be challenged to lead young men and women from a variety of backgrounds in a very dangerous profession, the profession of arms. Those who volunteer for the ranks of the Army come from all walks of life in a diverse culture. Your challenge is to help them meet their potential in whatever they do.

You know that soldiers are pretty good judges of the ability and character of their commanding officers. So the only way to get a lot out of your units is to put a lot of time and effort into them. As General Douglas MacArthur once put it, "The respect, discipline, and self-confidence within a military unit, joined with fair treatment and merited appreciation from without. It will quickly wither and die if soldiers come to believe themselves the victims of difference or injustice on the part of their governments, or of ignorance, personal ambition or ineptitude on the part of their military leaders."

Fortunately, devotion to the profession of arms, and to the well-being of soldiers, is a legacy of West Point, and of those leaders in the long grey line that preceded you. It is their achievement, and their sacrifice, that you must never fail to honor.

General George Marshall, a great soldier-statesman, said this about the treatment of soldiers:

"The soldier is a man; he has rights; they must be made known to him and thereafter respected. He has ambition; it must be stirred. He has a belief in fair play; it must be honored. He has a need of comradeship; it must be supplied. He has imagination; it must be stimulated. He has a sense of personal dignity; it must be sustained. He has pride; it can be satisfied and made the bedrock of character once he is assured that he is playing a useful and respected role. He becomes loyal because loyalty has been given to him."

Never forget that our Army is part of a larger American democratic society where we measure soldiers not on the basis of gender, color or creed but rather on their performance. The President and I expect you to give soldiers the fair and equal treatment they deserve. More important, the American people expect the kind of dignified, respectful treatment of their sons and daughters in uniform that you will provide.

The American people are also united in the hope that never again will their sons and daughters be called upon to face the cruel test of battle. I know that everyone here today shares that hope. But everyone here also knows that the best way to prevent war is to think about it, and to prepare for it, in times of peace. As Alexander Hamilton put it in *the Federalist Papers* "To model our political systems upon speculations of lasting tranquility is to calculate on the weaker springs of the human character."

That is why, while hoping and working for peace, we need to keep our powder dry—and ample. We must maintain a military establishment that is respected by friend and adversary alike. And we must continue to support a strong national defense with military forces adequate to protect and defend our vital interests. Throughout your careers, you will be challenged to ensure that our forces remain prepared to carry out any mission assigned to them, ranging from disaster relief in our own country to conflict anywhere in the world.

You will also be challenged to develop and apply new methods for carrying out your responsibilities in battle. Changes in military technology have already resulted in long-range, conventional stand-off weapons systems like cruise missiles. Future developments in technology areas such as electrothermal propellants, hypersonic boost-glide vehicles, and multi-spectral sensors could cause, over the next 10-15 years, a revolution in military affairs. This will require us to develop new operational concepts, new military organizations and new methods of warfare. The Defense Department has initiated a new strategic planning tool called "Competitive Strategies" to help identify, develop, and field the weapons systems we need to be competitive with our major adversary, and to understand how those weapons might be used operationally.

Because of your background, education, and future assignments, you will be uniquely prepared to meet the challenges these changes will bring. Your education in the sciences and engineering allows you to comprehend the capabilities, and limits, of modern technology. Your military assignments will broaden your understanding of military innovation and operational requirements. And your military training provides you with deeper insights into the impact of human factors on warfare and with the leadership abilities to successfully deal with those factors. In sum, you have begun to develop the technical and operational skills to become effective battlefield leaders. You need to continue to hone those skills while simultaneously developing the necessary vision to contribute, as strategic thinkers, to the defense of our Nation.

And finally, you will be challenged to work long hours, to endure lengthy separations from your loved ones, and to risk your lives so that others may continue to enjoy the blessing of liberty. This is nothing new. But your challenge is to maintain your inner strength—your faith in our Creator and our Country—and to continue meeting the expectations of a leader throughout these periods of hardship.

You are prepared, perhaps better than you realize at this moment, to meet those challenges. West Point has imbued you with patriotic values, and developed your abilities as a leader. The education and training you have gained here will provide you with the necessary intellectual and moral foundation for a lifetime of service to our Country.

Since 1802, West Point has been the wellspring of bedrock values for over 40,000 graduated cadets. These values have developed in generations of Americans the strength to be a leader. You are privileged, because those values—gained here in the birthplace of our American military ethos—make up your moral, ethical, and professional character.

It is your character—shaped by your family and your loved ones to strive for ever-higher standards of excellence, and nurtured here at West Point—that will help you to be selfless in service, responsible in duty, and honorable in all things. It is your character that will give you the confidence to look your soldiers in the eye and say: "Follow me and do as I do." And it is your character that will enable you to instill those same fundamental values in your soldiers.

In closing, let me reiterate that your service to our Nation is a sacred privilege. Your service is sacred because our Nation's freedom, our way of life and our values ultimately depend on your ability to discharge your duties effectively and to meet the challenges of a changing world.

Ladies and Gentlemen of the West Point Class of 1989: today you enjoy the trust and confidence of the American people. Guard jealously that trust and confidence, because they enable you to carry out your task—the defense of our Nation and of the cause of peace and freedom.

Our peace and freedom have not been easily won; they have been gained at a heavy price. You who serve in defense of our Nation will come to understand the price of maintaining that peace and freedom. Your livetime of service, sacrifice, and selflessness will be for the benefit of millions of Americans across this great Nation, and for generations yet to come. For Americans of today, and Americans of the future, I thank you for joining the ranks of our armed services, and I wish you all the best.

God Bless you all.●

KELLY KAMMERER

● Mr. LEAHY. Mr. President, I ask that my remarks delivered on March 16, 1989, with regard to Kelly Kammerer, then Director of the Office of Legislative Affairs of AID, be printed in the RECORD.

The remarks follow:

Good morning. We had our first hearing yesterday where we heard from Secretary Baker and discussed in broad terms the Administration's Fiscal Year 1990 Foreign Assistance budget request.

We will continue that quest today with Alan Woods, Administrator of the Agency for International Development. I note the priority before us. We are going to have several hearings, but the first two involve you and the Secretary of State. There are a number of reasons for that. Primarily, I think you both have an extraordinary part to play.

I appreciate the way you and your office have dealt with us in an open, candid, and frank manner. One of the principal reasons we enjoy this good relationship is because of the work of Kelly Kammerer, who has been the Director of the Office of Legislative Affairs at AID since 1983.

Kelly will be leaving soon to become AID's mission director in Nepal. On behalf of the members and staff of this subcommittee, I want to pay my respects to him for the great job he has done. I don't want to embarrass him too much but we have relied heavily on him and his staff for years. He has always been an absolute professional, and the good relationship this committee has had with AID is because of Kelly. I am going to miss him an awful lot. I think the only criticism I have is that he is leaving just as I become Chairman.

There is another personal mention also. The dearest friends my wife and I have in Vermont, the Murthas have three absolutely lovely children. Marcelle and I are Godparents of their youngest child, and Kelly is the Godfather of their oldest daughter, Elizabeth. So we have a kind of personal relationship. They are coming down to visit soon, but unfortunately, Kelly will have left for Nepal.

Thank you again, Kelly, for the fine job you have done. We will miss you.●

SOUTH AFRICAN SANCTIONS

● Mr. BOSCHWITZ. Mr. President, I rise to express my pleasure in joining with Senator SIMON as the lead Republican in submitting Senate Concurrent Resolution 47, expressing the sense of Congress that the administration should seek to gain from our allies the imposition of the same economic sanctions against South Africa that we ourselves have imposed.

Mr. President, the abhorrent system of apartheid continues in South Africa, denying the overwhelming black majority population of that country the basic human rights of liberty and democracy that we enjoy and, indeed, take for granted. Apartheid is an abomination that must end and must yield to a nonracial democracy. Although the primary focus of that struggle is naturally within South Africa itself, we in the West can play an important supporting role.

I supported the economic sanctions Congress imposed on South Africa in 1986 and voted to override a Presidential veto. But if those sanctions are to have their fullest impact, the major industrial democracies must join in united action. Over 80 percent of South Africa's trade occurs with the industrial democracies. It does little good if, after we have imposed sanctions, our allies simply go in and pick up the pieces. In that case, the only group we have hurt are American firms that have been stopped from doing business in South Africa.

By gaining the agreement of our allies to impose the same sanctions we currently employ, we can significantly increase economic pressure on South Africa to change. I strongly believe that this is something worthy to pursue, reflecting the values that we Americans hold dear. It will also be a demonstration of American commitment and leadership in the drive to end the evil that is apartheid. I commend my colleague from Illinois, Senator SIMON, for his efforts and for the real leadership he has shown on this important issue.●

ADMINISTRATION VIEWS OF S. 377, THE REGIONAL PRESIDENTIAL PRIMARIES AND CAUCUSES ACT

● Mr. HUMPHREY. Mr. President, I take this opportunity to share with Senators a copy of a letter from Assistant Attorney General Carol T. Crawford to the majority leader regarding S. 377, legislation which would establish a system of regional Presidential primaries.

All Senators should note the letter states that both the Justice Department and the Office of Management and Budget will recommend a veto of S. 377. Now pending on the Senate Calendar, this legislation would replace the present Presidential nomination system with a series of regional

primaries, with the order determined by lottery.

There are many reasons why the administration should veto this bill, not the least of which, as Ms. Crawford points out, it is unconstitutional.

In addition, it virtually locks in frontrunners, at the expense of challengers. And, it turns 1-on-1 campaigning into a media circus in which candidates are never required to interact with the voters.

It may also be that Senate Republicans will be concerned about turning over their nomination process to the management—and ultimately micromanagement—of a democratically controlled Congress.

For all of these reasons and more, this is a piece of legislation which, if considered, will provoke extended debate. But, for the time being, I would simply ask that the full text of this letter be reprinted in the RECORD:

The letter follows:

DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, June 7, 1989.

Hon. GEORGE J. MITCHELL,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR MITCHELL: This letter presents the views of the Department of Justice on S. 377, the Regional Presidential Primaries and Caucuses Act of 1989. The Department opposes this bill because Congress does not have the constitutional authority to prescribe the time at which the states must conduct a presidential primary.

S. 377 establishes eight regional presidential primaries to be held every two weeks beginning in March during a presidential election year. The bill places each state and territory in one of eight geographic regions and provides that each state must hold its presidential primary or other means of expressing a preference for presidential candidates on the date chosen by lot for that region. The bill then prohibits any state from holding a presidential primary or other means of expressing a preference for a presidential candidate on any other date.

In our constitutional scheme, the process of selecting presidential electors is essentially a State concern. The Constitution provides that "[e]ach State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress . . ." U.S. Const. art. II, § 1, cl. 2.

Congressional power over presidential elections is described in Article II, section 1, clause 4 of the Constitution: "The Congress may determine the Time of Chusing the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States."[1] By contrast, Congress has broader power to regulate elections for Senators and members of the House of Representatives: "The Times, Places, and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators," U.S. Const., Art. I, § 4, cl. 1. Thus, while Congress has general power to regulate the time, place and manner of congressional elections, with respect to presidential elections its power is limited to determining the time of choosing the electors. Accordingly, the Constitution simply does not provide Congress with the power to determine the time of choosing delegates who will select a candidate who will be voted upon by the presidential electors.

We acknowledge that the Supreme Court has recognized that Congress has limited power to regulate presidential elections to the extent necessary to prevent fraud and preserve the integrity of the electoral process. *See Burroughs v. United States*, 290 U.S. 534 (1934) (upholding a federal law imposing record keeping requirements on political committees that accept contributions or make expenditures for the purpose of influencing the election of presidential or vice-presidential electors); *see also Buckley v. Valeo*, 424 U.S. 1, 13 (1976) (unholding a federal law regulating campaign contributions against a First Amendment challenge and observing in dicta that the constitutional power of Congress to regulate federal elections is "unquestioned"). However, while Congress has authority to preserve the integrity of the presidential election process, it cannot encroach upon the authority of the states to determine the manner in which the process and sequence of selecting a President is structured.

Congress also has power under several constitutional amendments to enforce prohibitions against specific discriminatory practices. *See* U.S. Const. amend. XV (race, color, or previous condition of servitude); amend. XIX (sex); amend. XXIV (poll taxes); amend. XXVI (age). In *Oregon v. Mitchell*, 400 U.S. 112 (1970), before the enactment of the Twenty-Sixth Amendment, the Supreme Court upheld a provision of the Voting Rights Act Amendments of 1970 which lowered the minimum age of voters in federal elections from twenty-one to eighteen. Four justices relied on Congress' power under section 5 of the Fourteenth Amendment to prohibit discrimination on the basis of age. *Id.* at 135–44 (Douglas J.); 239–81 (Brennan, White, & Marshall, JJ.).[2]

S. 377, however, is not designed to eliminate constitutionally prohibited discriminatory practices. Rather, it rests upon a concern that presidential primaries "are conducted without any semblance of order," section 2(1), and that federally regulated regional primaries are necessary to remedy such disorder and thus "to preserve the effectiveness of the Presidential election process and to provide for the public welfare of the Nation." Section 2(3). These purposes do not place the bill within the scope of Congress' constitutional authority over the conduct of presidential elections. To the contrary, S. 377 invades an area of state power to regulate the manner of presidential elections. A federal law requiring states to hold their primaries on a specified day strips the states of their fundamental power to determine the manner in which their presidential primaries will contribute to the presidential nominating process. Because the bill is not supported by Congress' constitutional power to assure the integrity of the electoral process or to eliminate discrimination, it is unconstitutional.

Of course, nothing in the Constitution prohibits a group of states in a region from deciding to hold their primaries on the same day, as occurred in 1988 with the so-called "Super Tuesday" primaries in the South. The "Super Tuesday" states, however, acted voluntarily. Other states prefer different arrangements. For instance, New Hampshire requires that its primary precede any other state's primary. *See* N.H. Rev. Stat. Ann. 653.9. S. 377 would deny the states the right to make this choice—an opportunity that is the very essence of federalism and creates the necessary opportunity for political experimentation.

For these reasons, the Department of Justice opposes S. 377 and will recommend that the President veto the legislation should it be presented to him.

The Office of Management and Budget has advised that the enactment of S. 377 is not in accord with the program of the President.

Sincerely,

CAROL T. CRAWFORD,
Assistant Attorney General.●

[1] The Electors referred to are of course the Electors who comprise the Electoral College and whose votes directly elect the President.

[2] The fifth justice in the majority in *Oregon v. Mitchell* believed that Congress has broad authority to set qualifications for voters for electors for President and Vice President, 400 U.S. at 119–24 (Black, J.), but four other justices denied that Congress has such power, *id.* at 209–12 (Harlan, J.) & 287–92 (Stewart, J., with Burger, C.J. & Blackmun, J.), while three justices expressly refused to consider Congress' authority to set qualifications for voting in federal elections. *Id.* at 237 (Brennan, White, & Marshall, JJ.).

SECTION-BY-SECTION ANALYSIS OF S. 774: THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

● Mr. RIEGLE. Mr. President, I ask to have printed in the RECORD—for myself and Senator GARN—a section-by-section analysis of S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which was passed by the Senate on April 19, 1989.

The analysis follows:

S. 774: FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989 AS PASSED BY THE SENATE ON APRIL 19, 1989

Section-by-section analysis

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS

This section designates the bill as the "Financial Institutions Reform, Recovery, and Enforcement Act of 1989," and provides a table of contents.

TITLE I—PURPOSES

SECTION 101. PURPOSES

This section sets forth some of the primary purposes of the bill, namely:

(1) to promote, through regulatory reform, a safe and stable system of affordable housing finance;

(2) to improve the supervision of federally insured depository institutions by strengthening the enforcement powers of Federal regulators;

(3) to curtail needless risks to the Federal deposit insurance funds by strengthening capital, accounting, and other regulatory standards;

(4) to promote the independence of the Federal Deposit Insurance Corporation through an independent board of directors, adequate funding, and appropriate powers;

(5) to put the Federal deposit insurance funds on a sound financial footing for the future;

(6) to establish an Office of Savings Associations in the Department of Treasury, under the general oversight of the Secretary of the Treasury;

(7) to create a new corporation, to be known as the Resolution Trust Corporation, to deal with failed thrift institutions;

(8) to provide funds from public and private sources to deal expeditiously with failed financial institutions; and

(9) to strengthen the penalties for crimes and other misconduct involving federally insured depository institutions.

TITLE II—FEDERAL DEPOSIT INSURANCE CORPORATION

SECTION 201. FINANCIAL INSTITUTIONS

This section generally amends the Federal Deposit Insurance Act ("FDI Act") by replacing "insured bank" with "insured financial institution." "Financial institution" encompasses both banks and savings associations. Savings associations (defined in section 204) include Federal savings associations, Federal savings banks, State savings and loan associations, and certain similar institutions.

SECTION 202. DUTIES OF THE FDIC

Under current law, the Federal Deposit Insurance Corporation ("FDIC") insures deposits in qualified banks. Under this section, the FDIC would also insure deposits in qualified savings associations.

SECTION 203. FDIC BOARD MEMBERS

The FDIC is currently administered by a three-member board of directors ("FDIC Board"), consisting of the Comptroller of the Currency and two appointed members. The appointed members are appointed by the President for six-year terms, subject to confirmation by the Senate. No more than two members may be of the same political party. The Chairman is selected by the Board itself from among the appointed members. If the chairmanship becomes vacant, the Comptroller acts as Chairman until the Board selects a new Chairman.

A. Structure of the Board

This section expands the FDIC Board from three members to five. The Comptroller of the Currency and the Chairman of the Office of Savings Associations ("COSA") will automatically be members. The remaining three members will be appointed by the President for six-year terms, subject to confirmation by the Senate. Of the three appointed members, one will be appointed (subject to confirmation by the Senate) as the Chairman of the FDIC. No more than two of the three appointed members may be of the same political party.

If the Chairman of the FDIC leaves office or becomes disabled, the Board may (pending the appointment of a successor) select an Acting Chairman from among the appointed members.

B. Transition Provision

The current members of the FDIC Board may continue to serve until their terms expire. The current Chairman of the FDIC Board may continue to serve until his term as a member expires.

SECTION 204. DEFINITIONS

A. Receiver

A "receiver" is currently defined as a person appointed to wind up the affairs of a bank. This section broadens the terms to include a person appointed to wind up the affairs of a savings association, or to conserve the assets of a bank or savings association.

B. Deposit

The definition of a "deposit" is amended to include deposits in a savings association.

Accounts in a savings association heretofore insured by the Federal Savings and Loan Insurance Corporation ("FSLIC") will automatically be insured by the FDIC up to the limit of FSLIC coverage, as determined by FSLIC regulations and interpretations in effect when the bill becomes law.

Although the FDIC and FSLIC have parallel statutes governing what kinds of deposits are insured and to what extent, the two agencies have developed slightly different standards on the subject (i.e., different regulations, principles, and interpretations regarding the scope of deposit insurance coverage). Under this section, accounts previously insured by FSLIC will for a limited time continue to be governed by FSLIC's standards, but will become subject to the FDIC's standards after the later of: (1) six months after the bill becomes law; (2) if the deposit has one or more maturity dates, after the first maturity date to occur after that six-month period; or (3) if prior notice to make a withdrawal is required, after the required notice period expires.

The FDIC should, to the fullest extent possible (consistent with safety and soundness) notify depositors that the transfer of deposit insurance from FSLIC to the FDIC may affect the extent of their coverage, so that no depositor unwittingly loses coverage because of this section.

C. Appropriate Federal Banking Agency

The FDI refers to the primary Federal regulator for a given type of institution (e.g., the Comptroller of the Currency for national banks) as the "appropriate Federal banking agency." This section specifies that the Chairman of the Office of Savings Associations, rather than the Federal Home Loan Bank Board ("Bank Board"), is the appropriate Federal banking agency for savings associations and savings and loan holding companies.

D. Savings Association

A "savings association" is defined as: (1) an institution whose accounts were insured by FSLIC when the bill became law (and that has not subsequently become a bank); (2) a Federal savings and loan association or Federal savings bank; (3) a State savings and loan association, building and loan association, or homestead association; and (4) any other corporation the FDIC determines to be operating in substantially the same manner as a savings and loan association.

E. Bank

The FDI Act's current definition of a "bank" is amended to specifically include cooperative banks that are FDIC-insured when the bill become law. The revised definition also specifies that a "bank" includes a former savings association that has become a bank, even if the institution is a member of the Savings Association Insurance Fund.

F. Default

Definitions of "default" and "in danger of default" are added to the FDI Act.

A financial institution is in "default" if a court of competent jurisdication, the appropriate Federal banking agency, or other public authority has made an offical determination under which a conservator or receiver or other legal custodian has been or will be appointed.

An institution is "in danger of default" if the appropriate Federal banking agency or the State chartering authority finds that: (1) the institution is not likely to be able to meet its depositors' demands or pay its obligations in the normal course of business, and there is no reasonable prospect that the institution will be able to meet those demands or pay those obligations without Federal assistance; or (2) the institution has incurred or is likely to incur losses that will deplete substantially all of its capital, and there is no reasonable prospect for the institution's capital to be replenished without Federal assistance.

G. Institution-related party

The bill introduces a new term, "institution-related party," to replace current references to directors, officers, employees, and other persons participating in the affairs of an insured bank or savings association, as used throughout the enforcement provisions of the Federal Deposit Insurance Act. The new term is more concise, and it is defined so as to expand the Federal banking agencies; enforcement authority to include all persons that may have an influence over the operations of an insured financial institution.

An "institution-related party" is defined to include any director, officer, employee, agent, controlling shareholder (other than a holding company), or other person participating in the conduct of the affairs of an insured financial institution or a subsidiary of an insured financial institution, and any person who has filed or is required to file a change-in-control notice with the appropriate Federal banking agency.

An institution-related party also includes an "independent contractor" such as an attorney, accountant, or appraiser, who knowingly or recklessly participates in a wrongful action that had or is likely to have an adverse effect on an insured financial institution. The additional requirement of knowing or reckless participation in a wrongful act applies only to an independent contractor who does not otherwise participate in the financial institution's affairs. Thus, for example, an attorney who is a director of a bank would automatically be an "institution-related party," even if he or she did not knowingly or recklessly participate in a wrongful act.

H. Subsidiary

A "subsidiary" is defined as any company directly or indirectly owned or controlled by another company. It includes a service corporation owned in whole or in part by an insured financial institution, and any direct or indirect subsidiary of the service corporation. Thus, if 20 savings associations each owned a 5 percent interest in a single service corporation, that corporation would be a subsidiary of each of the 20 parent savings associations. In addition, any subsidiary of such a service corporation would also be a subsidiary of each of the 20 parent savings associations.

SECTION 205. INSURED SAVINGS ASSOCIATIONS

This section provides that every savings association whose accounts are insured by FSLIC when the bill becomes law will automatically be insured by the FDIC.

This section also changes current procedures for granting FDIC insurance to national banks and State banks that are members of the Federal Reserve System ("State member banks"). Under the FDI Act, a national bank automatically receives FDIC insurance when the Comptroller of the Currency permits it to commence business as a national bank, and a State bank automati-

cally receives FDIC insurance when the Federal Reserve Board admits it to membership in the Federal Reserve System. In each such case, the Comptroller or the Board issues a certificate to the FDIC stating that it has considered the statutory criteria that the FDIC must consider when granting or denying insurance coverage, namely: (1) the bank's financial history and condition; (2) the adequacy of the bank's capital structure; (3) the bank's future earnings prospects; (4) the general character of the bank's management; (5) the convenience and needs of the community to be served; and (6) whether the bank's corporate powers are consistent with the purposes of the FDI Act. (These criteria, which are part of current law, are retained and strengthened by section 207 of the bill.)

Under this section, a national bank or State member bank cannot commence business as such until the FDIC has received notice of the application and had a reasonable time in which to comment. The Comptroller or the Federal Reserve Board must consider the FDIC's comments when making its final determination on whether the bank satisfies the statutory criteria for insurance.

SECTION 206. APPLICATIONS FOR DEPOSIT INSURANCE

A. State savings associations

A State nonmember bank must apply directly to the FDIC for deposit insurance. The FDIC considers the six statutory criteria noted above, and also examines the institution to ensure that it has sufficient assets, in excess of minimum required capital, to meet all of its liabilities.

This section extends the same requirements to State savings associations: such an institution must apply directly to the FDIC for deposit insurance, and the FDIC will then evaluate the application under the same criteria as apply to a State nonmember bank.

B. Federal savings associations

A new Federal savings association, having received its charter from the Chairman of the Office of Savings Associations, must apply to the FDIC and provide a certificate from COSA stating that COSA has considered the statutory criteria for granting deposit insurance. The FDIC is to review the application and the certificate, and may also conduct its own examination of the institution. The savings association will then receive FDIC insurance unless the FDIC Board determines, by a vote of at least three-fourths of its sitting members, that insurance should be denied.

In determining whether to grant or deny insurance, the FDIC Board is to give due deference to COSA's determination, but it is to independently consider: (1) the institution's financial history and condition; (2) the adequacy of the institution's capital structure; (3) the institution's future earnings prospects; (4) the general character and fitness of the institution's management; and (5) the risk that the institution presents to the pertinent insurance fund. The FDIC Board is not to consider the convenience and needs of the community to be served or whether the institution's corporate powers are consistent with the purposes of the FDI Act. (The institution's corporate powers would, of course, be set by Federal law.) If the FDIC Board votes to deny insurance, it must promptly notify COSA, giving specific reasons for the denial.

C. Interim associations; conversions and mergers

Three types of new Federal savings associations are exempt from the above procedures: (1) interim institutions that will not open for business; (2) institutions resulting from the conversion of an insured State institution; and (3) institutions resulting from the merger of existing insured institutions. Any such institution will automatically be insured upon receiving its charter from COSA.

D. New criteria for granting insurance

The criteria for granting deposit insurance to a branch of a foreign bank are expanded to include the risk presented to the pertinent deposit insurance fund as well as the "fitness" of management. As noted above, current law already requires the FDIC to consider the "general character" of management. Section 207 makes an identical change in the criteria to be considered before granting insurance to banks and savings associations.

E. Entrance fee

FSLIC may currently charge State thrift institutions an entrance fee based on the administrative costs to FSLIC of examining those institutions. This section imposes an entrance fee on any uninsured financial institution or uninsured branch of a foreign bank that seeks insurance from either of the FDIC's deposit insurance funds: the Bank Insurance Fund ("BIF") or the Savings Association Insurance Fund ("SAIF"). The fee is to be credited to the appropriate insurance fund. The FDIC is to set the amount of the fee by regulation, with due consideration for the need to establish and maintain adequate reserve ratios in each fund as required by section 208 of the bill. A savings institution previously insured by FSLIC automatically becomes SAIF-insured under the bill and need not pay an entrance fee.

F. Conversions from one fund to the other

A financial institution engages in a "conversion transaction" if it moves from the Savings Association Insurance Fund to the Bank Insurance Fund, or vice versa. Such a transaction also includes a merger or consolidation of a SAIF member with a BIF member, or a transfer of deposit liabilities from a member of one insurance fund to a member of the other fund.

The bill prohibits any insured financial institution from participating in a conversion transaction without the FDIC's prior consent. For five years after the bill becomes law, the FDIC may not consent to any conversion, with the following exceptions:

1. Insubstantial portion of liabilities.—The FDIC may at any time permit a conversion transaction that affects only an "insubstantial" portion of an institution's insured liabilities. A transaction meets the test if the insured liabilities transferred during the five-year period do not exceed 20 percent of the total insured liabilities held by the institution when the bill becomes law.

2. Acquisition of a troubled institution.—The FDIC may at any time permit a conversion transaction in connection with the acquisition of a financial institution that is in default or in danger of default. However, to approve a conversion under this exception, the FDIC must determine that the estimated financial benefits to the insurance fund the institution is leaving equal or exceed the estimated loss of assessment income to that insurance fund during the five years following the conversion. If the conversion transaction results in a loss of assessment income to SAIF, the Resolution Trust Corporation must concur in the FDIC's determination regarding the relative costs and benefits involved.

3. Transactions to meet capital requirements.—The FDIC may at any time permit a conversion transaction that assists the institution involved in meeting a capital standard that the institution and its Federal supervisory agency agreed to before August 10, 1987, if the institution has made a binding, written commitment to use any gain from the conversion to increase its capital.

4. Institution that never accepted deposits.—The FDIC may at any time permit a conversion transaction involving a particular State savings association that has never accepted deposits and was not FSLIC-insured when the bill became law.

G. Conversion fees

Every institution participating in a conversion transaction in which the resulting or acquiring institution is a BIF member must pay an exit fee to SAIF (or to the Financing Corporation, if the Financing Corporation has exhausted all other means of paying interest on its obligations). The fee is to be set by the FDIC with the approval of the Secretary of the Treasury, and collected from the converting institution or other institution involved, as specified by the Secretary.

The FDIC may impose an entrance fee on institutions converting from SAIF to BIF or vice versa. In either case, the entrance fee must be the amount necessary to prevent dilution of the fund into which the institution is transferring, and must be paid to that fund.

H. Liability of Commonly Controlled Financial Institutions

1. Liability to the FDIC.—Whenever the FDIC incurs a loss in connection either with a default or with providing assistance to a financial institution in danger of default, any commonly controlled insured financial institution is liable to the FDIC—and may be required to reimburse the FDIC—for the loss. No such liability exists unless the FDIC notifies each such institution of the liability within two years after incurring the loss.

Financial institutions are "commonly controlled" if they are subsidiaries of the same financial institution holding company, or if one financial institution controls the other financial institution.

2. Procedure; amount of compensation.—When an insured financial institution is in default, or needs financial assistance because it is in danger of default, the FDIC is to make a good-faith estimate of its anticipated loss. The FDIC must then notify all other commonly controlled financial institutions of the amount of the estimated loss, and each institution's share. After consulting with the appropriate Federal banking agency for each such institution, the FDIC is to specify the procedures and schedule by which those institutions are to reimburse the FDIC for the anticipated loss. The FDIC may compel immediate payment of those amounts. If the amount paid is more than the FDIC's actual loss, the FDIC is to refund the excess to each institution from which payments were received. If the amount paid is less than the actual loss, the FDIC may require each commonly controlled institution to make an additional payment.

3. Priority.— A commonly controlled institution's liability to the FDIC takes priority over any other obligation that is subordinat-

ed to depositors and general creditors, any obligation owed to shareholders because they are shareholders, and any unsecured obligation or liability owed to any other commonly controlled company or financial institution. The FDIC's claim is subordinate to deposit liabilities (other than deposits of commonly controlled financial institutions), secured obligations, and other general liabilities. The FDIC's claim is equal in preference to all other obligations and liabilities of the financial institution.

4. Review.—The FDIC is to establish an administrative procedure for reviewing its own determinations regarding the amount of loss, the liability of commonly controlled institutions, and the scheduling of payments. Commonly controlled institutions subject to liability are entitled to a full evidentiary hearing on the record pursuant to the Administrative Procedure Act.

The FDIC's determinations regarding loss, liability, and the procedures or scheduling of payments may be reviewed in the court of appeals. The scope of review shall be in accordance with section 706 of title 5. Thus the reviewing court shall set aside the FDIC's findings or conclusions if they are not supported by substantial evidence.

5. Limitations on private rights.—This section precludes any court from giving effect to any right conferred on any person, if giving effect to the right would impair a financial institution's ability to reimburse the FDIC under this section.

6. Exceptions.—In setting forth the liability of commonly controlled financial institutions, this section makes four limited exceptions.

a. Limited partnerships.—The first exception relates to certain limited partnerships that, on or before April 10, 1989, filed registration statements with the SEC indicating that the partnerships intended to acquire one or more insured financial institutions. This section does not apply to such a limited partnership or its affiliates, other than to a financial institution that is a majority-owned subsidiary of the partnership.

b. SAIF and BIF members.—For the first five years after the bill becomes law, no BIF member will be liable for losses arising out of the default of or assistance provided to a SAIF member, and vice versa.

c. Certain institutions that made acquisitions in economically distressed States.—The third exception relates to certain acquisitions by out-of-State acquirers in economically distressed States, consummated on May 1, 1987, or January 29, 1989, in which the institutions acquired in each case had aggregate total assets exceeding $4 billion. Unless extended by the FDIC, the exception expires five years after the acquisition.

d. Common control resulting from debts previously contracted.—Under the fourth exception, institutions are not commonly controlled if they are affiliated solely because voting shares are acquired in securing or collecting a debt previously contracted in good faith. The exception expires five years after the date of acquisition. During the five-year period, all transactions between the acquired institution and affiliated financial institutions must fully comply with sections 23A and 23B of the Federal Reserve Act, without using the exemption in section 23A(d)(1) for transactions between affiliated institutions.

SECTION 207. ELIGIBILITY FOR DEPOSIT INSURANCE

Under current law, the FDIC and the other Federal banking agencies are required to consider six criteria when determining whether an institution qualifies for FDIC insurance: (1) the financial history and condition of the institution; (2) the adequacy of its capital structure; (3) its future earnings prospects; (4) the general character of its management; (5) the convenience and needs of the community to be served; and (6) whether its corporate powers are consistent with the purposes of the FDI Act.

This section makes the criteria more stringent by requiring the agencies to consider (1) the "fitness" as well as the general character of management, and (2) the "risk presented to the Bank Insurance Fund or the Savings Association Insurance Fund, as appropriate."

SECTION 208. ASSESSMENTS

Section 208 amends section 7 of the Federal Deposit Insurance Act.

A. Reports

This section strengthens the FDIC's authority to obtain reports from insured financial institutions. It gives the FDIC access to all reports made by such institutions to other Federal banking agencies; permits the FDIC to provide the other Federal banking agencies with reports it receives; and authorizes the FDIC, with the consent of the other Federal banking agencies, to require insured finanical institutions to file additional reports for insurance purposes. This section retains the current requirement that insured banks file quarterly reports of their financial condition with the appropriate Federal banking agency, and extends that requirement to insured savings associations.

B. Assessment rates

This section establishes procedures governing the assessment of deposit insurance premiums, and sets the annual insurance assessment rates and target reserve ratios for BIF and SAIF members. Assessment rates are to be independently established for BIF and SAIF members.

The section specifies a target reserve ratio for each fund. The reserve ratio is the net worth of the fund divided by the aggregate amount of insured deposits held by the fund's members. The minimum reserve ratio for both BIF and SAIF is 1.25 percent of insured accounts, but the FDIC Board may apply a higher ratio to members of either fund it if determines that the higher ratio is justified by a significant risk of substantial future losses to that fund. The higher ratio cannot exceed 1.65 percent of insured deposits, and must be set annually, by a vote of the FDIC Board.

Any assets of either fund exceeding 1.25 percent of insured deposits constitute a "supplemental reserve," whose earnings will accrue to an earnings participation account for quarterly distribution to the fund's members. The supplemental reserve must itself be distributed to the fund's members if it is no longer needed to satisfy the reserve ratio.

This section establishes the amounts members must pay for deposit insurance. Those amounts are expressed as a percentage of the member's assessment base as determined under current law. BIF members must pay the current insurance assessment rate (1/12 of 1 percent) until the end of 1989. For 1990, the rate will be 12/100 of 1 percent. After 1990, the rate will be 15/100 of 1 percent.

Before 1995, the FDIC Board may raise the annual assessment rate for BIF members only if BIF's reserve ratio remains at or below the previous year's ratio. During and after 1995, the Board may raise the annual assessment rate for BIF members if it expects BIF's reserve ratio to be below the designated reserve ratio for that year. The increase in any year cannot exceed 5/100 of one percentage point, and the maximum annual assessment rate that may be set under this procedure is 30/100 of 1 percent. Each BIF member must contribute at least $1,000 per year.

Similarly, SAIF members must pay their current rate (20.8/100 of 1 percent) until December 31, 1990. From January 1, 1991, through December 31, 1993, they will pay 23/100 of one percent. From January 1, 1994, through December 31, 1997, they will pay 18/100 of 1 percent. After 1997, they will pay 15/100 of one percent.

After 1994, and until SAIF's reserve ratio reaches 1.20 percent, the FDIC may increase the SAIF assessment rate if: (1) SAIF has had a net loss in any of the three preceding years; or (2) the FDIC Board determines that extraordinary circumstances pose a reasonable risk of serious future losses to SAIF.

Once SAIF's reserve ratio reaches 1.20 percent, the FDIC may increase the SAIF assessment rate if the FDIC Board expects the reserve ratio to be below the designated reserve ratio for the year.

The SAIF rate cannot exceed 30/100 of 1 percent nor can the FDIC raise the rate by more than 5/100 of one percentage point per year. Each SAIF member must contribute at least $1,000 per year.

This section makes it clear that premiums paid to the Financing Corporation and the Resolution Funding Corporation will count (dollar for dollar) against the limits on SAIF assessments. This ensures that institutions are not double- or triple-assessed.

The FDIC's assessment producers apply to both BIF and SAIF members. The semiannual assessment due from each member is equal to one-half the annual assessment rate times the member's average assessment base for the immediately preceding semiannual period.

C. Credits

When the FDIC Board expects a fund's reserve ratio to exceed the designated reserve ratio, the FDIC will rebate to the fund's members the lesser of (1) the amount necessary to reduce the fund's reserve ratio to the designated reserve ratio, or (2) 100 percent of the fund's net assessment income in the succeeding year. For each Fund, net assessment income is defined as total assessments and investment income minus (a) net operating costs and expenses and (b) net additions to loss reserves and actual losses sustained. These credit payment procedures apply to each fund separately.

D. Change in control

This section amends the Change in Bank Control Act by requiring the appropriate Federal banking agency to consider the effect of a proposed acquisition on the pertinent deposit insurance fund and by applying the Act to savings and loan holding companies and any other companies that control financial institutions.

SECTION 209. CORPORATE POWERS OF THE FDIC

This section makes technical and conforming amendments to section 9 of the FDI Act, which generally sets forth the basic corporate powers of the FDIC. This section provides that when the FDIC has been appointed receiver under State law for a State savings association, claims by or against the savings association which arose before the FDIC was appointed shall not be

deemed to arise under Federal law. This preserves potential State court jurisdiction over such claims.

SECTION 210. ADMINISTRATION OF THE FSLIC

Section 210 authorizes the FDIC to examine any State savings association that applies for insurance, and to conduct "special examinations" of any insured savings association. The FDIC currently has similar authority to make special examinations of national and State member banks.

SECTION 211. INSURANCE FUNDS

A. Establishment and funding of separate funds

This section amends section 11 of the FDI Act to provide for two separate deposit insurance funds, which are not to be commingled. The Bank Insurance Fund is a continuation of the FDIC's existing fund. All assets, debts, obligations, contracts, and other liabilities of the existing FDIC fund are to be transferred to BIF. All assessments paid by BIF members are to be paid into BIF, and BIF's assets are to be used in connection with BIF members.

The other fund is the Savings Association Insurance Fund. All assessments paid by SAIF members are paid into SAIF, except to the extent that those assessments are committed to the Financing Corporation, the Funding Corporation, or the FSLIC Resolution Fund. SAIF's assets are to be used in connection with SAIF members. In addition, beginning in fiscal year 1991, to the extent that assessments paid into SAIF may fall short of the following amounts, the Treasury is to make up the difference (subject to available appropriations):

Fiscal year:	Billions
1991	$2.0
1992	3.4
1993	4.6
1994	3.0
1995	4.0
1996	4.0
1997	4.0
1998	4.0
1999	3.0

The Treasury will also contribute (subject to available appropriations) any additional funds needed by SAIF to maintain a certain minimum net worth. The minimum net worth for each of the years 1991 through 1999 is as follows:

Fiscal year:	Billions
1991	$0
1992	1.0
1993	2.1
1994	3.2
1995	4.3
1996	5.4
1997	6.5
1998	7.6
1999	8.8

The Treasury will provide any funds needed for SAIF to maintain the requisite net worth until the earlier of 1999, or the first fiscal year in which SAIF's reserve ratio is at least 1.25 percent. The Treasury's potential obligation is, however, indirectly limited by a provision that SAIF's cumulative additions to obligations for fiscal years 1991 through 1999 may not exceed $24 billion.

FSLIC currently has authority to borrow from the Federal home loan banks. This section authorizes the FDIC to borrow from the FHL Banks (with the concurrence of the Federal Home Loan Bank Agency) such funds as the FDIC deems necessary for use by SAIF, so long as SAIF's total obligations do not exceed 85 percent of its assets (as provided in section 220 of the bill).

B. Managing the insurance funds and the assets of failed institutions

Although BIF and SAIF must be kept separate, the FDIC may carry out its functions with respect to both insured banks and insured savings associations using common facilities, personnel, and other administrative resources, and may manage and liquidate assets of failed banks and savings associations on a combined, efficient basis. The FDIC must maintain adequate records of costs and expenses, and must properly allocate those costs and expenses between BIF and SAIF.

SECTION 212. FDIC RECEIVERSHIP POWERS

Section 212, together with sections 213 and 214, amend section 11 of the FDI Act to redefine FDIC's rights and powers as a receiver for insured financial institutions; to authorize the FDIC to act as a conservator for such institutions; and to integrate into a common code rights and powers that the FDIC and FSLIC have exercised separately over insured banks or insured savings associations.

A. General rights and powers

Paragraph (1) of new section 11(c) authorizes the FDIC to act as receiver or conservator for any insured financial institution for which a legal custodian is appointed, and gives the FDIC the powers and duties specified in the FDI Act. Paragraph (1) also authorizes the FDIC to act as receiver or conservator for insured savings associations for which FSLIC acted as a receiver or conservator before January 1, 1989. Other provisions of the bill require the Resolution Trust Corporation to act as receiver or conservator for savings associations placed in receivership or conservatorship since January 1, 1989.

Paragraph (2) sets forth the various powers that the FDIC can exercise as conservator or receiver. These include operating an insured financial institution as a going concern, liquidating the institution, merging the institution with another institution, or transferring the institution's assets or liabilities to another institution. Many of these powers derive from FSLIC's powers under section 406(b) of the National Housing Act.

B. Specific rights and powers

Paragraph (3) requires the FDIC to pay the financial institution's credit obligations in accordance with the FDI Act.

Paragraph (4) together with new section 11(1) (added by section 214 of the bill), establishes procedures for notifying creditors that they must present their claims by a given date, and authorizes the FDIC as receiver to pay claims proved to its satisfaction. Procedures for determining the validity of claims are discussed in connection with section 214.

Paragraph (5) authorizes the FDIC as receiver to pay the FDIC as insurer the amount properly due on claims of insured depositors to which the FDIC became subrogated through its insurance payments.

Paragraph (6) permits the FDIC at any time to pay dividends from the liquidation of the institution to claimants who have satisfactorily proved their claims.

Paragraph (7) enables the FDIC, as conservator or receiver, to obtain a stay for up to 45 days of any judicial proceeding to which the FDIC or the institution is or becomes a party.

Paragraph (8) codifies the FDIC's common-law right as a liquidating receiver to repudiate or disaffirm a contract or lease which the FDIC considers to be burdensome and whose repudiation will promote the orderly administration of the institution's affairs. FSLIC's receivership regulations currently include that right. 12 C.F.R. §§ 548.2(k), 549.3(a) (1988). This paragraph incorporates rights and principles established at common law or in bankruptcy. Subparagraphs (D) and (E) are closely modeled on parallel provisions of section 365 of the Bankruptcy Code. Subparagraph (C) is analogous to those provisions. Subparagraph (B) follows common-law principles in limiting to compensatory relief the damages that a party may claim on a repudiated contract.

Subparagraph (I) of paragraph (8) requires the FDIC to determine within a reasonable time whether or not it wishes to repudiate a contract or lease. Subparagraph (J) provides assurance of payment to a claimant that provides services to an institution after the FDIC is appointed as receiver.

Subparagraphs (G) and (H) of paragraph (8) limit the FDIC's right of repudiation to ensure that the right does not create risks either to those who have valid security interests in the institution's assets or to certain lenders of last resort that have extended credit to the institution.

Subparagraphs (F), (K), (L), (M), and (N) of paragraph (8) contain certain limitations or assurances that either have been recognized by FSLIC or the FDIC in prior administrative actions or are consistent with rights of claimants under bankruptcy law. These provisions, which were recommended by the FDIC, principally concern the contract liquidation rights of parties to extensions of credit, liquidity arrangements, or contracts facilitating risk management.

Paragraph (9) enables the FDIC, as receiver or conservator, to enforce contracts entered into by the financial institution, even if the contract purports to allow the other party to declare the contract in default solely because the FDIC has been appointed as custodian or because the institution is insolvent.

Paragraph (9) does not apply to director's and officer's liability insurance contracts or to financial institution bonds. The FSLIC and FDIC have frequently challenged clauses in such contracts or bonds that preclude the deposit insurer from bringing a claim under the contract or bond, contending that the clauses are unenforceable. Paragraph (9) remains neutral regarding such litigation and regarding the FDIC's ability under other provisions of State or Federal law, current or future, to pursue claims on such contracts or bonds. For example, if the law of a particular State declares limitations on the enforceability of director's or officer's liability contracts to be void as against public policy, the FDIC could pursue a claim on such a contract under that State's law.

Paragraph (10) requires that the FDIC maintain an accounting of its actions as receiver or conservator for an institution and annually provide a copy of the accounting, upon request, to the institution's shareholders, the Secretary of the Treasury, the Comptroller General, and the authority that appointed the FDIC as receiver or conservator.

Paragraph (11) requires the FDIC to distribute to an institution's shareholders or members any funds remaining after paying creditors and other claimants.

Under paragraph (12), the FDIC may, seven years after it is appointed receiver, destroy records of the institution that are no longer needed. However, the FDIC may not

destroy records that may be needed for a criminal prosecution or a civil or administrative proceeding.

Paragraph (13) authorizes the FDIC as receiver or conservator to sell certain single family or multi-family loans or collateral for such loans to State housing finance authorities.

Paragraph (14) gives the FDIC at least three years following its appointment as receiver or conservator to bring a legal action as receiver or conservator. The period may be longer than three years to the extent that more time is provided under any applicable State or Federal statute of limitations. Section 214 of the bill may provide additional time under Federal statutes of limitations.

C. Custody of Federal or D.C. institutions

Subsection (b) of this section requires that the FDIC be the receiver or liquidating conservator for an FDIC-insured Federal financial institution or an insured institution chartered under the District of Columbia Code. It also permits the FDIC to be appointed a nonliquidating conservator for such an institution. The FDIC, when acting as receiver or conservator for any Federal or D.C. financial institution, will have all powers set forth in the FDI Act as well as all powers granted under other applicable law. Unless the FDIC operates an institution in conservatorship as a going concern, the institution will be free from supervision by other agencies or departments.

D. Custody of State institutions

Subsection (c) of this section amends section 11(e) of the FDI Act to authorize the FDIC to accept appointment as receiver or conservator under State law for any insured State financial institution. In that capacity, the FDIC will have all powers granted under State law as well as those under the FDI Act. As is the case with Federal institutions, if the FDIC operates a State institution as a going concern, that institution will be subject to supervision by the appropriate Federal banking agency.

Paragraph (2) provides that during the three years after the bill becomes law, whenever COSA appoints a liquidating receiver or a liquidating conservator for a State savings association, that receiver or conservator must be the Resolution Trust Corporation (created under section 501 of the bill). In any case arising thereafter, the FDIC is to be appointed the liquidating receiver or conservator. The paragraph permits a State supervisor to appoint the RTC or the FDIC as a nonliquidating conservator for a State savings association.

Paragraph (3) empowers the FDIC to appoint itself as sole conservator or receiver for a State savings association under certain circumstances. This authority resembles that of the Bank Board under section 406(c)(2) of the National Housing Act. Section 501 of the bill gives the Resolution Trust Corporation similar authority to appoint itself conservator or receiver during the three years after the bill becomes law.

Paragraph (4) grants the FDIC as conservator or receiver the same powers over a State financial institution as section 11(d) of the FDI Act grants the FDIC over a Federal financial institution.

E. Deposit insurance payments

Subsection (d) of this section requires that insurance payments to depositor's of BIF members be made only from BIF, and that payments to depositors of SAIF members be made only from SAIF. Subsection (d) also authorizes the FDIC to determine deposit insurance claims administratively, subject to judicial review.

F. Right of subrogation

Subsection (e) provides that when the FDIC pays insurance to a depositor or arranges for another institution to assume liability for the deposit, the FDIC is automatically subrogated to the depositor's claim against the failed institution (i.e., the FDIC acquires all the depositor's rights).

G. Deposit Insurance National Bank

Subsection (f) makes technical changes in section 11(h) of the FDI Act, which sets forth the FDIC's authority to organize a new national bank to assume a failed bank's insured deposit liabilities.

SECTION 213. BRIDGE BANKS

This section revises section 11(i) of the FDI Act, which sets forth the FDIC's authority to organize bridge banks. A bridge bank is a temporary bank organized by the FDIC to purchase assets or assume liabilities of a failing bank while the FDIC attempts to arrange for a more permanent solution, such as a purchase and assumption by a healthy institution. The more significant of these changes will now be described.

Under current law, a bridge bank can be organized only after an insured bank is closed. This section permits the FDIC to organize a bridge bank to deal with an insured bank in default or in danger of default. It also specifies that more than one bridge bank may be used, and that a bridge bank may take on assets or liabilities of more than one failed or failing institution.

Under current law, a bridge bank cannot assume just part of a closed bank's deposits; it must assume all or none. This section permits the bridge bank to distinguish between insured and uninsured deposits or among uninsured deposits.

This section authorizes the FDIC to treat a bridge bank as being indefault, thus permitting the FDIC to avail itself of its conservatorship powers and other extraordinary remedies.

This section gives the FDIC greater flexibility and discretion in transferring assets and liabilities to a bridge bank, and specifies that assets and liabilities associated with a trust business may be transferred.

Under this section, a bridge bank is upon request entitled to a 45-day stay of judicial proceedings, and is also given protection against oral understandings that could erode its rights.

The FDIC may, but need not, provide a bridge bank with operating funds.

The Attorney General's antitrust review of any transaction involving the acquisition of the bridge bank may be waived if the transaction must be consummated immediately to prevent the probable failure of one of the parties.

The maximum life of a bridge bank is extended to five years from the current three.

SECTION 214. VALUATION OF CLAIMS AND REVIEW

This section adds nine new subsections to section 11 of the FDI Act, generally relating to the valuation, administrative determination, and judicial review of claims.

A. Valuation of claims

New subsection (k) sets forth the rights of creditors (other than insured depositors) of an insured financial institution in default or in danger of default when the FDIC acts other than as a nonliquidating conservator (e.g., as receiver, as liquidating conservator, or through a bridge bank). The FDIC's liability is limited to the amount the claimant would have realized from a liquidation of the institution's assets and the distribution of the net proceeds as liquidating dividends, including any proceeds actually realized for the institution's value as a going concern. Subsection (k) also clarifies that the FDIC may use its own resources to make additional payments to any claimant or category of claimants, without having to make such additional payments to other claimants. The payments may be made (1) to claimants directly, or (2) to an open insured institution to induce that institution to accept liability for claims.

Such payments must be from BIF if the institution in default is a BIF member; or from SAIF if the institution in default is a SAIF member.

B. Rulemaking: Administration determination of claims

New subsection (l) authorizes the FDIC to adopt administrative procedures for determining claims against an institution in receivership, under which a contested claim will be decided by an independent administrative law judge and that judge's decision will be subject to judicial review. This approach is intended to deal satisfactory with the statutory and constitutional issues recently analyzed by the Supreme Court in Coit Independence Joint Venture v. Federal Savings and Loan Insurance Corporation, 109 CT. 1361 (1989).

C. Limits on judicial intervention

Like current section 5(d)(6)(C) of the Home Owners' Loan Act, new subsection (m) limits judicial interference in the FDIC's conduct of a conservatorship or receivership.

D. Liability of officers and directors

New subsection (n) enables the FDIC to pursue claims against directors or officers of insured financial institutions for gross negligence (or negligent conduct that demonstrates a greater disregard of a duty of care than gross negligence) or for intentional tortious conduct. This right supersedes State law limitations that, if applicable, would bar or impede such claims. This subsection does not prevent the FDIC from pursuing claims under State law or under other applicable Federal law, if such law permits the officers or directors of a financial institution to be sued (1) for violating a lower standard of care, such as simple negligence, or (2) on an alternative theory such as breach of contract or breach of fiduciary duty.

E. Procedures applicable to certain claims

New subsection (o) makes procedural changes affecting claims by the FDIC against insured financial institutions' directors, officers, employees, and certain other parties, if the FDIC acquired the claim pursuant to section 11 or 13 of the FDI Act. For example, subsection (o) bars certain acts, errors, or omissions of the FDIC or any other Federal banking agency from being raised as defenses to such claims, and makes it clear that the liability of a director or officer for breach of fiduciary duty cannot be discharged in bankruptcy. However, although an act, error, or omission of an appropriate Federal banking agency does not allow a defendant to avoid liability for his own conduct, it may be considered when appropriate in determining whether the defendant acted negligently or improperly. For example, if the FDIC brings a malpractice claim against a bank's attorney based on advice that proved erroneous, the attorney—in seeking to demonstrate that his

advice was not negligent—would be free to show that the appropriate agency had agreed with his opinion.

F. Other provisions

New subsection (p) gives the FDIC additional time in which to pursue certain claims against persons associated with insured financial institutions. Subsections (q), (r), and (s) expedite judicial proceedings involving claims brought by the FDIC against insured financial institutions' officers, directors, attorneys, accountants, or other agents.

SECTION 215. FSLIC RESOLUTION FUND

This section transfers all assets and liabilities of the FSLIC (other than certain guarantees which are transferred to the RTC) to a separate fund to be known as the "FSLIC Resolution Fund." Although this fund will be managed by the FDIC, it must not be commingled with any other FDIC fund. The assets transferred include FSLIC's outstanding claims as subrogee of insured depositors against savings associations in liquidation. The liabilities transferred include FSLIC's outstanding obligations under assistance agreements with acquirers of failing thrift institutions.

This section insulates the FDIC and the other funds it manages from liabilities of FSLIC that are transferred to the FSLIC Resolution Fund; specifies how money (including Treasury funds if appropriated by Congress) will be provided to satisfy the fund's liabilities; grants the FDIC broad authority to manage the fund; provides for the fund to be dissolved once its liabilities are satisfied and its assets are sold; requires the FDIC to report on the fund annually; and requires an annual audit of the fund by the Comptroller General (or at the Comptroller's discretion, by an independent certified public accountant).

SECTION 216. SECONDARY RESERVE

Section 216 preserves current law relating to FSLIC's secondary reserve. Thus, for example, an insured savings association may set off its share of the reserve against its liability for deposit insurance assessments.

SECTION 217. AMENDMENTS TO SECTION 12

This section makes technical and conforming changes in section 12 of the FDI Act.

SECTION 218. AMENDMENTS TO SECTION 13

This section amends section 13 of the FDI Act.

A. Investment of funds

This section requires BIF, SAIF, and FSLIC Resolution Fund money not otherwise employed to be invested in obligations issued or guaranteed by the U.S. Government.

B. Stay of judicial proceedings

Under this section, the FDIC is entitled upon request to a 45-day stay of any action to which the FDIC becomes a party by exercising its authority under section 11 or 13 of the FDI Act.

C. Calculating the cost of assistance

Under current law, the FDIC may not provide assistance to an institution under section 13 unless it determines that such assistance will be less costly than liquidating the institution (unless the institution's continued operation is essential to the community). This section requires the FDIC, when comparing the cost of assistance with the cost of liquidation, to include in its calculations (1) any loss of Federal tax revenue resulting from the transaction to the extent such a loss can be ascertained, and (2) all of the FDIC's obligations with respect to any assistance, including contingent liabilities.

D. Net-worth certificates

This section repeals the FDIC's current authority to purchase net-worth certificates from an institution that is not federally insured, as well as a provision that treats net-worth certificates as net worth for statutory and regulatory purposes.

E. Emergency acquisitions of troubled savings associations

This section incorporates into section 13 of the FDI Act section 408(m) of the National Housing Act (repealed by the bill), which currently authorizes any company to acquire a failed or failing FSLIC-insured institution, "[n]otwithstanding any provisions of the laws or constitution of any State" or (with a few exceptions) "any provision of Federal law." This section greatly restricts the override of Federal law and makes a single exception to the override of State law. Only two provisions of Federal law may be overridden: (1) the service-corporation investment limitation in new section 5(c)(4)(B) of the Home Owners' Loan Act, but only to the extent necessary for the troubled savings association to be a subsidiary of the acquiring savings association; and (2) the Depository Institution Management Interlocks Act. Management interlocks may continue for up to 10 years.

Section 408(m)'s specific reference to a State constitution (rather than simply to "State law") is deleted as unnecessary, for under the supremacy clause of the U.S. Constitution, a Federal statute preempts any inconsistent State laws, including State constitutions and statutes. Thus new section 13(k) can be used to override all State laws (including State constitutions), with one exception: section 13(k) does not override State laws that restrict the activities of a savings association on behalf of any other entity. The intent of the prohibition is illustrated by State insurance laws. Under section 13(k), State laws prohibiting a savings association from being affiliated with an insurance company may be overridden, but not State laws that prohibit a savings association from marketing insurance products on behalf of an insurance company.

This section requires the FDIC, when acting under section 13(k), to determine that the acquisition does not present a substantial risk to the safety or soundness of the savings association to be acquired or to the acquiring institution. Thus the FDIC cannot simply consider short-term savings over the cost of liquidation when determining that the use of section 13(k) will lessen its risk.

F. Branching restrictions on certain savings associations

This section relaxes the branching restrictions applicable under section 408(m)(5) to a thrift subsidiary of a bank or bank holding company. Such a subsidiary will be able to branch to the same extent as a savings association that has its home office in the same State as the subsidiary does and is not affiliated with a bank holding company.

G. Other provisions

This section makes technical and conforming changes in section 13 of the FDI Act. For example, it extends the FDIC's assistance authority under section 13(c) of the Act to insured savings associations but specifies that payments with respect to SAIF members must be made from SAIF or with money provided by the Resolution Trust Corporation.

If an insured financial institution is in default, this section permits the institution's trusts to be transferred without judicial or other approval.

SECTION 219. BORROWING AUTHORITY

This section increases from $3 billion to $5 billion the FDIC's authority to borrow from the Treasury, and permits the FDIC to use that borrowing authority only if the Secretary of the Treasury approves and if funds have been appropriated. Funds borrowed become a liability of whichever of the separate insurance funds benefits from the borrowing.

SECTION 220. TAX LIABILITY; LIMITATION ON BORROWING

A. Liability for State and local taxes

Section 220 clarified current law by specifying that the only kind of non-Federal tax to which the FDIC is subject, in its corporate capacity or as receiver, is a tax on real property. It further specifies that if an insured financial institution fails to pay a tax, the FDIC's only obligation as receiver or conservator for the institution will be to pay the pro-rata claim for the tax. The FDIC will not be subject to any special penalties or forfeitures that might otherwise apply, such as losing a security interest in the property.

B. Limitation on borrowing

This section requires the FDIC, before issuing any note, bond, debenture, guarantee, or similar obligation, to estimate the cost of the obligation and include that cost in the FDIC's financial statements.

Neither BIF nor SAIF may incur any obligation whose estimated cost would reduce the fund's net worth below 15 percent of assets. In calculating the fund's net worth for purposes of that restriction, obligations owed to the Treasury (up to $5 billion) are disregarded, as are notes issued with the approval of the Secretary of the Treasruy in lieu of borrowing from the Treasury.

C. Full faith and credit

This section pledges the full faith and credit of the United States for payment of principal and interest on notes, debentures, bonds, guarantees, and similar obligations of BIF and SAIF.

SECTION 221. REPORTS

This section requires the FDIC to report to Congress at the beginning of each year on its operations, activities, and finances during the previous 12 months. The report should analyze the purpose, effect, estimated cost, and actual cost of each resolution action funded by BIF, SAIF, or the FSLIC Resolution Fund. The FDIC must provide annual estimates of the future resource needs of the three funds, and should include its conclusions, findings, and recommendations for any future legislative or administrative action. The FDIC is also directed to submit to the Treasury and the OMB a quarterly forecast of its financial operations.

This section also requires the FDIC to conduct three special studies. The first study, due on or before January 1, 1991, will consider whether a system of risk-based deposit insurance premiums should be adopted. If the FDIC concludes that risk-based premiums are desirable and recommends that they be adopted, it is to provide a timetable and plan for implementation.

The second study, due six months after the bill becomes law, will examine the effect on safety and soundness in the banking system of passing through deposit insurance

to individual investors in unit investment trusts or individual participants in pension plans. The study must also show how broadening deposit insurance coverage is likely to affect the capital markets.

The third study, also due six months after enactment, must be undertaken with the Justice Department and the Treasury, and must examine the structure and availability of directors' and officers' liability insurance and financial institution bonds. The report must consider various factors that may affect the availability of such insurance or bonds and the willingness of persons to serve as officers or directors of insured financial institutions. The report must also consider the effect of potential changes in those factors.

SECTION 222. REGULATIONS GOVERNING INSURED FINANCIAL INSTITUTIONS

A. Insurance logo

This section requires insured savings associations to display a deposit insurance logo (1) stating that insured deposits are "backed by the full faith and credit of the United States Government"; (2) stating that each depositor is "federally insured to $100,000"; and (3) containing a symbol of a bald eagle (similar, for example, to that on the Great Seal of the United States).

Insured banks may display either that logo or the current FDIC logo.

B. COSA's review of mergers and conversions

This section authorizes the Chairman of the Office of Savings Associations to review mergers and similar transactions under the Bank Merger Act if the acquiring or resulting institution is a savings association. This section also gives COSA similar authority over conversions from Federal to State charters.

C. Activities of Savings Associations and Their Subsidiaries

This section adds to section 18 of the FDI Act a new subsection (m), relating to the activities of insured savings associations, whether State or Federal.

1. Subsidiaries: regulatory review and enforcement; separate capitalization.—If a savings association wishes to establish a company, acquire control of a company, or conduct any new activity through a company controlled by the savings association, subsection (m)(1) requires the savings association to:

(1) notify the FDIC and COSA of the proposed transaction or activity, and provide the information required by each agency's regulations;

(2) deduct from its regulatory capital its investment in and loans to the company if the company engages as principal in any activity not permissible for a national bank; and

(3) comply with all rules, regulations, and orders of COSA relating to the company's activities.

The capital-deduction requirement does not apply if the activity in question falls within one of the exceptions in new section 5(t)(3)(B) of the Home Owners' Loan Act (added by section 301 of the bill), such as the exemption for mortgage-banking activities.

Subsection (m)(2) grants the FDIC and COSA the same powers over a company controlled by a savings association as they respectively have over the parent savings association under subsection (m) or under section 8 of the FDI Act (relating to enforcement). Subsection (m)(2) also authorizes COSA to require divestiture of the company, to restrict the company's activities, or to take other corrective measures if COSA determines that a savings association's relationship to the company (1) poses a serious risk to the savings association's financial safety, soundness, or stability; or (2) is inconsistent with sound banking principles or the purposes of the FDI Act.

2. Activities incompatible with deposit insurance.—Subsection (m)(3) authorizes the FDIC (in addition to its other authority under the subsection) to determine by regulation or order that any given activity of a SAIF-member State or Federal savings association poses a serious threat of loss to SAIF. Having made such a determination, the FDIC may prohibit any SAIF member from engaging in the activity directly. Activities permissible for Federal savings associations are not immune from scrutiny under this subsection.

3. No liability for activities conducted indirectly.—Subsection (m)(3) also bars a SAIF member from assuming liability for any activity conducted indirectly, subject to a narrow exception.

4. Other authority not affected.—The restrictions imposed and powers granted under subsection (m) are independent of those under other provisions of law. The FDIC's authority under the subsection does not limit the authority of COSA or a State charterer to impose more stringent restrictions, nor does the authority of those agencies limit that of the FDIC.

D. Prohibition against including unidentifiable intangible assets in calculating capital

This section of the bill also adds to section 18 of the FDI Act a new subsection (n), which prohibits any insured bank or insured savings association from including any unidentifiable intangible asset acquired after April 12, 1989, in calculating its regulatory capital. The only exception is for goodwill resulting from an acquisition for which the appropriate application under the Savings and Loan Holding Company Act was filed on or before March 12, 1989.

SECTION 223. INVESTMENT ACTIVITIES OF STATE SAVINGS ASSOCIATIONS

This section adds to the FDI Act a new section 28, relating to the activities of State savings associations. Section 28 has four key provisions:

(1) a prohibition against equity investments that are not permissible for a Federal savings association;

(2) a general rule relating to other State-authorized activities that are not permissible for a Federal savings association;

(3) a modified version of that rule applicable when the only difference between State and Federal powers is that a State savings association may engage in a greater amount of a given activity than can a Federal savings association; and

(4) special rules for corporate debt securities that are not of investment grade (commonly known as "junk bonds").

An activity is not permissible for a Federal savings association for purposes of section 28 if, for example, it is impermissible for a Federal savings association under regulations prescribed by the Chairman of the Office of Savings Associations pursuant to section 5(c) of the Home Owners' Loan Act. Section 5(c) permits a Federal savings association to engage in various activities, but only "to such extent, and subject to such rules and regulations as the Chairman may prescribe from time to time."

A. General rule

Subsection (a) prohibits a State savings association from engaging as principal, after January 1, 1990, in any type of activity that is not permissible for a Federal savings association unless both parts of the following two-part test are satisfied:

(1) the FDIC has determined that the activity in question would pose no significant risk of loss to the deposit insurance fund of which the savings association is a member; and

(2) the savings association has enough capital to meet the fully phased-in capital standards prescribed under section 5(t) of the Home Owners' Loan Act (section 301 of the bill).

The "fully phased-in capital standards" are those that will apply after any phase-in periods in either (1) the capital standards for savings associations, or (2) the capital standards for national banks (as the standards for savings associations are keyed to those for national banks). Under section 5(t)(4), the standards for savings associations must be fully implemented by June 1, 1991. The risk-based standards for national banks are scheduled to rise from 7.25 percent to 8.0 percent on December 31, 1992. 54 Fed. Reg. 4168, 4182 (1989). Section 5(t)(3), in requiring that certain subsidiaries be separately capitalized, provides a phase-in schedule that ends on June 30, 1994. Thus, for purposes of section 28, the fully phased-in capital standards are those that will apply to all thrift institutions once all such phase-in periods have expired.

Subsection (a) does not apply to activities that a savings association engages in only as its customer's agent, for such activities generally pose little risk of loss to the deposit insurance fund. Such activities could, however, be restricted under other provisions of law, such as new section 18(m)(3) of the Federal Deposit Insurance Act (added by section 222(4) of the bill), which authorizes the FDIC to prohibit any activity found to pose a serious threat of loss to SAIF.

B. Differences of magnitude

Subsection (b) applies when an activity is permissible for a Federal savings association and a State savings association seeks to engage in that activity in an amount greater than that permissible for a Federal savings association. Under subsection (b), the State savings association may engage in that higher amount of the activity so long as both parts of the following two-part test are satisfied:

(1) the FDIC has *not* determined that engaging in that higher amount of the activity would pose any significant risk of loss to the deposit insurance fund; and

(2) the savings association has enough capital to meet the fully phased-in capital standards prescribed under section 5(t) of the Home Owners' Loan Act.

The second part of the test (relating to capital) is identical to that under subsection (a). The first part (relating to risk) differs from that under subsection (a) in that it does not require a *prior* determination by the FDIC on the issue of risk: it is sufficient that the FDIC has *not* determined that the higher amount of the activity permitted by the State poses a significant risk of loss to the deposit insurance fund.

Subsection (a) applies to activities conducted after January 1, 1990.

Subsection (b) does *not* apply to three types of investments that are dealt with under other subsections of section 28:

(1) shares of corporations that exceed the amount permissible for a Federal savings association, which are governed by subsection (a);

(2) nonresidential real-estate loans, which are also governed by subsection (a); and

(3) junk bonds, which are governed by subsection (d).

C. Prohibition against equity investments

Effective as soon as the bill becomes law, subsection (c) prohibits a State savings association from acquiring or retaining any equity investment of a type or in an amount that is not permissible for a Federal savings association to acquire and retain directly. The prohibition applies to equity investments in real estate, investments in equity securities, and any other equity investment. In applying subsection (c), Federal regulators should look to the substance of the investment and not merely to the form. Any transaction that is in substance an equity investment is covered by subsection (c), even if the transaction is nominally a loan or other permissible transaction.

There is a limited exception for shares of service corporations. Such shares must, however, meet the two-part test of subsection (a) if either (1) the aggregate amount of the savings association's investment in service corporations exceeds that permissible for a Federal savings association; or (2) the service corporation engages in any activity that is not permissible for a service corporation of a Federal savings association. By the same token, subsection (c) does not restrict investments in service corporations that are permissible for a Federal savings association.

A State savings association must divest itself of any equity investment that is not permissible either (1) for a Federal savings association directly or (2) under the exception for shares of service corporations. Any such investment held when the bill becomes law must be divested as quickly as can be prudently done, as determined by the FDIC, and in any event not later than July 1, 1994. No such investment may be acquired after the bill becomes law.

Subsection (c) overrides subsections (a) and (b). Thus those subsections cannot be used to circumvent subsection (c).

D. Corporate debt securities that are not of investment grade

Subsection (d) contains a modified version of subsection (a) applicable to investments in junk bonds (i.e., corporate debt securities that are not rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization), as well as a special rule for junk bonds held through subsidiaries.

1. General rule.—Under subsection (d)(1), a State savings association may not, directly or through a subsidiary, acquire or retain more in junk bonds than it could acquire directly if it were a Federal savings association with the same portfolio of commercial loans and other investments, unless:

(1) the FDIC has determined that no significant risk of loss to the deposit insurance fund would be posed if the savings association held the amount of junk bonds in question; and

(2) the savings association has enough capital to meet the fully phased-in capital standards prescribed under section 5(t) of the Home Owners' Loan Act, or would have enough capital to meet those standards if it were not required to exclude junk bonds from its capital pursuant to subsection (d)(4).

This two-part test differs from that of subsection (a) in that the savings association may satisfy the second part (relating to capital) by including in its capital certain investments by its subsidiaries in junk bonds, even though subsection (d)(4) generally requires that such investments be excluded from capital.

As subsection (d)(1) applies to investments made "directly or through a subsidiary," the junk-bond investments of the savings association are aggregated with those of its subsidiaries. The two-part test must be satisfied for the aggregate amount to exceed the amount that the savings association could acquire directly if it were a Federal savings association (taking all other relevant facts into account, such as the amount of the association's outstanding commerical loans).

2. Review procedures for existing investments.—Subsection (d)(1) takes effect as soon as the bill becomes law, but junk bonds held on the date of enactment may be retained for 12 months. Under subsection (d)(2), a State savings association must file an application with the FDIC within 90 days after the bill becomes law if the savings association wishes to retain junk bonds in an amount greater than what it could acquire directly if it were a Federal savings association. The FDIC must act on such applications within 10 months after the bill becomes law.

In acting on the applications, the FDIC must apply the two-part test of subsection (d)(1), with one narrow exception: a savings association may satisfy the second part of that test (relating to capital) by convincing the FDIC that it *will* have enough capital to meet the fully phased-in capital standards within a reasonable time (not to exceed six months) after the FDIC's decision, even if the savings association does not meet those standards at the time of that decision. In applying the first part of the test (relating to risk), the FDIC should consider, among other relevant factors, the risks of and returns on the junk bonds, the savings association's capital ratios, and the savings association's management expertise and past performance on such investments.

In approving an application, the FDIC may impose any conditions it determines to be appropriate in light of the two-part test in subsection (d)(1). Thus if the FDIC determines that part of a savings association's junk-bond portfolio poses a significant risk of loss to the deposit insurance fund, the FDIC could require that part to be sold, separately capitalized, transferred to a separately capitalized subsidiary, or otherwise restricted.

Subsection (d)(3) provides a divestiture schedule that will apply to the extent that the FDIC does not permit a savings association to retain junk bonds in an amount greater than what the savings association could acquire directly if it were a Federal savings association.

3. Separate capital requirement for certain junk bonds held through subsidiaries.—New section 5(t)(3) of the Home Owners' Loan Act generally requires a subsidiary of a thrift institution to be separately capitalized if it engages as principal in any activity not permissible for a national bank. But subsection (d)(3) of section 28 creates a special rule for junk bonds, applicable in place of section 5(t)(3).

Under section 5(t)(3), if a State savings association holds junk bonds through a subsidiary and the aggregate amount of such bonds held by the savings association and its subsidaries exceeds the amount that the savings association could require directly if it were a Federal savings association, then the excess amount is not counted as part of the savings association's capital (unless the FDIC, in approving an application under subsection (d)(1) or (d)(2)), has authorized the savings association to count the excess amount as part of its capital).

E. Determination by regulation or order

Determinations under section 28 may be made by regulation or order.

F. Definition of "activity"

As used in section 28, "activity" includes acquiring or retaining any investment. However, subsections (a) and (b) do not require a savings association to divest itself of assets acquired before the bill became law (although divestiture may be required by subsection (c) or (d), as discussed above).

G. Other authority not affected

Section 28 does not limit any authority of the FDIC under other provisions of law, such as new section 18(m)(3) of the Federal Deposit Insurance Act. Likewise, section 28 does not restrict any authority of COSA or of a State to impose more stringent restrictions.

SECTION 224. LOAN-TO-VALUE RATIOS

This section sets minimum collateral standards for loans secured by real estate, so that such a loan will not exceed a specified percentage of the appraised value of the collateral. The percentage varies with the riskiness of the collateral. Loans secured by the most stable collateral, homes, may be made in an amount up to 95 percent of the appraised value of the property. Loans secured by the most risky collateral, raw land to be developed, may be made in an amount up to 65 percent of the appraised value. Exceptions are made for loans to active farming operations and loans guaranteed by a Federal agency. The appropriate Federal banking agency may, for reasons of safety and soundness, increase or decrease the ratios.

SECTION 225. NONDISCRIMINATION

This section affirms that the FDI Act is not intended to discriminate against State nonmember banks or State savings associations. This statement of purpose does not impair the FDIC's authority under other provisions of law (e.g., its authority under section 222 of the bill to restrict activities of a State savings association that pose a serious risk of loss to the deposit insurance fund).

SECTION 226. BROKERED DEPOSITS

Under this section, an insured financial institution may not accept any new deposits by or through a deposit broker if the FDIC has determined that the institution is not in compliance with its applicable capital standards. The FDIC may waive this restriction for a given institution if it finds that acceptance of brokered deposits by that institution would not constitute an unsafe or unsound practice.

SECTION 227. CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS OR SERVICES

Under this section, an insured financial institution or financial institution holding company may not enter into any contract that requires a person supplying goods or services to that institution or holding company also to purchase any asset of the institution or holding company (if the asset is not directly related to providing such goods or services), to invest in the stock of the in-

stitution or holding company, to make any other type of investment in the institution or holding company, or to make a deposit in that institution or an affiliated institution. However, the prohibition applies only if the purchase, investment, or deposit (1) would have an anticompetitive effect that would be prohibited under the antitrust laws, or (2) would adversely affect the safety or soundness of the financial institution or holding company involved (as determined by the appropriate Federal banking agency). Thus, for example, a financial institution that contracts to sell a vendor an asset at a price above market value in exchange for a long-term service contract on terms favorable to the vendor, would be in violation of the prohibition if the appropriate Federal banking agency determined that the contractual terms were intended to artificially inflate the institution's capital and would thus adversely affect the institution's safety or soundness. This section creates no private right of action.

This section requires the General Accounting Office to study the contracting practices prevailing between vendors and insured financial institutions and holding companies and the extent to which such contracts have been used to erode the financial integrity of such institutions and holding companies, and to report to the House and Senate Banking Committees within six months after the bill becomes law.

This section does not limit the authority of any Federal banking agency or any other unit of the Government to act against anticompetitive, unsafe, or unsound practices.

TITLE III—CHAIRMAN OF THE OFFICE OF SAVINGS ASSOCIATIONS

SECTION 301. RECODIFICATION OF THE HOME OWNERS' LOAN ACT OF 1933

The bill dissolves the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, transfers to the Chairman of the Office of Savings Associations (the "Chairman" or "COSA") most of the regulatory authority over savings associations and savings and loan holding companies heretofore possessed by the Bank Board and FSLIC, repeals title IV of the National Housing Act (relating to FSLIC and its regulatory authority), and transfers to the Home Owners' Loan Act of 1933 ("HOLA") many of the provisions currently in title IV.

To facilitate these and other changes, this section reenacts the Home Owners' Loan Act. Under the new Act, COSA charters Federal savings associations and is the primary Federal regualtor of all savings associations and savings and loan holding companies.

A. Definitions

1. Chairman.—New section 2(1) of the Home Owners' Loan Act defines "Chairman" as the Chairman of the Office of Savings Associations.

2. Savings association.—Under new section 2(2), "savings association" has the same meaning as in section 3(u) of the FDI Act: (1) an institution whose accounts were insured by FSLIC immediately before the bill became law (and that has not subsequently become a bank); (2) a Federal savings and loan asociation or Federal savings bank; (3) a State savings and loan association, building and loan association, or homestead association; and (4) any other corporation that the FDIC determines to be operating in substantially the same manner as a savings and loan association.

3. Federal savings association.—New section 2(3) defines "Federal savings association" to include a Federal savings bank that was previously chartered as a State savings bank and that became a Federal savings bank under section 5(o), even if the institution is a Bank Insurance Fund member.

4. Federal banking agencies.—Under new section 2(4), "Federal banking agencies" means the Office of the Comptroller of the Currency, the Federal Reserve Board, and the FDIC.

B. Supervision of savings associations

1. Supervision of savings associations.—New section 3(a) authorizes the Chairman to provide for the examination, safe and sound operation, and regulation of all savings associations. The overriding purpose of the Chairman's regulatory authority is to ensure that savings associations operate safely and soundly and, while so doing, provide credit for housing.

2. Accounting standards.—New section 3(b) requires the Chairman to prescribe uniform accounting and disclosure standards for all savings associations, for use in determining compliance with all applicable regulations. The accounting standards must incorporate generally accepted accounting principles to the same extent that such principles are used to determine compliance with regulations of the Federal banking agencies. Under new section 3(c), moreover, the accounting standards must be no less stringent than those of the Comptroller of the Currency.

The Chairman should require savings associations to achieve full compliance with the accounting standards as soon as possible, but in no event later than under the schedule currently provided in section 563.23-3 of title 12, Code of Federal Regulations. No deviation from the standards is permissible after December 31, 1993. The Chairman may at any time promulgate more stringent accounting standards if he determines that they are necessary to ensure the safe and sound operation of savings associations. A standard is more stringent to the extent that it is more conservative in valuing assets or liabilities or in timing the recognition of income or expenses.

3. Stringency of standards.—Under new section 3(c), all regulations and policies of COSA relating to the safe and sound operation of savings associations—including policies relating to accounting, asset classification, and appraisals—must be at least as stringent as the regulations and policies of the Office of the Comptroller of the Currency.

4. Accounts at savings associations as legal investments.—New section 3(d) preserves current law permitting certain public, fiduciary, and corporate funds to be deposited in insured savings associations.

5. Prohibition on involvement in lotteries.—New section 3(e) preserves current law prohibiting insured savings associations from participating in lotteries (other than accepting funds from, or performing lawful services for, State-sponsored lotteries).

6. Lending disclosures.—Section 3(f) retains the current requirement that the true recipient of a mortgage loan be disclosed before any such loan is made to an agent or trustee.

7. Usury override.—Current law overriding State usury limits under certain circumstances is transferred into new section 3(g) from the National Housing Act. The transfer in no way changes current law.

8. Issuance of securities.—Under new section 3(h), a savings association needs the Chairman's prior approval to issue securities that guarantee a definite maturity date, and may not issue any securities except in a form approved by the Chairman. The National Housing Act currently contains a similar provision.

9. Audit.—Section 3(i) creates a new statutory requirement that every savings association and service corporation must, at its own expense, be audited by an independent auditor at least once in each calendar year. COSA is to establish rules governing the selection of the auditor and the performance of the audit, as well as procedures for monitoring compliance with the auditing requirement. COSA may take appropriate action to assure compliance, such as requiring the auditor to perform the audit again at the auditor's own expense.

C. Chairman of the Office of Savings Associations

1. Establishment.—Section 4(a)(1) establishes COSA as a bureau in the Department of the Treasury, and transfers to COSA all powers and functions of the Bank Board that are not otherwise transferred or terminated by the bill. Sixty days after the bill becomes law, the Federal Home Loan Bank Board will be dissolved by operation of law. During that 60-day period, the Chairman of the Bank Board may take whatever steps are necessary to carry out the dissolution of the Bank Board.

2. Duties.—Under section 4(a)(2), the Chairman of the Office of Savings Associations shall supervise all savings associations and promulgate and enforce any regulations and orders necessary to carry out his statutory responsibilities. The Chairman shall perform his duties under the general direction of the Secretary of the Treasury, but the Secretary may not intervene in any matter or proceeding before the Chairman.

3. Appointment of Chairman.—Under section 4(b), the Chairman shall be appointed by the President for a five-year term, subject to confirmation by the Senate. The President may remove the Chairman for cause.

The current Chairman of the Federal Home Loan Bank Board is to serve as the initial Chairman of the Office of Savings Associations until his term as Chairman of the Bank Board would have expired had the Bank Board remained in existence.

4. Appointment of staff.—Section 4(c) authorizes the Chairman to employ and fix the compensation of his employees, attorneys, and agents. That compensation is to be determined solely by the Chairman, without regard to other provisions of law. In fixing that compensation, the Chairman shall consult, and seek to maintain comparability with the compensation at, the other Federal banking agencies. COSA and the other agencies should use such flexibility not to enter into a bidding war for other agencies' employees, but rather for all agencies to maintain comparable compensation at levels sufficient to attract and retain employees with specialized expertise needed to make sure that federally insured financial institutions operate safely and soundly.

5. Salaries and expenses.—Under section 4(d), all expenses of COSA, including the salaries of the Chairman and other employees, are to be paid from assessments levied under the Home Owners' Loan Act. Those funds shall not be treated as Government funds or appropriated monies. Compensation (other than that of the Chairman)

shall be paid without regard to other laws applicable to officers or employees of the United States.

6. Annual report and communications to Congress.—Section 4(f) requires the Chairman to make an annual report to Congress.

Under section 4(g), whenever the Chairman submits any budget estimate or request to any officer or employee in the executive branch of the Government, he shall concurrently transmit copies of that estimate or request to Congress. Whenever the Chairman submits any legislative recommendation to the President or to the Office of Management and Budget (or any successor agency), he shall concurrently transmit copies of it to Congress. No officer or agency may require the Chairman to submit legislative recommendations or testimony to any other officer or agency for prior approval, comments, or review.

D. Liquidity

Under section 5A of the Federal Home Loan Bank Act, insured savings institutions and other members of a Federal home loan bank are currently required to hold certain liquid assets in the manner and amount prescribed by the Federal Home Loan Bank Board. New section 4A of the Home Owners' Loan Act retains this requirement, applies it to all savings associations, and substitutes COSA for the Bank Board.

E. Federal savings associations

1. Authority to charter.—New section 5(a) transfers to COSA the Bank Board's current authority to charter, examine, and regulate Federal savings associations. Current law is also amended to emphasize that the lending and investment powers conferred on Federal savings associations by section 5 must be used safely and soundly.

2. Deposits.—New section 5(b)(1) preserves the current authority of Federal savings associations to accept various types of accounts, including time and demand deposits. COSA, rather than the Bank Board, is to prescribe the appropriate rules governing those accounts.

3. Authority to borrow and issue capital stock.—New section 5(b)(2) preserves current law authorizing Federal savings associations to borrow and to issue notes and other securities (including capital stock), with COSA rather than the Bank Board as the regulator.

4. Credit cards.—New section 5(b)(4) retains current law permitting Federal savings associations to issue credit cards, with COSA rather than the Bank Board prescribing regulations.

5. Mutual capital certificates and net-worth certificates.—New section 5(b)(5) preserves current law regarding mutual capital certificates and net-worth certificates, with COSA rather than the Bank Board as the regulator.

6. Loans and investments.—Current law governing loans and other investments permissible for a Federal savings association is retained by new section 5(c), with the following changes:

(a) COSA, rather the Bank Board, is the regulator.

(b) A Federal savings association may currently devote up to 40 percent of its assets to *loans secured by nonresidential real property*, regardless of whether the association has any capital. Under new section 5(c) such loans may not, in the aggregate, exceed 400 percent of the savings association's capital. COSA is given limited discretion to allow such loans to account for a higher proportion of a savings association's capital. COSA must, however, find that the additional amount will pose no significant risk to the safe or sound operation of the institution involved, and that the increased authority is consistent with prudent operating practices. If an institution is permitted to exceed the 400-percent limit, COSA must closely monitor the institution's condition so as to ensure compliance with all applicable laws.

(c) Obsolete language authorizing Federal savings associations to make a limited amount of *commercial loans* before 1984 is deleted, and the current authority of a Federal savings association to devote up to 10 percent of its assets to commercial loans is retained.

7. Regulatory authority.—New section 5(d) transfers to COSA the Bank Board's current authority to enforce the Home Owners' Loan Act, including authority to retain outside counsel, to sue and be sued, and to examine savings associations. The section specifically authorizes COSA to take enforcement action under section 8 of the Federal Deposit Insurance Act, and also incorporates the authority to examine savings associations and their affiliates that is currently in section 407(m) of the National Housing Act. COSA is entitled to prompt and complete access to the books, records, officers, directors, and employees of a savings association and its affiliates. If such access is not forthcoming, COSA may obtain injunctive relief from the appropriate district court.

8. Receiverships.—New section 5(d)(2)(A) of the Home Owners' Loan Act adds three additional grounds of the appointment of a conservator or receiver for a Federal savings association. Two of these are included in the term "in danger of default," as defined in section 3 of the FDI Act (section 204 of the bill): illiquidity or threatened illiquidity, and threatened insolvency. The third ground is failure to obtain a bank charter when required to do so after failing the qualified thrift lender test.

New section 5(d)(2) (C) and (E) incorporates with amendments former section 406(c)(1)(B) of the National Housing Act, which deals with the appointment of a conservator or receiver for a State savings association. The amendments permit a conservator or receiver to be appointed in cases of illiquidity, threatened illiquidity, or threatened insolvency. The amendments also reduce from 90 days to 30 days the period during which COSA must seek State approval for the custodial action.

New section 5(d)(2)(G) of HOLA specifies that only the FDIC may be appointed conservator or receiver to liquidate or wind up the affairs of a savings association.

Regulations issued by the COSA under new section 5(d)(3) will not apply to the FDIC or institutions in the FDIC's custody once the FDIC issues rules and regulations relating to its own conduct as conservator and receiver (section 214 of the bill).

9. Money laundering.—New section 5(d)(6) consolidates provisions of current law requiring insured savings associations to establish procedures designed to assure and monitor compliance with money-laundering statutes.

10. Character and responsibility.—New section 5(e) preserves current law allowing a Federal charter to be granted only to persons of good character and responsibility.

11. Federal home loan bank membership.—New section 5(f) preserves current law requiring each Federal savings association to be a member of the appropriate Federal home loan bank.

12. Preferred shares.—New section 5(g) repeals obsolete provisions permitting the Secretary of the Treasury to purchase preferred shares of Federal savings associations, and authorizing the Bank Board to require the Secretary to purchase such shares under certain circumstances.

13. Taxation.—New section 5(h) maintains Federal savings associations' current exemption from discriminatory State and local taxation.

14. Conversions.—Under current law, a qualified State savings association may become a Federal savings association, and a Federal savings association may become a State savings association if the conversion is permitted by the State and authorized by the association's shareholders or members. Mutual savings associations that become stock savings associations must comply with procedures intended to ensure equitable treatment for all members of the mutual association.

New section 5(i) preserves these provisions, with COSA rather than the Bank Board as the regulator.

15. Conversions of State savings banks into Federal savings banks.—Under section 5(i)(5), the Bank Board may currently permit: (1) a Federal savings bank chartered as such before October 15, 1982, to continue to make investments or engage in activities that were permissible for it as a Federal savings bank before that date; and (2) a Federal savings bank formerly organized as a mutual savings bank under State law to continue to make investments or engage in activities not otherwise authorized for Federal savings associations, to the degree it was authorized to do so as a mutual savings bank under State law. If a Federal savings association acquires (by merger or consolidation) a Federal savings bank enjoying the benefits of section 5(i)(5), the savings association may continue to enjoy those benefits.

New section 5(i)(4) retains those provisions, with COSA rather than the Bank Board as the regulator. COSA should make full use of its authority to circumscribe or prohibit any grandfathered activities that pose excessive risks to the institution in question or to the pertinent deposit insurance fund. This seciton in no way affects the FDIC's authority under sections 222 and 402(e) of the bill.

16. Subscription for shares.—New section 5(j) repeals an obsolete provision under which the Bank Board could require the Secretary of the Treasury to purchase certain shares of a Federal association.

17. Depository of public money.—New section 5(k) preserves current law permitting the Secretary of the Treasury to designate any Federal savings association or member of a Federal home loan bank as a depository of public funds and as a fiscal agent for the Government, and expands that provision to include insured State savings associations that are not members of a Federal home loan bank.

18. Retirement accounts.—New section 5(l) retains existing authority for a Federal savings association to act as trustee of any trust organized in the United States and forming part of a qualified stock-bonus, pension, or profit-sharing plan.

19. Branching.—New section 5(m) preserves current law requiring prior Bank Board approval either for branching by savings associations located in the District of Columbia, or for branching into the District of Columbia. COSA, rather than the Bank Board, is the regulator.

20. Trusts.—New section 5(n) preserves current law, under which a Federal savings association may receive a special permit (when consistent with State law) authorizing the association to provide trust services and otherwise act as a fiduciary.

21. Conversion of certain State savings banks.—Section 5(o) currently authorizes FDIC-insured State savings banks to become FDIC-insured Federal savings banks. The FDIC is also granted certain emergency powers to require an FDIC-insured savings bank in danger of closing to become a Federal stock savings bank.

New section 5(o) provides similar authority for a BIF-member State savings bank to become a BIF-member Federal savings bank, and for the FDIC to require a State savings bank in danger of closing to become a Federal stock savings bank.

22. Tying.—New section 5(q) consolidates anti-tying restrictions on Federal and State savings associations—which are currently in section 408(q)(1) of the National Housing Act as well as in section 5(q)—and makes COSA the regulator.

23. Out-of-State branches.—New section 5(r) retains current law regarding out-of-State branching by Federal savings associations.

24. Minimum capital requirements.—Under current law, the Bank Board must establish minimum capital standards for all thrift institutions and require all institutions to meet those standards. The Bank Board may also establish different capital levels for particular institutions. Failure to comply may be treated as an unsafe or unsound practice. The Bank Board may require an institution to submit and adhere to a plan for increasing its capital. Progress in complying with the plan is to be considered whenever the institution seeks regulatory approval for any action that might impede progress towards achieving the required capital level. New section 5(s) preserves these provisions, but with COSA rather than the Bank Board as the regulator. Under section 5(s), COSA can require a given institution to meet capital standards more stringent than the uniform standards prescribed under section 5(t).

25. Capital standards.—New section 5(t)(1) requires COSA to establish capital standards for all savings associations, and provides penalties for any association that fails to comply with those standards.

(a) Capital standards to be promulgated by COSA.—New section 5(t)(1) requires COSA to promulgate, within 90 days after the bill becomes law, final regulations setting uniform capital standards for savings associations, which must be fully implemented by June 1, 1991. The standards must be no less stringent than those applicable to national banks, and must require savings associations to meet standards no less stringent than both the "leverage ratio" and the risk-based capital standard applicable to national banks. The "leverage ratio" refers to capital requirements based on an institution's total assets without any adjustment based on the relative risk of the asset.

The risk-based capital standard refers to the capital requirement based on an institution's risk-weighted assets.

COSA's risk-based capital standard may deviate from that imposed on national banks to reflect interest rate or other risks, but any such deviations must not, taken as a whole, result in materially lower risk-based capital being required of savings associations than is required of national banks.

The leverage ratio applicable to savings associations must be no less stringent than that applicable to national banks, and must in any event be at least 3 percent of total assets, even if the leverage ratio applicable to national banks is some lesser percentage.

Finally, if the appropriate Federal banking agency ceases to impose risk-based capital standards on national banks, COSA must establish uniform capital standards that, taken as a whole, are no less stringent than the capital standards then applicable to national banks.

(b) Goodwill.—New section 5(t)(2) permits a savings association to include certain goodwill to a limited extent in computing capital—both under the risk-based standard and under the leverage ratio—even if national bank capital standards would exclude such goodwill.

In accounting for the acquisition of an institution under the purchase method of accounting, goodwill represents the amount by which the purchase price exceeds the fair market value of the institution's identifiable assets. As the Comptroller of the Currency has observed, "The true market value of [goodwill and other] intangible assets is often difficult to ascertain, as it involves a number of assumptions which are subject to changes in general economic circumstances or to changes in an individual institution's future prospects. Experience has shown that the value of many intangibles declines when the condition of a bank deteriorates, the most critical point at which capital is needed. It is because of this inherent weakness in the value of certain intangibles that goodwill . . . cannot be relied upon for capital support, and therefore [is] not counted in the determination of capital adequacy."

Goodwill shall be included under two circumstances. First, goodwill in existence on April 12, 1989, is to be included in calculating capital so long as the goodwill will be amortized on a straightline basis over the shorter of 25 years, or the remaining period for amortization in effect as of April 12, 1989. Second, goodwill resulting from the acquisition of a savings association or holding company for which the pertinent regulatory application was filed on or before March 12, 1989, shall be counted incalculating capital, so long as the goodwill is amortized on a straightline basis over 10 years or such shorter period as may be determined by COSA with the concurrence of the Secretary of the Treasury.

Every savings association must maintain tangible capital (excluding, e.g., goodwill) equal to at least 1.5 percent of the association's total assets. Any savings association that fails to do so is subject to consequences such as the growth restrictions of new section 5(t)(5) (discussed below).

(c) Separate capitalization for certain subsidiaries.—In computing a savings association's capital, the savings association's entire investment in and extensions of credit to any subsidiary engaged as principal in activities not permissible for a national bank must be deducted from the savings association's capital. This rule, set forth in new section 5(t)(3), does not apply under the following circumstances:

(1) the subsidiary is engaged solely in mortgage-banking activities;

(2) the subsidiary is itself a savings association, or a company whose sole investment is a savings association, and was acquired by the parent savings association before April 12, 1989;

(3) the subsidiary invests in corporate debt securities that are not permissible for national banks to invest in, but does not engage as principal in any other activity impermissible for a national bank; or

(4) the parent savings association (a) is a Federal savings bank that was chartered before October 15, 1982, as a State savings bank, or (b) acquired its principal assets from an institution that was chartered before October 15, 1982, as a State savings bank.

(d) Transition rule.—If a subsidiary is engaged in activities requiring the parent savings association to deduct from its capital its investment in and loans to the subsidiary, new section 5(t)(4) provides a transition rule. Under the rule, the parent may include in its computation of capital a certain percentage of its investments in and loans to the subsidiary on the date for which the parent's capital is being determined (or its investments in and loans to the subsidiary on April 12, 1989, whichever is less). The includible percentage declines each year over a five-year period so that after five years no such investment or loan may be included. Moreover, the FDIC may, by order, and in its sole discretion, require a particular institution to use a lower percentage than prescribed under the five-year phase-out if the FDIC determines that using the prescribed percentage would be unsafe or unsound.

(e) Schedule.—The capital standards mandated by section 5(t) must be fully implemented by June 1, 1991, and COSA should prescribe a phase-in schedule culminating in full implementation by that date.

(f) Restrictions on growth.—New section 5(t)(4) imposes certain consequences on savings associations that do not meet the capital standards applicable under section 5(t)(1). Until June 1, 1991, any institution not in compliance with applicable capital standards must submit a binding plan for increasing its capital. The plan must be acceptable to COSA, must set forth the types and levels of activities that the savings association will engage in to raise capital, and must provide for any growth in assets to be fully supported by increases in tangible capital equal in percentage amount to the applicable capital standard. COSA will retain discretion to further restrict the savings association's asset growth.

After June 1, 1991, asset growth by any savings association not in compliance with applicable capital standards must not exceed the amount of interest credited on the savings association's deposits, and must be limited to growth in residential-housing-related assets and consumer loans. Any growth in assets must be supported by tangible capital equal to at least 6 percent of the asset growth (or in COSA's discretion, tangible capital equal to the percentage required under the capital standard then in effect).

Any savings association that can meet minimum capital standards only by including goodwill must support any growth in assets by increases in tangible capital: before June 1, 1991, by tangible capital equal in percentage amount to the then-applicable capital standards; and after June 1, 1991, by tangible capital in an amount equal to 6 percent of the asset growth (or in COSA's discretion, tangible capital equal to the percentage required under the capital standard then in effect).

Finally, COSA may restrict the asset growth of any savings association that takes excessive risks or pays excessive rates for deposits, even if the savings association meets all capital standards.

26. Limits on loans to one borrower.—New section 5(u) generally makes savings associations subject to the same limit on loans to one borrower as apply to national banks.

The limits are incorporated by reference, and are self-executing.

A national bank's loans to one borrower are limited by statute to 15 percent of the bank's unimpaired capital and unimpaired surplus, except that loans to a given borrower "fully secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of the funds outstanding" may account for an additional 10 percent of the bank's unimpaired capital and unimpaired surplus.

New section 5(c) exempts from the general rule two classes of loans by savings associations: (1) loans made to finance the sale of property that a savings association acquired by foreclosure in satisfaction of a debt previously contracted in good faith, which may be as much as 50 percent of the savings association's unimpaired capital and unimpaired surplus; and (2) loans of up to $500,000. The $500,000 exception is intended to facilitate residential mortgage loans.

27. Reports of condition.—Under new section (5)(v), every savings association must submit reports of condition that identify potential interest-rate and credit risks, the type and value of assistance received, the identity of all subsidiaries and affiliates, and equity investments made by the association and its affiliates, as well as any other information required by COSA. Information from the reports must be made available to the public upon request unless COSA determines (1) that a particular item or class of information should be withheld to protect the safety or soundness of the institutions involved, or (2) that disclosure of the information would not otherwise be in the public interest. COSA's determination not to permit disclosure must be in writing. If COSA decides to restrict disclosure of any item for savings associations generally, the reasons for the restriction must be published in the Federal Register. COSA may not withhold information from the Chairman and ranking minority member of the House or Senate Banking Committee.

F. Applicability

New section 7 preserves current law applying the Act to the United States, Puerto Rico, Guam, and the Virgin Islands.

G. District associations

New section 8 preserves current law governing the regulation of savings associations doing business in the District of Columbia, with COSA rather than the Bank Board as the regulator.

H. User fees; penalty for refusal to permit examination

New section 9 authorizes COSA to assess examination fees on savings associations and affiliated companies, including holding companies and their subsidiaries. COSA may also charge application fees. Moreover, fees may be assessed on any other institution for which COSA is the appropriate Federal regulatory agency (as defined in section 3 of the FDI Act), in proportion to the institution's assets or resources.

If any affiliate of a savings association refuses to permit an examination or to provide information requested by COSA, the savings association shall be subject to a civil penalty of up to $25,000 per day for each day that such refusal continues. A violation made with reckless disregard for the safety or soundness of the financial institution subjects the savings association to a civil penalty of up to $1 million per day.

To permit COSA to maintain a working capital fund, fees charged under this section may exceed actual expenses. Fee and assessment income may be used to pay all of COSA's salary expenses.

I. Regulation of savings and loan holding companies

Section 408 of the National Housing Act, also known as the Savings and Loan Holding Company Act, is transferred to section 10 of the Home Owners' Loan Act.

1. Definitions.—The definitions currently found in section 408(a) are reenacted as section 10(a) of the Home Owners' Loan Act, and amended to take into account the abolition of FSLIC, the FDIC's new role as deposit insurer for savings associations, and the establishment of COSA, and to make corresponding changes in terminology.

2. Registration and examination.—New section 10(b) preserves current law governing the registration and examination of savings and loan holding companies, with COSA rather than FSLIC as the regulator.

3. Holding company activities.—New section 10(c) generally preserves current law regarding savings and loan holding company activities. New section 10(c)(8) exempts from the activity restrictions of the Savings and Loan Holding Company Act any bank holding company regulated as such by the Federal Reserve Board, for the Bank Holding Company Act already stringently limits such a company's activities.

4. Acquisitions.—A savings and loan holding company must currently obtain FSLIC's prior approval before acquiring an additional savings association, and may not acquire shares of a savings institution that will not be a subsidiary. Interstate acquisitions of savings institutions are restricted. Section 10(e) preserves these provisions, with COSA instead of FSLIC as the regulator. Section 602 of the bill makes other substantive changes in these provisions, as will be discussed below.

5. Dividends.—Under current law, a savings association subsidiary of a savings and loan holding company may not declare a dividend without giving FSLIC 30 days advance notice. This provision becomes section 10(f) of the Home Owners' Loan Act, with COSA as the regulator.

6. Administration and enforcement.—Current provisions authorizing FSLIC to issue regulations, examine savings and loan holding companies and affiliated companies, and take enforcement action (including requiring holding companies to divest subsidiaries) become section 10(g) of the Home Owners' Loan Act, with COSA as the regulator.

7. Penalties.—Any company that willfully violates any provision of the Savings and Loan Holding Company Act or any regulation or order issued under the Act may be fined up to $1,000 per day. Any individual who willfully commits such a violation may be fined up to $10,000, imprisoned for up to one year, or both.

Under new section 10(i) of the Home Owners' Loan Act, any company that willfully commits such a violation may be fined up to $1 million per day. Any individual who, with reckless disregard for the safety and soundness of the savings association, participates in such a violation may be fined up to $1 million per day, imprisoned for up to 5 years, or both.

Any individual or company that willfully participates in a violation of any statutory provision governing savings and loan holding companies, or any regulation or order issued under such a provision, is subject to a civil penalty of up to $1 million per day. If the violation is not willful, the maximum civil penalty is $25,000 per day.

COSA's authority to act under section 10(i) is not affected by an individual's resignation or any other termination of the individual's employment.

8. Judicial review.—Section 10(k) preserves current law regarding judicial review of enforcement orders.

9. Treatment of FDIC-insured State savings banks and cooperative banks as savings associations.—Under current law, an FDIC-insured savings bank or cooperative bank may, if it meets the qualified thrift lender test, elect to be regulated under the Savings and Loan Holding Company Act rather than the Bank Holding Company Act. New section 10(l) retains that provision, with COSA as the regulator.

10. Qualified thrift lender test.—The qualified thrift lender test (or "QTL test"), currently section 408(o) of the National Housing Act, is intended to measure a thrift institution's involvement in housing finance. New section 10(m) of the Home Owners' Loan Act reenacts the current test and increases the consequences of failing to comply. (Those additional consequences are preserved in section 303 of the bill, which revises the QTL test, effective July 1, 1991.)

a. Current consequences of failing to comply.—Under current law, there are two consequences. First, under section 10(e) of the Federal Home Loan Bank Act, a thrift institution that fails the QTL test is eligible to receive only a reduced amount of Federal home loan bank advances. Second, under section 408(c) of the National Housing Act, a diversified savings and loan holding company is subject to the same activity restrictions as a multiple savings and loan holding company if any of its subsidiary thrift institutions fails the test. The QTL test discussed here has no tax consequences; the Internal Revenue Code contains its own criteria for determining whether thrift institutions may qualify for benefits under certain tax provisions.

b. Additional consequences under this section.—Under new section 10(m), a savings association that fails to remain a qualified thrift lender will have a one-year grace period in which to requalify as a qualified thrift lender. If it fails to requalify during that period, the savings association must convert its charter to one or more bank charters within three years after it ceased to be a qualified thrift lender. As soon as a savings association ceases to be a qualified thrift lender, it may not expand its activities or open any additional branch offices. Three additional consequences take effect beginning three years after the savings association ceases to be a qualified thrift lender. First, the savings association may not obtain advances from any Federal home loan bank, and must promptly repay any outstanding advances. Second, the savings association may not engage, directly or through a subsidiary, in any activity that is not permissible either for a national bank or for a State bank (other than a savings bank) located in the State in which the savings association is located. Third, any company that controls the savings association will become subject to the Bank Holding Company Act in the same manner and to the same extent as if the company were a bank holding company (other than a savings bank holding company) and the savings association were a bank (other than a savings bank).

c. Conversion does not affect deposit insurance premiums.—Any bank that is chartered pursuant to section 10(m) because of a

savings association's failure to remain a qualified thrift lender must remain a member of the Savings Association Insurance Fund and pay SAIF assessments until it pays the exit fee (section 206(6) of the bill) and becomes a member of the Bank Insurance Fund, having paid any applicable entrance fee. In no case can such a bank become a BIF member before January 1, 1994. Such a bank does not become subject to BIF assessments until it becomes a BIF member.

11. Tying restrictions.—Section 10(n) preserves section 408(q)(2) of the National Housing Act, which currently prohibits a savings and loan holding company and its affiliates from engaging in certain tying arrangements.

12. Mutual holding companies.—Under section 10(o), a mutual savings association may form a holding company though a special entity known as a "mutual holding company." This preserves what is currently section 408(s) of the National Housing Act, but makes COSA the regulator.

J. Transactions With Affiliates, and Insider Lending.—Transactions between thrift institutions and their affiliates are currently governed by section 408 (d), (p)(1), and (t) of the National Housing Act. The bill replaces those subsections with a new section 11 in the Home Owners' Loan Act. Section 11 establishes a uniform approach to regulating transactions with affiliates, based on sections 23A, 23B, and 22(h) of the Federal Reserve Act. The limits in those sections are incorporated by reference, and are self-executing.

1. Transactions with affiliates: sections 23A and 23B.—Under new section 11(a), a savings association must comply with sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as if the savings association were a member bank. Section 23A limits a bank's transactions with its affiliates (e.g., loans, extensions of credit, guarantees, investments, and purchases of assets). Transactions with any one affiliate are limited to 10 percent of the bank's capital stock and surplus, and transactions with all affiliates are limited to 20 percent of the bank's capital stock and surplus. All transactions with affiliates must be fully secured by specified types of collateral furnishing prescribed margins of protection. A bank may not purchase a low-quality asset from an affiliate unless it committed itself to do so before the affiliate acquired the asset.

Under section 23B, transactions between a bank and its affiliates must be on terms at least as favorable to the bank as comparable transactions with unaffiliated companies. When a bank acts as a fiduciary, section 23B limits purchases of securities or other assets from an affiliate. The section also prohibits a bank from advertising or agreeing that the bank will be responsible for an affiliate's obligations.

Three additional rules apply to savings associations under new section 11(a), reflecting the fact that affiliates of savings associations can engage in a far greater range of activities than affiliates of banks, and can thus expose the savings association to greater risk. First, a savings association may not make any loan or other extension of credit to an affiliate unless that affiliate is engaged only in activities permissible for bank holding companies. Second, a savings association may not purchase or invest in securities issued by an affiliate. Third, except as provided in section 304 of the bill (relating to certain mortgage-banking transactions), COSA may for reasons of safety and soundness impose more stringent restrictions on savings associations, but may not exempt transactions from or otherwise abridge section 23A or 23B. Exemptions from section 23A or 23B may be granted only by the Federal Reserve Board, as is currently the case with respect to all FDIC-insured banks. In granting exemptions, the Board may distinguish between banks and savings associations if the situation warrants.

2. Loans to officers, directors, and principal shareholders: section 22(h).—New section 11(b) applies section 22(h) of the Federal Reserve Act to savings associations in the same manner and to the same extent that that section applies to member banks. Section 22(h) applies the following safeguards to loans and other extensions of credit by an FDIC-insured bank to its executive officers, directors, and principal shareholders (collectively "insiders") and to companies controlled by those persons:

(1) An extension of credit to an insider or a company controlled by an insider must be made "on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons" and must not "involve more than the normal risk of repayment or present other unfavorable features."

(2) An extension of credit to an insider or a company controlled by an insider must be approved in advance by a disinterested majority of the bank's board of directors if that extension of credit, when aggregated with all other outstanding extensions of credit to the insider and companies controlled by the insider, exceeds a certain threshold (currently set at the higher of $25,000 or 5 percent of the bank's unimpaired capital and unimpaired surplus).

(3) The extension of credit, when aggregated with all other outstanding extensions of credit to the insider and companies controlled by the insider, must not exceed the limit on loans by a national bank to a single borrower.

COSA may for reasons of safety and soundness impose more stringent restrictions on savings associations, but may not exempt transactions from or otherwise abridge section 22(h). Exemptions may be granted only by the Federal Reserve Board, as is currently the case with respect to all FDIC-insured banks.

K. Advertising

Under current law, the Bank Board regulates the advertising practices of Federal savings associations and FSLIC regulates the advertising practices of State savings associations. The bill adds a specific statutory provision prohibiting any sale, plan, or practice, or any advertising, by any savings association, in violation of regulations promulgated by COSA.

L. Separability

Section 13 specifies that the provisions of the Home Owners' Loan Act are separable: if any provision is held invalid, the remainder of the Act will remain in force.

SECTION 302. REPEALS

This section repeals sections 407(m), 408, 409, 410, 413 414, and 416 of the National Housing Act. (Section 405 of the bill repeals the remaining sections of title IV of that Act.) All of these sections except section 416 are reenacted as part of the Home Owners' Loan Act. Section 416 required the FSLIC to promulgate capital recovery regulations for troubled institutions, and is obsolete in light of amendments made by the bill. The bill repeals section 403(b), which imposes geographical limits on lending, and section 408(p)(2), which restricts cross-marketing by a diversified savings and loan holding company.

SECTION 303. QUALIFIED THRIFT LENDER TEST

The qualified thrift lender test seeks to measure a thrift institution's involvement in residential mortgage lending. New section 10(m) of the Home Owners' Loan Act (added by section 301 of the bill) increases the consequences of failing to meet the current test. This section revises the QTL test itself, effective July 1, 1991.

To satisfy the current QTL test, a thrift institution must hold 60 percent of its total tangible assets in: (1) loans, equity positions, or securities that are in some way related to residential real estate or mobile homes; and (2) premises, furnishings, and equipment used by the institution or its subsidiaries. Up to 10 percentage points of the 60-percent requirement may be met by counting: (a) liquid assets (e.g., money-market mutual funds and short-term, investment grade corporate debt securities); and (b) a mortgage-origination credit.

A. General rule

1. Numerator: qualifying assets.—The revised test requires that at least 60 percent of a savings association's "portfolio assets" (as defined below) consist of the following assets:

(1) residential mortgage loans;
(2) residential construction loans;
(3) home-improvement loans;
(4) home-repair loans;
(5) mobile-home loans;
(6) mortgage-backed securities; and
(7) home-equity loans, to the extent that the loans are used to purchase, refinance, construct, improve, or repair domestic residential housing or mobile homes.

In addition, there is a mortgage-origination credit for one half of the dollar value of residential mortgages originated and sold during the last 90 days, which may count towards as much as 5 percentage points of the 60-point test.

If a loan finances both residential and nonresidential property (e.g., both apartments and a shopping mall), only the residential portion of the loan counts towards the QTL test.

Because home-equity loans are often used to finance personal consumption or for other purposes unrelated to housing finance, the Chairman of the Office of Savings Associations is required to determine annually—based on a survey of industry-wide patterns—how much of savings associations' home-equity loans are used to purchase, finance, construct, improve, or repair domestic residential housing or mobile homes. COSA will determine a general percentage, and savings associations may then count towards the QTL test that percentage of their home-equity loans.

This section is intended to refocus the QTL test on residential mortgage lending and to prevent the inclusion of other assets by regulatory interpretation.

2. Denominator: portfolio assets.—Under the revised test, the base against which the 60-percent requirement is applied is "portfolio assets." A savings association's portfolio assets consist of its total assets minus:

(1) the institution's own premises, furnishings, and equipment;
(2) liquid assets that regulators require the institution to hold; and
(3) goodwill and other intangible assets.

Subtracting these three items from total

assets ensures that they are treated neutrally: they do not count either towards the 60-percent requirement or against the remaining 40 percent.

B. Consistent accounting required

Under the current test, FSLIC permits thrift institutions to use different accounting for the numerator of the QTL test (qualifying assets) than for the denominator (total tangible assets). Some assets that have appreciated in value are included in the numerator at market value but in the denominator at historic cost. Intangible assets (such as the value attributed to mortgage-servicing rights, purchased deposits, and branch networks) and leasehold improvements are included in the numerator but not in the denominator. Likewise, the assets of subsidiaries are included in the numerator but not in the denominator.

Under the revised test, the same accounting principles must be used for the numerator of the QTL test (qualifying assets) as for the denominator (portfolio assets). If a savings association counts the assets of a subsidiary towards the numerator, then those assets must also be counted towards the denominator.

C. Averaging

Under FSLIC's regulations, thrift institutions must meet the current QTL test on only 18 days out of every three years. This infrequent averaging facilitates manipulation.

The revised QTL test would be calculated using a daily or weekly average of a thrift institution's assets during the preceding two years.

SECTION 204. TRANSITIONAL RULE FOR CERTAIN TRANSACTIONS WITH AFFILIATES

Under new section 11(a) of the Home Owners' Loan Act (as added by section 301 of the bill), savings associations must comply with section 23A of the Federal Reserve Act, which imposes limits on transactions (e.g., loans and purchases of assets) between a depository institution and its affiliates. If an institution purchases a mortgage from an affiliate, the purchase counts towards the limits unless, before the affiliate originated or acquired the mortgage, the institution (1) had made its own independent credit evaluation of the mortgage, and (2) based on that evaluation, had agreed to acquire the mortgage from the affiliate. Under these circumstances, the institution is regarded as "taking advantage of an investment opportunity rather than being impelled by an improper incentive to alleviate working capital needs of the affiliate that are directly attributable to excessive outstanding commitments." 12 C.F.R. § 250.250(c). However, FSLIC's conflicts regulations currently preclude a thrift institution from following the above procedure without specific regulatory approval from FSLIC. Under section 402 of the bill, those regulations could remain in force as regulations of the Chairman of the Office of Savings Associations.

A. Revision of current regulations

This section requires COSA to revise the conflicts regulations so as not to prohibit a savings association that seeks to purchase mortgages from a mortgage-banking affiliate from following the above procedure for complying with section 23A. Revised regulations must take effect not later than six months after the bill becomes law.

B. Transitional period

While COSA is revising its regulations and for six months after the date on which COSA prescribes final revised regulations, a transitional rule will apply to any savings association that, before April 12, 1989, had received approval from FSLIC pursuant to section 408(d)(6) of the National Housing Act as then in effect to purchase mortgages from a mortgage banking affiliate. Such a savings association may continue to engage during that period in the transactions for which it had received regulatory approval. Instead of being subject to section 23A, those transactions will be subject to the standards applicable under section 408(d)(6) (e.g., by statute, regulation, interpretation, or order) before the bill became law.

If any regulatory approvals given by FSLIC lapse during the transitional period, COSA may extend them for the remainder of that period, using the standards applicable under section 408(d)(6) before the bill became law.

TITLE IV—DISSOLUTION AND TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SECTION 401. DISSOLUTION

Subsection (a) of this section dissolves the Federal Savings and Loan Insurance Corporation 60 days after the bill becomes law. Subsection (b) transfers to the FDIC or the Resolution Trust Corporation all of FSLIC's functions that are not transferred to the Chairman of the Office of Savings Associations under other provisions of the bill.

SECTION 402. CONTINUATION OF RULES

A. Continuation of Rules; Allocation of Authority.—Subsection (a) preserves in effect all of FSLIC's rules, regulations, and orders relating to insurance of accounts, administration of the insurance fund, or the conduct of conservatorships or receiverships except to the extent that the FDIC, after consulting COSA, determines otherwise. The FDIC or the Resolution Trust Corporation will enforce the rules, regulations, and orders that remain in effect. Subsection (b) preserves in effect all FSLIC rules, regulations, orders, and administrative actions not covered by subsection (a), and provides that they will be enforced by the FDIC unless they relate to a function transferred to COSA, in which case COSA will enforce them.

Subsection (c) requires the Chairman of the FDIC and the Chairman of the Office of Savings Associations, within 60 days after the bill becomes law, to publish in the Federal Register notice of which rules, regulations, and orders covered by subsection (a) or (b) have been allocated to which agency.

Subsection (d) contains a savings provision that preserves in effect all orders, determinations, rules, and regulations issued by FSLIC until modified or set aside by the FDIC or COSA.

B. FDIC's Authority to Prevent Risky Actions and Practices.—Subsection (e) authorizes the FDIC to promulgate and enforce rules, regulations, and orders to prevent actions or practices of State or Federal savings associations that pose a serious threat of loss to the pertinent deposit insurance fund.

SECTION 403. PERSONNEL

A. Identifying Bank Board and FSLIC employees for transfer

Subsection (a) requires the Chairman of the Office of Savings Associations and the Chairman of the FDIC to jointly determine (1) which Bank Board and FSLIC employees were engaged in functions or activities transferred under the Act to the FDIC; and (2) which of those employees so identified will be transferred to the FDIC. Those decisions must be free from discriminatory or other prohibited personnel practices.

B. Rights of employees identified for transfer

Subsection (b) enumerates the rights of employees who are identified for transfer to the FDIC:

(1) Employees who are identified for transfer to the FDIC will be offered an FDIC position of the same status as their former positions at the Bank Board or FSLIC.

(2) The Office of Personnel Management previously gave the Bank Board excepted-service appointing authority that allowed the Bank Board to hire up to 500 Schedule B employees without following normal competitive procedures. This section transfers that authority to the FDIC, allowing the FDIC to continue to employ those persons.

(3) Employees identified for transfer will be transferred to the FDIC within 60 days after the bill becomes law. After transfer, employees will be placed in a manner consistent with part 351 of title 5, Code of Federal Regulations. Transfers from the Bank Board or FSLIC to the FDIC will, for purposes of determining assignment rights, be treated as transfers of functions. If a reduction in force occurs, transferred employees will have assignment rights under OPM regulations. Transferred employees will receive notice of their assignment rights within 120 days after their transfers.

(4) For purposes of initial placement, the FDIC may place transferred employees into competitive areas separate from those existing at the FDIC. But once placement is completed, the competitive areas should be realigned to eliminate such separate competitive areas.

The FDIC may assign excepted-service employees to competitive-service positions, and employees so assigned will thereafter receive career or career-conditional appointments.

(5) Transferred Senior Executive Service employees will be placed in comparable executive positions at the FDIC.

(6) Transferred employees will receive notice of their position assignments within 120 days after their transfers.

(7) Transferred employees will retain their pay and grades under the principles of OPM regulations. Although the FDIC does not use the General Schedule, it does have a similar schedule. Transferred employees who become FDIC employees will receive the pay that would normally accompany their new FDIC grade.

(8) COSA will give any employee who is in a transferred function but who declines to be transferred severance pay consistent with OPM regulations promulgated under section 5595 of title 5, United States Code, except that severance pay shall in any case be at least 90 days pay. Such employees will also receive placement assistance, consistent with OPM regulations.

(9) Excepted-service employees, who do not otherwise qualify for placement assistance under OPM regulations, will nonetheless receive placement assistance for up to 120 days if they decline to be transferred.

(10) Employees who are asked to transfer and who decline an unreasonable offer of employment, as defined in OPM regulations, will receive severance pay and placement assistance. If such employees are otherwise eligible for early optional retirement, they will receive that as well. COSA will pay

severance pay and placement assistance, as well as early optional retirement to the extent that retirement benefits are not funded from contributions made before the transfer.

(11) If the FDIC decides to reorganize its combined work force within one year after the transfer of functions, the reorganization will be a major reorganization for purposes of offering early optional retirement.

(12) If COSA continues the Bank Board's employee-benefit programs, employees transferred to the FDIC may retain their membership in those programs until the end of the calendar year. COSA will pay any difference in cost between FDIC programs and the benefits allowed by this section.

(13) Transferred employees who constitute an appropriate unit for labor union representation will be subject to union certification and collective bargaining structures in place at the FDIC (rather than to those currently applicable at the Bank Board).

SECTION 404. DIVISION OF PROPERTY AND PERSONNEL

This section requires the Chairman of the Office of Savings Associations and the Chairman of the FDIC to divide all personnel and property of FSLIC between their agencies within 60 days after the bill becomes law. The Director of the Office of Management and Budget will settle any disputes.

SECTION 405. REPEALS

This section repeals sections 401–406, 407 (except subsection (m)), 411, and 415 of the National Housing Act. Section 302(a) of the bill also repeals sections 407(m), 408–414, and 416 of that Act. The bill does, however, preserve many provisions of those sections as parts of other statutes.

SECTION 406. REPORT

This section requires FSLIC to provide a final written report to Congress, the Treasury, and the Office of Management and Budget.

TITLE V—FINANCING FOR THRIFT RESOLUTIONS

SUBTITLE A—RESOLUTION TRUST CORPORATION

SECTION 501. RESOLUTION TRUST CORPORATION ESTABLISHED

A. Purposes and function of the RTC

This section adds a new section 21A to the Federal Home Loan Bank Act establishing the Resolution Trust Corporation ("RTC"), a mixed-ownership Government corporation. Neither the RTC nor its Oversight Board will constitute an "agency" or "executive agency" for purposes of title 5 of the United States Code.

The RTC's primary purposes are: (1) to resolve (e.g., as receiver or conservator) cases involving FSLIC-insured thrift institutions that entered receivership or conservatorship after January 1, 1989, but before the bill becomes law; (2) to act as receiver or conservator for FDIC-insured savings associations for which a receiver or liquidating conservator is appointed during the three years after the bill becomes law; (3) to manage and wind up the affairs of the Federal Asset Disposition Association ("FADA"); and (4) to conduct its operations so as to maximize recovery on assets it acquires, make efficient use of funds it obtains from the Funding Corporation, and minimize losses incurred in resolving cases.

In dealing with institutions in its custody, the RTC will exercise the FDIC's receivership and conservatorship powers. These include the power to liquidate an institution, operate it as a going concern, or facilitate its acquisition. This section also contemplates that the RTC will undertake obligations or assume liabilities only to the extent that it can fund them from the resources available to it under this section.

The RTC is to review assisted thrift acquisition approved by FSLIC after January 1, 1988, report to the Oversight Board the results of that review, and exercise all existing legal rights to modify, renegotiate, or restructure assistance agreements on which savings can be realized. Any gains or losses from exercising such rights would accrue to the RTC or the FSLIC Resolution Fund, as the RTC determines.

In carrying out its responsibilities, the RTC should rely on private-sector services to the extent that such services are available and their use is practicable and efficient. The RTC must, whenever possible, take participation interests in insured institutions or their holding companies, or in the assets of institutions liquidated or otherwise resolved by the RTC.

The RTC will exist for five years, after which its assets and liabilities will pass to the FSLIC Resolution Fund created under section 215 of the bill.

B. Oversight Board

The RTC will operate under the direction of an Oversight Board chaired by the Secretary of the Treasury, and including the Attorney General, the Chairman of the Federal Reserve Board, and two persons chosen by the President of the United States from the private sector who have substantial experience in managing large business organizations engaged in relevant business activities. The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board must approve or disapprove, in its discretion, any RTC regulation, policy, procedure, guideline, statement, contract, or other action.

The Oversight Board shall select the RTC's chief executive officer, and may delegate its responsibilities to the chief executive officer or other employees of the RTC. The RTC may hire employees without regard to the civil service requirements of title 5, U.S. Code. The Oversight Board may also employ its own staff, on the same terms of employment as apply to the RTC itself. The compensation of RTC employees must be consistent with that of FDIC employees.

C. Performance of RTC functions

The RTC will have both general corporate powers and certain special powers with which to perform its functions.

The RTC will rely upon the FDIC as its "primary manager" pursuant to an agreement between the RTC and the FDIC. The RTC may also contract with other parties. If the RTC is exercising the FDIC's powers as conservator or receiver, such contracts must accord with procedures applicable under the FDI Act. In all other cases, such contracts must be competitively bid.

D. Exemption from taxation

The RTC will be exempt from taxation, other than taxes on real property.

E. FSLIC liabilities

The RTC succeeds to the FSLIC's liabilities as guarantor of certain loans made by the Federal reserve banks and Federal home loan banks to insured savings associations before the bill becomes law. (This is the only liability of FSLIC that does not pass to the FSLIC Resolution Fund under section 215 of the bill.) The RTC must, within one year, repay any outstanding indebtedness not repaid by the savings associations in question.

F. Regulations and procedures

The RTC may issue regulations, but need not comply with the Administrative Procedure Act. Regulations or procedures adopted by the RTC relating to its exercise of the FDIC's rights and powers under the FDI Act must, however, accord with that Act and with the FDIC's regulations.

The RTC must adopt written procedures for selling or otherwise disposing of insured institutions and their assets, and must document its decisions and reasons. Those procedures must provide for adequate competition, and fair and consistent treatment of offerors, and minimize the cost to the RTC and the Government.

G. Funding

To carry out its functions, the RTC will receive the net proceeds of the Resolution Funding Corporation's issuance of up to $50 billion of obligations, as well as whatever cash its activities generate. The RTC may also borrow up to $5 billion from the Treasury. The RTC cannot obligate the FDIC or any of its insurance funds.

H. Reports

The RTC must make both annual and semiannual reports to Congress. Annual reports must include financial statements, as well as the RTC's financial operating plans and forecasts. Semiannual reports must contain the same types of information as annual reports, plus certain items important for Congressional oversight.

The Comptroller General must audit the RTC annually, unless the Comptroller General notifies the RTC at least 180 days before the end of the fiscal year that he will not perform the audit. If the Comptroller General gives such notice, the RTC must arrange to be audited by an independent certified public accountant. The Comptroller General will have access to all books and records of the RTC and its agents.

I. Asset disposal

The RTC must dispose of assets under its control so as to maximize the net present value of its return from those assets, minimize disruption to local markets, and provide the RTC with adequate capital. The RTC must document its decisions in order to demonstrate that it has followed plans and procedures consistent with those objectives.

The RTC must adopt special asset-disposition procedures to protect the economies of distressed areas. The RTC must set a minimum disposition price for real property that it owns before it sells that property. The procedures for setting that price, and the discretion granted to the chief executive officer or his designees to approve specific transactions for lesser amounts, are intended to protect against the dumping of assets while retaining the flexibility needed to make sound business decisions.

The RTC will establish regional advisory boards to bring local expertise to bear on the RTC's marketing, financial, and other strategic and policy decisions.

J. Standards of conduct for RTC employees

The RTC may either employ or contract with persons that will have responsibility for vast amounts of what are, in substance, Federal resources. To ensure that such persons act for the public good rather than for personal gain, the RTC must adopt conflict-of-interest and ethical standards at least as stringent as those applicable to FDIC em-

ployees. In addition, independent contractors and employees of the RTC will be subject to the same criminal sanctions as FDIC employees.

Subtitle B—Resolution Funding Corporation

SECTION 302. RESOLUTION FUNDING CORPORATION ESTABLISHED

A. Purpose

This section adds a new section 21B to the Federal Home Loan Bank Act, establishing the Resolution Funding Corporation ("REFCORP"). REFCORP will raise funds for the RTC by issuing debt to the public. The Federal home loan banks ("FHL Banks") must invest in REFCORP, which in turn must invest in the RTC. Under subsection (b) of new section 21B, the Chairman of the Office of Savings Associations must charter REFCORP within five days after the bill becomes law.

B. Management of the Funding Corporation

Subsection (c) of new section 21B establishes a Directorate to manage the Funding Corporation, subject to supervision by the RTC Oversight Board. The Directorate will consist of the Director of the Office of Finance of the FHL Bank System, or his successor, and two FHL Bank presidents selected by the Oversight Board. One of the two FHL Bank presidents will be appointed for an initial term of three years and the other for an initial term of two years. After the initial terms have expired, each succeeding appointment shall be for a three-year term. The president of a given FHL Bank may not be selected to serve if there are other FHL Banks whose presidents have served fewer terms. The Oversight Board will select a chairperson of the Directorate from among its three members.

C. Compensation and staff

Members of the Directorate will receive no compensation from REFCORP for serving on the Directorate. REFCORP will have no paid employees, but the Directorate may, with the Oversight Board's approval, use officers, employees, and agents of the FHL Banks to carry out REFCORP's functions.

The FHL Banks will pay all of REFCORP's administrative expenses, including custodian fees but excluding issuance and interest costs. Each FHL Bank will pay a pro-rata share of administrative expenses based on its required capital stock investment in REFCORP. "Issuance costs" and "custodian fees" are defined in subsection (k).

D. Powers of the Funding Corporation

Subsection (d) lists REFCORP's corporate powers, namely: (1) to issue nonvoting capital stock to the FHL Banks; (2) to purchase capital certificates issued by the RTC; (3) to issue debt; (4) to impose assessments on SAIF member institutions; (5) to adopt and use a corporate seal; (6) to have succession until dissolved; (7) to enter into contracts; (8) to sue and be sued; and (9) to exercise incidental powers necessary to carry out section 21B.

E. Regulation by the Oversight Board

REFCORP's Directorate will be subject to the regulations, orders, and directions of the RTC Oversight Board.

F. Capitalization of the Funding Corporation

Subsection (e) requires the FHL Banks to invest in REFCORP's nonvoting capital stock as prescribed by the Oversight Board, up to a maximum of $2,995.8 million, less amounts required to be invested after December 31, 1988, in the Financing Corporation (created under the Competitive Equality Banking Act of 1987). The stock issued by REFCORP to the FHL Banks will have a par value determined by the Oversight Board. The stock will be transferable only among the FHL Banks as prescribed by the Oversight Board, at not less than par value.

Paragraph (3) of subsection (e) limits the cumulative investment by any individual FHL Bank in REFCORP capitalization to the sum of the following:

(1) the Bank's legal reserves and undivided profits on December 31, 1988, minus (a) the Bank's investments in the capital stock of the Financing Corporation and (b) reserves required by COSA to be set aside for certain administrative obligations; plus

(2) the cumulative amount, after December 31, 1988, of additions to legal reserves and undivided profits, net of (a) funds invested in the Financing Corporation after that date, (b) reserves required by COSA to be maintained for certain administrative purposes; and

(3) additional amounts, as necessary, determined by allocating any amount by which the amounts under item (2) above for all FHL Banks fall short of $300,000,000 per year.

If the FHL Banks' total investment under this test would be less than $300 million in a given year, an additional investment will be required (allocated among the FHL Banks under subsection (e)(5)) so that the total investment of all FHL Banks will be at least $300 million.

Paragraph (8) defines "undivided profits" as retained earnings less (1) legal reserves, and (2) amounts held in the dividend stabilization reserves account on December 31, 1985. "Legal reserves" means the amount each FHL Bank must carry in a reserve account pursuant to the first two sentences of section 16(a) of the Federal Home Loan Bank Act.

G. Allocation of stock purchases Among FHL banks

Paragraphs (4) and (5) of new section 21B(e) describe the pro-rata distribution among the FHL Banks of purchases of Financing Corporation and REFCORP stock. Each FHL Bank must purchase a specified percentage of the first $1 billion of the combined stock issues of the REFCORP and the Financing Corporation. These percentages are the same as those currently in effect for allocating new issues of Financing Corporation stock.

Once the first $1 billion in stock has been purchased, paragraph (5) requires the RTC Oversight Board to allocate the FHL Banks' purchases of REFCORP stock according to the following formula: each FHL Bank's share equals the ratio arrived at by dividing the total assets of the Bank's SAIF-insured members by the total assets of all SAIF-insured members of all FHL Banks. Calculations for 1989 will, if necessary, be made by applying that same formula to the assets of all member insitutions that would have been SAIF-insured had the bill been in effect on December 31, 1988.

Paragraph (6) sets forth procedures for temporarily reallocating stock-purchase requirements when the amount a FHL Bank must purchase exceeds its investment limit.

J. Additional sources of funds for the Funding Corporation

Proceeds from the sale of REFCORP stock must be placed in the Funding Corporation Principal Fund. If each FHL Bank has reached its capital-stock investment limit and the Principal Fund needs additional amounts to defease REFCORP obligations, paragraph (7) sets forth the process and the order in which REFCORP will resort to other sources of funds. First, REFCORP, with the approval of the FDIC Board, will impose an assessment on each SAIF member in the same manner and under the same restrictions as FDIC insurance assessments. Any such assessments will count (dollar for dollar) against the statutory limits on SAIF assessments, and may thus reduce SAIF's assessment income. Second, if REFCORP still needs additional funds, the FDIC will transfer the necessary funds to REFCORP from the receivership proceeds of the FSLIC Resolution Fund.

I. Obligations of the Funding Corporation

Subsection (f) authorizes REFCORP, subject to the direction of the RTC, to issue up to $50 billion in debt obligations. REFCORP will pay the interest due (and any redemption premium) on those obligations from the following sources: (1) the net proceeds received by the RTC from liquidating institutions managed by the RTC, to the extent that the Oversight Board determines that those proceeds exceed the funds necessary for resolution costs; and (2) proceeds from warrants and participations acquired by the RTC.

If those funds do not cover the interest due on REFCORP obligations during a given year, the FHL Banks will jointly pay REFCORP $300 million minus whatever amounts the FHL Banks have paid (or should have paid) the Financing Corporation or REFCORP to purchase REFCORP stock. Individual FHL Banks' shares of those annual payments will be determined under a formula based on each FHL Bank's net earnings and share of the total advances made by all FHL Banks to SAIF members.

When the RTC is dissolved, its net assets will also be transferred to REFCORP to be used for interest payments.

If the Directorate determines, with the approval of the Secretary of the Treasury, that REFCORP cannot pay the interest due on its obligations from the sources described above, the Treasury will pay REFCORP whatever additional amounts REFCORP needs to make its interest payments. Any such Treasury payment will become a liability of REFCORP to be repaid to the Treasury once REFCORP is dissolved, to the extent that REFCORP has any remaining assets. Subsection (f) appropriates to the Secretary of the Treasury whatever amounts he will need to carry out that duty in fiscal year 1989 and thereafter.

When obligations issued by REFCORP under subsection (f) mature, they will be repaid by liquidating non-interest-bearing instruments held by the Funding Corporation Principal Fund.

J. Funding Corporation obligations, investments, and assets

The net proceeds of REFCORP obligations will be used to buy capital certificates issued by the RTC or to repay earlier obligations whose proceeds were invested in such capital certificates.

REFCORP obligations are made lawful investments for all federally administered fiduciary, trust, and public funds.

All persons authorized to deal in various ways in FHL Bank obligations may deal similarly in REFCORP obligations.

REFCORP obligations will have the same tax status as FHL Bank obligations. Thus, for example, interest earned on REFCORP

obligations will be subject to Federal income tax but not to State or local income taxes.

REFCORP obligations will be "exempt securities" under the Federal securities laws administered by the Securities and Exchange Commission.

The Oversight Board and the Directorate must ensure that minority owned or controlled commercial banks, investment banking firms, underwriters, and bond counsel have opportunities to participate significantly in any public or negotiated offerings of REFCORP obligations issued under section 21B.

REFCORP's obligations will be neither obligations of, nor guaranteed as to principal by, the Federal Home Loan Bank System, the FHL Banks, the United States, or the RTC. The Secretary of the Treasury will pay interest on REFCORP obligations as required by subsection (f).

Under new subsection (g), any assets that REFCORP is not required to invest in the RTC or apply to current interest payments will—subject to regulations, restrictions, and limitations prescribed by the RTC Oversight Board—be invested in Treasury securities, mortgage-related securities, or any other securities lawful for fiduciary and trust funds under the laws of any State. Earnings on those assets must be applied to interest due on REFCORP obligations before the sources described in subsection (f).

K. Funding Corporation principal fund

Subsection (g) further requires that funds received by REFCORP from sources specified in subsection (e) be invested in non-interest-bearing instruments such as Treasury STRIPS. REFCORP must hold those investments in a segregated account, the "Funding Corporation Principal Fund," to ensure repayment of the principal of those obligations. The total principal payable when the assets in that account mature will approximately equal REFCORP's debt principal. REFCORP may lend assets in the segregated account (with adequate collateral) to primary dealers in Treasury securities to facilitate market liquidity.

L. Miscellaneous provisions

Paragraph (1) of new subsection (h) gives REFCORP the same tax status as the FHL Banks have under section 13 of the Federal Home Loan Bank Act. It also authorizes the Secretary of the Treasury to prepare the necessary forms of stocks, bonds, and other obligations, as approved by the Oversight Board, to be issued by the REFCORP.

Paragraph (2) permits the Federal Reserve banks to act as REFCORP depositories, fiscal agents, or custodians.

Paragraph (3) makes REFCORP a mixed-ownership Government corporation for purposes of certain sections of the Government Corporations Control Act. Thus REFCORP is subject to audit by the General Accounting Office, and REFCORP's accounts can be kept by the Secretary of the Treasury, a Federal reserve bank, or any bank designated as a depository or fiscal agent of the U.S. Government. The Secretary of the Treasury will prescribe the terms of REFCORP's obligations (including the form, denomination, maturity, and interest rate), the time and manner of issuance, and the price for which the obligations will be sold. REFCORP needs the Secretary's approval to buy or sell more than $100,000 of any direct obligation of the U.S. Government or any obligation on which the principal and interest are guaranteed by the Government (although the Secretary may waive this requirement).

Under paragraph (4), any civil action, suit, or proceeding to which REFCORP is a party will be deemed to arise under the laws of the United States. The U.S. District Court for the District of Columbia will have original jurisdiction over such cases. REFCORP may remove such cases from State court to the U.S. District Court for the District of Columbia without bond or security.

Paragraph (5) requires REFCORP to submit an annual report to the Senate, the House, and the President. The report will include audited financial statements prepared in accordance with generally accepted accounting principles, together with financial operating plans and forecasts (including estimates of actual spending, future spending, and actual and future noncash obligations that fully account for REFCORP's financial commitments, guarantees, and other contingent liabilities. REFCORP's financial statements must be audited annually by an independent certified public accountant.

New subsection (i) provides for REFCORP's termination and dissolution. REFCORP will dissolve as soon as practicable after all of its obligations have been retired. After REFCORP's dissolution, the RTC Oversight Board may exercise any of REFCORP's power in order to conclude REFCORP affairs. Upon REFCORP's dissolution, the Treasury will receive any remaining REFCORP funds up to the amount it provided REFCORP over the years, with interest. If any REFCORP funds remain after the Treasury is fully repaid, they will be paid to the FHL Banks to retire the capital stock.

New subsection (j) permits the Oversight Board to prescribe regulations necessary to carry out section 21B.

New subsection (k) defines certain terms used in new section 21B. Paragraph (2) defines "Oversight Board" as the Oversight Board of the RTC—and, after termination of the RTC, the Secretary of the Treasury, together with the Chairman of the Federal Reserve Board and the Attorney General of the United States. Paragraph (4) defines "issuance costs" as issuance fees and commissions incurred by REFCORP in issuing or servicing its obligations. Those costs include legal and accounting expenses, trustee and fiscal paying agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses to the extent those costs are incurred by REFCORP in connection with issuing any obligation. Paragraph (5) defines "custodian fees" as fees incurred by REFCORP in transferring securities to or holding them in the Funding Corporation Principal Fund, and other expenses associated with establishing and maintaining that fund.

SECTION 503. FINANCING CORPORATION

This section amends section 21 of the Federal Home Loan Bank Act, which established the Financing Corporation. Paragraphs (1) through (7) of this section make technical amendments to section 21, primarily to permit the Financing Corporation to buy capital certificates issued by the FSLIC Resolution Fund (the "Fund"), if necessary. Those certificates will not pay dividends. When the FSLIC Resolution Fund terminates, the Fund's liability for the certificates will be subordinate to any Fund liability to the Treasury.

This section replaces section 21(f) of the Act, which currently authorizes the Financing Corporation to impose assessments on FSLIC-insured institutions to obtain money to pay interest on Financing Corporation obligations. New subsection (f) specifies three sources of funds for such interest payments. First, such payments can be made out of funds raised through Financing Corporation assessments levied on insured institutions before the bill becomes law.

Second, the Financing Corporation, with the FDIC's approval, may assess each SAIF member as if it were the FDIC acting under section 7 of the Federal Deposit Insurance Act. The amount assessed by the Financing Corporation plus the amount assessed by REFCORP under section 21B of the Federal Home Loan Bank Act may not exceed the assessment amount authorized under section 7 of the Federal Deposit Insurance Act, but the Financing Corporation will have first priority to make such assessments. All assessments made by the Financing Corporation under section 21 and by REFCORP under section 21B will count (dollar for dollar) against the limits on SAIF assessments set forth in section 7 of the FDI Act.

Third, if funds available from the first two sources cannot cover the interest due on the Financing Corporation's obligations, the FDIC will transfer the required balance to the Financing Corporation from the receivership proceeds of the FSLIC Resolution Fund, if REFCORP does not need those funds for the Funding Corporation Principal Fund under section 21B.

This section also permits the Financing Corporation to lend zero-coupon securities held in a segregated account to primary dealers in Treasury securities. Finally, the section provides for the Financing Corporation to be dissolved on December 31, 2026, or when its obligations mature and are fully paid, whichever comes first.

SECTION 504. MIXED OWNERSHIP GOVERNMENT CORPORATION

This section adds REFCORP and the RTC to the list of mixed-ownership Government corporations under the Government Corporations Control Act.

SECTION 505. FEDERAL HOME LOAN BANK RESERVES

Section 16(a) of the Federal Home Loan Bank Act currently requires each FHL Bank to retain 20 percent of its net earnings as reserves. This section repeals that requirement, effective January 1, 1992. The directors of each FHL Bank may then independently determine what percentage of the Bank's net earnings to retain as reserves. For purposes of section 16, "net earnings" will be computed without reduction for expenses incurred by an FHL Bank in connection with investments in REFCORP.

TITLE VI—THRIFT ACQUISITION ENHANCEMENT PROVISIONS

SECTION 601. ACQUISITION OF THRIFT INSTITUTIONS BY BANK HOLDING COMPANIES

A. Current law

A bank holding company may engage in a given nonbanking activity under section 4(c)(8) of the Bank Holding Company Act only if the Federal Reserve Board has determined that the activity is "so closely related to banking or managing or controlling banks as to be a proper incident thereto." The Board has determined that the operation of a thrift institution is "closely related to banking" but is generally not a "proper incident thereto." *See, e.g., Citicorp*, 68 Fed. Res. Bull. 656 (1982). The Board has, however, permitted a bank holding company to operate a thrift institution if that institution had failed or was failing when the bank holding company acquired it. *See, e.g., id.* In approving such acquisitions, the Board has imposed certain limits

on transactions between the thrift institution and other subsidiaries of the holding company, such as prohibiting the thrift institution from being "operated in tandem" with the other subsidiaries, and prohibiting the other subsidiaries from linking their deposit-taking activities to accounts at the thrift institution (e.g., through a sweep arrangement). *Id* at 659.

B. Discretion to approve acquisitions under section 4(c)(8)

This section of the bill specifically authorizes the Federal Reserve Board to permit a bank holding company to acquire a savings association pursuant to section 4(c)(8) of the Bank Holding Company Act, as described below.

1. Acquiring undercapitalized savings associations during the two years after the bill becomes law.—During the first two years after the bill becomes law, the Board may permit a bank holding company to acquire any savings association (1) that does not meet the capital standards prescribed by the Chairman of the Office of Savings Associations, or (2) whose tier 1 capital (as defined in COSA's risk-based capital regulations), excluding any goodwill, is less than 2 percent of the savings association's risk-adjusted assets.

2. Acquiring any savings association after that two-year period.—Beginning two years after the bill becomes law, the Board may permit a bank holding company to acquire *any* savings association.

C. Restrictions on transactions between the savings association and its affiliates

Effective immediately upon enactment, the Board may not impose restrictions on transactions between the savings association and its holding company affiliates except as required under sections 23A and 23B of the Federal Reserve Act or other applicable statutes. In addition, any orders issued before enactment must be modified to the extent that they contain restrictions not permissible under the preceding sentence.

D. Subsidiary savings association is fully subject to section 4(c)(8)

This section in no way permits a savings association subsidiary of a bank holding company to engage, directly or indirectly, in any activity not permissible under section 4(c)(8). On the contrary, any acquisition of a savings association pursuant to this section must be made under section 4(c)(8), subject to all of the requirements, limitations, and procedures applicable under section 4.

SECTION 602. INVESTMENTS BY SAVINGS AND LOAN HOLDING COMPANIES IN UNAFFILIATED THRIFT INSTITUTIONS

A. General rule

Section 408(e)(1)(A)(ii) of the National Housing Act (which the bill reenacts as section 10(e)(1)(A)(ii) of the Home Owners' Loan Act) prohibits a savings and loan holding company from acquiring any voting shares of a federally insured thrift institution—or a savings and loan holding company—that is not a subsidiary of the would-be acquirer. Thus a savings and loan holding company may not currently acquire voting shares of another savings and loan holding company or of a federally insured thrift institution unless it has, or is acquiring, control of that holding company or thrift institution.

This section permits a savings and loan holding company to acquire up to 5 percent of the outstanding voting shares of a savings association or a savings and loan holding company, even if the acquirer does not control the savings association or holding company that is the issuer of the shares.

Bank holding companies already have similar authority under section 4(c)(6) of the Bank Holding Company Act.

B. Exceptions

In determining compliance with the 5-percent limit described above, shares of a savings association or savings and loan holding company are not counted if they fall within the following seven categories:

(1) shares held as a bona fide fiduciary, with or without the sole discretion to vote the shares;

(2) shares held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

(3) shares held in an account solely for trading purposes (i.e., as a market-maker);

(4) shares over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation;

(5) shares acquired in securing or collecting a debt previously contracted in good faith, for two years after the date of acquisition (subject to extension by the Chairman of the Office of Savings Associations);

(6) shares acquired under section 13(k) of the Federal Deposit Insurance Act, which authorizes emergency acquistions of failed or failing savings associations; and

(7) shares held by insurance company subsidiaries of the parent holding company, so long as all shares held by such insurance companies pursuant to this exception do not in the aggregate exceed 1 percent of any class of shares of a given bank or thrift institution.

These exceptions are identical to certain provisions of section 4(f)(2)(A)(ii) of the Bank Holding Company Act, as amended by section 1414 of the bill. Thus, for example, exception (1), like the basic fiduciary exception in new section 4(f)(2)(A)(ii)(I), focuses on whether a holder of shares *acts* as a fiduciary rather than merely has the status of a fiduciary. Exception (5), like new section 4(f)(2)(A)(ii)(VI), is modeled on section 2(a)(5)(D) of the Bank Holding Company Act. The 1-percent limitation in exception (7), like that in new section 4(f)(2)(A)(ii)(VIII), prevents the exception from becoming an open-ended loophole under which the 5-percent restriction could be evaded merely by holding shares through one or more insurance companies.

SECTION 603. TECHNICAL AMENDMENT TO THE BANK HOLDING COMPANY ACT

The Bank Holding Company Act currently uses the term "insured institution" to refer to a federally insured thrift institution, and section 2(j) of that Act incorporates by reference the definition of "insured institution" in section 408(a)(1) of the National Housing Act.

This bill repeals section 408, and generally refers to thrift institutions as "savings associations." Accordingly, this section amends section 2(j) so as to encompass "savings associations," and to incorporate by reference the definition of "savings associations" in section 10(a)(1)(A) of the Home Owners' Loan Act.

TITLE VII—FEDERAL HOME LOAN BANK SYSTEM REFORMS

Subtitle A—Federal Home Loan Bank Act Amendments

SECTION 701. DEFINITIONS

This section amends section 2 of the Federal Home Loan Bank Act by replacing "Federal Loan Bank Board" with "Federal Home Loan Bank Agency," replacing "Board" with "Agency," and making conforming changes.

SECTION 702. FEDERAL HOME LOAN BANK AGENCY

Under section 17 of the Federal Home Loan Bank Act, the Federal home loan banks ("FHL Banks") are currently supervised and regulated by the Federal Home Loan Bank Board, which will be abolished under section 301 of the bill. This section amends section 17 to replace the Bank Board as supervisor and regulator of the FHL Banks with a new Federal Loan Bank Agency (the "Agency"). (Title III of the bill transfers the Bank Board's authority to regulate savings associations to a new Office of Savings Associations in the Department of the Treasury.)

The Federal Home Loan Bank Agency will be governed by a three-member board of directors, whose members will be appointed by the President for six-year terms, subject to confirmation by the Senate. Each person appointed as a director must have extensive experience or training in housing finance, as well as a commitment to the provision of specialized housing credit. No more than two directors may be from the same political party. No director may hold any other appointive office during his or her term.

The Agency may set the compensation of its employees without being bound by U.S. Government pay constraints. However, to avoid a bidding war to attract employees from one agency to another, the Agency must consult with the Federal banking agencies in setting its employees' compensation, and that compensation must be comparable to that paid by the banking agencies.

The Agency's employees will not be officers or employees of the U.S. Government for purposes of title 5 of the U.S. Code. An agent of the Agency will, however, be an employee of the Government for purposes of section 2671 of title 28, which relates to tort liability.

The Agency may not delegate any of its functions to any employee or administrative unit of any FHL Bank.

All of the Agency's expenses, including the salaries of its employees and its board of directors, are to be paid from assessments levied on the FHL Banks. Those funds will not be treated as Government funds or appropriated monies, nor will they be subject to apportionment under title 31.

No member of the Agency's board of directors may have any direct or indirect financial interest in any institution that is a member of an FHL Bank.

The Agency may, for cause, suspend or remove any director, officer, or employee of an FHL Bank. The Agency must give the affected party written notice of the cause for the suspension or removal.

The Agency must report annually to Congress. Its reports should detail the operations of the Agency and the FHL Banks, and evaluate the Federal Home Loan Bank System's effectiveness in safely promoting affordable home financing, raising funds in the capital markets, and maintaining adequate capital.

SECTION 703. SHAREHOLDER ELIGIBILITY REQUIREMENTS

Section 4(a) of the Federal Home Loan Bank Act currently allows only thrift institutions and insurance companies to become members of a Federal home loan bank. Section 27 of that Act prohibits national banks from subscribing for stock of an FHL Bank.

This section repeals section 27, and amends section 4(a) to permit any federally insured bank or credit union to become a member of an FHL Bank, if the bank or credit union meets the qualified thrift lender test (sections 301 and 303 of the bill; also discussed below in connection with section 712). Any institution that is not a member of an FHL Bank on January 1, 1989, may become a member only if it meets the QTL test. The Agency may deny an application for membership if, in the Agency's judgment: (1) advances could not be safely made to the applicant; or (2) the applicant's management or home-financing policy is inconsistent with sound and economical home financing or with the purposes of the Federal Home Loan Bank Act.

SECTION 704. CAPITAL STOCK

This section deletes subsections (a), (e), (f), and (g) of section 6 of the Federal Home Loan Bank Act. These obsolete subsections governed the original issuance of FHL Bank stock, subscription for that stock by the Secretary of the Treasury, repurchase of stock held by the Treasury, and advances by the FHL Banks to State thrift institutions that were prohibited by State law from purchasing FHL Bank stock. This section of the bill also amends section 6(i) of the Act (redesignated as subsection 6(e)) to require any member that withdraws from, or is deprived of, membership in an FHL Bank to repay all advances and pay a prepayment fee.

SECTION 705. ELECTION OF BANK DIRECTORS

This section amends section 7 of the Federal Home Loan Bank Act to require that two of the directors appointed by the Agency to serve on the board of each FHL Bank be selected based on their qualifications as representatives of consumers or persons of moderate income.

This section authorizes each FHL Bank to determine the conditions under which it may indemnify its directors and officers.

If a member institution does not meet all applicable capital standards, this section also prohibits any officer or director of that institution from serving as a director of an FHL Bank. Thus, for example, if a member institution ceases to meet any applicable capital standard, any officer or director of the institution must immediately resign from the FHL Bank's board of directors, even if the institution met all applicable capital standards when he or she was elected.

SECTION 706. STUDIES

This section replaces obsolete section 8 of the Federal Home Loan Bank Act (authorizing certain studies of State law) with a new section 8 authorizing the Agency or the FHL Banks to study trends in home and property values, methods of appraisal, and other relevant subjects.

SECTION 707. ELIGIBILITY OF BORROWERS TO OBTAIN ADVANCES

This section deletes from the Federal Home Loan Bank Act all references to nonmember borrowers. Any borrower from an FHL Bank must henceforth own stock in that FHL Bank.

SECTION 708. FEDERAL HOME LOAN BANK LENDING

This section amends section 11(k) of the Federal Home Loan Bank Act to authorize the FHL Banks to make loans to the FDIC for use by the Savings Association Insurance Fund, as directed by the FDIC. The interest rate on such a loan must be no less than the FHL Banks' current marginal cost of funds, taking into account the maturity involved. These loans must have COSA's concurrence and must be secured to COSA's satisfaction.

SECTION 709. FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

This section repeals section 8a of the Federal Home Loan Bank Act, thereby abolishing the Federal Savings and Loan Advisory Council.

SECTION 710. FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION INDUSTRY ADVISORY COMMITTEE

This section repeals section 21(i) of the Federal Home Loan Bank Act, therby abolishing the Federal Savings and Loan Insurance Corporation Industry Advisory Committee.

SECTION 711. RATE OF INTEREST

This section repeals section 5B of the Federal Home Loan Bank Act, which currently authorizes the Bank Board to regulate the payment and advertisement of interest paid to depositors by FSLIC-insured institutions. The authority to regulate interest rates is being transferred to COSA.

SECTION 712. ADVANCES

A. Advances must be fully secured by eligible collateral

Subsection (a) of this section amends section 10(a) of the Federal Home Loan Bank Act to specify that any advance or other extension of credit by an FHL Bank must be fully secured by one or more of the following: (1) fully disbursed home mortgage loans; (2) securities issued or guaranteed by the U.S. Government, or mortgage-backed securities issued or guaranteed by Freddie Mac, the Federal National Mortgage Association, or the Government National Mortgage Association; (3) deposits of an FHL Bank; or (4) real-estate-related collateral which has a readily ascertainable value and in which which the FHL Bank can perfect its security interest, so long as all such loans do not exceed 30 percent of the borrower's capital. However, this requirement does not limit an FHL Bank's authority to protect its security position on outstanding loans (e.g., by requiring additional collateral of any type). Long-term advances may be made *only* to provide funds for housing finance.

B. Special requirements for borrowers not in compliance with OTL test

Subsection (b) of this section amends section 10(e) of the Federal Home Loan Bank Act, dealing with advances to current members that fail the qualified thrift lender test. Under sections 301 and 303 of the bill, a member savings association that ceases to be a qualified thrift lender has three years in which to become a bank. After the three-year period, it may not obtain advances and must repay any outstanding advances. This section governs advances to such a savings association during the three-year transitional period. The savings association may obtain advances only if it purchases and holds stock in its FHL Bank in the amounts that would be required if it had 60 percent of its assets in home mortgage loans. A member seeking advances pursuant to amended section 10(e) would still have to satisfy additional requirements set forth in the Federal Home Loan Bank Act, the Home Owners Loan Act, Agency regulations, and the FHL Bank's credit program.

SECTION 713. EXAMINATIONS

This section amends section 20 of the Federal Home Loan Bank Act to require periodic examinations of the FHL Banks by the Comptroller General. These examinations shall focus on the effectiveness of the FHL Banks and the Agency in fulfilling the purposes of the Federal Home Loan Bank Act.

SECTION 714. CONFORMING FEDERAL HOME LOAN BANK ACT AMENDMENTS

This section makes certain conforming amendments to the Federal Home Loan Bank Act and other statutes in keeping with section 702 of the bill, under which the Agency will be funded by assessments levied on the FHL Banks. This section also makes certain other conforming amendments.

SECTION 715. LIQUIDITY

This section repeals section 5A of the Federal Home Loan Bank Act, relating to liquidity requirements. Section 301 of the bill re-enacts the substance of section 5A as section 4A of the Home Owner's Loan Act, but with liquidity requirements administered by the Chairman of the Office of Savings Associations rather than by the Bank Board.

SECTION 716. TRANSFERS

Under this section, FHL Bank employees who currently supervise and regulate savings associations will be transferred to the Office of Savings Associations. The section also provides for other incidental personnel transfers as agreed between COSA and the Agency.

Subtitle B—Conforming Amendments

SECTION 721. REPEAL OF LIMITATION OF OBLIGATION FOR ADMINISTRATIVE EXPENSES

This section deletes obsolete references to the Federal Home Loan Bank System, the Home Owners' Loan Corporation, and FSLIC in section 7(b) of the First Deficiency Appropriation Act of 1936.

SECTION 722. AMENDMENT OF ADDITIONAL POWERS OF CHAIRMAN

This section amends section 502(c) of the Housing Act of 1948 to give COSA the current authority of the Bank Board and FSLIC to contract with and otherwise utilize certain public and private resources in carrying out his duties.

SECTION 723. AMENDMENT OF EXECUTIVE SCHEDULE

This section specifies the compensation for certain newly-created positions by adding the Chairman of the Office of Savings Associations and the President of the Federal Home Loan Bank Agency to Level III of the Executive Schedule, and by adding the Agency's directors to Level IV of that schedule.

SECTION 724. AMENDMENT OF TITLE 31, UNITED STATES CODE

This section provides that the Office of Savings Associations is subject to the general oversight of the Secretary of the Treasury.

SECTION 725. AMENDMENT OF BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT

This section amends the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt from sequestration the Office of Savings Associations, the FSLIC Resolution Fund, the RTC, the insurance funds administered by the FDIC, and payments to the Resolution Funding Corporation—just as the Bank Board and FSLIC are currently treated.

TITLE VIII—BANK CONSERVATION ACT AMENDMENTS

The Bank Conservation Act authorizes the Comptroller of the Currency to appoint a conservator for a national bank or a District of Columbia bank or trust company supervised by the Comptroller, if the Comp-

troller determines such action is necessary to conserve the bank's assets for depositors and other creditors. The Act was enacted in 1933 and has never been amended. The Comptroller has rarely invoked the Act since the Great Depression because of certain rigid constraints in the Act, such as a provision making the conservator's compensation subject to the Government pay scale, and an unwieldy requirement that new deposits be segregated from old deposits.

SECTION 801. DEFINITIONS

This section amends the Bank Conservation Act's definition of "bank" to include a Federal branch of a foreign bank, and any other federally chartered or licensed institution supervised by the Comptroller of the Currency.

SECTION 802. APPOINTMENT OF CONSERVATOR

A. Grounds for appointment

This section amends section 203 of the Bank Conservation Act. New subsection (a) of section 203 clarifies the grounds for the comptroller to appoint a conservator for a financial institution. Most of these grounds resemble the grounds for appointment of a conservator for a Federal savings association under section 5(d)(2) of the Home Owners' Loan Act.

B. Judicial review

New subsection (b) provides for judicial review of the Comptroller's appointment of a conservator. The appointment may be set aside only if the court finds it to be arbitrary or capricious, an abuse of discretion, or otherwise not in accordance with the law. Like section 5(d)(2) of the Home Owners' Loan Act, subsection (b) is intended to limit judicial interference in the conduct of conservatorships.

Subsection (b) also requires the court to stay for up to 90 days judicial proceedings to which the conservator or the bank is or may become a party, upon petition by the Comptroller.

New subsection (c) gives the Comptroller additional power to appoint a conservator if a majority of a bank's directors consent to the appointment, or if the FDIC terminates the bank's deposit insurance.

New subsection (d) makes exclusive the Comptroller's power to appoint conservators for banks, and permits the Comptroller to appoint as conservator the FDIC or any other person. The Comptroller may not appoint a conservator to liquidate or wind up the affairs of a bank (except insofar as section 804 of the bill permits a sale of voluntary liquidation).

New subsection (e) permits the Comptroller to replace a conservator at any time, without notice or hearing.

SECTION 803. EXAMINATIONS

This section authorizes the Comptroller, in carrying out his supervisory responsibilities, to use reports made by the FDIC as conservator. The Comptroller will continue to supervise national banks in conservatorship that are operated as going concerns.

SECTION 804. TERMINATION OF CONSERVATORSHIP

This section further defines the circumstances in which a conservatorship may be terminated. A conservatorship may be terminated when the Comptroller (together with the FDIC, when the FDIC is the conservator) believes termination is safe and in the public interest. Termination may occur (1) when the bank resumes business on terms prescribed by the Comptroller; (2) upon the sale, merger, consolidation, purchase and assumption, change in control, or voluntary liquidation of the bank; or (3) if the Comptroller declares the bank insolvent and places it in receivership.

If, on termination of a conservatorship, a bank resumes normal operations on terms imposed by the Comptroller, those terms will constitute an enforceable order, subject to judicial review. If a conservatorship terminates through a sale, change in control, or the like, any net proceeds of the transaction must be distributed to interested claimants, including shareholders, according to a specified notice and claims procedure.

SECTION 805. CONSERVATOR; POWERS AND DUTIES

This section amends section 206 of the Bank Conservation Act to clarify the scope of a conservator's management powers over the bank in conservatorship. These powers resemble those of a conservator for an insured savings association. Except as the Comptroller may otherwise provide by rule, regulation, or order, a conservator has the same rights and duties and is subject to the same penalties and requirements as apply to the directors, officers, or employees of the bank whose authority the conservator exercises.

The Comptroller may permit the conservator and persons retained to assist the conservator to be paid at rates exceeding Federal salary rates.

The Comptroller may direct the conservator to set aside funds to assure payment of depositors and other creditors.

This section preserves current law regarding the payment of conservatorship expenses from the bank's assets.

SECTION 806. LIABILITY PROTECTION

This section restates the limitations on the conservator's liability to third parties. The Federal Tort Claims Act governs if the conservator is a Federal agency or employee. In all other cases, the conservator is liable only for bad faith or gross negligence. The Comptroller may indemnify a conservator.

SECTION 807. RULES AND REGULATIONS

Under this section, regulations issued by the Comptroller must, insofar as they apply to cases in which the FDIC is conservator, must be consistent with the FDIC's regulations under the FDI Act.

SECTION 808. REPEALS

This section repeals sections 207 and 208 of the Bank Conservation Act. Section 207 currently permits a bank reorganization—which must be approved by depositors and other creditors, or stockholders, or both—to become effective only pursuant to a plan approved by the Comptroller and a supermajority of the interested parties. The repeal of section 207 will not impede the reorganization of banks in conservatorship. The conservator's power under section 206 (section 805 of the bill) to act for a bank's shareholders will greatly facilitate a reorganization. When the FDIC acts as conservator, it also has broad reorganization powers under section 11 of the FDI Act.

The repeal of current section 208 of the Bank Conservation Act, coupled with the amendment of section 206, removes the onerous requirement that new deposits be segregated from old deposits to prevent new deposits from being used to satisfy old deposit liabilities and to assure full payment on new deposits accepted during the conservatorship.

SECTION 809. CONFORMING AMENDMENT

This section adds conservators appointed under the Bank Conservation Act to the list of persons whom the Comptroller of the Currency may appoint without regard to section 5373 of title 5, United States Code, which (but for section 1404 of the bill) would prohibit the Comptroller from setting the compensation of a position or employee at more than the maximum rate for level V of the Executive Schedule.

TITLE IX—ENFORCEMENT AUTHORITY IMPROVEMENTS

SECTION 902. SHORT TITLE

This section designates this title as the "Enforcement Authority Improvements Act of 1989."

Subtitle A—Regulation of Financial Institutions

SECTION 911. CHANGE IN TERMINOLOGY

The enforcement provisions currently use inconsistent terminology to define the scope of the Federal banking agencies' enforcement authority. For example, cease-and-desist orders may be issued against any "director, officer, employee, agent, or other person participating in the conduct of the affairs of an insured bank." Removal orders, on the other hand, may be issued only against directors or officers.

This section deletes the various terms used to describe the parties covered by the enforcement provisions and substitutes the new term "institution-related party." The term is defined (in section 3 of the Federal Deposit Insurance Act, as amended by section 204 of the bill) to include any director, officer, employee, agent, or other person participating in the conduct of the affairs of an insured bank or a subsidiary of an insured bank; any person who has filed or should have filed a change-in-control notice with the appropriate Federal banking agency; and any controlling shareholder. It also includes an "independent contractor," such an attorney, accountant, or appraiser, who knowingly or recklessly participates in a wrongful action that had or is likely to have an adverse effect on an insured institution. The additional requirement of knowing or reckless participation in a wrongful action applies only to an independent contractor who does not otherwise participate in a financial institution's affairs. Thus, for example, an attorney who is a director of a bank would automatically be an "institution-related party" even though the attorney may not knowingly or recklessly participate in a wrongful act.

SECTION 912. PERIODS APPLICABLE TO INSURANCE TERMINATION

Under current law, the FDIC may initiate a proceeding to terminate an insured bank's deposit insurance if the FDIC determines that the bank is engaging in an unsafe or unsound practice; is in an unsafe or unsound condition; or has violated any law, regulation, or condition imposed in writing in connection with the granting of an application or other request. First, the FDIC must give a statement of the problem to the bank and its primary Federal regulator (and in the case of a State bank, the State regulator). The bank must then correct the probem within 120 days, or such shorter period not less than 20 days as the FDIC or the appropriate Federal agency may determine. If the bank does not correct the problem, the FDIC may give the bank 30 days notice of the FDIC's intent to terminate insurance. The bank is then entitled to an administrative hearing. Following the hearing, the FDIC may issue an order terminating the bank's insurance. Existing deposits at that bank will then remain insured for two

years, but new deposits will have no insurance.

This section of the bill reduces from 120 days to 60 days the maximum time an institution may take to correct violations. After insurance terminates, existing accounts will remain insured for at least six months and, at the FDIC's discretion, for up to two years.

SECTION 913. SUSPENSION OF INSURANCE

There is currently no procedure under which the FDIC may suspend insurance. This section adds a new section 8(a)(2) to the FDI Act, permitting the FDIC to issue a temporary order suspending deposit insurance on all deposits received by an insured institution. To issue such an order, the FDIC must find, after consultating with the appropriate Federal banking agency, that the financial institution has no tangible capital under the agency's capital standards. Such an order may take effect 10 days after service. Within the 10-day period, the institution may seek an injunction in U.S. district court. The court shall issue the injunction if it finds the FDIC's suspension order to be arbitrary or capricious.

A special rule applies for savings associations. Under that rule, the FDIC is to add goodwill to a savings association's tangible capital to the extent that such goodwill may be included in that savings association's capital under section 5(t) of the Home Owners' Loan Act. "Special supervisory associations" are those whose capital for purposes of section 8(a)(2) would be less than or equal to zero but for the inclusion of goodwill under the special rule.

The FDIC may suspend a special supervisory association's insurance if: (1) the association's capital suffers a material decline; (2) the association or any officer or director engages in any unsafe or unsound practice; (3) the association is in an unsafe or unsound condition; (4) the association or any officer or director violates any applicable law, rule, regulation, or order, or any condition imposed in writing; or (5) the association fails to enter into a capital-improvement plan within three months after the bill becomes law. The FDIC must examine every special supervisory association within three months after the bill becomes law and quarterly thereafter. Nothing in this section limits the right of the FDIC, as successor to FSLIC and the Bank Board, to enforce any contractual provision requiring a special supervisory association to amortize goodwill at a more rapid rate than would otherwise be required under Federal law or applicable accounting standards.

SECTION 914. RESTITUTION, REIMBURSEMENT, AND OTHER REMEDIES

A. Restitution, reimbursement, and indemnification

Section 8(b) of the Federal Deposit Insurance Act authorizes the Federal banking agencies to issue cease-and-desist orders, which may require an insured institution or its employees to "take affirmative action to correct the conditions resulting from any" violation. In *Larimore v. Comptroller of the Currency*, 789 F.2d 1244 (7th Cir. 1986), the court of appeals held that section 8(b) did not authorize the Comptroller to obtain reimbursement in an administrative proceeding from a director of a national bank who participated in a violation of the statutory lending limit.

The *Larimore* decision has created confusion about the Federal banking agencies' authority to order restitution, reimbursement, or other forms of indemnification. This section makes clear that the Comptroller as well as the other Federal banking agencies may order a party to make restitution to, reimburse, or otherwise indemnify an insured institution for losses resulting from violation of laws or other improper conduct. The banking agencies should use this power only in appropriate cases—for example, when the institution-related party has unjustly enriched himself at the institution's expense or has acted in reckless disregard of the banking laws or regulations. This power should not be used when the institution-related party has engaged in less serious violations or less serious conduct.

B. Restrictions on activities

This section also permits a permanent cease-and-desist order (1) to limit or restrict the activities or functions of a financial institution or any institution-related party in order to correct the conditions resulting from any violation or practice; and (2) to limit a financial institution's asset growth.

SECTION 915. APPLICABILITY OF SECTION 8

This section applies the banking agencies' basic enforcement statute, section 8 of the FDI Act, to savings and loan holding companies and their subsidiaries (other than a bank or any subsidiary of a bank) and to any subsidiary of a savings association. COSA will be the regulator, unless the savings and loan holding company is also a bank holding company, in which case both COSA and the Federal Reserve Board will be the regulator.

SECTION 916. TEMPORARY CEASE-AND-DESIST ORDERS

Current law permits a Federal banking agency to issue a temporary cease-and-desist order if it finds that a violation, a threatened violation, or a practice is likely to (1) make a bank insolvent, (2) lead to *substantial* dissipation of the bank's assets or earnings, (3) *seriously* weaken the bank's condition or (4) *seriously* prejudice the interests of the bank's depositors, before a regular cease-and-desist proceeding could be completed. This section deletes the terms "substantial" and "seriously" from the above requirements, and specifies that a temporary order may limit the activities or functions of a financial institution or any institution-related party. Such limits may include prohibitions on the institution's asset growth.

SECTION 917. TEMPORARY CEASE-AND-DESIST ORDERS RELATING TO BOOKS AND RECORDS

A Federal banking agency may issue a temporary cease-and-desist order whenever it determines that an insured financial institution's books or records are so incomplete or inaccurate that the agency cannot, through normal supervisory practice, determine the institution's financial condition or the details or purpose of any transaction that may adversely affect the institution's financial condition.

All temporary cease-and-desist orders are subject to judicial review under the "arbitrary and capricious" standard.

SECTION 918. REMOVAL ORDERS

Current law permits the Federal banking agencies to remove officers and directors of insured banks, but not other parties. Different removal provisions apply, depending upon whether the misconduct occurred at the bank that currently employs the individual (section 8(e)(1) of the FDI Act), or at another institution or business enterprise (section 8(e)(2)). These provisions essentially require a showing that: (1) the party has violated a law, rule, regulation, or cease-and-desist order, has engaged or participated in an unsafe or unsound practice, or has breached a fiduciary duty; and (2) the institution has suffered or will probably suffer *substantial* financial loss or could be *seriously* prejudiced because of that violation or practice, or the individual has received financial gain through that practice; and (3) the violation or practice involves personal dishonesty or demonstrates a willful or continuing disregard for the financial institution's safety and soundness.

The bill unifies the removal provisions to establish a single standard regardless of whether the misconduct occurs at the institution that currently employs the individual or at another institution. To be removed under the new standard:

(1) an institution-related party must have (a) violated a law, rule, regulation, final order, or written agreement with a Federal banking agency, (b) engaged in or participated in an unsafe or unsound practice, or (c) breached a fiduciary duty;

(2) (a) the institution must have suffered or be likely to suffer financial loss or prejudice to its depositors' interests, or (b) the party must have received financial gain through his or her violation, practice, or breach; and

(3) The party's conduct must have (a) involved personal dishonesty, or (b) demonstrated willful or continuing disregard for the safety and soundness of the institution.

The new removal provision will apply to all institution-related parties, not just officers and directors. An individual removed from one institution could not, without the prior consent of the agency that issued the removal order, become an institution-related party at any other federally insured depository institution. This section deletes the adjectives "seriously" and "substantial," highlighted above. Finally, it clarifies that actions taken either directly or indirectly by an institution-related party may be grounds for removal.

SECTION 919. TEMPORARY SUSPENSION ORDERS

Section 8(e)(4) of the FDI Act authorizes the Federal banking agencies to issue a temporary removal or suspension order if necessary for the protection of the bank or the interests of its depositors. This section of the bill makes certain conforming amendments to section 8(e)(4), allows those orders to be issued against all institution-related parties, and deletes certain obsolete terminology.

SECTION 920. EFFECT OF SUSPENSION OR REMOVAL

Section 8(j) of the FDI Act makes it a crime for an individual who is subject to a temporary or permanent suspension or removal order to vote for a director or serve as a director, officer, or employee of any bank, bank holding company, or Edge Act corporation without prior written approval from the appropriate Federal banking agency.

This section of the bill provides that a person removed or suspended from any one bank, bank holding company, subsidiary of a bank, or an Edge Act or Agreement corporation is also automatically removed or suspended from all other insured institutions, bank holding companies, savings and loan holding companies, farm credit banks, credit unions, and any subsidiaries of any insured financial institutions, unless the defendant has received prior written approval from the agency that issued the removal order. If the defendant is an employee of a business organization, such as an accounting firm or law partnership, the suspension or removal order will affect only the individual involved

unless the appropriate Federal regulatory agency specifies that it should apply to the employing company or firm.

SECTION 921. CIVIL MONEY PENALTIES

A. In general

Currently, civil money penalties generally may not exceed $1,000 per day. For violations of reporting requirements, penalties may not exceed $100 per day; for willful violations of the Change in Bank Control Act, $10,000 per day, with the defendant entitled to a full evidentiary trial in a U.S. district court before any penalty may be collected.

This section generally increases civil penalties to a maximum of $25,000 per day. If a violation is made with reckless disregard for the safety and soundness of the financial institution, the new maximum penalty will be $1 million per day. A civil money penalty may be imposed for violating any law, regulation, final order, or any condition imposed in writing in connection with the granting of any application or other request. In addition, a civil money penalty may be assessed for breaching any fiduciary duty if the breach results in a financial loss to the institution or pecuniary gain to the defendant. In determining penalty amounts, the agencies must consider the appropriateness of the penalty in view of the defendant's financial resources and good faith, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

B. Limitation on penalties for de minimis violations

Notwithstanding the general increase in maximum civil money penalties, this section limits civil money penalties for minor violations to $2,500 per day. The $2,500-per-day limit does not apply if the appropriate agency finds that the violation (1) caused or is likely to cause a serious financial loss to the institution or the insurance fund, (2) evidenced reckless disregard for the safety or soundness of the financial institution, (3) resulted from gross negligence, (4) was part of a pattern of violations, or (5) enriched the defendant.

SECTION 922. CRIMINAL PENALTIES FOR VIOLATION OF REMOVAL OR SUSPENSION ORDERS

Under current law, any person who participates in the affairs of the bank from which he has been removed or suspended, or who, without prior approval from the appropriate agency, votes for a director or serves or acts as a director, officer, or employee of any other bank, may be fined up to $5,000, imprisoned for up to one year, or both.

This section provides that any person subject to a suspension or removal order who participates in the affairs of *any* insured depository institution may be fined up to $1 million per day, imprisoned for up to five years, or both.

SECTION 923. DEFINITIONS

A. Appropriate Federal regulatory agency

"Appropriate Federal regulatory agency" is defined to include the appropriate Federal banking agency, the National Credit Union Administration Board (in the case of an insured credit union), and the Farm Credit Administration (in the case of institutions chartered under the Farm Credit Act).

B. Order which has become final

The Federal Deposit Insurance Act currently defines an "order which has become final" as an order not subject to further *judicial* review. The bill changes the definition so that an "order which has become final" is one not subject to further *administrative* review. This change will enable agencies to assess civil money penalties for violations of orders, and obtain injunctive relief, at an earlier stage in the regulatory process.

C. Controlling shareholder

"Controlling shareholder" is defined as a person that directly or indirectly, or acting through or in concert with one or more persons, owns or controls a insured financial institution. Shares owned or controlled by a member of an individual's immediate family are considered to be held by the individual.

D. Additional terms

Each appropriate Federal banking agency may, by regulation, define terms not otherwise defined.

SECTION 924. EMPLOYMENT PROTECTION

This section forbids a federally insured financial institution or holding company to discharge or discriminate against any officer, director, or employee with respect to compensation, or terms or conditions of employment, because of information provided by that person to a regulatory authority or the Department of Justice relating to a possible violation of any law or regulation by the institution or an institution-related party. These protections do not apply to an individual who has deliberately caused the alleged violation.

SECTION 925. COORDINATION WITH COSA

This section permits the FDIC to recommend that COSA take enforcement action against any savings association. If COSA fails to take such action or to provide an acceptable plan to resolve the FDIC's concerns within 60 days, the FDIC may take the action itself if it determines that the institution is in an unsafe and unsound condition, or that unsafe or unsound practices will continue unless the FDIC takes the recommended action. In exigent circumstances, the FDIC may act before the 60-day period expires.

SECTION 926. EFFECT ON OTHER AUTHORITY

Section 926 provides that the authority granted to the Federal banking agencies under section 8 of the Federal Deposit Insurance Act shall be in addition to, and not restricted by, any other authority provided by Federal or State law.

SECTION 927. NONDELEGABILITY

Any decision by the FDIC to terminate or suspend insurance under section 8(a) of the FDI Act, or to initiate an enforcement action against a savings association under section 8(v) of that Act, must be made by the FDIC Board of Directors, and may not be delegated.

SECTION 928. EFFECT OF RESIGNATION OF INSTITUTION-RELATED PARTY

In *Stoddard v. Federal Reserve Board*, 868 F.2d 1308 (D.C. Cir. 1989), the court of appeals held that a Federal banking agency lacked authority to bring a removal action against an individual who had resigned just before removal proceedings were initiated. The court reasoned that the agency could not remove an individual who was not participating in the affairs of the institution. But removal also bars the defendant from future involvement in any insured financial institution. The court's decision would allow an individual to escape this bar merely by resigning just before the removal notice is served. To remedy this problem, this section provides that the jurisdiction and authority of the Federal banking agencies will not be affected by the resignation, termination of employment, or other separation of the party involved. This retention of authority will apply to all matters pending when the bill becomes law, whether or not formally commenced.

SECTION 929. PENALTY FOR PARTICIPATION

Currently, except with the prior written consent of the FDIC, no person may serve as a director, officer, or employee of an insured bank who has been convicted of any criminal offense involving dishonesty or a breach of trust. A bank that willfully violates this provision may be fined up to $100 per day. This section deletes the "willful" standard and instead provides that for each "knowing" violation of this provision, the financial institution and individual involved may be fined up to $1 million per day. This section aso provides a criminal fine of the same amount and imprisonment for up to five years. Finally, the amended prohibition will bar such an individual from serving as an institution-related party—thus making the prohibition broader than under current law.

SECTION 930. PARALLEL INCREASES IN CIVIL PENALTIES.

This section increases the maximum civil penalties in other banking statutes so that they parallel those in section 8 of the FDI Act.

SECTION 931. PENALTY FOR VIOLATION OF CHANGE IN BANK CONTROL ACT

Current law permits the agencies to assess a civil penalty of up to $10,000 per day for *willfully* violating the Change in Bank Control Act. The agencies may collect the fine only after a *de novo* evidentiary trail at the district court level. This section eliminates the right to such a trial and the requirement that violations be "willful." It also increases the maximum civil penalties to conform to the other civil money penalty provisions of the bill.

SECTION 932. REPORTS

Current law requires banks to make periodic reports on their security devices and procedures. It also requires national banks to file call reports within 10 days of a "call." Penalties of $100 per day may be assessed for late call reports and similar reports filed by State banks and bank holding companies.

This section repeals the requirement for periodic reports on security devices and procedures. It also eliminates the requirement to file call reports within 10 days of the request, and instead requires that such reports be filed within the time specified by the regulator.

This section provides civil penalties of up to $25,000 per day for filing late reports or filing any false, misleading, or incomplete report. If the violation results from reckless disregard for the safety or soundness of the institution, the civil penalty may be up to $1 million per day. Fines for minor violations of this requirement will, however, be limited to $2,500 per day (pursuant to section 8(i)(2)(B) of the FDI Act, as added by section 921 of the bill).

In assessing penalties under these provisions, the agencies must consider the appropriateness of the penalty in view of the defendant's financial resources and good faith, the gravity of the violation, any history of previous violations, and such other matters as justice may require.

Subtitle B—Regulation by COSA

SECTION 941. REPORTS OF CONDITION AND PENALTIES

This section of the bill adds a new statutory provision requiring savings associations to file reports of condition with COSA. COSA may impose civil penalties of up to $25,000 per day on any association that fails to submit such a report within the time specified by COSA, or that files a false, misleading, or incomplete report. If the violation results from reckless disregard for the safety or soundness of the institution, the civil penalty may be up to $1 million per day. In assessing penalties under this provision, COSA must consider the appropriateness of the penalty in view of the defendant's financial resources and good faith, the gravity of the violation, any history of previous violations, and such other matters as justice may require. Fines for minor violations of this provision will be limited to $2,500 per day (section 8(i)(2)(B) of the FDI Act, as added by section 921 of the bill).

SECTION 942. CONTINUITY OF AUTHORITY FOR PENDING LITIGATION

All litigation to which the Bank Board or FSLIC is a party when the bill becomes law shall be continued after the date of enactment by COSA, the FDIC, or the Federal Home Loan Bank Agency, as may be appropriate.

SECTION 943. EXTENSION OF AUTHORITY

COSA may continue any administrative proceeding initiated before the bill becomes law, or any administrative enforcement action taken before enactment under a provision of law repealed by the bill, as if that provision remained in effect. Any person subject to an order or condition issued by FSLIC or the Bank Board shall remain subject to that order or condition.

Subtitle C—Credit Unions

Sections 951-969 of the bill change the enforcement powers of the National Credit Union Administration Board ("NCUA Board") over insured credit unions to make those powers and the corresponding penalties equivalent to the powers and penalties applicable to insured banks.

Section 970 requires the NCUA Board, within 120 days after the bill becomes law, to prescribe audit standards requiring every insured credit union to be audited by an independent certified public accountant for any fiscal year in which the credit union: (1) has not conducted an annual supervisory-committee audit; (2) has not received a complete and satisfactory supervisory-committee audit; or (3) has had persistent and serious recordkeeping deficiencies, as determined by the NCUA Board. The failure of any insured credit union to obtain an independent audit required by this section will constitute an unsafe or unsound practice.

Subtitle D—Right to Financial Privacy

SECTION 981. AMENDMENT TO RIGHT TO FINANCIAL PRIVACY ACT

The right to Financial Privacy Act generally prohibits Government access to financial records held by a financial institution unless the customer consents to the release of his or her records, or the release of the records falls within one of the exceptions in the Act. For example, one exception permits disclosure of financial records to a supervisory agency in the exercise of its supervisory, regulatory, or monetary functions.

A. Definitions

Subsection (a) amends the definition of a "supervisory agency" to make clear that it includes agencies that supervise the activities of a financial institution holding company and any subsidiary of a financial institution or financial institution holding company. It also makes clear that a "supervisory agency" also includes any agency that has statutory authority to examine the financial condition, business operations, or records or transactions of an insured financial institution.

B. Exceptions

Subsection (b) amends the exception that permits disclosure of financial information to a supervisory agency in the course of its supervisory, regulatory, or monetary functions to similarly permit disclosure to a supervisory agency in the course of its receivership and conservatorship functions. The subsection makes clear that the exception applies whenever a supervisory agency exercises its supervisory role with respect to an institution or any institution-related party. The subsection also excepts from the Right to Financial Privacy Act any disclosure of financial records or information to employees or agents of the Federal Reserve Board or any Federal reserve bank made in connection with an extension of credit by the Federal Reserve System to depository institutions or others. Finally, the subsection similarly excepts the disclosure of financial records and information to employees and agents of the Resolution Trust Corporation in connection with the exercise of its conservatorship, receivership, or liquidation functions.

C. Grand jury information

Subsection (c) prohibits a financial institution from notifying a customer or any other party that a grand jury has subpoenaed a customer's records in connection with a possible violation of certain financial institution related criminal provisions. Violation of this prohibition may result in a criminal fine of up to $5,000, imprisonment for up to five years, or both.

TITLE X—CRIMINAL ENHANCEMENTS

SECTION 1001. INCREASED CRIMINAL PENALTIES AND CIVIL PENALTIES FOR CERTAIN FINANCIAL INSTITUTION OFFENSES

A. Increased criminal penalties

This section increases the criminal sanctions for several major financial institution crimes in title 18, United States Code. The crimes covered are: section 215 (financial institution bribery); sections 656 and 657 (financial institution misapplication and embezzlement); sections 1005 and 1006 (false entries on the books of financial institutions); sections 1007 and 1008, now consolidated as section 1007 (fraud on deposit insurer); section 1014 (false statement or overvaluation); and section 1344 (financial institution fraud). Maximum criminal penalties are increased to a $1,000,000 fine, fifteen years imprisonment, or both. If a higher fine is appropriate, a court may use section 3571(d) of title 18 to set the fine at twice the amount of pecuniary gain to the defendant or loss to the affected financial institution, whichever is greater.

B. Civil penalties

This section for the first time authorizes the Civil Division of the Justice Department and the U.S. attorneys' offices to seek civil penalties for the financial institution crimes listed above. This new authority gives the Justice Department flexibility to proceed either civilly or criminally (or both) on matters referred by a bank regulatory agency. The Justice Department may also develop cases civilly or criminally (or both) without a referral (e.g., by using information from an informant). The new authority provides an additional means of assessing penalties; it does not limit penalties that may otherwise be imposed by the bank regulatory under their own authority. If a civil penalty is assessed but not paid, the Attorney General may recover the penalty through an action in Federal district court.

The civil penalties provided by this section for violations of sections 656, 657, 1005-07, 1014, and 1544 of title 18 may be up to $1,000,000 for each day the violation continues, or up to $5,000,000, whichever is greater. The civil penalty for violating section 215 is up to $1,000,000 or the value of the thing offered or solicited, whichever is greater.

The Justice Department may develop civil cases through new civil summons powers provided by this section, comparable to the civil summons powers of numerous other agencies with civil penalty authority. The powers include standard summons enforcement provisions, including contempt authority.

C. Statute of limitations

Subsection (j) adds a new statute of limitations provision, section 3293 of title 18, which temporarily extends to 10 years the statute of limitations for the crimes covered by section 1001 (sections 215, 656, 657, 1005, 1006, 1007, 1008, 1014, and 1344 of title 18). After January 1, 1995, the statute of limitations will be reduced to seven years. This gives the Government until the end of 1994 to prosecute offenses occurring on or before December 31, 1987. Offenses occurring after that date would have to be prosecuted within seven years. Currently, the general five-year statute of limitations for all crimes listed in section 3282 of title 18 applies. The temporary extension to 10 years recognizes both the complexity of many of the investigations under these provisions and the volume of such investigations pending and anticipated in the near future. The permanent extension of the statute of limitations for these crimes to seven years reflects the need for a longer period to uncover and prosecute such offenses.

The lengthened limitation periods apply retroactively to any offense committed before the bill becomes law, so long as the five-year statute has not run as of that date. It is well established that the application of a new statute of limitations to crimes for which the old statute has not run does not violate the constitutional prohibition on *ex post facto* laws. *See, e.g., United States v. Richardson*, 512 F.2d 105 (3d Cir. 1975).

D. Sentencing

Pursuant to the Sentencing Reform Act of 1984, sentences for all crimes committed or completed on or after November 1, 1987, must accord with the sentencing guidelines promulgated by the U.S. Sentencing Commission. Subsection (k) relates to the sentencing guidelines for violations of nine criminal statutes: sections 215, 656, 657, 1005, 1006, 1007, 1008, 1014, and 1344 of title 18.

Subsection (k) states that additional, substantial periods of imprisonment should be imposed when violations of those sections jeopardize the safety or soundness of a financial institution. The subsection does not refer to a specific offense level, in deference to the view of some Members of Congress that the Sentencing Commission can best establish consistency in sentencing if Congress does not assign specific numerical values in its instructions to the Commission

when enacting or amending criminal statutes.

The new language makes clear, however, that the Commission should include specific offense characteristics in its guidelines for those offenses. These provisions should substantially lengthen the incarceration of defendants who jeopardize the safety and soundness of financial institutions. The amended guidelines should take into account the fact that an offense was committed against a federally insured financial institution, the potential effect on the community being served by the financial institution, the amount of loss caused by the offense, and the effect on the financial community.

While the bill was pending, the Sentencing Commission considered amending the guidelines pursuant to section 994(p) of title 28, United States Code, to increase the punishment for defendants convicted of financial institution fraud. If the guidelines are amended to ensure that defendants who jeopardize the safety and soundness of a financial institution receive a substantial period of incarceration in addition to the period that can generally be imposed for the underlying fraud, no further Commission action may be necessary.

SECTION 1005. MISCELLANEOUS REVISIONS TO TITLE 18.

Subsection (a) of this section replaces "Federal Home Loan Bank Board" with "Chairman of the Office of Savings Associations" in title 18, consistent with other provisions of the bill.

Subsections (b) and (c) extend sections 212 and 213 of title 18 (relating to gratuities and loans to bank examiners) to examiners of COSA, and change the references to FDIC-insured "banks" to FDIC-insured "financial institutions."

Subsection (d) repeals section 1009 of title 18, which currently makes it a crime to circulate rumors about FSLIC.

Subsections (e), (f), (g), and (j) make technical revisions to four criminal provisions necessitated by this Act, such as deleting references to FSLIC.

Subsection (h) amends the obstruction-of-justice statute, making it a crime for a financial institution, or any officer, director, partner, or employee of a financial institution to notify a customer or any other party, including another financial institution insider, of the existence or contents of a grand jury subpoena relating to one of the financial institution crimes discussed above in connection with section 1001 (sections 215, 656, 657, 1007, 1008, 1014, or 1344 of title 18).

Subsection (i) makes several financial institution crimes predicate offenses for violations of the Racketeer Influenced and Corrupt Organizations Act (RICO): section 215 (relating to the receipt of commissions or gifts for approving loans); sections 656 and 657 (financial institution misapplication and embezzlement); sections 1004, 1005, 1006, 1007, 1014 (relating to fraud and false statements); and 1344 (financial institution fraud).

SECTION 1003. CIVIL AND CRIMINAL FORFEITURE

Section 1003 adds civil (new section 983) and criminal (new section 984) forfeiture authority to title 18 for use in connection with the financial institution offenses discussed above in connection with section 1001 of the bill.

Civil forfeiture will allow the Department of Justice to move immediately against the proceeds of a violation or against property traceable to those proceeds as soon as the Department has probable cause. Because of the nature of the crimes and the victims, forfeited amounts will, after deduction of forfeiture costs, be applied differently than forfeitures under other provisions of law. If the affected institution is in receivership, section 983(e)(3) requires that the proceeds of the forfeiture be deposited in the Treasury's General Fund. If the institution is not in receivership, new section 983(e)(4) requires that the proceeds be deposited in the General Fund, or at the option of the appropriate Federal banking agency, be paid as restitution to the institution. As with other victim restitution, the amount received through the forfeiture would, under section 3523 of title 18, be deducted from other amounts received as restitution in other civil actions or through cease-and-desist orders.

Criminal forfeiture would be mandatory following a conviction—unlike orders for victim restitution, which are discretionary. The proceeds of such a criminal forfeiture would be applied in the same way as the proceeds of a civil forfeiture.

SECTION 1004. GRAND JURY AMENDMENTS

Subsection (a) amends rule 6(e) of the Federal Rules of Criminal Procedure to overcome impediments to the Government's civil enforcement efforts resulting from two decisions of the United States Supreme Court. In *United States v. Sells Engineering, Inc.*, 463 U.S. 418 (1983), the Court ruled that Justice Department attorneys handling civil cases are not "attorneys for the government" for purposes of rule 6(e). Thus such attorneys need a court order to obtain grand jury materials pertaining to their civil cases. Such an order may be granted only upon a showing of "particularized need." In a companion case, *United States v. Baggot*, 463 U.S. 476 (1983), the Court narrowly defined the purpose for which disclosure may be made. It held that agency proceedings such as civil tax audits are not "preliminary to a judicial proceeding," and thus no court order may be secured in such cases, no matter how compelling the need.

This section (1) permits prosecutors to automatically disclose grand jury materials to Justice Department civil attorneys for civil purposes without a court order; (2) expands the types of proceedings for which other departments and agencies may gain court-authorized disclosure to include not only "judicial proceedings" but also other matters within their jurisdiction, such as adjudicatory and administrative proceedings; and (3) reduces the "particularized need" standard for court-authorized disclosure to a lesser standard of "substantial need" in certain circumstances. The amendments also codify that a criminal prosecutor who conducts a grand jury investigation may present a companion civil case.

Amended rule 6(e)(3)(A)(i) permits disclosure to any Government attorney (e.g., Department of Justice attorney) "to enforce Federal criminal or civil law." This includes civil enforcement in all non-criminal actions to which the United States is a party, such as civil claims against bank directors and officers under section 1001 of the banking laws. Disclosure is not limited by the term "judicial proceeding," but can be made for the sole purpose of an initial review of potential civil liability, or to facilitate global dispositions of cases.

The amendment covers disclosures only to attorneys and their support staff such as secretaries and paralegals. Further disclosures to non-attorney personnel such as examiners, auditors, or agents will require a court order.

The words "civil law" in amended rule (6)(e)(3)(B) permit personnel to whom disclosure has been made for criminal purposes under subparagraph (A)(ii), to use the disclosed material to assist any attorney for the Government in enforcing civil law. It will allow the Justice Department's civil attorneys to discuss the evidence without court order not only with the criminal prosecutor but also with the agents, auditors, or examiners who worked on the grand jury investigation.

Before this section was passed, the Department of Justice assured the Senate that it intended to issue policy guidelines that restate current practices and case law to the effect that a grand jury may not be improperly used to gather evidence for civil purposes. The guidelines will state that the criminal prosecutor has discretion to decide whether and when to disclose materials to civil attorneys, and what materials should be disclosed. Disclosures will be limited to those materials relevant to the civil case.

Rule 6(e)(3)(C)(i) is amended by adding the words "particularized need" to reflect the current standard for court-authorized disclosures preliminary to or in connection with a judicial proceeding. The addition does not change current law, but demonstates the contrast between this higher standard and the lesser standard of "substantial need" required in new subparagraph (C)(v), applicable when Government agencies seek disclosure with the concurrence of the Department of Justice. Rule 6(e)(3)(C)(i) will provide the only method of disclosure available to private parties. It can also be used by Government agencies with independent litigating authority when the Justice Department exercises its discretion and declines to request disclosure.

New rule 6(e)(3)(C)(v) authorizes prosecutors to seek court approval to release grand jury information to a Government agency for use in matters within the agency's jurisdiction. This is intended to eliminate the requirement that court-authorized disclosure be for use in a "judicial proceeding," and also to reduce the "particularized need" standard to a "substantial need" standard.

Under the substantial need standard, a court could consider a number of factors, such as: (1) the public interest served by disclosure—particularly the protection of the public health or safety or the safety or soundness of a federally insured financial institution; (2) the burden or cost of duplicating the grand jury investigation; (3) the possibility that witnesses may not be available; (4) whether the department or agency already has a legitimate independent right to the materials; (5) avoiding needless inefficiency or waste of resources; (6) the need to prevent ongoing violations of law; and (7) the expiration of any applicable statute of limitations. In weighing these considerations, a court could not deny disclosure merely because the agency for which disclosure is sought may have alternative discovery tools available to it.

On the other hand, the "substantial need" test does not contemplate that a court would simply rubber stamp the Government's request for disclosure. Review under the standard should require a Justice Department attorney to make more than a showing of mere convenience or simple relevance to matters within the agency's jurisdiction.

The phrase "for use in relation to any matter within the jurisdiction of such de-

partment or agency" makes clear that an agency's administrative, enforcement, and other non-judicial proceedings are included among those that may warrant disclosure. Because the phrase "matters within the jurisdiction of an agency" has been broadly interpreted in cases involving section 1001 of title 18, it was used here to avoid listing every conceivable agency proceeding. In the context of administrative and enforcement actions involving financial institutions, it could include use in licensing, examination, applications involving change in control or ownership, removal actions, cease-and-desist orders, termination of insurance, receivership actions, or penalty assessments.

Courts should retain effective control of grand jury disclosure by permitting it only when an agency shows substantial need, and by delineating in their disclosure orders the specific purposes for which disclosure is authorized. Department of Justice attorneys should not seek disclosure without being convinced that there is a strong public interest for each disclosure. Agency personnel who receive court-authorized disclosure of grand jury materials under this subparagraph may use the material only for the purpose for which the court order was granted.

Subsection (c) amends the Fair Credit Reporting Act to permit access to consumer credit report records pursuant to a subpoena issued by a grand jury. The Act currently forbids a credit-reporting agency from furnishing such records except in a few restricted instances. One of these is "in response to the order of a court." Although some district courts have held that a Federal grand jury subpoena is such an order, the predominant judicial view is that a grand jury subpoena does not qualify. *See, e.g., In re Application to Quash Grand Jury Subpoena*, 526 F. Supp. 1253 (D. Md. 1981).

SECTION 1005. LITIGATION AUTHORITY

This section affirms that the changes made by the bill in the responsibilities of Federal banking agencies do not affect the Attorney General's current authority under section 516 of title 28, to conduct and coordinate litigation on behalf of the United States Government.

SECTION 1006. DEPARTMENT OF JUSTICE APPROPRIATION

This section authorizes appropriations of $50 million annually for fiscal years 1989 through 1991 to investigate and prosecute financial institution crimes. This additional funding is authorized to be appropriated to the Attorney General to supplement funding included in the annual Department of Justice appropriations. The Department should treat these additional appropriations as additional funds, and should not use them to replace funds already drawn from other functions to investigate and prosecute crimes involving financial institutions. To achieve the objectives of the authorizations, the Attorney General may adjust the funding among the different organizations involved in investigating and prosecuting financial institution fraud, such as the Federal Bureau of Investigation, the U.S. attorney's offices, and the Criminal and Tax Divisions.

TITLE XI—FEDERAL HOME LOAN MORTGAGE CORPORATION

SECTION 1101. SHORT TITLE

This section designates this title as the "Federal Home Loan Mortgage Corporation Transition Act."

SECTION 1102. PURPOSES.

This section sets forth the purposes of the title: to provide stability in the secondary market for home mortgages; to ensure that the Federal Home Loan Mortgage Corporation ("Freddie Mac") responds appropriately to the private capital market; and to ensure that Freddie Mac continues to provide liquidity for mortgage investments.

SECTION 1103. NEW BOARD OF DIRECTORS; INTERIM BOARD

Under current law, the members of the Federal Home Loan Bank Board also serve as Freddie Mac's board of directors. The Bank Board will be dissolved under section 301 of the bill.

A. New Board

In place of the Bank Board, this section establishes a new board of directors for Freddie Mac patterned after the board of the Federal National Mortgage Association ("Fannie Mae"). The new board will consist of 18 directors, of whom 13 will be elected annually by voting common stockholders and 5 will be appointed annually by the President. Of the presidential appointees, one must be from the homebuilding industry, one from the mortgage-lending industry, and one from the real-estate industry. Any director may be removed by the President for cause.

B. Interim Board

Until a new board of directors is elected, Freddie Mac will be governed by an interim board consisting of the President of Freddie Mac, and the persons serving as Chairman of the Federal Home Loan Bank Board and Secretary of Housing and Urban Development when the bill becomes law.

SECTION 1104. REGULATORY POWER

This section gives the Secretary of Housing and Urban Development general regulatory authority over Freddie Mac and authorizes the Secretary to prescribe such rules and regulations as he determines to be necessary and proper. Pursuant to his regulatory authority, the Secretary may, for example, (1) require that a reasonable portion of Freddie Mac's mortgage purchases further the national goal of providing housing for low- and moderate-income families, so long as those mortgages provide a reasonable economic return to Freddie Mac; (2) limit cash dividends on Freddie Mac's common stock based on Freddie Mac's current earnings and capital; (3) audit Freddie Mac's books and financial transactions; and (4) require Freddie Mac to report on its activities.

Without the Secretary's approval, Freddie Mac may not (1) issue stock or debt obligations convertible into stock, or (2) purchase, service, sell, lend on the security of, or otherwise deal in residential mortgages. The Secretary will be deemed to have approved all programs or activities involving purchasing, servicing, selling, lending on the security of, or otherwise dealing in residential mortgages by Freddie Mac on or before the effective date of this subsection; thus those transactions need not be submitted for his initial approval, although he will still have regulatory oversight and control over those activities.

When Freddie Mac seeks approval or other action from the Secretary pursuant to the Federal Home Loan Mortgage Corporation Act, the Secretary must within 45 days after receiving the request either grant the request or report to Congress why he has not done so.

This section specifies that Freddie Mac's debt-to-capital ratio may not exceed 15 to 1 without the Secretary's approval.

SECTION 1105. COMMON STOCK

Freddie Mac currently has no voting stock outstanding. The common stock, all nonvoting, may be held only by Federal home loan banks. The senior participating preferred stock is held by private investors. This section converts each outstanding share of senior participating preferred stock into a share of voting common stock.

SECTION 1106. FEES

This section specifies that Freddie Mac may not charge any mortgagee approved by the Secretary of Housing and Urban Development for participating in any mortgage insurance program under the National Housing Act, solely because of the Secretary's approval.

SECTION 1107. STANDBY CREDIT

This section permits the Secretary of the Treasury to purchase and sell Freddie Mac notes, debentures, bonds, or other obligations or securities. As the Secretary's purchase of such an instrument amounts to an extension of credit from the Treasury to Freddie Mac, such purchases may be made only to the extent approved in appropriations Acts, and the Secretary's holdings of such instruments may not exceed $2.25 billion at any given time.

SECTION 1108. TERMS OF OBLIGATIONS

A. Unsecured debt obligations

This section prohibits Freddie Mac from issuing any note, debenture, or substantially similar unsecured debt obligation without the approval of the Secretary of the Treasury. The Secretary will be deemed to have approved any such obligation with a maturity of one year or less that Freddie Mac has issued or is issuing when the bill becomes law, but will also be free to revoke the approval. A note, debenture, or substantially similar debt obligation with a maturity of more than one year that Freddie Mac has issued or is issuing when the bill becomes law will also be deemed approved, but that approval will expire 60 days after the bill becomes law.

B. Mortgage-related securities

This section prohibits Freddie Mac from issuing mortgage-related securities without the approval of the Secretary of the Treasury. Any such securities that Freddie Mac has issued or is issuing when the bill becomes law will be deemed approved.

SECTION 1109. COLLATERALIZED MORTGAGE OBLIGATIONS

This section provides that Freddie Mac may lend and make commitments to lend on the security of mortgages it is authorized to purchase. Freddie Mac is, however, prohibited from using that authority to originate mortgage loans or to make interim loans to sellers or originators of mortgages pending the sale of those mortgages in the secondary market.

A parallel statutory framework will apply to Fannie Mae.

TITLE XII—PARTICIPATION BY STATE HOUSING FINANCE AUTHORITIES AND NONPROFIT ENTITIES

SECTION 1201. DEFINITIONS

This section defines four terms used in title XII.

"State housing finance authority" means a public housing agency or an instrumentality of a State, or political subdivision of a

State, that provides residential mortgage loan financing.

"Nonprofit entity" means any not-for-profit corporation chartered under State law, including a nonprofit corporation established by the National Corporation for Housing Partnerships.

"Mortgage-related assets" means residential mortgage loans secured by one-to-four family or multi-family dwellings and real property improved with such dwellings, in the jurisdiction of the pertinent State housing authority.

"Net income" means income remaining after all associated expenses have been deducted.

SECTION 1202. ACQUISITIONS BY STATE HOUSING FINANCE AUTHORITIES AND NONPROFIT ENTITIES

Section 1202 authorizes State housing finance authorities and nonprofit entities to purchase mortgage-related assets (1) from the Resolution Trust Corporation or (2) from financial institutions for which the FDIC is receiver or conservator. State authorities and nonprofit entities may purchase such assets without regard to any other provision of law. Contracts to purchase mortgage-related assets shall be effective according to their own terms without any further approval, assignment, or consent.

Any State authority or nonprofit entity that purchases mortgage-related assets must devote any net income received from such assets to providing low- and moderate-income housing within its jurisdiction.

TITLE XIII—STUDY OF FEDERAL DEPOSIT INSURANCE AND BANKING REGULATION

SECTION 1301. STUDY

This section requires a study of the Federal deposit insurance system by the Secretary of the Treasury in consultation with the Chairman of the Federal Reserve Board, the Comptroller of the Currency, the Chairman of the Federal Deposit Insurance Corporation, the Chairman of the Office of Savings Associations, the Chairman of the National Credit Union Administration, and the Director of the Office of Management and Budget.

SECTION 1301. TOPICS

This section specifies eight topics that the study required by section 1301 should include. In covering these topics, the study should describe and analyze the status quo and identify and evaluate possible reforms. The eight topics are (1) the risk and rate structure for deposit insurance; (2) incentives for market discipline, including supplementary private insurance; (3) the scope of deposit insurance coverage and its effect on the insurance fund, including possible coinsurance requirements for deposits of $10,000 to $100,000; (4) certain specific reform proposals, including market-value accounting, assessments on foreign deposits, additional limitations on brokered deposits and multiple insured accounts, and the addition of collateralized borrowing to the deposit insurance base; (5) policies for dealing with insured financial institutions that are insolvent or nearly insolvent; (6) examining managers of insured financial institutions on the principles and techniques of risk management; (7) the efficiency of housing subsidies through the Federal Home Loan Bank System; (8) whether insured credit unions and the National Credit Union Share Insurance Fund are adequately capitalized; and (9) whether supervision of the National Credit Union Share Insurance Fund should be separated from other functions of the National Credit Union Administration.

SECTION 1303. FINAL REPORT

This section requires the Secretary of the Treasury to submit a final report to Congress within 18 months after the bill becomes law. The final report should detail the findings and conclusions of the study required by this title, and set forth recommendations for administrative and legislative reform.

TITLE XIV—MISCELLANEOUS PROVISIONS

SECTION 1401. GAO STUDY OF THE CREDIT UNION SYSTEM

A. Study

Subsection (a) requires the Comptroller General of the United States to conduct a comprehensive study of the credit union system. The study must examine: (1) credit unions' present and future role in financial markets; (2) the financial condition of credit unions; (3) credit unions' capital; (4) credit union regulation and supervision at both the Federal and State levels; (5) the common-bond requirement; and (6) the structure and financial condition of the National Credit Union Share Insurance Fund, including whether supervision of the fund should be separated from other functions of the National Credit Union Administration Board. The Comptroller General should also examine such other related matters as he believes appropriate. The study should compare the regulation of credit unions with that of other financial institutions.

B. Submission

No more than 18 months after the bill becomes law, the Comptroller General must submit a report of the study required by subsection (a) to the House and Senate Banking Committees. The report must contain a detailed statement of findings and conclusions, including recommendations for such administrative and legislative action as the Comptroller General believes appropriate.

SECTION 1402. CREDIT UNION REGULATOR SALARIES

This section removes the limit on compensation paid to employees of the National Credit Union Administration Board. In fixing such compensation, the NCUA Board shall consult and seek to maintain comparability with compensation paid by the Federal banking agencies. The NCUA Board and the other agencies should use such flexibility not to enter into a bidding war for other agencies' employees, but rather for all agencies to maintain comparable compensation at levels sufficient to attract and retain employees with specialized expertise needed to make sure that federally insured depository institutions operate safely and soundly.

The salaries and expenses of the NCUA Board and its employees will be paid from fees and assessments levied on credit unions. These funds will not be treated as Government funds or appropriated monies, nor are they subject to apportionment.

SECTION 1403. AMENDMENT TO SECTION 203 OF THE FEDERAL CREDIT UNION ACT

This section amends section 203(b) of the Federal Credit Union Act by striking the words "deposits and."

SECTION 1404. COMPENSATION OF EMPLOYEES OF THE COMPTROLLER OF THE CURRENCY

This provision removes the limit on compensation paid to employees of the Office of the Comptroller of the Currency. In fixing such compensation, the Comptroller shall consult and seek to maintain comparability with the compensation paid by the other Federal banking agencies. The Comptroller and the other agencies should use such flexibility not to enter into a bidding war for other agencies' employees, but rather for all agencies to maintain comparable compensation at levels sufficient to attract and retain employees with the specialized expertise needed to make sure that federally insured depository institutions operate safely and soundly.

Whenever the Comptroller submits a budget estimate or request to any officer or employee in the executive branch, he shall concurrently transmit copies of that estimate or request to Congress. Whenever the Comptroller submits any legislative recommendation to the President or to the Office of Management and Budget, he shall concurrently transmit copies to Congress. No officer or agency may require the Comptroller to submit legislative recommendations or testimony to any other officer or agency for prior approval, comments, or review.

SECTION 1405. GAO AUDIT OF ALL ORGANIZATIONS CARRYING OUT FUNCTIONS UNDER THIS ACT

A. Entities subject to GAO audit

The Comptroller General is authorized to audit all agencies, corporations, organizations, and other entities that perform functions or activities under the bill with respect to those functions or activities. Similarly, the Comptroller is authorized to audit all persons and organizations that, by contract, grant, or otherwise, provide goods or services to, or receive financial assistance from, any entity performing functions or activities under the bill with respect to the provision of such goods and services or the receipt of such assistance.

B. GAO's authority to conduct audits

Subsection (b) permits the Comptroller General to determine the nature, scope, terms, and conditions of audits conducted under this section. That authority supplements the Comptroller General's authority to conduct audits under other provisions of the bill and other laws.

C. GAO access to books and records

The Comptroller General shall have access to—and may examine and copy all relevant records and property in the possession, custody, or control of—persons and entities subject to audit under this section. Section 716 of title 31, United States Code (relating to judicial enforcement of the Comptroller General's right of access to records and his duty to keep information confidential), applies to audits conducted under this section.

SECTION 1406. REPORTS ON LOAN DISCRIMINATION

The Secretary of Housing and Urban Development, the Comptroller of the Currency, the Federal Reserve Board, the FDIC, the NCUA, and COSA must each submit a report to Congress regarding discriminatory mortgage-lending practices within 60 days after the bill becomes law. Each report must contain findings on the extent of discriminatory lending practices by mortgage-lending institutions under the agency's regulation or supervision. The report by the Secretary of HUD may exclude information on mortgage lenders that are included in reports of the other agencies. Findings of each report under this section must be based on a review of currently available loan acceptance and rejection statistics. Each

report must recommend appropriate measures to ensure nondiscriminatory lending.

SECTION 1407. EQUAL OPPORTUNITY

A. Equal employment opportunity

Subsection (a) broadens the scope of Executive Order 11478, which provides for equal employment opportunity in the Federal Government, to eight Federal agencies and other entities that perform functions or activities under the bill, namely: (1) the Comptroller of the Currency; (2) the Chairman of the Office of Savings Associations; (3) the Federal home loan banks; (4) the FDIC; (5) the Federal Home Loan Mortgage Corporation; (6) the Federal National Mortgage Association; (7) the Resolution Trust Corporation; and (8) the Resolution Finance Corporation.

B. Solicitation of contracts

Subsection (b) requires the entities covered by subsection (a) to establish programs to encourage minority- and women-owned businesses to participate in their procurement activities. Procurement involves buying and contracting for goods and services required to carry out regular business activities. Certification requirements for minority- and women-owned businesses will follow the guidelines of the Small Business Administration. Programs established in accordance with this subsection must be consistent with prudent business practices. This section does not authorize setting aside fixed percentages of procurement contracts.

SECTION 1408. ANNUAL REPORT ON THE CONDITION OF THE FEDERAL DEPOSIT INSURANCE FUND

Beginning on January 31, 1990, the FDIC must report annually to the House and Senate Banking Committees on the condition of the Bank Insurance Fund and the Savings Association Insurance Fund. The report must evaluate the condition of the insurance funds in light of six economic factors: (1) the general level of interest rates; (2) the general volatility of interest rates; (3) the yield curve for United States Treasury obligations; (4) the spread between interest rates paid on Treasury obligations and those paid on obligations of insured financial institutions; (5) the default rate on outstanding loans held by insured institutions; and (6) the rate of prepayments on fixed- and variable-rate loans held by insured financial institutions.

The annual report must analyze in detail: (1) the current financial condition of the deposit insurance funds; (2) the current levels of the six economic factors; (3) each deposit insurance fund's exposure to losses, assuming no change in the economic factors; (4) each deposit insurance fund's exposure to losses under a range of reasonably possible changes in each of the economic factors, including the worst-reasonable-case scenarios for each economic factor and all factors combined; and (5) background information on historic levels and variations of the economic factors that show how the scenarios presented are reasonable.

SECTION 1409. UNIFORM ACCOUNTING AND CAPITAL STANDARDS

This section requires the Federal banking agencies to establish uniform accounting standards for determining capital ratios of all federally insured institutions and other regulatory purposes.

This section also requires each agency to report annually to Congress on any differences between the agency's capital standards and the capital standards of the different agencies. Their reports must explain the reasons for the discrepancies, and must be published in the FEDERAL REGISTER.

SECTION 1410. GROSS-MARKETING RESTRICTIONS ON COMPANIES CONTROLLING GRANDFATHERED NONBANK BANKS

A. Nonbank banks

Section 4 of the Bank Holding Company Act generally restricts the activities of bank holding companies (i.e., companies that control banks) to (1) "banking or . . . managing or controlling banks," and (2) activities that the Federal Reserve Board has determined to be "so closely related to banking or managing or controlling banks as to be a proper incident thereto." Thus bank holding companies generally cannot engage in commercial activities, and their financial activities must satisfy the "closely related" standard. Before the enactment of the Competitive Equality Banking Act of 1987 ("CEBA"), however, the Banking Holding Company Act defined a "bank" narrowly. Companies controlling banks that did not meet that narrow definition (so-called "nonbank banks";) were not subject to the Act's restrictions. As a result, commercial companies could obtain control of FDIC-insured banks and engage directly or through subsidiaries in a wide range of activities impermissible for bank holding companies.

B. The restrictions imposed by CEBA on cross-marketing through affiliates

CEBA redefined "bank" and imposed restrictions on existing nonbanks in order to limit the competitive advantages companies controlling such grandfathered nonbank banks may enjoy over other bank holding companies. One of the restrictions, in section 4(f)(3)(B)(ii) of the Bank Holding Company Act, generally prohibits a grandfathered nonbank bank from allowing its products or services to be cross-marketed by or through an affiliate unless the affiliate engages only in activities permissible for a bank holding company.

C. What this section does

This section amends section 4(f)(3)(B)(ii) to permit an affiliate of a grandfathered nonbank bank to cross-market the bank's products or services with products or services of the affiliate permissible for a bank holding company, even if the affiliate also engages in activities impermissible for a bank holding company. For example, an affiliate engaged in insurance activities could not cross-market the nonbank bank's certificates of deposit with insurance policies that a bank holding company is not permitted to sell, but the affiliate could cross-market the certificates of deposit with credit-related insurance that a bank holding company may sell under section 4(c)(8).

SECTION 1411. APPRAISAL SUBCOMMITTEE

This section amends the Federal Financial Institutions Examination Council Act of 1978 by adding a new section 1010 creating an Appraisal Subcommittee and requiring the Federal financial institution regulatory agencies (the Federal Reserve Board, the Office of the Comptroller of the Currency, the FDIC, COSA, and the NCUA Board) to develop standards for the performance of appraisals.

A. Establishment of an Appraisal Subcommittee

This section requires the Federal Financial Institutions Examination Council to establish an Appraisal Subcommittee, composed of one representative from each Federal financial institution regulatory agency. Each representative on the Appraisal Subcommittee must be familiar with the appraisal profession.

The Appraisal Subcommittee will monitor: (1) State certification and licensing requirements for appraisers; (2) regulations of the Federal financial institution regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation (collectively the "Regulatory Agencies") that govern real-estate related financial transactions requiring the services of an appraiser ("Federally Related Transactions"); and (3) the practices, procedures, activities, and organizational structure of the Appraisal Foundation, a non-profit organization created in 1987 to develop uniform appraisal standards and appraiser qualifications for State certification and licensing. The Appraisal Subcommittee must establish a national registry of State certified and licensed appraisers eligible to perform appraisals in Federally Related Transactions. No later than January 31 of each year, the Appraisal Subcommittee must report to Congress on its performance in carrying out its functions.

The Appraisal Subcommittee will be funded through a single $5 million appropriation, authorized under this section, covering the two years after the bill becomes law. Thereafter, the Appraisal Subcommittee will meet its expenses by assessing and collecting annual registration fees (up to $25) from State certified and licensed appraisers eligible to perform appraisals in Federally Related Transactions.

B. Promulgation of appraisal rules by regulatory agencies

Not later than one year after the bill becomes law, each of the Regulatory Agencies must adopt standards governing the performance of real-estate appraisals in Federally Related Transactions. The standards must be no less stringent than the generally accepted appraisal standards ("GAAS") established by the Appraisal Standards Board of the Appraisal Foundation. The standards may be more stringent than GAAS if the Regulatory Agency determines that higher standards are consistent with its statutory responsibilities.

The Regulatory Agencies must also adopt standards governing the types of Federally Related Transactions requiring the services of State certified or licensed appraisers. In adopting those standards, the Regulatory Agencies must consider whether transactions are, individually or collectively, of sufficient financial or public policy importance to the U.S. Government that a State certified appraiser must perform the appraisal. State certified appraisers must in any event perform appraisals of real property valued at $1 million or more. Appraisals that may be performed by State licensed appraisers may also be performed by State certified appraisers.

C. Establishment of appraiser qualifications

As a general rule, the Regulatory Agencies may accept the certifications and licenses granted by the appropriate State agencies. However, a Regulatory Agency may also impose additional certification criteria consistent with its statutory responsibilities.

State requirements for designating certified appraisers must meet minimum certification criteria established by the Appraiser Qualification Board of the Appraisal Foundation. These criteria include satisfactory completion of an examination equivalent to the Uniform State Certification Examina-

tion approved by the Appraiser Qualification Board.

The Appraisal Subcommittee must review certifications and licenses awarded by the States. The Subcommittee may refuse to recognize certifications and licenses granted by State agencies whenever the State agency: (1) has failed to adopt and enforce standards, qualifications, or procedures prescribed under this section; (2) lacks adequate authority to carry out its responsibilities; or (3) has failed to act decisively regarding appraisal standards, appraiser qualifications, or appraiser supervision, as required by this section. The Appraisal Subcommittee must establish procedures to notify State agencies of its determination not to recognize their certifications and licenses. These procedures must give the State agencies an opportunity to present information to contest the denial or correct the conditions that caused the Appraisal Subcommittee to deny recognition. Appraisal Subcommittee actions denying recognition are subject to judicial review.

After July 1, 1991, at the latest, all appraisals performed in connection with Federally Related Transactions must be performed by State certified or licensed appraisers in accordance with this section. The Appraisal Subcommittee may extend the effective date until December 31, 1991, with the approval of the Federal Financial Institutions Examination Council, if it finds that a State has made substantial progress in establishing a State certification and licensing system that meets the requirements of this section.

The Appraisal Subcommittee may, with the approval of the Federal Financial Institutions Examination Council, waive the requirement to use State certified and licensed appraisers when a shortage of certified or licensed appraisers exists or when compliance with the requirement would create inordinate delays in performing appraisals.

D. Penalties for noncompliance

Financial institutions and other entities that knowingly employ an appraiser who is not certified or licensed in accordance with this section are subject to civil money penalties of up to $25,000 for a first violation and $50,000 for each subsequent violation. Civil money penalties may be imposed only after an administrative hearing conducted by a Federal financial institution regulatory agency or an appropriate State agency. All such civil money penalties are subject to judicial review.

E. Application of this section to other Federal agencies

The Office of Management and Budget may require other Federal agencies and departments to comply with this section.

SECTION 1412. SENSE OF THE SENATE RESOLUTION REGARDING TAX PROVISIONS GOVERNING FDIC AND FSLIC ASSISTED TRANSACTIONS

This section sets forth the Senate's finding that special tax provisions applicable to FDIC and FSLIC resolution of troubled depository institutions constitute inherently inefficient subsidies and do not permit for a full accounting of the costs of financing those resolutions. This section expresses the sense of the Senate that the House of Representatives, which is constitutionally responsible for originating tax measures, should adopt and send to the Senate legislation that repeals certain tax preferences relating to such transactions. Repeal of those tax preferences would apply only to transactions on or after the date this bill becomes law.

SECTION 1413. STATUS OF CERTAIN THRIFT INSTITUTION

This section permits a particular savings association to convert from SAIF membership to BIF membership. In 1987, when CEBA first restricted conversions from FSLIC to the FDIC, a drafting error inadvertently removed an intended exception for that institution. This section corrects that error.

SECTION 1414. PASSIVE INVESTMENTS BY COMPANIES CONTROLLING GRANDFATHERED NONBANK BANKS

A. Current restrictions on acquiring shares or assets of additional banks or thrift institutions

Section 4(f)(2)(A) of the Bank Holding Company Act generally prohibits companies controlling grandfathered nonbank banks from directly or indirectly (1) acquiring control of any additional bank or thrift institution, or (2) acquiring control of more than 5 percent of the shares or assets of any additional bank or thrift institution. These two restrictions are intended to limit the competitive advantages companies controlling grandfathered nonbank banks may enjoy over other bank holding companies (discussed above in connection with section 1410).

Only one exception exists to the first of the two restrictions, section 4(f)(2)(A)(i) of the Act: a company controlling a grandfathered nonbank bank may, under certain emergency circumstances, acquire control of a failed or failing thrift institution. (This emergency acquisition authority is currently contained in section 408(m) of the National Housing Act. The bill repeals section 408(m), and replaces it with a new section 13(k) of the Federal Deposit Insurance Act.)

Five exceptions exist to the second restriction, section 4(f)(2)(A)(ii) of the Act, which prohibits acquisitions of more than 5 percent of the shares or assets of any additional bank or thrift institution. These exceptions exclude shares or assets in the following categories when calculating compliance with the 5-percent restriction:

(1) shares acquired in a bona fide fiduciary capacity;

(2) shares held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

(3) shares held in an account solely for trading purposes (i.e., as a market-maker);

(4) loans or other accounts receivable acquired in the normal course of business; and

(5) shares or assets of a failed or failing thrift institution acquired under the emergency acquisition authority described above.

B. Changes Made by This Section

This section revises section 4(f)(2)(A)(ii) of the Act to clarify what conduct will and will not violate the 5-percent restriction. The section rephrases the current exception for fiduciary holdings and makes additional exceptions for independent fiduciaries, insurance companies, proxy solicitation, and debt collection. Exceptions (2) through (5) remain unchanged.

As under current law, the exceptions relate only to the 5-percent restriction; they do not affect the prohibition in section 4(f)(2)(A)(i) of the Act against acquiring *control* of any additional bank or thrift institution.

1. Shares held as a bona fide fiduciary.—This section amends the current exception for fiduciary holdings, subclause (I) of section 4(f)(2)(A)(ii) of the Act, to specify that the exception will not be lost merely because the fiduciary has sole discretion to vote shares pursuant to its fiduciary obligations.

This section also rephrases subclause (I) for clarity. The subclause currently refers to shares "acquired in a bona fide fiduciary capacity," whereas the revised subclause refers to shares "held as a bona fide fiduciary." The use of "held" rather than "acquired" is consistent with the exceptions for shares held as an underwriter or market-maker, and makes clear that the exception does not apply in perpetuity merely because one *originally acquired* the shares as a bona fide fiduciary. Thus one who ceases to hold such shares as a bona fide fiduciary but continues to hold them in some other capacity may not avail himself of the exception. The use of "as a bona fide fiduciary" rather than "in a bona fide fiduciary capacity" emphasizes that the exception focuses on *acting* as a bona fide fiduciary rather than on mere fiduciary status. Thus, for example, the fiduciary must act solely in the interest of the beneficiaries rather than to aggrandize the company controlling the grandfathered nonbank bank.

2. Shares held by an independent fiduciary.—This section adds a new subclause (II) to the Act to provide an exception for shares held by an independent party as a bona fide fiduciary solely for the benefit of employees of the company controlling the grandfathered nonbank bank, employees of the company's subsidiaries, or those employees' beneficiaries. The new exception responds to concern that the basic fiduciary exception in subclause (I) may not apply to shares held by an independent party. The language of subclause (II), like that of subclause (I), emphasizes that the fiduciary is to *act* as a bona fide fiduciary solely for the benefit of the employees and their beneficiaries (and not, e.g., to aggrandize the company controlling the grandfathered nonbank bank).

3. Shares held by insurance companies.—This section adds a new subclause (VIII) to create an exception for insurance company subsidiaries of a company that controls a grandfathered nonbank bank. The exception cannot be used to hold more than 1 percent of any class of shares of a given bank or thrift institution. This limit prevents the exception from becoming an open-ended loophole through which the 5-percent restriction could be evaded merely by holding shares through one or more insurance companies.

4. Proxy solicitation.—In addition to perpetuating the current exception for shares held as a market-maker, subclause (IV) provides that the 5-percent restriction is not violated merely by acquiring control of voting rights in the normal course of a proxy solicitation.

5. Debt collection.—Subclause (VI) provides an exception for shares or assets acquired in securing or collecting a debt previously contracted in good faith. The exception follows the model of section 2(a)(5)(D) of the Act.

SECTION 1415. SEPARABILITY OF PROVISIONS

This section specifies that the provisions of the bill are separable: should a court hold invalid any provision or the application of any provision to any person or under any circumstance, that holding will not affect the validity of any other provision or of any provision as it relates to any other person or under any other circumstance.

TITLE XV—GENERAL PROVISIONS

SECTION 1501. DISTRICT OF COLUMBIA CORRECTIONAL FACILITY

This section calls for the District of Columbia to construct an 800-bed prison expeditiously.

● Mr. GARN. Mr. President, the section-by-section analysis inserted in the RECORD today was a collaborative effort of the majority and minority staff on the Banking Committee. I believe that it provides an excellent explanation of the recently passed FIRRE bill. Ordinarily, an analysis of this nature would have been included in the committee's report, but due to the time pressure the committee was operating under, an abbreviated report was issued in April. The publication of this document in today's CONGRESSIONAL RECORD fills that gap.●

PRINTING OF A COLLECTION OF INAUGURAL ADDRESSES OF THE PRESIDENTS OF THE UNITED STATES

Mr. DODD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 19.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S. Con. Res. 19) entitled "Concurrent resolution to authorize printing of a collection of the inaugural addresses of the Presidents of the United States", do pass with the following amendments:

Strike out all after the resolving clause, and insert:

That there shall be printed as a Senate document, with appropriate illustrations, a collection of the inaugural addresses of the Presidents of the United States, from George Washington, 1789, to George Bush, 1989, compiled by the Congressional Research Service of the Library of Congress. In addition to the usual number, there shall be printed 16,000 copies of the document which shall be made available for a period of 60 days, as follows: 5,000 copies for the use of individual Senators, pro rata, and 11,000 copies for the use of individual Members of the House of Representatives, pro rata. If, at the end of that period, any of the additional number of copies are not so used, such copies shall be transferred to the document room of the Senate or the House of Representatives, as appropriate.

Amend the title so as to read: "Concurrent resolution authorizing the printing of a collection of the inaugural addresses of the Presidents of the United States.".

Mr. DODD. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TUESDAY, JUNE 20, 1989

RECESS UNTIL 11:30 A.M.—MORNING BUSINESS

Mr. DODD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11:30 a.m., Tuesday, June 20, and that following the time for the two leaders there be a period for morning business not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FROM 12:30 P.M. TO 2:15 P.M.

Mr. DODD. Mr. President, I further ask unanimous consent that the Senate stand in recess from 12:30 p.m. to 2:15 p.m. in order to accommodate the party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUMPTION OF THE CONSIDERATION OF S. 5

Mr. DODD. Mr. President, I now ask unanimous consent that at 2:15 p.m. the Senate resume consideration of S. 5, the child-care bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. DODD. Mr. President, if the distinguished acting Republican leader has no further business and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 11:30 a.m. Tuesday, June 20.

There being no objection, the Senate, at 5:04 p.m., recessed until Tuesday, June 20, 1989, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate after the recess of the Senate on June 16, 1989, under authority of the order of the Senate of January 3, 1989:

DEPARTMENT OF STATE

LUIGI R. EINAUDI, OF MARYLAND, TO BE THE PERMANENT REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE ORGANIZATION OF AMERICAN STATES, WITH THE RANK OF AMBASSADOR.

WARREN A. LAVOREL, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS THE U.S. COORDINATOR FOR MULTILATERAL TRADE NEGOTIATIONS.

DEPARTMENT OF DEFENSE

STEPHEN JOHN HADLEY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE RONALD F. LEHMAN II, RESIGNED.

HENRY S. ROWEN, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE RICHARD LEE ARMITAGE, RESIGNED.

DEPARTMENT OF JUSTICE

MARGARET P. CURRIN, OF NORTH CAROLINA, TO BE U.S. ATTORNEY FOR THE EASTERN DISTRICT OF NORTH CAROLINA FOR THE TERM OF 4 YEARS VICE SAMUEL T. CURRIN, RESIGNED.

DEPARTMENT OF COMMERCE

THOMAS J. DUESTERBERG, OF INDIANA, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE LOUIS F. LAUN, RESIGNED.

DEPARTMENT OF TRANSPORTATION

BRIAN W. CLYMER, OF PENNSYLVANIA, TO BE URBAN MASS TRANSPORTATION ADMINISTRATOR, VICE ALFRED A. DELLIBOVI, RESIGNED.

DEPARTMENT OF ENERGY

J. MICHAEL DAVIS, OF COLORADO, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONSERVATION AND RENEWABLE ENERGY), VICE JOHN R. BERG, RESIGNED.

STEPHEN A. WAKEFIELD, OF TEXAS, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY, VICE FRANCIS S. RUDDY, RESIGNED.

FEDERAL COMMUNICATIONS COMMISSION

SHERRIE PATRICE MARSHALL, OF NORTH CAROLINA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING JUNE 30, 1992, VICE DENNIS R. PATRICK, RESIGNED.

NOMINATIONS

Executive nominations received by the Senate June 19, 1989:

FEDERAL COMMUNICATIONS COMMISSION

ANDREW CAMP BARRETT, OF ILLINOIS, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR THE TERM EXPIRING JUNE 30, 1990, VICE MARK S. FOWLER, RESIGNED.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be major

CHARLES R. *. BAILEY, 457-04-9440
JOHN H. *. BJARNASON, JR, 568-58-1704
GLEN L. *. BLOOMSTROM, JR, 473-70-5620
MICHAEL T. *. BRADFIELD, 214-62-4246
FRANK J. *. BRUNING, 498-58-5436
CHARLES D. *. CHANDLER, 528-74-6123
JOEL W. *. COCKLIN, 215-44-2258
DANIEL J. *. DEVENY, 478-54-3583
GAETANO *. FRANZESE, 445-56-9834
PHILIP T. *. GUISTWITE, 188-44-3304
FREDDIE L. *. HALL, JR, 234-56-8060
ALAN C. *. HENDRICKSON, 486-52-8206
MICHAEL J. *. HOOKER, 385-60-7516
FREDERICK L. *. HUDSON, 434-68-7474
RONALD R. *. HUGGLER, 194-44-8213
GORDON T. *. HUMPHREYS, 236-70-0816
JAMES W. *. JONES, JR, 121-34-7621
JO A. *. KNIGHT, 293-44-9639
RICHARD A. *. KUHLBARS, 585-64-0622
WILLIAM E. *. MADDOX, III, 159-36-5164
DANIEL A. *. MILLER, 219-50-5580
OTIS I. *. MITCHELL, 254-96-5210
ALVIN M. *. MOORE, III, 428-94-2272
DONNIE L. *. MOORE, 431-98-0535
SHERRILL F. *. MUNN, 446-46-0902
DENNIS A. *. NIEMEIER, 285-48-7406
RODNEY A. *. OZMUN, 299-44-2140
ALOYSIUS M. *. RODRIGUEZ, 435-33-3142
WILLIAM C. *. SHELNUTT, 267-64-2669
ORLANDO V. *. SUNGA, 561-55-5990
STEPHEN D. *. TURNER, 223-84-1262
JACK J. *. VANDYKEN, 422-74-4779
WILLIAM D. *. WILLETT, 404-72-8834
LARRY J. *. WOODS, 510-54-6231
PAUL W. *. WOODS, 523-70-1562
RONALD W. *. WUNSCH, 521-72-2341
HERSHEL D. *. YANCEY, 413-86-2071

JUDGE ADVOCATE GENERAL'S CORPS

To be major

DEAN C. BERRY, 481-72-0453
NICHOLAS J. BETSACON, 273-50-2147
STEPHEN W. BROSS, 327-44-3171
STEPHANIE S. BROWNE, 290-48-1490
LEROY C. *. BRYANT, III, 266-08-8382
JOHN P. BURNETTE, 405-76-5515
JOHN W. CALDWELL, JR, 446-46-5265
MICHAEL K. CAMERON, 240-88-5815
JON J. *. CANERDAY, 431-11-7639
MARTIN D. CARPENTER, 393-62-1207
LYLE W. *. CAYCE, 401-88-5383
ROBERT L. *. CHARLES, 555-82-7558
JOHN L. CHARVAT, JR, 507-76-1940

29-059 O-90-25 (Pt. 9)

ALAN D. CHUTE, [illegible]
PETER J. COMODECA, [illegible]
JAMES M. COYNE, [illegible]
JEFFREY S. DAVIS, [illegible]
BENJAMIN P. DEAN, [illegible]
WILLIAM L. DENNEE, [illegible]
THOMAS F. DOUGALL, [illegible]
ROBERT L. * DUBCASTER, [illegible]
MALINDA E. DUNN, 218-76-7123
MIGUEL A. ESCALERA, JR. [illegible]
GRECEMIEL M. FERNANDEZ, [illegible]
DAVID J. FLETCHER, [illegible]
JOHN J. FLUCK, [illegible]
JOHN M. FOMOUS, [illegible]
SHARON A. * FORBUS, [illegible]
SHAWN T. GALLAGHER, [illegible]
LELAND A. GALLUP, [illegible]
MAUREEN E. GILMORE, [illegible]
RICHARD E. * GORDON, [illegible]
ORIN R. HILMO, JR. [illegible]
JOHN B. * HOFFMAN, [illegible]
WENDELL A. HOLLIS, SR. [illegible]
FRANK J. HUGHES, 423-74-[illegible]
WILLIS C. HUNTER, [illegible]
GARY D. * HYDER, [illegible]
CARLTON L. * JACKSON, [illegible]
FREDERICK KENNEDY, III, 117-42-0927
LAWRENCE D. KERR, [illegible]
STANTON G. * KUNZL, [illegible]
RAFAEL LARA, JR. [illegible]
ROBERT M. LEWIS, [illegible]
PHILIP W. LINDLEY, [illegible]
ROBERT L. LITTLETON, [illegible]
JOSEPH J. LODGE, JR. [illegible]
KEVIN G. MACCARY, [illegible]
SAMUEL R. MAIZEL, [illegible]
GREGO A. MARCHESSAULT, [illegible]
CHARLES R. MARVIN, [illegible]
KURT S. MECKSTROTH, [illegible]
ENRIQUE S. MENDEZ, [illegible]
KENNETH F. MILLER, [illegible]
EVA M. NOVAK, [illegible]
ALLAN R. PEARSON, [illegible]
RICHARD V. FREGENT, [illegible]
FRED T. * PHIBBLE, [illegible]
KARL R. RABAGO, [illegible]
ROBERT E. RIGBIER, [illegible]
JUAN J. * RIVERA, [illegible]
STEVEN T. * SALATA, [illegible]
MARGARET A. SCHUYLER, [illegible]
JOHN J. SHORT, [illegible]
PAUL L. SNYDERS, [illegible]
STEPHANIE C. SPAHN, [illegible]
JOSEPH C. * SWETNAM, [illegible]
DOUGLAS B. TESDAHL, [illegible]
STERLING L. THORNELL, [illegible]
ELIZABETH W. WALLACE, [illegible]
ANDREW M. WARNER, [illegible]
STEPHANIE D. WILSON, [illegible]
RANDY L. *. WOOLF, 518-74-9075

DENTAL

To be major

ANGELA S. *. ADAMS, 284-84-7237
DAVID C. *. ANDERSON, 473-60-7247
MICHAEL J. *. AFICELLA, [illegible]
MATHEW S. *. AUSMUS, [illegible]
BARBARA L. *. BEARLEY, [illegible]
TIMOTHY A. *. BECKER, [illegible]
KEITH A. *. BERRY, [illegible]
GREGORY A. *. BLYTHE, [illegible]
PHILIP J. *. BREEDING, 412-78-9156
GEORGE L. *. BRUCE, [illegible]
WILLIAM W. CARMICHAEL, [illegible]
BENJAMIN T. *. COOK, [illegible]
MARYJO *. CORBETT, [illegible]
KATHRYN A. *. CRIPPS, [illegible]
STEVEN L. *. CURETON, [illegible]
PHILIP *. DENICOLO, [illegible]
DAVID O. *. DICKERHOFF, [illegible]
JIM B. *. DUKE, JR. 417-76-9555
CARLOS S. *. ENRIQUEZ, 564-99-7923
MARIA D. *. FERRERNICHOLS, [illegible]
MARK A. *. FIGARO, [illegible]
MARIA L. *. FREYFOOLE, [illegible]
MICHAEL S. *. FULKERSON, [illegible]
JOHN A. *. GAWLIK, 141-60-2206
DALE L. *. GIEBINK, [illegible]
MICHAEL E. *. GONZALES, [illegible]
MICHAEL J. *. GORDON, [illegible]
NATHAN *. HARRIS, [illegible]
GARY L. *. HALL, 400-68-2317
PHILIP A. *. HAMMOND, [illegible]
GARY W. *. HARRIS, [illegible]
JAMES F. *. HOUSTON, [illegible]
SCOTT M. *. HUSET, [illegible]
JOSEPH B. *. ISAAC, [illegible]
BLAINE L. *. KNOX, 511-50-5561
STEPHEN E. *. KUMYATI, [illegible]
THOMAS A. *. KOBRITZ, [illegible]
DANIEL P. *. LAVIN, [illegible]
PAUL S. *. LEWIS, [illegible]
RAY H. MALONE, III, [illegible]
MARK P. *. MAXWELL, [illegible]
NATHAN K. *. METHVIN, [illegible]
MARTY G. *. MOON, [illegible]
WALTER J. *. MORRIS, JR. [illegible]
JOHN H. MUSE, [illegible]
LARRY P. *. MYERS, [illegible]
ROBERT S. *. NICHOLS, 210-60-0370
KEVIN S. *. OARES, [illegible]
JAMES E. *. PARKER, [illegible]
DALE L. *. PAVEK, [illegible]
JOSE M. *. PEREZ, 214-80-7130
DONNA B. *. PHILLIPS, [illegible]
TIMOTHY M. *. PIVONKA, 514-62-7408
RICHARD J. *. PRICHARD, II, 415-11-4670
MARTIN C. *. RADKE, 575-74-0184
ARLYNN G. *. RAEZ, [illegible]
PETER G. *. REICHL, [illegible]
ROBERT B. *. ROACH, JR. [illegible]
GUILLERMO L. *. ROSADO, 581-15-5841
STEVEN C. ROSENBERGER, [illegible]
BRYAN K. *. RUSHING, [illegible]
BRET F. *. SANDLEBACK, [illegible]
KEVIN K. *. SCHULTZ, [illegible]
GREGORY L. *. SHIPMAN, 553-11-3751
HAROLD B. *. SNYDER, III, [illegible]
GREGORY R. *. SOUTH, [illegible]
DANIEL H. STORY, II, [illegible]
MARK A. *. SUNDBERG, [illegible]
GARY D. *. SWIEC, 214-70-9049
THUY T. *. SWIEC, 213-82-5151
MARCUS S. *. TAFFAN, [illegible]
THOMAS G. *. TEETS, [illegible]
DAVID G. *. THOMAS, 543-74-0400
RICHARD W. THOMAS, JR. [illegible]
MICHAEL J. *. WILL, 521-66-4184
MING T. *. WONG, 576-27-[illegible]
RICHARD A. *. WOODARD, [illegible]
KEITH A. *. WUNSCH, [illegible]
ROBERT K. *. ZUEHLKE, [illegible]

WITHDRAWALS

Executive nominations withdrawn by the President from further Senate consideration, June 16, 1989:

DEPARTMENT OF ENERGY

JOHN R. BERG, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONSERVATION AND RENEWABLE ENERGY), VICE DONNA R. FITZPATRICK, WHICH WAS SENT TO THE SENATE ON JANUARY 3, [illegible].

FRANCIS S. RUDDY, OF TEXAS, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY, VICE J. MICHAEL FARRELL, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

EXTENSIONS OF REMARKS

WORLD REFUGEE SURVEY

HON. GARY L. ACKERMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. ACKERMAN. Mr. Speaker, the U.S. Committee for Refugees, a private organization that works to educate the American public about world refugees issues, recently issued its "World Refugee Survey: 1988 in Review." The report notes that the number of people displaced from one country to another climbed from 13.3 million in 1987 to 14.4 million in 1989—a nearly 10-percent rise in just 1 year. The Horn of Africa alone produced half a million refugees. The survey reports that 350,000 civilians fled violence in northern Somalia to, of all places, Ethiopia; another 150,000 southern Sudanese fled to Ethiopia, escaping civil war and joining 200,000 similar refugees in Ethiopia.

I am particularly impressed with the committee's work on the tragic famine in Sudan, in which as many as 500,000 innocent civilians died last year. The committee's director, Roger Winter, was one of the first people to bring public attention to this horrendous man-made famine. In the introduction to the survey, Mr. Winter writes:

It is hard to believe that a humanitarian tragedy of this dimension, fully known to governments including our own, could materialize with nary a murmur, until the outcry of refugees . . . and the burgeoning awareness of ordinary people of good will finally began to change the political equities and force a response.

I urge my colleagues to read the "World Refugee Survey: 1988 in Review," especially excerpts from "The Year in Review" chapter, which I include here:

EXCERPTS FROM "THE YEAR IN REVIEW" BY ROGER P. WINTER IN WORLD REFUGEE SURVEY—1988 IN REVIEW

Refugees need a permanent home. But, as victims of persecution and war, they have minimal control over their destinies. A solution for their homelessness must often seem utterly beyond their power to effect. That is because refugees are the flotsam of power struggles—world, regional, national, and local. The powerful, who have created the misery of the weak, have little regard for the tolls they have exacted and even less incentive for rectifying the losses incurred because of their actions. Therefore, the refugees are left to wait. And, if they retain the energy, to hope.

They hope that those who control the destiny of governments might take actions that will have the inadvertent bonus of affecting their destiny for the better as well. But the basic changes in the lives of common people that trickle down after negotiators have concluded their business are not easy to come by and don't materialize quickly. A year ago, we looked forward to the hope of Soviet withdrawal from Afghanistan, progress on the Central America peace plan, a peace accord in Sri Lanka, and the withdrawal of Vietnamese troops from Cambodia. A year later, progress has been made on a number of these situations. However, for most of the refugees another year has been added to their exile.

Still, progress between the superpowers and on some regional conflicts offers hope that perhaps soon the worldwide refugee population—now at 14 million—will decrease rather than increase. The dramatic progress on a settlement in Namibia adds to this hope.

In the meantime, reality confronts us. Hundreds of thousands of new refugees have been created in 1988 in Africa, largely fleeing conflict in southern Sudan, northern Somalia, and Mozambique. The situation for Vietnamese refugees in Thailand degenerated early in the year, resulting in great loss of life and sparking an as yet unfinished fundamental reassessment of refugee policy throughout Southeast Asia. The end of the Iran-Iraq war, instead of bringing the repatriation of hundreds of thousands of refugees, acutally resulted in the exile of an additional 100,000 Iraqi Kurds, and the internal displacement of perhaps ten times that number, as Iraq turned its guns—and more insidious weapons—away from its external enemy and onto troublesome elements within its own population.

While the resolution of so many refugee problems seems both tantalizingly close and as far away as ever, the interim protection of refugees through the offer of asylum and resettlement has noticeably deteriorated in 1988. Western Europe and North America continued a matrix of restrictive asylum policies and practices—particularly for refugees from the Third World—that are undermining the quality of refugee protection worldwide. The psychology, even the morality, of those in the developed world responsible for this latter situation is difficult to comprehend.

Political realism is essential in defining the level of flexibility nations adopt in permitting the entry of asylum seekers. But what has all-too-often happened is that principles are tossed to the winds and approaches are adopted that not only are biased or are unfairly restrictive, but moreover are designed to frustrate the asylum seeker's access to any system at all in which his claim might be adjudicated. Despite serious poverty and other maladies in parts of the developed world, the very truth is that most of us in North America and Western Europe are materially well off, even fat by the standards of most of the world's people. In December Bishop Herbert W. Chilstrom, head of the Evangelical Lutheran Church in America, recounted some of his recent experiences in the Third World. He said the sight of starving children and homeless people persuaded him that "never again will I be able to say I am middle class. The truth is I am a very rich person, and so are you." He said the chief sin that comes with acquiring possessions is that "we turn in our ourselves."

As usual, 1988 was a year of pluses and minuses for refugees. The most dramatic event early in the year was the action taken by Thailand to crack down on Vietnamese boat people. Beginning in late January, an interdiction blockade in the Gulf of Thailand deflected and redirected refugee boats headed to Thailand. Many boats were pushed back as they sought to land. In the process, several hundred refugees died. The changed psychology of the situation spawned a dramatic increase in pirate attacks against refugees. During the following months, attitudes in other first asylum countries of the region hardened. Pushbacks continued in Indonesia. Hong Kong rushed to implement a new screening program as a deterrent. Malaysia announced its intention to close its major refugee camp.

That these developments were tragic for individual Vietnamese refugees cannot be minimized. The events did, however, trigger movement towards a fundamental reassessment of the refugee situation in the region, including calls for a new international conference on the matter. It will be crucial in 1989 for the international community to resist pressures to wash its hands of the continuing exodus from Vietnam and to construct a truly principled approach that employs the full range of humanitarian solutions for these refugees—one that, while achieving improved control and minimizing less compelling flight, also fully protects refugees.

Thailand has unfortunately also allowed the deterioration of the screening program for refugees from Laos that it implemented in 1985. As a result, Hmong in particular continue to be pushed back into Laos. The U.S. quietly began to reconsider for resettlement some previously rejected Cambodians at Khao I Dang, a welcome change. Thailand made several important improvements in life quality and security for Cambodians located along the Thailand-Cambodia border, but inaction by Thailand and the international community permitted the dread Khmer Rouge to force thousands of refugees back into Cambodia. Finally, Thailand, which for years has provided unofficial haven for ethnic Karen and others who have fled fighting in Burma, also received a substantial number of students who fled political upheaval in most of Burma's major cities. Unfortunately, Thailand has not permitted UNHCR to fulfill its mandate regarding these refugees.

Aside from the successful final stages of the repatriation of Ugandan refugees from Sudan, the situation of refugees in Africa deteriorated markedly in 1988. The most predictable event was the continuing exodus from ravished Mozambique. The U.S. State Department released an invaluable report analyzing violence against civilians, attributing the great mass of it to the Renamo forces. Although the refugees have fled to every contiguous country, tiny Malawi has a refugee burden in many ways unmatched by any in the world. The refugee influx is a twelfth of the nation's own population.

Three other situations in Africa exploded into view in 1988. In August, ethnic violence in northern Burundi killed thousands and forced the flight of more than 50,000 to Rwanda.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Conflict in northern Somalia resulted in massive destruction in the major city of Hargeisa. In June, some 350,000 fled into nearby Ethiopia, which itself remains the Horn of Africa's largest refugee producer. The situation of the Somali refugees deteriorated in late 1988, resulting in substantial criticism of UNHCR by the nongovernmental organizations providing assistance.

The conflict in southern Sudan finally entered the world's focus. This current phase of the struggle between the Islamic, Arabized north and the non-Islamic, African south resulted in the deaths of at least 260,000 civilians in 1988 alone from direct violence and disrupted food production and distribution. Militias affiliated with the Sudan army targeted ethnic Dinka for violence, causing a trek of hundreds of miles for tens of thousands of young Dinka men and boys. In March, they began to arrive in Ethiopia in dramatic numbers, but even more dramatic condition. Relief workers said that as many as a quarter did not survive the journey, and that those who arrived in Ethiopia were in the worst physical condition of any refugee flow in decades. In all, 350,000 southern Sudanese refugees remain in Ethiopian camps.

The larger tragedy was that of southern civilians who remained in Sudan as "internally displaced people." A million made their way to Khartoum to escape the direct fighting. There, the poorest of the poor, unassisted by a government that viewed them as a threat, they were the worst hit victims of August's massive Nile flooding. Most remain unassisted to this day. Interdiction of food supplies by authorities left many civilians in the transitional zone between north and south in absolute famine, as well as the victims of violent militias. And in the very south, the government was present in only a limited number of garrison towns. These towns, as well as towns like Kapoeta, controlled by the rebel Sudan People's Liberation Army, were ringed with thousands of the formerly proud, now dispossessed, often dying in southern Sudan.

It is hard to believe that a humanitarian tragedy of this dimension, fully known to governments including our own, could materialize with nary a murmur until the outcry of refugees and advocates, the beginnings of a media focus, and the burgeoning awareness of ordinary people of good will in many nations finally began to change the political equities and force a response.

Where was the UN? Where was the Organization of African Unity? Where was the world's humanitarian machinery in such a case? Sadly, there is little the international community is obliged to do, and little that it actually does. Such a situation is viewed as the "internal affair" of the country in question, whose government may well be fully or partially responsible for the very existence of the tragedy in the first place. Protecting and assisting internally displaced civilians—when the responsible government can't or won't respond adequately—is a major unresolved item for the international humanitarian agenda.

Although the shooting stopped in the Iran-Iraq war, it produced the ironic result of new waves of repression against the internal enemies of both Saddam Hussein and Ayatollah Khomeini. An escalation of arrests and executions in Iran clearly signalled to Iranian refugees that it was not yet safe to return. Iraq, on the other hand, used the armistice as an opportunity to wage all-out war on the Kurds of the mountainous north, displacing hundreds of thousands within Iraq and causing tens of thousands to flee to neighboring Turkey and Iran. Turkey was particularly uneasy with the new influx, and continued to refuse to grant refugee status to refugees from either Iraq or Iran.

In Central America, civilians displaced by warfare and violence within their own countries, as well as refugees throughout the region and in North America, continued the wait for peace and security. Human rights conditions deteriorated in both Guatemala and El Salvador, with refugees continuing to flee those countries and spontaneously make their way north. Some Salvadoran refugees decided to return home, despite the great turmoil and risk there. There decision in part reflected the privations of their lives in Honduran refugee camps. Nicaraguans in Honduras fared somewhat better, but Honduras was indicating reluctance to continue to provide haven for either refugee group. Although fighting in the contra war reached a standstill late in the year, tens of thousands of Nicaraguans continued to flee the Sandinista regime and the shambles of an economy beset by war and natural disasters.

A dramatic increase in applications for asylum in the United States and Canada, especially from Central Americans, led both countries to make it increasingly difficult to file and pursue asylum claims. A U.S. federal judge ruled that the Immigration and Naturalization Service uses methods "from subtle persuasions to outright threats and misrepresentations" to coerce and intimidate Salvadoran asylum seekers into abandoning their asylum claims.

Thanks to a continued relaxation of emigration policies in the Soviet Union, more than 70,000 people left in 1988, predominantly ethnic Germans, Armenians, and Jews.

These are welcome developments, although they challenge the United States and its resettlement partners to expand migration in order to accommodate such large numbers. While the reduction of east-west conflicts can pave the way for more constructive efforts to resolve some of the world's most trying refugee quandaries, among the greatest challenges will be the north-south variety, low intensity conflicts in the Third World, often involving brutal repression and wrenching dislocation.

The United States has a unique role to play in setting the tone for international response to these refugees and displaced people. The issue ultimately is one of moral, principled leadership, but too often that leadership does not surface without ordinary people supplying the motivation.

We are a people of causes. And when a cause catches us, strange and sometimes wonderful things happen. The little girl down the well, the ice-bound whales, the victims of earthquake in Armenia—all these caught us.

Refugees and displaced people are victims. A few are controversial. But the bulk are regular people caught up in persecution and violence. As a nation and as individuals, we have increasingly made the very tragic error of believing that refugees are one of our problems, rather than their becoming one of our cases.

We have a chance with a new Administration to change our course. While dealing with immigration enforcement, we should give the highest priority to preserving a humanitarian response to asylum seekers. While framing our foreign policy, we should give a priority of the highest order to human rights, to humanitarian assistance, to solutions to refugee movements, all in politically neutral terms that focus on the vulnerability of the victims of persecution and conflict.

THE U.S. MINT AIDS THE U.S. CAPITOL PRESERVATION COMMISSION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. BROOMFIELD. Mr. Speaker, in 1988, as part of the bicentennial celebration of Congress, legislation was passed to create a U.S. Capitol Preservation Commission to help restore the U.S. Capitol. To help create funds for the Commission, it was decided that the Treasury would mint bicentennial commemorative coins, including a gold $5 coin, a silver $1 coin, and a half dollar coin.

The proceeds of these coins will be placed in a new Capitol Preservation Fund administered by the Capitol Preservation Commission. The Commission, led by chairman, Senator ROBERT BYRD, will administer restoration projects like the Statue of Freedom and the Capitol Fountains.

On June 14 on the Capitol Grounds, the U.S. Mint began to strike the first of the bicentennial commemorative coins. The atmosphere was splendid as Speaker FOLEY along with many other Congressmen took part in the historical coin striking process.

It is most fitting that the world's symbol of democracy and freedom—our Capitol, will benefit through a restoration process funded by the proceeds of the Commemorative Coin Program.

We are most grateful to the U.S. Capitol Preservation Commission and the U.S. Mint for engineering such an outstanding bicentennial celebration program. I would like to send special thanks to the Director of the U.S. Mint, Donna Pope, for all her hard work on this project. She spoke during the first strike ceremony giving a detailed explanation of the Commemorative Coin Program and I would like to commend her remarks to my honored colleagues:

REMARKS BY THE HONORABLE DONNA POPE, DIRECTOR OF THE U.S. MINT, FIRST STRIKE CEREMONY

Good morning, I'm Donna Pope, Director of the United States Mint. As you know today is Flag Day and a very good time to pledge our allegiance to our flag. Would Johnny Stoel a Senior Patrol leader in the Boy Scouts and Shannan Burke, Girl Scout, both from the Washington Area come forward and lead us in the Pledge of Allegiance, would everyone please rise. Thank you. Before everyone gets too comfortable it is my pleasure to introduce our distinguished guests on the platform.

Also there are some very special people in the audience again please hold applause. Deputy Secretary of the Treasury John Robson; and very very special guests Mrs. Nicholas F. Brady and Kim Brady, good to have you.

We're here today to strike the first commemorative coins in honor of the Bicenten-

nial of the Con
coin has been st
Capitol. So, I w
rary off-site W
Mints. Those a
bulk of the gold
duced, starting
Strike Ceremon

Using the Ca
facility—a foun
but on second
think of the Ca
ry where the s
of the individu
millions of opi
a process so bri
envied through
where the expe
umphed for 2
can govern the
sary of that t
that these co
rate. But a gre
always said—a
celebration, bu
stock" as well
coins will not
American peop
but will also c
we all play as
founding fathe
ago.

The coin pr
ten will provid
one of the mo
world—our C
cludes the fam
the Capitol d
This is the sec
Mint has had
restoring an
liberty and fr
Liberty and n

Although w
and a silver $
coin, a half do
the program,
people can a
produced in D
three coins w
and uncircula
the audience
ogy. By the
with the coin
respiratory a
tor and our
know that a
done with s
mirror like fi
coining pres
gloves, as you

Over the y
laid the first
1783, the Ca
stored, exten
sure you can
for maintena

The 22 mil
from the sale
for years to
the Home of
gress, will e
would be co
today—some
words about
let them nea
gold or silver

The first
world, for be
Katherine D

nial of the Congress. It is the first time a coin has been struck in the front yard of the Capitol. So, I welcome you all to our temporary off-site West Point and San Francisco Mints. Those are the two Mints where the bulk of the gold and silver coins will be produced, starting immediately after this First Strike Ceremony.

Using the Capitol grounds as a production facility—a foundry, seems strange at first, but on second thought it is quite fitting to think of the Capitol as a great white foundry where the spirits, dreams, and ambitions of the individual states and territories and millions of opinions are alloyed together in a process so brilliant, it is noticed and often envied throughout the world. It is a place where the experiment of democracy has triumphed for 200 years—proof that people can govern themselves, and it is the anniversary of that two hundred year TRIUMPH that these coins celebrate and commemorate. But a greater thinker, my father, has always said—anniversaries are not only for celebration, but for reflection and "taking stock" as well. So it is hoped that these coins will not only help Congress and the American people celebrate the Bicentennial, but will also cause reflection upon the roles we all play as caretakers of that which our founding fathers envisioned those 200 years ago.

The coin program we are about to christen will provide funds for the restoration of one of the most recognized buildings in the world—our Capitol which, of course, includes the famous statue standing high atop the Capitol dome, the Statue of Freedom. This is the second time this decade that the Mint has had the privilege of being a part of restoring an American, female, symbol of liberty and freedom. In 1986, the statue of Liberty and now, Freedom.

Although we are striking a gold $5 coin and a silver $1 coin today, there is a third coin, a half dollar coin, which is also part of the program, and one that millions of people can afford. The half dollar will be produced in Denver and San Francisco. All three coins will be produced in both proof and uncirculated condition. Numismatists in the audience will understand that terminology. By the way, those of you unfamiliar with the coin world—numismatist is not a respiratory ailment, but rather a coin collector and our best customer. Numismatists know that a proof version of a coin is one done with specially polished dies, has a mirror like finish, and is hand fed into the coining press and handled with white gloves, as you will soon see.

Over the years, since George Washington laid the first conerstone on September 18, 1783, the Capitol has been built, rebuilt, restored, extended, domed and redomed. I'm sure you can understand the constant need for maintenance and restoration.

The 22 million dollars we expect to realize from the sale of these coins will ensure that for years to come, the great white foundry, the Home of Democracy, the House of Congress, will endure. We have a number of would-be coin press operators with us today—some of whom will also speak good words about the coin program—before we let them near the coining presses to strike gold or silver.

The first is a lady, known around the world, for being "on the money"—Treasurer Katherine Davalos Ortega.

INGENUITY IN RURAL AMERICA

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. DE LA GARZA. Mr. Speaker, there is a great deal of inventiveness and ingenuity out in rural America. If one looks, one will find it. A valued constituent of mine, Mr. Kenneth McKamey, has proven this to be true.

Mr. McKamey lives in Gregory, TX. This is a small south Texas community near Corpus Christi, TX. Mr. McKamey has shown us what it takes to run a farming operation and make it work during these difficult times. His success was featured in a news article printed by the Corpus Christi Caller-Times newspaper. The entire article follows below so that our colleagues may know of Mr. McKamey's accomplishments.

[From the Corpus Christi Caller-Times]

INGENUITY IN AMERICA

(By Hoyt Hager)

TAFT.—Kenneth G. McKamey, a fourth generation farmer in the Taft area, has found that his talent as an inventor has helped him meet new problems on the farm.

He recently returned to the Ithaca, N.Y., campus of his alma mater, Cornell University, to talk about agricultural engineering in the real world.

He was speaking to a group of agricultural engineering students when he said the "greatest challenge" he has encountered in farming in the Coastal Bend since leaving college is "dealing with the government bureaucracy".

The master's degree in agriculture engineering that he earned at Cornell in the 1960s provided background for his continuing studies in the agribusiness world and his working with the government on the farm program.

McKamey operates a family farm of 3,000 acres and another spread of 1,000 acres of rented land. He also owns and operates a cotton gin and a grain elevator. He said he is confronted every day with problems developing in all three areas of agribusiness.

In his talk to the Cornell class of undergraduates, he was asked many questions about "flatland farming" with which the students were unfamiliar since they live and work in hilly and mountainous areas. Also, they were interested in large farms like the McKamey spread.

Another challenge McKamey encounters, he said, is in the employment of machinery. All too frequently he finds "we never anticipated this device could he used in this manner." As an inventor, McKamey makes machinery modifications to meet new problems.

His farm has a machine shop where his 12 tractors are maintained and repaired. He has given a number of tractor and machinery modification ideas to farm equipment and gin machinery companies. Among these was a sensing device to help a tractor operator with multi-wheel drive keep his machine going in a straight line. McKamey also has invented attachments for cotton gins and elevator machines.

One of the most important developments coming from McKamey was an oil cooling system for a cotton gin. Also, he was the first to attach suction lines to a gin to increase flow of raw cotton into saws.

McKamey devotes much of his time to marketing because he harvests 2,000 bales of cotton and 70 to 100 carloads of grain sorghum each year. He also markets some produce for his rented-acreage landlords.

McKamey said he "always goes with the farm program." His family operation is in the government program as one farm, and there are three groups of landlords on the rented land.

McKamey was born in 1942 in Corpus Christi. He was in the ROTC program at Cornell University when he was graduated with a master's degree. He went into military service and after two years left in 1968 to take over the family farm after the death of his father, K.G. McKamey, who was the son of T.A. McKamey. T.A. McKamey was the son of J.S. McKamey, who set up the McKamey farm in the Gregory-Taft area in 1899.

Members of the family today are Kenneth McKamey's mother, Hattie Bell McKamey; a sister, Martha Decou; a daughter, Koko McKamey, who is a freshman at Cornell; and a son, Jeff, and daughter, Kara, in Gregory-Portland High School.

Jeff plans to take a summer course at Cornell this year.

REMEMBERING DICK CONLON

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. SABO. Mr. Speaker, 1 year ago, the House lost a truly unique and exceptional staff member, and many of us individually lost a good and trusted friend, with the untimely death of Richard P. Conlon, who was killed in a sailing accident on June 19, 1988.

Dick served as executive director of the Democratic Study Group from 1968 until his death last year. During his 20-year tenure at DSG, Dick played a leading role in promoting institutional reform within the House, in building DSG into a preeminent source of legislative research, and in advancing the cause of progressive legislation.

On the anniversary of his death, it is appropriate that we pause for a few moments to remember Dick and his accomplishments—accomplishments that are well summarized in these editorial tributes that appeared following his death last year:

[From the Washington Post, June 23, 1988]

RICHARD CONLON

When Richard Conlon, who died in a sailboat accident last weekend, became the chief staffer for the Democratic Study Group almost exactly 20 years ago, the House of Representatives was a largely conservative and tradition-bound quarter of American politics. Elderly committee chairmen were vested with great power by operation of the seniority system, and an alliance between conservative southern Democrats and small-town Republicans dominated the House on issues far more often than its Democratic speakers could. At a time when the presidency and the executive branch were beginning to be transformed, when the Senate was in the throes of reform and state governments were growing larger and more competent, the House, in-

tended by the founders to be the branch of government most responsive to changes in opinion, seemed to be almost impervious to change.

Today the House is a vastly different institution, and Mr. Conlon was one of the handful of people responsible. He helped to establish the Democratic Study Group, not just as a lobby but also as an organization that provided reliable information on issues before the House. And he helped provide the leadership that abolished such hoary practices as unrecorded votes and automatic succession to chairmanships, insisting instead that members be accountable to their constituents, and chairmen to their colleagues. The political result through most of the 1970s and 1980s has been to favor the liberal Democratic causes Mr. Conlon supported. But the institutional changes guarantee that the House will be more responsive to any majority, as was shown when Republicans took effective control on the tax and budget issues of 1981.

Of course, Mr. Conlon did not work alone; various House Democrats and national political trends helped produce the results he sought. But he brought to his work important qualities of intellectual integrity and steadiness of purpose that helped make the DSG's victories not the momentary triumph of a faction but the restoration of a branch of government to something nearer its original purpose. His death came while he was still in the midst of his work, but he left behind major accomplishments.

[From the Washington Post, June 24, 1988]

CASUALTIES AND EFFECTS

(By Haynes Johnson)

The death of Dick Conlon in a boating accident last weekend on the Chesapeake Bay was one of those terrible events that cried out for comment, and I was pleased to read the tributes about him by my colleague David S. Broder and by The Washington Post editorially. But I would like to add a personal note.

Outside of Washington, few people heard of Richard Conlon. If they did, his job title as executive director of the Democratic Study Group of the House of Representatives undoubtedly made him sound like one of countless Washington bureaucrats. In fact, Dick Conlon represented the best of public service: a man of honor, intelligence, decency, who cared deeply about the institutions of government, and especially about the Congress. He did more than care: through tireless effort, he made them better. As such, he was one of the most influential people in Washington over the past generation.

At a time when a sense of scandal permeates the capital, with cases of bribery and insider/contractor Pentagon deals involving tens of billions of dollars dominating the headlines, the public has good reason to react cynically to the latest workings of Washington. The example of Dick Conlon is a reminder of the other, better side of Washington and government service. He never sought the spotlight, never tried to use his position to cash in personally, never became puffed up from association with power. He came to Washington to serve, and did so splendidly and selflessly.

[From the National Journal, June 25, 1988]

A HOUSE DEMOCRAT

Richard P. Conlon, executive director of the House Democratic Study Group (DSG), died on June 19 in a boating accident on the Chesapeake Bay. He was 57.

Conlon was a rare breed among congressional aides. He was an institutionalist. He cared deeply about the way Congress operates—especially the House and, most especially, the Democrats in the House. He worked on many levels: legislative, electoral, systemic, informational. He certainly was a Democrat, but he was, most passionately, a democrat, who believed that government must reflect the public will.

Conlon cared about results and the contents of legislation. As an institutionalist, he also pursued the Jeffersonian ideal that Members of Congress ought to work harder to assert their responsibility as lawmakers.

Like many of the House's institutionalists, Conlon could be unrelenting in advocating what he believed were the best interests of the House and his party. Friends and foes alike called him "the 436th Member." Some critics viewed him as "the prince of darkness."

Woe to the Member of Congress, especially a House Democrat, who stood in his way. During the 1985 House debate on the tax reform bill, Ways and Means Committee chairman Dan Rostenkowski, D-Ill., wanted to kill the tax credit for an individual's contribution to a political candidate. But DSG leaders, energized by Conlon, challenged and initially defeated Rostenkowski, coming away with the only House floor amendment to the committee-reported bill. The chairman later got his way in a House-Senate conference committee but, a Conlon ally said, "Rostenkowski was ready to kill him.

Woe, also, to the congressional reporter who did not give Conlon's view—which was usually the accurate view—of a story in which he was involved. Certain reporters, notably your truly, had a bad habit of crediting the "Watergate babies" elected in 1974 for the major internal House reforms that were approved by the Democratic Caucus after that election. As Conlon said very clearly, the 75 freshman Democrats provided the votes, but painstaking efforts of DSG leaders over many years performed the essential spade work and developed the tactics that led to the ouster of three autocratic committee chairmen and forced Members to be more accountable to the caucus. And when I wrote in 1979 that the DSG was suffering an "identity crisis" because it had achieved most of its goals, Conlon tartly responded that the report "would be news to DSG members" and that the organization had reached the peak of its influence.

Conlon held his post for 20 years—a remarkable feat, considering that a new chairman took control every two years. Ironically, friends celebrated the anniversary at a big Capitol Hill reception four days before his death: the invitation showed Conlon at the helm of a boat.

He had taken the DSG job after serving as a reporter in Minnesota and as a press secretary to then-Sen. Walter F. Mondale, D-Minn., and he quickly plunged into the effort of Members seeking to force a vote on ending the Vietnam war. Years later, he rallied DSG forces against aid to the Nicaraguan contras by publishing a long series of reports on events in the region, and he organized a lawsuit by 109 House Members challenging the constitutionality of U.S. reflagging of Kuwaiti tankers in the Persian Gulf.

"No person in this town has been more crucial than Dick to the success of progressives in the House for 20 years," said Rep. David R. Obey, D-Wis., a close ally and former DSG chairman. "His agenda was never finished. In the later years, our big problem was not the House rules but how to respond to the Reagan Administration's economic policy and foreign policy abuses." Obey, himself a major player, credited Conlon as the "driving force" behind the rules changes that weakened seniority and strengthened the part leaders. "Everything he did was to teach Members by producing information that was accurate and straight but pushed home a point."

On the campaign front, he organized the Democratic Study Group Campaign Fund in 1974 to give candidates access to low-cost polling. "Dick felt that in-house polling was a way to control escalating campaign costs, with professional standards," said political scientist Thomas E. Mann, who organized the program with Conlon in its early years and who is director of government studies at the Brookings Institution.

Starting in the early 1980s, the polling function passed to the Democratic Congressinal Campaign Committee, largely because its chairman, Rep. Tony Coelho of California, began raising enough money for the committee to underwrite the services. Coelho's aggressive style initially caused friction between the DSG and the campaign committee. "Dick opposed the cult of personality and feared that it could be manipulated by someone in the future," said Martin D. Franks, who was executive director of the campaign committee from 1981-87. "By 1985, he was satisfied with how we operated, and the two groups were restored to their proper roles, with DSG oriented to issues and inside the House."

Probably the most important aspect of that service, and the feature least visible to the public, has been the yellow DSG legislative fact sheets perfected by Conlon, which Members and aides of all ideological persuasions (plus more than a few reporters) use as crib sheets on pending bills.

At a time when congressional aides leave the Hill to earn big bucks in law or consulting firms or to write lightweight collections of Capitol Hill anecdotes. Conlon showed that professionalism can mean selfless and driven service to make Congress work better. His death came at a time when mounting legal and ethical misdeeds among House Members threaten the House's integrity and when the House is most in need of leadership to develop workable reforms in such areas as campaign finance and House operations. These are issues on which Conlon was a legislative genius.

Because Conlon won't be around, some Members might not feel as challenged to address the problems as they would have; others won't have the tactical help and institutional memory that they badly need. The public will be the loser.

HUNGARY'S MOST-FAVORED-NATION STATUS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. HOYER. Mr. Speaker, each year during the congressional review of those countries enjoying most-favored-nation [MFN] status under the terms of section 402 of the 1974 Trade Act, the Commission on Security and Cooperation in Europe, of which I am cochair, takes the opportunity to provide Congress with an update on human rights and human contacts practices in the countries in question.

The Commission has long held that MFN status is tied not only to a country's human contacts practices, which are noted explicitly in section 402, but also to its broader human rights performance.

The annual MFN review has proven useful in focusing congressional attention on important human rights issues which might not otherwise be aired sufficiently. For example, the review process compelled the Congress to take a good, hard look at Romania's egregious human rights abuses.

Hungary has enjoyed most-favored-nation status since July 1978, when a bilateral trade agreement containing MFN provisions came into effect. For the past several years it has received a Presidential waiver and congressional approval almost without hesitation, although during those years it has not always upheld its human rights commitments undertaken as a signatory state of the Helsinki Final Act and subsequent CSCE documents in a consistent manner. Most recently, we have observed encouraging signs of a renewed commitment to uphold human rights principles in Hungary, to establish the rule of law, and to lay the groundwork for pluralism.

Hungary's emigration policy is relatively liberal, and its record on resolving family reunification cases is good. Emigration fees have been reduced significantly since 1984. Applicants for exit permission are neither harassed nor discriminated against. Most applicants receive permission to emigrate on their first attempt, and refusals can be appealed. Since 1984, United States-Hungarian divided family cases have been resolved without difficulty.

Hungary's policy on travel abroad has been liberalized further by the new passport regulations enacted in January 1988. Under these regulations, Hungarian passports are valid for an unlimited number of 90-day trips abroad, whether to the East or West. Pensioners and those working abroad and their dependents may stay abroad longer than 90 days. The waiting period for a new passport is 30 days. Hungarian citizens are not required to obtain permission from their employers for travel outside the country, or to indicate to the authorities the purpose of their trip. The absence of such requirements is a noteworthy exception in the context of Soviet and East European human contacts practices.

The main constraint on foreign travel since January 1988 is financial. Hungarian citizens traveling to the West are required to have a minimum of 3,000 Forints in hard currency—approximately $60—but can exchange a maximum of only 19,000 Forints for hard currency in a 3-year period. Financial constraints are eased somewhat by a Hungarian policy which permits some airline tickets and hotel accomodations abroad to be purchased with Forints.

Even after passage of the new passport law, however, some applications for new passports have been denied on "national interests" grounds. The most common reason for denial is the existence of a previous criminal record. This reason was used repeatedly to deny passports to several individuals who participated in the 1956 uprising. Since the Government lifted in 1988 the criminal records of 120 participants in the uprising, this restriction has not been used in a discriminatory way, to our knowledge. Denials also have been made because of acts against Hungarian law committed while abroad. This was the basis for denial in several instances to members of Hungary's democratic opposition as recently as last summer.

Passage of a newly-drafted law on emigration is promised within the next few months. This is an important development, for if, as expected, it guarantees citizens the substantially unrestricted right to leave and return to their country—as he concluding document of the Vienna review meeting stipulates that CSCE signatory-states should—it will codify a fundamental right in Hungarian law. Even though Hungarian emigration practice has been liberal in the recent past, passage of the new law should contribute to the institutionalization of reform which is so essential to sustained progress in human rights practices.

Mr. Speaker, it is my opinion that institutionalization is continuing apace across a wide spectrum of human rights-related issues. On a recent visit to Hungary, my delegation had the privilege of meeting with Justice Minister Kalman Kulcsar, who has the challenging duty of drafting a new constitution. While I could not claim that our constitutional approaches are identical, I was impressed by his evident commitment to give a solid, meaningful basis to hungarian law. This institutionalization of recent human rights advances through legislation is one of the most encouraging signs we have that Hungary's current reform effort will develop strong roots.

But democracy is premised on more than laws; those laws must be respected and enforced, and political participation must be a universal right. We must look to Hungary's small, but articulate and forward-looking independent opposition groups to keep up the pressure. Representatives of these groups have just embarked on roundtable talks with Hungarian officials to set the terms of upcoming multiparty elections.

Independent organizations have gained some stability from the recent legislation guaranteeing freedom of association and assembly. The combination of new legislation and opposition pressure has contributed to an atmosphere in which citizens enjoy widened opportunities for participation in Hungarian political and social life. Additional progressive legislation is promised on religious rights and the freedom to publish without prior censorship; the new Constitution is to be drafted and published for comment within the next few months.

Party and Government officials foresee a return to a multiparty system; independent activists likewise are cautiously optimistic about this prospect. A political parties law has been drafted and revised, and will be considered by the national assembly in its next session opening later this month. Multiparty elections are scheduled for 1990.

The Government has exhibited measured tolerance for religion, including for small denominations that previously encountered difficulties. Despite the tolerant atmosphere, expression of religious beliefs can limit a person's professional advancement. Party members and those in the teaching profession are not allowed to be active in religious affairs.

Religious denominations in Hungary generally can obtain religious materials without difficulty. Some have their own printing operations which put out bibles, prayer books, and newspapers. The state still sets publication ceilings and submits books to censorship.

In spring 1988, several groups formed independent unions to represent their interests. They had a rocky start, with meeting halls promised and then denied to the Academics' Union, and the young leaders of the Student Union threatened with prosecution and subjected to house searches. Yet by summer the unions were on more solid ground. Though small in membership and number, they were and are a force to be reckoned with.

The Department of State in its 1988 country report on human rights concluded:

> Despite official tolerance of the independent white-collar unions, it is clear from episodes like the 1988 conviction—with suspended sentence—of retired steelworker Gyula Kristaly for incitement—that is, circulating pamphlets advertising worker grievances—that the authorities remain apprehensive about formation of independent labor organizations among industrial workers and will continue to discourage their formation.

The official Miners' Union did, however, endorse a 2-day strike by about 1,700 coal miners in PECS and two subsequent stoppages.

In February 1989, intellectuals affiliated with independent unions organized the foundation of the Solidarity Trade Union Workers Federation to encourage workers' unity in the face of planned legislation on strikes and other labor issues.

In mid-March, the Hungarian National Assembly passed a law granting workers the right to strike. Despite official opposition, the law included a provision for solidarity strikes called by official unions. The United States Congress should monitor the situation of independent trade unions in Hungary very carefully, and encourage their unfettered development.

While Hungarian authorities have allowed some independent demonstrations to take place, in 1988 they banned others for political reasons. For example, a November demonstration to lend support to Romanian citizens on the anniversary of the 1987 Brasov uprising was not permitted to take place for "foreign policy reasons." Yet the Hungarian Government took a step forward on March 15 of this year when, for the first time under Communist rule, Hungarians celebrated as an officially proclaimed national holiday the anniversary of their 1848 revolution against the Habsburg Empire. This holiday had long been a battleground between the Hungarian regime and citizenry, calling forth painful parallels between the revolutions of 1848 and 1956.

Today, in fact, in a mass demonstration, Hungarian citizens are paying homage to Imre Nagy, Hungary's leader during the 1956 revolution. This demonstration, organized with official approval and coordination, stands in marked contrast to last year's commemorative activities, which were marred by a massive police presence and violent official interference. Police arrested about 10 people, three

VOL 135 PT 9 JE 14 — 22 1989 UMI

of whom were subjected to kicking and beating.

Today, on the 31st anniversary of his execution, Imre Nagy—along with four of his associates—will be reburied in a ceremony in the cemetery in which his body lay, without any official acknowledgement, for the past three decades. For many Hungarians, the reburial is an important step in the process of national healing. It is also a powerful reminder of the many unfulfilled dreams of 1956 which still fuel Hungarian citizens' aspirations today. I hope that this ceremony will signal the beginning of an equally respectful and sustained commemoration of all the people who fought in Hungary in 1956 and, indeed, in later years, to realize freedom in their lifetime.

AMERICA'S BEIJING EMBASSY: THE CHINESE SHOULD BE TOLD THE STAKES ARE HIGH

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. BROOMFIELD. Mr. Speaker, today's Washington Post reports that companies from the United States and other Western countries are being showered with cables from their joint venture partners in China saying that things are back to normal and it's time to come back to China.

Yet I am also reading that the Chinese leadership is once again trying to intimidate the United States into surrendering the couple that has been given refuge in our Beijing Embassy.

If the Chinese believe that this behavior is part of a normal relationship, we should be doing everything we can to correct that notion.

No one is better situated to make America's position known on this issue than the President himself. We learned from the seizure of our Embassy in Iran that the world has no respect for the half-hearted, for those who aren't willing to take a stand.

Our distinguished Speaker made it clear yesterday how many of us in Congress would respond to a Chinese violation of our Embassy grounds. The President should also make it clear to the Chinese that the stakes are high. The Chinese should not believe there is any ambiguity in America's stand on this issue.

SENIOR CORPORAL WALTER M. CLIFTON, JR., DALLAS POLICE OFFICER OF THE MONTH

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. BRYANT. Mr. Speaker, our local law enforcement agencies and their dedicated employees are our first line of defense against crime. It is always a great pleasure for me, as a member of the House Committee on the Judiciary and its Criminal Justice Subcommittee, as well as a Dallas resident, to join in paying tribute to some of our best local law enforcement officers.

Dallas Police Sr. Cpl. Walter M. Clifton, Jr., has been recognized as June officer of the month, and I take pride in calling his achievements, described in the Dallas Police News, to the attention of my colleagues and fellow citizens.

SENIOR CORPORAL CLIFTON RECEIVES JUNE HONOR

Northeast Cpl. Walter M. Clifton, Jr., an 11-year veteran of the department, has been selected as the June Officer of the Month by the Dallas Community Police Awards Committee. He was honored yesterday during a dinner hosted by the Dallas Advertising League at the Anatole Hotel.

As a Field Training Officer, Cpl. Clifton has been responsible for the training of approximately 40 officers. Twenty five of those officers are still with the department including an assistant squad leader, an acting chaplain, six FTOs and six detectives.

He has received 36 commendations, 18 of which were generated by his supervisors for his professionalism. Cpl. Clifton has also received the Life Saving Award, several Shooting Bars and a 5-Year Safe Driving Award.

A conscientious beat officer, Cpl. Clifton continually exceeds the sector average in activity. In 1988 while assigned to beat 254, he helped combat the heavy burglary and narcotics problems prevalent at the time.

Cpl. Clifton served in Vietnam, earning the Bronze Star, two Army Commendation Medals, the Combat Infantryman Badge, Vietnamese Service Medel and Vietnamese Campaign Medal. He is an active member of the Texas Army National Guard and currently holds the rank of captain.

"Cpl. Clifton has demonstrated his leadership and excellent ability and is continually sought out by his peers for assistance," said Sgt. Charles Lynch. "His opinion is respected . . . he offers advice, guidance and solutions. He shows compassion and concern. He is indeed a credit to the Dallas Police Department and the law enforcement profession."

MARGARET SHEWMAKE: A SUBURBAN HERO

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. GILMAN. Mr. Speaker, we often hear of Americans whose lives serve as inspirations to the rest of us.

I recently learned of one such unselfish constitutent who has overcome tremendous odds and has chosen to devote her life to serving others.

Margaret Shewmake has suffered from severe diabetes since the age of 10. Today, this disease has rendered her crippled and blind. She has undergone more than 24 serious operations because of this illness, and spent a 10-year period confined to her bed.

Today, she visits the Elmsford hotel for the homeless 4 days a week. She expends her energies in convincing the less fortunate that there is hope, and to keep the faith that work and perseverance will result in a better life.

Margaret also serves as chairman of County Legislator Paul Feiner's advisory committee on the handicapped.

This remarkable woman, who is a resident of Hastings-on-Hudson, NY, was recently awarded the "Suburban Hero" designation by the Gannett Westchester newspapers. In addition, radio station WFAS has named her "the spirit of Westchester."

Margaret Shewmake will be in Washington on June 19 and 20, to visit my office and that of my colleague from Westchester County [Mrs. LOWERY]. I invite my colleagues to meet this inspirational woman.

I would like to insert her story, "Beating the Odds," in the CONGRESSIONAL RECORD at this point. This article initially appeared in the Westchester Gannett Newspapers:

BEATING THE ODDS

Margaret Shewmake has endured more than her share of pain and heartbreak in her 44 years.

A severe diabetic since the age of 10, Shewmake, of Hastings-on-Hudson has undergone more than two dozen serious operations related to her illness. For nearly 10 years she never left her bed. She was lost there in an addictive haze of prescribed painkillers.

She's suffered stillbirths and miscarriages. She no longer can walk and has only limited use of her arms. Two years ago, she went totally blind.

But she still makes her way four days a week to the Elmsford Motor Lodge, a county homeless hotel, where she gently but firmly prods people on welfare into looking for work. "I try to inspire people to get off welfare, to get control of their lives, to get jobs," she says. "If I've got the energy to go there, blind, handicapped, diabetic and in a wheelchair, then they can see they've got the energy to get a job

"It's working," she adds. "A couple of the men I've talked to have gotten jobs."

Shewmake has been a one-woman cheerleading squad for self-sufficiency since November. She found her calling through County Legislator Paul Feiner (D-Hastings-on-Hudson), whom she met while working on his failed state senate campaign. She also heads his advisory committee on the disabled. She admits that her role in his ad-hoc "Earned Fare" initiative (as opposed to the county's official workforce program) is as emotionally valuable to her as it is to the homeless clients she counsels.

"I was confined to the house for too long," she says. "I was in such a state of depression I didn't know there was a world out there. I pushed my husband away. I pushed my daughter away. I was hooked on drugs. I was so wrapped up in my own troubles that I couldn't see anything else.

"I enjoy being out of the house," she adds. "There's a satisfaction I get helping others. It also keeps my mind off my own troubles. It reminds me that there are people worse off than I am."

Shewmake's new zeal for volunteerism has brought her family closer together, she says. Husband Paul, a cook at the Andrus Memorial Home in Hastings, drives her to and from the hotel every day and drives some of her clients to job interviews. Daughter Mary Beth, 17, has become her mother's personal counselor, helping her channel bitterness about her own problems into concern for others. "She's proud of me now," Shewmake says. "She didn't used to be."

Feiner, who
Suburban Hero,
something to be
"She rolls do
knocking on d
come out and ta
show up," he
name of the ty
for or a referen
phone trying to
of these people.
"For me, she
"She's proving
though she's di
ful. She can s
very few peopl
she is."
Feiner says
change now th
apply its work
hotel residents
age them to
which requires
temporary ho
needed in Elms
in the county.
There are fru
Shewmake say
tance to forgiv
ents. A crimin
she says, but i
they should be
lives.
"I think e
chance," she s
Marc Brown.

A TRAGIC

HON

IN THE HO

Mon

Mr. GORDO
hero in Tenne
man, both in b
in what we cal
Mr. Speake
boro, TN, twic
from drowning
child was save
life has to offe
But there w
Mr. Jerry Ande
On May 29
into a flooded
small girl to s
On May 27,
later, Jerry A
rain-swollen S
boy to safety
unable to g
drowned, leav
Jerry Ande
hometown, w
was suppose
week, and p
finish up the
People in
Anderson. He
ers 1975 nati
in Cincinnati
him, because
National Foot
playing caree
Canadian Fo
injury sideline

Feiner, who nominated Shewmake as a Suburban Hero, says the "new Margaret" is something to behold.

"She rolls down halls in her wheelchair, knocking on doors, reminding people to come out and talk when potential employers show up," he says. "She never forgets a name or the type of job someone is looking for or a reference. She spends hours on the phone trying to line up interviews for some of these people.

"For me, she's a real hero," Feiner adds. "She's proving the value of life. Even though she's disabled, she can still be cheerful. She can still be productive. I've met very few people who are as inspirational as she is."

Feiner says Shewmake's role will not change now that the county has decided to apply its workfare program to homeless-hotel residents in Elmsford. She will encourage them to participate in the program, which requires them to work in return for temporary housing. If she is no longer needed in Elmsford, she will work elsewhere in the county.

There are frustrations in her line of work, Shewmake says, such as employers' reluctance to forgive the pasts of some of her clients. A criminal record is a criminal record, she says, but if people have paid their debt, they should be allowed to get on with their lives.

"I think everyone deserves a second chance," she says. "I know I've had one."—Marc Brown.

A TRAGIC TALE OF INCREDIBLE HEROISM

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. GORDON. Mr. Speaker, they buried a hero in Tennessee last week. He was a big man, both in body and in spirit, and especially in what we call heart; now he is gone.

Mr. Speaker, Jerry Anderson of Murfreesboro, TN, twice risked his life to save a child from drowning in high water. Both times, the child was saved to enjoy the fruits of what this life has to offer.

But there will be no more heroic deeds by Mr. Jerry Anderson.

On May 29, 1984, Jerry Anderson waded into a flooded building in Tulsa, OK, to carry a small girl to safety as the water rose.

On May 27, 1989, almost exactly five years later, Jerry Anderson dived into the rushing, rain-swollen Stones River and pushed a young boy to safety. This time, Mr. Anderson was unable to get out of the water, and he drowned, leaving a wife and two daughters.

Jerry Anderson had just moved back to his hometown, where he starred in football. He was supposed to start a new job the following week, and planned to enroll in college to finish up the credits he needed for his degree.

People in Oklahoma may remember Jerry Anderson. He played on the Oklahoma Sooners 1975 national championship team. People in Cincinnati and Tampa may also remember him, because he played on those two cities' National Football League teams. He ended his playing career with the Hamilton Cats of the Canadian Football League, where a knee injury sidelined him.

Back in Murfreesboro, TN, Jerry Anderson decided to go fishing with two young cousins the day he died. When the group approached the river, they saw that two other children had just fallen into the current. One managed to swim out, but the other could not. Never thinking of himself, Jerry Anderson immediately dived into the water to save the boy. Somehow, the exertion was too much this time, and Mr. Anderson could not save himself.

Neighbors got a boat and tried to save Mr. Anderson, pulling him from the water, but they were too late.

Mr. Speaker, two children have lost their father, a wife has lost her husband, and a mother has lost her son. But I think the words of the father of one of the boys Mr. Anderson had taken fishing sums it up.

God asks no more of a man than what Jerry Anderson was prepared to do, which was to give up his own life rather than permit a child to die.

Let's bow our heads in honor to Mr. Jerry Anderson, a true hero.

THE BROADCAST LICENSE RENEWAL REFORM ACT

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. TAUKE. Mr. Speaker, today the gentleman from Louisiana [Mr. TAUZIN] and I are introducing legislation to reform the process by which TV and radio broadcasters renew their operating licenses with the Federal Communications Commission [FCC]. This legislation continues our long-standing efforts to reform the broadcast license renewal process. It also incorporates the recent work of the ranking Republican member of the Telecommunications Subcommittee, the gentleman from New Jersey [Mr. RINALDO], who has introduced a bill (H.R. 1136) to reform the license renewal process for radio stations. We are cosponsors of that legislation, and we commend him for his efforts. Our only difference is that we believe the time has come for both radio and TV station licensees to have the renewal "cloud" lifted from over their heads.

Currently, at license renewal time, broadcasters are thrown into the "comparative renewal" process simply because a challenger promises better service. This process puts the FCC in an impossible position—they must compare the challenger's promises with the broadcaster's record of performance.

Over the years, the "comparative renewal" process has proven to be an extremely costly and time consuming procedure which served to frustrate rather than further the public interest. The average cost for legal fees for radio stations involved in a "comparative renewal" proceeding exceeds $500,000, and the legal fees are usually over $1 million for television stations, according to a sample of cases reviewed by the National Association of Broadcasters. Furthermore, during the 1970's the average comparative renewal proceeding lasted 7 years and 10 months and involved over 5,000 pages of testimony, petitions, and other documents. To add insult to injury, of all the radio and television stations that have been involved in this expensive and cumbersome process, only a handful have had their renewal requests rejected! It's clearly time to change this wasteful renewal process.

Under our legislation, a license would be renewed if a station: First, broadcasts material responsive to the concerns of the community; and second, operates in compliance with the rules and regulations of the FCC. This legislation also prohibits the FCC from requiring specific categories of programming. Our proposal requires the FCC to study what information radio and television stations should maintain (for the public) to ensure that its public interest responsibilities are met.

Further, this measure prohibits individuals from blackmailing radio and TV stations. Unfortunately, our current system of license renewal encourages some individuals to file applications against a licensee to extract a payoff from the broadcaster in return for the withdrawal of the competing application. Finally, we establish an informal procedure by which the public can be involved in reviewing the performance of a broadcast station during the license term.

Our legislation provides certainty for consumers and for broadcasters. It reaffirms and clarifies a broadcaster's public interest responsibility. It assures that citizens or citizen groups can challenge a broadcaster's license if that broadcaster is failing to meet the needs and interests of its listening or viewing audiences.

In sum, this legislation is in the public interest for three reasons. First, it will assure the public's ability to express its dissatisfaction with the performance of a broadcast licensee. Second, it will assure that broadcast licensees use their resources for the greatest public good—to improve broadcast programming—and not in fighting wasteful or frivolous challenges. Finally, it will assure that the FCC uses its limited resources in the most efficient manner. The Communication Act of 1934 was enacted when less than 600 radio stations were on the air, and commercial TV wasn't even around. Substantial regulation was necessary because many markets had access to only one or two radio outlets. But today the situation is vastly different. Over 10,000 radio and over 1,500 television stations are on the air presenting a multitude of choices for consumers. In this competitive marketplace, it is difficult to justify cumbersome regulations, especially in the renewal context. The legislation we have introduced today would make reforms that are long overdue. I encourage all Members to join us in cosponsoring this legislation.

TRIBUTE TO CHIEN-JEN CHEN

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. HUTTO. Mr. Speaker, I would like to take this opportunity to commend Mr. Chien-Jen Chen on his outstanding performance as

the Deputy Representative at the Coordination Council for North American Affairs office in Washington, DC. I understand that Mr. Chen will be leaving Washington, DC and his present position this week in order to return home to the Republic of China on Taiwan to assume his new duties as the Vice Minister of Foreign Affairs.

I have known C.J. Chen for several years, and through his efforts I have developed a thorough understanding for the unique role the Coordination Council for North American Affairs [CCNAA] office in the United States plays in our foreign relations. I was pleased to participate with Mr. Chen in a series of meetings in August of 1987 in Taiwan. During these meetings I further developed a deep respect for Mr. Chen's knowledge and experience.

I am confident that Mr. Chen will do an outstanding job in his new capacity as the Vice Minister of Foreign Affairs. I look forward to a continued excellent relationship with Mr. Chen and the Republic of China on Taiwan.

C.J. Chen will be greatly missed in Washington. I wish Mr. Chen and his family health, happiness and continued success in the future.

MARGARET SHEWMAKE: AN INSPIRATION TO US ALL

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mrs. LOWEY of New York. Mr. Speaker, every day each one of us faces new and different challenges throughout all aspects of our lives. But I will tell you that meeting someone like Margaret Shewmake has given me a new perspective into what it really means to face and overcome a challenge.

Margaret Shewmake, from Hastings-on-Hudson, NY, heads the advisory committee for the disabled of Westchester County legislator Paul Feiner. She acts on her commitment to others by volunteering her time to the people of the Elmsford Motor Lodge, a homeless motel. Four days a week she goes from door to door persuading people on welfare to look for work. Each door she approaches is a new challenge to Margaret. She talks to the people about their problems, and counsels them on how to take the initiative to try to overcome the horrible conditions they live with. She keeps track of the names of the people she speaks with, and the types of jobs they are looking for. Then she spends hours on the phone trying to set up interviews for some of them.

When Margaret speaks to the people at the Elmsford Motor Lodge about facing challenges and overcoming adversity, she speaks from experience. You might never know from hearing about Margaret Shewmake that she has overcome incredible adversity herself to become the selfless, caring volunteer that she is today.

Margaret has been a severe diabetic since the age of 10. In her 44 years, she has undergone more than two dozen serious operations related to her illness, and for nearly 10 years she has never left her bed because she was overwhelmed by an addiction to prescribed painkillers. She can no longer walk, and 2 years ago she went totally blind.

But at age 44, Margaret has overcome the challenges of sickness and depression. She has turned her own adversity into a lesson. She has become a role model to the people of the Elmsford Motor Lodge. "I try to inspire people to get off welfare, to get control of their lives, to get jobs," she said to a local news reporter recently. "If I've got the energy to go there, blind, handicapped, diabetic, and in a wheelchair, then they can see they've got the energy to get a job."

Margaret Shewmake is an inspiration to me and to all the people who have met or heard about her. She puts new meaning into my definition of the value and meaning of life, and it is my hope that she will continue for many years to spread her smile and her inspiration to those who so desperately need it throughout Elmsford, throughout Westchester County, and throughout the Nation.

Today, I want to commend Margaret Shewmake for all her wonderful work, and I want to thank her for volunteering her valuable time and energy to help the people of Westchester County. She is truly an inspiration to us all.

COMMEMORATION OF CHANEY, GOODMAN, AND SCHWERNER

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. ESPY. Mr. Speaker, 25 years ago, three young civil rights workers—James Chaney, Andrew Goodman, and Michael Schwerner were brutally murdered in Philadelphia, MS. They were participating with thousands of others in the "Freedom Summer" project, an interracial voter registration campaign. These young men gave their lives in the effort to guarantee all Americans their civil rights, especially the right to vote. Their deaths stunned the Nation and drew its attention to the struggle for racial justice and voting rights. Their actions were part of a national movement which led to the passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965 and helped advance the cause of political participation for all.

On June 6, 1989, I, along with several of my colleagues, introduced House Concurrent Resolution 141 to designate June 21, 1989, as Chaney, Goodman, and Schwerner Day and reaffirm our commitment to the purpose for which they gave their lives. I join with the State of Mississippi, the city of Philadelphia, and citizens from throughout this Nation to commemorate the contributions these three young men made to our Nation.

I look forward to joining the family members of the slain Civil Rights workers, congressional leaders, participants in the Mississippi Freedom Summer project of 1964, and significant national figures in the civil rights movement at the memorial ceremony in Statuary Hall of the U.S. Capitol Building on June 23, 1989, to continue the focus on civil rights challenges.

SALUTE TO JAMES T. BOYLE, JR., OF WAYNE, NJ, WINNER OF THE ROTARY CLUB'S HARRIS AWARD

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. ROE. Mr. Speaker, it is with the greatest pride that I rise today to salute an outstanding constituent in my Eighth District of New Jersey who, for the past two decades, has given of himself to his community, State, and Nation, and who has made us all the better for his efforts.

I am speaking of James T. Boyle, Jr., of Wayne, NJ, who will be honored for his great service on Wednesday, June 28, 1989, by the Wayne Rotary Club, which he has served with much distinction these many years. On that day, for his outstanding efforts, James T. Boyle, Jr., will receive the Paul Harris award, the highest honor a Rotarian can achieve. Considering the scope of community service that Rotary clubs provide around the world, I am certain that you, Mr. Speaker, and our colleagues will agree that the honor being accorded Mr. Boyle is one of the greatest magnitude.

Mr. Speaker, I know this event will be a great source of pride to Jim and his loving family; his devoted wife, Ruth Ellen, and their three sons, James III, Kenneth Charles, and Richard Earl Boyle.

Mr. Speaker, James T. Boyle, Jr. was born and raised in Passaic, NJ, attending Prospect Park Grammar School, Paterson Central High School, and Yale University. During his early years he worked hard in his parents' confectionery store, delivering newspapers. Jim was also an outstanding athlete and served as captain of his high school tennis and basketball teams.

Following high school and one semester at Newark College of Engineering, Jim Boyle served his Nation, joining the Navy where he became a radio technician. He was so highly regarded that he was selected for the Navy's V-12 officer training program at Yale University, where he was studying at the end of World War II. Jim eventually stayed on at Yale, graduating in 1948 in the same class as President Bush.

Mr. Speaker, James T. Boyle, Jr. recently completed an outstanding career with the New Jersey Bell Telephone Co., which he joined in 1951, working in the sales department. He rose rapidly through the company, moving to engineering and eventually the traffic department where he spent most of his career before retiring from Bell last year.

Beyond Jim Boyle's noted professional endeavors have been his numerous vital contributions to his community, for which the Wayne Rotary club is honoring him. He joined the Rotary club in 1970 and was appointed to its board of directors in 1972. Since that time he has been an integral part of the Wayne Rotary club, serving as club treasurer, vice president, vice president for program and as president.

It was during his term as president in 1975–76 that the club built a bicentennial float for the Wayne Bicentennial parade which received honorable mention from the parade committee. Jim also served as chairman of the Rotary club's vocational service committee and was responsible for obtaining the telephone network used during the 1988–89 Polio Plus Television Auction sponsored by the Wayne Rotary club.

Mr. Speaker, along with his numerous Rotary activities, James T. Boyle, Jr., has been deeply involved in numerous community endeavors. He is a member of the Packanack Community Church; a member of the Packanack County Club, and past president of the Packanack Tennis Club. Jim Boyle has also coached junior tennis and worked as a coach for the Packanack Junior Basketball League. In addition, Jim and his wife, Ruth, are currently involved in working with the Wayne Foundation for the Handicapped, a Rotary-sponsored sheltered workshop.

Mr. Speaker, I appreciate the opportunity to present a brief profile of a man who has given of himself to his community, his State and our Nation, and who has immeasurably improved his world through his innumerable contributions—James T. Boyle, Jr., recipient of the Wayne Rotary's Paul Harris award.

SENATOR THOMAS GAGLIANO A TRUE PUBLIC SERVANT

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. SMITH of New Jersey. Mr. Speaker, I rise today, to pay tribute to Tom Gagliano of Holmdel, NJ, who recently retired from his State senate post, to accept the appointment of executive director of the New Jersey Transit Corp., the State's rail and bus operating agency.

Mr. Speaker, Tom Gagliano, has been a public servant for most of his professional life. After graduating from Georgetown University Law School and serving on the staff of New Jersey Congressman James C. Auchincloss, Tom returned to New Jersey to begin a successful law practice in his home State. It was not much after his return that Tom set out on a career of public service and community activity.

In 1967, Tom was first elected as a councilman of the Borough of Oceanport, NJ. He served for 3 years, and was then elected as surrogate to the county of Monmouth. Within a short period of time, Tom was elected to the New Jersey State Senate where he served for approximately 10 years with great distinction before taking his new post at New Jersey Transit.

In the New Jersey State Senate, Mr. Speaker, Tom Gagliano was widely respected for his thoughtful legislation and "hands on" knowledge of the legislative process. Throughout his tenure in the senate he played a key role in crafting important legislation that has protected our environment, helped senior citizens and veterans, and improved mass transit and the infrastructure of New Jersey's highways.

You know, Mr. Speaker, Tom's long list of achievements and his effective legislative leadership was recognized by his colleagues who elected him to serve as assistant minority leader and then to the top post in 1985 as minority leader in the State senate.

Mr. Speaker, while the State senate, will indeed be loosing one of it's finest and most respected legislators, people of New Jersey will still benefit from Tom's noted dedication and commitment to our State. The New Jersey Transit Corp. has before it a tremendous challenge to facilitate greater and safer transportation of millions of inter- and intrastate commuters. Tom's years of service at the State House, as well as in his immediate local community, have prepared him well to lead the new Jersey transit as it works to provide cleaner, safer, on-time service in the years ahead.

It is a pleasure, then Mr. Speaker, for me to join Tom's family and many friends as they pay tribute to him at a special dinner this Wednesday, June 21. A personal friend and cochairman of my re-election campaigns, Tom has provided useful and helpful advice to me over the years. I am truly grateful for his support and I look foward to working closely with him in the many years ahead.

I offer my best wishes and congratulations to Tom for what I know will be a successful tenure at the New Jersey Transit Corp.

TRIBUTE TO BETTY AND LOU BURGELIN ON 50TH WEDDING ANNIVERSARY

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mrs. BOXER. Mr. Speaker, I wish to salute my constituents, Betty and Lou Burgelin of Vallejo, CA, on their 50th wedding anniversary July 9, 1989, and to join with their family and friends in extending best wishes and congratulations on a life together which has encompassed work, family, and service to their community.

Both Betty and Lou were born and raised in the North Bay section of my district. Lou worked for the U.S. Government for 37 years and his work for the community has never ceased.

All through Lou's life he has taken time to participate in civic enterprises, including the Vallejo Elks, National Association of Retired Federal Employees, Mare Island Navy Yard Association, Salvation Army, Kaiser Hospital, and Vallejo Senior Citizen's Council.

The Burgelins have three children, Jim, Karen, and Barry. In addtion to raising the children, Betty has been active in the Vallejo Symphony League and YLI. Her hobbies include sewing, golf, and gardening. Recently She published a book on the genealogy of her family, the Greenwells, which has been highly successful. The vows taken by Betty and Lou at St. Vincent's Church 50 years ago have flowered into a life filled with the many rewards of family and friends and of service to others. I express my hope for many more years to come.

JUST SAY NO TO PROSPECTIVE PAYMENT FOR PHYSICIANS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. PORTER. Mr. Speaker, Medicare is in bad shape. But the physician payment review commission wants to make a bad situation even worse by saddling doctors with expenditure targets, a fee-schedule, and limits on balance billing.

This is the worst form of price control. Haven't we learned anything from past efforts to control medical spending through price administration?

In 1983, Medicare began making hospital payments under such an administered price system. The new system was supposed to force wasteful hospitals to operate more efficiently. Instead, record numbers of hospitals closed, mostly in areas that could least afford closures—inner cities and rural towns.

We shouldn't be shunning the market in the name of cost savings. We should embrace the market. We should be moving toward a capitated system of health care coverage in which individuals can purchase integrated, tailored packages of health care with Medicare assistance, and still retain flexibility and choice.

Mr. Speaker, price administration isn't working on the hospital side, and it isn't going to work on the physician side. We should reject the PPRC recommendations.

TRIBUTE TO ELLEN D. PATTIN

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. CARDIN. Mr. Speaker, last Friday, June 16, 1989, the Women's Legal Defense Fund held their eighth annual luncheon. I was very pleased to learn that a fellow Marylander, Ellen D. Pattin, was awarded the 1989 Volunteer of the Year Award for her outstanding contribution of pro bono services to advance the rights of women. Mr. Speaker, I would like to share with my colleagues the impressive achievements of Ms. Pattin which are best described in the WLDF's program.

Since passing the Maryland bar in 1978, Ellen Pattin has volunteered her time and legal expertise as a member of WLDF's domestic relations counseling committee. No matter how busy her schedule as a private practitioner in Onley, MD, Ellen has taken at least three calls a week, 48 weeks a year, for more than 10 years. She has counseled more than 1,500 women who call with questions about divorce, child support awards, property division, pension rights, establishment of paternity, domestic violence, and a myriad of other family law matters. In addition, Ellen has taken reduced-fee cases of WLDF, as well as assisted in interviewing their referral attorneys. She is a distinguished professional, respected in her field, and admired for her commitment

VOL 135 PT 9 JE 14 — 22 1989 UMI

to enforcing and advancing women's legal rights.

A graduate of the University of Baltimore School of Law, Ellen is an active member of the committee for family equity in the courts and serves on a special coalition studying wage withholding and child support guidelines in Maryland. She also serves on the judicial selection committee for the Maryland Women's Bar Association and is a member of the Prince Georges County Women Lawyers Caucus.

The Women's Legal Defense Fund could not have found a better person to honor who exemplifies the commitment and generosity in seeking equal rights for women.

GARBAGE-TO-FOOD HAULING BUSINESS

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. CLINGER. Mr. Speaker, I rise today to inform this body of a severe problem in our food shipping industry. Recently, I discovered that many of our Nation's trucks that are used to bring food from the Midwest to Eastern markets are also hauling garbage. Instead of returning home empty, they are filling their trucks with garbage for Midwestern landfills. These trucks are than again loaded with foods for the east coast. According to food safety experts, sanitization of the trucks is difficult, if not impossible. The dangers to the health of the American public and the safety of our food supply cannot be overemphasized. I believe that we must bring this disgusting practice to a halt.

To that end, I am pleased that Congressman CHRIS SMITH is introducing legislation today. I want to take this opportunity to commend Mr. SMITH for his interest in seeing that this problem is resolved quickly and for initiating the legislative process. While I firmly believe that the issue needs to be investigated thoroughly, I commend him for his bill which will serve to stimulate discussion.

The garbage-to-food hauling issue is more involved than one might expect. While regulations do exist that touch on the issue, they are ambiguous and are spread between different government agencies. There are also many questions that are still unanswered. For example, what is the extent of the problem? Is the garbage-to-food hauling business solely a Midwest-Northeast concern, or is this a nationwide practice? What government agency is best equipped to combat this problem? What penalties should Congress consider as appropriate?

These are just some of the questions that I would hope could be addressed through the legislative process. To ensure that the garbage-to-food hauling issue is thoroughly investigated, I have spoken with my good friend, Representative GLENN ANDERSON, chairman of the Public Works and Transportation Committee about scheduling a hearing this summer. I was very pleased when my request was warmly received by Chairman ANDERSON. As a result of our meeting, the Public Works and Transportation Committee has launched an investigation. The findings from this investigation will prove crucial to the committee's understanding of the garbage-to-food hauling problem.

I am convinced that through the legislative process and with the efforts of Members like Congressman CHRIS SMITH and Chairman ANDERSON, we can bring an end to the disgusting, health-threatening garbage-to-food hauling business. I encourage my colleagues to join with us in combating this deplorable practice. Thank you, Mr. Speaker.

KILDEE COMMENDS FLINT CENTRAL HIGH SCHOOL THEATRE MAGNET

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to an extraordinary group of young men and women from my hometown of Flint, MI. Benjamin Cain, Aaron Shell, Justin Rossow, Amy Eisen, John Bright, Shonda Thurman, Erinn Milner, KaTonya Schuler, Melody Fowler, Wilson Personnet, Joshau Carrizales, Michael Ramsdell, Robin Koch, Lori Spears, Sue Ann Bennis, Greg Tatum, Kevin Kluender, Beth McGraw, Keri Mead, Daniel Collick, Leslie Hadley, and their director, Martin Jennings, have brought unprecedented honor to the State of Michigan, the city of Flint, and Central High School.

As the cast and crew of the Flint Central High School Theatre Magnet, these students were invited to perform their production of Jim Leonard, Jr.'s "The Diviners" at the International Thespian Society Festival. Before extending the invitation to Central High School, a representative from National Thespian Headquarters and the director of the International Thespian Society viewed Central High School's production of "The Diviners". They considered the production exemplary of the finest high school theater and a valuable addition to the International Thespian Society Festival's program. Only six high schools from across the United States, Canada and Europe are accorded this honor each year. The city of Flint is especially proud of these young men and women because Central High School is the first Michigan high school to be invited to this prestigious conference.

The International Thespian Society Festival will take place June 26 through July 2 on the campus of Ball State University in Muncie, IN. The opportunities that this conference affords theater students are invaluable. Over 3,000 high school students, their directors, as well as professional actors, directors, and designers from Broadway, television, and the cinema will attend the festival. Students invited to the conference participate in workshops on specific aspects of the theater and compete for scholarships to pursue a career in the performing arts.

All in the Flint community take great pride in the Flint Central High School Theatre Magnet for their efforts to earn a place among the best in the world. Mr. Speaker, I would like to take this moment to ask my colleagues in the U.S. House of Representatives to join me in commending these talented young men and women. They have set an example for all of us through their dedication and the rewards of their perfection.

A TRIBUTE TO PHILLIP E. PLUMART

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise to honor today a tireless champion of education, Phillip E. Plumart of Brookings, SD, Professor Plumart is being honored after 28 years of outstanding service to South Dakota State University.

The awards Professor Plumart has won in teaching and service are too numerous to list. But if there is one award he is proudest of it has to be Outstanding Teacher of the Year in the Agriculture Department. Plumart has worked closely with many student organizations including Future Farmers of America, Alpha Zeta, and the Block and Bridle Club.

Plumart is known for his enthusiasm in the classroom. Students come alive during his lectures. He has been involved in organizing numerous livestock judging contests. These contests, particularly at the South Dakota State Fair and Little International, held at SDSU, have helped educate thousands of students about livestock.

Professor Plumart doesn't limit himself to just teaching poultry science. He is deeply involved in intergrating computers in his work. He has developed comprehensive computer programs for livestock judging contests. Also, he has worked to bring computers to county extension agents.

After all this Plumart still has energy to be involved in his community, Brookings, SD. He has worked hard for the future of the city on the Brookings City Planning Commission. Plumart also recently ran for the Brookings City Commission. He is active in Mt. Cavalry Lutheran Church, serving as both treasurer and on the church council.

Mr. Speaker, Phillip E. Plumart is the kind of South Dakotan we are especially proud of. Please join with his friends, colleagues, family, and myself in wishing him well as he looks forwards to an active retirement.

CONSCIENCE VIGIL FOR SOVIET JEWRY

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. MARTINEZ. Mr. Speaker, I bring to your attention today the deplorable, and sad account of the lives of a Soviet refusenik family, Boris and Alla Kelman, and their two sons Efim who is now 21 and Maksim, age 13. Both Boris and Alla are active members of the Len-

ingrad refusenik community. They speak both English and Hebrew. Alla is a pediatricain in a government clinic, and unofficially coordinates medical care for other refuseniks.

Boris is a physican and mathematician. Since applying to emigrate in 1978, Boris has been unable to retain work in the field of mathematics. He now works as a shipbuilder.

As an active member of his community, Boris teaches Hebrew, Jewish history, and religion to children. He has also taken on the task of producing kosher wine for Leningrad's Jews. The Kelman family frequently hosts large number of guests for the Sabbath and holiday observances.

The Kelman's were refused their first visa in 1979, and as many other refuseniks are told, the Kelmans were denied their visas to protect government secrets. Mr. Speaker, we know by now that this excuse is a farce.

In December 1988, while many long-term, refuseniks were receiving permission to leave the Soviet Union, the Kelman's were once again refused. I find this reprehensible.

TAX DEDUCTIONS FOR IRA CONTRIBUTIONS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1989

Mr. MAZZOLI. Mr. Speaker, in 1982 Congress introduced the individual retirement account to working Americans in order to encourage savings and thrift and to provide working people with a more secure future upon their retirement. In the first few years of IRA's millions of Americans made use of this tax-deferred investment.

IRA's induce individuals to save and, in so doing, they increase the national pool of savings. In turn, this increased capital is available to American businesses to modernize plant and equipment. This investment is essential for economic growth, and it is a necessary element if our Nation is to remain competitive in today's expanding world market.

In 1986, however, Congress fumbled the ball regarding IRA's. It removed the universal-deductibility feature of IRA's. This reduced the attractiveness of IRA's to millions of Americans, and contributions to IRA's—and the capital pool they created—dropped considerably.

I believe that this error needs to be rectified. And, I am cosponsoring a bill which would amend the Tax Code to allow IRA's again to be deductible by all Americans in all income groups. I hope my colleagues will join in support of this needed initiative.

Because the United States has a lower saving rate than any other industrialized nation in the world, our economic growth is slower than many of those same countries. It is essential that Americans have the incentive to save which the IRA— when fully deductible and fully tax-deferred—provides so admirably.

An article, entitled "Bring Back a Brilliant Deduction," appeared in the April issue of Money magazine. This article contains useful and valid arguments for restoring the IRA to full deductibility. Following are major points taken from the article:

Contributions to IRA's in 1986 totaled nearly $40 billion. This represented 29 percent of all personal savings in the United States. Most important, 80 percent of the money contributed was cash that would have been spent rather than saved were it not for IRA's.

Preliminary Internal Revenue Service data shows that the proportion of taxpayers contributing to IRA's in 1987 dropped more than 50 percent from levels in 1986—the last year in which fully deductible contributions were available to all wage earners.

Contrary to contentions, IRA's do not primarily benefit the wealthy. According to a series of studies conducted by Steven F. Venti, associate professor of economics at Dartmouth College, and David A. Wise, professor of political economy at Harvard's John F. Kennedy School of Government, 62.2 percent of all IRA contributors earn less than $50,000 a year.

The Venti-Wise study also revealed the necessity of developing a savings incentive for Americans. Data, based on U.S. Census Bureau statistics through 1985, showed that the median total of financial assets (excluding housing) held by individual American families was only $600.

I ask to have the entire article from the April issue of Money magazine included at this point in the RECORD for the benefit of my colleagues.

A copy of the article is attached:

BRING BACK A BRILLIANT DEDUCTION

The spectacular growth in IRA assets from 1982 through 1986 occurred as more and more Americans awakened to the tremendous advantage they could enjoy by using a fully deductible IRA to save for their future. As the chart on this page indicates, the savings you can accumulate in an IRA that is built with fully deductible contributions far outpaces the total you'd amass in a nondeductible IRA or through taxable savings and investment vehicles.

THE IRA ADVANTAGE

Those who are still eligible to deduct their IRA contributions receive twin tax benefits. First, making a $2,000 contribution cuts your federal income tax bill $660 if you are in the 33% bracket, $560 in the 28% bracket and $300 if you pay the 15% rate. The tax savings reduce the real cost of the IRA contribution you make. In essence, a $2,000 contribution really costs a taxpayer in the 28% bracket only $1,440, since $560 would otherwise have gone into Uncle Sam's pocket.

The second tax break associated with IRAs is available to everyone, whether eligible for the deduction or not. All earnings on money inside an IRA grow tax-free until withdrawals begin. That tax-deferred growth gives IRAs a healthy competitive edge. If you were in the 28% tax bracket and you set aside $2,000 a year in a taxable investment earning an average 8% a year, you would have an after tax total of $115,435 after 30 years. That same annual contribution in a fully deductible IRA earning a comparable return would give you $192,978—a nest egg 67% larger than the non-IRA total. In a nondeductible IRA, your tax-deferred savings advantage is not quite as enticing, but still is substantial: $23,509 more than you would accumulate in a taxable alternative.

Playing by the new rules: For now, at least, anyone with an IRA must know how to play by the new rules set by tax reformers. Any wage earner under the age of 70½ may establish an IRA, contributing as much as $2,000 of his or her annual earnings. Anyone who qualifies for an IRA and has a spouse who has no earnings may contribute up to $2,250 of his or her income.

The deductibility of your contribution depends on your income and whether you are covered by a pension or other tax-advantaged plan. People qualifying for the full deduction include couples filing jointly with adjusted taxable income (after deductions for items such as mortgage interest and payments to 401(k)s or other tax-advantaged plans) or less than $40,000; singles with taxable income of less than $25,000 and anyone who is not covered by a pension, profit-sharing, 401(k), simplified employee pension plan or Keogh. Partial deductions are allowed for couples with taxable income between $40,000 and $50,000 or singles between $25,000 and $35,000. Their IRA deduction drops $10 for every $50 they earn above $40,000 if they are married or $25,000 if they are single. (For a more detailed overview of whether you qualify for a deduction and a worksheet to calculate a partial deduction, see tables on page S-6 and on page S-12.)

Not only did tax reformers eliminate the deductibility of IRAs for many Americans, but they piled on the additional pain of bookkeeping headaches for people who elect to continue making nondeductible contributions. If you make such contribution, each year you must fill out IRS tax form No. 8606 to keep track of your deductible and nondeductible payments. The forms must be saved for the life of your IRA and the information on them will determine the tax due on your withdrawals in the future. The nondeductible contributions are not taxed upon withdrawal but the deductible contributions, plus all earnings in your accounts, will be taxed at whatever your regular income tax rate is when you take the money out.

When Congress made the Individual Retirement Account available to all working Americans in 1982, a financial revolution was ignited. The aim: to give individuals an effective incentive to increase their savings and assure themselves greater security in their retirement years. Legislators also hoped IRAs would strengthen the U.S. economy by boosting the national pool of savings, thereby increasing the amount of money available for investment by American business and reducing our dangerous reliance on foreign capital

The IRA revolution succeeded beyond even its staunchest supporters' high expectations. In the first five years that IRAs were universally available, assets grew 429% to total $277.1 billion in accounts held by more than 40 million Americans Contributions to IRAs in 1986 alone totaled nearly $40 billion, which represented 29% of all personal savings in the U.S. When national personal savings totals are adjusted for inflation and pension contributions, money flowing into IRAs in that single year represented 70% of the nation's personal savings. Most important, 80% of the money contributed was cash that would have been spent rather than saved were it not for IRAs.

Despite IRA's great advances, Congress effectively stamped out the revolution in 1986 by cutting in half the number of people eligible to make fully deductible contributions and burdening anyone making nondeductible contributions with a snarl of recordkeeping that persists throughout the life of their IRA.

The negative impact on what had been the most successful savings incentive ever devised in the U.S. has been dramatic. Preliminary Internal Revenue Service data shows that the proportion of taxpayers contributing to IRAs in 1987 dropped more than 50% from levels in 1986—the last year in which fully deductible contributions were available to all wage earners. The decrease in the total dollar amount of contributions is likely to be even greater, given the new lower contribution limits that apply for many taxpayers.

Legislator's rationale for hitting IRAs so hard was based on unfounded speculation and factually incorrect information about the accounts' use and impact. Tax reformers leading the fight to restrict IRA deductions contended the accounts primarily benefited the wealthy. They also argued that the federal revenue loss IRA tax deductions produced was not justified because the accounts were not generating new savings, but instead were being funded by transfers from existing savings.

Both contentions have been proven wrong by several economic studies relying on data from tax returns and surveys conducted by the Bureau of Labor Statistics, the Census Bureau and the Federal Reserve. The studies show that two-thirds of households with at least one IRA have income of less than $50,000 and many of those are families whose income comes from two wage earners. Moreover, 80% of IRA contributions represent new savings.

"The data just didn't support the arguments for limiting IRA deductions. Congress was ill-informed and shortsighted in damaging a savings vehicle as effective a the IRA," says Stephen Entin, who served as deputy assistant secretary for economic policy in the Treasury Department from 1982 through August of 1988 and who now is an economist at the Institute for Reseach on the Economics of Taxation in Washington, D.C.

In the following pages, you will learn more about the benefits of IRAs and how to take advantage of them. Most important, you also will find all of the ammunition you need to join the new IRA revolution: a grassroots campaign to persuade Congress to swiftly redress its mistake by restoring fully deductible IRA contributions for all working Americans.

The complications do not end there. Each time you take money out of your IRA, you must calculate the proportion of nondeductible to deductible contributions and earnings in all of your accounts combined. Your withdrawal is then considered to contain this proportion of nondeductible contributions and will be taxed accordingly. For example, assume that your combined IRAs total $20,000, of which $2,000, or 10%, represents nondeductible contributions. The other $18,000, or 90%, reflects deductible contributions plus earnings. If you withdrew $1,000, you would owe taxes on 90% of that amount, or $900. Such is the product of the reformers' "tax simplification."

Other rules governing IRAs remain relatively unchanged. You may withdraw money from your IRA at any time, but if you do so before age 59½, you'll pay a penalty equal to 10% of the amount you withdraw. After age 70½, however, you are penalized if you have not begun withdrawals. You may still defer taxes on a lump-sum distribution from a pension, profit-sharing or other tax-advantaged plan by rolling it over into an IRA, where it can continue to grow tax-free until you begin withdrawals. You must roll the cash over into an IRA within 60 days of receiving the distribution to defer tax on it.

WHO CAN TAKE AN IRA DEDUCTION?

If You Are Covered by a Retirement Plan at Work and Your Filing Status Is					If You Are Not Covered by a Retirement Plan at Work and Your Filing Status Is			
And your adjusted gross income is		Single, or head of household	Married filing jointly (even if your spouse is not covered by a plan at work) qualifying widow(er)	Married filing separately	Married filing jointly (and your spouse is covered by a plan at work)	Single, or head of household	Married filing jointly or separately (and your spouse is not covered by a plan at work)	Married filing separately (even if your spouse is covered by a plan at work)
At least	But less than	You can take	You can take	You can take	You can take	You can take	You can take	You can take
$0	$10,000	Full deduction	Full deduction	Partial deduction	Full deduction	Full deduction	Full deduction	Full deduction
$10,000	25,001	do	do	No deduction	do			
$25,001	35,000	Partial deduction	do	do	do			
$35,000	40,001	No deduction	do	do	do			
$40,001	50,000	do	Partial deduction	do	Partial deduction			
$50,000 or over		do	No deduction	do	No deduction			

Source: Colonial Investment Services.

Unlike employer-provided retirement and savings programs, which typically allow you a narrow choice of investment options, an IRA offers a smorgasbord of investment alternatives. Just about the only choices not on the menu are those which federal rules prohibit for IRAs—antiques, art or other collectibles and hard assets such as gold bullion—and municipal bonds or other tax-exempt investments whose tax breaks would be wasted in an IRA.

INVESTMENT CHOICES

Annuities: Sold by insurance agents, financial planners and brokers, annuities essentially are savings accounts sponsored by life insurance companies. Fixed annuities are similar to bank certificates of deposit, in that the insurer guarantees to pay a specified rate of interest on your money. Variable annuities are akin to mutual funds, with your return reflecting the performance of the stock, bond or money-maker portfolio that you choose.

Bonds: Available through full-service or discount brokers, bonds pay interest regularly and repay your principal when the bond matures. Your choices include regular corporates and convertibles, which can be converted into shares of stock in the issuer's company and offer growth potential as well as income. You might also consider zero coupon bonds, which you buy at a big discount from their face value. Rather than paying interest periodically, zeros pay their interest in one lump sum when you cash in the bonds at full par value.

Certificates of Deposit: When you buy a CD through a bank, savings and loan, credit union or broker, you agree to leave money on deposit for a specified period of time, commonly ranging from 30 days to five years. In exchange, you receive a fixed rate of interest, paid in a lump sum when your CD matures. You also can count on guaranteed safety of principal for deposits up to $100,000 at federally insured institutions.

Gold: In an IRA, you can invest in gold in only these forms: shares in a gold mining company or a fund that buys such shares and American Eagle gold coins or gold coins issued by one of the 50 states. Prohibited are gold bars or coins, except those mentioned above, and gold accounts or certificates, which give you a fractional interest in gold bars or coins.

Money Markets: Money market funds, available through brokers and mutual fund companies, pool investors' cash to buy short-term debt securities. Money funds have a stellar safety record and give you access to your money at any time without penalty. When interest rates rise, the funds' yields quickly rise to keep pace.

Money market accounts are similar pools of funds operated by banks and savings and loans. A federally-insured money market account guarantees safety of principal in accounts up to $100,000.

Mutual Funds: Buying shares in a mutual fund makes you part owner of a professionally managed, diversified portfolio of securities. You usually are credited with dividends quarterly or semiannually and receive any capital gains once a year. The price you pay for shares you buy—or receive when you sell—depends on the composite value of the securities held by the fund at the market's close the day your transaction is carried out.

Funds without sales charges are called no-loads and are sold directly to investors. You merely telephone the fund you're interested in and request a prospectus and an order form. Some funds sold directly to investors are accompanied by so-called low-loads (up-front sales charges that are typically 1% to 4½% of your investment) while others may levy exit fees (rear-end loads) of several percentage points when you cash in. Load funds are sold by brokers and financial planners at sales charges ranging from low-loads to 8½% of your investment.

REITs: Available through full-service or discount brokers, a Real Estate Investment Trust is a public company whose shares trade on a stock exchange or over-the-counter. REITs are a means of putting real estate in your IRA portfolio because they use stockholders' money to buy investment properties and/or make mortgages. They pay 95% of their income from rents or mortgages to shareholders as dividends and when properties are sold, gains are passed on to stockholders as special dividends or as additional earnings per share.

Stocks: Achieving enviable returns from individual stocks requires selecting the right stocks and also correctly timing your buying and selling. Therefore, you must be willing to take the time to keep up with financial developments that could affect your particular stocks as well as the market in general.

If you are confident in your own ability as a stock picker, you may be able to save on commissions by using a discount broker, who merely executes trades. If you buy shares through a full-service broker, you will generally pay higher commissions in return for advice on buying and selling stocks as well as access to professional research reports.

Unit Trusts: Sold by brokers, unit trusts are portfolios of fixed-income investments such as corporate or government bonds, zeros or a combination of several types. Yields generally are locked in for the life of the trust, which can be up to 30 years. You are free to sell your trust shares at any time, but as with individual bonds, the price you will receive depends on the level of prevailing interest rates.

U.S. Government Securities: Government issues come in two primary categories: Treasuries, which are supersafe because they carry the direct backing of the U.S. Treasury, and government agency issues, which are just a step lower in safety because they are not direct Treasury obligations.

You can buy Treasuries directly from the 12 Federal Reserve Banks or their branches in 25 cities and from commercial banks and brokerages. You can also find mutual funds whose portfolios consist only of Treasuries. Government agency issues are available individually through brokers and also through unit trusts and mutual funds.

THE CASE FOR RESTORING IRA'S PUNCH

Since Congress lowered the boom on IRAs in 1986, evidence has steadily mounted contradicting the arguments IRA opponents used to persuade legislators that deductible contributions should be restricted. In light of proof that IRAs have indeed served the important purposes for which they were designed and that tax deductibility is key to their success, Congress should waste no time in reconsidering its ill-advised action.

"If the IRA is not restored, Congress will be seriously weakening the nation's retirement system and destroying an important incentive for Americans to save. This is a bad tax policy and worse economic policy," says Peter Ferrara, a senior fellow at the Cato Institute, a Washington, D.C. think tank.

Contrary to IRA opponents' contentions, the accounts do not primarily benefit the wealthy, according to a series of studies conducted by Steven F. Venti, associate professor of economics at Dartmouth College, and David A. Wise, professor of political economy at Harvard's John F. Kennedy School of Government. As the chart on page S-14 illustrates, their research showed that 62.2% of all IRA contributors earn less than $50,000. Moreover, Wise notes that in most cases, the income is produced by families with two wage earners. "There is not dispute that the argument Congress heard about IRSs being a tax loophole for the wealthy was just factually wrong," says Wise.

The other notion used to knock IRAs was that the loss in federal revenues that resulted from IRA's tax deductions was not justified because the accounts were not generating new savings. Opponents, led by U.S. Sen. Robert Packwood and U.S. Rep. Dan Rostenkowski, claimed that taxpayers came up with their annual contributions by shifting money from existing savings or by borrowing.

The Wise/Venti studies examined debt and savings levels for IRA holders and found that there was no evidence that IRA saving was accompanied by increased levels of debt. Even more important, their data showed that only 20% of IRA contributions represented transfers from other savings or investments; the remaining 80% was new savings.

Their study also revealed just how necessary a new savings incentive was. Their data based on U.S. Census Bureau statistics through 1985, showed that the median total of financial assets (excluding housing) for an American family was only $600. The study concluded that families who have contributed to IRAs since 1982 had not, prior to then, been accustomed to saving amounts that were even close to the annual IRA limit of $2,000 per worker. "The primary reason we didn't find much evidence of transfers from existing savings to fund IRAs was that before these things were instituded, people just weren't saving in other forms," says Wise.

That IRA boosted national savings was also supported by research conducted by Daniel Feenberg and Jonathan Skinner, research associates at the National Bureau of Economic Research. Their study set out to challenge the Wise/Venti data, but ended up supporting their conclusion that IRA savings reflected new savings.

Because they are successful in generating new personal savings, IRAs are vital to the national economy. The U.S. has the lowest personal savings rate of any industralized country. That low rate, combined with deficit spending by the federal government, forces the country to import $700 billion in foreign capital to meet our needs. An increase in the national pool of savings increases the cash available for investment by American businesses, thus promoting economic growth and reducing our dependence on foreign borrowing.

The contribution from IRAs toward those ends from 1982 to date has been substantial—approximately $266 billion in net new savings—and could be even more so if Congress lifted the restrictions it imposed. If IRAs had remained fully deductible for all working Americans, by this year new savings of $50 billion annually would have been generated by the accounts, according to projections based on a survey of IRA account holders conducted by the investment Company Institute, the mutual fund industry's trade association.

Tax reformer's true motivation in restricting IRA deductions was concern over the federal budget deficit, says Stephen Entin, who protested the restrictions in his post as deputy assistant secretary for economic policy in the Treasury Department under the Reagan Administration. "There was a short-term focus on getting money wherever they could and this was one easy, though misguided, way to do that," says Entin.

Legislators feared that the tax revenues the government was losing due to the IRA deducation would increase the budget deficit, thereby increasing government borrowing and adversely affecting the credit markets. What Congress has overlooked is that given current tax rates, the government only loses between 15 and 33 cents per IRA dollar, while the gain in new savings is 70 to 80 cents on that dollar. "IRAs were causing the savings pool to rise by more than federal borrowing, so they were clearly doing more good than harm," says Entin. "Moreover, the remedy for the deficit is economic growth, which means increased investment, and you don't have that unless personal savings are rising as they were thanks to IRAs."

In addition to serving as a personal savings incentive whose success is unprecedented, IRAs are crucial to retirement security, particularly for the baby boom generation. As the baby boomers entire, the number of workers supporting each Social Security beneficiary drops from more than three to less than two, making the system an enormous revenue loser. Whether the problem will be resolved by drastically cutting benefits or by dramatically increasing taxes to make up the shortfall is unclear now. In either case, IRAs are an important part of the solution.

HOW TO CALCULATE THE MAXIMUM TAX-DEDUCTIBLE CONTRIBUTION FOR 1988

	Filing jointly	Single	Example
	(A) $50,000	$35,000	$50,000
Adjusted Gross Income	(B)		$44,140
Subtract "B" from "A"	(C)		5,860
Multiply "C" by 20%	×.20	×.20	×.20
Round up to nearest $10 for your deductible contribution	(D)		$1,172 $1,180

While the future of Social Security is uncertain, relying on an employer-sponsored pension program for retirement savings also may be impossible for a workforce that is increasingly mobile. Many employees may not remain in one job long enough to meet pension vesting requirements. "The IRA always under a worker's control, offering greater freedom and self-reliance than Social Security or pensions, where the fate of the worker is in the hands of others and his eligibility can be lost or cut off," says the Cato Institute's Ferrara.

But for IRAs to be most effective in providing retirement security and generating new savings, contributions must be fully deductible. Fully deductible contributions to an IRA allow Americans to achieve retirement savings goals more quickly than conventional saving and investments or nondeductible IRAs. Tax deferral of earnings in an IRA is attractive, but not alluring enough to induce most Americans to put aside money annually.

The 1988 study conducted by Feenberg and Skinner for the National Bureau of Economic Research noted that the deductibility of the contribution accounts for roughly two-thirds of the total tax advantage in an IRA. "Our results suggest that taxpayer need the immediate gratification of a tax deduction to nudge them towards adequate retirement saving," the researcher concluded.

Harvard professor David Wise concurs: "What jars people into setting aside that money rather than spending it is the tremendous promotion for IRAs that occurs around tax time, combined with the immediate opportunity to take a tax deduction. If the government took the proper long-term view, it would not only restore deductible IRAs, but increase the annual contribution limit and help promote them too."

VOL 135 PT 9 JE 14 — 22 1989 UMI

WHAT STEPS TO TAKE

Persuading Congress to restore fully deductible IRA contributions for everyone may require several steps, as just about everything in Washington does, but the first is one that you can take. If you agree that the IRA is vital to you personally and to the nation as a whole, express your feelings in writing to your U.S. representative and senators.

Such grassroots mail campaigns can be quite effective. "People on Capitol Hill tally the mail regularly. When the senator or rep hears that he's gotten two letters about a particular issue, it may not mean much, but if he's gotten 2,000, it is definitely taken seriously," say former Treasury official Stephen Entin.

The effort to revive the IRA already has begun in Washington. U.S. Rep. David Dreier, a Republican from California, has introduced legislation proposing bringing back the full IRA deducation for all wage earners and increasing the spousal contribution from $250 to $2,000. In drafting a letter to your own representative or senators, request that he or she support Dreier's bill, H.R. 682, and any equivalent proposals introduced in the Senate.

To be most effective, your letter should include information about your own financial circumstances and use of IRAs. If you have stopped contributing to an IRA because you no longer qualify for the deduction and are put off by the burdensome record-keeping nondeductible contributions require, be sure to say so. Include as much information as you feel you can about your income level and the role IRAs play in your retirement savings scheme. "Its important to dispel the notion that IRAs are only used by the wealthy, so Congress needs to hear that middle-income people struggling to save for the future are being hurt by the IRA restrictions in the tax code," says a Dreier aide.

What follows is a summary of other general points you might consider including in a letter to your U.S. representative and/or senators:

Contrary to what Congress was led to believe in 1986, contributions to IRAs are funded primarily from dollars that otherwise would not have gone into savings. Several recent studies conducted by the National Bureau of Economic Research have revealed that the majority of IRA contributions represent new additions to savings. The loss in federal revenue that IRA deductions produce is more than offset by the increase in personal savings that they generate.

At a time when boosting national savings is so important, an incentive as effective as the IRA should be strengthened rather than hurt. The boost in new savings that IRAs induce bolsters the economy by increasing domestic capital available for U.S. investment, reducing our dangerous reliance on foreign borrowing and lessening pressure on the troubled Social Security system.

Unfortunately, the restrictions Congress placed on IRA contributions in the tax reform bill have made it a less effective savings tool. Preliminary IRS data for 1987 shows a 50% drop in the number of people contributing to an IRA. As that evidence suggests, and National Bureau of Economic Research studies have concluded, full deductibility of contributions is crucial to the IRA's success as a retirement savings incentive. Therefore, Congress should act in the interest of Americans striving to provide for their own futures and in the interest of a stronger economy by restoring fully deductible IRA contributions for all Americans.

There may never be a better time than now to send the message outlined above to Congress. As this section was going to press, senior officials in the Bush Administration were beginning to send signals that they would like Congress to expand tax breaks for IRAs in order to boost savings and investment. Before a hearing of the Joint Economic Committee of Congress, President Bush's chief economist Michael J. Boskin stated that the nation's dismal 4% savings rate would have been even lower in the mid-1980s had tax deductions for IRAs not been allowed.

At the moment, Boskin indicated the Administration would propose ways to encourage people to make IRA contributions without restoring full deductions for all. One possibility: allowing people to make a certain number of penalty-free withdrawals from their IRAs while still permitting tax-deferred growth of earnings in the accounts. Although the official Administration stance is that such inducements are as much as Congress will allow in light of concern about reducing the budget deficit, other Administration officials have indicated off-the-record that there is strong support throughout the Bush Administration for restoring the IRA deduction. With some encouragement from a grassroots mail campaign, that goal might indeed become a reality.

You can find the names of U.S. representatives and senators in the white pages of your phone book under United States government listings. If an address is not listed, your representative's or senators' names followed by one of these addresses will suffice: U.S. House of Representatives, Washington, D.C. 20515 or U.S. Senate, Washington, D.C. 20510.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 20, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 21

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on the diversity and concentration of media ownership.
SR-253

9:30 a.m.
Armed Services
To continue hearings on S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on the ICBM modernization program.
SR-222

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 640, to establish guidelines for Federal standards of liability for general aviation accidents.
SR-301

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
To resume hearings to examine the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

Small Business
To hold hearings to examine the impact of enterprise zones on small business growth and development.
SR-428A

Joint Economic
To hold hearings to examine Federal efforts to increase U.S. saving and investment.
2253 Rayburn Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 566, the National Affordable Housing Act, focusing on rural and Indian housing.
SR-538

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on S. 1112, authorizing funds through fiscal year 1993 for solid waste disposal programs and S. 1113, to provide States with the policy direction, technical support and financial assistance to effectively manage the municipal solid waste within their borders.
SD-406

Finance
To hold hearings on S. 771, to deny Federal income tax deductions for the costs of cleaning up oil spills and other hazardous substance discharges, and provisions of S. 1066, to establish a domestic liability and compensation system for oil pollution from vessels and facilities and to implement the 1984 Protocols to the 1969 Civil Liability and 1971 Fund Conventions concerning seagoing tanker-source oil pollution.
SD-215

Foreign Relations
Business meeting, to resume mark up on proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.
SD-419

10:30 a.m.
Judiciary
Immigratio
mittee
To hold
migrati

1:30 p.m.
Agricultur
Conservati
To hold
ability

2:00 p.m.
Commerce
Science, T
mittee
To hold
for a
progra
States
compu

Energy an
Public La
Subco
To hol
public
558, S.
963.

Foreign R
Business
on pr
funds
assista

8:00 a.m.
Veterans'
To hold
898, a
Depar
loan
provid
disabl
agent
to ove
ities
propo
Healt

9:00 a.m.
Agricultu
Conserva
To hol
and a

Banking,
Internati
Policy
To hol
foreig
chem

Commer
Commun
To co
and c

Labor an
To res
lish
bitio
disab

9:30 a.m.
Small B
To hol
faced
with
the

10:30 a.m.
Judiciary
Immigration and Refugee Affairs Subcommittee
To hold hearings on Central American migration to the United States.
SD-226

1:30 p.m.
Agriculture, Nutrition, and Forestry
Conservation and Forestry Subcommittee
To hold hearings to review the sustainability of forest resources.
SR-332

2:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1067, to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on miscellaneous public lands measures, including S. 558, S. 560, S. 818, S. 855, S. 940, and S. 963.
SD-366

Foreign Relations
Business meeting, to continue mark up on proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.
SD-419

JUNE 22

8:00 a.m.
Veterans' Affairs
To hold hearings on S. 404, H.R. 1415, S. 898, and S. 1158, bills to extend certain Department of Veterans' Affairs home loan guaranty provisions, S. 1153, to provide benefits to Vietnam veterans disabled as a result of exposure to agent orange, and Section 221, services to overcome service-connected disabilities affecting procreation of S. 13, proposed Veterans Benefits and Health Care Act of 1989.
SR-418

9:00 a.m.
Agriculture, Nutrition, and Forestry
Conservation and Forestry Subcommittee
To hold hearings to review conservation and agricultural practices.
SR-332

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold oversight hearings to review foreign policy export controls and chemical weapons proliferation.
SD-538

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on the diversity and concentration of media ownership.
SR-253

Labor and Human Resources
To resume hearings on S. 933, to establish a clear and comprehensive prohibition of discrimination on the basis of disability.
SH-216

9:30 a.m.
Small Business
To hold hearings to assess the problems faced by small businesses in complying with the paperwork requirements of the Occupational Safety and Health Administration's hazard communications standard.
SR-428A

Special on Aging
To hold hearings to review manufacturers practices in the pricing of drugs.
SD-562

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Business meeting, to mark up S. 804, to conserve North American wetland ecosystems and waterfowl and other migratory birds and fish and wildlife that depend on such habitat.
SD-406

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.
SD-430

10:30 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense.
SD-192

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1005, relating to the sale, purchase, or other acquisition of certain railroads.
SR-253

Energy and Natural Resources
To hold hearings to review trends in domestic CO_2 emissions as they contribute to the phenomenon of global warming.
SD-366

Finance
International Trade Subcommittee
To hold hearings to review Japanese trade barriers that block U.S. forest product exports.
SD-215

Foreign Relations
European Affairs Subcommittee
To hold hearings on political and military implications of European economic integration.
SD-419

Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation authorizing funds for the Civil Rights Commission.
SD-562

JUNE 23

9:30 a.m.
Governmental Affairs
To hold hearings on S. 253, to establish a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Labor and Human Resources
To hold hearings on S. 768, to provide basic health benefits for all Americans.
SD-430

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on administration of Indian programs by the Environmental Protection Agency.
SR-485

JULY 10

1:00 p.m.
Armed Services
Manpower and Personnel Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on manpower and personnel programs.
SR-232A

3:00 p.m.
Armed Services
Readiness, Sustainability and Support Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on readiness, sustainability and support programs.
SR-222

6:00 p.m.
Armed Services
Defense Industry and Technology Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on defense industry and technology programs.
SR-232A

JULY 11

8:30 a.m.
Armed Services
Conventional Forces and Alliance Defense Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on conventional forces and alliance defense programs.
SR-222

9:30 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

10:30 a.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on projection forces and regional defense programs.
SR-232A

2:00 p.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on strategic forces and nuclear deterrence programs.
SR-232A

2:30 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, and on fossil energy research and development and the clean coal technology program.
SD-366

JULY 12

9:00 a.m.
Armed Services
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Commerce, Science, and Transportation
To hold hearings on the nomination of Janice Obuchowski, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.
SR-253

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 707, to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience.
SR-253

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 13

9:00 a.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on capabilities and concerns of the national sealift policy.
SR-253

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Veterans' Affairs
Business meeting, to consider pending calendar business.
SR-418

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 14

9:00 a.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

9:30 a.m.
Select on Indian Affairs
To hold hearings on proposed amendments to the Indian Child Welfare Act.
SR-485

10:00 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 18

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on tuna management.
SR-253

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

Governmental Affairs
To hold hearings on S. 244, to provide for the development and use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies.
SD-342

JULY 19

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, relating to the broadcasting of certain material regarding candidates for Federal elective office.
SR-253

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

JULY 20

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

Governmental Affairs
To hold hearings on provisions of S. 135, Hatch Act Reform Amendments of 1989.
SD-342

Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

JULY 21

9:30 a.m.
Select on Indian Affairs
To hold hearings to establish a Tribal Judicial Resource Center.
SR-485

JULY 25

9:30 a.m.
Governmental Affairs
To hold hearings to review U.S. trade and technology issues.
SD-342

JULY 26

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1009, relating to the purchase of broadcasting time by candidates for public office.
SR-253

10:00 a.m.
Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

JULY 27

9:30 a.m.
Governmental Affairs
To hold hearings on S. 1165, to provide for fair employment practices in the U.S. Senate and U.S. House of Representatives.
SD-342

VOL 135 PT 9 JE 14 — 22 1989 UMI

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

CANCELLATIONS

JUNE 20

2:00 p.m.
Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings on S. 396, to provide protection for the operation of interest rate and currency swap agreements when one party files for bankruptcy relief, and S. 84, to provide Federal debt collection procedures.
SD-2266

VOL 135 PT 9 JE 14 — 22 1989 UMI

HOUSE OF REPRESENTATIVES—*Tuesday, June 20, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we recognize that our motivation for deeds is sometimes clouded by our desire to see results, and we know that we tend to decide what to do by what can be accomplished. In our prayers, O God, may we learn to express our praise and thanksgiving to You not because we may profit or even gain strength or solace, but because You are the giver of life, the source of love, the redeeming power in troubled lives. May our prayer and praise flow to You, O gracious God, in words of tribute and petition only because You have loved us and we are eternally grateful for Your gifts to us. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from South Carolina [Mr. DERRICK] will lead the House in the Pledge of Allegiance.

Mr. DERRICK led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

EXPENDITURE TARGETS RESULT IN HEALTH CARE RATIONING

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, the Ways and Means Committee Subcommittee on Health has taken on a difficult task in trying to satisfy physicians, Medicare beneficiaries, and those of us who want to cut Federal expenditures. In fact, this task is so monumental that I might grant them room to make errors. However, I must protest the action taken yesterday to establish expenditure targets for the Medicare Program.

Real-life experience with the program has shown us that though the theory might be attractive, the actual side-effects are not at all what the deficit doctor ordered. Consider this: Canadian experience has resulted in:

Growing waits for necessary surgery;

Degrading conditions for elderly hospital patients; and

An unwarranted intrusion into the physician-patient relationship.

Medicare beneficiaries in my State do not want health care rationing. They believe—and I believe—that we can effectively deal with increases in volume and intensity of medical services by more-efficient administration of clinical utilization and quality review.

Mr. Speaker, let us not go overboard in our understandable zeal to hold down costs of the health care delivery system. Many of us are willing to bite the bullet, but we just cannot take a bullet. Stop Medicare expenditure targets now.

COMMUNITY NOTIFICATION ACT

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, some of my colleagues in the House support the recommendations of the Commission on Base Closures and Realignments, some don't. But, I think all will agree with me that the communities surrounding the more than 150 affected military bases should be given every opportunity to prepare for the economic impact especially as it relates to local schools.

These communities, whether they are gaining or losing personnel, will need to adjust to the resulting changes. This is most critical to the area schools that depend on Federal impact aid. As you may know, impact aid is the program by which the Federal Government reimburses local school districts for educating military dependent children. Today, in order to assist the school districts in their adjustments, I am introducing the Community Notification Act.

This bill requires the Secretary of Defense to identify by February 1 of each year those local education agencies, such as local school boards, which will experience an increase or decrease in the enrollment of military dependent children.

Mr. Speaker, the budget process for a local school district is difficult. It is even more difficult for those districts that rely on impact aid. As the recommendations of the Base Closure Commission begin to be implemented, and the enrollment at local school districts begins to change, the budget process will become even more of a guessing game. Passage of the Community Notification Act should help to provide some level of stability to the process. I encourage my colleagues to cosponsor this bill.

MEDICARE EXPENDITURE TARGETS, HEALTH CARE RATIONING FOR THE ELDERLY

(Mr. SMITH of New Hampshire asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Hampshire. Mr. Speaker, the Nation's elderly are already greatly disturbed by the recent changes in Medicare—specifically, the catastrophic coverage law. In spite of thousands of letters from angry senior citizens, this law has remained on the books at a severe financial cost to the elderly. Now, Congress is planning to do it to them again. Only this time, seniors will be paying with their health, not their pocketbooks.

Actions are now being taken by Members of Congress to introduce expenditure targets into the Medicare system. For those unfamiliar with the term, "expenditure targets" simply put means the rationing of health care. "Expenditure targets" tell physicians that they can only be paid for treating x amount of patients. Physicians are then left to decide who the lucky patients will be. A decision physicians do not want to make.

This is a dubious approach to solving a difficult problem. No one questions the fact that our health care system needs to be reformed. We all agree that rising costs need to be contained. But how should we go about doing this? Should we go forward with a new, untested plan that will deny the elderly adequate care? Should we attempt to balance the budget on the backs of senior citizens? I certainly do not think so.

I urge my colleagues to reject the idea of expenditure targets. The rationing of health care is a price that our Nation's elderly can ill afford to pay.

AIRLINES OUGHT NOT TO BE IN THE LEVERAGED BUYOUT/HOSTILE TAKEOVER BUSINESS

(Mr. DORGAN of North Dakota asked and was given permission to ad-

dress the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, I hope the Secretary of Transportation is listening and is aware today of what is going on in the airline industry. I make note specifically of the proposed sale of Northwest Airlines, a sale for a little over $4 billion, a little over $3 billion of which will be debt. Load that debt on an airline and impose debt service costs of $300 to $400 million a year on a company that has never made $200 million a year, and the question is where does it bust out at the seams to try to pay these interest costs?

I think the answer is less service and higher ticket prices.

Mr. Speaker, I do not think our airlines ought to be in the mix here of this leveraged buyout/hostile takeover business. I think what it does is put at risk our transportation system.

Mr. Speaker, I am going to be meeting with the Secretary and others, and I hope we can make some sense of this because I do not want an awfully good airline carrier that our part of the country relies on very heavily to spend its time trying to raise money to pay interest costs on a $300 million debt because some folks wanted to buy it and make a bunch of money in the short term. We ought to be interested in building companies in the long term that provide good service and good business for our country.

That is what Northwest now does, and I fear it will not after this buyout.

I have not seen all the details, but I am concerned. I hope the Secretary of Transportation is concerned as well because it is partly his responsibility to see to it that we have a good transportation system and the airline companies that serve the major part of this country are not threatened by takeovers and by substantial loading up of debt as a result of takeovers.

SANDINISTA GOVERNMENT OF NICARAGUA DEFENDS CHINESE REPRESSION

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, 2 weeks ago this House unanimously approved a resolution commending the Chinese students for their efforts at democratic political reform and condemning the Chinese Government for its brutal and excessive use of force in repressing the demonstrations. As many as 7,000 Chinese citizens could have lost their lives.

In recent press reports, the Sandinista government of Nicaragua defended the massacre saying that the Chinese Government was merely suppressing a counterrevolution.

A government that would casually dismiss this type of brutal suppression cannot realistically be expected to meet its obligations for holding free elections.

We can only hope and pray that the opposition and the burgeoning movement for freedom and democracy in Nicaragua do not end up suppressed like the thousands of students in Tiananmen Square.

□ 1210

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON THE ENERGY AND WATER DEVELOPMENT APPROPRIATION BILL, 1990

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the energy and water development appropriation bill for 1990.

Mr. MYERS of Indiana reserved all points of order on the bill.

The SPEAKER pro tempore (Mr. DARDEN). Is there objection to the request of the gentleman from Alabama?

There was no objection.

AGAINST TURKISH HUMAN RIGHTS VIOLATIONS

(Mr. LAUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAUGHLIN. Mr. Speaker, I want to express my utter disgust and disapproval of the human rights violations being waged against the ethnic Turks of Bulgaria.

Since May of this year, when violence over the assimilation practices by the Bulgarian Government broke out, the plight of the Turks has been gaining international attention. Amnesty International estimates that approximately 100 ethnic Turks have died since the assimilation campaign began.

The assimilation campaign focuses on banning the use of the Turkish language in public, closing mosques, and razing Turkish cemeteries in the hope of wiping out any trace of the Moslem Turkish minority. In addition, the Bulgarian Government is forcing the Turks to renounce their ethnic heritage and change their names to Bulgarian names. Officially, the Turks no longer exist.

I can't help but be reminded of the countless deaths of Jews in concentration camps in Germany in the 1940's instigated by Adolf Hitler in an attempt to promote the perfect race. We cannot stand by and let the fervor of this mindless barbarianism escalate to disproportionate levels. Those who forget the past are condemned to relive it.

The assimilation campaign by the Bulgarian Government is an abomination to us as a people whose Government is based on democracy, freedom, and justice for all. As an American soldier stationed in Turkey for 1 year, I can attest to the Turks as being strong and faithful friends of the United States. Therefore, I urge my colleagues to demand that Bulgaria account for what Turkish Foreign Minister Mesult Yilmaz has called "one of the gravest human rights violations of our times."

Furthermore, we should demand that Bulgaria restore the rights of ethnic Turks to practice their cultural heritage or at least allow them to freely leave Bulgaria.

I applaud our Government's suspension of trade talks with Bulgaria until the issue of the forced exodus is addressed and I strongly support Turkish Prime Minister Turgut Ozal's call to keep the Turkish-Bulgarian border open to allow ethnic Turks the opportunity to return to their native land and bring to a halt the senseless deaths of persecuted Turks in Bulgaria.

APPROPRIATE FUNDS FOR VETERANS' HOSPITALS

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, as Members will recall, many in this House said back in December, there was not sufficient funding for the Veterans' Administration. Back in March, the new Director-Administrator of Veterans' Affairs requested an additional $350 million. In April of this year, the President forwarded to the Congress a dire emergency supplemental request, and now the Congress has continued to play with it, having exploded that $350 million request to over $1 billion.

Included in that request are $75 million for a telescope in West Virginia; $1 million for a center for the Navy in landlocked West Virginia; a quarter of a million dollars for a warning system for chemical plants; a quarter of a million dollars for a drought information center; $400,000 for a fire research center; a provision urging the Department of Agriculture to purchase more apples; and a section of other nonemergency items that prevents the veterans from getting the money that the President requested some months ago.

I believe that Congress should act this week. We should appropriate the necessary funds to keep our hospitals open for the veterans. We should come back to these other unnecessary items

VOL 135 PT 9 JE 14 — 22 1989 UMI

and deal with them directly, and not hold the veterans hostage to this sort of activity.

INVESTIGATION REQUESTED IN DEMJANJUK CASE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, John Demjanjuk was a Cleveland auto worker. He was born in the Ukraine in 1920. He was forced into the Red Army in 1940. He became a German prisoner of war in 1942.

John Demjanjuk said he served and was in four prisoner-of-war camps until the end of the war. An Israeli court said "No." They said he is Ivan the Terrible. He is in an Israeli jail, sentenced to death.

I believe this case stinks. The sad part is the Office of Special Investigation in America has seemed to have turned their back on the rights of one of the citizens, setting a dangerous precedent that can endanger the rights of all citizens. There are too many irregularities. A defense attorney committed suicide. I do not know the truth, but no one else does.

I am asking for an investigation into the John Demjanjuk American citizen case, and also into the actions of the Special Office of Investigation in this country.

Even though he is an auto worker, even an auto worker is entitled to some rights. I do not know the truth, but America should find out.

JUST SAY NO TO PROSPECTIVE PAYMENT FOR PHYSICIANS

(Mr. PORTER asked and was given permission to address the House for 1 minute.)

Mr. PORTER. Mr. Speaker, Medicare is in bad shape. But the Physician Payment Review Commission wants to make a bad situation even worse by saddling doctors with expenditure targets, a fee-schedule, and limits on balance billing.

This is the worst form of price control. Have we not learned anything from past efforts to control medical spending through price administration?

In 1983, Medicare began making hospital payments under such an administered price system. The new system was supposed to force wasteful hospitals to operate more efficiently. Instead, record numbers of hospitals closed, mostly in medically underserved areas that could least afford the closures.

We should not be shunning the market in the name of cost savings. We should embrace the market. We should be moving toward a capitated system of health care coverage in which individuals can purchase integrated, tailored packages of health care with Medicare assistance, and still retain flexibility and choice.

Mr. Speaker, price administration is not working on the hospital side, and it is not going to work on the physician side. We should reject the PPRC recommendations.

H.R. 2654, THE TAXPAYER AND ENVIRONMENT PROTECTION ACT OF 1989

(Mr. RITTER asked and was given permission to address the House for 1 minute.)

Mr. RITTER. Mr. Speaker, last Thursday I introduced legislation that would block the Governor of New York State's plan to dismantle the Shoreham Nuclear Power Plant on Long Island.

Why? There are two reasons. First, given the fact that we are on the eve of strengthening the Clean Air Act, America should be weaning itself from its severe dependence upon the burning of oil and other fossil fuels, particularly the burning of imported oil for the generation of electricity.

In their place, we should be relying on American-made, clean, and reasonably priced sources of energy—such as the available 800 megawatts of electricity Shoreham could provide to a foreign oil-dependent region that faces the threat of brownouts this summer.

The second reason Congress should block the plan is because Federal taxpayers are being called in to help pay for the dismantling of Shoreham—despite the fact that it's a safe, $5.5 billion facility that has been granted a full power license by the Nuclear Regulatory Commission. Under Gov. Mario Cuomo's plan to dismantle Shoreham, the owner of the plant has been granted a $2.8 billion tax writeoff for this year.

So, while Congress struggles to keep the deficit down and clean up the environment, Congress also may be complicating its work by allowing Governor Cuomo to pursue his policy of dismantling Shoreham at any cost. American taxpayers and our environment cannot afford this folly.

My bill, the Taxpayer and Environment Protection Act of 1989, would work to block the dismantling of Shoreham by disallowing the $2.8 billion Federal tax writeoff on the grounds that the plan to dismantle Shoreham cannot be regarded as a legitimate form of abandonment. The bill also repeals the authority of the Long Island Power Authority to issue Federal tax exempt bonds that would be used to acquire and then dismantle the plant.

I urge my colleagues to support this legislation. Thank you, Mr. Speaker.

□ 1220

OPPOSING FURTHER FINANCING OF DEVELOPMENT IN PEOPLE'S REPUBLIC OF CHINA

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, I have today introduced a resolution with the gentleman from New York [Mr. LAFALCE] calling upon President Bush to instruct the United States Directors of the World Bank and the Asian Development Bank to oppose all loans to the People's Republic of China. I have also scheduled this afternoon a hearing of my Subcommittee on International Finance to examine the issue because the repression carried out against the innocent young people of the People's Republic of China over the last few weeks is just repugnant to all of us.

We know, Mr. Speaker, that the multilateral institutions are the primary providers of external development finance for China. The People's Republic of China has $4.7 billion of loans pending and in the pipeline in the World Bank and an additional $1.1 billion is in some state of processing by the Asian Development Bank.

What bothers me most is that the leadership in China, that hard-line leadership presently in power, believes that it can act with impunity. Deng Xiaoping was quoted as saying that China's policy of economic reforms and its opening to the West will not change. What that attitude says to me, Mr. Speaker, is that they are saying:

> We will take whatever opportunity we can get from the international community, thank you very much, but we will not abide by certain basic standards of decency and respect for human rights.

I am sorry, I would say to Deng Xiaoping, but this is a two-way street. To continue to finance development in the People's Republic of China under the present circumstances is equivalent to making us an accomplice in this barbarous crackdown that is taking place there. We cannot and should not be a party to reinforcing those who would so brutally subvert the economic and political aspirations of their people.

TRIBUTE TO MRS. HARRIET VAN METER, FOUNDER AND DIRECTOR OF THE INTERNATIONAL BOOK PROJECT

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, I rise this morning to offer my personal congratulations and the thanks of the Nation of my friend, Mrs. Harriet Van

Meter, of Lexington, founder and director of the International Book Project.

On June 26, Mrs. Van Meter will receive this year's Kiwanis World Service Medal for her work with the IBP at the 74th Annual Kiwanis International Convention in Orlando, FL.

In 1966, Mrs. Van Meter visited India. Struck by the extreme poverty and lack of educational materials she saw there, she wrote an open letter to an Indian newspaper, offering to send food or books to anyone who asked for them. She received over 400 requests. Only two were for food; the rest, for books.

Since that time, the International Book Project, operating with no Government assistance, has served more than 1.3 million people in over 100 countries, meeting specific needs—sending books only on request, sending only the kinds of books requested. Her network of volunteer workers and supporters includes residents of every State in the Union and several foreign countries.

In addition to the award itself and the cash gift which accompanies it, the book project is being designated as the Kiwanis International service project for the next year.

Surely no project is more worthy of the recognition and assistance of this fine service organization than this one—dedicated to educational opportunity, personal development, and international cooperation—and no American is more worthy of our admiration and honor than its director, congratulations Harriet Van Meter.

THE GROWING NEED FOR FUNDING OF VETERANS' PROJECTS

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, let me ask, are we going to take care of the veterans, or are we not? Are we going to fund the veterans' dire emergency supplemental, or are we not? Already there are staff shortages of some 4,000 medical personnel, reductions in outpatient capacity amounting to 20,000 visits per week, a freeze on accepting new patients, whose eligibility depends on available VA resources, a freeze on capital accounts, and a halt on the activation of 96 recently completed medical facility projects.

Secretary Derwinski said that if we did not have a supplemental for veterans funded by June 15—and we did not, of course; it is now June 20—that would require additional steps: The closure of some specialized medical programs, coping with staffing problems in the benefits administration, and reductions in ground maintenance at 113 national cemeteries.

Mr. Speaker, let us quit playing politics. It is time that we fund the veterans in their supplemental.

SUPPORT FOR QUALITY HEALTH CARE FOR THE ELDERLY

(Mr. LIGHTFOOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIGHTFOOT. Mr. Speaker, I made a pledge to the elderly residing in my congressional district when I first took office that I would not support legislation in Congress denying them access to quality and affordable health care. As a member of the House Select Committee on Aging and the House Rural Health Care Coalition, my statements on the House floor and committee hearings emphasize my continued support to provide all elderly with quality health care.

I understand a proposal was approved recently in a House Ways and Means Subcommittee hearing supporting establishment of expenditure targets for the Medicare Program. One of the most eminent concerns in my congressional district is the threat of hospital closures. How will I explain to my older Americans that they will not only have to travel farther to receive quality care, but be subject to restrictive or rationing of physician services as a means of balancing the Federal budget? Those most at risk will be the elderly and the disadvantaged.

Mr. Speaker, let us take a couple of moments to recount Canada's experience with expenditure targets. Although the concept might appear to be appealing, according to Canadian reports, the quality of care provided to its residents is unacceptable and possibly life threatening. Expenditure targets might force a physician to limit or restrict access to health care services.

I cannot support a proposal resulting in long delays to obtain necessary medical care. I understand patients in certain Provinces wait 8 to 9 months for coronary bypass surgery. I can assure you had I been a Medicare beneficiary when I underwent bypass surgery I would not want to be held up because my surgeon was restrained from operating due to expenditure targets.

Mr. Speaker, I do not support expenditure targets and hope my colleagues will join me in opposing such efforts.

A SUCCESS STORY IN THE FIELD OF CHILD CARE

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, last week, you may remember, I spoke of my child care bill and its purpose of providing seed money to the States. Today I would like to focus your attention on a model child care program in my home town of Ridgewood, NJ.

This program was started some 8 years ago by Mrs. Cathy Marino, a child early development and education specialist. She saw that working parents needed child care for infants and toddlers and, without Federal or State grants, started what has become a model for child care in my State. Her infant and toddler development center started with 12 babies and has grown to serve 110 infants and toddlers ranging in age from 6 weeks to 5 years old.

Working with the cooperation of the school system, Mrs. Marino set up the child-care center in the public school building—perhaps the most logical and well-suited location. With a lot of hard work and community effort in the form of donated materials by businesses and advice from health and safety professionals, this center has thrived.

My purpose in telling you about this success story is to make the point that the role of the Federal Government in child care should be to encourage this kind of innovation by passing a child-care bill that makes grants to the States to be used as seed money to start and continue programs like the one I have described for you today.

Any child care legislation that Congress passes should do four important things:

First, keep direction and choice as close to home as possible—with State, community, school and business—rather than a federally directed bureaucracy.

Second, inspire and invest in innovation suitable for local needs.

Third, give flexibility to integrate existing programs in the public schools as well as church-sponsored programs.

Fourth, and, given our enormous budget deficit, child care legislation must propose fiscally prudent expenditures.

My bill, H.R. 1708, will do just these things and I ask for your support.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DARDEN). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules.

VOL 135 PT 9 JE 14 — 22 1989 UMI

EXTENSION OF TITLE I OF ENERGY POLICY AND CONSERVATION ACT

Mr. SHARP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2539) to extend title I of the Energy Policy and Conservation Act.

The Clerk read as follows:

H.R. 2539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION.

Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended—

(1) in section 171, by striking out "June 30, 1989" each place it appears and inserting in lieu thereof "February 28, 1990"; and

(2) in section 104(b)(1), by striking out "June 30, 1989" and inserting in lieu thereof "February 28, 1990".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Indiana [Mr. SHARP] will be recognized for 20 minutes, and the gentleman from California [Mr. MOORHEAD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 2539, extends for 8 months the authority in title I of the Energy Policy and Conservation Act [EPCA] which established and continues to provide authority necessary to use the strategic petroleum reserve [SPR].

This is an important bill and has been worked out in consultation with the administration and the committee minority. Unless EPCA is extended before June 30, 1989, the Department of Energy may not have sufficient authority to drawdown the SPR in response to an oil shortage.

The strategic petroleum reserve [SPR] is this Nation's emergency supply of crude oil stored in huge underground salt caverns along the coast of the Gulf of Mexico. First authorized by Congress in 1975, this oil is our insurance policy against the economic problems associated with energy interruptions or shortages. It was established in the aftermath of the economic shock waves that rocked the industrialized world as a result of the 1973-74 oil embargo.

Today, with 570 million barrels, the SPR is the largest stockpile of crude oil in the world. It is our first line of defense against the economic disasters associated with an energy shortage. Recently, we saw how rapidly and dramatically oil prices can rise when this Nation experiences a temporary shortage of oil. During the days when Prince William Sound was closed to tanker traffic as a result of the grounding of the *Exxon Valdez*, gasoline prices, then crude oil prices, rose suddenly. If an 11-million-barrel shortage can cause gasoline to rise 10 cents per gallon in 2 weeks, the potential for disastrous rises during a major shortage are staggering. The SPR is our Nation's first and only immediate defense against these price rises and the associated damage to our economy.

The SPR is also required to meet our obligations to the International Energy Agency, which require the United States to have a minimum of 90 days of oil imports available in storage. In 1985, when our oil import dependency and oil consumption was lower than today, the SPR reached a maximum of 118 days of oil imports. Despite a continued oil acquisition program, oil imports have increased more rapidly that oil has been acquired for the SPR. At the end of 1988, assuming average net imports of 6.3 million barrels per day, the SPR held only 89 days of imports.

This bill grants an 8-month extension to the authority contained in title I of EPCA which is necessary to utilize the SPR effectively. The primary reason for the short extension is to allow the Department of Energy and the committee to consider a number of unresolved issues relating to the SPR. These issues were identified at a hearing on April 19, 1989, and in an exchange of letters between the Department of energy and the committee. These are contained in the committee report on the bill.

EPCA was last extended in 1985 for 4 years. In the intervening years there have been changes in the world oil supply situation. These changes should be reflected in EPCA authorities. During the next 8 months, DOE and the committee intend to consider exactly what changes are necessary.

The Subcommittee on Energy and Power intends to hold additional hearings to assist in resolving these issues. I urge my colleagues to support passage of this bill and allow sufficient time for the Congress and the administration to consider whether additional changes are necessary to EPCA.

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as one with a longstanding interest in an adequate strategic petroleum reserve, I rise in support of H.R. 2539, which I cosponsored with the chairman of the Subcommittee on Energy and Power, Mr. Sharp. This bill would extend title I of the Energy Policy and Conservation Act, including the authority for the strategic petroleum reserve, through February 28, 1990. Current law expires on June 30, 1989.

The Department of Energy is generally to be commended for its management of the important Federal asset represented by the strategic petroleum reserve. American taxpayers have invested $20 billion in facilities and oil acquisition at the five sites which make up the SPR. Unfortunately, as our demand for imported oil has steadily increased during the past 4 years, the size of the SPR has not kept pace. In 1985, we had the equivalent of 118 days of imports in the SPR. Now, that level is only 89 days. As a member of the international energy program, the United States is obligated to maintain reserves equal to at least 90 days of oil imports.

In addition to the fill rate and the ultimate size of the SPR, the Congress must consider several other issues related to the strategic petroleum reserve. For example, the administration proposes to sell the naval petroleum reserves and use the proceeds to fill the SPR. Furthermore, we need to amend the draw down authority so that the SPR could be used in the event of an interruption of domestic supplies, as well as a cutoff of imported oil. In short, the 8-month extension of current law provided by H.R. 2539 would give Congress and the administration the time to thoughtfully consider these and other SPR issues.

The administration supports H.R. 2539.

Mr. Speaker, we look forward to working with our colleagues on the majority side of the aisle on swift passage of this bill and on a long-term extension of title I of the Energy Policy and Conservation Act, with appropriate amendments.

Mr. SHARP. Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii [Mr. AKAKA], who has been a staunch advocate of a regional reserve for the Hawaiian Islands.

Mr. AKAKA. Mr. Speaker, I rise in support of this legislation.

The legislation before us extends title I of the Energy Policy and Conservation Act—widely known as the Strategic Petroleum Reserve—through February of 1990. The bill is necessitated by the fact that the Department of Energy's authority to purchase and store oil for the reserve expires on June 30.

I take the floor today not only because I support this vital piece of energy legislation, but also because I know that the bill before us will give the Energy and Commerce Committee the time it needs to craft a more comprehensive reauthorization for the Strategic Petroleum Reserve.

This reauthorization is critical to the energy security of the State of Hawaii. Earlier this spring, I had the opportunity to testify before Chairman SHARP and the other members of the Energy and Power Subcommittee to make my case for establishing a petroleum reserve in Hawaii. It is my firm hope that the legislation developed to meet next February's deadline will include provisions for such a reserve.

Compared to the mainland, Hawaii faces a much greater risk of an oil supply disruption because we have no overland access to domestic sources of crude. While the lower 48 States and Alaska have access to oil transported by pipeline, rail, or highway, in Hawaii all of our crude oil and refined products arrive by ocean tanker. Our total reliance on tanker deliveries makes Hawaii exceptionally vulnerable to a cutoff of oil supplies in the event of a crisis that disrupts oil imports.

The argument for establishing a regional reserve in Hawaii is compelling. Evidence indicates that Hawaii's energy dependence will turn from bad to worse in the coming decade.

If an energy crisis hits, Hawaii would wither on the vine. Our only means of access to the Strategic Petroleum Reserve would be by tanker delivery from the Gulf of Mexico through the Panama Canal. A recent study commissioned by the State of Hawaii indicates that the minimum delivery time for Strategic Petroleum Reserve oil to Hawaii would be 53 days. This exceeds the State's average commercial working inventory by 23 days. Under these circumstances, Hawaii's oil supply would run dry and our economy would grind to a halt.

The U.S. Department of Energy has consistently maintained that Hawaii's emergency petroleum supply needs are most effectively met through central petroleum storage in the SPR salt dome caverns in Texas and Louisiana. My colleagues, this notion is absurd. These facilities are as far away from Hawaii as Istanbul is distant from New York City.

In response to Hawaii's vulnerability to supply problems and the reluctance of the DOE to adequately address that vulnerability, I have introduced H.R. 1416, a bill to amend the Energy Policy Conservation Act to permit the establishment of a regional petroleum reserve for the State of Hawaii.

As we proceed with the reauthorization of the Strategic Petroleum Reserve, I hope we do not overlook the dire energy security needs of Hawaii. I hope my colleagues will remember that our islands are rich in many things—especially beauty—but poor in indigenous fossil fuels. Unless something is done now about Hawaii's vulnerability, when the next oil crisis hits it will be too late to act.

□ 1240

Mr. MOORHEAD. Mr. Speaker, I yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana [Mr. SHARP] that the House suspend the rules and pass the bill, H.R. 2539.

The question was taken; and two-thirds having voted on favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. SHARP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 694) to amend the Energy Policy and Conservation Act to extend the authority for the Strategic Petroleum Reserve, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 694

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Strategic Petroleum Reserve Amendments of 1989".

EXTENSION OF AUTHORITY

SEC. 2. Section 171 of the Energy Policy and Conservation Act, as amended (42 U.S.C. 6251), is amended by striking the term "June 30, 1989" everywhere it appears and substituting the term "June 30, 1994".

ENLARGEMENT TO ONE BILLION BARRELS

SEC. 3. (a) Section 159 of the Energy Policy and Conservation Act (Public Law 94-163), as amended (42 U.S.C. 6239), is amended by adding the following new subsection:

"(i) The Secretary shall by January 30, 1990, amend the Strategic Petroleum Reserve Plan to prescribe plans for completion of storage of one billion barrels of petroleum products in the Reserve. Such amendment shall comply with the provisions of this section and shall detail the Secretary's plans for the design, construction, leasing or other acquisition, and fill of storage and related facilities of the Reserve to achieve such one billion barrels of storage. Such amendment shall not be subject to the congressional review procedures contained in section 551 of Public Law 94-163 (42 U.S.C. 6421). In assessing alternatives in the development of such plans, the Secretary shall consider leasing privately owned storage facilities.".

(b) Section 160 of the Energy Policy and Conservation Act, as amended (42 U.S.C. 6240), is amended—

(1) by substituting in paragraph (c)(3)—

(A) the term "fiscal year 1995" for the term "fiscal years 1988 and 1989", and

(B) the term "1,000,000,000" for the term "at least 750,000,000", and

(2) in paragraph (d)(1)—

(A) by substituting in subparagraph (A) the term "1,000,000,000" for the term "750,000,000", and

(B) by striking the period at the end of subparagraph (B), substituting a semicolon, and adding a new subparagraph (C) as follows:

"(C) after January 30, 1990, the Secretary has amended the Strategic Petroleum Reserve Plan as required by section 159(i).".

PREDRAWDOWN DIVERSION OF SPR OIL

SEC. 4. Section 161 of the Energy Policy and Conservation Act, as amended (42 U.S.C. 6241), is amended by adding the following new subsection:

"(h)(1) If the President finds that a severe energy supply interruption may be imminent and that the world price of crude oil has, as a result, increased substantially, then the execution of new contracts for petroleum products for injection into the Strategic Petroleum Reserve may be curtailed or suspended for not to exceed thirty days, and the provisions of sections 160 (c) and (d) shall not apply: *Provided, however,* That the President may extend such finding for additional thirty-day periods if he finds that the conditions that justified the initial finding still exist. (2) The period during which such Presidential finding is in effect, and the quantity of any petroleum products involved, shall be disregarded in applying the provisons of such subsections for periods following the effective period of such finding. (3) When such a finding is in effect, the Secretary is authorized to sell, in accordance with rules or regulations which he shall promulgate, any petroleum products acquired for storage in, but not injected into, the Strategic Petroleum Reserve. (4) The receipts from such sales shall be deposited in the "SPR Petroleum Account" under section 167 and shall be subject to section 167(d).".

OIL LEASING STUDY AND REPORT

SEC. 5. The Secretary of Energy shall provide no later than ninety days after enactment of this Act to the Senate Committee on Energy and Natural Resources and to the House Committee on Energy and Commerce a written, detailed report on potential financial arrangements (including long-term leasing of crude oil and storage facilities) as additional, alternative means of financing the Strategic Petroleum Reserve. The Secretary of Energy shall direct that in the course of conducting this study the appropriate officials shall:

(a) survey a broad array of potential financial arrangements;

(b) communicate with persons in the private sector who might be interested in leasing crude oil or storage facilities;

(c) initiate, in cooperation with the State Department, discussions with representatives of foreign governments and other entities as to the types of financial arrangements (including crude leasing arrangements) that would interest them, consistent with United States interests, and

(d) draft preliminary solicitations for proposed Strategic Petroleum Reserve financial arrangements (including long-term leasing of crude oil and storage facilities).

Such report shall include legislative recommendations and proposals to facilitate such financial arrangements (including long-term leasing of crude oil and storage facilities).

MOTION OFFERED BY MR. SHARP

Mr. SHARP. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SHARP moves to strike all after the enacting clause of the Senate bill, S. 694, and to insert in lieu thereof the provisions of H.R. 2539, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An act to extend title I of the Energy Policy and Conservation Act."

VOL 135 PT 9 JE 14 — 22 1989 UMI

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2539) was laid on the table.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

APEX PROJECT, NEVADA LAND TRANSFER AND AUTHORIZATION ACT OF 1989

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1485) to provide for the sale of certain Federal lands to Clark County, NV, for national defense and other purposes, as amended.

The Clerk read as follows:

H.R. 1485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LAND TRANSFER IN CLARK COUNTY, NEVADA

SEC. 101. SHORT TITLE.

This title may be cited as the "Apex Project, Nevada Land Transfer and Authorization Act of 1989".

SEC. 102. FINDINGS AND DEFINITIONS.

(a) FINDINGS.—Congress finds the following:

(1) The only two domestic producers of ammonium perchlorate ("AP"), a principal component of solid rocket fuel essential to the Nation's defense and space programs, are Pacific Engineering and Production Company, Incorporated ("Pepcon") and Kerr-McGee Chemical Corporation ("Kerr-McGee"), which established production facilities near the city of Henderson in Clark County, Nevada ("the county"). On May 4, 1988, an explosion destroyed the Pepcon plant, thereby substantially reducing the Nation's capacity to produce solid rocket fuel.

(2) A commission subsequently appointed by the Governor of Nevada to examine the adequacy of existing policies and regulations pertaining to the manufacture and storage of certain industrial materials has recommended new policies which imply the desirability of relocating both some of Kerr-McGee's AP production and storage facilities and also other industries to a less densely populated part of Clark County, but within reasonable distance of the present work force.

(3) The Department of Defense and the National Aeronautics and Space Administration have identified an urgent need to replace the domestic ammonium perchlorate production capacity lost in the Pepcon accident and to firm up existing production capabilities in order to meet current shortages and long-term requirements.

(4) The county has identified as the preferred site for the relocation of Kerr-McGee AP facilities approximately 3,700 acres of land ("Kerr-McGee Site"), which is part of approximately 21,000 acres of Federal lands, identified by the county as the "Apex Site" managed by the Bureau of Land Management ("BLM"). The county has advised the BLM it would like to purchase some or all of the lands comprising the Apex Site for development as a heavy-industry use zone, to locate potentially hazardous facilities. Orderly and appropriate development of such an industrial zone, in a manner consistent with public safety, protection of environmental and other values, and relevant State and Federal policies and programs (including the national defense) would be preferable to development of the lands comprising the Apex Site in an unplanned manner.

(5) The Federal lands comprising the Apex Site are presently classified for retention and multiple use by the applicable BLM land use plan. At the time the current land use plan was developed, disposal of large parcels of land immediately outside the Las Vegas Valley was not identified as a possibility. However, the expeditious transfer of the Kerr-McGee Site to Clark County for resale to Kerr-McGee, and transfer of necessary associated rights-of-way to the county, will serve an important national need which cannot be served as well on non-Federal land in Clark County and which outweighs other existing and potential public uses of the lands which would be served by maintaining them in Federal ownership.

(6) Kerr-McGee has prepared an environmental assessment on the proposed transfer of the Kerr-McGee Site and supporting utility and transportation rights-of-way, entitled "Apex Nevada Land Transfer Proposal and Proposed Kerr-McGee Ammonium Perchlorate Facility", dated April 1989, which identifies certain environmental impacts likely to result from the transfer of the site and supporting rights-of-way to the county which would be mitigated with various control measures. Any transfer by the United States of lands within the Apex Site should be conditioned upon provision of all measures appropriate to prevent or mitigate adverse environmental impacts.

(7) Lands within the Apex Site provide habitat for the desert tortoise. The BLM, recognizing that the desert tortoise habitat found in Nevada, and elsewhere, is being significantly affected, especially within the Mojave Desert, by the rapid development associated with industrial growth and by other human activities, has prepared a rangewide plan for desert tortoise habitat management on the public lands. The goal of this plan is to ensure that viable desert tortoise populations will continue to exist through cooperative resource management aimed at protecting the species and its habitat. The BLM's implementation of this plan should be accelerated.

(8) Lands within the Apex Site are close to Nellis Air Force Base and to public lands withdrawn for use by the Air Force as part of the Nellis Air Force Range complex. Nellis Air Force Base is the most active military airfield in the United States (with many of the aircraft using the base carrying live ordnance) and, together with the Nellis Air Force Range, constitutes a unique facility that plays a vital role in maintaining the combat capability of the Air Force's tactical units. Maintaining the capability of Nellis Air Force Base to fulfill its mission must be a central part of any decisions concerning future use or disposition of the lands within the Apex Site.

(b) DEFINITIONS.—As used in this title, the following terms shall have the following meanings:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "lands" means lands and interests therein.

(3) The term "county" or "Clark County" means Clark County, Nevada.

(4) The term "Kerr-McGee" means the Kerr-McGee Chemical Corporation.

(5) The term "BLM's Desert Tortoise Plan" means the plan entitled "Desert Tortoise Habitat Management on the Public Lands: A Rangewide Plan" approved November 14, 1988.

(6) All other terms shall have the same meaning as such terms have when used in the Federal Land Policy and Management Act of 1976.

SEC. 103. KERR-McGEE SITE TRANSFER.

(a) DIRECTED SALE.—Subject to all valid existing rights, the Secretary is directed to convey the public lands comprising approximately 3,700 acres designated as "Area 1" and "Area 2" within the "Kerr-McGee Site" on the map entitled "Apex Heavy-Industry Use Zone" dated May 1989, to Clark County, Nevada, solely for sale to Kerr-McGee, in return for payment of the lands' appraised fair market value, as determined by the Secretary in accordance with established appraisal practices. However, the lands within Area 1 shall not be conveyed unless and until the Secretary has received a written commitment from Clark County and Kerr-McGee that whichever is offered the opportunity to purchase the lands within Area 2 will do so at such lands' appraised fair market value when the lands are offered pursuant to subsection (c) of this section.

(b) RIGHTS-OF-WAY.—Subject to all valid existing rights, the Secretary is directed to grant utility and transportation rights-of-way to Clark County for the connection of existing electric power, water, natural gas, telephone, railroad and highway facilities to the Kerr-McGee, all as generally depicted on the map entitled "Rights-of-Way and Proposed Access and Utility Locations" dated May 1989. Each right-of-way shall not exceed 200 feet in width and shall not preclude the Secretary from permitting other uses of the affected lands compatible with the uses for which such rights-of-way are granted. Clark County may permit other parties to use the lands covered by such rights-of-way for some or all of the purposes specified in this subsection.

(c) TIMING, ETC.—(1) Subject to subsections (a) and (b) of this section, the Secretary shall offer to sell to Clark County the lands within the Kerr-McGee Site depicted as Area 1 and shall offer to grant the rights-of-way described in subsection (b) of this section to Clark County within 30 days of the date of enactment of this Act, but the Secretary's duty to transfer such lands and rights-of-way shall not lapse if they are not offered to the county within the prescribed time. Such sale shall be for fair market value, as determined by the Secretary in accordance with established procedures of the Bureau of Land Management. If Clark County fails to purchase such lands within 60 days of receiving the Secretary's offer, the lands and rights-of-way shall be offered to Kerr-McGee for sale and grant on the same basis, and subject to Kerr-McGee's entering into an agreement with the Secretary similar to the agreement described in section 106(a). If within 60 days after such offer, Kerr-McGee fails to purchase such lands, the lands shall become subject to the authorization provided for in section 104 of this Act, and the total acreage authorized

for disposition under that section shall be increased accordingly.

(2) If the lands within Area 1 are purchased pursuant to paragraph (1) of this subsection, upon completion of a survey of the boundaries of Area 2, the Secretary shall offer to sell to the purchaser of Area 1 the lands within Area 2 at their appraised fair market value, as determined by the Secretary in accordance with established procedures of the Bureau of Land Management.

(3) Each right-of-way granted pursuant to this section shall be subject to rental payments and other conditions provided for in applicable law, including the Federal Land Policy and Management Act of 1976 and this Act. The amounts received by the United States from sales of lands covered by this section shall be distributed pursuant to laws generally applicable to sales of public lands.

SEC. 104. AUTHORIZATION FOR ADDITIONAL TRANSFERS.

(a) SALES AUTHORIZED.—Notwithstanding any BLM land use plan calling for retention of the Apex Site and notwithstanding the reporting requirements and competitive bidding requirements of section 203 of the Federal Land Policy and Management Act of 1976, the Secretary is authorized, subject to any other requirements of law, including the conditions of this section, to sell to Clark County some or all of the lands within the "Apex Site", depicted on the map referred to in section 103(a), that lie outside the boundaries of the Kerr-McGee Site (as depicted on such map) for fair market value as determined by the Secretary in accordance with established appraisal procedures.

(b) REQUIREMENTS AND CONDITIONS.—If, no later than one year after the date of enactment of this Act, the county demonstrates to the satisfaction of the Secretary that the county has designated the lands comprising the Apex Site as a heavy-use industrial zone, pursuant to applicable laws of the State of Nevada, and has adopted a plan for the development of some or all of such lands accordingly, the Secretary shall offer to enter into a land sales agreement with Clark County for the transfer of some or all of such lands to the county by one or more direct sales pursuant to this section over a period not to exceed ten years. Such agreement shall provide for purchases of parcels of the lands within the Apex Site, with any specific parcels to be sold to be determined by the Secretary, in response to proposals by the county and after consultation with the Secretary of the Air Force concerning any potential impact of any such sale on activities associated with Nellis Air Force Base. The purchase price for each parcel shall be its appraised fair market value at the time of the sale, but any agreement between the county and the Secretary under this section shall provide that if the county sells any such parcel or portion thereof, the county shall pay the United States an amount equal to 50 percent of the amount by which the amount received by the county exceeds 110 percent of the sum equal to the total amounts expended by the county for acquisition of such parcel or portion thereof, for improvements to such parcel or portion thereof, and for preparation of such parcel or portion thereof for sale.

(c) RIGHTS-OF-WAY.—Pursuant to applicable law, the Secretary may grant Clark County such rights-of-way on public lands as may be reasonably necessary to support the development as a heavy-use industrial zone of some or all of the lands identified in subsection (a).

(d) PROCEDURES.—Except as specified in subsection (a), nothing in this section shall relieve the Secretary from compliance with all laws applicable either to the transfer of some or all of the lands identified in subsection (a) or to the granting of any rights-of-way, including, but not limited to, the National Environmental Policy Act of 1969. Unless otherwise specified in this Act, sales of lands pursuant to this section shall be made and patents or other documents of conveyance shall be issued as if such sales were made pursuant to the Federal Land Policy and Management Act of 1976.

(e) WITHDRAWAL, ETC.,—(1) Subject to all valid existing rights, the lands within the "Apex Site" (depicted on the map referred to in section 103(a)) are hereby withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws, but shall remain available for disposition under the Recreation and Public Purposes Act (43 U.S.C. 869 et seq.) and for sale under this Act or other applicable law. This withdrawal shall continue in effect until a parcel of land affected by such withdrawal is sold, if such sale includes the right, title, and interest of the United States in the minerals in such parcel. If the county or another party to whom such parcel is offered elects not to seek to purchase the minerals in any such parcel, such parcel shall remain withdrawn from entry, location, or patent under the mining laws but after receipt by the Secretary of notification that the county or other offeree does not seek to purchase such minerals, such parcel shall be open to operation of the mineral leasing and geothermal leasing laws. The withdrawal made by this subsection shall continue for 12 years after the date of enactment of this Act or until otherwise provided by an Act of Congress enacted after the date of enactment of this Act.

(2) Before offering any parcel for sale pursuant to an agreement with the county under this section, the Secretary (in addition to other requirements of law) shall consider whether development of such parcel as part of a heavy-use industrial zone, including any appropriate mitigation measure, would be inconsistent with BLM's Desert Tortoise Plan.

(f) COGENERATION PROJECT.—Notwithstanding any withdrawal of the "Apex Site" (depicted on the map referred to in section 103(a)), and subject to the provisions of applicable law, the Secretary may grant to holders of valid existing mill-site claims on such lands such rights-of-way as may be necessary for the construction, operation, and maintenance of facilities required in the cogeneration of electricity at the site of existing mill-site operations on such claims, unless and until the land subject to such claims is transferred out of Federal ownership. No such grant shall be made unless and until all environmental studies required in connection with such construction, operation, and maintenance have been completed and any necessary mitigation measures have been agreed to.

SEC. 105. RESERVATION OF RIGHT-OF-WAY CORRIDORS.

The transfer of lands pursuant to section 104 of this Act shall be subject to the reservation of the United States of the right-of-Way Corridors depicted on a map entitled "Right-of-Way Corridors Across the Apex Heavy Industrial Zone" dated May 1989. These corridors shall be administered by the Secretary, who may grant rights-of-way over, upon, under and through the corridors consistent with applicable law. The Secretary, in the administration of such corridors, shall so far as feasible locate rights-of-way so as to have the least possible impact on any industrial uses. Nothing in this Act shall be construed as restricting the authority of the Secretary, under the Federal Land Policy and Management Act of 1976 or other applicable law, to reserve or grant any other rights-of-way with respect to such lands, in addition to the rights-of-way decribed on such map.

SEC. 106. ENVIRONMENTAL CONSIDERATION.

(a) KERR-MCGEE SITE.—The Secretary shall not make the conveyance directed by section 103 until Kerr-McGee and Clark County have entered into a written agreement with the Secretary whereby Kerr-McGee and the county commit to undertake the measures specified in the document identified in section 102(a)(6) in order to mitigate adverse effects on wildlife and other resources and values resulting from the use of such lands for industrial purposes. At the request of the Secretary, the Attorney General of the United States may bring an appropriate legal action to enforce such agreement.

(b) BLM REPORTS.—(1) No later than one year after the date of enactment of this Act, the Secretary shall submit to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries of the House of Representatives and the Committeer on Energy and Natural Resources of the Senate a report as to the funds and personnel required to fully implement BLM's Desert Tortoise Plan.

(2) As soon as possible after the date of enactment of this Act, the Secretary, acting through the Director of the Bureau of Land Management, shall arrange for a class-three soil survey of pulic lands in Clark County, to assist in the implementation of such county of BLM's Desert Tortoise Plan and other aspects of the management of the public lands in such county.

(3) As soon as possible after the date of enactment of this Act, the Secretary shall invite public proposals for the designation, pursuant to the Federal Land Policy and Management Act of 1976, of areas of critical environmental concern whose designation would further the implementation of BLM's Desert Tortoise Plan or otherwise assist in the protection of resources and values of public lands in Nevada. The Secretary shall provide a reasonable period for receipt of such proposals, shall evaluate all proposals received, and shall take such action thereon as the Secretary considers appropriate.

(4) As soon as possible after the date of enactment of this Act, the Secretary shall consider the desirability of restricting or eliminating uses of public lands, in the Paiute Valley which may conflict with implementation of BLM's Desert Tortoise Plan with respect to those lands. No later than one year after the date of enactment of this Act, the Secretary shall submit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report concerning the results of the Secretary's actions pursuant to this paragraph.

(c) OTHER REPORTS.—(1) At the time that the President submits a budget request for fiscal year 1991, and annually thereafter for 15 years, the Secretary shall submit to the

VOL 135 PT 9 JE 14 — 22 1989 UMI

Congress a statement of the total amounts received by the United States as the result of sales of public lands described in this Act, and an account of the distribution of such receipts.

(2) No later than 90 days after the date of enactment of this Act, the Secretary shall evaluate the desirability of acquisition of the lands specified in appendix A to the report of the Committee on Interior and Insular Affairs of the House of Representatives to accompany H.R. 1485 of the 101st Congress. Such evaluation shall be based solely on the resources and values of such lands and the extent to which national policies and programs for management of such resources and values would be furthered by such acquisition. Promptly after the completion of such evaluation, the Secretary shall report the results thereof to the Committee on Interior and Insular Affairs of the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the Representatives and Senators from the State of Nevada.

SEC. 107. MAPS AND LEGAL DESCRIPTIONS.

As soon as practicable after the date of enactment of this Act, the Secretary shall file maps and legal descriptions of the lands identified in sections 103, 104, and 105 with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such legal descriptions shall have the same force and effect as if included in this Act, except that the Secretary may correct clerical and typographical errors in such legal descriptions. The maps and legal descriptions shall be on file and available for public inspection in the offices of the Director of the BLM.

TITLE II—RECOVERY FOR DAMAGES TO CERTAIN NATIONAL PARK RESOURCES

SEC. 201. PARK SYSTEM RESOURCES.

(a) DEFINITIONS.—As used in this title—

(1) DAMAGES.—The term "damages" includes the following:

(A) Compensation for—

(i)(I) the cost of replacing, restoring, or acquiring the equivalent of a park sytem resource; and

(II) the value of any significant loss of use of a park system resource pending its restoration or replacement or the acquisition of an equivalent resource; or

(ii) the value of the park system resource in the event the resource cannot be replaced or restored.

(B) The cost of assessments under subsection (d).

(2) RESPONSE COSTS.—The term "response costs" means the costs of actions taken by the Secretary of the Interior to prevent or minimize destruction or loss of or injury to park system resources; or to abate or minimize the imminent risk of such destruction, loss, or injury; or to monitor ongoing effects of incidents causing such destruction, loss, or injury.

(3) PARK SYSTEM RESOURCE.—The term "park system resource" means any living or nonliving resource that is located within or is a living part of a marine regimen or a Great Lakes aquatic regimen (including an aquatic regimen within Voyageurs National Park) within the boundaries of a unit of the National Park System.

(4) REGIMEN.—The term "regimen" means a water column and submerged lands, up to the high-tide or high-water line.

(b) LIABILITY.—

(1) IN GENERAL.—Subject to paragraph (3), any person who destroys, causes the loss of, or injures any park system resource to a greater than de minimis extent is liable to the United States for response costs and damages resulting from such destruction, loss, or injury.

(2) LIABILITY IN REM.—Any instrumentality, including but not limited to a vessel, vehicle, aircraft, or other equipment that destroys, causes the loss of, or injures any park system resource shall be liable in rem to the United States for response costs and damages resulting from such destruction, loss, or injury to the same extent as is a person described in paragraph (1).

(3) DEFENSES.—A person is not liable under this subsection if—

(A) that person can establish that the destruction or loss of, or injury to, the park system resource was caused solely by an act of God, an act of war, or an act or omission of a third party other than an employee or agent of the allegedly liable person or a party (other than a common carrier) whose act or omission occurred in a contractual relationship with the allegedly liable person, and that the person acted with due care.

(B) the destruction, loss, or injury was caused by an activity authorized by Federal or State law; or

(C) the destruction, loss, or injury was of a de minimus nature.

(c) CIVIL ACTIONS FOR RESPONSE COSTS AND DAMAGES.—The Attorney General of the United States, upon request of the Secretary of the Interior after a finding by the Secretary of greater than de minimis damages to a park system resource, may commence a civil action in the United States district court for the appropriate district against any person who may be liable under subsection (b) for response costs and damages. The Secretary, acting as trustee for park system resources on behalf of the United States, shall submit a request for such an action to the Attorney General whenever a person may be liable for such costs or damages.

(d) RESPONSE ACTIONS AND ASSESSMENT OF DAMAGES.—

(1) RESPONSE ACTIONS.—The Secretary of the Interior may undertake all necessary actions to prevent or minimize the destruction or loss of, or injury to, park system resources, or to minimize the imminent risk of such destruction, loss, or injury.

(2) ASSESSMENT OF DAMAGES.—The Secretary shall assess and monitor damages to park system resource.

(e) USE OF RECOVERED AMOUNTS.—Response costs and damages recovered by the Secretary under this section shall be retained by the Secretary and without further congressional action may be used as follows:

(1) RESPONSE COSTS AND DAMAGE ASSESSMENTS.—Twenty percent of amounts recovered under this section shall be used to finance response costs and damage assessments by the Secretary.

(2) RESTORATION, REPLACEMENT, MANAGEMENT, AND IMPROVEMENT.—Amounts remaining after the operation of paragraph (1) shall be used, in order of priority—

(A) to restore, replace, or acquire the equivalent of park system resources which were the subject of the action and to monitor and study each park system resources; and

(B) to manage and improve the National Park System unit of which such park system resources are a part.

SEC. 202. INJUNCTIVE RELIEF.

If the Secretary of the Interior determines that there is an imminent risk of destruction or loss of or injury to a park system resource, or that there has been actual destruction or loss of or injury to such resource which may give rise to liability under section 201, the Attorney General of the United States, upon request of the Secretary, shall seek to obtain such relief as may be necessary to abate such risk or actual destruction, loss, or injury, or to restore or replace the resource, or both. The district courts of the United States shall have jurisdiction in such a case to order such relief as the public interest and the equities of the case may require.

SEC. 203. DONATIONS.

The Secretary of the Interior may accept donations of money or services for expenditure or employment to meet expected, immediate, or ongoing response costs. Such donations may be expended or employed at any time after their acceptance, without further action by the Congress.

The SPEAKER pro tempore. Is a second demanded?

Mrs. VUCANOVICH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1485, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1485 as reported by the Interior Committee.

This bill deals both with the proposed transfer of certain public lands in Nevada and with the ability of the Secretary of the Interior to respond to accidents involving coastal portions of the National Park System.

As introduced, the bill would have directed the transfer of about 3,000 acres of BLM-managed lands to Clark County, NV, for resale to the Kerr-McGee Chemical Co. Kerr-McGee wants to use these lands for relocating some of its existing facilities for manufacturing ammonium perchlorate, a component of solid fuel for rockets, and to build additional such facilities. This relocation would respond to concerns about public safety in the wake of last year's explosion of the only other plant for producing this material—a plant located near Kerr-McGee's existing facilities in Henderson, NV.

The bill
have in eff
10-year exc
to 17,000 a
the same
wishes to d
trial area.
The com
ment in the
it is that r
the floor to
The repo
pedited sal
of a part
McGee pro
relocated
points raise
includes an
ing the i
Nellis Air
range comp
maintainin
fulfill its v
The bill
quire direc
tional land
the county
heavy-use
or Depart
over which
be offered
sales woul
parcel bas
ate conside
cerns and
under app
for fair m
the sale. S
to protect
have valid
ed lands.
Further
ment of
taxpayers,
be subject
county an
the count
paying th
of the cou
of the cou
velopment
10-percent
In my
spond full
bill raised
sideration
far to safe
richment
of the Am
Unlike
now befo
mark lan
in acquiri
lands in N
sales of t
the same
other pu
possible
acquisitio
tive lands
on an inf
first, tha
formed
from the
Secretary

The bill as introduced would also have in effect given Clark County a 10-year exclusive option to acquire up to 17,000 acres of additional lands, in the same area, which the county wishes to develop as a heavy-use industrial area.

The committee adopted an amendment in the nature of a substitute and it is that revised bill that we bring to the floor today.

The reported bill would direct an expedited sale for full fair market value of a particular tract where Kerr-McGee proposes to place its new and relocated facilities. In response to points raised by the Air Force, the bill includes an additional finding concerning the importance of activities at Nellis Air Force Base and the Nellis range complex, and the importance of maintaining the capability of Nellis to fulfill its vital missions.

The bill would authorize but not require direct sale to the county of additional lands in the same vicinity that the county wishes to designate as a heavy-use industrial zone. The Interior Department would retain control over which if any of the lands would be offered for sale to the county. Any sales would be made on a parcel-by-parcel basis, and only after appropriate consideration of any Air Force concerns and other procedures required under applicable law. Sales would be for fair market value at the time of the sale. Specific language is included to protect the interests of all who may have valid existing rights in the affected lands.

Furthermore, as an additional element of protection for the national taxpayers, sales of these lands would be subject to a agreement between the county and the United States whereby the county would be committed to paying the United States half of any of the county's resale profits in excess of the county's costs of acquisition, development, and sale preparation plus a 10-percent return.

In my opinion, these provisions respond fully to the concerns about the bill raised during our committee's consideration of H.R. 1485, and should go far to safeguard against any unjust enrichment by the county at the expense of the American people.

Unlike the bill as introduced, the bill now before the House does not earmark land-sale receipts for use solely in acquiring environmentally sensitive lands in Nevada. Instead, receipts from sales of these lands will be treated in the same way as receipts from sales of other public lands. However, so that possible appropriation of money for acquisition of environmentally sensitive lands in Nevada can be considered on an informed basis, the bill provides, first, that Congress will be kept informed as to the amounts received from these sales and, second, that the Secretary will provide to the committee and to the Nevada delegation information about the desirability, from a resource standpoint, of acquiring certain lands.

Further with respect to environmental considerations, the reported bill would require that transfer of the Kerr-McGee site come only after there is an enforceable legal agreement concerning measures to mitigate the effects of the planned developments there on wildlife and other values. It would require that proper consideration be given to BLM's plan for management of desert tortoise habitat when the BLM considers possible sale of any part of the additional lands covered by the bill. It would provide for a soil survey of public lands in Clark County, and for consideration of possible restrictions of conflicting uses in the Paiute Valley, so as to facilitate implementation of BLM's desert tortoise plan, and it would direct that the public be given an opportunity to suggest areas on the public lands in Nevada that BLM might want to designate as areas of critical environmental concern under FLPMA.

In my opinion, the reported bill does a good deal to address the environmental concerns raised at our hearing on H.R. 1485.

In addition, as I mentioned, the substitute would address another environmental and management concern not directly related to Nevada lands. Title II of the reported bill include language dealing with the ability of the United States to recover for damages to resources located in marine or Great Lakes coastal areas within the National Park System.

Basically identical language was passed by the House in the last Congress. Unfortunately, while the Senate adopted similar language dealing with the national marine sanctuaries, which is now law, the language dealing with the National Park System was dropped in the other body, in the 100th Congress: As a result, the United States does not now have all the legal tools needed to properly respond to such situations as the recent oil spill in Alaskan waters, which has already had a severe adverse impact on national parks in that State.

Therefore, I think it is a matter of urgency for the House to once again act to make this important and needed change in the law.

Title II of the reported bill does included some revisions of the House-passed language of last year. These were worked out in our committee on a bipartisan basis.

Title II of the bill would facilitate legal action to recover for damages to marine or Great Lakes resources of the National Park System caused by negligence, such as the tanker wreck that has recently had such tragic results in Alaska. It would provide that amounts recovered would be retained by the National Park Service and be used, first, to establish and maintain a fund for use in responding to future situations and, second, to restore or replace damaged resources and otherwise improve affected national park areas.

The bill of the course retains the provisions in last year's bill specifying that there would be no liability arising from cases in which the damage to park resources was so small as to be de minimis, or in which the activity resulting in the damages was being carried out in compliance with applicable Federal or State law. Due care would continue to be a defense, and of course damages from acts of God or acts of war would not give rise to liability.

When the House considered and approved language like this on July 26, 1988, I said here on the floor that the provisions in title II were sound and desirable. I continue to believe that they are sound, and in my opinion their desirability has been most dramatically and tragically underscored by recent events in Alaskan waters. I think we should not lose another day in moving to secure enactment of the provisions which the House wisely approved last year.

Mr. Speaker, H.R. 1485 as it comes before the House is a good and important bill. It responds to urgent national needs and as reported it includes provisions addressing all the concerns that may have existed with regard to the bill as introduced. I urge its passage.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 1485. This bill is very important to my State of Nevada, as well as to our Nation's national defense and space program.

In May, 1988, a series of explosions destroyed the Pepcon plant located in Henderson, NV, one of two plants in this country that produce ammonium perchlorate—or "AP" as it's called. Kerr-McGee, the other company that produces AP, is also located in Henderson, which is a rapidly growing community in Clark County.

Ammonium perchlorate is the principal component of solid rocket fuel. Since the Pepcon explosion, the capacity to produce solid rocket fuel has been severely reduced.

Mr. Speaker, I, along with several of my colleagues, introduced H.R. 1485 to remedy this situation. This bill will provide Kerr-McGee the ability to quickly move its AP plant out of Henderson and relocate it to a more remote area in Clark County.

Mr. Speaker, H.R. 1485 directs the Secretary of the Interior to convey approximately 3,800 acres of Bureau of Land Management land to Clark County, who will immediately sell the

land to Kerr-McGee so it can relocate its AP plant. It also authorizes the Secretary to convey up to an additional 17,000 acres of BLM land to Clark County adjacent to the Kerr-McGee site, which the county will develop as a heavy-use industrial zone. The 21,000 acres are located in an unpopulated area of Clark County, which would be ideal as a heavy-use industrial zone. The 17,000 acres would be sold on a parcel-by-parcel basis for its appraised fair market value at the time of the sale.

H.R. 1485 also provides for the United States to recover compensation for any damage done to certain marine and Great Lakes portions of our National Park System, which my colleague, the gentleman from Minnesota [Mr. VENTO] has described.

Mr. Speaker, this is a good bill. It has the support of the entire Nevada delegation, the chairman and ranking minority members of the Subcommittee on National Parks and Public Lands, and the Science and Technology Committee.

We have all worked very hard on this legislation and I would like to thank the gentleman from Minnesota [Mr. VENTO] for handling this bill in such an expeditious manner.

Mr. Speaker, I urge my colleagues to support H.R. 1485.

□ 1250

Mr. Speaker, I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the chairman of the Committee on Science, Space and Technology, the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Speaker, I would like to thank the gentleman from Arizona [Mr. UDALL] and the gentleman from Alaska [Mr. YOUNG] of the Interior Committee and the gentleman from Minnesota [Mr. VENTO], the gentleman from Montana [Mr. MARLENEE], and the gentleman from California [Mr. LAGOMARSINO], of the Subcommittee on National Parks and Public Lands, for their serious and timely attention to this bill. I believe they will save the taxpayers millions of dollars by bringing this bill to the floor as efficiently as they have. It will help solve a problem of concern to all of us as a nation, and especially to the good people of Nevada.

Let me tell you how this bill came about and why it is so important to enact and enact as soon as possible. Nearly every rocket launched by this country for civilian or military purposes uses solid rocket fuel. That fuel requires an oxidizer to help it burn. The oxidizer is called ammonium perchlorate or "AP." Without AP, we cannot launch our solid fuel rockets; it is that simple.

For over two decades this Nation has relied on only two manufacturers for our supply of AP. The manufacturers were Kerr-McGee and the Pacific Engineering and Production Co. known as PEPCON. Both of them were located in Henderson, NV, near Las Vegas, about 1 mile from each other. When they were built, these plants were isolated in the desert. Now, they are within a mile of residential areas.

On May 4, 1988, a series of tremendous explosions destroyed the PEPCON AP plant in Henderson. The blasts killed two employees and caused millions of dollars of damage to homes, businesses, schools, hospitals, libraries and other personal and government property.

On June 8 and 24, 1988, the Science Space and Technology Committee's Investigations and Oversight Subcommittee, which I chair, held hearings in Washington, DC, and Henderson, NV, respectively, to review the national and local impact of the PEPCON disaster. We heard testimony from the military, from NASA, and other Federal agencies regarding the effect this explosion would have on our supply of AP and the dire consequences that would follow if new production facilities were not forthcoming.

Before the explosion, the PEPCON plant produced one-half of this Nation's supply of AP. As a result of the explosion, the U.S. production capacity for AP went from a 35-percent surplus to a 25-percent deficit.

We also listened to the stories of destruction and injuries suffered by the people of Henderson and heard their fears about similar events occurring at the Kerr-McGee plant. I personally saw the utter devastation where once the PEPCON plant stood and I visited with the doctors who treated the hundreds of wounded on May 4. No one in that town will ever forget the awful sounds and shock waves of the explosion.

But there are other fears. Kerr-McGee and PEPCON were two of the largest employers in Henderson. PEPCON has already relocated in Utah, leaving many Henderson workers behind in the process. Kerr-McGee would like to stay in Clark County but there simply is no private land that can accommodate Kerr-McGee's expansion. If Kerr-McGee leaves the area because it is unable to expand within Clark County, hundreds of people will lose their jobs.

H.R. 1485 addresses all of these concerns: The Nation's need for ammonium perchlorate, the need to expand the Kerr-McGee facility away from the residential area of Henderson and the need to keep Kerr-McGee within Clark County where its employees currently live. This bill prevents yet another disaster befalling the people of Henderson by allowing Kerr-McGee to expand within Clark County on what is now Federal land, but at a safe distance from population centers.

Under title I of the bill, the Federal Government will sell to Clark County for resale to Kerr-McGee about 3,700 acres of desolate land separated from Henderson by a ring of mountains. In this way the new Kerr-McGee facility will use existing labor but at a safe distance from Henderson. Both sales would be at fair market values. Second, it authorizes the Interior Secretary to sell additional land to Clark County over a 10-year period for an industrial park primarily for similar hazardous operations. Third, it provides that Kerr-McGee shall implement measures to mitigate the damage, if any, to the native desert tortoise population and other sensitive species, and further provides that land sale proceeds will support the acquisition of additional, environmentally sensitive land in Nevada near existing Federal land, as determined by the Secretary of the Interior.

This bill not only helps the people of Henderson, NV, but it also efficiently and economically serves a pressing national need. NASA and the Department of Defense need expanded production of AP as soon as possible at the lowest practical cost. Clark County is a prime location for Kerr-McGee's new plant because it has a trained work force, dry weather, and the necessary transportation facilities.

But in addition to these advantages, Clark County is also the most economical place for the new plant. Kerr-McGee benefits from inexpensive electric power rates in Clark County from power produced at the Hoover Dam. AP production is a power-intensive process. Loss of the inexpensive electricity available in Clark County may double the cost of this material. That would add millions of dollars to future NASA and DOD budgets.

H.R. 1485 is a responsible use of Federal land in Nevada. The land for the Kerr-McGee site will be sold at fair market values and will be used for the benefit of the Nation and the local community. Kerr-McGerr has worked diligently with local environmentalists to devise plans to mitigate any disruption to the local desert tortoise population and to fund those plans.

Time is of the essence in this matter. Every day that we delay passage of this bill is a day toward a future when we may not have enough AP to launch the Space Shuttle or a military satellite. H.R. 1485 deserves your support:

It will help increase our AP production capacity in an expeditious fashion, preventing layoffs and schedule delays in scores of programs important to this Nation's space and defense programs.

It will remove the most dangerous parts of the AP production and storage operations to a remote area of Clark County, easing the fears of Hen-

derson residents without forcing them onto the unemployment rolls.

Finally, it will enable Kerr-McGee to stay in an area where it can produce AP more cheaply and efficiently than anywhere else in the country, thereby sparing the taxpayers considerable future expenses.

With passage of this bill we can repair some of the damage from the May 4 explosion in Henderson, prevent future damage, and help the nation as a whole. Such opportunities are rare. Let us seize this one.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Nevada [Mr. BILBRAY], who is one of the sponsors of this measure along with the gentlewoman from Nevada [Mrs. VUCANOVICH]. They did yeoman service on the House side to keep this bill on track, and to bring it to us today. I congratulate them.

Mr. BILBRAY. Mr. Speaker, I rise in support of H.R. 1485, a bill to transfer public land in southern Nevada, known as the Apex site, for the relocation of the Kerr-McGee plant operations for the production of ammonium perchlorate.

This measure has received bipartisan support. Sponsored by my colleague, Representative BARBARA VUCANOVICH, Representatives ROE, MCCURDY, and WALKER have joined me in supporting this important piece of legislation. Commendations should also be extended to Chairman VENTO for moving this measure in a timely manner.

Mr. Speaker, on May 4, 1988, the southern Nevada community of Henderson suffered a series of fires and explosions at a rocket fuel plant which killed 2 and left more than 350 injured.

The devastation wrought extensive property damage as far as 12 miles from the site of the explosion in Las Vegas, and the effects of a 5-square-mile toxic cloud created by the fires was felt by the residents of the towns of Moapa, Logandale, and Overton, NV.

Schools were closed and hundreds of residents were evacuated. One report indicated a ring of destruction 8 miles wide.

The blast and fires destroyed the Pacific Engineering and Production Co. [PEPCON] as well as the Kidd and Co. marshmallow factory contiguous to the rocket fuel plant. The Kerr-McGee Chemical Corp., also located in Henderson, was not damaged.

Together with PEPCON, Kerr-McGee is the only company in the United States to produce ammonium perchlorate. Once blended to specific needs, the chemical provides the fuel for our solid rocket motors used by the Air Force and NASA to power the space shuttle and a variety of military missiles.

Mr. Speaker, DOD and NASA must replace the capacity destroyed by the PEPCON blast. The Air Force has stated that the domestic need for ammonium perchlorate is great, adding that the Department of Defense and NASA need an estimated 52 million pounds of the chemical this year. The Kerr-McGee plant, has a capacity of about 40 million pounds per year.

This shortage is significant due to the Air Force's estimate that there will be a shortage of 9 to 15 million pounds needed in 1989.

As a result of the blast, Federal, State, and local officials explored the idea of building a plant far enough away from populated areas so a PEPCON-like disaster would not have any affect on residents or businesses.

The package the House will consider today meets this need. It provides for the relocation of the Kerr-McGee plant operations on 3,700 acres of Federal land. For future needs, the legislation transfers up to 17,000 acres of lands within the Apex site for future heavy industrial needs.

The legislation would allow the diversification of the economy in southern Nevada while insuring the safety of its citizens. Further, the measure is consistent with the findings of the Henderson Commission which recommended the siting of certain industries in areas well removed from population centers.

Mr. Speaker, the legislation before us today has been discussed with many of the interested parties. Language is in the bill to protect the mission at Nellis Air Force Base and the desert tortoise are protected through public input into the BLM's desert tortoise plan. I will not get into further details since they have been discussed by previous speakers.

Mr. Speaker, I believe this legislation warrants approval by the House. Remember what happened to my district: A 1-kiloton bomb was detonated in the middle of a population area. It was a miracle only two people were killed.

Kerr-McGee produces twice the AP that was handled by PEPCON. It also sits next to a chlorine factory. What happened when PEPCON exploded and it blew up, it blew up a marshmallow factory. That was disastrous, but just imagine if it had blown up a chlorine factory.

I asked the owners of that factory what would have happened. We would not have had just a smoke and a cloud of some relatively simple commodities or chemicals going. We would have had a chlorine gas flowing over the whole valley. It might have been like in Bhopal, India, thousands killed.

We are asking to relocate this plant to a site that is just over the mountains from the Las Vegas Valley so that people in southern Nevada will feel secure, and knowing the fact that if anything did go wrong, and God forbid it ever did, we would be protected.

Southern Nevadans are willing to pay for this property. We are not asking for a gift from anyone, just the right to buy back a little bit of the 87 percent that is owned by the Federal Government in our State. That is right, the Federal Government owns 87 percent of Nevada.

□ 1300

We are asking to buy back just a few thousand acres, and we are asking to pay for it, not that it be given to us.

We need the help of all Members on both sides of the aisle, and know the gentlewoman from Nevada [Mrs. VUCANOVICH] and myself appreciate all Members who will vote for this bill.

Mrs. VUCANOVICH. Before yielding back the balance of my time, Mr. Speaker, again I would like to thank the gentleman from New Jersey [Mr. ROE] as well as my colleague, the gentleman from Nevada [Mr. BILBRAY], and the gentleman from Minnesota, [Mr. VENTO] for their strong support of the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I would just remind my colleagues that this is a very important bill for the ammonium perchlorate issue and for the protection of our national parks in terms of the maritime and the Great Lakes areas, such as have been impacted by the *Valdez* oilspill.

I hope the bill will pass and be accepted by the Senate.

Mr. Speaker, I have no further request for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DARDEN). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 1485, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as the read: "A bill to direct sale of certain lands in Clark County, Nevada, to meet national defense and other needs; to authorize sale of certain other lands in Clark County, Nevada; to further the ability of the United States to recover for damages to certain marine and other resources of the National Park System; and for other purposes."

A motion to reconsider was laid on the table.

WHITE HAVEN NATIONAL HISTORIC SITE IN MISSOURI

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill

VOL 135 PT 9 JE 14 — 22 1989 UMI

(H.R. 1529), to provide for the establishment of the White Haven National Historic Site in the State of Missouri, and for other purposes, as amended.

The clerk read as follows:

H.R. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. ULYSSES S. GRANT NATIONAL HISTORIC SITE.

In order to preserve and interpret for the benefit and inspiration of all Americans a key property associated with the life of General and later President Ulysses S. Grant and the life of First Lady Julia Dent Grant, knowledge of which is essential to understanding, in the context of mid-nineteenth century American history, his rise to greatness, his heroic deeds and public service, and her partnership in them, there is hereby established the Ulysses S. Grant National Historic Site near St. Louis, Missouri.

SEC. 2. PROPERTY ACQUISITION.

(a) WHITE HAVEN PROPERTY.—The Secretary of the Interior is authorized to acquire by donation the property and improvements thereon known as White Haven in the unincorporated portion of St. Louis County adjacent to Grantwood Village within the area generally depicted on the map entitled "Boundary Map, White Haven National Historic Site," numbered WHHA-80,000 and dated July 1988. The map shall be on file and available for public inspection in the offices of the Director of the National Park Service, Department of the Interior.

(b) PERSONAL PROPERTY.—The Secretary is authorized to acquire by donation or purchase with donated or appropriated funds personal property directly associated with White Haven or President or Mrs. Grant for the purposes of the national historic site referred to in section 1.

SEC. 3. ADMINISTRATION.

The property acquired pursuant to section 1 of this Act shall be administered by the Secretary of the Interior in accordance with provisions of law generally applicable to units of the national park system, including the Act of August 25, 1916 (39 Stat. 535), and the Act of August 21, 1935 (49 Stat. 666). The Secretary is authorized to enter into cooperative agreements with adjacent landowners for the provision of such parking and safe access to the property as may be necessary for public use.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1529 was introduced by our colleague Representative DICK GEPHARDT and has the cosponsorship of the entire Missouri congressional delegation. The legislation authorizes the establishment of a national historic site in St. Louis County, MO, to commemorate and interpret the life and times of general and later President Ulysses S. Grant.

As one of the dominant figures of mid-19th century America, Ulysses S. Grant's role as a Union Army commander and later President served in significant measure to shape the course for this period of American history. The 9.6-acre White Haven property referenced by this legislation is integrally linked to Grant and his family. Although the years Grant spent actually living on the proposed national historic site were short, his association with the White Haven property spanned 40 years and were a deep influence on his personal history.

White Haven was designated a national historic landmark in 1986 by the Secretary of the Interior. Besides the main house, there are several outbuildings on the property that date from the Grant period. The property is presently owned by St. Louis County. Under the provisions of H.R. 1529, the property is authorized to be donated to the Secretary of the Interior for administration by the National Park Service as a national historic site.

The Committee on Interior and Insular Affairs received testimony from administration and public witnesses on the historical value of the White Haven property, especially through its association with Ulysses S. Grant. I appreciate Congressman DARDEN's chairing the Park and Public Lands Subcommittee hearing on this topic in my absence. There was significant interest expressed in providing for the proper care and administration of the site in a manner appropriate to its historical importance. H.R. 1529, as amended by the Committee modifies the text of the bill as introduced. These changes are not substantial but nevertheless are important to the proper administration, interpretation, and recognition of the site.

Mr. Speaker, I am pleased with the support that has been evidenced with this legislation and the local community's willingness to make a substantial donation of the White Haven property to the National Government. It was only a few short years ago that this property was saved through State and local initiatives from being bulldozed to make way for a subdivision. The site has been the subject of several historic reviews that attest to its significance and has been under consideration within the Department of the Interior for almost 4 years. I believe it is appropriate to go forward at this time to designate the White Haven property as the Ulysses S. Grant National Historic Site for the benefit of the American public. I support H.R. 1529, as amended, and urge its adoption by the House.

Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1529 to establish the Ulysses S. Grant National Historic Site in the State of Missouri.

As the subcommittee chairman has explained, under the amended version of H.R. 1529 before us today, the national historic site would consist of 9.65 acres including the main house, former slave quarters, smokehouse, and barn. The property, known historically as White Haven, will be donated to the United States by the nonprofit Save Grant's White Haven, Inc. which bought the property to prevent its destruction.

According to John Y. Simon, the executive director of the Ulysses S. Grant Association:

> There is no more important structure so intimately connected with the life of the general who won the Civil War and then served two terms in the White House. In many respects, White Haven occupies the position in Grant's life that Arlington occupied in that of Robert E. Lee.

National Park Service historians concur with the significance of the property and have indicated that White Haven offers the best opportunity to interpret Grant's contributions to American history. In addition, White Haven's national significance was verified when it was listed on the National Register and subsequently designated a National Historic Landmark.

H.R. 1529 provides the authority to accept the donation of the White Haven property and to acquire, by donation or purchase, personal property such as furnishings directly associated with White Haven or General and Mrs. Grant. Necessary appropriations are also authorized to carry out the act.

Mr. Speaker, there is broad bipartisan support for this bill and I urge my colleagues to pass H.R. 1529.

Mr. Speaker, I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. GEPHARDT], the author of the bill, and our majority leader.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman from Minnesota [Mr. VENTO], chairman of the subcommittee, as well as the gentleman from Georgia [Mr. DARDEN], presently occupying the chair, for the great work that both of them performed, along

with the members of the subcommittee and the committee in bringing forth this important legislation and improving the legislation that was originally proposed. As so often is the case, the subcommittee and the committee have done excellent work on behalf of the entire Congress which will inure to the benefit of the people of the Third District of Missouri and to people all over the country.

H.R. 1529 will establish the St. Louis County home of the prominent Civil War general and our 18th President as the Ulysses S. Grant National Historic Site.

This legislation gives the Secretary of the Interior the authority to accept as donation, valued at more than $500,000, his home known as White Haven into the National Park Service. It also authorizes the appropriations necessary for its upkeep.

In so doing, the legislation will enable future generations to learn about the life of Ulysses Grant and his times, among the most difficult in our history. The Grant story is about the American character, and it is a story that deserves to be remembered for future generations.

Grant knew failure in civilian life, but rose through sheer force of character to save the Union. His appearance was not imposing, but he advanced where others had faltered and rebuilt a dispirited Army into the world's most powerful military force.

He was a one-time slaveholder from a border State, that helped to win the war to end slavery.

He led nearly a million men through some of the Civil War's bloodiest campaigns, but remained generous to all of his countrymen regardless of the side they fought on.

His presidency saw setbacks, but no one can question Grant's integrity or intentions.

This bill is cosponsored by every member of the Missouri congressional delegation, and it has drawn solid bipartisan congressional support.

There is no question that the home known as the White Haven estate is the one most closely associated with the life of Grant. As such, it is the most appropriate for designation as the national historic site devoted to Grant's life.

White Haven was the childhood home of Grant's wife, Julia Dent. Grant courted her there during the mid-1840's. They married in 1848. Between 1854 and 1860, the Grants lived at and nearby the White Haven home.

□ 1325

For Grant, the years at White Haven were difficult ones. Neither his farming, his later work as a real estate agent, nor his candidacy for county engineer were successful. But he grew to love south St. Louis. Prominent historians believe that these were critical years for Grant. The adversity of these times helped forge Grant's strength of character. Over 2 years ago National Park Historian Edwin Bearss argued that the Park Service should take the lead in preserving White Haven. He wrote:

> White Haven is key to interpreting a man who rose from a nobody to a position of national and world significance. Consequently it is our recommendation that the National Park Service assume a position of leadership in the preservation and interpretation of White Haven.

So this bill, H.R. 1529, commands a strong support within the St. Louis area and in Missouri.

In March 1985, citizens from St. Louis County and elsewhere formed the 1,200-member Save Grant's White Haven Committee. With the solid support of the State and the county, these citizens have worked hard to raise money and preserve the estate.

President Grant signed the legislation establishing the first national park, Yellowstone, in 1872, and it is especially appropriate that his home be included within the park system as a presidential site.

Again I wish to thank the gentleman from Minnesota [Mr. VENTO] for his excellent work and all of my colleagues here today, including the Speaker, who worked so well together to support this effort, so important for Missouri and so important for our United States.

Mrs. VUCANOVICH. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Missouri [Mr. BUECHNER], a cosponsor of the bill.

Mr. BUECHNER. I thank the gentlewoman for yielding to me.

Mr. Speaker, I would certainly like to begin my remarks with congratulating my colleague from Missouri, the new leader, Mr. GEPHARDT, for his extraordinary leadership that he took in preserving this great American landmark. I think that as he has brought out, so many of the travails that President Grant went through before he became an outstanding Union general and then a leader of this United States, that we have to look at people when they are at the lowest point of their lives because it does contribute to them becoming greater.

Some people overcome, some people succumb.

General Grant I think really was a symbol for the people who live in that general area. It is right across the street from my old State legislative district and I came to know and, frankly, to love the people that joined together for the Committee to Preserve White Haven.

There are over 1,000 of those individuals. They were not willing to let the adversity that had beset them so many times and that was the failure of the county to do what maybe it could have done, the failure of the State to do what it could have done; they joined together and I know that the distinguished gentleman from the Third District of Missouri has been to many of the fundraising projects that they put together: lemonade stands, ice cream socials, General Grant look-alike contests.

I would have to say that they pulled out of their hat anything that would raise any small amount of money to make sure that St. Louis County ultimately took over this project.

In the very beginning various community organizations were asked for their help to show the wide support for this effort. These groups not only support, but used their memberships to communicate the message and to help raise money.

The groups are listed in alphabetical order:

Affton Chamber of Commerce; Affton Community Days Inc.; Affton Elks Lodge No. 2635 and Ladies Auxiliary; Affton Historical Society; American Legion Post 208; Brentwood Historical Society; Carondelet Historical Society; City of Crestwood; Civil War Round Table of St. Louis; Coop Local History Organizations of Metro St. Louis; Company of Military Historians; Crestwood Cultural Foundation; Creve Coeur-Chesterfield Historical Society; Dept of Conservation, Illinois Division of Historic Sites; DUVCW Julia Dent Grant Tent No. 16; Florissant Valley Historical Society; Historical Commission of Sunset Hills; Historic Florissant Inc.; Historical Preservation Commission of University City; Jefferson Barracks Civil War Historical Association; Kirkwood Historical Society; Kirkwood Landmarks Commission; Landmarks Association of St. Louis Inc.; Meramec Station Historical Society; Military Historical Society of St. Louis; Missouri Advisory Council on Historic Preservation; Missouri Civil War Reenactors Association; Missouri Heritage Trust; Old Trails Historical Society; St Louis Chapter/Missouri Press Women; St. Louis County Historic Buildings Commission; Sappington House Foundation; SUVCW Camp No. 65; The Ulysses S. Grant Assn. SIU< Carbondale, Il; Town of Grantwood Village; University City Historical Society; VFW Post No. 4202; Webster Groves Historical Society; Women's Architectural League.

The Officers and Members of the board that have served from the beginning are as follows: Jack Goldman, President; Jennine Cook, Vice-President; Harold Uthoff, Treasurer; Dr. Don Withrow, Secretary; Senator Frank Bild; Rosemary Davison; Charles O. Dent; Jo Ann Keller; James Komerek; Sue Kuhnert; Erle Lionberger; Henry Menghini; Al Swantner; Councilman H. C. Milford; Virginia Stith; Patricia Treacy; and Ross Wagner.

They held a number of major fundraisers and open houses during this past 4½ years and were successful due the hard work of some of their membership. The list that follows are those most counted on to get the job done: Lorraine Goldman; Edward Cook; Lois Uthoff; Quinton Keller; Jane Swantner, chairperson; Harry Kuhnert; William Bodley Lane, architect; Betty Sutter; Esley Hamilton; Norma Tynes; Ann Wenzlick; Bill Wenzlick; Phyliss Jerome; Norma Jacquot; William Cook; Paul Stoddard; Ina McNary, chairperson; Rosemarie Teng; ? Lionberger II; Amy Mesnier; Wilbert Meyer; Elinor Coyle; Ann Cuntz; Phyllis Martiz; Peter Ruger; Audrey Walsh; Hugo H. Harper; Marian Harper; Paul Douglass; Elinor Douglass; George Hefty; Elizabeth Krachenberg; Patrick Donelan; Jane Piper; Vernon Piper; Nancy Van Dillen; Max Lippman; Lucian Dressel; Ruth Flynn; Allen Douglass; Jackie Douglas; Gary Gern; Ruth Funck; Charles Funck; Susan Steinkiste; Pat Ilg; John Dressel; Helen Dressel; Oliver Dressel; Fred Heimberger; Joan Behnen; John Yl Simon; Loretta Seltzer; Mabel Harriss; Anthony Liebeg; Dan Martin; Dorothea Schellhardt; and Patti Deak.

Special recognition goes to Jerry Honse, who won the General Ulysses S. Grant look a like contest and has shown up at every event we have held. Also special recognition goes to Wane Gross, Director of the Missouri Division of Parks and Historic Preservation, who helped to access the State historical preservation revolving fund and to Wanye Kennedy, Director of St. Louis county Parks and Gene McNary, St. Louis County Executive, who put up the other half of the money needed to purchase White Haven and also took the responsibility of maintaining the property.

But now they have overcome that adversity and they need to do what General Grant did, they need to go to the Federal Government to really become great.

That is what this does. They are passing a truly historic piece of property to the United States, to the Department of the Interior and to us, to all of the people of this great Nation so that they will be able to go back in time, to go back to Grant's leaner years before he became the Napoleon of this Nation, to take a look and to say, "People start with very meager beginnings before they become great."

That is what White Haven was; it was the elementary part of General Grant, it was the elementary part of his Presidency.

I have to say that the people that worked so hard in St. Louis County and St. Louis City to raise the few dollars that became even more dollars, who pressured those in the county and in the State and now here at the Federal level, that they really do deserve a tremendous amount of congratulations.

Mr. Speaker, I know Mr. GEPHARDT and I join together with all the Missouri delegation in thanking them, and now, Mr. Speaker, thanking you and all the people in this body for taking another step and making White Haven a place that will bring back into the memory of the American people General Grant, President Grant, and those times.

Mrs. VUCANOVICH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DARDEN). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 1529, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to provide for the establishment of the Ulysses S. Grant National Historic Site in the State of Missouri, and for other purposes."

A motion to reconsider was laid on the table.

EXPRESSING SENSE OF THE HOUSE IN SUPPORT OF UNITED NATIONS' GOALS OF UNIVERSAL CHILDHOOD IMMUNIZATION BY 1990 AND HEALTH FOR ALL BY THE YEAR 2000

Mr. YATRON. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 120) expressing the sense of the House of Representatives in support of actions to eliminate preventable deaths and disabling illness, especially among children, through intensified international collaboration to attain the United Nations goals of Universal Childhood Immunization by 1990 and Health for All by the Year 2000, and through the convening of a World Summit on Children, as amended.

The Clerk read as follows:

H. RES. 120

Whereas the "Child Survival and Development Revolution", launched by the United Nations Children's Fund (UNICEF) in 1982, to reduce by one-half by the end of this century the then daily toll of 45,000 deaths of young children as a consequence of preventable disease and malnutrition, has achieved impressive results, despite the extreme economic and developmental difficulties afflicting most developing countries in the 1980's;

Whereas the adoption by the Congress of a joint resolution in 1983 (Public Law 98-198) was the first act by a national legislature to formally endorse the Child Survival and Development Revolution;

Whereas the low cost, high-impact, health and nutrition interventions which form the core of child survival programs, most notably oral dehydration therapy and immunization, are already by 1989 saving the lives of over 2,500,000 children per year who would have died if the death rates of 1982 still prevailed;

Whereas UNICEF, the World Health Organization (WHO), the United States Agency for International Development, developing country governments, the World Bank, and other multilateral and bilateral development assistance agencies have identified additional low-cost opportunities for dramatically improving the survival, health, and development of the world's children, which could, with increased international coordination, political commitment, and institutional innovation, increase the number of children saved to over 5,000,000 within 2 years and to over 10,000,000 annually on a permanent and sustainable basis by the year 2000;

Whereas fewer than 5 percent of children in the developing world were immunized against the 6 major childhood diseases when the United Nations' goal of "Universal Child Immunization of 1990" was initiated in 1977, now more than 50 percent of children worldwide are immunized and the Universal Child Immunization target of at least 80 percent immunization by 1990 is within reach for a majority of developing countries;

Whereas it is recognized that the Child Survival and Development Revolution requires integrated action to provide (1) nutrition, (2) primary health care, (3) environmental sanitation, water, and basic shelter, and (4) basic education, especially for women and girls; and that many governments, including the United States Government, have endorsed the attainment of these goals by the year 2000 as part of the WHO program of "Health for All";

Whereas child survival and development programs are being advanced collaboratively by a "Grand Alliance for Children" comprised of a vast array of critically important nongovernmental organizations, including voluntary associations, private businesses, the media, religious groups, and other entities, in addition to governments, intergovernmental agencies, and international organizations;

Whereas the emerging global concern for children, reflecting a new international political commitment to future generations, has been evidenced at the highest levels of international discourse, as reflected in the Joint Statement issued June 2, 1988, following the Summit Meeting in Moscow between the United States and the Soviet Union, in which President Reagan and General Secretary Gorbachev reaffirmed their support "for the WHO/UNICEF goal of reducing the scale of preventable childhood death" and urged other countries and the international community to "intensify efforts to achieve the goal";

Whereas the general surge in concern for children's welfare has formed the moral, legal, and political basis for the International Convention on the Rights of the Child, which would define the rights of children with regard to survival, protection, and development, and which is expected to be approved by the United Nations General Assembly in 1989;

Whereas Secretary of State James Baker has indicated that "the United States should take a leadership role" in the initiative to "develop a plan to get to the core of

the poverty problem" in order to achieve a health world by the year 2000;

Whereas the United States has consistently led the world in the provision of financial, operational, research, and advocacy support for child survival initiatives; and

Whereas the Executive Director of UNICEF, with the current endorsement of over a score of national leaders from developed and developing countries, East and West, has proposed a "World Summit on Children" to promote international plans for achieving the goals of child survival, health, and development of all children: Now, therefore, be it

Resolved, That—

(1) it is the sense of the House of Representatives that the child survival and development programs implemented collaboratively by national governments, UNICEF, WHO, the Agency for International Development, and many other governmental and nongovernmental organizations are to be commended and have the full support and encouragement of the House of Representatives;

(2) the House of Representatives reaffirms its commitment to the goal of permanent improvement in the survival rates, health, and development of people in all countries by the year 2000, especially children, and urges the President to adopt this as a major priority of the executive branch and to lead the world community in proposing concrete actions to achieve this goal;

(3) the President is urged, on behalf of the people and Government of the United States, to propose to the Secretary General of the United Nations that he establish an independent advisory commission to provide strategic planning, leadership and advice to the world community on collaborative actions and programs in primary health care, nutrition, basic education, and environment by all members of the Grand Alliance for Children in order to eliminate easily preventable death and disabling illness in all countries by the year 2000; and

(4) the House of Representatives endorses the call for a World Summit on Children at the earliest opportunity as an opportunity for governmental leaders, including the President of the United States, to commit their countries to concrete plans of national action and international cooperation to reduce the scale of preventable childhood deaths nationally and globally and, in particular, to attain the goals of Universal Childhood Immunization by 1990 and Health for All by the year 2000.

The SPEAKER pro tempore. Is a second demanded?

Mr. BEREUTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. YATRON] will be recognized for 20 minutes, and the gentleman from Nebraska [Mr. BEREUTER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. YATRON].

Mr. YATRON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Resolution 120, as amended, which addressed the goal of universal childhood immunization by 1990 and health for all by the year 2000. This resolution has unanimous support from the Subcommittee on Human Rights and International Organizations, of which all the members are cosponsors. The resolution also enjoys strong bipartisan support from the full Foreign Affairs Committee.

House Resolution 120 expresses the support of the House for the enhancement and continued efforts for achieving the goals of child survival, health, and development of all children. Those organizations that have worked so hard for children's health, such as the World Health Organization, the U.S. Agency for International Development, and UNICEF are commended in this resolution for their child survival and development programs. The resolution also reaffirms the House's commitment to the goal of permanent improvement in the survival rates, health, and development of people in all countries by the year 2000.

I commend Chairman FASCELL and Mr. BROOMFIELD for their support and consideration of this resolution. I also want to commend Mr. BEREUTER, for conceiving and drafting this outstanding resolution and for his leadership role on child health issues.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 120 is an outgrowth of a deep conviction of this Member, and indeed undoubtedly many Members of this body, that we should constantly be marshalling whatever resources can be brought to bear through the governmental process, through the private voluntary sector, through the bully pulpit of the U.S. Presidency, and through any other means that our creative imaginations suggest to us to make the world a better place to live, especially for the most disadvantaged among us.

Growing out of this Member's extensive discussions on this subject with leaders in the international development community and a desire to further encourage and commend the excellent work of UNICEF, the World Health Organization, and the U.S. Agency for International Development in working to eliminate deaths and disabilities from easily preventable causes worldwide by the year 2000, this Member introduced House Resolution 120 on April 5, 1989, together with the distinguished gentleman from Pennsylvania, the chairman of the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs, [Mr. YATRON], and our colleagues in leadership positions on the Select Committee on Hunger and the Foreign Operations Subcommittee of the Committee on Appropriations, Mr. LELAND, Mr. EMERSON, Mr. HALL of Ohio, Mr. ROBERT F. (BOB) SMITH, Mr. OBEY, and Mr. EDWARDS of Oklahoma. The distinguished gentleman from Pennsylvania [Mr. YATRON] expedited the markup and reporting this legislation, as did the distinguished chairman of the committee, DANTE FASCELL, and the distinguished ranking member, the gentleman from Michigan [Mr. BROOMFIELD]. That is especially appreciated by this Member. Special recognition should be given to Dr. Nelle Temple, a member of the House Banking Committee staff whose assistance was absolutely crucial in the preparation of this legislation.

The resolution before the House today is cosponsored by over 70 Members of the House including a majority of the members of the Committee on Foreign Affairs and of the Select Committee on Hunger. It was reported, with a small technical amendment to further highlight the work of the Agency for International Development [AID], from the Committee on Foreign Affairs on June 7, 1989.

The resolution makes four basic points. It expresses the continuing strong support of the House of Representatives for child survival and development programs being implemented by UNICEF, AID, nongovernmental voluntary organizations, and many other organizations and governments.

Second, it urges the President to adopt as a major priority of his administration the promotion of actions by the international community to achieve permanent, sustainable improvement in survival rates, health, and development worldwide by the year 2000.

Third, it urges the President to propose to the Secretary General of the United Nations that an independent commission be set up by the Secretary General to provide strategic planning, leadership, and advice to the world community on collaborative actions on hunger, health, education, and the basics of environmental health in order to eliminate easily preventable death and disabling illness in all countries by the year 2000. This commission should work with all of those who want to help: national governments, international organizations, and the critically important nongovernmental organizations all the way from the village level to the international level. This Member has laid out more detailed suggestions for such an international commission, as well as its domestic counterpart, in a proposal for the President. This proposal, which arose from the results of detailed discussions with dozens of people conducted by this Member and my staff, has received a favorable reaction from Secretary of State James A. Baker and Surgeon General C. Everett Koop and is now being studied and assessed fur-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ther by the State Department, AID, the Department of Health and Human Services, and the Public Health Service.

Fourth, the resolution endorses the call being made by the Executive Director of UNICEF, James Grant, for a World Summit on Children. This could and should be an occasion for governmental leaders, including the U.S. President, to pledge themselves to concrete plans of action, domestically and internationally, to achieve the United Nations' goal of "Universal Childhood Immunization by 1990" and the World Health Organization goal of "Health for All by the Year 2000" and other specific actions that affect the well-being of the children of the world.

Here is the key fact that speaks to the need for the actions laid out in the resolution—actions not only by the U.S. Government but by all governments and concerned organizations and people everywhere. Today in the world, there are 35,000 easily preventable deaths a day—mostly in the poorest countries and mostly of young children. To put that figure in perspective, the final estimate of the total death toll in the recent devastating earthquake in Armenia was just under 25,000 people. So we have an ongoing preventable disaster the size of an Armenian earthquake and a half every single day. That is shocking, and we half don't want to know that it is true.

These deaths, and a roughly equal number of disabling illnesses, are labeled "preventable" because people do not die or become disabled for these reasons in situations where they have access to the most basic levels of education, food and nutrition, health care, and safe water and sanitation. Whereas, out of 1,000 children born alive in the developed world, only 10 to 20 children die in the first year of life, the infant mortality rate is 10 times higher—100 to 200 dying in the developing world before their first birthday. One or two mothers in ten suffers that deep anguish of seeing the child she has given birth to die before it can even walk.

What are the leading causes of these unnecessary deaths? About 9,000 of the 35,000 preventable deaths each day are from neonatal tetanus, whooping cough, or measles—diseases easily and effectively preventable by vaccines costing only pennies. Another 2,000 deaths a day are from other vaccine-preventable diseases. Vaccine-preventable diseases also disable an additional 11,000 children a day—4 million a year—including about 650 new cases of polio per day.

Unfortunately, simple diarrhea is still a principal killer and disabler of the world's children. An adequate and nutritious diet may not be enough to prevent malnutrition if the food goes out the other end. AID's demographic data for development project reports that in developing regions, between one-fourth and one-third of deaths of children under age 5 are attributed to diarrhea. About 2½ million children a year—about 7,000 per day—die from acute dehydration associated with diarrhea, and even larger numbers have acute malnutrition and consequent brain damage caused by recurrent diarrhea.

The good news about preventable deaths comes in two forms. First, these deaths are indeed now preventable. For the first time in world history, we have the technical means to prevent these deaths. We have vaccines. We can produce enough food to feed everyone in the world an adequate diet. We have radio and TV and other means of educating even poor, or remote, or homebound people. We have low-cost technologies for sanitation, safe drinking water, and diarrheal diseases. We have the communications, transportation, and managerial technologies to get the needed supplies and people to where they need to be. Grassroots associations and voluntary efforts, like mothers' clubs and other women's groups which are critical to community-based health delivery systems, are springing up all over the world.

The second part of the good news is that substantial progress is being made. Death rates from these same preventable causes were as high as 45,000 per day in 1982—a drop of 10,000 per day in less than 8 years. Whereas fewer than 5 percent of children in the developing world were immunized against the six major childhood diseases when the United Nations's goal of "Universal Child Immunization by 1990" was initiated in 1977, now more than 50 percent of children worldwide are vaccinated. Nongovernmental organizations, including the Rotary Clubs all over the world, have joined in partnership with public health departments to make this dramatic progress a reality. As a result, the Universal Child Immunization target of at least 80 percent immunization coverage by 1990 is within reach for the majority of the developing countries. The World Health Organization, also called WHO, is so encouraged that it last year set a target of completely eradicating polio, as smallpox was eradicated, by the year 2000.

Another encouraging sign is the breakthrough against diarrheal dehydration deaths. A combination of salts and sugars known as oral rehydration therapy or ORT—so simple that it can be administered by any parent and so cheap that it costs less than most poor families already spend on ineffective antidiarrheal remedies—is now so well-proven that it is standard practice in the most advanced hospitals.

ORT and expanded vaccination, together with growth monitoring and maternal and child health programs, form the core of child survival programs which are now saving the lives of over 2½ million children a year who would have died if the death rates of 1982 still prevailed.

The Congress and this House have been in the forefront of public action to eliminate these unnecessary deaths. A joint resolution in 1983 was the first act by a national legislature to endorse the goal of halving the death rates of young children by the end of the century. AID and its Child Survival Fund have provided the key funding for many of the initiatives to push faster and more sustainable use of high-impact, low-cost technologies like ORT.

Last October, this Member and my staff began a process of consulting with other people to see if they shared my sense that we can actually achieve the noble goal of eliminating these easily preventable deaths and disabilities by the year 2000, especially among children. This goal, of "Health for All by the Year 2000," had been endorsed by 134 nations at the historic international conference on primary health care at Alma-Ata in the Soviet Union in September 1978. At that conference, jointly sponsored by the World Health Organization and UNICEF, those governments pledged urgent action by all governments, all health and development workers, and the world community to attain for all the people of the world by the year 2000 "a level of health that will permit them to lead a socially and economically productive life" through an integrated program of action against hunger, disease, and illiteracy.

House Resolution 120 endorses the value of the progress that has already been made toward achieving this goal. It also, and importantly, commends to the attention of our President and the administration some of the outstanding suggestions that emerged from questioning many leaders from our government, from international organizations, and from the private sector—profit and nonprofit—about what could be done to help ensure that the goals of "Health for All by the Year 2000" and "Universal Childhood Immunization" are achieved.

These discussions with leaders of WHO, UNICEF, UNDP, the World Bank, CARE, with Roman Catholic, Protestant, and Jewish leaders, with Rotary International, the Task Force on Child Survival, the environmental movement, universities, businesses, major foundations, grassroots groups, and many more in and out of the U.S. Government, revealed a substantial degree of consensus. It is clear that political leadership, especially by the U.S. President and the Secretary General of the United Nations, could launch the world with great enthusi-

asm on the concrete objective of eliminating preventable deaths and disabilities throughout the world by the year 2000.

Contrary to what many people assume, these informed leaders believe that the main missing ingredient now is not money or technology, but coordination, inspiration, and leadership which harnesses the energies of international, national, and local organizations around the world—public and private, profit and nonprofit—in a cooperative effort with a clear goal and targets. UNICEF's "State of the World's Children Report for 1989" indeed documents that costs are modest and well within reach. For less than $5 per capita per year, it is possible to provide primary health care to everyone in the world. Piped water supply and basic sanitation involves a similar modest annual expenditure of about $6 per year per person. Basic education can be provided for only $25 per child per year, or about $5 per capita for the whole population. So, with well-directed expenditures of less than $20 per person per year, much of which is already budgeted by national governments or available from other sources, the basics of well-being and a productive life can be made available to all. If we act on this knowledge and use our management skills and technology well, the shadow of those 35,000 needless deaths each day need not hang like a question mark over the peace of the world in the 21st century.

This Member has every confidence that the sort of unified enthusiasm with which this body can support the goals of House Resolution 120 is equally shared all over the world by hungry people, mothers with sick children, concerned citizens, and world leaders. We can eliminate preventable deaths and disabilities, and we can do it worldwide by the year 2000, if we focus our attention and resources on it as a collective enterprise of the whole world community. Let history see this as the closing note of this millennium, so that we and all our children can enter the next millennium with a renewed spirit of hope and accomplishment.

□ 1320

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, House Resolution 120 would place the House of Representatives in full support of worldwide efforts to eliminate preventable deaths, especially among the world's children. The technology to achieve these ends are already available. What is needed now is the extra coordination, inspiration, and leadership to focus an international effort to this noble goal.

Through this resolution, this body expresses its strong support for child survival and development programs being implemented by UNICEF, AID, nongovernmental voluntary organizations, and many other organizations and governments. The resolution also urges the President to make the promotion of international efforts to achieve permanent improvement in survival rates, health and development by the year 2000 a major priority of his administration, and to call on the Secretary General of the United Nations to establish an independent commission to coordinate a world effort.

Mr. Speaker, our colleague, Congressman DOUG BEREUTER, deserves special credit for his leadership in developing this proposal and moving it forward. We have witnessed the dramatic progress that can be made in the saving of children's lives through such inexpensive programs as oral rehydration and children's vaccinations. It is time now to expand that effort to insure that no one in the world dies from an easily preventable cause. House Resolution 120 is an important step in that direction, and I urge our colleagues to support this resolution.

Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 120, legislation expressing the sense of the House in support of action to eliminate preventable death and disabling illness, especially among children. I commend the gentleman from Nebraska [Mr. BEREUTER], the ranking member of the International Task Force on the Select Committee on Hunger and a distinguished member of the Foreign Affairs Committee for introducing this legislation.

House Resolution 120 expresses the sense of the House in support of international efforts, including the proposed world summit on children, to eliminate preventable deaths and disabling illness. It urges President Bush to propose to the United Nations Secretary General that he take measures to enhance international collaboration and coordination toward the achievement of international health goals and to continue the United States role as the world leader in child survival initiatives. Acknowledging the heightened global concern for children, this resolution affirms American support for international coordination and political commitments toward attaining the United Nations goal of immunizing all children by the year 2000. The resolution also expresses American support for achievement of the World Health Organization [WHO] goal of Health for All (consisting of basic nutrition, health care, education, and sanitation for all people) by the year 2000.

Now, more than ever before in history of the world, the technology and know-how is available to eliminate preventable diseases among children. The year 2000 is not far off. However, the political will so crucial in carrying out this goal is growing day by day as grassroots indigenous organizations spread throughout the third world.

Accordingly, I strongly support House Resolution 120 and urge my colleagues to vote for the bill.

Mr. HALL of Ohio. Mr. Speaker, I rise in strong support of House Resolution 120. I am pleased to join with my colleagues in this expression of the sense of the House of Representatives in support of actions to eliminate preventable deaths and disabling illness, especially among the world's children.

I am glad to be among the original sponsors of this resolution, which was introduced by my colleague on the Select Committee on Hunger, the gentleman from Nebraska [Mr. BEREUTER]. I want to commend him for his leadership, not only on this specific resolution, but on a broad range of initiatives relating to global hunger, health, and education. His contributions to the select committee are highly valued and appreciated.

The resolution before us today was discussed at a hearing of the International Task Force of the Select Committee on Hunger on April 6, 1989, during which the task force focused on efforts to improve world health. At that hearing, which I chaired, the task force received energetic testimony from Jim Grant and Audrey Hepburn of UNICEF in support of efforts to attain the United Nations goals of universal childhood immunization by 1990 and health for all by the year 2000. There also was backing expressed for the convening of a world summit on children.

Through this resolution, the House of Representatives is going on record to endorse the call for a world summit on children. This summit would provide a needed opportunity for countries to develop concrete steps for national and international cooperation to reduce preventable childhood deaths.

The resolution also reaffirms the commitment of this body to the goal of a permanent improvement in the survival rates, health, and development of all people, especially children, by the year 2000, and urges the President to adopt this goal as a major priority.

I believe this expression of support for ending needless, preventable deaths among the world's children is both timely and necessary. Once we pass this resolution and endorse the international goals it cites, then we must commit ourselves to supporting the actions and initiatives to realize these goals. This resolution is an important first step, and I urge my colleagues to vote in favor of it.

Mr. HOYER. Mr. Speaker, I rise in support of today's resolution commending child survival and development programs of national governments and international organizations which have made such excellent progress towards decreasing child mortality and disease around the world.

In 1977, less than 5 percent of the developing world's children were immunized against childhood diseases. Today, 50 percent of these children are now immunized. We should all be pleased with this progress and support the continuation of these efforts. I also support the provisions of House Resolution 120 which urge the President of the United States to adopt, as a major policy goal, the achievement of real improvement in the survival rate and health of the world's children.

I believe a world summit on the condition of our children and the development of concrete plans for international cooperation to achieve the goal of the world health organization's Health for All by the year 2000 program and universal child immunization by 1990, is vital.

This is a tremendous opportunity for peaceful cooperation between the world's two greatest powers, the United States and the Soviet Union. I strongly urge the President to heed the House's message and work to convene such a summit.

However, while we must strongly support efforts in the developing world to address children's health, it is essential that we remember that there are developed nations which need to carefully monitor and address their children's needs. Today, in the United States, formerly the leader in childhood immunizations, we have a growing number of preschoolers who are not immunized against major childhood illnesses.

In 1985, the last year for which comprehensive figures are available, 26 percent of American children ages 1 to 4 were not immunized against rubella and 13 percent were not immunized against diphtheria, tetanus and pertussis. Although the United States gave the polio vaccine to the world, in 1985, 20.4 percent of all American infants were not fully immunized against polio. In fact, the percentage of United States infants under 1 year of age fully immunized against pertussis [DPT], is less than one-half the percentage immunized in other developed nations, including the United Kingdom, Canada, Sweden, France, Spain, Italy, and Israel.

Mr. Speaker, I fully support the goals, intent and language of House Resolution 120. But, I remind my colleagues that while the United States should fully support the United Nation's goal of at least 80 percent of the world's children being immunized, no American child should join the ranks of the unimmunized.

Mr. MILLER of California. Mr. Speaker, I rise in support of House Resolution 120, World Childhood Health, to express the sense of the House that child survival and development programs be commended, to reaffirm the commitment of the House to improving the health of all people, especially children, by the year 2000, and to urge the President to propose that the U.N. establish an independent advisory commission to provide planning and leadership on international collaborative efforts in child health, nutrition, basic education, and the environment.

The resolution also endorses the proposal for a world summit on children at the earliest possible opportunity to develop concrete plans for international cooperation to attain the U.N. goals of universal child immunization by 1990 and health for all by the year 2000.

As the Select Committee on Children, Youth, and Families has documented, the focus on prevention in many Western industrialized nations is a model for world health. In Europe, for example, no pregnant women has to ask how or where she will receive prenatal care or who will pay for it. The result is fewer infant and child deaths and healthier children. (See attached factsheet).

According to the Task Force for Child Survival, sponsored by UNICEF, the World Bank, UNDP, WHO, and the Rockefeller Foundation, over the last several decades, tremendous progress has been made to reduce the tragically high infant mortality rates, and the unacceptably low immunization level against major childhood illnesses, and to control diarrheal diseases and respiratory infections among young children.

However, especially in developing nations, the picture is not all positive. Still 50 percent of infants in developing countries are not immunized against polio or DPT, and millions of infants still die from preventable causes, necessitating an aggressive campaign over the next decade to bring world attention to the need to protect the health of the world's children.

It is not as if we are lacking the tools. Powerful evidence supports the success of methods such as prenatal care, oral rehydration, nutrition, and immunization in dramatically improving children's health status.

In many ways, children's health in parts of the United States where poverty is predominant and health access severely limited, still resembles the precarious health status of children in developing nations. The United States falls short in offering critical preventive health services, such as childhood immunizations, early and comprehensive prenatal care, well-child health care, or family supports such as respite care or homevisiting. That is why I introduced the Child Investment and Security Act, H.R. 1573, to ensure that every young child has access to early and preventive health, nutrition, and education services so that they enter school as healthy and emotionally developed as possible.

Along with less developed nations of the world, we have much to learn as well as much to share from a worldwide child survival campaign and from attaining the goal of health for all by the year 2000. I urge my colleagues to support the resolution.

CHILDREN AND FAMILIES: PUBLIC POLICIES AND OUTCOMES, A FACTSHEET OF INTERNATIONAL COMPARISONS

U.S. TRAILS INDUSTRIALIZED NATIONS IN PROMOTING ECONOMIC SECURITY FOR FAMILIES

Sixty-seven industrialized nations, excluding the U.S., provide a monthly or weekly cash benefit to families for every child regardless of income and work status of parents. Among European nations, family allowance benefits range between 5% and 10% of median wage and may be higher for larger families. (Kamerman & Kahn, 1984)

Many European nations, including Spain, France and West Germany, also provide maternity grants at the time of childbearing to assist with the cost of supplies and equipment for the new baby. (Arden Miller, 1987)

Single mothers often receive additional assistance. France, Austria and West Germany all supplement family allowances for single mothers. In Norway, single mothers receive extra pay for living expenses, education and child care; loans; priority in day care centers; and one year's leave from work. (Kamerman & Kahn, 1988)

Of 8 Western countries studied between 1979 and 1982, the U.S. and Australia began with the most families with children in poverty before taxes and transfers. While taxes and transfers reduced poverty in every country, these 2 countries continued to have more poor families with children after the impact of benefits was taken into account. (Smeeding, 1988)

The U.S. has the highest poverty rate among children (17.1%) compared to 16.9% in Australia, 10.7% in the United Kingdom and 5.1% in Sweden and Switzerland. (Smeeding, 1988)

Compared to other nations, the U.S. spends less per poor family with children than any other country except Switzerland. U.S. means-tested benefits, although presumably better targeted than social insurance, are too low to lift the average family with children out of poverty. (Smeeding, 1988)

LEAVE POLICIES HELP PARENTS BALANCE DEMANDS OF WORK AND FAMILY; U.S. LACKS POLICY

The U.S. and South Africa are the only major industrialized nations which do not guarantee some form of job-protected maternity leave. (Bureau of National Affairs [BNA], 1986) Of 135 countries providing leave, 125 mandate paid leave. All European nations, and 81% of nations in Central America, the Carribean and South America provide statutory cash benefits during maternity leave. (Congressional Research Service, 1985)

Leave arrangements vary considerably from nation to nation:

Japan: 12 weeks for mothers at 60% of pay. (BNA, 1986)

France: 16 weeks for mothers at full pay. Unpaid leave for up to 2 years available for both mothers and fathers. (Kamerman & Kahn, 1984)

Germany: 14 weeks for mothers at full pay, with social insurance paying up to the average wage. Employers supplement wages for those who earn more. 10 additional weeks (social insurance only) available plus another 10 months at a reduced rate. (Kamerman & Kahn, 1984)

Sweden: 9 months of paid leave available to either parent. Leave can be prorated so that parents can use the benefit to cover full, half or three-quarter time work. (Kamerman & Kahn, 1984)

Spain: In addition to 14 weeks leave, breastfeeding mothers are released from work twice daily for 30 minutes for 9 months; no proportional reductions in salary are alllowed. Parents directly caring for children under 6 or a disabled child have right to decrease their working day by one-third to one-half with proportional reduction in pay. (Arden Miller, 1987)

CHILD HEALTH INDICATORS LAG IN U.S.

The U.S. ranked 19th in the world its infant mortality rate (IMR) in 1985, behind less affluent countries such as Spain and Singapore. The white IMR placed the U.S. 14th behind Hong Kong and Japan. The black IMR placed the U.S. 28th, behind Cuba and Bulgaria and tied with Costa Rica and Poland. (Children's Defense Fund [CDF], 1988)

In 1985, 67% of U.S. infant deaths during the 1st month and 50% of deaths in the 1st year were attributable to low birthweight. (General Accounting Office, 1987)

The proportion of babies born at low birthweight in European democracies is approximately 4%, in contrast with 6.8% in the U.S. Even when disaggregrated by race, the rate for U.S. whites (5.7%) is still substantially higher. (Arden Miller, 1987)

In 1985, 60.8% of U.S. children 1-4 years old were immunized against measles, 58.9% against rubella, 64.9% against DTP, 55.3% against polio and 58.9% against mumps. (National Center for Health Statistics [NCHS], 1987)

The percentage of U.S. children under the age of 2 fully immunized for major childhood diseases (polio, rubella, measles, mumps and DPT) declined between 1980 and 1985. The proportion of 1- to 4-year-olds receiving no doses of polio vaccine rose by

40% for all children and 80% for non-white children. (CDF, 1987)

Among European democracies, immunization rates for infants generally exceed 75%. Among European countries with centralized economies, infant immunization rates exceed 90%. (World Health Organization, 1987)

CHILDREN HAVE GREATER ACCESS TO HEALTH IN OTHER NATIONS

Thirty-seven million Americans, including 12 million children, lack health insurance. (Congressional Budget Office, 1987)

Seventeen percent of U.S. pre-schoolers will have no health insurance in the year 2000. (CDF, 1987)

Dutch infants receive an average of 10 visits to publicly funded clinics during their first year. About 98% of pre-schoolers, 100% of primary school children and 90% of secondary school students receive medical care through the school health system. (Arden Miller, 1987)

All Japanese and Swedish citizens and over 90% of Germans have access to publicly financed hospital care, outpatient services and pharmaceuticals. Only 40% of U.S. citizens are eligible for publicly supported hospital care, only 25% for outpatient care and 10% for pharmaceuticals. (Economic Policy Institute, 1987)

Although higher proportions of U.S. citizens lack access to health care, the U.S. spends a greater percentage of its gross national product (GNP) on health care. In 1983, the U.S. spent 10.7% of GNP on health care. France spent 8%, Ireland 7.4%, Denmark 5.5%, and Spain only 4.3%. (World Health Organization, 1986)

PRENATAL CARE IS UNIVERSAL RIGHT IN EUROPE

Nearly 15 million American women of childbearing age have no private or government health insurance covering maternity. Each year, 555,000 give birth without health insurance protection. (Alan Guttmacher Institute, 1987)

Every year since 1979, nearly 1/4 of all U.S. women received late or no prenatal care. In 1985, 21% of white mothers and 38% of black mothers did not receive early prenathl care. (NCHS, 1987)

Unlike the U.S., among 10 European nations surveyed in 1987, all set uniform national standards for perinatal care. The officially required or recommended number of prenatal visits ranged from 4 in Switzerland to 12 in the United Kingdom. (Arden Miller, 1987)

European nations take extra steps to ensure that pregnant women receive appropriate health care:

In Germany, a mother's pass is issued at the 1st prenatal visit, entitling pregnant women to 10 perinatal visits and one at 6 weeks postpartum. 98% of pregnant women have a mother's pass at the time of delivery indicating a high participation in prenatal care. (Arden Miller, 1987)

In Belgium, all hospital and other perinatal expenses are covered for all women. Pregnant women are permitted to travel 1st class on railways when holding a 2nd class ticket. (Arden Miller, 1987)

Although Norway's population is scattered among isolated communities, participation of pregnant women in prenatal care varies only between 10 and 14 visits in all parts of the country. Women living in remote areas are reimbursed for all expenses necessary to move closer to a hospital 10 days prior to delivery. (Arden Miller, 1987)

In Britain, every newborn reveives a home visit from a health care provider by the 10th day after birth. Regular visits continue and weekly child health clinics are available for the first five years of life. (National Commission to Prevent Infant Mortality, 1988)

U.S. TEEN PREGNANCY RATES SIGNIFICANTLY EXCEED EUROPEANS

Each year, 1.1 million U.S. teens become pregnant. Although U.S. teens are no more likely to be sexually active than European teens, the pregnancy rate among U.S. teens is twice as high as rates in Britain, France or Canada; three times that in Sweden, and seven times that in the Netherlands. (Alan Guttmacher Institute, 1988)

Industrialized nations with the most liberal attitudes toward sex, the most easily accessible contraceptive services for teenagers, and the most effective formal and informal programs for sex education have the lowest rates of teenage pregnancy, abortion and childbearing. (Alan Guttmacher Institute, 1985)

PRESCHOOL EDUCATION MORE WIDELY AVAILABLE TO EUROPEAN CHILDREN

Most European children attend free public preschools. France has the most extensive program, covering virtually all children aged 3 to 6, and 40% of 2 year-olds. Germany serves 75% of 3 to 6 year-olds; Italy serves 70%. (Kamerman & Kahn, 1984)

Approximately 60% of U.S. children aged 3 to 5 attend preschool programs, largely under private auspices. (Kamerman & Kahn, 1984)

The federally supported Head Start program provides comprehensive early childhood education to low-income children aged 3 to 5. In 1987, only 453,000 children—fewer than 1 out of every 5 eligible—were being served. (Select Committee on Children, Youth and Families, 1988)

U.S. STUDENTS, NATIONAL EDUCATION EXPENDITURES OUTPACED

Students in the U.S. ranked well below average in an international test of mathematical skills of 8th grade students. Only 6 of 19 other nations scored below the U.S. (CDF, 1988)

In every mathematics category (e.g., algebra, geometry, measurement) in which 8 grade students were tested, the performance of U.S. students was inferior to that of Japanese students, sometimes by very substantial amounts. (Carnegie Forum, 1986)

In an analysis of international mathematics testing for the most advanced 12th grade mathematics students, U.S. students ranked next to last, 12th of the 13 nations compared. (CDF, 1988)

In 1983, the U.S. allocated 1.9% of federal spending for education. By contrast, Finland allocated 13.8%, the Netherlands 11.2%, Sweden 9.2%, and France 8.2%. In the same year, the U.S. devoted 23.7% of federal spending to defense while Finland devoted 5.5%, the Netherlands 5.3%, Sweden 6.9% and France 7.3%. (UNICEF, 1988)

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

Mr. YATRON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DARDEN). The question is on the motion offered by the gentleman from Pennsylvania [Mr. YATRON] that the House suspend the rules and agree to the resolution, House Resolution 120, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material on House Resolution 120, the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DEMOCRACY IN EASTERN EUROPE ACT OF 1989

Mr. HAMILTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2550) to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries as amended.

The Clerk read as follows:

H.R. 2550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Democracy in Eastern Europe Act of 1989".

SEC. 2. ELIGIBILITY OF POLAND FOR GENERALIZED SYSTEM OF PREFERENCES.

Subsection (b) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended by striking out "Poland" in the table within such subsection.

SEC. 3. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) ELIGIBILITY OF POLAND AND HUNGARY FOR OPIC PROGRAMS.—Section 239(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(f)) is amended by inserting ", Poland, Hungary," after "Yugoslavia".

(b) PARTICIPATION BY NONGOVERNMENTAL SECTOR.—

(1) IN GENERAL.—In accordance with its mandate to foster private initiative and competition and enhance the ability of private enterprise to make its full contribution to the development process, the Overseas Private Investment Corporation shall support projects in Poland and Hungary which will result in enhancement of the nongovernmental sector and reduction of state involvement in the economy.

(2) DEFINITION.—For purposes of this subsection, the term, "nongovernmental sector" in Poland or Hungary includes private enterprises, cooperatives (insofar as they are not administered by the Government of Poland or Hungary), joint ventures (including partners which are not the Government of Poland or Hungary or instrumentalities thereof), businesses in Poland or Hungary that are wholly or partly owned by United States citizens, including those of Polish or Hungarian descent, religious and ethnic groups (including the Catholic Church), and other independent social organizations.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SEC. 1. SCIENCE AND TECHNOLOGY EXCHANGE.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of State for purposes of continuing to implement the 1987 United States-Polish science and technology agreement—

(1) $1,500,000 for fiscal year 1990, and

(2) $1,560,000 for fiscal year 1991.

(b) DEFINITION.—For purposes of this section, the term "1987 United States-Polish science and technology agreement" refers to the draft agreement concluded in 1987 by the United States and Poland, entitled "Agreement Between the Government of the United States of America and the Polish People's Republic on Cooperation in Science and Technology and Its Funding", together with the annexes relating thereto.

SEC. 3. MEDICAL SUPPLIES AND HOSPITAL EQUIPMENT AND TRAINING OF MEDICAL PERSONNEL FOR POLAND.

Notwithstanding any other provision of law in addition to amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for fiscal years 1990 and 1991, there are authorized to be appropriated to carry out that chapter for each such fiscal year $2,000,000, which shall be available only—

(1) for providing medical supplies and hospital equipment to Poland through private and voluntary organizations, including for the expenses of purchasing, transporting, and distributing such suplies and equipment, and

(2) for training of Polish medical personnel.

SEC. 4. ASSISTANCE IN SUPPORT OF DEMOCRACY IN POLAND AND HUNGARY.

Notwithstanding any other provision of law, in addition to amounts authorized to be appropriated to carryout chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for fiscal years 1990 and 1991, there are authorized to be appropriated to carry out that chapter for each such fiscal year $2,000,000, of which—

(1) $1,000,000 shall be available in each such fiscal year only for the unconditional support of democratic institutions and activities in Poland; and

(2) $1,000,000 shall be available in each such fiscal year only for the unconditional support of democratic institutions and activities in Hungary.

SEC. 7. EDUCATIONAL AND CULTURAL EXCHANGE.

It is the sense of the Congress that the President should—

(1) encourage privately administered educational and cultural exchanges between the United States and Poland and between the United States and Hungary, through the International Research and Exchanges Board (IREX), the National Academy of Sciences, the Fulbright Educational Exchange Program, and the United States Information Agency; and

(2) consider the establishment of reciprocal cultural centers in Poland and the United States and in Hungary and the United States to facilitate government and privately funded educational exchanges.

SEC. 8. FUTURE ECONOMIC PROGRAM.

It is the sense of the Congress that the President should consult with our western allies and Japan on the establishment of a multiyear comprehensive program for Poland and Hungary, including debt rescheduling and increased investment, designed to facilitate and enduring economic recovery in each country in the context of a clear and binding commitment by the government of that country to establish genuine democracy and a free economy in that country.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. HAMILTON] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2550, the Democracy in Eastern Europe Act of 1989.

This bill is a response to the request of President Bush to help democratic and free market forces in Poland and Hungary who seek economic and moral support from the United States.

H.R. 2550 would give this support in two ways.

First, access to tariff benefits and credit guarantees to encourage exports and develop the private sector;

Second, authorization for humanitarian assistance to Poland, to fund joint scientific and technological research with Poland, and to support democratic development in both Poland and Hungary.

SPECIFICS OF BILL

H.R. 2550 would:

Give Poland generalized system of preference [GSP] eligibility;

Give Poland and Hungary eligibility for OPIC guarantees;

Authorize $1.5 million in fiscal year 1990 and $1.56 million in fiscal year 1991 to support the 1987 United States-Poland science and technology agreement;

Authorize $2 million for fiscal year 1990 and another $2 million for fiscal year 1991 for medical supplies, hospital equipment, and training in Poland;

Authorize $2 million for fiscal year 1990 and again for fiscal year 1991 for developing democratic institutions and activities in Poland and Hungary;

Express the sense of Congress that the President should encourage private educational and cultural exchanges between the United States and Poland and Hungary; and finally

State the sense of Congress that the President should consult with our western allies and Japan on the establishment of a comprehensive economic program for Poland and Hungary.

REASONS FOR SUPPORTING BILL

Mr. Speaker, the United States has a national interest in supporting the growth of democracy, the institutionalization of democratic values, and the development of free market economies in Eastern Europe. This bill does that. Recent political and economic developments in two countries, Poland and Hungary, suggest that these nations are taking important steps to begin a peaceful evolution toward pluralistic political structures supported by open economies.

In Poland, recent political developments have been revolutionary. As a consequence of the April 6 agreement between the government and Solidarity, the trade union has been legalized and, in the most democratic elections held in Poland in 40 years, representatives to a newly structured bicameral legislature were elected on June 4. The vote was a triumph for the democratic opposition. The new political order recognizes a role for non-Communist groups in the administration and permits a free opposition press.

Hungary has also undergone welcome changes in the past year. It has become the first Eastern European country to legalize non-Communist political movements. A draft of a new constitution calls for popular elections, expected next year, and allows opposition parties to compete for seats. On June 10, representatives of the Hungarian Communist party and the major opposition groups signed and agreement to discuss Hungary's evolution to a multiparty democratic political system.

Democratic development in both countries in hindered by major economic problems, including huge foreign debts, high inflation, and declining standards of living. They need help from Western investors and importers to trigger growth, decentralize and modernize their economies, and allow them to produce the export goods necessary to bring in hard currency.

PRESIDENT BUSH'S INITIATIVE

In his speech in Hamtramck, MI on April 17, President Bush acknowledged the political achievements of Poland and promised United States assistance in easing economic problems that could undermine fragile political advances. H.R. 2550 provides the congressional approval necessary to fulfil the President's request for giving Poland access to the generalized system of preference and Overseas Private Investment Corporation guarantees. In recognition of Hungary's achievements, the bill extends eligibility to OPIC guarantees to that country as well.

By offering GSP eligibility to Poland, and OPIC eligibility to Poland and Hungary, the United States would support economic recovery in a cautious manner that does not repeat the mistakes of the past. The bill offers no unconditional credits. It makes no untied loans. Rather, it fosters eco-

nomic development through private initiative and foreign investment in a way that gives the governments no excuse for not tackling the painful economic restructuring that will be necessary.

The bill also supports enhanced people-to-people ties with Poland and Hungary. The authorization of $4 million for medical supplies, equipment, and training continues a long tradition of United States humanitarian aid for Poland. The $3 million for science and technology is intended to give a boost to productive and mutually beneficial research. The $1 million each in 1990 and 1991 for Poland and Hungary will help strengthen fragile institutions and promote activities that will contribute to the development of free political systems.

Mr. Speaker, President Bush will be making an historic visit to Poland and Hungary in mid-July. It is important for him and for the Congress that he be able to present these countries with concrete evidence of U.S. support for their political and economic initiative.

I urge my colleagues to join the Committee on Foreign Affairs and the Committee on Ways and Means in supporting this legislation.

□ 1330

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on June 4, the world witnessed one more sign that communism is in retreat. Poland held the first free election in Eastern Europe since World War II. The results confirmed that the Communist Party has very little support among the Polish people.

Unfortunately, the electoral ground rules will ensure that a majority of the seats in the Polish Congress will be held exclusively by the Communists. Still, we must recognize that Poland is on the right track, and with this legislation today, we may provide them further incentive to change.

Much of the progress made in Poland this year has also occurred in Hungary over the past few years. With fits and starts that country has moved toward a political system that is the most free in Eastern Europe.

For these reasons I support this modest legislative initiative. This bill will provide Poland and Hungary with funds to promote democratic institutions, increase educational and cultural exchanges, support a bilateral science and technology agreement with Poland, and continue medical assistance through nongovernmental agencies.

Most important, however, this legislation will allow the Overseas Private Investment Corporation to operate in Poland and Hungary, providing incentives for United States investment and stimulating private sector development at little or no cost to the United States taxpayer.

Poland and Hungary should realize that this is not an effort to salvage their moribund system of economic planning, but to help them build a vibrant private sector.

We take this action in expectation of further change. These initiatives can and will be canceled if the Communist Party goes back on its pledges. What has happened so far is only the beginning. We all look forward to the day when the transition to democratic politics and market economies in Poland and Hungary is complete and irreversible.

Mr. HAMILTON. Mr. Speaker, I yield 6 minutes to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to pay tribute to the gentleman from Indiana [Mr. HAMILTON] for having brought this bill before the House. I think it is a very timely measure.

Our country has an enormous interest in the emergence of genuine democracy in Eastern Europe. The cold war began over four decades ago in Eastern Europe, and if the cold war is ever going to end, it will have to end in Eastern Europe with the emergence of governments in those countries that really reflect the will and wishes of their people.

Mr. Speaker, I think it may be worth noting that at the very moment when the authorities in Beijing were cracking down with brutal force in order to suppress the democratic aspirations of their people, Poland was experiencing, only 8 years after the Polish authorities had cracked down with force in order to suppress the democratic aspirations of the Polish people, the first quasi-free elections that had been held in Poland since the end of the Second World War. As a result of those elections, Communist candidates, even in constituencies where no one was running against them, went down to a crushing defeat. Just the other day, in Hungary they had a funeral where they reburied the remains of Imre Nagy, who helped lead the uprising of the Hungarian people in 1956 against the Soviet masters in an effort to establish a more open and democratic and truly independent Hungary. Three decades later, after the brutal suppression of that uprising, the very same Hungarian leaders, who were executed for alleged acts of treason against their motherland, have now been rehabilitated and have been reburied in the view of tens of thousands of Hungarians who were given the opportunity to pay tribute to these genuine patriots.

□ 1340

Mr. Speaker, what this demonstrates to me is that, while it may be possible to put the genie of democracy back into the bottle of repression for a period of time, the democratic aspirations of an entire people cannot be permanently suppressed, and that is why I am hopeful that democracy will have its day in Eastern Europe, just as it will one day have its day in China as well.

This legislation, which is now before us, is designed to facilitate a more rapid emergence of democracy in Poland and Hungary. I want, Mr. Speaker, to call particular attention to section 8 of the bill which expresses the sense of Congress that the President should consult with our Western allies in Japan on the establishment of a multiyear, comprehensive program for Poland and Hungary which would be designed to facilitate an enduring economic recovery in both countries in the context of a clear, binding and irrevocable commitment on the part of the authorities in both Warsaw and Budapest to establish genuine democracy and truly free economies.

Mr. Speaker, we need to learn from the lessons of our past. During the 1970's we pumped hundreds of millions of dollars into credits in Poland. It all went down the drain because the political and economic system in Poland was not in a position to make productive use of it. It would be a serious mistake to do the same thing again. However, Mr. Speaker, in the context of real democracy and a free economy there is no question that Poland can use that help.

Mr. Speaker, in the context of real democracy in a free economy there is every reason to believe they could use these resources. Solidarnosc has just proposed to the West the establishment of a $10 billion package of assistance designed to put the Polish economy on its feet. We have in the past said to the leaders of Poland, and Hungary and other East European countries that in the context of their willingness to move to democracy and a freer economy we would be willing to help. However, we have never spelled out with precision exactly what we would be prepared to do.

Mr. Speaker, the whole purpose of this sense of the Congress provision is to encourage the President to take the leadership in hammering out with our European allies and Japan a clear and comprehensive proposal which we could put on the table and in which we could say to the leaders of Poland and Hungary that, if they are willing to agree to the irrevocable establishment of democracy and a free economy, this is what we would be willing to do in exchange. I believe that such an initiative will be warmly welcomed by the people of Poland and Hungary, and I

VOL 135 PT 9 JE 14 — 22 1989 UMI

also believe that it could conceivably make the difference in terms of a willingness on the part of the authorities of those countries to make the kind of binding commitments for democracy which, so far at least, they have not been fully willing to do.

Consequently, Mr. Speaker, I think this measure is a very timely measure. I think it sends a message of hope and encouragement to the peoples of Poland and Hungary, and it puts our Nation foursquare behind the essential effort to rid these nations of the shackles of communism and to give them the opportunity to emerge long after the war which was fought on behalf of freedom in Poland to become truly free once again.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN], a member of the Committee on Foreign Affairs, and vice chairman of the Subcommittee on Europe and the Middle East.

Mr. GILMAN. Mr. Speaker, I am pleased to rise to express my strong support for H.R. 2550, which I have cosponsored, in support of democracy in eastern Europe and I commend the distinguished chairman of the Subcommittee on Europe and the Middle East, Mr. HAMILTON, and the distinguished ranking member of our committee, the gentleman from Michigan, Mr. BROOMFIELD, for their outstanding work on this important and timely legislation.

On June 4, 1989, Poland held the first free election in Eastern Europe since the Second World War. The results confirmed what we have known all along: The Communist party is a dying entity in Eastern Europe.

The rules of the June 4 election, unfortunately, ensure that a majority of the seats in the Polish Sejm will be held by the Communists. We must recognize, however, that Poland is heading in the right direction. This legislative body today, through the adoption of this legislation, can provide further inspiration for change.

Much of the progress toward democratization made in Poland has taken place in Hungary, as well. That nation now maintains the strongest movement toward a pluralist political system in Eastern Europe.

Mr. Speaker, I strongly support this legislative initiative which responds to President Bush's recommendation to provide Poland and Hungary with funds to promote democratic institutions, increase educational and cultural exchanges, support a bilateral science and technology agreement with Poland, and continue medical assistance through nongovernmental agencies.

Most importantly, this legislation will allow the Overseas Private Investment Corporation to operate in Poland and Hungary, providing incentives for United States investment and stimulating private sector development. Accordingly, Mr. Speaker, I urge unanimous passage of this bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there are big changes taking place in Eastern Europe. A year ago I had my doubts about OPIC being extended to Hungary, but after a recent visit to Hungary, I can tell my colleagues that tremendous changes have taken place. Most recently, we all saw news reports about the re-burial of Imre Nagy, drawing people from all over the world to Budapest, including some who were there during the 1956 revolution.

Mr. Speaker, it is interesting when one goes to Eastern Europe, and talks to once-dedicated Marxists, and asks them about Karl Marx. They now say, "Well, Karl Marx is no different from any other philosopher." I think most of us probably would never have predicted that we would see that day taking place, but it has taken place.

Mr. Speaker, Hungary was at one time one of the most hardline countries in the Soviet orbit, and today Hungary is economically and politically flourishing. From the many business people that I talked to there, I find they are committed to a free enterprise system because they know it is the only way for them to work out of the economic doldrums that they have been in.

Of course, we have to remember that, as long as there is a Communist government, there is nothing that prevents them from going back to their old ways. How enthusiastic we were just a few weeks ago about China and how sanguine we were about the free enterprise system coming to China. In just the last 3 weeks we found out what can happen. Repression can come back, and this can happen in any Communist country, I think, however, in taking these incremental steps we are going to do a great deal to enhance the thaw. If there is a possibility of bringing down the Iron Curtain and of changing the economic and political climate in Eastern Europe, I think we should take it.

Mr. Speaker, there is an old Russian proverb that says, "Two mountains can never come together, but two men always can."

□ 1350

Even when two countries cannot come together, the people in those countries can come together. I think that is what we are witnessing in Eastern Europe. It is worth a try.

So I think this is legislation that is well thought out. Let us hope for the best, but as President Reagan would say, let us move forward, but let us verify as we take these incremental steps.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Wisconsin for his supportive remarks.

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 2550, the Democracy in Eastern Europe Act of 1989. In the wake of the recent elections in Poland, where solidarity won an impressive victory at the expense of the ruling Communist Party, and the partial political liberalization, both the Polish Communist leadership and solidarity have appealed to the west for economic assistance. This legislation is responsible and appropriate response to this legitimate Polish appeal.

In addition to President Bush's initiatives, which are contained in this bill, H.R. 2550 also includes several previously considered programs for Poland and Hungary such as extending OPIC coverage. H.R. 2550 as reported by the Foreign Affairs Committee, upon which I serve, permits Polish imports to enter the United States under GSP; extends OPIC coverage; authorizes bilateral science and technology agreements with Poland; authorizes $2 million for medical training and assistance through nongovernmental agencies in Poland; authorizes $2 million to promote democratic institutions in Poland and Hungary; and encourages increased educational and cultural exchanges with Poland and Hungary.

The recent events in Poland and Hungary are quite significant and very encouraging. It appears that real political and economic reforms are happening—right in the heart of the Warsaw Pact.

On June 4 we witnessed, for the first time since the Communist takeover in the late 1940's, free elections. And, from the results it is clear that had the Communist Party not reserved a number of seats in the SEJM—the Parliament, it would have been soundly ousted. It is very telling that the top Communist leadership, including the prime minister, were unelected by the Polish populace. While preelection agreements that controlled the electoral power of the people, such as the reservation of a number of seats for the Communist Party, were followed keeping the Communists in power, this election was a very significant step toward greater freedom and liberty in Poland.

I believe we should encourage this progress and promote further positive change. Helping the Poles address their critical economic situation does just that. Our assistance encourages

further reforms any expansion of the private sector. Of course, should the Communist leadership change direction, so can we, as we did in 1982 after martial law was imposed by suspending Poland's MFN status. In 1987, the MFN status was restored and additional reforms in Poland occurred. Today, through allowing Polish goods to enter the United States under lower GSP tariff rates and through other economic assistance, I believe we are advancing the reform movement.

In Hungary, the reforms have been even greater. I visited Hungary in January 1989 with a number of my colleagues and was very surprised by the level of economic and political freedom enjoyed by Hungarians. While much needs to be done and the iron fist of the Soviet still looms above Hungary, Hungary is the most advanced of all the Eastern European states. Its private sector is beginning to flourish. Non-Communist political parties play a real role and are not outlawed. Last weekend, Hungary paid tribute to its former leader Nagy—the same man condemned for liberalizing Hungary in 1955-56 and deposed by the Red Army after it brutally crushed the Hungarian uprising. Hungary has even protested its Warsaw Pact neighbor Romania's hideous human rights policy in the U.N.

Our previous carrots to Hungary, in the form of Western economic assistance, have prompted this change and convinced the Hungarian people that our economic and political system is better than the Soviet's. H.R. 2550, continues this progress by extending OPIC coverage to Hungary and financially supporting democratic institutions in this Eastern maverick. As one Hungarian official told me during a meeting in Budapest, "there is much talk about Gorbachev's reforms—glasnost and peristroika. However, think about this, if reform fails in Hungary, it too will fail in the Soviet Union. But, if reform fails in the Soviet Union, it will still continue in Hungary." Think about the meaning of that statement—Hungary has come a long, almost irreversible way. Hungary is the model for other East bloc nations to follow.

President Bush will soon be visiting Poland and Hungary. I believe quick passage of this legislation will give the President further ability to foster change and make his visit more successful.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his supporting remarks.

Mr. Speaker, we have no further requests for time, and I yield back the balance of our time.

Mr. HAMILTON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI], the chairman of the Ways and Means Committee.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of H.R. 2550, section 2 of which falls within the jurisdiction of the Committee on Ways and Means.

Mr. Speaker, title V of the Trade Act of 1974, as amended, authorizes the President to designate developing countries for duty-free treatment on imports of their products that are designated by the President as eligible under the Generalized System of Preferences [GSP].

Section 502(b) of the act prohibits the President from designating a specific list of countries as GSP beneficiaries. Poland is one of the countries on this statutory exclusion list.

Section 2 of the bill before us at this time, H.R. 2550, amends section 502(b) to remove Poland from the statutory exclusion list, effective upon date of enactment.

Section 2 does not amend any of the criteria under present law that the President must determine are met, or that the President must take into account, before designating Poland as a GSP beneficiary country.

Removing Poland from the exclusion list was proposed by the President in his speech of April 17, in Hamtramck, MI. It was also included as part of the legislative proposal regarding Poland which was introduced at the request of the administration as H.R. 2356. I was proud to cosponsor that bill.

Now, "GSP for Poland" is before us as part of a larger effort to formulate a positive and useful response to the recent dramatic developments in Poland.

Ever since the United States re-engaged Poland in dialogue in 1986, we have consistently and rightly conditioned any favorable action toward Poland on real progress toward national reconciliation and economic reform in that troubled country.

It is the opinion of the Committee on Ways and Means that it is time to make good on our commitment. Recent development in Poland are very much in keeping with the path we have been urging the Government of Poland to take. A positive acknowledgment and a helping hand are now our responsibility. I am happy to participate in offering both.

On a personal note, Mr. Speaker, I also wish to associate myself with those provisions of H.R. 2550 which fall outside of the jurisdiction of the Committee on Ways and Means.

I congratulate the gentleman from Indiana [Mr. HAMILTON] and the gentleman from Florida [Mr. FASCELL] for their prompt and good-willed efforts in bringing this measure to the full House on such a timely basis.

The interests of both chairmen in the best possible relations between Poland and the United States is well demonstrated and highly gratifying.

The package of provisions reported to the House as H.R. 2550 goes beyond that which was requested by the administration, but in a way which is responsible, responsive to the situation, and in keeping with the sentiment of the President's speech on April 17.

In addition to the modest legislative provisions in the bill, we also express our awareness that the real help which the United States can provide to Poland is in the forum of Mutilateral financial institutions. I strongly endorse the sentiment, expressed in the bill, that the United States should lead the way in all available forums to help Poland at this time of need.

I am happy to note that the administration supports the bill. I am sure that, if we can pass it and send it to the White House quickly, the President will carry it with him proudly when he visits Poland in July.

Mr. HAMILTON. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Speaker, I had the privilege of being in Budapest a couple months ago for an Interparliamentary Union Meeting. We happened to be there on March 15 when they had that absolutely inspiring, marvelous, peaceful, quiet demonstration, that reflected so well on the process of loosening up, the process of perestroika and glasnost that is taking place there. It was orderly. It was peaceful. It was well organized. It was well disciplined and it was absolutely a joy to behold.

The American Ambassador in Hungary, Mark Palmer, is a brilliant, brilliant young man, who asked me and other Members of Congress if we could not help raise some funds for the little fledgling democratic institutions that he is encouraging and that the Government is permitting quite openly, little radio stations, little democratic organizations that want newsletters and whatnot. If there is any way that we could get American corporations and American foundations to make a deductible contribution to this work through Ambassador Mark Palmer, our Ambassador in Budapest, it would be a godsend. He is doing brilliant work. He is thoroughly familiar with all of these democratic bubblings, this growth out of nowhere of democratic institutions. He could guide anybody who wants to be involved in making contributions.

Mr. LANTOS. Mr. Speaker, the promise held by the dramatic political and economic changes in Hungary and in Poland poses a profound challenge and a historic opportunity for the United States to encourage and support the potential for freedom and democracy in Eastern Europe.

We must not exaggerate Hungary's march toward liberty nor minimize the internal and external obstacles in its path: They are many and grave. Nevertheless, those of us commit-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ted to freedom can only welcome the palpable progress and the even more promising trends in Hungary and Poland, which go well beyond the rest of Eastern Europe and the Soviet Union itself. Hungary is embarking upon sweeping reforms that will dismantle both one-party rule and the State-run economy and emulate the economic and political models of such neutrals as Sweden, Finland, and Austria.

A quiet revolution for economic freedom is occurring, slowly but steadily. New laws to let the private sector blossom and to free capital movement are steps toward a free market and a mixed economy. Individual enterprises and private shareholding companies, aided by eased taxation, will make new ventures more profitable and less risky. A new law on foreign investment permits foreign firms to buy into domestic companies or set up wholly owned subsidiaries. By the early 1990's, if the trend persists, half of Hungary's economy could well be in private hands.

Mr. Speaker, as my colleagues know, without political freedom there is no economic freedom. In Hungary, political reform is moving at an almost dizzying pace, spurred on by Communist Party reformers and the democratic opposition. Freedom of association and expression, a free press and free publishing, and a multiparty system are already legalized and becoming institutionalized. Citizens' rights, the rule of law, impartial justice, the multiparty system, freedom of press and assembly, and free trade unions are all to be enshrined and institutionalized in a new constitution now being drafted, which will be voted upon next January.

There are grave risks: All these incremental reforms could result in a crisis of systemic transition. Already the economic reforms have sparked an inflationary spiral, exacerbated discord between the poor and the newly rich, increased unemployment and impatient pressures for higher living standards. And another ominous note: On a per capita basis, Hungary is the most heavily indebted country in Eastern Europe.

Mr. Speaker, this is all the more reason for the United States, and its Western allies, to help ease that transition. Hungary presents an important opportunity but also a challenge. President Bush's forthcoming visit to Hungary and Poland is undoubtedly a fine gesture of high symbolic importance. It needs to be accompanied by concrete measures, commensurate with Hungary's progress in political and economic liberalization.

There is much that we can do. Our policies and actions can make an enormous difference by aiding a reform-minded regime to overcome its difficulties during the transition to a market-oriented economy.

Mr. Speaker the legislation that is before us today is an important step in that direction. This bill extends to Hungary the benefits of OPIC—Overseas Private Investment Corporation—which helps to insure United States business investment against political risks, and thus encourages investment by United States firms. The provisions of this bill will do much to encourage joint ventures, boost cultural and educational exchange programs, increase high-level contacts, and encourage small loans directed to specific private-sector projects and placed with small commercial banks.

With the measured policy and proposals that are contained in this legislation, we can at once aid the Hungarian people to advance to greater economic and political freedom, influence the course of democratic evolution in Eastern Europe as a whole, and open up freer trade—all of which will serve the American national interest.

Mr. Speaker, I urge my colleagues to support this excellent legislation.

Mr. HAMILTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana [Mr. HAMILTON] that the House suspend the rules and pass the bill, H.R. 2550, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1400

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. DARDEN). Is their objection to the request of the gentleman from Indiana?

There was no objection.

NATIONAL DAY TO COMMEMORATE THE BASTILLE DAY BICENTENNIAL

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 298) designating July 14, 1989, as "National Day to Commemorate the Bastille Day Bicentennial", and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I simply want to acknowledge the work of our colleague, the gentleman from New Hampshire [Mr. DOUGLAS], the chief sponsor of House Joint Resolution 298. He has been unavoidably detained.

Mr. DOUGLAS. Mr. Speaker I rise today to urge the support of the House for House Joint Resolution 298, to commemorate July 14 of this year as the 200th anniversary of Bastille Day, the day the people of France stormed the hated Bastille prison and sparked the momentous events of the French Revolution. This day is of particular significance to the 3½ million Americans of French descent, more than 230,000 of whom live in my own State of New Hampshire.

The ideals of freedom and self-government that fired the French people on that day were shared by the patriotic Americans who fought in our own revolution.

Within weeks of that first Bastille Day, the National Assembly in Paris approved the Declaration of the Rights of Man, outlining the fundamental liberties that today form a basic part of our understanding of human rights. Just 31 days later, the U.S. Congress adopted the Bill of Rights, enshrining these same individual freedoms in our newly forged Constitution.

Today, as the bracing winds of democracy sweep the world, the ideals of the French and American Revolutions stand as shining examples to the courageous peoples from Poland to China who yearn to breathe the vitalizing air of democracy. The resilient people of these oppressed nations are struggling for a principle that we in the west now take for granted: That government exists to serve the people; not the reverse.

As freedom's march enters its third century, the commemoration of these historic events takes on even greater significance. Far from seeming stale or outdated, the principles of democracy, free expression and the rule of law are as fresh in 1989 as the day they flowed from the pens of men like Thomas Jefferson, Tom Paine, and the French patriots.

Mr. Speaker, in this year of bicentennial celebration of the roots of our own constitutional freedoms, it is altogether fitting and proper that we commemorate the similar principles that inspired the French Revolution.

I therefore urge my colleagues' support for this resolution.

Mr. SMITH of New Hampshire. Mr. Speaker, New Hampshire is very proud of its French heritage, and I am therefore pleased to rise in support of this resolution which will commemorate the 200th anniversary of the storming of the Bastille.

The day this took place, July 14, 1789, is unquestionably the most important date in French history. The assault on the Bastille was, and has remained, the most symbolic event in a revolution crowded with events. By 1789, the Bastille, which had served as a fortress for more than 300 years, had become a royal prison representing all that was wrong with the old France. People who dared to speak out against the government of Louis XIV were imprisoned there. The conquest of the Bastille by the people stood for all that was hopeful in the new France.

With the storming of the Bastille in July, events began to unfold in France that gave a profound new meaning to the notion of revolution—a meaning that has transformed world history and touched the lives of all nations. By August, the Declaration of the Rights of Man and of the Citizen was adopted by the Constituent Assembly of France. Article III of this document read "the source of all sovereignty resides essentially in the nation." Sound familiar? It should, because when Lafayette was drafting this Declaration of Rights, he sought the assistance of none other than our own Thomas Jefferson. Yes, Mr. Speaker, the success of the American Revolution founded on

these ideals just a few years earlier on this side of the Atlantic, had already begun to inspire other nations.

In this French bicentennial year, common attachments to liberty, human rights, and a revolutionary inheritance continue to bind the United States and France. Today, men and women throughout the world continue to fight for democracy, a democracy highlighted by the American and French Revolutions. We need only look to events in China for the most recent and stunning performance, which is now only at intermission. The free world knows that the second and triumphant act must inevitably follow.

And the Bastille? Less than a year after it was assaulted, the Bastille was demolished. All that remains today is a column marking its place. It is not among the most beautiful, impressive or moving monuments in modern Paris. It attracts fewer tourists than dozens of other places, but this is appropriate. The symbolic importance of the Bastille, now as in the French Revolution, is that it no longer exists.

Mr. Speaker, I am pleased to join my colleague from New Hampshire in supporting this resolution.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 298

Whereas the independence of the United States was achieved with significant assistance from France and from individual citizens of France;

Whereas the ideals of liberty and freedom which animated the people of the United States during the American Revolution were shared by many of the people of France and are held sacred by both peoples today;

Whereas the year 1789 was of particular significance in the history of both France and the United States, marking the opening chapter of the French Revolution and the concluding chapter of the American Revolution;

Whereas on July 14, 1789, the people of France liberated the hated Bastille prison, thus signifying the triumph of liberty over tyranny;

Whereas within a period of 31 days, the National Assembly of France approved the Declaration of the Rights of Man and the Citizen on August 26, 1789, and the Congress of the United States approved the Bill of Rights on September 25, 1789, thereby proclaiming the sanctity of human rights on both sides of the Atlantic Ocean and guaranteeing them for future generations; and

Whereas France and the United States remain fully committed to the principles of the Declaration of the Rights of Man and the Citizen and the Bill of Rights: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 14, 1989, is designated as "National Day to Commemorate the Bastille Day Bicentennial", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANEY, GOODMAN, AND SCHWERNER DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 40) to designate June 21, 1989, as Chaney, Goodman, and Schwerner Day, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, again, I would like to acknowledge the work of our colleague, the gentleman from California [Mr. EDWARDS], who is the chief sponsor of House Concurrent Resolution 141.

Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Speaker, I would like to echo the gentleman's comments on the outstanding work of both of the sponsors of both of these resolutions. They both commemorate events of great significance in the history of the democratic expression of free thought, both globally and in our own Nation as well.

Their efforts in bringing these matters to the attention not only of this body but of the Nation in this way have been exemplary of the format which we ask all Members to comply with as they address matters of comparable concern.

Mr. MICHEL Mr. Speaker, I am glad to join with our colleagues in sponsoring House Concurrent Resolution 141, to designate June 21, 1989, as Chaney, Goodman, Schwerner Day.

The murder of James Chaney, Andrew Goodman, and Michael Schwerner 25 years ago is an event of historic significance, reminding us of a time in our Nation's history when landmark civil rights legislation was yet to be written. They were murdered while trying to guarantee rights that are the birthright of every American. Surely the meaning of such a sacrifice is not limited to a certain time and place, but has meaning for anyone who wishes to see the triumph of justice.

The United States of America, given the tragic historic legacy of racial injustice, has made undeniable progress in civil rights. Yes; we have much to be proud of—if little to be complacent about.

And whatever we have achieved, whatever measure of justice has been gained during the past 25 years, we owe to many Americans, many of whose names are lost to history, many who endured patiently, many who fought bravely, many who merely helped while others carried the banner.

But we do know the names of Chaney, Goodman, and Schwerner—and they have come to symbolize the struggle in which so many nameless, yet heroic, figures played a part. Today, all over the world, in China, in Poland, in Central America, in the Soviet Union, other young men and women are bravely carrying a similar banner. In remembering Chaney, Goodman, and Schwerner we at once pay tribute to the good they accomplished long ago and pay our respects to those who today follow their example and are inspired by their sacrifice.

Mr. GILMAN. Mr. Speaker, it is with pleasure that I rise in strong support of Senate Concurrent Resolution 40 to designate June 21, 1989, as Jesse Emerson"Chaney, Goodman, and Schwerner Day."

June 21, 1989, will mark the 25th anniversary of the murder of James Chaney, Andrew Goodman, and Michael Schwerner. These three courageous young men gave their lives trying to guarantee the rights of all Americans and to put a stop to the historic legacy of racial injustice.

Mr. Speaker, the unselfish, brave acts of Chaney, Goodman, and Schwerner, and countless other heroic, nameless Americans were instrumental in the adoption of the Civil Rights Act of 1964 and the Voting Act of 1965. It was through their efforts that equal rights, equal opportunity, and equal justice are guaranted for all Americans, regardless of their race, religion, color, or ethnic background.

Whatever we have achieved, the struggle of these young men has come to symbolize the American dream. The dream that all Americans can fully participate in every aspect of our democratic process and especially in the electoral process.

Mr. Speaker, I invite my colleagues to join me in supporting Senate Concurrent Resolution 40 and to pay tribute to the good that was accomplished 25 years ago, and be reminded that young men and women today are struggling in China, Poland, and Central America to overcome injustice and inequality.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 40

Whereas on June 21, 1964, James Chaney, Andrew Goodman, and Michael Schwerner gave their lives at a young age in an effort to guarantee the rights that are the birthright of every citizen of the United States, particularly the right to vote;

Whereas James Chaney, Andrew Goodman, and Michael Schwerner were part of a movement that helped to achieve the passage of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and other milestones in the progress of this Nation toward achieving the goal of ensuring equal rights, equal opportunities, and equal justice for all;

Whereas during the quarter century after the deaths of James Chaney, Andrew Good-

man, and Michael Schwerner this Nation has benefitted tremendously from the removal of many barriers to full participation by every citizen of this Nation in political, educational, and economic life;

Whereas the lives and resultant deaths of James Chaney, Andrew Goodman, and Michael Schwerner have come to symbolize the dream of brotherhood and sisterhood among citizens of this Nation from all races, religions, and ethnic backgrounds;

Whereas the memory of the struggle of James Chaney, Andrew Goodman, and Michael Schwerner and the sacrifice of such men will encourage all citizens of this Nation, in particular young citizens, to be rededicated to the ideas of justice, equality, citizenship, and community;

Whereas the State of Mississippi and the City of Philadelphia, Mississippi, are joining with citizens from throughout this Nation to commemorate the contributions that James Chaney, Andrew Goodman, and Michael Schwerner made to this Nation; and

Whereas the lifework of James Chaney, Andrew Goodman, and Michael Schwerner remains unfinished until all barriers are removed that bar the full participation of every citizen of this Nation in the democratic process of this Nation, especially in the electoral process: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) June 21, 1989, is designated as Chaney, Goodman, and Schwerner Day,

(2) it is the sense of the Congress that the Voting Rights Act of 1965 has helped to fulfill the promise of democracy in this Nation, and

(3) the Congress reaffirms the goal of removing remaining barriers to full voter participation in this Nation.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions and the Senate concurrent resolution just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

U.S. ALTERNATIVE FUELS COUNCIL MEMO NO. 62089: AMERICANS DESERVE CLEAN AIR

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, addressing the House today as a member of the U.S. Alternative Fuels Council, I wish to focus the attention of the House on an article that was published in the opinions section of the Washington Post on Sunday under the heading of "Environment."

It points out the numerous options that Americans have for cleaner air. I learned just the other day that one out of every 4 Americans has someone in their family who suffers from a disease caused from breathing harmful air. More than half of the people in America live in areas where breathing is hazardous to their health. It is a very serious problem. This article points out the numerous options that we Americans have under present technology, to breathe cleaner air.

The options include cutting industrial energy comsumption. The article points out that U.S. industry uses twice as much energy for unit of production as its Japanese counterpart.

I applaud the leadership of the President and the Congress and of my friend, the gentleman from Indiana [Mr. SHARP] for giving to the American people the leadership they need now in order to provide for cleaner air.

Mr. Speaker, I include the article in the RECORD for the benefit of my colleagues;

[From the Washington Post, June 18, 1989]

WHY WAIT 20 YEARS FOR CLEAN AIR?

(By Cutis A. Moore)

After months of staff tinkering with one part here and another there George Bush last week unveiled his vehicle to "put America on the path toward markedly cleaner air." What he revealed was the energy and environmental equivalent of a 1964 Rambler, a great car, but way behind the times.

In his quest to "harness tne marketplace" in the cause of clean air, Bush overlooked the many businesses which not only have been in the traces for two decades—but have developed the horsepower to clean up America's air—and fast.

Bush's proposal would have America wait until well into the next century for clean air. Why wait, when:

General Electric markets gas-fired turbines for generating electricity that reduce air pollution by between 50 and 99 percent compared to present coal-burning power plants.

Asea Brown-Boveri, the world's largest electric engineering company manufactures and sells a power plant system which, when coupled with other practice, nearly triples efficiency while cutting every air pollutant by 60 to 90 percent.

Toyota, Volvo, General Motors and most other auto markers have designed or built cars that get better than 60 miles on a gallon of fuel in city driving.

Most people think of these technologies as strategies for dealing with the pollutants which cause global warming. Although Bush was addressing more conventional threats such as smog and acid rain, again—why wait? These technologies can not only slash pollution, but lessen America's dependence on foreign oil which, in turn, would improve the trade imbalance. They also bring humanity close to the dream of high productivity coupled to zero pollution.

Germany Japan, Sweden, Switzerland, Austria and many other nations are in the forefront of adopting these and other technologies although, ironically, many are made-in-the-U.S.A. systems.

For example, the heart of a massive 2,000-megawatt power station in Futtsu, Japan which is one of the world's cleanest and most efficient power plants is a turbine set made by General Electric in Greenville, S.C. For almost 10 years none of these were installed in the United States because of federal regulatory constraints imposed in the wake of the natural-gas crisis of the '70's. And even today no U.S. plant achieves pollution levels as low as those at Futtsu.

THE FUTURE IS NOW

Such turbine systems are merely one of a burgeoning array of high-efficiency, low-pollution advances spawned by environmental and energy concerns of the mid-1970s. Collectively, they could form the basis of "a sort of second Industrial Revolution, comparable in importance and impact to that of two centuries ago," says William R. Moomaw of the World Resources Institute, an environmental think tank in Washington.

Consider the following:

Cleaning up King Coal. The dirtiest of fuels, coal causes acid rain—a primary focus of Bush's program—along with global warming and smog. To curb acid rain, Bush would cut sulfur dioxide from coal-burning 10 million tons by the year 2000, primarily by encouraging utilities to switch from high-sulfur Eastern coal to the cleaner Western product. He provides room for new technologies by giving utilities which use them until 2003, three extra years to comply.

The plan meets the requirements of most acid rain-control advocates by curbing sulfur. But it does little to control oxides of nitrogen (which in addition to acid rain also help produce ozone, or smog) and nothing to reduce carbon dioxide (like nitrogen oxide, a primary "greenhouse" gas) or the many other pollutants spewing from power plants, including toxic metals such as mercury.

Yet the means exist to eliminate the vast majority of all coal's pollutants, not just sulfur dioxide. Most of them will also slash fuel consumption—some by so much that they might actually reduce the cost of electricity. Those options include:

Fluidized-bed combustion. In normal coal-burning power plants, two-thirds of the energy goes straight up the smokestack in the form of heat and unburned fuel. With fluidized-bed combustion, massive fans keep powdered coal suspended in midair so it burns cleaner—with less energy lost. The major pollutants—oxides of nitrogen and sulfur dioxide—can be reduced sharply in the process, in part because the combustion temperature is lower.

Plants employing this technology are already operating around the world, and in Stockholm a facility using a variant called pressurized fluidized bed, is now being built to achieve an anticipated efficiency of 85 percent by capturing waste heat. It will emit one-tenth the sulfur dioxide that new plants are permitted in the United States and one-sixth the oxides of nitrogen.

Integrated gasification-combined cycle. This technology combines two concepts. First, coal is turned from a solid into a gas, removing much of the sulfur in the process. Second, the gas is used to run two turbines, one powered by the hot combustion gases, the other by steam—a concept akin to using gasoline to power your car's engine, then harnessing the tailpipe exhaust to run another machine.

At a plant on the edge of the Mohave Desert, Southern California Edison in partnership with Texaco and three other companies has already used the process to burn some of the highest-sulfur coal in the United States while sharply curtailing air pollution.

Add-on cleaners. Specific pollutants can be reduced even further with add-on pollution-control devices. Many more power plants could be equipped with "scrubbers" to remove sulfur dioxide. "Selective catalytic reduction" (SCR) works like the catalytic converters in automobiles, routing gases through chemical compounds which combine with the pollutants to convert them to less harmful substances. SCR systems, which are installed on hundreds of German, Japanese and Austrian plants, but on almost none in the United States, can reduce oxides of nitrogen by 80 to 90 percent at an added electricity cost of roughly 4 percent, according to equipment manufacturers and some Japanese utility companies. Yet the president's proposal does not explicitly require any of these add-on controls.

President Bush in effect endorsed greater use of these add-on controls for cars when he called for tightening the tailpipe-emission standard for oxides of nitrogen by 30 percent. But he refused to alter the federal requirement to the level now required by the nation's largest state, California, on the grounds that only selected cities would require it. Meanwhile, California officials are considering raising their standards by another 50 percent.

Switching to natural gas. Natural gas emits only half the carbon of coal, none of the sulfur and less nitrogen. Thus converting to natural gas, where possible, would substantially reduce unwanted greenhouse by-products.

More importantly, using gas also enables utilities to turn to new energy-efficient plants and to super turbines adaptable to various fuel sources. GE actually markets two different types of "super turbines": the large "combined cycle" versions used at the Futtsu plant and, developed more recently, others that are literally jet engines bolted to the ground: instead of powering Boeing 747s, they generate electricity.

Both types already turn 47 percent of their fuel into electricity (today's best conventional coal-fueled plants reached only about 38 percent). On paper the large turbines should be able to achieve over 50 percent fuel-to-electricity efficiency and the smaller ones—fasten your seat belts—60 percent.

"Mining" energy through conservation. Conservation measures can be imposed both where electricity is made and where it's used eliminating pollution in the process. According to the Lawrence Berkeley Laboratory, one-third to one-half of U.S. electricity—enough to displace all the coal-fired power in the country—could be conserved. How? Hundreds of ways.

Experts say that simply switching to one of the new high-efficiency light bulbs made by the Philips Lighting Co. can save so much energy that it avoids the burning of 300 pounds of coal over the bulb's multi-year lifetime. Window films can be used to screen out the sun's heat, lowering cooling costs; furnaces and air conditioners up to 50 percent more efficient than those customarily installed in even the newest homes are also available—not tomorrow, but today.

Tapping electricity from fuel cells. Conventional power plants make steam to spin turbine blades that generate electricity. Fuel cells have no gears to grind) and thus do not waste energy like mechanical systems because they convert fuel to electricity chemically, somewhat like batteries. Hundreds of small-scale versions—each about the size required to power 25 homes—already exist, and larger versions are under construction. Fuel cells now power submarines, the U.S. space shuttles and even some military installations in remote areas. Fuel cell technologies now approach 45 percent efficiency, and Westinghouse and other manufacturers say that 70 percent is achievable.

Heat generated as a by-product can also be harnessed for co-generation applications—something Japanese utilities are planning to do. Once again, this made-in-America technology is being developed commercially not in the United States, but Japan.

One kind of fuel cell, which uses phosphoric acid, has been used to run a power plant in Tokyo that produces 4.5 megawatts—enough electricity to support about 5,000 people. An 11-megawatt plant is also under development in Tokyo. The manufacturer's location: Connecticut.

Producing safer nuclear power Although nuclear plants produce electricity without conventional air pollution, they raise other fears. However, living with the risks of nuclear plants designed and developed in the 1960s and '70s is not the price which must be paid for this power source.

Nuclear plants approaching absolute safety—so-called "inherently safe" designs because they shut themselves down through the operation of laws of nature rather than human intervention—are designed and ready to be built. James Asselstine, a member of the U.S. Nuclear Regulatory Commission for five years, and an outspoken critic of the U.S. nuclear industry, says such designs provide margins of safety so great that "I think we can get reactor safety to the point where the possibility of an accident would cease to be a real concern."

Hydrogen-based fuels. Hydrogen is the cleanest of all fuels. An energy-rich gas, it can be burned in cars, power plants or even home furnaces to produce only energy and pure water. Hydrogen, now usually derived from natural gas, may soon be available in large quantities from electrolysis—that is, decomposing water into hydrogen and oxygen by passing an electric current through it. Solar power, which is on the verge of becoming economically competitive, might also be used to break the water down. And hydrogen may also be obtainable cleanly and efficiently from coal, according to Meyer Steinberg of Brookhaven National Laboratory. Some German firms already refine coal to produce pure carbon, giving off hydrogen-rich gases in the process. Switch the emphasis on the end products, and it becomes a hydrogen plant.

Building cleaner cars. Cars and trucks consume so much fuel that an increase in average U.S. auto mileage of just one mile per gallon would reduce carbon dioxide emissions by about 40 billion pounds per year. That's the rough equivalent of closing six coal-fired power plants.

Volvo has a crashworthy 65 mpg. (city)/83 mpg (highway) car that holds four, and Toyota's done better: 100 mpg. Both employ clean-burning, highly efficient diesel engines, aerodynamic designs and weight reductions. Deborah Bleviss, an auto analyst and author, concludes that U.S. cars averaging 45 miles per gallon are "realizable from the manufacturers' perspective" within 10 years.

SQUANDERING OUR SALVATION

If so much is at sake and so many solutions are availble to us, then why is so little being done?

The short answer is dollars. "In the language of Washington," writes journalist William Greider, "the environmental debate is just another argument over money." The same is true in many other countries as well. Power companies sell electricity—marketing less of it certainly won't improve profits. Car companies sell autos—and the profit on gas hogs is higher than that of gas misers. And solar cells, which run forever, certainly don't bring the profit of oil tanks that must be continually replenished.

It is here that Bush's proposal falls shortest, for it patches the same old tire. It relies on the technologies and practices of the 1960s, when what the United States requires are those of the 1980s and '90s. In fairness, it appears that Bush's staff never presented him with the option of embracing such a forward-thinking program. They failed for the same reason as the many who preceded them. In an era when, as a 1985 statement by a worldwide gathering of atmospheric scientists warned, "humanity is conducting a gigantic experiment with Earth's future without knowing the outcome," staff arguments were reportedly about costs, not the fate of the human race.

There is a natural tendency to confuse change with sacrifice, and Americans depend on political leaders to point the right direction—to exercise "the vision thing," as Bush called it after the NATO summit.

There he stepped out from his staff to almost universal acclaim as a world leader. He could do so again with respect to air pollution. The means exist to propel humanity into a bright new future. But doing something always appears to cost more than doing nothing, and doing a little looks cheaper than doing more. Unless Bush intervenes personally the government's decision-making will continue to be driven—first by science, then by business and finally by government—toward the status quo.

We will continue risking our lives, our future, and our children rather than our dollars.

MAKING WASTE WORK

(By Curtis A. Moore)

Power-plant energy savings can be achieved through cogeneration, which involves putting heat that would otherwise be wasted to some use, such as warming homes, offices and apartments, or even running manufacturing processes such as those in paper and chemical plants.

For example, a paper mill uses a jet turbine to generate its own electricity, selling the excess to a local power company. The turbine's exhaust heat, ordinarily wasted, is used to make the steam needed to process paper.

Called "district heating" in residential applications, cogeneration is coming into widespread use in California and is already common in Europe. In Stockholm, all of the downtown offices and stores are linked to cogeneration, as well as 80 percent of the central-city homes and 50 percent of those in suburbs. With cogeneration, efficiency routinely rises to 85 pecent in Europe, says Lars Garpas of Stockholm Energy.

TRUTH IN LEGISLATING

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. STENHOLM. Mr. Speaker, one of the great differences between our form of "For the People" government and most others throughout history is that we believe our citizens have a vital right to know what their government is doing. Indeed, some of the greatest backlashes against politicians have come when Americans have discovered dishonesty in their leaders.

Increasingly over the past few years, there has been a growing outrage over legislation which contains hidden, individualized tax, and spending benefits. Skepticism about Congress has grown from without and frustration from within over surprises in complex, hurried, omnibus bills.

That's why on Tuesday of last week, 61 of my colleagues and I introduced House Resolution 172, a truth-in-legislating resolution which would provide for reasonable disclosure regarding legislative provisions that confer special benefits on a few, specially targeted beneficiaries.

Concern about ethical, open behavior is also why last week the chairman of the Senate Finance Committee, our senior Senator from Texas, put his committee members and the entire Senate on notice that the days of hidden goodies are over.

I urge my colleagues to take a careful look at my resolution and to show their constituents that they, too, care about a more responsible behavior of their Congress.

I submit for the RECORD a copy of the language of the truth-in-legislating resolution, as well as a summary of the bill.

H. RES. 172

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Truth in Legislating Resolution".

SEC. 2. IDENTITY, SPONSOR, AND COST OF CERTAIN PROVISIONS REQUIRED TO BE REPORTED.

Clause 4 of X of the Rules of the House of Representatives is amended by adding at the end thereof the following:

"(j)(1) Except as provided by subparagraph (2), the report or joint explanatory statement accompanying each bill or joint resolution of a public character reported by a committee or committee of conference shall contain, in plain and understandable language—

"(A) an identification of each provision (if any) of the bill or joint resolution which benefits only 10 or fewer beneficiaries in any one of the following categories: persons, corporations, partnerships, institutions, organizations, transactions, events, items of property, projects, civil subdivisions within one or more States, or issuances of bonds;

"(B) the name of each beneficiary of such provision;

"(C) the name of any Member or Members who sponsored the inclusion of each such provision and an indication of each such provision requested by any agency, instrumentality, or officer of the United States; and

"(D) an estimate by the Congressional Budget Office or the Joint Committee on Taxation, whichever is appropriate, of the costs which would be incurred in carrying out such provision or any loss in revenues resulting from such provision for the fiscal year for which costs or loss in revenues, as the case may be, first occurs and each of the next 5 fiscal years.

"(2)(A) Subparagraph (1) shall not apply with respect to any provision of a bill or joint resolution or of a conference report on a bill or joint resolution if the beneficiary of such provision is the United States or any agency or instrumentality thereof.

"(B) Subparagraph (1)(D) shall not apply with respect to any provision of a bill or joint resolution or of a conference report on a bill or joint resolution if the costs which would be incurred in carrying out such provision or any loss in revenues resulting from such provision are identified clearly in the report or joint explanatory statement accompanying such bill or joint resolution.

"(3) It shall not be in order to consider any such bill or joint resolution in the House if the report or joint explanatory statement of the committee or committee of conference which reported that bill or joint resolution does not comply with subparagraph (1). The requirements of subparagraph (1) may be waived only upon a separate vote directed solely to that subject.".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 2 shall apply to bills and joint resolutions reported after the date of the adoption of this resolution.

EXPLANATION OF TRUTH-IN-LEGISLATING AMENDMENT TO THE RULES OF THE HOUSE

PURPOSE

To increase the confidence of the public—and of House Members—in the House as an open and democratic institution by ensuring that any legislating which could be inferred—fairly or unfairly—to benefit unusually narrow interests be conducted openly and "in the sunlight" of adequate disclosure.

THE PROBLEM

A public uproar followed as the press and some Members identified numerous provisions in the 1986 Tax Reform Act, 1987 Reconciliation bill, and 1987 Continuing Resolution that they felt benefitted narrow interests and some Members' special constituencies. While some of the wrangling has been simple politics, the outrage communicated to many Members by constituents and the press has been genuine and understandable.

Congress has the constitutional responsibility to provide for the general welfare of the nation. This frequently and justifiably involves funding a project or conferring a tax benefit that affects an individual or a limited class of beneficiaries. However, the more this process is shrouded in obscure language or inserted outside the public view of regular committee or floor work, the more the public views Congress cynically and assumes that the legislative process is of, by, and for a privileged few.

THE SOLUTION

The correct response to this situation should be measured, not an overreaction. It should take into account the legitimate ends that narrowly-drawn provisions can and do serve. It should prevent abuse, without creating undue obstacles to lawmaking. It should provide certainty to Members and the public, without being legalistic.

The solution is simple, adequate, and routine public disclosure of who benefits and how, when beneficial legislative provisions are narrowly drawn. In short, the public's confidence in Congress—and Members' comfortableness with the process—will be most enhanced when the public sees we have nothing to hide.

SUMMARY OF TRUTH-IN-LEGISLATING AMENDMENT

Amends Rule X, Clause 4, Rules of the House of Representatives.

Triggered when a provision of spending or tax legislation directly benefits ten or fewer beneficiaries.

When triggered, would require the name of each beneficiary, cost of the provision, and Member(s) sponsoring or Administration agency/officer requesting the provision, to be disclosed in the committee report accompanying the legislation (or joint explanatory statement accompanying a conference report).

Disclosure is required in plain and understandable language.

Any legislation not complying with these requirements would be subject to a point of order, which may be waived only upon a separate vote directed solely to that subject.

Provisions directly benefitting an agency or instrumentality of the federal government would be exempt.

OTHER COMMENTS

This proposal is the result of painstaking drafting and review and discussion with a variety of Members. It is not accusatory or punitive but, in response to public and Member sentiment, sets up a simple standard of operating above board.

The definition of a "beneficiary" is sufficiently broad to avoid loopholes, while the standard for disclosure is modest and the federal government exemption would prevent burdensome or repetitive reporting. For example, an appropriation to the Urban Development Action Grant program would not trigger a Truth in Legislating disclosure. However, a legislative provision earmarking UDAG funds for projects in one city would be disclosed. Such a provision might trigger the addition of no more than a single line in the committee report.

A Federal government exemption recognizes that Congress is supposed to be in the business of funding the government, such funding tends to be sufficiently identifiable, and such provisions are extremely numerous.

All that is sought is for someone to be on record and responsible when an unusually small, limited class receives a financial benefit via legislation. In fact, it is easy to imagine many instances when Members would want to take the credit for securing funding for a local project or a tax break for a worthy, local undertaking.

The goal is improving public and Member confidence in the House. The means is merely accountability and openness.

BENTSEN WARNS TAX LOBBYISTS

(By Paul Blustein)

In a move partially motivated by the new ethics atmosphere on Capitol Hill, Senate Finance Committee chairman Lloyd Bentsen (D-Tex.) said yesterday that he plans to make life more difficult for tax lobbyists seeking special-interest provisions from this committee.

Bentsen said he intends to eliminate much of the secrecy and favoritism surrounding the granting of so-called transition rules, which are tax breaks usually designed to ease the impact of a tax-law change on a particular company or individual. Bentsen

said he plans to publicize the beneficiaries of such rules, and to end the practice under which the rules are written to apply to a particular taxpayer.

Bentsen's initiative could put a damper on a widely criticized tradition in which members of Congress's tax-writing committees slip obscure provisions into tax legislation to benefit wealthy or well-connected constitents.

"This will slow [the practice] down very substantially," Bentsen predicted at a meeting with a small group of reporters.

Bentsen said transition rules are often justified because taxpays are unfairly hurt by a sudden shift in tax law. "But in years past, it has been the tradition to do them for individuals and individual companies. Now that I have the responsibility of the chairmanship, I want to change that," he said. "It's a matter of fairness and equity."

The Texas Democrat said he wants transition rules to be written "generically," so that they apply to all affected taxpayers, rather than to one in particular.

And he vowed that, as much as possible, he would provide the press with lists of beneficiaries of proposed rules. Lawmakers typically use obfuscatory language to disguise those for whom they are doing favors; one provison in the Tax Reform Act of 1986, for example, referred to "Property with respect to which the Board of Directors of an automobile manufacturer formally approved the plan for the project on Jan. 7, 1985." It was a break for General Motors Corp.'s high-technology Saturn plant in Spring Hill, Tenn., quietly inserted by House Ways and Means Committee chairman Dan Rostenkowski (D-Ill.).

Similary, the 1986 law allowed tax-exempt bonds to be issued by a city where an urban renewal plan "was adopted or ordered prepared before Aug. 28, 1986, by the city council of the most populous city in a state which entered the union on Feb. 14, 1859." The city was Portland, the state was Oregon, home of then-Senate Finance Committee Chairman Bob Packwood (R).

Bentsen sent a letter to committee members detailing his position, and he said that on the basis of a few conversations he has had, he expects to win their support.

However, he said he hasn't discussed the issue with Rostenkowski. A Ways and Means spokesman declined to comment on whether Rostenkowski would follow Bentsen's lead.

On another tax matter, Bentsen indicated that he and Rostenkowski may differ over how to respond to President Bush's proposal to cut the tax rate on capital gains.

In their broad approaches, the two Democratic tax-writers share the same strategy. Rostenkowski recently joined Bentsen in saying that he is willing to consider a tax cut on capital gains—the profits on the sale of stocks and other assets. Both men also assert that there would have to be some offsetting tax increase on upper-income taxpayers, who would benefit disproportionately from a capital-gains tax cut.

But Bentsen said he doesn't share Rostenkowski's view that the offset must consist of a rise in the top income-tax rate. "We're not going to touch the rates at this point, with the president's position being what it is," he said. Asked what he would favor doing in lieu of an income-tax rate increase, Bentsen smiled and said he didn't want to tip his hand.

Bentsen also said he would resist a proposal reportedly favored by Rostenkowski that would reduce the capital-gains rate only temporarily, for a year or so. "It's an easy way to raise a bunch of money in a hurry," he said, referring to the probability that investors would rush to sell stocks to take advantage of lower rates. But it's "bad tax policy . . . it's gimmickry."

Bentsen warned that if the administration doesn't negotiate a capital gains compromise that is acceptable to Democrats, his committee may fail to approve any tax or budgetcutting legislation this year. That would raise the possibility that an across-the-board spending cut may be required by the Gramm-Rudman-Hollings laws. Bentsen said he hopes to avoid such a development, but added: "I can imagine tax legislation worse than that."

□ 1230

PRAISE FOR PRESIDENT BUSH'S FIGHT AGAINST ACID RAIN

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, 1 week ago today President Bush proved to the American people that he is determined to be the environmental President. Since that time we have witnessed all over America, from all sectors of our economy, near-unanimous applause for George Bush's determination to put an end to the scourge of acid rain, that cancer in the sky that does so much damage to America.

Mr. Speaker, President Bush is making believers out of some past doubters. In this very body we have witnessed one after another, Democrat, then Republican, stand up to praise the President in his fight against acid rain.

Just last Friday in the New York Times a columnist, for whom I have great respect, Tom Wicker, who has not always been a cheerleader for George Bush, made this observation in a column headline: "Who Will Stop the Rain?" He said, "President Bush had made an important and innovative proposal that, if pressed, could eliminate the virulent effects of acid rain by about the end of the century." Mr. Wicker concluded his column by saying, "It's long past time to update a Clean Air Act that hasn't been changed since 1977. Mr. Bush's acid-rain and other clean-air proposals give Congress a real incentive to get on with the job."

Mr. Speaker, once again I stand here to praise President Bush for his determination in his effort to tackle the problem of acid rain, and I challenge my colleagues in the Congress to join with us in this worthy fight.

[From the New York Times, June 16, 1989]

WHO'LL STOP THE RAIN?

(By Tom Wicker)

ROCHESTER, VT.—Acid rain is reported by scientific observers to have turned the top of Camel's Hump, this state's highest mountain, into a "moonscape." On a recent fishing trip to heavily forested Quebec, even an unscientific observer saw enough blighted trees to raise the hackles on his neck.

Polluted air did not cause all the damage, and certainly not a disappointing catch; cold, rainy weather was mostly responsible for the latter. It was nevertheless consoling to emerge from the woods and find that President Bush had made an important and innovative proposal that, if pressed, could eliminate the virulent effects of acid rain by about the end of the century.

After eight years of do-nothing Reaganism, and Mr. Bush's indecision in most other areas, that's something to cheer about. In the first place, he demanded a greater reduction of sulfur dioxide emissions—10 million tons, about half the total, over 10 years—than had been expected, or than industry and his budgetary advisers wanted. Two million tons of oxides of nitrogen emissions would be eliminated in the same decade.

In the second place, Mr. Bush adopted a scheme devised by the Environmental Defense Fund that will cut the cost of the reductions, permit the industries affected greater flexibility in meeting the requirements, and adapt market principles to good public policy. Had it not been for these innovations, it's reported, the Office of Management and Budget would have rejected the vital 10-million-ton goal as too costly.

The Bush plan, owing to these features, will be far cheaper than one proposed last year by Senators George Mitchell of Maine and Robert Byrd of West Virginia, the new and old Democratic majority leaders. They would have forced polluting utility plants to install expensive "scrubbers" to cut harmful emissions; the costs surely would have been passed to the ratepayers.

Mr. Bush would allow these plants—107 of them, in 18 states—to install scrubbers, switch to lower-sulfur coal, adopt suitable new technologies, encourage consumers to cut back on use of electricity, or employ any combination of these ideas. The costs to some of these utilities could be cut, moreover, by allowing them to sell so-called "pollution rights."

The term is somewhat misleading but likely to stick. If one plant cut its emissions of pollutants more than required, it could sell the overage to another plant; the buying plant then could subtract that amount of emissions from the reduction it otherwise would be required to achieve. The total reduction required by the Bush plan would remain the same, but the selling plant could reduce its costs by the amount obtained from a buyer; and the buyer also might save money by having to reach a lower reduction goal.

This is not exactly a "pollution right" or a "license to pollute" because the required total reduction of emissions still would be achieved. The burden of achieving the total, however, could be shifted, for a fee, among the polluting utilities; and their political resistance to reducing emissions might be substantially lessened by the flexibility and the cost-recovery possibilities allowed by Mr. Bush's proposals. Increased rates to consumers still are inevitable; but they should be less than if all polluters were required to install scrubbers.

Stiff opposition is to be expected, certainly from states producing high-sulfur coal. Their representatives, like Mr. Byrd, will push for required scrubbers, in order to avoid a wholesale shift to low-sulfur coal—an option offered by the President that many plants are likely to take up. Some con-

VOL 135 PT 9 JE 14 — 22 1989 UMI

sumer and environmental groups and others critical of business may fight the idea that "a license to pollute" can be purchased.

Legislation to codify Mr. Bush's proposals, not yet written, also will need to foreclose at least two critical loopholes:

Constant monitoring of smokestack emissions from all 107 of the affected utilities will be required to see that the reduction goals are being met, and to maintain public confidence—particularly in the "pollution rights" plan.

As demand for electricity grows and new utility plants come on line in the future, their emissions will have to be controlled and factored into the permitted total.

No doubt there will be other objections, some legitimate; but it's long past time to update a Clean Air Act that hasn't been changed since 1977. Mr. Bush's acid-rain and other clean-air proposals give Congress a real incentive to get on with the job.

TRIBUTE TO THREE COURAGEOUS MEN

Mr. LIPINSKI. Mr. Speaker, I rise today to honor the United States of America. I do this by paying tribute to three courageous men and the movement of which they were a part.

On this week in 1964, James Chaney, Andrew Goodman, and Michael Schwerner were brutally murdered for their participation in the "Freedom Summer" in Mississippi. They were deprived of their precious lives for their hope that nonviolent action would quench the burning hatred of racial intolerance and tragic ignorance. In death, however, they sparked the fires of moral indignation in a nation which is built upon the foundation of equality and justice.

From the bombings in Birmingham to the assassinations of John F. Kennedy and his brother Bobby, death seemed to be a part of a violent age in which racial hatred abounded. Yet, these men were but one part of an America which was experiencing growing pains. They were part of a maturing process in a nation which could no longer sustain the childish argument of separate but equal.

While the death of these young men is a shocking reminder of the injustices which existed in our Nation, the reaction to their deaths is a testament to the justice which is preeminent in our national character. Their lives were not wasted. For, they presented to America a picture of itself which it was not willing to tolerate. Their personal tragedy brought forth an understanding in this Nation, that we can never truly be one people until we administer with an equal hand all the principles upon which this Republic is founded.

We, as a nation, have made great strides since the deaths of Mr. Goodman, Mr. Chaney, and Mr. Schwerner. Yet, we cannot forget their sacrifice and their cause. As legislators we have a solemn duty to stand by the principles for which these young men fought, and we must demand of ourselves, our President, and our courts and adherence to the spirit of the movement of which they were a part. If we do not, we will surely fall victim to the crime of complacency.

I have confidence that the people of the United States have pride in their heritage and their Nation. And with such pride, we may all work together to create a nation and a world which takes no account of a person's beginnings. It is incumbent upon us to apply strict scrutiny upon all forms of racial, ethnic, and religious intolerance and to work toward achieving the goals for which Goodman, Chaney, and Schwerner died. We must remember, in the words of the great Justice John Marshall Harlan, that "there is in this country no superior, dominant, ruling class of citizens * * * Our Constitution is color-blind and neither knows nor tolerates classes among its citizens. The humblest is the peer of the most powerful."

H.R. 2654, THE TAXPAYER AND ENVIRONMENT PROTECTION ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 5 minutes.

Mr. RITTER. Mr. Speaker, central goals of public policy these days are keeping taxes down, reducing the Federal deficit as well as the trade deficit, and improving our environment via cleaner energy production.

Sadly, New York State Gov. Mario Cuomo is pursuing a policy that runs counter to these goals. Specifically, he is pressing ahead with his plan to dismantle the Shoreham Nuclear Power Plant, which will only increase our reliance on imported oil and other fossil fuels. At the same time, to help pay for the plant, the Governor has called for the help of Federal taxpayers—to the tune of a $2.8 billion tax writeoff. With this in mind, I introduced legislation last Thursday that will prevent such ill-conceived action.

Let me explain why. The Shoreham Nuclear Power Plant on Long Island is a safe plant ready to generate 800 megawatts of clean energy that is desperately needed for that region, which currently depends largely on imported oil to generate electricity. The plant cost $5.5 billion and has been granted a full power license by the Nuclear Regulatory Commission.

But instead of starting up this safe, fully licensed plant, the Governor has pressured the owner of the plant into transferring ownership of Shoreham to the State of New York for the nominal fee of $1. The Governor will then have the plant dismantled.

To replace the energy that Shoreham could provide, the Governor, the Long Island Lighting Co., and the New York State ratepayers will have to build new powerplants that burn either oil or gas. Besides costing taxpayers new billions of dollars, such plants emit pollutants that contribute to the current environmental problems, including global warming, acid rain, and smog.

All this while we're in the throes of amending the Clean Air Act to provide for a cleaner, higher quality environment. To dismantle Shoreham defies common sense.

This is not all that's wrong with the plan to dismantle Shoreham. To pay for the plant, Governor Cuomo has called for the participation of Federal taxpayers. That's right. Taxpayers from Alaska to Florida, from Rhode Island to California, will suffer because the plant's owner has been granted a $2.8 billion tax break. In other words, the pressure to raise taxes in this period of unprecedented deficits will rise because $2.8 billion will be lost to the Federal tax rolls. This does not include the additional losses that may be incurred through the use of Federal tax exempt bonds for the purposes of dismantling the plant.

The plan to dismantle the Shoreham Nuclear Power Plant clearly contradicts abiding concerns to reduce the budget and trade deficits and clean up the environment. Given all of that, Congress should do its best to ensure that the plan never comes to fruition * * * at least not to have the American taxpayers participate in the folly.

Accordingly, I've introduced legislation which would help protect our environment and ensure that Federal taxpayers are not saddled with the cost of dismantling Shoreham. My bill, the Taxpayer and Environment Protection Act of 1989, would work to block the dismantling of Shoreham by disallowing the $2.8 billion Federal tax writeoff on the grounds that the plan to dismantle Shoreham cannot be regarded as a legitimate form of abandonment. The bill also repeals the authority of the Long Island Power Authority to issue Federal tax exempt bonds that would be used to acquire and then dismantle the plant.

In closing, if the State of New York wishes to do away with nuclear power, we can say they are making a great mistake. But to have the Federal Government assist in paying for the dismantling of Shoreham does great disservice to environmental cleanup and the American taxpayer—not to say anything about rational energy policy, meaning reduced dependence upon foreign oil.

I urge my colleagues to cosponsor my bill, H.R. 2654, the Taxpayer and Environment Protection Act of 1989.

CONGRESS MUST PREVENT THE DISMANTLING OF SHOREHAM

Mr. Speaker, as we struggle to keep taxes down, reduce the Federal and trade deficits, and preserve our environment, the Governor of New York is pursuing a policy contrary to our efforts. Specifically, he is pressing ahead with his plans to dismantle the Shoreham Nuclear Powerplant on Long Island. This will only make our job of governing more difficult.

Why? First, to replace the energy Shoreham would have provided for that region, either oil- or gas-burning plants will have to be built, which will

cost taxpayers billions of dollars. Such plants emit pollutants that cause acid rain, global warming, and smog.

And second, the dismantling of Shoreham runs counter to our tax policy. Through the Governor's efforts, the owner of the plant (the Long Island Lighting Co., or "LILCO") has been granted a $2.8 billion tax break for this year by the Internal Revenue Service. This means the pressure to raise taxes will increase because $2.8 billion will be lost to the Federal tax rolls.

Given that the dismantling of Shoreham is wholly inconsistent with our Nation's tax, energy, and environmental policy, Congress should prevent Governor Cuomo from dismantling Shoreham. Accordingly, today I have introduced legislation which will protect Federal taxpayers from having to share the bill for dismantling Shoreham.

There are two sections to my bill. The first section disallows LILCO's $2.8 billion tax write-off by amending the Internal Revenue Code of 1986. Specifically, it says: If (A) a taxpayer constructed a nuclear powerplant that was granted a full power operating license by the Nuclear Regulatory Commission [NRC], (B) the taxpayer abandoned the plant (or sold it for a nominal value for the purposes of abandonment), and (C) a State utility regulatory body grants the taxpayer any rate increase directly or indirectly associated with the abandonment (or sale), then the taxpayer would not be allowed to deduct any of the loss sustained because of the abandonment (or sale).

This section of the bill is intended to be Shoreham-specific. Shoreham was recently granted a full power license by the NRC and, under its agreement with Governor Cuomo, LILCO will abandon the plant by selling it to the State of New York for the nominal value of $1. Finally, to keep LILCO solvent, the State of New York will permit LILCO rate relief through guaranteed rate increases of 5 percent a year for the next 3 years. The rate relief is in addition to LILCO's tax write-off.

The second section is intended to induce the Governor to not dismantle the plant. It does so by repealing the authority of the Long Island Power Authority [LIPA] to issue tax exempt bonds. Specifically, LIPA was created by the State of New York in 1986 for the purpose of acquiring Shoreham and then dismantling it. The revenue act of 1987 included an exemption for LIPA that allows LIPA to issue tax exempt bonds in order to acquire Shoreham. LIPA's charter states that it shall never operate a nuclear facility. This means that once ownership of Shoreham is transferred to LIPA, LIPA would be bound to dismantle it.

Section two of my bill would repeal LIPA's authority to issue tax exempt bonds. Section two says that the proceeds from the issuance of tax exempt bonds can be used only to finance the acquisition of a nuclear powerplant that is to remain an operating facility, that is, a facility that is not dismantled. Since LIPA by definition cannot operate a nuclear facility, Governor Cuomo would have to transfer ownership to another public entity that could not dismantle the plant, whereby the plant would remain operable.

The effective date for both of these sections is all abandonments (or sales) after February 27, 1989. This is a symbolic date because it was on February 28, 1989, that the Governor announced he had concluded an agreement with LILCO to dismantle the plant. Fortunately, there is still time to block the agreement since it does not become official until the shareholders vote on the agreement on June 28, 1989.

This means Congress still has time to thwart the plan to dismantle Shoreham. If we choose to allow the Governor to move ahead, then we have only made our job of reducing the twin deficits, preserving the environment, conducting sound energy policy, and protecting taxpayers all the more difficult. I urge my colleagues to cosponsor H.R. 2654.

Mr. Speaker, I am inserting in the RECORD at this point the text of my bill.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer and Environment Protection Act of 1989".

SEC. 2. DENIAL OF DEDUCTION FOR LOSSES FROM CERTAIN ABANDONMENTS.

(a) GENERAL RULE.—Section 165 of the Internal Revenue Code of 1986 (relating to deduction for losses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) TREATMENT OF LOSS FROM ABANDONMENT OF FULLY LICENSED NUCLEAR POWERPLANT.—If—

"(1) a taxpayer constructed or purchased a nuclear powerplant which was granted a full power operating license by the Nuclear Regulatory Commission,

"(2) such taxpayer abandoned such plant (or sold such plant for a nominal amount for purposes of abandonment), and

"(3) a State utility regulatory body permits the taxpayer any rate increase directly or indirectly related to such abandonment or sale,

then nothing in this section or in any other provision of law shall allow a deduction for any loss sustained on such abandonment (or sale)."

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to abandonments and sales after February 27, 1989, in taxable years ending after such date.

SEC. 3. LIMITATION ON A CERTAIN TRANSITIONAL RULE.

(a) GENERAL RULE.—Paragraph (3) of section 10631(c) of the Revenue Act of 1987 shall not apply to any bond unless the proceeds from the issuance of such bond are to be used to finance the acquisition of a facility which is to be an operating facility.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall apply to obligations issued after February 27, 1989.

□ 1410

BANKS, BUYOUTS, AND BAILOUTS—HOW MUCH IS TOO MUCH?

The SPEAKER pro tempore (Mr. CARDIN). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on July 25, 26, and 27, the Subcommittee on Financial Institutions Supervision, Regulation and Insurance will conduct hearings on the role of banks in financing leveraged buyouts and on merger activity between banks which are receiving Federal financial assistance. The first issue the subcommittee will consider—leveraged buyouts—has already been the subject of hearings in other congressional committees and will now be examined from the perspective of the financial services industry.

Over the last decade we have witnessed the advent of highly leveraged transactions as a common form of financing corporate takeovers. All such transactions essentially involve the use of debt to purchase stock. Whether it takes the form of an employee stock ownership plan, an outside takeover, or simply the stockholders cashing in their equity, the result is a corporation operating with little capital and little cushion against recession. The borrowers often know in advance that the normal cash-flow of the company will not be sufficient to repay the debt and that it will be necessary to sell assets, lay off workers, or reduce pension funding in order to meet their obligations. Some commentators refer to this as bootstrap financing.

Proponents of leveraged buyouts argue that they increase efficiency by compelling managers to make better use of capital and by giving them a stake in the company. They argue that they are simply holding management's feet to the fire. However, depriving a company of capital seems a peculiar way of encouraging capital investment. As stated by a recent congressional witness on LBO's, this is akin to holding a gun to a driver's head as a means of forcing him to be a better driver.

As of yet, the security of most of these companies has not been tested. Leveraged buyouts are a relatively new phenomenon and have existed in a relatively calm environment. If the analysts have overestimated the resale value of company assets or have underestimated the potential loss of sales from a recession, the corporate structure could prove to be a house of cards. In the words of one humorist, "running into debt isn't so bad, it's running into creditors that hurts." We must at least question the ability of these companies to manage the debt in the event of a nation-

wide or industrywide economic downturn. We must also take a close look at the risk to financial institutions which fund these transactions.

Financial institutions are only as solvent as the businesses they finance. In the wake of the thrift crisis, the United States can ill afford to underwrite the cost of another round of bank failures. In April of this year, the Comptroller of the Currency released a report, "Leveraged Financing and National Banks," which concluded that there is no basis for alarm. The Comptroller stated that the banks surveyed were pursuing well-managed and well-conceived transactions which offer them important business opportunities to make up for the decline in their traditional commercial lending activities. Others, however, including Treasury Under Secretary Robert Glauber, have urged a closer look at the exposure of these banks.

LBO loans are reportedly the most rapidly growing loan category among the money center and regional banks, representing an average of about 4 percent of total loans and one-third of capital at the bigger banks. In some cases, they represent as much as 11 percent of loans and 88 percent of capital. LBO exposure at the 11 largest banks is more than $20 billion, and it is estimated that banks have cumulatively made between $175 billion and $200 billion in total LBO loans. The popularity of these loans is due to the fact that they yield in excess of 500 basis points over the cost of funds, or 2 to 4 percentage points above the prime rate. The high profitability of these loans can only be the result of high degrees of risk.

Supporters of LBO loans defend them on the basis that they are mostly senior rather than subordinated debt, and are secured. They also argue that LBO loans are essential because banks are being squeezed out of the traditional commercial loan market by investment banks underwriting junk bonds, by large corporations turning to the commercial paper market, and by foreign banks taking advantage of lower cost of capital, lower reserve requirements, and greater securities powers. Although these are valid concerns, we must seriously question the ability of banks to manage the risks during periods of possible recession. Furthermore, we need to examine the risk to smaller banks which purchase participations in these loans, often without the ability to diversify.

We should also examine the procedures of banks and regulators for preventing conflicts of interest. Major financiers of leveraged transactions have business relationships with thousands of corporations and individuals. When one of the bank's customers engages in a hostile takeover attempt of another of the bank's customers and seeks to involve the bank, we must be sure procedures exist to avoid abuse of the position of trust.

The second issue the subcommittee will consider is the amount of merger activity between financial institutions themselves and the degree to which it is induced by Federal assistance. Between 1980 and 1984, there were 1,961 bank acquisitions, involving banks with $174 billion in assets. This represents a fivefold increase in banking assets acquired over the 1975 through 1979 period. In 1986, two-thirds of bank executives expected their banks to acquire another institution within 5 years, and one-third expected their banks to be sold during the same period of time. Without passing judgment on the advantages or disadvantages of this activity, I would like to consider the effect which Federal assistance has had in encouraging it.

In February of this year, the Federal Reserve Board denied the application of Continental Bank Corporation and Continental Illinois Bancorp, Inc. to acquire Grand Canyon State Bank, partly on the basis that Continental is the recipient of ongoing assistance from the FDIC. The Board was concerned with the potential for distortion of competition due to the use of government-provided capital in competition with private capital. Grand Canyon State Bank has since failed, and the FDIC estimates it will cost the agency $1.8 million to liquidate the assets. The subcommittee will consider whether mergers of this kind save tax dollars in the long run and, if so, whether the savings justify the distortion of competition.

It is of particular concern when FDIC-assisted institutions engage in hostile takeovers. Although the Federal Reserve Board does not distinguish between friendly and hostile takeovers, we have responsibility to ensure that Government funds serve a public purpose. We also have a responsibility to ensure that industry regulators act impartially. In the context of a hostile takeover, the presence of the FDIC as both owner and regulator of the acquiring institution puts the takeover target bank at a disadvantage. The potential here for distortion of competition is even greater.

On July 25, 26, and 27, the Subcommittee on Financial Institutions Supervision, Regulation and Insurance will conduct hearings on these two issues: Financial institution mergers which are induced by Federal assistance, and the role of financial institutions in funding leveraged buyouts. I should point out that since mergers of financial institutions cannot now be leveraged, as that would violate regulatory capitalization requirements, we are dealing with two separate issues. However, Wall Street firms are reportedly developing the technology that would allow the high yields of leveraged buyouts to be extended to the banking industry, supposedly without the risk of leverage. Therefore, the subcommittee will consider the two issues together in order to ascertain whether merger activity, both within and without the financial services industry, poses a threat to the soundness of our financial institutions and whether legislation should be introduced more closely governing this activity.

THE 600TH ANNIVERSARY OF THE BATTLE OF KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, on Friday of this week I will depart for Serbia, one of the six Republics that constitute the nation of Yugoslavia, to be the special guest of His Holiness Patriarch German, the prelate of the Serbian Orthodox Church, at the commemorations of the 600th anniversary of the Battle of Kosovo and the dedication of the Orthodox Cathedral.

The information about Kosovo which I will relate below was gathered from two sources which I will identify at the end.

The Battle of Kosovo began in the early dawn hours of Vidovdan, Saint Vitus' Day, June 28 in the year of our Lord, 1389.

The sultan of the Turks, Murad, fresh from the momentum of previously victorious campaigns in other parts of the Balkans, sought to solidify his foothold in Christian Europe by conquering the last major bulwark of Christian civilization in the region, the Kingdom of Serbia.

The Serbians were led by Prince Lazar, who had been elected to rule Serbia by the nobility and church dignitaries after the fatal battle at Maritsa in 1371 in which King Vukashin and his army perished.

Prince Lazar enjoyed great respect and popularity with his people. He was a pious and charitable man, well-cultured and a skilled warrior in battle.

But as the fateful day approached Prince Lazar was woefully unprepared to meet the Turkish forces in battle, for Murad, the sultan, had given him little time to rally together his troops and vassals.

Nevertheless, ill-prepared as he was, Prince Lazar had no choice but to meet Murad in battle. Murad's military counselors, a group of skilled military veterans of many campaigns, were determined to strike before the Serbians could fully deploy their forces.

Local rivalries and internal strife had already brought down the morale in Prince Lazar's camp, and the Serbians knew from the beginning they could not hope for a victory. But they were determined to fight to the bitter end to defend their homeland.

Sultan Murad led his great army straight toward Lazar's capital at Krushevats. In a bloody battle at the Serbian fortress at Nish the Serbs defended themselves against the Turkish onslaught for 25 days.

After overrunning the Serbian forces at Nish, the sultan pressed on to meet the large Serbian army that Prince Lazar had assembled at Kosovo.

According to Serbian tradition, Murad sent the following message to Prince Lazar as their forces approached one another:

> Oh Lazar, thou head of the Serbians: There was not and never can be one land in the hands of two masters . . . No more can two sultans rule here . . . Come straight to meet me at Kosovo! The sword will decide for us.

On the eve of the battle Prince Lazar met in council with his military

strategists and commanders. Vuk Brankovich, one of those gathered there, said to the Prince, "Fight we may, but conquer we cannot."

Prince Lazar also feared that some of his commanders, the vojvodas, were planning to abandon him, or worse still, turn against him if it looked like the battle was lost.

During that fateful eve of battle, his commanders gathered around him. Prince Lazar took a golden goblet filled with wine and raised it in a toast:

In his toast Prince Lazar appealed to one vojvoda in particular who was known for his prowess in battle: "Do not be faithless, and take this golden cup from me as a souveneir."

To which the vojvoda, that here of Serbian folklore Milosh Obilich, replied: "Oh Tsar, treachery now sits alongside your knee. For thy goblet I thank you. For thy speech I thank you not. Tomorrow, in the battle of Kosovo, I will perish fighting for the Christian faith."

In the early dawn hours of the next day, June 28, 1389, the Sultan Murad succeeded in surprising the Serbian forces by attacking while Prince Lazar and his men were still at prayer in the nearby Samodrezha Church.

It was in this church that Prince Lazar was told that the enemy forces were even then launching their attack against his front lines.

It was then that the prince was also informed that the warrior Milosh, who only the night before had pledged his loyalty to him, and been seen riding out early at the dawn to the Turkish encampment.

Surely Prince Lazar must have recalled the battle summons he had issued to all of Serbia before the battle:

> Whoever born of Serbian blood or kin comes not to fight the Turks at Kosovo, to him never son or daughter born, no child to heir his land or bear his name. For him no grape grow red, no corn grow white, in his hand nothing prosper. May he live alone, unloved, and die unmourned, alone.

Then Prince Lazar blessed his troops and led them into battle. In the early hours of the battle the Serbians, badly outnumbered, fought heroicly; and it seemed for a time they might actually be able to stand against the forces of the sultan.

But both time and fresh troops began to run out on the side of the Serbians, and before long the tide had turned against them and their forces were scattered in disarray.

Prince Lazar, determined to fight to the bitter end, made one last attempt to rally his troops around him and led them in one last, but unsuccessful, attack against the enemy.

Badly wounded and taken prisoner, Prince Lazar saw his army beaten in the field on the same day that the battle had begun.

Serbian legends tell us that as the wounded Lazar was taken to the tent of the sultan, he passed the wounded Milosh, whom he had suspected of treachery.

Only then did Prince Lazar realize, however, that Milosh had not betrayed his prince and his faith. For Milosh had, indeed, ridden into the Turkish camp in the early dawn hours, and gained entry under the pretext of being a Serbian nobleman who wanted to surrender himself to the sultan.

Then, when the presence of Murad, he produced a concealed dagger from his breast and flung it into the abdomen of the sultan, striking a mortal blow.

The dying sultan lived long enough to witness the execution of his foe, Prince Lazar, who gave a final blessing to his nobles and prayed, "My God, receive my soul," as he was beheaded.

The darkness that fell over Serbia that night, Vidovdan in the year 1389, was a darkness that would last for five long centuries.

For the centuries of Turkish occupation that followed the Battle of Kosovo were harsh ones for the Serbian people. During that time the Turkish overlords desecrated the churches, monasteries and sacred shrines of the Serbian Orthodox Church.

Priests and bishops were slaughtered and nuns were dragged out of their convents and put into Turkish harems.

Priceless and irreplaceable works of art, reaching back into the early centuries of Serbian culture were unceremoniously desecrated and destroyed.

The Turks engaged in a systematic and thorough attempt to destroy and wipe from the memory of man the proud Serbian heritage and culture, which had its roots in the missionary efforts of two ninth-century brothers from the Empire of Byzantium, Saints Cyril and Methodius.

Mr. Speaker, although the Serbs were not victorious on those plains of Kosovo on Vidovdan, Saint Vitus' Day, in 1389, Kosovo is at the root of the heart and soul of the Serbian people.

The Serbs heard that call of Christ in the Gospel of Saint John, "Greater love hath no man than this, that a man lay down his life for his friends."

The Serbs poured their last drop of precious blood onto the "Blackbird's Plain," as the site of the battle is today called. The Battle of Kosovo was a test of the Serbian people, and they stood up to that test in the face of overwhelming odds.

For their heritage and faith the Serbian people made the supreme sacrifice, and by their baptism in blood confirmed for all time the significance of Kosovo in the lives and tradition of the Serbian people.

An anonymous poet observes at the end of his poem "The Fall of the Serbian Empire," that in the battle of Kosovo, "Everything was saintly and honorable and pleasing to dear God."

On the field of Kosovo that Vidovdan the Serbs did not find defeat and despair, but rather honor and glory in the eyes of God.

Kosovo represents for the Serbian people a heroic defense of faith, country, and family.

The Battle of Kosovo is an integral part of the spiritual life and faith of the Serbian Orthodox Chruch. Another anonymous poet records the words of the brothers Jugovich in response to their sister Militsa, who begged them not to go into battle with Prince Lazar, for fear they would be killed:

"I am going, my sister to the Plain of Kosovo, to fight with my brethren for the vernerable cross, and to shed my blood for the faith," replied each brother in his turn.

Even to this day, Mr. Speaker, people of Serbian heritage look to the Battle of Kosovo as a monument to all that is holy and sacred in the Serbian tradition, for in Kosovo are the roots of the Servian tradition itself.

Ancient churches and chapels, their walls covered with frescoes of saints who have kept vigilant watch over the Serbian people and land throughout the centuries, testify to the sanctity of this blessed place.

The people of Serbia, to this very day, look back to the Battle of Kosovo and the inspiration for all Serbian accomplishments since.

Today, Mr. Speaker, Serbia is once again a nation that is not free. Ethnic unrest and turmoil has again fallen like a dark shadow over the land in a way that is reminiscent in many ways of the centuries of Turkish occupation.

The Communist Government of Yugoslavia, in an attempt to break the proud will and free spirit of the Serbian people, has allowed the widespread influx of Albanian Moslems into the sacred Kosovo region, to the point where Serbians have become a minority in their own homeland.

Again, Mr. Speaker, Serbian orthodox churches, sacred shrines, cemeteries and ancient monuments are being desecrated. Priests fear for their lives and nuns are afraid to leave their convent walls for fear of being violated.

There is underway today in Kosovo an attempt to eradicate the rich traditions and culture of the Serbian people. Unless we be vigilant now, the complete destruction of a culture and tradition that reaches back a thousand years is in danger of extinction.

It is my hope that the commemorations marking the 600th anniversary of the Battle of Kosovo will bring to the attention of all the world the plight of the Serbian people in their ancestral homeland.

VOL 135 PT 9 14 — 22 1989 JE UMI

The remains of Prince Lazar, who was beheaded by the Turks and who shed his last drop of blood for his people on the plains of Kosovo, now a saint of the Serbian Orthodox Church, have been returned by the church to the Monastery Ravanica, near the city of Cuprija, which was built by the prince himself.

There the remains of Prince Lazar will be put to rest, in the place where his sons, Stefan and Vuk, originally buried him; a place from which they were moved for safety during the first Serbian Exodus from the southern Serbian lands in the Panonia lowlands by Patriarch Arsenije Carnojevic in 1690.

Mr. Speaker, I ask all my colleagues to take the occasion of the 600th anniversary of the Battle of Kosovo to focus on the human rights abuses being perpetrated against the Serbian people.

I was very pleased, Mr. Speaker, to accept Patriarch German's invitation to be his His Holiness' special guest at the commemorations in Kosovo in the ancient and venerable Monastery Grachanica.

I would like to share with you today, Mr. Speaker, the words of Patriarch German when speaking about next week's commemoration:

> Our unity and our intensified prayers on that day will be directed to the Creator, begging that 600 years of the Serbian sufferings at Kosovo and Metohia finally stop. Pecka Patrijarsija Church, Visoki Decani, a beautiful Gracanica Church, and Martyr Devic are the Serbian Orthodox Churches and Monasteries. Over there are graves and remains of our saints. They are deeds of the Serbian ownership and an undisputed inheritance of the whole Serbian nation.

I would like to call the attention of the House, Mr. Speaker, to two excellent references from which I have compiled a great deal of the information that I have presented to the House today. The first is a very excellent book, "The Saga of Kosovo," written by Alex N. Dragnich and Slavko Todorovich and published by East European Monographs in 1984, that gives a detailed history of the Kosovo region, with its focus being on Serbian-American relations. The second resource is a very excellent article entitled "Does The Plight of Kosovo Trouble Us?" written by Father Mateja Matejic. This article appeared in the May 24, 1989 edition of the American Srbobran magazine and provides an excellent insight into many of the problems facing Kosovo today.

Mr. Speaker on Sunday next, there also will be dedicated in Belgrade the new cathedral of the Serbian Orthodox religion, Uracar, a beautiful edifice whose construction has been underway for decades and which finally is ready to be dedicated. This cathedral has been financed by contributions of Serbian and Serbian descendents throughout the world. Uracar will serve as the centerpiece of the Orthodox religion for decades to come.

□ 1420

TRIBUTE TO THE LATE HONORABLE CLAUDE PEPPER

The SPEAKER pro tempore (Mr. CARDIN). Under a previous order of the House, the gentleman from Florida [Mr. BENNETT] is recognized for 60 minutes.

Mr. BENNETT. Mr. Speaker, though we mourn the death of Congressman CLAUDE PEPPER it is time to rejoice and to celebrate because of his great achievements and contributions. These were contributions not just to his constituents in Florida, but to all our country and to mankind.

His achievements were truly great; in part because he was a man of intellectual excellence, our Nation's finest orator, and a man of integrity and courage. But his most essential quality was his compassion. We are blessed because he lived and gave so generously of his effort to help all in need. Of the letters from my constituents about his death, an eloquent one was from George Bauer, who wrote:

> The elderly of this country will surely miss Congressman Claude Pepper. I'm sure there are many elderly in Heaven; and if God ever needs help in looking after them He will call on Congressman Pepper for assistance.

I include at this point an able editorial from the May 31, 1989 edition of the Florida Times Union.

REP. CLAUDE PEPPER ADVOCATED THE CAUSE OF THE COMMON MAN

While U.S. Rep. Claude Pepper, D-Miami, lay ill in Walter Reed Army Medical Center, his room was flooded with cards and letters from well-wishers from around the nation. Many came from people over 65 who make up a growing class of senior citizens for whom the powerful lawmaker had become the recognized champion.

But the image of the Florida congressman, who served as chairman of the House Rules Committee, was epitomized when President George Bush visited his hospital room and in an informal ceremony, awarded Rep. Pepper the nation's highest civilian award, the Presidential Medal of Freedom. The medal's citation called him "the champion of the most vulnerable among us."

Rep. Pepper's concern for the elderly is legend. But that was only part of the story. From the beginning of his long years of public service, he espoused the cause of the underprivileged, which included the poor and the ill as well as older citizens.

His death yesterday at 88 marked the end of a remarkable career in public service. His life started in the Presidency of William McKinley and 16 more presidents were to occupy the White House during Rep. Pepper's lifetime that spanned several generations marked by tides of change and contrast. He was an eyewitness to momentous events that transformed a still-young nation from a relatively unhurried, agrarian society with a bystander's role in world affairs into a society marked by rapid scientific and technological advances and an era that saw assumption of a world leadership role by the United States.

Born an Alabama farm boy in 1900, Rep. Pepper saw his first automobile at age 5; he watched the nation triumph in two devastating world wars, battle to a stalemate in Korea and then suffer humiliation through defeat of its South Vietnamese ally in the Vietnam encounter; he saw his country rise from its economic knees in the Great Depression in the 1930s to achieve unparalleled prosperity in these modern times; he met Orville Wright and welcomed the Apollo crew members from their historic flight into space.

Rep. Pepper often became annoyed that some people in the younger generation believed that the reason he championed the elderly was because he himself was old. That notion stemmed perhaps from the fact that Rep. Pepper, the oldest member of Congress was known as Mr. Social Security and Mr. Medicaid—symbolic of his efforts on behalf of the nation's elderly citizens—and his role in getting a federal law banning forced retirement before age 70. His most recent efforts included long-term health-care legislation.

He had shown an interest in the elderly before he had entered his thirties, long before he went to Congress. At age 28, while serving in the Florida Legislature, Rep. Pepper introduced a bill exempting senior citizens from buying a fishing license. But the elderly were not his lone concern even then. In the U.S. Senate, to which he was elected at age 36, he fought for the nation's first (25-cent) minimum wage in 1938, the same year he won federal assistance for handicapped children. He was among the first to back equal rights and equal pay for women.

"I have prayed many, many long hours . . . for the ability to improve the lives of my fellow Americans," Rep. Pepper said at the hospital ceremonies honoring him. His prayers, as the record well shows, were backed by dedication and tireless work. His life's work crossed and benefitted many generations, and he leaves a legacy that will continue to help people now and in generations to come. For that, we as a nation can be thankful.

Mr. Speaker, I had the greatest privilege when I was in college many years ago, over 50 years ago, to actively support Senator PEPPER in his race for the U.S. Senate. I was truly inspired by his vision for what America could achieve and what mankind could achieve. He never disappointed me. He was a true friend through all the years.

It is a real pleasure to think about Senator PEPPER. He came from Alabama where he was a lad who was born in Alabama and received most of his education there, and a very modest home. His home still stands. I know what it is like to be like Senator PEPPER for I found that portions of life which are similar, included the fact that at one time for a good number of years I lived in a house fairly similar to that of Senator PEPPER. The house I lived in had 1½ rooms. It was a very modest abode.

I understood the feeling of Senator PEPPER in trying to make possible a bright, more magnificent opportunity

for all people. I think he was, first of all, probably interested in all Americans having an adequate education. I was blessed with regard to that opportunity, as was he, because I entered college in 1928. When I entered college, people were very anxious to get people to go to college. I went to the University of Florida. My average expenditure was probably less than $300 a year. Most of it I earned by working on a school farm or in the cafeteria and occasionally I wrote for the United Press and Associated Press.

Senator PEPPER's first campaign for the U.S. Senate was one that ended in defeat. He was not elected, but was really stolen from him by the corrupt practices of one section of the State. I will not mention it, because it was a good section of the State outside of that question of elections. They stole that election from him. However, the man who was elected Senator, shortly thereafter died, and so Senator PEPPER, ran for a vacancy in the U.S. Senate at at time which allowed him to be unopposed. I suppose Senator PEPPER was the only U.S. Senator in history whose first running for the U.S. Senate elected him without opposition.

Senator PEPPER had many ups and downs in his life. We have a tendency, in 1989, to think of Senator PEPPER only as a benefactor of the aged, and most people that wrote to me about Senator PEPPER, write to me that way. However, I was 24 and he was 34 when we launched our political careers about the same time in the State of Florida and he had lots of good ideas, not just help to the elderly as important as that help is.

Mr. Speaker, at this point I will yield to the gentleman from Florida, who represents his constituency very well, Mr. YOUNG.

Mr. YOUNG of Florida. Mr. Speaker, I thank my distinguished friend and colleague, the gentleman from Florida [Mr. BENNETT] for yielding, and applaud him for taking this special order. I am not sure that any Members have the proper words to say about CLAUDE PEPPER, to really express how we feel about him. As Members might expect, being on this side of the aisle, CLAUDE and I did not vote together on an awful lot of times, but we did vote together a lot of times, and we worked together a lot of times, and worked together on matters dealing with the elderly.

However, something that a lot of people are not aware of, we worked together on matters of national defense. The gentleman from Florida [Mr. BENNETT] and I both, our committee assignments here in the Congress put us in the middle of national defense business, and responsible for the security of the Nation. So many times I had the opportunity to talk with CLAUDE PEPPER about national defense issues, and the time he spent in this Congress, in this House, and the times he and I have had an opportunity to talk with each other, I can say that he was committed to a strong America. He was opposed to the expansionistic activities of the Soviet Union. He was opposed to the expansion of communism. He was for a strong, prepared America. I have had many, many conversations with him on those issues, and oftentimes there would be a vote on the floor and he would want to vote the strongest national defense vote that he could vote.

Those are the times we would counsel each other. I am happy to make that point, because there have been times when questions were raised about where Mr. PEPPER stood on some of those issues. My experience has been that he was very, very strong.

I have other comments I want to make about our friend CLAUDE PEPPER, and again I compliment my dear friend and colleague, the gentleman from Florida, the dean of the Florida delegation, Mr. BENNETT for having taken this special order and paying tribute to our dear departed friend.

This Chamber has felt a little bit empty since CLAUDE's passing last month and even though he will no longer be here in body, his spirit and memory will live on forever. With the death of CLAUDE PEPPER, each of us in this House has lost a good friend and colleague and when we think of CLAUDE a list of beautiful words comes to mind. Adjectives such as distinguished, dedicated, honorable, and statesman.

CLAUDE, however, was not only our friend and it is not only his former colleagues who remember him with beautiful words. CLAUDE was the friend of millions of Americans, most of whom never met him in person. They were his friends because they believed in him and recognized that he was fighting to make their way of life a little bit better.

We are truly fortunate that we had the opportunity to work side by side with CLAUDE PEPPER because the longer you knew him the more you loved him. My first encounter with CLAUDE was nearly 30 years ago when I was a Florida State Senator. He came to Tallahassee to meet with members of the State legislature and speak about events in Washington and issues that he was most concerned about.

Just a few years after that meeting, I had the privilege of being elected to the U.S. House of Representatives, where I was able to work side by side with him to address many areas of concern to the people of Florida we represent and to older Americans, who have lost their great champion. One of the highlights of my congressional career was the approval of my amendment in 1974 to establish the Select Committee on Aging and to see the great work that developed from the committee under his leadership.

We worked together on many successful efforts and we worked together on some noble causes that were not so successful. Our last effort together was an attempt last year to bring before the House legislation to provide home health care coverage for older Americans. Although unsuccessful in our effort, we were able to raise the issue and lay the groundwork for another attempt in this Congress.

Of the many great causes CLAUDE PEPPER took on, perhaps his work to provide home health care is symbolic of his drive, determination, and compassion. Even in the face of opposition from some of the most powerful committee chairmen, he persuaded the leadership to allow him to bring this issue before the House. He was determined to do what he and I believed was right—to provide the most compassionate care available for older Americans. He wanted them to have the opportunity to live out their final days in the comfort of their homes. If there is one way in which we can best memorialize the life of CLAUDE PEPPER it would be to see that this last great legislative dream of his is enacted by this Congress.

Despite all the accolades CLAUDE received for his work in the Congress, one thing always bothered our dear friend. It was his concern that some of the accusations made by his opponent in the bruising primary campaign in which he was defeated in his reelection bid to the U.S. Senate might stick with him throughout his life. One that he was most concerned about was the accusation that he was soft on communism and that he was not for a strong national defense for the United States. Over the years that I have had the privilege of knowing CLAUDE, and since I came to Congress, we have visited many, many times and discussed issues of national security and national defense, and I would like to say that during those discussions, CLAUDE PEPPER was not soft on communism.

CLAUDE was as opposed to the expansion of the Soviet Union and of communism as any Member of this House. He wanted to cast his vote for the strongest national defense for America and a review of the record will prove that he did just that.

Although we agreed on the need for a strong national defense and to stop communism in its tracks, over the years we did vote differently on many issues, but we never had a cross word. In fact, there was no more sincere or genuine person I ever served with than CLAUDE PEPPER. And while he was a gentle man on most occasions, he was a fierce competitor when he was fighting for a cause he truly believed in.

In this time of intense scrutiny of this institution, we have lost a symbol of what this body stands for—a symbol of why we are elected by the American people—a symbol of how we should represent them and carry out our responsibilities. Those of us who have had the privilege to serve with him can remember all that he has meant to the Congress and our Nation and can strive to serve the American people with the same loyalty and intensity. For the newer Members of this House, and for those who will be elected in future years, the memory of CLAUDE PEPPER should be a reminder of what public service is all about.

On the corner of my desk, I proudly keep a copy of "Pepper: Eyewitness to a Century." In the conclusion of the prologue to his autobiography, he writes:

VOL 135 PT 9 JE 14 — 22 1989 UMI

Providence has given me a life of personal satisfaction and fulfillment that comes only from knowing one has been able to make life a bit better for others—for many others.

CLAUDE PEPPER in his 88 years did make life better for many thousands if not millions of Americans. He left the world a better place than he found it, as he had hoped he would. And as with his memory, these great contributions of more than 50 years of public service will live on for decades to come—continuing to make life better for future generations of Americans.

Mr. Speaker, perhaps the greatest loss from which he never recovered was the death 10 years ago of his beloved wife Mildred. One could not know CLAUDE PEPPER without realizing his great love for Mildred. No matter where they were, CLAUDE and Mildred were together. They were inseparable. And when they weren't together, CLAUDE was talking about her. There was something very special in their relationship and there was no more loving or devoted husband than CLAUDE PEPPER.

Knowing of this great love between CLAUDE and Mildred, those of us who believe in life after death are convinced that with CLAUDE's passing there has been the greatest reunion we could ever imagine taking place in Heaven between CLAUDE and Mildred. At long last he again is by her side.

CLAUDE PEPPER was a dear friend, a gracious gentleman, a proud American and an outstanding representative of the people that he represented and the people of America. We will miss CLAUDE PEPPER—our friend, our colleague, our fellow American—but we are all just a bit richer and better off for having known him and worked with him. And it is our duty to carry on his legacy by continuing the work he has started and to strive every day, as he did, to represent the people we serve to the best of our ability.

Mr. BENNETT. Mr. Speaker, at this time I am pleased to yield to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I, too, want to commend the gentleman from Florida for taking this time to talk about a wonderful person, a person who did so much for the seniors in this country.

Mr. BENNETT. Mr. Speaker, I now yield to the gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Speaker, I am honored to be allowed this opportunity to say a few words about one of the greatest Americans of the 20th century, the late CLAUDE PEPPER.

I count myself among the many fortunate people able to spend some time with former Senator and Congressman PEPPER, and his example is one I will do my level best to live up to for as long as I am privileged to serve in this body.

I knew CLAUDE PEPPER as a friend, most of all, because he was always very gracious to me and very supportive of my career.

I met him at the Democratic National Convention in Atlanta, and we talked over a number of issues at great length. He of course asked for, and I of course gave, my support for long term health care for seniors, one of the issues which perhaps best marks his service to this country.

I sat beside Congressman PEPPER on the train to a meeting this year. During the entire 5-hour trip, he was constantly discussing issues, bills he wanted to sponsor, legislation he thought could improve the quality of life for all Americans.

He was constantly busy, but he also shared his time with me, as I am sure he had done so many times before with new Members, and I was simply amazed at his grasp of the issues, his clear-thinking approach to the future, and his unrelenting enthusiasm for the job.

CLAUDE PEPPER served with distinction in both Houses of Congress, was a champion of causes that assisted those who needed it most, and he always stayed true to the ideals of principle and purpose over political safety.

He is sorely missed by me, his fellow colleagues and friends here in Washington and in Florida, and by a very grateful Nation.

□ 1440

Mr. BENNETT. Mr. Speaker, I have not known the gentleman from Illinois [Mr. POSHARD] for a long time, but I think he illustrates for the people of his age bracket the quality of Senator PEPPER to which he referred. He has that quality himself, and that is that he is a nice person. I say to the gentleman, you are a nice person, and Senator PEPPER was a nice person.

I say that because one time not too long ago I made a speech before a college class, and I listed all the things I thought were essential in public life, and I asked at the end of it, "Have I left one out?"

One young lady stood up and said, "You have. A man in public life or a woman in public life ought to be a nice person."

Senator PEPPER was a nice person. He was a gentleman, he was a noble man, he was just a delightful person. He was thinking of other people, not only in massive legislation that might turn the world around, but he was interested in whether you were going to get reelected or what your wife's health was, and things like that. He was a very nice person. He was a very sweet, kind, wonderful person. I say to the gentleman, I think you are that kind of person, too.

Mr. CLARKE. Mr. Speaker, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from North Carolina.

Mr. CLARKE. Mr. Speaker, I thank the gentleman from Florida [Mr. BENNETT] for letting me participate in this tribute to CLAUDE PEPPER.

Mr. Speaker, my wife and I first met CLAUDE PEPPER in the summer of 1982 when he came to campaign for me. He stepped off the plane in Asheville and we drove him to a retirement center where he delighted a group of senior citizens.

From there we went about 70 miles to Forest City, NC, where he spoke to a large group in senior center. During his address there were enthusiastic shouts of approval. After this CLAUDE went to a nearby courthouse and delivered another talk for a full hour.

About 10 p.m. as we were driving back to our home near Asheville, NC, CLAUDE asked if we had a sandwich in the car. Fortunately, we did. On arriving at our home he had some orange juice and retired. The next morning he seemed in perfect shape, walking down to the garden to pick raspberries for breakfast.

CLAUDE told me that he campaigned for 76 candidates that year, and 65 of them won.

He loved golf and later invited me to play with him in Waynseville, NC where he stayed with his friends, Mr. and Mrs. English. CLAUDE was a short hitter but he was always right down the middle. In his later years, with his strength somewhat reduced, he played with his wife's Mildred's, clubs.

Once in Washington he came to dinner at our house and afterward we took him to the Kennedy Center to see a performance of "Showboat." when we got up to walk out during the intermission CLAUDE could hardly make his way through the crowd. Person after person came over to shake hands with him, saying, "Mr. PEPPER, you don't know me. But thanks for all you have done for us." Or, "Mr. PEPPER, thank you for all you have done for us senior citizens." He was literally swamped with people wanting to greet and thank him.

Several years later during an election year he called me at home in the summer and said, "Jamie, I'm only going to be here on Monday morning. But if there is anything I can do to help you I'll be glad to."

We invited him and his friends, Mr. and Mrs. English to come over for lunch, and I asked CLAUDE if it would be all right to have the TV station interview him. He said of course it would, and he did a superb job of it.

In CLAUDE PEPPER we have lost a good friend and a great American. The more we learn about CLAUDE's life the more we respect and admire him. he truly lived out Christ's words, "Greater love hath no man than this, that he lay down his life for his friends."

Mr. LEWIS of Florida. Mr. Speaker, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Florida.

Mr. LEWIS of Florida. Mr. Speaker, I thank the distinguished gentleman from Florida for yielding.

Mr. Speaker, I say to the gentleman from Florida that I have experienced a few honors in my life, but they pale in comparison to the fact that I had the pleasure of knowing CLAUDE PEPPER. Even though his Capitol Hill career spanned almost half a century, it is a small, exclusive group of us left here to say, "I served with CLAUDE PEPPER."

If that sounds like bragging, it is. I had the double pleasure of serving my fellow Americans and Floridians with CLAUDE PEPPER, and nobody could be prouder.

I came to Washington toward the end of his remarkable career, which spanned 10 Presidents and countless Cabinet officers and Members of Congress, and still I feel like I spent a lifetime with him.

Over the past 6 years I learned a few things from the Senator. These were not lessons he went out of his way to teach any of us. He was far too busy with his work on the Rules Committee and with his own agenda and his office for that particular purpose.

No, these were lessons any of us could pick up by just watching and listening to our friend CLAUDE PEPPER. They were lessons in how to carry one's self in life, in respect for others, and in service to others.

□ 1450

CLAUDE PEPPER disagreed with a lot of us about a lot of things, but he always treated everyone on this floor with respect. What I liked about CLAUDE PEPPER was he was the same whether you were a Congressman, President, Senator, hair stylist, construction worker.

One of my staff members said he had a few occasions to chat with Congressman PEPPER. The staffer said he left every one of those brief encounters with the feeling that Congressman PEPPER had known him all his life.

A few weeks ago I stood here and said that I hope and pray Senator PEPPER's death serves to unite us in the interest of the people and the Nation.

He would have led the effort to make that happen had he achieved his goal to serve here past his 100th birthday. He would have done it to preserve this grand institution we call the U.S. House of Representatives.

Congressman PEPPER would have in the most eloquent of language told us preserving this House as we have known it throughout its history would be the only way to profess and prove our love for our country and its people.

The U.S. House of Representatives is the greatest governmental institution in the history of mankind. Senator PEPPER said: "I love the Senate, but I dearly love the House."

We have the opportunity here to use our old friend one more time. We can use CLAUDE PEPPER's incredible life and magnificant career in service to people as the inspiration upon which we begin a new day in this House and in American government.

If we can serve with just a small amount of Senator PEPPER's dedication, passion, and wisdom, he will look down upon us with great pride and satisfaction, for there will be no doubt that all is good in this House and this land.

He was a good friend and a great source of inspiration to me.

Mr. Speaker, I know there were many times Senator PEPPER and I were on opposite ends of the spectrum philosophically. He always had respect for me, and I always had respect for him for pushing for the right to differ and accept the other's opinion.

His love for our State and Nation is unsurpassed.

His passing creates a vacuum near impossible to fill on Capitol Hill and in the hearts and minds of millions of Americans, especially the elderly and infirmed.

I, like them, will miss CLAUDE PEPPER. But I believe CLAUDE PEPPER would tell you to have faith that in America someone always rises to the occasion and picks up the gauntlet.

Mr. Speaker, I thank the gentleman from Florida [Mr. BENNETT] for allowing me to speak during his special order.

Mr. Speaker, I thank the gentleman from Florida [Mr. LEWIS] for doing so, and I yield to the gentlewoman from South Carolina [Mrs. PATTERSON].

Mrs. PATTERSON. Mr. Speaker, when I was notified of this special occasion, my staff said, "Can I write you something?"

My remarks to them were simply, "No, I'd rather speak from my heart."

Mr. Speaker, let me tell my colleagues how I knew Senator PEPPER. In 1945, when my father was elected to the U.S. Senate, his office was across the hall from CLAUDE PEPPER, then U.S. Senator from Florida. As a child I often visited across the hall, and I was always welcomed by Senator PEPPER and by Mildred. They always seemed to be pleased to see children and to visit with children. They would show us things from Florida that they had brought up, whether it was a baby alligator in an aquarium or just something they had brought from one of their trips, and I remember how fondly my family felt toward his family.

Mr. Speaker, there was a joke at that time that they were called Senator Salt and Senator PEPPER, my father being Senator Salt since he was directly across the hall.

When I first decided to run for Congress, CLAUDE PEPPER, Senator PEPPER, was one of the first people I contacted, and he reminded me of those days when I was a child and my father and Senator PEPPER were such good friends. He told me how after his defeat he moved his office into my father's office and for a good long while worked out of dad's office.

So, Mr. Speaker, the friendship was very deep and very fond, and he came, and he helped me in my first campaign, and he came back again last fall and helped again.

Mr. Speaker, as he was campaigning and as I got with him here on the House floor, I think I really came to know Senator PEPPER, CLAUDE PEPPER, better.

In the South one of the highest compliments that one can give to a man is to call him a gentleman. Well, CLAUDE PEPPER was truly a gentle man. I think those words represent him better than many people I know.

In my short while here with them I think he taught me several things. First of all, he taught me a lot about history. I remember in Philadelphia when he spoke at the bicentennial celebration, and he gave a history of our great country and how interesting it was, and how I sat and listened to every word and was sorry when he finished. I remember having political lessons from him while he was standing at the podium, but I remember, most importantly, his concern for others.

Mr. Speaker, I do not believe I ever heard him speak about his defeat in the Senate. I do not believe I ever heard him speak about opponents or about enemies. I always heard him speak about people that needed help and assistance, whether it was seniors, or whether it was young people, handicapped folks, the people who needed help.

So, I learned from him a concern for others, but another thing that I learned from him was love for others, especially love for family and spouse. How well I know his devotion to Mildred, and how close they were through the years, and, although they did not have children, they really had many children and an extended family because people throughout the United States loved Senator PEPPER as if he were one of their own.

So, Mr. Speaker, I would say to all those persons who knew Senator PEPPER, and those who did not, "We have lost a friend, a loving, gentle man."

Mr. BENNETT. Mr. Speaker, that was a beautiful tribute.

I yield to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I am saddened by the loss of my good friend and colleague, CLAUDE PEPPER. CLAUDE embodied the pioneering spirit of this Nation and his death, at age 88, is a great loss.

CLAUDE became known as Mr. Senior Citizen, the national voice for the fastest growing segment of our population: older Americans. By his words, one could better understand the untapped potential and vitality of older Americans. By his actions, he exemplified that age is irrelevant.

In his many years in Congress, CLAUDE PEPPER became the champion of the Social Security and Medicare programs. When some entertained drastic changes to the system, CLAUDE PEPPER stood as a constant reminder to other Members of Congress that these programs were a sacred pact with older Americans that could not, and must not be broken. He played a critical role in instituting the Older Americans Act, and initiated a legislative response to the financial burdens associated with long term home health care and nursing home care.

In effect, CLAUDE PEPPER had two separate careers, one in the Senate and then one in the House. His earlier accomplishments were as impressive as his later work on behalf of seniors. In the Senate, CLAUDE helped craft the first minimum wage legislation, worked to establish the first five national institutes of health, and strongly opposed the poll tax. During his many years in the Congress, CLAUDE aspired to the leadership in his party and as chairman of the House Rules Committee, demonstrated unique skill and statesmanship. I appeared before his Rules Committee many times and was always treated with his unfailing courtesy.

I had the privilege and good fortune of working with CLAUDE on the FDR Memorial Commission for many years. Having been a strong supporter of the New Deal, CLAUDE was committed to honoring a man he greatly admired. As always, his focus was on others rather than himself.

In tribute to his great accomplishments, CLAUDE PEPPER was given the rare honor of lying in state in the Rotunda of the U.S. Capitol—joining Henry Clay, General Pershing, and many of our Presidents. Also President Bush recently presented him with the Medal of Freedom, our country's highest civilian honor.

The passing of CLAUDE PEPPER creates a tremendous void, but his legacy stands as a constant reminder and timeless challenge that all people are created equal, regardless of age, and everyone should be given the opportunities to fulfill their potential. CLAUDE's life was long and full and our Nation will forever be in his debt.

□ 1500

Mr. BENNETT. Mr. Speaker, I thank the gentleman for his participation.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, I want to thank the gentleman from Florida [Mr. BENNETT] for organizing this special order in tribute to the memory of our late colleague and dear friend, Senator CLAUDE PEPPER.

CLAUDE PEPPER was truly a giant—not only of this great deliberative body, but of public life. To millions of Americans he personified the House of Representatives, and no institution could ask for a more worthy exemplar. People who couldn't tell you the name of their own Congressman or Senator knew who CLAUDE PEPPER was. He was the fellow looking after their interests and keeping the big boys honest down in Washington.

For 50 years CLAUDE PEPPER was a major player in the affairs of our Nation. When the vast majority of their body's members were only freshman, CLAUDE PEPPER was already a living legend. Before some of us were even born, he was at the side of F.D.R., helping shepherd the New Deal through the Senate. Most of us had the high honor and privilege of serving with him during the most productive years of his public service career.

CLAUDE PEPPER first became a personal hero of mine back when I was a young assistant prosecutor in New Jersey and he was chairing field hearings of the the Select Committee on Crime. I was greatly impressed, not only with his ideas and insights on law enforcement issues, but also with his innate ability to lead. Under his chairmanship the fledgling committee went on to make significant recommendations in the areas of prison reform and drug abuse.

CLAUDE brought the same energy and determination to that assignment as he did to every other task he set himself. To millions of people in this country the name of CLAUDE PEPPER will always be synonymous with the causes of the aged—it was not for nothing that he became known as Mr. Social Security, for he was the champion and steadfast guardian of that program for over half a century.

CLAUDE's achievements in advancing the rights of senior citizens are so well recognized that we risk slighting his other major legislative accomplishments. We should not forget that it was CLAUDE PEPPER who led the fight for a minimum wage for working Americans—it was CLAUDE PEPPER who campaigned for medical care for handicapped youngsters—it was CLAUDE PEPPER who was instrumental in establishing five of the National Institutes of Health—it was CLAUDE PEPPER who sponsored legislation that lead to the creation of the World Health Organization.

Mr. Speaker, perhaps more than that of any other Member in the history of the Congress, the work of CLAUDE PEPPER has truly touched the life of every American. Statues will undoubtedly be commissioned, and scholarships endowed in his name, but CLAUDE PEPPER's outstanding accomplishments will be his living memorial and legacy to a grateful Nation.

This House has lost a respected leader and each one of us a close personal friend; the elderly, the sick, the handicapped and the downtrodden have lost one of their best friends in the Congress; and America has lost one of the greatest public servants in its history.

CLAUDE PEPPER was one of those rare Americans who not only embodied public service, he enobled it.

Mr. BENNETT. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, at the outset, I too, want to join and thank my good friend, the gentleman from Florida [Mr. BENNETT] for taking this special order in honoring a giant of a man, CLAUDE PEPPER.

Mr. Speaker, I thank the gentleman for the opportunity to reflect on the life and public career of Senator CLAUDE DENSON PEPPER of Florida. His death cost us a wonderful teacher and a good friend.

But as we mourn his passing, we should celebrate his accomplishments—from crafting some of the New Deal's most thoughtful and lasting reforms, to fighting for freedom in the era of Hitler, to working to help the Nation's schools, hospitals and senior citizens.

The Nation will remember CLAUDE PEPPER, above all, for his lifelong concern for the elderly. His first bill in the Florida State Legislature exempted the elderly from the requirement of a fishing license. Some of his most impassioned Senate battles of the 1930's helped Franklin Roosevelt set up the Social Security System.

In 1936, he sponsored legislation to guarantee the elderly the right to health care—almost 30 years before Medicare.

In the 1970's and 1980's, he served as chairman of the Select Committee on Aging.

In that position, he fought not only to preserve Social Security benefits, to guarantee long-term care and catastrophic health insurance, and to abolish mandatory retirement, but against fraud in the sale of Medicare and against medical scams on the elderly.

People sometimes said PEPPER pushed those causes because of his constitutency in south Florida. At times, they called him a demagogue.

They were wrong.

His commitment to helping the elderly was part of a philosophy he developed early in his life and never abandoned: that his task as a human being, and that the job of the Govern-

ment, was to help those who could not make it alone.

We used to talk about his early days in the Senate, during the Depression and the New Deal and the Second World War. He had stories about working with some of the greatest figures of the century—Roosevelt, Churchill—and had met some of the worst.

His goals never changed. He wanted, as he said in his autobiography, "a better life not just for the elite, but for all." He wanted people to look to the future without fear. He wanted a generous country, whose citizens helped each other succeed in the good times and survive in the bad.

PEPPER was born in a small town in Alabama, without electricity or paved roads, he learned from that town—its concern for family and neighbors, its respect for knowledge; its uncertain economic future and its cruel racism.

His career, as he often said, was built on that childhood; his struggles were to bring that town's blessings to the country, and to eliminate its problems from our society.

Like his father and his neighbors, he believed in education.

The three greatest influences on his life were Camp Hill High School's principal, the president of the University of Alabama, and the dean of Harvard Law School.

He believed everyone ought to be healthy.

In the 1940's, he won subsidized health coverage for mothers and children under 18. We all know about his unstinting battle for long-term care in this decade.

He believed in justice. In some of the bravest and noblest choices of his career, he stood for civil rights.

In 1929, he lost his seat in the Florida State House because he opposed a white supremacy resolution. In 1950, his support for civil rights bills helped his opponent win a bitter primary fight.

PEPPER did not, as they say, trim his sails.

He knew when he was right, and he stuck to his principles when they were popular and when they hurt him. And as admirable as his legislative record was, as many as were his achievements, that stand against racism made him great.

I last saw Senator PEPPER in the hospital on May 25 of this year. Several of us went there to visit him that day, to watch and applaud as President Bush awarded him the Congressional Medal of Freedom—our country's highest civilian decoration. Before they read the citation, he asked a nurse to bring him a picture of his wife, Mildred, and he held it on his lap all through the ceremony.

He told us he did not want Mildred to miss a moment of his life. Anyone who knew CLAUDE knew how much he loved her.

He thanked Barbara Bush for coming. She read the eulogy when Mildred Pepper died in 1979, and CLAUDE wanted to make sure she knew how grateful he was. And he turned around and talked to me for a few minutes—alert, happy to see his friends, enjoying his last week as much as he loved all the others.

Then, from his wheelchair, he thanked the President, and spoke for 10 minutes—perhaps the last speech of his life. He did not talk about the past, about what he had done for the country in 60 years of service—he talked about the work he had left to do. He talked about the obligation everyone in this House has to make America better, to make its people happier.

As ill as he was, he was still thinking about the people who had moved him since the beginning of the century—the children who cannot read, the sick who cannot afford medicine, the poor who have no homes, the old who face the future alone. I have experienced few more moving moments in my 30 years in Congress.

Mr. Speaker, CLAUDE PEPPER's life is the best tribute to the man.

Because of him, some people in this country who were sick are healthy.

Because of him, some young people in this country who might have dropped out of school can read.

Because of him, there are working people in this country who have jobs.

Because of him, there are old people in this country who live happily.

Two years before PEPPER began the first of 13 terms in the House of Representatives, John Kennedy told us to "ask not what your country can do for you—ask what you can do for your country".

Mr. Speaker, no one did more than CLAUDE PEPPER.

□ 1510

Mr. BENNETT. Mr. Speaker, I thank the gentleman for a beautiful tribute to Senator PEPPER.

Mr. Speaker, I yield to the gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON. Mr. Speaker, I appreciate the opportunity of appearing today on behalf of a close personal friend of mine, Senator PEPPER.

Congress and the American people suffered a great loss in May with the death of the premier advocate for the elderly, Senator CLAUDE PEPPER. As we have heard many times by now, Senator PEPPER introduced his first senior-citizen legislation, a bill to exempt those over 65 from having to obtain a fishing license, in 1929 while he was a member of the Florida State Legislature. That humble beginning can only hint at the greatness to come of a life devoted wholly to serving his fellow man striving to correct the injustices forced upon so many of this country's citizens.

From his passionate defense of FDR's New Deal to his still-unrealized goal of Federal financing of long-term health care, Senator PEPPER was time and again on the cutting edge of domestic policy.

Mr. Speaker, I had the opportunity of knowing Senator PEPPER for over 30 years. The year I graduated from high school was the year that he left the other body, the U.S. Senate, and I followed his career very closely here in the House of Representatives.

In my office in the Longworth Building, other than the pictures of my immediate family, I have two pictures of men whom I sat beside at times. One was George C. Marshall, who was the architect and author of the Marshall Plan, and one was CLAUDE PEPPER, and I have great respect for these two men. I am hopeful Senator PEPPER's legacy as a compassionate and tireless advocate and protector will be an everlasting reminder of what the job of a Congressman can and should be.

Mr. BENNETT. Mr. Speaker, I yield to the gentleman from Missouri [Mr. WHEAT].

Mr. WHEAT. Mr. Speaker, I thank the gentleman from Florida [Mr. BENNETT] for the opportunity to pay tribute to a great man, statesman, leader, and hero who the world and our country lost last month, CLAUDE PEPPER.

CLAUDE was a man who dedicated his life to serving others. He was my friend. I am sure that I share the grief that many others do at his passing.

I was privileged to have begun my career in the House of Representatives with CLAUDE PEPPER as my chairman. He was not only a consummate legislator, he was a man who lived what he espoused. Under his guidance I learned not only the rules and procedures which govern this great body but also the true meaning of public service.

The last time I saw Senator PEPPER was a few days before his death when President Bush presented him with the Congressional Medal of Freedom. He shared with those in attendance his beliefs about public service. To be a public servant was what CLAUDE PEPPER wanted most in life, and as he so humbly phrased it, "I asked that God allow me to be the vehicle to do his work." Senator PEPPER took this responsibility to heart. No task was to menial, no obstacle insurmountable, no opponent too formidable for CLAUDE PEPPER. He may have been slight of stature, but there was no slighting his mission or his accomplishments, whether it was working to assure a decent quality of life for all Americans, speaking out against the bigotry and hatred of Adolf Hitler, or championing the rights of the elderly, and Senator PEPPER worked tirelessly.

VOL 135 PT 9 JE 14 — 22 1989 UMI

His desire, as he often stated, was to leave this world a better place than he found it. I am confident that CLAUDE PEPPER did that every day of his life.

Shortly after coming to Congress I had the opportunity to hear CLAUDE pay tribute to another colleague, and as always his remarks were eloquent and insightful. He concluded his comments with the following quote from Shakespeare's Julius Caesar:

His life was gentle, and the elements
So mixed in him that Nature might stand up
And say to all the world, "This was a man!"

More appropriate words cannot be found to describe the man that I had the honor of serving with for the past 6 years.

CLAUDE PEPPER's presence will be sorely missed, but his spirited influence will live in this body forever.

Mr. BENNETT. Mr. Speaker, I think we have all been deeply touched by the things that have been said.

I yield to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I once again thank the gentleman from Florida for giving us this time, particularly for those of us who did not have an opportunity to attend the funeral services as much as we had wanted to.

In my case, of course, the earliest memories I have of CLAUDE PEPPER were when I was a student back in Texas in San Antonio and reading about the stalwarts that so many of us so much admired during the terrible, trying times of the Depression.

Even in the city, a city like San Antonio, TX, the name of Senator CLAUDE PEPPER resounded with vibrancy and a great star of hope. Ours was a very, very troubled land, and particularly in that era in which we had what I call really devastating poverty.

Thank goodness today that what we witness as poverty compared to what I recall is really no comparison at all. I am talking about an era when food, clothing, and even shelter were very difficult to obtain.

In my city alone we were known during that period as the tuberculosis capital of the Nation. We had shanty after shanty in the middle of the city, lean-to's made out of tin and cardboard, in some cases dirt floor, pit privies, no available drinking water, in some cases within less than a quarter of a mile from city hall. But those champions for some of the programs somehow filtering little by little before the war down to communities such as San Antonio have always been synonymous with such names as Sam Rayburn, Lyndon Johnson, and CLAUDE PEPPER.

Then who was to say that years later I would find myself in the Congress, and the year following my arrival here in the House, the election of CLAUDE PEPPER, and we immediately struck a friendship. His first assignment was to the committee that I am still on, the Committee on Banking, Finance and Urban Affairs, and then he went on rapidly.

But we had a need that first year in 1963, his first year. He had need for some funding for the equivalent of what we called later the Hemisphere of San Antonio, which turned out to be the first World's Fair south of St. Louis in the southwest United States. I was the author of the legislation and the initiator of what turned out to be Hemisphere. The first man to help us, and I guess the definitive help, was a fellow Floridian by the name of DANTE FASCELL, who was chairman of the Foreign Affairs Subcommittee that had jurisdiction on so-called trade fairs.

The United States at that time was not a member of the Bureau of International Expositions, and I want everybody to know that because of CLAUDE PEPPER and our joining together in our efforts, I intervened with the Johnson administration and was successful in helping him to obtain the funding for what was projected for Miami, a similar venture, not the same, and then through the years following until 1966 when we completed all the legislative work, we ended up with what was known later as hemisphere in San Antonio.

CLAUDE PEPPER and Mrs. Pepper were the very first honored guests we had at the opening of the fair on April 6, 1968, in San Antonio, TX, a charming, beautiful couple. The people they met in San Antonio immediately warmed up to them. Then, of course, the rest is history, and the others preceding me have marked his tremendous accomplishments as a legislator.

□ 1520

To me, CLAUDE PEPPER symbolizes and personifies what I know as our country grows into maturity in its experience in government, that we will learn to recognize that the words "professional politician" are not pejorative words. I have often pointed out that Great Britain or England who has had a thousand years of experience has long ago accepted those individuals who through attribute, inclination, and ambition would be for the public purpose, and they found their room. Winston Churchill's greatest badge of honor was to be called a professional politician. I call it legislative advocacy in our country, and I will always look to CLAUDE PEPPER as the example par excellence of the true American legislative advocate and as soon we go into the 21st century, the next millennium, we will accept that as the dictum, the standard of success in America, which is not just exclusively the size of one's bank account or success in business, but how well one serves the public will and particularly in forging the legislation that is responsible and responsive to the needs of the American people.

CLAUDE PEPPER will also be that first true example of a true lawgiver, lawmaker, and in the full sense of the American definition, a true representative.

Again, I thank the gentleman for allowing us this time to evoke the memory of CLAUDE PEPPER.

Mr. BENNETT. I thank the gentleman from Texas for his contribution.

I yield to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding to me and taking this special order so we can remember our friend and distinguished late colleague, CLAUDE PEPPER.

Mr. Speaker, the outpouring of affection for the late Senator CLAUDE PEPPER in the weeks since his passing is testimony to the tremendous and widespread impact he had on improving the lives of American people. While Senator PEPPER leaves behind a legacy of countless accomplishments, what I think I remember most about him is his absolute selflessness.

Senator PEPPER was a great American leader—dedicated, wise, and compassionate. Many will remember him for his overwhelming contributions on behalf of older Americans. From the time he served in the Florida legislature in his late twenties to his most recent term in the U.S. Congress, he was a champion of seniors. But his tenacious and courageous work had impact on the lives of many different groups of people. CLAUDE PEPPER was never afraid to stand up for the cause of human dignity, especially when it meant fighting for those who had no one else to speak for them.

He entered the U.S. Congress as a Senator and an ally of President Franklin Roosevelt, and soon made clear his dedication to improving the quality of life for the people of this country. An ardent supporter of the New Deal agenda, from early on in his tenure he was an advocate of social security, health care insurance and the minimum wage.

Throughout his long career as a legislator, Senator PEPPER worked to lighten the burden of health care costs for those who are the most vulnerable, and provide better health care services for all Americans. In 1945, he sponsored legislation that led to the creation of the World Health Organization, and he authored bills in the late 1940's which established five of the National Institutes of Health. As a Member of the House during the Kennedy administration, he supported the creation of the Medicare Program to provide medical care for older Americans and the disabled.

Through his last years in Congress, Senator PEPPER continued to fight relentlessly for the causes in which he

believed. In the last Congress, CLAUDE PEPPER almost realized a longtime dream of creating a meaningful catastrophic home care program in the Medicare Program. It would have been a major step toward protecting our Nation's families from the devastating costs of long-term catastrophic illness without adding to the Federal deficit. By providing for health care in the home, his bill would have helped families stay together and ease the suffering of both young and old.

During floor debate over this bill, Senator PEPPER spoke some words to his colleagues that aptly represent the humane and thoughtful approach he took to his work throughout his career. "Think about the human values in this matter," he said, "and vote to help those poeple who need help without hurting anybody while you do it."

I first had occasion to meet CLAUDE PEPPER when I visited Washington with my high school graduating class, at which time he was a Member of the U.S. Senate. So, of course, it was a tremendous honor for me when I came here to serve in the same body with him.

I feel very privileged to have been able to join forces with CLAUDE PEPPER in securing the adoption of some very important legislation. During the 95th Congress, in 1977 and 1978, I had the opportunity to work with him on legislation to protect older workers from age discrimination and to prohibit mandatory retirement below age 70 in most instances. At the time, Senator Pepper was chairman of the House Committee on Aging and I was a freshman member of the Employment Opportunities Subcommittee of the Education and Labor Committee.

There was significant opposition to the proposal by people who thought that those over the age of 65 were not capable of contributing fully to the workforce. The best argument to counter this erroneous and limited view was CLAUDE PEPPER himself. When the legislation, Public Law 95-256, was signed into law by President Jimmy Carter on April 6, 1978, CLAUDE PEPPER was a young 77. His example—he kept a schedule which people half his age would describe only as hectic—made it very difficult for opponents to argue their case successfully. His life also inspired older workers to see that working life need not end at age 65; that, in fact, great contributions to the work force could be made in one's later years.

I will miss this extraordinary man, and deeply mourn his passing. I wish to express my condolences to his brother, Frank, and his niece, Joanne, to his bereaved constituents and to his many friends across the country and around the globe.

Mr. BENNETT. I thank the gentleman from New York for his contribution.

Mr. Speaker, I have just come from the Chinese Embassy, along with the gentleman from Georgia [Mr. LEWIS]. I congratulate the gentleman from Georgia on the fine conversation he had there with the Chinese Ambassador and welcome him to say some words here about Senator PEPPER.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank the gentleman from Florida for yielding and for calling this special order as a tribute to CLAUDE PEPPER.

Mr. Speaker, It is with great sadness that this body and our nation notes the passing of our friend and our colleague, Senator CLAUDE PEPPER. While we are all saddened at his passing, we also have great reason to give thanks, for this Nation was indeed blessed to have had the national treasure that we had in CLAUDE PEPPER.

His drive, perseverance and stamina were legendary. Despite his age, CLAUDE PEPPER was a man of vision, a man of courage and a man of conviction. He was a great inspiration to all of us.

CLAUDE PEPPER made outstanding contributions to many areas of American life. He was a champion—not only of the elderly—but of all segments of our society which have been left out and left behind. He personified the best of humankind.

The greatest honor that this body can bestow on CLAUDE PEPPER is to continue to fight for the principles of social justice that are embodied in the legislation that he championed. Senator PEPPER has set the example and, my colleagues, we must let the American people of all ages know that this Congress will continue to pursue the higher causes that CLAUDE PEPPER so diligently and selfishly pursued.

He stayed the course. He was dedicated. He provided important leadership in Congress. He will be sorely missed. We are blessed to have served in the Congress with him.

Mr. BENNETT. Mr. Speaker, I thank the gentleman from Georgia for his very fine contribution.

Mr. LEHMAN of Florida. Mr. Speaker, Senator CLAUDE PEPPER's career was uniquely outstanding. Other public servants have lived long and productive lives, such as Winston Churchill and Franklin Roosevelt. But Churchill, whose lifespan equaled CLAUDE PEPPER's, spent his last decade on the sidelines, and Roosevelt was already slipping in strength and leadership when he died. CLAUDE PEPPER was unique because when he died at the age of 88, he was at the peak of his 50-year career in public service.

As a promising young politician, Senator PEPPER led the fight for civil equality and social justice decades before most others had the courage to speak out, and he was not afraid to jeopardize his own career in doing so. As a young State legislator, Senator PEPPER refused to support a resolution condemning Mrs. Herbert Hoover for inviting the wife of a black Congressman to dinner. This unwavering dedication to his principles cost him his State legislative seat in the early 1930's, but eventually, it won him the respect and admiration of millions.

Senator PEPPER once again showed remarkable foresight when he was one of the first American politicians to grasp the danger which Hitler presented to the world. Because he was convinced of Hitler's menace, he withstood the immense political cost of supporting lend lease and the military draft. With similar foresight and courage, he lashed out against McCarthyism and refused to yield to it, despite repeated attacks against his character.

Later in life, Senator PEPPER became a nationally known figure as a crusader for the elderly. John F. Kennedy, in a speech to Congress in February 1963 on the needs of senior citizens, stated, "It is not enough for a great nation merely to have added new years to life—our objective must also be to add new life to those years." CLAUDE PEPPER injected "life" into the lives of countless senior citizens. He was a champion of the elderly, fighting for them when no one else would, succeeding for them when no one else could.

CLAUDE PEPPER was a great statesman but also my dear personal friend. I often went to him for advice, and his guidance helped me greatly. In my first term, the House had an unexpected late evening session, and I asked him if I should stay to vote or return to a commitment in my district. He said, "Go to Miami—we will be here when you return; if you don't take care of your district, you may not be back."

In CLAUDE PEPPER's death, the Congress has lost one of its most powerful and enduring Members. He will not only be missed in the hallowed halls of the Capitol. He will be missed by those whose lives were touched by his efforts, from minorities whom he helped in the struggle for equality to the elderly whom he defended tirelessly. His legacy, however, is truly with the young and the yet to be born, for although they may never know it, their lives will be enriched because of the work of CLAUDE PEPPER.

Mr. SMITH of Florida. Mr. Speaker, it is with heavy hearts and a deep sense of loss that we mourn the death of our dear colleague, Senator CLAUDE PEPPER. With his passing, the Nation has lost a great leader and we have lost a great friend.

We often pay tribute to officials by saying that they devoted their lives to public service. However, saying this about CLAUDE PEPPER almost falls short—for CLAUDE PEPPER, public service was his life. His service to the people of Florida, and the Nation as a whole, spanned 50 years. Beginning as a member of the Florida State House from 1929 to 1931, CLAUDE went on to become a U.S. Senator from 1936 to 1951, and finally a Member of the House from 1962 until his death. Throughout his illustrious career, Senator PEPPER served 10 U.S. Presidents and championed many causes—none as dear to his heart, however, as the plight of the elderly.

As a confidant and ally to Franklin D. Roosevelt, CLAUDE was a staunch supporter

VOL 135 PT 9 JE 14 — 22 1989 UMI

of the New Deal, something many of us are unable to recall since we were not yet born. From these initial beginnings as a supporter of Social Security, CLAUDE always fought for the rights of the elderly. He detested the stereotype of the elderly as "toothless, sexless, humorless, witless, and constipated." There is no one who did more to lay to rest that unfair characterization than Senator PEPPER. His opponents often said that his support of the elderly grew in proportion to his age. But, CLAUDE took pride in pointing out that it was as a freshman in the State house in 1929 that he first introduced legislation to aid the elderly, a bill which permitted people over the age of 65 to fish without a license. He never wavered in his support for senior citizens and finally got the opportunity to have his concerns displayed on the national stage when he served as the first chairman of the House Select Committee on Aging from 1977 to 1983.

Apart from his professional life, CLAUDE PEPPER was a man anyone would be proud to emulate. He was a man of deep conviction, dignity, and class. Even as he grew to an age where it seemed it would be impossible to meet the rigors of the life of a Member, CLAUDE, consistently proved that he was not only capable, but that he was exceptional. When many men his age would rather be fishing, CLAUDE could be found in his office poring over legislation, returning phone calls, or telling a story of days gone by to an old friend, colleague, or constituent. Perhaps there is no better way to describe CLAUDE than the tribute he was paid by Time magazine in 1982: "He is like a vintage automobile with new parts: he gets better and more powerful with age."

In a city where longevity is more often the exception than the rule, and respect is not easily won, Senator CLAUDE PEPPER achieved both. He was a dedicated legislator, a loyal friend, and a gentleman. He will be sorely missed by his constituents, his colleagues, and his friends.

Mr. YATES. Mr. Speaker, CLAUDE PEPPER has left us and I will miss him greatly. He was a dear, dear friend and I appreciate having the opportunity to remember him for the life he lived and the remarkable contributions he made to this institution and the Nation.

Over the years, CLAUDE and I worked together on many bills and we stood together in more than a few legislative battles. No one loved public life and the legislative process more than CLAUDE PEPPER. He was diligent and masterful in its application and his approach to colleagues and everyone combined a special blend of honest courtliness and complete civility. He was highly intelligent, tireless, and very effective. CLAUDE believed with all his heart that government has a basic and fundamental responsibility to help those in our society who are unable to help themselves. It was an unvarnished New Deal philosophy that he and I shared.

CLAUDE, of course, was a personal friend of Franklin Roosevelt and his love for FDR was never more apparent than in the testimony he presented to my Interior Subcommittee in April. Speaking without a note and with great sincerity, CLAUDE made a most compelling and eloquent statement on the life of Roosevelt and the need to construct a suitable monument in his memory in Washington. That was probably one of the last times that he spoke in a formal, public way. I am delighted that I was able to make that presentation and I only wish that he could be with us for the dedication of the memorial.

Mr. DE LA GARZA. Mr. Speaker, Chairman PEPPER was what I call a statesman—pure and simple, no question about that. He embodied every principle of greatness, and his life was lived in a way that earned him many friends and life-long admirers.

In every move he made, in every word he spoke, one could not fail to see the elements of statesmanship which mark a great person.

CLAUDE PEPPER endeared us all. When he spoke to us it was with passion and commitment. When he acted it was with determination. Every thing he did was done with fairness, civility, and generosity.

It is not difficult to know when a great man has passed away from us. His shadow is a long trail to the setting Sun under which the world gathers to remember the good works and friendship left behind—an infinite number of memories that even time cannot take from us.

Mr. ANNUNZIO. Mr. Speaker, I rise to join my colleagues in the House of Representatives, in paying tribute to our distinguished colleague, and my close friend, Senator CLAUDE PEPPER, who died on May 30, after a long and exemplary career in public service to our Nation.

I was privileged to know CLAUDE PEPPER as a friend throughout the years we served in the House of Representatives together, and I know that I speak for all of my colleagues in the House of Representatives, when I say that we shall all deeply miss this great American. I first met CLAUDE during the Presidential campaign in 1948, where he was the principal speaker at a gathering of over 1,000 precinct captains in Chicago.

CLAUDE PEPPER'S service to our Nation spans more than 50 years, representing almost one-quarter of the history of our Nation. Born in Alabama in 1900, he put himself through college and law school, and was elected to the U.S. Senate in a special election in 1936. During the 14 years he served in the Senate, CLAUDE became a tireless defender of New Deal legislation. He played an important role in developing our country's safety net programs, including securing passage of our country's first minimum wage law and protecting the Social Security system.

After a few years of private law practice, CLAUDE PEPPER was elected to the House of Representatives in 1963. During his 26 years of service in the House, he served with distinction his own constituents from the 18th Congressional District of Florida as well as all of the citizens of our country. He was a man of the people, who championed the causes of the poor and elderly. As chairman of the House Select Committee on Aging from 1977 to 1983, he continuously fought to protect the rights of the elderly. In 1978, he was instrumental in abolishing mandatory retirement for Federal government employees and in raising the retirement age in the private sector from 65 to 70 years of age. In recent years, he worked to provide comprehensive long-term health care for the elderly.

As chairman of the House Rules Committee from 1983 until his death, CLAUDE was highly respected by his colleagues as one of the most knowledgeable and effective legislators in Congress. He was truly a gentleman, known for his fairness, honesty, and for his great sense of humor. His dedication to the highest standards was an inspiration to his friends and his fellow citizens, and he will long be remembered by his constituents, and by all of the citizens of our Nation, for his deep commitment to the needs of the senior citizens in our country.

Mr. Speaker, CLAUDE PEPPER will be sorely missed by all whom he served, and by all who had the privilege of knowing him as a friend and a colleague. It is my hope that the long-term health care legislation, which CLAUDE PEPPER worked so hard to make a part of our country's public law, will be approved in the 101st Congress, as a lasting tribute to this great and selfless American.

Mrs. Annunzio and I extend our deepest sympathy to his brother, Frank, and the other members of his family who survive him.

Mr. FAZIO. Mr. Speaker, I would like to join in this special order today to remember our esteemed colleague, Senator CLAUDE PEPPER.

Since first coming to Congress in 1936, Senator PEPPER was a moving force in shaping the policies of this Nation. Throughout his long and distinguished career in public service, CLAUDE PEPPER was a deeply committed champion for the rights of the Nation's poor, the disadvantaged, and most notably, senior citizens. He had genuine concern for these individuals and worked long and hard on their behalf.

Senator PEPPER deserves special recognition and our greatest respect and admiration for his efforts in ensuring that our Nation's senior citizens maintain a high quality of life. He provided the Nation's seniors with direction and support whether he was spearheading the move to ensure adequate health care coverage or working to end age discrimination. And although he was the oldest Member of Congress, he was a tireless advocate who maintained tremendous vigor for his work.

It was a great honor to have served with CLAUDE PEPPER. He played a vital role in Congress for which he will be sorely missed. As a man of great principles and vision, his shoes will be extremely difficult, if not impossible to fill. Senator PEPPER leaves a great legacy and his special contribution to American society will be missed by this institution and the American people. His accomplishments, however, will continue to be remembered by all of us.

Mr. GRAY. Mr. Speaker, I rise today to pay tribute to a beloved friend and former colleague, CLAUDE PEPPER. Although he served in the House honorably for 27 years, we all knew him as Senator PEPPER.

Senator PEPPER began his career in public service before many of us were even born. During his long and distinguished service he witnessed the New Deal, World War II, the emergence of American as the world's foremost power, the cold war, and the civil rights movement.

The scenery changed and so did the actors, but one thing remained constant—CLAUDE PEPPER worked tirelessly in behalf of his country. In life, Senator PEPPER was a visionary leader who helped define the focus of contemporary American politics. He stood up for the elderly before Social Security; was a new dealer before the New Deal; laid the foundation for American health care policy long before the great society; fought for civil rights two decades before the passage of the Civil Rights Act; and was the spokesman for the underprivileged and powerless throughout his lifetime. In his memory, we find a role model for those serving today and for those aspiring to serve tomorrow.

This is a day of tremendous personal sadness as I recall my own experiences with this kind and decent man. Senator PEPPER is not with us today, but our fond memories of him will always remain. May Senator PEPPER rest in peace—he has earned it.

Mr. ROYBAL. Mr. Speaker, I consider it a privilege to take part in this special order in honor of the memory of Representative CLAUDE PEPPER of Florida, one of our Nation's great public servants.

The Nation has lost one of its most outstanding citizens and leaders, in the passing of my good friend and colleague, CLAUDE PEPPER of Florida.

Chairman PEPPER will always be remembered as "Mr. Senior Citizen": one of the country's most beloved and renowned defenders and champions of millions of elderly Americans.

As chairman of the House Select Committee on Aging, it has been my privilege to work closely with Congressman PEPPER toward our mutual goals of strengthening Social Security, expanding Medicare health insurance, developing comprehensive long-term care protection for our citizens, and extending health care to the 37 million Americans who are currently uninsured.

One of the last major bills CLAUDE PEPPER sponsored was the 1989 Pepper/Roybal long-term care bill, H.R. 2263, which CLAUDE and I cosponsored together on May 4, 1989.

I pledge myself to do everything in my power to assure that Chairman PEPPER's wish will be fulfilled: to establish a program to provide urgently needed long-term home care for all Americans.

CLAUDE PEPPER's 60 years of public service to our Nation will remain an inspiration to us all—as we continue the work of making America a country where every citizen, young and old alike, can live a life of personal fullfillment and human dignity.

In those 60 years, CLAUDE PEPPER remained the warm, gentle, and compassionate individual he has always been. His love for his life-long wife, companion and sweetheart, Mildred, was one of the most touching aspects of CLAUDE's nearly nine decades on this Earth.

In addition to his wonderful personal qualities, CLAUDE PEPPER was an outstanding legislative leader and true American statesman since he was first elected to the U.S. Senate in 1936.

We need but to list a few of the major legislative achievements in which he provided leadership to understand the comprehensive scope of CLAUDE PEPPER's accomplishments for his country: the Social Security Act, the Minimum Wage Act, elimination of the poll tax; Lend-lease aid to the allies to defend against Hitler's World War II Nazi attack in Europe, the Medicare and Medicaid programs, and elimination of mandatory retirement for America's senior citizens.

At this time, I would like to mention some personal remembrances of CLAUDE PEPPER.

On January 3, 1963, CLAUDE PEPPER and I were sworn in for the first time as elected freshmen Members of the U.S. House of Representatives.

Our legislative partnership in the Congress has continued for more than 26 years. We have worked closely together in legislative harness as a team for the cause of a better America, and specifically for an enhanced quality of life, with a useful and productive value, and a human dignity, worthy of the term golden years, for our millions of senior citizens across the Nation.

It is interesting to note that each of us also had a similar background of many years of prior legislative service as a foundation for our work here in the House. CLAUDE PEPPER served as a majority member of the U.S. Senate and in the Florida State Legislature. And I served as president pro tempore and chairman of the Health and Welfare Committee of the Los Angeles City Council.

As colleagues in the House CLAUDE and I joined in 1974 as original, organizing members of the House Select Committee on Aging. Over the years, we have served together both as subcommittee chairmen, and as full committee chairmen on the Aging Committee.

In recent years, our partnership was particularly close and valuable, with CLAUDE as chairman of the Committee on Rules, and I as chairman of the Committee on Aging.

In the last Congress, CLAUDE and I joined together again on the floor of the House to propose and secure adoption of six key reform amendments to the Older Americans Act to focus on the needs of specific groups of seniors currently underserved by the act; persons who are mentally impaired, home care consumers, minorities, victims of abuse, and Indian Americans.

Recently, I was delighted to learn that CLAUDE PEPPER had established an eminent scholarship in gerontology at Florida State University in Tallahassee, to provide an element of continuity to his years of work for America's senior citizens. Our parallels continue, as I have also established a Chair in gerontology and public service at California State University at Los Angeles to continue my work for the elderly in future years.

Since 1983, Chairman PEPPER has taken the reins of the House Rules Committee, and has used that committee as an effective engine of change for the country. With his outstanding national leadership over the years as a base, I predict we will continue to see momentous advances in the quality of life of America's fast-growing senior population: a continuing tribute to this great and good man.

Mr. HOUGHTON. Mr. Speaker, the death of CLAUDE PEPPER made me think of a favorite quotation of mine. In this case I think of the "Senator."

I believe in aristocracy—if this is the right word—and if a democrat may use it. Not an aristocracy of power, based upon rank and influence, but an aristocracy of the sensitive, the considerate, and the plucky. Its members are to be found in all nations and classes and all through the ages, and, there is a secret understanding between them when they meet. They represent the true human condition, the one permanent victory of our queer race over cruelty and chaos. Thousands of them perish in obscurity, a few are great names. They are sensitive for others as well as for themselves, they are considerate without being fussy, their pluck is not swankiness but the power to endure, and they can take a joke.—from "Three Cheers for Democracy" by E.M. Forester.

Mr. SMITH of Iowa. Mr. Speaker, I think everyone who was privileged to know CLAUDE PEPPER has a favorite memory of him. Mine was of the time in 1968 he came to Iowa to speak at a function in Des Moines and he stayed with us at our farm. That visit is something my wife, Bea, and I will never forget. We had known CLAUDE for years but had never before had a great opportunity for a leisurely personal visit with him. The memory we cherish is of a plain, humble man who completely captivated us with the warmth and strength and deep humanity of his personality. Although gentle and utterly unassuming in manner, he could relate to people instantly because he really cared about their problems and their hopes for a better life. He not only cared about their needs; he was willing to fight for them. I saw his magnetism in his contacts with the Iowans of my district. They still remember him from 1968 with enormous respect but also with the affection they would accord a member of their own family.

It has often been observed that public figures tend to be for change in youth and against change in their later years. CLAUDE never changed his willingness to accept change where it would produce benefits, his public commitment, never wavered in his fight to make the world better for all, including the humble and disadvantaged and the victims of discrimination.

It seems to me that in public life today, we pay too much attention to flair and charisma and to flashy but ad hoc initiatives. CLAUDE was a scholar, an accomplished orator, and excelled in many other ways, but above all he had a fundamental philosophy of human service to which he was faithful throughout his life. This gave his life and his public carrer a consistency that we seldom see. The old-fashioned word is nobility. If any man to his own self was true all the days of his life it was CLAUDE PEPPER.

In the course of his long and illustrious public career, CLAUDE became one of the most admired and beloved figures in American history. Yet when his great heart stopped at age 88, after a half century of public service; it was only then that full recognition was given to the magnitude of his contributions to the Nation.

When asked, late in life, how he would like to be remembered, he said he would like to be known for leaving the world a better place than when he found it and for helping people in need. A worthy epitaph for a noble life.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. ANDERSON. Mr. Speaker, I pay tribute today to our distinguished former colleague, CLAUDE DENSON PEPPER, who will long be remembered in these Halls for his oratorial skills, his undying energy, and his gentlemanly manner.

I know that all of us have a favorite Senator PEPPER story. I fondly remember the time that I was in a conversation with my administrative assistant when my secretary buzzed me on intercom to say that Congressman PEPPER wished to "call on me." Well, I mistakenly thought that an appointment had been made in the future and continued working with my administrative assistant. Fifteen minutes later, as we left the office, I was shocked to find the Senator quietly sitting in my reception room waiting for me to finish what I was doing. This gentle gesture was typical of this unassuming man.

I would also like to pay tribute to the valuable work Congressman PEPPER accomplished throughout his public life for the Nation. Among his accomplishments we will remember his work in the creation of the National Cancer Institute, and especially his unfledging support of Social Security and Medicare.

I do not think it an exaggeration to say that in the long history of this Republic few have served, with such vigor and dedication, those who typically have little voice in the policy of this Nation. None have been as humble, kind and unostentatious as CLAUDE PEPPER.

Mr. DWYER of New Jersey. Mr. Speaker, on May 30, this institution and this country suffered a profund loss, the death of our friend Senator CLAUDE PEPPER.

Those of us who had the honor of working with Senator PEPPER can attest to his abilities and character. He was an honest and noble man, truly dedicated to serving others. Throughout his 41-one year congressional career, the Senator effectively defended those least able to defend themselves: the elderly, the poor, and the infirm.

CLAUDE PEPPER was first elected to the U.S. Congress, as a Member of the Senate, in 1936. Immediately, he set to work supporting the New Deal initiatives of President Roosevelt. He played a major role in the enactment of a national minimum wage as well as in the establishment of the National Institutes of Health.

After a defeat for reelection to the Senate in 1944, Senator PEPPER successfully campaigned in 1960 for a seat in the House of Representatives, where he served until his recent death. As we all know, his tenure in the House was filled with legislative accomplishments.

As a Member of the House, he was a key supporter of civil rights legislation, including the Voting Rights Act of 1965. Also in that year, he was the moving force behind the Older Americans Act. This marked the beginning of his strong advocacy for programs and legislation effecting our Nation's elderly.

In 1977, Senator PEPPER was appointed the first chairman of the House Select Committee on Aging. During his chairmanship, he focused the Nation's attention on the problems confronting the elderly: Abuse, nursing home fraud, health care needs, housing, and discrimination. Through his efforts and insight, mandatory retirement was eliminated and elderly health care became an issue of national concern.

While he may not have always prevailed on the floor of the House, we all benefited from his efforts. His heartfelt commitment and advocacy of those less fortunate educated the Congress and the country. He shall be sorely missed.

Mr. CONYERS. Mr. Speaker, I rise today to pay tribute to CLAUDE PEPPER, a man who was born to a poor family in rural Alabama and rose to become one of the greatest legislators in this Nation's history.

A professor of constitutional law prior to being elected to Congress, CLAUDE understood the liberal ideas that were incorporated into the Constitution and have become a part of this country. And he never shrank from that liberalism—not even when it caused his Senate defeat in 1950 as the Nation became mired in the swamp of McCarthyism.

He first came to Congress during the Great Depression and saw that Government involvement was necessary to help Americans. He fearlessly and tirelessly defended the interests of the poor, the elderly, the young, and the downtrodden in this country. In doing so, he became a giant among those who have served in this institution. His presence will be sorely missed. His legacy to this body and to this country will forever be felt.

CLAUDE was first elected to public office in 1929, and he spent nearly every year since in service to his country. In later years, he became known as a champion for the aged. Many assumed that his work on behalf of the elderly was a reflection of his own age. But most don't know that he has championed that cause all of his life. One of his first actions upon entering public service in 1929 was to push for legislation in the Florida Legislature exempting people over 65 from having to obtain fishing licenses.

The Young CLAUDE PEPPER championed the rights of the elderly because it was the moral thing to do. But in his more than 50 years of service to Congress and this country, he was the champion of far more. He was the champion of the downtrodden, the voiceless, the forgotten, and the abondoned. And he championed the rights of these groups with equal vigor, commitment, and effectiveness.

Few if any legislators have contributed more to this country than CLAUDE PEPPER.

He lead the fight in 1938 for the minimum wage, which at that time was established at 25 cents per hour. He also during his career led the fight for Social Security, Medicare, and Medicaid.

In 1944, CLAUDE PEPPER articulated a most unpopular position for his State when he introduced legislation to abolish the poll tax, a device which was used to deny blacks their right to vote. And he was among the first Members of Congress to support equal rights for women.

The list of CLAUDE's legislative accomplishments is too long to detail in this forum. But among the institutions for which he is responsible are the National Institutes of Health and the World Health Organization.

CLAUDE was also the sponsor and driving force behind legislation that eliminated the compulsory retirement age for Federal employees, eliminated the mandatory retirement age for most private sector employees, and required employers to continue health coverage for older workers.

In foreign affairs, CLAUDE was among the first to warn President Franklin D. Roosevelt of the menace of Hitler and nazism in 1938. He was a lead sponsor of the Lend-Lease Program, which provided assistance to Great Britain prior to United States entry into World War II, and he was a supporter of early entry of this country in the effort to turn back Hitler and Mussolini's charge in Europe, Asia, and Africa.

Last week, in giving CLAUDE the Medal of Freedom, the Nation's highest civilian award, President Bush cited CLAUDE's as a "career dedicated to preserving the values that make America great."

How true that was.

In the last speech before his death, Hubert H. Humphrey expressed better than anyone else the true mission of Government. He said that "the moral test of government is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life—the sick, the needy, and the handicapped."

CLAUDE PEPPER was the embodiment of that ethic. His death leaves an inestimable hole in this body. His life and his legacy will live on forever.

Mr. COUGHLIN. Mr. Speaker, I rise to thank my colleague from Florida, CHARLES BENNETT, for calling this special order to honor a former Member who served our Nation with longevity and dedication.

CLAUDE PEPPER served the people of Florida's 18th Congressional District, the people of Florida, and the people of the United States for over 60 years, including the last 27 years of his life in this U.S. House of Representatives.

First in the Florida Legislature, then in the U.S. Senate, and later in the U.S. House of Representatives, CLAUDE never forgot who he served as an elected official. From his election to the Senate in 1936 to fill an empty seat, CLAUDE set out to prove himself a champion of liberal causes. Whether it was supporting President Roosevelt's New Deal in the 1930's, or campaigning for civil rights in the 1940's, or leading the fight to reform Social Security in the 1970's and 1980's, CLAUDE always had his cause and the conviction to pursue his cause.

During the past several decades CLAUDE PEPPER had become the spokesperson for the Nation's senior citizens. As chairman and later as a member of the House Select Committee on Aging, he fought to strengthen the Social Security System believing that the elderly should be able to live with dignity and relative comforts. He helped pass the 1978 law raising the mandatory minimum retirement age for most workers from 65 to 70 and the 1986 law which banned any mandatory retirement age for most employees, allowing people to work as long as they are able. In recent years, CLAUDE had been lobbying for a Federal long-term health care plan to help ease the financial burdens of old age for the elderly.

CLAUDE spent much of this century developing and refining superb political skills and in-

stincts. Though he will be remembered for his political savvy, he will be remembered more as a brilliant orator. He combined the courtesy of a southern gentleman with the capability to silence even the toughest, most stubborn politician. And CLAUDE was persuasive.

CLAUDE PEPPER will be remembered as a man dedicated to public service. For over 60 years, he gave of himself in order to serve others. His legacy is one of honor and conviction.

I send my deepest condolences to CLAUDE's family and his many friends.

Mr. HERTEL. Mr. Speaker, I rise today to pay tribute and a final farewell to our distinguished colleague, Congressman CLAUDE PEPPER.

CLAUDE PEPPER was an inspiration to us all. In over half a century of public service, he never failed to speak out on behalf of the disabled, the poor, and the elderly. He became their greatest champion, and never compromised his beliefs in him many successful efforts to aid them.

CLAUDE PEPPER was truly a man for others, on both a public and a personal level. He introduced a multitude of bills in an effort to enhance the quality of life of senior citizens, the disabled, and the poor, and he spearheaded the effort to derail legislation designed to eliminate some hard-fought programs that were scheduled for reduction. On an individual level, he was caring and compassionate, and willing to make sacrifices for the sake of others.

It was an honor to serve in the House of Representatives and on the House Select Aging Committee with CLAUDE PEPPER. He was a man of great vision and wisdom, and he will be greatly missed by myself, the House of Representatives, and the Nation.

Mr. BLILEY. Mr. Speaker, throughout his 41-year career in Congress—14 years in the Senate, and 27 in the House—CLAUDE PEPPER devoted his lifetime to public service and helping the less fortunate. He was completely respected by his colleagues for that devotion.

CLAUDE possessed a keen vision which never dimmed over the years, in fact it only grew brighter as time passed. He pursued that vision, of providing health care for every senior citizen in the country, with a vigor unsurpassed by many men that history has remembered as heroes. Indeed, he too, will be remembered as a hero in his own right. He was a hero to a generation of elderly persons who did not have many champions. Whereas his colleagues in Congress will remember him for his legislative acumen; senior citizens will remember him for more practical reasons. As a result of CLAUDE they have improved health care and retirement pensions. They will remember him for his compassion.

Above all, CLAUDE was an outstanding legislator who never lost sight of the basic premise that he was in the Nation's Capital as a representative of the people.

We pray that he has been united with some of the millions he has helped in heaven—a place where there is no poverty, no catastrophic medical bills, no hunger. God bless him.

Mr. RAY. Mr. Speaker, my remarks today concern a very sad event for the House of Representatives, namely the death of the very Honorable CLAUDE PEPPER. However, when I take a moment to reflect on the life of this great man, my memories are anything but sad. He was a joyous and humble man, and I remember his warmth and wit.

Congressman PEPPER, through his hard work and dedicated perseverance, was instantly recognizable to a national television audience at a time when more and more of our colleagues covet attention through snappy sound-bites and sham legislative initiatives. He did not seek personal fame, rather he fought to bring enormously important issues to the forefront of our Nation's agenda. For that, I and millions of other Americans will be indebted to Congressman PEPPER, a statesman who reflected the very best in these hallowed halls.

Mr. CRANE. Mr. Speaker, it will be a long time, indeed, before the name CLAUDE PEPPER is forgotten by those who will follow us here in the U.S. Congress.

Our friend and colleague from Florida made his mark both here in the House of Representatives and in the Senate. And during that legislative career which spanned more than half a century, CLAUDE became a giant—truly one of those few leaders who becomes a living legend.

But he was more than that. CLAUDE PEPPER was a monument—a monument of hope to the Nation's senior citizens.

He was one of the first with the vision to see the need for a leader for the causes of the seniors. He saw them as a group in great need of aid, direction, and leadership.

He assumed that leadership post and served with distinction beyond the wildest hopes of his followers.

His success can be attributed to two words that defined his entire career—he cared.

And what a tremendous career he had.

He served his country during some of the most difficult times in its history, aiding our Presidents from Franklin Roosevelt through George Bush.

His tireless work carried him through the Great Depression, three wars, and countless domestic crises.

We will miss CLAUDE PEPPER as a great legislator. We will also miss CLAUDE as a fine friend.

Mr. SCHULZE. Mr. Speaker, I rise to honor one of the most distinguished gentlemen ever to serve America in the Congress, CLAUDE PEPPER. CLAUDE's commitment to bettering the life of every American—"to cool the brow of many who suffer," as he put it—was the hallmark of his remarkably inspired career of public service and leadership.

In the passing of CLAUDE PEPPER, we have lost a man who lived the spirit of his conviction. He refused to blur the line of his principles, and proved it while serving in his first elected seat as a member of the Flordia State Legislature in 1929.

CLAUDE showed his compassion for senior citizens with his first bill as a legislator by waiving fishing license fees for those over 65 years of age. He displayed concern for civil rights early on by refusing to support a Florida resolution condemning President Hoover's wife for inviting the wife of a black Congressman to the White House. CLAUDE may have lost his Florida House seat over that controversial vote, but the experience served to entrench a constant theme to his life: Personal belief before political concern.

The title of his biography is appropriately named "Pepper: Eyewitness to a Century." He met Orville Wright and the Apollo 11 crew. He worked closely with President Roosevelt to shape the New Deal and President Reagan to shape care for the elderly. He cast the first Senate vote for Lend Lease to Britain after perceiving Hitler's threat to Europe, and voted in the House to aid freedom fighters in Central America pursuing democracy. Before either existed, he spoke of the necessity of minimum wage and a draft for World War II. He ensured that senior citizen issues be placed at the forefront of political consciousness. The history of the 20th century in the United States is his biography.

I am sure to others in this body this will sound familiar. A constituent of the 5th District of Pennsylvania calls my office for assistance with a Social Security problem. In explaining the problem, the constituent, a senior citizen, says that he wrote to Congressman PEPPER and had been assured by him that I will be notified of the problem. "Senator PEPPER said you will clear this up for me," the senior citizen says, having well-placed faith that the Senator is true to his word. As we all know, his word was enough. That type of trust comes only from a life dedicated to helping, and stands as special testimony to his accomplishments and sense of purpose.

Today we honor the memory of a gentleman who received the Medal of Freedom and was accorded the respect to lie in state in the Capitol rotunda. Frankly, I am honored to have the opportunity to pass on my feelings regarding such a great man of dignity. To the legacy of CLAUDE PEPPER, I say Amen.

Mr. RANGEL. Mr. Speaker, so much has been said recently, and rightly so, about Congressman CLAUDE PEPPER's invaluable contribution to the protection of our elderly. Certainly this man is one who cannot be over-eulogized. He was indeed a national treasure, and his memory will remain one.

Little has been mentioned, however, concerning the Congressman's relentless leadership in the war on drugs. His death will mean a significant loss in this country's effort to stem the tide of illegal drug use. His record on this issue was strong and effective.

Congressman PEPPER helped establish our war on drugs. He identified the magnitude of our drug crisis long before anyone else, predicting already in the 1960's that its reverberations would shake the foundations of our country for decades to come.

Amidst all of today's empty words about the war on drugs, the efforts of a warrior of action, not rhetoric, will be sorely missed. Congressman PEPPER's dedication transcended party lines—he did what was necessary to hammer out substantive antidrug legislation.

In 1969 he sponsored the resolution to create the House Select Committee on Crime, which he proceeded to chair for the next 4 years. During his chairmanship, he singled out illegal drugs as this country's most urgent problem, and he let it be known that substance abuse was not just a crisis of the poor and the inner-city.

In 1971 Congressman PEPPER reflected upon the young life of his committee: "If there is one word that I hope will be attributed to the efforts of this committee it is 'action.'" Indeed that word accurately describes his decades-long focus on the battle against drugs.

The Congressman's leadership continued unabated through the 1980's. As chairman of the Rules Committee he led the fight to pass the rules permitting the two most comprehensive antidrug measures to date: The Anti-Drug Abuse Acts of 1986 and 1988. In both cases he had to bring a dozen committees together to push the laws through, skillfully orchestrating competing jurisdictions in order to satisfy all points of view.

His determination and ability to bring opposing elements together for an urgent cause were demonstrated in his successful effort to pass the rule permitting the 1988 drug bill: "While the rule makes in order a wide variety of amendments representing the philosophies of Members across the ideological spectrum, I believe that the spirit of cooperation exhibited in the development of this rule will lead to enactment of a bill which goes a long way toward solving our Nation's illicit drug problem."

Furthermore, he provided unyielding support for the House Select Committee on Narcotics Abuse and Control, which I chair. Congressman PEPPER vehemently called for the reconstitution of our committee at every Congress since its 1976 inception.

The people who claim to be concerned about our national drug crisis could benefit from Congressman PEPPER's example. When the Congressman detected that our drug crisis was deepening even further in the summer of 1986, back when crack was a new phenomenon, he didn't just spout off rhetoric. He wrote three bills aimed to attack the problem on both the law enforcement and drug abuse treatment dimensions, one of which was incorporated in the 1986 antidrug bill.

As this country continues to grapple with what the late Congressman recognized as our most pressing threat to national security, the energy and determination of CLAUDE PEPPER stand out as a beacon of inspiration in a darkening crisis.

Mr. LOWEY of New York. Mr. Speaker, we are all gathered here today to pay tribute to a great man. Some of your knew Senator PEPPER for many years, some of us for only a few months, but his dignity, his grace and his determination have touched everyone.

I want to tell you a story. A story about a man of strength, compassion and unceasing dedication to people. A story about Senator CLAUDE PEPPER.

The first time I met CLAUDE PEPPER, I went to his office to talk with him about Medicare and issues facing the elderly. I had heard wonderful things about him from his colleagues and from the senior citizens with whom I spoke during my campaign. As we talked and began to get to know each other that day, I realized how right those people were. He spoke about the problems that senior citizens face everyday with such compassion that it almost brought tears to my eyes. He spoke eloquently about his long commitment to finding ways to meet the needs of the elderly without imposing an unfair or inordinate burden on them. To know CLAUDE PEPPER was to love, admire, and be awed by CLAUDE PEPPER.

Senator PEPPER was a dedicated man. He was dedicated to the people of this country, to the concerns of those people, and to the Congress that is responsible for addressing those concerns. I will never forget the day that I met CLAUDE PEPPER: a hero, a role model and a new friend.

Many people knew and admired CLAUDE PEPPER—in his district, in his State, and here in the Halls of Congress. But CLAUDE had something extraordinary. He had 29 million special friends. Those are the 29 million people in our country over the age of 65. He was a champion of their rights and their concerns for over half a century of public service. Long before he himself joined the ranks of senior citizens, he was their advocate.

I know that we all grieve the loss of Senator PEPPER. By coming together here today, we are paying a great tribute to him. But an even greater tribute would be to make a pledge to the people of our Nation, especially the 29 million senior citizens, on his behalf. We must pledge today that we will follow Senator PEPPER's years of leadership and public service on behalf of the elderly; that we will fight long and hard for the rights of all in our society, especially the poor, the homeless and the elderly who are so often forgotten; and that as a legislative body we will maintain a sense of responsibility, dedication and honor, so that we may live out Senator PEPPER's vision of a strong and effective Congress.

None of us can replace him, but we can all strive to emulate his compassion, his commitment to principle, and his love of this Nation and its people.

Mr. IRELAND. Mr. Speaker, the Florida delegation has set aside this time this afternoon to remember our friend and colleague CLAUDE PEPPER. It goes without saying that he is already missed, not only for his wit and intelligence, but for his sense of well-being for others.

CLAUDE became the national conscience on so many issues affecting individuals in this Nation. We remember him most often for his work on the Select Committee on Aging and his constant pursuit of fairness for senior citizens. He was, no doubt, first among us to recognize that we all have a contribution to make if we so choose, even after the age of 65.

Senator PEPPER gave new meaning to life for a whole generation of Americans. We did not always agree on the approach needed for some issues, but it was always a pleasure to debate and to come to an understanding of Senator PEPPER's philosophy on the truly important issues facing us.

The 10th Congressional District holds a special place for Senator PEPPER. He and his wife, Mildred, were frequent guests at the beautiful Cypress Gardens. We often spoke of this unique area of Florida and I know he shared my love and attraction to central Florida. I would guess that each section of our State holds a unique memory of Senator PEPPER.

Mr. Speaker, I do not need to tell how different it will be in the House without CLAUDE PEPPER. Surely, we are all better to have known him.

Mr. BONIOR. Mr. Speaker, on May 30, America lost one of its most cherished treasures with the death of Senator CLAUDE PEPPER. You cannot go anywhere in this country without finding someone whose life has been touched by him. His influence spanned generations.

Senator PEPPER was a mentor, an inspiration, almost a father to me. Nothing has given me more satisfaction in my political life than to serve alongside the Senator in the House and to work under him in the powerful Rules Committee.

In 1987, Senator PEPPER published his autobiography, "Pepper: Eyewitness to a Century." I have always thought that title showed the Senator's characteristic humility. For Senator CLAUDE PEPPER was not just a witness to this century, he profoundly shaped it.

The United States would not be the proud and strong Nation it is today if it had not been for the tremendous contribution of Senator PEPPER.

During the 1930s, when our Nation was ravaged by a terrible economic depression, Senator CLAUDE PEPPER was a champion of efforts to help the millions of Americans who needed the New Deal.

And, just prior to World War II, he was one of the first to warn this Nation of the dreadful horrors of Hitler, and to awaken our people to the need to defend democracy.

In the years since then, CLAUDE PEPPER time and time again was a leader in renewing our national commitment to better health, better housing, better education for all Americans.

Senator PEPPER found the secret to living a long and productive life, a life that was continually renewed with purpose and vigor. His secret was his tireless passion for helping his fellow citizens.

More than any other single person in this country, he was responsible for making America aware not only of the special needs of the elderly and our special responsibility to meet them—but also of the power and vitality of the movement for senior citizens' rights. He was the symbol of that movement.

Senator PEPPER's legacy will remain with us forever. No one could better remind us of what a high calling it is to enter public service. No one could provide a more stirring example of what it means to truly serve our country.

I feel a great personal loss at the passing of Senator PEPPER, and I will forever cherish the friendship and guidance he so generously gave to me.

Mr. KENNEDY. Mr. Speaker, like many other Americans and people from all over the world, I will deeply miss our dear friend and colleague, CLAUDE PEPPER. His vivacity and intense love for life will never die because he has passed it on to every one of us in his own special way. CLAUDE PEPPER was more than a giant. He sincerely believed in equality of all human beings regardless of race, religion, or gender. He helped a stranger in the same compassionate manner that he would help a dear friend.

CLAUDE PEPPER was to me a shining example of the American dream. Born in 1900 to

a poor family in Alabama, he proved that with dreams and hard work every person has the opportunity to succeed in life. Congressman PEPPER knew from the time he was a young child that he wanted to become a U.S. Senator. His tenacity and motivation enabled him to accomplish his goals. CLAUDE PEPPER was a dedicated public servant for 60 years of his life. The Capitol was a second home for him as he served in both the Senate and the House of Representatives and loved both dearly. As the oldest Member of Congress his overflowing energy and excitement never failed to impress the Members of the House and Senate with whom he came in contact daily.

CLAUDE PEPPER will always be remembered as a champion of the elderly. The advancements he made in social security, the mandatory retirement age for workers in private industry, and many other important issues will have a profound effect on every American. He elevated the status of senior citizens and abolished many derogatory stereotypes. One reason for his beneficial effect on all Americans was the fact that he was not fighting for the people, but he was fighting with them to improve the life of every citizen. He placed himself on the same ground as the common man and could therefore personally comprehend their grievances and work out the best remedy.

The passing of CLAUDE PEPPER is indeed a great loss to every citizen in this country. He has left a momentous imprint on this country. I thank him for all that he did for his fellow man and I hope for future generations that our country produces more leaders like CLAUDE PEPPER.

Mrs. MORELLA. Mr. Speaker, it is difficult for me to sum up my thoughts on a man who has left an indelible mark on American history. CLAUDE PEPPER was more than just a member of this body; he was an institution. Few Members of Congress have ever wielded the power, exerted the influence, or enjoyed the level of respect that CLAUDE PEPPER did. And with good reason.

In his 41 years in Congress, CLAUDE PEPPER came to symbolize what is best about this body. As a true public servant, he was not afraid to champion causes which were often unpopular. From his sponsorship of the controversial Lend-Lease Act to his support for full funding of Medicaid and Medicare during an era of budget cuts, Congressman PEPPER came to represent the conscience of the Congress.

I first met Congressman PEPPER when I joined the Select Committee on Aging in my first term. I remember being amazed at the fact that he truly lived up to the legend; he was as compassionate and as skillful a legislator as one could imagine. He was as stately as this Chamber and as awe-inspiring as any Member who ever walked these halls. I considered Congressman PEPPER, as I think most Members of Congress did, the consummate legislator. In an era of TV sound bites and round-the-clock campaigning, CLAUDE PEPPER reminded us that we are here to serve others—to help people. At age 88, CLAUDE PEPPER had more dignity and stature than the most telegenic of us. Perhaps my distinguished colleague from Massachusetts, Congressman SILVIO CONTE, said it best when, remarking upon the fact that Congressman PEPPER could not stand up to receive the Medal of Freedom, he said, "He didn't have to stand up. He was a giant."

I will always remember CLAUDE PEPPER in this way, and I will miss him.

Mr. SLATTERY. Mr. Speaker, I will always remember my first visit with CLAUDE PEPPER. Thanks to a generous letter of introduction from the late John Montgomery of Junction City, a mutual friend, Congressman PEPPER was expecting me.

He invited me to talk with him as he made the 10 minute dash from his office to the House floor to vote. I remember thinking how remarkable it was that this 83-year-old man could walk so fast, greet colleagues and friends by their first names, while giving me thoughtful advice about how to win the committee assignments I sought.

Senator PEPPER took time to introduce me to House Speaker Tip O'Neill and other members, and asked them to support my appointment to the Energy and Commerce and Veterans Affairs Committees. They did and I know how important his endorsement was.

CLAUDE PEPPER was a walking, living history book who taught unforgettable lessons and shared inspiring recollections during late-night sessions on the House floor. I'll never forget his stories of working with President Roosevelt and of traveling in Nazi Germany before World War II.

Senator PEPPER tirelessly defended the interests of seniors and advocated the causes of the homeless, voiceless and powerless, with vigorous and poetic oratory.

Time magazine wrote in 1982, shortly after Senator PEPPER received his first pacemaker, that he was, "like a vintage automobile with new parts: he gets better and more powerful with age."

As a Senator and Congressman, CLAUDE PEPPER saw and tried to relieve the pain and suffering of children who went to bed hopeless and hungry and of older Americans who existed and died impoverished and alone.

He spent 52 years serving our country and fighting for what he believed. He cared about people, and I am just one of millions who considered CLAUDE PEPPER a personal friend. He was a grand, a great American.

CLAUDE PEPPER was an inspiration to me and I'll miss him greatly.

Mrs. SLAUGHTER of New York. Mr. Speaker, CLAUDE PEPPER was the last of the truly great New Deal Democrats. He believed the role of Government was first and foremost to provide for the people. Throughout the 50 years he served in Congress he originated programs such as the World Health Organization, he played an instrumental role in the passage of the first minimum wage law and he inspired us all by his ideas and accomplishments. He once said about himself: "I am, and shall remain a liberal. * * * I intend to continue to devote my full energies to helping to free people from fear of dictatorial oppression, from fear of illness and poverty, from fear of discrimination, from fear of ignorance, and from fear of opportunity foreclosed." CLAUDE PEPPER never stopped trying to reach these goals and never hesitated to take a stand.

As the only Senator to cast a vote for Lend-Lease to Britain during the early World War II era, CLAUDE PEPPER demonstrated his concern for freedom from the totalitarian threat posed by Hitler.

As a major social welfare reformer, he devoted his life to protecting the people from illness and poverty.

As one who would not compromise his values for his political aspirations, CLAUDE PEPPER lost an important election because he adamantly defended first lady Lou Henry Hoover's decision to have the wife of a black Congressman to a reception at the White House.

By spending his entire career as one of the chief supporters of the elderly, he became their hero, and a champion of many of their causes. He made certain that opportunities were not foreclosed for the elderly, women, and other minorities. He was the first to offer a child care bill, worked to abolish mandatory retirement based on age, and he played a major part in restructuring the Social Security system.

Senator PEPPER, dubbed "RED PEPPER" by some because of his red hair and fiery oratory and by others for his political views, had a razor-sharp mind, a wealth of knowledge and a great flair for the dramatic. His stories and wit will be truly missed. A self-educated success, CLAUDE PEPPER epitomized the fulfillment of the American dream. His vast experience gave him insight into the needs of the people, and through hard work and dedication to public service, CLAUDE PEPPER devoted his own life to improving the lives of others.

As the chairman of the Rules Committee, he continued in the tradition of the New Dealers. Legislation that advocated service for the people was his primary concern. He used his position to fight for the rights and security of our Nation's elderly. Justice, in the sense that everyone is entitled to be healthy and happy and well taken care of, was CLAUDE PEPPER's foremost cause.

"It was said of Mr. PEPPER that he made it fashionable to be old". His age made him worldly and insightful. At 88 years old he was truly a fashionable man. He possessed a great sense of humor and the manner of a genuine southern gentleman. I am certain that we have all learned much from CLAUDE PEPPER, not only about the art of politics, but about the art of living.

Mr. MINETA. Mr. Speaker, I am proud to join with my colleagues to participate in this special order for our very dear friend, the late CLAUDE PEPPER. With his passing, the people of the United States have lost a powerful champion for justice, equality, and the quality of life here on this Earth.

Without Senator PEPPER's tireless dedication, many important social, cultural, and political debates would never have gained the prominence Senator PEPPER knew they deserved. It would be difficult to find a significant piece of legislation in the last half-century which did not in some way speak of Senator PEPPER's ideals and influence.

As we now take up the causes which Senator PEPPER championed so diligently, we will find that his strength, skill, and patience are not easily matched. This is Senator PEPPER's lasting challenge to us, his colleagues.

VOL 135 PT 9 JE 14 — 22 1989 UMI

But for the American people, Senator PEPPER leaves us with another challenge: To protect the elderly, aid the poor, and educate the uneducated. And indeed, we would betray the memory of Senator PEPPER were we not to fight for their rights, and especially the rights of anyone and everyone who falls victim to prejudice, hate, or discrimination.

These duties may seem all too obvious in this day and age. But when we stop and remember that Senator PEPPER addressed the rights of the elderly, the scourge of illiteracy and the nemesis of discrimination more than 50 years ago, we then realize just how much foresight, wisdom and courage lived in CLAUDE PEPPER.

While serving in the Florida House in the 1930's, CLAUDE PEPPER took a stand against racism. He refused to support a resolution condemning Lou Henry Hoover, the wife of the President of the United States, for inviting a black man to a tea at the White House. PEPPER lost the next election, but he never lost his opposition to discrimination.

Two years ago, as the House prepared to debate a law designed to offer redress for the summary denial of constitutional rights, here again was Senator PEPPER defending the rights of his fellow citizens.

In 1942, 120,000 Americans of Japanese ancestry were forcibly removed and interned by the United States Government simply because they were Americans of Japanese ancestry. There were no charges, no trials, no due process. I was one of those Americans who were interned solely on account of my ancestry.

When I testified before Senator PEPPER and his House Rules Committee, I came away knowing for fact that what I had always known in my heart: That CLAUDE PEPPER was always on the side of the Constitution. And with his help, the Civil Liberties Act of 1988 became law.

Senator PEPPER knew what it meant for Congress to enact truly meaningful legislation. While serving in the U.S. Senate, CLAUDE PEPPER was instrumental in the passage of the first minimum wage law, guaranteeing workers 25 cents an hour.

Mr. Speaker, we can only imagine how eloquent and passionate and determined CLAUDE PEPPER would have been during our attempt last week to override President Bush's unfortunate veto of the Fair Standards Amendments of 1989.

Throughout his public service career, Senator PEPPER always looked out for those not able to do so for themselves. Our national Social Security Program was introduced only a few years before Senator PEPPER began his congressional service. For the next 50 years, Senator PEPPER did everything in his power to defend and protect that pact with the American people.

The 1983 compromise which restored the health and solvency of our Social Security System benefited significantly from CLAUDE PEPPER's charge as Chair of the Rules Committee. Senator PEPPER was unable to eliminate all cuts in benefits which the Reagan administration had demanded, but he yielded no more than was absolutely necessary.

There are so very many accomplishments in CLAUDE PEPPER's career, it is hard to know not where to start but when to stop. So I will mention but one more.

CLAUDE PEPPER was the father of the modern National Institutes of Health, whose mission it was and is to improve the health of the American people. As a Senator, he sponsored legislation that created the NIH, and his interest in medical research lasted throughout his career. This concern, respect, and affection was reciprocated by the National Institutes of Health when NIH named its headquarters the Claude Denson Pepper Building.

Mr. Speaker, there are many honors we have bestowed upon CLAUDE PEPPER both in life and since his passing. But the greatest honor is not one we have granted. It is one which we were granted: The privilege to have CLAUDE PEPPER as our fellow citizen.

It was an honor for me to have known CLAUDE PEPPER and to have served with him in this, the greatest institution the world has ever known. I am a better legislator for the experience, and our Nation is better for the constant pursuit of excellence, the tireless devotion to justice, and the everlasting love of country which was CLAUDE PEPPER.

Thank you very much.

Mr. MONTGOMERY. Mr. Speaker, I want to thank our colleague, CHARLIE BENNETT, for taking this time to honor our friend and former colleague, CLAUDE PEPPER. CLAUDE was one of our best loved Members and he commanded the respect of men and women on both sides of the political aisle and on both sides of this Capitol building.

It was very fitting that President Bush was able to go to the hospital just before CLAUDE's death to present him with the Presidential Freedom Award. I can think of no one more deserving of such recognition.

It was very obvious by the way official Washington reacted to his death that CLAUDE had a special place in all our hearts. That affection was felt throughout the country as well. I would venture to say that CLAUDE PEPPER was a popular figure in every congressional district throughout the United States for the untiring work he did on behalf of the Nation's elderly. He was the champion of issues affecting our elderly for so many years, and his successors in that area have helped make life easier for senior citizens all across America.

We will miss Senator PEPPER. But his great record of achievement in both the Senate and the House will live on.

Mr. GORDON. Mr. Speaker, it is a time of sadness and fond memories for those of us who had the pleasure of knowing and the privilege of working with Congressman CLAUDE PEPPER.

A self-made man whose career as a public servant spanned six decades, PEPPER saw three wars, economic depression and boom, and two visits by Halley's Comet.

He appeared on the cover of the Time magazine twice—as a Senator in 1938 and as a Congressman in 1983.

Through it all, PEPPER championed the causes of the less powerful. He worked not for those with the big money, but for those with the biggest needs.

He asked that his epitaph read, "He loved his God and his country, and he tried to serve them both."

And he did serve both, setting an example of courage and conviction, standing up for what he believed even when the breezes of popular opinion were blowing the other way.

Senator PEPPER entered politics in 1928 in the Florida Legislature. He went to the U.S. Senate in 1934, when he was just 36 years old.

When he died last week at 88, he was the oldest Member of Congress. He had served 18 years in the Senate and 26 in the House.

CLAUDE PEPPER was famed as the champion of the elderly, whose cause he first took up as a young man in the 1930's. He backed the formation of a Social Security System for retirees at that time, before the idea was considered acceptable.

No one has done more to try and insure that senior citizens enjoy the dignity and respect that is their due.

CLAUDE PEPPER showed his foresight in another area when he cast the only vote in favor of the Lend-Lease Program the first time it was proposed in 1940 to help the Allies fight Nazi Germany. A few months later, Congress sided overwhelmingly with the Senator from Florida, and Britain was saved.

Senator PEPPER's courage and convictions served his God and his country, but they also cost him his seat in the Senate. At a time when segregation was the norm in Florida and blacks were routinely denied the vote, CLAUDE PEPPER supported civil rights.

Remembering the poverty in which he grew up, CLAUDE PEPPER supported the creation of a minimum wage of 25 cents an hour at a time when many claimed a minimum wage was nothing but a sinister Communist ploy.

He was also a backer of TVA—the public power system that has meant so much to our economy in Tennessee.

For these and other acts of conviction, PEPPER was labeled "RED PEPPER" and called a Communist during the McCarthy hysteria. He was defeated for reelection in 1950, a victim of one of the vilest smear campaigns ever.

Ten years later he was back in Congress, this time representing a House district that included Miami and Miami Beach. His convictions remained as strong as ever, and he became the chief spokesman for seniors in Congress.

One of his last great fights came in 1988, when he tried to push through a bill to start a home health care program so that seniors who wish it could remain in their homes while convalescing. He lost that round, but I have a feeling that, as in so many of his endeavors, eventually his idea will win.

When I was picked for the House Committee on Rules, which CLAUDE PEPPER chaired, Senator PEPPER treated me like a grandson. He always went out of his way to help me learn the complex system of rules that makes it possible for all of us to debate and vote on legislation, even the most controversial, in an orderly fashion.

We spent a lot of personal time together, traveling to the Soviet Union and working through hundreds of committee hearings and meetings. Up close, I found Senator PEPPER to be a model of integrity and decorum. Even

when he disagreed with you, he did it in a pleasant way, a gentlemanly way.

He had learned patience with age, and he found that patience usually paid off in the long run.

Despite his failing health, Senator PEPPER continued to lead our committee, both in the hearing room and on the floor of the House. There was no self-pity, only will power, as he continued almost through his last breath to fight tenaciously for what he believed was right.

The day before he died, he called Richard Darman, Director of the Office of Management and Budget, to find out why more had not been done for something PEPPER had long sought—a monument in Washington to President Franklin D. Roosevelt.

Not satisfied with Darman's response, PEPPER called President Bush to make a last, personal plea for the monument.

Knowing his death lay only hours away, PEPPER as usual was not thinking of himself, but of his long-dead mentor and hero.

My admiration for this great public servant and all he accomplished helps to mute my sorrow at his passing.

Mr. MAZZOLI. Mr. Speaker, on May 30, America lost a stalwart legislator and we, in the Congress, lost a good friend. The death of CLAUDE PEPPER ends a rich and full chapter in American history.

Senator PEPPER was a remarkable man. His career in Congress spanned more than 40 years. He met Wilbur and Orville Wright. And, he shook hands with the astronauts. Few have seen, first-hand, so much of our Nation's history. And, few have played such an intimate role in that sweep of history.

Born as this century began, CLAUDE PEPPER not only witnessed, but participated in most of the major historical events in his lifetime. He helped shape the early days of the Roosevelt New Deal and gave life and focus to programs aiding millions of poverty-stricken Americans.

CLAUDE PEPPER was a marvel of tenacity and unyielding optimism on issues of importance to our senior citizens. Perhaps no individual in Congress has ever been more sympathetic to nor done more to help protect senior citizens in this country than CLAUDE PEPPER.

Senator PEPPER had the energy of someone many years his junior. And, he continued in political life long after many a lesser man would have retired. For more than 40 years in Congress he fought tirelessly for the poor and elderly. His career in public service and his record of legislative achievements stand as a model for all public servants to emulate.

A kind and courtly person, a scholar with all the grace and charm appropriate to a Southern gentleman, CLAUDE PEPPER was an eloquent and passionate public speaker. We have all heard and marveled at his orations on the House floor. But, never was CLAUDE PEPPER more eloquent than in his stirring message to the delegates gathered in Philadelphia's Congress Hall in July 1987 celebrating the 200th anniversary of our Constitution.

How is it possible to measure the value of a man's life? If the outpouring of tributes paid to this man since he passed away measure and reflect the love, respect and appreciation which he engendered among family, friends, and colleagues, then CLAUDE PEPPER truly was a giant.

Of humble origins himself, CLAUDE PEPPER had the rare gift of being able to touch people of all ages and from all walks of life. His contributions to the establishment of medical research programs, Social Security, and Medicare will remain as proud legacies to all Americans. Few Americans more richly deserved the honor which was bestowed on him a few days before his death by President Bush: the Presidential Medal of Freedom.

The House of Representatives and this Nation have lost a dear friend. This Chamber will not be the same place without CLAUDE PEPPER. We will miss his presence but will remember him often and fondly.

Mr. HORTON. Mr. Speaker, I have many fond memories and personal recollections of CLAUDE PEPPER. Upon our election to the 88th Congress in 1962, we became close friends. Of course CLAUDE'S earlier years of service in the Senate made him an instant leader of the 88th Club.

Each year, the Members first elected to the 88th Congress gather for a St. Patrick's Day dinner. My good friend JAKE PICKLE of Texas and I always looked to CLAUDE to give an inspirational speech. Last year marked the 25th anniversary of the club and CLAUDE again made an excellent speech. He was brilliant again this year in what has turned out to be his final address to the 88th Club.

My wife Nancy and I both considered CLAUDE and his wife Mildred to be friends. One of my favorite memories of him is an event that happened some years ago. Nancy and I were at a restaurant in his district, named Joe's Stone Crabs. By coincidence, the Senator stopped into the restaurant while we were there. It gave me great pleasure to be in his district and to see the fondness and respect which the constituents had for him.

Of course, everyone knows CLAUDE PEPPER as a champion of the poor, crusader for the elderly, and promoter of human dignity. Whatever the problem, CLAUDE PEPPER always landed on the side of humanity. He was a true believer in the causes for which he fought.

Throughout his distinguished public service career, CLAUDE was a staunch advocate for the elderly. As many of you know, the first bill he ever sponsored in the Florida Legislature was to rescind the fee for fishing licenses for senior citizens. He continued working on behalf of older Americans up until the time of his death last month. With his death, the elderly have lost their most ardent supporter. Though he was very successful in improving the welfare of our seniors, there is still work to be done.

It is my sincere hope that Senator PEPPER'S message will be heard and his legacy will be carried on by all Members of the House. There are several problems confronting our seniors which need to be addressed by the Congress in the near term. The successful completion of this task is the type of memorial which CLAUDE would have preferred.

Mr. RAHALL. Mr. Speaker, I rise today to speak in sadness at his death, and in celebration of the life of a man whose time among us was far, far too short—the honorable and revered CLAUDE D. PEPPER, Democrat from Florida.

Although CLAUDE PEPPER began his service in the U.S. Senate during the second term of President Franklin Roosevelt, in his own words "he loved the Senate, but he dearly loved the House."

But while he served the House longer than he served the Senate, he was nearly always greeted fondly and respectfully as "Senator".

I had the distinct honor early this year to travel down to CLAUDE PEPPER'S district to participate in a hearing on a bill that is pending before the Education and Labor Committee. His bill would have provided incentives for States to develop and implement programs to keep high school students in school, from dropping out in the first place. He believed as strongly in the needs of the youth of America as he did the needs of older Americans—and his legislative efforts show that, more than most of us, he recognized and understood that as the twig is bent, so grows the tree. Help the millions of senior citizens in this country? Oh my, Yes. But he knew our future depended upon our youngest citizens—and he made every effort to lend them a helping hand as well.

During that hearing on the Pepper bill, I recalled during my remarks that a majority of citizens of the United States believe that CLAUDE PEPPER became a champion for causes serving the elderly after he became a senior citizen himself. But in fact, one of his first legislative efforts, as a member of the Florida Legislature in 1929, was a bill to permit persons older than 65 to fish without a license. He himself, born in 1900, was only 29 years old.

CLAUDE PEPPER was a devoted husband to his beloved Mildred, his wife of 43 years who died in 1979. He mourned her loss, but cherished the memory of that loving relationship throughout the remainder of his life.

CLAUDE PEPPER defied the fact that he was the oldest Member serving in Congress with his energy, his 15-hour days, his tireless work on behalf of keeping Social Security intact and solvent, and making certain that the frail elderly folks in nursing homes were properly cared for and about. He came nearer to establishing a patient's bill of rights for nursing home residents than any other Member. But he never sat back to rest on his laurels, and in the case of cleaning up the nursing homes across this Nation, he would have told you that our efforts still fell short, and that much remained to be done to assure their health, safety, and dignity of life.

Early in his Senate years, he introduced legislation calling for Equal Rights for Women—long before it became fashionable to do so, and long before women's rights groups clamored for such legislation. He was a civil rights activist in every sense of the word before the term activist became a household word.

His early efforts on behalf of preventive health policy, and his involvement in establishing the first five National Institutes of Health programs, much improved and expanded over the years by his efforts to include research to find treatment and cures for a myriad of ills affecting the young and old alike, still stand and still flourish.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Early in his career, as one of the staunchest defenders of Roosevelt's New Deal programs, he saw enactment of the 25-cents-an-hour minimum wage law, and supported Roosevelt's effort to expand the Supreme Court, among other unprecedented initiatives of that era meant to save a failing nation. He was one of the staunchest supporters of President Roosevelt, and echoed forever afterward through his words and deeds, the admonition made by Franklin Roosevelt to new Members of Congress a few days after he took office, with a nation crying out for its leaders to do something.

"Gentlemen," said Roosevelt, "we may make mistakes in enacting many of my proposals into law, but to stand and do nothing would be the greatest mistake of all." It was not possible for a man of CLAUDE PEPPER's energy, talent and compassion for others to stand and do nothing. And he never once did.

When this honorable man was defeated in his 1950 campaign for reelection to his Senate seat, he was defeated on the basis of his being a shameless extrovert. He remained a shameless extrovert when he returned to Congress as a Member of the House, and the Nation has rejoiced ever since. He was also a shameless liberal, and he chaffed against efforts to make that word an epithet during more recent political campaigns.

There is no need for me to tell the story of CLAUDE PEPPER's life.

His was a life lived in sunshine, not in the shadow of ideology or fear of what other people might think. If it needed fixing, he fixed it. He went after controversial issues that concerned him with gusto and charm, armed with information gleaned from his tireless fact-finding missions on every subject he embraced and fought for. And, more often than not, he won more friends and supporters for his many and diverse causes along the way than he encountered foes.

CLAUDE PEPPER will never die, because of the example he set in living his own life. At the beginning of his adulthood, when he set his cap for the Senate, he was wise beyond his years, and from the beginning he had the characteristics of greatness we all seek—understanding, justice tempered with mercy and gentleness, nobility, dignity, and honor.

We shall miss his presence among us. But we have only to look at the record to continue to be instructed by him, and to learn from his example.

The humility that we often express before God in our prayers, is often buried in the daily rush of our lives. That was not so of the CLAUDE PEPPER I knew.

In my prayers upon hearing of the death of CLAUDE PEPPER, I remembered the Psalms of Praise, the 100th Psalm, which reads:

> Know ye that the Lord He is God: It is He that hath made us, and not we ourselves; we are His people, and the sheep of His pasture. Enter into His gates with thanksgiving, and into His courts with praise: be thankful into Him and bless His name.

I will always miss this fine and gentle man, but though his voice is stilled, his words and deeds will live on in this institution, the House of Representatives, that he so loved and served so very well.

Mr. TORRES. Mr. Speaker, I thank the gentleman from Florida for convening this special order as a tribute to our friend and colleague, CLAUDE PEPPER.

I want to share with you a personal story which I believe is a manifestation of CLAUDE PEPPER's kindness, lucidity and institutional memory.

I recall going to a White House ceremony for the arrival of Secretary General Mikhail Gorbachev. It was a cold December morning. Then-President Ronald Reagan and Soviet Secretary General Gorbachev, the most powerful men in the world, were meeting to sign the historic arms control treaty. It was a momentous occasion. Both national anthems were played, and Secretary General Gorbachev received a 21 gun salute. We were watching history in the making.

I remember distinctly noting that Congressman PEPPER was seated in one of the first few rows reserved for elected officials. He had on a red corduroy golf cap which caught my eye. As Chairman PEPPER was making his way back to his car, he was surrounded by reporters. Always willing to share his thoughts, it took the help of his driver to direct him to his car for the short drive back to Capitol Hill.

I found myself on the White House lawn without transportation back to the Hill. I went over to Chairman PEPPER and asked if I could join him. He graciously agreed and suggested I take the back seat. He said it was easier for him to ride up front.

On that short drive up Pennsylvania Avenue, I asked Chairman PEPPER if he ever envisioned the day when Ronald Reagan and Mikhail Gorbachev would join together like that?

He said, yes, he knew that the superpowers would become friends again. He flashed back to a meeting with Josef Stalin wherein Stalin conveyed that he did not feel that the rift between our countries could ever be healed. Stalin believed that this rift was something that has been set in motion and could not be stopped.

As history will attest, Chairman PEPPER characterized Josef Stalin as a man Americans could trust. This characterization earned him the nickname "RED PEPPER." As we all know, Chairman PEPPER outlived Josef Stalin. He lived to see the day on that cold December morning when our two nations joined together in pursuit of peace.

Chairman PEPPER went on to share another anecdote. This one on his attempted meeting with Adolf Hitler at the request of then-President Franklin D. Roosevelt. A confirmed internationalist, and then-member of the Senate Foreign Relations Committee, Chairman PEPPER traveled to Germany to try to meet with Hitler. He was unsuccessful. Hitler refused to meet with him.

They were destined to meet. Over lunch with his beloved wife at a small cafe in the center of Berlin, Chairman PEPPER encountered the Fuehrer. Apparently, this was one of Hitler's favorite spots. Commotion over Hitler's coming overcame the cafe. People were moved so that the Fuehrer would sit at his favorite table.

Chairman PEPPER told me that he was not impressed with the man. He was too cocky and consumed by himself. With that, he and Mildred were ready to leave. Chairman PEPPER asked the waiter for his bill. The waiter, scared stiff, said he could not leave before the Fuehrer. Chairman PEPPER and Mildred continued to ready themselves to leave the cafe. All eyes were on them. I am told that you could have heard a pin drop. He said he could feel the heat of Hitler's eyes on him.

Chairman PEPPER and Mildred left the cafe before Hitler. At the door, before his exit. Chairman PEPPER did recognize the Fuehrer with a slight bow; the Fuehrer only glared back.

I thanked Chairman PEPPER for sharing his stories with me as I exited his car. I was delighted to have partaken in this small bit of history with a legend we knew as CLAUDE DENSON PEPPER.

Mr. HALL of Ohio. Mr. Speaker, I have joined with millions of Americans of all ages, and especially with my congressional colleagues, to mourn the death of Representative CLAUDE D. PEPPER, my friend and colleague. I want to thank the gentleman from Florida [Mr. BENNETT] for organizing this special order to celebrate the life and career of CLAUDE PEPPER.

It was my deep privilege to serve with CLAUDE PEPPER on the House Rules Committee. He was a distinguished chairman of the Rules Committee who used his power to help the powerless. He was a true champion of the needy, the disadvantaged, and the aged. He never abandoned his commitment to be their voice in the Capitol.

CLAUDE PEPPER was an inspiration to our Nation's senior citizens. As the oldest Member of the House, he had a great empathy for their needs and fears. They never doubted that he understood their concerns and would fight for them in Congress. He was their special advocate.

Yet CLAUDE PEPPER was more than just a spokesman and activist—he was a role model for all Americans. He demonstrated that mere age alone was no obstacle to effective job performance. He proved that a person could be alert, productive, and important—even at 88 years of age.

Senior citizens knew that if CLAUDE PEPPER could make a difference, so could they. Other Americans knew that if CLAUDE PEPPER could overcome the barrier of age, then they could overcome whatever barrier in life confronted them.

CLAUDE PEPPER leaves us an inspirational legacy. He enjoyed many successes over his decades of public service. As a participant in some of the greatest historical moments of this century, he was a national treasure and resource.

There are few individuals who deserve the title "Living legend." CLAUDE PEPPER was one of them. While we are saddened by his passing, it is consoling that CLAUDE PEPPER received so many of his deserved honors while he was still alive. He lived long enough both to see his place in history and to experience the love and appreciation of the Nation.

CLAUDE PEPPER was also revered around the world. He spearheaded congressional missions to foreign countries, and served as chairman of several United States delegations to Interparliamentary Union meetings over-

seas. He was a firm believer in interparliamentary exchanges and the forging of strong bonds among the world's democracies.

Truly, he was a citizen of the world. I am especially grateful for the support he lent to numerous initiatives to promote international respect for human rights and to encourage the fulfillment of basic human needs in developing nations. The world will miss his great heart.

CLAUDE PEPPER has left a tremendous void with his death. As we contemplate this loss, we should celebrate his life and draw encouragement from it. He accomplished many of his objectives, but left many others for us to pursue. May his life challenge us to continue his commitment to serve others and to contribute further to the high goals he set.

Mr. NEAL of Massachusetts. Mr. Speaker, I have only served in Congress since January and I did not have many opportunities to observe the work of CLAUDE PEPPER, but when he died on May 30, I felt a great sense of loss. CLAUDE PEPPER was a link to the 1930's and Franklin Roosevelt's New Deal. He was here, on the front line, as the Congress and the President struggled to pull our Nation out of the Great Depression. And he was here in the 1980's, defending many of the New Deal programs against crippling cuts. His passing was also the passing of an era.

From the time he came to Congress in 1937 as a U.S. Senator through his days as chairman of the House Rules Committee, CLAUDE DENSON PEPPER never wavered in his support for social programs aimed at the neediest in our society. He was a liberal in the best definition of the word. He stayed true to his liberal principles even when it was politically dangerous to do so. His outspoken brand of liberalism was the main cause of the loss of his Senate seat in 1950. CLAUDE PEPPER, however, was never a quitter and in 1963 he was back in Congress, here in the House, pushing strongly for President Kennedy's New Frontier legislation. During his 26-year House career, CLAUDE PEPPER became a champion for matters of concern to the elderly. For millions of Americans over the age of 65, CLAUDE PEPPER was a friend on Capitol Hill they could count on. He was consistently "out in front" on issues that took their place on the domestic agenda of this country: Social security, welfare, Medicare, and education. We will continue to debate important issues that CLAUDE PEPPER supported in his later years, most importantly, proposals for long-term health care.

Mr. Speaker, in one of his last major speeches before this House, CLAUDE PEPPER urged Members to vote for long-term care. He said that, by voting for long-term care, Members could say, "I helped a little bit today: I voted to help those who needed help." Those words capture the essence of CLAUDE PEPPER. He constantly sought ways to help the least fortunate members of our society. When we follow his example of commitment to the truly needy, we pay fitting tribute to CLAUDE PEPPER.

Mr. FORD of Michigan. Mr. Speaker, American history will show CLAUDE PEPPER as a leader and a fighter for all of the people who weren't strong or organized enough to help themselves.

Congressional history will show that CLAUDE PEPPER was a U.S. Senator first, and later became one of the most revered and respected Members of the House of Representatives.

But it is in his personal history that we find what CLAUDE PEPPER was all about and what good works he accomplished while he walked among us.

In that personal history, CLAUDE PEPPER had the unique opportunity to see Halley's Comet twice. CLAUDE PEPPER lived long enough to have known a Russia under the Czar—and under Mikhail Gorbachev. In CLAUDE PEPPER's time, America went from the horse and buggy to the automobile to the space shuttle. We went from a country where the slightest sickness could mean death to where we are now all facing a lifespan approaching 80 years of age. Wars have been fought, peace treaties signed. New countries have been formed. Old countries have disappeared.

The work—the legacy—of CLAUDE PEPPER will never disappear. His work here in this body—his concern for people that he transformed into action—will be his legacy. If you are a poor farmer struggling for a living; if you live in the inner city and are willing to work hard to get out; if you are a senior citizen who has earned the right to live in dignity; if you need help—the work that CLAUDE PEPPER did will make all of these possible for you. No one fought harder or longer to make sure that help from the government is available to those who need it the most.

CLAUDE PEPPER's work and his legacy are the essence of what good government is all about—giving everyone an equal chance to achieve the very best this country can offer.

CLAUDE PEPPER was our conscience. He never forgot where he came from and why the people of Florida—the ones who needed him—kept sending him back to the Congress. He would never let us forget either. If we ever wavered from what CLAUDE PEPPER thought was right for people, he would soon have his army on the march to set us straight, whether it was by bombarding our offices with mail, or meeting us with a message back home, or massing in great numbers behind a cause he supported.

If you name a program that helps people—one passed into law this century—the name of CLAUDE PEPPER is on it: Social Security, Medicare, unemployment compensation, food for the poor, fair housing—these programs are what this country is all about. They are a monument to what CLAUDE PEPPER was all about.

It was because of what CLAUDE PEPPER did for the American people—the little people—that he was accorded the high honor of lying in state in the Rotunda of the U.S. Capitol. This is the house of the people he loved and served—the house where we will carry on the compassion and caring that marked the long, admirable, honorable life of CLAUDE PEPPER.

Mr. HAMMERSCHMIDT. Mr. Speaker, I was greatly saddened at the passing of my good friend and colleague, Senator CLAUDE PEPPER. Although small in stature, CLAUDE PEPPER was in every other respect, a giant among us. We served together for 23 years, and during that time, I was fortunate to know him quite well.

CLAUDE PEPPER never seemed to waste a day in most of his 88 years. Working almost nonstop he compiled a towering record of public service to Americans of all ages. From beginning to end, he was totally committed to his ideals, and he followed through on those commitments, to the everlasting gratitude of millions of Americans.

I had the special opportunity to work closely with CLAUDE on the Select Committee on Aging while he was chairman and I was the senior Republican member. His knowledge of aging issues and his devotion to the needs of our Nation's elderly were legendary. He worked hard and successfully to change both the image and treatment of the elderly.

He was the driving force behind legislation dropping age as a reason for mandatory retirement for most Federal employment and increasing the retirement age for most employees in the private sector.

It was also during my service with him on the select committee that we put together the Congressional Conference on Mental Health for the Elderly. Then First Lady Rosalyn Carter served as our honorary chair, and she worked closely with Chairman PEPPER and myself to help make the conference bear fruit in behalf of the mentally impaired elderly of our Nation.

Social Security never had a greater friend than CLAUDE PEPPER. He realized the importance of this great income security program to those totally dependent on it, and he fought for full funding for the program and for its financial well-being through all of his service in Congress.

It was my pleasure to work with him on legislation and to appear before him often during his tenure as chairman of the Rules Committee, where he was always unfailingly fair and courteous.

I was also privileged to serve with him for several years as a delegate to the Inter-Parliamentary Union, which was established 100 years ago this year to promote peace and strengthen parliamentary institutions. In fact, CLAUDE and I had recently discussed this year's upcoming centennial observance meeting in London, which he was looking forward to attending.

It was my pleasure to garner votes for him at a meeting in Geneva, Switzerland, when he was elected to one of only 13 seats on the executive committee of the IPU, which is comprised of parliamentarians from some 108 nations. Service on the executive committee is quite a distinction, and I was flattered when he would refer to me as his "only Republican campaign manager."

I felt particularly close to CLAUDE because of his Arkansas connection. When he graduated with honors from Harvard Law School, where he was sixth in his class, his first teaching job was at the University of Arkansas. And when he left Arkansas and went to Florida, he tutored a young man in law from the Trumbo family, a very prominent family in my district for many years.

CLAUDE PEPPER was a warm and caring person, a true southern gentleman, and one totally dedicated to improving the quality of life for all. He never let the infirmities of age interfere with his mission. He was a citizen of the world, while at the same time he was a devot-

ed husband and dedicated public servant who had the distinction of serving first in the Senate, and then in this body.

CLAUDE PEPPER was an original, and he will be greatly missed both as a personal friend and as a colleague without equal.

Mr. COSTELLO. Mr. Speaker, it is with great humility and respect that I join my colleagues today in honoring one of the finest gentlemen ever to serve in the Congress, CLAUDE PEPPER.

CLAUDE PEPPER's death leaves a void of leadership, history, and ability in this House. His service here since 1962 was marked by a respect and praise from his fellow Members for being fair but determined in pursuing the most important issues in this country.

I know that many of the seniors in my district and around the Nation realize the contributions he made during his service in Congress, both in the Senate and House. He was a pioneer in pushing for the successful repeal of the mandatory retirement age, and he was recognized around the world for his efforts on behalf of senior citizens.

One of his last efforts in the House was to push for a comprehensive long-term care program for the elderly, to protect them from the bitterness of absolute poverty in the face of a long-term illness.

As a member of the Select Committee on Aging, I had the privilege of serving with Mr. PEPPER and had the highest respect for his priorities in Congress. He was a revered spokesman for the programs cared about most by seniors, including the protection of Medicare and Social Security programs.

Many people don't realize, however, that CLAUDE PEPPER's constituency included those of all ages who needed immediate governmental assistance. The PEPPER initiatives ranged from health insurance coverage for sick, newborn infants to the disabled, from the very old living alone in a nursing home to those out of work.

As chairman of the House Rules Committee, his reach extended to all forms of legislative business. His leadership provided many of the dramatic reforms of the last several years, including trade and welfare reform, new educational programs and clean water initiatives.

"Senator PEPPER," as many continued to call him out of respect for his service in the Senate, has left behind a legacy of compassion and dedication that I feel, as a younger Member of Congress, an obligation to continue. We will never forget his impact on this institution or this country.

Mr. DINGELL. Mr. Speaker, I knew Senator CLAUDE DENSON PEPPER for many years and regarded him as a dear and close friend. I always held this friendship in the highest esteem, no matter what the situation at hand. Needless to say, I regret deeply his departure from this Earth. I am confident the good Lord will bestow upon him the same kindnesses he has graced all of us in this body as well as almost every American.

During his long tenures in both the U.S. Senate and the House of Representatives, CLAUDE PEPPER was a champion of senior citizens throughout this great Nation. Senator PEPPER always held the noble belief that retirement is "an extravagant waste of people." He fought and won the legislative battle to have the required retirement age extended from 65 to 70 years old, whereby private businesses may compel people to retire. And to think what a genuine waste it would have been if those restrictions were placed upon the late Senator. He fought vigorously and relentlessly for a national health insurance system, a goal I wholeheartedly support and have proposed every session I have served in the Congress. CLAUDE PEPPER also was forever determined to see that every American received housing at an affordable price and that all Americans received a just wage for a job well done.

Senator CLAUDE PEPPER was one of the strongest advocates for civil rights long before this issue was discussed openly, particularly in his part of the country. In fact, his outspokenness on this and other issues may have led to his defeat in one of the nastiest Senate campaigns in history. Fortunately, this body and all Americans, who he cared so much about, were blessed by his return to elected office in 1962.

The Senator was a master of the English language. He could capture an entire room of people and hold them spellbound, eventually bringing them to their feet in adulation. I always admired his oratory skills, especially his unique ability to speak off the cuff with such arousing, patriotic fervor.

CLAUDE PEPPER will long remain in the hearts of not only those who served with him in the Congress, but also in the hearts and minds of those who were fortunate to meet and get to know this extraordinary man. I will miss this truly legendary public servant, great statesman, and lifelong friend.

Mr. STOKES. Mr. Speaker, I rise today to pay special homage to one of the most colorful personalities to walk the Halls of Congress. My friend and colleague, CLAUDE DENSON PEPPER, distinguished himself as a champion for older Americans; a crusader for social programs; and the oldest Member of Congress.

CLAUDE PEPPER exemplified the spirit of public service. During his lifetime he cultivated a stately political career which was marked by ups and downs and spanned 60 years; he lived through 12 Presidential administrations—from the New Deal to the Reagan era; he met many of the most charismatic historical figures from Orville Wright to the astronauts of Apollo 7; and he had the privilege of serving as a distinguished Member of both the U.S. Senate and U.S. House of Representatives. CLAUDE PEPPER was an institution.

CLAUDE developed tenacious spirit for which he is remembered during his humble beginnings in rural Alabama, where he was born at the turn of the century. He was a precocious child, deciding at age 10 that his career would be in politics. A 10-year-old CLAUDE carved the words: "CLAUDE PEPPER, U.S. Senator" in a tree near his home. CLAUDE seemed to know that he was destined to be a leader.

CLAUDE worked at a variety of jobs while attending the University of Alabama. He was a gifted scholar, earning membership in Phi Beta Kappa. From there, he attended Harvard Law School, where he distinguished himself by graduating at the top of his class. CLAUDE would leave Harvard to open a law practice in Florida. Two years later, in 1929, CLAUDE began his political odyssey when he was elected to his first political office, as a member of the Florida House of Representatives.

CLAUDE's career as a State legislator ended abruptly when he failed to win a second term to the Florida State House. The reason: He refused to vote for a resolution condemning Mrs. Herbert Hoover for her choice of a black American as a guest at the White House. CLAUDE's bid for a seat in the U.S. Senate ended unsuccessfully. But in 1936, CLAUDE was given the opportunity to come to Washington as the replacement of Senator Duncan Fletcher, who died in office.

CLAUDE PEPPER served in the U.S. Senate for 14 years, becoming a strong supporter of President Roosevelt's New Deal policies. But in 1951, CLAUDE became a victim of McCarthyism. After being branded with the nickname "Red Pepper and accused of being sympathetic to Communist Russia, CLAUDE lost his State senatorial primary. True to his character, CLAUDE PEPPER picked himself up by the bootstraps and started over, beginning another successful law practice. At the age of 62, he made the journey to Washington a second time, but as a freshman Congressman, representing the newly created 18th Congressional District. A district where today 30 percent of the adults are at least 65 years old.

CLAUDE developed a list of legislative accomplishments that is long and distinguished. CLAUDE, as a young Senator, conceived of and sponsored the Lend-Lease Program of World War II before any of his senior colleagues. He was a pioneering backer of equal rights for women, national health insurance, fair employment opportunities for minorities, the minimum wage, and the programs that became the National Institutes of Health. CLAUDE fought for the rights of the elderly from 1929, when he first entered politics, until his death. At the age of 78, CLAUDE was the key in pushing through a bill which raised the mandatory retirement age to 70 from 65 for workers in private industry, and banning mandatory retirement altogether for some Federal workers.

I had many opportunities to hear CLAUDE speak on the House floor on the issues he supported and those he opposed. I marveled at his eloquent oratory. I was always impressed with his ability to speak extemporaneously on any subject, without one note.

As a Member of the House, CLAUDE served in vital capacities. His first public advocacy role was as chairman of the Select Committee on Crime. After this committee was disbanded, CLAUDE was asked to serve as chairman of the Select Committee on Aging, where he was able to address critical issues affecting the Nation's elderly. In this capacity, CLAUDE PEPPER was given the titles "Mr. Social Security" and "Mr. Medicare" by his fans for his ardent defense of these programs. In 1983, CLAUDE gave up chairmanship of the Select Committee on Aging to take over the coveted chairmanship of the powerful Rules Committee.

CLAUDE's last challenge was in getting Congress to fill in the gaps in Reagan's 1987 proposal for a catastrophic health insurance plan.

CLAUDE rose to the challenge like a true crusader. In the end, the bill passed but with fewer of the sweeping reforms CLAUDE would have liked. But CLAUDE'S influence then was concentrated in heading the Bipartisan Task Force on Comprehensive Healthcare, a Commission which has been charged with providing a blueprint for public policy on access to health care and long-term care for the next decade. The Commission's report is due in November and it is likely that through the Commission, CLAUDE DENSON PEPPER will remain the conscience of the Congress for many more years.

CLAUDE had the ability to enliven the surroundings whenever he was around. I am sure that my colleagues in the House will agree with me that CLAUDE was great at telling jokes. He always teased me about the fact that I once chaired the House Assassinations Committee, which examined the assassinations of John F. Kennedy and Martin Luther King, Jr. When we would see each other, CLAUDE always said, "Louie, did you catch that fella'."

One of the fondest memories I have of CLAUDE PEPPER is when he asked me to go on his behalf, as the U.S. Representative, to the Interparliamentary Conference, a worldwide conference on parliamentary affairs. I was flattered to represent CLAUDE on the executive committee of the organization, but no one could fill his shoes. CLAUDE was held in high esteem by the organization. The resolution I introduced for CLAUDE set up an Aging Committee within the organization. The resolution was adopted by the body.

Mr. Speaker, the great thing about CLAUDE PEPPER was his love of life and his commitment to the people whom he served. CLAUDE was an ideal advocate for older Americans. His perseverence was responsible for many of the reforms in public policy regarding the elderly. CLAUDE held on to his convictions no matter what the cost. Throughout, he remained a consummate and a great statesman.

Mr. FASCELL. Mr. Speaker, it is an extraordinary honor and privilege for me to pay tribute to our longtime colleague and friend CLAUDE PEPPER, U.S. Senator, Congressman, and dedicated public servant. This giant of a man had a remarkable career and personality. First and foremost, CLAUDE was a true champion and fighter for the defenseless: the poor, the refugees, and, above all, the elderly. In addition to this noteworthy public career, CLAUDE always demonstrated rigorous moral standards and values in his private affairs.

His career as a committed, public servant to our great Nation spanned more than half a century. As a young and energetic Senator from Florida, CLAUDE witnessed the hunger and hardship of the Great Depression. He responded to this crisis by steadfastly supporting President Roosevelt's New Deal programs. Throughout his political career, he always demonstrated extraordinary wisdom. Before the United States entered World War II, then-Senator PEPPER introduced in Congress the Lend-Lease Program. His compassion for our hungry, tired, and lonely was unceasing and unparalleled and his oratorical eloquence in their behalf remains legendary. CLAUDE'S unprecedented work on behalf of minorities, women, and the elderly is also a tribute to his remarkable and unique vision. In 1939, our colleague sponsored this Nation's first minimum wage bill and, 5 years later, he proposed a revolutionary health care system, Government-sponsored medical care which today is the Medicare Program. As a sign of his continuous commitment to this country, as a Member of the House of Representatives he again took on the plight of the underprivileged in the 1960's and firmly supported President Johnson's Great Society programs. As we all know, CLAUDE PEPPER was America's foremost spokesman for the elderly. He served as their leader, their inspiration, and, most importantly, their hope. The people of this country, especially our senior citizens, have lost a real champion.

I knew CLAUDE as a colleague from Dade County, FL. Our neighboring districts share the same problems and needs and I often sought his wise and generous counsel in the 27 years since his election to the House. He was devoted and loyal to his constituents.

CLAUDE PEPPER was a legend in his own time. His ingenuity, sensitivity, and integrity are unprecedented. He was justly proud of his years of service and hard work in the Congress. CLAUDE always welcomed and accepted new challenges with happiness, determination, and enthusiasm. Our colleague has left a tremendous impression upon this House and his significant contributions to his district, the State of Florida, and the Nation will not be forgotten. I, along with millions of Americans, will sorely miss CLAUDE and I find solace in knowing that he is finally reunited with his beloved Mildred: may they both rest in eternal peace.

I would like to bring to the attention of the House an excellent editorial on CLAUDE which appeared in the Wednesday, May 31, 1989, edition of the Miami Herald.

The article follows:

CLAUDE PEPPER

(1900-1989)

EXEMPLAR OF CARING

Florida's Rep. Claude Pepper, who died in Washington on Tuesday at the age of 88, had three great loves in his life: politics, Mildred, and Miami.

Politics came first. The young Alabaman was just 28 and five years out of Harvard Law School when he won a seat representing Taylor County in the Florida House of Representatives for the 1929 session.

Mildred came next, in 1931. She was a St. Petersburg girl who had attended Florida State College for Women and was working in Tallahassee. Theirs was love at first sight, and a long courtship ensued. They wed in 1936 and honeymooned in Cuba.

The Peppers' 43-year marriage was his haven from the world's slings and arrows. Mildred's death in 1979 was a profound loss. As he put it in his 1987 autobiography, "There is a void in my life since she left, a void that can never be filled. . . . I have tried to carry on as Mildred would have wanted me to do, terribly lonesome for her person, but sustained even today by her brave, beautiful spirit."

Miami was Mr. Pepper's final great love. The Greater Miami area—and especially Miami Beach, which was at the heart of his long-time congressional district—gave him a second life in politics after the pain of rejection in two unsuccessful statewide races to reclaim his U.S. Senate seat.

This political reprieve was important to Claude Pepper because politics remained his life-long passion. His career spanned 60 years. It included service in both the U.S. Senate (1936-1951) and House (1963-88).

Then-Sen. Pepper's stalwart support of Franklin D. Roosevelt's New Deal endeared him to the President. Indeed, he was FDR's initial choice to replace Henry Wallace as the Democrats' Vice Presidential candidate in 1944. Big-city bosses persuaded the President to go with Missouri Sen. Harry Truman instead. Had they not, Senator Pepper almost certainly would have been FDR's successor.

Claude Pepper's political views evolved a lot through the years—especially on foreign affairs—but his basic philosophy remained remarkably constant. He simply believed that the government's purpose is to help people. Mr. Pepper thus epitomized the humane and caring impulses central to modern political liberalism.

In his later years, Mr. Pepper's special cause was the elderly. Americans may disagree with some of the policies that he advocated, but even his critics must concede that he performed a singular service: He drew attention to issues affecting the elderly at a time when their numbers are growing more rapidly than ever.

In his energetic advocacy of programs for the elderly, Claude Pepper exemplified the very goal that he sought: a society in which all persons can contribute throughout their lives. Certainly he contributed until the end. Now that he has left politics and Miami behind, his legions of friends may be consoled in the thought that now he is reunited with his beloved Mildred.

Mr. HAWKINS. Mr. Speaker, I rise today to pay tribute to one of our most admired and respected colleagues, Senator CLAUDE D. PEPPER, the former U.S. Senator and Representative of the 18th District of Florida.

During his illustrious 26-year career as a Member of the House of Representatives, and in the U.S. Senate, he always demonstrated integrity, dedication, compassion, and a genuine commitment to making life better for all Americans.

In his own inimitable fashion, he worked throughout his entire career to improve the lives of senior citizens, the disadvantaged, and many others in our society. I remember vividly his forceful statements, his ability to sway his colleague's positions, as well as his uncanny ability to mobilize public opinion on issues he held dear.

As the first chairman of the House Select Committee on Aging, as the chairman of the Select Committee on Crime, and as chairman of the Rules Committee, he had a hand in enacting major reform initiatives and other landmark laws. With his guidance, such important legislation as the revamping of Social Security, Mandatory Retirement Act, Age Discrimination Amendments of the Older Americans Act, and the enactment of Medicare have become law.

I worked closely with CLAUDE several years ago on the bill to prevent age discrimination in employment, on extending mandatory retirement, and just recently was privileged to support that valiant effort he made on providing catastrophic health care to our citizens. Win or lose, his determination and enthusiasm were endless, as was his intellect and energy.

VOL 135 PT 9 JE 14 — 22 1989 UMI

As Congress continues its battle to enact a decent increase in the minimum wage, we will miss Senator PEPPER's strong voice. He was the only Member of Congress who was actually involved in the original minimum wage legislation during Franklin Roosevelt's administration. We could have counted on Senator PEPPER to provide some insight to younger Members who only knew of pre-minimum wage days from their history books. He always pursued a strong Federal role in providing economic and social self-sufficiency.

In closing, we in the House, and especially those of us who had the privilege and opportunity to work closely with him were fortunate to have a man of his caliber associated with us. A debt of gratitude goes out to this great humanitarian and dedicated American. He will be missed as both a colleague and a friend.

Mr. GOODLING. Mr. Speaker, on May 30, the House of Representatives lost its oldest Member, a man who spent 46 years in the U.S. Congress. Today, I rise to pay tribute to CLAUDE PEPPER, a man who spent the majority of his working life in public service.

No matter what you thought about his philosophy or what side of the aisle you sat, you respected CLAUDE PEPPER.

CLAUDE PEPPER will best be remembered for his service to the senior citizens of our country, because he spent a great deal of his time in both Chambers protecting their benefits and encouraging legislation which provided seniors with security in their retirement years. He fought against fraudulent advertising and medical quackery directed at seniors and was a leader in the fight to stabilize the Social Security System.

I, personally, will never forget his floor statement on his long-term care bill. CLAUDE knew one of the greatest worries facing today's senior population is what will happen to them if they are no longer able to take care of themselves. How will they pay for care? Will their family be impoverished by their illness? Will they have to go into a nursing home? When seniors spoke, Senator PEPPER listened. More than any catastrophic health care bill, his bill addressed this concern. His speech was an impassioned plea for us to take a large step toward giving senior citizens greater peace of mind. Hopefully his dream of long-term care protection for senior citizens will become a reality during the 101st Congress. It would be an appropriate final tribute to CLAUDE for all of his work for our Nation's older population.

Mr. Speaker, Senator PEPPER is going to be missed by his constituents, by our Nation's senior citizens and, perhaps most of all, by those of us who worked with him in this great body.

Mr. PICKETT. Mr. Speaker, I rise to pay tribute to and honor our beloved late colleague, Senator CLAUDE PEPPER, who passed away late last month at the age of 88.

CLAUDE PEPPER'S distinguished public career extended over half a century, and he inspired many, many Americans by his dedicated and unselfish career in government.

As a young adult, I can remember reading about Senator PEPPER, about his early and courageous support for civil rights, and about how he was a faithful and effective lieutenant for President Roosevelt. And this was at a time when the President and his New Deal programs desperately needed supporters in the South. History also shows that during World War II, Senator PEPPER was a leader who recognized the need for military preparedness and who had the courage to reject calls for isolationism. He is credited with being the author of legislation setting up the lend-lease program to arm and support our Allies during World War II. His contributions to U.S. foreign policy are widely recognized and will be long remembered.

But the American people will best remember Senator PEPPER for his untiring support for America's elderly. He was a proud and tireless watchdog for the Social Security program, and a driving force behind expanded Medicare coverage. He also authored legislation while he was in his mideighties to eliminate mandatory retirement for America's seniors.

Perhaps even more important than his tremendous legislative record, however, is the simple fact that Senator PEPPER inspired and gave hope to America's elderly. He taught us that the quality of life need not be measured by age, but by our determination to remain young at heart and useful to our fellow man.

Mr. Speaker, another great American, Hubert Humphrey, used to say "the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life—the sick, the needy, and the handicapped."

One cannot recall the Vice President's words without also thinking about CLAUDE PEPPER. Without question, he was one of the greatest Americans of our time. He will be sorely missed by this institution and by the Nation he loved so much.

Mr. DE LUGO. Mr. Speaker, I am saddened, but honored, to join hundreds of my colleagues and millions of Americans across this country in expressing my appreciation for the life and achievements and indomitable spirit of the late CLAUDE PEPPER.

Senator PEPPER had admirers all over the United States and that includes the people of my district, the U.S. Virgin Islands, who benefited from his public service just like others around the country. Senator PEPPER'S advocacy on behalf of senior citizens is well known, but more than that, he was a giant in the national affairs of this country for more than 50 years.

Very simply, I feel privileged to have known and worked with Senator PEPPER, who was one of the most esteemed Members ever to serve in Congress. Just 2 years ago, my wife Sheila and I joined him on an extended trip to Thailand, as part of the Interparliamentary Union, and it is one of my fondest memories of my service in Congress. I still have a photo of the trip, autographed by Senator PEPPER, which I proudly display in my office and will treasure always.

Senator PEPPER was a remarkable man in many ways—his legislative abilities, his intellect, his longevity and energy, and his sheer ability to reach out to people from all sectors of our country. Most important, he devoted his abilities to helping those people who deserve a better shake from our Government. He will be regarded as a model for public service for generations to come.

I know that I am a better person because I had the honor of working alongside CLAUDE PEPPER, and Congress is a better institution because he passed this way and dedicated his life to making it represent the wishes of all our people.

Mr. NATCHER. Mr. Speaker, our friend CLAUDE PEPPER loved the House of Representatives and was one of the able Members of the Congress. His experience in the Senate, along with his tenure as chairman of the Rules Committee made him one of the most outstanding Members to ever serve in the Congress of the United States

During his service in the House he established an outstanding record and one that his people can be proud of, and one that will long be remembered. In every position he held, either private or public, he achieved distinction and his service in all of his assignment was marked by a high sense of conscience and duty. His character, his achievements and his faithful service will be an inspiration to generations yet to come.

Every year when we presented our bill that appropriates the money for the Departments of Labor, Health and Human Services, and Education, we always had the full support of our friend CLAUDE PEPPER. Like a great many of us in the House, he believed that if you take care of the health of your people and educate your children, you continue living in the strongest country in the world.

He was always a gentleman and at all times was on the front line for every bill that protected the elderly or contained provisions which would be of assistance to the older people in our country.

I have lost a true friend and this country has lost a great statesman.

Mr. PANETTA. Mr. Speaker, Senator PEPPER was a man of remarkable accomplishment. He was the consummate public servant who worked tirelessly for the good of those people in our society who desperately needed the Government's help—the sick, the poor, and the elderly.

Early in CLAUDE PEPPER'S career, he took an interest in issues affecting the elderly, particularly in the area of health care. Senator PEPPER was the prime cosponsor of legislation that created the National Cancer Institute, the first of the National Institutes of Health. Thereafter, Senator PEPPER played a leadership role in addressing the needs of the sick and the elderly. He even formed his own grassroots lobby, "PEPPER'S People," to inform seniors about issues of interest to them. Senator PEPPER worked to ensure that the Social Security system remained solvent and that the Government did not borrow from the trust funds. He also took great pride in ensuring that Social Security benefits were not cut while at the same time working to reduce Medicare and Medicaid fraud.

Since 1975, CLAUDE PEPPER chaired the House Aging Committee's Subcommittee on Health and Long-term Care. He moved up to the chairmanship of the full Committee on Aging in 1977, where he remained until 1982. It was during his tenure that aging issues were brought to the forefront of the Nation's consciousness and senior citizens from across the land realized the full dimensions of their

political power. Seniors throughout the land viewed CLAUDE PEPPER as a loyal and trusted friend on Capitol Hill.

Senator PEPPER was in the forefront of health-care reform as well. Early on he recognized the awful burden of ill health that so often befalls the elderly and robs them of the quality of life that they long hoped to enjoy in their retirement years. Late in his long career, CLAUDE PEPPER succeeded in bringing the first long-term health career to consideration on the House floor.

Senator PEPPER cared deeply about those who were so often forgotten and even shunned by the rest of society. He was a champion of those who had fallen between the cracks. For this, he was a man who was admired, respected, and, above all, loved. He left the world just a bit better and, for that, he will always be remembered. He was a great man, a great American. We will miss him.

Mr. MCCANDLESS. Mr. Speaker, Congressman CLAUDE PEPPER will long be remembered for the many years he devoted to helping the elderly in this country. He used his vibrant energy and intellectual strength to help those who were not so gifted, those who needed a hand to get on their own feet, and those who were more weighed down by the burden of years than he ever seemed to be.

During my first years in the Congress, Senator PEPPER visited my district in California and took part in the opening of a new housing project for the elderly. I was grateful for his willingness to take part in that opening day ceremony, and it was wonderful to see how the many retirees who attended the event crowded around him afterwards—he was their hero.

His service spanned six decades in the Congress. There are millions of Americans whose lives were made better by his efforts. He lived each day as an opportunity to do something for others, to help the poor, the less fortunate, the frail and elderly.

We will remember him with great affection and respect, and, as Vice President QUAYLE said at the memorial ceremony in the rotunda of the Capitol, we will honor him best by following his example in the years ahead.

Mr. UDALL. Mr. Speaker, an American original, CLAUDE DENSON PEPPER, one of the most distinguished and revered voices of the House, is no longer with us.

It is difficult to know where to begin to eulogize this man whose accomplishments, passions, and crusades were legendary in his own lifetime.

That he will be missed by those in this Chamber is a certainty, and he will be missed by thousands—millions, perhaps—of other Americans. This is a chance for those of us who shared CLAUDE's ideals to carry on in his behalf.

CLAUDE left several legacies. He left us with a vision that fought for change, for justice, for fair play, for dignity. And CLAUDE believed in Mark Twain's advice: "Always do right. This will gratify some people, and astonish the rest."

The man left his imprint on this Nation in more than four decades of service in the Congress, and from the outset, he led the fight for better health care for those among us who could not afford it.

We cannot mention the label, "Senior Citizen," without thinking of CLAUDE PEPPER. In the cause of the aged, CLAUDE was a tireless campaigner. Their voice became his own and he rallied to their side with relish.

CLAUDE was an Alabama farm boy with a Harvard law degree who never forgot his roots and found a calling in public service.

For the people he served in his beloved Florida, CLAUDE PEPPER was every bit the institution he had become to the rest of the country.

CLAUDE believed with all his heart that a nation could be judged by how it treated its less fortunate. And he devoted his life to seeing that the less fortunate were treated fairly.

Mr. Speaker, we honor a good and decent man here today. I am saddened that he is gone, and I extend my deepest sympathy to his family. May they find comfort in the condolences of a grateful nation.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore (Mr. CARDIN). Is there objection to the request of the gentleman from Florida?

There was no objection.

RECENT SUPREME COURT DECISIONS AFFECTING CIVIL RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. MFUME] is recognized for 60 minutes.

Mr. MFUME. Mr. Speaker, I have called this special order today because, quite frankly, I am deeply concerned about a series of Supreme Court decisions which have followed a predictable and unfortunate precedent. Since January, the Court has reversed five affirmative action cases, and in each of those decisions the Court was sharply divided along lines to which we are now growing uncomfortably accustomed. The death toll for civil rights has been a consistent 5-to-4 vote.

The Court's ruling certainly will not be, I think, the last thought on the historic Runyon versus McCrary in the Civil Rights Act of 1866, or for that matter title VII of the Civil Rights Act of 1964 and other measures which seek to prohibit discrimination in employment on the basis of race and on the basis of sex, religion, or national origin. The Court seems to be possessed these days by a political agenda which seeks to overturn laws which have changed America's course away from public and private racism and segregation. The Supreme Court, quite frankly, seems to be changing laws that are fair, are effective, and have worked.

The first ruling in January in Richmond versus Croson jeopardizes set-aside programs in contracting.

The next ruling, Wards Cove Packing Co. versus Atonio, placed a heavy burden on the victim to prove discrimination, while narrowing the scope of acceptable proof, and also making it harder for workers to use statistics to prove on-the-job discrimination.

The third ruling, Lorance versus AT&T, said that three women at AT&T simply waited too long to challenge a discriminatory change in the company's seniority plan.

The fourth ruling, Martin versus Wilks, allows white men to file affirmative action without any time restrictions, even when they are not directly affected by the historical consent decree.

□ 1530

And the fifth ruling, Patterson versus McLean Credit Union, narrows even further the landmark decision in Runyon versus McCrary concerning employment discrimination.

Now, because of the Court's judicial activism, the victim of racial discrimination has to prove that they are better qualified than the promoted employee. The Court's decisions make it legally, then, justifiable, I think, to ignore discrimination while allowing it to continue both against women and against minorities if the employer can simply show that these discriminatory practices are based on reasonable business practices.

By requiring plaintiffs to prove that the practices are unreasonable business practices, the Court's decision has made it easier, I think, for employers to discriminate, to win their cases, and it has made it more difficult for employees to prove discrimination.

What is considered acceptable proof by the Court of discrimination is even now also more narrowly defined. In essence, there are fewer practices that are considered discriminatory and fewer, even more, that we suspect would be considered discriminatory.

The Supreme Court, thus, is reconsidering cases that have proven worth. The Court seems, I think, to be picking special cases to reverse or to substantially narrow historic rulings on.

The Court seems to be bent on nullification of affirmative action. I think what they are doing is a disaster for civil rights for all in this Nation who have worked to make this a better place by making those rights ingrained in our American thought.

So it is sadly ironic that as we celebrate this year the 35th anniversary of Brown versus the Board of Topeka, Kansas, which led to the desegregation of public schools nationwide, the Court at the same time is eroding those very victories that attempted to

end segregation and to end discrimination.

So I would argue then that Congress has to respond in ways that are both meaningful and primary to this assault. And they have to respond, I think, with legislation.

We are called, I think, as Members of this body not only to legislate in a reactive sense but to be pro-active in what we do. We have to find ways also to sort of temper some of the things that are happening with the Supreme Court decisions.

The Court is not helping to reverse historic, systemic and endemic bias.

In fact, it has consistently reversed previous decisions considered victories protecting the rights of Americans, including those of African descent.

The Court has a specific agenda against affirmative action. If it does not, I certainly challenge the Court at this date to prove otherwise based on these five rulings this year, where I think their agenda has become more and more clear to a lot of individuals.

The January 23d Supreme Court ruling struck down a Richmond plan designed to give minority-owned construction companies more city work, thus casting a cloud over set-aside programs in more than 200 jurisdictions.

Now the Court ruled that because we are doing this, there is nothing to be fearful of, we just urge that jurisdictions go back and to rewrite the justifications for their programs.

But what we have actually seen is that in that short period of time there have already been 12 challenges nationwide in those jurisdictions.

Each time there is a challenge, because of the litigation that occurs, there also occurs a suspension of the program. It is clear that with the suspension of programs one after another around the Nation, then, the intent of the program is not carried out, the litigation could go on for years and we find ourselves in a situation that the Court has created through its interpretations, where we are not doing what we wanted to do or what the Court said would be possible under their rulings.

On June 5 the Supreme Court made it more difficult for minorities to use statistics to win claims of racial discrimination in employment. In this case, the workers involved were even subject to racially segregated mess halls and bunk houses. That is Wards Cove Packing versus Atonio.

June 12, the Supreme Court deals a major setback to affirmative action by expanding the ability of nonminorities to claim reverse discrimination, thus opening up all sorts of programs in nearly every major city to reverse discrimination cases.

Those sort of things have in fact, I think, set a tone in this Nation that should cause some concern certainly among those of us here in the Congress of the United States who have the legislative ability to go back and to rewrite the laws so that they are crystal clear and so that we fill this void, this legislative void and this void of interpretation that the Supreme Court has brought about through these series of rulings.

The Minority Business Education and Legal Defense Fund, which has been probably the primary defensive mechanism for minority businesses in this Nation, looked at those rulings, particularly the Richmond ruling, and it wrote, and I quote, "It is likely that the harm of the MBE community resulting from the suspension of these programs would be far greater than any potential harm to other contractors who might lose a contract because of an existing minority business enterprise program. There is clear legal precedent for minority contractors to sue for damages resulting from discrimination." And several court cases are cited.

Finally, they say, "To the extent local jurisdictions have contributed to the perpetuation of discrimination," that they themselves would also be liable.

I could cite ruling after ruling or interpretation after interpretation by individuals and groups and others who have taken the time to look at these rulings and to assess their impact, to argue rather forcefully, I think, that these rulings continue to move the pendulum in the earlier direction.

I mentioned earlier the Brown versus the Board of Topeka, Kansas, ruling in 1954 and offer that in contrast to what we see today.

In many cities, towns, and hamlets across this Nation there occurred what many referred to as the celebration of the 35th anniversary of the landmark decision of Brown versus Board of Education of Topeka, KS, where they did away with this notion, this concept of "separate but equal." On May 17, 1954, when nine men robed in black assembled on that day to announce to this Nation and to this world their unanimous decision, among the Nation's black citizens of the time and among its whites, there was indeed a celebration. At black colleges and universities classes were suspended and parties were hastily assembled. There was dancing in the streets of Richmond and Raleigh and Washington and Baltimore.

We felt that in the deepest crevices of our hearts and in the innermost parts of our existence that our Nation at long last on that day in 1954 was launched upon an unalterable course and that that decision by the Supreme Court would be the dawning of a new threshold, a new era for people who had suffered, endured, and survived three centuries of slavery, oppression, deprivation, denial, and disprivilege.

But we are reminded that in 1969 a high-ranking official advised the President that what eventually became known as the celebrated memorandum, "that black Americans had made so much progress, that issues related to the economic, social, and educational status of theirs ought be recorded benign neglect." That neglect, Mr. Speaker, once proposed as benign, is now a neglect that has become malignant.

I would argue that these rulings by the Supreme Court this year, unlike the bold and daring step that it took in 1954, moves us thus in another direction and makes it harder and much more difficult for individuals to develop and to be productive in this society.

Now there are those who will argue, "Well, the court simply interprets the law. The law was not correct."

Well, the court was not able to get together on a unanimous decision out of these five decisions simply because there remains a great deal of dissension in that court by individuals who are not part of the Reagan era, by individuals who were there when these landmark rulings took place, by individuals who recognize the inherent need of a democracy to protect the rights of all of its people.

□ 1540

Those individuals, unfortunately, have been outnumbered.

I would urge the Court to take a deliberate and cautious look at legislation affecting what we have come to know as affirmative action, legislation that deals with action that relates to economic development, social development, and educational development, and that it not seek to go back and rewrite laws that no one is asking it to rewrite, and that it uses some sense of institutional history to interpret, I think, decisions that have long-term ramifications and implications. Again, we are in a rather dubious position, recognizing as we do that these decisions are coming almost month after month. The Court, again I argue, is not helping to reverse historic, systemic, or endemic bias. With these rulings, it has consistently reversed the previous decisions considered victories that protect the rights of all Americans.

Again, Mr. Speaker, I would ask that my colleagues here in the House, certainly what is legislatively possible to rectify, to give new meaning to, to set a new direction on those things that have been interpreted by the courts, and thus, are now being reinterpreted by jurisdictions across this Nation, that in effect make it harder for minorities to be able to compete; also, make it harder, I think, for all Americans to be able to work together and understand one another and to respect basic rights, and to understand the historic aspect of how these laws came

into place; to understand, thus, why they are needed. They do not just mysteriously happen. The Court did not, through osmosis, one day wake up and recognize that there had been an historic pattern of discrimination. People took to the streets in this Nation, black and white, and old and young, from the north and the east and the south and the west, and argued over and over and over again that the legacy of the past had the sort of effect on the future that was presenting America in the wrong light, and preventing her from being recognized as to the true democracy she was. So it was the Court, out of that kind of activism, that became active themselves in interpreting many of these laws, in setting the United States on a new course, wanting citizens on a new threshold. That is why it does my heart great pain, and I am sure the hearts of others, to see now, all of these great decisions that have stood well and worked well, that have made this a better democracy, being overturned at this moment.

I think those Members in the Congress who feel a sense of responsibility as it relates to this ought to be reminded of the fact that silence is the worst enemy. To look at what is happening with the Court and not to respond creates an aura, creates, I think, a sense among the Court that they are doing the right thing, and that there is no judicial outcry, there is no legislative outcry. So I would argue that we must be wary of the silence that has come over much of the Congress as we watch again, month after month after month, the Supreme Court decisions that undermine, I think, the democracy that we hold so dearly.

I want to thank my other colleagues for joining me in this special order to express their concern, their outrage, their sincere desire that the Court move in the other direction, and that it not continue on this very, very dangerous path.

Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Speaker, I want to commend the gentleman from Maryland [Mr. MFUME] for taking out this special order to deal with the recent decisions of the U.S. Supreme Court.

There are people at two ends of the spectrum with respect to the recent Court rulings. There are some people who say these are the workings of lawyers who are making some adjustments in the way the law operates. It is really not a layman's concern, they are just making some corrections and some technicalities, and they are not rolling back the clocks. These decisions do not have any great impact on the basic thrust of civil rights legislation and law in this country. That is the one extreme.

The other extreme which is felt in my district, where people have watched these decisions and they think that they are rapidly rolling back, and in response to going backward, we have to get ready to start repeating the 1960's all over again. We have to mobilize the troops and get ready to march.

We have the Chinese in Tiananmen Square in Beijing, and they are saying "we better get ready to go to Washington and stand on the Mall for as long as it is necessary. Let us stay out there 2 or 3 weeks and see if they will bring out tanks to stop us, when we go to try to reclaim some of the rights we are losing, day by day, in the courts."

The tragedy of it is, is that the people in the streets who now are beginning to feel the anxiety, the battle was taken away from them, and we all applauded the fact that we no longer have to go out and picket, we no longer have to go out and march, have sit-ins, we do not have to confront the system on the street, that it moved to the courts, it moved to the legislature, and in an orderly process, these things were being worked out. There was a consensus, we felt, in America, where most people who cared about human beings recognized a great injustice has been done to African-Americans over the years. They recognized we do not just begin the history of a nation the day an individual is born, that any individual born into a culture or a nation must bear the burdens of that nation, whatever that nation's history is, as well as enjoying the advantages of that nation's history.

For anyone to argue, in court, as the firefighters argue, that we should not be penalized by the fact that once there was slavery, or once there was de jure segregation, segregation by law, now there is segregation de facto by the whole society, we should not be penalized as individuals. That argument throws away all of the sense of civilization, whereby people who are the heirs of a society, they get what is good, they get the property, they get the laws, and whatever has been done by their predecessors and their descendants and forebears, they get the benefit of that. They also must accept the responsibilities. The firemen arguing that this segregation has nothing to do with them, why should they be penalized as an individual, is the same argument I heard in Germany from a youngster who felt as an individual he had nothing to do with Hitler, he had nothing to do with World War II, he saw no reason why any portion of his taxes should be going to pay reparations for the Jews in Israel who were mistreated in Germany, and Germany was still making reparations. This young German, about 23 years old, a worker, doing very well, owned his Volkswagen, he was traveling, he felt he should have no part of his taxes, nothing that he had ever done had contributed to the plight of the Jews who were receiving reparations. He also felt it was unfair after World War II to force the Germans to pay reparations to the Allies.

The generation or the common people who had to pay the taxes that went into the reparations and maintained the Allied armies, he felt those people had nothing to do with starting the war or continuing the war. It was the German leader, it was Hitler. Those kinds of arguments are always being offered.

Now we have here an attempt to divorce individuals who do not want to accept responsibility for the past or accept the social responsibility, and the Supreme Court wants to go along with that and say each time they come in with a case, they have to prove in that particular case that there was discrimination, particularly in that case. It is ridiculous, absurd. In the Richmond decision, for example, they say that the contractors who might benefit from this were never discriminated against. They have to prove that they had black contractors in the city who were discriminated against. How could there be black contractors in Richmond or any other Southern city or Northern city, for that purpose, when there were laws on the books and practices on the books that prevented any black man from becoming an electrician? It was not so long ago that these laws were on the books in most of these Southern cities and Southern States, where a person could not, by virtue of being black, get a license as an electrician or plasterer, or any craftsman.

□ 1550

How could you begin the process if there was de jure discrimination recognized in law? How could you begin the process of getting the skills necessary in the building trades to go from there to become a contractor? The first step was blocked. You could not become a contractor unless you had some skill to offer. There were many African-Americans with the skills, many who could do the electrical work, who could wire houses, who could do plastering, and who could do all the things that they were denied licenses for. But they could not because they were not recognized. They could never become businessmen and do it on their own.

We could go back and dig up all that history if they want. It is pretty well known. The civilized society is aware of all these things. They are aware of the 250 years of slavery. They may not be aware of the horror of it because we have not dramatized it enough, but they are aware of more than 100 years of de jure segregation by law that was permitted to go on. They are aware of

that, and they are aware of the devastating effects of it.

But now they say, "Each time you bring a case, go back and dig it all up." They are saying to African-Americans in general as a group, "You had better go back and dig all this up." So we are to have a bitter regurgitation of the horror of slavery and the horror of the 100 years of segregation. We have got to go back and do all of that, and it will end up with people being quite angry and quite bitter on both sides. We will be in the streets again, and we will have the confrontations again. Our Supreme Court is inviting the worst kind of a method of achieving progress. But if we have no choice, we will have to do that.

Let me just sum this up, Mr. Speaker, by reading the editorial by William Raspberry entitled "Ruling in Favor of White Males," which appeared in the Washington Post on June 14. I think this sums it up pretty well:

Monday's Supreme Court decisions remind me of the bitter joke from the days when literacy tests were used to keep southern blacks from voting. An elderly Negro appears before the registrar, is handled an incredibly complicated legal document and given a few minutes to study it.

"What does that mean, boy?" the registrar demands.

"I guess," says the old man, "it means that I don't get to vote."

He should have been around to look at Monday's decisions.

In one case, the court ruled against three women employees of AT&T who were demoted under a dual-seniority system that allowed females to be fired or demoted before men. The women filed suit. Too late, the court said. You should have sued in 1979, when the rule was adopted—not in 1982, when you were demoted.

In the other case, the city of Birmingham, Ala., found—after two trials—to have discriminated against black applicants for firefighters' jobs, entered into a consent decree whose long-term goal was to have the city's work force match the racial makeup of the civilian labor pool. After the decree was signed and approved by the court (which first gave those objecting to it the opportunity to come forward and make their case), a group of white male firefighters sued on the ground that the agreement constituted "reverse discrimination" against them.

Were they too late to file their claim? Not at all, said the court, which, by a 5 to 4 vote, sided with the white plaintiffs.

What do the two rulings mean? The old man of the story might have looked past the clever wording of the majority decisions and concluded that the true meaning is that the court is not going to enforce affirmative action.

Mr. Speaker, that is the conclusion the people on the streets in my district have come to, that we are in a new era, that we cannot look to the Supreme Court to enforce any civil right decrees or certainly to enforce any affirmative action laws.

Mr. Speaker, to continue with the editorial, Mr. Raspberry wrote this:

Or as Mary Francis Berry, former member of the U.S. Civil Rights Commission now teaching at the University of Pennsylvania, put it: "The clear message is that they oppose the implementation of plans for women and minorities if it works to the disadvantage of some white male.

"When the rules worked in favor of white men, as in the AT&T case, the court said the affected women didn't come in in time. When the rules worked against white men, the court said white men can come in whenever they choose. If you are a civil rights plaintiff, you lose either way."

For all its intricate reasoning and ostensible concern with fair rules, Berry contends, the court is eroding the American consensus that blacks and women have been victimized by discrimination, that the balance needs to be redressed and that the courts, not the streets, are the appropriate place to enforce the remedy.

"They don't understand that the history of the civil rights legislation is conservative, not radical," she said. "The whole purpose was to keep the debate off the streets and off the picket lines and move it to the courts in the interest of public peace. The consensus was that we didn't want these issues in the streets."

Nor, she said, does the conservative majority display any familiarity with the realities of racism and sexism. "There was that lieutenant from the Birmingham Fire Department arguing that he shouldn't be disadvantaged by the effort to remedy the history of discrimination because he had nothing to do with it.

"Nowhere in any of the discussion was there mention of the fact that a lot of the white men involved got their jobs in violation of every affirmative action rule ever devised. They argue that they got their positions on merit, but the uncontroverted history is that they didn't have to compete with blacks. Blacks couldn't even apply to be in the fire department or the police department. These white men benefited from that absence of competition, so where is the justice in saying that their unfairly gained advantage must be protected now?"

The Birmingham ruling is particularly troubling because, by ruling that white men not specifically party to consent decrees are not bound by them, it destroys the value of consent decrees and leaves hundreds of carefully negotiated hiring plans subject to the whim of any white man willing to charge "reverse discrimination."

But perhaps most troubling of all is that the recent rulings—the two this week, last week's ruling in the Alaskan cannery case, and the overturning in January of a Richmond minority contract law—force minorities and women to fight all over against a costly battle they thought they had won 25 years ago.

Mr. Speaker, under leave to include extraneous matter, I present with my remarks a statement which appeared in the New York Times on the same day, June 14, 1989, which is entitled "Never Too Late for White Men," as follows:

NEVER TOO LATE FOR WHITE MEN

Americans of all races and persuasions have a right to a fair system for settling even the most vexing civil rights battles. For the second time in two weeks the Supreme Court has dashed those reasonable expectations, tearing down a legal structure that was fair, workable and working.

A new five-justice majority now rules that a day in court isn't enough for white men who want to keep fighting court settlements that promote equal job opportunities for minorities and women. In a second case, brought by women challenging changes in their company's seniority system, a 5-to-3 majority holds that the women aren't entitled to even one day in court.

Ignoring its own preachments against endless litigation, the Court ruled that disgruntled Birmingham firefighters could continue to challenge a consent decree that called for hiring and promotion of blacks and whites in equal numbers until the department reflected the labor market.

Previously there was wide agreement that such a decree could not be challenged by workers who had earlier passed up a chance to intervene in the litigation. Chief Justice Rehnquist's opinion for a 5-to-4 majority is so broadly worded as to invite similar attacks across the country on civil rights judgments long thought settled.

The ruling mocks the work of civil rights lawyers who brought the city its first black fire lieutenant, and it devalues the good faith of city officials striving to overcome a century of discrimination and defiance of law. It also rewards white firemen who chose to stand on the sidelines at the time the case was being fought out in the courts.

While the Court majority believes it's never too late for white men to assert a discrimination claim, the Justices apparently feel differently about women. Three women charged that A.T.&T. Technologies demoted them pursuant to a discriminatory change in seniority policy, and they filed their complaint shortly after being demoted. Too late, said the Court; you should have filed years earlier, within 300 days of the change in seniority policy.

A week earlier, the Court, coyly pretending it was not doing so, overturned a job discrimination landmark of the Burger Court. The new ruling holds that employers no longer have the burden of justifying employment practices that produce vast disparities in the racial markup of a work force.

These rulings involved different aspects of civil rights law, but together they deliver the same message. Today's Supreme Court majority sides with the beneficiaries, not the victims, of discrimination.

Congress has set very different priorities over the past quarter-century. Now the Court is giving the lawmakers a lengthening agenda for reasserting previously established rights, and for rebuilding a workable system of justice.

In conclusion, Mr. Speaker, I would like to just state that it appears that it is going to be necessary to dig up a lot of the slime of history. It appears that to make our case it is going to have to be necessary not only to go to the Supreme Court with volumes and volumes of examples and codes of the past and statistics, but it appears that African-Americans are going to have to go to the international arena.

This is a court that was appointed over a long period of time, and finally they have what they call a conservative majority, so the likelihood that this court is going to respond to reasons and facts is slim. The chances that it is going to respond affirmatively to the facts before it are quite slim, because we have a consensus, we have precedents that have been set, and they are turning their backs on these

precedents. This is a court that wants to make an ideological statement. It means that among African-Americans all resources will have to be mobilized and organized, and we will have to appeal to the larger international community, as well as to the Nation's best minds and most compassionate people.

It means that we are in for long, tortuous period where we will have to dig up what 250 years of slavery meant. We will have to say to the world what has never really been said before, that 250 years of slavery in America was probably the most heinous crime ever committed against humanity. Considering the duration of the crime, how long it lasted, and considering the millions of people who were involved, it was the most heinous crime ever committed in the history of civilization.

We are going to have to force that fact to the front and make everybody look at it and realize that we are going to have to argue the case for reparations, not in some puny, petty sense of giving a few dollars to individuals, but we are going to have to argue the case for reparations in terms of massive amounts of money to be put into education and to be put into programs which help to correct the tremendous damage that was done in that 250 years of slavery and that 100 years of lawful segregation and continuing de facto segregation. We are going to have to force all these things to the front burner in the most visable and most dramatic way possible.

That will not be pleasant. We are in for an era of confrontation, an era of charges, an era of bitter regurgitation of history, which will not do the Nation any good. But I feel that the Supreme Court, as it is constituted today, has not given us any choice. They have thrown down the gauntlet, they are saying, "We are a political court, we are an ideological court. We are going to turn our back on the longstanding American consensus."

Mr. Speaker, we have no choice but to mobilize and to march against this ideological and political Supreme Court.

□ 1600

Mr. MFUME. Mr. Speaker, I thank the gentleman from New York [Mr. OWENS] for his sensitivity on this issue, and for being a part of this special order and helping to broaden the debate as we argue again against what we consider to be the demerits of the Supreme Court decisions that have been rendered this year. As I indicated earlier, Mr. Speaker, I am happy that other Members of the House have chosen this opportunity to be with us, and some will be submitting statements for the RECORD. Mr. Speaker I yield to the distinguished gentleman from California [Mr. EDWARDS] for any remarks that he might like to contribute.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman from Maryland [Mr. MFUME] for yielding to me, and I congratulate him for scheduling this series of discussions today on a very important event that happened just about 25 years ago, possibly the brightest spot in American history.

When I came here, Mr. Speaker, in January of 1963, there was apartheid in 11 States of the Old Confederacy very similar to the apartheid in South Africa today. One would be shocked to go there, as we did, and see the signs, black, white, and to see the discrimination and presecution that was going on.

Mr. Speaker, after we arrived in 1973, the situation got very bad down there. The black people of the South asked for very little. They just asked for part of the action, to be able to use the public facilities, to work, to get a decent education and not to be discriminated against, and for these "offenses" they were met with violence, with police dogs, with firehoses, and, I am sorry to say, with murder, and their churches were burned.

President Kennedy sent over his version of the civil rights bill, to his credit, early in 1963. We began the hearings in the Committee on the Judiciary. They did not go well at all. The old barons of the Deep South were very powerful. When Attorney General Robert Kennedy came over to testify for the Kennedy bill, he was treated with great condescension and even as a young upstart.

Sadly enough, and the poignant thing that happened, was that we did not have the votes until after President Kennedy was assassinated in Dallas. Five days after that President Johnson, the new President, very eloquently said to all of us that the greatest tribute we could pay to our assassinated President was to pass the civil rights bill, and from then on we continued in the Committee on the Judiciary and on the floor 9 long days of debate on the floor.

One day, Mr. Speaker, when we were debating, out of that door over there, busting past the guards, came a white man in blackface yelling epithets, racial epithets. The guards had to pull him out. All of the debate was not lovely, Mr. Speaker.

In August a group of us from the Committee on the Judiciary, about 20 of us, went down to the Mall where the great march, the great demonstrations, were going on. We wanted to hear Dr. King, and, as we walked through the crowd, up to the platform where we could hear Dr. King, we could hear the people murmur as they saw us, "Pass the bill, pass the bill, pass the bill." It was a very moving moment, Mr. Speaker, for all of us, and of course we were uplifted and inspired by the speech "I Have a Dream," by Dr. King.

Mr. Speaker, the bill went to the Senate after it passed the House, and 81 days it took to pass the Senate. The cloture vote, the filibuster, lasted 61 days, as I recall. So, where are we?

Emanuel Celler, the chairman of the Committee on the Judiciary, was elated when the President signed the bill in mid-1964. He said, "This brings to 20 million Americans a guarantee of happiness."

I ask my colleagues, Mr. Speaker, Is that what the civil rights bill of 1964, the greatest legislative achievement in the history of this Congress, has brought?

Yes, in some ways it has been very successful. It brought a lot of peace and decent treatment to a lot of people. It gave many rights to black Americans, Hispanic Americans and others. However, Mr. Speaker, was it enough?

The eloquent speaker, the gentleman form New York [Mr. OWENS] pointed out that we must go further. Should we not consider that it is also a civil right to have economic and social justice in our country regardless of the five distressing decisions made by this Ronald Reagan Supreme Court in the past few days and even few months? I think we should look at that because we are not doing so well insofar as a divided society is concerned, and that should be our agenda.

Mr. Speaker, we have the opportunity, we have the history behind us of a Civil Rights Act that brought great things to our country, and now greater events await us. The question is: Are we up to it?

Mr. Speaker, I thank the gentleman from Maryland [Mr. MFUME] for yielding.

Mr. MFUME. Mr. Speaker, I thank the distinguished gentleman from California [Mr. EDWARDS] also for his sensitivity to this issue and providing us, as he did, with a unique historical perspective on the deliberations of this House many years ago on, perhaps, what is one of its most remarkable achievements, the passage of the Civil Rights Act and the implications of the passage of that act, but, more importantly, the mood of this Nation that led to its passage.

Mr. Speaker, as the gentleman from California [Mr. EDWARDS] spoke, I thought back and tried to remember back as far as I could on some of the vestiges of segregation and Jim Crow that he talked about that existed in this Nation. Being a young person at the time, I do not remember all of it, but I remember enough to know that there were certain places in this Nation that a black person could not go to even if he lived five blocks away. I remembered being bused in 1954 past three schools to go to a segregated,

VOL 135 PT 9 JE 14 — 22 1989 UMI

separate, and unequal school. I remembered the sort of unspoken doctrine that existed which said, "If you're black, get back."

Mr. Speaker, I remember the reluctance of this body, which I marveled at as a child, a body that I always wanted to belong to, and I could not reconcile in my own mind how this body resisted year, after year, after year to bring about substantive changes to protect the rights of all Americans.

The gentleman from California [Mr. EDWARDS] is right. It was not until the assassination of President Kennedy that the votes became apparent for the passage of the act. I think we have a very bold and historic lesson to learn from that, and that is why I argue that it is this body that must seize the initiative now in the wake of these ongoing Supreme Court decisions to right the wrong and to set the record straight again. I believe that it is this body that, through its activism, through its dialog, through confronting this issue, as we do today, that we will stir up a sense of outrage in Americans all across this Nation, those who are quote, unquote, considered to be the minorities of African ancestry, Hispanic Americans, Asian Americans, the women in this society who look to the Supreme court for some sort of judicial justice, that we begin to realize that our great enemy this day is silence and that we can be silent no more.

Mr. Speaker, I yield to the gentleman from Texas [Mr. GONZALEZ], another colleague who has joined us here on the floor to express his concern about this matter. He is the distinguished chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, the gentleman from Maryland [Mr. MFUME] yielded to the gentleman from Texas [Mr. GONZALEZ], and I could not let this moment pass without reminding all of us that the gentleman from Texas, Chairman GONZALEZ, was here when I arrived here. He had arrived, I guess, in late 1959 or early 1960, and I imagine at the same time President Kennedy was elected.

Mr. Speaker, the gentleman from Texas [Mr. GONZALEZ] was one of our heroes from the South all during these trying periods, and his imprint is on the civil rights bill of 1964 and on the Voting Rights Act of 1965, the two greatest civil rights bills in the history of the United States.

□ 1610

Mr. GONZALEZ. Mr. Speaker, I thank my colleague, the gentleman from California, for yielding this time.

Actually, I am not that old. I came here just about half a semester before the gentleman from California. If he will recall, I joined him in 1962, that was my first year, that is, the first session, in his effective and successful campaign for election, so the first year of the gentleman from California was 1963. That was my second session. I came in the second half of the 87th Congress; but the truth is that the gentleman from Maryland, of recent arrival to this House, has shone brightly as a member of the Banking Committee. I wanted to say that he has developed such expertise, but on this occasion I rise to second his motion.

All the history, or developmental history of our country on major issues has been whether or not the existing system and the various basic three organs of Government arise to confront those burgeoning needs in our midst. When occasions arise in which there is a stalemate, like the compromises before the Civil War where neither Branch was sufficient enough to rise, in more modern history the clear example after World War II and the need for President Eisenhower to send troops to Little Rock, for instance, the legislature clearly failed to act. Congress did not rise, did not accept the challenge, did not initiate any civil rights legislation.

The President was wont to have to enforce the Constitution by sending troops to Little Rock.

At that time I was on the city council of San Antonio. Incredibly, the city council of San Antonio because through some oversight had neglected to adopt segregatory ordnances, so it relied on custom, on the fact that our fellow brother Americans of black descent constitute a real minority in San Antonio, never more than about 7½ percent of the total population, and also the fact that they depended on the Jim Crow laws of the State constitution and the State statutes which had led to this, but then with the advent of the Brown decision, an alarm was sounded and incredibly this council that I had just been elected to was drafting segregatory ordnances. So I rose to oppose them, was out voted 8 to 1, but I had the great satisfaction of coming back 3 years later—I was the only one reelected, incidentally, even though I had been told that it was political suicide for me to speak the way I did, and I had the great honor and the great satisfaction to come in with a new city council and on April 19, 1956, introduced an ordnance to do away with segregation on account of race, color, and creed, in all tax supported municipalities of the city of San Antonio, and San Antonio basked in glory. Even though four of the nine members of the council did not want to go along with us, I pled with them to make it unanimous so that we would not have a split community and we succeeded, thanks to their forebearance.

San Antonio was immediately the center of world attention as the first city south of the Mason-Dixon Line, to totally desegregate.

So my experience is that if we provide the leadership, as the gentleman is suggesting here, the membership will rise. It may be difficult. It may not be easy to begin with.

The Supreme Court indeed has not responded. It did not respond in the case of Little Rock. It finally did, but when you have a deadlock where neither the executive nor the legislative or representative body, the Judiciary, do not, then the people—when the leaders do not lead, the people must push.

That was when we had our Civil War. That is when we had our greatest crisis, because our governmental apparatus was unresponsive to that burgeoning need to define the problem.

In this case here, just before we broke up in the last session last year, I placed in the RECORD some alarming statistics having to do with the fact that the most endangered American is the young black male between the ages of 18 and 25, unemployed, not in school, subject to drug exposure because of the tremendous forces surrounding him that deprive any human being under those circumstances to rise to the point of even hope, which is devastating our black youth.

We have the greatest homicide rate; the greatest loss of life among our youth is among our black youth, particularly in our urban dense centers.

I left with a warning, but I was hopeful at the time that at least we would not have a devastating stab in the back by a Supreme Court decision.

So now we have it and it is up to the legislature, it is up to the Congress, it is up to the representatives of the people. I am delighted that I could be here in order to enjoy the gentleman's leadership as expressed today.

I, for one, want to volunteer, enlist as a foot soldier in the gentleman's endeavors to forge the legislation that is necessary in order to have equal justice to all Americans.

Mr. MFUME. Mr. Speaker, I think the distinguished gentleman from Texas for his leadership, both in the Committee on Banking and Urban Affairs which he chairs, and for his stellar leadership over three decades in this body and also for bringing a sense of institutional history to bear on this subject which we have been here today arguing on behalf of and in hopes that we send a very clear message to the court and perhaps even

more so to our colleagues here in the Congress that if the court does not act, we have a solemn and sober responsibility to do so.

This is not a perfect Nation and we are not a perfect people, yet we are still called to a perfect mission. It is a mission to feed the hungry, clothe the naked, house the homeless, teach the illiterate, provide guidance for our young, and security for our seniors.

Although as Americans we have a sober and sovereign territory, we have a sober and sovereign responsibility as well, and that is a responsibility to do more. We do less when we embrace the conditions of the decisions that have been released by the Supreme Court and the conditions that have brought those about. We do less when we are silent in the wake of these ongoing decisions month after months, five this year alone. We do less when we are not prepared to move as a body through legislative avenues to correct the wrongs and set and make them right again.

So again I commend the gentleman from Texas for sharing his sense of concern and the other Members who have joined us here today.

Mr. Speaker, I yield to the distinguished gentleman from New Jersey [Mr. PAYNE], who has also joined us here to talk on this very important subject.

Mr. PAYNE of New Jersey. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I would like to compliment the gentleman from Maryland for bringing this very important issue before us today.

I think that we have some very serious times coming up before us when we look at our Nation and we see that back on April 4, 1770, in the city of Boston where there were a group of Americans who were protesting against the British having taxation without representation. There was the Boston massacre where a number of men were killed.

As we look at the development and growth of this Nation, the first person to lose his life for this Nation was Chrispus Attucks, who was a former slave who became in the late 1700's a free man and was with the Freedom Fighters in Boston protesting against the British. So the first man recorded to die for this Nation happened to be a black man. So black people are a part of this Nation as much as anyone. We were first to shed our blood. There were outstanding fighters in the Revolutionary War, Peter Salem who was at the Battle of Bunker Hill, and there was a Major Pitcairn who led the Boston Massacre. Ironically enough, it was Peter Salem who fired the volley of shots that struck down Major Pitcairn at the Battle of Bunker Hill.

□ 1620

We go through history, and we find that there were many, many Afro-Americans who had a great deal to do with the growth and development of this country. We hear about Benjamin Banneker, who helped lay out this great city of Washington, DC, and when Admiral Peary was attempting to reach the North Pole, it was Matt Henson who was able to go on after Admiral Peary became snowblind and could not find his way. Matt Henson happened to be an Afro-American.

There were times during the War Between the States, and as we move through, there were a group of soldiers, the Buffalo Soldiers, they were called, when Teddy Roosevelt was at the Battle of San Juan Hill, it was a group of black soldiers who rescued Teddy Roosevelt, the Rough Rider. These soldiers were very instrumental in turning the tide of that great battle.

I simply bring up these items because many times we find that the history of Afro-Americans has been excluded from the textbooks, and people have a feeling that America is doing something special when it attempts to right wrongs of the past.

We have seen men like Dr. Drew who found a way to preserve blood plasma and, therefore, was one of the most important findings in medical history. There were so many Afro-Americans who gave so much to this country, and we saw those terrible times when the country showed its ugly face, when Emmett Till, the young boy from Chicago, was lynched and thrown into a river because he did not move into the gutter to let someone pass, and they said he might have whistled at a white woman. We saw Medgar Evers, Malcolm X, and Martin King struck down.

We have seen some terrible times in our history, and we saw then in the 1960's that America's conscience came about under the leadership of John F. Kennedy and Lyndon Baines Johnson. We saw a turn in the tide after the four babies in Birmingham were killed, and we saw an America that came to grips with some of the discrimination that had been perpetrated on a group of people, and they said, "We will change this;" we saw the sit-ins of SNCC following when Miss Rosa Parks refused to sit down and said, "I'm going to stay where I am," and we saw the Montgomery bus boycott, and Dr. King lead that. We saw the ugly times, and when America came together, now, we are once again seeing what I consider the ugly times.

It was in 1968 when the Kerner Commission report came up with its finding that if we have two Americas, one white and one black, separate and unequal, that we will continue to have problems in this Nation.

It was in 1896 in Plessy versus Ferguson when they said that separate but equal was constitutional, but in 1954 in Brown versus Topeka Board of Education of Kansas, they said separate but equal was unconstitutional, because when separated, people have a false feeling of inferiority, but more damaging is the false feeling of superiority that whites had, and it was found that it was devastating to our society to have both of these false feelings. So we have come to grips with that.

We saw campus disorder in 1967 at Kent State, where our troops shot down students, and the findings of that report said that any nation which uses weapons of war against its young is on the verge of chaos, and that any nation that loses large numbers of young people because of alienation is, indeed, losing a part of its future.

So we come to this time in this place, in this day and this hour, and we come here because we are disturbed at what is going on. Our Nation is losing, in the balance of trade, and we are not making the better car. Back in 1944, 41 percent of the jobs in this country were manufacturing jobs, because everyone was pitching in. It is now 18 percent of the jobs are manufacturing, and in the year 2000 only 5 percent of the jobs in this country will be from manufacturing.

Mr. Speaker, we have a very serious problem in front of us. Other countries, other places are making these items. We will see a unified Europe in 1992 where they will have 300 million people competing in a single market which will continually make our balance of trade difficult.

We see Hong Kong becoming a part of the People's Republic of China in 1997. What will that create as a problem for our country?

We say what does the balance of trade have to do with the Supreme Court decision, because unless this country can come together and have all of its persons productive, we are going to continue to lose our competitive edge.

At one period of time in Harlem for a 10-year period, not one single fellow or woman came out to become a physician, and that is sad, because there must be tremendous minds, and we have found that foreign countries do not waste the minds of people. We find in foreign countries, and even in the Soviet Union, which we criticized as the Iron Curtain countries, but in those countries, every young person is given an opportunity to live up to their full potential.

Here we must do the same. Racial discrimination has no place in the 21st century. If it comes to the point where we must legislate, then we will.

Our country does a tremendous job as we provide for the common defense, but it also says in the Constitution that it is our responsibility to promote

VOL 135 PT 9 JE 14 — 22 1989 UMI

the general welfare. We are not doing that, and so I support the gentleman from Maryland. I believe that we will have to come to grips with ourselves.

In my town, there was not a black fireman until the late 1950's, because they said, if you passed everything, then "You have flat feet and you cannot serve," and because firemen did not want to sleep in the same area as blacks, and my friend, Curtis Moore of Newark, NJ, a neighbor of mine, was the first black to become a member of the Newark Fire Department.

Only last year, Newark, NJ, a northern city, paid fines to about 60 black men who took the test to become policemen in the 1970's, and were failed, and the courts found they were failed because of racial discrimination in the city of Newark, the city that I live in and was born in, and they will have to pay these persons retribution because they were falsely denied access to the police department.

We must right these wrongs. I certainly feel very moved here, and I think I have extended the time a little bit more, but I would just like to once again support the gentleman from Maryland for bringing this to the attention of all of us.

Mr. MFUME. Mr. Speaker, I thank the gentleman from New Jersey for being a part of this special order and for having the same sense of outrage and anger that we all do at the series of Supreme Court rulings that really tear at the underpinnings of our democracy. The gentleman is right. We are in the business also of promoting the general welfare, lest we forget.

Mr. Speaker, I yield to the distinguished gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I thank the gentleman from Maryland for taking out this special order and giving us a chance to express our dismay.

We should be very clear what we are talking about. Obviously, a color-blind society is our goal. The question is: How do we get there?

I was just reading about the appointment of Isaac Fulwood, and maybe someone has mentioned this, the chief of the District of Columbia police, and it mentioned that when Chief Fulwood, who is not an old man since he appears to be my age as I read the paper, but when he was appointed as a policeman of the District of Columbia, it said in the Washington Post that blacks were not allowed to run patrol cars. That is 25 years ago. Black police officers in our Nation's Capital, thanks to Federal laws, obviously, and this was not the choice of the majority of the people of the District of Columbia, but a black man who is now the chief of police, when he began, could not ride in a police car.

We live in a society which was unfortunately cursed with racism. I believe that this society has been making a very valiant effort to leave behind that racism.

This issue is: Can we ignore history as we continue that process? The notion that we should have to prove, and what the Supreme Court is basically saying is, we are only going to be able to resolve this where the people were stupid enough to admit that they were bigoted. Because where bigotry and discrimination was at all sophisticated, you would not be able to prove it.

□ 1630

I went to work for the mayor of Boston 21 years ago. At that time the city suffered from racism. I worked for Kevin White, who I think tried very hard to overcome it.

One of the problems we had in a city with a significant black and Hispanic population was that we had a police force that was virtually all white, and the best police officers knew they could not do a good job of policing that city in the interest of everyone in that city with a police force that was so unreflective of the population being policed. That does not mean we need have one-for-one representation. It means to anyone who knows policing that part of good policing is a knowledge of the community, being able to get sources, understanding when there is likely to be trouble, knowing the habits, knowing that an all-black police force could not police an all-white community or vice-versa.

What we are talking about is saying in a society which was racist, explicitly and admittedly racist, and which has been breaking away from that, at a pace that has been too slow for my taste, but it has been trying, the Supreme Court is now saying we have got to ignore history and assume that everything is wonderful, and we are all starting with day one, and in particular they are putting obstacles in the way of mayors and county officials and municipal officials who are saying look, we inherited a situation in which racism was a terrible problem, and we are trying to work together, black and white, to get out of this.

The mayor of Boston, Ray Flynn, who comes from a white area, one of the most resistant to certain forms of desegregation, has been distinguishing himself by saying affirmative action in various ways is an important tool for me as a mayor, for me to use so that I have a city administration that works, that can provide services.

For the Supreme Court of the United States, which was appointed by President Reagan, obviously for that purpose, the three members who have been so critical in this, for them to put obstacles in their way is a very sad day.

We will not stop trying to combat racism, but it is a sad day when the Supreme Court has made it so much harder, and I thank the gentleman for letting us call this to the attention of the American people.

Mr. MFUME. Mr. Speaker, I thank the gentleman from Massachusetts for taking part in this special order and for being, as he has been, a leader on this issue of fairness in Congress.

Mr. Speaker, I yield to the distinguished gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Speaker, I want to thank the gentleman from Maryland for his leadership and for making available this opportunity for so many of us to express our gratitude to the valiant people of the past who now over 25 years ago established the cadences to which I think we as Americans ought always to walk. I am particularly grateful for the opportunity he has given me, and indeed millions of Americans, to hear from the gentleman from California, Mr. DON EDWARDS, and the gentleman from Texas, my chairman, HENRY B. GONZALEZ, who were in the U.S. House of Representatives 25 years ago to be a part of that historic moment.

Twenty-five years ago I was in Washington, DC, but I was the Director of the Washington Bureau of the Southern Christian Leadership Conference. On this day 25 years ago I was preparing to go over to the White House to sit in the East Room thereof with Dr. Martin Luther King, Jr., the President of the Southern Christian Leadership Conference, to witness the signing of that historic Civil Rights Act of 1954. During that period, I say to my friend, the gentleman from Maryland [Mr. MFUME], we were saying we shall overcome. That was the clarion call of people of good will, black and white together across this Nation.

We said we shall overcome the humiliating for whites only signs which required people of African descent to sit in the backs of buses and drink water from separate fountains, to be denied access to public accommodations by law. And we sang we shall overcome, we shall overcome the massive resistance that had developed across the southland to the 1954 Supreme Court decision, Brown versus The Topeka Board of Education. And we sang we shall overcome the infamous literacy test and poll taxes and the various other means by which they denied millions of people of African descent the basic right to vote. We were saying we shall overcome a situation where so many of us died defending democracy that we did not fully enjoy in this country in defense of this country, and yet we died.

Today, as we look back, as we open the floodgates of our memories and

travel back through those years we hear another cry. It is a cry apparently emanating from the Supreme Court, and it is we shall overturn.

We shall overturn the great strides toward freedom that were made in the decade of the 1960's. We shall overturn the country's commitment when it identifies a wrong to provide a remedy.

To the great tribute, to the great credit of those who 25 years ago labored to bring about the Civil Rights Act signed on July 2, 1964, we must continue that struggle. One cannot reflect upon the painful losses of the decade of the 1960's, John F. Kennedy, Malcolm X, Martin Luther King, Jr., Robert F. Kennedy, one cannot reflect upon the painful loss of those men without remembering then the decade of the 1960's when we lost them, and that if we are to be successful in meeting this challenge, the challenge of the theme "we shall overturn," the question has to be what today's generation of young men and women will do to grasp the torch snatched so suddenly from their valiant hands.

So I just want to take this opportunity to issue a call to that coalition of conscience out there today, black and white together, young and old together, affluent and poor together, city and suburb together, to remember in the words of Goethe, "What we have inherited from our fathers we must earn again for ourselves, else we will lose it," to acknowledge the fact that we in this generation owe a debt of gratitude to those who worked 25 and 30 years ago to free us from the racial segregation and discrimination that plagued this Nation, and that the best way to pay our debt to the past is to place the future in debt to us by ourselves rising above race and region and party and restoring to the American body politic the commitment to treat all of its citizens fairly, justly, and with laws, and with implementation means that provide us equal opportunity.

I thank the gentleman for this opportunity to join in this dialog today.

Mr. MFUME. I thank the distinguished gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. Speaker, I would like to close out the discussion today in the same spirit for which these special orders were called. That is because I am deeply concerned about the series of recent Supreme Court decisions which have followed a predictable precedent. Since January the high court has reversed five affirmative action cases, and in each decision the court was sharply divided along lines which we are now growing uncomfortably accustomed as the Reagan appointees outvote the older court members with proven commitments to civil rights.

The death toll for civil rights under these five rulings has been a consistent 5-4, 5-4, 5-4.

We have come here today on this issue to point attention to both our colleagues and those who watch us in this legislative process as we have made the case and argued forcibly that it must be the Congress now that must act to fill this void, to correct what many consider to be the wrongs of the courts and the direction that the courts are taking as it relates to affirmative action.

The court was wrong in terms of the grandfather clause; it was wrong with the white primaries; it was wrong with the literacy test, it was wrong in Plessy versus Ferguson in the 1890's when it said "separate but equal" was all right; and it is wrong today under these decisions.

What we are seeking more than anything else is a sense of fairness from the courts. There is nothing wrong with protecting the rights of historic minorities in this society, persons of African descent, Hispanic Americans, Asian Americans, and there is nothing wrong with protecting the rights of women in this society where we can detail over and over again case after case where those protections are warranted.

What is wrong is that the court has lost that special sensitivity and the court, in losing it, has now begun interpreting laws in such a way where we are not just simply rolling back the clock, we are rolling back our democracy.

So I thank all of my colleagues who have come to join in this effort today. I urge those who watch us across this Nation who feel the same sense of letdown, a sense of outrage by these decisions, to remember that it is together that we will bring about change in this society, not fighting against one another, not rallying around those ways in which we are different, but finding our similarities and building upon them and working together and pointing out to the court how wrong they are in these decisions.

Just remember, if I might close by saying, this great enemy that we face called silence is the enemy that will do us in if we are not careful, not just on this issue but on all the great issues that have confronted this Nation, that have confronted mankind.

We would argue and urge that the Supreme Court look a little closer at things that it is undoing, the things that it seeks to undo, to recognize that in a true democracy it has a special obligation as the judicial branch of the Government.

Mr. STOKES. Mr. Speaker, first, I would like to thank my distinguished colleague, KWEISI MFUME, for calling our attention to a serious matter. Today, I rise to offer my condolences to many Americans who will be unable to receive fair treatment under the U.S. Constitution. I have great admiration and respect for this beautiful document crafted by the forefathers of our great Nation. That is why I am perplexed and disappointed by the recent actions of our Nation's highest court—the U.S. Supreme Court.

By now, most of us are familiar with the recent, heavy-handed holdings of the Court which constitute a frontal attack on civil rights. In January, the Court dealt a supreme blow against affirmative action in the case of City of Richmond versus J.A. Croson Co. by deciding that minority set-aside programs must be narrowly tailored and a predicate finding of discrimination is necessary before establishment of a set-aside program.

Even more recently, the Court attacked discrimination cases headon by shifting the burden of proof on to the shoulders of the plaintiff, who is most often poor and oppressed, in Wards Cove Packing Co. versus Atonio. And, just last week, the Court dealt another blow to racial discrimination cases in Martin versus Wilks, which upheld the ability of whites to claim reverse discrimination by affirming their right to challenge affirmative action plans which have been approved in a court-monitored settlement.

The most crucial test of all of these controversial rulings will obviously be the impact of the Court's new brand of judicial activism. The Reagan revolution has left our Nation with economic and social scars. Reagan's efforts to pack the Court are now beginning to pay off in terms of the decisions which will affect minorities negatively in the long run.

Mr. Speaker, I challenge my colleagues to take a stand to reverse the perilous course the Supreme Court is taking in its attempt to dismantle over 30 years of civil rights legislation intended to heal the wounds of past discrimination. By the Court's recent rulings, the Justices are sending a clear and powerful message that they intend to limit significantly the rights of women and minorities to challenge discriminatory practices by employers. In plain terms, the rights of white males have been upheld at the expense of infringing upon the rights of those who have yet to enjoy fully all the rights provided by the Constitution.

Mr. Speaker, it is obvious what our role must be in this critical matter. We must act quickly and swiftly to reverse this current trend of conservative activism.

Mr. RANGEL. Mr. Speaker I rise today to join my colleagues to express my outrage in response to the recent judicial activism that the Supreme Court is now engaged in. On four occasions this year the Supreme Court has handed down decisions that have severly undercut the efforts over many years to overcome bias against minorities and women. The conservative majority on this Court has made it quite clear that they do not intend to support programs that have been designed to provide equity and protection for those groups that have experienced discrimination in the past.

The message that I receive from these decisions is that this Court is intent on narrowing the discrimination remedies, restricting affirmative action, and protecting the rights of white males at the expense of women and minorities. If these decisions are a sign of "the new breeze that's blowing" and of "a kinder and

VOL 135 PT 9 JE 14 — 22 1989 UMI

gentler nation," then the minorities and women have some rough, foul weather ahead if they hope to achieve real equal opportunity.

The four decisions are:

City of Richmond versus J.A. Croson Co., in which the Court strikes down a City of Richmond plan designed to give minority-owned construction companies more city work. This decisions has placed over 200 set-aside programs in jeopardy.

Wards Cove Packing Co. versus Atonio, in which the Court makes it more difficult for minorities to use statistical data to win claims of racial discrimination against employers.

Martin versus Wilks. The Supreme Court expands the ability of nonminorities to file reverse discrimination complaints.

Runyon versus McCrary. The Court refuses to allow lawsuits based on racial harassment and limits the reach of section 1981 that prohibits discrimination in making and enforcing contracts.

Mr. Speaker, we in the Congress must take action to reverse these judicial trends and send a strong message to the American people that it is the intent of the Congress to provide equal opportunity and equal protection. It is our task to modify each of the four decisions by carefully drafted legislation to address the logic used in reaching these decisions. However, we must not run headlong and introduce legislation willy-nilly in an unstructured attempt to correct these injustices.

It is true that the symbol of justice is blind, but that same symbol holds a set of scales that is equally balanced. These four decisions once again tilt the scales of justice against the ones who have historically been discriminated against. We must act and act decisively.

Mr. AuCOIN. Mr. Speaker, I am very pleased to join my colleagues today in addressing what has become the single greatest threat to civil rights in America—the unprecedented attacks by the Supreme Court on established principles of justice.

In a recent string of regressive decisions, the Supreme Court has struck major blows aimed at halting this country's progress towards becoming a fairer, more just society. Who would have imagined that 25 years after the Civil Rights Act of 1964, the redemption of one of history's broken promises—equal justice under the law—would be challenged by the very institution that had previously been its most solid ally?

We have learned through these rulings that the Court is willing, by a narrow majority, to rewrite civil rights law. Especially alarming was the Court's autonomous decision to review the Runyon versus McCrary decision, the bedrock for all subsequent job discrimination decisions. Though the court upheld the ruling, this bold action signifies an overt attack by the Court on such precedents and renders all previous decisions vulnerable.

Sadly, these rulings are more predictable than most of us would like to think. After all, Ronald Reagan who appointed this narrow majority, vowed to achieve a new conservatism on the Court. These latest interpretations confirm this goal and prove that civil rights are in fact subject to the winds of political change.

A former top-level Reagan Justice Department official gave the best analysis of the Court's decisions when he hailed the rulings as a "home run" for white men. A home run for white men. Well, folks, we all know full well that white men have never been denied employment or promotions or suffered the degradation of slurs due to their skin color and/or gender. White men have been scoring home runs for centuries. How about giving everyone an equal opportunity to make it to at least first base?

Manipulating hiring practices to the exclusion of an employee group may be the most insidious form of discrimination and yet the Court saw fit to weaken the existing constitutional safety net. Each recently issued decision effectively ties the hands of women and minorities when seeking legal recourse in fighting job discrimination.

As noted in one of the majority opinions, this society has a "deep commitment to the eradication of discrimination based on a person's race or the color of his or her skin." Yet these Justices are unwilling to apply the "prevailing sense of justice" they claim to uphold. As Members of Congress, we are obliged to press for what is rightfully a national objective and that ie "equal justice under the law." If the Supreme Court Justices are unclear about the law then we, as legislators, must clarify it for them.

I commend Congressman MFUME for his willingness to take the lead on this issue and pledge my support for initiatives that will undo the damage done to civil rights and affirmative action by the Rehnquist Court.

Mr. DIXON. Mr. Speaker, the recent Supreme Court decisions on affirmative action strike a severe blow to the struggle for racial justice in our country and sends a clear signal that this Court's conservative majority is charting a course to continue the Reagan assault on civil rights.

Eighteen years ago the Burger court handed down the landmark decision which set the standard for affirmative action cases. In Griggs versus Duke Power the Court ruled that discrimination need not be intentional. These recent decisions have overturned this landmark decision expanding the ability of nonminorities to claim reverse discrimination, making it more difficult for minorities to use statistics to prove discrimination in employment, and placing the burden of proof on the victim of alleged discrimination. Many employers now may be encouraged to scale back affirmative action plans that may adversely affect nonminorities. In order to prove discrimination minorities will have to show that employment practices do not make good business sense. This puts the burden of proof in the wrong place, on the victim.

For more than a decade the Court has struggled with determining when affirmative action is appropriate to remedy discrimination. Although these recent rulings involve different aspects of civil rights law, they all strike a serious blow to the victims of discrimination and opens the door for more challenges to the basic hard fought civil rights gains of the last 25 years. The decision in Ward's Cove Packing Co. versus Atonio will have a devastating impact on cases before the courts that rely on the landmark ruling in Griggs versus Duke Power which said that employers could be liable for discriminatory employment practices. The Wards decision relieves the employers of the burden of justifying such practices that produce disparities in the racial composition of their work force.

We cannot allow this Court to ring the death knell for affirmative action in this country. Yet these rulings clearly signal the view of the conservative majority that affirmative action has gone too far. They are wrong. Women and minorities must be given a fair chance to compete on a level playing field.

Justice Thurgood Marshall has observed that:

> A majority of this Court signals that it regards racial discrimination as largely a phenomenon of the past and that government bodies need no longer preoccupy themselves with rectifying racial injustice. The battle against pernicious racial discrimination or its effects is nowhere near won.

The Supreme Court is indeed attempting to apply colorblind rules to a race conscious society. The painful truth is that America is not a colorblind society. Racial discrimination and denial of equal opportunity remains a problem which can have a crippling affect on the aspirations of our young people. Minorities and women still face important obstacles to full participation in the job market and in business. In continuing the Reagan crusade against civil rights, the conservative cast on this Court is abandoning its historic role as the protector of the rights of the disadvantaged. Yet victims of discrimination have a right to expect the government to provide appropriate remedies. Yet in the words of Justice Blackmun:

> One wonders whether the majority still believes that race discrimination—or more accurately, race discrimination against nonwhites—is a problem in our society, or even remembers that it ever was.

This is a disturbing trend in our society. The Court has traditionally reflected the mood and the conscience of the nation. The decision of this new conservative majority is an ominous sign for race relations in our country.

We can ill afford to allow the Court or the Federal Government to ignore our shameful history of racial oppression and turn back the clock on civil rights. Affirmative action has been an important tool in the civil rights arsenal. It is needed to level the playing field for minorities and women; to bring them into the mainstream of American economic life.

The Congress has broad constitutional authority to remedy the invidious effects of discrimination. We must now reassert ourselves in this fight for equal opportunity and individual liberties and move expeditiously to reverse the damage done by these recent Supreme Court rulings.

Mr. PAYNE of New Jersey. Mr. Speaker, close scrutiny of the three recent Supreme Court civil rights decisions suggest that the plurality of the court considers affirmative action a dead issue. That state and local governments no longer have the option of balancing the scales tilted by the long duration of racial discrimination. That the burden of proof should now rest on the shoulders of the complainant, and no longer the employer. Affirmative action, equal employment—rest in peace.

The epitaph of an era of progressive legislation, and its usually reliable Supreme Court interpretations, was written best by Justice Brennan in his dissent to Patterson versus McLean Credit Union: "What the court declines to snatch away with one hand, it takes away with the other. When it comes to deciding whether a civil rights statute should be construed to further our Nation's commitment to the eradication of racial discrimination, the court has adopted a formalistic method of interpretation antithetical to Congress' vision of a society in which contractual opportunities are equal. 'One wonders,' he said further, 'whether the majority still believes that race discrimination—or more accurately, race discrimination against nonwhites—is a problem in our society, or even remembers that it ever was.'" As one who has lived through the time of two separate societies, I can tell you that racial discrimination is alive and well in this country.

In the past year, beginning with the City of Richmond versus Croson, and hopefully ending with Patterson versus McLean, the Nation has witnessed a series of opinions that have literally knocked the foundation out from under employment rights for women and minorities. By ignoring powerful historical evidence, the court has become duplicitous on its face. The majority, who swore under oath to leave their predispositions at home, seems to have taken the position that any attempts to correct the racial inequities of the past are nothing more than harassment against white males. The real irony though, aptly stated by William Raspberry, "is that minorities, who used to look to the Supreme Court for relief because Congress didn't seem to care, must now turn to Congress for relief from the Supreme Court."

Our challenge therefore as legislators lay in reaffirming or commitment to the passage of legislation that would limit employer power, and thus provide an equal footing for workers and businesses alike.

The movement is far from over. It has a far, far way to travel before it can be cast aside as a benign concern. And if the court has indeed forgotten what affirmative action was all about, and if they have forgotten what this "second reconstruction period" has really meant to blacks and women, then, Mr. Speaker, I would just remind them of the words Justice Harlan so prophetically wrote in his 1896 dissent to Plessy versus Ferguson, "the destinies of the two races * * * indissolubly linked together, and the interest of both require that the common government of all shall not permit the seeds of race hate to be planted under the sanction of the law. We boast of freedom * * * but it is difficult to reconcile a state law which, practically, puts the brand of degradation upon * * * our equals before the law. The thin disguise of 'Equal' * * * will not mislead anyone, nor atone for the wrong done."

GENERAL LEAVE

Mr. MFUME. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-94) on the resolution (H. Res. 179) providing for the consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, which was referred to the House calendar in order to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST THE CONFERENCE REPORT AND ANY AMENDMENTS REPORTED FROM CONFERENCE IN DISAGREEMENT ON H.R. 2072, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATION, FISCAL 1989

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-95) on the resolution (H. Res. 180) waiving certain points of order against consideration of the conference report and any amendments reported from conference in disagreement on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989 and for other purposes, which was referred to the House Calendar in order to be printed.

□ 1640

UPDATE ON STATUS OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER pro tempore (Mr. CARDIN). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I would like to thank you for your patience and want to assure you that on this special order it will be my intention to use just a modicum of the 1 hour allotted under this special order.

The reason for today's special order is to continue along the lines of reporting the activities and the projected activities of the Committee on Banking, Finance and Urban Affairs as we look toward a soon-to-be convoked conference committee with the other body.

As a matter of fact, it is my hope that the Speaker will announce our conferees early tomorrow, but in the meanwhile the chairman of the Senate Committee on Banking, the Honorable Senator from Michigan, and a former colleague of ours in the House of Representatives, Senator RIEGLE, has been in constant communication with me. Since he and I are friendly and our friendship goes back to the time he was a Member of the House, this friendship is now more than ever reaffirmed as he and I assumed simultaneously the respective chairmanships of the Banking Committees of the Senate and the House of Representatives.

But in reporting to you, my colleagues, as I promised at the very beginning of the 101st Congress in January, yesterday it was just not possible to sum up the real background lurking, dangerous situation that confronts us all and which cannot help but hover over any resolution of the current crisis in the insurance fund system, not just FSLIC, not just the savings and loan insurance fund, but the commercial bank fund, FDIC or Federal Deposit Insurance Corporation fund.

The whole system of fiscal and monetary setup in our country is in a heightened state of flux, particularly the financial environment. It seems that because either inadvertence or abdication of responsibility or inability at the time to confront the issues as they emerged in the beginning, after initial stages, and therefore have had a great deal of success in preventing the tremendous size of the problem confronting us, and the complexity of it, had we been willing, as some of us have been advocating for 23 years, to

VOL 135 PT 9 JE 14 — 22 1989 UMI

look into the rudiments and the root causes of what obviously would end up with being where we are today. The fact remains that it did not happen.

So what do we have today? I explained yesterday the enormity of the accomplishments of the U.S. House of Representatives in its overwhelming vote with respect to H.R. 1872, which represents the effort to catch up, and in one complicated, comprehensive, all-encompassing bill, which has never happened before in the history of the Banking Committee, addressed the basic problems of reform, reforming the regulatory system. It would have been incredible to advocate a raising of funds and commitment of Treasury funds to shoring up the insurance fund without reforming and making sure that the same would not be repeated.

So we had very complicated and continue to have complicated titles, having to do with the reform and the resulting new structures which, potentially, can be very, very much exposing to a continuing series of scandalous possibilities but which the action of the House in adopting the amendment that I offered, capping, for instance, the Resolution Trust Corporation's ability to commit the Treasury beyond the funds authorized and appropriated by the Congress. This was not the case, and I mentioned that yesterday so there is no use repeating it, but we reached the unbelievable period of time last year when an agency, a quasi-governmental agency encumbered, committed the Treasury, the taxpayers, $40 billion without going to the Congress or through the appropriations process which even the President of the United States cannot do. Yet that happened.

We are now faced with the need of paying the tab. That part has yet to be addressed.

□ 1650

I have been speaking out since 1979, particularly about the dangerous fiscal and financial situation in our country. In August of 1979 I pointed out that we had reached that rule of thumb that the great international banking moguls, people and institutions that have been in there for 4 or 500 years, the Bank for International Settlements, which is really the controlling factor in rural banking, which the United States is not a member, but is a visiting or an associate and has no voting power, but nevertheless, we had a rule of thumb, and I announced it: that the banking system is beyond repair when there is a ratio of 22 to 1 on capitalization to debt or to exposure.

I computed in May what I figured was a reasonable estimate of the total resources, capitalization, and then the equivalent exposure which in 1979 had gone up from, in less than a year and a half, from $3.5 billion to over $45 billion, with the chief seven or eight banks in the United States lending fist over full to countries that we knew at the time, and I reported to the Congress right here from this podium in August of 1979, would not be able to pay out. No way. So this is a factor here that is hovering, and it is something that is a contingent one as to the stability of our financial system, even though it is not the headlines, it will not take much to make them headlines.

When I reported that fact in 1979, it was because I was impelled to report. I know that there are so many Interpretations about special orders, that my fundamental approach since the first month I was sworn into the Congress was the use of privilege of addressing the House in an extended way not provided during limited debate, in order to digress on issues that affected one very much. So I have been speaking out on this forum since January of 1962, except that it has not been, until the latter years that we have had television coverage, so then that became noticeable after that. Before that, it is no different. It is on the record. That is the reason I speak because I want this to be on the record. This is why I can say back in August of 1979, this is the why I came to the floor.

Now, at that time I had reported here, and the Chairman of the Federal Reserve Board did notice the speech in the RECORD, and he invited me to have breakfast with him, which I did. After that breakfast, I was more troubled than I ever was before, and continued to be. If we fund, as the bill provides and as the President's original bill requested, the recapitalization of the insurance fund and the reform of the regulatory system, and we provide the financing over a 30-year period as the Treasury intends, of up to $50 billion, we must realize what exactly this means, at a time when our country has become a debtor Nation as of 4 years ago, but the first time since 1914. At a time when the domestic debt, the Government debt, is in the trillions, and the private, just the corporate debt alone of American corporate life is even in excess of that. We must imponder exactly what it is we must continue to be doing, and hopefully on a sustained basis, not considering that once we enact legislation, and whether the amendment that the Committee on Ways and Means on that particular title because under our system our Committee on Banking, Finance, and Urban Affairs had to refer three different titles to three different committees because their particular jurisdiction extended. In the case of the Committee on Ways and Means, it was a tax consideration to be given, the Resolution Trust Corporation in their issuance of what are known as REFCORP bonds because the Resolution Trust Corporation would raise that by forming a Resolution Funding Corporation, [RFC], and that is where Members get REFCORP. It was so loosely done in the President's bill that it was necessary for staff to do it completely over. I had the responsibility of handling that and offering that amendment in our committee in which we reformed and put some definition into the very vague President's bill.

I think also, my colleagues ought to know why they should be particularly proud of themselves, individually and of this House of Representatives collectively. That is that the President's bill, when it came to our hands, it was easy to see it was very obviously defective, even in phraseology, in draftsmanship, so that within 24 hours of my having it in my hands, I had met with the legislative counsel and had him confirm what I knew to be very deficient aspects of the bill.

It was 9 days later that the administration informed Members that indeed they would be sending better than 400 technical amendments. So my friends and colleagues, we took all that. We have a wonderful staff, and that is another group that I wish to extol at this time. There were times when we were marking up the bill, that we were utilizing 30,000 pages of paper a day during markup, to show Members the frenetic activity of amendments, and we had over 150 amendments that were batted back and forth. However, all the time we kept the eye on the ball because the staff was on the ball. We had staff at work day and night, over weekends, day and night, in order to ferret out some 414 so-called technical amendments, were really technical, and that it turned out were not, about 20 were not, so we had to incorporate those in a regular markup procedure and give them the consideration that should have been given in a serious vein.

So I think this is a great day to show and reveal what I have always felt in my 28 years here, and that is high respect for the ability and the inherent goodness of the colleagues in this great body of ours. However, there still remains so much that has not even been addressed. For instance, in the Resolution Trust Corporation section, which as I said before in the President's bill was hardly even defined, we worked it over. We added a member, we made the Secretary of HUD one of that recommended three-member board. The President's bill would have the Attorney General, would have had the Secretary of the Treasury, and it would have had the Chairman of the Federal Reserve Board, as the board of the Resolution Trust Corporation. However, the Resolution Trust Corporation is going to have an unprecedented job in the history of our country. Not even during

the Depression did we have that 400 plus billion dollars' worth of REO's, real estate ownership, a mixed bag of commercial, industrial, dwelling residential property, and what to do with it. Well, none of these departments and heads have that experience. We felt that it would be an absolute mistake not to at least have the Secretary of HUD, so we did. It is in the bill as we passed it out of the House.

However, what was not discussed, was the financing, mostly because this is going to be and has been an executive branch task.

□ 1700

I do not know whether my colleagues specifically or those who are not Members of the Congress realize, as well as those who are not privy to the facts, that the high offices of high finance were certainly there. You do not have elected representatives of the people, you have the private financial interests, and they are not charged, nor should they be expected to be charged, as they never have and never will be, with responsibility for the greatest interest for the greatest number. But they know that our Government has been working dangerously close to what could unravel public confidence, not only in the deposit insurance system but in the whole credit worthiness of the Government.

Yesterday some people may have thought that I was impassioned or too emotional when I said that our Government bonds were on their way to being "junkified." Let me give the assurance that that was no hyperbole, that was no exaggeration. Let me explain why.

The Treasury, as it has before to some extent, on October 1 or thereabouts must deal in the market and find some way of marketing that $675 billion in debt. Our formal accepted debt—this is according to Gramm-Rudman and all that hocus-pocus, and this is what all the budgeteers and Secretaries of the Treasury tell us—stands at $2.6 trillion. That is on the balance sheet, so to speak.

What they do not mention and what the Congresses do not seem to be too anxious to mention is that off that column but nevertheless as an integral part of that debt is what is known overseas as the contingency debt, and since it is not considered part of the budgetary statistical debt, you just throw your shoulders back and say, "Well, that's all right. Let's just keep going off budget, because it won't be added."

Up to now, our financial marketeers have chosen, also for political reasons, to be aligned with the administrations that have been in power, so that like the Federal Reserve Board, on various occasions, as in 1972, in order to help the political fate of the administration in that election year, they made sure there was what they call M1, which is a fancy term for loosening the printing presses.

Mr. Speaker, I want to say to my colleagues that it used to be when I was younger that they used to accuse the Congress and the Presidents of phoney-baloney money because they were saying, "Oh, you print the money. All you have to do is crank that printing press."

But all I ask you to do now is to reach in your pocket and take out a dollar bill or any other bill. Now, what do you see? You see, "Federal Reserve Note." So it is the Federal Reserve Board that is printing our money.

When I came to the Congress 20 years ago, if I reached in my pocket and pulled out a dollar bill, I would find that almost every one of those had "U.S. Treasury Note" on it. There is a big difference there. I will not go into that now because I have discussed that for over 20 years here on this House floor without much success of arousing anybody's interest.

I have even introduced legislation to try to address a need to go back to adequately managing our debt. And I always asked this question to those who asked me: "Well, if you're so smart, how come nothing has been done?" So my question was: "All right, if you're so smart, can you tell me why Franklin Roosevelt and even Harry Truman—but particularly Franklin Roosevelt, because he had a whole World War to manage—along with the Government never had to pay even 2-percent interest?"

But today what are we paying? We pay compound interest. We even reached the point of paying over 15 percent. That is an absolute scandal. It is a wholesale theft of the American heritage. I have said this before for over 20 years, and I just cannot help but repeat it today because we are fast reaching that moment of truth, that day of reckoning beyond which, no matter what kind of political contortioning we make, we have got to face the facts. We are on that verge now.

Here is why I say this: As I said, on October 1, no less than $675 billion has got to go to the market by the Treasury. The unspecified amount, that is, the part that is off the accounting sheet, is $222 billion of guarantees on loans of $550 billion. Then there is an additional $720 billion in loans by Government-sponsored enterprises. That makes a total of almost $105 billion here on the side, and this is called contingency.

What do we mean by "contingency"? It means that I can be and should always be considered an integral part of the total amount of money that we are liable for in the form of debt, explicit and implicit. So this figure of $550 billion plus $720 billion is growing faster than the first figure, simply because that is considered off budget.

But you say, "Oh, we don't worry about Gramm-Rudman." Well, what is Gramm-Rudman?

Gramm-Rudman is the biggest fiction that ever has been seriously undertaken by any responsible legislative body in the history of the world and its own inherent bankruptcy should have been visible the very first day, on March 15, 1986, which was the first quarter when, on account of the recently enacted Gramm-Rudman legislation, we were supposed to have saved $15 billion or reduced the debt by that amount, whereas if anybody had been looking—and I reported it here—that same day the cost of the interest went up $30 billion.

So what did we save? How did we reduce the debt?

As a matter of fact it was not reduced; it was increased by $15 billion. Yet the charade has gone on.

We are now about to sacrifice again in the name of that shibboleth known as Gramm-Rudman. However, to its everlasting credit, the Ways and Means Committee, which has responsibility under the Constitution of initiating all tax matters, very wisely said, "There is no use of kidding anybody, this ought to be on budget, and we will just have to have an extension to Gramm-Rudman."

This is another thing we have to be aware of, and I do not understand all the travail about it. In April 1986, shortly after that first quarter, we had a big debate, and we had the first exemption on Gramm-Rudman, having to do with I forget how many hundreds of millions of dollars on the dairy price supports. That was an exemption right off the bat. As a matter of fact, the Gramm-Rudman language itself provides for such contingencies as these REFCORP bonds. And they are there in order to do what? To stabilize, to ward off a chaotic situation that potentially can still happen to us.

So if we add $50 billion to this off budget contingency debt at a time when 20 percent of all of the outstanding Treasury bonds is represented by that off-budget contingency, what in effect is going to be the impact on the money markets, or, more importantly, will they be fooled into thinking they will be giving us the same consideration as if they had up-front, on-budget, full faith and credit in the Treasury notes? Of course not.

□ 1710

Mr. Speaker, one does not have to be a financier to know that a paper is worth something if it has a full faith in credit and the full backing of the Treasury as compared to one that does not.

So, what does that mean? It means that at a time when the markets show exactly what they think of the Government bond market, the long and

VOL 135 PT 9 JE 14 — 22 1989 UMI

short of it is that we are on the outer edge of a risky period of time as far as the short end maturity rate on these Government bonds has become.

For example, right now the average maturity rate is 4½ percent. In the 1930's it was 50 years. In 1947, after the world war, it was 20 years. It means what I said yesterday, that it is in great flux.

Mr. Speaker, I mentioned yesterday also that 10-year Government bonds are being held for less than a month, less than 30 days. What does that reflect?

My colleagues, I reported this last year as we were winding up the Congress, and I reported that the need since the stock market bust in September 1987 was great to have legislation to control that highly volatile, inflamed, speculative, fevered market, that it is only just a matter of time before we have the day of reckoning again, except that these processes take some time.

The stock market crash of 1929 was not immediately visible; I am old enough to remember, even though I was a kid then. I remember the atmosphere. It was not until 3 years later because these are glacier-like movements. They are slow, but they are inexorable.

So, we have to face this, and we have to be facing this sooner than we think.

Ninety percent of the debt must be rolled over during President Bush's term of office, but here again I have great confidence that, once the facts are known, the truth established, the unrebuttable facts, that then our colleagues here, as well as in the executive branch, no matter what commitments they may have made during the political campaign, will rise to the occasion.

Certainly, with very few exceptions in our history, lamentably with the immediate past President, we have had the individuals to rise. I recall the terrible atmosphere of antipathy and hatred outright against Harry Truman when he rose to the Presidency upon the death of Franklin D. Roosevelt. He had been vilified almost daily as a crony and the henchman of the Pendergrass machine of Kansas City. He was pictured as corrupt. It was daily drumming. It was horrible. I remember it as if it were today, and yet he stepped into the shoes of this tremendous, unsubstitutable leader, and he did, and he had crises of even greater proportion and a shorter range of time to make decisions. But, by golly, he made them, and he rose to the occasion, and history now marks him as a resolute, decisive and a very effective President.

Mr. Speaker, we have had other examples through our history, so it is this hope and the constant need for us to rise and say, "Look we know that it is easier to just kind of shake things and say, 'Oh, if we don't look, it will disappear,' or 'Let's sweep it under the rug,' or 'Let's forget about this 1½ trillion over here because all we got here to worry about is 2.6 trillion.'"

That, Mr. Speaker, I think has to reach an end, and it will, and then we get together and we chart courses.

It is true that through the years I have gotten up and I have spoken, and sometimes I have been highly critical, and sometimes I have been more than critical. I have been condemnatory, but the record will also show that on each one of those where there was a suggestion to be made as to how to either suggest an alternative or improve that being criticized that I have. I have submitted bills ranging from audits of the Federal Reserve Board to such things as restructuring the Federal Reserve Board to bring it back to the original intention of the 1913 Federal Reserve Board Act. Why, as long as we have had the system that has crept in sometimes indirectly in sleeper clauses, in innocuous legislation, ometimes less obvious than that, but, nevertheless, all the time subtracting accountability to the people for, as I have said before, the Federal Reserve Board is not a Government agency, yet it is the one that is making the decision as to the fiscal, and monetary, and even the social policies of our people.

Mr. Speaker, that is not the constitutional intent. The constitutional intent is that only the national policymaking body known as the Congress establishes national policy, but it is not happening that way.

As I have said time and time again, anytime the open market committee, so-called, of the Federal Reserve Board wants to do in or do up any administration, it can do it very simply through its decision on what it is going to offer on Treasury bills and notes.

Now England used to do it that way. The chancellor of the exchequer used to, and then, by golly, the British reformed that after the war, and they have more of an enlightened system. We are the only country in the industrialized world that handles our fiscal and monetary matters this way. Even in the printing of our dollar bill, I want to advise my colleagues, we are paying interest even on that.

I want to say though that the main thing we could do was to make sure that we restricted and we recapped the Resolution Trust Corporation so that it would not encumber or commit to Treasury beyond that which had been appropriated by the Congress unlike FSLIC which last year alone committed the Treasury to $44 billion without having to go anywhere for permission.

Mr. Speaker, that was wrong. It should never have been permitted to have reached the point where it could have happened, but it did.

Mr. Speaker, I have one final word: The Treasury, of course, will have to figure out how best to approach the marketing and the handling of the debt. I am sure that before the October 1 date, sometime later in the summer, we will be facing a debt ceiling resolution again, but that is pro forma. The real thing, I believe, will be for us not to add by going off budget and deceiving ourselves into thinking that it will not be costly, excessive.

Mr. Speaker, even the method of the Committee on Ways and Means means that we go on budget, but exempt from Gramm-Rudman, which the Senate may not go along with, but we still have to issue $50 billion additionally long term making our total tab a hundred.

Mr. Speaker, I advocated the plan which high officials in the administration told me that they had patterned theirs on exactly a year ago this month, in June, and that is what I was suggesting then, and I was suggesting straight Treasury funding on board, on budget, and I felt that, if we had gotten just one-fifth of that amount then, we would have stopped the bloodletting, and the costly tab today, I am convinced, would have been about one-twentieth of what it looks like it will turn out to be.

□ 1720

So with that, I wish to announce to my colleagues that as we progress in the conference, I will be reporting to you. I have always felt that where we have these multiplicity of committees that if we do not sit on one, we do not know until something comes up on the House floor, and I have always felt it is not desirable, but if it is possible, we should be informed from time to time by the respective committees as they progress along very, very important and inescapable legislation.

THE NATIONAL AGRICULTURAL PRODUCT TECHNOLOGY DEVELOPMENT ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MADIGAN] is recognized for 10 minutes.

Mr. MADIGAN. Mr. Speaker, the word "competitiveness" has become considerably overused, and some may be tired of hearing it by now. Nevertheless, it remains a key word for U.S. agriculture as well as for our balance of payments and balance of trade. It is a fact that U.S. agricultural exports continue to be critical to both, and our producers can continue to make this essential contribution only as long as they remain competitive in world markets. Aside from subsidies, there are two basic ways to stay competitive in nearly any market: reduce costs, and introduce marketable new products.

Last year at this time I introduced a bill—H.R. 4314—to encourage the development of new commercial products from agricultural commodities, and of new methods for reducing the costs of agricultural production and processing. That legislation, in a modified form, became a part of a larger bill—H.R. 5056—which was reported by our House Agriculture Committee and passed by the House later in the session. Unfortunately the Congress adjourned before differences between the House bill and a Senate version could be worked out. I am hopeful that a fresh start can be made in this new Congress, so I am today reintroducing my original bill—identical to H.R. 4314 of the last Congress with a few minor technical corrections.

This bill would provide additional focus and support for applied agricultural research and development through a program of matching competitive grants to research institutions for the purposes of, first, accelerating and expanding production of new commercial products from U.S. farm commodities, and, second, finding and implementing new ways of lowering agricultural production and processing costs.

The approach suggested in this bill would add an element that many believe is critical to the ultimate success of new agricultural product research—a direct link to potential commercial markets. The program would require that any research and development project proposal for new products must include a commercial U.S. company willing to invest at least 20 percent of the total cost of the project and to engage in commercial production of the product under licensing or royalty agreements.

One of the most serious problems that we have faced over the years in new-product agricultural research and development is the lack of an effective mechanism to move commercially viable products off the research shelf, into the final development stage, and out into the market. This bill would provide that mechanism.

The program proposed in this bill would be open to all colleges and universities, public agencies at any level of government, and consortiums of public and private entities. It would be administered separately from, but complementary to the existing publicly supported U.S. agricultural research system, by an independent institute within the USDA, headed by a nine-member board appointed by the Congress and the administration from nominees of producer and processor groups, the agricultural research community and others.

The board would set research and development priorities through a public process and disperse financial support to projects from a revolving fund. The program's exclusive goals would be to accelerate research and development along two basic tracks through biotechnology and other new and traditional methods. New-product grants would concentrate on new uses of familiar crops. Cost-reduction grants would spur innovative technologies to lower the costs of production and processing of agricultural commodities.

Important new agricultural products are moving into commercial markets, but many more are waiting on the research shelf for that last phase of development and testing that our existing agricultural research system is unable to carry out. In the long term, increased development and use of products made from renewable materials can help us get the best uses from nonrenewable materials such as petroleum. And, this kind of development of our agricultural resources may result in unique products that can open new industries in rural areas—helping the farmer and his small-town neighbors as well.

Through export subsidies, the decline of the dollar abroad, and aggressive marketing and trade negotiations, U.S. agriculture has slowly regained some of the world market share lost earlier in this decade. While prospects for producers generally have improved, the economic pressure is still intense. Economic viability for U.S. agriculture both here and abroad remains dependent on expansion of both traditional and new markets wherever we can find them, and on continuing to push production, processing and other costs down.

I am hopeful that our committee will move expeditiously in this area during this session, to address these things that need doing in agricultural research and development to ensure that the United States can continue into the next century as the world's preeminent producer, processor, and exporter of traditional and new agricultural commodities and products.

Following is a more detailed explanation of the provisions of this bill:

THE NATIONAL AGRICULTURAL PRODUCT TECHNOLOGY DEVELOPMENT ACT OF 1989

This bill proposes an expanded U.S. applied research and development program in agriculture to:

(1) find new uses for farm commodities, and new products to expand domestic and export markets; and

(2) improve the competitiveness of U.S. agricultural producers and processors through accelerated development and trransfer of cost-reducing, environmentally safe technologies.

PROJECT GRANT PROGRAM

A new 11-year program of competitive grants complementary to, but outside of the existing federal agricultural research support system would provide additional funding and focus on new uses, trade and competitiveness. The program's exclusive goals would be to accelerate new product development and cost-reduction applications through biotechnology and other new and traditional research and development methods.

These Federal grants would require in nearly all cases at least 50/50 matching by project applicants. Commercial production agreements with private industry, and incubation projects for development of rural industries based on new products and technologies would be important parts of the total program.

TWO TYPES OF GRANTS

Two types of grants would be available to the most promising projects of any public or private institution in the U.S. including non-land grant universities, public agencies at any level of government, and consortia of public and private entities. New Product grants would concentrate on new uses of familiar crops. Cost-reduction grants would spur innovative technologies to lower the costs of production and processing of agricultural commodities.

NEW PRODUCTS

A project proposal for development of a new use or product of an agricultural commodity would be eligible for consideration only if the applicant institution has entered into a joint development agreement with a U.S. company willing to invest at least 20 percent of the total cost of the project and engage in commercial production of the product under licensing and royalty agreements. A substantial commitment of applicant resources would also be required.

COST-REDUCTION

A proposal for a cost-reduction project would be eligible for consideration only if the applicant institution has obtained a commitment of other public or private funds for at least half of the total cost of the project. Allowable reprogramming or redirection of existing available federal or non-federal research funds would also qualify toward meeting this matching requirement.

INFORMATION NETWORKING AND TECHNOLOGY TRANSFER

The program would provide for cooperative efforts in the collection of relevant and useful scientific information from around the world to assist institutions in carrying out their projects, and for transfer of technological information from successful projects to producers and processors through electronic and other means.

NATIONAL INSTITUTE FOR AGRICULTURAL PRODUCT TECHNOLOGY

The program would be administered separately from the existing publicly-supported U.S. agricultural research system by an independent Institute within the USDA, headed by a nine-member board appointed by the Administration and the Congress. Two members would be appointed by the House and two by the Senate. Five members would be appointed by the Secretary of Agriculture through nominations from agricultural producer and commodity groups, agricultural processors, and the agricultural research community. One of these members must be a producer nominee, one a processor nominee, and one a nominee of the research community.

Board members would be appointed for staggered terms of one to three years. A sunset provision would end the entire program in 11 years. The Board would set research and development priorities through a public process, and disperse funds to support the projects. It would also establish advisory groups and a unique peer review system of scientists, processors, producers and others to help select projects and oversee their progress. An effective accountability and reporting system would be required.

REVOLVING FUND

A revolving fund would provide a mechanism for handling program money. Fees and royalties collected from industry commercialization of products developed through the program would be deposited in the fund.

Of the total funds available for the program annually, 85 percent would be allocated to competitive grants. Information networking and technology transfer would be allocated 10 percent, and 5 percent would be held for administrative expenses of the institute. Sixty percent of the total funds would be available for awards to the best project proposals of any qualified applicants, including the Land-grant system of 1862 and 1890 institutions. The remaining 25 percent, however, would be set aside to

assure that funding would be available for the most promising projects of the 1862 and 1890 institutions that survive the general competition among all qualified applicants.

IMPROVED RURAL OPPORTUNITIES

A successful program could provide significant benefits to the U.S. economy and to rural areas through increased farm and agricultural-related income and employment opportunities.

This legislation incorporates concepts and specific elements of legislation introduced in the 100th Congress and is considered to have such importance to the Nation that the Secretary's responsibility under this Act shall not be delegated.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. COLLINS (at the request of Mr. GEPHARDT), for today through June 30, due to illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of New Hampshire) to revise and extend their remarks and include extraneous material:)

Mr. DOUGLAS, for 5 minutes, today.
Mr. MCEWEN, for 5 minutes, today.
Mr. BEREUTER, for 5 minutes, today.

(The following Members (at the request of Mr. SAWYER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. FEIGHAN, for 5 minutes, today.
Mr. STARK, for 5 minutes, today.

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BOEHLERT, for 5 minutes, today.
Mr. BOEHLERT, for 5 minutes, on June 21.
Mr. MADIGAN, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of New Hampshire) and to include extraneous matter:)

Mr. DORNAN of California.
Mr. MACHTLEY in nine instances.
Mr. CRANE.
Mr. BILIRAKIS.
Mr. GREEN.
Mr. LAGOMARSINO.
Ms. SNOWE.
Mr. HUNTER.
Mrs. MEYERS of KANSAS.
Mr. BEREUTER.

(The following Members (at the request of Mr. SAWYER) and to include extraneous matter:)

Mr. DINGELL.
Mr. LANTOS.
Mr. GUARINI in two instances.
Mr. MANTON.
Mr. BERMAN in two instances.
Mr. KLECZKA.
Mr. WAXMAN.
Mr. RAY.
Mr. LEHMAN of Florida.
Mr. SYNAR.
Mr. THOMAS A. LUKEN.
Mr. DONNELLY.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 881. An act to provide for restoration of the Federal trust relationship with, and assistance to, the Coquille Tribe of Indians and the individual members consisting of the Coquille Tribe of Indians, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 274. Joint resolution to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 21, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1362. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend provisions of law relating to the settlement of admiralty claims; to the Committee on Armed Services.

1363. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend titles 10, and 37, United States Code, relating to personnel matters in the management of health care personnel in the Department of Defense; to the Committee on Armed Services.

1364. A letter from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation to provide for the self-regulation of investment advisers; to the Committee on Energy and Commerce.

1365. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act for calendar year 1988, pursuant to 5 U.S.C. 552(j); to the Committee on Government Operations.

1366. A letter from the Assistant Attorney General, Department of Justice, transmitting a report on the feasibility of prosecuting Federal drug-related offenses in a manner alternative or supplemental to the current criminal justice system, pursuant to Public Law 100-690, section 6293 (102 Stat. 4181); to the Committee on the Judiciary.

1367. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the requirements for the issuance and retention of licenses, certificates of registry and merchant mariners' documents; and for other purposes; to the Committee on Merchant Marine and Fisheries.

1368. A letter from the Acting Administrator, General Services Administration, transmitting copies of building project surveys and three lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1369. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to issue regulations to require that wages and salaries of Federal employees be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds; jointly, to the Committee on Banking, Finance and Urban Affairs and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAMILTON: Committee on Foreign Affairs. H.R. 2550. A bill to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries; with an amendment (Rept. 101-92, Pt. 1). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2550. A bill to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries. (Rept. 101-92, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. Report of the Committee on Veterans' Affairs pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. 101-93). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALL of Ohio: Committee on Rules. House Resolution 179. Resolution providing for the consideration of H.R. 2655, a bill to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance pro-

grams and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes (Rept. 101-94). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 180. Resolution waiving certain points of order against the conference report and any amendments reported from conference in disagreement on H.R. 2027 (Rept. 101-95). Referred to the House Calendar.

Mr. BEVILL: Committee on Appropriations. H.R. 2696. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes (Rept. 101-96). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COX:

H.R. 2683. A bill to prohibit joint use of the Marine Corps Air Station at El Toro, CA, with civil aviation; to the Committee on Armed Services.

By Mr. DAVIS:

H.R. 2684. A bill to provide for the cost-efficient us of federally acquired vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. DAVIS (by request) (for himself and Mr. CONTE):

H.R. 2685. A bill to amend the requirements for the issuance and retention of licenses, certificates of registry and merchant mariners' documents; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DORNAN of California:

H.R. 2686. A bill to allow the importation of certain defense articles from Poland and Hungary for educational purposes; to the Committee on Foreign Affairs.

By Mr. GEKAS:

H.R. 2687. A bill to amend titles XVIII and XIX of the Social Security Act to delay for 1 year nurse aid training requirements; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HAMMERSCHMIDT (by request) (for himself, Mr. DAVIS, and Mr. CONTE):

H.R. 2688. A bill to amend the National Driver Registration Act of 1982 to assist in the identification of merchant mariners who have an adverse driving record by permitting access to the National Driver Register, and for other purposes; jointly to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

By Mr. KASTENMEIER:

H.R. 2689. A bill to amend the Foreign Agents Registration Act of 1938, as amended, to eliminate potential infringements on freedom of communication; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. MARKEY, and Mr. BERMAN):

H.R. 2690. A bill to amend title 17, United States Code, to provide certain rights of attribution and integrity to authors of works of visual art; to the Committee on the Judiciary.

By Mr. MADIGAN:

H.R. 2691. A bill to establish a National Institute for Agricultural Product Technology and to authorize the Institute to implement and carry out a program for applied research and development of new product uses for agricultural commodities, for the development of new production and processing methods and new industrial products using agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Ms. OAKAR:

H.R. 2692. A bill to amend the Woodrow Wilson Memorial Act of 1968 to provide that the Secretary of Education and two additional individuals from private life shall be members of the board of trustees of the Woodrow Wilson International Center for Scholars; to the Committee on House Administration.

By Mr. SAXTON (for himself, Mr. BROWN of California, Mr. CAMPBELL of Colorado, Mr. COURTER, Mr. GALLO, Mr. LEWIS of California, Mr. PALLONE, Mr. PORTER, MR. SMITH of New Jersey, and Mr. SMITH of New Hampshire):

H.R. 2693. A bill to require the Secretary of Defense to provide advance notice to local educational agencies of enrollment changes due to base closures and realignments; to the Committee on Armed Services.

By Ms. SNOWE:

H.R. 2694. A bill to amend title XIX of the Social Security Act to continue Medicaid financing of daytime habilitation services in certain States; to the Committee on Energy and Commerce.

By Mr. WALGREN:

H.R. 2695. A bill to amend the Federal Water Pollution Control Act to direct the National Response Center to establish and maintain a comprehensive computer listing of resources available for responding to emergencies involving discharge of oil or release of hazardous substances, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LAFALCE (for himself, Mr. FAUNTROY, Mr. FRANK, Mr. CARPER, Mr. KLECZKA, Mr. TORRES, Mr. MFUME, Mr. MORRISON of Connecticut, Mr. KANJORSKI, Mr. ARMEY, Mr. CONTE, Mr. LIPINSKI, Mr. BROWN of California, Mr. SMITH of New Hampshire, Mr. TOWNS, Mr. BATES, Mr. MARTINEZ, Mr. FUSTER, Mrs. BOXER, Mr. BILBRAY, Mr. GLICKMAN, Mr. WALSH, Mr. WATKINS, Mr. ACKERMAN, Mr. BOUCHER, Mr. DONALD E. LUKENS, and Mr. DE LUGO):

H. Res. 178. A resolution expressing the sense of the House of Representatives that the President should instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the Asian Development Bank to oppose the making of loans or the extension of any financial or technical assistance to the People's Republic of China in accordance with section 701 of the International Financial Institutions Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HALL of Ohio:

H. Res. 179. Resolution providing for the consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes; House Calendar No. 24, House Rept. 101-94.

By Mr. BEILENSON:

H. Res. 180. Resolution waiving certain points of order against consideration of the conference report and any amendments reported from conference in disagreement on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes; House Calendar No. 25, House Rept. 101-95.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. BOEHLERT.

H.R. 39: Mr. DYMALLY, Ms. SCHNEIDER, Mr. GARCIA, and Mr. STOKES.

H.R. 41: Mr. FORD of Michigan, Mr. GUARINI, and Mr. MFUME.

H.R. 47: Mr. HARRIS, Mrs. MARTIN of Illinois, Mr. ROBERTS, Mr. EMERSON, Mr. JONTZ, and Mr. HERGER.

H.R. 81: Mr. JACOBS.

H.R. 110: Mrs. MARTIN of Illinois and Mr. WISE.

H.R. 145: Mr. LEVIN of Michigan, Mr. ROYBAL, Mr. RINALDO, Mr. FLIPPO, Mr. WAXMAN, Mr. BOEHLERT, and Mr. MCMILLEN of Maryland.

H.R. 160: Mr. DORGAN of North Dakota, Mr. WALSH, and Mr. MATSUI.

H.R. 201: Mr. JOHNSON of South Dakota.

H.R. 209: Mrs. MORELLA.

H.R. 215: Mr. KOLBE, Mr. MOLINARI, Mr. NOWAK, Mrs. BOGGS, and Mr. FEIGHAN.

H.R. 243: Mr. COX and Mrs. VUCANOVICH.

H.R. 379: Mrs. MARTIN of Illinois, Mr. WALSH, Mr. TRAXLER, Mr. HOCHBRUECKNER, Mr. MARTIN of New York, Mr. GILMAN, Mr. JONTZ, Mr. LENT, Mr. HOUGHTON, Mr. MCNULTY, Mr. PAXON, Mr. MCHUGH, Mr. GREEN, and Mr. RANGEL.

H.R. 519: Mr. JOHNSON of South Dakota.

H.R. 529: Mr. BOEHLERT, Mr. DOWNEY, Mr. NOWAK, Mr. SCHEUER, Mr. SOLARZ, and Mr. WEISS.

H.R. 534: Mr. BOSCO, Mr. RANGEL, Mr. YATRON, Mr. FRANK, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. BONIOR, Mr. TOWNS, and Mr. OWENS of Utah.

H.R. 581: Mr. TORRICELLI, Mr. CROCKETT, and Mr. WEISS.

H.R. 633: Mr. MCCRERY.

H.R. 638: Mr. ROBINSON.

H.R. 672: Mr. DIXON, Mr. YATES, Mr. WALSH, Mr. MCNULTY, Mr. FUSTER, Mr. RANGEL, Mrs. BOXER, Mrs. UNSOELD, and Mr. FAUNTROY.

H.R. 720: Mr. SMITH of Vermont and Mr. KASTENMEIER.

H.R. 876: Mr. BOSCO.

H.R. 930: Mr. ROWLAND of Georgia, Mr. SOLARZ, Mr. PRICE, Mr. CARR, and Mr. GARCIA.

H.R. 933: Mr. GLICKMAN, Mr. ENGLISH, Mr. COX, Ms. KAPTUR, Mr. DARDEN, Mr. DWYER of New Jersey, Mr. STENHOLM, Mr. CAMPBELL of Colorado, Mr. BARNARD, Mr. HAYES of Illinois, and Mr. BILBRAY.

H.R. 951: Mr. GRAY.

H.R. 971: Mr. JACOBS, Mr. OLIN, and Mr. TALLON.

H.R. 994: Mr. LAGOMARSINO, Mr. GREEN, and Mr. MACHTLEY.

H.R. 1025: Mrs. BOXER.

H.R. 1056: Mr. TRAFICANT, Mr. GUARINI, Mr. DELLUMS, Mr. BILBRAY, Mrs. COLLINS, and Mr. CAMPBELL of Colorado.

H.R. 1074: Mr. MOLLOHAN, Mr. HYDE, Mr. SCHUETTE, Mr. SHUMWAY, Mr. CARPER, and Mrs. PATTERSON.

H.R. 1123: Mr. STENHOLM.

H.R. 1150: Mr. TRAFICANT.

H.R. 1199: Mr. ESPY, Ms. OAKAR, Mr. TAUZIN, Mr. HAMMERSCHMIDT, and Mr. MOODY.

H.R. 1238: Mr. STANGELAND.

H.R. 1292: Mr. TORRICELLI.

H.R. 1295: Mr. TAUKE and Mr. SHUMWAY.

H.R. 1354: Mr. ROBINSON.

H.R. 1374: Mr. LELAND, and Mr. DWYER of New Jersey.

H.R. 1451: Mr. PACKARD, Mr. CLINGER, and Mr. ROHRABACHER.

H.R. 1468: Mr. EDWARDS of Oklahoma.

H.R. 1499: Mr. ROBINSON, Mr. INHOFE, Mr. BARTLETT, Mr. COX, and Mr. MAZZOLI.

H.R. 1515: Mr. SENSENBRENNER.

H.R. 1530: Mr. FAUNTROY, Mr. GORDON, Mr. HAYES of Illinois, Ms. PELOSI, and Mr. MILLER of California.

H.R. 1546: Mr. FALEOMAVAEGA.

H.R. 1561: Mr. ENGEL.

H.R. 1565: Mr. PENNY.

H.R. 1586: Mr. PENNY.

H.R. 1587: Mr. PENNY.

H.R. 1646: Mr. YOUNG of Alaska and Mr. CAMPBELL of Colorado.

H.R. 1730: Mr. RAHALL, Mr. BROWN of Colorado, Mr. PASHAYAN, Mr. MCEWEN, and Mrs. KENNELLY.

H.R. 1762: Mr. DIXON.

H.R. 1780: Mr. STARK.

H.R. 1931: Mr. HAMMERSCHMIDT.

H.R. 2022: Mr. HALL of Ohio and Mr. WALGREN.

H.R. 2044: Mr. HARRIS.

H.R. 2055: Mr. HASTERT.

H.R. 2080: Mr. HORTON, Ms. KAPTUR, and Mr. HERTEL.

H.R. 2121: Mr. MARTIN of New York, Mr. MURPHY, Mr. BATEMAN, Mr. CLINGER, Mr. SENSENBRENNER, Mr. ROSE, Mrs. LLOYD, Mr. SMITH of Mississippi, Mr. RAY, Mr. ERDREICH, Mr. HASTERT, Mr. SUNDQUIST, Mr. ROBINSON, Mr. APPLEGATE, and Mr. WALGREN.

H.R. 2131: Mr. GILMAN, Mr. ROBINSON, and Mr. MFUME.

H.R. 2144: Mr. HERTEL.

H.R. 2172: Mr. MOAKLEY, Mr. MARTINEZ, Mr. RAVENEL, Mr. ROE, Mr. SCHUMER, Mr. KILDEE, Mr. GEJDENSON, Mr. SMITH of Vermont, Mr. NEAL of Massachusetts, Mr. MORRISON of Connecticut, Mr. HOLLOWAY, Mr. CAMPBELL of Colorado, Mr. DWYER of New Jersey, Mr. JONTZ, Mr. FORD of Michigan, Mr. DELLUMS, Mr. ATKINS, Mr. KOLTER, Mr. OWENS of Utah, Mr. SCHUETTE, Mr. DE LUGO, Mrs. BENTLEY, Mr. LEVINE of California, Mr. DURBIN, Mr. DEFAZIO, Mr. DOWNEY, Mr. MOODY, Mr. DYMALLY, and Mr. STALLINGS.

H.R. 2192: Mr. DORNAN of California, Mr. HORTON, and Mr. MACHTLEY.

H.R. 2222: Mr. STARK.

H.R. 2253: Mr. COSTELLO, Mr. DYMALLY, Mr. TOWNS, Mr. GORDON, Mr. FRANK, Mrs. COLLINS, Mr. ACKERMAN, Mr. MCNULTY, Mr. MATSUI, Mr. DEFAZIO, Mr. MRAZEK, Mr. BERMAN, Mrs. UNSOELD, Mr. SOLARZ, Mr. BILBRAY, Mrs. BOXER, Mr. SKELTON, Mr. GEJDENSON, Mr. BROWN of California, Mr. SCHEUER, Mr. MCGRATH, Mr. LIPINSKI, Mr. BUSTAMANTE, Mrs. BENTLEY, Mrs. LOWEY of New York, Mr. HORTON, Mr. LEVIN of Michigan, Mr. HUGHES, Mr. WAXMAN, Mr. DE LUGO, and Mr. GILMAN.

H.R. 2265: Mr. OWENS of Utah.

H.R. 2279: Mr. CHANDLER.

H.R. 2302: Mr. RITTER, Mr. CLINGER, and Mr. KOLTER.

H.R. 2303: Mr. RITTER and Mr. KOLTER.

H.R. 2354: Mr. KILDEE.

H.R. 2359: Mr. WALSH and Mr. INHOFE.

H.R. 2366: Mr. FAUNTROY, Mrs. COLLINS, Mr. WALSH, Mr. FRANK, Mr. HENRY, Mr. SIKORSKI, Mr. DEFAZIO, Mr. SMITH of New Jersey, and Mr. BUSTAMANTE.

H.R. 2421: Mr. DYSON and Mr. SCHUETTE.

H.R. 2456: Mr. LEHMAN of Florida, Mr. SCHEUER, and Mrs. BOXER.

H.R. 2493: Mr. ROE.

H.R. 2503: Mr. ROE.

H.R. 2529: Mr. AUCOIN, Mr. LAGOMARSINO, Mrs. BENTLEY, Mr. ENGLISH, Mr. STENHOLM, Mr. ROE, Mr. OWENS of Utah, Mr. SKELTON, and Mr. HEFLEY.

H.R. 2560: Mr. PANETTA, Mr. DORGAN of North Dakota, Mr. GUARINI, Mr. DE LUGO, Mr. RAHALL, Mr. HAWKINS, Mr. RANGEL, Mr. LIPINSKI, Mr. MCGRATH, Mr. MARTINEZ, Mr. SHAYS, Mr. DIXON, Mr. MFUME, Mr. LEVINE of California, Mrs. BOXER, and Mr. DWYER of New Jersey.

H.J. Res. 47: Mr. ANDERSON, Mr. ATKINS, Mr. BLAZ, Mr. BONIOR, Mr. BROWN of Colorado, Mr. DELLUMS, Mr. DICKS, Mr. DIXON, Mr. ERDREICH, Mr. FALEOMAVAEGA, Mr. GRAY, Mr. GUARINI, Mr. HUNTER, Mr. LANCASTER, Mr. LOWERY of California, Mr. DONALD E. LUKENS, Mr. MANTON, Mr. MARKEY, Mr. MINETA, Mr. MOAKLEY, Mr. ROBINSON, Mr. ROYBAL, Mr. SAWYER, Mr. SHAYS, Mr. SMITH of New Jersey, Mr. STALLINGS, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. WHEAT, and Mr. YATRON.

H.J. Res. 111: Mr. SAWYER, Mr. HARRIS, Mr. FORD of Michigan, Mr. BROWN of California, Mr. FOGLIETTA, Mr. MANTON, Mrs. BENTLEY, Mr. WELDON, Mr. BATEMAN, Mr. SAXTON, Mr. TORRICELLI, Mr. YOUNG of Alaska, Mr. LEVINE of California, Mrs. BYRON, Mr. LANCASTER, Mr. ROBINSON, Mr. HUNTER, Mr. MCCLOSKEY, Mr. SPENCE, Mr. HOPKINS, Mr. BILIRAKIS, Mr. TANNER, Mrs. LLOYD, Mr. EARLY, Mr. SHUMWAY, Mr. SOLARZ, Mr. MORRISON of Washington, Mr. HUBBARD, Mr. HEFNER, Mr. GRANDY, Mr. DERRICK, Mr. MCCOLLUM, Mr. CHANDLER, Mr. MCDERMOTT, Mr. FALEOMAVAEGA, Mr. DARDEN, Mrs. KENNELLY, Mr. VANDER JAGT, Mr. INHOFE, Mr. NELSON of Florida, Mr. MAVROULES, Mr. HERGER, Mrs. LOWEY of New York, Mr. ANDERSON, Mr. OWENS of Utah, Mr. PARRIS, Mr. BENNETT, Mr. PAYNE of New Jersey, Ms. OAKAR, Mr. PURSELL, Mr. OBERSTAR, Mr. VENTO, Mr. SCHUMER, and Mr. SABO.

H.J. Res. 204: Mr. OLIN, Mr. SAWYER, Mr. BUECHNER, Mr. KASICH, Mrs. PATTERSON, Mr. NELSON of Florida, Ms. SLAUGHTER of New York, Mr. PICKLE, Mr. MOORHEAD, Mr. HYDE, Mr. LENT, Mr. COUGHLIN, and Mr. BROOMFIELD.

H.J. Res. 255: Mr. HUTTO, Mrs. MARTIN of Illinois, Mr. BONIOR, Mr. FROST, and Mr. SMITH of Florida.

H.J. Res. 273: Mr. GEKAS, Mr. ATKINS, Mr. FROST, Mr. HANSEN, Mr. OBEY, Mr. HUTTO, Mr. FLORIO, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. MCCOLLUM, Mr. MCDADE, Mrs. BYRON, Mr. ORTIZ, Mrs. MEYERS of Kansas, Mr. DWYER of New Jersey, Mr. JOHNSON of South Dakota, Mr. BERMAN, Mr. PAYNE of New Jersey, Mr. KOLTER, Mr. CLARKE, Mr. COOPER, Mr. GOSS, Mr. SKEEN, Mr. PAXON, Mr. PURSELL, Mr. ROBINSON, Mr. HEFNER, Mr. HUCKABY, Mr. WALSH, Mr. FAWELL, Mr. WYDEN, Mr. MARTINEZ, Mr. VOLKMER, Mr. OWENS of New York, Mrs. BOXER, Mr. ANTHONY, Mr. FALEOMAVAEGA, Mrs. BENTLEY, Mr. CARDIN, Mr. FORD of Michigan, Mr. COURTER, Mr. MACHTLEY, Mr. PETRI, Mr. BATEMAN, Mr. BARNARD, Mr. TAUZIN, Mr. DAVIS, Mr. MOORHEAD, Mr. VALENTINE, Mr. MCGRATH, Mr. KASTENMEIER, Mr. HENRY, Mr. HYDE, Mr. PANETTA, Mr. JONES of Georgia, Mr. JONES of North Carolina, Mr. MONTGOMERY, Mr. DYSON, Mr. RAY, Mr. PICKETT, Mr. SPRATT, Mr. LIVINGSTON, Mr. MANTON, Mr. HUNTER, Mr. HERTEL, Mr. HOCHBRUECKNER, Mr. MCHUGH, Mrs. MARTIN of Illinois, Mr. GINGRICH, Mr. SABO, Mr. LEWIS of California, and Mr. MURTHA.

H. Con. Res. 48: Mr. HOYER.

H. Con. Res. 79: Mrs. MORELLA, Ms. PELOSI, Mr. LEVIN of Michigan, Mr. COUGHLIN, Mr. ARMEY, Mrs. JOHNSON of Connecticut, Mr. FAWELL, Mrs. MARTIN of Illinois, Mr. WILSON, and Mr. GLICKMAN.

H. Con. Res. 85: Mr. VALENTINE, Mr. ESPY, Mr. BOUCHER, Mr. CARPER, Mr. ROBINSON, and Mr. BARNARD.

H. Con. Res. 92: Mr. LIPINSKI, Mr. ENGLISH, Mr. FALEOMAVAEGA, Mr. CAMPBELL of Colorado, Mr. MORRISON of Connecticut, Mr. ROWLAND of Connecticut, Mr. PENNY, Mrs. BENTLEY, Mr. DONNELLY, Mr. GEKAS, Mr. DORNAN of California, Mr. BROWN of California, Mr. SENSENBRENNER, Mr. GALLEGLY, Mr. HANSEN, Mr. NIELSON of Utah, Mr. JONES of Georgia, Mr. MARTIN of New York, Mr. DEFAZIO, Mr. NEAL of North Carolina, Mr. SMITH of Mississippi, Mr. DE LA GARZA, and Ms. KAPTUR.

H. Con. Res. 128: Mr. CAMPBELL of Colorado, Mr. TRAFICANT, and Mr. RANGEL.

H. Con. Res. 141: Mr. ACKERMAN, Mr. AKAKA, Mr. ANDERSON, Mr. ATKINS, Mr. AUCOIN, Mr. BATES, Mrs. BENTLEY, Mr. BEREUTER, Mr. BERMAN, Mr. BEVILL, Mr. BILBRAY, Mr. BLAZ, Mr. BOEHLERT, Mrs. BOGGS, Mr. BONIOR, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BRENNAN, Mr. BROOKS, Mr. BROWN of California, Mr. BRUCE, Mr. BUSTAMANTE, Mr. CAMPBELL of Colorado, Mr. CARDIN, Mr. CARPER, Mr. CARR, Mr. CHANDLER, Mr. CLARKE, Mr. CLAY, Mr. CLEMENT, Mr. CLINGER, Mr. COBLE, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COSTELLO, Mr. COURTER, Mr. COYNE, Mr. CROCKETT, Mr. DANNEMEYER, Mr. DE LUGO, Mr. DELLUMS, Mr. DEWINE, Mr. DICKS, Mr. DIXON, Mr. DOWNEY, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. ENGEL, Mr. EVANS, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FLAKE, Mr. FORD of Tennessee, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUSTER, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GEKAS, Mr. GEPHARDT, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GOODLING, Mr. GORDON, Mr. GRANDY, Mr. GRAY, Mr. GREEN, Mr. GUARINI, Mr. GUNDERSON, Mr. HAMILTON, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HENRY, Mr. HILER, Mr. HORTON, Mr. HOUGHTON, Mr. HOYER, Mr. HUBBARD, Mr. HUGHES, Mr. HYDE, Mr. INHOFE, Mr. JACOBS, Mrs. JOHNSON of Connecticut, Mr. JOHNSON of South Dakota, Mr. JONES of Georgia, Mr. KANJORSKI, Ms. KAPTUR, Mr. KASICH, Mr. KASTENMEIER, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. KOLBE, Mr. KOSTMAYER, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEHMAN of Florida, Mr. LEHMAN of California, Mr. LELAND, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr. LOWERY of California, Mrs. LOWEY of New York, Mr. DONALD E. LUKENS, Mr. MADIGAN, Mr. MANTON, Mr. MARKEY, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCDERMOTT, Mr. MCEWEN, Mr. MCHUGH, Mr. MCNULTY, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MILLER of Washington, Mr. MILLER of California, Mr. MINETA, Mr. MOAKLEY, Mr. MOLINARI, Mr. MONTGOMERY, Mr. MOODY, Mrs.

MORELLA, Mr. MORRISON of Washington, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. MURPHY, Mr. NAGLE, Mr. NEAL of North Carolina, Mr. NEAL of Massachusetts, Ms. OAKAR, Mr. OBERSTAR, Mr. OBEY, Mr. OWENS of Utah, Mr. OWENS of New York, Mr. PALLONE, Mr. PANETTA, Mr. PARKER, Mr. PAXON, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PERKINS, Mr. PORTER, Mr. POSHARD, Mr. PRICE, Mr. QUILLEN, Mr. RAHALL, Mr. RANGEL, Mr. REGULA, Mr. RICHARDSON, Mr. RIDGE, Mr. RINALDO, Mr. RITTER, Mr. ROSE, Mr. ROYBAL, Mr. SABO, Mrs. SAIKI, Mr. SANGMEISTER, Mr. SAVAGE, Mr. SAWYER, Mr. SAXTON, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SHUSTER, Mr. SISISKY, Mr. SKEEN, Mr. SLATTERY, Ms. SLAUGHTER of New York, Mr. SMITH of Vermont, Mr. SMITH of Florida, Mr. SOLARZ, Mr. SPRATT, Mr. STAGGERS, Mr. STARK, Mr. STENHOLM, Mr. STOKES, Mr. STUDDS, Mr. SWIFT, Mr. SYNAR, Mr. TALLON, Mr. TAUKE, Mr. THOMAS of California, Mr. THOMAS of Wyoming, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. UDALL, Mr. UPTON, Mr. VALENTINE, Mr. VANDER JAGT, Mr. VENTO, Mr. VISCLOSKY, Mr. VOLKMER, Mr. WALGREN, Mr. WALSH, Mr. WAXMAN, Mr. WEISS, Mr. WISE, Mr. WOLPE, Mr. WYDEN, Mr. YATES, Mr. YATRON, Mr. BORSKI, and Mr. FASCELL.

H. Con. Res. 149: Mr. DYMALLY, Mr. KILDEE, Mr. FAUNTROY, Mr. MANTON, Mr. GORDON, Mr. HARRIS, Mr. SAWYER, Mr. FLORIO, Mr. FRANK, Mr. MCHUGH, Mr. LEHMAN of Florida, Mr. RANGEL, Mr. PANETTA, Mr. LIPINSKI, Mr. ROE, Mr. MOORHEAD, Mr. ROBINSON, Mr. DORGAN of North Dakota, Mr. DWYER of New Jersey, Mr. BILBRAY, Mr. WAXMAN, Mrs. COLLINS, Mr. MFUME, Mr. RAHALL, Mr. DE LA GARZA, Mr. SAVAGE, Mr. DORNAN of California, Mr. WALSH, Mr. OWENS of New York, Mrs. MEYERS of Kansas, Mr. BEVILL, Mr. CHAPMAN, Mr. JONTZ, Mr. BERMAN, Mr. TORRICELLI, Mr. DEFAZIO, Mr. STALLINGS, Mr. SYNAR, Mr. SABO, Mr. MCGRATH, Ms. SLAUGHTER of New York, Mr. KOLTER, and Mr. JOHNSTON of Florida.

H. Res. 56: Mr. BUECHNER and Mr. STEARNS.

H. Res. 120: Mr. BRENNAN.

H. Res. 164: Mr. JACOBS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2655

By Mr. BEREUTER:

—Page 64, beginning in line 20, strike out "(including agricultural commodities)"; and line 21, before the period, insert ", except that the term does not include agricultural commodities or products derived from agricultural commodities".

—Page 64, beginning in line 20, strike out "(including agricultural commodities)"; and line 21, before the period, insert ", except that the term does not include agricultural commodities or products derived from agricultural commodities, petroleum and petroleum products, fertilizer, or coal".

—Page 61, strike out line 23 and all that follows through line 21 on page 64 (section 1303).

By Mr. BROOMFIELD:

—Page 33, after line 8, add the following:

"(9) IMPROVED INFRASTRUCTURE FOR DEVELOPMENT.—Improved infrastructure plays an important role in supporting balanced, long term economic and social development. Necessary infrastructure includes systems for water supply and sanitation, transportation and communications, appropriate energy and other facilities designed to meet human needs and create a basis for accelerated sustainable development. Participation in assistance to capital projects in developing countries has largely shifted to multilateral development banks and other foreign and international assistance programs. Nevertheless, the United States has an important role to play in the planning and design of such projects, and in assessment of their environmental impacts. In particular, United States technical expertise, primarily private sector skills, should be fully utilized to improve the quality of infrastructure projects in developing countries. United States participation in any phase of capital project implementation should emphasize sound planning, prudent resource utilization and minimization of adverse environmental impacts."

—Page 264, after line 8, add the following:

SEC. 231. SUSPENSION OF PREFERENTIAL TREATMENT.

(a) SUSPENSION.—The application of the sections specified in subsection (d) to a country described in those sections shall be suspended if that country impedes the ability of United States Armed Forces vessels, aircraft, or vehicles to traverse or land in its national terrority by implementing policies or procedures which are inconsistent with the policy of the United States not to confirm or deny the presence of nuclear weapons on such vessels, aircraft, and vehicles.

(b) WAIVER.—The President may waive subsection (a) with respect to a country if the President determines that—

(1) notwithstanding the implementation by that country of policies or procedures which are inconsistent with the policy of the United States not to confirm or deny the presence of nuclear weapons on United States Armed Forces vessels, aircraft, or vehicles, the country is nevertheless substantially fulfilling its responsibilities as a United States ally with respect to visits by such vessels, aircraft, and vehicles; or

(2) such a waiver is otherwise in the national interests of the United States.

(c) REPORT TO CONGRESS.—If the President exercises the authority of subsection (b), he shall promptly submit a written report to the Congress justifying the waiver.

(d) PREFERENCES TO BE SUSPENDED.—Subsection (a) applies with respect to the following:

(1) Section 2401(a)(6) of the Foreign Assistance Act of 1961 (relating to the assignment of United States military personnel to manage defense cooperation measures);

(2) Section 21(e)(2) of the Defense Trade and Export Control Act (relating to changes for certain arms sales costs);

(3) Section 21(g) of the Defense Trade and Export Control Act (relating to cooperative military training agreements); and

(4) Section 3(d)(3)(A)(i), section 36(c)(2)(A), section 36(d)(2)(A), and section 63(c)(1) of the Defense Trade and Export Control Act (relating to congressional review of arms transfers).

—Page 369, after line 16, insert the following:

"(h) ACQUISITION OF MOTOR VEHICLES.—

"(1) UNITED STATES VEHICLES.—Funds made available to carry out this Act may not be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of any motor vehicle that is not manufactured in the United States.

"(2) WAIVER.—Where special circumstances exist, the President may waive paragraph (1).

—Page 508, after line 21, insert the following new section:

SEC. 813. RETURN OF REFUGEES TO NEW FAMAGUSTA (VAROSHA).

(a) FINDINGS.—The Congress finds that—

(1) the 1974 invasion of Cyprus resulted in the displacement of over 150,000 Greek Cypriots from the north of the island, 80,000 of whom were refugees from the city of New Famagusta (Varosha). That city is now empty and is falling into disrepair with the resultant loss of billions of dollars in property and city services;

(2) in 1984, New Famagusta was placed under United Nations administration by Security Council Resolution 550, which forbids any attempt to settle any part of the city by people other than its inhabitants. Turkey has yet to implement that Resolution;

(3) past proposals by both Cypriot communities regarding the return of the refugees to the city of New Famagusta represent a positive step which should be pursued by appropriate officials; and

(4) should a proposal to return those refugees be accepted, U.N. officials should be officially granted control of New Famagusta and be responsible for the administration of that city and the protection of its inhabitants.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should as a matter of priority undertake a new initiative in the United Nations designed to promote the resettlement of New Famagusta by its inhabitants;

(2) the United States should encourage the Secretary General of the United Nations to work with the international community to bring about the effective implementation of U.N. Security Council Resolution 550; and

(3) the United States should also express its deep concern to the Secretary General about the presence in New Famagusta of people other than its inhabitants.

By Mr. BROWN of Colorado:

—Page 525, insert the following after line 16:

(a) FINDINGS.—The Congress finds that—

(1) there are still over 2,300 Americans unaccounted for in Southeast Asia;

(2) by not knowing the fates of their loved ones, the families of those unaccounted for in Southeast Asia have suffered tremendous hardship;

(3) the United States made a commitment that resolving the fates of Americans unaccounted for in Southeast Asia was a matter of the highest national priority; and

(4) the United States must reaffirm that commitment and fulfill its promise to the families of our missing Americans.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should—

(1) continue to give the highest national priority to accounting as fully as possible for Americans still missing in Southeast Asia and to negotiating the return of any Americans still held captive in Southeast Asia; and

(2) heighten public awareness of the Americans still missing in Southeast Asia through the dissemination of factual data, including access to records to primary next of kin concerning reported live sightings of Americans missing in Southeast Asia, to the extent that the disclosure of such records does not reveal sources and methods of intelligence collection.

VOL 135 PT 9 JE 14 — 22 1989 UMI

—Page 525, line 17, strike out "It is the" and insert in lieu thereof "(e) SUPPORT OF HUMANITARIAN PROJECTS IN LAOS.—It is the further".

By Mr. BUECHNER:

—Page 535, after line 10, insert the following new section:

SEC. 925. REMOVAL OF MINES IN AFGHANISTAN BY THE SOVIET UNION.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Soviet Union has engaged in armed hostilities against the people of Afghanistan for over eight years.

(2) The hostilities in Afghanistan have resulted in extensive loss of life and property and economic dislocation for large numbers of the Afghan people.

(3) During the course of the conflict in Afghanistan millions of explosive mines, made of both plastic and metal, were planted or scattered throughout the Afghanistan countryside.

(4) The mines deployed by the Soviet Union in Afghanistan have injured or killed a disproportionate number of children.

(5) Many of the mines the Soviet Union has deployed in Afghanistan will remain active for many years, thus posing a significant threat to the lives and security of the Afghan people.

(6) One of the terms of the agreement governing the withdrawal of Soviet troops from Afghanistan guarantees the safe passage and return of Afghan refugees to their homeland.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Soviet Union should continue to abide by the letter and spirit of the agreement governing the withdrawal of its armed forces from Afghanistan;

(2) the Soviet Union should give all necessary aid in the removal of the mines the Soviet and allied Afghan armed forces deployed in Afghanistan;

(3) the Soviet Union should make available all information regarding the location of all minefields as well as information regarding areas in which mines were scattered by means of artillery or aircraft, or other means, and this information should be widely dispersed by all available methods to the Afghan people both in Afghanistan and in refugee camps outside the country;

(4) the Soviet Union should provide all funds, equipment, and personnel necessary to immediately begin the task of removing the mines and to continue such removal in a timely manner until such time as independent parties certify that all reasonable steps for the identification, location, and removal of mines have been taken;

(5) the Soviet Union should set aside funds, that will be available for a period of not less than ten years, to be used to provide medical care and assistance to those Afghan people injured as a result of, and to pay claims for property damage caused by, mines which were not removed by the Soviet Union;

(6) if the Soviet Union does not immediately begin the task of removal of mines in Afghanistan, the United States should assist Afghanistan in efforts to facilitate the removal of mines and should encourage the Soviet Union to fulfill its obligations to remove such mines; and

(7) the Soviet Union, being a party to the Geneva Accords which guarantees the safe return of refugees to Afghanistan, should recognize that the provisions of this resolution merely detail the steps that any humanitarian nation would undertake after the cessation of armed conflict and do not constitute interference by the Congress in the sovereign affairs of the Government or people of the Soviet Union.

By Mr. BURTON:

—Page 437, after line 14, insert the following:

(B) In making the determination required by subparagraph (A), the President should take into consideration that—

(i) the current, democratically elected government, in El Salvador is at war with elements which advocate and actively pursue the violent overthrow of the existing government,

(ii) these elements, primarily the communist Farabundo Marti National Liberation Front (FMLM), refuse to participate in the democratic process in accordance with the Constitution of El Salvador, and

(iii) these elements have been responsible for countless terrorist attacks killing innocent civilians and democratically elected government officials.

—Page 437, line 15, strike out "(B)" and insert in lieu thereof "(C)".

—Page 453, strike out lines 5 through 19 and insert in lieu thereof the following:

SEC. 703. ASSISTANCE FOR POLICE IN EL SALVADOR, GUATEMALA, AND HONDURAS.

Section 4202 shall not apply with respect to El Salvador, Guatemala, and Honduras during fiscal years 1990 and 1991.

—Page 481, strike out line 11 and all that follows through line 8 on page 482.

—Page 588, after line 7, insert the following:

SEC. 1101. UNITED NATIONS GENERAL ASSEMBLY RESOLUTION CALLING ZIONISM A FORM OF RACISM.

It is the sense of the Congress that—

(1) when considering the furnishing of foreign assistance to any foreign country, the President should give serious consideration to whether that country has formally rejected the resolution adopted by the United Nations General Assembly on November 10, 1975, that calls zionism a form of racism; and

(2) the United States should continue to reject that resolution and should urge all other countries, which have not done so, to join in formally rejecting that resolution.

—Page 435, line 14, after "conflict" insert "in accordance with the Constitution of El Salvador"; and page 436, line 15, after "Salvador" insert "in accordance with the Constitution of El Salvador".

—Page 454, after line 24, insert the following:

(d) COMPLIANCE WITH 1979 OAS RESOLUTION.—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall submit to the Congress a report on compliance by the Government of Nicaragua with the resolution adopted on June 23, 1979, by the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which calls for, among other things, "respect for human rights of all Nicaraguans without exception" and "the holding of free elections as soon as possible".

—Page 454, line 1, strike out "(a)" and all that follows through "ELECTIONS.—" in line 18.

—Page 454, strike out lines 2 through 8; and redesignate subsections (b) and (c) of section 707 as subsections (a) and (b), respectively.

—Page 454, strike out lines 9 through 17; and redesignate subsection (c) of section 707 as subsection (b).

—Page 583, line 21, after the words "made available" add the words "for activities of United States organizations and individuals".

—Page 567, insert the following after line 19:

SEC. 1012. POLICY TOWARD SOUTH AFRICA.

It is the sense of the Congress that the United States should work toward the elimination of apartheid by removing prohibitions on investment in South Africa to the extent necessary to encourage private sector investment in the nonwhite economic sector in South Africa. This would be part of a comprehensive policy to bring about a democratic multiracial South Africa. In addition, the President should seek the cooperation of the allies of the United States in Western Europe and Japan to create a multilateral initiative to assist education, job training, health care, small business development, and housing of blacks and other nonwhites in South Africa.

—Page 556, insert the following after line 4 and redesignate succeeding sections accordingly:

SEC. 1021. ASSISTANCE FOR ETHIOPIA.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that it is in the interests of the United States to bring about a positive change in the political situation in Ethiopia, where the Mengistu regime's brutality and savagery against its own people is well documented.

(b) MILITARY ASSISTANCE.—The United States should therefore provide military assistance to non-Communist forces in Ethiopia. Not less than an aggregate of $15,000,000 in foreign military financing and international military education and training under the Foreign Assistance Act of 1961 for fiscal years 1990 and 1991 should be provided to the Ethiopian Democratic Union and the Ethiopian People's Democratic Alliance, who shall be deemed to be eligible recipients of such assistance under the Foreign Assistance Act of 1961.

—Page 588, add the following after line 8:

SEC. 1101. LINKAGE OF FOREIGN ASSISTANCE TO ECONOMIC PROGRAM.

It is the sense of the Congress that assistance authorized by this Act for any country should be linked to that country's cooperation with the Agency for International Development and the International Bank for Reconstruction and Development in implementing economic reforms and promoting free market economic policies.

—Page 588, add the following after line 7:

SEC. 1101. LINKAGE OF FOREIGN ASSISTANCE TO PERSONAL FREEDOMS.

The President should determine whether assistance authorized by this Act for any country should be linked to the degree of economic, political, and religious freedom in that country, and should attempt to develop a means of determining the degree of such freedoms.

—Page 588, add the following after line 7:

SEC. 1101. UNITED NATIONS VOTE ON HUMAN RIGHTS ABUSES IN CUBA.

(a) STATEMENT OF POLICY.—The United States expresses its deepest displeasure and disappointment with those countries who voted against the United States and with Cuba at the United Nations Human Rights Commission in Geneva in March of 1989 on the resolution proposed by Panama to curb the United Nations investigation of human rights abuses in Cuba. This was a vote crucial to United States interests and reflected the attitudes of these countries with respect to human rights and friendship with the United States.

(b) LIST OF COUNTRIES.—The countries referred to in subsection (a) are Botswana, Bulgaria, the People's Republic of China, Colombia, Cuba, Cyprus, Ethiopia, the German Democratic Republic, India, Iraq, Mexico, Panama, Peru, Sri Lanka, the Ukranian Soviet Socialist Republic, the Union of Soviet Socialist Republics, and Yugoslavia.

(c) DEDUCTION OF FOREIGN ASSISTANCE.—Any foreign assistance otherwise authorized to be made available under this Act for fiscal year 1990 for any country listed in subsection (b) shall be reduced by 50 percent.

—Page 588, add the following after line 7:

SEC. 1101. COMMISSION TO STUDY LINKAGE OF U.N. VOTING WITH FOREIGN ASSISTANCE.

(a) COMMISSION.—The President shall appoint a commission to study the feasibility of establishing criteria whereby United States foreign assistance for any country would be reduced by 50 percent in a fiscal year if, in the preceding fiscal year, less than 50 percent of the votes by that country on matters at the United Nations were the same as the votes of the United States on those matters.

(b) DEFINITION.—As used in this section, the term "United States foreign assistance" means assistance under the Foreign Assistance Act of 1961 or the Agricultural Trade Development Assistance Act of 1954, other than emergency humanitarian assistance under either such Act.

—Page 567, insert the following after line 19:

SEC. 1102. ANGOLA.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the United States should not recognize the MPLA government of Angola, and should oppose all attempts to allow the MPLA government of Angola to receive credits from the International Bank for Reconstruction and Development until that government agrees to negotiations aimed at national reconciliation with its opponents, and agrees to free and fair elections in Angola.

(b) DEFINITION.—As used in this section, the term "MPLA government of Angola" refers to the Popular Movement for the Liberation of Angola Labor Party.

—Page 565, line 24, and page 566, line 1, strike out "not more than $3,000,000" and insert in lieu thereof "at least $9,000,000".

—Page 566, strike out lines 3 through 6.

—Page 566, line 7, strike out "(c)" and insert in lieu thereof "(b)".

—Page 582, insert the following after line 8 and redesignate the succeeding title accordingly:

TITLE XIV—ECONOMIC SANCTIONS AGAINST NAMIBIA

SEC. 1401. TERMINATION OF SANCTIONS.

(a) FINDINGS.—The Congress finds that—

(1) Namibia is in the crucial process leading to its independence of South Africa; and

(2) the lifting of economic sanctions imposed under the Comprehensive Anti-Apartheid Act of 1986 against Namibia will enable the United States to pursue constructive policies to assist the Namibian people in their quest for a free and independent future.

(b) TERMINATION OF SANCTIONS.—Upon the enactment of this Act, the prohibitions set forth in title III of the Comprehensive Anti-Apartheid Act of 1986 (22 U.S.C. 5051 et seq.) shall cease to apply with respect to Namibia.

—Page 558, strike out line 21 and all that follows through page 561, line 16 and insert in lieu thereof the following:

SEC. 1026. ASSISTANCE FOR MOZAMBIQUE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Strong mutual interests, bilateral and regional in nature, bind the United States and the people of Mozambique.

(2) United States interests in Mozambique lie in—

(A) alleviating the staggering humanitarian crisis there and its effects in the southern African region;

(B) ending severe human rights abuses by both sides in the civil war;

(C) promoting a just and lasting national reconciliation between the Government of Mozambique and its opponents; and

(D) advocating improved respect of human rights, and market-based, equitable development.

(b) STATEMENT OF POLICY.—It is the policy of the United States to pressure the Frelimo Government of Mozambique to negotiate national reconciliation with its opponents. It is also the policy of the United States to encourage the removal of the 12,000 Zimbabwean troops from Mozambique.

(c) WITHHOLDING OF ASSISTANCE PENDING CERTIFICATION.—United States assistance may not be made available for Mozambique for fiscal years 1990 and 1991 unless the President has certified to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate that the Government of Mozambique agrees to enter into negotiations described in subsection (b) and agrees to the holding of free and fair elections.

(d) DEFINITION.—For purposes of subsection (c), the term "United States assistance" means—

(1) assistance under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954, other than emergency humanitarian assistance under either such Act; and

(2) sales under the Defense Trade and Export Control Act.

By Mrs. BYRON:

—Page 455, after line 11, insert the following new section:

SEC. 709. UNITED STATES POLICY REGARDING REFORMS WHICH SHOULD BE TAKEN BY THE GOVERNMENT OF NICARAGUA IN ORDER TO BRING ABOUT LASTING PEACE, PLURALISM, AND DEMOCRACY IN NICARAGUA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The bipartisan accord between Congress and the President of March 24, 1989, states that "to be successful, the Central American peace process cannot be based on promises alone. It must be based on credible standards of compliance, strict timetables for enforcement, and effective on-going means to verify both the democratic and security requirements of those agreements".

(2) In signing the Central American peace accord on August 7, 1987, entitled "Procedure for the Establishment of a Strong and Lasting Peace in Central America", the Government of Nicaragua pledged "to promote an authentic democratic, pluralist and participatory process that includes the promotion of social justice and respect for human rights".

(3) Under that accord, the Government of Nicaragua is specifically required to establish "complete freedom of press, television and radio" "for all ideological groups" "without prior censorship", to grant political groupings "broad access to communications media" and permit full exercise of the rights of association, free speech, and movement, to decree an amnesty guaranteeing "freedom in all its forms", and to terminate state of emergency laws while reestablishing "the full exercise of all constitutional guarantees".

(4) In signing the Joint Declaration of Presidents in San Jose, Costa Rica, on January 16, 1988, the Government of Nicaragua acknowledged that "the commitments of Esquipulas II have not been entirely fulfilled", "above all, democratization".

(5) The 5 Central American Presidents who signed that Joint Declaration pledged to fulfill those commitments, which they "view as irrevocable and inalterable", "unhesitatingly and unequivocally, aware that their peoples and the international community will judge their compliance with obligations undertaken in good faith".

(6) In signing the cease-fire agreement in Sapoa, Nicaragua, on March 21, 1988, known as the Sapoa Accord, the Government of Nicaragua established a verification commission which included Cardinal Miguel Obando y Bravo, and again promised to "guarantee freedom of speech without limitations as provided for in the Esquipulas II Agreement".

(7) The Government of Nicaragua further "guaranteed that all of the people who have left the country for political reasons or other reasons may return to Nicaragua, regardless of their economic or social status, and join the political, economic, and social processes without any conditions beyond those stipulated in the Republic's laws" and without being "tried, penalized, or persecuted for any political or military activities in which they may have engaged".

(8) In signing the Joint Declaration at El Tesoro, El Salvador, on February 14, 1989, known as the Tesoro Beach Accord, the Government of Nicaragua acknowledged "that the commitments assumed under the Esquipulas II and Alajuela Declaration constitute a harmonious and indivisible whole".

(9) The Government of Nicaragua has pledged to hold elections for President, Vice President, and representatives to the National Assembly, municipalities, and the Central American Parliament no later than February 25, 1990.

(10) The Government of Nicaragua has pledged to "form a Supreme Electoral Council with a balanced participation of representatives from the opposition political parties".

(11) The Government of Nicaragua has pledged that during the 6 months prior to the date set for elections a "period of political activity will begin" no later than August 25, 1989.

(12) The Government of Nicaragua has pledged that immediately preceding that 6-month period, there will be "an initial 4-month period for the preparation, organization, and mobilization of the parties", which will begin no later than April 25, 1989.

(13) The Government of Nicaragua has pledged that reforms will be made prior to April 25, 1989, in "electoral legislation and in laws regulating the expression of ideas, information, and the structure of public opinion in such a way as to guarantee political organization and action in the broadest sense for political parties".

(14) The Government of Nicaragua has pledged to "guarantee the free functioning of the communications media by reviewing and modifying the law on the media" and to "guarantee equal access in terms of broadcasting schedules and air time on the state television and radio stations for all parties".

VOL 135 PT 9 JE 14 — 22 1989 UMI

(15) The Government of Nicaragua has pledged to authorize "all communications media to supply themselves from within the country or abroad, at their convenience, with all materials, instruments, and equipment necessary to fully perform their functions".

(b) ACTIONS WHICH SHOULD BE TAKEN BY NICARAGUA TO COMPLY WITH THE COMMITMENTS IT HAS MADE IN THE ESQUIPULAS II, ALAJEULA, SAPOA, AND TESORO BEACH ACCORDS.—It is the policy of the United States that the Government of Nicaragua should undertake the reforms described in subsection (c) in order to—

(1) bring about lasting peace, pluralism, and democracy in Nicaragua, and

(2) guarantee that the February 1990 elections in Nicaragua are completely free and fair.

(c) REFORMS.—The reforms referred to in subsection (b) to be undertaken by the Government of Nicaragua are as follows:

(1) IN GENERAL.—

(A) Separate the police, military, and security forces from any identification or link with any political party.

(B) Ensure freedoms of expression, association, assembly, movement, religion, and education.

(C) Restore the rights of security of person and home and the right of freedom from unjustified arrest.

(D) Stop coercive pressure to join the Sandinista Party or Sandinista Party directed or controlled groups.

(E) Stop officially incited, organized, or condoned harassment of persons or groups opposed to the ruling party or policies of the Government.

(F) Stop discriminatory and punitive application of military conscription.

(G) Allow all citizens, including refugees and exiles, to return to Nicaragua with full restitution of all civil and political rights.

(H) Reinstate due process protections, ensure fair trials, and release individuals imprisoned without charge, trial, or due process, including campesinos and East Coast residents.

(I) Guarantee the independence and neutrality of the judiciary, the police, and armed forces.

(J) Abolish the power of police forces to administratively sentence individuals to prison terms and decide appeals.

(K) End all forms of torture and conditions of confinement which constitute torture, end the practice of holding prisoners incommunicado, and permit unrestricted access to all detention facilities by international human rights groups.

(2) POLITICAL PROCESS REFORMS.—

(A) Allow political parties and the democratic opposition to meet and march publicly, publicize meetings, and meet with and utilize the media, without reprisals or harassment incited, organized, or condoned by the ruling party.

(B) Abolish the law known as the Law for the Maintenance of Public Order and Security.

(C) End the jailing of opposition party activists and the drafting of opposition party activists and their children in reprisal for nonviolent political activity.

(D) Abolish the role of the Committees for the Defense of Sandinismo's and other party organizations in dispensing rationing cards and government services.

(E) Repeal the suspension provisions of the Nicaraguan constitution.

(3) ELECTORAL REFORMS.—

(A) Institute the electoral procedures proposed by the broad-based 15 party opposition coalition.

(B) Permit independent polling by domestic and international entities and unrestricted publication of results.

(C) Establish a definitive interval of time between an election and the succession of winning candidates.

(D) Repeal current electoral laws that require legal recognition of political parties by the Government.

(4) PRESS AND MEDIA RIGHTS.—

(A) Allow an uncensored, free press, without prior restraint.

(B) End legal and administrative restrictions on the purchase of needed matrials and equipment for the production and distribution of radio, television, and print news, and allow private newsprint sales.

(C) Grant licenses for the full spectrum of private television and radio broadcasting.

(5) LABOR RIGHTS.—

(A) Ensure the right to bargain collectively, to strike, and to publish by independent unions.

(B) Immediately release those imprisoned because of nonviolent union activities.

(6) RELIGIOUS FREEDOMS.—

(A) Allow the Catholic Church to reopen its human rights and publication offices.

(B) Allow Cardinal Miguel Obando Y Bravo to resume his televised Sunday mass.

(C) Allow the return of all expelled Catholic priests.

(D) Allow religion courses to be taught in private schools.

(E) Allow Protestant evangelicals to preach and conduct meetings.

(7) CAMPESINO RIGHTS.—

(A) End preventive detention and the policy of forcible resettlement of campesinos and allow campesinos who have been displaced to return.

(B) End pressure to join Sandinista farming cooperatives.

(8) INDIAN AND CREOLE RIGHTS.—

(A) Permit Indian and Creole residents to freely travel, assemble, speak, publish, broadcast, and maintain cultural beliefs and practices.

(B) End preventive detention and the policy of forcible resettlement of East Coast residents, and allow Indians and Creoles who have been displaced to return to their home communities.

(C) Guarantee the rights of Indians and Creoles to engage in traditional farming, fishing, hunting, and necessary subsistence activities.

(9) VERIFICATION OF PEACE AND DEMOCRACY ACCORDS.—Permit independent, international, and non-governmental human rights observers, both international and domestic, including the Sapon Verifying Commission, the Nicaraguan Independent Permanent Commission for Human Rights, the International Committee of the Red Cross, and representatives of the Organization of American States and the General Secretary of the United Nations, to meet and travel freely to all areas of the country and to visit all detainees, prisoners, prisons, and tribunals without harassment.

(d) ACHIEVEMENT OF DEMOCRATIC PRINCIPLES AND PROCESSES IN CENTRAL AMERICA.—The United States urges all countries in Central America to continue to work toward achieving the democratic principles and processess specified in the Central American peace accord of August 7, 1987, entitled "Procedure for the Establishment of a Strong and Lasting Peace in Central America".

By Mr. CHANDLER:

—Page 455, after line 11, insert the following section:

SEC. 709. HUMANITARIAN ASSISTANCE TO NICARAGUA.

Section 2(b)(3) of the Act entitled "An Act to Implement the Bipartisan Accord on Central America of March 24, 1989" (Public Law 101-14) is amended by inserting before the semicolon at the end thereof "and related monitoring, investigations, and prosecutorial activities".

By Mr. DE LA GARZA:

—On page 290, line 4, insert "and" after the semicolon.

—On page 290, strike lines 5 through 7.

—On page 290, line 8, strike "(v)" and insert "(iv)".

—On page 291, line 9, strike "or".

—On page 291 strike line 14 and insert the following: "Order 12333;

"'(ix) commercial export promotion activities of the Department of Agriculture, including the Commodity Credit Corporation.'"

By Mr. DOUGLAS:

—Page 328, after line 2, add the following:

(c) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) after 30 years, Fidel Castro has failed to recognize the basic human rights, aspirations, and freedoms of the Cuban people;

(2) oppressive government policies and economic mismanagement have increased the suffering and hardship on the people of Cuba;

(3) the Cuban people should be allowed to express their view on their country's political future, that the Cuban Communist Party permit a plebiscite, by a secret "yes/no" ballot, of the people's approval or rejection of Castro's continued rule;

(4) in order to guarantee an open and honest plebiscite, the Government of Cuba meet the following conditions—

(A) allow opposition and human rights groups to organize publicly and repeal all laws curtailing freedom of expression and of assembly;

(B) grant all opposition groups equal access to national press, radio, and television media;

(C) release all political prisoners; and

(D) invite a neutral, international commission to oversee the voting and ensure the legitimacy of the results;

(5) should the "no" vote on Castro's rule prevail, the regime would respect the will of the people, initiate a period of democratic openness, and hold prompt national elections through which the Cuban people could freely choose their leaders; and

(6) that normalized relations between the Governments of the United States and Cuba should one day be restored, and that a democratic Cuban Government elected by all the people must be an essential condition for such normalization.

—Page 482, after line 8 add the following new section:

SEC. 765—SENSE OF CONGRESS CONCERNING CUBA.

It is the sense of Congress that—

(1) after 30 years, Fidel Castro has failed to recognize the basic human rights, aspirations, and freedoms of the Cuban people;

(2) oppressive government policies and economic mismanagement have increased the suffering and hardship on the people of Cuba;

(3) the Cuban people should be allowed to express their view on their country's political future, that the Cuban Communist Party permit a plebiscite, by a secret "yes/

no" ballot, of the people's approval or rejection of Castro's continued rule;

(4) in order to guarantee an open and honest plebiscite, the government of Cuba meet the following conditions—

(A) allow opposition and human rights groups to organize publicly and repeal all laws curtailing freedom of expression and of assembly;

(B) grant all opposition groups equal access to national press, radio, and television media;

(C) release all political prisoners; and

(D) invite a neutral, international commission to oversee the voting and ensure the legitimacy of the results;

(5) should the "no" vote on Castro's rule prevail, the regime would respect the will of the people, initiate a period of democratic openness, and hold prompt national elections through which the Cuban people could freely choose their leaders; and

(6) that normalized relations between the Governments of the United States and Cuba should one day be restored, and that a democratic Cuban Government elected by all the people must be an essential condition for such normalization.

By Mr. DURBIN:

—Page 530, strike out line 15 and all that follows through line 7 on page 531 and insert in lieu thereof the following:

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Government of India should accept without delay the offer of the Government of Nepal proposing a time, venue, and agenda for talks by the two governments to resolve, on an urgent basis, issues relating to trade and transit between the two countries, recognizing that an expeditious and amicable resolution is in their mutual self-interest;

(2) India, as a gesture of good will befitting a responsible regional power, should consider resuming the sale of petroleum products to Nepal and encourage the normal passage of people and goods into and out of Nepal; and

(3) the Secretary of State, or his designee, should provide regular briefings to the Congress regarding the effects of the Indian-Nepalese dispute on the two countries and on the interests of the United States with respect to both counties and in South Asia in general.

By Mr. GILMAN:

—Page 588, after line 7, insert the following new title:

TITLE XV—RESTRICTIONS ON EXPORTS OF DEFENSE ARTICLES TO THE PEOPLE'S REPUBLIC OF CHINA

SEC. 1501. RESTRICTIONS ON EXPORTS OF DEFENSE ARTICLES TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) CONGRESSIONAL CONCERNS.—The Congress—

(1) condemns the brutal suppression of prodemocracy demonstrators in the People's Republic of China, including—

(A) the arrest, imprisonment, and execution of prodemocracy demonstrators;

(B) the restrictions on peaceful assembly;

(C) the expulsion of international media correspondents and journalists; and

(D) the gross distortion in the Chinese government accounts of its actions to repress the prodemocracy movement; and

(2) condemns the brutal suppression of Tibetan prodemocracy and human rights demonstrators in Tibet, particularly—

(A) the continuing gross violations of human rights by Chinese authorities in Tibet against the Tibetans as individuals and as a people;

(B) the exclusion of foreign press and human rights organizations and the restrictions imposed on other travelers;

(C) the imposition of martial law in Lhasa and surrounding areas; and

(D) the gross distortion in Chinese government accounts of its actions to repress the prodemocracy and human rights movement in Tibet.

(b) RESTRICTION ON MUNITIONS EXPORT LICENSES.—A license may not be issued under section 38 of the Arms Export Control Act for the export to the People's Republic of China of any defense article on the United States Munitions List, including helicopters and helicopter parts, unless the President certifies to the Congress that the Government of the People's Republic of China—

(1) is not carrying out any of the activities described in subsection (a);

(2) has permitted the establishment and operation of independent labor umions and student organizations;

(3) is negotiating with representatives of His Holiness the Dalai Lama's Government in Exile; and

(4) has released all political prisoners associated with the demonstrations in the People's Republic of China and Tibet.

By Mr. HERGER:

—Page 314, after line 17, insert the following new section:

SEC. 1201. INELIGIBLE COUNTRIES AND PROJECTS.

(d) COMMUNIST COUNTRY LIST.—

(1) ESTABLISHMENT.—The President shall maintain a list of those countries which are communist countries for purposes of subsection (a)(1).

(a) The list shall include—

Czechoslovak Socialist Republic.
Democratic People's Republic of Korea.
Estonia.
German Democratic Republic.
Hungarian People's Republic.
Latvia.
Lithuania.
Mongolian People's Republic.
People's Democratic Republic of Ethiopia.
People's Republic of Albania.
People's Republic of Angola.
People's Republic of Bulgaria.
People's Republic of China.
Polish People's Republic.
Republic of Cuba.
Socialist Federal Republic of Yugoslavia.
Socialist Republic of Romania.
Socialist Republic of Vietnam.
Socialist Republic of Laos.
Tibet.
Union of Soviet Socialist Republics.

—Page 61, after line 5, insert the following:

"SEC. 1215. LIMITATION ON DEVELOPMENT ASSISTANCE.

"(a) LIMITATION.—Subject to subsection (b), funds made available for development assistance (or for assistance for famine recovery and development in Africa) may not be obligated or expended for a country which has an incidence of voting agreement with the United States in the General Assembly of the United Nations which is less than 7 percent based on the contents of the report pursuant to section 527 of Public Law 100-461).".

"(b) APPLICATION.—The provisions of subsection (a) shall apply for the fiscal year which begins after the transmission of each such report to the Congress.".

—Page 525, lines 12 and 13, stike "and for economic support assistance".

—Page 525, lines 14 and 15, strike "Asia and Near East Regional Programs (excluding programs for the Near East)." and insert "India.".

—Page 535, after line 10, insert the following new section:

SEC. 925. LIMITATION ON ASSISTANCE TO INDIA.

Notwithstanding any other provision of law, $25,000,000 of the funds made available for fiscal year 1990 under the Foreign Assistance Act of 1961 for development assistance which are allocated for India may not be obligated or expended unless the President certifies to the Congress that India has—

(1) ended its economic blockade of Nepal;

(2) allowed Amnesty International access to the Punjab region; and

(3) made significant progress in reducing human rights abuses by local and paramilitary forces, including the release of or provision of fair trial for detainees in Jodhpur, the appointment of an independent human rights commission to review charges of human rights abuses, and certification by Amnesty International that progress has been made in guaranteeing human rights in India.

—Page 535, after line 10, insert the following new section:

SEC. 925. SUSPENSION OF FOREIGN ASSISTANCE TO INDIA.

(a) FINDINGS.—The Congress makes the following findings:

(1) Amnesty International has confirmed that in April 1989 a teenage Sikh girl was arrested by police in Laharka, held for three days, and repeatedly raped by a number of police officers.

(2) Such findings have been confirmed by the London Sunday Times and a local doctor, and were even acknowledged by the head of the Punjab Police.

(3) The Government of Indian has not taken any action against the officers suspected in this incident.

(4) Several Indian newspapers and magazines have reported on similar treatment of other women, including lan incident in mid-April where an aged widow and her two daughters were beaten up and tortured by a police party headed by officers of the Beas police station in Butala Village.

(5) The Government of India has refused to allow Amnesty International to investigate such allegations.

(6) No other domocratic nation refuses to allow Amnesty International access within its borders; even Nicaragua and Cuba have allowed Amnesty International to investigate human rights abuses.

(b) SENSE OF CONGRESS.—The Congress condemns the inaction by the Government of India relating to the incidents described in subsection (a).

(c) LIMITATION ON DEVELOPMENT ASSISTANCE.—Notwithstanding any other provision of law, none of the funds made available for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961 for development assistance which are allocated for India may be obligated or expended unless the President certifies to the Congress that—

(1) the individuals responsible for the incidents described in subsection (a) are identified, charged with the appropriate offenses, and imprisoned for their crimes;

(2) Amnesty International is allowed access to the Punjab to investigate the incidents described in subsection (a) and other charges of human rights abuses by the government; and

(3) the economic blockade of Nepal is lifted.

29-059 O-90-28 (Pt. 9)

—Page 535, after line 10, insert the following new section:

SEC. 925. MILITARY SALES TO INDIA BY THE SOVIET UNION.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Soviet Union supplies India with over 80 percent of its military needs and provides high-technology weapons that are normally reserved for Warsaw Pact countries.

(2) India was the first country outside the Warsaw Pact to obtain MiG-29 fighter bombers, MiG-26 Halo heavy lift helicopters, and Soviet-built nuclear submarines. India and the Soviet Union also co-produce T-72 tanks and MiG-21 and MiG-27 fighters.

(3) Many of these Soviet weapons are currently being used to blockade Nepal.

(4) India recently tested a missile with a range of at least 2,000 miles that is capable of carrying either conventional or nuclear warheads. Such missile is capable of carrying the atomic device recently tested by the Indian Government. Indian missile development has continued despite a pledge by Pakistan Prime Minister Benazir Bhutto to end all Pakistani progress towards a nuclear weapon of any sort.

(5) India continues to provide humanitarian assistance to the communist government of Afghanistan despite Afghanistan's abysmal record on human rights and its complete lack of legitimacy among its own people.

(6) Tamil groups in Sri Lanka have charged that the 100,000 Indian troops there have engaged in or encouraged serious human rights abuses against the local population, including murder, indefinite incarceration, torture, rape, and arson. More than 6,000 Tamils have perished and thousands have been imprisoned without trial.

(b) STATEMENT OF POLICY.—The Congress—

(1) expresses its concern that, even as tensions around the globe are being alleviated, India continues to move closer to the Soviet Union, build up her armed forces, develop a nuclear missile force, and use military might to oppress less powerful nations in the region; and

(2) urges India to terminate such aggressive activities if United States assistance is to continue at current levels.

—Page 588, after line 7, insert the following new title:

TITLE XV—UNITED STATES POLICY WITH RESPECT TO INTERNATIONAL ECONOMIC ASSISTANCE FOR INDIA

SEC. 1501. UNITED STATES POLICY WITH RESPECT TO INTERNATIONAL ECONOMIC ASSISTANCE FOR INDIA.

The Secretary of the Treasury shall instruct the United States Representatives to the International Monetary Fund, the International Bank for Reconstruction and Development, and the Asian Development Bank to oppose any loan, grant, or other form of economic or technical assistance to India until the Secretary determines and certifies to the Congress that—

(1) Amnesty International has been allowed to initiate a comprehensive review of the human rights situation in the Punjab region of India; and

(2) the blockade of Nepal has been lifted.

By Mr. LANTOS:

—Page 511, add the following after line 25:

SEC. 862. HUMAN RIGHTS IN YUGOSLAVIA.

(a) FINDINGS.—The Congress finds that—

(1) the United States continues to support the independence, unity, and territorial integrity of Yugoslavia;

(2) the Department of State's 1988 Country Report on Human Rights Practices cites many human rights practices in Yugoslavia that violate internationally accepted human rights standards, including infringement upon and abrogation of the rights of assembly and fair trial, freedom of speech, and freedom of the press;

(3) the Country Report also indicates that these human rights violations are targeted at certain ethnic groups and regions, most particularly against the ethnic Albanians in the Socialist Autonomous Province of Kosovo;

(4) the human rights of all ethnic groups in Kosovo must be preserved;

(5) those human rights violations, in addition to recent actions taken to limit the social and political autonomy of Kosovo, have precipitated a crisis in that region;

(6) the response of the Government of Yugoslavia to that crisis was a police crackdown that led to the deaths of many civilians and police officers, the wounding of hundreds more, and the imprisonment of additional hundreds;

(7) these human rights abuses violate the high ideals of mutual equality, dignity, and brotherhood among all of the nations and nationalities in Yugoslavia, which have been the guiding principles of Yugoslavia since 1945; and

(8) the European Parliament of the European Community has condemned these actions.

(b) STATEMENT BY THE CONGRESS.—The Congress—

(1) expresses grave concern regarding the actions of the Government of Yugoslavia for repeated human rights violations and for its repressive handling of the crisis in the Socialist Autonomous Province of Kosovo;

(2) urges the Government of Yugoslavia to take all necessary steps to assure that further violence and bloodshed do not occur in Kosovo;

(3) urges the Government of Yugoslavia to observe fully its obligations under the Helsinki Final Act and the United Nations Declaration of Human Rights to assure full protection of the rights of the Albanian ethnic minority and all other national groups in Yugoslavia;

(4) requests that President and the department of State to continue to monitor closely human rights conditions in Yugoslavia; and

(5) calls upon the President to express these concerns of the Congress through appropriate channels to representatives of Yugoslavia.

—Page 526, after line 24, add the following:

SEC. 910. POLICY TOWARD THE PEOPLE'S REPUBLIC OF CHINA.

It is the sense of the Congress that the United States policy toward the People's Republic of China be explicitly linked with the situation in Tibet as well as elsewhere in that country, and that any actions taken in response to the recent repression in the People's Republic of China will take into consideration whether—

(1) martial law is lifted in Lhasa and other parts of Tibet;

(2) Tibet is open to foreigners, including representatives of the international press;

(3) Tibetan political prisoners are released; and

(4) the Government of the People's Republic of China has taken concrete steps to reach a negotiated settlement of the Tibetan question by negotiating substantively with representatives of the Dalai Lama on the basis of the proposals by the Dalai Lama for such negotiations.

By Mr. McCOLLUM:

—Page 447, add the following after line 24:

(e) POLICE TRAINING FOR EL SALVADOR.—Notwithstanding the prohibition contained in section 4202 of the Foreign Assistance Act of 1961, and without regard to any requirement or limitation contained in subsection (b) of this section, assistance otherwise prohibited by section 4202 of the Foreign Assistance Act of 1961 may be provided to El Salvador for fiscal years 1990 and 1991 if, at least 30 days before providing such assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961, that he has determined that the Government of El Salvador has made significant progress, during the preceding 6 months, in eliminating any human rights violations including torture, incommunicado detention, of persons solely for the nonviolent expression of their political views, or prolonged detention without trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.

—Page 453, lines 5 and 6, strike out "El SALVADOR, GUATEMALA," and insert in lieu thereof "GUATEMALA".

—Page 453, lines 10 and 11, strike out "El Salvador, Guatemala," and insert in lieu thereof "Guatemala".

—Page 453, strike out lines 12 through 19 and insert in lieu thereof the following:

(b) DEFINITION.—As used in this section, the term "police forces" includes all members of security forces other than the regular uniformed armed forces.

By Mr. McEWEN:

—Page 511, add the following after line 25:

SEC. 862. USE OF FORCE IN SOVIET GEORGIA.

(a) FINDINGS.—The Congress finds that—

(1) the roots of Georgian national identity reach back to before the birth of Christ;

(2) the independence of the Republic of Georgia was reestablished on May 26, 1918, with the proclamation of the Republic of Georgia and with the introduction of a parliamentary democratic government;

(3) the independence of the Republic of Georgia was recognized by 22 countries, including the Soviet Union, on May 7, 1920;

(4) the Soviet Union invaded the Republic of Georgia 9 months later, on February 16, 1921, occupied the capital city of Tbilisi, and established Soviet power in Georgia on March 18, 1921;

(5) at the Genoa Conference in 1922, the Patriarch of the Georgian Orthodox Church, Katholikos Ambroyi, appealed for support from the international community to force the occupying Soviet forces out of the Republic of Georgia, but no help was forthcoming;

(6) in 1924, there was an uprising which started in the manganese mines of Tschiaturri and swept over the whole country;

(7) although assistance came from France and Poland, Soviet troops brutally crushed the uprising;

(8) the people of Georgia have renewed their demands for self-determination, as evidenced by the creation of the National Democratic Party of Georgia;

(9) the expression of these demands over the past 2 years by the people of Georgia has caused the expulsion of popular leaders

from the Soviet Union, such as Tengiz Gudava;

(10) the people of Georgia expressed their continuing desire for self-determination through demonstrations in Tbilisi, in which thousands participated on April 9, 1989;

(11) these peaceful demonstrations were met by waves of Soviet troops which were supported by tanks and armored personnel carriers, and which swept into the crowds of demonstrators and used clubs and spades causing 20 fatalities and over 200 injuries;

(12) officials of the Georgian Health Ministry are reported to have said that the Soviet troops also used a poisonous gas that causes nerve paralysis, delirium, and heart failure against the peaceful, nationalistic demonstrators in the Tbilisi demonstrations; and

(13) Georgian human rights leaders both in Georgia and in the West have renewed their call for help from the United States by asking that the United States demand "that the Soviet Government grant to the people of Georgia and Armenia the right to free multiparty pluralistic institutions and self-determination".

(b) STATEMENT OF THE CONGRESS.—The Congress—

(1) condemns the use of excessive and lethal force by Soviet troops in responding to the peaceful demonstrations of April 9, 1989, in Tbilisi, Georgian Soviet Socialist Republic;

(2) urges the Soviet Union—

(A) to investigate allegations of the use of toxic chemical agents against the demonstrators in Tbilisi; and

(B) if the allegations are found to be true, to take steps to prevent the recurrence of such use of toxic chemical agents;

(3) supports the demands of the people of Georgia for human rights, as guaranteed by the Universal Declaration of Human Rights, to which the Soviet Union is a party; and

(4) urges the Soviet Union to heed the demands of the people of Georgia and to guarantee the Georgian people their right to human rights and fundamental freedoms.

By Mr. OBEY:

—Page 61, strike out line 23 and all that follows through line 21 on page 64 (section 1303).

By Mr. PORTER:

—Page 526, after line 24, insert the following new section:

SEC. 910. CONCERNING THE PEOPLE'S REPUBLIC OF CHINA AND HONG KONG.

It is the sense of the Congress that—

(1) the President and the Secretary of State should convey to the People's Republic of China and the United Kingdom the strong reservations of the United States with respect to the absence of guarantees of free direct elections and human rights in the proposed Basic Law now being drafted pursuant to the bilateral agreement which provides for the reversion of sovereignty of Hong Kong to the People's Republic of China in 1997;

(2) The guarantee of the People's Republic of China for "one country, two systems" in Hong Kong has no credibility in light of the ongoing brutal crackdown on prodemocratic forces in the People's Republic of China;

(3) the United States should initiate an international effort to guarantee human rights and the development of democratic institutions in Hong Kong;

—Page 526, after line 24, insert the following new section:

SEC. 910. CONCERNING HONG KONG.

It is the sense of Congress that the President should take such actions as may be necessary under the Immigration and Nationality Act to permit increased immigration from Hong Kong to the United States.

—Page 527, line 7, immediately before the comma insert the following: "and for the development and implementation of long-range bilateral and multilateral reconstruction efforts for Afghanistan and the establishment of a broad-based freely-elected Afghan government".

By Mr. ROGERS:

—Page 64, line 21, before the period insert ", except that the term does not include coal".

By Mr. ROTH:

—Page 521, strike out lines 2 through 19 and insert in lieu thereof the following: "$200,000,000 for fiscal year 1990 and $200,000,000 for fiscal year 1991.".

"(b) USE OF SPECIAL AUTHORITIES PROHIBITED.—The authorities of sections 4101, 4102, and 4103 may not be used to make funds available for use under this chapter. The references to this chapter in sections 4102 and 4103 shall not be construed to supersede the limitation contained in the preceding sentence.

By Mr. SMITH of New Jersey:

—Page 526, after line 24, insert the following:

SEC. 910. UNITED STATES POLICY TOWARD THE ONE-CHILD-PER-FAMILY PROGRAM AND FORCED ABORTION POLICIES OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—The Congress finds that—

(1) in 1979 the People's Republic of China adopted a one-child-per-family policy that purports to protect voluntary decisions by couples on matters relating to family planning but in reality relies on coercion, economic penalties, and forced abortions (often late in pregnancy) for refusal to comply;

(2) this one-child-per-family policy, implemented by the use of forced abortions and involuntary sterilizations, has been used against ethnic minorities and peoples, such as the Tibetans, by Chinese authorities in Tibet;

(3) as a direct result of this one-child-per-family policy, the incidence of female infanticide in the People's Republic of China has escalated, particularly among those living in rural areas who regard a male as vital to their economic well being and a source of financial security in retirement;

(4) the one-child-per-family policy of the People's Republic of China makes use of repressive "birth quota" system that empowers family planning workers to dictate to couples if and when they may have the one child permitted under the policy;

(5) the People's Republic of China's family planning workers violate a woman's right to privacy by monitoring private details of a woman's life, including the onset of menstruation in order to track compliance with the one-child-per-family policy;

(6) numerous reports by social scientists and by journalists associated with the Washington Post, the New York Times, the Wall Street Journal, the Public Broadcasting System "Nova" series, the Columbia Broadcasting System's "Sixty Minutes" and other media, have documented pervasive reliance by local People's Republic of China officials on forced or coerced abortion in order to achieve birth quotas for specified areas;

(7) reports that indicate that, as a result of the one-child-per-family policy, tens of millions of unborn children have been killed by abortion in the People's Republic of China;

(8) the policy of the Department of State for the 1984 International Conference on Population stated that, "Attempts to use abortion, involuntary sterilization, or other coercive measures in family planning must be shunned, whether exercised against families within a society or against nations within the family of man", and the United Nations Declaration of the Rights of the Child issued in 1959 calls for the legal protection of children before birth as well as after birth;

(9) at the Nuremberg war crimes trials, forced abortion was regarded as a "crime against humanity"; and

(10) while "official" People's Republic of China policy forbids infanticide, prosecution has been virtually nonexistent except in a few token cases.

(b) STATEMENT OF POLICY.—The Congress—

(1) strongly condemns the continued violations of internationally recognized human rights by the Government of the People's Republic of China, including—

(A) the one-child-per-family policy adopted in 1979 that relies on coercion, economic penalties, and forced abortions (often late in pregnancy) as a means of enforcing compliance;

(B) the continued use of a repressive "birth quota" system that empowers the authorities to dictate to couples if and when they may have a child; and

(C) the use of forced abortions and involuntary sterilizations of Tibetans by Chinese authorities in Tibet;

(2) affirms internationally recognized basic human rights, such as—

(A) the conclusion made by the 1981 United Nations Symposium on Population and Human Rights that compulsory abortion is a violation of human rights; and

(B) the declaration made at the Nuremberg war crimes trials that forced abortion be regarded as a "crime against humanity"; and

(3) asks that the President and the Department of State—

(A) raise the concerns expressed in this section with the Government of the People's Republic of China, and

(B) calls upon that Government to cease immediately this repressive policy.

By Mrs. SMITH of Nebraska:

—Page 62, strike out the sentence beginning in line 12; and page 64, strike out lines 6 through 10.

—Page 64, beginning in line 20, strike out "(including agricultural commodities)"; and line 21, before the period, insert ", except that the term does not include agricultural commodities or products derived from agricultural commodities".

—Page 61, strike out line 23 and all that follows through line 21 on page 64 (section 1303).

—Page 64, line 21, before the period insert ", except that the term does not include coal".

—Page 64, line 21, before the period insert ", except that the term does not include petroleum and petroleum products".

By Mr. SOLOMON:

—Page 315, after line 5, add the following new paragraph:

"(4) INITIAL DESIGNATIONS.—The following countries shall be deemed to have been so designated by the President as of the effective date of this Section, and the President is not required to notify the Congress of such designations of these countries:

"Czechoslovak Socialist Republic,

"Democratic People's Republic of Korea,

"Estonia,

"German Democratic Republic,

VOL 135 PT 9 JE 14 — 22 1989 UMI

"Hungarian People's Republic.
"Latvia.
"Lithuania.
"Mongolian People's Republic.
"People's Democratic Republic of Ethiopia.
"People's Democratic Republic of Yemen.
"People's Republic of Albania.
"People's Republic of Angola.
"People's Republic of Bulgaria.
"People's Republic of China.
"People's Republic of Kampuchea.
"Polish People's Republic.
"Republic of Afghanistan.
"Republic of Cuba.
"Republic of Nicaragua.
"Socialist Federal Republic of Yugoslavia.
"Socialist Republic of Romania.
"Socialist Republic of Vietman.
"Tibet.
"Union of Soviet Socialist Republics (including its captive constituents republics).".

—Page 315, after line 5, add the following new paragraph:

"(4) INITIAL DESIGNATIONS.—The following countries shall be deemed to have been so designated by the President as of the effective date of this Section, and the President is not required to notify Congress of such designations of these countries:
"Czechoslovak Socialist Republic.
"Democratic People's Republic of Korea.
"Estonia.
"German Democratic Republic.
"Hungarian People's Republic.
"Latvia.
"Lithuania.
"Mongolian People's Republic.
"People's Republic of Albania.
"People's Republic of Bulgaria.
"People's Republic of China.
"Polish People's Republic.
"Republic of Cuba.
"Socialist Federal Republic of Yugoslavia.
"Socialist Republic of Romania.
"Socialist Republic of Vietnam.
"Tibet.
"Union of Soviet Socialist Republics (including its captive constituents republics).".

—Page 315, after line 5, add the following new paragraph:

"(4) MATTERS TO BE CONSIDERED.—In exercising the authority pursuant to subsections (d)(1) and (d)(3) of this Section, the President should give consideration to the following factors:
"(1) The security needs of the United States;
"(2) The extent to which a country maintains a centrally-planned economy based on the principles of Marxism;
"(3) The extent to which a country respects and observes internationally-recognized standards of human rights; and
"(4) The question of whether the provision of assistance from the United States will encourage the deliverance of the recipient country from political, economic, and military dependence (as the case may be) on the Union of Soviet Socialist Republics or on any other communist country.".

—Page 315, after line 5, add the following new paragraph:

"(4) INITIAL DESIGNATION.—The Republic of Nicaragua shall be deemed to have been so designated by the President as of the effective date of this Section, and the President is not required to notify the Congress of such designation of this country.".

—Page 315, after line 5, add the following new paragraph:

"(4) INITIAL DESIGNATION.—The People's Democratic Republic of Ethiopia shall be deemed to have been so designated by the President as of the effective date of this Section, and the President is not required to notify the Congress of such designation of this country.".

—Page 315, after line 5, add the following new paragraph:

"(4) INITIAL DESIGNATION.—The Republic of Afghanistan shall be deemed to have been so designated by the President as of the effective date of this Section, and the President is not required to notify the Congress of such designation of this country.".

—Page 315, after line 5, add the following new paragraph:

"(4) REPORTING REQUIREMENT.—Whenever a country on the communist country list is receiving humanitarian assistance pursuant to the provision contained in subsection (b)(1) of this Section, the President shall report to Congress every three months for as long as such assistance is being provided on what steps the government of the recipient country is taking in order to alleviate the conditions that make such assistance necessary.".

—Page 454, strike lines 9 through 17, and insert in lieu thereof:

"(b) RESTRICTION.—The United States shall not enter into any arrangement conditioning, expressly or impliedly, the provision of assistance under the Foreign Assistance Act of the purchase of defense articles and services under the Defense Trade and Export Control Act upon the provision of assistance by a recipient to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.".

—Page 526, after line 24, insert the following new Section:

"SEC. 910. HUMAN RIGHTS ABUSES IN THE PEOPLE'S REPUBLIC OF CHINA.

"(a) FINDINGS.—The Congress finds that—
"(1) The government of the People's Republic of China has arrested more than 1,000 students and other civilians in the aftermath of the brutal June 3, 1989 military assault on Tienanmen Square in Beijing;
"(2) international human rights monitoring organizations such as Amnesty International and Asia Watch have documented incidences of arbitrary arrests, torture, and beatings by the Chinese police and military on a daily basis;
"(3) the Chinese government has reinstituted the death sentence as punishment for political dissent;
"(4) the Chinese government has re-established telephone hotlines and other local communications networks for the express purpose of identifying and imprisoning political dissidents throughout the country;
"(5) Chinese communist officials have uniformly denied that any abuses of human rights or activities to suppress the Chinese people's expression of their desire for democratic government have occurred since the massacre in Tienanmen Square;
"(6) regular citizens and grassroots associations within China that support democratic reform programs for their nation must be made aware of the American people's moral and political solidarity with them; and
"(7) officials and agencies of the United Nations have remained silent in the face of the Chinese government's war against its own people.

"(b) SENSE OF CONGRESS.—It is the sense of the Congress that—
"(1) the Chinese government immediately release all men and women detained for the peaceful exercise of their fundamental human rights;
"(2) the Chinese government publicize the names of all citizens arrested in connection with the recent protests as well as the reasons for their detainment so that they will not become the victims of torture or physical abuse while in custody;
"(3) the President of the United States clearly inform the Chinese communist leadership that any resumption of normal diplomatic and military relations with China will directly depend on the Beijing government's releasing all those imprisoned for peacefully assembling to express their political beliefs and entering negotiations with leaders of the country's student democratic movement;
"(4) the President of the United States publicly declare that he will carefully consider the extent to which the Chinese authorities act to restore basic human rights throughout their nation before he issues the required 1989 certification of China's eligibility to receive Most Favored Nation (MFN) trading status with the United States, and
"(5) the United Nations General Assembly and Security Council condemn the repressive actions by the Chinese government and army and urge the communist party to open discussions with representatives of the political opposition."

—Page 556, strike line 5 and all that follows through page 557, line 3.

—Page 556, strike line 6 and all that follows through page 557, line 3, and insert in lieu thereof the following:

"(a) EXPRESSION OF CONCERN.—The Congress expresses its concern that, although actions by the Government of Kenya in the past year to improve the human rights situation in Kenya have included the release of all political detainees and efforts to eliminate incidents of torture by Kenyan officials, there continue to be human rights abuses in Kenya.

"(b) SENSE OF CONGRESS.—It is the sense of Congress that the Administration should, in the formulation of a program of economic support assistance and foreign military financing for Kenya under the Foreign Assistance Act of 1961 for fiscal year 1990, consider continued steps by the Government of Kenya toward improving human rights conditions in Kenya."

—Page 556, line 6, strike "(a)".

—Page 556, after the period on line 11, strike all that follows through page 557, line 3, and insert in lieu thereof the following:
"Although actions by the Government of Kenya in the past year to improve the human rights situation in Kenya have included—
"(A) the release of all political detainees,
"(B) progress in addressing the issue of police torture, as demonstrated by Presiding Moi's firing of several police officials in 1988, his public condemnations of police brutality, and, most importantly, by the conviction and extended prison terms of four police officers convicted in March, 1989 of torture;
further steps to increase respect for human rights in Kenya are needed."

—Page 588, after line 7, insert the following new Section:

"SEC. 1101. MINERAL IMPORTS FROM COMMUNIST COUNTRIES.

"(a) SENSE OF CONGRESS.—It is the sense of Congress that the vital national interests and security of the United States would be jeopardized if the nation became dependent

on communist countries as the sources for essential minerals and metals.

"(b) REPORTING REQUIREMENTS.—(1) Every year after enactment of this Act, when the annual foreign assistance request is presented to Congress, the President shall submit to the Committee on Foreign Affairs in the House of Representatives and the Committee on Foreign Relations in the Senate a report on the extent to which the United States is dependent on communist countries (as defined pursuant to Section 4201(d) of the Foreign Assistance Act) as sources of supply and importation of—

"(1) chromium,

"(2) cobalt,

"(3) manganese,

"(4) platinum group metals,

"(5) ferroalloys, and

"(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

"(2) The annual report submitted to Congress should also contain relevant information about what the United States is doing to reduce such dependence. The information may include such matters as stockpiling, conservation, the development of substitute materials, and the development of new and/or different deposits.".

—Page 588, after line 7, add the following new Section:

"SEC. 1101. REDUCTION IN AUTHORIZED FUNDS.

"Notwithstanding any other provision in this Act, the amounts authorized for activities under this Act are reduced by a further 10%."

—Page 588, after line 7, add the following new Section:

"SEC. 1101. REDUCTION IN AUTHORIZED FUNDS.

"Notwithstanding any other provision in this Act, the amounts authorized for activities under this Act are reduced by a further 5%."

—Page 588, after line 7, add the following new Section:

"SEC. 1101. REDUCTION IN AUTHORIZED FUNDS.

"Notwithstanding any other provision in this Act, the amounts authorized for activities under this Act are reduced by a further 2%."

—Page 588, after line 7, add the following new Section:

"Notwithstanding any other provision in this Act, the amounts authorized for activities under this Act are reduced by a further 1%."

By Mr. TORRICELLI:

—Page 454, after line 24, insert the following:

(d) REPORTS ON ASSISTANCE TO INFLUENCE ELECTIONS.—Not less than 15 days after the end of each month, the head of any agency of the United States Government which expended any funds during that month in order to influence, directly or indirectly, the 1990 elections in Nicaragua shall submit an unclassified report describing those expenditures to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SENATE—*Tuesday, June 20, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The prayer will be offered by the Senate Chaplain, the Reverend Dr. Richard C. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

"We hold these truths to be self-evident that all men are created equal, and that they are endowed by their Creator with certain inalienable rights * * * to secure these rights, governments are instituted among men deriving their just powers from the consent of the governed. * * *"— Excerpt, Declaration of Independence.

Eternal God, Creator, sustainer, consummator of history, thank Thee for the belief in creation at the roots of our political system. Recently the Prime Minister of Pakistan reminded us that three of the most beautiful words in the English language are "We the people." We have seen the hypocracy, the bankruptcy, of a government that calls itself the "people's republic" violently repress the voices of the people.

With unspeakable gratitude, we thank Thee for the unprecedented political system which is our legacy. Renew the people of the United States, mighty God, in dedication to this system. Save them from cynicism which allows them to abdicate their sovereign responsibility and then blame government for its failure. Help the people to see that our system will not function as intended if they fail to exercise their sovereignty. Arouse each of us, Lord, to the personal responsibility essential to our way of life.

In His name who is truth incarnate. Amen.

The PRESIDENT pro tempore. The Senate will come to order.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized under the order.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business not to extend beyond 12:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The Senate will stand in recess from 12:30 until 2:15 p.m. for the party conferences. When the Senate reconvenes at 2:15, debate will resume on S. 5. I anticipate that there will be rollcall votes throughout the day, and possibly into the evening today. It is my hope that we will be able to complete action on this legislation this week.

Mr. President, I reserve the remainder of my time, and yield to the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, the remainder of the time of the majority leader is reserved.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDENT pro tempore. The Republican leader is recognized under the order.

THE CHILD-CARE BILL

Mr. DOLE. Mr. President, hopefully some time this afternoon there will be an amendment discussed, hopefully offered, maybe offered to the pending substitute of the distinguished majority leader on child care.

I urge my colleagues on both sides of the aisle to take a look at the amendment. We believe it has a lot of features that Members on both sides of this aisle have supported many times before. The child-care tax credit, whether it is earned income tax credit, I think Members on both sides have gone on record in support of those programs, and this would be an expansion of the earned income tax credit refundability and, of course, the child-care tax credit would be refundable. We believe it is the right approach.

I say with reference to the ABC portion of the pending substitute that I took the report home last night believing I might be able to learn more about the ABC bill. But it has been changed so much it has become the XYZ bill. It has gone from one end of the alphabet to the other. I do not know what to read in this report. I hope maybe the distinguished Senator from Connecticut [Mr. DODD] or the Senator from Utah [Mr. HATCH] could cross out what is left so we know what to read in the RECORD.

In my view it is changing almost by the minute, and it would be helpful to some of us to properly assess the ABC bill to know precisely what remains of what was on the minds of the sponsors when the bill was considered in the committee.

I also urge my colleagues to keep in mind that $1.75 billion for the ABC portion of the bill would serve only about, as I calculate it, 5 or 6 percent of the children. So if you add up, and if you are going to fund the whole 100 percent, you are talking about $20 billion to $30 billion or more.

I say that is probably one of the real weaknesses of the ABC approach; $1.75 billion would create a whole new bureaucracy, have a new assistant secretary in HHS. I do not know how many millions of dollars it would cost for that, nor how many millions would be spent on each State to administer this new massive program. But if there are 14 million children out there and the sponsors indicate that $2.5 billion would serve 1 million children, that has been reduced to $1.75 billion, and 700,000 children, that leaves 13,300,000 who will not benefit from the ABC approach.

So I hope when we get into the debate that Members on both sides will not only carefully look at what we will propose hopefully on a bipartisan basis to address some of the concerns—stay-at-home mothers, religious concerns, reaching more children, letting the parents make the choice other than some bureaucracy. All those are real issues. They are not Republican or Democratic issues. They are issues that people in our State are going to be concerned about.

So we will make copies available, as soon as we have the prepared copies, to all Members of the Senate of our amendment, copies obviously to the majority leader, and copies to the sponsors of the ABC bill.

I also ask my colleagues to take a good look at the insurance provisions of the substitute.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

I believe any objective analysis of the proposal by my good friend, the chairman of the Senate Finance Committee, Senator BENTSEN, would indicate that nobody is going to benefit very much from the credit of $500, depending on income, to go out and purchase insurance for your children. What is going to happen is there is going to be a subsidy for those who already have coverage for their children. Again, in this time of tight constraints and budget problems it seemed to me we ought to try to find some way to address this very important issue of child care to make certain that the money goes where it will be needed, that it goes to the needy families. Though I know middle-income families can always use some help, in this critical time of budget restraint we had better make certain the programs go to the neediest.

That is what the earned income tax credit does. And to a certain extent that is what the child-care tax credit refundability provision will do, though in that case many of the poor people do not itemize and keep track of their child care expenses, and probably will not benefit from that portion.

So I know on both sides of the aisle, and on both sides of the child care policy some will say, "Well, it ought to be just tax credit, period."

We also have a grant provision in ours to be used for a number of things. So it is my view that if we can take a hard look at both proposals, and keep in mind the ultimate beneficiary is to be the child, not the Governors Association, not some lobbying group, not some new bureaucracy, but the child. Keep in mind that the choice ought to be the parents, the parents. Then I believe we can objectively assess both bills and, hopefully, the proposal we will offer will attract votes from both sides of the aisle. And I say that we will discuss it in detail later on. But I hope that the distinguished Senators from Connecticut and Utah could revise the committee report, maybe just take this one and X out what they have X'd out of their bill, so we can take a look at it and see what is left of the ABC and see if it has become XYZ.

I reserve the remainder of my time.

Mr. MITCHELL addressed the Chair.

The PRESIDENT pro tempore. The majority leader.

Mr. MITCHELL. Mr. President, I would like to comment on the subject of the pending legislation to which the distinguished Republican leader has referred.

First, all Senators should be aware that the amended version was introduced on Thursday, June 15, and printed in full in the RECORD on that day. Senators, therefore, have now had nearly a week to read precisely what is in the legislation. Since it was introduced, there have been 3 days of debate on the Senate floor in which the Senator from Connecticut and the Senator from Utah, the principal sponsors of the bill, one Democrat and one Republican, have explained in great detail what is their bill.

As I understand it, contrary to the assertions made here today, under that bill, if adopted, there would be no new Federal bureaucracy; 100 percent of the funds would go to the States. And, therefore, I think that the Senators have had an opportunity to review this pending proposal. It has been printed for nearly a week. Any Senator who wished to do so could get the CONGRESSIONAL RECORD for June 15, which I now have in my hand, and read precisely what is in this proposal word for word. When they do, I hope Senators on both sides will join with the bipartisan group that is sponsoring this legislation. Senator HATCH of Utah, a Republican, and Senator DODD of Connecticut, a Democrat, have joined to craft a responsible bill, and I believe that bipartisan support should extend to the full Senate.

We look forward, of course, to receiving the alternative to be proposed by the distinguished Republican leader. Obviously, none of us can make a judgment on it until such time as it is presented, and we understand that will be presented this afternoon. We look forward to that and to a vigorous debate on the two.

In conclusion, I simply say to those Senators who are interested in learning what is in the pending ABC bill, it was printed in full in the CONGRESSIONAL RECORD nearly a week ago. There have been 3 days of debate to explain it. Every Senator has had a full opportunity to hear, read, listen and understand the provisions of the pending legislation. When they do all of those things or any of them, I believe they will support this important bipartisan legislation.

Mr. President, I reserve the remainder of my time.

The PRESIDENT pro tempore. The remaining time will be reserved, without objection.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30 p.m. today, with Senators being permitted to speak therein for not to exceed 5 minutes.

Mr. ROTH addressed the Chair.

The PRESIDENT pro tempore. The senior Senator from Delaware is recognized.

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH pertaining to the introduction of S. 1202 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDENT pro tempore. The Senator from Tennessee [Mr. GORE] is recognized for not to exceed 5 minutes.

Mr. GORE. Thank you very much, Mr. President.

I wish to discuss two matters this morning.

(The remarks of Mr. GORE pertaining to the introduction of Senate Joint Resolution 159 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GORE. Mr. President, now I would like to turn to the second subject that I want to address today.

BUSH "START" PROPOSALS

Mr. GORE. Yesterday, the United States of America went back to the negotiating table in Geneva.

A few weeks ago, it seemed that President Bush had absorbed a valuable lesson about the difference between bureaucratic process and Presidential leadership. After letting the Cabinet agencies grind away on a review of security policy for 6 months, the President found himself on the eve of the NATO summit in Brussels, with a completely inadequate product. It was not inadequate because of any flaw in its details: it was inadequate because it embodied to a fault the caution of the bureaucrat; and it therefore lacked the essential element of vision needed to give it life. It was a document so safe, that it was dangerous.

The President was right to rely upon his instinct about the needs of the moment, and to push his closest advisers to produce something decisive on conventional arms control. It was risky, but it would have been a disaster had he not done so. With that example in mind, many of us hoped that the President would be similarly decisive in his approach to START, which is now resuming. Unfortunately, if the press accounts over the weekend and this morning are correct, this time the President has completely pulled his punch, and as a result may well fail to make a successful opening move either with respect to the Soviets or the Congress and that failure could cost him and the Nation dearly.

As we all know, there is no easy way to pursue arms control. A President must contend not just with the Soviets, but with a never-ending domestic struggle to impose order on the executive branch, and to achieve some meeting of the minds with Congress, including not only the political opposition, but even at times, members of a President's own party. Over the past 20 years, there have been more failures than successes, and the odds are always daunting. Nevertheless, it is incumbent upon a President to define

his goals, rather than allow them to be formed by others.

And yet, according to the press, what the President has decided to do is the reverse. Recognizing that he has disagreement inside his administration and some potential problems with Congress about verification, he has decided evidently that his opening move will be to find out what the Soviets will permit. Recognizing that his strategic modernization program is not fully supported within his administration, he will wait to see what Congress does before telling anybody how he thinks an arms control agreement should affect strategic force posture.

I do not want to criticize the President unfairly. There are hard verification issues, and, in the past such problems have made Senate ratification of agreements hard and sometimes impossible to obtain. Debate over SALT II ratification might have destroyed that treaty, had it not been withdrawn from the Senate's agenda after the Soviet invasion of Afghanistan. It is also true that the Reagan administration typically never came to grips either with verification until very late in the game, whether the same was deploying a new weapon—such as the sea-launched nuclear armed cruise missile—or START.

So, if the administration had begun by advancing both a substantive proposal and verification measures in parallel, that would have been an intelligent change for the better. Instead, we have a mixed and irrational assortment of ideas, with no organizing core, all served up as "confidence building measures." Let us examine them, bearing in mind that all this is based on information in the public domain. I will not discuss any classified material here.

First, there is a reported proposal for a ban on flight-test telemetry encryption. That is well and good. It is also a given in any U.S. negotiating approach in any administration.

Second, there is a reported proposal for both sides to be able to inspect each other's reentry vehicles, although it is not yet clear whether that will involve uncovering them in place, in silos on top of missiles. It would be an interesting and dramatic precedent and that makes this idea a fine piece of one upmanship to use against General Secretary Gorbachev, who has had the run of things on verification.

But such inspections will never entirely reassure specialists whose real concern is breakout, a situation in which the Soviets begin to load up their missiles with additional warheads to take advantage of their full potential. The only way to get at that problem is to reduce the size of missiles, preferably by deploying increasing numbers of single warhead systems, and by diminishing the impact of cheating or a breakout, by making missiles mobile.

Third, according to the press, we have a proposed ban on short-flight time or depressed trajectory submarine-launched ballistic missiles. That is vindication for a few Members of Congress—including especially my friend TOM DOWNEY in the other body—who have advocated such a thing for years against the dismissive ridicule of the Reagan administration. But depressed trajectory missiles are not a central issue. On the contrary, they are hypothetical weapons of a sort neither side is known to be developing. Should they be developed, however, they could rekindle fears about a nuclear first strike, which ought otherwise to be dealt with in the central provisions of a START agreement.

But the problem is that the central provisions of a START agreement, as envisaged by the Bush administration, are not in evidence.

Fourth, according to the press, we have a proposal to allow inspections of plants where the Soviet Union makes train-mobile launchers for its MIRV'd SS-24 missile. Now, here we have something that at least tip-toes up to the edge of a central issue. The Soviets are deploying the SS-24, in addition to their truck-mobile single warhead SS-25. The U.S. position inherited from the Reagan administration calls for a ban on such missiles, originally on the grounds that limits on them could never be verified. That point of view was softening by the end of the administration, however, and a concept for basing mobile missiles in geographically restricted areas—small enough for peace-time accountability, big enough for wartime survivability, was emerging.

But what is the administration's intent as regards limitations on mobile missiles, and what is the relationship between this proposal and the limits the administration might have in mind? We do not know, because this crucial element of architecture of an arms agreement remains undefined this morning, after months of review in the administration.

This is not an opening move in Geneva. It is an antimove. And it cannot last as policy because it does nothing to illuminate choices the United States must make in the meantime about its own strategic forces.

Again, it is similar to what happened in the runup to the NATO summit. For weeks, indeed months, the administration hung onto a collection of internally contradictory positions that could not be sold to the public, either here or in Europe, and then, finally, at the last minute, the President cleared away the bureaucratic underbrush and put his stamp on a sweeping proposal.

Well, that is what should have been done before the arms control talks in Geneva started yesterday, but it was not done. Unfortunately, the Congress, here and in the other body, will be proceeding to consider the strategic modernization package. The Congress needs to hear from the President about what he intends to propose in Geneva and how those arms control proposals relate to the Nation's plans for strategic modernization.

Now, we have heard about some proposed ideas and some of them sound pretty good. Some of us have been telling the Secretary of Defense, the National Security Adviser, and the President himself for weeks that this program for modernization needs their attention and needs the President's personal attention. The START framework he inherits from the last administration is built around the assumption of a large force of B-2 bombers. We are not going to be able to afford such a force, at least not as large as they have anticipated, and will therefore need to rely more on ballistic missiles than had been anticipated. In any event, we are going to want to retain some of those missiles on land. But that reinforces the need to come to grips with the problem of the vulnerability of these missiles to a theoretical first strike.

Arms control alone cannot solve this problem. We will need to deploy ICBM's as mobiles in order to do that. Therefore, the President's decision to redeploy the MX missile as a rail mobile, and then to deploy the Midgetman, is the center of all the concentric circles of an approach to modernization and arms control that seeks to solve the stability problem once and for all.

But the funding numbers announced at the time for Midgetman were so completely inadequate that they disheartened the President's supporters and left all other observers incredulous. Happily, we have just heard from the Secretary of Defense, who now acknowledges that the first projections were inadequate, and who now proposes somewhat more credible numbers.

But what should have been presented at once as the product of hard and clear strategic thinking has instead been parcelled out in such a way as to play into the hands of the President's critics—in both parties—who claim that the whole thing is merely as maladroit effort at compromise: a mere exercise in log rolling.

At least some members of the President's team know that the problem is much more severe than that, and have, in their minds, a clear, concise, and strategic concept. But the President himself has not yet endorsed it or presented it.

There was a way to remedy that impression, and—as SAM NUNN, LES ASPIN, and others including myself have repeatedly said—it was to make

clear the linkage between this kind of modernization, and the objectives the President presumably has in mind for strategic arms control.

In the weeks preceding this nondecision, the press was full of hints that exactly such a thing was about to occur. We read—and some of us were told privately—that the President wanted to put his stamp on these negotiations. At the top of the list, according to all these insiders—some of whom are very inside indeed—was a proposal to ban land-based MIRV'd mobile ICBM's and to permit single warhead mobile missiles on land.

It would have been an excellent idea and still could be. In the first place, such a proposal would mean retracting the Reagan administration's self-contradictory demand that all mobile ICBM's be banned. It was the Reagan administration itself which first embraced the idea of mobility: initially in connection with the Midgetman, and then as applied to MX. To this day, we do not have an accurate accounting of the reasoning which led to the proposal for such a ban in the first place.

How could such a proposal be serious, in view of stated U.S. policy for modernization? How could it be serious, in view of the ongoing Soviet deployment of two types of land-mobile intercontinental ballistic missiles? The idea of a ban is not only illogical but contrary to U.S. interests, and it cries out for rectification.

In the second place, a ban on land-based MIRV'd mobiles would have pointed us toward a highly stable and verifiable outcome. Have we not finally agreed that placing more and more warheads on fewer and fewer delivery systems was a perverse way to approach arms control? Have we not told ourselves that changing the ratio of warheads to targets made sense, and that making missiles highly mobile would eliminate the problem or bugbear of a successful nuclear first strike? Did it not become clear that monitoring restraints on a train-mobile MIRV'd system would be a lot riskier than monitoring restraints on a truck-mobile single warhead missile?

Well, the prospects in Congress will depend now upon anticipation of a good result in the ongoing deliberations in the administration. But we need a clear statement from the President.

In the House of Representatives, there have been efforts to form a strange coalition in opposition to single warhead mobile missiles, between some who have opposed virtually all such modernizing proposals and others who frequently feel that we never have enough for total security.

I do not want to mischaracterize either side's position, but I think my colleagues would agree that the coalition is certainly unusual.

The prospects for that coalition will depend upon the President's clarity in presenting the Nation's interest in these matters. Because, if they should happen to win, then the coalition partners would certainly soon split apart because they are in agreement on nothing else. One faction will then start gunning for the next strategic weapons system to do in, and rail mobile MX will be a very good target for that. The other faction will do its best to impose immoderation in all things strategic, mainly by pushing ahead on SDI much faster than this administration desires. Meanwhile, the centrist coalition the President needs, to help him anchor his programs in Congress while he negotiates with the Soviets, would have been discredited, defeated, and dismantled.

As for the negotiations, I predict that if the President suffers the defeat of his modernization program in Congress, he will have spoiled his opportunities from the outset. Deep reductions of strategic nuclear forces cannot be made without paying close attention to the stability of the remaining weapons on both sides. But there are only so many ways to provide for stability, and mobile single warhead missiles are the best of the lot by a long shot.

Consider the alternatives. We can have deep reductions involving highly MIRV'd missiles on land and at sea. The mathematical result of such reductions is to force an ever higher concentration of warheads on an ever smaller number of delivery systems. The results of that would be an inherently unstable arrangement which some would argue then demand redress through a full-scale SDI system.

Others do not seem ready to suggest that we do away with SDI. But no missile defense can be deployed without abrogating the ABM Treaty, and any such system, once deployed, would be extraordinarily destabilizing. In any event, the new technologies upon which so much hope is based are not nearly ready for application and deployment. Basing a strategic policy on the assumption that these futuristic SDI systems will soon be available would be like basing our entire energy policy on the assumption that coal fusion will provide all of the energy that we need.

Second, perhaps the administration has convinced itself that it has the luxury of delay, given the abbreviated timetable that the President has proposed for completing the conventional arms control talks. Hopefully, that is not what is going on. It was a brilliant piece of political manipulation to assert that those talks could be completed in such an incredibly short period of time. It let Chancellor Kohl and the Federal Republic off the hook and it gave General Secretary Gorbachev a shot that he has to run to catch, for a change. But anyone who seriously expects that timetable to be met is either cynical or self-deluded. Writing such a complex treaty will be the work of years, even if things go very well, or we will have something so unworkmanlike and rushed as to be dangerous. Consequently, if the idea is to slow down strategic talks until after we sign a conventional arms control treaty, the administration can easily spend the next 4 years with no strategic agreement whatsoever.

Now, according to the press, the White House intends to consult with the Congress. That is an excellent idea and one that has barely begun. But as these consultations are conducted, I hope the President will not merely argue the case for a colorless and essentially retrograde first move in START. I hope instead that he will lay out his own concept of where these talks should end up; of the role of strategic modernization in that outcome; the means to integrate modernization, arms control and verification; and the way that Congress can support such an overall strategy.

Only the President can provide that kind of leadership. A decision to wait and find out what the Congress will do on its own is an abdication of Presidential leadership. We need a clear statement of the kind which was forced in the conventional arms control area by the date of the Brussels summit meeting. There is no such summit meeting already set, already on the calendar between the President and the legislative branch of Government. If there were, perhaps it would serve to focus the efforts of his bureaucracy and give him the opportunity to clear away the self-contradictory proposals that have been emerging in the administration and give him the excuse for placing his own stamp on the outcome.

He will have to do that even without an onrushing summit meeting with the Congress. We need a clear statement, Mr. President, from President Bush about the strategic outcome he is seeking in Geneva and how our deliberations in the Congress of the United States can help the Nation reach that goal. It was a positive step for the Secretary of Defense to modify the proposals for funding Midgetman adequately, but that must be followed up by a statement from the President of the United States on strategic policy. Now is the time for the bold design that the President has promised us, and I hope that it will soon be forthcoming.

I thank the Chair.

Mr. McCAIN addressed the Chair.

The PRESIDENT pro tempore. The junior Senator from Arizona [Mr. McCAIN] is recognized for not to exceed 5 minutes.

VOL 135 PT 9 JE 14 — 22 1989 UMI

(The remarks of Mr. McCain pertaining to the introduction of S. 1203 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. Pryor] is recognized.

THE S&L BAILOUT

Mr. PRYOR. Mr. President, last month on the "Phil Donahue Show," Mr. Donahue and his audience were discussing the S&L crisis and how we should proceed with the so-called bailout legislation.

One of the people in the audience stood up and said that he did not believe that the taxpayer should pay for this bailout. On the other hand, he thought that the U.S. Government should pay for the bailout.

Of course, Mr. President, when the U.S. Government pays, that bill is ultimately sent to the American taxpayer. Today, the U.S. Government appears ready to spend $150 billion or more to clean up the mess in the savings and loan industry. The mess we will attempt to clean up was the result of incompetence, excesses, abuse and greed by S&L operators on a massive scale.

As Congress races to close the book on this tragic episode, I believe I may have found yet another problem involving the S&Ls that may need addressing. It also involves apparent incompetence, excesses and abuse. But this time, the culprits are not S&L operators. Instead, they are the very regulators whom we assigned to clean up the mess that the operators left behind.

Today I am releasing a report prepared at my request by the General Accounting Office about activities at the Federal Savings and Loan Insurance Corporation's receivership of FirstSouth Savings and Loan. FirstSouth is based in Little Rock, AR; it is a failed empire extending over a four-State area. The GAO will be referring this report to the Justice Department today for possible criminal investigation. At the same time, I am asking the GAO to expand its investigation to see if the concerns raised about FirstSouth should be raised industrywide.

First, the GAO questioned a contract granted by the receivership to a man who had just left the receivership. That contract was between the managing officer of the receivership and himself.

Only 1 day after that, he began filing those appeals. The GAO found that most of the work in preparing the appeals was done while the man was still a direct employee of the receivership. But once he became a private contractor, this man was able to skim a percentage of the appeals that he never would have collected at his old post. In one case alone, this individual was paid $69,000.

This was not just a boondoggle; it was an intolerable sweetheart deal. The GAO has now concluded that FSLIC regulations have been violated and it feels criminal violations may also have occurred.

Second, the GAO report, which I will release and place in the Record at the appropriate place, found that FirstSouth's receivership held an exclusive, employee-only auction on FirstSouth furnishings. Instead of liquidating this property in a way that benefited depositors who had already been ripped off, this auction allowed receivership employees only, in a private sale, to purchase these furnishings at fire-sale prices.

In one case, eight oriental rugs with a book value of about $15,000 were sold along with two other rugs for roughly $2,250. In another case, two video camera systems with book values of about $740 each were sold for a combined total of $180.

Mr. President, this was not the general public. These were the receivers who were supposed to act in a fiduciary capacity to protect the receivership and ultimately the taxpayers.

The GAO says that, in the case of the auctions, controls over receivership property were ineffective. I call it greed. And through greed, we see those who are put in a position of protecting the assets of the receivership instead choosing to look after themselves to the ultimate detriment of the American taxpayers.

The two incidents I have listed would gall me sufficiently on their own. But I was disturbed even further to find that the FSLIC's own watchdogs had stared these travesties in the face and remained silent.

The GAO also found that the FSLIC's inspector general had learned of both of these incidents through calls on their whistleblower hotline. The GAO also found that the inspector general's own work papers pointed to definite policy violations and possible criminal violations. But despite all of this, what do you think the inspector general's office concluded about all of this? Believe it or not, it found no wrongdoing had taken place. Clearly, this incident leaves me with serious questions about the quality of the inspector general's investigation.

One explanation we are given for this is that no violations occurred because employees at the FirstSouth receivership are not considered Federal employees, which means they are private contractors. That means they are not subject to conflict of interest statutes which otherwise would have prevented both transactions.

If that is the case, there is something wrong here. When the Federal Government places an S&L in receivership, taxpayers and depositors are placing their ultimate trust in the Government. And when a receivership grants a former property manager a bloated contract, or when it auctions furnishings for far less than fair market value to its own employees, it is the Government—and ultimately taxpayers—who will have to make up the difference.

Mr. President, even under a new FSLIC plan to improve oversight and control of receiverships, only 50 employees out of 1,300 will be considered "Federal employees". With about 100 receiverships operating right now, that's less than one Federal employee per receivership.

Mr. President, on one hand we are trying to assure depositors and taxpayers across the country that they are safe and will be treated fairly during the current crisis. But with another hand, we are dangling a juicy carrot on a stick in front of those who have the power to plunge us further into the abyss from which we seek escape. We must end this inconsistency, and I will introduce legislation to do that once we know the full scope of the problems which we must address.

Mr. President, I ask unanimous consent that the full statement of the General Accounting Office, dated June 16, a letter to me, and the following report be placed at the appropriate place in the Record.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Failed Thrifts—Allegations at FirstSouth Receivership in Little Rock, AR, June 1989

General Accounting Office,
Washington, DC, June 16, 1989.

Hon. David Pryor,
Chairman, Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, U.S. Senate.

Dear Mr. Chairman: As agreed with the Subcommittee, we have made an assessment of four allegations of wrongdoing concerning the Federal Savings and Loan Insurance Corporation's (FSLIC) FirstSouth Receivership in Little Rock, Arkansas. These allegations are that: a former receivership employee improperly contracted with the receivership, an auction of receivership properties was restricted to employees only, the receivership gave an unsecured loan to a borrower who was in default on existing loans, and the receivership contracted with a borrower who had defaulted on existing loans.

Our objectives were to review the four allegations to determine whether improprieties occurred. However, as requested, we limited our work to some extent to meet the Subcommittee's time constraints. The appendix contains a detailed analysis of the allegations and more information concerning our objectives, scope, and methodology.

RESULTS IN BRIEF

The Managing Officer in charge of FirstSouth Receivership and a former employee did sign a contract that included work the former employee was responsible for while he was employed at the receivership. In ad-

dition, the receivership did hold a property auction that was limited to receivership employees. The contract and the auction were both improper, and federal criminal statutes may have been violated. After we discussed our findings with the Federal Home Loan Bank Board (FHLBB) and FSLIC officials, the Managing Officer was suspended pending FSLIC's further review.

The loan that was alleged to have been unsecured was secured by an escrow account; however, time did not permit us to fully evaluate all the circumstances surrounding the loan transaction. As to the fourth allegation, the receivership did do business with a debtor in default on loans, but we found no laws, regulations, or FHLBB policies that were violated.

FEDERAL MANAGEMENT OF FIRSTSOUTH RECEIVERSHIP

FirstSouth was a federally insured savings and loan association with its main office in Pine Bluff, Arkansas, and 35 branch offices located within the state. It was put into receivership on December 4, 1986, with assets of $1.68 billion. FHLBB documentation shows it closed FirstSouth because it was insolvent, had substantially dissipated its assets and earnings, and was in an unsafe and unsound condition to transact business.

FHLBB, an independent federal regulatory agency, is responsible for regulating and supervising the savings and loan industry and overseeing the operations of its various organizations, including the 12 Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, and FSLIC. FSLIC, a government corporation, insures savings accounts to a maximum of $100,000. The FHLBB also appoints FSLIC as receiver, a separate and distinct legal entity, for the purposes of liquidating a failed institution. Once the FHLBB decides to close a savings and loan and appoints FSLIC as receiver, FSLIC's duties as receiver include taking legal and physical possession, collecting obligations due, disposing of assets, and settling claims against the savings and loan association. As of April 30, 1989, there were 99 operating receiverships with total assets of $8.6 billion.

The Federal Asset Disposition Association (FADA), a wholly-owned subsidiary of FSLIC, was created by the FHLBB to assist FSLIC in managing and disposing of receivership assets. FSLIC often contracts with FADA for receivership asset management and did so for the FirstSouth Receivership. FSLIC also sometimes hires former employees of an association to remain on as receivership employees. For example, at FirstSouth, the Property Manager was a former association employee. The receivership's Managing Officer, however, was a former FHLBB employee.

CONSULTANT CONTRACT WITH A FORMER EMPLOYEE

In June 1988, FirstSouth's Managing Officer and the former Property Manager signed a contract under which the latter was to appeal 1988 property taxes on 26 properties that were in the receivership's asset portfolio. He was to be paid by the receivership on a percentage commission basis. As of early April 1989, receivership records showed one payment of about $69,000 had been made to the former Property Manager for contract work on 1 property, and billings of approximately $127,000 had been made on another 12 properties. The Managing Officer exceeded the monetary limitation on her authority in entering into this contract. Moreover, some of the work billed under the contract was done while the Property Manager was still an employee of the receivership.

Appeals on property taxes apparently had been completed on at least two properties covered under the contract and had begun on at least three others before the former Property Manager resigned. Yet, bills were submitted for work on these properties, and one payment of about $69,000 was made. Receivership employees who examined the contract arrangement said they believed that much of the work billed for had in fact been done by receivership employees, and they were not willing to approve any more payments.

We believe the circumstances concerning the contract and the payment for work done while the Property Manager was employed by the receivership constitute possible violations of criminal statutes.

EMPLOYEE-ONLY AUCTION

The receivership held a property auction in March 1988 that was open only to employees. This violated a July 1986 FSLIC policy because the property had not first been offered for public sale for a reasonable period of time. In addition, contrary to FSLIC requirements, we found no evidence that fair market value had been determined for the property. Although the market value of the property was unavailable, the cost data for some of the items sold suggest that they may have been sold for substantially less than their value. We could not verify whether the Managing Office acquired a number of expensive items or arranged for other employees to bid on her behalf or refrain from bidding on certain items, as alleged. In our opinion, the auction, in addition to violating FSLIC policy, may have violated criminal statutes.

Receivership employee standards of conduct issued May 11, 1989, now preclude employees from acquiring receivership assets.

ADDITIONAL LOAN AND CONTRACTING WITH DEBTORS IN DEFAULT

We found that a loan was made to a debtor in default, as alleged. However, the loan was secured by an escrow account, contrary to the allegation that it was not. According to FSLIC officials, the additional loan was made in order to minimize the receivership's losses on the borrower's other outstanding loans in default.

Also, as alleged, the receivership was obtaining insurance from a debtor in default, but we found no law, regulation, or policy that precluded this. FSLIC officials agree that a policy covering such situations would be desirable.

OFFICE OF INSPECTOR GENERAL INVESTIGATIONS

The Bank Board's Office of Inspector General (OIG) had also received allegations concerning the contract with a former employee, the auction, and the loan to a borrower in default. It did not investigate the employee-only auction because, on the basis of discussions with the Bank Board's Office of General Counsel (OGC) and other officials, it did not believe any laws, regulations, or policies had been violated. FSLIC adopted a new policy on asset disposal after the OIG brought the employee-only auction to its attention. Also, the OIG plans to audit controls over receiverships' property disposition in the future.

The OIG investigated with the former Property Manager but closed the investigation because, on the basis of discussions with the Bank Board's OGC and documents it reviewed, it did not believe federal conflict of interest statutes applied since receivership employees were not federal employees. Because FSLIC does not appoint receivership employees as federal employees, they are not subject to criminal conflict of interest statutes. In our opinion, however, they are subject to other criminal statutes. The OIG is currently investigating the allegation concerning the unsecured loan to the borrower in default.

RECEIVERSHIP EMPLOYEES WHO PERFORM FEDERAL FUNCTIONS SHOULD BE APPOINTED AS FEDERAL EMPLOYEES

The Bank Board has in the past chosen not to appoint any receivership employees as federal employees under federal law and civil service regulations. We believe that all receivership employees who perform federal functions under the direct supervision of federal officials should be appointed as federal employees. In our view, FSLIC's failure to appoint them as federal employees constitutes a circumvention of federal civil service laws and regulations.

As a general rule, a federal agency may not obtain personal services on a contractual basis but must have such services performed by personnel employed in accordance with the civil service classification laws. Application of this rule hinges on the existence of an employee-employer relationship. It is clear to us that such a relationship exists in the case of some receivership employees.

Although the agreements between the employees and FSLIC as receiver contain a statement that they are not federal employees, the degree of control and supervision by FSLIC is much broader than usually exercised in an agency-independent contractor arrangement. In particular, the Managing Officer, who heads the receivership's operations, appears to be subject to close supervision by FSLIC federal employees and must obtain prior approval from FHLBB or FSLIC before performing various duties. We also noted that the Managing Officer's performance appraisal was signed by the FSLIC Regional Director.

Other receivership employees also seem to be subject to substantial FSLIC control. For example, they can be reassigned and transferred by FSLIC to work at other receiverships. Their initial salaries are determined by FSLIC on the basis of a general proposed range of salaries for the particular positions they hold. We also noted that certain receivership employee performance awards are subject to FSLIC approval. These are just some of the indications that some receivership employees are subject to government supervision and appear to be acting as federal employees. Given this, such receivership employees should be federal employees and, therefore, subject to the laws and regulations applicable to federal employees.

FSLIC officials told us that they have been restructuring receivership operations to move a number of responsibilities to FSLIC regional offices and place responsibility for key operations under regional federal officials' control. According to FSLIC, about 50 of the approximately 1,300 employees involved in receivership activities will be appointed as federal employees under FSLIC's current restructuring plan.

CONCLUSIONS

In our opinion, the contract signed by the Managing Officer and the former Property Manager was not valid because the Managing Officer did not have the authority to enter into such a contract.

We do not believe the former Property Manager should have been paid for any

work that was performed while he was employed by the receivership. Additional billings, in our opinion, should not be paid until it can be shown that the work was not done while he was employed by the receivership and there is clear evidence of a benefit to the receivership.

The lack of fair market price determinations to support the seemingly low prices for some items sold at the auction indicates to us that maximum return on receivership properties sold may not have been obtained.

The award of the contract to the former Property Manager and the holding of the employee-only auction were indicative of overall weaknesses in controls, in effect at the time, for approving contracts awarded by receiverships and disposing of assets. Given the number of receiverships now under FHLBB's control, it is important that the Board ensure that the necessary controls are in place and functioning to prevent similar occurrences in the future. Time constraints did not permit us to evaluate recent changes in policy and operations that FSLIC officials believe strengthen controls over contracting and property.

The evidence we gathered concerning the contract and the payment for work done while the Property Manager was employed with the receivership, and the auction, suggests that certain criminal statutes may have been violated.

Since FSLIC does not appoint most receivership employees as federal employees, criminal conflict of interest statutes do not apply to them. We think some of the employees should be federal employees and therefore subject to these statutes.

Lastly, a FSLIC policy on receiverships doing business with debtors in default would be useful to determine under what circumstances doing business with a debtor in default would be appropriate.

RECOMMENDATIONS TO THE CHAIRMAN, FEDERAL HOME LOAN BANK BOARD

We recommend that the Chairman instruct the Executive Director, FSLIC, to

Appoint as federal employees those receivership employees who carry out federal functions under direct federal supervision;

Make no further payments to the former FirstSouth Receivership Property Manager for any work billed absent additional information that the work was not substantially completed while he was employed by the receivership and absent clear evidence of a benefit to the receivership;

Take action to recover funds paid to the former FirstSouth Receivership Property Manager under the invalid contract for work he did or for which he was responsible as a receivership employee;

Take action to recover the property disposed of inappropriately at the employee auction; and

Adopt a policy on the circumstances and conditions under which receiverships can and cannot do business with debtors in default.

AGENCY VIEWS

As requested by the Subcommittee, we did not obtain written comments from FHLBB. We did, however, discuss the factual content of our report with FHLBB, FSLIC, and OIG officials who generally agreed with the facts presented. They also generally agreed with the recommendations we are making to FHLBB and said they have decided not to make further payments to the former Property Manager. They also said they would look into recovering the payment already made to him and recovering the property inappropriately disposed of at the auction and would consider appointing more employees involved in receivership activities as federal employees. They provided us with additional views and information, which we incorporated in the report as appropriate.

FSLIC told us that since mid-1987, FSLIC has recognized problems with receivership operations and has taken steps to gain management control of its receivership operations and to increase their efficiency, accountability, and responsiveness. These steps include appointment of a Deputy Executive Director for Asset Management and Liquidation, a reorganization of regional operations, and creation of 42 senior management positions in the regional offices to ensure more federal control over the receiverships. FHLBB and FSLIC officials added that receivership employee standards of conduct, issued May 11, 1989, make receivership employees subject to the same standards of conduct established for all federal employees. While we think this is a positive step, it is not a substitute for appointing as federal employees those employees who perform federal functions.

As arranged with the Subcommittee, we plan no further distribution of this report until 5 days from the date of its issuance unless you publicly announce its contents earlier. At that time, we will send it to the Bank Board and other interested parties and make copies available to others upon request.

If you have any questions, please contact me on 275-5074.

Sincerely yours,

BERNARD L. UNGAR,
Director, Federal Human Resource Management Issues.

APPENDIX

DISCUSSION OF ALLEGATIONS AND ISSUES

ALLEGATION REGARDING A CONSULTANT CONTRACT WITH A FORMER EMPLOYEE

One of the allegations referred to us by the Subcommittee was that the Managing Officer of the FirstSouth receivership and the former Property Manager signed at two different times improper consulting contracts. It was further alleged that acting as a consultant, the former Property Manager, submitted, or had a receivership employee submit on his behalf, erroneous billings to the receivership for his services. On June 24, 1988, the FHLBB OIG received a hotline call regarding this allegation.

FirstSouth's Managing Officer and its former Property Manager signed a contract effective June 8, 1988, for the former Property Manager to attempt to obtain 1988 property tax reductions on real estate in which the receivership had an interest. Under the terms of the contract the former Property Manager's fee was to be 30 percent of any property tax reduction obtained. In our opinion, for reasons summarized below, the contract was improper, invalid, and a violation of FSLIC policy. In addition, the fee structure set forth in the contract does not appear to be reasonable, and billings and payment under the contract were either improper or questionable.

Propriety of the contract

In our opinion the June 8th contract signed by the Managing Officer and the former Property Manager was improper. The Managing Officer did not have the authority to enter into the contract without FSLIC approval. FSLIC approval was not obtained, and an earlier proposed contract signed by the Managing Officer and former Property Manager, including tax appeal and other property management work, was disapproved by FSLIC because the Property Manager would be acting more as an employee than a contractor.

The FirstSouth Property Manager, who had also been an employee of the association, was employed by the receivership from January 20, 1987, until he resigned on June 6, 1988. In this capacity, he was in charge of the receivership's property department with several Assistant Property Managers under his supervision. His duties included property tax statement analysis to determine accurate tax assessments and to appeal property taxes where they appeared to be too high. Also, he was responsible for soliciting and reviewing bids from, and recommending the selection of, property tax contractors. He obtained bids for the 1988 tax year in March 1988 and narrowed his recommendation to one contractor. However, after reviewing the bids from prospective contractors, he told us that it occurred to him to resign and bid for the work himself. This decision, he said, was also influenced by the changing nature of his receivership duties and the uncertain future of his job with the receivership because of the anticipated relocation of receivership operations.

In April 1988, the receivership's Managing Officer and the Property Manager, who was still employed with the receivership, signed a contract for the Property Manager to be a consultant, in his individual capacity, and to do property management and tax appeal work for the receivership. The Managing Officer said she had requested the former Property Manager to provide consulting services to the receivership until a suitable replacement could be found. The contract was submitted to FSLIC headquarters for approval by the Managing Officer, but it was not approved on the basis that the Property Manager would "be working more as an employee than as a consultant, eg. far too many hours and performing actual receivership duties normally performed by an employee."

On May 27, 1988, the Property Manager tendered his resignation effective June 6, 1988. After resigning he formed a corporation in the state of Arkansas. Then, the Managing Officer signed another contract with him on June 8, 1988, which he signed in a corporate rather than individual capacity, to appeal 1988 property taxes for 26 properties in the receivership's asset portfolio.

The June 8th contract to do tax appeal work which was one of the same types of work covered under the April proposal, was never approved beyond the level of the receivership. The contract was not submitted for approval initially because the receivership's Managing Officer said she believed that since this was a contract to obtain savings, it was not a contract involving expenditures. As such, she believed it was outside of FHLBB "Chairman's Order 613," which limited the Managing Officer's contracting authority to $20,000.

Under authority of the Chairman's order, in January 1986, the Director of FSLIC's Operations and Liquidation Division (OLD), without exception, limited a Managing Officer's contracting authority for general services, such as consulting, personal and professional-type services, to $20,000. Accordingly, we believe the order applies to all contracts, regardless of their nature. Therefore, we believe that the Managing Officer acted outside of her authority when she failed to forward the June 8th contract to the appro-

priate authority for approval. Because the Managing Officer did not have the authority to enter into such a contract, and because the contract was not approved at appropriate levels, it is our opinion that it was not a valid contract.

After concerns raised by the receivership Controller were addressed to FSLIC's regional office in June of 1988 and, ultimately, to FSLIC headquarters, the Director, OLD, ordered the receivership's Managing Officer on October 17, 1988, to terminate the contract in order to avoid even the appearance of compromised standards and to determine the fees owed.

Contract fee structure did not appear reasonable

The fee structure called for under the contract between the receivership and the former Property Manager was unreasonable because there was no ceiling on the amount the former Property Manager could earn, and substantially lower bids for the work had been provided to the receivership.

The purpose of the contract was to reduce the assessed values of, and taxes on, the properties in the receivership's portfolio. Under the terms of the June 8th contract, the contingency fee for these services was 30 percent of whatever tax savings the former Property Manager could obtain. The contract did not provide for a maximum fee per property as did five other bids received by FADA and provided to the receivership's Managing Officer and former Property Manager in March of 1988. For contingency fee contracts, the bids FADA obtained and provided to the receivership contained fees ranging from 25 percent to 50 percent of tax savings, with maximum fee ceilings ranging from $2,500 to $20,000 per property. FADA recommended that the receivership select a contractor whose bid was 25 percent of tax savings with a fee ceiling of $2,500 per property. Because there was no ceiling on fees per property, the former Property Manager's fee was substantially higher than these bids, which were rejected. For example, on one property, the former Property Manager was to receive a fee of almost $31,000. Under the contract proposal FADA recommended, however, the fee would not have exceeded $2,500.

According to the former Property Manager, the fee structure he proposed gave him the incentive to work for the highest possible reductions. We believe, however, the fee structure under the former Property Manager's contract was too high and was not necessary to acquire services desired. We also found that the Managing Officer had signed at least one other contract for property tax appeals based on the same fee structure, 30 percent of all tax reductions achieved with no maximum fee per property.

Work for the receivership was done and billed for apparently without FSLIC approval of the contract.

Improper and questionable billings and payment

As of early April 1989, the receivership records showed billings under the contract totaling approximately $127,000 on 12 properties. One payment of about $69,000 to the contractor had been made for work on another single property. In our opinion, there was no evidence what the actual tax savings were to the receivership, and some of the work had been done while the Property Manager was an employee.

The detailed explanation is as follows:

For two properties included in the contract, tax appeal work was apparently completed before the Property Manager resigned and before the contract was signed. Bills for these two properties were withdrawn by the Assistant Property Manager when the Controller found that the appeals for these two properties included in the contract signed on June 8, 1988, were scheduled on June 1, 1988, 5 days before the former Property Manager's June 6, 1988, resignation.

On at least three properties, it appears that the Property Manager, while employed with the receivership, arranged for taxes to be appealed on June 9, 1988, the day after his contract was signed and 3 days after his resignation became effective. Billings were submitted for appeal work to reduce taxes for these three properties, one of which resulted in the $69,000 payment to the former Property Manager. The Deputy Chief Appraiser in the county where these properties were located told us that the former Property Manager contracted him to set up an appointment to appeal the taxes for this property and two others in mid-May, after the district sent out appraisal notices dated May 11th.

The former Property Manager said he selected his resignation date to accommodate appeal dates. The former Property Manager, while an employee, was setting up appointments in mid-May for these three properties and apparently appealed the assessments near the date of his resignation. Thus, we conclude that he was influencing when appeals would officially take place and doing at least some work, while he was employed, on properties included in his contract for which he intended to claim fees as a contractor. After approving payment of about $69,000 to the former Property Manager, which he received in November 1988 for an appeal that was heard on June 9, 1988, the Managing Officer rejected another billing because an assessment reduction was dated June 9th, and the work was very likely done before his June 6th resignation. We believe the propriety of the $69,000 fee is also questionable, and grounds may exist for FSLIC to recover the fee paid to the former Property Manager.

As of early April 1989, the receivership had billings totaling approximately $127,000 on 12 properties. The receivership's Assistant Managing Officer and the Controller informed the Managing Officer that it was their belief that much of the work was done by receivership employees, and they were not willing to approve any of the disbursements. The Assistant Managing Officer added that appeal dates do not indicate when the preparatory work was done and that the appeal work was done by receivership employees under the former Property Manager's supervision. The Assistant Managing Officer stated that to pay a former department head under these circumstances was highly questionable and contrary to the way the receivership normally did business, and he recommended that the former Property Manager be paid only for expenses that could be properly documented. FSLIC officials told us they do not intend to pay the former Property Manager for these billings.

Billings submitted under the contract prior to February 1989 were not properly documented and in these cases where documentation was available, they were based on reductions in assessed property values and estimated, rather than actual, reductions in property taxes. For example, the basis for billing and payment for the property for which the contractor was paid $69,000 was savings based on estimated, not actual, tax rates.

FHLBB and FSLIC officials told us in June 1989 that the timing of their action on the termination of the contract with the former Property Manager was due to reorganization within FSLIC, personnel turnover, and the unavailability of contract information to appropriate officials. After our discussion with the officials, FSLIC suspended the Managing Officer at the FirstSouth receivership for violations of FSLIC policies, instructions, and standards of conduct on the contract with the former Property Manager and the employee auction.

ALLEGATION REGARDING RECEIVERSHIP EMPLOYEES PURCHASING RECEIVERSHIP PROPERTY AT "BARGAIN" PRICES THROUGH "EMPLOYEE-ONLY" AUCTION

Another allegation the Subcommittee referred to us was that the receivership's Managing Officer organized and held an employee-only auction to dispose of expensive furnishings and obtained a high-value item from the failed FirstSouth savings and loan at a fraction of its original cost, as well as other items. It was also alleged that the Managing Officer requested other employees to assist her in bidding on selected items and made it clear that other employees were to refrain from bidding on the items she wanted. The OIG received a hotline call on June 24, 1988, regarding this allegation.

We were unable to substantiate allegations regarding the Managing Officer's acquisition of expensive items or her request for other employees to assist her in acquiring them. However, we found that an auction of certain receivership property, held on March 21, 1988, was limited to receivership employees and netted $7,453.50. Contrary to FSLIC policy and instructions contained in a July 7, 1986, memorandum to FSLIC Regional Directors, we found no evidence that fair market price had been established for the property, and the property had not been publicly offered for sale for a reasonable period of time prior to the auction.

Federal regulations require that an inventory of receivership property be provided by the receivership, as soon as practicable after FSLIC takeover of a failed institution, to both the Secretary to the Bank Board and FSLIC. The inventory was not available from these sources, and we were initially told that it was not available at the receivership. We asked for the inventory because we thought it might help us identify items auctioned. The inventory, showing fixed assets costing about $28 million with a book value (cost less depreciation) of approximately $22 million, was subsequently obtained from the receivership and provided to us. On the basis of our review of the inventory and the list of items auctioned, it appears that some items may have been sold for significantly less than they were worth.

The announcement for the March 21, 1988, auction listed such items as lamps, pictures, rugs, and miscellaneous items to be sold to the highest bidder. A handwritten list of items sold at the auction, provided to us by the receivership, does not show the original price paid by FirstSouth, a current appraised value, book value, or any other information from which we could reasonably estimate market values of the items sold.

We compared the takeover inventory with the list of auctioned items, but we were unable to match most of the items because the list of auctioned items did not include unique serial numbers or other specifically identifying information. No effort was made

to describe items on the auction list as they appeared on the takeover list.

We did find, however, two cases where items on the inventory appeared to match those on the auction list. In one case, the takeover inventory lists a category of eight rugs, most of which appeared to be Oriental, purchased by the institution during 1984 and 1985 for $19,479.95 with a book value of $14,796.32. From the auction list it appears that all eight of the rugs, plus two we could not identify, were auctioned for a total of $2,245. In another case, two camera systems were auctioned for $105 and $75. The takeover inventory shows eight such items costing a total of $10,500, or $1,312.50 each, based on our calculations, with a book value of about $740 each.

In response to our question regarding the allegation that the Managing Officer preselected items for herself and had other employees bid on them, she said there was no substance to the allegation. She said she had only purchased a couple of pictures and a small table for a total cost of about $100. Our review of the auction's cash receipts register showed her purchases totaled $120. However, because we could not continue our work long enough to determine whether the Managing Officer enlisted the services of other employees, we could neither refute nor support her claim.

An examination of the two examples and the two lists, plus the fact that receivership staff responsible for liquidating the inventory apparently did not provide it to appropriate FHLBB and FSLIC officials, contrary to federal regulations, indicates that previous controls over relationship property were not effective. Further, in the absence of appraisals or other outside estimates supporting the seemingly low prices for the two examples shown above, the Managing Officer failed to follow FHLBB policy and may have failed her fiduciary duty to obtain the maximum return to the receivership. FSLIC officials told us that the restructuring of their regional operations and a new policy and new procedures they have adopted strengthen controls considerably. FSLIC policy now prohibits employees from purchasing any receivership assets. Also, FSLIC officials said they were exploring the possibility of recovering the property inappropriately auctioned.

UNSECURED LOAN TO A DEBTOR IN DEFAULT

While we were working at the FirstSouth Receivership, an allegation was made to us that FSLIC breached its fiduciary responsibility by directing the receivership to grant an unsecured loan for $200,000 to pay attorneys' fees for services related to the sale of a major property owned by a debtor in default. A law firm in Little Rock was to be paid $142,000, and a law firm in Fairfax, Va., was to be paid $58,000. The same debtor, through the same attorneys, was seeking approval from FSLIC to reduce his total debt to the receivership from $37 million to $29 million.

Problems with this debtor existed when FirstSouth was an operating savings and loan. Documents obtained from the Federal Home Loan Bank of Dallas listed this debtor as one of the principal stockholders of the savings and loan who obtained loans in excess of the amounts permitted under 12 C.F.R. 563.9-3, "Excessive Loans to One Borrower," and the bank examiners considered the loans unsafe and unsound.

We found that FSLIC officially approved the $200,000 loan at the national level after the legal services had been rendered and after the property, in which the receiver had an interest, had been sold. According to the minutes of the meeting of the FSLIC Committee that approved the loan, repayment of the $200,000 was to become part of the overall negotiations that involved the $8 million debt reduction on loans the borrower in default owed the receiver. The minutes did not state a justification for the loan or the reason for including it in the overall negotiations with the debtor, nor did the minutes indicate whether or not the loan was secured. FSLIC officials told us that minutes do not normally include justifications for loans.

In June 1989, a FSLIC official said the loan was approved unofficially before settlement on the property and that the sale of the property would not have gone through unless the loan were made because net proceeds from the sale were insufficient to pay the debtor's attorneys. According to FSLIC officials, the loan was made to minimize the receivership's losses against the borrower on other loans, many of which were in default. Further, documents provided to us by FSLIC showed that the loan was secured by a $1 million escrow account established to pay off any creditors of the property.

Because of time constraints, we were unable to fully evaluate the propriety of the loan and its criticality to settlement on the property and the ultimate benefit to FSLIC. Negotiations with the debtor on his total debt to the receiver were still in process as of June 1989. FHLBB's OIG had received an anonymous call regarding this situation and has an investigation in process.

ALLEGATION CONCERNING THE PURCHASE OF INSURANCE FROM A CONTRACTOR IN DEFAULT TO THE RECEIVERSHIP

The Subcommittee requested that we look into an allegation from an anonymous source that a debtor, while in default, contracted to sell insurance to the receivership. According to the allegation, the debtor, a personal friend of two receivership employees, received premium payments for 2 years while negotiating to write off his debt.

Termination of our work at FirstSouth precluded us from fully evaluating this allegation. However, vendor files show that between December 30, 1986, and March 24, 1989, the receivership disbursed $535,845.50 for premium payments to the contractor who insured the receivership's property and the property of FirstSouth when it was an operating savings and loan. Documentation showed the contractor's debts to the receivership totalled $2,570,903 on February 1, 1989, with only one loan with a balance of $61,541 not in default. The remaining loans had apparently been in default since FSLIC's takeover of FirstSouth. A plan prepared by the receivership and approved by FSLIC's Eastern Regional Office in February 1989 outlined a settlement between $960,000 and the contractor's offer of $810,000. Not included in the settlement was $98,334 to be pursued against a second guarantor on that specific loan.

According to the receivership's Managing Officer, the recommended settlement, while probably not a good one, was the best that could be obtained. The Managing Officer did not believe that doing business with a debtor was unusual, since selection of the contractor was based on competitive bids. The Managing Officer also said that one of two employees whose duty was to evaluate bids and recommend an insurance contractor was a personal friend of the debtor.

We were unable to review the selection process. Documentation provided to us by FSLIC in June 1989 showed that bids were obtained, but it was inconclusive as to whether the contract was approved at appropriate levels. Neither were we able to obtain details of the final settlement with the contractor or find any laws, regulations, or policies prohibiting a receivership from contracting with a debtor in default. We discussed this issue with FSLIC officials who agreed that a policy covering such situations would be desirable.

THE FHLBB/OIG INVESTIGATIONS OF ALLEGATIONS OF IMPROPRIETIES AT RECEIVERSHIPS

The FHLBB's OIG is responsible for doing investigations at FSLIC receiverships. In fiscal year 1988, the Inspector General started 4 investigations into receiverships, and in fiscal year 1989 (as of May 22, 1989) started an additional 18 investigations. The allegations included mismanagement of receivership property, theft of government funds and property, conflict of interest, preferential treatment, unauthorized use of position, fraudulent conduct, and disclosure of confidential information.

The outcome of many of these investigations is still not known. One of the four cases in fiscal year 1988 was referred to an Assistant U.S. Attorney for possible further action, and the remaining three were referred to other units within the Board. As of May 22, 1989, 13 of the 18 cases started in fiscal year 1989 were still under investigation or review, 4 were closed with no violations found, and 1 had been referred to the Federal Bureau of Investigation and the U.S. Secret Service.

Investigation of allegations of improprieties at FirstSouth

On June 24, 1988, the OIG received hotline allegations from an unidentified source regarding the employee-only auction at FirstSouth, the attempts by the FirstSouth Managing Officer and former Property Manager to enter into improper consulting contracts, and the submission by the contractor of erroneous billings. The OIG declined to investigate the auction because, on the basis of discussions with Bank Board OGC and other officials, the OIG determined that no laws, regulations, or policies would have been violated since receivership employees are not federal employees. The OIG did investigate the alleged improper contract and erroneous billings. But, according to its January 12, 1989, report, the OIG was unable to identify any laws that "would have been violated" as described in the anonymous allegations because, as with the auction, receivership employees are not federal employees. The OIG consulted with the FHLBB's OGC during the course of its investigation prior to issuing its report. As previously discussed, the OIG has an ongoing investigation of circumstances surrounding a loan to a debtor in default to the receivership.

On January 12, 1989, the OIG issued a report regarding allegations involving FirstSouth Receivership staff, which stated that the first contract was proposed to the former Property Manager by the Managing Office but disapproved by FSLIC. The OIG report further stated that the Managing Officer and the former Property Manager did enter into a second contract after the first one was disapproved whereby the former Property Manager was to receive 30 percent of all tax reductions as his fee.

The report also stated that the OIG could not determine whether the former Property Manager had submitted a bill to the receivership for work on two properties that was accomplished in March 1988 while he was

still employed by the receivership. Inconsistent statements from the Assistant Property Manager, the Managing Officer, and the former Property Manager as to whether the former Property Manager or the Assistant Property Manager submitted the billings prevented this determination, according to the report.

The OIG declined to investigate the auction because, according to the OIG documents, the Director of OLD told OIG staff that policies and procedures do not prohibit this practice, and since receivership employees were not federal employees, no laws or regulations would have been violated by such actions. The OIG further stated it would be difficult to determine the fair market value of the items and the loss to the government. According to OIG documentation of a meeting between OIG and FHLBB OGC officials, OGC officials said it is unclear whether there is anything improper with limiting access to an auction of the receivership's assets to employees. According to OIG documentation of the meeting, OGC officials further said it might be considered a breach of the Managing Officer's fiduciary duty if the assets were sold at significantly less than their fair market value, but the officials said this is a judgment call.

When we met with an OGC official who attended the meeting between OGC and OIG officials, he confirmed what was said at the meeting. During a meeting in June with FHLBB officials to discuss the facts presented in this report, the OGC official said that the auction was clearly improper, and he had been under the impression that the auction was to be a public auction. As discussed previously, FSLIC policy contained in a memorandum in FSLIC Regional Directors prohibited the sale of property to receivership employees unless a fair market price had been established and the property had been first offered for sale publicly for a reasonable period of time.

After consultation with the FHLBB OGC and review of available documentation, the OIG was unable to identify any laws that would have been violated as a result of the circumstances described in the allegations and requested that OGC review its report for violations of the agency's standards of conduct. OGC stated that because receivership employees are not FSLIC employees, they are not subject to the conduct standards mandated for FSLIC staff. The OIG, therefore, closed its investigation into these allegations.

The OIG's report on, and/or workpapers for, its FirstSouth investigation contained sufficient information to show us that the contract was improper, the billings and payment under the contract were improper or questionable, and an employee-only auction took place. On the basis of our review of the OIG's report and its workpapers, we believe the contract billings and the auction may have violated criminal statutes. We could not determine whether or not sufficient documentation was provided to, or requested by, the FHLBB's OGC for it to determine that violations of criminal statutes may have occurred.

In June 1989, an OIG official explained to us that, generally, investigations are not initiated unless laws or regulations appear to have been violated, and based on OIG discussions with OGC officials, no laws or regulations were violated. The OIG official explained that at the time of the OIG review, it appeared that the indications of problems were more appropriate for audit rather than investigation, and plans were underway to audit controls over receivership property. Investigation reports, the official explained, do not contain recommendations for corrective actions. Time constraints did not permit us to fully evaluate the OIG's involvement in the FirstSouth allegations.

OBJECTIVES, SCOPE, AND METHODOLOGY

As agreed with the Subcommittee, we assessed 3 of 16 allegations of wrongdoing the Subcommittee referred to us concerning FSLIC's FirstSouth Receivership in Little Rock, Arkansas, and 1 allegation we received while working at the receivership.

Our objectives were to review the four allegations discussed above to determine whether improprieties occurred. We could not fully explore all aspects of the allegations because of the Subcommittee's time constraints. We did our work at the FHLBB and FSLIC headquarters in Washington, DC., and at the FirstSouth Receivership in Little Rock, Arkansas. To determine whether the OIG had addressed the allegations we received, or similar allegations, we reviewed the OIG's files on investigations done at receiverships, including FirstSouth. Because the status of receivership employees as nonfederal employees had an impact on the results of the OIG's investigation, we also addressed the issue of whether receivership employees should be appointed as federal employees.

In reviewing each allegation, we interviewed current and/or former FirstSouth Receivership employees, including the Managing Officer and former Property Manager, and reviewed records at the receivership. We interviewed FHLBB and FSLIC officials to obtain information on the operations of receiverships in general, and specifically FirstSouth. We also reviewed applicable laws, regulations, and internal orders and procedures. Our work was done between March and June 1989, in accordance with generally accepted government auditing standards.

Mr. PRYOR. Mr. President, in conclusion I thank the General Accounting Office for their very prompt and efficient reply to my request to look into these two particular matters that I am bringing to the attention of the Senate at this time.

VISIT OF PRIME MINISTER BRIAN MULRONEY OF CANADA

Mr. KENNEDY. Mr. President, last month I had the honor of welcoming Prime Minister Brian Mulroney of Canada to President Kennedy's Library in Boston. My family and I were especially touched by the Prime Minister's warm words about the influence of President Kennedy on his decision to enter public service.

I believe that Prime Minister Mulroney's remarks will be of interest to all of us in Congress, and I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NOTES FOR AN ADDRESS BY THE RIGHT HONOURABLE BRIAN MULRONEY, PRIME MINISTER OF CANADA, JOHN F. KENNEDY PRESIDENTIAL LIBRARY, BOSTON, MA, MAY 3, 1989

I can remember clearly the first time I heard Senator John F. Kennedy.

And I can remember, transfixed, precisely the moment of his death.

My experience was not unique.

It could be repeated today by millions of young men and women around the world.

What was it then about this young leader that so captivated us all; what was the special quality about President Kennedy whose memory, even today, evokes images of joy and gentle humour, of principled leadership and burdens being shared—and whose call for excellence in government struck responsive chords in the hearts of an entire generation, from social democrats in India to Progessive Conservatives in Canada.

I thought initially my delight in his success was vicarious in nature.

After all, who could blame a teen-aged Irish Catholic from Canada, whose parents were named Mulroneys and O'Shea, for a feeling of enormous pleasure at the remarkable achievements of a graceful young Senator, whose parents were Kennedys and Fitzgeralds.

I used to muse that perhaps they had all been friends one day long ago or that they had known each other in the old country, before dreams actually came true on a continent far away.

There must have been a connection, if only a sentimental one, to explain the strong, almost tribal admiration I felt for a leader I had never met.

His election to the Presidency of this great Republic was, for me, remarkable in its impact.

It was, I believed, the culmination of a political initiative highlighted by great daring and uncommon skill.

The prophet Joel has said that "young men have visions and old men dream dreams".

By capturing the Presidency, John Kennedy did more than define a vision for his country.

He produced a rare moment in the life of America, quite unlike anything the Nation had seen before.

For an inexperienced Canadian observer of declared bias, it appeared to be a time of high excitement, and indelible memories.

There were setbacks and moments of great sadness but somehow they never gained the advantage over the image of a leader who shouldered the blame himself and who urged his nation on to more noble accomplishments.

The elegant words and the compelling images roll past, in my mind's eye, even today.

Especially today.

President Kennedy's obvious concern for the disadvantaged in Appalachia; a visceral commitment to civil rights and the dignity of man; a modern view of the world, combined with moderation in the deployment of American might, an unshakeable resolve at times of grave international crisis; a White House that seemed to glow with the sparkle of children's laughter—these are, for me, cameos of a man and his Presidency, which acquire added luster with the passage of time.

There have been outstanding world leaders in every generation.

In my judgment, what set President Kennedy apart was the vigor of his leadership combined with the moving eloquence he used to fashion it. It was the instinctive empathy one felt for a young leader and his beautiful family, who represented much of the hope one has for his own; and it was the poignant summons to high achievement when it all began and the overpowering sorrow with which it came to an end.

James MacGregor Burns has written of the "transforming" leader who "raises the level of human conduct, . . . who responds to fundamental . . . hopes and expectations and who may transcend . . . the political system rather than simply operate within it."

President Kennedy was able to do precisely that.

He was able to alter history and the great sweep of human events.

He was able to provide leadership that has transcended national boundaries and international ideologies.

He was able to touch the elderly and inspire the young.

Few leaders in history, in a brief lifeitme, have achieved so much.

La vie du Président Kennedy, qui a servi de modèle à toute une génération, continue encore aujourd'hui d'inspirer la jeunesse engagée, ici et à travers le monde.

C'est la preuvel la plus éclatante des dons exceptionnels de ce jeune homme que la mort a fauché en pleine gloire.

Ted Sorensen has written that "virtually every politician is willing at the slightest invitation to describe the qualities required for a great political leader; and inevitably they bear a remarkably striking resemblance to the very qualities he possesses himself."

I think however that most of us are ready to draw the line somewhere.

Advancing age and the scars of election battles eventually take their toll on all of us and unduce either realism or modesty and sometimes a combination of both.

In fact, neither virtue is needed to remind any practising politician worth his salt of the uniqueness of the legacy of John F. Kennedy.

Speaking at a White House dinner last year, I pointed out that:

"Every leader of a democracy knows the turbulence and the challenge that free societies exemplify."

"Every leader knows the joys of high accomplishment and the sadness of hopes unfulfilled".

"But history is usually generous to those who showed leadership, who brought prosperity, who strengthened freedom and who kept the global peace."

President Kennedy, has for all times, joined the ranks of world leaders who have done these things, acquiring in the process the elusive mantle of greatness.

I am here today, as Prime Minister of Canada, a nation whose relationship with the United States of America was described by Winston Churchill a half century ago as "an example to every country, and a pattern for the future of the world."

But I am here today as well as an individual whose life was touched and whose career was influenced by President Kennedy—a happy, human man who exemplified not perfection, but purpose—and who brought to the notion of public service a sense of excitement, and a degree of nobility, rarely equalled in the records of time.

All who new President Kennedy—and those who did not—celebrate today his genuine achievements, as we salute his special talents that made it all possible.

Long after critics grow mute, the accomplishments of this gifted young man from Massachusetts will continue to grow, as history grants them both perspective and permanence.

I am honoured to be in your company today, to add, on behalf of all Canadians, words of recollection and admiration for John Fitzgerald Kennedy.

As long as freedom flourishes and flowers grow, he will be remembered with affection.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to remind and inform my colleagues that today marks the 1,557th day of Terry Anderson's captivity in Beirut.

A brief report appeared in Newsweek on May 16, 1988, and queried, "Now, What About the American Hostages?" I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOW, WHAT ABOUT THE AMERICAN HOSTAGES?

(By Russell Watson):

Life in captivity alternated between fear and boredom. When the hostages weren't being beaten or humiliated, they rotted in their cells. One former prisoner, Marcel Fontaine, said he "passed the time by playing dominoes and chess with my cell mate." Asked who that was, he replied: "the American, Terry Anderson." The stories told by the three French hostages who were released last week shed some new light on the conditions in which nine Americans and a half-dozen other foreigners are still being held by pro-Iranian terrorists in Lebanon. But whether the freeing of the Frenchmen sets any hopeful precedent for release of the American hostages remains very much in doubt.

Anderson, 40, is the journalist who was kidnapped in March 1985 and has been held the longest. The sister of one former captive, Jean-Paul Kauffmann, told a reporter that the Americans were "maltreated" after trying to escape. She said Kauffmann had shared a cell with American Frank Herbert Reed, who was "left prostrate" by a beating. Later, Kauffmann disavowed his sister's story, apparently out of concern for the safety of the Americans.

NO REWARD

Their ordeal appears to be far from over. The Reagan administration, burned by the Iran-contra scandal, flatly refuses to negotiate for their freedom, arguing that Iran should not be rewarded for trading in human lives. That leaves some hostage relatives feeling abandoned. "It's easy to talk about foreign policy and stopping terrorism," Peggy Say, Anderson's sister, said on ABC's "Nightline." "But this is my brother that's being held. These are other American citizens. And I have to ask for them, don't they deserve better than being sacrificed to future long-term foreign policy in the Middle East?"

But even if Washington wanted to make a deal, the Iranians might refuse. "It's not at all clear Iran wants to improve relations with the U.S.," says Brian Jenkins, a Rand Corp. expert on terrorism. "We remain the Great Satan . . . a convenient enemy." In an interview on PBS, Henry Kissinger said Washington should "organize a campaign against terrorism, as there was against piracy in the early 19th century." He said America should insist on the release of the hostages before it will even consider Iranian demands.

HIGH PROFILE

Kissinger thinks Iran may have its price, including the release of embargoed U.S. military equipment purchased by the deposed shah. But James Bill, an expert on Iran at the College of William and Mary, says that when regimes like Iran's are backed into a corner, they cannot be persuaded by "intimidation or confrontation." Instead, he says, Washington should reduce its "very high profile position in the Persian Gulf" and adopt a policy of "patience and creative diplomacy." The administration, however, is not about to soften its position. Any such change in the U.S. stance would require a reduction of tensions in the gulf—and won't even be considered until a new president has taken office.

DURENBERGER ACID RAIN SPEECH

Mr. MITCHELL. Mr. President, on June 12, 1989, the senior Senator from Minnesota gave a speech in Canada on an issue of great interest to that country and to me: acid rain. I am introducing his statement in the RECORD today because I believe it is a thoughtful discussion of acid rain issues that teach of us should consider.

I commend my colleague for his efforts in support of acid rain controls and look forward to working closely with him this Congress to enact acid rain legislation. After 8 long years, the time has come to pass a bill.

Mr. President, I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR DAVE DURENBERGER, CANADIAN COALITION ON ACID RAIN, TORONTO, CANADA, JUNE 12, 1989

During his campaign for the American presidency in the summer of last year, George Bush said:

"The time for study alone has now passed. We know enough to begin taking steps to limit future damage. As president, I will ask for a program to cut millions of tons of sulfur dioxide emissions . . . and to significantly reduce nitrogen oxide emissions as well."

Today, President Bush began to fulfill that promise by proposing specific revisions to the U.S. Clean Air Act that will accomplish the objectives he outlined.

It is an historic day for the relationship between our two Nations. It is in part due to your diligent efforts and those of your Government that we Americans will enjoy cleaner air again. And so, we thank you.

But more important, this day begins the end of the long invasion of air pollution from our industrial heartland that has despoiled your most precious natural resources. And so, we celebrate with you this promised truce which will end the scourge of acid rain.

EFFECTS OF ACID RAIN

The President was right to note that we have studied the problem thoroughly. We know the effects of acid rain all too well.

In the eastern United States about 11,000 lakes are highly vulnerable to acid damage. 3800 already have low pH levels and 1100 have been acidified. The effects on streams are even more severe. There more than 25,000 streams in the eastern U.S. that have been damaged with 3300 practically dead.

In Canada, of the 300,000 lakes that are vulnerable to acid rain, one-half are already damaged and 14,000 have been acidified to the point that they do not support fish populations.

Acid rain may also be having severe effects on our forests. In 1985 I traveled to West Germany, Sweden and Switzerland to talk with forest experts on the condition they call Waldsterben—forest death. I recall looking at Swiss mountains where the forest damage made a clear line at the elevation of normal cloud formations. Clouds saturated with acid rain.

I came home to find the same effects on Mt. Mitchell in North Carolina and Camel's Hump in Vermont. Complete death of the forest at the highest elevations. Sugar maple, red maple, yellow birch and beech are also showing signs of decline—most probably caused by air pollution—throughout New England and southern Canada.

In recent months, this debate has involved human health. The acid aerosols—the sulfates and nitrates—that are the precursors of acid rain may be drawn deep into the lung aggravating asthma and other bronchial diseases and making the lung more susceptible to infection. Studies in both the U.S. and Canada show hospital admissions rising significantly on days when the regional haze of sulfates and other pollutants is particularly severe.

You have all heard many times the toll of acid rain damage.

NEEDED REDUCTIONS IN SULFUR EMISSIONS

Based on the early evidence of these effects, the U.S. National Academy of Sciences issued a report in 1983 recommending a 50% reduction in sulfur dioxide emissions from the levels experienced in 1980 over the eastern half of the North American continent. NAS concluded that reductions of this magnitude were necessary to protect our most sensitive lakes and streams from further acidification.

There was a small group of senators and congressmen who took this report to heart. A 50% reduction has been our goal ever since. It is a proposition that remains our guiding principle today.

The Canadian Government came to that same conclusion after thorough study. Your nation is committed to a 50% reduction in the eastern provinces by 1994 and has sought a similar reduction in the transborder flows of acid precursors from the United States. Considering that 3.8 million tons of SO_2 moved across the border in 1980, a reduction and cap at about 2 million tons in the transborder flow has been the Canadian objective in the many conferences and discussions that have been held throughout this decade.

PRESIDENT BUSH'S ACID RAIN PROGRAM

The acid rain control program that President Bush proposed today will achieve a reduction of approximately ten millions of sulfur dioxide emissions—that is in the total emissions, not transboundary pollution—compared to levels experienced in 1980. It will also achieve some small reductions in the release of nitrogen oxides.

The program would be implemented in two phases. The first phase will be in place by 1995 and will eliminate five million tons of SO_2. One million tons of that has already been achieved. And the remaining four million tons will be accomplished by controlling our 20 largest electric utility powerplants.

In the second phase, with a target of the year 2000, a much larger group of powerplants and industrial boilers will be controlled achieving the second five million tons of reductions. This phase may be extended to 2003 for plants that need extra time to adopt innovative pollution control systems.

As expected, the President has included the option of emissions trading in his proposal. This is intended to reduce the cost of the program. It is a complicated notion, but has the potential to save a great deal of money. Let me give an example of how emissions trading might work.

Suppose we had just two powerplants both of which emit 100 tons of SO_2 per year. And also suppose that we ordered both of them to reduce their emissions to 50 tons. It may be the case, because of their location or coal markets or the design of the plants, that reductions would be much cheaper at one plant than at the other even though the reduction requirement is the same amount in tons.

Knowing that control costs are not the same per ton at each plant, we might save a great deal of money by reducing emissions at one of our hypothetical plants—the cheapest one—much more, to 30 tons, while controlling the other plant only modestly to 70 tons. We've achieved the same overall reduction, but by adjusting the assignments to each plant—not 50/50, but 30/70—and making the larger reduction where it's cheaper—we've reduced the overall cost.

Under this emissions trading proposal each plant will be assigned a limit on the number of tons of sulfur dioxide that it can emit each year. But a plant can be over its limit if it can be allowed from another who can afford to do more than its share of the reductions.

CAN IT MEET CANADA'S NEEDS

This is more than esoteric powerplant economics for Canada. Your concern is transborder flows of acidic compounds in the atmosphere. And emissions trading can have a significant impact on transborder flows.

Let us suppose that all of the plants that can be controlled cheaply are down in Florida and other southeastern states. And that all the plants that are expensive to control are up here in states near the Canadian border.

With emissions trading you could see the northern plants controlling less than average while paying the southern plants to control much more than the average. We would still get our overall ten million ton reduction, but the impact on transborder flows would not be substantial because most of the reductions would occur hundreds of miles from the U.S.-Canadian border.

In reality, it appears that the economics are just the reverse. The plants that are cheapest to control are those in the Ohio River Valley—up here near the border—which contribute the most to the transboundary pollution problem. They are in the region of the U.S. where high sulfur coal is mined. They have no scrubbers or other pollution control systems.

Because they are so very dirty and because they have made absolutely no effort to cleanup in the past, emissions reductions in this region are much less expensive than in other parts of the U.S. One can make a big difference with a small investment in the Ohio Valley.

Canada may be a major beneficiary to this emissions trading scheme that has been designed to reduce costs. First, the Ohio Valley plants will be required to install controls to get their share of the ten million ton reduction. And on top of that, some will be paid by other plants in other regions of the U.S. to make even greater reductions, because it can be done more cheaply in the Ohio Valley than elsewhere.

A 10 million ton reduction in SO_2 emissions is not 50% of our 1980 levels. It is about 40%. It is, thus, not equivalent to the program that Canada is already implementing. It is smaller than your effort. Nevertheless, transborder flows may be reduced by 50%, if this emissions trading option concentrates reductions near the border. And preliminary analysis of the President's program points in that direction.

OTHER CONCERNS

There is some irony in all of this for my home State of Minnesota. Some of the states recognized the acid rain problem long ago and implemented programs of their own to reduce emissions.

Minnesota is one of those states. We've already achieved a 50% reduction in our SO_2 emissions. We did so because of the Boundary Waters Canoe Area, a wilderness on our border that becomes Quetico on your side, with lakes very sensitive to acid deposition.

And we took the least cost strategy that I've described. We didn't control every plant. Some that were old and small were left uncontrolled, while emissions were reduced substantially at the big, new units where it was most cost effective. They are burning the lowest sulfur coal and are at the same time equipped with highly efficient scrubbers. Those new plants are squeaky clean.

But we apparently won't get credit for those efforts. Our old dirty plants will be assigned a tight emissions limit like every other plant in the country. And we won't be able to use the plants we've already cleaned up as a trade. A plant only gets credit for overcontrol under the President's program, if it's currently dirty. That means Minnesota will be buying emissions reductions from the Ohio Valley, too.

And there's the irony for my State. We have already accomplished the 50% reduction. We have a deposition standard in Minnesota that is 11 kilograms of wet sulphate per hectare, about half the Canadian standard. We've spent several hundred million dollars buying scrubbers and low sulfur coal. And now we will be required to buy air pollution credits from the owners of the dirty plants in Ohio. The failure to give some credit to those who went first is a concern.

I have other concerns with the President's program. It is not clear how it will deal with growth in emissions after the year 2000. As new plants are built to handle increasing electricity demand, they will add new sulfur dioxide emissions. No doubt they will be much cleaner than the old plants. But growth can be expected. How that growth is offset so that we stay at 10 million tons less than 1980 levels—and do not exceed 2 million tons in transboundary flows—is a critical question.

Second, I am concerned about a slippage in the deadline. Canada is implementing a 50% reduction by 1994. The President's pro-

VOL 135 PT 9 JE 14 — 22 1989 UMI

gram is a 40% reduction by 2000. Maybe. And I say maybe because there appears to be room for further delay. Our bottom line must be 10 million tons by the year 2000 with no backtracking on that commitment.

ACID RAIN AND THE CONGRESS

President Bush has made an historic step toward clearer air and cleaner water. But as we commend him for his commitment, there are two things to keep in mind.

First, the President does not have the power to implement this proposal. Before anything can be done, our Congress must pass a law.

And second, the President has no power to schedule the consideration of bills in our Congress. He and his program are now at the mercy of an institution that has two houses, 535 members and no real leader, because it has so many leaders.

The U.S. system of government was intended to prevent laws from being enacted, unless they are absolutely needful. The President can't tell the powerplants to make these emissions reductions unless Congress authorizes him to do so. And it hasn't, yet.

With the Congress, we have a series of rules and procedures which are designed to protect the interests of minorities who feel intensely on an issue. We don't want them trampled by the passing fancy of a careless majority. A few members of the Congress who are very strongly opposed can block action on a proposed law for years, if they are sufficiently committed.

And on the issue of acid rain, there are a few members who are determined to block action. They come from the handful of states in our Midwest which produce high sulfur coal. That coal is burned in large powerplants with tall stacks which account for the largest share of the problem. Cleaning up those stacks with pollution control technology like scrubbers would cause electricity prices for their constituents to increase dramatically. Using cheaper, low sulfur fuels would close down the high sulfur coal mines where many of their constituents work.

A million ton reduction in sulfur dioxide emissions will cost the U.S. about $4 billion per year. It's true that this is a small amount per person, about $25 for each American. But it's not spread evenly like that. Most of the cost is concentrated in the four or five states which produce most of the emissions. We don't have one great big utility for that whole region. We have many, so the cost is not spread broadly. It is concentrated on a few Americans in a few states.

Given these economic facts, it is understandable that the senators and congressmen from those states would try to block legislation that would require reductions. There is, of course, a group of members on the other side. Those from the New England states, where the acid rain falls, have bene pushing for a sulfur dioxide control law for almost ten years now. But they have been blocked by those from the region which would pay a disproportionate share of the cost.

This is not a partisan issue. It is not Republicans against Democrats. I am one Republican who consistently opposed Ronald Reagan on acid rain. And there were Democratic leaders of the Congress who were his constant allies on this question. It's a regional issue—one part of the country against the rest.

President Bush's support for action makes some difference in this congressional struggle. It is not decisive. He has no role in scheduling a bill for consideration. But he focuses public opinion and press attention on the debate. When the President takes a strong stand for action, as President Bush did today, it usually means the majority is also becoming determined—has decided that a law is needful.

And I think the high sulfur coal states are now ready to concede that an acid rain control program is inevitable—that the majority will is determined enough to set aside the narrow concerns of a few states for the good of the whole. Coal state senators are now describing acid rain programs that they might support. Those proposals might generally be described as smaller and later than the President has proposed.

Rather than ten million tons, the coal states and utilities are proposing eight million tons. And rather than the year 2000 as a target date, they are proposing 2003 or 2005. A smaller, slower program is now their goal.

But we should not compromise on these questions. Ten million tons by the year 2000 is a must. Rather than compromise the program, we must look to other means which address the concerns of the high sulfur coal states. An acid rain control program should include assistance from the national government to help pay for the cost of the pollution control equipment. We can have a cleaner environment and protect the jobs and electricity consumers of the high sulfur coal states, if the whole nation will help pay for the cost of scrubbers and clean coal technology.

A CANADIAN-U.S. AIR POLLUTION AGREEMENT

Before leaving the subject of the U.S. legislative process, I want to make a comment on the possibility of a Canadian-U.S. accord on acid rain. I know that your Government has a strong interest in negotiating an agreement and I believe it might have value.

There are two kinds of agreements that our President is authorized to negotiate. One is a treaty. It is a formal agreement that has the force and effect of law in the United States. If our two nations made a treaty calling for emissions reductions at powerplants, the U.S. powerplants would be legally required to do so.

But a treaty must be approved by the Senate by vote. And it must carry by a two-thirds majority. Considering the intense regional opposition on acid rain, it may be easier to pass a law that requires only a simple majority than to ratify a treaty where two-thirds of the Senate must approve.

The other kind of agreement is called an accord. It is an agreement between the executive parties—the President and the Prime Minister—of the two governments. It establishes policy for the United States Government. But it does not establish law. If the President has been previously authorized by the Congress to carry out the provisions of an accord, he would be obligated to do so by the agreement. But if he has not been authorized by the Congress to take the actions that an accord specifies, all the President can do is ask the Congress for the authority. That is, ask the Congress to pass a law.

Before today, calling for an accord between the two governments on this question was an effective way to push our President to make up his mind and take action. Negotiating an agreement is a way to help the President shape his policy and sell it to the Congress.

But now that he has put a proposal on the table, the President is not really in a position to negotiate on the proposal with Canada. As I hope I've made clear, beginning today, he is in the process of negotiating with the Congress.

Nevertheless, I think there is a role for an executive agreement between the two nations. We might call it the third phase of the American program. The President has proposed five million tons in the first phase and five million tons in the second. But we still won't reach our goal of a 50% reduction from 1980 levels. We don't know whether the ten million tons will be sufficient to protect our most sensitive resources. And there is the problem of growth. How much additional loading from new plants can be tolerated?

Canada has already invented a system for answering these questions. You have established a deposition standard of 20 kilograms per hectare per year of wet sulphate. This is not a limit on emissions, but a measurement of the amount of sulfur that comes back to the earth in a specific area. Any loading over the 20 kilogram level will presumably threaten the resources where the excess load occurs.

These deposition standards can be easily tracked to detect excess acid loadings. Monitoring stations for deposition already dot the landscape. If, after our emissions reductions programs are fully implemented, excess loadings still occur, more reductions will be necessary.

We need a piece like that—a deposition standard—as the third phase of the U.S. program. It's a way to verify the effectiveness of our emissions reductions. And it may also create a cap on new growth. It would be most helpful if your Government would seek agreement to implement a deposition standard for the sensitive resources of the North American continent. This would be the final phase of the war on acid rain to be implemented jointly by both nations after the year 2000.

THE ENVIRONMENT IS AN INTERNATIONAL VALUE

In fact, international agreements of this kind will be a much more important aspect of environmental protection in the future. Recently, we have seen an agreement to protect the ozone layer from the effects of chlorine compounds high in the stratosphere. That was followed by an international agreement to freeze the transboundary movement of nitrogen oxides. And recently, thirty nations initiated an accord on the export of hazardous wastes.

The nitrogen oxides agreement has laid the foundation for a multinational agreement on deposition of acidic compounds and the definition of critical loads for sensitive resources. Canada can be justifiably proud for the leadership that it has provided in developing these concepts.

So, it's been a very good day for the relationship between our nations and for the resources of our continent. I am very honored that you have invited me here to be your guest today. I could have been at the White House this morning, instead, with the President as he made this historic announcement.

But I am happier being here with you. Happier because I can say thank you for all your efforts to bring us this much closer to clean air. Happier because I can celebrate with you the promise of a better day for our lakes and streams and forests—for the health of our children—and for the friendship which will always bind our people together in these great endeavors.

RETIREMENT OF LANDO W. ZECH, JR., CHAIRMAN OF THE U.S. NUCLEAR REGULATORY COMMISSION

Mr. BURDICK. Mr. President, on June 31 of this year the term of Adm. Lando W. Zech, Jr., the current Chairman of the U.S. Nuclear Regulatory Commission, will expire. I would like to take this opportunity to thank Admiral Zech for a job well done.

Admiral Zech has established a reputation for honesty and integrity while at the NRC. This reputation is well deserved. He has always done what he thought was right for the NRC and right for the country.

The NRC deals with some of the most difficult decisions we face. Most of the NRC's decisions are very controversial, and the debates are very emotional. All too often the job of the NRC is a thankless one. So it is important to remember to applaud those who serve in the NRC when it is earned.

Recently, Admiral Zech has led the NRC into several controversial rulemakings—on standardization and licensing reform, fitness for duty, and maintenance. His leadership in these areas has been strong and commendable. I hope that the Commission will continue with the course he has set on these initiatives.

At this time, I also would like to congratulate Admiral Carr, who the President has nominated to succeed Admiral Zech as Chairman of the NRC. I look forward to working with Admiral Carr on the nuclear issues we will be facing together.

Admiral Zech has been a true public servant. He is leaving a lasting mark for his dedication to nuclear safety, the NRC, and the American people.

HAPPY BIRTHDAY, WEST VIRGINIA!

Mr. BYRD. Mr. President, on this day 126 years ago, West Virginia became the 35th State in the Union.

Of course, we are far removed from the era in which West Virginia was born.

In his Gettysburg Address, Abraham Lincoln said in conclusion, "that this Nation, under God, shall have a new birth of freedom—and that Government of the people, by the people, for the people, shall not perish from the Earth."

Those were still revolutionary ideas in the era in which they were spoken, and are still today considered dangerous and threatening wherever tyrannies hold sway.

But the innate human hope expressed in Abraham Lincoln's words was the inspiration behind the actions last month of the student-worker demonstrators in Beijing, Shanghai, and numerous other cities in China. That hope is the goal at which the people of Poland and Hungary are aiming as they press toward the first free elections in their countries in more than four decades. And that is the hope toward which millions of men and women are looking in the Soviet Union as that vast nation takes the first stumbling steps toward genuine democratization since 1918.

Many people in West Virginia are mindful today of that hope and of the tradition of liberty that gave birth to our State and that has placed West Virginians in the front ranks of every struggle for our national freedom and our national security since West Virginia entered the Union. Indeed, though West Virginia has traditionally been one of the less populated States, in World War II, West Virginia ranked fifth among the States in the percentage of its male population participating in the fighting. In the Korean war, West Virginia was first among the States in the percentage of male population participating in the fighting. And during the Vietnam war, West Virginia ranked second among the States in the percentage of its male population participating in the fighting.

And West Virginia ranked first among the States in the percentage of deaths of its male population suffered during both the Korean and Vietnam wars.

On this 126th birthday of West Virginia statehood, then, I salute the deep love of liberty that has ever found a home in West Virginia, and that again and again has placed West Virginians on the side of freedom-loving peoples around the world. Our prayers are today that, as West Virginia celebrates its 126th birthday, those brave men and women in other lands who are yearning and valiantly struggling for their liberties and rights to self determination may finally be able to dwell in the freedoms that we in West Virginia prize and love so deeply.

NUCLEAR WASTE ISSUE

Mr. REID. Mr. President, I feel compelled to bring to the attention of the Senate yet another example of the double standard that the Department of Energy is using in dealing with the nuclear waste issue.

On June 17, the Department of Energy announced that they had reached agreement with Gov. Roy Romer, of Colorado, that public safety will be given a priority over production at the Rocky Flats nuclear weapons plant. According to the Department, this is a fundamental change in their priorities.

Deputy DOE Secretary Henson Moore stated in a news conference that we are under a new administration, both in the Presidency and in DOE. The new administration is making it very plain to our personnel and to those who work for us as contractors, that environmental safety and health is the first priority in the operation of our facilities.

This is an astounding revelation, Mr. President, and I hope that it applies to the storage of nuclear waste as well as the production of nuclear weapons. Twenty months ago when I offered an amendment to the Nuclear Waste Act of 1987 to ensure that public health and safety would be the No. 1 consideration in siting the proposed permanent nuclear waste dump, both the administration and the Department of Energy opposed the amendment and it was defeated in the Senate.

To date we haven't seen any commitment to putting public safety first when it comes to storing nuclear waste. Why, Mr. President, isn't the safety of the people of Nevada the No. 1 priority of this administration and the Department of Energy, just as is the safety of the people of Colorado.

I intend to ask Admiral Watkins this question. I hope that the safety of the citizens of Nevada will be just as important to him as the safety of the citizens of Colorado. If not, it will be just one more example of the double standard concerning nuclear waste at the Department of Energy.

Mr. President, I ask unanimous consent that a letter to every Member of Congress from the Department of Energy on this subject be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, DC, June 19, 1989.

DEAR MEMBER OF CONGRESS: In a press conference with Colorado Governor Roy Romer last Friday, the Deputy Secretary of Energy W. Henson Moore announced a fundamental change of priorities at the Department's nuclear weapon plants, whereby safety is given priority over production.

Enclosed are copies of the agreement between the Department and the Governor regarding the operation of the Rocky Flats facility in Colorado and of the transcript of the news conference. I have also attached a copy of the Secretary's June 15 letter to the Chairman of Rockwell International Corporation, in which he expressed his serious concerns about Rockwell's management of the facility.

I hope you will find this information useful.

Sincerely,

JOSEPH C. KARPINSKI,
Principal Deputy Assistant Secretary, Congressional, Intergovernmental, and Public Affairs.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Under the order, morning business is closed.

VOL 135 PT 9 JE 14 — 22 1989 UMI

RECESS

The PRESIDENT pro tempore. The Senate will stand in recess until the hour of 2:15 p.m. today, at which time the Senate will resume consideration of S. 5.

Thereupon, at 12:29 p.m., the Senate recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

RECESS

The PRESIDING OFFICER. Without objection, the Senate will stand in recess until 2:30 p.m.

There being no objection, the Senate, at 2:14 p.m., recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

CHILD-CARE IMPROVEMENT ACT

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 5) to provide a Federal program for the improvement of child care and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Mitchell amendment No. 196, in the nature of a substitute.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, first of all, I would like to just take a minute if I could. This morning during the morning business I listened with great interest to the minority leader and others talk about the pending matter before the Senate, S. 5, the child-care legislation, and I was somewhat intrigued that the complaint was that somehow the report was unclear.

We have had this bill, as the majority leader said, before us now since last Thursday. This is Tuesday. It has been almost a week, over the weekend, for people to go over and to read. The changes that were made are very clear. I think everyone knows what they are. I have certainly stated them, and the majority leader stated them last Thursday, and the Senator from Utah has stated them over and over again.

I cannot believe that anyone would suggest that somehow there has not been an adequate amount of time or it is unclear as to what is in the legislation.

So the notion somehow that we have been hiding something, if it is insufficient for people to have 5 days to review a piece of legislation, beginning day 1 in our articulation of it, then I find that criticism to be totally unfounded.

No. 2, there was a suggestion, and I have said this before, the Senator from Utah has said it, but again I guess we need to keep repeating what is not in this bill. I thought we were going to debate what was in it. But I guess I am speaking an inordinate amount of time answering criticisms that do not exist. The suggestion was again here that this was some huge Federal bureaucracy. We have made it clear there is no Federal bureaucracy. The legislation calls for the appointment of a Federal administrator. That is it.

The Congressional Budget Office in its analysis of this legislation said there may be Federal expenditures that will amount to three-tenths of 1 percent. So 99.7 percent of this legislation, according to the CBO, goes directly to parents or goes to States; that we have offered. The rest, of course, in the tax credit area is obviously not funds that would end up in the Federal bureaucracy.

So this has been sort of an historic response that when people talk about a piece of legislation like this, let us reach into the old bag here, an old argument worked before, let us try it out here. Whether it applies or not is irrelevant. Let us just use the argument anyway, and if we throw it and say it often enough, then maybe people will begin to believe it. It is sort of like what the Chinese are trying. They are denying that anything happened in Tiananmen Square. If you say it often enough, maybe the Chinese people will believe it.

Well, maybe if we say it often enough here that this is a huge Federal bureaucracy, then maybe people will believe it. Again, I emphasize, according to the Congressional Budget Office, again the work we have done, what you are talking about maybe is three-tenths of 1 percent of the funds.

Let me, if I can share as well editorials that appeared this morning in a number of papers, the Atlanta Constitution as well as the Los Angeles Times, and just a day or so ago, the Wichita Eagle-Beacon.

Mr. President, I ask unanimous consent that all three editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Atlanta Constitution, June 20, 1989]

THE NEW, IMPROVED CHILD-CARE BILL

U.S. Sen. Christopher Dodd's multi-billion-dollar child-care bill has undergone some drastic changes on its way to the Senate floor, owing mostly to President Bush's intransigence.

In place of uniform federal standards, key to upgrading the quality of day-care centers but staunchly opposed by the White House, the Connecticut Democrat's bill now leaves regulation largely up to the states. It also permits the same assistance to church-run centers, provided they do not operate "in a manner inconsistent with the Constitution," which mandates separation of church and state. Those features should make it more palatable to President Bush, who earlier this year sent to Congress a bare-bones, $435 million plan calling for modest increases in Head Start, modest tax credits or refunds for low-income working partents—and nothing else.

As a further inducement to Republicans, the Act for Better Child Care (ABC) also carries an amendment delaying implementation of a law requiring businesses to end disparities in benefit programs for higher- and lower-paid employees.

Tax credits and refunds alone won't cure the nation's child-care problems, as Sen. Orrin Hatch (R-Utah)—ordinarily a staunch White House ally—now argues, taking issue with the simplistic solutions offered by the Bush plan. There are, he insists, "factors that discourage choice in child care which cannot be addressed simply be giving more money to consumers."

Thus, though 70 percent of the ABC funds provided by the Dodd bill would go directly to families to help pay for day care (now averaging $3,000 a year), 22 percent would be used to improve the quality and supply of day-care facilities through training grants, start-up loans, resource referrals, public/private partnerships and the like, leaving 8 percent for administrative and enforcement costs. The Dodd bill would provide assistance, on a sliding scale, for middle-class as well as poor families; it would also make tax refunds and credits, for child health insurance as well as child care available to poor families.

The changes in the bill are a stiff price to pay for realistic funding levels and incentives for employers and schools to start their own day/care programs—measures that should stand on their own when women constitute nearly half the work force, and two-thirds of women with children under 3 are working. But the price is worth it, if that's what it takes to avoid partisan squabbling and a presidential veto over a measure bringing affordable child care within reach of more families.

No longer the partisan measure proposed several years ago by Mr. Dodd, the bill now bears the stamp of key Republicans including the president. It is closer to the child-care initiative Mr. Bush promised during his campaign than the plan he himself sent to Congress—and it deserves swift bipartisan approval.

[From the Los Angeles Times, June 19, 1989]

A BILL WHOSE TIME HAS COME

American parents want safer, affordable child-care programs. The U.S. Senate is now debating legislation that might deliver programs that meet that description. But the question of how best to provide this care remains in doubt. So is the fate of the bill, broadly cast as it is. As fast as its chief sponsor, Sen. Chris Dodd (D-Conn.) takes care of one objection, opponents offer up another. His bill is even more sound now than when it started out, and the Senate should vote it on its way.

The Dodd bill, co-sponsored by Sen. Orrin Hatch (R-Utah) and supported by Senate Majority Leader George Mitchell (D-Maine), would expand the amount of child care available and provide subsidies for care of children when their parents cannot afford it. Working with Sen. Lloyd Bentsen (D-Texas), the sponsors have reduced the original bill's direct federal funding for services and subsidies, proposing to pay some of the costs through dependent care and child

health-care tax credits. The total bill remains $2.5 billion a year.

Last year the bill foundered on concerns about federal money going to religiously affiliated child-care programs. Churches and synagogues provide much of existing day care; backers wanted to preserve those services without violating constitutional questions of church-state separation. The dilemma has been resolved with a provision that churches and synagogue programs may receive federal money as long as they do not discriminate against children whose care is publicly subsidized and do not offer religious instruction.

Some governors did not want Washington to write health and safety standards for the states. The new bill gets around that by having states set their own standards. But it creates an advisory panel to draft model standards that states could adopt if they chose. States that adopted model standards would qualify for extra grants; states that did not would not. The National Governors Assn. now supports the bill.

President Bush and some Republican senators want Congress to pass only a tax credit for child care. But "tax credits standing alone simply do not address the need for affordable, quality child care for parents in the work force," says Marion Wright Edelman, president of the Children's Defense Fund and a key architect of the bill. Bush's proposal would pay an average of $20 a week; minimal child care costs at least $75.

Republicans charge also that the Dodd-Hatch bill will prevent parents from deciding who will care for their children. The charge is unsupportable. Families can use subsidies for care at day-care centers, at churches or synagogues or in private homes. It is entirely up to them. The bill actually would widen options by encouraging development of more day-care centers.

The day-care bill is a splendid expression of an idea whose time has come. It should pass now.

[From the Wichita Eagle-Beacon, June 16, 1989]

MORE CHILD CARE: CHANGING WORKPLACE DEMANDS IT

By now, it's difficult to ignore the obvious: American families need child-care assistance and they need it desperately. The makeup of American families and the necessity for child care that pattern imposes are clear and unavoidable. That's why the current Senate debate over the Act for Better Child Care, or ABC, is focused on how much regulation and how much money is necessary, not on whether the need exists or whether families should be the way they are.

Here's the way they are: Only about 11 percent of all American mothers still fit the June Cleaver mold—a mother at home with the kids while husband works to support the family. Now, more than two-thirds of all married couples are two-income families. More than half of all working moms are married to men who make less than $20,000 a year. Twenty percent of all families with children under age 18 are headed by a single parent. It's clear that the majority of American mothers with young children who work outside the home must do so out of economic necessity. As the century changes and the baby-bust generation goes to work, women and minorities will play an even stronger part in filling the workforce gap.

Yet safe, affordable day care is incredibly difficult for working parents to find. Facilities are not bound to national or even state uniform safety and health regulations. Too often, working parents must leave their young children in the hands of uncaring or unqualified strangers during working hours. The kids feel, and often are, neglected; their parents feel guilty for leaving them in such situations and angry that economic circumstances demand of them such heartrending choices.

That's neither a proper way for a child to grow up nor a productive way for any worker to do business. The link between inadequate care of children and social maladjustment, educational failure and involvement in crime in later years is becoming much clearer. An employee distracted and concerned hourly about children is certain to under-perform. The personal and economic costs of ignoring the need for child care are unacceptable.

The Act for Better Child Care is an attractive proposal. By helping states regulate and augment existing child care, the $2.5-billion program addresses the key concerns of most working parents—affordability, availability and safety—that President Bush's tax-credit alternative for working parents does not. Under the ABC, states would be expected to comply with federal regulatory guidelines and even could apply for additional funding to bring up lagging standards.

The regulation that any such federal child-care program sets in motion almost certainly will need some ironing out as the bureaucratic wrinkles become apparent. The final ABC bill carefully should address the potential for bureaucratic overkill.

At $2.5 billion, the ABC is an expensive program at a time of fiscal constraints. But failure to meet the long-term social and economic needs of young children and their working parents would amount to reckless gambling with the nation's future.

Mr. DODD. Mr. President, let me just share with my colleagues, if I can, the parts of the Atlanta Constitution editorial this morning called "The New Improved Child Care Bill."

U.S. Sen. Christopher Dodd's multi-billion-dollar child-care bill has undergone some drastic changes on its way to the Senate floor, owing mostly to President Bush's intransigence.

In place of uniform federal standards, key to upgrading the quality of day-care centers but staunchly opposed by the White House, the Connecticut Democrat's bill now leaves regulation largely up to the states. It also permits the same assistance to church-run centers, provided they do not operate "in a manner inconsistent with the Constitution," which mandates separation of church and state. Those features should make it more palatable to President Bush, who earlier this year sent to Congress a bare-bones, $435 million plan * * *

Reading on:

Tax credits and refunds alone won't cure the nation's child-care problems, as Sen. Orrin Hatch (R-Utah)—ordinarily a staunch White House ally—now argues, taking issue with the simplistic solutions offered by the Bush plan. There are, he insists, "factors that discourage choice in child care which cannot be addressed simply by giving more money to consumers."

Thus, though 70 percent of the ABC funds provided by the Dodd bill would go directly to families to help pay for day care (now averaging $3,000 a year), 22 percent would be used to improve the quality and supply of day-care facilities through training grants, start-up loans, resource referrals, public/private partnerships and the like, leaving 8 percent for administrative and enforcement costs.

No longer the partisan measure proposed several years ago by Mr. Dodd, the bill now bears the stamp of key Republicans including the president. It is closer to the child-care initiative Mr. Bush promised during his campaign than the plan he himself sent to Congress—and it deserves swift bipartisan approval.

Again, Mr. President, that is extremely important.

Furthermore, today or yesterday we received a letter from the office of the general secretary of the Catholic Conference of Bishops, dated June 19, 1989, addressed to Members of the Senate, signed by Father Robert Lynch, general secretary, of the U.S. Catholic Conference.

I ask unanimous consent, Mr. President, that this piece of correspondence be printed in the RECORD as well.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CONFERENCE OF CATHOLIC BISHOPS.

Washington, DC, June 19, 1989.

DEAR SENATOR: The U.S. Catholic Conference, the public policy agency of the nation's Roman Catholic Bishops, strongly supports efforts in the U.S. Senate to pass comprehensive, broad-based and inclusive federal child care legislation.

We urge you to support the child care proposal offered by the Senate Leadership. The Catholic Conference has urged that the nation's political leadership work to bring together the best elements of the various approaches to child care legislation. The Senate child care package is a major step forward in this effort.

This proposal now strongly affirms parental choice with the incorporation of the Ford-Durenberger amendment. It offers vital and practical assistance to families in securing safe, quality child care through the current provisions of the Act for Better Child Care. And it now also includes important tax provisions helping low income families with children. Every piece of legislation is a combination of compromise and consensus. Not every provision can fully please every advocate. But, taken as a whole, this proposal represents a major step forward for our nation. In addition to this child care legislation, we believe other measures to strengthen and support family life including family and medical leave legislation, more generous earned income tax credit and other tax measures that assist families with children regardless of whether they work at home or in the marketplace should be adopted by this Congress.

We strongly oppose any attempt to eliminate the ABC provisions which now affirm parental choice in the use of child care certificates and which offer essential assistance to families in need of safe and affordable child care.

Mr. DODD. Again briefly here for the edification of my colleagues, the letter says:

We urge you to support the child care proposal offered by the Senate Leadership. The Catholic Conference has urged that the nation's political leadership work to bring together the best elements of the various ap-

VOL 135 PT 9 JE 14 — 22 1989 UMI

proaches to child care legislation. The Senate child care package is a major step forward in this effort.

The Senate's legislative combination of direct assistance to families and child care providers and tax provisions that help low income families will serve our nation well. It recognizes the pluralism and diversity of child care in our country, including home care and care offered by community and religious groups. It makes a major investment in our children and supports parental choice.

For these reasons, the U.S. Catholic Conference joins with many others in urging strong, bi-partisan support of this vital child care legislation as an important part of our nation's commitment to our families and our future.

Sincerely,

FR. ROBERT LYNCH,
General Secretary, USCC.

Mr. President, the letter goes on and says:

This proposal now strongly affirms parental choice with the incorporation of the Ford-Durenberger amendment. It offers vital and practical assistance to families in securing safe, quality child care through the current provisions of the Act for Better Child Care. And it now also includes important tax provisions helping low income families with children. Every piece of legislation is a combination of compromise and consensus. Not every provision can fully please every advocate. But, taken as a whole, this proposal represents a major step forward for our nation.

The letter concludes. It says:

We strongly oppose any attempt to eliminate the ABC provisions which now affirm parental choice in the use of child care certificates and which offer essential assistance to families in need of safe and affordable child care.

The Senate's legislative combination of direct assistance to families and child care providers and tax provisions that help low income families will serve our nation well. It recognizes the pluralism and diversity of child care in our country, including home care and care offered by community and religious groups. It makes a major investment in our children and supports parental choice.

For these reasons, the U.S. Catholic Conference joins with many others in urging strong, bi-partisan support of this vital child care legislation as an important part of our nation's commitment to our families and our future.

Again, Mr. President, to have correspondence, editorial comments, the Catholic Conference, the notion somehow we have heard it said we are denying parental choice, we think the Catholic Conference of Bishops made it clear that in fact our legislation does just the opposite; it expands choice.

Again, I regret that I have to spend time answering charges that do not relate to this legislation, but that seems to be our plight.

My distinguished friend from Utah and I have spent the last 2 days arguing about myths, and we welcome the opportunity when amendments may be offered later today to address some of the specifics of the legislation in front of us.

Mr. President, at a later time I will offer some additional editorial comments that have been offered, but in the meantime at this point I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I notice that the distinguished Senator from Kansas is here. I have some comments to make about this, but I think I will defer until after she makes her statement and then I will make some comments.

Let me just make 1 minute of comment and that is this: look, I think that everybody in this body has some idea of how child care should or should not be. There are all kinds of bills, 19 that I last counted in the U.S. Senate. Most of them have merit. In fact all of them have merit and all do some good. None do all the good that needs to be done.

But it is really irritating to see the disinformation and the downright false information that is being spread around this body by I know people who think they are doing good, and I do not think some of them even think that, but the misinformation, disinformation and downright twisting of what the ABC bill today currently really is.

I can tell you right now the minority leader is going to bring his amendment to the floor. It is a nice amendment. There is a lot to be said for it. It is something that a number of us have basically prepared and filed before. It has been refined. I think many may want to support it, and bless them if they do.

But it does not do everything that needs to be done for child care. There is an awful lot done in the ABC bill that that amendment will not do. Now that amendment has some advantages that we, by necessity—because it is a direct grant program—cannot do with the ABC bill. But there is room for direct grant just as there is room for an indirect grant.

I get a little tired of seeing the partisanship and seeing people playing with this issue as though it is an issue that basically deserves partisan treatment. We ought to all get together and do the best we can to come up with a child-care bill.

Whatever passes, in the final analysis, I hope I will be able to support, because I do not care who gets credit for the child-care bill that comes out of the Senate. That is the last thing on my mind. I care that we do something about these problems. They are serious.

I can tell you that the distinguished Senator from Connecticut has tried to accommodate everybody and is still standing on the floor saying, "If you don't like aspects of this bill, let us know what you have. If you have a better idea, we will adopt it."

I do not know what else you can do. One thing we can do is stop these outside groups from influencing Senators with false information.

I was really offended when I walked into my caucus and hear that they passed out a sheet that nobody tells where it came from that is filled with false information, disinformation, downright, deliberate deceit, as though that is the way it should be. Why, we even have in one of our telephone call-ins for our party, we even have them describing this bill, the ABC bill, as the bureaucratic approach to the child care, while the Dole approach is the family approach to child care.

Now, I know that the distinguished head of the Policy Committee would not countenance that if he looked at both sides. But some do-gooder there, some partisan has put that in that way. I think both are family approaches and both do a lot of good and neither does everything that the other can do. Now, that is the point I am trying to make. I would like to see this debate on a higher level than that.

Let me tell you something: Ideally it would be wonderful if we could merge the tax credit approach with the ABC approach. We would really do something for families. We would really help millions of people out there who need help.

If you pass one or the other without the other, you are only doing what could be done in a limited fashion. And, frankly, it is up to anybody to make a determination which one is the better of the two. But, put together, they both become very, very good and families will benefit. That is what I hope we can ultimately do.

If the Dole amendment passes, then that will be the child care bill for this year. And I will say God bless them, because those are ideas that every one of us have had anyway. If the ABC bill passes, I think we both agreed we do not want it to pass solely by itself. We would like to have a tax credit approach as well because of the good ideas that come through that, that, by necessity, we cannot put into the ABC bill without adopting that.

That is what the distinguished Senator from Texas tried to do. There is some aspects of his amendment that are now part of the Mitchell amendment that I do not like. But the fact of the matter is the tax credit part is as good as anybody's.

So let me just end with that and just say that I hope that today we could talk about the issues. When the distinguished minority leader brings his amendment to the floor, we will be glad to chat about it and to talk about what is right or wrong with that in conjunction with what is right or wrong with what is presently the amendment before the Senate.

So with that, I am delighted to yield the floor and listen to the distinguished Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I guess as a mother of four children, now grown, I am grateful that they are the age they are because certainly there are pressures in society today for young families that did not exist when my own children were growing up.

I would say, thanks largely to the Act for Better Child Care, a national debate regarding child care and the quality of child care is taking place. It is an important issue for us today in our society.

It has been a constructive debate, I think, that has led us and should lead us to ask fundamental questions about our society's attitude toward children and families and about the appropriate use of the Government in meeting their needs. Because both the decisions to have children and to use child care involve at least some degree of personal choice, some of these questions have focussed on the proper role of the Federal Government in addressing such needs.

I believe that the ABC bill before us this week is a much improved bill. I am grateful to the sponsors for the examples that they have set in the art of political compromise.

I think it is unfortunate—and I would agree with the Senator from Utah [Mr. HATCH] that misinformation can cause fear, it can distort debate and that it does not really serve a useful function to engage in those tactics.

Most of us agree that church-based centers should participate in any child care program to the greatest extent allowable under the Constitution and this bill, the ABC bill, I believe attempts to accomplish that.

Most of us insist that parents should have the greatest range of choices in selecting care for their children. I believe this legislation achieves that goal by making funds available for providers ranging from grandmothers to neighbors to child-care centers.

In addition, while my own State of Kansas has some of the highest child-care standards in the country and would have little trouble meeting the Federal standards in this area, I share many of my colleagues' reluctance to mandate Federal standards and I am pleased that only model ones are now recommended under the ABC bill.

However, other provisions of the ABC bill still concern me. And they are not myth. It is not misinformation. It is something that is very real that has troubled me from the beginning.

A major concern is that 70 percent of its funds are dedicated to the direct payment of child-care services. I fully recognize the important role of quality care in early childhood development.

As a realist, I know that obtaining adequate and convenient care is a vital prerequisite for parents who work. But as a lawmaker, I am deeply concerned about our tendency to be swept away by the vivid, emotional details of a societal need and to rush to address that need without considering it in its proper budgetary and social policy context.

Mr. President, part of the context missing from this debate is the present Government commitment to child care. I think many forget that billions of dollars already are spent on child care through the dependent care tax credit, through Head Start, through the Child Care Food Program, State dependent care development grants, social services block grants, and job training programs.

Another part of that context is our current budget deficit of more than $100 billion. Our resources are, to say the least, limited.

It is for these reasons that the child care subsidy portion of ABC troubles me. By initiating a program of direct payment for child-care services, we will be establishing a new permanent structure in the Federal Government that will carry its own constituency, pressuring ever more generous funding.

We will be institutionalizing yet another expectation.

This expectation, Mr. President, and the costs of meeting it, has the potential to expand dramatically. Much has been made of the fact that fewer than 1 million of the 18 million eligible children will receive slots funded under ABC. Do we really think that the families of the remaining 17 million will remain silent? We will have to address the needs of those remaining children who would be eligible under the ABC bill.

Much also has been made of the fact that the average day-care cost is nationally $3,000 a year. Do we really expect that to remain steady? What will our response be when the national average rises to $4,000, $5,000 or $6,000 a year? These are hard questions that should be analyzed in the broad context of budget priorities and welfare reform. Instead we are debating the issue in a vacuum, as though the only relevant factors are our concern for children and their fulfillment. That is very important. But, Mr. President, I really question whether we are being realistic.

In considering these conflicting concerns I have concluded that the Republican leadership package which will be offered this afternoon is our best option for helping the greatest number of people within responsible budget constraints. Clearly, it is not as generous as we would like. It is, however, as generous as we can afford to be. In my view it would be a mistake, at this point, to establish a self-sufficient and self-perpetuating Federal system of child care without first making the States and the private sector creative partners in our efforts to find effective solutions.

The efforts begun under this proposal can help us start making child care more plentiful and affordable, establishing priorities and identifying the next step. I think, as an alternative to ABC, that is a practical, realistic approach.

The fourth portion of this package would provide a $400 million block grant to the States to be used to improve the quality and supply of child-care services. This is similar to legislation I introduced earlier this year. The block grant approach begins a framework of child-care services, tailored to the specific needs of each State, without establishing a new Federal presence with all the administrative demands that that would entail.

I personally think that alone is a good approach.

These funds, under the block grant, could be used to increase the supply of child-care providers through recruitment and training; to provide loans and grants to help providers meet health and safety standards; to establish or expand resource and referral systems, and to help schools, businesses, and other groups establish programs including innovative ones, helping special populations like handicapped, sick, and latchkey children.

This approach relies heavily on the creativity and flexibility of States and communities who are in the best positon to identify and meet the various needs of their own neighborhoods, families, and work force. All who need child-care services would benefit from these efforts.

The second portion of this package modifies the existing dependent care tax credit to ensure that even low-income working families can take advantage of the credit. Under current law, all families who have employment-related child-care expenses may reduce their tax liabilities by claiming a portion of those expenses. Because the credit has not been refundable, however, many low-income families with little or no tax liability have been unable to benefit. By making the credit refundable, this package ensures that all working families with employment-related child-care expenses receive assistance.

The final piece of this proposal expands the current earned income tax credit to provide low-income families an additional credit of up to $500 for one child and $250 for the second child under age 4. It would be available to all low-income families with at least one worker, whether they use child-care services or not. Like most, I admire and respect those women who choose to stay home with their chil-

dren. While they do so at a financial sacrifice, the nonmonetary rewards for their families are considerable. At the same time, we all recognize that two-thirds of the mothers who work do so because they are the sole support of their families or because their husbands earn under $15,000 a year. For the most part, these women do not choose to work—they are compelled to work by financial necessity.

I have not been as supportive of the expansion of the tax credit portion as some. I am under no illusion that this credit will be enough to help many low-income women stay at home with their children. The Government cannot protect its citizens from realities and choices that are very difficult to make. The decision to work or not to work cannot be made revenue neutral.

Any such grandiose attempts on the part of Government would create overwhelming expectations, and we would be assured of failure. In all honesty, an expansion of the earned income tax credit is not child-care legislation, and I would prefer that this proposal were debated separately. Nevertheless, it is clear that the child-care debate has heightened awareness of the difficulties that low-income families with children are having in making ends meet.

At a time when the rate of child poverty is 20 percent and concern is growing about the health, education, and social well-being of children, it is important that we act to ensure that the lowest income working families are supported in their efforts to take responsibility for their lives.

Expanding the earned income tax credit can help target our limited funds to those in need. As with most problems of national scope, any real solution requires a coalition of parents, communities, employers, and government at the local, State, and Federal level. We should try to avoid our usual habit of short-circuiting this process by immediately moving all the action to Washington.

The private sector in particular has a major role to play, and I think they are more and more recognizing this responsibility. Because of a shrinking labor pool, employer competition over workers is expected to intensify in the 1990's. Two-thirds of these workers will be women. Faced with the necessity of attracting new employees, companies will need to be more innovative than ever in offering people-oriented benefits like flex-time, job sharing, cafeteria plans, part-time parental leave, and child-care benefits.

Already, businesses are beginning to adapt to these changes. A proposed AT&T contract with the Communications and Electrical Workers currently offers to seed child and elder care projects with a fund of $5 million.

Pizza Hut, headquartered in Wichita, KS, offers its employees a discount off the cost at a national chain of day-care centers.

In recent weeks I have also learned of a community college in my State that has begun efforts to establish a center in order to attract students and businesses that is adding also a day-care center in the hope that attracting new workers will eliminate the need to move to a larger community. Those are creative approaches that I think offer great opportunities for us to address these needs that exist in our communities.

Mr. President, despite its good intentions, the ABC bill creates a Federal program that very generously subsidizes child care for only a fraction of those in need of help. Fulfilling the high promise of this bill for all eligible families would require the addition of billions more in Federal dollars, funds that will simply not be available.

The Republican leadership's package, on the other hand, will provide at least some assistance for all who are most in need.

Further, its block grants provision begins a responsible effort toward addressing the shortage of quality care that most working parents face.

This package does not promise a full Federal solution. What it does promise, I think, is a realistic opportunity for committed parents, communities, employers, and governments to put their heads and their resources together in an effort to address their common needs.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. MIKULSKI). Without objection, it is so ordered.

Mr. DIXON. Madam President, what is the order of business before the Senate?

The PRESIDING OFFICER. The pending business is amendment No. 196 on S. 5.

Mr. DIXON. I thank the Chair.

Madam President, for some time now the Senate has discussed at great length the so-called ABC bill, which I think by now all Senators understand has been substantially modified by the amendment that has been offered by the distinguished majority leader, largely through cooperation with the principal sponsor, the distinguished senior Senator from Connecticut, and others. I guess it is safe to say by this time that what we are now considering is considerably different than the original concept of the ABC bill.

As I understand the bill now, the basic concern that many had with tough Federal standards has been completely altered and so substantially modified that in fact, beyond the concept of a model, there really are no further Federal standards.

It would be up to the good judgment of the respective States as to what the standards should be. I think that is good. For a long time, Madam President, there was a concern because in many States, such as my own State, there was a good deal of child care services of quality being offered by religious institutions, be they Protestant, Catholic, or Jewish denomination. My understanding of the amendment offered by the distinguished majority leader, in cooperation with the distinguished senior Senator from Connecticut, is that problem has been essentially resolved. I am familiar with its resolution. I find that again to be a desirable step in the right direction.

What I have said to the sponsors of this bill and others I would simply like to say on the floor of the U.S. Senate because my perception of what I think is still a problem with this bill is one which some Members of the Senate, both of Democratic and Republican persuasion, also see with respect to the question of child care in America.

I would like to begin it in this way. I think the reason we are talking so much about child care now is that things have changed a lot in this country in the last several decades.

When I was a very young man just out of law school in the 1950's, I kept company with a lot of good friends of that era. One was a printer. One was a meatcutter. I happened to have been a lawyer at that time. But all of us had some kind of job, whether it was a professional, in the trades, or some other job. Our wives did not work, and we were starting our little families. That was the norm.

That is the point I want to make, Madam President. In the early fifties as I recall and all through the fifties and the sixties when I was in my twenties, thirties, and early forties in that era, in most situations of that time—I do not say altogether—in most cases it was the man who worked, and the woman stayed home. She was a homemaker, and raised your children.

So the problem before our society in those days was not the same as it is now because mother was home to take care of the kids.

Madam President, what is the situation now as I stand on the floor of the U.S. Senate in June of 1989? I stand before you as a father of three children with seven grandchildren. Each of those children, of course, is married, each of their families has children and in every one of the three families, Madam President, all of

them, both spouses work. Is that unusual? No. That is the interesting part.

That is the massive change that has taken place in our society in the last several decades. Now in most young families that have the kids—and we are talking about child care here—both work. So you have a situation where you have to have child care. We are not talking necessarily about the one-parent home now. We are talking about the two-parent home, both work, and you need child care.

That is our society today. So it is a grand problem out there in the country. My friend from Connecticut who has labored in the vineyards for several years in connection with this problem, way in front of the curve—may I congratulate him. He has seen the problem. The problem is there. In most families both parents work. They have children, and they have to have care for those children.

Let me say to that extent this bill that my friend from Connecticut has sponsored, with the amendment of the majority leader on it, addresses the problem. It is a good bill in my view. I say this, and I may be involved in the debate later. I do not know if I will be. I might be and I might not. But to the extent that my friend, the minority leader, suggests that he is improving on the bill, I must say I do not see any particular improvement in what is being offered on the other side to what my friend from Connecticut has laboriously produced over a period of years by virtue of a great many amendments and accommodations.

Here is where I think the problem presently presents itself to the Senator, and some other like-minded Senators. This bill is OK for the very, very poor. I want to make it absolutely clear so nobody ever later says DIXON said he does not want to help the poor. I want to help the poor. We should be doing more to help them in connection with this problem. This bill does a good job for the poor.

What I want to argue in a moment is that it does not do much for people of moderate income, working people of moderate income. So far as the Federal tax credit is concerned in this bill, let me tell you what it does. The Federal tax credit in this bill we are talking about does this: it increases the maximum percentage of allowable expenses from child care from 30 to 32 percent. You might say that is not bad, 2 percent. But listen to this: for families with income between $8,000 and $10,000 a year, then it increases it to 34 percent. You might say that is pretty good. It is a 4-percent jump. But listen to this 34 percent for families with income below $8,000 a year?

My friends, when you are talking about a family of $10,000 per year, I presume, let us talk about two working people making $10,000 a year. Two working people making $10,000 a year are a man and woman, quite probably, very, very young, both working flipping hamburgers at McDonald's or Wendy's for minimum wage. That is $10,000 a year.

That is pretty de minimis as an income. Some of my friends suggest—and I respect their views—they say, "Wait. The solution to this is we also deal with other people at a higher standard because we give this money to the respective States. Look at Illinois. It does pretty good in the bill."

Incidentally, Illinois does not do badly in this bill from the standpoint of money sent back there. But when you take $1.75 billion and you put it across this great Nation of ours and 50 States, and you spend some of it to upgrade care, which I am for, that is a good, very strong part of this bill. What you have left to give the people to help them with child care is very little in the pot, and you are not going to give it to ordinary working people because you are going to put some kind of means test on it. When you put that means test on it, you are again talking about the working, very, very poor.

So what is my point? My point is you ought to take care of the poor. My friend from Connecticut has done a whale of a job in this bill of taking care of the really poor working folks, $10,000 a year and less. I would argue that beyond that, this bill will not do much except to strengthen care centers, upgrade quality, and do a lot of other things that are important that I am for. I am for that.

However, what we end up with in my view is a bill which does not talk about all of these families in America, all over Illinois, all over every State of the Union where both parents are working, hard workers, work 40 hours a week, maybe some overtime sometimes, and they bring home the two of them working together, let us say $25,000 to $35,000 a year. That is not big money when you both work awfully hard. You put a couple of kids in a day care center where I'm told the average cost in America is $3,000 for one child, it's a tremendous expense. I know what you pay out here because I have a daughter who works out here. They pay more than $100 a week for one child 2½ years old. Again, Madam President, it is a tremendous expense.

So ordinary working folks have a problem. America is full of these folks, white, black, all religions, all ethnic groups, everything in America, a mix, people working, both of them and working hard, and yet not making a lot of money.

They have needs; they have to take care of these kids. It is a cost of working, I would argue. But they are not being addressed in this bill, in my opinion. I do not say that critically.

I see my friend rising, and I want to answer any questions he might have. I do not speak critically of this bill. I feel, when comparing the two alternative bills, this one more forcefully addresses the problem in America than what my friend on the other side is going to offer shortly. But neither, in my view, addresses the real problem of ordinary working people where both work and get up and say, Senator, I work and my wife works, and we have three kids and it is busting us. We cannot make the payments on the car and the house, and take care of the kids in a day-care center. What are you doing for us?

In this bill we do not do anything for them. Now, that bothers me a lot, and I am going to conclude in a moment, because I see my good friend standing.

Mr. DODD. Will the Senator yield?

Mr. DIXON. Sure, I will yield.

Mr. DODD. This is a very important point, one that there is a great deal of interest in, and I first of all want to thank him for his very generous comments about the pending matter before the Senate and his classmate's efforts; the distinguished Senator from Illinois, and the senior Senator from Connecticut and I arrived together on January 3, 1981, as new Senators in our respective States, 9 years ago.

First of all, his concern about working people, this is a very important element. The ABC part of the bill, not the tax part of the bill, allows for each of the States, respective States, to distribute those direct payments to families, based on income, median income, 100 percent of median income in those States.

For instance, in the State of New Jersey, 100 percent of median income would allow a family that made $47,000 to potentially get assistance under this bill. The national average is around $33,000, 100 percent of median income. It does not mean that they will, because each State will have to decide where it wants to target those resources.

The State legislature and your Governor may make a decision different than my Governor in Connecticut. I do not want to mislead my colleague by suggesting that that family that makes $47,000 in New Jersey is going to get the assistance, but if New Jersey, the people in New Jersey, through their elected representatives, decide they would like that income group to receive assistance under this bill, they can.

So we have left the door open, rather than try and say here in Washington that we are going to mandate exactly what each person ought to get and each family ought to get in each State. We have left great flexibility, up to 100 percent of median income in the respective 50 States. So there is a potential, I suggest, that working families, beyond what they would receive under the tax credit, as presently

drafted, would actually qualify for additional assistance.

Quickly, let me add this: Under existing law, not included in this bill, already there are $4 billion in dependent or child-care tax credits, which are available today for American families, with almost no income caps at all. So even a family that made $80,000 or $90,000 qualifies under the Internal Revenue Code for some child-care assistance; it may not be as much—and one would argue that it probably should not be as much as a very low-income family, given their income in a given year—but under existing law, there are child-care credits available to working families without any income caps and, additionally, in the bill that allows the States flexibility, there is an opportunity. I appreciate what my colleague from Illinois is suggesting, that too often we talk about legislation like this, and we fail to recognize that while the working poor need help, working families need help, and they may not be destitute, but they have found that they need two incomes in order to provide for their family needs.

I want my colleague to know that this Senator feels very strongly about that issue. As he has pointed out, I have tried to deal with all of my colleagues here and put together a piece of legislation that reflects the broad thinking of this institution. To that extent, this bill reflects those goals as represented to me by my colleagues. I thank my colleague for yielding in order for me to make those two points. I will be glad to respond to any questions he may have about those two elements.

Mr. DIXON. May I say, Madam President, that what my colleague says is very, very valuable. I wish to respond to it and to continue to show my concerns for the general nature of this legislation, but may I say first that I have the highest personal regard for the senior Senator from Connecticut. He and I are the sole survivors of the 1980 landslide, Reagan landslide, who came to the Senate, and so I find in him a sense of kinship that is very valuable. I think it is his year to be chairman of our 1980 freshman class. I take that into account. I recognize his seniority in that regard.

Let me say this: I cannot be persuaded, no matter how eloquently he may state it, that the respective States with the very small amount of money they will get under the State assistance program, that is the ABC component of this bill, are going to be able to do anything for those working families I have discussed. They are going to be compelled, I believe, to say, "Wait, we do not have much money here; to whom shall we give it?" Almost without exception—I think there could be some exceptions in a few States—but almost without exception, I would see the average State legislature, particularly in the big States, New York, California, Illinois, Ohio, Michigan, Florida, Texas, and others, saying, wait, we will put on a means test. We better give it to people who need it the most first.

Incidentally, I did not come here to argue against that concept. I can understand that concept. What I am arguing about is this: In the bill we recognize the existence of the present law. Essentially, if you make more than $10,000 in a family, very little help is provided. For instance, if you are making $28,000 a year, Madam President, and for the two of you working, I argue that is a modest income for two working people in America today, particularly in the big cities of our country, with the cost of living what it is. I am talking about Baltimore, Washington, and Chicago, and other cities. At $28,000 for two working people, the deduction now, ladies and gentlemen—I wonder how many in the Senate know this—is 20 percent of the incurred cost up to a maximum amount. If it is $3,000 for one child, which they say is a national average—I have to believe it is more in most big cities in America—that is $600, and we are not doing anything at all about it. I do understand the cost factors in this. I understand what we are dealing with here. Whenever you talk about less revenue, you are talking about a cost like an appropriated sum.

My friend from Connecticut, I know, has that problem with this bill, as well. That is why this bill is scaled down now. But I have to suggest that we really cannot go home and represent that we passed a child care bill for working young men and women in America with families with either of these bills, either this one or the one that my friend on the other side shortly intends to offer.

I thought at first, for instance, that my friend, the minority leader, had suggested something worthwhile. He had suggested, provide families with children 4 years old and under an additional credit of 8 percent for one child and an additional 4 percent for two or more children, which could be a total of 12 percent, but not more than $500 for the first child and $250 for the second. That would be $750.

Now, that appealed to me, until I found out that they are now circulating the latest explanation of their package, and I understand that this apparently was June 15, and their latest one is not out yet. But the explanation says that the additional credit would initially phase out between $8,000 and $13,000. Do you hear me? Nobody is addressing the problem. The other side is saying they are going to do this through tax credits, making it sound like this is going to be great for everybody. Theirs does not do anything either, unless you are an absolutely working poor person. That is the critical concern some of us have.

I say that perhaps my friends on the other side are not unlike me, but I represented earlier that maybe they had an idea here; but now that I have looked at it, I say to them I do not think they have an idea at all. As I look at the comparison of the two bills now, I have to say that I see the work product of the Senator from Connecticut as being, in my view, superior, from the standpoint of what it will do in the respective States to what is done on the other side.

But I want to return to an issue. I want to return to the fact that I think something ought to be done, however modest, for ordinary working people, ordinary working people of moderate income in America. You know, they always say to us, "What about us poor folks in the middle class, what about us?" I am not even talking about the average middle class. I am talking about low, modest-income middle class people who are not in any way treated in either of the proposed solutions to the child-care problem.

So, Madam President, I will not belabor this longer. I sense that some on that side of the aisle and some on this side feel that the composite effort of both sides has produced something that, when America sees it later, it will not be very valuable for the absolutely ordinary working people of America, all over America, in every town and village and hamlet and big city of this country in the 50 States.

For me this says that we need to find a further solution to the child care problem while this vehicle is before us.

I think we ought to take what we have here and see what we can do to improve it. I know enough about my colleague from Connecticut to know in time the White House and others are going to want to talk to him about a final product, because the President has said that child care is one of the initiatives about which he is concerned.

I say to the President of the United States and I say to the majority party and I say to the minority party, let us work at this problem some more to find a further solution that broadens what we do throughout this land to make it meaningful to ordinary working people.

That would be my final comment beyond saying that I am going to stay with what is being done on this side for now, not just because I am a Democrat, frankly—I am one certainly—but because I look at this as a better beginning effort. I want to further say that I do not see this as the final product that this Senator would want to support.

I say that in candor now and unless there is something further done to it to address the remarks that I have made here that I think are shared by some others, then I would ultimately have some reservations about the final product. I would urge my colleagues to think about these concerns as we go through the exercise we will go through in the next several days.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Madam President, of course we do have a credit now of 20 percent for taxpayers with adjusted gross income in excess of $28,000. It goes to families with incomes to $500,000, $5 million, $50 million.

So we have that already in the law, and what we are now trying to do is this.

With respect to health care, we have stretched out Medicaid to try to help those of very low income. But in this particular piece of legislation we are talking about people who are working, earning an income, but it is a modest income.

The provision that we have from the Finance Committee under title II will give a $500 maximum credit for the purchase of health insurance. The credit will apply to expenditures up to $1,000. This is a credit for low-income working people, and the 20-percent credit on child care is for those people in excess of $28,000.

I have listened to some people around here say that the bill we have before us is not the President's bill. No, it is not the President's bill. But many of the things the President wanted are in this piece of legislation.

The realities are that the President is not going to write this bill and neither is the chairman of the Finance Committee and neither is the chairman of the Labor and Human Resources Committee, nor the chairman of any of the subcommittees, or any of the ranking minority members. It is going to be a compromise, all of us working together, listening to all the groups representing children as to what they think should be done to address the problems of child care and child health.

I recall the writings of Santayana, the Spanish philosopher who once wrote, "Compromise is odious to passionate natures because it seems a surrender and to intellectual natures because it seems confusion."

Which shows you that even philosophers do not get all of the truth on these things because in the Senate we have both passionate and intellectual natures, and we have brought about a compromise to try to address the concerns of each of them. We in the Senate understand the need for compromise very well.

Certainly those of us do who worked on the Finance Committee bill now incorporated in the substitute amendment before the Senate as title II, a bill that represents what we think is the best information we could get, the best ideas we could get from all of those who have testified before our committee.

Certainly, Senator DODD from Connecticut, and Senators KENNEDY and HATCH understand the nature of compromise, and they have done an extraordinary job and worked for months to find mutually acceptable ways of improving the supply of safe, wholesome child care, and the result is we have a better child care bill here before us than we started out with.

S. 5 is now essentially a compromise bill, and many of the points the President wanted are really in it.

The President has emphasized helping children. That is what this bill does. The President has said that we should address both the child care and child health, and again that is what this bill does.

Moreover, while the bill does not include 100 percent of what the President wanted, it incorporates a big chunk of his proposal.

Let me give you an example of that.

The President proposed a refundable credit for child care, and that is in this piece of legislation.

The President wanted assistance to go directly to the parents, rather than to the Government, and that is in this bill.

The President wanted Federal policy to increase, not decrease, the range of choices available to parents, and that, too, is in this bill.

The President wanted Federal support targeted to those most in need, low- and moderate-income families, and that is in this bill, too.

All of the health insurance credit provided under the Finance Committee provisions will go to families with incomes of $21,000 or less. All of the child-care credit will go to families with incomes of $28,000 or less. A nonearmarked proposal offered in the Finance Committee last week lost by a vote of 13 to 7.

All the ABC funds must be used for families at or below median State incomes.

The President did not ask for a refundable credit for health insurance for children. That is true. But this credit, too, is consistent with his goal of not discriminating against families in which one parent stays home to take care of the kids.

There are others more qualified to speak to the part of the bill reported by the Committee on Labor and Human Resources, and the distinguished Senator from Connecticut has spoken at length on it, gone into all of the details, substantiating the product they have worked out. But I would note that the considerable compromise that has been made there involved work with the Governors to establish a procedure for setting model child-care standards. And the National Governors Association supports those standards.

Senators FORD and DURENBERGER worked on the church-state issue. There has been compromise there, too.

In other words, we have worked out our differences to bring about what we think is the best piece of legislation possible. Now it is time for the President to compromise, too. I urge him to review the legislation and how it was designed and accept it for what it is—an effort to help low-income children. Because that is exactly what it will do.

There are those who think the health insurance credit will not increase the supply of health insurance.

But it will. There is a clear economic incentive for families to buy this coverage for their kids. What is happening now, the premiums have increased so much that families just cannot afford it, and they say, "Let's sweat it out. Let's take the risk that none of the kids are going to get sick this year," but they do, and then the parents decide to delay going to the doctor because they just do not have the means to pay for it and they do not have health insurance coverage. I think you are going to see States, hospitals, schools or even churches responding to this credit by creative affordable insurance packages for children.

There is a group in Florida right now putting together a demonstration project where they would provide insurance through the school system and make it available to the kids who are in school and their brothers and their sisters at home, and their parents as well.

We had representatives of insurers testifying before the committee that the industry would respond to this credit, and that they would design products for low income children.

Out in California Blue Cross & Blue Shield have now designed a product there for children that varies by age costing as little as $250 apiece for younger children, and for older children about $300 apiece. The actuarial value of the child portion of the Blue Cross/Blue Shield standard option for Federal employees is about $1,000. It gives you unlimited hospital care, and well-child services—a substantial package of benefits.

Now, I think that this bill will bring about something that is really worthwhile in increasing health insurance coverage for children.

The Health Insurance Association of America certainly agrees with that. They concluded this would make a dramatic difference in the proportion

of low-income families who would buy insurance for their dependents.

George Farr, president of the Children's Medical Center of Dallas, in testimony before the Finance Committee today, spoke of the need for reforms that build a public-private partnership to provide access to health care for children in low income families. He told us that children's hospitals know from firsthand experience that declines in employer-paid dependent coverage increase the numbers of uninsured children, and they support the tax credit in this bill that will increase health insurance coverage for children.

When the Joint Tax Committee estimated the cost of the credit, they concluded it would help a lot of people already insured, but struggling to pay the premiums. But I would be surprised if there are not families who need children's coverage that now decide to buy insurance.

Remember, what you see out of the joint committee is a static analysis: that is without the incentives added, that is without that carrot put out there, that is without the specially designed product to take advantage of this kind of a market. That's the way they estimated the child care credit, too. So the charge that there will be no increase in the supply, if you want to use that kind of a charge, is equally applicable to the President's proposal. If for some reason you think you are going to vote against the health credit on that ground, remember that same charge can be made against the President's program.

Madam President, in my part of the country it used to be the custom for families to stitch together quilts from whatever scraps of cloth they could find around the house. They were not made with the uncompromising singleness of vision that comes from one bolt of cloth, but they had a beauty all of their own.

With our combination of Medicaid, maternal and child health, and other programs, we, too, are creating a kind of quilt. It is a quilt that incorporates a variety of strategies, complementary strategies, that help each other.

Madam President, over the last few weeks, we in the Finance Committee have heard about the serious problems of those without health insurance. We have heard about rising premiums. And we have heard about those employed in small businesses who do not get the plans offered routinely to employees working in companies that are in the Fortune 500.

We have heard about small kids left in the house alone while their parents go to work. We heard just the other day of a young mother here in the Washington area who asked her husband for money for a babysitter so she could go to her job. He did not give it to her, so she took the baby with her. She went in to clean the house for the people that she had been employed by, and she thought she had no option but to leave the baby in the car. She locked the car. It was a very hot day. That child died.

Now, I cannot tell you that this piece of legislation that the Senator from Connecticut has designed would see that that did not happen, but it would sure help, and it would lessen the odds that it would happen.

So I call on the President of the United States to approach these problems with the urgency that I think they deserve. Compromise may be odious to some, but it is necessary to us in a congressional body and it is necessary to the millions of uninsured American children.

I heard some comments the other day on the floor of the Senate that somehow the chairman of the Finance Committee had rammed this bill through. I am not above that, but it did not happen in this situation. Because as we put this package together, I turned to the members of the committee and said, "I will give you a chance to vote on each of these provisions, if you like them or you don't like them. And when we get through, we will vote on the package because it is complementary. One part of it helps the other part and gives a more complete answer to the concerns and the problems of young children today and what should be done to try to help them insofar as appropriate child care and better health care are concerned."

I think that is the only way that this quilt can be finished and begin shielding those children.

Mr. DODD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Madam President, I have been involved in addressing the needs for better child care for many years. In the past few weeks, as I have watched the debate on child care continue and the different proposals involved—and I might say the evolution is not yet completed apparently—I have become increasingly concerned. It seems to me that our original goal—providing parents with child care—has become somewhat obscured.

Let me take a moment to outline what I think we are trying to accomplish. First and foremost, our goal is to ensure that the parents have access to decent child-care services for their children. More specifically, we want to make sure that parents, especially single low-income parents, can afford child care and that they have some peace of mind that their children are being well cared for at child-care centers or in child-care homes.

To achieve this goal, it seems to me we must address three important aspects of child care: Affordability, availability and quality. This involves assisting parents in purchasing care, encouraging people to become care givers, providing opportunities for private and public partnerships in day care, developing new day-care facilities, and enhancing the quality of the care provided.

Given these goals—affordability, quality, accessibility—how do these bills before us size up? The ABC package includes an authorization for $1.75 billion, that is the authorization level. The appropriation level could be less than that. In any event, it provides for a direct grant to States to enhance and encourage child-care services. One hundred percent of this funding would go directly to the States. It is then split up into the following four categories. Seventy percent must be used for direct assistance to the families. That is 70 percent. Twelve percent must be used to increase the availability of care. Ten percent must be used to improve the quality of care—for example, better training for the providers. Finally, 8 percent is provided for State administrative costs. Let us review the numbers: 70 percent for direct assistance to families, through vouchers, through contracts, through grants; the method of funding is left up to the States. Twelve percent of the funding goes toward increasing the availability of the care. For example, the State may choose to offer low-interest loans or grants to potential providers to provide the setting for day care centers. Ten percent must be used to improve the quality of care, and finally 8 percent is allotted for the State administrative costs.

Direct assistance means a direct subsidy to poor families. Quality and availability means encouraging expansion of facilities, resource and referral programs through which parents can learn of child-care services, public-private partnerships, training, and grants or loans to care-givers, among other things.

To receive the funding, a State must establish its own child-care standards, and put up a 20-percent match. This is 80-20; 80 percent Federal, 20 percent match from the States. Again, it is then up to the States to decide just how the assistance is distributed. But the States' distribution scale must focus on families with the lowest income, so that in the case of the very poor, they could receive fully-subsidized day-care services.

The ABC package also includes a tax credit. During tax reform in 1986, millions of poor families were taken off the tax rolls. By this action, we inad-

vertently disqualified those same families from receiving the dependent care tax credit. The ABC package corrects that inequity by making refundable, and slightly increasing, the existing dependent care credit for the lowest-income individuals. This will make it possible for low-income families to receive a credit of 30 to 34 percent of their child care expenses of up to $2,400 for one child or $4,800 for two or more children.

These are the basic child-care provisions ABC package before us.

Now let us examine the proposed substitute. Like ABC, the substitute makes refundable the existing dependent care tax credit so that poor families might benefit. Again, these poor families will be eligible to receive a credit, in their weekly paycheck, toward their child-care expenses whether or not they earn enough to owe the Federal Government any tax.

The substitute proposal also has a direct grant, of which 100 percent is given to the States to enhance child-care services. The proposal would provide $400 million per year to the States for this purpose, and require the States to provide a 15-percent match. Seven percent of these funds would be reserved for administrative costs. The remaining amounts could be used at the State's discretion for activities such as encouraging the expansion of facilities. It might be used for what is known as resource and referral programs, where a parent could call to find out about local child-care services. Some of it could also be used for public-private partnerships or training or grants or loans to care givers, loans for safety and health purposes.

This part of the substitute is quite similar to the ABC proposal, but there is a major difference. The substitute package would not allow the funds to be used to directly subsidize child-care services. Neither could funds be used to pay for the construction of new child-care facilities, or to satisfy the matching requirements for another Federal grant.

In addition, the substitute proposal creates a young child supplement to the existing earned income tax credit. The earned income tax credit would be changed so that the low-income families could receive an additional amount of credit if they have a child under age 5. For the first child, the family may receive another 8-percent credit. For two or more children under the age of 5, the family receives an additional 4-percent credit. As with the existing earned income tax credit, both spouses do not have to work in order to receive the credit.

There is no question that both of these measures—the substitute proposal and the ABC package—attempt to reach our goal: access to decent child care for parents and for their children. I am not at all convinced, however, that either bill sticks to this goal. Both include provisions that seem to me to be ineffective or just plain unrelated to our child-care goal. As a result, in both proposals we have provisions which, in my view, are incorrectly labeled as child-care provisions.

The ABC package, known as a child-care package, contains a new health credit and a revision of section 89. It is difficult to fathom how either health credits or section 89 directly relates to child care. I hope that the section 89 revision will ultimately be separated from any child-care package. While it is clear that section 89 has no business being included in this package, the inclusion of the proposed health-care credit is less clear. This proposal was developed under the rubric of child care, but it has little to do with child-care matters. I am distressed that it has been added to the ABC bill.

For the past 8 years, many of us—particularly those in the Finance Committee—have worked tirelessly to improve the health care status of low-income children and their families by improving and expanding the Medicaid Program. We have struggled every year to find small amounts of money to pay for limited expansions in the coverage.

But today we are talking about a $1.5 billion proposal that does not expand health-care coverage at all, but rather subsidizes those families already receiving health-care coverage. The estimate of this provision does not recognize any increased number of individuals who will be covered by it. In other words, the $1.5 billion is solely for those already paying for health insurance. We would be relieving them of the burden of paying for their current level of health insurance coverage.

If we used this same amount of money to pay for an expansion of Medicaid, we could assist up to four times as many individuals who are currently without any health-care coverage. In a time of limited funding, it seems to me wasteful to consider a proposal which does not address increased access to care.

The substitute also has its flaws. It includes an expansion of the earned income tax credit that carries a cost initially estimated at around $1.5 billion.

The funding that it would provide for low-income families falls far short of truly helping those families pay for structured and reliable child-care services. The small additional credits that would go to those families could not make significant dents in $2,500 worth of annual child-care expenses. Indeed, the money is not tied to child-care expenses. Child care for many low-income families is a cost that can nearly equal the cost of rent. An additional 8 percent credit is not the answer to paying for child care.

In addition, the substitute provides a block grant program which precludes States from using funds to subsidize the cost of child care for low-income families.

If we are here to address child care, why are we choosing between two packages that are cluttered with other matters? All of these other things—section 89, the expansion of the earned income tax credit, health credits—have substantial price tags literally in the billions of dollars. And yet we are not debating any of those provisions, most of which were drafted and brought to the floor in a matter of days. If those provisions were singled out and debated on their merits, I have grave doubts they would receive as much support.

We have a tremendous national budget deficit, and we must ensure that we reserve our spending for our priorities. We are looking at some very difficult times ahead, hard times that will be felt by our children and our grandchildren. But here we are considering provisions with huge price tags that have very little to do with the matter at hand: child care.

I, for one, have been one of the most consistent and outspoken proponents of improved health care services for children in low-income families. The health care tax credit will not achieve that goal. At a later date I may well propose an amendment to strike this health-care provision because, as one deeply involved in these issues, I strongly believe we can find a more effective way to spend that $1.5 billion. I would rather see the money spent on the Medicaid Program, on which I and other Senators on the Finance Committee have been working for many years.

I also feel strongly about expansion of the earned income tax credit. Given our goal of child care, it right now seems to me to be an inappropriate use of limited funds.

It seems to me that we ought to spend our time right now considering child care and child care alone.

(Mr. KERREY assumed the chair.)

Mr. CHAFEE. ABC and the substitute proposal have very similar bases: a refundable dependent care credit matched with a block grant to States for use as they see fit.

It seems to me that the pivotal points—and I have listened to arguments on both sides of this, and look forward to hearing more discussion on it—is how parents, low-income parents in particular, will be assisted in finding and paying for child-care services. That should be one of the most fundamental goals of any child-care package we adopt.

In the ABC package, using a best-case analysis, low-income parents

could be fully subsidized. Since the State must target the bulk of the funds to low-income families, it is possible that families with very low income could be fully subsidized for the cost of child-care services.

In the substitute proposal, low-income parents could receive, as I see it, using a best-case analysis perhaps 30 to 40 percent of that money they need for child care. That means that they will still have to pay a substantial portion of their child-care expenses.

Those in favor of the substitute will argue that far more children will be assisted under that program than under ABC. And that greater options are offered by the substitute. The problem I face, however, is when considering the low-income individual. For example, an unmarried mother with two children who is trying to get off welfare by working. Any tax credit she receives, refundable though it may be, is not going to cover her child-care services.

It therefore seems to me that so far the ABC answer seems the preferable answer. There may be better answers floating around this floor that may come up as debate continues. But ABC seems to me to be a very, very important measure, and one on which I will be listening to arguments as we proceed in the ensuing days.

I thank the Chair.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, I want to take a moment to thank our colleague from Rhode Island. He has been of tremendous assistance over the last couple of years on this legislation. He has on numerous occasions made suggestions. In fact a good part of this legislation reflects some of the concerns that the distinguished junior Senator from Rhode Island has raised. I want to take this moment to thank him for that. He has pointed up again some of the concerns that many people have.

I have lived with this now for so many months it is impossible almost to draft a piece of legislation that satisfies every one because so many different people here have different views as to what our focus of attention ought to be.

We try to put together something here that reflected at least some consensus on some ideas, and to no small extent JOHN CHAFEE of Rhode Island has contributed significantly to that product. I do not want the moment to pass without thanking him for that contribution.

As we all know, I have said this, and Senator HATCH has said this as well. I would prefer that we were dealing with maybe some amendments to this proposal rather than trying to come up with totally different alternatives to it. That is normally the way to do a legislative product. I have not shut the door to ideas. I do not believe anyone has cornered the market on the best ideas in this area. We are more than willing to listen to ideas on which ways we can make this a better piece of legislation. I certainly would not want to suggest that is impossible at all. I think it always can be improved with good people of common intent working together.

So I join with the Senator from Rhode Island in expressing the view that as this debate unfolds over the next 24 hours or so maybe some additional ideas will emerge here that will help us improve that product. It seems to me that is a better way to be approaching this. Given the hours and days that have been spent by the Senator from Rhode Island, by the Senator from Utah, and by many others who have worked on this, that is the way I would prefer we go.

But I thank him for his comments, commend him for his activities. He has been a real friend to children and families over these last several years.

Again, in no small measure we are here, and this product really reflects a lot of his ideas and thoughts as we have moved along that road.

I thank him.

Mr. CHAFEE. Yes. I want the principal sponsor of the legislation to realize that I am not very happy about that child health care provision because, as he mentioned, in coming up with this legislation he had to accept some things that perhaps he would not have, had he had the choice.

But that health-care provision seems to me to be unfortunate. Everybody is for health care for children. There is no problem over that. The problem is that if you are spending $1.5 billion, but are only taking care of those people who are already receiving the health insurance, you are not making any progress. It makes even less sense when we realize we have other vehicles out there, such as Medicaid. Extension of the Medicaid program, which we have all worked on, would provide far greater coverage for far more children. In direct contrast, this proposal targets individuals who are currently covered. That is one of my great difficulties with this provision.

I want to thank the distinguished Senator from Connecticut who has put so much time in this, and has given excellent leadership.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 200

Mr. PRYOR. Mr. President, I have an amendment that I send to the desk at this time, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for himself and Mr. BUMPERS, proposes an amendment numbered 200.

On page 8, line 15, delete "16" and insert in lieu thereof "13".

Mr. PRYOR. Mr. President, this amendment is very simple. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will come to order.

Mr. PRYOR. I thank the Chair.

Mr. President, this amendment is very simple. Under the legislation now pending on the Senate floor offered by the distinguished Senator from Connecticut, that legislation, as I understand it, says that children will be eligible for the child care program, basically, up until the age of 16; I believe this is correct. To my way of thinking, this age should be limited to those who are up to the age of 13.

On behalf of myself and Senator BUMPERS, my fine colleague from Arkansas, we are proposing this amendment at this time to reduce the age of children eligible under the ABC grant program from 16 to 13 years of age.

We think that this change will allow the funds to be more carefully targeted to the circumstances where the need is greatest. The funds provided through the Act for Better Child Care will be very critical to enabling the States, respective States out there, that will ultimately set the rules and the policy of the program, to meet the needs of families.

However, even at the authorization level of $1.75 billion, these funds cannot take care of every existing need. I believe that rather than spreading funds too thin, that they should be better targeted and more targeted, Mr. President, to those in the younger or earlier age category. This is why Senator BUMPERS and I join together in this amendment.

It is a proposal that we think is sound, and it is also a proposal that keeps in mind the dependent care tax credit and coincides with the same age in the dependent care tax credit, as we see it in our tax laws today.

It also makes the two child care components of the Mitchell amendment, which will ultimately be considered in this Chamber, coincide and consistent with each other. We think that a great deal of work has gone into putting together, compromising, negotiating a comprehensive bill, and this is one of those elements of this legislation, hopefully carefully crafted, that will

make this legislation stronger and more acceptable.

Mr. DODD. Will my colleague yield?

Mr. PRYOR. I will be glad to yield.

Mr. DODD. Let me commend our colleague from Arkansas, along with his colleague, Senator BUMPERS, for offering this amendment. We have discussed it, and the Senator has very accurately described what this amendment would accomplish.

Reducing the eligible age to under 13 and making the two parts of the bill consistent so the dependent care credit, which is the age to qualify, now the ABC part, would be exactly the same age. It also would have the effect of making it possible for the States, under the ABC part of this bill, to allocate a greater percentage of funds to families that are poor or are higher income, depending upon what each State wants to do, because the age limits will be reduced; therefore, there is potential for greater concentration of resources to go to needy families.

The whole question of latchkey children—there are 7 million latchkey children in the United States. We can hardly pick up a newspaper any day and not read where some child has been terribly injured, or worse, because they are not supervised. I always found it interesting—if people want to engage in a little test, particularly in smaller towns in America, because it is harder to get this reading in a large city, but in smaller towns in America, to try and make a phone call about 3:15 or 4 o'clock in the afternoon—and I am assuming schools get out about that hour most places—there is a delay between the time you dial the last digit and when that phone number actually rings in.

The reason for it is very simple: that mothers and fathers across that community are calling home to find out whether or not their children are home safe and sound. They will then spend the 2 or 3 hours, of course, home alone, in many cases. One out of every six fires in Newark, NJ, is caused by a latchkey child. Numerous statistics indicate the potential for harm that exists with minor children going unsupervised.

My colleague is guaranteeing that these children will get supervision. So he is lowering that number, but not so low as to fall out of the middle school or intermediate school category. I support his amendment. I think it adds to the bill and puts us in a system of harmony. I strongly support this amendment.

Mr. HATCH. Will the Senator yield?

Mr. PRYOR. I will be glad to.

Mr. HATCH. I compliment the distinguished Senator from Arkansas, as well. It has bothered me a little bit that there is only limited funding that we can do in this Congress, with the budgetary constraints that we have upon us, and I think that once we reach the age of 13, we will have to make adjustments there. So the Senator's amendment helps this budgetary problem, while recognizing that there is only so much we can do.

It is certainly better than just taking care of those stages, 1 to 4, which is what many in this body would like to do. Now, that is important. To me, it is extremely important, but they are not the only people who need care. What about a 5-year-old? What about a 6-, 7-, 8-, 9-, 10-year-old? And 11 and 12, is an appropriate cutoff.

I want to commend the distinguished Senator for this amendment, and on this side we are certainly going to take this amendment. I think it is a good amendment. It is just one of those refining amendments that we have asked for. We have asked for intelligent refinements to this bill that will help us to make it a better bill, and both of us are open to that; and we appreciate the distinguished Senator and his amendment, as well as Senator BUMPERS, on this matter, and I commend you for it. We will be willing to accept it, as well.

Mr. PRYOR. Mr. President, I want to thank both of the distinguished Senators, from Utah and Connecticut. I think this demonstrates the willingness of these two fine Senators, who have worked so long and hard on this legislation, to deal with accommodating those various needs that each of us have.

As we have gone to you during this last year, year and a half, 2 years, you have been most accommodating, not only to listen to some of the concerns that we have offered, but also to attempt to deal with those concerns in a proper and constructive manner.

Mr. President, before I yield the floor, my good friend from Connecticut was talking about the latchkey children, and he was talking about the busy signals that you get about 3:15. I have to, if I might—if the Senate will allow me for a personal reference, I guess I was a latchkey child, and I did not realize it. We did not have what you call day-care centers during that period, but I remember every afternoon—and I see that the Senator from South Carolina began to laugh. He probably went through the same thing. He and I are in the upper-age category around here, but Senator DODD and Senator HATCH, they will not remember this. But I remember every afternoon when I got in from school, the first thing I would do when my mother was not home, I would pick up the phone—and this was even before the dial system; that shows you how old I am—and on the other end of the line would come Lucy Mae Phillips. Lucy Mae Phillips, in our little town, was the only telephone operator in town, and I would pick up the phone and she says "David, is that you?" I would say, "Yes, it is, Lucy Mae; where is mother?" She might say, "She is over Miss Harriet's playing bridge this afternoon. She will be back around 5 o'clock." I would say, "Fine." If I did not get home, my mother would call central, and Lucy Mae would answer the phone, and Lucy Mae always knew where I was in town, whether I was playing football, or at practice or wherever; but I think that demonstrates how times have changed. That no longer exists. We see it work for us today.

As Senators DODD and HATCH have said, 57 percent of the couples that have two jobs and have children—and this is an attempt, I think a refining attempt, and I can assure the two distinguished authors of this legislation that it is a good-faith effort on our part, Senator BUMPERS and myself, to correct something.

Mr. DODD. Let me say that even though this gray head of mine does not recall Lucy Mae, living in Lebanon, CT, where I grew up in a rural town, I wish, in a way, that America had a lot more Lucy Maes around. I think it is sad, in a sense, that we do not live in a country like that any more, where people watched out for one another and cared for one another. I am saddened, in a sense, that we have to go through this, and I do not like that; I must tell you that.

I wish we had a different kind of a country that made it possible for parents to spend more time with their children. So it is not with a sense of glee that I proposed this bill.

I would say those days that my colleague lived in were the same for many of us to some degree. I never remember a day when I ever came home from school that my mother was not there. I did not recall a day when I walked through the door that I did not bellow in that house, and bellow if she were home.

That is the way my five brothers and sisters and I grew up.

Today, unfortunately, only 1 in 10 families in America have dad at work and mom at home, and that number is shrinking. But I do not know how you legislate that. All you are trying to do is at least approximate for some of these children an environment where they can get some proper education, to relieve parents of that anxiety that they feel about wondering where their children are and who is watching out for them.

So I commend my colleague for his amendment. I think his story about Lucy Mae is an appropriate one, and I am sure there are many of our colleagues here who could tell that story about their own community in which they grew up, but I thank the Senator for it.

Mr. PRYOR. I thank my distinguished colleague.

I ask unanimous consent that the Senator from Illinois [Mr. DIXON] be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. As a final bit of trivia about Lucy Mae Phillips, I was the ringbearer in her wedding at age 5, and I will be glad to show to the distinguished Senator from Connecticut a picture of me when I was 5 years old in a white satin suit carrying the wedding ring for Lucy Mae Phillips.

Mr. DIXON. I would like to see it.

Mr. DODD. If my colleague will yield, I might suggest that he try to find one of those today. There was a day in the Senate where they wore white satin suits.

Mr. PRYOR. I will tell my friend, I think it would be right in style. Who knows, I might try to get one made up one of these days.

I thank the very distinguished Senator.

The PRESIDING OFFICER. Is there further debate on the amendment? If not the question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (No. 200) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PRYOR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I rise in vigorous support of this important bill. Incidentally I wish the RECORD to show, since we are talking about Lucy Mae and the reference was made that at my age I could appreciate Lucy Mae, that I am fully 20 years younger than the senior Senator from South Carolina. Nonetheless, I do remember Lucy Mae. The Senator is right.

Mr. President, this bill has the potential to change this Congress and this Government, change our approach to problems. Heretofore, we have had a rather crass political approach, Mr. President. As a former Governor, I know that you are someone who has had the hard experience of actually governing. The majority of this body has not.

The fact is that we in this Congress have become a bunch of pollster politicians, worrying about how our voting record will be used against us. In fact, a record is a deterrent to reelection, contrary to what we hear about the advantages of incumbancy. You commission a poll. You get a consultant. You learn how to frame a 20-second sound bite.

The admonition time and again by all the campaign consultants is, for goodness sake, don't say anything about what you actually intend to do. That will cost you votes. All you need to say in the 20-second sound bite is "I am concerned." As a result, we do nothing in this Congress.

We do nothing for the needs of Government on the one hand, and the needs of the young, the needs for the future of this country, on the other.

We have a poor track record already this year. When it came to the matter of Central America and the Contras, we finessed that off to the OAS, the Organization of American States. The OAS has not done anything yet and they are not going to do anything, and we know it, but that sounded responsible at the time. That satisfied the pollster. We identified the problem. We expressed concern about Central America, but we did nothing about it.

When we got to the savings and loan, we identified the problem, but we put it off budget. In fact, it has almost reached the point where we put the budget off budget. And of course when we considered the catastrophic illness tax, we said we will put that off until September.

Now, for once we are beginning to really face up to an urgent need by offering this landmark child-care bill.

Mr. President, I can take you back 30 years, and show you examples of how poor people have scrambled to piece together child care to free themselves to work. I remember visiting a black church on Spartanburg Avenue in Greenville. I remember seeing some 67 infants in the cellar of that church with three of the volunteer mothers minding the 67 children so the other mothers could work. Yet I would have to go to the civil club and hear the know-nothing remarks about, "If you feed them, they will never work." I was working at that time, of course, on a hunger bill.

But I could see the commonsensical approach of those who were trying to break out of that welfare syndrome. You do not have to worry about the poorest of the poor pulling their weight, because where there is the least amount of ability they are trying their deadlevel best to break out of poverty.

In my campaign in 1984 I was campaigning on the famous highway 128 going out of Boston up into New Hampshire, at the Wang facility there. It so happened that a young lad whom I knew was an executive to Mr. Wang running that operation. I was taken through the plant and was impressed by the finest child-care center I have ever seen. It had everything.

I wish I could put an amendment that would triple the funding for this bill. To those who are saying we are spending too much, I wish I could show them what a quality child-care center consists of. Of course, those first-class child-care facilities were an inducement by Wang, Inc. to attract the best of the best employees.

If you had a choice of working with Wang or another corporate enterprise, in that area, and they have the best of America out on that highway, you would say, "Look, I can go to work at Wang and my child care, my No. 1 problem at home, is now going to work with me because when I get a break at lunch or if something happens of an emergency nature, all I have to do is take the elevator down to the child-care facility and I can see how my child is being cared for."

So the richest of the rich and the enlightened corporate management are all in favor of quality child care.

I have seen the demand for child care in the middle-income or less-than-middle-income groups. We are about 39th nationally in per capita income in my State of South Carolina. We have a program to develop the industrial arts and skills for workers in high-tech industries. They now have included a course and curriculum at Greenville Tech to train those who would work, whether for churches or for corporations, for schools or otherwise, in child-care facilities funded by this bill; we are now training the directors and supervisors of these new child-care centers.

And, of course, the statistical information presented by Senator DODD and Senator HATCH is overwhelming. Sixty percent of working mothers have a child-care problem and 100 percent, including this Senator, whose children are now grown and having grandchildren, have this problem.

And so this is really a national approach in tune with the sensitivities and sensibilities of the local community and the individual parent. Those considerations have been foremost in the minds of the drafters of this legislation.

I would like to digress briefly to commend Senator DODD and Senator HATCH on this bipartisan approach. I hear there is a partisan amendment coming. I hope nobody is trying to get the high ground or seek partisan advantage on this bill.

I put in a bill, tried to get one through 6 years ago, 7 years ago. I worked with Senator HATFIELD. You will see our child-care bill that we put in last year gained support under title XX of the social services block grant.

Having labored for years in this particular field, I can tell you now that these gentlemen win the award for the most deliberate and thorough and sensitive and commonsensical approach to a problem I have seen up here in many a year. There is an old saying that you should never watch how sausage is made or how laws are made. But this bill is the great exception. We have worked on bills and passed a billion in funding here and 2 billion there, in-

serting a little phrase here or there without any hearings, without any consideration.

But in a bipartsan fashion, these gentlemen and those on the Labor, Health and Human Resources Committee have worked with the Children's Defense Fund and gained support and consulted with Governors, legislators, the Catholic Church, the Christian action groups, and right on down the list to try to fashion a child-care bill with the concerns of these particular groups in mind.

It is a very, very complex and controversial subject. I was present in the early 1970's when some were saying that the child-care bill would be like communism and take over the family. Now we know how silly that was.

The family is not being taken care of except by that working parent. The working parent has got to take care of that child, and we are not now making any provision to aid that beleaguered parent.

So when it comes to the working poor, when it comes to the facilities, this bill is a bellwether. It is a bellwether, Mr. President, in the context of changing the direction of Government here that has been purely political in its preoccupation with gaining votes. We have been buying the votes of our senior citizens with the fruits of the next generation. We do not put a tourniquet on the deficit hemorrhage because we are going to continue to spend on those who can vote. After all, the polls tell you that posterity can do nothing for you, so there is no need to do anything for posterity. So to heck with the next generation. The consultants say that if you want to get the votes, you have got to be professional about this and forget about taking any pride in providing for the future.

Not long ago, I attended an annual dinner of the chamber of commerce, and our friend Charles Kuralt was the speaker. He was summing up his 40 years of writing and observing in America. The one thing that stuck out in his mind and conscience was the lack of concern today for the children in America, for the next generation.

But if you go back to the earliest days of Jefferson, Madison, and Hamilton, you will find that all of Government was focused on providing for the future. They were thinking of that next generation.

In the Civil War and in the darkest days of the Depression, Kuralt reminded us, the rhetoric was always focused on the next generation and the future. But not for the last 10 to 15 years in this National Government. Yes we provided abundantly for Social Security, we did not hesitate. Everybody is for that. We spent $16 billion more and fixed Social Security. Likewise with Medicare; Medicaid. You look at Medicaid funds, 75 percent go to the senior citizens, only 25 percent to the young of America.

But we voted in the Older Americans Act, lower energy income assistance, elderly housing, and so on. As a result, we reduced the senior citizen's percentage in poverty from some 27 percent in 1959 to some 12 percent today. We have done well. I voted for those bills. I support them. I am not pitting one generation against another.

But I have resented the idea that we could not do anything for the children, until the Dodd-Hatch bill came along here. And now, let us examine how we have been denying the children and why we finally need this bill, and, indeed, how it saves us money.

What we have done in the last 6 or 7 years, I say to the Senator, is that we have cut the WIC Program—Women, Infants, and Children—so that it now reaches on 40 percent of those eligible.

You have 13 billion brain cells and I have 13 billion brain cells. And 10 billion of the 13 billion develop during the first 5 months in the mother's womb. Due to lack of nutrition, the lack of protein, there occurs as much as 20-percent less cellular development in the human brain during that first 5 months. And that child comes into this world with what is called generalized or organic brain damage.

It is like taking a television set off the desk here and dropping it on the floor. You put it back on the desk, you turn it on, the hundreds of wires in the TV do not come together. Likewise, the billions of cells in the human mind do not connect if the brain is malnourished. That child is uneducable. It cannot concentrate.

It gets into the first grade, the second grade, it gets a promotion socially. But it cannot read. It drops out, turns to crime, and so on.

The Presiding Officer, and I, as Governor, have learned long since that it is cheaper to feed that child than to jail that man. But this Congress will not do wake up. I would save $3 for every dollar spent on WIC. There are 4 million eligible poor out there who have been dropped from the rolls. We could save billions if we could extend Womens, Infants, and Children out, not to mention the other health costs that have come along, the penal costs and everything else. We cannot save money because we do not understand the economics of human development.

What did we do with respect to Aid for Families with Dependent Children? In 1973 to 1984 we served 84 out of 100 eligible under AFDC. Now we serve less than 60 of 100. What we have done is kicked millions of those children who need AFDC off the rolls. But we all claim to be economizing. We are complying with Gramm-Rudman-Hollings.

Well, baloney. We are not complying. I am one of the authors and I can tell my colleagues that is a phony claim, to say we are complying with it. I stood on the floor when Senators said they brought our budget deficit down to $100 billion, and I dared them to bet me that it would end up nearer $150 billion. Nobody wants to take me up on the bet.

But do not talk about economics and the budgetary restraints and constrictions. In the Head Start Program, 2.5 million are eligible, but only 18 percent are covered: 450,000. We had 25 percent covered in 1978. So we kicked off 175,000 during the last several years, saying we are governing up here. But we are providing $300 billion for a bunch of rascals in the savings and loans. We can find that money.

The bankers, they have to be kept whole. But the youngsters, the infants, the next generation, they cannot vote. To heck with them. Let us look to the next election.

Syracuse University made a study: We save $6 for every $1 we spend in Head Start. We ought to be spending much more. It saves in the dropouts. I will never forget, I had a dropout at 87 percent in high-risk groups. With the combination of Head Start and title I beginning in the 1960's, we cut that rate down to around 30-percent dropouts. If we really want to do something and save money, we ought to be doing that. Instead, we cut half a billion from title I for the disadvantaged. We used to have 75 out of 100 eligible who were served. We reached them. We are now only reaching only 54 out of 100, in the disadvantaged, or title I.

The School Lunch Program has also become a disaster. Between 1981 and 1984 we cut $1 billion out of the program. As a result, there are 3 million fewer kids getting lunch, and there are 500,000 fewer getting breakfast. Again, we are back to trying to keep their concentration in the classroom. We are trying to cut back on illness. This is the only solid meal they get.

Ask LLOYD BENTSEN, from Texas. I will never forget, we studied down there on the Mexican border, these little Mexican kids down there in Texas. Their alertness and their attendance and their truancy. The truancy dropped, the alertness increased as a result of that hot breakfast. We even extended it down there.

But, oh no, we are very fiscally responsible because we cut 3 million off that lunch program, and then another 500,000 off the breakfast program.

I could talk further on drugs, on the penal costs, on education. These are all related to the child-care crisis.

My point here is that we are taking a positive step toward responsibility with the Dodd-Hatch ABC bill. It is a bipartisan initiative. I will debate the merits of this bill with anybody who wants to discuss it. As I am trying to persuade my colleagues here in the U.S. Senate: This is the one bill we can

29-059 O-90-29 (Pt. 9)

finally hold our heads high about and say: for Heaven's sake, now we are going to provide for the next generation. It is economically not only feasible but desirable. I am going to save literally billions in every regard, from penal costs to health costs, reeducation costs. We can start here with this child-care bill and make a proper start. That is the word to emphasize.

This is just a start. Senator DODD and Senator HATCH have pared back, trimmed their sails in order to get a good start in a deliberate fashion. And that is a healthy way to do it: Working with the local communities finding out how they handle it in Connecticut and in South Carolina; giving discretion to the Governors, and so on. I do not know of a better thought-out measure in my time in the U.S. Senate than this ABC bill. It deserves the enthusiastic support of all of us.

Maybe there are a few other amendments, I do not know. But let us not just pair off and see whose bill is going to kill the next Senator's bill or vote on party lines. This has been the bipartisan bill. There has been no intent to make it a partisan measure. I hope we do not get partisan amendments up here. But if we do, we will have to come back and debate them and call them for what they are. We will fight to keep this excellent bill intact.

Mr. DODD. Will my colleague yield?

Mr. HOLLINGS. Yes.

Mr. DODD. I know my colleague from Nebraska has a comment he wanted to make but I did want to commend our colleague from South Carolina for his remarks. I do not know of a person in this Chamber, Republican or Democrat, who has been a better champion of the nutritional needs of children.

Over the past 20 years or more, long before anybody was talking about it, the Senator from South Carolina was talking about the relationship between adequate nutrition a child gets and that child's potential for performance; that when you deny the nutrition you almost guarantee that even a child coming from the best of families with all of the other tools available is not going to, likely, reach his or her maximum potential. So the nutritional aspects of what children receive in hot lunch programs at every public school in this country today, when women and children receive under the WIC Program and a host of other programs, they can thank the Senator from South Carolina that is available today.

Regrettably, Head Start, another one he mentioned, we only served 19 percent of Head Start Program. There is a program that is 25 years old. If you go back and take a child, Mr. President, out of a Head Start Program and a child not in a Head Start Program from the same neighborhood and compare statistically what has happened to those children, you find the Head Start kid, more than likely, finished high school, more than likely will not end up in the juvenile justice system, more than likely was not a teenage parent, more than likely is a productive citizen raising a family today. Regrettably, that other child has fallen into problems with the juvenile justice system, dropout, teenage parent and the like. We now know that program has worked, and many of the same criticisms being raised about the ABC bill, I might suggest, were raised about the Head Start Program when it was started.

My colleague from South Carolina deserves a tremendous amount of credit for what he has done over the years. We have, of course, increased the Head Start Program in our bill as well by $250 million as part of the ABC bill because we recognize the value of a proven product. As well, of course, we include the standards that adequate nutrition be part of the program of the child-care centers so they are not eating junk food and carbonated drinks and calling it food during the day; that there be some nutritional guidelines there so each State will decide what they are and insist upon them. We are told that is denying choice to parents because we want to see some basic minimum health and safety standards in place.

I cannot thank my colleague enough. He has been a sponsor of this bill. He stood with me a few feet from where I am standing today 2 years ago and stood before the press and said, "I support this legislation. You get the authorization and I am going to help you get the appropriations for the ABC bill." I will never forget that statement. He has been unflinching in his support over the last 2 years. The children of America owe him a debt of gratitude. I thank him.

Several Senators addressed the Chair.

The PRESIDING OFFICER. (Mr. LIEBERMAN). The Chair recognizes the Senator from Nebraska [Mr. EXON].

Mr. EXON. Mr. President, I rise today in support of S. 5, the act for better child care. I am pleased to join Senator DODD and Senator HATCH as cosponsors of this very important piece of legislation.

I want to say that I would like to be associated with all of the remarks that have just been so eloquently given by my great friend and colleague from South Carolina. Yes, he has been the leader in this area for a long, long time. I say to the Senator from Connecticut, and I thought your remarks were also appropriate. I also know in our close association over the years on the Budget Committee, it has been Senator HOLLINGS who has led time and time again in the WIC Program, Women's, Infant and Children, and the school lunch programs and others. Of course, I include Head Start.

The first time I ever heard of the Head Start Program must have been 20 years or so ago when Mrs. Frank Morrison, then First Lady of the State of Nebraska, was talking informally with a group of us one day and was telling us about the Head Start Program. We had just gotten it started in Nebraska at that time. She was active in it. She said, "Today I saw an amazing thing. I saw a 7-year-old girl that had ridden in an automobile for the first time in her life today in Lincoln, NE." That was a part of the Head Start Program.

I think it brings home what Senator DODD has just said with regard to how important it is that we give our young people, especially our underprivileged young people, a chance. This is a very, very important piece of legislation, and I suggest, Mr. President, that it is the family legislation of the 101st Congress and will so be so remembered as long as we do remember.

As we all remember, the Senate had a tough time on this bill last year.

In light of the concerns expressed last year, S. 5, as reintroduced by Senators DODD and HATCH, has undergone considerable revision. I salute them for their patience and dedication. I, for one, am pleased to see these revisions. I think these changes make a much stronger bill with a broader base of support. I did not agree to cosponsor the ABC bill until many of these improvements were made. These important changes take care of many of the objections I heard from Nebraskans last year and earlier this year.

The wise incorporation in the bill of language to meet the Ford-Durenberger concerns, which I shared, cleared the last major objection from this Senator.

One of the most important additions to the ABC bill this year has been the establishment of risk retention pools to help with liability insurance for day-care providers, thereby making it more financially feasible for family day care providers to become licensed according to State and I emphasize State, requirements. I have a longstanding interest in the area of liability insurance dating back to my days as Governor of Nebraska. Inclusion of the risk retention pools is a positive step in getting a handle on the ever-increasing problems associated with liability.

I also support the new agreement between the sponsors of this bill and the National Governors Association and other State and local associations. Under that agreement, the earlier section requiring that States adopt minimum standards will be deleted. Instead, a national commission will set recommended health and safety standards. These recommended standards

cannot be more or less rigorous than the most or least rigorous standards that exist in any State at the time these recommendations are submitted.

The States must adopt standards for each general health and safety category listed in the legislation; however, the States will have the discretion to determine what the actual standards will be within each category. The bill establishes financial incentives for States to meet these recommended standards. There will also be grant money available to help States move their standards up to the recommended level. I have heard personally from two Nebraska families who lost children while in the custody of a day care provider.

Both were in unlicensed situations. To me, that is two too many deaths. If we have adequate regulation and incentives toward State licensure, we may in the future be able to prevent these types of situations from occurring.

Another major change from last year's bill is that S. 5 now explicity allows ABC funding for grandparents, aunts, and uncles who care for their relatives, provided, of course, that the caregivers are at least 18 years old and meet applicable State regulations.

As my State of Nebraska currently exempts grandparents from State licensure procedures this section will expand the choice for parents.

This year the ABC bill also includes provisions to encourage businesses and communities to become involved in providing child care services, again providing more options for day care facilities from which parents may choose.

In trying to expand options, the bill also includes provisions establishing resource and referral services to provide additional information to parents seeking child care services. Along with this, the bill provides for grants and loans to help family day-care and nonprofit providers establish and/or expand child-care programs.

In a 1987 study, it was estimated that in Nebraska, my home State, there are 72,500 children age 5 and under whose mothers work outside the home. This does not include children whose mother is in school or a job-training program, so the numbers would be slightly higher. According to a 1988 Nebraska study, 68 percent of working parents with primary responsibility for child care, usually mothers, work full time.

In Nebraska, approximately 20 percent of the child-care services for children under age 6 are provided at home by one of the child's parents. Approximately 70 percent of the rest of the care is provided outside the child's home.

Let me state that again, if I may, Mr. President. Approximately 70 percent of the rest of the care in Nebraska is provided outside of the child's home.

To me, those numbers indicate that there is a need even in rural States such as Nebraska for child care services. I believe that reference and referral provisions in this bill, as well as the provisions on training and technical assistance, will be extremely beneficial to the rural areas in helping to establish services where none previously existed or upgrading existing services to meet the State standards, if they do not already do so, of course.

As my colleagues are aware, there is currently very little Federal assistance available for child care. The Head Start Program, which has been mentioned, which is an excellent program serving disadvantaged children, only has funding to help about 18 percent of the eligible population. Title XX of the social services block grant currently provides $2.7 billion per year for a variety of social service activities, including child care. However, only about 15 to 18 percent of the funds are used for child care alone. Also, the reimbursement rates are so low, in some instances as much as 50-percent below market rate, that many providers will not accept title XX children. Under the ABC bill, payments to providers must be comparable to payments child care providers receive for services provided to children not covered under this legislation. We need to increase the number of available providers and this bill will do the job. One way of doing this is by making it an attractive position. Higher reimbursement rates are one such incentive.

Approximately 65 percent of the mothers with children under age 18 are in jobs outside the home. This is a result of the increasing numbers of single parent households as well as the economic necessity of having two incomes to provide a decent standard of living. Two-thirds of the mothers in the work force are either the sole supporter of their family or have husbands who earn less than $15,000 per year, Mr. President.

Today less than 1 in 10 families represent the "traditional" family where the mother stays home while the father works. Yes, that was the way it was when I was growing up. That was the way it was when a majority of the Members of this body were growing up. That is not the way it is today. We live in different times, and when we live in different times, that is the time for leaders who care about kids to stand up and say the old formula may have been good, the old formula may have been better than what we have today, but the old formula is gone, Mr. President, in the society in which we live today. I suggest to all, it is time that we get up to date in the Senate, and we are doing so with this bill.

I ask unanimous consent, Mr. President, that an article entitled "Child Day Care Policy Issues in Nebraska," originally printed in the Nebraska Policy Choices: 1988, be printed following my remarks, with an appropriate letter attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, in closing, I just want to point out that this article suggests that, based on evidence collected, three policy strategies for improving the quality of home day care in Nebraska are necessary: strengthening and expanding family day-care rules; subsidizing quality day care for the working poor; and expanding specialized training for home day-care providers.

This is exactly what the ABC bill attempts to do. For that reason, I lend my strong support to this measure and urge my colleagues to do the same.

Mr. President, the bottom line is not whether parents should use outside child care but, rather, whether, when it is used, it is provided in a situation that is affordable as well as providing a safe and healthy environment that promotes positive development for our most precious asset—our children. This legislation goes a long way toward answering that question, and I urge swift passage. It is not perfect legislation, Mr. President. We seldom pass that kind here, but it is absolutely necessary.

There will be reasons invented to vote against it, but that does not justify its failure to pass. If we can take care of our military needs, bail out every defunct financial institution in America, grant billions in foreign aid, meet our concerns for our seniors, then I suggest, Mr. President, we can find the savings for a minimum protection, to provide for our most important possession, our kids.

Mr. President, I yield the floor.

[EXHIBIT 1]

UNIVERSITY OF NEBRASKA AT OMAHA,
Omaha, NE, May 12, 1989.

ROBIN HENDERSON,
Senator JAMES EXON,
U.S. Senate, Washington, DC

DEAR MS. HENDERSON: This is in response to your request to reprint "Child Day Care Policy Issues in Nebraska." I understand you plan to publish it in the Congressional Record. You do have our permission to do so, provided you include our credit line: "Reprinted with permission from 'Nebraska Policy Choices: 1988,' copyright 1989 by Center for Applied Urban Research, University of Nebraska at Omaha."

We appreciate your interest in our work. Please let me know if there is anything else we can do for you.

Sincerely,
MARGARET MCDONALD RASMUSSEN,
Editor.

CHILD DAY CARE POLICY ISSUES IN NEBRASKA

(By Christine M. Reed)

This chapter looks at the Nebraska child day care market. A review of the day care

arrangements made by working parents for their preschoolers indicated that the majority used home day care—in the home of a relative, friend, neighbor, or family day care home proprietor. This predominance, together with evidence that sixty percent of all day care is informal, unregulated care, suggests three policy strategies for improving the quality of home day care in Nebraska: strengthening and expanding family day care rules; subsidizing quality home day care for the working poor; and expanding specialized training for home day care providers.

INTRODUCTION

Why is child day care suddenly receiving so much attention? An unusual combination of social and demographic trends and research in child developmental psychology has focused the attention of Nebraska legislators, professionals and parents on this important issue. This chapter provides comprehensive information about the child care market in Nebraska and policy strategies to address that need.

In 1987 there were an estimated 72,500 preschool-age children (five years and under) whose mothers were in the Nebraska labor force, and who therefore needed some kind of day care arrangement. Including mothers in school and in job training programs in this estimate would report an even higher number of children in day care. According to a Nebraska survey conducted by the Center for Applied Urban Research (CAUR) during the summer of 1988, sixty-eight percent of working parents with primary responsibility for child care (usually mothers) work full time. Moreover, 80.7 percent use their regular child care for more than six hours a day.

At the national level, statistics point to a fundamental restructuring of work and family responsibilities. The national labor force participation rate of married women with their youngest child under six years old has risen dramatically, from 30.3 percent in 1970 to 53.7 percent in 1985 (figure 1).

[Figure 1 not reproducible in RECORD.]

Labor force participation increases with the age of the child; however, nearly half of all married women with a child one year old or older were in the labor force in 1985 (figure 2). In 1986, two-paycheck couples comprised sixty-one percent of all husband/wife families; one quarter of all families with children were single-parent families, headed mostly by women. Full-time, continuous employment has now become a reality for many women, married and single alike.

[Figure 2 not reproducible in RECORD.]

The centrality of employment is one reason for heightened interest in child day care. A second factor is increased awareness of how the quality of child day care affects cognitive, emotional and social development. Our society has traditionally been, and continues to be, ambivalent about nonmaternal care. However, the question is not whether parents should use outside child care, but rather when it is used, what conditions promote positive development and minimize harm to young children. Research consistently demonstrates that licensing standards regulating group size, staff-to-child ratio, and training of day care providers have a positive influence on children's daycare experiences and, in turn, tend to make children more cooperative, more intellectually capable, and more emotionally secure (Belsky 1985).

Like all states, Nebraska has experienced a sudden, rapid increase in the need for child day care; however, as the following section will show, certain features of the state's child day care market are unique to Nebraska. This chapter contributes four major findings about Nebraska's child day care market. First, compared to the nation as a whole, a higher percentage of Nebraska children are in home day care—in the homes of relatives, friends, neighbors, and family day care home (FDCH) proprietors. A second feature distinguishing the Nebraska child day care market is the high percentage of preschool-age children in registered day care homes compared to the percentage in licensed day care centers. Third, the lower the family income, the more likely working parents are to use informal, unregulated day care in private homes. Finally, compared to other states, Nebraska has relatively lenient home day care regulations, especially in the number of children allowed before providers are required to register. The following section describes the features of the child day care market in more detail.

THE CHILD DAY CARE MARKET IN NEBRASKA

The term child day care refers to the daily care arrangements during the hours that the primary caregiver of the child (usually the mother) is at work, looking for employment, in a job training program, or in school. The child care market includes a variety of arrangements. Care can be in the child's own home by the parents, who arrange their work schedules so that one spouse is always with the child; or by a relative or nanny. Arrangements can also be made in the home of a relative, friend, neighbor, or proprietor of an FDCH. Finally, care can be in a specially designated structure devoted to child care, such as a center or preschool. While day care arrangements can be made for any age child, this chapter examines only the day care arrangements for preschool-age children.

The distribution of primary child day care arrangements in Nebraska, for the youngest child under six years old of working parents, is shown in table 1. About one-fifth of these children are cared for in day care centers and preschools. Over half are in home day care. The rest, almost twenty-eight percent, are being cared for in their own homes, primarily by their fathers, or by their mothers while self-employed at home.

TABLE 1.—*Distribution of Primary Child Care Arrangements in Nebraska for the Youngest Child Under Six Years Old of Working Parents, 1988*

Primary child care arrangements	*Percent*
Care in child's home	27.8
By spouse	11.1
By other relative	3.3
By nonrelative	4.6
By mother self-employed at home	8.8
Care in another home	53.4
By relative	8.8
By nonrelative	44.8
Organized child care	17.4
Day/group care center	15.1
Preschool/special program	2.3
Other	1.0
Total[1]	99.6

[1] Total does not equal 100 percent due to the effect of rounding.

Source: "*Survey of Child Care Arrangements in Nebraska.*" Center for Applied Urban Research, College of Public Affairs and Community Service, University of Nebraska at Omaha.

The national distribution of child care arrangements over the past ten years is shown in table 2. Compared with the country as a whole, more preschool-age children in Nebraska are in home day care—fifty-three percent of Nebraska children compared to about forty percent nationwide. (These figures do not reflect what percentage of private homes are registered or licensed, because the census does not collect this information.) Approximately the same percentage of children in Nebraska as nationally are in day care centers.

A survey of child care in Kearney, Nebraska, conducted in the summer of 1987 by the Bureau of Sociological Research at the University of Nebraska-Lincoln, found a distribution of child care arrangements similar to the 1988 Nebraska statewide survey. Fifty-one percent of respondents (full-time working parents with preschool-age children) said they used home day care. Twenty-two percent had an adult at home (immediate family member), and fourteen percent used child care centers or preschools (Booth, Amoloza, and Funk 1987).

TABLE 2.—NATIONAL DISTRIBUTION OF PRIMARY CHILD CARE ARRANGEMENTS FOR CHILDREN UNDER FIVE YEARS OLD: 1977, 1982, 1984–85[1]

Primary child care arrangements	1977	1982	1984–85
Care in child's home	42.6	39.7	39.1
By father	13.5	13.9	15.7
By other relative	12.1	11.2	9.4
By nonrelative	6.3	5.5	5.9
By mother self-employed at home	10.7	9.1	8.1
Care in another home	40.4	40.2	37.0
By relative	18.0	18.2	14.7
By nonrelative	22.4	22.0	22.3
Organized child care facility	12.5	14.8	23.1
Day group care center	12.5	14.8	14.0
Preschool	NA	NA	9.1
Other don't know/no answer	4.4	5.3	1
Total	99.9	100.0	[illegible]

[1] The 1977 and 1982 census surveys covered the child care arrangements for the youngest child under five years old, the 1984–85 special census study covered all preschool-age children in families with working mothers.

[2] Totals may not equal 100 percent due to the effect of rounding.

Sources: "Child Care Arrangements of Working Mothers: June 1982," U.S. Department of Commerce Bureau of the Census, Series P-23, No. 129; "Who's Minding the Kids? Child Care Arrangements Winter 1984–85," U.S. Department of Commerce Bureau of the Census, Series P-70, No. 9.

There are 2,205 private homes in Nebraska that are registered with the Nebraska Department of Social Services (NDSS) as family day care homes. Nebraska law requires that a private home providing care for four or more children from different families self-certify that the provider has complied with Rules for Family Day Care, issued by the NDSS (NDSS 1986). Family day care home regulations contain rules on health and sanitation, fire safety, physical space, transportation, and other areas, as well as limits on the number of infants and children in a home.

Registered homes, together with licensed day care centers and preschools, make up the formal child day care market in Nebraska—care arrangements purchased in the open market but regulated by the government (see table 3). The remainder of child care arrangements purchased in the open market are considered to be informal: care by relatives or nannies in children's own homes, plus care in private homes by relatives, friends, neighbors, and proprietors of FDCHs who are not registered with the state. (Unregistered homes are distinguished from illegally operated or *underground* homes; many providers are not required to register because they care for fewer than four children or for children from only one family.) Finally, arrangements with members of the immediate

family (for example, spouses dividing work schedules and child care responsibilities) are not subject to conditions of an economic market and are classified as non-market care (Robins and Spiegelman 1978).

TABLE 3.—COMPONENTS OF THE CHILD DAY CARE MARKET

Formal market	Informal market	Nonmarket
Registered home day care	In child's home by relative.	In child's home by parent
Relatives	In child's home by nanny	In child's home by sibling
Friend	Unregistered home day care	In child's home by mother who is self-employed at home
Neighbor	Relative	
FDCH proprietor	Friend	
Licensed day care center	Neighbor	
Licensed preschool	FDCH proprietor	
Licensed special program		

As shown in figure 3, roughly two-fifths of Nebraska's preschool-age children with working parents are in formal care arrangements. Somewhat less than that—38.6 percent—are being cared for informally. The rest are in the care of their immediate families, though both parents work, the majority of them full time. The size of the formal market in Douglas County is slightly larger than in the state as a whole, because of the higher percentage of preschool-age children in day care centers; however, when all metropolitan counties (Douglas, Sarpy, Washington, Lancaster and Dakota) are compared to all nonmetropolitan counties in Nebraska, child care arrangements across the formal, informal and nonmarket sectors are much the same.

[Figure 3 not reproducible in Record.]

Nebraska not only has a higher percentage of home day care (both registered and unregistered) than the nation as a whole; but compared to other states, Nebraska ranks sixth in the percentage of preschool-age children in formal market care who are in registered homes—48.1 percent (see table 4).

When Nebraska is compared with the six other states in the West North Central Region plus the two contiguous states outside the region, the state ranks fourth, behind North Dakota, Kansas and Minnesota, in registered home care (see table 5). In fact, six of the top ten states, as ranked in the last column of table 4, are from this region. Day care in private homes is apparently characteristic of this part of the country.

The number of registered private homes in Nebraska has more than doubled this decade, from 1,079 homes in 1980 to 2,205 in 1988. The total number of registered FDCH slots is now estimated to be 15,500 (NDSS 1988). Even more significant is the apparent increase in the percentage of home day care providers who have registered with the state, growing from an estimated fifteen percent (Public Health and Welfare Committee 1980) to the forty percent reported in CAUR's survey during the same period FDCHs are more likely than homes of relatives, friends and neighbors to be registered (see figure 4).

[Figure 4 not reproducible in Record.]

Home day care is a distinctive feature of the state's child care market. This fact must be taken into account when formulating policy to address the unmet need for child care and quality standards for day care providers. The following section explores different perspectives on the issues of need and quality. A subsequent section proposes three policy strategies to improve the quality of home day care in Nebraska.

TABLE 4.—CHARACTERISTICS OF THE FORMAL CHILD DAY CARE MARKET IN THE UNITED STATES

	Total number preschool children in child care	Number in centers	Number in licensed registered homes	Percent in centers	Percent in licensed registered homes	Percent in formal market care (center [illegible] combined)	Percent in formal market care in registered [illegible]	Rank order of percent in formal market care in registered [illegible]
Alabama	149,000	[1] 45,000	[1] 17,550	30.2	11.8	42.0	28.1	19
Alaska	30,000	8,571	2,329	28.6	7.8	36.3	21.4	25
Arizona	135,000	65,000	6,000	48.1	4.4	52.6	8.5	37
Arkansas	87,500	43,209	4,159	49.4	4.8	54.1	8.8	35
California	1,072,000	391,804	225,821	36.5	21.1	57.6	36.6	12
Colorado	133,500	45,220	29,408	33.9	22.0	55.9	39.4	[illegible]
Connecticut	101,500	55,216	16,357	54.4	16.1	70.5	22.9	24
Delaware	22,000	9,632	4,320	43.8	19.6	63.4	31.0	17
Florida	373,500	300,000	14,000	80.3	3.7	84.1	4.5	41
Georgia	228,000	111,580	34,368	48.9	15.1	64.0	23.5	22
Hawaii	46,000	21,924	1,006	47.7	2.2	49.8	4.4	42
Idaho	47,000	13,121	379	27.9	0.8	28.7	2.8	45
Illinois	444,500	111,295	33,747	25.0	7.6	32.6	23.3	23
Indiana	201,500	39,727	8,944	19.7	4.4	24.2	18.4	[illegible]
Iowa	107,500	20,271	11,176	18.9	10.4	29.3	35.5	13
Kansas	101,500	[1] 23,850	[1] 43,011	23.5	42.4	65.9	64.3	2
Kentucky	136,000	48,110	2,173	35.4	1.6	37.0	4.3	43
Louisiana	NA	NA	NA	NA	NA	NA	NA	NA
Maine	41,000	7,881	7,782	19.2	19.0	38.2	49.7	4
Maryland	156,000	55,000	30,000	35.3	19.2	54.5	35.3	14
Massachusetts	188,000	68,618	43,165	36.5	23.0	59.5	38.6	10
Michigan	329,000	106,067	48,064	32.2	14.6	46.8	31.2	16
Minnesota	167,000	42,032	66,955	25.2	40.1	65.3	61.4	3
Mississippi	NA	NA	NA	NA	NA	NA	NA	NA
Missouri	194,000	46,507	12,436	24.0	6.4	30.4	21.1	26
Montana	35,000	4,300	1,800	12.3	5.1	17.4	29.5	[illegible]
Nebraska	66,500	13,680	12,660	20.6	19.0	39.6	48.1	[illegible]
Nevada	33,500	[1] 9,900	[1] 1,866	29.6	5.6	35.1	15.9	[illegible]
New Hampshire	34,500	20,121	3,247	58.3	9.4	67.7	13.9	31
New Jersey	NA	NA	NA	NA	NA	NA	NA	NA
New Mexico	69,000	18,005	2,162	26.1	3.1	29.2	10.7	33
New York	604,000	185,325	27,804	30.7	4.6	35.3	13.0	32
North Carolina	209,000	132,692	33,145	63.5	15.9	79.3	20.0	27
North Dakota	30,500	1,696	6,937	5.6	22.7	28.3	[illegible]	1
Ohio	393,000	120,000	12,000	30.5	3.1	33.6	9.1	34
Oklahoma	139,500	60,652	5,744	43.5	4.1	47.6	8.7	36
Oregon	101,000	26,544	9,078	26.3	9.0	35.3	25.5	21
Pennsylvania	388,500	110,595	23,130	28.5	6.0	34.4	17.3	29
Rhode Island	31,000	[1] 5,490	[1] 3,575	17.7	11.5	29.2	39.4	[illegible]
South Carolina	126,000	71,308	5,330	56.6	4.2	60.8	7.0	40
South Dakota	31,500	4,076	2,947	12.9	9.4	22.3	42.0	7
Tennessee	161,500	98,511	2,771	61.0	1.4	62.4	2.3	46
Texas	731,000	426,328	165,282	58.3	22.6	[illegible]	27.9	20
Utah	97,500	17,175	10,500	17.6	10.8	28.4	37.9	11
Vermont	19,500	5,000	400	25.6	2.1	27.7	7.4	39
Virginia	202,500	68,739	2,235	33.9	1.1	35.0	3.1	[illegible]
Washington	174,000	[1] 41,625	[1] 39,436	23.9	22.7	46.6	48.6	[illegible]
West Virginia	NA	NA	NA	NA	NA	NA	NA	NA
Wisconsin	180,500	51,542	4,312	28.6	2.4	30.9	7.7	38
Wyoming	25,500	10,256	4,890	40.2	19.2	59.4	32.3	15
U.S. Average				38.0	12.5			

[1] Estimated by multiplying the number of centers by 45 children per center and the number of homes by 6.5 children per home

Sources. Compiled by the author from "State Child Care Fact Book 1987," Children's Defense Fund, and "Statistical Abstract of the United States 1987", U.S. Department of Commerce, Bureau of the Census

TABLE 5.—*National Rank Order of Nebraska and Neighboring States of Percent in Formal Market Care Who Are in Registered Homes*

[National rank order (from table 4)]

State:	
North Dakota	1
Kansas	2
Minnesota	3
Nebraska	6
South Dakota	7
Colorado	9
Iowa	13
Wyoming	15
Missouri	26

Sources: Compiled by the author from the "State Child Care Fact Book 1987," Children's Defense Fund; and "Statistical Abstract of the United States 1987," U.S. Department of Commerce, Bureau of the Census.

CHILD DAY CARE POLICY ISSUES IN NEBRASKA

The sudden and rapid expansion of the child day care market in Nebraska is a trend of concern to legislators, professionals and parents for two reasons. First, there is the issue of whether the market has responded efficiently to the increased demand for child day care—whether the existing quantity and mix of arrangements meet the needs of working parents. Second is the concern about whether Nebraska laws adequately protect the health, safety and welfare of the estimated 72,500 young children who are now in continuous out-of-home care.

MEASURING THE UNMET NEED FOR CHILD DAY CARE

There are multiple views of Nebraska's need for child day care, each with a different set of policy implications. The first perspective asserts that all existing child day care needs are met by the distribution of arrangements in table 1; if unmet needs exist, they will be met by formal and informal market service providers. This represents a laissez-faire approach to child day care. Stating that the unmet need is zero implies that there is only a minimal role for state government to play in regulating the health, safety and welfare of young children. This role would include subsidizing child day care services and training child day care providers to operate with professional standards.

A second perspective is that existing child day care arrangements meet the needs of most working parents, but that targeted subgroups should be identified for selective government assistance. Evidence from the 1988 Nebraska statewide survey indicates that the vast majority of respondents are satisfied with their current arrangements; however, low-income working parents are heavy users of informal market care (see figure 5). Survey respondents who cited affordability as a "most important" criterion in their choice of arrangements are more likely than others to split work shifts and child day care responsibilities (use nonmarket care); however, these were as likely to be middle-income as low-income families. The working poor, on the other hand, appear to be limited primarily to unregistered private homes, where their children are at greater risk for low quality day care due to large numbers of children and providers with little or no formal training in child care. These findings suggest a strategy of selective government assistance to the working poor.

[Figure 5 not reproducible in Record.]

A third perspective argues that only a fraction of Nebraska's real need for child care has been met, and that a large gap continues to exist between the number of preschool-age children with working parents and the number of licensed and registered center and home day care slots. This gap can be expressed in terms of either the number of children in both nonmarket and informal market care, just the number in informal market care, or somewhere in between. There were an estimated 72,500 Nebraska preschool-age children in day care in 1987; roughly two-fifths were in licensed and registered center and home day care slots. According to this perspective, then, the unmet need is somewhere between the approximately forty percent in informal market care and the sixty percent in both nonmarket and informal market care (see figure 3). These percentages represent between 29,000 and 43,500 children. Active government regulation of all or most day care arrangements, subsidies to help families afford the higher costs associated with licensing and registration standards, and programs to foster professional child care standards are all policy strategies implied by this approach.

Unfortunately, there is no simple answer to the question of whether the child day care market addresses the needs of working parents. Empirical evidence presented in this chapter indicates that the market is fairly efficient at producing an adequate supply of child care—*adequate* as measured by the satisfaction of parents. While incomes clearly limit some families to unregistered home day care arrangements, other factors, such as preference for family atmosphere and a desire to maintain child care within the immediate family, also affect market demand. Studies have shown that demand for formal market care is price elastic; demand increases only as prices drop. This tendency applies to all income groups.

State government intervention is justified by the unmet child day care needs of working parents. However, as the previous discussion has shown, there are multiple perspectives on unmet need, each of them based upon a different philosophy about the proper role of government in family life. However, one of the major rationales for active government involvement is not parental need but the fact that a large number of Nebraska childen are now exposed to nonmaternal daily care, in large groups, by providers who often lack any formal training in early childhood development or day care management. Regardless of what working parents are able or willing to pay for child care, state government has a responsibility to protect the health, safety and welfare of these children through quality day care services.

MEASURING QUALITY CHILD DAY CARE

Although child development specialists continue to disagree about the desirability of nonmaternal child care, particularly for infants, they do agree that the higher the quality of substitute day care the less likely will long-term, negative effects occur. The positive outcomes associated with child day care are different for various age groups. For infants and toddlers the concern is that full-time day care should not affect the mother-child relationship, so critical for healthy development. Studies have found that nurturing and stimulating care by the same provider over a period of time helped the infant adjust to being separated from his or her mother and does not disrupt the bonding process. For preschool-age children, quality of child care received is measured by how cooperatively children play with their agemates and how responsive they are to their caregivers (social development), and by how well they perform on tests of cognitive and linguistic development (Belsky 1985).

It is clear from these studies that quality is a function of group size, staff-to-child ratios, and specialized training of day care providers. Preschool-age children tend to become confused and withdrawn in large groups, and caregivers have fewer opportunties to give young children individualized attention. Favorable ratios mean relief for caregivers from constant interaction with children; less need for strict rules to control children's behavior; and less exposure to physical danger for infants and toddlers. Finally, providers with specialized training in early childhood education, child development, and day care are more likely than others to give children appropriate cognitive and social stimulation. Significantly, studies indicate that formal education is less important in this regard than specialized training (Ruopp and Travers 1982).

POLICY STRATEGIES FOR IMPROVING CHILD DAY CARE

Three policy strategies potentially affect the quality of child day care: Regulation of quality standards in home day care; subsidies to improve the quality of home day care for low-income working parents; and specialized training in early childhood education, child development, and day care in order to increase home day care provider competence and skill.

STRENGTHEN AND EXPAND THE SCOPE OF FAMILY DAY CARE RULES

Presently, any provider caring for four or more children from different families is subject to Nebraska's family day care home regulations. Nebraska rules: Establish a ceiling of eight children of mixed ages (infants, preschool, school age); set a minimum age of 19 years for the caregiver; require providers to submit statements about their health and criminal records, including child abuse and neglect; reference state health and sanitation and fire safety rules; and establish guidelines for nutrition, immunization records, first aid supplies, medication, transportation of children, and physical space and safety.

As discussed previously, approximately forty percent of all home day care providers are self-registered with the Nebraska Department of Social Services, up from an estimated fifteen percent in 1980. The other sixty percent fall into three general categories: 1) homes providing care to three or fewer children or to children of one family; 2) homes operating illegally (underground operations); and 3) homes exempt from the rules because care is provided without compensation (provided by grandparents to their grandchildren, and so forth). The penalties for failure to comply are denial, suspension or revocation of a license, and a civil penalty of five dollars per child for each day in violation, after a finding by the NDSS director or district court. NDSS staff have primary responsibility for monitoring compliance with these rules (NDSS 1986).

Compared to other states, Nebraska has a somewhat lenient set of family day care home regulations (see table 6). Nebraska law permits self-registration, but many states require government inspection before granting a license to operate. Nebraska's threshold for registration is higher (more lenient) than average, and its ceiling on the number of preschool-age children per home is higher than the national average. Nebras-

ka rules do not require training, and they permit a self-reported statement regarding prior arrests and convictions. Some states provide for a criminal record and fingerprint check.

TABLE 6.—SELECTED REQUIREMENTS OF FAMILY DAY CARE RULES BY STATE

	License of registration required	Threshold [1]	Ceiling [2]	Limits on infants	Training requirements	Physical exam required	Criminal check required
New England Region							
Connecticut	License	2	6	Yes	No	Yes	Yes
Maine	do	4	7	Yes	No	Yes	Yes
Massachusetts	do	2	6	Yes	No	No	Yes
New Hampshire	do	7	6	Yes	No	Yes	Yes
Rhode Island	do	5	6	Yes	Yes	Yes	Yes
Vermont	do	7	7	Yes	No	Yes	Yes
Middle Atlantic Region							
New Jersey	Registration	2	8	Yes	Yes	Yes	[illegible]
New York	License	4	6	Yes	No	Yes	No
Pennsylvania	Registration	5	7	Yes	No	Yes	Yes
East North Central Region							
Illinois	License	4	8	Yes	[illegible]	Yes	Yes
Indiana	[illegible]	7	10	No	No	No	No
Michigan	Registration	2	6	No	No	Yes	Yes
Ohio	License	2	6	Yes	No	No	No
Wisconsin	[illegible]	5	9	No	Yes	Yes	No
West North Central Region							
Iowa	Registration	6	6	No	Yes	Yes	Yes
Kansas	[illegible]	1	6	[illegible]	No	Yes	Yes
Minnesota	License	6	6	Yes	Yes	Yes	Yes
Missouri	[illegible]	5	11	Yes	No	Yes	[illegible]
Nebraska	Registration	5	8	Yes	No	Yes	[illegible]
North Dakota	License	6	7	Yes	No	No	Yes
South Dakota	Registration	12	12	No	No	No	No
South Atlantic Region							
Delaware	[illegible]	2	6	Yes	Yes	Yes	Yes
Florida	do	10	10	No	[illegible]	No	Yes
Georgia	[illegible]	5	7	[illegible]	Yes	No	Yes
Maryland	License	2	6	Yes	No	Yes	Yes
North Carolina	[illegible]	3	8	No	[illegible]	Yes	[illegible]
South Carolina	Registration	[illegible]	6	No	No	No	No
Virginia	License	7	10	Yes	No	No	No
West Virginia	Registration	6	6	Yes	No	No	[illegible]
East South Central Region							
Alabama	License	2	7	No	Yes	Yes	No
Kentucky	[illegible]	5	6	Yes	Yes	No	Yes
Mississippi	[illegible]	7	14	Yes	No	Yes	No
Tennessee	[illegible]	2	7	Yes	Yes	Yes	No
West South Central Region							
Arkansas	[illegible]	7	7	Yes	No	Yes	[illegible]
Louisiana	do	1	6	Yes	Yes	Yes	No
Oklahoma	[illegible]	2	5	No	[illegible]	Yes	No
Texas	Registration	4	6	Yes	[illegible]	No	Yes
Mountain Region							
Arizona	License	6	11	No	No	Yes	Yes
Colorado	do	5	6	No	Yes	Yes	Yes
Idaho	Registration	6	6	Yes	No	Yes	Yes
Montana	[illegible]	3	6	[illegible]	No	No	No
Nevada	License	6	7	Yes	Yes	No	Yes
New Mexico	do	6	6	Yes	Yes	No	Yes
Utah	do	5	6	Yes	Yes	Yes	Yes
Wyoming	[illegible]	4	6	No	Yes	Yes	No
Pacific Region							
Alaska	[illegible]	6	7	Yes	Yes	Yes	No
California	[illegible]	4	6	Yes	No	No	Yes
Hawaii	[illegible]	3	5	Yes	No	Yes	Yes
Oregon	Registration	11	11	Yes	No	No	No
Washington	[illegible]	2	6	Yes	No	No	Yes
National average		4.7	6.2				

[1] Threshold is the number of preschool-age children for which licensing or regist[illegible] is required. Method for counting children against the threshold requirement vary, some states specify [illegible]ber of children, while others refer to number of families. Some states count the providers' own children in the thresholds. Family thres[illegible] were standardized by assuming an average of two children per family. Thus, California's required licens[illegible] providers caring for two or more families was converted to a child threshold of four. Similarly each provider was assumed to hav[illegible] average of one child of her own in addition to children from other families. Thus, Nebraska's threshold is counted as five, although the rules specify registration is required if the provider cares for four or more children from different fa[illegible] besides her own.

[2] Ceiling is the maximum number of preschool-age children permitted by the lic[illegible]. As with the threshold, providers' own children may or may not be counted, depending on state rules. Ceilings were increased by one child in states where providers' children are not counted against the ceiling.

Source: "Survey of State Child Day Care Home Licensing Agencies." Center for A[illegible] Urban Research, College of Public Affairs and Community Service, University of Nebraska at Omaha.

Unfortunately, plans to upgrade family day care rules have focused primarily on physical condition, provider training and group size, but have not addressed the threshold requirement. Unless the threshold is lowered simultaneously, existing registered home day care providers will be forced to pass along to the parents the higher costs associated with improved quality standards, and unregistered homes will operate with a competitive advantage. The percentage of children in the formal market is likely to decline unless virtually all homes are required to meet the same standards.

Although the data are not shown, an analysis of the relationship between family day care rules in different states and the percentage of children in licensed/registered homes shows that the more stringent the state rules, the higher the percentage of children in formal market home day care, *if* the threshold is also stringent (low). This finding contradicts the conventional belief that regulation is a barrier to providers entering the formal child day care market.

SUBSIDIZE QUALITY HOME DAY CARE FOR THE WORKING POOR

Because a small, but significant, group of working parents are forced by low incomes to use informal market arrangements, and because their children are at greater risk for low quality day care, subsidies are one strategy for selectively improving the home day care market. However, subsidies must be large enough to make it financially feasible for providers to offer quality child care.

At the present time, the major child care subsidy program is Title XX. Nebraska Title XX income eligibility requirements target primarily low-income working parents and recipients of Aid to Dependent Children (ADC). In addition, single parents who are ADC recipients in Nebraska are required to register for the Job Support Program after their children are over six months old. Currently, 3,298 participants use child care support services under the Job Support Program; 1,686 while in job training programs

and 1,612 while searching for employment or during the first 30 days after employment begins (NDSS). Funding for transitional child care will be extended to 90 days in January, 1989. When the new federal welfare reform law goes into effect, Nebraska will be required to provide child care services on a sliding fee scale to Job Support participants for one year after initial employment.

Registered day care home providers tend to avoid taking Title XX children, because NDSS payments are lower than the market rate for registered child day care. Only thirty-six percent of the 236 homes in Omaha under contract with NDSS were registered in February, 1988; the other sixty-four percent were approved for Title XX contracts by NDSS using a procedure similar to, but somewhat less rigorous than, registration (United Way of the Midlands 1988).

Title XX subsidies make adequate child day care affordable for many low-income parents; however, changes are needed in the way the program operates in Nebraska in order to improve the quality of home day care available to the working poor. Two strategies currently under discussion are increasing Title XX contract payments to registered homes and targeting certain payments to providers willing to upgrade the quality of their services through specialized training.

EXPAND SPECIALIZED TRAINING FOR HOME PROVIDERS

Programs to train home day care providers represent a third approach to improving the quality of child care. Training seeks to raise the overall quality of caregiving activities through support services, such as newsletters and peer networks; workshops and courses in childhood growth and development, age-appropriate activites, positive discipline, and behavior management; and training in small business management. Typically, training programs do not receive as much political support as subsidy programs, because the payoffs are longer term and less tangible. Research has clearly demonstrated, however, that training leads to higher quality child day care, both in centers and in homes.

There are several reasons to use training as a strategy to improve the quality of child day care. First, although Nebraska ranks sixth in the nation in the percentage of preschool-age children in formal market care who are in registered day care homes, the state also has a substantial informal market. Voluntary training programs available across Nebraska would potentially benefit an estimated 28,000 preschool-age children in unregistered homes, in addition to the approximately 13,750 in registered homes. Second, research indicates that professional support networks and training, newsletters, and other forms of information exchange among service providers are more effective motivators to improve performance than are rules mandating specific conditions and behaviors. Therefore, licensing standards and training programs ought to be viewed as complementary strategies. Finally, while income subsidies are more appropriately targeted to families in need, provider training is a way to improve the overall quality of day care for all children in Nebraska.

Summary and Conclusions

It is important to remember that widespread interest and concern about child day care is a very recent phenomenon. Until the 1980s, only a fraction of mothers with young children were in the labor force. Government-funded child day care was primarily a social welfare service to families in crisis, and victims of child abuse and neglect were its main beneficiaries. The idea of day care for children from "normal" families is one that has yet to be completely accepted by parents, policy makers, and even child development psychologists. Yet Nebraska legislators are faced with the reality of 72,500 children under six years of age in continuous nonmaternal day care. The question for law makers is how best to serve their constituents' needs for affordable and adequate day care, while at the same time ensuring that costly quality standards are met by child day care providers.

What Nebraska policy makers are addressing the question of government's role in day care, employers must also adapt to the restructuring of work and family responsibilities between mothers and fathers. Research indicates that family stress generated by employment and child care scheduling conflicts will itself have long-term, negative effects on children. Thus, a state policy to address child day care needs to be followed by a longer term strategy to reduce the stress and enhance the quality of life for Nebraska families.

ENDNOTE

1. The number of Nebraska preschool-age children in day care calculated using the "County Superintendents' School District Census Report" (Nebraska Department of Education) and the 1985 national labor force participation rates for wives with husbands present, by the age of the youngest child:

Age (years)	Number of children	Labor force participation rate (per cent)	Number of children needing day care
Under 1	15 905	49 4	7 857
1	20 062	49 4	9 911
2	22 140	54 0	11 956
3	22 708	55 1	12 512
4	24 131	59 7	14 406
5	25 537	62 1	15 858
Total			72 500

Baily, Thelma Falk, and Walter Hampton Baily. "*Child Welfare Practice.*" San Francisco: Jossey-Bass, 1983.

Belsky, Jay. "The Science and Politics of Day Care." In *Social Science and Social Policy, 1985*. R. Lance Shotland and Melvin M. Mark (Eds.). Beverly Hills: Sage, 1985.

Bloom, David E., and Todd P. Steen. "Why Child Care is Good for Business." *American Demographics*, 10(8)(August 1988): 23-27.

Booth, Alan, Teodora Amoloza, and Chris Funk. "*Child Care in the Keaney Community: A Study Balancing Home and Work Responsibilities.*" Lincoln: Commission on the Status of Women and Bureau of Sociological Research, July 1987.

Chapman, Fern Schumer. "Executive Guilt: Who's Taking Care of the Children?" *Fortune* 115(4)(February 16, 1987): 30-37.

Child Care Arrangements of Working Mothers: June 1982. Current Population Reports. Special Studies 129:23, November 1983.

Children's Defense Fund. "*State Child Care Fact Book.*" Washington, 1987.

Hayghe, Howard. "Rise in Mother's Labor Force Activity Includes those With Infants." *MLR* 109(2)(February 1986): 43-4.

Kamerman, Sheila B., and Alfred J. Kahn. "*The Responsive Workplace: Employers and a Changing Labor Force.*" New York: Columbia University Press, 1987.

Morgan, Gwen. "Child Day Care Policy in Chaos." In *"Children, Families and Government: Perspectives on American Social Policy."* Edward F. Zigler, Sharon Lynn Kagan, and Edgar Klugman (Eds.). Cambridge University Press, 1983.

NDSS. *See* Nebraska Department of Social Services.

Nebraska Department of Social Services. "*Nebraska Rules for Family Day Care.*" Lincoln: November 1, 1986.

Public Health and Welfare Committee, Nebraska Unicameral. "*Child Care Needs in Nebraska,*" 1980.

Robins, Philip K., and Robert G. Spiegelman. "Substitution Among Child Care Modes and the Effects of a Child Care Subsidy Program." *"Child Care and Public Policy,"* Philip K. Robins and Samuel Weiner, S.R.I. International (Eds.). Lexington: Lexington Books, 1978.

Ruopp, Richard K., and Jeffrey Travers. "Janus Faces Day Care: Perspectives on Quality and Cost." In *"Day Care: Scientific and Social Policy Issues,"* Edward F. Zigler and Edmund W. Gordon (Eds.). Boston: Auburn Publishing Co., 1982.

U.S. Department of Commerce, Bureau of the Census. "Who's Minding The Kids: Child Care Arrangements." *"Current Population Reports Household Economic Studies Series P-70,"* No. 9, Winter 1984-85.

United Way of the Midlands. *"Child Care for Low-Income Parents in the Omaha Area."* June, 1988.

Weiner, Samuel. "The Child Care Market in Seattle and Denver." *"Child Care and Public Policy,"* Philip K. Robins and Samuel Weiner, S.R.I. International (Eds.). Lexington: Lexington Books, 1978.

Zipay, John P. "A Statistical Assessment of Child Care Services in the Omaha Area." Midwest Child Care Home Association, November 1987.

Mr. COATS. Mr. President, I thought I would take this time to address a specific issue of the bill now before us that has raised some confusion and raised some questions and some doubts about the application of it, the changes that have occurred, and just where we stand on the whole issue of church-state relations, how this bill impacts on church-provided or synagogue-provided day care.

As we know, a significant percentage of day care today is provided by religious organizations, various denominations, various faiths. In fact, some of the very best child care is provided by religious organizations. The estimate is that up to 30 percent or so of all child availability is through some type of religious-oriented child-care facility. And so it is an important part of this debate that we understand how the ABC bill would impact on that and whether it would foster an acknowledged basis of child-care provision that is important to the child care system or whether it might tend to diminish that.

Questions have been raised relative to the ABC bill in terms of the prohibition of Federal funds or any funds

appropriated under this act going toward the use of child care provided by religious organizations.

An amendment has been proposed, and then accepted, and now is part of the ABC bill, which many think supplies the answer and resolves the question and removes the doubt as to the impact on religious institutions. The Durenberger-Ford amendment exempts sectarian providers that receive certificates as payment for the child care provision, and that supposedly exempts those providers from the conflicts that might result in terms of use of Federal funds.

Section 121 of the bill—I believe it is on page 88 of ABC—states:

> No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction, except that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child care certificate to a parent under section 108(a)(1)(C).

And then the provision was added that "Financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution," which I submit throws that open to a lot of legal interpretation, and a lot of court involvement involving the question of whether or not the Ford-Durenberger amendment providing for the exemption actually does provide for the exemption.

Having said that, let me illustrate a few reasons why I do not believe that this section now incorporated in the bill before us resolves the issue, and perhaps even a larger and darker cloud of doubt exist relative to the impact on religious-provided child care.

Under the ABC bill as it is now before us parents do not have the absolute right to use a certificate if they want to place their children in sectarian or religious day care.

On page 46, section 108, entitled "Special Rules of the Use of State Allotments," that section provides that State allotments are to be provided by contracts and grants or by distributing child certificates to parents of eligible children to conform to the earlier section that I just read.

S. 5, the ABC bill, gives the States flexibility in determining for themselves what funding mechanisms to use to the point that a State could use a certificate exclusively if it so desires or not at all. The very fact that a State has this option means that the use of certificates in the ABC bill is not a parential option but still a government option, albeit not a Federal option but a government option. Therefore, those who say the choice now under the amended ABC approach rests with the parents, that is not a correct analysis because clearly under the language as it is now written that choice does not rest with the parents; the choice rests with the State.

That has been one of the most significant if not the most significant differences of opinion between those who support ABC and those who support a different approach to providing child care, hopefully to avoid the problems that I have just been talking about.

Second, those providers who apply for and receive grants or contracts in the State rather than the certificate reimbursement, as provided in the alternative proposal, would still be severely limited in the free exercise of their religion, and might be prohibited from receiving a grant at all. This includes relatives and small family providers which might apply for grants or contracts as well. They, too, would be subject to section 121's prohibitions, and we have to, according to the bill and as we interpret it, sanitize their homes to make sure that no religious pictures, objects, or artifacts are on the walls, and that no prayers are said or Christmas carols or religious songs are sung. Otherwise, they are not eligible to receive a grant or a contract from the State to provide child care.

That, then, leads us to the conclusion that ABC, as well-intended as it might be, does not expand the choice of options, but actually might constrict the options and the available slots for child care simply because there are a number of providers that will not be able to meet the test or will not want to meet the test because they provide in their homes child care or on an informal or formal basis because they provide child care on a small provider basis, but would like to be eligible for the grant or contract from the State which would be prohibited now because it must not include any sectarian activity.

Third, quite a number of States—in fact 13 is our count—exempt church providers from licensing and regulatory requirements. I would like to name those States: Alabama, Florida, Illinois, Indiana, Maryland, Mississippi, Missouri, New Jersey, North Carolina, North Dakota, Pennsylvania, South Carolina, and Virginia. All 13 of those States exempt church providers from licensing and regulatory requirements.

ABC requires, on page 9, and I want to read that provision because I think it is important to this debate. ABC provides that the term "eligible child-care provider" means (a) a center-based child-care provider, a group home child care provider, a family child-care provider, or other provider of child-care services for compensation that is licensed or regulated under State law, satisfies the Federal requirements and the State and local requirements applicable to the child-care services it provides.

Under ABC, many current child-care programs will not be eligible, not because of the church-state restrictions but because of the licensing requirements. Church providers in those 13 States which are exempt from licensure would be unable to qualify as eligible child-care providers, and parents in those States would not be able to choose those providers because the State had decided not to license or regulate them.

The effect of ABC then will be either to force those States to license church providers for the first time, which they have already decided not to do, or to severely limit parental choice in child care. Neither of those provisions I suggest is acceptable. It is clear that a tax-credit approach to parents with young children is the only way to make sure that parents have the maximum choice.

Again, that is the point of those of us who support the alternative proposal. We think it is a superior way to deliver help to families in need, to provide it through the tax credit system because we avoid the licensure problems. We avoid the nonlicensure church exemption problems. We avoid the certificate questions that may or may not qualify someone for religious day care.

In order to provide full religious freedom, these States and others should be able to exempt religious child-care providers from the licensing requirements of ABC and give parents the option to use child-care certificates in those centers even though they are not licensed. Even if a State that currently licenses and regulates church-sponsored care wanted to remove them from that category of licensure, they would be prevented from doing so, if they as a State wanted to continue to receive assistance under ABC. As you can see we are winding our way down here through a myriad of problems that exist in this more than 100-page bill which has regulations which are attempting to be fixed but the more you tinker and the more you fix the more problems you create.

Page 29 of ABC contains a requirement that the State will not reduce the categories of child-care providers licensed or regulated by the State on the date of enactment of this title. This provision prevents States which currently license or regulate large categories of providers from ever reducing that category if they want to continue to receive ABC funds.

So here they are in a Pandora's box again. If they want to reduce churches in the category of licensed or regulated day care, they are prohibited in the bill from doing that if they want to receive the funds to provide other day care. So again we are faced with a situation not of expending child-care opportunities but actually restricting them.

Even church-sponsored care, which is currently licensed and regulated by the State, and that church-sponsored provider which has no intention of ever applying for funds under ABC could be affectd by this bill merely because their State is a recipient of ABC funds.

On page 28, section 107(C)(3)(b), it states, in fact requires, that in order for a State to receive assistance under this act they must submit an application and plan. The plan shall set forth policies and procedures designed to ensure that all providers of child-care services for which assistance is provided under this title comply with all licensing or regulatory requirements, including registration requirements applicable under State and local law, and that such requirements are imposed and enforced by the State uniformly on all licensed and regulated child-care providers within the same category of care.

That sets up the situation where all sectarian providers in that State that are licensed and regulated will have to meet the federally mandated categories of State standards, and be subject to federally mandated annual inspections even though they receive no assistance for ABC.

So the church-sponsored day-care providers get it coming or going. If they are licensed, they have problems with the act. If they are not licensed, they have problems with the act. If they are regulated by the State, they have problems. If they are not regulated, they have problems. The State has problems in terms of adjusting its laws to either exempt them or include them because it runs into other conflicts within the act.

Even if that same sectarian provider was unlicensed and unregulated by the State, had no intention of applying for grants or contracts under ABC or using certificates, it would still have to comply with the federally mandated categories of State standards and be subject to annual inspections, if it received even a dollar of public assistance. That is, even if that borrower did not receive a dime under ABC, but received money from another Federal, local, or State program, it would be subject to the requirements of ABC because of section 107(C)(3)(c), which provided that:

> Procedures will be established to ensure that child care providers receiving assistance under this title or other publically assisted child care programs comply not later than 3 years after the date of enactment of this title, with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services that are provided by such providers.

Now, if my colleagues are confused by all this, I understand. It is a morass of intricate regulation that, in the end, does nothing but make it more difficult for religious-based child-care providers to provide essential child care services. It is clear that the choice of parents in nearly 30 percent of the cases is to use some form of religious-based child-care provision. If they feel comfortable with that provision, if they want their children to receive religious instruction, and even if they do not, and they find that the child-care center provided by the church or the synagogue is of superior quality, provides the kind of staff ratio, provides the kind of convenience or cost to the parents that the parents choose, for that reason, it is incumbent on all of us, as we look to how we are going to provide essential child care for mothers in need, that we include and encourage religious-based, church-based, synagogue-based child-care provision.

I visited a number of these centers, and they are excellent, superior centers, often staffed by people, not because they simply are there to earn fees, but because they feel that as part of their contribution or service to the church, that they want to add their time and talent, often at rates lower than the going rate, to provide essential services for the children of their congregation or the neighborhood, or the city in which the church is located. And it is child care that is, as I said, the choice of many parents.

I keep coming back to the word "choice" because it is choice that the President and many of us here in the Senate and in Congress are attempting to make essential, the essential core part of any child-care bill that passes this body. It is the choice that ought to reside with parents and not be restricted by the State. That is so critical, as we move forward on this bill.

It is not fair to characterize those that do not support ABC as being opposed to helping children or opposed to providing assistance for children in need. Those of us who have spent years involved in the legislative process, in attempting to strengthen families, support children and youth in this country, have brought forward a number of our own proposals on child care—and a number reside on this side of the aisle—do not accept the characterization that we simply are opposed to helping children, opposed to the needs of children, simply because we do not choose to support the ABC bill, which has been floundering for 2 years, trying to garner a majority to pass in this body. It was introduced a couple years ago and cannot receive majority assistance, and that is help in getting passed through this Congress. It has been changed so dramatically, in order to try to garner more than 50 votes in this body, that we can hardly keep up with the changes that are being made.

I suggest, though, that I am standing here to address one specific issue, and that is the issue of religious-based day care and the implications of the ABC bill, if passed, on the provision of that care. ABC may affect religious-based care in ways that we would never imagine.

I asked the American Law Division whether ABC would require States to regulate religious-based child care, even if no public funds were received. Their conclusion was that:

> It does not appear to be entirely clear, whether the bill would require the States to regulate the provision of child care apart from the receipt of public funds. Some further exploration of this issue in the legislative history of the bill may be needed to clarify the matter.

I would suggest that those who have said that it is now clarified by the inclusion of the Ford-Durenberger amendment, read carefully the material that I have introduced today, to suggest that there is a considerable doubt and considerable confusion as to whether or not this has been clarified and, in fact, I do not believe that it has.

ABC, I believe, in my opinion, is bad public policy, because it does not provide real choices for parents, as they exercise their constitutionally protected right to select the type of child care they deem most appropriate for their children, including services provided by religious organizations. Prohibiting or discouraging the participation of religious providers will simply decrease the availability of child-care services, particularly, for those low- and middle-income parents who use them.

Since ABC has one of its stated goals, the expansion of child-care services, it should fashion legislation to utilize existing services provided by religious providers, rather than excluding or discouraging them, as the current bill does.

So I urge my fellow Senators to carefully look at what the impact of this bill, S. 5, before us now, ABC, would have on the provision of religious day-care services. I do not believe it would expand the opportunities for that provision of services. I think it would restrict it. I think it places some significant limitation, possible court challenges, and other restrictions, on the provision of care, which is the choice of many mothers and fathers in this country.

It is an important resource that we ought to be nurturing, not discouraging, and I urge my colleagues to look carefully at this, because I do not believe that ABC addresses the question. The coalition bill that has been put together, which if you can characterize ABC as bipartisan, we can certainly characterize Senator DOLE's bill as bipartisan, because there is support from the other side of the aisle. That provision, which will be before this body, removes the doubts and problems relative to the religious-based day care, because it provides tax credits to families directly, leaves the choice with them, and removes this entire

question about the impact on religious-provided day care.

That is an important distinction, a distinction that we ought to remember. It is an important distinction for the parents who choose that care, for the religious providers who provide that care; and it takes us away from this gray, nebulous, complicated, legally confused, difficult area, of involving church and State-appropriated funds. It removes that entirely.

I suggest that the Dole bill, which will be before us, is a much more appropriate way to go, as we seek to reach out, provide the help, and address those very real needs of the children that we are trying to serve.

Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah [Mr. HATCH].

Mr. HATCH. Mr. President, I appreciated hearing all of the comments that have been made this afternoon on the floor, and I intend to speak a little bit on this religious issue myself, as someone who has spent a certain amount of time studying the Constitution of our country. And I also make the point that without both of these bills, without merging them and marrying them, yes, you will not solve every problem, and you will not, even if you merge them.

What I really want to spend a few minutes on, at this late hour in the day, is something that I need to spend some time on. That is the point I have been making, that there is a lot of disinformation, a lot of misinformation, and a lot of downright deceit, unfortunately, mostly by those who are conservatives, with regard to the Mitchell amendment, or the bill that is before us at this time, sometimes referred to on the floor as the ABC bill.

Now, I am a conservative, and I am very proud of it. I came from the liberal side of the spectrum, and I used to be a Democrat. I changed only after a lot of reflection and only after a lot of thought, and I am proud to be a conservative.

One reason why I like the conservative point of view is that I thought it was for the most part very honest, very straightforward, and very understandable.

I have never seen an issue where the conservative side of the equation has distorted a bill more than this bill. I am personally very offended by it, because I think we have an obligation to tell the truth and let the chips fall where they may, and if we do not like a bill we have a right to stand up and say we do not like it; there are the reasons why.

There is enough for everybody here that you can find some reasons why you might not like the ABC bill and there are legitimate reasons why people might not like to.

Today when I went to our Republican caucus or policy meeting they passed out a blue set of working papers and on the top is "the Mitchell substitute" on the left side and on the right side "the Dole substitute."

This was not prepared by our leadership on the Republican side, nor was it prepared by anyone affiliated with this body as far as I know. It came apparently from some outside groups.

I think when they try to pass something like this off to Senators, they ought to at least put their names on it. To this minute, I do not know who prepared this piece of junk, but let me tell you something: It was clearly prepared by people who feel they are conservatives, but I think there is a higher obligation for conservatives. I think the higher obligation is that you should tell the truth regardless of how deeply partisan or how deeply you feel about any particular given piece of legislation. I am absolutely ashamed of this type of stuff.

I have looked at materials put out by the Eagle Forum across this country. I know they try to do a sincere and decent job, and I commend them for it. I read their literature through the years, and many times it is very good.

But on this bill it is distorted, it is not appropriate, it is a shameful thing, and it is generally done by people who do not have the facts on their side, do not have the knowledge on their side, do not understand the issue to begin with, and are bigoted and close-minded, all of which applies to some of these pieces of, if you want to call it literature, put out I have to say by conservatives.

My attitude is that it is tougher to be conservative. First of all, the media generally is more moderate-to-liberal than we conservatives are.

So we have a higher burden on every case to try to make out our conservative point of view. But we win on a lot of issues because the people are with us, and we do not need to fabricate, we do not need to deceive, we do not need to use misinformation and disinformation to make our points.

So I would just like to take a few minutes here today just to go through this document which has been given to every Republican Senator as though it is some sort of factual sheet comparing the two amendments. I am not going to spend a minute on the Dole substitute because I happen to like the Dole substitute. Merged with this bill, I will vote for it. I happen to like it, I think it has a lot of good for it. But if anybody thinks it is a panacea for child care, they have another thought coming.

First of all it only takes care of 1- to 4-year-old children and then only to a very limited degree.

If you really look at it, there is very little money going to go to offset the cost of child care. The average cost of child care is $3,000 per child in our society.

At best the Dole bill is probably going to save, if a family has two children and they have to be helped with child care and they qualify, $2,000 of the $6,000; it is probably more like $750 of the $6,000. That is helpful but it is not a solution.

Now, our ABC bill is not the total solution either. No matter what we do here today there is not enough money to resolve all the problems involved in child care here today.

But let us not look upon either of these as a total solution to the problem. What we are trying to do is set up a structure whereby we can work toward solution of these problems through the years.

Let me just take a few minutes here and go through how they describe the Mitchell substitute. It is very offensive to anybody who is fair.

They start off:

> Child-care portion of the bill is entirely grant-based, allocating money and authority to States rather than parents, while most conservatives fight their guts out to get State and local government control over the moneys that come from here. We do exactly that and now they want it to go directly to parents.

The problem with sending it directly to parents, as the Dole substitute will do, is that, yes, it gives them more money.

I am for that. I think that is great. Any time we can help the poor with more money I am for it as long as we have enough money to do it, and I am for that type of an approach. But it does not necessarily mean that money goes for child care and it certainly does nothing for quality of child care. It does not really create any new child care slots or availability of child care, and it certainly does not help very much on the cost or affordability problem of child care.

Then it says, "This Mitchell substitute biases choice in care toward institutional care." That is pure and unmitigated bunk, and it is offensive. That is what the original ABC bill did. It did bias everything in favor of institutional child care. This bill is a completely changed bill.

Yes, institutions are part of child care delivery systems that will benefit from the ABC bill, but they are only part of it.

We encourage through the ABC bill every institution in society capable of helping with child care to help with it.

So it is a far cry from what this says. It says, "biases choice in care toward institutional care rather than parental, relative or informal care arrangements." That may be true of last year's ABC bill. It is certainly not true of this bill here on the floor today. We encourage all of those forms of child care.

VOL 135 PT 9 JE 14 — 22 1989 UMI

I will not spend an inordinate amount of time on any of this.

We can question almost every line in this piece of junk that is being passed off as though it is reality.

Under church-state it says, "Leaves constitutional problems unresolved and subject to clear court challenge."

Come on.

What program in our society today which allows churches and other religious institutions to participate will not be subject to a court challenge?

The fact is we take it into consideration that, yes, there are constitutional rules and laws to forbid certain things. That does not mean we do not try to do what we can within those limitations.

Let me restate that. What program that allows churches and other religious institutions to participate will not be subject to court challenge from organizations representing another point of view?

Any resolution of this issue may be challenged. That is just a matter of fact.

I believe this legislation is consistent with established Supreme Court constitutional law.

If you want to say, will the tax credit approach, by giving the money directly to the parents and letting them make whatever choices they want to do with the money, including buying cigarettes, beer, whatever else they want to do, will that violate the Constitution? No, it does not.

If they want to give that money that they receive through that tax credit to a religious institution that teaches religious doctrine during the child-care time, can they do it? Yes, they can, but that does not make it any less viable or valid for the ABC bill to follow the law that says that if you directly grant to the American families help and you directly pay for some of these things, you cannot directly subsidize religious instructions.

It is just that simple. That does not make the gift or grant any less viable or effective, and it does not negate the fact that we have a good approach here as well. It just makes it clear that you have to live within constitutional constraints.

And then this goes on to say that the Mitchell substitute deters the State from issuing any certificates based on expected legal challenges. As far as deterring the use of certificates, 26 States already use child-care certificates. Why would the language in this bill, language that clearly allows the use of such certificates by parents for child care in religious settings, suddenly cause States to stop these programs? The fact is it will not. It will augment the already existent 26 States child-care certificate programs and it probably will include another 24 States. It will probably include another 24 States in the process. It is a step in the right direction. The very thing that they are criticizing goes toward doing what they say cannot be done religiously.

If they have child-care certificates, and the child-care certificates are given to the parents and that is indirect aid that they then give to the religious institutions, there is, I think, a real reasonable argument that they can do that without violating church-state constitutional prohibitions.

Now, let me just go to targeting to low income. This says, makes eligible families with incomes of 100 percent of the State median income, well above the poverty level.

Well, let us talk about the eligibility criteria. It is 100 percent of the State median income. OK, $47,000 in the State of New Jersey does seem to be high. But then, again, child care is more expensive in New Jersey. Instead of the average of $3,000, it goes up to $5,000 and $6,000 per child. The fact of the matter is, everything is relative.

Further, the bill clearly states that—once again a conservative principle—the States have control, have complete, unalterable control and can give priority to those who they think are most in need.

New Jersey obviously is going to establish a secondary income criteria.

But let us take my home State of Utah where the average median income is $17,600. I want all of those people to be eligible for child-care assistance in my State. And that is the situation with most States. I do not think there is any question about it.

You could go on and on. Let me give you another one in this targeting to low income. This blurb says, "Most lower-income families do not have documentable child care expenses. Thus, expanding the dependent care tax credit does nothing to help target assistance."

Now, let us stop and think about that. I agree that low-income families do not always have documented child care expenses in order to take advantage of the dependent care tax credit. That is why we need the ABC bill. We need it not only because, thanks to the Finance Committee, it contains provisions which make the dependent care tax credit refundable, but also because it provides some help for low-income families above and beyond the dependent care tax credit. So it clearly, clearly is a misstatement here again.

(Mr. BRYAN assumed the chair.)

Mr. HATCH. I know the distinguished Senator from Montana wants to speak, but let me just finish my remarks. I will try and do them as quickly as I can.

Let me take another one. Under a paragraph entitled, "Bureaucracy," it says: "The Mitchell amendment would allocate up to 30 percent of States' grant money off the top because the funds specified are usable within the bill for administrative overhead, inspections, increasing child care workers' salaries, training, and other purposes."

Now, where do the opponents of the ABC bill get the idea that parents have no role? In situations in which a State has contracted with providers for prepaid slots, parents get their choice of providers insofar as the slots are available.

Look what it says here under "Policies and Procedures." This is right out of the ABC bill.

> The plan shall set forth policies and procedures designed to ensure all of the following: that, to the maximum extent practicable, the parents of each eligible child who will receive child care services for which assistance is provided under paragraph 4 are permitted to select the eligible child care provider that will provide such services to such child, and if the State places such child into the methods provided in section 108A(1) (a) or (b), the State will attempt to place such child with eligible child care provider selected by such parents.

Obviously, there is a choice when a parent has a certificate.

Additionally, one of the six required categories for States to set standards is parental involvement. So the parents will have a choice there, as well.

There is also the caveat that nothing in this act should be construed to limit parental rights and responsibilities. So we take care of that in the act.

Then there is the ultimate authority; that is, parents do not need to accept assistance if they are eligible.

Let me say this: When it says here "would allocate up to 30 percent of the State's grant money off the top because the funds specified are usable within the bill for administrative overhead," basically only 8 percent of the ABC bill as defined in the bill can go for overhead. The rest has to go to help increase the availability of child care and the quality of child care. So that is a misstatement if there ever was one. It just burns me up to see something like that, as though it is an important thing.

I might say, it depends on your definition of bureaucracy. Personally, it makes little sense to me for a State to have health regulations for restaurants if inspections are not performed enforcing those regulations. And, more important, inspections are not done to reassure those of us who occasionally eat out that the kitchen is sanitary. It is a perfectly logical use of funds under the bill to have an inspection. That is a service to the parents. So it is giving grants to community organizations to start up new child-care projects with full specific local needs.

But, then again, let us go back to what ABC does. It gives this responsibility to the States. The States can make the determinations. There is nothing in this bill that allows the Federal Government to make the de-

terminations for them. And, yes, some argue, "Well, my goodness, the minute they get this bill locked into place they are going to then come back and make everything Federal."

Not as long as I am a cosponsor of this bill they are not. And I do not think most people in this Senate would vote to do that.

Well, you could take every word in this piece of junk that they call a—they do not even call it anything, but are trying to make a comparison between the two and, of course, tear it to shreds.

Now, that is just one illustration. I would like to bring some others to the floor, but I do not want to waste my colleagues' time, nor do I want to bore people with what clearly is disinformation and falsehoods and some of it out and out downright deceitful falsehoods. I hate to admit that that is coming from conservatives in this country.

I also look at some of the great intellectual institutions that conservatives rely so much on. They take the position, that, unless you agree with them, there is absolutely nothing worth considering. There is absolutely no other idea but theirs. We all know individual people, both on the far left and far right, who feel that way. As a matter of fact, I have been meeting my share of them lately. They are the only ones who have any ideas. As a matter of fact, they are the only ones who can think, I guess, in society. They have no tolerance for anybody else's ideas and anybody else that comes up with an idea is berated and distorted and slammed in unceremonious ways.

Let me tell you, I do not mind that kind of stuff. We can put up with that. We get that all the time. What I do mind is the deceitfulness and the falsehood. I mind people trying to win their case with falsehood.

If I was going to attack the ABC bill, I surely would come up with better blurbs than that piece of junk and any number of other pieces of literature that I have received from conservatives. It is a tremendous disappointment to me, a tremendous disappointment to me.

If I am not going to stand here as a conservative and put up with it. If they want to beat the ABC bill, let them do it fairly and let them do it on the record and let them do it on the words of the bill that is presently before this Senate. If they think that handling child care for only 1- to 4-year-old kids is the last answer, boy, they have an argument from me. Because I have seen too many single heads of households, mostly women, making the minimum wage, or a little bit better, working day in and day out with three and four and five kids with no way to take care of them.

I have seen husbands leave their wives, when I practiced law, and they go off and make better incomes and refuse to support their wives. Their wives are left there in some ghetto with all these kids. If they have any kind of desire to have self-respect they try and go out and work. When they do, their kids suffer. Then the husbands come in and say, "She is not a good mother". I have seen that happen, too. I have seen it happen time after time after time.

I have seen the State let the husbands get away with it. I have seen the courts let the husbands get away with it. I have seen women who have had to give their children back to the husband because they love the children so much and they knew they could not put food in their mouths. And, as much as they knew they could raise the children better than that husband who left them, the husband had more income and could at least feed them. And, because of their love, would allow them to live with husband and give them up and go through that anguish and pain.

Let me tell my colleagues something, I have seen it all. I can tell them. Those who do not look at this issue completely and who do not understand that kids less than 13 years of age have troubles controlling their lives and have troubles resolving their conflicts and their problems and are put in danger by being left all alone most of each day are not looking at this issue. As much as my colleagues on this side want to take care of the 1- to 4-year-olds, and I do, too—it is a tragedy in this country—what about the 5-year-olds? What about the 6-year-olds? What about the 7-year-olds?

Well, the reason my colleagues do not want to expand the credits for them is because they know the costs go up exponentially and yet they are the same people who are criticizing the ABC bill as something that is going to cost more money down the line. Of course, it is. And it is money well spent because it is money for families. I cannot tell the Presiding Officer the hundreds of billions of dollars that go down the drain in this country that could be used to help families.

I think it is conservative to argue for families. I think it is conservative to worry about mothers and children. I think it is conservative to worry about whether or not a women can take care of her children and keep them close to her and nurture them and be with them once in a while.

I think it is conservative to acknowledge that those who cannot take care of themselves, we ought to try to help.

The problem in this country is we are helping too many people who can care for themselves and we are letting problems like this go down the drain, and we are doing it because we are fighting over partisan politics. This should not be a partisan political issue.

My colleagues on that side of the floor cannot think that ABC is the only way to go. My colleagues on this side of the floor cannot think that a tax credit that only takes care of 1- to 4-year-olds is the only way to go. We need to do more. And this is clearly one of the issues in our country today that we clearly need to do more about. I do not know anybody who does not look at it that way.

The problem is 3 years ago, nobody was concerned about this issue. Thanks to the distinguished Senator from Connecticut and others like him, it has now become one of the paramount issues in this country. But if we asked the average single head of household 3 years ago if this was important and she would tell you it was the No. 1 thing she was concerned about. But she did not have voice because society does not pay much attention to single heads of households.

When we do, we always do it in a welfare mode rather than trying to help them be self-sufficient and to have the self-esteem that comes from self-sufficiency.

I am ashamed when I hear some of the arguments that I have heard on this floor. And I am deeply ashamed and offended by some of this junk that is put out as factual information about child care. When I think that some of these so-called leading conservatives think that they are the only ones who have any ideas with regard to child care, it just makes me mad.

I do not think the Senator from Connecticut takes that attitude. It is apparent he has not. He has worked like a dog over the last 3 or 4 years to try to put something together, trying to accommodate every good idea there is. And let me tell Senators, at one time there were over 100 child care bills, once it started to become a good political issue.

I do not think it should be a political issue. I think it should be a bipartisan issue that helps to solve family problems. And we all ought to be working to try to do it. And I think both ideas are crucial to this bill.

I have come a long way to understand that direct grants really can help, especially when State and local governments have total control over them. But I also know that tax credits can help, too, especially when they are refundable, for the especially needy poor.

When we add them both together we might have something here that would really work. What are we fighting about? Let us give some credibility to ABC, and let us, those of us who support ABC, give some credibility to this other side. But if we have to have only a tax credit approach, let us just be honest about it.

If the Dole substitute passes, it completely subsumes and does away with

all these other good ideas that have been worked on for years now: hundreds and hundreds of hours. And they will work. And we all know that that bill will not go through the Congress. We all know it.

If ABC passes solely, by itself, it is going to be vetoed and we all know that. Not because it is not a good bill now, but because it has been called ABC, and it has been a symbol of a bad bill because at one point it did not do all the good things that it does now.

So, either of these standing alone are meaningless. If we put them together, then I think this President, who wants a kinder, softer, gentler Nation—and that is overused, I know, but I know George Bush and he means it—I think he will look at it and say: You have given me some credit, you have given me some credibility, you have gone a certain distance to try to help me get my ideas out there. I think I will go a certain distance to help you with yours. Because this is a big problem.

Let me tell my colleagues, any man married to Barbara Bush, it seems to me, would have that attitude. And I think he will, if we do not take the attitude that all one or all the other has to pass.

The Senator from Connecticut and myself, we are willing to do whatever it takes to get a child care bill and we do not care who gets the credit for it. We hope everybody here feels like they can take credit for it. What we hope is that it will work and help families in America; it will help the woman I read about the other day who had everything going for her. She had three beautiful children, a wonderful husband, they had just gotten a new home, they could afford to eat, they had a decent car and then one day her husband did not come home any more. And the income was cut off. And she was not educated. And she lived in a community that did not have a ready job for her. And all of a sudden she is sitting there with all this beauty just crumbling around her with three kids to feed and not any way in the world to even get a job to feed them, except by traveling to another town a distance away.

This is what we are facing. We are facing reality here. And we ought to face it like it is reality.

I have talked long enough but I would like to spend more time on this church-State issue because I think it is ridiculous to come in here and say I cannot support the ABC bill because the Constitution is going to be enforced on part of it.

I have to tell my colleagues there is another side to that. The ACLU and others, they are mad because we have the Durenberger-Ford amendment in here which makes it clear that nothing in this bill will violate the Constitution. Can my colleagues believe that? That is the other extreme. The fact of the matter is there is nothing wrong with abiding by the Constitution.

Well, let me say I will talk more about church-State issues later and I will show again why merging these bills makes sense from that standpoint; both ways. I apologize to my distinguished friend from Montana but I have been sitting here all day wanting to make these remarks, ever since our policy meeting.

I just hope the conservatives throughout this country start wising up and saying: Look, we do not like what you are doing, Senator HATCH, we do not agree with you and here are the reasons why and they are factually honest. I can accept that and I will respect them for it. But I have no respect for people who distort the facts, who distort the law, who just tell everything from their own perspective and knowing that it is different—or at least should have known it is different. That is what is going on here and it is making me darned mad. I will tell my colleagues, it is about time it stopped.

Make the case, fight against us legitimately every way Senators can and we will do our best to pass this legislation no matter what happens. But quit distorting the record. That is what my challenge is to my conservative friends.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, once again, it hardly needs words from this Senator to recognize the contribution the Senator from Utah has once again made to this debate. His words speak for themselves.

I recall going back 2 years ago, Mr. President, when I approached the Senator from Utah with the ABC bill then, if you will. He looked and said: "Absolutely not. I am not going to support that bill."

He said: "If you are willing to sit down and talk about this legislation, talk about some changes that need to be made, maybe we can come to some agreement." So we began a process with the Senator from Maryland [Ms. MIKULSKI] and the Senator from Utah appropriately recognized her for her contribution as well.

We began a process that almost every other Member of this body has gone through at one time or another with a legislative body, two people walked into a room and each said I disagree—they disagreed with each other. But let us sit down and see if we cannot come together with a product here that our colleagues will support.

In a sense, that is what has happened. No one deserves more credit for where we are today than the Senator from Utah. He has done a Herculean effort, not to come up with an ABC bill or not to come up with a particular amendment but to do something for American children to make it possible for a generation of American children to have the best possible futures that we can give them as adults. That is really what the bottom line is here. He is absolutely correct when he says if we had spent as much time over the last 6 months or so trying to work on a bill together that some people have over the last 4 days trying to craft an alternative merely to win the hour, we could have left here 2 days ago with a child-care bill passed. That has not been the case.

We have been criticized because this bill has changed over the last 2 years. We now have had a bill before the Senate for 4 days, since last Thursday. I do not even know yet what the alternative looks like. It is still being written somewhere around here, and yet I am being criticized because we have changed our bill over the last 2 years.

This is Tuesday at 6:30 at night. We began last Thursday about 2 o'clock, and we patiently went all day Thursday, all day Friday, all day yesterday, all day today. I hope we will come up with some amendments here. If people are not happy about this product, let us talk about some changes if they want to make them, but let us get on with it. It is beginning to look like delaying tactics for the sake of delay. I hope that is not the case. I think my colleagues would like to vote on these matters and move the legislation along. So I hope at some point here we will get a product that we can look at. In the meantime, I again emphasize the tremendous effort that my colleague from Utah has waged and the tremendous efforts he has expended, and his staff as well. They have done a remarkably good job, Mr. President.

I can count on one hand the times that ORRIN HATCH and I have voted alike in the 9 years I have been here. He has not lost his conservative credentials. I have not lost my progressive ones. I am proud of them. He is proud of his conservative credentials. What you are looking at is two Members of this body who care about children and care about working parents and mothers who stay at home, who are struggling with all of these issues, and we decided to drop our ideology, drop our party labels because we cared about something in common to see if we could not work out a legislative product that reflected our respective points of view. After 2 years what we have come up with is the product that is before us today.

ORRIN HATCH is no less a conservative today than he was 2 years ago when he started. I am no less proud to be associated with progressive credentials today than I was 2 years ago. That is not the issue here. It is not a

debate between liberals and conservatives or progressives and conservatives or Republicans and Democrats. It is an effort of good people in this country who care about its future and want to do something about children. It is not complicated.

We tried to do that. I am confident we will. I believe most of our colleagues sincerely want us to do the right thing in child care and I believe before this week is out that we will do that. And the Senate will go on record for the first time in years supporting a child-care program that will be meaningful to working families in this country and meaningful to children.

We spent a lot of time this year on other issues. We have had lengthy debates involving pay increases and Cabinet appointees and other issues. We very expeditiously dealt with the budget issue to the great credit of the Senator from Tennessee. We dealt here with the FSLIC problem, the Senator from Michigan, and the Senator from Utah [Mr. GARN], those are high points here in trying to move legislative product. We have yet to deal with minimum wage. That has been vetoed and the veto is not overridden, but I am confident that we will ultimately work on a product as well to the satisfaction of Members on both sides of the aisle.

What we are trying to do here now is something involving families, pro-family legislation. I am confident that we will be successful in this effort as we have been in those others that I mentioned.

Mr. President, I yield the floor.

Mr. GORTON. I say to my friend from Connecticut, I am waiting to speak on another subject when the debate of this issue is over for the day.

Mr. DODD. I apologize to my colleague. I did not mean to go on so long. Mr. President, I suggest the absence of a quorum unless my colleague wishes to be heard.

Mr. GORTON. Does the Senator from Connecticut believe the debate on this issue is completed for the day?

Mr. DODD. I am not totally convinced of that, but if the Senator would like to make a unanimous-consent request to go into morning business, then I am sure we can accommodate him. I think there is a meeting between the leaders at this point. I will have an answer to his question shortly. In the meantime, if you want to discuss another matter, there will be no objection.

Mr. GORTON. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business and that, if there is further debate on S. 5, that my remarks appear in the RECORD after the conclusion of that debate.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Washington is recognized.

Mr. GORTON. I thank the Chair.

(The remarks of Mr. GORTON pertaining to the introduction of S. 1209 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MATSUNAGA. Mr. President, as an original cosponsor of the Act for Better Child Care Services of 1989, I rise to urge my colleagues to vote for this essential initiative. We must not lose this opportunity to improve the quality, availability, and affordability of child care in our Nation.

It has been nearly two decades since Congress seriously considered a major piece of legislation addressing the availability, affordability, and quality of child care. It was in 1971 that President Nixon vetoed the Mondale-Brademas antipoverty bill which included a $2 billion program to provide educational, nutritional, and health services for preschool children. Since that time, proposals to create a comprehensive Federal Child-care Program have been introduced but have never cleared the floor of either Chamber.

We cannot continue to ignore the needs of our youngest segment of our population and their families, despite our concerns about establishing new Federal programs. The gap between the demand for child care and the supply of quality care is growing. The Welfare Reform Act adopted in the 100th Congress requires mothers of children as young as age 3 to enroll in work, training, or education programs, further heightening the demand on the already limited supply of care for affordable care.

The number of women, many of them single parents returning to the work force while their babies are less than a year old has increased by 95 percent between 1970 and 1986. As of March 1987, 52 percent of mothers with infants of this age were in the work force. In 1986, 60 percent of mothers whose youngest child was 3 to 5 years old were employed—up from 45 percent a decade earlier.

Economic survival is the driving force behind these working mothers. Two-thirds of women in the labor force with preschool children are either the family's sole wage earner or are supplementing a family income of $15,000 or less. This situation is particularly acute in Hawaii, where the cost of living is much higher than the national average—62 percent of families in my State of Hawaii are comprised of two or more workers—the highest percentage in the Nation. We are fourth in the Nation with regard to the percentage of women in the work force which is now 59 percent.

Many parents have difficulty finding child care providers. On our most populous island of Oahu, there are fewer than 500 licensed spaces available for the approximately 9,300 infants, up to 2 years old, who need care. Those who do find a provider often have difficulty maintaining adequate arrangements. Turnover of staff in child-care centers averages over 50 percent a year, and the rate is even higher among family day-care providers.

Furthermore, no Federal guidelines exist to assist States in providing adequate protection for children in child-care settings. Some State child-care standards are so minimal that children's health and safety are threatened. It is estimated that 75 to 90 percent of family child care, one of the most popular and available options, remains unlicensed and unregistered.

While some Federal programs subsidize families' child-care costs, these funds have either been frozen at current levels or have decreased over the past 8 years, despite increased need. The largest source of direct Federal support for State child-care programs is title XX of the Social Security Act. Child care is one of many social services supported by title XX. Parents with incomes below a State-established level can qualify for title XX-subsidized child care. However, with inflation factored in, 35 States spent less title XX funds for child care services in 1985 than in 1981 when services under title XX were folded into a block grant, according to the children's defense fund.

In 1976, Congress enacted a dependent care tax credit. Indirect funding of this tax credit provides the most extensive Government support for child care. Under current law, families may claim up to $2,400 for the cost of care for one child and $4,800 for two or more children. The deduction is based on a percentage of that claim, according to the taxpayer's income. Credits range from $270 for one child for parents with income below $10,000—30 percent of expenses—to $480 for parents with income above $28,000—20 percent of expenses. For two or more children, credits range from $1,440 to $960.

The Tax Credit also includes 1981 provisions designed to stimulate employer-assisted child care.

On June 13, 1989, the Finance Committee approved by a vote of 17 to 3 a "children initiative" package that includes some changes to expand and improve the dependent care credit. First, the credit would be refundable. Taxpayers without sufficient taxable income to offset the credit would be entitled to receive the amount of the credit not offset against tax liability in cash. The dependent care credit would be increased to 35 percent for taxpayers with adjusted gross income [AGI] less than $8,000 and to 32 percent for taxpayers with AGI of between $8,000 and $10,000. The Finance Committee package is part of the Mitchell amend-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ment and provides an important supplement to S. 5.

S. 5, the ABC bill would provide much-needed new funds to make child care more affordable for low- and moderate-income families. It would also increase the accessibility and supply of quality child care for all families and coordinate the patchwork of child-care resources. In the legislation as reported out from the Labor and Human Resources Committee, $2.5 billion would be authorized for fiscal year 1990 as a matching grant program to the States.

Seventy percent of the ABC funds must be used to provide direct assistance to low-income families on a sliding fee scale, with priority given to very low families. Eligible children are those up to age 15 whose family income does not exceed 100 percent of State median income. Ten percent of the seventy percent would be reserved for direct assistance to expand from part-day to full-day low-income programs such as Head Start, State-subsidized preschool, chapter I preschool, and preschool for handicapped children. Of the remainder of the ABC funds, 22 percent would go to improve quality and supply, and 8 percent for State administration.

States would have to ensure that parents have discretion to choose the form of care for their children. Child-care sources may include nonprofit and for-profit child-care centers, family day care home, relative care, school-based care, and nonsectarian school-based care.

An impressive and broad coalition of more than 100 national groups including children's advocates, labor unions, and religious organizations have been working assiduously with Senator DODD, Senator KENNEDY, Senator HATCH, and other cosponsors and their staffs in crafting this legislation for over 3 years.

Mr. President, left to itself, this situation of a growing demand for affordable, quality child care, coupled with its inadequate supply, can only hurt our most precious resource—our children. We must invest in our future now. I strongly urge my colleagues to vote for the revised Act for Better Child Care.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:34 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agreed to the resolution (H. Res. 177), stating that the bill of the Senate (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1278. An act to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1077. A bill to authorize the President to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration (Rept. No. 101-56).

S. 1180. A bill to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration (Rept. No. 101-57).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation:

James Buchanan Busey IV, of Illinois, to be Administrator of the Federal Aviation Administration;

Jeffrey Neil Shane, of the District of Columbia, to be an Assistant Secretary of Transportation;

Kate Leader Moore, of the District of Columbia, to be an Assistant Secretary of Transportation;

Pursuant to the provisions of 14 U.S.C. 729, the following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral (lower half): Fred S. Golove.

Richard Harrison Truly, of Texas, to be Administrator of the National Aeronautics and Space Administration;

James R. Thompson, Jr., of Alabama, to be Deputy Administrator of the National Aeronautics and Space Administration;

Thomas Joseph Murrin, of Pennsylvania, to be Deputy Secretary of Commerce; and

Susan Carol Schwab, of Maryland, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commerce Service.

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I report favorably a nomination list in the Coast Guard which was printed in full in the CONGRESSIONAL RECORD of June 6, 1989, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. INOUYE, from the Select Committee on Indian Affairs:

Eddie F. Brown, of Arizona, to be an Assistant Secretary of the Interior.

By Mr. PELL, from the Committee on Foreign Relations:

Melvyn Levitsky, of Maryland, to be Assistant Secretary of State for International Narcotics Matters;

Richard H. Solomon, of the District of Columbia, to be an Assistant Secretary of State;

Fred M. Zeder II, of New York, to be President of the Overseas Private Investment Corporation;

Mark L. Edelman, of Missouri, to be Deputy Administrator of the Agency for International Development;

E. Patrick Coady, of Virginia, to be United States Executive Director of the International Bank for Reconstruction and Development for a term of two years;

Donald Phinney Gregg, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Donald P. Gregg.

Post: Ambassador to Korea.

Nominated: January 6, 1989.

Contributions, amount, date, and donee:

1. Self, no contributions made.

2. Spouse, no contributions made.

3. Children and spouses names: Lucy Gregg Buckley and husband Christopher; John Phinney Gregg; Margaret Alison Gregg. No contributions made by any person listed.

4. Parents names: Both deceased. Father died 1944. Mother, Lucy P. Gregg. Died 1988. Made no contributions that I know of. I was handling her finances prior to her death, so I would have known.

5. Grandparents names: All deceased prior to 1970.
6. Brothers and spouses, no brothers.
7. Sisters and spouses, no sisters.

Morton I. Abramowitz, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Morton I Abramowitz.
Post: Turkey.
Contributions, amount, date, and donee:
Self, none
Spouse (Sheppie), $100, 1986, Cong. Solarz campaign; $100, 1986, Cong. M. Barnes campaign; $150, 1988, Joel Pritchard campaign.
Children and spouses, Michael and Rachel, none.
Parents, Mendel and Dora—deceased more than 5 years ago.
Grandparents, Abraham and Sarah—deceased more than 5 years ago.
Brothers and spouses, William Irving and Harry—deceased more than 5 years ago.
Sister and Spouses, Molly Tatel, none; Mrs. William Epstein, none; Eleanor Sreb; $25, 1986, Democratic National Committee.

Thomas Michael Tolliver Niles, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be the Representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Thomas Michael Tolliver Niles.
Post: USEC Brussels.
Contributions, amounts, date, and donee:
1. Self, none.
2. Spouse, none.
3. Children and spouses, John Thomas, none; Mary Chapman, none.
4. Parents, Mrs. J.J. Niles (mother), none; father, deceased.
5. Grandparents, deceased.
6. Brothers and spouses, John E. Niles, none.
7. Sisters and spouses, none.

Jewel S. Lafontant, of Illinois, to be United States Coordinator for Refugee Affairs and Ambassador-at-Large while serving in this position, vice Jonathan Moore, resigned.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Jewel S. Lafontant.
Post: Ambassador-at-Large and U.S. Coordinator for Refugee Affairs.
Nominated: May 5, 1989.
Contributions, amount, date, and donee:
Self, $1,000*, 1986, Reagan/Thompson luncheon. $2,000* (raised from individuals), November 1987, George Bush for President. $6,000 (raised from individuals), 1988, National Finance Committee for George Bush. $10,000* (raised from individuals), 1988, Victory '88 Event with President Reagan.
2. Spouse, (deceased).
3. Children and spouses, John W. Rogers (son), $1,000, November 1987, George Bush; $1,000, April 1988, George Bush. Desiree Rogers (daughter-in-law), $1,000 April 1988, George Bush.
4. Parents, (deceased).
5. Grandparents, (deceased).
6. Brothers and spouses (deceased).
7. Sisters and spouse, (no sisters).

* Approximately.

Edward N. Ney, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Edward N. Ney.
Post: Ambassador to Canada.
Contributions, amount, date, and donee:
1. Self:

1988

The Senator Lloyd Bentsen Election Committee	$500
BiPartisan Budget Appeal	250
Bush—The Presidential Trust	10,000
Bush—Victory 1988	2,000
Friends of Senator D'Amato for Senate	1,000
Dole for President Committee	1,000
Bill Green, Republican Committee for Bill Green	250
Committee for Senator Roy M. Goodman, Friends of Senator Roy M. Goodman	250
People for John Heinz Committee	250
Citizens for Morganthau and Morganthau 1989	1,000
M&N Committee	1,000
Bob McMillan for U.S. Senate	250
NYS Republican State Committee and Finance Committee	2,500
NYS Republican County Committee	100
PaineWebber Fund for Better Government	1,000
Republican National Committee	1,040
Ned Regan Support Committee	500
Republican Congressional Leadership Council	500
Robb for Senate	100

1987

George Bush, The Vice President's Exploratory Account	$250
The Senator Lloyd Bentsen Election Committee	250
Friends of Senator D'Amato for Senate	250
Danforth for Senate	250
Dante Fascell Campaign Committee	250
Committee for Senator Roy M. Goodman, Friends of Senator Roy M. Goodman	250
NYS Republican State Committee and Finance Committee	500
People for the American Way	100
PaineWebber Fund for Better Government	1,000
Republican National Committee	40
Republican Congressional Leadership Council and Booster Club	200
Citizens for Vignola	100
John William Ward Fund	200

1986

George Bush, The Vice President's Exploratory Account	$750
Missourians for Kit Bond	1,000
Victory 1986 (D'Amato)	1,000
Fund for America's Future (Bush)	10,000
Friends of Andy O'Rourke	1,500
New York Salute to President Reagan	1,000
People for O'Rourke	1,500
People for the American Way (Bush)	250
New York Republican State Finance Committee	1,000
Republican Congressional Leadership Council	2,500
Conservative Party	250
Dante Fascell Campaign Committee	250
Bill Green, Republican Committee for Bill Green	500
Committee for Senator Roy M. Goodman, Friends of Senator Roy M. Goodman	250
Haughton for Congress Committee	500
Ken Kramer for Senate Committee	500
Republican National Committee	150
Ned Regan Support Committee	750
Arlene Specter for MS Committee	250
Snelling 1986 Committee	250
Sanford G. Weiner	100

1985

Citizens for Morgenthau	$2,125
D'Amato for Senate	1,000
Empire Club	1,000
Fund for Americas Future (Bush)	5,000
New Yorkers for Koch	1,000
BiPartisan Budget Appeal	250
Dante Fascell Campaign Committee	200
Bill Green, Republican Committee for Bill Green	100
1985 GOP Victory Fund	550
Committee for Senator Charles Grossly	100
Hatch Election Committee	500
New York for Koch 1985	1,250
Re-Elect Representative Jack Kemp	500
The President's Dinner	250
People for the American Way (Bush)	500
Republican National Committee	40
Arlene Specter for MS Committee	100

2. Spouse, Judith L. Ney:
$250, 1987, George Bush, The Vice President's Exploratory Account.
$750, 1986, George Bush, The Vice President's Exploratory Account.
$5,000, 1985, Fund for Americas Future (Bush).
3. Children and spouses names, Hilary Ney, Nicholas H. Ney, Michelle Ney Kilduff (John), none.
4. Parents names, John Ney (deceased); Marie Ney, none.
5. Grandparents names, (deceased).
6. Brothers and spouses names, John and Marion Ney, none.
7. Sisters and spouses names, none.

Robert D. Orr, of Indiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

Nominee: Robert D. Orr.
Post: Ambassador to Singapore
(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)
Contributions, amount, date, and donee:
1. Self: See attached sheet.
1. Self, $50, 1985, Republican National Committee; $100, 1986, Quayle for Senate; $200, 1986, McIntyre for Congress; $150, 1987, Citizens for Lugar; $100, 1987, Republican National Committee; $100, 1988, Republican National Committee; $401, 1988, Quayle for Vice President (before convention); $250, 1989, Dan Heath for Congress.
2. Spouse, none.
3. Children and spouses, none.

4. Parents, Samuel L. Orr and Louise D. Orr, deceased.

5. Grandparents, James L. Orr and Kate H. Orr, deceased.

6. Brothers and spouses, Samuel and Jane Orr, $30 each 1985-86-87-88; Republican National Committee; $100, 1988, Bush for President.

7. Sisters and spouses, Mrs. Albert Trostel $100, 1986, Kasten for Senator; $1,000, 1988, Susan Engelbiter for Senate.

Albert Trostel, deceased.

C. Howard Wilkins, Jr., of Kansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Calvin Howard Wilkins, Jr.

Post: Ambassador to the Netherlands.

Contributions, amount, date, and donee:

1. Self:

$5,000, February 23, 1988, National Republican Senatorial Committee;

$10,000, May 6, 1988, Presidential Trust;

$200, June 14, 1988, Dave Crocket for Senate;

$1,000, June 20, 1988, Karnes for Senate;

$1,000, June 20, 1988, Heinz for Senate;

$1,000, June 23, 1988, Trent Lott for Mississippi.

$1,000, July 8, 1988, Strinden for Senate;

$1,000, July 8, 1988, Burns for Senate;

$500, July 8, 1988, Thompson for Congress;

$500, October 14, 1988, Lee Thompson for Congress;

$5,000, February 23, 1987, Campaign America;

$1,000, February 26, 1986, Campaign America;

$1,000, March 24, 1986, Knight for Congress;

$4,000, April 25, 1986, Campaign America;

$1,000, May 1, 1986, Jim Santini for Senate;

$1,000, May 15, 1986, Kit Bond for Senate;

$400, May 15, 1986, Jan Myers for Congress;

$1,000, May 15, 1986, Henson Moore for Senate;

$1,000, May 15, 1986, Dick Snelling for Senate;

$1,000, July 16, 1986, Re-elect Frank Murkowski;

$1,000, August 29, 1986, Ed Zschau for Senate;

$1,000, August 29, 1986, Ken Kramer for Senate;

$1,000, August 29, 1986, Mack Mattingly for Senate;

$1,000, August 29, 1986, Jim Broyhill for Senate;

$1,000, August 29, 1986, James Abdnor for Senate;

$500, September 29, 1986, Knight for Congress;

$2,000, February 12, 1985, Republican Majority Fund;

$3,000, April 23, 1985, President's Dinner;

$10,000, June 4, 1985, Senatorial Trust;

$500, July 29, 1985, Arlen Specter for Senate;

$1,000, September 11, 1985, Symms for Senate;

$300, September 16, 1985, Republicans Abroad;

$1,000, October 17, 1975, Friends of Senator Nickles;

$2,000, November 21, 1985, Fund for America's Future;

$1,000, January 27, 1984, Domenici for Senate;

$1,000, January 27, 1984, Domenici for Senate;

$1,000, January 27, 1974, McClure for Senate;

$1,000, January 27, 1984, McClure for Senate;

$1,000, January 27, 1984, Warner for Senate;

$250, February 20, 1984, Duperier for Congress;

$1,000, February 23, 1984, Cochran for Senate;

$1,000, February 23, 1984, Humphrey for Senate;

$1,000, April 5, 1984, Schultz for Congress;

$1,000, June 20, 1984, Uhlmann for Congress;

$500, July 17, 1984, Myer for Congress;

$10,000, September 4, 1984, Presidential Trust;

$1,000, September 18, 1984, Richardson for Senate;

$1,350, December 20, 1984, Republican National Committee;

$200, May 18, 1984, Allen for Senate; and

$1,000, May 23, 1984, Boschwitz for Senate.

2. Spouse, divorced, none.

3. Children and spouses, Wendy P. Wilkins, C. Howard Wilkins III, Garth B. Wilkins, Jason T. Wilkins, Tyler A. Wilkins, none.

4. Parents, Jane Austin Wilkins, deceased. C. Howard Wilkins:

$100, July 10, 1988, Jim Burgess for Congress;

$100, October 10, 1988, Libertarian Party;

$100, May 29, 1987, George Bush for President;

$100, September 21, 1987, George Bush for President;

$100, July 6, 1987, Libertarian Party;

$100, October 14, 1987, George Bush for President;

$100, March 3, 1986, Libertarian Party;

$250, May 8, 1986, Larry Jones for Governor;

$100, June 23, 1986, Larry Jones for Governor;

$100, July 5, 1986, Bicknell for Governor;

$400, October 9, 1986, Knight for Congress;

$100, December 30, 1986, Libertarian Party;

$50, July 23, 1985, Libertarian Party;

$1,000, August 1, 1984, Republican Majority Fund; and

$75, December 2, 1984, Libertarian Party.

5. Grandparents, deceased.

6. Brothers and spouses, Robert A. Wilkins, Karen Wilkins, none.

7. Sisters and spouses, Jane W. Gifford and Paul Gifford, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROTH:

S. 1202. A bill to amend title 10, United States Code, to provide for the centralized planning and conduct of major defense acquisition programs of the Department of Defense, to establish in the Department of Defense a Defense Acquisition Agency, and for other purposes; to the Committee on Armed Services.

By Mr. McCAIN (for himself, Mr. INOUYE, Mr. DECONCINI, Mr. GORTON, Mr. COCHRAN, and Mr. BURDICK):

S. 1203. A bill to encourage Indian economic development; to the Committee on Finance.

By Mr. HOLLINGS:

S. 1204. A bill to improve the enforcement of the trade laws of the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MATSUNAGA (for himself, Mr. PRYOR, Mr. CONRAD, Mr. COCHRAN, Mr. SYMMS, Mr. MCCLURE, Mr. BUMPERS, and Mr. COATS):

S. 1205. A bill to amend the Agriculture Trade Development and Assistance Act of 1954 to permit foreign currency proceeds derived from the sale of commodities to be used to support research and development programs in agriculture and aquaculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS:

S. 1206. A bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. PACKWOOD:

S. 1207. A bill to amend the Communications Act of 1934 to reform the radio broadcast license renewal process and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 1208. A bill to temporarily suspend the duty on certain fine woolen fabrics; to the Committee on Finance.

By Mr. GORTON (for himself, Mr. MCCAIN, Mr. BOSCHWITZ, Mr. GRAMM, Mr. MCCLURE, Mr. LOTT, Mr. KASTEN, Mr. MCCONNELL, Mr. DOMENICI, Mr. WILSON, and Mr. BRYAN):

S. 1209. A bill to grant permanent residence status to certain nonimmigrant natives of the People's Republic of China; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself, Mr. BURDICK, Mr. MITCHELL, Mr. LAUTENBERG, Mr. CHAFEE, and Mr. DURENBERGER):

S. 1210. A bill to conduct a comprehensive national assessment of the nature and extent of aquatic sediment contamination; to the Committee on Environment and Public Works.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. MITCHELL):

S. 1211. A bill to require the Secretary of Veterans' Affairs to pay the maximum amount of special pay authorized for Department of Veterans' Affairs physicians and dentists; to the Committee on Veterans' Affairs.

By Mr. GORE (for himself, Mr. MITCHELL, Mr. CHAFEE, Mr. WIRTH, Mr. HEINZ, and Mr. KERRY):

S.J. Res. 159. Joint resolution to designate April 22, 1990 as "Earth Day," and to set aside the day for public activities promoting preservation of the global environment; to the Committee on the Judiciary.

By Mr. LAUTENBERG (for himself, Mr. CRANSTON, Mr. MURKOWSKI, Mr. PELL, Mr. CONRAD, Mr. MATSUNAGA, Mr. ROBB, Mr. BUMPERS, Mr. DIXON, Mr. JEFFORDS, Mr. BOREN, Mr. HOLLINGS, Mr. GORE, Mr. HEFLIN, Mr. COCHRAN, Mr. INOUYE, Mr. DOLE, Mr. SIMPSON, Mr. DECONCINI, Mr. KERRY, Mr. SIMON, Mr. LIEBERMAN, Mr. HATCH, Mr. MITCHELL, Mr. GRAHAM, Mr. SASSER, Mr. PRYOR, Mr. RIEGLE, Mr. BOSCHWITZ, and Mr. BENTSEN):

S.J. Res. 160. Joint resolution to designate December 7, 1989, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 1202. A bill to amend title 10, United States Code, to provide for the centralized planning and conduct of major defense acquisition programs of the Department of Defense, to establish in the Department of Defense Acquisition Agency, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE ACQUISITION REORGANIZATION ACT

Mr. ROTH. Mr. President, I am pleased to introduce today legislation to create a civilian acquisition agency within the department of defense, which is a revised and improved version of my earlier bill—S. 433. This proposal would amend title 10, of the United States Code, to establish a defense acquisition agency to perform most weapons acquisition functions within DOD.

This agency, staffed by well-trained, experienced, career experts, would assume responsibility for the management of major weapon acquisition programs from the military services. I firmly defend that this approach will result in more effectively managed and less costly weapons programs.

When I first proposed this idea about 4 years ago, it received little attention because it was considered too radical an approach. However, the continuing problems with DOD's process for acquiring weapons point to the need for basic change in how things are done.

The report of the joint project on monitoring defense reorganization, sponsored by the Johns Hopkins Foreign Policy Institute and the Center for Strategic and International studies and cochaired by Mr. Harold Brown and Mr. James Schlesinger, said that little progress has been made in the area of weapons acquisition. Clearly the time is right to take a serious look at a new approach.

In his message to the joint session of Congress on February 9, 1989, President Bush directed the Secretary of Defense to improve the defense procurement process. The Secretary was to develop a plan to implement the spirit as well as the letter of the Packard Commission Report and the Goldwater-Nichols Act.

The drafters of both the Packard Commission Report and the Goldwater-Nichols legislation concluded that the current procedures through which military requirements were established could be improved by: First, strengthening the links between strategy and decisions on the numbers and characteristics of military forces; second, strengthening the role of the chairman and commander in chief in developing joint military needs; and third, by emphasizing affordability in all divisions on military strategy, forces, and weapon characteristics. There has been some progress made in the first two areas but little has been made regarding affordability. Hopefully the DOD review currently under the direction of Mr. Atwood will recognize the need for a new approach to the way we acquire weapons. I welcome the opportunity to work with President Bush and Secretary Cheney in reforming our defense procurement process.

Mr. President, my bill would complement the legislation which sought to implement the intent of the Packard Commission Report and the Goldwater-Nichols reforms. The news Under Secretary of Defense for Acquisition would be the head of the Defense Acquisition Agency and the military services would continue to determine the needs and performance requirements for weapons systems.

Once the decisions are made on what weapons to buy and how many resources will be expended, the Under Secretary would have full authority over the actual implementation. The military services would no longer be in charge of weapons acquisition, but would continue to serve to provide the military user's viewpoint to test the weapons, and work with the buyers throughout the life of a weapons system.

The work force for the Defense Acquisition Agency will be highly professional, with required degrees in science, engineering, business, financial management, or related disciplines. I envision a corps of acquisition professionals comparable to the specialized corps for military engineers or medical personnel who would be career arms designers and buyers trained to understand both the mechanics of weapons systems acquisition and the need for operational realities and valid individual service interests.

Mr. President, I would point out that in creating such an agency, we should be fully prepared to establish a separate personnel system to ensure that the Secretary has the full authority to create, compensate, and train the acquisition work force. This is why the bill would set up a special salary scale and bonus system based on achievement to permit the Secretary to recruit and retain the professional work force that such an agency will attract. Personnel in the agency would be eligible for higher compensation and agency managers would be granted greater flexibility in personnel matters. The bill also requires continued training and development in their assigned fields.

The purpose of my bill is to make a fundamental change in the way the United States acquires its weapon systems.

I am proposing that acquisition authority be removed from the military services and given to a civilian acquisition corps headed by the Under Secretary of Defense for Acquisition. The Defense Acquisition Agency would provide for the centralized planning and conduct of all major defense acquisition programs.

The Under Secretary would have full authority to implement the Secretary of Defense's decisions on what weapons to acquire and how many resources would be devoted to acquisition. As the full-time Defense Acquisition Executive, the Under Secretary would actively assist the Secretary in making these decisions and as required by law would have specific authority to direct the Secretaries of the military services.

Under my proposal, the Under Secretary of Defense for Acquisition would work closely with the Vice Chairman of the Joint Chiefs of Staff to ensure that the feasibility of common-use and/or joint solutions to military service requirements is adequately considered. To foster commonalty and avoid redundant efforts, all major defense acquisition programs should be reviewed by the Under Secretary of Defense for Acquistion and the Vice Chairman for potential common-use and/or joint solutions from very early in the concept exploration/definition phase of a weapon system.

Consideration should also be given to determining the extent to which there is commonalty of parts or components among the weapon systems to be acquired for the military services.

Mission-need statements for major defense acquisition programs are to include a cooperative opportunities assessment to indicate whether or not a program addressing a similar need as in development or production by one of our allies. If so, the assessment should address whether a cooperative program could possibly satisfy the military requirement of the United States.

The Under Secretary of Defense for Acquisition working together with the Vice Chairman needs to ensure that this requirement is fulfilled and that proper consideration is given to

weapon systems available from our Allies which might meet U.S. needs. Such consideration would assist in efforts to seek standardization and interoperability of weapons within U.S. military alliances.

My bill is designed to focus on the basic causes of the continuing problems with the defense acquisition process and to seek long-term solutions which will make some of the critically needed changes in how we go about selecting, developing, and producing the weapons that are used to defend this country. My bill is focused on major defense acquisition programs and will not change any of the existing processes for acquisition of common supply items such as those currently procured by the defense logistics agency.

It is important to note that my proposal will not separate the military user from the acquisition process. The military services would continue to perform several major roles in the acquisition of weapon systems. First, they would continue to be responsible for determining deficiencies in mission capability and for presenting the difference between the threat and the mission.

The need for a new capability is approved by the Secretary of Defense during the development of the military service Program Objective Memorandums. After approval of the need, the Under Secretary of Defense for Acquisition would be tasked to direct the exploration of alternative ways of developing the new capability. The military service would concentrate on developing a statement of need and performance requirements for use by the Under Secretary of Defense for Acquisition in concept exploration and definition activities.

The military service would then turn their attention to the preparation of a test and evaluation master plan which would guide the Under Secretary of Defense for Acquisition during subsequent phases of the acquisition process.

Completion of full-scale development would be marked by acceptance of the weapon by the military services. Once the service agrees that the selected weapon is operationally feasible and will meet the mission deficiency, the decision for full-rate production can be made. The Under Secretary of Defense for Acquisition would also work closely with the military services to achieve operational readiness for the deployed system and to resolve concerns with fielding and supporting the system.

My proposal would permit interaction between the Under Secretary of Defense for Acquisition and the military services throughout the life of a weapon system. Military personnel can serve in the proposed Defense Acquisition Agency. The only fundamental change is removing the authority of the military services for acquiring weapons. This should free the military to perform its primary roles of strategic and tactical planning, serving in operational commands, and training the forces to fight.

Mr. President, I would be the first to acknowledge that it is no simple task to manage the development and production of a major weapon system and to keep the program on schedule and within cost. If it were, the dozens and dozens of acquisition improvement efforts which have been initiated by virtually every administration would certainly by now have given us a more efficient and well-managed acquisition process.

Unfortunately, the reform goals have not been achieved. In fact, the problems continue and the acquisition process today may actually be in worse shape than it was only a few years ago.

The public has the perception that we do not really know how to build dependable, reasonably priced weapons. The fact is that the public's view of defense matters is greatly influenced by their perceptions of the way our weapon systems programs are managed.

I am concerned, as are other Senators, that the public is convinced the current process used to buy weapons is broke and cannot be repaired without some type of fundamental change. The growing disillusionment with the management of the acquisition process is a very serious matter and one that I, as a strong proponent of a revitalized defense, am anxious to see reversed.

In these times of declining budgets, we need to strive to get the most out of every dollar that we spend for national defense. In today's climate of declining budgets and public mistrust, we need to consider changes which will get the job of acquiring weapons done and done well. This will restore the public's confidence that real improvements have been made. This is why I have offered my proposal for the establishment of the defense acquisition agency.

In considering the causes of the continuing problems we have experienced with the defense acquisition process and the many reform proposals that have been made, it becomes apparent to me that a fundamental change is needed. I believe we should consider more comprehensive and far-reaching changes than the ones considered to date. My proposal would clearly change the status quo, but I believe it would set us on the path to real and long lasting improvement.

Our current military service dominated acquisition process results in a confusing morass of different procurement organizations and policies, prevents attention from being given to the cost of weapons in setting requirements, cuts off real consideration of potential joint developments, uses improperly trained or experienced military officers, allows high turnover of personnel in key acquisition positions, and affords no accountability for the success or failure of a weapon program.

For military officers, managing an acquisition program is not often a career or procurement official.

A centralized civilian weapons acquisition agency with the streamlined management structure envisioned by the Packard Commission and others would help to ensure the continuity of key personnel and to establish a direct line of command and communication.

Less people would be involved and there would be a more cost-effective organization. Acquisition is a business function, not a military one. Taking responsibility from the military returns valuable military personnel to their primary job of operating and commanding military forces.

I urge my colleagues to review this proposal, to weigh it against our current process in DOD, and to join with me as the debate begins on how best to create a more effective and efficient approach to developing and producing the weapons needed for our national security.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Department of Defense Acquisition Reorganization Act of 1989".

SEC. 2. CENTRALIZATION OF MAJOR DEFENSE ACQUISITION PROGRAM AUTHORITY IN THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) AUTHORITY FOR MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 133(b) of title 10, United States Code, is amended by striking out clause (1) and inserting in lieu thereof the following:

"(1) planning and conducting, subject to section 2439 of this title, all major defense acquisition programs and supervising all other Department of Defense acquisitions;".

(b) CONDUCT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—(1) Chapter 144 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2439. Conduct of major defense acquisition programs

"(a) RESPONSIBILITY OF THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Acquisition shall plan and conduct all major defense acquisition programs in accordance with funding priorities established by the Secretary of Defense.

"(b) DEVELOPMENT OF NEEDS AND PERFORMANCE STANDARDS.—(1) The Secretary of each military department, with respect to a

major defense acquisition program for such department, and the head of each Defense Agency, with respect to a major defense acquisition program for such agency, shall—

"(A) determine and define the procurement needs of that department or agency for such program;

"(B) determine and define the performance standards for the system or systems to be acquired under the program; and

"(C) report such needs and standards to the Under Secretary of Defense for Acquisition.

"(2) During the determination and definition of procurement needs and performance standards for a major defense acquisition program, the Secretary of a military department or the head of a Defense Agency, as the case may be, shall consult with the Under Secretary of Defense for Acquisition regarding the likely availability of resources for the acquisition of a system or systems that meets the proposed needs in accordance with the proposed performance standards.

"(3) Performance standards must be realistic and must relate to a specific defined need.

"(4) Procurement needs and performance standards determined and defined by the Secretary of a military department or the head of a Defense Agency for purposes of this subsection may be revised by the Secretary of Defense.

"(c) SELECTION OF SPECIFIC SYSTEM.—(1) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, shall select the system concept for design under a major defense acquisition program, taking into consideration the acceptable level of risk for a system under such program.

"(2) The Secretary of Defense, after consultation with the Joint Chiefs of Staff, the Under Secretary of Defense for Acquisition, and other appropriate staff officials in the office of the Secretary, shall determine and define what level of risk is acceptable for a system to be acquired under a major defense acquisition program.

"(3) In this subsection, the term 'level of risk', with respect to a system, means the extent to which the system lacks the capability to meet a specific threat to national security or to meet another specific national security need, taking into consideration the availability or anticipated availability of other systems to meet such threat or need.

"(d) ACCEPTANCE OF A SPECIFIC SYSTEM.—The Secretary of a military department or the head of a Defense Agency for which a major defense acquisition program is conducted shall determine whether the system acquired under such program meets the needs of such department or agency.

"(e) DUTIES OF THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—In planning for and conducting a major defense acquisition program for the acquisition of a system, the Under Secretary of Defense for Acquisition—

"(1) shall consult with and receive information, evaluations, analyses, and advice from the Secretaries of the military departments and the heads of appropriate Defense Agencies with regard to the need and justification for, and any modification of, such system;

"(2) shall consider whether the acquisition of a system from any allied government would meet the need of each military department for which the system is to be acquired;

"(3) shall consult with the Joint Chiefs of Staff and the Vice Chairman of the Joint Chiefs of Staff regarding—

"(A) the potential for two or more military departments to use the system to be acquired under such major defense acquisition program; and

"(B) potential alternative systems suitable for common use by two or more military departments;

"(4) in the case of a program for the acquisition of a system for two or more military departments, shall determine the extent to which there is a commonality of parts and components among the systems to be acquired for such military departments;

"(5) shall carry out functions, consistent with the provisions of this title and applicable acquisition regulations, relating to the research for, development of, and production of the system under such major defense acquisition program, including—

"(A) determining the feasibility of conducting research for, development of, and production of such system;

"(B) preparing cost estimates, requests for appropriations under section 1108 of title 31 (reflecting the funding priorities established by the Secretary of Defense), and other budget materials;

"(C) preparing Selected Acquisition Reports for the Secretary of Defense, as directed by the Secretary, for purposes of section 2432 of this title;

"(D) preparing baseline reports and descriptions;

"(E) preparing solicitations;

"(F) evaluating bids and proposals;

"(G) selecting contractors;

"(H) establishing and improving programs and methods that foster maximum cost control and enhance productivity and manufacturing operations;

"(I) establishing schedule goals and determining compliance with such goals;

"(J) making contract payments;

"(K) making contract changes; and

"(L) terminating contracts;

"(6) during the conduct of the major defense acquisition program for a military department or a Defense Agency, shall consult on a continuing basis with the Secretary of such department or the head of such agency, as the case may be, and shall request the advice and comments of such Secretary or agency head on the conduct of the program; and

"(7) shall be the sole representative of the Department of Defense in negotiating with representatives of the private sector in connection with the major defense acquisition program.

"(f) UNDER SECRETARY OF DEFENSE FOR ACQUISITION NOT TO BE RESPONSIBLE FOR OPERATIONAL TEST AND EVALUATION.—The Under Secretary of Defense for Acquisition is not responsible for conducting, monitoring, or reviewing operational test and evaluation under a major defense acquisition program.

"(g) DEFINITION.—In this section, the term 'system' includes a subsystem and any component related to the system.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2438 the following:

"2439. Conduct of major defense acquisition programs.".

(c) REVISION OF PROCUREMENT AUTHORITY OF MILITARY DEPARTMENTS.—Section 2302(1) of title 10, United States Code, is amended to read as follows:

"(1) The term 'head of an agency' means the Secretary of Defense (acting through the Under Secretary of Defense for Acquisition in the case of major defense acquisition programs, as defined in section 2430 of this title), the Secretary of the Army (except in the case of a major defense acquisition program), the Secretary of the Navy (except in the case of a major defense acquisition program), the Secretary of the Air Force (except in the case of a major defense acquisition program), the Secretary of Transportation, and the Administrator of the National Aeronautics and Space Administration.".

SEC. 3. DEFENSE ACQUISITION AGENCY

(a) ESTABLISHMENT.—(1) Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 135 the following new chapter:

"CHAPTER 136—DEFENSE ACQUISITION AGENCY

"Sec.
"2281. Establishment.
"2282. Duties.
"2283. Civilian personnel.
"2284. Members of the armed forces.
"2285. Definition.

"§ 2281. Establishment

"There is a Defense Acquisition Agency in the Department of Defense. The Under Secretary of Defense for Acquisition is the head of the Defense Acquisition Agency.

"§ 2282. Duties

"The Under Secretary of Defense for Acquisition shall plan and conduct major defense acquisition programs through the Defense Acquisition Agency.

"§ 2283. Civilian personnel

"(a) CIVILIAN PERSONNEL SYSTEM.—(1) The Secretary of Defense shall establish by regulation a special personnel system for civilian employees of the Defense Acquisition Agency. The regulations establishing such system shall—

"(A) establish the rates of pay for employees of the Defense Acquisition Agency not to exceed the maximum rate of basic pay payable for the Senior Executive Service under section 5382 of title 5;

"(B) provide for removal of an employee of the Defense Acquisition Agency to a position outside the Defense Acquisition Agency consistent with the terms, conditions, and procedures provided in section 3592 of such title for removal of a career appointee in the Senior Executive Service to a position outside the Senior Executive Service, except that any hearing or appeal to which an employee of the Defense Acquisition Agency is entitled shall be held and decided pursuant to procedures prescribed by the Secretary of Defense in such regulations;

"(C) provide for removal or suspension of an employee of the Defense Acquisition Agency for a period of more than 14 days consistent with subsections (a), (b), and (c) of section 7543 of title 5 (relating to the removal or suspension for such a period of a career appointee in the Senior Executive Service), except that any hearing or appeal to which an employee of the Defense Acquisition Agency is entitled shall be held and decided pursuant to procedures prescribed by the Secretary of Defense in such regulations;

"(D) permit the payment of performance awards to employees of the Defense Acquisition Agency consistent with the provisions applicable to performance awards under section 5384 of title 5; and

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(E) establish career recruiting and training (including high-technology training) programs for the Defense Acquisition Agency that promote (i) the recruitment of personnel capable of attaining expertise in a broad range of acquisition functions, (ii) the attainment of such expertise by each acquisition employee of the agency, and (iii) the retention of employees who attain such expertise.

"(2) Subject to paragraph (1), the Secretary of Defense—

"(A) may make applicable to employees of the Defense Acquisition Agency any of the provisions of title 5 that are applicable to applicants for or members of the Senior Executive Service; and

"(B) acting through the Under Secretary of Defense for Acquisition, may appoint, promote, and assign employees of the Defense Acquisition Agency to acquisition positions in the Defense Acquisition Agency without regard to the provisions of such title governing appointments, promotions, and assignments for personnel in the competitive service.

"(b) QUALIFICATIONS FOR APPOINTMENT.—The Secretary of Defense shall—

"(1) prescribe the qualifications for appointment of personnel to acquisition positions in the Defense Acquisition Agency; and

"(2) make appointments to such positions from among applicants who, by reason of education, experience, training, and performance on relevant examinations, are best qualified to perform the duties of that agency.

"(c) PERFORMANCE MANAGEMENT AND RECOGNITION.—The Secretary of Defense may establish and administer a performance management and recognition system for such employees of the Defense Acquisition Agency as the Secretary considers appropriate. Such system shall be consistent with the purposes set out in section 5401 of title 5 and with subsection (a)(1)(D) of this section.

"(d) ASSIGNMENTS.—The Secretary of Defense may assign and reassign an employee of the Defense Acquisition Agency to any position in that agency in which such employee is qualified to serve, as determined by the Secretary taking into consideration the needs of the agency.

"(e) INAPPLICABILITY OF OTHER PERSONNEL LAW.—The provisions of the personnel system established for civilian employees of the Defense Acquisition Agency pursuant to this subsection shall apply to such employees in lieu of the provisions of any personnel system relating to pay, removal to another position, adverse personnel actions, payment of performance awards, appointments, performance management and recognition, and assignments that, except for this subsection, would otherwise apply to such employees.

"§ 2284. Members of the armed forces

"(a) ASSIGNMENT TO THE DEFENSE ACQUISITION AGENCY.—The Secretary of Defense shall ensure that members of the armed forces are assigned to duty in the Defense Acquisition Agency in order to furnish the agency advice and assistance on the use of systems to be acquired under major defense acquisition programs. Subject to subsection (b), the Under Secretary shall determine the specific duties of each member assigned to duty in such agency.

"(b) DUTY LIMITATIONS.—A member of the armed forces may not serve as a major defense acquisition program manager or perform supervisory duties in the conduct of such a program.

"(c) PROMOTION POLICY.—(1) The Secretary of Defense shall ensure that the qualifications of members of the armed forces who are serving in, or have served in, assignments in the Defense Acquisition Agency are such that those members are expected, as a group, to be promoted at a rate not less than the promotion rate for all members of the same armed force in the same grade and competitive category.

"(2) The Secretary of Defense shall periodically (and not less often than every six months) report to Congress on the promotion rates of members of the armed forces who are serving in, or have served in, assignments in the Defense Acquisition Agency, especially with respect to the record of promotion selection boards in meeting the objective in paragraph (1). If such promotion rates fail to meet such objective, the Secretary shall immediately notify the Committees of Armed Services of the Senate and the House of Representatives of such failure and of what action the Secretary has taken or plans to take to prevent further failures.

"(3) The Under Secretary of Defense for Acquisition is not authorized to appoint, promote, or reduce to any grade any member of the armed forces assigned to duty in the Defense Acquisition Agency.

"§ 2285. Definition

"In this chapter, the term 'major defense acquisition program' has the same meaning as provided in section 2430 of this title.".

(2) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part IV of such subtitle, are each amended by inserting after the item relating to chapter 135 the following new item:

"136. Defense Acquisition Agency ..... 2281".

(b) TRANSITION PROVISION.—To the extent practicable, the Secretary of Defense shall make appointments to acquisition positions in the Defense Acquisition Agency in accordance with section 2283 of title 10, United States Code (as added by subsection (a)) from among the best qualified civilians serving in acquisition positions in the Department of Defense during the implementation of the provisions of this Act and the amendments made by this Act.

SEC. 4. SAVINGS PROVISIONS

(a) CONTINUED EFFECTIVENESS OF ADMINISTRATIVE ACTIONS.—All contracts, orders, determinations, rules, regulations, permits, grants, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the Secretary or other officer or employee of a military department, or by the head or other officer or employee of a Defense Agency of the Department of Defense, or by a court of competent jurisdiction, in connection with any major defense acquisition program conducted by a military department or a Defense Agency, and

(2) which are in effect on the effective date of this Act,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Secretary of Defense, the Under Secretary of Defense for Acquisition, or another authorized official, by a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS AND APPLICATIONS.—(1)(A) The provisions of this Act shall not affect any proceeding, including any proceeding involving a claim or application, in connection with any major defense acquisition program of a military department or a Defense Agency that is pending before any military department or Defense Agency on the effective date of this Act.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this Act had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by the Secretary of Defense or the Under Secretary of Defense for Acquisition, by a court of competent jurisdiction, or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary of Defense may prescribe regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the Secretary of Defense or to the Under Secretary of Defense for Acquisition.

(c) DEFINITION.—In this section, the term "major defense acquisition program" has the same meaning as provided in section 2430 of title 10, United States Code.

SEC. 5. CONFORMING AMENDMENTS

Title 10, United States Code, is amended as follows:

(1) Section 1584 is amended by inserting "or whose employment in connection with research and development activities under a major defense acquisition program is determined to be necessary by the Secretary of Defense" before the period at the end.

(2) Section 1621(1) is amended by striking out "or member of the armed forces assigned by the Secretary of a military department" and inserting in lieu thereof "assigned by the Under Secretary of Defense for Acquisition".

(3) Section 1622 is amended—

(A) in subsection (a)—

(i) by striking out "The Secretary of each military department" and inserting in lieu thereof "The Secretary of Defense"; and

(ii) by striking out the last sentence; and

(B) in subsection (d), by striking out "the Secretary concerned" and inserting in lieu thereof "the Secretary of Defense".

(4) Section 1623 is amended—

(A) in subsection (a)—

(i) by striking out "The Secretary of each military department" and inserting in lieu thereof "The Secretary of Defense"; and

(ii) by striking out the last sentence; and

(B) in subsection (c), by striking out "The Secretary concerned" and inserting in lieu thereof "The Secretary of Defense".

(5) Section 2329 is amended—

(A) in subsection (b), by striking out "the Secretary of a military department" and inserting in lieu thereof "the head of an agency";

(B) in subsection (c), by striking out "the Secretary concerned" each place it appears and inserting in lieu thereof "the head of an agency awarding such contract"; and

(C) by adding at the end the following new subsection:

"(d) APPLICABILITY.—This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.".

(6) Section 2352 is amended by striking out "a military department" and inserting in lieu thereof "the Department of Defense".

(7) Section 2353 is amended—

(A) in the first sentence of subsection (a)—

(i) by striking out "a military department" and inserting in lieu thereof "the Department of Defense"; and

(ii) by inserting "(in the case of a contract of a military department) or the Secretary of Defense (in the case of a contract under a major defense acquisition program") after "the Secretary of the military department concerned"; and

(B) in subsection (b)(3), by inserting "or the Secretary of Defense, as the case may be," after "the Secretary concerned"

(8) Section 2354 is amended—

(A) in subsection (a), by striking out ", any contract of a military department" and inserting in lieu thereof "(in the case of a contract of a military department) or with the approval of the Secretary of Defense (in the case of a contract under a major defense acquisition program),";

(B) in subsection (c)—

(i) by inserting "or the Secretary of Defense, as the case may be" after "the Secretary of the department concerned"; and

(ii) by striking out "of his department"; and

(C) in subsection (d), by inserting "or the Secretary of Defense, as the case may be" after "the Secretary concerned".

(9) Section 2356(a) is amended by inserting "of his" in the first sentence after "may delegate any".

(10) Section 2357 is amended by inserting "(in the case of research and development contracts of such department) and the Secretary of Defense (in the case of research and development contracts under major defense acquisition programs)" after "The Secretary of each military department".

(11) Section 2393 is amended—

(A) in subsection (a)(1), by inserting "and, in the case of a major defense acquisition program, the Secretary of Defense" after "the Secretary of a military department"; and

(B) by adding at the end of subsection (c) the following:

"(3) The term 'Secretary concerned' includes the Secretary of Defense with respect to a major defense acquisition program.

"(4) The term 'major defense acquisition program' has the same meaning as provided in section 2430 of this title.".

(12) Section 2405(a) is amended by striking out "The Secretary of a military department" and inserting in lieu thereof "The Secretary of Defense".

(13) Section 2406 is amended—

(A) in subsection (a)—

(i) by striking out "head of an agency" and inserting in lieu thereof "Secretary of Defense (acting through the Under Secretary of Defense for Acquisition)";

(ii) by striking out "head of the agency" and inserting in lieu thereof "Secretary" each place it appears; and

(iii) by striking out "that agency" and inserting in lieu thereof "the Department of Defense"; and

(B) in subsection (f)—

(i) by striking out paragraph (1);

(ii) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(iii) by striking out "2432(a)" in paragraph (1) (as redesignated by clause (ii)) and inserting in lieu thereof "2430"; and

(iv) by striking out "the head of an agency" in paragraph (3) (as redesignated by clause (ii)) and inserting in lieu thereof "the Secretary of Defense".

(14) Section 2433 is amended by striking out "Secretary concerned" each place it appears and inserting in lieu thereof "Secretary of Defense".

(15) Section 2435 is amended—

(A) by striking out "Secretary of the military department concerned" each place it appears and inserting in lieu thereof "Secretary of Defense";

(B) in subsection (a)(1), by striking out the matter before clause (A) and inserting in lieu thereof the following "The Secretary of Defense (acting through the Under Secretary of Defense for Acquisition) shall establish a baseline description for a major defense acquisition program—";

(C) in subsection (b)—

(i) in paragraph (1), by striking out "and to the senior procurement executive of such military department (designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)))" and inserting in lieu thereof "the Under Secretary of Defense for Acquisition"; and

(ii) in paragraph (2), by striking out "will be missed by more than 90 days—" and all that follows and inserting in lieu thereof "will be missed by more than 90 days, establish a review panel—

"(A) to review such program; and

"(B) to submit the results of such review to the Secretary before the end of the 45-day period beginning on the date that the program deviation report is submitted under paragraph (1).."; and

(D) by adding at the end the following new subsection:

"(d) DELEGATION OF AUTHORITY TO THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—The Under Secretary of Defense for Acquisition shall perform the duties of the Secretary of Defense under this section.".

(16) Section 2437(a)(1)(A) is amended by striking out "in each military department (as designated by the Secretary of the military department" and inserting in lieu thereof "(as designated by the Secretary".

(17) Section 2502(c)(1) is amended to read as follows:

"(c) ASSESSMENTS.—(1) the Secretary of Defense shall ensure that, for each major defense acquisition program, the Under Secretary of Defense for Acquisition has made an assessment of the following matters:

"(A) The capability of the domestic defense industrial base to meet requirements for that program.

"(B) The capability of the domestic defense industrial base to meet the aggregate requirements for all such programs.".

SEC. 6. EFFECTIVE DATE

This Act and the amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

By Mr. McCAIN (for himself, Mr. INOUYE, Mr. DECONCINI, Mr. GORTON, Mr. COCHRAN, and Mr. BURDICK):

S. 1203. A bill to encourage Indian economic development; to the Select Committee on Indian Affairs.

INDIAN ECONOMIC DEVELOPMENT ACT

Mr. McCAIN. Mr. President, one of the highest priorities of the Select Committee on Indian Affairs, and one of my personal priorities, in the 101st Congress is to promote the development of Indian reservation economies. In the 100th Congress the committee held numerous hearings to solicit comments on ways to improve current programs as well as to explore new ideas which would better assist tribes in alleviating the harsh economic conditions found on Indian reservations.

There is no doubt in my mind that bold and innovative measures will be required to overcome the years of poverty, despair and neglect afflicting native American communities. Many Indian people at this moment are living in conditions that rival those found in Third World countries. Unemployment is often three times the national average and for some tribes the levels regularly reach eighty and ninety percent. Health conditions are deplorable. Young Indian people are committing suicide at three times the national average; others are turning to alcohol and substance abuse. According to the 1980 census, 41 percent of reservation Indians were living in households with incomes below the poverty level, as compared to 12 percent for the United States as a whole. Tragically, the 1990 census will probably reveal another decade gone by with no discernible improvement in the socioeconomic status of reservation Indians.

Mr. President, it is time to end this tragedy. Over the years we have taken dramatic steps to economically revitalize countries and continents the world over. In Europe it was the Marshall Plan. In Puerto Rico it was "Operation Bootstrap." And each year the Congress appropriates funds for various types of foreign aid to a host of developing countries. It is time we made a similar commitment to Native Americans.

Unlike past Federal approaches toward Indian policy, however, tribal governments must be closely involved in the development and implementation of programs intended for their assistance and well-being. Under our constitutional system of government, the right of tribes to be self-governing and to share in our Federal system must not be diminished.

Previous attempts to encourage the development of reservation economies have invariably involved Federal agencies providing grants, subsidized loans, loan guarantees, and interest subsidies. There have been some success stories, but more often than not, the above programs have fallen short as a result of deficiencies in administration, lack of technical assistance, lack of project review and monitoring, and decreases in program funding.

One of the ideas I have twice proposed is the creation of Indian enterprise zones. As the name suggests, the bills were closely patterned after the more general enterprise zone proposals designed for the benefit of urban and rural areas, and included both tax and regulatory relief at the Federal and tribal levels. In reviewing previous efforts, I have earnestly solicited the

VOL 135 PT 9 JE 14 — 22 1989 UMI

input of Indian leaders from around the country. Their input has been invaluable to me in taking another look at tax incentive legislation.

The bill I am introducing today, along with Senators INOUYE, DECONCINI, GORTON, COCHRAN, and BURDICK is a scaled down version of the legislation I introduced in the 99th and 100th Congresses. The emphasis is placed on direct investment incentives for reservation based economic activity. The underlying concept recognizes that most reservations already resemble enterprise zones in the sense that there is little or no regulation or taxation of economic activity.

Simply put, my bill provides tax incentives for tribes to use if they choose to do so. Some tribes will elect to use these incentives, other tribes will adopt a wait and see attitude. For some tribes, a wholly different approach will be necessary. If there is one thing I have learned during my 7 years of working on Indian issues, it is the fact that you cannot treat all tribes alike. What may work for the Navajo Nation, whose reservation is the size of West Virginia, does not necessarily apply to the Havasupai Tribe whose people live at the bottom of the Grand Canyon.

The four principal provisions in the Indian Economic Development Act of 1989 include:

First, investment tax credits. A 5-percent credit would be allowed for personal property. A credit of 20 percent would be allowed for new construction property. Investment in infrastructure would be allowed a 10 percent credit;

Second, nonrecognition of gain on the sale of reservation property would be allowed where reinvestment is made on an Indian reservation within 1 year;

Third, economically disadvantaged members of a federally recognized Indian tribe are classified as a targeted group for purposes of the Targeted Jobs Tax Credit. The credit amount is generally equal to 40 percent of the first $6,000 of wages paid to an eligible recipient in the first year of employment; and

Fourth, the bill adapts the "possessions tax credit" (also known as the "section 936" provisions, after the relevant section in the Internal Revenue Code) to apply to businesses operating on the reservation of a federally recognized Indian tribe. Under the credit's current provisions, income U.S. firms earn from business operations in the possessions (Puerto Rico, American Samoa, Guam, Commonwealth of the Northern Mariana Islands, and the Virgin Islands) is exempt from the Federal corporate income tax. This bill will extend that exemption to Indian reservations.

The bill does not mandate regulatory or tax incentives at the tribal level. This is a policy matter that, I believe, is best left for tribes to decide—keeping in mind that the level of regulation and taxation will be guided by market forces. Each tribe has to determine for itself the type of business climate they wish to create for private sector businesses.

Many business leaders have shared with me their concerns about doing business on Indian reservations. One fear is the lack of adequate recourse in civil and contract disputes. While the private sector's concerns need to be addressed, I believe a legislative solution is unnecessary. Indian tribes and businesses are fully capable of working through this area of concern as well as other maters that may arise. There are several examples in my home State of Arizona where large corporations and tribes have fashioned agreements which address all reasonable concerns of both the corporation's and the tribe's, including conflict resolution and complex jurisdictional issues.

Mr. President, it is my hope that the introduction of this bill will serve as a focal point for further discussion of these and other incentives. I have already communicated to President Bush and Secretary Kemp the need to include Indian tribes within their overall effort to pass enterprise zone legislation. I have received assurances that these incentives, and others that may be developed, will receive serious considerations.

Mr. President, last year the Congress vigorously debated the issue of Indian gaming. It remains clear to me that the reason so many tribes have turned to that form of economic development is that we have failed to adequately assist them in their efforts to pursue more traditional business opportunities. At the conclusion of that debate, I challenged the Members of Congress involved to focus their energies on finding ways to develop stronger reservation economies. I repeat that challenge.

Let us debate. Let us examine alternatives. But let us not ignore the very real suffering that has been plaguing native American communities for too long. The renowned Indian law scholar, Felix Cohen, perhaps said it best:

> Like the miner's canary, the Indian marks the shift from fresh air to poison air in our political atmosphere; and our treatment of Indians, even more than our treatment of other minorities, reflects the rise and fall of our political faith.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Indian Economic Development Act of 1989".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. PURPOSE.

It is the purpose of this Act to provide for the establishment of incentives in order to stimulate the creation of new jobs and employment training, to assist the development of reservation infrastructure, and to promote revitalization of economically distressed Indian reservations primarily by providing or encouraging tax relief at the Federal level.

SEC. 3. INVESTMENT TAX CREDIT FOR PROPERTY ON INDIAN RESERVATION.

(a) SECTION 38 PROPERTY.—Paragraph (1) of section 48(a) (defining section 38 property) is amended by striking "or" at the end of subparagraph (F), by striking the period at the end of subparagraph (G) and inserting "; or", and by adding after subparagraph (G) the following new subparagraph:

"(H) qualified Indian reservation property (within the meaning of subsection (t)) which is not otherwise section 38 property."

(b) AMOUNT OF CREDIT.—

(1) IN GENERAL.—Subsection (a) of section 46 (relating to amount of investment tax credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(4) in the case of qualified Indian reservation property, the Indian reservation percentage."

(2) INDIAN RESERVATION PERCENTAGE DEFINED.—Subsection (b) of section 46 is amended by adding at the end thereof the following new paragraph:

"(5) INDIAN RESERVATION PERCENTAGE.—For purposes of this subsection—

"In the case of qualified Indian reservation property which is:	The Indian reservation percentage is:
Reservation personal property (within the meaning of section 48(t)(2))	5
New reservation construction property (within the meaning of section 48(t)(3))	20
Reservation infrastructure investment (within the meaning of section 48(t)(4))	10."

(3) CONFORMING AMENDMENT.—Section 48(o) (defining certain credits) is amended by adding at the end thereof the following new paragraph:

"(4) INDIAN RESERVATION CREDIT.—The term 'Indian reservation credit' means that portion of the credit allowed by section 38 which is attributable to the Indian reservation percentage."

(c) DEFINITIONS AND TRANSITIONAL RULES.—Section 48 (relating to definitions and special rules) is amended by redesignating subsection (t) as subsection (u) and by inserting after subsection (s) the following new subsection:

"(t) QUALIFIED INDIAN RESERVATION PROPERTY.—

"(1) IN GENERAL.—The term 'qualified Indian reservation property' means property—

"(A) which is—

"(i) reservation personal property,

"(ii) new reservation construction property, or

"(iii) reservation infrastructure investment, and

"(B) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)).

"(2) RESERVATION PERSONAL PROPERTY DEFINED.—The term 'reservation personal property' means property—

"(A) for which depreciation is allowable under section 168,

"(B) which is not—

"(i) nonresidential real property,

"(ii) residential rental real property, or

"(iii) real property which has a class life of more than 12.5 years, and

"(C) which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation.

Property shall not be treated as 'reservation personal property' if it is used or located outside the Indian reservation on any regular basis.

"(3) NEW RESERVATION CONSTRUCTION PROPERTY DEFINED.—The term 'reservation construction property' means property described in clause (i), (ii), or (iii) of paragraph (2)(B)—

"(A) which is located in an Indian reservation,

"(B) which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation, and

"(C) which is originally placed in service by the taxpayer.

"(4) RESERVATION INFRASTRUCTURE INVESTMENT DEFINED.—

"(A) IN GENERAL.—The term 'reservation infrastructure investment' means reservation personal property which—

"(i) benefits the tribal infrastructure, and

"(ii) is available to the general public.

"(B) PROPERTY MAY BE LOCATED OUTSIDE THE RESERVATION.—For purposes of this paragraph, the term 'reservation personal property' includes property which would (but for its location outside the reservation) be Indian reservation property, but only if its purpose is to connect to existing tribal infrastructure in the reservation. Examples of property which may be described in this paragraph include roads, power lines, water systems, railroad spurs, and communication facilities.

"(5) REAL ESTATE RENTAL.—For purposes of this section, ownership (or leaseholding) of residential, commercial, or industrial real property within an Indian reservation for rental shall be treated as the active conduct of a trade or business in an Indian reservation.".

(d) LODGING TO QUALIFY.—Paragraph (3) of section 48(a) (relating to property used for lodging) is amended—

(1) by striking "and" at the end of subparagraph (C),

(2) by striking the period at the end of subparagraph (D) and inserting ", and," and

(3) by adding at the end thereof the following new subparagraph:

"(E) new reservation construction property."

(e) RECAPTURE.—Subsection (a) of section 47 (relating to certain dispositions, etc., of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RULES FOR INDIAN RESERVATION PROPERTY.—

"(A) IN GENERAL.—If, during any taxable year, property with respect to which the taxpayer claimed an Indian reservation credit—

"(i) is disposed of, or

"(ii) in the case of reservation personal property—

"(I) otherwise ceases to be section 38 property with respect to the taxpayer, or

"(II) is removed from the Indian reservation, converted, or otherwise ceases to be Indian reservation property,

the tax under this chapter for such taxable year shall be increased by the amount described in subparagraph (B).

"(B) AMOUNT OF INCREASE.—The increase in tax under subparagraph (A) shall equal the aggregate decrease in the credits allowed under section 38 by reason of section 46(a)(4) for all prior taxable years which would have resulted solely from reducing the expenditures taken into account with respect to the property by an amount which bears the same ratio to such expenditures as the number of taxable years that the property was held by the taxpayer bears to the applicable recovery period under section 168(g)."

(f) BASIS ADJUSTMENT TO REFLECT INVESTMENT CREDIT.—Paragraph (3) of section 48(q) (relating to basis adjustment to section 38 property) is amended to read as follows:

"(3) SPECIAL RULE FOR QUALIFIED REHABILITATION AND INDIAN RESERVATION EXPENDITURES.—In the case of any credit determined under section 46(a) for—

"(A) any qualified rehabilitation expenditure in connection with a qualified rehabilitated building, or

"(B) any expenditure in connection with new reservation construction property (within the meaning of section 48(t)(3)),

paragraphs (1) and (2) of this subsection and paragraph (5) of subsection (d) shall be applied without regard to the phrase '50 percent of'."

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 1988, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986.

SEC. 4. NONRECOGNITION OF GAIN ON THE SALE OF INDIAN RESERVATION PROPERTY WHERE REINVESTMENT IN SUCH PROPERTY OCCURS WITHIN 1 YEAR.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 (relating to common nontaxable exchanges) is amended by adding at the end thereof the following new section:

"SEC. 1043. NONRECOGNITION OF GAIN ON THE SALE OF INDIAN RESERVATION PROPERTY WHERE REINVESTMENT IN SUCH PROPERTY OCCURS WITHIN 1 YEAR.

"(a) IN GENERAL.—No gain shall be recognized on the sale or exchange of Indian reservation property of the taxpayer if the proceeds realized from such sale or exchange are used by the taxpayer to acquire Indian reservation property within the qualified period.

"(b) INDIAN RESERVATION PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'Indian reservation property' means—

"(A) any tangible personal property which is acquired and placed in service by the taxpayer in an Indian reservation and which is used predominately by the taxpayer in the active conduct of an Indian reservation business within such reservation, and

"(B) any real property located in an Indian reservation which is acquired by the taxpayer and which is used predominately by the taxpayer in the active conduct of an Indian reservation business.

"(2) INDIAN RESERVATION BUSINESS.—The term 'Indian reservation business' means any person—

"(A) which is actively engaged in the conduct of a trade or business during the taxable year,

"(B) with respect to which at least 80 percent of such person's gross receipts for such taxable year are attributable to the active conduct of a trade or business which produces goods or provides services within an Indian reservation, and

"(C) with respect to which substantially all the tangible assets of such person are located within an Indian reservation.

"(c) QUALIFIED PERIOD.—For purposes of this section, the term 'qualified period' means the period which ends 12 months after the date of the sale or exchange of Indian reservation property.

"(d) BASIS OF ACQUIRED INDIAN RESERVATION PROPERTY.—If the acquisition of Indian reservation property by a taxpayer results in nonrecognition of any gain or loss on the sale or exchange of other Indian reservation property of such taxpayer under subsection (a), the basis of such taxpayer in the acquired Indian reservation property shall be the cost of such property—

"(1) decreased by the amount of gain which was not so recognized, or

"(2) increased by the amount of loss which was not so recognized.

If such acquired Indian reservation property consists of more than 1 item of property, the basis determined under the preceding sentence shall be allocated among such items in proportion to their respective costs.

"(e) STATUTE OF LIMITATIONS.—If the taxpayer during a taxable year sells or exchanges Indian reservation property at a gain, then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such gain shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

"(A) the taxpayer's intention not to acquire any Indian reservation property within the qualified period, or

"(B) a failure to make such purchase within the qualified period, and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 381 (relating to carryovers in certain corporate acquisitions) is amended by inserting at the end thereof the following new paragraph:

"(27) INDIAN RESERVATION PROPERTY.—The acquiring corporation shall be treated as the distributor or transferor corporation after the date of distribution or transfer for purposes of applying section 1043.".

(2) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking "and" at the end of paragraph (23), by striking the period at the end of paragraph (24) and inserting "; and", and by adding at

the end thereof the following new paragraph:

"(25) to the extent provided in section 1043(d) in the case of the property the acquisition of which resulted in nonrecognition of gain or loss in other property under section 1043(a).".

(3) Section 1223 (relating to holding period of property) is amended by redesignating paragraph (14) as paragraph (15) and by inserting after paragraph (13) the following new paragraph:

"(14) In determining the period for which the taxpayer has held property, the acquisition of which resulted under section 1043 in nonrecognition of the gain or loss on the sale or exchange of any other property, there shall be included the period during which such other property was held by such taxpayer prior to such sale or exchange.".

(4) Paragraph (4) of section 1245(b) (relating to limitations on gain from disposition of certain depreciable assets) is amended by striking "or 1033" and inserting ", 1033, or 1043".

(5) Paragraph (4) of section 1250(d) (relating to limitations on gain from disposition of certain depreciable realty) is amended—

(A) by striking out "or 1033" in subparagraphs (A) and (E) and inserting in lieu thereof ", 1033, or 1043", and

(B) by inserting "or 1043(a)" after "section 1033(a)(2)" in subparagraph (C)(ii).

(6) Paragraph (2) of section 6212(c) (relating to further deficiency letters restricted) is amended by inserting after subparagraph (E) the following new subparagraph:

"(F) Deficiency attributable to gain on sale of property, see section 1043(e).".

(7) Section 6504 (relating to cross references) is amended by adding at the end thereof the following new paragraph:

"(13) Gain on the sale or exchange of property, see section 1043(e).".

(c) CLERICAL AMENDMENT.—The table of sections for part III of subchapter C of chapter 1 is amended by inserting after the item relating to section 1042 the following new item:

"Sec. 1043. Nonrecognition of gain or loss on the sale of Indian reservation property where reinvestment in such property occurs within 1 year.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges after December 31, 1988.

SEC. 3. TARGETED JOBS CREDIT.

(a) MEMBERS OF INDIAN TRIBES ELIGIBLE FOR CREDIT.—Paragraph (1) of section 51(d) (defining members of targeted groups) is amended by striking "or" at the end of subparagraph (II), by striking the period at the end of subparagraph (J) and inserting ", or" and by adding at the end thereof the following new subparagraph:

"(K) a member of an Indian tribe (as defined in section 103(b) of the Indian Self-Determination Act (25 U.S.C. 450b)) who is living in an area of an Indian reservation with respect to which the Secretary of the Interior accepts the certification of the tribal government with jurisdiction over such area that—

"(i) the area is one of pervasive poverty, unemployment, and general duties, and

"(ii) either—

"(I) the unemployment rate for such area, as determined by appropriate available data, was at least 2 times the national unemployment rate for the same period, or

"(II) at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the political subdivision in which such area is located."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1988.

SEC. 4. INDIAN RESERVATION TAX CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end thereof the following new section:

"SEC. 30. INDIAN RESERVATION TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), there shall be allowed as a credit against the tax imposed by this chapter an amount equal to the portion of the tax which is attributable to the taxable income from the active conduct of an Indian reservation business.

"(2) CREDIT NOT ALLOWED AGAINST CERTAIN TAXES.—The credit allowed under paragraph (1) shall not be allowed against the tax imposed by section 59A, 531, or 541.

"(b) AMOUNTS RECEIVED OUTSIDE THE RESERVATION.—In determining taxable income for purposes of subsection (a), income shall not be treated as attributable to the active conduct of an Indian reservation business if it is received outside of the Indian reservation. The preceding sentence shall not apply to amounts received from a person who is not a related person.

"(c) INDIAN RESERVATION BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'Indian reservation business' means any person—

"(A) which is actively engaged in the conduct of a trade or business on an Indian reservation during the taxable year,

"(B) with respect to which the income requirements of paragraph (2) are met, and

"(C) substantially all of the assets of which are located within the Indian reservation.

"(2) INCOME ELIGIBILITY REQUIREMENTS.—The requirements of this paragraph are met if:

"(A) 80 PERCENT TEST.—80 percent or more of the gross income of the trade or business for the 3-year period immediately preceding the close of the taxable year (or such portion of such period as may be applicable) was derived from sources within an Indian reservation.

"(B) 75 PERCENT TEST.—75 percent or more of the gross income for the period described in subparagraph (A) was derived from the active conduct of a trade or business within an Indian reservation."

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 30. Indian reservation tax credit."

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

● Mr. INOUYE. Mr. President, it gives me great pleasure to express my support for this legislation which has been introduced by my esteemed colleague, Senator JOHN MCCAIN. The Indian Economic Development Act of 1989 authorizes investment incentives for private firms who establish and operate business enterprises on Indian reservations. Taken together with the other economic development initiatives which the Select Committee on Indian Affairs has put on its agenda, Senator MCCAIN's bill will allow us to make available to Indian tribes a comprehensive program for economic self-sufficiency. Moreover, while not detracting in the least from the other components of our program, I believe that the combination of tax credits and investment incentives included in this bill will be the single most powerful force to stimulate private sector development on Indian reservations of anything that we might possibly consider.

The Senate Select Committee on Indian Affairs, of which Senator JOHN MCCAIN is vice chairman, has regarded economic development for Indian country as a most urgent need and high-priority goal. In doing so we are clearly responding to the overwhelming consensus of Indian leaders from every sector of the Indian world. The terrible social problems resulting from deep-seated, endemic poverty which afflicts nearly every Indian community across the country is tearing apart the fabric of their societies and is a situation which we must respond to with every resource at our disposal. As we have learned through many hours of hearings both here in Washington and on many reservations, the problems of poverty cannot be solved simply by throwing money into Government grant and financial assistance programs. Rather, we must learn from the lessons of past Government efforts and design resources which can be used by local Indian leaders and entrepreneurs to meet the unique conditions of each community.

Mr. President, I believe that Senator MCCAIN's bill is a tremendous contribution to our work in the Congress precisely because it is based on the wisdom gained from experience. The business leadership of each Indian community is provided an effective arsenal of tools in the form of powerful investment incentives with which to negotiate with individual businesses to create enterprises that stand the best chance of long-term success. This bill greatly complements the others parts of our committee program which are designed to make investment capital available and significantly enhance Indian access to Government procurement opportunities. With the Indian Economic Development Act of 1989, we have a comprehensive program that offers great promise for Indian Country.●

By Mr. HOLLINGS:

S. 1204. A bill to improve the enforcement of the trade laws of the United States, and for other purposes; to the Committee on Finance.

TRADE ENFORCEMENT ACT

Mr. HOLLINGS. Mr. President, the threat posed by our gigantic trade

deficits is now staring us straight in the eye. We are in such bad shape that we call it "good news" when we have a year like 1988—when the United States runs up only a $126 billion merchandise trade deficit, and only a $154 billion current account deficit.

Just as surely as $200 billion budget deficits have busted the Federal Government, you can count on these tremendous trade deficits to further erode our position in the world economy. This Nation, once the beneficiary of large trade surpluses, has become the international poor relation. The United States is the largest debtor nation, in hock to countries we used to loan money to. We are at the mercy of the rest of the world, for if investing countries were to pull the plug on America and take their billions home, we would be in economic chaos.

All around us, countries are throwing their resources into taking over the American market and American jobs. Governments everywhere are working hand-in-hand with business people to give them an advantage. They continue to erect tariff and nontariff barriers to keep our products out of their market. The recently released "National Trade Estimates" report compiled by the United States Trade Representative Office, is just as big and fat as ever. We have pages upon pages of Government-backed tax rebates on exports, licensing requirements, inspection practices, direct and indirect subsidies, Government-backed loans, Government-backed research—you name it and it is being used against us.

And what is the U.S. Government doing? I believe we took a small first step with the Omnibus Trade Act passed last year. That bill gave the administration greater options to remedy unfair foreign trade practices. Yet, the lesson we have learned time and time again is that administrations—this one as the ones before it—are wilting daisies when it comes to using the trade laws.

Trade police initiatives have again been sacrificed to foreign policy goals. Under the new Super 301 provision, Mrs. Hills named Japan, India, and Brazil as countries that have maintained a pattern of unfair trade barriers that are harmful to the United States. She even circulated a press release to announce that. To American entrepreneurs working to export products, her findings are yesterday's news. Mrs. Hills also announced her intention to enter into a "structural dialogue" with Japan.

So, once again, while other governments are protecting home markets and invading ours, the United States is negotiating. This country is not in the business of negotiating, we are in the business of creating, developing, manufacturing, and selling. We don't need new laws and new negotiations. We simply need active enforcement of our trade laws.

For these reasons, I am introducing the Trade Enforcement Act of 1989. My legislation is designed to strengthen existing trade law and require action where discretion has bred inaction. Let me highlight some significant features of this bill:

Eliminate the exporters sales price offset and profit deduction: The Commerce Department will have to stop acting by administrative fiat and quit making it more difficult for petitioners to prove dumping. In making these changes, the bill will make the Commerce Department track the existing statute more accurately and bring our practice in line with our trading partners.

Countervailing duty laws: This bill makes several changes to the countervailing duty laws including making natural resource subsidies and nonmarket economies subject to countervailing duty laws.

Changes to section 201: My bill will improve section 201 by expanding the scope of the law to encompass a broad range of related products and clarifying the definition of injury to ensure that during a recession other causes of injury may be considered.

National Trade Council: I have included a provision that I have backed for many years—to institute a National Trade Council fashioned directly after the National Security Council. We need a National Trade Adviser with the same status as the National Security Adviser to give trade the high priority it demands.

Other provisions: Additionally, the bill has many provisions crafted to get our Government working on the side of our industry. The bill includes a private right of action for dumping and subsidies, a scofflaw provision, changes in the law governing foreign trade subzones, and provisions to prevent circumvention.

I have just touched upon some of the major features of my bill. I hope my colleagues will examine the Trade Enforcement Act of 1989. If we allow ourselves to let our energies wane and focus drift from the trade issue now, we will be essentially closing the show after the first act.

I am committed to continuing to fight in this trade war on the side of our workers and our companies that started a long, long time ago.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION EXPLANATION OF THE TRADE BILL

Section 1.—Title.

Section 2 (a) and (b).—Eliminates the Exporter's Sale Price Offset. The Commerce Department will continue to reduce the exporter's sales price by the amount of selling expenses incurred by a related party. However, the Department will no longer be able to reduce the home market price by an amount equal to that. Section 101(b) requires the deduction of profit earned by a related party from the Exporter's Sales Price. Both of these changes reflect adjustments made to Exporter's Sales Price by our trading partners.

Section 3.—Restores the statute to pre-1988 status-increases protection of proprietary information.

Section 4.—Extends the coverage of the antidumping laws to major components of a product already subject to an antidumping order.

Section 5.—Makes natural resources subsidies subject to the countervailing duty laws.

Section 6.—Brings non-market economy countries within the scope of the countervailing duty laws.

Section 7(a).—Requires cross-cumulation of imports under investigation and for products already subject to an antidumping or countervailing duty order if the marketing of such products is reasonably coincident.

Section 7(b).—Requires the International Trade Commission (ITC) when determining injury to consider potential declines in output, sales, employment, etc., which may be temporarily buoyed by an economic recovery.

Section 7(c).—Provides the ITC cannot make a finding of "no injury" based on any factors not listed in the statute.

Section 8.—Gives interested parties the right to petition the Commerce Department to commence a circumvention investigation.

Section 9.—Makes two changes in section 201 of the Trade Act of 1974. The scope of 201 would be changed to encompass a broad range of related products and the definition of injury is clarified to ensure that during a recession other causes of injury may be considered.

Section 10.—Makes some changes in the current procedures of the textile and apparel import program for issuing a "call" for consultations on a quota and negotiating a quota. A time limit is established for actions on petitions alleging market disruption; when market disruption is found, temporary quotas are imposed based on current levels of trade until an agreement is reached.

Section 11.—Establish a National Trade Council at the White House with a National Trade Advisor to the President to coordinate trade policy.

Section 12-14.—Establish a private right of action for domestic industries injured by dumped or subsidized imports or by customs violations.

Section 15.—Provides that persons convicted of three or more customs violations within seven years are barred from importing.

Section 16.—Decisions on manufacturing subzones must be made by the Secretary and must be based on "clear & convincing" evidence that the subzone will be beneficial to the U.S.

Section 17.—Changes the transaction value of customs duties from a F.O.B. (free on board) to a C.I.F. (cost, insurance, and freight) basis.

By Mr. MATSUNAGA (for himself, Mr. PRYOR, Mr. CONRAD, Mr. COCHRAN, Mr. COATS, Mr. SYMMS, Mr. MCCLURE, and Mr. BUMPERS):

VOL 135 PT 9 JE 14 — 22 1989 UMI

S. 1205. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to permit foreign currency proceeds derived from the sale of commodities to be used to support research and development programs in agriculture and aquaculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOREIGN CURRENCY AGRICULTURAL RESEARCH COMPETITIVENESS ACT

● Mr. MATSUNAGA. Mr. President, for myself and Senators PRYOR, COCHRAN, CONRAD, COATS, SYMMS, MCCLURE, and BUMPERS, I am today introducing legislation that, if enacted, would help maintain American leadership in agricultural science, research, and technology. This bill, entitled "The Foreign Currency Agricultural Research Competitiveness Act", would amend Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, in order to reestablish the funding base and expand the scope and direction of the Department of Agriculture's little-known but important Foreign Currency Agricultural Research [FCAR] program.

In today's globalized agricultural economy, America's farmers must be able to take advantage of expanding overseas markets for raw or processed products in order to maintain their preeminent position. To improve competitiveness in these areas, U.S. farmers must maintain leadership in both basic and applied agricultural research; unfortunately, through inattention and complacency, we may well be on the verge of relinquishing that leadership. Our bill would directly address this problem by modifying the funding basis and charter of the FCAR program, which has already played a pivotal, if unheralded, role in agricultural research.

Mr. President, the FCAR program, first established in 1958, differs from other agricultural research programs in several important ways. First, it is financed by using U.S.-owned foreign currencies acquired through sales of surplus agricultural commodities under Public Law 480. Second, the actual research project is carried out in foreign research institutions in collaboration with American scientists, and is selected for support because it provides mutual benefits to both countries.

This unique funding mechanism has enabled important research to be undertaken that would otherwise have been impossible to conduct in the United States because of biological, environmental, or financial constraints. More than 2,000 cooperative research projects have been carried out under the FCAR program in a vast number of countries and in every region of the world, from Sri Lanka to Taiwan, from Finland to Spain, from Morocco to Peru. Mutually beneficial FCAR research has been undertaken in such broad-ranging subjects as plant science, entomology, animal science, veterinary science, soil and water conservation, market analyses, and agricultural engineering. Consider the following examples:

SUNFLOWER PRODUCTION

In 1966 only about 6,000 acres of sunflower seeds were grown in the United States; however, FCAR research in Yugoslavia contributed important information and genetic material regarding oilseed sunflower production which has revolutionized U.S. production. As a direct consequence, sunflower seed production has increased 45 percent annually since that time.

RUSSIAN WHEAT APHID

This pest first appeared in the United States in 1986; since then, it has spread into 15 western States causing losses estimated at more than $150 million to wheat and barley growers. Insecticides have been tried with limited success; the key to control appears to be in biological enemies. The aphid is native to a region stretching from Turkey to China but is rarely recorded as a pest there because it is controlled by its natural enemies. FCAR grants are enabling foreign scientists and their cooperating U.S. counterparts to collect and evaluate these biological control agents for potential use in controlling the destructive insect here.

AQUACULTURE

A number of FCAR projects are in progress dealing with aquaculture in Taiwan, a country ahead of the United States in almost all phases of the new science. Research projects there deal with nutrition of shrimp and fish, finfish diseases, and intensive production systems. The nutrition research is promising because the potential for substituting soybean protein for fish meal in feeds could lower aquaculture feed costs for United States producers and further expand the use of soybeans in fish seed worldwide. Likewise, research studying diseases, vaccines, and production practices of Chinese carp could yield important information for the nascent American carp industry. Projections indicate that the 4 year-old, $6 million industry could expand to $70 million in the near future.

BLUE TONGUE DISEASE

Blue tongue is a viral disease of livestock that is a major barrier to international cattle movement. Research in this area could have significant implications for the export of United States livestock and embryos. FCAR research conducted in the Caribbean and Latin American tropics is aimed at studying the distribution and behavior of the disease. Progress during the first 2 years has included sampling of sentinel herds, initiating attempts to isolate the viruses, collecting possible insect vectors, and establishing a data management system.

SOYBEAN OIL

Soybean oil is unstable at high temperatures because it contains linolenic acid, which causes oxidation and flavor deterioration. FCAR research in Taiwan is attempting to improve stability by blending it with other oils or chemical additives. Solving this problem so that the oil can be used by oil processors and industry could open significant markets, particularly in the fast-food industry which is experiencing rapid world-wide growth.

DEFICIENCY DISEASES IN CHILDREN

The Warsaw Child's Health Center in Poland is investigating calcium and phosphate absorption in children through an FCAR grant. Low phosphate absorption, for example, leads to a form of rickets and researchers believe there is a connection between vitamin B-6 deficiency and phosphate deficiency. Investigations into these areas could help solve child health problems throughout the world.

These are but a fraction of the types of research conducted under the aegis of the FCAR program. Despite its obvious success, however, the program is threatened by two serious problems, funding shortfalls, and changing research needs.

When Public Law 480 was first enacted in 1954, recipient countries paid the United States exclusively in foreign currencies. During this period, the U.S. Treasury acquired foreign currencies in excess of normal needs. Subsequently, the sales authorities were changed in 1962 to require repayment in hard currencies. In 1966 the law was amended to authorize that a portion of payments be made in local currencies. These became known as currency use payment [CUP] funds.

The funding for FCAR has declined rapidly in recent years, however, because of budget limitations and a curious Congressional Budget Office [CBO] accounting practice which results in double scoring of FCAR appropriations. Dollars appropriated to the Commodity Credit Corporation to make commodities available to Public Law 480 programs are scored as part of the U.S. Department of Agriculture [USDA] appropriation. Then, instead of permitting the local currencies generated by the sale of these commodities to be used for agricultural research, dollars must again be appropriated by Congress to permit USDA to buy these local currencies from Treasury, resulting in a second scoring within the USDA budget. Since 1987, funding for the program has dropped from an annual average of $5 million to $1 million today. In fact, if it were not for the wisdom of congressional appropriators, the program would have been eliminated several years ago.

Our bill
crisis by re
source of fu
underscore
CUP funds
FCAR pro
lished in a
480, permit
gotiate nev
ments in or
ment in loc
was adopte
that the Ur
to need for
with no his
rency sales
ments unde
program ar
pleted. Am
funds are
nance of en
By makin
integral co
ated agree
once estab
and expanc
erating na
and numbe
which U.S.
erate with
on activitie
to U.S. agri
At the
assure that
for any US
section 104
Law 480 w
double c
would, ho
spending li
propriate c
Mr. Pres
would aut
programs
which to i
approved
that will e
porters to
markets. N
clude foo
stock and
al uses, a
Also, the
thorize re
tainability
aquacultu
standing
resources
dition, th
pands the
of Agricul
ister agri
ture, and
mentioned
Law 480.
powered t
rency ne
poses, an
land gran
ties in pl
search pr
the comp
ture.
Mr. Pre
to suppor

Our bill would resolve the funding crisis by reestablishing the program's source of funds. Specifically, it would underscore the authority for so-called CUP funds to be used to pay for FCAR projects. CUP funds, established in a 1966 revision of Public Law 480, permits the United States to negotiate new commodity sales agreements in order to allow partial repayment in local currencies. The provision was adopted in recognition of the fact that the United States would continue to need foreign currencies in countries with no history of previous local currency sales or in those who repayments under the old commodity sales program are completed or nearly completed. Among current uses of CUP funds are the operation and maintenance of embassies abroad.

By making the FCAR program an integral consideration in CUP-negotiated agreements, Congress would at once establish a stable funding base and expand the pool of potential cooperating nations—and thus the type and number of research projects in which U.S. agricultural scientists cooperate with their foreign counterparts on activities having a definite benefit to U.S. agriculture.

At the same time, the bill would assure that foreign currencies reserved for any USDA program authorized by section 104(b) of section 406 of Public Law 480 would not be subject to the double counting. Such programs would, however, continue to receive spending limit guidelines from the appropriate congressional committees.

Mr. President, our legislation also would authorize expansion of FCAR programs to include research with which to identify and develop new or approved products and technologies that will enable U.S. producers and exporters to compete better in world markets. New uses are expected to include food consumption items, livestock and aquaculture needs, industrial uses, and construction materials. Also, the bill would specifically authorize research directed at the sustainability of agriculture, forestry, and aquaculture through improved understanding and management of natural resources and the environment. In addition, the measure clarifies and expands the authority of the Secretary of Agriculture to establish and administer agriculture, forestry, aquaculture, and farmer-to-farmer programs mentioned in section 406 of Public Law 480. Finally, the Secretary is empowered to determine the foreign currency needs for the foregoing purposes, and is required to consult with land grant colleges and State universities in planning and carrying out research programs directed as improving the competitiveness of U.S. agriculture.

Mr. President, I urge my colleagues to support this legislation. The FCAR program has repeatedly proven its worth. It is cost effective—similar research conducted in the United States would cost five times as much; it is a source of invaluable scientific, technical, and marketing knowledge as well as a source of vital germ plasm and other plant and animal materials not available elsewhere; and, it provides opportunities to learn from and cooperate with foreign agricultural experts to the benefit of U.S. agriculture. This bill would save the FCAR program from extinction and elevate it to its proper place at the vanguard of America's last economic bastion, agriculture. By supporting this bill, my colleagues would be supporting America's future agricultural competitiveness. For without adequate investment in research, competitive agriculture is an impossibility. To a large extent, the vitality of the FCAR program will determine whether the United States becomes a colonial nation limited to producing inferior farm commodities or whether it maintains and enhances its position as the world's premier producer of high quality raw and processed agricultural products.

Mr. President, in developing this legislation over the last year, I have not come across a single negative comment regarding the Foreign Currency Agricultural Research Program. It is one of the few Government programs which receives near-universal acclaim from those who are aware of the program's activities. I close by quoting the world of Ms. Jeanne Edwards, vice chairman of the National Agricultural Research and Extension Users Advisory Board, and one of the most respected voices in American agriculture:

> The foreign currencies owned by the United States could not be invested more wisely than in cooperative agricultural research. * * * I am enthusiastic about the * * * program, for I believe it is as close as we will ever come to a "goose that lays golden eggs."●

● Mr. COCHRAN. Mr. President, I am pleased to join Senator MATSUNAGA today in introducing the Foreign Currency Agricultural Research Competitiveness Act. This bill amends the Agriculture Trade and Assistance Act of 1954 to permit foreign currency proceeds derived from the sale of commodities to be used to support research and development programs in agriculture, aquaculture, and forestry.

U.S. farmers and agribusinesses have long enjoyed a competitive edge because of the preeminence of our agricultural research system. If the United States is to take full advantage of expanding global markets for agricultural commodities and value-added products, we must maintain our historical leadership role in basic and applied agricultural science, research, and technology.

This bill expands foreign agricultural research in ways that will enhance U.S. agricultural productivity, product development, and competitiveness. I hope other Senators will join us in this effort by cosponsoring this bill.●

● Mr. CONRAD. Mr. President, today I am pleased to cosponsor the Foreign Currency Agricultural Research Competitiveness Act. Agriculture is becoming increasingly global, and similar challenges are facing all nations today. These challenges range from the international spread of crop pests and livestock diseases by rapid transport, to rising population pressures, to threats of global climate change, to rapidly changing market demands. International cooperative research is an important tool for American preparedness. This bill will increase our ability to respond to the changing demands of this global agriculture.

Cooperative research with other nations enables us to track closely the spread of serious animal diseases throughout the world such as the African cattle disease "heartwater" now identified in our neighboring Caribbean. Such research facilitates the identification of insect predators like the Australian vedalia beetle which can be used to control crop damage in many countries, including our own.

Experience has also proven that international cooperative research is cost-effective, costing only one-fifth as much as similar projects funded in the United States. And finally, Mr. President, we should not underestimate the importance of the goodwill that joint research generates between countries.

Examples in my own State of North Dakota have proven to me that cooperative research clearly benefits the United States as well as the participating foreign nation. North Dakota enjoys preeminence as the world's center of origin for sunflower germplasm. Our scientists participate in Public Law 480-funded cooperative projects with Yugoslavia in both sugar beet and sunflower hybrid research. In addition to the many potential proposals for international cooperation in germplasm evaluation and breeding research, there are also proposals to evaluate crop predators, including Hungarian predatory insects which may be effective against the American sunflower moth.

In addition to sunflower and sugar beet capabilities, North Dakota has one of the Nation's major Durum wheat breeding programs and has become a major developer of varieties of edible beans and potatoes. Twelve of the sixteen most commonly grown potato varieties in this country originated in my State. These food crops are tremendously important throughout the world, and I see this bill as an opportunity to increase the world's food supply, just from the work being done in my State alone.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. President, international cooperative research can also help us recognize shifting trends, new markets, and new uses for agricultural commodities and value-added products in a timely, competitively advantageous manner. This bill will expand and emphasize these much-needed new directions for our Nation's agricultural research, and apply them internationally through Public Law 480 funding. I am pleased to support this bill today, because it addresses many of the needs in agricultural research and development that have concerned me for several years.

On March 16, I reintroduced a bill to establish the Agricultural Research Commercialization Corporation [ARCC] which would speed the commercialization of new industrial uses for agricultural commodities. ARCC would establish a vital partnership between the Federal Government, private industry, universities, and State and local governments to overcome the financial and technical barriers to commercialize these new products. Just as I believe that the development and commercialization of new agricultural products requires cooperative efforts between the public and the private sector, so do I believe that global agricultural problems can best be solved by cooperative research efforts between countries. The Foreign Currency Agricultural Research Competitiveness Act will make an important contribution to the competitive future of U.S. agriculture.●

By Mr. HELMS:

S. 1206. A bill to amend the Immigration and Nationality Act to change the level and preference system for admission of immigrants to the United States, and for other purposes; to the Committee on the Judiciary.

IMMIGRATION REFORM ACT

Mr. HELMS. Mr. President, I am today introducing the Immigration Reform Act of 1989, thereby emphasizing that a reevaluation of our legal immigration policy is long overdue. This Nation has always had a very generous immigration policy, admitting more immigrants each year than all other nations combined.

There are three principal aspects to the bill I am introducing. First, it alleviates the future shortage of skilled workers by increasing employer-sponsored visas—the third and sixth preferences—by 42,200. The third preference allows an employer to bring in professionals who are in short supply, or people with "exceptional abilities." Under the sixth preference, an employer can bring in skilled workers who are in short supply.

Second, my bill provides a more modest increase in the national level of immigration.

Third, my legislation keeps a limited definition of the fifth preference. The fifth preference presently allows a citizen to bring in his brothers, his sisters, and their families. My bill limits the fifth to never married brothers and sisters—the same definition set forth in the Kennedy-Simpson bill which passed overwhelmingly last year.

Mr. President, Senator KENNEDY and Senator SIMPSON have provided commendable leadership over the years on the immigration issue. Last year, they introduced a comprehensive bill to reform legal immigration. Many of the provisions of the 1988 Kennedy-Simpson bill appealed to me: it provided a national level, it limited the fifth preference to never married brothers and sisters, and created a new category for new seed immigrants. However, I could not vote for that bill because it increased the level of immigration by more than 100,000 visas.

Nonetheless, the 1988 bill was viewed as a consensus compromise position on legal immigration reform. However, the consensus position was thrown out of kilter by a further compromise made this month with Senator SIMON. The Kennedy-Simpson-Simon compromise dropped the limited definition of the fifth preference and increased the national level to 600,000.

So, Mr. President, the bill I offer today works within the framework of the 1988 Kennedy-Simpson bill. It will restore the consensus compromise, while at the same time, addressing the concerns of the business community.

Mr. President, I agree with Senators KENNEDY and SIMPSON that we must strive for an immigration policy that is based on "he needs of the country." A recent Department of Labor study entitled "Workforce 2000" made a detailed assessment of what our labor needs will be over the next two decades. The report concluded that we will experience a shortage in skilled workers and that we need policies that facilitate the immigration of skilled workers.

My bill addresses the needs of our country in several ways. First, it deals with the shortage of skilled workers by increasing employer-sponsored visas by 42,200. The third preference, for professionals and people with exceptional abilities, increases to 52,000, and the sixth preference, skilled workers, increases to 44,200.

Mr. President, I think we need a policy that encourages people with skills and exceptional abilities to come to our country. Unfortunately, our present system discourages them from immigrating because there is a 1- to 3-year wait to get a third or sixth preference visa. If there is a shortage of skilled workers in a particular profession, the business loses the competitive edge waiting 3 years to bring in someone to fill the slot.

Mr. President, skill-based employer-sponsored visas only account for a small percentage of the overall number of visas. Under our current immigration system, only 10 percent of visas are based on skills, whereas 90 percent are based on family relations.

In case there is any doubt, I state emphatically that American jobs will not be displaced by these increases because there are several safeguards. For example, before a person can be admitted under a third or sixth preference visa, the Department of Labor must determine that there is a labor shortage in the particular field and that the business cannot find an American skilled worker to fill the slot. In the alternative, under the third preference, they must determine that the potential immigrant is a member of a profession with "exceptional abilities."

The additional numbers for employer-sponsored visas in my bill will help reduce the delays for immigrants with skills or exceptional ability. This will allow businesses to find enough skilled workers and thereby maintain a competitive position in international markets.

The second way my bill addresses the needs of the country is by providing a more modest increase in the national level of immigration. Most of the polls that I have seen indicate that the majority of the American people do not want any increase in the level of immigration. In 1986, a CBS/New York Times poll found that 84 percent of the American people felt immigration should be decreased or kept at the same level. In a 1986 poll of U.S. News & World Report readers, 74.9 percent stated that they wanted immigration numbers further restricted. A recent Tarrance & Associates poll found that only 9 percent of Californians and 5 percent of Texans were in favor of increasing the level of immigration.

I ask unanimous consent that copies of these polls be included in the record at the conclusion of my remarks.

Mr. President, what does the Kennedy-Simpson-Simon bill do in response to the desire of the American people? It increases the national level by more than 100,000 visas. The studies do not support the notion that we must increase our level of immigration by 100,000. My bill addresses the concerns of the American people by only increasing the national level by 45,000.

Finally, my bill keeps a limited definition of the fifth preference. The fifth preference presently allows a citizen to bring in his brothers, his sisters, his brothers-in-law, his sisters-in-law, his nieces and his nephews. This causes a chain migration problem. One famous example is the man in New York who brought in 64 relatives under the fifth preference category.

My bill simply limits the fifth preference to never married brothers and sisters. As I stated earlier, this is exactly the same definition set forth in the Kennedy-Simpson bill which passed 88 to 4 last year.

Mr. President, almost everyone agrees that something must be done to deal with the fifth preference. On one occasion this Senate passed a bill to completely eliminate the fifth preference, and quite frankly I would prefer that approach. Since I try to stay within the framework of the 1988 Kennedy-Simpson bill, I stick with merely a limited definition of the fifth preference. This limited definition also passed the Senate in 1983.

These measures passed because Senators realized that we must set priorities. As Senators KENNEDY and SIMPSON have stated on several occasions, we should give priority to those immigrants who are the closest family members to American citizens. I agree, for example, that spouses and children of permanent residents should be given priority over brothers-in-law. That is why my bill keeps a limited definition of the fifth preference.

Another reason to limit the fifth preference is because there are tremendous backlogs of immigrants in this category. This causes long delays—up to 20 years in some cases. As Senator KENNEDY correctly states, this creates "an illusory and false hope of family reunification." These delays also foster illegal immigration.

Mr. President, these are the major points of my bill. I ask unanimous consent that two summaries of the bill be included in the RECORD at the conclusion of my remarks.

Mr. President, as we debate the issue of legal immigration, we must keep one fundamental concept in mind—for America to remain a great country, we must have an immigration policy based on the needs of our country and focused on what is in the best interest of the Nation as a whole.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	Current law limits	Actual 1987 numbers	Kennedy, Simpson, 1988	Kennedy, Simpson, Simon, 1989	[illegible] proposal	Percent
National level of immigration	none	[1] 500,000	[illegible]	[illegible]	550,000	
Immediate relatives spouses, (children and parents of citizens)	([2])	218,500	[2] 220,000	[2] 220,000	[2] 220,000	
I. Family preferences						
1st preference (unmarried adult sons, daughters of citizens)	54,000	11,382	33,000	33,000	13,600	[illegible]
2d preference (spouses and children of residents)	70,200	110,758	143,000	145,000	115,600	[illegible]
4th preference (married sons and daughters of U.S. citizens)	27,000	20,703	22,000	22,000	20,400	12
5th preference (never married brothers and sisters)	64,800	23,517	22,000	65,000	20,400	12
Reduction of 5th preference backlog	none		[illegible]		[illegible]	
Total family preference	216,000		470,000	480,000	420,000	
[illegible]						
Special immigrants	([2])	3,646	[illegible]	[illegible]	[illegible]	3
3d preference (members of profession exceptional ability)	27,000	26,921	27,600	27,600	[illegible]	40
6th preference (skilled workers)	27,000	26,952	27,600	27,600	44,200	34
Employment generating investors	[illegible]	35	4,800	[illegible]	[illegible]	3
Select immigrants (point system)	[illegible]	NA	54,000	[illegible]	[illegible]	20
Total independent	54,000		120,000	120,000	130,000	
Total immigrants			[illegible]	600,000	[illegible]	

[1] Approximately [2] No limit

SUMMARY OF DIFFERENCES BETWEEN HELMS AND KENNEDY/SIMPSON/SIMON

1. The Helms bill only increases the level of immigration by 50,000 instead of 100,000 per Kennedy/Simpson/Simon.

2. It increases employer-sponsored visas 42,000, compared to 1,200 under Kennedy/Simpson/Simon. It only provides 26,000 for the skills/points based category instead of 54,000. An additional 22,200 will go to employer-sponsored categories when the 30,000 visas for the 5th preference backlog reduction reverts over to the independent category.

3. It increases over the independent category by 10,000 over Kennedy/Simpson/Simon.

4. It keeps a limited definiton of 5th preference per original Kennedy/Simpson bill of 1988, instead of the expanded definition in Kennedy/Simpson/Simon.

5. The number of immediate relatives per country would not exceed the per country level for family immigrants.

6. It adjusts limits on preference categories to be close to actual numbers coming in under each category.

7. Does not provide an automatic increase in the level of immigration based on Attorney General's report. But keeps the report by the Attorney General.

8. It eliminates the "advanced degree" requirement in the 3d preference.

9. It retains points for english language proficiency in the point system.

SUMMARY OF IMMIGRATION REFORM ACT OF 1989

I. NATIONAL LEVEL OF IMMIGRATION

A. Immigration Levels—

Establishes a national level of immigration of 550,000: 390,000 family immigrants per year and 160,000 independent immigrants per year (except during the first three years).

During each of the first three years, 30,000 visas are subtracted from the independent immigrant category and distributed to the visa category with the largest number of backlogged applicants: the fifth preference.

B. Classes of Immigrants—

Refugees, asylees, and recipients of legalization under the Immigration Reform and Control Act of 1986 are admitted in addition to the national level of immigration described above.

The number of immigrants granted visas in the family connection preference category (described in part II. A of this summary) is calculated by subtracting the number of immediate relatives who immigrate in the prior year from 390,000.

If the total number of visas in either category (390,000 for family; 160,000 for independent) are not used in a year, the unused visas may be allocated to immigrants in the other category.

C. Review of Numerical Levels—

Beginning in FY 1994, and each year thereafter, the Attorney General, and the Secretary of Labor, in consultation with the Secretaries of HHS, HUD, and State, and the EPA, shall issue a report on the impact of immigration on the United States.

D. Per-Country Limits—

No foreign country may receive more than seven percent of the family-connection preference visas available worldwide (390,000 minus the number of immediate relatives), nor may it receive more than seven percent of the independent immigrant visas available worldwide (160,000; 130,000 during first three years.)

No dependent area (colony) may receive more than two percent of the family-connection or independent visas available worldwide.

However, if immediate relative immigration from a particular foreign country exceeds either: 1) the maximum number of family connection preference visas available to that state, or 2) the level of immediate relative immigration from that country in the year prior to enactment of this bill, whichever level is greater, the amount of the excess shall be subtracted from the number of family connection preference visas otherwise available to that country.

II. PREFERENCE SYSTEM FOR IMMIGRANT ADMISSIONS

A. Allocation of Family Connection Visas—

The number of family connection preference visas available is the number remaining after subtracting from 390,000 the number of visas granted to immediate relatives of U.S. citizens in the previous fiscal years.

The family connection visas are allocated to four preferences by the following percentages:

1. Unmarried adult sons and daughters of U.S. citizens, 8% of the numbers available.

2. Spouse and unmarried sons and daughters under 26 of legal permanent residents, plus any pending approved petitions of unmarried sons and daughters over 26 (included in current law), 68%.

3. Married sons and daughters of U.S. citizens, 12%.

4. Never-married brothers and sisters of adult U.S. citizens, plus pending approved petitions for married brothers and sisters (included in current law), 12%.

Any unused visas from a higher preference may be used by the next preference, e.g. visas not issued in first preference may be used for second preference, unused second preference visas fall to third, etc.

B. Allocation of Independent Immigrant Visas—

160,000 visas are available to independent immigrants (except for the first three years when there are 130,000 visas).

The independent immigrant visas are allocated to five categories by the following percentages:

1. Special immigrants (ministers of religion, former employees of U.S. embassies, etc.), 3% of independent visas.

2. Members of the professions or aliens of exceptional ability in the sciences, arts, or business, 40%.

3. Skilled workers and members of the professions holding bachelor's degrees, 34%. (Any visa not used by the second category is available for this category)

4. Employment-generating investors, 3%. Immigrants under this category must invest $1 million in a new commercial enterprise benefiting the U.S. Economy and creating employment for 10 U.S. citizens or legal permanent residents.

5. Any visas not required or used by the first four independent categories are available to "selected" immigrants (at least 20%). Immigrants in this category must first qualify to register for these visas by attaining a minimum score of 50 in a point system with 95 possible points. The point system is based on level of education, occupation and occupational training or work experience, and English language skills. (See Subsection (b)(5) of Amended Section 203 for a detailed description of the criteria and the number of points given for each category.)

C. Order of Issuance of Visas—

With the exception of the category for selected immigrants, visas are issued in chronological order (by date of filing of the petition). In the category of selected immigrants 20% of the visas available are reserved for registrants scoring 80 points or more; the remaining visas will be available to these registrants scoring 50 points or more. If there are more registrants than visas available, then the selected immigrants will be chosen on a random basis from the pool of qualified applicants.

D. Petitioning Procedures for Selected Immigrant Visas—

The Secretary of Labor is authorized to establish regulations for the filing of selected immigrant petitions and will determine the place and time of filing. Applicants must be physically outside of the U.S. at the time of filing.

E. Revision of Labor Certification—

Labor certification provisions are revised to streamline the process and to allow general instead of job specific determinations to be made unless the petitioner request otherwise.

This section also requires a study of the labor certification process within three years to determine whether the changes in the law have actually resulted in a streamlined process.

III. PROVISIONS TO DETER FRAUD IN THE EMPLOYMENT-GENERATING INVESTOR VISA CATEGORY

Aliens and their dependents benefiting from the employment-generating investor visa are given a conditional status for two years. After that period in order to acquire permanent resident status the investor must demonstrate compliance with the requirements of the statute.

IV. USER FEES

User-fees are required for all categories of immigrant visas and the Department of State is credited with $20 million of those funds to pay for automation improvements and for the additional expenses estimate to be created by this Act.

CBS NEWS/NEW YORK TIMES SURVEY POLL ON PREFERRED LEVEL OF IMMIGRATION

"Should immigration be kept at its present level, increased or decreased?"

	Percent
Kept same	35
Increased	7
Decreased	49
Don't know/No answer	9

The results of the survey are based on telephone interviews with a national sample of 1,618 adults, 18 and older, contacted during the period June 19-23, 1986.

According to the release, "The error due to sampling could be plus or minus three percentage points for results based on the entire sample."

[From the FAIR Immigration Report, May 1989]

RESULTS OF FAIR'S CALIFORNIA POLL

The FAIR California poll was conducted by Tarrance & Associates of Houston, Texas, from April 6-9, 1989. It asked the following questions of 800 registered voters statewide, plus an extra 200 registered voters in San Diego County. The margins of error plus or minus 3.5 points for statewide responses and plus or minus points for San Diego County responses.

[In percent]

Response	State	San Diego
Question 1 As you may know the United States accepts a number of legal immigrants from foreign countries each year In your opinion does the United States presently accept -too few immigrants, too many immigrants, or about the right number of immigrants each year?		
Too few	9	10
Too many	51	[illegible]
About right	27	28
Unsure	14	13
Question 2 Currently there is no absolute limit on the total number of legal immigrants who may enter the United States each year Regardless of how many or how few immigrants you think the United States should accept do you think Congress should place a firm limit on the total number of immigrants who enter each year or leave immigration policy as it presently stands with no limit on the number of immigrants who may enter each year?		
Limit	69	67
Unsure	6	[illegible]
No limit	[illegible]	26
Question 3 In selecting which people are allowed to enter the United States through immigration should the government place more emphasis on an immigrant's education and skills, or on an immigrant's family ties and connections inside the United States?		
Skills/education	46	47
Unsure	26	[illegible]
Family/connections	28	33
Question 4 Do you feel that illegal immigration into California is		
A very serious problem	63	65
A somewhat serious problem	21	21
Only a slight problem	8	9
No problem at all	5	4
Unsure	3	0 4
Question 5 How would you rate the job that elected officials are doing to fight illegal immigration?		
An excellent job	1	1
A good job	[illegible]	0
Only a fair job	43	45
A poor job	41	[illegible]
Unsure	[illegible]	[illegible]
Question 6 Recently, a private non-profit group released a study concluding that illegal immigration could be reduced by (1) secure fences and other barriers along the border south of San Diego, and (2) strict enforcement of the laws against employers hiring illegal aliens Let's consider these proposals one at a time Do you—approve, or disapprove—of the proposal to erect secure fences and barriers along the border south of San Diego?		
Approve/strongly	[illegible]	47
Approve	16	12
Unsure	9	4
Disapprove	14	10
Disapprove/strongly	26	27
Question 7 Do you—approve, or disapprove—of the proposal to strictly enforce against employers hiring illegal aliens?		
Approve/strongly	62	73
Approve	17	11
Unsure	3	[illegible]
Disapprove	[illegible]	[illegible]
Disapprove/strongly	11	9
Question 8 There has been some discussion about border security and drug smuggling into the United States Do you think—increased border security is necessary for the war on drugs or increased border security should not be a priority in the war on drugs?		
Necessary/strongly	[illegible]	73
Necessary	13	[illegible]
Unsure	[illegible]	[illegible]
Not priority	5	6
Not a priority strongly	[illegible]	10
Question 9 Recently, there have been proposals to charge a border toll of between $1 $2 per person to help finance increased manpower to speed traffic at border inspection points and to increase immigration and drug enforcement patrols Do you approve or disapprove -of this border toll to pay for increased manpower, immigration and drug enforcement?		
Approve strongly	49	48
Approve	22	[illegible]
Unsure	5	[illegible]
Disapprove	8	[illegible]
Disapprove strongly	16	24
Question 10 The border fence south of San Diego installed some years ago is now torn and tattered Assuming the fence can be replaced with a fence that cannot be easily climbed or destroyed would you -support, or oppose rebuilding the fence south of San Diego?		
Support	67	[illegible]
Unsure	[illegible]	[illegible]
Oppose	23	26
Question 11 The U S government has recently proposed construction of a four-mile drainage ditch at the border south of San Diego that would also stop vehicles smuggling illegal aliens and drugs From everything you know about smuggling and illegal immigration, would you support or oppose construction of the four-mile ditch south of San Diego?		
Support strongly	41	46
Support	19	11
Unsure	12	12
Oppose	9	[illegible]
Oppose strongly	19	25

[From V. Lance and Associates, May 15-21, 1989]

TEXAS STATE POLL ON BORDER SECURITY AND IMMIGRATION

Question 1. As you may know, the United States accepts a number of legal immigrants from foreign countries each year. In your opinion, does the United States presently accept (1) too few legal immigrants, (2) too many legal immigrants, or (3) about the right number of legal immigrants—each year?

Response:

Too few	4.8
Too many	59.3
About right amount	27.0
Unsure	8.9

Question 2. Although there are limits on certain categories of immigrants, there is currently no limit on the total number of

legal immigrants who may enter the United States each year. Regardless of how many or how few immigrants you think the United States should accept, do you think Congress should (1) place a firm limit on the total number of legal immigrants who enter each year, or (2) leave immigration policy as it presently stands with no limit on the number of legal immigrants who may enter each year?

Response:	
Limit	76.8
Unsure	5.5
No limit	17.7

Question 3. In selecting which people should be allowed to enter the United States through immigration, should the government place more emphasis on (1) an immigrant's education and skills, or (2) on an immigrant's family ties and connections inside the United States?

Response:	
Skill/education	45.0
Unsure	21.6
Family/connections	33.4

Question 4. Do you feel that illegal immigration into Texas is—

Response:	
Very serious problem	67.8
Somewhat serious	19.2
Slight problem	7.7
No problem at all	3.6
Unsure	1.7

Question 5. How would you rate the job that elected officials are doing to fight illegal immigration?

Response:	
An excellent job	1.5
A good job	12.9
Only a fair job	45.5
A poor job	35.1
Unsure	5.0

[From U.S. News & World Report, February 1986]

WHAT OUR READERS HAVE TO SAY

U.S. News readers have always shown a strong interest in what's going on in the nation and the world. They got their chance to express their views in the readers' survey included in the year-end Outlook '86 issue.

More than 36,000 readers took the trouble to tear out the questionnaire, mark their choices and mail it back. The results that follow—while not a true cross section of our readership—are a statistically reliable sample of the reader group that responded to the survey.

Our readers stood firm on the immigration question, with 74.9 percent urging further restrictions on the influx. Said one: "I don't believe that everyone born into the world is an American who just hasn't gotten here yet, nor do I believe that everyone has a 'right' to come if they want to."

	Percent
How should immigration policy be changed?	
Restrict immigration further	74.9
Grant amnesty to illegal aliens already here	17.4
Let more immigrants come	6.1

By Mr. PACKWOOD:

S. 1207. A bill to amend the Communications Act of 1934 to reform the radio broadcast license renewal process, and for other purposes; to the Committee on Commerce, Science, and Transportation.

RADIO LICENSE RENEWAL AND IMPROVEMENTS ACT OF 1989

● Mr. PACKWOOD. Mr. President, today I am introducing the Radio License Renewal Reform and Improvements Act of 1989. This legislation is a companion bill to H.R. 1136, sponsored by Representative RINALDO of New Jersey, which already has close to 100 cosponsors.

For years, Congress, the courts, and the Federal Communications Commission have struggled with the broadcast license renewal process. The Communications Act of 1934 requires broadcasters to operate in the public interest in serving their local communities, in return for their licenses. The intent of the license renewal process was to further these public interest goals. In reality, however, the renewal process fails to achieve these ends. Instead, it has led to abuse of the FCC's procedures. The bill I am introducing today is designed to reform the renewal process.

The problems with renewal flow from the tension between ensuring that the public is protected by denying renewal to broadcasters who fail to meet their obligations, while providing a reasonable expectancy of renewal for the vast majority of broadcasters who do an excellent job in serving their communities. Policymakers and the courts have long recognized that an expectation of renewal is desirable, because it encourages licensees to invest the energy and money in improving their service to communities with better programming and facilities.

Under the act, when a broadcast license is up for renewal, any member of the public may file a competing application for that license. This automatically places the existing broadcaster into the comparative renewal process at the Commission. The FCC then must compare the merits of the incumbent broadcaster with the challenger, and decide which will best serve the public interest.

Unfortunately, the present comparative renewal process has proven virtually impossible for the FCC and the courts to administer in a rational, legally consistent manner. As a result, neither the legitimate interests of the public nor of the broadcasters are served. The FCC's dilemma is that it must weigh the actual record of the incumbent against the paper promises of the challenger, which is an extremely subjective, "apples versus oranges" comparison at best. Despite the fact that an incumbent broadcaster may have served its community admirably, challengers know that they can tailor, on paper, their applications to correspond to whatever ownership, programming, and technical criteria will favor them under the FCC's standards of the day.

Over the years, the comparative process has ceased to serve the public interest goals of the Communications Act, and has become subject to significant abuses. Few comparative challenges actually result in the denial of renewal to an existing broadcaster. However, the process opens up all broadcasters to a form of "greenmail." Comparative challenges can run for years. The legal and personnel costs of these comparative renewal challenges can be staggering, not only for licensees, but for the FCC as well.

As a result, a challenger who has no real interest in operating under a license may file a challenge to its renewal—or even merely threaten to file a challenge—with the expectation that it can be paid off, either directly or indirectly, to withdraw or withhold its filing. Stations who are confident of winning renewal at the FCC still may find it less expensive to pay off challengers than to spend even more money and time in legal proceedings.

Clearly, none of this serves the public or responsible broadcasters. The FCC recently has acted to curb renewal abuses by banning such payoffs of challengers, except for legitimate and prudent legal, engineering, and related expenses by valid challengers. However, the FCC does not have the authority to fix the core problem of the renewal process.

For nearly 20 years, communications policy experts going back to Senator John Pastore of Rhode Island, the former chairman of the Communications Subcommittee, have recommended legislation to replace this existing renewal process with a two-step process. Under this new renewal procedure, the FCC first would examine the record of the incumbent licensee and its renewal application. If the FCC determined that the licensee had served the public interest and operated under its statutory and regulatory obligations, the licensee would be eligible for renewal. If the licensee failed this test, its renewal would be denied. The FCC then would consider the applications for a replacement to the incumbent in the second of the two steps.

This is the basic premise of the legislation I am introducing today. The bill would do the following:

First, implement a two-step renewal for radio. A station will be eligible for renewal if it demonstrated: that it has broadcast material responsible to issues of concern to its community; it has not committed any serious violation of the Communications Act or FCC rules; and, it has not demonstrated a "pattern of abuse" of the Act and the rules.

Second, ban "payoffs." Except for legitimate and prudent expenses, no payments may be made for the withdrawal, or withholding from filing, of a competing application, petition to deny, or informal complaint.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Third. Create an informal complaint process. for the first time, the FCC would establish a procedure to consider and resolve informal citizen complaints against licensees prior to the completion of the license term.

With respect to the implementation of a two-step process as perceived by this bill, it is very similar to the broadcast legislation that the Senate has passed on numerous occasions, including bills I sponsored in the 97th and 98th Congresses. However, this bill differs from earlier legislation in that it would apply only to renewals of AM and FM licenses. I hope that a radio-only approach will avoid some of the subsidiary issues that caused the demise of earlier all-industry efforts as they moved through the legislative process in the House.

Furthermore, a radio-only approach makes sense from a policy standpoint. Radio and television are different industries in many respects. Our Nation is served by more than 10,300 radio stations, making it perhaps our most diverse, locally-oriented medium. If any communications medium is subject to regulation by a highly competitive market, it is radio. The most recent listening surveys available show that on average, even the least populated counties of our Nation—those with 1,000 or fewer people above the age of 12—can receive more than 10 radio stations. The most populated counties—with 500,000 or more people above the age of 12—can receive more than 80 radio stations. As a result, radio stations have evolved into niche-types of programming much like our print media has. This legislation reflects the competitive forces that have shaped the radio industry over time.

This bill would eliminate the abuses, delays, and high legal and administrative costs inherent in the present comparative renewal process and provide solid radio broadcasters with a reasonable expectation that they can win renewal if they serve the public interest. However, this is by no means a one-sided bill. The newly created informal complaint process will ensure that citizen concerns about broadcasters' performance can be resolved prior to the completion of a license term. Futhermore, the public will retain its ability under the existing petition-to-deny process to fully participate in the FCC's decisionmaking at renewal time. In addition, this bill leaves intact the panoply of existing FCC powers to sanction or remove broadcasters who do violate the public interest.

Mr. President, most members of the Senate are aware of my views on broadcast regulation. I have long supported the elimination of unwise or unneeded Government regulation of our electronic press, wherever possible. At the same time, I want to ensure that the public interest is protected, whether by competitive forces in functioning markets or by narrowly crafted Government oversight. This legislation accomplishes both goals, and I look forward to its early consideration.

I ask unanimous consent that the complete text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Radio License Renewal and Improvements Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the public interest is best served by policies and regulations that foster the concept of broadcast localism, in terms of station allocation, station licensing and the practicable reception of locally oriented and interference free radio service;

(2) the Federal Communications Commission should adopt and enforce station allocation and interference protection rules and policies that guard against any increase in, and work toward a diminution of, interference levels currently experienced in the AM and FM broadcast bands;

(3) radio broadcasters should consider the variety and types of programming available in the radio marketplace in exercising the wide editorial discretion necessary to meet the needs and interests of their local listening audience; and

(4) radio broadcasters should enjoy a renewal expectancy, on the condition that they have provided issue-responsive programming to their local audiences, and have neither demonstrated a pattern of abuse nor have committed serious violations of the Communications Act of 1934 or Federal Communications Commission rules and regulations.

SEC. 3. RADIO BROADCAST RENEWAL PROCEDURE.

(a) IN GENERAL.—Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end thereof the following new subsection:

"(k)(1)(A) In any case in which a radio broadcast station licensee submits an application to the Commission for renewal of a license, the Commission shall grant the application if it finds that with respect to that station, during the preceding term of its license—

"(i) the licensee has broadcast material responsive to issues of concern to the residents of its service area;

"(ii) there have been no serious violations by the licensee of this Act or the rules or regulations of the Commission; and

"(iii) there have been no other violations by the licensee of this Act, or the rules and regulations of the Commission, which taken together would constitute a pattern of abuse.

"(B) In the case of any radio licensee which fails to meet the requirements of this subsection, the Commission may deny the renewal application in accordance with paragraph (2), or grant such application on terms and conditions as are appropriate, including renewal for a term less than the maximum otherwise permitted.

"(C)(i) For purposes of subparagraph (A)(i), in determining which matters to address and what responsive material to broadcast, the radio licensee has wide discretion in providing issue responsive programming and may consider the composition of its audience, the number of other radio or television stations serving its community of license and service area, and the material broadcast by those stations.

"(ii) In evaluating the performance of a radio broadcast licensee under the standard of subparagraph (A)(i), the Commission shall not establish or apply any requirement respecting the radio broadcast of any specific subject, categories, or quantity of material. The Commission shall accept the licensee's judgment concerning the matters addressed, and the nature and quantity of responsive material presented, unless the Commission finds that the judgments were unreasonable in the particular circumstances and were not made in good faith. For purposes of this clause, the term 'quantity', when used with respect to responsive radio broadcast material, means the aggregate amount, individual unit duration, frequency, and scheduling of that broadcast material.

"(2) If the Commission determines, after notice and opportunity for a hearing as provided in subsection (e), that a radio licensee specified in paragraph (1)(A) has failed to meet the requirements established in that paragraph and that no mitigating factors justify the imposition of lesser sanctions, the Commission shall—

"(A) issue an order denying the application of renewal filed by such licensee under section 308; and

"(B) only thereafter accept and consider such applications for a construction permit as may be filed under section 308 for the broadcasting facilities of the former licensee.

"(3) In making the determinations under paragraph (1) or (2)(A), the Commission shall not consider whether the public interest, convenience, and necessity might be served by the grant of a license to a competing applicant for the facilities involved.".

(b) TECHNICAL AMENDMENT.—Section 309(d) of the Communications Act of 1934 is amended by inserting the following after "with subsection (a)" each place such term appears: "(or subsection (k), in the case of renewal of any radio broadcast station license)".

SEC. 4. LIMITATION ON FINANCIAL SETTLEMENTS.

Section 309 of the Communications Act of 1934 is further amended by adding at the end thereof the following new subsection:

"(l) If there is pending before the Commission a radio broadcast application under subsection (a) or (k), it shall be unlawful for the applicant and any other party or person to effectuate an agreement whereby the other party or person withdraws or withholds the filing of a competing application or a petition to deny (or informal objection) in exchange for the payment or promise of money or any other thing of value by or on behalf of the applicant. Under regulations which the Commission shall prescribe, the preceding sentence shall not apply to amounts legitimately and prudently expended or to be expended in connection with preparing, filing, or advocating the petition to deny or informal objection. For purposes of this subsection, an application shall be deemed to be pending before the Commission until an order of the Commission granting or denying it is no longer subject to rehearing by the Commission or to review by any court.".

SEC. 5. INFORMAL COMPLAINTS.

(a) Section 309 of the Communications Act of 1934, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(m)(1) The Commission shall by rule establish a procedure by which informal complaints received by the Commission may be reviewed during the license term of a radio licensee. The Commission shall, by rule, ensure that the licensee has received notice of such informal complaints in sufficient time to respond to these complaints prior to Commission review. The Commission shall also ensure that such rules do not impose an undue burden on the complainant or on the licensee.

"(2) After final resolution of an informal complaint by the Commission, the Commission may, at the time of license renewal, consider the complaint or its resolution—

"(A) if the complaint, together with other complaints filed throughout the license term or at renewal constitute evidence of a pattern of abuse for purposes of subsection (k)(1)(A)(iii) of this section; or

"(B) if the resolutions constitute evidence of the licensee's effort to serve the public interest.

"(3) The restrictions concerning financial settlements contained in subsection (l) shall apply to actions under this subsection.".

SEC. 6. DEFINITIONS.

Section 309 of the Communications Act of 1934 is further amended by adding at the end thereof the following new subsection:

"(n) For the purposes of subsections (k) through (m) only, the term 'radio' means those aural services available to the general public on the amplitude modulation or frequency modulation bands.".●

By Mr. GORTON (for himself, Mr. McCAIN, Mr. BOSCHWITZ, Mr. GRAMM, Mr. McCLURE, Mr. LOTT, Mr. KASTEN, Mr. McCONNELL, Mr. DOMENICI, Mr. WILSON, and Mr. BRYAN):

S. 1209. A bill to grant permanent residence status to certain nonimmigrant natives of the People's Republic of China; to the Committee on the Judiciary.

CHINESE FOREIGN STUDENT AND EXCHANGE VISITOR RELIEF ACT

Mr. GORTON. Mr. President, in reaction to the savage June 4, 1989, massacre in Beijing's Tiananmen Square, people around the world have raised their voices in support of the ideal of democracy and freedom for which the peaceful protesters died. As the current Chinese leaders intensify efforts to arrest and convict student demonstrators, the task of keeping the democracy movement alive is increasingly borne by its supporters outside of China. In the State of Washington, for example, the Associated Chinese Students and Scholars established the June Fourth Foundation to provide financial assistance to families of the victims of the Tiananmen Square massacre, and to foster in the American public a greater understanding of the continuing events in China.

Today, I am thoroughly pleased to introduce a bill for myself and for Senators McCAIN, BOSCHWITZ, GRAMM, McCLURE, LOTT, KASTEN, McCONNELL, DOMENICI, WILSON, and BRYAN. This bill will allow Chinese foreign students and exchange visitors immediately to apply for, and, if otherwise eligible, receive permanent resident status in our country. This bill is designed for more than humanitarian and compassionate treatment for Chinese students who justifiably fear returning at this time to their besieged homeland. It also serves to encourage to the current Chinese leaders to adopt positive measures in order to attract back to China this pool of talented individuals, almost all of whom strongly believe in the virtues of freedom and democracy.

As Americans, we cannot force Chinese students or exchange visitors to return to a land in which their personal liberty and safety would be at risk. In the past few days, the Chinese Government has arrested more than 1,300 so-called counterrevolutionaries in a sustained effort to eradicate the last traces of the democracy movement and to prevent its resurgence. By advocating sympathetic review of visa extension requests and suspending until June 5, 1990 deportation of any Chinese national in the United States, President Bush and Attorney General Thornburgh have taken steps to ensure the temporary safety of our Chinese visitors.

In keeping with the spirit underlying these measures, I believe that we should allow those Chinese visitors who wish to do so the opportunity to continue their studies and to build their careers in the United States. The lives of Chinese students and scholars currently in our country are in limbo. They can neither safely return to China nor plan for the future. Without this legislation, they will be forced to return to China upon the expiration of their visas or the termination of the deferred departure program.

Selected from a system in which only the very top high school students have the opportunity for a college education, and only the most outstanding graduates may qualify for study abroad, these students represent the best and brightest youth of China. They most certainly will make significant contributions to any country in which they choose to reside—be it China or the United States.

The majority of Chinese students with whom I have spoken wish to return home if conditions permit. Their patriotic love for their country has not diminished, but, rather, has increased. They still desired to contribute their considerable talents to the economic and political modernization of China.

Depending on the length and severity of the Chinese Government's repression, however, many of the students may choose to make new lives in the United States. Those who make that choice will contribute to our economy and will enrich our culture. We should welcome warmly the Chinese students who wish to adopt this country as their new home. They will become fine, loyal, contributing Americans.

By allowing Chinese students and exchange visitors to remain as residents of our country, we also will provide initiatives to the current Chinese leaders to take steps to encourage rather than to try to force these talented individuals to return. China can ill afford to forego these valuable human resources.

As these students further their education and practical training in the United States, they will continue to experience first hand the virtues of democracy and freedom. Those who choose to return to China will take with them a heightened sense of our fundamental values of free governance, and one by one, will replant the seeds of political reform.

The bill that I and my colleagues are introducing today give Chinese students and exchange visitors the option to return to the country of their birth or build their lives in the United States. Wherever they may choose to live, these individuals will continue to play important roles to promote greater democracy and freedom in China. Until these goals are reached, however, the Chinese students and exchange visitors may choose to live in our country where democracy and freedom already exist, and we welcome them.

Mr. President, I ask unanimous consent that both the entire text of the bill I am introducing today, and a detailed summary of that bill, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Chinese Foreign Student and Exchange Visitor Relief Act".

SEC. 2. On or before June 5, 1990, such nonimmigrant natives of the People's Republic of China as are eligible under section 3 shall be held and considered to be lawfully admitted to the United States for purposes of the Immigration and Nationality Act upon the payment of the required visa fees.

SEC. 3. An alien entitled to the status granted by section 2 is a native of the People's Republic of China—

(1) who was admitted to the United States as a nonimmigrant alien before June 6, 1989, under subparagraph (F) (relating to students) or subparagraph (J) (relating to exchange visitors) of section 101(a)(5) of the Immigration and Nationality Act, and who held a valid visa under either such subparagraph as of that date;

(2) who has resided continously in the United States from the date of admission until payment of the required fee except for—

(A) brief, casual, and innocent absences; or

(B) travel abroad (other than travel after June 6, 1989, to the People's Republic of China) permitted by the Immigration and Naturalization Service; and

(3) who is otherwise admissible to the United States for permanent residence.

SEC. 4. The provisions of this Act supersede—

(1) section 201 of the Immigration and Nationality Act (relating to numerical limitations);

(2) Section 202 of that Act (relating to numerical limitations for any single foreign state);

(3) section 245 of that Act (relating to the adjustment of status of nonimmigrants to that of persons admitted for permanent residence);

(4) subparagraphs (C) and (D) of section 212(a)(28) of that Act (relating to membership in the Communist party or advocation of communism); and

(5) where applicable to nonimmigrants under section 101(a)(15)(J), the two-year foreign residence requirement contained in section 212(e) of that Act.

SEC. 5. Notwithstanding any other provision of law, any visa which is described in section 3(1) and which is valid as of June 6, 1989, shall be deemed to be valid through June 5, 1990.

SUMMARY OF THE CHINESE FOREIGN STUDENT AND EXCHANGE VISITORS RELIEF ACT OF 1989

PURPOSE

An Act to provide foreign students and exchange visitors from the People's Republic of China, and their resident spouses and children, with the right to apply immediately for and be granted permanent residence status in the United States.

SCOPE

Except as set forth below, the Act shall apply to any national of the People's Republic of China who as of June 6, 1989 held a valid and current F-1, F-2, J-1 or J-2 visa, and either (i) was physcially present in the United States on June 6, 1989, or (ii) was temporally absent from the United States on June 6, 1989, but whose departure from an subsequent return to the United States was or would be in accordance with the requirements of such national's visa (each, a "Subject Chinese National").

The Act shall not apply to a PRC national (i) who is a resident of a third country, (ii) who after June 6, 1989 has departed from the United States and travels to the People's Republic of China, or (ii) who is considered to be within one or more general classes of deportable aliens set forth in 8 USC Sec. 1251, provided however, mere past or present membership in the Communist Party of the People's Republic of China shall not of itself constitute a ground for deportation.

WAIVER OF WAITING PERIOD OR FOREIGN RESIDENCE REQUIREMENT

Notwithstanding any waiting period or foreign residence requirement otherwise required by the Immigration and Nationality Act, a Subject Chinese National shall have the right to apply immediately for and be granted permanent residence status in the United States.

APPLICATION PROCEDURE

A Subject Chinese National shall submit a substantially completed application form to the Immigration and Naturalization Service on or before June 5, 1990, and shall provide thereafter such supporting documentation as the Attorney General may reasonably prescribe.

AUTOMATIC VISA EXTENSION

Any F-1, F-2, J-1, or J-2 visa held by a Subject Chinese National which would otherwise expire prior to June 5, 1990, shall be extended to June 5, 1990 without further action by such Subject Chinese National.

WORK AUTHORIZATION

All Subject Chinese Nationals shall be granted employment authorization upon submission of a substantially completed application form by such Subject Chinese National.

By Mr. MOYNIHAN (for himself, Mr. BURDICK, Mr. MITCHELL, Mr. LAUTENBERG, Mr. CHAFEE, and Mr. DURENBERGER):

S. 1210. A bill to conduct a comprehensive national assessment of the nature and extent of aquatic sediment contamination; to the Committee on Environment and Public Works.

NATIONAL SEDIMENT CONTAMINATION SURVEY ACT

● Mr. MOYNIHAN. Mr. President, I rise today along with my Environment and Public Works Committee colleagues Mr. BURDICK, Mr. MITCHELL, Mr. LAUTENBERG, Mr. CHAFEE, and Mr. DURENBERGER, to introduce the National Sediment Contamination Survey Act of 1989.

If enacted, this legislation will require a determination of the extent to which sediment pollution problems are present and may be affecting water quality in the Nation's lakes, rivers, harbors, and other water bodies. To date, there has been no comprehensive survey of contaminated aquatic sediments. Not until these wounds of the industrial revolution are fully catalogued can we begin healing them in a systematic and comprehensive manner.

The potential scope of this problem is staggering given the historic use of our waterways as disposal areas. The United States has 39.4 million acres of lakes, 1.8 million miles of rivers, 32,000 square miles of estuaries, 23,000 ocean coastline miles, and hundreds of thousands of square miles of near-shore, continental shelf habitat. Even if only a small percentage of these have polluted sediments, it will represent a very significant problem.

We have made some progress toward the understanding of toxic waste sites on land. But we have precious little knowledge of where and how much toxic waste there is under water. With the start of industrialization, the simplest and most common method of disposal for any particular industrial waste product was to dump it into the nearest body of water. Out of sight was truly out of mind, and this has left us with an unknown number of underwater slag heaps.

The Clean Water Act has set standards for ongoing toxic pollution discharge into our waters. The Superfund program and its site designation system has focused on direct human health hazards on land. Unfortunately, neither deals directly with the problems caused by contaminated sediments, and neither helps to document or mitigate them. Many standards exist for acceptable water quality, but none are in place to define unacceptable sediment quality.

The legislation we are proposing today is a rather simple undertaking—we only ask that existing information be compiled. Once this comprehensive national survey of bottom sediments in all of the lakes, rivers, harbors, estuaries, and streams of the United States is complete, we will have the information to determine how best to proceed. I think it not only necessary but prudent that we take the first step of what will be many in the process of locating and solving contaminated water sediment problems.

Mr. President, William K. Reilly, Administrator of the Environmental Protection Agency, has expressed his willingness to direct this project. We are fortunate that in Mr. Reilly, we have a leader capable of seeing the benefits and necessity for such a survey. Mr. Reilly is interested in how these contaminated sediments affect our Nation's water resources as are my cosponsors and I. And I hope this legislation can be considered expeditiously so that the work can begin.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Sediment Contamination Survey act of 1989".

SEC. 2. GENERAL PROVISIONS.—

(a) Title I of the Federal Water Pollution Control Act is hereby amended by adding a new section 119, as follows:

"SEC. 119. STUDY BY THE ENVIRONMENTAL PROTECTION AGENCY.—

"(a) STUDY.—The Administrator of the Environmental Protection Agency shall conduct a comprehensive national survey of bottom sediment contamination in all lakes, rivers, harbors, estuaries, and streams of the United States. The Administrator in each instance shall compile all existing information on the quantity, chemical and physical make-up, geographic location, and source of such contaminated sediments.

"(b) REPORT.—Not later than twelve months after the date of enactment of this section, the Administrator of the Environmental Protection Agency shall report to Congress the findings of the study pursuant to subsection (a).

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated such sums as are necessary to carry out the study authorized by this section."●

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. MITCHELL):

S. 1211. A bill to require the Secretary of Veterans' Affairs to pay the maximum amount of special pay authorized for Department of Veterans' Affairs physicians and dentists; to the Committee on Veterans' Affairs.

PHYSICIAN AND DENTIST SPECIAL PAY OFFSET

Mr. CRANSTON. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am today introducing S. 1211, a measure which would reverse an action taken by then-Administrator of Veterans' Affairs Robert Nimmo in 1982 to limit the amount of special pay paid to VA physicians and dentists and would prevent such an action form occurring in the future. Joining with me as a cosponsor of this measure are committee members MATSUNAGA, DECONCINI, and MITCHELL.

From various reports, I believe it is clear that VA is having considerable difficulty recruiting and retaining certain physicians because, among other reasons, their salaries are not competitive with those earned by their peers working elsewhere. Although the bill we are introducing today does not offer a comprehensive solution to that problem, it does, I believe, propose a useful interim step.

Mr. President, a congressionally mandated report entitled the "Quadrennial Report to the President on Special Pay for Physicians and Dentists" was due to be submitted to the President and both committees on Veterans' Affairs on December 31, 1988. However, that report, which is to contain detailed comparative salary information and VA-specific recruitment and retention data, has been delayed until at least June 30. I believe it is important for physicians and dentists currently working in the Veterans' Health Services and Research Administration [VHS&RA] to know that Congress is aware of and concerned about their situation. It is my view that, even though physicians and dentists would not receive a significant salary increase under this bill, the knowledge that there is interest in their problems and that more comprehensive solutions are in the works should be helpful in holding the line on physician retention for a short time.

The information contained in the Quadrennial Report is essential to crafting any long-term solution but, because of the delay in its submission and the complexity of the issues involved, I do not see how Congress will have the time necessary to enact legislation this session. Rather than do nothing, however, I believe it is important to take reasonable action at this time. Specifically, this bill would require the Secretary, effective April 1, 1990, to reimburse physicians and dentists at the maximum rate allowable under section 4118 of title 38—a total of $22,500 for both primary and incentive special pay of which $15,000 could be comprised of incentive special pay alone. Although the financial impact on any one physician or dentist would not be great—from $391 to $2,756 per year although for the vast majority of full-time VA physicians and dentists, the increase would be about $2700 per year—I believe the impact on retention and morale would be quite positive. VA estimates that the first full-year cost of the bill would be about $25 million. The effective date is deferred for 6 months into fiscal year 1990 in order to reduce the amount that VA would have to absorb next fiscal year in order to make the payments called for by this measure.

BACKGROUND

On August 26, 1980, in response to difficulties with the recruitment and retention of qualified physicians within VA, the Congress enacted Public Law 96-330 over the President's veto. This law made permanent previously enacted special pay authority and increased the rates of such pay. Under this law, for pay periods beginning on or after December 31, 1980, the administrator—now Secretary—was given the authority to pay special pay to physicians and dentists in an amount not to exceed $22,500 per year. Of this amount, the Secretary is required to pay primary special pay of $7,000 to eligible full-time physicians—$2,500 to eligible full-time dentists—prorated for part-time service and has the discretion to pay an amount not to exceed $15,500 in incentive special pay of varying amounts for certain attributes such as full-time status, tenure, board-certification, and position held.

In October 1981, 9 months after this law was enacted, a 4.8-percent general pay increase took effect for Federal employees. Because of the Executive Schedule Level V pay limitation in section 5308 of title 5—then set at $50,112.50—physicians and dentists who were at that limit, or close to it, did not receive any, or the full benefit, of this increase. In January 1982, 3 months after the general pay increase, the pay cap was raised to $57,500 According to VA documents, then-Administrator Nimmo made the decision that, in view of this increase in basic pay, the amount of incentive special pay provided for VA doctors should be offset in response to this increase. He based this action on his belief that Congress had intended the increase in special pay to be a relief from the Executive level pay limitation. When certain relief was provided by raising the basic pay cap, he believed that incentive special pay should be adjusted downward. The offset was devised in such a way so as to assure that physicians and dentists received the 4.8-percent basic pay increase received by all Federal employees in October 1981, but their special pay was reduced by a commensurate amount.

In October 1982, a 4-percent general pay increase took effect for Federal employees. Even though the Executive Schedule Level V pay cap had been extended the previous year, many VA physicians were at that limit and it was not possible to grant the full basic-pay increase to all VA physicians and dentists. Therefore, the incentive special pay offset was revised upward in an amount that would provide a combined total of a full 4-percent increase.

Today, the Executive level pay limitation is $75,500; however, the amount of the incentive pay offset has not been changed since 1982. As I previously mentioned, these pay offsets affect physicians and dentists in certain grades and steps differently. Mr. President, I ask unanimous consent that a table depicting the various grades, steps, and reduction amounts be printed in the RECORD at the end of my statement.

EFFECT OF ELIMINATING OFFSET

Mr. President, currently 7,694 full-time physicians and dentists are recipients of special pay and 6,989—90.8 percent—are experiencing some reduction in incentive special pay. Of 3,616 part-time physicians and dentists receiving special pay, virtually all—3,610—are at Chief grade, step 5 or above and are experiencing reductions ranging from $391 to $2,756. The remaining 6 part-time employees are below Chief grade step 5 and are unaffected by the offset. The vast bulk of full-time physicians and dentists, 6,788 or 85 percent, are in Chief grade, steps 8-10, and receive an incentive special pay reduction of $2,682 yearly. Additionally, 164 full-time physicians and dentists are in Executive grade and are subject to a reduction of from $1,411 to $2,688 yearly; 7 fall within the Director grade and are subject to a reduction of from $2,237 to $2,682; and 30 fall within the Executive Schedule and receive a $2,682 yearly reduction.

Care provided to our Nation's veterans is only as good as the health-care professionals furnishing it. This relationship was recognized in the mid-1940's when VA forged affiliations with medical schools, and its is this understanding and relationship which have maintained the quality of care within VA medical centers throughout the years. Although recruitment and retention of VA physicians and dentists relate to more than their salaries—research and education opportunities and patient mix also attract highly qualified professionals to VA—it is difficult to find fault with these VA professionals leaving, or not joining, VA ranks when they can easily

VOL 135 PT 9 JE 14 — 22 1989 UMI

double or triple their earnings in private practice.

Additionally, Mr. President, we are all aware of the extremely serious funding problems occurring within VA that are affecting the availability of research funds and patient-care supplies and equipment. These factors detract further from the attractiveness of VA employment for physicians and dentists. Until such time as a comprehensive solution to the salary structure for these VA doctors can be developed and implemented, I believe it is highly desirable that we offer them some form of recognition and encouragement.

Mr. President, one other potential complication relating to physician staffing is looming which could have a substantial adverse effect upon the quality of care in VA hospitals. Pursuant to Public Law 96-330, as of October 1, 1990, 100 percent of primary and incentive special pay paid to physicians and dentists will be treated as base-pay earnings for retirement purposes. Prior to October 1, 1985, special pay had not been been included for retirement purposes and from that date until 1990 only 50 percent of special pay was included. This approach was specifically intended by Congress to encourage longevity within the VA system.

In a March 3, 1989, letter, Dr. John Gronvall, VA's CMD, in response to my inquiry regarding the probability of physician staff shortages in the 1990's stated:

> The Department is particularly concerned that 45 percent of our current Chiefs of Staff will be eligible to take advantage of the retirement change as of October 1990. If a signficant number of these individuals elect to retire at that time, we would experience a critical shortage of clinical management at our facilities.

In this letter, Dr. Gronvall also notes that 16 percent of VA physicians will be eligible to retire in 1990. Although the additional amount which they would receive if the incentive special pay cap were as our bill provides is not great, this amount may be enough to entice a number of VA physicians to remain longer than they otherwise might.

CONCLUSION

Mr. President, I am anxiously awaiting the results of the Quadrennial Report so that more permament and comprehensive action can be taken to resolve VA physician and dentist pay problems. I plan to develop further legislation at that time.

I ask unanimous consent that the text of the bill we are introducing today be printed in the RECORD at this point together with the pay table mentioned earlier in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PAYMENT OF PHYSICIANS' AND DENTISTS' SPECIAL PAY.

Notwithstanding any other law, effective with respect to pay periods beginning on or after April 1, 1990, the Secretary of Veterans Affairs shall pay the maximum amounts of special pay and incentive special pay then authorized for physicians and dentists in section 4118 of title 38, United States Code.

Incentive special pay offsets on and after October 3, 1982

[Reduction amount]

Grade/Step:	
Chief/5	$391
Chief/6	1,947
Chief/7	2,742
Chief/8-10	2,682
Executive/3	1,411
Executive/4	2,756
Executive/5	2,688
Executive/6-10	2,682
Director/1	2,237
Director/2	2,719
Director/3-10	2,682
All others limited to base pay at Executive Schedule Level V	2,682

By Mr. GORE (for himself, Mr. MITCHELL, Mr. CHAFEE, Mr. WIRTH, Mr. HEINZ, and Mr. KERRY):

S.J. Res. 159. Joint resolution to designate April 22, 1990, as Earth Day, and to set aside the day for public activities promoting preservation of the global environment; to the Committee on the Judiciary.

EARTH DAY

Mr. GORE. Mr. President, almost 20 years ago, this Nation stopped on a single day to think deeply about the environment. Ten thousand schools, two thousand colleges and universities, and virtually every community in the United States took part in the day we called Earth Day.

The U.S. Congress stood in recess so that its Members could devote Earth Day to focus on environmental concerns in their States and districts. All three networks devoted substantial coverage to events around the country, and the Public Broadcasting System devoted its entire daytime programming to Earth Day coverage.

In the end, more than 20 million people made known their concerns for the environment on Earth Day. The wave of support for environmental legislation that resulted from that first Earth Day resulted in the creation of the Environmental Protection Agency, the Clean Air Act, and the Clean Water Act.

With these major initiatives, we did more than increase awareness of the fragility of our global environmental—we reduced the amount of pollutants we were dumping into our environment. We instituted tougher controls on emissions and better safeguards for our resources. New technologies emerged to meet new challenges.

The environmental issues addressed by that first Earth Day were mostly local and national in scope. Today, we still face those original environmental problems, but we also recognize new, global challenges that few could foresee 20 years ago. Global climate change and destruction of the stratospheric ozone layer will require unprecedented cooperation among the nations of the world.

Next year, on April 22, 1990, we will again stop to think about the environmental challenges that we face, as we celebrate the 20th anniversary of Earth Day. But now, pausing to think must also mean we are ready to act, not only as a nation, but as neighbors in a global environment facing unprecedented threats.

The 1990's must be the decade of decisive action. If major national and international effort are not pursued during this period, irreparable damage will be done to the environment and the resources on which our economy, our security, and the future of life as we know it depend. These problems will not disappear of their own accord. They will only prove increasingly intractable and expensive, demanding crisis management.

In the developing nations, where more than 90 percent of all the people in the world will be born in coming decades, growing populations and debts intensify the pressures on natural resources every day. Deserts expand while the forest—home to such a wide range of life forms—continue to retreat. Hundreds of millions of people in the Third World live in abject proverty, and end up destroying the resources on which their future depends because no alternative is open to them.

Earth Day 1990 is being organized to overcome the sense of helplessness that many people feel in the face of these global challenges. It is rooted in a belief that people—working together—can indeed accomplish extraordinary things.

Earth Day 1990 will span nations, economies, and cultures. It will address scores of important issues. Decisions about how to best participate must be made at the national, regional, local, family, and personal levels. But we must all take part to show our common concern for our common future.

We know what to do. The task before us may seem immense, but Earth Day 1990 will remind us that it is manageable, that working together, we can protect our planet, the future of our children and all children around the globe. It will mark the beginning of a new decade of the environment and a critical resolve to make basic changes that will bring big re-

sults: reducing ozone-depleting chemicals and carbon dioxide emissions; preserving forests and endangered species; reducing our waste load and our energy consumption; coming to grips with explosive population growth and forging, once and for all, the path of sustainable development toward a sustainable future.

Mr. President, these issues are important to every American, and to every resident of this planet.

Mr. President, I am introducing a joint resolution today declaring April 22, 1990, to be Earth Day. This joint resolution has been drafted in close cooperation with the private sector organizers of this event. It is being introduced in the House of Representatives by Congressman UDALL. My cosponsors on this joint resolution include the majority leader, Senator MITCHELL; the ranking Republican member of the Environment Committee, Senator CHAFEE; my colleague from Colorado and partner in many such efforts, Senator WIRTH; my colleague from Pennsylvania, a key player in these matters, Senator HEINZ; and my friend and colleague from Massachusetts, Senator KERRY.

I am looking forward to Earth Day 1990, when together with millions of others around the world, we will gather again to illustrate our environmental solidarity clearly and convincingly.

● Mr. KERRY. Mr. President, I rise today as an original cosponsor of the joint resolution commemorating Earth Day 1990. Next April, one of the greatest demonstrations in history will take place across this Nation—and the world—Earth Day 1990, which will demonstrate around the globe that citizens need and want to save our shared planet Earth.

I helped organize the first Earth Day 20 years ago, and as a board member of Earth Day 1990, know that the renaissance in public interest in protecting our environment is bigger than ever. We've come a long way from the days of the early 1970's when supporters of the first Earth Day were contemptuously referred to as "tree huggers" or "bunny lovers" who weren't to be taken seriously. Today the environment and its critical state is being taken very seriously by Americans, from every walk of life, every income, every age, and every region of the land.

Earth Day 1970 brought us new laws and policies like the first Clean Air Act and Clean Water Act. Through massive educational efforts Earth Day 1990 will both teach citizens what they can do as well as put pressure on governments to enact necessary policies. The celebration will highlight the greenhouse effect and the need to lessen our dependence on fossil fuels and encourage strategies that promote energy efficiency, alternative energy sources and mass transportation. It will raise the ante and put pressure on governments to ban chlorofluorocarbons; as well as enact policies that slow down deforestation by preserving old growth forests, and promote sustainable development in agriculture. Another major area that will be addressed is waste management by focusing attention and the need for recycling efforts in the home, at school and in the work place as well as major litter campaigns to clean up our beaches and parks.

The first Earth Day is credited with raising people's consciousness about the environment. Today however, far too many citizens the world over have gotten far too complacent about the environment which we inhabit. Grassroots activity needs to be reborn, and so today by introducing this resolution on Earth Day 1990 we ask for a new call to action to all people to get involved to help save our planet Earth.

A century ago, a few Americans had begun to recognize that the environment—in all its greatness and grandeur—was not indestructible. As John Muir one of our first environmentalists wrote 100 years ago:

> Any fool can destroy trees * * * it took more than three thousand years to make some of the trees. * * * God has cared for these trees, saved them from drought, disease, avalanches, and a thousand straining leveling tempests and floods; but he cannot save them from fools—only Uncle Sam can do that.

The John Muir of today would include not only Uncle Sam, but Secretary Gorbachev, Margaret Thatcher, Gro Harlem Bruntland of Norway, Oscar Arias of Costa Rica, as well as, the many other leaders throughout the world.

Because today the issue of man threatening the environment has grown far beyond national borders—it has reached a point where it must be addressed on a global scale. Alone, no country can stem the tide of ocean pollution, put an end to acid rain or protect the Earth's ozone layer. Leaders of the international community and citizens of countries throughout the world must act in consort to sustain our planet. Earth Day 1990 will by necessity involve not just the United States, but as many nations as possible.

For example, recently, I participated in a televised global classroom project with Soviet and American students and environmental experts. The Soviets openly discussed how flawed irrigation projects have caused the Aral Sea to disappear, how major fish kills have occurred in Lake Baikal and the Volga River.

Other international examples of a strained environment can be seen in Poland where a quarter of the nation's soil is now believed to be too contaminated to farm safely, and the possibility that their tap water may be contaminated in the next decade is very real.

In Europe I have personally visited lakes which once provided a home to fish and plants—which are now completely lifeless from acid rain, and scientists are concerned that these lakes may never be restored. In Germany I witnessed first hand the destruction of that nation's heritage—the Black Forest—by acid deposition.

In Greece, we've observed the Parthenon literally melting from the deleterious effects of air pollution. In South America and Africa, we've helplessly watched as widespread tropical deforestation at the frightening rate of 54 acres a minute, has increased the amount of carbon dioxide in the atmosphere by as much as 20 percent adding to the greenhouse effect. And across the globe in China, soil erosion has damaged the Yellow River—ruining drinking water supplies, and causing flooding, economic havoc and dislocation for millions.

Mr. President, in America we must recognize that we cannot tell other nations what to do without realizing that we too have a road to travel. We have an air pollution problem that needs immediate national attention and I applaud the President for bringing this issue forward for debate. A few months ago 11 million gallons of oil was dumped into the once pristine Prince William Sound by a U.S. vessel and fortunately legislation to prevent such a future disaster and to help the cleanup effort is quickly moving through the Congress. In addition, lead has contaminated the tap water of an estimated 42 million Americans—with dire consequences to our children; and we have failed to take a lead in recycling or energy conservation. Furthermore, for years radioactive waste and toxics have polluted grounds surrounding nuclear production plants run by the Department of Energy.

The United States alone cannot save the world's environment, but we can be a model starting at home and taking the advice of Renee Dubos by "thinking globally and acting locally"; and we must act now.

Mr. President, Earth Day 1990 offers us an opportunity to launch this necessary national and worldwide coordinated effort. Unless all agree to take action together, many will fail to act at all. We can learn from the positive experience of the Montreal protocol in which nations agreed to reduce their production of chlorofluorocarbons. This model must be extended to address other critical issues, including global warming, through carbon dioxide emission reductions, ending deforestation, protecting biological diversity, as well as, keeping our oceans and beaches litter free, and promoting al-

ternative energy sources. Earth Day 1990 gives us the forum to get serious about the commitment.

Through introducing this resolution we are helping kick off an important awareness and education campaign that is urgently needed to avert the pending global environmental crisis. The need today for an environmental grassroots effort is more important than ever. Like the grassroots efforts that halted the Vietnam war we need a new grassroots effort to halt the toxic war, the air pollutants war and the global warming war. It is my hope that every citizen in every community in every State will be touched by the Earth Day 1990 message.

Policymakers react to their constituencies and now is the time for constituents to stand together and demand to be heard. I sound the alarm and ask for a new call to action to all people to get involved to help save our planet Earth, and urge citizens to participate and help make Earth Day 1990 the success it should be.●

By Mr. LAUTENBERG (for himself, Mr. CRANSTON, Mr. MURKOWSKI, Mr. PELL, Mr. CONRAD, Mr. MATSUNAGA, Mr. ROBB, Mr. BUMPERS, Mr. DIXON, Mr. JEFFORDS, Mr. BOREN, Mr. HOLLINGS, Mr. GORE, Mr. HEFLIN, Mr. COCHRAN, Mr. INOUYE, Mr. DOLE, Mr. SIMPSON, Mr. DECONCINI, Mr. KERRY, Mr. SIMON, Mr. LIEBERMAN, Mr. HATCH, Mr. MITCHELL, Mr. GRAHAM, Mr. SASSER, Mr. PRYOR, Mr. REIGLE, Mr. BOSCHWITZ, and Mr. BENTSEN):

S.J. Res. 160. Joint resolution to designate December 7, 1989, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor; to the Committee on the Judiciary.

NATIONAL PEARL HARBOR REMEMBRANCE DAY

● Mr. LAUTENBERG. Mr. President, today I am introducing a joint resolution to designate December 7, 1989, the 48th anniversary of the attack on Pearl Harbor, as "National Pearl Harbor Remembrance Day."

This joint resolution also authorizes and requests the President to issue a proclamation calling upon the people of the United States to observe this solemn occasion with appropriate ceremonies and activities, and to pledge our strong resolve to defend this Nation and its allies from all future aggression.

I would like to commend the New Jersey members of the Pearl Harbor Survivors Association, particularly Lee Goldfarb, the State chairman, and the approximately 10,000 members throughout the country, for their active interest and support in commemorating this 48th anniversary through a Presidential Proclamation of National Pearl Harbor Remembrance Day.

On December 7, 1941, "A date which will live in infamy," while talks between Japanese and American diplomats were going on in Washington, the United States was attacked by the Imperial Japanese Navy and Air Force. Pearl Harbor was caught totally unprepared. The blow was deliberately planned for Sunday morning, when the ships of the Pacific Fleet were moored in perfect alignment, and their crews were ashore, having breakfast or relaxing on board. There was no advance warning.

About 360 Japanese planes attacked the Pacific Fleet units at the naval base, and Army aircraft at Hickam Field and other nearby military installations. The surprise attack, launched entirely without provocation, took the lives of 2,403 Americans, and wounded 1,178. Some of those lost were civilians.

Fortunately, no aircraft carriers were tied up at the base during the attack. When the assault ended nearly 2 hours later, the Pacific Fleet had lost eight battleships, three light cruisers, three destroyers and four other vessels. The attack also destroyed about 170 U.S. planes. The Japanese had concentrated on ships and planes, leaving repair facilities, the submarine base, and fuel oil shortage facilities relatively undamaged.

In short, the attack had dealt the Pacific Fleet, and Hawaii's air defense a devastating blow. In less than 2 hours, the Japanese had crippled the Pacific Fleet and undermined America's strategic position in the Pacific.

The unification of the country under the impact was swift. It was the first time in U.S. history that we had been attacked first, and it wiped away the last vestige of isolationist sentiment. The entire country stood behind the President and gave him wholehearted support. The attack united U.S. public opinion, and propelled the United States into World War II. On 4:10 p.m., Monday, December 8, 1941, the United States declared war on the Japanese.

As "Remember Pearl Harbor" became the American war cry throughout World War II, so today we must "Remember Pearl Harbor." We must recall and pay tribute to those who died in that tragedy, and we must remember so that we will never be caught short or unprepared again.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD, and I urge my colleagues to support this joint resolution.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 160

Whereas on the morning of December 7, 1941, the Imperial Japanese Navy and Air Force launched an unprovoked surprise attack upon units of the Armed Forces of the United States stationed at Pearl Harbor, Hawaii;

Whereas over two thousand four hundred citizens of the United States were killed in action and one thousand one hundred and seventy-eight were wounded in this attack;

Whereas President Franklin Delano Roosevelt referred to the date of the attack as "a date that will live in infamy";

Whereas the attack on Pearl Harbor marked the entry of this Nation into World War II;

Whereas the people of the United States owe a tremendous debt of gratitude to all members of our Armed Forces who served at Pearl Harbor, in the Pacific Theater of World War II, and in all other theaters of action of that war; and

Whereas the veterans of World War II and all other people of the United States will commemorate December 7, 1989, in remembrance of this tragic attack on Pearl Harbor: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That December 7, 1989, the anniversary of the attack on Pearl Harbor, is designated as "National Pearl Harbor Remembrance Day" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States—

(1) to observe this solemn occasion with appropriate ceremonies and activities; and

(2) to pledge eternal vigilance and strong resolve to defend this Nation and its allies from all future aggression.●

ADDITIONAL COSPONSORS

S. 122

At the request of Mr. INOUYE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 122, a bill to amend title XVIII of the Social Security Act to provide coverage for social worker services furnished at rural health clinics.

S. 135

At the request of Mr. GLENN, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 276

At the request of Mr. DURENBERGER, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 276, a bill to establish a Department of Environmental Protection.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health

insurance for self-employed individuals.

S. 507

At the request of Mr. SIMON, the names of the Senator from Ohio [Mr. METZENBAUM] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 563

At the request of Mr. MATSUNAGA, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 563, a bill to amend section 3104 of title 38, United States Code, to permit certain service connected disabled veterans who are retired members of the Armed Forces to receive retired pay concurrently with disability compensation after a reduction in the amount of retired pay.

S. 570

At the request of Mr. DANFORTH, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Alabama [Mr. HEFLIN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Ohio [Mr. GLENN] were added as consponsors of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 618

At the request of Mr. SARBANES, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 618, a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 640

At the request of Mrs. KASSEBAUM, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 640, a bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents.

S. 659

At the request of Mr. SYMMS, the names of the Senator from Utah (Mr. GARN] and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of S. 659, a bill to repeal the estate tax inclusion related to valuation freezes.

S. 686

At the request of Mr. MITCHELL, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 686, a bill to consolidate and improve laws providing compensation and establishing liability for oil spills.

S. 724

At the request of Mr. GRAHAM, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 724, a bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, water, and natural resources within the park, and for other purposes.

S. 805

At the request of Mr. MCCLURE, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 805, a bill to amend the Food Security Act of 1985 to permit certain school districts to receive assistance to carry out the school lunch program in the form of all cash assistance or all commodity letters of credit assistance.

S. 896

At the request of Mr. SPECTER, the names of the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. WILSON], the Senator from Ohio [Mr. METZENBAUM], the Senator from Ohio [Mr. GLENN], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 896, a bill to amend the Public Health Service Act to aid in the planning, development, establishment and ongoing support of Pediatric AIDS Resource Centers, to provide for coordinated health care, social services, research and other services targeted to HIV infected individuals, and for other purposes.

S. 933

At the request of Mr. HARKIN, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 933, a bill to establish a clear and comprehensive prohibition of discrimination on the basis of disability.

SENATE JOINT RESOLUTION 106

At the request of Mr. BOND, the names of the Senator from Indiana [Mr. COATS], the Senator from New York [Mr. D'AMATO], the Senator from Kansas [Mr. DOLE], the Senator from Utah [Mr. GARN], the Senator from Washington [Mr. GORTON], the Senator from Utah [Mr. HATCH], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Georgia [Mr. NUNN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Virginia [Mr. ROBB], the Senator from Illinois [Mr. SIMON], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 106, a joint resolution to authorize a commemorative stamp to be issued on January 18, 1991, to honor Doctor Thomas Anthony Dooley III, and commemorate the 30th anniversary of his death.

SENATE JOINT RESOLUTION 124

At the request of Mr. GORTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 124, a joint resolution to designate October as "National Quality Month."

SENATE JOINT RESOLUTION 127

At the request of Mr. SIMON, the names of the Senator from Missouri [Mr. BOND], the Senator from Oregon [Mr. PACKWOOD], the Senator from Washington [Mr. GORTON], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Ms. MIKULSKI], the Senator from Indiana [Mr. LUGAR], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Utah [Mr. GARN], the Senator from Montana [Mr. BURNS], the Senator from Idaho [Mr. MCCLURE], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Ohio [Mr. GLENN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 127, a joint resolution to designate Labor Day Weekend, September 2-4, 1989, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 147

At the request of Mr. LAUTENBERG, the names of the Senator from Idaho [Mr. SYMMS] and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 147, a joint resolution to designate the week beginning June 11, 1989, as "National Scleroderma Awareness Week."

SENATE CONCURRENT RESOLUTION 47

At the request of Mr. SIMON, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Concurrent Resolution 47, a concurrent resolution expressing the sense of the Congress on multilateral sanctions against South Africa.

AMENDMENT NO. 196

At the request of Mr. MITCHELL, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of amendment No. 196 proposed to S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

S. 963

At the request of Mr. DOMENICI, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 963, a bill to authorize a study on methods to commemorate the nationally significant highway known as Route 66, and for other purposes.

S. 979

At the request of Mr. DASCHLE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 979, a bill to provide grants for designating rural hospitals as medical assistance facilities.

S. 1020

At the request of Mr. BRADLEY, the names of the Senator from North Dakota [Mr. BURDICK] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 1020, a bill to amend the Foreign Assistance Act of 1961 to authorize appropriations for the Child Survival Fund and for other health and disease assistance programs.

S. 1036

At the request of Mr. LEAHY, the names of the Senator from Ohio [Mr. METZENBAUM] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 1036, a bill to improve the economic, community, and educational well-being of rural America, and for other purposes.

S. 1129

At the request of Mr. BENTSEN, the names of the Senator from Nebraska [Mr. EXON] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 1129, a bill to amend the Internal Revenue Code of 1986 to simplify the antidiscrimination rules applicable to certain employee benefit plans.

S. 1179

At the request of Mr. LAUTENBERG, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 1179, a bill to establish a comprehensive marine pollution restoration program, to amend the Federal Water Pollution Control Act and the Marine Protection, Research, and Sanctuaries Act, and for other purposes.

SENATE JOINT RESOLUTION 93

At the request of Mr. DIXON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Joint Resolution 93, a joint resolution to designate October 1989 as "Polish American Heritage Month."

At the request of Mr. SIMON, the names of the Senator from California [Mr. CRANSTON], the Senator from Ohio [Mr. GLENN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Hawaii [Mr. INOUYE], the Senator from Washington [Mr. ADAMS], the Senator from Oklahoma [Mr. BOREN], the Senator from Tennessee [Mr. GORE], the Senator from Virginia [Mr. ROBB], the Senator from Maryland [Ms. MIKULSKI], the Senator from Alabama [Mr. SHELBY], the Senator from New York [Mr. MOYNIHAN], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Wisconsin [Mr. KOHL], the Senator from Massachusetts [Mr. KERRY], the Senator from North Dakota [Mr. CONRAD], the Senator from Arkansas [Mr. BUMPERS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Iowa [Mr. GRASSLEY], the Senator from Pennsylvania [Mr. HEINZ], the Senator from South Dakota [Mr. PRESSLER], the Senator from Alaska [Mr. STEVENS], the Senator from California [Mr. WILSON], the Senator from Florida [Mr. MACK], the Senator from Wyoming [Mr. SIMPSON], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Vermont [Mr. JEFFORDS], the Senator from New York [Mr. D'AMATO], the Senator from Utah [Mr. HATCH], the Senator from Virginia [Mr. WARNER], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 93, supra.

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE

ROTH (AND OTHERS) AMENDMENT NO. 199

(Ordered to lie on the table.)

Mr. ROTH (for himself, Mr. ARMSTRONG, Mr. WILSON, Mr. EXON, Mr. D'AMATO, Mr. COATS, Mr. GORTON, Mr. CHAFEE, Mr. MACK, Mr. BOSCHWITZ, Mr. MCCAIN, and Mr. GRASSLEY) submitted an amendment intended to be proposed by them to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

At the appropriate place, insert the following new section:

SEC. . CHILD CARE EARNINGS EXCLUDED FROM WAGES AND SELF-EMPLOYMENT INCOME FOR EXCESS EARNINGS TEST.

(a) WAGES.—Section 203(f)(5)(C) of the Social Security Act (42 U.S.C. 403(f)(5)(C)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new clause:

"(iii) the amount of any payment made to an employee who has attained retirement age (as defined in section 216(1)) by an employer for child care services (including indirect services) performed by such employee after the month in which such employee initially becomes entitled to insurance benefits under this title.".

(b) SELF-EMPLOYMENT INCOME.—Section 203(f)(5)(D) of such Act (42 U.S.C. 403(f)(5)(D)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii),

(3) by inserting immediately after clause (ii) the following new clause:

"(iii) an individual who has attained retirement age (as defined in section 216(1)) who has become entitled to insurance benefits under this title, any income attributable to child care services (including indirect services) performed after the month in which such individual becomes entitled to such benefits,", and

(4) by striking out "royalties or other income" and inserting in lieu thereof "royalties or income".

(c) PAYMENTS OF CERTAIN RECOMPUTED BENEFITS DELAYED.—Section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by adding at the end thereof the following new subparagraph:

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph shall be further increased on an actuarial basis to include such benefits which would have otherwise been paid in a lump sum (determined from the recomputation date to the effective date of such recomputation as provided under subparagraph (D)) as exceed an amount equal to such additional benefits determined for a thirteen month period beginning from such recomputation date.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to wages or income earned after the date of the enactment of this Act.

(2) The amendment made by subsection (c) shall apply to recomputations made after the date of enactment of this Act.

PRYOR (AND OTHERS) AMENDMENT NO. 200

Mr. PRYOR (for himself, Mr. BUMPERS, and Mr. DIXON) proposed an amendment to amendment No. 196 proposed by Mr. MITCHELL (and others) to the bill S. 5, supra, as follows:

On page 8, line 15, delete "16" and insert in lieu thereof "13".

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold field hearings on "Drugs and Violence: The Criminal Justice System in Crisis."

These hearings will take place on Monday, June 26, 1989, in Macon, GA, and on Wednesday, June 28, 1989 in Atlanta, GA. For further information, please contact Eleanore Hill of the subcommittee staff at 224-3721.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. WIRTH. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources to receive testimony on a national energy policy. Secretary of Energy, Adm. James D. Watkins, and Deputy Secretary of Energy, W. Henson Moore, are scheduled to testify.

The hearing to receive testimony on domestic and international CO_2 emissions has been postponed.

The national energy policy hearing will take place Thursday, June 22, 1989, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the full committee, SD-306, Washington, DC 20510.

For further information, please contact Leslie Black of the committee

staff at (202) 224-9607 or David Harwood, legislative assistant with Senator WIRTH, at (202) 224-5852.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on June 20, 1989, beginning at 11 a.m., in 485 Russell Senate Office Building, to consider the nomination of Dr. Eddie Brown for the position of Assistant Secretary for Indian Affairs, Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on June 20, 1989, at 9:30 a.m. to consider pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 10:30 a.m., to hold a hearing on moral rights; visual artists.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 3:30 p.m., to hold a business meeting to vote on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 2 p.m., to hold the final hearing in their series on the future of United States-Soviet relations with Secretary of State Baker as a witness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURE RESEARCH

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Research of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 9:30 a.m., to hold a hearing on the mechanisms for establishing priorities in agricultural research programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 2 p.m., in open session to receive testimony on the Department of Defense University Research Program in review of S. 1085, the Department of Defense authorization bill for fiscal years 1990-91.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 10 a.m., to hold a hearing on proposals to improve health care coverage for children under the Medicaid and Maternal Child Health Services Block Grant Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, June 20, 1989, at 9:30 a.m., to receive testimony on S. 724, a bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, waters, and natural resources within the park, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Tuesday, June 20, 1989, at 10 a.m., to conduct hearings on S. 566, the National Affordable Housing Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WEST VIRGINIA'S BIRTHDAY

● Mr. ROCKEFELLER. Mr. President, today I rise to recognize the great State of West Virginia on its 126th birthday.

On June 20, 1863, the area that is now home to 2 million proud Mountaineers became the 35th State to join the Union.

I am personally celebrating my silver anniversary of service to the fine people of West Virginia. I am enormously proud of my State and our determination to build a strong and bright future. The word is quickly getting out on "America's best kept secret." White-water rafting on West Virginia's rivers attracts thousands of visitors annually. Countless others come to enjoy skiing, camping, hunting, fishing, and the majestic beauty of the Mountain State that generations have enjoyed.

West Virginia was formed out of the long and embittered battles of the Civil War, earning her statehood through great bloodshed. Though recent times have brought some hardship, the dedicated citizens of West Virginia are determined to secure the future of their proud State for the generations yet to come.

Mr. President, today I ask you and my other colleagues to join me in saluting not only the State of West Virginia, but its proud citizens as well.●

A TRIBUTE TO CARL SAWICKI

● Mr. D'AMATO. I rise today to relate to my colleagues the bold determination of one of my constituents, Mr. Carl Sawicki.

Mr. Sawicki will turn 40 this July, and plans to do something special for his birthday. Carl is an avid bicyclist, and is planning to ride across the country in 21 days. In those 21 days he will cover 3,200 miles between San Francisco and Atlantic City, followed by his wife, Sara, who will follow in a van with supplies.

The Sawicki's will pay for the expenses of the trip themselves, and plan to raise $3,200 through pledges from sponsors. This money will then be donated to the Catskill Area Hospice, Inc., which cares for terminally ill patients. Carl's father died 10 years ago when the hospice was not in existence and Carl is riding so that others might live with dignity.

I would like to ask my colleagues to join me in applauding Carl Sawicki for his noble venture. May God be with him on his journey.●

A TRIBUTE TO NORMAN FAGAN

● Mr. ROCKEFELLER. Mr. President, I rise in honor of an outstanding West Virginian Norman Fagan who began employment with West Virginia's nationally acclaimed cultural center when it opened in July 1976.

As the commissioner of culture and history, Norman Fagan founded several events that have become annual traditions in West Virginia. They include the Vandalia Festival; the Jazz Festival; the Dance Festival; the High

School Drama Festival; the Community Theater Festival; the Young Arts Festival; the Black Cultural Festival; and the Summer Film Festival.

Fagan, a native of Pittsburgh, was manager for the Pittsburgh Playhouse before he spent a summer working in Beckley, WV, at the Grandview State Park. He was then employed by former Govs. Okey Patterson and Hulett Smith. From 1968 to 1971, Fagan was the director of the arts council in Charleston and then served as director of education at the Kennedy Center in Washington, DC. In 1972, he became chairman of the Endowment for the Arts in Washington, DC, and then returned to West Virginia as director of the arts council, chairman of the State's bicentennial commission and director of the cultural center in 1974.

Mr. Fagan will be retiring as commissioner of culture and history on June 30 after 15 years of service. I would like to commend Mr. Fagan on his years of dedicated service to the people of West Virginia. All West Virginians are grateful and proud of him and his many accomplishments. He is truly an outstanding person and citizen.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $0.9 billion in budget authority, and over the budget resolution by $0.4 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $135.7 billion, $0.3 billion below the maximum deficit amount for 1988 of $136 billion.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC., June 19, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1989 and is current through June 16, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, for fiscal year 1989, House Concurrent Resolution 268. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the 1986 first concurrent resolution on the budget.

Since my last report, Congress has taken no action that affects the current level of spending or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF JUNE 16, 1989

[In billions of dollars]

	Current level [1]	Budget resolution H Con Res 268 [2]	Current level resolution
FISCAL YEAR 1989			
Budget authority	1 231 0	1 232 1	0 9
Outlays	1 100 1	1 099 8	4
Revenues	964 3	964 7	[illegible]
Debt subject to limit	2 767 1	[3] 2 824 7	57 6
Direct loan obligations	[illegible]	28 3	3 9
Guaranteed loan commitments	111 0	111 0	
Demand	135 7	[4] 136 0	[illegible] 3

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted or the President has signed or vetoed or which has become law over the President's veto, or which has been reported by committees of the House and Senate and is expected to be enacted or become law. The current level also includes estimates of budget authority, outlays, and revenues for all mandatory programs requiring annual appropriations or budget resolution action, regardless of whether such action has been taken. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with sec. 5(a)(1)(b) of the levels of budget authority, outlays, and revenues have been revised for Catastrophic Health Care (Public Law 100-360).

[3] The permanent statutory debt limit is $2,800.0 billion.

[4] Maximum deficit amount (MDA) in accordance with section 311(a) of the Congressional Budget Act, as amended.

NOTE: Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT 101ST CONG. 1ST SESS. SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS JUNE 16, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I Enacted in previous sessions			
Revenues			+64 434
Permanent appropriations (total trust funds)	874 205	724 990	
Other appropriations	594 475	609 327	
Offsetting receipts	218 335	218 335	
Total enacted in previous sessions	1 250 345	1 115 982	+64 434
II Enacted this session			
Agricultural dairy purchase price for nonfat dry dairy products (Public Law 101-7)		10	
Implementation of the Bipartisan Accord on Central America (Public Law 101-14)	11		
Total enacted this session	11	10	
III Continuing resolution authority			
IV Conference agreements ratified by both Houses			
V Entitlement authority and other mandatory items requiring further appropriation action			
Dairy indemnity program	(-[1])	(-[1])	
Special milk	1		
Food Stamp Program	253		
Federal crop insurance corporation fund	144		
Compact of free association	1	1	
Federal unemployment benefits and allowances	31	31	
Worker training	32	32	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund [1]	(85)	(85)	
Payment to hazardous substance superfund [1]	(99)	(99)	
Supplemental security income	701	701	
Special benefits for disabled coal miners	3		
Medicaid			
Public Law 100-360	45	45	
Public Law 100-485	10	10	
Family Support Payments to States			
Previous law	355	355	
Public Law 100-485	63	63	
Veterans Compensation COLA (Public Law 100-678)	345	311	
Total entitlement authority	1,559	1,171	
VI Adjustment for Economic and Technical Assumptions	18 925	16,990	
Total current level as of June 16 1989	1,232 969	1,100,103	[illegible]
1989 budget resolution H Con Res 268	1 232 050	1,099,7[illegible]	[illegible]
Amount remaining			
Over budget resolution	919	[illegible]	
Under budget resolution			266

[1] Interfund transactions do not add to budget totals.

[2] Less than $500 thousand.

NOTE: Numbers may not add due to rounding.●

PARLIAMENTARIAN STATUS REPORT 101ST CONG. 1ST SESS. SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS JUNE 16, 1989—Continued

[In millions of dollars]

TRIBUTE TO THE 50TH ANNIVERSARY OF THE AMERICAN COLLECTORS ASSOCIATION

● Mr. DURENBERGER. Mr. President, Minnesota is proud to be the home State to many corporations of national and international stature. And, through civic dedication, we claim great honor in being the center of great theater and music. At the core of our boasting is the promise of hard work, and the drive toward accomplishment.

For the last 40 years, Minnesota has been the hard-working home of the American Collectors Association. This national professional association, now celebrating its 50th anniversary, is the body charged with the responsibility to ensure professionalism and fair play in a field of business most of us hope we will never have to encounter.

Today, the American Collectors Association [ACA], located in Edina, MN, employs a dynamic staff of 50 to perform pertinent service functions to an international constituency of folks involved in the collection business. They provide professional operations insurance as well as access to health plans, promotional and administrative assistance to smaller operations, field complaints from member firms and private citizens.

Seasoned veterans of the field can gain from the continuing education opportunities offered by ACA. Workshops today address concerns relative to such topics as financial counseling, operations diversification and the characteristics of consumers who fall behind in paying off debt. This is a prime indication of the level of sophis-

tication the debt collection field enjoys today.

ACA is responsible for monitoring legislation as it affects members on State and Federal levels. Internationally, they represent operations on every continent but Antarctica, bringing together those who perform an essential service to a number of cultures and economies.

ACA shares a rich tradition of hard work, and is looking to the nineties to continue serving the debt collection professionals of the world. Minnesota is proud to welcome the associations's convention goers to the annual convention to be held this summer in Minneapolis. The theme of "golden opportunity" appropriately fits the proud celebration of ACA's golden anniversary.●

INVESTMENT IN EDUCATION AND TECHNOLOGY

● Mr. SIMON. Mr. President, I read a commentary that appeared in the Washington Post by Colby Chandler, chairman of Eastman Kodak Co., that is absolutely sound. It calls for greater American investment in education and technology.

There is wisdom in what he has to say, so much wisdom that we dare not ignore his advice.

My colleagues will remember that a few weeks ago, I asked to transfer 1 percent of the defense budget, approximately $3 billion, to education. I lost, though I received a substantially larger vote than many people expected since the leadership of both parties had lined up against me.

However we do it, we must simply make a much greater priority out of education and research in this country.

I ask that the Colby Chandler piece be inserted in the RECORD.

The article follows:

[From the Washington Post, June 7, 1989]

AMERICA'S FUTURE DEPENDS ON ITS INVESTMENT IN EDUCATION AND TECHNOLOGY

(By Colby Chandler)

America, like Britain before, is squandering its world economic leadership role through complacent self-indulgence. The result will be declining American living standards, as we become a nation quarreling over an undersized pie. To avoid this, we must tend to the basic elements of our competitiveness, the dollar, education and technology. At present, we are doing poorly on all three fronts.

First, the dollar. The last thing America manufacturing needs is a rising dollar, yet our currency is at a two-year high and not even economists can come up with a reason. The central banks keep intervening, yet seem unable to bring the dollar down.

American exports had been growing at a good pace and the trade deficit was beginning to fall. Now, export growth is stalling, the trade deficit is stuck at levels near $100 billion and our competitors can start reaping huge profits in the domestic market once again.

American companies that compete with foreign products either at home or abroad are faced with the familiar and unwelcome choice of squeezing profits to maintain market share or losing out to the competition. Either way it spells trouble for the American economy, because manufacturing will invest less in future capacity, when much more is required.

Sometine in the next decade, if other policies are not in place, the dollar will fall enough for us to start running trade surpluses, for the simple reason that no nation, not even ours, can forever continue going deeper into debt. Ultimately, our creditors will demand repayment.

But relying on the dollar alone to create trade surpluses—the most basic definition of competitiveness—must be a last resort, and a highly undesirable one. It means our merchandise goods are so cheap that the world will buy them regardless of quality. And it means that American living standards have taken a dive.

Rebuilding a strong manufacturing sector able to pay high wages and still sell in world markets takes time. According to a newly released study done for Eastman Kodak Co., "Meeting World Challenges: U.S. Manufacturing in the 1990s," manufacturing inevitably will become a larger share of the U.S. economy as we are forced to run trade surpluses, since manufactured goods are mostly what we trade.

But it is by no means assured that this "reindustrialization" will lead to better living standards for Americans. To the contrary, America could end up the low wage producer compared to West Germany and Japan unless we have sharp changes in policy soon.

A first-rate education system and sound technology policy are the foundations upon which we need to rebuild manufacturing. But neither is in place at the moment.

As a manufacturer of high-technology goods, I am alarmed that Kodak will be unable to find adequately educated and trained workers for our plants in the years ahead. Jobs will go begging because the skilled labor will simply not be available.

In Rochester, N.Y., only 2 percent of the jobs that need to be filled can be described as unskilled, yet anywhere from 10 to 15 percent of the work force is below high school equivalency!

As a manufacturer, I can speak with some authority about technology, the third leg of our competitiveness.

Superior technology means a superior product and a successful firm. At the company level, technology is central. So it is for the country. Yet, as a nation we fail to appreciate the critical role that technology plays in our future. To the contrary, we mindlessly pursue policies that undercut our ability to maintain a lead in this critical area.

We undercut technology in four ways. First, our capital markets worship the short term. Investment in research and development of new technologies with potential pay off down the road is anathema to financial markets, which thrive on volatility and judge a company on the basis of a quarter's performance.

Second, economic policies in this country undercut technology development by requiring high real interest rates to keep inflation under control. As long as we run large budget deficits in a fully employed economy, the Federal Reserve will have no choice but to keep interest rates up. A high interest rate environment makes investment in new technologies very expensive. Reducing the budget deficit, even if it means tax increases along with spending cuts, must be a priority if we want to invest in the future adequate rates.

Third, technology is not a priority for the U.S. government. The FSX deal with Japan shows the low regard in which it is held. Other governments view it as a national security matter. We seem prepared to give our technology leadership away, if it helps meet other "higher" national objectives.

The Bush administration's willingness to provide federal seed money for the development of high-definition television technology is a welcome first sign that at the national level development of commercial technologies is recognized as important to our economic future. Whether we end up handling HDTV correctly remains to be seen. The fact that the government is now paying attention is what counts.

Finally, while I have not resolved in my mind the role that government should play in technology development, I believe that we have been too ideologically rigid in the past about government-industry partnerships outside the defense area. After all, American agriculture today is the most productive, technologically advanced in the world, and there is no doubt that the government has played a key role in this success story.

While massive subsidies are not the answer for technology development, there are certainly lessons to be learned from the agriculture experience that do not undermine our free enterprise systems.

It is not inevitable that America declines in the years ahead. But it is also true that without a commitment to excellence in education and investment technology, a sharp fall in the dollar and our living standards will be the answer to America's competitiveness problems.●

ATLANTA JOURNAL AND CONSTITUTION ASSAULT WEAPONS STUDY

● Mr. CHAFEE. Mr. President, as my colleagues know, one of the most highly charged debates in America is the one over whether to ban so-called military-style assault guns. Since last January's tragic killing of schoolchildren in Stockton, CA, by a deranged man with a semiautomatic assault rifle, there has been a torrent of national and State legislative gun control proposals unparalleled since the passage of the 1986 Gun Control Act. Yet a central question in this controversy has remained: Just how serious is the problem of assault guns in America?

In a recent article, reporters Jim Stewart and Andrew Alexander employed a truly innovative method to come up with what is now a highly regarded study on the prevalence of assault guns in crime. For nearly a month, aided by a small clerical staff, they examined 42,758 firearms trace request forms that were sitting in file drawers at the Bureau of Alcohol, Tobacco and Firearms Tracing Center in Landover, MD. Information from the forms was put into computers, creating a base of more than 800,000 pieces

of data from which to make tabulations regarding how often assault guns are used in crimes and what models of these weapons pose the greatest threat to society.

The resulting stories have made a significant contribution to our understanding of this emotional and complex issue. I ask that they be inserted for the RECORD. I also ask that a copy of an editorial entitled "Assault Guns as Crime Weapons" from today's Washington Post be inserted as well.

The material follows:

[From the Atlanta Journal and Constitution, May 21, 1989]

ASSAULT GUNS MUSCLING IN ON FRONT LINES OF CRIME

(By Jim Stewart and Andrew Alexander)

WASHINGTON.—An assault gun is 20 times more likely to be used in crime than a conventional firearm, according to a study by the Atlanta Journal-Constitution Washington Bureau.

While assault guns account for 1 million—or 0.5 percent—of the 200 million privately owned firearms in the United States, they were used in one of every 10 crimes that resulted in a firearms trace last year, the study shows.

The findings appear to document for the first time what police across the nation have asserted for months—that a minute number of semiautomatic guns patterned after military firearms are the favored weapon of a growing number of criminals, especially violence-prone drug gangs that infest larger U.S. cities.

The study further found that two-thirds of the assault guns traced to crime are produced domestically and will not be affected by President Bush's decision to ban the importation of 49 foreign-made assault guns. The import ban is a key element in the administration's crime-fighting program announced last Monday.

"If you're going to do anything to assault weapons, I think you have to do a little more than Mr. Bush has done, and this study demonstrates that very clearly," said Sen. Dennis DeConcini (D-Ariz.), sponsor of one of two Senate bills that would impose new restrictions on assault guns.

A spokesman for the White House, however, said the findings were not at odds with Mr. Bush's plan but in fact "underscore the importance of the president's proposals."

Despite their small numbers, assault guns showed up in nearly 30 percent of all firearms traced to organized crime, gun trafficking and crimes committed by terrorists in the United States in 1988 and the first quarter of 1989, the study found.

And of the thousands of gun models sold in the United States, just 10 of them—all members of the so-called assault gun family—accounted for 12.4 percent of the nation's drug-related crime, the study found.

The findings came from a comprehensive examination of 42,758 gun trace requests submitted to the Federal Bureau of Alcohol, Tobacco and Firearms (ATF) from police departments around the nation. The forms covered the period from Jan. 1, 1988, to March 27, 1989.

With the bureau's approval, The Atlanta Journal-Constitution Washington Bureau entered data from each of the trace requests into computers. The data included the location and nature of the crime, the manufacturer of the gun involved, the weapon model, the magazine capacity and the weapon serial number. Once collated, the information provided a detailed state-by-state picture of the use of firearms in crime that had never before been available.

"These deadly statistics are hardly news to the nation's police officers, who are forced to deal with the carnage every day," said Sen. Howard M. Metzenbaum (D-Ohio). "But this chilling evidence should be enough to convince the rest of us that assault guns must be banned now."

Robert J. Barnes, a former senior federal firearms enforcement officer, said, "What this screams at me is that criminals have gone from using defensive weapons, like small handguns, to offensive weapons. This presents a totally different picture for the policemen of America. Their lives are clearly in much greater danger."

MIAMI, L.A. TOTALS: TWICE THE NATIONAL AVERAGE

For purposes of the study, assault guns were defined as those specifically identified by the Bush Administration's temporary import ban on foreign-manufactured semiautomatic weapons, as well as the domestically produced semiautomatics identified in Senate Bill 386, introduced by Mr. Metzenbaum. The two lists totaled 64 individual weapon models.

Among the study's other chief findings:

The use of assault weapons in crime rose more than 78 percent in 1988 over 1987. Figures for the first three months of 1989 show the trend toward the use of assault guns continues to grow.

Just 10 assault gun models accounted for 90 percent of the crimes involving assault guns. One of every five of those was a weapon known as a TEC-9. The gun, made in Miami, was virtually unknown two years ago.

In Miami, where drug gangs are especially violent and gun laws are lax, assault gun use rose to nearly twice the national average. In Los Angeles, the frequency of assault gun use in crime was also about twice the national average. In that city, a 20-day waiting period is required before a handgun purchases can be completed; assault rifles, however, are not covered and thus are easier to buy.

Some weapons that have figured prominently in congressional debates over assault weapons—notably the Atlanta-made Street Sweeper shotgun—actually cause barely a ripple on the crime scene. During 1988, only one of more than 33,700 guns traced by federal agents was a Street Sweeper.

For the first time since records on firearms used in crimes have been kept in the United States, semiautomatic pistols outnumber revolvers. Overall, the figures reveal a clear tend on the part of criminals to upgrade their arsenals with weapons that fire faster and hold more ammunition.

Most U.S. police departments are still armed with standard six shot revolvers, according to the International association of Chiefs of Police.

ATF LACKS FUNDS TO DO OWN COMPUTER ANALYSIS

The gun trace forms reviewed for this article were submitted to the U.S. Bureau of Alcohol, Tobacco and Firearms Tracing Center in Landover, Md., by city, state and federal police departments from all 50 states; a handful were submitted by foreign agencies. The ATF, an arm of the Treasury Department, is the federal agency responsible for enforcing U.S. firearms regulations. Its Landover center acts as a clearinghouse to aid police by tracing the ownership of guns used in crimes.

The ATF used to have the capability to do computer analysis of gun trace information, but it lost funding for its own computer system in 1985 and has since processed all requests by hand.

"The priorities on money changed, and unfortunately, other things came first," spokesman Richard Pedersen said.

The Atlanta Journal-Constitution Washington Bureau sought access to the forms in February and offered to computerize the data. The ATF agreed.

Summaries of data from the forms are "normally disclosable information that we needed and would have been glad to release, but did not have the manpower or funding to do so," Mr. Pedersen said.

The trace requests on file at Landover do not represent all the crimes committed with firearms in any given year because only a portion result in a trace request. Police departments vary in how frequently they ask for traces, according to Thomas M. Gerrity, the center's director.

The requests do, however, represent a "significant cross section" of firearm-related crime, Mr. Gerrity said. "It is the only national data base of its kind in the nation," he said.

For example, in 1987—the last year for which full records are available, the FBI's Uniform Crime Reporting Section documented 1.3 million crimes reported against individuals. Of those, 361,000 involved a firearm. The same year, the ATF received 35,100 weapons trace requests, about one for every 10 gun crimes reported.

SLAYINGS OF SCHOOLCHILDREN SPUR DEBATE

Assault weapons have been the focus of an increasingly emotional debate since January, when Patrick Edward Purdy killed five schoolchildren and wounded 29 others and a teacher in a Stockton, Calif., schoolyard. Purday fatally shot himself in the head with a semiautomatic pistol before police arrived.

The killings prompted a wave of national and state legislation, unparalleled since the assassinations of Robert F. Kennedy and Martin Luther King Jr. led to passage of the 1968 Gun Control Act. Twenty-three state legislatures are considering bills that would ban or restrict the use of specified assault guns. In Congress, two bills are pending in the Senate Judiciary Committee while four are working their way through the House.

Two problems have hampered advocates of revised gun laws.

The first is the difficulty of defining assault guns. Semiautomatic assault guns have the same kind of "receiver"—the mechanical portion of the gun housing the firing mechanism and to which the barrel is attached—as many popular hunting and sporting weapons not targeted for restriction.

Most current bills attempt to clear that hurdle by naming the weapons to be restricted. They would leave it to the ATF and a board of advisers to revise the list as need be, with congressional approval.

Their second problem deals with the actual number of assault guns owned by Americans and how many of these weapons have been involved in crime—varying estimates have confused the debate.

In testimony before a House subcommittee last month, ATF Associate Director Daniel M. Hartnett estimated that Americans own between 2 million and 3 million

semiautomatic firearms that could be classed as assault guns.

After a review of ATF records, agency spokesman Tom Hill said the number is closer to 1 million. Mr. Hill said the estimate was based on the actual number of imported weapons in the president's ban, combined with estimates of domestically produced weapons.

The number of assault guns traced last year surprised officials because there are so few of them in the general gun population.

Ninety percent of assault gun crime can be attributed to just six rifle models, three pistols styled with submachine-gun looks and one shotgun model, the Italian-made SPAS 12.

Among all types of weapons, the top five criminal guns were:

1. The MP-25, a .25-caliber semiautomatic pistol manufactured by Raven Arms in City of Industry, Calif., with an average reatil price of $85.

2. The Model 60, a stainless-steel .38-caliber revolver produced by Smith & Wesson of Springfield, Mass., priced at $360.

3. The Model 36, a slightly plainer .38-caliber revolver also made by Smith & Wesson and one of the world's most popular handguns. Its estimated retail price is $320.

4. The J22, a .22-caliber semiautomatic pistol made by Calwest Co. of Irvine, Calif., known for its small size, low price and notorious inaccuracy. It sells for $45.

5. The TEC-9, which ranked no better than fifth among assault guns alone in 1986 but is rapidly moving up the sales ladder. It retails for under $380.

In sheer numbers, assault guns were most common in drug-related crime, accounting for 12.4 percent of all narcotics firearms traced. On the West Coast, that frequency jumped to 21 percent, and in Arizona to 38.6 percent.

In addition to the standard crime categories traced, the government also tracks firearms involved in investigations of organized crime. Assault guns amounted to nearly one of every three guns in that category.

THE FICTION, THE FACTS

Fiction: Assault weapons are the same thing as machine guns.

Fact: Assault weapons are semiautomatics. Machine guns and submachine guns are automatics. The 1986 Firearm Owner Protection Act outlawed the production of machine guns for civilian purchase. To buy one today, the purchaser must pay a $200 transfer fee and submit to a background check by the federal government, submit a letter from his local police department and be fingerprinted.

Fiction: Assault weapons fire thousands of rounds a minute.

Fact: No assault gun can fire at such a high rate. That is true whether the weapon is a semiautomatic one, which fires one bullet for each pull of the trigger, or a fully automatic military rifle, which fires continuously when the trigger is depressed. The most a semiautomatic weapon can handle is between 60 and 80 rounds a minute, assuming the firer changes magazines rapidly.

Fiction: "There is simply no evidence that criminals prefer to use semiautomatic rifles, shotguns or pistols for illegal purposes. In fact, data available on criminals' firearms preferences indicates just the opposite." "Semi Auto Firearms," a pamphlet published by the National Rifle Association.

Fact: Whatever past trends may have shown, that's not the case today. For the first time since police began categorizing weapons by type, semiautomatic pistols are outdistancing revolvers and all other firearms as the weapon of choice of criminals. In the 15 months between Jan. 1, 1988, and March 27, 1989, semiautomatic models moved slightly ahead of revolvers, 14,160 to 13,968.

HOW THE STUDY WAS DONE

For purposes of this article, assault guns are defined as all 49 weapons identified in the March 14 and April 5 White House announcements temporarily suspending importation of specified foreign-made semiautomatic weapons. Also included are the 15 additional domestically produced semiautomatics identified in Senate Bill 386 as introduced by Sen. Howard M. Metzenbaum (D-Ohio).

In all, 42,768 Firearms Trace Request forms filed at the U.S. Bureau of Alcohol, Tobacco and Firearms (ATF) Tracing Center in Landover, Md., were examined. The forms cover the period from Jan. 1, 1988, to March 27, 1989.

Information from the forms was entered into computers by Atlanta Journal-Constitution Washington Bureau reporters and clerks and tabulated by Data Tabulating Service Inc. of Atlanta.

The information from each form included the date of the request; the identity of the requesting agency; the state where the request originated; the manufacturer; type of weapon, model, caliber, magazine capacity, serial number and country of origin; the type of crime involved; the presence, if any, of organized crime; and codes for nine major metropolitan areas selected by the reporters. Information on the forms was supplied by the law enforcement officer making the request.

Robert J. Barnes of Texarkana, Ark., served as a technical adviser for this article. A licensed firearms consultant, Mr. Barnes is the ATF's former senior firearms enforcement officer.

[From the Atlanta Journal and Constitution, May 21, 1989]

YOU AIN'T SEEN NOTHING; WAIT UNTIL I START SHOOTING PEOPLE

(By Andrew Alexander and Jim Stewart)

MANASSAS, VA.—Manassas police Sgt. John D. Conner was only about 25 feet away when he spotted the suspect, Roy Bruce Smith, coming out the back of the house.

Smith was drunk, but he still had an unfair advantage. Sergeant Conner was armed with a standard police-issue pistol; Smith had a Colt AR-15 and a full 20-shot clip.

"Drop the rifle! Drop the rifle now!" Sergeant Conner screamed.

Turning, Smith braced the semiautomatic against his hip and opened fire, spraying about 15 shots in the direction of the policeman.

The bullets picked the officer up like a rag doll and jolted him backward. One hit him in his right forearm, blowing out a crater of flesh. A second exploded through his right calf below the knee, leaving blood gushing from a 4-inch-long wound. For several moments the wounded officer thrashed in agony while Smith worked to clear a jammed round from his rifle. Finally, Smith pulled a handgun from his belt and fired once into Sergeant Conner's head.

Smith, 42, was convicted of capital murder in March. He awaits a judge's decision in a few days on the jury's recommendation that he die in Virginia's electric chair.

The AR-15 Smith used is now in a police safe awaiting eventual destruction. It was only one of hundreds of identical rifles traced last year to crime in America. The AR-15, in fact, ranked second among all assault guns in crime last year, according to a study by the Atlanta Journal-Constitution Washington Bureau.

In a recent prison interview here, Roy Smith said he didn't know anything about assault guns when he bought it in April 1979.

"It wasn't called an assault rifle back when I bought it," he said. "It was just an AR-15. I just bought it for target shooting."

The black metal-and-plastic-frame rifle also appealed to him because it was "ugly," the former computer technician said. The gun had come from an Atlanta distributor who sold it to a suburban Washington gun store, where Smith bought it.

"Smith had every weapon imaginable in his house, but he chose this one," said James A. Willett, a prosecutor in the case. "It was his weapon of choice."

According to court records and interviews with Smith, the prosecutor and police, this is what happened that day, one of the hottest and muggiest of the 1988 summer.

Smith had been drinking for hours. He was alone. Carol, his wife, had gone off to a company picnic without him.

There marriage was on the rocks. Nine months before, he had returned from an assignment in Asia and announced that he had fallen in love with a young South Korean woman. He wanted her to come live with them in Manassas. Not surprisingly, Carol objected.

And so when she headed off without him that day, he turned sour and started downing beers.

It was a familiar pattern for Smith. Subsequent testimony by a psychiatrist revealed Smith to have a "borderline personality disorder."

The psychiatrist explained: "Roy falls into a class of people who by definition, relative to normal, are more impulsive, more unstable, more prone to maladaptive action when thoughtful reflection would be helpful."

Indeed, the prosecution discovered a history of arrests, alcohol abuse and violence spanning nearly 20 years. It included misdemeanor convictions for disorderly conduct, assault and battery and indecent exposure. A felony conviction would have made it illegal for him to buy a gun.

During his first marriage, prosecutors said in court papers, Smith had been "abuse and threatening to his wife and members of her family. He frequently drank to excess and occasionally used marijuana. His conduct included, but was not limited to, threats, brandishing firearms, destruction of property and animal cruelty."

The more Smith drank that day, the more distraught he became. After about a dozen beers, he went into his house and got his AR-15. He stuck a .44-caliber Magnum pistol in a cowboy-style holster on his hip. He got another .357-caliber Magnum and tucked it under his belt. Then, as the sun began to set, he perched on the front porch of his brick-and-brown-siding townhouse and fired a few rifle rounds into the air.

Daniel Woods, who lived nearby, wandered by and offered a neighborly warning. "You've got to watch doing that kind of stuff," he told Smith. "You're going to get yourself in some serious trouble."

"You ain't seen nothing," Smith replied. "Wait until I start shooting people."

Then, as Mr. Woods walked away, he added: "All I'm really waiting for is somebody to call the police. First one I see, I'll blow him away."

Within minutes, he had the opportunity. As the police arrived and headed his way, Smith grabbed his AR-15 and retreated through the house and out the back door.

There in the humid dusk, perhaps 20 feet away, he faced Sergeant Conner.

"I got him coming out the back door," the sergeant radioed to fellow police. It was then he ordered, "Drop the rifle! Drop the rifle now!" and Smith turned, his assault rifle bucking in his hands.

In a rambling tape-recorded interrogation by police officers later that evening, Smith said he had become proficient with the military version of the AR-15 years ago in Army training.

"Unfortunately, I'm a good shot," he said. With an AR-15, I could hit you at a hundred meters.

"You don't forget," he said. "It's like riding a bicycle."

For John Conner's widow, Christine, the healing has proved slow. In a letter to the judge last month, she said she has lost more than 30 pounds since the shooting and has been placed on the drug Buspar, a "mood elevator." She distrusts even her friends and has sought counseling.

Her 2-year-old daughter, Elizabeth—unable to grasp the concept of death—occasionally carries a picture of her father and talks to him.

Her 5-year-old, David, refers to Smith as the "bad man."

"He has always been taught that hurting another person is wrong," she wrote. But young David asked her to relay his feelings to the judge in the letter:

"Mom, tell the judge for me that I hate the bad man that killed my daddy. Tell him I want to punch him in the face.

"Then I want him to let you shoot him."

ATLANTA FIRM CHURNS OUT THE MAC-11: A SOLDIER OF FORTUNE LEAVES LOCAL LEGACY

(By Ron Taylor)

The guns that account for the second-highest number of assault weapons linked to crime in the United States evolved from the obsessions of a Marietta mercenary and are the product of a northwest Atlanta manufacturing company that has warred with the U.S. Bureau of Alcohol, Tobacco and Firearms (ATF) for nearly a decade.

By the time ATF decided in 1982 that it had made a mistake in legalizing the semiautomatic MAC-10 and banned the gun, the company—then operating as RPB—had made 33,000 of them. MAC-10s still rank No. 7 among assault weapons in the frequency of trace requests filed with ATF. Under the name SWD Inc., the company continues to make a similar weapon called the MAC-11, which ranks No. 4 among assault weapons traced to crimes, according to the study by The Atlanta Journal-Constitution Washington Bureau. Counted together, the two guns would rank second.

Repeated efforts to interview Sylvia Daniel, the company's current president, or a spokesman for SWD were unsuccessful.

The original MAC-10, a fully automatic version designed by California gunsmith Gordon Ingram, was first manufactured by Military Armament Corp., a company run by Mitch WerBell III, the late Marietta soldier of fortune.

Wayne Daniel, the son of a Ringgold, Ga., minister and John Carpenter, an Atlanta lawyer, acquired the company and the MAC-10 in 1978 when they bought Military Armament's parent company, RPB. Their venture got off to a rocky start.

Carpenter was soon convicted of trying to bribe a Clayton County prosecutor to get him to drop a drug charge against a client. Two other partners in the company were accused of smuggling more than 2 tons of marijuana into Florida. One fled the country; the other was sentenced to 30 years.

Going it alone, Mr. Daniel began manufacturing a semiautomatic version of the MAC-10, which led to his first confrontation with ATF. The agency approved the weapon, then changed its mind as reports mounted that the legal semiautomatic was too easily converted to an illegal automatic.

AFT banned the MAC-10. Mr. Daniel sued but lost.

At the end of the MAC-10 dispute, Mr. Daniel dissolved RPB as a gun manufacturer and created SWD Inc., placing it in the hands of his ex-wife, Sylvia Daniel, who remains as head of SWD, an acronym for Sylvia Wayne Daniel.

The Daniels were indicted in 1985 on 12 charges of illegally selling parts to make silencers for submachine guns.

Shortly before the indictment, ATF agents executed a search warrant at the company. Mr. Daniel fired back with an advertisement in "Shotgun News" accusing ATF of "Gestapo" tactics under a photograph of Adolf Hitler. Seven ATF agents returned the salvo by filing a $7 million libel suit against Mr. Daniel's business and the magazine.

The case proved embarrassing for ATF when prosecutors finally had to admit that they could find no law specifically outlawing the sale of silencer parts. The Daniels wound up being fined $1,400 after pleading no contest to misdemeanor charges of not paying proper taxes on the parts.

A jury awarded the agents $1,000 each in the libel case.

AT TIMES, IT'S EASIER TO BUY AN UZI THAN MILK

Not long after Patrick Purdy killed five children with his AK-47 in Stockton, Calif., last January, a California television reporter conducted an experiment. He found it took him less time to buy an Uzi semiautomatic carbine than the five minutes it took to purchase a quart of milk in a grocery store express line.

In all but five states, assault rifles and shotguns are cash-and-carry items.

A purchaser must prove he is at least 18 years old and sign a form swearing he is not a convicted felon, mentally incompetent or addicted to drugs or alcohol. The form is not verified.

Twenty-three states impose a waiting period for the purchase of all handguns, including assault pistols such as the TEC-9 and MAC-11. Since the Purdy slayings, many cities have implemented additional restrictions.

Atlanta recently added assault rifles to an ordinance requiring a 15-day waiting period on handgun purchases. Also, city and Fulton County officials are considering proposals to outlaw the sale of assault weapons.

In most cities and states, however, buying a semiautomatic AK-47 requires less documentation, less verification and less time than:

Adopting a pet from the Society for the Prevention of Cruelty to Animals. (There is usually a $10 charge, plus a neutering fee and a home visit scheduled one week in advance.)

Obtaining a marriage license. (Most states require a fee, blood tests and an average five-day waiting period.)

Obtaining a library card. (Many city libraries demand a driver's license and recently postmarked mail verifying the applicant's address.)

A "HIGH-SPIRITED" GUN—"MEAN" LOOKS, LOW PRICE TAG ADD TO APPEAL OF TEC-9

(By Andrew Alexander and Jim Stewart)

MIAMI.—Carlos Garcia sees himself as a small-business man who saw a demand and met it.

The market was the "blue collar' gun buyer, he says, a survivalist kind of guy who wanted paramilitary weaponry but was put off by the high price of most guns.

Mr. Garcia's answer was the TEC-9, which has a submachine gun's style but costs less than $380—complete with 36-shot magazine.

Today, the 37-year-old Cuban native can't make the guns fast enough. Production at Mr. Garcia's modern suburban Miami gun plant is up to about 3,000 TEC-9s a month, he said, more than double the 1,200 a month produced little more than a year ago when he took over the family business.

The TEC-9 today is one of the most popular assault guns in the country.

It is also the nation's No. 1 assault weapon of crime: One of every five assault guns traced to crime is a TEC-9, according to a study of weapons traced by The Atlanta Journal-Constitution Washington Bureau.

That his gun is very popular among criminals, said Mr. Garcia, is not his responsibility.

"The only reason it's No. 1 on your list is because mine is the lowest price," said Mr. Garcia. "The next highest-priced gun of the assault weapons is two and a half times my cost.

"I know some of the guns going out of here end up killing people," he said. "But I'm not responsible for that. The ultimate user is you—the public. It is up to you how responsible you are in using that firearm, your car or what have you."

From a business standpoint, Mr. Garcia said in a recent interview, he liked the looks of the TEC-9 the first time he was shown one by a Swedish gunmaker who originally designed the gun for South Africa.

"I liked the fact that it looked paramilitary," he remembers. "The survivalist groups, people of that nature, they like to keep a weapon so that if anything ever happens, a war ever breaks out, they'd like to have it in their house.

"The old technology was all machining, hand polishing . . . very expensive work," said Mr. Garcia. "I felt that if any company was to be successful it would have to go into plastics, automation and that sort of thing."

Advertising for the TEC-9 reflects Mr. Garcia's marketing savvy. This is a "high-spirited" gun, say ads for the TEC-9, a weapon "as tough as your toughest customer."

"It has the intimidation factor," agreed Joseph J. Vince Jr., assistant agent in charge of the Miami ATF office. "Criminals, especially the narcotics people, want intimidation; that's the type of weapon that gives it to them."

Mr. Garcia agreed that his gun's "scary" looks were important in the marketing of the weapon. But price is the biggest factor he said.

He said he sells the TEC-9s to distributors at $210 each. He declined to reveal his profits.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Born in Cuba, Mr. Garcia said he came to the United States with his family in 1962 to escape a worsening political situation under Fidel Castro. His father, a well-to-do grocery store owner, stayed behind and was immediately jailed. He joined them in Miami after his release three months later.

After a stint in the U.S. Marine Corps, Mr. Garcia opened a gun shop in Miami in the spring of 1973.

Today, he is part-owner with his father in three thriving Miami gun shops and owns Baxter Wholesale Inc., a gun distributorship in Blue Ridge, Ga.

He also owns half of Intratec, a company started in 1984 by his father in partnership with a Hong Kong firm. Mr. Garcia bought out his father, Miguel, last year and now shares ownership of Intratec with another Florida businessman.

At Intratec, about 60 workers labor in shifts virtually around the clock to keep up with the booming civilian demand for the gun.

That rising popularity has not been without costs.

The estate of a school janitor in Connecticut, killed in 1985 by a disturbed student who opened fire with his father's TEC-9, has sued Intratec on the grounds that the gun's design and function render it unsafe for distribution to the general public.

The suit charges the TEC-9 "was and is primarily suited for and/or used in criminal activity" and that it "lacks legitimate use, such as sporting, law enforcement or self-protection."

"To me it's like any other gun because that's all it is," Mr. Garcia said. "It's just black. It looks black and it looks mean.

"But it's like looking at an ugly person. It doesn't mean he's mean or going to kill you."

[From the Washington Post, June 20, 1989]

ASSAULT GUNS AS CRIME WEAPONS

What a coincidence: just as lawmakers all around the country are responding to presidential and constituent calls to deal with the scourge of assault guns, along comes a barrage of new baloney from the NRA's propagandists. The word they're trying to spread now is that assault guns are not a popular weapon of criminals, that there's no evidence to support the view. Wrong. Leaving aside for the moment the feelings of those who face criminals most often—men and women of police forces and areas terrorized by drugs and violence—statistics show a steady increase in the use of assault guns in crimes. According to a study by The Atlanta Journal-Constitution Washington bureau, an assault gun is 20 times more likely to be used in crime than a conventional firearm.

This and other findings came from an examination of 42,758 gun-trace requests submitted to the Federal Bureau of Alcohol, Tobacco and Firearms from police departments around the country from Jan. 1, 1988, to March 27, 1989. Though assault guns account for 0.5 percent of the 200 million privately owned firearms in the United States, they were used in one of every 10 crimes that resulted in a firearms trace last year, the study shows. Two-thirds of these assault guns traced to crimes were domestic products—not covered by the federal ban on imports of certain models. Whatever past records may have shown, this analysis also shows that assault guns showed up in nearly 30 percent of all firearms traced to organized crime, gun trafficking and crimes committed by terrorists in this country in 1988 and the first quarter of this year.

As defined by the Bush administration and bills before Congress, there are about 50 guns meeting the description of an assault weapon. Of these there are 10 weapons that account for 90 percent of all the assault-gun crime. While it is true that pistols and revolvers are heavily used in crimes, the assault gun-trace requests as a percentage of all gun-trace request show a steady climb, from 5.6 percent in 1966 to 10.5 percent in the first three months of this year.

Robert J. Barnes, a former senior federal firearms enforcement officer, summarized the findings for Journal-Constitution reporters Jim Stewart and Andrew Alexander: "What this screams at me is that criminals have gone from using defensive weapons, like small handguns, to offensive weapons. This presents a totally different picture for the policemen of America. Their lives are clearly in much greater danger."

The assault guns most used in crimes are weapons that the vast majority of civilian gun owners and users can and do live without. For that matter, all Americans—particularly those most threatened by crime—could live without them very well.●

NORTHERN TELECOM'S RESPONSE TO THE VALDEZ CLEANUP

● Mr. PACKWOOD. Mr. President, in the midst of stories about the tragedy of the *Exxon Valdez* oil spill, an article appeared in Communications Week discussing a more positive aspect of the cleanup effort. This article describes the efforts of Mike Shaver, a Northern Telecom district sales manager based in Portland, to provide essential telecommunications needs for the cleanup operation.

I ask that the article from Communications Week be printed in the RECORD.

The article follows:

[From Communications Week, Apr. 24, 1989]

TELCO, VENDOR AID IN OIL CLEANUP EFFORT

(By Beth Schultz)

VALDEZ, AK.—As crude oil slithers its way up the Alaskan shoreline, workers at command headquarters here can stay on top of the cleanup efforts, thanks to the help of the local telephone company and its major vendor.

Before the Exxon Corp., oil tanker entered Prince William Sound late last month, about 2,500 people occupied this coastal village. By now, the population has almost tripled. And, as would be expected, phone service is in high demand.

As soon as Mike Shaver heard about the oil spill, he knew his company's help would be needed. Shaver, based in *Portland, Ore.*, is a district sales manager for Nashville, Tenn.-based Northern Telecom Inc. He immediately let the local telco, Copper Valley Telephone Cooperative Inc., know that Northern sales and switching engineers would be available on a 24-hour advisory basis.

Within three days of the spill, Copper Valley Tel knew it would be needing Northern's help to upgrade the DMS-10 switch serving Valdez, said Copper Valley Tel general manager Dean Moore. At that time, the telco began adding spare equipment to the switch and placing orders for equipment it did not have on hand.

PROVIDING RELIEF

To the credit of Northern and its suppliers, that process has gone amazingly well, Moore said.

"We are seeing two-day service from the lower 48 into Valdez for deliveries normally taking six to 10 days," he said. "And central office equipment that usually takes six to eight weeks is now coming on the third and fourth days."

In the past month, Copper Valley Tel has added 108 trunks to the switch, a figure more than double the 60 trunks needed to serve the community under normal circumstances.

The trunks, which are all direct-inward-dial (DID) units, are serving the state of Alaska, the Department of Environmental Conservation and Exxon Corp., Moore said.

In order to turn up the last batch of trunks, Copper Valley Tel had to install a new bay, shelf and corresponding equipment, Moore said. That equipment was deloyed early last week by the telco.

"We do all our own installation, due to the adequate training by Northern Telecom," Moore noted.

In addition to the trunks, which Shaver said were primarily plug-in cards, the telco had to equip the switch with five additional line-card drawers. With that addition, the switch jumped from serving 1,800 lines to serving 2,700 lines.

"I think we hit the peak," Moore said. "Our technicians have been working 12- to 18-hour days, seven days a week. We're going to try to settle down this week."

Once the cleanup efforts end, probably this fall, Exxon will have a lot of spare telephone equipment on its hands.

"The equipment will either be sold back or credited to Exxon," Moore said. To date, the company has spent about $300,000 on equipment and $500,000 on phone service. By the end, Moore estimated, Exxon's total bill will be close to $1 million.●

JANE M. SNOWDEN

● Mr. RIEGLE. Mr. President, I rise today to offer congratulations to Jane M. Snowden of the State of Michigan Washington office on her recent appointment as human services adviser to Gov. James J. Blanchard. As she prepares to return to Michigan in this important position, I would like to recognize and commend her years of dedicated service in the Nation's Capital on behalf of the citizens of Michigan.

Jane Snowden is a dedicated professional in her field. Her career began 23 years ago as a caseworker in rural Illinois. For the last 8 years, she has served as Michigan's voice on human service issues in Washington. In 1986 and 1987, Jane also served as director of budget planning and evaluation for Michigan's $4 billion human service budget while retaining her other responsibilities.

Throughout her career, Jane has earned the respect of all those who have worked with her. My staff and I have come to rely on her knowledge and professionalism. She returns to

Michigan as a nationally recognized expert in the area of human services.

I would like to extend appreciation and gratitude for myself and on behalf of the entire Michigan delegation to Jane Snowden for her work representing those Michigan families and individuals who most need help. We wish her well in her new position.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL AUG. 13-31, 1988

Name and country	Name of currency	Per diem		Transportation		[redacted]		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick J. Leahy									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
[redacted]									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
[redacted]									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	[redacted]	5,981.80	766.50					5,981.80	766.50
Ellen McCulloch Lovell									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
Eric Newsom									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	[redacted]	5,981.80	766.50					5,981.80	766.50
Charles Riemenschneider									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	[redacted]	5,981.80	766.50					5,981.80	766.50
[redacted]									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
Delegation expenses [1]									
People's Republic of China							4,839.97		4,839.97
Hong Kong							6,916.39		6,916.39
Total			16,621.50				11,756.36		28,377.86

[1] Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95-384, and S. Res. 179, agreed to May 25, 1977. In addition to those named above, the following individuals accompanied this delegation: Senator Robert T. Stafford and Neal Houston, authorized by the Republican Leader; Walter J. Stewart and Jan Paulk, authorized by the Majority Leader.

PATRICK J. LEAHY
Chairman, Committee on Agriculture, Nutrition and Forestry, May 10, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384-22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		[redacted]		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick J. Leahy									
[redacted]	[redacted]	1,145	640.00					1,145	640.00
Egypt	[redacted]	1,229.13	444.00					1,229.13	444.00
[redacted]									
[redacted]	[redacted]	1,145	[redacted]					1,145	640.00
Egypt	Pound	1,229.13	444.00					1,229.13	444.00
James D. Bond									
Egypt	Pound	1,229.13	444.00					1,229.13	444.00
[redacted]									
West Germany	[redacted]	522.06	283.70					522.06	283.70
Senator Warren B. Rudman									
West Germany	[redacted]	657.87	357.50					657.87	357.50
Richard A. Pierce									
South Korea	Dollar		1,015.00						1,015.00
Philippines	Dollar		187.50						187.50
[redacted]	Dollar				1,951.00				1,951.00
Senator Wyche Fowler, Jr.									
Germany	Dollar		91.00						91.00
[redacted]	Dollar		[redacted]						[redacted]
Bahrain	Dollar		154.00						154.00
[redacted]	Dollar		[redacted]						392.00
Oman	Dollar		[redacted]						388.00
Yemen	Dollar		[redacted]						408.00
[redacted]	[redacted]		308.00						308.00
[redacted]	Dollar				1,023.00				1,023.00
Patricia L. Lynch									
British West Indies	Dollar		124.20						124.20
Bahamas	Dollar		116.20						116.20
Timothy Rieser									
Kenya	Dollar		5.00		40.00				45.00
Malawi	Dollar		15.00		20.00				35.00
Zimbabwe	Dollar		130.00		10.00				140.00
Mozambique	Dollar		460.00		20.00				[redacted]
[redacted]									
[redacted]	Dollar		128.18						128.18
Bahamas	Dollar		120.18						120.18

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384-22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989—Continued

Name and country	Name of currency	Per diem		Transportation		[redacted]		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
[redacted]			7,904 46		3,064 00				10,968 46

ROBERT C BYRD,
Chairman, Committee on Appropriations, Apr 28, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		[redacted]		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Senator Carl Levin									
Korea	Won	323,740	474 00					323,740	474 00
[redacted]	Yen	38,500	308 00					38,500	[redacted]
John J Hamre									
[redacted]	Won	323,740	474 00					323 740	474 00
[redacted]	Yen	38 500	308 00					[redacted]	308 00
Senator John Glenn									
Republic of Germany	Deutsche mark	1 025 80	557 50					1,025 80	557 50
Senator John McCain									
Republic of Germany	Deutsche mark	199 05	108 18					199 05	108 18
Judith A Freedman									
Republic of Germany	Deutsche mark	1,025 80	557 50					1,025 80	557 50
Brian D Daley									
Republic of Germany	Deutsche mark	1 025 80	557 50					1,025 80	557 50
Dale F Gerry									
Republic of Germany	Deutsche mark	1,025 80	557 50					1,025 80	557 50
Anthony H Cordesman									
Republic of Germany	Deutsche mark	1,025 80	557 50					1,025 80	557 50
Senator Jeff Bingaman									
Japan	Yen	38,776	296 00					38,776	296 00
Edward McGaffigan, Jr									
Japan	Yen	193 880	1,480 00					193,880	1,480 00
United States	Dollar				1,433 00				1,433 00
Total			6 235 68		1,433 00				7,668 68

SAM NUNN,
Chairman, Committee on Armed Services, Apr 4, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Martin Gruenberg									
Netherlands	Guilder	1,771 14	840 00					1,771 14	840 00
United States	Dollar				816 00				[redacted]
John Walsh									
Netherlands	Guilder	1 062 68	504 00					1,062 68	[redacted]
United States	Dollar				985 00				985 00
Total			1,344 00		1,801 00				3,145 00

DONALD W RIEGLE,
Chairman, Committee on Banking, Housing, and Urban Affairs,
Mar 31, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Ralph B Everett									
[redacted]	[redacted]	1,555 96	1,333 30					1,555 96	1,333 30
United States	Dollar				4 220 00				4,220 00
Barry I Kalinsky									
Switzerland	Franc	1,160 55	775 00					1,160 55	775 00
United States	[redacted]				785 00				785 00
Regina M Keeney									
[redacted]	[redacted]	3,111 98	2,718 32					3,111 98	2 718 32
United States	Dollar				1,663 00				1,663 00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency
Walter B. McCormick, Jr.									
Australia	Dollar	1 778 30	1.553 35					1 778 30	1.553 35
United States	Dollar				1 774 73				1.774 73
Bruce L. Neal									
Russia	Dollar		[illegible]		[illegible]				2.260 00
Patrick H. Wendham									
Japan	Yen	155 000	1.240 00					155 000	1.240 00
New Zealand	Dollar	596 10	374 00	[illegible]	[illegible]	336 34	214 16	1.199 52	758 04
United States	Dollar				3.605 00				3.605 00
John D. Windhausen									
Australia	Dollar	2 457 42	2.137 95	125	108 75	[illegible]	73 95	2 667 42	2.320 65
United States	Dollar				1 674 73				1.674 73
Senator Ernest F. Hollings									
New Zealand	Dollar	363 30	228 00	[illegible]	169 88	336 34	214 16	966 82	612 04
United States	Dollar				5 378 00				5.378 00
Senator Albert Gore, Jr.									
England	Pound	114 28	205 00					111 28	205 00
New Zealand	Dollar	363 40	228 00	267 08	[illegible]	336 34	214 16	966 82	612 04
United States	Dollar				5 001 00				5.001 00
Total			11 192 92		26 579 85		716 43		38.489 20

ERNEST F. HOLLINGS
Chairman, Committee on Commerce, Science, and Transportation
Apr. 25, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency
Sherman Joyce									
French Guiana	Dollar		[illegible]						150 00
Martin P. Mress									
[illegible]	Dollar		[illegible]						150 00
[illegible]									
Brazil	Cruzado	921 360	[illegible]					921 360	698 00
Senator Albert Gore, Jr.									
Brazil	[illegible]	[illegible]	[illegible]					921 360	[illegible]
[illegible]									
Germany	Deutsche mark	998 05	534 00					998 05	534 00
Italy	Lira	[illegible]	[illegible]					808 500	[illegible]
Turkey	Lira	350 136	175 00					350 136	175 00
Bahrain	Dinar	33 993	[illegible]					33 993	[illegible]
Egypt	Pound	716 32	[illegible]					716 32	[illegible]
Israel	[illegible]		[illegible]						[illegible]
Spain	[illegible]	23 985	[illegible]					23 985	[illegible]
[illegible]									
Germany	Deutsche mark	998 05	534 00					998 05	534 00
Italy	Lira	[illegible]	[illegible]					808 500	588 00
Turkey	Lira	350 136	175 00					350 136	175 00
Bahrain	Dinar	33 993	[illegible]					33 993	[illegible]
Egypt	Pound	716 32	[illegible]					716 32	[illegible]
Israel	Dollar		[illegible]						[illegible]
Spain	Peseta	23 985	[illegible]					23 985	205 00
[illegible]			6 468 00						6 468 00

ERNEST F. HOLLINGS
Chairman, Committee on Commerce, Science, and Transportation
Apr. 25, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, PL 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency
Mary L. Wagner									
[illegible]	Franc	6 777 02	1 112 81					6.777 02	1.112 81
[illegible]	Dollar		[illegible]		[illegible]				[illegible]
[illegible]	Dollar				2 380 00				2.380 00
Leslie G. Black									
France	Franc	5.441 47	[illegible]					5.441 47	[illegible]
Germany	Dollar		112 85		62 00				174 85
Switzerland	Franc	923 75	[illegible]	29	19 94			952 75	634 94
United States	Dollar				2 541 00				2.541 00
Deborah H. Morrich									
France	Franc	8.991 47	1 476 43					8.991 47	1.476 43
Germany	Dollar		[illegible]		62 00				[illegible]
United States	Dollar				2 468 00				2.468 00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, PL 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
William Conway									
France	Franc	4,381 47	719 45					4,381 47	719 45
Germany	Dollar		199 00		62 00				261 00
United States	Dollar				2,468 00				2 468 00
[redacted]									
[redacted]	Franc	8,991 47	1 476 43					8,991 47	1 476 43
Germany	Dollar		219 00		62 00				281 00
United States	Dollar				2,468 00				2 468 00
Carol G Craft									
[redacted]	Franc	7,408 07	1,216 43					7,408 07	1,216 43
Germany	Dollar		219 00		62 00				281 00
United States	Dollar				2 468 00				2 468 00
Richard D Grundy									
[redacted]	Franc	7 529 87	1 236 43					7 529 87	1 236 43
Germany	Dollar		219 00		62 00				281 00
United States	Dollar				2 468 00				2 468 00
Cheryl A Moss									
[redacted]	Franc	8,991 47	1 476 43					8,991 47	1 476 43
Germany	Dollar		219 00		62 00				281 00
United States	Dollar				1,365 00				1 365 00
Gary Reese									
[redacted]	Won	523 180	740 00					523 180	740 00
Hong Kong	Dollar	2,639 80	338 00					2 639 80	338 00
[redacted]	Baht	5 407	214 00					5 407 00	214 00
Total			13,074 33		19 141 94				32 216 27

J. BENNETT JOHNSTON
Chairman, Committee Energy and Natural Resources Apr 21, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Senator John D Rockefeller IV									
Taiwan	Dollar	11 188	398 00					11 188	398 00
Japan	Yen	124 236	986 00					124 236	986 00
United States	Dollar				4 609 60				4 609 60
[redacted]									
[redacted]	Dollar	11 188	398 00					11 188	398 00
[redacted]	Yen	124 236	986 00					124 236	986 00
United States	Dollar				2 644 40				2 644 40
[redacted]									
Switzerland	Franc	1,442 36	906 00					1,442 36	906 00
United States	Dollar				1,773 00				1,773 00
Total			3,673 00		9 027 00				12 701 00

LLOYD BENTSEN
Chairman, Committee on Finance, Apr 6, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Senator Joseph R Biden									
Belgium	Franc	28,511	732 00					28,511	732 00
United States	Dollar				3,498 00				3,498 00
Senator Daniel P Moynihan									
[redacted]	Rupee	4,500	300 00					4,500	300 00
[redacted]	Rupee	4,145	215 00			2,169 50	112 00	6,314 50	327 00
United States	Dollar				5,486 00				5,486 00
Senator Terry Sanford									
[redacted]	Quetzal	534	198 00					534	198 00
Costa Rica	Peso	13,956	176 00					13,956	176 00
Senator Paul Simon									
[redacted]	Kwacha	4,809 26	488 25					4,809 26	488 25
[redacted]	Kwacha	340	133 00					340	133 00
[redacted]	Dollar	256 76	131 00					256 76	131 00
Nigeria	Naira	1,161	135 00					1,161	135 00
Gail Coppage									
[redacted]	Kwacha	4,809 26	488 25					4,809 26	488 25
[redacted]	Kwacha	340	133 00					340	133 00
[redacted]	Dollar	256 76	131 00					256 76	131 00
[redacted]	Naira	1,161	135 00					1,161	135 00
William L Green									
[redacted]	Quetzal	534	198 00					534	198 00
Costa Rica	Peso	13,956	176 00					13,956	176 00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989—Continued

Name and country	Name of currency	Per diem		Transportation		[illegible]		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Evelyn Lieberman									
Belgium	Franc	28.511	732.00					28.511	732.00
United States	Dollar				2,014.00				2,014.00
James O'Connell									
El Salvador	Colon	1,155	231.00					1,155	231.00
Mexico	Peso	[illegible]	[illegible]					948.192	408.00
United States	Dollar				871.00				871.00
Lenora Odeku									
Zambia	Kwacha	4,809.26	[illegible]					4,809.26	488.25
Malawi	Kwacha	[illegible]	133.00					340	133.00
Zimbabwe	Dollar	256.76	131.00					256.76	131.00
Nigeria	Naira	1,161	135.00					1,161	135.00
John B. Rich									
Belgium	Franc	28.511	732.00					28.511	732.00
United States	Dollar				2,014.00				2,014.00
Barry Sklar									
Guatemala	[illegible]	534	[illegible]					534	198.00
Costa Rica	Peso	13,956	176.00					13,956	176.00
Nancy Stetson									
Zambia	Kwacha	4,809.26	488.25					4,809.26	488.25
Malawi	Kwacha	340	133.00					340	133.00
Zimbabwe	Dollar	231.68	118.00					231.68	118.00
Nigeria	Naira	1,161	135.00					1,161	135.00
Ted Zukoski									
India	Rupee	4,500	[illegible]					4,500	[illegible]
Pakistan	Rupee	4,145	215.00			2,169.50	112.00	6,314.50	327.00
United States	Dollar				3,471.00				3,471.00
Peter Galbraith									
Pakistan	Rupee	4,145	215.00			1,446	75.00	5,591	290.00
India	Rupee	7,500	500.00					7,500	500.00
United States	Dollar				5,562.00				5,562.00
Total			9,238.00		22,916.00		299.00		32,453.00

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Apr. 18, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM JAN. 1 to MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		[illegible]		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sarah A. Flanagan									
Micronesia	Dollar		200.00						200.00
Marshall Islands	Dollar		200.00						200.00
Robert S. Lockwood									
Bangladesh	Dollar				2,952.39				2,952.39
Total			400.00		2,952.39				3,352.39

EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Apr. 5, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name	Per diem		Transportation		[illegible]		Total	
	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles Battaglia		2,090.75		1,021.00				3,111.75
Senator Arlen Specter		1,788.32		2,042.00				3,830.32
John Despres		145.00		423.00				[illegible]
Senator Bill Bradley		168.00		423.00				591.00
Christopher Straub		89.65						89.65
Marvin Ott		104.00						104.00
Regina Gemignani		94.00						94.00
John Nelson		1,532.00		3,811.00				5,343.00
Gerald Montoya		1,532.00		3,811.00				5,343.00
Gregory Diehr		1,532.00		3,811.00				5,343.00
Total		9,075.72		15,342.00				24,415.72

DAVID L. BOREN,
Chairman, Select Committee on Intelligence, Mar. 31, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Senator Charles E Grassley									
[redacted]	Dollar		406 00		48 00		144 00		598 00
Soviet Union	[redacted]		1,000 00						1,000 00
Mary Hawkins									
[redacted]	[redacted]		406 00		48 00		144 00		598 00
[redacted]	Dollar		1,000 00						1,000 00
United States	[redacted]				2,211 00				2,211 00
Robert J Ludwiczak									
[redacted]	Dollar		406 00		48 00		144 00		598 00
Soviet Union	Dollar		1,000 00						1,000 00
United States	Dollar				2,211 00				2,211 00
Melissa B Patack									
[redacted]	Dollar		406 00		48 00		144 00		598 00
Soviet Union	Dollar		1,000 00						1,000 00
United States	[redacted]				2,211 00				2,211 00
Cecilia Swenson									
[redacted]	[redacted]		406 00		48 00		144 00		598 00
Soviet Union	[redacted]		1,000 00						1,000 00
United States	[redacted]				2,211 00				2,211 00
Tara McMahon									
[redacted]	Franc	220	155 00					220	155 00
Richard Day									
England	Pound	114 79	150 00					114 79	150 00
[redacted]	Dollar		200 00						200 00
[redacted]	Shilling	5,631	309 00					5,631	[redacted]
Switzerland	Franc	469 45	320 00					469 45	320 00
United States	Dollar				5,459 00				5,459 00
David J Harmer									
Switzerland	Franc	220	155 00					220	155 00
Jerry Tinker									
England	Pound	114 79	150 00					114 79	150 00
[redacted]	Dollar		200 00						[redacted]
Kenya	Shilling	5,631	309 00					5,631	[redacted]
Switzerland	Franc	469 45	320 00					469 45	320 00
United States	[redacted]				5,459 00				5,459 00
Total			9,298 00		20,002 00		720 00		30,020 00

JOE BIDEN,
Chairman, Committee on the Judiciary, Apr 28, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		[redacted]	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Stephen Quick									
United States	Dollar				2,137 00				2,137 00
Netherlands	Guilder	1,416 91	672 00					1,416 91	672 00
Total			672 00		2,137 00				2,809 00

LEE H HAMILTON,
Chairman, Joint Economic Committee, Apr 13, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22. P.L. 95-384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1989

Name and country	Name of currency	Per diem		Transportation		[redacted]		Total	
		Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency	Foreign currency	U S dollar equivalent or U S currency
Jane S Fisher									
[redacted]	Schilling	12,524.40	994 00					12,524 40	[redacted]
United States	Dollar				2,367 30				2,367 30
Total			994 00		2,367 30				3,361 30

DENNIS DeCONCINI,
Chairman, Commission on Security and Cooperation in Europe,
Apr 18, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER, NOV. 11-23, 1988

Name and Country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Senator Robert J. Dole									
Philippines	Peso	2 280 65	106 95					2 280 65	106 95
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	[illegible]	[illegible]	233 00					458 08	233 00
Indonesia	Rupiah	583 611	340 50					583.611	340 50
Senator James A. McClure									
Philippines	Peso	5 715 10	[illegible]					5 715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	[illegible]					566 21	288 00
Indonesia	Rupiah	[illegible]	[illegible]					795 290	464 00
Senator Frank H. Murkowski									
Philippines	Peso	5 715 10	268 00					5.715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	[illegible]					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
Senator Arlen Specter									
Philippines	Peso	5 715 10	268 00					5.715 10	268 00
Thailand	Baht	11 855	471 00					11.855	471 00
Singapore	Dollar	566 21	288 00					566 21	288.00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
Jo-Anne L. Coe									
Philippines	Peso	5 715 10	[illegible]					5.715 10	268 00
Thailand	Baht	11 855	471 00					11.855	471 00
Singapore	Dollar	566 21	[illegible]					566 21	288 00
Indonesia	Rupiah	795 290	[illegible]					795.290	464 00
M. Leher									
Philippines	Peso	5 715 10	268 00					5 715 10	268 00
Thailand	Baht	11 855	471 00					11.855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
[illegible] Borton									
Philippines	Peso	5 715 10	268 00					5.715 10	268 00
Thailand	Baht	11 855	471 00					11.855	471 00
Singapore	[illegible]	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
Walt Riker									
Philippines	Peso	5 715 10	268 00					5.715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
[illegible]									
Philippines	Peso	5 715 10	268 00					5 715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
Alan Porter									
Philippines	Peso	5 715 10	268 00					5 715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
Marcie Adler									
Philippines	Peso	5 715 10	268 00					5.715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795 290	464 00
Blake Glassner									
Philippines	Peso	5 715 10	268 00					5 715 10	268 00
Thailand	Baht	11 855	471 00					11 855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795.290	464 00
Jon Lynn Retchner									
Philippines	Peso	5 715 10	268 00					5.715 10	268 00
Thailand	Baht	11 855	471 00					11.855	471 00
Singapore	Dollar	566 21	288 00					566 21	288 00
Indonesia	Rupiah	795 290	464 00					795.290	464 00
Delegation expenses [1]									
Philippines						3 860 02			3 860 02
Thailand						6 690 18			6 690 18
Singapore						7 179 36			7.179 36
Indonesia						5 719 29			5 719 29
Total			19 043 35			23 448 85			42.492 30

[1] Delegation expenses include direct payments and reimbursements to the State Department and the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95-384 and S. Res. 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Republican Leader, Apr. 28, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, JULY 1 TO SEPT. 30, 1988

Name and Country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Senator Christopher S. Bond									
England	Dollar		1 235 00						1.235 00
Senator Jake Garn									
England	Dollar		1 190 00						1 190 00
Senator Howell T. Heflin									
England	Dollar		1 189 90						1.189 90
Senator John W. Warner									
England	Dollar		1 025 00						1.025 00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, JULY 1 TO SEPT. 30, 1988—Continued

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency
Barbara Andrews									
England	Dollar		1,235 00						1,235 00
Greg Chapados									
England	Dollar		988 00		317 00				1,305 00
Frank Sullivan									
England	Dollar		1,235 00						1,235 00
Keith Kennedy									
England	Dollar		1,235 00						1,235 00
Richard Collins									
England	Dollar		1,235 00						1,235 00
Sean O Keefe									
England	Dollar		1,235 00						1 235 00
Howard O Greene									
England	Dollar		1,235 00						1,235 00
Jerry Ray									
England	Dollar		1,235 00						1,235 00
Kathie Bridenbaugh									
England	Dollar		1,950 00		[illegible]				2 591 00
Penelope S German									
England	Dollar		1 950 00		[illegible]				4,583 00
James D Bond									
[redacted]	Dollar		1 000 00		1 311 50				2,311 50
Robert S Rockwood									
England	Dollar		1 250 00		740 00				1,990 00
Delegation expenses [1]									
England							13,082 22		13,082 22
[redacted]			20,422 90		[illegible]				39,147 62

[1] Delegation expenses include direct payments and reimbursements to the State Department under authority of sec 502(b) of the Mutual Security Act of 195[illegible] amended by sec 22 of P L 95 384

JOHN C STENNIS,
President Pro Tempore, Apr 14, 1989

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE, JAN. 1 TO MAR. 31, 1989

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency
Steve Humphreys									
[redacted]	Dollar		410 00						410 00
United States	Dollar				547 00				547 00
Ellen McCulloch-Lovell									
Israel	Shekel	1,145	640 00					1 145	640 00
Egypt	Pound	1,044 68	444 00					1 044 68	444 00
Total			1,494 00		547 00				2,041 00

ROBERT C BYRD
President Pro Tempore Apr 24, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER, JAN. 1 TO MAR. 31, 1989

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency	Foreign currency	US dollar equivalent or US currency
Carl B Feldbaum									
Hungary	Forint	22,574	332 00					22 574	332 00
Syria	Dollar		337 00						337 00
[redacted]	Dinar	61 46	198 28					61 46	198 28
Egypt	Pound	182 46	77 31					182 46	77 31
Israel	Dollar		528 00						528 00
United States	Dollar				4,107 00				4,107 00
Jordan	Dinar	49 09	91 00					49 095	91 00
Austria	Schilling	2,482 56	192 00					2 482 56	192 00
Senator Alan K Simpson									
Australia	Dollar	2,740 54	2 239 00					2,740 54	2,239 00
United States	Dollar				7 416 00				7,416 00
Donald L Hardy									
Australia	Dollar	2 740 54	2,239 00					2 740 54	2,239 00
United States	Dollar				2,686 00				4,686 00
Senator Frank H Murkowski									
[redacted]	Yen	167,282	1,290 17	126,475	965 46			293,757	2,255 63
United States	Dollar				531 29				3 341 29
Total			7 518 76		20 515 75				28,034 51

ROBERT J DOLE,
Republican Leader, May 4, 1989

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, JAN. 1 TO MAR. 31, 1989

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sally Walsh									
Paraguay	Guarani	384.375	375.00					384.375	375.00
Argentina	Austral	2.912.78	177.50					2.912.78	177.00
Chile	Peso	39.476	139.00					39.476	139.00
Brazil	Cruzado	1.593.960	1.252.00					1.593.960	1.252.00
Robert Dockery									
El Salvador	Colon	1.155	231.00					1.155	231.00
Mexico	Peso	948.192	[illegible]					948.192	[illegible]
United States	Dollar				871.00				871.00
Yvonne Hopkins									
England	Pound	394.17	678.00					394.17	678.00
Belgium	Franc	14.329	366.00					14.329	366.00
Italy	Lira	863.100	630.00					863.100	630.00
Switzerland	Franc	324.66	201.00					324.66	201.00
France	Franc	2.755.90	434.00					2.755.90	434.00
Senator Alan Cranston									
Japan	Yen	137.282	1.052.07	126.475	[illegible]			263.757	2.017.53
United States	Dollar				3.341.29				3.341.29
Total			5.943.57		5.177.75				11.121.32

GEORGE J. MITCHELL,
Majority Leader, May 2, 1989

HOST OF THE 1993 SUMMER WORLD UNIVERSITY GAMES

● Mr. MOYNIHAN. Mr. President, I thought the Senate should know that we received word last Friday afternoon that the city of Buffalo was selected by the International University Sports Federation to host its World University Games in the summer of 1993. The Senate added its support to Buffalo's application earlier this month when we agreed to Senate Concurrent Resolution 31, and now we should all be pleased that the World University Games will be coming to this country for the first time 4 years hence.

The World University Games are no small event. They will bring some 7,000 athletes from over 100 countries, over 100,000 spectators will attend competitions in 10 sports, and the events will be televised worldwide. Bringing the games to Buffalo is no small accomplishment, either. Eighteen months of hard work by Mr. Burt Flickenger, chairman of the local organizing committee, Erie County Executive Dennis Gorski, and the other committee members went into Buffalo's selection over Shanghai, China, and Fukuoka, Japan. They deserve our congratulations.

The work of preparing for the games now being in earnest. The preparations will include contacts with many Federal agencies on such matters as security, immigration, customs and trade issues, cultural festival promotion, and many more. I will glady work with the agencies to ensure that they cooperate in making the games a success. Should any of these matters come to the Senate for consideration, I trust my colleagues will choose to support Buffalo in every way possible.

There is also precedent for Federal financial support for events of this type, and when the time comes I will press the Senate to provide the appropriate assistance to the 1993 games. The 1987 Pan Am Games received $3 million for some of its activities. The Pan Am Games also received some $25 million in security-related support from the Department of Defense. The Senate should provide similar support for these games at the level necessary to ensure a safe and secure competition.

I also encourage Buffalo and the organizing committee to avail themselves of the existing Federal programs appropriate to their needs. I will certainly add my support, for this is a major event for Buffalo and the United States. It is an opportunity to provide the world's top college athletes a venue for spirited competition before millions of spectators. We should do our part to ensure the games' success.●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. BIDEN. Mr. President, I would like to take a few moments to mark the case of Boris Chernobilsky, a Soviet refusenik and former Prisoner of Conscience.

Last week my office received word that Mr. Chernobilsky and his family have been given permission by Soviet authorities to emigrate to Israel.

As Yogi Berra once said, I have a feeling of deja vu all over again. Because Mr. Chernobilsky has received this information twice before, and yet he and his family remain stuck in the Soviet Union. I am hopeful, but still skeptical, that this time the news of his emigration is for real.

Boris Chernobilsky could serve as a case study on the refusenik issue. For over 12 years, Chernobilsky, who is a radio electronics engineer from Moscow, has sought to emigrate to Israel with his wife and children. During this period, he suffered greatly at the hands of Soviet authorities. Over the years, he was fired from his job, served a prison sentence in a labor camp on a trumped-up charge, and was repeatedly harassed by agents of the KGB for his activities on behalf of other refuseniks.

Each of the last 2 years, the Soviet authorities have given their word that Boris Chernobilsky and his family could leave the Soviet Union. In 1987, the Soviet Embassy in Washington even took the trouble to write me a letter to give me the news. Unfortunately, Chernobilsky never received his exist visa, and remains stuck in Moscow.

I remain cautiously optimistic about the fate of Mr. Chernobilsky and his family, and I will not rest until I learn that they have arrived safely in Israel.

As we mark the joyous news of Boris Chernobilsky's release, let us also pause to remember the thousands of Soviet citizens for whom emigration remains but a dream. While the current rate of emigration in the Soviet Union is highly encouraging, it is by no means certain that it will be sustained. And long promised changes of that country's emigration laws have yet to be realized. Americans will be watching closely for these changes, in the hope that they will soon be forthcoming.●

EXECUTIVE SESSION

NOMINATION OF C. HOWARD WILKINS, JR., TO BE AMBASSADOR TO THE NETHERLANDS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of C. Howard Wilkins to be Ambassador to the Netherlands reported earlier today by the Foreign Relations Committee; that the nomination be confirmed; that the motion to reconsider be tabled; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

C. Howard Wilkins, Jr., of Kansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

STATEMENT ON NOMINATION OF C. HOWARD WILKINS, JR., TO BE AMBASSADOR TO THE NETHERLANDS

Mr. DOLE. Mr. President, I am very pleased to have the chance to urge unanimous Senate approval of the nomination of Howard Wilkins as Ambassador to the Netherlands.

Howard is an outstanding Kansan—A native, and resident still, of Wichita.

He is the first Kansan that I personally know of who has been nominated to an ambassadorial post. And I hope he will be only the first of several in this administration.

Howard Wilkins' record of personal accomplishment is impressive: he is an extraordinarily successful businessman, active in politics and civic affairs, and a devoted father of five fine children. He is also a good friend, for more than 20 years standing.

As Ambassador in The Hague, Howard will be in the "thick of the action" on issues like U.S.-NATO relations in the Gorbachev era, and U.S.-EEC trade ties as 1992 approaches. In particular, as a Senator representing one of our great agricultural States, I look forward to having "one of our own" as we grapple with the agricultural issues that are so central to our trade problems with Western Europe.

Howard Wilkins is up to the big challenges that he faces. That's why the President has nominated him; why the committee has voted unanimously for his nomination; and why I can so confidently urge all Senators to join in giving him an affirmative vote.

In closing, I want to express my personal thanks, again, to the Chairman of the Committee, Senator PELL, and our Republican ranking member, Senator HELMS, for moving this nomination expeditiously. We were faced with a tight deadline, to get Howard to post, so that he could present his credentials and be ready for the President's planned visit to the Netherlands; and thanks to the great help of Senators PELL and HELMS, we will meet the deadline.

Mr. President, I also wish to thank the majority leader and my colleague on that committee, Senator KASSEBAUM, and Senator SARBANES who had some questions but they were resolved this afternoon in a discussion with Senator KASSEBAUM in the committee.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 101-4

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Treaty Document No. 101-4), transmitted to the Senate yesterday, June 19, 1989, by the President.

I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, done at Vienna on December 20, 1988. I also transmit, for the information of the Senate, the report of the Department of State with respect to the Convention.

The production, trafficking, and consumption of illicit narcotics have become a worldwide menace of unprecedented proportions. Narcotics trafficking and abuse threaten the developing and industrialized nations alike, eroding fragile economies, endangering democratic institutions, and affecting the health and well-being of people everywhere. The profits made from the international drug trade are consolidated in the hands of powerful drug lords who operate with impunity outside the law. The widespread corruption, violence, and human destruction associated with the drug problem imperil all nations and can only be suppressed if all nations cooperate effectively in bringing to justice those who engage in illicit trafficking and abuse.

Patterned after many existing U.S. laws and procedures, the present Convention represents a significant step forward in international efforts to control the illicit traffic in narcotic drugs and psychotropic substances. The Convention obligates states party to the agreement to cooperate in suppressing illicit traffic and to take specific law enforcement measures and enact domestic laws, including those relating to money laundering, confiscation of assets, extradition, mutual legal assistance, and trade in chemicals, materials, and equipment used in the illegal manufacture of controlled substances. These and other provisions seek to establish a comprehensive set of laws and guidelines for a concerted and more effective effort on an international basis to combat illicit trafficking.

Having taken 4 years to complete, working the Convention began in 1984 under United Nations auspices, and it was adopted at an international conference held in Vienna in November and December 1988. The United States and 43 other nations signed the Convention at that time, and 16 others have signed since then. The Vienna Convention is a tribute to the United Nations and represents the broadest and most far-reaching set of laws and agreements ever adopted in this field. It is strongly indicative of the political will of the states that adopted it and puts those who profit from this evil trade on notice that it will no longer be tolerated. It is clear the Convention has enthusiastic support in the international community, and it is expected that all states will unreservedly endorse this major step to unify and internationalize the fight against drugs and to generate universal action.

I recommend, therefore, that the Senate give early and favorable consideration to this Convention and give its advice and consent to ratification.

GEORGE BUSH.

THE WHITE HOUSE, *June 19, 1989.*

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order Nos. 128 and 129 en bloc; that the resolutions be deemed agreed to en bloc and that a motion to reconsider the vote by which the resolutions were agreed to en bloc be in order and be laid upon the table. I further ask unanimous consent that the consideration of these items appear individually in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOL 135 PT 9 JE 14 — 22 1989 UMI

AUTHORIZING THE DISCHARGE OF CERTAIN FUNCTIONS BY THE SECRETARY OF THE SENATE

The resolution (S. Res. 147) to authorize the Secretary of the Senate to discharge certain functions under chapter 37 of title 31, United States Code (relating to claims of or against the United States Government), was considered, and agreed to; as follows:

S. RES. 147

Resolved, That, for purposes of subchapter I and II of chapter 37 of title 31, United States Code (relating to claims of or against the United States Government), the United States Senate shall be considered to be a legislative agency (as defined in section 3701(a)(4) of such title), and the Secretary of the Senate shall be deemed to be the head of such legislative agency.

SEC. 2. Regulations prescribed by the Secretary pursuant to section 3716 of title 31, United States Code, shall not become effective until they are approved by the Senate Committee on Rules and Administration.

PURCHASE OF CALENDARS

The resolution (S. Res. 148) relating to the purchase of calendars, was considered, and agreed to, as follows:

S. RES. 148

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate, upon vouchers approved by the chairman of that committee, not to exceed $72,800 for the purchase of one hundred and four thousand 1990 "We the People" historical calendars. The calendars shall be distributed as prescribed by the committee.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the information of Senators, I now have before me a copy of the amendment intended to be proposed by Senator DOLE to the amendment which I previously proposed and which is now pending. I understand that Senator DOLE will address this briefly and that this will be placed in the RECORD for printing. Senators will then have the opportunity to review it tomorrow morning with it being printed in the RECORD.

It is our intention, following discussions throughout the day, that tomorrow morning when we return to the bill, I will propound a unanimous-consent request seeking to establish the process by which the Dole amendment will be considered, following which my amendment will be considered, to include specific items for disposition of those amendments. I now expect the votes on those, if we proceed with the agreement to propound it as now we are considering, to occur on Thursday morning.

Senators should be aware that it is my intention that the Senate will remain in session until we have completed action on the child care bill. I recognize that a recess is to commence at the close of business on Friday and, therefore, it is my hope that we will be able to complete action by that time. But, if not, then we will remain in session for as long and until such time as we do complete action on it. So Senators should be aware of that. It is not my intention to inconvenience any Senators, but this is a very important matter.

There will be pending before the Senate two proposals to deal with it. Following action on the two amendments, the matter will be open, in whatever form it then stands, to further amendment and there may be several amendments offered. So it is very likely, indeed, I think the minority leader would concur that it is almost certain that there will be a lengthy session on Thursday, with a possibility of a very lengthy session on Friday, as well.

In addition, we expect to receive from the House the conference report on the supplemental appropriations bill, possibly sometime late tomorrow. If not, at the latest on Thursday. And we must address ourselves to that important issue.

So we hope that the work we have been doing today in attempting to set forth a process for disposing of this matter will ultimately save time and enable us to reach a final decision on this matter, in a manner that is finally decided on by the Senate. But members should be aware that we are going to have, very clearly, a long session on Thursday, going very late into the evening, and a possibility of a similar session on Friday. And, if we have not by that time concluded action on this matter, we are going to stay here as long as it takes to do so.

This is a very important matter and I believe it is our obligation to complete action on it.

Mr. President, I yield, now, to the distinguished Republican leader.

PROPOSED AMENDMENT

Mr. DOLE. Mr. President, I send to the desk an amendment that I will propose tomorrow morning in the event the agreement is reached. I ask it be printed in the RECORD so all Senators may have notice of the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed in the RECORD.

The amendment is as follows:

Beginning on page 1, line 3, strike all through page 96, line 25.

Beginning on page 97, after line 4, strike all through page 112, line 6.

On page 158, after line 11, insert the following:

TITLE II—EARNED INCOME CREDIT

SEC. 201. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

TITLE III—DEPENDENT CARE CREDIT

SEC. 301. DEPENDENT CARE CREDIT MADE REFUNDABLE; OTHER CHANGES.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle and section 6401, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)(2)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses (as defined in section 21(b)(2)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee,

"(C) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end there the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense to the extent such expense—

"(A) is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) is not includible in the gross income of the recipient."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) 50 percent of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining 50 percent of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 302. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 201(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 303. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this Act, the Secretary of the Treasury and the Secretary of Labor, or the delegates of the Secretaries, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care and the earned income tax credit allowed under sections 21 and 32 of the Internal Revenue Code of 1986, respectively. Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credits and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

TITLE IV—BLOCK GRANT TO STATES FOR CHILD CARE SERVICES

SEC. 401. ESTABLISHMENT OF BLOCK GRANT.

The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is amended—

(1) by inserting after the subchapter designation the following:

"PART 1—DEPENDENT CARE PROGRAMS"; and

(2) by adding at the end thereof the following new part:

"PART 2—BLOCK GRANT TO STATES FOR CHILD CARE

"SEC. 670I. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out the activities described in section 670L, there are authorized to be appropriated $400,000,000 for each of the fiscal years 1990 through 1994.

"SEC. 670J. ALLOTMENTS.

"(a) FORMULA.—

"(1) IN GENERAL.—The Secretary shall make an allotment to each State for each fiscal year, in an amount that bears the same ratio to the amount appropriated under section 670I for such fiscal year as the allotment figure of paragraph (2) for such State bears to the allotment figure for all States.

"(2) ALLOTMENT FIGURE.—The allotment figure for a State shall be the sum of—

"(A) the number of children who are under the age of 13 who reside in such State divided by the number of children who are under the age of 13 who reside in all States; and

"(B) the relative per capita income of the State multiplied by the factor determined under subparagraph (A) for such State.

"(3) DEFINITION.—For purposes of this section, the term 'relative per capita income' means—

"(A) the quotient of the per capita income of the United States divided by the per capita income of the State; or

"(B) in the case of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Commonwealth of Puerto Rico, or the Virgin Islands, the quotient shall be considered to be 1.

"(b) ADDITIONAL ALLOTMENT.—

"(1) METHOD OF ALLOTMENT.—Any amounts not allotted under subsection (a) shall be allotted among each of the States in proportion to the amount otherwise allotted to such States for such fiscal year under subsection (a).

"(2) DEFINITION.—For the purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"SEC. 670K. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—The Secretary shall make payments from amounts made available for each fiscal year pursuant to section 670I, as provided by section 101 of title 31, United States Code, to each State in an amount (not to exceed its allotment under section 670J for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the State plan for such fiscal year.

"(b) FEDERAL SHARE.—The Federal share for each fiscal year shall be 85 percent.

"(c) STATE SHARE.—The State share shall equal 100 percent minus the Federal share.

"(d) CARRYOVER.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of that year shall remain available, for the next fiscal year, to the State for the purposes for which the payment to the State was made.

"SEC. 670L. USE OF ALLOTMENTS.

"(a) PROJECT GRANTS.—Amounts paid to a State under section 670C shall be used by the State to make grants to eligible entities to enable such entities to conduct activities to improve the quality and availability of child care in such State.

"(b) ACTIVITIES.—Activities described under subsection (a) may include—

"(1) State and local resource and referral systems to provide information on child care services including, information on their availability, types, costs, and location;

"(2) activities to provide consumer education to enable individuals to select high quality child care services;

"(3) activities to improve the development, modification and enforcement of State and local child care standards and requirements;

"(4) training and technical assistance for child care providers and workers to improve their ability—

"(A) to comply with State and local health and safety standards and requirements;

"(B) to detect communicable diseases;

"(C) to detect and to prevent the abuse of children;

"(D) to use effective budget and accounting procedures;

"(E) to take full advantage of beneficial tax laws;

"(F) to reduce liability risks; and

"(G) to take any other actions designed to improve the quality of the child care services provided by such providers;

"(5) recruitment and training programs to increase the number of child care providers and volunteers, including the number of seniors who provide child care services;

"(6) activities to encourage the innovative development of before and after school care;

"(7) loan or grant programs for the renovation or modification of existing structures to meet State and local health and safety standards and requirements;

"(8) activities to reduce barriers to obtaining affordable liability insurance, such as the formation of child care liability risk retention groups;

"(9) activities to encourage the development of employer-assisted child care;

"(10) providing tax credits to low income working families with children, including two parent families in which one parent cares for the children of such family at home;

"(11) activities to increase child care services for children who are sick and temporarily unable to be cared for by their regular child care provider;

"(12) activities to increase the supply of child care services for children of individuals who are employed during non-traditional times of the day or week; and

"(13) activities to increase the supply of child care services to help meet the needs of special populations including children who are homeless, migrant, disabled, abused, neglected, or children of minors.

"(c) LIMITATIONS.—A State shall not use amounts paid to, or on behalf of it under section 670K to—

"(1) make cash payments to, or on behalf of, intended recipients of child care services;

"(2) pay for all or any part of the salaries of child care providers or their employees or staff or otherwise to pay for the operating costs of providing child care services;

"(3) pay for the costs of construction or land acquisition; or

"(4) satisfy any requirements for the expenditures of non-Federal funds as a condition for the receipt of Federal funds.

"(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States in planning and operating projects and activities to be carried out under this part.

"(e) STATE ADMINISTRATION.—Not to exceed 7 percent of the total amount paid to a State under section 670K for a fiscal year shall be used for administering the funds made available under such section. The State shall pay from non-Federal sources the remaining costs of administering such funds.

"SEC. 670M. APPLICATION AND STATE PLAN.

"(a) SUBMISSION.—

"(1) IN GENERAL.—To receive an allotment under section 670J, each State shall submit an application to the Secretary in such form, containing such information, and by such date as the Secretary shall require.

"(2) PLAN.—Each application submitted under paragraph (1) shall contain a plan that meets the requirements of subsection (b).

"(b) STATE PLAN.—Not later than 12 months after the date of enactment of this section, each State desiring to participate in the program authorized under this part shall prepare and submit to the Secretary a State plan. Each such plan shall—

"(1) describe the State agency that will administer the programs authorized under this part;

"(2) describe the authorized activities for which assistance is sought under this part;

"(3) provide assurances that the State will not expend in excess of 7 percent of the State allotment under section 670J during each fiscal year for administrative costs;

"(4) provide assurances that the State will give priority to activities that serve low-income areas and populations in accordance with criteria to be determined by the Secretary;

"(5) provide assurances that the State will coordinate the child care activities carried out with funds provided under this part with other Federal and State child care activities undertaken in the State through Federal or State programs;

"(6) provide such fiscal control and accounting procedures as may be necessary—

"(A) to ensure the proper accounting of Federal funds paid to the State under this subchapter; and

"(B) to ensure the verification of reports required under this subchapter; and

"(7) provide such additional assurances as the Secretary may reasonably require.

"SEC. 670N. REPORTING REQUIREMENTS.

"(a) STATE REPORTS.—Not later than 12 months after a State receives funds under this subchapter, and at 12-month intervals thereafter, the chief executive officer of such State shall prepare and submit to the Secretary, in such form as the Secretary shall prescribe, a report describing the States' use of funds received under this part.

"(b) REPORT TO CONGRESS.—Not later than 6 months after the receipt of State reports required under subsection (a), and at 12-month intervals thereafter, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report containing a summary of the information contained in the State reports submitted under subsection (a), and any additional information the Secretary considers appropriate.

"SEC. 670O. DEFINITIONS.

"As used in this part:

"(1) ELIGIBLE ENTITY—The term 'eligible entity' includes providers of child care services, and would not exclude religiously-affiliated providers.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(3) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands,

and the Commonwealth of the Northern Mariana Islands.".

TITLE IV—TREATMENT OF CHILD CARE EARNINGS

SEC. 401. CHILD CARE EARNINGS EXCLUDED FROM WAGES AND SELF-EMPLOYMENT INCOME FOR EXCESS EARNINGS TEST.

(a) WAGES.—Section 203(f)(5)(C) of the Social Security Act (42 U.S.C. 403(f)(5)(C)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new clause:

"(iii) the amount of any payment made to an employee who has attained retirement age (as defined in section 216(l)) by an employer for child care services (including indirect services) performed by such employee after the month in which such employee initially becomes entitled to insurance benefits under this title.".

(b) SELF-EMPLOYMENT INCOME.—Section 203(f)(5)(D) of such Act (42 U.S.C. 403(f)(5)(D)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii),

(3) by inserting immediately after clause (ii) the following new clause:

"(iii) an individual who has attained retirement age (as defined in section 216(l)) who has become entitled to insurance benefits under this title, any income attributable to child care services (including indirect services) performed after the month in which such individual becomes entitled to such benefits,", and

(4) by striking out "royalties or other income" and inserting in lieu thereof "royalties or income".

(c) PAYMENTS OF CERTAIN RECOMPUTED BENEFITS DELAYED.—Section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by adding at the end thereof the following new subparagraph:

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph shall be further increased on an actuarial basis to include such benefits which would have otherwise been paid in a lump sum (determined from the recomputation date to the effective date of such recomputation as provided under subparagraph (D)) as exceed an amount equal to such additional benefits determined for a thirteen month period beginning from such recomputation date.".

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to wages or income earned after December 31, 1989.

(2) The amendment made by subsection (c) shall apply to recomputations made after December 31, 1989.

SEC. 402. SHORT TITLE.

This Act may be cited as the "Working Family Child Care Act of 1989".

Mr. DOLE. Let me indicate that this amendment tonight is being reviewed by Treasury, by Labor, by a member of Senator PACKWOOD's staff, to make certain we have no errors. Because under the agreement, once it is offered and an agreement is reached, it cannot be changed.

I believe it is correct, but I would reserve the right, which I have, to offer a slightly different amendment tomorrow if we find mistakes or if we decide to make an addition.

Mr. MITCHELL. No, I understand that in good faith the Republican leader is giving us the amendment as it currently stands and as he intends to offer it, but he reserves the right to make any changes to correct any errors. It is not the Republican leader's intention to make any major substantive changes, is what I understood to be the case. And I am very grateful to him in that regard.

Mr. DOLE. I would also indicate that I hope we can get unanimous consent tomorrow morning to first move ahead on the amendment that I will offer to the pending amendment and then, depending on what happens to that on the Mitchell amendment, the majority leader's amendment. And, depending on what happens there I assume there will be additional amendments. We have not made a check on this side. I am not certain how many; how long it might take.

But I think the message has been clear from the majority leader. Members will be on notice, we will be here late on Thursday night and the same could happen on Friday night and beyond if final action is not concluded.

I do not believe we could get agreement tomorrow for any final vote on whatever may be remaining, but at least this will give us a good start.

Mr. MITCHELL. Right. I agree with the Republican leader. It is not my intention to try to get agreement tomorrow on final disposition because we do not know what or how many amendments will be offered.

Perhaps at some point on Thursday, after we have had an opportunity to proceed for some time and have some sense of where we stand on amendments, it may be appropriate to do so. But I think for now if we can get the agreement we have been talking about today, that will be a significant step toward completing action on this matter.

Mr. DOLE. It would be my hope that tomorrow morning, if we can clear it on this side, that we might dispose of pending nominations of Mr. Secchia and Mr. Reed, and maybe reach some agreement on another pending nomination, Mr. Hecht. I have discussed that with the majority leader.

I understand there are no requests of Mr. Reed and Mr. Secchia for rollcall votes on this side so there could be some agreement. Perhaps we could do that at some lull tomorrow.

Mr. MITCHELL. In accordance with the Republican leader's request, I will ask our staff to determine, on our side, whether there are any requests for rollcall votes or any objection thereto, and I will be pleased to take it up in an effort to move forward on these matters tomorrow.

Mr. DOLE. I thank the majority leader.

APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. If the majority leader will suspend for a moment, the Chair would like to make an announcement. On behalf of the Republican leader, pursuant to Public Law 100-204 the Chair announces the appointment of the Senator from Kansas [Mrs. KASSEBAUM] to the U.S. Commission on Improving the Effectiveness of the United Nations.

ORDERS FOR WEDNESDAY, JUNE 21, 1989

RECESS UNTIL 10 A.M. AND MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 a.m. on Wednesday, June 21, and that following the time for the two leaders there be a period for morning business not to extend beyond 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME CONSIDERATION OF S. 5 AT 11 A.M.

Mr. MITCHELL. Mr. President, I further ask unanimous consent that at 11 a.m. on tomorrow, the Senate resume consideration of S. 5, the childcare bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if there be no further business, I ask unanimous consent that the Senate stand in recess under the previous order until 10 a.m. on tomorrow, Wednesday, June 21.

There being no objection, the Senate, at 7:24 p.m., recessed until Wednesday, June 21, 1989, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate June 20, 1989:

DEPARTMENT OF STATE

C. HOWARD WILKINS, JR., OF KANSAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF THE NETHERLANDS.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

WHAT DOES THE FMLN REALLY WANT?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LAGOMARSINO. Mr. Speaker, in late April, the FMLN guerrillas in El Salvador announced they would step up their military campaign in order to thwart the war-mongering policies of the Government. Surely, that must strike my colleagues as hypocritical. The FMLN continues to resort to terrorist attacks, political assassinations, and sabotage while criticizing the Government for using its military forces to defend itself.

In a recent commentary sponsored by the Independent Human Rights Organization Freedom House, Douglas Payne analyzes the question: "What does the FMLN Really Want?"

I urge my colleagues to read carefully this analysis.

A QUESTION OF EL SALVADOR: WHAT DOES THE FMLN REALLY WANT?

(By Douglas Payne)

"Sudden turnaround" and "abrupt reversal" are phrases most often used to describe the recent peace proposals by El Salvador's Farabundo Marti National Liberation Front (FMLN). Many observers emphasize that the FMLN guerrillas are no longer demanding a share of power. Many say that the offer to participate in elections means the FMLN has finally agreed to recognize the democratic system it's been trying to overthrow.

But a closer examination of internal FMLN documents, and the group's actual behavior while proposing peace, reveals that the FMLN's objective has not changed: it has merely made a strategic adjustment. Secondly, a closer inspection of the organization itself reveals totalitarian methods of internal control that make the avowedly Marxist-Leninist FMLN a highly unlikely participant in a democratic system. After a decade of war, there is a natural desire to pursue any avenue for peace, but there is strong evidence that the FMLN proposals should be approached with extreme caution.

Since 1980, the FMLN has followed a clear pattern. It has consistently 1) over-calculated its strength, both militarily and politically, then 2) bought time to recover from defeat with peace proposals aimed at both domestic and international audiences. The FMLN's failure to foment insurrection in 1988, followed by peace proposals in 1989, appears to fit the pattern.

But the timing of these proposals during an electoral campaign, with a simultaneous increase in the use of violent tactics, signals the offensive nature of the current initiative. The FMLN is not just buying time, it is seeking to effectively coordinate, for the first time, armed action with political deception. The immediate objective is to disrupt the democratic system, cause it to collapse. The endgame is a cutoff of U.S. aid, the only thing that will alter the balance of forces in favor of the FMLN. That is what FMLN commander Joaquin Villalobos really means when he writes, "the problem to be solved is the interference of the United States. Everything else is open to discussion" (Foreign Policy, Spring 1988)

The FMLN's first miscalculation was evident in the failed "final offensive" of January 1981. Regrouping in Havana a month later, FMLN strategists mapped out a plan to "improve our internal military situation" by engaging in "negotiating maneuvers" designed to win time (Freedom At Issue, September-October, 1983). The FMLN document produced at this meeting, entitled "The Negotiations Maneuver," also included a plan for a diplomatic offensive to establish the organization's international standing.

Subsequent offensives in 1982 and 1983 showed that the guerrillas had recovered a significant degree of military capability. However, predicting victory by 1984 was their next miscalculation. Their diplomatic offensive and negotiating maneuvers had helped undermine support for the Salvadoran government in Washington, but a bipartisan Congressional majority remained in favor of continued U.S. aid. U.S. aid led to a stronger, more professional army, and military reversals for the guerrillas. FMLN efforts to disrupt the 1984 elections failed. Guerrilla ranks diminished as fighters left the war to try out the democratic system. And the inauguration of President Jose Napolean Duarte, a lifelong foe of military government, undermined their claim to legitimacy both at home and abroad.

The FMLN therefore quickly accepted Duarte's invitation to negotiate in late 1984. But after two meetings, they rejected his offer to disarm and compete in the democratic system, instead repeating their power-sharing demand. But despite disappointment over the failure of the talks, it was clear that few democratic nations remained willing to back the power-sharing demand.

Having lost the battle for popular support to the democratic system, the FMLN in 1985 set out to destroy the system. Because of its weakened military position, however, it was forced to resort to terror and sabotage. If it had not, it would have ceased to exist as a political entity.

The FMLN began with an attack on the presidency itself. The damage done to the Christian Democratic government, and to Duarte personally, by the kidnapping of his daughter in 1985 cannot be overestimated. The FMLN declared it "our biggest victory so far." Such reveling in what many in the wider world saw as a grotesque act of terrorism showed how marginalized the guerrillas had become. But, if they underestimated the political effects of this on themselves they, were right about the impact it had on the Duarte government.

The drawnout ordeal paralyzed the government. In its wake, Duarte appeared to abdicate leadership to party functionaries. The government lost direction, and electoral promises on social and economic issues were lost amid corruption and infighting. Seizing the opportunity, the FMLN turned to sabotaging the nation's economic infrastructure. The objective was to further undermine the government's ability to meet the needs of the people. The total cost of FMLN sabotage to date is estimated at $1.8 billion. Total U.S. economic aid to El Salvador this decade has been approximately $2.4 billion.

It should be noted that a sustained international outcry forced the Contras to reconsider the use of similar tactics in Nicaragua. However, there has been little international criticism of the FMLN. In fact, many observers cite FMLN sabotage as evidence of its strength, not its weakness, and therefore as a reason why the FMLN should be respected. Few point out that the primary victims are the workers and peasants the FMLN claims to represent.

By 1987, the FMLN took advantage of the openings created by the Esquipulas II Accord and mounting economic discontent in El Salvador to penetrate democratic labor movements, and to rebuild front groups as a cover for urban commando units. With renewed terror and sabotage capability in the cities, FMLN strategists determined in early 1988 that the country was ripe for insurrection. But again they miscalculated.

The new insurrectional strategy was mapped out in an internal document of the FMLN General Command, dated January 1988 and entitled "Strategic Appraisal." The document was captured by the military a month later and subsequently published in the April issue of Analisis, the journal of the New University of San Salvador. It has been acknowledged as authentic by the FMLN.

The document gives evidence that the FMLN once again drifted into its characteristic overconfidence. Its leaders imagined that the Salvadoran people had become so disillusioned with democracy that FMLN "armed propaganda," by provoking increased government repression, would "detonate a social explosion" leading to insurrection. But the scenario didn't pan out; the military and the Salvadoran people refused to assume their projected roles, even during a heated electoral campaign.

The night before the March 1988 municipal and legislative elections, the FMLN set off six bombs in the capital. On election day, they tried to enforce a nationwide traffic shutdown, cut off power to 80 percent of the country by blowing up electoral towers, and declared all polling stations military targets. But while the percentage of eligible voters declined in comparison to the 1985 legislative elections, the total number of voters in 1988 actually increased (Estudios Centroamericanos, University of Central America, San Salvador, March-April 1988).

During the remaining nine months of 1988, the FMLN declared a series of offensives and called for the "masses" to join the "popular rebellion." By the end of the year it was obvious there would be no insurrection. A poll taken by the Jesuit-run University of Central America (UCA) showed that nearly 9 out of 10 Salvadorans surveyed were planning to vote in 1989 (Estudios Centroamericanos, November-December 1988). The UCA rector, Father Ignacio Ellacuria, a man of the left and the former philosophy

VOL 135 PT 9 JE 14 22 1989 UMI

professor of many of the FMLN commanders, stated that insurrection was impossible, that Salvadorans would continue voting as they had in five previous elections beginning in 1982.

The FMLN fared no better internationally. Guerrilla commanders donned suits in the fall and toured the capitals of Latin America and Western Europe in search of support. Key governments such as Brazil wouldn't even receive their delegations; those that did told them to forget the military path, and to negotiate.

There were also questions about the enthusiasm of Moscow, Havana and Managua for the FMLN's insurrectionary plan. Concrete support from these allies was reduced in mid-decade when preserving Sandinista power in Nicaragua became the Marxist-Leninist priority in the region. In 1988, Moscow appeared hesitant to undermine the new detente with Washington, and unwilling to subsidize another Third World Marxist regime. Cuba was the wild card. Fidel Castro had united El Salvador's fragmented radical left to form the FMLN in Havana in 1980, and remained their staunchest supporter. Currently at odds with Moscow on numerous issues, and always fearful that detente will lead Moscow and Washington to cut a deal over his head, Castro may see insurrection in El Salvador as the perfect opportunity to poke both superpowers in the eye.

Given the FMLN's political isolation both at home and abroad, its strategic adjustment at the beginning of 1989 should have come as no surprise. The 1988 "Strategic Appraisal" document in fact, clearly describes the adjustment the FMLN was considering in case the insurrectionary strategy failed.

After assessing what it believed to be the conditions for insurrection in 1988, the FMLN noted that the resurgence of the right-wing National Republican Alliance (ARENA) and the weakened state of the government were placing increasing stress on the entire political system. The stress was greatest during electoral campaigns. It also noted that past FMLN peace proposals, designed to buy time, had also "delivered shocks" to the political system, exacerbating friction between the military, the government, and the political parties.

In 1988, the FMLN determined that insurrection would provide the decisive blow to the tenuous cohesion of the system. Its strategy document stated, however, in a clear preview of its 1989 initiative, that if the insurrection were slow to advance, it would unleash "our arsenal of proposals." The FMLN said these proposals, linked to dialogue, are the primary instruments of "our conspiratorial capability." While they can be used to "keep the enemy tied to the table," in the future they would be used "offensively," to break the enemy's cohesion and bring down the government.

The recent FMLN peace proposals therefore do not appear to constitute a genuinely conciliatory offer to participate in elections if the government agrees to postpone them. Coordinated with increased terror and sabotage, they seem more likely to be the centerpiece of a combined political and military assault on the democratic system itself.

In particular, this assault is designed to provoke an overreaction from the military and the antidemocratic right. Guillermo Ungo is the presidential candidate of the left-wing Democratic Convergence, who nonetheless remains an ally of the FMLN while campaigning in the current election. At the end of February, he candidly acknowledged that the FMLN did not expect their proposals to be accepted, that the initiative was meant to "corner and isolate the Army" (New York Times, 26 February 1989). By then, it was apparent that the military leadership was unsettled, practically promising a coup if the government agreed to postpone the elections in an unconstitutional manner.

A coup may very well be just what the FMLN has been trying to provoke. The collapse of the democratic system would mean an end to U.S. assistance, and a reversal of the FMLN's political isolation, both domestically and abroad. The history of Latin American revolution shows that leftwing insurgencies have great difficulty in overthrowing democracies, even relatively weak ones. The condition for success is to face off against an authoritarian regime, as in Cuba in 1959 and Nicaragua in 1979. In 1988, the FMLN appears to have decided that it could not overthrow the Salvadoran democracy. In 1989, it turned to strategic political manipulation, in tandem with the tactical use of violence, "to bring the government down." If democracy is brought down, the FMLN can consider a number of options for seizing power, including insurrection.

By March, the FMLN proposals had already succeeded in shaking El Salvador's fledgling democratic system. The war/peace issue moved to the top of the national agenda, usurping the economic and social issues that had been dominating the presidential campaign. Accumulated tension and war-weariness in Salvadoran society were brought into sharper relief. The political parties, knowing that Salvadorans are desperate for peace, strained to avoid being stigmatized as spoilers. The military leadership struggled to keep the armed forces from overreacting, even declaring a unilateral ceasefire in support of President Duarte's counterproposal to delay elections by six weeks instead of six months.

At the same time, the FMLN enhanced the pressure on the political system through escalated terror and sabotage. The guerrillas caused power blackouts throughout the country by blowing up electrical towers on a daily basis. Terrorist attacks were aimed primarily at the military and rightwing politicians. A series of car bombs directed at urban military installations were clearly designed to provoke the army; the only casualties were the deaths of civilians in the vicinity. Bomb attacks were made against the homes of Air Force officers, and one bomb was thrown at the house of Gen. Vides Casanova's mother, an obvious attempt to provoke the defense minister who has been a moderating force within the military. All this was occurring *after* the FMLN issued its peace proposals.

Provoking violent backlash is familiar FMLN procedure. It was used as a tactic to promote insurrection in 1988, and is being used now to sharpen the divisions in the political system brought on by their peace proposals. Thus far, however, the backlash expected by the FMLN has come primarily from remnants of the old death-squad networks. Tutela Legal, the Catholic Church's human rights office, makes a distinction between death-squad murders and the killing of civilians by the military and security forces. In 1988, Tutela Legal reported a nearly 300 percent increase in death-squad killings over 1987, from 24 to 60. But civilian deaths attributable to the military and security forces rose by less than 20 percent, from 72 to 85. And while Tutela Legal currently reports that killings are increasing again, its Director, Maria Julia Hernandez, says that most recent incidents are not sanctioned by the military leadership or the institution as a whole.

Assassinations by the FMLN, according to Tutela Legal, rose from 33 in 1987 to 41 in 1988. Deaths caused by landmines of unknown origin, but widely used by the FMLN, rose to 57, nearly double the total for 1987. And since November, FMLN car bombs have caused the deaths of around a dozen civilians.

The combined political-military assault on El Salvador's democracy that begin in January appeared to catch Washington offguard. If the FMLN's endgame is a cut-off of U.S. aid, as suggested in the *Foreign Policy* article by Joaquin Villalobos, it is instructive to review the FMLN's assessment of U.S. policy as of last year. Its analysis appears not only in the "Strategic Appraisal" document, but also in *Venceremos* (February-March 1988), the official FMLN publication available throughout the hemisphere in both Spanish and English.

The FMLN argued that U.S. foreign policy is in retreat generally and that flagging resolve in Central America could be transformed into a retreat from El Salvador in particular. As evidence of U.S. weakness, the FMLN pointed to 1) the U.S.-Soviet INF accord, 2) the overall reduction in U.S. foreign aid, including to El Salvador, after Gramm-Rudman, 3) the emergence of the Group of Eight Contadora countries parallel to a stagnant Organization of American States, 4) the Central American peace accords and the impending (at that time) Congressional defeat of Contra aid, and 5) growing fissures in bipartisan Congressional support for U.S. aid to El Salvador.

In the "Strategic Appraisal" document, the FMLN stated, "For revolutionary states and the socialist camp, negotiation is an expression of victory." It perceived U.S. willingness to negotiate as evidence of "the weakening of the Yankee administration, the contradictions at its center, the impossibility of its using all its forces, and the international isolation its policies have suffered."

It can be easily argued that in its general analysis the FMLN is again guilty of overconfidence, or "triumphalism" in revolutionary jargon. How the U.S. responds to the latest FMLN initiative during this critical moment, however, will in large part determine whether the FMLN must rethink its assessment of U.S. resolve in El Salvador. Therefore, those still willing to give the FMLN the benefit of the doubt should take a closer look at the organization itself. There are numerous reasons to question its sincerity and stated commitment to democratic principles.

Founded in Havana in 1980 as a Marxist-Leninist guerrilla organization, the FMLN reiterated its ideology at mid-decade with the public announcement that it had started building a Marxist-Leninist party. To date, the FMLN's allegiance to Marxism-Leninism has never been disavowed.

Internally, the FMLN is rigidly structured in pyramidal Leninist fashion. The leadership brooks no deviation from the policy it sets down. Discipline is exacted by force. Those who question or veer from the organizational line are subject to execution in the name of "revolutionary justice."

Since 1975, when Joaquin Villalobos ordered the execution of Roque Dalton, murder has been a traditional means of resolving internal disputes among the FMLN

29-059 O-90-31 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

leadership. In 1983, Commander Salvador Cayetano Carpio ordered the murder of Commander Ana Maria Gomez in Managua. Weeks later, Carpio died, reportedly a suicide. In the most recent case, former Commander Miguel Castellanos, who had left the FMLN in 1985, was murdered just last month by an FMLN urban commando unit. The FMLN General Command issued a triumphant statement that "revolutionary justice" had been applied. There is reason to doubt the FMLN's stated commitment to political pluralism in the light of its ongoing policy of "revolutionary justice" and totalitarian internal control.

The FMLN's totalitarian methods of control also extend beyond the organization itself, into the communities where its influence is dominant. Indoctrination of civilians and the use of intimidation and executions to enforce discipline remains FMLN policy in guerrilla-held territory in northern El Salvador. The FMLN has used similar methods in order to take control of the Salvadoran refugee camps in Honduras ("Fear Rules the Salvadoran Refugees," *New York Times*, 3 March 1989). How does the FMLN explain that despite the fact of continuing war, thousands of refugees have asked the United High Commissioner on Refugees for assistance in leaving these camps to return home?

There is also the question of the actual size of the FMLN and its level of popular support. The current consensus on the number of guerrilla fighters is 6-7,000. That is a decline from approximately 13-15,000 in the early 1980s. After the 1984 election, the FMLN has to resort to forced recruitment to keep its ranks from diminishing further. International organizations that work in war zones report that in recent years guerrilla ranks are increasingly made up of youths fifteen and younger. Leaders of the Democratic Convergence who remain allied to the FMLN concede that outside guerrilla ranks, the social base of the FMLN is no more than 50,000, approximately 1 percent of the total population. Yet the FMLN defends its use of violence with the argument that it is the authentic representative of the Salvadoran people.

If the FMLN is genuinely committed to political pluralism and democratic elections, why does it continue its murderous attacks on the country's 265 democratically elected municipal officials. In the last twelve months, the FMLN has threatened to kill any official who refuses to resign his or her office. It has killed at least eight mayors and one regional governor. Over 100 other officials have either resigned or left the towns they represent. In this regard, the FMLN has far exceeded the rightwing death squads in killing figures from El Salvador's nascent democratic life; no significant leftist politician, student leader, or labor official has been killed in the past year.

In January this year, the Salvadoran Corporation of Municipalities issued a call to its counterparts throughout Latin America for support in denouncing the FMLN assault on municipal government, but to little effect. The FMLN charges that municipal officials are part of military's counterinsurgency program and therefore justifiable military targets. What few observers note, however, is that these officials have been implementing the successful Municipalities-in-Action public improvements program designed by the Salvadoran government and US AID.

In two years, approximately $75 million has been placed in the hands of these officials for road building, bridge repair, schools, etc. Taking these programs out of the central bureaucracy and into the municipal system where they can be more effectively implemented was clearly perceived by the FMLN as a *political* threat. For the first time, the government had created an effective system for providing services in the countryside. To date, the FMLN's policy to destroy this effort continues.

By mid-March, the onus of rebuffing the FMLN's peace proposals fell heavily on the Salvadoran government and political parties. Yet it was the FMLN which was persisting in terrorism and sabotage until its demands were met. In contrast, the Sandinista government in Nicaragua has insisted on the complete disarmament of the Contras before their reintegration into society, and has faced little international pressure to do otherwise.

In El Salvador there exists a constitutional democracy, which allows allies of the FMLN to form political parties and run for president. Yet the FMLN demands that the constitution be changed for the sole purpose of allowing it to participate in elections at a time of its own choosing. Thus far, the FMLN has conceded little to the democratic system beyond rhetoric and promises. As has been shown, there is much evidence for questioning whether the FMLN really seek to participate in Salvador's fragile democracy or actually means to bring that democracy down. While El Salvador desperately needs peace, and while no opportunity for widening the democratic community should be lost, free peoples should be wary of the group's offering.

INTRODUCTION OF BILL—VISUAL ARTISTS RIGHTS ACT OF 1989

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. KASTENMEIER. Mr. Speaker, I am pleased today to introduce the Visual Artists Rights Act of 1989, along with my colleague ED MARKEY of Massachusetts. Representative MARKEY has long been a leader in the effort to protect visual arts from mutilation and destruction, and I welcome his continued efforts in this Congress.

Over the past few years, the Judiciary Committee Subcommittee on Courts, Intellectual Property and the Administration of Justice, which I chair, has closely considered the general issue of protection of the creative works of an author. This issue arises in several contexts, perhaps most notably in films and in visual arts. Legislation relating to both kinds of endeavors was introduced in the 100th Congress but, with a limited exception in the film context, no laws were enacted.

This Congress, we will take a new look at these issues. Since the protection of visual arts and films present very distinct issues, the subcommittee will examine each of these issues separately. The subcommittee will hold hearings on the Visual Artists Rights Act in New York City next month. Soon thereafter, we will hold a hearing in Los Angeles on the issue as it arises in the film context.

The eloquent testimony of William Smith before my subcommittee during the 100th Congress persuades me that introduction of this bill is warranted. Mr. Smith's critically praised historical mural was mutilated when the wall on which it was painted was reconstructed. Though Mr. Smith was available to repair the work, the building owners requested that another artist do so. The result was a great diminution in both the aesthetic and monetary value of Mr. Smith's fine work. Mr. Smith's story is a compelling example of the harm that has been done to other visual artists, and as a result, to society's interests as well.

The Visual Artists Rights Act is therefore a pragmatic response to a real problem. It is directed toward development of Federal rights that would enable visual artists to protect the integrity of their works and the fact of their authorship.

The bill is a limited bill, covering only certain types of works and authors, and specifically excluding others. It covers only works of visual art, defined as single copies or limited editions of paintings, drawings, prints, sculptures, and still photographic images produced for exhibition purposes only. It specifically excludes reproductions, motion pictures, books, magazines, and the like; merchandising and advertising materials, works for hire, works not subject to copyright protection under title 17 of the United States Code. Modifications due to the passage of time and to conservation are not proscribed unless they are the result of gross negligence.

Works in existence on the effective date of the law would be covered only if they are not published until after the effective date. Works created after the effective date will be covered in all cases.

An author of a covered work is provided with two rights. The first is a right of attribution, to claim authorship and object to false attribution of authorship. The second is a right of integrity, to prevent and seek redress for destruction, distortion, mutilation, or other modification that is prejudicial to the author's honor or reputation. If the work is one of recognized stature, the bill presumes prejudice to the author's honor or reputation. This right of integrity applies only to the single copy of the work or to additional copies comprising a limited edition.

A violation of these rights would be an infringement of the author's rights, but it would not be a copyright infringement, as the author may not be the copyright holder. However, all of the remedies currently available to copyright holders for infringement would apply to violations of these new rights, except for criminal penalties.

The rights of attribution and integrity would be coterminous with the term of copyright for the work. They may be waived, but they may not be sold.

There are nine State laws that, in one form or another, protect visual arts. In the interest of uniformity and clear rules, these laws would be preempted, but only with regard to rights that are equivalent to those covered by the proposed law.

Finally, the bill directs the Copyright Office to conduct two studies. One relates to whether royalties or similar kinds of compensation should be paid to the author upon the resale

of a work of visual art. The second relates to the practical application of the waiver provision.

We should always remember that the visual arts covered by this bill meet a special societal need, and that their protection and preservation serve an important public interest. It is for this reason that I am pleased to join with my colleague from Massachusetts in introducing this bill.

H.R. —

A bill to amend title 17, United States Code, to provide certain rights of attribution and integrity to authors of works of visual art

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Visual Artists Rights Act of 1989".

SEC. 2. WORK OF VISUAL ART DEFINED.

Section 101 of title 17, United States Code, is amended by inserting after the paragraph defining "widow" the following:

"A 'work of visual art' is a painting, drawing, print, sculpture, or still photographic image produced for exhibition purposes only, existing in a single copy, in a limited edition of 200 copies or fewer, or, in the case of a sculpture, in multiple cast sculptures of 200 or fewer. A work of visual art does not include—

"(1) any version that has been reproduced in other than such limited edition prints or cast sculptures;

"(2)(A) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audio visual work, book, magazine, periodical, or similar publication;

"(B) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;

"(C) any portion or part of any item described in subparagraph (A) or (B);

"(3) any work made for hire;

"(4) any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in paragraph (1), (2), or (3); or

"(5) any work not subject to copyright protection under section 102 of this title.".

SEC. 3. RIGHTS OF ATTRIBUTION AND INTEGRITY.

(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Chapter 1 of title 17, United States Code, is amended by inserting after section 106 the following new section:

"§ 106A. Rights of certain authors to attribution and integrity

"(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—

"(1) shall have the right—

"(A) to claim authorship of that work, and

"(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

"(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work as described in paragraph (3); and

"(3) subject to the limitations set forth in section 113(d), shall have the right to prevent any destruction, distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any such destruction, distortion, mutilation, or modification of that work is a violation of that right.

For purposes of this subsection, the destruction, distortion, mutilation, or other modification of a work of recognized stature shall constitute prejudice to the honor and reputation of the author of that work. In determining whether a work is of recognized stature, a court or other trier of fact may take into account the opinions of artists, art dealers, collectors of fine art, curators of art museums, conservators, and other persons involved with the creation, appreciation, history, or marketing of works of visual art. Evidence of commercial exploitation of a work as a whole, or of particular copies, does not preclude a finding that the work is a work of recognized stature.

"(b) SCOPE AND EXERCISE OF RIGHTS.—The author of a work of visual art has the rights conferred by subsection (a), whether or not the author is the copyright owner, and whether or not the work qualifies for protection under section 104. Where the author if not the copyright owner, only the author shall have the right during his or her lifetime to exercise the rights set forth in subsection (a).

"(c) EXCEPTIONS.—(1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification was the result of gross negligence in maintaining or protecting the work.

"(2) The modification of a work of visual art which is the result of conservation is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.

"(d) DURATION OF RIGHTS.—(1) With respect to works of visual art created on or after the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989, the rights conferred by subsection (a) shall endure for a term consisting of the life of the author and fifty years after the author's death.

"(2) With respect to works of visual art created before the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989, but not published before such effective date, the rights conferred by subsection (a) shall be coextensive with, and shall expire at the same time as, the rights conferred by section 106.

"(3) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

"(e) TRANSFER AND WAIVER.—(1) Except as provided in paragraph (2), the rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver applies, and the waiver shall apply only to the work and uses so identified.

"(2) After the death of an author, the rights conferred by subsection (a) on the author may be exercised by the person to whom such rights pass by bequest of the author or the applicable laws of interstate succession.

"(3) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any fixation of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any fixation of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). Except as may otherwise be agreed by the author in a written instrument signed by the author, a waiver of the rights conferred by subsection (a) with respect to a work of visual art shall not constitute a transfer of ownership of any fixation of that work, or of ownership of a copyright or any exclusive right under a copyright in that work.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by inserting after the item relating to section 106 the following new item:

"106A. Rights of certain authors to attribution and integrity.".

SEC. 4. REMOVAL OF WORKS OF VISUAL ART FROM BUILDINGS.

Section 113 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d)(1)(A) Where—

"(i) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

"(ii) the author or, if the author is deceased, the person described in section 106A(e)(2), consented to the installation of the work in the building in a written instrument signed by the owner of the building and the author or such person,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply, except as may otherwise be agreed in a written instrument signed by such owner and the author of such person.

"(B) An agreement described in subparagraph (A) that the rights conferred by paragraphs (2) and (3) of section 106A(a) shall apply shall not be binding on any subsequent owner of the building except where such subsequent owner had actual notice of the agreement or where the instrument evidencing the agreement was properly recorded, before the transfer of the building to the subsequent owner, in the applicable State real property registry for such building.

"(2) If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

"(A) the owner has made a diligent, good faith attempt without success to notify the author or, if the author is deceased, the person described in section 106A(e)(2), of the owner's intended action affecting the work of visual art, or

"(B) the owner did provide such notice by registered mail and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

If the work is removed at the expense of the author or the person described in section 106A(e)(2), title to that fixation of the work shall be deemed to be in the author or such person, as the case may be. For purposes of subparagraph (A), an owner shall be presumed to have made a diligent, good faith

VOL 135 PT 9 JE 14 — 22 1989 UMI

attempt to send notice if the owner sent such notice by registered mail to the last known address of the author or, if the author is deceased, to the person described in section 106A(e)(2).

"(3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building, or persons described in section 106A(e)(2) with respect to that work, may record their identities and addresses with the Copyright Office. The Register shall also establish procedures under which such authors or persons may update the information so recorded, and procedures under which owners of buildings may record with the Copyright Office evidence of their efforts to comply with this subsection.".

SEC. 3. PREEMPTION.

Section 301 of title 17, United States Code, is amended by adding at the end the following:

"(f)(1) On or after the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by sections 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

"(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to—

"(A) any cause of action from undertakings commenced before the effective date set forth in section 10(a) of the Visual Artists Rights Act of 1989; or

"(B) activities violating the legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual art.".

SEC. 4. INFRINGEMENT ACTIONS.

(a) IN GENERAL.—Section 501(a) of title 17, United States Code, is amended—

(1) by inserting after "118"; the following: "or of the author as provided in section 106A(a)"; and

(2) by striking out "copyright." and inserting in lieu thereof "copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a).".

(b) EXCLUSION OF CRIMINAL PENALTIES.—Section 506 of title 17, United States Code, is amended by adding at the end thereof the following:

"(f) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Nothing in this section applies to infringement of the rights conferred by section 106A(a).".

(c) REGISTRATION NOT A PREREQUISITE TO SUIT AND CERTAIN REMEDIES.—(1) Section 411(a) of title 17, United States Code, is amended in the first sentence by inserting after "United States" the following: "and an action brought for a violation of the rights of the author under section 106A(a)".

(2) Section 412 of title 17, United States Code, is amended by inserting "an action brought for a violation of the rights of the author under section 106A(a) or" after "other than".

SEC. 7. STATUTE OF LIMITATIONS.

Section 507(b) of title 17, United States Code, is amended by adding at the end the following: "For purposes of an action brought for infringement of the rights under section 106A(a) of an author of a work of visual art, the claim accrues when the author (or person described in section 106A(e)(2), as the case may be) knew or should have known of the violation of the author's rights under section 106A(a).".

SEC. 8. FAIR USE.

Section 107 of title 17, United States Code, is amended by striking out "section 106" and inserting in lieu thereof "sections 106 and 106A".

SEC. 9. STUDIES BY COPYRIGHT OFFICE.

(a) STUDY ON WAIVER OF RIGHTS PROVISION.—

(1) STUDY.—The Register of Copyrights shall conduct a study on the extent to which rights conferred by subsection (a) of section 106A of title 17, United States Code, have been waived under subsection (e)(1) of such section.

(2) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report containing the results of the study conducted under paragraph (1).

(b) STUDY ON RESALE ROYALTIES.—

(1) NATURE OF STUDY.—The Register of Copyrights, in consultation with the Chair of the National Endowment for the Arts, shall conduct a study on the feasibility of implementing—

(A) a requirement that, after the first sale of a work of art, a royalty on any resale of the work, consisting of a percentage of the price, be paid to the author of the work; and

(B) other possible requirements that would achieve the objective of allowing an author of a work of art to share monetarily in the enhanced value of that work.

(2) GROUPS TO BE CONSULTED.—The study under paragraph (1) shall be conducted in consultation with other appropriate departments and agencies of the United States, foreign governments, and groups involved in the creation, exhibition, dissemination, and preservation of works of art, including artists, art dealers, collectors of fine art, and curators of art museums.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report containing the results of the study conducted under this subsection, and any recommendations that the Register may have as a result of the study.

SEC. 10. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b) and except as provided in subsection (c), this Act and the amendments made by this Act take effect 6 months after the date of the enactment of this Act.

(b) APPLICABILITY.—The rights created by section 106A of title 17, United States Code, shall apply to works created but not published before the effective date set forth in subsection (a), and to works created on or after such effective date, but shall not apply to any destruction, distortion, mutilation, or other modification (as described in section 106A(3) of such title) of any work which occurred before such effective date.

(c) SECTION 9.—Section 9 takes effect on the date of the enactment of this Act.

TRIBUTE TO THE RISING STAR BAPTIST CHURCH

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to the Rising Star Baptist Church on the occasion of their renovation of Thornhill Elementary School into a beautiful place of worship.

I had the privilege of attending this blessed event and was tremendously inspired. The theme of this celebration, "You need no skill to destroy or tear down but you need some skill to build," was very fitting seeing that Thornhill Elementary was a condemned building before the completion of its renovation this spring. Pastor Joey Johnson from the House of The Lord in Akron, OH, gave an arousing keynote address giving everyone an opportunity to realize the importance of this great celebration.

The pastor of the Rising Star Baptist Church, Gary Frost, who I have had the pleasure coaching football to at East High School, has done an outstanding job with the church. It was very heartwarming to see people from all over my 17th Congressional District of Ohio come and pay respect to Gary Frost and the congregation who have worked so hard.

Mr. Speaker, people such as the members of Rising Star Baptist Church make this truly "One Nation Under God." I would like to congratulate them on their outstanding job. I am honored to represent such fine people and wish them continued success in the future.

ONE OF THE SPECIAL STUDENTS AT LAWRENCE LIVERMORE NATIONAL LABORATORY: DUBLIN, CA'S CHRISTOPHER JARIN MURRAY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. STARK. Mr. Speaker, I would like to take this opportunity to congratulate Christopher Jarin Murray for being selected to participate in the High School Science Student Honors Program in supercomputing. This program is sponsored by the Department of Energy to encourage scientific study among high school students.

The program was implemented in 1985, because as the President stated, "America's future success in science and technology rests with students * * * who have the talent, curiosity, and desire to learn mathematics, physics, chemistry, biology, and engineering. To make progress in these and other fields of advanced study, you will need to become familiar with supercomputers, which are among the most powerful tools we use to understand the technologically based world in which we live."

The program involves a 2-week session at the National Magnetic Fusion Energy Computer Center [NMFECC] at the Lawrence Livermore National Laboratory in Livermore, CA. The NMFECC houses some of the most powerful supercomputers in the world.

During their 2 weeks at the NMFECC, the students receive extensive hands-on experience working with supercomputers. They are paired with a facility scientist and given an advanced programming project to complete. In addition, the students attend presentations and informal discussions given by the staff at NMFECC, many of whom are world renowned in their fields.

The students are a highly select group, of only 60 students. They represent the 50 States and 9 countries. These young men and women represent the best and brightest among high school science students.

Clearly, Jarin's achievement is very impressive. He represents the best of American youth, for he is extremely well-rounded. In addition to writing database and graphics programs, he is an active participant in his youth group. Jarin enjoys music composition, plays baseball, and is an avid skier. Jarin recently graduated from Dublin High School in Dublin, CA, and plans to attend the California Polytechnic University, majoring in physics.

Mr. Speaker, I am honored to congratulate Jarin Murray on his achievement.

CONGRATULATIONS TO SHERRI CURRIA

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Sherri Curria, of Warren, RI, this year's recipient of the first annual Ronald K. Machtley Award for Warren High School in Warren, RI.

This award is presented to the student, chosen by Warren High School, who demonstrates a mature blend of academic achievement, community involvement, and leadership qualities.

Sherri has clearly met this criteria by being a member of the Rhode Island Honor Society and the National Honor Society. Sherri has also been involved in student government, as a class president and recently as a member of the student council. She has been active in the school band, math team, athletics, and as a cheerleader. Last year, Sherri also received the URI Distinguished Faculty Award.

I commend Sherri for her achievements and wish her all the best in her future endeavors.

ST. FRANCIS HOSPITAL, JERSEY CITY, CELEBRATES 125TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. GUARINI. Mr. Speaker, a dedicated medical facility in my district is celebrating its 125th year of service. Their record is one of outstanding accomplishment covering the years from a most dramatic portion of America's history, treating veterans and their families of the Civil War era to the present time.

St. Francis Hospital, Jersey City, and St. Mary Hospital, Hoboken, which is also in my district, are part of the Franciscan Health System of New Jersey, whose president is Thomas A. Schember, and have combined their goal of intensive caring here in the Garden State.

According to Joan Quigley, corporate vice president of planning and marketing at the facility, located in downtown Jersey City, just two blocks from the Hudson River, the following information is provided:

St. Francis Hospital celebrates its 125th anniversary this year. Some of the memorable events which have taken place here over two centuries are captured on newspaper clippings, now yellowed with age. Yet, perhaps our most cherished memories—the ones which seem most real to us—are those recalled by our senior employees.

"I remember how every inch of this hospital was covered with people. They were out the windows and on the front steps when we used to have them," says retired employee Brunhilde Rautenberg of that day in the 1960's when the late President John F. Kennedy and his wife passed by the hospital in a motorcade. "Children from a local school waved little American flags as we all cheered. I can picture it as if it happened yesterday."

St. Francis first opened its doors to help the poor and sick on April 5, 1864. The hospital has survived two World Wars and a Depression and grown from a two-story frame house into a thriving complex with 254 beds.

And we've cared for generations.

"During the war years, the nuns used to get big trays of food and give them out to the poor who came to the hospital hungry," says Paul Ross, a maintenance mechanic who has been with St. Francis for 40 years. "At that time, this place was run by Franciscan sisters. When Christmas came, they would give every employee a new calendar and a bag of candy."

Mother Francis Schervier, the founder of the Franciscan Sisters of the Poor, had already established two hospitals in the United States when she sent a small group of sisters to set up St. Francis, the first hospital in Jersey City.

With the help of Father Pierre Louis Dominique Senez, who was the pastor of St. Mary Church in Jersey City, the nuns were able to minister to the poor and sick from a house on the intersection of Fourth and Coles Streets. The hospital had 12 beds and a dormitory for homeless girls in the basement.

In 1871, the site for the hospital was moved to a three-story brick house located on Pavonia Avenue and East Hamilton Place, the hospital's current address. That same year, the administration gathered its first medical staff of four physicians and four surgeons. Today's medical staff includes over 268 physicians who have a variety of specialties. Dr. John Imhoff came to St. Francis in 1934. He recalls how he used to ride in the ambulances with his patients on the way to the hospital. Dr. Imhoff also made daily rounds in wards—large rooms filled with 10 to 12 patients.

"I think I've been here longer than any doctor still practicing. The changes I've seen have been breathtaking," says Dr. Imhoff from his office in the hospital.

"When I first became a doctor, we still used maggots to eat away the dead tissue of an ulcerated leg. That sounds like something right out of the dark ages. That's how far we've come."

Today, St. Francis is part of the Franciscan Health System of New Jersey. Our hospital consists of a six-story main building (1974), a 10-story Franciscan Pavilion (1930) and St. Francis School of Nursing (established 1930) is housed in Mother Tarsicia Hall (1960). A parking garage was also built in 1975.

Two years ago, the FHSNJ purchased the old grain mill on Tenth and Grove Streets. After renovations, it will become the administration headquarters for the hospital corporations.

Along with expanding in size, we've also grown to keep pace with advances in modern medicine. For example, in a joint effort with St. Mary, the hospital purchased one CAT-Scan three years ago. An arthroscope and advance C-Arm were also added to the emergency room.

"I remember when cataract patients had to be kept in a hospital for seven days after an operation because they couldn't be moved," says nurse Louise Fallon, the director of materials management who has worked at the hospital for 32 years. "We used to put sand bags on either side of their heads to keep them still. Now they are up, around, and out of here in a day."

The faces at our hospital have also changed. Sr. Loretta Kirby, a patient representative, is one of the few Franciscan Sisters who still works here on a daily basis. She was also here back in 1980 when Thomas A. Schember—the first lay president of the hospital—came to St. Francis.

"The Franciscan sisters have always worked very closely with lay people to care for the sick," said Sr. Loretta. "I don't intend to be a nun when I first started working here while still in high school. But St. Francis enthralled me. And each day that I come here I am reminded of my vocation and our mission."

Truly, as part of the Franciscan health systems nationally, which is located in Brooklyn under the direction of Sister Joanne Schuster, S.F.P., president, St. Francis Hospital is continuing their tradition of caring for generations, working with all phases from handling acute illness to those needing long-term care. The parent body operates outstanding facilities such as the Frances Schervier Home for the Aged in Riverdale, NY.

Today, 364 men and women in need of long-term care reside in the home's geriatric unit. The elderly who are able to care for themselves live in a rent-stabilized project with 155 apartments. There is also a residence for nurses, a retirement center for priests, and the Schervier Gallery, which showcases the talents of local artists.

The Frances Schervier Home is the only member of the Franciscan health system which is named after the founding Mother of the Franciscan Sisters of the Poor. Sr. Rita Kerry is the president of the home.

Located in the Bronx, the home sits on nine acres of land overlooking the Hudson River. The surrounding neighborhood combines both urban and suburban lifestyles. "Ten years ago, healthy seniors would have come here just to retire comfortably without having to

VOL 135 PT 9 JE 14 — 22 1989 UMI

deal with all the pressures of living independently," according to Chris Watson, public information officer of the facility. "Now we are getting a lot of seniors only when they are too sick to care for themselves."

In addition to providing medical services and shelter for the elderly, employees encourage the residents to participate in activities and to cultivate relationships in—and outside—the home.

Always on the alert for new ways to reach the public, St. Francis Hospital in Jersey City is heavily involved in providing community programs on health.

The Franciscan Health System of New Jersey takes to the air waves as it introduces residents of Jersey City to a new monthly cable television program entitled "House-Calls."

The show, which will deal with a variety of consumer health-care issues, started in February on Jersey City Cablevision. All filming for the program will be done on location at St. Mary and St. Francis Hospitals.

"We are the only hospitals in the area at the present time to offer such a health-care program to county residents," said Thomas Schember. "Instead of having a panel/discussion format, the program will be conducted in a documentary style which should make for interesting viewing."

Joan Quigley will host the show which is scheduled to air on channel 3. Topics to be covered include: same-day surgery, cardiology, ophthalmology, plastic surgery, infectious diseases, mental health, child abuse, substance abuse, breast cancer, allergies, dermatology, obstetrics and gynecology, and physical rehabilitation.

According to Thomas Schember, "Hopefully, once we get a couple of segments under our belt we will be able to expand to the cable stations in Hoboken and Bayonne. We feel that this program will provide residents of Hudson County with useful information concerning health care."

St. Francis Hospital and the Franciscan Health Systems of New Jersey has scheduled various events to help celebrate the 125th anniversary of St. Francis Hospital. The most immediate functions they planned are:

An outdoor Mass for all employees, medical staff, and board members in Hamilton Park on June 24 at 10:30 a.m. The event will be followed by a continental breakfast in the nursing school calssroom;

A birthday party/ice cream social for employees and their children on June 24 from noon to 2 p.m. at Hamilton Park;

Two health fairs, both scheduled to take place in Jersey City, one will be at Midlantic Bank at Harborside II and the other is slated for the Hudson Mall.

I am sure that my colleagues here in the House of Representatives want to join me in this grand salute to an excellent medical facility which is providing first-class service to the people of New Jersey.

HONORING THE GOLDEN JUBILEE OF SISTER M. TERESITA

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. HERTEL. Mr. Speaker, on Sunday, July 9, 1989, Sister M. Teresita of the Carmelite D.C.J. Congregation will celebrate the golden jubilee of her religious profession. It is with great esteem that I rise today to mark this occasion.

Throughout these 50 years, Sister Teresita has selflessly devoted herself to the service of other people, especially children and the aged.

Sister Teresita began her religious life with the Carmelite Congregation in San Antonio, TX, where she served children at the St. Joseph's Home for Boys. After this service, she relocated to Central America. Once there, she spent her time with the missions in Nicaragua.

Her culinary expertise was nurtured in Grand Rapids, MI, where she was reassigned after her service in Nicaragua. Following her time in Grand Rapids, she was relocated to Kenosha, WI, where she remained for 25 years. In Kenosha, she served as the dietary supervisor for all the facilities run by the Carmelite Sisters in that area. Throughout those years, she was able to rely on her natural abilities and warm heart to direct her service.

In 1985, Sister Teresita earned the position of superior and was relocated to Detroit, MI. During the last 4 years in Detroit, she has served at the St. Joseph's Home for the Aged, where she will be celebrating her jubilee. At the home, she is responsible for the religious well-being of all the Carmelite Sisters serving at this center. She is also responsible for the care and organization of the convent, the preparation of special meals, and other various functions in the community.

This testimonial could not possibly contain all of Sister Teresita's admirable accomplishments. This women has reached beyond simply performing a job; she has improved the lives of many people and enhanced many communities. Sister Teresita's life has defined the true meaning of the word service.

I would like to extend my warmest congratulations and thanks to Sister Teresita for all she has accomplished in these 50 years. I would also like to ask all of my colleagues to join me in honoring this remarkable woman, who has devoted her entire life to the service of people in need.

PANAMA CANAL EMPLOYEES

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LIPINSKI. Mr. Speaker, this body has, through the years, consistently shown a commitment to working men and women here and abroad. American success stories time and time again begin with an individual's hard work and the opportunities that work provided for him and his family. Although today's newspapers are filled with stories of greedy men and women who tried to make a quick buck, we continue to recognize and appreciate the vital role which labor plays in supporting this Nation's economy and prosperity. It is because of this appreciation that I and many others are concerned with the current conditions that exist in Panama.

Because of developments in other countries, Panama no longer commands the attention of newspaper covers. Although this is understandable it does not mean that we should no longer continue to cover the effects of the situation on American and Panamanian employees alike. It is these people, the canal's most vital parts, that have had to face the consequences of the Panamanian actions and our reaction. Because of our commitment to workers everywhere and our concern for the continued and efficient operation of the canal, I feel it is time for this administration to reevaluate the effectiveness of its actions.

Before we can begin to address the problems the canal workers face we must first recognize the unique position they are in. The canal workers operate in one country while being governed and directed by another. Thus the host country does not always separate the actions of the foreign country and the efforts of the canal workers. This seems to be at the root of many of the current problems the workers face. It is important to remember that the work force is neither a military group nor a diplomatic one. This country already has in place standard procedures for military and diplomatic personnel in all types of political climates. However, these procedures are inappropriate for the Panamanian work force.

For many years proper and sufficient health and education facilities have been available to canal and military employees in Panama. Because of the heightened tensions that currently exist, many military dependents are not accompanying soldiers to Panama. This has resulted in diminishing the base of people that support these vital services. As a result schools are closed early and canal employees must use Panamanian hospitals if they wish medical treatment. The schools that the canal families use have also begun to fail. This year school was let out early and the workers still do not have any assurances that next year will be different. The mission the canal employees have been asked to carry out under the Panama Canal Treaty is just as important as any current military mission. They deserve similar support from this country.

Employees of the canal have also seen a drastic increase in the crime rate. Those few who have not yet been the victim of a crime are victims of fear, for the current Government is not providing proper protection. Whether this is because the Noriega government is trying to hurt the United States by terrorizing its workers or not, we must take steps to ensure that the employees do not continue to live in fear of losing property or physical violence. Every day we look for ways to slow crime in this country, shouldn't we do the same for canal employees?

Concerns such as crime, education and health are problems we must solve for canal employees because we can. The Department

of Defense has many of the facilities and the manpower necessary to provide these basic necessities to both its own and to canal employees. In a government of our size, bureaucracy is necessary, but it cannot be allowed to stand in the way of helping the canal employees.

Other problems the employees face are founded in recent political developments. On March 11, 1988, President Reagan announced he would not allow U.S. payments to the Noriega government. Because of this action monthly payments to Panama for such things as toll receipts, public services, withholdings of income and education taxes of Panamanian employees have been put into escrow accounts in the United States. I am not here to question the necessity of taking steps against Panama. What I would like to see is what steps could be taken to take the canal and employees out of the middle of the confrontation. Because of our Government's withholding of taxes due the Panamanian Government on behalf of Panamanian nationals who work for the canal, these employees are considered tax evaders in the eyes of the current regime. The resulting actions by the Noriega forces has led to the constant harassment of these Panamanians and has affected the ability of these individuals to properly carry out their responsibilities. I certainly do not recommend giving in to Noriega and returning the withheld funds without stipulation but I do say that the importance of the Panamanian workers in the canal is such that a reevaluation is necessary.

Since the beginning of the sanction, Noriega has survived. He has tried to show the international community that all he has to do is survive in the face of the American sanctions. To Noriega, survival, in the face of our economic crunch, is equal to succeeding. A different approach may be to publicly return some of the money, say that which would go toward education and public services, and place upon him the responsibility of fixing the education and health systems. This would put the burden on him, and make his success incumbent upon his achieving results. A move like this would also put this country on the moral high ground, since the Panamanian church and the Organization of American States have called for an end to sanctions. I am confident that Noriega will prove true to form and fail at his attempts to put down the machete and govern.

The most unfortunate aspect of the current political crisis is that it is occuring during the very delicate process of transferring the canal over to the Panamanian Government. If this had happened 20 years ago we could have supported the employees and weathered the storm out. However, we are currently trying to train Panamanian citizens to take over responsibility for all aspects of the canal's operation. In fact, Panamanians currently make up about 85 percent of the canal work force. There should be no doubt about the abilities of these current Panamanian workers. They have, time and time again, demonstrated that they can operate the canal as well as it was operated before. They have learned and carried out their trade in the face of very trying circumstances. I commend all of them. No, my fear is that they will be driven away from the canal by the trying conditions. Already, many employees are taking advantage of the retirement options open to them and leaving the canal. This is not because the work is so demanding but because of the fear and worry caused by the current situation.

The canal work force, Americans and Panamanians alike, have demonstrated that hard work, for a cause you believe in, is healthy. You can hardly place more upon a man than he can bear. Worry and fear are proving to be like the rust upon a blade. It is not the revolution that will destroy the canal machinery, but the friction. The current exodus of talent and experience from the canal can not be replaced, and this, combined with the trying conditions that now exist, threaten the vitality of this crucial waterway. I wish we could solve all of the issues that make up this crisis one issue at a time. But it can not be broken down into a political matter, a military matter, and a canal matter. No, these are all interconnected and the solutions must take this into account.

THE 250TH BIRTHDAY OF THE TOWN OF STOCKBRIDGE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. CONTE. Mr. Speaker, I rise to commemorate the sesquibicentennial of the town of Stockbridge, MA. Although 1989 is the official date of the 250th birthday of Stockbridge, its history can be researched as far back as 1724. It began as the Mahican Indian village of "Wnahktakook," Mahican for "great meadow," and was sold for 460 English pounds to the Parsons family acting as proprietors on behalf of the Colonial Commonwealth of Massachusetts.

In the 1730's Rev. John Sergeant from Yale came to Stockbridge and began proselytizing and educating the Mahicans. In 1739 he built Mission House and from Mission House, which is still standing today, he learned their language and earned their respect through his moral uprightness. Reverend Sergeant firmly set the foundation for Stockbridge. When Rev. Jonathan Edwards, famed for spurring the religious revival known as the "Great Awakening," came to Stockbridge in 1751, the town had already begun its ascension toward the landmark it is today. In Stockbridge in 1754, Reverend Edwards wrote the first book written in the Berkshires, "Freedom of the Will."

In 1774, with the "Stockbridge Non-Intercourse Articles," Stockbridge played a large role in American independence. By the articles we voiced our discontent with the British Government taxation of us and use of our money without our consent. Furthermore, we decided not to import, purchase, or consume more British goods until they gave us more say in what was being done with our tax money. In 1781, Stockbridge again was a leader in the fight for what are now considered basic constitutional rights. Theodore Sedgwick, known for serving in both Houses of Congress, represented and won freedom for Mum Bett, the first American slave freed by law. More than 80 years before Abraham Lincoln spread the feeling across the Nation, Stockbridge knew the idea of people belonging to others as possessions was wrong.

Today, Stockbridge remains a leader in theater, in entertainment, and in recreation. The Berkshire Theater Festival has attracted to the area such talented actors and actresses as Frank Langela, Dustin Hoffman, Katharine Hepburn, James Cagney, Shelly Winters, Al Pacino, and Maureen Stapleton, to name a few. Chesterwood, the former studio of Daniel Chester French, the sculptor of the statue of Lincoln at the Lincoln Memorial, is a designated Massachusetts historic landmark rich with the history of our great Nation. The Berkshire Garden Center is exemplary of the serenity and relaxed beauty common to those who have experienced Stockbridge. Stockbridge has so much to offer.

Stockbridge is a warm community in the heart of the Berkshires exemplifying the deep, rich traditions of scenic New England. Although Stockbridge's meaningful past is captured by landmarks like Naumkeag, Ambassador Choate's mansion, the Norman Rockwell Museum, and the Red Lion Inn, it is those people who have made Stockbridge what it is today whom I have known and befriended over the years. Most towns the size of Stockbridge can only boast of one famous resident, Stockbridge has borne excellence as the rule rather than the exception. Past citizens such as the late Norman Rockwell and former Congressman Allen Treadway are rare geniuses and personalities not often witnessed anywhere and at any time in America. Not only were these two men close friends, but they exemplified the excellence found in the residents of Stockbridge. That excellence is carried forward in such present residents and friends as the Honorable John and Jane Fitzpatrick. Like Rockwell and Treadway, the Fitzpatricks are tireless workers who are loyal to the town of Stockbridge and its residents whom they dearly love.

Stockbridge continues to maintain its colorful, past traditions and legends which help it face the realities of today. The genuine warmth displayed by the people of Stockbridge during the celebration of their 250th birthday has been born from its rich heritage. Mr. Speaker, on June 24 I will be fortunate to have the opportunity to march in the parade celebrating Stockbridge's 250th. I also expect to be among those at the front of the line to receive a piece of the 250th anniversary cake. I commend the people of Stockbridge for their respect of traditions and their accomplishments of today. I am honored to extend my sincerest congratulations to all the residents of Stockbridge on this most festive and historic occasion.

CREDIT MARKETING

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. COX. Mr. Speaker, a recurring question in America is, "Why should there be poverty in

VOL 135 PT 9 JE 14 — 22 1989 UMI

the midst of plenty?" We know that the U.S. Government stores crops that the farmer doesn't sell, while at the same time, people go hungry. What is the cause of such absurdity?

Two of the Nation's leading economists, Dr. Arthur B. Laffer and Dr. Victor A. Canto, have reviewed an analysis of this problem by an Englishman now living in America, who has been studying the matter for over 50 years. Mr. James F. Huson's analysis is that one of the main reasons for the problem is a lack of money—that without money, nothing happens.

Mr. Huson has proposed that a credit system, not based on money, would enable the exchange of goods and services that otherwise might remain unproduced or unrendered. A person would work, get paid in credits, and purchase goods with credits. This, he believes, could break the "money" deadlock, at least in severely impoverished areas.

Given the apparent inability of government programs to revive chronically depressed pockets of the economy, Dr. Laffer and Dr. Canto began formal economic research into the credit marketing idea. Based on their initial research, they believe that credit marketing has the capability of acting as a catalyst to create employment in chronically depressed pockets of poverty in the United States and around the world. As a member of the House Economic Development Subcommittee, I am particularly intrigued by the authors' conclusion that credit marketing can bring jobs and a good life to the areas of deep, deep poverty in the Appalachians, to the rural areas of the Southern States, to the barrios and the ghettos, and even to middle-class areas hit so hard by changing times.

The following brief synopsis, written jointly by Dr. Laffer, Dr. Canto, and Mr. Huson, explains how and why.

CREDIT MARKETING

(By James F. Huson, Dr. Arthur B. Laffer, and Dr. Victor A. Canto)

THE PROBLEM: THE PERSISTENCE OF UNEMPLOYMENT

The unemployed cannot increase their purchases of goods and services until they find employment and increase their income level. Unfortunately, employers cannot provide the unemployed with jobs until they start selling more of their products. A market failure is said to occur, one in which employers are waiting for more sales so they can hire more help as needed, while workers are waiting for jobs before they can increase their purchases. In this situation, higher levels of employment and production cannot be attained.

A catalyst is needed to start and speed the process that will result in higher output and employment. A credit marketing system could be one such catalyst. Credit marketing offers a way to eliminate this market failure.

THE SOLUTION: CREDIT MARKETING

The credit marketing program is designed to link increased employment directly with incremental sales to the employer. This is guaranteed through the credit system. Paying new employees with credits that return to the employers as additional sales will insure that the employer would be able to sell the incremental production. Thus, the feature of the credit marketing program that links the new employment to incremental sales is a way to eliminate the market failure that prevents employers from hiring additional workers.

The credit marketing program will act as a catalyst that eliminates the previously identified market failure. The credit marketing program directly links increased sales to increased production, and accelerates the process toward a fully employed economy. In return for active management and marketing, a transaction fee will be charged to the participants in the program. These charges are analogous to credit card fees and will vary according to the type of membership, volume of the transaction, and nature of the product. The percentage need not be the same across different industries. The revenue generated by the transaction fees will be used to fund the program.

AN INITIAL PROGRAM

In order to maximize the gains of trade, the program must initially match two economically deprived and diverse areas. Likely candidates for a pilot project are a depressed urban area and a depressed rural area. The proximity of the two areas gently reduces possible transportation and transaction costs.

The urban participants will be employed in the production of manufactured goods. In turn, the rural participants will be employed in the production of agricultural products. In order to maximize the employment effects of the program, the credit marketing system should focus on the production of labor-intensive goods and services.

A mechanism for linking the rural and urban segments of the program would be developed. This objective may be achieved through the inclusion of local supermarkets and retail stores in the program. The supermarkets and other retail stores will play a key role in bringing the two communities together. The centralized nature of supermarkets provides an adequate distribution network, and a source of cash from nonmember customers. Supermarkets and retail stores would be practical for medium-sized and large regional credit exchanges; very small credit exchanges would probably have to settle for neighborhood retail food outlets.

Supermarkets and retail stores face a very competitive market: low prices, convenient locations, high quality, and large selections all play a key role in attracting customers. One possible way that exchange-affiliated supermarkets may compete for cash customers is through price: credit products may be offered for cash sales at a discount. Over time, as the program grows and the quality of the product increases, the flow of noncredit customers may increase and the discount factor may be reduced.

As the program becomes successful, new areas will be identified and local credit marketing organizations will be started. In turn, as these organizations become successful, they may be linked to a regional and then a national credit marketing organization. The national exchange will maintain a credit account to insure that the balance of goods sold to the local exchanges matches the goods bought from the other exchanges. The integration of the local credit marketing exchange into a national exchange system will unambiguously increase the diversity of goods and services offered by the organization. Initially, we envision the program participants manufacturing and producing easily marketable, labor-intensive goods and services. Sales will occur within a closed circuit "mini-economy" with the means of exchange being a credit account system for the members. In time, as the program becomes successful and expands, program participants may take advantage of economies of scale in the production process and more sophisticated goods and services will be produced. In principle, the credit marketing participants may effect purchases at any participating exchange. This full-scale credit marketing program will afford the convenience, choice, and selection of the market economy.

Given the nature of the credit marketing program, it is unlikely that wholesalers and other distributors will choose to participate in the credit marketing program and get paid in credits while they purchase their goods in cash. The obvious solution is to develop a fully-integrated system where the credit marketing organization assumes the role of middleman for wholesale distribution. Under a credit marketing system as outlined in this proposal, the risk of default is minimal if the rules governing the functioning of the system are adhered to. This suggests that the credit marketing operation will be able to capture the returns ordinarily generated by wholesalers and distributors without significantly altering the cash-equivalent credit price of inputs paid by credit marketing participants.

CONCLUSIONS

Our studies suggest that the credit marketing system is a viable solution to chronic unemployment and uneven prosperity. In an analytical study using a model with only 400 participants, we found that the credit marketing system can be self-financing, can achieve a balance of goods, and can meet the cash needs of both employers and employees. Even in a very small scale model of the system, sufficient revenues will be generated to fund the day-to-day operations of the program and to provide an appropriate rate of return on invested capital. The results of our studies also indicate that a fully-developed regional exchange with 4,000 employees would generate sufficient revenues to yield a positive rate of return on the original invested capital.

This scenario substantially underestimates possible dynamic effects in the work effort of program participants. The availability of steady employment will yield higher productivity and, in all likelihood, a higher labor supply than we estimated. Similarly, as unemployed teenagers participate in the program, their skill level will steadily rise, their increased productivity will result in higher output per worker while on the program, and they will ultimately leave the credit marketing program in favor of the cash economy.

The results reported clearly indicate that implemented on a limited scale, the credit marketing system can alleviate high unemployment in pockets of the economy. Fully implemented, the credit marketing system may once and for all extend to all Americans true economic opportunity as it loosens the tightening grip of the poverty trap.

H.R. 2651, MATERNAL AND CHILD HEALTH BLOCK GRANT AMENDMENTS OF 1989

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. WAXMAN. Mr. Speaker, last Wednesday, June 14, I, along with Congressmen

MADIGAN, ROY
LELAND of the
committee,
MILLER, chairm
Children, Youth
2651, the Mat
Block Grant
amendments
strengthen the
first, redefining
second, incre
third, targeting
improving prog

These refor
perience with
views and rec
nal and child
the National
Mortality and
National Acad

They reflect
Health and H
release its re
tives for the
ed on the Sec
goals and ob
status of moth
provide a fra
block grant
and operated
States in that
the Nation rea

I would als
tion level pr
conforms wit
posed in th
budget packa
ed by the ent
budget resolu
tion 106. Tha
in fiscal year
block grant i
last year's a
lion. In orde
block grant's
also be incr
detail below,
through with
forth in Hous
increasing th
$100 million

All of the
worked long
that will enh
gram and ad
ers and child
a brief descr
mary of the
last week.
H.R. 2651.

SUMMARY OF
HEALTH BL

Establishe
Child Heal
sents a cons
mula and c
serve moth
and childre
eral funds a
provision o
of materna
will help St
tality; (2) i
natal, deliv
income wom

MADIGAN, ROY ROWLAND, TAUKE, SYNAR, and LELAND of the Health and Environment Subcommittee, and Congressman GEORGE MILLER, chairman of the Select Committee on Children, Youth, and Families, introduced H.R. 2651, the Maternal and Child Health [MCH] Block Grant Amendments of 1989. These amendments are designed to improve and strengthen the MCH block grant program by first, redefining program goals and objectives; second, increasing the authorization level; third, targeting specified resources; and fourth, improving program accountability.

These reforms reflect both the Nation's experience with the block grant as well as the views and recommendations of recent maternal and child health expert panels, including the National Commission to Prevent Infant Mortality and the Institute of Medicine of the National Academy of Sciences.

They reflect too, the work of Department of Health and Human Services which will soon release its report on health goals and objectives for the Nation for the year 2000. Included on the Secretary's agenda are a number of goals and objectives relating to the health status of mothers and children. These targets provide a framework upon which State MCH block grant programs should be structured and operated. H.R. 2651 will help move the States in that direction and, in turn, will help the Nation reach the Secretary's goals.

I would also note that the higher authorization level provided for under this legislation conforms with both the recommendation proposed in the House leadership children's budget package as well as the position adopted by the entire House in its fiscal year 1990 budget resolution—House Concurrent Resolution 106. That resolution assumed an increase in fiscal year 1990 appropriations for the MCH block grant in excess of $100 million above last year's appropriations figure of $554 million. In order to accommodate this rise, the block grant's current authorization level must also be increased. As is described in more detail below, H.R. 2651 is designed to follow through with MCH block grant proposal set forth in House Concurrent Resolution 106 by increasing the program's authorization level by $100 million to $661 million.

All of the sponsors of this legislation have worked long and hard to develop a proposal that will enhance the MCH block grant program and advance the health of those mothers and children that it serves. What follows is a brief description of the program and a summary of the legislation that was introduced last week. I urge my colleagues to support H.R. 2651.

SUMMARY OF H.R. 2651, MATERNAL AND CHILD HEALTH BLOCK GRANT AMENDMENTS OF 1989

BACKGROUND

Established in 1981, the Maternal and Child Health (MCH) Block Grant represents a consolidation of seven previous formula and categorical programs designed to serve mothers, pregnant women, infants, and children. Under the Block Grant, Federal funds are available to the States for the provision or the purchase of a broad range of maternal and child health services that will help States in (1) reducing infant mortality; (2) increasing the availability of prenatal, delivery, and postpartum care to low-income women; (3) reducing the incidence of preventable and handicapping conditions among low-income children; (4) increasing the number of children immunized against disease and receiving health assessments; and (5) providing medically necessary services to children with handicaps or "children with special health care needs."

Eligibility criteria under the Block Grant are set by the States themselves. States may elect to charge for services provided. No charges may be imposed, however, for services provided to mothers and children whose incomes fall below the Federal poverty level.

Funds are allocated among the States based on their proportional share of 1981 outlays for the various programs consolidated into the Block Grant. In order to receive their allocation, however, States must meet a matching requirement: for every $4.00 in Federal funds a State receives under the Block Grant, the State must spend $3.00 of its own monies on maternal and child health services.

The MCH Block Grant law provides that between 10 and 15 percent of the amounts appropriated in each fiscal year are to be withheld from the States and administered by the Secretary of HHS. Known as the Federal "set-aside", these funds support a variety of designated activities. An additional amount of funds has been withheld through FY 1989 to establish and operate projects for the screening of sickle-cell anemia and other genetic disorders.

The current authorization level for the Block Grant is set at $561 million. Appropriations for the program for FY 1989 are $554.3 million.

OVERVIEW OF H.R. 2651

The purpose of H.R. 2651 is to strengthen and improve the MCH Block Grant program by (1) redefining program goals and objectives; (2) increasing the authorization level; (3) targeting specified resources and (4) improving program accountability.

H.R. 2651 would increase the authorization level for the MCH Block Grant for FY 1990 and each year thereafter from its current level of $561 million to $661 million. The Federal "set-aside" would be fixed at 15 percent of the amounts appropriated in each fiscal year. An additional 12¾ percent of such amounts would be retained by the Secretary to support infant mortality programs, newborn genetic screening projects, and service programs for mothers and children living in rural areas.

With respect to monies that are allocated directly to the States, H.R. 2651 would require, effective for funds made available as of FY 1991, that States submit a standardized application to the Secretary in which specified mandates would have to met. Among other requirements, States would have to set, for the forthcoming fiscal year, their maternal and child health goals and objectives as they relate to those established by the Secretary of HHS for the Nation as a whole for the year 2000.

In addition, States would have to provide in their applications that at least 30 percent of their funds would be used for services for pregnant women, mothers, and infants up to age one; at least 30 percent would be used for services for children; and at least 30 percent would be used for services for children with special health care needs. The remaining 10 percent of the appropriated funds would be allocated at the States' discretion. States would have discretion, too, in determining what types of services could be provided to each to these population groups. States are authorized to request a waiver of this formula in their application. Waivers could be granted by the Secretary, however, only under extraordinary circumstances and only for the fiscal year for which the application has been submitted.

H.R. 2651 also specifies the types of data and information that States would have to provide to the Secretary in their annual reports that are currently mandated under the MCH Block Grant statute. Based upon this material, the Secretary would be required to include in its annual report to Congress, information on various measures of maternal and child health as well as an assessment of the Nation's progress in meeting the Secretary's maternal and health goals and objectives for the year 2000. Like the revised application process, these reporting requirements would become effective with funds that are provided as of FY 1991.

In addition to amending the MCH Block Grant program, H.R. 2651 would require that the Secretary of HHS develop a model application form that could be used by pregnant women and children under age six in applying, simultaneously, for assistance under a variety of Federal maternal and child health programs. Among these are the MCH Block Grant, Medicaid, WIC, and Head Start programs.

TO AMEND THE FOREIGN AGENTS REGISTRATION ACT OF 1938

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. KASTENMEIER. Mr. Speaker, today I am introducing legislation to amend the Foreign Agents Registration Act of 1938 (as amended, 22 U.S.C. 611 et seq.) [FARA], to eliminate provisions that interfere unnecessarily with the freedom of expression guaranteed by the first amendment to the U.S. Constitution.

Under FARA as it is currently written, films, books, newspapers, and other forms of expression are designated "political propaganda" by the Department of Justice, if they are disseminated in the United States by an agent acting on behalf of a foreign country, organization, party or individual, and if they are intended to influence recipients on matters of public policy. As "political propaganda," the films, books, or other communications must bear a stigmatizing label: First, the label must state the connection between the communication and the foreign agent; second, the label must state that reports concerning dissemination of the communications are filed with the Department of Justice; and third, the label must contain a disclaimer of approval by the United States.

The consequences of branding speech as political propaganda, and saddling it with the disclaimer that the U.S. Government does not approve of what the speaker has to say, are obvious and intolerable: Speakers are discouraged from disseminating their ideas, because they know that if their speech is labeled "political propaganda," it is likely to be prejudged and rejected as unreliable by the audience. At the same time, the audience is deprived of

VOL 135 PT 9 JE 14 — 22 1989 UMI

speech never disseminated, and is encouraged by the disclaimer to disregard speech that is disseminated, on the grounds that it is contrary to the interests of the United States.

In 1987, the Supreme Court determined that FARA did not contravene the first amendment. That case—*Keene* v. *Meese*, 481 U.S. 465 (1987)—involved three Canadian films: "If You Love This Planet;" "Acid Rain: Requiem or Recovery;" and "Acid from Heaven." Those films are clearly identified as produced by the Canadian Film Board, but under current law that is not enough. Rather, they are political propaganda and must bear the onerous three part label. A majority of the Supreme Court was of the view that "people who have a sufficient understanding of the law" would recognize that the phrase "political propaganda," as defined in FARA, was neutral in its connotation and application. Therefore, the court determined that FARA did not impose an unreasonable burden on first amendment freedoms.

Regardless of whether people with a sufficient understanding of FARA would regard the phrase "political propaganda" as neutral, the first amendment was intended to protect more than just those who are well versed in the law. As the dissent in Keene correctly pointed out, "even if the statutory definition is neutral, it is the common understanding of the government's action that determines the effect on discourse protected by the first amendment." (481 U.S. at 489 (Blackmun, J., dissenting).) The common understanding that the general public ascribes to the label "political propaganda" is pejorative, not neutral. Speakers will inevitably be discouraged from disseminating speech that must be identified as propaganda, for the simple reason that it will fall on the deaf ears of an audience that understands propaganda to mean that the speech is untrustworthy.

My bill would not disturb the requirement under current law that agents engaging in certain activities in the United States under the direction or control of a foreign principal must register with the Department of Justice. What this bill would do is eliminate the role of the Justice Department in reviewing, labeling, and keeping track of films and other materials merely because the source of those materials is registered under FARA. To ensure that audiences are informed as to the identity of the speaker, and so that they may better evaluate hidden biases the speaker may have, my bill provides that any communication or prints originating in a foreign country and publicly disseminated by a person who is required to register under FARA must bear a conspicuous statement of country of origin.

My bill leaves intact all other requirements under the Act. It will simply end what I view as unwarranted Government activities that violate the spirit if not the letter of the first amendment. The health of our democratic process depends upon the encouragement of robust and unrestricted debate in the marketplace of ideas, and it is anathema to that process for an arm of the Government to engage in the censorship of films and other speech by designating such speech "political propaganda." I invite my colleagues to join me in cosponsoring this bill.

H.R. —

A bill to amend the Foreign Agents Registration Act of 1938, as amended, to eliminate potential infringements on freedom of communication

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Foreign Communications Free Trade Act of 1989".

SEC. 2. REFERENCES TO FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED.

In this Act, except as otherwise expressly provided, an amendment or repeal expressed in terms of an amendment to, or repeal of, a section or provision, is made to that section or provision of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.).

SEC. 3. SUBSTITUTION OF COUNTRY OR ORIGIN LABELING FOR REQUIREMENTS RELATING TO COMMUNICATIONS.

(a) IN GENERAL.—Section 4 is amended to read as follows:

"LABELING REQUIREMENT

"SEC. 4. (a) It shall be unlawful for any person within the United States who is an agent of a foreign principal and required to register under this Act to transmit or cause to be transmitted—

"(1) in the course of acting as such agent; and

"(2) in the United States mails or by any means or instrumentality of interstate or foreign commerce;

any communication or prints that originate in a country outside the United States without placing in such communication or prints a conspicuous statement of the country of origin.

"(b) The Attorney General may by rule define what constitutes a conspicuous statement for the purposes of this section.".

(b) CONFORMING AMENDMENTS.—(1) Section 1 is amended—

(A) by striking subsection (j); and

(B) in subsection (o), by striking "the dissemination of political propaganda and any other" and inserting "any".

(2) Section 6(a) is amended by striking "and all statements concerning the distribution of political propaganda".

(3) Section 6(b) is amended by striking ", and one copy of every item of political propaganda".

(4) Section 6(c) is amended by striking "copies of political propaganda,".

(5) Section 8(a)(2) is amended—

(A) by striking "or in any statement under section 4(a) hereof concerning the distribution of political propaganda"; and

(B) by striking "subsection (b), (e), or (f) of".

(5) Section 8 is amended by striking subsection (d).

SEC. 4. UNRELATED TECHNICAL AMENDMENTS.

(a) CORRECTION OF TYPOGRAPHICAL ERROR.—Section 1(c) is amended by striking "Expect" and inserting "Except".

(b) CORRECTION OF ERRONEOUS CROSS REFERENCE.—Section 1(d) is amended by striking "section 3611" and inserting "section 3685".

(c) REPEAL OF SUPERFLUOUS REPORTING REQUIREMENT.—Section 11 is repealed.

FAIRMONT HOSPITAL: 125 YEARS OF SERVICE TO ALAMEDA COUNTY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. STARK. Mr. Speaker, I'd like to submit for the RECORD a celebration of an exceptional institution on this, its 125th year. Fairmont Hospital in Alameda County, CA, is a testimonial to perserverance and growth and I am pleased to honor its longstanding commitment to health care.

In 1864, the Alameda County Board of Supervisors established Fairmont Hospital on its present day location in the middle of Rancho San Lorenzo land. Although it was originally intended to be strictly an infirmary, the responsibilities and size of the hospital grew quickly.

The first patient was admitted to Fairmont on August 16, 1864, and the hospital soon took on added responsibility as the region's almshouse where the indigent aged were cared for.

In 1875, four new wings were added to the original building. Still the hospital soon filled to capacity. Around the turn of the century, the State Board of Charities reported Fairmont as "having a good central building, but poor smaller buildings plus a total of 17 tents, unheated, and containing from 2 to 14 beds." The board recommended new construction. In fact, Fairmont has historically struggled under the burden of space limitations and outdated buildings. Through the 1930's and 1940's, most of its buildings were wood and remained a constant fire hazard, prompting the need for a volunteer fire department on the grounds. The wooden buildings were not replaced until 1947. Still Fairmont's responsibilities grew throughout the early part of the 20th century.

In 1929 a school for nursing attendants, later to become a school for vocational nurses, began at Fairmont. In July 1938, the combined clinics of Hayward and San Leandro set up shop in Fairmont's refurbished basement ward. Each month 1,500 to 2,000 outpatients are treated in the Fairmont clinics. In 1953, a new emergency department opened at the hospital which continues to treat thousands of people each year. In 1961, after building a new rehabilitation wing, Fairmont Hospital began the first rehabilitation unit in Alameda County.

Currently Fairmont Hospital provides medical care for inpatients requiring rehabilitation or suffering from acute illness, such as AIDS, Alzheimer's disease, and cancer. In addition, the ambulatory care department includes urgent care, medical, and preventative screening clinics.

And yes, once again the Fairmont Hospital is suffering from old age. Most of the buildings are nearly 50 years old and in need of repair. A master plan has been developed to provide the hospital staff better access, more space, and more flexibility for future changes. Fairmont is also one of two hospitals in the county earmarked to fall under the jurisdiction

of a new special commission intended to administer the hospital with improved efficiency.

Fairmont Hospital remains a bastion in a sea of turbulent health care. Alameda County is the first in the Nation to hire an ethicist to help prioritize health care to the poor. Without major Federal or State aid or changes in tax policy, rationing seems to be the only option left to the county, which is overburdened with crack-related illness, and high infant mortality. Delays for medical treatment can range in weeks rather than days. Several Alameda clinics are closing their doors entirely.

One hospital neighboring Fairmont may not renew its commitment to accept MediCal patients when its contract with the State expires next year. Since MediCal pays for only 67 cents out of every dollar cost of treatment, other area hospitals are abandoning service to the poor. In addition, Schuman-Liles Clinic, the largest, privately owned clinic in Alameda County for the severely mentally ill, is in danger of permanently shutting down because of similar MediCal-based financial difficulties. Recently a major HMO closed down its MediCal in the area. The officials cited MediCal's inability to match treatment costs and the drug-related health burden as grounds for their Bay Area pullout. Currently, 21 percent of the nonelderly in California are uninsured, a figure which outstrips the national average. Many of these uninsured desperately rely on the county hospitals.

Despite these discouraging trends in Bay Area health care, Fairmont Hospital stands firm in its commitment to treating the poor. It remains one of the precious few in the area. By providing quality treatment to patients regardless of their economic standing, Fairmont Hospital delivers a valuable service to the people of Alameda County. I am pleased to honor the fortitude and history of Fairmont Hospital on its 125th anniversary.

CONGRATULATIONS TO ANTHONY SANDERS

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Anthony Sanders, of Providence, RI, this year's recipient of the first annual Ronald K. Machtley Award for Hope High School in Providence, RI.

This award is presented to the student, chosen by Hope High School, who demonstrates a mature blend of academic achievement, community involvement, and leadership qualities.

Anthony has clearly met this criteria by being an honor roll student. He has been involved in athletics as a member of the basketball and football teams. Anthony is also a Providence Journal Scholarship Award recipient.

I comment Anthony for his achievements and wish him all the best in his future endeavors.

ST. ANTHONY'S HIGH SCHOOL BASKETBALL TEAM NO. 1 IN THE NATION

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. GUARINI. Mr. Speaker, I would like my colleagues to join in this salute to a Jersey City high school, small in size, but giants in ability. The school I speak of is St. Anthony's High School which a few weeks ago won the USA Today's No. 1 rank for high school boys' basketball teams in the entire nation.

Housed in a 70-year-old three-story walk-up building which was taken over by the Catholic education system after the building was abandoned as Public School No. 4 in 1952, this fine institution of learning is setting an outstanding example of how grit and determination can cause young Americans to excel despite difficult circumstances.

The school, whose faculty is staffed by Felician Sisters, Marist Brothers, laymen, laywomen and Diocesan priests has 320 students in a 10 classroom structure which has absolutely no recreation facilities.

Despite this fact, St. Anthony's High School team, under the direction of Robert Hurley, Sr., a Hudson County probation officer, who is their part-time coach, and Sister Mary Felicia, as principal, and Sister Mary Alan, director of development and athletics, stands out truly as a diamond on rough edges of our society.

At a time when our Nation is being besieged with the terrible statistics concerning antisocial behavior, drug and alcohol addition, St. Anthony's team has traveled to 10 States winning 50 straight games including a perfect 32 this year, setting a State record for victories in one season, all with no home court to practice or play games.

It has been necessary for this determined group to use an 80-year-old building, known as White Eagle Hall, which is about 10 blocks from the school. Each day when they go in to practice they must first move the bingo tables in a very cramped facility which does not meet the official measurements for basketball competition.

I believe the magnitude of their accomplishments is best related in the following newspaper accounts.

From USA Today:

Perfect Season: Jersey City (NJ) St. Anthony, USA Today's No. 1-ranked high school boys basketball team, finishes its season with a 32-0 record.

ST. ANTHONY ADDS TITLE TO PERFECT YEAR

(By Peter Brewington)

EAST RUTHERFORD, N.J., March 20, 1989.—Jersey City St. Anthony High capped a 32-0 season Sunday with one of its most difficult victories, 62-55 against Elizabeth in the championship game of the first state Tournament of Champions.

The Friars defended the top spot in the USA Today Super 25 they have held all season. Their 56th consecutive victory secured that spot.

In the New York Times of March 20:

ST. ANTHONY TAKES TITLE TO END AT 32-0

EAST RUTHERFORD, N.J., March 19.—St. Anthony High School of Jersey City, with one of the smallest enrollments in New Jersey, ended a superb season and made state basketball history today with a 62-55 victory over Elizabeth in the first Tournament of Champions. The triumph came before a crowd of 8,514 at Byrne Meadowlands Arena.

This year was the first time New Jersey held a tournament to crown overall champions in boys' and girls' basketball. In previous seasons, the state recognized titleholders in four size classifications for public schools and two for parochial schools.

In the Hudson Dispatch:

PERFECT FRIARS WIN TITLE

(By Brian Heyman)

EAST RUTHERFORD.—Coach Bob Hurley of St. Anthony High School and the Friars' co-captains his son Bobby, and Jerry Walker, stood near midcourt posing for the cameras.

Together, they were holding a huge championship trophy, crowned with a golden basketball. It looked rather heavy, but it probably didn't feel that way. After all, these three were walking on air at the time.

Or so it seemed.

"We did it," an ecstatic Bob Hurley said a short while later. "Coast-to-coast, we're the best there was this year in the United States."

Hurley and his fabulous Friars had just beaten Elizabeth 62-55, yesterday in front of 8,514 fans at Meadowlands Arena in the title game of New Jersey's inaugural Tournament of Champions.

It was the conclusion to the greatest high school basketball season this state have ever known. St. Anthony, the tiny Jersey City school with an enrollment of 310 students and with no home court, finished 32-0 setting a state record for victories in one season.

But most impressively, the Friars clinched the national championship—the final No. 1 ranking in USA Today's high school hoop poll.

"This is going to be 'Our Championship Season,'" said Coach Hurley, whose team earlier had captured its New Jersey record seventh straight Parochial B state title and has now won 50 consecutive games over two seasons. "This is the Broadway play for St. Anthony High School. Nothing before this—or nothing after this—will ever be the same as the first of everything that we did."

From the Jersey Journal:

HURLEY, WALKER, EARN ALL-STATE HONORS

(By Tom Canavan)

Bob Hurley and Jerry Walker, the centerpieces who carried St. Anthony to an undefeated season and the first undisputed state title, headline The Associated Press' 1988-1989 New Jersey All State high school basketball team.

In addition to the leadership we must give credit and our thanks to the following teenage members of the team:

Bob Hurley, Jr., premier guard in New Jersey. He has won a scholarship to Duke University;

Jerry Walker, one of the top power forwards in the country. He will be attending Seton Hall;

Terry Dehere, developed into a top-notch guard in his senior season, his first as a starter. He also is bound for Seton Hall;

VOL 135 PT 9 JE 14 — 22 1989 UMI

Jose Ortiz, moved to Jersey City from native Puerto Rico in off-season.

Rodrick Rhodes, called the best ninth grader in the country;

Sean Rooney, missed most of the season since suffering a severe ligament injury, ankle, against All Hallows—worked hard to get back in condition for the tournament of champions;

Danny Hurley, Bobby's younger brother, a sophomore, has great long-range shooting ability;

Woodrow Williams, sophomore forward with great potential;

Mark Harris, defensive sparkplug—outstanding on the ball defender;

Darren Savino, outstanding open court shooter—a smart defensive player;

Lamont Street, a junior—promoted to varsity in early January;

George Dunbar, senior, hard-working player in the limited time he received, has potential to be a good small college player;

James Wright, led junior varsity in scoring;

Michael Goines, only a freshman, was called up from junior varsity when Friars suffered a number of injuries; has good potential.

In my long period of community service, I have never witnessed the enthusiasm not only in our Hudson County community but the entire State of New Jersey regarding this school without a gymnasium. In addition to outstanding athletic ability, the good nuns and other members of the faculty have adopted as their challenge: "Be the best that you can be."

They teach, "It is not a matter of reaching the top, but of going a little higher * * * sharing oneself * * * unending energy means unending enthusiasm."

The faculty aims to offer intellectually stimulating classes. These classes allow each student to understand the workings of the world around them, to become aware of their own potential, and to realize that with education comes a moral responsibility to use knowledge as a tool to benefit the community.

The students are urged to accept the lessons offered in the classroom and to put them into practice, not only within the school, but also in the larger community.

The administration aims to provide the necessary atmosphere in the school which allows for the growth of each individual student in the context of a caring, Christian environment.

What impresses me the most is the feeling of the students and faculty members who reflect their feelings in the following:

There is a family spirit here which motivates everyone—it's a driving force in the school.—Brother Ralph Dinielli.

Teachers understand you, believe in you and care for you. The upperclassmen look out for you.—Morris Cuadra '90.

It's exciting! I've learned to program a computer to do everything but dance.—John Randall '88.

Here at St. Anthony's we are given the freedom to become responsible and independent young people. * * *—Yesenia Rodriguez '90.

St. Anthony's is a special place to me. Knowing that students appreciate what you do for them makes me feel very good about teaching.—Francis Kochanski.

St. Anthony High School is open to all qualified students regardless of race, religion, handicap, or ethnic origin.

Students are described by Sr. Mary Angelica, "Friar effort is untiring, spirit is unmatched. SAHS students are super."

The team has been receiving many accolades with visits being arranged by the New York Stock Exchange and the New York Mercantile Exchange.

Those in the community while expressing a tremendous sense of pride have now been given a challenge of responsibility in assisting this determined school and the students to finally have a presentable gymnasium in which to practice. I am pleased that a nucleus of civic-minded community leaders, including Superior Court Judge Kevin Callahan, are taking a deep interest in the just cause to assist this young group which has done so much with so little, proving that some young people can do more and more with less and less and are deserving of our support.

It is with this view in mind that I have contacted Maj. Gen. Francis Gerard, director of the New Jersey Department of Defense, to allow them to use the Armory for practice sessions.

In addition, a salute by Governor Thomas Kean has been scheduled, and I have asked President George Bush to greet the team at the White House. It will be an everlasting honor for these youngsters, who are No. 1 in the entire nation, to be received and congratulated by our Nation's No. 1 citizen.

I am certain that my colleagues here in the House of Representatives wish to join me in this salute and success story for this high school team whose time of need has indeed arrived.

RECOGNITION OF BRIHAN MAHARASHTRA MANDAL INDEPENDENCE DAY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. HERTEL. Mr. Speaker, I rise today to recognize the Independence Day celebration of the Brihan Maharashtra Mandal of North America. This celebration is being held in conjunction with their convention in Troy, MI.

The chief Minister of Maharashtra State in India, Hon. Mr. Sharad Pawar, will be the chief speaker at the convention. There will also be various literary figures, artists, industrialists, and prominent people of the political scene from India in attendance. This convention will be devoted to the role of Indians in North American politics.

My dear colleagues, please join me in recognizing the Brihan Maharashtra Mandal of North America Independence Day celebration. I would also ask you to congratulate these new immigrants for their interest in what they can contribute to our great democratic process.

DEMOCRATIC MOVEMENT IN POLAND GARNERS POPULAR UNITED STATES SUPPORT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LIPINSKI. Mr. Speaker, with the runoff elections completed in Poland, I rise today with a sense of pride in what has been accomplished across the Iron Curtain, an awareness of the difficulties yet to come, and a feeling of great anticipation of what can yet be achieved. A new government, however imperfect, has been set up in Poland; though we who love liberty must suffer the fact that the Communists are still in control, we celebrate the victories that Solidarity has achieved. History has shown us that the pursuit of freedom is always treacherous, but it can never be destroyed. One need look no further for evidence than the Polish people, who have endured the hardships of a government they never requested or approved, and who will surely endure more in the months ahead.

Yet, Mr. Speaker, the Polish people must know that they do not stand alone in their ideals. Rather, they enjoy widespread support among Americans, especially among millions of Polish immigrants. Thousands of Polish-Americans in my district alone have consistently reminded me of their dream to see their homeland free. As a Polish-American myself, I share this dream with them. Proof of widespread American congressional support can be seen in legislation introduced in late May in the spirit of helping the Polish people regain control of their own land. This bill, known as the Democracy in Eastern Europe Act of 1989, proposes several initiatives to aid the Poles and their Hungarian neighbors.

In the area of trade, it will make Poland eligible for GSP status, and in the economic realm it will foster private initiative and competition by admitting Poland to programs of the Overseas Private Investment Corporation. There will be continued implementation of the 1987 United States-Polish Science and Technology Agreement, and the appropriation of $2 million each of the next 2 fiscal years for the provision of medical supplies and hospital equipment. There will also be additional financial assistance provided to democratic institutions in Poland totaling not less than $2 million over the next 2 years. Finally, educational and cultural exchanges will be further encouraged between two nations.

American support for Polish ideals will be highlighted next month by the trip President Bush will be making to Poland. This will be an extremely important trip for our President and for the Polish people. It is essential that President Bush deliver a message to Poles, and indeed to all those locked behind the Iron Curtain, that they will have unwavering American allegiance in their quest for self-determination. President Bush will have the opportunity to make that pledge, and he must deliver in the strongest terms possible. The United States must not lose this important opportunity to show once again our support for the democratic initiative in Poland.

Support in this country for Polish democracy goes beyond the American Government, however. It extends to the grassroots of American organizations. Recently I have been reminded in my community of one such organization, known as the Committee for Free Elections in Poland. This committee, which raises campaign funds for the opposition in Poland, in February began circulating a petition which has gained 30,000 signatures. Fifteen thousand were from my district. Out of respect and appreciation for the work this organization has done, I would like to include their petition in the record. It reads:

Whereas since 1938 the Polish nation has had no opportunity to free and democratic parliamentary elections and

Whereas the Yalta agreement of Feb. 11, 1946, signed by President Franklin D. Roosevelt, guaranteed the Polish nation the right to free and democratic elections and

Whereas the U.S. Congress stated that "it is appropriate for the United States to reject any interpretation or application that, as a result of the signing of the 1946 Yalta executive agreements, the United States accepts and recognizes in any way Soviet hegemony over the countries of Eastern Europe" (H.R. 2068) and

Whereas until today these basic rights of every democratic nation to free and unfettered elections of the highest authority in Poland have not been executed and

Whereas, as the result of such a situation, there is an economic catastrophy and permanent political crisis in Poland which threatens a social explosion in all of Central-East Europe.

Therefore, we the undersigned taxpayers of the United States of America demand from the United States Congress to pass a resolution to oblige the U.S. Government to execute, together with other guarantors of the Yalta agreement—i.e. Great Britain and the Soviet Union—the promise of free and democratic elections in Poland.

Mr. Speaker, it is everyone's hope that the promise of such elections will be fulfilled in 1993 according to the April roundtable agreements, and in 1995 when a new Polish President is to be popularly elected. In the meantime, however, it will be essential that the United States keep Poland at the front of its agenda and at the heart of its deepest commitments. The Polish people surely face great difficulties ahead, with a foreign debt already at $39 billion and inflation at 100 percent. The unity of solidarity itself will be tested as it shares the problems of coming months and tries to get Poland back on the road to economic recovery. Just as the Poles must retain their common vision, the unity of Americans who support Polish aspirations to freedom must and will remain intact.

TRIBUTE TO SHQIPONJA SHQIPTARE (THE ALBANIAN EAGLE)

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to the Albanian Eagle, the official publication of the Albanian American Civic League.

The first issue of this newsletter condemned Slobodon Milosovic for stripping the ethnic Albanians in Kosova of the few rights they previously shared. The founder and now current president of the Albanian American Civic League, former Congressman Joe DioGuardi, continues to make sure the voice of Albanians in Yugoslavia is being heard throughout Congress. This voice could easily be heard during the Albanian American rally in Washington, DC, this past June 14, 1989.

The pages of the Albanian Eagle are filled with stories and articles sending and recording the message of the many accomplishments of the Albanian American Civic League. These achievements range from the State Department's communique of dissatisfaction with the recent activities of the Yugoslavian Government concerning Kosova, to the purchase of radio time on a major ethnic Albanian station in hopes of exposing the violent crimes committed against ethnic Albanians in Kosova. The news letter also informs of upcoming events and information on how one can help the cause.

Mr. Speaker, publications such as the Albanian Eagle allow the voice of the oppressed ethnic Albanians in Kosova and their Albanian American relatives to be heard. I salute all those involved with this organization, because it is only through their constant perseverance that the cries of those struggling in Kosova will be heard and answered.

A TRIBUTE TO PEGGY DICK

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. BERMAN. Mr. Speaker, I rise today to honor a respected and distinguished member of the community, Peggy Dick, chair of the North Valley YWCA. During her term as chair, she has enhanced the lives of many as she has strived to provide opportunity and resources for all.

Peggy's special concern is youth services. She has encouraged program development for disabled teens, identifying participants and project resources through her job as a special education assistant at Sylmar High School. She has been instrumental in introducing a new generation to the YWCA, personally providing membership scholarships for young people.

Under Peggy's guidance the YWCA has expanded its membership and continued its growth. Peggy has secured business contributions as well as in-kind services. She has turned the Club 100 reception into an annual event, attracting both funding and new members. She is a tireless representative of the organization whether at the chamber of commerce, the United Way or civic group installations. She is also a powerful spokesperson for YWCA causes such as the San Fernando High School Health Clinic.

Mr. Speaker, I am proud to have Peggy Dick as a constituent. She is a leader in the community, an elder in her church, an advocate for the homeless, a promoter of cultural pride and diversity and has been active in the PTA, 4-H Clubs and the Girl Scouts. In recognition of her achievements and her abilities, the YWCA has nominated her for a third term as center chair. I ask my colleagues to join me in saluting Peggy Dick—an exemplary role model for all Americans.

ADAT SHALOM SYNAGOGUE IN WEST LOS ANGELES

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to ask my colleagues in the U.S. House of Representatives to join me in recognizing the Adat Shalom congregation in the 27th Congressional District as it's members gather to celebrate ground breaking ceremonies on Sunday, June 25, 1989. On this day, with the first shovel of earth, the chance to dedicate a major new facility for the present and future generations of the Adat Shalom congregation will occur.

The Adat Shalom congregation has worked hard to build a strong place of learning and worship for its many members and friends who will be joining with many community leaders and elected public officials.

Adat Shalom started in 1945, amid the bean fields west of Los Angeles. At that time, the post-war housing tract was being built and the community was taking its first steps toward development. In time, Adat Shalom provided a school for Jewish education and spiritual guidance for the children. The social hall has provided housing for many community functions and the sanctuary for Jewish rituals and worship.

I would like to congratulate the members of Adat Shalom, and their spiritual leader, my friend Rabbi Morton A. Wallack, as they gather on this festive and significant occasion.

A TRIBUTE TO THE OCCUPANT PROTECTION HONORS PROGRAM FOR GOVERNORS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. DINGELL. Mr. Speaker, in recent years, safety belt usage has greatly increased thoughout our Nation. During the past decade, user rates have quadrupled. Thirty-three States and the District of Columbia have implemented safety belt use legislation, and child safety seat laws exist in all 50 States.

These increases in safety belt legislation and usage have led to many lives saved and injuries avoided on our Nation's highways. The National Highway Safety Administration estimates that over 15,000 lives have been saved by safety belts since 1983. However, just passing a law is not enough. Drivers and passengers must be made aware of the laws, and the laws must be strictly enforced. Programs need to be implemented informing the public of the importance of safety belt use, and polit-

ical leaders must provide strong support for the issue.

One step in this direction is a new program sponsored by the American Coalition for Traffic Safety [ACTS] and the National Safety Council [NSC]. Together, these organizations launched the 1988 Occupant Protection Honors Program for Governors, which aims to highlight the importance of the role Governors perform in boosting safety belt use to higher, more effective levels. The awards program was established in support of the national "70 by 90" campaign, an effort supported by over 300 key national, State, and local safety groups aimed at raising safety belt and correct child safety use to at least 70 percent by 1990.

In its initial year, the Occupant Protection Honors Program recognized 13 Governors for their effective safety belt programs. Recognition was awarded in three categories: Highest occupant protection, most improved occupant protection, and commendation for excellence. The winners of the 1988 Governors Honors Program are:

Highest occupant protection use:

Outstanding achievement—Hawaii; distinguished achievement—Maryland, North Carolina, and Texas.

Most improved occupant protection use:

Outstanding achievement—Montana and Virginia; distinguished achievement—California and Wisconsin.

Commendation for excellence: Illinois, Iowa, Missouri, New York, and Washington.

Events are being held in honor of the Governors of the winning States, thereby highlighting the political leadership shown and providing opportunities for further publicity about the importance of buckling up and achieving higher levels of safety belt use throughout the State.

I wish, to commend ACTS and the NSC for furthering this important cause. I would also like to extend my congratulations to the Governors from the winning States, with the hope that their accomplishments will inspire their fellow Governors to strive for the same level of success. I hope that every Governor will participate in the Occupant Protection Honors Program, and I encourage them to do so. Finally, I hope my home State of Michigan will be among the States honored next year. The fight to promote safety belt usage is a long and difficult one. I hope every Governor is willing to rise to the challenge and work to reduce the unnecessary fatalities and injuries on the roadways of our great Nation. Let all of us, too, be inspired to do the same.

THE STEVEN McDONALD STORY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MANTON. Mr. Speaker, today I direct my colleague's attention to parts four and five in the Newsday series on Steven McDonald. In these excerpts from Steven and Patti Ann's book, the article discusses the couple's trials and tribulations of striving to achieve some semblance of normalcy in their lives under the most difficult circumstances. This is a story of continued hope and faith. A story of human kindness, generosity, and caring. This also is a story of recurring disappointment, but it is not a story of defeat.

Mr. Speaker, I commend these articles to my colleagues:

GETTING READY FOR THE REST OF MY LIFE

(By Steven McDonald and Patti McDonald with E.J. Kahn III)

BELLEVUE, April, 1987.—We decided to leave New York two days after Easter.

Patti Ann was frightened. She didn't like to fly, and she'd never been separated from Conor, who'd stay behind in Malverne while she spent four days at Craig Hospital, becoming oriented. The hospital room had been a cocoon, a womb sheltering us from the rest of the world. Leaving it on the morning of April 21, 1987—a windy, cold, thoroughly miserable day—seemed as filled with risk as with reward.

Several attendants lifted me out of the chair, wrapped me in a long white blanket that looked like a body bag, and strapped me onto a gurney. Bellevue's nursing supervisor pushed me through the emergency room entrance. Photographers crowded around, and I tried to stay calm.

Medical Emergency Room Vehicle 578—the same buslike ambulance that took me from Metropolitan Hospital to Bellevue nine months earlier—drove me to the 34th Street heliport, on the edge of the East River. A five-minute flight on the police helicopter took us to LaGuardia Airport, where I was wheeled onto Craig's private jet for the flight west.

At the Denver airport, I was loaded into another ambulance, and a police escort took us to Craig. My bed was one of four in a room that had a curved, rotunda-like window with views of the Rockies. What a change.

Emotionally, I was running the gamut: Everything was new and exciting, but my family and baby were back in New York; Craig promised some hope, but the cops I'd been relying on for support weren't around. The staffers introduced themselves. I tried to settle in.

CRAIG HOSPITAL, ENGLEWOOD, COLO., April, 1987.—Steven was going to be just one of 60 spinal cord patients and would have his own team of therapists and doctors. We could sense there wasn't going to be any warehousing of patients here, nor any hands-off approach because of Steven's status as a public figure with powerful friends. Steven was just Steven McDonald, on the same level as everybody else.

Which meant Steven was about to become more independent. There would be no night nurse on duty by his bedside, or anyone else watching over him. Instead, hanging above the pillow he'd sleep on was a small rubber ball. Inside the ball was a mercury switch. If Steven needed a nurse, or any other kind of attention, he'd have to tap the wall with his head. That would send a signal to the nurse's station on the floor.

My first afternoon, when I'd been dressed and put into a chair, Gail Galinsky and Sharon Blackburn introduced themselves.

Sharon's job was to exercise my arms and legs, to stretch and loosen all my joints, and to encourage me to use my neck muscles. I'd need the strength in my neck to move my head so I could reach the controls of my motorized wheelchair.

The wheelchair was crucial to any independence. In New York, an order had been placed for a sophisticated $17,000 model that would be shipped to Colorado to arrive when I did. The chair could be maneuvered by "sipping" and "puffing" into a pair of flexible plastic tubes that curved up from the computerized motor behind the backrest. The sips and puffs controlled the chair's direction, its speed and whether or not the back reclined or stayed upright. (Alternating those positions, I learned, lessened the chances of body sores developing). But this chair, we discovered, operated on a timing mechanism. Inhale a second too long, and I went right instead of left.

Gail set up orange rubber cones in Craig's gymnasium and I was to steer around them and between them, like driving test cars. I'd go veering off in one direction, Gail running after me. Patti Ann and Conor sitting on the sidelines, watching and trying not to laugh too hard. The timing was impossible, and even Patti Ann and Gail couldn't figure it out. After a couple of days, we gave up. Gail ordered a new chair, with a sip-and-puff system that operated on the amount of pressure I used rather than its duration.

Besides learning to drive a wheelchair, occupational therapy for a high quad was limited. Dr. Daniel Lammertse headed the team responsible for my case. He was a calm realist, discouraging us from hoping for a research breakthrough or unanticipated "cure" but encouraging us to believe my Craig stay could improve the quality of my life. "One immediate issue," Dr. Lammertse would say later, "was to give Steve a voice. He wasn't a bad lip speaker, but he was frustrated he couldn't communicate better. Another was eating. Bellevue thought he needed a feeding tube, but he didn't. We wanted him to develop an appetite. And the third was education. There were so many things for Steve, Patti and their families to learn: the bowel program, bladder maintenance, suctioning, and how to respond if the ventilator goes haywire."

Within a couple of days, my feeding tube had been pulled. The hospital ran another series of phrenic nerve conduction tests. There was so little nerve activity, my diaphragm couldn't be stimulated. And without my diaphragm moving downward and creating suction to draw in air and expand the lungs, I couldn't breate on my own.

Getting off the respirator completely, I now knew for certain, would never happen.

Three weeks into my stay, Dr. Lammertse ordered my trache changed. The cuff trache would be replaced with a Jackson trache, one that let air pass by my vocal cords. Where at Bellvue replacing the cuff trache had been painful and frightening, Craig handled the operation with assurance. I stayed calm and felt little discomfort. Patti Ann was waiting for me in my room when I was brought back.

"I love you," I told her. In my own voice, not the froggy croak I'd managed to say at Bellevue.

"I love you, too," she said, tears forming in her eyes.

I'd been waiting almost a year to say those words. When I'd left the apartment that July afternoon, we'd been struggling in our marriage. Our work days were out of synch, I was grabbing overtime, Patti was pregnant and needed my attention . . . the problems of a police marriage, the ones we were so sure wouldn't apply to us, had been hitting home.

"I love you," I said. "I love you. I love you."

Patti Ann put her face next to mine and held me.

MALVERNE, L.I., May, 1987.—Michel Court, the one-block street my parents had lived on since they'd moved to Malverne, was a dead end. Mom and Dad lived at the corner nearest Drake, the cross street, and earlier that spring, one of their neighbors had passed away. That house, across Michel Court and at the far end of the street, was a small cape.

Even before Steven left Bellevue, I'd raised the subject with him. He knew the house—he'd seen the outside often enough when he was visiting me—and also understood its proximity to my parents.

I decided to tell my mother what I'd been thinking. Would they want us that near them?

My mother had been hoping I'd ask.

I'd contacted the son of the former owner. Yes, he'd sell, he told me. The asking price was $225,000.

CRAIG HOSPITAL, June, 1987.—While Patti Ann was in New York, Sharon Blackburn and other Craig staffers continued to get me ready for the rest of my life. Before my injury, I was a manic sports fan, I was a huge rock fan and I loved good food. When I'd go on outings from the hospital, Sharon would indulge me in all three. She'd talk sports and make sure the radio was tuned to the right station. "You're the only person I know," she'd say, "who'd order lobster in Denver."

The outings were recreational therapy. I had to get used to the preparations involved. Someone had to wash me. Someone had to dress me. Someone had to get a pass for me and pack my medicine.

The dependency would depress me some days, particulary those when Patti Ann was away. The more I learned about myself, the more I realized how much I'd always have to rely on others.

The bowel program was the worst.

At Bellevue, where there was no commode chair, I'd wait days. Then they'd use an enema. They had no concept of how to set up a program. At Craig, and later at home I'd be lifted into a commode chair every other day. The regularity, the gravity, and the lack of an enema tidied the process up. But when the doctors at Craig tried to teach Patti Ann the program, she got sick. She couldn't do it.

I vowed then that she'd never be in a situation where she had to. Our medical insurance would provide me with 24-hour nursing, and I'd insist the agency maintain that schedule once we got home. Absences and illnesses have to be covered.

When I got home—Patti and I would not be nurse and patient. We were husband and wife. And I'd do whatever I could to make certain we remained husband and wife.

THE PURSUIT OF NORMALCY

(By Steven McDonald and Patti Ann McDonald with E.J. Kahn III)

MALVERNE, L.I., August, 1987.—For a month, the architect and the builders researched what Steven's needs would be. Craig doctors reminded them that the furnace, air conditioning and humidity level would have to be electronically monitored to give him true independence. He would need a bathroom accessible to a wheelchair, counters that he could fit underneath while seated in his chair and—ideally—access ramps that wouldn't ice over in winter.

The amount of building seemed staggering, and I wondered if it could possibly be finished by Christmas. Steven was ready right now to leave Colorado. He could stay off the respirator for ninety minutes at a time, and the Craig therapists had told me there wasn't much chance of improving on that. He'd rather be on the respirator. His voice—growing stronger every day as he got used to exercising his vocal cords again—had no strength when he was taking in air on his own. But he couldn't come home until there was a place for him to return to.

MALVERNE, November, 1987.—I'm not sure what I expected, coming home. I'd seen the pictures on the construction, heard Patti Ann's descriptions, but as we turned onto Michael Court, the anticipation frightened me as much as it cheered. I could hear the sirens of police vehicles and more softly, the bagpipe strains of "The Minstrel Boy" and "The Wearin' of the Green." Then, I saw the crowds. Hundreds of neighbors and friends. Scores of cops, more than a hundred, lined both sides of the street.

And the house! What had been a modest brick cape now stood as a beautiful two-story colonial. The crowd parted to make way for us, and the mayor [Koch] handed us a gold key and, thankfully from what I could see of the frozen onlookers, said, "It's too cold for a speech. God bless this house."

The door to the house slid open, and Patti Ann and I turned and went inside. Patti Ann screamed with joy and surprise, so much had been done. Oh my God, I thought, as I took in the living room, the stairway to the second floor, the kitchen and dining area, and the sliding glass door to the rear deck. There was no hint of hospital about it, nothing suggesting the institutions I'd spent the last 15 months of my life in.

MALVERNE, November, 1987.—Normalcy was coming with difficulty to Patti Ann and me, and—it seemed to me—in odd ways.

Requests for us to appear at breakfasts, church groups, fundraisers poured into the house. Behind many of the invitations, I began to sense, was the presumption I'd improved, that my injuries were no longer serious.

But I was as seriously hurt as the moment after Shavod Jones's bullet cut into my spine. There had been no neurological improvement, although there was improvement in my overall medical condition. And that shattered piece of lead could stil be seen on the X-rays, lodged below the second vertebra: I wanted to go back to work in some capacity, to counsel and advise other officers, but it would have to be on my own schedule.

MALVERNE, March, 1988.—On Christmas Eve, I'd gotten to Midnight Mass and been awed by the beauty of the celebration. I'd said a prayer for improvement, some sign that my body was getting better. There'd been nothing. On Sundays at Mass, I'd say the same prayer. And every evening at home, when a Eucharistic minister would stop by to give Patti Ann and me holy communion, I'd pray some more.

Let me move my hands. My toes. Anything.

Now it was another Ash Wednesday, and Patti and I were going to Mass at St. Agnes, the Rockville Centre church I'd attended as a kid. A few friends came up, said hello, touched my hands.

Idly, I looked at my left hand. Its fingers were stretched out, suspended above the chair's arm, like a diver's about to enter the water. Not unusual. As I'd tried so many times before, I willed my fingers to close.

Amazingly, they did. I watched as I made a loose fist. Had Patti Ann seen? I looked up. No, she was preoccupied with Conor. Could I unfold the fist? No. I have to wait for another spasm. Would I be able to do it again? I didn't know, but for a moment I'd gotten something back.

It wasn't until that evening that Patti Ann and I were finally alone, and I could show her. "Look at my left hand," I said. Then I made my fist.

"You did that? she said. "You made that happen?"

She held the closed fist, gently caressing the fingers. "Thank God," she said.

MALVERNE, April, 1988.—As I watched Steven close his hand, I knew something was still going on inside him, that my prayers to the Blessed Mother had been heard. I'd called Craig and spoken to Dr. Lammertse. How much more can we hope for? I'd asked.

"Sometimes people get better," he'd answered, "but that little function isn't a likely omen."

That stung.

Two weeks later, Steven could move the toes of his left foot. Since then, there's been nothing.

I can't give up, I'd tell myself. It's not easy. But I can't.

MALVERNE, June, 1988.—Every day's mail would bring more invitations and awards. Both Steven and I would be honored as one of the national Fathers and Mothers of the Year: Schools, police groups, and Sunday school classes wanted us to speak. I was feeling distant from my old friends. Steven's and my lives had accelerated—for all the wrong reasons—into a whirl of black-tie invitations, celebrity events, and influential friends. A girlfriend I hadn't seen for months would call, and I felt as if we lived in different countries.

"You know," another friend told me one afternoon, "some people are jealous of you."

How could anyone understand our lives without living them? The press had suggested, for one, that our house would be a technological marvel, that a computer named HAL would be programmed to respond to Steven's voice and would be controlled by a wireless microphone mounted on his chair.

HAL didn't help us. The keyboard and monitor were on a table, but the plugs and connectors were on the floor. Within a couple of days, Conor had crawled underneath and pulled everything apart. I had no idea how to put it back together and neither did anyone else around the house. "Don't bother," Steven told me, "don't worry about it. I'm always going to have someone with me."

Conor would scramble up on the chair, kiss and touch his daddy's face and play with Steven's trache, occasionally pulling it out. Or he'd punch the buttons on the respirator, setting off its alarm. But I'd never keep Conor away. I wanted him to love his father, to understand that when he wanted to share his cookie with Steven, he'd have to feed it to him, and when he wanted to go for a ride, he'd have to climb into his father's lap himself.

One afternoon, I was making the beds and Conor and Steven were watching television. As I tucked in a blanket, I heard Conor scream, a cry of terror. I ran to him and saw he'd gotten behind Steven, out of his sight. As Steven had tried to turn the chair around to see what Conor was doing, Conor's hand caught in one of the wheels and was squeezed against the metal platform holding Steven's vent. I tried to pull it out. No way. It was jammed, already turning red.

"Oh, no," I cried, "Steven. His hand's pinned. Move forward! Move forward!"

VOL 135 PT 9 JE 14 — 22 1989 UMI

The chair's motor was powerful enough to sever Conor's hand. If Steven blew the wrong way into his tube, the damage might be permanent. He grabbed the plastic straw with his lips, and puffed. The chair inched forward, and I scooped our baby up and rushed downstairs to Pat Dillon, the nurse on duty. Conor was all right, she said. The hand was bruised, but the skin was not broken and he could move it. Then I realized I'd left Steven. I went upstairs to tell him, and he was crying.

"I'm sorry," he said, "I didn't know he was there. I'm sorry."

"It's all right," I told him, wiping my own tears. "Everything's okay."

NEW YORK CITY, August, 1988.—When I was at Craig, I decided that contacting him [Shavod Jones] was a priority.

I knew I needed a go-between. I decided on Mike Koleniak, A New York Post reporter.

Koleniak called the prosecutor in the case, Dave Drucker, to get Jones's lawyer's number. "Peter Zeiler still represents Jones, doesn't he?" Koleniak had asked. No, Drucker told him. Zeiler had drowned in an accident in Brazil. Zeiler's wife, Regina Darby, was now representing Jones. Koleniak called her and they agreed some kind of meeting might be possible. Perhaps I could meet with Jones's mother, she suggested. I agreed. It was a first step.

Regina Darby was waiting for us with Jones's mother, an attractive, plainly dressed middle-aged woman named Sharon Harris whose face was an unexpressive mask. She showed no emotion as we introduced ourselves. And she had no response to our hellos. Occasionally, her eyes would glance towards me. For the most part, she looked at the wall or at the top of Regina Darby's desk.

I decided to talk to his mother directly.

"Something good can be made out of something bad," I told her. "Shavod can start over and make something out of his life."

Her face tightened, but still there was no response. Then Darby's phone rang. The call was for Mrs. Harris and, her back turned to us, she spoke in a quiet, stern voice.

The Regina Darby thanked us for coming. On the street, Koleniak turned to me and said, "The way her face was set, it was as if she thought it's your fault her son is in jail."

CONGRESS IS THE "PEOPLE'S HOUSE"—THE MYTH OF A "PERMANENT CONGRESS"

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LANTOS. Mr. Speaker, lately we have witnessed a great deal of rhetoric—with little substance—to the effect that our Nation has a "permanent" Congress in which incumbents are perpetually reelected and in which challengers have little or no chance to win a seat.

As I am sure many of my colleagues have found, this rhetoric is far removed from reality. As with many of my colleagues, I defeated an incumbent to take my seat in this House. In the 8 years that I have served in this body, I have had three colleagues in each of the districts that are adjacent to my own district. I hardly interpret this as evidence of a permanent Congress.

Mr. Speaker, our distinguished colleague from the State of Washington, Congressman AL SWIFT, who chairs the Subcommittee on Elections of the Committee on House Administration, has written an excellent article which deals factually and accurately with this topic. Mr. Speaker, I ask that Congressman SWIFT's article, "The 'Permanent Congress' Is a Myth," which was published in the Washington Post, placed in the RECORD.

THE "PERMANENT CONGRESS" IS A MYTH

(By Al Swift)

On the mountaintop from which the conventional wisdom emanates, it is said that our nation has a "permanent Congress"—insulated from the winds of political change and perpetually reelected. An institution of, by and for incumbents, it is said.

Suppose instead that we had a Congress in which a majority of the current members had been elected during the current decade—say, since the beginning of the Reagan era. Suppose it included a House with turnover equal to or greater than the Senate's. Would such a body not be far more representative of the people than the "permanent Congress"?

If this sounds like a far-fetched goal, it is not: it is exactly what we have today in the House of Representatives of the 101st Congress. Fewer than half of the House members serving now were present at the beginning of the decade. Not only has a majority of the House's membership been replaced during the 1980s, but its turnover rate has actually been higher than that of the Senate, which has undergone two changes in party control during that period.

Of the 435 House members serving at the time of the 1980 election, 190—fewer than half—are still in office, while 244 have been replaced. Of the 100 senators serving in 1980, 56 are still in office, and 44 have been replaced. In other words, there has been a 44 percent turnover in the Senate, and a 56.1 percent turnover in the House.

If this is a jolt to the conventional wisdom, then maybe it's about time. We should take care that the temptation to see ominous trends in the smallest specks of evidence does not deter us from a comprehensive reading of facts that support a different conclusion.

It is true that 1988 was unusually kind to House incumbents. But from that isolated historical fragment it is an unwarranted leap to the conclusion that the deck was stacked. In 1988, the voters also elevated a sitting vice president to the presidency for the first time in more than 150 years—and this as a president was completing two full terms for the first time since Eisenhower did.

Viewed in that light, it should not be surprising that the voters retained more incumbents than usual. Whether they were expressing approval of the relative peace and prosperity over which a divided-party government presided in recent years or wariness at entrusting the nation's uncertain future solely to either party, the voters may (as Post reporter David Broder has suggested) have consciously chosen to continue split-party control as a way of maintaining additional checks and balances on the executive and legislative branches. This is a far more plausible interpretation of the electorate's choices than the prevailing array of presumptions.

Still, we have heard much lately to imply that the elected Democratic House majority is illegitimate—maintained only through abuse of the powers and perquisites of office. But if the advantages of incumbency truly were the reason that Democrats control the House, then one would expect the Democratic margin to disappear when the incumbent does. It doesn't. Democrats, for example, vacated a dozen House seats in 1988. With no incumbent running in these open seat races, the Republicans still won only one out of 12.

We should look at the entire political landscape before rushing to the conclusion that the House is but an island of Democratic dominance. Consider that 28 states have Democratic governors; 22 have Republicans. The voters in 28 states have elected Democratic majorities to both houses of their legislatures; in only eight states have Republicans won both houses. It is obvious that Democratic strength in Congress is no political anomaly.

We should also recognize the significant effect that major political forces have had on the present makeup of the House. In years when there are no overriding national issues that sharpen distinctions between the parties, the turnover of seats tends not to be as great. But in 1980, when a strong conservative trend helped turn a president out of office, 74 freshman members were elected to the House. In 1982, which was dominated by an economic recession and fears of a Social Security cutback, 81 freshmen were elected. Nearly half the new members chosen in these two pivotal elections—76 in all—had defeated incumbents.

Even when heated issues have faded, the turnover continues. After the past three elections, 45, 51 and 33 new members, respectively, joined the House. Members elected since 1980 now have more votes than members elected before 1980.

This is not idle number crunching: it is solid evidence challenging the recent view that the House of Representatives no longer reflects changing political sentiment and has somehow lost its historical distinction as the "people's house." These claims ring hollow against the fact that a clear majority of the nation's citizens have chosen a new congressman or congresswoman at least once during the 1980s.

What we have is far from a "permanent Congress." We have exactly what we should expect of the "people's house": a regular infusion of new faces, reflecting the current mood of the voters they represent and renewing the vitality of the institution in which they serve.

SALUTE TO EDDY JASON—THE PARTY LINE LEGEND

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. ROTH. Mr. Speaker, I am pleased to salute one of Wisconsin's living legends—Eddy Jason. Eddy was a talk radio host before such a term even existed. Now at 89, he is clearly one of the most energetic and highly regarded radio talk show hosts in the country.

For 40 years, Eddy's weekday "Party Line" program has been a mainstay on Northeast Wisconsin airwaves. Eddy's wit and charm have brightened many a morning for Wiscon-

sinites. I am proud to call Eddy my friend and wish him all the best as he continues to entertain Wisconsinites on "Party Line."

FOREVER RIDING THE AIR WAVES—EDDY JASON'S SHOW STILL STRONG AT 40

(By Ferdinand De Leon)

GREEN BAY, WI.—Long before the dawn of the information age, before Dr. Ruth and her minions began keeping truck drivers awake on their lonely cross-country treks, before talk radio was called talk radio, Eddy Jason was there.

And at 89, after seeing a format he pioneered copied and mutated, he is still there.

Jason, possibly the oldest working radio announcer in the country, and "Party Line," his hour-long show on WGEE-AM in Green Bay, have been a fixture of northern Wisconsin airwaves for four decades.

"Eddy's an institution up here," said Bucky Albright, WGEE's program director. "Whenever we have write-in contests, people write 'Say hi to Eddy' on their cards. He's very popular."

The show, which is on from 9 to 10 a.m. weekdays, has changed little over the years. In the past there had been a brief foray into television, and experiments with a longer time slot, but essentially the show remains the same.

The format for the weekday show is simple. "Party Line" is a public information show, where for an hour, guests answer questions from callers. Through the years, Jason and an on-the-air sidekick, currently Mike Austin, have jointly moderated the show.

Austin handles the monitors and the callers, while Jason supplements the program with playful announcements about community events. Even when reading commercials Jason's voice rises and falls, infusing the script with life.

"I really enjoy doing this," Jason said. "This is my hobby now, it's not my work, and I like being able to fool around a little bit. It's more like the theater."

In a typical week, guests range from local home economists to doctors, attorneys and bankers. The thrust of the show is to provide information, and it intentionally avoids controversial areas like politics and religion, Jason said.

After 40 years, the show remains a popular draw for the country-and-western station, which is the second-highest ranking station in the Green Bay market. Because of its longevity and popularity, "Party Line" is also the most expensive air time for advertisers, Albright said.

Jason has a simple explanation for his popularity.

"If you've been talking on the air for 40 years, then people are bound to hear you sometime," he said modestly.

Jason, who grew up in New York, got his start in the theater.

During the 1920s and early '30s, he toured with various theater groups in the Midwest, where he was usually cast in supporting roles in now-obscure plays that were all the rage then.

He also worked as an extra in the last of the silent films and later was a contract player in Hollywood in the early 1930s. But when the contract expired, he jumped at the opportunity to work with a touring theater company.

From the bright lights of theater, his career soon segued into the early days of radio.

"That was back in the days of live radio," Jason said. Those last two words were spoken with animation, hinting at the magic of a distant era. "Everything that we did was live and it was exciting. It was like the theater."

Jason still dabbles in the theater.

A few seasons ago he was in the Green Bay Community Theater's production of Tennessee Williams' "The Night of the Iguana." He still smiles when he recalls playing a 97-year-old man who fits between senility and poetry and dies at the end of the play after reciting the final lines of a sonnet.

"It was one of my favorite of the contemporary plays," he said.

Although Jason said he regarded the "Party Line" show as a hobby, he said he had no intentions of slowing down.

"I feel healthier now than I did when I was 60," he said. "That's because I was under a lot of strain then. But now I feel relaxed and healthy. Everything is taken care of for me. I hope, though, that they keep doing the show when I start feeling old."

CONGRATULATIONS ADAM FISCHMAN

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Adam Fischman of Providence, RI, this year's recipient of the first annual Ronald K. Machtley Award for Hope High School in Providence, RI.

This award is presented to the student, chosen by Hope High School, who demonstrates a mature blend of academic achievement, community involvement and leadership qualities.

Adam has clearly met this criteria by being an honor roll student. He is also vice president of the senior class and is active in community service.

I commend Adam for his achievements and wish him all the best in his future endeavors.

RECOGNIZING THE DEDICATION OF BETHESDA CHRISTIAN CHURCH

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. HERTEL. Mr. Speaker, I would like my colleagues to join me in recognizing the dedication of Bethesda Christian Church on June 25, 1989.

Bethesda Christian Church was founded on June 14, 1934 by Pastor M.D. Beall. The church started as a Sunday school for neighborhood children in the area of Van Dyke Ave. and Nevada in the city of Detroit. The church eventually grew and expanded as a result of the faithfulness and dedication of the congregation. Today the congregation numbers in excess of 3,500 members and has areas of ministry that reach to all segments of the community. The church helps the sick, the poor, the elderly, as well as families, singles, and young people.

The church's private school has also served the community well. The school has been honored by educators from around Michigan and the nation for innovative programs and a dedication to excellence.

In 1982 the Bethesda congregation purchased 92 acres in the city of Sterling Heights. The church then began the task of planning and developing a new home for the Bethesda congregation. On Sunday, June 25, 1989, the Bethesda Christian Church will dedicate their new facility which encompasses 190,000 square feet.

My dear colleagues, I ask that you join me in congratulating the Bethesda congregation for its excellent work. I also ask that you join me in recognizing the dedication of the Bethesda congregation's new church.

THE 50TH WEDDING ANNIVERSARY OF GERTRUDE AND JOHN O'CONNOR, JULY 8, 1989

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. CONTE. Mr. Speaker, 5 years ago on April 30, I stood in this well to pay tribute to Gertrude and John O'Connor on the event of their 45th wedding anniversary. Now, for the occasion of their 50th anniversary on July 8, it is with great joy that I make this presentation once again. John and Gert are dear friends of mine and of my wife, Corinne, and I am honored to take part in a commemoration of the milestone reached by this wonderful couple.

In American history, the past 50 years have been marked by war and peace, prosperity and want, good times and bad. However, there have been institutions fundamental to the government and our society which have survived unchanged. John and Gert's marriage, in its warmth, its vivacity, and its devotion has remained a constant in a fast-paced, ever-changing world. My association with John and Gert goes back many years, so I know first hand when I speak of the joy and happiness they have generated for so long.

The O'Connors have been blessed with a wonderful family, countless friends, and an attitude which remains as youthful as the one Gert and John had when they were married. One of their many ways of keeping young is through travel. They have explored their roots in trips to Ireland and at home are also determined to be active elements of their community of South Hadley, MA. Retired in name only, the O'Connors continue on in their special relationship, fully expecting to remain together for the next 50 years.

I want to extend all of my best wishes and warmest regards to John and Gert. They have been exceptional friends and I feel privileged to usher in the next half-century in which John and Gert will live and love in happiness.

VOL 135 PT 9 JE 14 — 22 1989 UMI

A TRIBUTE TO PETER TAYLOR

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. BERMAN. Mr. Speaker, it is with particular pleasure that I rise today to honor an outstanding young man who has already distinguished himself as a community leader and a model citizen. Peter Taylor is executive director of the Coro Foundation, an organization at the vanguard of leadership training which, under Peter's guiding hand, has moved to establish itself as the premier proving ground for the men and women who will lead us into the next century.

Peter himself is an exemplary representative of the initiative, drive and talent of which I speak. Besides his work at Coro—setting policy and defining goals for a high-profile leadership board—Peter worked for 6 years for the California State Assembly speaker pro tem, Mike Roos as a legislative assistant, press secretary, and chief deputy in the Los Angeles office.

Peter is an extremely active member of the community. Through his voluntary commitments he works tirelessly to improve the quality of life for all citizens of Los Angeles. He is a director of El Centro del Pueblo, Big Brothers of Los Angeles, Silverlake Homeowners Association and the Mount Hollywood Congregational Church. He is also vice president of the UCLA Alumni Board of Directors.

Mr. Speaker, few people have given their time and energy as selflessly as Peter. It is my distinct honor to ask my colleagues to join me in saluting Peter Taylor, a community leader, an exceptional individual and a role model for future generations.

ANTARCTICA MINING TREATY REJECTED

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. VENTO. Mr. Speaker, I understand that the Department of State is working diligently to complete its report so as to forward a 33-nation agreement to regulate mining in Antarctica to the Congress. This proposed "Convention on the Regulation of Antarctic Minerals Resource Activities" will require ratification by the Senate and will require conforming legislation to be enacted by the Congress.

In the April 26, 1989 CONGRESSIONAL RECORD I advised Members of a report just completed by the Congressional Research Service that raised serious questions about environmental degradation in Antarctica and which pointed out that in spite of good intentions there is no way to enforce the rules or conventions previously agreed to among member nations. The result is a heavily impacted decimated fishery in the Antarctic seas, oil spills from a cruise ship that ran aground near Palmer Station, so-called, protected areas that are identified on maps but not on the ground, water and air pollution and other problems.

If there is at least one place left on this Earth where we can yet protect the land, the water and the air from the worst of man's depredations it should be Antarctica. The ratification of this Convention on Antarctica would put in place the necessary international law to allow mining activities to occur which will doom any chance we have to protect Antarctica and preserve it for the kind of fundamental research we need to measure the health of our world.

I am very pleased to see the Prime Minister of Australia has announced that they will not sign the convention and will pursue a program for a comprehensive environmental convention for Antarctica. I urge the President to reconsider the mining convention and to open a dialog with Australia regarding an environmental convention for Antarctica.

An article by David Clark Scott in the Christian Science Monitor describing the action by Australia follows:

AUSTRALIA ADVOCATES "WILDERNESS" STATUS FOR ANTARCTICA

(By David Clark Scott)

In a major boost to environmentalists, the leaders of Australia and France have signaled their opposition to mining in Antarctica.

Last year, a 33-nation agreement was reached to regulate mining in the world's last untapped continent. Beneath its icy surface, Antarctica harbors unknown quantities of oil, gold, platinum, and other strategic metals.

But it now appears the existing Convention on the Regulation of Antarctic Minerals Resource Activities (CRAMRA) won't become law. All seven nations with Antarctic territorial claims must sign and ratify CRAMRA. Five—Britain, Argentina, Chile, Norway and New Zealand—have signed.

On Monday, Prime Minister Bob Hawke said Australia would not sign CRAMRA.

Last month, on French television, French Prime Minister Michel Rocard expressed reservations about the CRAMRA and raised the possibility of renegotiation. Last week, Mr. Hawke phoned Mr. Rocard to discuss their mutual reservations.

Now, Australia plans to "pursue the urgent negotiation of a comprehensive environmental protection convention," according to a statement by Hawke. In short, Hawke wants Antarctica to be reserved as a wilderness park—off limits to all mining, including oil drilling.

It's a concept New Zealand pushed in 1975 with little success. More recently, Greenpeace and other environmental groups have promoted the idea.

"I think Hawke wants Australia to be seen as leading the world in conservation," says Michael Bland of Greenpeace Australia. "The Antarctic mining convention could be used as a springboard into the international limelight. And if he benefits, that's OK, because it's going to save Antarctica."

Environmental campaigns and catastrophes are capturing public attention at home and abroad. As a result, some analysts say, it's time Hawke's liberal Australian labor Party donned a policy coat of greener hue.

Oil spills in Antarctica and Alaska have received a lot of publicity here. Last week, the "Green" Independents made nationwide headlines here. They won five seats in the Australian state of Tasmania—enough to control the balance of power in the local parliament.

On the heels of that win, 20 of Australia's leading conservation groups said they would unite to make the environment a key issue in the next federal election. Indeed, Australian government and industry officials are working toward an agreement on banning the use of CFC's (chloroflourocarbons), which may set a world standard.

In France, Rocard's Antarctic position may also be a response to a greening of the populace. The Socialist government has made several recent concessions to environmentalists. And polls show as much as 17 percent of French voters plan to cast ballots for Green candidates in the June European Parliament elections.

But Hawke's Antarctic mining stance may not be motivated entirely by environmental concerns. His treasurer, Paul Keating, has said the CRAMRA will undermine sovereignty claims and deny Australia royalties from minerals from its claimed Antarctic territory.

Hawke will visit Paris in June. Discussion on how Australia and France can coordinate and sell their Antarctic anti-mining positions will be a top priority.

If France joins Australia in renegotiating CRAMRA, it can expect stiff opposition from the United States, Japan, West Germany, the Soviet Union, and New Zealand—which all support the mineral convention. Australian officials say it won't be easy to persuade other territorial claimants to join in the wilderness park concept.

CRAMRA supporters say the current unofficial, voluntary ban on mining won't hold forever. Mining will eventually occur, with or without an agreement. It's better to have the strict regulations this pact provides than throw out the CRAMRA agreement and leave Antarctica open to unregulated exploitation, supporters say. It took more than six years of arduous negotiations for 33 nations to agree on these guidelines, notes one New Zealand diplomat.

Critics of the wilderness-park concept say the idea has been floated before and sunk. Politically, the major industrial nations won't support it, they say.

But a Hawke aide responds: "It got very little support in 1975. World opinion may have changed sufficiently since then to make the concept viable."

STILL THE PROMISED LAND

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. FLORIO. Mr. Speaker, recently the Washington Post featured an article written by Natwar M. Gandhi. The article provides an insight into the meaning of America, and what it symbolizes to the many millions of people who yearn to come here.

Nat Gandhi is one of those who did come here. He is a senior tax policy analyst with the General Accounting Office who has worked closely with Congress on important policy analysis.

Mr. Speaker, Nat's article is recommended reading for anyone who needs to be reminded of how bright the promise of America is to millions of people in this world. It's because of people like Nat Gandhi that the promise of America burns so brightly.

Mr. Speaker, the article follows:

STILL THE PROMISED LAND

Recently, Atlantic magazine carried excerpts from the diaries of George F. Kennan, diplomat, historian and a major architect of postwar American foreign policy, in which Kennan views "the United States of these last few years of the 20th century as essentially a tragic country." This is a serious indictment and one that all concerned Americans should take note of. Kennan, the last of America's wise old men, possesses one of the finest intellects in America today. He does find some solace in America's magnificent natural resources and some of its people, but too much of his diaries contain, by his own admission, "bleakness of impressions of my own country."

Nearly 30 years ago, Edmund Wilson, the great literary critic and another Princetonian, had similar observations. As he was approaching old age, Wilson wrote, "I have finally come to feel that this country, whether or not I live in it, is no longer, any place for me. . . . . When, for example, I look through Life magazine, I feel that I do not belong to the country depicted there, that I do not even live in that country."

These statements are neither the rhetorical outbursts of frustrated old men nor the diatribes of modern-day revolutionaries. They are the thoughtful comments of two of America's most distinguished public men after long lives of study and contemplation.

Millions of immigrants like me, however, would find these comments a bit incomprehensible. As immigrants, we made a deliberate choice to come to America. Personally, I find these comments hard to believe and yet disturbing because I greatly admire both Kennan and Wilson. To me they represent all that is best in American thought. I always listen to what they have to say and nearly always find merit in their words. Yet I believe that their harsh judgments on America are unwarranted.

Why would such thoughtful people give up on America? I believe it is a matter of perspective. Wilson and Kennan belong to what Wilson himself calls a "pocket of the past." They represent the old professional class, which provided America its dedicated doctors, diplomats, lawyers, professors, clergymen and writers. They have a vision of America that is not easily reconciled with what one reads in daily newspapers or sees on television.

They are deeply patriotic men. Their idea of patriotism, as once expressed by Albert Camus, is the devotion to the ideal of what their country might be. And this is the problem. They compare American reality with the America of their dreams and bemoan the gap. They lament what has not been done and miss what has. Mesmerized by a dream, they cannot be happy with reality. Their concept of America is Utopian.

What matters, however, is not that America falls short of its promise, but that it continually strives toward that promise. That is the American genius. There is something to be said for the American belief, some would call it naivete, that if you keep trying, things will get better.

I can say that even in the short two decades that I have been here America has indeed changed for the better. Take, for example, the progress made on the issue of race relations, which seemed to tear the country apart during the '60's. Who would have thought then in the midst of all the acrimonious debate, the agitated demonstrations and the exploding cities that within just two decades Jesse Jackson would carry Virginia and be a credible candidate for the Democratic nomination for the president? Or that thousands of blacks would be elected officials throughout the country, particularly in the South?

America never ceases to evolve. It is an ever-improvising, ever-improvising process. Mostly, it is muddling through. Things are never really neat and orderly, but always changing. No other country changes as fast and as much as America. Even the complexion of its own people changes. The French and the Japanese essentially have remained French and Japanese throughout their histories. So have the Indians and Chinese. Not so with Americans. They let people of all kinds and colors come to their shores. Just imagine: in a mere half-century, America will no longer be a country of white majority.

And the melting pot not only remakes the immigrant, it also reshapes the country. New generations of immigrants bring vitality. The fresh new stream keeps the old water from stagnating. That is America's unique strength. No other country attracts the best and the brightest from all over the world. What's more, even the wretched, tired and poor—those who come risking their lives—gratefully repay this country with their hard work and dedication.

Currently the Asians are remaking the country much the same way that the Europeans once did. I look to them and their offspring—those who populate spelling bees and win Westinghouse Science Scholarships—when I envision America's future greatness. In their zeal to reshape their lives in this land of opportunity, these immigrants are reshaping American destiny far beyond the comprehension of most Americans. They have come here endowed with cultural heritages and traditions that date back thousands of years. These Asians may come empty-handed, but not empty-headed. They value entrepreneurship, hard work, family solidarity and community—traits we particularly need in these troubled times when, we are told, America is in decline.

Despite all of its ills—the crime, the drugs, the social promiscuity and the homeless—I do not see contemporary America as a tragic country. On the contrary, I see it as a triumphant nation that has provided an unprecedentedly high standard of living and freedom of expression to the majority of its heterogeneous people. No other country has done it on the vast American scale. It has made the "good life" possible even for the common man. It gives him a chance to make something of his life by liberating him from the crushing burden of poverty plaguing most of the world. Any country that can do that within just 200 years of its formation should not be called tragic. Most Americans take their good fortune for granted. I don't. I know better. I am from the old world, where they still see America as the promised land.

IN HONOR OF PASTOR JAMES FRESH

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. BILIRAKIS. Mr. Speaker, one of the privileges of being a Congressman is the opportunity to honor individuals who have continuously given of themselves to the betterment of their fellow man and their community.

Today, I have the personal satisfaction of knowing one of the most special and dedicated of these individuals. I have the privilege of knowing a man of ceaseless energy and unending commitment to helping those in need. I have the pleasure of honoring a man whose hard work has greatly benefited his community and his congregation, a man who has seen a greater good flow from his tireless and unselfish efforts.

Our President referred to such individuals as "a thousand points of light" scattered across the landscape of our country. I do not believe that I could construct an image which more fittingly describes this great man. Indeed, if there are many points of light, then Rev. James Fresh of Dunedin, FL, shines brightly in this constellation of hope and caring.

On July 1, Reverend Fresh will be retiring after 23 years of service as senior pastor of St. Mark Lutheran Church in Dunedin. He is the only pastor ever to serve St. Mark and his efforts have been instrumental in the growth of this remarkable religious institution.

When Reverend Fresh began his service in 1966, St. Mark had 80 charter members. Today, the church has grown to over 2,700 members, making it Florida's largest congregation of the Evangelical Lutheran Church in America.

Reverend Fresh was also instrumental in the establishment of St. Mark Village. This facility in Palm Harbor, FL, provides vital retirement, living, and health care assistance to hundreds of people on a not-for-profit basis.

From a formless idea and vision of Reverend Fresh, St. Mark Village now has a staff of 185 people and a $7.5 million budget. The facility has 324 apartments, a 60-bed nursing home, 34 assisted living apartments, and a 51-bed specialized care center for victims of Alzheimer's disease.

As large an undertaking as St. Mark Village presented for Reverend Fresh, however, the energy of this man would not allow the pastor to rest on this great accomplishment. Instead, in addition to St. Mark Village, Reverend Fresh has orchestrated a Christian Day School for preschool through fifth grade students, supervised the construction of a sanctuary, and secured a two-story office/Christian education complex.

Mr. Speaker, I have only the highest regard for Pastor Fresh. I believe he exemplifies the values of God, community, family, and caring that have made this country great. His past work proves—indeed sets in concrete—his unyielding effort in service of his fellow man.

CONGRATULATIONS COLLEEN ANNE MANIGAN

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Colleen Anne

VOL 135 PT 9 JE 14 — 22 1989 UMI

Manigan, of Woonsocket, RI, this year's recipient of the first annual Ronald K. Machtley Award for Woonsocket High School in Woonsocket, RI.

This award is presented to the student, chosen by Woonsocket High School, who demonstrates a mature blend of academic achievement, community involvement, and leadership qualities.

Colleen has clearly met this criteria by being a high academic achiever, finishing in the top 10 percent in her class. This is quite an accomplishment in light of the fact that she is enrolled in the most challenging academic program her school has to offer.

I commend Colleen for her achievements and wish her all the best in her future endeavors.

NICARAGUA AND PANAMA: A CENTRAL AMERICAN DISGRACE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. BEREUTER. Mr. Speaker, the recent events in China have pushed the crisis in Panama from the forefront of our minds. We should remember, however, that Gen. Noriega remains in control of that beleaguered nation. The arrogance of the Panamanian leader and his junta repeatedly has been demonstrated. The delegation of the Organization of American States has been rebuffed, with the best efforts of this crisis resolution team meeting stony silence. Clearly, Noriega is convinced that he does not have to surrender power.

It is worthy to note, Mr. Speaker, that Nicaragua was the only nation to come to General Noriega's defense during the OAS emergency foreign ministers meeting. The OAS approved a resolution of condemnation of the electoral violence by a vote of 20 to 2, with only Panama and Nicaragua voting in opposition. In addition, Nicaragua voted against having an OAS delegation to mediate between the junta and the opposition coalition party that had won the election.

Now many reports indicate that Nicaragua is doing more than merely voicing diplomatic support for Manuel Noriega and his thugs. Nicaragua may be in economic chaos, but they still have sufficient resources to provide military assistance to Panama. Nicaragua, which has by far the most overpowering military machine in Central America, has demonstrated its willingness to expand its power and influence throughout the region. In providing military assistance to the outlaw dictator Noriega, Nicaragua shows that it will make any deal, no matter how reprehensible, to change the balance of forces in Latin America against democracy and the United States.

The Nicaraguan military support for the Noriega regime raises a number of questions, Mr. Speaker. How will this dangerous liaison affect the security of the Panama Canal? Also, given that the Nicaraguan Army is peppered with Soviet, Cuban, and other communist-bloc advisers, what light does this shed on Soviet claims of a new nonoffensive defense policy? And what will be the impact of this unhealthy alliance upon U.S. friends in the region?

Mr. Speaker, a recent editorial in the Omaha World-Herald examined the Sandinista-Noriega connection. The editorial concludes that "Now that the fact that Nicaragua is openly sharing its Soviet-stocked arsenal with the likes of Manuel Noriega has come to light, the true character of Nicaragua's rulers moves into sharper focus." Mr. Speaker, this Member would commend the editorial of the June 11, 1989 edition of the Omaha World-Herald to his colleagues. This editorial indeed brings into sharper focus the Nicaraguan complicity in further destabilizing Central America.

[From the Sunday World-Herald, June 11, 1989]

SANDINISTAS' TRUE COLORS REFLECT IN AID TO NORIEGA

How awkward for the American congressmen, religious leaders and others who have maintained that the Nicaraguan government poses no threat to democracy in other Central American countries. Nicaragua, although its economy is a shambles, is providing military aid to Panamanian dictator Manuel Noriega.

The disclosure by U.S. and Sandinista sources strengthens the impression, long-held in the U.S. State Department, that Nicaragua's military build-up, aided by Soviet arms and Cuban advisers, is a threat to Central America's fragile democracies.

A close relationship between the Sandinistas and Noriega also raises concern about a possible Nicaragua-Panama-Cuba axis. In view of the U.S. agreement to hand over control of the Panama Canal to the Panamanian government, such an alliance could give U.S. adversaries an opportunity to curtail U.S. commercial and defense shipments between the East Coast and the Pacific.

Nicaragua has emerged as Noriega's main ally, although Cuban leader Fidel Castro has reportedly had quiet contacts with the Panamanian strongman.

Other Central American leaders have condemned Noriega's brazen theft of last month's presidential elections. The organization of American States is trying to negotiate an arrangement by which Noriega would give up power. The Nicaraguan minister recently voted against an extension of the effort on the grounds that Noriega opposes it.

The Sandinistas deny arming Marxist rebels in El Salvador and elsewhere, although the State Department says it has evidence to the contrary.

Most of the aid to Panama is going to Noriega's Dignity Battalions, a private force of thugs that helps Noriega stay in power by harassing his political enemies, including the apparent winners of the May election.

For a long time, the Sandinistas were able to pass themselves off as a party of priests, poets and populists who were committed to agrarian reform and a just, peaceful society. A lot of people in the United States and Western Europe bought the image. Now that the fact that Nicaragua is openly sharing its Soviet-stocked arsenal with the likes of Manuel Noriega has come to light, the true character of Nicaragua's rulers moves into sharper focus.

SUPPORT NEEDED FOR COLONIAS LEGISLATION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LELAND. Mr. Speaker, this past weekend, in my home State of Texas, legislation was enacted which provides $30 million in general appropriations and clears the way for bond sales of more than $100 million to build water and sewer systems along rural unincorporated subdivisions located along the United States-Mexico border, better known as colonias.

Colonias are characterized by substandard housing, inadequate plumbing and sewage disposal systems and poor access to clean water. These areas are highly concentrated poverty pockets that are physically and legally isolated from neighboring cities. It is only in these highly unregulated areas that the poor inhabitants can lay claim to home ownership, which on the surface appears affordable. However, homes in the colonias are affordable only because these communities lack the basic necessities that other Americans are accustomed to: Water, sewage, paved streets, education, access to health care, drainage and fire and police protection. The problems in the colonias have existed since the 1960's but have worsened in the last 10 years as their populations have increased dramatically. The constantly shrinking stock of affordable housing has left many of the residents in South Texas with no alternative other than living in a colonia.

Last month, the Select Committee on Hunger, which I chair, held a field hearing in Eagle Pass, TX, to examine the problems prevailing in the colonias. During the hearing we visited a colonia site and heard testimony from experts that have studied the area. The human suffering caused by the bleak conditions of the area were astonishing to all the members which attended the hearing. However, the suffering can be ceased and the conditions can be improved if assistance is granted to the area residents. By enacting the State colonia legislation, the Texas Legislature has taken the first steps toward achieving these goals. It is now Congress' turn to lend its assistance to these impoverished areas. Both Representatives RONALD COLEMAN and SOLOMON ORTIZ have introduced legislation targetting assistance to colonia sites all along the United States-Mexico border. I urge all my colleagues to support the passage of this legislation.

Attached is a copy of an article on, the Texas colonia legislation which was published in today's Washington Post:

RELIEF FINALLY COMING TO BORDER SLUMS: TEXAS BILL PROVIDES CLEAN WATER, SEWERS

(By David Maraniss)

AUSTIN, TX, June 19.—In makeshift communities—known as colonias—lining the Texas border with Mexico from Brownsville to El Paso, hundreds of thousands of poor Hispanics continue to live without sewer systems or drinking water.

For the last decade, their plight ranked among the state's most intractable social

problems, one that politicians in Austin and Washington seemed either unwilling or unable to resolve. A solution finally may be at hand.

Last weekend, Gov. Bill Clements (R) signed into law a colonias bill that provides $30 million in general appropriations and clears the way for bond sales of more than $100 million.

The money will be used to build water and sewer systems in border neighborhoods that lack them and to subsidize hookup costs for residents, who are to be charged based on their ability to pay. Federal lawmakers, who had been waiting for the Texas government to act, are expected to pass legislation in Congress that would match the state effort.

The colonias have been described as pockets of the Third World inside the U.S. border. As many as 1,000 of them are in Texas, ranging in size from 40 to 5,000 residents each.

In the Rio Grande Valley of south Texas, 90 percent of the colonias have water that is fit to drink but no sewer systems. In the El Paso area, at least 30,000 colonias residents live without drinking water.

Lack of sewer and water services have created severe health problems in the colonias, where residents—especially children—suffer from high rates of dysentery, hepatitis, lice and skin rashes.

Christine Stephens of Valley Interfaith, a church-based organizing group in the Rio Grande Valley, said the group hopes to break ground by September for a sewer system in Cameron Park, the largest colonia outside Brownsville.

"Things are just beginning to look up in the valley now," Stephens said. "And this is sure to help. People need the basic services before they can pull themselves out of the cycle of poverty."

Pearl Ceaser, Stephens' counterpart at the El Paso Interreligious Sponsoring Organization (EPISO), said she hoped most of the 30,000 people in El Paso without water could be hooked up to drinking water within four years.

"It was a tremendous victory," said Ernesto Cortes, director of the Texas Industrial Areas Foundation, the state's leading organizer for the powerless and dispossessed.

When the Texas House members passed the colonias bill in the final hours of the 1989 session, a tear was seen rolling down the cheek of tough, practical Cortes. His friends said the tear would be transformed into the first drop of clean water running through the pipes to the colonias.

CONGRATULATIONS LORI DUQUETTE

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Lori Duquette, of Cumberland, RI, this year's recipient of the first annual Ronald K. Machtley Award for Central Falls Junior-Senior High School in Central Falls, RI.

This award is presented to the student, chosen by Central Falls Junior-Senior High School, who demonstrates a mature blend of academic achievement, community involvement and leadership qualities.

Lori has clearly met this criteria by being a member of the National Honor Society. Lori is also a member of the Governor's Committee on Youth, Alcohol and Substance Abuse and the Health Advisory Committee. Her extracurricular activities also include being a student council representative and a member of the Senior Buddy Program. Lori was recently the recipient of the Attorney General's Outstanding Student Award.

I commend Lori for her achievements and wish her all the best in her future endeavors.

ESSAY CONTEST WINNERS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. HYDE. Mr. Speaker, it is my privilege annually to honor young writers from northern Illinois, representing both high school and junior high school age groups, who submit winning essays in a contest sponsored jointly by my office, and schools in the Sixth Congressional District.

Wood Dale, IL, resident Cash Casey, a graduating senior at Fenton High School in Bensenville, IL, won first place among high school participants for his essay entitled, "Your Vote: A Catalyst."

Eighth grader Daniel Graham, a Chicago resident and student at Mary Seat of Wisdom School in Park Ridge, IL, placed first in the junior division with his essay entitled, "Why is the Pledge of Allegiance to the Flag Important?"

Jeanette Hurt, a Lombard, IL, resident and senior at Willowbrook High School, placed second in the senior division with her essay, "Is Your Vote Important?" Bridget Ford of Park Ridge, a student at Mary Seat of Wisdom School, placed second in the junior division with her essay, "That Which We are Capable of Feeling, We are Capable of Saying."

I congratulate these and other participants who took the time to research, write, and edit their papers. It is through programs such as this one that students develop an appreciation for the traditions of this great and enduring representative democracy.

A special note of thanks also to Mrs. Vivian Turner, former principal of Blackhawk Junior High School, who coordinates this event.

I commend the following winning essays to my colleagues for their consideration:

YOUR VOTE: A CATALYST

(By Cash Casey)

John Smith, a mayoral candidate, is determined to get all of his ideas across to the people of his city. John is less experienced than his rival in some aspects; and as a result, he is ten points behind the leader in the polls. Consequently, he prepares to present a picture of his true character which has been absent from any pre-election publicity. As he paces the backstage of Forest Hall's auditorium, he formulates the way he will best narrate his ideas to the public. Even if he loses the election, he wishes to acquire and retain support for his party's needed ideas. As the lights glare strikes his lowered head, he walks out to the podium. Finally, he looks up to his left and is stunned. The chairs are empty! He looks closer at one of the chairs. On the chair is a sign declaring, "My vote doesn't count!" The next chair reads, "My vote doesn't matter!" He reluctantly pans his view across the auditorium. Every chair mutters the same message. As he scans to his right, his vision abandons him. All he senses are the hundreds of voices: "My vote doesn't count!" "My vote is not important!" "My vote doesn't matter!" The shouting overwhelms his head and he leaves in dismay. Although this is an exaggerated incident, it illustrates the voter turnout problem in our country. The people who feel elections do not need them could fill hundreds of these auditoriums (or keep them empty like Forest Hall). Everyone's vote is important whether it is the ultimate deciding factor, a marginal factor, or decisive in principle.

In the past, many instances have put the ultimate importance on one vote. For instance, one vote caused Charles I of England and Louis XVI of France to be executed in 1645 and 1793 respectively. Also, in the year of our independence, America adopted the English language over German by one vote. It would be hard to imagine Americans not predominantly speaking English. Without one vote in 1845, the lone star state, Texas, probably would be part of Mexico. Later, one vote both elected Marcus Morton Governor of Massachusetts and saved President Andrew Johnson from impeachment in 1839 and 1876 respectively. Unfortunately, in 1923 one vote brought Adolph Hitler into leadership of the Nazi party. One of the most critical single votes in American history saved the Selective Service, just twelve weeks before the attack on Pearl Harbor; without this vital vote, Pearl Harbor could have been a worse situation than it was. Although many people might not get to vote in the legislative elections, these incidents illustrate how some votes have made the ultimate decision.

In more recent years, some elections have made the vote decisively influential in the victory of a candidate. For example, in 1976, of eighty million votes cast for Carter and Ford less than two million delivered Carter the presidency. In the Nixon-Humphrey election of 1968, the individual vote possessed even more influence than in 1976. Nixon won by less than half a million votes. Furthermore, the closest presidential election of this century was between Kennedy and Nixon in 1960. Every vote in this election was vital to the outcome. Kennedy won by less than 120,000 votes, less than one vote per precinct. Therefore, when considering one individual in any precinct, their vote carried the ultimate importance. In addition, there are many instances of mayoral and congressional races being decided by a fraction of a percent. For instance, in 1986 one hundred and fifty thousand votes were cast for the Indiana congressional race, and Representative Jack Hiler won by only forty-seven votes. These examples do not repeat themselves in most elections, but the voter should realize that they happen often enough to be anticipated. Therefore, the citizen's vote should be cast, in light of such elections as these, to help a potential slight margin grow or diminish, giving his vote great significance.

In an election that may not be easily changed, the vote is left bare to display its true meaning. Many times in our history, the vote, on the surface, has carried great significance because of the close margin of the results. However, in principle, the common vote upholds the most importance because of the values behind it. Neverthe-

VOL 135 PT 9 JE 14 — 22 1989 UMI

less, whether the candidate wins or loses, the vote helps decide the future. The vote is communication between citizen and politician. The vote is a seed to be planted in our government garden gradually to sprout long-range change. While one vote alone may not choose the winner, it can counter reactionary inertia and initiate progress. Putting aside the winners and the losers, the single vote carries its greatest importance as a messenger to the government lobbying for the citizens views. For the most part, the single vote cannot cause immediate change, but it becomes more consequential as a seed creating a lasting impact on America's destiny.

Even if an election is not decided by one vote or a small majority, each vote counts for freedom, democracy, responsibility, and the country's well-being and future. Freedom and democracy, two words that most Americans take for granted, are practically embodied in the vote. Unlike most other countries, America's future lies in the votes of its citizens. John Smith cannot govern our country by the will of the people if he does not hear the voice of their vote. Because each citizen's vote is such a major influence on government's future policies, your privilege to vote should not be taken lightly. Understanding the basic principle of a vote's impact and all of its capabilities is the key to fully appreciating its significance. By understanding our country's past fights for liberties and the results gained, you may better perceive how the vote you cast now shapes our country's future. Thus, realizing that John Smith needs your vote to initiate your ideas and that the country needs your vote to decide its destiny is the key to fully comprehending and appreciating your vote's importance.

Why Is the Pledge of Allegiance to the Flag Important?

(By Daniel Graham)

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Some might think that our patriotism is deteriorating, but I think that it is near its peak. The Pledge of Allegiance was emphasized when I was little, and I didn't know what it meant. Now I understand its full meaning, and recite the Pledge with pride.

The Pledge of Allegiance means something special to me because it is a symbol of patriotism and of what the United States is all about. It defines our freedom and justice. The words of the Pledge hold the ideals of all the settlers who, over the years, came to this continent in order to have some opportunity to live under freedom and liberty. The Pledge is important because it reflects our democratic government and our free lifestyle.

The Pledge of Allegiance is a summary of America. It represents the struggle from the very birth of this striving nation. The Pledge of Allegiance makes us different than other nations. It specifically describes the United States of America. No other country on earth fits that Pledge like ours does. It is an oath we take—a pledge of our allegiance to God, this country, and everyone who lives for liberty and patriotism.

I think the Pledge of Allegiance should be introduced when one is young. Then, when memorized, it should be explained. This way our country would be made up of people proud to be Americans. I believe that everyone should think the Pledge is important, no matter what his or her age. I can remember reciting the Pledge of Allegiance, my hand on my chest and my eyes glued to the flag, knowing that our country was something of which to be proud. I feel the same way now but to a higher degree. I feel proud knowing that I live in the United States of America, and I am fortunate compared to others in second and third world countries.

My opportunities here are great. I can be anything I want. I can choose my occupation; it is not chosen for me. In other countries the way one lives is chosen for him. The Pledge is a statement of our freedom to choose.

We take this country for granted much too often and don't think enough about what it would be like to live in a third world country. The Pledge of Allegiance is our identification. It defines us as Americans. We should be proud of this Pledge, recite it often, and try to live it. For all these reasons, the Pledge of Allegiance is important to me and should be to others.

Is Your Vote Important?

(By Jeanette Hurt)

Eleanor got up at 6 a.m. today. In past years she had always walked to the polls a little later in the day. This year because of a broken leg, she had to rely on her nephew to drive her before he went to work.

Tom slept in. He wanted to make sure he was rested enough for the big game Friday. Oh, his vote? Voting in general was too much of a nuisance—he had more important things to worry about. Obviously Eleanor and Tom disagree about whether or not their vote is important.

As sad as this may seem, Tom is a rather typical example of many young American nonvoters. While only a few short decades ago, many people under 21 rebelled, petitioned, and fought to get the right to vote, today statistics show that 18 to 24-year-olds vote the least out of any age group. Just 45 percent of them are even registered, while only 36 percent of them actually vote.

While the youngest voters are the most negligent, Americans on the whole do not fare very well in the voting statistics. As difficult as it may be to believe, Jimmy Carter was elected president in 1976 by only 27 percent of all Americans qualified to vote. Ronald Reagan was elected in 1980 by only 28 percent of all eligible voters.

Abstaining from voting doesn't necessarily mean abstaining from complaining. The complainers do not seem to realize that they have elected officials—they have elected them by default. Travis Ketterman, a senior at Fort Atkinson High School couldn't vote this year. He wasn't 18, but he still felt that he could make a difference. That's why he was out campaigning during the past election. He gave over 30 speeches before November 8 rolled around.

"The people who complain the most about our government most often are the ones who didn't vote. My personal feelings are that you don't have the right to complain if you don't vote, Ketterman said.

Ketterman is in good company. Many great Americans have extolled the freedom of voting. "The most important step that a person can take is that short walk to the ballot box, "said Dr. Martin Luther King, Jr. Abraham Lincoln put it another way when he said, "The ballot is a lot stronger than the bullet." Unfortunately many Americans do not feel this way. Have you ever heard of President Charles Evan Hughes? He would have been elected president in 1916 instead of Woodrow Wilson if just one more voter in each California district had voted. John F. Kennedy was sent to the White House by less than a single vote per election precinct. But does your vote count?

Maybe some people don't vote because the polls show that their candidate is far behind or far ahead. They mistakenly think that their vote doesn't count. Six years ago, the polls predicted that Jim Thompson would win the Illinois governorship by a three to two margin. In actuality, he won by only 5,000 votes or less than one half a vote per precinct. Those votes didn't count, right?

While some people just seem to throw away the precious right to vote, others are well aware of the power of free elections. If one vote doesn't count, why do precinct captains in cities all over this country make an effort to get every single voter to the polls?

If one single vote doesn't matter, why do people in Chile and the Philippines risk gunfire on the way to vote? I really couldn't blame them for not voting, but the funny thing is, they still keep coming back to vote. They're willing to endanger their lives to use their one, single vote.

About 95 percent of all eligible European voters vote. In Australia, non-voters are fined; voting is considered not only a right, but also a citizens's duty.

Why do so many Americans abstain from voting? Perhaps they are not convinced that their vote can make a difference. Perhaps they feel uninformed or powerless. Perhaps they do not appreciate the fact that the big difference between a totalitarian state and a democracy is one little vote. As Winston Churchill said in a speech before the House of Commons in 1944, "At the bottom of all the tributes paid to democracy is the little man, walking into the little booth, with a little pencil, making a little cross on a little bit of paper—no amount of rhetoric or voluminous discussion can possibly diminish the overwhelming importance of the point."

Why Is the Pledge of Allegiance to the Flag Important?

(By Bridget Ford)

"That which we are capable of feeling, we are capable of saying."—Cervantes.

On October 12, 1892, school children across the nation said the Pledge of Allegiance to the Flag for the very first time during a Columbus Day observance. Modern day students are still encouraged by their teachers to face the American flag, hold their hands over their hearts, and recite the Pledge of Allegiance. They are taught to say these thirty-one words, but are they told what these words mean? We are proud to be able to rattle off these syllables when we are very young. Hopefully, however, older students should be able to do more than "rattle off" the words. Ideally, older students should be able to say the words with feeling or at least with understanding.

The Pledge of Allegiance gives us the opportunity to verbalize our loyalty to our country. This recitation should be taken seriously and should be made freely. Why should it be necessary for anyone—young or old—to verbalize their loyalty to America? Why is it ever important to express our feelings to others—devotion to another in the ceremony of marriage, oaths of office by our government officials, or promises made by witnesses in courts of law to tell the truth?

Some people find it difficult to let their feelings show by verbalizing them because they are unsure about them. People who

choose to believe that the Pledge of Allegiance is unnecessary are probably unsure about their feeling of loyalty or level of commitment to their country.

America is a very unique country in that the government doesn't force anyone to openly pledge loyalty. We have freedom of speech and freedom of choice. No one is forced to recite the simple sentence that tells the world that America is a great nation that sticks together and guarantees freedoms and justice for all its citizens.

Citizens who are aware of the blessings that America provides for them are willing and proud to verbalize their respect, allegiance, and feelings for their nation. They realize that the freedoms that America guarantees to all people didn't come easily. Americans who take the Pledge of Allegiance to heart are "putting themselves on the line" by telling the world they are also committed to democracy.

The school children in the classrooms on that October 12th in 1892 who first recited our Pledge of Allegiance went on to fight in World Wars or sent their children and grandchildren to defend democracy in the Korean Conflict and in Viet Nam. These school children grew into adults who knew what the words of the Pledge of Allegiance meant and took the words to heart. Their children and grandchildren who defended the flag of the United States of America by serving in the Armed Forces also recite the Pledge of Allegiance without reservation because they know the price of freedom isn't cheap. They paid their dues to keep this country strong—this country—"one nation, under God, indivisible, with liberty and justice for all."

FEMINISTS FOR LIFE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. DORNAN of California. Mr. Speaker, I want to call your attention to the following excerpts from an article written by Melissa Simmons Tulin, president of Feminists for Life of Pennsylvania which is a State chapter of the national organization, Feminists for Life of America. Feminists for Life are women who are disaffected by so-called "women's rights" groups, such as National Organization of Women, because of their view that preborn babies deserve equal rights—most importantly, the right to life. Today, the American tragedy of abortion destroys this most basis human right. "By encouraging fatal discrimination against preborn children—half of whom are women"—Ms. Tulin writes, "the feminist movement has made a tragic error that has actually set women back."

Feminists for Life is one example of the many groups of women coming forward and stating that supporting women's rights today does not have to mean supporting abortion, since abortion is an act which takes the lives of their innocent preborn children and ultimately exploits women themselves.

I urge my colleagues to read these excerpts which debunk the myth that holding the pro-life position is to be against women's rights.

PRO-LIFE FEMINISM: AN IDEA WHOSE TIME HAS COME

To most people, the term "pro-life feminist" is a contradiction in terms. While Gloria Steinem and Jerry Falwell agree on very little, both have stated that it is impossible to support womens' rights without being in favor of abortion-on-demand as well. Indeed, the focus of the modern women's movement has been the securing of abortion rights, and when the Roe v. Wade decision was handed down, some feminists literally danced in the streets.

Feminism can be defined as a philosophy that allows each individual to reach his or her fullest potential, unhindered by sexism or racism. But by encouraging fatal discrimination against preborn children (half of whom are women), the feminist movement has made a tragic error that has actually set women back.

Since 1973, a growing number of men and women have been challenging the assumption that in order to be "equal" with men, women must be able to destroy their own children at will. Feminists for Life was formed by two women who were unofficially excommunicated from the National Organization for Women because they would not "shut up" about the abortion issue. With chapters in all fifty states and several countries, including Canada and New Zealand, Feminists For Life provides an increasingly active voice for those of us who believe in both fetal and women's rights.

Who are pro-life feminists? We are doctors and lawyers, secretaries, scientists, and homemakers, mothers and others, but first and foremost, we are radicals—people who get to the roots of the problems that face women in society.

We realize that abortion is a cry for help: a symptom of the many problems affecting women. Many undergo abortions not because of "choice", but because of a lack of it. The single woman on public assistance who must decide between feeding the children around her table and killing the one growing inside her does not have a real choice. Neither does the teenager who must either abort her child or face a life where she has a 50/50 chance of ending up an impoverished single mother. It comes as no surprise that 18- and 19-year-olds have the highest abortion rate of any age group, as this is a time when important decisions affecting one's whole life are made. How can women make life-affirming choices in a society that penalizes us for having children and treats an unplanned pregnancy as a "disease" to be "cured" with curette and suction aspirator? The best way to end abortion is to eliminate the problems that lead to it.

Pro-abortion feminists reason that in order to be equal with men, women must be able to make themselves "unpregnant" at will. However, by making abortion-on-demand the rallying point of the women's movement, they have not only alienated millions of potential supporters, they have shifted attention away from the many crucial issues that affect women's lives.

With the review of the Webster case, NOW president Molly Yard has declared a "state of emergency" for American women. But millions of women live each day of their lives in a "state of emergency" for reasons that have nothing to do with abortion. With all the focus on the right to kill, pro-choice feminists have forgotten that, at some time in their lives, eighty percent of American women will have children, often without the societal support that is necessary to experience pregnancy, childbirth, and parenting with dignity.

Planned Parenthood, which claims to be concerned with the health of women, sees more than 2 million women a year—most of them low income—and is the nation's leading purveyor of abortion services, but provides prenatal care to only 12% of its clients. Why must it be up to the pro-life movement—us wild-eyed, "anti-choice fanatics"—to offer these women emotional and financial support? Perhaps it is because the only "choice" Molly Yard and her ilk recognize is the one to abort.

Much of the support for abortion-on-demand comes from allegations that prior to legalization, thousands of women died from illegal abortions performed by "back-alley butchers."

However, according to the U.S. Center for Disease Control, in 1972—before Roe v. Wade—only 35 women died from abortion-related complications—a far cry from the 5,000 plus figure that is often quoted.

And women are still being maimed and killed by "safe, legal abortions." One reputable study, undertaken in 1981 by Thomas W. Hilgers, M.D. and Dennis O'Hare, found that while maternal deaths due to criminal abortion have decreased, they have been placed, almost one for one, by maternal deaths due to legal abortion. Indeed, the only difference between the "back-alley butcher" and today's abortionist is that the latter plies his murderous trade in the open, with the sanction of the law and the applause of the women's movement.

True "reproductive rights" entail the right of every woman to quality pre-natal care, to support through difficult pregnancies, and to full educational, social and economic opportunity for her offspring. They do not include the right to kill children already conceived.

Pro-life feminists are part of the women's movement, and we will no longer be content to stay at the back of the bus. Our goal is to create a world where no woman must have an abortion, and we hope that someday our pro-choice sisters will realize that women will never climb to equality over the dead bodies of their children.

BUILDING BRIDGES

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. HUNTER. Mr. Speaker, at the end of last month a friend of mine, Ambassador Ted Gildred, departed Buenos Aires after almost 3 years of service there. Those who worked for Ted consider him a superb leader and a fantastic person. I thought the Members of the House might like to know what the Argentines think of him as a diplomat.

The following is the farewell editorial published by the Buenos Aires Herald, a local English language paper:

BUILDING BRIDGES

In the next couple of days the current US ambassador to Argentina will be returning home after completing his tour of duty in this country, an event about which much has been said in the press. What is not so easily understood about the time Theodore Gildred spent as chief of the US mission in this country is just how complex a posting it

was when he first took it on and, perhaps more importantly, how much has been achieved since that happened. Much of the credit must be given to Ambassador Gildred himself, who, with a diplomatic skill belying his inexperience in the field, both ably and actively participated in all manner of events around the country, making him arguably the best-known US ambassador ever to serve in Buenos Aires who, unlike some of whose predecessors, departs as an immensely popular man in this country.

In the aftermath of the tragic Malvinas War and following the repeated clashes between the last military government and the US administration, bilateral relations hit an all-time low, an unfortunate situation which was further compounded by a whole range of matters such as the extremist anti-Americanism found within some local political circles, the foreign debt crisis and a sometimes less than clear support for the democratic regimes of the world coming out of Washington. With the return of democracy to Argentina a whole new range of opportunities opened up, a situation which created an enormous amount of uncertainty in both countries about the future. Common ground was rapidly established and both countries were able to iron out most existing differences and, in hindsight, it must be said that the current relationship with the United States has rarely been so good.

It is always hard to define just how much of a good understanding between governments is a result of correct policies being carried out and how much flows from the rapport established between those representing each side. Nevertheless, there can be little doubt that both Argentina and Washington have taken substantial steps towards dovetailing their policies towards one another, a course of action which, it is hoped, will continue, despite the respective recent changes of government. Enormous difficulties still exist, mainly the unresolved problem of the foreign debt, and in days to come representatives of both countries will have to thrash out mutually acceptable, meaningful solutions to these outstanding problems. It is to be hoped that when doing so, they will find that the good work carried out by Gildred will serve as a solid basis for the building of a new era in US-Argentine relations. It would be the best tribute possible to one man's contribution to the better understanding between the peoples of both countries.

CONGRATULATIONS ELIZABETH FARIAS

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Elizabeth Farias, of Tiverton, RI, this year's recipient of the First Annual Ronald K. Machtley Award for Tiverton High School in Tiverton, RI.

This award is presented to the student, chosen by Tiverton High School, who demonstrates a mature blend of academic achievement, community involvement and leadership qualities.

Elizabeth has clearly met this criteria by being a high academic achiever as a member of the National Honor Society. Her extracurricular activities include being treasurer of the student council.

I commend Elizabeth for her achievements and wish her all the best in her future endeavors.

ETHICS

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mrs. MEYERS of Kansas. Mr. Speaker, I would like to bring to your attention, and to our colleagues, the fact that a young woman from my district won the Time Education Program Student Writing and Art Competition. Her name is Aimee Claire Wittman, of Leawood, KS. The subject of her essay is entitled "Ethics."

In light of the ethics problems that have plagued our House, I thought it would be enlightening to look at how a 16-year-old views the subject of ethics.

ETHICS

(By Aimee C. Wittman)

As part of his or her official duties, the Mayor of Exchange City hangs the laws of the day on the bulletin board outside of City Hall. Exchange City, located in Kansas City, Missouri, is a miniaturized city where sixth grade kids spend a day operating and owning small shops and businesses. The city is self-sufficient with a Bank, Snack Bar, and City Hall. There is even green carpeting in the center to resemble a grassy square.

The Mayor's decrees usually run something like this. "No Exchange Citian will lie, or cheat, or steal—and no one will walk on the grass." The city then opens, and about eighty pre-pubescent children disperse to shops such as the Radio Station, the Ad Agency, and the Flower Shop. As the kids take on the roles of workers and employers, they try to pay off loans, uphold law and order, and balance checkbooks in an attempt to succeed at modern free enterprise. As the day goes on, the kids find it isn't necessary to lie, or cheat, or steal, in order to survive in the adult business world. At Exchange City, kids learn that fairness and honesty in business transactions are just as important as not walking on the grass.

American children, the future business men and women of the country, are being taught that success can be achieved using ethical tactics. Through programs such as Exchange City, kids learn the value of a person's word, the meaning of a handshake, and the rewards of quality and pride in one's work. These old-world attributes are not obsolete; they have just been overshadowed by twentieth century shortcuts and distrust in one's fellow man. As Americans enter the Bush era, we are urged to be a "kinder, gentler nation." By reinstating ethical negotiations through the younger generation, perhaps we can build a kinder, gentler business world too.

In 1692, long before Donald Trump and monopolies, an unidentified monk wrote an essay called *Desiderata*. In it he said, "Exercise caution in your business affairs; for the world is full of trickery. But let this not blind you to what virtue there is; many persons strive for high ideals; and everywhere life is full of heroism." This could be Exchange City's motto: to create trust and high ideals for the future by teaching these qualities to potential heroes—the children of today.

It will not be long before the child citizens have grown up and send Exchange City second generation kids. By that time the products may be different, but the business world will be the same. Supply and demand, consumer and producer, owner and worker, hopefully kinder and gentler. Someday, a New York executive will find the turtle necklace she bought while working at the Jewelry Store in Exchange City. It will remind her of trust and high ideals for her fellow man, and not to lie, steal, or cheat herself. She will know what is important and what business really means. Most of all, she will remember the unwritten laws of Exchange City—to be fair and honest, and never walk on the grass.

TRIBUTE TO DAVID MAKARECHIAN

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. WELDON. Mr. Speaker, in light of Congress' inability to pass an emergency supplemental appropriations bill, I would like to submit the attached essay for the RECORD. In the essay, David Makarechian of Citizens for a Sound Economy sums up the basic reforms that are necessary to make the budget process more responsible and efficient. These reforms would go a long way toward reducing the Nation's chronic budget deficits.

[From Issues and Answers, May 22, 1989]

BUDGET REFORM OPTIONS

(By David Makarechian)

Since 1980, the national debt has increased by more than $1.6 trillion. Interest on the debt is now the government's third highest expenditure. Some lawmakers believe that the budget process may be the cause and have called for budget process reform to help reduce the deficit. This update of recent reform proposals and explanation of budget reform terms is intended as an aid for those who wish to understand and evaluate proposals to improve the federal budget process.

Balanced Budget Amendment. The balanced budget amendment introduced by Reps. Charles Stenholm (D-TX), Larry Craig (R-ID), Thomas Carper (D-DE) and Bob Smith (R-OR) is expected to receive more than the 240 endorsements from other congressmen it received last year. The measure amends the constitution to limit government spending to no more than total revenue, and it prevents any increases in the national debt unless approved by a three-fifths majority of both houses of Congress. The amendment would be waived during a declared war.

In his budget proposal submitted to Congress in February, President Bush called the balanced budget amendment the "most fundamental change needed" in the budget process. Until the 1960s, the government seemed to follow an unwritten rule that generally kept spending in line with revenues, except during wars or other national emergencies. Since then, the government has consistently spent more than it has taken in. Excessive spending reached its highest point in the 1980s, with the deficit

averaging $140 billion per year. A balanced budget amendment offered by Rep. Jon Kyl (R-AZ) specifically addresses runaway spending by limiting government spending to 19 percent of the previous year's gross national product.

A number of the proposals contain provisions to restrain tax increases. Sen. Dennis DeConcini's (D-AZ) balanced budget proposal requires a two-thirds majority and a roll call vote in both houses of Congress to enact a tax increase. The Stenholm version of the amendment requires a roll call vote and a majority of all 535 members of Congress to raise taxes. The full majority of Congress requirement means that a lawmaker's refusal to vote will reduce the chances of enacting a tax increase.

Line-Item Veto. The bloated national debt and public outrage at "pork barrel" spending have also renewed calls for a line-item veto. This reform permits the president to eliminate or reduce specific portions of appropriations bills, which spend the money decided on in each year's budget resolution. Congress could override item vetoes with a two-thirds majority in each house. There have been at least 10 different line-item veto plans introduced so far this year. The plans differ in the definitions of an "item," the actions Congress can take to restore vetoed funding, and the time frame for enacting the reform. Some proposals call for a line-item veto law, but most require a constitutional amendment.

Enhanced Rescission. This reform is similar to the line-item veto, but it affords Congress more power to restore funding and the president more flexibility to reduce spending. Enhanced rescission allows the president to permanently or temporarily disapprove individual parts of appropriations bills. Most proposals require Congress to vote on the president's action.

Before 1974, every president enjoyed rescission power. The 1974 Impoundment Control Act removed the authority by allowing Congress to ignore rescissions. Enhanced rescission has become a politically popular substitute for the item veto because it would not require a constitutional amendment, and it limits the spending a president can disapprove. A study by Citizens for a Sound Economy Chairman and former OMB Director James C. Miller III found that in state governments, measures that permit a governor to reduce spending cut outlays by 2.7 percent between 1966 and 1979.

Congress has introduced at least 10 separate enhanced rescission measures this year. These measures contain varying provisions in three areas: the item and amounts eligible for rescission, the time the rescission remains valid, and the action required of Congress upon receiving a rescission.

Elimination of the Current Services Budget. Present law requires Congress to compare the budget proposal to a planning tool called the "current services budget," rather than to the actual amount spent in the previous year. The current services budget increases spending across the board every year for predicted inflation, demographic changes, and previous commitments to spend money. If a proposed budget increases spending below the current services level, some politicians call the increase a "spending cut," confusing both policymakers and the public. Sen. Rudy Boschwitz (R-MN) and Rep. Bill Frenzel (R-MN) have introduced legislation that requires Congress and the administration to compare each year's budget to the actual amounts spent in the previous year, rather than to the current services budget.

Budget Baseline Reform. Congress now considers at least four baselines, or starting points, when it begins planning each year's budget: the Gramm-Rudman-Hollings baseline, which only adjusts for inflation; the Office of Management and Budget's baseline; the Congressional Budget Office's baseline; and the current services baseline. Each may include different assumptions about the performance of the economy, changes in population, and the effects of past and future legislation. Thus, lawmakers can base policy decisions on at least four different perceptions of the budget. This reform proposal requires policymakers to use consistent assumptions to increase uniformity among the various baselines.

Gramm-Rudman-Hollings Deficit Target Reform. The Gramm-Rudman-Hollings law defines each year's deficit target. Congress can increase spending by raising taxes and still meet Gramm-Rudman-Hollings deficit levels at a higher level of spending. With bipartisan support, Rep. Jack Buechner (R-MO) has introduced a reform that lowers the deficit target by the amount of a tax increase. This ensures that new taxes go toward deficit reduction and recognizes that unless Congress controls spending now, future deficit reductions may be more difficult.

Automatic Continuing Resolution. Continuing resolutions provide temporary funding for government programs when Congress cannot approve regular appropriations bills by October 1, the beginning of the fiscal year. The 1974 Budget Reform Act intended that Congress pass 13 separate appropriations bills and submit them to the president individually. Because of disagreements over how much to spend and the October 1 deadline, Congress has often grouped separate appropriations bills together. In 1987, Congress grouped appropriations for the entire government into one last-minute, $660 billion continuing resolution. The massive continuing resolution forced the president to accept the entire package because a veto would have shut down the government.

With an automatic continuing resolution, Congress must accept a pre-specified level of spending if it cannot agree on the amount to spend next year. Proposals by Sens. Pete Domenici (R-NM) and J. Bennett Johnston (D-LA), and Reps. Bill Schuette (R-MI), Tim Penny (D-MN), and Chris Cox (R-CA) limit the automatic continuing resolution to the actual amount spent in the previous year. This reform would insulate continuing resolutions from new spending and would prevent the threat of costly and embarrassing government shutdowns from stampeding legislators into approving unwise spending proposals.

Enrollment of Separate Appropriations Bills. This reform proposal also seeks to eliminate unnecessary spending in large appropriations bills. In 1987, President Reagan signed a 1300-page spending bill introduced on the House floor after 9:00 p.m. the night before the government would have to shut down for lack of funding. Neither the members nor the committees could adequately analyze the proposal. Sen. Gordon Humphrey (R-NH) has introduced legislation that would prevent Congress from combining appropriations bills into single pieces of legislation.

Streamlining Appropriations Bills. Domenici and Schuette also favor a different approach to securing passage of appropriations bills. Rather than forcing Congress to submit 13 separate bills by the beginning of the fiscal year, Congress would submit only three: one for defense, one for domestic spending, and one for international spending. Domenici claims that the present budget resolution contains too much detail, and decisions on individual spending proposals often obscure the larger objectives of passing appropriations bills on time and reducing the deficit.

Statutory Budget Resolution. Under current law, Congress passes a non-binding budget resolution in the middle of April to guide appropriations and spending. However, Congress can now approve spending greater than it specifies in the budget resolution without penalty. The proposed reform would make it illegal for Congress to spend more than it originally planned, and it provides procedural rules or enhanced rescission for enforcement. The president's role in the budget process would increase because he could veto unacceptable budgets. Domenici, Schuette, and Cox have included the statutory budget resolution in their budget reform proposals.

Biennial Budget. This reform, introduced by Reps. Jerry Huckaby (D-LA) and Sonny Callahan (R-AL), would place the budget on a two-year cycle. In the first year, Congress would determine the spending levels for the entire "biennium". Rather than repeating the entire budgeting process in the second year, Congress would only have to pass the appropriations bills already agreed to in the first year. Reps. Ralph Regula (R-OH) and Jim Slattery (D-KS) favor a biennial budget that includes two-year appropriations bills. The Defense Department now operates on a two-year budget schedule because its high appropriations levels and long-term contracts require increased planning. In 1987, Congress and the president agreed to a two-year budget plan for fiscal years 1988 and 1989. The plan allowed Congress to pass all 13 appropriations bills without continuing resolutions for the first time since 1977.

Proponents argue that biennial budgeting would reduce the amount of time Congress spends on the budget. They also argue that policymakers could better plan programs if they knew funding levels two years in advance. Opponents argue that the reform may lock in unwise spending for two years. Some have argued that a two-year budget cycle may neutralize the political pressure from tax increases that occur the year before mid-term elections. They also fear that under a biennial cycle, government spending could not adapt to changes in the economy and policy objectives.

Eliminations of Trust Funds from Budget Totals. Some federal programs contain built-in funding provisions. Upon receipt of the funds, Congress places them in "trust funds" and appropriates them only for their corresponding program. For example, the government places receipts from the federal gas tax in a special highway users trust fund. If Congress fails to spend the entire trust fund on highway programs, the budget applies the unspent funds against the rest of the budget deficit, even though the government has set the funds aside for other spending. A "unified budget" includes trust funds with the rest of the budget. Policymakers refer to separating trust funds from budget totals as "off-budget financing".

Supporters of off-budget financing argue that the reform would prevent trust-fund surpluses from disguising the actual deficit. Opponents point out that Congress adopted the unified approach because off-budget fi-

VOL 135 PT 9 JE 14 — 22 1989 UMI

nancing made analyses of overall federal spending difficult. They also argue that off-budget financing encourages growth in federal spending by making specific programs immune from revenue constraints in the rest of the budget.

Automatic Adjustments to the Debt Ceiling. Every year, Congress must raise the limit on the national debt. The House can delay a vote on the issue by tying the limit on the debt to the deficit contained in the budget resolution. The Senate must vote separately to increase the size of the national debt. Supporters argue that since failure to approve the measure would shut down the government, debt-limit bills have often included controversial legislation. Opponents state that automatic increases would make lawmakers less accountable for spending growth in the national debt. Sen. James Exon (D-NE) has introduced a reform that would automatically raise the limit on the national debt only by the amount of the annual deficit estimated by the Congressional Budget Office.

Reform of the Committee Structure. The 1974 Congressional Budget Act splits revenue, spending, and management of the budget resolution among six committees: the Senate and House Budget committees, and the Senate and House Appropriations committees. This reform, advocated by Domenici and Johnston, would bring the functions of all the committees together in one, 18 member joint committee. This proposal attempts to speed the budget process by minimizing the channels the budget must go through in each house of Congress.

Continued increase in spending despite a $163 billion deficit have renewed calls for budget reform this year. As in 1987 and 1988, the administration and Congress bypassed the usual process and negotiated a budget agreement in closed door sessions. Some demand a statutory budget resolution and changes in the committee structure to open the process to more participants. Elimination of the current services baseline is gathering public support because it will clarify Congress's spending decisions. Continued grassroots pressure may force congressional action. Enhanced rescission is also gaining support since Congress increased President Bush's supplemental funding request in April 1989.

Most of the budget reform proposals described above have been introduced in the past but have stalled in Congress. Implementing budget reform will require continued pressure from the public. The last major budget reform, the Gramm-Rudman-Hollings deficit reduction law, passed only after the national debt swelled to $2 trillion. If not spurred into action by constituents, Congress might wait until some major event forces budget reform.

H.R. 1278, THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. BALLENGER. Mr. Speaker, I supported H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act, recently approved by the House. In addition, I supported the President's 3 percent capital standards requirement, and off-budget financing mechanism. I believe these are key factors in truly reforming the current system, and hopefully ensuring that we will not face this crisis again.

We must demand strict capital requirements, and abolish the use of so-called supervisory goodwill. If we continue to let institutions count supervisory goodwill toward their capital requirements, we are doing nothing but perpetuating the current problems. Supervisory goodwill is phantom capital. It cannot be converted into tangible assets, and it provides no protection to investors. In addition, the use of supervisory goodwill provides no incentive for thrift managers to practice sound operations. Institutions will continue to make speculative investments as long as they know they have nothing to lose. Thrift managers would behave more carefully knowing their own money was on the line. Regulatory accounting procedures such as supervisory goodwill led to the problems we are trying to solve today. If we are going to make reforms, we have to take the necessary steps to effect real changes in the system.

The other key aspect of this legislation is the recovery of the already failed thrifts. It is estimated that approximately $100 billion is needed to bailout these institutions. I supported the administration's proposal to create an off-budget Resolution Funding Corporation [REFCORP] to raise $50 billion from the private sector. I believe this plan preserves the budget discipline of the Gramm-Rudman-Hollings Act [G-R-H], and is therefore the best method of financing.

Unfortunately, the House passed an amendment to H.R. 1278 that would place the financing mechanism on-budget. Under this plan, the Treasury Department would sell $50 billion in bonds, and waive the cost from G-R-H deficit reduction targets. I believe G-R-H is our best check against big government spending. Congress has showed little budget discipline, and to waive G-R-H would send the wrong signal to world financial markets.

Proponents argue that on-budget financing would save the taxpayer money because Treasury bonds would have lower interest rates. I believe the implications of waiving G-R-H would have economic repercussions far outweighing any savings borne by putting REFCORP on-budget.

It is a travesty that this bill must go to conference. Failing thrifts continue to lose $12 million a day, and at that price, we cannot afford to delay any longer.

CONGRATULATIONS, BRYAN J. RODRIGUES

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Bryan J. Rodrigues, of Bristol, RI, this year's recipient of the First Annual Ronald K. Machtley Award for Bristol High School in Bristol, RI.

This award is presented to the student, chosen by Bristol High School, who demonstrates a mature blend of academic achievement, community involvement, and leadership qualities.

Bryan has clearly met this criterion by being a high academic achiever. His extracurricular activities include being a member of the academic decathlon team. He was a participant in the Bicentennial Constitutional Competition, Model Legislature and Close Up in Washington, D.C.

I commend Bryan for his achievements and wish him all the best in his future endeavors.

THE 25TH ANNIVERSARY OF THE DEATH OF THREE DEDICATED CIVIL RIGHTS WORKERS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. EDWARDS of California. Mr. Speaker, I am proud to have introduced, along with the minority leader, Mr. MICHEL, Mr. FISH, Mr. ESPY, and former majority whip Mr. Coelho, a resolution commemorating on June 21, 1989, the 25th anniversary of the deaths of the three dedicated civil rights workers, James Chaney, Andrew Goodman, and Michael Schwerner.

These three men made the ultimate sacrifice to seek equal rights and opportunities for all. They traveled south to Mississippi, risking their lives, aware that their attempts to empower African Americans through voter registration would be met with hostility. Their sacrifice fueled a movement which led to the adoption of such crucial legislation as the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968.

We have come far in establishing our commitment to routing unconstitutional bias, but we have not yet attained our goal of complete equality of opportunity. In recognizing the contributions of Chaney, Goodman, and Schwerner, we reaffirm our commitment to breaking down the remaining barriers of apathy and discrimination against those outside the mainstream of our society. We honor these men by pledging our continued support for the cause of civil rights. Their example still serves as inspiration to all those continuing to fight for human rights within the United States.

PROPOSED AMENDMENT TO THE WOODROW WILSON MEMORIAL ACT OF 1968

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Ms. OAKAR. Mr. Speaker, today I am introducing a proposed amendment of the Woodrow Wilson Memorial Act of 1968 (Public Law 90-637) which will allow the Wilson Center to add the Secretary of Education to the Center's Board and to increase by two the number of appointed Board members.

The Woodrow Wilson International Center for Scholars is a Presidential memorial that fosters scholarship and dialog in the humanities and the social sciences. As the director,

Charles Blitzer eloquently stated at their 20th anniversary dinner, one of the Center's guiding principles is that "* * * in everything we do we shall continue to be scrupulously nonpartisan, offering a forum for the widest diversity of views and encouraging free and lively debate among them." The Center enriches the quality of knowledge and debate in the Nation's Capital and throughout the world by bringing fellows from around the world to Washington, DC, encouraging discourse among disciplines and professions, and publishing the results of these activities.

In passing the Woodrow Wilson Memorial Act of 1968 (Public Law 90-637), the Congress intentionally established a Board of Trustees on which the number of appointed members would exceed the number of ex officio members. Since that time, two things have happened that affect this balance:

First. When the educational and cultural programs of the Department of State (CU) were transferred to the U.S. Information Agency, the Director of USIA was added to the Center's Board.

Second. When the Department of Health and Human Services was established, the Secretary of HHS was designated a member of our Board rather than the Secretary of Education.

In view of these developments, it is now proposed that Public Law 90-637 be amended (a) to add the Secretary of Education to the Center's Board and (b) to increase by two the number of appointed board members.

The addition of the Secretary of Education is proposed because of the close connection between his Department's interests and activities and those of the Center. The addition of two new private members is proposed primarily to reestablish the original balance between appointed and ex officio members created by the Congress in 1968. In addition, the presence of these two new members will enable the Board to carry out more effectively its legislated responsibilities. The number of Board members to whom the Center can turn for service on its various committees has proved over the years to be limited by the weighty commitments of its ex officio members. The addition of two new appointed members, while still keeping the board small (19), would enable it better to carry out its duties.

CONGRATULATIONS DAVID SANFORD

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. FRANK. Mr. Speaker, I was very pleased to learn that David Sanford, who lives in my district in the town of Brookline, was selected as a winner of the 1989 BMI Student Composer Award. The awards are presented by the BMI Foundation which was established 5 years ago to help individuals who are pursuing a musical education.

Mr. Sanford won the award for his "Woodwind Quintet No. 2" for flute, oboe, clarinet, bassoon, and French horn. He is a student at the New England Conservatory in Boston. I very much appreciate the willingness of the BMI Foundation to support the sort of creative work that Mr. Sanford and the other winners are doing. And I join many others in congratulating Mr. Sanford for his outstanding work.

MEDICAID REHABILITATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Ms. SNOWE. Mr. Speaker, hundreds of mentally retarded individuals and their families are facing an uncertain future today due to the arbitrary decisionmaking of HCFA, including 700 people in my own State of Maine.

In 19 States HCFA has approved freestanding day habilitation programs. These services allow individuals not living in institutional or residential centers to participate in daytime programs aimed at helping them live more independent lives. HCFA has deferred funding in two States, is actively auditing another, and can be expected to go through the rest of the States, as well. In Maine's case, HCFA deferred the funding which left the State with two choices, pick up the funding in the middle of the fiscal year to the tune of $4 million or drop the program.

Therefore, I am introducing legislation today to prevent HCFA from disrupting these important services until they have promulgated regulations which clearly define what habilitation services are reimbursable. The bill also gives the States the option of transferring their programs to the Home and Community Based Waiver System after the regulations are promulgated without regard to the availability of beds in intermediate care facilities for the mentally retarded.

Great strides have been taken in the last 10 years away from the institutionalization of the mentally retarded. Community-based residency programs and daytime habilitation programs have allowed these individuals to live full lives in the mainstream of society.

I urge my colleagues to join me in support of this bill in order to prevent HCFA from slamming the door shut on this progress and these individuals.

CONGRATULATIONS ERNEST ISAACSON

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Ernest Isaacson, of Marblehead, MA, this year's recipient of the First Annual Ronald K. Machtley Award for Providence Hebrew Day School in Providence, RI.

This award is presented to the student, chosen by Providence Hebrew Day School, who demonstrates a mature blend of academic achievement, community involvement and leadership qualities.

Ernest has clearly met this criteria by being a high academic achiever. He is a diligent student who has demonstrated his noble sense of compassion by being involved in community service for the past few years as a volunteer at Miriam Hospital.

I commend Ernest for his achievements and wish him all the best in his future endeavors.

MIAMI COUNTRY DAY SCHOOL SELECTED FOR SPECIAL RECOGNITION BY U.S. DEPARTMENT OF EDUCATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LEHMAN of Florida. Mr. Speaker, Miami Country Day School in our 17th Congressional District has been selected as one of the 218 outstanding secondary schools in the Nation by the U.S. Department of Education.

The purpose of the School Recognition Program is to identify and call special attention to outstanding public and private secondary schools that are unusually effective in educating their students. Of the 629 schools nominated, 263 were selected to receive an on-site visit by a departmental review panel and 218 of these received recognition.

I want to congratulate the students and faculty at Miami Country Day School for a job well done. Keep up the good work.

ANNUAL CAPITAL CONTRIBUTION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. DERRICK. Mr. Speaker, although many have criticized the regulatory functions of the Federal Home Loan Bank System, and even the relationship between these regulatory functions and the home loan banks, this criticism does not extend to the credit functions of the home loan banks. In fact, the home loan banks, frequently referred as the "crown jewels" of the Federal Home Loan Bank System, have an outstanding record in carrying out their banking activities and in generating the funds necessary to support housing finance. Even on the regulatory side, the banks have been able to attract outstanding personnel during the past few years. The present legislation, however, threatens to destroy the viability of these banks.

Since the introduction of this legislation, it has been clear that the Federal home loan banks would bear a significant portion of the costs imposed on the savings and loan industry. As the legislation has evolved, however, Congress has determined to impose additional expenses which not only reduce the earnings of the banks, but threaten their very exist-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ence. First, the banks would be required to contribute all of their retained earnings accumulated during the past 50 years, an amount equalling nearly $2.1 billion.

In addition, the banks are expected to contribute $300 million a year indefinitely. The House bill would also require the banks to contribute at least $75 million annually upon enactment, and at least $150 million annually beginning in 1995, to subsidize low and moderate income building. The banks would also be required by the House bill to pay the issuance costs of the REFCORP bonds, representing an additional $150 million if the funding of REFCORP is off budget. Moreover, the banks would be required to pay the operating costs of REFCORP, FICO and the new Federal Housing Finance Board. In addition, it has been suggested that the banks should be required to pay the expenses of the new thrift regulatory agency during a transiuonal period, which could cost the banks an additional $150 million a year.

With respect to the $300 million annual contribution, the Ways and Means Committee voted to amend the House bill to index this contribution to changes in the Consumer Price Index. Recognizing that the income of the Federal home loan banks may actually decline in future years without regard to increase in the Consumer Price Index, the technical "cross-committee" amendments would adjust the dollar amount of this contribution beginning in 1993. More specifically, the annual contribution of the banks would be adjusted upward or downward depending upon the lower of the Consumer Price Index adjustment or the change in the net earnings of the banks during the preceding calendar year. In any event, the adjusted dollar amount for any calendar year cannot exceed $600 million. Thus, if the Consumer Price Index increases by 5 percent during 1992, but the net earnings of the banks during 1992 show no increase from 1991, there would be no increase in the annual capital contribution of the banks for 1993. Similarly, if the future years the income of the banks were to decrease, the adjusted annual contribution of the Federal home loan banks would be reduced accordingly. Therefore, although the annual contribution could increase above $300 million after 1993, the annual contribution in future years could be reduced back to $300 million, or even below this amount.

Notwithstanding this compromise with respect to the CPI indexing provision, substantial concern remains regarding the viability of the Federal home loan banks as a result of all of the assessments described above. The Federal Home Loan Bank System currently pays out about 80 percent of its annual earnings in dividends to its members. In 1988, these dividends accounted for more than 30 percent of the earnings of solvent savings institutions. At a time when these institutions will be required to meet substantially increased capital requirements, it is shortsighted to threaten the viability of the most important single source of this new capital—the Federal home loan banks.

A TRIBUTE TO RABBI IRVING J. BLOCK

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. GREEN. Mr. Speaker, I rise today to pay tribute to Rabbi Irving J. Block, founder of the Brotherhood Synagogue, located at 28 Gramercy Park South, in New York City. This year marks the 35th anniversary of the synagogue's founding, and as Rabbi Block has been responsible for so many of the synagogue's benevolent functions it is only fitting that we take this time to honor him.

Rabbi Block has served on the board of directors of the Clergyman's Advisory Committee of the New York City Youth Board; as a national director of Religion in American Life; as grand chaplain of the New York State Masonic Order; as a director of the New York Family Court's Home Advisory and Service Council; with the anti-drug addiction rehabilitative Training for Living organization; and with the New York State Human Rights Commission Clergymen's Advisory Committee.

I am especially pleased to note the rabbi's achievements in the area of community service. The Brotherhood Synagogue was the first of the New York congregations to provide a homeless shelter. Fortunately many of the city's other synagogues have followed Rabbi Block's lead in this area. Rabbi Block has also been active in the fight against drug abuse, and he now serves as the cochairman of the Federation Task Force on Addiction. His efforts have been recognized by many notable service organizations, and he was also the first recipient of the Rabbi Israel and Libby Mowshowitz Award for Outstanding Community Service.

Rabbi Block has devoted his life to spreading the concept of religious brotherhood. His altruism serves as inspiration to us all, and I am pleased to congratulate him publicly on the 35th anniversary of the Brotherhood Synagogue's founding.

CONGRATULATIONS ELIZABETH CROHAN

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Elizabeth Crohan, of Lincoln, RI, this year's recipient of the first annual Ronald K. Machtley Award for Lincoln Junior-Senior High School in Lincoln, RI.

This award is presented to the student, chosen by Lincoln Junior-Senior High School, who demonstrates a mature blend of academic achievement, community involvement, and leadership qualities.

Elizabeth has clearly met this criteria by being a member of the Rhode Island Honor Society and the National Honor Society. She is a recipient of the President's Academic Fitness Award and president of the senior class. She was also a closeup and insight participant and captain of the varsity field hockey team in her senior year.

I commend Elizabeth for her achievements and wish her all the best in her future endeavors.

THE VISUAL ARTISTS' RIGHTS ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MARKEY. Mr. Speaker, today I join my colleague, the Honorable ROBERT KASTENMEIER, in introducing the Visual Artists' Rights Act of 1989, establishing the rights of attribution and integrity for American artists. Artists in this country play a very important role in capturing the essence of culture and recording it for future generations. It is often through art that we are able to see truths, both beautiful and ugly.

Therefore, I believe it is paramount to the integrity of our culture that we preserve the integrity of our artworks as expressions of the creativity of the artist. John Ruskin, a famous historian and philosopher once said, "All great art is the work of the whole living creature, body and soul, and chiefly of the soul."

Our legislation would provide visual artists with protection for their works which has been sorely lacking in U.S. copyright law. Unlike the works of literary or performing artists, artworks created by visual artists are treated more as physical objects than as expressions of the artistic creativity of their authors.

The bill would recognize the artist's interest in maintaining the integrity of his or her work. The artist would be given the right to claim authorship of his or her work, to disclaim authorship of a distorted or mutilated work, and to bring a civil copyright claim for willful destruction or mutilation of his or her work.

I would like to stress that we have gone to extreme lengths to very narrowly define the works of art that will be covered. While we are sensitive to the concerns of industries that wish to maintain their rights of editing and reproduction, I must take this opportunity to emphasize that this legislation covers only a very select group of artists whose works have been allowed to fall through the existing gaps in our copyright law.

I would also like to point out that the law would be applicable only to works created on or after the effective date of the act, or to works created but not published before the effective date. In this way, we avoid diminishing the value of works of art which a person has already purchased.

Finally, we have included in this bill a provision calling for a study on the feasibility of implementing a resale royalty for certain works of art as well as other possible means of promoting opportunities for artists to share in some of the wealth as the value of that work increases. If we are to be serious about promoting art in this country, we need to recognize that with all the money being made in the

art world, very little of its gets back to the artist. Once again, it is a question of acknowledging the lasting relationship between the artist and his or her creation. This relationship is not severed the first time the work is sold.

Take, for instance, the atrocity which occurred with Picasso's "Trois Femmes" when two Australian entrepreneurs chopped up that great masterpiece into 500 "original Picasso pieces." The absence of legal protection for the artist paved the way for this great work to be brutally mutilated and then allowed Picasso's name to be exploited for the financial gain of the two profiteers.

I believe that the Visual Artists' Rights Act would encourage and promote the arts in our society. American culture thrives on the artistic expression of talented individuals, and American artists deserve no less than the protections offered in this legislation.

SEVENTY-FIVE YEARS YOUNG—AMPCO METAL CELEBRATES DIAMOND JUBILEE

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. KLECZKA. Mr. Speaker, in June 1914, a small group of men formed the American Metal Products Co. in Milwaukee, WI. This month, 75 years later, that company, now known as Ampco Metal, Inc., is celebrating its Diamond Jubilee.

What's unique about this celebration is not only the fact that the company has been headquartered in the south side of Milwaukee for 75 years, but the celebration also includes the return to local ownership after 17 years as a subsidiary of a Pittsburgh-based company. Corporate news reports lately have been filled with stories about leveraged buyouts—companies being swallowed up by out-of-State or even foreign firms. In the wake of these reports, Ampco's return to local ownership is a welcome calm in the corporate buyout storm.

As a steady employer in my district, Ampco Metal has provided quality metal products to the United States and the world for 75 years. A quality product, effective management, and a commitment to innovative research are what has kept Ampco Metal alive in the fickle metal fabrication industry. Welcome back to the 4th Congressional District of Wisconsin, and let's look forward to another 75 years of continued growth and success.

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. LEWIS of Florida. Mr. Speaker, last week the House passed H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act. While I understand the urgency of the current savings and loan situation, I could not in good conscience vote for this bill.

Many of the problems of these institutions were caused by mismanagement and irresponsibility. Therefore, I have yet to be convinced that any taxpayer's money should be used to bail out these institutions.

I agree ordinary depositors who placed money in these federally insured institutions deserve their money back. However, this bill is too expensive and uses accounting gimmicks to divert money to issues unrelated to banking.

Of particular concern is the fact that this measure will be exempted from the Gramm-Rudman deficit-reduction targets. If we are truly serious about cutting the deficit, we must be honest about the size of the problem. By exempting this huge amount from Gramm-Rudman, we are only avoiding the issue once again. In addition, if we can exempt this multi-billion dollar expenditure, just imagine how easy it will be to start exempting other programs.

Another concern is the fact that this bill will serve to create major Federal housing initiatives. While this may be a laudable goal, this was meant to be a banking bill, not a housing bill. If Congress feels the Nation can afford housing, we should debate that issue by itself and fund it separately.

Mr. Speaker, we need to address this issue honestly. Any bill to correct the thrift problems must be funded honestly and kept free of add-ons that do not conform with its original purpose. Until that happens, I will be forced to continue to oppose this package.

AN INSPIRATION TO WOMEN IN BUSINESS

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Ms. SCHNEIDER. Mr. Speaker, today I would like to take a moment to recognize a very special Rhode Island woman, Rose Berger. Rose Berger is being honored this week in Rhode Island by the Rhode Island Women's Partnership in Business for her outstanding courage and perseverance against incredible adversity.

Let me share with you a little bit about why Rose is not only an example of the true pioneer spirit for women in business, but also an inspiration to all people. Rose Berger has been a single woman business owner of Ber-Tex Fabrics in Rhode Island for 33 years. Mrs. Berger is a survivor of the infamous Nazi concentration camps at Bergen-Belsen and Auschwitz, surviving sickness and grief that we can only imagine. Rose's courage and optimism told her that she would survive and she shared her strength, talking to the other women when they would get depressed, telling them never to give up hope.

In 1949 Rose and her husband, Oscar, immigrated to the United States, with their 3-year-old son, Henry. In 1955, the Bergers opened Ber-Tex Fabrics with just a few pieces of fabric. But just after a year in business, Rose was widowed. Through many difficult years, having the responsbilities of single motherhood, sole business ownership, and being a woman alone, Rose persevered. Not only did Rose survive, she also kept her spirit of optimism.

Rose Berger's philosophy has been to "put people before pocketbook" and if you are lucky enough to know Rose or be one of her customers, you know that she lives by her beliefs. I am personally honored to know Rose Berger. To be involved with the Rhode Island Women's Partnership in Business in giving recognition to such a fine woman gives me great pride. On behalf of Rhode Islanders everywhere, we would like to express our deep gratitude to Rose Berger for her wonderfully inspiring spirit and for her service as a role model for other women business owners.

IN HONOR OF WHITE OAK INTERMEDIATE SCHOOL

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mrs. MORELLA. Mr. Speaker, I take great pleasure in commending White Oak Intermediate School in Silver Spring, MD, for being honored as an outstanding school in the U.S. Department of Education National School Recognition Program. The program each year honors outstanding schools on the quality of teaching, school climate, and parent and community involvement. This year's emphasis was also placed on schools with especially high academic standards and strong programs in geography.

I congratulate Dr. John R. Schneider, principal of White Oak, and the students and staff, on this public recognition of their fine school. Clearly, White Oak fulfills its motto, "We expect, we believe, we achieve." I commend White Oak for the many staff members and students who volunteer for service in the community. The success of this Montgomery County public school can be attributed to the strong leadership of Dr. Schneider, the outstanding commitment of the staff and teachers, and enthusiastic support from the community. Maryland State Superintendent of Schools Joseph Shilling called White Oak an example "of the excellence that is possible when a principal with strong instructional leadership skills, teachers committed to reaching each student, and a caring community join together in building a learning environment for young people."

Let me take this opportunity to thank White Oak Intermediate School for its outstanding service to the community of Montgomery County, MD, and to wish them all the best in the years to come.

A TRIBUTE TO TEX WEINER

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. PALLONE. Mr. Speaker, I rise today to pay tribute to a man of unusual talent, a man

VOL 135 PT 9 JE 14 — 22 1989 UMI

who has made a tremendous contribution to our community. On Tuesday, June 27, 1989, Tex Weiner will be awarded the Israel Peace Medal—among the highest and most distinguished commendations presented by the State of Israel. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment. The award is a great honor and is reflective of Tex's impressive achievements and accomplishments.

Tex Weiner is a man who worked his way through school, attending the prestigious Central High School of Philadelphia, Temple University, and the George Washington National School of Law. Upon his graduation from law school, he began to write for the theater. Tex rapidly gained recognition as a radio and television dramatist and later wrote and directed such shows as "Gangbusters", "Rogues' Gallery", and the "Thin Man". His work was very impressive, as was demonstrated by the receipt of the highly prized Award of Distinguished Merit from the National Conference of Christians and Jews in 1943 and the prestigious Peabody Award for outstanding shows.

Tex moved to New Jersey in the 1950's and channeled his talents to the home building industry. His hard work and enthusiasm led to the birth of the Weiner Homes Corp., which has grown to a position of distinction and importance. Weiner Homes Corp. presently operates in New Jersey, Florida, and Pennsylvania under the management of Tex and his two sons, Joshua and David. The corporation, like all of Tex's efforts, is very successful.

Tex Weiner's involvement in the cause of Israel began in the spring of 1947 when he and Teddy Kolleck, who had been sent to the United States by David Ben-Gurion, began gathering equipment for the Hagannah. Tex and Peggy's home soon became a focal point for the gathering of Palestinian Jews. Tex's present work on behalf of Israel consists of his chairmanship of the Senate Club of AIPAC, his service as national vice president of Israel Bonds, and his trusteeship in both the Graden State and Washington PAC's. Tex is also a major contributor to the United Jewish Appeal and the Jerusalem Foundation.

Tex Weiner's hard work and success is an inspiration to all of us in the House of Representatives. His commitment and devotion to the State of Israel is unyielding and worthy of distinction. Tex's efforts in the theater, in home building, and on behalf of the State of Israel are without equal. He has left a lasting influence on our community. Tex Weiner is a truly remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. On behalf of the citizens of New Jersey's Third Congressional District I wish to extend our tremendous gratitude and best wishes to Tex Weiner and his family on this momentous occasion.

THE GOVERNMENT FLEET SAVINGS ACT

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. DAVIS. Mr. Speaker, today I have introduced a bill which directs the President, before spending funds to purchase or lease a new vessel for the Federal Government, to examine the inventory of ships acquired by the Maritime Administration and the National Oceanic and Atmospheric Administration by loan defaults under title XI of the Merchant Marine Act, 1936.

This practice should save the taxpayers money, as many of these stockpiled vessels could be modified to meet mission requirements at a lesser cost than purchasing or leasing new vessels. In addition, we would save the additional costs of keeping the vessels in storage.

These vessels may not be suitable in every case, but I believe that it would be a sound practice to examine our own cupboards before purchasing more food.

JOHN AND CONSTANCE MITCHELL: A COUPLE THAT MADE A DIFFERENCE

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. HORTON. Mr. Speaker, I rise today to pay tribute to an outstanding couple in my district. One of the greatest accolades that any human can receive is to be recognized for making a difference during his or her life. John and Constance Mitchell have earned this distinction, both individually and as a couple.

On June 11, 1989, I was honored to have been invited to help pay tribute to these two Rochestarians by the Concerned Citizens Committee which is a membership group of African-Americans dedicated to progress for African people. The committee hosted the celebration in honor of John and Connie's 40 years of public service.

Connie and John have been friends of mine for close to 30 years. I came to know the couple before I came to Congress in 1963. Throughout the years we have remained close friends. During this period, I haven't come across a pair that is so dedicated to the advancement of the community as these two. The list of organizations which each has served runs for pages and pages and includes a wide variety of businesses, clubs, and projects. None of these organizations would have been as successful if it were not for John and Connie's efforts.

Judging from their backgrounds, it would have been impossible to predict how well these two would complement each other. He was born and raised in the rural South, she grew up in the urban North. They met at a USO dance 41 years ago at Fort Slocum, NY. Ever since this time, they contributed as a team wherever they were located.

Despite their differing backgrounds, they have lead similar lives. Deeply religious, each set and lived up to strict moral codes. Both worked hard to ensure that all Americans, regardless of race, could be proud of themselves and their country, despite the injustices which confronted them. Both are inspirations to all Americans, indeed, all people.

Perhaps the greatest highlight of their distinguished public lives was their appointment as Goodwill Ambassadors of the United States. In 1964, they travelled abroad speaking to various groups in this capacity. When asked about the personal significance of the trip, they replied.

For the first time in our lives we felt like true Americans, we found ourselves defending the same country that had provided us with so many injustices. This trip signified to us just how deeply committed we were to this country and to the elimination of any injustices that would prevent us from being true Americans.

This reflection guided them through many challenges in the years that followed. It is a thought that gives everyone a goal to strive for.

Rochester has been blessed to have had two faithful servants for so many years. John and Connie have touched thousands of lives during this time. It is my sincere desire that many of those whom they have influenced will heed their call, take up their cause, and carry on with their success for if being known for making a difference is a great accolade, inspiring others to follow in your footsteps is a great accomplishment.

CONGRESSIONAL SALUTE TO JANET BOUSKA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. ANDERSON. Mr. Speaker, it gives me great pleasure today to rise and pay tribute to Janet Bouska, a constituent and friend of mine, who is ending her tenure as an educator in the Los Angeles Unified School District.

Janet is concluding a 35-year career of service to our Nation's youth. Although a native of Los Angeles, Janet began her service in Denver, teaching physical education from 1954 until 1957. After her stay in the Rockies, she returned to her native southern California and took a position within the very school district from which she is now retiring.

While at Los Angeles Unified, Janet began a march up the ladder, first from physical education teacher at Banning and Carson High Schools, up to assistant principal at Roosevelt, Washington, and Narbonne High Schools, then on to serve as principal at Fleming Junior High School, and culminating as principal at Narbonne High School.

While serving as principal at Narbonne, her school earned the honor of being recognized as a 1988 California Distinguished School, and a 1989 National Distinguished School finalist, bringing honor to the teachers, commu-

nity, and school district. This award is testimony to the confidence, commitment, compassion, wisdom, and leadership she has displayed in her years of devoted service to the youth of southern California.

Janet's influence on the young people of our area will be felt for many years to come. Her guidance and integrity have assured us that our future is in good hands, being left to students who have received a good start toward meeting the challenges and responsibilities of adulthood.

My wife Lee joins me in extending our most sincere thanks and congratulations to Janet Bouska, for her years of dedication and commitment to the citizens, and especially the young people, of southern California. We wish her all the best in the years to come.

MARCH TODAY TO THE CHINESE EMBASSY

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. MILLER of Washington. Mr. Speaker, I want to thank all my colleagues who joined DAVID SKAGGS and myself on a march today to the Chinese Embassy.

We marched to show our solidarity with the students of China. They are unable to march, so we continued the march for them.

Last month, in the agony of their struggle, the Chinese students remembered the Statue of Liberty. For years to come, we in America, where the statue resides, will remember the students of China.

In 1989, the students of China stood before tanks to show their dedication to democracy. For years to come, whenever people stand up for democracy, they will remember the students of China.

The flame of freedom may only be flickering in China today. But, the flame will not go out. It is in the soul of the Chinese people—in the soul of people everywhere—and it cannot be ignored.

We marched to the Chinese Embassy to tell the Chinese Government that we desire good relations; we marched to tell that government that the students' anguish is our anguish; we marched to show their struggle for freedom is our struggle; we marched to urge the Chinese Government to resume its march toward—not away from—democracy.

IMPROVING EMERGENCY RESPONSE: RESTORING THE SPILL EQUIPMENT INVENTORY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1989

Mr. WALGREN. Mr. Speaker, today I am introducing a bill to restore the comprehensive response equipment inventory previously administered by the Coast Guard, but eliminated because of budget pressures. This inventory could be used by response personnel to determine the location and capability of equipment and other resources which could contain the spread of a discharge and prevent further environmental damage.

The oil spill in Prince William Sound, AK, has once again focused attention on the problems this country has responding quickly to environmentally dangerous spills. Before the spill, Alyeska, the trans-Alaska pipeline company, estimated that skimmers, pumps, and containment and sorbent booms would have to be in place 5 hours after the start of a major spill in order to effectively contain it. According to a Coast Guard chronology, however, nearly 12 hours elapsed before response crews located and transported the first equipment to Bligh Reef. Over 35 hours passed before containment booms completely encircled the ship.

Similarly, the rupture of an Ashland Oil Co. tank in my Pittsburgh district in January 1988, demonstrated the importance of rapid response in containing a massive spill near populated inland waterways. Although officials of Ashland, the Coast Guard, and the Environmental Protection Agency were in communication soon after the accident spilled nearly 1 million gallons of diesel fuel into the Monongahela River, it was several hours and sometimes days before cleanup crews could locate and correctly position equipment which was effective in the swift, cold, and turbulent water.

For example, response officials decided shortly after the spill to use numerous fluorometers for oil-in-water monitoring and analysis. Unfortunately, no information on suppliers of this valuable instrument was available. As a result, response coordinators had to waste crucial time and resources scanning manufacturer's sales records to locate additional fluorometers. Eventually, more instruments were located, but by then, several days' worth of valuable data had been lost and the cleanup set back significantly. In the few days before this equipment was in place, thousands of gallons of diesel fuel slipped under booms which were placed according to faulty data. This unmonitored fuel disrupted water service and fouled riverbanks for miles downstream.

THE PROBLEM

When asked to cite the factor most responsible for the delays in prompt response to these two spills, numerous witnesses have pointed to the difficulty in obtaining adequate and appropriate response equipment locally. Clearly, it would be both prohibitively expensive and technically infeasible to stock every potential spill site with enough resources to combat a worst-case scenario spill. However, in today's high technology information age, it should be possible to have access to centralized information listing the location and capabilities of all response equipment available nationwide. Until recently, this was the case.

In the early 1980's, the Coast Guard, as part of its responsibilities as a member of the National Response Team [NRT], administered a national inventory listing available emergency response equipment. However, as a result of budgetary constraints and a shift in budgetary emphasis, the Coast Guard eliminated this inventory system in 1985. Today, each of the 13 regional response centers is expected to maintain a listing of the equipment available in that region, but the National Response Center currently administers no comprehensive inventory of emergency response equipment.

The present system may be sufficient to respond to small or slowly developing chemical releases. However, containing a spill the magnitude of the Ashland tank collapse or the Prince William Sound disaster often requires the resources of more than one region and equipment of a size and nature that is not stored locally. In my view, the most efficient way to locate specialized equipment, contractors, and experts would be through a comprehensive, accurate national equipment inventory.

THE BILL

My bill would require the National Response Center [NRC], in coordination with State and regional emergency response officials, to establish, maintain, and annually revise a computerized listing of all oilspill emergency response resources available nationwide. This listing would include all Federal, State, local and private equipment and chemical agents necessary to respond to a release of oil or hazardous substances on land, river, harbor or sea. The inventory would also list all public agencies, private equipment contractors, and experts trained to respond to environmentally hazardous spills.

The NRC would also be required to ensure that all public officials responding to a spill have access to the geographic, hydrologic, oceanographic, and meteorologic data necessary to begin an effective cleanup. This data has already been compiled by the various member agencies of the NRT.

My bill also requires that the NRC make this listing accessible 24-hours per day to all public officials responsible for and responding to hazardous discharges. Finally, my bill would direct the President to pursue the establishment of an international hazardous spill equipment inventory. An international inventory might have prevented some of the delays which surrounded the deployment of highly specialized French and Soviet equipment during the Alaska cleanup.

I offer this legislation as an option to address the need for a comprehensive, nationwide inventory of the resources necessary to protect the populations and environments threatened by hazardous spills. I hope my colleagues will join me in support.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SENATE *Wednesday, June 21, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable KENT CONRAD, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *Jesus said, "Suffer little children, and forbid them not, to come unto me: for of such is the kingdom of heaven."*—Matthew 19:14.

Gracious God, eternal Father, thank Thee for public servants whose hearts are compassionate toward little children. Give special grace to the Senators inasmuch as this very concern expresses itself in such diverse ways that agreement as to how to respond to the need is difficult.

Loving Father, as Thou dost know our hearts, may Thy Spirit guide the Senate to a decision that will provide adequate benefits for the greatest number of children and their families in a just and equitable way. Thy will be done in this place among all of us as it is in Heaven. In His name whose love for little children drew them to Him. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 21, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KENT CONRAD, a Senator from the State of North Dakota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CONRAD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, following the time for the two leaders this morning, there will be a period for morning business not to extend beyond 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The Senate will resume debate on S. 5, the child-care bill, at 11 a.m. In order for the Senate to complete action on the child-care bill and the emergency supplemental appropriations bill, which we may receive from the House later today, Senators should be on notice that late night sessions will occur for the remainder of this week. I hope that it is not necessary to impinge upon Senators' travel plans with respect to the forthcoming Fourth of July recess. However, I have said publicly on many occasions, and I repeat again now, the Senate will complete action on the child-care legislation before we go into recess. I hope that can be done expeditiously but, if not, it will be done.

EXECUTIONS IN CHINA

Mr. MITCHELL. Mr. President, this morning the Associated Press reports the following: And I quote the first few sentences of this story:

> Shanghai authorities today executed 3 men convicted of setting a train on fire, the first executions announced since the military crackdown that has crushed the pro-democracy movement.
>
> The executions were carried out a day after the United States and other governments had appealed for clemency for the 11 people sentenced to death since the June 3-4 army assault on Beijing.
>
> The 3 were shot to death at a public gathering, a spokesman at the Shanghai foreign affairs office said, 2 weeks after the train was set ablaze. They were convicted on Thursday and had appeals rejected on Tuesday. The train was set on fire June 6 after it ran through a barricade set up by protesters, killing 6 people.

Mr. President, this is a deeply disturbing and distressing report. Taking into full allowance the differences in judicial systems between ours and that of China and other countries of the world and making full allowance for cultural and social differences, there cannot be even a pretense of fair consideration and due process when persons are executed 2 weeks after the crime with respect to which they are charged has occurred. This is a barbarous act. It is one which should shock and deeply disturb all Americans; indeed, all peoples. It is a turn toward darkness, an unwelcomed course and one which I believe will eventually lead to a result that the Chinese authorities are attempting to forestall.

I support the statement of the decisions made yesterday by the President, limited as they were, but I now suggest that in view of the barbarous action which I just described, in view of the intransigence of the Chinese Government, in view of its total disregard of the prudence which the President has displayed until now, that the President must and should consider taking further steps, particularly with respect to trade because, as he himself has said in an earlier context in this controversy, there cannot be business as usual with a government that takes actions like these. I say that in full awareness that we benefit from trade with China; we benefit from a stable, normal relationship with China, as they do. But there are times when our ideals must be vindicated. There are times when what America stands for and believes in is more important than an economic benefit to be derived from a trade relationship.

I am not suggesting specific sanctions at this time. I am not suggesting that we immediately terminate trade.

What I am suggesting is that the President must in light of these actions make a complete review of our relationship with China, including our economic relationship, and determine whether or not further steps are necessary. I think all Americans understand the President's desire to express American outrage at the events that have occurred and are occurring in China, while at the same time leaving open the prospect of a continuing relationship with the Government of China.

I support that objective, and I believe that to be an appropriate policy. It is, however, a policy that may be overtaken by events in China itself, by actions of the Chinese Government such as the executions reported today.

Accordingly, Mr. President, I wish to express on behalf of all Americans again my deepest concern and revulsion at this barbarous act, urge Chi-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

nese authorities to consider the consequences of the course of action they have embarked upon, and encourage the President to carefully consider whether and which additional measures by the United States may now be appropriate.

Mr. President, I reserve the remainder of my time and yield to the Republican leader.

A SECOND MESSAGE TO BEIJING

Mr. DOLE. Mr. President, a "graveyard calm" prevails in China, but the human toll for this phony stability continues to grow and grow. Yesterday's public execution of three Chinese dissidents represents another tragic episode in what I earlier termed China's "great leap backward."

The administration has responded swiftly, by canceling all senior level political contacts with the Chinese regime, and suspending United States support for China's application for more than a billion dollars in loans from multilateral banks.

I commend the President and Secretary Baker for taking that action. I cannot honestly say I am optimistic that the Chinese authorities will get the message. But it is important that we let Beijing know there will be no "business as usual" as long as the crackdown continues; and that we are prepared to use the leverage available to us—in incremental stages—to signal our outrage over China's actions.

Frankly, unless there is a quick turnaround in China, the pressure for much more dramatic steps is going to grow quickly. I hope the Chinese authorities understand that. And I hope they remain cool-headed and wise enough to weigh the consequences—in terms of their relations with us; in terms of their standing in the international community—of continuing on their present reckless course.

Having said that, it is difficult at best to have any real impact. We cannot have much of an impact on Noriega. We talk about Noriega for example and our problems in that small country, in Panama. China is much further away, a billion people, but I do believe that the President has acted promptly and responsibly and yet sending additional signals to the Chinese leadership that it cannot be business as usual.

So I hope the Chinese understand that their actions are contrary to every belief every American has about freedom and justice and fair play, and we will insist, on a nonpartisan basis, that we continue to put pressure on China and the Chinese leadership in hopes they might suspend the outrageous conduct presently occurring in that country.

THE CHILD CARE BILL

Mr. DOLE. Mr. President, also I listened to the majority leader indicate that it is his hope to complete the child care bill this week. I hope we can do it, too, but I am not certain of that, and if that is the case we are prepared to be here next week or the next 2 weeks, whatever may be necessary, if that is the wish of the majority.

I must say I do not know if there is any great urgency. The House has not moved at all on child care legislation. This is important legislation. There are deep philosophical differences in how we approach child care.

It is an important issue. It is important to many who do not support the ABC bill, sort of the bureaucratic approach. We support the parents' approach to child care, not the bureaucratic approach that the ABC will foster where you will have bureaucrats making decisions rather then parents. The ABC bill has numerous shortcomings which will be discussed in detail today.

It is our hope that we will lay down an amendment to the pending amendment which will be a tax credit approach where the parents will make the choice, the parents are going to make the choice. The President is going to veto any ABC bill, and I will have that letter later on today.

So there should not be any illusion here that we are going to let this roll along and everybody is going to vote for the ABC bill. That is not the case. There are very sharp differences between the two approaches.

I believe if you gave the parents a vote—they should have; it is their children we are talking about—they would offer credits, tax credits, refundable credits where the families would make the choice on what kind of day care they would provide for their children. Whether it is family care, institutional care, whatever it may be, they would make the choice, not some State agency being prodded by some Federal agency, and we hope to make that case today.

It may be that neither bill will pass. That thought has occurred to me. I know a lot of people may not want to vote for the Republican proposal because it is a Republican proposal, some of my colleagues on the other side, but on the other hand they may not want to vote for this disastrous ABC bill which has become in my view the XYZ bill. It has been changed so often they have gone from one end of the alphabet to the other.

We do not know what the bill is. We pick up the committee report and we know that when we do almost all of it has been changed in an effort to persuade enough Members to get on board the ABC train for more bureaucracy for American families, American children, American business, whatever.

So we are going to offer the amendment hopefully about 11 o'clock today and we want to debate it. We have not had our opportunity to debate our bill. Senator HATCH and Senator DODD, the chief sponsors of the bureaucratic XYZ proposal, have had 3 days and we believe we may want some time on ours, maybe even more than we originally suggested to the majority leader.

NOMINATION OF CHIC HECHT

Mr. DOLE. Mr. President, in addition, we would like to confirm the nomination of our former colleague, Chic Hecht, who is being held for some reason that nobody will admit to at this point. We are going to find it very difficult to get any unanimous-consent agreements until we reach some agreement on that nomination.

I have colleagues on this side who say, "Here is another former colleague getting the John Tower treatment, and if he is going to get the John Tower treatment, let us find out right now so that we can gage our conduct accordingly."

So I would hope we could resolve that issue, too. It may not be important to many people. It is important to Mr. Hecht, and he is entitled to have a vote in this Chamber where he served for 6 years. He is entitled to the same treatment we would give anyone else who had served in this Chamber for 6 years. And so I hope that we could resolve that issue today because that may have an impact on how long it takes to get a unanimous-consent agreement on child care.

Mr. President, I reserve the remainder of my time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The ACTING PRESIDENT pro tempore. The Senator from Maine is recognized.

Mr. COHEN. I thank the Chair.

(The remarks of Mr. COHEN pertaining to the introduction of S. 1213 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

DON LARRABEE

Mr. COHEN. Mr. President, one of the most able representatives the people of Maine have ever had in the Nation's Capital is retiring at the end of this month. He is Don Larrabee, a long time journalist and, for the past 13 years, director of the State of Maine's Washington office.

Don was born in Portland but has spent most of his working life here in Washington. As a reporter and later owner of the Griffin-Larrabee News Bureau, he has watched over a long series of Presidents, Senators, Representatives, and Maine Governors, describing and explaining their work in the Capital to readers at home. He is a respected veteran of the Senate Press Gallery and a former president of the National Press Club.

I have deeply appreciated the opportunity to benefit from Don's kind friendship and wise counsel during my years in Washington. He has always set a fine example of hard work and dedicated service on behalf of the people of Maine. There is no question that our State is losing one of the finest boosters it has ever had in the Nation's Capital.

Bill Caldwell, in his column in the Maine Sunday Telegram, paid a special tribute to this institution of Maine politics. Headlined "Some Reporters Can Be Nice Guys," this piece captures the personality and legacy of a man to whom my State will always be very grateful.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Maine Sunday Telegram, June 18, 1989]

DON LARRABEE

(By Bill Caldwell)

How long can a good Washington reporter stay a nice guy? Can he still like politicians and bureaucrats after seeing them close up every day for more than four decades? Not often. But newsman Don Larrabee does.

Larrabee wrote his first news item for the Portland Press Herald when he was 11. He's 65 now. All told, he's written some 2 million words reporting on Washington politics and politicians, focusing on those from Maine.

He's retiring in 10 days after 43 years on the Washington beat. 30 of them as newsman and the last 13 as lobbyist—some say ambassador—for the state of Maine. He's still sane, still a nice guy, still smiling, still looking as fresh as though he just stepped out of a shower and as immaculate as though his suit had been pressed six minutes ago.

Larrabee, a Portland-born boy and graduate of Deering High, has been a Washington transplant all his working life. He has survived generations of presidents, senators, representatives and Maine governors, reported on their foibles and fame, yet somehow stayed friends with all.

There's so much Washington mileage on Larrabee that he seems to have an inside track to every office in town, and the welcome mat is always out for him. Why? Partly because this bizarre city is always putting a new clown, a new donkey, a new elephant, a new ringmaster, a new high-wire artist into the Washington three-ring circus which never stops.

In this cruel kaleidoscope of revolving politics and switching loyalties, longevity, survivability, amiability and the sweet discretion not to always kiss-and-tell are the most prized virtues, because they are the most rare.

They are Larrabee's stock-in-trade. He's known every House and Senate doorkeeper, as well as every president since Truman. Yet, big names have seldom been his big sources. His best sources were loyal secretaries, medium-level, anonymous confidential assistants, people whom he always treasured and always treated as respectfully and courteously as their big bosses—even when their boss was president of the United States.

Larrabee, though he has been president of the National Press Club, member of the Gridiron and senior man in the Senate press gallery, seems to have acquired no arrogance and no enemies, unlike most of the Washington press corps and the politicians they cover.

Perhaps the major reason reporter Larrabee is quitting after 43 years without knives in his back is that he always reported Washington with a rather courtly, old-fashioned mannerliness, in comparison to the brash confrontational journalistic style currently in vogue.

"My work creed was simple," he wrote in a memoir earlier this year. "Private lives, even of public figures, were to be respected unless private foibles impacted on public policy. I make no apologies for what may be perceived as a naive approach to reporting by those who are caught up in electronic journalism. As the song goes, I did it my way."

His mention of a song is an echo of very early Larrabee, "I squandered my Air Corps mustering-out pay on a dance band venture in the West," he said, remembering how broke he was in 1946 when he rode a plane from Salt Lake City on the 16-hour flight to Washington to take a "leg-man's" job at $40 a week with a news bureau serving New England papers.

Twenty years later, he bought that Griffin-Larrabee News Bureau and serviced 20 papers from Alaska to Maine, including the Telegram, Press Herald and Bangor Daily News. In 1977 he sold his bureau to staff members in order to open a Washington office for the governor of Maine.

The Governor was James B. Longley, an independent politician without a political party in the nation's capital, who needed Larrabee to show him the slippery Washington ropes. Every governor since has kept Larrabee as Maine's man in Washington.

Larrabee has a friendly elephant's memory for political stories. He remembers his early days as a 23-year-old reporter for Maine papers. He first went to the White House with Maine Rep. Frank Fellows to present Harry Truman with the traditional first Atlantic salmon caught each spring.

"How did it go?" asked cub reporter Larrabee. "Oh, fine," said the Republican congressman. "You know Truman and I didn't have much to say to each other, so they called a photographer into the Oval Office. The president smiled. I smiled. But you should have seen the expression on that fish!"

Fellows, a curmudgeon who represented northern Maine, is largely forgotten today. But Larrabee still remembers him for a splendid quote after the congressman came home from his first junket to Europe. Larrabee asked Fellows how he liked France. "Fine," said the congressman, "but just between us, I think they ought to harden their currency and soften their toilet paper."

In the late 1960s, Larrabee bought the Griffin-Larrabee News Bureau. He also headed the Washington operations of these newspapers following the retirement of May Craig. She was the idiosyncratic lady of the hats who had become a national TV personality and a favorite at President Kennedy's news conferences and who had long been the Washington correspondent for the Guy Gannett newspapers.

During the '60s and '70s, Larrabee wrote a Washington column for the editorial pages of the Telegram, which I was handling at the time, and consequently we were in regular contact every week.

His stature in the Washington press corps was conspicuously recognized when his colleagues elected him president of the National Press Club in 1973. As president, Larrabee introduced and questioned more than 60 world newsmakers at the famous press club luncheons and interviews, including heads of state such as Israel's Golda Meir, Britain's Edward Heath and West Germany's Willy Brandt.

But Larrabee had a lighter side, too. He presented to the Washington press corps stage star Carol Channing and stripper Sally Rand, who swapped one of her fans for one of his press club scarves.

Maine politicians were the focus of much of Larrabee's work. In his memoir, he gives many backstage glimpses of them.

Here are two:

On Sen. Edmund S. Muskie: "The Indian land claims battle was settled during the Carter administration with an $80 million payment and turnover of some 300,000 acres to the Maine tribes. . . . Gov. Longley; the attorney general of Maine, then Joseph Brennan, and other political figures were convinced the Indians did not have a legitimate claim to the Maine lands. Sen. Muskie led the way with the Carter White House in seeking a compromise. . . . I can't prove it but I always felt that Jimmy Carter made a deal with Sen. Muskie to settle the land claims case if Muskie would leave his Senate seat to become secretary of state, replacing Cyrus Vance. . . . When the time came, it wasn't a bad deal for Carter, for Muskie and for Maine."

On Sen. Margaret Chase Smith: "The telephone rang on my desk in the Senate Press Gallery around 3:30 p.m. in mid-December 1971. The voice at the other end said, 'This is Margaret Smith.' It was a startling call because I had been trying to reach the senator for days. . . . No one in her office could explain why Mrs. Smith had missed a string of roll calls. 'I'm at Walter Reed Hospital,' she said. 'Bill Lewis (her long-time close aide) has had a heart attack and I want to be near him. . . . I know you have been trying to reach me but you don't understand. Bill needs me and I need him. I don't know what I'd do if anything happened to him.'"

Larrabee then asked Smith, "Are you speaking to me as a friend or do you want to be quoted?" "I don't care," she replied. "Nothing matters if Bill doesn't live."

Larrabee says the senator seemed close to tears. "I ended the conversation as quickly as I could. I not only had a scoop but the ingredients of one of the greatest love stories on Capitol Hill."

Larrabee stayed a nice guy and a caring man in spite of witnessing Washington politics and players close up and daily for 43 years. And that takes a warm and forgiving heart.

ROGER MARSHALL

Mr. COHEN. Mr. President, I would like to call the attention of my colleagues to a newspaper article describing the wonderful work of one of my constituents, Roger Marshall, of East Corinth, ME.

Mr. Marshall, a prosthetist working at Eastern Maine Medical Center in Bangor, went to Vietnam 20 years ago with the desire to help end the suffering in that war-torn country. In the 3½ years he spent with an Anglo-American relief team in the town of Quang Nghai, he shared his knowledge of artificial limbs and braces with 20 Vietnamese students and trained them to better serve their fellow country men and women.

Originally from Great Britain, Mr. Marshall settled in Maine 11 years ago. This past year he returned to Vietnam to visit four major prosthetic centers and to assess the needs of those requiring prosthetic devices from war-related and other injuries. He met with his former students and worked with many amputees.

Mr. Marshall has shown a great dedication and caring through his work with the people of Vietnam and in his own community. He has demonstrated sensitivity to the needs and concerns of patients in both countries.

I think many of you will find this an impressive story.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Bangor Daily News, June 7, 1989]

PROSTHETIST SEES NEEDS IN VIETNAM

(By Jeanne Curran)

In 1968, Roger Marshall, a British-trained prosthetist, found himself called to South Vietnam, where he served for several years in a war-torn town creating artificial limbs and braces for civilians and sharing his skills with 20 Vietnamese students.

Twenty-one years later, Marshall was back in Vietnam to assess the medical needs of war-related amputees and other people requiring prosthetic services.

Traveling on behalf of the American Friends Service Committee, Marshall, who lives in East Corinth, returned in April from a trip that required him to visit four major prosthetic centers in Vietnam and report on their needs. The medical specialist found, as might be expected, "a great deal of poverty" throughout the southeast Asian country, but he also discovered a less expected characteristic.

"One thing that struck me more than anything was the friendliness toward us," said Marshall, during an interview this week. "They knew we were Americans . . . It was most apparent that the Vietnamese do not hate Americans as people. In fact, I got the strong impression they would like to see us come back and trade."

Born in Birmingham, England, and raised in England and Scotland, Marshall served in the Royal Air Force for 2½ years. He was trained as a certified prosthetist in his native country, later receiving American certification after completing additional training at New York University and Northwestern University in Chicago. Marshall, who works at Eastern Maine Medical Center in Bangor, and his wife, a Brewer reading specialist, have lived in East Corinth for 11 years.

"I've always been interested in the peace movement," said Marshall. "I came into prosthetics because I was a medic in the Air Force. I'm not a 100 percent pacifist."

Marshall said he felt compelled to go to Vietnam during the war because he knew of the suffering there.

"Some people would interpret that as a call from my conscience—I'm not really sure," he said. "Something seemed to call me in that direction. I knew it would be bad. I didn't realize it would be as bad as it was."

Marshall said he spent 3½ years working with an Anglo-American relief team in the town of Quang Nghai, a "hotly contested area" south of Da Nang. He said his job was to help the civilian population, amputees and paraplegics "who got caught between the warring factions."

The 20-member team was often in danger, said the prothetist. One time, six members were captured by the Viet Cong, but were released unharmed "as soon as they found what (the team members) were doing," he said.

Supplies were limited and difficult to get. "We relied entirely on private donations," recalled Marshall. "I used to get plexiglass from the American helicopters and heat that up and use that for splints and certain kinds of braces." Once, he even salvaged the wing of a shot-down American airplane, using the aluminum to make artificial limbs.

"It's worlds apart from what I'm doing now, but the basic principles were the same" in terms of taking casts, measuring patients, and making prosthetic alignments, he said.

Marshall left Vietnam in 1972 after his students took their exams and graduated. "It was time to leave and time for them to take over," he said.

The Vietnamese staff took over the center and relocated it to the town of Quin Nhon. The AFSC continued to supply equipment until funds ran out in 1981, and the organization became involved in other aid projects of higher priority, said David Elder, AFSC co-coordinator for Asian programs.

Last year, President Ronald Reagan sent an envoy led by retired Gen. John W. Vessey Jr. to Hanoi to discuss humanitarian issues. Out of those discussions came the recommendation and encouragement that private aid be raised for rehabilitation efforts.

Elder said his organization, which has worked informally with several other groups on rehabilitation, recently received a major grant, almost $300,000, from two Dutch and American organizations to support that rehabilitative work.

"Our primary method is to provide tools, equipment, and supplies both for prosthetics and physical therapy," said Elder, during a telephone interview from the AFSC office in Philadelphia.

The AFSC official said there were 60,000 amputees in Vietnam, which has a population of 60 million to 65 million people. "Actually, that's very high in terms of amputations," said Elder. "You don't usually find that rate."

The six government-run prosthetic centers in Vietnam provide about 10,000 prosthetic devices and orthotic appliances, including braces, crutches, and shoes, each year, said Elder. Most Vietnamese amputees are veterans, though at least 10,000 people, including women and children, have been injured since the war ended in their attempts to clear existing minefields, he said.

Other people in need of prosthetic and physical therapy are children suffering from polio ("still a major problem"), accident victims, and people suffering from cerebral palsy, spinal-cord injuires, and congenital malformations, said Elder.

The AFSC official said Marshall's report would be used to help make purchases for the centers. After the report is reviewed, "we'll begin shopping and shipping," said Elder, adding that he expected to have the equipment "on the high seas" by the end of the summer.

Marshall visited four centers, traveling from the Mekong Delta to Hanoi, and staying in small hotels. He saw his former students and met Professor Bai Thung, director of the Hanoi prosthetic center.

The East Corinth man also saw a lot of amputees, saying that "most of them have to beg or have their families help them support themselves.

"No, they're not bitter," continued Marshall. "They're poor, very hard working, but the ones I met were not bitter. They're looking for the better times ahead."

While he was treated very well and found "no animosity at all," Marshall nonetheless was struck by the lack of supplies at the centers. "They're desperately in need of equipment and have been making a lot of limbs themselves," he said.

Impressed by the country and hoping to return some day, Marshall said he thought Vietnam potentially was "a very good investment."

THE CHILD CARE BILL

Mr. BURNS. Mr. President, I rise today to make a few comments on the pending legislation that is before this body this week. I realize there has been a lot of comment made about child care and the need for it and there is no doubt that we are looking at one of the major problems that faces this American society.

A look at history and a real look at the fabric that has held this country together for over 200 years shows that the single most important component in that fabric is the family structure. It is the strength of America.

We are now debating, for the first time in 20 years, what our first step will be toward meeting the child care needs of today's families and their children for the next 20 years and beyond. The most important factor for me in taking this first step is whether or not our family structure is protected.

In looking at the two approaches we could take in passing child-care legislation—the so-called ABC bill, that is on the floor now, and the tax credit approach—these two questions come to mind. Which approach highlights parental choice and leaves parents with the most options to choose from? And which approach does not discriminate against the family where one parent chooses to stay at home?

The answer for me on both counts is the tax credit approach.

If we go with the tax-credit approach, I believe that we will meet the changing needs of the American family—I shall lay a basis for that argument in just a little bit—and preserve the parents' right to choose who raises their children. We also will leave parents with a full array of child-care options to choose from—whether it be a licensed day-care center, a group home, a church or synagogue, a neighbor, a relative, or the mother or father. The tax-credit approach as outlined in the Dole substitute also includes grants to States to enhance their ability to help meet child-care needs.

On the other hand, the compromise ABC bill, if passed, will be the first step toward enactment of ABC in its original form. I know that Senator DODD and Senator HATCH disagree with me on that point, and they have done hours of work trying to make what I consider a bad piece of legislation a little more palatable to the rest of us. However, we are setting a course here. I believe the emphasis on standards, and they are still in the bill, will lead to more regulation now; State and Federal will come later. Once the regulations are in place, they must be enforced. The enforcement of those regulations will lead to a situation where we can only allow State or federally licensed day centers to receive State or Federal funds.

I have heard it argued that these regulations and licensing procedures will actually expand parental choice. I fail to understand that logic. I think that if asked to comply with burdensome and costly licensing procedures, most grandmothers, grandfathers, neighbors, aunts, and uncles who are providing informal care will opt out.

I may be wrong, and only time will tell, but I see the end result of this child care approach being the growth of more institutional child care at the expense of the more personal types of care.

I can not support an approach which I feel lead to that type of child care environment. I agree that there is a need to address the needs of families today, but I do not think that any of us want to do that at the expense of our children. A quote which I read in an article called "Is Day Care Ruining Our Kids" brings this point home. The article was written by Mr. Karl Zinsmeister, a research assistant at the American Enterprise Institute. He says:

> The mass surrender of child-rearing responsibilities to non-relatives and state-regulated institutions marks a profound change in human history. It represents the final victory of the Industrial Revolution: the industrialization of the family. In essence, we are attempting to make childrearing—the original social imperative—into a branch of the modern service economy. But when someone buys day care, they are buying much more than a service which permits them to work. They are buying an environment which determines much of what their children—what this society—will become.

I have heard a lot of discussion about the importance of health and safety standards, and I do not argue with that. However, we must remember that above all we are dealing with children—small infants and toddlers in the most formative years of their lives. There is no question in my mind that the single most important quality that a child-care provider should have is affection. It is very hard for government to regulate affection.

In fact, Senator PACKWOOD told us about his conversation with one woman who had just completed a study on what prerequisites could ensure a quality day-care center staff. What type of education they should have and all that. This woman, an educated professional on the subject, said that the one most important qualification would be grandmothers. I would imagine that it would be very difficult for either the State or Federal Government to mandate that all child-care providers be grandmothers.

Finally, I would like to emphasize my belief that it is critical that we maintain the option for one parent to stay home and care for his or her own child. I have heard over and over again that being a parent is no longer affordable—economic realities are forcing both parents to work in order to survive—therefore, we need to make child care more affordable.

Well, I disagree I say let us make parenting more affordable. In the last 40 years, this country has instituted policy after policy that is antifamily.

The worst antifamily policy is the Federal Tax Code. In 1948, a family of four paid 2 percent of its income in Federal taxes. Today they pay 24 percent.

It is important to note that this twelvefold tax increase is not a uniform increase, but is an increase targeted against families. Mr. Eugene Steurel, a Treasury Department tax specialist, notes that between 1960 and 1984 the average tax rate for single persons and married couples with no children did not increase, but for a married couple with two children it climbed 43 percent, for a family with four children, tax rates increased 233 percent. Then we wonder why we cannot take care of our kids. We have taxed the very people who are raising them.

The main cause for the antifamily bent in the Tax Code is the eroding value of the personal exemption. According to a Heritage Foundation report of April 6, 1988, in order for the personal exemption to have the same value relative to income it held in 1948, today's personal exemption would have to be raised to $6,468.

So there is no wonder why we have a problem in taking care of our kids. We have taxed that biggest segment of our society to death. It is time we took a look at that. The Tax Reform Act of 1986 begins to address this inequity, but it is only a small first step.

This trend is only perpetuated by setting up a system which appropriates more Federal dollars for child care. More Federal dollars, means more tax dollars of which families bear an unproportional burden. In many instances, we will be taking money out of a family's right pocket and putting it—minus a few layers of Government administration—back into the left pocket and earmarking it for child care.

There are a lot of measures we could consider here in the Congress to make being a parent affordable, such as changing the tax laws to remove the bias against families. But that is not what we are undertaking today.

I think what we can do today to help the American family is to pass child-care legislation which gives them a tax break. The tax credit approach puts money directly in the hands of parents, especially those who need it most, with no strings attached. It says to them, "You know best, if you aren't in a position to care for your own children, we'll help you pay for the care of your choice."

The legislation we may pass this week is monumental and historical. I hope that the step we take will further a government policy which will do nothing to mettle or mess with our family structure. We need to do all we can as policymakers to preserve and encourage that structure. I hope that my colleagues will join me in supporting a policy which helps families, but keeps the hand of Government as far away as possible. Being a parent is a highly personal individual responsibility, and I hope we will keep it that way.

I yield the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mr. SANFORD. I thank the Chair.

(The remarks of Mr. SANFORD pertaining to the introduction of S. 1212 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolution.")

RURAL PARTNERSHIPS ACT OF 1989

Mr. LEAHY. Mr. President, I am going to speak briefly about rural America and I do it with pleasure, seeing such leaders as the distinguished Presiding Officer, Senator CONRAD; the distinguished Senator from Nebraska, Senator KERREY; the distinguished Senator from North Carolina, Senator SANFORD, its former Governor—leaders, all, in rural development.

Rural America today is in trouble. Compared to the Nation as a whole, rural unemployment and poverty are higher and economic opportunities are deteriorating. We cannot have two Americas—one, a land of opportunity and a second, rural America left behind.

That is why last Wednesday, the Senate Committee on Agriculture, Nutrition, and Forestry, on a unanimous vote, reported out S. 1036, the Rural Partnerships Act of 1989. This landmark legislation gives my State, Vermont, and the rest of rural America the tools needed to prosper for the 21st century.

Our commitment to rural America has got to be more than 60 second sound bites in campaign commercials. It has to be more than floats on the Fourth of July extolling the virtues of rural living. We have to do more if rural America is going to have a real future.

Those who believe in the intrinsic values and basic values of rural America now have the responsibility of making sure that those values are available for the next generation. When considering this legislation, the committee went beyond the slogans and the sound bites. We took three basic steps in developing a new agenda for rural America.

First, we are investing in economic growth by creating new businesses and jobs.

The current economic picture in rural America is bleak. In 1988, rural unemployment rates were 28 percent higher than rates in urban areas. Because rural areas are highly dependent on resource-based economies—agriculture, forestry, mining—they are uniquely vulnerable to swings in the global economy. Poverty rates in rural America are a third higher than in nonrural areas.

While agriculture is very important, we often forget that rural America is less and less dependent on agriculture—only 10 percent of rural Americans live and work on farms. That is why we must not only look at agriculture—we must look beyond and provide new and struggling businesses with the needed capital to create jobs, opportunity and economic growth.

Let me give you a real life example of how this works. In 1968, Rozelle Britton had an idea. In northern Vermont, she and her husband wanted to set up a small cosmetics manufacturing business to run out of her home. After the banks turned her down, she went to the Economic Development Fund of Northern Vermont which lent her money to start her business. Today, Rozelle Cosmetics is a million-dollar-a-year enterprise, employing 30 people. With the rural development bill, this sort of success story can be repeated nationwide.

This bill contains $300 million over 5 years for local revolving funds to make loans to stimulate local businesses. Loans must be matched dollar for dollar by local banks. This partnership program is not Government driven; it's locally driven.

This bill also contains $50 million over 5 years for business incubators—facilities that house and aid startup businesses. Incubators lower startup costs through shared resources—shared secretarial support, phones and copying machines—and flexible leases.

Second, we are investing in human resources by improving schools and health care.

Students in rural America want to learn, but too often they do not have the same educational resources that students in the big cities have. This bill invests $110 million over 5 years through REA for "star schools." That means the student attending a school in a very small school district in northern Vermont has the chance to use telecommunications to take a math, science or foreign language course not offered at his or her school.

One beneficiary in Vermont would be the Vermont State College which has four telecommunications sites—Newport, Lyndon, Waterbury, and Springfield—and plans to expand its star schools network to 16 sites.

Health care is also a problem in rural America. In 1988, more than half of hospital closures were in rural areas. Since 1980, 190 rural community hospitals have closed and another 600 are in danger of closing. This means that rural residents often must travel hundreds of miles for specialized health care.

This bill contains $90 million over 5 years through REA to link rural hospitals in Vermont and other States to modern medical centers. This means that a physician in a small town in Vermont, wanting a second opinion when treating a patient with a heart attack, could send the patient's EKG by satellite and consult with doctors in Boston. This means state-of-the-art health care in rural communities.

Third, we are investing in quality of life by helping rural communities provide safe drinking water and waste disposal.

A 1986 EPA survey found that 70 percent of our Nation's substandard wastewater facilities were in rural areas. In 1984, EPA found that two-thirds of rural water supplies violated Federal drinking water standards.

If we followed current EPA and USDA spending, it would take 66 years to bring clean water to rural America. That's not good enough. That is simply unacceptable.

This bill contains $315 million over the next 5 years for loans and grants to rural communities to meet Federal clean water standards. Funds are allocated through the Farmers Home Administration.

As chairman of this committee, I have traveled across the country and talked to people living in rural America. I am pleased to report that they are not a despondent and depressed group; they are hopeful and optimistic. They are a tough breed, with a strong work ethic and the determination to succeed. What we must do here—and what this bill begins to accomplish—is give rural America the tools it needs to build for the future.

At latest count, 37 Senators have joined me in cosponsoring this bill. I hope that when it reaches the floor next month, it will have the support of all Senators.

This is our chance and it will be the chance for the U.S. Senate to stand up and say: We believe in rural America. We will not turn our back on rural America. And we will not have a situation, in this country, where we are really faced with two Americas, one of opportunity and the other not. We are saying, for all Americans, we believe in you.

Mr. President, I yield the remainder of my time to the distinguished Senator from Nebraska, who can also seek time in his own right.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RURAL PARTNERSHIP ACT OF 1989

Mr. KERREY. Mr. President, I rise today to speak on a different matter. Before I do, I would simply say that the Senator from Vermont, as well as the Senator from North Dakota, the Presiding Officer, have brought us to a point now, I think, with rural development where we are on the edge of passing legislation that will, in fact, give rural communities a whole range of tools that they need to increase employment opportunity, to improve their schools, to improve communications with other communities. It will enable them to help themselves far more than they are currently doing.

It is a piece of legislation that I know has been resisted in the past. I know how much work it has taken for my colleagues to bring it to this point. I applaud them. Having been a Governor during tough economic times in agriculture, I am very much aware of how difficult it is to do rural economic development. This piece of legislation will, I believe, help an awful lot of rural communities who are trying to provide opportunities for their people, and I thank both the Presiding Officer and the Senator from Vermont and chairman of the Agriculture Committee for giving us this chance.

VOL 135 PT 9 JE 14 — 22 1989 UMI

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. KERREY. I thank the Chair.

(The further remarks of Mr. KERREY pertaining to the introduction of S. 1036 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

EXTENSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

Mr. FOWLER. Mr. President, I ask unanimous consent that the period of morning business be extended for 10 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

RURAL PARTNERSHIPS ACT OF 1989

Mr. FOWLER. Mr. President, I rise today to speak in support, along with my colleague from Nebraska and others, of the Rural Partnerships Act of 1989. I am proud to join our chairman, the Senator from Vermont [Mr. LEAHY], the distinguished Presiding Officer, whose leadership has been genuine and thorough and exemplary in making the case from the hills of North Dakota all the way to the swamps of Georgia that we have neglected a national asset of our country that is essential not only to the supply of food and raw materials for our Nation, but also to the national security of our country, for unless all of our land is strong, unless all of our people have opportunities and jobs and health and education, then we cannot make the case that we are a strong country capable of not only defending ourselves and our materials but assuming the leadership of the Western World which is so often asked of us.

We have worked hard on this piece of legislation. There have been many participants. We have been working on it almost nonstop now for 2 years. I am hoping that when we return in July that we will see the beginnings of a package that can do the job that we know needs to be done in our smaller towns and our rural areas.

There are two or three things included in this bill I would like to highlight quickly. We need to strengthen the network of people dedicated to creating jobs in distressed rural areas for, as we have seen, the market does not naturally flow that way. These are the individuals who can identify business opportunities, find markets and working capital, provide the business knowhow to new and growing enterprises. This bill includes the greatest bastion of rural development, our land grant research universities, in these efforts.

We also emphasize in this legislation rural educational opportunities in general. This bill authorizes grants to telecommunications partnerships to provide satellite video uplinks to make the most of limited teaching resources in rural areas. There is simply no excuse in this computer, satellite and telecommunications age for having an important segment of our population isolated from knowledge and information, information that they need to develop careers and economic opportunities for themselves.

Agriculture, of course, is and must remain the mainstay of rural America, considering the importance of reliable food supply to our national economy and, as I have mentioned, our national security. To help our farmers, we have included some incentives for crop diversification, because a more diverse market is a healthy market. However, we have to broaden the concept of rural development beyond the needs simply of our farms and our farmers, for they also depend upon the services provided by small town merchants and other professionals.

In other words, we have to strengthen the whole interdependent community. That means we need opportunities for young people in and out of farming so they have a real choice of living and raising their families where they were born, where they grew up, in the smaller towns and countryside of our land.

This package, Mr. President, does offer a good beginning. It is a start at developing the infrastructure of credit and education that are essential to develop a healthy and well-rounded rural economy. It will advance our national interests, and it will uphold our national values by strengthening rural communities.

I am grateful for the help of so many people in my State of Georgia on making the recommendations that should go into a strengthened legislation on rural development. Like the Senator from North Dakota, I have had over 159 town meetings in all 159 counties since my election to the U.S. Senate. I can tell you that we have willing hands, willing workers, people crying for the latest techniques and education. If they just get a little help in putting together the kind of private and public partnerships that will make things happen in the small communities of our Nation, it can be done, and with the passage of this legislation, there are beginnings that give real hope that it will be done. I thank the President and yield the floor.

SENATOR DENNIS DECONCINI HONORED

Mr. HEFLIN. Mr. President, recently, our colleague Senator DECONCINI was honored by the American Bankruptcy Institute [ABI] for his work and interest in the bankruptcy field over the past dozen years. This commendation is well deserved. Senator DECONCINI has played a major role in virtually every piece of bankruptcy-related legislation in the past decade. I join with the ABI in extending my congratulations and appreciation to Senator DECONCINI.

Senator DECONCINI has played a critical role in most of the bankruptcy legislation that has been before Congress. In 1978, he was the Senate sponsor and floor manager of the bill which serves as the present Bankruptcy Code—title XI of the United States Code. In subsequent years he has continued to influence the bankruptcy field. During the 100th Congress he was involved in legislation concerning intellectual property rights in bankruptcy, municipal bankruptcies, and retirement benefits for bankruptcy judges and magistrates. This Congress, Senator DECONCINI has again introduced bills dealing with important features of the Bankruptcy Code.

The American Bankruptcy Institute, the group which honored Senator DECONCINI, was in large part founded by the Senator and Congressman Caldwell Butler of Virginia in 1982. It was formed in response to the crisis facing the bankruptcy system resulting from the Northern Pipeline decision of the Supreme Court. Since its founding, it has grown to be the largest organization in the country devoted to the improvement of the bankruptcy system. Its members include judges, leading bankruptcy attorneys, accountants, trustees, and other professionals associated with the bankruptcy field. The institute is frequently called upon by Congress for its input into bankruptcy matters. It has conducted studies and provided witnesses for numerous bankruptcy-related hearings. Senator DECONCINI has served as the institute's honorary national chairman since its founding, and can take personal credit for many of the contributions of the ABI.

Throughout his tenure, Senator DECONCINI has represented a thoughtful, knowledgeable voice in the Senate on bankruptcy matters. In many ways, he has become our institutional memory on this subject. To have earned the respect of the members of the bench and bar who bestowed this honor, involving one of the most controversial and convoluted areas in which we legislate, is indeed a noteworthy feat.

I personally congratulate Senator DECONCINI on this distinction. He is a deserving honoree, and I look forward to his continued and vital service to the U.S. Senate and our Nation.

TRIBUTE TO REV. PAUL S. TIPTON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to an outstanding Alabamian who has risen to the top of his field in higher education. The Reverend Paul S. Tipton has gained the respect of his peers and the community through his outstanding leadership as the president of Spring Hill College in Mobile, AL.

Father Tipton currently serves as the outgoing president of Spring Hill College and will be sorely missed when he departs. His 17 years as president have seen the college grow and prosper. Recently his leadership was recognized when he was elected as the president of the Association of Jesuit Colleges and Universities [AJCU].

As president of the AJCU, Paul Tipton will serve as the spokesman and leader of the 28 Jesuit institutions of higher learning which are members of the association. These institutions cover the spectrum of higher education from liberal arts colleges like Spring Hill to doctoral granting institutions like Georgetown University. I am confident that his guidance should help these member Jesuit institutions continue to provide a quality education for thousands of students.

The Association of Jesuit Colleges and Universities is fortunate to have someone of Reverend Tipton's caliber providing guidance in Washington. In addition to his years as a college president, Father Tipton has also served on Capitol Hill on the staff of Congressman Richard C. White of Texas. His experience as a college president and in Washington should allow him to excel as a representative and leader of these Jesuit institutions.

During Reverend Tiption's 17 years at Spring Hill College, the school's endowment increased substantially and they operated in the black for 12 out of 13 years. As a Spring Hill graduate, Paul Tipton has a keen interest in the academic success of the college. Through his leadership, the school established masters programs in theology, business administration, and teacher education, as well as a semester abroad program in Venice, Italy.

In my judgment, the Association of Jesuit Colleges and Universities made an outstanding selection when they elected Rev. Paul Tipton as president. I am confident that he will continue to stress faculty excellence and student scholarship while bringing the association the same success he brought to Spring Hill College. I wish him the best of luck in his new endeavor.

Mr. President, I ask unanimous consent that an article telling of Reverend Tipton's election and accomplishments by printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Mobile (AL) Press Register, June 14, 1989]

REVEREND TIPTON TO HEAD JESUIT ASSOCIATION

The Rev. Paul S. Tipton, S.J., outgoing president of Spring Hill College, has been elected the new president of the Association of Jesuit Colleges and Universities, according to the Rev. Joseph A. O'Hare, S.J., chairman of the board of the AJCU at Georgetown University.

The appointment is effective in the late fall.

The association is made up of the 28 institutions of higher education under the sponsorship of the Jesuits in the United States. The purpose of AJCU is to represent the interests of the 28 Jesuit institutions and to serve as their voice at the national level.

Among the members of the organization are such institutions as Georgetown University, Fordham University, University of San Francisco, Boston College and Spring Hill College.

The membership is made up of diverse institutions which range from research, doctoral granting institutions to liberal arts colleges spread throughout the United States with significant international involvement.

Tipton succeeds the Rev. William C. McInnes, S.J., who has served as president of the association since 1977.

The AJCU offices are located in Washington, D.C., jointly with the Office of the United States Jesuit Conference.

On accepting the presidency, Tipton said, "I look forward to the challenge of serving the interests of the institutions of higher education sponsored by the Jesuits in the United States and to making a contribution in the field of independent higher education at the Washington level.

"One interesting historical fact is that the late Rev. William Crandall, S.J., a former president of Spring Hill, was the founding president of AJCU in 1967," Tipton said.

O'Hare said Tipton "brings special expertise to this position from his successful 17 years as a president joined with his prior experience in Washington congressional activity.

"We believe he is uniquely qualified to serve the best interest of our association at this time in the life of American independent higher education," O'Hare said.

Tipton came to Spring Hill in 1972 from Washington, where he worked on the congressional staff of Congressman Richard C. White of Texas.

He was educated in public and parochial schools in Birmingham and graduated from Georgetown Preparatory School. He graduated from Spring Hill in 1961.

During his tenure at Spring Hill, he has significantly strengthened the college's endowment with the school operating in the black 12 of the past 13 years.

In academic areas, he has given a high priority to faculty excellence and student scholarship. He also has established masters programs in theology, business administration and teacher education. He has overseen the development of the semester abroad program in Venice, Italy, which began in January 1987.

TRIBUTE TO COL. E. KIRBY LAWSON III

Mr. HEFLIN. Mr. President, it is a pleasure for me to recognize the widely respected Col. E. Kirby Lawson III who retires this month from his position as garrison commander at Fort Rucker, AL.

Although not an Alabama native, we Alabamians hold him as one of our own. Not only are both his children attending Alabama colleges, but his wife Barbara was born and raised in Enterprise, AL.

Colonel Lawson's exceptional history within the U.S. Army began with his graduation as a distinguished military graduate from Bucknell and continues through his present assignment in Alabama. Before coming to Fort Rucker, Colonel Lawson held numerous positions around the world. During this time, he commanded the 2d Basic Training Brigade at Fort Jackson and served in the Pentagon as staff member under the Deputy Chief of Staff for Operations and Plans.

Colonel Lawson valiantly served his country during two stints in the Vietnam war, first as an assistant S-3 operations officer and aviation officer with the 3d brigade of the 1st Infantry Division and later as the executive officer of the 227th Combat Aviation Battalion and commander of the C Company during the Cambodian incursion in May 1970.

During his service to this country, Colonel Lawson has been decorated and recognized far too many times to list here, but some awards merit noting. To distinguish his bravery, the United States decorated Colonel Lawson with the prestigious Silver Star Award, and the Legion of Merit for his expertise. He was three times honored with the Bronze Star, four times the Meritorious Service Medal, and three times the Distinguished Flying Cross.

Colonel Lawson has spent his adult life working to ensure that our defense and national security remain sound. He has always put his country ahead of his personal accomplishments and for this we owe him a huge debt of gratitude. Over the years, he has been a good personal friend of mine and an invaluable help to members of my staff. I join his family and many friends in congratulating him and wishing him an enjoyable retirement.

TRIBUTE TO LEONARD BEARD

Mr. HEFLIN. Mr. President, in the hearts of many Alabamians, May 31, 1989, will stand out as a very sad day, for on this day, Charles Leonard Beard passed away. Leonard was from my hometown of Sheffield, AL, and a personal friend of mine.

Leonard Beard provides us with an excellent example of a man who excelled as a leader in civic affairs, politics, and business. He was not a man who could be easily classified or labeled. His interests spanned the spectrum and he always rose to the top no matter what the endeavor. He never

VOL 135 PT 9 JE 14 — 22 1989 UMI

took his success for granted and earned all that he achieved.

Mr. Beard was very active in community affairs and served on the University of North Alabama Board of Trustees for 9 years. His contributions to that institution are legend. He also offered his service to numerous other local organizations including the Tennessee Valley Art Center, the Methodist Children's Home, the Sheffield Kiwanis Club, and the YMCA.

He served as director of the Alabama Department of Planning and Industrial Development for 6 years and, as such, he was the chief industry recruiter for Alabama. He did much for the business growth of Alabama during these important years when he served in the cabinet of Gov. George Wallace.

Besides being active in community affairs, Beard served as mayor of Sheffield for 13 years. That city made remarkable progress under his leadership. He came to be identified as one of the political leaders of Alabama.

Besides his involvement in community affairs and politics, Beard was a leader in the business community. He owned the Royal Crown Bottling Co. for 50 years before selling it in 1984. These are not many individuals that I have met in my life that have been so dedicated and successful in so many things. I will miss him.

Mr. President, I ask unanimous consent that an article about Mayor Leonard's life be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EX-MAYOR REMEMBERED FOR HIS SERVICE, TENACITY

The funeral for C. Leonard Beard, former Sheffield mayor, political leader, area businessman and community leader, will be at 10 a.m. Saturday at First United Methodist Church, Sheffield, with Dr. Joe Moore officiating. Burial will be in Sheffield Oakwood Cemetery. Spry Funeral Home, Sheffield, directing.

Beard, 84, died Wednesday at Shoals Nursing Home in Tuscumbia.

"He was a very public person. He was very civic minded and very helpful to our area," said Dr. Roy Stevens, executive vice president of the University of North Alabama and a personal friend of Beard's. "He was also supportive of the university and the things we wanted to do to serve the students of this area."

Beard served on the UNA board of trustees for nine years. He also served on the board of directors of several other local organizations, including the YMCA, the Tennessee Valley Art Center, the Methodist Children's Home and the Sheffield Kiwanis Club.

He was owner of Royal Crown Bottling Co. from 1934 until he sold the company in 1984. He served as mayor of Sheffield from 1948 to 1963. In 1963 he was appointed director of the State Department of Planning and Industrial Development by Gov. George Wallace. He served in that position for six years.

Beard was strong willed but was also fair and honest, according to P.E. "Buddy" Draper, a friend and former mayor of Sheffield.

"He was outspoken," Draper said. "If he believed in something he would follow through with it regardless of whether or not other people thought it was good. He just lived day to day until he got something he wanted to get done, done. Then he would get started on something else. You couldn't help but admire his tenacity."

Beard was highly respected by both his constituents and friends, according to Draper.

"He was the kind of fellow that stood out in a crowd," Draper said. "You knew he was knowledgeable about things. Even up until the time he became ill he was very active in so many things."

Despite his active involvement in community affairs, Beard was also a dedicated family man, according to Draper.

"His wife didn't drive and there have been times I've seen him leave very important engagements or meetings because he said he had to take his wife somewhere or he had to pick her up," he said. "You don't see much of that kind of person anymore. There are very few people left like him."

The family will receive friends from 6 p.m. to 8 p.m. today at the funeral home. The body will be placed in the church half an hour before the service.

Bearers will be Ernest Penn, William Howard, Buddy Draper, Frank Walters, Ted Zickos and Bill Sibley.

TRIBUTE TO CONGRESSMAN KENNETH ROBERTS

Mr. HEFLIN. Mr. President, I rise today to pay tribute to former Alabama Congressman Kenneth A. Roberts who recently passed away due to congestive heart failure.

Kenneth Roberts was born in Piedmont, AL, and spent his childhood there. After attending Howard College and the University of Alabama Law School, he practiced law in Talledega, AL. His service to his country began with his term as a lieutenant in the Navy during World War II and later as a lieutenant commander in the Navy Reserves.

Mr. Roberts was an Alabamian undoubtedly concerned about the welfare and progress of this country, and his commendable record as a Representative from 1951 to 1965 exemplifies his concern. He served as chairman of the House Commerce Health and Safety Subcommittee and the Interstate and Foreign Commerce Subcommittee on Safety. In addition, he sponsored legislation in 1953 to allow mothers working outside their homes to deduct the cost of child care for children under the age of 16 if they made less than $6,000 a year.

Congressman Roberts will also be remembered as the sponsor of legislation for air pollution controls and Federal seat belt safety standards in the early 1960's. In addition, he also sponsored legislation on refrigerator safety, hazardous substance labeling, educational television, nursing, migrant workers, child health, and Indian health.

After leaving Congress in 1965, Kenneth Roberts stayed active in Washington. He served as a member of the National Highway Safety Advisory Committee until 1970. He was also general counsel to the Vehicle Equipment Safety Commission from 1965 to 1972.

Many people may remember Congressman Roberts as a party to one of the most memorable incidents to have taken place in the House of Representatives. On March 1, 1954, Congressman Roberts was the victim of a gunshot wound to the leg when four fanatical members of the Puerto Rican Nationalist Party opened fire from the House Gallery. Congressman Roberts and four other Representatives were injured in the shooting.

I am proud that Congressman Roberts represented Alabama in Washington. He was a true patriot and a staunch advocate of improved safety standards.

Mr. President, I ask unanimous consent that an article concerning Mr. Roberts be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 11, 1989]

FORMER ALABAMA REPRESENTATIVE KENNETH A. ROBERTS, 76, DIES

(By Eric Charles May)

Kenneth A. Roberts, 76, an Alabama congressman from 1951 to 1965 who sponsored auto safety and air pollution legislation, and who in 1954 was among five representatives wounded in a shooting on the House floor, died May 9 of congestive heart failure at his daughter's home in Potomac.

He lived in Anniston, Ala.

Mr. Roberts, a Democrat, was chairman of the House Commerce health and safety subcommittee and the Interstate and Foreign Commerce subcommittee on safety.

In 1953, he sponsored legislation to allow mothers working outside their homes and making less than $6,000 a year to deduct the cost of child care for children under the age of 16.

In the early 1960s, he sponsored legislation for air pollution controls and federal seat belt safety standards. During his congressional carreer he also sponsored legislation on refrigerator safety, hazardous substance labeling, educational television, nursing, migrant workers, child health and Indian health.

He was wounded in the leg on March 1, 1954, during a roll call vote when four members of the Puerto Rican Nationalist Party opened fire with pistols from the House Gallery.

Mr. Roberts was born and reared in Piedmont, Ala. He attended Howard College and the University of Alabama law school.

He practiced law in Anniston and Talladega, Ala. He was elected to the Alabama State Senate in 1941.

During World War II he served in the Navy in the Atlantic and Pacific theaters as a lieutenant. He later served in the Navy reserves as a lieutenant commander.

After serving on the Alabama State Board of Veteran Affairs and as city attorney for

Piedmont, Mr. Roberts won election to Congress from Alabama's 4th District in 1950.

In 1962 he and the eight other congressional representatives from Alabama ran in a statewide primary after Alabama lost a congressional seat after the 1960 census. He was defeated for reelection in 1964.

After leaving Congress, Mr. Roberts practiced law in Brewton, Ala., and Washington with the firm of Harter, Calhoun, Williams & Roberts.

He served as a member of the National Safety Advisory Committee from 1965 to 1970, and as general counsel to the Vehicle Equipment Safety Commission from 1965 to 1972. He retired as a lawyer in 1979.

Mr. Roberts received awards from the Allstate Foundation, Physicians for Automotive Safety and American Nurses Association.

He was a member of the American Legion and the Veterans of Foreign Wars. He was a member of the Lions Club, the Congressional Country Club and the Mason-Order of the Eastern Star.

His marriage to Margaret H. Roberts ended in divorce.

Survivors include two daughters, Margaret H. Roberts of Brewton and Allison R. Sinrod of Potomac; a brother, Luther E. Roberts of Anniston; and three grandchildren.

TRIBUTE TO DON HOLT

Mr. HEFLIN. Mr. President, recently Postmaster Don Holt of Florence, AL, retired after 36 years of commendable work with the U.S. Postal Service. He is one of the last few remaining Presidentially appointed postmasters, and a close personal friend of mine.

Mr. Don Holt was first appointed acting postmaster in 1953 and became postmaster in 1954. He was only 28 when he was appointed to the job, and at that time there was a rule prohibiting postmasters from being below the age of 30, unless they had previously served in the military, which Mr. Holt did.

Don scored well on a competitive civil service exam and offered extensive help to the Eisenhower campaign, both of which helped secure his appointment as postmaster in 1954. Under the new system, postmasters are no longer appointed by the President. Although the selection of postmasters is now based solely on merit, Don Holt shows that the people under the old system were just as outstanding as those under the new system.

The use of the five-digit ZIP code is perhaps one of the biggest improvements the Postal Service has ever made to speed up mail delivery. However, Mr. Holt's post office on Seminary Street still operates much the way it did years ago. The only change is that the system has grown. Mail is still sorted manually at the old post office, and people can still find the postmaster upon a friendly request.

The staff has grown over the years, but so has the historic post office building that was built in 1913. Through the years, additions have been made and the office is now listed on the National Historic Register. Mr. Holt was there to oversee all the changes that have occurred over a period of 36 years.

Before becoming postmaster, Don served in World War II for 3 years and attended the University of Alabama for 1 year. After the war he attended Florence State Teachers College, where he received a bachelor of arts degree majoring in English and history. He also met his wife, Sarah Morris, there, and they have one daughter who now works in Birmingham.

Before he took the civil service exam, Don Holt was a partner with his father in the family's hardware business. The civil service exam led him to his career in the Postal Service, a career he is now leaving for retirement.

Don Holt certainly loved his work and is filled with mixed emotions as he retires after 36 years of hard work and dedication. He does not hunt, fish, or golf, but he will continue to stay busy during his retirement. I wish him the best of luck in the future, and thank him for his 36 years of service with the Postal Service. More importantly though, I thank him for his friendship.

Mr. President, I ask unanimous consent that a newspaper article containing further information about Mr. Holt be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RETIRING POSTMASTER LEAVES BIG SHOES TO FILL

(By Jennifer Oakley)

FLORENCE.—A photograph of President Dwight D. Eisenhower hangs prominently on the wall of Florence Postmaster Don Holt's office, a reminder to Holt of how his 36-year postal career began.

Holt, one of the last few presidentially appointed postmasters left in the nation, plans to retire on Friday, leaving behind lots of memories and big shoes to fill.

"I remember my first day on the job. There was so much to learn," Holt said, leaning back in the big chair behind his desk. "I applied for the job when A.W. Darby retired, and I was accepted. I had no idea before that that I would even be interested in becoming a postmaster. But I loved it, I was only 28."

Under the old system, postmasters were appointed with political recommendations and based on performance on a competitive civil service examination.

Holt's scores were impressive, and along with campaign work he had done for Eisenhower, Holt was first appointed acting postmaster in 1953 and became postmaster in 1954. His commission certificate, signed by the president, still hangs in Holt's office.

"The system completely changed in 1971," Holt said. "It had been the U.S. Post Office Department, and it was changed to the U.S. Post Service, under President Nixon. Then, they did away with the presidential appointments and based it on merit alone. The people they had under the old system were just as outstanding as the ones they have now. The only difference is that they're now real career postal people."

With his term in office drawing to a close, Holt took some time out from his schedule to reflect on the changes that have taken place during this years of service.

"When I started out, stamps cost three cents each, "Holt said. "But (the price of stamps) hasn't gone up above the general rate of inflation," Holt said. "Nobody likes it, but they tolerate it, let's say."

Another big change that took place when the system was revamped in 1971 was that the post office was mandated to operate on a break-even basis, Holt said.

"Some years we lose money and other years we've made money, but it all evens out," Holt said, explaining that revenue is generated through the sale of postage, collector's stamps, and other postal items and services. "Before that, all of the money we took in from selling stamps went into the "big pot"—the U.S. Treasury. We didn't pay our bills with the revenue. We were appropriated for that."

One of the biggest improvements made by the postal service is the use of the five-digit zip code, implemented in the '60s to help speed up mail service.

"Now they have the zip-plus-four, and big towns can use high speed optical readers, bar codes, to sort mail even faster," Holt explained. "They have that in places like Nashville and Birmingham, but we still sort mail manually here. One of the objectives of the postal service is to have a bar code system in use for every city by 1995. It's going to be a high-tech business."

But in the meantime, Holt said the main office on Seminary Street still operates much the same as it did years ago, only "everything has grown," Holt said. There are now 116 postal employees for Florence, compared with 66 that were employed when Holt took over his duties. Only four government-owned vehicles delivered the mail in the '50s, compared to today's fleet of 31. The number of city deliveries has more than doubled, from 9,000 to 18,300, and rural deliveries have almost tripled to around 8,200.

Even the building itself has grown with additions built throughout the years. The office is listed on the National Historic Register, Holt said, so cosmetic changes have been limited for several years, in order to preserve the structure's beauty.

"The walls are made of limestone, Twenty-two inches thick," Holt said, running his hand along the side of the wall. "The lobby is marble. It was remodeled in 1963."

Rumors have circulated that the post office was intended to be built in Florence, S.C., and that a mix-up gave Florence, Ala., a bigger and grander post office than plans prescribed. But Holt doesn't believe the tale and attributes it to overactive imaginations of storytellers.

"I just don't belive that would possibly be true, and I have my reasons to back it up," Holt said. "The building construction was started in 1911 and was completed in 1913. The lot was bought in 1903 for $10,000, and in those days Congress had to appropriate money for post offices to be built. That part is true. Some people say that Congress started out appropriating $25,000, and it made a lot of people mad that we weren't going to get more money than that.

"Anyway, we ended up getting $125,000 to build it. And all this, in 1912, 1913, cost $99,000 to build. It had gas lights in the lobby and all that", Holt said. "But around 1950 I happened to be in Florence, S.C., and I saw their post office. It did look plain, but knowing the system of checks and balances

VOL 135 PT 9 JE 14 — 22 1989 UMI

the government had. I just don't think it could have slipped past that many people. Sure, it's a beautiful city. I've traveled to other parts of the state and when I tell them I'm from Florence they always comment that Florence is a pretty town. We're lucky to be able to live here."

Many people recognize Holt as he walks down the street, and sometimes they'll stop him and let him know about their mail service, whether it's compliments or complaints.

"My policy is that if they want to talk to the postmaster, they get to talk to the postmaster. One lady I knew came up to me with a letter that had been returned to her for insufficient address, and she said, 'Don, don't you know where old so-and-so lives?' and I said 'Sure I do, but that doesn't mean those folks sorting the mail back there do.' She didn't even have a street address or everything written on it. Just his name and the city. But if we know how to deliver it, we'll deliver it."

Before becoming postmaster, Holt went to the University of Alabama for a year before fighting in World War II for three years. When he returned, he went to Florence State Teachers College where he received one of the first two bachelor of arts degrees offered, majoring in English and history. It was at Florence State where Holt met the woman that would later be his wife, Sarah Morris. "I became infatuated with her," Holt said, with a steady smile. They have one daughter, Winnie, who works in Birmingham.

Holt was a partner with his father, J. Ben Holt, in the family business, Holt Hardware, before taking the civil service exam that led him into the postal service. Although there was a rule that postmasters had to be at least 30 years old, those who had served in the military were exempt from the rule, and Holt became postmaster in his twenties.

"When I leave here, I'll definitely had mixed emotions," Holt said. "There's been a lot of frustration at times, but the way I look at it is this: If you don't have frustrations you don't have much of a job.

"I've enjoyed my work thoroughly, but I don't want to go out feet first. I don't hunt, fish, or play golf. I have things I'd like to do. I'm going to retire with a positive attitude. And I'm going to stay busy, just like I've done all these years."

TERRY ANDERSON'S 1,558TH DAY OF CAPTIVITY

Mr. MOYNIHAN. Mr. President, Terry Anderson has now been held in captivity for 1,558 days in Beirut. As has been done each day that we have been in session in this body this year, I rise to alert my colleagues to this fact.

On March 17, 1989, the editorial board of the Los Angeles Times succinctly and pointedly spoke of fellow journalist Terry Anderson's situation and the absolute inhumanity of hostage taking.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, March 17, 1989]

FREE THE HOSTAGES

This week, our colleague Terry Anderson, chief Middle East correspondent of the Associated Press, began his fifth year of captivity in Lebanon. His barbarous imprisonment is the longest endured by any of the 16 Western hostages still being held in that tragically ravaged land.

Anderson's kidnapers are Shite Muslim extremists under the influence of Iran.

Like all other forms of terrorism, the taking of hostages is at root and totalitarian act in that it cruelly denies the distinction between the guilty and the innocent. But holding hostages is particularly repellent because of the prolonged torment it inflicts on its victims and their families.

No grievance real or imagined, no injustice immediate or historic, no cause however selfless, no end however noble justifies the employment of such means.

We call on the kidnapers of Terry Anderson and the other 15 hostages to release them all immediately and without condition.

We call on the government of Iran to do what it can to bring this crime to an end.

We call on the Bush Administration to do everything prudence and decency will allow to set Terry Anderson and his fellow captives free.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is now closed.

CHILD CARE IMPROVEMENT ACT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of S. 5, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 5) to provide for a Federal program for the improvement of child care and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Mitchell amendment No. 196, in the nature of a substitute.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAHAM). Without objection, it is so ordered.

AMENDMENT NO. 201 TO AMENDMENT NO. 196

(Purpose: To provide for a perfecting amendment)

Mr. DOLE. Mr. President, I send an amendment to the desk to the Mitchell amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself, Mr. PACKWOOD, Mr. DOMENICI, Mr. WILSON, Mr. DANFORTH, Mr. THURMOND, Mr. MCCONNELL, Mr. KASTEN, Mr. BOSCHWITZ, Mr. HEINZ, Mr. WARNER, Mr. GRASSLEY, Mr. GORTON, Mr. LUGAR, Mr. COATS, Mr. MURKOWSKI, Mr. LOTT, Mrs. KASSEBAUM, Mr. MCCLURE, Mr. MCCAIN, and Mr. GRAMM, proposes an amendment numbered 201.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 1, line 3, strike all through page 96, line 25, and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Working Family Child Care Act of 1989".

TITLE I—HEAD START ACT AUTHORIZATION

On page 97, line 1, strike "125" and insert "101".

Beginning on page 97, after line 4, strike all through page 112, line 6.

On page 158, after line 11, insert the following:

TITLE II—EARNED INCOME CREDIT

SEC. 201. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for

individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

TITLE III—DEPENDENT CARE CREDIT

SEC. 301. DEPENDENT CARE CREDIT MADE REFUNDABLE; OTHER CHANGES.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle and section 6401, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)(2)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses (as defined in section 21(b)(2)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee,

"(C) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense to the extent such expense—

"(A) is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) is not includable in the gross income of the recipient."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) 50 percent of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining 50 percent of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 302. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 201(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 303. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this Act, the Secretary of the Treasury and the Secretary of Labor, or the

VOL 135 PT 9 JE 14 — 22 1989 UMI

delegates of the Secretaries, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care and the earned income tax credit allowed under sections 21 and 32 of the Internal Revenue Code of 1986, respectively. Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credits and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

TITLE IV—BLOCK GRANT TO STATES FOR CHILD CARE SERVICES

SEC. 401. ESTABLISHMENT OF BLOCK GRANT.

The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is amended—

(1) by inserting after the subchapter designation the following:

"PART 1—DEPENDENT CARE PROGRAMS"; AND

(2) by adding at the end thereof the following new part:

"PART 2—BLOCK GRANT TO STATES FOR CHILD CARE

"SEC. 670I. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out the activities described in section 670L, there are authorized to be appropriated $400,000,000 for each of the fiscal years 1990 through 1994.

"SEC. 670J. ALLOTMENTS.

"(a) FORMULA.—

"(1) IN GENERAL.—The Secretary shall make an allotment to each State for each fiscal year, in an amount that bears the same ratio to the amount appropriated under section 670I for such fiscal year as the allotment figure of paragraph (2) for such State bears to the allotment figure for all States.

"(2) ALLOTMENT FIGURE.—The allotment figure for a State shall be the sum of—

"(A) the number of children who are under the age of 13 who reside in such State divided by the number of children who are under the age of 13 who reside in all States; and

"(B) the relative per capita income of the State multiplied by the factor determined under subparagraph (A) for such State.

"(3) DEFINITION.—For purposes of this section, the term 'relative per capita income' means—

"(A) the quotient of the per capita income of the United States divided by the per capita income of the State; or

"(B) in the case of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Commonwealth of Puerto Rico, or the Virgin Islands, the quotient shall be considered to be 1.

"(b) ADDITIONAL ALLOTMENT.—

"(1) METHOD OF ALLOTMENT.—Any amounts not allotted under subsection (a) shall be allotted among each of the States in proportion to the amount otherwise allotted to such States for such fiscal year under subsection (a).

"(2) DEFINITION.—For the purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"SEC. 670K. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—The Secretary shall make payments from amounts made available for each fiscal year pursuant to section 670I, as provided by section 101 of title 31, United States Code, to each State in an amount (not to exceed its allotment under section 670J for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the State plan for such fiscal year.

"(b) FEDERAL SHARE.—The Federal share for each fiscal year shall be 85 percent.

"(c) STATE SHARE.—The State share shall equal 100 percent minus the Federal share.

"(d) CARRYOVER.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of that year shall remain available, for the next fiscal year, to the State for the purposes for which the payment to the State was made.

"SEC. 670L. USE OF ALLOTMENTS.

"(a) PROJECT GRANTS.—Amounts paid to a State under section 670C shall be used by the State to make grants to eligible entities to enable such entities to conduct activities to improve the quality and availability of child care in such State.

"(b) ACTIVITIES.—Activities described under subsection (a) may include—

"(1) State and local resource and referral systems to provide information on child care services including, information on their availability, types, costs, and location;

"(2) activities to provide consumer education to enable individuals to select high quality child care services;

"(3) activities to improve the development, modification and enforcement of State and local child care standards and requirements;

"(4) training and technical assistance for child care providers and workers to improve their ability—

"(A) to comply with State and local health and safety standards and requirements;

"(B) to detect communicable diseases;

"(C) to detect and to prevent the abuse of children;

"(D) to use effective budget and accounting procedures;

"(E) to take full advantage of beneficial tax laws;

"(F) to reduce liability risks; and

"(G) to take any other actions designed to improve the quality of the child care services provided by such providers;

"(5) recruitment and training programs to increase the number of child care providers and volunteers, including the number of seniors who provide child care services;

"(6) activities to encourage the innovative development of before and after school care;

"(7) loan or grant programs for the renovation or modification of existing structures to meet State and local health and safety standards and requirements;

"(8) activities to reduce barriers to obtaining affordable liability insurance, such as the formation of child care liability risk retention groups;

"(9) activities to encourage the development of employer-assisted child care;

"(10) providing tax credits to low income working families with children, including two parent families in which one parent cares for the children of such family at home;

"(11) activities to increase child care services for children who are sick and temporarily unable to be cared for by their regular child care provider;

"(12) activities to increase the supply of child care services for children of individuals who are employed during non-traditional times of the day or week; and

"(13) activities to increase the supply of child care services to help meet the needs of special populations including children who are homeless, migrant, disabled, abused, neglected, or children of minors.

"(c) LIMITATIONS.—A State shall not use amounts paid to, or on behalf of it under section 670K to—

"(1) make cash payments to, or on behalf of, intended recipients of child care services;

"(2) pay for all or any part of the salaries of child care providers or their employees or staff or otherwise to pay for the operating costs of providing child care services;

"(3) pay for the costs of construction or land acquisition; or

"(4) satisfy any requirements for the expenditures of non-Federal funds as a condition for the receipt of Federal funds.

"(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States in planning and operating projects and activities to be carried out under this part.

"(e) STATE ADMINISTRATION.—Not to exceed 7 percent of the total amount paid to a State under section 670K for a fiscal year shall be used for administering the funds made available under such section. The State shall pay from non-Federal sources the remaining costs of administering such funds.

"SEC. 670M. APPLICATION AND STATE PLAN.

"(a) SUBMISSION.—

"(1) IN GENERAL.—To receive an allotment under section 670J, each State shall submit an application to the Secretary in such form, containing such information, and by such date as the Secretary shall require.

"(2) PLAN.—Each application submitted under paragraph (1) shall contain a plan that meets the requirements of subsection (b).

"(b) STATE PLAN.—Not later than 12 months after the date of enactment of this section, each State desiring to participate in the program authorized under this part shall prepare and submit to the Secretary a State plan. Each such plan shall—

"(1) describe the State agency that will administer the programs authorized under this part;

"(2) describe the authorized activities for which assistance is sought under this part;

"(3) provide assurances that the State will not expend in excess of 7 percent of the State allotment under section 670J during each fiscal year for administrative costs;

"(4) provide assurances that the State will give priority to activities that serve low-income areas and populations in accordance with criteria to be determined by the Secretary;

"(5) provide assurances that the State will coordinate the child care activities carried out with funds provided under this part with other Federal and State child care activities undertaken in the State through Federal or State programs;

"(6) provide such fiscal control and accounting procedures as may be necessary—

"(A) to ensure the proper accounting of Federal funds paid to the State under this subchapter; and

"(B) to ensure the verification of reports required under this subchapter; and

"(7) provide such additional assurances as the Secretary may reasonably require.

"SEC. 670N. REPORTING REQUIREMENTS.

"(a) STATE REPORTS.—Not later than 12 months after a State receives funds under this subchapter, and at 12-month intervals thereafter, the chief executive officer of such State shall prepare and submit to the Secretary, in such form as the Secretary

shall prescribe, a report describing the States' use of funds received under this part.

"(b) REPORT TO CONGRESS.—Not later than 6 months after the receipt of State reports required under subsection (a), and at 12-month intervals thereafter, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report containing a summary of the information contained in the State reports submitted under subsection (a), and any additional information the Secretary considers appropriate.

"SEC. 670O. DEFINITIONS.

"As used in this part:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' includes providers of child care services, and would not exclude religiously-affiliated providers.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(3) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

TITLE V—TREATMENT OF CHILD CARE EARNINGS

SEC. 501. CHILD CARE EARNINGS EXCLUDED FROM WAGES AND SELF-EMPLOYMENT INCOME FOR EXCESS EARNINGS TEST.

(a) WAGES.—Section 203(f)(5)(C) of the Social Security Act (42 U.S.C. 403(f)(5)(C)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new clause:

"(iii) the amount of any payment made to an employee who has attained retirement age (as defined in section 216(l)) by an employer for child care services (including indirect services) performed by such employee after the month in which such employee initially becomes entitled to insurance benefits under this title.".

(b) SELF-EMPLOYMENT INCOME.—Section 203(f)(5)(D) of such Act (42 U.S.C. 403(f)(5)(D)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii),

(3) by inserting immediately after clause (ii) the following new clause:

"(iii) an individual who has attained retirement age (as defined in section 216(l)) who has become entitled to insurance benefits under this title, any income attributable to child care services (including indirect services) performed after the month in which such individual becomes entitled to such benefits,", and

(4) by striking out "royalties or other income" and inserting in lieu thereof "royalties or income".

(c) PAYMENTS OF CERTAIN RECOMPUTED BENEFITS DELAYED.—Section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by adding at the end thereof the following new subparagraph:

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph shall be further increased on an actuarial basis to include such benefits which would have otherwise been paid in a lump sum (determined from the recomputation date to the effective date of such recomputation as provided under subparagraph (D)) as exceed an amount equal to such additional benefits determined for a thirteen month period beginning from such recomputation date.".

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to wages or income earned after December 31, 1989.

(2) The amendment made by subsection (c) shall apply to recomputations made after December 31, 1989.

Mr. DOLE. Mr. President, this is the amendment that we have been discussing indirectly for the past couple of days and may discuss for a couple days, today and tomorrow, at least part of tomorrow.

I would add, in addition to myself, the cosponsors: Senators PACKWOOD, DOMENICI, WILSON, DANFORTH, THURMOND, MCCONNELL, KASTEN, BOSCHWITZ, HEINZ, WARNER, GRASSLEY, GORTON, LUGAR, COATS, MCCLURE, MURKOWSKI, LOTT, KASSEBAUM, and MCCAIN. There will be additional cosponsors, and we invite our colleagues on both sides of the aisle to take a look at this proposal and hopefully cosponsor the proposal.

I think first of all we have to ask ourselves what do the American families want, what do American parents want for their children.

I think we can say without any disagreement they want commonsense solutions to the very real child-care challenge.

We can argue over some of the technical details, and we can differ on some of the facts and figures, but I believe the American people are absolutely convinced of what they want and what they do not want.

When it comes to deciding who is going to watch their children, the last thing they want is the Federal Government with some lead State agency sticking its nose into their lives.

American families are demanding maximum choice and flexibility without Washington or their State legislatures telling them what they have to do, and they do not want big Government telling them their children cannot stay with grandma because she does not meet certain standards or that their local church or synagogue is off limits because it flunked some bureaucrat's test on some religious standard.

I think it is just very simple. The American people do not want mandates. They want flexibility. They do not want more red tape. They do not want another bureaucracy. We are about to create a super one here that starts off with $7 million, if the report is accurate, although the report has been totally rewritten, I guess. They do not want another penny of their hard-earned tax dollars going down another money-eating bureaucratic sinkhole.

I believe working Americans can smell Government bureaucracy a mile away and they are starting to smell a whopper in the making right here on Capitol Hill, the brand name big time bureaucracy that will grow and grow and grow and grow from the ABC child-care proposal, which has been watered down; some will say it is so watered down they cannot support it any more.

I think the Senator from Indiana [Mr. COATS] put a letter in the RECORD yesterday of former groups that supported the ABC bill which now are withdrawing their support. If that has not been made a part of the RECORD, we will see that that happens.

Let us face it, the ABC bill does not stand for Act for Better Child Care, it stands for Act for Bureaucratic Control. And we want to make that case and we intend to make that case today, tomorrow, next week. This is important. We are talking about our children. And we are talking about which way do we want to go.

Do we want parents to make the choice or do we want somebody else to make the choice, somebody else to ration child care? Whatever it may be. I think the record is clear as far as families served, there will be many times more families served under our proposal than under the so-called ABC proposal, at $1.75 billion.

We can try to mandate how Americans drive their cars and how they run their businesses. But we had better not try to tell them how to take care of their children.

On another point, I am not about to sign on to some bill that says, yes, working parents, yes, you deserve tax credits, tax refunds and a pat on the back. But you, the mother who is staying at home with the kids, sorry, you do not deserve a penny's worth of assistance. And they do not get any under the other bill. That is discrimination in my book, and we hear a lot about it on the Senate floor from some who will oppose what we propose to do today.

It seems to me that we have to make a choice. We have to determine who we are trying to help. Are we trying to help some powerful special interest lobbying group inside the Beltway? Big labor unions inside the Beltway, who have a lot of muscle? The so-called children's defense fund?

I do not know how many people in my State knew much about the children's defense fund; they do not know about the power they have—the hypnotic power, in some cases, they have over what we do on some of these issues.

My view is we ought to try to help as many people as we can, families, children, and they ought to be low income. That is the goal of our legislation.

According to experts, in excess of 5 million American families benefit from the kind of flexibility and wide range

VOL 135 PT 9 JE 14 — 22 1989 UMI

of family options this child-care package provides. I would say at the outset, I would hope, Senator HATCH and Senator KENNEDY, Senator DODD, and others, somehow we can bring all this together and find a child-care proposal. It is important legislation. We debated this last year. It became part of a big political package with a whole number of issues in it and it was said we ought to pass all this before we adjourn.

Obviously, we were not going to do that. We did not do that. I said at that time that both Presidential candidates had taken a position on child care. We ought to watch debate. We ought to see who wins the election.

The last time I checked, George Bush was the winner. And George Bush stated his position on child care very clearly. He did not like the ABC bill. He wanted credits; he wanted flexibility; he wanted parents to make the choice.

So our amendment is pretty simple and straightforward. It addresses the concerns about the ABC substitute which have been expressed on the floor of this Senate in the last few days.

No. 1, I do not know how many child care bills there are, but nearly every one that deals with credits has this feature. We provide for refundability of the existing dependent care credit. That is not unique to our bill. It is in the other bill. It is in the so-called Bentsen substitute. It is in a lot of other bills introduced by Republicans and Democrats.

We create a young child supplement to the earned income tax credit. That is the second portion of our bill. And those are the two big areas. It is that simple. We have two big areas. Then we also add $40 million to the existing dependent care block grant. And we incorporate an amendment authored by Senators ARMSTRONG and ROTH to exempt earnings from providing child care from the Social Security earnings limit. That is also in our package.

What is unique about this package? This package provides assistance to all poor families with young children, not just those families who use professional day-care services or have access to employer-subsidized health care. Because the majority of our assistance is provided to families and not to States or institutions; to poor parents—let us underline that—poor parents. I have heard a lot of rhetoric from the other side about the minimum wage and working poor and poor parents. Under our bill, poor parents will have the same rights as wealthy parents to decide which child-care option best meets their family needs without foregoing needed Federal support.

Unlike the Mitchell substitute, this amendment does not discourage parents from entrusting their children to the care of a relative, trusted friend, or neighbor, or from providing that care themselves. I recognize the distinguished Senator from Connecticut [Mr. DODD], along with others who support his proposal, have made a limited exemption for grandparents, aunts, and uncles age 18 and over in providing child care by making them eligible for reimbursement.

But under the ABC language, they could only be reimbursed for that care through a contract grant or certificate. To use other informal providers would be even more difficult. And when we start dealing with a contract grant or certificate, we are dealing with somebody in the bureaucracy.

Where are we going to get the grant? Where are we going to get the contract? Where are we going to get the certificate? From some State agency? Some "lead agency" designated by the State? Some bureaucrat who is going to decide whether this grandparents or this aunt or this uncle qualifies?

Let us face it, they are not going to cover but a fraction under their bill, a fraction of the children, who ought to have some attention.

To use other informal providers would be even more difficult. ABC still precludes the use of other relatives, friends, neighbors, other informal providers unless the State rules—the State rules. Here we are again, the bureaucracy, the State—rules on each individual case that the person is an eligible child-care provider.

So, in my hometown of Russell, KS, I assume, if this bill passed we would have to go to Topeka, KS, or somebody do it for us, to get somebody's permission for some friends or relative to provide day care for someone. And, in many cases, we are dealing with people who would not know what to do, they would not know how to proceed and they would not do anything. There would not be anybody there to help them either unless we are going to send out more bueaucrats to Russell, KS, and every other little town in America to make certain everybody undersands their rights under the ABC bill.

Then we have to be certain that his or her home meets the standards. What standards? Who is going to set the standards? The parents? Oh, no, not the parents. Forget about the parents. They are going to turn them over to the State or some other bureaucracy.

The person submits to Government grant contract or other paperwork requirements.

Again, we are not dealing with Philadelphia lawyers or people who in many cases have finished a college education. We are dealing with poor people with children who are very important to them and to society. And that is why child care is important. The process for using informal providers is so burdensome and time consuming that the States hardly seem likely to encourage their use. Are many parents likely to be able to wade through the process or many informal providers likely to accede to it?

So in effect we are saying: Well, we have this in there but you have to do all this, you have to go through all this red tape. And it is red tape. Before you can benefit.

So, it seems likely, then, that most parents who receive assistance from the State under ABC will be faced with selecting a caretaker from a list of providers already approved by the State and that these providers are likely to be institutional rather than family based care providers.

If that is the goal of the ABC legislation, institutional care, let us say so.

There is another very important feature about our compromise and I hope many of my colleagues on the other side, particularly those from the South, are listening. We also avoid the very serious church-state problem that has been discussed with respect to the ABC bill. The provision included in the Mitchell substitute designed to address the church-state controversy still leaves the issue largely unresolved and clearly subject to court challenge. This provision offers absolutely no guidance to religiously based child care centers who provide services through the certificate program. It leaves religiously based centers entirely in the dark when it comes to resolving the difficult first amendment issues involved here.

It does not specify the types of activities and arrangements that are permissible and the type of activities and arrangements that are impermissible. So that is just all fuzzed up in the ABC bill.

This lack of guidance is an open invitation to litigation. And litigation, often expensive litigation, will force many religiously based centers to spend more time and more resources defending lawsuits than providing child care services. Is that what we want? Do we want the church or the synagogue to be in court or providing child care? Let us talk about what is going to happen in the real world, not on the Senate floor, but in somebody's home somewhere in America if the ABC bill passes. In this case, the cure would be worse than the disease.

The Mitchell amendment is also seriously flawed in another way. While the amendment claims, and there are a lot of claims in the amendment and a lot of claims on the amendment made on the floor, while the amendment claims to expand the child-care choices available to families, it would be available only in those States that specifically authorize the certificate option. But the amendment contains no provision requiring States to authorize a certificate option and such

requirement is particularly important since some 13 States, and I will include those States for the RECORD, now exclude religious centers from the child-care center licensure laws.

(Mr. KERREY assumed the chair.)

Mr. DOLE. So what are we going to do? I know that the Senator from Connecticut and the Senator from Massachusetts and the Senator from Utah have spent hours, weeks, and months and they have retreated, retreated, and retreated on one provision after another trying to come together with enough votes to get this out of the Senate Chamber. The House, as I understand it, is adopting maybe a little different approach, several approaches, Kiddie Care, and Smart Start and other programs, in addition to some support for the ABC approach, and a lot of support, I might say, on the House side for credits.

If we are interested in child care, it is not enough to stand up here and criticize the other product or criticize the competition. If we believe we have a better product and if we are serious about child care—I might add parenthetically, some of these child-care lobbyists are not interested in child care unless you are for their bill. You cannot have any interest for children unless you are for the ABC bill. That is not the case. There are a lot of Members on both sides who have reservations about any child-care bill. I could add that, too.

So we have tried to come up with a responsible alternative. The Senator from New Mexico, the Senator from Oregon, the Senator from California, a number of Senators who had child-care proposals and who have their own ideas and I believe they are the best features of the child-care initiative that have been discussed and debated, I believe those are included in our alternative.

First, in making the current dependent care tax credit refundable, many working poor families with documentable child-care expenses can finally take advantage of the dependent care tax credit, even if their tax liability does not exceed the amount of the credit allowable to them.

Keep in mind, though, dependent care tax credit, a lot of poor people do not keep records. I do not know how many have been estimated—maybe we can find out—how many families will not even get the dependent care tax credit refund even though it is going to be refundable because they do not keep records. This will help some. Even though they do not pay taxes, they are going to get a refundable tax credit. Moreover, these families will receive their dependent care credits in each paycheck. You do not have to wait until the end of the year or file a tax return: They are going to get it in each paycheck when they need it rather than the following year when their tax returns would be filed.

Second, the supplement to the earned income tax credit which would be available to all working poor families with children under age 5, very young children, pose special child-care burdens on parents, and this is also the time when some experts argue that the constancy and quality of child care are most critical. Accordingly, some parents remain at home during these formative years by choice. I know the majority of women are now in the workplace. Does that mean we have to discriminate against those who want to stay home and care for their children either by choice or by necessity?

The earned income tax credit does help the poor. There are a good many parents in this country who are themselves disabled or have a child with disability who stays at home. The so-called ABC bill does nothing for the family whose child stays at home nor does the existing DCTC dependent tax credit.

So we say, what can we do to help that family? What can we do to provide some relief? Not as much as some would like, but we are starting. The comparison of the ABC bill, is like day and night. Our amendment provides assistance to all such families—all such families—with incomes less than $15,000 per year if at least one parent works along with approximately 55 percent of poor families where both parents work, or there is a single parent. That is a big, big difference. If you want to reach the poor people and poor families with children, with annual incomes under $15,000 who do not have documentable child-care expenses because their child care is provided by a neighbor, friend, or relative including perhaps a parent, the earned income income tax approach is the right one. It makes certain, in fact it is one we ought to look at if we talk about doing something on minimum wage, if we want to help the working poor, let us help the working poor.

Yesterday the distinguished Senator from Utah cited examples on the Senate floor which demonstrate many working poor families cannot afford professional child care. I think those examples explain graphically why the majority of these poor families cannot take advantage of the dependent care tax credit. Institutional day care, the type relied upon the Mitchell substitute as the predominant means of providing child-care assistance to these families, will likely remain out of their reach. How many are going to be available? I think the figure is 18 million children who might be eligible. How many is the ABC bill going to take care of 1 million. Seven hundred thousand? That leaves quite a few.

The President of the United States has indicated his interest, and it was not a partisan interest. It was an approach that he believed, based on his experience, was the right way to go. The President's bottom line is we are going to give assistance to families with no strings attached. And all the critics say, how do you know they are going to spend it on child care? They might go out and buy something else with it. And that might happen in some cases. We have seen it happen. We have seen the families fall apart; we have seen the drug problems; we have seen a lot of things where the family distintegrated. But what percent? I do know. But the President is willing to take the risk rather than to create another bureaucracy. He is willing to take the risk for the parents and the children. So he decided there ought to be some kind of a credit that should not be tied to anything, should not be tied to documentable expenses for either child care or health care.

Our supplement to the earned income tax credit replaces the Bentsen child health credit which benefits only parents who specifically pay for family health insurance.

This thing just cropped up last week and now we are out here saying, "Oh, what a great idea this is to reimburse parents who have already bought health insurance." Who is it going to help? Nobody, or very few.

The Bentsen credit does little or nothing for those poor families who may not be able to afford the $2,000, $3,000 for coverage. Our proposal provides a credit that parents can use for any purpose including health insurance, allowing them to make the choice as to what is most important.

Frankly, one of the major concerns with the proposed Bentsen child health care credit is that it completely excludes many poor families without access to employer-based or otherwise inexpensive health care.

There is a provision. We had a hearing that lasted a couple of hours. And it is not a small proposal, about a billion and a half dollars. Just float it out there. That is plenty for a billion and a half.

If we are going to spend money, we will have a hearing. So we had a hearing. We were not even going to have a hearing until somebody requested it. They rammed it through the Senate Finance Committee in about 45 minutes on a party line vote and nobody knows, nobody can tell us what will happen. We hope to tell you later in this debate.

I might say to my colleagues we are going to take quite a bit of time to discuss our proposal today. Then we will be happy to get debate on the merits of the two. We want to lay out the framework for ours today if we can.

We want to show you what we can buy in Maine or Iowa or Massachusetts or Kansas or Utah or Connecti-

VOL 135 PT 9 JE 14 — 22 1989 UMI

cut or Nebraska with this health care subsidy. In most cases the cost of family health coverage is prohibitive to poor families whose employers do not subsidize their coverage. For example, a young family in Kansas can obtain basic health care insurance from Blue Cross and Blue Shield with a minimum deductible of $500 for approximately $110 per month or $1,320 per year. With a $500 deductible, this comes to about $1,820 per year. If that family earns $8,000 per year, their health insurance cost would consume 23 percent of their income.

Think about it. Are they going to take 23 percent of their income and buy health care insurance because they are going to get a little subsidy from the Federal Government? The child health care credit would reduce this cost to 17½ percent so they get that little credit. Instead of spending 23 percent, they are going to spend 17½ percent of their total income. I do not consider this insurance affordable. It is not affordable.

I might also add that Kansas is a low-cost area. We will have other examples from around the country to show you even more clearly how ridiculous this approach would be. If true affordable coverage becomes available in the private market, as the chairman of the Finance Committee believes it will, these poor families will have a $500 credit with which to purchase it. If it does not, these families will still have a $500 credit with which to purchase child care, indeed, medical services. We will not be betting their needed Federal dollars on the insurance industry. This is the difference. You have to get insurance.

The insurance people love it. Why not? They did not even have to testify. We are not going to bet on the insurance industry and hope they will come up with some program. I have a lot of confidence in the chairman of the Finance Committee but not in this particular amendment.

So our bill is easily understood and not very easily picked apart, unless you want to say that parents should not have the choice. I guess there are some who are going to stand up and say that; they are going to say this is not going to work; you are crazy to give money to the parents. It is only their children you are talking about. Why trust them? We have to go through this convoluted process, create a new Assistant Secretary for Day Care, give them a $7 million budget to start off, then get a leadoff agency in every State created. Oh, boy, give this 10 or 15 years and they will be bigger than the Federal Elections Commission or HHS itself.

There is one other provision that I think is worthy of noting. We have $400 million a year for the State Dependent Care Block Grant Program to assist States in meeting their particular child-care needs. There are not going to be a lot of bells and whistles. We are just going to make these funds available to the States. We do not set up any new office in HHS. We do not require the States to do the same. We also leave it entirely to the States as to what they want to do with respect to the standards. The funds from the block grant can be used for a wide variety of programs including resource referral and consumer education, recruitment and training and technical assistance of providers, establishing liability risk pools, which was a concern of the distinguished Senator from Missouri [Mr. BOND] and many others on both sides of the aisle, and other incentives for employer assistance care, developing programs for children with special needs, and establishment and enforcement of State standards, and this list does not include all permissible uses of these funds.

But I will tell you what they cannot be used for. They cannot be used to build institutional day-care facilities or directly subsidize the provision of day-care services. In contrast to the Mitchell substitute, however, most families without access to centralized day-care facilities or maybe do not choose to use them will not be out of luck.

Finally, we are going to seek to tap a special resource when it comes to taking care of children. In fact, I watched a program just this past week on one of the networks—I cannot remember which one—about the resource of senior citizens and adults and their relationship and their rapport with young children and what a resource it is we have not tapped in America in many cases. So we are going to try to tap this special resource, retired adults aged 65 to 69 for child care.

The amendment exempts earnings from the providing of child-care services from the Social Security earnings limit and those senior citizens who choose to continue in the work force will not be subject to penalty taxes of 50 percent to 100 percent or more if they devote their energies to children. Not a bad idea. I wish I had thought of it. Senator ARMSTRONG of Colorado and Senator ROTH of Delaware believed this would be the way to go. I believe that this incentive will prove beneficial to both the children and the adults.

Mr. President, before yielding to the Senator from New Mexico and others who want to speak, our amendment does meet the basic criteria for federally supported child care which were made by the President and which are important to many of us in the Chamber. It targets child-care assistance to all poor parents regardless of their particular family circumstances, and it allows those parents to choose from an expanded array of child-care options. I believe this is the best use of our Federal dollars.

I indicated early a list of 13 States with reference to the religious question. Alabama, Florida, Georgia, Illinois, Indiana, Maryland, Mississippi, Missouri, New Jersey, North Carolina, North Dakota, South Dakota, and Virginia.

I am advised the Bentsen credit was not a straight party-line vote. There were some Republicans.

I ask unanimous consent to include in the RECORD, and then I will yield the floor, an excellent op-ed piece in today's Washington Post by Senator PACKWOOD, "Keeping Parental Choice in Child Care."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 21, 1989]

KEEPING PARENTAL CHOICE IN CHILD CARE

(By Bob Packwood)

A heated philosophical debate is going on in the Senate over the question of child care. It is not about the need for child care in this country. Nor is it about whether the federal government has a role to play. We crossed that threshold long ago; in fact, last year federal funding of child care reached almost $7 billion. The current controversy focuses on how to expand the federal government's role in child care.

There are two approaches under consideration, and they are as different as night and day. The approach taken in the Act for Better Child Care (ABC) would give federal funds to states to subsidize child care. The other, bipartisan, approach, to be introduced this week by myself and others, maximizes parental choice by providing tax credits to parents. The differences between these two approaches are most striking in four areas:

Standards: One of the primary goals of ABC proponents is to set national standards that states would be required to meet to receive federal funds. Supporters of the bill have temporarily backed away from federal standards and instead have agreed to set up a national commission to develop "model standards" on everything from the educational background of a care-giver to the size of the yard in which children may play.

Federally mandated standards on child care are the wrong approach. States, not the federal government, are in the best position to know what kind of standards are appropriate for their own needs. Different parts of the country have different child-care needs based on economic, geographical, cultural and other factors. Our alternative has no federally mandated child-care standards, model or otherwise. Instead, states would have maximum latitude to set their own standards. A $400 million annual increase in State Dependent Care Development Grants would be provided to help states improve the quality and availability of child care.

Treatment of religious day care: Many parents send their children to day care sponsored by their church, synagogue or other religious institution. Some religious teaching may be involved. The ABC bill, which has as its cornerstone the direct payment of federal funds to care-givers, has a constitutional problem because the First

Amendment prohibits direct support of religion by the government.

The original ABC bill included a provision that no ABC money can be used for any religious purpose. This created a new problem: What about relatives who provide child care and have religious pictures on the wall or read the Bible to their grandchild or niece? To address this concern, the ABC bill was modified to exempt relatives from religious care restrictions. In addition, to gather more support, the ABC bill was changed to let other types of religious care receive ABC funds indirectly through certificates. No one knows whether these exceptions are constitutional. The harsh reality is that parents could well be foreclosed from choosing religiously oriented care for their children. Although proponents of the ABC bill have partially addressed these problems by adding a tax-credit component to their bill, the fundamental constitutional issue is unresolved.

Our alternative raises no constitutional issues because it subsidizes child care only through tax credits to parents. Parents can pay the provider of their choice, religious or otherwise.

How to fund child care: The ABC bill sets up a new program to be administered by the federal government. Federal funds would flow through the states to child-care providers. Up to 30 percent of the ABC funds could go to administering the system. Parents may or may not get their first choice of a care-giver; this would be determined by the state government.

Under our alternative, federal funds would go directly to low-income families by making the dependent-care tax credit refundable and adding a refundable young-child supplement to the present earned income tax credit. Refundable credits allow the government to give tax refunds to families with modest means that owe no federal income taxes.

The young-child supplement would apply to families with modest incomes having at least one child under age 5. The supplement would equal $500 for one child and $750 for two or more children under that age. Both tax credits would be paid in advance in the parent's paycheck, thereby making the money immediately available for child care bills when they come due.

Benefits provided bo homemakers: Frequently we are asked by our constituents why federal child-care benefits should not also go to families that have modest incomes and young children but may not have work-related child-care expense because a parent or other relative cares for the children. Our alternative would assist these families through the young-child supplement.

The question boils down to this: Do we want to spend child-care funds in the least obtrusive way possible, with the fewest regulations, tilting toward parental choice, neutral toward religious child care and that helps both homemakers and non-homemakers? Or do we want to approve legislation that is regulatory, antireligious and bureaucratic? When you compare the flexibility and benefits provided by our alternative, there is no question in my mind.

Mr. DOLE. I would also include in the RECORD at this point the statement of administration policy which was made available this morning and should be available to everyone. I would just highlight what the statement says and ask it be made a part of the RECORD.

The administration supports child care legislation that is consistent with the following principles established by the President: Assistance should go directly to the parents who are best able to make decisions about their children. Parents and not the Government should choose the child care they consider best. Federal policy should increase, not decrease, the range of choices available to parents.

That is what we do with the credit.

New Federal support for child care should be targeted to families most in need, and that is what we do with the earned income tax credit.

Federal policy should not discriminate against two-parent families, and we do not do that either in our proposal. If you have a stay-at-home mother, that is fine. It may be a necessity. Maybe it is because she wants to. Are you going to discriminate against her because she is not in the work force? That is not the President's idea of sound legislation.

The administration also indicates that S. 5, the modified, remodified, and remodified S. 5.

* * * puts its trust in government, not parents. Assistance does not go directly to parents. It is provided to States, which have the ultimate decision-making power on the care children will receive—whether the care is provided under contracts, grants, or certificates.

S. 5 provides assistance to two-parent families only when both parents are employed, perpetuating the current discrimination against those families which sacrifice income so that one parent can work at home to care for their children.

I did not know there was anything wrong with that. Apparently there is. A lot of those stay-at-home mothers feel strongly about this provision.

S. 5 decreases the range of child care choices available to parents.

S. 5 is not well targeted and would serve only a fraction of families most in need. One million children, at most, would receive subsidies in 1990, and they could be from families with incomes more than four times the poverty level.

I thought we were supposed to help those who could not afford it.

In addition, S. 5 sets up a huge bureaucracy with significant administrative overhead costs that will reduce the monies available to parents.

I will just highlight what the administration considers to be flaws in the so-called Mitchell substitute.

It provides direct assistance through tax credits only to families who pay for child care and health insurance.

That is DCTC and the Bentsen proposal.

It does not resolve the Church-state problem.

They may say it does, but it does not.

The substitute retains the requirement that care be non-sectarian in nature and content. New language indicates that care subsidized through State-issued certificates is not subject to this requirement if it comports with constitutional law. The Mitchell substitute merely states a truism: that no government monies may be awarded in violation of the Establishment Clause of the First Amendment of the Constitution. The new language does not eliminate the bill's fundamental problem—that religiously affiliated child care providers participating in a certificate program will be subjected to expensive, intrusive and invasive litigation and government regulation.

The Mitchell substitute "retains the biases in favor of institutional care and against care provided by informal providers, such as friends and neighbors."

What is wrong with friends and neighbors? Some of us may need more friends. Most of our neighbors are men and women of good will. They have a hard time providing any day care under the ABC bill unless they make some contract or get some certificate from somebody in Des Moines, Topeka, or some State capital.

The tax credit and grant funds earmarked for child care services benefit only those two parent families in which both parents work outside the home.

This is the same question on discrimination.

The administration does in its wisdom support the Dole-Packwood substitute because in effect, though modified some and not precisely what the President said, it has that same result.

I ask unanimous consent that the President's proposal and the comments on our substitute be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 5—ACT FOR BETTER CHILD CARE SERVICES OF 1989, THE MITCHELL SUBSTITUTE, AND THE DOLE-PACKWOOD AMENDMENT

The Administration supports child care legislation that is consistent with the following principles established by the President:

Assistance should go directly to parents, who are best able to make decisions about their children. Parents, and not the government, should choose the child care they consider best.

Federal policy should increase, not decrease, the range of choices available to parents.

New Federal support for child care should be targeted to families most in need.

Federal policy should not discriminate against two parent families in which one parent works at home to care for their children.

S. 5 violates all of the President's principles:

S. 5 puts its trust in government, not parents. Assistance does not go directly to parents. It is provided to States, which have the ultimate decision-making power on the care children will receive—whether the care is provided under contracts, grants, or certificates.

S. 5 provides assistance to two parent families only when both parents are employed,

perpetuating the current discrimination against those families which sacrifice income so that one parent can work at home to care for their children.

S. 5 decreases the range of child care choices available to parents. All care subsidized by S. 5, including care provided by relatives, must be totally non-sectarian in nature and content—a significant limitation on parental choice. S. 5 also mandates Federal standards that will limit the supply of providers and drive up prices, further diminishing parental choice.

S. 5 is not well targeted and would serve only a fraction of families most in need. One million children, at most, would receive subsidies in 1990, and they could be from families with incomes more than four times the poverty level.

In addition, S. 5 sets up a huge bureaucracy with significant administrative overhead costs that will reduce the monies available to parents.

FLAWED ALTERNATIVE (THE "MITCHELL SUBSTITUTE")

The alternative advanced by the Majority Leader—the "Mitchell substitute"—is an attempt to ameliorate the highly objectionable features of S. 5. Although it includes a tax credit that is not inconsistent with the President's principles, it is fundamentally flawed because:

It provides direct assistance through tax credits only to families who pay for child care and health insurance. These conditions constrain parental choice and deny assistance to families who are in as great or greater need than those who receive the credits.

It does not resolve the Church-State problem. The substitute retains the requirement that care be non-sectarian in nature and content. New language indicates that care subsidized through State-issued certificates is not subject to this requirement if it comports with constitutional law. The Mitchell substitute merely states a truism: that no government monies may be awarded in violation of the Establishment Clause of the First Amendment of the Constitution. The new language does not eliminate the bill's fundamental problem—that religiously affiliated child care providers participating in a certificate program will be subjected to expensive, intrusive and invasive litigation and government regulation. These problems consequently will deter use of certificates and encourage the use of grants and contracts, which are subject to the non-sectarian requirement.

It retains the biases in favor of institutional care and against care provided by informal providers, such as friends and neighbors. Only providers who are licensed or regulated, who are determined by the State to be "eligible providers," and who comply with government paperwork requirements can be paid for care under the substitute. The uncertainty about what constitutes acceptable practice when child care subsidies are provided through certificates only compounds this bias.

The tax credit and grant funds earmarked for child care services benefit only those two parent families in which both parents work outside the home. This perpetuates the discrimination against two parent families in which one parent works at home to care for the children. Because two-earner families have higher incomes than "traditional" families, and because the substitute discriminates against "traditional" families, it is not only unfair; it is also poorly targeted with respect to those in need.

PRESIDENT'S PROPOSAL

The President's tax-based proposal (S. 601) is clearly superior to S. 5 and the Mitchell substitute. It provides all assistance directly to parents, allowing them to decide for themselves how best to meet their children's needs. Assistance is targeted to low-income families, and 100% of the families who meet income and family composition requirements receive assistance. Two parent families in which one parent works at home to care for the children are eligible for the Child Tax Credit, which is not conditioned upon their making expenditures specified by the government.

The President has indicated that he is firm in his devotion to the principles underlying his proposal, but that he is flexible on how best to achieve them. As the Senate acts on child care legislation, the Administration seeks to advance a bill that best reflects the President's principles and prevents the S. 5—Mitchell approach.

DOLE-PACKWOOD SUBSTITUTE

We understand that Senators Dole and Packwood will propose an amendment to perfect the Mitchell substitute that does the following. It emphasizes direct assistance to parents by providing tax credits to low-income families with children. It includes an Earned Income Tax Credit (EITC) supplement for young children, which benefits two parent families in which one parent cares for the children at home. This supplement, which is similar to the President's Child Credit, could be used for, but is not conditioned upon, the purchase of health insurance. The amendment also makes the current Dependent and Child Care Tax Credit refundable, as proposed by the President. It retains the Head Start authorization increase and revenue measures in the Mitchell substitute.

This amendment clearly is far more consistent with the President's principles than S. 5 or the Mitchell substitute. It provides for greater parental choice and better targeting of those in need; it reduces discrimination against mothers who work at home; and it does not discriminate against parents who favor sectarian child care. Accordingly, the Administration favors Senate passage of the Dole-Packwood Amendment.

If S. 5 or the Mitchell child care bill were presented to the President, his senior advisors would recommend that he veto it.

[From the Washington Post, June 21, 1989]

KEEPING PARENTAL CHOICE IN CHILD CARE

(By Bob Packwood)

A heated philosophical debate is going on in the Senate over the question of child care. It is not about the need for child care in this country. Nor is it about whether the federal government has a role to play. We crossed that threshold long ago; in fact, last year federal funding of child care reached almost $7 billion. The current controversy focuses on how to expand the federal government's role in child care.

There are two approaches under consideration, and they are as different as night and day. The approach taken in the Act for Better Child Care (ABC) would give federal funds to states to subsidize child care. The other, bipartisan, approach, to be introduced this week by myself and others, maximizes parental choice by providing tax credits to parents. The differences between these two approaches are most striking in four areas:

Standards: One of the primary goals of ABC proponents is to set national standards that states would be required to meet to receive federal funds. Supporters of the bill have temporarily backed away from federal standards and instead have agreed to set up a national commission to develop "model standards" on everything from the educational background of a care-giver to the size of the yard in which children may play.

Federally mandated standards on child care are the wrong approach. States, not the federal government, are in the best position to know what kind of standards are appropriate for their own needs. Different parts of the country have different child-care needs based on economic, geographical, cultural and other factors. Our alternative has no federally mandated child-care standards, model or otherwise. Instead, states would have maximum latitude to set their own standards. A $400 million annual increase in State Dependent Care Development Grants would be provided to help states improve the quality and availability of child care.

Treatment of religious day care: Many parents send their children to day care sponsored by their church, synagogue or other religious institution. Some religious teaching may be involved. The ABC bill, which has as its cornerstone the direct payment of federal funds to care-givers, has a constitutional problem because the First Amendment prohibits direct support of religion by the government.

The original ABC bill included a provision that no ABC money can be used for any religious purpose. This created a new problem: What about relatives who provide child care and have religious pictures on the wall or read the Bible to their grandchild or niece? To address this concern, the ABC bill was modified to exempt relatives from religious care restrictions. In addition, to gather more support, the ABC bill was changed to let other types of religious care receive ABC funds indirectly through certificates. No one knows whether these exceptions are constitutional. The harsh reality is that parents could well be foreclosed from choosing religiously oriented care for their chilren. Although proponents of the ABC bill have partially addressed these problems by adding a tax-credit component to their bill, the fundamental constitutional issue is unresolved.

Our alternative raises no constitutional issues because it subsidizes child care only through tax credits to parents. Parents can pay the provider of their choice, religious or otherwise.

How to fund child care: The ABC bill sets up a new program to be administered by the federal government. Federal funds would flow through the states to child-care providers. Up to 30 percent of the ABC funds could go to administering the system. Parents may or may not get their first choice of a care-giver; this would be determined by the state government.

Under our alternative, federal funds would go directly to low-income families by making the dependent-care tax credit refundable and adding a refundable young-child supplement to the present earned income tax credit. Refundable credits allow the government to give tax refunds to families with modest means that owe no federal income taxes.

The young-child supplement would apply to families with modest incomes having at least one child under age 5. The supplement would equal $500 for one child and $750 for two or more children under that age. Both tax credits would be paid in advance in the

parent's paycheck, thereby making the money immediately available for child care bills when they come due.

Benefits provided to homemakers: Frequently we are asked by our constituents why federal child-care benefits should not also go to families that have modest incomes and young children but may not have work-related child-care expense because a parent or other relative cares for the children. Our alternative would assist these families through the young-child supplement.

The question boils down to this: Do we want to spend child-care funds in the least obtrusive way possible, with the fewest regulations, tilting toward parental choice, neutral toward religious child care and that helps both homemakers and non-homemakers? Or do we want to approve legislation that is regulatory, antireligious and bureaucratic? When you compare the flexibility and benefits provided by our alternative, there is no question in my mind.

Mr. DOLE. Mr. President, I said earlier this morning that the President was going to get a letter up here saying he would veto S. 5. A letter may not be necessary now because in this administration's policy statement paper which I have just received it says very clearly, if S. 5 or the Mitchell child-care bill were presented, the President's senior advisors would recommend that he veto it. I am advised that he would veto it, but we can still have the letter. I am not certain whether that will add anything to the debate at this point.

But I want to make the point that this is a very serious issue. I do not criticize those who have a different point of view. But I believe the President and a number of the agencies in the Government have looked at it carefully, and they have decided even with the modifications they cannot support S. 5 or the Mitchell substitute.

So we have tried. There has not been any secret that we have been working with colleagues, hopefully some on both sides of the aisle, trying to come up with an approach that could be understood.

We can look the parent in the eye and say you are going to get a tax credit under our proposal. If you are a low-income family, you are going to get that money. You do not have to go to anybody. You do not have to sign any contract. You do not have to get any certificate. You are going to be able to decide what you want to do for your child as far as child care.

It is not enough to cover someone's child care which might average $3,000 a year, but it is a start. It is as much or more as you are going to get under the other proposal. But you do it on your own.

So I hope as this debate unfolds the other side will give us 2 or 3 hours to make our case. Then we will be happy to come back and exchange a number of questions.

I now yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to my friend from Connecticut I am not going to speak very long here at this particular time. I know he wants to address this issue.

I will later in the afternoon come back with some more detail.

But I too want to join the distinguished Republican leader in praising the op-ed piece editorial page, that Senator PACKWOOD prepared for the Washington Post. I think it summarizes the issues as well as we can.

I am going to try to, in just a few minutes, address what I have found in talking to fellow Senators from both sides of the aisle is the most significant issue about his debate. Some say—and perhaps it is a way to say it—that this is an issue of keeping parental choice in child care, as my good friend from Oregon [Mr. PACKWOOD] has said.

I believe there is a gnawing issue, and that when Senators on both sides of the aisle finally understand the full ramifications they cannot conceivably support the reformed, amended ABC bill, which we will now call the Mitchell substitute.

Mr. President, we cannot have it both ways. Either we are trying in that bill, those who propose it, to take care of some of the poor children in this country, some but not all, or they intend to take care of a tiny fraction of the poor children in this country, and some but not all of the middle-income children in this country. You just cannot spread 70 percent of $1.7 billion any other way.

So let me tell you, and I hope fellow Senators who know their States, know their State governments, know the counties, know the politics, know the State welfare offices, know how tough it is to get anything done when you have to make disclosure to State bureaucrats in order to be entitled to a benefit. I hope they will listen carefully as those who propose the ABC bill, as modified, explain how and who is going to make the choice for those little poor children in one of my counties in northern New Mexico.

Who is going to make the decision for the Mormon parents of little children in Utah and whether or not they get an allocated slot in the health care, child-care program, either totally subsidized or partially.

Let me just talk to the occupant of the chair, a Governor. A State is going to be given a quantity of money. They are going to have to set up—and I do not like the word—people think we are down here betting up on bureaucrats, but, Mr. President, they are going to set up a bureaucracy to which the parents of little children must apply, disclose their finances because obviously if they are very poor they are going to get more help than if they are middle income. Who is going to decide that? There will be a whole new range of State employees. We used to say Federal bureaucracy. It will be State bureaucracy.

These parents are going to have to run down there, hat in hand, and say, "My little child is entitled to some day-care subsidy," and somebody is going to decide yea or nay, and how much.

Now, Mr. President, you know what is going to happen. First of all, it has to be rationed. I do not like the word, but the facts seem to be unequivocal that you cannot cover but a small fraction of those who want assistance. Somebody is going to ration the child care subsidy or the child care slots.

Mr. or Mrs. Jones or Mama and Papa Jones are going to show up by the thousands, by the millions, saying, "Can you not cover my child with this subsidy?" Sometimes they are going to say yes, and sometimes they are going to say no, and I ask, would it not be fair to put a little money in every such parent's pocket and let them choose how they spend it?

Can you imagine the in-fighting for whose child is going to be covered, when we know under this bill that you will only cover a small fraction? Can you imagine the pressure on this U.S. Congress when next year and the year after and the year after, we find that 70 percent of $1.7 billion—which is the funding here, Senators should note, and in the out years it is such funds as are necessary—can you imagine the pressure up here to turn that $1.7 billion appropriated each year into $2.7 billion and $5.7 billion, perhaps as much as $10.7 billion, because a tiny group of people are going to be screened and rationed, this child-care assistance, by some so-called lead State agency?

Mr. President, I believe there are parents in this country that, when they find out that they are going to have to go down to one of those State agencies and disclose their finances to see how much their little child is going to get, and will this bureaucrat give them the best slot, and will he even consider the church slot? How much are they going to go through in order to say the little neighborhood center where a mother is taking care of five children, that is where we would like them? They are going to tell the Senate that might work, we might clear them.

How long is it going to take the State agencies to clear that kind of center for allocation? My hunch is, so long, that it will be never. Then they will say, we can work out the church part, because you can determine that it is sectarian and not religious, and they can assign that little Catholic

child to that Catholic center. Do you believe that?

First of all, it will be in court with somebody suing them for about 8 or 9 years. Second, the bureaucrat, given the choice, is going down to one run by some State-approved agency, and under the guise of "We will treat them all fair." They have now created a situation in this approach where everybody thinks they are going to get something out of this, and only a small fraction is going to get anything out of it. Who is going to decide? There is no way to escape the creation of a huge, new regulatory process in each of our States, in exchange for this block grant we are going to give them; and then they are going to be behind the 8-ball from day one, because they can only cover a few kids.

Everyone is going to say, "We were mistreated," and they will be seeing their State legislator about the politics of it; and lo and behold, you are going to find that in some States, Governors with their political apparatus, will be talking about, "Be sure you take care of my friend Joe's little baby, Johnny." Frankly, I think it is a tremendous step in the wrong direction. I honestly believe, if we open this door to this way of providing our people with child care assistance, we are biting off the biggest bureaucracy and boondoggle potential out there in our Southern States of any of the bills we have approved in recent times.

So today, in my brief remarks, I merely want to say to Senators who are worried about either the religious aspect, who is going to decide what center they go to, what slots are allotted, and whether their constituents' children are covered or not, I am here to urge that they seriously consider the ramifications of opening this door. I stand on my statements before, that it could be $15 to $20 billion before we are finished, appropriated, if you are going to cover enough of the children to live up to the expectations created here on the floor, which go well beyond the poor.

In fact, they are going to criticize our bill, because it is only for the poor children, and they are going to say theirs covers middle-income people. Well, it might; it might cover 1 percent of them, if they are lucky enough to get chosen. What is the sliding scale for the subsidy going to be? Maybe you can give them each $10, and you will say that we are covering all of the middle-income children with something.

So it seems to me, those who are worried about who is going to make those kinds of decisions ought to understand that they do not have to make those kinds of decisions. You can let mothers and fathers make that kind of decision, and you do not have to discriminate if one chooses not to work either. You can choose the Dole-Packwood-Domenici-and-others approach, and both will get that, and you will not set yourself on a path of even implied discrimination against a mother who decides that she will stay home.

Incidentally, later today, when I talk in more detail, I have evidence that in the poverty level families, there are mothers who are choosing not to work, in large numbers. Someone of the floor said that was a misstatement, a misunderstanding, that obviously in the poor families, they are both working, so why worry about the stay-at-home? The evidence is to the contrary; $15,000 wage earner families, many of them, the mother is making the choice not to work. In fact, a very large percentage are left out. They are not left out under ours.

So there will be more opportunity for give-and-take, but I wanted those Senators that I have talked to—their must be 8 or 10 who are very leary, they are on the fence, they are worried. I hope they will take a real look at this ABC approach of appropriating money, so that somebody in each State can determine who is entitled to some child-care help and how much and where. I believe that is a move in the wrong direction.

I think we ought to go with something defined, put money in—everyone that has children, that are poor, put money in the pockets, and let them decide. I think that is what we do, and I am pleased to join the Senator from Oregon with this approach.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I have enjoyed the last 20 minutes or so, listening to the distinguished minority leader and my good friend from New Mexico [Mr. DOMENICI]. I am so mystified, because I hear them talking, but I am not sure if we are talking about the same piece of legislation. I have never seen, in the last number of months, so many speeches given about a piece of legislation with which I am totally unfamiliar. They are talking about a bill that does not even remotely exist. It is talking about something that may have existed in the minds of someone a long time ago, but is not now before the Senate.

Yet, I must also quickly say that I am flattered. If imitation is the sincerest form of flattery, then I suppose I should be somewhat flattered, as well, as I listen to the proposal from the minority leader in terms of an alternative, because we are looking at some features in that bill which the distinguished Senator from Utah and I have been advocating, and that, frankly, I do not think ever would be advocated were we not in this position.

Second, Mr. President, that substitute, the Mitchell substitute, has been on this floor for almost a week. Today is Wednesday. It was proposed a week ago tomorrow.

I have been on this floor all day Thursday, all day Friday, all day Monday, all day yesterday, and now half of today. We have had two amendments adopted by voice vote. And that amount of time has been given frankly, the truth be known, to the minority leader and others to see if they could shop around to come up with an alternative.

Let there be no illusion in anyone's mind. What we have in the form of an alternative is a political alternative. It is not an alternative or a substitute for child care. It is a political alternative.

The bill is being crafted to produce votes, not to deal with the problem that now most people recognize is deep and troublesome to most American families, and that is the issue of adequate, affordable quality child care for their infants.

But they do this rather than come forward and say, "Listen, we do not agree with you in every aspect of your bill, but we would like to make some suggestions, let's see if we can't work something out."

I sat in the White House almost 4 months ago just a few short hours after the Committee on Labor and Education had passed out a child-care bill. My first reaction was to go to the White House to see if we could not work out a compromise on child care so that we might have a Democratic-Republican-executive branch-legislative branch proposal on child care.

I sat in the office with the President's chief advisers and said, "Let's work this out." My colleague from Utah was sitting in the room with me. And personnel at the White House know it.

I said, "Can our staffs get together to try and resolve these differences? Will you get back to me when we can sit down and work this out?"

Mr. President, that was the last time I have heard from the White House, despite repeated efforts to try and sit down and reach a compromise.

I have sat with other of my colleagues here, and they know who they are, on the other side, the authors of these alternatives, weeks ago, in phone calls, in their office, any time, night or day, weekends, "How can we put a bill together?" They know who they are. I reached to the White House, to my colleagues on the other side, day after day, week after week, and the answer, Mr. President, every single time was "No." "No, we don't even want to talk to you."

Now I am being told that, "You would not sit down, you would not try to put something together. You will not try to work something out."

Let the record be clear and unequivocal, this Senator has tried for months to put together a compromise

proposal, and my colleagues on the other side know it. They know it.

I have sat here for 6 days and finally sometime this morning I get an alternative, and I am going to go into the specifics of that alternative, because I have listened for the last 20 minutes to idle chatter about bureaucracy and choice of parents and our legislation is a bureaucratic proposal that does not care about infants and families.

They know better than that. They know better.

Our bill is not perfect at all. Of course, there are ways to improve it.

But to suggest somehow that our goals and desires are to create some bureaucracy, some evil-headed monster to deprive people of their choice, that is how weak, that is how shallow, that is how empty their arguments are.

Rather than to address the issue of child care, what needs to be done, they get into a mindless, senseless, foolish criticism of a bill that years have been spent in drafting.

Is the Catholic church foolish? Is the National Governors' Association foolish? Are the League of Cities, National Association of State Legislatures, 139 other organizations, the National Association of Pediatrics—you can go down the long list of people who work in early childhood development foolish. People who know about children and their families have helped put this together. Is everybody a fool that has been involved in this?

And who supports an alternative, who? You did not hear the minority leader mention anyone.

Talk about not knowing what is in a bill that has been put before us.

But let us just take a look at it, if you will, based on what I have been able to read here, and let us separate fact from fiction on who really cares about minimizing bureaucracy, who really cares about getting resources to families, who really cares about maximum flexibility in choice. Let us look at these alternatives.

Who cares about seeing that resources be available to as broad a range of our citizens as possible? Yes, we do try to help people who are not just in the poverty level. I am not ashamed of saying that. There are middle-income families in this country that have child-care needs, not just the very poor, although our bill is focused on the poor.

Are we terribly wrong because we at least allow States some flexibility and maybe providing some assistance to some middle-income families? God forbid. Middle-income families, all they do is pay taxes and fight the wars. Rarely do they get a chance to be the beneficiary of anything that this Government does.

Yes, we try to do that. I am guilty. I plead guilty, Mr. President, I tried to do something here occasionally for a middle-income family. God, what a terrible thing to have done, what a terrible thing to have done.

I am not ashamed of that at all.

The alternative proposal—they suggest here a huge bureaucracy. Seventy percent of our funds go to families directly under the ABC bill. Not one penny of the alternative proposal in their block grant goes to a family. It just goes to States. Out of $400 million, not a penny to a family or a child.

Which is the bureaucratic program? Four hundred million dollars to the States, none of it going to parents.

In the proposal of the Senator from Utah and I, 70 percent of our fundings go directly to parents, to defray the cost of child care.

Which is the bureaucracy program, which of the two I ask you?

We provide funds to families; they do not provide a nickel to them under their block grant proposal.

I might say it is the first time they have ever even offered a block grant proposal. I commend them for that.

But parents deserve some help and they are not providing it in their proposal.

No strings attached, the minority leader said. God help you if you have a kid who is 4; if today your child celebrated his fourth birthday in America and you are working, a family or a single parent trying to raise that child, you are out. The Republican alternative says, "no" to you. Under 4—let me tell you, Mr. President, there are families in this country who have children who are older than 4 who need child care and under the alternative proposal they are out.

Under our proposal you can be 12 years old and move up. So we reach up into higher age groups because we realize that latchkey children and others need help as well. That is not a string. That does not deprive parents of choice, if they restrain, who can take advantage or benefit of that.

We set out some ideal standards, some goals, but we do not mandate them. We let the States decide to do that.

Is that so dreadful to say set some standards in your own State so that when parents are trying to make choices about with whom to leave not their car, not their car—we have standards for mechanics in America. You cannot just leave your car with anybody. If you are going to be a mechanic, you have to get licensed in most States in this country. If you want to be an elevator operator, you have to get licensed in most States in this country. If you want to be someone who runs a pet shop, you have to be licensed in most States in this country. If you want to give a haircut, you have to get licensed in America. But God forbid we should ask any State or anyone to have some criteria, some licensing to watch your infant child.

How ludicrous can you be?

We set standards for nursing homes, top standards. My colleagues on this side were the strong supporters of that, Medicaid, Medicare—strong standards. Elderly people ought not to be placed in an institution where the people watching them do not meet some minimum standards. I agree.

But should a 4-year-old child be placed in a child-care center and not set some minimum standards, a person who cannot speak for himself or herself? When they come home at night and their parents pick them up, they look them over to see if they have any bruises on them because a child cannot say, "The food was bad today, that person you are leaving me with is not treating me well."

But, no, I am a dreadful, onerous advocate of bureaucracy because I say that children deserve the same thing as your automobile, your pet, your elevator operator, or the guy who gives you a haircut.

Yet, those who advocate this are antiparent and antichild. There is nothing in the alternative. It does not even speak to the question of whether or not we ought to at least encourage something in this regard. Which of the two alternatives does more for children and more for the American family?

From every survey I have seen done, parents worry about the quality of the care. They spend a good part of their day on the job wondering about that unknown person they interviewed, they talked to. When they examined that child-care center: Is it everything I hoped it would be? They go by at night. They take the calls during the day. They try to stop by for lunch, if they can.

One of the things in our bill, we say parents ought to have the right—we do not mandate it—but they ought to have a right to make an unannounced visit to a child-care center. A number of States in this country do not permit that. The alternative does not speak to that. Talk about parental choice and rights; whether or not you can walk in and say: How is my child being treated at 9 or 10 or 11 or 2 in the afternoon—that is the best way I know to make a child-care center or someone who is watching a child be conscious of the fact that someone may be checking. And who is a better checker than a parent?

There is a long list of these things we talk about here, that we encourage the States to adopt: sanitation, electricity, checking the background of a person.

How is a person to know when she walks in? What are they supposed to say, "Have you ever been a felon"? What are they going to say?

"Did you ever beat up a kid?" And yet one of the things we require is that States do background checks on people.

This side does not even talk about it. What? Is the parent supposed to do the background check on each one of these people? That is what their alternative proposes. And that is to help parents? That is to improve the quality of child care in this country? At least we try to make this a more sane system for people.

Yes, we are proud of the fact that we provide assistance to grandmother or grandfather, aunt or uncle, or the adult sibling, to provide child care. We recognize those people can provide good child care.

I will tell the Presiding Officer quickly, as well, that in very few cases in this country is grandma and grandpa, or brother or sister or aunt or uncle, around 5 days a week, 8 hours a day, week after week, month after month, to watch the child. Babysit on a Saturday night; sure. Weekends when parents want to get away because they are tired of the kids; absolutely.

But if they think grandma or grandpa are going to become the child-care providers for our kids for the next 3 or 4 or 5 years, they have something else coming. They have not talked to many grandparents lately. But, to the extent they do, we say, absolutely. Our bill says absolutely reimburse them if they want to pay grandma and grandpa for watching our children.

I do not know how many grandparents necessarily insist that they get paid by their children to watch their grandchildren. Most grandparents would like doing that. But nonetheless, if parents want to pay them, we say pay them. The alternative: Not a nickel. Not a nickel, not a nickel will go to them.

Which side cares more about parents and families, I ask, under those circumstances?

So, on standards we do not mandate. We say: If parents want to use the church, use the church. If St. Aloysius has a great child-care program, go for it. Senator FORD, Senator DURENBERGER worked on that language, worked with other organizations. My colleague said very clearly to me, the Senator from Utah, who felt very strongly about it as well: let us not get into this here. I know my colleague is saying church-based programs can be involved but make sure it is clear and unequivocal. So I did what I think a good legislator is supposed to do. I listened to colleagues and we put it in. Now listen to the alternative. They are angry about it. They are sad I did that; upset that I did that, in a sense. They wished that I had not, so then they could go and try to build a political reason for rejecting this bill that has been worked on by so many people for so long.

I listen to some of them talk about mothers at home and I am terribly sympathetic to that. I think it is an important question. I would point out we do things under the Tax Code already to help. Maybe not enough. I would not disagree with that at all. Under the dependent care credits, we can get for our homes, or not, $4 billion of them exist in our Tax Code today. People say why are they not part of the bill. If we have $4 billion already in there, maybe we ought to put a cap or income limitation on them, make more available to middle-income people or below. I am all for considering that. But I am told most people would not support that. But I am told there are credits people can take advantage of if they are home today.

There are people on my staff who have wives who stay at home and raise children. They take advantage of those credits. I applaud them for that. So we have taken that crowd into consideration. Maybe we have not done enough and I accept that point. But if they say we are not doing anything, they are wrong; we do. And I think we ought to be proud of that.

But I find it somewhat—almost amusing, Mr. President, to hear some people here talk about mothers at home when the same Members have stood on this floor explaining about the AFDC mother, the welfare mother. In fact, last year we passed a welfare reform package and one of the great arguments that brought the broad base of support for that legislation in this Chamber was we were going to get those women back to work. We should not be dishing out $16 billion a year in AFDC payments. These people ought to be productive taxpaying citizens.

One of the ways in which we encourage them to go back to work is job training and child care during the training period. That was part of the welfare reform package last year. Get that AFDC mother out of the house and get her back to work.

But then I turn around and that same Senator says: But on the other hand, we want to keep them at home and not go to work. So I find myself somewhat confused about who we are talking about here. I think what we try to do is encourage—I, do—people who can afford to do so to stay at home and raise their children. Regrettably, that is a shrinking number in our society. Two out of every three women are the sole providers of their families; sole providers. There is no choice there, Mr. President. If someone is the sole provider of their kids—I do not know who my colleagues are talking about, but that woman has no choice. She needs help. Unless she wants to go on welfare. Is that what they are suggesting? She wants to be a good worker and a good mother and she needs help. That is all we are trying to do here.

I am being criticized because it is not enough. That is an interesting argument. We have only $1.75 billion in here, Senator. This program is going to need to serve a lot more.

Well, so scuttle the whole thing because I do not do enough. Am I to believe that theirs is a better alternative because they do nothing in this regard? I understand fiscal restraints. What did I do? I went to the Budget Committee. I said I would like to get a child-care bill passed this year but I know it has to be part of the budget. And the budget signed by the President of the United States includes the funds for this child-care bill. In fact, in the House of Representatives, the other body, there is a provision that specifically fences the money for child care. And the President of this country signed that budget resolution. The language could not be clearer in the report: For affordable, available, quality child care. So it is in the budget.

There are only 1 million children that can benefit by this. I know there may be more. But I am hopeful, Mr. President, that we may start an idea working here, you see, with this. Maybe, by starting to help 1 million children in our society, and their families get back to work, maybe the business sector—one of the things we include in our bill that is not in the alternative at all, the private-public partnerships—maybe they will start to do more in this area. Maybe we can promote more activity. That is the way we ought to be doing it if we are going to be successful with this legislation.

The alternative does not even refer at all to any of those kinds of activities to try to promote more activity by the private sector.

Of course, the proposal included by the distinguished chairman of the Finance Committee for health credit, that applies to mothers at home. They can collect that credit, whether or not they are working or staying at home, to defer the cost of a health insurance policy, and that is related to child care.

Insurance premiums are expensive. Thirty-seven million Americans have no health insurance, and 13 million of that number are children. The Senator from Texas rightly is trying to address that problem here. Children without health insurance. And that is available to mothers at home or mothers in the work force. So we do provide assistance in that area.

Mr. President, let me suggest to you that when we are talking about the alternative, as it has been described here, let us look at it in a careful way. It is a block grant, money only to the

States; no money to families. The tax sides of the bill, if you will, the tax credit sides are almost equal. Both include refundability. Ours goes a little bit further and tries to deal with the health issue as well. The difference is we also try to provide some assistance in a direct way allowing the States to run it. No Federal bureaucracy, and that has been said over and over again.

The Congressional Budget Office has suggested that to the extent there may be any Federal expenditures—may be—it may amount to 0.3 of 1 percent. 99.7 percent under the worst conditions of this legislation go to States and 70 percent of that goes directly to parents. So rather than take to what we are trying to do here directly, I find the authors of the alternative trying to create this mystique about a huge bureaucracy. It just does not exist. I do not know how often I can say that. I invite everybody to read the legislation.

One Federal job is provided for in this bill, a Federal administrator, and that person can be presently employed by the Department of Health and Human Services. That is it. That is it, Mr. President. I do not know whether I have to stand on the top of this building to say that, but if I hear one more time from someone coming over here about a huge Federal bureaucracy that we create, I am fearful that is what I may have to do to get people's attention. One job, Congressional Budget Office, maybe 0.3 of 1 percent. Maybe. I want to be honest, there may be a couple of bucks involved here, but 99.7 percent of this bill goes directly to the States and directly to families. That is the difference.

We provide care to children up through young adulthood. Our colleagues, only up until you are 3, and that is a pretty heavy burden to bear. They provide maybe $500 for a child. Average child care costs $3,000. With a cap on those earnings, you have to be very poor, roughly earning about $10,000 or $12,000 a year. Let me ask as a practical matter, is there anybody in this Chamber who believes that a person making a gross income of $10,000 a year with 2 children when the average cost of child care is $3,000 per child per year, if you are making $10,000 and you are looking at a $6,000 child-care bill, it is $750 under my dear colleague's alternative, is going to mean anything? Do you really believe that if you have a $6,000 child-care cost looking you in the face that $750 is going to cause you to go to work, or are you going to stay home and continue to collect that AFDC check? I will take that bet any day of the week, Mr. President, what is going to happen.

Unfortunately, it is not enough. If you have a $6,000 bill and you are getting $750 in refundable credits and you are making $10,000 a year, you are not going to use this money. It is not enough to defray that cost. So to try to lure the person off welfare, which is what we are trying to do here, get them trained, get them to work the poorest here, I suggest the alternative does not come remotely close to that.

Our ABC bill says you can. The State of Arkansas, the State of Nebraska, the State of Connecticut can go in and say we are going to take the AFDC recipient and make it a meaningful contribution. On the average, it is $35 million in assistance in our bill. Under the alternative, it is $8 million, the average. I just happen to be walking around, Mr. President, with the list of the States: Arkansas, under our bill, the State would receive $23.3 million, 70 percent of which would go directly to families, must go directly to families, to reduce the cost of child care, and Arkansas will decide who gets that money within that range, either to provide 50 percent or 75 percent or 10 percent, but Arkansas decides it, not this body.

Nebraska: Under our bill $11.3 million would go to the State of Nebraska. Under the alternative, $2.5 million. And by the way, in Arkansas, of the $3.9 million, not one penny of that goes to families in Arkansas. Not one penny. It just goes to your State bureaucracy. Under our bill, of the $23 million, 70 percent of it goes to the people of Arkansas, the citizens, the parents and the children of Arkansas.

If you want to stand up and support an alternative, you better look at the numbers and see who is advocating a bureaucracy here rather than providing assistance to children. I am very proud of the fact we have the support of the Governors' Association and other groups who have worked hard with us on this. Do you think the Governors of this country are going to support a bill that is nothing more than a bueaucratic boondoggle that does not mean anything to their citizenry, their constituents? I doubt it. Is the Catholic Conference going to support a bill that does not really eliminate the discrimination against religious based child care? I doubt it.

I do not really believe the Senator from New Mexico or the distinguished minority leader even believe their own words, but I think they are desperately looking for votes around here. Any speech that will bring them a vote, any comment, any way to characterize this is OK, as long as it produces a vote or two, and that is what I am up against. Not once in 5 days has anybody over here walked over and said, "How can we work together, Senator? Let's you and I put a bill together." Not once, Mr. President, since last Thursday. Now that ought to tell you something. Not once since March has anyone at the White House picked up the phone and called me. I have called them and said, "How can we get together on this?" Not once. Not once. The Senator from Utah and I have. We have not cornered the wisdom on the best child-care programs in the world. We know that. But when the authors of the alternative refuse to even really sit down and work out something together, I think their motives, frankly, with all due respect, have to be suspect.

So I urge my colleagues when they look at these alternatives to keep in mind the kind of work that has gone into the ABC bill. They are not Republicans, Democrats, liberals, conservatives. Pediatricians, teachers, parents, child-care workers, all these people involved in these things do not care if the Democrats get credit or the Republicans or George Bush or the Senator from Utah; they could care less. They could care less about who runs the 30-second political spot in the next campaign saying we got child care done. All they want, Mr. President, is a decent, available, affordable, quality child-care program in this country, and we are sitting here for 6 days fighting over a vote here and there to see who can claim credit come Friday, who gets to issue the press release. The American people ought to know that. American families ought to know that.

This is not a debate about child care; it is a debate about the 15- or 30-second spot on television. That is what it is about, otherwise, they would be sitting down and negotiating and talking about putting together a compromise. They have not and they have refused to. I have not said that before, Mr. President, because I thought if I remain quiet and did not express what I felt after all those conversations that maybe it would happen. Maybe someone might pick up that phone. Maybe someone might knock on my door and say, "How do we work this out?" It has never, never happened, and now the truth ought to be known.

So if you are interested, Mr. President, and I say to my colleagues, in seeing us come out with something here that will make sense to get some dollars to folks at home, try and provide some relief in the cost of this need—I said yesterday and will repeat again, Mr. President: I do not take pleasure in talking about a child-care bill. The Senator from Arkansas and I talked about this briefly. He was describing what it was like growing up as a child in a small town in Arkansas. In a way, it is tragic we are talking about child care, how this country has changed since the time I was a child, which is not that many years ago, when my mother was at home. The people I went to school with, their mothers were at home. I knew very few kids growing up who did not have one parent at home, usually a mother. And in a generation, we have reached a point where only 1 in 10 American

families have dad at work and mom at home—1 in 10 in that category.

I do not know how you legislate or turn that all around. I do not like the idea that we are sitting here talking about how do we provide some relief for single-parent families or how do we provide some relief for the overwhelming majority of Americans where two parents must work to make ends meet, must work not because they want a second TV or a second Volvo or a summer vacation in some fancy resort; they have to to make ends meet. I regret we are engaged in that debate. I think it is tragic and sad we are engaged in that debate.

(Mr. ROBB assumed the chair.)

Mr. DODD. Mr. President, the realities are that too many people in this country are in that situation, through no fault of their own. And all we are trying to do is to see if we cannot be a constructive, positive force to provide some help. That is all this is all about—so that the American child might benefit.

This bill is called child care, not parental care. A 4-year-old child cannot get a voucher or get a tax credit. Only their parents can. So what we are trying to do is to invest in that child, to improve the opportunities and the chances for that child, who, through no fault of its own, is living in a single parent home, through no fault of its own both parents must work to make ends meet. The parents want that child to have good care. That child, if he or she could speak to us, I presume, would tell us they would like somebody who cared about them, maybe not as much as their mother or father but someone who cared about them and loved them as a person, who would feed them properly, maybe not give them the same educational advice as mother or father would but at least try and make that day a meaningful day for them. We as adults in this generation bear the burden of seeing to it that that generation be given the very best that we can afford to give them as their parents would if they could.

That is all this is about. It is child care. We want those children to be bright, good citizens, who will support our Constitution, who will support our values and our principles as a Nation. To do that they have to have the tools to do it. They have to have that education. They have to have that ability to learn. All we are trying to do is to see to it that in that situation they will be given that opportunity. Someday they are going to tell us how they feel about it, I suppose, when they are adults and can express themselves more articulately than you can when you are 4 years old and you can understand what is going on. But I suspect at some point they might look back and say, "My God what were you thinking?"

My God, we passed the bailout for the savings and loan institutions in 2 days here. What is it, $150 billion? We had a 2-day debate. I have been here for 5 days over $1 billion for child care. President Bush said I need help to bail out the savings and loan institutions. I sit on the Banking Committee, Mr. President. I went to bat for him. I did not like it, but I understand you have to support those savings and loan institutions. We worked together. We did it in 2 days on the floor here, and I think it passed 92 to 8 or something like that.

I am involved in a 6-day debate over $1 billion to provide some assistance to families and children in child care. I can bail out a thief in Texas, but I cannot provide a nickel to a family in Virginia or Connecticut or Utah. What are the priorities of the Nation when it finds no trouble asking the American taxpayer to subsidize some crooks or some incompetents in the savings and loan institutions but is not willing to recognize the needs of the average American family, people who are trying to get off welfare and back to work or working families that need some assistance. The one we do very easily, hardly bat an eye, and on this one, my God, you would have thought that we had invited Marx or Lenin into the Halls of the U.S. Senate, to listen to some of the speeches around here this morning. They ought to be ashamed of themselves, some of the rhetoric I have heard.

So, Mr. President, we will go into the specifics later in the day, and I know my colleagues are not going to be lured by the sort of threadbare, worn out rhetoric that is used regardless of the program. Every time they cannot come up with a decent argument on why it ought to be opposed, just reach into that old bag and bring out the old standard argument, regardless of what it is, and see if we cannot get people frightened about the word bureaucracy when they actually have more of it than we do.

Parental choice, we provide a lot more of it than they do. We have a broad based program that says you do not have to be just 3 years old to get help from the Government. You could be 5 and 6 and 7 years old. Our bill says to a 7-year-old or a 5-year-old, we recognize you may need some child care. The alternative says no, at 4 you are done.

So we think we do provide broader choice, broader flexibility. We involve the States. We encourage greater participation. We try to promote the availability. We try to at least encourage quality in these programs. And it is not a perfect bill, Mr. President, and it is not the end-all of child care.

I would still hope, even at this late hour, that the other side might come forward and say let us try to work this thing out. I might get that phone call yet, Mr. President. I have not in 4 months. I am still open—despite what they have said, I am still open. My phones are open. The lines are open. If someone at the White House wants to pick up that phone and call me and say how can we sit down and work it out, I am ready. If the minority leader or others would just walk across this little space right here—it is not big—and say, Senator, how do we work this out—I have been here for 5 days. Nobody has walked across that little space and asked me about how we can work it out. All I have seen is people running around with papers in their hands in hushed corners trying to pick up a vote here or there to defeat the ABC bill, this dreadful monster that has been created. If they had spent as much time talking with me about how we could work it out, we would have been out of here days ago. We would have a child-care program that would serve the American public and we would not have had to worry about people taking out spots in newspaper ads or on television claiming credit for one party or another or some candidate or another.

So the lines are open. The doors are open. Unfortunately, no one wants to make that effort, so unfortunately I guess we will have to go through this process and hope in the end we will get something that will serve the people in this country. They want something done. They really are hoping that we will have the good wisdom and judgment to step in and at least provide some help in this arena.

Mr. President, I am confident that will happen. Unfortunately, it may take a little more time than it should, but I honestly believe that before this process is all over with we will come out with a decent program in this country. I believe that in the final analysis it will be one that is worked out between the President and the Congress. I am glad the President did not send up, despite the efforts of some to get it, a letter up here saying I am going to guarantee a veto. That does not serve anyone's interest at this point when it is only working its way through one House of the Congress. So at least I thank the President for not having been lured by that bait which would not exacerbate this problem, make it more difficult for us to try to work together. So I hope we could put the partisan differences aside to the extent they exist.

I want to tell you again, Mr. President, I have said it so many times here again today, my admiration for my colleague from Utah has grown by leaps and bounds over the last 4 or 5 days, in fact going back weeks and months as he has worked with me on this. He has been under a lot of pressure. He has been called a lot of names because he will not get partisan on

this issue, because he believes in trying to work something out here which is what we are sent here to do when we can. Occasionally you cannot. Occasionally principles get in the way and you will not be able to reach agreement. We have. And now he is being abused because he did it, because he worked at that. I just want my colleagues to know how much I admire him for having taken the steps, fought as hard as he did, and improved the quality of that product substantially. It would not be as good a bill had he not been involved at all.

So we look forward this afternoon to a continuing debate and discussion. But let me invite my colleagues on the other side to have a good, intelligent, healthy discussion and not a name calling one where you label bills things they do not deserve to be labeled. There is legitimate ground for some disagreement on some of these things. It is a matter of which thing you think may work better. But neither of these proposals deserve to be blasted in terms that they do not deserve, certainly this one does not. The alternative was worked on last night. This is 2 years, 2 years, of conservatives, progressives, outside groups, teachers, parents, Governors, State legislators, working on this bill.

I am proud of this product, Mr. President. It is the way a bill ought to emerge here. The alternative is one that has been kind of pasted and glued together over the last few hours, to try to beat this one politically.

So I hope, and I am confident, that we will finally get to a debate and vote on these matters in the next few hours.

I have not run out of patience. It has been a long few years working at this. I am prepared to stay here for however long it takes to try to resolve this issue. I am confident again that with the support of our colleagues, as they recognize what efforts have gone into this, the thoughts that have gone into this, the careful crafting that has gone into this, that when we get over this problem that faces us we will all come together behind an intelligent, thoughtful child care program that includes quality and availability, and reducing the cost to American families. Those are our goals.

Our bill at least tries to deal with each one of those questions in an intelligent way, not in a completely comprehensive way at all. But we start down that road. I think the American public will thank us for that.

Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. Thank you, Senator DODD.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I want to commend the two leaders on this bill, the Senator from Utah, and the Senator from Connecticut, for the fine work which they have done on this piece of legislation.

This is a very difficult area of legislation. Crafting a package and a proposal that will please everyone is almost impossible. But it is absolutely essential that we make progress in this area. Millions of people across our country have no choice but to leave children at home in the care of others in order to have jobs to support their families. I have looked at the various proposals before us, and I intend to support the package offered by the Senator from Connecticut, and the Senator from Utah when this matter comes to a vote.

I think they have struck a fair balance in this piece of legislation between the need to provide additional child-care opportunities in the country, and I am convinced that this particular proposal will do more to expand the availability of facilities, far more than simply giving additional block grants to the States where they might or might not be used effectively for this purpose.

In addition, I have very strong feelings that those who wish to have their children cared for in institutions that are operated by religious denominations should have an opportunity to do so.

In my home State, the pioneers in offering day-care facilities were really churches across the State. Especially this is true in smaller communities where other commercial day-care facilities are not available. These day-care centers were not established to provide some sort of sectarian indoctrination. They were simply established to provide a loving and secure atmosphere in which children could be kept for working parents.

Churches have provided a tremendous service to the community, a tremendous service to families and the maintenance of the family unit, in making available these services.

I am pleased that a compromise has been reached, which would make it very, very clear that those day-care facilities that are operated by religious institutions would be eligible to receive assistance under this bill. It is still my hope that before all is said and done, we will be able to take a proposal made by the President to expand the tax credit for all children, which would provide benefits for those mothers who stay at home with their children, rather than going into the job market and into the work force.

I think it would be an ideal package if, in addition to the items which are offered in the Dodd-Hatch package, after consideration of it, we could add the addition of the tax credit proposal made by the President. The tax credit proposal voted out of the Finance Committee is an excellent one. It gives direct tax credits to offset the costs of day care for those working mothers who are forced to place their children in day-care facilities. I think in order to also encourage those mothers who are making financial sacrifice to stay out of the job market, where that is possible, and keep their children at home, we should also add to this proposal the additional tax credit supported by the President.

Mr. President, this should not be a partisan matter. We should not try to seek partisan advantage, as we grapple with this important problem facing our country.

It is an American problem that we are dealing with, not a Republican problem or a Democratic problem. I am not concerned about which party's stamp is left on this bill, in terms of which party gets credit for it. I am concerned that we solve a critical problem facing this country. Parents who have to work should have the assurance that there is quality day care available for their children, so that they can have the confidence that their children will receive the kind of treatment they are entitled to receive, while those mothers and those fathers are in the workplace earning a living. It is often a necessity for parents to make this decision, and that is why we have a responsibility to do everything that we can to assure that quality and safe care is available.

The Senator from Connecticut and the Senator from Utah have spent many, many hours working to craft a proposal that will meet these goals. In my opinion, they have done an excellent job. They have achieved a result, I think, that, on balance, will be of great benefit to millions of people across this country, and especially of great benefit to the children of this country.

It is not a perfect package. No package of this kind worked out with an aim toward balancing an interest of all sections of the work force will ever be a perfect package. As I say, I hope that we will be able to add some amendments to this proposal, before it is finally adopted, that would add the President's tax credit proposal, as well. But having carefully studied the various proposals before us, it is my intention to vote against substitutes offered for this package, to vote for this package, and to vote for some amendments, particularly, with the addition of the President's proposed tax credits to it, before we go to final passage.

VOL 135 PT 9 JE 14 — 22 1989 UMI

I want to commend the Senator from Utah, who is on the floor, and also the Senator from Connecticut, who has long had a deep interest in this subject, a sincere concern, for the well-being of children in this country. I commend him for never losing interest, for persevering, for struggling through to try to put together a legislative package that will be of great benefit to this country. I think that has happened, and I intend to support its final passage.

Mr. GORE. Mr. President, I want to speak briefly on the substitute amendment offered by the minority leader because I have been a strong proponent of two of the key provisions of his substitute package, those being the earned income tax credit and the dependent-care tax credit. In fact, I have a bill pending in the Finance Committee, titled the Employment Incentives Act, which would seek to assist working poor families by expanding and improving EITC—and I must say to a much greater extent than does the proposal before us. My bill also would improve the dependent-care tax credit. I fully agree with the minority leader that we need to expand the EITC and adjust it for family size. And I believe just about everyone supports the effort to make the dependent-care tax credit refundable so that low-income families can benefit from this credit as do wealthier families. I am extremely pleased that the amendments offered by both the distinguished majority and minority leaders included provisions on the dependent-care tax credit.

Now I would like to support ABC and also support EITC expansion. I see them as separate initiatives to address different parts of the same problem. And I am hard pressed to vote against either one, because I believe we need to do both. But I believe, as do the sponsors of ABC, that the various tax credit proposals will not adequately respond to the pressing child care needs that American families are facing. Tax credits are not child care. Families of low and modest income need safe and affordable child care that can only come about if States have the resources and the incentives to increase the supply of child-care providers and improve their child-care standards. And poor families need help in paying for this care.

I regret that I was unable to support the minority leader's amendment. I wish that it had not been offered as a substitute amendment. I am hopeful that we still can take steps to both improve child care and also provide tax relief to the working poor through the earned income tax credit. And I look forward to working with my colleagues toward that goal.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon Mr. PACKWOOD.

Mr. PACKWOOD. Before I make the main gist of my remarks, I want to indicate something on section 89. The amendment Senator DOLE and others and I have offered does not touch the section 89 that is in the majority leader's substitute; it stays there. For those who like it, it is still there; for those who do not like it, it is still there. We have to deal with it. But if our amendment is adopted or not, it will still be there and will have to be dealt with in the same way. That should not be a factor in anybody's thinking, one way or the other. Whichever amendment passes, the majority leader's or our, it is still there.

Mr. President, I want to touch on only a few points, if I might. Again, I want to appeal to the common sense, if I can, of the public, as to how this bill works and who it may help. One, assuming that you are going to spend equal amounts of money, which approach would help more, the approach that Senator DOLE and Senator DOMENICI and I and others suggest, or the ABC bill, assuming you want to spend equal amounts of money?

If you have a plan that would spend $100 million, and I have one that spends $5 million, no matter how you spend your money, you could probably help more with your $100 million than I could with $5 million. Assuming you are going to spend roughly the same amount of money, pose this question to the average citizen: In your mind, which makes more sense, tax you, the Federal Government will tax you, whether you live in Oregon, Virginia, Iowa, or Nebraska, and we will bring the money to Washington, DC, in the form of taxes. We will then pass laws—if the bill passes, this will be the law—telling how the money should be spent. In this case, a fair portion goes back to the States. And we then give the money to the States, and we say to the States, "You can use up to 30 percent of your money for administration or qualification, and only 70 percent really has to be used for day care," but it goes to the States, and they, in one fashion or another, then provide it. That is the approach of the ABC bill that is offered by the Senator from Connecticut and the principal amendment of the majority leader.

The way we propose to do it is simply this: You are a parent, and you have a child, and you put the child in day care. It costs you a certain amount of money; you get to take a certain percentage of that off your income tax. That is all. It does not take any additional IRS agents. No State or Federal Government has to approve where you send your child.

Just from a common sense standpoint, assuming you were spending a given amount of money, equal amount, on our proposal or theirs, which would more likely result in more money being available to the parents to spend on their child for day care? I think it is obvious. If there is no cost of administration, no Federal bureaucracy, State bureaucracy, standards that the State has to administer, no training they have to give, if all the money goes to the parent, can you not probably provide more child care than in the other approach? I think so.

Second, is the parent too dumb or too poor—and sometimes people equate those two terms; they say, "Oh, that poor, dumb person"—are they too inept to be able to make a decision for themselves as to where they would like to place their child, and they need the State to help them or the Federal Government to help them, not with money, but with where that child should be placed, and what kind of qualifications should the person who runs it have? Should they have a master's degree in child education? Or if you are a parent, you and your spouse are making $16,000 to $17,000 a year—frankly, in many of the small towns of Oregon that would not be an excessively high family income—and say you are spending $100 a month for child care, and suddenly, along comes a bill that enables you to spend $140 a month for child care, do you think the parent is qualified enough, with the extra $40, to spend it on child care that is slightly better than the parent got for $100, or would the parent not know any difference, and might spend it, but not get any better child care.

I think people are reasonably smart. If they are leaving their child with a neighbor or if they are leaving their child in the basement of a local Baptist church because a community group is running the day-care center there, my hunch is that the parent probably knows whether or not they are getting value for the amount of money that they can afford to pay.

If they get more money, they get a little better value. I think it demeans the parent to say that they would not know how to spend the money.

Next, Mr. President, I want to talk about religion because this is not a settled issue, even with the adoption of the so-called Ford-Durenberger amendment.

In the bill as it is before us now is this provision:

> No financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship or instruction.

So that clause is obviously more expansive than just "sectarian worship or instruction" or you would not need that clause.

I say it again:

> No financial assistance provided under this Act shall be expended for any sectarian purpose or activity.

We are going to have lawsuits if this language is in the bill as to whether or

not a State can given money to a sectarian organization, a nonreligious organization that rents the basement of the Baptist church and on the walls of the Baptist church are crosses, pictures of christ, and there are Bibles. It is very hard to make a church look not like a church.

I think it is going to be very difficult for the proponents of the ABC bill to sit here and say we can give money to that day-care center, but I will tell you the one they cannot give it to, Mr. President. They cannot give it to what is a genuine sectarian day-care center. I do not mean a secular, a nonreligious organization that rents the Baptist church basement. I mean a sectarian religious day-care center that intends that the children there learn the Torah or learn the New Testament as part of their day-care training. The ABC bill cannot give money to that kind of a center. It violates the Constitution. No question it does.

However, parents can send their child there and take a tax credit which is an approach we take, take a tax credit against their income tax for sending their child to the sectarian religious day care center, and that is constitutional. It has gone through the court process. It has been tested. There is no question it is constitutional. It is not only more efficient, it is constitutional.

Now, to attempt to get around this, the ABC bill now has a provision in it that says this limitation will not apply to certificates, whatever that is. I think I understand what they mean. I think they mean sort of like a voucher, sort of like a food stamp. You give a certificate to the parent and the parent takes their child down to the day-care center and they give the certificate to the provider and the provider turns it in to the Government and the Government gives them money.

Apart from the fact that it is questionable as to whether or not even that is constitutional, we are unable to find very many States that even have certificates, and there is nothing in this bill that requires them to have certificates, and it runs contra to normal bureaucratic functioning to like certificates. The natural nature of people who work for Government—I do not mean this critically, any of us in our own businesses have the same attitude—the natural nature of people who work for Government as a career, full time, lifetime occupation is for Government to run something. If you give a parent a voucher, a certificate, and say to the parent, "Take your child where you want," the Government sort of loses control. They do not like that.

So, first, any State that does not have a certificate program, this exculpatory clause that is put in does you no good anyway.

Second, my question is, and I think it is probably a genuine constitutional question, as to whether or not a certificate that is presented to the religious day-care center and they turn it in to the Government and get money, whether or not that is constitutional.

There is no problem if we have tax credits. The parent takes junior down to the B'nai B'rith day-care center where junior is going to learn the Torah, pays them $100 a month, $200 a month, takes the money off their income tax, clearly constitutional, even though junior is learning to speak Hebrew and read it from right to left, it is OK.

The opposition says that our bill only helps children under 4. Wrong. Because our bill makes the present tax credit what we call refundable, it helps all children up to age 13, and here is what refundability means. The term "refundable" in the tax law means you are entitled to get some money back even if you owe no taxes.

The present tax credit law, and we have a tax credit law now for people who put their children in day care, whether you do it with the neighbor, a day care center or someplace else, the Federal Government spends almost $5 billion on that now letting people take credits against their income tax. But in order to take a credit under the current law against your income tax, in other words, you make $15,000, you owe $2,000 in taxes, you paid $1,000 for day care, and the law says you can take half of the $1,000 off your income tax, instead of paying $2,000, you pay $1,500, but if you owe no taxes at all under the current law you have nothing to subtract the $500 from and it does not do you any good. You paid it out, but you do not get anything for it.

Currently—this is a generalization—currently, if you are a single parent with a couple children, making about $12,000 or $13,000 a year, you pay no Federal income tax. If you are married with a couple children making $15,000 or $16,000 a year, you pay no Federal income tax. You do not owe any.

I will say again in small towns in Oregon, a woman, 23, two children, working at Woolworth, working at the local retail store, if she is making $1,000 a month, that is a high salary in that town, $12,000 a year. So she owes no tax. The day care credit does her no good.

Our bill makes it refundable. By refundable it means if you owe no tax but you still have this $500 credit, the Government sends you $500. And that helps everybody, every child of any age up to 13, and it applies from the moment the child is born until the child is 13 years of age.

The Senator from Connecticut said that the $400 million block grant in our proposal out of a total proposal of about $3 billion, of which almost $2.5 billion is tax credits, the $400 million block grant is bureaucratic because not 1 penny of the $400 million goes to kids, it goes all to the States.

He does not acknowledge in his comments that all of his money, every penny of it is administered by the bureaucracy. It all goes to the State. There is no guarantee that any of it goes to any child. At least we can guarantee with a tax credit that every single penny that a parent spends on day care, if they fit into the eligibility requirements, and that is basically an income requirement, the parent gets it.

That guarantee cannot be made and, in fact, I would almost make the guarantee the other way around. Knowing States, and again I do not mean that maliciously, they are very unlikely to have a program that gives money to parents. They may purchase a slot, as we call it, in the day-care center, and they will say, "Now we have purchased 10 slots in the Jones Day-Care Center, we are now going to select 10 children for the day-care center."

And they will talk with parents and see if the parents are eligible in terms of income limits and put the child in the Jones Day-Care Center.

That is by and large the way the ABC Program is going to work.

The maximum amount of children that the ABC Program is likely to help, likely, is someplace between 500,000 and 700,000.

The program that we have, although it is spread, the money is not far enough from being the same, we spread it over more people, is in excess of 5 million children, and I say the reason in excess, it is slightly over 5 million families with children. If every family only had one child, it would help 5 million children. But as we do not know how many it will help who have two children, three children, I will just say in excess of 5 million.

Then the issue of homemakers. The homemaker is the person who stays home to take care of their child rather than going into the work force and putting their child in day care, whether it is with a neighbor or a day-care center or someplace else.

An argument is made that if a person thinks that the best care they can give their child is to stay home with the child, that is going to be better than being in the Baptist day-care center or next door or at B'nai B'rith, if that person wants to stay home and says, "This is the best parenting I can give my child, why can't I get a credit also?"

The ABC bill prohibits it; cannot do it. It will not go to those homemakers. Our bill allows it to go to the homemakers.

So, for a whole variety of reasons: The religious issue, the homemakers, whether or not it is a more efficient way to use a tax credit where the

VOL 135 PT 9 JE 14 — 22 1989 UMI

parent sends their child and takes part of the money off their income tax or to go the other route of appropriations, bring the money to Washington, appropriate it, spend it, give it to a Federal agency who is turn gives it to the States who in turn spend it for day care—which of those is the better approach, we think ours is—those are all legitimate philosphical issues. This is the first bill that we have had since the Senator from Maine has been majority leader that is a genuine philosophical difference of opinion. It has been a good debate.

I would like to think that parents are smart enough to spend the extra money if they are entitled to take it on their income tax or have it paid to them if they do not owe any income tax; that they are smart enough to know whether they would like to have their child in a religious day-care center or not and parents of strongly religious persuasion might like to have their child in a religious day-care center of that persuasion.

I think they are smart enough to get the best day care they can get for the money they have. Be serious. If somebody is making $100,000 a year and can afford to pay $10,000 a year for day care, they will probably get better day care than somebody making $10,000 a year who is lucky if they can afford to pay two of it in day care.

I will say it again. The person making $10,000, $15,000 paying $2,000 a year for day care, if they suddenly have a bill that will allow them to pay $2,500, if they have $500 extra, they will know how to spend it and they will know how to get slightly better day care than they got for $500 less. These are not dumb, uncaring people.

So, for all of these reasons, Mr. President, I would hope the amendment offered by Senator DOLE, Senator DOMENICI, myself, and many others, would be adopted. I think it is a more caring, more efficient, more religious way to spend the money that the Federal Government is willing to spend.

And, in conclusion, let us make it very clear. This is not a debate any longer about should we have day care. We are past that issue. The Federal Government already has provided us funding for day care. The issue is should we do it through a bureaucracy, Federal and State, or should we let the parent decide how, when, where they want the child to be placed in day care and take some portion of that cost off their income tax?

I think the latter is a much better proposal.

I thank the Chair.

Mr. DOLE. Mr. President, would the Senator yield?

Mr. PACKOOD. Yes, I would be happy to.

Mr. DOLE. I want to touch, again, on the religious question. I know there are Senators on the floor who are interested in that. One Senator just made a statement, the Senator from Oklahoma made a statement, that was taken care of in the modified, remodified, remodified ABC bill.

As I listened to the language read from the pending Mitchell substitute, it is still an issue.

Mr. PACKWOOD. It is still in the bill.

Mr. DOLE. Still in the bill?

Mr. PACKWOOD. Let me read it once more:

> No financial assistance provided under this act shall be expended for any sectarian purpose or activity including sectarian worship or instruction.

That is still in the bill. It is pretty clear language.

Mr. DOLE. So it is the conclusion of the Senator from Oregon and I think the conclusion of many others that we still have the problem?

Mr. PACKWOOD. I think we still have the problem almost as much as we had it before. First because we do not know how many States even have certificates, but we cannot find very many. Two, unless the certificate absolutely went to the parent—and even this is not sure—went to the parent and the parent took it to a day care center and the day care center got it reimbursed from the Government, maybe that is constitutional, maybe not. Most States do not appear to have any certificate program anyway so we do not need to worry about constitutionality. We will never get that far. They will never have the certificates.

Mr. HATCH. Will the Senator yield on that point just for a correction? There are 26 States that have child care certificates.

Mr. PACKWOOD. Can I ask my colleague, we tried to get that list yesterday.

Mr. HATCH. I will try to get it provided.

Mr. PACKWOOD. We called both the principal proponent of this bill, who we thought had this information, and the Library of Congress. Neither could give us a list of the 26 States.

Mr. HATCH. I will do my best to provide it.

Mr. PACKWOOD. Let me ask a second question. I want to know what they mean by a certificate. Oregon is counted as a certificate State. I will get back to the Senator from Kansas. Oregon is counted as a certificate State but here is the way it works in Oregon. A parent has day-care expenses. At the end of the month they fill out a form as to what they paid for day care and they send it off to the State and the State sends them a check. That is hardly a certificate. That is much more like a tax credit. But we call it a certificate.

So, first I would like to see the list. Second, I am curious how many are really certificates.

Mr. HATCH. If the State sends the money directly to the parents, the parents can, in turn, use that money for the purchase of child care. They have the right to choose.

Mr. PACKWOOD. What it really amounts to is Oregon does not have a certificate program even if it is counted as a certificate State.

Mr. HATCH. The point is that it is not that different from the States that do have certificate programs.

I am not saying all 26 States have exactly the same type of program that they call certificate program but they have some aspect of a certificate program that, basically, allows the parent to make the choice with regard to the religious decision.

I do not mean to interrupt the distinguished Senator from Kansas but let me just say this. There is no question that the tax credit approach allows the parent to choose the child care that that parent desires. And there is no question in my mind, constitutionally, that parent can choose a religious day-care center where religion is pervasively taught, to use constitutional language. There is no question that that can be done, in my opinion, through the ABC approach of child-care certificates.

Mr. PACKWOOD. What if a State does not have a certificate program?

Mr. HATCH. Well, then, we encourage through that—it is up to the State to do that and they can make the determination. There is no question, though, if they do, in my opinion they can, as parents, get tax credits; use those moneys to send their children to child-care centers, religious-care centers where religion may be pervasively taught.

Now, there is also no question—and the Senator makes a good point—that with regard to direct grants under the ABC program, that those moneys cannot be used in a similar fashion; that, literally, we have to be bound when we make direct grants to not use those moneys to teach pervasively religious or sectarian teachings in that day-care center. That is just meeting constitutional law. It is the difference between a direct grant and the other. And I have to say I think that is one reason why I do like the tax credit approach as an approach.

That is why I would like it to be a comprehensive bill. It is a good point but I think it is an irrelevant point. Because what we are saying is that we can do much more through direct grants in some ways than we can through indirect grants which are tax credits and, yes, we are not as good with regard to sending children to pervasively religious teaching organizations involving child care as tax credit approaches are. That is why I would like to merge them both together and

I have been trying to talk to colleagues on both sides.

I think, if the distinguished Senator from Oregon is really interested in getting a child-care bill, he knows that if his approach passes, there will never be a child-care bill. We know if the ABC solely passes, the President probably—he has indicated he is going to veto it. We think if we put them both together, it brings a lot of people together who like one or more aspects of each program and we will have a child-care bill that might do something to help with child-care problems in this country.

To me, I do not see any problem with that. I do see problems with the amendment of the distinguished Senator from Kansas, which is a substitute amendment, which would wipe away all the work that has been done for child care by our committee and by the distinguished Senator from Connecticut and myself.

That is a right the Senator has. He can do that. That is fine. But it is one reason why I think it is a mistake. If my colleague wants to get together and do the other, I think we will have a child-care bill everybody will benefit from in our country. And his point of view will be brought to the surface, the good points on the ABC bill will be brought to the surface. If one is better than the other, I think we can choose down the line which one is better. If they both work well together, then, my goodness, we are doing an awful lot of good for everybody in our society.

Mr. PACKWOOD. I hear what the Senator from Utah says. I know deep in his heart he knows we are right.

Mr. HATCH. Deep in my heart I like the approach of my colleague, but I like the other approach, too, because they both offer benefits. Each of them offers certain benefits that the other one does not have and I think any honest person has to admit that.

Mr. DOLE. Would the Senator yield?

Mr. PACKWOOD. I do.

Mr. DOLE. I listened to the Senator from Oregon very carefully. He made an excellent statement as he normally does. As I look at it, there are two things in the statement that I think need to be emphasized. One is sort of rationing of child care.

There is no one who supports the ABC approach who will stand up and say it is going to cover 1 million children. Maybe 700,000.

Mr. PACKWOOD. At the most.

Mr. DOLE. At the most. Maybe 500,000. That is the point the Senator from Oregon made.

On the other hand, the approach we are offering would cover over 5 million families. That could be, probably—I do not know what, 10 million, 11 million children.

Mr. PACKWOOD. They all have to have at least one child so it is minimum 5 million to start with.

Mr. DOLE. Another point that the Senator from Oregon made; I think those who rush to embrace the ABC bill, they had better figure out the ultimate cost of that bill. The Senator from New Mexico said maybe 20 million. This is a foot in the door, $1.75 billion is a foot in the door, but it only covers 500,000 of the 18 million eligible children.

You can calculate that.

Second, the Senator from Connecticut, who was here earlier, was saying that our bill was directed at the poor and that he properly felt we ought to pay some attention to middle-income Americans. He may be right. If you are covering that many children, who is going to be served first? Probably about 4 to 1, four middle-income versus one low-income. In some of the States, Connecticut, for example, you are eligible for ABC benefits even though a family of four can have income of $48,000 a year. That is another reason we went to the earned income tax credit approach. We want to help the families who need the help.

Mr. PACKWOOD. Ours at the most goes up $28,000 and the bulk of it goes to those families of $10,000 and under income.

Mr. DOLE. I again congratulate the Senator from Oregon for his statement, and I assume that other side has whipped everybody into shape, with a little help from our side, and they probably have the votes to defeat our approach. But the President did not make any bones about it, he is going to veto S. 5. It is bad legislation. It does create standards. They can argue all day long about no standards, but the States have to meet six different standards, six standards. Who is going to issue these certificates? You cannot get people in my home town of Russell, KS, running around looking for certificates. Give me the money, let the parent decide. I cannot understand why the Senator from Utah would desert the parents of the United States in favor of some new bureaucracy.

Mr. PACKWOOD. Mr. President, do I still have the floor? Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WIRTH). The Senator from Utah.

Mr. HATCH. Mr. President, I have been very interested in my distinguished colleague's remarks. Let me say this. There is not a more profound spokesman on the floor of the U.S. Senate than the distinguished Senator from Oregon, and he makes a lot of good points. That is why I think both the distinguished Senator from Connecticut and myself are very intrigued and interested and even authors of similar legislation as his tax credit approach.

I think I make a pretty good point that it would be a lot better for us to get together and merge these two different concepts and see which works the best or if they work well together, but to get something done here that might help families in this country. That is what the distinguished Senator from Texas has tried to do.

I have to admit I have trouble with his amendment that is part of the Mitchell amendment. I wish we could go to something like this. But the problem is it is all or nothing, and they know we cannot get a pure tax credit approach through the whole Congress. They know that, so it is as much as saying we do not want a child-care bill. I believe if we merge them together, we could get a child-care bill through both houses of Congress, which the President would sign, which would go out there and do some good for families.

To answer the question of the distinguished Senator from Oregon about what are the States that provide for child-care certificates or vouchers, let me read them off. These figures come from the children's defense fund which is eminent on working on children's issues across this country. And the States which have vouchers are 29. I stand corrected. I said 26. Let me read them off, and they may differ, or course, but they have some form of voucher now that could easily be adapted under the ABC bill. The States are: Alaska, Arizona, California, Connecticut, the District of Columbia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Missouri, New Hampshire, New Jersey, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Vermont, Virginia, Washington, and Wisconsin.

I notice that most of the prime sponsors of the Dole amendment have State where vouchers are allowed. It seems to me their States will benefit from the ABC bill and child-care certificates and maybe even from their leadership in encouraging the leaders in their State to take advantage of the child-care certificates. If that is so, them maybe they can even resolve some of these religious issues and problems that they seem to find with the ABC bill.

There has been considerable discussion in recent months and, of course, particularly in the last few days, regarding, one, the extent to which under the ABC bill you can and should make available moneys to sectarian institutions; and two, what limitations, if any, would apply to the religious activities and practices of providers under this bill.

I have a lot of comments about this matter. I see the distinguished Sena-

tor from California is on the floor and I know that he wants to ask some questions of the Senator from Oregon.

Let me just say one other thing. I think this is a big red herring, and I am a little bit perplexed that my colleagues on this side of the floor keep raising it because we all know that if you directly fund something from the Federal Government, there are certain constitutional limitations or restraints with regard to religious activity. That is what the Constitution says. It provides for a separation between church and State, and there is no one who fights harder for religious rights than the Senator from Utah does. I think I am known for that. I think I am known for at least understanding the constitutional implications.

The fact of the matter is that we are providing for direct grants here to go directly to help these families with child care, and there will be limitations when you make direct grants that have constitutional limitations. We have limited those limitations as much as we can in the bill. I have been interested that the distinguished Senator from Oregon keeps reading out of the bill, but only part of the sentence. He reads: "No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction * * *." But he does not always read the "except" that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child-care certificates to a parent under section 108(a)(1)(C)." That is the Ford-Durenberger language, in part.

The fact of the matter is that when we make direct grants to people or to organizations for people, we are bound by the Constitution. I think my colleagues would have to say that is the way it is. But we are not bound by those same limitations or restraints when it comes to child-care certificates which 29 States have some form of.

I think what I am trying to say is that, yes, if all you are interested in is getting around the religious limitations and all you are interested in is getting maybe $750 in refundable tax credits to help families with two children under the age of 5 pay for their child care, then the tax credit approach is a good way of doing it, and they can use that money if it is paid directly to the parents. They can use it for the most pervasive religious based organization in the world, if they want to. The fact of the matter is that all they do under their bill is take care of two children with $750 when the average cost of child care for those two children is $6,000.

That family still has to come up with $5,250. I think that is a good approach. I think that is something that can help but it is not the only approach. If we merge that approach with the ABC bill, we would have an approach that would really help people and at the same time compare two different approaches over the years in a way that might cause us to go to one or the other or beef up both. I would suspect we would be beefing up both.

Let me just end with that and turn the time over to the distinguished Senator from California because I know that our side has dominated this debate primarily because we have been really the only ones on the floor for the last number of days, but I want to make sure that those who are opposed to our particular approach here have every opportunity to express themselves about their beliefs and about their feelings and about what they think is a better approach.

If I could just say one thing about yesterday, I do not think I said—one of the papers printed that I was criticizing my Republican colleagues. I was not doing that. I was criticizing whoever made that blue sheet, and I was criticizing outside groups that are misrepresenting and using disinformation and misinformation and downright deceit and trying to malign what the distinguished Senator from Connecticut and I have tried to do here. I resent that.

Now, if there are colleagues who have done that, I have to say I resent that even more. But I do not know of any colleagues who have done that except for many of the mistatements on the floor, and I know those are sincere misconstructions of what our bill really says. If they were not sincere, then they deserve great condemnation and I think even those who are for their view would agree with that particular statement.

I am upset at the outside groups who are using misinformation, disinformation, downright deceit and fraud to try to defeat what the Senator from Connecticut and I are doing. Now, they can use every effort they want to defeat us, but they ought to play fair; they ought to hit above the belt. That is all I am asking. That is all I am saying.

As far as my colleagues, they have a legitimate proposal here. It is not that different from the one that is called the Hatch-Dodd-Mikulski bill. As a matter of fact, most of these ideas have been driven because of the debate that has been created in our committee, and I have to give them credit for doing it, but it is not the only way to go. If it is the only way to go, it will not go through the Congress and we will go another year or another 2 years without doing anything about the significant problems in our society.

So what I am saying is, I am reaching out to my colleagues saying let us merge them, let us put them together. Let us kind of swallow hard and say maybe we can accept the other person's point of view. Certainly Senator DODD and I are willing to do that. Why not do that and get something that will help families in America. If we cannot do it, then let us have it out, let us fight it, let us see who wins and let us hope that if one side wins, the other will at least have the good grace to accept it and do what we can to help families in this country.

Mr. WILSON. Will the Senator from Utah yield for a question or two?

Mr. HATCH. I will be glad to. I will be glad to turn the time over to the Senator, too.

Mr. WILSON. I thank the Senator. He is well aware of the high esteem and affection in which I hold him.

Mr. HATCH. And vice versa.

Mr. WILSON. He has worked very long and diligently to craft child care legislation that will respond to the real needs of American people, but I think that because there has been a spirit of accommodation and changes there is some honest confusion about the provisions of the current ABC bill as amended with the Mitchell substitute, so if I might take the opportunity with him on the floor to ask some questions, perhaps we can contribute to clarify the understanding of all Senators.

First, there has been much made on both sides of the necessity for parental choice, and there seems to be agreement that the parent as the ultimate consumer should be the one who has a choice in what kind of child care he or she will commit his child to.

There is less understanding, or at least less consensus apparently on whether or not the Dole substitute and the Mitchell substitute both provide that. So let me just ask my friend this question. As I read the Mitchell substitute, the States will receive funding and 70 percent of that funding must be used to provide child care of different sorts—school-based child care, perhaps center based child care of a proprietary type or of a nonprofit type or family based child care, but there is a requirement stated in the law that there must be an equitable distribution. Perhaps there is a definition of "equitable distribution." I have not found it. But it had raised the question as to whether or not the equitable distribution either, one, requires and equal distribution between those different kinds of care or leaves that in the discretion of the States.

Mr. HATCH. As a matter of fact, we do leave it to the discretion of the States. What we do acknowledge in the bill is that there may be differing forms of provided child care that may be very valid in the eyes of the State leaders.

Mr. WILSON. The problem that I see arising from that is that I think actually, though I will discuss vouchers in due course and some problems I

see with that approach—to achieve the maximum parental choice it would seem to me that the bill as it was originally introduced, before it was amended by the Mitchell substitute, afforded far more parental choice in the sense that the money which was allocated, 70 percent of all the money that was allocated to the States was required to be used by them to provide parents with vouchers.

Now, as I understand the change under the Mitchell substitute, whatever "equitable distribution" means to the individual States, it is necessarily going to shrink the amount that is allowed for vouchers, or at least certainly can if a State decides in the exercise of its discretion that 40 percent of the money should go to center based child care and 35 percent to school based child care. Then if, for example, 50 percent of the people in that State really wanted a family-based situation, they would not be able to get it.

Mr. HATCH. Let me just answer the distinguished Senator. Equitable distribution, I think, is more concerned with geography within States than it is with forms of child care.

Mr. WILSON. Let us stipulate that there would be geographic equity.

Mr. HATCH. For instance, we do not want to see all of the moneys ignore the rural parts of the States or go to just certain cities in the State. So each State has its right to equitably distribute. I think it would also include reasonable equity among different providers of child care including home child care.

One of the things that we are trying to do, and the whole purpose of the $400 million block grant—that idea came from the first child-care bill that was filed. And that bill was called the Hatch-Johnston bill and virtually everybody has adopted that $400 million block grant that does all of these things to help create child care, to help provide quality child care and to help make child care affordable.

Mr. WILSON. I agree, and we are not talking about the block grant. We are talking about the amount apart from the block grant, the major amount.

Mr. HATCH. The point I am making is that the whole purpose of that block grant is to help create available affordable quality child care, and we made the point during the arguments on that block grant initially that there are all kinds of valid forms of child care including home care that the original ABC bill could not take care of, and that is one thing that we have tried to do within this current draft of the bill.

Mr. WILSON. I understand that. But I think that perhaps in an effort to be accommodating the Mitchell substitute has, ironically, created a situation where there is in fact less parental choice. There may be a greater variety of forms of child care offered, but it seems to me that it will be at the expense of parental choice, which was maximized at the point that 70 percent of those moneys were given in the form of vouchers to the parents rather than indirectly given, either by the State or by some local government, to a contractor who would then provide in kind the child care.

Mr. HATCH. Let me say this. I have never been for total vouchering system and neither was the original ABC bill or any subsequent draft thereof. The original ABC bill did, it seems to me, have a bias in favor of institutional child care providers. That is one of the things that certainly this Senator has worked very hard to change. Another thing we have tried to do is make it clear that States need the flexibility because different types of child care may have different importance in certain States. But in any event, we feel that all forms of child care that are basically meeting certain standards have validity. I do not think that parental choice is narrowed by helping to create more forms of child care. I think that widens the choice for parents.

Mr. WILSON. Obviously, if you can encourage the creation of new child-care providers that will allow for a wider range of choices. But what you are doing, if you give the money not to the parent but instead to the State or to a local government and it is their decision in the exercise of their discretion under the ABC bill to contract directly with the child-care provider, they are in effect making the decision for the parent.

They are obliged by some rhetoric in the act to seek to accommodate the first choice of the parent insofar as they can. I think it would be difficult to argue that there is the same freedom of choice that is afforded under the tax credit, a refundable tax credit, which puts cash in the hand of the parent, allows the parent to go into the marketplace and take advantage of whatever forms are available.

Mr. HATCH. Let me just answer that. I have to say that in some areas, in most of the States, there is only one form of child care. So it is not really a great choice anyway. No. 2, I cannot dispute that fact that I like that concept of the tax credit bill that gives the money to the parents, and recognizes the mother at home or the father at home, whichever parent is at home. I would like to see that adopted, before this debate is over for the ABC bill as well. I like that. I believe that those are good provisions. I think that gives a wide variety of choice. But they are going to choose whatever available child care is in their area, and in some areas there are only one or two forms available.

Third, and I think this is important, I believe that it is important to point out there is a defect to that approach, too. I think it is only fair to point that out. If you turn the money over to the parent, and you give them the choice to make, that is good. They may not make the choice to pay for any child care at all for their children. They may choose to use that money for something else. I think that is good, too. But do not tell me that gets quality child care, and do not tell me that helps with available child care, two of the most important aspects of the whole child-care debate.

Mr. WILSON. I think we could debate the wisdom of allowing the individual to make that choice because some will undoubtedly abuse it. But most will not. I think most people are very much concerned about their children, and about the quality of the care.

Mr. HATCH. Some are, and some are not.

If the Senator will yield for a second question.

Mr. WILSON. Yes.

Mr. HATCH. I have to go to the White House. I will try to get Senator DODD here so he can answer any further questions. But I would love to spend the rest of the time. I do have to go down there.

Mr. WILSON. My regret exceeds the Senator's own.

Mr. HATCH. Let me yield the floor to the Senator. I will be back in about an hour. I will be happy to answer any questions then. I will in the meantime try to get Senator DODD.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I thank my friend from Utah. He has, as always, been graciously generous. The reason I wish to ask him questions is because of his deep involvement in the crafting of the ABC bill, and because of his well-known concern about child care.

The next question that I had intended to ask really related to the fact that as he has observed there is the need to create additional facilities, additional providers insofar as that can be encouraged. But it is also questionable in my mind that one of the provisions in the ABC bill will permit that to occur other than in a very narrow fashion. That is the requirement that there be in effect sort of a Davis-Bacon standard applied to child care, and that even where vouchers are given not to mention the situation where a State or a local government directs the kind of care that will be provided through a contractor with whom they have dealt directly rather than providing vouchers or some other form of direct cash assistance to the parent to make that choice themselves in the marketplace.

That is the requirement found in section 107 of the ABC bill relating to payments. Section 107 provides that

whatever plan the State submits it shall provide for child-care services for which assistance is provided under this title, and an eligible child-care provider shall have a right to payment at the same rate charged by providers in the State or substate area for comparable services to children of comparable agencies and special needs.

Mr. President, I submit that while there is an effort at fairness to providers, it will inevitably work to the detriment of the children whom we are attempting to provide for because it is an invitation for the inflation of the charge made for the child care. It will inevitably lead to the subsidizing of a fixed number of slots at market rate and market rate as we know in certain areas is a very expensive proposition, which raised the other question; that is, the mechanism of how the State or, if it is delegated, that responsibility is delegated to a local government or some other unit of government, how they will in fact assign to deserving consumers the right to Federal assistance in the provision of child care.

The amount of money that is provided under this legislation for that purpose is now $1.75 billion. It was reduced under the Mitchell substitute. In the old ABC bill, more money was provided but even under that version only about a billion children could actually be provided for. That was the estimate made by the committee staff. It is reported in the committee report.

But of course the universe of need is far greater than that. It is at least five times that great if we are talking about poor children under the age of 5. And now with the Mitchell substitute, the estimate by a little simple arithmetic, is that the amount of funding available at market rate taking an average of market rate across the Nation would result in that amount of money accommodating about 3 or maybe 4 percent of the entire universe of need.

Mr. President, how is that money going to be allocated? Who is going to decide and how are they going to decide which parents get the money? There are something like 14 million families eligible under the Dole substitute; 14 million families under the ABC bill; with the Mitchell substitute half a million children can be reached by the amount of money that is available.

So, yes, there is an enormous difference between these two approaches, and one of the most significant differences is how many children can be reached by essentially the same amount of money. Under the ABC bill you have a very rich program for a very few children, and the lucky half million children who would be served by that would be lucky indeed by comparison with the 4.5 million who would not be served.

How is that going to be done? Where is the equity in that situation? Is it to be done by lottery? That is a sincere question. I really do not understand the mechanism for the selection of the fortunate parent. I do not think it is clear from the legislation. Indeed, it is not clear even if we were talking about vouchers that provided direct assistance.

The other points that I was going to touch on with my friend from Utah had to do with the statement he made that he liked, he admitted, the tax credit approach. He particularly was concerned about the situation of parents who were not required but who chose to remain at home. He saw in the use of the tax credit a means available to give financial assistance to the so-called at-home mom.

Now, a word on the quality of child care before we address a particular point. I will not even bother to hold them up, but I have three or four very interesting works on child psychology.

Mr. DODD. Can I ask my colleague to yield on a point I need to clarify?

Mr. WILSON. Surely.

Mr. DODD. Correct me if I am wrong, but as I understand it, the provisions of the Bentsen, if you will, tax credit proposals, the refundable dependent child-care credits, are the same as the Dole refundable dependent child-care credits. On those two provisions there is no difference. Am I correct in that?

Mr. WILSON. I do not believe you are, but——

Mr. DODD. I think they are exactly the same.

Mr. WILSON. That is a point that we will pursue, because I think there is a difference.

Mr. DODD. We serve the same number of children, the same amount.

Mr. WILSON. I think there is a basic disagreement, in that the Bentsen provisions relate to health care.

Mr. DODD. That is another provision of the bill, but under dependent care credits, the refundability, there is no distinction between the Dole proposal and the Bentsen proposal on those two matters. That is exactly the same.

Mr. WILSON. Then the amendments or changes are moving faster than the speed of sound.

Mr. DODD. That has been there for a long time. For the purpose of debate, those two matters are exactly alike. There is a difference between the block grant approach and the ABC approach. We give 70 percent of our funds to families. The block grant approach provides no assistance to families. That is a legitimate difference.

Mr. WILSON. If we are going to compare apples and apples, we are talking on the one hand about a block grant in yours and a block grant in ours, but what I am talking about is tax credits.

Mr. DODD. Tax credits.

Mr. WILSON. Tax credits versus the system under yours, whereby a decision is made by the State as to whether or not it will be allocated through the provision of a tax credit for services.

Mr. DODD. No State gets involved with tax credits. We are not debating that.

Mr. WILSON. I think that is one of the faults of the legislation.

The basic point really is that these various works—and I will hold them up, now that my able assistant has found them—are part of a vast collection that you will find lining the shelves of bookstores all across the land, in growing number.

There is, and quite properly, quite rightly, a growing concern on the part of parents—it is not new; it dates back to Dr. Spock's book about how to raise infants, how to raise children—but there is increasing, in the literature of child psychology and child rearing, testimonial from one after another so-called experts, that it is of particular importance during the first 3 years of life, and indeed in the first few weeks of life, that a mother and her child be together in order to bring about the kind of bonding, the kind of attachment, to use the terms the psychologists use, that give that child capability in later life for empathy, for conscience, remorse, and for understanding the plight of others.

It is the kind of thing which, if not given to a child, it seems very clear, almost universally among these writings, leads to a very different kind of adult, one far more subject to feelings of alienation, one far more likely to not being capable of the kind of citizenship that we would hope is the legacy and the responsibility of all citizens.

Now, I mention that because of the increasing emphasis that is placed upon the job done by the so-called homemaker, in these times of equal rights and these times of active feminism, we have said, and rightly, that there should be equal pay for equal work; there should be equal opportunity in the marketplace. That is, sexual discrimination is wrong and there should be no limit to opportunity, based upon sex. I think there would be no dissenters on this floor to any of those propositions.

But what has happened, it seems, is that a great many young women, who do seek a career as a means of fulfilling and expressing their talents, are also experiencing the kind of pain and remorse and guilt in many instances that comes from not being with their children. Well, there are many who cannot make the choice, because they are single heads of households. They work not for fulfillment, but out of economic necessity. That is a problem

that I must tell you will have to concern us.

I would like to address it in this bill, but if not, we must do it soon, and the fact of the matter is, a great many young women have been made to feel that there is something inadequate in being a homemaker, that somehow there is something to apologize for if they are not out in the marketplace. There seems to be a countertrend, and this is not a philosophical judgment, but rather, it is an observation that there seems to be, among even young women interested in a career, a determination to take time out to spend time with their children in those first critical weeks, months, and years, in order to assure that the child does have the bonding, the attachment, the best possible break that can be given. And, of course, that has to come at the expense of time spent earning one's credentials and increasing one's earning capacity in a law office, in a real estate brokerage, in whatever form of endeavor the mother of that child intends subsequently to be engaged or was engaged before her pregnancy.

Now, the point is simply this: We need to assure that that at-home mom, to use the current phrase, receives equal treatment under the law in terms of Federal assistance being made available, and we are not talking about taking care of everyone. We cannot afford to do that. There is no need, I submit, for the Federal Government, for taxpayers, to subsidize upper-income familes.

What we need to do with the funds that are available, considering the vast number of children that already fall into this category, is to target the moneys to low-income families. Under the existing dependent care, an at-home mom, who chooses not to provide the second career for the family and the second income, cannot receive the kind of tax assistance, unless she is either a full-time student or she is disabled.

And if, in fact, you do wish, as a couple, to take advantage of the existing dependent tax credit, assuming your income limits are sufficient so that you are eligible, in order to get the credit, you have to submit documentation that you have expended funds for child care.

Now, I submit to you that, clearly, under those requirements, the at-home mom is going to get nothing from the dependent care tax credit. She cannot qualify. She does not submit a bill to herself for her services as a child-care provider. And in order to qualify, she has to document that she spent money on child care with a child-care provider, and also that she is either in the category of the full-time student, or else is, herself, disabled.

Now, that is wrong. Without intending to, we have discriminated against the very form of child care that many of these psychologists think to be the most desirable. And, again, I agree, there are some women who might love to do that, who simply cannot because they are the sole source of their own support and that of their children. They do not have that luxury. But to the extent that married couples decide not to have a second income, but to allow the mother to stay home with the child, we ought to be encouraging that, or at least we ought to be encouraging them to be able to make the choice, without the discrimination that presently Federal tax law imposes upon them.

We are discriminating under present day tax law against the at-home mom.

My question to my friend from Utah would have been essentially a rhetorical question. Does the Senator not think we ought to change the law to end that discrimination? And in light of his feelings about the value of that kind of child care, should we not instead be encouraging women to make that choice because they have the opportunity to do so without suffering discrimination under the Federal tax laws?

And I am sure his answer would have been, yes. There seems to be some dispute about it, but there is no dispute that the Dole amendment provides that under the earned income tax credit which is targeted to the working poor, which is targeted to those who really are not able to take advantage of existing law, and it is the way using the process of a refundable tax credit which the Dole bill does under both the dependent care credit, if that is chosen, and under the supplemental to the earned income tax credit, it makes cash available at the time of need in the paycheck. It makes it available as well to the at-home mom.

It is a situation that is devoutly to be wished for, this change that is offered by the Dole substitute.

So I will just say that I listened for several days as my friend from Connecticut and my friend from Utah took umbrage at the suggestions to change their legislation as amended, and I commend them—they have certainly sought to accommodate changes that have been argued by those of us on the other side to the point where my friend from Kansas, the witty Republican leader is now referring to it as the XYZ bill. It is true they have made changes, but there are still basic differences and differences that go to the most fundamental principles that should be foremost in our minds as we seek to enact child-care legislation.

We do wish to encourage women to make the choice to remain at home if in fact they can by removing the discrimination of Federal law and providing them equal access to Federal assistance.

We also provide, through the tax credit, not a rich program for a very, very few consumers, not for 3 or 4 percent, because of a requirement that market rate be added hereto; instead, we provide what is admittedly a modest tax credit on a refundable basis that is available to all eligible families, and those eligible families are targeted. They are the low income, the working poor, and that is as it should be.

A final point, Mr. President, and it has to do with this lovely chart here, a thing of beauty, but clearly visible. Let me read what is not legible at a distance.

This chart has to do with the increased child-care costs to parents of 5-year-olds in the event that all other States were to rise, that is, were to meet as a model standard the standard offered by the State of New York having to do with child-care ratios.

New York has what many would say are the most stringent standards. Others would say they are the highest standards. Some would argue they are the best standards, though I think my friend from Oregon, Senator PACKWOOD, threw some skepticism on that, ironically using the New York Human Resources Administration report that suggested that the best quality child-care is not necessarily that given by those who are best paid or presumably most educated.

But under this chart we would see that those States in green presently are those States which would involve about a $400 per child average annual increase to parents whose 5-year-olds would be enrolled in a center with 5-year-olds based upon current State standards, in other words, in Washington, Oregon, California, Nevada, Arizona, Montana, the Dakotas, Minnesota, Nebraska, Kansas, Michigan, Pennsylvania, Virginia, Vermont, Connecticut, and Maine.

It would require that those parents pay about $400 per child more annually than they now would be required to do if all met the New York standard.

Now in those States that are in this absolutely irresistible magenta color, Idaho, Wyoming, Utah, Colorado, New Mexico—I might say on behalf of those States they did not choose the color—Oklahoma, Louisiana, Arkansas, Missouri, Wisconsin, Illinois, Indiana, Ohio, West Virginia, Kentucky, Tennessee, Mississippi, Alabama, Georgia, Florida, North and South Carolina, Delaware, Rhode Island, Massachusetts, and New Hampshire, there would be an even greater dislocation. Parents in those States would suffer about an $800 per child on the average increase in what they have to pay annually for child care.

Now why go through all this? The reason is that there is an incentive offered in the Mitchell substitute. Much

VOL 135 PT 9 JE 14 — 22 1989 UMI

has been heard that there is no discrimination between States, that there is a floor and all States will receive under an equitable formula proportionately the same amount after funding, but there is, of course, a national advisory council whose responsibility under the ABC bill is to devise standards, recommend standards, they are not mandatory as they were initially, but in order to encourage States to meet those standards, to come up to them, those recommended national standards, there is an incentive and the incentive is cash.

Well, as my friend from Oregon said, rare has it been that we have seen States able to resist the blandishment, the great temptation of such cash incentives.

So these recommended standards may very likely become virtually mandatory. Yes, it is true the States can choose. But if they do choose and if in fact they do come up to that highest national standard, if we were to take New York, with its existing standard and have to increase everybody else—the other yellow State, by the way, is Iowa, which is not regulated at all—then there would be a substantial increase in the cost of child care for all parents.

Now, it might now hurt those at the upper end of the income scale. But it certainly would hurt the middle class, and it might very well go a long way toward erasing a considerable portion of what is now intended to be used to purchase child care, shrinking even further the number of children who could be dealt with under the ABC bill.

Mr. President, you have to ask yourself whether that good intention will really result in the welfare of those children. Clearly it will not result in the welfare of the children who will not receive care because the Federal assistance provided by this legislation will not reach them.

Good intentions are not enough and we need to be very careful in this legislation not to provide a rich program to a very few, not to provide disincentives to at-home moms. We need to be very careful to include all eligible families, those meaning low-income working families, poor working families, those who really need assistance, and in our concern for quality we need not, we must not ironically discriminate as present tax law does, against those who according to the psychological experts, the child-rearing experts, are the great hope that America has of turning around a trend toward a different kind of citizen, one who does not empathize or feel obligation.

Mr. President, that is about enough for now. That really literally flows from the questions that I intended to ask my good friend from Utah and, of course, he had to go to the White House, so I thank him for his courtesy and I thank my colleagues for their courtesy and I yield the floor at this point.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I see my good friend from Texas on the floor and he has been here for some time and I am going to make this very quick so I can give him an opportunity to speak. But I did not want the moment to pass here because there is some confusion, I can see, coming from those who are advocating the alternative proposal.

Basically, what we are looking at here is, if you will, Mr. President, three parts to the two bills.

First of all, there is the ABC portion, if you will, of the bill that is included in the Mitchell substitute. The response to the ABC part of the Mitchell substitute is the alternative block grant. Those two are comparable. We can like one or dislike the other, or whatever, but it is legitimate to have a debate comparing those two pieces of the two proposals: The substitute which is before us and the alternative which has been offered as an amendment.

Then we get to the tax part of the substitute and the tax part of the alternative. There are two parts of the tax proposal. The substitute offered by Senator MITCHELL includes a provision that allows for a refundable dependent child-care credit under the Bentsen proposal.

The Packwood-Dole proposal also has a refundable dependent child-care credit. Those two proposals are absolutely——

Mr. WILSON. Will the Senator yield for a question?

Mr. DODD. Let me just finish the thought. Those two proposals are equal. They serve the same numbers of families. The same kinds of families are served under both those dependent refundable tax credit proposals.

What is going on, and I understand why, is the advocates of the alternative want to compare the parts of the tax proposal to block grant proposal or the ABC part of the proposal. But, unfortunately there is no difference in those two parts.

There is a difference between the block grant, which is advocated by the advocates of the alternative, and the ABC proposal. There is a difference.

There is one other difference in the tax side. Senator BENTSEN offers a health care credit to all families, whether they be working parents, nonworking parents, to defray the cost of health insurance premiums. The alternative proposal offers an earned-income tax credit which families can use for whatever purpose they want. That is a legitimate point of distinction on that part of the tax credit proposal.

But the dependent refundable tax credit, there is no difference there. The suggestion somehow that they are serving more families or less families or different kinds of families—in fact, the Bentsen proposal serves, under that part of the proposal, actually poorer families because of the formula.

But nonetheless, there is not much difference there at all. The earned-income tax credit and the health-care credit, there is a difference. The health care credit goes to all families, but only for health-care premium costs. The earned-income tax credit goes for everything. You can buy beer, you can go out and buy hotdogs, radios, television sets. You do not have to spend it on child care.

LLOYD BENTSEN, in the Finance Committee, by a vote of 17 to 3 says you should spend that money on the child's health costs. The alternative says spend it on anything you want. That is a choice people would make.

But on the dependent care credit, the refundability, on that there is no distinction. Let us have a debate, if we want, on ABC, if you will, and the clock grant. Under the alternative block grant proposal, it is $400 million. It can only be spent in the States. In fact, there is a provision in there which specifically excludes—it mandates that not a nickle of that money can be spent on families and children. The law in the alternative says categorically none of these funds can be spent as direct assistance to families and children. It can only go to the States and State agencies and bureaucracies.

If my colleague wants to talk about a bureaucratic proposal, there it is. The ABC proposal says 70 percent of those funds must be spent on families and children and 30 percent, if you will, on availability and the State administration of that program.

That is a debate we can have. But to compare the refundable dependent care credit with the ABC bill, it is totally to miss the point. There is no distinction between those two parts of the packages before us. I want my colleagues to be clear on that point.

Mr. WILSON. Will my colleague yield?

Mr. DODD. I will be glad to yield.

Mr. WILSON. I thank my friend from Connecticut. The point is that there is no distinction between the refundable dependent care tax credits but there is an enormous difference between those and the earned income tax credit and the difference, the most significant difference is that the supplement to the earned income tax credit does allow the at-home mom to receive financial assistance that she cannot get under either the Dole or the Mitchell.

Mr. DODD. One point of distinction—if I can just reclaim the time from my colleague from California?

Mr. WILSON. The reason for that, very simply, is there still has to be documentation of the purchase.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. DODD. Under the health care credit——

Mr. WILSON. We are not talking about the health care credit.

Mr. DODD. I would just say to my friend, if he would listen for a second——

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. DODD. I would say, the earned income tax credit, he is accurate on. That is the credit that people can use for whatever purpose they want, whatever their status is: working, nonworking, parents at home, parents on the job. They can get that earned income tax credit and as my colleague knows, they can then spend that on anything they want.

I must say, George McGovern ought to be here. I never thought I would see the day. When George McGovern, as candidate for President 17 years ago advocated $1,000 for every family in America to be spent on anything they want—I think we can go back and find the comments of my colleagues on the other side about that idea and how they reacted to it. Now I find in this alternative, we have sort of George McGovern's plan revisited 17 years later. That is fine. A lot of people supported that. I do not argue with that.

But Senator BENTSEN on the Finance Committee has advocated and has included here a health-care credit to go to all families regardless of the working condition, if you will, of either of the parents. That, again, is legitimate debate. But on the refundable dependent-care credit there is no distinction. There is no distinction on those two points at all.

Mr. WILSON. The point, I would say to my friend from Connecticut, Mr. President, is that the supplement to the earned income tax credit that is proposed under the Dole substitute is a young child supplement.

It is easy to say it can be used for beer, for movies, video games. It will be used for child care. But the most important thing——

Mr. DODD. May I ask my colleague up to what age? Up to what age?

Mr. WILSON. Under age 5. This is a very targeted credit and that is exactly the point. It reaches a need that neither the dependent tax care credit, refundable though they may be in your bill or our bill, reaches. That is why this is necessary. It is more the at-home mother.

Mr. DODD. I ask my colleague a question. If you are over 5, if you have a family, a child that is age 5 or 6 or 7, regardless of that child's needs, child-care needs, they get no help under that provision; is that correct?

Mr. WILSON. From that provision.

Mr. DODD. So you get no help.

Under the health-care credit proposed by Senator BENTSEN in the Finance Committee——

Mr. WILSON. Let me point out to my friend in answer to the question——

Mr. DODD. Is there any distinction in age?

Mr. WILSON. I gave an incomplete answer. What is true is that it does not reach children over the age of 5 but it reaches all of those under the age of 5 and includes those who are in the care of an at-home mother who otherwise would receive nothing because under the dependent care credit she has to document it.

Mr. DODD. There is an income cap under $15,000.

Mr. WILSON. Yes, of course. We are talking about the working poor.

Mr. DODD. If she made $16,000 a year and had a child age 5, she is out.

Mr. WILSON. We are targeting it to the working poor. There is no question about that.

Mr. DODD. Whereas under our proposal, the ABC proposal for a second, we allow the States to provide child-care assistance up to some, up to the median income, 100 percent. In your State of California, for instance, under our bill, just to make a point, under our bill California would receive $168.4 million. Under what you are advocating it is $46.6 million. The $46.8 million, not a nickel of that money under your proposal—correct me if I am wrong—in fact tell me that I am wrong—that you prohibit, specifically, one penny of that $46 million from going directly to families or their children? Is that not correct?

Mr. WILSON. No, that is not correct. That is not correct. Under the block grant provision——

Mr. DODD. Wait, wait. Let us not move off this point. Let me read the legislation to my colleague because I think it is extremely important that you read exact text of the bill.

Mr. WILSON. But the Senator——

Mr. DODD. Whoa. Whoa. Whoa. Whoa. Let me just finish this thought.

Mr. WILSON. The Senator is speaking about block grants, not the earned income tax credit.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. DODD. Let me read clearly, on page 19 of the alternative, paragraph C, line 15:

> A State shall not use amounts paid to or on behalf of it under section 670(k) to, one, make cash payments to or on behalf of intended recipients of child care services.

You prohibit specifically, in your own alternative.

Mr. WILSON. The Senator is reading from the block grant section and it does not have anything to do with income.

Mr. DODD. That is what we are talking about.

Mr. WILSON. It does not. I keep making the point to you. You are talking about block grant and we are not, and the reason for that provision, by the way, in the block grant section in ours is because through the tax credit provisions——

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. WILSON. Would the Senator yield the floor?

Mr. DODD. I will. Let me finish the thought and I will be glad to yield to my colleague. I enjoy his comments. California loses that approximately $120 million that my colleague from California unfortunately does not want to see his State get, 70 percent of which would be going to the residents of that State to pay for their child care.

Under the block grant which is what we are talking about here, he specifically supports legislation that categorically prohibits any of that money going to the people of California to defer the costs of child care.

That is the distinction. We say that 70 percent of the funds of the $168 million must go to the residents and citizens of California. And also, we said, let California decide who within that range of zero to 100 percent of median income should get it. So under our proposal, middle-income folks in California, if the Governor of California, and my colleague could end up in that position, if the Governor of California and the State legislature want to provide that assistance to middle-income people in his home State, then he can do so.

We do not apologize for that, Mr. President. We think the States ought to have the right to make that decision. Under the proposals being offered as an alternative, there is nothing in there that provides any opportunity for middle-income people or people who approach middle-income status to receive a nickel, whether it be under the tax credits or under the direct block grant program. They exclude entirely working people who are not desperately poor. I think that is a fundamental flaw of the approach being offered by the alternative. I will be glad to yield to my colleague.

Mr. WILSON. I thank my colleague. In the first place, he is talking about the block grant section and the significant moneys in this legislation of his version and mine is that other than the block grant moneys. That is clear, I think. The other thing is that he says not a nickel goes to individual parents. The whole point of those of us who are continuing to oppose the ABC bill is that it allows parental

choice through a tax credit and it even allows assistance to go to those who are at-home mothers who cannot now, under either existing law or under either the ABC bill or another provision of the Dole substitute, claim that money because obviously a mother at home does not bill herself for her child care services. I also would not take kindly to it.

So instead, what we have done to reach that poor mother in a working family who chooses to stay home rather than earn a second income for her poor family in order that she can provide child care, we provide a refundable tax credit as a supplement to the earned income tax credit, and it is a child-care supplement. I am not very much concerned that it is going to be abused. I think that people will use it for the intended purpose. I trust them, and as the future Governor of California, which I hope I will be, I would say—I thank my friend—that I would be delighted——

Mr. DODD. This is not an endorsement, I want you to know.

Mr. WILSON. That is not why I was pressing you. You can be certain that I or I would hope any other Governor of California would prefer to see the choice not made by a State bureaucracy assigning parents to child care providers, but through the use of a tax credit. Let the parents themselves make that choice. But we are not talking about the block grant section. What we are talking about is the earned income tax credit supplement which the ABC does not have. Therefore, an at-home mom does not receive assistance under the ABC bill.

Mr. DODD. I thank my colleague. Just quickly, on the ABC bill, there is a tax credit for health care. It goes to parents at home or parents working. That is in the ABC proposal. Second, on the refundable dependent care credit, there is no distinction between the two bills. There is a distinction between the block grant proposal and the ABC proposal. I think we ought to be talking about the comparisons on those levels rather than trying to compare the tax credit side, where there is some distinction, and the block grant approach.

Under the block grant approach, the fundamental distinction is we provide direct assistance to families, including the option to provide assistance up to middle-income folks in some cases. Let me finish the thought. That is totally excluded, in fact, categorically prohibited under the block grant section of the alternative being offered by Senators PACKWOOD and DOLE.

On the tax side, there is no distinction on the refundable dependent care credits. There is distinction on the EITC and the health-care credit. There is debate on that.

I would suggest what may happen, I presume it may at some point here in this debate if we can come back to the Mitchell substitute, someone may offer an amendment to deal with that particular function. I do not know why we are not doing that and debating that distinction rather than going through this process. Nonetheless, I think it is important to keep things clear as to where the legitimate distinctions between the two bills are. I yield the floor at this point.

Mr. WILSON. May I ask a couple questions? How much is provided under the ABC block grant?

Mr. DODD. Under our entire bill, we provide $1.75 bilion, 70 percent of which is mandated—it is not a choice—it is mandated and must go directly to parents and children. And there is 22 percent which goes for supply to increase the availability, and 8 percent——

Mr. WILSON. That is what you are talking about in block grants, 22 percent?

Mr. DODD. Eight percent goes for State administration.

Mr. WILSON. So you are talking about the 22 percent plus 8 percent for administration; is that what you are referring to? I thought the block grant referred to just 22 percent. Thirty percent, so that is not all of the bill, it is just 30 percent of it. We have been talking about block grant, or rather you have been talking about block grant.

Mr. DODD. What percent of your block grant goes directly to parents and children?

Mr. WILSON. All except the block grant to the State, which is just $400 million.

Mr. DODD. No; of the $400 million, do you mandate or prohibit direct payments to families with children?

Mr. WILSON. Not under the block grant proposal because all of the rest of it goes to the parents to make that choice under the tax credit proposal.

Mr. DODD. I will just ask my colleague a question. Do you not prohibit the expenditure of any of your block grant funds directly to families?

Mr. WILSON. The block grant portion is essentially the same percentage as in yours.

Mr. DODD. I am asking whether or not——

Mr. WILSON. All the rest of it goes to the parents in the form of tax credits and that——

Mr. DODD. I am asking a simple question. Do you or do you not prohibit any of your block grant funds——

Mr. WILSON. In the block grant, which is the minor portion of the money, and it is prohibited there for the very simple reason that all of the rest of it goes directly to the parents in the form of a refundable tax credit, not under the ABC bill to a governmental entity that will make that choice for them.

(Ms. MIKULSKI assumed the chair.)

Mr. DODD. Let me make that point here. You do not allow the parents discretion in your alternative. You say categorically shall not use these amounts to make cash payments to or on behalf of intended recipients of child-care services. You absolutely prohibit, you do not even give the States discretion to decide whether they want to help out families. You say categorically you cannot use any of that money to defer the costs of child care. That is the only point I was trying to make in the comparison between the two.

Madam President, I know my colleague from Texas has been anxious to speak.

Mr. WILSON. Madam President, before my friend from Texas is recognized——

The PRESIDING OFFICER. Does the Senator from California seek recognition?

Mr. WILSON. Yes, I do, Madam President.

The point very simply is this. The Senator from Connecticut is talking about block grant. Block grant is a minor portion of his legislation. It is a minor portion of our legislation. The 70 percent that provides the funding directly for child care under the Dole substitute is provided to the parents through the form of a refundable tax credit which means cash, which means they go into the marketplace and they make the choice with the 70 percent. Whereas under the ABC bill, they may get some that way through a voucher, but there is a very good chance that the State government or some other unit of local government will decide that they know better and that they will choose for the parent the kind of child care that their child should have and they will essentially assign that child provider to that parent.

That is not maximum parental choice however you try to frame it, and that is the point. And speaking of flat prohibitions, there is an implicit, an unspoken prohibition in the ABC bill against Federal assistance to the at-home mom who cannot qualify under existing law or under what is proposed for a dependent care tax credit. It is no good to talk of a refundable tax credit to her because she cannot get it because she will not qualify because she is at home rather than purchasing that child care through a provider. She is not going to bill herself, or if she does, IRS is not going to give her a credit. That is precisely what the child supplement to the earned income tax credit under the Dole substitute does provide, so we do have a situation where there is equity and the at-home mother can receive Federal assistance.

I yield the floor to my friend from Texas, and I remark upon his uncharacteristic but commendable patience.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, I was highly educated by that exchange.

Madam President, I am not going to get into a great debate here about what color this lizard is because it is going to change colors. In fact, I think the plain truth is that this ABC proposal has changed so often that very few, if any, people in the Senate really know what the proposal intends.

Instead, Madam President, I want to debate the fundamental issue, which is not how many hundreds of millions of dollars are going here and there, but the issue underlying the proposal that we have before us.

I want then to discuss our alternatives.

Madam President, I never cease to be amazed at the arrogance of Government. We have a proposal before us today that says, in essence, that both the family and free enterprise have failed, and therefore Government is going to step in and solve our child-care problem with guidelines, with regulations, and with programs.

Now, Madam President, let me first note the fact that this is the same Government that has for 50 years stepped in to solve all of these problems that face our society. This is the same Government which is now going to solve our child-care problem that fought and lost the war on poverty with a welfare program that has destroyed the poverty home, increased dependency, crushed incentive, and made poverty a profession. This is the same Government that has spent billions of dollars on housing projects that have become the center for drug trafficking, and have become the home for the destructive forces that prey on the very people we are trying to help. This is the same Government, through increasing intervention at the Federal level in the last quarter century, that has created an education system that produces results in terms of hard achievement that lag far behind the results being produced in countries that are poor by comparison to America and that invest relatively small amounts of resources to achieve significant results.

Suddenly, miraculously, with this track record of failure, we are now telling the people of America that the family has failed, that free enterprise has failed, but that we will step in and solve the problem of child care.

The paradox of this proposal we are debating is that this movement toward intervention is exactly counter to the movement that is going on elsewhere in the world. All over the world we hear words like "perestroika" and "incentive" and "restructuring," and yet here we are in the Senate talking about expanding the power of the Federal Government into something as fundamental to democracy, and as fundamental to the basic structure of our society as child care. It is a great paradox, Madam President, because the whole world is moving in the opposite direction. In fact, if the Federal Government is the solution to the child-care problem, if something so fundamental as the care and raising of our children can be done better with Federal regulations and Federal guidelines and Federal programs, why are there not protesters in the streets of Washington demanding more Government instead of demonstrations in China demanding less. Why is there not a hew and cry in America for us to expand Government and its miracles into more areas of our lives. I submit that the concept of perestroika has yet to permeate the thick walls of this great historic Capitol in which we serve. It is a paradox that we are debating extending Government power. We are so out of step with what is happening in the world around us that we are, in a country that is the envy of the world, attempting to imitate a system that is failing and being replaced throughout much of the rest of the world.

Madam President, there is an alternative to all of these new guidelines and all of these new Federal directions. I would like to just touch on briefly what I think that alternative is.

First of all, let me note that 115 million Americans are working. That is a larger percentage than can be found in any other nation in the world. Americans are working more productively than any other people in the world. There are 245 million Americans, so that means 130 million Americans are not employed. There are 130 million people in this country who are not employed in the direct production of goods and services in the marketplace for which they are being paid a wage. It is obvious, Madam President, how our Nation takes care of the 115 million people who are employed. They are earning a paycheck and they have the best welfare program that has ever been known; a job. They have the best housing program in the world; they have bought, or will buy, their own homes with their own money. They have the best education program in the world; they save enough money to send their children off to the University of Maryland and University of Texas and Texas A&M and to Johns Hopkins University.

But how do these other 130 million people make it? What happens to them? Well, the vast majority of them, Madam President, are cared for by the 115 million people who are employed. If fact, over 100 million of them are not the direct beneficiary of any Federal or State program that is aimed at taking care of them; 100 of the 130 million people who are not employed in the economy are cared for by the 115 million who are, and they are cared for in the most efficient system that has ever been known in history. The primary driving force behind that system is one of the most powerful forces in the world, and that force is love. The institution that makes it possible is the family. In fact, the great majority of the 130 million Americans who are not employed outside the home are cared for by people who love them who are employed. They need no Government program to induce them to take care of their own families. They do it because they care about their people, and they do it with an efficiency and with sharing and with love that can never be matched by a Government program.

Madam President, it seems to me, having seen the best and the most efficient program that has ever evolved in history, the family, and that miracles are at work in our society and what we need to do if we believe there is a child-care problem is to try to find ways to make it possible for this great and powerful institution that we know as the American family to address the problem.

I think there is still a great fundamental difference in this bill, a fundamental difference between what is left of this ABC bill and the alternative which has been offered by Senator DOLE. I think the difference basically boils down to the parts of the bill that have to do with how we are going to help familes help themselves. Both bills offer tax credits. Both bills have Government programs. The Dole substitute has $400 million worth of programs, basically assistance going to the States. I am under no delusion; most of that money will be squandered. But there is still a fundamental difference, and the difference has to do with the earned income tax credit as opposed to a roughly comparable amount of $1.2 billion that is going to be given to the States and which the States are, in turn, going to give to people.

Now, our dear colleague from Connecticut said, well, all of it is going to the families, or the great preponderance of it is going to go to families, and that is right. All of the earned income tax credit is going to families. Is it more effective to let families keep more of what they earn, and for those who are working and below the threshold we set, to give them additional funds, and let them decide what to do to help their children or is it better to have a Government program brimming with guidelines, whether they are set by the Federal Government or by some commission, whether

we have States set them within Federal guidelines?

Is it better to let families decide how to spend the $1.2 billion, which, after all, they have earned, or is it better to have Government set the directions and the guildelines under which that money is going to be spent? Now, it seems to me, Madam President, that that is the fundamental issue. The issue is, do we know better what is in the interest of the American family than the people who make up that family? One of our colleagues pointed out that if you have an earned-income tax credit and you let the family keep more of what it earns, you have no guarantees that they are going to spend it on education or health care or child care.

Well, Madam President, does Government love America's children more than the parents do? Do we have greater wisdom than is possessed by the 100 million households in our Nation? Are we somehow given wisdom which is lacking in every household in our country?

The fundamental difference here is the difference of approach. One approach emphasizes freedom, and the other approach emphasizes Government. Now, you can point to ways that the bills are similar; you can try to take definitional differences, but when you get down to the bottom line, despite all the effort to change the ABC bill, it is still a bill that, when you reduce it down to the differences, as compared to the alternative being offered, the difference boils down to the Government making decisions, based on guidelines and objectives set at the Federal level, at the State level, by great intellectuals, but not set by the mothers and fathers of this Nation. It is a question of whether you have more faith in the families of America or in the Government of America.

Let me tell you, Madam President, when I have to choose between the American family and government at the Federal, State, and local levels—in fact, all combined—put me down as a guy who long ago decided that there was more wisdom in the collective thinking of families than there is in the thinking of the Federal Government.

Madam President, I am opposed to this ABC bill. It is not as bad as it once was, but it is still poor policy, which, paradoxically, is moving in the direction from which even the Soviet Union is retreating. It is a great paradox, and I conclude on that point, that when the rest of the world is deciding that freedom is the answer, we are in the process of assaulting the greatest institution ever created, the greatest institution that ever evolved, which is the family, and we are placing our reliance not in the family for the care of our children, not in the family for future generations, but in the Government.

Now, Madam President, is there so much more wisdom, at least with the people in China, and even the leadership in the Soviet Union, than there is in the United States Senate, that suddenly we discover in an era of new thinking and perestroika and new ideas that we want to go back and have the Government make decisions that have historically been left to the American family?

I am not saying that there are no child-care problems, but I am saying that the one institution that has consistently done the best job in providing child care is the family. Those nations that have turned their backs on the family have done so at their great peril. When we have to make a choice here, I am going to come down on the side of the American family.

If there is a problem in child care, it is not that the families do not want it; it is because the Government absorbs so much of available income that they cannot pay for it. If we are going to deal with this problem, let us let families keep more of what they earn, so that they may spend it on child care. After all, every dollar we are going to spend here, is a dollar that we will take, ultimately, away from American families.

Now, Madam President, are we to believe that if we take money away from parents and spend it through Government programs on child care, that we could spend it better than the family could spend it, if they kept the money in the first place? I think not.

I know there are many who are hoping that if we reject this substitute, that we can go ahead and vote up the ABC bill, as amended, and then we can go through and amend it a hundred and one times and end up basically with the Dole substitute. That may not happen. I submit that we may end up with a bill that we do not want, a bill that will do harm to the greatest institution of our society, which is the family. I think we should be very careful in these areas, that when in doubt, we ought not be tampering with the greatest institution in our society.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Madam President, there is nothing so promising as bringing together the wisdom of age and the future of youth. This chamber often turns its attention to these two important segments of our society—calling our older Americans our Nation's most important resource and our children our hope for the future.

Today I rise to support a provision of the republican package that facilitates the interaction of the two through child care. It is a provision to exempt child-care earnings from the Social Security earnings test for Americans age 65 and older.

As many of your may remember, I first proposed a version of this provision last Congress in my own child-care initiative, and now I'm delighted that with the efforts of my distinguished colleagues, Senators ARMSTRONG, WILSON, and a number of other cosponsors, we have successfully included this important provision in the Republican child-care package.

Among the other cosponsors of this provision, as an independent measure, have been Senators COATS, D'AMATO, GORTON, MACK, BOSCHWITZ, MCCAIN, GRASSLEY, as well as Senators ARMSTRONG, WILSON, and myself.

The concern for quality child care has become an important issue in recent years—and with good reason. As the demand for quality and affordable child care grows, there is a corresponding increase in the need for qualified providers. And of course, among those most qualified are our older Americans—those vital members of our society who have raised their own children and helped raise their grandchildren—two, sometime three, generations of Americans.

Fortunately some of these Social Security recipients have already joined the much needed child-care force, moving into a second career in this area. To these people we are grateful—especially grateful that they have chosen to do so even when it proves detrimental to their Social Security status.

However, there are many more who are reluctant to enter this rewarding field because of the sacrifices demanded by the earnings test under current law—a test that requires Americans between the ages of 65 and 69 to sacrifice $1 in Social Security benefits for each $2 in earnings that exceeds a specified earnings limit. Although the penalty next year is scheduled to decrease to $1 in benefits for each $3 earned above the limit, the disincentive will remain unless we change it.

Madam President, this is the purpose of our provision.

Simply put, the Roth-Armstrong-Wilson plan will remove the disincentive under current law and allow our seniors, 65 and older, to work as child-care providers without sacrificing any of their Social Security benefits. Fortunately for those families depending on them, there are a number of seniors already working in child care. My provision would doubtless encourage many more to become involved.

At the same time as it helps respond to the need for qualified child-care workers, our plan will enrich the lives of both senior citizens and children, promoting a valuable interaction between the generations.

I emphasize that there is a shortage of qualified child-care workers, and

what my amendment would do is to permit us to tap a tremendous resource. Madam President, there was a time in this country when a typical child grew up in the same house, or at least close by, to his or her grandparents. Sadly, those days have passed. Society has truly lost something when the young and old are separated. The Roth-Armstrong-Wilson provision is one way to bring children and seniors together again.

And what is even more attractive about our plan is that for all it accomplishes, its cost is relatively modest. The CBO has estimated that exempting senior child care workers from the earnings test would cost $15 million in fiscal year 1990 and eventually rise to $20 million in 1994. What's more, Senator ARMSTRONG has identified a mechanism to offset the entire cost of the provision, simply by slightly changing the system for repaying Social Security recipients for underpayments. Here alone, enough money can be saved to finance the earnings test exemption for child-care providers.

As you can see, this plan is good. It is good for our older Americans, good for our children, and good for a Nation that is presently crying out for quality care in this most important area. It will remove disincentives. It will provide solid alternatives for parents. And perhaps most importantly if will span the gap between two American generations with a bridge of insight and understanding that will long benefit our country.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD). Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I would like to talk a little bit about the ABC child-care bill and share with my colleagues in the Senate an interesting experience I had this morning.

As many Members of the Senate know, I live in Maryland and I commute every day. It is indeed a blessing because that way I can be right there with my constituents and be able to hear their day-to-day needs and their concerns about what we are doing.

This morning I got up early and I was taking a walk around my neighborhood in Baltimore called Fells Point. It was about a quarter of 7. Fells Point is a neighborhood down by the waterfront.

I came upon the area where they are doing some remodeling. A construction crew was out there working and they were yelling "Hi, Barb," and so on.

One of the construction workers, a black man, said: "Senator, Senator, I want to talk to you a minute."

"Sure," I said. "What can I do for you?"

He said, "I want to talk to you about the ABC bill."

Let me tell you I was absolutely surprised. Many of my constituents say "I want to talk to you about care for the elderly." Very few people talk about a specific bill. So I was absolutely surprised.

I said, "Sure. What do you want to know about the ABC bill?"

"Well," he said, "I have been listening to those talk shows and I am scared to death. Is Government going to tell me how to raise my children?"

And I said, "Absolutely not. Where did you hear it?"

Well, it seems he has been listening to some of the late night talk shows and you would not believe, Mr. President, what that man's picture of what the ABC bill, was, full of myth, full of misguided information. He thought that Government was going to tell him how to raise the kids, and that we would tell them where they had to take their kids.

And I said to him:

> First of all, thanks for stopping me, and it is our position, Senator DODD, Senator HATCH, your Senator here, BARB MIKULSKI, Senator PAUL SARBANES, we happen to believe that the best child care is what a mom and dad gives you and that moms and dads are the ones to say what kind of child care kids should have, what kinds of things they should be taught in the home, what kinds of prayers they should say. That comes from moms and dads.

And he said, "Well, the way they talk about it on the talk show, it sounded like some kind of communism to me."

I said, "Sir, the ABC bill is not kiddie-care communism. Far from it. In fact, what it is, is the ability to provide for an opportunity."

I talked to him a little bit more and I found out, yes, indeed, his wife works and they do need child care, and they turn to a grandmother. I assured him that under our legislation of the ABC bill family members qualify for the program, that if he chose to use his church, the AME church, he could certainly use that or if there was a private sector facility, he could do that.

We talked for about 10 minutes, Mr. President, and at the end he shook my hand, went off to pick up his hammer and his shovel and he said, "Senator MIKULSKI, thanks for setting the record straight."

Well, I thanked him for asking the questions.

And in the conversation, now, I would like to set a little bit more of the record straight because if that man did not get the facts straight, I believe a lot of my other constituents in Maryland and this country also do not have it straight.

One of the things that I want to get straight is not only what our bill does but what the Dole substitute does.

First of all, very few people realize that the substitute that is being offered only cares for children up until the time they are 5 years old.

Mr. President, I do not know about the kids in other States, but my 5-year-olds cannot make it on their own. They do not get up in the morning, pick up their briefcases, get out there on the Baltimore Beltway and go to work. They are little kids. You need day care when you are 5, you need day care when you are 7, you need after school supervision when you are 10 or 11.

That is why something that only helps a kid up to 4 leaves an age gap of about 10 years.

The other thing that the substitute does not deal with is safety and supply. I am not going to get into the supply issue, but I do want to focus on safety, Mr. President.

Parents wonder and worry about safety. Everywhere I go parents talk to me about safety. They are worried about Alar in apples. They are worried about radon and asbestos in school. They are worried about drug dealers and porno predators on the street. They are worried about the safety of their children.

They want safety. They demand safety, and they want us to do something about it. They want us to do something in cooperation with that.

Mr. President, what are we talking about when we talk about safety standards under your bill, the bill that you worked on so carefuly over many months, working on a bipartisan basis with our colleague, Senator HATCH?

First of all, we agree we do not want kiddie-care communism and we sure did not want kiddie-care OSHA, but we did want safety standards.

We are talking about building safety. We are talking about staff ratios. But we are talking about commonsense approaches.

We do not want to see our kids falling down wells like little Jessica McClure.

We do not want to see 20 kids in a basement with no windows and no supervision. And time after time I have listened to the debate now about Government intervention.

Well, Mr. President, Government is already involved in safety. When a child's dad goes to work there are safety standards in his factory. When a mom goes to work in a nursing home or a hospital, there are safety standards for the workers and for the patients. Certainly when a child walks into a day-care center there should be the same kind of safety standards for the child as there are in a factory.

Our children have the right to the same kind of protection as a worker in factory.

Mr. President, just like I said to a gentleman this morning when I walked around Fells Point in my own home neighborhood: I want to set the record straight. We have a real good bill here and what we are talking about is not some new Government program but really a Government opportunity, an opportunity so that when people go out there and work, put on their socks every day and just get out there and try, that they do not have to wonder what is going to happen to their children.

We have come up with a modest approach that provides day care in a way that makes it available, affordable, competent and safe. I would like to congratulate the architects of this bill, Senator DODD, Senator HATCH of Utah, and or colleagues, Senators BENTSEN and MITCHELL.

I am happy to support this bill. As we try to set the record straight, I would really caution people very carefully about the negative consequences of the Dole substitute.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I rise to join my colleague from Delaware [Mr. ROTH] in pointing out a provision of the pending Dole et al., substitute that is especially close to my heart. It is, in substance, a proposal which was introduced first by Senator ROTH and Senators JIM EXON, PETE WILSON, AL D'AMATO, and I and some others, which really goes right to the heart of this whole child care issue, but also brings into perspective another very closely related matter which I hope will be the subject of thought and consideration in this Chamber, not only today but over the next several months, and that is the question of the Social Security earnings limit.

Mr. President, I have spoken about the earnings limit on a number of occasions. I guess it will come as no surprise to a number of my colleagues that I think the Social Security earnings limit is about the most anachronistic, unfair, burdensome provision of the Social Security law. I think probably every Senator knows how it works, but just to recap it briefly: If you are in the affected age bracket, that is from age 65 to age 69, you have to give back $1 for every $2 that you receive in earnings above $8,800 per year. That amount is scheduled to go up slightly and the formula, the match is scheduled to change from 2 to 1 to 3 to 1, so it will become less burdensome in the future.

But at the present, as it now stands, it means that if someone is retired, drawing Social Security, and holds a part-time job or maybe even desires to hold more than a part-time job, that they literally are subject to a tax burden of upward, in many cases, of 80 percent.

Here is how that works. First, they have to give back 50 cents of every dollar they receive as a give-back on their Social Security. Then they pay their Federal income tax which might be 15 percent. It might be up to 28 percent. Then they have State income tax, payroll taxes, and then of course the cost of performing their employment, transportation, and other things. They very easily could face disincentives upwards of 100 percent and in some cases we know that happens.

Obviously this is unfair. What does it have to do with child care? Well, the Roth-Armstrong-Wilson-Exon-D'Amato amendment which has been incorporated by Senator DOLE into the proposal which he is advancing simply provides that the Social Security earnings limit will not apply to those earnings which are derived from the provision of child care. It is a neat solution not only to an injustice for a certain group of people under the Social Security earnings limit but it will also make available child care that would not otherwise be available from a group of people who are well positioned both by experience and time to do so.

Mr. President, I will send to the desk and ask that we have printed in the RECORD just for the reference of Members a brief description of the Roth-Armstrong-Exon-Wilson-D'Amato-Gorton amendment which has been incorporated by the Republican leader into his amendment. My fact sheet discusses in greater detail why we think this concept is good soicial policy, why it will be helpful in providing high-quality child care for people around the country, and gives the detail about the earnings limit as it now exists.

I now ask unanimous consent the material be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ROTH-ARMSTRONG-WILSON AMENDMENT

CURRENT LAW

Under current law, senior citizens between age 65 and 69 who wish to earn income as child care providers (or in any other field) face sharp reductions in their monthly benefits if their earnings exceed a specified amount. For 1989, the exempt amount is $8,880. Those earnings above this limit will receive a cut in Social Security benefits of $1 for each $2 of earnings above the limit. Although in 1990 the ratio improves slightly to a cut of $1 in benefits for every $3 they earn above the limit, for many seniors, a loss of benefits would offer little incentive to pursue employment opportunities. The earnings limit poses a particularly strong work disincentive to those interested in typically low-wage fields such as child care.

THE AMENDMENT

The amendment would exempt child care earnings from the Social Security earnings test for workers age 65 and older. For the purposes of the amendment, the definition of child care services includes direct services on a person-to-person basis and indirect services to assist parents such as resource and referral providers.

According to the Congressional Budget Office, the cost of this amendment would be $15 million in the first year (FY 1990) and $85 million over five years.

WHY THIS AMENDMENT SHOULD BE ADOPTED

It provides a solution to two serious problems. Within the last several decades, the trend away from the extended family and an age-integrated society and toward the nuclear family and an age-segregated society has been significant. With the increasing prevalence of this nuclear family, opportunities for frequent interaction between the young and old have diminished. Most would agree that we need to alleviate both this separation among the generations and the unfair burden placed on the elderly by the earnings limit.

CBO estimates that the amendment will immediately help 14,000 senior child care providers. This amendment will help ease the shortage of quality childcare providers in the industry, and reward those who offer their important talents to the child care industry.

The amendment is good social policy. The earnings limit imposes a strong disincentive on elderly who want to continue working. By removing the earnings penalty for elderly in professions that perform child care services, we encourage the marriage of two of our nation's most valuable resources, our children and our elderly. In this action, everyone benefits.

The exemption from the earnings limit would be targeted at a traditionally low-wage profession. According to the Department of Labor, the average child care service provider earns between $8,000 and $12,000 annually. Although every profession can benefit from the expertise and talents of elderly workers, it is hard to imagine a field better suited to our nation's seniors than child care.

The mechanisms for administering this change in policy are already in place. Currently, employers provide to the Social Security Administration information on the wage earnings of Social Security eligible employees. Wages earned in providing child care services could be easily reported separately on the same form. These earnings, then, would be simply excluded from the calculation of total wage income for the purposes of the earnings test.

The earnings test, itself, is bad labor policy. Many of our elderly are caught in the earnings test trap; faced with 50 percent benefit cuts if they continue working, they have been driven out of the workplace. Currently, 83 percent of all men and 92 percent of all women age 65 and over are completely retired. Between 1970 and 1985, the retirement rate among those 65 years old has increased by 40 percent. In the face of the labor shortages economists are now predicting for the United States, this problem takes on new dimensions.

The earnings test is outdated. Many elderly citizens, while ready to reduce their work activity, either cannot afford or do not wish to withdraw completely from the workforce. Many desire to remain active. Some need additional earnings to meet living and

health care expenses at a time when their principal sources of income are fixed. By exempting those in a specific field from the earnings test penalty, we are saving at least some of our seniors from an anachronistic, negative social policy. By targeting the child care profession in particular, we are doing much more—we are taking one step forward.

Mr. ARMSTRONG. Mr. President, I am not here to belabor the issue. I hope it will be adopted as part of this amendment and then on another occasion I will be back to disucss the broader implications of the Social Security earnings limit in the hope we can amend or lift or at some point even abolish it as it relates to the other occupations as well.

I thank the Chair.

Mr. KASTEN. Madam President, I rise today in support of the Dole amendment because I believe that this approach will provide quality care for the children of America.

Madam President, the Dole amendment will incorporate the three basic principles that I feel are important in ensuring quality child care. Those principles are: First, broadened parental choice; second, nondiscrimination against stay-at-home parents; and third, targeting of assistance to the families that need it most.

First, we have to maximize parental choice. Parents are, after all, the best judges of the quality of child care, and of the interests of their children. A refundable tax credit targeted toward lower income families provides the greatest direct benefit to families most in need, while assuring flexibility and parental choice.

Churches, neighbors, friends, and family members play a vital role in providing child care. Federal policy should expand the range of choices available to parents, and not funnel them through a biased Federal support system toward a particular kind of care. Regrettably, the ABC bill minimizes parental choice by requiring Federal and State bureaucracies to decide the type of child care that will be provided, where it should be provided, and which families ought to receive assistance.

The ABC bill also requires training programs for child care providers, even for family members. Grandmothers would actually be required to undergo training to care for their own grandchildren.

The Dole amendment expands upon the current Social Services Block Grant Program. In fiscal year 1988 States spent more than $500 million of their SSBC funds on child-care programs. Under the SSBC Program, States may use their grants for such child-care programs as consumer education, enhanced enforcement of standards, as well as training and technical assistance to providers.

Second, we should not discriminate against parents who choose to stay at home—those families that have chosen to sacrifice a second income in order to permit one parent to stay at home to care for the children. The ABC bill would not give assistance to any of the approximately 56 percent of children in this country under the age of 4 whose mothers stay at home to care for them.

The Dole amendment takes into account the sacrifices of these mothers and provide an earned income tax credit for them.

Third, those families most in need should be targeted for assistance. While the rhetoric surrounding the ABC bill is raising the expectations of families with some 18 million children, a mere 1 million children—at best—will get assistance under the ABC bill. Parents with the lowest incomes will thus have the fewest options for child care.

The shortage of quality child care is one of the most important problems facing America. That's why I support a refundable tax credit approach that embodies the three major principles I have mentioned, principles that will help us deal with this problem in an adequate and effective way. Because the ABC bill is fundamentally flawed, simply adding a tax component to it is not sufficient.

Madam President, I urge my colleagues to join me in supporting the minority leaders' amendment.

Mr. DODD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. MIKULSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I am here on the floor to express my support for child-care assistance for our Nation's low-income families. But I am also here to suggest that there is a better way to provide such assistance than S. 5.

I say that because I believe this debate should focus on two fundamental propositions. The first is that parents know what best meets their child-care needs, and whatever we do at the Federal level ought to enhance their choices. Second, the States are competent to license and regulate child care and do not need Federal guidelines that in any way complicate their efforts.

If we agree that our approach ought to be consistent with these fundamental points of view, we are led to conclude that the alternative now before the Senate is the best bill the Senate could enact to help those who need Federal financial assistance to pay for dependent care services for family members.

I think we should all agree that parents understand, better than the Government, their own family needs, their schedules, their financial situation. Many have access to neighbors and relatives who can and do provide child care assistance in ways that provide flexibility for parents and more intimacy in the relationship between care givers and children.

Other parents prefer local child-care centers, where there is more diversity and structure for the child and, perhaps, specialized child development education programs. Others prefer religious day-care programs, where children are exposed to religious values and teachings.

Many mothers choose to stay home and care for their children themselves. This choice is not easy for low-income families, but it is being made by a greater number than many realize, and families making that decision should not be left out.

These diverse child-care preferences cannot be placed in carefully defined, neatly categorized compartments and dealt with in a one-size-fits-all piece of legislation. There has to be flexibility in any program we enact.

Some studies, for example, suggest that what is best in these modern times are state-of-the-art child-care centers that provide so-called scientific child care. Other studies have concluded the best day care requires large doses of custom-made love that can come best from mothers, fathers, grandparents, and other relatives.

These differences of preference lead me to believe that the Federal Government should be very cautious as it attempts to help families with their child-care needs. It seems to me that the most effective and least obtrusive help would be more money for individual families to address their own particular child-care needs as they see fit, not as we see fit here in Washington.

The simplest way to do this would be through the Tax Code. Working families are trying as best they can to live on the income they earn each week. Why not simply decrease their Federal tax liability so they will have more income to spend on child care? If they do not earn enough to pay Federal income taxes, why not approve a tax credit that is refundable, so they will have additional funds to obtain assistance in dealing with their dependent care needs in the way that they choose, perhaps to help pay the costs incurred by a relative or to compensate a mother who decides to forego a job and deal with this problem on a personal basis, maybe by taking in neighborhood children?

Mr. President, I think that is a better way to get real help to the people who need it most. Why does the Federal Government need to collect taxes from all of these families,

and then give it back to some of them? I think that is what the committee bill would really do. The committee bill would not generate enough money for everybody who needs assistance. Many of the same families who could be helped through the Tax Code would not be reached by the tax-supported direct services contemplated in the bill reported from the committees.

The committee bill could be a needless complication and a less effective way to help most needy families. In the alternative legislation, however, tax credits, expanded earned income tax credits, and a refundable dependent care tax credit would allow families to keep more of their income and to enhance their child-care choices. That, Mr. President, is very appealing to me. That is why I am supporting the alternative now before the Senate.

I am also concerned, as I mentioned at the outset, with the fundamental value this Senator places on the power of the States to do the things they do best. I am not convinced the Federal Government would do a better job of regulating existing day-care facilities than State governments. I know the revised bill replaces mandated Federal standards with so-called model standards. If the States have to compare themselves with these standards on a continuing basis, however, it is only a matter of time before the model standards become mandated standards.

Are we telling our States that they are not up to the job of supervising what is best for the children who live in their States?

My State of Mississippi has had child-care licensing standards since 1972, and revisions have been made from time to time. In light of the growing child-care problem, a Governor's task force on child care was created to study our State's needs and to recommend policies on accessibility, employer support, and service quality.

Many long hours of work and study resulted in a long list of recommendations, and implementation efforts are now underway in Mississippi to put these in place, through improved legislation, administrative modifications, and attractive incentives for employers.

Federal Government guidelines contemplated by the committee bill may conflict with recommendations by the Mississippi task force. What if the guidelines complicate and unnecessarily burden the efforts already underway? They may lessen the availability of services and facilities, and they are the wrong signals for the Federal Government to give at this time.

In closing, Mr. President, I think that, given the fact that we do not need a new program, we need to expand the dependent-care block grant program. The alternative legislation expands this $11 million program to a $400 million program, and that would be an important positive step.

Such an expansion would enable States to establish low-interest-rate loan programs for day-care service providers. Such loan programs would enable providers to improve, upgrade, or expand their facilities.

I think that is an important part of this alternative, and it would be an important improvement over the current situation. Additional funds in my State could create resource and referral services to help parents in all parts of the State to locate appropriate quality child-care assistance. They could be used to develop a comprehensive plan for determining the need for child-care services or for the delivery of those services.

Mr. President, I think I have illustrated my points. First, parents know what is best for their own children, and they know best what their own child-care needs are. Our program should enhance those parental choices.

Second, the States are competent to regulate child care. We should not impose cumbersome regulations on the States as they work to address the need for improved child care for their children.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I have listened to my distinguished colleague, the Senator from Mississippi, on the points raised by him and earlier, by the Senator from New Mexico. I acknowledge most of the observations that both individuals make.

We should be concerned about imposing a mandate upon States.

Having lived and served as a Governor in the past, living with Federal mandates in the past, I am very much concerned about imposing upon States additional costs for which we provide no resources.

In the 100th Congress, this Congress passed a bill called welfare reform. It imposed costs upon the States. Congress also passed a bill to regulate nursing homes. It imposed costs upon the States.

And in my discussions with Governors in referencing the original ABC bill, there was a considerable amount of concern. The Governor of New Jersey, the Governor of Arkansas, the Governor of Iowa, and the Governor of Virginia were very much concerned about the original ABC bill that it was doing exactly what the nursing home regulation bill did, what the welfare reform bill did, and that is to essentially impose additional costs upon those States.

I would simply say that the individuals who are now standing and expressing that kind of concern about the ABC bill expressed similar concern about the welfare reform bill and nusing home bill, and if they did not get those concerns resolved last year they voted against that legislation because they imposed costs upon the States, considerable amount of costs. Because of our concerns for people in the nursing homes and because of our concern for people on welfare, trying to help them get off the welfare rolls, we imposed costs upon each and every one of the States.

I talked with the Senator from Connecticut and the Senator from Utah about the concerns that the States had because they asked me as someone who had indicated I was going to support ABC to try to see if I could get the NGA support, and they were concerned about this imposed standard, and the Senators from Connecticut and Utah made that change.

I find this concern for the States to be a legitimate and reasonable concern, but I am fearful that in this particular argument it is being thrown up almost as a red herring and not consistently applied to other legislation and not consistently applied in looking at what the distinguished Senator from Connecticut has done to make this bill work.

I am comfortable that it will work, that it gives governors a considerable amount of flexibility that they need to raise the child-care issue up. It does not cut across the State's authority to establish regulations at all, particularly in those States where regulations exist and even in those States where regulations do not exist. The State of New Jersey has 43,000 unlicensed child-care facilities. I will guarantee you the Governor of New Jersey would not be in support of this legislation if he felt it was going to impose an unbearable cost upon his people.

He, in fact, I am sure has done quite the same as I and a number of other people have done, seeing the urgency to be so great that they overcome many minor reservations that they had.

In addition, Mr. President, another thing that I would point out to I know many of my colleagues who are still uncertain as to how to vote, and that is it seems to me that what we are trying to do with this legislation is essentially reinforce what the people themselves are doing.

At home, I have a couple of rather unusual groups that are criticizing me, saying I am trying to take away the choice of parents, that I am trying to bring Government into families and break up families. Nothing could be further from the truth. In fact, it is just the opposite.

This is what families are doing. They are choosing child care already, long before we ever considered this legislation. They are out there today in the United States of America loving, caring parents. I agree with the Senator from Mississippi. The parents'

love is primary. That is the best care that we could provide—loving, caring parents, who are choosing to work, both parents choosing work, are looking for care for their child while they are working. That is the reason that we are acting on this particular legislation.

We are not trying to impose something here.

Over the past 10 years there has been an enormous acceleration of the movement of women into the workplace, from 30 to 50 percent, not because the Senator from Connecticut or the Senator from Utah imposed something with this legislation. They are doing it on their own. They are making choices for a variety of reasons, some of them altogether good, some them uncomfortably bad, some of them that make us uncomfortable in fact.

There are an awful lot of us who supported an increase in the minimum wage precisely because we are concerned that individuals are having to make a choice to work because the minimum wage does not provide a sufficient reimbursement to enable them to care for their children and without both mother and father out in the workplace. The people are already doing this. This is government trying to catch up with the people, not government trying to get ahead.

The people of the United States of America are already choosing to put their children in care.

I would finally point out something that I think the Senator from Connecticut did awfully well but cannot be stated enough. There is concern and I have heard the concern expressed again by the Senator from Mississippi that we ought not to provide legislation that would unnecessarily regulate the behavior of Americans. I agree with that. We ought to apply I think the same standards that we put when we are concerned about people getting haircuts, going into business, getting their dogs taken care of, going to select nursing home care for their parents. The same level of concern and the same response in those instances ought to be applied for child care. Parents are very much concerned about the quality of care and they do, in fact, have a difficult time measuring whether or not that care is good, and most of the States have already responded.

The Senator from Mississippi says Mississippi having acted in 1972 is likely to be ahead of most of the States, and Nebraska had no difficulty with the earlier standards that were in the earlier ABC bill.

I was in full support of it at this point because of that. Most of the States have already applied regulatory standards so as to be able to address concerns, again not concerns that are directed top down from Washington, trying to figure out what the quality ought to be inside of the nursing home, but from the people themselves who are making that choice who are already out there.

We are not splitting up families. In my judgment, we are helping families stay together. Families are already looking for care in this particular way.

This bill is urgently needed. It will not solve all the problems. It does not provide all the money. It is insufficiently funded much the same way many other things that we do around here are insufficiently funded.

I have told many of the advocates of child care in my State that they would be better off incorporating as a savings and loan today and going out and taking some $100,000 brokered CD's and then go out and get the Government to pick up the tab for them. It is much easier to get funded that way today than it is coming in and saying all we are trying to do is come in and take care of our children.

I believe this particular piece of legislation needs to be passed and passed quickly. And then we need to work with the States to make sure we take the next steps and work with out Governors that we charge with responsibility of assigning the legislation to the Department of Social Services, the Department of Education—setting up a new board so as to elevate this issue even further; work with the Governors, establish those links that will enable us to respond with what the people themselves are doing now.

It is not us imposing. It is us trying to catch up. And we have a long way to go, it seems to me, Mr. President, if we are going to catch up with what the people of the United States of America are trying to do with their children. I yield the floor.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, after extensive consultation with the distinguished Republican leader and the several interested participants in the underlying legislation and the various amendments that have been considered, I am prepared to propound a unanimous-consent request regarding the disposition of the pending amendments and of the nomination of Chic Hecht, to be Ambassador to the Bahamas.

Accordingly, Mr. President, the distinguished Republican leader now being present, and the manager of the bill, I ask unanimous consent that when the Senate recesses today, it stand in recess until 10 a.m. on Thursday, June 22; and that following the time for the two leaders, there be a period for the transaction of morning business not to extend beyond 10:30 a.m. with Senators permitted to speak therein up to 5 minutes each; and that at 10:30, the Senate resume the consideration of S. 5, the child-care bill and the Dole amendment to the Mitchell substitute amendment for 1½ hours of debate, with 1 hour under the control of Senator DOLE and 30 minutes under the control of Senator DODD, or their designees; and that a vote occur on the Dole, and others, perfecting amendment to the Mitchell substitute amendment No. 196, as amended, at 12 noon on Thursday, June 22. I further ask unanimous consent that no intervening amendment, modification, motions, or divisions of the amendment be in order prior to the vote on the Dole amendment.

I further ask unanimous consent that if the Dole amendment is defeated, that the Mitchell amendment be voted on immediately thereafter with no intervening amendments, modifications, or motions in order prior to that vote; and that if the Mitchell substitute is adopted, it be considered as original text for the purpose of further amendments.

I further ask unanimous consent that if the Dole amendment is agreed to, it be in order for the majority leader to offer the text of his amendment No. 196, as amended prior to the adoption of the Dole amendment, as a substitute amendment for the Mitchell substitute as amended by the Dole perfecting amendment; that it be considered and voted on at 2 p.m. Thursday without any intervening amendment, modification, or motion with the time prior to the vote being equally divided; and that, if this substitute is adopted, the Mitchell amendment No. 196, as amended be voted on immediately, without any intervening action, and that if it is then agreed to it be considered original text for the purpose of further amendment.

I further ask unanimous consent that any remaining debate for today, between now and 7 p.m. be divided with Senator DOLE controlling two-thirds of the time and Senator DODD controlling one-third of the available time.

I further ask unanimous consent that no points of order lie against any of the amendments covered by this consent agreement.

I further ask unanimous consent, as if in executive session, that the Senate proceed in executive session on Tuesday, July 11, at 9 a.m., to consider the nomination of Chic Hecht to be the United States Ambassador to the Commonwealth of the Bahamas, and that a vote on the confirmation of the nomination occur on Tuesday not later than 7 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, and I shall not

VOL 135 PT 9 JE 14 — 22 1989 UMI

object, I have no problem with the agreement. It is one we have been working on. I must say, as a matter of fact, that I would hope we could dispose of the Hecht nomination prior to our recess. If that is not possible—I have discussed it a number of times with the majority leader, with Senator REID from Nevada—I have just spoken again with Senator Hecht by telephone. He understands we are now entering into this agreement and he has no objection. If he had one, it is probably not material but from my standpoint I know he is going to be just in limbo for 2 more weeks for no real good reason, but I have no objection to the agreement.

Mr. MITCHELL. Mr. President, I will review my request and then I will comment.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

The text of the agreement is as follows:

Ordered, That at 10:30 a.m. on Thursday, June 22, 1989, the Senate resume consideration of S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes, and that debate on the DOLE, et al., perfecting amendment to the Mitchell substitute amendment No. 196, as amended, be limited to 1½ hours, with 1 hour to be under the control of the Senator from Kansas [Mr. DOLE], and 30 minutes to be under the control of the Senator from Connecticut [Mr. DODD], or their designees, with the vote on the Dole perfecting amendment to the Mitchell substitute amendment No. 196, as amended, to occur at 12 noon, Thursday, June 22, 1989, with no intervening amendment, modification, motion, or division of the amendment to be in order prior to the vote on the Dole amendment.

Ordered further, That if the Dole amendment is defeated, the Mitchell amendment be voted on immediately thereafter, with no intervening amendments, modifications, or motions in order prior to that vote: *Provided*, That if the Mitchell substitute is adopted, it be considered as original text for the purpose of further amendments.

Ordered further, That if the Dole amendment is agreed to, it be in order for the majority leader to offer the text of his amendment, No. 196, as amended prior to the adoption of the Dole amendment, as a substitute amendment for the Mitchell substitute as amended by the Dole perfecting amendment, and that it be considered and voted on at 2 p.m. on Thursday, June 22, 1989, without any intervening amendment, modification, or motion, and with the time prior to the vote to be equally divided: *Provided*, That if this substitute is adopted, the Mitchell amendment, No. 196, as amended, be voted on immediately, without any intervening action, and that if it is then agreed to, it be considered original text for the purpose of further amendment.

Ordered further, That no points of order lie against any of the amendments covered by this consent agreement. (June 21, 1989)

Mr. MITCHELL. Mr. President, I thank the distinguished Republican leader. As he indicated, we have been discussing these matters, now, for some time, culminating in this agreement. One of the matters which we have discussed at some length has been the pending nomination of former Senator Hecht.

Senators BRYAN and REID, the two Senators from Nevada, have been actively engaged in urging prompt consideration and approval of Senator Hecht's nomination. They have discussed the matter with me several times. Senator REID spoke by telephone with former Senator Hecht and I believe that Senator REID also spoke with Senator DOLE and myself. In an effort to accommodate their concern for prompt approval of the Hecht nomination, we have reached this agreement.

I have been able to obtain approval to begin consideration of the Hecht nomination this week, after completion of action on the child-care vote, but could not obtain approval for final disposition of it until the Tuesday following the recess. Under those circumstances, it was determined by agreement between the distinguished Republican leader and myself that it was best to simply put the entire matter over until then and vote on it on that day. So I am pleased that we have reached an understanding and that nomination of former Senator Hecht will be disposed of on Tuesday, July 11. And we hope it will be not later than 7 p.m. on that day.

I want to thank Senator DOLE for his consideration of this matter as well as Senators REID and BRYAN, who have been actively pursuing getting this matter disposed of favorably as soon as possible.

Mr. DOLE. I want to confirm, at least as far as Senator REID is concerned, we have had a number of conversations. We have been very diligent. He has been doing the best he could, and I thank him for his cooperation, and I am certain Senator BRYAN has, too. I just talked to him. I know they both support the nomination and both speak in behalf of the nomination. The nomination will be confirmed. I assume it will not take 10 hours on that Tuesday but it says no later than 7, and I would assume if we complete action earlier, we could probably go on to some other business.

So, I thank the majority leader.

Mr. MITCHELL. I thank the distinguished Republican leader.

Will the distinguished Senator from New Jersey withhold for one moment so we can proceed to two other nominations, to their confirmation, which have also been unfortunately delayed for a lenghty period of time?

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Calendar item 112, nomination of Joseph V. Reed, to be Chief of Protocol, and Calendar item 140, the nomination of Peter Secchia, to be Ambassador to Italy.

There being no objection, the Senate proceeded to the consideration of Executive business.

The PRESIDING OFFICER. The nominations will be stated.

AMBASSADOR

The assistant legislative clerk read the nomination of Joseph Verner Reed, of Connecticut, for the rank of Ambassador during his tenure of service as Chief of Protocol for the White House.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Peter F. Secchia, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD CARE IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. Who yields?

Mr. BRADLEY. Will the distinguished Senator from Connecticut yield time?

Mr. DODD. How much time does the Senator need?

Mr. BRADLEY. No more than 10 minutes.

Mr. DODD. I will be glad to yield 10 minutes.

Mr. MITCHELL. Mr. President, will the distinguished Senator yield briefly for an announcement?

Mr. BRADLEY. I will be pleased to yield to the majority leader at any time if he requests such a courtesy.

(Mr. KOHL assumed the chair.)

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, in view of the agreement which has just been entered into regarding votes on the pending amendments, there will be no rollcall votes this evening. The Senate will continue in session until 7 o'clock for debate on the pending matter. We will return to this bill at 10:30 in the morning and voting will commence at noon. So Senators should be aware that beginning at noon tomorrow and continuing possibly very late tomorrow and Friday, there will be rollcall votes.

I repeat what I have said publicly many times so that Senators will be well aware and on notice of my intentions. It is my intention to remain in session until we complete action on the child-care bill. I hope we are able to do so by Friday close of business, which is the scheduled time for the commencement of the Fourth of July recess. However, if we are not finished by that time, we will stay here until we finish—Friday night, Saturday, Sunday, Monday, Tuesday. For however long it takes, the Senate is going to remain in session until we complete action on this child-care legislation.

I urge Senators to be present, to be prepared to offer their amendments, to be prepared to cast rollcall votes and I hope cooperate in enabling us to both complete action on this important legislation and leave for the Fourth of July recess as scheduled. I thank the Chair, and I especially thank my distinguished colleague.

Mr. BRADLEY. Mr. President, I rise today in support of the leadership amendment and in opposition to the amendment offered by my colleague from Kansas.

I have long been a supporter of expanding the earned income tax credit so that low-income working families are not living below the poverty line. I continue to favor expansion of this tax credit and will continue to work for it in the future.

The amendment proposed by my colleague from Kansas is forcing me to choose between two initiatives that I care about deeply. On balance, I conclude that the earned income tax credit is not child-care legislation. The leadership package, which includes the Act for Better Child Care and a refundable dependent care credit, is the more comprehensive, workable, and effective approach to improving the quality, supply, and accessibility of child-care.

The coalition that developed the Act for Better Child Care worked hard to develop a bill that will not only help parents to pay for care but will also provide parents with real choices and improve the quality of child-care.

The sponsors of the Act for Better Child Care negotiated tirelessly with State and local organizations, prominently represented by the National Governors' Association, to develop an approach to standard and to the quality of care that represent an innovative way to blend the knowledge and resources available at the national level with the experience, pragmatism, and response to local conditions that is possible only at the State level.

This agreement, in my view, is not a compromise. It is an optimal result; a result that is better than the starting positions of any of the parties to the negotiation because it will encourage both Federal and State governments to contribute their best efforts to the development of quality child-care.

The work of the coalition, the sponsors and the majority leader have resulted in other agreements that also improve the original child-care bill. One example is the addition, through a bipartisan consensus and the leadership of the distinguished chairman of the Finance Committee, of a refundable dependent care tax credit. This credit will ensure that low-income working families can benefit from the existing credit, thereby receiving reimbursement for a significant portion of their child-care expenditure.

The long, hard work of many who care about children, families, and particularly low-income working families, has resulted in a compromise bill that, in my opinion, is better than the sum of its parts. The substitute amendment proposed by the distinguished Senator from Kansas has, in my view, a number of shortcomings.

First, the substitute amendment does not provide direct assistance to poor families. It ignores a major principle of child-care policy that is well-recognized by the States. Tax credits can provide help to poor families in meeting child-care costs, but tax credits do not provide enough assistance to pay the full cost of care. Over half the States already have dependent care tax credits or deductions. However, no State makes tax credits the centerpiece of its child-care program. States realize that if a poor family receives a $500 tax credit, even on an advance funded basis, it will not be enough money to purchase quality child care, which costs an average of $3,000 per year in low-income urban areas like Newark, NJ. $500 is not enough. A poor family does not have a real choice if it cannot afford to choose quality child care.

The substitute amendment also does nothing to improve the quality of child care. Neither the earned income tax credit nor block grants require development of health and safety standards or provide recommendations to guide States that would like to improve the quality of their child-care services. Health and safety standards and guidelines for the improvement of child care are not addressed by the substitute amendment of the Senator from Kansas.

S. 5, by comparison, targets funds to help States to improve the quality of child care and assurances that they have standards in critical areas, such as child immunizations. It also helps States to improve enforcement of their child-care standards by reserving funds for this purpose, and it assures that parents will have unlimited access to their children's programs, a right not guaranteed in about 30 States in this country.

Mr. President, I recognize that the distinguished Senator from Connecticut has fought long and hard for children's issues and particularly for this bill. I also commend the majority leader, distinguished chairman of the Finance Committee, distinguished Senators from Massachusetts and Utah, their staffs, and many others who have labored long and hard to create a well-balanced, pragmatic approach to improving and expanding available child care and making it more accessible to low-income families. My enthusiasm for the outcome of their efforts leads to a firm conviction that low-income working families with children will benefit more if we enact the leadership amendment and return to the earned income tax credit on another day in the near future.

I yield the floor.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Will the distinguished manager of the bill yield 15 minutes to the Senator from Texas?

Mr. DODD. I will be happy to yield whatever time the distinguished chairman of the Finance Committee needs.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BENTSEN. Mr. President, I would like to respond for a moment to some fairly harsh criticism that was leveled against me by my good friend from Kansas, the Republican leader, and that concerns the procedures of the Committee on Finance and the health credit that is part of this bill now.

Twice it has been suggested on the floor of this body that the action by

the Finance Committee and its procedures were improper; that the hearing on the health insurance proposal was inadequate and that the bill was rammed through the commitee without due consideration. Mr. President, I am not above trying to ram a bill through the committee, but I did not have to. The facts supported it, the justification was there, and the Members voted for it. Let us talk about the hearing that was referred to earlier today.

That hearing included testimony by the following organizations representing some of the most knowledgeable experts in America when it comes to health care: The Health Insurance Association of America, they testified. Blue Cross and Blue Shield; the American Academy of Pediatrics; the National Association of Children's Hospitals; the Washington Business Group on Health; the Children's Defense Fund; the National Women's Law Center; Dr. Steve Freedman of the University of Florida Institute for Child Health Policy, a very knowledgeable person on this subject; Mr. Robert Greenstein, the director of the Center on Budget and Policy Priorities; and the National Federation of Independent Business sent a letter for the record. So the record is full, and the other side may regret that the only voice at that hearing that did not support the health credit was the administration's, but that was the way it WAS.

Now, about the committee markup. When the markup began, I made it clear to the members of the committee, and nearly all of them were there—Democrats and Republicans—that I wanted to report out the child care and the child health credits and section 89 as one bill, and that I would give Members a chance to vote on the different portions of the bill—one who wanted a vote would get it—and that section 89 would be a part of a combined package. I asked the Members, if anyone objected. I turned to the Republicans and I turned to the Democrats. No one objected. And then I turned to the representative of the adminstration and asked whether the administration objected. They did not.

The vote was not even close—17 to 3, a bipartisan vote—to report the package. The Republican leader was there for the vote. He made no objection at that time to any procedures. Neither did any member of the committee. It is not as if they did not have time. I am a fellow from the South, and I speak slowly. I waited to give everyone a chance to react. We were there for over 2 hours, and I took roll call votes on every issue any Senator raised.

The statement has been made that the health credit will not stimulate the purchase of new health insurance coverage, that all it will do is offset payments that are already being made for such coverage. Presumably that statement was made on the basis of the revenue estimate prepared by the Joint Tax Committee. As I pointed out in my remarks yesterday, that analysis of the impact of the child-care credit draws exactly the same conclusion—no new child care will be made available through the tax credit. So then why enact either credit?

Mr. President, the issue here is one of helping families meet the high costs of providing high priority care for their children, both child care and health care, whether they currently purchase that care or not.

I find it interesting, Mr. President, that no one who opposes this package has tried to make the case that improving support for health coverage is unimportant. In fact, the opposite is true. Before the Finance Committee completed action on its portion of this package, the Republican leader suggested I join him in a compromise that included an unearmarked tax credit—a credit for the purchase of health insurance. When I declined, on the basis that a majority of the members on the Finance Committee did not support an unearmarked credit, the Republican leader began to focus his criticism on the health portion of the bill approved by the committee.

I understand that. If the other side is successful in knocking out the child health component of this package, there will be a billion and a half dollars available to offset the costs of an unearmarked credit along the lines of what the administration proposed originally.

When I think about what they are proposing, money for everyone, no strings attached, George McGovern ought to be up there in that gallery; 17 years ago, Senator McGovern proposed $1,000 for everybody, no strings attached, and was ridiculed for his proposal.

Mr. President, in my view, the deletion of the child health care credit would be a tragedy. Right now there are 13 million children, one in five in this Nation, without any public or private health insurance coverage. Nearly two-thirds of them are in families with incomes below 185 percent of poverty, the very families that would be helped by this credit. The costs of health insurance premiums continue to go up, and coverage is dropping. Last year premiums increased by an average of 17 percent. Only 32 percent of employees in medium- and large-sized firms had wholly paid dependent health coverage in 1988, nearly a 20-percent drop since 1980. We must find a way to staunch that erosion. We must try to increase health insurance coverage. But what are parents doing today, with premiums going up? They just pray the kids do not get sick. They hope they can get by without having to go to the hospital. When one of the children gets sick, they say, "Well, maybe he will get over it. Maybe this fever will go away." But finally they take the child in for treatment and then they don't have the money to pay the bill.

Let me respond to the criticism the credit is not sufficiently generous to be of value to a low income worker. The Health Insurance Association of America made a national survey last year of 1,665 randomly selected employers who offer health insurance benefits to their employees. That survey showed the average employee share of premium costs for family coverage, inflated to 1989 dollars, is about $800. The tax credit in this bill would give a family with income of $12,000 or less a credit of $400 toward that cost. If you buy $1,000 in premium, you could get up to 50 percent credit or $500. Thus the cost to the employee for family coverage would be reduced in half, to about $33 a month.

Do you not think cutting that cost in half helps a low-income family? We are talking about working families. The problem in this country today is that a person who works and has low income is finding he has less access to health care than a person on welfare. That is what we are trying to address with this credit. We are trying to make private insurance more affordable to working families.

I should add that at the committee's hearing the Health Insurance Association of America stated that this credit should make a dramatic difference in the proportion of low income employees choosing to extend health care coverage to their children.

Blue Cross/Blue Shield told us that they believe the private health insurance market will respond to the incentives provided by this credit by making available low cost products, and that they would work at creating new policies aimed at that specific market, to reach out to these children and their families. They told us about a program in California that reduces significantly the cost of health insurance for children by establishing special rates. The rates are based on two age categories. Coverage for a preschool child is $320 a year, and coverage for an older child is $252.

Another example, a program that is being set up in Florida. This will be a school based insurance program for children in families whose incomes are low, but above the Medicaid eligibility level. The insurance will be portable, with the only requirement being that the child remain within the school district covered by the program.

Now let us talk about the administration's proposal. Although both the administration's credit and health insurance credit go to low-income families with children, whether the parents work or not, the health insurance

credit is targeted at a priority need, the need for health protection for children. It will encourage and help working families to invest in health protection for their children. More than three-fourths of the money will go to families with incomes below $15,000 a year. The administration's credit is not targeted on child care, child health or any other specific purpose.

It comes down to a question of priorities: Should you try to target funds carefully at a specific urgent need, or have an income transfer that can be used for any purpose whatsoever? I think the American people would say that health protection for children is an important priority.

The Republican amendment would add $1.3 billion to the cost of the earned income tax credit in 1992. That is a credit that has tripled in the period 1986-90 from $2 to $5.9 billion, made in the 1986 Tax Reform Act.

Let us talk about another important aspect of this debate. I hear complaints that we are not doing anything on dependent care for people earning $40,000, $50,000, $70,000. Not true. Under current law, there is a provision to provide tax relief for dependent care. If someone is making $10,000 a year, they get a 30 percent dependent care credit against a $2,400 cap for one child or $4,800 for two or more children. The credit phases down at $28,000 to 20 percent. Then you can have a 20 percent credit against that $2,400 for one child or $4,800 for two or more children. Twenty percent of that, 20 percent on the $2,400 would be $480. Well, if you make $100,000, you still get the credit. If you make a half million, you still get it. If you make $5 million, you still get it. If you make $50 million, you still get it. Costs to the Treasury last year? $3.3 billion. You bet we have support for middle- and upper-income families.

What we are proposing here is for the Joe that makes $10,000, $15,000, $20,000 who is having a tough time paying the premium to cover the cost of health insurance for his kids. That is why this health credit is important to this piece of legislation. We have already taken care of those with substantial incomes. Through Medicaid, we have expanded coverage for the very poor. Who gets caught in between? The guy who wants to work and does not want to be on welfare, but loves his kids just as much as the guy who makes a million a year, or the fellow whose family is on welfare. That is why this legislation is important.

I yield back the remainder of my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, first of all, let me commend two of our colleagues, the Senator from New Jersey and, once again, the Senator from Texas, who has once again eloquently taken on the charges that have been raised by the authors of the alternative.

I can empathize with his frustration. We get the same arguments day in and day out, despite what we say. Once again, we have heard those arguments today regarding the substitute, what is included in it, what its effect is, particularly on the health credit. The Senator from Texas pointed out it is available to both working mothers and mothers at home. It is equal to that amount included in the earned income tax credit. It is targeted to the health of children, 13 million, I think, the Senator from Texas accurately pointed out.

The children in this country have no coverage whatsoever, of the 37 or 40 million Americans who are lacking health care coverage. Clearly, we know there is a relationship between that care of children. So I commend him, once again, and appreciate his willingness to engage in the debate and raise the facts as they are, the substitute, so that our colleagues can be fully aware of them.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut has 13 minutes left.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand that there may be others who want to speak and, clearly, I would like them to know that while we have a lot of time, two-thirds of the remaining time on this side, I certainly will be prepared to yield, if they want to be heard. I have been heard once today, and I do not need a lot of time. I would like to make a few points at this time.

Mr. President, first, let me say that it has been said that we are really down here debating a side issue. Some say it is about who gets credit for this bill. I hope that everyone understands that we can get ourselves all tied up in which provision of which bill came from whence, but, frankly, there is a very big philosophical difference in the amended ABC that is before us, which we are now calling the Mitchell proposal, and the Dole-Packwood-Domenici-and-others substitute for it, a very big difference.

I hope everyone knows that that difference essentially has to do with whether money is refunded on a regular basis, or paid on a regular basis to parents, and then they decide how to spend the money or whether we give money to States and have them set up a system, whereby State employees determine who is entitled, and to how much, and parents never even see the money. If you read it carefully, even with the so-called church certificate provision, the money goes to the provider from the State. Parents are hardly even involved. That is just the framework and the distinction between the two bills.

I would like to take about four or five points that were made today by some of the proponents that I think are not quite accurate, or that I have a different assessment of. Let me start by making the first one: In response to our notion that State employees are going to ration child care among a very large pool of youngsters; that we can only take care of a small number, our position is that employees of the States in the Union are going to have to make bureaucratic decisions, based upon financial disclosures and are going to end up assigning the resources of the U.S. Government to various providers on behalf of kids, and on behalf of parents.

So when we said that this is a bureaucratic bill as compared with a parent's choice bill, it has been said, and I paraphrase, ABC is not a bureaucratic bill. States run things. ABC just does what is needed. After all, 70 percent of ABC's funds go directly to parents. Now, that is not a direct quote, but it is very near what is contended. Let me suggest, no funds go to parents. Assistance goes directly from the Government to providers. Even for parents who might be lucky enough to get a voucher, nowhere in the ABC bill is any parent guaranteed that their child will be cared for where the parent wants. States make the final decisions.

Now, obviously, we know States do not make decisions. So a whole new group of State employees called "lead agency employees" are going to make these decisions for us. When it comes to helping families afford care, why do we have to have a new group of State employees at all, State or Federal, making choices for parents?

Point No. 2: It is contended that tax credits are not child care. Tax credits go to parents. ABC invests in children directly. Well, let me talk about that paraphrased contention. What is really being said is that parents do not want to help their children, and if you give them money to help their children, put it directly in their pockets, they cannot be entrusted with the assistance. Only Government can be trusted to buy—and I use this word in quotes—"appropriate" care for their kids. What we say is that parents should be the center of child care decisionmaking and the center of child-care policy.

Third point: Paraphrasing again, says the principal proponent on the floor, ABC does not "lure"—and I use that word in quotation marks, because

it was used—parents into the work force and day care. ABC is about helping families who have no choice, single moms and two-worker families who must work to make ends meet. That is the end of my summary of the contention.

Let me suggest that ABC helps families with incomes up to State median income. On average, that is about $34,000. In some States it goes up to about $47,000. The bill we propose concentrates the same funds through one tax credit that is different than this bill, on the truly low-income parents, up to $15,000.

ABC is only for working families, who put their kids in child care, presuming that parents who stay at home are "rich enough to do so." I submit, Mr. President, that ignores a great need, aside from the part from it being extremely discriminatory, by creating an incentive against staying at home and taking care of your children.

Stay-at-home parents are disadvantaged. The median income of two-parent, two-earner families, is about 50 percent higher than that of a one-earner family. Stay-at-home parents can expect to lose on average about $13,000 in income, because they have made the choice to take care of their own children—far more expensive to that family than day care.

It is contended, if not stated directly, that stay-at-home parents must be rich. Mr. President, stay-at-home parents are not rich. In fact, there are more, and I repeat, there are more two-parent, one-earner families with incomes under $15,000 than there are families headed by employed single mothers.

I believe those $15,000 a year one-earner families, are the people confronting Senators when we go home. When Senators go home and visit and talk, they are walking up and confronting us and saying to us, "Do not prejudice us, because we made a decision to stay home. We may stay home only for 1, 2, or 3 years because we are losing a lot of income."

But I submit if this U.S. Senate assumes that they are rich and making the choice to stay home because they do not need any help, we are making a big mistake. There are more of those families than the working-poor, single heads of families in this country, who are a formidable group of people with very difficult problems.

One of the worst social problems we have is the deterioration in income for the single heads of household parents in this country.

As a matter of fact, just as an aside, during this economic recovery time much is being said about who is helped and who is hurt, and I am not going to get into a big argument about how much or how little income has progressed during this recovery other than to say if you take the recession in mind, almost everybody has been helped by the economic recovery any way you look at it, except for single heads of households.

The welfare bill of last year will help just a few. We have not found an American policy to affect that very significant and serious social economic group.

At-home parents do not stay at home because they are rich. They choose to do so often at considerable price, and I submit we should not consciously or unconsciously penalize them for that choice.

ABC can only be used by parents—both parents if there are two—who are working or trying to get work. There is clearly and unequivocally a bias against those who choose to stay at home. I submit there is a bias toward institutional care, and those who propose the ABC bill will cite language saying it is not just for institutions, but I have just cited the definitions that make that pretty much a reality. And then when you add to it the bureaucratic choicemaking in the course of rationing these allotments or slots, mark my word if this were ever law, the institutional bias will show in those who have to make the allotment decisions in behalf of the children of this country.

So I think we are going to take billions away from stay-at-home parents to pay for the day care of other parents, who have incomes up to $47,000. Is this not a tremendous penalty to the stay-at-home parents?

Frankly, as I look at the tremendous income levels allowed the so-called median income is the top, and I have just given you some States of $47,000; on average in the Nation, it is $34,000. A literal reading of the bill will give you the conclusion I just arrived at, that the ABC bill imposes a tremendous penalty to the parents in the $15,000, $16,000, $17,000 bracket who are making the choice to stay at home. I also believe that ABC's claims of serving median income and poor parents is somewhat of a hoax because essentially that pool of youngsters is so big that 70 percent of $1.7 billion is going to create a dramatic case for rationing the allotments. I cannot give you the numbers. I cannot tell the Senate the percent, but I would be surprised if in that entire pool you could take care of 10 percent; somebody is going to decide which.

I submit the pressure is going to be political, and enormous. The pressure is going to be for institutional care, not neighborhood care. It is going to be against grandparents and aunts and uncles; even if it said here you can get that kind of assistance, the little caveat is: So long as they are approved.

Mr. President, put yourself in the State that is having to make these plans and implement them and see if this bias that I allege will occur is not inevitable. I believe it is.

Next point: It is said by those who are proponents on the floor of the ABC bill, sure ABC gives States the flexibility to help middle-income parents. Why not help those taxpayers? I have talked about that a bit. I think when you look at the numbers and the total demographics, the expectation is going to be high and the delivery is going to be low if you go to that high of income level.

I would have preferred that we go higher in income, that we have only one kind of credit, that we could have gone up to $28,000, or $30,000, but clearly there are those who want the refundable Dependent Care Tax Credit [DCTC] too, and it is a good idea. The DCTC does not go to stay-at-home parents, but making it refundable would indeed help many in the lower brackets who must have care, so I have joined in what I think is a very fair compromise to take care of them and also provide for the low-income parents who are not necesarily paying for care but will get money in their pockets to make their own decisions.

So I believe, and I feel very comfortable saying, that with limited resources we ought to be focusing on parents most in need whose children obviously are most in need because their parents are. Why should we allow, as the ABC proponents say, States the flexibility to help people with incomes up to $47,000 unless we really intend to do that. Unless we really intend to do that, it seems to me that we ought to tell the truth and say there will be very few of them helped unless we want to do that at the expense of the low-income people of this Nation. That is just the way the money splits out.

If you are going to help substantial portions of the high-middle income, median-income parents, you might as well stand up and be honest and say you are not going to help the poor very much. You cannot have it both ways. There is not enough money to go around unless you want to give resources for a huge number of slot allocations.

You cannot give exactly the same to the poorest that you would give to those with $30,000 or $40,000 incomes, and yet it is being said we give the States the flexibility.

We prefer to say we do not because we are not having the States manage the money. We are sending it to the parents in regular, refundable credits in their paycheck—either through earned income tax refunds or refundable dependent-care tax credits—building on the current dependent child care law which is in existence. It will be regular; it will not be at the end of the year as some have indicated. The experience of the earned income tax

credit, which is expanded in our proposal is a regular delivery and as we expect it will be in the checks, be they weekly, bimonthly or monthly.

If we have money left over, if we have more money then extend the assistance to others. This is not an argument against using tax credits to help families afford the care.

The next point, it is said by the proponents that the ABC grant gives 70 percent to parents and that our substitute program gives nothing to parents.

I hope everybody understands that we do not have a grant program in the proposal we made that is supposed to subsidize care. We have a $400 million grant program that is supposed to help States in their ability to improve child care options for citizens. It is not even intended to go to parents. We did not even draft it that way.

If you match our $400 million grant with the ABC bill, it is not a substitute for the $1.7 billion in the ABC bill. We use most of "ABC's" $1.7 billion for tax credits. In addition to our tax credits we have the $400 million block grant. We get to about the $3 billion mark while the Mitchell package is $4.7 billion total; $3 billion of the Mitchell package is in tax credit, one of which was discussed by the distinguished Finance Committee chairman and that we would get rid of. The other is the dependent care refundability provision which is in both bills.

So it is apples and oranges to compare our grant program with anything in the ABC bill that helps families afford care. There is nothing to compare. They are not even intended to do the same thing. So to try to compare them is to distort the bill, comparing one block grant with the entire thrust of the ABC provisions.

Our tax credit is the replacement for the portion of the ABC Grant Program helping parents to afford care. That is what you should compare and that is the interesting one because all of ours goes to parents and none of the ABC part goes to parents, as I have just discussed. The State decides to distribute it to the institution, or center, or whatever qualifies.

Next point that is made is that the Dole-Packwood-Domenici proposal is haphazardly put together at the last minute and this is the first time the block grant has ever been offered. Well, this proposal is drawn from a series of bills that have been around for well over a year, including one that I offered, and ones the President, Senator DOLE, Senator PACKWOOD, and yes, even Senator HATCH offered. It is from these, and other bills, that the $400 million block grant is drafted. That grant goes to States to help them by giving them a very flexible series of options, such as beefing up training, and providing a pool for liability insurance. They can even have a State tax credit if they would like and reimburse their State treasury. That is up to them.

None of this alternative package is new. In fact, it was one of the main issues in the Presidential campaign. The block grant is not new. It has been in a bill that the Senator from New Mexico has had in for months, and it has been in other bills, if not for years, at least for significant numbers of months.

The next point that has been made is that the ABC standards are State standards. The Federal ones are only models, and they are needed to get States thinking about where they should head.

Recall the history. ABC was put together as a $5 billion package building its thrust around national standards. Now they say it establishes no Federal standards.

The State chose the standards, but the Federal Government tells you that you have to have them in six categories. I believe that is effectively, no matter what Senators say, a minimum Federal standard.

I note that my friend from California is on the floor. I indicated, perhaps when he was not here, that I can stop at almost any point and yield if he desires time.

I will just finish the point on minimal standards and, if he is prepared, we have ample time, I would yield the floor to him.

Mr. WILSON. Mr. President, I thank my distinguished friend from New Mexico. I would be grateful if he would simply yield for some questions.

Mr. DOMENICI. Could I just finish the notion on model standards because I think you are very familiar with the history of national standards.

Mr. WILSON. Please.

Mr. DOMENICI. I have been down there at the mayor's level. I have not been a Governor. But let me tell my colleague that when we have model standards, that implies that States should adopt them. It should be our policy to let the States evaluate the very best balance between regulation and availability. And what we are really doing is adopting national standards under the guise of model standards.

National standards do not mean quality. There is no evidence that heavily regulated care is any safer or better than any other care. We do not know that heavily regulated care will deliver better care. But we do know that it will deliver more costly care.

So, I conclude these remarks by refuting just one last point that was made by the principal proponents. Tax credits, it was said, are not useful, since you only get them at the end of the year. I have alluded to that. I hope nobody thinks that is what is in the bill we propose. Both of the tax credits that are in the bill that we introduced provide for advanced refundability. They can get it in the paycheck. It is already current law, in terms of the earned income tax credit—it is going on right now. We simply expand on it with full knowledge it can be implemented.

I would be pleased to yield for a question or yield the floor, whichever the Senator from California prefers.

Mr. WILSON. Mr. President, if the Senator would yield for a question.

First, let me thank my friend from New Mexico. I think perhaps, with his characteristic succinctness, he has made clear what I, in an earlier extended debate with my friend from Connecticut, one that I enjoyed and I think that he enjoyed—undertook in order to bring some clarity to some points that I think have become confused.

But in the interests of further clarity, let me just ask my friend. He made the point that he has been a mayor and perhaps that is an additional bond between us. So have I. So has our distinguished colleague from Utah, who has just come on the floor.

Has my colleague known very many mayors, or for that matter very many Governors, or local or State officials, who could resist the temptation if an "incentive" in terms of cash were offered? Has my colleague known very many that would not seek to meet the standard that would reward them with that cash bonus?

Mr. DOMENICI. It would if there is a cash bonus in the ABC bill, and at one point there was. I am not sure there still is.

Mr. WILSON. Well, what there is, if a State meets the so-called national recommended standards.

Mr. DOMENICI. The model standards.

Mr. WILSON. The model standards, there is incentive to do so. At least unless that has been taken out as recently as today.

Mr. DOMENICI. I think, Senator, that the very point you are making was made and, as this bill evolved and was changed, it is no longer in.

So your point was well taken and it is clear that as it moved away from national standards those who did not want national standards said: Well, this bill still has national standards because you are urging them with an incentive.

So, let me say it surely is not that, it was taken out. But I submit to you that you do not include model standards and say we expect the States to adopt six of them and that we will not have the Federal Government saying you are not doing enough. That is what standards are and that is what is going to happen.

Mr. WILSON. Well, I thank my friend. Let me just ask this question. Has my colleague noticed that in the Mitchell substitute for the ABC bill, it

is States that retain the right to fundamentally make the decision as to how child care will be provided? It is stated in the bill that, to a certain extent—and that is unclear what the extent is—vouchers will be offered. That is the direct assistance that is available to participants. But, essentially, it is the States that retain the authority, indeed the responsibility to determine what kind of care shall be provided, whether it will be school-based, center-based, family-based. And, although there is a requirement that there be an equitable distribution as between those different kinds of care, it is the State that has to exercise discretion to define what is an equitable distribution.

Mr. DOMENICI. I say to my friend from California, in a series of refutations I have just made to contentions made by ABC proponents, I addressed this point. And I am pleased to make this point again in response to your very specific question, that the proponents of the ABC bill contend that these subsidies go to parents. There could not be anything further from the truth. Not even the voucher money goes to the parents.

If you read it, the decision is made by the State as to where the child is going and the money, goes from the State to the provider. The parents are not even in that, even on the church-state issue in this bill. Nowhere.

Mr. WILSON. I thank my friend from New Mexico, and I think he makes, with abundant clarity, the point that the approach that has been favored by those on the ABC bill's side is to give to government—in this case State government, or if they choose to delegate it, I gather they can to local governments—the decision as to what kind of child care shall be provided.

In contrast, Mr. President, the approach taken under the dole substitute, where that decision is made by the parents who are free to make that choice because the Federal assistance that they receive is cash in the form of a refundable tax credit. It does not go to a local government or to the State government. It comes to them as individuals so that they may exercise their discretion in making the choice as to what kind of child care the child should have.

That is all the difference in the world. And several of the proponents of the ABC bill have seemed to express great umbrage at the suggestion that many of us have made that parental choice is, in fact, quite limited under the ABC approach, under the Mitchell substitute. And, indeed, I think more so under the Mitchell substitute than before it was amended.

As the bill came to the floor, I think there was more parental choice than there is now. Because now the focus, ironically, has come to be on State government. Well, in many instances we think that is a good thing, but here we think there is a better thing. We think that parents can be trusted to make the right choice for their own children. But, instead, the responsibility and the resources are in the hands of the State government, and I think that was part of a scheme that evidently has now been changed.

Mr. DOMENICI. Yes.

Mr. WILSON. The change is the States were going to be encouraged to seek still more money through the incentive that now has been taken away. It may, in future years, return. And I suggest that it is not paranoid or conspiratorial to suggest that the people who wanted it that way in the first place, now understanding that they need to settle for half a loaf, may just decide to be patient, but, in some future years, return with their good intentions and with the incentive restored that will make a national, recommended model standard not recommended standard at all but, in effect, virtual mandates upon the States.

And, frankly, I think even now, even with that change having occurred, it is still true that the States may now apply for incentive grants to improve their standards. I believe that remains true. But the essential point, Mr. President—and I do thank the Senator from New Mexico for making it—is that if you are of the mind that parents should make the choice, then you have a choice between the Dole and the Mitchell substitutes. But if you think that parents ought to make the choice, then you really do not have much choice, because the Dole amendment is the one that provides it through the mechanism of a refundable tax credit.

And, if you think further, that the choice ought to be made in a way that permits a mother in a poor working family to decide, at the sacrifice of her family of a second income, that she will forgo that and instead stay home so that she can rear her child in those critical first days and months and years, then it is the Dole substitute, the Dole amendment that offers the only Federal assistance to at-home moms because under existing law and under the proposal contained in the Mitchell substitute and, indeed, in the Dole substitute that insofar as it deals with a dependent care tax credit, the at-home mother cannot qualify because she has not purchased services and that is available only to someone who has. She is providing it. She cannot bill herself and turn that bill into IRS for a refund.

I thank my friend as well as for the point he made that we are not talking about a credit in the traditional sense of the word as something you obtain at the time you file your income tax. We are talking about a refundable tax credit. We are talking, in effect, about cash in a paycheck that is available at the time of need.

Mr. DOMENICI. Will the Senator yield for just one observation and then I clearly intend to yield the floor?

I know that my good friend from California has a genuine interest in State government. I think it would be an interesting exercise to get the demographics of California and find out how many millions of preschool children live in just the State of California. Then it would be interesting to just hypothesize how many millions is that State going to get out of the ABC bill under that 70 percent to provide allocated slots and pay the provider. I submit that it is going to be a very small portion of those children.

Why do I raise that point? I raise that point because somebody under this ABC bill—the somebody will be State employees—under some kind of State plan are going to have to decide which of them get what and how much. What about the poorest of the poor? If you want to take care of all of them, like we try, there will not be any left over for anyone else, and yet it is being said that whoever is running California has a bill that is sending money and that you ought to be able to provide in California for median income families. In California, the median income is probably a high one. There will not be enough money for 10 percent of them, and somebody is going to ration it.

I submit that before we get around to letting people do that and everything that goes with it, we ought to try to help all of the poor families in this country—whether one is staying home or not—with cash in the pocket, and let them make the choice, mother or father or single head of household. That is the big difference.

Can you imagine the nightmare to be the rationer, I say to my friend from California, when it is now being said if you help only the poor, you have left out the middle income and we said you could help the middle income? Nobody did the arithmetic. If you want to help them all you can probably give all of them about $20, each child; $25. Not very much.

I am pleased to yield the floor, and I thank the Senator for his contributions on this bill, and I hope we have success.

Mr. WILSON. Mr. President, before my colleague leaves the floor, let me just say that once again in his question, not quite rhetorical question, he has demonstrated how perceptive he is. The answer to his question is exactly as he supposes. Indeed, earlier today in debate with my friend from Connecticut, he raised the very point you just have. In his view, one of the distinct assets of the ABC bill is that it will be available to parents who have the median income. He is right; under

the ABC bill that would be true. The result is what he would have is a very rich program for a very few recipients, and that is not good enough.

The question that the Senator from New Mexico proposes as it applies specifically to my State I must tell you vindicates his worst fears because the answer is that in California, we need about a million of those slots. That is the number of eligible children that we would have. And yet under the ABC bill, the amount of money that is provided which the Senator from Connecticut took great pleasure in saying was $146 million does not reach very many people. It, frankly, would reach about 40,000. That is not good enough.

It is a much better thing, Mr. President, I submit, to target the assistance to those who need it, the working poor, and, in addition, to do so in a way that all eligible families can receive some assistance rather than having an unrealistically rich program for a very few that, in the words of my friend from New Mexico, would require rationing. How is it going to be done? He is right, I have an interest in State government. I am eager to accept responsibilities. That is not one I would relish. I think it much better that that decision be made by a parent whom I am perfectly willing to trust with the kind of tax credit that will put cash in his or her hand to go out into the marketplace and decide what for his or her child is the best form of child care.

But at market rates, as required under the ABC bill, this rich program will not begin to reach nearly enough recipients.

I see my friend from Arizona is on the floor and he has been waiting patiently. I do not wish to cause him to wait further. I will yield the floor to him with the observation, Mr. President, that the Senator from New Mexico is correct. He is correct on the score of parental choice; he is correct on the score of the costs of the program and the number of people it would reach, and I think those are critical elements. I thank the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). Who yields time?

Mr. DECONCINI. I ask the Senator from Connecticut to yield me enough time to give a tremendous statement.

Mr. DODD. Mr. President, I have no doubts whatsoever. Every time the Senator from Arizona speaks it is a tremendous statement. There should be no exception to that. If the Senator will yield me 1 minute to respond, because once again my good friend from California, with his southern California chart, these bright irridescent colors representing our country here, I want to once again go back and correct two elements that seems to be part of a disinformation campaign about this bill. We are still confronted with these comments.

First, there is no penalty or awards for States to reach recommended standards. That has been taken out of the bill. The State match is the same for all States. All States are eligible for incentive grants and no State has to do anything in relation to recommended standards unless it wishes. The earlier versions of this bill, in fact, did have incentive grants that applied, or differential in the grants. That was taken out.

Today, whether you have the standards or you meet the model standards or you do not meet the model standards, you get the same. Despite the fact it is in the bill, it has been before this body for 6 days, we still have Members coming over here making the argument that there is some distinction in this bill. I really wish they would read it before they make statements. There is no differential whatsoever between States that have the model standards and States that do not. That is No. 1.

No. 2, the State does not decide where the children go. In fact, the bill explicitly and specifically says that children must be placed where the parents want to place them. Certainly my colleague would never cosponsor a bill, my colleague from Arizona would never be associated with a bill that said the State of Arizona and the State of Connecticut will tell your child where they are going to go to a child-care center. I would have nothing to do with a piece of legislation that allowed a State agency in my State, no matter how much I respect the Governor, the State agencies, no commissioner in my State will tell me where my child is going to go to a child center. To suggest here on the floor that that is included in this bill is just tripe.

Let us get the record straight. Argue about it if you will, but at least let us be honest about what is in this bill. To suggest that the Senator from Connecticut and the Senator from Utah and almost 50 cosponsors of this legislation on the floor would be associated with a piece of legislation that allowed any agency of any government in this country to mandate to a family where their children will be in a child-care center is patently false.

I am tired of hearing those statements being made on the floor. I apologize to my colleague from Arizona for interrupting. I have sat here for the last 6 days and listened. No matter how often the Senator from Utah and I take the floor to debunk these statements, it is falling on deaf ears, obviously. That is the best I can hope for here. They come back, Member after Member, to the floor making these arguments that we are mandating where children go, that we differentiate between States, and that is not the case at all. So I would urge my colleagues to read the legislation or call and ask questions ahead of time if they are incapable of taking the time to look at the bill, and we will be glad to answer the question about what is in it. Again, I thank my colleague for yielding.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. DECONCINI. Mr. President, I join my colleague from Connecticut. I have been listening to some of the debate. It borders on absurdity. I do not know where they are finding this. I am afraid maybe they are reading last year's bill because there was some possible interpretation of and certainly reference to the standards in the bill in the last Congress. This is a different bill. It happens to be called ABC. It is a different bill, and it is significantly different.

Now, yesterday, Mr. President, Senator HATCH held up a blue sheet, and this one is not blue because it is just a xerox copy of it, of gross misstatements regarding the ABC bill. I read it and I said, well, nobody is going to believe that stuff. It is so wrong and so out of sort, is it really worth coming here and talking about it. Senator HATCH spoke very powerfully against the distortions and what I consider lies that are being spread about the ABC bill. Yesterday at the Republican caucus every Republican Senator, so I am told—and I was not there—was given this workpaper that compared the Mitchell substitute to the Dole substitute. I have seen the material. I have looked at it. There is something wrong here. And it does not say who put it out. It does not say Policy Committee or any Senator's name, so I do not know who put it out. But I have seen that material. I have looked at it. There are no names on the paper, no identification. Nobody claims credit, that I know, for it. But as Senator HATCH pointed out, this was clearly prepared by people who feel that they are conservatives and are addressing a conservative-liberal issue of whether or not the Mitchell substitute to the ABC bill is the right way to go or the Dole substitute.

Now, listen, Senator DOLE is a well-respected leader and former majority leader. He has every right to submit a substitute. Those who want to argue on behalf of that substitute, have every right—that is what this is all about. But let us argue on the facts.

Senator HATCH did an outstanding job in clarifying what is true about the Mitchell substitute and what are lies and distortions which this material passes off as true.

I am not going to repeat what the Senator from Utah said so well. But I want to cite one or two examples that really need reemphasizing in my opinion.

VOL 135 PT 9 JE 14 — 22 1989 UMI

This document, the one that Senator HATCH used yesterday, says that the Mitchell substitute "biases choice in child care toward institutional care." That statement, Mr. President, is not true. It is a distortion. It is a lie. There is nothing in this bill which says that, and I challenge anybody to point that out and argue it on the floor of the Senate.

It may have been true in the original ABC bill of the last Congress, but it is not true of the legislation we are debating today and this week. The bill we are debating today has been changed. It has been said over and over again that this bill has been modified. This bill maximizes parental choice. Parents can choose center-based care. But they can also choose home-based care. It is a decision for them. They can choose child care provided in schools, synagogues, and in churches. They can choose care provided by neighbors or grandparents or aunts and uncles if they want. So the argument that the bill favors center-based care is a bogus argument.

The argument—and again I quote—that ABC is "against care provided by informal providers such as friends and neighbors" is simply not the case. It is not true. It is not what is in the bill.

Mr. President, I want to talk about another section in this document entitled "Bureaucracy." Everybody lights up when they see that: Look out, here comes Uncle Sam knocking on your door; "I am from Internal Revenue or some other agency of the Federal Government and I am here because I work for the bureaucracy." "Bureaucracy" is spelled out in big bold letters.

I do not have to tell you what that word means to our constituents. It is a big red flag that is named "big brother," "red tape," "no parental choice." This section on "Bureaucracy" goes on to say that the Mitchell substitute to the ABC bill "would allocate up to 30 percent of a State's grant money off the top for administrative overhead, inspections, increasing child-care worker salaries, training, and other purposes."

The ABC bill does not allocate 30 percent of funds for overhead. It allocates 8 percent—8 percent and only 8 percent—for overhead. The rest of the 30 percent would go to increase the supply and quality of child care, not overhead. So again, this is an outright misstatement.

Mark Twain once said to "get your facts first, and then you can distort them as much as you please." Well the unnamed persons who drafted this document didn't bother with facts at all. They just moved right on to distortions. I hope we do not see any more of this kind of trash, as I consider it, put out in total disregard of the truth. There are many people I respect who disagree with this bill and are going to vote against it, and that is their right. They have some good arguments. I may not be convinced, but they have some good arguments. Let us talk about the facts of this bill. The facts did not matter here.

In my judgment Senator DODD has argued here long and well to look at the facts of the bill. Call us, call any of us who are involved in it, certainly the Dodd staff and the Hatch staff and the Senators themselves. They will be glad to tell you the pros and cons. They will even be glad to admit there are other sides to the issue.

My colleagues should debate the ABC bill that is before them, not what is in their minds or what they wish were here so they could throw it up as a strawman to knock it down. Do not bring up a bill that no longer exists. Let this bill rise or fall on what is really in the bill. Let the debate center on the facts of the bill, not the lies or distortions that are put out. What we are debating here is far too important for that.

I am concerned. I am concerned because the misinformation that I have been talking about is not just limited to the blue sheet that was put out yesterday and the workpaper passed out at the Republican caucus. I have heard a lot of misinformation on the ABC bill in this very Chamber. I have read distortions that are printed in newspapers and other periodicals. I have heard from my constituents who talk about these distortions as if they were the Gospel truth. It is like a bad disease that spreads until it can no longer be controlled.

Who is responsible, Mr. President? I submit we are—you and I and our colleagues in this room. All of us have a responsibility—whether we support the legislation or we oppose this legislation. We are the ones who should know what is in the Mitchell substitute and what is in the Dole substitute and talk about those issues. Mr. President, we have an obligation to tell the truth about what we are debating.

I received a call from a constituent yesterday who said that 80 percent of the ABC bill, he understands, is overhead—not 30 percent but 80 percent. He dared me to show him anything in print that says that only 8 percent of the ABC funds go to administration. This is what happens when you spread misinformation.

This week there was an editorial in one of our major Arizona newspapers that said grandmothers have to run "through hoops and hurdles" to get ABC funds. It said that ABC allows funding of church day care so long as there are no prayers. This is what happens when you spread lies.

Do you know how the editorial ended, Mr. President? Let me read how it ended.

> The ABC bill is big brother government at its meddling, family-wrecking worst. It is no Act of Better Child Care. It is a misguided waste of $12.5 billion spent on Anything But Children.

In case my colleagues missed that last figure—its $12.5 billion. Where did they get that figure? It is a new one that I have come across. But if you want to not tell the truth about something, you might as well really blow it up. That is what has happened.

I sound like I am mad, and I am mad. I hate to see things distorted when there is no need to it. I am a cosponsor of the ABC bill because I believe in it. I will fight with all I have to see that it is passed. I'll fight because I believe in this bill.

Do you know what some of my constituents in Arizona will say about me when this is all over? They are going to say "DECONCINI voted for this bill. He must be antiparental choice. He must be antifamily. He must be for 'big brother government at its meddling, family-wrecking worst.'" This is what happens when you fight with lies. You are damn right—I am mad.

I happen to know Senator HATCH quite well. He and I came here at the same time. I know he is being accused of being antifamily. The Senator from Utah, the junior Senator from Utah, is being accused of being antifamily. I have read some of the things that have been written about him. I do not know anyone, on either side of the aisle, who has been more profamily than ORRIN HATCH. He is fighting for a bill because he is fighting for families. He understands what it is all about. He has shown a great deal of courage on the floor of this Chamber, and in the process he has come in for some unjust criticism. I repeat. This is what can happen when you fight with lies.

In closing, I want to say a word about standards. Our friend from Connecticut has gone over this again and again. I think there has been more misinformation and distortion about standards than anything else in the bill.

After all that has been said, we still hear that standards in the ABC are mandated Federal standards. We still hear that grandparents have to meet Federal requirements to get ABC funding. There are also more subtle distortions. "Once the bill is locked into law," some contend, "its supporters will return and make everything under this bill Federal." I have heard Senator HATCH say here he is not going to vote for that. Neither am I. I do not believe that most people in the Senate would vote to do this.

I want to say loud and clear that when we are talking about standards in the ABC bill we are really talking about the quality in child care. Some of the opponents of this bill have uttered the word "standards" as though there was something to be ashamed of, as though it was simply another bad word like "bureaucracy." Make no mis-

take, when we are talking about standards, we are talking about recommended standards in critical areas of health, safety, and quality. The ABC bill, like other child-care bills in this Congress, seeks to address the pocketbook concerns of parents. But the ABC bill is the only bill on the table, the only one, that seeks to ensure that child care will not increase the risks of injury and illness for our children.

To those who continue to criticize the notion of standards, let me remind them of a poll taken just 2 months ago. In that poll, parents listed "quality" as their top concern—their No. 1 concern—with regard to child care.

Two days ago I talked on the floor about a 10-month-old baby who died in the home of a day-care provider. The provider had given Ashley massive doses of antidepressant drugs to keep her quiet. After Ashley died, it was discovered that the provider had previously been convicted of abusing her own children.

Is it antifamily to say that States must pay some attention to the background and training of the child-care providers? I do not think so.

In Brooklyn, a fire broke out in an unlicensed child-care center. The provider was looking after more children than the State standards allowed and could not get them all to safety. A 2-year-old and 4-year-old died as a result.

Is it antifamily to say that States must pay some attention to the number of children one child-care provider can look after? That is common sense. Is it antifamily to say that providers must have adequate safety exits in case of a fire?

This is a fact, Mr. President. Half of the women in America have to leave their babies in child care programs that they do not trust. Is it antifamily to give parents some assurance that their children are with adults who know first aid or who can recognize measles or who have passed a criminal record check?

What the ABC bill strives to do is give us accountability in caring for the most important resource we have. Accountability is what we should be concerned with here—in this debate—on this critical issue of child care.

The American people have the right to know what is in the Mitchell substitute and what is in the Dole substitute. The public has the right to know. It is our responsibility to ensure that they know the truth.

Mr. President, I want to go back to something I mentioned a couple of days ago. I know the Senator from Connecticut followed up on it. The history of this bill—and this, believe me, takes nothing away from the tremendous work the Senator from Connecticut and the Senator from Utah have put into this—goes back to, I believe, about 6 years ago when I first came across a major effort here. It was put together by Senator CRANSTON, the Senator from California, and a lady by the name of Susanne Martinez, who was then doing a survey nationally to try to find out what the child-care needs were. What a very positive approach that was.

This is not something that Senator DODD and Senator HATCH began 2 days ago or even 2 years ago. Senator DODD and Senator HATCH have spent years putting together a bill. They started pretty far apart, I remember. And what we have now is a compromise bill.

I just want the record to show that there is a long history here. And the work we are doing today deserves many, many applauds for the Senator from Connecticut—for his steadfastness, for being out here and constantly knocking down these bogus arguments. He must be a little tired of it. I certainly get tired of it. I just turn on the television in my office for an hour or so and listen to what is going on here. I am darned tired of it.

I think it is time that we debate the facts that are in the ABC bill. Maybe everybody ought to take a 2-hour break here, and maybe the majority leader would like to do that this evening, and everybody sit down and read the bill. You can do it in less than an hour. I think we can all learn something about what is actually in that bill.

Mr. President, I want to thank the Senator from Connecticut for his tremendous leadership on this issue. He showed some frustration at some of the bogus arguments that were made here a few minutes ago, and I do not blame him. He must be absolutely burned out, having to get up here time and time again, and explain time and time again, what is in the bill and what is not. If you want to be against this bill, fine, be against it, but let us not distort the facts and the truths that are in this ABC bill.

Let us have the courage here to stand up for the children, to stand up for the family, and to do something that is really right. Nobody is going to get hurt by this bill. I am not sure it goes far enough. But the old saying is that "you have to crawl before you can walk, and you have to walk before you can run." And I think we have begun a good effort here toward better child care for America's families.

The PRESIDING OFFICER. The Chair informs the Senator from Connecticut that the time allocated to him under the previous order has expired.

Mr. DODD. I thank the Chair.

Mr. President, I ask unanimous consent that I be allocated an additional 5 minutes and that the time allocated to Senator DOLE be reserved. I may not even need all 5 minutes here.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, first of all, let me thank the Senator from Arizona. He has been one of those people who has been actively involved in this issue from the very first hours we began this discussion, going back a number of years ago, and has proved to be an invaluable ally in the discussion of child care.

Before my colleague leaves the floor, I would take a second, because I know he will be interested as a student of history, and I know how much he loves history. Of course, it was 21 years ago that our former colleague, Fritz Mondale, proposed and succeeded in adopting a child-care bill here on the floor of the Senate. It was vetoed by President Nixon, and although the vote was overridden in the House, it was not here in the Senate, so the child-care proposal of 1968 failed.

What my colleague may not be aware of, even prior to 1968, this body, 46 years ago this month, on June 29, 1943, the Senate, after a 2-day debate, passed by voice vote, a national child-care program. It was called the War Area Child Care Act of 1943. The author of the bill was the Senator from Utah. His name was Albert Duncan Thomas. He had been a Mormon missionary in Japan and a professor of political science at the University of Utah before entering the Senate in 1933. It was as chairman of the Committee on Education and Labor that Senator Thomas brought a $20 million a year child-care measure to the floor of the U.S. Senate.

I remind my colleagues of the year, 1943, June, in the middle of World War II, and $20 million in 1943 was a lot of money. This body, by a voice vote, a voice vote, said we need a national child-care program, because young men were fighting in the European-Pacific theaters. Their wives were at home raising children and also working, war production.

Some of our people around the country who may be watching and listening to this debate may have been involved in that, may have been mothers back in the forties and know what I am talking about and remember those days. There is one child-care center left in the United States that was authorized under this War Area Child Care Act of 1943, and it is in Santa Monica, CA, and still is running. All the rest, after the war, ended up being disbanded, because families came home and dad was there, and dad went off to work, and mom stayed home with the children.

It was fascinating when you go back over the debate—and I invite my colleagues, if they enjoy history and revisiting arguments, to read the CONGRESSIONAL RECORD of June 29, 1943, and listen to some of the arguments on the floor about the child-care proposal of Senator Thomas of Utah.

VOL 135 PT 9 JE 14 — 22 1989 UMI

By the way, Senator Danaher, of Connecticut, who is still alive, was one of those Senators who was raising a lot of questions about the child-care bill, whether or not we were going to set up some huge bureaucracy and how much flexibility parents would have. It seems you go back and you can read a debate of 46 years ago, and you could change the date on it, and you would almost think it occurred this afternoon.

Let me quickly share just a couple of the statements, some of the speeches made in defense of the Thomas bill. Senator Thomas said, and I quote him here:

> I agree that mothers should not be in industry. I agree with all my heart and soul that they should not be in industry. I wish they did not have to be in industry, but they are in industry, and children are being neglected as a result. Because children are being neglected and mothers are not being taken care of, the Government has stepped in to try to do some good. No one objects to that.

June 30, 1943. Listen to Robert Taft, of Ohio, whose portrait is only a few feet from this Chamber, chosen by the Members of this body as one of the five most distinguished Members ever to serve in this body in the 200-year history of this great institution. Again, not unlike my colleague from Utah today, Senator HATCH, who hardly needs his Republican credentials to be endorsed by this Democrat. He has a long history of being associated with the Republican Party, and being a proud and constructive member of it, and certainly Robert Taft, of Ohio, fell into that category. Listen to his comments:

> I think that if women are to work in defense industries, they are to be called upon to work, we must make some provision for taking care of the children, particularly the young ones, when women are working in the factories. Otherwise, mothers will not work, we will not have the woman power necessary to fill the vacancies in the war production plants.

June 29, 1943. I hate to remind my colleagues, but here were two conservative Members of the Senate, Robert Taft of Ohio, and Senator Thomas of Utah, in 1943 addressing the argument raised by some about the need for child care in the middle of World War II. Thank God we are not in the middle of a world conflict.

But just as women were involved out of necessity in 1943, in industry, away from the home, we find today many women, for other reasons, are faced with the same situation. As single parents, they must work, in order to provide for the economic needs of their families. As spouses whose husbands make less than $15,000 a year, they must work, in order to provide for the economic needs of their families.

Just as Senator Thomas, and just as Robert Taft said 46 years ago this month, "I do not like that, I wish that were not the case." But the fact of the matter is, it is the case. As long as that is the case, "there is nothing wrong with Government trying to step in to do a little good," to quote Senator Thomas of Utah, 46 years ago.

That is all that Senator HATCH and myself and a number of Republicans and many Democrats are trying to do with the Act for Better Child Care. They can mimic us and make fun of the name and try and choose other letters to describe it, but all we are trying to do is to ease the burden of some American families who are caught between having to make terrible choices, the love of their family and the necessity to work. It is not a choice they willed upon themselves. It is not a choice that they like to meet every day.

When that mother and father get up in the morning and take that infant child, the most precious possession that they have, and load them into that car and drop them off with some people they may have only met a few days ago or a few weeks back, and leave that infant for 8 hours a day, 5 days a week, month after month, I do not think it is asking too much that we in this Congress step forward and try and lighten the burden financially, to increase the availability of choice for those parents, and to be able to say to them that we are going to do our best to see to it that that place where you leave the most precious possession in your life is going to be a safe place for them.

We cannot guarantee that. No law can. Unfortunately, there will be those who will take advantage of a situation. But we can try and we can at least try to put into place some suggested ideas on how to minimize the risk of the most vulnerable part of our population, infant children. And that is all we are trying to do here, no different than what this body did on a voice vote 46 years ago, for different reasons then, circumstances were different, but the net effect was the same, and I am confident that this body and I am confident that this President who represents us all today are interested in seeing us step forward to try and help in the area of child care.

Mr. President, before this debate is concluded in the next several days or weeks I am confident that we will provide for the American people a child-care program that at least reduces the cost for many, not all, but some, that will expand the availability, not for everybody, but for some, and that will improve the quality of that child care, not guarantee it absolutely any more than we can with any bill or law we ever pass but to at least listen to the arguments of some that this is a bureaucratic monster that is imposing standards and denying parental choice and mandating where children go, I would invite them to read the RECORD of 46 years ago and to look at what good Republicans and good Democrats could do in the middle of a war. Not once in that debate did I find a single Senator stand up and say, "We can't afford to do this; we need to put that $20 million to work in Europe and the Pacific theater to defeat the enemy."

I found no single reference to a Member of the Senate making that argument. They understood the importance that a strong nation not only depended on our ability to defeat the outside aggressor, in that case Japan and Germany, but our strength in no small measure depended as well upon our investments in a generation of children of which I am one.

I was born 11 months after that legislation was passed. I am a child of that generation. And I think our parents did a pretty good job of raising a generation because they cared about us. Not all of our parents could have been home or were home in World War II or the Korean conflict, but this country and the adult population of that generation did not forget us as children, and I would like to think today that they would be proud of what we are doing or trying to do.

I would like to think as well that 46 years from today that some Senator, maybe from Connecticut, maybe from Indiana, would be sitting or standing on this floor talking about what they might be able to do for the children of their generation. We can only imagine what the problems might be just as certainly our own parents could not even imagine maybe what the world would look like in 1989. But I would like to think they can have that debate, they could discuss what the priorities ought to be and would look back and be able to say about us what we can say about our parents, that even in the middle of a conflict like a war they took time out to worry about the children of their generation, that even in a time of fiscal crisis, limited budgets, difficult questions, we can take out the time to worry about our children, to make it a safer and a better world in which they can grow and become productive, constructive adults.

That is all this is really all about. That is all we are trying to do here.

As the Senator from Arizona has said, there is nothing perfect about this bill. I would be the last person as the author of it to tell any of my colleagues that there are no flaws here. Like most of us who write legislation, you guess a little bit, you hope you are right. Time will tell. If we are wrong, we will come back and change it a little bit and make it right.

But the idea that we are trying to provide some direct assistance to families, that somehow that is unacceptable, Bob Taft did not think so in 1943, to provide direct assistance to

families, if that child needed a good child care setting. Senator Thomas, of Utah, did not think so. They did not argue about those sorts of things, whether it was a tax credit or a direct subsidy, let us help them, let us weigh in, let us do a good job, instead of getting into some mindless, ideological debate about some meaningless political philosophy, that wanders out there in the upper reaches of the atmosphere that does not mean much to most people who are trying to make ends meet today.

So, Mr. President, I invite my colleagues to read that debate. It is not a lengthy debate, those 2 days in June of 1943. But it is an enlightening debate.

We always like to think we are doing things for the first time here, we are inventing the wheel. But we are not in most cases.

And that debate indicated exactly what the priorities of a nation ought to be even in the middle of a great world conflict.

Tomorrow we will have an opportunity to vote and get underway, and I am very confident and hopeful that we will all be able to go home for our Fourth of July recess, that whatever amendments Members have to offer, they will offer them in good faith, make positive, constructive suggestions on how to improve the legislation, but let us get about the business. Let us not drag this out. Let us not go through a process where we play games with one another for the next 2 or 3 days in order to gain, as I said earlier today, some upper hand politically about who is the author of child care.

Let us do something that we can all go home, Republican and Democrat, conservative and liberal, and say to our constituents we have done something here. We do not know if it is perfect. It does not take care of everybody, but it gets us on track now that we understand the problem.

I think we will all do well politically if we take that position instead of going home and trying to pretend we defeated one side or the other in this battle. The American people could care less about our political battles. What they care about is what we might do in a positive and constructive way for them.

Mr. President, I have exceeded the time that I have asked for, and I see my good friend from Indiana is over here on the floor and I apologize for going on a few more minutes. Let me yield the floor.

The PRESIDING OFFICER. Does the Senator from Indiana yield himself time from the time allocated to Senator DOLE?

Mr. COATS. I do. I yield myself 15 minutes, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. COATS].

Mr. COATS. Mr. President, I say to my colleague from Connecticut that I do not question his motives in bringing forth this legislation before the Senate. He is a passionate and articulate advocate on behalf of children of this country and he has articulated his position very well and very passionately in the last few days.

I have worked with him on a number of issues, and we have not agreed necessarily on each of those. Some we have; some we have not.

I disagree with him on this particular issue because I think a different approach ought to be used, but I do not question his motives in bringing forth the bill and in sincerely attempting to provide additional child care for children of this country.

As I said, we have a decidedly different approach to what is a very real problem, a problem that exists today because our work force is changing. Mothers are moving into the work force in record numbers. Child care is an important component of that.

I have raised over the past several years a number of questions about the impact of this on our society, the impact on children, the effect that it might have on the next generation. Those are questions that psychologists, psychiatrists, medical experts, policymakers, and others are debating, and we can find advocates for both sides of the equation.

Researchers will come forward and present statistical evidence indicating that infant child care potentially is harmful. Others will say, no it is not; it depends on the quality of care.

Those of us who believes that there is no substitute for a mother's care, that you simply cannot begin to provide the kind of care and love and concern that a mother can give want to argue for a system that does not discriminate against that mother that chooses, often at considerable financial sacrifice, to stay at home.

Therefore, we are supportive of the Dole bill which recognizes the mother who chooses to stay at home and the importance of that decision.

Now we also recognize that there are plenty of mothers who have no option. They are single parent mothers. They are mothers from low-income, two-parent families. They are mothers for whatever reason of necessity have to be in the workplace and therefore need some form of child care, and for those certainly providing assistance in achieving child care is a desirable goal because often the only alternative is welfare and we ought to be encouraging, not discouraging families and mothers from staying out of that system.

And that is why Republicans have supported over the years a system of credits for dependent care which now totals about $7 billion. It is wrong to characterize this debate as for child care or against child care, or we are now putting into place a child-care system. That is already in place.

Our Tax Code, to the tune of $7 billion, allows for dependent care credits. I think it ought to be changed so it retargets the assistance to those who really need it because there really is no debate over those single mothers, those mothers in low-income families, in financial situations, who have no choice but to enter the workplace. There is no debate over whether or not they need assistance in meeting their child care needs.

The debate is whether we ought to put in place a new system, a system that is designed to funnel money into an existing child care delivery system that is State controlled, in one fashion or another; whether we ought to funnel the money through that system or whether we ought to take a broader approach and try to reach out to all those families in America who have children at home, recognizing the difficulties they have in meeting their financial needs in raising their children, in a way that gives them the choice as to how they raise those children and how they provide that care.

The Dole bill, the bill that is proposed as an alternative to ABC, is an attempt—again, not perfect—but an attempt to reach out and recognize the broader policy implications and the broader needs of helping all families. We do so by expanding the earned income tax credit so we give the parents at home additional funds with which to provide for family expenses.

If they choose to use it for child care purposes, that is their choice. But if they choose to use it to help supplement or help with the income of that mother who chooses to stay at home or the family who chooses to have the mother staying at home in those crucial early child-rearing years, then they can use it for that choice. And the word "choice" is the critical distinction between the two.

I suggest it is a distinction that cannot be merged or married in a successful way between the two bills. That is why there is such division here about the approach we ought to take.

Yesterday I talked about the fact that the ABC approach does not resolve the question of provision of assistance to religious day-care providers. I indicated what an important segment of day-care provision that is. That up to a third of parents choose to have their child cared for in some form of religious institution or in care that incorporates some form of religious instruction or in a church or synagogue-type of facility.

That that is a very important component of the child care that is provided to today's young children and it is the choice of many, many parents. It is, in fact, a superior choice because it

does provide quality care at often much lower prices. Because the church is doing this as a mission, as a service. It utilizes people from the congregation as assistants. They often work for less or volunteer. And, in many instances we find a very acceptable and often superior form of child care.

I detail, by going through the bill section by section, the problems and the limitations that I thought would occur if we passed ABC. And the fact is that it would shrink up and drive out of the business those very essential components of child care provision that are being provided by some type of religiously oriented child care. That is a part of the record. We did that yesterday.

Today, I would like to focus on the question of mothers at home that I talked about earlier. ABC proponents believe that families should be rewarded based on their child care decisions. And that families which choose to place their children in out-of-home care deserve Federal assistance but those who sacrifice income to remain at home do not deserve Federal assistance.

They argue that, given the choice, most mothers would rather pursue a career than care for their very young children at home. And we hear this argument over and over.

"Wake up. Move into the 20th century. Mothers want to work. They want to be in the workplace. They want child care. They do not want to stay at home to raise their children and therefore, we need to assist them and recognize that decision and assist them with financial assistance."

Well, I do not think those who make that argument know the American family very well.

True, there are American mothers who make the choice to be a part of the American workplace and that is their choice. No one is trying to dictate that for them. What we are saying is those that choose not to ought not to be discriminated against as we direct Federal assistance only to those who choose to do so.

As I said, we have not correctly identified today's American family. According to the most recent survey of child-care arrangements by the Census Bureau, more than 9.7 million, that is 54 percent of the nearly 18 million children under the age of 5, are primarily cared for by a mother who stays at home with her children. Fifty-four percent of the children under the age of 5 are primarily cared for by a mother who stays at home with her children.

An additional 7 percent have tag-team parents who share child rearing responsibilities. And an additional 4 percent have double-time mothers who care for their children while they babysit other children or earn income in some other way at home.

Thus, the primary care arrangement for 65 percent of all preschool children is by one or both parents. When we add the 11-percent primarily cared for by a grandmother or other relative, we see that nearly three-fourths of all the children under the age of 5 are primarily cared for by one or more family members.

Is care at home the choice of most families? According to a recent survey by Glamour magazine, 84 percent of mothers who worked full time or part time said:

> If I could afford it, I would rather be at home with my children.

The Dole-Packwood amendment goes a long way in letting these families keep more of their income. It may not result in massive numbers of families deciding suddenly to take a mother out of the workplace and have her stay at home. But it sends a very important signal and helps establish tax fairness for families. And most importantly it allows the choice to be made by the parents, by the mother; and it does not bias the choice by government.

I recently received a brochure entitled "Mothers Speak Out on Child Care."

Mr. President, I ask unanimous consent that this brochure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. COATS. Allow me to read some excerpts from it that I found particularly enlightening. I quote from this pamphlet:

> Legislators under pressure to end the Nation's child woes may be rushing to give America's mothers precisely what they do not want. The fact is, as political cries for "more quality day care" reach a near-deafening level, millions of women are quietly looking toward another kind of solution to the child care crisis: They are looking for creative work options that allow them to rear their own children. Whether they choose to pull back from full-time work to part-time, to open a home-based business, or to quit work altogether while their children are young, the motivation for most mothers remains the same—to keep their children out of day care.
>
> Yet, political leaders, perhaps unaware of this trend, are ready to provide mothers with exactly the kind of care they are trying to avoid. Sought out by various day care advocates—representing business, labor, social services, and education—many legislators have considered the advice of everyone except the very group whose interests they seek to promote: the nation's mothers.
>
> When the child care crisis is viewed from the eyes of today's mothers, it becomes evident that political leaders have fallen prey to the following misconceptions:
>
> Misconception No. 1: The belief that most mothers today need substitute child care.
>
> Misconception No. 2: The belief that the needs and desires of mothers and children are accurately portrayed in the media.
>
> Misconception No. 3: The belief that providing more "quality care" is our only realistic option.
>
> These misconceptions, which have led to a serious misunderstanding about who today's mothers are and what they need, demand closer examination.

And then a second from that brochure ensuring our children's best possible care:

> Mothers across the country are watching the national child care debate with growing alarm. They have seen it evolve from a rational and sensitive discussion of the plight of America's mothers into a frightening political battle between forces that have long since forgotten what is really at stake. They fear that in the end the "solutions" it yields may compromise what is good for them and what is best for their children.
>
> Most mothers today do not believe that loving care can be created by legislative mandate, or bought with generous salaries and top-of-the-line play equipment. When they demand "quality care" for their children, they are not referring to adequate fire exits and adult-to-child ratio. They are referring to genuine love, to personal and immediate attention to individual need. They are referring to that care which teaches a child that he comes first to somebody—in short, the kind of care that has never been for sale.
>
> These mothers do not make their child care decisions based on scientific studies or the findings of Congressional committees and Presidential commisions. In the final analysis, when a mother makes that hard choice, she consults the dictates of her conscience, the inclinations of her heart, and the commonsense evidence of her own two eyes.
>
> For most mothers today, that evidence suggests that their children need them. So, while legislators consider child care programs which no one knows how to fund or staff or regulate—programs which even proponents cannot confidently predict will do an "adequate" job—millions of mothers are pioneering their own real-life solutions to the child care dilemma. These mothers, who have ignored conventional wisdom in order to pursue uniquely personal strategies and options tailored to the needs of their individual families, may well be providing the very leadership that will finally steer us toward a sound public policy on child care.
>
> One thing is certain: the children of this nation deserve to be raised in the best way rather than in the most expedient way. Let us work together to ensure that all parents can freely choose the best possible care for their children.

Mr. President, I think what has been so eloquently stated by this organization, Mothers at Home, is that there is no substitute for care at home by a child's mother. As I said earlier, I recognize the reality of the fact that there are many mothers who simply have no choice, and for those mothers we ought to be compassionate and reach out and find ways of assisting legitimate child-care needs. We ought to recognize also that there are mothers who want to have the choice, want to have the option, staying home and raising their children especially in early years, adjusting work schedules through flextime or work-at-home

procedures whereby they can perform work at home and provide child care for their children, working out informal child-care arrangements with neighbors, relatives, or friends, sharing child-care arrangements with fellow workers—a whole range of options that ought to be open to mothers who make their choice to be with their children and want to avoid institutional care.

We are now attempting to put into our child-care delivery system a bias which simply says if you work, we will help you, but if you as a mother make the choice, you as a family make the financial sacrifice to stay at home and raise your children, then we will not help you at all; you are on your own; do the best you can but do not expect any help from us. And so as we bias a system toward only providing help for those who work, we discriminate against those who make a very important choice, often at financial sacrifice, to stay at home.

Now we have talked on the floor about the problems of ABC and how as you attempt to devise a system to deliver child care services to families you run into a whole myriad complex of questions and problems and interpretations and potential court battles and potential discrimination and establishing of standards that throws the whole system into chaos and drives out many of those who are working on an informal arrangement, they throw up their hands and simply say, "I cannot, I won't; it is impossible to comply with the standards that are put before us."

Yes, the ABC bill has been changed to remove the Federal standards but, as I indicated in earlier testimony, there are a number of instances in the bill whereby the standards will be imposed and be part of the delivery system or the providers will not qualify for the care. So grandmothers who are exempt or in-laws or step-parents or those who do not qualify under the exemptions will find that meeting the standards or coming under the guise of a State regulation will simply not be worth the trouble and they will either go underground or get out of the child-care provider business, thereby shrinking the slots available for child care.

One of the local papers here just this week detailed the discussions that are underway with the country board of supervisors over the child-care delivery system in Fairfax County and how people came before the supervisors to testify as to how complicated, how burdensome, how unwittingly some of these regulations were causing problems in delivering child care and how they were prepared to go out of the child-care business if they could not find some adjustment. So we are constantly faced with a situation where the State is attempting to determine the standards and, as such, creating problems that it never could have conceived. One of these standards in a Fairfax County governmental unit was that no child should be spanked during child-care hours. The mother was asking the supervisor, "Well, along with the children that I care for, I also care for my own child, and are you telling me that if my kid comes up and kicks me in the shins I cannot reach down and spank him or discipline him?" The supervisor said, "Well, under the provision"—in fact, it was the supervisor who asked the question—"Under the provision," the supervisor said, "that is not what we intended." But someone else jumped up and said, "Well, yes, that is what the standard says because we do not want to send a signal to the other children that spanking is permissible, and if you cannot spank them all, we do not want you to spank any of them." The mother said, "How do I discipline my own child?" "You have to do it outside the child-care hours. You cannot discipline your children when you are caring for other children."

I do not think I have to quote a psychologist that whatever discipline there is between a parent and a child needs to occur as close to the incident as possible. A child's attention span and memory is quite short. Something a child does that needs immediate attention or discipline ought to be attended to immediately by the parent. You cannot wait 6 hours later until the mothers pick the kids up and they go home and then apply whatever form of discipline you as a parent think is appropriate for that situation.

I just raise that as one example of a situation that you get into when you have a State or government unit imposing standards that apply to child care providers. You lose the flexibility, you lose the ability of the system to adapt to the changing needs of working mothers and stay-at-home mothers.

I could go on and on, and many have discussed on this floor the problems that exist with ABC. There is a better approach; there is a simpler approach; there is an approach that I believe most parents want, and that is the approach of giving them the choice, the choice of who provides care for their children, who is in a better position to determine who should care for their children than the parents themselves. No State can better determine the child care needs of a particular child and the provisions of a particular provider better than the parents. They are the ones who walk in the door and say, "Is this where I want my child to be?"

The religious question, the question of the religious providers being eliminated or at least reduced significantly under ABC, the fact that mothers at home should not be discriminated against, we have gone on and on here for the last several days about the problems of ABC and how these can be solved by the Dole substitute which provides income to parents for them to choose the best way to deliver those services to their children.

So I urge my colleagues to carefully read the bill, as has been urged by the Senator from Connecticut, because if you do, you will see the long winding road to complicated State delivered child care and the tortuous things you have to do in order to meet the requirements to satisfy the demand and yet fall short. I urge them to read the bill and urge them to look at the simplicity of the Dole substitute and go home and ask their constituents, what do you prefer? Do you want us to put some funds in your hands so you can make a determination about raising your children or do you want us to fuel a child care delivery system that is controlled by the State and that has all kinds of limitations in it? Do you want us to deliver the services that way? I think the overwhelming majority would respond, "Give us the choice; give us the flexibility; let us make the determination as to who is best qualified to care for our children and what service arrangements we can make in order to care for the children."

Mr. President, I think I have overindulged the time of the minority leader. I yield the floor at this time.

EXHIBIT 1

MOTHERS SPEAK OUT ON CHILD CARE

MOTHERS-AT-HOME

Mothers-At-Home is a non-profit (501C3) organization devoted to the support of mothers who choose (or would like to choose) to stay home to nurture their families. It was founded in 1984 with a three-fold purpose in mind:

To help mothers at home realize they have made a great choice—one made by many smart women today;

To help mothers excel at a job for which no one feels fully prepared;

To correct society's many misconceptions about mothering today.

Mothers-At-Home accomplishes these goals by:

Publishing "Welcome Home," a monthly newsletter that puts mothers at home across the country in touch with each other;

Researching, writing, and speaking on topics of interest to today's mothers;

Speaking out everywhere from the popular talk shows to the major news networks, and sharing everything from advice at parenting conferences to testimony on Capitol Hill.

PREFACE

Mothers-at-Home is concerned that the current clamor for more and "better" child care will push legislators into adopting policies that most parents do not want. We are convinced, after five years of hearing from thousands of mothers on this very topic, that the true nature of today's child care crisis is sorely misunderstood; and that leaders who have been quick to listen to the ideas of special interest groups have over-

looked the thoughts and feelings of the most important group of all—the nation's parents.

In hopes of giving a voice to mothers in particular, we have prepared Mothers Speak Out on Child Care—a concept paper which describes the child care crisis as we understand it. In the course of compiling this paper, we have studied various legislative proposals, reviewed conservative and liberal policy papers, examined widely-acknowledged studies, and kept abreast of related media coverage. However, the conclusions outlined here are not dependent on these sources; rather, our assessment of the child care crisis and our suggestions for solving it have grown out of firsthand experience with the mothers who are living it. In fact, the paper itself is the result of a year's work by a host of volunteers, many of whom have personally experienced the heart-wrenching decisions discussed in the following pages.

We challenge those who read Mothers Speak Out on Child Care to consciously seek out mothers and listen to their views on those timely issues, then judge for themselves the accuracy of this report.

MOTHERS SPEAK OUT ON CHILD CARE

Legislators under pressure to end the nation's child care woes may be rushing to give America's mothers precisely what they do not want. The fact is, as political cries for "more quality day care" reach a near-deafening level, millions of women are quietly looking toward another kind of solution to the child care crisis: They are looking for creative work options that allow them to rear their own children. Whether they choose to pull back from full-time work to part-time, to open a home-based business, or to quit work altogether while their children are young, the motivation for most mothers remains the same—to keep their children out of day care.

Yet, political leaders, perhaps unaware of this trend, are ready to provide mothers with exactly the kind of care they are trying to avoid. Sought out by various day care advocates—representing business, labor, social services, and education—many legislators have considered the advice of everyone except the very group whose interests they seek to promote: the nation's mothers.

When the child care crisis is viewed from the eyes of today's mothers, it becomes evident that political leaders have fallen prey to the following misconceptions:

Misconception No. 1: The belief that most mothers today need substitute child care.

Misconception No. 2: The belief that the needs and desires of mothers and children are accurately portrayed in the media.

Misconception No. 3: The belief that providing more "quality care" is our only realistic option.

These misconceptions, which have led to a serious misunderstanding about who today's mothers are and what they need, demand closer examination.

MISCONCEPTION NO. 1—THE BELIEF THAT MOST MOTHERS TODAY NEED SUBSTITUTE CHILD CARE

For the past twenty-five years, almost the only news the American public has heard about mothers is that they are leaving home for the workplace. At the basis of every discussion of the subject are government statistics—indisputable evidence that the number of mothers in the labor force has risen dramatically over the years. However, a general misunderstanding of what these figures actually measure has led to inaccurate and potentially dangerous conclusions about society's need for more child care.

Statistics On Working Mothers Do Not Measure Child Care Needs

Everywhere from Congressional hearings to local meetings of the PTA, the same cry is heard: Mothers are working, and there is a critical shortage of child care for their children. Leaders from every sector of society are urging immediate action, backing their pleas with government statistics that have become so well known and widely accepted that hardly a reference to motherhood escapes mention of them.

"Those who decry the trend for children to be placed in out-of-home care must accept the fact that American society has changed," stated the American Academy of Pediatrics last year in testimony before Congress. "More than 50% of mothers with children under one year of age are in the out-of-home workforce. Greater than 60% of mothers with children under three are similarly employed."

At the same hearing before the Housing Committee on Education and Labor (February 25, 1988), the YWCA reported: "Our country is faced with a major child care crisis because the number of children with working mothers has grown tremendously. By 1995, two-thirds of all preschool children will have mothers in the workforce; and four out of five school-age children will have working mothers."

Most likely, the representatives of these organizations based their use of the statistics quoted above on media reports, which invariably combine announcements of the latest government figures with stories of mothers struggling to manage full-time jobs while searching for "quality" child care. Media presentations of this nature give most people the impression that every mother who joins the workforce needs a child care provider or access to child care facilities.

This perception simply is not true. Millions of mothers who are considered by the government to be an active part of the labor force do not need or want substitute care for their children. In fact, a close look at the statistics reveals that a large number of these so-called "working mothers" actually consider themselves "at home."

The U.S. Department of Labor Definition of "Work"

Almost every reference to the number of mothers in the workforce, including the three quoted above, can be traced back to the statistics on women and employment released annually by the U.S. Department of Labor (DOL). These statistics are based on a survey of 60,000 "scientifically selected" households, conducted each March by the Bureau of the Census. Because the objective of the survey is to identify trends by comparing labor force participation from year to year, the DOL has had to devise a standardized definition of "employment." This definition reads: "Employed persons are those who, during the survey week: (a) did any work at all as paid civilians; (b) worked in their own business or profession or on their own farms; or (c) worked fifteen hours or more as an unpaid worker in a family-operated enterprise. Also included are those who were temporarily absent from their jobs for such reasons as illness, vacation, bad weather, or labor-management disputes."

This definition clearly encompasses more than the full-time working mothers most people have imagined. According to spokespersons at the DOL, the 65% of mothers who are usually described as "working outside the home" also includes:

1. Mothers who work part-time, as little as one hour per week and up.—In a Newsweek-commissioned Gallup Poll of 1,009 women (reported in the March 31, 1986, issue of Newsweek), over half the mothers interviewed who were working part-time or flexible hours "said they had cut back or changed jobs to be with their kids." In other words, mothers who choose part-time work often do so just to avoid the need for substitute child care.

Such is certainly the case for the part-time workers who write to our organization. For instance, Diane Gates from Essex Junction, Vermont, writes: "When [my boys] started school, I went out and got a job working with special education children. I see my children off in the morning, and I'm home when they get home from school. I would give no one else the privilege of watching my children grow. What a beautiful career, being a mother."

According to the DOL, 16.5% of all mothers worked part-time in 1988. Only 44.4% of the nation's mothers were actually employed full-time.

2. Mothers who work seasonally, as little as one week out of the year.—Many mothers who work do so while their children attend school and avoid employment during their children's summer vacations. Other mothers work only occasionally during the year, perhaps substitute teaching, selling handcrafts, or helping a business during a high-volume period. These mothers who work seasonally are also calculated into the DOL statistics, although some work as little as one week out of the year. According to DOL tabulations, only 33.1% of all mothers with children under the age of 18 work full-time year round. That figure drops to 25.9% for mothers whose youngest child is under six years of age.

3. Mothers who work from their homes.—Whether working for employers or running their own home businesses, many mothers avoid child care by working from home. From Ann Arbor, Michigan, Diane Spears, a single mother with three children, writes, "I am doing some work in my home to help make ends meet. Money is tight, but I feel my responsibility is in the home with my children. I don't know of anyone better qualified than myself to raise my children." Another single mother, raising two boys in Piedmont, California, tells us: "I've been working at home as the primary provider for seven years. I didn't want to miss any of the rewards being a mother at home brings."

The DOL, however, makes no distinction between women who work at an office or factory or some other facility and those who work in their own homes. Therefore, an unknown percentage of the DOL's mothers who supposedly "work outside the home" refer to mothers who work with their children around them, literally inside the home.

4. Mothers who provide child care for other mothers.—Both full-time family day care providers and mothers who collect a check for watching a neighbor's child a few hours each day after school are counted in the DOL figures. Typical is Cindy Guzman, from Sacramento, California, who speaks of the days when she was working outside the home herself as opposed to her current situation as a family day care provider. She writes: "When my first son was four weeks old, I had to start a new job. It was a hard separation for me, [but] as time went on, we both adjusted. When my second son was born, I was once again faced with returning to work. [Instead] I checked out doing li-

censed child care. . . I have been home for two years now and looking back am proud of my thriving day-care business, my steady income, and my two boys growing up at home."

5. Mothers who work without pay for a "family-operated enterprise" at least fifteen hours per week.—Some mothers at home who write us mention participating in a family business. Whether or not they are paid for their work, these women are within the national definition of "working mothers." Yet, most of them are able to do their work from home or to perform their work during hours that allow their children full-time access to "Mom." Writes a former insurance agent, now the mother of one in Fort Lauderdale, Florida: "I do not have an income, but I am my husband's bookkeeper for his business, and I do many jobs that are his when I have time at home, so we can spend more time together as a family."

6. Mothers who work full-time but have flexible hours.—Even mothers who are employed full-time can defy the media image of the working mother. By arranging flexible work hours or by having their husbands do so, many women go to great lengths to avoid leaving their children in a day-care center or with a sitter. Although they definitely consider themselves working mothers, they are usually home when their children are home. An example is Linda Hayes, a mother of two from Vienna, Virginia, who works the so-called "mother trip" as an airline stewardess. An especially grueling assignment, which condenses a week's worth of work hours into back-to-back flights that can be completed in two days, it is nevertheless so popular that only women with nearly twenty years of seniority are able to request it. Says Linda, "It's just not in me to leave [my girls] so much of the time."

In some families where both parents are employed full-time, the husband and wife have a "tag team" arrangement: They plan their work schedules so that one of them gets home as the other is leaving for work. Thus, one parent is always available to care for the children. The DOL figures do not include information about child care arrangements; however, the Bureau of the Census (Who's Minding the Kids? 1984–85) reports that 7% of the nation's children under age five have "tag team" parental care.

7. Mothers who are on maternity leave, whether or not they return to their jobs.—Women on maternity leave also are numbered among the working population. This would include mothers like Camille Globerman, who later decided not to return to work. From New City, New York, she writes: "I have been on maternity leave for the past sixteen months, and now I am faced with the decision to either resign my job of $35,000 or leave my precious to another person for a ten-hour day! Even though the money is tempting, my husband and I feel that raising our daughter is more important; therefore, I'm going to resign." During her first sixteen months at home, the DOL presumably would have termed Camille a "working mother."

8. Mothers who are unemployed, but who are looking for work.—Since women who are job-seeking generally do not remain unemployed for long, they are considered an active part of the labor force and are counted as such. In 1988, 6.5% of the DOL's "working mothers" were unemployed.

Inaccurate Estimates of the Demand for Child Care

Thus, the Department of Labor's statistics on working mothers include women who participate in the workforce in a variety of ways—not just full-time employed mothers or those whose job circumstances dictate the need for child care. In fact, the Current Population Survey, from which the statistics are drawn, does not (at this writing) ask respondents any questions about child care; nor can a respondent's need or desire for child care be inferred from answers to other questions.

Yet, the notion persists that every mother who participates in the labor force needs substitute care for her children. This mistaken assumption has led many well-intentioned people—from community leaders to reporters to Congressional Aides—to routinely misuse the DOL statistics as "proof" of the need for more day care. It has even led researchers to project how many children will need day care in the near future by devising formulas based on the faulty premise of how many working mothers have been "counted" by the DOL. In reality, as explained above, many mothers who are considered an active part of the labor force do not need any child care services at all. Therefore, estimates of child care needs based on the DOL's employment statistics on women are both inaccurate and misleading.

Unfortunately, other methods of measuring child care needs either do not exist or have not been widely publicized. Possibly the most reliable indicator of child care trends across the nation is the aforementioned Bureau of the Census report, Who's Minding the Kids? It summarizes the results of a 1984–85 survey in which working parents were asked to describe primary and secondary child care arrangements for their three youngest children. According to this report, most children over age six are actually in school the entire time their mothers are at work. Children who require secondary (before and after school) arrangements or whose parents work during non-school hours are mostly cared for in their own homes and/or by relatives or friends.

The majority of preschool children (under five years of age) are cared for by their own parents: 54% have a mother at home, 7% have "tag team" parents, and 4% accompany their mothers to work or are cared for by mothers who earn income from home. Of those preschoolers who do have substitute caregivers, 11% are in the care of a relative, 10% go to a family day care home, 3% have a babysitter, and 11% are enrolled in center-based care.

This report indicates that the number of children under the age of fifteen in need of non-parental child care may be far from the majority. However, even a survey of how children are cared for today is only a measurement of current use, not a statement of need. Until further research is done, no one can provide an accurate assessment of how many of the nation's women who are described as "working mothers" really need or want substitute child care for their children.

MISCONCEPTION NO. 2—THE BELIEF THAT THE NEEDS AND DESIRES OF MOTHERS AND CHILDREN ARE ACCURATELY PORTRAYED IN THE MEDIA

It is clear that more mothers than ever before are participating in the workforce in someway. It is equally clear that these mothers are experiencing a deeply emotional crisis concerning the care of their children. Yet, in spite of considerable media coverage, the true nature of this crisis remains largely misunderstood.

The truth is that most people's understanding of the child care crisis is based on the media's perception of the problem. That perception—as portrayed in news stories, on talk shows, in books, on television, and in the movies—is far from what mothers really want and children really need.

Today's Mothers Defy Media Stereotypes

Media coverage for the past three decades has almost universally divided mothers into two distinct camps: mothers who are home with their children (pictured as a shrinking minority) and mothers who "work outside the home" (identified as the growing majority). Mothers at home are supposedly politically conservative, married to a high wage earner, and ideologically committed to the view that women belong in the home. "Working mothers," on the other hand, are depicted as educated women pursuing self-fulfillment in the workplace and mothers forced to work for economic reasons.

The outpouring of letters we have received over the past five years, from mothers of nearly every political, religious, and socio-economic background, completely contradicts this picture.[1] We have heard from single mothers who have managed to stay home, wealthy women who feel they "must" work, political conservatives who have balanced career and family for years, and ardent feminists who quit work as soon as their first child was born. Thus we have learned that mothers simply cannot be categorized by their work/home choice.

If anything unites mother today, it is not the choices they make concerning the care of their children; it is the exhausting inner turmoil they suffer as they weigh the alternatives. Pulled one way by an intense social and economic pressure to work and pushed another by a dawning realization that they are truly needed by their children, most mothers feel hopelessly torn. In fact, many of them wander in and out of the workforce—seeking from society support at work, then at home—only to find it severely lacking in either place.

A Generation of Women Unprepared for Children

In spite of the depth of their internal battles, over one third of the nation's mothers choose to forgo any labor force participation at all in order to devote the full-time efforts to nurturing their families; many others are employed only part-time or make creative arrangements that limit the amount of time their children spend in substitute care. Meanwhile, the child care needs of the remaining mothers extend far beyond the search for "quality care" so urgently depicted in the media. Rather, the media's "typical" mother—a woman whose preschoolers are subjected to a nightmare of inferior child care arrangements while on the waiting list for a "good" day-care center—is a mere glimpse of a much larger, much more poignant story.

It is the story of a generation of women who were led to believe that motherhood could be "hired out," and that life with children need not differ much from life without them. It is the story of women who had no real idea of what caring for a child would feel like or of the sophisticated skills and the sacrifice of time it would require. It is the story of women like Kathy Miller Rindock from Allentown, Pennsylvania, who writes: "I have always strongly supported the women's movement and consequently was totally unprepared for the depth and

[1] See Appendix A: What You Need to Know About Today's Mothers.

strength of emotional commitment I felt for my daughter. I never even considered not returning to work, so I wasn't prepared financially when I didn't want to resume my job. I am angry and frustrated and hurt."

Women like Kathy, influenced by the "have it all" hype of the seventies and early eighties, expected a relatively simple adjustment to motherhood. Supposing that caring for a child somehow "comes naturally," and consists of fairly straightforward tasks, they rarely thought beyond feeding, bathing, and cuddling an infant. Hiring someone to do these things for them while they were at work seemed perfectly reasonable, as did spending "quality time" with a child each evening.

However, these women have discovered that the kind of nurturing they want for their children requires more than custodial care; it demands the full-time attention and untiring efforts of someone who has a vision of what their children can become. Sometimes only days after childbirth, many women begin to feel reluctant to return to work, even desirous of quitting work altogether to stay home. Confides a mother from Franklin, Tennessee: "My husband and I both thought I would return to work after my year of maternity leave, but I never knew the feelings I would experience after I held [my baby] in my arms."

Explains Pam Svoboda, of McCook, Nebraska: "I had no doubt I would go back to work. Throughout all nine months of pregnancy I assured everyone that I was not a 'homebody,' that I'd be bored at home. Then she was born. I had no idea she would be so special." Writes a mother from Kingwood, Texas: "I believed all the magazines—I intended to go back to work after a three-month maternity leave. In reality, I found an overwhelming love for my child and child care options that made me cry."

If mothers like those quoted here could simply change their minds overnight to be home with their children, there might not be a child care crisis. However, many—perhaps most young women today—are totally unprepared financially, professionally, or even socially and emotionally to stay home with a baby. In fact, full-time mothering is currently so low in prestige, so economically difficult, and viewed as such a threat to professional advancement that even women who want to quit work find the obstacles insurmountable.

Writes a discouraged mother from New Paltz, New York: "I've been a career woman since I was seventeen. I just assumed that after the birth of my son I would return to work and life would go on as before. . . . I finally had the career position I had worked for all my life, a beautiful healthy child, nice home—and I was miserable. No one ever told me how I was going to feel about that little boy . . . After much soul-searching, I decided that what was important to me was not supporting a life-style, but living life, so my husband and I decided that we would sell our very expensive home in a very expensive neighborhood and move 'down.' My problem now is that I can't seem to make that final decision to leave work completely."

And so, many first-time mothers return to work, uncertain of their decision to do so, but assured by popular literature, media stereotypes, and well-meaning friends that they will "adjust" as soon as they locate "quality child care."

The Search for "Quality Care"

Thus it is with certain misgivings that many, if not most mothers begin the search for substitute child care. Although their individual stories vary widely, most are merely variations on a theme: Try as they might, these mothers cannot find a sitter or day-care center they feel comfortable with. Together their combined experiences create an incredible portrait of a generation of mothers who want day care to work; who try hard to ignore symptoms that it might not be going according to plan; yet who, after numerous trials with every available kind of care, discover that day care is not the way they really want to rear their children.

These mothers describe how, in the midst of the highest expectations, when they are least likely to look for something wrong with a child care situation, they feel the first vague stirrings that all is not well. They speak of observing small, everyday exchanges between their children and caregivers that bother them in a way they can neither explain nor forget; until inevitably, these stirrings evolve into questions, and the questions lead to investigations, which in turn initiate yet another series of disappointing child care arrangements. Then, for many of these mothers, come sleepless nights, as they reluctantly acknowledge that a child's feelings about himself and his place in the world are not molded in the few hours a mother has after work; rather a child is formed in the midst of the most common interactions during the course of a thoroughly ordinary day.[2]

After weeks, months, sometimes years of unsatisfactory child care experiences, many mothers do indeed become the media's familiar anguished mother desperately trying to locate a "better" sitter or a "more loving" day-care center. The critically important question, then, is: Why? Why is it that mothers who apparently have access to a multitude of child care providers cannot find one that satisfies them? And why, when they have been repeatedly warned that children in day care have an urgent need for consistency, do they jeopardize fulfillment of that need to try "one more" promising child care arrangement? Is their inability to find adequate care really an indication that there aren't enough clean, safe, and well-regulated day-care spaces to choose from? Or could it be that cleanliness and safety are not all these mothers are looking for?

We believe that most mothers who cannot find satisfactory child care are not suffering from a lack of "quality" options. In fact, many of them feel they have already experienced the best there can be. We believe these mothers go from sitter to sitter and center to center because they are continually looking for something that no substitute caregiver can ever provide: the same love and care each mother would give her own child in her own home.

What Children Need

Of course, not all mothers struggling with child care problems share identical feelings and situations. However, it is significant that so many women who feel compelled to speak out about the conflicts they feel are describing the same surprising conclusion: there is no adequate replacement in the life of a child for the intimate, full-time guidance of a loving parent.

This "discovery" is not what today's mothers were taught, nor what they expected when the first embarked on motherhood for themselves. They have learned it from their own experience:

Explains a mother from Wisconsin: "I was extremely confused by the negative behavior my daughter was exhibiting while being cared for by a relative, and it became more intense when I placed her in a day-care center at the age of three. Neither her pediatrician nor the day-care center agreed with me that my daughter's behaivor was caused by day care. Therefore, I was shocked and angered to realize exactly what my daughter was missing when I did quit my job. I honestly didn't realize my presence and interaction with my daughter were essential to her growth and development."

From Ann Arbor, Michigan, a former teacher with extensive training in child development writes: "When I first became a mother, I continued to work outside the home for several years, but found myself increasingly disturbed and dissatisfied with the care our children were getting, even in 'good' day-care centers. It was a sacrifice for me to quit my job, but my husband and I felt it was a greater sacrifice to put the kids in day care."

A full-time clerical worker and mother of two preschoolers from Tallahassee, Florida, says simply: "Sometimes I worry that I will not be able to reverse the damage done to my children when I am finally able to stay home."

With unusual conviction, mothers tell us that children need a full-time parent because only someone as devoted as a mother or father has the perspective needed and will put forth the effort required to nurture a child to his or her full potential.

From Milwaukee, Wisconsin, Mary Brauer comments: ". . . The most important thing we can do for mankind [is] raise the future generation with 'custom-made love' as only a child's own parents can give."

Diane E. Poliseno, a mother from Lake View, New York, tells us: "I became a teacher because I do love children. I wanted to be a part of influencing the future of our country . . . but my child (and future children) are even more important, and I wanted to be responsible for building their characters and shaping their personalities on a day-to-day, moment-by-moment basis—something that can only be done with me being at home during the day."

Writes Lora Rinker from Arlington, Virginia: "I feel that I am a very privileged and very fortunate person to be having this beautiful experience of really knowing my children, sharing and helping them with their plans and dreams, and just being there when needed. The events of each day may not seem so big and important, but when you add them all up, they are life itself."

Interestingly, those who work with children on a regular basis, especially those who provide substitute child care, express especially strong opinions about the importance of having one parent always available to a child:

From Honolulu, Hawaii, a 20-year-old, unmarried day care worker writes: "I am so concerned for children whose mothers work full-time. You see, I've been working in a nursery school and after school program for the past five years. Those kids need individual attention so badly, but they don't get it. Most kids want to go home to be with mommy right after school. They want to hug and kiss their moms . . . talk and show off for their parents. But all they get is me. I try my best, and I love those kids so; but I'm not mommy."

A teacher from California, and former nanny for a White House Aide, explains: "I was the best they could hire, and they were

[2] See Appendix B: "A Search for Child Care—One Mother's Story."

the ideal employers. They paid me as much as I could have made teaching, and I got along well with both the mother and the children. Still, after that experience I am certain that when I have my own children, I will not work outside the home. There is no one who is going to raise your kids like you would."

A mother of four from Canton, Ohio, comments: "When I worked at a day-care center shortly after graduating from college, it was more like babysitting than childrearing. I simply dealt with children from moment to moment, going around putting fires out. Although I considered myself a sympathetic and caring person. I really was more interested in my coffee break and visiting with friends than in the children at the center. I didn't have the feelings for those children that I have for my own. When I talk to my children, I consider their self-esteem. I try to enrich them in many ways to make them everything they can be. I'm concerned with the whole child and the end product because I have such a vested interest in what they'll become."

The realizations voiced by these mothers are perhaps best summed up by Arlene Cardozo in her most recent book, Sequencing. After interviewing hundreds of women who chose to leave substantial careers for full-time motherhood, she concludes: ". . . [A]s we come to value our children as our most important natural resource, we see the necessity for them to receive the best possible care. We are coming to recognize that care means much more than supervision and stimulation. It also means the day-in, day-out, consistent involvement of the child with someone who truly loves her and cares deeply for her future."

What Mothers Want

What, then, do mothers want? Recent studies and surveys are making it increasingly clear: Mothers want more time at home.

In the 1986 Gallup Poll for Newsweek mentioned earlier, 1,009 women were asked whether they thought "a mother who works full-time or part-time can adequately fulfill her responsibilities to her child." Only 50% of the respondents felt a full-time employed mother could do so, while an overwhelming 86% thought a mother working part-time hours could. Of those same respondents, 52% identified themselves as full-time employed mothers with regular hours. However, when asked whether they would prefer full-time regular hours, full-time flexible hours, part-time work, work from home, or unemployment, more women wanted to quit work completely (16%) than wanted to continue regular full-time employment (13%). The highest preference by far was part-time work (34%), with flexible hours emerging as the second choice (23%).

In *The Motherhood Report*, a book reporting the results of a 1985 study of 1,100 mothers, authors Louis Genevie, Ph.D., and Eva Margolus found that ". . . the majority [of working mothers], 55%, experienced moderate to very strong conflict about the fact that they had to leave their children every day to go to work. . . . [T]he only background characteristic that reduced a woman's feelings of conflict about going to work was money. The more money a woman earned, the less conflicted she was likely to feel. . . . Most women, however, do not earn professional salaries; nor is their work intrinsically interesting. And when these women compare their responsibilities at work to their responsibility to their children, it is little wonder that work comes in a distant second."

More recent surveys indicate that the number of mothers expressing a desire to be home with their children is increasing. In the October 20, 1987, issue of Family Circle, the results of a survey to which nearly 50,000 women responded were published. When asked to respond yes or no to the following statement: "If it were possible, I would quit my job to stay home with my children," 67.6% said yes. The July/August 1988 issue of Public Opinion reported that a survey conducted during the summer of 1987 by Mark Clements Research found that 88% of the mothers polled who worked either full- or part-time agree with this statement: "If I could afford it, I would rather be home with my children."

The exceptionally candid letters we receive from mothers across the nation confirm the results of such polls. Our letters indicate that most mothers today either do not need or do not want substitute child care. Firsthand experience with day care has shown mothers that it doesn't do the job; that no matter how "quality" it becomes, it will never do the job. Letter after letter, from mother after mother, expresses a single heartfelt longing:

From a mother in Pennsylvania: "I got a surge of hope and energy after reading about your group. I'm a working mother, albeit a very, very reluctant one. My daughter will be six months old tomorrow and not a day goes by without me grieving over losing these precious days with her. I have to work, but my husband and I are doing everything possible to get ourselves on our feet financially so I can work part-time by autumn."

From a mother in Haymarket, Virginia: "I am, unfortunately, a working mother who commutes 50 miles each way. It's hard to have a young child and leave for work at 5:45 a.m. I do feel very frustrated concerning my need to work. I would like to be a full-time mom, until school age anyway."

From a mother in Madison, Wisconsin: "Although I returned to work after a year's maternity leave—and only work half-time—I still am seriously considering being a full-time mother at home. But I need support! It seems that most literature today supports the woman who 'does it all.' "

From a mother in Grand Rapids, Michigan: "I am writing in response to a recent Phil Donahue show I saw on mothers who stay at home. The comment was made about hoping to provide an economical way for mothers who are forced to work to be able to stay home more with their children. I was very interested in this because I am in that situation."

From a mother in High Falls, New York: "I'm a single parent supporting two children and I've been working outside my home for years. I've always held the hope that I could be an at-home mom, but as time goes by and my children get older, the prospect seems more distant than ever. I just want you to know that I support your efforts to make full-time motherhood an real alternative."

What most mothers want today is the chance to rear their own children in their own homes without jeopardizing the opportunity for fair and equal participation in the labor force in the future. They want flexibility in the workplace so they can have time at home when their children most need them.

Accepting What Mothers Want and Children Need

Unfortunately, neither the media nor political leaders welcome the thought that helping mothers spend more time at home might be a significant step towards averting a looming child care crisis. To many, such a contention appears to contradict hard-earned liberation and enlightenment. Yet, the truth is that the mothers decrying day care today are the product of that enlightenment. If anything, it is their very awareness of their rights, especially in the workforce, that drives them to speak out about their desire to be with their children.

From Houston, Texas, a mother writes: "I am an attorney who became de-liberated by my daughter who is now fourteen months old. Gloria Steinem can no longer be my role model. As I was a pathbreaker ten years ago in the professional arena, I now find myself again a pathbreaker as a professional who chooses to shelve a career, temporarily, to commit myself to raising a family in the best manner possible."

A single mother from Illinois, reflects: "Although I grew up in the rural Midwest, in a home that preached and practiced equality, the choice to work at home was somehow less than equal—at least in my mind. Ironically, it has taken all of my feminism and activism to find the place where I can parent and be content with my decision—that place is home."

As a society, we have long equated women's progress in the workplace with the struggles of the working mother. In fact, there is fear that giving childrearing a place of importance in a woman's life will somehow forsake the gains in equality that have been made. Yet, women who feel forced to work when they would rather be home are every bit as unliberated as women who feel forced to stay home when they would rather work. It is critical that we move forward by acknowledging that helping mothers put their children first does not have to threaten the full and equal participation of all women in the labor force.

Accurately Assessing Child Care Needs

Before any "solutions" are rushed through Congress, it is imperative that the true needs of families be accurately assessed. To date, almost no systematic research has been done to determine what child care arrangements parents most prefer or how to make their top preference readily available. Rather, most studies simply assume that institutional day care (which can be easily regulated for safety and affordability) will become the favored option of the future, and their survey questions reflect that assumption.

The open and deeply moving expression of feelings we have received from parents across the nation reveals a need to ask questions few researchers seem to have considered: What do parents believe is best for their children? What do they feel their ideal child care arrangement would be? What would have to happen to make that arrangement possible? What kinds of child care options have parents tried in the past and how did they feel about each one? Are there arrangements that parents recognize as "good" for them, but harmful for their children? What requests have parents made of employers in hopes of preventing or reducing the need for substitute child care, and how were those requests received? Would changing a spouse's work situation (i.e. flexibility at work or the ability to work from home) make it possible for a number

of families to avoid child care altogether? Would parents prefer this flexibility over "good" substitute care?

There seems to be a significant difference between what the media say about mothers and what mothers say about themselves. Unfortunately, policy makers who depend on and trust the media to provide accurate information may be tempted to take the word of newspaper columnists and televison news anchors over the personal experiences of a mother in Kansas City or a factory worker in Baltimore. It is time to carefully and openly review the facts surrounding the child care crisis, and to demand an accurate assessment of the nation's child care needs, as expressed by the mothers and fathers of the nation's children.

MISCONCEPTION NO. 3—THE BELIEF THAT PROVIDING MORE "QUALITY CARE" IS OUR ONLY REALISTIC OPTION

Almost everyone agrees that full-time substitute care of any kind is not the optimal way to raise a child. Yet, the full-time care of a loving parent—once thought to be every child's birthright—is now being dismissed as a Utopian dream. Day care may indeed be a "second choice" way to raise children, assert the "experts," but we should nonetheless be prepared to face reality. Because women "must" work, day care is unavoidable—a necessity we must learn to live with, like root canals and taxes.

What experts do not take into account, however, is that where rearing their children is concerned, most mothers believe they should have more than second choice. Why, these mothers want to know, are we rigidly heading toward a clear second best solution to the current child care crisis in a country that has always pledged that its children desereve the best? Why arent't we investigating alternatives that could guarantee mothers a true choice of how their children will be raised?

There Are Many Creative Alternatives to More Day Care

We believe the child care crisis can be solved without spending billions of dollars annually and without encouraging the kind of child care that mothers do not want. Suggestions have poured into our organization from parents across the country—parents who know firsthand the sorrow of having to leave their children, parents who have thought deeply about what is best for their families, parents who are not afraid of innovation and creativity when it comes to solving a national problem of serious proportions.

We have divided these suggestions into six categories, each of which assumes that parents should have the right and the choice to spend as much time as they desire nurturing, guiding, and protecting their children. Mothers-At-Home presents as many of these ideas as possible, in hopes of stimulating discussion that could lead to other, perhaps even better ideas.

1. Encourage "Family-Friendly" Employment Practices

Legislators might be surprised at the number of women who say that a more flexible workplace would virtually eliminate their need for child care. If these women are right, perhaps the most cost-effective approach to the child care dilemma would be to reduce the need for substitute care by instituting certain helpful business practices. Government should not be afraid to initiate research and discussion on suggestions such as these:

A. Government could create a commission to encourage family-friendly employment practices in the private sector.—Writes a California mother of one child who works part-time as an administrative assistant: "[Government can help by] encouraging, not legislating, that private companies provide attractive child care arrangements to their employees, such as one year maternity leave, job sharing, reduced hours, flexible hours—basically being cooperative to work it out with the parents of children." A father of nine children from Bethesda, Maryland agrees. He feels that mandating family-oriented business policies might encourage discrimination against men and women in their child-bearing years; he suggests, therefore, that the government set up an institution similar to the Equal Employment Opportunity Commission to motivate, rather than force, employers to adopt better policies. For instance, qualified businesses could display a "Friend of the Family Employer" logo, to attract capable employees who value a family-friendly atmosphere at work. Companies might qualify for the FFE designation by instituting a minimum number of family-friendly practices from an approved list of benefits and work options.

Family-friendly employment policies might include:

1. Increased availability of part-time positions.—According to U.S. News and World Report (June 20, 1988), in a 1988 survey of the child care needs of Du Pont Corporation employees, 33% of fathers said they were interested in part-time work to accommodate children, compared to 18% who had been interested in part-time work in 1985. Meanwhile, 55% of the women surveyed were interested in part-time work both survey years.

From Vallejo, California, a mother of one preschooler writes: "My only complaint is that usually twice a year my boss pesters me a lot to work more hours. He doesn't see the value of having a happy, part-time worker compared to an unhappy full-time employee. [We need] availability of flexible part-time work at a reasonable wage (i.e. being well-compensated for expert work even though it is part-time)."

From Neola, Iowa, a mother of four comments: "I would sure like to have the opportunity to work a part-time job that would be flexible enough [for me] to be home with the children when they are at home."

From Washington, a former electrical engineer and mother of one says: "I am concerned that since my field is traditionally a man's, part-time work will be nearly impossible to find."

From Brookfield, Wisconsin, a mother of two who works part-time as a financial planner/CPA explains: "I am dissatisfied with the fact that there are not good part-time opportunities at my career level that provide job satisfaction and adequate compensation."

2. Flexible hours, especially full-time hours based on local school hours.—A 7 a.m.-3 p.m. shift for one parent in a home where the spouse works the traditional "nine to five" can keep children out of day care altogether. (One parent sees children off to school in the morning, the other is there for them in the afternoon.) This is only one example of flextime options, which are already increasing in popularity in both the private sector and in government.

3. Job-sharing opportunities.—We have heard from mothers who share jobs in everything from teaching aerobics to editing for a publishing firm. A mother from Maryland, who once worked as a "telephone emergency (911) dispatcher," told us she and another mother lobbied unsuccessfully for a job sharing situation. The employer threatened to fire them if they refused to work full-time, citing the expense and trouble he would incur in training a new dispatcher. The mothers were bullied into working full-time, but within the year both quit completely—leaving the employer with not one, but two dispatchers to hire and train.

The logistics of job sharing vary from one office to another. Employers are experimenting with every conceivable method of dividing hours and responsibilities. Some jobs are shared between mothers and retired persons or mothers and students. We have been told of one particularly novel form of job sharing: Mothers who can afford unpaid leave hand their jobs over to college students for the summer, then return to work after their children begin school again in the fall.

4. Better benefits for employees with reduced hours.—States a part-time librarian and mother of two from Fredericksburg, Virginia: "[We need] availability of part-time work with decent benefits! Often part-time jobs have minimal benefits and this is discriminatory." From Hudson, Wisconsin, a mother of three suggests: "Have companies provide one half of benefits for part-time workers instead of nothing for part-time and everything for full-time."

5. Allowing children to accompany parents "on the job," when reasonable.—Many parents find that they prefer to have their children with them while they work in small businesses, stores, medical practices, nursery schools, farms, and in various other work environments. Even more parents would like to explore this option. A postal carrier and single mother of a seven-year-old son, from the Washington, D.C. area, describes her ideal child care situation as "taking him with me on the last run of the day. But insurance regulations won't allow it." Recognizing that there may be reasonable limits to the presence of children in some workplaces, the potential for including children in their parents' work lives should be further explored.

6. Dependent Sick Leave.—An issue of great concern to all parents is the ability to take off work to care for a sick child or to care for preschool children when a stay-at-home spouse is sick. The Chamber of Commerce in St. Paul, Minnesota, has researched this issue extensively. Among the findings were strong indications that employee absenteeism and low productivity is directly related to employee concern about sick children. In one study, both improved dramatically when employers instituted policies such as dependent sick leave or vouchers to pay for child care at special "sick child" day-care centers. A part-time social worker and mother of two from Maryland suggests a "compensatory time" arrangement for salaried employees where overtime hours "can be counted later as regular work hours for things like staying home with sick children." (Such flexibility is also critical for employees who need to care for sick or elderly relatives.)

7. Parental leave plans.—Many employers are recognizing the benefits of good parental leave policies for both mothers and fathers of new babies. Ideally, parents who want to quit work temporarily to care for their children full-time would be able to choose a longer, "open-ended" parental leave. In such cases, companies would not be

expected to guarantee the same job back. Instead, they would retain "open" personnel files on these employees, and would perhaps even offer them minimal continuing education programs, occasional temporary assignments, or other flexible work options. Later, when these same parents apply for reentry, their prior experience would help them qualify for a job approximately equal to the one they left. A mother from Arlington, Virginia, explains "The stereotype of the 50's mother at home troubles me. I see myself as on an extended leave from the paid workforce. I fully expect that the education and skills I acquired before I had children as well as those I've gained as a mother at home will be valuable to a future employer."

B. Government should serve as a model family-friendly employer.—Writes a part-time attorney and mother of two from York, Pennsylvania: "The higher status occupations still require a 50-60 hour work week, thereby dooming mothers to trade their kids' needs for their career. There are few jobs inbetween and pay is always lousy in 'women's fields.' Flex-time and part-time jobs must be found in the professions of women—starting with the federal government."

C. Government could help employers establish family-friendly employment practices.—Increasing numbers of employers, both large and small, are already instituting various family-oriented benefits and policies. Government should support this workforce trend by helping employers learn from each other. Suggests a Wisconsin mother of two: "Offer incentives or educate industry as to the untapped potential in offering flexibility/part-time work (compensated fairly) to mothers of young children—to retain them over longer periods, i.e., when they return to work full-time." Such incentives could take the form of tax benefits for employers who establish certain prescribed practices, special awards or other recognition for model family-friendly employers, and priority grants to those exploring alternatives to day care. The government might educate employers about the benefits of family-friendly employment policies by distributing literature or by offering special courses and consulting services.

2. Make the Federal Tax Code Career-Neutral

Of all the suggestions received by our organization, tax relief is mentioned most often by far. Some specifics include:

A. Reduce the tax burden on families in general.—A mother of three from Butler, Pennsylvania, writes: "Parents should not be taxed to a degree that they cannot provide for children. The government should stop spending and lower taxes." Comments a mother of three from Lynchburg, Virginia: "Taxation takes more and more money from families, making it harder for them to choose how many children to have." Although federal tax rates have declined slightly as a result of recent changes in the tax code, social security payroll taxes have risen, and are scheduled to rise again, with the net result that many families with dependent children still feel burdened by taxes.

B. Increase the amount of the personal exemption.—When Congress first instituted an income tax, great care was taken not to overburden families with children. The work of nurturing and educating the next generation was considered vital, and the financial commitments it entailed were respected. Thus, taxes on young families were offset by the then-substantial personal exemption for each dependent. In fact, in 1948, a personal exemption of $600 represented 42% of the average personal, per capita income. Over the years, this reverence for the economic hardships of preserving the nation's future through its children completely disappeared, and the amount of the personal exemption did not keep pace with inflation and other tax demands. Between 1960 and 1984, the tax burden increased 43% for married couples with two children, and 223% for families with four children, while corporate taxes went down and taxes for singles and childless couples remained stable. While the 1986 tax reform is raising the value of the exemption to $2,000, this only partially offsets the erosion suffered since the 1940s. According to some researchers, to have the same value relative to income it held in 1948, today's personal exemption would have to be raised to $6,468.

Writes a mother from Rexburg, Idaho: "By increasing the dependent exemption this gives every family a financial boost. Then the mother can afford to choose to stay home and raise her own children or a family can afford to pay for day care of their choice. No center or type of care should receive government money. "Families" should receive the tax break."

A mother of three preschoolers in Jonesboro, Arkansas explains: "One option to consider would be to increase the dollar value for personal exemption of children by the child care tax credit amount. This money would be understood as [a] child care tax credit. Then the person(s) directly responsible for the child's care would have the responsibility to find and provide adequate care. It may be enough economic incentive for some persons, who have not been economically able, to remove themselves from the workforce to be an at-home parent."

C. Establish tax advantages for families where a parent stays home to care for his or her own children.—A mother of one in Sacramento, California, writes: "Through the tax system, government should reward families in which either mother or father stays home to raise their children." Another mother agrees: "Helping those parents who truly need day care is fine, but helping parents find a way to allow one parent to remain at home with his or her children is even better. Maybe there could be tax benefits to those mothers who stay at home full-time." An even stronger comment comes from a mother of three in Chatham, New York: "Instead of funneling tax dollars to day-care centers, provide good benefits for mothers who stay home (like better deductions). As a counselor, I work with too many women who return to work but don't want to."

D. Institute an additional tax credit or deduction for each preschool child, regardless of the parents' work status.—Such a policy woud give parents additional income which they could then apply toward the kind of child care they prefer—whether parental or some kind of substitute care. Asks a mother from Elgin, Texas, "What about an increased exemption for children from birth to seven years to at least encourage a parent to stay home during the 'formative' years?" Writes a mother of two preschoolers from Wisconsin: "Perhaps there could be a tax credit for every child I claim as a dependent. This tax credit could possibly diminish as children proceed through school."

E. Make the child care tax credit more equitable.—Opinions on how to do this vary. Some mothers feel the child care tax credit should apply only to families with below poverty-level incomes. Others believe it is discriminatory toward mothers who choose to care for their children at home (often at great financial sacrifice) and should therefore either be abolished completely or expanded to include one-income families where a parent stays home. A former registered nurse, now home with an infant in Wisconsin, expresses it this way: "If they allow tax credit for child care outside of the home, I think it only fair for mothers in the home to receive the same because they forfeit earning potential to stay home."

It has been brought to our attention that the median income (1986 statistics) for "traditional" two-parent, one-income families ($25,803) is nearly 50% less than the median income for two-earner families ($38,346). Are children's needs really well-served when two-earner families making more than $200,000 a year can claim an average child care tax credit of $528, while two-parent, one-income families making $25,000 receive nothing at all?

F. Institute a tax credit for those providing child care, rather than for those paying for it.—This interesting idea comes from a mother in Veradale, Washington: "The current incentive (Child Care Tax Credit) encourages people to send their children to day care. A better goal would be to encourage people to care for children. Society has given no monetary value for people to care for their own children and little (witness the low wages of child care workers) to care for the children of others. I would propose eliminating the Child Care Tax Credit and replacing it with a new Child Care Workers Tax Credit, which would apply to people who care for children full-time, whether paid or not. People who are part-time workers could be eligible for half the credit. I would suggest a decreasing incentive for increasing numbers of children."

A similar idea was described by an Iowa mother of five who is also a family day care provider: "Child care income could be nontaxable, since most child care providers make less than the minimum wage."

3. Strengthen Family Economic Security

As a nation, we need to investigate the economic forces that are combining to make it nearly impossible to raise a family on one income. Many women who write to us express fear that they will not be able to meet the financial challenges inherent in rearing a child from birth through a college education. Not only do we hear from mothers in the workforce who want desperately to come home (as quoted earlier); we hear from just as many mothers now at home who express genuine fear that they will be forced back into the labor force before they would choose it.

Writes a New York mother and day care provider: "I'm afraid that societal pressure and financial pressure may force me to return to work when my youngest is school age." A mother of three from Virginia agrees: "Sometimes I worry that I will be forced to work because government is more interested in my money than what is best for my family."

There are three areas, of the many that merit special attention and analysis, in which we have received comments:

A. Affordable housing must become more readily available to young families.—Writes one mother: "Financially we can manage pretty well, yet we may never have a single family home (the American dream). [We]

have made compromises in our dreams so that I can be with my children while they are young." Many parents indicate that paying a mortgage or even paying rent on an adequate home is their families' biggest financial worry, and the factor that may push many of them into the paid labor force before their families are ready.

B. Insurance packages should be created that recognize the needs of young families who prefer that one parent remain home with the children.—For example, a parent at home cannot buy disability insurance, because the job of caring for one's own children has no monetary value. A mother of two from the Washington, D.C. area complains, "I feel that my family is vulnerable because although I have purchased life insurance, my insurance agent tells me that I cannot get disability insurance since it is based on a percentage of one's earnings. Yet, if I were to become disabled, who would care for my children? We could not afford to pay someone else to do my job. The insurance agent has no answer for me."

C. Tax free savings plans (similar to IRAs) could be instituted to help young families save in advance for the expenses of rearing children.—Explains the Virginia mother of two who thought of the idea: "They would be able to draw on it after birth or adoption of a child, either to offset the cost of a lost income for parental care, or to apply towards alternative care, or to apply toward the purchase of a home."

4. Promote Community Services That Better Support the Family

Parents seeking advice or information within their communities are encountering many government, non-profit, or other services that still focus on "women's" issues that are nearly three decades old. It is time for communities to address the family issues of the eighties and nineties. Services that would be heartily welcomed include the following:

A. Better preparation of the younger generation for the reality of family responsibilities and better training in the skills needed to fulfill those responsibilities successfully.—Since most people do eventually become parents, educational curricula should acknowledge that fact and help prepare everyone for the possibility of parenthood. Students could receive a basic foundation in the principles of early childhood development and an understanding of some aspects of the job of parenting. This knowledge would be valuable whether or not an individual student later chooses to become a parent, for it would encourage a desperately needed appreciation of and respect for children and families. Furthermore, a thorough discussion of family financial planning and career development, including the personal impact of family responsibilities, could help young people to better plan their lives. Many mothers tell us that no one ever tried to explain to them the emotional impact of parenthood; therefore, they made financial and career commitments before bearing children without regard to what they and their children might truly need later.

B. Better resources for parents to help improve parenting skills and other skills related to family life.—The field of educational psychology, and especially early childhood development, has grown immensely in the past fifteen to twenty years. Valuable research information about the needs of infants and young children has been gained as the result of such projects as The Harvard-Lilly Pre-School Project, The Beethoven Project in Chicago, and the Missouri Parents as Teachers Program. Some of the most effective programs have concentrated on parent education, providing opportunities for parents to learn about children's social, psychological, and cognitive development. Such parent education programs, as well as other family-related information and resources, should be made more widely available through family centers, community centers, classes, workshops, pediatric offices, health clinics, and schools. Public service announcements, such as those that have targeted certain health and safety issues (smoking, heart disease, and seat belt use, etc.), have been seen as a worthwhile investment in educating the general public; similary, an information campaign which increased society's understanding about the developmental needs of children could prove enormously beneficial to us all.

C. Resources for women seeking advice on how to live on one income, how to make money from home, how to arrange flexible work hours, and other ways to care for their own children.—We hear from many mothers asking for advice on how to manage on one income and/or how to run a business from home. While there is an abundance of information available to parents about "how to choose good day care" there is very little information or support offered to parents trying to care for their own children on limited incomes. Community support services should address this need.

D. Businesses, shopping centers, government facilities, and other public places better equipped to handle children who accompany parents on outings or errands.—Although public places are gradually becoming more sensitive to parents with young children, many more accommodations could be made which would be a welcome sign of caring to all families. For example: infant changing facilities and toilets for young children that both mothers and fathers could use; lounges for nursing mothers; a small table and chairs with books, a chalkboard, or other simple diversions in the sterile places where parents struggle to wait with children (such as bank lobbies, clinic waiting rooms, government offices).

5. Establish Better Opportunities for Home-Based Work

Home-based business is on the upswing, and many mothers know why. The Washington Post, in a Business Section article entitled "New Domestic Workers Run Businesses From Home" (May 21, 1984, page 5) stated, "For many [home workers], the decision to start an in-home business was sparked by a desire to take child-raising out of the hands of day-care workers." Mail received by Mothers-At-Home not only supports this assessment, it indicates that many more mothers would work from home if they knew how to begin.

Writes a mother from Bryan, Ohio: "I work as a bank secretary, and am very grateful to have a job in such a good environment. I work out of economic necessity, however, and have always longed to be at home. Do you perhaps have a pamphlet suggesting ways a family can get along on one income and/or how I could stay at home and still earn money?"

Writes a mother from Gloucester, New Jersey: "I do not want to go back to work because I feel there is no one that could give my baby the love I can give him. Even though I want to raise my child at home, my husband and I cannot afford it unless I find work I can do in my own home. I am an electronic assembler and have seven years of experience. I heard some companies let you do work at home, but I do not know where to find the information."

Writes a women who has raised her family, but must now care for a disabled husband: "I would really like to quit work and be home with my husband as he really should not be left alone, but I have no other choice. If you could help me to be at home and still earn money, I would appreciate it very much."

Government could help parents earn money from home, and thus avoid the need for substitute child care, in several ways:

A. Repeal prohibitions and cut the red tape for home-based employment.—Outdated and arbitrary laws at the national, state, and local level currently prohibit various kinds of home-based employment. In addition, zoning laws in many neighborhoods exclude even simply at-home work that would not disrupt residential living. Perhaps a federal commission could be appointed to study the impact of tax procedures, zoning and commercial regulations, local licensing practices, and other laws that affect home businesses. Recommendations could be made to state, county, and local governments regarding outdated regulations or laws that discourage cottage industry.

B. Educate employers as to the many ways in which they can use home workers.—Encourage employers to create positions where work can be done mostly at home or to contract with independent home businesses to perform work or provide business services.

C. Encourage banks to help new home businesses.—With loans, advice, and other services.—Writes a single mother from Baltimore, Maryland: "I receive no child support, but I was determined to stay with my daughter. With the help of my father-in-law, I got a lease on a word processor, and for almost three years I have been working from my home and taking care of my daughter. But the business will not survive unless I can expand, and I can't get any credit or find an investor. I don't want to leave home."

D. Create job banks and other community resources for individuals interested in earning an income at home.—Job banks already exist in many communities which could easily expand to include information about home-based employment opportunities. Other local organizations could distribute information about how to maintain job skills or develop new ones while at home, how to start a home business, or how to find a company that employs home workers. These services would not only benefit parents seeking home employment opportunities but many other individuals as well, such as those whose physical handicap and financial situations limit their mobility and employment choices.

E. Encourage the formation of home business cooperatives or networks.—Home businesses could be given opportunities to join together to purchase supplies, hire consultants, use administrative and computer services, participate in group insurance and other benefit plans, share marketing and advertising expenses, and enjoy other advantages that are often too expensive for a single home businessperson.

6. Improve Homemaker Security and Opportunity

A major disincentive for mothers to care for their own children for any amount of time is the incredibly low value placed on their work in this society, both socially and financially. Everywhere they turn, it is clear that the time they spend rearing their chil-

dren is considered of no consequence. Writes a mother from Portland, Oregon: "Give more encouragement for at-home mothers publicly. I wish the at-home mothers would be the 'heroes' for a change."

An American mother now living in West Germany with her five-year-old son and one-year-old twin daughters writes: "We moved [from Washington, D.C.] to a village of 350 people, so the change was huge. So was the thinking on motherhood. Almost all the 'smart' women I know here are home with their kids and are supported for their choice—not just by society but also by the government. Some have an extended maternity leave of up to six years, at which time they can return to government jobs of equal seniority and pay as those they left. All mothers get paid 600 Deutsch marks per month for one year (soon to be two) after the birth of their child and a monthly child allowance until the kids are twenty-one. At first, I wondered why there were so few day-care centers, nannies, etc. here, but now I see that the mothers and fathers have worked for the right to stay home."

Ideas include:

A. Increase the amount of tax-deductible money a homemaker can contribute to an IRA.—Comments a mother of one from Illinois: "I am appalled that since I have no personal income I cannot contribute more than $250 to my IRA. Legislation should be drafted and passed immediately by Congress so that I can make a full $2000/IRA contribution each year. Does the government think my retirement will be any cheaper than my husband's? And statistically I may outlive him!!!" Other forms of homemaker pension plans should also be explored.

B. Offer government-backed, low interest loans and other support for homemakers seeking further education.—For example, establish a system of "credits" extended to parents for each year spent at home full-time with the children. These could be "cashed in" later for college tuition or other benefits. Writes a mother from Elkhart, Indiana, "Give education tax credits for mothers staying at home so we can learn new skills or develop the ones we have."

C. Encourage businesses to recognize skills that are developed outside of paid employment.—The maturity of a person who has had the daily responsibility of caring for children should be viewed as a "plus." Human resource and personnel administrators could show creative initiative by instituting a means of evaluating and crediting men and women for skills developed in managing a home as well as skills developed in volunteer service in the community. Such unpaid experience could then be recognized later by potential employers.

These suggestions represent only a partial list of those we have heard from parents across the country. We cannot be certain which measures will work and which will not; however, we believe that variations of a number of them in concert would significantly improve the chances of the most children possible receiving the care their parents most prefer. We offer these ideas as a springboard for further action, in hopes they will open new doors of possibility.

Ensuring Our Children the Best Possible Care

Mothers across the country are watching the national child care debate with growing alarm. They have seen it evolve from a rational and sensitive discussion of the plight of America's mothers into a frightening political battle between forces that have long since forgotten what is really at stake. They fear that in the end the "solutions" it yields may compromise what is good for them and what is best for their children.

Most mothers today do not believe that loving care can be created by legislative mandate, or bought with generous salaries and top-of-the-line play equipment. When they demand "quality care" for their children, they are not referring to adequate fire exits and adult-to-child ratio. They are referring to genuine love, to personal and immediate attention to individual need. They are referring to that care which teaches a child that he comes first to somebody—in short, the kind of care that has never been for sale.

These mothers do not make their child care decisions based on scientific studies or the findings of Congressional committees and Presidential commissions. In the final analysis, when a mother makes that hard choice, she consults the dictates of her conscience, the inclinations of her heart, and the commonsense evidence of her own two eyes.

For most mothers today, that evidence suggests that their children need them. So, while legislators consider child care programs which no one knows how to fund or staff or regulate—programs which even proponents cannot confidently predict will do an "adequate" job—millions of mothers are pioneering their own real-life solutions to the child care dilemma. These mothers, who have ignored conventional wisdom in order to pursue uniquely personal strategies and options tailored to the needs of their individual families, may well be providing the very leadership that will finally steer us toward a sound public policy on child care.

One thing is certain: the children of this nation deserve to be raised in the best way rather than in the most expedient way. Let us work together to ensure that all parents can freely choose the best possible care for their children.

APPENDIX A—WHAT YOU NEED TO KNOW ABOUT TODAY'S MOTHERS

1. Most mothers completely defy the media stereotypes.—Both women who choose to remain home full-time and women who are in the workforce cross every political, religious, and socioeconomic line. We have heard from single mothers on small incomes who manage to stay home, working moms married to high wage-earners who still feel they "must" work, self-described conservatives who have balanced job and motherhood for years, pro-ERA feminists who quit high-powered careers as soon as their first child was born. Many mothers now at home could easily walk into their choice of enviable jobs, while many mothers employed full-time would give anything to say home. Mothers simply cannot be categorized by their work/home choice.

2. All of these mothers feel tremendous pressure to return to the workplace.—No matter how a woman feels about her children or her career, she faces a powerful image of just who qualifies as a "smart woman" today. Our society clearly admires the woman who is in the workplace—doing something "important" for herself and the community. Thus all women face a variety of subtle pressures (as well as some amazingly overt ones) to combine career and motherhood. Writes an attorney who now works part-time: "I witnessed exactly how 'valueless' being an at-home mother is. . . . When I quit being a trial lawyer, the colleagues I left considered me crazy and proof that women couldn't really cut it. My status dropped instantly. Receptionists condescend to women in jeans with a baby in arms, men have trouble finding a topic to talk about besides babies, and my presence makes some women uncomfortable because it's a tough issue for all mothers." A professional psychologist from Madison, Wisconsin, found advising others did not help her face the same pressures: "It seems most literature today respects and supports the woman who 'does it all.' Even though I have a master's degree in counseling and have worked in the field for six years, I find it impossible to counsel myself and difficult to re-frame my self-concept to exclude work outside the home where so many people put the value." A mother from Salt Lake City, Utah, describes pressures on her husband as well: "The pressure to 'toss in the apron' can get heavy when all of your friends and relatives work and think you are nuts for staying home. [My husband] gets pressure at work to have me work—with statements like, 'How can you let her just sit around and live off you?"

In addition to social pressures, there are forceful economic ones as well. The high cost of housing is an important factor, as is society's consumer orientation, which encourages young couples to overextend financially. They become dependent on two incomes well before they think about bearing children; thus, when children come along, both parents "must" work. A mother of three teenagers from Wisconsin who works part-time explains: "My husband has been supportive most of the time except on occasion when most other wives worked and those families had so much more money and its advantages. Believe me, there is pressure on husbands to have 'productive' wives who help achieve a higher lifestyle!" A mother of two preschoolers from New York observes: "I think our culture has tricked us into believing we must drive new cars, own home computers, wear designer jeans, buy the latest toys (for our children and ourselves) and maintain a certain level of affluence in order to be considered successful. We send a message that being able to buy 'things' is more important than the time we spend with [our children]."

3. Many of today's mothers drift in and out of the workplace.—Because of intense pressure to remain in the workplace, mothers do not easily make the choice to stay home with their newborns—even when they want to. It is a rare mother today who hasn't gone in and out of the labor force; first going back to her full-time job, then dropping to part time, next quitting completely; perhaps trying a home business, then part-time work again, etc. The fact is, a mother feels a complete lack of support from society no matter what option she chooses. Many mothers spend years of trial and error before they find a job/home balance that is comfortable. Typical is a 35-year-old mother from New York, who writes: "I'm walking that thin line between working and staying home, having tried all the alternatives and still coming up with the desire and ache to be with my son."

4. This generation of mothers was reared with serious misconceptions about child-rearing.—A predominant theme in our letters is resentment that so much of what young women are led to believe about motherhood is simply not true. Today's mothers were raised with the belief that "liberation" meant the freedom to pursue fulfillment in the workplace. Children, they were told, could be turned over to child care givers trained to help children reach their full potential at each development stage. These

VOL 135 PT 9 JE 14 — 22 1989 UMI

mothers have been shocked to discover that nurturing is a sophisticated one-on-one process, which not only requires a great deal of intelligence and skill, but also a lot of time. There is open concern about the false expectations still taught to young women today. Indeed, unless the situation is corrected, women will continue to make decisions in their pre-childbearing years that make it extremely difficult (financially and/or professionally) to choose to stay home when they do have children.

APPENDIX B—A SEARCH FOR CHILD CARE—ONE MOTHER'S STORY

(By Linda Burton)

I hadn't intended to stay at home. I wasn't born for it. Having my first child at the age of thirty-three created an upheaval in my life unlike anything I had experienced.

Before the birth of my first child, I had been a professional full-time fundraiser for a public-interest law firm. It was a harrowing job, sometimes, but it was fun and made good use of my energies. At the end of the day, I used to look forward to meeting my husband and friends somewhere in town. We would relax, catch up on the day's events, and generally enjoy each other.

After the birth of my first child, I found myself feeling less convivial at the end of the day than I had in years. Walking the floor with my child, knowing that he was keeping me from doing much that I really wanted to do, made me angry.

When my husband and I first discussed having children, we had no real idea how radically they would constrict our lifestyle. Like many other modern young couples, we had followed the dictates of Lamaze and LeBoyer. We had our baby by natural childbirth, spent hours "bonding" with our newborn, and never let him cry without picking him up. According to the new "parenting" books, we were teaching our son that his needs would be met, first thing in life.

But while my child didn't cry, I did. I missed my job and my friends; I felt poverty-stricken, and I looked awful. So, like many young women faced with the same predicament, I decided to go back to work.

Without too much trouble, I found a job writing for a public television station—and happily set out to enjoy life once again. I assumed that I would simply give my child good "quality" time in the evenings and on weekends and, in the meantime, I would use all my energies to find an absolutely sterling person to care for him during the day.

I researched child care with a vengeance. Luckily, I did find someone to care for my son who seemed fine. She lasted a month. During that brief return to the office, however, I made some remarkable discoveries.

I discovered that I had no "quality" time for my child in the evening; indeed, I felt like I had no time at all. I was tired. Although I loved my son, and knew that he needed attention from me, somehow I was unable to give much of it after a day at the office.

I also discovered, to my surprise, that I missed my child when I was gone. I worried about how he was being dressed, fed, cared for. I worried that his bright inquisitiveness was being dulled by the housekeeper who, while a kind and decent person, lacked a certain intellectual vitality.

I was almost relieved when my housekeeper quit. I came back home to attend to my son and, again, searched for child care. Diligently, and over what came to be a period of two years, I searched for child care everywhere, from the local town newspaper to the best nanny schools in London.

Yet everywhere I looked, it always seemed like a long waiting list of mothers had been there before me. We commiserated with each other. Trying to find the "right" kind of full-time child care, we discovered, was a lot like trying to handicap a horse race or beat the roulette wheel at Las Vegas. No matter how many setbacks we had, we kept on giving it one more try, holding out for what we knew was the intoxicating probability of an imminent lucky break. Whether the spoils of victory were unimaginable amounts of personal wealth or the babysitter popularized in legend who was kind, intelligent, put our children first, and never got sick, we fervently believed that there, but for a simple key to the right system, went us.

I remember the zeal with which a few mothers at work would guard their child-care sources, passing on names of favored sitters to a select friend or two, with all the covert machinations of a Mata Hari. But no matter how closely kept were the names of the "really good" sitters which some mothers managed to stumble on, there always came the inevitable day when they lost them. Maybe one of them moved, maybe the sitter just got tired and decided to give up sitting for a while. Or maybe the mother simply decided that the "really good" sitter wasn't so "really good" after all. Whatever the reason, we all learned to pick ourselves up and begin searching again.

When I was looking hard for child care, I spent literally hours on the telephone, every day, trying to scout out the best available care. Other more broken-in mothers shared their allegedly fool-proof "Lists of What to Ask Potential Housekeepers" who telephoned me in response to the many advertisements I placed. They suggested nefarious ways to tap into the market of illegal aliens (remarking that it would be nice to have someone who spoke English, but concluding that we couldn't have everything) and passed on whispered directions toward certain population groups who were rumored to "be wonderful with children."

Nannies and Housekeepers

At the beginning, I confined my search for child care to housekeepers and nannies. However, no matter how much I wanted my child to have personal, one-on-one care and attention, provided in his own home, I always semed to come up against one of the same three obstacles. First of all, nannies and housekeepers were very expensive, and their wages would have eaten up a major chunk of my salary. I soon learned that in conjunction with the other expenses of working outside the home—clothing, transportation, lunches, and the convenience foods which became almost essential for cooking—the expense of one-on-one care was something my husband and I could not reasonably handle.

Second, if the tedious progression of interviews which I conducted with the aspiring housekeepers who answered my ads was any indication of the sort of care givers available for hire in the nanny market, even the people able to afford full-time, one-on-one care were rarely getting what they bargained for. The truth of the matter was that an overwhelming percentage of the people who came to my door, ready and willing to care for my children, were clearly unqualified for the job.

Finally, I learned that nanny-housekeepers—no matter how good or how qualified—rarely stay around very long. A job, after all, is still a job, and even the most capable of nannies is not in the job for the longrun. For some reason, many of us nanny-seekers must have acquired vastly sentimentalized notions from old English history books or PBS television series that a typical nanny came to change the diapers and stayed on for the weddings. The truth was that few modern-day nannies stuck around long enough to see a baby move into toddlerhood. Even the most congenial and affluent of employers, who gave their nannies multiple gifts, lavish vacations, free cars, high wages, and desirable working conditions, frequently complained about the eternal search for "yet another" nanny.

The Child-Care Merry-Go-Round

This last problem, especially, seemed almost indigenous to every available kind of child care I located. Nannies seemed to come and go, as did family day-care providers, almost constantly; even the staffs of most day-care institutions, I learned, have a notoriously high turnover rate, while the outward, serene appearance of the facility itself remains constant.

Although I would find myself joking about the on-again, off-again nature of the child-care merry-go-round, I soon realized I was becoming uneasy about what this process was doing to my by-this-time two children. I knew there were people murmuring about how good all this upheaval must be for the children; I read about one women who laughed that her daughter was "being raised by a committee." But she told herself that her daughter was getting to know a lot of people and was learning how to make rapid social adjustments.

Yet there was something else that I could see my own children learning, along with rapid social adjustment, which frightened me, no matter how lightly I dismissed its implications. I could see that it was unsettling and traumatic for them, once they had anchored their love, confidence and trust in someone, to experience abandonment by them; and I feared that they were learning, in their own self-interest, not to invest too many of their feelings in other people, or to be willing to commit themselves to future long-term emotional relationships.

I wanted my children to learn that the people who cared for them would not leave them. While I knew my husband and I would not leave them, the fact remained that we were away at an office all day. We were not our children's primary care givers, no matter how much we liked to think of ourselves that way, and we could not in truth be relied upon to respond to their needs for the great majority of their waking hours. I was beginning to see that I wanted my children to have a reliable, consistent, loving person upon whom they could depend for guidance, who was available to them during much of their day—and that the status quo of musical babysitters wasn't going to give it to them.

Family Day Care

When the problems with hiring a nanny-housekeeper appeared insurmountable, I decided to go ahead and give family-centered day care a try. Initially, this home-based care seemed like an attractive option to me because I assumed that my children would be in a cozy, homey atmosphere during the day, placed with a relatively small group of children, who could be nice playmates for them. And family day care had the added happy bonus of being much more affordable than one-on-one care. Yet my high hopes

rose—and predictably fell again—with each successive experience in home-based care.

It seemed that one of the biggest and most consistent problems I encountered with family care was rampant overcrowding. Although I noticed that local governments were frequently trying to regulate the numbers of children allowed in any one day-care home at the same time, I could also see that those regulations were increasingly caving in to public pressure for "more child care." And the regulations were very difficult to enforce. Time and again, I left my children in the care of a sitter who assure me she cared for "very few" children, only to return on an impromptu visit to find staggering numbers of "drop-ins" had joined the "very few."

Another problem I found with family day-care homes was that the care givers generally were women who wanted very much to stay home with their own children but who took in extra children to help supplement the family income. I found that it was next to impossible, in a situation like that, to expect the sitter to put the needs of my children first. Naturally, even the kindest and best-intentioned person in the world would respond to her own children more quickly and more sensitively than to the children of a relative stranger. And I would frequently see my children, no matter how subtly, come to perceive themselves in an inferior, less-favored position than "Johnny and Rachel" or "Mary Beth."

Third, on visits to family day-care homes, I was surprised at the number of times I observed a sitter relating to my children differently from the way I would have done—from how she responded to a request for an apple to where she put them down for a nap to attempt to deal with (or ignore) conflicts and questions. Too frequently, I found myself observing a sitter and uneasily reflecting, "I wouldn't do it that way!" This is not to say, please understand, that I always believed my way was the "right" way; not at all. But I was surprised at the large number of clear opinions I appeared to have about some of the smallest things that were a part of my children's everyday lives.

I came to see that the raising of a child did not represent simple custodial upkeep. Rather, my children were learning lessons, making choices, and being guided by the repetition of small human interchanges. The largest decisions about the direction of their future, I was learning, were made in the course of these apparently inconsequential daily interchanges. Here, they would most indelibly implant information about their perceived place in the world, their relation to other people, and the value they placed in themselves, in their own potential, and their own goodness.

Last, I discovered that family day care by its very "cozy" nature is invisible and anonymous—and therefore subject to astonishing abuse. When I was at the office, I did not in fact ever really KNOW what went on with my children during the day. Oh, I could draw certain inferences, based on the way my children behaved when I picked them up at day's end, but my inferences were incorect on enough occasions to warrant my pulling the children out of family day care altogether. While at first I had naively relieved on my children for correct information about their experiences during the day, I soon began to understand the significance of the fact that my youngest, like many children left in family day care, couldn't talk at all; and I suspected his older brother might be easily intimidated or bullied into not talking. Given an unhappy day-care situation, I could see how my children might well have assumed—since they had no reference point—that their unhappiness was a simple part of their existence.

Also, I am embarrased to say, that there were far too many days when I just did not want to HEAR about what my children did during the day, how they were treated, and so on. I would leave work harassed, tired, frustrated, and eager to put dinner on the table, and I did not want additional "problems" from my children. It became easy to overlook an unpleasant or unacceptable day-care situation simply because it became one burden too many to handle.

In actual practice, I never found an accurate way to evaluate the merit of a day-care situation. Despite my most painstaking investigations, many environments that appeared loving and constructive on initial (and sometimes repeated) examination turned out later to be something quite different.

In one instance, I found the "absolutely marvelous" family day-care provider, recommended by trusted friends, sleeping on her sofa while eleven children (she had informed me that she only cared for five children) wandered aimlessly around in front of the blaring TV. Another time, on an unannounced visit, I found that the "highly recommended" licensed day-care provider confined seven preschoolers to her tiny dining room. I found them huddled together, leaning over a barricade to watch a TV program showing in the adjacent room.

Such disappointing—sometimes horrifying—child care stories clearly differed from mother to mother, but the general theme, I learned, remained the same. It seemed that no matter how many checklists I consulted, visits I made, or references I checked, my conclusion never varied. There was no one to whom I could pay enough money to love my child.

Institutional Day Care

At one point, in spite of a prejudice against it, I even investigated institutional day care for my children. I talked to a number of mothers who regularly used day care, and I read the literature of many of the new day-care chains located near my home. I was offended by much of the public relations language in the day-care brochures which came my way—language which attempted to sooth my anxieties and dispel my guilt at the notion of leaving my children in institutional care—but language which also denied the instincts of my heart and my down-home common sense. Many of the brochures even seemed to claim that they could do a better, more "educated" and professional job of raising my children than I could.

So when I checked out the possibilities of institutional care for my own children, I was dismayed at what I found: The people staffing many child-care institutions certainly weren't the superior, kind and loving, multiply-degreed maternal paragons which the day-care brochures had touted. Many of the people I saw on the staffs of our child-care institutions, on the contrary, were underpaid, under-educated, and under-interested.

This is not to say, of course, that I did not find some superb, dedicated day-care directors. During my search for child care, I spoke with some of them at great length. In fact, it was they who urged me not to come to them at all. Surprisingly, two of the six day-care directors with whom I spoke pleaded with me to "Please only use us as a very last resort. Please do everything you can to try and stay home with your children." In fact, I became somewhat irritated as they tried, with great feeling, both to convince me that they were not the best thing for my children and to help me come up with ways to work from home so I could be with my children. At the end of one phone conservation with a day-care director, I was rather taken aback to hear her finally sigh, "If you really must have some other kind of care for your children, I suppose we're the best; but your care would be the best of all."

I disagreed. I still believed that there was a babysitter out there with my name on her and all I had to do was beat the right bush—find the right system—that would bring her out of hiding. In time, however, my exhaustive and intense search for child care taught me this critical lesson: No matter how many licenses we issue or inspections we require, no matter how rigid the guidelines we establish or how much money we pay, we must one day face the fact that it is impossible to have quality controls over the capacity of one human being to love and care for another.

All of a sudden, the notion occurred to me that perhaps the elusive, almost mystical "she" was not out there. After all, here we were, millions of women trying to hire someone warm, wonderful, motherly, and loving. All of a sudden, common sense told that there simply weren't enough warm, wonderful, motherly, and loving people to go around. And even if they *were* out there, it was clear that they didn't want to give priority attention to *my* children. They wanted to take care of their own children.

While I—and most of my friends—were saying our minds were "too good" to stay at home and raise our children, none of us ever asked the question, "Then what sort of minds *should* be raising our children—minds that were *not* very good?"

My carefully worded advertisements for child care literally came back to haunt me. I was looking for someone "loving, tender, reliable, responsible, nurturing, intelligent, and resourceful." I had wanted someone with a driver's license, good English, a sense of fun, and an alert, lively manner. I wanted someone who would encourage my children's creativity, take them on interesting outings, answer all their little questions, and rock them to sleep. I wanted someone who would be a "part of the family."

Slowly, painfully, after really thinking about what I wanted for my children and rewriting advertisment after advertisement, I came to the stunning realization that the person I was looking for was right under my nose. I had been desperately trying to hire me.

(Used by permission. Acropolis Books, Ltd., "*What's A Smart Woman Like You Doing At Home?*) by Linda Burton, Janet Dittmar, and Cheri Loveless; 1986.)

Mr. COATS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has noted the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOL 135 PT 9 JE 14 — 22 1989 UMI

FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT

Mr. MITCHELL. Mr. President, having consulted with the Republican leader, I now ask the Chair to lay before the Senate the House savings and loan bill, H.R. 1278.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1278) To reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause is stricken and the text of S. 774, as amended, is substituted.

The bill was ordered to a third reading, was read a third time, and passed.

The PRESIDING OFFICER. The Chair appoints the following conferees: Senators RIEGLE, CRANSTON, SARBANES, GARN, and HEINZ of the Committee on Banking, Housing, and Urban Affairs are appointed conferees to reconcile all provisions of H.R. 1278 and of the Senate amendment to H.R. 1278, except those in sections 1401 and 1402 of H.R. 1278.

Senators BENTSEN, MATSUNAGA, and PACKWOOD of the Finance Committee are appointed as additional conferees solely for the consideration of reconciling:

First, sections 1401 and 1402 of H.R. 1278, and the specific disagreeing provisions of sections 501 and 502 of the Senate amendment to H.R. 1278 relating to the tax-exempt status of the Resolution Trust Corporation and the Resolution Funding Corporation (new paragraphs 21A(k) and 21B(f)(7) of the Federal Home Loan Bank Act), and

Second, sections 1403 and 1404 of H.R. 1278.

Mr. GARN. Mr. President, if the leader will yield for comment at this point, we have no objection, and as the ranking Republican on the Banking Committee I have agreed to these conferees. I would comment, however, that it has been somewhat difficult to arrive at this point during the day. Senator RIEGLE and I have talked at great length, because of the small number of conferees, only three Demcrats and two Republicans, and then the possible addition of three Finance Committee members, who have not had jurisdiction over the bill.

I am happy to report that that difficulty was resolved by the way the agreement is written, and that the three conferees will be on the conference committee, but solely for the purpose of the sections that are enumerated, which are tax sections added by the House of Representatives, and we are not part of and were not part of the Senate bill, as we passed it. So I think this is a good resolution to the problem, and they will not in effect be conferees on the Senate bill but on those tax provisions added by the House, which certainly are under the jurisdiction of the Senate Finance Committee.

I thank the leader and the Chair for that intervention.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered

AMERICAN TASK FORCE FOR LEBANON POLICY

Mr. DOLE. Mr. President, last month both the distinguished majority leader and I spoke to a meeting of the American Task Force for Lebanon here on Capitol Hill. Our statements to that group have already been put in the RECORD.

One concrete result of the task force meeting was the drafting of a paper, with prescriptions for American policy in Lebanon. While noting that there are a couple of points that I might have stated differently—overall the paper is an outstanding piece of work, and provides very thoughtful and constructive guidelines for American policy.

The task force has given me permission to have their policy statement printed in the RECORD, and I ask unanimous consent to do so.

I urge all Senators and appropriate staff to read this document carefully, as part of what I hope will be an ongoing, high priority consideration of the issue of Lebanon here in the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A PLAN FOR ACHIEVING A LASTING CEASE-FIRE AND PEACE IN LEBANON

(Prepared by the American Task Force for Lebanon)

The apparent American indifference to the destruction and suffering presently being endured by the Lebanese people is a profound mystery to many observers who care deeply, both about the fate of the Lebanese and the application of American moral values. As Flora Lewis put it in her syndicated column entitled "Dead Silence on Lebanon, ". . . the Lebanese deserve attention because international indignation is probably the only way to bring a pause in the massacre and kindle some kind of hope for the future." American officials refute the charge that the United States has been indifferent, citing numerous communiques and statements calling for the end of hostilities and withdrawal of all foreign forces. What, then, should the United States do to help?

In the first instance, the question that needs to be addressed is: should the United States become involved at all? Peace in Lebanon means the end to the unsettling drama that is unfolding and which risks embroiling Lebanon's neighbors in a wider and more dangerous conflict. Peace in Lebanon cannot wait for a comprehensive peace in the Middle East. Peace in Lebanon means an end to the use of Lebanon's territory for acts of terrorism, hostage taking, and the exportation of illegal drugs. Peace in Lebanon means the disengagement of the two principal Middle East players, Israel and Syria.

In addition to the compelling diplomatic reasons to save Lebanon, the enormous human suffering cries out for the humanitarian assistance for which Americans have always been known. The United States sets the standard for "super power" behavior and nowhere is that power better used than in helping relieve the suffering of innocent people. That is why the Lebanese cry out for help from the United States, and our national sense of right and decency demands that we respond.

Mild statements of concern and support, delivered to low ranking functionaries will command the respect they deserve . . . very little. The United States must display a strong position transmitted from the highest level of our government to the highest levels of Syria, Israel and other involved and interested parties. The message these leaders have received to date is "low priority" and, to them, this means that they can do as they will with impunity. The first step to stopping the death, violence and wanton destruction in Lebanon is for the world to understand that the United States cares—really cares—about saving Lebanon and the Lebanese people. Our American voice will be heard only when we choose to raise it.

In this document, we present a plan devised by a select committee of members of The American Task Force for Lebanon representing all faiths. The plan is designed to be specific, realistic, and sensitive to the needs of all the Lebanese people regardless of their faith or political affiliations. We are confident that this plan can be supported enthusiastically by the great majority of the more than two and a half million Americans of Lebanese origin.

The purpose of the plan is to achieve an effective cease-fire—observed by all sides and their agents throughout Lebanon—and to set in motion a series of steps to solve the present crisis and to move Lebanon toward national dialogue and reconciliation taking into account the interests of all sides. The goal is an independent, sovereign, democratic Lebanon, free of the presence of all foreign forces.

Summary:

I. The United States must show leadership and a great resolve in bringing the issue of Lebanon to the forefront as a first vital step toward a comprehensive Middle East peace.

II. The United States must find an effective way to influence all those involved in the crisis in Lebanon.

III. In cooperation with the U.S.S.R., France and other interested powers the United States should seek to stimulate the committee for Lebanon formed by the Arab League to move energetically and effectively to deal with the crisis. In addition the United States should be prepared to take the issue to the Security Council of the United Nations for international action.

I. UNITED STATES LEADERSHIP ROLE

The proliferation of statements calling for a "cease-fire and withdrawal of all foreign forces" which has come from the United

States and others, will be ineffective unless followed by positive actions. The United States, particularly, having properly abandoned the military option, has only one alternative if these pleas are ignored, as they most certainly will be . . . economic and diplomatic pressures and sanctions that will make its position unambiguous and effective.

The participants in the Lebanese problem, both foreign and domestic, must be convinced of the United States' resolve, at the highest levels, to aid Lebanon.

Above all, the United States must show a leadership role, since our benign neglect of Lebanon belies our super power status and demeans our reputation for humanity and sympathy for the suffering.

II. A JOINT EFFORT

In view of the recent joint statement on Lebanon by the United States and the U.S.S.R., it is an opportune time for the United States to move forward on Lebanon in concert with the U.S.S.R., the United Nations, the Arab League, France, and others to set a plan in motion to successfully resolve the "Lebanon piece" of the Mideast problem.

This joint effort should include: Support for the Arab League initiative. Consultation with Lebanese, Syrian, Israeli and other regional leaders who are involved or interested in resolving the crisis in Lebanon. Setting the groundwork for taking the issue to the United Nations Security Council to seek a binding resolution.

Success in this endeavor by the United States, the U.S.S.R. and others would set the tone for solution to other problems in the Middle East and serve as a precedent for global cooperation. They each would gain individual and joint respect and influence in the region.

III. SPECIFIC PROPOSALS

Bring about an effective cease-fire supported by a peace-keeping force in greater Beirut. Convening a meeting of representative Lebanese leaders to arrange for the reestablishment of Lebanese authority throughout Lebanon. This could include reconvening Parliament and establishing an interim government charged with developing a plan for reconciliation and reform. This effort must not be encumbered again with the historical divisions based on religious and family interests. If such a plan can be agreed upon it will become possible for Lebanon to arrange for its own internal security, disarm all militias, secure the withdrawal of all external forces and be governed by the desires of its own people.

SELECT COMMITTEE,
The American Task Force for Lebanon.

Committee Members: Joseph T. Abdo, William Bazzy, Michael Berry, Esq., Mounzer Chaarani, Joseph J. Jacobs, Ph.D., Casey Kasem, Elias T. Saadi, M.D., Peter J. Tanous.

Chairman: The Honorable Philip C. Habib.

MICHAEL CHANG: MOVING UP FAST

Mr. CRANSTON. Mr. President, Californians are, I believe, justifiably proud of their State and all it has to offer. Any Californian will tell you, for example, that the Golden State is without exception the most beautiful State, and that it is populated with the most beautiful, most intelligent, most talented people.

This being the case, even Californians unfamiliar with the names of today's major tennis players were not surprised to hear that a Californian became the first American to win the men's singles event at the French Open in 34 years. Some people probably were, however, a little startled to hear that the victor, Michael Chang, was only 17 years old.

A resident of Placentia, CA—home as well to Janet Evans, winner of three gold medals in swimming at the Olympics in Seoul last year—Michael Chang beat the top-ranked tennis player in the world, Ivan Lendl, in a display of grit and determination seldom seen in one so young. Although hampered physically by severe cramps, Michael succeeded mentally by dint of his perseverance and commitment to excellence.

Today, Mr. President, just about all Californians—most Americans and probably most of the French as well—know Michael Chang's name. Californians are proud of their neighbor and wish him the very best luck in the upcoming Wimbledon tournament. He's a fine addition to the long tradition of Californians who take the world by storm.

DRUG ADDICTION IS A DISEASE OF THE BRAIN

Mr. MOYNIHAN. Mr. President, on December 31, 1985 a short article appeared in the Atlanta Journal in which a public health officer told us something that we needed to know. The United States was about to be struck by an epidemic as fierce as a tropical hurricane.

The physician in question was David Allen, a Bahamian epidemiologist and chairman of the Bahamian National Drug Council. The epidemic was crack. It was already devastating the Bahamas. It would soon, he warned, reach the United States. In point of fact, the New York City Police Department first began to notice this mutant of cocaine in August 1985. It began recording crack arrests in January 1986 weeks after Dr. Allen's warning.

We would have done well to heed his warnings. To wit:

> What we have [in the Bahamas] is the world's first free-basing epidemic, which could be preceding an epidemic in the industrialized states. Anywhere there is readily available high-quality cocaine, there is this potential.

But we did not. We ignored the warning because we did not understand it. We did not think we were dealing with a public health problem. We thought we were dealing simply with a problem of law enforcement. We were wrong.

For some months now, Mr. President, I have shared with other Senators a feeling ranging between disappointment and frustration that there seems to be so little interest in what was new in the Anti-Drug Abuse Act of 1988. One of the problems is that the bill passed at about 2 a.m. on the morning of the 22d of October. The 100th Congress adjourned sine die at about 3 a.m. In that last minute rush a lot gets lost.

I believe our drug bill got lost.

That is to say the bill that actually passed. The bill that was drawn up in the summer of 1988.

As you know, the legislation on the Senate side was the product of the Substance Abuse Working Group, appointed, respectively, by the majority leader and the Republican leader. It may be useful at this point to record the membership.

SENATE SUBSTANCE ABUSE WORKING GROUP

Democratic Senators: SAM NUNN, co-Chair; DANIEL P. MOYNIHAN, co-Chair; ROBERT BYRD, DENNIS DECONCINI, ALAN CRANSTON, JOHN GLENN, EDWARD KENNEDY, CLAIBORNE PELL, BOB GRAHAM, JOHN KERRY, FRANK LAUTENBERG, JAMES SASSER, DALE BUMPERS, ERNEST HOLLINGS, JOE BIDEN, and LAWTON CHILES.

Republican Senators: WARREN RUDMAN, co-Chair; PHIL GRAMM, co-Chair; PETE DOMENICI, co-Chair; ALFONSE D'AMATO, co-Chair; PETE WILSON, co-Chair; JOHN CHAFEE, ROBERT DOLE, ORRIN HATCH, ARLEN SPECTER, STROM THURMOND, and JOHN DANFORTH.

I believe it is not wrong to state that the bill the working group finally put together was in large measure a response to legislation that had earlier passed the House. The term "response" may not be sufficiently blunt. Ours was in fact a reaction. We felt the House measure was almost exclusively directed to issues of crime and punishment. We had no quarrel on the Senate side with the proposition that drugs present a problem of law enforcement. It is simply that we had listened to the police; listened to the Federal agents; perhaps most interestingly, listened to the economists. Their judgment was nigh universal. Law enforcement can only affect the current drug epidemic at the margin. Our Attorney General, Richard Thornburgh, has, happily, come to the same conclusion. "If you want to lose the war on drugs," he told a hearing of the Senate Caucus on International Drug Control this past Monday, "leave it to law enforcement.

I use the term "epidemic;" we used that term. You might suppose we were using it as an analogy. That would be wrong. For my part at least the term was used in its precise medical connotation. That is to say, a communicable disease affecting many persons in an area or region. Our specific reference was to the substance called crack, a

form of cocaine which appeared in the Bahamas in 1983, reached New York City and the west coast by 1985 and has spread widely since then.

Our understanding was that this particular debilitating condition—drug addiction—is a disease of the brain induced by the ingestion of particular substances. Thus, treatment drugs, in the words of Dr. Marvin Snyder of the National Institute on Drug Abuse, "ultimately seek to restore the balance and equilibrium of normal brain activity." In this way, for example, malarial parasites infect the body—the most deadly form infects the brain—through injection into the blood by an infected anophelese mosquito, or through infusion of blood from an infected donor, or, finally, as the Merck manual tells us, "by use of common syringe by drug addicts."

Drug use is passed from person to person, child to child, through social interaction. So are most communicable diseases. But the behavior associated with drug use is more difficult to control, and less responsive to education, because it is addictive.

Drug addiction is not only passed from person to person. It is passed from generation to generation. This can be environmental; it can be genetic; it can be biological, as in the case of babies born to addicted mothers. We cannot say how much these factors affect behavior, but we do know that behavioral patterns are associated with addiction. According to Dr. Fred Goodwin, the head of the Alcohol, Drug Abuse, and Mental Health Administration, a diagnosis of clinical depression or anxiety in older adolescents doubles the likelihood of a subsequent substance abuse problem.

Where the heroin epidemic of the 1960's gave us the one-parent family, the crack epidemic of the 1980's will give us the no parent child; 51 percent of young addicts admitted to treatment in New York are female. Dr. Sheldon Landesman estimates that 15 percent of women giving birth at one municipal hospital in Brooklyn, NY, used crack during pregnancy.

And we would do well to note what the mothers and fathers of these children do to get the money they use to buy crack. They resort to ancient and ugly techniques. It can be said that for the most part the men steal. Thus, the men go to jail. At any given moment one in nine black men in Washington between the ages of 18 and 35 is in jail or prison. And the women contract AIDS through sexual commerce or promiscuity. Dr. Landesman estimates there are 35,000 infected women in New York City, each with, on average, two uninfected children. These 70,000 children will lose their mothers. These 70,000 children will be left to what? To whom? To orphanages and to insane asylums, institutions thought to have been abandoned in the 19th century.

Clearly, we have to find a cost-effective treatment. Clearly, this effort needs to follow an epidemiological mode, addressing the environment as well as the individual. Law enforcement, for example, effects the environment, much as draining away stagnant water affects the presence of anophelese mosquitoes. But the sick person must also be treated if the epidemic is not to continue.

Thus, section 2012 of the drug bill, entitled "Purposes," calls for treatment upon request. To wit:

> It is the purpose of this subtitle * * * to increase to the greatest extent possible, the availability and quality of treatment services so that treatment on request may be provided to all individuals desiring to rid themselves of their substance abuse problem.

May I emphasize that those of us working on the Anti-Drug Abuse Act of 1988 knew full well that there was then no cost-effective treatment for the cocaine disease, a disease that becomes incredibly acute in its crack form. We assumed we were just at the beginning of an effort to develop such a treatment; we knew well enough the long and difficult task involved in the development of methadone, a form of treatment for heroin abuse. We knew well enough that most of what we call drugs begin as medicines. I suppose that is why they are called drugs. In consequence, the medical profession seems to have trouble getting involved with the problem of the abuse of their own treatments, as you might say. The current Merck Manual, for example, that singular aid to professional and layman alike, more or less explicitly states that cocaine is not addictive, and does not even mention crack cocaine (15th edition, 1987). We were also aware that it costs a lot to develop a new drug and bring it to the market: hence not much interest in the pharmaceutical industry. Thus, one of the few cocaine treatment agents that has emerged is carbamazepine, an existing anticonvulsant drug used in persons suffering from convulsive seizures.

Indeed, of the tens of thousands of pharmaceutical drugs now available for sale in American pharmacies, exactly two—methadone and naxeltrone—are widely available to help treat drug addiction. Is it any wonder then, that the epidemic surges?

The National Institute on Drug Abuse knows this. I rise today to remind the Senate, and just possibly to engage the interest of assorted commentators, that we also knew it when we crafted our legislation with its emphasis on at minimum a parity between outlays on supply and demand.

I read the editorials that followed our bill. In the main, they stated that nothing much had happened. After having taken up much of the century with a law enforcement approach to drug abuse, Congress finally—with precious little help from the executive branch, if I may add—finally turned to the issue of treatment. This fact has been nearly ignored in the press. As a result it is now being slighted in budgeting and funding.

A problem here is that there is no record of what we did. This is to say that the Anti-Drug Abuse Act of 1988 was drafted wholly by informal groups appointed by the respective Democratic and Republican leaders. There were no hearings—there was no committee of jurisdiction, although we can take great relief at Senator BIDEN's determination that Judiciary will now take on this task. There was relatively little debate. This no doubt accounts for much of the understanding in the press. In the hopes of establishing a record of some sorts, Mr. Tom Malinowski of my office has undertaken a prodigious labor of accumulating six volumes of the often fragile and fugitive records of our deliberations. But I would say to those who care about this subject that they do this cause precious little good by acting as if the Congress did nothing new in its 100th session. In fact we thought we were moving the subject in hugely important new directions. If no one else thinks, so, the effort will have been wasted. And not likely to be repeated.

In closing, may I return to the Attorney General's remarks of this past Monday.

> If you want to lose the war on drugs, leave it to law enforcement.

We are in complete agreement. The Attorney General is not calling for less law enforcement. Less attention to the supply side of the question. He is calling for more attention to the demand side. We, for our part, do not dismiss drug addiction with sociological sophistications. The victims have only themselves to blame. But they are victims even so. The same may be said of the great plagues of venereal disease. In the end they needed both changes in behavior and treatment. That is our position with respect to drug addiction.

Mr. President, I ask that the Atlanta Journal article on the Bahamian crack epidemic, a recent National Institute on Drug Abuse publication summarizing recent research in this field, and an abstract summarizing a study on the use of carbamazepine in cocaine treatment be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Atlanta Journal, Dec. 31, 1985]

BAHAMAS "FREE-BASING EPIDEMIC" CITED

NASSAU, BAHAMAS.—A highly addictive practice of smoking cocaine "rocks" has swept this chain of islands off the coast of Florida, a side effect of the South American-based drug trade that uses the islands

as steppingstones for the journey to the United States.

In a country of 230,000 people, the number of cocaine users treated at mental health clinics has zoomed from zero in 1982 to 209 in 1984, according to Dr. David Allen, a Harvard-trained psychiatrist who heads the National Drug Council.

"What we have is the world's first free-basing epidemic (which) could be preceding an epidemic in the industrialized states" Allen said. "Anywhere there is readily available high-quality cocaine, there is this potential."

Dr. Henri Podlewski, director of the Sandilands Hospital where a special unit was created this year to treat free-basers, said free-based cocaine may be the most addictive drug known.

[From the National Institute on Drug Abuse, Winter 1988-89]

NIDA LAUNCHES $20 MILLION PROGRAM TO DEVELOP ADDICTION TREATMENT DRUGS

Thousands of pharmaceutical drugs line the shelves of apothecaries across the Nation. They're designed to treat a host of diseases and ailments—such as heart disease, diabetes, allergies, and strep throat. But, of all these drugs, only two are available to treat drug addiction.

Except for methadone and naltrexone, used for heroin addiction, today's pharmacy is barren of addiction treatment drugs. Unfortunately, the development of pharmacotherapies for the treatment of drug addiction has not received the full support of the drug industry.

"There are many reasons for this," says Dr. Marvin Snyder, director of NIDA's Division of Preclinical Research. "Chief among them are that drug abusers represent a special group of sick people who do not necessarily seek treatment and that the potential profits of developing new drug abuse treatments have not been significant."

However, Dr. Snyder notes, the cocaine epidemic of the last few years coupled with the spread of AIDS in the drug abusing population make the development of effective treatments for drug addiction more critical than ever before.

Data from NIDA's Drug Abuse Warning Network, which collects information on the health consequences of drug abuse from regularly reporting emergency rooms in about 2 dozen cities across the Nation, show that the number of people experiencing medical problems associated with cocaine use is rising sharply. Emergency room visits by cocaine users more than tripled from 1985 to 1987, rising from about 12,000 to more than 39,000.

During the same time period, according to a study of State-funded treatment programs conducted by the National Association of State Alcohol and Drug Abuse Directors, the number of people seeking help for their problems with cocaine rose from about 40,000 to more than 84,000. "Clearly, cocaine addiction is a major problem in this country, but there is no standardized therapy for treating it," Dr. Snyder says.

Heroin users also are seeking treatment for their addiction in greater numbers, Dr. Snyder notes. Many treatment programs have waiting lists of several months, he says. Since most heroin users inject the drug and many share needles to do it, they are at increased risk for getting AIDS. Nearly 30 percent of all new AIDS cases are linked to intravenous drug use.

To respond to these crises, NIDA is heading an aggressive Federal effort to develop much needed treatment drugs. In fact, developing new pharmaceutical approaches to drug addiction will be among NIDA's top priorities during the next several years. This year, the Institute plans to spend $20 million to identify and develop new addiction treatment drugs—not just for opiate addiction, but also for addiction to cocaine, phencyclidine (PCP), and other drugs.

NIDA recently formed a 10-member Drug Development Task Force to enlist the support of the pharmaceutical industry, administer grants to investigators, and oversee toxicity tests, clinical trials, and computer-assisted screenings of hundreds of potentially helpful drugs.

The task force, headed by Dr. Snyder, will work closely with Food and Drug Administration (FDA) representatives and scientists from the National Institutes of Health to expedite development of new addiction treatments that:

Can serve as replacement therapies for abused drugs, like nicotine gum does for cigarettes.

Block the effects of abused drugs.

Reduce craving for abused drugs.

Temper or eliminate the drug withdrawal process.

Block or reverse the toxic effects of abused drugs.

Prevent addiction from taking hold in the first place.

The drug industry has been slow to develop addiction treatment drugs for various reasons.

The Pharmaceutical Manufacturers Association says it takes more than $120 million to develop a new drug, a process that often takes 7 to 11 years. To recover these costs, large quantities of the drugs must be prescribed and sold.

Although fear of AIDS has motivated more people addicted to drugs to pursue treatment than ever before, many still do not seek help.

And the stereotype of the potential patient as a "bottomed-out" addict finally ready to seek treatment can be a turn-off to some drug companies, fearful their products will be tainted by association.

Naltrexone, approved by the FDA in 1985, treats narcotic addiction by blocking the effects of heroin. The drug is used to maintain abstinence in patients who have been detoxified from opiates. Although there are about 500,000 people addicted to heroin in this country, Dr. Snyder says this drug may presently be useful for only a small proportion of them.

Methadone, first developed as an analgesic, acts as a replacement for heroin. In contrast to heroin, which is usually injected and lasts only 4 to 6 hours, methadone can be taken orally and is active for more than 24 hours. Patients maintained on methadone stabilized—they no longer seek heroin and are therefore able to put their energies into caring for themselves and their families and developing their job skills.

Some people criticize the use of drugs to treat drug addiction. However, Dr. Snyder says, drug addiction is a disease of the brain. Drugs such as heroin and cocaine cause a disruption of normal brain chemistry. "Treatment drugs ultimately seek to restore the balance and equilibrium of normal brain activity and behavior," he says.

Substituting someone's addiction to heroin with chronic administration of a treatment drug may not be ideal, says Dr. David Friedman, deputy director of the Division of Preclinical Research and a task force member, but it's still helpful. "As long as people aren't shooting up drugs, they're not going to get AIDS from sharing needles," he says.

Patients maintained on methadone are significantly healthier than those using illegal drugs. And treatment clients often receive valuable skill-building therapies to help them become more independent members of society. No treatment drug, given alone, is gong to be a "magic bullet," Dr. Snyder says. Counseling, therapy, and training are essential parts of a comprehensive treatment program.

But methadone and naltrexone cannot fill every treatment need. Even if they could, says Dr. Snyder, it's desirable to have alternative treatment drugs to choose from—like having acetaminophen as an alternative to aspirin for pain relief, or giving tetracycline to people allergic to penicillin for strep throat. Because drugs that work well for some people may not work for others, NIDA hopes to develop a "cafeteria plan"—a variety of addiction-treatment options for doctors and patients to choose from. "The goal is to have specific therapies available to specific patients at specific times in their treatment," Dr. Snyder says.

NIDA's most immediate priority is making the "orphan" drug LAAM (L-Alpha-Acetyl-Methadol) available to treat intravenous heroin addicts.

Developed as a potential painkiller in Germany, the drug has been around too long to patent. With no patent and no subsequent profits, there is no pharmaceutical company willing to sponsor the drug through the FDA-approval process.

LAAM, sometimes called "long-acting methadone," lasts 2 to 3 days between oral administrations. Because LAAM's effects do not start for several hours after it is taken, there's no sought-after "rush," and less risk that the drug will be stolen or diverted and sold illegally. "It's not likely to be a popular drug on the street," says Dr. Snyder.

But LAAM may be popular with addiction treatment professionals, says Dr. Friedman. With methadone serving as the only addiction-treatment drug on hand for many years, treatment personnel may have felt like carpenters with nothing on hand but hammers. "There's been only methadone for so long, anything else will boost their morale."

Scientific, legal, political, and economic problems derailed LAAM when NIDA tried to get it developed in the 1970's. But says Dr. Richard L. Hawks, chief of NIDA's Research Technology Branch and a member of the Drug Development Task Force, "LAAM held promise 15 years ago and it still does."

NIDA is searching now for a drug company to sponsor LAAM through the FDA-approved process. "LAAM will have a useful niche," Dr. Hawks says, "by it's not going to be a miracle drug."

LAAM isn't the only addiction-treatment drug on NIDA's agenda. Currently, the Institute is overseeing 28 other drugs in various stages of development, including drugs to treat cocaine and PCP addictions.

Developing new and effective drugs is a long and arduous task. First, a proposed substance must demonstrate some therapeutic potential in animal models. Then, it must be proven nontoxic for human consumption. Finally, the drug's effectiveness must be studied in human clinical trials.

Because few alternatives are available, drugs approved as safe and effective for other medical conditions are sometimes prescribed for addiction treatment, says Dr. Friedman. The antihypertension drug cloni-

dine is not FDA-approved for the treatment of drug addiction, yet is sometimes used to ease the symptoms of opiate and nicotine withdrawal. But with a limited repertoire to choose from, and with so many drug-dependent people in need, it's hardly surprising that clonidine is being used this way, he says.

NIDA hopes, with FDA approval, to establish a special drug distribution system, similar to the one used by NIH's National Cancer Institute, to allow physicians to prescribe addiction treatment drugs prior to completion of the formal FDA drug approval process.

The Orphan Drug Act of 1983, which gives drug companies exclusive rights to market a drug in lieu of a patent, provides some incentive to private companies to invest in new treatment drugs. NIDA is also attempting to identify incentives that will encourage pharmaceutical companies to begin drug development.

"The Institute is committed to providing the needed leadership and direction to develop a wide variety of useful addiction-treatment drugs," says Dr. Snyder.

NATIONAL INSTITUTE ON DRUG ABUSE DRUG DEVELOPMENT PROGRAM

Drug	Therapeutic indication	Sponsor	Status	Owner
Opiate treatment agents				
Methadone plus naloxone	Opiate maintenance therapy, lower abuse potential		Approved but not marketed	Bristol
Depot naltrexone	Long term opiate blockade	NIDA	Standard drug approved	Dupont
LAAM	Opiate maintenance therapy	NIDA	Phase III completed	Public
Clonidine	Opiate detoxification	None	Currently in use in open trials	Boehringer
Buprenophine	Opiate detoxification, opiate maintenance and blockade	NIDA	Phase II	Norwich Eaton.
Methephazmd	Opiate maintenance therapy	NIDA	Phase I	Lilly
Acetorphan	do	NIDA	Animal testing	
Cocaine treatment agents				
Desipramine	do	NIDA	Phase II	Merrell Dow
Sertraline	do	NIDA	do	Pfizer
Imipramine	do	NIDA	do	Geigy
Carbamazepine	do	NIDA	Phase I	Do
Mazindol	do	NIDA	do	Sandoz
Flupenthixol	do	NIDA	Clinical evaluation	Merrell Dow.
Fluoxetine	Treat cocaine and PCP withdrawal	NIDA	do	Dista/Lilly
Nifedipine	Block euphoria	NIDA	Phase II	Pfizer
Buprenorphine	do	NIDA	Clinical evaluation	Norwich Eaton.
Verapamil	do	NIDA	Animal testing	Seale
Diltiazem	do	NIDA	do	Marion
Sulpride	do	NIDA	do	Delegrange
SCH23390	do	NIDA	do	Schering
L tryptophan	Functional antagonism	NIDA	Phase II	Public
Amantadine	Maintenance therapy	NIDA	Phase I	Endo
Bromocriptine	do	Sandoz	do	Sandoz
Methylphenidate	do	NIDA	do	CIBA
L DOPA	Replacement therapy	NIDA	Clinical evaluation	Roche.
Toxic overdose treatment agents				
Nifedipine	Cocaine cardiotoxity	NIDA	Animal testing	Pfizer
Verapamil	do	NIDA	do	Searle
Diltiazem	do	NIDA	do	Marion.

DOES CARBAMAZEPINE CURE COCAINE CRAVING?

First author: James A. Halikas, M.D.

Address: Box 393 University of Minnesota Hospitals, Harvard Street at East River Road, Minneapolis, MN 55455.

Other authors and affiliations: Kenneth Kemp, M.D., Kenneth Kuhn, M.D., Gregory Carlson, B.A., Frederick Crea, Paula Clayton, M.D.

The most difficult, and currently unmanageable component of cocaine dependent treatment is the overwhelming craving for cocaine. Because of this consisent craving, it is estimated that 80-100% of cocaine dependent patients relapse within the first 12 months no matter how high their motivation. We have begun using carbamazepine in an attempt to treat cocaine craving in an open trial as an adjunct to other standard rehabilitation efforts. 16 patients to date have been offered carbamazepine. All patients had long histories of substance abuse: with an average of 16 years of illicit abuse, more than 7 years of cocaine use, and repeated unsuccessful treatment attempts ($x=4.9$) Of the 16 patients, 6 patients refused, and 1 took it less than 3 days. Of the 9 patients who have taken carbamazepine, 1 was a clear failure with almost immediate return to frequent use and discontinuance of the medication; 4 of the 9 have been at least partial successes with intermittent use of carbamazepine and progressive periods of cocaine abstinence during its use; 4 patients have had clear success, with abstinence ranging from 1 to 6 months. Both the successful and partially successful patients agree that cocaine craving is significantly reduced even while in high risk situations. The dose range for these 4 patients is 200-400mg per day. A ratio of days of cocaine use per 100 patient days has been derived in an effort to assess comparability of results. The 4 successful patients, as of August 24, had decreased their use from 63.5 days per 100 days pretreatment to 0 days posttreatment with 227 patient days. The 4 with intermediate success have had a reduction from 71.3 days pretreatment to 14.3 days posttreatment. The 6 cocaine users who refused treatments have had virtually no change in their use (77/100 to 73.3/100.) Originally, 9 of the 16 were referred from a methadone maintenance program because of cocaine use which threatened their continuation on methadone. Only 1 of the successes and 2 of the partial successes are methadone patients. The methadone users have consistently reported the appearance of early opiate withdrawal symptoms (18-24 hours post methadone dose.) Based on the liver enzyme induction effect of carbamazepine, this clinical observation is likely accurate. There are several theoretorical reasons why carbamazepine might be useful. Carbamazepine reverses cocaine-induced-kindling, the facilitation of focal neuronal firing induced by repeated pharmacologic exposure, in the animal research model.

HARVARD COMMENCEMENT ADDRESS BY PRIME MINISTER BHUTTO

Mr. MOYNIHAN. Mr. President, I rise to share with my colleagues the commencement address given by Prime Minister Mohtarma Benazir Bhutto at Harvard University on June 8, 1989.

The Senate is already acquainted with Mrs. Bhutto's eloquence. Indeed, the day before her speech at Harvard, she gave a historic address to a joint session of the Congress. The echoes of that address still ring through our Halls.

At Harvard, Mrs. Bhutto elaborated on the themes she shared with us, particularly the democratization of Pakistan. I ask unanimous consent that the text of this commencement address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HARVARD COMMENCEMENT ADDRESS, JUNE 8, 1989, PRIME MINISTER MOHTARMA BENAZIR BHUTTO

President Bok, Governor Dukakis, Members of the Board of Overseas, new graduates, and distinguished alumni,

I am honored to have been asked to make this commencement address to the Class of 1989. First let me congratulate all those who have been awarded degrees at today's commencement.

Not too long ago, I sat where you now sit. I can vividly recall the effort your degrees represent—tramping to class in sub-arctic temperatures, fighting for reserve books at Hilles Library, cramming for exams, and the occasional all-nighter to complete a term paper.

Today is the day of celebration and I am privileged to share it with you. I am also greatly honored by the degree you have conferred on me. I am grateful, President Bok, for the kind words in your citation. However, I regard this honor as more than a personal recognition.

I consider it an affirmation of your abiding belief in the university of the principles

of democracy, liberty, and human rights. Events two centuries ago earned Cambridge, Boston, and the surrounding region the sobriquet "the cradle of liberty." It was here that the first successful struggle against European imperialism began. It was here—under the banner "no taxation without representation"—that the idea of government by the consent of the governed first gained currency.

Cambridge and Harvard were my cradle of liberty, too. I arrived from a country that, in my lifetime, had not known democracy or political freedom. As an undergraduate I was constantly reminded of the value of democracy by the history of freedom that permeates this place. It was not just the history of democracy that inspired me at Harvard. It was, above all, the concrete expression of it.

My Harvard years, 1969 to 1973, coincided with growing frustration over U.S. policy in Southeast Asia. This was particularly true in the campuses where students were in the forefront of those protesting the Vietnam War. For me, there were demonstrations on Boston Common and in Washington; mass meetings at Harvard Stadium. Some American commentators argued that the division over Vietnam signalled American weakness. I saw it as a measure of America's greatness—a reflection of democracy in action—of an open society, which, because it is open has the means of regeneration and revitalization. In the Pakistan of those days, the press did not criticize the government—because the government controlled the press.

While I was a junior at Harvard, Pakistan initiated an experiment in democracy. The experience is instructive. As 1971 ended, our country was in ruins. A third of the territory and more than one-half of the population was gone, the result of a military defeat precipitated by military repression in what was then East Pakistan. War and mismanagement had left our treasury empty and our economy in shambles. Ninety-three thousand Pakistani soldiers were prisoners of war, threatened by their captors with trial and punishment. Internal discord in West Pakistan threatened the survival of what was left of our country. A protracted period of military rule produced this catastrophe.

It was a disaster resulting from rule without accountability, brought about by the arrogance of a self-imposed mission to save the country from its own people. In the face of catastrophe, what did our military leaders do? They turned power over to the civilians, to an elected Prime Minister.

In a pattern repeated by the Greek colonels and Argentine junta, our military said, in essence, "we have created a hopeless situation; we now wash our hands of the responsibility to resolve it." But resolve it we did. The elected Prime Minister negotiated an honorable peace with the victor. He secured the return of the prisoners of war. He put the economy back on its feet. And he initiated a program of social and economic reform to benefit the poor and dispossessed, who are the majority in our land.

All this was done, I might add, at a time of global economic recession brought about by the oil shocks of the 1970s. What then happened? As is the case in democracies, the political process again became rambunctious. Opposition politicans challenged the elected government in the press, at the polls, and in the streets.

The military whose dignity was restored by the elected government moved in "to end the squabbling among politicians." The new dictatorship proved more brutal, more determined to stay in power than any of its predecessors. Elections were promised and summarily cancelled. The elected Prime Minister was arrested and then under the cloak of a judicial proceeding, murdered. Flogging, imprisonment, and execution became the staple of political life in our land. Under the circumstances that were as remarkable as they were unexpected, Pakistan last fall got a second chance at democracy. It is an opportunity we must not lose.

In our first act, I am happy to say, our government freed all political prisoners and commuted all death sentences. We have restored freedom of speech, freedom of association, and freedom of the press. In the National Assembly there is a lively opposition and, for the first time in our history, the State-owned television provides full coverage of their activities. Senator Daniel Patrick Moynihan, who recently visited me in Islamabad, once wrote that "if you are in a country where the newspapers are filled with good news, you can be sure that the jails are filled with good men."

Even a casual review of our press would serve to confirm the obverse of the Senator's statement. Around the world democracy is on the march. In the last decade Pakistan is only the more recent country to change course from dictatorship to democracy.

But we must be realistic. We must recognize that democracy, particularly emerging democracy, can be fragile.

I have already cited the experience of our last democratic government. The example is not confined to Pakistan. In the Philippines, Corazon Aquino's three-year-old democracy has already endured several coup attempts. In Argentina, there have been half a dozen military rebellions. In Peru, terrorism and narcotics threaten a 15-year-old experiment in democracy.

Democracy needs support and the best support for democracy comes from other democracies. Already there is an informal network to support democracy. Annually, the United States prepares a report on human rights in every country.

In prison, I was heartened to learn that the Congress had linked U.S. assistance to Pakistan, in the Pell Amendment, to the "restoration of full civil liberties and representative government in Pakistan."

Friends of democracy in other countries, including Britain, Canada, and Germany, sent delegations to investigate human rights abuses in Pakistan. Our elections last November 16 were made easier by the presence of observers sponsored by the Democratic Party of the United States, the British Parliament, and the South Asian Association for Regional Cooperation.

This informal network for democracy can and should be strengthened. Democratic nations should forge a consensus around the most powerful political idea in the world today: the right of people to freely choose their government.

Having created a bond through evolving such a consensus, democratic nations should then come together in an association designed to help each other and promote what is a universal value—democracy.

Not every democracy organizes itself in the same way; nor does every democracy express itself in the same way. But there are two elements I consider essential to all democracies. These are:

(1) the holding of elections at regular intervals, open to the participation of all significant political parties, that are fairly administered and where the franchise is broad or universal; and

(2) respect for fundamental human rights including freedom of expression, freedom of conscience, and freedom of association.

There are several ways in which members of an Association of Democratic Nations can help each other. One way is to ensure the impartiality of elections. After all, democracy as a system of government can only work when all participants in the political process accept the verdict of the people.

For the verdict to be accepted as legitimate, elections must not only be fair, but they must also be seen to be fair. International observer missions have already played critical roles in ensuring fair outcomes to elections in several countries, including mine.

The presence of observers is a deterrent to fraud. The observers' report can help legitimize an election in an emerging democracy where popular skepticism can be rife (as in South Korea), or it can validate local perceptions of fraud, as in the Philippines and Panama.

Observers also bring television with them. It is harder to steal an election if the whole world is watching, and, as the experience of the Philippines suggests, attempted fraud under the glare of televison lights can help galvanize a popular uprising.

There are other ways in which an Association of Democratic Nations can provide some protection for democratic governments in the Association. In countries without established traditions of representative government, democracy is always at risk. All too often, there is the overly ambitious general, the all too determined fanatic, or the all too avaricious politician. The Association of Democratic Nations can help change the calculus for each of these potential coup plotters by adding the element of international opprobrium.

The Association can mobilize international opinion against the leaders of any coup. Ultimately, I believe, the door should be open to stronger steps, including economic sanctions. Democracy depends on our ability to deliver to the people.

Many new democracies find that dictatorship has left them with empty treasuries—because of reckless spending and no accountability under dictatorship. As was true for new democracies in other lands—notably Argentina and Brazil—we in Pakistan also found that dictatorship had left the state coffers empty. Our situation is not unique. Other new democracies have come to power to find the cupboard bare.

The Association could promote the idea that foreign aid should be channeled to democracies. There is nothing wrong with rewarding an idea in which the donors believe. The prospects for democracy may depend on it. Some may object that the Association I am proposing will have primarily moral force.

I acknowledge this, but I would urge that morality has a larger power in international relations than commonly recognized. Democratic nations can also cooperate in building an international machinery to protect human rights and principles of justice and due process of law.

National efforts to strengthen institutions that protect people from human rights abuses and guarantee their political freedoms need to be reinforced at the international level.

Dictatorships will always seek ways and means to clothe their crime in the garb of legality—always seek to settle political

scores and eliminate opponents in the name of justice, law, and due process.

The instrument that they use is as old as political history, as old as the trial of Socrates. It is the instrument of the Political Trial—a most pernicious and destructive weapon, which in the hands of skillful manipulators is extremely effective in suppressing dissent and in destroying opponents. I believe it is time that the international community makes a concerted effort to put an end to such practices.

In my country many of those who resisted dictatorship—the heroes of our democratic struggle—were young men and women of your age. Many of them endured long periods of incarceration, and faced charges on political trials that were a travesty of truth and justice.

Many suffered the worst forms of torture and the humiliation of the physical punishment of flogging. Indeed, many had to make the supreme sacrifice with their young lives.

I can never forget what they endured. I can only strive with all my strength to give meaning to what they sought—those simple but priceless freedoms that you here, perhaps, take for granted.

But it is faith that inspired and provided sustenance to our democratic struggle—faith in the righteousness of our cause, faith in the Islamic teaching that "tyranny cannot long endure." How wrong therefore is the picture that is often painted about Pakistan as a country that cannot be democratic because it is Muslim. I have often heard the argument that a Muslim country as such cannot have or work democracy.

But I stand before you, a Muslim woman, the elected Prime Minister of a hundred million Muslims, a living refutation of such arguments and notions. This has not happened as an isolated phenomenon.

It has happened because the people of Pakistan have demonstrated, time and again, that their faith in their inherent right to fundamental freedoms is irrepressible, that they will always fight against dictatorship.

This love for freedom and human rights may owe a considerable deal to the colonial legacy and to the example of Western democratic institutions. But it arises fundamentally from the strong egalitarian spirit that pervades Islamic traditions. The Holy Quran calls upon Muslims to resist tyranny. Dictatorships in Pakistan, however long, have therefore always collapsed in the face of this spirit.

Islam, in fact, has a very strong democratic ethos. With its emphasis on justice, on equality and brotherhood of men and women, on government by consultation and consensus, Islam's essence is democratic.

Pakistan is heir to an intellectual tradition of which the illustrious exponent was the poet and philosopher Muhammad Iqbal. He saw the future course for Islamic societies in a synthesis between adherence to the faith and adjustment to the modern age.

It is this tradition which continues to inspire the people of Pakistan in their search for their own way of life amidst competing ideologies and political doctrines. Tolerance, open-mindedness, pursuit of social justice, emphasis on the values of equality and social concord and encouragement of scientific inquiry are some of its hallmarks.

It drew strength from the fact that Islam admits no priesthood and that Muslim culture, in its most vital and creative periods, accommodated and advanced what was best in other cultures. Intensely devoted as the pioneers of this tradition were to the Islamic spirit, they were also strongly opposed to bigotry and obscurantism in all their forms.

Xenophobia or prejudice against other civilizations, western or non-western, was repugnant to their outlook. I am indeed proud of this heritage. It is this heritage that has enabled me to take on the awesome responsibilities of the Prime Ministership of my country.

As my country stands on the threshold of greater freedom and sets the priorities that it will take into the 21st century, we draw our inspiration from what the poet-philosopher Iqbal said—and what is universally applicable:

"Life is reduced to a rivulet under dictatorship. But in freedom it becomes a boundless ocean." This is true in Pakistan, and on every continent on earth. Let all of us who believe in freedom join together for the preservation of liberty.

Democratic nations unite.

Thank you very much.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:10 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 881. An act to provide for restoration of the Federal trust relationship with, and assistance to, the Coquille Tribe of Indians and the individual members consisting of the Coquille Tribe of Indians, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. CONRAD).

At 3:14 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 40. Concurrent resolution to designate June 21, 1989, as Chaney, Goodman, and Schwerner Day.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 2344. An act to authorize the transfer to the Republic of the Philippines of two excess naval vessels.

At 5:34 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House insists upon its disagreement to the amendments of the Senate to the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes; it asks a further conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. WHITTEN, Mr. NATCHER, Mr. SMITH of Iowa, Mr. YATES, Mr. OBEY, Mr. ROYBAL, Mr. BEVILL, Mr. MURTHA, Mr. TRAXLER, Mr. LEHMAN of Florida, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. CONTE, Mr. McDADE, Mr. COUGHLIN, Mr. REGULA, Mrs. SMITH of Nebraska, Mr. EDWARDS of Oklahoma, Mr. GREEN, and Mr. ROGERS as managers of the conference on the part of the House.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1311. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Department of the Army's proposed letter of offer to Bahrain for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 123) to provide assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes (with minority views) (Rept. No. 101-58).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

Frank A. Bracken, of Indiana, to be Under Secretary of the Interior; and

Delos Cy Jamison, of Montana, to be Director of the Bureau of Land Management.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SANFORD (for himself, Mr. CHAFEE, Mr. PELL, Mr. LUGAR, Ms. MIKULSKI, Mr. PRESSLER, Mr. KASTEN, Mr. HARKIN, Mr. SHELBY, Mr. FORD, Mr. DECONCINI, Mr. GRASSLEY, and Mr. METZENBAUM):

S. 1212. A bill to amend title II of the Social Security Act to provide for a more gradual period of transition (and a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such workers' benefits accordingly, and for other purposes; to the Committee on Finance.

By Mr. COHEN:

S. 1213. A bill to establish a presumption of eligibility for asylum in the United States for certain natives of the People's Republic of China; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 1214. A bill to provide that ZIP code boundaries may be redrawn so that they do not cross the boundaries of any unit of general local government; to the Committee on Governmental Affairs.

By Mr. WIRTH (for himself, Mr. METZENBAUM and Mr. LAUTENBERG):

S. 1215. A bill to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SIMON:

S. 1216. A bill to amend the National Labor Relations Act to give employers and performers in the live performing arts, rights given by section 8(e) of such Act to employers and employees in similarily situated industries, to give to such employers and performers the same rights given by sections 8(f) of such Act to employers and employees in the construction industry, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEINZ (for himself, Mr. GARN, Mr. BOND, Mr. CRANSTON, Mr. KERRY, Mrs. KASSEBAUM, and Mr. SANFORD):

S. 1217. A bill to amend the Export-Import Bank Act of 1945; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KOHL (for himself and Mr. CRANSTON):

S. 1218. A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residency requirement for "J" nonimmigrants and by treating nonimmigrants whose departure has been deferred by the Attorney General as remaining in legal nonimmigrant status for purposes of adjustment or change of status; to the Committee on the Judiciary.

By Mr. MACK:

S. 1219. A bill to repeal medicare catastrophic coverage provisions effective in years after 1989 and the supplemental medicare premiums, and for other purposes; to the Committee on Finance.

By Mr. KERREY (for himself, Mr. LUGAR, Mr. HARKIN, Mr. DASCHLE, Mr. EXON, and Mr. BOSCHWITZ):

S. 1220. A bill to amend the Food Security Act of 1985 to improve the program under which the Secretary of Agriculture may settle certain loans, and for other purposes; to the Committee on Agriculture, Nutrition, and Foresty.

By Mr. PRYOR (for himself, Mr. ADAMS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DIXON, Mr. DODD, Mr. DOLE, Mr. DURENBERGER, Mr. GARN, Mr. GLENN, Mr. GORE, Mr. GRASSLEY, Mr. HEINZ, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KERRY, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SASSER, Mr. SHELBY, Mr. SIMPSON, Mr. STEVENS, Mr. THURMOND, Mr. WARNER, Mr. WILSON, and Mr. WIRTH):

S.J. Res. 161. Joint resolution to designate the week of October 22, 1989, through October 28, 1989, and the week of October 21, 1990, through October 27, 1990, as "National Adult Immunization Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. BYRD, Mr. PELL, Mr. LUGAR, Mr. NUNN, Mr. STEVENS, and Mr. CHAFEE):

S. Res. 149. Resolution concerning the resumption of strategic arms reduction negotiations with the Soviet Union; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SANFORD (for himself, Mr. CHAFEE, Mr. PELL, Mr. LUGAR, Ms. MIKULSKI, Mr. PRESSLER, Mr. KASTEN, Mr. HARKIN, Mr. SHELBY, Mr. FORD, Mr. DECONCINI, Mr. GRASSLEY, and Mr. METZENBAUM):

S. 1212. A bill to amend title II of the Social Security Act to provide for a more gradual period of transition—and a new alternative formula with respect to such transition—to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927—and related beneficiaries—and to provide for increases in such workers' benefits accordingly, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY NOTCH ADJUSTMENT ACT

Mr. SANFORD. Mr. President, today I am introducing legislation to correct the injustice of the Social Security notch. Similar legislation that I introduced 2 years ago, during the 100th Congress, was a compromise proposal that I felt was both fair and reasonable. The proposal that I introduce here today offers a greater compromise, yet continues to be a fair and reasonable approach—and affordable.

Mr. President, I think we all understand how this notch issue came about. An automatic benefit increase adopted in 1972 proved to be too generous. It allowed Social Security benefits to rise to unintended high levels because the benefit change overcompensated for inflation. I think we all agree with this. There is no question that these projected high benefit levels were a real threat to the solvency of the Social Security trust funds. Clearly something had to be done to prevent this, and the Social Security Amendments of 1977 provided the fix. However, in attempting to fix one problem, another one was created—the notch problem. Some of my colleagues do not agree that the notch is a problem, but it is, and it is one we can easily afford to fix. The 1977 amendments did create a notch, and individuals within that notch are receiving lower benefits than those born before or after them. Those individuals now known as notch babies are understandably enraged by this benefit inequity, and I cannot blame them. The notch inequity has been gathering cobwebs for the past 12 years, and correcting it can be put off no longer. Notch babies deserve a fair settlement, and I am prepared to give them one.

The legislation I offer today should impact more than 10 million retired workers by increasing their annual Social Security benefits an average of $550 per year for those retiring at age 65, and an average of $144 annually for those retiring at age 62. Including a modest, one time, limited retroactive payment not to exceed $1,000 per family, this bill achieves benefit equity at a much smaller cost than other proposals. The annual cost will peak at $4.6 billion during the mid 1990's and gradually diminish in cost thereafter.

Some of my colleagues who oppose correcting the notch have said it will bankrupt the Social Security system, but that is just not so. The average increase per year until the years 2000 is about 2 percent, less than half of last year's Social Security COLA. That is an affordable amount, and a small amount when measured against fairness to retired citizens. Even with passage of this proposal, the total trust fund reserves should exceed $1.3 trillion at the turn of the century.

Another popular argument for opposing efforts to correct the notch is that it will just create another notch and another problem. This legislation does not create an "after-the-notch" problem. It deliberately covers individuals born beyond the traditional notch

years (1917-21), extending benefit increases to those born through 1926. Using a longer transition period avoids the creation of another pothole. In fact, I think we could have avoided this notch problem altogether had the 1977 amendments included a longer transition period.

Mr. President, I am pleased that companion legislation is also being introduced today in the House of Representatives by my good friend and colleague from North Carolina, Representative BILL HEFNER.

In offering this legislation today, I am pleased to be joined by many of my distinguished colleagues; Senators CHAFEE, PELL, LUGAR, MIKULSKI, PRESSLER, KASTEN, DECONCINI, HARKIN, SHELBY, GRASSLEY, FORD, and METZENBAUM.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD to be followed by a brief summary and statements by my distinguished colleagues, Senator KASTEN, Senator PRESSLER, and Senator CHAFEE.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Social Security Notch Adjustment Act".

SEC. 2. EXPANSION OF PERIOD OF TRANSITION; NEW ALTERNATIVE FORMULA WITH RESPECT TO SUCH PERIOD.

(a) EXPANSION OF PERIOD OF TRANSITION.—Section 215(a)(4)(B)(i) of the Social Security Act (42 U.S.C. 415(a)(4)(B)(i)) is amended by striking "1984" and inserting in lieu thereof "1989".

(b) ESTABLISHMENT OF NEW TRANSITIONAL FORMULA.—Section 215(a) of such Act (42 U.S.C. 415(a)) is amended by adding at the end thereof the following new paragraph:

"(8)(A) Paragraphs (1) (except for subparagraph (C)(i) thereof) and (4) do not apply to the computation or recomputation of a primary insurance amount for an individual who had wages or self-employment income credited for one or more years prior to 1979, and who was not eligible for an old-age or disability insurance benefit, and did not die, prior to January 1979, if in the year for which the computation or recomputation would be made the individual's primary insurance amount would be greater if computed or recomputed under subparagraph (B).

"(B) The primary insurance amount computed or recomputed under this subparagraph is equal to—

"(i) the excess of—

"(I) the amount computed or recomputed under this subsection as in effect in December 1978 (for purposes of old-age insurance benefits in the case of an individual who becomes eligible for such benefits prior to 1989) or under subsection (d) (in the case of an individual to whom such subsection applies), over

"(II) the amount computed under this subsection as in effect on the date of enactment of the Social Security Notch Adjustment Act, multiplied by

"(ii) 40 percent, reduced by the sum of—

"(I) 4.0 percent times the number of years between 1979 and the year of first eligibility, plus

"(II) ⅙ of 1 percent for each month beginning before the month in which the individual attains the age of 65 and with respect to which the individual is entitled to old-age insurance benefits.".

(c) APPLICABILITY OF OLD PROVISIONS.—Section 215(a)(5) of such Act (42 U.S.C. 415(a)(5)) is amended—

(1) by inserting "(A)" after "(5)";

(2) by striking "For" and inserting in lieu thereof "Except as provided in subparagraph (B), for";

(3) by striking "effect," and all that follows through "after 1978" and inserting in lieu thereof "effect"; and

(4) by adding at the end thereof the following new subparagraph:

"(B) In applying this section as in effect December 1978 as provided in subparagraph (A)—

"(i) effective for January 1979, the dollar amount specified in paragraph (3) of subsection (a) shall be increased to $11.50;

"(ii) the table for determining primary insurance amounts and maximum family benefits contained in this section in December 1978 shall be revised as provided by subsection (i) for each year after 1978; and

"(iii) in the case of an individual to whom paragraph (1) does not apply by reason of paragraph (8)—

"(I) subsection (b)(2)(C) shall be deemed to provide that an individual's 'computation base years' may include only calendar years in the period after 1950 (or 1936 if applicable) and ending with the calendar year in which such individual attains age 65; and

"(II) the 'contribution and benefit base' (under section 230) with respect to remuneration paid in (and taxable years beginning in) any calendar year after 1981 shall be deemed to be $29,700.".

(d) CONFORMING AMENDMENT.—Section 215(a)(3)(A) of such Act (42 U.S.C. 415(a)(3)(A)) is amended in the matter following clause (iii) by striking "(4)" and inserting in lieu thereof "(4) or (8)".

(e) EFFECTIVE DATE AND RELATED RULES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall be effective as if included in the amendments made by section 201 of the Social Security Amendments of 1977.

(2)(A) In any case in which an individual (under title II of the Social Security Act) is entitled on the date of enactment of this Act to monthly insurance benefits under such title which were computed—

(i) under section 215 of the Social Security Act as in effect (by reason of the Social Security Amendments of 1977) after December 1978, or

(ii) under section 215 of such Act as in effect prior to January 1979 by reason of subsection (a)(4)(B) of such section (as amended by the Social Security Amendments of 1977),

the Secretary of Health and Human Services (notwithstanding section 215(f)(1)) of the Social Security Act) shall recompute such individual's primary insurance amount so as to take into account the amendments made by this section and shall pay to such individual in a lump sum the amount specified in subparagraph (B).

(B)(i) Except as provided in clause (ii), the amount specified in this subparagraph is any additional amount to which such individual is entitled (for the period beginning with the first month for which such individual was entitled to such benefits and ending with the month preceding the first month with respect to which recomputation under subparagraph (A) is effective) by reason of such amendments.

(ii)(I) In the case of a primary insurance amount applicable to monthly insurance benefits payable for months before January 1990, the total amount payable to any individual under subparagraph (A) on the basis of such primary insurance amount is $1,000.

(II) If the amount payable under subparagraph (A) on the basis of such primary insurance amount would (except for subclause (I)) exceed $1,000, any individual receiving monthly insurance benefits on the basis of such amount shall receive such benefits in the same proportion as the benefits would be received in January 1990 (except that no such individual shall receive less than $300).

(C) In the case of any individual who—

(i) is entitled on the date of enactment of this Act to monthly insurance benefits under title II of the Social Security Act,

(ii) dies after such date and before the date on which payment is made under subparagraph (A), and

(iii) is an individual with respect to whom monthly insurance benefits under title II of the Social Security Act are payable on the basis of such individual's primary insurance amount;

the amount payable to such individual under paragraph (A) shall be paid (on an equal basis) to individuals who (for any month beginning with the month of entitlement and ending with the month such individual dies) are entitled or eligible to receive such benefits on the basis of the deceased individual's primary insurance amount. If there is no individual for whom payment can be made under the preceding sentence, a lump sum not to exceed $300 may be paid (in accordance with this title) to cover the funeral expenses of such deceased individual.

THE SANFORD SOLUTION

BENEFIT INCREASES

Fulfills original Congressional intent by gradually phasing-in a stable level of benefits more comparable to the benefits paid to those born before them. This legislation increases average benefits for those retiring at age 65 by $550 per year. For those retiring at age 62, the average benefit increase would be $144 annually.

WHO QUALIFIES?

(1) Retired workers born after January 1, 1917 and prior to January 2, 1927.

(2) Survivors of workers born after January 1, 1917 and prior to January 2, 1927 if the worker died in or after the year of his/her 62nd birthday.

(3) Disability beneficiaries born after January 1, 1917 and before January 2, 1927, upon reclassification as a retired worker (at age 65).

COST

Achieves benefit equity at substantially less cost than other proposals, with annual cost reaching $4.5 billion during the mid 1990s and gradually diminshing thereafter. Total Trust Fund reserves should still exceed $1.3 trillion by the turn of the century after passage of this bill.

Includes a modest retroactive payment, not to exceed $1,000 per family at a total cost of $8.2 billion paid during the first year of enactment.

Calendar year	Additional benefit payments due to new transition
1990	$12.2
1991	4.2
1992	4.4
1993	4.4
1994	4.5
1995	4.5
1996	4.5
1997	4.4
Total: 1990–1997	43.1

[1] Includes one time lump sum payment for retroactive benefits totalling $8.2 billion.

BENEFITS UNDER PRESENT LAW COMPARED TO BENEFITS UNDER THE SANFORD SOLUTION FOR WORKERS WHO ALWAYS HAD AVERAGE EARNINGS

[In 1989 dollars]

Year of birth	Retirement at age 62		Retirement at age 65	
	Present law	Proposal	Present law	Proposal
Pre-1977 Amendment Law [1]				
1910	$497	N/A	[illegible]	N/A
1911	[illegible]	N/A	[illegible]	N/A
1912	513	N/A	[illegible]	N/A
1913	521	N/A	710	N/A
1914	526	N/A	[illegible]	N/A
1915	[illegible]	N/A	746	N/A
1916	546	N/A	771	N/A
Post-1977 Amendment Law [2]				
1917	557	[3] 557	696	737
1918	[illegible]	535	670	[illegible]
1919	[illegible]	515	635	[illegible]
1920	[illegible]	506	[illegible]	692
1921	[illegible]	[illegible]	[illegible]	[illegible]
1922	508	[illegible]	643	696
1923	515	[illegible]	651	[illegible]
1924	529	[3] 529	[illegible]	[illegible]
1925	[illegible]	[3] 545	689	710
[illegible]	[illegible]	[3] 538	[illegible]	694
1927	[illegible]	[3] 550	[illegible]	[illegible]

[1] The transitional computation provided under the proposal guarantees a percentage of the benefit computed under a modified pre-1977 computation method. Since the age at which a person retires affects the percentage of the pre-1977 benefit which is guaranteed, benefits are shown for retirement at age 62 and age 65. (Also, the age-62 figures for both present law and the proposal have been reduced to take account of early retirement.)

[2] Benefits for workers entitled after 1989 are computed using the alternative II–B economic assumptions in the 1988 Trustees Report.

[3] No change from present law benefit.

Note.—Figures based on Social Security Administration estimates prior to 1989 Trustee's Report.

Mr. KASTEN. Mr. President, I rise today to express my support of legislation being introduced by the distinguished junior Senator from North Carolina regarding Social Security benefits for those retirees born between 1917 and 1921—the so-called notch babies.

The notch is the consequence of a law Congress passed in 1977 to preserve the solvency of the Social Security System. When this law was drafted, a 5-year phase-in of benefits was provided for—which continues to discriminate against a group of some 7 million retirees.

Fundamental fairness requires that we correct the inequity Congress mistakenly created over a decade ago. This legislation would provide an average annual increase of approximately $550 for those individuals retiring at age 65, and approximately $144 for those retring at age 62—without creating another notch. This legislation would also give the notch babies a grant of up to $1,000 each to help compensate for their unfair level of benefits in the past. These provisions would be financed from the surplus in the Social Security Trust Fund—at a cost of approximately 3 percent over 10 years, an amount that will not do damage to the Fund.

I commend my colleagues for introducing this legislation, and I am proud to be an original cosponsor. It is my hope that the Finance Committee will move quickly on this legislation. We have the opportunity to do the right thing by those retirees who receive less in benefits than they should merely because they happen to have the misfortune to have been born in the wrong year.

Mr. PRESSLER. Mr. President, the Social Security notch problem is very important to me because it affects 9 million retired Americans, among which are some 15,000 South Dakotans. My constituents continue to address this injustice in their mail to me. I am pleased to join my distinguished colleague, Senator SANFORD, in sponsoring legislation to address this matter.

The notch problem dates to 1972, when Congress amended the Social Security Act to provide for an annual Social Security cost-of-living adjustment. That decision resulted in larger future benefits for current workers through a general benefits increase and a cost-of-living adjustment based on the current rate of inflation. As a result of the 1972 amendment, some individuals retiring prior to the year 2000 could receive monthly Social Security benefits greater than their working salaries.

Following that 1972 amendment to the Social Security Act, Social Security benefits were increasing at a rate faster than revenues were coming in. The cost-of-living formula caused an over-compensation in benefits. Therefore, in 1977 Congress approved a plan to eliminate the over-adjustment for inflation by providing a new benefit formula for workers born after 1916. The 1977 amendment included a transition formula to protect people from an abrupt change in benefits. The transition formula divided Social Security beneficiaries into three categories: those born before 1917, those born between 1917 and 1921—the notch years—and those born after 1921.

The new formula failed to provide some retirees with a fair inflation adjustment. Workers with the same earnings record, retiring at age 65, and born only a few days apart, one in 1916 and the other in 1917, experienced up to $1,300 per year difference in received benefits.

A major reason that formula failed was the high rate of inflation in the late 1970's. An even more important reason is that the post-age 82 earnings of the people born after 1916 are excluded when calculating the benefits for workers born in the notch years.

The notch babies feel discrimination and inequity every time they receive their monthly Social Security checks. A change is needed to increase notch baby payments to a level equal to what other Social Security retirees receive. I support such a change and am pleased to support legislation that could solve this problem.

● Mr. CHAFEE. Mr. President, I am joining Senator SANFORD in sponsoring the Social Security Notch Adjustment Act of 1989, legislation to correct the Social Security notch inequity. I commend my colleague from North Carolina for his continued commitment to solving the notch problem.

I have been concerned about those affected by the notch for many years. Congress made changes to the Social Security System in 1977 to ensure the long-term stability of the trust funds. While I believe these changes were necessary to guarantee benefits to current and future recipients, what resulted was a transition formula that has not been smooth.

I do not believe our intention was to adversely affect Social Security recipients born between 1917 and 1921, the "notch years." Yet, it is clear to me that the transition formula inadvertently provided individuals with similar work histories, but born only a year apart, inequitable benefits.

In the last Congress I joined Senator SANFORD in sponsoring the Notch Adjustment Act, S. 1830. The Senate Finance Subcommittee on Social Security and Family Policy held a hearing on this issue last January. It was an informative discussion that proved valuable during the development of the legislation we are introducing today.

The Social Security Notch Adjustment Act of 1989 is a modified version of S. 1830. It would implement a smoother transition formula for those affected by the notch. Social Security recipients whose benefits are currently calculated by the notch formula would be able to opt to have their benefits recalculated by our new formula. Retirees who have been adversely affected by the faulty transition formula would receive an increase in monthly benefits as well as up to $1,000 in retroactive benefits.

The Social Security Notch Adjustment Act fairly addresses the concerns of those affected by the notch. While I will never support any changes to Social Security that would endanger the solvency of the trust funds, I believe this is a responsible solution to the notch problem.

I am hopeful that we will be able to enact this measure this year. Individuals born in the notch years have been penalized for over a decade. It is time that we provide them with all the benefits to which they are entitled.●

By Mr. COHEN:

VOL 135 PT 9 JE 14 — 22 1989 UMI

S. 1213. A bill to establish a presumption of eligibility for asylum in the United States for certain natives of the People's Republic of China; to the Committee on the Judiciary.

PRESUMPTION OF ELIGIBILITY FOR ASYLUM FOR CERTAIN CHINESE NATIONALS

Mr. COHEN. Mr. President, while men and women the world over yearn for freedom, the vast majority of them are still shackled to the ball and chain of political and personal oppression. For a few short days, the fires of freedom burned bright in the People's Republic of China but the flames are now being systematically extinguished by the repressive tactics of the Chinese Government.

The killing and wounding of thousands of Chinese students and workers, the imposition of martial law, and the ongoing nationwide roundup of pro-democracy demonstrators is part of a brutal campaign of persecution against student leaders and others who have bravely demonstrated their peaceful commitment to democracy and human rights. As stated in Senate Resolution 142, unanimously approved on June 6, the "authorities of the People's Republic of China have behaved in a manner inconsistent with the civilized norms of the world's nations."

Thousands of Chinese students in the United States have spoken out and demonstrated in support of the pro-democracy forces in China. As a result, they would be in imminent danger of arrest or persecution upon their return to their native country. Humanitarian concerns require that we ensure that these individuals be permitted to remain in this country and not be forced to return to China.

President Bush has taken an important first step in protecting Chinese nationals in the United States from being forced to return to China. I commend him for authorizing a "deferral of enforced departure," a special immigration status that will allow Chinese citizens to remain in the United States through June 5, 1990.

The President's action, however, is only a temporary solution for the Chinese students who fear the fate that awaits them upon their return to their native land. And, because it is only temporary in nature it does not send a sufficiently strong message to the Chinese Government—a message that if they continue the current repressive campaign they will not see the return of thousands of their best and brightest students, scholars, and others who may choose to remain in the United States.

Under the legislation I am introducing today, Chinese students and exchange visitors would be presumed to qualify for asylum status. In other words, these individuals will not have to provide additional or independent evidence of a well-founded fear of persecution. While the bill does create a presumption that these individuals have a well-founded fear of persecution and, therefore, are eligible for asylum, it does not eliminate the requirement for a case-by-case review of asylum applications.

This legislation is needed for a number of reasons. If the President does not extend the "deferment of enforced departure" beyond June 5, 1990, and if conditions in China have not drastically improved by that time, and there is no reason to believe now that they will, Chinese students in the United States without valid visas face the possibility of being deported. Forcing these individuals back into the hands of the Chinese Government would be both cruel and inhumane, and would violate our country's sacred tradition of offering protection to people persecuted in their native countries.

Of more immediate concern to Chinese students and exchange visitors in the United States may be the decision of whether or not to apply for the deferment of deportation authorized by the President. If they do so and are eventually required to return to China, what awaits them upon their return? Will they automatically be labeled as counterrevolutionaries or pro-democracy sympathizers by the Chinese Government for seeking to avoid or delay their return to the People's Republic of China?

Many Chinese may be afraid to request deferment of enforced departure because of the retribution they will face from Chinese officials for taking advantage of the opportunity to remain longer in the United States. For the very same reason, many Chinese students may be afraid to apply for asylum because, if they fail to qualify, they could be deported and, if deported, will face reprisals for what their government may consider an act of treason. The legislation I am introducing is an attempt to calm those fears, and to provide a greater degree of certainty that the Chinese students and exchange visitors who fear returning to China and wish to remain in the United States will be permitted to do so.

Mr. President, I offered a lengthy statement last Friday on my reaction to what is taking place in China today.

I will not take the time this morning to repeat those comments, but a final word about today's news that three men have been executed in Shanghai, and at least eight more executions will occur shortly. These, of course, are in addition to the hundreds if not thousands of students and others who have been executed without the benefit of the phony trials in a kangaroo court that are taking place.

Monstrous lies are being told by the Chinese Government. The Chinese Government continues to tell the monstrous lie that no student demonstrations ever occurred, no blood was shed by any student, that there were no student fatalities who after all were not even demonstrating, and that the only people who were killed were soldiers who valiantly were defending the People's Republic of China against these unarmed counterrevolutionaries.

We cannot afford to participate in this monstrous lie. Other countries are turning away from the truth. They are turning away in that they are ignoring the reality of what occurred, what is on film, and what was captured by photographers.

While we are eager many times to criticize the press for being too aggressive and too inquisitive, we should take time to commend the members of the press, the international press, who were in China who risked their lives to take those memorable photographs to record for history the acts of courage and bravery that were demonstrated by the Chinese students.

But let us not play the role that some of our allies are now doing by saying, well, it is only an internal matter within China. It is none of our business. Some countries are now reinvesting, sending business men and women back into China to take advantage of those economic opportunities that await them.

Let the United States not follow suit. Let the United States not fall victim to what Alvin Toffler talked about in terms of "Future Shock," that our values, customs, and principles are being caught up in the hurricane winds of change, that events are being accelerated to the point that the world is spinning faster and faster on the finger of science. The image of the massacre may fade quickly from our consciousness. Hopefully we will continue to remind the American people and the world of what took place.

Mr. President, it is my hope that through actions such as the President announced today, while they may not be sufficient to deter the Chinese from engaging in the kinds of persecution that are taking place with respect to the execution of those who simply wanted to express their support for the forces of freedom, that they will help us recognize in the future when we see those smiling faces of the Chinese Government spokesmen, that behind those smiling faces we will find a gun barrel. That we remember the exercise of free speech in China can get you a bullet in the brain or a bayonet in the heart.

The mask of communism has been exposed for exactly what it is, a mask. Behind the smiling face lurks a brutality that will crush and oppose any effort to seek change on behalf of people of China.

I hope we do not fall victim to this tactic that is now being employed by the Chinese Government simply forc-

ing us to air brush away the images that so mesmorized the world.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRESUMPTION OF ELIGIBILITY FOR ASYLUM.

There shall be a presumption that any native of the People's Republic of China described in section 3 shall be eligible for asylum in the United States upon application to the Attorney General.

SEC. 2. APPLICABILITY OF IMMIGRATION AND NATIONALITY ACT.

Except as provided in this Act, all the terms and conditions applicable under the Immigration and Nationality Act to the granting and termination of asylum, including the provisions of section 207(c)(3) of such Act regarding the authority to exclude refugees, shall apply to aliens eligible for asylum under this Act.

SEC. 3. ELIGIBILITY.

A native of the People's Republic of China referred to in section 1 is such a native who—

(1) as of June 5, 1989, was admitted to the United States as a nonimmigrant alien described in subparagraph (F) or (J) of section 101(a)(15) of the Immigration and Nationality Act; or

(2) any other individual within such other class of aliens as may be designated by the Attorney General.

By Mr. DECONCINI:

S. 1214. A bill to provide that ZIP code boundaries may be redrawn so that they do not cross the boundaries of any unit of general local government; to the Committee on Governmental Affairs.

CHANGING OF ZIP CODE BOUNDARIES

Mr. DECONCINI. Mr. President, today I am introducing legislation designed to rectify a serious problem facing communities in my State of Arizona and other communities around the Nation. I am speaking about the problem of ZIP Codes and community identities.

This legislation requires the Postal Service to establish procedures that, upon the written request of the head of any unit of general local government, would allow the Postal Service to ensure that the boundaries marking any ZIP Code area do not cross the boundaries of the unit of general local government. This means that a town with a particular ZIP Code will not face the situation, frequent in many communities today, of having the ZIP Code of one or more additional communities.

There are a number of communities in Arizona which face this problem. The city of Avondale has been engaged in a long running battle with the Postal Service over whether Avondale can be allowed to have a ZIP Code which conforms to its city limits without also having parts of the community with Phoenix and Tolleson ZIP Codes as well. My staff and I have worked with the Postal Service in Arizona and here in Washington to resolve this issue, but to no avail. Postal officials have simply dug in their heels on this issue.

Similarly, the city of Glendale has residents within its city limits who have either Peoria or Phoenix mailing addresses.

This has resulted in great confusion for community developers and others who want to expand the economic base of their communities. It has also had a negative impact in some communities on mail delivery, tax collection, and even the provision of emergency services to people in one community who are served by the ZIP Code of another.

There are dozens of communities nationwide who face comparable situations. It has reached the point where this was a major issue addressed by the National League of Cities when they met in Washington earlier this year. I have a partial list of those communities which have been identified as having problem ZIP Codes. I ask unanimous consent that this list be printed at the conclusion of my remarks.

The legislation I am introducing will require the Postal Service to be more responsive to the needs of the communities which it serves. It will assist the Postal Service in establishing a set of administrative guidelines which can be implemented at the local level. The legislation has been endorsed by the National League of Cities and is a companion to legislation introduced in the House by Representatives STUMP and DYMALLY. I urge my colleagues to join me by cosponsoring this bill because, in the final analysis, service should be more than just a name for the Postal Service.

Mr. President, I ask unanimous consent that the text of the bill also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) within 180 days after the date of enactment of this Act, the United States Postal Service shall establish procedures to provide that, upon written request of the head of any unit of general local government, the Postal Service shall ensure that the boundaries delimiting any area included within any particular ZIP code do not cross any of the boundaries of such unit of general local government.

(b) In order to apply this Act with respect to areas in which ZIP codes of more than 5 digits are used, areas having the same first 5 digits shall be considered to have the same ZIP code.

(c) For purposes of this Act—

(1) the term "unit of general local government" means a county, township, city, or political subdivision of a county, township, or city, that is a unit of general local government as determined by the Secretary of Commerce for general statistical purposes; and

(2) the term "township" includes an equivalent political subdivision having different designations as determined on the same basis used by the Secretary of Commerce for general statistical purposes.

List of Communities Having ZIP Code Problems

	Population
Alabama:	
Cullman	13,084
Gardendale	8,005
Rainbow City	6,299
Vestavia Hills	15,733
Arizona:	
Avondale	8,134
Glendale	96,988
Peoria	12,307
Phoenix	764,911
Arkansas:	
Sherwood	10,423
Shannon Hills	
California:	
Arcata	12,849
Compton	81,230
Fontana	36,804
Garden Grove	123,351
Gardena	45,165
Hawthorne	56,437
Petaluma	33,834
Rancho Palos Verdes	35,227
Rohnert Park	22,965
Signal Hill	5,734
Colorado:	
Arvada	84,576
Englewood	30,021
Estes Park	2,703
Fort Collins	64,632
Grand Junction	27,956
Lakewood	113,808
Steamboat Springs	6,000
Sterling	11,385
Westminster	50,211
Wheat Ridge	30,293
Connecticut:	
Stonington	16,220
West Haven	53,184
Florida:	
Atlantic Beach	7,847
Dunedin	30,203
Hialeah	145,254
Hialeah Gardens	5,454
North Miami Beach	36,481
Palm Beach	20,515
Pembroke Pines	35,776
Pinellas Park	32,811
Safety Harbor	14,500
Sarasota	48,868
Sweetwater	9,515
Winter Springs	10,475
Georgia:	
Athens	42,549
East Point	37,486
Idaho: Pocatello	46,340
Illinois:	
Addison	29,826
Bolingbrook	37,261
Champaign	50,267
Countryside	6,242
Hanover Park	28,719
Harwood Heights	8,228
Lincolnwood	11,921
Lombard	36,879
Loves Park	13,192
Palatine	32,176
Paris	9,885
Schaumburg	52,319

Skokie	60,278
Springfield	100,054
Streamwood	23,456
Urbana	35,978
Marwood Heights	.....
Indiana: Valparaiso	22,247
Iowa:	
Des Moines	191,003
Ottumwa	27,281
Kansas:	
Leawood	13,360
Lenexa	18,639
Merriam	10,794
Shawnee	29,653
Kentucky:	
Erlanger	14,466
Florence	15,586
Louisiana: Mandeville	6,076
Maryland:	
District Heights	6,799
Greenbelt	16,000
Hyattsville	12,709
Seat Pleasant	5,217
Massachusetts: Agawam	26,271
Michigan:	
Birmingham	21,276
Farmington	14,355
Farmington Hills	58,056
Huntington Woods	6,937
Norton Shores	22,025
Novi	22,525
Ferndale	.....
Minnesota:	
Brooklyn Park	43,332
Inver Grove Hgts.	17,171
Oakdale	12,123
Mississippi:	
Batesville	5,162
Grenada	12,641
Morton	3,303
Missouri:	
Ballwin	12,750
Berkeley	15,922
Crestwood	12,815
Hazelwood	13,098
Independence	111,797
Maryland Heights	26,214
Richmond Heights	11,516
Rock Hill	5,702
St. Louis	452,801
St. Peters	15,700
Nebraska:	
Bellevue	21,813
Papillion	.....
Nevada: Bellevue	.....
New Jersey: Plainfield	45,555
New York: Rochester	241,741
North Carolina:	
Kannapolis	31,713
Lenoir	13,748
Ohio:	
Blue Ash	9,510
Recksville	10,132
Brook Park	26,195
Centerville	18,886
Cincinnati	385,409
Elyria	57,504
Garfield Heights	33,380
Kettering	61,186
Mayfield Heights	21,550
Moraine	5,325
Reynoldsburg	20,661
Shaker Heights	32,487
University Heights	15,401
Upper Arlington	35,648
Willoughby	19,329
Oklahoma:	
McAlester	17,255
The Village	11,114
Oregon:	
Gresham	33,005
Hermitage	.....
South Carolina:	
Hilton Head Island	17,622
North Charleston	62,504
Tega Cay	2,181
Waltersboro	6,036
Tennessee:	
Bartlett	22,000
Farragut	6,355
Knoxville	175,045
Memphis	646,174
Texas:	
Arlington	160,123
League City	16,578
Missouri City	24,423
Seabrook	4,670
Utah:	
Sandy City	52,210
South Ogden	11,366
Virginia: Salem	23,958
Washington:	
Goldendale	3,414
Lacey	13,940
Lynnwood	21,937
Tukwila	3,578
Wisconsin:	
Greenfield	31,353
West Allis	63,982
Little Chute	.....
Wyoming: Gillette	12,134

By Mr. WIRTH (for himself, Mr. METZENBAUM, and Mr. LAUTENBERG):

S. 1215. A bill to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CHILDREN'S TELEVISION EDUCATION ACT

Mr. WIRTH. Mr. President, something is deeply wrong with the state of children's television in the United States. I made that same statement less than a year ago when this body voted, in the final hours of the 100th Congress, to approve legislation concerning this issue. That measure was a very modest effort and had the tacit approval of the broadcast industry. Even so, that legislation was vetoed by a President whose adherence to the ideology of deregulation apparently blinded him to what is so obvious to the American public and Congress: That something needs to be done about children's television—we can no longer afford to ignore the problem.

The approval of the children's television legislation last year demonstrates that the Congress is ready to address this longstanding problem. That is a welcome development. But it has been a frustrating one as well.

The central focus of the legislation passed last Congress was a children's educational programming requirement. That provision, however, due to its ambiguous wording, would allow a broadcaster to fulfill its obligation to children without ever offering a single educational program specifically designed for children.

We can and must do better than that. If we hope to truly accomplish meaningful change in children's television, we must do more. This is too important for us to attempt yet another superficial solution that will, in essence, lock in the status quo.

Everyone of us has heard the consistent and very accurate complaints about commercial television's failure to serve the child audience—and we've heard the same story for the last several decades. During that time, the Federal Communications Commission [FCC] has, for the most part, ignored the problem, or at best paid only lip-service to it. Our only alternative is congressional action and now is the time for that action. But just as important as timing is the form of the action we take.

We have an education crisis in this country, Mr. President, and we all know it. This country's failings in educating its young are well documented by a number of studies and reports.

Also well documented is the potential of television to convey educational and informational programming that stimulates children's minds and enhances their interest in learning. Study after study shows us the enormous power of television to educate our children. Yet the tragic paradox is that the more we know about the power of television and its capacity to teach our children, the less we use it. Why? Because the FCC has, over the years, placed the commercial broadcast industry and their bottom line concerns far ahead of the interests of children. This shortsighted perspective cannot be allowed to prevail.

What needs to be done? First, the Congress needs to understand exactly why this problem exists. Our system of commercial broadcasting now, more than ever before, operates without any clear regulatory guidelines about how the interests of children must be served. Indeed, the current FCC policy in this area is so vague and ambiguous that it is tantamount to no policy at all.

In the absence of any guidelines, broadcasters have relied almost exclusively on competitive considerations to determine the programs they deliver. Without doubt, there are some important benefits associated with allowing marketplace factors to guide many aspects of broadcasting policy. The problem is that a reliance on marketplace factors also has its limitations. None is more striking than in the realm of children's television. In terms of basic broadcast economics, child audiences simply are not as valuable as are audiences of adults. If this is the case, it shouldn't be surprising that in an era of deregulation, children's needs are consistently overlooked in favor of more profitable programming ventures.

Children's programming on commercial stations today consists mostly of cartoons—that is, if any children's programs are provided at all. Most sta-

tions offer no regularly scheduled weekly educational programming for youth. In fact, there is not one regularly scheduled educational program for children on the three major networks. Of the shows that are on the air, many are of the well-known program-length commercial variety, serving little purpose other than to promote products to child viewers. And even if an educational program was to be found, its impact would be limited by the fact that 20 percent or more of the time devoted to most children's programming actually consists of commercials. This figure far exceeds the amount of commercialization found in programs for adults.

I'm confident we can all agree this situation needs to be fixed. The approval of the children's television legislation last Congress indicates that is the case. But the best way to ensure stations will provide educational programs of value for children is to enact a specific obligation that requires broadcasters to do just that. This is what the legislation I introduced today, along with Senators METZENBAUM and LAUTENBERG, would accomplish.

This legislation enjoys the strong support of a number of organizations, including the American Academy of Child Adolescent Psychiatry, the American Academy of Pediatrics, the American Psychological Association, the Consumer Federation of America, the National Education Association, the National PTA, and the National Association of Better Broadcasting. It has also been endorsed by a group of leading scholars in the area of children's television.

My legislation, the Children's Television Education Act of 1989, contains four key elements that, when implemented, will transform the state of children's television from a field that has too long lied fallow into a rich harvest of program efforts that will be of great benefit to America's youth. My proposal includes: First, a firm and precise educational children's program requirement; second, reasonable limitations on the amount of advertising to children; third, a restriction on program-length commercial directed to children; and fourth, a requirement that each station provide public notice of the educational programs it provides for children.

CHILDREN'S EDUCATIONAL PROGRAMMING REQUIREMENT

Like the measure approved by the Senate less than a year ago, my proposal would incorporate an evaluation of each station's service to the child audience as an essential part of the license renewal process. The similarity ends there, however, and an extremely important distinction emerges. My legislation requires that each station provide educational programming specifically designed for children. This is what the public interest requires, and what the broadcast industry has consistently failed to deliver.

In contrast, the House measure could be met without a single educational program specifically designed for children. Rather, it stipulates that each station shall serve the educational and information needs of children through their overall programming. One needn't be a broadcast executive to recognize the size of the loophole in the language of this requirement.

Many family-oriented programs could certainly be argued to provide lessons of benefit for children. For that matter, a station could present a "National Geographic" nature documentary and make an unassailable claim that such content fulfilled its commitment under the legislation we passed last Congress. Such programs may have some value for children, but they do not accomplish the goal of providing what we currently lack and what we need to promote—educational and informational programs specifically tailored for kids.

Why is this consideration so crucial? Imagine a third grader trying to learn from a textbook intended for adults and the answer is easy to see. Young children have limited cognitive capabilities that require special attention and consideration if the goal is to help them learn. The most effective learning occurs when children's unique needs, interests, and capabilities are taken into account. We have a handful of models, such as "Sesame Street," that demonstrate how much can be accomplished when these factors are considered in developing children's programming. There is no question that broadcasters can do this, and do it effectively. The only question is whether they actually will do it. The language of the programming requirement in the measure I propose leaves no room for doubt about what must be done. My proposal simply makes clear what all parties have said they intend.

I sincerely hope and anticipate my children's program requirement will be embraced by the industry.

ADVERTISING LIMITATIONS

In this area, my legislation would limit advertising during children's programs to no more than 9.5 minutes per hour on weekends and 12 minutes per hour on weekdays. This proposal is identical to a policy first established by the FCC in 1974, when research findings initially established that young children lacked the cognitive ability to distinguish programs from commercials and to effectively valuate advertising claims and appeals. These inherent limitations in children's processing of advertising content render them uniquely susceptible to commercial persuasion.

Nevertheless, in 1984, the FCC acted to deregulate its children's advertising restrictions, ignoring the evidence upon which its policy had initially been based. That decision, like many others the FCC has recently rendered in the children's area, was obviously grounded in ideology rather than reason.

In deregulating this policy, the FCC claimed that the marketplace could limit advertising to children as effectively as government regulations. The Commission argued that when viewers are subjected to an excessive amount of commercials, they will become annoyed and turn the channel, thus creating an incentive for broadcasters to limit their level of advertising. But such logic can hardly be applied to young children who are not yet capable of recognizing the difference between a program and a commercial.

This fundamental flaw in logic was the basis for the U.S. Court of Appeals decision ordering the FCC to reconsider its deregulation of the children's advertising limits. That order was issued in the summer of 1987. Now, 2 years later, the agency has yet to issue a response. The Commission has not reinstated the children's advertising limits it improperly rescinded, or even explained what course it intends to pursue. Once again, the agency is stonewalling, refusing to act to protect the interests of children because to do so would conflict with its deregulatory ideology.

In the meantime, broadcasters have taken advantage of this freedom to increase commercial pitches to child viewers. They have increased the amount of advertising time during commercial breaks in children's programs, in many cases exceeding the 9.5- and 12-minute limits that were maintained from 1974 to 1984. Clearly, there are no marketplace incentives to limit advertising to children.

Like my proposal, the House legislation would reinstate limits on advertising to children. However, not at the same level as the previous FCC policy. The House measure would reward the broadcast industry for the FCC's incompetence in rescinding the ad limits, allowing stations to present an additional minute per hour on weekends above and beyond the previous limit. Why? The only reason I have heard is that this would accommodate the current level of advertising on Saturday morning network shows.

I see no valid reason to countenance this increase in advertising to children. Broadcasters have presented no compelling evidence that such commercialization is either necessary or appropriate. The 9.5-minute limit proved workable for more than a decade. I continue to believe those limits remain the most desirable benchmark for protecting children from excessive commercial persuasion.

PROGRAM-LENGTH COMMERCIALS

Another important distinction between the House legislation and the measure I introduce today is how each treats another aspect of the commercialization of children's television: the issue of children's product-related programming, better known as program-length commercials [PLC's]. My proposal would reestablish a policy restricting such programs, a public interest protection the FCC maintained until 1984. In contrast, the House bill would allow the FCC's recent deregulation of children's program-length commercials to stand.

One of the most troublesome forms of advertising to children is the use of programs themselves as surrogate advertising. That is the technique known as a program-length commerical. The FCC discarded its restriction on such programs at the same time that it lifted its limits on the amount of children's advertising. Unfortunately, the Commission offered not a single word to justify its decision allowing such crass commercialism. In fact, I have yet to hear anyone, either from the FCC, the broadcast industry, or anywhere else, explain to me how the public interest is served by allowing such programs to be used to promote products to children.

Once such shows were first allowed on the airwaves, it appeared for a time that they would monopolize the limited market for children's programming. PLC's threatened to squeeze off of the commercial airwaves any educational shows or other competing programs that lacked the backing of a major toy manufacturer. Today, program-length commercials have diminished in number only because the competition among these toy-based shows grew too stiff. But the fact that children's program-length commercials are now found in somewhat fewer numbers should not affect the disdain with which they are viewed.

Entertaining or not, these programs designed to promote toy products are nothing more than 30-minute commercials. Commercials masquerading as programs would never be tolerated by adults, but these shows are popular with children only because youngsters cannot yet recognize the commercial aspect of the content. Rather than serving the public interest by conveying any messages of value to child viewers, such programs are principally designed to manipulate children's desires for others' economic gain.

America's children deserve better from a medium designated to serve the public interest, both in terms of protection from excessive commercial persuasion and also in terms of having access to more worthwhile programs. Serving the public interest means providing children's programming that is designed to stimulate a young viewer's mind rather than pad a toy manufacturer's profit margin.

My measure would put an end to program-length commercials by categorizing such content as advertising, which indeed it is, and subjecting it to the relevant limits on children's advertising time. As such programs would clearly exceed either the 9.5- or 12-minute limit on advertising, they would effectively be removed from the airwaves.

The Communication Act's basic definition of commercial content, embodied in section 317 of that statute, has survived the tests of time for more than 50 years. This section of the act states that any content for which a broadcaster receives either payment or any other form of valuable consideration shall be considered commercial in nature. My legislation utilizes this same definition of commercial matter in defining the content that will be subject to the children's advertising limitations.

Applying this definition to children's product-related programs will categorize many such shows as advertising because toy manufacturers typically offer broadcasters a number of valuable considerations in order to entice them to air their program. In some cases, broadcasters receive a portion of the profits from the sales of toys related to the programs they air. In others, the programs are sold to stations at substantially reduced terms, with the discount borne by the toy manufacturer as the equivalent of an advertising budget. Who needs to buy 30 second ads when they can rely on 30 minute commercials instead? These and similar arrangements place more worthwhile, non-product-related programming at a huge disadvantage in competing with program length commercials for the limited number of children's program slots available on the airwaves.

My measure would put an end to these practices. It would help stop the use of programs initially designed to promote products to children. Decisions regarding the children's shows stations choose to air could then be made according to the actual merits of the content and its value for children, rather than the number of products a program is likely to sell.

PUBLIC NOTICE FOR EDUCATIONAL CHILDREN'S PROGRAMS

A final aspect of my legislative proposal centers on helping parents and others to identify the educational programs that broadcasters would begin to provide in response to the new children's programming requirement. These programs should be the finest content on television for children and, as such, most parents would want to encourage their children to view them. To help parents identify the programs designed to educate and inform children, my proposal would require broadcasters to share that information with the public in a timely fashion.

The specific mechanism to accomplish this would be left entirely up to the discretion of the broadcasters. One model that has been used successfully in other countries such as Australia is to assign a "C" code to all programs designed to educate children. This designation can easily be understood by the public and included in daily television program listings in newspapers and other periodicals, in program promotions, and also presented on air before the beginning of any educational children's programming. Parents who wish to direct their children's television viewing to these educational programs can then rely upon the simple coding designation to guide their choices.

Realistically, it is impossible to expect parents to survey every available children's program and evaluate their relative merits at providing educational and informational content. The use of a simple coding scheme would allow parents and other child caretakers to be confident that programming receiving this designation would be worthwhile content for child viewers.

The determination of which shows are considered educational children's content would also be left entirely up to the broadcaster's discretion. No formal review or evaluation of the content by any outside source would be involved. All that this provision involves is sharing a judgment that must already be made by broadcasters prior to airing a program—that a given show is serving the educational or informational needs of children—and conveying that judgment to the public.

This approach poses no undue burden on the broadcaster. Each station will already be required to provide a list of the programs that serve the educational and informational needs of children to the FCC as a part of demonstrating their compliance with the programming obligations designated in this act. All this additional provision entails is that each station make that information public in a timely fashion. That information will allow these program efforts to be clearly identified by parents and others who might wish to guide children's viewing toward such content, and hopefully increase the audience for such programs.

Educational programming is only useful to the extent that it is watched. This aspect of my proposal will help ensure that those who wish to supervise their children's television watching in a responsible fashion can do so effectively.

In closing, Mr. President, it is clear that the problems with children's television can no longer be ignored, as the FCC has tried so hard to do. Broadcasters remain public trustees and it is

essential that children, our most valuable resource, be considered an integral part of any public service equation.

It's time we return to a responsible and commonsense approach to the regulation of children's television. That's what my legislation would accomplish. By adopting this legislation, we have the opportunity to send a clear message that the educational interests of children are paramount.

Mr. President, I ask unanimous consent that letters in support of this legislation be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNIVERSITY OF CALIFORNIA,
SANTA BARBARA,
DEPARTMENT OF PSYCHOLOGY,
Santa Barbara, CA, June 15, 1989.

Hon. Timothy Wirth,
U.S. Senate, Washington, DC.

DEAR SENATOR WIRTH: We are scholars at different universities across the country who conduct research on children and television issues. We all have extensive familiarity with the public policy landscape in this area and each of us has previously provided invited testimony to Congress and/or the Federal Communications Commission on the policy implications of our research. We wish to register our strong support for your legislative proposal, The Children's Television Education Act of 1989.

Throughout the last 20 years, consistent complaints have been voiced about television's failure to provide educational or informational programming to meet the needs of America's children. From time to time during this period, the Congress and the FCC have elicited "firm" commitments from the broadcast industry that improvements would be forthcoming, both in the quality and quantity of children's programming. Those promises, unfortunately, have never been kept. Today, none of the three major broadcast networks offers a single regularly-scheduled educational program for children. Research indicates clearly that commercial broadcasters, whether network affiliates or independents, provide almost no children's programs that can be classified as educational in nature.

This situation results from the FCC's consistent deference to the broadcast industry to determine what, if any, children's programming will be provided. Clearly, this hands-off approach has failed to generate many programs of value for children. To reverse this chronic shortage of worthwhile children's content, we believe a firm and precise children's educational programming requirement that applies to every television broadcaster must be implemented.

We endorse your legislative proposal and are confident it will generate meaningful improvements in educational programming for children. Your measure states clearly and unequivocally that each station must provide programs specifically designed to educate and inform child-viewers. Given the history of past efforts by broadcasters (or rather, the lack thereof), we feel this is an essential component of any sound policy to improve children's television.

We are aware of alternative proposals addressing this issue that would require broadcasters to serve children's needs through their "overall programming," rather than by requiring content specifically designed for children. We are concerned that, under this model, stations may claim to have served the child audience with programs primarily intended for adults, and little will have been accomplished. We believe your alternative offers a much more effective approach to regulation in this area. Children learn best from content that is carefully tailored to their level of comprehension and cognitive capabilities. If one's goal is to generate educational children's programs, it seems most appropriate to us to stipulate that obligation clearly, rather than rely once again on the "good-faith" efforts of broadcasters. Such efforts have consistently fallen short in the past.

We also support the additional provision of your proposal, especially the protections afforded children from excessive television advertising and program-length commercials. These actions represent a significant improvement over the current situation where virtually "anything goes" in advertising directed to child audiences. The FCC's deregulations of similar policies has placed the economic interests of broadcasters and advertisers ahead of the interests of America's children. Research indicates clearly that young children lack the ability to effectively recognize and defend against televised commercial persuasion. Thus, we believe that policies restricting children's advertising are essential to the public interest.

Finally, we wish to endorse your bill's concept of requiring stations to identify their educational children's programs in advance of their broadcast. Many parents who would like to direct their children's viewing to educational programs have a difficult time sampling every show to evaluate its merits. By providing a simple mechanism for identifying content with educational value, parents who choose to can play a more active and informed role in guiding their children's television viewing.

We believe the children's television legislation you have proposed will generate programming improvements of benefit to every child in this country. We enthusiastically support this measure and urge its adoption by the Senate.

Sincerely yours,

DALE KUNKEL, PH.D.,
UCSB;
ELLEN WARTELLA, PH.D.,
University of Illinois;
AIMEE DORR, PH.D.,
UCLA;
BRUCE WATKINS, PH.D.,
University of Michigan;
ALETHA HUSTON, PH.D.,
University of Kansas;
JOHN WRIGHT, PH.D.,
University of Kansas.

AMERICAN PSYCHOLOGICAL ASSOCIATION,
Washington, DC.

Hon. Timothy Wirth,
U.S. Senate, Washington, DC.

DEAR SENATOR WIRTH: The undersigned organizations wish to express our appreciation and gratitude for your efforts to improve the quality of children's television through the introduction of the Children's Television Education Act of 1989.

This legislation represents a significant yet reasonable response to the problems associated with children's television programming and advertising. As you know, this legislation is necessitated by the Federal Communication Commission's (FCC) abdication of responsibility for protecting the interests of children. In 1984, the Commission rescinded its policy limiting advertising during children's programs to 9.5 minutes per hour on weekends and 12 minutes per hour on weekdays. The Commission also rescinded its prohibition on program-length commercials (programs created for the primary purpose of marketing new products). Finally, and most incredibly, the Commission stated that broadcasters need no longer provide education or informational programming for children if such programming is available through alternate sources, such as PBS, cable, videocassettes, etc. Despite criticism from many members of Congress and a District Court of Appeals decision requiring them to reconsider these new policies (*Action for Children's Television* v. *F.C.C.*), the Commission has failed to act.

Your legislation addresses each of these issues. First, the bill would reestablish the pre-1984 limits on the duration of commercial matter within children's programming. Second, the bill would respond to the problem of program-length commercials by defining such programs as commercial matter consistent with Section 317 of the Communication Act. Also, the bill responds to the dearth of educational programming available for children by making the provision of programming "specifically designed to serve the educational and informational needs of both preschool and school-aged children" a consideration in broadcast license renewal. This wording is critically important. It would preclude reliance on prime-time entertainment programming to meet this obligation. Finally, broadcasters would be required to provide public notice identifying programs meeting this obligation. This requirement would greatly assist parents in helping their children select quality programs for viewing.

It is clear that children's television programming has suffered over the past five years. Cartoon shows based on toys now dominate the cartoon market. The economics associated with these programs, which are frequently given to broadcasters without charge in exchange for limited advertising, has helped squeeze more expensive educational and informational programs out of the marketplace. While other options may be available (PBS, cable), many families cannot afford such options. Further, the availability of other options does not release broadcasters from their obligation to serve the public interest as described in the Communications Act. Finally, studies indicate that the average number of minutes of advertising directed at children has increased substantially since deregulation.

Collectively, we wish to thank you for your longstanding and unyielding interest in quality television and the wellbeing of the Nation's children. We hope that your colleagues in the Senate will join you in support of this most important legislation.

American Academy of Child and Adolescent Psychiatry,
American Academy of Pediatrics,
American Psychological Association,
Consumer Federation of America,
National Association for Better Broadcasting,
National Education Association,
National PTA.

By Mr. SIMON:

S. 1216. A bill to amend the National Labor Relations Act to give employers

VOL 135 PT 9 JE 14 — 22 1989 UMI

and performers in the live performing arts, rights given by section 8(e) of such Act to employers and employees in similarly situated industries, to give to such employers and performers the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes; to the Committee on Labor and Human Resources.

LIVE PERFORMING ARTS LABOR RELATIONS AMENDMENTS

● Mr. SIMON. Mr. President, today I am introducing legislation, the Live Performing Arts Labor Relations Amendments of 1989, to correct several longstanding inequities in our Nation's labor laws relating to performing artists. These inequities have effectively denied to hundreds of live performing artists the right to organize and engage in collective bargaining over their working conditions and wages.

Like the construction and garment industries, the entertainment industry is characterized by short-term, episodic employment. Long ago, Congress recognized the special circumstances facing construction and garment workers and enacted provisions in the National Labor Relations Act [NLRA] to make it possible to extend the protection of labor laws to those workers. Musicians and entertainers, even though they face employment patterns similar to those in the construction and garment industries, still do not enjoy a right to union representation of their own choosing or to bargain with their true employers. This unfair situation has existed for over 20 years. Corrective action is long overdue to recognize the special problems faced by performers in the entertainment industry.

The Live Performing Arts Labor Relations Amendments of 1989 is identical to S. 1346, introduced in the 100th Congress, except that the bill pertains only to performing artists who work in live entertainment. This legislation would amend the National Labor Relations Act in three additional and important ways.

First, the bill would grant employee status to certain individuals who perform musical services. Because only individuals who are defined as employees under the NLRA are afforded a protected right to collective bargaining, a clear definition of the terms "employee" and "employer," and a clear understanding of the employer relationship, is a necessary first step toward providing live performers access to the collective-bargaining process. Under this legislation, an "employer" would be defined for the purposes of the NLRA to include "any person who is the purchaser of live musical performance services regardless of whether the performer of such services is an independent contractor, employer, or employee of another employer." The bill also states that independent contractors who are engaged to perform live musical services, other than an employer of persons performing musical services, shall be included in the term "employee" under the NLRA.

Second, the bill would extend the current exemption for the construction industry under section 8(f) of the NLRA to permit, but not require, employers of performing artists, other than employers in the broadcasting or motion picture industries, to enter into prehire agreements with unions representing such performers. This exemption recognizes the short-term nature of the work in the entertainment industry where a performer is often hired for a brief engagement, sometimes lasting just a day or two. By allowing prehire agreements, the exemption accommodates the performer's right to organize and bargain collectively despite the peculiar nature of the entertainment industry, which makes union representation difficult if not impossible.

Third, the bill would provide an exemption under section 8(e) under the NLRA from the prohibition against the so-called hot cargo clauses for certain persons in the entertainment industry. Like the existing exemption under the NLRA for the garment industry, the proposed exemption would allow employers and unions in the performing arts industry to enter into agreements under which employers would hire union subcontractors. The bill would also remove some of the statutory restrictions that limit performing arts union activity related to strikes and secondary boycotts.

Mr. President, the fragmented, casual and unstable nature of the entertainment industry contributes to poor wages, poor working conditions, long periods of unemployment, and just general economic uncertainty for thousands of musicians and performing artists in Illinois and across the country. A 1980 survey of performing artists found that 31 percent of all actors and 25 percent of all musicians and their families were working at or below the poverty level as determined by eligibility for the CETA Program. Performing artists need and deserve effective representation and fair collective bargaining to improve their economic well-being and overall quality of life.

The 101st Congress has an opportunity to make the changes in our labor laws that are needed and justified to address the unusual problems faced by live performing artists—just as we have already done for workers in the construction and garment industries who face similar problems. The Live Performing Artists Labor Relations Amendments of 1989 is necessary to make union representation and collective bargaining a meaningful right for musicians and other live performing artists.

I ask unanimous consent that the full text of the bill be entered into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Live Performing Arts Labor Relations Amendments".

SEC. 2. EXTENDING SECTION 8(e) TO THE LIVE PERFORMING ARTS INDUSTRY.

Section 8(e) of the National Labor Relations Act (29 U.S.C. 158(e)) is amended by striking *"Provided further"* in the second proviso and all that follows and inserting the following: *"Provided further,* That for the purposes of this subsection and section 8(b)(4)(B), the terms 'any employer', 'any person engaged in commerce or in industry affecting commerce', and 'any person', when used in relation to the terms 'any other producer, processor, or manufacturer', 'any other employer', or 'any other person' shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry or persons in the relation of a leader, contractor, purchaser of live entertainment or live music, promoter, producer, or persons similarly engaged or involved in an integrated production or performance of any kind in the live entertainment industry: *Provided further,* That nothing in this Act shall prohibit the enforcement of any contract or agreement, expressed or implied, which is within the foregoing exception.".

SEC. 3. EXTENDING SECTION 8(f) TO THE LIVE PERFORMING ARTS INDUSTRY.

Section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)) is amended by inserting "(1)" after "(f)", and by adding at the end the following:

"(2) It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer who hires persons or contracts for the services of persons engaged in the live performing arts to make an agreement covering such persons who are engaged (or who, upon their employment, will be engaged) in the live performing arts with a labor organization of which performing artists are members (not established, maintained, or assisted by an action defined in section 8(a) of this Act as an unfair labor practice) because (A) the majority status of such labor organization has not been established under the provisions of section 9 of this Act before the making of such agreement; or (B) such agreement requires as a condition of employment membership in such labor organization after the seventh day following the beginning of such employment or the effective date of the agreement, whichever is later: *Provided,* That nothing in this subsection shall set aside the final proviso of section 8(a)(3) of this Act: *Provided further,* That any agreement which would be invalid, but for clause (A) of this paragraph, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e).".

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.

(a) DEFINITION OF "EMPLOYER".—Section 2(2) of the National Labor Relations Act (29 U.S.C. 152(2)) is amended by inserting after "directly or indirectly" the following: "and includes any person who is the purchaser of live musical performance services regardless of whether the performer of such services is an independent contractor, employer, or employee of another employer,".

(b) DEFINITION OF "EMPLOYEE".—Section 2(3) of the Act (29 U.S.C. 152(3)) is amended by inserting after "independent contractor" the following: "except that any individual having such status who is engaged to perform live musical services (other than an employer of persons performing musical services) shall be included in the term 'employee',".●

By Mr. HEINZ (for himself, Mr. GARN, Mr. BOND, Mr. CRANSTON, Mr. KERRY, Mrs. KASSEBAUM, and Mr. SANFORD):

EXPORT FINANCE EXPANSION ACT OF 1989

● Mr. HEINZ. Mr. President, I rise today to introduce legislation intended to assist U.S. business in meeting the export challenge facing our economy. Our challenge is to sustain the unprecedented period of economic growth during the 1980's while eliminating unsustainable external payments in imbalances. Five successive trade deficits over $100 billion have left us the world's largest debtor and walking a tightrope of economic management. We cannot continue to run our Government and our economy on credit and hope to control our own destiny.

Achieving the $150 billion turnaround in trade necessary to balance our external account is going to require a substantial reorientation of our economy toward exporting and a sustained period of export-led growth. The last 2 years have produced dramatic progress, with exports in the first quarter of 1989 fully 50 percent above the level in the same quarter of 1987. However, it is far from clear that this phenomenal rate of improvement can be maintained for the 2 to 3 years it would take to restore external balance.

What is clear is that the adjustment must come, one way or another. It can come through an economic recession that turns off the import tap, or it can come through a partnership of public policy and private initiative that expands foreign sales.

The trade figures show that our exporters are doing their part. The record speaks less well of the efforts of Government. Eliminating budget deficits, ensuring stable and competitive exchange rates, pursuing an aggressive trade policy, helping to restore the economic health of heavily indebted LDC markets, ensuring access to competitive trade financing, neutralizing predatory export subsidies and mixed credits, and removing regulatory impediments to exports like our outmoded export control system are all items yet to be addressed on the Government agenda.

The bill I am introducing today focuses on the problem of competitive export financing in LDC markets. Many of these markets are now shunned by U.S. banks burned by the LDC debt crisis, and are dominated by foreign governments prepared to make unlimited use of official credit and aid programs to win sales. As a result, U.S. trade with the developing world, once a major growth area, is declining as a share of total trade. In heavily indebted markets in Latin America, United States exports are no higher today than they were in 1981. The administration's tied aid credit report, as weak and watered down a statement as it was, documented $400 to $800 million of annual sales lost to mixed credits and $4 to $6 billion of aid-funded capital projects closed to U.S. business.

My bill addresses these problems by amending the charter of the U.S. program charged with supporting U.S. sales to riskier markets and with battling foreign subsidies, the Export-Import Bank. The Export Finance Expansion Act of 1989 would expand permissible Bank lending activities and give Bank management greater discretion to use its resources to maximize U.S. exports. It would do this by permitting the Bank to offer interest subsidies in lieu of direct credits, to make mixed credit offers at its own discretion, and to set the terms and conditions of its guarantee program at levels sufficient to keep commercial banks operating in markets where the Eximbank is open for business.

Interest subsidies were first proposed by the Reagan administration in 1985 as a substitute for direct credit. The Congress objected to the proposal because it would have eliminated all direct credit, regardless of the effectiveness of the interest subsidy experiment, and because subsidies are more expensive than direct credit. Given current and projected budget constraints, I believe it is time to encourage the Bank to experiment with this mechanism and take advantage of its 10-to-1 leverage on appropriated funds. My bill would provide this option.

At present, the Bank can make mixed credit offers pursuant to the warchest authority in its charter. I created the warchest concept to combat the practice by our trade competitors of mixing aid and export credit funding to win sales. Unfortunately, mixed credit offers require approval by the Treasury and are tied to OECD negotiations intended to end mixed credits that have now ended without reducing the practice. Furthermore, the warchest has never been funded and the few mixed credit offers made have been funded from the direct credit program. My bill would repeal the warchest and give full authority to make mixed credit offers to Bank management.

The one resource that the Bank does have in abundance is guarantee and insurance authority. However, the Bank has been thwarted in its attempts to set interest cover policies that would make the guarantee attractive to banks and speed development of a secondary market in guaranteed loans as directed by Congress in 1986. The Bank has been barred from making a 25 to 50 basis point adjustment in interest coverage because Treasury believes the resulting paper would compete with Treasury bills and OMB argues the enhanced guarantee, with an effective subsidy of 2 percent, should be fully scored in the budget as a direct substitute for direct credit.

My bill would give Bank management full discretion to set the terms of its guarantees. It would also permit them to extend coverage of the guarantee to timely payment of participations in securitized Bank-guaranteed loans in order to encourage creation of a secondary market. These steps should make the Bank guarantee a much stronger basis of support of U.S. exports.

I believe the expanded flexibility provided by my bill would maximize the export potential of the Bank's programs at any level of financing. For example, at a $600 million direct credit level, the Bank could support well over $1 billion of exports if interest subsidies prove workable and provide $100 million or more of mixed credit grants in the bargain. While this leveraging is helpful, there is clearly no substitute for higher levels of funding and the Bank will not begin to compete effectively with foreign subsidized financing unless larger appropriations are provided. However, if higher funding is achieved in the future, the provisions of my bill would provide the same leverage for those funds.

It is time the U.S. Government got behind our exporters and the Export-Import Bank. The Reagan administration, the Congress and the business community have all collaborated in the decline of Eximbank funding. The Bush administration promise a review of export credit and mixed credit policy but is supporting only a $500 million direct credit program and $100 million for mixed credits in the crucial fiscal year 1990 budget negotiations.

Hopefully, the realization that sales and jobs are being lost for lack of funding will change the attitudes that have brought the Bank low. I urge the President and the Congress to join me in supporting this legislation. We need an export policy, we need a strong Export-Import Bank, and we need them now.

I ask unanimous consent that the text of my legislation and a brief de-

scription of the bill be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export Finance Expansion Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) expansion of United States exports to developing countries is essential if the United States is to correct its external payments imbalance;

(2) export expansion is being limited by withdrawal of commercial banks from lending to countries experiencing debt servicing difficulties and by extensive use of aid budgets by major United States trade competitors to finance capital projects directly and to offer so-called mixed credits to promote capital goods exports;

(3) negotiations intended to ameliorate the mixed credit problem were completed in 1987 and have resulted in increasing the cost of mixed credits and making their use more transparent but expansion of mixed credit financing continues nonetheless;

(4) the Export-Import Bank of the United States is the agency charged with extending export credits to support sales in less creditworthy markets, with combating use of predatory mixed credits by United States trade competitors, and, since announcement of the Brady debt proposals, with preserving access of major debtors to necessary exports from the United States;

(5) the Export-Import Bank of the United States is in a weak position to play these varied roles because—

(A) its direct credit authority has suffered repeated budget reductions to the point that it is nearly 90 percent below the levels of the early 1980s;

(B) Export-Import Bank guarantee and insurance programs are not sufficiently attractive to bring commercial banks back into the market; and

(C) the mixed credit warchest authorized in 1986 has never been adequately funded or aggressively used to combat predatory financing; and

(6) these conditions will not change unless new negotiations succeed in limiting use of mixed credits and the Export-Import Bank of the United States is provided both expanded funding and the necessary flexibility in use of its funds to meet the growing export challenge of the 1990s.

SEC. 3. SUBSIDY AND MIXED CREDIT AUTHORITY.

Section 2(f) of the Export-Import Bank Act of 1945 is amended—

(1) by striking "INTEREST SUBSIDY PAYMENTS.—" and inserting "SUBSIDY AND MIXED CREDIT PAYMENTS.—";

(2) by inserting "subsidy" before "payments" in paragraph (1);

(3) by striking paragraph (2) and inserting the following:

"(2) MIXED CREDIT PAYMENTS.—The Bank may make mixed credit payments, in combination with any other payments, loans, or loan guarantees extended by the Bank, in such amounts as the Bank may determine to be necessary to be fully competitive with mixed credit terms of other countries when such financing is required in order to respond to specific mixed credit offers by foreign governments or export credit agencies.";

(4) in paragraph (3) by inserting "and (2)" after "(1)" and by striking "1986" and inserting "1989"; and

(5) by striking paragraphs (4) and (5).

SEC. 4. EXPANDED UTILIZATION OF BANK GUARANTEES.

Section 2(c)(3) of the Export-Import Bank Act of 1945 is amended by inserting "(A)" before "With" and by adding at the end of the following new subparagraphs:

"(B) For the guarantee and insurance programs covered by this subsection, the Bank shall provide up to 100 percent coverage of the interest and principal where determined necessary by the Board to ensure acceptance of Bank guarantees by United States financial institutions for transactions in all markets in which the Bank is open for business.

"(C) To encourage the free transfer of such Bank obligations, the Bank may guarantee the timely payment of principal and interest on pool certificates representing ownership of part of or all of any loan or loans guaranteed by the Bank under this Act. Such certificates shall be based on a pool approved by the Bank and shall be managed by agents approved by the Bank.".

SEC. 5. APPROPRIATION OF ANNUAL SUBSIDIES.

Section 7(a)(3) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(3) AUTHORIZATION FOR SUBSIDIES.—There are authorized to be appropriated such sums as may be necessary, to cover any subsidy associated with any direct loan, subsidy payment, or mixed credit payment made by the Bank on or after October 1, 1989. Of amounts made available for Bank operations in annual appropriation acts, the portion representing any subsidy referred to in the preceding sentence shall be a permanent addition to the capital and reserves of the Bank. For purposes of this paragraph, the term 'subsidy' has the same meaning as in section 2(g)(1).".

SEC. 6. DEFINITIONS.

Section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end the following:

"(g) DEFINITIONS.—As used in this section:

"(1) The term 'subsidy' means the estimated long-term cost to the Bank of a loan, subsidy, or mixed credit payment, calculated on a net present value basis. Subsidy estimates shall take into account direct outlays and delay in, or loss of, repayments of principal or interest, less any fee or premiums received.

"(2) The term 'subsidy payment' means a payment to a commercial lending institution or other lender provided by the Bank in order to ensure a sufficient rate of return to the lender, as determined by the Bank, for provision of export financing at less than market rates.

"(3) The term 'mixed credit payment' means a grant made in combination with any other payments, loans, or loan guarantees by the Bank or private sources which, together with associated financing, has a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development and which is provided by the Bank in order to neutralize the impact of credits provided by other governments that are tied to the procurement of goods or services from the donor country or a restricted number of countries.".

SEC. 7. REPEALER.

Section 15 of the Export-Import Bank Act of 1945 is repealed.

SUMMARY OF THE EXPORT FINANCE EXPANSION ACT OF 1989

SEC. 2. FINDINGS.—This section discusses the need for expanded exports to LDC markets, the continuing problem of subsidized and mixed credit financing by U.S. trade competitors, and the need for a stronger Export-Import Bank to combat these practices.

SEC. 3. SUBSIDY AND MIXED CREDIT AUTHORITY.—This provision removes restrictions in the Bank charter on use of interest subsidies to finance exports and adds new authority for the Bank to offer mixed credits at its own discretion. The effect of this provision is to expand Bank control over use of budgeted resources and encourage additional exports through use of alternative export finance mechanisms.

SEC. 4. EXPANDED UTILIZATION OF BANK GUARANTEES.—This section expands Bank discretion to set the terms and conditions of its guarantee and insurance programs in order to ensure acceptance of Bank guarantees by U.S. banks in any market where the Bank is open for business. Past Bank efforts to enhance its guarantees, and increase their acceptance as an alternative to direct credit have been blocked within the Executive Branch. The provision also permits the Bank to extend its guarantee to cover secondary marketing of pooled loans carrying an Eximbank guarantee.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.—Direct appropriations are authorized for interest subsidies, mixed credits and the subsidy element of Bank direct loans in lieu of the current appropriations limitation on direct loans. This will ensure that resources are available to fund subsidies and mixed credit grants. It would also prevent their cost from reducing the Bank's already depleted reserves.

SEC. 6. Definitions are added for new terms in the Charter.

SEC. 7. REPEALER.—The "tied aid credit warchest" in section 15 of the Charter is repealed in favor of the broader discretionary authority for the Bank to offer mixed credits in section 3 above. This is done in recognition of the fact that use of "warchest" funds was tied to pursuit of negotiations that have now been completed without reducing use of mixed credits.●

● Mr. GARN. Mr. President, today I join my colleague Senator HEINZ in introducing the Export Financing Expansion Act of 1989. This legislation will increase the effectiveness of the Export-Import Bank in meeting the needs of U.S. exporters. An effective export credit program is essential if we are to grow our way out of current payments imbalances and ensure that our exporters can compete in world markets.

The Bush administration has documented the growing use of mixed credits by our trade competitors. Other governments will spare no expense in subsidizing foreign sales and capturing foreign markets for their companies. This is a challenge that cannot be met without a much stronger Eximbank.

A stronger Eximbank will require both greater funding and broader

lending authority. Higher levels of funding, of course, will have to be worked out in the appropriations process. Our bill addresses the second issue and strengthens the Bank by providing maximum flexibility in the use of whatever level of resources are provided to the Bank. The bill does this through expansion of permissible activities from the current direct loans, guarantees and insurance to include interest subsidy payments and mixed credit grants as the situation warrants. It also permits the Bank to adjust the terms and conditions of its guarantee program without a veto by OMB and Treasury. These changes should maximize the export impact of the Bank program at any level of resources.

I believe these changes are needed to make the Bank more effective and urge the support of my colleagues for this legislation.●

● Mr. BOND. Mr. President, I am pleased today to join my colleague, Senator HEINZ, in introducing this important bill—the Export Finance Enhancement Act of 1989.

Hardly a day goes by that someone in Washington fails to talk about trade policy or the importance of the world market. We in Congress are constantly telling American businesses that they must look overseas, that they must do more exporting. Yet year after year we fail to provide any leadership or support in this area. In the past few years we have cut the resources of the agencies which exist to help companies that want to expand their overseas sales—particularly the United States and Foreign Commercial Service and the Export-Import Bank. We cannot expect business to believe our rhetoric on exporting if we continue to follow it up with action.

This bill will allow us to take some action. It takes some strong first steps toward addressing the crisis we now face in export financing. Specifically, it allows the Eximbank the flexibility to be more competitive with other nations' financing agencies. By giving bank officials the ability to offer competitive guarantees and mixed credit packages we will be able to make some progress in our effort to expand our share of the world market and keep American jobs from going overseas.

It is important to note that this bill alone will not solve our exporting problems. To be truly competitive in the export arena will take action on other fronts as well. First, we must fund the Export-Import Bank at a competitive level at least as high as last year's amount. We in Congress must realize that it is extremely shortsighted to attempt to balance the budget by cutting programs such as the Exim Direct Credit Program which pays for itself by creating jobs and GNP growth.

Second, we must provide businesses with the counseling and trade leads they need to succeed in the international marketplace. This requires a properly funded United States and Foreign Commercial Service. Few businesses have the resources to collect trade leads by themselves—the United States and FCS is critical in this area for providing leads as well as counseling.

Third, we must eliminate barriers to U.S. overseas sales—burdensome laws and regulations which make our products uncompetitive overseas must go. Laws such as cargo preference rules for agriculture or burdensome export controls for some high technology products must be removed.

Finally, we must take steps to ensure that all Americans become more aware of the world in which they live. This will take leadership from the top level of government. However, it also will require new programs in schools aimed at teaching foreign languages and cultures, as well as economics and geography.

Recently I introduced S. 1156, the Export Promotion and Market Development Act of 1989, which takes some initial steps to address these concerns. When taken in combination with the bill we are introducing today, it would be a strong showing of Congress' resolve to support American exporters.

I am hopeful this bill will attract widespread support and that we will soon see it enacted into law. I praise my colleague from Pennsylvania for drafting it and I look forward to working with him to see it is enacted.●

By Mr. KOHL (for himself and Mr. CRANSTON):

S. 1218. A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residency requirement for "J" nonimmigrants and by treating nonimmigrants whose departure has been deferred by the Attorney General as remaining in legal nonimmigrant status for purposes of adjustment or change of status; to the Committee on the Judiciary.

EMERGENCY CHINESE VISITOR IMMIGRATION ACT

● Mr. KOHL. Mr. President, the blood in Tiananmen Square has stopped flowing—for now—but China's crackdown on dissent is intensifying. Eleven persons have so far been condemned to death by courts in Beijing and Shanghai, and it appears that the repression will get worse.

For this reason, the Chinese students in the United States need our help. We must allow them to remain here until they can return home safely. President Bush has taken an admirable and compassionate step by staying departures for 1 year, but more needs to be done.

That is why Senator CRANSTON and I are today introducing the Emergency Chinese Visitor Immigration Act of 1989. It is very similar to a bill being introduced in the House by Representative NANCY PELOSI. The measure would do what Chinese students have asked for: It would give each visitor the flexibility to seek an immigration status that suits his or her individual needs.

Our bill would permit the students to petition for changes in their nonimmigrant visa status and allow them to apply for permanent residency. It affords them the opportunity to seek visa types for which they may be eligible—something they cannot do if they choose to accept the "legal limbo" of President Bush's grace period.

Under President Bush's plan, Chinese students here on nonimmigrant visas—as most are—will not have to depart upon expiration of their visas—at least not until next June—if they seek protection under the administration's "deferred departure" program. But a student seeking such protection can suffer two consequences. First, the Chinese Government might learn about the student's request for protection and label that student as a counterrevolutionary. This would expose the student to grave danger upon return. Second, acceptance of "deferred departure" status means the student cannot petition for changes in immigration status, even if it would be beneficial in terms of extending the student's stay here.

The Emergency Chinese Visitor Immigration Act would provide that Chinese nationals in this country illegally remain here during the period in which the Attorney General defers their departure. This provision would permit them to change their status if they qualify. In addition, the bill would waive the 2-year foreign residency requirement for Chinese nationals. The residency requirement says that holders of "J" exchange visitor visas must return home for 2 years before they can be eligible to obtain another work or immigrant visa from the United States. Two years in China can be deadly to an individual who supports the prodemocracy movement, so the bill would let Chinese visitors petition for new visas without first having to go home and wait.

This bill will, of course, send a strong message to the Chinese Government. But more than that, it will help alleviate the fear that now grips our Chinese guests. Some 70 percent of the 40,000 Chinese students in the United States are on "J" visas. In petitions, faxes, and letters to my office, they have communicated their anxiety and their desire for adjustments in the immigration laws. Now, especially, we should respond with humanitarian legislation.

Mr. President, I have a very strong interest in this legislation. With more than 500 visiting students and schol-

ars, the University of Wisconsin-Madison boasts the largest single Chinese exchange program in the United States. I have been in close contact with officials in the university's office of international students and scholars. They believe this bill will provide the necessary relief for Chinese students nationwide. I urge my colleagues to join with Senator CRANSTON and me in sheltering our distinguished and vulnerable guests.

Let me close with a quotation, Mr. President. It is from a speech that Chinese leader Deng Xiaoping made on June 14, 1989. His speech was translated from a Chinese newspaper and sent to me by visiting Chinese scholars in Madison. "We must cut the weeds and dig up the roots," said Deng Xiaoping. "Otherwise, in 3 or 5 years, or even in 10 months, they could do it again."

The forces of democracy are not weeds, Mr. President. They are—to borrow a phrase from Mao Zedong—"flowers." And they deserve our protection. I intend to make sure that the Senate takes up my bill at the earliest possible opportunity.●

By Mr. KERREY (for himself, Mr. LUGAR, Mr. HARKIN, Mr. DASCHLE, Mr. EXON, and Mr. BOSCHWITZ):

S. 1220. A bill to amend the Food Security Act of 1985 to improve the program under which the Secretary of Agriculture may settle certain loans, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD SECURITY ACT AMENDMENTS

Mr. KERREY. Mr. President, today I am introducing legislation to grant additional flexibility to the Secretary of Agriculture so that our agricultural price support programs may be operated in a way that is friendlier to both the farmer and the taxpayer.

Under our commodity price support programs, farmers may obtain a loan by pledging their harvested grain as collateral. Current law allows the Secretary to waive interest due on maturing loans if such a waiver would benefit the Government by encouraging the farmer to market the grain rather than forfeit this collateral to the Government.

The forfeiture of grain is generally undesirable because the Government loses all principal and interest due on the loan and incurs substantial costs for handling and storing the grain. In addition, no one—especially farmers—likes to see the Government acquire huge stocks of grain because of the certainty that one day the Government will dump that grain back on the market and weaken prices.

Although current law allows the Secretary to waive some or all of the interest due on a loan in order to avoid forfeitures, this authority is critically deficient, in my view, because it does not allow the Secretary to waive a portion of the loan principal in order to avoid forfeiture. My bill would correct that deficiency.

My proposal, quite simply, would give the Secretary the option to waive some of the principal due on a regular or reserve price support loan if the Secretary determines that such a waiver would avoid forfeitures and otherwise be beneficial.

I had originally intended to offer this proposal during debate on a new farm bill. My schedule was accelerated, however, by the administration's decision last week not to extend some maturing Farmer-Owned Reserve [FOR] loans. That decision will almost certainly result in hundreds of millions of bushels of corn being forfeited to the Government, at needless cost to the taxpayer. Moreover, the Department of Agriculture has made clear its intention simply to take the forfeited grain and turn around and make it available to the market through grain catalogs issued by the Commodity Credit Corporation.

I would assert, Mr. President, that there is a better way to serve the needs of the farmer, the marketplace, and the taxpayer.

Prior to the Secretary's decision with respect to the expiring FOR loans, I met with USDA officials to urge them to consider alternate means of handling maturing loans that would make additional grain available to the market but would do so by providing incentives for farmers to market the grain directly and avoid the costly and cumbersome forfeiture and cataloging procedure. I specifically suggested use of a bid system that would allow producers to redeem their loans, look for available marketing opportunities, and market their grain as they fit. Unfortunately, USDA opted simply to extend some loans for 6 months while letting others mature, with additional forfeitures the likely result.

The bill I am introducing today will give the Secretary a new marketing tool when the possibility of grain forfeitures threatens again, as is certain to happen. I do not believe this authority should be used in all cases where forfeitures are likely, but it should be an available option, especially when the Government intends to acquire the grain only to turn around and put the grain back on the market.

Historically the commodity loan rate provided a floor under market prices because the loan allows farmers to obtain financing and store their grain rather than sell their crop at prevailing prices. In this role the loan did much to promote orderly marketing by farmers. Some people may contend, Mr. President, that my legislation will undermine this basic function or provide a giveaway to farmers. It will do neither.

In the first place, the loan's price support mechanism has already been compromised by the proliferation of new farm policy devices—for example, generic certificates, posted county prices [PCP's], CCC catalogs, et cetera—that have been used to permit the steady flow of grain to the market.

On the second point, this waiver authority, if properly used, should save taxpayer money by encouraging farmers to repay most of their loan principal and avoiding the handling and storage costs associated with grain forfeitures. And, this new tool should actually restore the original intent of the loan program to provide farmers—and not grain companies—the opportunity to market grain in an orderly fashion.

As concern grows about the adequacy of CCC stocks used to back the issuance of generic certificates, it is also time, I believe, for farm policymakers to examine new options to protect farm income, ensure that the market has ready access to needed grain, and even simplify our grain marketing schemes. These new options should preserve for the farmer a central role in offering grain to the market—a role that the present forfeiture-cataloging game does not provide.

Others may view the new authority I am proposing as a simple extension of the marketing loan concept. Like the marketing loan, the authority to waive principal would help to keep commodities moving to the market. Unlike the marketing loan, however, this waiver authority would provide the Secretary with greater flexibility to adjust loan redemption levels as necessary to meet temporary, localized, or other specific conditions where grain forfeitures threaten or where the Secretary determines that producers should have access to grain under loan.

Finally, Mr. President, let me emphasize that this new authority would provide full opportunity for farmers, and not just the commercial grain industry, to benefit from future efforts to entice grain from storage to the market. This option will leave the ultimate marketing decision with the farmer, while allowing him to benefit from the market's demand for grain and relieving the taxpayer of the additional costs inherent in acquiring, storing, and disposing of forfeited grain.

I have shared this proposal with appropriate administration officials and I am hopeful of winning their support for this simple but common sense change in farm policy.

Mr. President, on Friday of this week, the U.S. Department of Agriculture made a decision with regard to the farmer-held reserve. The U.S. Department of Agriculture calculated they need additional corn to go to market. They calculated they need about 700 million bushels of corn to go

to market. They found themselves up against a constraint in the law that enables them to forgive interest rate—interest that has accumulated on the farmer—but they are not able to make any principal reduction.

As a consequence of that, they are not able to do something that I believe we, in fact, ought to be trying to do with our policy. We ought to be trying to minimize the cost to the taxpayer and we ought to be trying to maximize the extent to which the farmer himself is making decisions about when and how to go to market.

The U.S. Department of Agriculture was, in my judgment, forced into a policy that required them, in fact, to put into effect something that will have farmers forfeiting grain to the U.S. Government, adding costs to the taxpayer, adding cost at a time when it is going to be difficult for us, anyway, to put together needed programs for agriculture, and will surrender instead to them the decision on marketing, will surrender to commercial grain facilities those marketing decisions.

We will see, instead of farmers making decisions about when to go to market, we will be seeing the U.S. Department of Agriculture making those decisions. I think neither the farmer nor the USDA wants that to be done.

Mr. President, under our commodity price support programs, farmers, as you know, obtain a loan, they pledge their harvest of grain as collateral, and the current law allows the Secretary to waive interest due on maturing loans if such a waiver would benefit the Government and the taxpayer by encouraging the farmer to market the grain rather than forfeit this collateral to the Government.

My bill would simply correct what I believe is a deficiency and what I hope the USDA themselves will observe as a deficiency. I have sent this piece of legislation to the administration hoping to get a favorable judgment from them. This will correct a deficiency and enable them to take similar action with principal on that loan. Quite simply, what this gives the Secretary an opportunity to do is to select one more option, an option to weigh the principal that is due on a regular or reserve support loan if the Secretary determines that such a waiver would avoid forfeitures and otherwise be beneficial.

Mr. President, historically the commodity loan rate provided a floor under the market price because the loan allows farmers to obtain financing and store their grain rather than sell their crop at prevailing prices. In this role, the loan did much to promote not only orderly marketing by farmers but it stabilized, in my judgment, the price the consumer has to pay as well.

This piece of legislation will prevent an undermining that I think is currently in place as a consequence of the current language of law. This new authority would provide full opportunity for farmers, and not just the commercial grain industry, to benefit from future efforts to entice grain from the storage to the market. This option will leave the ultimate marketing decision to the farmer and allow him to benefit from the market of grain and relieving the taxpayer of additional costs in storing and disposing of forfeited grain. I have shared this proposal with the administration officials and hope to win their support for this as well. I believe it is a simple and a commonsense change in our farm policy.

ADDITIONAL COSPONSORS

S. 16

At the request of Mr. CRANSTON the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 16, a bill to require the executive branch to gather and disseminate information regarding, and to promote techniques to eliminate, discriminatory wage-setting practices and discriminatory wage disparities which are based on sex, race, or national origin.

S. 247

At the request of Mr. METZENBAUM, the names, of the Senator from North Dakota [Mr. CONRAD], the Senator from South Dakota [Mr. DASCHLE], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 247, a bill to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such act, and for other purposes.

S. 335

At the request of Mr. MCCAIN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under Part B of the Medicare Program, with the exception of the spousal impoverishment benefit.

S. 355

At the request of Mr. RIEGLE, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Wisconsin [Mr. KOHL], and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 454

At the request of Mr. ROCKEFELLER the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 454, a bill to provide additional funding for the Appalachian development highway system.

S. 455

At the request of Mr. ROCKEFELLER the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 455, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 537

At the request of Mr. RIEGLE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 537, a bill to require that any calculation of the Federal deficit made as a part of the Federal budget process include a calculation of the Federal deficit minus the Social Security reserves.

S. 552

At the request of Mr. BRADLEY the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 552, a bill to restore balance among sources of supply for the Nation's sweetener needs, and for other purposes.

S. 893

At the request of Mr. LAUTENBERG, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 893, a bill to establish certain categories of Soviet and Vietnamese nationals presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Vietnamese parolees.

S. 933

At the request of Mr. HARKIN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 933, a bill to establish a clear and comprehensive prohibition of discrimination on the basis of disability.

S. 949

At the request of Mr. RIEGLE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 949, a bill to amend title XIX of the Social Security Act to provide States additional authority and flexibility under Medicaid to improve children's access to health care services, to assure sufficient payment levels for certain providers and to pro-

vide funds for demonstration projects, and for other purposes.

S. 972

At the request of Mr. WIRTH, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 972, a bill to transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of the effects of radiation, and for other purposes.

S. 1047

At the request of Mr. KENNEDY, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Vermont [Mr. LEAHY], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 1047, a bill to encourage negotiations between the United States and the Soviet Union to establish mutual and verifiable restrictions on the production of plutonium and highly enriched uranium for nuclear weapons purposes.

S. 1053

At the request of Mr. RIEGLE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1053, a bill to amend title V of the Social Security Act to provide for supplemental resources to enhance the delivery of health services to pregnant women and infants.

S. 1092

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1092, a bill to amend title 38, United States Code, to implement certain recommendations of the Commission of Veterans' Education Policy for veterans' education policy improvements concerning work-study allowances, institutional reporting fees, and distinctions in degree and nondegree training; and for other purposes.

S. 1107

At the request of Mr. SIMON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1107, a bill to provide education, training, employment, and related services to displaced homemakers, and for other purposes.

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 127

At the request of Mr. SIMON, the names of the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Joint Resolution 127, a joint resolution designating Labor Day Weekend, September 2-4, 1989, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 134

At the request of Mr. LEAHY, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. COCHRAN], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from New York [Mr. D'AMATO], the Senator from Illinois [Mr. DIXON], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Tennessee [Mr. GORE], the Senator from Washington [Mr. GORTON], the Senator from Utah [Mr. HATCH], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], the Senator from Vermont [Mr. JEFFORDS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Wisconsin [Mr. KASTEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Nebraska [Mr. KERREY], the Senator from Massachusetts [Mr. KERRY], the Senator from Wisconsin [Mr. KOHL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Florida [Mr. MACK], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. MCCLURE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Maine [Mr. MITCHELL], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Georgia [Mr. NUNN], the Senator from Oregon [Mr. PACKWOOD], the Senator from Rhode Island [Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], the Senator from Arkansas [Mr. PRYOR], the Senator from Michigan [Mr. RIEGLE], the Senator from Virginia [Mr. ROBB], the Senator from Alabama [Mr. SHELBY], the Senator from Illinois [Mr. SIMON], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. STEVENS], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], the Senator from California [Mr. WILSON], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 134, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "National Disability Awareness Week."

SENATE JOINT RESOLUTION 155

At the request of Ms. MIKULSKI, the names of the Senator from Washington [Mr. ADAMS], the Senator from Idaho [Mr. MCCLURE], the Senator from Kansas [Mr. DOLE], the Senator from South Carolina [Mr. THURMOND], the Senator from Michigan [Mr. RIEGLE], the Senator from Wisconsin [Mr. KOHL], the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. HATCH], the Senator from Oregon [Mr. PACKWOOD], the Senator from Nebraska [Mr. EXON], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PELL], the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Dakota [Mr. CONRAD], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Massachusetts [Mr. KERRY], the Senator from Georgia [Mr. FOWLER], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Georgia [Mr. NUNN], the Senator from Illinois [Mr. DIXON], the Senator from New York [Mr. MOYNIHAN], the Senator from Michigan [Mr. LEVIN], the Senator from North Carolina [Mr. SANFORD], the Senator from Texas [Mr. BENTSEN], the Senator from Maryland [Mr. SARBANES], the Senator from Arkansas [Mr. BUMPERS], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Indiana [Mr. COATS], the Senator from Wisconsin [Mr. KASTEN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Utah [Mr. GARN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Florida [Mr. MACK], the Senator from New York [Mr. D'AMATO], the Senator from Alaska [Mr. STEVENS], the Senator from Maine [Mr. COHEN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. HEFLIN], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 155, a joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day."

SENATE CONCURRENT RESOLUTION 40

At the request of Mr. CRANSTON, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of Senate Concurrent Resolution 40, a concurrent resolution to designate June 21, 1989, as "Chaney, Goodman, and Schwerner Day."

SENATE CONCURRENT RESOLUTION 47

At the request of Mr. SIMON, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of Senate Concurrent Resolution 47, a concurrent resolution expressing the sense of the Congress on multilateral sanctions against South Africa.

SENATE RESOLUTION 149—RELATING TO THE RESUMPTION OF START TALKS

Mr. MITCHELL (for himself, Mr. DOLE, Mr. BYRD, Mr. PELL, Mr. LUGAR, Mr. NUNN, Mr. STEVENS, and Mr. CHAFEE); submitted the following resolution which was considered and agreed to.

S. RES. 149.

Whereas reductions of strategic nuclear weapons which stabilize the nuclear balance through mutual and verifiable arms control treaties would enhance the national security of the United States and are a matter of the highest priority;

Whereas significant progress has been made in the strategic arms reduction (START) talks;

Whereas the successful conclusion of the intermediate nuclear forces (INF) negotiations, the ratification in 1988 of the INF Treaty, and recent initiatives regarding conventional forces in Europe indicate a favorable climate for further progress in arms control negotiations;

Whereas President Bush repeatedly has expressed his desire to pursue vigorously a strategic arms reduction agreement;

Whereas the Congress, the American people, and America's allies and friends overwhelmingly support the efforts of President Bush to make progress in all areas of negotiation with the Soviet Union; and

Whereas the START talks resumed in Geneva, Switzerland, on June 19, 1989: Now, therefore, be it

Resolved, That the Senate hereby—

(1) expresses its full support for the commitment of the President to achieving a verifiable and stabilizing strategic nuclear arms reduction treaty with the Soviet Union in order to advance the national security interests of the United States and its allies;

(2) encourages the United States and the Soviet Union to use vigorous diplomatic efforts to resolve the outstanding issues impeding progress toward successful conclusion of a START treaty;

(3) declares that an important obstacle to the conclusion of new arms control agreements with the Soviet Union has been its violation of existing treaties, and calls upon the Soviet Union to take steps to rectify its violations of such treaties, in particular, to dismantle the radar site at Krasnoyarsk, Union of Soviet Socialist Republics, since it is a clear violation of the terms of the Anti-Ballistic Missile Treaty; and

(4) urges the President to consult closely with the Senate and with America's allies as he proceeds with the START negotiations, recognizing that consensus and unity are essential to a successful conclusion, including ratification, of a strategic arms reduction treaty.

SEC. 2. For purposes of this resolution—

(1) the term "Anti-Ballistic Missile Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, done at Moscow on May 26, 1972; and

(2) the term "INF Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, together with the memorandum of understanding and the two protocols thereto, done at Washington on December 8, 1987.

SEC. 3. The Secretary of State shall transmit a copy of this resolution to the President.

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE

DOLE (AND OTHERS) AMENDMENT NO. 201

Mr. DOLE (for himself, Mr. PACKWOOD, Mr. DOMENICI, Mr. WILSON, Mr. DANFORTH, Mr. THURMOND, Mr. MCCONNELL, Mr. KASTEN, Mr. BOSCHWITZ, Mr. HEINZ, Mr. WARNER, Mr. GRASSLEY, Mr. GORTON, Mr. LUGAR, Mr. COATS, Mr. MURKOWSKI, Mr. LOTT, Mrs. KASSEBAUM, Mr. MCCLURE, Mr. MCCAIN, and Mr. GRAMM) proposed an amendment to amendment No. 196 proposed by Mr. MITCHELL (and others) to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

Beginning on page 1, line 3, strike all through page 96, line 25, and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Working Family Child Care Act of 1989".

TITLE I—HEAD START ACT AUTHORIZATION

On page 97, line 1, strike "125" and insert "101".

Beginning on page 97, after line 4, strike all through page 112, line 6.

On page 158, after line 11, insert the following:

TITLE II—EARNED INCOME CREDIT

SEC. 201. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

VOL 135 PT 9 JE 14 — 22 1989 UMI

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

TITLE III—DEPENDENT CARE CREDIT

SEC. 301. DEPENDENT CARE CREDIT MADE REFUNDABLE; OTHER CHANGES.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle and section 6401, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $25,000.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)(2)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses (as defined in section 21(b)(2)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee,

"(C) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end of the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense to the extent such expense—

"(A) is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) is not includible in the gross income of the recipient."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) 50 percent of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining 50 percent of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 302. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 201(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 303. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this Act, the Secretary of the Treasury and the Secretary of Labor, or the delegates of the Secretaries, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care and the earned income tax credit allowed under sections 21 and 32 of the Internal Revenue Code of 1986, respectively. Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credits and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

TITLE IV—BLOCK GRANT TO STATES FOR CHILD CARE SERVICES

SEC. 401. ESTABLISHMENT OF BLOCK GRANT.

The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is amended—

(1) by inserting after the subchapter designation the following:

"PART 1—DEPENDENT CARE PROGRAMS"; AND

(2) by adding at the end thereof the following new part:

"PART 2—BLOCK GRANT TO STATES FOR CHILD CARE

"SEC. 670I. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out the activities described in section 670L, there are authorized to be appropriated $400,000,000 for each of the fiscal years 1990 through 1994.

"SEC. 670J. ALLOTMENTS.

"(a) FORMULA.—

"(1) IN GENERAL.—The Secretary shall make an allotment to each State for each fiscal year, in an amount that bears the same ratio to the amount appropriated under section 670I for such fiscal year as the allotment figure of paragraph (2) for such State bears to the allotment figure for all States.

"(2) ALLOTMENT FIGURE.—The allotment figure for a State shall be the sum of—

"(A) the number of children who are under the age of 13 who reside in such State divided by the number of children who are under the age of 13 who reside in all States; and

"(B) the relative per capita income of the State multiplied by the factor determined under subparagraph (A) for such State.

"(3) DEFINITION.—For purposes of this section, the term 'relative per capita income' means—

"(A) the quotient of the per capita income of the United States divided by the per capita income of the State; or

"(B) in th
Samoa, the C
Mariana Islar
Pacific Islar
Puerto Rico,
tient shall be
"(b) ADDITIO
"(1) METHO
not allotted u
lotted among
tion to the
such States f
section (a).
"(2) DEFINI
subsection, th
Guam, Amer
the Common
ana Islands,
Pacific Islanc
"SEC. 670K. PA
SE
"(a) IN G
make payme
able for each
670I, as prov
United State
amount (not
section 670J
the Federal
to be expend
plan for such
"(b) FEDER
for each fisc
"(c) STATE
equal 100 pe
"(d) CARRY
State for a f
gated at the
available, fo
State for th
ment to the
"SEC. 670L. US
"(a) PROJE
State under
the State to
to enable su
to improve
child care in
"(b) AC
under subse
"(1) State
systems to
care service
availability.
"(2) activi
tion to en
quality chil
"(3) activi
modificatio
local child
"(4) train
child care p
their ability
"(A) to co
and safety
"(B) to de
"(C) to de
children;
"(D) to u
ing procedu
"(E) to t
tax laws;
"(F) to re
"(G) to t
improve th
ices provid
"(5) recr
increase th
and volun
seniors wh
"(6) acti
developme
"(7) loan
ovation o

"(B) in the case of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Commonwealth of Puerto Rico, or the Virgin Islands, the quotient shall be considered to be 1.

"(b) ADDITIONAL ALLOTMENT.—

"(1) METHOD OF ALLOTMENT.—Any amounts not allotted under subsection (a) shall be allotted among each of the States in proportion to the amount otherwise allotted to such States for such fiscal year under subsection (a).

"(2) DEFINITION.—For the purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"SEC. 670K. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—The Secretary shall make payments from amounts made available for each fiscal year pursuant to section 670I, as provided by section 101 of title 31, United States Code, to each State in an amount (not to exceed its allotment under section 670J for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the State plan for such fiscal year.

"(b) FEDERAL SHARE.—The Federal share for each fiscal year shall be 85 percent.

"(c) STATE SHARE.—The State share shall equal 100 percent minus the Federal share.

"(d) CARRYOVER.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of that year shall remain available, for the next fiscal year, to the State for the purposes for which the payment to the State was made.

"SEC. 670L. USE OF ALLOTMENTS.

"(a) PROJECT GRANTS.—Amounts paid to a State under section 670C shall be used by the State to make grants to eligible entities to enable such entities to conduct activities to improve the quality and availability of child care in such State.

"(b) ACTIVITIES.—Activities described under subsection (a) may include—

"(1) State and local resource and referral systems to provide information on child care services including, information on their availability, types, costs, and location;

"(2) activities to provide consumer education to enable individuals to select high quality child care services;

"(3) activities to improve the development, modification and enforcement of State and local child care standards and requirements;

"(4) training and technical assistance for child care providers and workers to improve their ability—

"(A) to comply with State and local health and safety standards and requirements;

"(B) to detect communicable diseases;

"(C) to detect and to prevent the abuse of children;

"(D) to use effective budget and accounting procedures;

"(E) to take full advantage of beneficial tax laws;

"(F) to reduce liability risks; and

"(G) to take any other actions designed to improve the quality of the child care services provided by such providers;

"(5) recruitment and training programs to increase the number of child care providers and volunteers, including the number of seniors who provide child care services;

"(6) activities to encourage the innovative development of before and after school care;

"(7) loan or grant programs for the renovation or modification of existing structures to meet State and local health and safety standards and requirements;

"(8) activities to reduce barriers to obtaining affordable liability insurance, such as the formation of child care liability risk retention groups;

"(9) activities to encourage the development of employer-assisted child care;

"(10) providing tax credits to low income working families with children, including two parent families in which one parent cares for the children of such family at home;

"(11) activities to increase child care services for children who are sick and temporarily unable to be cared for by their regular child care provider;

"(12) activities to increase the supply of child care services for children of individuals who are employed during non-traditional times of the day or week; and

"(13) activities to increase the supply of child care services to help meet the needs of special populations including children who are homeless, migrant, disabled, abused, neglected, or children of minors.

"(c) LIMITATIONS.—A State shall not use amounts paid to, or on behalf of it under section 670K to—

"(1) make cash payments to, or on behalf of, intended recipients of child care services;

"(2) pay for all or any part of the salaries of child care providers or their employees or staff or otherwise to pay for the operating costs of providing child care services;

"(3) pay for the costs of construction or land acquisition; or

"(4) satisfy any requirements for the expenditures of non-Federal funds as a condition for the receipt of Federal funds.

"(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States in planning and operating projects and activities to be carried out under this part.

"(e) STATE ADMINISTRATION.—Not to exceed 7 percent of the total amount paid to a State under section 670K for a fiscal year shall be used for administering the funds made available under such section. The State shall pay from non-Federal sources the remaining costs of administering such funds.

"SEC. 670M. APPLICATION AND STATE PLAN.

"(a) SUBMISSION.—

"(1) IN GENERAL.—To receive an allotment under section 670J, each State shall submit an application to the Secretary in such form, containing such information, and by such date as the Secretary shall require.

"(2) PLAN.—Each application submitted under paragraph (1) shall contain a plan that meets the requirements of subsection (b).

"(b) STATE PLAN.—Not later than 12 months after the date of enactment of this section, each State desiring to participate in the program authorized under this part shall prepare and submit to the Secretary a State plan. Each such plan shall—

"(1) describe the State agency that will administer the programs authorized under this part;

"(2) describe the authorized activities for which assistance is sought under this part;

"(3) provide assurances that the State will not expend in excess of 7 percent of the State allotment under section 670J during each fiscal year for administrative costs;

"(4) provide assurances that the State will give priority to activities that serve low-income areas and populations in accordance with criteria to be determined by the Secretary;

"(5) provide assurances that the State will coordinate the child care activities carried out with funds provided under this part with other Federal and State child care activities undertaken in the State through Federal or State programs;

"(6) provide such fiscal control and accounting procedures as may be necessary—

"(A) to ensure the proper accounting of Federal funds paid to the State under this subchapter; and

"(B) to ensure the verification of reports required under this subchapter; and

"(7) provide such additional assurances as the Secretary may reasonably require.

"SEC. 670N. REPORTING REQUIREMENTS.

"(a) STATE REPORTS.—Not later than 12 months after a State receives funds under this subchapter, and at 12-month intervals thereafter, the chief executive officer of such State shall prepare and submit to the Secretary, in such form as the Secretary shall prescribe, a report describing the States' use of funds received under this part.

"(b) REPORT TO CONGRESS.—Not later than 6 months after the receipt of State reports required under subsection (a), and at 12-month intervals thereafter, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report containing a summary of the information contained in the State reports submitted under subsection (a), and any additional information the Secretary considers appropriate.

"SEC. 670O. DEFINITIONS.

"As used in this part:

"(1) ELIGIBLE ENTITY—The term 'eligible entity' includes providers of child care services, and would not exclude religiously-affiliated providers.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(3) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

TITLE V—TREATMENT OF CHILD CARE EARNINGS

SEC. 501. CHILD CARE EARNINGS EXCLUDED FROM WAGES AND SELF-EMPLOYMENT INCOME FOR EXCESS EARNINGS TEST.

(a) WAGES.—Section 203(f)(5)(C) of the Social Security Act (42 U.S.C. 403(f)(5)(C)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new clause:

"(iii) the amount of any payment made to an employee who has attained retirement age (as defined in section 216(l)) by an employer for child care services (including indirect services) performed by such employee after the month in which such employee initially becomes entitled to insurance benefits under this title.".

(b) SELF-EMPLOYMENT INCOME.—Section 203(f)(5)(D) of such Act (42 U.S.C. 403(f)(5)(D)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii),

(3) by inserting immediately after clause (ii) the following new clause:

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(iii) an individual who has attained retirement age (as defined in section 216(l)) who has become entitled to insurance benefits under this title, any income attributable to child care services (including indirect services) performed after the month in which such individual becomes entitled to such benefits,", and

(4) by striking out "royalties or other income" and inserting in lieu thereof "royalties or income".

(c) PAYMENTS OF CERTAIN RECOMPUTED BENEFITS DELAYED.—Section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by adding at the end thereof the following new subparagraph:

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph shall be further increased on an actuarial basis to include such benefits which would have otherwise been paid in a lump sum (determined from the recomputation date to the effective date of such recomputation as provided under subparagraph (D)) as exceed an amount equal to such additional benefits determined for a thirteen month period beginning from such recomputation date.".

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to wages or income earned after December 31, 1989.

(2) The amendment made by subsection (c) shall apply to recomputations made after December 31, 1989.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on June 21, 1989, at 10 a.m. to hold a hearing on two bills dealing with oil-spill cleanup costs, S. 771 and S. 1066.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. DODD. Mr. President, I ask unanimous consent that the Communications Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 21, 1989, at 9 a.m. to hold a hearing on media ownership: diversity and concentration which will focus on ownership in the cable television industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 21, 1989, at 2 p.m. to hold hearings on S. 1067, the National High-Performance Computer Technology Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. DODD. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 21, 1989, at 9:30 a.m. to hold a hearing on S. 640, the General Aviation Accident Liability Standards Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs, be authorized to meet during the session of the Senate on Wednesday, June 21, 1989, at 10 a.m. to conduct hearings on S. 566, the National Affordable Housing Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSERVATION AND FORESTRY

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Conservation and Forestry of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Wednesday, June 21, 1989, at 1:30 p.m. to hold a hearing on the sustainability of forest resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Wednesday, June 21, 1989, at 9:30 a.m. The committee will hold a hearing to examine the Enterprise Zone Program and its impact on small business growth and development.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, June 21, 1989, at 9:30 a.m. in open session to receive testimony on the ICBM modernization program in review of S. 1085, the Department of Defense authorization bill for fiscal years 1990–91.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, June 21, beginning at 10 a.m., to conduct a hearing on S. 1113, the Waste Minimization and Control Act of 1989; and S. 1112 the Municipal Solid Waste and Source Reduction and Recycling Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Affairs, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, June 21, 1989, at 10:30 a.m., to hold a hearing on Central American migration to the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DODD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, June 21, at 9:30 a.m., on the subject of "averting alcohol abuse," new directions in prevention policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS

Mr. DODD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on June 21, 1989, at 2 p.m. for a hearing to receive testimony on S. 558, to authorize a study on methods to protect and interpret the internationally significant Lechuguilla Cave at Carlsbad Caverns National Park in the State of New Mexico; S. 560, to direct the Secretary of the Interior to conduct a study of certain historic military forts in the State of New Mexico; S. 818, to authorize a study on methods to pay tribute to the late Senator Clinton P. Anderson of New Mexico for his significant contributions to the establishment of a National Wilderness System; S. 855, to direct the Secretary of the Interior to establish a Cave Research Institute at Carlsbad Caverns National Park; S. 940, to designate segments of the East Fork of the Jemez River and of the Pecos River as components of the National Wild and Scenic Rivers System; and S. 963, to authorize a study on methods to commemorate the nationally significant highway know as route 66, and for other purposes

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Charles G. Pearcy, a member of the staff of Senator LOTT, to participate in a program in West Germany, sponsored by the Hanns Seidel Foundation, from June 27 to July 5, 1989.

The committee has determined that participation by Mr. Pearcy in the program in West Germany, at the expense of the Hanns Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Ms. Sally Susman, a member of the staff of the Committee on Commerce, Science, and Transportation, chaired by Senator HOLLINGS, to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs, from June 23 through July 8, 1989.

The committee has determined that participation by Ms. Susman in the program in China, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Robert Soofer, a member of the staff of Senator GORTON, to participate in a program in West Germany, sponsored by the Hanns Seidel Foundation, from June 27 to July 5, 1989.

The committee has determined that participation by Mr. Soofer in the program in West Germany, at the expense of the Hanns Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Lawrence M. Lesser, a member of the staff of Senator LOTT, to participate in a program in Taiwan, sponsored by Soochow University, from July 1 to 9, 1989.

The committee has determined that participation by Mr. Lesser in the program in Taiwan, at the expense of Soochow University, is in the interest of the Senate and the United States.●

MINOR LEAGUE FOOTBALL HALL OF FAME

● Mr. DURENBERGER. Mr. President, last week in Elmhurst, IL, the American Football Association inducted 1988 and 1989 members into the Minor League Football Hall of Fame, saluting 23 men who quietly, in their own way, gave their energy, spirit and enthusiasm to communities across the country. While not in the limelight, these men contributed significantly to the building of character and represent others across the country who many never appear on the front page of any newspaper. Yet, they play a most important role.

As my colleagues may know, I understand the value of sports in the development of many fine men and women through my father—who served as a university athletic director for many years.

I feel fortunate to be personally acquainted with one inductee—Sol Rosen—whose family I have known for many years. I am aware of the significant contribution he made through his work as a player, coach, general manager and commissioner. His 45 years of effort left a lasting impact on thousands of people.

I salute his commitment and efforts and congratulate the entire 1988 and 1989 class for their accomplishments. Mr. President, I submit for the RECORD the list of all inductees.

The list of inductees follows:

HALL OF FAME CLASS OF 1988

Terry Judkins,
Dick Suess,
Mike Herr,
Barry Walters,
Joseph Mason,
Jim Nugent,
Ed O'Reilly,
Bob Herstine,
Stu McLean,
Bob Engle,
Sol Rosen,
Cal Lepore,
Bob Oats, Jr.,
Kurt Kampendahl,
John Olenchalk,
Bill Walsh,
Averril Harris,
John Smith,
Garo Yepreiam,
Sam Wyche, and
Fank Bonk.

HALL OF FAME CLASS OF 1989

Lou Policastro, Jr.,
Farnk Yanik,
Pearce Johnston,
Lee Albrecht,
Joe Cronin,
Rudy Nebel,
Rod "Lung" McKinzie,
Tom Anthony,
Greg Johnston, and
Woody Peoples.●

COMMENDING TRUMBULL AND SOUTHINGTON HIGH SCHOOLS RELATIVE TO NATIONAL BICENTENNIAL COMPETITION

● Mr. DODD. Mr. President, it gives me great pleasure to extend my congratulations to two Connecticut schools, Trumbull and Southington High, for their outstanding performances in the National Bicentennial Competition on the Constitution and the Bill of Rights.

The National Bicentennial Competition provides high school students with a 6-week instructional program designed to cultivate an understanding of the fundamental principles of our constitutional democracy and the history of its development. Following this instruction, a competition takes place in which entire classes compete as teams to determine congressional district, State, and national winners.

Following weeks of intensive study and preparation, the students of Trumbull High School placed among the top 10 schools in the Nation at last year's competition. That event was especially exciting because it was the first national level competition. This year, Southington High School was curriculum unit winner, bringing national distinction to Connecticut schools for the second year in a row. The consistent hard work and dedication of these students, their teachers, and program coordinators is a source of great pride and inspiration.

I ask my colleagues to join me in applauding both Trumbull and Southington High Schools for their superlative efforts.●

THE CHINESE EXECUTIONS

● Mr. KERRY. Mr. President, the tragic events in China have captured the attention of the world. Everyone who values freedom and democracy has been shocked and dismayed as the Chinese Government rounds up its citizens, expels journalists, and in statements reminiscent of George Orwell's novel, "1984," informs the world that no one was killed in Tiananmen Square.

I am particularly outraged by the recent Government executions of three student leaders, who were guilty of nothing more than working for a more open and just society. The Chinese Government has committed a barbarous act and must be held accountable for its actions. I am hopeful that the United States and other democratic governments will join together in strongly condemning these killings.

I also believe that the President must convey to the Chinese leaders that the future of United States-Chinese relations has been thrown into jeopardy by these despicable deeds. Despite our desire for close relations

with the Chinese people, we can no longer maintain a close economic relationship with a nation whose government lacks respect for such fundamental human rights. The leaders of the Chinese Government, old, tired, and out of touch with their own people's vision of the future, have in a matter of weeks, destroyed the steady progress toward a sound relationship between our countries that had been building over the last two decades.

Mr. President, no one has suffered more than the Chinese people during these past 3 weeks. But the American people have also suffered two great tragedies as a result of the events in Tiananmen Square: First, the loss of life of young people who sought to be free and who we had come to greatly admire; and second, a heartbreaking halt in the march toward a close, cooperative, and peaceful relationship between the people of China and the people of the United States.●

CHALLENGER ELEMENTARY SCHOOL

● Mr. RIEGLE. Mr. President, I rise today to pay tribute to the Kentwood Public School system in Grand Rapids, MI. The school system is celebrating the ground breaking of their newest school, the Challenger Elementary School. This is the first school in the Nation to be named after the space shuttle *Challenger*.

During my 22 years in Congress, I have witnessed many historical events, but few have touched me as deeply as the events surrounding the accident of the space shuttle *Challenger*. The memory of that terrible moment is indelibly etched in my mind. Together with the shock and sadness of that event however, there is also inspiration. We have all been moved by the courage and vision of the astronauts who gave so much of themselves to advance science and those who continue to carry our Space Program forward.

As the chairman of the Senate Science, Technology and Space Subcommittee, which has jurisdiction over NASA programs, I had the opportunity to see, firsthand, the challenges faced by the U.S. Space Program. Today, more than ever before, it is important that America has a strong and visible presence in space. The *Challenger* accident has taught us that we cannot take our space program for granted. We must be committed as a nation to move forward with aggressive exploration and program development, while taking every step needed to protect the safety of our astronauts.

Our Space Program has, for more than 20 years now, been a vital element in increasing the breadth of our knowledge and understanding. Generations of children have been inspired by space flight and exploration. Many have gone on to become the pioneers in space technology. The children of today deserve to share that inspiration; to dream about flying to the Moon, or to the planets. Teachers, who have always had a special bond with space exploration, help fuel the students' desire for learning, just as Christa McAuliffe challenged her students to learn more about the world we live in. Her special memory will live on in the hearts and minds of all of us. I know she would tell us to continue to push forward in our quest for knowledge.

There are many signs that the spirit of the *Challenger* lives on across the country. The dedication of the Challenger Elementary School is a fitting tribute, not only to the seven *Challenger* crew members, but to the entire U.S. Space Program.

As community leaders, administrators, teachers, parents, and students gather to mark this special occasion and embark on their new mission, let it encourage all of us to dare to reach for the stars.●

A RAY OF HOPE IN THE WEST BANK

● Mr. DECONCINI. Mr. President, during my meetings with Arab leaders on my recent trip to the Middle East, May 19–30, where I visited Syria, Saudi Arabia, Bahrain, Oman, Kuwait, Egypt, and Israel, I was repeatedly told that in renouncing terrorism and recognizing Israel's right to exist, PLO Chairman Yassir Arafat had taken 10 steps forward to the 1 step Prime Minister Shamir had taken with his peace initiative for the West Bank and Gaza Strip. Israeli officials with whom I met, however, characterized Shamir's proposal as a dramatic action, surpassing many of the efforts of previous leaders. Regardless of the number of steps taken in the eyes of one group or another, the journey of a thousand miles—achieving peace in this troubled region of the world—has begun.

This journey, however, will be a long and arduous one. As I traveled throughout the countries of the Middle East, I was encouraged by the words I heard and by the glimpses I caught of ingredients for a potential peace. At the same time, I continued to be dismayed by the posturing and lack of vision displayed by the leaders of various Arab countries. I heard many say that their countries had "implicitly" recognized Israel and acknowledged its existence. But no one was willing to say that he would "say the words" publicly.

Why is it unreasonable to ask Arab countries to recognize Israel? Of the leaders I spoke with all but one acknowledges that Israel is going to remain where it is. There may be disagreements as to boundaries but, surely, no one really believes Israel is going to disappear, or for that matter be defeated militarily. I think the latter point has been made very clear by past military engagements.

Leadership involves taking bold initiatives and sometimes means taking risks to achieve a visionary goal. Menachem Begin and Anwar Sadat were two of the region's most visionary leaders. These longtime enemies desired peace for their countries and took the risks to achieve it. Ultimately, Mr. Sadat paid with his life by gambling for peace, but his country and the region have been the better for his actions.

President Mubarak and subsequent Israeli leaders have maintained their commitment to the Camp David agreement. President Mubarak has had to withstand great pressure from his Arab League associates and only recently was he accepted back into the league after 10 years of exile. He gave up nothing in return and was able to hold his head high with pride for his country and with peace for his people.

Similarly, Prime Minister Yitzhak Shamir has taken a domestic political risk in coming forth with his peace initiative. As I told the leaders with whom I met, when the Prime Minister was in Washington earlier this year, a number of my colleagues and I, all of us strong friends of Israel, told him that he had to do something about the violence in the territories and the human rights violations by the Israeli Government in attempting to stem the Intifada. He did not take kindly to these comments. In the past, he has vowed that he would never allow elections in the occupied territories. Yet, he ultimately proposed an initiative in April which calls for elections as well as three other proposals.

Charitably, one could even say that Yasser Arafat has taken some risks by his recent actions. I have strongly opposed Mr. Arafat. He is a proven terrorist with the blood of Americans on his hands. I do not trust what he says and I abhor the tactics he has used in attempting to achieve his goals.

In December, however, after many protracted negotiations, Mr. Arafat said the words that the United States had been urging him to say for years. He renounced terrorism. He recognized the State of Israel and its right to exist. While I had doubts, he met the conditions established by the United States. I supported the Reagan administration when it began the U.S. dialog with him.

Has Palestinian Liberation Organization terrorism ceased? No. Has the Intifada stopped now that the United States has entered into a dialog with Mr. Arafat? Unfortunately, no. When I met with various Palestinians in the occupied territories last month, I asked them who they felt was their representative. They responded that

the PLO and Yasser Arafat represented their views.

It is understandable for a group of people to want a person they can point to and say that "he represents me." This is especially true if the group has few opportunities for representation among other groups. It is another matter, however, when that representative is not in control of the situation which he or she claims to control or represent. Just as Jesse Jackson and Ronald Reagan are not the "sole, legitimate" representatives of the Democratic and Republican Parties, respectively, so Yasser Arafat and the PLO cannot be the "sole, legitimate representatives of the Palestinian people." If he were the one, true representative, Mr. Arafat could bring an end to the Intifada as a demonstration of his sincerity in desiring peace with Israel.

If the terrorist activities against Israel continue, the statements regarding a cessation of terrorism by the "sole representative" notwithstanding, at what point will the United States say enough is enough and call for an end to the U.S.-PLO dialog?

At best, Mr. Arafat represents but one of many factions which in their entirety encompass the Palestinian people. The Intifada, however, arose from within the Palestinians in the occupied territories. It is only wholly controlled by the PLO. Rather, it is fed from the frustrations of a voiceless people and is guided and financed by many outside sources. I am, therefore, in agreement with Prime Minister Shamir and others in Israel who say that the PLO, the perpetrator of violence and death in the Middle East and around the world, should be excluded from the elections process unless and until it renounces terrorism and violence within the borders of Israel and beyond in deed as well as word.

The Shamir peace initiative, however, deserves further exploration and support. The initiative is not an end in and of itself, but is the beginning of the process from which peace for the region may be achieved.

It is a four-point initiative, only one point of which involves elections in the occupied territories. The initiative deserves to be viewed in its entirety. The first point calls for a continuation and strengthening of the Camp David peace accord with Egypt and an expansion of relations between Israel and Egypt.

The second point restates the need for Arab nations to recognize Israel's right to exist as an independent country which will remain in the region. This would naturally include an end to the attempts by Arab countries to expel Israel from the United Nations and an end to the Arab economic boycott of Israel.

The third point involves the humanitarian need to obtain international financial assistance to rehabilitate and properly house the thousands of people in the refugee camps in the occupied territories.

The final point in the initiative is the call for elections among the Palestinians in the occupied territories to begin municipal self-representation and to determine who will act as negotiators with the Israeli Government for a permanent settlement for the area.

The fact that a man who has strenuously opposed elections for many years, and who voted against the Camp David agreement, has now come forward with a proposal in the face of political pressure and severe dissent from certain elements in his own party is a fact not to be taken lightly. Many legitimate questions remain to be fleshed out by the Israeli Government before the residents of the occupied territories will accede to the election strategy. However, for "meat" to be put on the "bones" of the initiative, the Palestinians must step forward with their own suggestions or counterproposal. Again, Mr. Arafat alone cannot be the sole negotiator for the Palestinians.

It is understandable that the Palestinians hesitate to respond. Many remember the outcome of the last elections in 1976. After electing people to represent the Palestinians in the West Bank and Gaza, many mayors and other officials were forced out of office, jailed, or otherwise removed from their positions. Many who have attempted to enter into discussions with Israeli authorities have been branded and accused of being collaborators; some have been assassinated and many others were being intimidated. If Mr. Arafat really represents the PLO, let him stop such actions. Let him or his representatives offer to come forward with Palestinians from the West Bank and Gaza to discuss the election process as set out by Shamir.

There is an overwhelming sense of distrust on both sides about the intentions of the other. The Israelis feel threatened by the Intifada and the violence against the settlers in the territories. The Palestinians, frustrated by what they feel is the excessive use of force by an occupying entity, are deeply suspicious of anything proposed by the Israel Government. Added to this explosive mix is the increase in vigilante activity on the part of the Israeli settlers in the territories. They have begun taking the law into their own hands because they feel their own Government is not doing enough to protect them. The result is many innocent dead, and many more injured and crippled, Palestinian and Israeli men, women, and children.

If the Arab States really want to help their Palestinian brothers, they will stop their financial support for the Intifada and will recognize Israel's right to exist—that is a subject which must be decided over time—but they must publicly state that Israel is a nation which will remain in the region. Also, both sides can do more to stem the increase in human rights violations and violence in the West Bank and Gaza. Self-patrol of one's actions can do much to protect violence.

For its part, Israel should begin defining what it means by free, democratic, and secret elections. Some of the Palestinians with whom I spoke said they would like to see the elections run like those in the United States. They would like to be able to run under whatever party or affiliation they chose and to be able to choose their own colors, flags, and banners. Israel, However, will not allow the PLO—its colors, flag, or name—to be shown in the occupied territories. I think Israel must rethink these positions if they are really talking about free and fair elections. Means must be found for the Palestinians to express themselves and their identity.

I understand their desire for expression and I support free and fair elections. I would caution, however, that when one speaks of U.S.-style elections, one speaks of a pluralistic system. In this country, we allow many parties and voices to be heard. This would mean that voices other than the PLO's would have to be heard in the West Bank and Gaza. This would also mean that the threats and intimidation used against those Palestinians who work for peace independent of the PLO must cease. This would mean that Palestinians other than just the PLO would be able to run in the elections. If the PLO is so powerful, maybe it can guarantee a pluralistic election in which any and all can participate.

I support the Shamir peace initiative. I recognize that it is a first step, but it is a significant step. I recognize the enormous domestic political difficulties which face Prime Minister Sharmir, his party, and his country. As a democratic nation, however, Israel has the resilience to undergo these stresses and emerge stronger for the process.

I challenge the Palestinians and the Arab nations to respond to the peace initiative. While not accepting the proposal, I am pleased that the Arab League, meeting in Casablanca, did not reject it outright. It is my strong impression that Egypt's President Mubarak took the lead in getting the league not to reject the proposal. He deserves the credit and support of the United States and Israel for his efforts. I feel the Arab nations can go

VOL 135 PT 9 JE 14 — 22 1989 UMI

further by adding to the dialog and bringing forth proposals of their own.

Egypt has already demonstrated a willingness to act as an interlocutor and to begin the search for common ground. I share the views expressed to me by Prime Minister Shamir that now may be the ideal time for Jordan to become reengaged in the peace process. Positive movement on the part of Egypt and Jordan would perhaps bring other Arab States into the process and help facilitate the dialog.

The Palestinians in the occupied territories can do the same by working amongst themselves to develop their own proposals. The stakes are high, but if the Palestinian people are sincere in their desire for independence, they must make their bid without the full knowledge or approval of other key players. The Israeli Government has anted up, now the Palestinians must do the same.

As for Mr. Arafat and the PLO, they are also players in this game. They do not and should not, however, hold all of the Palestinian cards. They have voiced some things that the West has long waited to hear. The violence, however, continues, as does the intimidation and the Intifada. While it was an indigenous movement on the part of the Palestinians within the occupied territories, the PLO has attempted to claim the Intifada as its own. If it truly were the PLO's, then Mr. Arafat could call a halt to it and demonstrate through his actions his desire for peace. If he were the "sole, legitimate representative of the Palestinian people," then he could end the violence. This is obviously not the case; he is a player with whom the United States and others must contend until the Palestinian people come forward with their suggestions on how Israel can flesh out its initiative and work together with them for a permanent solution to the situation in this troubled part of the world.

Change is difficult. Compromise between enemies of long standing may seem impossible; however, I believe a ray of hope exists and if the leaders of the Arab States, the Palestinian leaders, and the leaders of Israel work toward the long-term needs of their peoples, they will begin the task of seeking peace for the well-being of their peoples. Let us begin to travel the difficult road toward reconciliation.●

CAMP ARROWHEAD TO CELEBRATE 65TH ANNIVERSARY

● Mr. DANFORTH. Mr. President, I am pleased to pay tribute to an organization that has prepared young men for leadership and service for more than six decades. Camp Arrowhead near Marshfield, MO, is the oldest Boy Scout Council camp west of the Mississippi River. On June 24, Camp Arrowhead will celebrate its 65th anniversary of service to young people.

My colleagues are aware of the good work done by Boy Scout camps such as Camp Arrowhead. Scouting teaches skills that young men would be unable to acquire anywhere else. The benefits provided by Scout camps go far beyond learning to build a campfire or pitch a tent. Camping also teaches self-reliance, leadership, and group effort and instills character. As our Nation moves into the future, institutions such as the Boy Scouts will be working to assure that tomorrow's leaders are ready to meet the challenge of moving America in the right direction.

Of particular interest, on the 65th anniversary of Camp Arrowhead, is the decision of the Ozarks Council of the Boy Scouts to honor Dr. Durward G. Hall, former Member of the House of Representatives, with the Distinguished Citizen Award. Dr. Hall, long a champion of Scouting, is recognized for his contributions as a civic leader, Member of Congress, physician, and a key figure in the development of Camp Arrowhead. Dr. Hall has given freely of his time over many years, including service as a camp director at Camp Arrowhead. Today, Dr. Hall serves as honorary chairman of the capital campaign to refurbish Camp Arrowhead and is a member of the board of regents of the National Eagle Scout Association.

It is a special pleasure to extend congratulations to a friend, Durward Hall, and to express appreciation for his efforts on behalf of the young men who have gained so much from being Boy Scouts. I recognize and commend the good work of Camp Arrowhead as it completes 65 years of service, and begins its next 65 years of helping Boy Scouts to become responsible adults and good citizens of this great Nation.●

CHILD CARE IMPROVEMENT ACT

● Mr. COATS. Mr. President, I ask to have printed in the RECORD a letter opposing the Mitchell substitute from the National Association of Evangelicals and an article by Phyllis Schafly entitled "Will Congress Wipe Out Religious Day Care."

Provisions in the ABC discriminate against day-care centers which provide religious values and instruction. Legislation should not limit the right of parents to select the type of child care they deem most appropriate for their children, including services provided by religious organizations. Discrimination against parents with religious commitments, whose faith compels them to choose religious day care, is not the intent of the Constitution. The Government should not dictate where our children receive care and should not discourage religious organizations from providing quality child care.

The material follows:

[From the National Association of Evangelicals]

PROBLEMS FOR RELIGIOUS CHILD CARE IN THE REVISED ABC BILL OR "MITCHELL AMENDMENT"

The "ABC" child care bill (S.5) now nearing a vote in the Senate, originally excluded from assistance families who choose day care with religious activity. The revised bill (Mitchell Amendment) prohibits assistance to "sectarian activity" except where the means of assistance may be "child care certificates to parents", redeemable with "eligible child care providers". This exception is heralded as solving the problems of discrimination against parents who choose religious care. It does not. In particular:

1. "Eligible child care providers" must be licensed or regulated under state law". In quite a number of states, church-based day care is exempt from regulation. Parents in these states would be denied the religious choice in using certificates under ABC.

2. The dismayingly complex and ambiguous provisions appear to require that a state, to participate in the federal funding, must impose regulation on all day care providers—thus tending to coerce state regulation of church-based child care centers in states where they are now exempt, whether or not such centers receive any assistance.

3. According to the Department of Justice, as a consequence of child care certificate use (or other aid) "all child care centers . . . and any affiliated religious organizations like churches and synagogues, would be subject to the strictures of the Civil Rights Restoration Act of 1988." Any selectivity in employment practice or dealing with children based on religious or moral considerations could subject day care center and church to both the CCRA (Grove City Bill) and a number of additional discrimination strictures which appear in the ABC bill or might be added by HHS regulations. The Department foresees "officious government intervention in the private affairs of churches."

4. The ABC bill does not provide working guides of permissible use of child care certificates in religious day care, but instead literally invites court litigation to provide the working rules with a declaration that "assistance . . . shall not be expended in a manner inconsistent with the Constitution," and the addition of a severability clause to keep the rest of the bill moving if the certificate process is held up in litigation.

5. There is no requirement that any of the billions authorized be channeled to the "child care certificate" process where the choice of religious day care is to be available to parents. The states are free to limit or omit this channel, and the litigation potential will increase their past reluctance to use such vouchers or certificates.

The vast regime of subsidies and regulation in the ABC bill must be avoided, and replaced by a non-discriminatory tax credit approach, using the principles of the Administration proposal.

WILL CONGRESS WIPE OUT RELIGIOUS DAYCARE?

(By Phyllis Schlafly)

It is difficult to escape the conclusion that one major purpose of most of the daycare bills pending in Congress is to prevent all preschool children from being subject to

any religious influence. Any federal legislation that would give grants for daycare would have that effect, and there is no way to "fix" the religious daycare problem so long as grants of federal money are involved.

The original Dodd ABC daycare bill last year in Sections 20 and 21 contained some of the most virulently anti-religious language ever seen in any proposed legislation. The bill's advocates softened some of the language this year, but they did not diminish the problem at all.

The problem is explained in a 12-page Department of Justice opinion dated May 4, 1989 which concludes that the ABC bill would impose on all religious daycare "clear litigation risks" and "oppressive government oversight." If a church ever receives any benefit from the bill, it would suffer "far-reaching, officious government intervention in the private affairs of churches," and if it rejects all benefits, the religious daycare facility will be regulated anyway.

Translated into laymen's usage, this means, "Little church offering daycare, beware! If the daycare bill passes, your church will be inspected, regulated and harassed regardless of whether or not you get any benefits."

While the Justice Department's opinion was addressed specifically to the Dodd ABC bill, all the other pending bills that would give any "grants" or "certificates" for daycare would have the same effect. There is just no way out of the religious daycare dilemma.

Church-run daycare would most likely be barred from all benefits under the bills because, if the facility does anything at all religious (such as saying grace before milk and cookies), it would be deemed "pervasively sectarian" by the bureaucracy and the courts. Even if the church-based daycare were not ruled "pervasively sectarian," it probably would be barred from participation because the courts would hold that the continual monitoring of the center would result in an unacceptable church-state "entanglement."

Even if the church-based daycare sanitized itself of everything religious (i.e., prohibited Bible stories and grace before meals, covered up the cross on the wall, and stopped hiring caretakers of its own denomination) and accepted government monitoring to assure that it remained scrupulously secular, the acceptance of one dollar of federal money under any form (including "certificates") would make the daycare facility AND its affiliated church or synagogue subject to the Civil Rights Restoration Act (the Grove City Act). This would bring the church under the full force of Section 504 of the Rehabilitation Act of 1973, Section 309 of the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, and Title IX of the Education Amendments of 1972.

Even more significant, regardless of how faithfully the church-based daycare center purged itself of everything religious, the Justice Department predicts that these centers "would probably be the targets of endless litigation in which their policies and practices would be questioned and second guessed." In defending themselves against such suits, church daycare would be forced to produce personnel records, expense records, and memoranda on private conversations between daycare personnel and church officials.

No wonder the Justice Department concluded that "whatever benefits religiously affiliated child care providers might receive could well be far outweighed by the financial costs and administrative burdens of compliance." But that's still not the worst of it.

Many states (especially in the south) now exempt church-operated daycare from state regulation and licensure, under the theory that religious daycare is a kind of Sunday school on weekdays. The Dodd ABC bill, however, would require state governments to impose all licensing and regulatory requirements (including registration requirements) "uniformly on all child care providers."

So, religious daycare which is now exempt from licensing would be ferreted out and forced into the government's regulatory scheme. Since religious daycare predominantly serves the poor in urban areas, the net result of these bills would be to reduce services and raise costs for those least able to afford them, as well as massively discriminate against those who choose to have some religious influences on their preschool children.

There is only one approach to the child care problem that avoids all these issues: Don't give any federal "grants" or "certificates"; instead give every preschool child a tax credit on his parents' income tax so that the parents can spend their own money in their sole discretion just like an income tax refund.

Then parents will be able to choose religious or secular, family or institutional child care, as they wish.●

DEFENSE SPENDING

● Mr. BOSCHWITZ. Mr. President, I would like to draw my colleagues' attention to some very welcome and encouraging news about defense spending. Today's Washington Post reports that the House Armed Services Subcommittee on Procurement voted yesterday to approve Defense Secretary Richard B. Cheney's $69 billion weapon procurement budget intact, breaking with the unfortunate political custom of "porking out" the budget with billions of dollars' worth of so-called add-ons and plus-ups.

The importance of this vote cannot be underestimated. I pointed to the magnitude of defense spending waste when I offered an amendment to the 1989 Defense appropriations bill, which would have cut $1.7 billion in add-ons—items which the Pentagon did not even ask for. In addition, Congress appropriated some $4.8 billion more than the Defense Department requested for certain programs. I know that Minnesotans are concerned that—given our current budget situation—we get the most bang for the buck out of our defense budget. We must resist the urge to micromanage the Pentagon or to trade national security for pork barrel politics. This subcommittee vote is a first step toward meeting those challenges.

Of course, the process is a long one. The procurement budget has yet to go before the full House Armed Services Committee, and it will be a long journey through the authorization and appropriations process. The narrowness of the House Subcommittee vote, 10 to 9, demonstrates what a perilous journey it will be.

I commend the House Subcommittee on Procurement on its efforts to keep the Defense budget from looking like, to quote the Post, "a Christmas tree decorated with projects dear to various congressional districts." In a time of tightening budgets, we can no longer afford defense spending to be ruled by parochial interests. It is time for Congress to fashion a defense budget based on our national security needs, not our local political interests.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations:

Calendar 180. Jeffrey N. Shane to be an Assistant Secretary of Transportation;

Calendar 181. Kate L. Moore to be an Assistant Secretary of Transportation;

Calendar 182. Fred S. Golove to be a permanent commissioned officer in the Coast Guard Reserve;

Calendar 185. Thomas J. Murrin to be Deputy Secretary of Commerce;

Calendar 186. Susan C. Schwab to be an Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service;

Calendar 187. Eddie F. Brown to be an Assistant Secretary of the Interior;

Calendar 189. Morton I. Abramowitz to be Ambassador to Turkey;

Calendar 190. Melvyn Levitsky to be an Assistant Secretary of State for International Narcotics Matters;

Calendar 191. Thomas Niles to be the Representative of the United States of America to the European Communities;

Calendar 192. Richard H. Solomon to be an Assistant Secretary of State;

Calendar 193. Jewel S. Lafontant to be U.S. Coordinator for Refugee Affairs;

Calendar 194. Edward N. Ney to be Ambassador to Canada;

Calendar 195. Robert D. Orr to be Ambassador to the Republic of Singapore;

Calendar 197. Fred M. Zeder II, to be President of the Overseas Private Investment Corporation;

Calendar 198. Mark L. Edelman to be Deputy Administrator of the Agency for International Development;

Calendar 199. E. Patrick Coady to be United States Executive Director of

the International Bank for Reconstruction and Development; and

Nominations placed on the Secretary's desk in the Coast Guard and Public Health Service.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear as if read in the RECORD, that the motions to reconsider be tabled, en bloc, that the President be notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF TRANSPORTATION

Jeffrey Neil Shane, of the District of Columbia, to be an Assistant Secretary of Transportation.

Kate Leader Moore, of the District of Columbia, to be an Assistant Secretary of Transportation.

IN THE COAST GUARD

Pursuant to the provisions of 14 U.S.C. 729, the following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral (lower half): Fred S. Golove.

DEPARTMENT OF COMMERCE

Thomas Joseph Murrin, of Pennsylvania, to be Deputy Secretary of Commerce.

Susan Carol Schwab, of Maryland, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service.

DEPARTMENT OF THE INTERIOR

Eddie F. Brown, of Arizona, to be an Assistant Secretary of the Interior.

DEPARTMENT OF STATE

Morton I. Abramowitz, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey.

Melvyn Levitsky, of Maryland, to be Assistant Secretary of State for International Narcotics Matters.

Thomas Michael Tolliver Niles, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be the Representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Richard H. Solomon, of the District of Columbia, to be an Assistant Secretary of State.

Jewel S. Lafontant, of Illinois, to be United States Coordinator for Refugee Affairs and Ambassador-at-Large while serving in this position.

Edward N. Ney, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Robert D. Orr, of Indiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Fred M. Zeder II, of New York, to be President of the Overseas Private Investment Corporation.

Mark L. Edelman, of Missouri, to be Deputy Administrator of the Agency for International Development.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

E. Patrick Coady, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD, PUBLIC HEALTH SERVICE

Coast Guard nominations beginning Cyrus J. Scott, and ending Lucille T. Laliberte, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 6, 1989.

Public Health Service nominations beginning Kenneth L. Brooks, and ending Andrew L. Olnes, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 9, 1989.

Public Health Service nominations beginning Bruce A. Chabner, and ending Gary W. Blair, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 17, 1989.

Public Health Service nominations beginning Thomas R. Bender, and ending George E. Foley III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 17, 1989.

STATEMENT ON THE NOMINATION OF DR. EDDIE F. BROWN

Mr. INOUYE. Mr. President, I rise today in support of Senate confirmation of the nomination of Dr. Eddie F. Brown as Assistant Secretary for Indian Affairs, U.S. Department of the Interior. As chairman of the Select Committee on Indian Affairs, I was pleased to conduct a hearing yesterday on Dr. Brown's nomination and to receive testimony from the nominee regarding his interest and concern for Indian people.

Dr. Brown was born in Ajo, AZ, in 1945, and received degrees from Brigham Young University and the University of Utah, including a doctorate in social work. He served as director of the United Council on Urban Affairs in Salt Lake City in 1972 and was appointed that same year to the faculty of the University of Utah. From there, Dr. Brown went to the Arizona State University where he was associate professor in the Graduate School of Social Work.

In 1979, Dr. Brown became assistant director of the Office of Intergovernmental Operations for the Arizona Department of Economic Security. From February 1985 to August 1988, Dr. Brown was chief of the Division of Social Services for the Bureau of Indian Affairs at the U.S. Department of the Interior. In January 1987, Dr. Brown was appointed director of the Arizona Department of Economic Security, that State's largest government agency, with 7,000 employees, 125 field offices, and an annual budget of over $1 billion. As an enrolled member of the Pascua Yaqui Indian Tribe of Arizona, Dr. Brown was the first American Indian to head a major department in the State of Arizona.

Because of his Indian heritage and unique qualifications, Dr. Brown will be an excellent Assistant Secretary to direct the work of the Bureau of Indian Affairs and other agencies in the Department of the Interior. I ask that Dr. Brown's oral testimony, transcribed from yesterday's hearing, be printed in the RECORD immediately following my remarks. I believe this testimony shows the sincere concern and unique understanding that Dr. Brown will bring to this very important position. Dr. Brown speaks of self-determination, the trust responsibility, the sovereignty of Indian tribes, and the government-to-government relationship that we in the Congress and those in the executive branch of the Federal Government need to appreciate and comprehend in order to meet our trust obligations to the American Indian people.

I respectfully request that my Senate colleagues join me in supporting the confirmation of Dr. Eddie F. Brown to be the Government's leading spokesperson for Indian issues as we move into the last decade of this century.

PRESENTATION OF STATEMENT BEFORE THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS, JUNE 20, 1989

Mr. Chairman, Mr. Vice Chairman, and Members of the Committee, I have submitted my written formal statement to be entered into the record and to request that I be allowed at this time to review the major sections of my statement.

As stated, my name is Eddie F. Brown and I am an enrolled member of the Pascua Yaqui Tribe.

I am the son of Julia Valenzuela, a Yaqui-Tohono O'Odham Indian, who in 1914, at a very young age, officially entered into this country with her family in back of a buck board wagon drawn by horses in search of an environment free from persecution and discrimination. She was a courageous, self-educated woman who instilled in me a strong sense of ethical values and the importance of working hard for those things I believe in. Although she is no longer living, I want it to be recorded that I share with her all honors and credit for my being here today.

I greatly appreciate the opportunity to appear before this committee, and I am particularly honored to have been asked to serve President Bush and Secretary Lujan in the capacity of Assistant Secretary of the Department of the Interior for Indian Affairs.

I am honored to have Senator John McCain, Senator Dennis DeConcini, Representative John Rhodes and my Tribal Chairman, Mr. Arcadio Gatelum to speak on my behalf. As a native Arizonan, I can think of no greater honor than that which their presence has bestowed upon me here today. I am also thankful for the support of my friends and the prayers of my home community.

I have accepted this nomination with a profound sense of the challenges that lay ahead.

Tribal governments are going through a period of dynamic and exciting change. They are developing more control over their resources, engaging in important and successful economic development efforts and making positive choices, in developing pro-

grams to address serious needs in their communities.

At the same time, the Federal government is facing critical challenges. The hearings that were held by the Special Committee on Investigations have created a greater national awareness of the human and economic needs on Indian lands. These investigations and hearings have also demonstrated a greater need for more efficient and effective use of federal financial, staff, and institutional resources on Indian lands.

My nomination must be viewed in the perspective of these changes in Tribal governments and the heightened awareness of challenges which I am accepting. Because of these changes and challenges let me briefly state my philosophy and approach in working with Tribal governments:

It has been stated that there are certain moments in history when change is particularly possible. It is my belief, as well as the belief of many others involved in Indian Affairs, that we are living in one of these moments.

But unlike the past, this opportunity for change will not be brought about by a single great hero or heroine, but will be the work of many people, both Indian and non-Indian, who feel the need for a different approach in working with Tribes, and who will join together, as we are already doing, to create that change.

In this light, I believe that an essential role of the Department of the Interior is to actively work with Tribal officials and members of Indian communities to support the positive efforts of Tribal governments.

Too often, Indian tribes are discussed in terms of overwhelming needs and failures. Indeed, there are many serious problems. However, it is essential to recognize that one of the basic precepts of this Administration is that the governments closest to the people are the most responsive to the desires of their citizens. Therefore, it follows that improvements of tribal communities and economies can be most successful when they are directed and controlled by tribes themselves.

Let me take a minute to briefly provide a few specific examples of what I'm talking about.

In the area of economic development, many tribes are successfully supporting economic venture on Indian lands. These range from attracting manufacturing industries to encouraging grocery stores, retail stores and gas stations. We can point to many tribes such as the White Mountain Apache Tribe in Arizona that has developed an outstanding ski recreation complex and a game and fish program that serves as a national model for natural resouce management. We can look at the Mississippi Band of Choctaw Indians that has attracted manufacturing industries to tribal lands and has provided employment for tribal members.

In the area of natural resources management, a number of tribes with natural resources have developed comprehensive land use and natural resource planning and management systems. An example is the Confederated Salish and Kootenai Tribes of the Flathead Reservation in Montana. These tribes have established professional capabilities in the areas of wildlife management and land and realty functions.

In the area of human services, where there have been many highly publicized cases of child abuse on Indian lands, what is not so apparent, however, are the responses of tribal governments to these troubling problems. In Arizona, for instance, 15 of the 20 tribal governments have enacted mandatory child abuse and neglect reporting laws. A number of these tribes have implemented specialized programs for child protective services. The tribes have also organized a professional-level child protective services training academy that is equivalent to the State's child protective services academy. The tribal academy has already trained over 60 tribal social workers, court judges and law enforcement officers from throughout the West. I am proud to say that as Director of the State's Department of Economic Security, I supported these Indian child welfare projects.

Tribal governments, like State and County governments, are continuing to evolve as governments. Like other governments, tribes have faced the challenges of fulfilling their jurisdictional responsibilities and providing services for their citizens. At the same time, tribes have been developing procedures for resource allocation, designing methods for citizen participation in decision-making, struggling with changes in their constitutions and implementing efficient management system.

In carrying out the Bureau's role in recognizing and supporting these positive efforts of tribal governments I will be guided by the following principles:

(1) Tribal Self-Government. I will fully support the policy of tribal self-determination by supporting and further strengthening effective and meaningful participation by tribal governments in the planning, conduct and administration of Bureau of Indian Affairs programs and services.

(2) Government-to-Government Relationships with Indian Tribes. I will develop stronger intergovernmental relationships between the Federal government and tribal governments. The relationships between the tribes and the Bureau will be based upon intergovernmental communication; mutual accountability in the areas of program operation and federal financial resources; and joint planning for more effective and efficient utilization of federal staff and institutional resources on Indian lands.

(3) Trust Responsibility. I will provide leadership for the Department in fulfilling the Federal government's trust responsibilities at the highest degree of fiduciary standards in securing and protecting the rights of Indian tribes and people. I will also serve as an advocate for tribes in seeking to promote a greater understanding by other Federal agencies of their responsibilities towards Indian tribes.

Keeping these positive trends of tribal governments and guiding principles in mind, I will provide leadership in developing clear directions for the bureau of Indian Affairs. Let me address for a moment what I mean in regards to leadership.

It is a fact that the need for leadership is constant, but it is also true that the "style" of leadership must change to meet the challenges of the times.

One of the greatest challenges in leadership today is how to cope with diversity.

And one of the greatest needs is for leaders who are able to bring diverse groups and views together around a table and through cooperative approaches, identify problems and jointly develop plans of action to address those problems which all are committed to work toward.

Therefore, the initial days of my administration will be spent visiting and talking with elected tribal government officials regarding their tribal directions and their recommendations for improving tribal and federal intergovernmental relationships. In this way, we can jointly set the future direction on Indian affairs for the years ahead.

Now based on my philosophy and approach to working with tribal governments, there are five areas that will receive considerable emphasis under my administration, given the changes in tribal governments and the heightened awareness of human and economic needs on Indian lands. These areas are Indian education, economic development, tribal community infrastructure, trust responsibility and natural resources management and administrative accountability.

In conclusion, I accept the nomination with the full awareness that this is a difficult and challenging time for Indian affairs.

I have strong faith in the ability of tribal leaders to work cooperatively with the Department in developing solutions to these problems.

In addition, I have met many conscientious, dedicated and capable Bureau of Indian Affairs employees, both in Washington, D.C. as well as in the field. My past association with the Bureau has led me to believe that Bureau of Indian Affairs employees can be most effective in their jobs when they are informed of policy decisions and when an environment is created that enables them to perform their duties. I plan to communicate closely with Bureau employees at all levels so that we can develop a team spirit and move ahead with a common purpose.

Let me also say at this time that I am very encouraged by the leadership in the field of Indian affairs that has been provided by Chairman Daniel Inouye. Senator Inouye is to be commended for his vigorous dedication to improving federal policies towards tribes and for his efforts to educate the American public about the federal obligation towards Indians. I believe that the nonpartisan approach taken by this committee serves as a model for cooperation in addressing Indian needs.

Given my experience in state and federal government, I believe that this nonpartisan approach is most effective.

If confirmed by the Senate, I will work closely with President Bush, Secretary Lujan, and the Congress, as well as the tribal government officials, to carry forward the commitment to making the ideals of tribal self-government and self-determination a reality.

STATEMENT ON THE NOMINATION OF EDDIE F. BROWN

Mr. McCAIN. Mr. President, I congratulate Eddie Brown on his confirmation by the United States Senate to the position of Assistant Secretary of the Interior for Indian Affairs.

Eddie Brown has exemplified himself as a strong and proven manager, a creative thinker, a compassionate public servant, and an individual of unquestioned integrity.

Eddie Brown served Arizona well as the director of the Department of Economic Security, an agency with 7,000 employees and an annual budget of over $1 billion dollars. He was instrumental in promoting the use of intergovernmental agreements between the State and several of Arizona's twenty Indian tribes for administration of Federal and State funds for programs which more effectively met the needs

VOL 135 PT 9 JE 14 — 22 1989 UMI

of Indian tribes. Not only were these agreements more effective in the delivery of services, but they have become a model for other Federal, State and local government agencies to imitate. More importantly, the agreements recognize tribes on an equal basis with the state, which, to me, is a strong signal of the value Eddie places on the government to government relationship between the Federal Government and Indian tribes.

Mr. President, Indian Affairs is filled with great problems but also with great opportunities. Those opportunities are best realized when the Congress, the Bureau of Indian Affairs and the Tribes work together in a spirit of cooperation. In that regard, Eddie Brown earns high praise from Federal, State, local and tribal officials and private individuals for his ability to approach issues on a nonpartisan basis.

During his confirmation hearing before the Select Committee on Indian Affairs, Eddie emphasized his commitment to tribal self-government, fulfillment of the trust responsibility, and stronger intergovernmental relationships between the tribes, the States, and the Federal Government. He also indicated that his administration would emphasize improved education, greater opportunity for economic development, improved tribal community infrastructure, the trust responsibility, natural resources management and greater accountability at all levels of government. Eddie clearly understands the needs of the tribes and the appropriate role of the Federal Government in relationship to the tribes. Both Chairman INOUYE and I strongly support Eddie's views and wish him every success.

I extend my thanks and appreciation to Senator INOUYE for his outstanding efforts in moving this nomination promptly and fairly. As always, his leadership has been indispensible.

Mr. President, Eddie Brown has served Arizona well, and I know he will make an outstanding Assistant Secretary for Indian Affairs. This is a proud day for all Arizonans, and I know they join me in congratulating him, his wife, Barbara, and their six children: Aaron, Jared, Amber, Rachel, Gabriel, and Eddie, Jr.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

STRATEGIC ARMS REDUCTION NEGOTIATIONS

Mr. MITCHELL. Mr. President, on behalf of myself, Mr. DOLE, Mr. BYRD, Mr. PELL, Mr. LUGAR, Mr. NUNN, Mr. STEVENS, and Mr. CHAFEE, I sent a resolution to the desk concerning the resumption of strategic arms reduction negotiations with the Soviet Union, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 149) concerning the resumption of strategic arms reduction negotiations with the Soviet Union.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, I join with my distinguished colleagues today in submitting this resolution in support of the resumption of the strategic arms reduction talks. With this resolution, the Senate encourages the United States and the Soviet Union to use vigorous diplomatic efforts to resolve the outstanding issues impeding progress toward the conclusion of a START Treaty. The resolution states the Senate's support for a verifiable and stabilizing START agreement and urges the President to consult closely with the Senate and America's allies as he works toward a treaty.

The successful negotiation of a START Treaty that is verifiable and stabilizing must remain a high priority of the United States and I offer my full support to the Bush administration as it works to conclude such a treaty.

I welcome President Bush's interest in exploring improved verification techniques and confidence building measures in conjunction with the START negotiations. I support efforts to increase confidence in our ability to verify arms control agreements and to enhance the prospects for enthusiastic Senate consent to a negotiated treaty.

I am pleased by Secretary Baker's statement that the administration intends its inspection initiative to facilitate the process of resolving outstanding issues within the negotiations. It is my hope that the focus on verification will not delay the policy decisions that are necessary for concrete progress toward an actual arms control agreement.

We all understand that there are several areas of disagreement between the United States and the Soviet Union in the START talks. I am hopeful that the administration will devote its energies to resolving such isues as whether to ban mobile missiles and sea-launched nuclear cruise missiles and devising counting rules for missiles carried on bombers. There is a clear need to forge a unified and creative approach to these issues at the START negotiations.

I also believe that we must be realistic about the Strategic Defense Initiative and the relationship of missile defenses to strategic arms. The Joint Chiefs of Staff reportedly has suggested several options that recognize the technological and fiscal constraints upon the SDI program and the short-term Soviet advantage in the absence of the ABM Treaty. The proposed changes were not dramatic, but they would have helped to bridge the gap between the United States and Soviet positions at the Space and Defense Talks. I hope that President Bush will consider these proposals objectively. It would be unfortunate if ideology overrode common sense and unnecessarily jeopardized the prospects for a START agreement. I urge President Bush to clarify his position on the ABM Treaty and reevaluate the current United States position at the space talks.

The United States now has a great opportunity to make significant progress in several arms control negotiations. The INF Treaty laid the groundwork for START by establishing important precedents for actual reductions of nuclear weapons and intrusive on-site inspection verification procedures. The political momentum of arms control carried over into the START negotiations, in which the Reagan administration made significant progress. It would be tragic if the current administration failed to seize the opportunity to conclude a strategic arms reduction treaty to enhance the security of the United States.

President Bush has demonstrated his ability to move forward forcefully in the area of conventional arms control. I am hopeful that he will demonstrate the same creativity and commitment to the pursuit of strategic arms reductions and I look forward to working in support of the Bush administration's efforts to move forward in the START negotiations.

I am pleased that a senior delegation of the Senate Arms Control Observer Group will soon depart for Geneva and Vienna to consult with the United States arms control negotiators and to meet with delegations from Allied countries and the Soviet Union. This is an important step in an ongoing process of dialog and consultation between the Senate and the Executive branch regarding arms control and related strategic issues. I look forward to a strengthening of this consultative process in the best interests of the Nation.

Mr. DOLE. Mr. President, this week the United States and the Soviet Union resume the strategic arms reduction talks in Geneva. If a START agreement is reached, it will have immense consequences for our national security. Therefore, as I have said before, it is essential that we take the time to do it right.

Our negotiators need to be patient, and we here in the Senate need to be patient. We in the Senate also need to be aware that our actions in this body

can affect the United States negotiating posture in Geneva. This is especially true as we near consideration of the defense authorization bill.

We must be careful not to undermine our negotiators through unilateral cuts or other restrictions which could make it difficult for our negotiators to carry out their instructions from the President. President Bush has demonstrated his commitment to serious arms control. In order for these negotiations to be successful, this body must support him in that commitment.

I believe we must also keep in mind what success means in these negotiations—namely enhanced stability and security. Our goal is not, and should not be just to make cuts. Our goal is—and should remain—to make 50-percent cuts in a way which enhances the stability of the strategic balance.

Reductions should be achieved in the context of a comprehensive and forward-looking approach to our force structure. That is why the distinguished President pro tempore Senator BYRD, the distinguished Senator from California, Mr. WILSON, and I cosponsored a resolution to last year's defense authorization bill calling for a comprehensive report on the implications a START agreement may have on our strategic force posture during the 1990's.

The Bush administration has approached our section 908 report seriously and I expect we will receive it this week.

We may not all agree on every element of a post-START force structure, but the section 908 report should provide a good basis for discussion.

In my view the U.S. approach toward a post-START environment should include an ever-increasing role for strategic defenses. America's SDI Program shows great promise for our goals of enhanced stability and security. SDI offers us the best insurance against any gaps in a START verification regime.

Furthermore, strategic defense will also be our best insurance against mobile missiles.

In view of SDI's great potential, it is critical that the United States continue to protect and promote strategic defenses at the defense and space talks. In fact, I believe that a transition to greater reliance on strategic defenses will complement our efforts in the area of strategic offensive reductions in START.

I wish the best of luck to our Ambassadors Richard Burt and Hank Cooper in Geneva. The Senate observers will be travelling to Geneva next week and will be meeting with our negotiators. I will not be able to make this trip, but I look forward to hearing their report upon their return.

I am pleased to join the distinguished majority leader in cosponsoring this resolution supporting the President and his negotiators in their efforts at the nuclear and space talks.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 149) was agreed to.

The preamble was agreed to.

The resolution, in its preamble, reads as follows:

S. RES. 149

Whereas reductions of strategic nuclear weapons which stabilize the nuclear balance through mutual and verifiable arms control treaties would enhance the national security of the United States and are a matter of the highest priority;

Whereas significant progress has been made in the strategic arms reduction (START) talks;

Whereas the successful conclusion of the intermediate nuclear forces (INF) negotiations, the ratification in 1988 of the INF Treaty, and recent initiatives regarding conventional forces in Europe indicate a favorable climate for further progress in arms control negotiations;

Whereas President Bush repeatedly has expressed his desire to pursue vigorously a strategic arms reduction agreement;

Whereas the Congress, the American people, and America's allies and friends overwhelmingly support the efforts of President Bush to make progress in all areas of negotiation with the Soviet Union; and

Whereas the START talks resumed in Geneva, Switzerland, on June 19, 1989: Now, therefore, be it

Resolved, That the Senate hereby—

(1) expresses its full support for the commitment of the President to achieving a verifiable and stabilizing strategic nuclear arms reduction treaty with the Soviet Union in order to advance the national security interests of the United States and its allies;

(2) encourages the United States and the Soviet Union to use vigorous diplomatic efforts to resolve the outstanding issues impeding progress toward successful conclusion of a START treaty;

(3) declares that an important obstacle to the conclusion of new arms control agreements with the Soviet Union has been its violation of existing treaties, and calls upon the Soviet Union to take steps to rectify its violations of such treaties, in particular, to dismantle the radar site at Krasnoyarsk, Union of Soviet Socialist Republics, since it is a clear violation of the terms of the Anti-Ballistic Missile Treaty; and

(4) urges the President to consult closely with the Senate and with America's allies as he proceeds with the START negotiations, recognizing that consensus and unity are essential to a successful conclusion, including ratification, of a strategic arms reduction treaty.

SEC. 2. For purposes of this resolution—

(1) the term "Anti-Ballistic Missile Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, done at Moscow on May 26, 1972; and

(2) the term "INF Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, together with the memorandum of understanding and the two protocols thereto, done at Washington on December 8, 1987.

SEC. 3. The Secretary of State shall transmit a copy of this resolution to the President.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Orders numbered 131 and 132, en bloc, that the bills be deemed read a third time and passed, and that a motion to reconsider the passage of the bills en bloc be in order and be laid upon the table; I further ask unanimous consent that the consideration of these items appear individually in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING THE APPOINTMENT OF THE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION

The bill (S. 1077) to authorize the President to appoint Adm. James B. Busey to the Office of Administrator of the Federal Aviation Administration, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 106 of title 49, United States Code, or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration. Admiral Busey's appointment to, acceptance of, and service in that Office shall in no way affect the status, rank, and grade which he shall hold as an officer on the retired list of the United States Navy, or any emolument, perquisite, right, privilege, or benefits incident to or arising out of any such status, office, rank, or grade, except to the extent that subchapter IV of chapter 55 of title 5, United States Code, affects the amount of retired pay to which he is entitled by law during his service as Administrator. So long as he serves as Administrator, Admiral Busey shall receive the compensation of that Office at the rate which would be applicable if he were not an officer on the retired list of the United States Navy, shall retain the status, rank, and grade which he now holds as an officer on the retired list of the United States Navy, shall retain all emoluments, perquisites, rights, privileges, and benefits incident to or arising out of such status, office, rank, or grade, and shall in addition continue to receive the retired pay to which he is entitled by law, subject to the provisions of subchapter IV of chapter 55 of title 5, United States Code.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SEC. 2. In the performance of his duties as Administrator of the Federal Aviation Administration, Admiral Busey shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the United States Navy.

SEC. 3. Nothing in this Act shall be construed as approval by the Congress of any future appointments of military persons to the Office of Administrator of the Federal Aviation Administration.

AUTHORIZING THE APPOINTMENT OF THE ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The bill (S. 1180) to authorize the President to appoint Rear Adm. Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 202(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2472(a)), or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration. Admiral Truly's appointment to, acceptance of, and service in that Office shall in no way affect the status, rank, and grade which he holds as an officer on the retired list of the United States Navy, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, except to the extent that subchapter IV of chapter 55 of title 5, United States Code, affects the amount of retired pay to which he is entitled by law during his service as Administrator. So long as he serves as Administrator, Admiral Truly shall receive the compensation of that Office at the rate which would be applicable if he were not an officer on the retired list of the United States Navy, shall retain the status, rank, and grade which he now holds as an officer on the retired list of the United States Navy, shall retain all emoluments, perquisites, rights, privileges, and benefits incident to or arising out of such status, office, rank, or grade, and shall in addition continue to receive the retired pay to which he is entitled by law, subject to the provisions of subchapter IV of chapter 55 of title 5, United States Code.

SEC. 2. In the performance of his duties as Administrator of the National Aeronautics and Space Administration, Admiral Truly shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the United States Navy.

SEC. 3. Nothing in this Act shall be construed as approval by the Congress of any future appointments of military persons to the Offices of Administrator and Deputy Administrator of the National Aeronautics and Space Administration.

CLOSED CAPTION BROADCASTING OF SENATE FLOOR PROCEEDINGS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 127, Senate Resolution 13, a resolution providing for close-captioned broadcasting of Senate floor proceedings.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 13) to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration, with an amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

The resolution, as amended, is as follows:

S. RES. 13

Resolved, That Senate Resolution 28, agreed to February 27, 1986, is amended by adding at the end thereof the following new section:

"SEC. 17. The Secretary of the Senate shall, subject to the approval of the Senate Committee on Rules and Administration, contract with the Secretary of Education to provide closed captioning of the Senate floor proceedings. The Senate authorizes the Secretary of Education to have access to the audio and video broadcast of the Senate floor proceeding for the purpose of captioning. Such funds as may be necessary to carry out the purposes of this section are authorized to be paid from the contingent fund of the Senate.".

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR THURSDAY, JUNE 22, 1989

RECESS UNTIL 9:30 A.M. AND MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Thursday, June 22; and that following the time for the two leaders, there be a period for morning business not to extend beyond 10:30 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the distinguished acting Republican leader has no further business, and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 9:30 a.m. on Thursday, June 22, 1989.

There being no objection, the Senate, at 7:37 p.m., recessed until Thursday, June 22, 1989, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 21, 1989:

DEPARTMENT OF VETERANS' AFFAIRS

S. Anthony McCann, of Maryland, to be an Assistant Secretary of Veterans' Affairs (Finance and Planning). (New position.)

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Wade F. Horn, of Maryland, to be Chief of the Children's Bureau, Department of Health and Human Services, vice Dodie Truman Livingston, resigned.

NATIONAL TRANSPORTATION SAFETY BOARD

Susan M. Coughlin, of Pennsylvania, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1993, vice Lemoine V. Dickinson, Jr., term expired.

U.S. INFORMATION AGENCY

Henry E. Hockeimer, of Michigan, to be an Associate Director, of the U.S. Information Agency, vice Woodward Kingman, resigned, to which position he was appointed during the recess of the Senate from October 22, 1988, to January 3, 1989.

IN THE NAVY

The following named officer to be placed on the retired list in the grade indicated under the provisions of Article II, Section 2, Clause 2, U.S. Constitution.

To be vice admiral

Rear Adm. Richard H. Truly, 425-72-0864/1310, U.S. Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 21, 1989:

AMBASSADOR

JOSEPH VERNER REED, OF CONNECTICUT, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS CHIEF OF PROTOCOL FOR THE WHITE HOUSE.

DEPARTMENT OF STATE

PETER F. SECCHIA, OF MICHIGAN, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ITALY.

DEPARTMENT OF TRANSPORTATION

JEFFREY NEIL SHANE, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION.

KATE LEADER MOORE, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION.

IN THE COAST GUARD

PURSUANT TO THE PROVISIONS OF 14 USC 729, THE FOLLOWING NAMED CAPTAIN OF THE COAST GUARD

RESERVE TO BE A PERMANENT COMMISSIONED OFFICER IN THE COAST GUARD RESERVE IN THE GRADE OF REAR ADMIRAL (LOWER HALF).

FRED S. COLOVE

DEPARTMENT OF COMMERCE

THOMAS JOSEPH MURRIN, OF PENNSYLVANIA, TO BE DEPUTY SECRETARY OF COMMERCE.

SUSAN CAROL SCHWAB, OF MARYLAND, TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE.

DEPARTMENT OF STATE

MORTON I. ABRAMOWITZ, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO TURKEY.

MELVYN LEVITSKY, OF MARYLAND, TO BE ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS.

THOMAS MICHAEL TOLLIVER NILES, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN COMMUNITIES, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

RICHARD H. SOLOMON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF STATE.

JEWEL S. LAFONTANT, OF ILLINOIS, TO BE U.S. COORDINATOR FOR REFUGEE AFFAIRS AND AMBASSADOR-AT-LARGE WHILE SERVING IN THIS POSITION.

EDWARD N. NEY, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO CANADA.

ROBERT D. ORR, OF INDIANA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SINGAPORE.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

FRED M. ZEDER II, OF NEW YORK, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

MARK L. EDELMAN, OF MISSOURI, TO BE DEPUTY ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

E. PATRICK COADY, OF VIRGINIA, TO BE U.S. EXECUTIVE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF TWO YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF THE INTERIOR

EDDIE F. BROWN, OF ARIZONA, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR.

IN THE COAST GUARD

COAST GUARD NOMINATIONS BEGINNING CYRUS J. SCOTT, AND ENDING LUCILLE T. LALIBERTE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 6, 1989.

PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING KENNETH L. BROOKS, AND ENDING ANDREW L. OLNES, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 9, 1989.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING BRUCE A. CHABNER, AND ENDING GARY W. BLAIR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 17, 1989.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING THOMAS R. BENDER, AND ENDING GEORGE E POLEY III, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 17, 1989.

WITHDRAWAL

Executive nomination withdrawn by the President from further Senate consideration, June 21, 1989:

U.S. INFORMATION AGENCY

HENRY E. HOCKEIMER, OF MICHIGAN, TO BE AN ASSOCIATE DIRECTOR OF THE U.S. INFORMATION AGENCY, VICE WOODWARD KINGMAN, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

VOL 135 PT 9 JE 14 — 22 1989 UMI

HOUSE OF REPRESENTATIVES *Wednesday, June 21, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember, gracious God, in this our prayer, those people who do not share the freedoms we enjoy, the hostages and all those who yearn for liberty and the rights of human dignity. We pray that oppressors will come to know the benefits of allowing people from all of Your creation the opportunity to be free and to share in the community of family and friends. Specially, we pray for the families of those captive that Your good spirit that transcends all time and place will give comfort and encouragement and allow for that peace that passes all human understanding. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HANCOCK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HANCOCK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 102, answered "present" 1, not voting 24, as follows:

[Roll No. 96]

YEAS—305

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
Barnard
Bartlett
Bateman
Bates
Bellenson
Bennett
Bereuter
Bevill
Bilbray
Boggs
Boehlert
Boland
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CA)
Carslin
Carper
Carr
Chapman
Clarke
Clement
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coyne
Crockett
Darden
Davis
DePazio
Dellums
Derrick
Dicks
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Perkins
Peterson
Pickett
Pickle
Porter
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Roe
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schulze
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Whitten
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—102

Armey
AuCoin
Baker
Ballenger
Barton
Bentley
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Chandler
Clay
Clinger
Coble
Coleman (MO)
Coughlin
Craig
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Douglas
Edwards (OK)
Emerson
Fields
Frenzel
Gallegly
Gekas
Goodling
Gross
Grandy
Hancock
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Hyde
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Lewis (CA)
Lewis (FL)
Lightfoot
Lukens, Donald
Machtley
Madigan
Marlenee
McCandless
McCrery
McGrath
Miller (OH)
Molinari
Moorhead
Murphy
Oxley
Parris
Pashayan
Paxon
Rhodes
Ridge
Roberts
Rogers
Roukema
Schaefer
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stearns
Stump
Sundquist
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Wheat
Whittaker
Wolf
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Campbell (CO)

NOT VOTING—24

Berman
Collins
Courter
Cox
de la Garza
Dingell
Dornan (CA)
Garcia
Gaydos
Gillmor
Gray
Hunter
Jones (NC)
Leach (IA)
Lowery (CA)
Martin (IL)
McDermott
Owens (UT)
Schumer
Torres
Udall
Williams
Wilson
Wright

□ 1228

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentlewoman from New Jersey [Mrs. ROUKEMA] to lead the Members in the Pledge of Allegiance.

Mrs. ROUKEMA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate agrees to the amendments of the House to the concurrent resolution (S. Con. Res. 19) "Concurrent resolution to authorize printing

of a collection of the inaugural addresses of the Presidents of the United States."

The message also announced that pursuant to Public Law 100-204, the Chair on behalf of the Republican leader, announces the appointment of Mrs. KASSEBAUM, to the U.S. Commission on Improving the Effectiveness of the United Nations.

PROTESTING CHINESE BRUTALITY

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, earlier today three young Chinese students were put to death. Their only crime was having the courage to speak out for democracy and freedom.

It is a universal human tragedy, Mr. Speaker, when old men feel compelled to kill children in a desperate attempt to maintain their power and authority. Yesterday several of us met with the Chinese Ambassador and protested these impending executions and the brutal Chinese Government policy.

□ 1230

Mr. Speaker, the Chinese Ambassador told us that in his words that any country in the same situation would respond similarly, that the Chinese Government exercised the utmost restraint and that no other country would be as responsible, as had been the Chinese.

Mr. Speaker, I fear that our President's restraint might be read by the Chinese Government as a mild American response to its outrageous behavior. Let there be no mistaking the broad and deep American revulsion at Chinese Government brutality and our support for the heroic Chinese students and people.

Mr. Speaker, let us take action today, both in terms of a resolution and in terms of the foreign aid bill that will let the Chinese Government know in no uncertain terms how distressed and horrified this Congress and this country are as we stand together in protesting this outrageous and brutal behavior.

FOREST USERS' PROTECTION ACT

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, today I am introducing legislation that will amend the Federal Criminal Code to provide criminal penalties for the spiking of any tree on land owned by the Federal Government.

Tree spiking is the act of driving a long hard spike into the trunk of a tree to prevent a logger from harvesting the tree. The spike is designed to wreak havoc with the logger's chain saw, at least causing severe property damage. But because the spike may not be visible, grave personal injury can and does occur as well. For example, a 23-year-old sawmill worker in northern California was nearly killed in a spiking incident. A jagged section of a bandsaw struck him in the face, after it ripped into a 11-inch metal spike that had been driven into a tree.

This is environmental warfare, conducted by a small band of extremists determined to stop the harvesting of any trees whatsoever. No legitimate environmentalist, regardless of how passionate, supports such conduct. Tree spiking has been going on for years, but when the physical well-being of innocent persons is threatened, there is a dire need for congressional action.

My legislation creates sanctions against the willful insertion of spikes, the causing of physical injury, and the damaging of trees or personal property. It will penalize subsequent violations with increasing fines and jail terms. Finally, the bill establishes a reward for any person who furnishes information leading to the arrest or conviction of these criminals.

I urge my colleagues to fight back against tree spiking—a new form of domestic terrorism. This can be done by supporting my bill through cosponsorship and support in the final vote.

THE SEIZURE OF TONY O'BRIEN

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, last week the Government of Afghanistan, taking action both brazen and unprovoked, seized Photo-Journalist Tony O'Brien while he was traveling on assignment in Kabul. Tony O'Brien, a resident of Santa Fe, NM, is an excellent photographer whose work has been displayed in major publications across this country. He has now been held by the Afghan secret police for a week. Yesterday, the Afghan regime finally admitted to this callous act—going as far as claiming that O'Brien may be a spy.

Mr. Speaker, the Afghan regime is clearly acting out of desperation. In hopes of forcing the United States to reopen diplomatic relations with their country, the Afghan regime is using Tony O'Brien as a pawn, a bargaining chip. Such action is abhorrent, repugnant, and should be denounced in the strongest terms.

Yesterday, I contacted the Afghan Charge D'Affaires to register my objection to his country's actions. I also cabled President Najibullah directly, requesting his personal attention on this matter—and urging Tony O'Brien's safe and immediate release.

Mr. Speaker, it is cowardly for nations to exploit innocent civilians to further their own interests. I call on the Government of Afghanistan to immediately release Tony O'Brien. I ask my colleagues' support to maintain pressure on the Afghan Government.

EXPANDING THE ANIMAL WELFARE ACT NOT A PRESSING ISSUE

(Mr. HANCOCK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANCOCK. Mr. Speaker, fellow dog breeders in my district have been voicing their opposition to a proposed rule that would expand the Animal Welfare Act. When I read the part of the rule which they objected to, I could not believe what the Federal Government was telling these people to do. First of all, anyone raising dogs for sale is going to take good care to see that they are treated well and properly nourished in order to bring the highest price for their product. But again, the Federal Government doesn't think that the public is capable of taking care of its own affairs.

One section of the rule sets standards for the exercise and socialization of dogs. This section mandates that all dogs be able to see and hear other dogs. If they cannot, there must be at least 1 hour of "positive physical contact" by humans once a day. This contact must come in the form of petting, stroking, or other touching. Thank God it doesn't have to be all at one time, and I don't think it has to be simultaneously. Also, the dogs must be exercised at least 30 minutes each day. Only they cannot be forced to do so. It was Congress' intent that dogs be given the opportunity to exercise, if they choose to only socialize. I guess that is OK.

This rule also requires the breeder to keep records of each dog's release for exercise that would be subject to Government inspection. I guess the next step is for the Department of Agriculture to commission a crack team of petting police to enforce these new regulations.

Wouldn't it be nice if these same rules pertained to Congress? We would have much happier staffs and a lot of slim colleagues. Or if it was applied to our children and spouses, we may not have the problems that plague our Nation's families.

In this dog eat dog world, is this one of the pressing issues that our Government should be addressing? I think not. One thing is for sure, if this rule is implemented, being put in the dog

house will not be such a bad thing anymore.

FLORIDA LEARNED THE HARD WAY

(Mr. TRIFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRIFICANT. Mr. Speaker, I ask my colleagues if they recall that Florida passed the most lenient gun law in America which says, "You can even carry a gun in an open holster."

Evidently now Florida has become both the O.K. Corral and the cemetery for seven children, all of whom were accidentally shot by other children. Florida is now grieving, and in the Florida Legislature they want a new law imposing jail terms for anyone whose gun is involved in a child's death. I guess Florida learned the hard way.

Mr. Speaker, the truth of the matter is, the Constitution guarantees the American citizen the right to bear arms, but not the right to tote cannons, and Congress must begin to deal with society and its reckless use of weapons.

I say to my colleagues, "You don't need Uzis to hunt rabbits and pheasants, and it shouldn't be the State of Florida and State legislatures micromanaging a policy that should come down from Washington with a Federal initiative to straighten the shooting galleries of America out."

WHY WE MUST HURRY AND PASS THE SUPPLEMENTAL APPROPRIATIONS FOR VETERANS

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker and Members, once again the veterans of this land are waiting for us to clean up that supplemental appropriations bill and pass a supplemental appropriation for veterans.

Let us face the facts. Already there are some 4,000 medical personnel staff shortages, already there are reductions in outpatient capacity amounting to 20,000 visits per week, already there is a freeze on accepting new patients whose eligibility depends on available VA resources, already a freeze on capital accounts used to purchase replacement equipment, already a halt on activation of 96 recently completed medical facility projects.

Secretary Derwinski said that, if by June 15 we had not completed the dire supplemental funding appropriation bill for veterans, additional steps would be necessary including the closure of some specialized medical programs, staffing problems, and veterans benefits administration and reductions in ground maintenance at the DVA's 113 national cemeteries.

Mr. Speaker, the July 4 recess is upon us, and I say to my colleagues that we missed the Memorial Day recess; are we so insensitive to veterans that we will miss the July 4 one as well?

SLAUGHTER INTRODUCES DOMESTIC VIOLENCE LEGISLATION

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute.)

Ms. SLAUGHTER of New York. Mr. Speaker, today I am introducing legislation that would designate October 1989 as "National Domestic Violence Awareness Month."

Domestic violence is the single largest cause of injury to women in the United States. Cutting across racial, social, and economic lines, this silent crime affects every part of our society. Domestic violence strikes at the heart of our Nation's families, because when the mother is being beaten, there is a 50-percent chance that her children are being abused as well.

Mr. Speaker, it is time that we recognize the victims who have persevered and survived this daily violence. We also need to commend the hard work and invaluable achievements that have been made through programs to combat domestic violence. But, we cannot stop here because there is more work that needs to be done. We must also expand these programs and give more women the help and support they need to break the cycle of violence. It is a tragedy in the country that for every battered woman receiving shelter, two other women must be turned away for lack of space.

Domestic Violence Awareness Month has been commemorated by those who work with victims of domestic violence for 10 years now. It is time for all of us to do the same. I invite my fellow colleagues to join with me, Representative MILLER and 26 other original cosponsors in bringing much needed attention to this tragic problem and to those who are working to alleviate it.

CHILD CARE LEGISLATION

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, yesterday I spoke about a model child-care program established in my hometown of Ridgewood, NJ, by Mrs. Cathy Marino and how that child development center thrives today without the benefit of Federal funds. Today I would turn your attention to a similar program in Independence, MO. In fact, this Child-Care Program was the centerpiece of an ABC news report last Wednesday.

Like the program in New Jersey, the Independence, MO, program is the result of the combined efforts of the community, business, the school system, and parents. By using the already available school facility, child-care providers and parents have entered into a partnership that provides child care at an affordable price while still giving quality and parent involvement top priority.

As we mark up child-care legislation tomorrow in the Education and Labor Committee, I urge my colleagues to keep in mind the successes of the Independence, MO, and Ridgewood, NJ, programs. In our effort to help working parents pay for quality child care, we must not destroy the very kind of child-care programs that we want to encourage. With broad Federal controls and regulations that supplant State and local codes and standards, we will do just that.

Again, I stress that we should encourage child-care programs in States and communities across the country that have responded to the needs of working parents. The best way to do this is through block grants to the States as seed money to expand and build on these successful programs.

Any child-care legislation that Congress passes should do four important things:

First, keep direction and choice as close to home as possible—with State, community, school, and business—rather than a federally directed bureaucracy.

Second, inspire and invest in innovation suitable for local needs.

Third, give flexibility to integrate existing programs in the public schools as well as church-sponsored programs.

Fourth, and, given our enormous budget deficit, child-care legislation must propose fiscally prudent expenditures.

My bill, H.R. 1708, will do just these things and I ask for your support.

FOREIGN AID PRIORITIES

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, today the Congress will take up two very important pieces of legislation: One, the supplemental, and the other the foreign aid bill. I think these two bills essentially show how out of kilter the Congress can become. Let me tell you why I say that.

In one bill we are going to tell the American people that we do not have enough money for veterans, we do not have enough money for Medicare, we do not have enough money for senior

programs. In the other bill, we are shoveling billions of dollars overseas.

Now, we all want, for example, democracy to succeed in the Philippines. And we are giving the Philippines a good deal of money—about $1.3 billion since 1986. But in this piece of legislation under title IX, you will find that we are giving an additional $1 billion. Why? Among the goals listed are these: To pay for Philippine debts, as if we did not have enough of our own; to promote exports to the United States in textiles and the like, as though we did not have enough competition already; and to promote American jobs over in the Philippines.

This is not, in my opinion, a wise policy. It is really shortchanging the people of the United States, and I ask the Congress to take a look at this section. Under the rule, I do not know how much time we are going to have to debate this section, but take a look at it and see how you are affected under title IX of this bill.

OUR CHINA POLICY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, during the Reagan administration many times publicly I debated other officials of the administration, saying that it was not advisable to sell weapons to China.

They said, "Oh, no, no. These are our Communists and any weapons that we sell to China will make the Russians nervous." It was like their old standby strongman, be it Marcos, be it China, be it anything.

Well, now we have seen what has happened. Those weapons that we sold to China did not make the Russians nervous. It made the Chinese nervous, and as we now see them assassinating more and more young people for attempting to join the free world's privileges, and then sending the bill for the bullet they used to shoot that child to the family, this is an absolute outrage. It shows you where the Reagan administration policy went.

I think we have to act much more firmly. The Chinese think they can have it both ways. They think they can both trade with us and get all the benefits of our technology, but absolutely deny any of the privileges we give our citizens.

No, they cannot, and the President must be very firm about that and we in the Congress must send that message very clearly, that we cannot tolerate this anymore and that the assassinations this morning are just one more black mark on China's record.

THE STEEL IMPORT STABILIZATION IMPROVEMENT ACT

(Mrs. JOHNSON of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Speaker, 5 years of the voluntary restraint program has helped our domestic steel industry make great strides toward becoming internationally competitive. As we move toward extending the VRA's and assuring the vitality of a critical American industry, we must ensure that the program does not impede economic growth in other industries by limiting availability of steel.

Last week I introduced H.R. 2640 to extend the program for 3 years and to improve the process for allowing steel customers to gain access to steel when domestic sources cannot meet the supply demand.

Many steel users have felt the pinch of longer delivery times and some have even been put on allocation by steel suppliers. Companies have lost orders while the Government deliberated on whether to approve a short-supply request.

My bill would require the Department of Commerce to act on any short-supply request within 30 days, or within 15 days if the industry is at capacity.

Mr. Speaker, we still need a VRA program to keep the domestic steel industry on pace; but with American steelmakers near full capacity, shortages of some products occurring, and export opportunities for manufacturers expanding, we must ensure that steel customers can get steel from other sources when Americans cannot deliver it. We cannot jeopardize American jobs and expansion in one industry to protect jobs in another.

Extending VRA's for 3 more years, but without the current program's red tape, will ensure a first-class domestic steel industry and continued growth among small- and medium-sized steel users.

NATIONAL PLEBISCITE IN CUBA

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, Fidel Castro gets first prize. With the recent overthrow of General Stroessner in Paraguay, Castro is now the largest reigning dictator in the Western Hemisphere. He marked his 30th year in power in January of this year, and it is time that the Cuban people have a chance to vote in a fair and open plebiscite as to whether they want Castro to continue running their country.

□ 1250

Just as the people of Chile, after 15 years of rule by Pinochet, were allowed to give a voice in their future, it is time for Castro to do the same thing. It is urgently needed, because the United Nations has recently concluded that Cuba, along with Romania and North Korea, ranks as the worst of the human-rights violators among our nations.

President Bush and 170 intellectuals and writers have called for a national plebiscite in Cuba, and this body 2 weeks ago voted to support democracy in China.

Members are going to have a chance, because there is an amendment printed at page H2912 of the RECORD calling for a Cuban plebiscite. It is an amendment to the foreign aid bill. I intend to request a rollcall vote on the Cuban plebiscite, and I am just placing everyone on notice that when we get to that part of the bill, Members will have a chance to say whether they believe democracy should come to Cuba as they have in China.

ACID RAIN BILL WOULD TEAR THE HEART OUT OF APPALACHIAN COMMUNITIES

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, President Bush's acid rain legislation is all one-sided. I am not saying that maybe something need not to be done, but if his bill is passed, it is going to tear the heart out of the many Appalachian communities, many of which are in my district. There is no consideration given to the economic impact of this measure.

What we need to do is to produce more coal, using clean-coal technology and allowing Americans to continue to have cheap electricity.

If Members come into my district, they can see in the coal communities hungry children, unclothed children, unsheltered children. We do not want to continue to see that happen.

He wants to have all of the Ohio electric users pay all of the bills, and yet, at the same time, he asks all Americans to bail out the failed S&L's in Texas and Colorado and all those places.

Let us have all America come in and help to take care of this problem. Let us be fair, and if there is anything that is going to be passed, it has got to be fair, and it will be fair, because I am going to have my voice in it.

I am saying, Mr. President, help us. Do not kill us. You depended on us for 200 years; now is the time that we need you.

VOL 135 PT 9 JE 14 — 22 1989 UMI

RESERVATIONS ABOUT THE U.S. DIALOG WITH THE PLO

(Mr. ENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, I rise to voice serious concern about the failure of the PLO to uphold commitments made in initiating its dialog with the United States. Last December, Yasir Arafat made a statement purporting to recognize Israel, renounce terrorism, and accept U.N. resolutions 242 and 338. Six short months later it appears that the PLO is unable or unwilling to uphold these basic commitments. Since Arafat's pledge, there have been no less than eight PLO terrorist acts against Israel with Arafat refusing to denounce any of them.

The Palestine National Charter remains in place, advocating armed struggle and calling for the destruction of Israel. Arafat has made no effort to change this document which remains the official operational manifesto of the PLO.

Furthermore, many top PLO officials have directly and repeatedly contradicted the explicit pledges made by the PLO last December. This calls into question the integrity of the PLO in conducting even the most basic of discussions.

Mr. Speaker, the PLO clearly has trouble living up to its commitments. There is a limit to the contradictions and violations which the U.S. should tolerate in this dialog.

I have authored a letter to Secretary of State Baker, cosigned by 53 of my colleagues, urging him to closely monitor the PLO.

TODAY WE HAVE A CHANCE TO PASS A CLEAN SUPPLEMENTAL

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I just want to rise and point out to the House that we will have a chance again today to send to the President a supplemental appropriation to help the veterans. We are going to have one vote on some very unnecessary money which has been set aside for one particular subcommittee.

Let me point out that the Democrats in the other body have consistently voted against that money, that both the Republicans and Democrats in the other body are opposed to it, that the President has said he will veto the bill if that extra money is put in there, and that, therefore, if Members will vote today to help us clean up the appropriations bill to help the veterans, we are going to be able to go home. On the other hand, if we insist on continuing to negotiate with the Senate, it is very likely we will be here Friday continuing to negotiate.

I think it is very likely that if we send this bill down to the President with unnecessary money in it, he will veto it. If we want to help the veterans, we have a chance today to pass a clean supplemental that helps the veterans, and I hope Members will join us in voting to take out the unnecessary money.

THE SITUATION IN CHINA

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, first the Chinese Government used tanks and troops to silence the pro-democracy movement. Then they used deception and lies in an attempt to erase the memory of the bloody massacre on Tiananmen Square.

Today marks the beginning of a new phase in crackdown—today the executions began. In a public event in Shanghai, three young men were shot to death for their participation in the demonstrations against the Chinese Government.

Yesterday President Bush announced plans to step up the American response to the brutal suppression of the democratic aspirations of the Chinese people.

Consistent with those efforts, I plan to offer an amendment to the foreign assistance bill tomorrow, on my behalf and that of the distinguished subcommittee chairmen, the gentleman from Pennsylvania [Mr. YATRON] and the gentleman from New York [Mr. SOLARZ], that would prohibit the participation of the Overseas Private Investment Corporation in China on any further investments there.

The continuing suppression of the pro-democracy movement clearly makes China ineligible for the benefits associated with OPIC coverage. The United States must not encourage additional private investment in a country whose government is so full of political violence.

Mr. Speaker, Congress and the American people are outraged at the recent events in China, and our response to these events must be as strong and as clear as that public outrage.

CONGRATULATIONS TO PRESIDENT ON DECISIVE ACTION CONCERNING CHINA

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, I rise to extend congratulations to the President of the United States for the very firm and decisive action which he announced yesterday in dealing with this crisis about which so many of our colleagues are speaking.

There is a sense of outrage not just in the United States but throughout the free world that we are not going to stand by and tolerate this massacre which we saw in Tiananmen Square.

For President Bush to make it clear that he wants to see a delay in International Monetary Fund and World Bank action is a positive step, and for him to announce ceasing the planned visit of Commerce Secretary Mosbacher is one again a very clear step, because we have to send that message to the Chinese that we cannot have business as usual.

MEDICARE EXPENDITURE TARGETS

(Mr. LAUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAUGHLIN. Mr. Speaker, as a result of past attempts to balance the budget by cutting Medicare, we have managed to shut down numerous hospitals across the country. In my State alone approximately 160 hospitals have closed down and the effects are devastating. Now some folks want to ration physician services to the elderly through so-called expenditure targets.

We need only look at Canada's medical services to see that expenditure targets have only created huge waiting lines for sorely needed surgery, degraded conditions for elderly hospital patients, and, in some cases, added unnecessary and premature deaths while patients wait for treatment by surgeons constrained by "the target" from operating in time.

Expenditure targets can only force a physician to limit, restrict or postpone access to services. I am not willing to tell our elderly they must suffer a little bit longer so we can straighten out our budget problems. Their lives are at stake and we must therefore oppose any proposals to establish expenditure targets for the Medicare Program.

□ 1300

A BAD DAY FOR VETERANS?

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, today would end up being a bad day for the Nation's veterans. The flag they fought under and died for was said by the Supreme Court to be something that can be burned as a legitimate form of protest. How appalling.

In this House later on today we may vote to sacrifice the veterans' legitimate needs to pork and politics. The

supplemental appropriation bill that began as an attempt to meet legitimate needs of the veterans of this country has been loaded up with at least $200 million worth of pork. We may or may not vote to pull that pork out of there and get back to a clean supplemental bill.

One of the items that is in there is over $800 million that goes to one subcommittee in this House, supposedly for drugs. The President pro tempore of the Senate has told us flatly that the money is needed, and I quote him when he said "that this is not the place to provide for drug funding," talking about the supplemental bill. We agree with him. We ought to strip that money out. We ought to strip it out too because in a way it represents all that is wrong with this Congress.

That subcommittee has not provided sufficient drug funding in the past. In fact, that subcommittee has consistently underfunded the programs based upon what the President asked for.

We ought to vote down this particular drug funding. Vote for the veterans.

RESPONSES TO OLIVER NORTH QUESTIONNAIRE

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, on May 4, Lt. Col. Oliver North was found guilty here in Washington, DC, by a Federal district court jury of obstruction of Congress, destroying or mutilating official documents, and accepting an illegal gratuity.

Sentencing, which was to occur this coming Friday, has been postponed by U.S. District Judge Gerhard Gesell until July 5.

Earlier this month, I sent to my constituents in western Kentucky my 15th annual congressional questionnaire. A large number of these questionnaires have already been completed by my constituents and returned to my office. In fact, at this point, I have received some 16,500 responses, a larger number than normal so soon after the questionnaire was received by my constituents. Of these, my staff and I have tabulated 9,000.

Two of the questions on my 1989 questionnaire pertain to Oliver North, and I believe the responses are noteworthy.

Question four asks: "Do you believe President Bush should grant a presidential pardon to Oliver North?"

Of the 9,000 western Kentuckians whose responses have been tabulated, 6,496 responded that President Bush should pardon Oliver North whereas 2,312 responded that the President should not pardon him.

Question five, Mr. Speaker, asks which one of the following best describes Oliver North.

Of the 9,000 responses tabulated thus far:

a. An American hero, 1,051.

b. A well-informed operations officer acting on orders from his superiors, 5,463.

c. A naive scapegoat who was the fall guy for his superiors, 1,850.

d. A shrewd, zealous Marine Corps colonel acting on his own initiative, 608.

e. A violator of the law deserving of the guilty verdict handed him by a federal district court jury, 940.

EXPENDITURE TARGETS FOR PHYSICIANS' SERVICES UNDER MEDICARE

(Mr. BRUCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRUCE. Mr. Speaker, no matter how the proposal calling for expenditure targets for physicians' services under Medicare is couched, the bottom line is that it is nothing more than a system of rationing health care to elderly and disabled Americans.

The recommendation of the Physician Payment Review Commission calling for Medicare expenditure targets constitutes a radical departure from our Nation's commitment to creating a Medicare Program that provides the elderly with all necessary medical and other acute health care. It would replace that commitment with a system of economic incentives to withhold services to meet the expenditure targets. In effect, it calls upon physicians to make the rationing decisions for society on a case-by-case, encounter-by-encounter basis.

There is a better way. Imposition of expenditure targets is not necessary to control part B volume increases. In a recent report to Congress, this same commission indicated that effectiveness research, practice guidelines, and more comprehensive utilization review and quality review could play a rational role in volume constraints. Aggressive activities in these areas would totally negate the need for expenditure targets and provide the care needed by the elderly of our country without rationing. Continued research will benefit patients and will enable the Medicare Program to continue to meet its commitment to the elderly.

ADDITIONAL UNITED STATES SANCTIONS AGAINST THE PEOPLE'S REPUBLIC OF CHINA

(Mr. McMILLEN of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McMILLEN of Maryland. Mr. Speaker, congratulations are clearly in order for the President, who yesterday indicated his willingness to withdraw United States support for international bank loans to China. However, the reach of the sanction should be enlarged to be truly effective in sending a strong message to the Chinese Government.

To this end, President Bush needs to seriously consider abrogating the previously negotiated arrangement that permits the Chinese to use their Long March booster rocket to launch United States satellites. This contract was an important American gesture of support for the trend toward modernization and democratization in China. Since it is clearly not the case, we must tighten the vice tighter around the Chinese and send a clear message that we will not tolerate the continued repression in that country. We must cancel the contract, which will translate into many more jobs for Americans in this country.

I ask my colleagues in this House and urge them to join me in urging the State Department to consistently suspend all satellite exports under the Munitions Control Act. Only by being consistent in our selection of sanctions can we be assured that we have a chance of effecting positive change in the troubled People's Republic of China.

PROVIDING FOR CONSIDERATION OF H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 179 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 179

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991 and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI and clause 3 of rule XIII are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be considered for amendment under the five-minute rule by titles instead of by sections, each title shall be considered as having been read, and all points of order against the bill for failure to comply with the provisions of clause 5(a) of

VOL 135 PT 9 JE 14 — 22 1989 UMI

rule XXI are hereby waived except against the provisions beginning on page 514, line 7 through page 515, line 16; beginning on page 521, lines 4 through 19; and beginning on page 525, lines 1 through 15. Subject to clause 6 of rule XXIII, debate on all amendments, except as provided in the next three sentences, to the bill shall not exceed eight hours. It shall be in order to consider amendments en bloc, if offered by Representative Fascell of Florida, after consultation with the minority, said amendments en bloc shall be considered as having been read, shall each be debatable for not to exceed twenty minutes, equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, and may amend portions of the bill not yet read for amendment. It shall be in order to consider an amendment, if offered by Representative McHugh of New York, or his designee, said amendment shall be considered as having been read, and shall be debatable for not to exceed forty minutes, equally divided and controlled by the proponent and a Member opposed thereto, said amendment shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and all points of order against said amendment are hereby waived. At the conclusion of consideration of the bill for amendment, it shall be in order to consider an amendment in the nature of a substitute, if offered by Representative Broomfield of Michigan, or his designee, said substitute shall be considered as having been read, and debate on said substitute and all amendments thereto shall not exceed forty minutes. If the amendment offered by Representative McHugh is adopted, no amendment, except the Broomfield amendment in the nature of a substitute, shall be in order in the House or in the Committee of the Whole which amends or affects the subject matter of the amendment offered by Representative McHugh. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit which may not contain instructions that amend or affect the subject matter of the amendment offered by Representative McHugh and previously adopted by the House.

□ 1310

The SPEAKER pro tempore (Mr. GEJDENSON). The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. HALL of Ohio. Mr. Speaker, House Resolution 179 is a modified open rule providing for the consideration of H.R. 2655, the International Cooperation Act of 1989.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. The bill shall be considered for amendment by titles, instead of by sections, and each title shall be considered as having been read.

The rule waives points of order against the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI, relating to the 3-day layover, and of clause 3 of rule XIII, the "Ramseyer Rule."

It also should be noted that the rule waives all points of order against the bill for failure to comply with the provisions of clause 5(a) of rule XXI, the prohibition against appropriations in a legislative bill. This general waiver was granted to cover technical violations of this rule in view of the scope of this bill in rewriting the Foreign Assistance Act. However, after consultations between the Subcommittee on Foreign Operations and the Foreign Affairs Committee, waivers of this prohibition were not granted with respect to three specific sections of the bill.

Subject to clause 6 of rule XXIII, debate on all amendments to the bill, except as noted in the rule, shall not exceed 8 hours.

The rule permits Chairman FASCELL, after consultation with the minority, to offer amendments en bloc. The en bloc amendments shall be considered as having been read and may amend portions of the bill not yet read for amendment. These amendments shall be debatable for not to exceed 20 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The rule also makes in order an amendment relating to El Salvador by Representative MCHUGH of New York, or his designee. This amendment shall be considered as having been read, and shall be debatable for not to exceed 40 minutes, equally divided and controlled by the proponent and a Member oppose thereto. This amendment shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and all points of order against it are waived.

At the conclusion of consideration of the bill for amendment, it shall be in order to consider an amendment in the nature of a substitute, if offered by Representative BROOMFIELD of Michigan, or his designee. This substitute shall be considered as having been read, and debate on it and all amendments to it shall not exceed 40 minutes.

If the McHugh amendment is adopted, no amendment, except the Broomfield substitute, shall be in order either in the House or in the Committee of the Whole which amends or affects the subject matter of the McHugh amendment.

Finally, the rule provides for one motion to recommit, which may not contain instructions that amend or affect the subject matter of the McHugh amendment if this amendment has been previously adopted by the House.

Mr. Speaker, H.R. 2655, the International Cooperation Act of 1989, seeks to rewrite certain authorities under the Foreign Assistance Act of 1961 in order to establish more effective aid programs and to eliminate outdated and inconsistent provisions of the current law. The bill also authorizes foreign aid programs for fiscal years 1990 and 1991.

I would like to express my strong support for section 1204(a) of this bill which earmarks $245 million in each of fiscal years and 1990 and 1991 in development assistance and economic support assistance to carry out child survival and international health activities. This provision of the bill reflects H.R. 2312, which I introduced with the gentleman from New Jersey [Mr. SMITH]. I commend my colleague from New Jersey for his leadership on this issue in committee, and I thank the Foreign Affairs Committee for voting to add this important earmark to H.R. 2655.

I also appreciate the action taken by the committee to add human rights provisions in section 603 relating to monitoring, reporting, and making policy recommendations for assistance under title I with respect to human rights matters regarding civilians and noncombatants in situations of armed conflict. As stated clearly in the committee report, these rights include respect for the basic dignity of the person, free and safe passage of relief supplies, access of impartial humanitarian organizations providing relief assistance, and protection of objects indispensable to the survival of the civilian population including foodstuffs and drinking water. It is my hope that this section of the bill, which is similar to H.R. 1616 which I introduced, will encourage renewed attention to the rights of civilians and noncombatants in situations of armed conflict.

Mr. Speaker, this is a bipartisan rule designed to facilitate House consideration of important foreign aid and foreign policy issues. I urge my colleagues to adopt it.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, may I first of all commend the chairman of the Rules Committee, Mr. MOAKLEY, for his diligent work in seeing to it that a fairly fair rule was brought forward. There was extensive bipartisan consultation in the writing of this rule, and I believe that fact should be duly noted.

As the gentleman has indicated, the rule provides for 1 hour of general debate, to be followed by 8 hours of debate under the 5-minute rule. It is, thus, an open rule. The rule also provides for 40 minutes of debate on an amendment to be offered by Mr.

McHUGH. Mr. MOAKLEY, as well as 40 minutes of debate on an amendment in the form of a substitute to be offered by Mr. BROOMFIELD of Michigan. Finally, there is permitted a motion to recommit, with or without instructions.

My one criticism of this rule concerns the unusual protection that is afforded to the McHugh amendment. It is regrettable that this particular amendment is given preferential treatment, dealing as it does with only one country, El Salvador. I regret that this one beleagured country is singled out for critical scrutiny on a year-to-year basis, particularly given the 2-year nature of the bill.

But the rule goes on to protect the McHugh amendment from being amended, and it prohibits the instructions that could accompany the motion to recommit from affecting the McHugh amendment. These are serious and potentially dangerous precedents that I hope will not be repeated in the future.

Mr. Speaker, before concluding, I would like to make a couple of other comments.

There has been some discussion, and perhaps confusion, among Members about the necessity of having amendments to this bill pre-printed in the RECORD. I hope everyone will pay attention to this, especially those Members who may be listening in their offices.

Having your amendments pre-printed in the RECORD does not relieve you of the obligation for being here, when the title your amendment deals with is open. Once a title has been completed and closed, we will not go back to it. If, however, when the 8 hours of debate under the 5-minute rule are completed and some titles have not yet been considered, you will have the right to offer any pre-printed amendments you may have concerning these remaining titles. I hope this explanation will help clear up any confusion that may exist on this point.

Finally, Mr. Speaker, I would just make a comment about H.R. 265 itself. This is an extraordinarily complex piece of legislation. Not only does it authorize over $11 billion worth of programs; it also will have a substantial impact on the conduct of U.S. foreign policy. But it does even more: it completely rewrites the core legislation governing foreign aid. This is a task that had not been done for 28 years. And so I salute Chairman FASCELL and the Foreign Affairs Committee for their yeoman work in bringing this bill before us today. But I would also caution Members about what is or is not in the bill.

I must say that nobody will be completely happy with how the core legislation was rewritten, and I will have some amendments on that subject, myself. I am particularly concerned about the section 620(f) Communist countries list. You will hear more about this later.

For the time being, Mr. Speaker, I reserve the balance of my time.

□ 1320

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, today I will support the rule on the foreign aid bill, but I am not going to support the bill. I personally cannot see paying your neighbor's rent bill while the bank is foreclosing on your own family home.

I also believe that America is not really buying friends, and this money, while it is well-intended, is in many cases not getting to the people who really need it. Case in point, look at Marcos. The biggest debate now is, if Marcos did anything at all for the people with that money. Now we all heard about the shoes, but who really benefited from the policy of America in providing foreign aid? Who is talking down here about domestic aid for America?

Now, let Members take a look at the last 8 years and talk about what has been cut. We cut education. We cut housing. We cut research and development, for America. We also cut school nutrition. We cut child lunch programs. We also cut public works projects, roads, bridges. We also had taken away revenue sharing money for the cities. Some said that was pure pork. Members stood up here on the floor and said that was pure pork, that money going to American cities. We also cut Urban Development Action Grants, grants designed to get cities, areas, and communities high in unemployment rates, back into the mainstream. No, no, that was pork. We had to cut it.

What I am saying today is, the foreign aid bill in my opinion is pure pork, we could take an axe to it, and we would hurt nobody, and we might help our country. No one is taking a look at the situation that is occurring right before our eyes. Everybody is talking about this great economic boom and how great everything is going. In my district, people have lost pensions and they are worried about losing more of those pensions. Senior citizens have lost their medical and life insurance benefits through contracts that companies dropped and pulled out from. The Justice Department is letting them get away with it.

We have just presided over a Chapter 11 proceeding here, by bailing out a savings and loan industry. Members might laugh, but the signals and the flags are quite clear to me. We have an average of $150 billion worth of deficits, and no one is going to stand up today and holler deficit. I am hollering deficit today, and I am saying now is the time for all the conscientious Members of Congress who want to cut the deficit, to get out their knives, now. The two top banks in the world, 6 years ago, were American. Today, in the top five banks, America is not even represented. Foreign countries are coming in, buying America right before our eyes, renting it back to Americans. We are over here sitting, presiding over the greatest free trade giveaway in world history. Our jobs are going overseas, and they are continuing to ship the products back, and we are doing nothing about it. Nothing.

So today, I doubt if there will be many people in this House listening to me, I would like to see all Members vote this turkey down. However, if Members do not, I will be offering amendments, if there is not some technicality yet that will not allow them to be brought. I am hoping that the intent of the gentleman from New York, Mr. SOLOMON's amendments, and I agree with him 100 percent, that we might join forces. I do not know what the time restraints are. My amendments would cut it 10 percent across-the-board. Everybody is treated alike in my amendment. If that fails, Members of Congress could vote on a 6-percent, then a 3-percent across-the-board cut. I would hope that while our Congress supported protecting that oil in the Persian Gulf, Japan's oil, basically, so they could ship us more Toyotas, that we would look at America today and take care of our country first, and if we could spend $11 billion overseas, we could put a little more money into Cleveland, Youngstown, Pittsburgh, New York, and Los Angeles.

That is all I am saying. I wish all Members well and hope we can come together, and make a cut, and I commend the gentleman from New York [Mr. SOLOMON]. I commend many of the things the gentleman has been doing. Congratulations on your seat on the committee, and I hope that people vote for my amendments, and I hope we get a chance to bring them together.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the distinguished ranking member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, I support this rule for consideration of the foreign aid bill. However, I have strong reservations about one element of the rule. This could create a likelihood that the House would vote to unravel the foundations of the bipartisan accord on Central America that was reached between President Bush and congressional leaders earlier this year.

The rule makes in order an amendment to be offered by Congressman

VOL 135 PT 9 JE 14 — 22 1989 UMI

McHUGH. The McHugh amendment would limit the authorization of assistance to El Salvador. The McHugh amendment would require Congress to pass a resolution of approval in order to free funds for El Salvador during the second half of the coming fiscal year.

Mr. Speaker, the Committee on Foreign Affairs worked long and hard to reach an agreement on the issue of aid to El Salvador in fighting the Communist insurgency in that country. The compromise reached in Committee would provide for traunching of the funds to El Salvador every 6 months with a 2-year authority.

The bipartisan accord on Central America between the Bush administration and Congress was supposed to result in bipartisan cooperation on how to confront the political and military problems in that part of the world. The administration, the majority and minority worker in good faith to reach a compromise on El Salvador.

The McHugh amendment that is given special status under this rule would help to unravel the bipartisan accord on Central America that was reached between the administration and Congress. It could open up a new era of partisan warfare on Central America. This is something that has been very counterproductive in the past.

I also wish to highlight one other provision of equal, if not greater concern, contained in the bill on Central America. This is the section 707(b) policy language on Nicaragua. This provision directly threatens the bipartisan accord on Central America. It would make it impossible for the President to discuss steps on how to implement that agreement with countries which receive U.S. assistance. It prevents the President from entering into any agreement with such countries concerning the Nicaraguan resistance.

Mr. Speaker, while I have these reservations, I am hopeful that we will be able to work under this rule to improve the bill so that it can have wide support. I call upon the majority leadership to seriously consider efforts to modify these two provisions in title VII.

Finally, let me point out that debate on the various titles could be closed as we go on. Therefore, Members who have amendments to a title should come to the floor at an appropriate time to ensure that their amendments are considered. In addition, it is advisable for Members to preprint their amendments in the RECORD by the close of business Thursday for consideration on the floor, in which case they will be guaranteed 5 minutes of debate under House rule XXIII.

Mr. Speaker, it is difficult to bring a foreign aid bill successfully to the floor at any time. I commend Chairman FASCELL for his perseverance in shepherding this bill through Committee and to the floor of the House. I would also like to commend the gentleman from Indiana [Mr. HAMILTON] and the gentleman from New York [Mr. GILMAN] for chairing the task force to rewrite the Foreign Assistance Act of 1961.

I believe that the rule permits us to make the improvements necessary in this bill in order to obtain not only broad support in the House but also the approval of the administration. While the debate will undoubtedly be hectic, no Member will be denied his right to offer an amendment at the appropriate time. However, Members must be present to do so.

□ 1330

Mr. Speaker, I would also like to thank the gentleman from New York [Mr. SOLOMON], a former member of the Committee on Foreign Affairs, for his efforts in handling this particular rule.

Basically, I think if we can clean up those two areas I mentioned, we will receive the full support of the administration, and if not, I think we have some serious problems as far as a veto is concerned.

Again, Mr. Speaker, I urge the support of the Members for this rule.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. GILMAN], a member of the Committee on Foreign Affairs.

Mr. GILMAN. Mr. Speaker, I am pleased to rise to express my support for H.R. 2655, a bill to amend the Foreign Assistance Act of 1961.

It has been almost 30 years since Congress and the President wrote the basic law governing U.S. foreign assistance programs. During that time, the political, economic and military conditions in the world have changed considerably. With that in mind, almost 2 years ago, Chairman FASCELL requested the distinguished chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana [Mr. HAMILTON] and me to cochair a task force charged with evaluating the direction our foreign assistance program must follow, over the next several years.

Our task force reached several important conclusions. First, that U.S. foreign assistance is essential to preserve our national security interests, by providing crucial support to our allies, both economically and militarily. Second, it performs a critical humanitarian role by helping to alleviate poverty, as well as suffering from natural disasters.

While the foreign aid task force recognized the necessity for foreign aid, it also illuminated the need to reduce the legislative restrictions in the bill, to reduce reporting requirements, reduce earmarks and, in general, to give the President more flexibility to implement the Foreign Aid Program as an important foreign policy tool.

The bill before us today makes some progress in achieving those goals. It deletes many unnecessary and outdated provisions and consolidates many of the goals and objectives of our economic and military assistance programs. The bill calls for new, centralized accounting systems for the Foreign Military Sales Program. This would prevent countries from illegally selling U.S. technology to third countries.

These are all positive changes. Our report also called for the elimination of all earmarks. This has proven to be impossible. The Committee on Foreign Affairs feels very strongly that earmarks must be used to secure adequate funding for our most resolute allies.

Some Members of this body are not happy with every provision of the bill. Nor is the administration 100 percent pleased with every provision of the bill. However, it is important to bear in mind that this bill represents compromise. Our Foreign Affairs Committee has consulted with the executive branch every step of the way, and the end product may not be a perfect piece of legislation, but it is a good one.

I want to commend the distinguished chairman of the Committee on Foreign Affairs, Mr. FASCELL, for his expeditious handling of this bill and for his outstanding leadership throughout the markup process.

Permit me also to take this opportunity to thank and commend the staff members of the foreign aid task force for the outstanding job they did, both in preparation of the report, and throughout the markup.

Mr. Speaker, I strongly believe that a properly functioning foreign assistance program is vital for U.S. strategic interests.

Accordingly, I urge my colleagues to fully support this rule and its accompanying important legislation.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to rule, and I want to offer an explanation as to why I oppose it. It is based upon the talk that we have heard around the House over the last several weeks about bipartisanship.

We have heard a lot of talk that what we need in this body is to have the kind of bipartisanship that offers a chance for open debate where partisan differences are voiced but where it is done in a way that is fair and honest and open. I think that that is really the essence of what this body should be all about. We should have open and

free debate on the matters that come before us.

This bill, the foreign aid bill, has numerous opportunities for some differences among us. There is nothing wrong with that. As long as we have an opportunity to debate those things, it is to the advantage of the House to have those kinds of debates and resolve them in what the majority of us believe is in the national interest. That is what this body is all about.

For the most part, this rule attempts to do that, so from that standpoint it probably deserves some support. However, fair, open, and honest bipartisanship also means that the rights of the minority must be protected fully at all times. We cannot have bipartisanship around here if we begin to always chip away at the basic rights of the minority party as it affects this body.

Bipartisanship cannot be a part-time thing. It cannot be pursued only when it is convenient. It has to be a full-time thing, reflected each day in the rules that come before us that define the terms of the debate.

Mr. Speaker, that is the reason why I am concerned about the rule we are adopting here. When I go to page 4 of the rule, beginning with line 12, I find an interesting little addition to this rule that I have not seen before. This language says we are allowed a motion to recommit, which has always been a basic right of the minority, "which may not contain instructions that amend or affect the subject matter of the amendment offered by Representative McHugh."

In other words, now for the first time, the minority is being told that it can offer the motion to recommit, but we cannot do certain things in the motion to recommit.

That is terribly wrong. That is exactly what many of us complain about as impinging upon the rights of the minority, because when we look beyond it, we recall that just the other day we had the savings and loan bill out here and we used the motion to recommit to do something that was very positive from our point of view. We used our legitimate right in order to win in a fair fight. Now, in the very next rule that we get back, we find that the majority on the Rules Committee has now decided that in their rule they are going to limit our right to use the motion to recommit in the debate. That strikes us as a little strange and not out of context.

I would suggest to my colleagues on the minority side that we would do ourselves a disservice and we would do bipartisanship a disservice to adopt a rule that suggests that bipartisanship in the use of the rules around here is just a part-time thing, that we do not have to always be bipartisan, and that we do not always have to guard the rights of the minority.

Mr. Speaker, in this particular instance I think the rights of the minority have again been impinged upon, that the basic fundamental idea of free and open debate is being undermined and that we ought to defeat the rule.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. McCollum].

Mr. McCOLLUM. Mr. Speaker, I thank the gentleman for yielding time to me on this point.

Mr. Speaker, I join the gentleman from Pennsylvania [Mr. Walker] in opposition to this rule. I think that the one provision the gentleman is most concerned about that is protected under the rule for the motion to recommit, interestingly enough, applies to El Salvador.

□ 1340

Mr. Speaker, that in my judgment will be a primary focus in the debate in the Foreign Assistance Act of many of us in the next couple of days.

It was just 4 years ago this week that four U.S. marines lost their lives in El Salvador. They lost their lives in large measure because the police forces in the city did not have any training, were not there to respond, had no radios to talk to each other, and those who did the dirty deed basically got away. There have been recent apprehensions just this year that may allow some hope for someone being brought to justice for those four marines' deaths.

But as a result of that, a very primary precipitating factor: As a result of that we put into the foreign assistance bill in 1985 a waiver of a prohibition on training police for our military to train police in various parts of the world, and for a couple of years after that the U.S. military did train the police in El Salvador, an there are numerous reports on the books from the ambassador down there and from those involved at what a great success this really was. We not only were able to train the officers of the police cadres, we trained 16,000 individual police officers with the Salvadoran police primarily in the city of San Salvador. We trained them in riot control, we trained them in human rights, we trained them in basic law-and-order things. We also trained them in counterinsurgency, and how to have caches of arms and how to handle things in an investigation in a police way to protect evidence, and so on, in many, many ways. In addition, under that program we provided them with radios they never had before. We provided them with cars and all other kinds of equipment.

Mr. Speaker, unfortunately that proviso expired some time ago, and on this bill I am going to offer an amendment to allow the waiver to be renewed.

There have been numerous assassinations in the last few weeks in El Salvador. Our own American personnel feel threatened down there right now. It is very important, according to everyone with whom I have spoken, including our own Vice President who was just down there last week, that we renew the opportunity for our U.S. military advisers and those who are professionals in this training to go into El Salvador, into the country, and once again resume the training of the police in that city, to give them the equipment they need to have, to provide them with a day-to-day training and allow them to do things that they otherwise would not have the ability to do as those forces turn over.

Just this past week the largest arms cache ever found in that country was discovered by these police, and a cable from our ambassador said:

> That in large measure is due to the training we gave them that they were able to unearth this through very good police practices.

This is just one example of what can be done if we will provide the kind of assistance necessary to do that. Unfortunately the bill in its present form does not do that, so I would urge my colleagues to allow this amendment when it comes up and to pass it as a part of this bill.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I make a motion I would just like to take a few moments and try to answer the gentleman from Pennsylvania [Mr. Walker] relative to his questions and his statement.

I have been carrying as a member of the Committee on Rules the foreign authorization bill for a number of years, and I believe that this is probably one of the fairest rules that we have had in a long time. It is a very, very open rule, and, if I must say, I think the minority has ample opportunity to really go after the McHugh amendment, if they want to.

First off, Mr. Speaker, they can defeat it right off the bat, an up or down vote. No. 2, the amendment of the gentleman from Michigan [Mr. Broomfield], if offered by Mr. Broomfield, has the ability in it to amend the McHugh amendment or delete it if they see fit.

Mr. Speaker, I think this is a very fair rule. It received no opposition in the Committee on Rules, and it received unanimous approval in the Committee on Rules. As a matter of fact, this question was not even raised.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from Pennsylvania.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. WALKER. Mr. Speaker, I thank the gentleman from Ohio [Mr. HALL] for yielding.

Mr. Speaker, the point I am making, and I hope I made it well, was that I do think that on the face of it the rule is a pretty fair rule, but it really strikes some of us who watch these things, when all of a sudden what is regarded as a fundamental right of the minority, the motion to recommit is narrowed, and that is my complaint, is that I do not know why we had to in a very fair rule just narrow the right of the minority because I have to assume, based upon everything I have seen and heard for the last several years, that once that is done, then we are going to find another rule just down the pike a ways where we also have a narrowing of the right of the minority to offer a motion to recommit in the form that we wanted.

Mr. Speaker, I am just saying to the gentleman from Ohio [Mr. HALL] that I do not like the precedent, and it seems to me it is totally unnecessary here given the fact that we will have had a couple of cracks at the McHugh amendment, that the chances of that would be put in the motion to recommit are not very good anyway, and I do not understand why at this juncture we had to have that narrowing of that right in this rule.

Mr. Speaker, I thank the gentleman from Ohio [Mr. HALL] for yielding.

Mr. HALL of Ohio. Mr. Speaker, I must say that I do not think this is precedent setting. We have done this a number of times on bills with motions to recommit with instructions. We have protected certain titles. I can think, for example, of a number of bills that we have had on the floor.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from Pennsylvania.

Mr. WALKER. However, Mr. Speaker, some of us run to the assumption that we are operating under a new era around here where exactly those kinds of things were supposed to stop, that where the rights of the minority were going to be protected and that this is one of the first chinks we see in that particular assurance, and I got to say to the gentleman from Ohio [Mr. HALL] that I am concerned, and I think a number of other Members on our side are concerned about it.

Mr. HALL of Ohio. Mr. Speaker, I simply must say that we did not receive this kind of opposition in the Committee on Rules yesterday from the minority.

As a matter of fact, Mr. Speaker, there was a very good feeling about it, and we feel that we have been very, very open about this rule. As a matter of fact, it is the most open rule that I have been part of relative to foreign authorization in probably the last 5 or 6 years.

With that, Mr. Speaker, I would ask the gentleman from New York [Mr. SOLOMON] if he has any more requests for time.

Mr. SOLOMON. Yes, Mr. Speaker, we do.

Mr. Speaker, I yield myself just 1 minute to respond.

Mr. Speaker, I say to the gentleman from Ohio [Mr. HALL] that in my opening remarks I said that this was in my opinion a fairly fair rule, and I did appreciate all of the bipartisan consultation that the majority did give us. They were, I think, quite fair.

However, Mr. Speaker, I did state in exactly the same terms that the gentleman from Pennsylvania [Mr. WALKER] did, that I hoped that the limitations on amending the McHugh amendment and limiting the motion to recommit without bipartisan agreement, would not happen again.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me, and I thank him for the opportunity to come out and speak during this time on the rule about a provision in the language that I find to be very offensive to this Nation's undertaking of promotion of democracies around the world and that specifically section 707B, the restriction on agreements and understandings with regard to Nicaragua.

Let me just read to my colleagues on both sides of the aisle the language. The United States, and I quote:

> Shall make no agreement, either direct or indirect, and shall enter into no understanding, either formal or informal, under which a recipient of United States economic or military assistance or a purchaser of United States military equipment shall provide assistance of any kind to persons or groups engaging in an insurgency or other act of rebellion against the government of Nicaragua.

My colleagues, if we have this language in effect with regard to America's operations around the world, the Soviets would still be in Afghanistan. We would have absolutely no recourse with regard to China. Presumably the students who are being crushed under tank treads in China and now being executed are rebellious. They are members of an insurgency, at least according to the Chinese communist leadership, and the United States would have absolutely no right in an attempt to persuade another nation to help those so-called insurgents.

Mr. Speaker, I would suggest that there is a very strong similarity between those lovers of freedom and democracy, those people in the opposition parties who march in Nandaime and the young people who are killed in Beijing. They were brutalized by the police. Many people who have resisted repression in Nicaragua have been executed, and it does not accrue to the benefit of democracy anywhere in the world to so limit the United States in our attempt to promote democracy.

It appears to me that we are taking another step on the way toward criminalizing foreign policy and further tying the hands of President Bush. I think it is absolutely wrong, and I think it flies further in the face of the so-called bipartisanship that we undertook early this year with regard to the Central American agreement.

Mr. Speaker, I hope that the body finds the will to move this provision out of this bill. Let me just say that in theory, at least, this means that, if Radio Catolica in Nicaragua is shut down and we provide help to Radio Catolica, we provide parts to get that radio going, then we are helping insurgents, and we are helping a rebellion.

□ 1350

It means that if La Prensa is outlawed by the Sandinista government and we persuade another nation to help supply newsprint, for example, to La Prensa so Mrs. Chamorro can print uncensored statements in Nicaragua, then we are fostering the rebellion and we are violating this provision.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I thank my friend for yielding me this time.

I rise to voice my concern, too, about this rule, because of the specific treatment of the McHugh amendment. It clearly is a violation of this tremendous bipartisan accord which has been brought about in dealing with the crisis in Central America.

I also want to say while I have this time, Mr. Speaker, that I am going to be joining my colleague, the gentleman from Florida [Mr. MCCOLLUM] in offering this very important amendment which deals specifically with the training of police in El Salvador.

In 1985, this waiver was put into place and the success has been unbelievable. I made several trips to El Salvador and on June 1st when I had the privilege of representing the President at the inauguration of the newly elected president, the first democratic transition from one elected president to another, the night before that inauguration, on June 1, we saw the largest cache of weapons ever seized. That would not have taken place had it not been for the training which we had provided the police forces in El Salvador.

Mr. Speaker, 283 Soviet-made AK-47's were seized. I went around and looked at this cache of weapons, and when the debate is up we will have a photograph of some of those weapons. It is unbelievable, Hungarian-made guns, a wide range of weapons which

were seized simply because of this exception.

It is very important that the McCollum amendment be included in this bill, Mr. Speaker.

Mr. SOLOMON. Mr. Speaker, I yield the balance of our 4 minutes to the gentleman from Georgia [Mr. GINGRICH], the whip of the Republican Party.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from New York for yielding me this time. The gentleman is doing a very able job in the Rules Committee.

I think the point I want to make particularly to our friends in the Democratic Party is that we are very interested on the Republican side in getting to honest, fair bipartisanship. We have talked about this a great deal. We were very delighted when the new Speaker of the House said in his opening:

> I will do what I can every day that I serve in this office to insure that the rights and privileges of each Member of the House are respected and to insure that the procedure is fair to all.

I think what we are trying to say on this particular rule is that in our judgment, from our side as we see it, it is not fair for you to restrict the rights of the minority party to offer a motion to recommit.

Now, you can argue historical precedent and say, yes, in the past that the Democrats have been partisan about how they wrote the rule, and that is true; but the point is that Speaker FOLEY said we are going to have a more bipartisan effort, we are going to have a fairer approach, we are going to have more openness, we are going to ensure not only that Members have a fair break, but we are also going to work harder to make sure that the Republican Party as a party gets a fair break.

Now, this particular rule is not, in my judgment, fair. It basically protects the McHugh amendment on behalf of the left wing of the Democratic caucus, and we understand that the left wing of the Democratic caucus is very important, but they are not more important than the Republican Party. They are not more important than 175 Members of the House having a fair chance for a fair vote.

We do not ask that the Democrats guarantee that we win a vote. All we ask is that they allow the vote to be in order in a fair way.

We are making this much focus on this particular rule, frankly, to send a signal to our friends on the Rules Committee that if your interest is in more comity, in more cooperation, and a better sense of bipartisanship, then all we ask is that you be fair about it. If you will procedurally allow us to make our amendments in order and offer them, even if we lose, we have had a fair shot. If you will allow us to have control of a motion to recommit, we will have a fair shot.

What frightens us is very simple. Last week on the savings and loan bill, the gentleman from Iowa [Mr. LEACH], the second ranking Republican on the Banking Committee, offered a motion to recommit that worked. It worked so well that of the 60 Members who had voted no, with about 8 minutes left, only 17 or so were still voting no at the end. It worked so well that it passed in what may have been the largest vote for a motion to recommit, at least in my 11 years here.

Our fear is that we are playing a downward spiral where every time we find a procedure to get a fair vote on a popular issue, the Democratic majority then finds a new way to rewrite the procedures to block us from having a fair vote.

I would simply hope that after today that it would be a very, very long time, before the Rules Committee makes in order another rule which has in it a restriction on the Republican Party's right to offer a motion to recommit with instructions.

So I would urge Members on the Republican side—last week I asked for a yes vote on the rule on the savings and loan bill because it was fair, and today I will ask the Republicans to vote no, simply to send a signal to the Rules Committee that we do not think it is legitimate to intrude on the right of the minority party to have an open motion to recommit with instructions. I hope the Rules Committee will take that to heart and that future rules will not trample upon the right of the minority to offer a fair motion.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 273, nays 146, not voting 13, as follows:

[Roll No. 97]

YEAS—273

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Coleman (TX)
Conte
Conyers
Cooper
Costello
Crockett
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Goss
Gradison
Gray
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Pickett
Pickle
Poshard
Price
Quillen
Rangel
Ray
Richardson
Rinaldo
Robinson
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schuette
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Solomon
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—146

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bentley
Bereuter
Billrakis
Bliley
Buechner
Bunning
Burton
Callahan
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox
Craig
Crane
Dannemeyer
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan

Edwards (OK)	Lowery (CA)	Schaefer
Emerson	Lukens, Donald	Schiff
English	Machtley	Schulze
Fawell	Madigan	Sensenbrenner
Fields	Marlenee	Shaw
Frenzel	Martin (IL)	Shumway
Gallegly	Martin (NY)	Shuster
Gallo	McCandless	Skeen
Gekas	McCollum	Slaughter (VA)
Gilmor	McCrery	Smith (MS)
Gingrich	McDade	Smith (NE)
Goodling	McEwen	Smith (TX)
Grandy	McGrath	Smith (VT)
Grant	McMillan (NC)	Smith, Denny (OR)
Gunderson	Meyers	Smith, Robert (NH)
Hammerschmidt	Michel	Smith, Robert (OR)
Hancock	Morrison (WA)	Snowe
Hansen	Myers	Spence
Hastert	Nielson	Stangeland
Hefley	Oxley	Stearns
Herger	Packard	Stump
Hiler	Parris	Sundquist
Holloway	Paxon	Tauke
Hopkins	Penny	Thomas (CA)
Horton	Petri	Thomas (WY)
Hunter	Porter	Vander Jagt
Hyde	Pursell	Vucanovich
Inhofe	Rahall	Walker
Ireland	Ravenel	Walsh
James	Regula	Weber
Jenkins	Rhodes	Whittaker
Kasich	Ridge	Wolf
Kolbe	Ritter	Wylie
Kyl	Roberts	Young (AK)
Lent	Rogers	Young (FL)
Lewis (CA)	Rohrabacher	
Lewis (FL)	Roth	
Lightfoot	Roukema	
Livingston	Rowland (CT)	
	Saxton	

NOT VOTING—13

Collins	Leach (IA)	Udall
Courter	Leath (TX)	Wilson
Coyne	Nagle	Wright
Flake	Schumer	
Garcia	Torres	

□ 1416

Mr. PARRIS, Mrs. ROUKEMA, Mr. LOWERY of California, and Mr. HORTON changed their vote from "yea" to "nay."

Ms. SCHNEIDER and Mr. WILLIAMS changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RESTRICTING ADDITIONAL AMENDMENTS TO H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989, TO AMENDMENTS PRINTED IN THE RECORD BY JUNE 22, 1989, AND GERMANE MODIFICATIONS NOT PRINTED IN THE RECORD

Mr. FASCELL. Mr. Speaker, I have a unanimous, consent request that I believe both the majority and minority will agree to.

I ask unanimous consent that, notwithstanding the provisions of House Resolution 179, the resolution we just considered, no amendment other than those described in the following sentence may be in order in the Committee of the Whole to the bill H.R. 2655 unless printed in the portion of the CONGRESSIONAL RECORD designated for that purpose not later than June 22, 1989, that is tomorrow.

The amendments specified in House Resolution 179 to be offered by Representative MCHUGH of New York and Representative BROOMFIELD of Michigan; and amendments en bloc offered by Representative FASCELL of Florida after consultation with the minority pursuant to the authority provided in House Resolution 179, and consisting only of one amendments printed in the RECORD not later than June 22, 1989, and two germane modifications thereof, may be in order whether or not printed in the RECORD. Time for debate on such Broomfield and McHugh amendments shall be equally divided and controlled by the proponents and opponents.

The SPEAKER pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I will not object, but I just want to say to the gentleman from Florida, after reading his unanimous-consent request, that Members on both sides of the aisle have had more than a week to read the bill and they have had a week to find out what amendments they might want to offer. For myself, I think it is fair request, and I would hope that Members on both sides of the aisle would grant his wishes.

□ 1420

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Florida?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I am in full accord with what the chairman of the Committee on Foreign Affairs has just said.

I would like to indicate to Members of the House that there are already more than 100 amendments printed in the RECORD. So we can see what kind of a job we have ahead of us.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Speaker, I thank both gentlemen for this. We have agreed to this proposal, this request, as is obvious to the Members here, for the more orderly consideration of the many amendments. Everybody has had ample time and still has ample time, but certainly for the managers of the bill on both sides it is a tremendous help to know the extent of what we are going to be confronted with over the next several days, and I thank both gentlemen.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CONFERENCE REPORT ON H.R. 2072, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATION, FISCAL YEAR 1989

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 180 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 180

Resolved, That upon the adoption of this resolution it shall be in order, sections 302(f) and 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344, as amended by Public Law 99-177) to the contrary notwithstanding, to consider the conference report and motions to dispose of amendments reported from conference in disagreement on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes. Motions to dispose of amendments reported from conference in disagreement printed in the joint explanatory statement of the Committee of Conference shall be considered as having been read when offered.

The SPEAKER pro tempore. The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 180 is the rule providing for consideration of the conference report on H.R. 2072, making dire, emergency, supplemental, appropriations for fiscal year 1989.

The rule waives two sections of the Congressional Budget Act against consideration of the conference report, and against motions to dispose of amendments reported from conference in disagreement. These two sections are: 302(f), which prohibits consideration of measures that would cause the appropriate subcommittee or program level ceilings to be exceeded, and 311(a), which prohibits consideration of measures which would cause total new budget authority or total outlay ceilings to be exceeded.

These two Budget Act waivers are needed because the Appropriations Committee's section 302 allocation of new discretionary budget authority for fiscal year 1989 has been exceeded, and because the ceilings for total new budget authority and total outlays for the current fiscal year have also been exceeded. Any additional appropriations for this year would require these waivers.

When H.R. 2072 was first considered by the House in April, we adopted a rule providing these same two necessary waivers in recognition of the fact that this bill was needed to fulfill some very important government com-

mitments for the rest of this fiscal year. Now that we are at the end of the legislative process on this bill, the Rules Committee is recommending these same waivers to allow the House to give final consideration of this measure.

The rule before us also provides that motions to dispose of amendments reported from conference in disagreement, printed in the joint explanatory statement, are considered as having been read. This provision will allow the House to consider this measure more expeditiously.

Mr. Speaker, as all of the Members know, H.R. 2072 contains a number of appropriations which have been urgently needed for some time now. During the course of consideration of this conference report, we will have a separate vote on the funding for drug abuse programs, which has been a contentious issue from the beginning of this bill's consideration. I urge adoption of this rule so that the House can proceed to consideration of this important measure.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we must move a dire emergency supplemental appropriations bill soon in order to ensure that our Nation's veterans receive the health care that they need.

I heard a report recently of a veteran who sought medical help after experiencing the symptoms of a heart attack. He was told that because of the current funding shortage, he could not be accommodated immediately. But that he would have to come back in 10 days. Unfortunately, he died that night. The VA medical assistance program failed to help him in his hour of need. Mr. Speaker, the veterans of our armed forces did not fail to help their country in its hour of need, and we should not fail to help them now. They were promised medical care, and we should live up to that commitment.

Mr. Speaker, there has been a lot of political game-playing going on with this dire emergency supplemental appropriation. At one point the House passed a stripped down version of the bill designed only to provide veterans the funds that are needed immediately, but the other body has not seen fit to act on it. Instead, they sent back this bill which is loaded down with a large number of other items. Some of these are pure pork, and there are others that are worthwhile. But all the add-ons have served to make the bill more expensive and they have caused a large amount of delay. Mr. Speaker, our veterans are being used by some to carry along projects which could not stand on their own. The denial of care to veterans who need it is unconscionable.

Mr. Speaker, at the time of the Rules Committee meeting on this conference report yesterday, the administration sent a position paper saying they could accept the legislation if three major problems included in the amendments in disagreement were eliminated.

The first item which the administration wants to eliminate is $822 million in drug funding which is not needed at this time. Mr. Speaker, we all want to do everything we can to stop drugs, but a large drug supplemental increase was enacted only half a year ago—much of which is still unobligated. We need to make certain we are prepared to make effective use of the funds before we throw money at the problem.

Mr. Speaker, this rule will allow a separate vote on the amendment in disagreement dealing with extra drug money.

The second item opposed by the administration, Mr. Speaker, is the shift of the first pay date in fiscal year 1990 into fiscal year 1989 for three agencies. This shift would result in the addition of $354 million in fiscal year 1989 outlays. It would ultimately increase the deficit, because it would make room for additional spending next year.

Under this rule, the proposed disposition of this amendment in disagreement is left subject to a point of order.

Finally, Mr. Speaker, the administration strongly opposed the provision that would direct that the proceeds of certain Department of Housing and Urban Development loan sales be treated as offsets for domestic discretionary spending. This requirement violates the bipartisan budget agreement, Mr. Speaker.

Under the rule before us now, the proposed disposition of this amendment in disagreement is also left subject to a point of order.

Mr. Speaker, I should note that this rule includes two waivers of the Budget Act. The problem is that we are already over the budget ceiling for fiscal year 1989, the even 1 penny of spending for veterans or anybody else requires the waiver of the Budget Act.

Mr. Speaker, because I feel so strongly that we need to provide the health care that has been promised our veterans, I will support this rule, in order to move the veterans funding as quickly as possible.

□ 1430

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, this rule, if approved, will bring the omnibus supplemental appropriations bill, H.R. 2072 back on the House floor. In a word, Mr. Speaker, H.R. 2072 is a mess. It was a mess when we beat the across-the-board cut amendment on April 26.

It was a mess when we couldn't get consent to bring the bill up on May 17, and instead passed a clean veterans supplemental on May 18.

It was a mess when we passed the bill on May 27, after extracting $1 billion in reductions.

And it is still a mess now, as we bring the conference report and 80 amendments in technical disagreement back to the House.

In its present incarnation, this supplemental should be entitled, "Nightmare on Elm Street, Part 6." It is truly a horror story.

Mr. Speaker, on June 13, this House, by a vote of 395 to 0, instructed the conferees on the part of the House to take care of our veterans first. This was the second time the House voted unanimously to say "Enough of these shenanigans."

"Enough of holding the Veterans hostage to all the other cats and dogs in this bill. Let's break veterans medical care out of this bill and pass it separately."

Well, guess what, Mr. Speaker. Here we go again. Veterans medical care is right back in the middle of this monster bill.

Here's one more attempt to hold veterans medical care, the one true emergency, hostage to less needed funds—drugs, projects, buy more apples.

How many times do we have to say it? How many ways do we have to say it?

This rule, if approved, will put us on the wrong track. We will be debating everything under the sun but veterans. We will be debating drugs. We will be debating Legal Services Corporation. We will be discussing nonrecourse loans, and moving pay dates.

And if we do not get the votes exactly right, we will be bouncing this bill back and forth between the House and the Senate, or worse, sending the bill down for a veto. And then what happens to the veterans?

Well, some might say, it is inevitable. There is no way around it. Sooner or later, we have to slog our way through.

Wrong. I asked the Rules Committee not to make in order a Budget Act waiver for amendment 2, the drug money. If that amendment were not protected, then it would be dropped, and most of our problems would be solved.

This rule before us sets us going down the wrong track. We ought to be trying to expedite funding for veterans medical care, not holding it hostage. Right now the rule is part of the problem, not part of the solution. For that reason, I am constrained to oppose it.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Speaker, when we adopted the so-called budget resolution for the coming fiscal year, there

was a lot of patting on the back that once again we had somehow squeezed our numbers for fiscal year 1990 into the Gramm-Rudman deficit targets. Of course, we all know it was a sham—and the best which could be said of this year's budget resolution by its defenders is that "We did the best we could."

There were, of course, those of us who believed we could have and should have done better. For when the bottom line figures are counted at the end of the fiscal 1990 budget year, the Congressional Budget Office already estimates that we will be off the Gramm-Rudman mark by some $23 billion if we count the various gimmicks and cost-shifting employed to cook the books.

Now we approach the so-called Dire Emergency Supplemental Appropriation Act for fiscal year 1989. And once again, we face another instance of cookbook bookkeeping. First of all, we must ask ourselves whether all that is in the bill before us truly represents dire emergencies. I think the answer to that question is self-evident. Second, and more importantly, is the fact that our votes on this measure determine whether or not we are going to initiate yet another way of cookbook bookkeeping, since these so-called dire emergency designations do not consistently count against the Gramm-Rudman numbers.

If we callously disregard the discipline we committed ourselves to in the adoption of the Gramm-Rudman Act by passing this bill, we open the floodgates for more budget chicanery in coming years. Future budget resolutons will be even more dishonest than that adopted earlier this year for the simple reason that we will have deliberately created a mammoth budgetary loophole. For we will simply move more and more of the budget into the category of dire emergency supplemental spending, and less and less of the budget will appear in the annual budget resolution.

Mr. Speaker, for all the talk of ethics in the Congress, where are our ethics in terms of honest public policymaking? How long can we continue using rubber numbers?

If I, as a private citizen trying to balance my own household budget, knew that each and every June I could spend whatever I wanted on free credit, I would simply postpone all my spending until that month. That is exactly what we are doing with this bill, in terms of cooking the books and bouncing the rubber numbers back and forth between the House and Senate and the Office of Management and Budget.

We wring our hands publicly over the irregular bookkeeping which created the crisis in the thrift industry, Mr. Speaker, but we wink and pat ourselves on the back when we do exactly the same thing. Mr. Speaker, the time has come to stop this farce—and for that reason, I vote no on the so-called Dire Emergency Supplemental Appropriations Act, and on the rule before us.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I want to rise in support of the rule and to thank the Committee on Rules, the gentleman from Massachusetts [Mr. MOAKLEY], and the other members for the rule that they put out. I think it is a fair rule, and certainly we should all be supporting it. I hope this rule does lead to successful passage of the supplemental that will be acceptable to the President, that can be signed, because we badly need that support.

I want to thank the gentleman from Mississippi, Chairman WHITTEN and his Committee on Appropriations and the staff for all the work they have done. Mr. WHITTEN, I sure hope we can get this thing moving over there and get it signed into law. We need it badly.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I am sorry to see that it is business as usual here in the House of Representatives. Yes, today we are considering the so-called dire emergency supplemental appropriations bill that is chock-full of special interest spending provisions and other drains on the Federal budget that are anything but dire emergency appropriations.

As usual, the Democratic leadership is playing games with an appropriations bill and the use of nonexistent taxpayer dollars. It's a simple game that is best described this way—in order for the patient to get a new kidney, it must give up a liver—leaving the patient even more critical than before. Put more specifically to fit this conference report—in order for Members to help veterans, we must also help certain Members enact special interest provisions that they have tucked away in this legislation.

But I will not support such shenanigans, and I fully intend to oppose any conference report that so blatantly and recklessly abuses the integrity of the appropriations process.

The conference report appropriates $3.2 billion in new budget authority for fiscal year 1989. I wholeheartedly support the $1.2 billion that is appropriated for veterans programs because this funding is badly needed to support various veterans medical programs. Unlike many of the spending provisions in this conference report, the funds appropriated for veterans is of an emergency nature.

But in order for the veterans to get these emergency funds, we must also approve billions of taxpayer dollars for special interest spending like $75 million to rebuild a radio astronomy telescope in West Virginia for a member of the Democratic leadership in the other body. And if we aren't being asked to support special interest spending, we're being asked to support innocuous budget scoring gimmickry like the provision in the report to increase the proceeds of HUD asset sales.

Furthermore, the conference report calls for $822 million in antidrug funding. Now, it should be brought out that this money is recommended even though the last increase in Federal dollars has not yet been used. So why is it in the bill, you might ask? Well, we all know that the answer to that question is politics. The Democratic majority is pressuring Members through this provision by saying, "If you vote against this appropriations bill and our special interest spending provisions, then you are soft on fighting drugs." The fact is, nothing could be farther from the truth.

All of us in this body abhor the drug scourge that has fallen upon our society like a deadly cancer. No one wants to fight drugs more than I, and I am committed to doing so.

But this type of pressuring and hasty expenditure is not the responsible way to fight the war on drugs. We need an effective drug program, and I challenge the Democratic majority to bring a separate, comprehensive drug bill to the floor. Not a hastily and poorly written appropriations provision that is motivated not by efforts to fight drugs but by partisan political gamesmanship. The war against drugs is too serious. Let's not demean its importance in this way.

Why can we not get a clean, straightforward supplemental appropriations report? Just last week, the House voted to spend billions of taxpayers dollars to resolve the S&L crisis. Now more than ever, we need to enact responsible appropriations bills and vote against unnecessary or special interest provisions which hastily expend the funds of the already drained resources of the Federal Treasury.

I would urge a no vote on the conference report until a clean emergency supplemental appropriations bill is brought to the floor.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the rule for the simple fact that it waives the Budget Act. This bill contains violations of a number of sections of the Budget Act: 302 and 311; and it also violates the 1987 summit agreement and the 1989 summit agreement.

As the gentleman from Massachusetts correctly pointed out, the most important amendment that needs to be taken care of is amendment No. 2, and I hope that the House will follow his lead in that regard.

The chairman of the Committee on the Budget, the gentleman from California [Mr. PANETTA] and I intend to raise points of order against a number of items: that is, amendments Nos. 87, 93, 95, and 131 on points of germaneness. Even though those points of order are potentially available to Members, it is a great disappointment to me that the Committee on Rules would waive the Budget Act in this instance. I hope that this is a temporary and one-time aberration in that kind of work.

There are plenty of items in this conference report with which we might all disagree, and we will have a chance to vote on them as the various amendments come up. However, violations of the Budget Act should never be brought to this floor under a waiver of the rule. I urge a vote against the role.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN], the distinguished chairman of the Committee on Appropriations.

□ 1440

Mr. WHITTEN. Mr. Speaker, I am glad to take this time to point out that no one could make a better effort or a stronger effort than we have made to take care of veterans. Not only do we have it in this bill but I notified the Speaker today that we had a bill pending that could be brought up at anytime that would allow the Department to use fourth quarter money now so they could not hold us up at future times.

But may I say that over here we passed H.R. 2402, which takes care of the veterans, separately, which is pending in the Senate. All they have to do is bring it up and pass it anytime they wish to.

I also want to say here that at this time we have provided funds to take care of the drug problem. The problem involved there is not additional money, the problem is that we make it available now so we can get 3 or 4 months lead time. I have had so many folks talk to me who believe that the drug money is a problem, that it makes me feel that the White House realizes they are going to have to sign this bill if it is passed with drug funds included. So I say again, with those 3 or 4 months we save in getting ahead with money everybody agrees we have to spend, we should do it.

May I repeat again that we take care of the veterans here. The gentleman from Massachusetts had a motion to instruct the conferees. We voted for it unanimously. They have H.R. 2402 pending in the Senate. All they have to do is bring it up and pass it. We have it in this bill, and we have another one in reserve. So there are three ways we have taken care of it.

All the problems are on the other side of the Capitol. May I say again that is the situation, we are just as interested as anybody else. I do not want anything in this RECORD to indicate that we have not been in the lead in being sure the veterans have been taken care of with all the problems they have under the law.

Mr. BEILENSON. Mr. Speaker, I thank the gentleman from Mississippi for his remarks.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the rule just adopted, I call up the conference report on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. KILDEE). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 16, 1989.)

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes, and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the consideration of the conference report on the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes, and that I may include extraneous and tabular matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the conferees completed consideration of the dire emergency supplemental on Thursday afternoon. The conference agreement provides $2,823,896,500 for mandatory items and $1,603,774,941 in discretionary items, of which $1,212,402,941 are offset. The principal items that are not offset are the veterans' medical care and $100 million for migration and refugee assistance. However, the latter item gives the option of a direct appropriation or a transfer.

The agreement includes funds for veterans which have passed the House twice.

May I point out again that on these veterans' programs, we on this side of the aisle have consistently, with the support of our colleagues, taken care of the veterans in every way possible. There is pending in the Senate now a bill which they could bring up and pass anytime they wish to.

With regard to the other items here, as I pointed out, the big controversy has to do with drugs. There again, I think, and I have every reason to believe, that law enforcement is breaking down throughout the country. Not only with the Federal courts where they do not have prosecutors and do not have juries and do not have places to put them and do not have jails, but in the State courts. Due to drugs, we are just having many, many cases where there is a breakdown in local law enforcement.

Involved in this is not the amount of money, but when they get it. It is true that the Justice Department today has money to carry on what they are carrying on at this time, but they do not have the money to do the additional things they ought to be doing.

For a long time we have advocated a czar because there are 41 agencies, plus 50 States, that want money to carry out the work that would help. But the czar, as I understand it, does not have any authority except to act as the Justice Department tells him. He can issue news releases and he can make speeches.

So I just say that as serious as the situation is, we need to go ahead and act today to include the money on drugs, to save this 2 or 3 months time between now and October 1.

The money is for the following areas:

Legal activities	$8,586,000
U.S. Marshals Service	7,900,000
Support of U.S. prisoners	26,900,000
Federal Bureau of Investigation	36,691,000
Drug Enforcement Administration	70,409,000
Immigration & Naturalization Service	26,000,000
Federal Prison System	27,183,000
National Institute of Corrections	14,000,000
Buildings and facilities	205,370,000
Office of Justice Programs, Justice assistance:	
Anti-Drug Abuse Grants	125,000,000
RISS	2,000,000
Professional safety officers benefits	4,000,000
Prevention and Treatment Programs relating to juvenile gangs	15,000,000
National Institute of Justice	9,000,000
Bureau of Justice Statistics	10,000,000
Subtotal Office of Justice Programs	165,000,000
Administration of Foreign Affairs	4,000,000
Courts of Appeals, District Courts, and other judicial services	99,200,000
Defender services	13,700,000
Fees of jurors and commissioners	8,800,000
Court security	5,900,000

VOL 135 PT 9 JE 14 — 22 1989 UMI

Administrative Office of the U.S. Courts	1,820,000
State Justice Institute	4,020,000
Bureau of Alcohol, Tobacco and Firearms	4,000,000
U.S. Customs Service	86,000,000
Federal Law Enforcement Training Center	6,000,000
Total	821,579,000

They agree they are going to do it. The President's speeches show they are going to do it. They recognize they must do it, but they cannot see the value of doing it now instead of waiting until October 1 or after October 1, because that means next year, and it could mean a lot longer than just until October 1.

Other dire emergencies agreed upon include:

Guaranteed student loans	$892,428,000
Food stamps	224,624,000
Reimbursement to States for Foster Care and adoption services	423,345,000
Trade adjustment assistance	90,648,000
International Peacekeeping	125,000,000
Migration and refugee assistance	100,000,000
Forest fire fighting reimbursement	341,669,000

Conferees did not agree on the drug related crime package which is in true disagreement.

A major factor which caused the supplemental was the last minute demand by the Senate last year for an additional $1,900 million reduction in outlays.

Outlays as required by the Senate rules, can be limited by Congress but are actually controlled by the executive branch. The Senate demands that the House agree to Senate rules on outlays—which it ignores.

So without question, I do recommend this bill so that we might proceed and take care of these various problems that we have, including the matter of drugs.

I repeat again that we have been in the forefront, three or four different ways, to make sure that we take care of the veterans' problems. It is the Senate which amended H.R. 2402. We did not do it. It is our colleagues on the other side that linked it to June 15 and tied strings on it at the instance, I am told, of the Office and Management and Budget. They are the ones that brought up the present situation, not our colleagues on this side, not our colleagues on either side of the aisle on this side. The problem is with our colleagues on the other side.

Mr. Speaker, I reserve the balance of my time.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great reluctance that I rise to oppose the conference report. There are not many times in my career when I have taken a similar position in opposition to my chairman, the gentleman from Mississippi, for whom I have the greatest respect. I want to say at the outset that it is a privilege and an honor to work with the chairman, and all the members of the committee on both sides of the aisle.

But, Mr. Speaker, despite a long history of turmoil, disdain and even rejection, this supplemental comes to the floor largely unreformed and unrepentant.

At a time when fiscal restraint is the password, when deficit reduction is the key, the Appropriations Committee originally reported a bill that was loaded to the gills with unrequested, non-dire spending. At that time it had $5 billion in it, compared with the President's request of $2.2 billion. I predicted at the first Rules Committee meeting we had, the first of many as it turned out, that it would be an embarrassment if this bill made it out to the House floor. It was. An amendment, a valiant effort to pay for the $5 billion by reducing every program in the Federal Government by half a percent, went down to defeat.

It took nearly a month for the Committee to pull itself out of disarray and get the bill back on the House floor. That bill cut $1 billion out, a good step, a necessary step. But the proponents would not reduce by a penny the $822 million in the bill for law enforcement programs that are part of the war on drugs.

We have spoken about this $822 million innumerable times. It is double what the Drug Bill passed last fall calls for. It explicitly includes hundreds of millions of dollars that have been requested for 1990, that were rejected by the Congress in 1989, or that have not been requested by anyone at anytime. Little, if any, of that money can be spent this year. The programs are not running out of money.

True, unlike other drug programs—like the programs in HHS, education, and defense—the Justice programs are not choking on the money we've already appropriated. They are managing to spend the 35-percent increase we already gave them in an orderly fashion. They have sufficient funds for the rest of the year.

Maybe that is what the problem is. They are not choking on the money yet. Maybe we will not be satisfied until we give them so much money so fast they cannot spend it.

The Senate saw what the issue was. They voted four times to delete the drug money from this supplemental. They being the Democrats, in case anyone thought this issue is partisan.

Add into the equation the fact that the Office of Management and Budget will recommend a veto if this additional spending is included, and you'd think the writing was on the wall. But no, we will be debating drugs again today, Member trying to put Member into a sticky political wicket, for no apparent purpose.

And the other body, using the opening to put into the bill pet projects, large and small, does not come off looking much better.

All this would be bad enough, but what is worse is that true injury is taking place during the 3 months while these shenanigans are going on. There is one truly dire emergency—veterans medical care.

Because of a shortage in funding for medical care, whole categories of veterans are being turned away from VA hospitals. On June 2, Secretary Derwinski directed VA medical hospitals to suspend treatments for category B and C veterans and to reduce total employment by 8,000 slots.

The VA is losing 200 to 300 medical personnel per week, and as much as 800 total employment a week; 20,000 outpatient treatments are being denied each week that the supplemental is held up. VA medical center capital accounts were frozen on May 24. No more equipment purchases, operation and maintenance cutbacks, and by all means do not bring on line any new facilities.

The House has heard the cry of the veterans. On May 18, the day after I introduced my bill to separate the veterans in a clean mini-supplemental, the House raised such a hue and cry that the leadership brought out a clean bill, H.R. 2402, and we passed it by voice vote.

We passed it again, unanimously, 409 to 0, on May 24, after the Senate tried to play games. But the Senate will not let the veterans go. They could resolve this in a minute, if they wanted.

And last Tuesday, June 13, we unanimously instructed the conferees by a vote of 395 to 0 not to deal with other issues until the veterans were taken care of first.

Well here we are. And the veterans are not taken care of. Obviously, the unanimous opinion of the House was not taken seriously by its own conferees.

Bringing this supplemental conference report to the floor is not one of the prouder moments of my career. There are many other worthy programs waiting, too: student loans, foster care, Soviet refugees, and peacekeeping. But the conferees insist on trying to force unneeeded spending, on making the bill a Christmas tree, on holding the veterans hostage, while those veterans are being denied medical care.

I cannot support this conference report.

□ 1450

Mr. CONTE. Mr. Speaker, I yield 5 minutes to my leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, this conference report is a shameful example of what is wrong with the Congress. It is late on arrival, mislabeled, overloaded, overpriced and an insult to the American veterans, and that is just a short list of its drawbacks.

Mr. Speaker, this is supposed to be a dire emergency supplemental. Is this the way that we respond to emergencies? People should be thankful we are not a fire department. We have been dawdling with this dire emergency since the President submitted his request in March.

This was supposed to have provided badly needed funding for the Veterans' Administration's health care services. I guess, so much for the veterans. They have been used and abused, pummelled and politicized.

Mr. Speaker, there is a veteran in my own district waiting for a liver transplant, and because it is not service related he cannot get help, and his dilemma is directly the fault of what we are not doing here in this House and the silly games that are being played at veterans' expense.

Look at the games we play: moving a government pay day from 1 fiscal year into another, redirecting revenue from asset sales, piling on the pork barrel projects, playing politics with drug programs. There are more games played on this floor, I guess, than in the nearby Capital Center just down the road.

This package we will vote on today contains some of the very best, most innovative, most creative, and most deceptive sliderule sleight of hand we have seen on the floor.

I want to address myself to the specifics of the drug language which is really the killer provision here. No Member of Congress wants to be in the position of having to vote against drug funds for drug programs, I guess, but the fact is that this language badly damages our antidrug effort because it appropriates money for drug programs that is not needed, cannot be spent, and is fiscally irresponsible, and it threatens the integrity of our deficit reduction effort and makes a mockery of all that we have done to put together a sound strategy to fight drug abuse. This is the kind of language which turns good programs into bad by causing excessive waste in spending by encouraging fraud and abuse and by fostering mismanagement.

It is interesting to note, I think, incidentally, that since 1986, the regular appropriation bills have been underfunding drug programs and reducing the President's requests for funds. Regardless of the motivations for those reductions that were made during the past number of years and maybe some attempt now to make up for deficiencies of the past, we now know three-fourths of the way through this fiscal year the administration does not need more program money, and it cannot spend more wisely, and it does not want more money.

One need not take my word for it if we simply turn to the other body where the distinguished chairman of the Appropriations Committee in that body made quite a compelling case.

He said on the floor over there:

> Mr. Darman has provided information to the committee which shows that of the $5.2 billion in drug funding already appropriated in fiscal year 1989, approximately 56 percent, more than half, was unobligated as of March 31 of this year, and since it is clear that the agencies involved in the war on drugs will not run out of funding between now and September 30, since the fiscal year 1990 budget contains $6 billion more for drug funding, Mr. Darman indicated that he will recommend a veto.

Mr. Speaker, there have been four votes, all in the other body, overwhelmingly turning down the drug money, and I want to expand for the RECORD on who those Members were, but all my colleagues know who is in control of the other body and with overwhelming votes who it was voting against the drug money over there on the other side of the Capitol.

The fact is that the total antidrug funding increased by 39 percent in the last fiscal year. It is one thing to appropriate money. It is another thing to spend it wisely.

Mr. Speaker, we are violating the rights and endangering the very lives of our Nation's veterans so we can play partisan political games with drug funding. Is that the new cleaner, kinder, gentler image of the House there has been so much written about lately? Well, spare me that.

Let us conclude this nonsense today, pass a responsible dire emergency supplemental with no frills, no pork, no politics. Let us do the work of the House the way it ought to be done.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am quite surprised at the tone of the speech that the gentleman from Illinois [Mr. MICHEL], my good friend, just made, as well as my collegues on the committee. In this bill are funds for the veterans. They will be voting against the veterans' program that is here. There is only one basis that I can see why they oppose it here, and that is to try to make the Senate pass the bill we sent them some weeks ago taking care of the veterans' programs.

□ 1500

It is pending over there. All they have got to do is take it up and pass it.

Let me say what they are opposing here: guaranteed student loans, food stamps, reimbursement to States for foster care and adoption services, trade adjustment assistance, international peace keeping, immigration and refugee assistance, forest firefighting funds.

May I say that your Committee on Appropriations since 1945 has been $187 billion below the total recommended by Presidents.

Let me tell you that under President Reagan the Appropriations Committee bills, a total of $16 billion below the recommendations of President Reagan.

May I say that all this talk about voting against this bill, you are voting against the veterans' program because it is in here. Not only that, but they have another bill pending in the Senate they will not bring out. They are the ones that voted to limit it to June 15, and the instruction to the conferees that my colleague, the gentleman from Massachusetts offered, had to do with only certain items for veterans. The whole picture is in the bill we have here, and anybody who fights it is delaying it, to say the least, unless they have hopes that by defeating this, the Senate will take up the bill they have pending and pass it, which is all they have to do.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am frankly amazed at what I heard just a few moments ago when the minority leader spoke. The gentleman, for whom I have great respect, talked as if somehow it is the fault of the House, the fault of the Congress, that the problems that are being addressed in this bill arose in the first place, and that could not be further from the truth.

If you want to know why we are here today with this supplemental bill addressing these dire emergencies, it is because we had a President for 8 years that the Democrats consistently criticized for crippling programs, and people did not believe us. Maybe it was our fault because we did not get the message across and maybe it was because he was so popular, but there have been those of us on this side and even those on that side as recently as Jack Kemp just 2 days ago who finally have been vindicated.

Do you want to know why we need money in this bill for veterans who are being turned away, as the minority leader has indicated, and what he said is true without question. I have got about as many veterans in my district as anybody in the United States, and a very aging population.

During the Reagan years they consistently cut the budget that we tried to restore. The quality of care deteriorated in that 8-year period faster than any period in the history of the United States. More veterans were turned away from hospitals in that 8-year period of time than any period in

the history of this country. That is why we are addressing it in this bill, not because of what we did not do. What we did was only to stave off what was being done worse by the Reagan administration.

Do you want to know why there is Guaranteed Student Loan money in here? Because for 8 years the Reagan administration cut, cut, cut, until only those who could afford to go to school had the capability to go to school.

We told people, who out there somehow did not believe us, and now we are beginning to reap the whirlwind. This money is necessary to correct major cracks in the basic fabric of our society that people came to expect, and rightfully so, that the Reagan administration and the Republicans did not care about.

Firefighting. What was the Reagan administration's best effort in firefighting? You saw it last year in Yosemite. "Let them burn." They have already discarded that theory this year, even under the Bush administration.

The SPEAKER pro tempore. The time of the gentleman from Florida [Mr. SMITH] has expired.

Mr. WHITTEN. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman for the additional time.

Mr. Speaker, the gentleman from Illinois, the minority leader, talked about unobligated funds, that there is money there not spent. Do you know why it is not spent? They did not choose to spend it, not because it cannot be spent.

Is there anyone out there anywhere in this country who does not believe that more could be done in the fight against drugs? The need is overwhelming. Do not tell us that you cannot spend that money. They do not want to spend that money. The drug fight is one of the most important fights that we have in this country at this time. It creates most of the crime, most of the misery, and you are telling me that we have too much money because there is money left unspent? The money left unspent is cruel treatment for the people who need it. That money is there and they will not let it go. There is more of a need and that is why there is more money in this bill.

When are they going to take responsibility? When is the administration going to own up that you create problems and eventually they catch up to you and you have to spend money to cure them for people problems, drug problems, veterans' problems, the problem at HUD. There is a good one. Privatization, a perfect answer to everything.

We wasted so much money that now it is coming home to roost in the ideology of the Reagan administration.

You had better believe what we say, because it is the truth. It has been proven. It is there for you now and this bill seeks to correct the damage, the injustice, the anti-people attitude of the Reagan administration.

Once and for all, we have pulled the mask off of what was 8 years of neglect, 8 years of malignancy in their attitude toward what most people in this country are entitled to. That is the simple truth and that is why this bill is on the floor and that is why it is important to vote for it. If you want to change what has happened in 8 years, now is your chance to start on the road back to helping Americans, instead of helping fat cats.

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. COX].

Mr. COX. Mr. Speaker, with all due respect for the rhetorical energy and enthusiasm of my colleague, the gentleman from Florida, I would like to attack, If I might, the logic.

The Reagan administration in which I served did not cut a penny from the Federal budget, because the Congress appropriates funds in our system.

Eight years of the Reagan administration may be something with which some here are concerned, but anything that happened over the last 8 years by definition is not a dire emergency. What we are here to do is to address the lean dire emergency of veterans' medical services. It is the rest of the budget-busting that is incorporated in this measure as it comes to us today to which we on this side of the aisle object.

There are emergencies of all sorts that we must address in our Federal budget, but those things ought to be addressed through the normal budget process, and to waive the process through the Dire Emergency, we ought not to go back and rehash all those election issues, which by the way, Ronald Reagan and George Bush have won resoundingly three times in a row.

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I rise in strong opposition to a Senate amendment that will essentially end accountability for the Legal Services Corporation and allow the continued waste of taxpayer dollars for legal services outside of the original scope of the Corporation.

It is my understanding that the Legal Services Corporation was established to provide adequate legal representation to those not able to afford private legal assistance. If my understanding is correct, which I believe it is, how can we possibly consider an amendment that will allow hard earned tax dollars for legal services to be used for lawyers involved in redistricting litigation? How can we possibly support an amendment that would allow lawyers—directly supported by the taxpayer—to pursue lawsuits that private sector attorneys are willing to take at no cost to the taxpayer? How can we allow this mismanagement to continue?

If these factors are not enough to oppose this amendment, we may want to inquire about the dire emergency need for this legislation on an appropriations bill. The intent of the Senate amendment is to quote: " Making Dire Emergency Supplemental Appropriations and correcting enrollment errors * * *". Mr. Speaker, I believe that this amendment is an error and I hope we will vote down this Senate provision.

We should respect the hard working American taxpayer and require the Legal Services Corporation to stick to activities they were orginally intended to do—provide basic day-to-day legal services to eligible poor individuals.

Mr. LIVINGSTON. Mr. Speaker, I would like to engage in a colloquy with the distinguished chairman of the Subcommittee on Foreign Operations, Mr. OBEY.

Mr. Speaker, it is my understanding that amendment No. 18 as agreed upon by the conferees provides $3 million for the promotion of democracy in Nicaragua, and that of this amount, $1.5 million is designated for the Organization of American States [OAS] to carry out election monitoring activities in Nicaragua under the El Salvador accords. The distribution of the remaining amount would be left up to the State Department. Is that correct?

Mr. OBEY. Mr. Speaker, if the gentleman will yield, the answer is yes.

Mr. LIVINGSTON. It is also my understanding that although not explicitly stated in the conference report, it would be consistent with the conferees' intentions for at least some of the remaining $1.5 million to be allotted to the Center for Democracy for election monitoring activities. Is that correct?

Mr. OBEY. Mr. Speaker, if the gentleman will yield further, that is correct.

Mr. LIVINGSTON. I would just like to point out to the Members of this body that the Center for Democracy has a proven track record in this area, having monitored the 1986 Philippine election and the 1989 Panamanian election. Furthermore, it has a head start in the area of election monitoring.

In April, it was invited by the "Group of 15" opposition parties—as well as the Sandinista government—to monitor the entire 10-month process leading up to the elections next February.

The center has been working diligently for the past 3 months to lay the groundwork for these activities, maintaining daily contact with key leaders on both sides, including meetings with the opposition and Daniel Ortega.

The center is working closely with the leaders of the Central American governments, as well as with the OAS, to encourage the adoption of fair electoral groundrules by the Sandinistas. It has established a cooperative relationship with the Council of Europe and the European Parliament, and the center's monitoring group in Nicaragua will include a number of Latin American and European observers.

Among the many projects planned, the center has begun work on an authoritative "Guide to the 1990 Nicaraguan Elections" which will be printed and distributed this summer internationally. It will also host a series of meetings on Capitol Hill with the Nicaraguan Supreme Electoral Council at which time its members can respond to questions and criticisms.

Mr. Speaker, given this outstanding list of credentials and activities, I think we must strongly urge the State Department to give serious consideration to the Center for Democracy when it determines how it will allocate the $1.5 million in discretionary funds provided by this legislation for the promotion of democracy in Nicaragua.

□ 1510

Mr. OBEY. Will the gentleman yield?

Mr. LIVINGSTON. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I simply say I agree with him.

Mr. LIVINGSTON. Reclaiming my time, I thank the gentleman for his comments.

I have to tell this body that I am less than sanguine about the outcome of the election or the results in Nicaragua, but I have to say that it has been my observation that the Center for Democracy has done an outstanding job so far and will do as good a job as possible or as can be had in Nicaragua.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I could not believe the words I heard coming out of the mouth of the gentleman from Florida a few minutes ago when he said that it was all Ronald Reagan's fault; Ronald Reagan did not spend enough money.

I say to you appropriators sitting here and to you authorizers sitting there, only the U.S. Congress can authorize, only the U.S. Congress can appropriate. Therefore, if there was not enough money spent on all of these programs, it was not Ronald Reagan's fault. It was yours.

Where is that gentleman from Florida? It was your fault. Ronald Reagan did not veto one bill. You did not override one bill for spending. Therefore, that means you did not appropriate the money. You did not authorize it.

Therefore, whose fault is it? That gentleman down here that ranted and raved in the well, it was his fault.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, being chairman of the Committee on Appropriations, I must set the record straight, that most of the problem was caused by bypassing the Committee on Appropriations. Since 1945 we have been $187 billion below the recommendations of the President, and we were $16 billion below the recommendation of President Reagan.

What has happened is we passed laws saying they are entitled to it, and we passed laws entering into contracts, and the Congress has to pay for it.

I do not know who did it. The Committee on Appropriations which you mentioned did not do it.

Mr. SOLOMON. Mr. Chairman, reclaiming my time from the chairman, I agree; this Congress took Richard Nixon to court to make him spend the money they appropriated and authorized. That brought about these rescission laws we have now where any President of the United States cannot withhold the spending that you authorize and that you appropriate.

The President now has to come on his hands and knees and say, "Congress, we don't need to spend the money. May I please not spend it?" And usually you say, "No, you have got to spend it, Mr. President." So let us not pass the buck. It is you, Congress; it is your fault.

Long live Ronald Reagan.

Mr. WHITTEN. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Chairman, as chairman of the VA, HUD, and Independent Agencies Subcommittee, let me commend my good friend from New York. Incidentally, he is truly a friend of the veteran, and it has been my pleasure to follow his lead in several of these areas over the years. I am very grateful. I think I speak on behalf of all Americans, and especially veterans, for all of the good work that he has done, and also that of my good friend, the gentleman from Mississippi [Mr. MONTGOMERY], who chairs the Committee on Veterans' Affairs.

Let me set forth, starting with fiscal year 1981, what the President's request to the Congress was, and what the Congress gave by way of employee years. Members must draw their own conclusions.

In 1981, the employment request for the VA medical account was 184,672. We gave him, the VA, 185,869. In 1982, it was 181,106 requested; we gave 186,287, a significant increase, because as Members all know, the veteran population is aging. There is a greater demand for services, a greater need there. I hope we will be able to meet that need in the forthcoming 1990 budget. The 1983 request from the President was for 187,546 employees. We provided, the Congress, 188,238. The 1984 request was for 190,544, and this was good news. He was up to the area where we believed he ought to be, and it was 190,574 that the Congress provided. He had a good year that year. The request was 193,321 in 1985, 193,941 for the Congress. Those 2 years were good years. In 1986, he requested 192,048 employees, a reduction from the previous year of a thousand or so, and then the Congress provided the same number as the year before, 193,941.

Where we are running into trouble is in 1987. From that point on it is downhill for the President. He requested, in 1987, 185,192, a dramatic cut. We provided an increase over the previous year, and we brought him up to 194,140, almost 9,000 additional FTE's that the Congress provided for the VA medical services, with an aging and ever increasing demand. In 1988, the President's request was 190,330, some 4,000 under the previous year. We provided 194,140, the same as the year before. Difficult, tight-budget times—we cannot increase the military dramatically, we cannot slash taxes and think we are going to be able to do what we had been doing.

In 1989, he requested 192,358, with the Congress providing 194,720.

That brings us to fiscal year 1990. Incidentally, this supplemental will, in my judgment, very adequately fund the VA medical account, and it is important that we do this.

I want to tell the Members that we are in deep trouble for 1990, because the President's request for the next year, starting October 1, is 186,194 employees, which is way under the 194,720 that we have in last year's bill. I am going to call upon each and every one of the Members who have demonstrated a concern in this area to work with us and to support an appropriation which is going to assure adequate VA medical funding. We are coming up to the moment of truth.

I was up to the Committee on Rules yesterday and did not fare well. They are making it awfully difficult for us. We were opposed by the Committee on the Budget, and it is going to be tough in 1990.

I think this is one of the Nation's top priorities as I have listened to the Members on this floor over the last several months. There are going to be hard choices. I want to tell the Members that, and some of the Members are going to suggest that Peter got robbed to pay Paul, but as I have heard the priorities of this body in these months as we have debated the supplemental back and forth, and it has been like a ping-pong ball, it seems

to me, what I have heard is that the people in this Congress representing the people of the United States want the VA medical account adequately, fully funded. That is what I have heard.

I want to assure the Members, as one Member who will have a minor voice in how that is going to be done, that I will labor, and I am committed to anybody and everybody who will work with me to achieve that result in the 1990 bill.

When that bill comes to the floor, the Members are all going to be put to the test, and I will guarantee them that, and we will see who is a friend of the veteran.

□ 1520

Mr. SOLOMON. Mr. Speaker, will the gentleman yield at that point?

Mr. TRAXLER. I am delighted to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I just want to say to the gentleman from Michigan that he certainly makes a great deal of sense, and what he says is absolutely true. Because of previous veterans' administrators and the leadership in the Veterans' Administration, they marched to the orders of OMB, not to what the real needs of the veterans were, and that is one of the reasons we got ourselves in this mess we are in now. Such things as a 1 percent cost-saving productivity increase. We cannot do that in hospitals. That is how we got in this mess.

I just want to say to the gentleman that he is one of the great friends of the veterans, and he has done a tremendous job in his capacity, and we look forward to working with him to try to correct these inequities.

Mr. TRAXLER. I thank the gentleman.

Mr. SMITH of Florida. Mr. Speaker, will the gentleman yield.

Mr. TRAXLER. I am delighted to yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Speaker, I want to thank the gentleman from Michigan for these statistics, which are revealing, and which, if I am not mistaken, indicate that what I said in the well was correct, that it was not the Congress of the United States, but it was the President of the United States who kept cutting back on the numbers of people, and we either funded or exceeded what he wanted. Is that correct?

Mr. TRAXLER. That is a fair statement. I might say that the total that the Congress appropriated over the President's recommendations over the last 5 years, what Members have done in support of the veterans health care account has been $1 billion over what the President recommended. The Congress cannot be faulted, in my judgment, for making a superb effort under extremely trying budget conditions.

Mr. SMITH of Florida. Would the gentleman also agree, however, that the need out there is so much greater even than what we are able to do above what the President wanted, and we are now coming back to address this issue? And would not the gentleman say, because I know the gentleman is aware of this, that in the other areas that are addressed in this bill the same kind of statistics actually do exist?

Mr. TRAXLER. I would say that one could draw those conclusions.

Mr. SMITH of Florida. I thank the gentleman and commend him for his interest and his work on this issue.

Mr. TRAXLER. I thank the gentleman for his contribution, and I yield back the balance of my time.

Mr. CONTE. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, first of all, I do not know what my good friend from Florida [Mr. SMITH] had for lunch today, but something got him going. He is a dear friend of mine, but he is wrong on this one, because no one fought the Reagan administration on appropriations more than I did. I think Mr. TRAXLER handled it beautifully by listing all additional money that his subcommittee put in for the veterans. The President signed every one of those bills, and Mr. SMITH of Florida is down here in the well blaming the President for this supplemental. He signed the bill that Mr. TRAXLER put all of the money in. Maybe Mr. TRAXLER did not put in enough.

No, he put in plenty, Mr. TRAXLER put in plenty, and I am going to be with him this year, too, as I have been in the past. I am going to be with you

So the gentleman from Florida is all wrong on that point.

Then the chairman of the full committee goes up before the Rules Committee, comes here to the floor, and we have heard it now like a broken record, he has cut $16 billion from the Reagan budget, $16 billion cut from the Reagan budget. You cannot have it both ways. You cannot get up on the one hand and say the President shorted us on the money, and then on the other hand we cut him $16 billion.

Who is at fault here? Somebody is at fault here.

Mr. SMITH of Florida. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Speaker, I appreciate the gentleman yielding. I only want to tell the gentleman, with the best of friendship, and in the spirit of being open and honest on this floor, I had the same thing for lunch obviously that you did.

Mr. CONTE. I had a beautiful mango that my friend from Florida brought up, the chairman of the transportation subcommittee, and it did not give me the same effect.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, would the gentleman mind telling us where he bought that incredible coat?

Mr. CONTE. I got it at Filene's bargain basement where I get all of my clothes.

Now I lost my train of thought.

Let met tell my colleagues the big issue here that we keep losing in this supplemental debate, is that in 1987 we had a stock market crash in this country, and as a result, the leadership of both the House and the Senate, and the administration, formed a budget summit. We met for 25 days over in the Senate. Then-Majority Leader Tom Foley was chairman of that budget summit group. And we came out of that meeting with an agreement, which capped our expenditures. That is what this is all about. Everyone is forgetting the 1987 budget summit agreement.

What are we arguing about? We are not arguing about drugs. Heck, if the gentleman from Iowa wants to put $10 billion in there, we are going to debate that later on. Let him put $10 billion. But I say live up to your responsibility and give us $10 billion in offsets.

Here again, he wants to have his cake and eat it too, and I do not blame him.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I would ask the gentleman from Massachusetts, who signed that agreement he is talking about? I never saw it on the floor here.

Mr. CONTE. The gentleman from Iowa was not a part of it. He was not a part of it. The leadership was part of it, JAMIE WHITTEN was part of it, DANNY ROSTENKOWSKI was part of it, BOB MICHEL was part of it, I was part of it, the Senate leaders were part of it, OMB. You were not there. That is too bad. You stick around long enough and you will get a chance.

Mr. SMITH of Iowa. If the gentleman will yield, he got his clock cleaned, and now he wants us to pay the bill.

Mr. CONTE. They keep blaming the President. I remember my good friend from Monroe, LA. The gentleman from Mississippi, the chairman of the committee, remembers him. You remember him, Mr. Chairman? He used to say when the foreign aid bill came up that the administration proposes and the Congress disposes. Do you remember that? He used to say that all of the time, and that is true. The

President can send up any budget he wants, but we have that final say on that budget, and we have the final say here today on the supplemental where some Members believe that we have to live within that budget summit agreement of 1987.

There are some things in here where a point of order can be raised, and I understand the gentleman from California [Mr. PANETTA] is going to raise points of order because the provisions violate the Budget Act.

However, when it comes to the drug money, they insulate it, they protect it. They do not live up to their fiscal responsibility. They do not put any offsets in here, and then they get up and they control the Rules Committee, and they waive points of order on the budget so that we cannot raise a point of order.

We could be out of here in 5 minutes. But the thing that gores me more than anything as a disabled veteran. Why, why use the veterans as the hostage?

If we want to debate and want to put telescopes in here, and want to sell more apples, and want to do all of these things, it is all right with me, do it, but let the veterans go free. Let them go down to the White House, sign the bill, and then let us debate these other issues. Let us debate the drug issue for the next 3 or 4 weeks, but do not do it on the backs of the veterans.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, may I point out some details about this so-called summit? I was not in the group that went to the White House. I was in the group that met over here, and what is supposed to have happened at the White House is opposite to what we agreed to in the meeting over here.

I ask the Rules Committee for a copy of the agreement. They said there is none; it is not written. Those are the facts.

What they did was agree with the increases for military and foreign aid which the President requested and cut domestic some more. I was not down there, I did not agree, and that agreement such as it was, and I presume was oral, was opposite to what we agreed to in the meetings over here, and those are the facts.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Pennsylvania [Mr. CLINGER] for the purposes of a colloquy.

Mr. CLINGER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, first of all, I would like to thank the conferees for coming up with the $6.6 million needed to save the Essential Air Service Program. Those of us who represent small communities and rural areas certainly appreciate your efforts in this area.

However, we are concerned about a provision that is attached to that $6.6 million. That provision states that "no subsidy shall be paid for any service * * * for which the per passenger subsidy exceeds $300."

We are concerned about this provision because of the discretion that it leaves to DOT. There are so many ways that this $300 cap could be implemented that might affect which communities lose their air service. It could be done on a calendar year basis or a fiscal year basis, I could use negotiated subsidy rates or actual subsidy rates, or it could combine routes, points, or hubs in a way that would have consequences that are difficult to foresee at this time.

It is my understanding that DOT currently has a method for determining which communities exceed the $300 cap. Under this method, DOT had identified six communities that will lose their air service because of this $300 cap.

We do not want to be surprised in the future by finding that DOT has changed its method with the result that a small community that expected to keep it service is now going to lose it.

Is it the conferees intention that DOT should continue to use the same methodology it used to identify the six communities?

Mr. LEHMAN of Florida. Mr. Speaker, if the gentleman will yield, yes, the gentleman's understanding of the conference is correct.

Mr. CLINGER. Mr. Speaker, I thank the gentleman for that information.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of the provision to provide funding of $1,500,000 for the three political parties in Puerto Rico to participate in the legislative process with the Congress involving the future political status of Puerto Rico. President George Bush, in his February 9, 1989, address to the joint session of Congress, expressed his strong personal support of Puerto Rico statehood and asked the Congress to authorize a referendum in order for the people of Puerto Rico to decide on their future relationship with the United States.

Puerto Rico has the closest relationship with the United States of all the territories. The people have been U.S. citizens for over 71 years. Puerto Rico alone among the territories lies within U.S. Customs Zone. The U.S. Constitution applies in part. Puerto Rico has set the pace among U.S. territories in the development of democratic self-government like that of the United States. Puerto Rico was authorized a representative in Washington at the beginning of this century. It wasn't until 1980 that three other territories were represented in Congress. The newest member of the American family, the Commonwealth of the Northern Marianas, do not yet have a delegate in Congress although the residents gained U.S. citizenship in 1986.

Puerto Rico was the first territory to be authorized to elect their own Governor after World War II in the late 1940's. In fact, the territories of Alaska and Hawaii were not authorized to elect their own Governors until they became States in 1959.

In 1950, the Congress enacted the Puerto Rico Federal Relations Act authorizing the people to formulate a local constitution. Congress approved the developed constitution with certain required changes in 1952. With the Puerto Rico Constitution in effect, the local legislative and executive branches lead by popular vote, and an elected Representative in Congress (albeit a non-voting), Puerto Rico enjoyed unprecedented local self-government among U.S. territories.

Puerto Rico's advanced local self-government was often examined as a possible model for Alaska and Hawaii. However, the people of those areas chose to wait for full integration into the United States. Through statehood the people of Alaska and Hawaii would gain full participation in the American system, the right to vote for President and Vice President and full voting representation in the House and Senate. There were uncertainties regarding the economic impact of the responsibilities of statehood. However, the determination to fully participate and faith in the American system lead the people to seek statehood. Their desires and faith proved correct as evidenced by the strong economies of both States.

Puerto Rico's economy has developed over the years and the per capita income has risen to a point nearly unparalleled among the islands of the Caribbean. The people are now faced with the choice of their future relationship with the United States. Should they go it alone through independence? Should they be satisfied with the unincorporated commonwealth/territory relationship with the United States which could be improved but would leave them disenfranchised and without voting representation? Or should they pursue the inevitable culmination of integration with the United States through statehood to achieve a full endowment of their constitutional rights?

I believe the people of Puerto Rico will choose the best relationship with the United States. It is critical that they make a well-informed choice, so that there are no misconceptions or allusions regarding any of the three relationships.

The administration supports the Senate initiative to provide $500,000 to each of the three political parties to allow participation in our legislative process. It is essential to have the involvement of the political parties through the legislative process. However, the voter education regarding the different relationship options should be provided in a nonpartisan manner. The origin of this political status initiative actually began with direct requests by the people of Puerto Rico for congressional action on a referendum.

During the 99th and 100th Congresses, the people of Puerto Rico submitted 350,000 individually signed petitions for Puerto Rico statehood. These petitions were delivered by Dr. Miriam Ramirez de Ferrer, the president of a nonprofit grassroots civic organization, Puerto Ricans in Civic Action. The sheer magnitude of the petitions from the people of Puerto Rico was a large part of the reason which I introduced legislation in the last Congress to

provide for a referendum on Puerto Rico statehood.

Each of the political parties in Puerto Rico supports a particular future relationship with the United States, the people should make their choice according to the merits of a relationship, not for partisan reasons.

I urge my colleagues to support this measure which affects the lives of nearly 3½ million U.S. citizens in Puerto Rico. It is needed to assure equal participation in the legislative process by all parties, not just those currently in office.

A recent article in the Washington Post entitled "Puerto Rico's Monumental Question" highlighted the intense involvement of the people of Puerto Rico in the debate on their future relationship with the United States. While the article noted that "Political Status Is a White-Hot Issue on Island, Almost Invisible on Hill", our action today demonstrates the Congress' active consideration of this monumental question. I am submitting the entire article as it explains the importance of this issue and why it warrants consideration in this appropriation bill.

PUERTO RICO'S "MONUMENTAL" QUESTION—POLITICAL STATUS IS WHITE-HOT ISSUE ON ISLAND, ALMOST INVISIBLE ON HILL

(By Judith Havemann)

There was President Bush's support for statehood for Puerto Rico, then a Senate committee's push for a referendum in 1991 on whether Puerto Ricans want independence, statehood or an "enhanced" commonwealth status, all of which has raised expectations on the island.

In Puerto Rico, recent Senate hearings preempted popular daytime television programs and attracted phenomenal numbers of viewers, including crowds outside store windows who watched sets tuned to the proceedings.

For now, it is an issue of surpassing importance far away that is almost invisible in Washington.

Few members of Congress have focused on the issue. The president's task force on Puerto Rico met for the first time last Friday. Difficult political and technical issues remain to be resolved about the conditions under which any of the three forms of government might be granted.

In an attempt to define the terms of statehood, independence and enhanced commonwealth status, Sen. J. Bennett Johnston (D-La.) has begun a breakneck schedule of hearings.

In Puerto Rico, the last referendum on the issue in 1967 was dismissed by many as a mere popularity contest because it was not clear whether statehood meant losing Puerto Rico's special tax status, among other issues.

Commonwealth supporters won 60.4 percent of the vote compared with 38.9 percent for statehood and .6 percent for independence. Independence supporters largely boycotted the plebiscite and some statehood partisans joined them.

Turnout was only 66 percent of registered voters, compared with more than 80 percent normally, according to the Congressional Research Service.

Fervor on the island over the issue is already white-hot, judging by the Puerto Rican press, and this may foreshadow trouble if the process fizzles out.

"These are monumental matters for us and for the mainland as well," said Resident Commissioner Jaime B. Fuster, a non-voting delegate in Congress and a leader of the commonwealth party. But, based partly on a survey of the House and partly on his general knowledge about Congress, he said he believes there is relatively little awareness in Congress of the issue.

"I believe that Puerto Rico is walking down a road, has already walked down the road, that has changed the nature of politics and perceptions" about the relationship with the United States, he said.

The White House Task Force on Puerto Rico began an "objective analysis" of legislation pending before Johnston that details what the three parties in Puerto Rico are seeking, according to presidential spokesman Steven Hart.

The task force is headed by Andrew Card, deputy chief of staff, and includes representatives of the departments of Health and Human Services, Treasury, State, Interior, Justice, Housing and Urban Development, Commerce, Defense, and the offices of the U.S. Trade Representative and Management and Budget.

The administration has been asked to present its position on the complicated legislation next month. Hart said that the White House would be stepping up the schedule of meetings on the issue to prepare for the hearings.

According to an aide to Johnston, the participation of the White House is crucial at this stage. Although the Senate Energy and Natural Resources Committee, which has oversight over the commonwealth, has committed itself to resolving the issues necessary to secure a referendum, Congress has many competing urgent issues, and many of the key "status" issues involve numerous committees such as Armed Services, Finance and Judiciary.

No one knows which status Puerto Ricans might choose in a national referendum.

But the mere fact that Bush endorsed statehood in his first State of the Union message gives new impetus to its supporters on the island.

The most recent states to be admitted to the union were Hawaii and Alaska, which joined in 1959.

Although the possible admission of Puerto Rico as the 51st state seems to pose challenges because of its Hispanic culture, Spanish language, relative poverty and distance from the mainland, all have historical precedents, according to testimony before the energy committee.

Sen. James A. McClure (R-Idaho) said in the Senate on April 5 "We do have antecedents, including Hawaii, but the best analogy would probably be that of Louisiana. The territory of Orleans presented a novel problem for the United States. It was almost exclusively French-speaking, followed the Napoleonic Code and was Catholic."

"Needless to say, in 1812, the territory of Orleans became the State of Louisiana and as any lawyer can attest, there is the common law and then there is Louisiana. There is the Uniform Commercial Code and then there is Louisiana's version. There is general admiralty law and then there is Louisiana. I hope that we will not get distracted into fruitless exercises on this issue either by the proponents or opponents of statehood," he said.

Mr. COMBEST. Mr. Speaker, today during consideration of the dire emergency supplemental, we will vote to accept an amendment offered by the other body regarding the Legal Services Corporation. House conferees refused to accept this amendment and I believe that we should affirm the House position.

This amendment will wipe out months of background work that the Legal Services Board has done to facilitate the implementation of a competitive grant system. This system is to be set up by a new Board, which has yet to be appointed by the President. Supporters of the amendment contend that the background work done by the current LSC Board violates the conference agreement on last year's LSC appropriations bill.

I question the intent of the Senate amendment. As I see it, the actions of the LSC do not violate the existing conference agreement. The preliminary background work that the current LSC Board is doing will be necessary if a new Board is to implement a competitive grant system in the near future as intended in the current LSC appropriation. I can only construe that the supporters of this measure are not really interested in creating a responsible and fair competitive grant system.

The other body's amendment is ill-conceived. Not only would it stop LSC from further study of a competitive grant system, it would also nullify all regulations that have been put into effect during this fiscal year.

For example, the Senate amendment will also cancel a new regulation that requires grantees to speedily notify the Board regarding the possible illegal use of LSC funds. Only in effect since the beginning of the year, this requirement has already led to the disclosure of three cases which are currently being investigated. One case involves the alleged fraudulent misappropriation of $130,000. In another, the former executive director of a grantee from my State of Texas is being investigated for the alleged misappropriation of nearly $70,000. Regulations such as these make for a more responsible Legal Services Corporation and lead to a better accounting of the taxpayers' dollars. But the Senate amendment kills these reforms in their tracks.

The Senate language is not necessary and actually works against the interest of good government. I urge my colleagues to oppose any measure to recede in the amendment concerning the Legal Services Corporation.

Mr. FRENZEL. Mr. Speaker, in the movies the good guys almost always win. Here on the floor of the House, the outcome is never quite that certain.

If you are having trouble following supplemental action, just check the CONGRESSIONAL RECORD of May 18. Very little has changed since then.

The main similarity between May 18 and now is that delay and tactics on this legislation are producing some very serious problems. The most urgent, of course, is the need to get money to the veterans' hospitals before their currently desperate condition becomes truly calamitous. The necessity of funding medical services for our veterans provided the initial impetus for this supplemental bill. That is what we ought to be addressing today. Veterans medical services are, in fact, a dire emergency.

Several other mandatory programs are also running short of funds and cannot make it through the end of the fiscal year, although their condition has not yet become as severe

as that of veterans' hospitals. We ought to appropriate money to cover fire fighting costs, food stamps, foster care, and guaranteed student loans, to name the principal items.

Unfortunately, this central purpose has been nearly forgotten in the on-going scramble to attach less urgent or even wholly discretionary wish list items to this so-called dire emergency supplemental.

The President's request was for a little under $2.3 billion. Frankly, some of us who are focused on reducing the deficit thought even that amount was a little rich. Counting the antidrug amendment, the bill before us today stands at nearly $5 billion, more than double the initial request. Doubling a bill does not mean just adding a little fluff or padding here or there. It requires a complete disregard for the budget problem to which we all pay so much lip service but evidence so little discipline.

The budget problem led us twice to the summit conference table with the President, once in the fall of 1987 and again this past spring. Both times we reached an agreement which involved setting tough but achievable spending targets and then sticking to them throughout the stipulated period with no exceptions whatsoever, except in the case of dire emergencies.

While the veterans' medical situation has become what anyone would deem to be a dire emergency, most of the rest of the items provided in this bill are far from dire in their questionable necessity. If we pass this supplemental, bloated with unneeded but politically popular spending and sleight-of-hand budgetary manipulations, we might as well repudiate the past two budget summits as well as the one for fiscal year 1991 yet to come.

Ground work is already underway for early bargaining on the fiscal year 1991 budget so that we can round out a strong 2-year budget package for the 101st Congress. But frankly, a House vote for nearly $5 billion in largely unneeded and unjustified spending sends the negotiators a signal that they are wasting their time. It means that the House only wants to adopt bold plans, but it doesn't want to live up to them.

Living up to budgets is a lot tougher than drafting them. This supplemental bill contains several truly ingenious devices which achieve surface conformity to the budget summit agreement and the follow-up budget resolution but which clearly violate both the budget agreement and scoring agreement that accompanied it.

The pay dates of three Federal agencies—Veterans, EPA, and NASA—are shifted from the first Tuesday in October 1989 to the last Friday in September. The clever scribes at the Appropriations Committee were careful to state in their report that pursuant to Gramm-Rudman, "this action is a necessary (but secondary) result of a significant policy change." They hope that this will force OMB to score the $354 million involved as fiscal year 1989 outlays rather than fiscal year 1990 spending to minimize the chance of a sequester. Let me observe that if OMB pulled a stunt like this, there would be an immediate chorus of howls from the Hill.

The appropriators' real intent is to give themselves more room under the budget agreement and their 302 allocation for fiscal year 1990. By scoring this $354 million in outlays on the 1989 books, they can then free up the same amount of outlays for other purposes in fiscal year 1990. This is a terrible precedent. There is no significant policy change that merits shifting the pay date. Unlike the military situation where payday this year falls on a Sunday, no one can concoct even a cover story to explain why paychecks for DVA, EPA, and NASA must be issued on Friday instead of Tuesday. The House should reject this blatant budget gimmick.

Another run at the integrity of the budget process takes the form of specific instructions in the supplemental to score HUD asset sales proceeds as offsets to outlays. Again, this is an attempt to get more room for outlays in fiscal year 1990 so that the budget agreement will not pinch so hard.

The 1989 budget negotiators spent many long hours reaching agreement between the executive branch and the legislative branch on how to score various programs and transactions. We had to do this because scoring the budget agreement is crucial to keeping the agreement.

The provision to score asset sale proceeds against programmatic outlays violates both the letter and the spirit of this agreement.

It also violates the separate targets set out in the agreement for discretionary spending and for asset sales. Like the pay date shifts, this budget gimmick should be rejected.

Finally, I want to reiterate my opposition to the $822 million in antidrug funding that some are seeking to attach to this bill. The vote on adding this money will not be a test of Members' commitment to the war on drugs. It will be a test of their commitment to reducing the deficit and to responsible budgeting instead of emotional budgeting.

Much of the $500 million passed in last fall's supplemental for antidrug efforts has not yet been obligated, much less spent. So why should we rush to add another $822 million?

We have set up a study commission on antidrug strategy to develop an optimum plan. That report from Bill Bennett is not even due until September. So why the rush to add another $822 million before we have even received their recommendations?

The administration has requested over $5.2 billion in antidrug funding for fiscal year 1990. This request is currently under active consideration in the Appropriations Committee and will be brought to the floor later this summer. Antidrug funding is important. Other programs are also important. The Appropriations Committee has the responsibility to weigh all of our priorities and bring out a bill that places antidrug spending in the proper perspective. Rushing to add another $822 million now preempts their deliberations.

Our colleagues in the other body rejected this emotion-laden antidrug add-on three separate times. The House should not allow itself to be manipulated into agreeing to funds that will not be spent before the end of September.

If we add the antidrug funds to this bill, the bill will be delayed, probably in the other Chamber, and certainly at the President's desk. Veterans' medical services will not get their needed funding.

The supplemental appropriations bill ought to be reserved for dire emergencies. I urge my colleagues to join me in voting against lower priority spending, against evasive budget gimmicks, and against drug funding that can wait a few weeks until the regular appropriations bills are brought out.

Mr. BORSKI. Mr. Speaker, I rise today in strong support of funding for veterans health care in H.R. 2072, the dire emergency supplemental appropriations.

Mr. Speaker, due to shortfalls in the fiscal year 1989 budget, there has been a dangerous reduction in medical care to America's veterans. Basic health care services are being denied to eligible veterans. Staff levels at veterans facilities are dangerously low and veterans are being turned away.

There are now 4,000 fewer medical personnel available to treat veterans than directed by Congress. This has reduced the number of outpatients to be treated this year at veterans hospitals and clinics by 600,000.

Vital equipment at veterans facilities is not being replaced and medical supplies are in short stock. Many prescription orders are not being filled.

Our veterans deserve better. These are the men and women who served their country in its time of need. Reductions in medical care default on the promises made to veterans to provide for their health and well-being in exchange for the essential service they provided for our Nation.

The emergency funding in H.R. 2072 will enable veterans facilities to avoid even deeper employee and service cuts. This emergency funding will not restore veterans medical care to the level necessary. The $340 million provided to alleviate the funding shortfall is the bare minimum required to maintain adequate veterans health services this year. However, this bill is a step toward better health care for veterans and will allow us to deliver essential medical services to veterans who are in immediate need.

Mr. Speaker, it has been months since the magnitude of the emergency in the veterans health system became clear. Precious time has already been lost while veterans continue to be refused medical care, turned away from hospitals, and denied medication. This situation must be corrected.

It is vital that these emergency funds be approved—without delay—to prevent further decay in the VA medical system. I urge my colleagues to support H.R. 2072 and finally give America's veterans their due.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ACKERMAN). The question is on the conference report.

MOTION TO RECOMMIT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. CONTE. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as following:

Mr. CONTE moves to recommit the conference report on H.R. 2072 to the Committee on Conference.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WHITTEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 201, nays 218, not voting 13, as follows:

[Roll No. 98]

YEAS—201

Ackerman
Akaka
Alexander
Anderson
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bellenson
Bennett
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Coleman (TX)
Conyers
Costello
Cayne
Crockett
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillman
Glickman
Gonzalez
Gordon
Gray
Guarini
Hamilton
Hatcher
Hawkins
Hayes (IL)
Hefner
Hertel
Hochbrueckner
Hoyer
Johnson
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murtha
Natcher
Neal (MA)
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Pallone
Panetta
Pease
Pelosi
Perkins
Pickett
Pickle
Porter
Poshard
Rahall
Rangel
Richardson
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Sangmeister
Savage
Sawyer
Scheuer
Sikorski
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Solarz
Spratt
Staggers
Stark
Stokes
Studds
Swift
Synar
Tanner
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Unsoeld
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—218

Andrews
Anthony
Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bentley
Bereuter
Bilirakis
Boehlert
Broomfield
Browder
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Conte
Cooper
Cox
Craig
Crane
Dannemeyer
Darden
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Flippo
Frenzel
Gallegly
Galli
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Green
Gunderson
Hall (OH)
Hall (TX)
Hammerschmidt
Hansen
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hiler
Hoagland
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Kasich
Kolbe
Kyl
Lagomarsino
Lancaster
Laughlin
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Morella
Morrison (WA)
Murphy
Myers
Neal (NC)
Nielson
Olin
Owens (UT)
Oxley
Packard
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Petri
Price
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ridge
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Saiki
Sarpalius
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter (VA)
Smith (MS)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Wolf
Wylie
Young (AK)
Young (FL)

NOT VOTING—13

Bliley
Collins
Coughlin
Courter
Flake
Leach (IA)
Nagle
Payne (NJ)
Schumer
Torres
Udall
Wilson
Wright

□ 1555

The Clerk announced the following pairs:

On this vote:

Mrs. Collins for, with Mr. Coughlin against.

Mr. Nagle for, with Mr. Bliley against.

Messrs. PURSELL, HUGHES, HOAGLAND, WATKINS, and HUBBARD changed their vote from "yea" to "nay."

Ms. KAPTUR and Messrs. THOMAS of Georgia, PORTER, GLICKMAN, SLATTERY, and APPLEGATE changed their vote from "nay" to "yea."

So the conference report was not agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING A FURTHER CONFERENCE ON H.R. 2072

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the House insist on its disagreement to the amendments of the Senate and request a further conference.

The SPEAKER pro tempore (Mr. ACKERMAN). Is there objection to the request of the gentleman from Mississippi?

Mr. CONTE. Mr. Speaker, reserving the right to object, I do not intend to object. I merely reserve the right to object so that I can get some indication from the chairman of the committee as to what our plans are from here on in.

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield, my unanimous request was that the House insist on its disagreement to the amendments of the Senate and request a further conference.

Mr. CONTE. And ask for a further conference?

Mr. WHITTEN. Yes, a further conference.

Mr. CONTE. Mr. Speaker, I certainly have no objection to that. I hope that if we do have a further conference—and I hope that we do—we understand that we have two avenues. One is that the veterans' bill, H.R. 2402, is waiting over in the Senate, the one that we passed here unanimously, and they can ship that down to the President tonight; or if we do go back to conference, I hope now what we realize this last vote sends a message that we cannot have a great deal of money in this bill, such as the $822 million, without any offsets.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I just want to emphasize for all our colleagues that it seems to me we should be prepared, if necessary, to be here on Friday. I understand that the Senate will be leaving for 2 weeks and will not be back, as I understand it, until July 10, and what was discussed in May as a serious problem with veterans' hospitals will clearly by mid-July be a fairly dramatic problem. I think we need to send a signal to the Senate and, hopefully, to our own conferees that it will be very useful by the end of today or tomorrow to produce a clean, signable supplemental appropriation, emphasizing the veterans.

Mr. Speaker, I want to congratulate the gentleman from Massachusetts [Mr. CONTE] for his leadership.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I would point out that there is $822 million for the war on drugs in the bill that is not offset, however, there is an additional $666 million in the bill that is not offset and the administration has said they would approve of all of that. That is part of the deal they made, as we know, with some of the Senators so they could get them to help in opposing the additional funds for the war on drugs.

Mr. CONTE. Mr. Speaker, the gentleman is right.

Mr. SMITH of Iowa. The list that is put out on the Republican alert sheet is an accurate list. Those are the things that were added in the Senate that the administration agreed to. This list that people are complaining about was not a House list. Those were things the administration agreed to with the Senate to get them to go along.

Mr. CONTE. Mr. Speaker, the gentleman is partially right. A good part of the $600 million was the veterans' money.

Mr. SMITH of Iowa. That is $340 million.

Mr. CONTE. We got an agreement, as the gentleman recalls, and I had gone to the White House and gotten an agreement that we would not need the money to offset the veterans' medical care because that was a dire, dire emergency, and we would not have to have an offset on the Soviet refugee money because that also was a dire, dire emergency.

□ 1600

Mr. SMITH of Iowa. Also most of the funds for international peacekeeping activities—$107 million—and also the money for the White House—$1.5 million—those amounts are not offset.

Mr. CONTE. Mr. Speaker, the other big item, I believe, was $250 million for the firefighters at the Yosemite or Yellowstone.

Mr. SMITH of Iowa. Mr. Speaker, it totals $666 million.

Mr. CONTE. And the U.N. money is offset.

Mr. SMITH of Iowa. No, $107 million of outlays is not offset.

Mr. CONTE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2072, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1989

The SPEAKER. The Chair appoints the following conferees: Mr. WHITTEN, Mr. NATCHER, Mr. SMITH of Iowa, Mr. YATES, Mr. OBEY, Mr. ROYBAL, Mr. BEVILL, Mr. MURTHA, Mr. TRAXLER, Mr. LEHMAN of Florida, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. CONTE, Mr. MCDADE, Mr. COUGHLIN, Mr. REGULA, Mrs. SMITH of Nebraska, Mr. EDWARDS of Oklahoma, Mr. GREEN, and Mr. ROGERS.

CONGRESSMAN NATCHER'S RECORD VOTING STREAK

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute.)

Mr. BROOMFIELD. Mr. Speaker, I would like to bring an important milestone to the attention of my colleagues.

With this rollcall, our good friend, BILL NATCHER, has voted on the floor of the House 16,000 straight times.

This historic record may not be an item on tonight's network news, but it is worth mentioning at a time when the House has been the focus of so many stories on political wrongdoing.

BILL NATCHER has never missed a day or a vote. He was elected in August 1953 and was sworn in as a Member on January 6, 1954.

BILL has made a total 11,837 rollcall votes and 4,163 quorum calls since then. That makes a total of 16,000.

BILL is a man of many virtues. His honesty, his industry, and his independence are just some of the virtues described in an article in the June 26 issue of People magazine.

BILL's voting streak brings up another of his virtues. Stepping up to the plate and taking a swing without flinching at 16,000 assorted curve balls, sliders, and not a few spitballs—takes a great deal of courage.

BILL has said that he made up his mind as a teenager that if he was ever elected to the House or Senate, he was going to do it right. He has, and I believe his career is an example of the American system of representative government at its best.

The SPEAKER. The Chair recognizes the distinguished gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Speaker, I want to thank my good friend, the distinguished gentleman from Michigan [Mr. BROOMFIELD], a man that I have respected and known all down through the years for the statement he just made.

I want all of the Members of the House of Representatives to know that one of the nicest things that has happened to me during my lifetime is the honor and the privilege that I have had of serving with each of these ladies and gentlemen in the House. The House of Representatives is the most powerful legislative body in the world, and it is a privilege and an honor to serve in this House.

I say to the gentleman from Michigan [Mr. BROOMFIELD], my good friend, "I want you to know this: I made 16,000. I do not know whether I can make 16,000 more or not, but I'm going to try."

HOUR OF MEETING ON TOMORROW

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at noon on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, It would be my intention to announce to the House the program for the rest of the day.

Mr. Speaker, it is our intention to proceed now to the bill on foreign operations. We will proceed with general debate. There will be one amendment en bloc offered this evening, but there will not be a vote on that amendment.

Tomorrow, Mr. Speaker, we will proceed with consideration of that bill as well, and we will try to determine the next steps on the urgent supplemental appropriation.

INTERNATIONAL COOPERATION ACT OF 1989

The SPEAKER. Pursuant to House Resolution 179 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2655.

□ 1607

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the

VOL 135 PT 9 JE 14 — 22 1989 UMI

Whole House on the State of the Union for the consideration of the bill (H.R. 2655) providing for the consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, with Mr. AuCoin in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida [Mr. Fascell] will be recognized for 30 minutes, and the gentleman from Michigan [Mr. Broomfield] will be recognized for 30 minutes.

□ 1610

The Chair recognizes the gentleman from Florida [Mr. Fascell].

Mr. FASCELL. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, we are considering H.R. 2655, the International Cooperation Act of 1989. As our distinguished leader on the majority side has pointed out, it will be our intention to complete debate on this bill tonight, which is 1 hour of general debate under the rule. We will finish the general debate and go to the designation of title I. The gentleman from Michigan [Mr. Broomfield] and I then have an en bloc amendment for technical and other purposes which we would expect to adopt, and that would complete our business for this evening.

We will not—and I want to repeat this again—we will not be considering amendments to title I tonight, other than the en bloc agreed-upon amendment, so that any debate on amendments or any vote on amendments will not occur tonight.

The bill that is before us is a comprehensive foreign assistance authorization measure for 2 fiscal years, in the same fashion that we in this body adopted 2 years ago when we authorized legislation for foreign assistance.

First let me point out a major difference, Mr. Chairman. The major difference in this one is that over a year ago the ranking minority member, the gentleman from Michigan [Mr. Broomfield], and I felt it was time to take a comprehensive look at the entire foreign aid program and give some consideration to concerns and complaints coming from people who were working in the field organizations of one kind or another and the administration with regard to the difficulty being encountered in trying to implement the foreign aid law.

The distinguished gentleman from Indiana [Mr. Hamilton], who is No. 2 on the majority side, was appointed as chairman of the task force. The gentleman from Michigan [Mr. Broomfield] appointed the gentleman from New York [Mr. Gilman], who is the ranking member on the Republican side, the No. 2 man on the Republican side, and they spent the better part of the year with staff reviewing the entire panoply of the Foreign Assistance Act of 1961. We were able in the course of that review to obtain the views of many individuals and organizations who either were contractors or otherwise interested in the whole field of development and the implementation of the Foreign Assistance Act.

We were fortunate also that several major institutions were at the same time independently taking a look at the act also, particularly the University of Michigan.

Suffice it to say that as a result of these meetings, dialog, and hearings that we had in the task force concept, we developed a broad base of opinion and recommendations with regard to the legislation.

It then became the job of taking the task force report and recommendations and folding them into the legislation.

In the meantime, a new administration took office. They had to work overtime, because all their people were not in place yet, in order to get together to have an understanding of what it was we were trying to do and to reach agreement on legislation.

Suffice it to say that I am proud, very proud of the work of the task force, the staff, and the members of the administration who worked beyond comprehension in putting the legislation together to the point where it is today. It took a tremendous amount of work and effort, almost constantly since February 1 when this new Congress was organized. We have been in almost constant markup in order to get the bill to this point. It is only because a lot of people with good will worked extremely hard that we could accomplish the renovation that we sought, to clean up the legislation, both in an aesthetic sense, but also in a sense that would be helpful to the administration in clarifying the guidelines by which they had to implement and to try to give them more flexibility. It was not an easy task because of the reservations, suspicions, and fears that existed.

I do not say that in this bill we have reached 100 percent accommodation. The distinguished gentleman from Michigan in his remarks on the rule pointed out those areas where the administration still has heartburn and we are still working, Mr. Chairman, I will say, to continue to resolve differences of opinion that exist in the hope that we can get a bill enacted.

We come to you with a bill that is within the executive branch budget request. I will say that the gentleman from Michigan [Mr. Broomfield] and I at the end of the bill will offer an amendment in order to bring the money amount in this bill to the level allocated and agreed upon by the two parties and the administration in the budget resolution, so we will be meeting our responsibility and obligation with respect to the budget.

Now, this will occur later, but I might as well raise it right now. Amendments which would seek to cut this bill below that figure are not only cutting the administration's request, but would be destructive of the bipartisan budget agreement. There would be absolutely no guarantee—I want to repeat that—there would be no guarantee that the reductions thus obtained in opposition to the budget agreement would be made available for any other program. All it means is that the agreement which the administration and the two parties have so valiantly struggled and finally got would be distorted and upset and voided if an amendment is adopted in the Committee of the Whole which reduces the amounts below those which the committee in a bipartisan way will offer to bring the bill in conformity with the budget resolution. So do not let anybody get the notion that there is a freebie here and that you can vent your spleen simply by voting a cut.

The bill is fiscally responsible, therefore, Mr. Chairman, and it deserves support. It is absolutely necessary.

I wish we did not have to spend money on military assistance and economic development and humanitarian reasons around the world, but the truth of the matter is that the United States cannot build a fence high enough to isolate ourselves from the rest of the world. We cannot deny the administration, or the American people, the tools whereby we say to the rest of the world that we are part of the world, we are interested in your development, we know that economic development is a two-way street, we know that if you get the money we will at least have a chance that you will trade with us and buy from us. We know, however, that if you do not have the wherewithal, that we will not even be in the ball game. We know as Americans that we have the greatest compassion in the world for people who are starving and hungry and ill and we are going to do our share to try to help those folks.

□ 1620

We also know that we have a responsibility in our own national security to help finance mutual national-security requirements with other countries which redound to our benefit as well. A vote against the bill does not help a

single soul. Mr. Chairman, simply put, a vote for the bill helps America.

Mr. Chairman, this bill provides a total authorization for foreign assistance of $11.5 billion for fiscal year 1990 and of $11.6 billion for fiscal year 1991. Because the Congressional Budget Office cost estimate for this bill was not ready in time to be printed in the report on H.R. 2655, I would like to insert it in the RECORD at this point.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 20, 1989.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate on H.R. 2655, International Cooperation Act of 1989, as ordered reported by the House Committee on Foreign Affairs on June 14, 1989.

Should the Committee so desire, we would be pleased to provide further details.

Sincerely,

ROBERT D. REISCHAUER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 2655.

2. Bill title: International Cooperation Act of 1989.

3. Bill status: As ordered reported by the House Committee on Foreign Affairs on June 15, 1989.

4. Bill purpose: This legislation rewrites the Foreign Assistance Act of 1961, the Arms Export Control Act, and other legislation regarding foreign assistance. The bill provides authorization for fiscal years 1990 and 1991 for most bilateral development and military assistance programs and multi-year authorizations for the African and Philippine assistance programs.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1990	1991	1992	1993	1994
Direct Spending					
Budget function 050					
Military personnel: Estimated outlays	60	63	66	69	72
Offsetting receipts:					
Budget authority	0	[illegible]	[illegible]	104	106
Estimated outlays	0	99	102	104	106
Budget function 150					
FMS Trust Fund: Estimated outlays	−60	−98	−102	−106	−110
Trade and Development Agency: Estimated outlays	1	3	3	3	1
Total direct spending:					
Budget authority	0	99	[illegible]	101	[illegible]
Estimated outlays	1	[illegible]	[illegible]	69	[illegible]
Authorization of Appropriations					
Budget function 150					
Estimated authorization level	11,736	11,836	1,023	[illegible]	900
Estimated direct loans	589	[illegible]	[illegible]	0	0
Estimated loan guarantees	[illegible]	[illegible]	0	0	[illegible]
Estimated secondary loan guarantees	200	200	200	[illegible]	0
Estimated outlays	[illegible]	7,136	5,436	4,142	1,569
Reclassification of Revenues as Offsetting Collections					
Revenues	−.5	−.5	−.5	−.5	−.5

Basis for estimate: The estimate assumes enactment of this legislation and subsequent appropriation of the authorized amount in the years specified in the bill.

The bill contains two provisions that affect spending directly, and a provision dealing with debt cancellation that could affect future receipts.

Change in pricing policy for arms exports: Section 230 of the bill amends the pricing of exports of military equipment and services by waiving the collection of certain charges for non-recurring research and development (R&D) and use of assets for sales financed by all-grant foreign military sales (FMS) financing. The section also drops salaries of the Armed Forces and unfunded estimated costs of civilian retirement and other benefits from the calculation of the administrative surcharge on all government-to-government sales through the FMS Trust Fund. The DoD does not plan to reduce the surcharge on government-to-government sales, rather the change in the cost calculation for administrative services is to avoid raising the administrative surcharge to fully recover costs as required by existing law.

The Department of Defense estimated $60 million in forgone collections to military personnel accounts and lower receipts of $34 million for unfunded civilian retirement and other benefits and $62 million for non-recurring R&D and asset use charges in fiscal year 1990. Fiscal years 1991 through 1994 were estimated using the CBO baseline estimate of sales through the FMS Trust Fund and military pay raises assumed in the budget resolution.

Trade and development transfers: Section 1527 of the Foreign Assistance Act, as amended by this bill, requires the transfer of $5 million per year for fiscal years 1990 and 1991 from the Private Sector Revolving Fund (PSRF) to the Trade and Development Agency. The PSRF has sufficient unobligated balances to effect the transfer under the authority provided in this section. Outlays from the transfer were estimated using historical spendout rates for the trade and development program.

Debt relief for aerial eradication of coca: Section 3246 of the Foreign Assistance Act, as amended by this bill, gives the President discretionary authority to waive, on an annual basis, principal and interest repayments due from major coca producing countries on outstanding loans authorized under that act and FMS direct loans if the countries undertake a program of aerial eradication of illicit coca crops. There are repayments of $38 million to $66 million per year from coca producing countries that could be affected. However, there are no herbicides approved for coca eradication and no country has agreed to a program of aerial spraying. It is impracticable to estimate whether the authority provided by this section will ever be used.

Estimates of open-ended authorizations and outlays for new and modified programs are discussed below. Outlays for other authorized accounts were estimated using historical spendout rates. Except where specified in the bill, credit authority is estimated at baseline levels.

Economic support assistance: Section 1302 of the Foreign Assistance Act, as amended by this bill, authorizes $2,374.1 billion per year for fiscal years 1990 and 1991. Over $1 billion of project assistance that in the past was provided within the economic support fund is authorized under the development assistance chapter of this bill. Outlays for this project assistance was estimated using development assistance spendout rates. The outlay rate for the remaining assistance authorized under the economic support assistance section was raised proportionally to reflect the fast disbursing nature of the remaining balance-of-payment and commodity-import assistance.

Foreign military sales financing: The bill authorizes $4,968.9 billion per year for fiscal years 1990 and 1991 for a single foreign military sales financing program to replace the grant military assistance program and foreign military sales (FMS) credits under the Arms Export Control Act. Administrative costs for the program are included within the authorization, but are not specifically limited. The outlay estimate assumed administrative costs at the level of the President's request. Outlays for country programs were estimated using the country earmarks contained in the bill, and rates extrapolated from baseline rates for predecessor programs.

Multilateral assistance initiative for the Philippines: The $1 billion authorized in section 905 for the multilateral assistance initiative for the Philippines is assumed to be appropriated at the rate of $200 million per year for 5 years as requested by the President. Outlays were estimated at the same rate used for the CBO reestimate for the President's request.

Housing guarantees: The Housing and Urban Development Guarantee Program in section 1722 of the Foreign Assistance Act, as amended by this bill, authorizes the President to issue guarantees of 100 percent of principal and interest of loans for shelter and other urban services in developing countries. The program replaces the Housing Investment Guarantee program and increases the authorized outstanding balance of credits for the two programs by $342 million and increases the authorized borrowing authority for reserves by $100 million.

Federal credit policy as promulgated in the OMB Circular A-70 requires new or amended credit programs with guarantees of the timely payment of 100 percent of principal and interest to be purchased by the Federal Financing Bank (FFB) as the most efficient manner of financing the credits. The estimate assumes the program will be administered in compliance with the credit policy. The credits authorized by the section are assumed to be direct loans financed by the FFB and are included in the authorization amount at the fiscal year 1984 level of $150 million as specified in the bill. To make timely payments on claims on guarantees contracted under predecessor authority, $20 million of the authorized borrowing authority is estimated to be used in fiscal years 1990 and the balance in fiscal years 1991 and 1992 at baseline levels.

Trade credit insurance program: The Trade Credit Insurance Program in section 1721 of the Foreign Assistance Act, as amended by this bill, authorizes the President to provide secondary loan guarantees to the Eximbank for short term guarantees and insurance to the private sector in Central American countries. The Agency for International Development is required to create a reserve fund to discharge liabilities under the guarantees. The Eximbank must pay into the reserve fund fee income in excess of costs of administering the primary guarantees. The Bank plans to make no changes to its existing fee structure for the credits provided. The Bank estimates the required payments will lower fee income from $1 to $5 million per year, thus raising their indefinite borrowing authority. The bill makes no provision for disposing of the reserve upon the expiration of the program. The estimate assumes the reserves will be returned to the Treasury as offsetting receipts.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Retroactive adjustment of terms for loans to the Philippines: Section 904 authorizes, to the extent provided in advance in appropriations acts, that uncommitted balances of FMS direct loans may be disbursed without requirement for repayment of principal and interest. The Philippines has $29.355 million in uncommitted concessional FMS loans provided in fiscal years 1985 and 1986. The DoD has been using "special billing" procedures for the Philippines, i.e., they have been using grants instead of loans whenever possible to minimize the repayment burden on the Philippines. The baseline estimates assume that the concessional loans will never disburse. The retroactive terms adjustment for these loans is estimated to release these balances. Disbursements for these loans are included in the outlay estimate.

Other authorizing provisions: The bill amends the existing authorization to accept repayments on economic assistance loans in local currencies or to forgive the repayments. Section 572 of the Foreign Operations Appropriations Act of 1989, P.L. 100-461, provides a more restrictive authority to use foreign currency or cancel debt for fiscal years 1990 and 1991. A decision by the Administration on using the existing authority is pending. To the extent the authority is used, it would lower proprietary offsetting receipts. Consequently, it is impracticable to estimate the additional authorization provided by this section.

Section 222 requires the creation of another FMS Trust Fund for new sales. The new trust fund is not an expansion of federal activity and has no net budget impact.

Section 203 amends provisions of current law by eliminating the requirement that recipient countries return to the U.S. military equipment supplied under the authority of the old military assistance program or the proceeds from the equipment's disposition. Enactment of this section is estimated to lower offsetting collections by $1 million per year. The lower collections will be offset by lower obligations and are estimated to have no significant net budget impact.

Section 4104 of the Foreign Assistance Act, as amended by this bill, provides reappropriation authority for termination expenses of contractors whose contracts with developing countries were funded by development assistance, if the assistance to the country is terminated by the United States. The authority would allow the same orderly settlement of termination claims as if the contract was directly with the United States. No significant budget impact is estimated from this contingent authority.

Reclassification of Revenues as Offsetting Collections: Section 228 authorizes the State Department to use fees collected by the Office of Munitions Control for expenses associated with the office. Section 228 permanently reclassifies $500,000 per year from miscellaneous receipts (revenues) to offsetting collections. The section is the same as section 124 of H.R. 1487, Foreign Relations Authorization Act, as passed the House on April 12, 1989. Use of the offsetting collections by the State Department is subject to appropriations action, thus the net effect of spending the annual $500,000 in offsetting collections is included in the authorization table.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Joseph C. Whitehill.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

Mr. Speaker, some of the principal provisions of this bill are:

HIGHLIGHTS OF H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989

REVISION OF FOREIGN ASSISTANCE ACT OF 1961

Pursuant to the recommendations of the bipartisan Committee Task Force on Foreign Assistance, the bill rewrites the Foreign Assistance Act in order to: eliminate out-dated, redundant, and conflicting provisions; remove unnecessary reporting requirements; consolidate conditions and restrictions; require greater accountability of the use of U.S. assistance; permit flexibility in responding to the needs of individual countries.

ECONOMIC ASSISTANCE

Identifies the overall goal of U.S. development assistance as "broad-based, sustainable, participatory development, with particular focus on the poor".

That goal is to be pursued by working toward four principal objectives: broad-based economic growth; environmentally and economically sustainable resource management; poverty alleviation; and, democracy and political, social, and economic pluralism.

Identifies certain elements which must be a part of any U.S. development assistance program, including participation of local groups; emphasis on integration of women; U.S. science and technology capabilities; appropriate technology; private voluntary organizations; human rights.

Transfer $1 billion from projectized economic support assistance to development assistance.

Earmarks funds for population and for health and child survival.

Creates specific authorities for the promotion of human rights and democratic initiatives.

Earmarks funds for the training of South Africans.

Requires environmental impact analysis of U.S. development assistance projects;

Earmarks $111 million for the UNDP and $60 million for UNICEF.

Conditions funds to the IAEA on Israel not being removed as a member.

Withholds U.S. funding for an international organization to the extent an organization funds projects which benefits the PLO, SWAPO, Libya, Iran, Cuba, or the PLO.

Raises the priority of and authorizes an additional $5 million for the Trade and Development Agency.

Earmarks $45 million for the American Schools and Hospitals Abroad program.

Expands the Housing Guaranty Program to urban infrastructure other than housing.

Expands the authority for loan repayments by the least developed and sub-Saharan African countries to be redirected to development activities in those countries.

Authorizes a program of debt-for-development.

Imposes more specific requirements for evaluation and accountability of the impact of U.S. assistance.

Creates a PVO Center and a Center for University Cooperation.

MILITARY ASSISTANCE

Creates a consolidated military assistance account, merging the two current law accounts for MAP and FMS into a single new FMFP account.

Establishes comprehensive policy objectives for the military assistance program.

Establishes a new Defense Trade and Export Control Act for military sales, with comprehensive policy objectives to enhance U.S. security and congressional oversight.

Authorizes $4,968,932,000 for FMFP, $54,500,000 for international military education and training (IMET) and $33,377,000 for peacekeeping operations (PKO).

Includes anti-corruption provisions including tightening controls over U.S. government access to foreign bank records and requiring forfeiture of profits and assets obtained from violations of arms export law.

Establishes tougher sanctions against foreign countries for illicit third-country transfers of U.S.-origin defense articles and services generated from coproduction and licensed production agreements.

Requires the Department of Defense to centralize its accounting systems for foreign military sales to eliminate fiscal discrepancies.

Establishment of a reserve fund of 2% of FMFP funds for contingency purposes.

Provides additional funding and personnel provisions to expedite processing of arms export license applications.

Maintains levels for key allies while requiring greater accountability for U.S. military assistance and sales.

Authorizes grants of excess defense articles to cooperative major drug-producing countries to combat the international flow of narcotics into the United States.

Reduces obsolete and unnecessary reports.

Standardizes reporting to Congress on arms transfers.

NARCOTICS CONTROL ASSISTANCE

Consolidates, streamlines and reorganizes current narcotics law.

Fully funds President's request for international narcotics control.

Carries forward provisions from 1988 omnibus drug bill.

Maintains stiff penalties for noncooperating countries, but provides positive new incentives as follows, without increased budget costs:

Permits President to forgive official U.S. government debt repayment from countries using aerial coca herbicide;

Sets aside $14 million as "pot of gold" incentive for Latin American drug countries, if they take significant steps to curb cocaine production/trafficking;

Waives "Brooke/Alexander" requirements (suspend aid to countries more than a year behind in debt repayment) for countries which achieve a net reduction in coca production.

LATIN AMERICA AND THE CARIBBEAN

El Salvador: caps military assistance at current levels ($85 million). $12 million below the President's request, and tranches that assistance at six-month intervals; places conditions on military and economic assistance and allows that assistance to flow only after a Presidential determination and a 30-day period for consideration of a resolution of disapproval, with expedited procedures; withholds administration of justice funds pending Committee review.

Guatemala: caps military assistance at $9 million; imposes certain conditions which must be met before military assistance can be provided, with period for Committee review; imposes certain conditions on economic assistance; authorizes funding of the office of the human rights ombudsman.

Prohibits use of military assistance for police training in El Salvador, Guatemala, and Honduras.

Earmarks $90 million of economic support assistance for Costa Rica.

Prohibits use of funds in this Act for the Nicaraguan democratic resistance.

Encourages the U.S. to finance a proportionate share of OAS and UN role in verification of peace accords and monitoring elections in Nicaragua.

Creates a separate fund and priorities for economic assistance to the Caribbean.

Expresses support for the democratic transition in Chile and permits IMET under certain conditions and with Committee review.

Imposes conditions on military assistance for Paraguay.

Authorizes funding for the Inter-American Foundation.

Suspends assistance if an elected president is deposed by coup.

Requires report on human rights abuses in countries with civilian regimes.

Authorizes program of law enforcement assistance under specific conditions.

EUROPE AND THE MIDDLE EAST

Middle East Peace Process: continues to promote long-standing U.S. policy interest in securing a just and lasting peace in the Middle East by sustaining current levels of FMFP financing for Israel ($1.8 billion) and Egypt ($1.3 billion); permits FMFP financing for Jordan ($48 million) provided that Jordan enters into negotiations with Israel based on U.N. Resolutions 242 and 338; earmarks economic supports assistance for Israel ($1.2 billion) and Egypt ($315 million); and earmarks developmental assistance for Egypt ($500 million) and Jordan ($17 million). These funding levels are aimed at enhancing regional stability and security, and promoting greater peace in the Middle East.

Lebanon: recommends economic support assistance for Lebanon ($2 million for fiscal year 1990 and $4 million for fiscal year 1991) to maintain U.S. commitment to the restoration of Lebanon's unity, sovereignty, and territorial integrity.

Limiting Arms Sales to the Middle East: requires the President to provide Congress with additional information with respect to arms sales throughout the region including those of other nations; and encourages the President to seek multilateral talks to discourage the continued proliferation of arms transfers to that region.

Stingers in the Persian Gulf: allows Bahrain to maintain Stingers previously supplied by the United States and permits Oman to acquire a limited number of Stingers (10 launchers with a ceiling of 30 missiles) provided that such systems are needed by both Bahrain and Oman to counter an immediate air threat or contribute to the protection of U.S. personnel, facilities, operations or equipment; that no other appropriate system is available from the United States; that both Bahrain and Oman agree to U.S. safeguards to protect against the diversion of such systems; and that both Bahrain and Oman have agreed to return such systems to the United States at any time the United States so determines.

Requires the President to submit an annual accounting for all Stingers made available to Bahrain and Oman by the United States including a description of the security procedures applicable to those systems.

Prohibits the President from providing defense articles or services to Qatar until such time that Qatar has returned all Stingers to the United States which Qatar illegally acquired.

Ballistic Missile Proliferation: permits the President to submit a proposed arms transfer to any country in the Middle East that has acquired intermediate range ballistic missiles from the People's Republic of China in conjunction with a Presidential determination that such countries do not possess chemical, biological or nuclear warheads for those systems.

Encourages arms defense cooperation with European allies and discourages the proliferation of arms in the Middle East.

Eastern Mediterranean: maintains current U.S. policy toward finding a just and lasting settlement to the situation on Cyprus based upon negotiations; requires the President to constantly review the progress toward such an agreement; and to report to Congress on such progress and review every 120 days.

Earmarks $15 million in developmental assistance for Cyprus. Earmarks not less than $350 million in FMFP financing for Greece and no more than $500 million in FMFP financing for Turkey.

Other Provisions: earmarks $20 million in economic support assistance for the Anglo-Irish International Fund provided the International Fund is distributing these monies in accordance with the principles of equality of opportunity and nondiscrimination, and addressing the needs of both communities in Northern Ireland.

AFRICA

Contains a new, more cost effective, and efficient approach to support sub-Saharan Africa's own efforts to achieve equitable, sustainable, participatory, and self-reliant economic growth.

Earmarks minimum levels of assistance for natural resources, health, and voluntary family planning activities but Administration would have flexibility to spend 70 percent of funds within broad legislative authorities.

Provides long-term five year commitment to economic development in Africa with $550 million provided for fiscal year 1990 increasing by $30 million annually through fiscal year 1994.

Provides $50 million for development assistance to the Southern Africa Development Coordination Conference (SADCC).

Assistance to 7 countries, Burundi, Kenya, Liberia, Mozambique, Somalia, Sudan, and Zaire, is related to long-term U.S. political interest in encouraging respect for human rights.

ASIA

Places conditions with respect to democracy and human rights on assistance to Burma, Fiji, Bangladesh.

Authorizes economic and military assistance to the non-Communist resistance in Cambodia.

Authorizes relief assistance for Afghanistan and Cambodia.

Authorizes U.S. participation in a Multilateral Assistance Initiative for the Philippines; a total of $1 billion is authorized for the five-year program, with $200 million for fiscal year 1990. Contributions from other countries and private investment are expected to total $10 billion over five years.

Authorizes $626 million total assistance to Pakistan for fiscal year 1990 under the same conditions and certification requirements as currently apply.

MISCELLANEOUS PROVISIONS

Authorizes funding for the Peace Corps.

Creates a U.S. Commission on Southern Africa to promote the training of South Africans.

Establishes a minority set-aside.

Requires a report on the compliance of other countries with foreign boycotts.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it has been nearly 30 years since Congress and the President wrote the basic law governing U.S. Foreign assistance programs. During this period, the world has changed a great deal. In response, Congress has periodically added provisions, requirements, conditions, and restrictions into the law that in the aggregate seriously hinder the ability of the President to implement foreign assistance programs.

During the course of the last year, the House Foreign Affairs Committee has conducted a detailed review of U.S. foreign assistance programs. The review reached several important conclusions. U.S. foreign assistance programs support our national security interests by helping allies maintain adequate defense capabilities and stable economies. They can serve U.S. economic interests by stimulating economic policy reform and growth overseas. They are a manifestation of U.S. humanitarian concerns, helping to alleviate suffering from poverty and from natural and manmade disasters.

The review recommended rewriting the Foreign Assistance Act of 1961 in an effort to remove dated, redundant, and unnecessary provisions. It urged a streamlining of the law and a simplified legislative mandate for the 1990's, and beyond. It argued for providing greater flexibility to the executive branch in the implementation of foreign assistance programs, for improved coordination with other U.S. international economic policies and with other donors, and for more attention to the impact and effectiveness of our programs.

In several important respects, the bill reported by the committee makes some progress in achieving these goals. It deletes from existing law many dated and unnecessary provisions and consolidates the goals and objectives of our economic assistance and military assistance programs. It establishes an important new accountability mechanism in the economic assistance programs.

The programmatic changes in the administration of U.S. military assistance programs in the Foreign Assistance Act of 1961 and the Arms Export Control Act of 1968 are a significant accomplishment by the committee in responding to long standing administration criticism of certain military assistance and arms transfer provisions of both acts. The bill shifts foreign military assistance programs to the Foreign Assistance Act while retaining

the sales programs in the rewritten Arms Export Control Act which has been renamed the Defense Trade and Export Control Act. The new Defense Trade and Export Control Act deals exclusively with the U.S. arms sales program making U.S. security assistance programs distinct from U.S. arms sales policy.

The new act will emphasize and support specific goals and objectives designed to significantly improve the military capabilities of friendly and allied country recipients of U.S. military assistance. There are also new provisions in the Foreign Assistance Act which provide support to friendly countries to combat the flow of illicit narcotics and to combat international terrorism.

In other important respects, however, the bill fails to make necessary improvements in current law and further complicates the administration's ability to implement foreign assistance programs that effectively support U.S. interests abroad. Policy language for economic assistance programs is unnecessarily lengthy and yet does not adequately emphasize the essential role of the private sector in achieving sustainable development.

Earmarking the majority of funds in most accounts continues to pose a major constraint upon the administration's ability to respond to changing world events. While there are several traditional core earmarks that have sustained bipartisan support and should be maintained, the committee could not restrain itself from additional excessive earmarking throughout the bill. Eight-five percent of economic support assistance is earmarked and at least 65 percent of foreign military financing is earmarked. In the development assistance account, over half of all funds are earmarked. Of the funds provided for international organizations and programs, 75 percent of all funding is earmarked. The combined effects of often different and conflicting earmarking in both the authorization and appropriations processes, as well as the 2 year duration of earmarks in an unpredictable and ever changing world, does not give the administration the flexibility necessary for protecting our interests abroad.

Of particular concern to us and the administration are certain provisions of the Western Hemisphere title of the bill. Republican Members and the administration had hoped that the spirit of cooperation exhibited during negotiations on the bipartisan accord on Central America would be repeated during consideration of title VII. As reflected in the bipartisan accord, a commitment was made by the administration to carry out continuous consultation in return for the Congress allowing the executive branch greater flexibility in implementing its foreign policy initiatives. Unfortunately, majority Members were not inclined to provide the new administration with a chance to demonstrate its commitment to the same goals and objectives as the Congress on United States policy in Central America.

Restrictions on funding such as ceilings, conditions, determinations, reports, reprogramming requirements and other provisions which reduce the President's latitude in responding to constantly changing circumstances create difficulties for the administration and Republican Members in supporting title VII of the bill. In particular, the language on Nicaragua contained in section 707 is in direct contradiction to the bipartisan accord as it would make illegal the continuation of humanitarian aid to the Democratic Resistance. This language remains deeply troublesome to us and to the administration.

I also am very concerned about the constantly changing position on the other side of the aisle on the issue of El Salvador. Our support for the democratically elected Government of El Salvador is being undermined and I believe that the compromise reached on El Salvador in the Foreign Affairs Committee should not be altered to impose additional constraints on our support for that country.

Expanding drug production in foreign countries is a serious threat to the United States and a serious commitment of our Nation's resources is absolutely essential if America is to triumph over the scourge of narcotics abuse. On balance, this bill makes a positive contribution to our Nation's overall antidrug efforts. However, shortcomings are nonetheless evident. The bill contains extremely specific policy language which is designed to control U.S. Government implementation of our international antinarcotics effort. While these provisions are well-intentioned, we share the administration's concern that the U.S. Government will not have adequate flexibility to effectively administer all aspects of our antidrug program if they become law.

We believe that an overhaul of the Foreign Assistance Act is long overdue. However, we must be careful not to repeat the mistakes of the past. In order to protect our interests abroad, Congress must provide the President with authority and at the same time attach so many conditions and restraints on his ability to exercise that authority as to negate its usefulness. Our foreign aid programs are designed primarily to support U.S. foreign policy interests. In an era of declining Federal budgets, it is essential to provide the President with increased flexibility in order to ensure that our Nation's interests are protected.

Those Western Hemisphere proposals that violate the bipartisan accord on Central America may bring the bipartisan progress on this bill to a screaming halt. However, with a few minor but important changes, this bill will be deserving of our support. I will join other Members working diligently to make those changes.

Mr. FASCELL. Mr. Chairman, I yield 4½ minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, title X contains an innovative United States response to Africa's serious economic and political problems. Furthermore, it is the result of a major bipartisan effort to streamline the Foreign Assistance Act and deal with major administration concerns. I strongly believe that it provides a sound basis for congressional-executive cooperation in the Foreign Aid Program.

Title X includes:

First. The Africa Famine Recovery and Development Act which has been cosponsored by approximately 100 of our colleagues. This represents a major step toward a more cost-effective and efficient foreign aid program in sub-Saharan Africa, one which supports Africans' own efforts to achieve equitable, environmentally sustainable, participatory and self-reliant economic growth. Among the key features of this legislation are: Close consultation with the poor majority, through African and other private and voluntary organizations, in the planning of assistance; expanded participation by African women in development activities; criteria for policy reform assistance to enhance productivity without jeopardizing the vulnerable poor and long-term environmental interests; 10 percent earmarks for environmental, health and voluntary family planning activities; and increased funding for development assistance—a $580 million earmark in fiscal year 1990, to be increased thereafter by $30 million a year through fiscal 1994.

Second. Earmarking of $50 million for the Southern Africa Development Coordination Conference [SADCC] to bolster the regional self-sufficiency of South Africa's nine black-ruled neighbors, and $53 million for the Economic Support Fund for Africa.

Third. Advance notifications to Congress of security assistance for Somalia, and Sudan, Liberia, and all assistance for Burundi, to ensure that congressional concerns for human rights, political stability, and proper use of United States tax dollars are met.

Fourth. A ceiling of $3 million for military aid to Zaire—the same as the last 2 years' administration allocations—to underline congressional concern about widely acknowledged human rights violations and corruption. Development assistance is authorized to be provided, to the maximum extent practicable, through private and voluntary organizations,

Fifth. Security assistance for Kenya and Mozambique is related to steps by those countries to increase respect for internationally recognized human rights. Recent improvements in both countries are recognized.

Sixth. Encouragement for increased funding of research into the treatment of AIDS in Africa.

The Africa Subcommittee also contributed to Africa-related provisions in other titles. The bill continues existing aid and human rights programs in South Africa, which go through nongovernmental, antiapartheid organizations. It also maintains existing restrictions on the number of permanent military personnel in security assistance management in Africa. And it gives the President authority to receive debt payments from sub-Saharan African countries in local currencies or to forgive debt, provided such countries are pursuing economic reforms.

In conclusion, I would just like to thank all those on the subcommittee, full committee and in the administration with whom we have worked to come up with these recommendations. I want to particularly thank BEN GILMAN who has worked so closely with me on the Africa famine recovery and development bill these last 3 years, Chairman DANTE FASCELL whose supportive role was critical during the negotiations with the administration, and my ranking minority member, DAN BURTON. While we continue to disagree on a number of issues, we do agree on some. And his useful amendments and constructive criticism have contributed to our recommendations.

□ 1630

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise to describe for my colleague the background leading to the agreement reached in the Foreign Affairs Committee on title VII—Western Hemisphere—of this foreign aid authorization bill.

The spirit of cooperation exhibited by the administration and the Congress in achieving the bipartisan accord on Central America and Nicaragua seemed to served as an inspiration to the members of the Subcommittee of Western Hemisphere Affairs as we began our deliberation of the foreign aid authorization bill. Members on both sides of the aisle attempted to engage the administration, through the State Department, in a comprehensive discussion that would lead to a mutually acceptable approach to U.S. foreign aid policy for Central America.

Representatives from State met with us and with the majority members of the subcommittee, but it soon became apparent that between the majority and State, it was not going to be possible to resolve all the differences in approach on issues like El Salvador, Guatemala and Nicaragua. The minority on the subcommittee then took the initiative to see if we could reach some type of agreement that represented an improvement from our perspective even if it did not achieve everything the administration had hoped for.

Our hope had been to develop the Western Hemisphere section of this bill in a way that would garner the support both of Republicans and the administration. Obviously, that has not happened. What some people apparently fail to recognize, however, is that what we have achieved in the compromise title VII is a considerable improvement over what was reported out of subcommittee and what we likely could expect if we had relied only on trying to change the title through amendments. With all the complaints from one side that we did not achieve enough, it's amusing to hear that the other side is complaining that we achieved too much.

There can be no misunderstanding about the Republican commitment to protecting human rights and promoting democratic governments. Our support for tough but achievable and practical provisions in the foreign aid bill reflect directly our commitment to promoting democratic institutions which, in turn, provide the best protection for human rights.

It is also important to allow the new administration an opportunity to demonstrate its commitment to these principles and to extend to it greater flexibility in implementing our foreign policy objectives. I would like to see even greater flexibility than that provided in the compromise on issues relating to El Salvador, Guatemala and Nicaragua. But, I am concerned that efforts to improve those provisions from our perspective will lead to renewed efforts to make the language even more restrictive, and we will end up in a worse position than when we started.

It is for that reason, I am sticking by the agreement we reached in committees as the most realistic language we could hope to achieve at this time. I hope my colleagues will resist the attempts to change these provisions so that we don't wind up with something even more restrictive.

The compromise while far from perfect does provide a means to assist El Salvador while insisting on tough but reponsible conditions.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the gentleman from California. [Mr. LAGOMARSINO]. He indeed was a leader in the effort with regard to title VII in this bill to get cooperation and get a position that would have a broad base of support. It is because of that effort, in my judgment, that there was a good faith effort on the part of the administration. But I think the Chairman will recognize that we had a wide divergence here on a very difficult subject in which there are sincerely held and deeply felt differences of opinion, and sometimes we cannot bridge all of those.

But nevertheless, the effort was made, and I thank the gentleman from California [Mr. LAGOMARSINO], and his colleagues for that effort. I am prepared, accordingly, therefore, to support the position that we agreed on. I will support the bill. That is my job. It came out of committee 37 to 4. We will do our best.

I will tell my distinguished colleague who has a right in the rule to offer an amendment at the appropriate time that I regretfully cannot support that amendment. I believe that the position we have in the bill is a better position.

For the same reason, I must say with regard to the announcement by my colleague from Florida earlier with regard to police training, I cannot support that amendment. It is not part of the agreement that we reached, and while he has a perfect right to do it, and there are strong differences of opinion, nevertheless I feel constrained because of the honest, sincere effort that was made to reach an accord, a broad-based accord in this bill, I cannot support that amendment either.

There may be others as we go along that I can support, especially those of course on which the minority and majority reach agreement in the en bloc amendments, and we hope that on many of the amendments that are now pending, Mr. Chairman, we can do that. We will certainly try our best to do it.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. YATRON], chairman of the Subcommittee on Human Rights and International Organizations.

Mr. YATRON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 2655. I first want to commend Chairman FASCELL and Congressman BROOMFIELD for fashioning a bipartisan bill. Over the years they have consistently demonstrated their commitment to work in a spirit of bipartisan cooperation which serves the House well. I would also commend Congressmen HAMILTON and GILMAN for taking the lead in seeking to improve the effectiveness of our foreign aid program.

Mr. Chairman, H.R. 2655 is one of the most important pieces of legislation we will consider in this session of Congress. Consistent with its constitutional responsibilities, the committee's

bill sets forth the guidelines, authorities, and funding levels for the conduct of American foreign policy.

If you believe that American foreign policy should promote human rights and democratic institutions, you should vote for this bill.

If you support UNICEF's mandate to save the lives of literally thousands of children who are dying daily of preventable diseases, you should vote for this bill.

If you support environmentally sustainable programs and a strong international environmental policy, you should vote for this bill.

And if you believe that our foreign policy should create opportunities for American exports, you should vote for this bill.

Mr. Chairman, we live in an interdependent world in which our security, economic, and humanitarian interests are linked to developments around the globe. H.R. 2655 seeks to ensure that U.S. leadership in the international community remains strong and based on the principles of freedom and democracy.

I urge our colleagues to vote for H.R. 2655 and support Chairman FASCELL on all amendments.

□ 1640

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. ROTH], a member of the committee.

Mr. ROTH. I thank the gentleman for yielding.

Mr. Chairman, I want to begin by congratulating our chairman, the gentleman from Florida [Mr. FASCELL], and the ranking member, the gentleman from Michigan [Mr. BROOMFIELD], and my colleagues on the Committee on Foreign Affairs for the amount of work that they put into this committee. No committee, in my opinion, works harder.

Now I do not always agree with our chairman or with the ranking member, but I do not think they would expect me to. A diversity of views is healthy and beneficial. I appreciate them giving the time to me this afternoon.

As a member of the Committee on Foreign Affairs I have taken more than a passing interest in the development of our foreign aid bill. I have participated in formal committee and subcommittee meetings as the bill has been drawn up and I have met informally with Members and various experts from the development community to discuss this bill.

I came away from these meetings many times with the nagging thought that the committee is creating another Edsel. It is not that the experts are not well versed in the facts and the figures; it is not that my fellow Members are not caring, they are; it is just that for all the work put into this bill it just does not add up to a program that will solve the problems of the modern world in a realistic way.

The world has changed a lot since 1961. I am glad that we had a chance to give this legislation a thorough review ths time. But basically we have not changed any of the philosophy underlying our approach to foreign aid. We still have the same number of chairs in the living room and we have just shifted them around a little bit. But all the tinkering with the foreign aid bill in the years since 1961 has not really corrected, in my opinion, the fundamental defect. The bill does not focus on the conditions for economic growth.

Now as I see it the only cure to poverty around the world is a willingness to experiment with free markets and with laws that respect individual rights and private property.

Is it not interesting that in this legislation we are told many times that we have to back this legislation in order to promote democracy? But where in the world today are the strongest forces for democracy?

They are in China. China does not receive a single cent in foreign aid from us.

They are in Hungary; yet Hungarians do not receive a single penny of foreign aid from us.

But in other countries and other areas of the world where a great deal of American aid dollars are spent, I do not see democracy being promoted.

For example, Peru, Brazil, and Argentina are all countries we work very closely with. But would you say there are strong forces for democracy there?

There is a lot of chaos in those countries, but there are not strong democratic forces in those countries. And I feel that by propping up inefficient economic structures we do more than waste our foreign aid dollar. We insure that those countries will not really have a chance to break out of the cycle of poverty. And we do worse, as I see it. We provide a bad example to the world for we finance many programs that we would never dream of supporting here in our own country. It tells the world that either we do not believe really in the political and economic freedoms that built this country or that we have considerably lower expectations for the rest of the world.

When Mikhail Gorbachev begins to speak like an American at a chamber of commerce meeting, it is certainly time for us to review the philosophical assumptions on which the old programs are built.

In a word, I think that our foreign aid program could also use a little perestroika.

Now there is a particular title of the foreign aid bill that I would like to have the Members of Congress look at: title 9.

The reason I say that is this: All of us in the Congress are very much concerned about democracy in the Philippines. Ever since the Philippine people received full independence on July 4, 1946, indeed ever since Admiral Dewey sailed into Manila Bay, we have been interested in and have had close ties with the Philippines.

In title 9, above and beyond all the bilateral aid that we have given the Philippines and are giving—$311 million this year, $455 million next year, and a total of $1.3 billion since Mrs. Aquino has become President—there is an additional $1 billion set aside for a multilateral aid program known as the Multilateral Assistance Initiative.

Now this is going to come out of the pockets of our American taxpayers. When we have the huge deficits that are facing us today; when we need additional dollars for our infrastructure; and when we have huge trade deficits, then I think it behooves us to take a look at how this legislation will affect the American taxpayer.

A speaker here this afternoon said that the foreign aid bill will not adversely affect any American, but it certainly will, because the money is going to be taken from veterans, from seniors and from taxpayers.

I am introducing an amendment to title 9 that will accomplish three things. First, instead of authorizing $1 billion for the MAI, it authorizes $400 million—saving the taxpayers $600 million. Second, the amendment eliminates the authority to transfer funds from other foreign aid accounts to the MAI. This protects the appropriations process, and provides an additional safeguarding to the taxpayer. Third, the amendment eliminates the authority to use taxpayer dollars to pay off Philippine debt, promote Philippine exports, and transfer American business to the Philippines.

I believe this is a prudent and reasonable compromise that protects the interests of all concerned—especially the interests of the taxpayer. I urge my colleagues to support it.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. ACKERMAN], a member of the committee.

Mr. ACKERMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 2655, the International Cooperation Act of 1989. It is evident that international politics are changing before our eyes—from the massacre in China, to elections in the Soviet Union and religious fundamentalism in the Middle East. This foreign aid bill is our chance to make a statement about some of these and other momentous events.

Mr. Chairman, brilliant skilled leadership of the Foreign Affairs Commit-

tee under Chairman FASCELL and Mr. BROOMFIELD has produced a bill that enjoys true bipartisan support, a bill that streamlines previous legislation and also saves money. H.R. 2655 comes out $3 million less than the adminstration's request. We worked hard in our committee to fashion a compromise that meets needs in the Middle East, in Central America and in Africa. Some of the highlights of the bill are: $550 million for long-term development in the sub-Sahara, language condemning the devastating man-made famine in Sudan, funding for such crucial programs as family planning, child survival and health, and a significant continuing contribution to the International Fund for Ireland.

Mr. Chairman, we spend only 1 percent of our total budget on foreign aid—that ranks us behind all other developed nations in percentage of GNP devoted to foreign economic assistance. Let's reassert our position as the leader of the free world by demonstrating our commitment to foreign aid by passing this bill. I urge all of my colleagues to support H.R. 2655.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the gentlewoman from Kansas [Mrs. MEYERS], a member of the Committee on Foreign Affairs.

□ 1650

Mrs. MEYERS of Kansas. Mr. Chairman, I rise in support of H.R. 2655 to reauthorize our foreign assistance programs for fiscal years 1990 and 1991.

This legislation is the product of many long hours of work. The chairman of the committee, DANTE FASCELL, and the committee's ranking Republican, BILL BROOMFIELD, are to be commended for their fine work in moving this bill through committee and to the House floor.

Most of us here in Congress realize that our foreign assistance programs are in need of dire reform. A bipartisan task force of the Foreign Affairs Committee earlier this year released a report concluding that "accountability of U.S. foreign assistance is extensive but ineffective." The task force determined that there are at least 288 separate reporting requirements on foreign aid, and that 92 percent of military and economic aid is earmarked. The bipartisan report recommended a complete rewrite of the foreign assistance and arms export measures.

Although H.R. 2655 is not a complete rewrite of the foreign assistance programs, it is a step in the right direction.

I support this bill although there are some parts of it I do not like—and I believe this is true of all members of the Foreign Affairs Committee. We will have the opportunity to address these portions when we debate and vote on the amendments.

Foreign assistance is hard to love—sometimes constituents characterize it as a "give away" to foreign countries—and it is unquestionably costly—$115 billion—about 1 percent of the Federal budget.

But through this bill we assist our friends and allies in their self defense; through development money we help poorer nations to help themselves; and increasingly we are working with other countries in preserving the world's fragile environment.

The bill attempts with some success to get away from the rigidity of the past—to grant more flexibility to this country to respond to problems as they arise.

Now, more than ever, other countries are expressing their yearnings for freedom and democracy—and are perceiving that the American way is a better way. We must respond to this call for leadership.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. MCHUGH], a member of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

Mr. MCHUGH. Mr. Chairman, I thank the distinguished gentleman from Florida for yielding time to me.

I take this time to alert my colleagues to an amendment that I will be offering when we get to title VII of the bill, relating to military assistance to El Salvador. My amendment does not cut military aid to El Salvador, and I certainly hope during the course of the debate, it will not be characterized as a cutting amendment.

However, it is important because it would reserve to Congress, including the authorizing committees of the House and Senate, the opportunity to review our policy in Central America next year, and if appropriate, to modify the military assistance program.

Under the bill as it is now written, the authorization for El Salvador is for 2 years. It is a total of $170 million. Every 6 months, the President is required, under the bill, to certify that certain conditions in El Salvador are being met, conditions which relate to human rights and to political efforts to resolve the war there. These are important conditions. However, if the committee determined that the certification was incorrect, if, for example, the committee determined that human rights had really deteriorated in El Salvador, or that no efforts were being made to politically resolve the war, but at the same time the President certified that these things were taking place, the only recourse the committee would have under the bill is to report a resolution of disapproval of the next 6 months of military assistance. That resolution, even if enacted by the House and Senate could be vetoed by the President.

In effect, therefore, whatever the Congress says about human rights or political negotiations, whatever the Congress determines with respect to the conditions in this bill, would have no meaningful effect on the Government of El Salvador. They know that aid would flow regardless of what Congress decided.

I think it is important, for that reason, that my amendment be adopted, because my amendment would do one simple thing: It would say that April 1, after Mr. Cristiani has been in office for a 10-month period, and therefore, we have had a realistic opportunity to determine what his policies really are, we would have the opportunity, after that 10-month period, next April 1990, to affirmatively vote on whether the military assistance for the last 6 months of 1990 should go forward.

Why is this important? It is important because as of this moment, we do not know what is going to happen in El Salvador over the next 2 years. To authorize $170 million without any meaningful opportunity to stop that military assistance if conditions in El Salvador deteriorate is simply to give the government in El Salvador a blank check. I think Congress has the responsibility to review policy in El Salvador, to determine what really is going to happen there after a reasonable period of time.

My amendment would afford the Congress the opportunity, after a 10-month period of Cristiani rule, to determine what has happened, and if necessary, to withhold further military assistance, if conditions are warranted.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Chairman, I would like to speak to one part of this bill which I feel is very important. This is the provision taken from the Global Poverty Reduction Act, which Mr. LEVINE and I introduced.

The provision calls for U.S. foreign development aid to contribute measurably to eradicating absolute poverty in the developing world by advancing specific antipoverty goals:

Reduction of 1980 under-five-mortality rates by at least a half or to 70 per thousand live births, whichever achieves the greater reduction.

Achievement of universal primary education and 80 percent female literacy.

Reducing by 50 percent the proportion of the population living in absolute poverty in the period 1980–2000.

Also, the provision calls on the President to develop other goals in addition to these goals as part of a plan to

eradicate the worst aspects of poverty by the year 2000.

This would establish standards by which we can measure the effectivenes of our foreign aid programs. That is good news for the American taxpayer who foots the bill for these programs and good news for the world's poorest people who will benefit from this increased effectiveness.

This provision simply puts in place results-oriented accountability. It does not measure methods, but only results.

This is not impractical, utopian feel good policy. These are attainable goals. For example, according to UNICEF, in 1960, 74 countries had an under-five-mortality rate above 170 per 1000 people. Today, that figure is down to 33 countries. This will focus our attention on what we are doing right, so we can do more of it.

There is no greater goal, no better use of our development aid dollars than helping to lift the world's children out of the life-threatening morass of poverty and illiteracy that engulfs much of the developing world.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I appreciate the distinguished colleague, chairman of the Committee on Foreign Affairs, yielding time to me.

Mr. Chairman, the en bloc amendment that the distinguished chairman will introduce, has an amendment that has been agreed to by the committee. I appreciate the chairman and ranking member and other members agreeing.

□ 1700

What this amendment would do is it would exclude the provision for export promotion by the Department of Agriculture from the definition of "United States assistance" in the drug enforcement part of the legislation. The reason for this is that these export promotion programs provide benefits for U.S. producers and exporters of domestic agricultural commodities and products in order to make our commodities competitive in the world market. It is not assistance to the country; it is not assistance to anybody that would enhance the position of a foreign country, but, rather, it will enhance the position of the producers in the United States.

Mr. Chairman, we appreciate the cooperation of the committee and its distinguished chairman.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. BROWN].

Mr. BROWN of Colorado. Mr. Chairman, I thank the chairman of the committee and I thank the gentleman from Michigan for yielding me this time.

Mr. Chairman, I rise in support of H.R. 2655, the Foreign Assistance Authorization Act for fiscal year 1990-91. The bill contains a number of provisions which will further this country's national security interests and continue our leadership around the world.

I would like to specifically draw attention to new provisions in the bill intended to limit the destabalizing proliferation of sophisticated weapons to the Middle East. As many of my colleagues know, I have been concerned about the dangerous arms race in the Middle East for many years.

Israel, our only reliable, democratic ally in the Middle East, faces a growing threat from Arab States who refuse to accept her existence. The acquisition and use of sophisticated missiles and chemical weapons by enemies of Israel poses a new and grave threat to Israel's security.

Unless we take a strong leadership roll now, and limit the availability of high technology lethal weapons, Israel's qualitative edge will be even further eroded. It is in America's interests to see that Israel survives and that is its citizen army is able to meet the many threats confronting it.

This authorization bill contains provisions which attempt to deal with the massive arms buildup in the Middle East. First, the President must submit an annual report to Congress analyzing the arms balance in the region and indicating how the United States will maintain the qualitative edge of democratic countries such as Israel. Second, there is a prohibition on the sale of Stinger missiles to Persian Gulf countries except Bahrain and Oman, which will be able to purchase Stingers on a limited basis. The Stinger missile, also known as the terrorist delight because of its size and effectiveness, is perhaps the best portable antiaircraft missiles in the world.

Third, before proceeding with any arms sale to Saudi Arabia, the President must determine that the Saudis have not acquired chemical, biological, or nuclear warheads for the Chinese intermediate range ballistic missiles it acquired. Saudi Arabia acquired the CSS-2 missiles covertly from the Chinese 2 years ago. The CSS-2 missile has a range of over 1,450 miles and could easily reach Israel.

Mr. Chairman, there is now hope to end the Arab-Israeli conflict. Israel has presented serious plans to reach a settlement with the Palestinians and Arab States. This plan is predicated on holding free and democratic elections to elect local Palestinians to negotiate with Israel. In a world where democratic elections are either a hope or a joke, Israel is presenting the Palestinains with an opportunity that no citizen in any Arab country has—a chance to elect their leaders in meaningful elections.

But Israel needs our help. Israel faces many challenges and many difficult choices. Israel has a history of taking risks for peace while many of her adversaries have a history of saying no and derailing initiatives which may result in peace. Democracy and Israel need a reliable and active America. America needs a strong and secure Israel.

The United States has a moral and strategic interest in the survival of Israel and the aid package before us is a cost-effective means of promoting these interests. The benefits the United States receives from Israel are enormous. Israel enhances the strength of what is commonly referred to as the "soft underbelly" of NATO. Israel has been designated a major non-NATO ally, a special designation that demonstrates the close and mutually beneficial strategic relationship between the United States and Israel. Additionally, Israel votes with the United States at the United Nations 80 percent of the time—more than any other country in the world, compared with 14.4 percent for Egypt, 13.3 for Jordan and 12.4 for Saudi Arabia.

During these times of fiscal austerity, we have the responsibility to watch carefully how the taxpayers dollars are being utilized. Mindful of this responsibility, I will support the Foreign Affairs Committee amendment, which will ensure that the foreign aid bill conforms with the budget agreement. Mr. Chairman, with this amendment, this bill upholds this fiscal responsibility and is a cost-effective way of safeguarding United States interests in the geopolitically vital Middle East and assisting our friend and ally, Israel.

Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 2655, the International Cooperation Act of 1989, which authorizes $11.5 billion in fiscal year 1990 and $11.6 billion in fiscal year 1991 for foreign aid programs.

I am especially pleased with this legislation in that it begins to make significant improvements both qualitatively and quantitatively in our foreign assistance programs with respect to two regions of the world that have been historically neglected, the Caribbean and Africa. In that regard, I wish to commend the chairman of the Committee on Foreign Affairs, DANTE FASCELL and the chairmen of the respective subcommittees, Chairman GEORGE W. CROCKETT, Jr., of the Subcommittee on Western Hemisphere Affairs, and Chairman HAROLD WOLPE of the Subcommittee on Africa.

Mr. Chairman, Chairman GEORGE W. CROCKETT, Jr., has provided extraordinary leadership in fashioning section 721, which incorporates into H.R. 2655 the language of Chairman CROCKETT's landmark bill, the Caribbean Development Act of 1989. Section 721 represents a new chapter and departure point for our assistance to the Caribbean region. It is a product of two historic consultations held in 1987 and 1988 between Members of Congress and a broad range of Caribbean leadership. The consultations demonstrated an acute need for a reorientation of U.S. assistance to foster self-reliance and bottom-up de-

velopment that can better promote equitable and just development within the Caribbean.

This legislation which is intended as a companion to CBI-II legislation, H.R. 1233, the Caribbean Basin Economic Recovery Expansion Act of 1989, states that it shall be the policy of the United States, in providing assistance to the Caribbean, to promote: equitable economic growth; environmental sustainability; Caribbean self-reliance; food production for national and regional consumption; diversification of industrial and agricultural production; regional economic integration; protection of the poor from the burden of economic adjustment; employment generation that avoids displacement of traditional jobs; and preservation of Caribbean culture.

Section 721 places a correct emphasis on the importance of consulting with the intended beneficiaries of U.S. assistance in designing and implementing these programs.

Another provision that is most needed and noteworthy deals with the protection of worker rights. Specifically, section 721 would prohibit all but narcotics control and development assistance to any government in the Caribbean that does not extend, protect, and enforce internationally recognized workers rights, unless that government is taking steps to adopt and implement laws that demonstrate significant, tangible, and measurable overall advancements in worker rights.

In my capacity as chairman of the Congressional Task Force on Haiti, I want to express my appreciation to Chairmen FASCELL and CROCKETT and to the ranking member of the Subcommittee on Western Hemisphere Affairs, Congressman ROBERT LAGOMARSINO, for their continued work for a free Haiti. Their longstanding bipartisan efforts toward improving United States policy toward Haiti is magnificently demonstrated in section 722, which states congressional policy declarations with respect to Haiti. I also want to thank the staff working with the Congressional Task Force on Haiti for their diligent work in crafting section 722.

Under the authorizing language contained in section 722, United States assistance to Haiti with certain exceptions, will be prohibited unless the Government of Haiti has embarked on a credible transition to democracy. The exceptions to this prohibition will be: assistance, provided through private voluntary organizations or other nongovernmental organizations, to meet humanitarian and developmental needs or to promote respect for human rights and the transition to democracy; assistance to enable the continuation of migrant and narcotics interdiction operations; assistance necessary for the financing of education for Haitians in the United States; and assistance to a genuinely independent electoral commission that is responsible for the holding of elections consistent with the 1987 Constitution.

Section 722 also continues present United States policy by stating that while a credible transition to democracy is in progress in Haiti, United States assistance should be provided only on a step-by-step basis, in response to specific actions by the Government of Haiti to implement the transition and to foster a free and democratic society in which the Haitian people can prosper. These specific actions should include steps to: restore the 1987 Constitution; appoint a genuinely independent electoral commission to conduct free, fair, and open elections as soon as possible at all levels, and give that commission adequate support; provide electoral security; disarm and restrain the remnants of Duvalier's private army, the Tonton Macoutes; reform the Haitian Armed Forces, especially with regard to the system of rural section chiefs; improve the observance of internationally recognized human rights, and institute a judicial process whereby human rights violations will be vigorously prosecuted and violaters brought to justice; and reform the bureaucracy to reduce corruption; and promote economic development that will benefit the Haitian people and provide the security and freedom of association necessary for grassroots development.

If a civilian government comes to power in Haiti through free, fair, and open elections consistent with the 1987 Constitution, and if the armed forces have demonstrated a willingness to submit to legally constituted civilian authority, then not less than $20 million in fiscal year 1990 and $40 million in fiscal year 1991 in economic support funds would be available for Haiti. This earmark is in addition to funds which may be available under funding for Caribbean regional development. Should the conditions specified be unmet, these funds would be available for other countries.

Section 722 also makes clear the intent of Congress that the President undertake a regular and ongoing process of consultation with the Congress on a plan for the obligation and disbursement of assistance to Haiti, and on the specific steps that the Government of Haiti will be expected to take to receive such assistance.

Title X of H.R. 2655, which authorizes assistance to Africa, also is deserving of support and commendation. Title X authorizes $550 million in fiscal year 1990 for long-term development assistance to sub-Saharan Africa, and increases the authorization by $30 million for each year until fiscal year 1994. In addition, title X provides an earmark of $83 million in economic support funds in fiscal years 1990 and 1991 for the region. The title also speaks to the same qualitative concerns as are cited in section 721 dealing with the Caribbean. Title X-Africa, chapter 1, entitled "Africa Famine Recovery and Development," states that the purpose of assistance under this section shall be to help the poor majority of men and women in sub-Saharan Africa to participate in a process of long-term development through economic growth that is: Equitable, in that it enables the poor to increase their incomes and their access to productive resources and services to satisfy basic needs and lead lives of decency, dignity, and hope; participatory, in that it enables the poor to contribute knowledge and other resources and to make and influence decisions affecting their lives; environmentally sustainable; and self-reliant, based upon indigenous institutions, private and public, local and national.

Importantly, title X states the sense of the Congress that a special effort should be made to reduce trade barriers and promote economic interchange between the United States and the countries of sub-Saharan Africa.

The need to assist the Southern Africa Development Coordination Conference is addressed. An earmark of $50 million in development assistance is to be provided for each of fiscal years 1990 and 1991.

I am also pleased that this legislation seeks through its authorizing language to assist in promoting respect for human rights on the African continent. Conditions and restrictions are placed on assistance to a number of nations of Africa with records of severe human rights abuse. Somalia, Liberia, Burundi, Sudan, Zaire, and Kenya are among the countries whose receipt of United States assistance will be subject to conditionality and/or restriction because of human rights violations.

In closing, I want to salute my colleague Congressman MERVYN M. DYMALLY, the chairman of the Subcommittee on International Operations, for his role in structuring important provisions of H.R. 2655.

First, Chairman DYMALLY proposed the establishment of a United States Commission on Southern Africa. This proposal is contained in title XIII of H.R. 2655. The purpose of this commission is to solicit private funds to conduct programs to train disadvantaged South Africans and Namibians for positions in business and government primarily in the fields of education, health care, law, and housing.

Second, Chairman DYMALLY was instrumental in providing language that will reestablish a minority set-aside revising the minority set-aside provision in existing law and extending the mandate for fiscal years 1990 and 1991.

Finally, Chairman DYMALLY has provided leadership in placing into H.R. 2655 title VII language expressing concern and alarm over the banning of 86 books by the Government of Grenada.

These are some of the outstanding provisions of H.R. 2655. There are many more, but time and space today require that I limit my remarks to the provisions focusing on the Caribbean and Africa.

H.R. 2655 is a good bill for those of us in the Congress concerned with U.S. policy toward the long neglected but vital regions of the Caribbean and Africa. I urge my colleagues to approve H.R. 2655.

Mr. FASCELL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the bill is considered under the 5-minute rule by titles and each title shall be considered as having been read.

Subject to clause 6 of rule XXIII, debate on all amendments shall not exceed 8 hours, except as provided for in House Resolution 179.

It is in order for the chairman of the Committee on Foreign Affairs, or his designee, to offer en bloc amendments. Said amendments en bloc are considered as having been read, may amend portions of the bill not yet read for amendment, and are debatable for 20 minutes, equally divided and controlled by the chairman and ranking

minority member of the committee on foreign affairs.

It is in order to consider an amendment offered by the gentleman from New York [Mr. McHUGH], or his designee. Said amendment is considered as having been read, is not subject to amendment or to a demand of a division of the question, and is debatable for 40 minutes, equally divided and controlled by the proponent of the amendment and a member opposed thereto.

At the conclusion of consideration of the bill for amendment, it is in order to consider an amendment in the nature of a substitute offered by the gentleman from Michigan [Mr. BROOMFIELD] or his designee. Said amendment is considered as having been read and is debatable for 40 minutes, equally divided and controlled by the proponent of the amendment and a member opposed thereto.

If the amendment offered by the gentleman from New York [Mr. McHUGH] is adopted, no amendment is in order in the House or in the committee of the whole which amends or affects the subject matter of said amendment, except the amendment in the nature of substitute offered in the committee of the whole by the gentleman from Michigan [Mr. BROOMFIELD].

There are three sections that precede title I.

The clerk will designate section 1.

The text of section 1 is as follows:

H.R. 2655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Cooperation Act of 1989".

AMENDMENTS EN BLOC OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Chair will state to the gentleman that the Clerk has designated section 1. Are there amendments to section 1?

Mr. FASCELL. Mr. Chairman, pursuant to the rule, these are en bloc amendments offered on behalf of the distinguished minority member and myself.

The CHAIRMAN. The Chair would ask the gentleman, is his amendment to section 1 or title I of the bill?

Mr. FASCELL. It is to the entire bill, Mr. Chairman.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. FASCELL: Page 66, line 10, after "thereafter" insert "(A)" and after "or" insert "(B)".

Page 78, line 21, strike out "AND VICE CHAIR".

Page 82, line 1, strike out "of" the second place it appears and insert in lieu thereof "or".

Page 100, line 18, strike out "paragraphs (2) through (4) of".

Page 120, beginning in line 1, strike out "ANNUAL REPORT.—The annual report required under section 8E(h)(2)" and insert in lieu thereof "SEMIANNUAL REPORT.—The semiannual report required under section 5".

Page 121, line 22, strike out "paragraphs (2) through (4) of".

Page 130, line 7, strike out "of" the second place it appears and insert in lieu thereof "or".

Page 132, beginning in line 14, strike out "ANNUAL REPORT.—The annual report required under section 8E(h)(2)" and insert in lieu thereof "SEMIANNUAL REPORT.—The semiannual report required under section 5".

Page 132, line 19, strike out "(a) AUTHORIZATION OF APPROPRIATIONS.—"; line 22, strike out "$25,000,000" both places it appears and insert in lieu thereof "$30,000,000"; and strike out line 24 and all that follows through line 4 on page 133.

Page 143, beginning in line 18, strike out "in appropriation Acts" and insert in lieu thereof "subject to subsection (j)"; after line 19, insert the following:

"(j) APPROPRIATIONS ACTING REQUIRED.—New credit authority provided for in this section may be exercised only to such extent or in such amount as is provided in advance in an appropriation Act.

Pages 143 through 148, redesignate subsections (j) through (t) of section 1722 as subsections (k) through (u), respectively; page 145, line 19, strike out "(1)" and insert in lieu thereof "(m)"; page 146, line (1), strike out "(1)" and insert in lieu thereof "(m)"; and line 10 strike out "(p) or (q)" and insert in lieu thereof "(q) or (r)"; page 147, line 1, strike out "(o)" and insert in lieu thereof "(p)".

Page 154, line 2, after "ment" insert "in a manner otherwise permitted by law (or Office of Management and Budget Circular A-76 or any successor circular)".

Page 182, line 18, strike out "24" and insert in lieu thereof "23".

Page 241, line 23, strike out "and"; line 26, strike out the period and insert in lieu thereof "; and"; and after line 26, insert the following:

(3) by adding at the end the following:

"(4) Charges for defense articles that are not major defense equipment that are sold under this Act or licensed or approved for export under section 38 of this Act may not include any nonrecurring costs of research on or development or production of those articles.".

Page 242, line 13, before the period insert the following: "; and paragraph (4) of section 21(e) of the Defense Trade and Export Control Act (as added by subsection (a)(3) of this section) applies with respect to defense articles sold after September 30, 1990"; and beginning in line 14, strike out "The Defense Trade and Export Control" and insert in lieu thereof "that".

Page 267, beginning in line 22, strike out "a country, which is a major illicit drug producing country because of its coca production," and insert in lieu thereof "Bolivia, Colombia, and Peru".

Page 290, line 4, insert "and" after the semicolon; strike out lines 5 through 7; line 8, strike out "(v)" and insert in lieu thereof "(iv)"; page 291, line 9, strike out "or"; line 14, strike out all that follows "12333" and insert in lieu thereof "; or"; and after line 14, insert the following:

"(ix) commercial export promotion activities of the Department of Agriculture, including the Commodity Credit Corporation.".

Page 303, line 17, strike out "subsection (b)" and insert in lieu thereof "subsections (b) and (c)"; and page 305, after line 2, insert the following:

"(c) NOTIFICATION TO CONGRESS.—The authority of subsection (a) may be exercised only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance of the exercise of that authority in accordance with the procedures applicable to reprogramming notifications under section 4304.

Page 359, line 18, strike out "this Act may extend for not more than 10 years" and insert in lieu thereof "chapter 2 or chapter 3 of title I, section 1701, title II, or chapter 2 or chapter 3 of title VI may, subject to any future action of the Congress, extend at any time for not more than 5 years".

Page 370, strike out line 18 and all that follows through line 8 on page 371 (section 5303); and redesignate section 5304 as section 5303.

Page 371, line 13, strike out ", or" and all that follows through the comma in line 16; and page 372, beginning in line 1, strike out ", or available in the event of sequestration.".

Page 378, line 4, strike out "Notwithstanding any other provision of" and insert in lieu thereof "Except as otherwise provided by"; page 378, line 22, after "encourage" insert "full and open"; and page 379, strike out lines 23 through 25.

Page 386, strike out line 12 and all that follows through line 20 on page 390 (sections 5406 and 5407).

Page 390, strike out line 21 and all that follows through line 4 on page 391 and insert in lieu thereof the following:

"SEC. 5406. LAWS RELATING TO CONTRACTS AND GOVERNMENT EXPENDITURES.

"Whenever the President determines it to be in furtherance of the purposes of this Act, the making, performance, amendment, or modification of contracts may be made pursuant to section 474(2) of title 40, United States Code. Except as provided in the preceding sentence, any reference in this Act to exemptions from existing laws shall be deemed not to apply to laws regarding the procurement of real or personal property or services (including construction) by agencies of the United States Government.

Page 392, line 4, strike out "of" the second place it appears and insert in lieu thereof "or".

Page 500, line 4, strike out "6304" and insert in lieu thereof "4304".

Page 509, strike out lines 4 through 10 and insert in lieu thereof the following:

(a) FUNDING.—Section 3 of the Anglo-Irish Agreement Support Act of 1986 is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated for United States contributions to the International Fund $20,000,000 for fiscal year 1990 and $20,000,000 for fiscal year 1991.

"(b) FUNDS DEEMED TO BE FOREIGN ASSISTANCE ACT FUNDS.—Funds authorized to be appropriated by this section shall be deemed to be funds authorized to be appropriated to carry out title I of the Foreign Assistance Act of 1961.".

Page 521, line 12, strike out "and"; line 19, strike out the period and insert in lieu

thereof "; and"; and after line 19, insert the following:

(3) funds appropriated before the date of enactment of the International Cooperation Act of 1989 may not be transferred for use under this chapter.

Page 525, beginning in line 3, strike out "each of the fiscal years 1990 and 1991" and insert in lieu thereof "fiscal year 1991"; and line 12, strike out "years 1990 and 1991" and insert in lieu thereof "year 1991".

Page 588, after line 7, insert the following:

SEC. 1404. CLARIFICATION OF CERTAIN TERMINOLOGY.

Any reference in this Act to funds made available for fiscal year 1990 or fiscal year 1991 under the Foreign Assistance Act of 1961 shall not be construed to be applicable to funds appropriated before the date of enactment of this Act.

The CHAIRMAN. Pursuant to the rule, the chairman of the committee, the gentleman from Florida [Mr. FASCELL], will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, as I said earlier, this amendment which I offer is by agreement with the gentleman from Michigan [Mr. BROOMFIELD] who is the ranking minority member, and it is offered pursuant to the rule.

It is an en bloc amendment to correct a potential ambiguity in the bill with respect to the effect of clause 5 of rule XXI on certain provisions in the bill, and it is offered to make the necessary changes in certain provisions in the bill to resolve jurisdictional questions in the reported bill.

So, Mr. Chairman, it is purely a technical and conforming amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I am in complete accord with the gentleman's request.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Florida [Mr. FASCELL].

The amendments en bloc were agreed to.

The CHAIRMAN. The Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS FOR THIS ACT.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents for this Act.
Sec. 3. Table of contents for amended Foreign Assistance Act.

TITLE I—ECONOMIC ASSISTANCE

Sec. 101. Revision of economic assistance programs.

TITLE II—MILITARY ASSISTANCE AND SALES PROGRAMS

Chapter 1—Consolidation of Military Assistance Accounts

Sec. 201. Establishment of foreign military financing program.
Sec. 202. Conforming amendments to Arms Export Control Act.
Sec. 203. Transition rule concerning disposition of certain previously provided military equipment.

Chapter 2—Foreign Military Sales Program

Sec. 221. Arms transfer policy.
Sec. 222. Improved accounting for foreign military sales.
Sec. 223. Designation of major non-NATO allies.
Sec. 224. Standardizing congressional review procedures for arms transfers.
Sec. 225. Foreign availability.
Sec. 226. Economic impact on United States of arms sales.
Sec. 227. Coproduction agreements.
Sec. 228. Enforcement and processing of arms export licensing requirements.
Sec. 229. Biennial review of the international traffic in arms regulations.
Sec. 230. Fair pricing.
Sec. 231. Prohibition on sales of antitank shells containing depleted uranium.
Sec. 232. Amendments to eliminate obsolete and inconsistent provisions.
Sec. 233. Technical corrections.

TITLE III—ASSISTANCE TO COMBAT INTERNATIONAL TERRORISM AND NARCOTICS TRAFFICKING

Chapter 1—Permanent Authorities, Requirements, and Restrictions

Sec. 301. Creation of new title of Act for antiterrorism assistance and international narcotics control assistance.

Chapter 2—Assistance for Narcotics-Related Purposes

Sec. 321. Herbicides for aerial coca eradication.
Sec. 322. Procurement of weapons to defend aircraft involved in narcotics control efforts.
Sec. 323. Training for narcotics control activities.
Sec. 324. Military assistance for antinarcotics efforts.

Chapter 3—Provisions Relating to Assistance Recipients

Sec. 341. Assistance for Bolivia.
Sec. 342. Assistance for Peru.
Sec. 343. Assistance for Mexico.
Sec. 344. Nonapplicability of certification procedures to certain major drug-transit countries.
Sec. 345. Additional assistance for cooperating major coca-producing countries.

TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS ON ASSISTANCE, AND REPORTS

Sec. 401. Consolidation and revision of special authorities, restrictions, and reporting requirements; elimination of obsolete provisions.

TITLE V—GENERAL PROVISIONS

Sec. 501. Consolidation and revision of administrative authorities and elimination of obsolete provisions.

TITLE VI—TECHNICAL AND CONFORMING PROVISIONS

Sec. 601. Effective date of revisions.
Sec. 602. Savings provisions.
Sec. 603. Retention of certain provisions formerly in the Foreign Assistance Act.
Sec. 604. Renaming of Trade and Development Program; conforming changes.
Sec. 605. Conforming amendments.
Sec. 606. Repeal of obsolete provisions.

TITLE VII—LATIN AMERICA AND THE CARIBBEAN

Chapter 1—Central America

Sec. 701. Promoting Central American recovery and development and regional cooperation.
Sec. 702. Military aircraft transfers.
Sec. 703. Assistance for El Salvador.
Sec. 704. Assistance for Guatemala.
Sec. 705. Restrictions on assistance to police in El Salvador, Guatemala, and Honduras.
Sec. 706. Assistance for Costa Rica.
Sec. 707. Nicaragua.
Sec. 708. Monitoring compliance with Central American peace accords.

Chapter 2—The Caribbean

Sec. 721. Caribbean Regional Development Act of 1989.
Sec. 722. Assistance for Haiti.

Chapter 3—South America

Sec. 741. Military education and training for Chile.
Sec. 742. Military assistance for Paraguay.
Sec. 743. Assistance for Peru.

Chapter 4—Other Provisions Relating to the Region

Sec. 761. Inter-American Foundation.
Sec. 762. Suspension of assistance if a military coup occurs.
Sec. 763. Human rights under civilian regimes.
Sec. 764. Assistance for law enforcement.

TITLE VIII—EUROPE AND THE MIDDLE EAST

Chapter 1—Assistance to Further Middle East Peace

Sec. 801. Middle East funds.
Sec. 802. Assistance for Israel.
Sec. 803. Assistance for Egypt.
Sec. 804. Assistance for Jordan.
Sec. 805. Assistance for the West Bank and Gaza.
Sec. 806. Assistance for Middle East cooperative projects.
Sec. 807. Scholarship program for Israeli Arabs.

Chapter 2—Other Provisions Relating to the Middle East

Sec. 821. Conventional arms transfers to the Middle East.
Sec. 822. Foreign military sales for Jordan.
Sec. 823. Stingers in the Persian Gulf region.
Sec. 824. Stingers for Bahrain.
Sec. 825. Stingers for Oman.
Sec. 826. Annual reports on Stingers provided to Bahrain and Oman.
Sec. 827. Illegal acquisition of stingers by Qatar.
Sec. 828. Cooperative development projects.
Sec. 829. Sales to certain countries in the Middle East.

Chapter 3—Eastern Mediterranean

Sec. 841. United States policy regarding the Eastern Mediterranean.
Sec. 842. Assistance for Cyprus.
Sec. 843. Extradition of Mohammed Rashid.
Sec. 844. Foreign military financing for Greece and Turkey.

Chapter 4—Other Provisions

Sec. 861. Contributions to Anglo-Irish International Fund.

TITLE IX—ASIA AND THE PACIFIC

Chapter 1—East Asia and the Pacific

Sec. 901. Burma.
Sec. 902. Cambodia.
Sec. 903. Prohibition on military assistance to Fiji.
Sec. 904. Uncommitted FMS credits for the Philippines.
Sec. 905. Multilateral assistance initiative for the Philippines.
Sec. 906. Scholarships under South Pacific regional program.
Sec. 907. Transfer of funds for Assistant Secretary of State for South Asian Affairs.
Sec. 908. Cooperation on POW/MIA issue.
Sec. 909. Admission of Asian countries into the OECD.

Chapter 2—South Asia

Sec. 921. Assistance for Afghanistan.
Sec. 922. United States policy toward Bangladesh.
Sec. 923. India and Nepal.
Sec. 924. Assistance for Pakistan.

TITLE X—AFRICA

Chapter 1—Africa Famine Recovery and Development

Sec. 1001. Short title.
Sec. 1002. Africa famine recovery and development.
Sec. 1003. Reports to Congress.
Sec. 1004. Conforming amendments to Public Law 480.
Sec. 1005. African Development Foundation.
Sec. 1006. United States trade restrictions on products from sub-Saharan Africa.

Chapter 2—Other Provisions Relating to Sub-Saharan Africa

Sec. 1021. Economic support assistance for sub-Saharan Africa.
Sec. 1022. Support for the Southern Africa Development Coordination Conference.
Sec. 1023. Assistance for Burundi.
Sec. 1024. Assistance for Kenya.
Sec. 1025. Assistance for Liberia.
Sec. 1026. Assistance for Mozambique.
Sec. 1027. Assistance for Somalia.
Sec. 1028. Assistance for Sudan.
Sec. 1029. Assistance for Zaire.
Sec. 1030. AIDS in Africa.

Chapter 3—Other Provisions Relating to Africa

Sec. 1041. Factors considered in furnishing assistance to countries in Africa.

TITLE XI—AGRICULTURAL TRADE AND DEVELOPMENT ASSISTANCE

Sec. 1101. Private sector development activities.

TITLE XII—PEACE CORPS

Sec. 1201. Authorization of appropriations.
Sec. 1202. Technical publications.

TITLE XIII—UNITED STATES COMMISSION ON SOUTHERN AFRICA

Sec. 1301. Short title.
Sec. 1302. Findings.
Sec. 1303. Establishment.
Sec. 1304. Purpose of Commission.
Sec. 1305. Membership; chairperson.
Sec. 1306. President and staff of Commission.
Sec. 1307. Powers of Commission.
Sec. 1308. Requirements.
Sec. 1309. Report.
Sec. 1310. Funds from Department of State.

TITLE XIV—MISCELLANEOUS PROVISIONS

Sec. 1401. Certain uses of excess foreign currencies.
Sec. 1402. Minority set-aside.
Sec. 1403. Report on compliance with foreign boycotts.

The CHAIRMAN. Are there amendments to section 2?

If not, the Clerk will designate section 3.

The text of section 3 is as follows:

SEC. 3. TABLE OF CONTENTS FOR AMENDED FOREIGN ASSISTANCE ACT.

The Foreign Assistance Act of 1961 is amended by inserting the following new section after the first section:

"SEC. 2. TABLE OF CONTENTS.

"The table of contents for this Act is as follows:

"Sec. 1. Short title.
"Sec. 2. Table of contents.

"TITLE I—ECONOMIC ASSISTANCE

"Chapter 1—Economic Assistance Policies

"Sec. 1101. Findings and declarations of policy concerning economic assistance programs generally.
"Sec. 1102. Basic objectives of economic assistance programs and United States development cooperation policy.

"Chapter 2—Development Assistance

"SUBCHAPTER A—DEVELOPMENT ASSISTANCE AUTHORITIES

"Sec. 1201. Assistance for long-term development needs.
"Sec. 1202. Authorizations of appropriations.
"Sec. 1203. Assistance for population planning.
"Sec. 1204. Assistance for child survival activities and health.

"SUBCHAPTER B—SPECIAL FOCUS PROGRAMS AND ACTIVITIES

"Sec. 1221. Assistance for human rights and democratic initiatives.
"Sec. 1222. South Africa.
"Sec. 1223. Development and illicit narcotics production.
"Sec. 1224. Private Sector Revolving Fund.
"Sec. 1225. Regional integration.
"Sec. 1226. Development education.
"Sec. 1227. Strengthening the capacity of research and educational institutions.

"SUBCHAPTER C—OTHER AUTHORITIES AND REQUIREMENTS

"Sec. 1241. Impact of development assistance on environment and natural resources.
"Sec. 1242. Cost sharing.
"Sec. 1243. Transportation charges incurred by the Red Cross or private voluntary organizations.
"Sec. 1244. Assistance limited to economic programs.

"Chapter 3—Economic Support Assistance

"Sec. 1301. Assistance under special economic, political, and security conditions.
"Sec. 1302. Authorizations of appropriations.
"Sec. 1303. Purchase of United States goods and services.

"Chapter 4—Voluntary Contributions to International Organizations and Programs

"Sec. 1401. Authority to provide assistance.
"Sec. 1402. Authorization of appropriations.
"Sec. 1403. Contributions to International Fund for Agricultural Development.
"Sec. 1404. Condition on contributions to the International Atomic Energy Agency.
"Sec. 1405. Withholding of United States proportionate share for certain programs of international organizations.
"Sec. 1406. Restriction on contributions to United Nations Relief and Works Agency.
"Sec. 1407. Reports on international organizations.
"Sec. 1408. Auditing of accounts of international organizations.
"Sec. 1409. Integration of women.
"Sec. 1410. United Nations Development Program.
"Sec. 1411. Assessment of activities of international organizations by country missions.

"Chapter 5—Assistance for Private Sector Involvement in Development

"SUBCHAPTER A—OVERSEAS PRIVATE INVESTMENT CORPORATION

"Sec. 1501. Purpose and policy.
"Sec. 1502. Stock of the corporation.
"Sec. 1503. Organization and management.
"Sec. 1504. Investment insurance, guarantees, financing, and other programs.
"Sec. 1505. Enhancing private political risk insurance industry.
"Sec. 1506. Guidelines and requirements for OPIC support.
"Sec. 1507. Issuing authority, direct investment fund, equity fund, and reserves.
"Sec. 1508. Income and revenues.
"Sec. 1509. General provisions relating to insurance, guaranty, and financing program.
"Sec. 1510. General provisions and powers.
"Sec. 1511. Annual report; maintenance of information.
"Sec. 1512. Definitions.

"SUBCHAPTER B—TRADE AND DEVELOPMENT AGENCY

"Sec. 1521. Purpose.
"Sec. 1522. Authority to provide assistance.
"Sec. 1523. Director and personnel.
"Sec. 1524. Annual report.
"Sec. 1525. Advisory board.
"Sec. 1526. Inspector General.
"Sec. 1527. Funding.

"Chapter 6—International Disaster Assistance

"Sec. 1601. Statement of policies.
"Sec. 1602. Authority to provide assistance.
"Sec. 1603. Authorizations of appropriations.
"Sec. 1604. Borrowing authority.
"Sec. 1605. Special Coordinator For International Disaster Assistance.

"Chapter 7—Other Economic Assistance Programs

"SUBCHAPTER A—AMERICAN SCHOOLS AND HOSPITALS

"Sec. 1701. Authority to provide assistance.
"Sec. 1702. Authorizations of appropriations.

"SUBCHAPTER B—GUARANTEE PROGRAMS

"Sec. 1721. Trade credit insurance program for Central America.
"Sec. 1722. Housing and urban development guarantee program.

"SUBCHAPTER C—DEBT FOR DEVELOPMENT

"Sec. 1741. Generation of local currency for development activities.
"Sec. 1742. Debt exchange.
"Sec. 1743. Ineligible countries.

"Chapter 8—Reimbursable Programs

"Sec. 1801. Authority to conduct reimbursable programs.

"Sec. 1802. Use of payments.

"Chapter 9—Administration of Economic Assistance Programs

"SUBCHAPTER A—OPERATING EXPENSES

"Sec. 1901. Authorizations of appropriations for operating expenses generally.
"Sec. 1902. Authorizations of appropriations for operating expenses of the Inspector General.
"Sec. 1903. Additional funds for operating expenses.

"SUBCHAPTER B—EVALUATION

"Sec. 1921. Evaluation and accountability.

"SUBCHAPTER C—COOPERATION WITH NONGOVERNMENTAL SECTOR

"Sec. 1941. Coordination of advisory boards.
"Sec. 1942. Center for University Cooperation in Development.
"Sec. 1943. Center for Voluntary Cooperation in Development.
"Sec. 1944. Private sector advisory board.

"TITLE II—MILITARY ASSISTANCE PROGRAMS

"Chapter 1—Policies Regarding Military Assistance

"Sec. 2101. Findings and statements of policies regarding military assistance.
"Sec. 2102. Objectives of military assistance.

"Chapter 2—Foreign Military Financing Program

"Sec. 2201. Authority to furnish assistance.
"Sec. 2202. Terms of assistance.
"Sec. 2203. Eligibility.
"Sec. 2204. Approval of third country transfers.
"Sec. 2205. Special drawdown authority.
"Sec. 2206. Modernization of military capabilities of certain countries.
"Sec. 2207. Annual ceiling and reports on transfers of excess defense articles.
"Sec. 2208. Improved accountability with respect to financed commercial arms sales.
"Sec. 2209. Considerations in furnishing assistance.
"Sec. 2210. Authorizations of appropriations.
"Sec. 2211. Financing for FMS sales.
"Sec. 2212. Reserve fund for certain countries.

"Chapter 3—Stockpiling of Defense Articles For Foreign Countries

"Sec. 2301. Restrictions on stockpiling.
"Sec. 2302. Location of stockpiles.
"Sec. 2303. Additions to war reserve stocks.

"Chapter 4—Overseas Management of Assistance and Sales Programs

"Sec. 2401. Authorized functions.
"Sec. 2402. Limit on size of groups.
"Sec. 2403. Costs.
"Sec. 2404. Role of chief of mission.

"Chapter 5—International Military Education and Training

"Sec. 2501. General authority.
"Sec. 2502. Terms of assistance.
"Sec. 2503. Exchange training.
"Sec. 2504. Training in maritime skills.
"Sec. 2505. Authorizations of appropriations.

"Chapter 6—Peacekeeping Operations

"Sec. 2601. General authority.
"Sec. 2602. Special transfer and drawdown authorities.
"Sec. 2603. Administrative authorities.
"Sec. 2604. Authorization of appropriations.

"TITLE III—COMBATING INTERNATIONAL TERRORISM AND NARCOTICS TRAFFICKING

"Chapter 1—International Terrorism

"Sec. 3101. Coordination of all United States terrorism-related assistance to foreign countries.
"Sec. 3102. Authority to provide antiterrorism assistance.
"Sec. 3103. Purposes of antiterrorism assistance.
"Sec. 3104. Authorities and limitations.
"Sec. 3105. Reports to Congress.
"Sec. 3106. Administrative authorities.
"Sec. 3107. Authorizations of appropriations.
"Sec. 3108. Prohibition on assistance to countries supporting international terrorism.

"Chapter 2—International Narcotics Control

"SUBCHAPTER A—GENERAL POLICIES

"Sec. 3201. Findings and statements of policy.
"Sec. 3202. Coordination of all United States anti-narcotics assistance to foreign countries.

"SUBCHAPTER B—NARCOTICS CONTROL ASSISTANCE

"Sec. 3221. Authority to enter into agreements and provide assistance.
"Sec. 3222. Authorizations of appropriations.
"Sec. 3223. Contribution by recipient country.
"Sec. 3224. Use of herbicides for aerial eradication.
"Sec. 3225. Prohibition on procurement of weapons and ammunition.
"Sec. 3226. Permissible uses of aircraft and other equipment.
"Sec. 3227. Retention of title to aircraft.
"Sec. 3228. Records of aircraft use.
"Sec. 3229. Prohibition on use of narcotics control assistance to acquire real property.

"SUBCHAPTER C—FOREIGN ASSISTANCE GENERALLY AND NARCOTICS CONTROL

"Sec. 3241. Prohibition on use of foreign assistance for reimbursements for drug crop eradications.
"Sec. 3242. Prohibition on assistance to drug traffickers.
"Sec. 3243. Reallocation of funds withheld from countries which fail to take adequate steps to halt illicit drug production or trafficking.
"Sec. 3244. Waiver of certain restrictions on assistance for countries reducing illicit drug production.
"Sec. 3245. Assistance for crop substitution activities.
"Sec. 3246. Debt forgiveness for major coca producing countries participating in aerial eradication programs.

"SUBCHAPTER D—REPORTS AND ANNUAL CERTIFICATION PROCESS

"Sec. 3261. Reports.
"Sec. 3262. Annual certification procedures.
"Sec. 3263. Determining major drug-transit and major illicit drug producing countries.

"SUBCHAPTER E—MISCELLANEOUS PROVISIONS

"Sec. 3281. Participation in foreign police actions.
"Sec. 3282. Definitions.

"TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS ON ASSISTANCE, AND REPORTS

"Chapter 1—Special Authorities

"Sec. 4101. Authority to transfer between accounts.
"Sec. 4102. Special waiver authority.
"Sec. 4103. Contingencies involving nonmilitary assistance.
"Sec. 4104. Termination expenses.
"Sec. 4105. Exemption of assistance through nongovernmental organizations from restrictions.
"Sec. 4106. Exemption of training activities from prohibitions.
"Sec. 4107. Nonapplicability to military assistance of certain Neutrality Act provisions.

"Chapter 2—Restrictions on Assistance

"Sec. 4201. Ineligible countries and projects.
"Sec. 4202. Police training.
"Sec. 4203. Intelligence activities.
"Sec. 4204. Abortions and involuntary sterilizations.
"Sec. 4205. Nuclear enrichment transfers.
"Sec. 4206. Nuclear reprocessing transfers and illegal exports for nuclear explosive devices.
"Sec. 4207. Nuclear detonations and transfers of nuclear explosive devices.
"Sec. 4208. Countries which seize United States fishing vessels.
"Sec. 4209. Countries in arrears on assistance repayments.
"Sec. 4210. Assistance for Cuba.
"Sec. 4211. Assistance to Pakistan.

"Chapter 3—Reports and Notifications to Congress

"Sec. 4301. Congressional presentation documents for economic assistance.
"Sec. 4302. Human rights policy and reports.
"Sec. 4303. Annual allocation report.
"Sec. 4304. Notification of program changes.
"Sec. 4305. Quarterly reports on obligations for development assistance and economic support assistance.
"Sec. 4306. Notice of exercise of certain special authorities.
"Sec. 4307. Furnishing information requested by the Congress or the GAO.
"Sec. 4308. Annual reports regarding recipient expenditures for military purposes.
"Sec. 4309. Annual reports on gifts received.
"Sec. 4310. Reports on foreign countries that tax economic assistance funds furnished to PVOs and NGOs.

"TITLE V—GENERAL PROVISIONS

"Chapter 1—Exercise and Coordination of Functions

"Sec. 5101. Delegations by the President.
"Sec. 5102. Secretary of State.
"Sec. 5103. Secretary of Defense.
"Sec. 5104. Designation of administering agency for title I.
"Sec. 5105. Coordination of United States policies and programs affecting development.
"Sec. 5106. Security assistance coordination.
"Sec. 5107. Authority to establish missions abroad.

"Sec. 5108. Presidential findings and determinations.

"Chapter 2—Administrative Authorities

"Sec. 5201. Allocation of funds and reimbursement among agencies.
"Sec. 5202. General authorities.
"Sec. 5203. Authorized administrative uses of funds.

"Chapter 3—Special Requirements and Authorities Relating to Appropriations and Local Currencies

"SUBCHAPTER A—PROVISIONS RELATING TO APPROPRIATIONS

"Sec. 5301. Requirement for specific authorization of appropriations.
"Sec. 5302. Authority for extended period of availability of appropriations.
"Sec. 5303. Deobligation/reobligation authority.
"Sec. 5304. Reduction of authorization earmarks if appropriations are less than authorizations.

"SUBCHAPTER B—LOCAL CURRENCIES

"Sec. 5321. Special accounts for and use of host-country owned local currencies.
"Sec. 5322. Use of certain foreign currencies owned by the United States.
"Sec. 5323. Interest on foreign currency proceeds.
"Sec. 5324. Use of local currencies.
"Sec. 5325. Interest on local currency accruing to nongovernmental organizations.

"Chapter 4—Procurement and Disposition of Commodities and Defense Articles

"Sec. 5401. Use of private enterprise.
"Sec. 5402. Procurement standards and procedures.
"Sec. 5403. Shipping on United States vessels.
"Sec. 5404. Excess and other available property.
"Sec. 5405. Retention and use of certain items and funds.
"Sec. 5406. Eligibility and debarment.
"Sec. 5407. False claims and ineligible commodities.
"Sec. 5408. Waivers of certain laws relating to contracts and government expenditures.

"Chapter 5—Personnel

"Sec. 5501. Statutory officers in economic assistance agency.
"Sec. 5502. Employment of personnel.
"Sec. 5503. Experts, consultants, and retired officers.
"Sec. 5504. Detail of personnel to foreign governments and international organizations.
"Sec. 5505. Chief of economic assistance mission abroad.
"Sec. 5506. Chairman of OECD Development Assistance Committee.
"Sec. 5507. Assignment of DOD personnel to civil offices.
"Sec. 5508. Discrimination against United States personnel providing assistance.

"Chapter 6—Definitions and Miscellaneous Provisions

"Sec. 5601. Definitions.
"Sec. 5602. Activities under certain other laws not affected.
"Sec. 5603. Commitments to use United States Armed Forces.
"Sec. 5604. Economic sanctions against Cuba.

"TITLE VI—REGION AND COUNTRY SPECIFIC PROVISIONS

"Chapter 1—Caribbean Regional Development

"Sec. 6101. Short title.
"Sec. 6102. United States policies.
"Sec. 6103. Priority areas for assistance.
"Sec. 6104. Protection of worker rights.
"Sec. 6105. Protection of public health.
"Sec. 6106. Support for women's role in development.
"Sec. 6107. Consultation, monitoring, evaluation, and reporting.
"Sec. 6108. Funding.
"Sec. 6109. Definition.

"Chapter 2—Multilateral Assistance Initiative for the Philippines

"Sec. 6201. Findings and statement of policy.
"Sec. 6202. Assistance.
"Sec. 6203. Report to Congress.
"Sec. 6204. Authorization of appropriations.
"Sec. 6205. Limitations on use of funds.
"Sec. 6206. Donor coordination.
"Sec. 6207. Administrative authorities.

"Chapter 3—Africa Famine Recovery and Development

"Sec. 6301. Long-term development assistance for sub-Saharan Africa.
"Sec. 6302. Authorizations of appropriations for assistance for sub-Saharan Africa.
"Sec. 6303. Organizational changes.".

The CHAIRMAN. Are there amendments to section 3 of the bill?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—ECONOMIC ASSISTANCE

SEC. 101. REVISION OF ECONOMIC ASSISTANCE PROGRAMS.

The Foreign Assistance Act of 1961 is amended by striking out part I and inserting in lieu thereof the following:

"TITLE I—ECONOMIC ASSISTANCE

"CHAPTER 1—ECONOMIC ASSISTANCE POLICIES

"SEC. 1101. FINDINGS AND DECLARATIONS OF POLICY CONCERNING ECONOMIC ASSISTANCE PROGRAMS GENERALLY.

"(a) REASONS FOR ECONOMIC ASSISTANCE.—The Congress finds and declares as follows:

"(1) Fundamental and pervasive economic, political, and technological changes have resulted in the growing interdependence of countries and have created an increasing awareness in the United States and around the world of the need for all countries to participate in efforts to promote broad based, sustainable development.

"(2) The economic prosperity and security of the people of the United States and of the world are best maintained and enhanced in an international community which respects individual civil and political rights and economic freedoms, provides for fundamental human needs, works to use wisely the world's limited resources in a sustainable manner, and works toward the achievement of economic well-being for all people.

"(3) Economic assistance authorized by this title reflects the traditional humanitarian ideals of the American people and a commitment—

"(A) to assist in the elimination of hunger, poverty, illness, and ignorance in developing countries, and

"(B) to help alleviate the suffering brought about by natural and manmade disasters.

"(4) The efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

"(b) NEED FOR COORDINATED APPLICATION OF UNITED STATES RESOURCES.—The Congress recognizes that successful achievement of the four basic objectives specified in section 1102 depends on the coordinated application of United States resources. Accordingly, the President should—

"(1) develop and implement a coordinated international economic and development policy and program of action designed to make progress toward the achievement of those objectives, bringing to bear all relevant activities of the United States Government, including policies concerning international trade and debt, contributions to multilateral development banks, policies concerning international monetary issues, and policies in such areas as agriculture, the environment, and health; and

"(2) facilitate greater mutual awareness within the United States public and private sectors of activities in developing countries, in order to use all available resources effectively and efficiently toward the achievement of those objectives.

"(c) NEED FOR COLLABORATIVE EFFORTS.—The Congress further finds and declares—

"(1) the reduction of threats to global economic, political, environmental, and social well-being requires collaborative efforts by all countries;

"(2) the United States and other developed countries, having benefited in their own development from the talents, capital, and knowledge of other countries and peoples, should help developing countries to grow and develop in a broad-based and sustainable manner;

"(3) it shall be the policy of the United States to assist in building institutions which permit developing countries to be more effective participants in international collaborative efforts;

"(4) United States participation in the international, multilateral, and regional organizations and programs is an important aspect of United States support for international collaborative efforts in pursuit of the four basic objectives set forth in section 1102; and

"(5) the pursuit of the four basic objectives set forth in section 1102 may require United States collaborative efforts with advanced developing countries.

"SEC. 1102. BASIC OBJECTIVES OF ECONOMIC ASSISTANCE PROGRAMS AND UNITED STATES DEVELOPMENT COOPERATION POLICY.

"(a) FOUR BASIC OBJECTIVES.—The primary purpose of United States economic assistance is the promotion of broad based, sustainable, participatory development, with particular focus on the poor. In pursuit of that purpose, economic assistance programs to the extent specified in this Act, and United States economic cooperation policy generally, shall have the following

four basic objectives, which are interrelated and mutually reinforcing:

"(1) ECONOMIC GROWTH.—Promotion of broad based economic growth.

"(2) RESOURCE-SUSTAINABLE DEVELOPMENT.—Improvement of resource management designed to bring about environmentally and economically sustainable patterns of development.

"(3) POVERTY ALLEVIATION.—Alleviation of the worst manifestations of poverty through the development of human resource capacity.

"(4) PLURALISM.—Promotion of democracy and political, social, and economic pluralism.

"(b) ECONOMIC GROWTH.—

"(1) RATIONALE.—Broad based, sustainable economic growth is in the interest of the United States because it permits countries to progress toward economic self-reliance, to improve the living standards of their citizens, and to increase international markets for trade and investment. Successful long term development cannot occur without broad based, sustainable economic growth which enables the poor to increase their incomes and access to productive resources and services so that they can satisfy their basic needs and lead lives of decency, dignity, and hope.

"(2) ELABORATION ON OBJECTIVE.—(A) Implementation of the objective of promoting broad based economic growth should recognize that economic, social, political, and environmental conditions vary among countries. While taking account of such differences, the economic assistance programs carried out in furtherance of the four basic objectives set forth in this section shall emphasize the following principles:

"(i) Security of economic rights for all citizens without regard to sex, race, religion, language, or social status, including the right to own property, the right to fair return to labor, and the right to engage in productive use of available assets.

"(ii) Economic policies based on free market principles as a means for establishing prices and for allocating goods and services.

"(iii) Government involvement in the economy to promote economic rights, fair and open markets, and the fulfillment of basic human needs.

"(iv) Adherence by governments to international economic agreements, particularly those relating to free and fair trade practices and to respect for worker rights.

"(B) A primary test of the effectiveness of economic assistance programs designed to promote broad based economic growth is the extent to which the poor and disenfranchised participate in and benefit from these programs and are thereby brought into the development process.

"(c) RESOURCE-SUSTAINABLE DEVELOPMENT.—

"(1) RATIONALE.—The economic and social well-being and the security of the United States and other countries is affected by how the world's environment and physical resource base are managed. Consumption patterns, systems of industrial and agricultural production, and the manner of use of natural resources all impact on the opportunities for long-term development and growth and survival for all countries. Both developed and developing countries share responsibility for the rational and sustainable management of natural resources. Responsible management of physical resources is necessary to insure the availability of resources for future generations and to assure that the burdens of improved resource management do not fall disproportionately on the poor.

"(2) ELABORATION OF OBJECTIVE.—(A) Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Economic assistance programs authorized by this title should assist countries to adopt policies and programs that promote ecologically sound patterns of growth. Improved resource management tailored to the conditions and capabilities of the particular developing countries should be an integral part of all planning, programming, and reporting activities with respect to economic assistance under this title.

"(B) Resource sustainable development should be promoted through the establishment and implementation of public policies and programs that provide incentives for better long-term management of resources and private and public investment toward resource conserving technologies of production in energy, agricultural, and industrial production. To achieve this objective will entail, among other things—

"(i) more efficient and resource conserving systems of sustainable agricultural production, with special emphasis on rain-fed agriculture;

"(ii) greater attention to forestry management for sustainable yields, agroforestry, reforestation, and watershed conservation, including better resource monitoring and assessment systems;

"(iii) improved water use management, including watershed protection, sustainable and efficient irrigation projects, and efforts to reduce costs and improve delivery of potable water and sanitation systems for both urban and rural areas;

"(iv) more systematic collection, preservation, and sharing of original and evolved plant and animal genetic material, including preservation of ecosystems and natural habitats;

"(v) attention to more efficient management of existing energy systems, to the promotion of increased use of least-cost energy resource planning procedures, and to the development of economically viable and more efficient systems of energy production and consumption which seek to maximize resource conservation;

"(vi) attention to resource conserving systems of urban development and industrialization which make efficient use of energy and natural resources, minimize the adverse effects of air and water pollution, facilitate safe waste disposal, including toxic wastes, and provide for improved environmental health and safety of the urban and surrounding rural populations; and

"(vii) efforts to analyze and to reduce man-made contributions to changes in the global climate, including factors which may be contributing to global warming in the Earth's atmosphere.

"(C) Growth which is not environmentally sustainable cannot be economically sustainable in the long run. Improved resource management is a critical element of a balanced pattern of development.

"(d) POVERTY ALLEVIATION.—

"(1) RATIONALE.—It is in the United States interest to assist developing countries to achieve patterns of growth and development which will measurably alleviate the worst manifestations of poverty in rural and urban areas and allow all people, especially those with low incomes, to lead economically and socially productive lives. As a people endowed with a spirit of humanitarian generosity, United States citizens have long demonstrated a moral imperative to help those in need. Further, peace and stability in the world cannot be achieved without economic development which also alleviates the worst manifestations of poverty.

"(2) ELABORATION OF OBJECTIVE.—(A) Broad based economic growth is necessary for the alleviation of the worst manifestations of poverty. Conversely, neither growth nor the alleviation of poverty can be sustained unless all people, especially the poor, have the basic assets and capabilities which foster the exercise of choice and participation in the economic, social, and political life of the country. Women, female children, and children of poor people have been especially disadvantaged in their access to these assets. Governments, together with nongovernmental organizations and international and multilateral organizations, should give special attention to alleviating the worst manifestations of poverty among these groups. Long-term poverty alleviation cannot be attained solely through direct government programs, but depends on patterns of broad based economic growth and the productivity generated by investments in the expansion of human well-being, capacity, and choice.

"(B) Poverty alleviation should be promoted through conscious public policies and through careful monitoring of the effects of macroeconomic growth strategies on the worst manifestations of poverty. It is the policy of the United States to assist those nations and peoples which demonstrate commitment to the objective of poverty alleviation through their development of national poverty alleviation plans and the deployment of resources to meet the goals of such plans. Such plans should include measurable target levels by specific dates for specific social indicators of the worst manifestations of poverty, such as child mortality rates, female literacy, child nutrition, and access to safe water. The United States through bilateral or international assistance, should seek to help governments develop appropriate statistical measures for use in the development and implementation of national poverty alleviation plans. Poverty alleviation effort should be a subject for bilateral policy dialogue and a factor in determining assistance allocations, recognizing that conditions and appropriate targets will vary by country and over time.

"(C) To achieve the objective of alleviating the worst manifestations of poverty will entail, among other things—

"(i) the expansion of education to all segments of the society, with particular attention to universal access to basic education, to sustainable improvement in the quality and diversity of educational opportunity, and to female education at all age levels;

"(ii) improvement in coverage, quality, and sustainability of health services, with special emphasis on universal access to primary health care, epidemiological detection and prevention programs, and sustainable systems of health care for mothers and children;

"(iii) a consistent program of support for systematic expansion of voluntary family planning services, with special emphasis on the role of the private voluntary and commercial sectors as providers of such services and on the development of more effective, acceptable family planning technologies appropriate to the conditions of developing countries;

"(iv) support for activities which enhance secure access of all to adequate food and nutrition derived from sustainable agricultural production, including the effectiveness and development contribution of food assistance made available under the Agricultural Trade Development and Assistance Act of 1954 and other food assistance programs; and

"(v) support for activities which enhance universal access to safe drinking water, basic sanitation, and basic shelter necessary for health.

"(e) PLURALISM.—

"(1) RATIONALE.—The promotion of democracy throughout the world is in the basic interest of the United States. Democratic development, political pluralism, and respect for internationally recognized human rights are intrinsically linked to economic and social progress. It is in the United States interest and in keeping with our democratic traditions to foster the spread of democratic values and aspirations and universal respect for civil and political liberties.

"(2) ELABORATION ON OBJECTIVE.—(A) Furtherance of the basic objective of pluralism requires that the United States promote—

"(i) the ability of all citizens of a country to organize and associate freely and independently of the government;

"(ii) respect for the diversity among the citizens of a country;

"(iii) the right to freely choose one's government, to hold that government accountable, and to participate in political life; and

"(iv) increased observance of internationally recognized human rights.

"(B) An essential element of democratic development is the growth of indigenous nongovernmental organizations which are committed to democratic values and active in the promotion of pluralism. United States efforts to foster democratic pluralism and build democratic institutions are most likely to create enduring bonds of democratic cooperation when United States nongovernmental organizations are involved in strengthening the capacity of nongovernmental organizations in other countries.

"(C) United States economic assistance to promote democratic development and pluralism should also support multilateral and governmental efforts to foster democracy and build democratic institutions.

"(D) Another essential element of democratic development is the acceptance of and respect for civilian authority by all elements of society.

"(f) CROSS-CUTTING ELEMENTS.—The following key elements are applicable to the design and implementation of economic assistance programs to promote the four basic objectives set forth in subsection (a):

"(1) PARTICIPATION AND CONSULTATION.—Development is a process of change which requires the best possible information and judgment about the needs, capabilities, and aspirations of those most affected, either as participants in the delivery of assistance or as beneficiaries of assistance. For development to be broad based and sustainable, it is necessary to consult with and fully engage in the policy and program planning process the governmental and nongovernmental organizations representative of and knowledgeable about local people and their interests. It is critical to involve beneficiaries in the assessment of the social, economic, and environmental impact of development projects and programs. Use of local nongovernmental organizations can be an effective means to accomplish this.

"(2) WOMEN IN DEVELOPMENT.—The expansion of women's economic opportunities is essential to alleviate poverty and to bring about effective broad based, sustainable development. Women must be an integral part of all aspects of any development program. The active involvement of women in economic, political, and social activities is necessary to promote pluralism and to assure sustainable development. Women must participate in development as agents of change, not merely as recipients and beneficiaries of change. Women should, therefore, be integrally involved in policies, programs, and projects undertaken to achieve the four basic objectives set forth in subsection (a).

"(3) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT.—The capabilities of the United States in science and technology must be utilized to contribute to progress on critical development problems. The President should ensure that United States scientific talent is engaged in research on issues relevant to the four basic objectives set forth in subsection (a), by involving United States public and private institutions and by promoting collaboration with scientists and science and technology institutions in developing countries. Collaborative research programs and other means should be used to help maintain and strengthen the institutional capacity of science and technology organizations in other countries. Programs of scientific and technological research and development supported under this title should focus on adaptive and applied research, should encourage research which is relevant to overcoming constraints to broad based, sustainable development, and should promote commercialization and utilization of technology in developing countries.

"(4) EDUCATION AND TRAINING.—(A) Access to education and training in United States colleges, universities, and technical training facilities constitutes a major aspect of United States comparative advantage in the provision of development assistance. These institutions are already training large numbers of students from developing countries. Training and education programs are a cost effective method for furthering the four basic objectives set forth in subsection (a). Advanced training and education programs should be available at levels appropriate to the needs of particular countries. They should be monitored to ensure that access to training and educational opportunities in the United States is available for women and for the poor.

"(B) Development efforts have greatly expanded the range and capacity of education and training institutions in developing countries. These can serve as effective facilities to support the four basic objectives set forth in subsection (a). Recognizing the mutual benefits that can be derived, long-term collaborative relationships between educational and training institutions in developing countries and those in the United States are strongly encouraged and should be supported under this title.

"(5) APPROPRIATE TECHNOLOGY.—The United States can make a significant contribution to development through the application of its vast array of technology. The President must ensure that such technology is appropriate for the level of development and factors of production prevalent in a particular country. In promoting such appropriate technology, the President should focus particularly on the capabilities of the private sector.

"(6) TECHNICAL ASSISTANCE.—Well focused, high quality technical assistance is an important element in the delivery of effective United States economic assistance programs. The growing technical capacity of institutions in many developing countries has increased their ability to participate in the furnishing of technical assistance. United States economic assistance programs should seek to utilize technical capabilities available in developing countries and should find ways to involve United States technical capability through collaborative programs. The results of such involvement will benefit all collaborating partners. United States Government entities, the United States higher education community, nongovernmental organizations, and the private sector offer a rich source of technical expertise. Emphasis should be placed on promoting host and third country professional capabilities for providing technical assistance in programs supported by the United States.

"(7) NONGOVERNMENTAL COOPERATION IN DEVELOPMENT.—(A) Nongovernmental organizations (including private voluntary organizations, cooperatives, and credit unions) provide important mechanisms to increase the participation of rural and urban poor people in broad based sustainable development efforts and in the building of more pluralistic and open societies. The contributions of United States and indigenous nongovernmental organizations that represent and involve indigenous groups and communities should be fully utilized in meeting the four basic objectives.

"(B) Nongovernmental organizations participating in the furnishing of assistance under this title should have a grassroots base and receive a significant portion of their financial support from other than government sources.

"(8) HUMAN RIGHTS.—United States economic assistance programs and policies, while encompassing due respect for differences in cultural values and national histories, should reflect the United States commitment, in keeping with its constitutional heritage and traditions and in accordance with its international obligations as set forth in the Charter of the United Nations, to promote and encourage increased respect for human rights and fundamental freedoms (as set forth in the Universal Declaration of Human Rights) throughout the world without regard to sex, race, language, religion, or social status.

"(g) EFFECTIVE USES OF ASSISTANCE.—

"(1) BENEFICIARY COUNTRIES.—Assistance furnished under this title should be concentrated in countries which will make the most effective use of that assistance in promoting the four basic objectives set forth in subsection (a).

"(2) UNFAVORABLE SECTOR AND NATIONAL ECONOMIC POLICIES.—Assistance should not be provided for a program or project in a country if the relevant sector or national economic policies of that country are clearly unfavorable to the sustainability or broadest possible impact of the assisted program or project.

"(3) RURAL AND URBAN AREAS.—Implementation projects and programs in furtherance of the four basic objectives set forth in subsection (a) should be undertaken in those rural and urban areas of a country which offer potential for successful development.

"CHAPTER 2—DEVELOPMENT ASSISTANCE

"Subchapter A—Development Assistance Authorities

"SEC. 1201. ASSISTANCE FOR LONG-TERM DEVELOPMENT NEEDS.

"(a) AUTHORIZATION.—The President shall use the authorities of this section to provide assistance, in furtherance of the basic objectives set forth in section 1102, to meet long term development needs in developing countries.

"(b) FORMS OF ASSISTANCE.—The assistance authorized by this section shall be furnished as project and program assistance.

"(c) PURPOSE OF ASSISTANCE.—The authorities provided in subsection (d) shall be used in furnishing development assistance under this chapter to support a process of long-term development and economic growth in urban and rural areas of developing countries that is broad-based, participatory, and sustainable, with particular focus on the poor.

"(d) GENERAL AUTHORITIES.—The President is authorized to provide development assistance to promote the following:

"(1) Economic policies that advance the four basic objectives set forth in section 1102, taking into account the need to protect vulnerable groups.

"(2) Increased agricultural productivity, especially food production and processing.

"(3) Improved health conditions, preventive care programs, and self-sustaining primary health care systems, with special emphasis on meeting the needs of mothers and children, including increased access to maternal, prenatal, and neonatal health care initiatives.

"(4) Activities utilizing simple, available technologies which can reduce childhood morbidity and mortality, such as improved and expanded immunization programs, oral rehydration to combat diarrheal diseases, and education programs aimed at improving nutrition and sanitation and at promoting child spacing.

"(5) Voluntary family planning, including increased access to voluntary family planning services.

"(6) Improved quality and increased availability of educational opportunities, through both formal and informal mechanisms, especially universal access to basic education.

"(7) Environmentally sound, sustainable resource management, including projects in agricultural production and processing, forestry management, land and water management, and preservation of biological diversity.

"(8) Increased respect for internationally recognized human rights and the rule of law.

"(9) Improved performance of institutions of democratic governance, and the growth of independent associations.

"(10) The maintenance and improvement of basic transportation and communication networks.

"(11) More efficient energy systems, including energy efficiency improvements and the use of small-scale renewable energy technologies, and the use of least-cost energy resource planning to minimize total system costs, including costs to the environment.

"(12) Expanded availability and improvements in the quality of basic infrastructure, such as shelter, water, and electricity.

"(13) The development of income-generating opportunities, with special emphasis on the promotion of small and micro-enterprises.

"(14) The advancement of institutional capacity in the public and private sector through improved management.

"(15) Basic and applied research relevant to overcoming constraints to broad based, sustainable development.

"(16) Other means of promoting a process of long-term development and economic growth that is broad-based, participatory, and sustainable, with particular focus on the poor.

"(e) PLAN TO ERADICATE WORST ASPECTS OF POVERTY.—

"(1) DEVELOPMENT OF PLAN.—The President shall—

"(A) in consultation with host country governments, international organizations, and other organizations described in section 1102(f)(1), develop a plan to ensure that United States development assistance contributes measurably to eradicating the worst aspects of absolute poverty by the year 2000; and

"(B) seek international cooperation in achieving the goals developed in the plan.

"(2) GOALS OF PLAN.—The plan developed pursuant to paragraph (1) shall include specific quantifiable poverty-alleviating goals and the target dates for reaching these goals, including the following goals for the year 2000:

"(A) UNDER-FIVE-MORTALITY-RATE.—Reduction of under-five-mortality rates by at least 50 percent of the 1980 mortality rates or to not more than 70 per thousand live births, whichever achieves the greater reduction.

"(B) EDUCATION.—Achievement of universal primary education, and at least 80 percent female literacy for those age groups defined by each country.

"(C) ABSOLUTE POVERTY LEVEL.—Reduction of the proportion of the population living in absolute poverty by at least 50 percent of that proportion in 1980.

"(D) OTHER GOALS.—Such other specific quantifiable goals, consistent with the achievement of the basic objectives set forth in section 1102, as the President determines to be crucial to measurably eliminating the worst aspects of absolute poverty.

"(4) SUBMISSION OF PLAN TO CONGRESS.—The President shall submit the plan developed pursuant to this subsection to the Congress not later than 6 months after the date of the enactment of the International Cooperation Act of 1989. This plan, once adopted, shall be used by the administering agency in planning and providing funds for development assistance projects under this chapter and chapter 3 of title VI.

"SEC. 1202. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out this chapter $2,036,431,000 for fiscal year 1990 and $2,032,431,000 for fiscal year 1991.

"SEC. 1203. ASSISTANCE FOR VOLUNTARY POPULATION PLANNING.

"(a) POPULATION PLANNING ASSISTANCE.—In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, assistance under this chapter shall include assistance for voluntary population planning.

"(b) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out this section $202,000,000 for fiscal year 1990 and $206,040,000 for fiscal year 1991, in addition to any other amounts made available under this Act for such purpose.

"(c) FAMILY PLANNING PROJECTS.—In order to reduce reliance on abortion in developing countries, funds allocated under this section or other provisions of this title or chapter 2 and chapter 3 of title VI for voluntary family planning projects shall be available only for projects which offer, either directly or through referral to or information about access to, a broad range of family planning methods and services. In using such funds to award grants for natural family planning, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the first sentence of this subsection.

"SEC. 1204. ASSISTANCE FOR CHILD SURVIVAL ACTIVITIES AND HEALTH.

"(a) EARMARKING OF FUNDS.—Of the aggregate amounts made available for development assistance and economic support assistance, not less than $245,000,000 for fiscal year 1990 and not less than $245,000,000 for fiscal year 1991 shall be available only to carry out paragraphs (3) and (4) of section 1201(d), relating to health and child survival.

"(b) CHILD SURVIVAL AND AIDS ACTIVITIES.—

"(1) REQUIREMENT THAT ASSISTANCE BE PROVIDED.—The President shall use funds made available for development assistance, economic support assistance, and assistance for famine recovery and development in Africa—

"(A) for activities which deal directly with the special health needs of children and mothers, and

"(B) for activities which relate to research on and the treatment and control of acquired immune deficiency syndrome (AIDS).

"(2) CERTAIN RESTRICTIONS NOT APPLICABLE.—Funds used pursuant to paragraph (1) may be used notwithstanding any other provision of this Act (other than section 3108 and section 4201(a)(1)) or any provision of any other law.

"Subchapter B—Special Focus Programs and Activities

"SEC. 1221. ASSISTANCE FOR HUMAN RIGHTS AND DEMOCRATIC INITIATIVES.

"(a) AUTHORIZATION AND GENERAL PURPOSES OF ASSISTANCE.—The President may use funds made available for development assistance, economic support assistance, and assistance for famine recovery and development in Africa to furnish assistance to support the programs and activities described in subsection (b) in order to—

"(1) promote increased adherence to internationally recognized human rights, as set forth in the Universal Declaration of Human Rights;

"(2) improve the performance of institutions of democracy; and

"(3) otherwise promote pluralism pursuant to section 1102.

"(b) PROGRAMS AND ACTIVITIES WHICH MAY BE SUPPORTED.—Funds made available under this section shall be available to support the following:

"(1) Programs and activities to enhance the independence and performance of institutions of democratic governance, including support for judicial, electoral, and legislative processes.

"(2) Programs and activities—

"(A) to encourage the growth of independent associations by strengthening professional, civic, trade union, business, community, and other organizations, and

"(B) to enhance the organizational and leadership skills of the members of such or-

ganizations in order to increase citizen participation in democratic processes.

"(3) Programs and activities to increase awareness of internationally recognized human rights (including by increasing the availability of information concerning the status of respect for internationally recognized human rights), improve the effective exercise of those rights, and strengthen respect for the rule of law.

"(4) Programs and activities—

"(A) to support victims of abuses of internationally recognized human rights, including the direct provision of legal services, and

"(B) to support organizations and institutions seeking to bring to justice those responsible for perpetrating such abuses.

"(5) Programs and activities to support a free and independent press.

"(6) Programs and activities to—

"(A) provide specialized professional training, scholarships, and exchanges for continuing legal education;

"(B) promote the role of the bar in judicial selection, enforcement of ethical standards, and legal reform; and

"(C) increase the availability of legal materials and publications.

"(7) Programs and activities to support the revision and modernization of legal codes and procedures, including support for legislative bodies to assist them in accomplishing those ends.

"(c) ELIGIBLE RECIPIENTS OF ASSISTANCE.—Assistance under this section may be furnished to countries and organizations, both public and nongovernmental, including national, regional, and international organizations. A substantial portion of the funds made available each fiscal year to carry out this section shall be used for assistance provided to nongovernmental organizations.

"(d) PROHIBITION RELATING TO ELECTIONS.—Assistance under this section may not be used to influence the outcome of any election in any country.

"(e) ANNUAL REPORT.—As part of the annual presentation documents on economic assistance submitted pursuant to section 4301, the President shall describe in detail, for each country, the assistance under this section that was provided during the preceding year, that is underway or planned for the current fiscal year, and that is proposed for the coming fiscal year.

"(f) LIMITATION ON USE OF CERTAIN FUNDS.—Funds made available for assistance for famine recovery and development in Africa may be used under this section only with respect to countries in sub-Saharan Africa.

"SEC. 1222. SOUTH AFRICA.

"(a) FOSTERING A JUST SOCIETY AND HELPING VICTIMS OF APARTHEID IN SOUTH AFRICA.—

"(1) EARMARK OF FUNDS.—Of the amounts made available to carry out section 1221, $1,500,000 each fiscal year shall be used for grants to nongovernmental organizations in South Africa promoting political, economic, social, juridical, and humanitarian efforts to foster a just society and to help victims of apartheid.

"(2) PRIORITIES.—In making grants under this subsection, priority should be given to those organizations or activities which contribute, directly or indirectly, to promoting a just society, to aiding victims of official discrimination, and to the nonviolent elimination of apartheid. Priority should also be given to those organizations whose programs and activities evidence community support.

"(3) POLITICAL PRISONERS; NONVIOLENT RESISTANCE TO APARTHEID.—Of the funds made available to carry out this subsection each fiscal year, not less than $500,000 shall be used for—

"(A) direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners; and

"(B) support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies.

"(4) LIMITATIONS.—(A) Grants may be made under this subsection only for organizations whose character and membership reflect the objective of a majority of South Africans for an end to the apartheid system of separate development and for interracial cooperation and justice. Grants may not be made under this subsection to governmental institutions or organizations or to organizations financed or controlled by the Government of South Africa.

"(B) A grant under this subsection may not exceed $100,000.

"(C) The average of all grants under this subsection each fiscal year may not exceed $25,000.

"(b) ASSISTANCE FOR DISADVANTAGED SOUTH AFRICANS.—

"(1) ASSISTANCE AUTHORIZED.—Up to $40,000,000 of the funds made available each fiscal year for economic support assistance, assistance for famine recovery and development in Africa, and development assistance shall be available for assistance for disadvantaged South Africans, notwithstanding any other provision of law.

"(2) ACTIVITIES TO BE SUPPORTED.—Assistance under this subsection shall be provided for activities that are consistent with the objective of a majority of South Africans for an end to the apartheid system and the establishment of a society based on nonracial principles. Such activities may include scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and private enterprise and alternative education and community development programs.

"(3) LIMITATION.—Assistance furnished pursuant to this subsection may not be used to provide support to organizations or groups which are financed or controlled by the Government of South Africa. This paragraph does not prohibit programs which award scholarships to students who choose to attend South African-supported institutions and which are otherwise consistent with this subsection.

"(c) SOUTH AFRICAN NONGOVERNMENTAL ORGANIZATIONS.—

"(1) CERTAIN ORGANIZATIONS TO BE GIVEN PRIORITY.—In providing assistance described in paragraph (2) for disadvantaged South Africans, priority shall be given to working with and through South African nongovernmental organizations whose leadership and staff are selected on a nonracial basis, and which have the support of the disadvantaged communities being served.

"(2) ASSISTANCE PROGRAMS COVERED.—Paragraph (1) applies with respect to economic support assistance, assistance for famine recovery and recovery in Africa, and development assistance, including assistance under this section or section 1221.

"SEC. 1223. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.

"(a) AUTHORITY TO USE FUNDS.—The President may use funds available for development assistance, economic support assistance, or assistance for famine recovery and development in Africa to furnish assistance—

"(1) to support programs and activities which would help reduce illicit cultivation of narcotic and psychotropic drugs and other controlled substances by stimulating broader development opportunities, and

"(2) for activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotic and psychotropic drugs and other controlled substances on source and transit countries.

In the case of countries in which there is illicit narcotics cultivation, the President shall ensure that priority consideration is given under this section to programs which promote the availability of alternative economic opportunities for individuals employed in the cultivation of illicit narcotic and psychotropic drugs and other controlled substances.

"(b) INTER-AGENCY COOPERATION.—The President shall ensure that the administering agency cooperates fully, and shares its expertise in development matters, with other agencies of the United States Government involved in narcotics control activities abroad.

"SEC. 1224. PRIVATE SECTOR REVOLVING FUND.

"(a) FINDINGS AND POLICY.—The Congress finds and declares that—

"(1) the development of private enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system; and

"(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process.

"(b) REVOLVING FUND ACCOUNT.—

"(1) ESTABLISHMENT.—In order to promote such private sector development, the President is authorized to establish a revolving fund account in the United States Treasury.

"(2) FISCAL YEAR LIMITATIONS NOT APPLICABLE.—All funds deposited in the Revolving Fund shall, notwithstanding any provision in an appropriation Act to the contrary, be free from fiscal year limitations.

"(3) AUTHORITY TO DEPOSIT CERTAIN FUNDS.—Of the funds made available for development assistance and assistance for famine recovery and development in Africa, up to $5,000,000 in fiscal year 1990 and up to $5,000,000 in fiscal year 1991 may be deposited in the Revolving Fund.

"(4) REFLOWS AND INCOME.—Any reflows and income arising from activities carried out pursuant to this section, including loan repayments and fee income (as provided in subsection (e)), shall be deposited into the Revolving Fund and remain available to carry out this section.

"(5) INVESTMENT OF FUNDS IN THE REVOLVING FUND.—All funds in the Revolving Fund may be invested in obligations of the United States.

"(6) APPROPRIATIONS ACTION REQUIRED.—Amounts in the Revolving Fund shall be available for obligation for assistance under this section only to such extent as may be provided in advance in appropriation Acts.

"(c) USE OF FUNDS IN REVOLVING FUND.—

"(1) AUTHORITY TO FURNISH ASSISTANCE.—The President is authorized to use the funds maintained in the Revolving Fund to furnish assistance in furtherance of the policy of subsection (a).

"(2) PRIVATE SECTOR ACTIVITIES WHICH MAY BE SUPPORTED.—Assistance under this section

may be provided only to support private sector activities which—

"(A) are consistent with the four basic objectives set forth in section 1102 and with the development priorities of the host country;

"(B) are the types of activities for which development assistance may be provided;

"(C) will have a demonstration effect;

"(D) will be innovative;

"(E) are financially viable;

"(F) will maximize the development impact appropriate to the host country, particularly in employment and the use of appropriate technology; and

"(G) are primarily directed to making available to small business enterprises and cooperatives necessary support and services which are not otherwise generally available.

"(3) RESTRICTIONS.—(A) Not more than $3,000,000 may be made available under this section to support any one project.

"(B) Not more than 50 percent of the financial support for any project may be provided under this section. A substantial portion of the financial support for a project assisted under this section must be provided by sources within the host country.

"(C) Not more than 20 percent of the assets of the Revolving Fund may be used to support projects in any one country.

"(4) USE OF INTERMEDIARIES.—In order to maximize the impact on institution building, loans under this section shall be made primarily to intermediary entities which provide necessary support and services for private sector activities.

"(5) INTEREST RATES.—Loans under this section shall be at or near the interest rate otherwise available to the recipient.

"(d) SIZE OF REVOLVING FUND.—

"(1) DOLLAR LIMITATION.—If at any time the assets of the Revolving Fund exceeds $100,000,000, the President shall remit the amount in excess of $100,000,000 to the United States Treasury.

"(2) REIMBURSEMENT OF CAPITALIZATION.—In addition to the requirement of paragraph (1), at the end of any fiscal year, the Administrator may determine that amounts in the Revolving Fund are sufficient to permit the remittance to the United States Treasury of an amount equal to a portion or the total amount of appropriated funds deposited in the Revolving Fund. Any such remittance shall be deemed to be a decrease in the appropriated funds in the Revolving Fund. After remittance has been made of an amount equal to the total amount of appropriated funds, the Revolving Fund shall consist and be deemed to consist entirely of nonappropriated funds.

"(e) FEES.—A fee may be charged, where appropriate, in carrying out activities with funds from the Revolving Fund. The amount of any such fee shall be determined by the Administrator.

"(f) TERMINATION OF REVOLVING FUND.—In the event the Revolving Fund is terminated, all unobligated money in the Revolving Fund at the time of such termination shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

"(g) ANNUAL REPORT.—Not later than December 31 of each year, the President shall submit a comprehensive report which details—

"(1) all projects funded under this section during the previous fiscal year,

"(2) all reflows to the Revolving Fund, and

"(3) the status of all projects currently contained in the fund's portfolio.

Such reports shall include information regarding numbers and kinds of beneficiaries reached, amounts and kinds of benefits provided by the funded projects to targeted populations, and a justification for projects within the context of the goals and objectives of the United States development assistance program.

"(h) GUARANTEE AUTHORITY.—

"(1) AUTHORITY.—To carry out the policy expressed in subsection (a), in addition to the other authorities set forth in this section, the President is authorized to issue guarantees assuring against losses incurred in connection with loans made to projects that meet the criteria set forth in subsection (c). The full faith and credit of the United States is hereby pledged for the full payment and performance of such guarantees.

"(2) TERMS AND CONDITIONS.—Loans guaranteed under this subsection shall be on such terms and conditions as the President may prescribe, except for the following:

"(A) The President shall issue guarantees only when it is necessary to alleviate a credit market imperfection.

"(B) Loans guaranteed shall provide for complete amortization within a period not to exceed 10 years or, if the principal purpose of the guaranteed loan is to finance the construction or purchase of a physical asset with a useful life of less than 10 years, within a period not to exceed such useful life.

"(C) No loan guarantee to any one borrower may exceed 50 percent of the cost of the activity to be financed or $3,000,000, whichever is less, as determined by the Administrator.

"(D) No loan may be guaranteed unless the Administrator determines that the lender is responsible and that adequate provision is made for servicing the loan on reasonable terms and protecting the financial interest of the United States.

"(E) The fees earned from the loan guarantees issued under this subsection shall be deposited in the Revolving Fund as part of the guarantee reserve established under paragraph (5). Fees shall be assessed at a level such that the fees received, plus the funds from the Revolving Fund placed in the guarantee reserve, satisfy the requirements of paragraph (5). Fees shall be reviewed every 12 months to ensure that the fees assessed on new loan guarantees are at the required level.

"(F) Any guarantee shall be conclusive evidence that such guarantee has been properly obtained, and that the underlying loan as contracted qualifies for such guarantee. Except for fraud or material misrepresentation for which the parties seeking payment under such guarantee are responsible, such guarantee shall be presumed to be valid, legal, and enforceable.

"(G) The Administrator shall determine that the standards used by the lender for assessing the credit risk of new and existing guaranteed loans are reasonable. The Administrator shall require that there be a reasonable assurance of repayment before credit assistance is extended.

"(H) Commitments to guarantee loans may be made under this section only to the extent that the total loan principal, any part of which is guaranteed, will not exceed the amount specified in annual appropriations Acts.

"(3) AUTHORIZATION OF APPROPRIATIONS.—To the extent that fees are not sufficient as specified under paragraph (2)(E) to cover expected future liabilities, appropriations are hereby authorized to maintain an appropriate reserve.

"(4) DENOMINATION OF LIABILITY.—The losses guaranteed under this subsection may be in dollars or in other currencies. In the case of loans in currencies other than dollars, the guarantees issued shall be subject to an overall payment limitation expressed in dollars.

"(5) GUARANTY RESERVE.—The President shall segregate in the Revolving Fund, and hold as a reserve, an amount estimated to be sufficient to cover the expected net liabilities on the loan guarantees outstanding under this subsection. Any payments made to discharge liabilities arising from the loan guarantees shall be paid first out of the assets in the Revolving Fund and next out of other funds made available for this purpose.

"(i) DEFINITIONS.—As used in this section—

"(1) the term 'assets' includes amounts in the Revolving Fund plus the value of investments made with amounts from the fund plus the current value of outstanding obligations under loans under this section; and

"(2) the term 'Revolving Fund' means the revolving fund account established pursuant subsection (b)(1).

"SEC. 1225. REGIONAL INTEGRATION.

"Funds made available for development assistance, economic support assistance, and assistance for famine recovery and development in Africa may be used to support regional governmental and nongovernmental institutions which contribute to the economic and social development of the countries of the region by facilitating cooperation and integration.

"SEC. 1226. DEVELOPMENT EDUCATION.

"The President may use funds made available for development assistance, economic support assistance, or assistance for famine recovery and development in Africa, to support development education programs, with emphasis on those conducted by private voluntary organizations and cooperatives, in order to assist in the education of United States citizens about developing countries, the development process, and the importance to the United States of developing countries.

"SEC. 1227. STRENGTHENING THE CAPACITY OF RESEARCH AND EDUCATIONAL INSTITUTIONS.

"The President may use funds made available for development assistance, economic support assistance, or assistance for famine recovery and development in Africa, to furnish assistance to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of developing countries.

"Subchapter C—Other Authorities and Requirements

"SEC. 1241. IMPACT OF DEVELOPMENT ASSISTANCE ON ENVIRONMENT AND NATURAL RESOURCES.

"(a) IMPACT ASSESSMENT.—The President, in implementing programs and projects under this chapter and under chapter 3 of title VI (relating to assistance for famine recovery and development in Africa), shall take fully into account the impact of such programs and projects upon the environment and natural resources of developing countries. Subject to such procedures as the President considers appropriate, the President shall require all agencies and officials responsible for such programs or projects—

"(1) to prepare and take fully into account an initial environmental examination of every program or project to ensure that environmental considerations are integrated as early as possible into project conception and design and to ensure that each project is environmentally sustainable;

"(2) to prepare and take fully into account an environmental impact statement for any program or project significantly affecting the environment of the global commons outside the jurisdiction of any country, the environment of the United States, or other aspects of the environment which the President may specify; and

"(3) to prepare and take fully into account an environmental assessment of any proposed program or project significantly affecting the environment of any foreign country.

Such agencies and officials should, where appropriate, use local technical resources in preparing environmental impact statements and environmental assessments pursuant to this section.

"(b) EXCEPTIONS.—The President may establish exceptions from the requirements of this section for emergency conditions and for cases in which compliance with those requirements would be seriously detrimental to the foreign policy interests of the United States.

"SEC. 1212. COST SHARING.

"To ensure local commitment to, and the sustainability of development activities assisted under this chapter and under chapter 3 of title VI, the beneficiary country should bear an appropriate share of the costs of the entire program or project with respect to which the assistance is to be furnished. A country may bear such costs on an 'in kind' basis.

"SEC. 1213. TRANSPORTATION CHARGES INCURRED BY THE RED CROSS OR PRIVATE VOLUNTARY ORGANIZATIONS.

"In order to further the efficient use of United States voluntary contributions for development and for the relief and rehabilitation of people in friendly countries, the President may use funds made available for development assistance and assistance for famine recovery and development in Africa to pay transportation charges on shipments by the American National Red Cross and by United States private voluntary organizations registered with the administering agency.

"SEC. 1214. ASSISTANCE LIMITED TO ECONOMIC PROGRAMS.

"Development assistance, economic support assistance, and assistance for famine recovery and development in Africa shall be available for economic programs and may not be used for military or paramilitary purposes.

"CHAPTER 3—ECONOMIC SUPPORT ASSISTANCE

"SEC. 1301. ASSISTANCE UNDER SPECIAL ECONOMIC, POLITICAL, AND SECURITY CONDITIONS.

"Under special economic, political, or security conditions, the national interest of the United States may require economic support for countries in amounts which could not be justified under section 1201. In such cases, the President is authorized to furnish assistance to countries and organizations in order to promote economic or political stability. Such assistance shall be furnished, to the maximum extent feasible, consistent with the four basic objectives set forth in section 1102 and the purpose and authorities specified in sections 1201 (c) and (d).

"SEC. 1302. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out section 1301 $2,374,100,000 for fiscal year 1990 and $2,374,100,000 for fiscal year 1991.

"SEC. 1303. PURCHASE OF UNITED STATES GOODS AND SERVICES.

"(a) GENERAL POLICY REGARDING FORMS OF ASSISTANCE.—Assistance under this chapter should be provided principally through commodity import programs, project assistance, sector programs, or the provision of United States goods and services.

"(b) USE OF CASH TRANSFERS FOR UNITED STATES GOODS AND SERVICES.—Assistance may be provided to a country under this chapter as a cash transfer only pursuant to an agreement requiring that the country spend an amount equal to the amount of the cash transfer to purchase United States goods and services. Nothing in this section, however, shall prevent a country from purchasing, with United States cash transfer assistance, goods or services produced in that country. United States goods purchased pursuant to such an agreement shall be deemed to have been furnished in connection with funds advanced by the United States. The President shall ensure that purchases of United States goods pursuant to such agreements, and the ports of departure for those goods, are distributed equitably throughout the United States. The United States goods purchased pursuant to such agreements shall be United States goods which are available in the United States at fair prices for such goods.

"(c) GAO AUDITS.—Each agreement pursuant to which cash transfer assistance is provided under this chapter shall include provisions to ensure that representatives of the Comptroller General have the access to records and personnel necessary to carry out such monitoring and auditing as the Comptroller General deems appropriate.

"(d) EXEMPTIONS.—This section shall not apply to any country—

"(1) which receives cash transfer assistance under this chapter of less than $10,000,000 for a fiscal year;

"(2) which, as of April 1, 1989, was receiving cash transfer assistance under the former authorities of chapter 4 of part II of this Act and has an agreement with the United States under which the country agrees—

"(A) to spend an amount equal to the amount of the cash transfer on the purchase of United States goods and services, and

"(B) to carry 50 percent of all bulk shipments of United States grain on 'privately owned United States-flag commercial vessels', to the extent such vessels are available at fair and reasonable rates for such vessels except that a country shall be exempted pursuant to this paragraph only so long as that country continues to agree to those conditions; or

"(3) which, as of the effective date of this section, has an agreement with the United States requiring that the country spend an amount equal to the amount of any cash transfer assistance under this chapter to purchase United States goods and services, except that a country shall be exempted pursuant to this paragraph only so long as that country continues to agree to that condition.

United States goods purchased pursuant to an agreement described in paragraph (3) shall be deemed to have been furnished in connection with funds advanced by the United States, and the last sentence of subsection (a) shall apply with respect to such goods.

"(e) WAIVER.—The President may waive the provisions of this section with respect to a country to the extent the President determines that it is important to the national interest to do so. Any such waiver shall be reported to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(f) DEFINITION OF UNITED STATES GOODS.—For purposes of this section, the term 'United States goods' means goods (including components) and commodities (including agricultural commodities) grown, processed, produced, or manufactured in the United States.

"CHAPTER 4—VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

"SEC. 1401. AUTHORITY TO PROVIDE ASSISTANCE.

"The President is authorized to make voluntary contributions on a grant basis to international organizations and to programs administered by international organizations in order to promote the four basic objectives set forth in section 1102 or to otherwise support such organizations and programs.

"SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATIONS.—There are authorized to be appropriated to the President to carry out this chapter, in addition to funds otherwise available for such purposes, $226,115,000 for fiscal year 1990 and $227,115,000 for fiscal year 1991.

"(b) EARMARKINGS.—Of the amounts authorized under subsection (a)—

"(1) $111,000,000 for each of the fiscal years 1990 and 1991 shall be for the United Nations Development Program;

"(2) $60,400,000 for each of the fiscal years 1990 and 1991 shall be for the United Nations Children's Fund; and

"(3) $1,000,000 for fiscal year 1991 shall be for the United Nations University.

"SEC. 1403. CONTRIBUTIONS TO INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.

"(a) AUTHORITY TO USE FUNDS.—Up to $40,000,000 of the funds described in subsection (b) may be used for United States contributions to the International Fund for Agricultural Development.

"(b) FUNDS WHICH MAY BE USED.—The funds which may be used pursuant to subsection (a) are any funds that—

"(1) are made available for fiscal year 1990 or any fiscal year thereafter to carry out this chapter or for development assistance, economic support assistance, or assistance for famine recovery and development in Africa; and

"(2) are not earmarked for a specific country, organization, or purpose.

"SEC. 1404. CONDITION ON CONTRIBUTIONS TO THE INTERNATIONAL ATOMIC ENERGY AGENCY.

"Funds authorized to be appropriated by section 1402(a) may be contributed to the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency.

"SEC. 1405. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.

"(a) REQUIREMENT TO WITHHOLD.—Notwithstanding any other provision of law, funds authorized to be appropriated by this chapter shall not be available for the United

States proportionate share for programs for the South-West Africa People's Organization, Libya, Iran, Cuba, or the Palestine Liberation Organization or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it.

"(b) USE OF FUNDS WITHHELD.—Funds returned or not made available for programs or projects pursuant to subsection (a) shall remain available for use under this chapter.

"(c) OBLIGATIONS OF SECRETARY OF STATE.—The Secretary of State—

"(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

"(2) shall report to the appropriate committees of the Congress the amounts of funds expended by each such organization for the purposes described in subsection (a) and the amount contributed by the United States to each such organization.

"SEC. 1406. RESTRICTION ON CONTRIBUTIONS TO UNITED NATIONS RELIEF AND WORKS AGENCY.

"The United States may not make any contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East except on the condition that that Agency take all possible measures to assure that no part of the United States contribution is used to furnish assistance to any refugee—

"(1) who is receiving military training as a member of the Palestine Liberation Organization or any other guerrilla type organization; or

"(2) who has engaged in any act of terrorism.

"SEC. 1407. REPORTS ON INTERNATIONAL ORGANIZATIONS.

"(a) SUBMISSION DATE FOR ANNUAL REPORT.—The annual reports to the Congress under section 2 of the Act of September 21, 1950 (22 U.S.C. 262a), shall be submitted within 9 months after the end of the fiscal year to which they relate.

"(b) ANNUAL REPORTS ON VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS BY ALL UNITED STATES GOVERNMENT AGENCIES.—

"(1) REQUIREMENT FOR REPORTS.—Not later than January 31 each year, the President shall submit a report to the Congress listing all voluntary contributions by the United States Government to international organizations during the preceding fiscal year.

"(2) INFORMATION TO BE INCLUDED.—Each such report shall specify the Government agency making the voluntary contribution, the international organization to which the contribution was made, the amount and form of the contribution, and the purpose of the contribution. Contributions shall be listed on both an agency-by-agency basis and an organization-by-organization basis.

"(3) OBLIGATION OF EACH AGENCY.—In order to facilitate the preparation of the report required by paragraph (1), the head of any Government agency which makes a voluntary contribution to any international organization shall promptly report that contribution to the Director of the Office of Management and Budget.

"(4) DEFINITION.—As used in this subsection, the term 'contribution' means any contribution of any kind, including the furnishing of funds or other financial support, services of any kind (including the use of experts or other personnel) or commodities, equipment, supplies, or other material.

"SEC. 1408. AUDITING OF ACCOUNTS OF INTERNATIONAL ORGANIZATIONS.

"(a) ACCOUNTS CONTAINING ONLY UNITED STATES CONTRIBUTIONS.—

"(1) GAO AUDITS.—In any case in which a fund established solely by United States contributions under this or any other Act is administered by an international organization under the terms of an agreement between the United States and such international organization, such agreement shall provide that the Comptroller General of the United States shall conduct such audits as are necessary to assure that such fund is administered in accordance with such agreement. The President shall undertake to modify any existing agreement to conform to the requirements of the preceding sentence.

"(2) REPORTS ON AUDITS.—The Comptroller General shall report simultaneously to the Congress and the President the results of the audit conducted under this subsection.

"(b) INDEPENDENT AUDITS OF INTERNATIONAL ORGANIZATIONS.—

"(1) UNITED NATIONS ORGANIZATIONS.—In the case of the United Nations and its affiliated organizations, including the International Atomic Energy Agency, the President shall (acting through the United States representatives to such organizations), propose and actively seek the establishment by the governing authorities of such organizations of external, professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examinations, review, evaluation, and audits of the programs and activities of such organizations. Such proposal shall provide that these groups shall be established in accordance with such terms of reference as the governing authority may prescribe and that the reports of such groups on each examination, review, evaluation or audits shall be submitted directly to the governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups.

"(2) MULTILATERAL DEVELOPMENT BANKS.—(A) In the case of each of the organizations specified in subparagraph (B), the President shall, acting through the United States representative to such organization, propose and actively seek the establishment by the governing authorities of that organization professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, evaluation, and audits of the programs and activities of that organization. Such proposal shall provide that these groups shall be established in accordance with such terms of reference as such governing authorities may prescribe, and that the reports of such groups on each examination, review, evaluation, or audit shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups.

"(B) The organizations to which subparagraph (A) applies are the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the Inter-American Development Bank, the Inter-American Investment Corporation, the African Development Bank, the African Development Fund, the Asian Development Fund, and the Asian Development Bank.

"SEC. 1409. INTEGRATION OF WOMEN.

"The President is requested to instruct each representative of the United States to each international organization of which the United States is a member to carry out his or her duties with respect to such organization in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organization, thereby improving the status of women.

"SEC. 1410. UNITED NATIONS DEVELOPMENT PROGRAM.

"(a) SENSE OF CONGRESS.—It is the sense of the Congress that—

"(1) the United Nations Development Program should allocate not less than $8,000,000 in each fiscal year (beginning in fiscal year 1990) for purposes of developing and implementing minimum critical area management plans to ensure, to the extent practicable, the protection of existing national parks and reserves of global biological significance which are under immediate threat of the loss of biological diversity; and

"(2) consideration be given to providing some support for this purpose in the form of grants to nongovernmental organizations to undertake activities for the development and implementation of permanent conservation management programs by indigenous nongovernmental organizations, in cooperation with the national governments of the countries in which such programs are implemented and international conservation organizations, when the nongovernmental organizations to which such grants are made provide cash contributions from private sources for the same purpose.

"(b) INSTRUCTION OF PERMANENT REPRESENTATIVE TO THE UNITED NATIONS.—The President is requested to instruct the United States Permanent Representative to the United Nations to convey to the Administration and Governing Committee of the United Nations Development Program the sense of Congress set forth in subsection (a).

"SEC. 1411. ASSESSMENT OF ACTIVITIES OF INTERNATIONAL ORGANIZATIONS BY COUNTRY MISSIONS.

"In each of the fiscal years 1990 and 1991, the President shall designate not less than 5 countries in which development assistance or assistance for famine recovery and development in Africa is furnished, for the purpose of conducting an examination, review, and evaluation of the programs and activities in each such country, during that fiscal year, of the United Nations and its affiliated organizations to which voluntary contributions are made under section 1401. Such examination, review, and evaluation in each country shall be conducted by the mission of the administering agency in that country. A summary of the results of each such examination, review, and evaluation shall be included in the congressional presentation documents transmitted under section 4301 in the fiscal year following the fiscal year in

which such examination, review, and evaluation is conducted.

"CHAPTER 5—ASSISTANCE FOR PRIVATE SECTOR INVOLVEMENT IN DEVELOPMENT

"Subchapter A—Overseas Private Investment Corporation

"SEC. 1501. PURPOSE AND POLICY.

"(a) PURPOSE.—The Overseas Private Investment Corporation shall be an agency of the United States under the foreign policy guidance of the Secretary of State. The purpose of the Corporation is to mobilize and facilitate the participation of United States private capital and skills in the economic and social development of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States.

"(b) DEVELOPMENT AND PER CAPITA INCOME CRITERIA.—The Corporation, in determining whether to provide insurance, reinsurance, guarantees, or financing for a project, shall especially—

"(1) be guided by the economic and social development impact and benefits of such a project and the ways in which such a project complements, or is compatible with, other development assistance programs or projects of the United States or other donors, and

"(2) give preferential consideration to investment projects in less developed countries that have per capita incomes of $984 or less in 1986 United States dollars, and restrict its activities with respect to investment projects in less developed countries that have per capita incomes of $4,269 or more in 1986 United States dollars (other than countries designated as beneficiary countries under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702)).

"(c) GUIDELINES FOR ACTIVITIES OF OPIC.—In carrying out its purpose, the Corporation, utilizing broad criteria, shall undertake—

"(1) to conduct insurance, reinsurance, guarantee, and financing operations on a self-sustaining basis, taking into account in its guarantee and financing operations the economic and financial soundness of projects;

"(2) to utilize private credit and investment institutions and the Corporation's guarantee authority as the principal means of mobilizing capital investment funds;

"(3) to broaden private participation and revolve its funds through selling its direct investments to private investors whenever it can appropriately do so on satisfactory terms;

"(4) to conduct its insurance operations with due regard to principles of risk management, including efforts to share its insurance risks and reinsurance risks;

"(5) to consider in the conduct of its operations the extent to which the governments of less developed countries are receptive to private enterprise, domestic and foreign, and their willingness and ability to maintain conditions which enable private enterprise to make its full contribution to the development process;

"(6) to foster private initiative and competition and discourage monopolistic practices;

"(7) to further to the greatest degree possible, in a manner consistent with its goals, the balance-of-payments and employment objectives of the United States;

"(8) to conduct its activities in consonance with the activities of the administering agency and the international trade, investment, and financial policies of the United States Government, and to seek to support those developmental projects having positive trade benefits for the United States; and

"(9) to advise and assist, within its field of competence, interested agencies of the United States and other organizations, both public and private, national and international, with respect to projects and programs relating to the development of private enterprise in less developed countries and areas.

"SEC. 1502. STOCK OF THE CORPORATION.

"The Secretary of the Treasury shall hold the capital stock of the Corporation issued before the enactment of the International Cooperation Act of 1989.

"SEC. 1503. ORGANIZATION AND MANAGEMENT.

"(a) STRUCTURE OF THE CORPORATION.—The Corporation shall have a Board of Directors, a President, an Executive Vice President, and such other officers and staff as the Board of Directors may determine.

"(b) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors (hereafter in this subchapter referred to as 'the Board') which shall consist of 15 Directors (including the Chair, Vice Chair, and the President of the Corporation), with 8 Directors constituting a quorum for the transaction of business.

"(2) COMPOSITION OF THE BOARD.—

"(A) CHAIR AND VICE CHAIR.—The Chair of the Board shall be the Administrator, ex officio.

"(B) VICE CHAIR.—The Vice Chair of the Board shall be the United States Trade Representative, ex officio, or, if so designated by the United States Trade Representative, the Deputy United States Trade Representative.

"(C) PRESIDENT OF THE CORPORATION.—The President of the Corporation shall serve as a Director, ex officio.

"(D) PUBLIC SECTOR DIRECTORS.—(i) In addition to the directors provided for in subparagraphs (A), (B), and (C), four Directors who are officers or employees of the Government of the United States, including an officer or employee of the Department of Labor, shall be designated by and shall serve at the pleasure of the President of the United States.

"(ii) The Directors designated under this subparagraph shall receive no additional compensation by virtue of their service as such a Director.

"(E) PRIVATE SECTOR DIRECTORS.—(i) Eight Directors who are not officers or employees of the Government of the United States shall be appointed by the President of the United States, by and with the advice and consent of the Senate. Of these, at least—

"(I) two shall be experienced in small business,

"(II) one shall be experienced in organized labor, and

"(III) one shall be experienced in cooperatives.

"(ii) Each Director appointed under this subparagraph shall be appointed for a term of not more than 3 years. The terms of not more than 3 such Directors shall expire in any 1 year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed to subsequent terms.

"(iii) Each Director appointed under this subparagraph shall be compensated at the daily equivalent of the annual rate of pay in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such Director is actually engaged in the business of the Corporation, and may be paid travel or transportation expenses to the extent authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States Code.

"(c) APPOINTMENT OF THE PRESIDENT.—The President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. In making such appointment, the President shall take into account the private business experience of the appointee. The President of the Corporation shall be its Chief Executive Officer and shall be responsible for the operations and management of the Corporation, subject to bylaws and policies established by the Board.

"(d) OFFICERS AND STAFF.—

"(1) EXECUTIVE VICE PRESIDENT.—The Executive Vice President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President.

"(2) OTHER OFFICERS AND STAFF.—(A) The Corporation may appoint such other officers and such employees (including attorneys) and agents as the Corporation considers appropriate.

"(B) The officers, employees, and agents appointed under this subsection shall have such functions as the Corporation may determine.

"(C) Of the officers, employees, and agents appointed under this paragraph, 20 may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be compensated without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title.

"(D) Under such regulations as the President may prescribe, any individual appointed under subparagraph (C) may be entitled, upon removal (except for cause) from the position to which the appointment was made, to reinstatement to the position occupied by that individual at the time of appointment or to a position of comparable grade and pay.

"SEC. 1504. INVESTMENT INSURANCE, GUARANTEES, FINANCING, AND OTHER PROGRAMS.

"(a) INVESTMENT INSURANCE.—

"(1) RISKS FOR WHICH INSURANCE ISSUED.—The Corporation is authorized to issue insurance, upon such terms and conditions as the Corporation may determine, to eligible investors assuring protection in whole or in part against any or all of the following risks with respect to projects which the Corporation has approved:

"(A) Inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment in the project, in whole or in part, or as compensation for the sale or disposition of all or any part of the investment.

"(B) Loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government.

"(C) Loss due to war, revolution, insurrection, or civil strife.

"(D) Loss due to business interruption caused by any of the risks set forth in subparagraphs (A), (B), and (C).

"(2) RISK SHARING ARRANGEMENTS WITH FOREIGN GOVERNMENTS AND MULTILATERAL OR-

GANIZATIONS.—Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there is multinational participation, including significant United States private participation, the Corporation may make arrangements with foreign governments (including agencies, instrumentalities, and political subdivisions thereof) and with multilateral organizations and institutions for sharing liabilities assumed under investment insurance for such investments and may, in connection with such arrangements, issue insurance to investors not otherwise eligible for insurance under this subchapter, except that—

"(A) liabilities assumed by the Corporation under the authority of this paragraph shall be consistent with the purposes of this subchapter, and

"(B) the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the project.

"(3) MAXIMUM CONTINGENT LIABILITY WITH RESPECT TO SINGLE INVESTOR.—Not more than 10 percent of the maximum contingent liability of investment insurance which the Corporation is permitted to have outstanding under section 1507(a)(1) shall be issued to a single investor.

"(4) REPORTS ON INSURANCE ISSUED FOR BUSINESS INTERRUPTION OR CIVIL STRIFE.—(A) In each instance in which a significant expansion is proposed in the type of risk to be insured under the definition of 'civil strife' or 'business interruption', the Corporation shall, at least 60 days before such insurance is issued, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report with respect to such insurance.

"(B) Each such report shall include a thorough analysis of the risks to be covered, anticipated losses, and proposed rates and reserves and, in the case of insurance for loss due to business interruption, an explanation of the underwriting basis upon which the insurance is to be offered.

"(C) Any such report with respect to insurance for loss due to business interruption shall be considered in accordance with the procedures applicable to reprogramming notifications pursuant to section 4304.

"(b) INVESTMENT GUARANTEES.—

"(1) AUTHORITY.—The Corporation is authorized to issue to eligible investors guarantees of loans and other investments made by such investors assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine, subject to paragraphs (2), (3), and (4).

"(2) GUARANTEES ON OTHER THAN LOAN INVESTMENTS.—A guarantee issued under paragraph (1) on other than a loan investment may not exceed 75 percent of such investment.

"(3) LIMIT ON AMOUNT OF INVESTMENT GUARANTEED.—Except for loan investments for credit unions made by eligible credit unions or credit union associations, the aggregate amount of investment (exclusive of interest and earnings) for which guarantees are issued under paragraph (1) with respect to any project shall not exceed, at the time of issuance of any such guarantee, 75 percent of the total investment committed to any such project as determined by the Corporation. Such determination by the Corporation shall be conclusive for purposes of the Corporation's authority to issue any such guarantee.

"(4) MAXIMUM CONTINGENT LIABILITY WITH RESPECT TO SINGLE INVESTOR.—Not more than 15 percent of the maximum contingent liability of investment guarantees which the Corporation is permitted to have outstanding under section 1507(a)(2) may be issued to a single investor.

"(c) DIRECT INVESTMENT.—

"(1) IN GENERAL.—The Corporation is authorized to make loans in United States dollars, repayable in dollars, and to make loans in foreign currencies, to firms privately owned or of mixed private and public ownership, upon such terms and conditions as the Corporation may determine. Loans may be made under this subsection only for projects that are sponsored by or significantly involve United States small business or cooperatives.

"(2) USE OF LOAN FOR NEW TECHNOLOGIES, PRODUCTS, OR SERVICES.—The Corporation may designate up to 25 percent of any loan under this subsection for use in the development or adaptation in the United States of new technologies or new products or services that are to be used in the project for which the loan is made and are likely to contribute to the economic or social development of less developed countries.

"(3) RESTRICTIONS ON LOANS FOR MINERAL EXTRACTION.—No loan may be made under this subsection to finance any operation for the extraction of oil or gas. The aggregate amount of loans under this subsection to finance operations for the mining or other extraction of any deposit of ore or other nonfuel minerals may not in any fiscal year exceed $4,000,000.

"(d) INVESTMENT ENCOURAGEMENT.—The Corporation is authorized to initiate and support through financial participation, incentive grant, or otherwise, and on such terms and conditions as the Corporation may determine, the identification, assessment, surveying, and promotion of private investment opportunities, using wherever feasible and effective the facilities of private investors, except that—

"(1) the Corporation shall not finance any survey to ascertain the existence, location, extent, or quality of, or to determine the feasibility of undertaking operations for the extraction of, oil or gas; and

"(2) expenditures financed by the Corporation during any fiscal year on surveys to ascertain the existence, location, extent, or quality of, or to determine the feasibility of undertaking operations for the extraction of, nonfuel minerals may not exceed $200,000.

"(e) SPECIAL ACTIVITIES.—The Corporation is authorized to administer and manage special projects and programs, including programs of financial and advisory support, which provide private technical, professional, or managerial assistance in the development of human resources, skills, technology, capital savings, intermediate financial and investment institutions, and cooperatives. The funds for these projects and programs may, with the Corporation's concurrence, be transferred to it for such purposes under the authority of section 5201(a) or from other sources, public or private.

"(f) OTHER INSURANCE FUNCTIONS.—

"(1) IN GENERAL.—The Corporation is authorized—

"(A) to make and carry out contracts of insurance or reinsurance, or agreements to associate or share risks, with insurance companies, financial institutions, any other persons, or groups thereof, and

"(B) to employ such insurance companies, financial institutions, other persons, or groups, where appropriate, as its agent, or to act as their agent, in the issuance and servicing of insurance, the adjustment of claims, the exercise of subrogation rights, the ceding and accepting of reinsurance, and in any other matter incident to an insurance business,

except that such agreements and contracts shall be consistent with the purposes of the Corporation set forth in section 1501 and shall be on equitable terms.

"(2) RISK-SHARING AGREEMENTS.—The Corporation is authorized to enter into pooling or other risk-sharing agreements with multinational insurance or financing agencies or groups of such agencies.

"(3) OWNERSHIP INTEREST IN RISK-SHARING ENTITIES.—The Corporation is authorized to hold an ownership interest in any association or other entity established for the purposes of sharing risks under investment insurance.

"(4) REINSURANCE OF CERTAIN LIABILITIES.—The Corporation is authorized to issue, upon such terms and conditions as it may determine, reinsurance of liabilities assumed by other insurers or groups thereof in respect of risks referred to in subsection (a)(1).

"(5) LIMITATION ON REINSURANCE.—The amount of reinsurance of liabilities under this subchapter which the Corporation may issue shall not in the aggregate exceed at any one time an amount equal to the amount authorized for the maximum contingent liability outstanding at any one time under section 1507(a)(1). All reinsurance issued by the Corporation under this subsection shall require that the reinsured party retain for his or her own account specified portions of liability, whether first loss or otherwise.

"(g) PILOT EQUITY FINANCE PROGRAM.—

"(1) AUTHORITY FOR PILOT PROGRAM.—In order to study the feasibility and desirability of a program of equity financing, the Corporation is authorized to establish a 4-year pilot program under which it may, on the limited basis prescribed in paragraphs (2) through (5), purchase, invest in, or otherwise acquire equity or quasi-equity securities of any firm or entity, upon such terms and conditions as the Corporation may determine, for the purpose of providing capital for any project which is consistent with the provisions of this subchapter, except that—

"(A) the aggregate amount of the Corporation's equity investment with respect to any project shall not exceed 30 percent of the aggregate amount of all equity investment made with respect to such project at the time that the Corporation's equity investment is made, except for securities acquired through the enforcement of any lien, pledge, or contractual arrangement as a result of a default by any party under any agreement relating to the terms of the Corporation's investment; and

"(B) the Corporation's equity investment under this subsection with respect to any project, when added to any other investments made or guaranteed by the Corporation under subsection (b) or (c) with respect to such project, shall not cause the aggregate amount of all such investment to exceed, at the time any such investment is made or guaranteed by the Corporation, 75 percent of the total investment committed to such project as determined by the Corporation.

The determination of the Corporation under subparagraph (B) shall be conclusive for purposes of the Corporation's authority to make or guarantee any such investment.

"(2) LIMITATION TO PROJECTS IN SUB-SAHARAN AFRICA AND CARIBBEAN BASIN.—Equity investments may be made under this subsection only in projects in countries eligible for financing under this subchapter that are countries in sub-Saharan Africa or countries designated as beneficiary countries under section 212 of the Caribbean Basin Economy Recovery Act.

"(3) ADDITIONAL CRITERIA.—In making investment decisions under this subsection, the Corporation shall give preferential consideration to projects sponsored by or significantly involving United States small business or cooperatives. The Corporation shall also consider the extent to which the Corporation's equity investment will assist in obtaining the financing required for the project.

"(4) DISPOSITION OF EQUITY INTEREST.—Taking into consideration, among other things, the Corporation's financial interests and the desirability of fostering the development of local capital markets in less developed countries, the Corporation shall endeavor to dispose of any equity interest it may acquire under this subsection within a period of 10 years from the date of acquisition of such interest.

"(5) CONSULTATIONS WITH CONGRESS.—The Corporation shall consult annually with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on the implementation of the pilot equity finance program established under this subsection.

"SEC. 1505. ENHANCING PRIVATE POLITICAL RISK INSURANCE INDUSTRY.

"(a) COOPERATIVE PROGRAMS.—In order to encourage greater availability of political risk insurance for eligible investors by enhancing the private political risk insurance industry in the United States, and to the extent consistent with this subchapter, the Corporation shall undertake programs of cooperation with such industry, and in connection with such programs may engage in the following activities:

"(1) Utilizing its statutory authorities, encourage the development of associations, pools, or consortia of United States private political risk insurers.

"(2) Share insurance risks (through coinsurance, contingent insurance, or other means) in a manner that is conducive to the growth and development of the private political risk insurance industry in the United States.

"(3) Notwithstanding section 1509(e), upon the expiration of insurance provided by the Corporation for an investment, enter into risk-sharing agreements with United States private political risk insurers to insure any such investment; except that, in cooperating in the offering of insurance under this paragraph, the Corporation shall not assume responsibility for more than 50 percent of the insurance being offered in each separate transaction.

"(b) ADVISORY GROUP.—

"(1) ESTABLISHMENT AND MEMBERSHIP.—The Corporation shall establish a group to advise the Corporation on the development and implementation of the cooperative programs under this section. The group shall be appointed by the Board and shall be composed of up to 12 members, including the following:

"(A) Up to 7 persons from the private political risk insurance industry, of whom no fewer than 2 shall represent private political risk insurers, 1 shall represent private political risk reinsurers, and 1 shall represent insurance or reinsurance brokerage firms.

"(B) Up to 4 persons, other than persons described in subparagraph (A), who are purchasers of political risk insurance.

"(2) FUNCTIONS.—The Corporation shall call upon members of the advisory group, either collectively or individually, to advise it regarding the capability of the private political risk insurance industry to meet the political risk insurance needs of United States investors, and regarding the development of cooperative programs to enhance such capability.

"(3) MEETINGS.—The advisory group shall meet not later than September 30, 1989, and at least annually thereafter. The Corporation may from time to time convene meetings of selected members of the advisory group to address particular questions requiring their specialized knowledge.

"(4) FEDERAL ADVISORY COMMITTEE ACT.—The advisory group shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

"SEC. 1506. GUIDELINES AND REQUIREMENTS FOR OPIC SUPPORT.

"(a) DEVELOPMENT IMPACT PROFILE.—In order to carry out the policy set forth in section 1501(b)(1), the Corporation shall prepare and maintain for each investment project it insures, finances, or reinsures, a development impact profile consisting of data appropriate to measure the projected and actual effects of such project on development. Criteria for evaluating projects shall be developed in consultation with the administering agency.

"(b) SMALL BUSINESS DEVELOPMENT.—

"(1) BROADENED PARTICIPATION BY SMALL BUSINESSES.—The Corporation shall undertake, in cooperation with appropriate departments, agencies, and instrumentalities of the United States as well as private entities and others, to broaden the participation of United States small business, cooperatives, and other small United States investors in the development of small private enterprise in less developed friendly countries or areas.

"(2) PREFERENTIAL CONSIDERATION.—The Corporation shall undertake, to the maximum degree possible consistent with its purposes—

"(A) to give preferential consideration in its investment insurance, reinsurance, and guarantee activities to investment projects sponsored by or involving United States small business; and

"(B) to maintain the proportion of projects sponsored by or significantly involving United States small business at not less than 30 percent of all projects insured, reinsured, or guaranteed by the Corporation.

"(3) ALLOCATION OF INCOME.—The Corporation shall allocate up to 50 percent of its annual net income, after making suitable provision for transfers and additions to reserves, to assist and facilitate the development of projects consistent with the provisions of this subsection. Such funds may be expended notwithstanding the requirements of section 1501(c)(1), on such terms and conditions as the Corporation may determine through loans, grants, or other programs authorized by sections 1504 and 1505.

"(c) ENVIRONMENTAL CONSIDERATIONS.—

"(1) ENVIRONMENTAL, HEALTH, OR SAFETY HAZARD.—The Corporation shall refuse to insure, reinsure, guarantee, or finance any investment in connection with a project which the Corporation determines will pose an unreasonable or major environmental, health, or safety hazard, or will result in the significant degradation of national parks or similar protected areas.

"(2) RESOURCE SUSTAINABLE DEVELOPMENT.—The Corporation, in determining whether to provide insurance, reinsurance, guarantees, or financing for a project, shall ensure that the project is consistent with the objectives set forth in section 1102(a)(2) of resource sustainable development.

"(3) ENVIRONMENTAL IMPACT STATEMENTS AND ASSESSMENTS.—The requirements of section 1241 relating to environmental impact statements and environmental assessments shall apply to any investment which the Corporation insures, reinsures, guarantees, or finances under this subchapter in connection with a project in a country.

"(4) NOTIFICATION OF FOREIGN GOVERNMENTS.—Before finally providing insurance, reinsurance, guarantees, or financing under this subchapter for any environmentally sensitive investment in connection with a project in a country, the Corporation shall notify appropriate government officials of that country of—

"(A) all guidelines and other standards adopted by the International Bank for Reconstruction and Development and any other international organization relating to the public health or safety or the environment which are applicable to the project; and

"(B) to the maximum extent practicable, any restriction under any law of the United States relating to public health or safety or the environment that would apply to the project if the project were undertaken in the United States.

The notification under the preceding sentence shall include a summary of the guidelines, standards, and restrictions referred to in subparagraphs (A) and (B), and may include any environmental impact statement, assessment, review, or study prepared with respect to the investment pursuant to paragraph (3).

"(5) CONSIDERATION OF COMMENTS RECEIVED.—Before finally providing insurance, reinsurance, guarantees, or financing for any investment subject to paragraph (4), the Corporation shall take into account any comments it receives on the project involved.

"(d) WORKER RIGHTS.—

"(1) LIMITATION ON OPIC ACTIVITIES.—The Corporation may insure, reinsure, guarantee, or finance a project only if the country in which the project is to be undertaken is taking steps to adopt and implement laws that extend internationally recognized worker rights, as defined in section 502(a)(4) of the Trade Act of 1974 (19 U.S.C. 2462(a)(4)), to workers in that country (including any designated zone in that country).

"(2) USE OF ANNUAL REPORTS ON WORKERS RIGHTS.—The Corporation shall, in making its determinations under paragraph (1), use the reports submitted to the Congress pursuant to section 505(c) of the Trade Act of 1974 (19 U.S.C. 2465(c)).

"(3) WAIVER.—Paragraph (1) shall not prohibit the Corporation from providing any insurance, reinsurance, guarantee, or financing with respect to a country if the President determines that such activities by the Corporation would be in the national economic interests of the United States. Any such determination shall be reported in writing to the Congress, together with the reasons for the determination.

"(4) PEOPLE'S REPUBLIC OF CHINA.—In making a determination under this subsection for the People's Republic of China, the Corporation shall discuss fully and completely the justification for making such determination with respect to each item set forth in subparagraphs (A) through (E) of section 502(a)(4) of the Trade Act of 1974.

"(e) HUMAN RIGHTS.—The Corporation shall take into account in the conduct of its programs in a country, in consultation with the Secretary of State, all available information about observance of and respect for human rights and fundamental freedoms in such country and the effect the operation of such programs will have on human rights and fundamental freedoms in such country. The provisions of section 4201(a)(2) shall apply to any insurance, reinsurance, guarantee, or financing provided by the Corporation for projects in a country, except that in addition to the exceptions set forth in paragraphs (2) through (4) of section 4201(b), the Corporation may support a project if the national security interest so requires.

"(f) HARM TO EMPLOYMENT IN THE UNITED STATES.—

"(1) REPLACEMENT OF UNITED STATES PRODUCTION.—(A) The Corporation shall refuse to insure, reinsure, guarantee, or finance an investment if the Corporation determines that such investment is likely to cause such investor (or the sponsor of an investment project in which such investor is involved) significantly to reduce the number of the investor's or sponsor's employees in the United States because the investor or sponsor is replacing his or her United States production with production from such investment, and the production from such investment involves substantially the same product for substantially the same market as the investor's or sponsor's United States production.

"(B) If the Corporation determines that an investment is not likely to have the effects described in subparagraph (A), the Corporation shall monitor conformance with the representations made by the investor on which the Corporation relied in making that determination.

"(2) REDUCTION OF EMPLOYEES IN THE UNITED STATES.—The Corporation shall refuse to insure, reinsure, guarantee, or finance an investment if the Corporation determines that such investment is likely to cause a significant reduction in the number of employees in the United States.

"(g) PERFORMANCE REQUIREMENTS.—The Corporation shall refuse to insure, reinsure, guarantee, or finance an investment which is subject to performance requirements which would reduce substantially the positive trade benefits likely to accrue to the United States from the investment.

"(h) PROHIBITED TRADE PRACTICES.—

"(1) PAYMENTS TO VIOLATORS BARRED.—No payment may be made under any insurance or reinsurance which is issued under this subchapter on or after April 24, 1978, for any loss occurring with respect to a project, if the preponderant cause of such loss was an act by the investor seeking payment under this subchapter, by a person possessing majority ownership and control of the investor at the time of the act, or by any agent of such investor or controlling person, and a court of the United States has entered a final judgment that such act constituted a violation of section 30A of the Securities Exchange Act of 1934 or section 104 of the Foreign Corrupt Practices Act of 1977.

"(2) REGULATIONS.—The Corporation shall have in effect regulations setting forth appropriate conditions under which any person who has been finally determined by a court of the United States to have violated section 30A of the Securities Exchange Act of 1934 or section 104 of the Foreign Corrupt Practices Act of 1977 shall be suspended, for a period of not more than 5 years, from eligibility to receive any insurance, reinsurance, guarantee, financing, or other financial support authorized by this subchapter, if that violation related to a project insured, reinsured, guaranteed, financed, or otherwise supported by the Corporation under this subchapter.

"(i) FRAUD OR MISREPRESENTATION.—No payment may be made under any guarantee, insurance, or reinsurance issued under this subchapter for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(j) PUBLIC HEARINGS.—The Board shall hold at least 1 public hearing each year in order to afford an opportunity for any person to present views as to whether the Corporation is carrying out its activities in accordance with section 1501 and this section or whether any investment in a particular country should have been or should be extended insurance, reinsurance, guarantees, or financing under this subchapter.

"SEC. 1507. ISSUING AUTHORITY, DIRECT INVESTMENT FUND, EQUITY FUND, AND RESERVES.

"(a) ISSUING AUTHORITY.—

"(1) INSURANCE.—The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 1504(a) shall not exceed in the aggregate $7,500,000,000.

"(2) GUARANTEES.—(A) The maximum contingent liability outstanding at any one time pursuant to guarantees issued under section 1504(b) shall not exceed in the aggregate $1,500,000,000. Commitments to guarantee loans are authorized for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(B) The Corporation shall not make any commitment to issue any guarantee which would result in a reserve less than 25 percent of the maximum contingent liability then outstanding against guarantees issued or commitments made pursuant to section 1504(b) or similar predecessor guarantee authority.

"(C) Subject to subparagraphs (A) and (B) and to paragraph (3), the Corporation shall issue guarantees under section 1504(b) having an aggregate contingent liability with respect to principal of not less than $200,000,000 in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such guarantees.

"(3) ACTION BY CONGRESS.—The Congress, in considering the budget programs transmitted by the President for the Corporation, pursuant to section 9103 of title 31, United States Code, may limit the obligations and contingent liabilities to be undertaken under subsections (a) and (b) of section 1504 as well as the use of funds for operating and administrative expenses.

"(4) TERMINATION OF AUTHORITY.—The authority of subsections (a) and (b) of section 1504 shall continue until September 30, 1992.

"(b) DIRECT INVESTMENT FUND.—

"(1) AMOUNTS AND PURPOSES.—The Corporation shall hold a revolving fund, known as the Direct Investment Fund. Such fund shall consist of amounts in the fund on the effective date of the International Cooperation Act of 1989, shall be available for the purposes authorized under section 1504(c), shall be charged with realized losses and credited with realized gains, and shall be credited with such additional sums as may be transferred to it under the provisions of section 1508. The Corporation shall transfer to the Fund in each fiscal year—

"(A) at least 10 percent of the net income of the Corporation for the preceding fiscal year, and

"(B) all amounts received by the Corporation during the preceding fiscal year as repayment of principal and interest on loans made under section 1504(c).

"(2) MINIMUM LEVEL OF LOANS.—The Corporation shall make loans under section 1504(c) in an aggregate amount of not less than $25,000,000 in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such loans, except that loans from the Direct Investment Fund are authorized for any fiscal year only to the extent or in such amounts as are provided in advance in appropriation Acts.

"(c) CREATION OF FUND FOR ACQUISITION OF EQUITY.—The Corporation is authorized to establish a revolving fund to be available solely for the purposes specified in section 1504(g) and to make a one-time transfer to the fund of $10,000,000 from its income and revenues. The Corporation shall transfer to the fund in each fiscal year all amounts received by the Corporation during the preceding fiscal year as income on securities acquired under section 1504(g), and from the proceeds on the disposition of such securities. Purchases of, investments in, and other acquisitions of equity from the fund are authorized for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts.

"(d) INSURANCE AND GUARANTEE RESERVES.—

"(1) MAINTENANCE AND PURPOSES.—The Corporation shall maintain insurance and guarantee reserves. Such reserves shall be available for the discharge of liabilities, as provided in subsection (e), until such time as all such liabilities have been discharged or have expired or until all such reserves have been expended in accordance with the provisions of this section.

"(2) FUNDING.—The insurance and guarantee reserves shall consist of—

"(A) any funds in the insurance and guarantee reserves of the Corporation on the effective date of the International Cooperation Act of 1989,

"(B) amounts transferred to the fund pursuant to section 1508, and

"(C) such sums as are appropriated pursuant to subsection (f) of this section for such purposes.

"(e) ORDER OF PAYMENTS TO DISCHARGE LIABILITIES.—Any payment made to discharge liabilities under investment insurance or reinsurance issued under section 1504, under similar predecessor guarantee authority, or under section 1505, shall be paid first out of the insurance reserve, as long as such reserve remains available, and thereafter out of funds made available pursuant to subsection (f) of this section. Any payments made to discharge liabilities under guarantees issued under section 1504(b) or under similar predecessor guarantee authority shall be paid first out of the guarantee reserve as long as such reserve remains available, and thereafter out of funds made available pursuant to subsection (f) of this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) AUTHORIZATION.—Subject to paragraph (2), there are authorized to be appro-

priated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guarantee reserves, to discharge the liabilities under insurance, reinsurance, and guarantees issued by the Corporation or issued under predecessor guarantee authority, or to discharge obligations of the Corporation purchased by the Secretary of the Treasury pursuant to subsection (g).

"(2) LIMITATION ON APPROPRIATIONS.—No appropriation shall be made under paragraph (1) to augment the insurance reserve until the amount of funds in the insurance reserve is less than $25,000,000. Any appropriations to augment the insurance reserve shall then only be made either pursuant to specific authorization enacted after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974, or to satisfy the full faith and credit provision of section 1509(c).

"(g) ISSUANCE OF OBLIGATIONS.—In order to discharge liabilities under investment insurance or reinsurance, the Corporation is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; except that the aggregate amount of such obligations outstanding at any one time may not exceed $100,000,000. Any such obligation shall be repaid to the Treasury within 1 year after the date of issue of such obligation. Any such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of any obligation authorized by this subsection. The Secretary of the Treasury shall purchase any obligation of the Corporation issued under this subsection, and for such purchase the Secretary may use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31, United States Code. The purpose for which securities may be issued under chapter 31 of title 31, United States Code, shall include any such purchase.

"SEC. 1508. INCOME AND REVENUES.

"In order to carry out the purposes of the Corporation, all revenues and income transferred to or earned by the Corporation, from whatever source derived, shall be held by the Corporation and shall be available to carry out its purposes, including without limitation—

"(1) payment of all expenses of the Corporation, including investment promotion expenses;

"(2) transfers and additions to the insurance and guarantee reserves maintained under section 1507(d), the Direct Investment Fund held pursuant to section 1507(b), and such other funds or reserves as the Corporation may establish, at such time and in such amounts as the Board may determine; and

"(3) payment of dividends, on capital stock, which shall consist of and be paid from net earnings of the Corporation after payments, transfers, and additions under paragraphs (1) and (2).

"SEC. 1509. GENERAL PROVISIONS RELATING TO INSURANCE, GUARANTY, AND FINANCING PROGRAM.

"(a) AGREEMENTS WITH COUNTRIES.—Insurance, guarantees, and reinsurance issued under this subchapter shall cover investment made in connection with projects in any less developed friendly country or area with the government of which the President of the United States has agreed to institute a program for such insurance, guarantees, or reinsurance.

"(b) PROTECTION OF INTERESTS OF THE CORPORATION.—The Corporation shall determine that suitable arrangements exist for protecting the interest of the Corporation in connection with any insurance, reinsurance, or guarantee issued under this subchapter, including arrangements concerning ownership, use, and disposition of the currency, credits, assets, or investments on account of which payment under such insurance, guarantee, or reinsurance is to be made, and any right, title, claim, or cause of action existing in connection therewith.

"(c) FULL FAITH AND CREDIT PLEDGED.—All guarantees issued pursuant to predecessor guarantee authority, and all insurance, reinsurance, and guarantees issued pursuant to this subchapter shall constitute obligations, in accordance with the terms of such insurance, reinsurance, or guarantees, of the United States of America, and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

"(d) FEES.—Fees may be charged for providing insurance, reinsurance, guarantees, financing, and other services under this subchapter in amounts to be determined by the Corporation. In the event fees charged for insurance, reinsurance, guarantees, financing, or other services are reduced, fees to be paid under existing contracts for the same type of insurance, reinsurance, guarantees, financing, or services and for similar guarantees issued under predecessor guarantee authority may be reduced.

"(e) INSURANCE, GUARANTEES, AND REINSURANCE LIMITED TO 20 YEARS.—No insurance, reinsurance, or guarantee of any equity investment under this subchapter shall extend beyond 20 years from the date on which such insurance, reinsurance, or guarantee is issued.

"(f) AMOUNT OF COMPENSATION PAID ON CLAIMS.—Compensation for any insurance, reinsurance, or guarantee issued under this subchapter shall not exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings, or profits actually accrued on such investment to the extent provided by such insurance, reinsurance, or guarantee, except that the Corporation may provide that—

"(1) appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets;

"(2) compensation for a claim of loss under insurance of an equity investment may be computed on the basis of the net book value attributable to such equity investment on the date of loss; and

"(3) compensation for loss due to business interruption may be computed on a basis to be determined by the Corporation which reflects amounts lost.

Notwithstanding the preceding sentence, the Corporation shall limit the amount of direct insurance and reinsurance issued under section 1504 or 1505 so that risk of loss as to at least 10 percent of the total investment of the insured and its affiliates in the project is borne by the insured and such affiliates, except that this limitation shall not apply to direct insurance or reinsurance of loans by banks or other financial institutions to unrelated parties.

"(g) LIMITATION WITH RESPECT TO FOREIGN CREDIT INSTITUTIONS.—Insurance, guarantees, or reinsurance of a loan or equity investment of an eligible investor in a foreign bank, finance company, or other credit institution shall extend only to such loan or equity investment and not to any individual loan or equity investment made by such foreign bank, finance company, or other credit institution.

"(h) SETTLEMENT AND ARBITRATION OF CLAIMS.—Claims arising as a result of insurance, reinsurance, or guarantee operations under this subchapter or under predecessor guarantee authority may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the Corporation may determine. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

"(i) CONTRACTS PRESUMED TO COMPLY WITH ACT.—Each guarantee contract executed by such officer or officers as may be designated by the Board shall be conclusively presumed to be issued in compliance with the requirements of this Act.

"(j) OPERATIONS IN CERTAIN COUNTRIES.—Except for the provisions of this subchapter, no other provision of this or any other law shall be construed to prohibit the operation in Yugoslavia, Poland, Hungary, or the People's Republic of China of any program authorized by this subchapter, if the President determines that the operation of such program in such country is important to the national interest.

"SEC. 1510. GENERAL PROVISIONS AND POWERS.

"(a) PRINCIPAL OFFICE.—The Corporation shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident of the District of Columbia.

"(b) AUDITS.—

"(1) IN GENERAL.—The Corporation shall be subject to the applicable provisions of chapter 91 of title 31, United States Code, except as otherwise provided in this subchapter.

"(2) INDEPENDENT AUDIT.—An independent certified public accountant shall perform a financial and compliance audit of the financial statements of the Corporation at least once every 3 years, in accordance with generally accepted Government auditing standards for a financial and compliance audit, taking into consideration any standards recommended by the Comptroller General. The independent certified public accountant shall report the results of such audit to the Board. The financial statements of the Corporation shall be presented in accordance with generally accepted accounting principles. These financial statements and the report of the accountant shall be included in a report which contains, to the extent applicable, the information identified in section 9106 of title 31, United States Code, and which the Corporation shall submit to the Congress not later than 6½ months after the end of the last fiscal year covered by the audit. The Comptroller General may review the audit conducted by the accountant and the report to the Congress in the manner and at such times as the Comptroller General considers necessary.

"(3) AUDIT BY COMPTROLLER GENERAL.—In lieu of the financial and compliance audit required by paragraph (2), the Comptroller General shall, if the Comptroller General considers it necessary or upon the request of the Congress, audit the financial statements of the Corporation in the manner provided in paragraph (2). The Corporation shall re-

imburse the General Accounting Office for the full cost of any audit conducted under this paragraph.

"(4) AVAILABILITY OF INFORMATION.—All books, accounts, financial records, reports, files, workpapers, and property belonging to or in use by the Corporation and the accountant who conducts the audit under paragraph (2), which are necessary for purposes of this subsection, shall be made available to the representatives of the General Accounting Office designated by the Comptroller General.

"(c) POWERS.—To carry out the purposes of this subchapter, the Corporation is authorized—

"(1) to adopt and use a corporate seal, which shall be judicially noticed;

"(2) to sue and be sued in its corporate name;

"(3) to adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law;

"(4) to acquire, hold, or dispose of, upon such terms and conditions as the Corporation may determine, any property, real, personal, or mixed, tangible or intangible, or any interest therein;

"(5) to invest funds derived from fees and other revenues in obligations of the United States and to use the proceeds therefrom, including earnings and profits, as it considers appropriate;

"(6) to indemnify directors, officers, employees, and agents of the Corporation for liabilities and expenses incurred in connection with their Corporation activities;

"(7) to require bonds of officers, employees, and agents and to pay the premiums therefor;

"(8) notwithstanding any other provision of law, to represent itself or to contract for representation in all legal and arbitral proceedings;

"(9) to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guarantee, and guarantee notes, participation certificates, and other evidence of indebtedness (except that the Corporation shall not issue its own securities, except participation certificates for the purpose of carrying out section 1501(c)(3) or participation certificates as evidence of indebtedness held by the Corporation in connection with settlement of claims under section 1509(h));

"(10) to make and carry out such contracts and agreements as are necessary and advisable in the conduct of its business;

"(11) to exercise any priority of the Government of the United States in collecting debts from the estates of bankrupt, insolvent, or decedent parties;

"(12) to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

"(13) to collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation; and

"(14) to take such actions as may be necessary or appropriate to carry out the powers of the Corporation.

"(d) INSPECTOR GENERAL.—

"(1) AUTHORITY.—The Inspector General of the administering agency—

"(A) shall have full and independent authority to conduct audits, investigations, and inspections of all phases of the Corporation's programs and operations for the purpose of promoting economy, efficiency, and effectiveness, and detecting and preventing fraud and abuse; and

"(B) shall conduct all security activities of the Corporation relating to personnel and the control of classified material.

"(2) RELATION TO PRESIDENT OF CORPORATION.—The Inspector General shall report to and be under the general supervision of the President of the Corporation with respect to activities undertaken pursuant to this subsection, except that the President of the Corporation shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any such activity in accordance with the duties, authorities, and responsibilities contained in the Inspector General Act of 1978 and any other applicable law or regulation.

"(3) EXPENSES.—The Inspector General shall be reimbursed by the Corporation for all expenses incurred by the Inspector General in connection with the Inspector General's responsibilities under this subsection.

"(4) INSPECTOR GENERAL ACT.—For purposes of the Inspector General Act of 1978, the Corporation shall continue to be considered a Federal entity and the President of the Corporation shall be considered the head of the Federal entity.

"(5) ANNUAL REPORT.—The annual report required under section 8E(h)(2) of the Inspector General Act of 1978 shall include information relating to activities of the Inspector General undertaken pursuant to this subsection.

"(e) EXEMPTION FROM STATE AND LOCAL TAXATION.—The Corporation (including its franchise, capital, reserves, surplus, advances, intangible property, and income) shall be exempt from all taxation at any time imposed by any State, the District of Columbia, or any county, municipality, or local taxing authority.

"(f) CORPORATE OPERATIONAL GUIDELINES.—The Corporation—

"(1) shall establish and publish guidelines for its programs and operations consistent with the provisions of this subchapter, which provisions shall be controlling with respect to the Corporation's programs and operations, and

"(2) shall make such guidelines available to applicants for insurance, reinsurance, guarantees, financing, or other assistance provided by the Corporation.

"SEC. 1511. ANNUAL REPORT; MAINTENANCE OF INFORMATION.

"(a) ANNUAL REPORT.—After the end of each fiscal year, the Corporation shall submit to the Congress a complete and detailed report of its operations during such fiscal year. Such report shall include—

"(1) an assessment, based upon the development impact profiles required by section 1506(a), of the economic and social development impact and benefits of the projects with respect to which such profiles are prepared, and of the extent to which the operations of the Corporation complement or are compatible with the development assistance programs of the United States and other donors; and

"(2) a description of any project for which the Corporation—

"(A) refused to provide any insurance, reinsurance, guarantee, financing, or other financial support, on account of violations of human rights referred to in section 1506(e); or

"(B) notwithstanding such violations, provided such insurance, reinsurance, guarantee, financing, or financial support, on the basis of a determination that—

"(i) the project meets one of the criteria set forth in paragraphs (2) through (4) of section 4201(b), or

"(ii) the national security interest so requires.

"(b) PROJECTIONS OF EFFECTS ON EMPLOYMENT.—

"(1) IN GENERAL.—Each annual report required by subsection (a) shall contain projections of the effects on employment in the United States of all projects for which, during the fiscal year covered by the report, the Corporation initially issued any insurance, reinsurance, or guarantee or provided financing. Each such report shall include projections of—

"(A) the amount of United States exports to be generated by those projects, both during the start-up phase and over a period of years;

"(B) the final destination of the products to be produced as a result of those projects; and

"(C) the impact such production will have on the production of similar products in the United States with regard to both domestic sales and exports.

"(2) INFORMATION IN AGGREGATE FORM.—The projections required by this subsection shall be based on an analysis of each of the projects described in paragraph (1). Such projections may, however, present information and analysis in aggregate form, but only if—

"(A) those projects which are projected to have a positive effect on employment in the United States and those projects which are projected to have a negative effect on employment in the United States are grouped separately; and

"(B) there is set forth for each such grouping the key characteristics of the projects within that grouping, including the number of projects in each economic sector, the countries in which the projects in each economic sector are located, and the projected level of the impact of the projects in each economic sector on employment in the United States and on United States trade.

"(c) MAINTENANCE OF INFORMATION.—The Corporation shall maintain as part of its records—

"(1) all information collected in preparing the report required by section 240A(c) of the Foreign Assistance Act of 1961 (as in effect before the enactment of the Overseas Private Investment Corporation Amendments Act of 1988), whether the information was collected by the Corporation itself or by a contractor; and

"(2) a copy of the analysis of each project analyzed in preparing the projections required by subsection (b) of this section or the report required by section 240A(c) of this Act (as in effect before the enactment of the Overseas Private Investment Corporation Amendments Act of 1988).

"(d) PROGRAMS OF COOPERATION WITH PRIVATE INDUSTRY.—Each annual report required by subsection (a) shall include an assessment of programs implemented by the Corporation under section 1505(a), including the following information, to the extent such information is available to the Corporation:

"(1) The nature and dollar value of political risk insurance provided by private insurers in conjunction with the Corporation, which the Corporation was not permitted to provide under this subchapter.

"(2) The nature and dollar value of political risk insurance provided by private insurers in conjunction with the Corporation,

which the Corporation was permitted to provide under this subchapter.

"(3) The manner in which such private insurers and the Corporation cooperated in recovery efforts and claims management.

"(e) PROTECTION OF CERTAIN INFORMATION.—Subsections (b) and (d) do not require the inclusion in any information submitted pursuant to those subsections of any information which would not be required to be made available to the public pursuant to section 552 of title 5, United States Code (relating to freedom of information).

"SEC. 1312. DEFINITIONS.

"As used in this subchapter, the following terms have the following meanings:

"(1) BOARD.—The term 'Board' means the Board of Directors of the Overseas Private Investment Corporation.

"(2) CORPORATION.—The term 'Corporation' means the Overseas Private Investment Corporation.

"(3) ELIGIBLE INVESTOR.—(A) The term 'eligible investor' means—

"(i) a United States citizen;

"(ii) a corporation, partnership, or other association, including a nonprofit association, which is created under the laws of the United States, any State, the District of Columbia, or any commonwealth, territory, or possession of the United States, and which is substantially beneficially owned by United States citizens; and

"(iii) a foreign corporation, partnership, or other association which is wholly owned by one or more United States citizens or corporations, partnerships, or other associations described in clause (ii), except that the eligibility of any such foreign corporation shall be determined without regard to any shares held by other than United States citizens or corporations, partnerships, or other associations described in clause (ii) if, in the aggregate, such shares equal less than 5 percent of the total issued and subscribed share capital of such foreign corporation.

"(B) For purposes of this subchapter—

"(i) in the case of insurance or a guarantee for any loan investment, a final determination of whether a person is an eligible investor may be made at the time the insurance or guarantee is issued; and

"(ii) in the case of insurance or a guarantee for any other investment, an investor must be an eligible investor at the time a claim arises as well as the time the insurance or guarantee is issued.

"(4) EXPROPRIATION.—The term 'expropriation' includes any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor with respect to a project, where such abrogation, repudiation, or impairment is not caused by the investor's own fault or misconduct, and materially adversely affects the continued operation of the project.

"(5) INVESTMENT.—The term 'investment' includes any contribution or commitment of funds, commodities, services, patents, processes, or techniques, in the form of—

"(A) a loan or loans to an approved project,

"(B) the purchase of a share of ownership in any such project,

"(C) participation in royalties, earnings, or profits of any such project, and

"(D) the furnishing of commodities or services pursuant to a lease or other contract.

"(6) PREDECESSOR GUARANTEE AUTHORITY.—The term 'predecessor guarantee authority' means prior guarantee authorities (other than housing guarantee authorities) repealed by the Foreign Assistance Act of 1969, section 202(b) and 413(b) of the Mutual Security Act of 1954, and section 111(b)(3) of the Economic Cooperation Act of 1948, (exclusive of authority relating to informational media guarantees).

"Subchapter B—Trade and Development Agency

"SEC. 1321. PURPOSE.

The Trade and Development Agency shall be a separate component agency of the International Development Cooperation Agency, and shall not be an agency within the administering agency or any other component agency of the International Development Cooperation Agency. The purpose of the Trade and Development Agency is to promote United States private sector participation in development projects in friendly developing and middle-income countries, in order to promote the four basic objectives set forth in section 1102.

"SEC. 1322. AUTHORITY TO PROVIDE ASSISTANCE.

"(a) AUTHORITY.—The Director of the Trade and Development Agency is authorized to work with friendly countries, including those in which the United States development programs have been concluded or those not receiving assistance under this title, to carry out the purpose of this subchapter by providing funds for feasibility studies and other activities related to development projects which provide opportunities for the use of United States exports.

"(b) USE OF FUNDS.—Funds under this subchapter may be used to provide support for feasibility studies for the planning of, development of, management of, and procurement for, bilateral and multilateral development projects, including training activities undertaken in connection with a project, for the purpose of promoting the use of United States goods and services in such projects.

"(c) INFORMATION DISSEMINATION.—

"(1) IN GENERAL.—The Trade and Development Agency shall disseminate information about its project activities to the private sector.

"(2) OFFICE OF INTERNATIONAL MAJOR PROJECTS OF THE DEPARTMENT OF COMMERCE.—The Trade and Development Agency shall cooperate with the Office of International Major Projects of the Department of Commerce in order to provide information to persons in the private sector concerning trade development and export promotion related to multilateral development projects.

"(3) OTHER AGENCIES.—Other Federal departments and agencies shall cooperate with the Trade and Development Agency in order for the Agency to more effectively provide informational services in accordance with this subsection.

"(d) NONAPPLICABILITY OF OTHER PROVISIONS.—Any funds used for purposes of this subchapter may be used notwithstanding any other provision of law.

"SEC. 1323. DIRECTOR AND PERSONNEL.

"(a) DIRECTOR.—The Director of the Trade and Development Agency shall be the head of the agency. The Director shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) OFFICERS AND EMPLOYEES.—

"(1) APPOINTMENT.—The Director may appoint such officers and employees as the Director considers appropriate.

"(2) FUNCTIONS.—The officers and employees appointed under this subsection shall have such functions as the Director may determine.

"(3) APPOINTMENTS WITHOUT REGARD TO CERTAIN CIVIL SERVICE LAWS.—Of the officers and employees appointed under this subsection, 2 may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be compensated without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title.

"(4) REINSTATEMENT RIGHTS.—Under such regulations as the President may prescribe, any individual appointed under paragraph (3) may be entitled, upon removal (except for cause) from the position to which the appointment was made, to reinstatement to the position occupied by that individual at the time of appointment or to a position of comparable grade and pay.

"SEC. 1324. ANNUAL REPORT.

"The Director of the Trade and Development Agency shall, not later than December 31 of each year, submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Relations of the Senate a report on the activities of the Trade and Development Agency in the preceding fiscal year.

"SEC. 1325. ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Director of the Trade and Development Agency shall, by regulation, establish an advisory board which shall include representatives of the private sector.

"(b) PURPOSE.—The purpose of the advisory board shall be to make recommendations to the Director with respect to the Trade and Development Agency.

"SEC. 1326. INSPECTOR GENERAL.

"(a) AUTHORITY.—The Inspector General of the administering agency—

"(1) shall have full and independent authority to conduct audits, investigations, and inspections of all phases of the program and operations of the Trade and Development Agency for the purpose of promoting economy, efficiency, and effectiveness, and detecting and preventing fraud and abuse; and

"(2) shall conduct all security activities of the Trade and Development Program relating to personnel and the control of classified material.

"(b) RELATION TO DIRECTOR OF THE TRADE AND DEVELOPMENT AGENCY.—The Inspector General shall report to and be under the general supervision of the Director of the Trade and Development Agency with respect to activities undertaken pursuant to this section, except that the Director shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any such activity in accordance with the duties, authorities, and responsibilities contained in the Inspector General Act of 1978, and any other applicable laws and regulations.

"(c) EXPENSES.—The Inspector General shall be reimbursed by the Trade and Development Agency for all expenses incurred by the Inspector General in connection with the Inspector General's responsibilities under this subsection.

"(d) INSPECTOR GENERAL ACT.—For purposes of the Inspector General Act of 1978, the Trade and Development Agency shall continue to be considered a Federal entity and the Director of the Trade and Development Agency shall be considered the head of the Federal entity.

"(e) ANNUAL REPORT.—The annual report required under section 8E(h)(2) of the Inspector General Act of 1978 shall include information relating to activities of the Inspector General undertaken pursuant to this subsection.

"SEC. 1527. FUNDING.

"(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of this subchapter, in addition to funds otherwise available for such purposes, $25,000,000 for fiscal year 1990 and $25,000,000 for fiscal year 1991.

"(b) ADDITIONAL FUNDS.—In addition to funds otherwise available to the President for purposes of this subchapter, $5,000,000 for each of the fiscal years 1990 and 1991 shall be made available for such purposes from amounts available to carry out section 1224 (relating to the Private Sector Revolving Fund).

"CHAPTER 6—INTERNATIONAL DISASTER ASSISTANCE

"SEC. 1601. STATEMENT OF POLICIES.

"(a) HUMANITARIAN CONCERNS AND TRADITIONS OF THE AMERICAN PEOPLE.—The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is a longstanding tradition and an important expression of the humanitarian interest of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

"(b) REACHING THOSE MOST IN NEED.—In carrying out this chapter, the President shall insure that, to the greatest extent possible, the assistance provided by the United States reaches those most in need of relief and rehabilitation as a result of natural and manmade disasters.

"SEC. 1602. AUTHORITY TO PROVIDE ASSISTANCE.

"(a) IN GENERAL.—The President is authorized to furnish assistance to any foreign country, international organization, or private voluntary organization for international disaster relief and rehabilitation. Such assistance may include assistance relating to disaster preparedness and to the prediction of, and contingency planning for, natural disasters abroad.

"(b) NONAPPLICABILITY OF OTHER PROVISIONS.—Assistance may be furnished under this chapter notwithstanding any other provision of this or any other Act.

"SEC. 1603. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out this chapter, $25,000,000 for fiscal year 1990 and $25,000,000 for fiscal year 1991.

"SEC. 1604. BORROWING AUTHORITY.

"(a) AUTHORITY.—In addition to amounts otherwise available to carry out this chapter, up to $50,000,000 in any fiscal year may be obligated against appropriations described in subsection (b) for use in providing assistance in accordance with the authorities and general policies of this chapter.

"(b) SOURCES OF FUNDS.—The appropriations referred to in subsection (a) are any appropriations to carry out this title (other than this chapter), chapter 1 or chapter 2 of title III, or chapter 2 or 3 of title VI, without regard to whether the funds are earmarked in this or any other Act.

"(c) REIMBURSEMENT.—Amounts subsequently appropriated to carry out this chapter with respect to a disaster may be used to reimburse any appropriation account against which obligations were incurred under this section with respect to that disaster.

"SEC. 1605. SPECIAL COORDINATOR FOR INTERNATIONAL DISASTER ASSISTANCE.

"(a) APPOINTMENT.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors.

"(b) CONTINGENCY PLANS.—The Special Coordinator's responsibilities shall include the formulation and updating of contingency plans for providing disaster relief.

"CHAPTER 7—OTHER ECONOMIC ASSISTANCE PROGRAMS

"Subchapter A—American Schools and Hospitals

"SEC. 1701. AUTHORITY TO PROVIDE ASSISTANCE.

"The President is authorized to furnish assistance to—

"(1) schools and libraries, outside the United States, that are founded or sponsored by United States citizens and serve as study and demonstration centers for ideas and practices of the United States, and

"(2) hospital centers for medical education and research, outside the United States, that are founded or sponsored by United States citizens,

in order to promote the four basic objectives set forth in section 1102.

"SEC. 1702. AUTHORIZATIONS OF APPROPRIATIONS.

"To carry out section 1701, there are authorized to be appropriated to the President $45,000,000 for fiscal year 1990 and $45,000,000 for fiscal year 1991.

"Subchapter B—Guarantee Programs

"SEC. 1721. TRADE CREDIT INSURANCE PROGRAM FOR CENTRAL AMERICA.

"(a) GENERAL AUTHORITY.—

"(1) ASSURANCE TO EXPORT-IMPORT BANK OF REPAYMENT.—The President is authorized to provide guarantees to the Bank for liabilities described in paragraph (2) in order to satisfy the requirement of section 2(b)(1)(B) of the Export-Import Bank Act of 1945 that the Bank have reasonable assurance of repayment.

"(2) LIABILITIES WHICH MAY BE GUARANTEED.—The liabilities that may be guaranteed under paragraph (1) are liabilities incurred by the Bank in connection with guarantees or insurance provided under the Export-Import Bank Act of 1945 for financing for transactions involving the export of goods and services for the use of the private sector in Central American countries in order to promote the four basic objectives set forth in section 1102.

"(b) GUARANTEES AVAILABLE ONLY FOR SHORT-TERM GUARANTEES AND INSURANCE.—Guarantees provided under subsection (a) shall be for short-term guarantees and insurance extended by the Bank which shall be repayable within a period not to exceed one year from the date of arrival at the port of importation of the goods and services covered by such guarantees or insurance.

"(c) AGREEMENT ON CRITERIA AND PROCEDURES.—Guarantees or insurance extended by the Bank and guaranteed pursuant to subsection (a) shall be provided by the Bank in accordance with criteria and procedures agreed to by the Administrator and the Bank.

"(d) RESERVE FUND.—The agreement referred to in subsection (c) shall also provide for the establishment of a reserve fund by the administering agency, with such funds made available to the reserve as the Administrator deems necessary to discharge liabilities under guarantees provided under subsection (a).

"(e) DISCHARGE OF LIABILITIES.—

"(1) FUNDS WHICH MAY BE USED.—Such amounts of the funds made available for economic support assistance as the President determines are necessary may be made available to discharge liabilities under guarantees entered into under subsection (a).

"(2) CREDITING OF SUBSEQUENT PAYMENTS.—To the extent that any of the funds made available pursuant to paragraph (1) are paid out for a claim arising out of liabilities guaranteed under subsection (a), amounts received after the date of such payment, with respect to such claim, shall be credited to the reserve fund established pursuant to subsection (d), shall be merged with the funds in such reserve, and shall be available for the purpose of payments by the Administrator to the Bank for guarantees under subsection (a).

"(f) APPROPRIATIONS ACTION REQUIRED.—Commitments to guarantee under subsection (a) are authorized only to the extent and in the amounts provided in appropriations Acts.

"(g) LIMITATION ON OUTSTANDING COMMITMENTS.—The aggregate amount of outstanding commitments under subsection (a) may not exceed $200,000,000 of contingent liability for loan principal during any fiscal year.

"(h) BIANNUAL REPORTS TO CONGRESS.—Every 6 months, the Administrator and the President of the Bank shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report on the amount and extension of guarantees and insurance provided by the Bank and guaranteed under this section during the preceding 6-month period.

"(i) ADMINISTRATIVE AND TECHNICAL ASSISTANCE.—The Bank shall provide, without reimbursement, such administrative and technical assistance to the administering agency as the Bank and the Administrator determine appropriate to assist the administering agency in carrying out this section.

"(j) FEES AND PREMIUMS.—The Bank is authorized to charge fees and premiums, in connection with guarantees or insurance guaranteed by the Agency under subsection (a), that are commensurate (in the judgment of the Bank) with the Bank's administrative costs and the risks covered by the Agency's guarantees. Any amounts received by the Bank in excess of the estimated costs incurred by the Bank in administering such guarantees or insurance—

"(1) shall be credited to the reserve fund established pursuant to subsection (d),

"(2) shall be merged with the funds in such reserve, and

"(3) shall be available for the purpose of payments by the Agency to the Bank for guarantees under subsection (a).

"(k) EXPIRATION OF AUTHORITY.—The President may not enter into any commitments to guarantee under subsection (a) after September 30, 1992.

"(l) DEFINITION.—For purposes of this section, the term 'Bank' means the Export-Import Bank of the United States.

"SEC. 1722. HOUSING AND URBAN DEVELOPMENT GUARANTEE PROGRAM.

"(a) FINDINGS AND POLICY.—The Congress finds that—

"(1) shelter and other essential urban development services are among the most fundamental of human needs;

"(2) while most financing for urban services must come from domestic resources, carefully designed programs involving United States capital and expertise can increase the availability of domestic financing for improved shelter and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing urban services can be financially viable;

29-059 O-90-37 (Pt. 9)

"(3) particular attention should be given to programs which will support pilot projects for low-cost shelter and other urban services or which will have a maximum demonstration impact on local institutions and national policy; and

"(4) the long run goal of all such programs should be to develop domestic capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective programs and policies relating to low-cost shelter and other urban services.

"(b) GUARANTEE AUTHORITY.—To carry out the policies expressed in subsection (a), the President is authorized to issue guarantees to eligible investors assuring against losses incurred in connection with loans made for projects that meet the criteria set forth in subsection (a) and that promote the four basic objectives set forth in section 1102. Each guarantee issued under this subsection shall guarantee 100 percent of the principal and interest payable on such loans.

"(c) TERMS AND CONDITIONS.—The President may issue regulations from time to time with regard to—

"(1) the terms and conditions on which guarantees will be issued under this section; and

"(2) the eligibility of lenders.

"(d) FOCUS OF ACTIVITIES.—Activities carried out under this section shall be directed to the shelter and urban services needs of the poor, including—

"(1) projects which provide—

"(A) improved home sites to poor families on which to build shelter, and

"(B) related services;

"(2) projects comprised of expandable core shelter units on serviced sites;

"(3) slum upgrading projects designed to conserve and improve existing shelter;

"(4) shelter projects for low income people designed for demonstration or institution building purposes;

"(5) community facilities and services in support of projects authorized under this section to improve urban services; and

"(6) other urban services of particular importance to the needs of the poor.

"(e) INTEREST RATE ON GUARANTEED INVESTMENTS.—In the case of any loan investment guaranteed under this section, the President shall prescribe the maximum rate of interest allowable to the eligible investor. The maximum allowable rate of interest under this subsection shall be prescribed by the President as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the President may amend such rate at his discretion, consistent with the provisions of this subsection.

"(f) LIMITATION ON GUARANTEES FOR EACH COUNTRY.—The face value of guarantees issued under this section in any fiscal year with respect to any country may not exceed $50,000,000.

"(g) CEILING ON AVERAGE FACE VALUE.—The average face value of guarantees issued under this section in any fiscal year may not exceed $25,000,000.

"(h) GUARANTEE CEILING.—The total principal amount of guarantees issued under this section (or under the former guarantee authority of section 222 of this Act or predecessor housing guarantee authorities) which are outstanding at any one time may not exceed $2,500,000,000.

"(i) MAINTENANCE OF PROGRAM LEVEL.—The principal amount of guarantees issued under this section for each fiscal year shall be comparable to the total principal amount of such guarantees issued for fiscal year 1984, subject to dollar limitations on the issuance of guarantees under this section which are contained in subsection (h) and in appropriation Acts.

"(j) CERTAIN LOSSES NOT COVERED BY GUARANTEES.—No payment may be made under any guarantee issued under this section (or the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities) for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

"(k) FEES TO BE CHARGED.—A fee shall be charged for each guarantee issued under this section in an amount to be determined by the Administrator. In the event the fee to be charged for such type guarantee is reduced, fees to be paid under existing contracts for the same type of guarantee may be similarly reduced.

"(l) USE OF FEES.—All fees collected in connection with guarantees issued under this section (or under the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities) shall be available for—

"(1) meeting necessary administrative and operating expenses of carrying out this section (and administering guarantees issued under the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities) including expenses pertaining to personnel, supplies, and printing, subject to such limitations as may be imposed in annual appropriation Acts;

"(2) for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guarantees issued under this section (or under the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities); and

"(3) to pay the cost of investigating and adjusting (including costs of arbitration) claims under such guarantees; and

"(4) for expenditure in discharge of liabilities under such guarantees until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with this subsection.

"(m) REVOLVING FUND.—All of the fees referred to in this section, together with earnings on those fees and other income arising from guarantee operations under this section (or under the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities), shall be held in a revolving fund account maintained in the Treasury of the United States. All funds in such account may be invested in obligations of the United States. Any interest or other receipts derived from such investments shall be credited to such account and may be used for the purposes specified in subsection (l).

"(n) DISCHARGE OF LIABILITIES.—Any payments made to discharge liabilities under guarantees issued under this section (or under the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities) shall be paid—

"(1) first, out of fees referred to in subsection (l), excluding amounts required for purposes other than the discharge of liabilities under guarantees, as long as such fees are available;

"(2) then, out of any funds realized from the sale of currencies or other assets acquired in connection with any payment made to discharge liabilities under such guarantees as long as funds are available; and

"(3) finally, out of funds made available pursuant to subsection (p) or (q).

"(o) FULL FAITH AND CREDIT.—All guarantees issued under this section (or under the former guarantee authorities of section 222 or 222A of this Act or predecessor guarantee authorities) shall constitute obligations, in accordance with the terms of such guarantees, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

"(p) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President such amounts as may be necessary from time to time to carry out this section.

"(q) BORROWING AUTHORITY.—

"(1) AUTHORITY.—In order to meet obligations incurred for the payment of claims pursuant to loan guarantees described in subsection (o), the President may, to the extent that reserves are not sufficient, borrow from time to time from the Treasury except that—

"(A) the President may exercise the authority to borrow under this paragraph only to such extent or in such amounts as are provided in advance in appropriation Acts; and

"(B) the amount borrowed under this paragraph which is outstanding at any one time may not exceed $200,000,000.

"(2) INTEREST RATE.—Any such borrowing shall bear interest at a rate determined by the Secretary of the Treasury, taking into account the current average market yield on outstanding marketable obligations of the United States of comparable maturities.

"(3) AUTHORITY OF TREASURY.—The Secretary of the Treasury shall make loans under this subsection and, for such purpose, may borrow on the credit of the United States in accordance with subchapter I of chapter 31 of title 31, United States Code.

"(r) ELIGIBLE INVESTORS.—As used in this section, the term 'eligible investor' has the same meaning that term is given in section 1512.

"(s) EXPIRATION OF AUTHORITY.—The authority of this section shall continue through September 30, 1993.

"(t) GUARANTEES UNDER FORMER AUTHORITIES.—Guarantees committed, authorized, or outstanding under the guarantee authorities formerly contained in section 222 or 222A of this Act (or predecessor guarantee authorities) shall continue subject to provisions of law originally applicable to those guarantees.

"Subchapter C—Debt for Development

"SEC. 1711. GENERATION OF LOCAL CURRENCY FOR DEVELOPMENT ACTIVITIES.

"(a) LOCAL CURRENCY FOR DEVELOPMENT.—

"(1) DEPOSITS IN SPECIAL ACCOUNT.—Subsection (c) applies with respect to payments that would otherwise be made to the United States Government by an eligible developing country on account of economic assistance loans if that country, with the approval of the President, deposits equivalent amounts of local currencies into a local currency account for use under paragraph (2).

"(2) USE OF DEPOSITED LOCAL CURRENCIES.—Amounts paid into a local currency account pursuant to paragraph (1) shall be used, with the concurrence of the President, for

VOL 135 PT 9 JE 14 — 22 1989 UMI

any purpose for which assistance could be furnished under—

"(A) chapter 3 of title VI in the case of countries in sub-Saharan Africa; or

"(B) any chapter of this title in order to promote the four basic objectives set forth in section 1102 in the case of any relatively least developed country which is not in sub-Saharan Africa.

"(b) WAIVER OF DEPOSIT REQUIREMENT.—Subsection (c) also applies with respect to payments that would otherwise be made to the United States Government by an eligible developing country on account of economic assistance loans if the President waives the requirement of subsection (a) that equivalent amounts of local currencies be deposited into a local currency account upon a determination that—

"(1) sufficient local currencies are otherwise available in that country to promote long-term development; or

"(2) the availability of local currencies so deposited would be contrary to the long-term development of the country.

"(c) CERTAIN PAYMENTS DEEMED MADE.—Amounts of local currency—

"(1) deposited in local currency accounts in accordance with subsection (a), or

"(2) with respect to which the President waives the requirement for such deposit under subsection (b),

shall be deemed to satisfy the requirement for such payments as the President may designate of equivalent amounts that would otherwise be made to the United States Government during the current or any subsequent fiscal year on account of economic assistance loans.

"(d) ELIGIBLE DEVELOPING COUNTRIES.—A country is an eligible developing country for purposes of this section if it is any country in sub-Saharan Africa, or is a relatively least developed country, and—

"(1) an International Monetary Fund standby agreement is in effect with respect to that country;

"(2) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country; or

"(3) even though such an agreement or program is not in effect, the country is pursuing national economic policy reforms which would be consistent with such an agreement or program and with—

"(A) section 6301(g)(2)(B) and (C) in the case of a country in sub-Saharan Africa; or

"(B) section 1102 in the case of a relatively least developed country which is not in sub-Saharan Africa.

"(e) NOTICE TO CONGRESS.—The President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of any debt relief granted in accordance with this section within 15 days after the relief is approved.

"(f) APPROPRIATIONS ACTION REQUIRED.—The authorities of this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(g) DEFINITIONS.—For purposes of this section—

"(1) the term 'economic assistance loan' means any loan made under this title or chapter 3 of title VI (or any predecessor economic assistance legislation);

"(2) the term 'equivalent amount' means the amount of principal and interest that is equal to the amount of local currency deposited under subsection (a) or for which the deposit requirement is waived under subsection (b), as determined by the official rate of exchange at the time of deposit or waiver (as the case may be);

"(3) the term 'long-term development' means development in accordance with—

"(A) section 6301(b) in the case of countries in sub-Saharan Africa; or

"(B) section 1102 in the case of a relatively least developed country which is not in sub-Saharan Africa; and

"(4) the term 'relatively least developed country' means a country which (as determined on the basis of criteria comparable to those used for the United Nations General Assembly list of 'least developed countries') is characterized by extreme poverty, very limited infrastructure, and limited administrative capacity to implement policies to promote long-term development.

"SEC. 1742. DEBT EXCHANGE.

"In order to promote the four basic objectives set in section 1102, the President may use funds made available for development assistance, economic support assistance, or assistance for famine recovery and development in Africa for grants to nongovernmental organizations to enable those organizations to—

"(1) purchase debt obligations owed by a developing country to any commercial lending institution or other private party; and

"(2) cancel such debt obligation, subject to the approval of the President, to the extent that such country makes available assets or policy commitments to promote the four basic objectives set forth in section 1102.

"SEC. 1743. INELIGIBLE COUNTRIES.

"The authority of this subchapter may not be exercised with respect to a country which is prohibited by law from receiving development assistance or economic support assistance.

"CHAPTER 8—REIMBURSABLE PROGRAMS

"SEC. 1801. AUTHORITY TO CONDUCT REIMBURSABLE PROGRAMS.

"(a) GENERAL AUTHORITY.—Whenever the President considers it consistent with and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and private voluntary organizations registered with and approved by the administering agency (including private voluntary organizations so registered and approved when no United States private voluntary organization is available).

"(b) PERSONAL SERVICE CONTRACTS.—When any agency of the United States Government provides services on an advance-of-funds or reimbursable basis under this section, such agency may contract with individuals for personal service abroad or in the United States to perform such services or to replace officers or employees of the United States Government who are assigned by the agency to provide such services. Such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management.

"(c) LIMITATIONS ON ASSISTANCE NOT APPLICABLE.—Limitations in this or any other Act on assistance do not apply with respect to this section.

"SEC. 1802. USE OF PAYMENTS.

"Advances and reimbursements received under section 1801 may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available until expended.

"CHAPTER 9—ADMINISTRATION OF ECONOMIC ASSISTANCE PROGRAMS

"Subchapter A—Operating Expenses

"SEC. 1901. AUTHORIZATIONS OF APPROPRIATIONS FOR OPERATING EXPENSES GENERALLY.

"There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $447,684,000 for fiscal year 1990 and $476,783,000 for fiscal year 1991 for necessary operating expenses of the administering agency for this title; and

"(2) such additional amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

"SEC. 1902. AUTHORIZATIONS OF APPROPRIATIONS FOR THE OPERATING EXPENSES OF THE INSPECTOR GENERAL.

"There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $31,194,000 for fiscal year 1990 and $33,222,000 for fiscal year 1991 for necessary operating expenses of Office of the Inspector General of the administering agency for this title; and

"(2) such additional amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such office.

"SEC. 1903. ADDITIONAL FUNDS FOR OPERATING EXPENSES.

"(a) AUTHORITY TO USE PROGRAM FUNDS.—Amounts authorized to be appropriated for any fiscal year for development assistance, economic support assistance, or assistance for famine recovery and development in Africa may be used to carry out section 1901 and section 1902.

"(b) ADDITIONAL FUNDS FOR THE INSPECTOR GENERAL.—The Administrator may make available to the Inspector General of the administering agency, upon the request of the Inspector General, funds made available pursuant to section 1901 or subsection (a) for payment of expenses described in paragraph (1) of section 1902.

"(c) LIMITATION.—The authorities of this section may not be used to increase the amount available for a fiscal year to carry out section 1901 or section 1902 by more than 5 percent of the amount appropriated to carry out that section for that fiscal year.

"Subchapter B—Evaluation

"SEC. 1921. EVALUATION AND ACCOUNTABILITY.

"(a) NEED FOR EVALUATION.—In order to determine the impact and effectiveness of economic assistance programs under this title, the administering agency must have a capacity to produce objective, strategically focused evaluations of the agency's progress toward the achievement of specific results.

"(b) ACTIONS TO BE TAKEN.—In furtherance of subsection (a), the Administrator shall—

"(1) in consultation with the Congress and other appropriate government and nongovernmental organizations, establish a system of quantitative and qualitative indicators of country, regional, and centrally funded program and development achievement;

"(2) create and support systems of data collection and analysis to produce objective and timely reports;

"(3) strengthen, through training and other means, the linkage between evaluation findings and policy and program formulation by the agency;

"(4) assure the widest possible distribution of formal evaluation findings; and

"(5) develop with the Inspector General of the administering agency an appropriate division of responsibility, and a system of coordination, which reflects—

"(A) the primary responsibility of the Administrator for programs, program management, and policy evaluation; and

"(B) the primary responsibility of the Inspector General for assessment and audit of financial management and administrative systems.

"(c) CENTER FOR DEVELOPMENT INFORMATION AND EVALUATION.—

"(1) ESTABLISHMENT.—To assist in carrying out subsection (b), the Administrator shall establish, within the administering agency, a Center for Development Information and Evaluation (hereafter in this section referred to as the 'Center').

"(2) DIRECTOR; RESPONSIBILITIES.—The Center shall be headed by a Director who, under the guidance of the Administrator, shall be responsible within the administering agency for—

"(A) planning, funding, implementing, and disseminating programmatic evaluations of the economic assistance programs under this title that are administered by the agency;

"(B) maintaining the integrity and quality of all project monitoring and evaluation systems of the agency;

"(C) preserving and making accessible all agency data bases relevant to program implementation and achievement; and

"(D) coordinating evaluation reporting activities by the agency with the economic assistance evaluation reporting activities of other donor countries and organizations.

"(3) USE OF OUTSIDE SOURCES OF EXPERTISE.—In developing the Center's evaluation procedures, the Director shall use the services of other governmental and nongovernmental sources with development expertise.

"(d) ACCOUNTABILITY.—The Director of the Center shall prepare an annual report, which shall be submitted to the Congress as a separate part of the annual congressional presentation documents required by section 4301. This report shall include the following:

"(1) An assessment of progress toward the achievement of the four basic objectives set forth in section 1102, based on the findings of evaluation studies conducted by the administering agency and on such other empirical analyses as may be appropriate.

"(2) An analysis, on a country-by-country basis (with each country receiving economic assistance being included at least once every 5 years), of the impact on economic development in each country during the preceding 3 to 5 fiscal years of United States economic assistance programs, with a discussion of the United States interests that were served by the assistance. For each such country, the analysis shall—

"(A) be done on a sector-by-sector basis to the extent possible;

"(B) identify any economic policy reforms which were promoted by the assistance;

"(C) describe, in quantified terms to the extent practicable, the specific objectives the United States sought to achieve in providing economic assistance;

"(D) specify the extent to which those objectives were not achieved, with an explanation of why they were not achieved;

"(E) describe the amount and nature of economic assistance provided by other major donors during the preceding 3 to 5 fiscal years, set forth by the development sector to the extent possible;

"(F) discuss the commitment of the host government to addressing the country's needs in each development sector, including, to the extent possible, a description of the resources devoted by that government to each development sector during the preceding 3 to 5 fiscal years;

"(G) describe the trends, both favorable and unfavorable, in each development sector;

"(H) present statistical and other information necessary to evaluate the impact and effectiveness of United States economic assistance on development in the country;

"(I) compare the analysis provided in the report with relevant analysis by international financial institutions, other international organizations, other donor countries, and nongovernmental organizations; and

"(J) describe the nature and results of consultations with organizations representing local populations and the impact of such consultations on the design, implementation, and assessment of economic assistance programs.

"Subchapter C—Cooperation with Nongovernmental Sector

"SEC. 1941. COORDINATION OF ADVISORY BOARDS.

"The Administrator, after consultation with the chairs of the advisory boards established pursuant to section 1942(e), 1943(e), and 1944, shall establish procedures to ensure coordination of the activities and recommendations of those advisory boards. These procedures shall include—

"(1) periodic meetings with the Administrator; and

"(2) an annual report to the Administrator, prepared jointly by those advisory boards and submitted to the Administrator not later than December 31 each year, setting forth the principal findings and recommendations made by those advisory boards during the preceding year and any additional recommendations those advisory boards may jointly agree to.

A copy of each report pursuant to paragraph (2) shall be provided to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"SEC. 1942. CENTER FOR UNIVERSITY COOPERATION IN DEVELOPMENT.

"(a) ESTABLISHMENT.—The Administrator shall establish, within the administering agency, a Center for University Cooperation in Development (hereafter in this section referred to as the 'Center').

"(b) PURPOSE.—The purpose of the Center shall be to strengthen the partnership for development among the United States Government and United States public and private institutions of higher education that are engaged in education, research, and public service programs that are relevant to the development needs of developing countries and to the attainment of the four basic objectives set forth in section 1102.

"(c) FUNCTIONS.—The Center shall—

"(1) participate in the planning, development, and implementation of programs of the administering agency that involve institutions of higher education;

"(2) develop basic policies, procedures, and criteria for and administer education, research, and development programs involving United States institutions of higher education and developing country institutions; and

"(3) develop and administer collaborative education, research, and development programs of mutual interest and benefit to the United States and advanced developing countries.

"(d) DIRECTOR.—The Center shall be headed by a Director, appointed by the Administrator.

"(e) ADVISORY BOARD.—

"(1) ESTABLISHMENT.—There shall be an advisory board for the Center (hereafter in this subsection referred to as the 'advisory board').

"(2) FUNCTIONS.—The advisory board shall advise the Director and the Administrator with respect to the functions of the Center and the administering agency in facilitating the involvement of United States institutions of higher education in international development. In particular, the advisory board shall—

"(A) develop policy and procedural recommendations for the administration of the programs of the Center;

"(B) assess the effectiveness and impact of programs undertaken by institutions of higher education working in partnership with the United States Government under this title; and

"(C) encourage and facilitate support for institutions of higher education through programs of the administering agency at the regional and country level.

"(3) SUBGROUPS.—The advisory board may establish such subgroups as the advisory board and the Director find appropriate.

"(4) MEMBERSHIP.—The advisory board shall have 10 members, appointed by the President from among individuals who—

"(A) are from institutions of higher education eligible to participate in programs under this title, and

"(B) have expertise and administrative experience in education, research, and public service relevant to the development needs of developing countries and to the attainment of the four basic objectives set forth in section 1102.

"(5) TERMS OF MEMBERS.—The members of the advisory board shall be appointed for a term of 3 years, except that—

"(A) the initial members of the Board shall be appointed for a term of 1, 2, or 3 years, as determined by the President at the time of appointment, so that the term of at least 3 but not more than 4 members expires each year; and

"(B) a member appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of that term.

"(6) LIMITATION ON REAPPOINTMENT.—An individual who has been appointed to 2 consecutive terms as a member of the advisory board may not be appointed to another such term until at least 3 years after the end of the second such term.

"(7) CHAIR.—The chair of the advisory board shall be appointed by the President. The chair shall be appointed for a term of 3 years, unless that member's term on the advisory board expires sooner and that member is not reappointed to the advisory board.

"(8) COMPENSATION AND EXPENSES OF MEMBERS OF ADVISORY BOARD.—A member of the advisory board shall not receive any compensation on account of membership on the advisory board but shall be entitled to reimbursement for travel and transportation expenses while away from his or her home or regular place of business to the extent authorized for employees serving intermittent-

ly in the Government service under section 5703 of title 5, United States Code.

"(9) STAFF.—The Center shall provide necessary staff and administrative support for the advisory board.

"(10) FUNDING.—Expenses of the advisory board shall be paid by the Administrator with funds made available for the operating expenses of the administering agency.

"(11) TERMINATION PROVISION OF ADVISORY COMMITTEE ACT NOT APPLICABLE.—Section 14(a)(2) of the Federal Advisory Committee Act (5 U.S.C. app.) shall not apply to the advisory board.

"SEC. 1913. CENTER FOR VOLUNTARY COOPERATION IN DEVELOPMENT.

"(a) ESTABLISHMENT.—The Administrator shall establish, within the administering agency, a Center for Voluntary Cooperation in Development (hereafter in this section referred to as the 'Center').

"(b) PURPOSE.—The purpose of the Center shall be to strengthen the partnership for development among the United States Government and United States private voluntary organizations, cooperatives, and credit unions that are engaged in activities that are relevant to the development needs of developing countries and to the attainment of the four basic objectives set forth in section 1102.

"(c) FUNCTIONS.—The Center shall—

"(1) participate in the development of policies, procedures, and criteria for all programs of the administering agency that involve private voluntary organizations, cooperatives, and credit unions;

"(2) under the general policy guidance of the Administrator, develop program policies, procedures, and funding criteria for support by the administering agency of worldwide activities of such entities; and

"(3) administer comprehensive grant programs in support of long term, worldwide programs of such entities.

"(d) DIRECTOR.—The Center shall be headed by a Director, appointed by the Administrator.

"(e) ADVISORY BOARD.—

"(1) ESTABLISHMENT.—There shall be an advisory board for the Center (hereafter in this subsection referred to as the 'advisory board').

"(2) FUNCTIONS.—The advisory board shall advise the Director and the Administrator with respect to the functions of the Center and the administering agency in facilitating the role of private voluntary organizations, cooperatives, and credit unions in development activities. In particular, the advisory board shall—

"(A) develop policy and procedural recommendations for the administration of the programs of the Center;

"(B) assess the effectiveness and impact of private voluntary organizations, cooperatives, and credit unions working in partnership with the United States Government under this title; and

"(C) encourage and facilitate support for such entities through programs of the administering agency at the regional and country level.

"(3) SUBGROUPS.—The advisory board may establish such subgroups as the advisory board and the Director find appropriate.

"(4) MEMBERSHIP.—The advisory board shall have 10 members, appointed by the President from among individuals who—

"(A) are from private voluntary organizations, cooperatives, and credit unions eligible to participate in programs under this title; and

"(B) have expertise and experience in programs of private voluntary organizations, cooperatives, and credit unions that are relevant to the development needs of developing countries and to the attainment of the four basic objectives set forth in section 1102.

"(5) TERMS OF MEMBERS.—Members of the advisory board shall be appointed for a term of 3 years, except that—

"(A) the initial members of the Board shall be appointed for a term of 1, 2, or 3 years, as determined by the President at the time of appointment, so that the term of at least 3 but not more than 4 members expires each year; and

"(B) a member appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of that term.

"(6) LIMITATION ON REAPPOINTMENT.—An individual who has been appointed to 2 consecutive terms as a member of the advisory board may not be appointed to another such term until at least 3 years after the end of the second such term.

"(7) CHAIR.—The chair of the advisory board shall be appointed by the President. The chair shall be appointed for a term of 3 years, unless that member's term on the advisory board expires sooner and that member is not reappointed to the advisory board.

"(8) COMPENSATION AND EXPENSES OF MEMBERS OF ADVISORY BOARD.—A member of the advisory board shall not receive any compensation on account of membership on the advisory board but shall be entitled to reimbursement for travel and transportation expenses while away from his or her home or regular place of business to the extent authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States Code.

"(9) STAFF.—The Center shall provide necessary staff and administrative support for the advisory board.

"(10) FUNDING.—Expenses of the advisory board shall be paid by the Administrator with funds made available for the operating expenses of the administering agency.

"(11) TERMINATION PROVISION OF ADVISORY COMMITTEE ACT NOT APPLICABLE.—Section 14(a)(2) of the Federal Advisory Committee Act (5 U.S.C. app.) shall not apply to the advisory board.

"SEC. 1914. PRIVATE SECTOR ADVISORY BOARD.

"(a) ESTABLISHMENT.—There shall be a private sector advisory board for the administering agency (hereafter in this section referred to as the 'advisory board').

"(b) FUNCTIONS.—The advisory board shall advise the Administrator on the policies and programs of the administering agency with respect to the role of the private sector in development activities. In particular, the advisory board shall—

"(1) assess the effectiveness and impact of the administering agency's policies and programs to promote the private sector in developing countries; and

"(2) encourage and facilitate participation of the United States and indigenous private sector in activities of the administering agency.

"(c) SUBGROUPS.—The advisory board may establish such subgroups as the advisory board and the Administrator find appropriate.

"(d) MEMBERSHIP.—The advisory board shall have 10 members, appointed by the President from among individuals who are representative of United States private sector entities experienced in conducting activities in developing countries which are relevant to the development needs of those countries.

"(e) TERMS OF MEMBERS.—Members of the advisory board shall be appointed for a term of 3 years, except that—

"(1) the initial members of the Board shall be appointed for a term of 1, 2, or 3 years, as determined by the President at the time of appointment, so that the term of at least 3 but not more than 4 members expires each year; and

"(2) a member appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of that term.

"(f) LIMITATION ON REAPPOINTMENT.—An individual who has been appointed to 2 consecutive terms as a member of the advisory board may not be appointed to another such term until at least 3 years after the end of the second such term.

"(g) CHAIR.—The chair of the advisory board shall be appointed by the President. The chair shall be appointed for a term of 3 years, unless that member's term on the advisory board expires sooner and that member is not reappointed to the advisory board.

"(h) COMPENSATION AND EXPENSES OF MEMBERS OF ADVISORY BOARD.—A member of the advisory board shall not receive any compensation on account of membership on the advisory board but shall be entitled to reimbursement for travel and transportation expenses while away from his or her home or regular place of business to the extent authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States Code.

"(i) STAFF.—The Administrator shall provide necessary staff and administrative support for the advisory board.

"(j) FUNDING.—Expenses of the advisory board shall be paid by the Administrator with funds made available for the operating expenses of the administering agency.

"(k) TERMINATION PROVISION OF ADVISORY COMMITTEE ACT NOT APPLICABLE.—Section 14(a)(2) of the Federal Advisory Committee Act (5 U.S.C. app.) shall not apply to the advisory board.".

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GONZALEZ) having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, had come to no resolution thereon.

VOL 135 PT 9 JE 14 — 22 1989 UMI

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 7, 1989.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to rule L(50) of the Rules of the House that I have been served with a trial subpoena issued by the U.S. Tax Court.

After consultation with my general counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

COMMUNICATION FROM THE HONORABLE PORTER GOSS, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable PORTER GOSS, a Representative from the State of Florida:

WASHINGTON, DC,
June 19, 1989.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to rule L(50) of the Rules of the House that a member of my staff has been served with a trial subpoena issued by the Circuit Court for the State of Florida.

After consultation with the general counsel to the Clerk, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

PORTER GOSS,
Member of Congress.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 21, 1989.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to rule L(50) of the Rules of the House that I have been served with a subpoena *duces tecum* issued by the U.S. District Court for the District of Columbia.

After consultation with my general counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

With great respect, I am

Sincerely, yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

□ 1240

THE SANFORD/HEFNER NOTCH SOLUTION

(Mr. HEFNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFNER. Mr. Speaker, today my good friend and colleague, Senator TERRY SANFORD, and I are introducing legislation in our respective Chambers that we believe offers a responsible solution to the Social Security "notch," a problem very familiar to all of us which affects millions of Americans born between 1917 and 1921.

Our bill, which is patterned after the Sanford bill from the last Congress, fulfills Congress' original intent to gradually phase in a stable level of benefits for all retirees by instituting a new 10-year transition formula. The 10-year formula would not only bring the benefits for "notch babies" up to an equitable level, but it extends benefit increases to those born through 1926 to completely fill in the benefit "pothole" and avoid the creation of another notch. Had we used a 10-year transition period and a more equitable formula, instead of the 5-year transition formula we used in the 1977 Social Security Amendments, we could have avoided the notch altogether.

The Sanford/Hefner proposal would increase Social Security benefits for the average 65-year-old retiree born between 1917 and 1921 by about $725 per year, and will increase benefits for the entire period, 1917 through 1926, by about $555 per year. Benefits for those who retire at 62 will increase by an average of $144 a year.

Our bill also includes a one-time retroactive payment of at least $300 with a maximum payment per family of $1,000.

Numerous notch solutions have been proposed over the years but the chief objection has always been the excessive cost to the Social Security System. Let me assure my colleagues that this will not jeopardize the health of the Social Security System. The fact is that with the passage of our bill the trust fund surplus during the 1990's will still exceed $115 billion a year compared with $121.1 billion under current law, and will exceed $1.3 trillion by the turn of the century. The estimated 8-year cost of our bill, including the retroactive lump sum payment, will be approximately $43.1 billion—less than most other major notch proposals.

Mr. Speaker, our Nation has always stood for the principle of fairness and it is high time that we extend that to victims of the notch. The yearly cost of this proposal amounts to about 2 percent of all the benefits paid out annually under Social Security. So in this instance being fair doesn't cost us a great deal, but I can assure my colleagues that to those affected by the notch inequity it makes a tremendous difference.

I am pleased to have the gentleman from New Jersey [Mr. RINALDO] as an original cosponsor of this legislation, and I urge my colleagues to join us.

The bill follows:

H.R. 2707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act my be cited as the "Social Security Notch Adjustment Act".

SEC. 2. EXPANSION OF PERIOD OF TRANSITION; NEW ALTERNATIVE FORMULA WITH RESPECT TO SUCH PERIOD.

(a) EXPANSION OF PERIOD OF TRANSITION.—Section 215(a)(4)(B)(i) of the Social Security Act (42 U.S.C. 415(a)(4)(B)(i)) is amended by striking "1984" and inserting in lieu thereof "1989".

(b) ESTABLISHMENT OF NEW TRANSITIONAL FORMULA.—Section 215(a) of such Act (42 U.S.C. 415(a)) is amended by adding at the end thereof the following new paragraph:

"(8)(A) Paragraphs (1) (except for subparagraph (C)(i) thereof) and (4) do not apply to the computation or recomputation of a primary insurance amount for an individual who had wages or self-employment income credited for one or more years prior to 1979, and who was not eligible for an old-age or disability insurance benefit, and did not die, prior to Janaury 1979, if in the year for which the computation or recomputation would be made for the individual's primary insurance amount would be greater if computed or recomputed under subparagraph (B).

"(B) The primary insurance amount computed or recomputed under this subparagraph is equal to—

"(i) the excess of—

"(I) the amount computed or recomputed under this subsection as in effect in December 1978 (for purposes of old-age insurance benefits in the case of an individual who becomes eligible for such benefits prior to 1989) or under subsection (d) (in the case of an individual to whom such subsection applies), over

"(II) the amount computed under this subsection as in effect on the date of enactment of the Social Security Notch Adjustment Act, multiplied by

"(ii) 40 percent, reduced by the sum of—

"(I) 4.0 percent times the number of years between 1979 and the year of first eligibility, plus

"(II) ⅓ of 1 percent for each month beginning before the month in which the individual attains the age of 65 and with respect to which the individual is entitled to old-age insurance benefits.".

(c) APPLICABILITY OF OLD PROVISIONS.—Section 215(a)(5) of such Act (42 U.S.C. 415(a)(5)) is amended—

(1) by inserting "(A)" after "(5)";

(2) by striking "For" and inserting in lieu thereof "Except as provided in subparagraph (B), for";

(3) by striking "effect," and all that follows through "after 1978" and inserting in lieu thereof "effect"; and

(4) by adding at the end thereof the following new subparagraph:

"(B) In applying this section as in effect December 1978 as provided in subparagraph (A)—

"(i) effective for January 1979, the dollar amount specified in paragraph (3) of subsection (a) shall be increased to $11.50;

"(ii) the table for determining primary insurance amounts and maximum family benefits contained in this section in December 1978 shall be revised as provided by subsection (i) for each year after 1978; and

"(iii) in the case of an individual to whom paragraph (1) does not apply by reason of paragraph (8)—

"(I) subsection (b)(2)(C) shall be deemed to provide that an individual's 'computation base years' may include only calendar years in the period after 1950 (or 1936 if applicable) and ending with the calendar year in which such individual attains age 65; and

"(II) the 'contribution and benefit base' (under section 230) with respect to remuneration paid in (and taxable years beginning in) any calendar year after 1981 shall be deemed to be $29,700.".

(d) CONFORMING AMENDMENT.—Section 215(a)(3)(A) of such Act (42 U.S.C. 415(a)(3)(A)) is amended in the matter following clause (iii) by striking "(4)" and inserting in lieu thereof "(4) or (8)".

(e) EFFECTIVE DATE AND RELATED RULES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall be effective as if included in the amendments made by section 201 of the Social Security Amendments of 1977.

(2)(A) In any case in which an individual (under title II of the Social Security Act) is entitled on the date of enactment of this Act to monthly insurance benefits under such title which were computed—

(i) under section 215 of the Social Security Act as in effect (by reason of the Social Security Amendments of 1977) after December 1978, or

(ii) under section 215 of such Act as in effect prior to January 1979 by reason of subsection (a)(4)(B) of such section (as amended by the Social Security Amendments of 1977),

the Secretary of Health and Human Services (notwithstanding section 215(f)(1)) of the Social Security Act) shall recompute such individual's primary insurance amount so as to take into account the amendments made by this section and shall pay to such individual in a lump sum the amount specified in subparagraph (B).

(B)(i) Except as provided in clause (ii), the amount specified in this subparagraph is any additional amount to which such individual is entitled (for the period beginning with the first month for which such individual was entitled to such benefits and ending with the month preceding the first month with respect to which recomputation under subparagraph (A) is effective) by reason of such amendments.

(ii)(I) In the case of a primary insurance amount applicable to monthly insurance benefits payable for months before January 1990, the total amount payable to any individual under subparagraph (A) on the basis of such primary insurance amount is $1,000.

(II) If the amount payable under subparagraph (A) on the basis of such primary insurance amount would (except for subclause (I)) exceed $1,000, any individual receiving monthly insurance benefits on the basis of such amount shall receive such benefits in the same proportion as the benefits would be received in January 1990 (except that no such individual shall receive less than $300).

(C) In the case of any individual who—

(i) is entitled on the date of enactment of this Act to monthly insurance benefits under title II of the Social Security Act,

(ii) dies after such date and before the date on which payment is made under subparagraph (A), and

(iii) is an individual with respect to whom monthly insurance benefits under title II of the Social Security Act are payable on the basis of such individual's primary insurance amount;

the amount payable to such individual under paragraph (A) shall be paid (on an equal basis) to individuals who (for any month beginning with the month of entitlement and ending with the month such individual dies) are entitled or eligible to receive such benefits on the basis of the deceased individual's primary insurance amount. If there is no individual for whom payment can be made under the preceding sentence, a lump sum not to exceed $300 may be paid (in accordance with this title) to cover the funeral expenses of such deceased individual.

INTRODUCTION OF EMERGENCY CHINESE ADJUSTMENT OF STATUS FACILITATION ACT OF 1989

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, today I am introducing a bill to protect Chinese students from being forced to leave the United States. This measure, the Emergency Chinese Visa Adjustment Act of 1989, will enable Chinese nationals to remain here without jeopardizing their eligibility for permanent resident status.

News reports have stated that Chinese officials in the United States are keeping black lists of Chinese students in the United States involved in peaceful protests against the violence in China. Given these circumstances, it is not the time to reduce options for Chinese students in America. We must protect these Chinese nationals from retribution in the future.

On June 6, the Attorney General authorized the Extended Deferred Departure [EDD] Program, which allows Chinese nationals to stay in the United States until June 5, 1990. However, acceptance of EDD status makes individuals, even those who are otherwise eligible, ineligible for visa adjustment or application for permanent resident status. My bill would clarify the "automatic 1-year extension" authorized by EDD, and provide a blanket waiver of the J-1 visa's 2-year return residence requirement for Chinese nationals.

Mr. Speaker, if one lone student can stand up against a tank, then we should be able to stand up against a bureaucracy.

I urge my colleagues on both sides of the aisle to join me as a cosponsor of this important legislation.

Mr. Speaker, a copy of the bill follows:

H.R. 2712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Chinese Adjustment of Status Facilitation Act of 1989".

SEC. 2. WAIVER OF 2-YEAR FOREIGN RESIDENCE REQUIREMENT FOR CHINESE "J" NONIMMIGRANTS IN THE UNITED STATES.

The 2-year home country residency and physical presence period requirement under section 212(e) of the Immigration and Nationality Act (8 U.S.C. 1182(e)) shall not apply in the case of any national of the People's Republic of China who is present in the United States on the date of the enactment of this Act and who would otherwise be subject to that 2-year home residence requirement because of having had the status of a nonimmigrant described in section 101(a)(15)(J) of such Act (8 U.S.C. 1101(a)(15)(J)).

SEC. 3. CONTINUATION OF LEGAL STATUS FOR PURPOSES OF ADJUSTMENT OR CHANGE OF STATUS OF CHINESE NATIONALS WHO ARE NONIMMIGRANTS IN THE UNITED STATES.

For purposes of adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1225) and change of status under section 248 of such Act (8 U.S.C. 1228) in the case of an alien who is a national of the People's Republic of China and who, as of June 5, 1989, was present in the United States in the lawful status of a nonimmigrant, such an alien shall be considered as having continued to maintain lawful status as such a nonimmigrant (and to have maintained continuously a lawful status) on and after such date during any continuous period in which nationals of the People's Republic of China are granted deferral of departure by the Attorney General.

WHAT IS HAPPENING TO THE CULTURE OF THIS COUNTRY?

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, what in heaven's name is happening to our popular culture? The American flag is laid on the floor of a Chicago museum and people encouraged to walk on it. The crucifix of Christ with a corpus on it is put in a jar that the so-called artist urinates into. It is then photographed and subsidized with funds from the National Endowment for the Arts. Today the Supreme Court, in a tight 5 to 4 decision, says that one can burn the American flag as a statement of free speech, but if it starts a riot, then the person responsible can be arrested. And then we have Robert Mapplethorp's homoerotic exhibit, or more accurately "glossy pornography," that was almost shown at the Corcoran Gallery.

Here is another one.

Mr. Speaker, do you remember the movie "Miracle on 34th Street?" A lawyer tries to prove that his client, Kris Kringle, is really Santa Claus.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Against all odds, he wins the case after the Post Office delivers to his client thousands of letters addressed to "Santa Claus." The judge, citing the wisdom of the Postal Service as a Federal entity, states that if the Post Office recognizes Kris Kringle as Santa Claus, then the State of New York is not going to argue.

Times sure have changed, and with it what passes for wisdom at the U.S. Postal Service.

On Saturday, June 24, postal patrons in New York City will be able to go to the corner of West Fourth and Christopher Streets and have stamps canceled with a pictorial commemorating a riot and something called lesbian and gay pride. I suppose that is better than "I'm a pervert and proud of it."

At the request of the Gay & Lesbian Alliance Against Defamation, Inc., the Postal Service has agreed to offer at a temporary station a pictorial cancellation that will read: "Stonewall Station, 20 Years, 1969-1989, Lesbian and Gay Pride."

For those of you who don't know, Stonewall Station is named for the Stonewall Inn, a homosexual bar in Greenwich Village. In June of 1969, the Stonewall Inn was raided by the New York City police, sparking street riots. This incident has been cited as the beginning of the homosexual rights movement.

The Postal Service has tried to downplay the significance of this decision. They say it was made locally and point out that the cancellation will be available on a request only basis. And after all, according to the Postmaster General, Tony Frank, the pictorial does reflect the "interests and attitudes of those in the area." This criteria would make for other interesting pictorial cancellations, including perhaps one for drug infested areas featuring a syringe and the slogan "20 Years of Getting High."

Interests and attitudes? In this case the interest is in sodomy and the attitude is that sodomy is OK. I hope the Postal Services realizes that sodomy is still illegal in most States, indeed, the Supreme Court has ruled that State laws against sodomy are perfectly constitutional.

I think American taxpayers will be outraged to learn that their tax dollars will be used to set up a temporary postal station for the express purpose of glorifying and legitimizing the homosexual lifestyle, especially coming on the heels of revelations that $30,000 of their money was used to subsidize an art exhibit featuring so-called homo-erotic photographs, what the rest of us would call pornography, slick and glossy, but still pornography.

The Postmaster General assures me that his lawyers have determined the request falls within the regulations. I have my serious doubts. The regulations state that, "Pictorial cancellations which endorse the ideals, policies, programs, products, campaigns, or candidates of religious, antireligious, commercial, political, fraternal, trade, labor, public-interest, or special-interest organizations will not be approved." Also subject to disapproval are "symbols, or illustrations referring to ideals, policies, products, campaigns, or candidates."

Clearly the approved pictorial cancellation will endorse the ideals of the Gay and Lesbian Alliance Against Defamation, Inc., which by almost any definition is a public-interest or special-interest organization, indeed, I suppose a case could be made that it is antireligious as well. Moreover, the alliance's logo will appear on the pictorial, which is a symbol referring to an ideal, and is thus subject to disapproval. This should give the Postal Service grounds for reversing the decision made by some local official in New York and reverse this decision. If the taxpayer funded U.S. Postal Service will not reverse this squandering of money, then I will introduce legislation to change the regulations to ensure that this type of situation does not arise ever again.

The Federal Government has an obligation to the taxpayer to see to it that their hard-earned money is not wasted on promoting ideas that the vast majority of people find offensive, if not downright immoral and destructive to society, whether it be a homoerotic art exhibit or a Post Office pictorial cancellation. As a public institution, the Postal Service should show some appreciation for the sensibilities of those it serves. It should not help sanction the homosexual movement or the riot that spawned its current activism.

Don't get me wrong. The U.S. Postal Service is a fine organization. It has done a heroic job in arresting child pornographers who use the mails to pollute our culture and corrupt our children. But on this issue the Postmaster General has not sufficiently thought through the moral aspects of his action. I therefore ask him to please reconsider the obvious consequences of going through with this decision.

The Postal Service should close the Stonewall Station before it even opens. I have a feeling Kris Kringle would agree.

□ 1710

WHAT REALLY HAPPENED IN NAMIBIA?

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, at first glance, the news that came out of Namibia the first days of April defied belief. Just as the international plan for independence began to take effect, the wire services brought news of the infiltration of large numbers of South West Africa People's Organization [SWAPO] guerrillas along the border with Angola. These reports inevitably were followed by rumors of swift and brutal retribution by South African forces. Overnight, the Angola-Namibia border that had been relatively peaceful since last summer erupted in violence.

Since that date, Mr. Speaker, this Member has been attempting to learn the facts while using strictly unclassified resources and information. Here is what can be reported.

This body closely monitored the negotiations that accord on peace for Namibia and Angola. And this body has a responsibility to learn how the carefully crafted package on self-determination for Namibia could come so close to unraveling. If the violence was perpetrated by South African agents, then they should rightfully be condemned for interference in the U.N.-sponsored independence timetable. But if South Africa was not responsible, then that too, should be revealed.

The transition to independence in Namibia has been a long time in coming. U.N. Resolution 435 and the Geneva protocol of last August finally began the movement toward self-determination and free elections. Building from this base, a tripartite peace treaty between South Africa, Angola, and Cuba was signed on December 22, 1988. Mediated by the United States, this treaty establishes a framework for Namibian peace, as well as for the eventual withdrawal of all Cuban troops from Angola.

Within this framework SWAPO had agreed to remain well within Angola, almost 100 miles from the Namibian border. But on April 1, 1989, the first official day of the Namibia's transition to independence, it became clear that things were not going according to plan. In the midst of celebration, hundreds of SWAPO guerrillas began crossing the border from Angola, heading for the towns and villages of Ovamboland that form SWAPO's power base in Namibia. Within 3 days their numbers had grown to 1,200 to 1,600. Moreover, these troops were heavily armed, carrying modern machine guns, rocket-propelled grenades, and Soviet-manufactured anti-aircraft missiles. It is by no means clear that the invaders sought battle, but whatever was on the mind of SWAPO's leader Sam Nujoma, it was not to allow tired refugees to visit home.

The sudden influx of armed guerrillas caught the U.N. forces unprepared, with only a small portion of the agreed peacekeeping force in place. The U.N. originally had planned to station 7,500 troops in Namibia to

monitor the transition, but this had been cut to 4,650 for budgetary reasons. Yet, when the fighting began, scarcely 100 U.N. soldiers were in place. Clearly, the U.N. representatives monitoring the independence process had expected Mr. Nujoma to honor his pledge to keep SWAPO troops above the 16th parallel. Faced with the sudden influx of heavily armed guerrillas, the peacekeeping force proved helpless.

Unable to contain the violence and uncertain of SWAPO's objectives, the U.N. Secretary-General went to South Africa for assistance. The U.N. was not comfortable in this decision, but in the final analysis it had no other choice. Namibia had been invaded, the peace process was at risk, and only South Africa had the military forces capable of turning back the SWAPO incursion. As a result, several crack counterguerrilla battalions were authorized to temporarily leave their garrisons and break up the SWAPO forces. In addition, units of South Africa's Namibian Army, the South West Africa Territorial Force, were permitted to leave their camps. Under the peace plan, these units had been due to be disbanded, but SWAPO's actions gave them a new lease on life.

The results, Mr. Speaker, were predictable. The South African troops released by the U.N. Secretary-General were well-armed professionals, specifically trained to combat SWAPO. In a series of swift, one-sided engagements, almost 300 of the guerrillas were killed. The rebel forces broke into small groups and tried to escape to the relative safety of Angola. The South African and Territorial forces gave chase, picking up suspected guerrillas and rebel sympathizers along the way.

It was only after the fighting had subsided that the U.N. representatives were able to reassert themselves. The U.N. peacekeepers were able to arrange safe passage back to Angola for some of the SWAPO troops who had surrendered. And, as additional U.N. forces reached the region, the South Africans were returned to their bases.

Did South Africa use more force than necessary in responding to the infiltration? Undoubtedly, the answer is yes. Reports from eye witnesses indicate that the South African forces showed little mercy on the guerrillas, and that interrogation of the local citizenry was at times quite brutal.

But focusing on the excesses of South Africa overlooks the crucial questions: Why did Sam Nujoma order his heavily armed forces to conduct this massive incursion into Namibia in the first place? What prompted the SWAPO leadership to disregard the U.N. Resolution 435 and the Geneva protocol? Why was it necessary to send troops carrying grenade launchers and anti-aircraft missiles into Namibia during the first week of the new peace? All SWAPO had to do was wait until the upcoming November elections, yet it violated the peace agreement and suffered severe losses as a result. Why should Nujoma act in a fashion that snatched defeat from the jaws of victory?

The best information available seems to suggest that the SWAPO leadership hoped to set up permanent bases in Namibia before the peace went into effect. Once established, they might have been able to place themselves under the protection of the United Nations. From such bases SWAPO would have been able to exert a much greater influence over the upcoming elections, and would have ensured Nujoma's image as a military hero.

Whatever its intent, it is clear SWAPO did not expect the reception that it received. SWAPO's crossing into Angola in violation of the treaty was, as one U.N. official stated, "either a colossal bungle or one of the most callous orders ever issued in guerrilla warfare. They blindly walked into a turkey shoot thinking we U.N. troops were going to be there to take care of them."

Since Nujoma isn't explaining his motives, the true cause of the recent fighting may remain a secret. Ultimately, however, all involved were losers. The SWAPO leadership has been shown to have a disturbing contempt for its international commitments, and a lethal disregard for the soldiers who serve that cause. South Africa was drawn back into a conflict from which it had all but disengaged. The U.N. peacekeeping force, flushed with the recent Nobel Peace Prize, has demonstrated that its moral authority is in fact quite limited.

Most serious, however, is the fact that the Namibian peace process has been placed in jeopardy. The parties distrust each other more than ever, and that makes a lasting solution to Namibia even more difficult to attain. For that, SWAPO rightly deserves to be condemned.

Mr. Speaker, if the United States is to exert a positive influence in Namibia, it must insist that all parties to the peace accord rigidly adhere to their commitments. If this body is to continue to act as a force for peace, it should not ignore or apologize for SWAPO's misbehavior. Were this body to romanticize SWAPO and ignore its misdeeds, it would be encouraging a repetition of the bloody days of April.

Mr. Speaker, I am inserting into the RECORD a news analysis by William Claiborne of the Washington Post entitled "SWAPO Incursion Into Namibia Seen as Major Blunder by Nujoma." Mr. Claiborne reviews the events surrounding the SWAPO incursion, and provides illuminating insights into the Namibia peace process. This Member would commend it to his colleagues.

SWAPO INCURSION INTO NAMIBIA SEEN AS MAJOR BLUNDER BY NUJOMA

(By William Claiborne)

WINDHOEK, NAMIBIA, April 6—A week ago, skeptics were wondering what treachery South Africa would employ to renege on its promise to end 74 years of control of mineral-rich South-West Africa now that Cuban troops have begun withdrawing from Angola.

Sam Nujoma, leader of the South West Africa People's Organization (SWAPO), was poised to return to Namibia—as it is now known—as a liberation hero after 30 years in exile and lead his party to victory in independence elections on Nov. 1.

The U.N. peace-keeping force was basking in the glow of a Nobel Peace Prize, busy with the bureaucratic details of setting up an infrastructure for monitoring free and fair elections in Namibia in what will be the largest peace-keeping task in U.N. history.

Today, not even a week after the much-heralded start-up of the process of making "Africa's last colony" independent, the major players in the historic drama have had their world turned upside down.

The South Africans, stung by a massive cross-border incursion by 1,200 heavily armed SWAPO guerrillas in the early morning hours last Saturday, are viewed in much of the world as an aggrieved party, boisterously shouting "foul" but nonetheless showing some restraint in the face of a flagrant violation of the Dec. 22 regional peace agreement that it signed at considerable strategic and political risk.

Nujoma has been widely criticized as snatching defeat from the jaws of victory and imperiling a U.S.-brokered peace agreement that took eight years to hammer out with unprecedented mutual cooperation by the superpowers. The U.S. State Department has accused SWAPO of a "clear violation" of the agreement.

In 1973, the U.N. General Assembly recognized Nujoma's movement as "the sole and authentic representatives of the Namibian people." Now it is being asked whether he can survive the blunder of launching a military invasion just six weeks before he and his guerrillas could have legally walked across the border and won almost certain political victory at the ballot box.

Assessments by diplomats and U.N. officials accuse Nujoma of an appalling ignorance of the provisions of the treaty that was supposed to have set his homeland free and of making a tactical miscalculation unparalleled in liberation politics.

The events of the past week have also not been kind to the blue-bereted U.N. peace keepers, who have been ridiculed as ineffective in the face of the unexpected SWAPO onslaught and whose administrators have been accused of being unprepared.

But with only about 120 troops so far to monitor more than 185 miles of bush country along the Angolan border, the tiny vanguard of the U.N. Transition Assistance Group could hardly be expected, analysts say, to monitor much more than the South African army bases in which they are billeted.

Because of budget haggling in the U.N. Security Council, the peace-keeping force's funding was trimmed from $700 million to $416 million, and its troop strength from 7,500 to 4,650. More importantly, its lead time for setting up an operation here was cut from six weeks to a month.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Like others, the U.N. force was caught unaware by the SWAPO incursion, and its inadequate force—just 15 percent of the intended troop strength—is bearing the brunt of the recriminations over how the incursion was handled.

Namibians see smartly dressed U.N. soldiers from Denmark and Finland shopping for African curios along Windhoek's Kaiser Street or drinking beer in the hotel bars and wonder why they are not up north, stopping the fighting that already has claimed more than 230 lives.

At the main entrance to the territorial army base at Oshakati, 30 miles south of the Angolan border, a Pakistani U.N. officer occasionally interrupts the thriller novel he is reading to jot down the registration numbers of passing cars. Observers question why he has not been deployed to monitor the search-and-destroy missions of the feared counterinsurgency policemen.

The police and their army backup have been accused by human rights monitoring groups of waging a take-no-prisoners pogrom against fleeing SWAPO guerrilla squads and of indiscriminately firing into villages and wounding numerous civilians.

But it is SWAPO and Nujoma whose images stand to suffer most after the cross-border incursion on the morning of what was supposed to be a historic day in the annals of African decolonization.

Nujoma is an enigma to many observers of African politics, and his motives for first ordering and now defending the incursion continue to baffle the people who negotiated the agreement that was virtually certain to have made him president of independent Namibia.

The SWAPO leader insists that his guerrillas were already inside Namibia before Saturday and that he merely ordered them to assemble in makeshift bases and await the protection of the U.N. peace keepers. Since he was not a signatory to the Dec. 22 agreement and since the accord makes no specific provision for SWAPO guerrillas inside the territory on April 1, he was within his rights to issue the orders, Nujoma says.

But U.N. Secretary General Javier Perez de Cuellar, in a closed-door report to the Security Council on Monday, said there was a SWAPO infiltration of the border, even though it may not have had an "offensive intent." This view was reinforced by SWAPO guerrillas captured in the first day of fighting and interviewed by U.N. officials, Namibian church leaders and journalists.

The guerrillas said they were ordered to cross the border with their weapons—AK-47 assault rifles, mortars, machine guns, rocket-propelled grenades and Soviet-made, shoulder-launched antiaircraft missiles—and establish bases under the protection of the U.N. force.

Their leaders apparently did not tell them that the U.N. peace-keeping force in the border area was virtually nonexistent, that their incursion was likely to be viewed as a hostile act by the South African-led troops and that under the Dec. 22 peace accord, they were supposed to be moving north to SWAPO bases above the 16th Parallel in Angola, up to 200 miles from the Namibian border.

"It was either a colossal bungle or one of the most callous orders ever issued in guerrilla warfare. They blindly walked into a turkey shoot thinking we were going to be there to take care of them," one U.N. official said.

Even more surprising, U.N. observers said, is the fact that instead of slipping across the border in groups of four or five, thereby frustrating tracking efforts of the South African security forces, the guerrillas made themselves easy targets by going across in groups of 50 or more.

Nujoma's goal, according to diplomats who know him well, is to establish a SWAPO military presence in Namibia before the election process gets under way to buttress his movement's claim of responsibility for achieving independence and polishing his own image as a military hero.

The challenge to the peace makers now, U.N. officials who are involved in cease-fire negotiations said, is to persuade Nujoma that he should abandon such dreams, while still giving him a face-saving concession.

The concession, U.N. officials said, could be a surrender of SWAPO forces in Namibia to hastily flown-in U.N. units and internment of the guerrillas in U.N.-supervised camps until repatriation of exiled Namibian refugees begins in mid-May.

Meanwhile, an emergency meeting was set for this weekend to seek an end to the border fighting as the death toll rose to at least 210 guerrillas and 24 security force members. Senior diplomats from the United States, the Soviet Union, Cuba, Angola and South Africa are to take part, with Chester A. Crocker, outgoing assistant secretary of state for African affairs, heading the U.S. delgation, diplomatic sources said.

The sources noted, however, that leaders of SWAPO's military wing will not be present and that any decisions would have to be approved by Nujoma.

□ 1720

COMMEMORATING THE DATE OF THE DEATHS OF THREE VOLUNTEERS WHICH FOCUSED LIGHT ON THE CIVIL RIGHTS STRUGGLE

The SPEAKER pro tempore. Under a previous order of the House the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, I am very pleased to be a cosponsor of House Concurrent Resolution 141 to designate June 21, 1989, as "James Chaney, Andrew Goodman, and Michael Schwerner Day." Twenty-five years ago today, Chaney, Goodman, and Schwerner were slain in Philadelphia, MS as they participated in the Freedom Summer of 1964. These brave young men were among the thousands of volunteers who had gone to the South that summer to help in voting and human rights struggles. On June 21, 1964, the three men left to inspect a church that had been burned by the Ku Klux Klan. Forty-four days later, their bodies were discovered in an earthen dam. They had been shot to death.

The brutal murders of these three compassionate and committed volunteers stunned this country and drew national attention to the struggle for civil rights. Their murders demonstrated anew the lethal potential of racism and helped to spark the movement which led to the passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

Mr. Speaker, Chaney, Goodman, and Schwerner Day will commemorate the sacrifices that these men made to the civil rights movement a quarter of a century ago and will bring into the consciousness of the country the need for a continuing commitment to civil rights. In the name of justice for which they died, I urge my colleagues to continue perpetuating the work of James Chaney, Andrew Goodman, and Michael Schwerner by striving to pursue equality for all, regardless of race, religion, or sex.

Mr. RANGEL. Mr. Speaker, I rise today to join my colleagues in remembering that fateful day 25 years ago that stands out as one of the blotches on this country's history. On June 21, 1964, three young, idealistic civil rights workers were brutally murdered and their bodies buried in a levee. It took 6 weeks to discover the place where the bodies had been buried. The three martyrs were Mickey Schwerner, Andrew Goodman, and James E. Chaney. They were cut down in the prime of their lives while trying to register Mississippi blacks to vote and helping to lead the fight for equal opportunity.

We should take this occasion to educate the youth of today and to reeducate the older of us who may have become complacent and who may have forgotten about the others who gave their lives for the struggle. We need to rededicate ourselves to human rights, civil rights, and equal opportunity for all citizens.

It is ironic that this anniversary is commemorated at a time when we have seen several recent Supreme Court decisions that undercut many of the affirmative action programs that were an offshoot of the civil rights struggle of the 1960's. Like the Supreme Court decisions, other events are occurring that attempt to turn back the hands on the civil rights clock. These events teach us that we must be ever vigilant because we cannot rely on past victories to be sustained without continued struggle. We cannot let the deaths of Chaney, Goodman, and Schwerner be in vain. Unlike these young men, racial hatred and prejudice are not dead. It may not be as blatant and as open as it was in 1964 and prior but it is nonetheless still an insidious part of our society.

EXPENDITURE TARGETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. TOWNS] is recognized for 5 minutes.

Mr. TOWNS. Mr. Speaker, I would be the first to admit that the Federal deficit is still a problem. However, I do not believe that we can or should balance the budget on the backs of America's elderly by restricting health care. There is no question about it; expenditure targets, while designed to reduce health care costs, will actually result in a reduction in the quality of health care for our seniors. The elimination of unnecessary services will only force a physician to limit, restrict, or postpone access to services.

Are you willing to sanction a policy which will mean that your elderly constituents must struggle along with that bad hip or cloudy vision? Are you willing to tell them to use a cane or a wheelchair until Congress can get its priorities straight? Well, I am not. I am not willing to tell my seniors to "suffer a little bit longer" so that we can pretend to reduce the deficit. Expenditure targets are not the answer for our seniors or for our budget deficit.

INTRODUCTION OF H.R. 2697, SPECIAL TREATMENT OF INTEREST ON CERTAIN FOREIGN LOANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 5 mintues.

Mr. ROSTENKOWSKI. Mr. Speaker, today I am introducing H.R. 2697, a bill to repeal the special treatment of interest on certain foreign loans included in the Tax Reform Act of 1986 to facilitate the Baker plan relating to Third World debt.

The Tax Reform Act of 1986 established a new separate basket for high withholding tax interest within the foreign tax credit system so that the foreign taxes on high withholding tax interest cannot be used to offset U.S. tax on other types of foreign passive income that typically are taxed at a low rate by foreign governments. Section 1201(e)(2) of the 1986 act provided a transitional rule which stated that the new separate basket would not apply to interest received or accrued after 1986 and prior to 1990 on qualified pre-1990 loans, and for the 5-year period beginning after 1989, the new rule would be phased in at a rate of 20 percent per year. Qualified loans are those made by a taxpayer to any of the so-called Baker 33 countries.

This transitional rule was included in the 1986 act in order to facilitate the success of the Baker plan, which was announced in October 1985 by then Secretary of Treasury, James Baker. The Baker plan promised new loans from commercial banks and the multilateral development banks to debtor nations if they implemented economic reforms, and thus grew their way out of their problems. This plan, however, did not stop the accumulation of debt or the net outflow of financial resources from the debtor countries, nor were the commercial bank and multilateral bank funds produced in the amounts contemplated.

On March 10, 1989, Secretary of the Treasury Nicholas Brady announced a new plan to address the growing international debt crisis of some $340 billion owed by developing countries to commercial creditors. The Brady plan is designed to induce the commercial banks to voluntarily forgive some loans to the less developed countries in return for guarantees through international funding agencies that the reduced debts will be paid and paid on time. The guarantees are to be provided by the International Monetary Fund and the World Bank by means of set-aside pools of cash. To qualify for participation in the Brady plan, the debtor nations would be expected to implement further economic reforms that will lead them to greater and more rational economic growth.

The Brady plan requires no direct congressional authorization or appropriation. The International Monetary Fund and the World Bank have both recently indicated that they will take action to support implementation of the Brady plan.

We have been looking for a way to solve the international debt problem for years. In the inflationary environment of the 1970's many developing countries borrowed heavily to finance oil imports and economic development. In 1982, many developing countries found themselves unable to service their debt, while economic conditions in those countries have deteriorated. The U.S. trade deficit has been severely affected by the international debt problem, and U.S. commercial banks have remained at risk for enormous outstanding loans.

The lending policies of the commercial banks in the 1970's certainly contributed to this crisis. At the same time, some of the fears present when the Baker plan was formulated no longer seem so pressing. All of the major lending banks posted strong profits in 1988, and the risk of insolvency should significant losses on the loans be realized now seems unlikely.

Since announcement of the Brady plan earlier this year, talks between the banks and debtor nations seem to have slowed with the idea that delaying negotiations will somehow induce governments to increase their contribution to resolving the debt problem. This policy is undermining the administration's new strategy for attacking this crisis in an effective and expeditious manner.

The favorable treatment accorded this existing international debt by the transitional rule in the 1986 act discourages the commercial banks from abandoning their old strategy for repayment of the debt and cooperating with Secretary Brady's new plan. Therefore, it is appropriate to terminate the transitional rule which only serves to encourage the banks to continue lending rather than to reduce bank debt and interest payments.

The administration has adopted a bold and ambitious plan to address this serious international debt issue. By introducing this legislation today, I am proposing repeal of the special transition rule contained in the 1986 act which was designed to facilitate the Baker plan—a plan that has been replaced by the Brady plan as the official policy of the new administration. I strongly believe that Congress should do all that it can to support the administration's policy which offers hope for economic revival among debtor countries.

I submit a copy of H.R. 2697 to be printed in the RECORD.

H.R. 2697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF SPECIAL TREATMENT OF INTEREST ON CERTAIN FOREIGN LOANS.

(a) GENERAL RULE.—Paragraph (2) of section 1201(e) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Mrs. KENNELLY] is recognized for 5 minutes.

Mrs. KENNELLY. Mr. Speaker, I regret that I inadvertently failed to record my vote on final passage of H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act. Had I been recorded, I would have voted nay.

THE SAME OLD STORY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, when Congress passed the trade bill, there was optimism there would be a new day in our trade relations with Japan. At least some of my colleagues in Congress felt progress was being made.

Recent newspaper stories echoed that feeling, but it appears we are hearing the same old story with the reactions to the announcement earlier this spring of the unfair trader list under the super 301 provisions of the 1988 Trade Act.

The same old patterns of behavior by the United States and Japan are being repeated as they have been in the past. It is the same old story.

Our U.S. Trade Representative, Carla Hills, has been doing an admirable job—but how the talks about their standing on the unfair trader list are handled is important.

Any talks with the Japanese about their status on the list must be under the super 301 provisions should be for the record.

According to the Wall Street Journal story on May 31, Ambassador Hill stated after lunch with the Japanese that "it would be 'irrelevant' to announce publicly whether talks are occuring under section 301 of the trade law."

The reason for the statement according to the article is to allow the Japanese to save face. What about our American companies and the American people?

We are all too familiar with the Japanese secret agreements and side letters of agreements.

My friend Clyde Prestowitz wrote an article recently in the New York Times, pointing out that side letters of agreement are not worth the paper they are printed on—because they are unpublished and we cannot hold the country accountable for their actions.

These proposed talks are no different. They must be for the record—and U.S. Trade Representative, Mrs. Hill, should understand that. They must be held accountable for their actions and agreements.

Japan is courted as our ally and the holder of our debt—but this does not mean we should have a double standard for them in upholding our law. They fully earned the right to be listed under the super 301 provisions.

Ambassador Hill pointed out that Japan had opened up its beef market and its citrus market.

Sure they opened up the beef market by first buying processing plants and ranches in the United States before they signed the much heralded beef agreement.

They point to that agreement as evidence of their intention to be a fair-trading partner. That agreement was signed for American beef—not for Japanese beef sold into the Japanese market.

They have also been purchasing citrus groves so they can sell into the Japanese market.

Some people may say this is just business. But I was under the impression that we served in Congress to represent our constituents and the government exists for the American people and to govern this country.

The perversion of the intention of the beef agreement by setting themselves up in business before signing the agreement makes a travesty of why it was signed—or a travesty on the side letters on the semiconductor agreement which they did not honor.

Is this their true color—is this why they do not want talks on the record under the super 301 provisions?

An article in Time magazine suggested our trade problems were all centered around Motorola not getting clearances for their cellular telephones in Tokyo.

The reporter, Mr. Rheingold, who has spent many years in Japan and is a, quote, "Japanese expert," stated the Japanese felt the greivance over Motorola and the phones was too small to justify the hubbub surrounding it.

Let me repeat—our trading problems are not centered on whether or not Motorola has cellular phones in Tokyo.

I do, however, believe it is important that they be allowed to compete. What better way for Japan to show their intentions and true colors?

He also explained that Japan is opening up its markets and they are trying to play fair. One of the evidences to support that statement was the fact that IBM, the "biggest United States business in Japan, posted sales of $9.3 billion there last year, up 12 percent over fiscal 1987."

It happens that IBM has been in Japan since, or before, World War II. They have signed an agreement with MITI so the Japanese have access to their patents, and IBM has access to the Japanese patents. To obtain their market share, IBM went on a crash program and sent 500 people to Japan to really push for business. All this effort—for the giant in the world—has gotten IBM just 1 percent of the Japanese market.

They did increase their sales—but their market share is still miniscule.

There was something in Mr. Rheingold's article in the June 5 Time magazine that intrigued me. In discussing our trade problem he stated:

> A fundamental problem in United States-Japanese relations is that the two countries have different concepts of how an economy should work. Americans and Europeans continually tell Tokyo that they want fair trade, which at its simplest means equal access to the market.
>
> The notion carries moral overtones that do not necessarily jibe with the Japanese view of the world. Kyoto University history professor Yuji Aida recently wrote that "the American predisposition to view things in simplistic black-and-white terms is antithetical to our mind-set."
>
> Whereas the United States was founded by a people convinced of a single, revealed truth, Japan's long history has taught us that in the realm of human behavior there is no absolute right or wrong.

By a single revealed truth, I assume he is referring to our Judeo-Christian heritage. Well, we do have a sense of right and wrong. It was not living up to their business agreements that earned Japan the right to be listed on the unfair trader list—which to us does mean there is a sense of right and wrong—and not just business as usual.

They are having a hard time of convincing the American people otherwise. Time also reported a poll that nearly 6 out of 10 Americans believe that Japan is unfairly restricting the sale of United States products in Japan.

Proof of their restrictions in business dealings was recently brought home to T. Boone Pickens, that Texan who has become a legend in his operations—and who recently has been on television in Texas talking about the threat Japan poses to the United States.

What Mr. Pickens discovered in becoming the largest single stockholder of a Japanese auto parts manufacturer is that the Japanese play by their own rules.

They want to play by their rules in Japan and by Japanese rules in the United States—and we are supposed to understand that.

He found out that Japanese companies own each other for a purpose—and that is to do business.

Before reading his article from the Sunday Washington Post—I want to point out that this behavior toward him—or any other foreign businessman—is discussed in detail in Marvin Wolf's book "The Japanese Conspiracy." Mr. Wolf explained the coordination of government and business to attain an industrial strategy, and I have read sections of his book on this floor in an effort to alert my colleagues and Americans of what is happening to their industry.

The article by Mr. Pickens in the Post reads as follows:

[From the Washington Post, June 4, 1989]

T. BOONE TAKES ON TOKYO—HOW A CORPORATE DEALMAKER LEARNED THAT JAPAN DOESN'T PLAY BY TEXAS RULES

(By T. Boone Pickens)

Maybe I should have been worried when I got off the bullet train in Tokyo on April 16 and picked up a newspaper. I was amazed to read that the Japanese press was comparing my recent investment in a Japanese manufacturing firm and my trip to Japan with the historic "Black Ships in the Harbor" visit by another American, Commodore Matthew Perry, in 1853. Perry's visit forced Japan's economy to open to the outside world.

I'm not trying to sell the idea that T. Boone Pickens was so naive as not to have considered cultural and symbolic issues before acquiring, in March of this year, almost a billion dollars' worth of stock in Koito Manufacturing Co., a Japanese supplier of automobile lighting. Still, I had observed how over the past decade the Japanese, with relative ease, invested billions of dollars in the American economy, and I took it almost for granted that our investment in Japan would be received similarly.

After all, I have been giving speeches since the early 1980s about the emerging global economy and the opportunities it would offer for U.S. as well as foreign investors. I can hear myself now. I would say that American executives should quit whining for protection and get back to the workbench and compete. I said I was skeptical about claims that countries like Japan played by two sets of rules, one for their home companies and another for ours. I said that with the right corporate leadership, all you would have to do is show us the court, tell us the rules, and Americans could win most of the time.

It was always a popular speech. I gave it, for example, to a middle management seminar at Harvard in 1986. There were about 30 managers from Japanese companies in the class. They grinned broadly throughout the speech and came up to me afterward to register their complete agreement. I think I understand better now what it was they were smiling about. The reason for my new understanding is this: When I visited Japan back in April, I got a first-hand introduction to what it is like to do business—wait a minute—to *try* to do business in Japan.

After my unexpected welcome in the press, my second tip-off to the fact that it wouldn't be business-as-usual came when I walked into a luncheon to deliver a speech to the American Chamber of Commerce at Tokyo's New Otani Hotel. The crowd was so large that they had to change rooms to accommodate it. I learned later from the Japanese press that the press conference that followed was the largest in Japanese business history.

What amazed me most, however, were the quizzical looks we received when my wife Bea accompanied me to the table from which my partner Sidney Tassin and I would answer the media's questions. It's well known that women are not included in Japanese business circles, but I didn't realize that a woman's presence in today's world would draw such attention. After all, it seemed natural that Bea would be by my side. She was there in 1976 when Mesa tested its discovery well of the coast of Scotland in the North Sea. She was there when I addressed Gulf Oil's shareholders in 1983. In fact, Bea has been at my side at every major juncture in my career since our marriage in 1972.

This reaction struck home not just because it ran contrary to American instincts, but because I was involved in one of the largest business transactions of my career. And I was quickly coming to realize that it involved conflicts of culture and custom the likes of which I had never experienced—and I have experienced some pretty good clashes of culture with entrenched management in this country.

Though shares in Japanese companies are ostensibly traded freely on world markets, a clubby system of interlocking ownership governed by an unwritten corporate code ensures that control of these companies will remain in Japanese hands. It also ensures that stocks on the Tokyo Stock Exchange trade at unusually high multiples of share price to earnings because only a small per-

centage of a company's shares actually trades freely.

In a typical Japanese public company, 60 to 80 percent of its shares are held by what is known as a kieretsu—a web of "stable" stockholders, most of whom either do business directly with the company or with one of the company's major holders. Koito is a classic case. Toyota Motor Corp. owns 19 percent of Koito's shares—and at the same time is Koito's largest customer, buying almost half of its products. Another 40 percent is held by Koito's other customers, banks, insurance companies and suppliers. These stockholders do not expect to make money through the stock, but through the business relationships that come with being a member of the club.

The opportunity to purchase a 20 percent interest in Koito was unique: It was the first time in history that a major block of shares in a Japanese company had become available to an outsider without the approval of the kieretsu. We purchased the stock from a Japanese investor who had accumulated it from various sources, including disgruntled members of Koito's founding family.

The press reports that the Japanese markets were "stunned" by our investment caught me by surprise. I saw it as an unusual, but fairly straightforward, transaction posing no threat to Koito management. Our intention was to obtain representation on the company's board and to play a constructive role in planning Koito's future, especially in expanding its customer and operating base in America and Europe. We had no thoughts of taking over the company—that would be impossible given the structure of Koito's ownership. Nor did we have any plans for accepting greenmail, despite rumors to the contrary. In an April 19 letter, we expressed all these assurances, and requested a meeting with Koito's management.

The first roadblock we came up to was Koito's concern about the completeness of our filings. We had consulted the Japanese Ministry of Finance and Ministry of International Trade and Industry on our transaction and had been assured that our filings were complete. Still, by March 31, the last day on which ownership entitled us to vote at the June stockholders meeting, Koito had not registered our stock. When we got to the bottom of the matter, it rested on Koito's complaint that we had failed to note that Koito did business with a "sensitive" national security-related industry because it produced interior lighting for aircraft. Sensitive? Maybe they don't realize that American planes have interior lights too.

By the time we left for Japan on April 15 for my speech to the Chamber of Commerce, Koito had still not registered our stock or agreed to a meeting. Finally, on the day of the speech, Koito—having failed to convince the Japanese government that our filings were incomplete or inaccurate—agreed to register the stock in the name of Boone Co., a private company through which the investment was made. After the press conference, our Japanese lawyer received word that Koito would meet with us.

The next morning we met with Takao Matsuura, Koito's president, and other Koito representatives. After exchanging pleasantries, and briefly discussing Koito's U.S. operations, Matsuura stated that he was glad to have this first meeting but he did not want to address any "difficult" questions. He explained that in Japan, a first meeting was often just an exchange of business cards. But, objected my partner, Sidney Tassin, we had come a long way, and none of our few questions seemed to us particularly difficult.

We asked for the date and time of Koito's annual shareholders meeting, and we asked to be allowed to send observers to their next board of directors meeting. Finally, we asked for representation on Koito's board of directors equal to that of their other large shareholder, Toyota which has three representatives.

With this last question Matsuura stiffened. The Koito managers did a lot of talking and exchanged disdainful looks. In the end, all we got was the date and time of the shareholders meeting—10 a.m. on June 29.

As to the other questions, we were told that we didn't understand Japan's prevailing custom and practice."In the future," said Matsuura, "we [Koito] would consider thinking about whether you [Boone Co. representatives] could be on the board. But we are not saying you could be."

To this I responded, "I am hearing that you do not consider us owners. That we have to work our way in. I understand your custom but not the logic."

Matsuura replied, "We have a different system. This will take time, trust must be built, logic is hard to explain * * *."

They asked that we send a formal letter requesting representation on the board for "full consideration." I was about to learn that the Japanese notion of trust isn't much like the one we know in Texas.

Finally, Matsuura asked that we not discuss with the press what went on in the meeting—that we honor the Japanese custom of portraying the first meeting as cordial and introductory. We were not trying to put Koito's management in an uncomfortable position, so we agreed; and when I was later met by the press, I honored Matsuura's request.

We went directly from the meeting to Tokyo's Narita airport for the 10-hour flight back home. Upon arriving in Texas, we learned that Koito had held a press conference shortly after our meeting to announce that we had requested board representation and that our request had been turned down. So much for the required portrayal of first meeting—or for giving our request "full consideration."

Nevertheless, we went ahead and sent a formal request on April 21. We also asked that four representatives of Boone Co., including an interpreter, be allowed to attend the June 29 shareholdings meeting. The first response we received was that Koito management was using its "best efforts" to accommodate the request—at the same time that Tokyo's financial press was reporting that our requests have been rejected. Then on May 23, we got a letter saying that it would be all right if I came to the stockholders meeting with an interpreter—but no one else!

I wonder what Matsuura meant by "building trust."

At the same time, Koito denied our request for representation on their board. Yet at the very same meeting where that decision was made, Koito directors voted to add a new director to represent Matsushita Corp., a Japanese company with only a 5 percent holding in Koito stock compared with Boone Co.'s 20.2 percent holding.

It's becoming very clear that Koito's management does not want me or any Boone Co. representatives on the inside. But why? We are requesting three seats, With Koito's 20-member board, we couldn't be a threat. What could we do to disrupt the company, and why would we want to? With a 20 percent investment, our interests are the same as all the shareholders and Koito's managers—to maximize Koito's potential.

Admittedly, I'm a four-day wonder on the subject of Japan (though negotiation of the purchase agreement did involve 10 lengthy meetings over four months), but I have come to the conclusion that investment between our two countries is not a two-way street. Every day we read about a Japanese company or investor making a major investment in American real estate or taking over an American corporation. I see that as healthy—but only if Americans have the same opportunities to invest with full rights in Japan. What makes this problems tough to deal with is that the most powerful impediments are not legal restrictions but silent barriers produced by nationalistic custom and practice.

As the world's second largest economy, Japan wants to live by a double standard. It wants open markets in which to sell and invest, but it doesn't want to provide the openness at home on which stable global trading relationships must depend in the long run. In fact, after getting a glimpse of their financial structure, I don't buy all the rhetoric about how the Japanese are long-term thinkers. Their policy of exclusion is the shortest of short-term strategies. If Japan expects to go into the next century with a closed system., it's not going to work—especially when the rest of the world is headed in another direction.

I am convinced that Japan will never be a meaningful market for our products, and our $55 billion trade imbalance will not be reduced, until its financial markets—along with its whole approach to trade—are restructured. That's why I was delighted to read the week before last that, in deciding to list Japan as an "unfair trader" under Sec. 301 of the Trade Act, President Bush has also proposed undertaking wide-ranging talks with Japan aimed at altering "structural impediments to trade." This means truly free markets where shares are not locked up to facilitate clubby economic relationships but are bought and sold freely based on an underlying system of risks and rewards.

We plan to do our part by pressing on until we receive full and equal treatment commensurate with Koito's Japanese shareholders. I am looking forward to attending Koito's annual shareholders meeting on June 29 with my interpreter to let me know what's going on. And, I expect that Bea will join me.

Mr. Speaker, I applaud Mr. Pickens and his efforts—and the other undaunted American businessmen like Robert Galvan, CEO of Motorola, who believe Americans should be given a fair shake.

Being given a fair shake does not include, as was reported in the May 30 issue of the Christian Science Monitor, Japan bargaining on 301, by discussing or telling Ambassador Hills how much we should save and invest.

Their internal distribution system is the problem in question—not our lifestyle.

If they would quit running the asking price up on property and companies, maybe we would invest more. In Hawaii they are driving Hawaiians out of home ownership. Home prices

have increased at least by 50 percent, and in many instances as much as 300 to 500 percent.

Home ownership is the principal source of capital generation for the U.S. middle class—a source that has been used to start many small businesses in America. And since small business generates 70 percent of the business in this county—it truly is the commerce of the United States. So home ownership is important to us.

The American people are a generous and compassionate people with a finely tuned sense of fair play—of right and wrong. Step over the line and there is a price to pay.

I believe Japan has repeatedly crossed that line in sidestepping their agreements and they certainly are stepping over the line if they start dictating our life style to us.

In our country—they must play by our rules. The American people will be waiting and watching to see what they do.

□ 1750

THE SOUTH HAS CHANGED CONSIDERABLY IN 25 YEARS

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Georgia [Mr. JONES] is recognized for 60 minutes.

Mr. JONES of Georgia. Mr. Speaker, it was the first day of summer—freedom summer. Has it been 25 years?—A quarter of a century? James Chaney was 21 years old. Andy Goodman, 21. Michael Schwerner was 24.

"Ask what you can do for your country," said a young President.

"I have a dream," said a young black minister.

The South, my South, was a different place then—it was a different time. Oh the pine trees were the same and the ageless live oaks and the canebrakes along the easy rivers were the same and the moonlight on the spanish moss and the magnolias were the same—all that is timeless.

But the soul of the South was different—the hearts of many were shackled by hate.

On June 21, 1964, James Chaney, Andy Goodman, and Michael Schwerner, three young idealistic Americans were exercising their rights under the Constitution of the United States—they died that day, brutally murdered in an act of blind prejudice and unspeakable cowardice.

It was a day of shame. But perhaps it was the beginning of a time of hope.

We deplore now as then this insane act of violence and all the cancerous hatred it stood for, but let us reflect further on those times and what has taken place in the years since.

In one generation, we have seen a major political and cultural revolution in the South and in the rest of America involving attitudes about race, brotherhood, and civil rights.

In the blink of time's eye, the old South of strict segregation and rigid intolerance has become the progressive sunbelt of limitless potential, making giant strides in development, industry, and education.

Those cultural historians who contend that white superiority was the controlling force defining southern culture for more than 200 years take a simplistic outlook, I believe.

There can be no doubt that endemic racism was deeply engrained in a way of life. But this social sickness victimized whites as much as blacks. Poor whites were slaves to those attitudes that kept blacks from equal opportunities in our society. And the demagogues kept power by playing race against race. It held us all down.

We were stunted and held back by the poison on bigotry. But we as a people have faced up to this evil and begun steps to overcome it. No, we are not there yet * * * but no longer does a black child face the indignity of seeing "white only" signs wherever he or she may turn. No longer are blacks humiliated by riding in the backs of buses. No longer are black citizens denied the right to vote, the right to an education.

This remarkable transition, this revolution, took place for the most part between the years of 1955 to 1965.

There was murder then. Goodman. Chaney. Schwerner. Mrs. Liuzzo. Medgar Evers * * * outrages against our society's basic sense of decency.

It is remarkable that such violence was not more common than it was. As a young man in the South at that time I knew that feelings were boiling, that the old ways would not go gently—you could see it in folk's eyes: people were on the violent edge.

Looking back, I believe that in those times, the South would have been subjected to unbelievable bloodshed had it not been for the courageous example set by men like the Rev. Martin Luther King, Jr. and my distinguished colleague JOHN LEWIS.

They knew the dangers they faced and they knew that violence could explode at any step of the way. But rather than confront force with force; they chose the non-violent path of passive resistance, practiced by Ghandi, taught by Jesus Christ.

It was a path that changed American history. One can only imagine how pleased Chaney, Goodman, and Schwerner would be if they could see the extraordinary changes that have taken place in the South in the past 25 years.

As we pause today to remember the sacrifice of three young men who were victims of the worst nature of the old South, I hope we will also note that there have always been those southerners, black and white, who knew that in the breast of each of us, there beats the same kind of heart. As Thomas Wolfe of North Carolina put it: "This, seeker, is the promise of America: the right to every man his chance * * *"

The new unity of southern blacks and whites is a testament to the lure of the region. We have shared a special country—we are of the southern Earth. We are bonded together like the red clay sticks to a plowshare after a spring rain. We are brothers and sisters of the soul, sons and daughters of the South, and we share an ancient heritage of sounds, of smells, of weather and work, of deep laughter on hot summer nights—the births and deaths—the comings and goings, the pride in each other's accomplishments. We have always lived down the road from each other * * * now we walk together * * * and there will be no turning back.

This anniversary reminds us that we need as a Nation what we have always needed.

We need a generation of selfless idealists—an army of goodhearted young Americans undaunted by the complexity of the difficult problems facing our Nation and our planet.

We need volunteers for the same old wars—against poverty, hunger, crime, injustice, and repression.

We need to rattle the cage of apathy and complacency, and to replace those two old enemies with an ever insistent demand upon ourselves to be involved, concerned, and committed to ideals. We need a generation like Chaney, Schwerner, and Goodman.

There could be no greater tribute to their memory than this: That their spirit live on in a new generation of young people sick and tired of selfishness and self-seeking, that their faith in the full fruition of the American dream live on in the hearts of young men and women living as they lived: dedicating their lives to others.

May you rest in peace, Andrew Goodman, James Chaney, and Michael Schwerner. You did not die in vain.

□ 1800

Mr. Speaker, I yield to the distinguished gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I rise this evening to urge every American to pay tribute to three brave young men James Chaney, Michael Schwerner, and Andrew Goodman, who gave their lives during Freedom Summer 1964.

As many of you know, I served as the national chairman of the Student Nonviolent Coordinating Committee [SNCC] during the 1964 Freedom Summer campaign. Twenty-five years later, I stand before you today as a Member of this great body, to reflect on the events of this violent time in

our Nation's history. We have come a long way, but, we still have a long way to go.

Twenty-five years ago today, Chaney, Schwerner, and Goodman were brutally slain near Philadelphia, MI. This tragic incident focused the world's attention on the racial injustice that existed in Mississippi, and the South.

It was 1964, when a call went out from a coalition of national and Mississippi based civil rights organizations for all people of conscience to come South to register blacks to vote. And there was a tremendous response from students from all over the country. Students of all ethnic backgrounds volunteered to participate with a sense of dedication and commitment.

However, before any student was permitted to go south to register voters, each was required to train for the tasks which they were about to take on. I had known Mickey Schwerner from his involvement with the Congress for Racial Equality [CORE]. And, it was in Oxford, OH, at a training session, where I encountered the other brave young men who lost their lives shortly after they arrived in Mississippi.

James Chaney, Michael Schwerner, and Andrew Goodman's names will be forever engraved in our minds. For they shed their blood and gave their lives so that blacks in the State of Mississippi would be able to participate in the democratic process. The deaths of these brave young men gave those of us involved in the movement a dogged determination to register thousands of new voters. We also put on a full court press for congresssional approval of the Civil Rights Act of 1964 and later the Voting Rights Act of 1965.

Twenty-four years ago, Mississippi had less than 18,000 registered black voters, out of a black voting age population of more than 450,000. Today, in the State of Mississippi are more than 300,000 registered black voters. Today, the State of Mississippi has more than 600 black elected officials, the most black elected officials of any State in the country. Twenty-four years ago, there were less than 100 elected officials in the South. Today, the South has 6,000 black elected officials, the most black elected officials of any region in the country. As one who led SNCC and the voter education project, I am proud of this great progress.

While we have come a long way in race relations, we must keep the course, for we are still confronting the ugly face of racial bigotry. Today, racial hate and bigotry have a different face and we must confront it with all of our vigor at every turn.

The deaths of Cheney, Schwerner, and Goodman should inspire all of us to continue the journey toward the building of a true interracial democracy in America. America must not be allowed to forget these three young men. They helped to sow the seeds of freedom and liberty for millions of Americans. America will be forever grateful for the price that these young men paid in order that all Americans of color could be free.

Finally, Mr. Speaker, yes we must not be allowed to forget the contributions of these young men. For they must be looked upon as the founding fathers of the new South and the new America. They shed their blood, they gave their lives, in their own land, not on foreign soil, to create a true interracial democracy.

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman from the 5th District of Georgia and thank him not just for those remarks which I would like to be associated with, but I also thank him for his participation in that Freedom Summer, because I have a feeling, Congressman LEWIS, that had you not been there then, you and I would not be here now as sons of the South, a region that we love. I know we share the deep pride that we have in our region and our people, for the strength we have found in the unity and great tremendous progress we have made together in this last quarter of a century.

I yield to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Speaker, I thank my friend from Georgia for having taken this special order and for yielding.

Mr. Speaker, it is with a mixture of sadness and hope that I reflect upon the sacrifice made by the three young civil rights workers who were murdered in Mississippi 25 years ago today. The deaths of James Chaney, Andrew Goodman, and Michael Schwerner serve as a symbol of the courage of the civil rights movement in this country. At the same time, the slaying of these young men is a jarring reminder of the powerful hatred and violent repercussions often associated with prejudice and bigotry.

The story of Chaney, Goodman, and Schwerner represents an important chapter in the history of the struggle against racism. Goodman and Schwerner were white civil rights workers from the New York City area, and Chaney was an African-American from Meridian, MS. The three were working together on an interracial voter registration compaign in Mississippi. On June 21, 1964, they were followed and shot to death on a lonely country road in Neshoba County, MS.

These murders, and the attempted cover-up by the local officials, outraged the Nation. The recognition of the dismal state of race relations and civil rights enforcement helped lay the foundation for some of the significant gains in the protection of equal rights and equal treatment under the law which occurred in the mid- to late sixties.

The idealism and spirit of Chaney, Goodman, and Schwerner live on as inspiration in the fight for equality and justice. Unfortunately, the shameful legacy of bigotry that motivated their murder lives on as well. The recent Supreme Court decisions to narrow certain civil rights statutes underscore the need for vigorous efforts at all levels to oppose our stepping backward in the struggle forward.

In my home city of New York, for example, the police department recorded 550 incidents motivated by race, religion, ethnic background or sexual orientation in 1988, a 100-percent increase in 2 years. Frighteningly, these types of bias-related incidents are a common occurrence in the lives of many young people. According to recent surveys conducted by the National Institute Against Prejudice and Violence, incidents of bias-related harrassment have been reported on 174 different college campuses. If we are to put an end to bigotry, we must ensure that younger generations are well versed in the horrible ramifications of discrimination, both past and present.

The 25th anniversary of the deaths of Chaney, Goodman, and Schwerner is an occasion not only for honoring and remembering their efforts, but for recommitting ourselves to the struggle to which they were dedicated. Last September, the families, representatives and supporters of these civil rights workers met for the first time in my district office to begin forming what is now the Chaney-Goodman-Schwerner Memorial Coalition. The Coalition has organized the commemorative activities underway this week, and aims to enlist the support of all Americans to continue to work for the values, aspirations, and accomplishments of the civil rights movement.

Mississippi, the site of the murders, and other parts of the country have taken great strides in improving human relations and providing opportunities for minorities since 1964. Yet racial, ethnic, and religious intolerance continue to be a serious threat to the stability of our society. The efforts and dedication of men and women of all colors and all religions to the civil rights movement is as important now as it was in 1964.

□ 1810

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman from New York [Mr. WEISS], and I thank him also for his long-standing commitment to human rights and civil rights in this country and abroad. It is a reputation which the gentleman has earned and one of which we are all very proud.

Mr. FISH. Mr. Speaker, will the gentleman yield?

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. JONES of Georgia. I yield to my distinguished colleague, the gentleman from New York.

Mr. FISH. Mr. Speaker, I thank my colleague very much for yielding to me, and I appreciate his taking this special order in which we can participate.

Mr. Speaker, 25 years ago, three courageous young men—James Chaney, Andrew Goodman, and Michael Schwerner—gave their lives in the civil rights struggle. They sought racial justice in Mississippi—recognizing that the disenfranchisement of black citizens was a pernicious evil. Americans everywhere reacted with outrage at the murders of Chaney, Goodman, and Schwerner—victims of senseless racial hatred.

We remember Chaney, Goodman, and Schwerner when we reflect on the cruel indignities suffered by black Americans that seared our Nation's conscience.

We remember Chaney, Goodman, and Schwerner when we seek to root out the vestiges of racial intimidation and discrimination and devote our best efforts to the promotion of racial harmony.

We remember Chaney, Goodman, and Schwerner when we continue their efforts to remove voting barriers and encourage greater participation in the electoral process.

"No right is more precious in a free country," the Supreme Court has observed, "than that of having a voice in the election of those who make the laws under which, as good citizens, we must live. Other rights, even the most basic, are illusory if the right to vote is undermined." Too many Americans tend to forget that the right to vote is the foundation of our system of government and an essential safeguard for our liberties. The examples of Chaney, Goodman, and Schwerner inspire us to help ensure that wider participation in government becomes more of a reality in late twentieth century America.

When we succeed in expanding the voting rolls, we reduce the risks that special interests will exercise undue influence over governance.

When we inspire others to vote, we reduce the level of public apathy, stimulate discussion of public policy, and make government more accountable to the people.

When we seek the participation by Americans everywhere in the electoral process, we recognize that the vitality of our democracy depends on the success of our efforts.

Today, as we celebrate the lives of Chaney, Goodman, and Schwerner, we honor the Constitution.

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman from New York [Mr. FISH]. With the continued commitment and concern of men and women like the gentleman from New York, who has had such a distinguished career, we can only strengthen this effort as we continue on this path.

Mr. OWENS of New York. Mr. Speaker, will the gentleman yield?

Mr. JONES of Georgia. I yield to the gentleman from New York.

Mr. OWENS of New York. Mr. Speaker, first I would like to congratulate the gentleman from Georgia [Mr. JONES] for taking this special order which relates to the fact that there is a civil rights caravan organized to honor the memories of Chaney, Goodman, and Schwerner. That caravan will, I think, along with its representatives, arrive here on Friday. I think it is very important that we be reminded of this unfortunate chapter in our history. As unfortunate and sad as it may be, it is important, I think, for young people, as well as the rest of us, to realize that idealism among young people did not begin in China at Tiananmen Square. It has been here for a long time. Young people in this country were the forerunners of the kind of idealism shown in that square in China.

There was a call that went out for a Mississippi "freedom summer," a call for young people to come to Mississippi and join in an effort to take part in what was pretty much a very conservative kind of activity, to register people to vote. That ought to have been a conservative activity, to just register people to exercise their right to vote.

There was a great response from young people from all over the country. Goodman and Schwerner were among those young people who responded. James Chaney, who was a native of Mississippi, of course, probably had to wrestle with himself about his involvement in this activity far more than these two idealistic young white men from the North. James Chaney had lived all his life in a system which had sought to brainwash him, to convince him that he was inferior and to convince him that things never change. So the joining of Chaney with these idealistic young people from outside of Mississippi was a sort of a miracle unto itself.

I saw the movie, "Mississippi Burning." I would just like to make a brief comment about that. It was entertaining to some degree, but I kept thinking as it progressed, when are they going to show the agony of the situation from the point of view of the black people in Mississippi who were experiencing these things? Sure, there were some black people in the movie, but they were treated sort of as things or as objects. You never got inside their minds, you never got inside their community and saw what was going on from their point of view. As far as the agony of the blacks in Mississippi and the agony of those young students like Goodman and Schwerner are concerned, you never saw that in the film.

Another interesting thing that happened to me in doing some background reading to prepare for this is that I happened to run across a report that said there were numerous other people murdered in Mississippi. They were mostly black people who were murdered in Mississippi, and during the time when the FBI was supervising the dragging of the canals and the ditches to find Chaney, Schwerner, and Goodman, they found many of the bodies, quite a number of other bodies of blacks who had been killed and dumped in those swamps and rivers.

The movie does not show any of this, and history itself has sort of blotted it out. Not too much has ever been stated about the fact that during the time they were dragging those swamps they found numerous other human bodies. To me, it was a shocking fact to discover this.

I hope that the caravan will succeed in its objectives.

One of its objectives is to wake us all up and remind us that this terrible thing did happen and we ought to be sophisticated enough to learn from history and not repeat what happened before. I hope this message gets to the Supreme Court, because we must recall that the civil rights movements came from the streets, from sit-ins to wait-ins and to marches and all the other kinds of confrontations which my colleague, the gentleman from Georgia [Mr. LEWIS] participated in quite frequently. Those very dramatic, dangerous, bloody confrontations were moved from the streets into the courts because that was considered a better way to do it. We all agreed that to proceed through the legal system and to get legislation and have reason take over and begin to fulfill the promise of the American Constitution for everybody was the way to go.

□ 1820

Mr. Speaker, the Supreme Court with its obsession with rolling back the clock, this ideological Supreme Court, this political Supreme Court, threatens to go take us back to the days of Chaney, Schwerner, and Goodman when there may be no other way to address our grievance except go in again into the streets with confrontation which breeds the backlash and violence on one side or the other, but certainly a kind of painful, agonizing approach to change that we would all like to see never happen again. We may have no choice.

Mr. Speaker, I hope that this caravan does remind the people who influenced the Supreme Court and the Supreme Court Justices themselves that what they are doing is destroying all hope, destroying an avenue and ap-

proach which we would all agree was fully acquiesced to. We were happy to get out of the streets. We were happy to avoid confrontation. We were happy to have no more sit-ins and marches in order to get change. I hope that they do not close their ears and their eyes to what is happening and will understand that, if they challenge us, if they throw down the gauntlet, that this generation of young people will respond also, and, just as we had Chinese in Tiananmen Square in Beijing, we can have in Washington, as my colleagues know, thousands and thousands of people who are again demanding that the Constitution be fulfilled for everyone, and we are not getting to play ideological games, as the Supreme Court seems to want to do.

Mr. Speaker, I hope also that the caravan will wake us up to take a look at situations and understand that there is a subtle denial of human rights. There is still suffering and agony going on which is not as traumatic and may not be within the purview of the Constitution as obviously as the denial of the right to vote.

For instance, Mississippi has had racial progress, considerable racial progress, since Chaney, Goodman, and Schwerner were murdered years ago, but there have been steps backward. According to a New York Times article of April 2, 1985, Mississippi still ranks second in the Nation; I mean Mississippi in terms of positive things that have happened, it ranks second in the Nation in terms of African-Americans who hold public office, and many of these same individuals who hold public office now were former civil rights officers and came out of the civil rights movement. However, African-Americans do not head executive departments of the various commissions or boards.

Accordingly, the 1980 census, the median African-American family income in Mississippi is $9,013 compared with $12,000 for African-Americans nationally, and $17,264 for white Mississippians. The white Mississippian makes almost twice as much as the African-American Mississippian. Two of every five African-Americans in the State live below the poverty line, while 1 in 10 whites live above the poverty line. Many African-Americans in Mississippi live in two- to four-room wooden shacks with tin roofs and cardboard or plastic-covering windows which have no panes, and one of Mississippi's poorest areas, Tunica, MS, which calls itself the Gateway to the Delta, only 14 percent of the town's African-American residents over the age of 25 have high school educations while 90 percent of the Mississippi school children go to public schools. The private schools there, segregated, private schools, are thriving, particularly the academies which were established by whites in defiance of civil rights legislation in the 1954 Supreme Court ruling which desegregated public schools nationally.

The years of the Reagan-Bush administration saw a worsening of race relations in Mississippi, due to weak or nonexistent enforcement of civil rights laws by the Justice Department. Joan Brown of the Greenville, Mississippi-based activist organization, Mississippi Action for Community Education, was quoted in the 1985 New York Times article as saying, "Whites are not afraid because they're not under any Federal pressure. It used to be Federal this and Federal that, but where's the Federal Government now? We're slowly going back to where we were." Undoubtedly the recent Supreme Court decisions rolling back gains in affirmative action and set-aside programs will further encourage white racists to rear their heads again in Mississippi.

The Nation as a whole has yet to confront the racism that underlies the American fabric and gave rise to the murders of Schwerner, Chaney, and Goodman. In too many ways it still rears its head and does not receive enough attention from those of us who are in positions of power and decisionmaking positions. Countless African-Americans in Mississippi, State residents who were the backbone of the movement, had been murdered, and many of those bodies were found in the process of dragging the river and lagoons for the bodies of Schwerner, Chaney, and Goodman.

If there is a lesson to be learned from the Schwerner, Chaney, and Goodman tragedy, and indeed from the deaths of numerous civil rights workers in the sixties whose names we may never know, it is that they believed so much in racists' capacity to change that they were willing to put their lives on the line to prove it.

Mr. Speaker, I would like to submit for the RECORD the excerpt from "Three Lives for Mississippi" in its entirety.

The excerpt is as follows:

THREE LIVES FOR MISSISSIPPI

(By William Bradford Huie)

When the three were ordered or pulled from the station wagon, I think they must have been placed in handcuffs, though I was told that they were not. "They were still following orders," I was told, "and Schwerner and Goodman still didn't think they were going to be killed. They thought they were going to be whipped."

I was told that James Chaney recognized one of the men from Meridian, called him by name, and asked him for help.

The murder was done in the "cut" on Rock Cut Road, less than a mile from Highway 19, about four miles from where the three were taken from the station wagon. It was before midnight, and the moon was still high. Three cars were in the cut. I was told that the three victims said nothing, but that they were jeered by the murderers. Several of the murderers chanted in unison, as though they had practiced it:

"Ashes to ashes, Dust to dust, If you'd stayed where you belonged, You wouldn't be here with us."

Another said: "So you wanted to come to Mississippi? Well, now we're gonna let you stay here. We're not even gonna run you out. We're gonna let you stay here with us."

When Schwerner was pulled from the car and stood up to be shot, I was told that the man with the pistol asked him: "You still think a nigger's as good as I am?" No time was allowed for a reply. He was shot straight through the heart and fell to the ground.

Goodman was next, with nothing said. Apparently he stood as still as Schwerner did, facing his executioner, for the shot that killed him was the same precise shot. I was told that another man fired the shot, using the same pistol, but my opinion remains that one man fired both shots. I also still believe that both Schwerner and Goodman were in handcuffs, and that the cuffs were removed after they were dead.

Chaney was last, and the only difference was that he struggled while the others had not. He didn't stand still; he tried to pull and duck away from his executioner. So he wasn't shot with the same precision, and he was shot three times instead of once.

Because Chaney's wrist, shoulder, and skull were crushed, a reputable New York doctor who examined Chaney's body said that he had been beaten, perhaps with a chain. Certainly the murderers were capable of it: they were capable of anything. But I would guess that it didn't happen, though he certainly could have been badly hurt in the struggle. All three bodies were buried in darkness with a bulldozer. They were also uncovered, forty-four days later, with a bulldozer. The bulldozers could easily have done additional bone damage to Chaney.

The federal indictment concerned with these murders charges that the three were let out of jail about 10:30 p.m., and that they were murdered on June 21, 1964. This means that federal agents are convinced that the murder was done before midnight. So these murders were committed with dispatch. There was no horsing around, or "interrogation," or torture, as in the case of Edward Aaron. When white-supremacy terrorists are bent on murder they seldom pause to torture. And they usually hate "nigger-lovers" more than they hate "niggers." Which is why I think that—if they were going to single out a victim and beat him—Schwerner, not Chaney, would have been the preferred choice.

The three bodies were tossed into the station wagon and drove along dirt roads to a farm about six miles southwest of Philadelphia. A "cattle pond" was under construction on this farm. There are scores of such ponds in Neshoba County. A pond is created by erecting an earthen dam in a proper spot. To begin building a dam you generally dig a ditch maybe 30 feet wide and 5 feet deep and 100 or more feet long. Into this ditch you pack red clay; it hardens, and creates a base for the dam under which water will not seep. Onto this base you then pile dirt, sloping the sides, to whatever height is needed. You plant grass along the sides. A finished dam may be 30 feet wide at the base, 10 feet wide at the top, 20 feet high, and 100 feet long, all erected on the red-clay base.

Such a dam is a perfect place in which to hide bodies. On June 21 only the red-clay base had been built, and a bulldozer was parked at the scene. One of the conspirators operated the bulldozer. He was supposed to be waiting for the murderers, but he was

VOL 135 PT 9 JE 14 — 22 1989 UMI

late. They arrived before he did, and they had to wait almost two hours for him. The moon went down behind the trees. This wait must have been unpleasant, even for such patriots proud of their courage, and I was told that a gallon of corn whiskey was delivered to them to help them through their bloody wake. Many good stories must have been told, to cackling and thigh-slapping, during that two hours of drinking and waiting at a lonely construction site.

During the Second World War I remember seeing dead soldiers buried temporarily with bulldozers. We did this at Omaha Beach. Many Americans saw this done, and I suspect it was one such old veteran who thought of playing hide-and-seek with the agents of the United States by burying these bodies with a bulldozer.

When the bulldozer operator arrived, he dug a trench in the red clay along the length of the dam. The bodies, fully clothed, were tossed into this trench, face down, side by side. Goodman and Schwerner were head to head and feet to feet; Chaney, on the outside, was in the opposite position: his feet were at Schwerner's head. The two white men's arms were above their heads, indicating that they were dropped into the dirt by one man holding wrists and another holding ankles. Chaney's arms were at his sides, probably because his wrist was broken, so he would have been carried or dragged by his armpits. The bodies were then covered with two feet of dirt, and in subsequent weeks the dam was built to a height of eighteen feet. Heavy rains fell during July; so by August first the dam was massive and grassed over—a permanent tomb for three bodies if nobody ever talked.

After the burial the station wagon was driven to a point fifteen miles northeast of Philadelphia, to the edge of the Bogue Chitto swamp. There it was doused with diesel fuel and burned. The murderers thought this was clever, almost as clever as burying the bodies in the dam. They knew that only federal agents—no one else—would ever search for the bodies; so each move they made was part of a fascinating game they thought they were playing with the FBI.

Traditionally in race murders bodies have been thrown into rivers and swamps in Mississippi. So the murderers, by burning the station wagon on the edge of Bogue Chitto swamp, were leading the "federals" to begin by dragging the rivers and swamps. And the murderers thought this was funny because it was hot summertime and the swamps and rivers were teeming with snakes, chiggers, and mosquitoes.

"It tickles the hell out of me," one of the murderers said, "just to think of old J. Edgar's boys sweatin' out there in that swamp, with all them chiggers, water moccasins and skeeters."

Since the bodies were buried six miles southwest of Philadelphia, and the station wagon was burned fifteen miles northeast of Philadelphia, this meant that the search would begin twenty-one miles from where the bodies were; and by the time all the rivers and swamps were searched, the dam would be completed and grassed over.

Shortly before the early dawn, the murderers had finished all their chores tidily, and the last group of them gathered on the courthouse square in Philadelphia to shake hands and congratulate one another. They all had been drinking though none could be called drunk. There they were met by an official of the state of Mississippi.

"Well, boys," he said, "you've done a good job. You've struck a blow for the White Man. Mississippi can be proud of you. You've let these agitatin' Outsiders know where this state stands. Go home now and forget it. Before you go, I'm looking each one of you in the eye and telling you this: the first man who talks is dead! If anybody who knows anything about this ever opens his mouth to any Outsider about it, then the rest of us are going to kill him just as dead as we killed those three sons of bitches tonight.

"Does everybody understand what I'm saying? The man who talks is dead, dead, dead!"

Momentarily, I comforted one of the murderers, then left him confused.

I said: "Well, you were correct on one point. You killed Schwerner because you said he was an 'agitating, troublemaking, nigger-loving, Communist, atheistic, Jew outsider.' It's true that he called himself an atheist."

"He did, huh? He didn't believe in nothing?"

"Oh, yes," I said, "he believed in something. He believed devoutly."

"What'd he believe in?"

"He believed in you!"

"In me! What the hell!"

"Yeah," I said. "He believed in you. He believed love could conquer hate. He believed love could change even you. He didn't think you were hopeless. That's what got him killed."

As I say, that left him somewhat confused.

Mr. Speaker, in closing I would like to say that none of us want to see history relived again. This dramatization, as I said, has many benefits, but the benefit greatest of all is that it plays out a segment of history that none of us want to see relived again. None of us want to see us go in that same circle. None of us want to have to go into confrontation, demonstrations, and a whole set of challenges that need not be. We would like to take on challenges in some other area. We do not want to fight the civil rights struggle again. We do not want to have young people with idealism use their idealism in this way, have to have it used up. We do not want them to face situations which threaten their very existence as these young people are willing to do.

Mr. Speaker, we would like to see reason prevail. We would like to see leadership in this Congress. We would like to see leadership in the executive branch of government. We would like to see the Surpeme Court give up its mission, its ideological mission, and accept the consensus that has been built over the years, built on the precedents that are already there and go forward.

Mr. Speaker, let us never turn back the clock and force young people like Chaney, Goodman, and Schwerner to have to go to the front lines and give their lives again.

I again congratulate the gentleman from Georgia [Mr. JONES] for taking out this special order.

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman from New York [Mr. OWENS] for joining us in these special orders, and I thank him also for bringing to our attention this caravan. I think this is a fine way to bring a focus to how far we have come since 1964, and he pointed out how far we have still got to go.

Mr. Speaker, I think it should be noted, too, that this event was marked and this caravan was supported by the Governor of Mississippi who, I think, represents a new breed of politician in the South who has said that Mississippi will never be last in anything again. That is a mark of how far we have come and where, I hope, we are going, and I thank the gentleman from New York [Mr. OWENS] for his remarks.

Mr. Speaker, I yield to the gentleman from California [Mr. BERMAN].

□ 1830

Mr. BERMAN. Mr. Speaker, I thank the gentleman for yielding to me.

I join with my other colleagues in congratulating and expressing my appreciation to the gentleman from Georgia for taking out this special order. My guess is that the gentleman's predecessor of 25 years ago, whoever he may have been, might not have done that, and that in itself is a statement of what has happened in the past 25 years.

Twenty five years ago Andrew Goodman, James Chaney, and Michael Schwerner were shot to death because they believed that all Americans deserve justice. Having offered themselves against racism and intolerance in its strongest bastion, their commitment to the ideals of democracy could have been no deeper.

Thousands of victims died at the hands of racists before Chaney, Goodman, and Schwerner. But the murder of these three marked a turning point for our Nation. We looked inward, and found attitudes about race that could not bear scrutiny. These courageous victims helped us realize that the fight for tolerance and equality was a fight for each of us, white and black together.

Goodman, Chaney, and Schwerner were traveling a highway when they were stopped and murdered. In the 25 years since they were cut down, we have traveled a great deal farther. But the road still stretches in the distance. There is still much in our society and our hearts that will not stand scrutiny.

The disenfranchisement and poverty that civil right workers struggled against is no longer sanctioned by law. But all too often racism flourishes in practice. Equal opportunity and racial harmony remain an unfulfilled promise.

Even in the area that I represent, Los Angeles, an area that for more than 16 years has elected a black mayor in a distinct minority black city, the report came out yesterday which received front page attention in the

Los Angeles Times that referred to Los Angeles as one of the most segregated cities in the country in terms of its own housing patterns.

On this great and tragic anniversary, I urge my colleagues to redouble our efforts to ensure fairness and equity throughout America. James Chaney, Andrew Goodman, and Michael Schwerner died so that everyone could participate in the democratic process. As these men realized, it remains our greatest hope for justice.

Mr. Speaker, I thank the gentleman for bringing our attention to this important anniversary.

Mr. JONES of Georgia. Mr. Speaker, I thank my colleague for those very sensitive remarks.

As I thought about this occasion, I could not help but think that perhaps had Andy Goodman, Michael Schwerner, and James Chaney lived, that they would perhaps be serving among us here in this body today, but because of their example, because of their courage, and because of their ultimate sacrifice, they have made this a better country for us to serve.

Mr. Speaker, I would like to thank everyone who participated in this special order today. I thank my colleague, the gentleman from Georgia [Mr. LEWIS] for taking this special order with me.

Mr. DELLUMS. Mr. Speaker, I rise today, Mr. Speaker, to reflect on the 25 years that have elapsed since the tragic slayings of James Chaney, Andrew Goodman, and Michael Schwerner.

These young persons, the offspring of a nation that cherishes liberty and the rule of law above all, were murdered for the noble sin of standing up for those ideals. Their deaths in the muddy backwater of a Mississippi swamp electrified a nation, and in a majestic irony, resulted in the participation of thousands of young people in civil rights marches throughout the South.

I stand here today as a testament to the legacy of these heroes, Mr. Speaker, for their deaths were not in vain. The notion that the civil rights movement could be silenced through brutal acts of intimidation died with these fine young people, and born from their sacrifice were the incredible gains which we today struggle to preserve. The very existence of a substantial minority representation in Congress, in the courts, in our workplaces and military, all these, Mr. Speaker, were yet to be achieved in 1965. Some of you may recall that Chaney, Goodman, and Schwerner were killed for the simple act of helping to register disenfranchised black voters—yes, even voting, the backbone of our system of elected representation, was unheard of for minorities in 1965.

Twenty-five years is but a blink in the eye of eternity, but I can assure this body that the memories of these civil rights martyrs, and those colleagues who joined them in martyrdom—Medgar Evers, Martin Luther King, Jr., and too many countless others to detail here and now—their sacrifice will be remembered for generations to come as the ultimate act of giving. It is a shame, Mr. Speaker, that they had to give so much.

Mr. HOYER. Mr. Speaker, today I rise in support of the resolution to pay homage to three courageous young idealists on the 25th anniversary of their brutal, racially motivated murders.

On June 21, 1964, three young civil rights workers participating in the Mississippi "Freedom Summer" civil rights campaign to register black voters, were abducted and fatally shot outside Philadelphia, MS. James Chaney, Andrew Goodman, and Michael Schwerner volunteered to spend the summer in Mississippi to work toward increasing black voter registration in a volatile climate of racial tension. These young men gave their lives in affirmation that all in our society should be treated equal and allowed to participate in our greatest demonstration of democracy—the right to vote.

In recognizing the achievements and accomplishments that Chaney, Goodman, and Schwerner made in such a short period of time, we must also be cognizant of the achievements that we as a people, and as a country have made since that tragic period in our Nation's history. How ironic that the most historic legislation to be written, the Civil Rights Act of 1964, was enacted during the months following the murders, and the Voting Rights Act of 1965 approved the next year.

During this tumultuous period of human rights abuses in the quest for democracy, we must not forget that just a short while ago in our own country, people such as Chaney, Goodman, and Schwerner were denied their civil liberties in a brutal and inhumane manner. We cannot look upon these good and dedicated young men as mere sacrificial lambs but as a symbol of the rivers of blood and tears, shed by all who fought for the right for every American to be recognized as an equal citizen.

The sadness felt by those who knew, loved and respected Chaney, Goodman, and Schwerner can extended to the grief expressed for the many other nameless black men found dead in the rivers of Mississippi and elsewhere during the search for their bodies. Ugly, unnecessary and unforgivable deaths that symbolized the poison of racism.

Yes, we have come a long way, but have a long way yet to go. Recent Supreme Court decisions reversing five affirmative action cases give credence to this sentiment. The progress that we have made to ensure that everyone has an equal opportunity to be hired and promoted without regard to race has been nullified by these decisions. Regressive action does not befit a progressive nation. We must not allow the course of action that we have taken in the pursuit of equality and opportunity to be detoured.

Mr. Speaker, as we spend time sympathizing with the Chinese students who have lost their lives, and those who fear for their lives in the pursuit of democracy, let us remember their predecessors whose accomplishments should be an inspiration to all of us. James Chaney, Andrew Goodman, and Michael Schwerner did not die in vain, but died believing in the principle of equality and gave others the courage to follow their lead.

Mrs. BOXER. Mr. Speaker, today marks the 25th anniversary of one of the most shameful events in modern American history—the murders of three young civil rights workers, James Chaney, Andrew Goodman, and Michael Schwerner, by the Ku Klux Klan.

These three young men were heroes in the truest sense of the word. Chaney, Goodman, and Schwerner met in Philadelphia, MS, as colleagues in a crusade to register minority voters. Registering voters is tedious work, the grunt work of civil rights and responsible citizenship.

On the face of it, this is not the stuff of heroism. It is work that attracts not those seeking glamour, but those with a deep implacable commitment to democratic ideals. Worst of all, these young men had to carry out their work in the midst of hostile citizens who relentlessly resisted any change in the status quo.

If terrible tragedy had not befallen them, the names Chaney, Schwerner, and Goodman might never have been known to us. But the idealism and perseverance that defined their heroism attracted the attention of racists who could not abide by any improvement in the status of the black men and women they had kept down for so long.

Despite the daily threats and constant prospect of violence, Schwerner, Chaney, Goodman, and their fellow students and activists never wavered from the principle of peaceful, lawful action. They sought only to enjoy the rights and privileges guaranteed by the Constitution.

But a band of racists cut down Chaney, Schwerner, and Goodman in the bloom of youth.

It is tempting to dismiss the killers of Chaney, Schwerner, and Goodman as monsters, creatures of pure evil, but if we do we let ourselves off too easy. These killers were products of the dark side of American society, a dark side that, although in retreat for most of the last 25 years, is slowly reemerging. It falls to us to ensure that the light cast by the young civil rights workers is never extinguished.

A few months ago, one of the leaders of the Ku Klux Klan was elected as a Republican representative to a State legislature. Hate crimes are on the rise across the country. There are still those in our society who respond to differences of skin color, of sex, of religion, of national origin, of sexual orientation, by lashing out in hate.

Washington, DC, has been the site of recent setbacks in the long march toward equality. The Supreme Court has begun an incremental but profound retrenchment on civil rights. Recent decisions threaten to undo the modest but hard-earned progress of recent years.

So as we mark this somber anniversary, let us recognize and take heart from the heroism of James Chaney, Andrew Goodman, and Michael Schwerner—three young martyrs. But at the same time, let us not forget that the work they undertook is not done, and that we can build no more enduring monument to their heroism than to dedicate ourselves to the fulfillment of their vision of America as a nation of equal laws and equal justice.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. DIXON. Mr. Speaker, today marks the 25th anniversary of the tragic murders of James Earl Chaney, Andrew Goodman, and Michael Schwerner, three civil rights workers who lost their lives in the struggle for racial equality and voting rights. As we remember the courage and dedication of these young men, we must also rekindle the spirit of civil rights activists of all races and religions who put personal considerations aside to work together toward the common goal of social justice and equality for all.

The shock of the murders of these innocent victims of racial hatred focused the Nation's attention on the courageous efforts of volunteers who traveled to Mississippi during Freedom Summer to participate in a voter registration campaign. The campaign to register blacks in Mississippi that summer added thousands to the voting rolls and was a turning point for black empowerment and voter registration. Today Mississippi boasts more black elected officials than any other State. There are currently over 500,000 blacks registered in Mississippi today compared to only 5,000 registered in 1964.

The tragic murders of these young men and the ethical challenge presented to the Nation by the Mississippi freedom project were part of a movement that paved the way to significant legislative achievements such as the Voting Rights Act and the Civil Rights Acts. The number of blacks registered to vote increased by over 50 percent within 1 year of passage of the Voting Rights Act, changing the balance of political power in this country.

Twenty-five years later this Nation is a very different place. The barriers to full voting have been eliminated. There are over 6,000 black elected officials across the Nation. Twenty-four black Americans serve in this Congress, several of whom hold leadership positions by virtue of their seniority in the House. We have indeed made much progress in making ours a more tolerant just society in which all of our citizens have an opportunity to participate in the mainstream of economic, social, and political life of this country.

Although the deaths of these three young men represent a milestone in the journey toward racial justice, their work is unfinished. Let us not forget that the struggle continues. There are still goals to achieve. The hard fought advances of the civil rights movement have been threatened by the assault on civil rights laws begun during the Reagan administration and by a conservative majority on the Supreme Court which appears hostile to the aspirations of minorities and women.

Racial and ethnic intolerance continues to pose a threat to the stability of our society. Hate motivated violence is on the rise. The election of David Duke, a former KKK leader to the Louisiana Legislature and the recent Court decisions on affirmative action are further evidence of the need to rekindle the spirit of a movement dedicated to the principles of justice and equality.

Most of our young people have never experienced or even witnessed the type of racial hatred which confronted Chaney, Goodman, and Schwerner during the summer of 1964. The indifference to racial injustice of many of our Nation's youth today is alarming. It is important for us to inform them of the moral courage and conviction of men and women, like Chaney, Goodman, and Schwerner, who waged the war against bigotry and hatred. Their example should inspire a generation of young people who were not yet born when these young men died. For this generation cannot afford to remain silent while the weapons in the civil rights arsenal are under attack by a conservative minority.

Today we honor the memory of James Earl Chaney, Andrew Goodman, Michael Schwerner, and all of the courageous civil rights workers who struggled to advance the cause of freedom, justice and equality for all Americans. I am proud to join my colleagues in this rededication to the ideals for racial, social, and economic justice. We must strive to be more vigilant in our efforts to insure that the principles of justice and equality for which they fought are realized in our society.

Mr. MFUME. Mr. Speaker, 25 years ago, James Chaney, Andrew Goodman, and Michael Schwerner lost their lives violently at the hands of southern segregationist who refused to remove their blinders and view our great Nation from the pluralistic perspective that these three young men envisioned.

Chaney, Goodman, and Schwerner have since come to symbolize how cruel and violent the State of Mississippi was throughout the civil rights era. Mississippi was perhaps the most violent and resistent to change than any other State in the Deep South. When the civil rights movement decided to embark on its bold "Freedom Summer" campaign to register black voters within one of our Nation's poorest States, they knew that Mississippi would be challenging and very tense.

In January 1964, Michael Schwerner and his wife Rita came to Mississippi to help mobilize and register black voters, establish community centers and eventually became the advance guard for students arriving later that summer. Schwerner worked closely with James Chaney, a native Mississippian and a trusted member of Meridian Mississippi's civil rights movement.

Andrew Goodman's first assignment upon arriving in Mississippi was to investigate the burning of a black church near Philadelphia MS. The date, June 20, 1964, was the last day that these three men were seen alive. Forty-four days later the bodies of James Chaney, Andrew Goodman, and Michael Schwerner were discovered in an earthen damn.

Mr. Speaker, the Chaney, Goodman, and Schwerner assassinations demonstrated to all America the importance of standing up for what you believe in and confront brutal repression wherever it rears its ugly head. Chaney, Goodman, and Schwerner brought national attention to Mississippi's unique problem and let all the world know that even in the land of the free and the home of the brave, segregation and racism threatened the tenets of our great democracy and almost devoured this Nation from the belly out.

We can ill afford to forget James Chaney, Andrew Goodman, and Michael Schwerner because their story provided the fuel for the fire that inspired thousands of civil rights workers and volunteers of all races to resist the hard-line resilience and bigotry of the South with more vigor and determination than ever before.

The hot summer of 1964 saw many long dark and difficult days. Days in which the very strength and heart of the movement was severely tested. The bond of unity that ensued the slaying of these three young men is an inspiration to those of us who are still involved in the struggle for equality for minorities and women. It serves as an inspiration for those of us who continue to fight against antisemitism, racism, and other social ills which test our Nation's moral fiber.

I am proud of the fact that our two colleagues from Georgia Representatives JOHN LEWIS, himself a legendary civil rights warrior, and BEN JONES, a freshman Member who has already demonstrated his sincerity and commitment to social justice, have reserved the time for this special order.

Mr. Speaker, the State of Mississippi and our Nation has made great strides in the 25 years since Chaney, Goodman, and Schwerner, but we need to continue to keep our eyes on the prize and march together side by side toward our final goal of a better America.

Mr. MINETA. Mr. Speaker, I am proud to join with my colleagues to mark this solemn anniversary.

I remember the events of 25 years ago. I remember the summer of 1964. I remember when we heard the first reports that three brave, dedicated civil rights workers were missing. And yes, I remember the shock and horror when we learned that they had been murdered.

Our entire Nation was moved to tears—and to action—when we learned the details of how these three young men had lost their lives.

In the 25 years since, much has happened to give meaning to their ultimate sacrifice.

As a nation, we forced ourselves to confront the difference between the high-flown rhetoric of our laws and the sad reality of the lives so many Americans lead.

Perhaps the ultimate irony of the murders of Andrew Goodman, James Earl Chaney, and Michael Henry Schwerner is that the injustices they suffered helped fuel a movement which led to greater and lasting justice for all Americans.

Their dedication and the dedication of countless other civil rights workers forced many Americans to take a long, hard look at the codified, institutionalized discrimination in which many of our citizens lived—solely because of their race, creed, or ethnic origin.

We were all grieved by the murders of Schwerner, Goodman, and Chaney. Their deaths brought home the attacks on dignity and the affronts to human decency which had denied too many Americans their just rights despite the guarantees of our great Constitution.

We have struggled to correct many injustices since the summer of 1964, Freedom summer. And yes, we have made great progress.

Here in 1989—as we mark Chaney, Goodman, Schwerner Day—we can only hope that they would have been proud of our efforts to build upon their work and ideals. I hope that

they would be as proud of us as we are of them.

These three brave young Americans were willing to fight—and die—for the civil rights of us all. They felt deeply the pain of discrimination. And their pain, sacrifice, and murder brought our lives the very real inhumanity of prejudice, discrimination, and hate.

As a result of the murders, many other dedicated Americans entered into the struggle for civil rights.

Can we find words strong enough to ease the pain and loss of the Goodman, Schwerner, and Chaney families?

We cannot.

Can we compose an elegy powerful enough to bring their sons back?

We cannot.

Can we offer an adequate salute which could somehow lessen the sting of the atrocities which cost Andrew, Michael, and James their lives?

We cannot.

But today, in this small recognition, we can help ensure that their deaths were not without meaning.

I believe they would be proud at the progress our Nation has made since that hot summer night 25 years ago.

I also believe that they would be surprised that we have thought to mark their deaths as we have. After all, they certainly never sought to become martyrs and heroes.

So today, Mr. Speaker, let us remember Goodman, Schwerner, and Chaney.

Let us reaffirm our commitment to civil rights.

Let us acknowledge the progress we have yet to make toward genuine equality for all Americans.

Let us vow to fight the erosion of the success we have struggled so long and hard to achieve.

But most of all, let us commit ourselves to realizing the dream of true freedom and true equality for all.

And let us honor the memory of three brave men—three young men whose dedication and ideals made a true difference in our lives and in the life of our Nation.

Let us remember Andrew Goodman, James Earl Chaney, and Michael Henry Schwerner.

Thank you very much.

Mr. TOWNS. Mr. Speaker, today we honor three brave young men who worked in the Deep South 25 years ago to advance the ideals of freedom and justice for all citizens. They, and thousands like them, taught black children who had been denied a basic education. They helped register black voters, who dared go to the polls only at the risk of life and limb. Twenty-five years ago today, James Earl Chaney, Michael Henry Schwerner, and Andrew Goodman became victims of the racial violence and injustice they were working to conquer.

In memory of the ultimate sacrifice these young men made for the cause of equality, a caravan departs today from Philadelphia, MS, where they were slain, traveling north through Washington, Philadelphia, and New York. A quarter of a century after their deaths, we can celebrate the participation of others who worked toward the cause of racial justice, like the former chairman of the Congress of Racial Equality, James Farmer. We can celebrate the caravan's sponsorship by freedom summer education and voter registration project organizers, like our colleague, Congressman JOHN LEWIS of Georgia. And we celebrate the involvement of State officials who are committed to equal rights for all citizens, like Mississippi Gov. Ray Mabus.

As we celebrate the advancement of freedom and justice in the 25 years since the deaths of Goodman, Chaney, and Schwerner, we must remember and declare our solidarity with those who still must risk their lives for these ideals. The university students in China, like the three young men we honor today, have met with violent resistance to their struggle for democracy. Their commitment to nonviolent protest, their insistence on protest at the risk of their lives, and their systematic persecution by the highest Government officials, closely parallel the experiences of the young men we honor today.

I encourage my colleagues to join me in celebrating the Nation's advances in equal rights since the passing of Goodman, Chaney, and Schwerner, remembering that we must reaffirm our commitment to advancement of equal rights for our own citizens and for people around the globe who seek true democracy.

Mr. GREEN. Mr. Speaker, I rise today to commemorate the brutal murders of three young civil rights workers. James Chaney, Andrew Goodman, and Michael Schwerner were instrumental in drawing the Nation's attention to the struggle for racial justice. These three men symbolized part of a national movement that helped to achieve the passage of the Civil Rights of 1964 and the Voting Rights Act of 1965. Chaney, Goodman, and Schwerner gave their lives in the battle for justice and equality and were leaders in the protest against bigotry and racial discrimination. Their spirit of goodwill lives today because we as a nation have benefited tremendously from the civil rights movement. However, part of their work remains unfinished. While their struggle and sacrifice was dedicated to the ideals of equality and justice our Nation is still plagued by discrimination. It is unfortunate that the Ku Klux KLan and white supremacist groups are still active in placing roadblocks in America's journey toward racial equality. It is unfortunate that hate motivated crimes are still a part of the lives of many Americans. Tragically, hundreds of incidents are documented each and every year. Racial, religious, and antigay violence must stop. And so, let us remember the struggle of James Chaney, Andrew Goodman, and Michael Schwerner and pledge to continue their fight to eliminate all remaining barriers to the ideals of justice, equality, citizenship, and community.

Mr. DELLUMS. Mr. Speaker, I rise today, Mr. Speaker, to reflect on the 25 years that have elapsed since the tragic slayings of James Chaney, Andrew Goodman, and Michael Schwerner.

These young persons, the offspring of a Nation that cherishes liberty and the rule of law above all, were murdered for the noble sin of standing up for those ideals. Their deaths in the muddy backwater of a Mississippi swamp electrified a Nation, and in a majestic irony, resulted in the participation of thousands of young people in civil rights marches throughout the South.

I stand here today as a testament to the legacy of these heroes, Mr. Speaker, for their deaths were not in vain. The notion that the civil rights movement could be silenced through brutal acts of intimidation died with these fine young people, and born from their sacrifice were the incredible gains which we today struggle to preserve. The very existence of a substantial minority representation in Congress, in the courts, in our workplaces and military, all these Mr. Speaker, were yet to be achieved in 1964. Some of you may recall that Chaney, Goodman and Schwerner were killed for the simple act of helping to register disenfranchised black voters—yes, even voting, the backbone of our system of elected representation, was unheard of for minorities in 1964.

Twenty-five years is but a blink in the eye of eternity, but I can assure this body that the memories of these civil rights martyrs, and those colleagues who joined them in martyrdom—Medgar Evers, Martin Luther King, Jr., and too many countless others to detail here and now—their sacrifice will be remembered for generations to come as the ultimate act of giving. It is a shame, Mr. Speaker, that they had to give so much.

GENERAL LEAVE

Mr. JONES of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LEACH of Iowa (at the request of Mr. MICHEL), for today and the balance of the week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BEREUTER, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

(The following Members (at the request of Mr. AUCOIN) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. KENNELLY, for 5 minutes, today.
Mr. LIPINSKI, for 5 minutes, on June 27.
Mr. LIPINSKI, for 60 minutes each day, on June 28, and July 12 and 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. HYDE.
Mr. BARTON of Texas.
Mr. CAMPBELL of California.
Mr. SUNDQUIST.
Mr. WHITTAKER.
Mr. BEREUTER.
Mr. GOODLING.
Mr. FIELDS.
Mrs. BENTLEY in two instances.
Mr. BUECHNER.
Mr. DORNAN of California.

(The following Members (at the request of Mr. AUCOIN) and to include extraneous matter:)

Mr. DYMALLY.
Mr. RANGEL.
Mr. THOMAS A. LUKEN.
Mr. SYNAR.
Mr. GAYDOS.
Mr. DERRICK.
Mr. FASCELL in three instances.
Mr. STOKES in two instances.
Mr. DONNELLY.
Mr. MILLER of California in two instances.
Mr. HAMILTON in two instances.
Mr. FRANK.
Mr. APPLEGATE in two instances.
Mr. LEVINE of California.
Mr. STARK.
Mr. DINGELL.
Mr. ROSTENKOWSKI.
Mr. YATRON.
Mrs. BOGGS.
Mr. ACKERMAN.
Mr. MANTON.
Mr. BILBRAY.
Mr. WAXMAN.
Mr. BORSKI.
Mr. BATES.
Mr. TOWNS.
Mr. MFUME.

ENROLLED BILL SIGNED

Mr. ANNUNZIO from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2344. An act to authorize the transfer to the Republic of the Philippines of two excess naval vessels.

ADJOURNMENT

Mr. LEWIS of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 22, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1370. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a supplemental report on the status of secondment within the United Nations by the Soviet Union and Soviet-bloc member nations, pursuant to Public Law 100-204, section 701(b)(2)(F); to the Committee on Foreign Affairs.

1371. A letter from the Clerk, U.S. House of Representatives, transmitting the annual compilation of personal financial disclosure statements and amendments thereto filed with the Clerk of the House of Representatives, pursuant to 2 U.S.C. 703(d)(1) and rule XLIV, clause 1 of House rules (H. Doc. No. 101-75); to the Committee on Standards of Official Conduct and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. Report on subdivision of the allocation of budget totals for fiscal year 1990 pursuant to section 302(b) of the Congressional Budget Act of 1974, as amended (Rept. 101-97). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 2136. A bill to amend the District of Columbia Code to limit the length of time for which an individual may be incarcerated for civil contempt in a child custody case in the Superior Court of the District of Columbia and to provide for expedited appeal procedures to the District of Columbia Court of Appeals for individuals found in civil contempt in such a case; with amendments (Rept. 101-98). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1594. A bill to extend nondiscriminatory treatment to the products of the Peoples' Republic of Hungary for 5 years; with an amendment (Rept. 101-99). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI:

H.R. 2697. A bill to repeal the special treatment of interest on certain foreign loans contained in section 1201(e) of the Tax Reform Act of 1986; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself, Mr. SWIFT, and Mr. JOHNSON of South Dakota):

H.R. 2698. A bill to amend the Federal Election Campaign Act of 1971 to restrict the practice of "bundling" of contributions to Federal office candidates; to the Committee on House Administration.

By Mr. BATES (for himself, Ms. SCHNEIDER, Mr. WAXMAN, Mr. GEPHARDT, Mrs. MORELLA, Mr. STARK, Mr. FISH, Mr. EDWARDS of California, Mr. SCHEUER, Mr. DOWNEY, Mr. PANETTA, Mr. GEJDENSON, Mr. MILLER of California, Mrs. SCHROEDER, Mr. STOKES, Mr. KENNEDY, Mr. RAVENEL, Mr. LEVIN of Michigan, Mr. LELAND, Mr. HEFNER, Mrs. BOXER, Mr. MRAZEK, Mr. BUSTAMANTE, Mr. BOSCO, Mr. COOPER, Mr. RICHARDSON, Mr. KASTENMEIER, Mr. COYNE, Mr. FAZIO, Mr. DORGAN of North Dakota, Mr. GAYDOS, Mr. KANJORSKI, Mr. KLECZKA, Mr. LEWIS of Georgia, Mr. KOLTER, Mr. MATSUI, Mr. MCHUGH, Mr. MURPHY, Mr. MARKEY, Mr. ORTIZ, Mr. TOWNS, Mr. FLAKE, Mr. VENTO, Mr. WYDEN, Mr. WILSON, Mr. SIKORSKI, Mr. STUDDS, Mrs. ROUKEMA, Mr. ROE, Mr. OWENS of New York, Mr. OBERSTAR, Ms. PELOSI, Mr. PEASE, Mr. OWENS of Utah, Mr. PALLONE, Mr. MORRISON of Connecticut, Mr. MFUME, Mr. ATKINS, Mr. AUCOIN, Mr. ACKERMAN, Mr. BENNETT, Mrs. COLLINS, Mr. CLAY, Mr. CONYERS, Mr. BERMAN, Mr. BEILENSON, Mr. BILBRAY, Mr. CROCKETT, Mr. DELLUMS, Mr. MCCLOSKEY, Mr. WEISS, Mr. TORRES, Mr. TRAFICANT, Mr. SHAYS, Mr. FAUNTROY, Mr. SAVAGE, Mr. SABO, Mr. LIPINSKI, Mr. LEVINE of California, Mr. HOCHBRUECKNER, Mr. LANTOS, Mr. GARCIA, Mr. FRANK, Mr. DIXON, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. FALEOMAVAEGA, Mr. EVANS, Mr. DYMALLY, Mr. FOGLIETTA, Mr. ENGEL, Mr. PAYNE of New Jersey, Mr. KOSTMAYER, Mr. WOLPE, and Mr. RANGEL):

H.R. 2699. A bill to amend the Clean Air Act to require the Environmental Protection Agency to take certain steps to protect the stratospheric ozone layer from depletion resulting from chlorofluorocarbons, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. THOMAS A. LUKEN (for himself, Mr. GLICKMAN, Mr. SLATTERY, and Mr. SYNAR):

H.R. 2700. A bill to establish uniform liability standards; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. BUECHNER:

H.R. 2701. A bill to extend the existing suspension of duty on triphenyl phosphate; to the Committee on Ways and Means.

By Mr. CLEMENT:

H.R. 2702. A bill to authorize the Secretary of the Army to provide flood protection for the Mill Creek basin in the vicinity of Nashville, TN; to the Committee on Public Works and Transportation.

By Mr. COX (for himself, Mr. CALLAHAN, Mr. LEWIS of California, Mr. UPTON, Mrs. MARTIN of Illinois, Mr. KOLBE, Mr. ARMEY, Mr. GALLO, Mr. CRAIG, Mr. MCGRATH, Mr. DENNY SMITH, Mr. HERGER, Mrs. MEYERS of Kansas, Mr. INHOFE, Mr. BURTON of

Indiana, Mr. LIGHTFOOT, Mr. GALLEGLY, Mr. DANNEMEYER, Mr. IRELAND, Mr. WHITTAKER, Mr. LAGOMARSINO, Mr. HENRY, Mr. NIELSON of Utah, Mr. SHAYS, Mr. BUECHNER, Mr. HASTERT, Mr. DONALD E. LUKENS, Mr. GRANT, Mr. HANCOCK, Mr. HILER, Mr. STUMP, Mr. ROGERS, Mr. BLAZ, Mr. DUNCAN, Mr. BUNNING, Mr. PAXON, Mr. ROHRABACHER, Mr. PACKARD, Mr. MCCRERY, Mr. MCMILLAN of North Carolina, Mr. PARRIS, Mr. SOLOMON, and Mrs. JOHNSON of Connecticut:

H.R. 2703. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to grant the power to the President to reduce appropriated funds within 10 days after the date of enactment of a bill appropriating such funds; jointly, to the Committees on Government Operations and Rules.

By Mr. DOUGLAS (for himself, Mr. SMITH of Mississippi, Mr. LAGOMARSINO, Mr. SMITH of New Jersey, Mr. BARTON of Texas, Mr. SCHAEFER, Mr. SMITH of New Hampshire, and Mr. SCHIFF):

H.R. 2704. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to require, as a condition for receiving grants, that States treat all juveniles who are 15 years of age or older as adults for purposes of determining criminal liability for certain violent crimes; to the Committee on Education and Labor.

By Mr. FORD of Michigan (for himself, Mr. ACKERMAN, Mr. GILMAN, and Mr. MYERS of Indiana):

H.R. 2705. A bill relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for 1990 or 1991 if no Government-wide indemnity benefit plan participates in that year; to the Committee on Post Office and Civil Service.

By Mr. GLICKMAN (for himself, Mr. PENNY, and Mr. NAGLE):

H.R. 2706. A bill to amend the Food Security Act of 1985 to improve the program under which the Secretary of Agriculture may settle certain loans, and for other purposes; to the Committee on Agriculture.

By Mr. HEFNER (for himself and Mr. RINALDO):

H.R. 2707. A bill to amend title II of the Social Security Act to provide for a more gradual period of transition (and a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such workers' benefits accordingly, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMAS A. LUKEN:

H.R. 2708. A bill to amend the Solid Waste Disposal Act to clarify the regulation of certain Federal facility waste under subtitle C of that act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MICHEL:

H.R. 2709. A bill to amend title 18, United States Code, to make improvements in criminal law and procedure, and for other purposes; to the Committee on the Judiciary.

By Mr. MURPHY:

H.R. 2710. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage, and for other purposes; to the Committee on Education and Labor.

By Mr. PASHAYAN (for himself, Mr. BOSCO, Mr. HERGER, Mr. YOUNG of Alaska, Mr. MARLENEE, Mr. STUMP, Mr. CRAIG, Mr. STALLINGS, Mr. ROBERT F. SMITH, Mr. NIELSON of Utah, Mr. SHUMWAY, Mr. OLIN, Mr. CLINGER, Mrs. VUCANOVICH, Mr. SWIFT, and Mr. WYDEN):

H.R. 2711. A bill to amend section 1853 of the act of June 25, 1948; to the Committee on the Judiciary.

By Ms. PELOSI (for herself, Mr. AUCOIN, Mr. GARCIA, Mrs. BOXER, Mr. SCHEUER, Mr. DELLUMS, Mr. LELAND, Mr. LAFALCE, Mr. MATSUI, Mr. BROWN of California, Mr. SKAGGS, Mrs. SCHROEDER, Mr. FOGLIETTA, Mr. LENT, Mr. MCHUGH, Mr. ACKERMAN, Mr. GILMAN, Mr. BENNETT, Mr. LANTOS, Mr. DONALD E. LUKENS, Mr. COYNE, Mr. HOYER, Mr. CONTE, Mr. LEWIS of Georgia, Mr. JONES of Georgia, Mr. LANCASTER, Ms. SLAUGHTER of New York, Mr. OWENS of Utah, Mr. MILLER of Washington, Mrs. LOWEY of New York, Mr. BILBRAY, Mr. LEVINE of California, Mr. MANTON, Mr. CROCKETT, Mr. TAUZIN, Mr. BORSKI, Mr. VENTO, Mr. COLEMAN of Texas, Mr. SIKORSKI, Mr. VALENTINE, Mr. EVANS, Mr. MCNULTY, Mr. WEISS, Mr. STOKES, Mr. SANGMEISTER, Mr. FALEOMAVAEGA, Mr. KENNEDY, Mr. JONTZ, Mr. HOCHBRUECKNER, Mr. AKAKA, Mr. KLECZKA, Mr. FLAKE, Mr. TORRES, Mr. PETRI, Mr. LIPINSKI, Mr. ATKINS, and Mr. PAYNE of Virginia):

H.R. 2712. A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residence requirement for "J" nonimmigrants and by treating nonimmigrants, whose departure has been deferred by the Attorney General, as remaining in legal nonimmigrant status for purposes of adjustment or change of status; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 2713. A bill to amend title XVI of the Social Security Act to exclude from income for purposes of the Supplemental Security Income Program amounts paid by a public housing agency to certain elderly residents of public housing for providing supervisory services for voluntary tenant patrols of public housing owned and operated by such agency; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 2714. A bill to amend the Communications Act of 1934 to improve the quality of reception of radio broadcast services, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SCHUMER:

H.R. 2715. A bill to require the Consumer Product Safety Commission to require manufacturers of liquid consumer products which present a hazard to children to include denatonium benzoate in the products; to the Committee on Energy and Commerce.

By Mr. HAMMERSCHMIDT:

H.J. Res. 299. Joint resolution to designate the week of July 24 to July 30, 1989, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War"; to the Committee on Post Office and Civil Service.

By Mr. HEFLEY:

H.J. Res. 300. Joint resolution proposing an amendment to the Constitution of the United States to provide for 4-year terms for Representatives and to limit the number of consecutive terms Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.J. Res. 301. Joint resolution providing authority for accelerated use of fiscal year 1989 appropriations by the Department of Veterans' Affairs; to the Committee on Appropriations.

By Mr. WALKER (for himself, Mr. MARLENEE, Mr. GEKAS, Mr. FIELDS, Mr. SOLOMON, Mr. BUNNING, Mr. BLILEY, Mr. BURTON of Indiana, Mr. BALLENGER, Mr. ROBINSON, Mr. STUMP, Mr. HUCKABY, Mr. PARRIS, Mr. DANNEMEYER, Mr. NEAL of North Carolina, Mr. HERGER, Mr. ARMEY, Mr. SMITH of Mississippi, Mr. KYL, and Mrs. BENTLEY):

H. Res. 181. Resolution expressing the concern of the House of Representatives regarding the future security of the Panama Canal; jointly, to the Committees on Foreign Affairs and Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. DURBIN.

H.R. 24: Mr. SPRATT, Mr. KOLTER, and Mr. HARRIS.

H.R. 45: Mr. ROYBAL.

H.R. 71: Mr. BEREUTER.

H.R. 101: Mr. BUSTAMANTE and Mr. KENNEDY.

H.R. 173: Mrs. JOHNSON of Connecticut and Mr. SUNDQUIST.

H.R. 239: Mr. DINGELL, Mr. BOEHLERT, Mrs. VUCANOVICH, and Mr. SKELTON.

H.R. 283: Mr. STENHOLM and Mrs. LLOYD.

H.R. 293: Mr. ANDREWS and Mr. BOEHLERT.

H.R. 488: Mr. WALSH, Mr. GLICKMAN, Mr. CRAIG, Mr. GEJDENSON, Mr. LEVINE of California, and Mr. CAMPBELL of Colorado.

H.R. 572: Mr. MCEWEN.

H.R. 578: Mr. SMITH of Florida and Mr. VALENTINE.

H.R. 579: Mrs. SAIKI.

H.R. 594: Mr. BRYANT, Mr. WILSON, and Mr. MILLER of Ohio.

H.R. 634: Mr. HYDE and Mr. THOMAS of Wyoming.

H.R. 694: Mrs. UNSOELD, Mr. SMITH of Mississippi, Mr. GOSS, Mr. HUNTER, Mr. JONTZ, Mr. HOLLOWAY, Mr. SMITH of New Hampshire, Mr. SMITH of Texas, Mr. VUCANOVICH, and Mr. SKAGGS.

H.R. 725: Mr. MINETA, Mr. ROWLAND of Connecticut, and Mr. ROYBAL.

H.R. 819: Mr. MAVROULES.

H.R. 854: Mr. COSTELLO, Ms. SNOWE, Mr. JOHNSON of South Dakota, Mr. ENGEL, and Mr. TORRICELLI.

H.R. 919: Mr. BUSTAMANTE and Mr. ANDREWS.

H.R. 939: Mr. KLECZKA.

H.R. 993: Mr. KASTENMEIER and Mr. MILLER of California.

H.R. 995: Mr. OLIN and Mr. WATKINS.

H.R. 1028: Mr. GARCIA, Mr. ARMEY, Mr. MCEWEN, Mr. TORRICELLI, Mr. AKAKA, Mr. MCGRATH, Mr. GINGRICH, Mr. BILIRAKIS, Mr. MURPHY, Mr. SABO, Mr. SMITH of Texas, Mr. MCMILLAN of North Carolina, Mr. WISE, Mr. TAUZIN, Mr. WILLIAMS, Mr. SIKORSKI, Mr. KOLTER, Mr. GONZALEZ, Mr. PRICE, Mr. CLINGER, Mr. ESPY, Mr. WOLF, Mr. MURTHA, Mrs. BOXER, Mr. JONES of North Carolina, Mr. WHEAT, and Mrs. MEYERS of Kansas.

H.R. 1029: Mr. ROBINSON, Mr. NIELSON of Utah, Mr. WHITTAKER, and Mr. ATKINS.

H.R. 1083: Mrs. BENTLEY, Mr. JONES of North Carolina, Mr. BILBRAY, Mr. ERDREICH, Mrs. BOXER, Mr. WYDEN, and Mr. NIELSON of Utah.

H.R. 1095: Mr. SYNAR.

H.R. 1110: Mr. ESPY.

H.R. 1136: Mr. MCCURDY, Mr. BLILEY, Mr. HARRIS, Mr. SHUSTER, Mr. WATKINS, Mr. SMITH of Mississippi, Mr. GLICKMAN, Mr. NIELSON of Utah, Mr. FIELDS, and Mr. BRUCE.

H.R. 1243: Mr. RAY.

H.R. 1296: Mr. COURTER, Mr. CHAPMAN, Mr. FOGLIETTA, Mr. MFUME, Mr. EMERSON, Mr. SMITH of Mississippi, Mr. OWENS of New York, Mr. HALL of Texas, Mr. BLAZ, Mr. HOCHBRUECKNER, Mr. LAGOMARSINO, Mr. DAVIS, Mr. ESPY, Mr. YOUNG of Florida, Mr. EVANS, Mr. MARLENEE, and Mr. WYDEN.

H.R. 1317: Mr. TALLON, Mr. SLATTERY, Mr. HUCKABY, and Mr. GEJDENSON.

H.R. 1365: Mr. BOEHLERT.

H.R. 1416: Mr. DUNCAN, Mr. HUNTER, Mr. GALLO, Mr. HARRIS, Mrs. BOXER, Mrs. MARTIN of Illinois, Mr. KANJORSKI, Mr. PORTER, Mr. SHAW, Mr. DANNEMEYER, Mr. LIVINGSTON, Mr. COLEMAN of Texas, Mr. ROHRABACHER, Mr. FROST, and Mr. MOORHEAD.

H.R. 1532: Ms. KAPTUR.

H.R. 1556: Mr. OWENS of Utah.

H.R. 1564: Mr. HUBBARD, Mr. HOAGLAND, Mr. BATES, Mr. SAXTON, and Mr. GINGRICH.

H.R. 1613: Mr. SCHIFF, Mr. DELAY, Mr. PARKER, Mr. STENHOLM, Mr. SUNDQUIST, Mr. INHOFE, Mr. MYERS of Indiana, and Mr. BALLENGER.

H.R. 1725: Mr. WALGREN and Mr. DIXON.

H.R. 1836: Mr. BUSTAMANTE.

H.R. 1860: Mr. HOYER, Mrs. MORELLA, Ms. OAKAR, and Mr. MYERS of Indiana.

H.R. 1879: Mr. DWYER of New Jersey and Ms. KAPTUR.

H.R. 1952: Mr. ROSE.

H.R. 2140: Mr. TAUZIN.

H.R. 2217: Mr. CHAPMAN and Mr. THOMAS A. LUKEN.

H.R. 2228: Mr. GEKAS and Mr. ATKINS.

H.R. 2277: Mr. MCEWEN.

H.R. 2288: Ms. PELOSI, Mr. AUCOIN, Mr. BILBRAY, Mr. PAYNE of New Jersey, Mr. BUSTAMANTE, Mr. KLECZKA, Mr. MCGRATH, Mr. DYMALLY, Mrs. BOXER, Mr. FOGLIETTA, Mr. JONTZ, Mr. FAUNTROY, Mr. BONIOR, Mrs. COLLINS, Mr. OWENS of New York, Mr. FAZIO, Mr. MCDERMOTT, Mr. PANETTA, and Mr. DIXON.

H.R. 2300: Mr. MCEWEN.

H.R. 2403: Mr. LANTOS, Mr. PRICE, Mr. JACOBS, Mr. YATRON, Mrs. JOHNSON of Connecticut, Mr. CAMPBELL of Colorado, Mr. TORRICELLI, Mr. FORD of Michigan, Mr. ESPY, Mr. CARR, Mr. WISE, Mr. THOMAS A. LUKEN, Mr. SYNAR, Mr. VISCLOSKY, Mr. ECKART, Mr. DORGAN of North Dakota, Mr. SABO, Mr. JOHNSTON of Florida, Mr. VENTO, Mr. SAWYER, Mr. BONIOR, Mr. COYNE, Mr. PERKINS, Mr. CLAY, Mr. NEAL of Massachusetts, Mr. ORTIZ, Mr. LEWIS of Georgia, Mr. BENNETT, Mr. FROST, Mr. SCHEUER, Mr. RAHALL, Mr. STAGGERS, Mr. ALEXANDER, Mr. BORSKI, Ms. OAKAR, Mr. NAGLE, Mr. BEILENSON, Mr. CARDIN, Mrs. COLLINS, Mr. DIXON, Mr. FAZIO, Mr. GLICKMAN, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. MARTINEZ, Mr. MILLER of California, Mr. SIKORSKI, Mr. WALGREN, Mr. WAXMAN, and Mr. WEISS.

H.R. 2437: Mr. ATKINS and Mr. HASTERT.

H.R. 2466: Ms. SLAUGHTER of New York.

H.R. 2522: Mr. DYMALLY, Ms. KAPTUR, Mr. WALSH, and Mr. BOEHLERT.

H.R. 2532: Mr. PENNY, Mr. SHARP, Mr. EDWARDS of California, Mr. YATES, Mr. EVANS, Mr. HALL of Ohio, Mr. DE LUGO, Mr. KANJORSKI, Mr. ATKINS, Mr. WALSH, Mr. ENGEL, Mr. DURBIN, Mr. DELLUMS, Mr. AKAKA, Ms. LONG, Mr. MFUME, and Mr. VALENTINE.

H.R. 2538: Mr. MATSUI, Mr. CROCKETT, Mr. PICKETT, Mr. BARNARD, and Mrs. BENTLEY.

H.R. 2584: Mr. RINALDO.

H.R. 2596: Mr. COURTER and Mr. SOLOMON.

H.R. 2613: Mrs. BENTLEY, Mr. RANGEL, Mr. LIGHTFOOT, Mr. DELLUMS, Mr. FLIPPO, Mr. APPLEGATE, Mr. CONTE, Mr. ACKERMAN, Mr. WOLF, Mr. HENRY, Mr. MCCLOSKEY, Mr. BURTON of Indiana, Mr. SCHUMER, Mr. ATKINS, Mrs. BOXER, Mr. WALKER, Mr. SMITH of New Jersey, Mrs. COLLINS, Mr. MORRISON of Connecticut, Mr. DANNEMEYER, Mr. LIPINSKI, Mr. CHAPMAN, Mr. LEWIS of Georgia, Mr. SHAYS, and Mr. MARTINEZ.

H.R. 2654: Mr. WILSON.

H.R. 2681: Mr. GEJDENSON, Mr. WALSH, Mrs. BENTLEY, Mr. HERTEL, Mr. DWYER of New Jersey, and Mr. GARCIA.

H.J. Res. 111: Mr. ROHRABACHER, Mr. DEWINE, Mr. YOUNG of Florida, Mr. HAMMERSCHMIDT, Mr. BUNNING, Mr. KOSTMAYER, Mr. LEHMAN of California, Mr. KENNEDY, Mr. LAUGHLIN, Mr. JOHNSON of South Dakota, Mr. JENKINS, Mr. PAYNE of Virginia, Mr. COLEMAN of Texas, Mr. GONZALEZ, Mr. HALL of Texas, Mr. NIELSON of Utah, Mr. MCNULTY, Mr. PRICE, Mr. SARPALIUS, Mr. STALLINGS, Mr. RHODES, Mr. SISISKY, Mr. SLAUGHTER of Virginia, Mr. SUNDQUIST, Mr. STENHOLM, Mr. WHEAT, Mr. WYDEN, Mr. WYLIE, Mr. VALENTINE, Mr. WHITTAKER, and Mr. BROWDER.

H.J. Res. 147: Mr. LAGOMARSINO, Mr. BONIOR, Mr. MATSUI, and Ms. SLAUGHTER of New York.

H.J. Res. 221: Mr. COX, Mr. FLIPPO, Mr. GOSS, Mr. JACOBS, Mr. LANCASTER, Mr. LIVINGSTON, Mr. MARTIN of New York, Mr. MCEWEN, Mr. PASHAYAN, Mr. ROSE, Mr. SIKORSKI, Mr. SPRATT, and Mr. VOLKMER.

H.J. Res. 225: Mr. CONYERS, Mr. PAYNE of New Jersey, Mr. FASCELL, Mr. LEVIN of Michigan, Mr. FROST, Mr. GILMAN, Mr. MRAZEK, Mr. BLILEY, Mr. DYSON, Ms. KAPTUR, Mr. TOWNS, Mr. SKAGGS, Mr. BILIRAKIS, Mr. MCDERMOTT, Mr. YATRON, Mr. SCHAEFER, Mr. FISH, Mr. LEHMAN of Florida, Mr. FOGLIETTA, Mr. DICKS, Mr. BEVILL, Mr. RUSSO, Mr. BENNETT, Mr. PICKETT, Mr. HENRY, Mr. SAWYER, Mr. OWENS of Utah, Mrs. PATTERSON, Mr. HORTON, Mr. GALLO, Mr. DWYER of New Jersey, Mr. LELAND, Mr. EMERSON, Mr. MCEWEN, Mr. SHAW, Mr. EVANS, Mr. DEWINE, Mr. CLEMENT, and Mr. THOMAS A. LUKEN.

H.J. Res. 264: Mr. WELDON.

H. Con. Res. 72: Mr. BILIRAKIS.

H. Con. Res. 124: Mr. FAWELL, Mr. CAMPBELL of California, Mr. HUBBARD, Mr. MORRISON of Washington, Mr. SOLOMON, Mr. HAYES of Illinois, Ms. OAKAR, and Mr. BONIOR.

H. Con. Res. 152: Mr. LAFALCE, Mr. UPTON, Mr. SIKORSKI, Mr. DYMALLY, Mr. BROWN of California, Mr. WOLF, Mr. DEFAZIO, Mr. MANTON, Mr. ACKERMAN, Mr. FOGLIETTA, Mr. OWENS of Utah, Mr. SMITH of New Jersey, Mr. COURTER, Mr. WAXMAN, Mr. BUSTAMANTE, Mr. TOWNS, Mr. FUSTER, and Mr. GALLEGLY.

H. Res. 25: Ms. SNOWE.

H. Res. 149: Mrs. PATTERSON and Mr. ROWLAND of Connecticut.

H. Res. 157: Mr. DELLUMS, Mr. WAXMAN, and Mrs. SAIKI.

H. Res. 176: Mr. HUNTER and Mr. DONALD E. LUKENS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2655

By Mr. BERMAN:

—Page 63, line 22, strike out "or"; and after line 22 insert the following:

"(3) which meets the poverty criteria established by the International Development Association;

"(4) which has an agreement with the United States pursuant to which the United States is given access to military facilities in that country;

"(5) which is a party to the Camp David Accords; or".

—Page 63, line 23, strike out "(3)" and insert in lieu thereof "(6)"; and page 64, line 7, strike out "(3)" and insert in lieu thereof "(6)".

—Page 63, line 22, strike out "or"; and after line 22 insert the following:

"(3) which meets the poverty criteria established by the International Development Association; or".

—Page 63, line 23, strike out "(3)" and insert in lieu thereof "(4)"; and page 64, line 7, strike out "(3)" and insert in lieu thereof "(4)".

By Mr. BROWN of Colorado:

—Page 525, insert the following after line 16:

(a) FINDINGS.—The Congress finds that—

(1) there are still over 2,300 Americans unaccounted for in Southeast Asia;

(2) by not knowing the fates of their loved ones, the families of those unaccounted for in Southeast Asia have suffered tremendous hardship;

(3) the United States made a commitment that resolving the fates of Americans unaccounted for in Southeast Asia was a matter of the highest national priority; and

(4) the United States must reaffirm that commitment and fulfill its promise to the families of our missing Americans.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should—

(1) continue to give the highest national priority to accounting as fully as possible for Americans still missing in Southeast Asia and to negotiating the return of any Americans still held captive in Southeast Asia; and

(2) heighten public awareness of the Americans still missing in Southeast Asia through the dissemination of factual data, including primary next-of-kin access to records concerning reported live sightings of Americans missing in Southeast Asia, to the extent that the disclosure of such records does not reveal sources and methods of intelligence collection.

—Page 525, line 17, strike out "It is the" and insert in lieu thereof "(c) SUPPORT OF HUMANITARIAN PROJECTS IN LAOS.—It is the further".

By Mr. BUECHNER:

—Page 535, after line 10, insert the following new section:

SEC. 925. REMOVAL OF MINES IN AFGHANISTAN BY THE SOVIET UNION.

(A) FINDINGS.—The Congress makes the following findings:

(1) The Soviet Union has engaged in armed hostilities against the people of Afghanistan for over eight years.

(2) The hostilities in Afghanistan have resulted in extensive loss of life and property

and economic dislocation for large numbers of the Afghan people.

(3) During the course of the conflict in Afghanistan millions of explosive mines, made of both plastic and metal, were planted or scattered throughout the Afghanistan countryside, and these mines have injured or killed thousands of men, women and children.

(4) Many of the mines the Soviet Union has deployed in Afghanistan will remain active for many years, thus posing a significant threat to the lives and security of the Afghan people.

(5) One of the terms of the agreement governing the withdrawal of Soviet troops from Afghanistan quarantees the safe passage and return of Afghan refugees to their homeland.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Soviet Union should continue to agree to abide by the letter and spirit of the agreement governing the withdrawal of its armed forces from Afghanistan;

(2) the Soviet Union should make available all information regarding the location of all minefields as well as information regarding areas in which mines were scattered by means of artillery or aircraft, or other means, and this information should be widely disseminated by all available methods to the Afghan people both in Afghanistan and in refugee camps outside the country;

(3) the Soviet Union should provide generous support to the efforts of the United Nations to remove mines in Afghanistan and to continue to do so until such time as it has been established that all reasonable steps for the identification, location, and removal of mines have been taken;

(4) the Soviet Union should also provide generous and long-term support for United Nations efforts toward the reconstruction in Afghanistan including medical care and assistance to those Afghan people injured as a result of Soviet and Afghan government placement of mines.

By Mr. DORNAN of California:

—Page 454, sec. 707(b), strike lines 9-24.

—Page 454, add the following after line 24:

Whereas the Soviet Union and its allies have provided a cumulative total of over $2,745,000,000 in direct military assistance, and between $350,000,000 and $500,000,000 in assistance for military infrastructure development, to the Republic of Nicaragua since 1979;

Whereas military assistance to the Republic of Nicaragua from the Soviet Union and its allies exceeds $590,000,000 since the signing of the Esquipulas II Accords on August 7, 1987, which are designed to foster regional peace and national reconciliation in Nicaragua;

Whereas all authority for the United States Government to provide or deliver military assistance to the Nicaraguan Resistance expired on February 29, 1988;

Whereas the February 14, 1989, Joint Declaration of the five Central American Presidents envisions a total demobilization of the Nicaraguan Resistance, a force which has failed to present any credible threat to the Nicaraguan Government for over one year;

Whereas Soviet bloc military assistance to the Republic of Nicaragua includes at least 152 light and medium tanks, 237 additional armored vehicles, 961 heavy guns/howitzers/surface-to-surface rocket launchers, at least 36 122mm multiple rocket launchers, 549 SA-7/SA-14/SA-16 surface-to-air missile launchers (SAMs), 772 air defense guns, 12 Mi-25 Hind D helicopter gunships, and 45 Mi-8 and Mi-17 medium-lift helicopters and 20 fixed wing aircraft including AN-22 and AN-26 transports, as well as sophisticated radars and communications equipment servicing an active-duty military force in excess of 80,000 troops;

Whereas the Soviet Union, Cuba, and East European nations currently have between 1,100 and 1,600 military and security advisors in Nicaragua, as well as an unknown number of support personnel for the internal security apparatus in Nicaragua;

Whereas the Republic of Nicaragua now has the largest and most sophisticated armed force in Central American history, with an active duty military force more than double that of the next largest active duty military force, which is that of El Salvador;

Whereas The military forces of the Republic of Nicaragua are the armed element of a partisan political party known as the Sandinista National Liberation Front or the FSLN;

Whereas the military equipment provided by the Soviet Union and its allies enables the Republic of Nicaragua to maintain an overwhelming military advantage over all of its neighbors; and

Whereas military assistance provided to the Republic of Nicaragua by the Soviet Union and its allies is inconsistent with the goals of the Esquipulas II Accords and the February 14, 1989, Joint Declaration by the Central American Presidents: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That in the interest of regional peace and stability, the Congress—

(1) calls on the Soviet Union, other Warsaw Pact nations, and other Soviet allies, including Cuba, Vietnam, Libya, and Algeria, to withhold further military assistance to the Republic of Nicaragua;

(2) calls on the Republic of Nicaragua to reverse significantly the growth of its armed forces, in both manpower and material;

(3) calls on the Republic of Nicaragua to work toward a stabilization of the regional military balance and to prevent the introduction of advanced weapon systems that would qualitatively upgrade current capabilities;

(4) calls on the Soviet Union, Cuba, and East European nations to immediately remove from Nicaragua their military and security advisors, as well as their support personnel for the Nicaraguan internal security apparatus; and

(5) calls on the Republic of Nicaragua to separate the armed forces from the Sandinista political party, the Sandinista National Liberation Front.

—Page 511, add the following after line 25:

SEC. 862. IMPORTATION OF CERTAIN DEFENSE ARTICLES FROM POLAND AND HUNGARY.

(a) PERMISSIBLE IMPORTS.—The authorities under section 38 of the Defense Trade and Export Control Act may not be used to prohibit the importation into the United States, by a museum or educational institution described in subsection (b), of any defense article from Hungary or Poland if the defense article—

(1) was manufactured at least 25 years before its importation into the United States;

(2) has been disabled so that no weapon or weapons system is functional; and

(3) is used only for display to the public, by the museum or educational institution, for educational purposes.

(b) QUALIFIED MUSEUMS AND EDUCATIONAL INSTITUTIONS.—Subsection (a) applies only to a museum or educational institution that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code.

(c) DEFINITION.—For purposes of this section, the term "defense article" means a defense article designated under section 38(a) of the Arms Export Control Act (22 U.S.C. 2778(a)).

(d) EFFECTIVE DATE.—This section applies to defense articles imported before, on, or after the date of enactment of this Act.

—Page 514, sec. 902(c), after line 21 insert the following:

Sec. 902. (c).—Linkage of American Technology Transfer to PRC to Lethal Assistance for the Khmer Rouge.—

(1) the United States condemns assistance provided by the People's Republic of China to the National Army of Democratic Kampuchea;

(2) the United States will take into account the degree to which the People's Republic of China has reduced its assistance to the Khmer Rouge when considering requests for transfers of high technology to the People's Republic of China;

(3) the President should reiterate his support for Public Law 100-502, which calls for blocking the return to power of the Khmer Rouge; and

(4) the President will report to the Congress within 90 days after the date of adoption of this resolution regarding the degree to which the People's Republic of China is decreasing its assistance to the Khmer Rouge.

—Page 524, sec. 907, after line 24 insert the following.

Purpose: To require an annual certification regarding arms transfers by the People's Republic of China to Iran, Iraq, Libya, and Syria.

"No sale may be made or license issued under the Arms Export Control Act to the People's Republic of China of any item on the United States Munitions List in any calendar year unless the President has certified to Congress that, in the previous calendar year, no United States defense article or technology has been used in any cruise missiles, ballistic missiles, missile technology, advanced fighter aircraft, or major components or technology thereof incorporating United States licensed technology, transferred by China, directly or indirectly, to Iran, Iraq, Syria, or Libya in contravention of the provisions of the Arms Export Control Act, and that no chemical weapons or materials, equipment or technology intended for use in a nuclear program have been transferred, directly or indirectly, by China to Iran, Iraq, Syria, or Libya."

By Mr. DURBIN:

—Page 530, strike out line 15 and all that follows through line 7 on page 531 and insert in lieu thereof the following:

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) India and Nepal, building on the offer of negotiations that the Government of Nepal has made and India has apparently responded to, should schedule without delay a time and place for talks by the two governments to resolve, on an urgent basis, issues relating to trade and transit between the two countries, recognizing that an expeditious and amicable resolution is in their mutual self-interest;

(2) India, as a gesture of good will befitting a responsible regional power, should consider resuming the sale of petroleum

products to Nepal and encourage the normal passage of people and goods into and out of Nepal; and

(3) the Secretary of State, or his designee, should provide regular briefings to the Congress regarding the effects of the Indian-Nepalese dispute on the two countries and on the interests of the United States with respect to both countries and in South Asia in general.

—Page 588, after line 7 insert the following:

TITLE XV—OTHER PROVISIONS

SEC. 1301. AMENDMENT RELATING TO INDIA AND NEPAL.

Section 923(b) of this Act is amended to read as follows:

"(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

"(1) India and Nepal, building on the offer of negotiations that the Government of Nepal has made and India has apparently responded to, should schedule without delay a time and place for talks by the two governments to resolve, on an urgent basis, issues relating to trade and transit between the two countries, recognizing that an expeditious and amicable resolution is in their mutual self-interest;

"(2) India, as a gesture of good will befitting a responsible regional power, should consider resuming the sale of petroleum products to Nepal and encourage the normal passage of people and goods into and out of Nepal; and

"(3) the Secretary of State, or his designee, should provide regular briefings to the Congress regarding the effects of the Indian-Nepalese dispute on the two countries and on the interests of the United States with respect to both countries and in South Asia in general.".

By Mr. GOSS:

—Page 454, after line 24, add the following subsection:

(d) ELECTORAL REFORM.—It is the sense of the Congress that the electoral reform laws and media laws regulating political broadcasts adopted by the Sandinista Government as well as the appointment of members of the supreme electoral council fail to fulfill the minimum standards required by the Tesoro Beach agreement to ensure free and fair elections in Nicaragua in February 1990.

By Mr. GUNDERSON:

—Page 588, after line 7, insert the following new title:

TITLE XV—TASK FORCE ON STUDENTS AND EXCHANGE VISITORS FROM THE PEOPLE'S REPUBLIC OF CHINA IN THE UNITED STATES

SEC. 1301. TASK FORCE ON STUDENTS AND EXCHANGE VISITORS FROM THE PEOPLES REPUBLIC OF CHINA IN THE UNITED STATES.

(a) ESTABLISHMENT.—There is established a task force to be known as the Task Force on Students and Exchange Visitors from the People's Republic of China in the United States (in this section referred to as the "Task Force") which shall be composed as follows:

(1) One member appointed by the President who shall chair the Task Force.

(2) Four members shall be the heads of each of the following departments or agencies (or their designees):

(A) Immigration and Naturalization Service.

(B) Department of State.

(C) Department of Education.

(D) Department of Justice.

(b) DUTIES AND RESPONSIBILITIES.—The Task Force shall carry out the following duties and responsibilities:

(1) Taking into consideration the situation in the People's Republic of China, the Task Force shall assess the specific needs and status of citizens of the People's Repubic of China who were admitted under student visas for study in the United States.

(2) The Task Force shall formulate and recommend to the Congress and the President policies and programs to address the needs determined under paragraph (1).

(3) The Task Force shall establish, directly or indirectly, a clearinghouse to provide Chinese students, exchange visitors, and institutions of higher education with appropriate information, including—

(A) public and private sources of financial assistance available to such students and exchange visitors;

(B) information and assistance regarding visas and immigration status; and

(C) such other information as the Task Force considers feasible and appropriate.

(c) REPORTS.—Beginning 180 days after the date of the enactment of this Act, and every 90 days thereafter, the Task Force shall submit a report to the appropriate committees of the Congress and the President which shall include—

(1) recommendations under subsection (b)(2); and

(2) a comprehensive summary of the programs and activities of the Task Force.

(d) TERMINATION.—The Task Force shall cease to exist 2 years after the date of the enactment of this Act.

By Mr. LEVINE of California:

—Page 514, strike out lines 8 through 13.

—Page 514, line 14, strike out "(b)" and insert in lieu thereof "(a)".

—Page 514, lines 16 and 17, strike out "section" and insert in lieu thereof "Act".

—Page 514, strike out line 22 and all that follows through page 515, line 8.

—Page 515, line 9, strike out "(d)" and insert in lieu thereof "(b)".

—Page 582, insert the following after line 8 and redesignate the succeeding title accordingly:

TITLE XIV—PEOPLE'S REPUBLIC OF CHINA

SEC. 1401. EXPORTS TO PEOPLES REPUBLIC OF CHINA.

(a) ITEMS ON MUNITIONS CONTROL LIST.—No license may be issued for the export to the People's Republic of China of any item on the Munitions Control List.

(b) ITEMS ON CONTROL LIST.—No license may be issued for the export of the People's Republic of China of any goods or technology on that part of the control list maintained pursuant to section 5(c)(1) of the Export Administration Act of 1979.

(c) APPLICABILITY.—Subsections (a) and (b) shall apply during the period beginning on the date of enactment of this Act and ending 6 months after that date.

By Mr. LEWIS of California:

—Page 41, after line 5, insert the following:

"SEC. 1285. INDEX OF ECONOMIC FREEDOM.

"(a) DEVELOPMENT OF INDEX.—The Administrator for this title, in consultation with the Secretary of the Treasury and indigenous nongovernmental organizations in developing countries, shall develop a system for evaluating, on a country-by-country basis, the economic freedom and opportunities of individuals in countries eligible for development assistance and assistance for famine recovery and development in Africa. This system shall be referred to as the 'Index of Economic Freedom' (hereafter in this section referred to as the 'Index').

"(b) DEADLINE FOR DEVELOPMENT OF INDEX.—The Index shall be developed not later than 6 months after the effective date of this section, except that the President may extend that period by an additional 3 months if the President determines that 6 months is an inadequate period for the development of the Index.

"(c) FACTORS EVALUATED BY THE INDEX.—The Index shall assign a numerical rating for each of the following factors based on the degree to which each such factor reflects the degree of economic freedom and opportunity in a country, and other economic factors:

"(1) PROPERTY RIGHTS.—The extent to which poor or landless individuals are legally or otherwise artificially constrained from acquiring land or other forms of property or are unable to gain secure legal title to land, the degree to which laws and an independent judiciary protect private property and enforce contracts for individuals against the government, the extent of nationalization of property and the state's power to nationalize private property, and the degree of access of private parties to the judicial system.

"(2) REGULATIONS.—The difficulty and costliness of securing a business license, and the extent to which regulations inherently favor established business at the expense of newcomers, limit the freedom and ability of citizens to establish businesses, or add prohibitive costs or additional risks to maintaining such businesses.

"(3) INFORMAL SECTOR.—The extent to which government policies force economic activity into nominally illegal informal sectors where otherwise legal activities are conducted outside of government regulations and requirements, and the extent to which those policies discourage the development of locally controlled nongovernmental institutions.

"(4) WAGE AND PRICE CONTROLS.—The identity of industries or goods which are subject to government mandated wages or prices, the value of goods sold wholesale and retail subject to price controls, the degree to which private farmers are forced to sell produce at government established prices, and the degree to which farmers are not allowed to profit from the real market price of their products.

"(5) TAXATION.—The highest rate of taxation, the income level at which this rate takes effect, the relationship between per-capita income and the level at which the highest rate of taxation takes effect, the rate of any value tax (VAT), the level of taxation on assets, and the rate of monetary inflation.

"(6) TRADE POLICY.—Customs duty rates, quantitative restrictions on imports, import quotas, import prohibitions, foreign exchange availability for those engaged in international trade, export taxes, restrictive export practices, market-distorting export incentives such as subsidies, import licenses, and country-of-origin restrictions.

"(7) RESTRICTIONS ON INVESTMENT AND CAPITAL FLOWS.—Limits on foreign investment and foreign ownership, limits on repatriation of principal and profits for foreign investors, and restrictions on removal of foreign or domestic capital from the country.

"(8) SIZE OF STATE SECTOR.—Value of industries owned by the government, percentage of Gross National Product produced by state-owned industries, prohibitions on pri-

vate economic activities in certain sectors, and the value of the state sector assets.

"(9) BANKING.—Degree of government ownership of the banking sector, private citizens rights to own and operate banks, and citizens' access to private sources of credit.

"(d) EVALUATION AND REPORTS.—

"(1) EVALUATION AND ANNUAL REPORTS.—Beginning two years after the effective date of this section and every 12 months thereafter, the Adminstrator—

"(A) shall apply the Index to each country which is eligible on that date for development assistance or assistance for famine recovery and development in Africa; and

"(B) based upon such evaluation, shall submit to the Congress a report setting forth the findings of that evaluation.

In making the evaluation required by subparagraph (A), the Administrator shall rely, to the maximum extent practicable, on data supplied by indigenous nongovernmental in developing countries.

"(2) CONGRESSIONAL PRESENTATION DOCUMENTS.—The annual congressional presentation documents pursuant to section 4301 shall include, for each country for which development assistance or assistance for famine recovery and development in Africa is proposed, the corresponding data from the latest report submitted under paragraph (1).

"(e) CONSIDERATION OF ELIGIBILITY FOR DEVELOPMENT ASSISTANCE.—Effective two years after the effective date of this section, development assistance and assistance for famine recovery and development in Africa may be furnished for a foreign country only if the advisability of furnishing such assistance for that country has been considered in light of the data on that country contained in the latest report submitted under subsection (d)(1).

"(f) USE OF INDEX TO EVALUATE COUNTRIES RECEIVING DEVELOPMENT ASSISTANCE.—In furnishing development assistance and assistance for famine recovery and development in Africa, the Administrator shall use the Index to promote improvements in the underlying economic conditions evaluated by the Index while retaining flexibility in designing and implementing development programs and projects. The Administrator shall use the Index as a basis for evaluating the direction of policy changes in developing countries and as basis for evaluating specific projects and programs assisted by the administering agency.

"(g) ELIGIBILITY OF COUNTRIES FOR FINANCIAL ASSISTANCE FROM INTERNATIONAL FINANCIAL INSTITUTIONS.—The Secretary of the Treasury shall direct the United States Executive Directors to the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the African Development Bank, the African Development Fund, the Asian Development Bank, and the Asian Development Fund to consider the advisability of opposing the extension of any loan or other financial assistance to countries which the Secretary determines have rated poorly under the latest report submitted under subsection (d)(1).".

By Mr. McCOLLUM:

—Page 447, add the following after line 24:

(e) POLICE TRAINING FOR EL SALVADOR.—Notwithstanding the prohibition contained in section 4202 of the Foreign Assistance Act of 1961, and without regard to any requirement or limitation contained in subsection (b) of this section, assistance otherwise prohibited by section 4202 of the Foreign Assistance Act of 1961 may be provided to El Salvador for fiscal years 1990 and 1991 if, at least 30 day before providing such assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made significant progress, during the preceding 6 months, in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without a trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.

—Page 453, lines 5 and 6, strike out "EL SALVADOR, GUATEMALA," and insert in lieu thereof "GUATEMALA".

—Page 453, lines 10 and 11, strike out "El Salvador, Guatemala," and insert in lieu thereof "Guatemala".

—Page 453, strike out lines 12 through 19 and insert in lieu thereof the following:

(b) DEFINITION.—As used in this section, the term "police forces" includes all members of security forces other than the regular uniformed armed forces.

By Mr. MARKEY:

—Page 582, insert the following after line 8 and redesignate the succeeding title accordingly:

TITLE XIV—NUCLEAR COOPERATION WITH THE PEOPLE'S REPUBLIC OF CHINA

SEC. 1401. LIMITATION ON NUCLEAR COOPERATION WITH THE PEOPLE'S REPUBLIC OF CHINA.

(a) NUCLEAR EXPORTS.—Notwithstanding any other provision of law—

(1) no license may be issued under the Export Administration Act of 1979 for the export to the People's Republic of China for use in a nuclear production or utilization facility of any goods or technology which, as determined under section 309(c) of the Nuclear NonProliferation Act of 1978, could be of significance for nuclear explosive purposes, or which, in the judgment of the President, is likely to be diverted for use in such a facility, for any nuclear explosive device, or for research on or development of any nuclear explosive device,

(2) no license may be issued under the Atomic Energy Act of 1954—

(A) for the export to the People's Republic of China of any production or utilization facility or any source material or special nuclear material, or

(B) for the export to the People's Republic of China of any component part, item, or substance which has been determined, under section 109b. of the Atomic Energy Act of 1954, to be especially relevant from the standpoint of export control because of its significance for nuclear explosive purposes,

(3) no retransfer may be approved to the People's Republic of China of any goods, technology, facility, material, component part, item, or substance referred to in paragraph (1) or (2), and

(4) no person may, under section 57b. of the Atomic Energy Act of 1954, be given a specific authorization to engage, directly or indirectly, in the production of special nuclear material in the People's Republic of China,

until the requirements of subsection (b) have been met.

(b) REQUIREMENTS.—The requirements referred to in subsection (a) are that—

(1) the President has made the certifications and submitted the report required by Public Law 99-183;

(2) the President has certified to the Congress that the Government of the People's Republic of China has ended its state of martial law and that the human rights situation in the People's Republic of China has significantly improved; and

(3) the President has certified to the Congress that the Government of the People's Republic of China has provided the United States with a written declaration that it is not directly or indirectly assisting any nation in testing, developing, or acquiring nuclear explosive devices or the materials and components for such devices.

By Mr. MILLER of Ohio:

—Page 372, line 3, strike out "Subsection" and insert in lieu thereof "Except in the event of a sequestration, subsection".

By Mr. MRAZEK:

—Page 514, beginning in line 8, strike out "Notwithstanding any other provision of law, the" and insert in lieu thereof "The".

—Page 514, line 23, strike out "Notwithstanding any other provision of law, the" and insert in lieu thereof "The".

—Page 514, line 25, strike out "development assistance and".

—Page 515, line 10, strike out "Notwithstanding any other provision of law, the" and insert in lieu thereof "The."

—Page 515, at the end of line 16, insert the following: Funds may be obligated pursuant to this subsection only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 4303 of the Foreign Assistance Act of 1961.

By Ms. OAKAR:

—Under Title VIII, Chapter 1, Section 808. Assistance to Lebanon: "Of the amount made available for each of the fiscal years 1990 and 1991, for economic support assistance, under the Foreign Assistance Act of 1966, not less than $7.5 million shall be made available for each fiscal year for Lebanon."

Section 808 earmarks $7.5 million in each of the fiscal years 1990 and 1991 in economic support assistance for humanitarian aid for the people of Lebanon. The United States has consistently played a leadership role in Lebanon through our efforts to support democracy and to preserve her unity, freedom, sovereignty and independence. The continued availability of assistance to Lebanon is an important symbol of support and a signal to that strife-torn country and her people that the United States is willing and prepared to help. The $7.5 million, in each fiscal year, of United States humanitarian assistance to Lebanon shall be administered by the appropriate international organizations. Several U.S. and Lebanese NGOs are able to supply assistance to those in need and carry out effective programs in humanitarian and relief and rehabilitation assistance as well as in vocational training and other economic programs.

The appropriate international organizations include Private Voluntary Organizations who have traditionally played a prominent role in aiding the people of Lebanon include Catholic Relief Services, Save the Children, the World Rehabilitation Fund,

and the Lebanese Red Cross, etc. In addition, American University in Beirut and Beirut University College have played an important role in training and educating the Lebanese people, and the American University in Beirut hospital, the nation's preeminent teaching hospital, has provided medical care to almost half of the victims during the fighting in the last three months.

By Mr. OBEY:

—Page 62, line 12, strike out "United States" and all that follows through "States." on line 14.

—Page 64, strike out lines 6 through 10.

By Mr. PARRIS:

—Page 272, line 7, before the period insert "and a rationale of the basis for such calculation".

—Page 275, lines 1 and 2, strike "Fifty percent of the" and insert "All".

—Page 276, line 24, strike "and".

—Page 277, line 7, strike "or".

—Page 277, after line 7, insert the following:

"(v) in refusing to protect or give haven to drug traffickers and in expeditiously processing extradition request of other countries relating to narcotics trafficking, and

"(vi) in negotiating acceptable extradition agreements with the United States; or"

By Mr. ROTH:

—Page 517, beginning in line 10, strike out ", including voluntary debt reduction programs under appropriate circumstances,"; beginning in line 19, strike out "and alleviate its debt service"; page 518, beginning in line 4, strike out ", including voluntary debt reduction programs,"; page 519, line 11, strike out ", and voluntary debt reduction programs,"; beginning in line 13, strike out "export growth and diversification,"; beginning in line 18, strike out "including promoting greater participation of the United States private sector in the development of the Philippines"; line 23, before the period insert ", except that assistance under this chapter may not include support for voluntary debt reduction programs"; and page 522, beginning in line 5, strike out ", and voluntary debt reduction programs,".

—Page 521, strike out lines 2 through 19 and insert in lieu thereof the following: "$200,000,000 for fiscal year 1990 and $200,000,000 for fiscal year 1991."

"(b) USE OF SPECIAL AUTHORITIES PROHIBITED.—The authorities of sections 4101, 4102, and 4103 may not be used to make funds available for use under this chapter. The references to this chapter in sections 4102 and 4103 shall not be construed to supersede the limitation contained in the preceding sentence.".

By Mr. SOLOMON:

—Page 173, after line 4, insert the following new Section:

"SEC. 1913. DEFINITION OF PRIVATE VOLUNTARY ORGANIZATION.

"(a) FINDINGS.—The Congress finds that—

"(1) Private voluntary organizations are frequently used by the Agency for International Development as vehicles for delivering and administering United States assistance to other countries;

"(2) in facilitating the delivery and administration of development assistance and humanitarian relief, private voluntary organizations perform a vital function that might otherwise be more difficult to achieve;

"(3) the integrity of private voluntary organizations needs to be protected, particularly because some countries are more willing to provide access to private groups than they are to official United States government agencies and personnel; and

"(4) at the present time, a private voluntary organization can receive as much as 80 percent of its funding from the United States government and still be classified as a "private" organization.

"(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

"(1) The integrity of private voluntary organizations needs to be protected and, indeed, strengthened; and

"(2) funds made available to carry out this title should not be made available to any private voluntary organization (other than a cooperative development organization) which obtains less than 25 percent of its total annual funding for international activities from sources other than the United States government.

"(c) FURTHER QUALIFICATION.—In calculating the amount of government support received by an organization, there should be excluded the value of commodities (and related transportation) made available for overseas distribution and the value of contracts for services, grants, and other activities initiated primarily by the agency chiefly responsible for administering this title.".

—Page 482, after line 8, add the following new section:

"SEC. 763. THE PANAMA CANAL COMMISSION.

"(a) FINDINGS.—The Congress finds that—

"(1) there has been a continual erosion of the democratic freedoms of Panamanian citizens and a consolidation of dictatorial power by the government of Panama led by General Manuel Noriega;

"(2) the United States has not recognized the government of Panama led by General Manuel Noreiga since his refusal to accept the resignation orders from President Eric Arturo Delvalle;

"(3) there has been an increasing number of incidents of harassment and intimidation of American citizens in Panama by members of the Panamanian Defense Forces;

"(4) on May 7, 1989, the Panamanian people participated in an election in which the government led by General Manuel Noriega engaged in systemic and massive electoral fraud;

"(5) under the terms of the Panama Canal Treaty, the President of the United States must appoint, by January 1, 1990, a Panamanian national to serve as Administrator of the Panama Canal Commission;

"(6) the Administrator of the Panama Canal Commission will have a significant degree of control over the operations and maintenance of the Panama Canal; and

"(7) the transference of control over the operations and maintenance of the Panama Canal to the government of Panama controlled by General Manuel Noriega would permit even greater economic, political, and military oppression of the Panamanian people.

"(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should not appoint a new Administrator of the Panama Canal Commission unless and until he certifies to Congress that the ruling government of Panama is democratically-elected according to procedures specified in the Constitution of Panama providing for a civilian government in control of all Panamanian military and paramilitary forces.".

—Page 485, line 4, strike out "$315,000,000" and insert in lieu thereof "$313,000,000"; and line 5, strike out "$315,000,000" and insert in lieu thereof "$313,000,000".

—Page 482, line 24, strike out "$1,538,000,000" and insert in lieu thereof "$1,536,000,000"; and page 483, line 1, strike out "$1,533,000,000" and insert in lieu thereof "$1,531,000,000".

—Page 515, after line 16 add the following:

"(e) APPLICATION OF FUNDS FOR PURPOSES PURSUANT TO SECTION 4203.—Of the funds made available to carry out the purposes of subsection (a), the President is authorized to apply such sums as he deems necessary for activities in Cambodia that would require a Presidential finding under section 4203 of the Foreign Assistance Act."

—Page 526, after line 24, insert the following:

SEC. 910. PROHIBITION ON EXPORT OF SATELLITES FOR LAUNCH BY THE PEOPLE'S REPUBLIC OF CHINA.

A satellite of United States origin that is intended for launch from a launch vehicle owned by the People's Republic of China (specifically including the Hughes Aircraft Model HS-601 Spacecraft (commercial communications statellites) whose export is described in the certification transmitted to the Congress pursuant to section 36(c) of the Arms Export Control Act on September 12, 1988) may not be exported from the United States. Any license for such an export that was issued before the enactment of this Act shall be invalid.

By Mr. STALLINGS:

—Page 377, line 14, after "housing," insert "engineering, surveying, mapping".

By Mr. WEISS:

—Page 526, after line 24, insert the following:

SEC. 910. OPIC PROGRAMS IN THE PEOPLE'S REPUBLIC OF CHINA.

(a) SUPPRESSION OF DEMOCRATIC REFORM MOVEMENT.—The Congress deplores the brutal suppression by the Government of the People's Republic of China of the student-led democratic reform movement in June 1989.

(b) PROHIBITION.—Therefore, the Overseas Private Investment Corporation may not provide any insurance, reinsurance, guarantee, financing, or other financial support with respect to the People's Republic of China after the date of enactment of this Act until the requirement of subsection (c) is met.

(c) TERMINATION OF PROHIBITION.—Subsection (b) shall remain in effect until the President determines and reports to the Congress that the Government of the People's Republic of China has embarked on a program of significant political reform which includes—

(1) increased freedom of expression, freedom of the press, freedom of assembly, and freedom of association;

(2) the release of political prisoners, particularly those individuals incarcerated in the wake of the massacre of June 4 and 5, 1989; and

(3) freer flow of information, including an end to the jamming of the Voice of America.

By Mr. WELDON:

—Page 135, line 18, after the quotation marks insert "(a) GENERAL AUTHORITY.—"; and page 136, after line 2, insert the following:

"(b) DEFINITION OF SCHOOL.—For purposes of subsection (a)(1), the term 'school' includes any facility which provides activities of daily life training, vocation education, and related services to the mentally retarded.

EXTENSIONS OF REMARKS

TRIBUTE TO REV. JOSEPH A. SELLINGER, S.J.

HON. HELEN DELICH BENTLEY
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mrs. BENTLEY. Mr. Speaker, this month we in Maryland shall have the opportunity to salute a truly special individual. For on June 29, Rev. Joseph A. Sellinger, S.J., president of Loyola College in Maryland, shall celebrate his 50th anniversary as a Jesuit priest as well as his 25th year at Loyola. Hundreds of people—friends of Father Sellinger representing the business, religious, and civil communities of Balitmore and Maryland—will gather at the Stouffer Harborplace Hotel to honor this fine man for his many accomplishments. In fact, Bob Hope himself is coming to Baltimore to serve as master of ceremonies.

Devoted priest, excellent administrator, Father Sellinger is these things and much more. During his time at Loyola, enrollment has grown from 2,000 to approximately 6,100 students. The school has also opened several satellite centers as well as a business school that is among the finest in the Nation. He holds numerous trusteeships and directorships and has received honorary degrees from such schools as Georgetown University and the University of Baltimore.

I have known Joseph Sellinger for many years and have found that his kindness of heart is rivaled only by the sharpness of his mind. He is a giant in Maryland education—one whose accomplishments are now the stuff of legends.

Mr. Speaker, I will be in Serbia next week and shall thus be unable to attend this gala event. However, I would like to enter the following statement in the CONGRESSIONAL RECORD. Indeed Father Sellinger is worthy of this honor—and much much more:

ANNIVERSARY GALA HONORING REV. JOSEPH A. SELLINGER, S.J.

For three years Joseph Anthony Sellinger toiled on the third string of the St. Joseph's Preparatory School football team, helping sharpen the tackling and blocking skills of the older and stronger first and second teams. Despite his admitted shortcomings—"I've never been much of an athlete," he says—Sellinger nevertheless made first string lineman his senior year. That same year that he was elected president of the student body, and graduated first in his senior class.

"I remember one game where the opposing quarterback gave away the direction of the play by looking at the hole just before the ball was snapped," he recalled. "I was in there all day, either making the tackle or helping block it off; it was one of the best days I had in football."

As trite and shopworn as it may seem, the traits developed on the football fields of Philadelphia some 50 years ago—discipline, intelligence, competitiveness—remained with Joseph Sellinger throughout his life.

This year, Rev. Joseph A. Sellinger, S.J., celebrates his fiftieth anniversary as a Jesuit and twenty-fifth anniversay as President of Loyola College in Maryland. He is the longest tenured Jesuit college president in the United States, and one of the longest tenured presidents of any college in the country.

As such, he has been both an observer and a key player in the changes that have swept the Jesuit order as it has struggled to meet the challenges of an increasingly liberalized world.

Likewise, his presidency has been sharply defined by one of the principal themes of the Second Vatican Council in the early 1960s: to integrate general culture with Catholic higher education. In large part, Fr. Sellinger has succeeded in that endeavor, Loyola is no longer a small, provincial college educating the sons of Baltimore. It is a thriving comprehensive university that today attracts men and women from around the world to its undergraduate and graduate programs.

Loyola's growth during the Sellinger years bears the mark of Fr. Sellinger's forceful personality, his abiding philosophy that education improves humankind, and his ability to shape a vision of the future from the exigencies of the present.

"I think it is safe to say that Fr. Sellinger's personal qualities have left an indelible mark on Loyola," said Reg Murphy, publisher of The Sunpapers and chairman of the Loyola College Board of Trustees. "He has pushed and prodded the College into the modern age, and he has done it by settling a course and demanding excellence from all those who would follow him along it. I have a great deal of admiration for him."

Fr. Sellinger's ability to establish a vision and act decisively to bring it to reality, his discipline in achieving goals, and his quick wit and sense of compassion have engendered loyalty and respect from the many students, colleagues and peers whose lives he has touched.

"If I've done well here it's because I've been successful in getting very strong people around me," he said. "I believe in building consensus, and I'm willing to listen to those whose expertise exceeds mine."

His management style evolved from that of the corporate world, a world in which he is quite comfortable, but he has tempered the realities of leading a modern college with the precepts of the Jesuit order, which stress the importance of personal care in educational and social missions.

"Even as a sophomore in high school I had almost made up my mind that the one thing I wanted to do with my life was become a priest," he recalled. "I really thought only of wanting to be a Jesuit priest and not a parish priest, as such. I liked the Jesuit life; I thought of this whole life of education, and I'd looked on these men as very, very brilliant and so it was this tremendous ideal that appealed to me."

Born in 1921, the youngest of two sons of German immigrants (his brother Frank later became President of the Schlitz Brewing Co.), Sellinger followed his brother into the academically demanding St. Joseph's, a Philadelphia prep school operated by the Jesuits. After completing the rigorous classics course, he entered the Society of Jesus in 1938 and was assigned to the seminary at Wernersville, PA, for four years.

"Those first four years were probably the happiest years of my life," he said. "There was a tremendous sense of community, and I felt genuinely happy and fortunate to be there." He immersed himself in the ascetic life, learned the spiritual exercises of St. Ignatius Loyola, founder of the Order, and studied classics, philosophy and theology. In 1942, when the need for scientifically-trained Jesuits became apparent, Sellinger was transferred to Spring Hill College in Alabama for three years of chemistry training.

By 1945 he was teaching Chemistry, German, Philosophy and Logic at Loyola College. He found himself, at the age of 24, lecturing to many veterans returning from World War II, a majority of whom were older than the young scholastic, the Jesuit term for a priest-in-training. "I was scared stiff that first week," he said. "So I became a strict disciplinarian. I was like a drill sergeant. And the students called me Antimony Joe, which I considered a wonderful sobriquet until I realized the chemical symbol for Antimony is Sb."

After three years at Loyola, he underwent further training in Woodstock, MD, and in Massachusetts before being sent to the Facultes St. Albert de Louvain in Belgium, where he was ordained in 1951. After two additional years of study in Munster, Germany, he returned to the United States to accept a position with the Theology Department at Georgetown University. He became Dean of the College in 1956, a post he held for seven years before being asked to become the President and Rector of the Jesuit Community at Loyola College.

Founded in 1852 in downtown Baltimore, Loyola in 1964 was a small commuter college with 46 full-time and 58 part-time professors teaching barely 2,000 male students. Its annual operating budget was $1.4 million, and its endowment just over $1 million. A handful of buildings housed the academic and administrative offices. There were no dormitories.

Fr. Sellinger wasted no time in planning Loyola's future. In his November 1964 inaugural address, he signalled his intention to emphasize the humanistic traditions of American higher education while maintaining Loyola's Jesuit traditions. "Education is not for the good of government," he said. "It is for the good of science. It is not for the good of business. It is, primarily at least, for the essential good of man."

A new era had begun, highlighted by three pivotal changes in 1967 which laid the foundation for Loyola's growth in the coming decades. The first was the addition of Hammerman House, Loyola's first dormitory. In the intervening years, the College has expanded its residences—through new construction or the purchase of existing apartment buildings nearby—and has

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 9 JE 14 — 22 1989 UMI

become predominantly residential. That departure from its commuter origins has brought a greater sense of academic community to Loyola, and has enabled it to recruit students from around the country which, in turn, has raised the quality of admitted students.

The second change was the inauguration of a Masters of Business Administration program. Designed to foster economic development in Baltimore and the State of Maryland by providing highly-skilled professionals to the burgeoning business community, the MBA curriculum has established itself as one of the most innovative and respected in the region. Its executive programs offer flexible schedules for working professionals, and by 1983 a separate business school (named the Joseph A. Sellinger, S.J., School of Business and Management by an anonymous donor) was established. In 1988, it became fully-accredited by the American Assembly of Collegiate Schools of Business, a distinction held by fewer than 25 percent of the business schools in the nation.

"I saw the MBA as an opportunity to deal with the ethical implications of management and decision-making," Fr. Sellinger said several years ago. "That was in keeping with the Jesuit tradition, but I also recognized it as an opportunity to tie in with the business community and thus derive substantial financial support for the overall operation."

His prediction came true. Loyola College's endowment has increased from $1.9 million in 1967 to over $25 million in 1988, and several successful capital campaigns (Decade of Decision in 1980, and Fulfilling the Vision in 1984) have allowed the college to undertake large building projects.

The third change began with the appointment of Edward J. Donnelly as the first layman to the Board of Trustees. Vatican II had called for greater participation by laity in Catholic higher education, and many Jesuit colleges in the United States had begun a slow process of opening their doors to the outside influence of lay men and women by including them on the faculty and staff. It soon became apparent at the Evergreen campus that the presence of laity on the governing board of the College would provide greater openness, stricter management procedures, and a higher level of financial support from government, business and foundations.

Today, the Board of Trustees is an independent, self-perpetuating governing body comprised primarily of lay men and women. Donnelly was elected chairman of the board in 1971; since then all his successors have been lay persons.

"The laity brought a new sense of planning and business perspective to operating Loyola," said Fr. Sellinger. "We began five-year planning in 1972, and have been maintaining it since."

Other changes crept in as Fr. Sellinger continued loosening ties to Loyola's provincial past. A joint library was constructed with the neighboring College of Notre Dame. Women were first admitted in 1971, following a merger with Mt. Saint Agnes College, producing a period of gradually increasing enrollments that, by a decision of the Board of Trustees, has recently leveled off.

By 1972, eight years after Fr. Sellinger had assumed office, Loyola College was well on its way to becoming a significant part of the outside world, in keeping with Vatican II. Shedding insularity and isolation, the increasingly diverse administration and faculty had begun the process of integrating the Jesuit emphasis on ethics and cura personalis (a Latin phrase meaning personal care, and one of the cornerstones of Jesuit education) with the humanistic, scholarly traditions of American higher education. The College also was flexing newfound muscles in service to the community, particularly to the business community.

But a suit filed in federal District Court in 1972 by the American Civil Liberties Union and the Americans United for the Separation of Church and State threatened to slow the progress. The suit, known as *Roemer v. Board of Public Works* charged that a 1971 law to apportion $2 million to Maryland's church-related colleges and universities was in violation of the "no establishment" clause of the First Amendment.

Fr. Sellinger immediately recognized the significance of the suit and what it would mean to small college like Loyola, which was just beginning to implement more aggressive development activities for annual and capital giving; he joined forces with other church-affiliated institutions and began preparing an aggressive defense.

In 1974, the District Court in a 2-1 decision, ruled against the plaintiffs, noting that the defendant institutions were "substantially autonomous" from the churches with which they were affiliated. One week later, the plaintiffs filed an appeal with the U.S. Supreme Court.

In 1976, the nation's highest court, in a 5-4 decision, ruled the Maryland's program of aid to private college's did not violate the First Amendment. Justice Harry Blackmun wrote that Loyola and other colleges were "not pervasively sectarian."

Since then, the greening of Loyola College has proceeded apace. Physical expansion has continued, and a pedestrian bridge now spans Charles Street, linking the two sides of the Evergreen campus; new majors have been added, and an honors program was instituted in 1984; the average SAT scores of entering freshman have crested the 1,100 mark; and development efforts have been enhanced as the alumni population has grown in size and affluence.

Fr. Sellinger, who gives no indication of slowing down at the age of 68, has several specific goals for the future, including the construction of a student retreat center, the addition of international business to the undergraduate and graduate curricula, and computerization of the entire campus.

But he is just as concerned with a philosophical issue that will confront Jesuit higher education in the coming decade: A steady decline in the number of Jesuits entering the order and a resultant lack of manpower on Jesuit campuses.

"I think there still is a Jesuit mystique," he said. "For many people Jesuit education means excellence, it represents humanizing, value-oriented learning. Loyola's challenge in this next era is to maintain the spiritual presence of Jesuits on campus, even as our physical presence is diminished. We must fully embrace the contributions of lay men and women, encourage them to share their experiences with us, and foster in them an understanding of our philosophy."

To Father Sellinger I offer my very best wishes and congratulations upon this happy occasion. May the Lord Bless him with happiness and good health all your days.

A TRIBUTE TO LESTER DALE "RED" McELHANEY, JR.

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. APPLEGATE. Mr. Speaker, it is an honor for me to bring to the attention of my colleagues in the House of Representatives the June 30, 1989, retirement of a constituent and good friend of mine, Lester "Red" McElhaney, Jr. This event, being marked by a dinner in honor of Red on Saturday, June 24, 1989, brings to an end a 20-year career as a member of the staff of the International Brotherhood of Operative Potters International Union.

A life long resident of East Liverpool, OH, Red began his career as a member of Local Union No. 131 of the International Brotherhood of Operative Potters, working at several potteries in the East Liverpool area, including Taylor, Smith & Taylor and Hall China Cos. Because of his leadership and concern for his fellow workers, Red was elected president of his local in 1952 and served in that capacity until 1965.

Red also served 13 years as vice president of the International Brotherhood of Pottery and Allied Workers and for the past 7 years as an executive officer of the Glass, Molders, Pottery, Plastics and Allied Workers Union.

Prior to joining the Operative Potters International Union, Red served 3 years in the Pacific during World War II while he was in the U.S. Navy. He is currently a member in good standing in the American Legion and the Veterans of Foreign Wars.

Along with his wife of 40 years, Harriet, Red has three children and three grandchildren. He has indicated that his retirement will allow him to not only improve his golf game, but also to do a little farming.

Mr. Speaker, Red McElhaney, Jr. has devoted his life to the advancement of the pottery workers everywhere. He is, indeed, a friend of all labor and deserves this recognition. We commend him for all that he had contributed to the American labor movement over the many years and wish him well in his golden years.

REFUGEE RESPONSIBILITIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs newsletter for May 1989 into the CONGRESSIONAL RECORD.

REFUGEE RESPONSIBILITIES

Over thirteen million people worldwide—more than double the population of Indiana—are now refugees, persons who have fled their countries because of persecution, war, violence, or natural disaster. This population has tripled in the past decade. During 1988 alone, at least 750,000 Africans sought sanctuary in neighboring countries, 50,000 Vietnamese took to boats to seek asylum,

and 100,000 Kurds fled Iraq. Poor and powerless, displaced people must depend on others for their two major needs: temporary asylum and a permanent solution to their homelessness. But the refugee population is increasing at such a rate that the international community is hard-pressed to find the resources to meet these needs.

Most refugees live in camps in Third World asylum countries. Here the United Nations, individual governments, and voluntary agencies struggle to provide security, food, shelter, and medical attention to frightened and hungry people. Resources are not always equal to the job and conditions in the often overcrowded and demoralized camps are grim.

The United States has always been a leader in providing assistance to displaced people. Given recent budgetary pressures, however, we are less generous today than we once were. Although the U.S. contributed about $231 million for refugee assistance last year, making us the world's largest donor, we are only in 9th place in terms of per capita contributions. We were in 5th place as recently as 1985. The leading per capita donor, Norway, now outspends us 7 to 1. Other well-to-do countries are also giving modestly. Great Britain, Japan, Saudi Arabia, and West Germany provide lower levels of assistance than we do.

In addition to assistance in the asylum camps, refugees need help to re-establish themselves in a permanent environment. The best solution is usually voluntary repatriation to the home country when conditions there improve. This is the solution of choice for the five million Afghan refugees in Iran and Pakistan and for most of the four million displaced Africans. Integration into the country providing asylum is also a good solution in regions where tribal or cultural boundaries spill over national borders. Resettlement in a third country is a much more disruptive and expensive option that is now generally reserved for political refugees. Although very much in demand, this solution is offered to only about 1 percent of the refugee population each year.

Political refugees—defined as people who have fled persecution, or who have a well-founded fear of persecution because of race, religion, nationality, membership in a particular social group, or political opinion—often have little choice but to seek admission from one of the few countries willing to accept the expense and the obligations of refugee resettlement.

The U.S. has welcomed over 2.5 million refugees for permanent resettlement since the end of World War II, an unequaled record. In recent years, we have accepted between 60,000 and 75,000 annually. Refugees represented about 10 percent of our total legal immigration in 1988. Their talent and hard work have made valuable contributions to our economic, social, and cultural life.

The U.S., however, cannot admit all the deserving refugees who want to come here. Unlike regular immigrants, most refugees admitted here receive financial assistance to cover transportation, subsistance, and resettlement costs. At approximately $8000 per refugee, funding is a serious problem. The annual refugee ceiling, established by the administration in consultation with Congress, represents an effort to strike a balance between our compassion and available resources. This spring, the President requested authority to raise the 1989 ceiling to accommodate a surge in Soviet applicants. But it is much easier to authorize higher admissions than to find the money to pay for them.

Recent U.S. admission rates are lower than levels of the early 1980s, reflecting tighter finances. The U.S. is still the world's leading resettlement nation, but when refugee admissions in 1987 are measured against our total population, we rank only 6th in the world, well behind such nations as Sweden, Australia, or Canada.

Resettlement countries must also deal with the issue of which applicants qualify as political refugees. The U.S. and over 100 other nations have agreed to a formal standard to maintain fairness in the admissions system. But it is often hard to distinguish between legitimate political refugees and economic migrants. To discourage the flood of economic migrants, a number of countries, including the U.S., are tightening refugee regulations and applying tougher stanards. The U.S. used to give some groups automatic refugee status, but now requires all applicants to meet the "well-founded fear of persecution" criteria on a case-by-case basis. This policy has closed our doors to most applicants from Central American countries and has cut admissions from Southeast Asia. Other countries are far more strict. Great Britain, which has a quarter the U.S. population, admitted only 813 refugees in 1987.

Rigorous admissions policies in the resettlement countries have had an appalling effect at the other end of the refugee pipeline. Thousands of displaced persons, denied refugee status, are stranded in detention camps. Some of the overburdened asylum countries in Southeast Asia have developed "compassion fatigue," refusing even temporary asylum to applicants who seem unlikely to meet the crtieria for resettlement. The spectacle of border guards pushing boatloads of desperate. Vietnamese back into the sea is an inevitable result.

The U.S. has always felt that richer countries have a responsibility to share the burden of assisting and resettling refugees. While our own record has been good overall, we must try harder to keep up with the current need. The plight of the refugees is very real and we should respond with extra effort and additional resources to keep the situation from getting much worse.

A SALUTE TO DUANE ANDERSON—NATIONAL HISTORY DAY CHAMPION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. STOKES. Mr. Speaker, I take great pride in saluting Duane Anderson, a 16-year-old sophomore at John Adams High School in my congressional district, who recently finished first in the National History Day competition. This nationwide contest enables students to exhibit their knowledge of American history in competition with their counterparts from across the country.

Duane's entry, "Garrett Morgan: An American Hero," profiled the accomplishments of the black inventor from Cleveland who developed the first gas mask and the first traffic light. I am pleased to report that Duane won at both regional and State levels of the competition before besting more than 1,000 competitors to win his first place national award.

Mr. Speaker, it is the challenged and ambitious youths of this country that allow for an optimistic and promising future. With youths such as Duane Anderson, we can be assured that our future is in good hands. I am pleased to share with my colleagues an article which recently appeared in the Cleveland Plain Dealer regarding Duane. I hope they will take a moment to read about this outstanding young man.

JOHN ADAMS PUPIL WINS NATIONAL AWARD

(By Laura Yee)

In Duane Anderson's inner-city neighborhood, a lot of kids think their lives can take only a few directions.

Many wind up on the slide down to crime, drugs and despair.

But Duane's a climber.

The latest pinnacle he has conquered is the National History Day competition. The 16-year-old John Adams High School sophomore won one of the first-place awards in the national contest, besting more than 1,000 competitors with his project on Garrett Morgan, a black inventor from Cleveland who developed the first gas mask and the first traffic light.

"This award is for all the people who put me down and didn't think I could do it." Duane said after the awards ceremony at the University of Maryland, in College Park.

"I'm excited, I really am. When I heard them say, 'Duane Anderson from Cleveland, O.,' I jumped up and hollered and I ran down the aisle. I just couldn't believe it was me."

Contest sponsors awarded Duane a $1,000 scholarship, $250 toward college textbooks and a first-place medal. The Phi Alpha Theta history honorary society awarded him a $500 scholarship.

To make it to the national competition, Duane and competitors had to make it through regional and state competitions.

"He was competing against the best of the best," said Jeanne Kish, head of John Adams' social studies department. "I knew he could do it. Kids can do anything they set their minds on. He set his mind to it and won."

Jason Kopack from Gallia Academy in Gallipolis, O., took second place with a project on Edward Maddy, a famous captain during the steamboat era on the Ohio River. Jason won the Ohio competition, and Duane came in second.

Duane's profile, "Garrett Morgan: An American Hero," was done in part with enlarged front-page newspaper reprints of the 1916 Water Works disaster on Lake Erie and essays on his other inventions. Duane said Morgan was not recognized for saving the lives of 32 men trapped more than 100 feet underground in the disaster until years after the inventor's death in 1963.

Morgan also was one of the first black men to run for Cleveland City Council in 1931.

John Adams Principal Charles M. Shaddow said this has been one of the school's best years in recent history. In addition to Duane's accomplishment, the school's chess team placed eighth nationally last month; two teachers, including Kish, won state recognition awards; and the school won the South Senate Division All-Sports Trophy.

"We're showing we can be urban and excellent at the same time," Shaddow said. "It's absolutely a myth that all inner-city

VOL 135 PT 9 JE 14 — 22 1989 UMI

schools are bad. We are proving it wrong. Here we are in the fourth precinct, a bad neighborhood that everyone knows is a high-crime area, and we are excelling."

Duane said he wasn't always on the right path and that he only turned around a few years ago after he saw the ugly side of drugs and crime in his neighborhood.

"I did some things to see the other side that I regret doing now . . . like getting in trouble," he said. "I just didn't want to go along with the crowds. It's easier to get in trouble."

Duane, who wants to be a professional baseball player and wants to study business in college, said he also was motivated by his parents, Hank and Verlaine.

"I want to do things to make my parents proud," he said. "I felt like if I didn't do well, I would have let them down."

INTRODUCTION OF AN AMENDMENT TO THE SOCIAL SECURITY ACT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. RANGEL. Mr. Speaker, today, I am introducing a bill to assist elderly tenants who serve as supervisors of tenant patrols in public housing. Specifically, this legislation would amend the Social Security Act to exclude income, received by elderly residents for services rendered as supervisors of public housing tenant patrols, from the calculation of income for the purpose of determining supplemental security income benefits.

Recently, attention has been focused on drug-related crime and violence being perpetrated in public housing. Tenant patrols, with the support of public housing authorities, have been a useful tool in the fight against crime in public housing.

New York City has taken the lead in such programs. Currently, the New York City Housing Authority is assisted by voluntary security patrols of tenants who work with the Housing Authority Police. There are approximately 12,000 such volunteers.

The work of the New York volunteers is overseen by 285 supervisors who are paid $4,000 for their efforts. Approximately 100 of the supervisors are elderly. The problem is that under existing Federal law, the stipends of these individuals are treated as income which has resulted in volunteers losing SSI—supplemental security income—benefits.

This, in turn, has resulted in supervisors resigning, because they could not afford the reduction in SSI benefits. The housing authority wants to retain the services of these individuals. In fact, these senior citizens are performing an important service to the community.

I do not believe that these citizens, or seniors in other cities who may be engaged in such a program, should lose their benefits. For that reason, I have introduced the legislation and I would invite my colleagues to join me as cosponsors.

A TRIBUTE TO THE ATHLETIC ACCOMPLISHMENTS OF SAINT MARY'S COLLEGE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. MILLER of California. Mr. Speaker, St. Mary's College of California has a proud tradition for providing students from all walks of life with exceptional academic opportunities. As one of the oldest institutions of higher learning in California, St. Mary's has also been successful in fielding many fine athletic teams that represent her in intercollegiate competition. I have long been a fan of the Galloping Gaels of St. Mary's as my father was a member of the class of 1936.

I would like to draw attention to the athletic accomplishments of St. Mary's College during this 1988–89 academic year. The young men and women of St. Mary's established numerous milestones this year, of which I will mention but a few: an undefeated football season in NCAA division II, NCAA division I tournament bids in men's and women's basketball and best-ever school records in men's soccer and tennis. These achievements are even more noteworthy when you consider that St. Mary's is arguably the smallest division I school in the Nation. The people of the San Francisco Bay Area as well as sports fans from around the country, have taken notice of this small, Christian Brothers school due, in great measure, to the heroics of her student-athletics.

Yet, many times, the men and women who guide young charges to victory go unnoticed and their efforts unappreciated. The coaches of St. Mary's spend their life's work instructing young people and helping them reach their potential without realizing great monetary reward. They are a dedicated group of professionals—teachers in the finest sense of that word. While there is much written in today's press about what's wrong with college athletics, the coaches at St. Mary's give us an example of how sports can enhance life on a college campus and still uphold the integrity of higher education. And for that example I wish to recognize and commend the athletic staff at St. Mary's College for a banner year that brought honor to their school and community.

RULE ON H.R. 1233, THE CARIBBEAN BASIN ECONOMIC RECOVERY EXPANSION ACT OF 1989

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 1233, the Caribbean Basin Economic Recovery Expansion Act of 1989.

TRIBUTE TO MAX KAMPELMAN

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. EDWARDS of Oklahoma. Mr. Speaker, recently the Jamestown Foundation presented its annual Freedom Award to an outstanding American patriot, Mr. Max Kampelman. I have had the privilege of serving alongside Mr. Kampelman and observing the superb service he has rendered to this country.

Max Kampelman is a man of unusual ability—a man of such talent that he has been called upon repeatedly over the years to handle difficult and critical assignments. President Carter appointed him chairman of the U.S. Delegation to the Madrid Conference on Security and Cooperation in Europe. President Reagan kept him in that job and then appointed him chairman of the U.S. delegation to the Negotiations on Nuclear and Space Arms in Geneva. Finally, President Reagan named him Counselor to the State Department and presented him with the Presidential Citizens Medal.

In introducing Max Kampelman as the recipient of the Jamestown Foundation's high honor, Secretary of Defense Dick Cheney called Kampelman a man with "the strength to stand up for important principles patiently." It's a good description.

Mr. Speaker, I am pleased to present to my colleagues and to the country the remarks of Mr. Kampelman made that evening, on receipt of the Freedom Award. His observation should serve as a good lesson for all of us.

AMERICAN VALUES AND STRENGTH IN A CHANGING WORLD

(Remarks by Max M. Kampelman)

It is an honor to receive your award this evening. I shall cherish it. The Jamestown Foundation represents the essence of the American commitment to freedom and human dignity for all. There are heroic men and women here tonight and large numbers not able to be with us who are living proof of that commitment. Their courage, lives, and accomplishments demonstrate the wisdom and virtue of that commitment. With enthusiasm, I hail Bill Geimer and his leadership.

To share this dais and your honors with my friend, Secretary of Defense Richard Cheney, is a special privilege for me. My wife and I value our friendship with Lynn and Dick Cheney, both of whom represent the best traditions of good citizenship and public service. All Americans have reason to be both proud and enthusiastic as we see the strengths, the experience, the values, the good sense, the superb leadership talents that Dick Cheney brings to his new awesome responsibilities. We also have reason to be optimistic for our future as we note his relative youth and the open vistas ahead for him and for us as he continues to grow toward even greater opportunities for leadership in behalf of a free world.

It has been less than 4 months since I left government service with its different, exciting and enriching challenges. As a tradition-

al Democrat who has served in a Republican Administration, it is useful for me to stand back and evaluate our country's evolving role as a leader in a world that is changing so fast and so dramatically that we can barely see its details let alone its scope.

The pace of change in the world today is so rapid that any statement we make about tomorrow is likely to be obsolete even today. The pace of change between 1900 and today is beyond calculation, probably greater than has taken place in all of mankind's previous history combined. And newer, greater scientific and technological developments on the horizon will probably make all previous discoveries dwarf by comparison.

During my lifetime, medical knowledge available to physicians has increased more than ten-fold. More than 80 percent of all scientists who ever lived are alive today. The average life span is now nearly twice as great as it was when my grandparents were born. The average world standard of living has, by one estimate, quadrupled in the past century. Advanced computers, new materials, new bio-technological processes are altering every phase of our lives, deaths, even reproduction. These developments are stretching our minds and our grasp of reality to the outermost dimensions of our capacity to understand them. Moreover, as we look ahead, we must agree that we have only the minutest glimpse of what our universe really is. Our science is indeed a drop, our ignorance a sea.

We are brought up to believe that necessity is the mother of invention. I suggest the corollary is also true: invention is the mother of necessity. Technology and communication have made the world smaller. There is no escaping the fact that the sound of a whisper or a whimper in one part of the world can immediately be heard in all parts of the world. And yet the world body politic is not keeping pace with those realities.

What we have instead been observing is an intense fractionalization, as large numbers of peoples have had their emotions inflamed by nationality and religious appeals. It is as if a part of us is saying: "Not so fast. Stop the world. We want to get off. We are not ready. We are not prepared for this new world we are being dragged into. We will resist the pressures by holding on tight to the familiar, the traditional; and we will do so with a determined frenzy!"

But the inevitable tomorrow is appearing. Changes in science and technology are producing fundamental changes in our material lives; and in our social and political relationships as well. There are new dominant sounds and among those most clearly and loudly heard are the sounds of freedom and democracy. The striving for human dignity is universal because it is an integral part of our human character. We see it in Burma, Pakistan, Korea, the Philippines, South Africa, China, Chile, Paraguay, the Soviet Union, Poland—different cultures, different parts of the world. A larger part of the world's population is today living in relative freedom than ever before in the history of the world.

This trend is prompted not only by an abstract love of justice—although this is undoubtedly present—but by the growing realization that democracy works best. Governments and societies everywhere are discovering that keeping up with change requires openness to information, new ideas, and the freedom which enables ingenuity to germinate and flourish. State-controlled centralized planning cannot keep up with the pace of change. A closed tightly-controlled society cannot compete in a world experiencing an information explosion that knows no national boundaries.

We are in a time when no society can isolate itself or its people from new ideas and new information anymore than one can escape the winds whose currents affect us all. National boundaries can keep out vaccines, but those boundaries cannot keep out germs or ideas. One essential geo-political consequence of that new reality is that there can be no true security for any one country unless there is security for all. Unilateral security will not come from either withdrawing from the world or attempting national impregnability. Instead, we must learn to accept in each of our countries a mutual responsibility for the peoples in all other countries.

In this world of increasing interdependence, the lessons for the United States and the Soviet Union—the most important security relationship in the present era—are evident. We cannot escape from one another. We are bound together in an equation that makes the security of each of us dependent on that of the other. We must try to learn to live together.

We are told by Soviet leaders that through the process of internal transformation that is demanded by the new technologies, they comprehend that repressive societies in our day cannot achieve inner stability or true security; that it is in their best interest to permit a humanizing process to take place; and that their domestic requirements are their highest priority.

Without doubt, that leadership faces the urgent need for drastic internal changes if the Soviet Union is to be a significant part of the 21st Century we are about to enter. The Soviet economy is working poorly, although it does provide a fully functioning military machine. Massive military power has provided the Soviets with a presence that reaches all parts of the world, but this military superpower cannot hide the fact that its economic and social weaknesses are deep. The Soviet's awesome internal police force has provided continuity to its system of governance, but a Russia which during Czarist days exported food cannot today feed its own people. Productivity is low. With absenteeism, corruption, and alcoholism, internal morale is bad. I recall hearing the quip in Moscow: "We pretend to work and they pretend to pay us."

The new leaders of the Soviet Union are fully aware of its problems. They are also aware of our strengths, reflecting the vitality of our values and the healthy dynamism of our system.

We hear the Soviet words with the hope that the deeds and reality will indeed follow the rhetoric. We hope the time is at hand when Soviet authorities, looking at the energy of the West, comprehend the systemic weakness that corrodes their society. We hope Soviet leadership today realizes that its historic aim of achieving Communism through violence has no place in this nuclear age. We hope Soviet authorities will join us in making the commitment that our survival as a civilization depends on the mutual realization that we must live under rules of responsible international behavior. We hope—and there are encouraging signs to bolster that hope. But as yet, we, regrettably, cannot trust.

But even as we cannot yet trust, we have a responsibility to ourselves to observe developments in the Soviet Union carefully and to do so with open eyes and an open mind. It will not be easy for many of us to change the prism of our comfortable spectacles for clearer viewing. There have been significant developments within the USSR. President Gorbachev has shown himself in a dramatic way willing to reconsider past views. The words glasnost and perestroika have been repeated so extensively that the ideas they represent may well take on a meaning and dynamism of their own which could become internally irreversible.

When I began negotiating with the Soviet Union in 1980, under President Carter, human rights was beginning to be injected as a major item on our country's international agenda. The Soviet Union insisted that the discussion of the subject was an improper interference in their internal affairs. When President Reagan asked me in 1985 to return to government service as head of our nuclear arms reduction negotiating team, an extraordinary change soon became apparent. Under the leadership of the President, the United States enlarged upon what President Carter initiated, and incorporated the concept of human rights as a necessary and ever-present ingredient in the totality of our relations with the Soviet Union.

It does not denigrate the vital importance of arms control for me to assert that if arms reductions are to be real and meaningful, they must be accompanied by attention to the serious problems that cause nations to take up arms. Arms are the symptoms of a disease. Let's treat the disease: aggression, poverty, intense bilateral competitive tensions, and, of course, violence against human dignity. The latter, which undermine the very essence of trust and confidence between nations, has been at the root of much of our historic hostility toward the Soviet system.

In his 1975 Nobel Prize speech that he was not permitted to present in person, Dr. Andrei Sakharov, said: "I am convinced that international trust, mutual understanding, disarmament, and international security are inconceivable without an open society with freedom of information, freedom of conscience, the right to publish, and the right to travel and choose the country in which one wishes to live."

The United States interacts and negotiates with the Soviet Union in that context. We have faith in our principles as we intensify our efforts, through our negotiations, to find a basis for understanding, stability, and peace with dignity. To negotiate is risky. It is, in the words of my dear friend, Hubert Humphrey, something like crossing a river while walking on slippery rocks. The possibility of disaster is on every side, but it is the way to get across. The object of our diplomacy and the supreme achievement of statesmanship is patiently, through negotiation, to pursue the peace with dignity we seek, always recognizing the threat to that peace and always protecting our vital national interests and values.

We have begun a historic process. It may be working. It is in all of our interests to try to make it work. With the nature of our adversary and the complex issues we face, however, coupled with our own internal political stresses we are still much nearer to the very beginning than to the end of that process.

The process, furthermore, is likely to be a difficult and murky one. The USSR is not apt easily or quickly to undergo what Jonathan Edwards called a "great awakening" or see a blinding light on the road to Damascus. Their heavy bureaucratic crust of tradition is thick and not easily cracked. The fundamental nature of their system is the

29-069 O-90-38 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

reality that they and we must still face. During a recent trip to Moscow, I heard it said: "There have been many books written on the transition from Capitalism to Socialism, but not one on the transition from Socialism to Capitalism." The problems are real and at times appear overwhelming.

We are also struck by the depth of ethnic nationalism that has survived the Marxist and Leninist revolutions in the Soviet Union. That nationalism at times appears to be tearing at the fiber of the Soviet empire. There is violence, demonstrations, curfews, and the recurring question: How tolerant can Moscow afford to be? Can glasnost survive this strain and onslaught? Can the Soviet Union, with more than 100 nationalities and widely disparate cultures living in 15 Republics, contain these demands for local sovereignty?

Just as the strains must not blind us to the changes so should the changes not blind us to the difficulties that still remain. Yes, the changes are stunning—Soviet troops out of Afghanistan; Solidarity legally recognized in Poland with free elections on the horizon; the prospect of Cuban troop withdrawal from Angola; Vietnam's agreement to withdraw from Cambodia; Communist Party officials challenged and defeated in Soviet elections; the beginning of a two party system in Hungary; interesting Soviet proposals to reduce conventional arms along lines proposed by the West.

But the basis for skepticism also remains: The Soviets and their allies continue to provide more than half a billion dollars a year in military assistance to Nicaragua; Cuba continues to receive $7 billion in Soviet support annually; the Soviet military budget has still not been reduced; we have still not been able to observe a promised shift in Soviet military philosophy from an offensive to a defensive posture; and, as a dramatic reminder of our need to be wary, the Soviet's sale to Libya of bomber aircraft capable of threatening and further destabilizing the Middle East. We could go on.

The great challenge to our diplomacy is how to adjust to a rapidly changing Soviet Union in a rapidly changing world without endangering our security and our values. As we do so, we must at the same time be sensitive to the judgment of history and take heed, lest future generations condemn us for having missed a decisive opportunity for peace with dignity.

Alexis de Tocqueville wrote in the nineteenth century that "It is especially in the conduct of their foreign relations that democracies appear to be decidedly inferior to other governments." With that observation in mind, our task is to achieve the firm sense of purpose, readiness, steadiness, and strength that is indispensable for effective and timely foreign affairs decision-making. Our political community must resist the temptation of partisian politics and institutional rivalry as we develop the consensus adequate to meet the challenge of de Tocqueville's criticism.

Two hundred years ago this week George Washington took the oath of office as the first President of the United States. Our country, today the oldest democracy in the world, came into being. Our forefathers said that "America is the last great hope of mankind." It still is. Our political values have helped us build the most dynamic and open society in recorded history, a source of inspiration to most of the world. It is a promise of a better tomorrow for the hundreds of millions of people who have never known the gifts of human freedom. The future lies with liberty, human dignity, and democracy. To preserve and expand these values is our special responsibility. We should look upon it as an exciting opportunity.

TRIBUTE TO THE LATE CHARLES CLABAUGH

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mrs. BENTLEY. Mr. Speaker, recently we in Maryland lost a very fine gentleman and one of our State's most tireless spokesmen on behalf of the rights of senior citizens. Charles Clabaugh, president of the Maryland Senior Citizens Hall of Fame, died suddenly on May 15, 1989, leaving behind a loving family and a legacy of achievement which shall long serve as an inspiration to others. It is a great honor and a privilege to salute him here.

Charles Clabaugh truly embodied the principle that life does not end with retirement. After a long career as an insurance executive he became very active on behalf of his fellow seniors. He became involved with the local Valley Forge Chapter of the AARP and soon was selected to serve as director of the organization's Maryland State chapter. He was also a past president of the Baltimore County Association of Senior Citizens Organizations. Over the years he was called upon to lend his expertise on senior issues to city, State, and local government on many different occasions.

His most recent efforts, however, were in the area of voluntarism. He was a longtime member of the Governor's Council on Voluntarism and continually stressed the importance of keeping seniors involved in volunteer activites. It was this philosophy which led to the creation of Maryland's Senior Citizens Hall of Fame [MSCHF]. The MSCHF recognizes those seniors who have truly distinguished themselves in humanitarian community service with the "Geri" Award—the senior volunteers' equivalent of the Oscar. Under Charles Clabaugh's leadership the MSCHF annual awards ceremony grew from a little-known occurrence to a large media event attended by seniors all across Maryland.

Mr. Speaker, Charles Clabaugh was indeed a wonderful man, and his passing has left many people with a void that can never be completely filled. Yet we are all better for his having touched our lives, for his example has brought new dimension to the old saying "Anybody can make a difference—and everybody should try."

To his wife, Leona, and his family I extend my deepest sympathies at this sad time. Yet to the memory of Charles Clabaugh I bestow my deepest thanks for a job well done.

A TRIBUTE TO GEORGE BARBAREE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. APPLEGATE. Mr. Speaker, it gives me great pleasure to have the opportunity to honor my friend Mr. George Barbaree upon his impending June 30 retirement from the pottery industry.

Mr. Barbaree was born on January 2, 1925, in Richland, GA, to Arthur Lee and Lavia Ann Fussell Barbaree. George graduated from high school at the early age of 16. He entered the U.S. Marine Corps in 1943 and served his country well and with dignity before being honorably discharged as a corporal in 1946. He has received certificates in special courses on labor from the College of the Aleutians, the Ohio State University, and Rutgers University. Mr. Barbaree entered the pottery industry on July 3, 1946, and has a long and distinguished career within its ranks. He has been a member of the National Brotherhood of Operative Potters since 1946 and alternately served as secretary, vice-president and president of his union local 50 of the N.B.O.P. Mr. Barbaree has also been active on a national level; his list of accomplishments includes: Fourth vice-president of the International Brotherhood of Potters, secretary-treasurer of the International Brotherhood of Pottery and Allied Workers, and presently; international auditor of the Glass, Molders, Pottery, Plastics and Allied Workers.

Mr. Barbaree has been a resident of East Liverpool, OH, for 23 years and has been a leader within the community. He serves on the board of directors for Potters Bank and Trust, and the East Liverpool City Hospital Association. He also served on the boards of many pension plans for pottery workers, including the Lenox China Pension Plan and the Buffalo China Pension Plan. He also served on the original committee that organized the Pottery Festival. George Barbaree was wed to Alfreda Rita Mroz in 1946 and together they have three children; Ronald, Susan, and Joyce; and three grandchildren.

As is obvious from the long and distinguished list above, Mr. Barbaree is a civic minded citizen and strong family man. He has been a pillar of his community and area for 23 years and has contributed greatly to the growth and development of East Liverpool and its surrounding area. It gives me great pleasure to have an opportunity to make his name and accomplishments known and to honor him as he justly deserves. I wish him well in the future and hope he finds his golden years of retirement enjoyable and fruitful.

UNDERSTANDING RISK

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, June 21, 1989, into the CONGRESSIONAL RECORD.

UNDERSTANDING RISK

Americans have never been safer—at least that is what the statistics say. Yet I find people increasingly worried about reports of public health and safety risk, such as cyanide in Chilean grapes, Alar-treated apples, aging aircraft, and growth hormones in animal feed. One constituent said she got a scare every week from some threat to health and safety, and that she and her family simply did not know any longer what was safe to do or eat. Public concern about risk is posing difficult questions not only for individuals, but for scientists and the government as well.

Risk is relative. In less affluent, less protected societies, people confront daily a wider range of risks—disease, war, limited food supplies, and lack of shelter. Our nation has the luxury of fearing less immediate threats, such as artificial sweeteners and food color dyes. Indeed, Americans have never been healthier. Life expectancy at birth in 1986 was 74.8 years, up four years since 1970. A slew of new risks, of course, accompanies our prosperity and good health. Since World War II, for example, the U.S. has accepted risks posed by pesticides in exchange for the tremendous boost in agricultural productivity they have brought.

Individually and as a nation, we have to determine what level of risk is acceptable. When scientists discuss risk, they assess the magnitude of a danger and the likelihood that it will occur. But most of us do not view risk in purely statistical terms. We tend to fear those threats that are unknown and involuntary (such as living downwind from a nuclear plant) more than those which are known and chosen (such as not wearing a seat belt). We overreact to small risks and underestimate major ones. For example, only two percent of cancer deaths have been linked to involuntary exposure to man-made hazards, while the primary causes of premature death and disease in the U.S. have remained the same for decades: smoking, alcohol abuse, diets rich in fat and lean in fiber, and lack of exercise. We also find it difficult to keep risks in perspective. We cut back our consumption of fresh produce because of pesticide worries. Yet increasing consumption of fruits and vegetables can help reduce the risk of some cancers, with benefits far outweighing possible cancer risks from the pesticides.

It is not surprising that public perceptions about risk do not match scientific assessments. Often, the government offers conflicting guidance. When federal inspectors found two cyanide-laced grapes imported from Chile this past March, the U.S. banned all imports of Chilean fruit, held millions of crates in storage, ordered the destruction of Chilean fruit already distributed, and advised consumers to discard any they had at home. The level of cyanide in those two grapes was not enough to give a toddler a stomachache. When a news program aired a controversial report in March that 6000 preschoolers might eventually get cancer from eating produce such as apples treated with the pesticide Alar, the government responded that a ban was planned within 18 months, but that apples were not dangerous to eat and that Alar was not an imminent hazard to children. Still, apples were removed from many school lunchrooms, markets advertised Alar-free apples, and some families poured apple juice down the drain. To confused and worried consumers in both instances, it was unclear how great the risks were and how safe our food supply was.

Public views of risk may also be out of step with statistics because risk assessments are rarely uniform. There is no single federal policy on cancer, with at least ten laws and four agencies regulating cancer-causing agents. For example, three agencies in 1979, using the same evidence, reached different regulatory decisions about the chemcial substance formaldehyde. Even within the Environmental Protection Agency, different policies govern evaluation of cancer risks, depending on the environmental protection law involved. Some pesticide use regulations balance risks and benefits, while others bar any food additive that has been found to induce cancer in humans or animals.

Government agencies are not the only regulators of risk. Courts and juries are making manufacturers increasingly responsible for injuries caused by their products, frequently resulting in price hikes to help cover companies' future liabilities. These liability fears and increased costs can inhibit development of new, possibly safer and less risky, products. This has apparently occurred in the development of certain vaccinations, birth control devices, and even safer alternative materials for brake linings.

It is the government's responsibility to explain risk in ways that people can understand. Although many tend to distrust experts, the public must depend on them to make judgments in the face of scientific uncertainty and incomplete information. The government faces the difficult task of expanding public information about possible hazards without making us feel that almost everything is dangerous. We need more and better information about risks, perhaps establishing an independent environmental statistics board. We also need to package information better. Knowing that the average smoking habit is 200 times as likely to cause cancer as a daily can of diet cola containing saccharin might be as useful as knowing that the can of cola will on average kill one person in 100,000 each year.

Given the strong demand for a safer food supply, we need stricter, faster, and more consistent controls on pesticides, and we need to encourage production of food with less use of chemicals. The government must also be able to act quickly in response to genuine health threats, and, if it must err, err on the side of protection of health and safety. Caution when first handling new technologies, such as biotechnology, can also help boost public trust in the safety of those new technologies.

There is no such thing as a risk-free environment, even though the public may want one. Unfamiliar and indeterminate risk is the price of progress. Improving the government's ability to understand and control risks, and boosting public confidence and trust in those efforts, is critical to maintaining such growth and prosperity.

TRIBUTE TO WILLIAM J. "BILL" HAMPTON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. RANGEL. Mr. Speaker, I rise today to pay special tribute to a committed and dedicated citizen of my district, Mr. William J. "Bill" Hampton, who died May 21 at the age of 70.

Mr. Hampton's service to the 16th Congressional District spanned four decades. As an expert on housing, Mr. Hampton played a key role in the development of more than 4,500 dwelling units for low- and middle-income families in the Harlem and Queens communities of New York. In the private sector, he was a vice president of housing development for the Keige Construction Co.

He also served as an economic development housing specialist for the South Bronx Community Corp., as an assistant coordinator—housing for Haryou-Act Community Corp., and as vice president and general manager of Harlemco Development Corp.

Earlier in his career, he served as a supervisor for United Service for New Americans and an administrative and fiscal adjudicator for the U.S. War Department—Department of Defense. At his death, he was a principal of Housing Developers Unlimited and Ebony Development Corp., located in Harlem.

Mr. Hampton, who was born in Madison, FL, graduated with honors from New York's Stuyvesant High School in 1938 and the City College of New York in 1943, with a B.S. in social science. He also studied economics at Columbia University. While there in 1944–45, he worked on the computer gunsight system as part of the Manhattan Project. From 1948 to 1966, he served on the staff of the late Congressman Adam Clayton Powell, Jr.

He is survived by his wife, Dorothy; two daughters, Gail McKeller and Glenda Davis, and an aunt, Eleanor Sampson.

Mr. Hampton will be deeply missed by his family, friends, and the Harlem community. I extend my deepest sympathies to Mr. Hampton's family.

WALNUT CREEK—A MOST LIVABLE CITY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. MILLER of California. Mr. Speaker, Walnut Creek, CA, will tomorrow be named the most livable small city in the United States by the U.S. Conference of Mayors. I am certain that all Members of the House of Representatives will want to join me in saluting this community, and its residents.

Walnut Creek is the very first city in California to win this designation.

Walnut Creek is in the heart of the Seventh Congressional District, and in recent years has blossomed into a major center of employment

VOL 135 PT 9 JE 14 — 22 1989 UMI

and the arts. Of particular pride to all of us in Contra Costa County is the new, $17.1 million regional center for the arts which will open next year. We are all looking forward to this important center as further evidence of the maturation and improvement of our community.

Arts activities in Walnut Creek—including exhibitions, classes, performance and training workshops—reach more than 160,000 people annually, and we will see these efforts expand under the city's multiyear plan.

The Conference of Mayors recognizes this achievement by Walnut Creek, noting that its level of commitment is comparable to the arts programs of major cities throughout the Nation.

We in Contra Costa already know that our county, and Walnut Creek as a growing city, are outstanding places to live. We appreciate the well-deserved recognition we are receiving from the Conference of Mayors, and I salute the city leaders, and its residents, for receiving this honor.

PERSONAL EXPLANATION

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BUECHNER. Mr. Speaker, I was unavoidably absent from the House during proceedings on Wednesday, June 7, Tuesday, June 13, Wednesday, June 14, and Thursday, June 15. Had I been present, I would have voted "no" on roll No. 77 (FSX rule, H. Res. 165); "no" on roll No. 78 (Solomon substitute on FSX); "no" on roll No. 79 (Bruce substitute on FSX); "yes" on roll No. 80 (recommittal motion on FSX); "no" on roll No. 81 (FSX final passage); "no" on roll No. 82 (H.R. 1502, additional police officers for the District of Columbia); "yes" on roll No. 83 (Conte motion to instruct the conferees for the dire emergency supplemental); "no" on roll No. 84 (Journal); "yes" on roll No. 85 (rule to consider the H.R. 1287); "no" on roll No. 86 (override the veto of H.R. 2); "yes" on roll No. 87 (Hyde amendment to H.R. 1278); "yes" on roll No. 88 (Annunzio amendment to H.R. 1278); "no" on roll No. 89 (LaFalce amendment to H.R. 1278); "no" on roll No. 90 (Rostenkowski amendment to H.R. 1278); "no" on roll No. 91 (Kennedy amendment to H.R. 1278); "yes" on roll No. 92 (Dorgan amendment to H.R. 1278); "yes" on roll No. 93 (Bartlett amendment to H.R. 1278); "yes" on roll No. 94 (Leach motion to recommit H.R. 1278); "yes" on roll No. 95 (final passage of H.R. 1278).

THURMOND INSTITUTE AUDITORIUM DEDICATED

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. DERRICK. Mr. Speaker, on April 21, 1989, my good friend, the senior Senator from South Carolina, STROM THURMOND, delivered remarks dedicating the new auditorium at the Strom Thurmond Institute of Government Affairs at Clemson University.

Clemson University's fine reputation can only be enhanced by this most recent addition to the Strom Thurmond Institute; a point at which the wisdom of the past and modern technology converge to solve today's problems. And as the institute advances its goal of an educated citizenry active in our democracy, the community, the State and the Nation will be enriched as well.

Mr. Speaker, the contributions of this institute—which bears the name of our august colleague—have been numerous and invaluable to local, State, and national governments. Senator THURMOND's remarks, which underscore this fact, merit the attention of my colleagues. I insert Senator THURMOND's speech for the RECORD:

REMARKS BY SENATOR STROM THURMOND

Dr. Lennon, distinguished guests and close friends—and that is what all of you are—my devoted wife, Nancy and my daughter, Nancy Moore. I am very pleased to be here on this auspicious occasion. I am delighted to see so many people who are long time friends of mine: Dr. and Mrs. Robert Edwards, Mr. Walter Cox, Senator and Mrs. Marshall Williams, other members of the S.C. General Assembly, Mr. Louis Batson, Members of the Clemson Board of Trustees, Mr. Buck Mickel, Mr. Walter Brown, Mr. and Mrs. Bill Plowden, Mr. and Mrs. Tony Campbell, Mr. and Mrs. Warren Abernathy, Madam Chennault, Prime Minister Charles, and many others. I cherish the friendship of all of you. A good many members of my family are here this evening, as well, and if you do not mind I am just going to ask my nephews and their children who are here to stand up.

Ladies and gentlemen, it is a pleasure to be here tonight to inaugurate the Strom Thurmond Institute of Government and Public Affairs. Many distinguished people will stand on this stage in the months and years to come. I am pleased that such a fine auditorium will await them on the campus of my alma mater, dear old Clemson.

Thomas Jefferson once said, "I look to the diffusion of * * * education as the resource most to be relied on for ameliorating the condition, promoting the virtue, and advancing the happiness of man." I share Thomas Jefferson's view that education is the key to opening the door of our future. During the lifetime of that great President, our Country underwent tremendous growth and change. Similarly, in its past 100 years, Clemson University has transformed itself from a small land grant college to a dynamic institution of higher learning.

The Clemson legacy began on November 1, 1886, when Thomas Green Clemson willed to the State of South Carolina an 814 acre plantation and more than $80,000 in assets. It was Thomas Clemson's dream to establish an agricultural college for South Carolina. Many of our State's finest leaders worked throughout their lifetimes to ensure that this dream was realized. These great leaders include men like: "Pitchfork Ben" Tillman of Edgefield, a former life trustee of Clemson, Governor and United States Senator, whose dedication to the college was unequalled; and W.L. Mauldin of Greenville, a former Lieutenant Governor of South Carolina, who cast the tie breaking vote more than four times during the General Assembly's debate on the land grant.

However, it was Dr. Robert C. Edwards, the University's eighth president, who was the spark plug that drove the engine of change. Under his leadership, Clemson broadened its curricula, constructed many new buildings and grew from college to university status. The student body, once comprised solely of men's Corp of Cadets, was expanded to include women and minorities.

On this occasion it is my pleasure to recognize another of Clemson's outstanding leaders, Dr. Bill L. Atchley. It was he who convinced me that my alma mater was the proper place to preserve my papers. He initiated the establishment of the Strom Thurmond Center, of which this Institute is just one segment. The other segments include a continuing education building and a performing arts building.

I would also like to express my appreciation to former President Walter Cox who was instrumental in the Institute's groundbreaking efforts. He has been supportive of the Institute since its inception and his contributions have been vital to its development.

Today, under the dynamic leadership of Dr. Max Lennon, Clemson is continuing to evolve to meet the challenges of our ever-changing world. As we move toward the 21st century, Dr. Lennon has charted a path that is progressive and far-reaching. He is nationally recognized as a leader among land grant university presidents, and his expertise and experience are respected by all who know him. Our future bodes well under Dr. Lennon.

Each time I visit this beautiful and historic campus, I marvel at the changes I see. I am proud that throughout its growth and transformation, Clemson has remained loyal to its tradition of being an institution for the people. The Nation's first cooperative extension service was established at Clemson in 1914. The Smith-Lever Act, which authorized the cooperative extension service, was co-authored by the later Frank A. Lever of Lexington County, a South Carolina Congressman and Clemson trustee. Clemson has been at the forefront of emerging technology which the Nation's extension service has successfully transferred to local farmers.

It is important that Clemson's tradition of being a "people's" university not only be preserved, but encouraged and expanded. Indeed, that task will represent our challenge for Clemson as it enters its second century. This is also the challenge for the Strom Thurmond Institute.

Should the Institute successfully fulfill this mission, as I know it will, there will be no one prouder than the members of my family, many of whom are here tonight. I received my degree from Clemson in horticulture 66 years ago this spring—I don't feel like it's been that long, you just have to exercise and watch your diet—and I owe a debt of gratitude to my family and many of the professors who instilled in me the knowledge and determination to work hard and serve my fellow man.

Among these professors were Dr. D.W. Daniel, a nationally respected professor of English and public speaking; Professor J. E. "Little Joe" Hunter, the finest mathematics teacher I have ever known; Professor Mark E. Bradley, an English teacher whose patience and devotion were unequalled; Professor C.C. Newman, a skilled and dedicated teacher of horticulture; and Dr. R.N. "Dickie" Brackett, an expert in organic chemistry. With my Clemson degree in hand, I was fortunate enough to become a teacher, athletic coach and superintendent of education, working in McCormick, Ridge Spring and Edgefield. Clemson taught me

the meaning of ambition and perseverance. I studied law at night under the guidance of my father, the late Judge J. William Thurmond, and passed the South Carolina bar in 1930. The knowledge I gained at Clemson provided the foundation for my career as a lawyer, state senator, circuit court judge, soldier, governor and United States Senator.

When I graduated from Clemson, it was one of the eight distinguished military colleges in the United States. As a member of Clemson's proud corp of cadets, I learned the value of discipline and love of country. These values prompted me to obtain a leave of absence from the circuit court so that I could volunteer for military service the day war was declared against Germany. I continued reserve duty after the war and served for a total of 36 years.

During my 35 years of service in the United States Senate, I have never lost sight of my Clemson heritage. It is for this reason that I am so deeply honored tonight. To stand and view this marvelous building that bears my name, this wonderful Institute that has such promise, is truly one of the greatest honors I have ever received. I cannot believe that a plain, farm boy like me would ever have something like this named for him. It is indeed a dream come true.

Years from now we will take special pride in the Institute's successes, many of which are well under way. During its short life, the Institute has proven to be beneficial not only to Clemson, but to our State and Nation.

In the Institute's first six years, many of today's pressing issues have been addressed. The Institute has initiated efforts to train local officials in dealing with terrorist threats; worked with the Department of Defense to improve state and local energy awareness; and conducted workshops to help local officials and organizations make better use of volunteers. It has also provided technical assistance to local governments in updating growth management and land-use plans. Bringing faculty together from several of Clemson's colleges, the Institute has conducted a well-received assessment study for Anderson County, and has just completed a major, four-year analysis of state water policy needs.

What lies ahead for the Institute will depend in part on the needs of the University, but some obvious avenues will be explored. As the demands on public service increase, local, state and national governments must confront a number of complex issues on a daily basis—all against a backdrop of decreased funding. We must find better ways to help government work efficiently without depending on government for every solution. I believe the programs and seminars at the Strom Thurmond Institute will contribute significantly in answering the difficult questions which face our State and Nation.

Thus far the Institute, which was founded in 1982, has merely scratched the surface of what needs to be done and must be done if we are to have the strong, competent, and far-sighted government our people deserve. This need is as great today as that of the farmers who years ago first sent their sons to Clemson for an education.

Years ago, all mail from Clemson College was postmarked with the slogan, "Clemson leads." From its beginning as a college for farm boys, to the early work of county agents to today's research into super-computers, Clemson has led the way. It is my hope that the Strom Thurmond Institute will strengthen this great university and help to ensure that Clemson and the Fighting Tigers will always take the lead.

This means graduating young men and women who are not only properly trained, but also are inspired and motivated to be leaders and willing to offer for public service. It also means that Clemson must remain true to its tradition of a university in touch with the local communities and the daily lives of free citizens in an ever-changing world.

With this new facility which we are using for the first time tonight, and with the innovative developments already underway, I feel confident that our expectations for Clemson's second century are realistic and within reach. This is truly a people's university.

I believe that when Clemson University celebrates its bicentennial in the year 2089—and by the way I hope you'll join me for that occasion—it will be common knowledge that it is the pre-eminent land grant university of the 21st century, a center of excellence of both undergraduate and graduate studies. Clemson will be renowned as a model of service to the people of South Carolina, our nation, and the world.

It is my hope that the Strom Thurmond Institute will continue to make major contributions to Clemson University by setting standards for excellence in service to those who are charged with the people's business, allowing Americans to continue to enjoy the world's highest standard of living. It is my hope that the Institute will play an integral role in our university's continued quest for educational excellence. It is my hope that the Institute will serve as a catalyst for our university, enabling Clemson to build upon its past success. It is my hope that the Strom Thurmond Institute will be a beacon for the future, one that helps define the course this university will follow for years to come.

We will always be indebted to President George Bush, who while serving as Vice President, broke ground for this Institute. We shall look with great anticipation toward his returning to Clemson University during his eight years of service as President.

We are further indebted to Vice President Dan Quayle for his forthcoming participation in the Institute's dedication ceremony. Vice President Quayle epitomizes the youth of our country, the vitality of the Bush Administration, and the future leadership of this proud Nation. We are honored to have him as tomorrow's keynote speaker.

As we commence the mission of the Institute, I want each of you to join me in paying tribute to the Director of the Strom Thurmond Institute—a gentleman whose character, compassion and capacity have launched this progressive agenda of excellence in government and public service. Dr. Fleming, you are a dedicated educator and a responsive leader. Let's give him a hand of applause.

The Institute will be forever grateful to you and your fine staff which includes: Mrs. Joyce Bridges, Mrs. Julie Craig, Colonel Edward Hamilton, Mrs. Peggy Jenkins, Mrs. Martha Morris, and Mrs. Donna Zimmerman. I would like to further acknowledge the Institute's senior fellows and fellows, as well as our many distinguished lecturers. We wish you all God's speed in meeting the many challenges ahead.

I would like to close with a quote from my good friend and one of Country's greatest leaders, former President Ronald Reagan, who said of education: "To be American means to understand that education is the key that opens the golden door of opportunity and, just as importantly, it has preserved the conscience and the character of our Nation."

Let these be the ideals which the Strom Thurmond Institute serves to protect in the years ahead.

Thank you, God bless you, and good night.

A PRAYER FOR THE PRESIDENT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. HYDE. Mr. Speaker, even though President Bush has been in office 5 months now, two of my constituents, Dr. Glenn Arnold, a professor of journalism at Wheaton College, and his wife Margaret Arnold, composed a beautiful prayer for the President which might appropriately have been recited at his inauguration. I would like to share this prayer with my colleagues:

OFFERING A PRAYER FOR THE NATION'S CHIEF EXECUTIVE

(By Margaret and Glenn Arnold)

A prayer for a new president:

"I do solemnly swear . . . .

Our Heavenly Father, we come before You today on behalf of our new President. We thank You for him and his family. We are encouraged that he is a man of prayer. Our hearts rejoice knowing that he took time to be alone with You specifically on his Inauguration Day.

May he always be known as our praying President by continuing to seek Your face each day of his administration.

We pray that the oath of office that he took will be inscribed on the tablets of his heart. Throughout his term of office, help him to remember that he made this vow in Your presence, before the eyes of the citizens of this blessed land and in the hearing of scores from most of the countries on this earth. May he realize that his oath was observed by that "great cloud of witnesses" of preceding presidents who revered God.

Father, we can still see his left hand that he placed on the Bible and his right hand raised as the vertical symbol of the vows spoken horizontally. We pray that those same hands will reverently hold the Holy Scriptures each day throughout his tenure as our chief servant. May he look to Holy Writ for guidance, insight, encouragement and wisdom and to learn Your eternal perspective in which to place present crises.

Holy Father, help President Bush to follow Your Son's command to "speak the truth in love"—even when the truth hurts. Grant him the fortitude of Isaiah in proclaiming the bad news as well as the messages of hope and celebration.

May his words to us and the world always be pure and seasoned with grace and compassion for those who suffer. Grant that his private conversations have these same qualities.

"That I will faithfully execute the office of President of the United States . . .

Father, give our President the faithfulness and determination of Daniel, an overseer of three presidents. Enable him to

VOL 135 PT 9 JE 14 — 22 1989 UMI

choose Your pathway when all others are hurdling down another road.

O Lord, may he heed Your counsel that a servant, public or private, must be found faithful. Help our leader to be true to himself, to his family, to his country and . . . to You.

Anoint him with wisdom when he asks for it as David's son did when he began his term of office. May our president seek the mind of your Son when he has to make the hard decisions that won't win anyone's vote.

Prove to him and those who serve him that "righteousness exalts a nation."

"And will to the best of my ability. . . .

Dear Lord, we implore You to provide our chief executive the gifts that he needs to lead our nation energetically. Pour into him a droplet of the power You used to create this world.

When he walks out of his office at the end of the day, dear Lord, give him the strength and vitality to enjoy his family and be the support and encouragement that his wife, children, mother and grandchildren need and deserve.

"preserve . . .

May he not only preserve the Constitution of the United States, but all the values of liberty, justice and reverence for God into which our founding fathers dipped their pens when they wrote this unique document.

Supply Mr. Bush with the insights to provide ways of feeding the hungry, housing the abandoned and educating those who can not read.

"protect . . .

Holy Spirit, grant our new president, the stamina and courage to protect the constitution and those living under its shelter. In so doing, may he protect our nation from enemies outside our borders and from one another.

"and defend . . .

Holy Ghost, so instruct him with your Spirit that he will see that he cannot defend our Constitution or anything else without Your help.

May he say with the Psalmist, "Some trust in chariots, and some in horses, but we will remember the name of the Lord our God."

Help our new leader to recognise that the love of God is the most powerful force on the face of this earth. Infuse him with the creativity to use power and position as channels of love.

"The Constitution of the United States."

Father, Son and Holy Spirit, we thank you for providing the founders of this country with the awareness that they desperately needed Your assistance in formulating a lasting document on which to base our new nation.

We stand in awe of the blessings that have been ours because some of the delegates at the Constitutional Congress saturated their sessions in prayer.

O God, may "we the people" be faithful in following the Apostle Paul's exhortation. Quicken our spirits, souls and minds so that we will be faithful in offering to You "supplications, prayers, intercessions and thanksgiving for all men . . . and for all who are in authority that we may lead a quiet and peaceable life in all godliness. For this is good and acceptable in the sight of God our Savior."

"So help us God.

"Amen and Amen."

A TRIBUTE TO LESTER H. "CHIC" NULL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. APPLEGATE. Mr. Speaker, I rise today to invite you and my fellow colleagues to join me in congratulating Lester H. "Chic" Null, Sr., upon his retirement from the Glass, Molders, Pottery, Plastics and Allied Workers.

Chic went on the international staff of the International Brotherhood of Operative Potters on March 5, 1959, and retired from the Glass, Molders, Pottery, Plastics and Allied Workers on May 31, 1989, totaling a commendable period of 30 years of service. He became a member of Local Union No. 220 in New Orleans, LA, where he also grew up, in March 1950 while working at American Standard, Inc. In March 1959, he became an international vice president. Chic became international president of the International Brotherhood of Operative Potters in 1969, when Mr. E.L. Wheatley became suddenly ill, where he served until July 1982, when the merger of the International Brotherhood of Pottery and Allied Workers and the Glass, Bottle Blowers Association took place.

Chic exhibited excellent leadership qualities which are quite evident through the many positions that he has held on several boards. Among those boards which he so steadfastly served are the Union Labor Life Insurance Co., board of directors since 1969, the Ohio State AFL–CIO executive board, the Maritimes Trade, the AFL–CIO, the I.U.D. board, the Mental Health board, Columbiana County, and on several local bank boards as well as others.

Being a civic-minded man also, he is a member of Elks Lodge No. 258 of East Liverpool, OH; Masonic Lodge 428 of New Orleans, LA; and Al Koran Shrine of Cleveland, OH, among others.

Born in Missouri, and growing up in New Orleans, LA, Chic married his wife, Helen, in November 1969 and they have six children; Terry, Richard, John, Jimmy, David, and Lester. They also have four grandchildren; Stacey, Lisa, Jake, and Zack. Chic served in the U.S. Navy from 1940 to 1946. Presently Chic serves as secretary-treasurer of Union Labor Life Insurance Co. of Washington, DC. Among his favorite pastimes are golfing and fishing which he plans to enjoy during his retirement along with a bit of traveling.

I ask you again, Mr. Speaker and my fellow colleagues to join me in congratulating "Chic" Null on his retirement and many years of outstanding service.

WHY DENG XIAOPING AND LI PENG REPRESS STUDENTS?

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BARTLETT. Mr. Speaker, I wish to enter in the RECORD a powerful and dramatic commentary on the situation in China. It was given to me by a Chinese student, studying in America, while I was recently home in the district. The message is powerful and clear: The Chinese people want freedom, and they want democracy. I include it in the RECORD exactly as it is written here by the student:

WHY DENG XIAOPING AND LI PENG REPRESS STUDENTS?

TO ALL THE PEOPLE OF AMERICA

Deng Xiaoping and Li Peng at last shoot the students with the automatic gun and tank, hundreds people died and thousands people injured, the Tiananmen Square has been a blood pool and the whole Beijing, the whole China is crying!

Why Deng Xiaoping and Li Peng repress the students who ask for democracy and freedom? To answer this question, we have to analyze the following questions.

1. Socialist System is an evil to Chinese people.

In China all resources and the most treasure belong to government, actually belong to Communist Party. The party leaders are privileged stratum, they have the power and very respected political status for whole life. They can control people and order them to do what he want to do. Further more, they grasp the party, the army, the government, the legislative, the court and the police together in their hands, they have unlimited power. No one can superintend them. They are above law, above people, above the whole country. This privileged stratum and its so called socialist system is an evil to Chinese people.

2. The Corruption of Communist Party.

Deng's reform had no complete consideration about the whole society. His policy was "Let some people rich first.". This policy allowed some people to be rich, but forbade others to do their business. But, Deng can forbid workers and intelligents to be rich, he can not forbid the party leaders to be rich. From Beijing to every county of China, from this department to that department of the government, every leader has some power to control the people who want to open a company, or get a license, or do something else, so these people have to bribe the leaders. Large amount of money flowed into these leader's pocket in this way. And there is still another way to make the treasure of the country to be the leader's private property. That is to open some companies by their sons, but use father's power to buy into, even just get into some goods from the departments of government (you know, most commodity belong to government), and sold out in much higher price, and so on. Other business men would never have these kinds of benefits. Recent years, this situation has lost control, actually the government had never seriously to control them at all. The holes on the nation's bank are larger and larger. These party leaders are the biggest winner in the economy reform. They can do all of above things because: 1. they have the power to use the resources and treasure of the country, it is very convenient for them to make money. 2. Nobody can limit them, they are the government, they are the law, and they are the police. They take care of each other, no one can beat down them. They can do what ever they want to do. Now they not only have the political power, but also be the richest. And tomorrow they would like to swallow the whole country.

As mentioned above, just small part of the people are allowed to earn money freely (of

course include those party leaders), they become richer and richer, and make the price higher and higher. But, the large part of the people have not the same right to do their own business. First, this is not fair, people should have the same right to compete. Second, when price goes very high, many people met trouble in their everyday life. The people all over the country hate the graft and corruption of the Communist Party! The students on Tiananmen Square are just representing them.

3. The Reactionary Feudal Hereditary Politics.

Only the son of an emperor can be emperor, this is feudal politics. But today, the leaders of Chinese Communist Party are still like this politics. They not only enjoy the privileged status for themselves, but also want their sons and grandsons to have the same right. Their sons and grandsons become the members of Communist party and go up to the higher and higher position quikly. Li Peng in one of them.

Deng Xiaoping and Li Peng are the representatives of these old and young privileged leaders. In the struggle inside the communist party, they fight against those party members like Hu Yiaobong, Zhao Ziyang who really wants to make China better. Deng Xiaoping and Li Peng stand on their class and against the people. They have seriously injured Chinese people. The contradiction between privileged stratum and the people has been very sharp. Deng Ziaoping and Li Peng repress students because they want to keep the privileged status of the Communist party leaders, keep their benefits, keep the power to control the Chinese people. They want to keep all of these from generation to generation! Now, they represent the reactionary force in China.

4. Who is violent.

All can see from TV, radio, or newspapers that the students didn't use the violent means at all, but Deng Xiaoping and Li Peng is the first one to use it. They use the armed police and army to against the students who are still very young and without any weapons! They killed hundreds students and residents. They show their tyrant face completely! China has got into a very dark period.

Down with Deng Xiaoping!
Down with Li Peng!
Down with Chinese Dictators!

5. Chinese People Desire Freedom.

We Chinese People have been ruled by dictators for more than two thousand years. Until now on we haven't ever truely enjoyed the freedom at all. We desire freedom, we need freedom, we should have the same right all of the human beings to live, to have education, to do our own business. All Chinese people should have the same right to live in China!

But to approach this, we would pay painful effort. Everyone knows that there still exists the whole system of dictatorship in China, i.e. the Communist Party with its government, its army, its police, its law and court. All of these are useful for Deng Xiaoping and Li Peng and their class, with which they can easily rule the whole China. But all of that are barriers to the people. We need people's own congress, need the independent legislative body and law, independent court, we should be able to vote our own government and precident, and we don't want the army and police to interfer with the politics. We still have long way to go to get freedom, but we must go!

Support us, all the people of America! Support us, whenever we move forward a single step!

The future must belong to freedom and democracy!

THE PRODUCT LIABILITY REFORM ACT OF 1989

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. THOMAS A. LUKEN. Mr. Speaker, today I am proud to introduce the Product Liability Reform Act of 1989. The proposal is similar to a bill reported favorably by a strong bipartisan 30 to 12 vote from the Energy and Commerce Committee in our last congressional session. I hope my fellow Democrats and Republicans also will support this measure. Let me tell you why.

First, the bill itself is closely patterned on a product of over 8 days of hearings and 15 days of markup. That product has undergone intense scrutiny with the purpose of balancing the interests of those who sell and those who use products. Just about every relevant interest group, consumers, business, and others were consulted. The net result is a carefully balanced bill that represents sound social policy.

The act recognizes that product liability has become a serious impediment to interstate commerce. State product liability legislation, though helpful, cannot do the job. For example, in my own State, Ohio, which recently enacted product liability legislation, over 70 percent of products manufactured in the State are shipped out of the State. As a practical matter, the Ohio statute will not apply to the overwhelming majority of the products that are manufactured in my State. This same fact is true for each and every Member of this House. The enactment of Federal product liability legislation, however, will implement basic policy that State product liability statutes seek—stability in an area that is in legal ferment.

One result of our current mix of State statutes and everchanging court rules is forum shopping. Both plaintiffs' and defendants' lawyers try to move cases from State to State, like a bunch of ping pong balls, hoping to land in a forum that is most favorable. The losers from all this are the American public who end up paying excessive legal fees that are silently encapsulated in the price of products.

The current hodgepodge system of product liability laws has other disastrous effects.

It deters the introduction of new and useful products. This is particularly true in the pharmaceutical and chemical areas.

It makes actuarial prediction of risk almost impossible—this confronts both those who try to self-insure and those who insure commercially.

It creates confusion and ineffective signals for safety. While the current system creates some incentives for safety, the mixed signals produced from the 51 sets of everchanging rules make it virtually impossible to plan and produce products that will not have some obscure liability exposure.

My colleagues, we have worked on product liability legislation for some time. Early efforts by our committee can be traced as far back as 1979. We began around the same time that countries in the European Economic Community began to develop uniform product liability rules. I am disappointed to relay that the Europeans are ahead of us—the EEC countries will, by the end of 1990, have uniform product liability laws. When our European competitors have uniform laws and we still have the hodgepodge, it will be a commercial disaster for the United States.

My bill is intended to reduce unnecessary legal costs, place sharp and accurate incentives on appropriate parties so there will be fewer accidents, and provide both self and commercial insurers a reasonable basis on which to assess product risk. Let me describe to you the basic provisions of the bill and explain how it will meet the goals that I have outlined.

First, the act establishes standards of liability for manufacturers based on the theories of negligence and strict liability. Under the strict liability theory, the claimant must establish that the product was in a "defective condition unreasonably dangerous." The act sets out four ways in which a product may be in a defective condition unreasonably dangerous:

First, it deviated from the manufacturer's design specifications or performance standards or from otherwise identical units of the same product. This, in effect, is absolute liability—it requires the manufacturers to exercise perfect quality control.

Second, it did not conform to an express warranty made by the manufacturer. This means if the manufacturer makes a promise about the product's safety, it must be true. Under this proposal, there are no excuses if those types of promises are made and the product fails to meet those representations.

Third, it did not contain adequate warnings or instructions.

Fourth, it was designed improperly. In a design claim, State law will govern the requirements for a plaintiff to establish his basic case.

One problem in our current system is that a few States, on occasion, have produced court decisions that require a manufacturer to do the impossible. Yes, that is true, these decisions have said the manufacturer will be liable regardless of what it could have done under modern technology.

My bill will allow a manufacturer to prove that it did not know and could not know that product was in a defective condition unreasonably dangerous. It also will allow a manufacturer to contend that there was not a feasible alternative design that would have prevented the harm without substantially impairing the reasonably anticipated or intended function of the product.

Consumer groups have argued that such a state-of-the-art defense should not always apply because some products should not be made at all. After consulting with both business and consumer groups, Congressman SYNAR developed an approach to meet this concern: The state-of-the-art defense will not apply if "the product is so unsafe compared to its usefulness that it should not have been

VOL 135 PT 9 JE 14 — 22 1989 UMI

marketed." This provision, which most manufacturers felt was not necessary, provides courts with an engine to meet every legitimate consumer group concern about the state-of-the-art defense.

The Product Liability Reform Act of 1989 also deals with product sellers, that is, retailers, wholesaler-distributors. They will be liable for their own negligent acts. On the other hand, they will have strict manufacturer liability if the manufacturer cannot be brought into court or lacks funds to pay the judgment. This provision will create a powerful incentive on retailers and wholesaler-distributors to deal with responsible manufacturers. If they deal with a foreign manufacturer who does not have a place of business in the United States, the product seller will be responsible for the entire damages for harms caused by the manufacturer's defects. We have no such incentive in the product liability system today.

The Product Liability Reform Act also places incentives on product users to engage in safe conduct. In that connection, the act provides a defense to liability if a claimant was intoxicated or under the influence of an illicit drug and that conduct was more than 50 percent responsible for the claimant's harm. Currently, in some States, the product liability system permits liability awards for inebriated persons who fall off ladders. We end up paying for the cost of those awards when we buy a ladder—over 20 percent of the cost of a stepladder is attributed to product liability. That should come to an end.

We also should not pay for the cost of harms when products have been misused or altered. The act will reduce a claimant's damages to the extent the harm was attributed to his alteration or misue of a product.

The act reduces legal costs and addresses the problem of open-ended liability for products that are very old. It establishes an outer time limit of 25 years, called a statute of repose, where a capital good product—that is, industrial machinery—is involved in an accident that results in traumatic injury. If a product has worked for 25 years, an injury after that time is more likely due to alteration of the product, poor maintenance, or wear and tear, rather than to a defect in the product. The statute of repose will only apply, however, if the claimant is entitled to receive workers' compensation benefits for the injury.

The act also addresses one of the most important areas of our law today, punitive damages. In a recent case, called Juzwin versus Amtorg Trading Corp., the honorable and well-respected Judge Sarokin held that our current system of awarding punitive damages violates the due process clause of the 14th amendment to the Constitution of the United States. This act addresses the specific due process concerns raised in Judge Sarokin's opinion. For example, it says that a trial can be bifurcated so that the proceeding on punitive damages will be separate and subsequent to the proceedings on compensatory damages. This prevents the prejudicial use of evidence about punitive damages, that is, of a defendant's wealth, from being introduced in the basic liability stage of the trial. It also would allow a defendant to show that he had already been punished for the same or similar act, a problem specifically of concern to Judge Sarokin in the Juzwin opinion.

The act also establishes a defense to punitive damages for drugs and medical devices that receive premarket approval by the Federal Food and Drug Administration. This defense would not apply if the manufacturer intentionally and wrongfully withheld or misrepresented information required to be submitted to the FDA. It also would not apply if the manufacturer violated the FDA statute or misled the FDA in any relevant way. This provision makes sense—it is unsound public policy to impose what is the equivalent of a criminal penalty on a drug manufacturer who has, in all respects, complied with the Food and Drug Administration's requirements.

The act establishes a proconsumer, 2-year statute of limitations which begins to run at the time a claimant discovered or reasonably would have discovered both his harm, that is, cancer, and its cause, that is, a specific chemical or drug. It will preempt harsh "time of injury" statutes that still exist in a few States. Those statutes cut off the right of a person to sue before they know or have reason to know they have been harmed.

The act places incentives, needed incentives, on employers to keep their workplaces safe. In that regard, it says that employers may not use product liability suits to recapture workers' compensation benefits paid to an employee when the employer's fault has helped bring about an accident. Again, this is another example of the act's placing strong incentives for safety where they will do the most good.

The act also contains some auxiliary provisions that do not create product liability standards, but are intended to facilitate the overall goals of the legislation.

First, as developed by Congressman HALL, the act contains a provision, modeled on rule 11 of the Federal Rules Civil Procedure, that will allow courts to impose appropriate sanctions on persons who sign or verify frivolous pleadings, when such pleadings are groundless and brought in bad faith.

Second, as developed by Congressman SLATTERY, the act establishes a procedure to permit claimants or the Federal Government to go back to the court that tried a product liability action and obtain disclosure of information or documents subject to a protective order or confidentiality agreement. This provision addresses concerns that have been raised in the Washington Post and elsewhere that highly relevant information about product dangers can be covered up through the judicial system. This provision attempts to balance the needs of confidentiality against the public need for relevant information. I look forward to working with the bill's supporters on this important subject.

The act also provides a provision on mediation, the development of which was inspired by Congressman ECKART, intended to assure early resolution of product liability cases. There are changes in the provision from last year so as to make the provision mesh more easily with local court procedures. The provision provides for pretrial mediation in most cases and it creates balanced incentives on both plaintiff and defendant to accept appropriate mediation awards. I look forward to working with Mr. ECKART and the bill's supporters on this important subject also.

Finally, in a provision developed by Mr. SWIFT, the act asks the Secretary of Commerce to monitor how the Federal product liability law works in the practical world. Using information collected from State insurance commissioners, the Secretary of Commerce will develop reports about product liability insurance as well as the effect of this act on product liability litigation, the introduction of new products, and our ability to compete against foreign manufacturers.

Product liability legislation at the State level and some Federal efforts in the past have been criticized as "anticonsumer." As I have indicated, principal consumer concerns have been addressed by the Energy and Commerce Committee. Concerns have also been raised that the product liability problem should be addressed by changes in the insurance system. Such charges miss the point of this legislation. The purpose of this act is not to promise lower insurance rates tomorrow, but to create stability in what today is a chaotic system. It is to bring fairness into product liability. It is to help us compete with our European neighbors in a fair and efficient manner. It is legislation that truly addresses a national interest and I urge Members of the House to give it attention and support.

UNFORTUNATE SITUATION REGARDING LEGAL SERVICES CORPORATION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. FRANK. Mr. Speaker, one of the major problems which President Bush inherited and which he has yet to correct is the extremely unfortunate situation regarding Legal Services Corporation. When the U.S. Senate correctly declined to confirm as members of the Corporation board several Presidential nominees who were fundamentally out of sympathy with the basic purposes of the Corporation, President Reagan responded by withdrawing all of his nominees and by leaving the Corporation in charge of unconfirmed board members.

At this point, 5 months into the Bush administration, we have had no improvement at all in this situation. Sadly, President Bush has continued the policy of President Reagan of leaving the Legal Services Corporation in the hands of people whom he is not prepared to nominate—and whom the Senate might well not confirm. The failure of the President to send to the Senate people who believe in the purposes of the Legal Services Corporation so that the Senate can have a confirmed board in charge of this important entity detracts significantly from our ability to provide legal services for low-income people.

As a testimony to the importance of this issue, five of the most distinguished law school deans in this country—Barbara Black of Columbia, Paul Brest of Stanford, Guido Calabresi of Yale, Geoffrey Stone of Chicago, and James Vorenberg of Harvard—recently

wrote to the President to express their concern over his lack of action here.

I was very pleased to receive a copy of this letter from Dean James Vorenberg of Harvard Law School, who has himself done a great deal to advance the cause of justice in America. I ask that the letter from the five deans be printed here, and I again add my voice and that of many other Members of the Congress to those urging the President to stop tolerating the intolerable and send proper nominees forward to the Senate for confirmation.

JUNE 16, 1989.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As the deans of five of America's law schools we write to you to express our concern over the continued absence of new appointments of members for the Board of Directors of the Legal Services Corporation.

A central mission of our law school is to prepare students to become responsible and effective professionals. An important element of professional responsibility is a commitment to the provision of equal justice for all Americans, including those who are poor. A critical component in the pursuit of this objective is the provision of legal services to the poor by the Legal Services Corporation and its local grantees.

The current leadership of the Legal Services Corporation, including its group of holdover board members and its top executives, are undermining the proper functions of the Corporation. They have recently promulgated a series of regulations whose apparent purpose is to stop local programs from obtaining resources and providing representation for critical legal problems. They seem bent on an expensive course of hearings and research on competitive grantmaking despite the fact that their current appropriation explicitly reserves such action to the first confirmed Corporation board that you appoint.

In our society there is a high level of concern about the role of lawyers in ensuring justice. We believe law schools have an obligation to teach students that they are personally responsible for helping achieve justice. It is deeply disturbing to us that the current Corporation board is permitted to continue to send a destructive message to our students.

We urge you to promptly appoint a new Board for the Legal Serices Corporation. We make no recommendations of individuals to consider, but we believe that the criteria for Board members adopted by the American Bar Association's House of Delegates at its February Midyear meeting, would lead to excellent selections.

Thank you for your consideration of this matter.

Very truly yours.

JAMES VORENBERG,
Harvard Law School.

BARBARA A. BLACK,
Columbia University School of Law.

PAUL A. BREST,
Stanford Law School

GUIDO CALABRESI,
Yale Law School.

GEOFFREY R. STONE,
University of Chicago Law School.

THE AMERICAN TRAGEDY OF ABORTION AND CIVIL RIGHTS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. DORNAN of California. Mr. Speaker, yesterday in Atlanta, Judge A.L. Thomas sentenced Mrs. Eva Edl, a survivor of a Nazi death camp, to 1 year in prison because of her efforts to save the lives of preborn children in an Atlanta abortion mill.

More than 300 pro-life demonstrators remained in jails in Connecticut (the Constitution State) and in Pennsylvania yesterday, and were being denied legal counsel. In Pittsburgh, a 17-year-old remained incarcerated in solitary without counsel.

Police brutality against pro-life demonstrators continues across America. More than 260 rescuers and 300 other pro-life supporters witnessed unbelievable police brutality techniques in West Hartford, CT. Injuries included at least one broken wrist, a dislocated shoulder, and a concussion.

Mr. Speaker, I call your attention to a press conference which Congressman GUY MOLINARI and the Chairman of the U.S. Civil Rights Commission, William Allen, will hold in New York City this Friday. They will address the issue of police brutality in West Hartford, Los Angeles, and other cities such as Pittsburgh where women were sexually assaulted in jail on March 11 and 12. Mr. Speaker, isn't it time for our judicial system to honor the civil rights of all our citizens?

HOSPITAL RESPONSIBILITY TO CARE FOR THE POOR

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. DONNELLY. Mr. Speaker, I am submitting for the RECORD an excerpt from a Utah State Supreme Court opinion, *Utah County* v. *Intermountain Health Care*, 709 P. 2d 265 (Utah, 1985). This case—and the excerpt which I am submitting—is an excellent illustration on how delivery of health care by hospitals in this country has changed in the last 70 years. It questions the very basis for conferring tax exemptions on organizations which fail to perform charitable functions.

Mr. Speaker, this opinion centers around the revocation of a property tax exemption granted to a hospital group in Utah. The Utah County Board of Equalization has revoked the exemption on the grounds that the hospital was not operating in a charitable manner. Although the hospital argued that the provision of health care traditionally has been sufficient to permit a tax exemption, the court noted that "traditional assumptions bear little relationship to the economics of the medical-industrial complex of the 1980's." The court noted that, "these institutions do not see themselves as being in the business of providing hospital care 'for the poor,' an activity which was certainly at the heart of the original tax exemptions for charitable hospitals."

This opinion highlights, in my view, the need for the legislature to examine closely the benefits of tax exemptions which "confer an indirect subsidy and are usually justified as the QUID PRO QUO for charitable entities undertaking functions and services that the State would otherwise be required to perform."

The court also traced the history of the American hospital system, and noted that "hospitals have been redefined from social welfare to medical treatment institutions; their charitable foundation has been replaced by a business basis; and their orientation shifted to 'professionals' and their patients away from patrons and the poor."

I have introduced legislation which would limit a benefit of Federal income tax exemption for hospitals which provide insufficient service to the poor: the use of tax-exempt bonds. Under the bill, hospital bonds would be subject to an overall limit if the hospital failed to provide sufficient care to low-income individuals. As the Utah Supreme Court correctly noted "an essential element of charity is the act of giving."

The excerpt follows:

The power of state and local governments to levy property taxes has traditionally been limited by constitutional and statutory provisions such as those at issue in this case that exempt certain property from taxation. These exemptions confer an indirect subsidy and are usually justified as the *quid pro quo* for charitable entities undertaking functions and services that the state would otherwise be required to perform. A concurrent rationale, used by some courts, is the assertion that the exemptions are granted not only because charitable entities relieve government of a burden, but also because their activities enhance beneficial community values or goals. Under this theory, the benefits received by the community are believed to offset the revenue lost by reason of the exemption.

A consideration of the reasons for exemption provisions is important in determining the proper standards under which they should be reviewed.

"A liberal construction of exemption provisions results in the loss of a major source of municipal revenue and places a greater burden on nonexempt taxpayers, thus, these provisions have generally been strictly construed. For the same reasons parties seeking an exemption bear the burden of proving their entitlement to it. The doctrine of strict construction and the difficulties taxpayers have in bearing the burden of proof explain why taxation has been the rule and exemption has been the exception. In some jurisdictions, however, the doctrine of strict construction has been eroding. Courts in these jurisdictions pay "lip service" to the doctrine but fail to apply it to exemption provisions."

Comment, *Real Estate Exemption for Federally Subsidized Housing Corporations*, 64 Minn.L.Rev. 1094, 1096–97 (1980).

"Unlike the courts described in the foregoing comment, this Court recently reaffirmed its commitment to the doctrine of strict construction as applied to the charitable exemption provision contained in the Utah Constitution. In *Loyal Order of Moose*, 657 P.2d at 264, we determined that the clause exempting property "used exclusively for * * * charitable purposes" is to be strictly

VOL 135 PT 9 JE 14 — 22 1989 UMI

construed, Utah Const. art. XIII, § 2. *Accord Salt Lake County* v. *Tax Commission ex rel. Laborers Local No. 295*, Utah, 658 P.2d 1192, 1194 (1983)."

[2, 3] An entity may be granted a charitable tax exemption for its property under the Utah Constitution only if it meets the definition of a "charity" or if its property is used exclusively for "charitable" purposes. Essential to this definition is the element of gift to the community.

"Charity is the *contribution* or *dedication* of something of value * * * to the common good. * * * By exempting property used for charitable purposes, the constitutional convention sought to encourage individual or group sacrifice for the welfare of the community. An essential element of charity is an *act of giving*."

Salt Lake County v. *Tax Commission ex rel. Greater Salt Lake Recreational Facilities*, Utah, 596 P.2d 641, 643 (1979) (emphasis added). A gift to the community can be identified either by a substantial imbalance in the exchange between the charity and the recipient of its services or in the lessening of a government burden through the charity's operation. *Laborers Local No. 295*, 658 P.2d at 1198 (Oaks, J., concurring). In *Friendship Manor Corp.* v. *Tax Commission*, 26 Utah 2d 227, 487 P.2d 1272 (1971), this Court declined to exempt from taxation property used as a home for the elderly because the alleged givers of the charity also constituted its sole beneficiaries. We were unable in that case to find any gift to the general public. We there quoted with approval *United Presbyterian Association* v. *Board of County Commissioners*, 167 Colo. 485, 503, 448 P.2d 967, 976 (1968): "[W]here material reciprocity between alleged recipients and their alleged donor exists—then charity does not." *Friendship Manor*, 26 Utah 2d at 238, 487 P.2d at 1279. Similarly, in *Laborers Local No. 295*, 658 P.2d at 1196, we held that a union was not entitled to a tax exemption for condominium office space because the primary purpose of this use was to benefit union members, and there was no gift to the general public.

[4,5] Given the complexities of institutional organization, financing, and impact on modern community life, there are a number of factors which must be weighed in determining whether a particular institution is in fact using its property "exclusively for * * * charitable purposes." Utah Const. art. XIII, § 2 (1896, amended 1982). These factors are: (1) whether the stated purpose of the entity is to provide a significant service to others without immediate expectation of material reward; (2) whether the entity is supported, and to what extent, by donations and gifts; (3) whether the recipients of the "charity" are required to pay for the assistance received, in whole or in part; (4) whether the income received from all sources (gifts, donations, and payment from recipients) produces a "profit" to the entity in the sense that the income exceeds operating and long-term maintenance expenses; (5) whether the beneficiaries of the "charity" are restricted or unrestricted and, if restricted, whether the restriction bears a reasonable relationship to the entity's charitable objectives; and (6) whether dividends or some other form of financial benefit, or assets upon dissolution, are available to private interests, and whether the entity is organized and operated so that any commercial activities are subordinate or incidental to charitable ones. These factors provide, we believe, useful guidelines for our analysis of whether a charitable purpose or gift exists in any particular case. We emphasize that each case must be decided on its own facts, and the foregoing factors are not all of equal significance, nor must an institution always qualify under all six before it will be eligible for an exemption.

Because the "care of the sick" has traditionally been an activity regarded as charitable in American law, and because the dissenting opinions rely upon decisions from other jurisdictions that in turn incorporate unexamined assumptions about the fundamental nature of hospital-based medical care, we deem it important to scrutinize the contemporary social and economic context of such care. We are convinced that traditional assumptions bear little relationship to the economics of the medical-industrial complex of the 1980's. Nonprofit hospitals were traditionally treated as tax-exempt charitable institutions because, until late in the 19th century, they were true charities providing custodial care for those who were both sick and poor. The hospitals' income was derived largely or entirely from voluntary charitable donations, not government subsidies, taxes, or patient fees. The function and status of hospitals began to change in the late 19th century; the transformation was substantially completed by the 1920's. "From charities, dependent on voluntary gifts, [hospitals] developed into market institutions financed increasingly out of payments from patients." The transformation was multidimensional; hospitals were redefined from social welfare to medical treatment institutions; their charitable foundation was replaced by a business basis; and their orientation shifted to "professionals, and their patients," away from "patrons and the poor."

AMENDMENT TO THE CONSTITUTION CHANGING TERMS OF OFFICE FOR SENATORS AND REPRESENTATIVES

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. HEFLEY. Mr. Speaker, I rise today to introduce an amendment to the Constitution of the United States that would lengthen the term of office for Members of the U.S. House of Representatives to 4 years; require that terms for Members of the House coincide with Presidential elections; limit the length of time any Member of the House may serve to three consecutive 4-year terms; and limit the length of time any Member of the Senate may serve to two consecutive 6-year terms. Representatives and Senators that are in office the full 12 years will be allowed to bid for reelection only after being out of his or her congressional seat for one full term.

When I introduced this bill last year, I pointed out that only five Congresses in the past 120 years had not seen introduction of at least one proposal to change House terms. This year, 11 have been introduced with at least five of those including provisions for 4-year terms. Mine will make it an even dozen.

It's clear that many legislators have given a lot of thought over the years to changing the length of a term dictated by compromise in the first place. At the Constitutional Convention of 1787, the 2-year term was adopted only after a compromise was reached between those who wanted a 1-year term and those who wanted a 3-year term. Just one person, George Mason, spoke in favor of the 2-year term.

Since that, numerous proposals have been made to lengthen House terms and one, in 1906, failed only because a supportive House failed to cast the two-thirds majority needed to amend the Constitution.

Four presidents—Truman, Eisenhower, Johnson and Nixon—have been in favor of the longer term, Nixon favoring staggered terms.

"Members serving for 2-year terms have to spend one out of every 2 years running for reelection, with the result that they serve 1 year and run 1 year," Nixon said. "This not only places an enormous burden on the member himself; it can also work to the disadvantage of his constituents and of the country."

Lately, the debate has expanded beyond the halls of this building. In his best-selling book, "The Power Game," author Hedrick Smith suggested 4-year terms as one means to order a sometimes unruly House and to build greater cohesion between the President and Congress.

Smith based his suggestion on the findings of the 1987 Committee on the Constitutional System, a group of former cabinet officials from four administrations, former and current Senators and Members of Congress, scholars, and private citizens. With fewer elections, the committee reasoned, President and Congress could focus more on the work of Government and on longer-term solutions to major issues, free of the preoccupation of campaigning every 2 years.

Smith shied away from the committee's suggestion of 8-year terms for Senators but believe a 4-year House term might build greater cohesion between the House, the President and political parties. The author argued that more people should vote a straight ticket on the argument that if a voter supports one party's candidate for President, he ought also to give that President the House majority he needs to at least try out his program.

The Founders drafted the Constitution with an eye toward making the House the chamber closest to the people. Times have changed in 200 years. The issues are more complex and the means to travel to our districts is readily available, as many of us know all too well.

Although my bill limits congressional tenure to 12 consecutive years, it does not bar those Members who desire additional terms, provided they sit out one term. In this way, we break up seniority from time to time and allow for greater flexibility of power among the congressional leadership. At the same time, we retain a pool of congressional expertise while, at the same time, we allow that pool the opportunity to view Government from the viewpoint of a private citizen.

Next year will be yet another election year and it's quite possible that some of the important legislation will face further delays while we return home to campaign. Given the seeming consensus on lengthening congressional terms, I would hope that this proposal moves through the proper legislative procedures and

reaches the House and Senate floors for a vote.

As I said, much has changed in the past 200 years. It is time we modify our rules to fit the times and the Nation we govern.

Mr. Speaker, I include the text of the bill to be printed in the RECORD.

The text of the bill follows:

H.J. RES. —

Joint resolution proposing an amendment to the Constitution of the United States to provide for four-year terms for Representatives and to limit the number of consecutive terms Senators and Representatives may serve

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The House of Representatives shall be composed of Members chosen every fourth year by the people of the several States, and the electors of each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. The four-year term of office of the Members of the House of Representatives shall begin on noon of Janaury 3 of the year in which the term of office of the President begins.

"SECTION 2. No person who has served three consecutive four-year terms in the House of Representatives shall be eligible to serve in the House of Representatives during the term immediately following the third such consecutive term. No person who has served two consecutive six-year terms in the Senate shall be eligible to serve in the Senate during the term immediately following the second such consecutive term.

"SECTION 3. Only terms beginning after the date of the ratification of this article shall be taken into account in determining eligibility for service under section 2.

"SECTION 4. The provisions of this article shall take effect at noon on January 3 of the first calendar year which begins after the date of the ratification of this article and in which the term of office of the President begins.".

THE STEVEN McDONALD STORY: CONGRESS CAN TAKE THE NECESSARY STEP TO AID OUR NATION'S VALIANT PUBLIC SAFETY OFFICERS

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. MANTON. Mr. Speaker, today's is the last in a six-part series by Newsday on Steven McDonald. I ask my colleagues who have not followed this story during the past week to take a moment to read the series which I have included in the RECORD. Steven and his wife Patti Ann have shown tremendous faith and courage since the vicious shooting which left him paralyzed 3 years ago. After reading this tragic story, I am sure my colleagues will want to join me as original cosponsors of the Steven McDonald Public Safety Officers' Compensation Act. This bill is the minimal action the Congress should take to provide needed financial assistance to those public safety officers who have suffered a similar catastrophic injury in the line of duty as Steven.

Mr. Speaker, Congress has seen the wisdom of providing a one-time Federal benefit to the families of public safety officers who are killed in the line of duty. In fact, during the last Congress, we increased this benefit substantially and stated that this payment should keep pace with inflation in the coming years. Yet, we have failed to move on legislation I previously introduced to provide this same benefit to those public safety officers who are seriously and permanently disabled in the line of duty. I believe the time has come to enact such a change in existing law, and I ask my colleagues to join me in sponsoring this much needed legislation:

A PILGRIMAGE STRENGTHENS THEIR FAITH

(By Steven McDonald and Patti Ann McDonald with E.J. Kahn III)

NEW YORK-FATIMA-LOURDES-ROME, October, 1988.—Steven wanted me to go on a pilgrimage. A stranger had called in September to say she'd paid for a place for Steven on an 18-day trip to Europe, a tour that would visit Fatima, in Portugal, Lourdes, in France, the Vatican, in Rome, and Medjugorje, in Yugoslavia.

I believe something was out there for Steven. That was my faith. And I'd always prayed to the Blessed Mother. Steven couldn't go on such a journey but he insisted I could. We asked Father Mychal Judge, whose Franciscan order oversaw the Medjugorje church, to accompany me. And on October 11, 1988, Steven and Conor accompanied us to Kennedy Airport for the first leg of the flight to Lisbon. Thirty-six hours later, Father Mike and I were in the midst of thousands and thousands of candles flickering in the Campanile, lighting Our Lady's statue as tens of thousands of men and women held hands and sang hymns over the gentle tinkle of hanging bells.

I'd thought my faith strong, but the faith here was of a kind I'd never seen.

A 17-hour train ride took us to Lourdes.

Since I was a child, I'd imagined bathing in the waters. But the following afternoon when my opportunity came at last, I felt scared as I waited, together with about 40 other women, to step into one of the five simple tubs. The water was cold, but my prayers quickly made me forget.

Rome. After a stopover in Nice, we reached the first city we'd been in since Lisbon. October 19, 1988, was Audience Day, was what we'd call it. We found ourselves in the front row. At 11:05 a.m., the Pope's car drove in, slowly circling the entire square.

Priests stood at the podium and read the messages John Paul II had for each person in his native tongue. After the greetings were read, the Holy Father walked slowly down our row, shaking hands with everyone in each of the front boxes. As he got closer to us, I lost control of my emotions and began to cry, telling Father Mike to speak for both of us. Then he was in front of me, his eyes taking in my tears, and the picture of Steven, Conor and myself that I held in my arms.

"Holy Father," said Father Mike, "Cardinal O'Connor of New York sent us here. Her husband is sick. . ."

"Yes," I said. "He is a cop. He was shot."

The Pope's expression changed, softening into a sympathetic smile.

"He is a young man," the Holy Father said.

"Please, your Holiness," said Father Mike, "would you touch his ring?" The Pope reached towards Steven's wedding ring, and blessed it. Then he signed me on my forehead, with his thumb, saying, "I will pray for you." I was weak with joy and accomplishment.

That night, Father Mike and I returned to the Trevi Fountain, and threw in three coins each. I would return, I promised myself. But the peace and joy I'd felt that morning was already tempered with sadness. On the telephone, Steven had told me about the latest police tragedy in New York: The night before, in two separate incidents only a few hours apart, two officers had been shot and killed. One had been 26 years old, the other 24.

MEDJUGORJE, YUGOSLAVIA, October, 1988.—We left the hotel in Rome to drive to the ferry that would take us across the Adriatic Sea to Yugoslavia. From the coast, we drove through the mountains at the edges of cliffs a thousand feet high. The mountain road led into a valley, new construction everywhere, mud roads, and then, the twin steeples of St. James, standing over the tiny peasant village.

For two more days, I tried to find my miracle. We climbed the hill, and I stared long and hard at the simple mound of rocks topped with a cross. We walked to the Visionary Marija's house, and she came outside and greeted us taking questions.

Father Mike and I returned to the church. He spoke with Father Philip, and asked the priest if it would be all right for Father Mike to go into the choir loft with the Visionaries that evening. Of course, Father Philip had said, Father Mike was a Friar.

I asked Father Mike to take our ring and picture with him. He agreed. Later, when he rejoined me, he told me what happened.

"The door opened," Father Mike said. "Philip signaled me in. The choir loft was bare except for the bench, a little kneeler at the end of it and a chair sitting against the door opposite the one I'd entered. Then I looked at the wall of apparition. A simple, but beautiful painting of the Gospa, Mary, hung there. Below it was a table. The altar.

"On the floor, leaning against the altar and wall, were the petitions we'd given Marija. I took my bag, opened it, and lay it next to them. Right at Our Lady's feet. Then I put Steven's wedding ring on the altar.

"The Visionaries arrived. The Rosary began. We moved to the second Rosary—it must have been during the third decade as I was kneeling facing the wall, the lights started and I had the feeling of movement. Ivan moved in front of me, an arm's length, then turned to see if Marija was following. She did. They knelt, signed themselves, then Ivan shook his head with a 'yes' three times. Marija nodded 'no' once.

"A scent, flowers, beautiful flowers, filled the loft. I swallowed and tried to exhale, but flowers were everywhere. Downstairs, the church began the Rosary again. Ivan and Marija signed in unison, and began to pray. The night before, Ivan's voice had sounded deep, manly. Now I heard a young boy's. They finished praying, rose and left."

When Father Mike told me, I rejoiced. Steven's ring had been on the altar. Would now be the time the Blessed Mother would respond to our prayers?

VOL 135 PT 9 JE 14 — 22 1989 UMI

After dinner on our last night, Father Mike and I climbed the Hill of Apparition with several thousand other pilgrims. It was a cold and difficult climb, and at the summit we pressed close to the cross, lit by candles, where the Visionaries prayed. At 11:00 p.m., there was a stillness, a presence. We prayed, and Mary's words were translated as they'd been heard by Ivan and Marija. "I am so happy you are here," she said "and I know you are cold so I have touched you all on the shoulder to warm you. My son is delighted with the candles lighting up the cross. Pray for youth, they have so many problems."

I was at peace again. My healing had begun. What Steven and I would get, we would have to earn, I'd realized. For nearly three weeks, I'd been surrounded by men and women who were sick, or disabled, or emotionally wounded. I had no special claim to hardship and trouble. I had Steven and Conor to love, and whatever was worth loving was worth fighting for.

I was ready to go home.

MALVERNE, November–January, 1988.—The night Patti Ann came home we talked for hours about the trip, the shrines, the Visionaries. Before she'd left, I'd hoped she'd be touched over there by the Blessed Mother. So much had been taken from her, maybe something would be given back. And it hadn't, but I could sense she was renewed, that we both now had a stronger commitment to our relationship. I resigned myself that any healing would have to come later, in the days and months to follow.

Another Christmas at home has passed, and Conor is nearly 2. "Daddy," he can say, and he'll climb into my chair, and we'll ride through the living room, or into the therapy room. If he gets me a cookie, he knows he has to feed it to me. He's even trying to throw the football, though it slips off his hand as often as not.

God, how I wish I could throw it with him.

At night, upstairs, long before dawn, he'll call out, call to me, "Daddy, Daddy!" A nightmare, probably. Like mine? I wonder.

"Conor," I say, as soothingly as I can, "it's all right. I'm here."

But am I? Won't Patti Ann wake and take him into the other bedroom with her? Or won't the night nurse come upstairs and settle him down? Whoop-whoosh, the vent reminds me. I am your ball and chain. Whoop-whoosh.

It's a beautiful, sunny early January afternoon. My mechanical chair is broken. Pat Dillion has pushed me out onto our back deck.

The sliding door's open, and I can hear voices. Pat and Patti Ann. And Conor. He sounds so excited. They're putting together his new train set. Conor's shouting with joy. Unintelligible, pure glee.

I'd drive to join them but . . . wrong chair. I'd shout, but then they'd have to stop and come and get me. Choices, bad choices. No, don't get down. We've come too far. We've been given so much.

Whoop-whoosh.
We have to be patient. There will be more.
Whoop-whoosh.
There has to be.

A TRIBUTE TO BILL VINCENT

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to honor an outstanding citizen of Las Vegas, Bill Vincent. Mr. Vincent has been a dedicated journalist and environmentalist in Nevada for the past 23 years. The Nevada Conservation Alliance will plant a grove of trees in Mr. Vincent's honor at Lorenzi Park's Garden Club on June 27, 1989. He is truly deserving of recognition.

Born in Colorado, Mr. Vincent was educated at both Denver University and Columbia University. Upon graduation, he traveled south and northeast organizing workers for the International Ladies Garment Workers Union.

Mr. Vincent's interest in the environment began in the early 1940's while editing the Farmers Union newspaper in Denver where he worked until he enlisted in the Air Force. During the war, he attended officer candidate school and was stationed in England as a major in the intelligence division of the Air Force.

After the war he worked as a news director for a radio station in Fresno then returned to Colorado to resume his position as editor of the Farmers Union. Later, he moved to Seattle where he worked as a freelance writer for many publications, including a medical journal. After several years, he made his home in Las Vegas and joined the staff of the Las Vegas Review Journal.

Mr. Vincent remained with the Review Journal as editor for the paper's Sunday Nevadan magazine for 14 years until his retirement in 1980. He paid great attention to hunting, fishing, wilderness, recreation, and environmental issues as editor for Nevadan magazine, as well as being a vocal critic of the MX missile and the nuclear waste dumps.

In recognition of his great environmental contributions, he was named Conservation Communicator of the Year by the Nevada Wildlife Federation in 1971. He was recognized again in 1980 as the Governor's Conservationist of the Year. He continues to be the southern Nevada representative for Citizen's Alert, director of the Nevada Wildlife Federation, and a member of Friends of the Wilderness.

Mr. Speaker, I urge my colleagues to join me today in honoring Mr. Bill Vincent. His contributions to the wildlife and environment of Nevada have earned him recognition throughout the State as one of Nevada's finest citizens.

U.S. ARMS CONTROL POLICY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BEREUTER. Mr. Speaker, the Bush administration has moved swiftly in its first months to put together a competent arms negotiating strategy. In the area of strategic arms limitation, it has endorsed the best components of the Reagan administration's START regime, and has energetically pursued a favorable resolution to the outstanding issues. The administration's enthusiasm for mobile ICBM's as well as its willingness to support the reconnaissance satellites for verification, should be seen as very good signs.

Even more encouraging, both the United States and Soviet Union express willingness to rapidly proceed toward a conventional forces agreement for Europe. After more than a decade-and-a-half of stagnation at the MBFR negotiations the prospect for progress seems to be at hand if action follows rhetoric. The Bush proposal for near-term reductions in conventional forces has met with enthusiasm by Soviet General Secretary Gorbachev. It would appear that the Soviets are willing to negotiate on the basis of the Bush formula. As Mr. Gorbachev stated: "There is more reason to believe now that agreement in Vienna may be reached much earlier than previously thought."

Mr. Speaker, arms control efforts must move forward, but not at the expense of national security. The Western effort to reduce strategic and conventional forces continue to be driven by fundamental security concerns. If the Soviet Union and Warsaw Pact states can be induced to substantially reduce their numerical advantages in conventional forces, then the threat posed to Western Europe will be commensurately lessened. Further, by strictly limiting the possible troop movement toward the central front, the possibility of rapid mobilization and surprise attack is reduced.

Mr. Speaker, the innovative, bold, but carefully crafted efforts by the Bush administration should be commended. We see for the first time a realistic chance for reduced levels of military manpower, and reduced levels of military spending without any diminution of military effectiveness. This Member would recommend to his colleagues an editorial in the Omaha World-Herald of June 14, 1989, entitled "Bush's Arms Proposals Receive a Key Plaudit."

INTRODUCTION OF THE STRATOSPHERIC OZONE PROTECTION ACT OF 1989

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. WAXMAN. Mr. Speaker, good morning. It is a pleasure today to join Congressman BATES, Congresswoman SCHNEIDER, and more than 60 colleagues in the introduction of the Stratospheric Ozone Protection Act of 1989.

There is no question that ozone depletion is a very real and very serious problem. There is a clear consensus among leading scientists that the Earth's protective ozone shield is being destroyed at a rate far beyond that predicted by computer models. Researchers now believe that an ozone hole, like the one over the South Pole, is now developing in the Northern Hemisphere as well.

Most troubling, there is scientific agreement that the international cutback in the release of ozone-depleting compounds called for in the Montreal protocol will not be nearly enough to protect the planet. Experts have estimated that concentrations of atmospheric chlorine, the compound responsible for depletion of the ozone layer, will double in the coming decades even with full implementation of the provisions of the Montreal agreement.

We can only begin to evaluate the impacts that the loss of our planet's ozone shield will have on our health, our climate, and the Earth's ecosystems. Experts predict a variety of very serious repercussions that include increased skin cancers, cataracts, immune system suppression, potentially dramatic damage to agriculture and forests, and possible impacts on the food chain that supports much of the Earth's marine life.

We are all very much aware of the international efforts to move beyond the Montreal protocol and put a truly effective international regime in place to save our ozone layer. I strongly support this process, and EPA's announced commitment to achieve a complete phaseout of ozone-depleting substances. I certainly hope we are able to achieve a quick and dramatic success in the international arena.

Unfortunately, the international process is a complex one which can only move very slowly, when it moves at all. It is my strong view that the United States should not continue to release ozone-destroying chemicals into the atmosphere at an unprecedented rate while these negotiations inch forward. We should start immediately to reduce our contribution to the destruction of our ozone layer.

The United States contributes more to this horrifying problem than any other nation. We alone release more than 30 percent of the globe's ozone-depleting substances into the atmosphere each year. This is not the kind of leadership that our Nation should stand for. Instead of being the leading offender, we should move rapidly to be the leading protector of the planet's ozone layer. Unilateral action will not harm the prospects for international action as detractors have claimed, it will instead return our Nation to the vanguard of international environmental leadership that we once occupied.

The Stratospheric Ozone Protection Act would have us do just that, by calling for a prompt phaseout of the use of ozone-destroying chemicals in this country. I commend Congressman BATES for his leadership in working with other Members from both sides of the aisle to put this vitally important bill together.

I look forward to working with my colleagues to move this excellent bill through the Congress as rapidly as possible.

TRIBUTE TO MARISA PERALES

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. ORTIZ. Mr. Speaker, I rise to commend Marisa Perales, an outstanding young woman from my hometown, Robstown, TX. Marisa recently won a scholarship through a national essay contest on "What it Means to be Hispanic." Marisa, age 17, is a junior at Robstown High School and hopes to attend law school. Her essay details the experience of visiting her grandparents' home. During her visit, she realizes much has changed, but the warmth, love, and basic values such as family respect and education remain constant. This Hispanic heritage remains rich today and these values are the backbone of each generation. Marisa and millions of Hispanic young people throughout America realize that this truly is what it means to be Hispanic.

BEEPER INDUSTRY CAN DO MORE

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. MFUME. Mr. Speaker, I applaud the efforts of many companies in the paging industry who have taken the initiative to address the growing problem of drug dealers using beepers to conduct drug transactions. Many of these companies have found that their circuits have been overloaded by the continuous use of the switchboard by drug dealers.

More companies are now turning to the idea of adding surcharges to every call made over a certain number as a way to hinder drug activity, and to channel drug money to drug counseling efforts. Appropriately, the surcharges will not be applied to public safety and emergency medical professions. Though their efforts are gallant in the fight against drugs, I would like to see the industry take a more aggressive posture in this area.

Overall, Mr. Speaker, I am happy to see that many paging companies have taken a positive approach to this problem and are now realizing that we cannot allow the devices to be used to further drug deals. Now, I think that it is time that the industry's association, Telocator, join others in their efforts to stem the flow of drugs in our streets and stop trying to take the lead on this issue from the back of the pack.

While Telocator has claimed time and time again to be fully supportive of the Federal efforts to reduce the distribution of drugs in our country, what I have seen paints a different picture. For instance, this particular industry association has pointed out that the industry already requires a credit check, proof of ownership, and fees. It is quite apparent to me that these are not enough. Despite these policies, more young people have been arrested with the devices than in previous years according to police officers. It is clear to me that this is not enough and we all must do more.

Also, Telocator has consistently and mistakenly made the assertion that the penalties of 3 years imprisonment and heavy fines for individuals who knowingly purchase or rent the devices and distribute them for illicit purposes, which I have proposed in H.R. 1504, is already law. The association should know that there are no laws regulating the sale of beepers on the books. The truth of the matter is that the penalties I have proposed will add to those already available to punish those individuals who use communication devices to commit a felony.

If the association is serious about doing something about drugs and the abuse of paging devices, I say to you—bring forth constructive proposals and put the rhetoric aside so that we may move ahead on this issue.

Mr. Speaker, the bill I have introduced is one of many steps needed to solve the problem of teens misusing beepers. I believe that we can and must do more to turn up the heat on drug dealers. My proposal is not only directed at young people, but also those who operate by using young people to distribute drugs. In my bill, I have put forth a mechanism that will get to the older drug dealer as well as the younger. In the past, older dealers have eluded police investigations by distancing themselves from the actual transaction thus making it more difficult to prosecute and convict them in drug-related crimes. Now we have an opportunity to take decisive steps to combat drug trafficking by regulating the tools of the drug trade. We simply cannot miss this opportunity because of the many young lives at stake, nor can we allow drugs to flow uninhibited into our communities and school grounds.

Although the legislation I have introduced will not solve the drug crisis, I am convinced that it is a good step in the right direction and is indicative of the kind of efforts we must consider if we are serious about this problem of distribution of illicit drugs.

NEW JERSEY'S IRISH CELEBRATE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. FLORIO. Mr. Speaker, I wanted to call attention to an important event in the life of New Jersey's Irish that will be taking place during this coming weekend. The Irish-American community of New Jersey will host their 19th annual Irish Festival at the Garden State Arts Center. This festival is the culmination of year-long activities by a group of unselfish and dedicated volunteers who will be demonstrating the rich cultural heritage of New Jersey's Irish community.

I, too, am part Irish and feel a special closeness to the events that will take place this weekend. I wanted to share with my colleagues some details about this very important and commendable effort.

Every year, the Garden State Arts Center hosts a number of festivals that are sponsored by the diverse ethnic communities that are represented in the State of New Jersey. The money that is raised by these festivals goes directly to the Cultural Fund which, in turn, sponsors free cultural activities at the Garden States Arts Center. Groups that benefit from these activities include senior citizens and school children, the handicapped and the disabled, the veterans, and the disadvantaged. These activities represent a commendable effort to shine a bright light in the lives of these people.

The 10th annual Irish Festival will feature an Irish piping band competition, cultural displays, historical exhibits, as well as a Gaelic football competition.

In addition, for entertainment, the festival will feature the Fureys, Ireland's finest international folk group and Davey Arthur from Ireland, as well as the Clan from Hoboken—who will feature traditional Irish folk music "with a twist."

The Most Reverend John M. Smith, the Vice General and Auxiliary Bishop for the Archdiocese of Newark, will be the principal celebrant at an 11 a.m. liturgy.

I would like to recognize the efforts of the chair of this festival, Paul H. Reilly of Newark, and his cochair, Greta McHale of Ridgefield, NJ. I hope my colleagues will join me in wishing Paul and Greta success in their efforts and in hoping that the Irish-Americans of New Jersey will have a memorable festival.

A NEW THEME PARK FOR FLORIDA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. STARK. Mr. Speaker, alongside Walt Disney World, Epcot Center, MGM/UA, and Universal, it's time to break ground for the newest Florida theme park. We'll call it Referral-for-Profit World and we'll put those other guys out of business.

Our new park will be owned by doctors—they can put up the money through nonrecourse promissory notes—and we'll have high-technology, state-of-the-art attractions like no other theme park on Earth: The Magnificent MRI, the Super CT Scanner, and the Colossal Clinical Lab. If it doesn't sound like anyone would enjoy going to our park, don't worry, because the choice is out of their hands; their doctors—who will own the park just so people have access to this wonderful excitement—will order them to go there.

Unfortunately, Referral-for-Profit World already exists. The Inspector General of HHS determined that, in 1987, over 20 percent of Medicare participating physicians in Florida had an ownership interest in a medical facility to which they referred patients. Not surprisingly, these doctors ordered more tests for their patients at their own medical theme parks than their medical brethren who weren't owners.

I received the following letter from "an honest doctor" in Florida who asked to remain anonymous for fear of professional reprisals:

DEAR CONGRESSMAN STARK,

I am a physician in Jacksonville, Florida writing in support of the proposed legislation on Ethics in Patient Referral (H.R. 939). I hope you will accept this letter even though I am writing anonymously. I must do this in fear of reprisals from other referring physicians who will be affected by the legislation.

I am one of many physicians who have been forced and threatened into cooperating with referral patterns which we do not like and which exist solely to make some doctors and investors rich. Two physicians who are major referring sources to my practice decided to build a building and put in all sorts of "extra services" for patients. This was the idea of a venture capitalist. These doctors threatened to stop all their referrals to me and large number of other doctors if we didn't send our patients to these new facilities. They hired poorly trained doctors to staff their lab, X-ray and emergency walk in facilities. We had to stop using the services of much better pathologists, radiologists and other ancillary services. The "general partner" doctors all ordered more x-rays, lab tests, etc now that they were making big profits at their new facilities.

As you see I am powerless to stop this pattern of physicians beating the system to make large profits while costing patients and the government much more and getting much inferior quality medical care.

I hope this adds some insights on the inside of the problem of self referral.

Good Luck!

Sincerely,

AN HONEST DOCTOR.

Sounds like referral-for-profit is a world of fun, huh? I urge my colleagues to sign on as cosponsors of H.R. 939, the Ethics in Patient Referrals Act of 1989, and put a stop to these scams. This is no Mickey Mouse problem.

DARRYL E. ROBERTS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. TOWNS. Mr. Speaker, I rise today to commend the awe-inspiring accomplishment of Darryl E. Roberts of Brooklyn, NY. Despite suffering severe frostbite which almost claimed his right foot, Mr. Roberts braved ice splits, deep snow, and temperatures between −55 °C and −2 °C, to become the youngest American to walk to the North Pole. At the time of this arduous 2 month long trek, Mr. Roberts had only had two previous encounters with polar travel. This incredible achievement by one with minimal experience is a testament to the bravery and determination of this remarkable 23-year-old man.

Mr. Roberts achievements are not limited to the polar tundra. He currently serves as an Upward Bound instructor in the New York City public schools. By training young people in rock climbing, backpacking, and canoeing, Mr. Roberts indirectly teaches the tenacity and courage necessary to overcome the obstacles and barriers inherently a part of the lives of many inner city students.

It is by reason of these accomplishments that I ask you to join me in paying tribute to this valiant young man.

VOTER REGISTRATION BILL WILL IMPROVE PARTICIPATION

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. ANNUNZIO. Mr. Speaker, the Elections Subcommittee of the Committee on House Administration has worked hard this year to develop some campaign financing and voting legislation which would improve the way we elect our Federal officers. One of the bills, H.R. 15, introduced by Mr. SWIFT and me, would simplify registration for voting in Federal elections. I hope to see this bill, or its successor, signed into law by the President before this session ends.

The Congressional Research Service has developed a table which shows the voter participation statistics in most democratic nations. This table reveals a shocking fact. Our voter participation is the lowest among the 26 countries listed. Less than half of all potential voters participate in elections in the United States. In Australia, voting is nearly universal.

There are many reasons why Americans do not vote. Some of us are just not interested. Some of us feel that our vote does not count. Some of us are repelled by the mud slinging and character assassinations which seems to be required in today's campaigns.

But a complicated registration procedure should never be a reason for nonvoting. Government has no business making it any harder for a potential voter to register than is necessary to ensure the integrity of the system. If a person chooses not to vote, that is his business; but if Government makes it burdensome for him to qualify to vote, that is wrong.

Mr. Speaker, there are many points of view about campaign finance reform yet to be resolved; there are big issues of money and power which divide us—but there should be no disagreement about the need to make voting in Federal elections a right of every citizen, and a right that cannot be diminished by complex registration requirements.

Mr. Speaker, I request the voter participation table prepared by the Congressional Research Service be included in these remarks.

VOTER PARTICIPATION STATISTICS BY COUNTRY FROM MOST RECENT NATIONAL ELECTIONS

Rank	Country	Turnout (as percentage of electorate)
1	Australia	94.17
2	New Zealand	93.71
3	Belgium	93.53
4	Austria	92.55
5	Turkey	92.27
6	Sweden	89.85
7	Germany	89.09
8	Italy	89.00
9	Iceland	88.60
10	Denmark	88.44
11	Venezuela	87.75
12	Netherlands	85.70
13	Norway	81.21
14	Luxembourg	80.80
15	Greece	80.19
16	Spain	80.18
17	Israel	78.78
18	France	78.79
19	Finland	75.73
20	Canada	75.66
21	Ireland	72.86
22	Great Britain	72.81
23	Japan	67.34
24	India	63.53
25	Switzerland	48.91
26	United States	48.70

Source: The Congressional Research Service. Election returns from all countries except the United States were obtained from Inter-Parliamentary Union, Chronicle of Parliamentary Elections, International Centre for Parliamentary Documentation, Geneva. Election returns for the United States were compiled by Election Data Services, Inc., Washington, DC.

MEMBERS INCREASE USE OF OWN PACS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BENNETT. Mr. Speaker, I include herein an article written by Kim Mattingly under the title of "Members Increase Use of Own PACs: Use Them To Gain Edge in Leadership Races" which appeared in a recent edition of Roll Call.

Mr. Speaker, it is clear to me that there is an increasing problem in Congress in that people are raising money for the purpose of giving it to caucus members who will be voting for or against them in leadership positions. This allows money interests who desire to affect legislation to have a powerful force in who is selected for leadership positions in the Congress. Obviously, that is a practice that should come to an end and I have introduced H.R. 83 on this subject matter which I include at the end of the article by Kim Mattingly.

[From the Roll Call]

MEMBERS INCREASE USE OF OWN PACS—USE THEM TO GAIN EDGE IN LEADERSHIP RACES

(By Kim Mattingly)

A new study on leadership PACs warns that aspiring Congressional leaders, are increasingly using Member-to-Member campaign contributions to gain support for top positions and are creating individual power bases that dilute the control of political parties.

Ross Baker, a political science professor at Rutgers University and former consultant for the House Democratic Caucus, said last week that lawmakers with leadership aspirations have little choice but to establish a PAC.

"It's sort of like, don't leave home without it," Baker told a news conference to unveil his Twentieth Century Fund study, The New Fat Cats: Members of Congress as Political Benefactors.

Leadership PACs are a relatively new factor in Congressional races, made possible by reforms in the early 1970s. The PACs, developed toward the end of that decade, are set up by Members to support the campaigns of Congressional colleagues and candidates for Congress.

Lawmakers also use them, according to the report, "to gain votes from Members they have supported to further their own legislative or leadership aspirations."

In the study, Baker points out that even some Members who are philosophically opposed to the PACs have felt compelled to jump on the band wagon.

Rep. David Obey (D-Wis), for example, a longtime critic of leadership PACs, formed his own political action committee in 1985. He was quoted in the report as saying. "You can't play touch while the other guy's playing tackle."

Since 1978, only about 50 leadership PACs have been formed, but their financial impact has been significant. With an average contribution of $2,000, leadership PACs doled out about $70,000 each in 1986, compared to an average of $34,000 each by outside PACs.

And they have collected more than $15 million in every election cycle since 1979–80, with a high of $34.6 million in 1985–86.

"Leadership PACs, especially if they continue to proliferate, will magnify the influence of individual Members," the reprt concluded. "The result is an increasing fragmentation of power and decreasing importance of parties."

While most conventional PACs favor incumbents, the report found that about 50 percent of the contributions from leadership PACs go to Congressional challengers.

One theory offered in the report is that Members who help challengers are hoping to win their support in future leadership races.

The study criticized the practice, if only for its "appearance" of impropriety.

"A citizen who observes a Member of Congress making contributions to colleagues as part of a campaign for a leadership post might well conclude that the donation was part of a quid pro quo for votes," the report said.

The study details the use of leadership PACs in three successful Democratic races. Rep. Henry Waxman (D-Calif) set up the first such PAC in 1978 to contribute to members of the House Energy and Commerce Committee and boost his bid for a subcommittee chairmanship.

In 1986, former Rep. Tony Coelho (D-Calif) disbursed about $570,000 to House candidates' campaigns, and handily won the Majority Whip's race over Rep. Charles Rangel (D-NY), who got into the PAC game late.

And in his 1988 bid for Democratic Caucus chair, Rep. Bill Gray (D-Pa) went so far as to send out a letter requesting "a check for $500 to $1,000 so that I can begin to build the active support within [sic] the Democratic Members of Congress to win this key leadership position."

Rep. Mary Rose Oakar (D-Ohio), who lost to Gray in the Caucus race, called the proliferation of leadership PACs "incestuous." Oakar said last week that she had disbanded two of her own such PACs.

Synar, another Caucus race opponent of Gray's who has always been against the PACs, says they should be eliminated. He introduced legislation at the beginning of this Congress with Coelho and Rep. Jim Leach (R-Iowa) that would ban the PACs.

He told Roll Call that powerhouses like Ways and Means Chairman Dan Rostenkowski (D-Ill) and Energy and Commerce Chairman John Dingell (D-Mich)—and even Waxman—"would like to get out of the business."

"They have [the PACs] because everybody else has them," Synar said. "They have to insure themselves."

Rep. Charles Bennett (D-Fla), defeated for chairmanship of the House Armed Services Committee by a colleague who gave liberally to committee members, has also introduced legislation to eliminate the leadership PACs.

Bennett says in the report: "I don't think any Member of Congress ever said, 'Give me the money and I'll vote for you.' . . . But a hell of a lot of people around here say, 'I'm very happy to receive the money and since you're running for chairman you can count on my vote.'

"That [is] a very narrow line, and I'm not sure that folks on the outside can find the distinction."

Because Baker said intra-colleague contributions can build team spirit, he does not recommend eliminating them all together. Instead, he suggests limiting the amount contributed to any colleague by another to $1,000 and instituting a system to police how contributions are used.

H.R. 83

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION ON CONTRIBUTIONS BY MEMBERS OF OR CANDIDATES FOR CONGRESS TO CONGRESSIONAL CANDIDATES.

(a) CONTRIBUTIONS FROM CAMPAIGN FUNDS.—Section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended—

(1) by inserting '(a)" after the section designation; and

(2) by adding at the end the following new subsection:

"(b) A Senator or Representative in, Delegate or Resident Commissioner to, or candidate for, the Congress, or any authorized committee of such individual, may not make any contribution, either directly or indirectly, to any other Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or candidate (or any authorized committee for the candidate) for such office, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit (including any political committee) to the Senator, Representative, Delegate, Resident Commissioner, or candidate.".

(b) CONTRIBUTIONS FROM PERSONAL FUNDS.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(i) A Senator or Representative in, Delegate or Resident Commissioner to, or candidate for, the Congress may not make any contribution from any personal funds (including the personal funds of the immediate family of the Senator, Representative, Delegate, Resident Commissioner, or candidate), either directly or indirectly, to any other Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, or candidate (or any authorized committee for the candidate) for such office, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit (including any political committee) to the Senator, Representative, Delegate, Resident Commissioner, or candidate.".

SEC. 2. PROHIBITION ON SOLICITATION AND ACCEPTANCE OF CONTRIBUTIONS FOR ELECTION OF CONGRESSIONAL LEADERSHIP OFFICERS.

(a) IN GENERAL.—A Senator or Representative in, or Delegate or Resident Commissioner to, the Congress may not solicit or accept any contribution with respect to any election for or selection of any Congressional leadership officer.

(b) DEFINITIONS.—For purposes of this section:

(1) CONGRESSIONAL LEADERSHIP OFFICER.—The term "Congressional leadership officer" means the President pro tempore of the Senate, Speaker of the House of Representatives, any chairman of any committee or subcommittee, the Majority Leader, Minority Leader, Majority Whip, and Minority Whip, in the Senate and the House of Representatives, and any other officer of a political party who is elected or selected for the office solely by and from among the members of the political party that are Senators or Representatives in, or Delegates or Resident Commissioners to, the Congress.

(2) CONTRIBUTION.—The term "contribution" has the meaning given the term in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432).

VOL 135 PT 9 JE 14 — 22 1989 UMI

(c) EXERCISE OF RULEMAKING POWERS.—Subsections (a) and (b) are enacted by the Congress as follows:

(1) INCLUSION IN RULES OF EACH HOUSE.—The subsections are enacted as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such the subsections shall be considered as part of the rules of each House, respectively, and shall supersede other rules only to the extent to which they are inconsistent with the other rules.

(2) POWER TO CHANGE RULES.—The subsections are enacted with full recognition of the constitutional right of either House to change the rules (so far as relate to such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

H.R. 2402 THE EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR VETERANS' PROGRAMS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BORSKI. Mr. Speaker, I rise today to urge our colleagues in the other body to immediately approve H.R. 2402 the emergency supplemental appropriations for veterans' programs.

Mr. Speaker, due to shortfalls in the fiscal year 1989 budget, there has been a dangerous reduction in medical care to America's veterans. Basic health-care services are being denied to eligible veterans. Staff levels at veterans' facilities are dangerously low and veterans are being turned away.

There are now 4,000 fewer medical personnel available to treat veterans than directed by Congress. This has reduced the number of outpatients to be treated this year at veterans' hospitals and clinics by 600,000.

Vital equipment at veterans' facilities is not being replaced and medical supplies are in short stock. Many prescription orders are not being filled.

Our veterans deserve better. These are the men and women who bravely served their country in its time of need. Reductions in medical care default on the promises made to veterans to provide for their health and well-being in exchange for the essential service they provided for our Nation.

Last month, recognizing the veterans' dire need, the House unanimously passed H.R. 2402 to enable veterans' facilities to avoid even deeper employee and service cuts. However, for whatever reason, the Senate has not acted on this legislation. I believe they must act and act soon.

H.R. 2402 will not restore veterans' medical care to the level really necessary. The $340 million provided to alleviate the funding shortfall is the bare minimum required to maintain adequate veterans' health services this year. However, this bill is a step toward better health care for veterans and will allow us to deliver essential medical services to veterans who are in immediate need.

Mr. Speaker, it has been months since the magnitude of the emergency in the veterans' health system became clear. Precious time has already been lost while veterans continue to be refused medical care, turned away from hospitals, and denied medication. This situation must be corrected.

It is vital that these funds be approved—without delay—to prevent further decay in the VA medical system. I urge my friends in the other body to support H.R. 2402 and give the veterans of this country their due.

INTRODUCTION OF THE BROADCAST RADIO QUALITY IMPROVEMENTS ACT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. RINALDO. Mr. Speaker, today I am introducing the Broadcast Radio Quality Improvements Act of 1989. When introduced the Radio License Reform Act (H.R. 1136) last February, I indicated that there were other technical issues I wished to address that are important to improving the quality of radio service in this country. The legislation I am introducing today would provide solutions to many of these technical issues. I am pleased to say that H.R. 1136 already has attracted over 100 cosponsors; clearly, many in Congress believe that the time has come to address issues relating to the state of the U.S. broadcast radio service.

Today, the AM radio service is in trouble. According to a recent study, AM radio listeners are just 26 percent of the overall radio audience, down from 75 percent in 1972—just 16 years ago. About half of the 5,000 AM stations lost money last year. AM listenership has declined because of the ability to transmit stereo on FM radio, and because the FCC in the past neglected to encourage state-of-the-art performance in AM radio by examining and updating its interference standards. AM radio is the original radio service, and it has provided millions with their first news and entertainment. I don't think any of us want to see the AM band wither away, especially when there are actions that Congress can take to preserve and improve AM radio service. It is my sincere hope that today's legislation, taken together with H.R. 1136, the license renewal reform bill, will produce a meaningful examination of what can be done to promote better radio service in particular for AM radio. This is a process in which the Congress, the industry, and the public all have a stake; all should be prepared to participate.

The cornerstone of the Broadcast Radio Quality Improvements Act is the requirement that AM stereo must be receivable on equipment that is capable of receiving FM stereo. The technology has been available to transmit AM signals in stereo for many years. However, due to the presence of competing systems, the FCC declined in 1981 to specify a standard system, preferring to allow the marketplace to sort this issue. This decision was well-intentioned; unfortunately, it has acted as a barrier to conversion by AM radio stations to AM stereo. Only about 15 to 30 percent of AM stations transmit in stereo, and far fewer AM stereo radios are manufactured than their FM counterparts.

In light of this situation, I believe that the best and most technologically neutral way to promote the use of AM stereo is by requiring the ability to receive AM stereo in the manufacturing of stereo radio receivers. This concept has been used effectively by Congress in the past. In 1962, the Congress passed the All Channel Receiver Act, which mandated that television receivers manufactured after a certain date must be capable of receiving UHF channels 14 to 69, as well as VHF channels 2 to 13. That action by the Congress was a giant step forward in the development of additional television stations transmitting on the UHF band. This bill can serve the identical purpose for AM radio. By placing AM on an equal footing with FM in terms of signal quality, the AM radio licensee can fully compete with its FM counterpart. In the long run, the largest beneficiary of such competition will be the local community and its citizens. The bill also requires that radios manufactured after January 1, 1992, should be capable of receiving all broadcast frequences, AM and FM, thereby ensuring that broadcasters on both bands will be competing for the same audience.

There are other important features in this bill which will result in vastly improved radio service to the Nation. The bill strengthens the congressional directive to the FCC concerning the need to consider local service in the awarding of local frequencies. In addition, it requires that the FCC shall take action in the granting of licenses and in the establishment of rules or policies which would generally increase interference in the AM or FM bands. While the awarding of additional licenses promotes competition, we must not forget that a balance must be struck between the granting of new stations and the need to provide a generally interference-free signal from existing stations.

The bill also mandates FCC rules to permit existing daytime-only AM stations to voluntarily switch their operations to the new expanded AM band (1605–1705 kHz). This action would reduce, where possible, potential interference problems with so-called clear channel broadcasters, and other classes of full-time broadcasters. More importantly, it would provide expanded 24-hour service to communities that heretofore have been served only during part of the day. To further reduce AM interference, the FCC also would be required to study and report to Congress on the nonbroadcast sources of radio interference and identification of other Federal agencies that may or should have jurisdiction to act in this area.

Finally, the bill would take action to correct the widening problem of FM translator abuses. In recent years, there has been an explosion of translators in this country. Translators are "extenders" or "repeaters" of a radio station's signal. The use of translators in the past has been to provide radio service in areas where no radio service was receivable. The growth in FM radio translator usage in the last several years has allowed large market stations to broadcast their signal in smaller communities which already have several radio outlets. This created the unusual situation in which the larger market station can erode the listenership and advertising base of the local

stations without being under any obligation to provide any local service to the smaller community. In the long run, this situation only harms overall radio service to residents of the smaller community. My proposal is a simple one. The FCC would be required to regulate radio translator operations in accordance with the purpose for which Congress first authorized their operation: Translators should be used to provide full service within a station's general local service area and to provide service in "white areas" where no local radio service exists.

I look forward to the coming debates on this bill and its companion, H.R. 1136. I urge my colleagues to join me in support of the Broadcast Radio Quality Improvement Act of 1989.

AMERICAN CHAMBER OF COMMERCE IN JAPAN ESSAY CONTEST WINNERS

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mrs. BOGGS. Mr. Speaker, for the past 4 years, it has been my honor and pleasure to serve as a member of the Commission on the Bicentennial of the U.S. Constitution. During this time, the Commission, chaired by former Chief Justice Warren E. Burger, has sponsored, coordinated, and encouraged many activities on the bicentennial, offering to young people of all ages the opportunity to learn more about our Constitution, and to put that knowledge to work.

Recently, the Commission encouraged an essay contest, sponsored by the American Chamber of Commerce in Japan, for students attending International Schools in eight cities in Japan.

The winning essay was written by Kohki Kubota, a junior at the American School in Japan, Tokyo. His essay, "The Japanese Political Melting Pot," explores the idea that while the United States political system has been a great influence on Japan, it is not the only influence. Kohki has received awards from his school's foreign language and English departments, and will be editor of the school yearbook this year.

Second place went to Kathleen Vaughn, an 1989 graduate of the American School in Japan, Tokyo. She will attend Georgetown University, Washington, DC, this fall. She is from New York and has been in Japan for 2 years. Her essay, "The Influence of the United States Constitution on the Japanese Political System," discusses the writing of the Japanese Constitution during the period of Allied occupancy after World War II. Kathy is active in a wide variety of extracurricular and community activities, including personal commitments to feed homeless Japanese in railroad stations on a regular basis, and she has done volunteer work for 1 week with Mother Theresa in Calcutta.

Others, all foreign students attending international schools in Japan, who performed well in the contest were Prashant Jain, third place; and Sam Sheng, Chris Scott, and Wayne Kawarabayashi, all honorable mention.

The winning essays show insight into the political systems of the United States and Japan. I know my colleagues join me in offering congratulations to these two young leaders of tomorrow.

The first and second place winners were awarded a trip to Washington, DC to visit the institutions that shape our history. Among those institutions was this House where Kohki and Kathleen had the opportunity to observe our deliberations, enjoy lunch in the Members' Dining Room and tour the Capitol Building.

TRIBUTE TO LOUIS PAPPAN

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. KOLTER. Mr. Speaker, I rise today to honor a constituent that has proven to be an exemplary person in a vast assortment of ways in both my 4th District of Pennsylvania and the rest of western Pennsylvania.

Louis Pappan, owner of 33 restaurants in six counties in western Pennsylvania, has given more to my area than just "good food, good service or your money back." The contributions he has made both in and outside the restaurant business are activities that I feel deem him very worthy of tribute.

In the early 1950's, Mr. Pappan emigrated to the United States from Greece in search of a new career. In 1961, he opened his first restaurant, the "Sweet Shoppe" in Beaver Falls, PA. Almost 30 years later, Mr. Pappan has expanded his venture to 15 Pappan's Family Restaurants and 18 Roy Rogers fast food restaurants in western Pennsylvania.

The exposure Mr. Pappan has received through his restaurant chain has made him a very recognizable and respected celebrity in my district and the Pittsburgh area.

Mr. Pappan currently serves as president of Pappan's Family Restaurants and Pappan's Enterprises, Inc. and supports many worthy organizations and causes.

This year marks the 15th year Pappan's restaurants will be sponsoring a senior citizens picnic including free food, games, craft contests, entertainmnet and health information. Mr. Pappan does this to repay the generosity these people have given him. Usually about 8,000 people attend.

In a concern for safety, Mr. Pappan also cosponsors a picnic with a Pittsburgh radio station if there are no fatalities during Memorial Day Weekend. Last year more than 8,000 people filled Point State Park in Pittsburgh for this gathering.

Mr. Pappan participates in the Multiple Sclerosis "Backyard Fair" and "Read-a-Thon" every year and sponsors a variety of events of the Arthritis Foundation, the Easter Seals and the March of Dimes.

"Toys for Tots" occupies Mr. Pappan's time at Christmas as he helps raise funds and collect toys for less fortunate children during the Season.

During the summer months, Mr. Pappan gives major support to a variety of events sponsored by Pittsburgh's CitiParks including a "Great Ride" and a "Grand Prix."

Besides all of the activities Mr. Pappan sponsors, he also serves on many boards of directors and contributes to many educational organizations. Annually, he serves as the grand marshal for the Bridgewater Regatta. He is also very active member of the United Greek Orthodox Church.

Due to all of the substantial contributions Lou Pappan has made in my district and the surrounding area, I feel he is very worthy of receiving recognition from this 101st Congress, and that is why I rise to honor him today.

FELICIA MARCUS: AN ENVIRONMENTALIST FOR ALL SEASONS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today in honor of my friend Felicia Marcus and ask my colleagues to join me in recognizing the achievements of her hard work, commitment and dedication to environmental issues.

I would like to bring to your attention an article which appeared in the June 16, 1989 edition of the Los Angeles Times entitled "An Environmentalist for All Seasons." This article highlights the causes with which Felicia has been and is currently involved and the many successes for which she has been primarily responsible.

Felicia is an extraordinary environmental activist. She belongs to and serves on the boards of a variety of environmental groups, including "Heal the Bay," "Coalition for Clean Air," and "The California League of Conservation Voters."

Felicia is one of the cofounders of "Heal the Bay," an all-volunteer organization responsible for raising the public's consciousness and promoting public education about the pollution which exists in the Santa Monica Bay. As pro bono counsel for "Heal the Bay," Felicia succeeded in defeating the city of Los Angeles' attempts to do less than fully treat its sewage and was successful in attaining friends of the court status of the EPA law suit against the city.

At New York University School of Law, Felicia developed an interest in and ultimately specialized in environmental law. Not only is she committed to the environment and its causes, she has attained a degree of responsibility and integrity which is difficult, if not impossible, to match.

Currently, Felicia serves as director of litigation for Public Counsel, the Los Angeles County and Beverly Hills bar associations' public-interest law firm, which provides legal services to the poor in areas ranging from children's advocacy, immigration, civil rights, and consumer issues, to housing discrimination and homelessness. However, she has just been appointed by the mayor of Los Angeles to serve as a commissioner on the city of Los Angeles Board of Public Works.

Felicia Marcus is truly one of our environment's best friends and I ask that the Speaker and Members of this body join me in saluting

her for her commitment to the protection and preservation of our precious environment.

INTRODUCTION OF MINIMUM WAGE BILL

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. MURPHY. Mr. Speaker, I rise in support of the minimum wage bill that I have just introduced. This new bill represents the second time I have offered compromise minimum wage legislation in the short life of the 101st Congress. Once again I call on the President to end this standoff and join with Congress to assure that a minimum wage increase will be enacted into law.

My bill more than adequately addresses Mr. Bush's many concerns, especially the rate of increase. This bill increases the minimum wage to $4.25 over the next 2 years. While this is certainly not enough to restore the purchasing power of the minimum wage, it is all the pocket change that President Bush is willing to spare for the Nation's working poor.

This bill also contains a 60-day training wage for all inexperienced minimum wage workers. I reject the President's call for a 6-month training wage, because it is excessive. Since most minimum wage jobs are of short duration, the President's plan appears merely to be a way to deny any increase to most minimum wage workers.

As I have stated often in the past, all this bickering is only hurting one group, and that is America's working poor. I would say that we have all reached our limits, they have suffered enough, and we have compromised enough, Mr. President, let's enact this bill.

FARMINGTON UNITED METHODIST CHURCH—160 YEARS OF SERVICE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. BROOMFIELD. Mr. Speaker, during the month of June, the First Methodist Church of Farmington will celebrate its 160th anniversary.

I want to officially recognize this outstanding church and its historic congregation. Farmington United Methodist has kept its doors open for 160 years. Begun in 1829, a full 8 years before Michigan became a State, Farmington United Methodist has been in continuous operation.

As one of the Michigan's oldest Methodist churches, with its first church structure completed in 1844, the present Farmington church has been serving the spiritual needs of the community since 1922. The church contains several historic stained glass windows donated by Hon. Fred Warner, who was our Governor from 1905 to 1910.

As a growing, vibrant part of Michigan, Farmington United Methodist has expanded over the years and conducts many community outreach, educational, and youth programs.

I am very proud to represent Farmington United Methodist and its active congregation. My congratulations on 160 wonderful years of service to the citizens of Farmington.

TRIBUTE TO COUNCILMAN NATE HOLDEN

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. DYMALLY. Mr. Speaker, I would like to point out the accomplishments of an outstanding individual with a record of 17 years in public service, Los Angeles councilman Nate Holden.

Councilman Nate Holden won his bid for the Los Angeles City Council seat for the 10th district on June 2, 1987. From 1974 to 1978, he served in the California State Senate representing the 30th senate district. Prior to and after serving in the State senate, he was assistant chief deputy to Los Angeles County supervisor Kenneth Hahn.

Councilman Holden is a U.S. Army veteran and served in the Military Police corps during World War II. He earned a bachelor of science degree in physics and a master of science in systems engineering from West Coast University in Los Angeles. Prior to entering the political arena, he spent 17 years in the aerospace industry. His first important role on the political scene was his election to president of the California Democratic Council in 1970, where he served for two terms—1970 to 1974.

During his term as State senator, he served as chairman of the Senate Standing Committee on Elections and Reapportionment; chairman of the Select Committees on Rapid Transit for Southern California, and Genetic Diseases; vice chairman of the Public Utilities, Transit and Energy Committee; and he served as a member of the Housing and Urban Affairs Committee, the Health and Welfare Committee, the Joint Legislative Audit Committee, and the Local Government Committee.

As State senator, Councilman Holden earned a reputation as a champion of consumer rights, health care for the needy, senior citizen services, full employment programs, and quality education. His legislative accomplishments included measures which addressed the genetically handicapped, antiredlining, the Credit Denial Disclosure Act of 1976, increased funding for inner-city schools, the creation of Baldwin Hills Regional Park, proliferation and control of liquor stores, property tax relief for senior citizens, and memorializing Dr. Martin Luther King's birthday, January 15, as worthy of observance as a State holiday.

He also supported the "Use a Gun, Go to Jail" law, as well as measures which dealt with mandatory jail sentences for anyone convicted of a crime against a senior citizen.

In addition, Holden supported the State's $5.5 billion "bail-out" funds to aid Los Angeles and voted to reduce State income tax by $1 billion. He authored a law ensuring fair treatment for people requiring paramedic attention. He won approval for a tough law to prevent abuses of publicly funded newsletters sent by State and local lawmakers. He has been a proponent of strong campaign disclosure laws.

During his service with the County of Los Angeles, he was a member of the Departmental Transportation Advisory Committee and a member of the board of directors for the Southern California Rapid Transit District for 4 years. He also has been a member of the Los Angeles County Public Social Services Commission and the U.S. Commission on Government Procurement.

To date, Holden's city council committee assignments include chairman of the Transportation and Traffic Committee, vice chairman of the Police, Fire and Public Safety Committee, and member of the Intergovernmental Relations Committee. The councilman also is a member of the National Contract Management Association, NAACP, Urban League, and Crenshaw Neighbors.

I would like to take this opportunity to thank Councilman Nate Holden for his valuable contributions to public service. His leadership and guidance have made a difference for the people of the 10th district. With such a track record of legislative accomplishments, we are grateful for his commitment to public service and look forward to his effective leadership for many years to come.

PERFECT SEASON FOR ECS BASEBALL TEAM

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. SUNDQUIST. Mr. Speaker, success in our national pastime, baseball, is measured in terms of sustained excellence over time. The seasons run longer and excellence is judged in terms of averages. The most successful hitters will fail two-thirds of the time; the best teams may lose 40 percent of their games.

So when a group of young men complete a baseball season, not only as champions, but undefeated, it is worth noting. The baseball team at Evangelical Christian School of Memphis recently became only the third prep baseball team in Tennessee history to complete an undefeated season, capping a 30 to 0 season by capturing the State championship.

All of us who appreciate baseball can appreciate what it takes to prevail both in the long haul of a season and in the unpredictable atmosphere of a short playoff series. I offer these young men and their coaches my congratulations, and I thank the Chair for allowing me a moment to share their accomplishment with my colleagues and fellow baseball fans.

AMERICANS AND CANADIANS RUN 500-MILE FRIENDSHIP RELAY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. GAYDOS. Mr. Speaker, on Thursday, June 29, 16 youths—8 Americans and 8 Canadians—ranging in age from 20 to 16, will leave Grey County, Canada, on the run. Their destination—Bethel Park, PA, 500 miles away.

It is the Adventure in Friendship Relay and the runners' route will take them through 62 communities before they arrive at Bethel Park High School Stadium amid a spectacular Fourth of July fireworks display.

Jim Pomerantz, coordinator for Team USA, explained that one athlete from the Bethel Park Track Club and one from the Grey County Track Club will be on the road at all times. However, one kilometer from each municipality, the entire 16-member squad will run as a group, carrying the "Friendship Torch," 10-foot American and Canadian flags, and the flag of the Province or State through which they are passing.

Mr. Pomerantz adds that every precaution has been taken to assure the safety of the runners. The relay route has been checked by Ontario Provincial Police, the Pennsylvania State Police, and local police forces along the way. In addition, the Bethel Park Municipal Council has authorized two members of its Police Department, Chief Joseph Kletch and Sgt. John Lee, to accompany the runners along the entire route.

The youths are running for more than just physical exercise. According to Mr. Pomerantz: "They're running to foster a better understanding between the young people of America and Canada * * *. They're running to focus public awareness on the importance of reading in the development of young minds * * *. They're running to make a statement against the use of drugs by teenagers of both countries * * * and they're running to cement the bonds of friendship between the citizens of the United States and Canada."

Upon their arrival at the Bethel Park High School Stadium, the athletes, along with visiting American and Canadian dignitaries, will be introduced to the residents of Bethel Park by Mayor Reno Virgili. The following day, July 5, the runners, their parents, and visitors will be the guests of honor at a dinner hosted by the municipality.

Mr. Speaker, as dean of the Pennsylvania congressional delegation and as Member with strong ties to Bethel Park and a high regard for its people, I take great pleasure in calling the attention of my colleagues to this noteworthy effort on the part of young Americans and Canadians.

Team USA: Erik Hermann, captain; Jerry Hull, Tony Hull, Greg Roguski, Rob MacDonald, Billy Pomerantz, Mark Pomerantz, Lloyd Brewer, and coach Bob Hull.

Team Canada: Brian McKenzie, captain; Paul Morris, Gordy Mitchell, Andy Litt, Kevin McKenzie, Mike Painter, Stephen Young, Chris Whalen, David Gillham, and coach Myles Caskie.

On behalf of the Pennsylvania delegation, I congratulate these young runners as well as the many civic-minded individuals and organizations who joined in putting together this 500-mile Adventure in Friendship between the United States and Canada.

CYPRIOT AMBASSADOR PROMOTED TO POST OF DIRECTOR GENERAL OF CYPRIOT FOREIGN MINISTRY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. YATRON. Mr. Speaker, in his 10 years as Cypriot Ambassador to the United States—reaching the position of Dean of the Diplomatic Corps—Ambassador Andrew J. Jacovides has left a substantial imprint on the Nation's Capital and has established lasting friendships, especially in Congress, to the benefit of the Republic of Cyprus.

As the senior member of the Cypriot diplomatic service and in light of his effective role in representing his nation in Washington, Ambassador Jacovides has been promoted to Director General of the Foreign Ministry. I congratulate Ambassador Jacovides on his appointment to this prestigious and important post, however, we will all miss his wise and effective counsel regarding United States policy toward Cyprus.

As you know, Cyprus has been partially occupied since Turkey unjustly invaded this eastern Mediterranean island in the summer of 1974. During his tenure, many of our colleagues greatly benefited from his obervations and representations in behalf of his government, especially during those periods of escalating tensions of Cyprus, such as the Turkish Cypriot unilateral declaration of independence in 1983.

Ambassador Jacovides' reputation as a foreign policy expert envoy and astute observer of international events goes beyond the halls of Congress and the corridors of the State Department. Ambassador Jacovides has lectured at numerous and well-known global affairs councils, think tanks, and universities and is widely respected for his expertise in international law, the United Nations, and U.N. peacekeeping operations. He is an honorary citizen of over 20 American cities and is an honorary doctor of laws and of humane letters.

Mr. Speaker, I am confident that in his future capacity as Director General of the Foreign Ministry, Ambassador Jacovides' experience and insights will prove instrumental as the Government of the Republic of Cyprus pursues a settlement to its country's dispute which will result in the withdrawal of Turkish troops. I wish both him and his lovely wife, Pamela, well in their future endeavors.

HONORING HARRIET AND MORTIMER KASHINSKY FOR 50 YEARS OF MARRIAGE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to a truly wonderful and inspirational couple, Harriet and Mortimer Kashinsky. On July 2, 1989, Harriet and Mortimer will celebrate 50 years of matrimonial bliss. To help mark this joyous occasion, there will be surprise party for them on June 25, 1989, hosted by the Kashinsky's children and grandchildren.

Harriet and Mortimer Kashinsky have lived and raised a family in Flushing for over 40 years. Mortimer is a retired pharmacist and school teacher, and his lovely wife Harriet is still working as a paraprofessional at Junior High 126 in Long Island City, NY.

They have three wonderful children; Janet, who is a teacher at Parsons Junior High School; Cheryl, who has her own real estate firm; and Richard, who is a electrical contractor. They also are proud grandparents of three fine grandchildren, Elissa and Darin Diamond and Joseph Kashinsky.

When they weren't busy raising a family or working, Harriet and Mortimer spent their spare time volunteering for several community organizations. Mortimer worked for over 35 years with the Queens Auxiliary Police Force. He recently retired from the force after serving as chief inspector. Harriet has devoted time to many groups including United Cerebral Palsy.

Mr. Speaker, in this day of high divorce rates it is a real accomplishment to celebrate 50 years of marriage. I ask all of my colleagues in the U.S. House of Representatives to congratulate Harriet and Mortimer in reaching this milestone and wish them continued happiness in the future.

STATEMENT OF CONGRESSMAN TOM CAMPBELL CONCERNING HIS VOTE ON THE SAVINGS AND LOAN LEGISLATION

HON. TOM CAMPBELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. CAMPBELL of California. Mr. Speaker, my sister is married to an officer of a savings and loan association in Illinois, his father was the chairman of the board, and both my brother-in-law and his father are still on the board of directors. While the savings and loan association in question is not directly under the terms of the bailout plan which Congress is considering, it will be affected by those terms, particularly the capital requirements. In voting in favor of the sterner capital requirements, particularly against the Hyde amendment, I have voted against this interest. The interest was not such as to cause me not to vote, because I have an affirmative obligation to represent the people of my district, and to vote on important matters of public policy unless

VOL 135 PT 9 JE 14 — 22 1989 UMI

compelled not to do so. I did wish, however, to put on the public record the full details of this situation.

INTRODUCTION OF THE UNIFORM PRODUCT LIABILITY ACT

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. SYNAR. Mr. Speaker, today I am joining my colleagues in introducing the Uniform Product Liability Act of 1989. Very simply this bill replaces the varying State-to-State standards used to determine a manufacturers' liability with one Federal standard. This uniform standard excuses manufacturers from liability if their product was made as safely as possible but, permits consumers to recover for their injuries if the product was so dangerous it should never have been sold in the first place.

I am convinced that the present system serves neither businessest or consumers well. Nevertheless, I have traditionally opposed tort reform because of my strong reservations against earlier proposals which would have made it virtually impossible for individuals injured by defective products to receive compensation from the manufacturer. I decided to support the legislation being introduced today because it includes compromise language I helped draft in the 100th Congress which balances the interests of consumers and manufacturers to bring predictability and fairness to product liability lawsuits while preserving the rights of injured plaintiffs and maintaining incentives to make safe products.

The need for a uniform standard to reduce the complexity and expense of litigation is supported by considerable evidence. Consumers' ability to recover for injuries has been limited by the time and expense of litigation. According to a 1986 study by the Rand Corp., $19.5 billion was spent in litigation costs with $11 billion of that amount going for attorney's fees and expenses and only $8.2 billion going for compensation to plaintiffs. A 1983 Rand Corp. study on asbestos litigation found that the plaintiffs in asbestos cases received only 37 cents in compensation out of every dollar spent on the litigation.

The ability of some U.S. manufacturers to effectively compete in world and domestic markets has been affected by uncertain liability standards. The Department of Commerce reports that 70 percent of all products produced in a State are consumed outside of the State's boundaries. Under the current system each State has its own standards to litigate claims for injuries arising from defective products. Since a case can be brought in a number of different courts, manufacturers never know in which jurisdiction they may be sued or what standards will apply.

This unpredictability and uncertainty has led some manufacturers to devote less of their resources for research and development of new products and has resulted in some products being pulled off the market altogether. A survey of the impact of product liability on machinery industries found that 13.5 percent of the companies had dropped product lines, while 11.5 percent had decided not to develop a particular new product.

The unpredictability of product liability litigation has also made it difficult for insurers to accurately predict the risk associated with a product's use. This has been cited as one cause of increasing product liability insurance rates and the inability of some companies to obtain adequate coverage at all.

Unlike earlier proposals, the bill introduced today is much fairer in its approach. The bill provides that manufacturers will not be held liable for injuries if at the time their product was manufactured it was "state of the art." The exception to this rule is if the manufacturer should have known that the product was dangerous to consumers or if the product could have been made safer. Even if a product is state of the art consumers will still be able to hold a manufacturer liable for injuries if a judge finds that the product was so dangerous it should not have been marketed. The bill also creates a new obligation for manufacturers. For the first time manufacturers will have to warn consumers about subsequently discovered risks associated with their products. If they fail to do so, consumers injured as a result of a failure to warn has a cause of action against the manufacturer.

This bill is not perfect, but it is a positive step in the right direction. I am not completely satisfied with the provisions in the legislation regarding the treatment of sealed records and mediation. As this bill moves through the legislative process I may discover other issues of concern as well. However, I think it's important to keep this issue before the Congress in order to bring about much more needed reforms. I want to continue to work with consumer groups, trial lawyers, and the business community to draft liability standards that simplify the litigation process, ensure consumers can recover for injuries, and encourage manufacturers to make the safest products possible. The legislation we are introducing today goes far toward meeting these goals.

TRIBUTE TO JAMES W. CLARK, JR.

HON. BOB WHITTAKER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. WHITTAKER. Mr. Speaker, I rise today to pay tribute to a dear friend of long standing and a fellow native Kansan, James W. Clark, Jr., who retired as director of the American Optometric Association's Washington office. Jim retired last summer and returned to Kansas after nearly four decades of selfless service, as an educator and then as an administrator.

Jim started his professional career as an educator following his education at Emporia State University, Emporia, KS, where he received his bachelor of science degree in education. This was followed by a master's degree in education from the University of Kansas at Lawrence.

After years of teaching success, Jim embarked in 1957 on a new career as the first administrative director of the Kansas Optometric Association, a post he held for 20 years. During his tenure as administrative director for KOA, Jim contributed his expertise in the academic environment with his appointment to the Southern College of Optometry board of directors from 1968 until 1978. For 2 of these years, Jim was chairman of the board, the first nonoptometrist to serve as chairman of a school of optometry. Jim also holds an honorary doctorate of humane letters from the Southern College of Optometry.

Following a particularly successful career as the administrative head of the Kansas Optometric Association, Jim was called to Washington, DC, to head the American Optometric Association's Washington office. He served in this position with great distinction from 1977 until his retirement last July. Jim Clark built an enviable record of achievement during his 31 years of service to the profession of optometry. I am pleased to honor his outstanding career, and wish both Jim and his wife Pat well in their retirement.

READ ON, EVEN IF YOU DON'T WANT TO BE A POLITICIAN

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1989

Mr. FIELDS. Mr. Speaker, today I am inserting in the RECORD a portion of a commencement speech Chase Untermeyer recently delivered to graduates of the Lyndon B. Johnson School of Public Affairs of the University of Texas at Austin. Chase Untermeyer, who is assistant to President Bush and Director of Presidential Personnel, has achieved a long and distinguished career in public service.

Chase Untermeyer's reflection on what it truly means to be an effective politician is a sobering reminder of why we are here today. As public servants we are sent to Washington to do just that—serve the interests of the American people—not advance our own personal causes. At a time when a protracted ethics battle in the House of Representatives has plunged this great institution into a state of disarray that is unmatched in recent history, Mr. Untermeyer's views on public service are timely and appropriate. I hope that my colleagues will take the time to read the following remarks.

READ ON, EVEN IF YOU DON'T WANT TO BE A POLITICIAN

(By Chase Untermeyer)

Untermeyer, a Houstonian, is assistant to President Bush and director of presidential personnel. A former Chronicle political writer, he served two terms in the Texas Legislature, representing a westside Houston district. This article is adapted from a commencement speech Untermeyer delivered to graduates of the Lyndon B. Johnson School of Public Affairs of the University of Texas at Austin earlier this month.

Now as ever, the noble, if beleaguered, calling to public service deserves a few kind words—and warnings. Fifteen years of service in both elective and appointive office may be too soon to write memoirs, but it's not too soon to offer a few helpful hints.

The first of these is basic, even obvious: Trust the good sense and intelligence of the American people. There are a great many government officials who don't really believe this, who too easily fall into thinking that the people can't really be all that smart because "they don't know what we know." But our democracy is based on the simple premise that the people will know, that they will care, and that they will act if their government fails to reflect their will. Within easy memory are enough examples—local, state and federal—of defeated politicians, and referenda to show that the folks truly are in command. If a public official doesn't in his or her soul believe this, then he/she is in the wrong business.

There is no better way to learn this than to participate in politics. Even if you don't plan to be a politician yourself, then at the very least work in the campaign of somebody running for anything, and the smaller the office—the closer to the people—the better. If you haven't had to undergo the healthy, denuding stare of a skeptical voter on his/her doorstep, with just a few seconds to justify yourself or your cause, then democracy is just a word to you. So, too, are other words that frequently get tossed about: "The voters," "citizens" and "the taxpayers." If you have ever run for public office, then those are not abstractions: They are real faces you can see, real telephone calls you receive in the night, and real sweat in your palms when you are held to account in a public place for something you did or did not do.

President Bush, who began his long and eminent public career as a county party chairman, believes this intensely. He likes to quote the line attributed to Speaker Sam Rayburn in which "Mr. Sam" said he would feel a whole lot better about certain highly praised White House aides and big-time appointees "if just one of them had run for sheriff once."

Even losing has its benefits. It's another reminder of just who is boss. I have known a number of politicians who, defeated and deflated, actually became better persons—and thus much more electable the next time around.

While we're on the subject of getting along with people, something that your mother taught you is just as valid in the loftiest reaches of public life as on the playground: Be kind to people. Be thoughtful and courteous to everyone with whom you come in contact, no matter how tired or upset you may be. Be kind to your colleagues, your staff and especially to the public. Remember that today's 20-year-old intern is tomorrow's state senator or congressman or agency chief. And no one needs to be reminded of the power of those celestial beings, office secretaries. The simple words of greeting or smiles rendered to folks like this will always be remembered, even when you yourself may have forgotten.

There is a noxious notion in a place like Washington (and maybe even in Austin) that the way to be effective in politics and government is to be slick, slippery and conniving—to win by destroying your foes—that the best way to cut a deal is to cut a throat in the process. These are the folks who believe with Machiavelli, that it is always better to be feared than to be loved; those who treat our democratic processes and institutions as playthings for their amusement and gain. It is my observation over time that people who operate like this may succeed for a while—and they may succeed mightily—but eventually the ghosts of their victims will rise to haunt them.

I reject this model of the political operator in favor of another strategy: Come to the field to play the game but not to be a gameplayer.

Perhaps the greatest attribute someone in public life can have is a sense of perspective, a sense of balance. This is what gives one in public office merit in the great days and solace in the grim ones. And this, it seems to me, comes from a handful of very simple things.

The first is to have a sense of humor, to be able to laugh at yourself and at the follies of life. A man who once covered the politics of Austin, Willie Morris, wrote in his memoir, North Toward Home: "Humor was essentially a way of surviving, and it was no coincidence that every good man I knew in the political life of (Texas) had a deep and abiding sense of the absurd."

Another simple way to acquire a sense of perspective in political life is to read history, and especially biography, to expand the lessons of your brief life with the years of accumulated experiences and wisdom of others, to see just how they acted and reacted in moments of decision for themselves and for their country. Robert Frost once defined college as the place to read the books you should have read in high school. If so, think of the rest of your life as the place to read the books you should have read in school.

In acquiring that sense of perspective, always remember that you yourself are not important: Your job may be, your responsibility may be, and your boss may be, but not you. If you don't believe this, drunk with the power and glory of office, just wait until you are out of office or out of favor and see how many of your former admirers still invite you to lunch.

And, perhaps most important of all in having that sense of perspective, remember that one day it will all end. Gone will be the title, the car, the fancy stationery, the flags in the big office, the respectful nods of flunkies. In the meantime, do your job for its own sake and the sake of those you serve. Oh, you can enjoy it all, too, but remember that in a democracy no duke in all his splendor is on his horse forever.

Don't think of your job as a mere way station on the road to greater glory. Whether or not you ever get there, how sad to think of life—especially as exciting a life as one in politics and government—as merely a stitching-together of time segments or tickets to be punched.

As Bill Bennett, the former secretary of education and currently the director of National Drug Policy, likes to say, "In this (game) they're either moving the ball on you or you're moving the ball on them."

Winston Churchill had another way of making this point when he exhorted young people:

"Don't be content with things as they are. 'The Earth is yours and the fullness thereof.' Enter upon your inheritance, accent your responsibilities. Raise the glorious flags again, advance them upon the new enemies who constantly gather upon the front of the human army and have only to be assaulted to be overthrown. Don't take No for an answer. Never submit to failure. Do not be fobbed off for mere personal success or acceptance. You will make all kinds of mistakes; but as long as you are generous and true, and also fierce, you cannot hurt the world or even seriously distress her. She was made to be wooed and won by youth . . ."

Another tip: Do well by doing good. The best politics is doing the people's business the best way you can.

And know when to quit. This applies not just to pursuing a public career—when the times or the issues or the fates may go against you—when you need the restoral and reflection that private life can bring—but to opinion writing as well. So I will follow my own advice.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 22, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 23

9:30 a.m.
Governmental Affairs
To hold hearings on S. 253, to establish a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Latin America.
SD-138

Labor and Human Resources
To hold hearings on S. 768, to provide basic health benefits for all Americans.
SD-430

11:15 a.m.
Special Impeachment Committee
Closed business meeting to consider pending committee business.
SD-212

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on administration of Indian programs by the Environmental Protection Agency.
SR-485

JULY 10

1:00 p.m.
Armed Services
Manpower and Personnel Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on manpower and personnel programs.
SR-232A

3:00 p.m.
Armed Services
Readiness, Sustainability and Support Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on readiness, sustainability and support programs.
SR-222

5:00 p.m.
Armed Services
Defense Industry and Technology Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on defense industry and technology programs.
SR-232A

JULY 11

8:30 a.m.
Armed Services
Conventional Forces and Alliance Defense Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on conventional forces and alliance defense programs.
SR-222

9:30 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

10:30 a.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on projection forces and regional defense programs.
SR-232A

2:00 p.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on strategic forces and nuclear deterrence programs.
SR-232A

2:30 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, and on fossil energy research and development and the clean coal technology program.
SD-366

JULY 12

9:00 a.m.
Armed Services
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Commerce, Science, and Transportation
To hold hearings on the nomination of Janice Obuchowski, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.
SR-253

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 707, to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience.
SR-253

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 13

9:00 a.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on capabilities and concerns of the national sealift policy.
SR-253

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Veterans' Affairs
Business meeting, to consider pending calendar business.
SR-418

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Armed Services
Closed business meeting, to continue markup of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 14

9:00 a.m.
Armed Services
Closed business meeting, to continue markup of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

9:30 a.m.
Select on Indian Affairs
To hold hearings on proposed amendments to the Indian Child Welfare Act (P.L. 95-608).
SR-485

10:00 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

2:00 p.m.
Armed Services
Closed business meeting, to continue markup of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 18

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on tuna management.
SR-253

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

Governmental Affairs
To hold hearings on S. 244, to provide for the development and use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies.
SD-342

JULY 19

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, relating to the broadcasting of certain material regarding candidates for Federal elective office.
SR-253

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

JULY 20

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of

the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

Governmental Affairs
To hold hearings on provisions of S. 135, Hatch Act Reform Amendments of 1989.
SD-342

Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

JULY 21

9:30 a.m.
Select on Indian Affairs
To hold hearings to establish a Tribal Judicial Resources Center.
SR-485

JULY 25

9:30 a.m.
Governmental Affairs
To hold hearings to review U.S. trade and technology issues.
SD-342

JULY 26

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1009, relating to the purchase of broadcasting time by candidates for public office.
SR-253

10:00 a.m.
Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

JULY 27

9:30 a.m.
Governmental Affairs
To hold hearings on S. 1165, to provide for fair employment practices in the U.S. Senate and U.S. House of Representatives.
SD-342

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

CANCELLATIONS

JUNE 22

2:00 p.m.
Energy and Natural Resources
To hold hearings to review the National Energy Policy plan.
SD-366

POSTPONEMENTS

JUNE 22

9:30 a.m.
Special on Aging
To hold hearings to review manufacturers' practices in the pricing of drugs.
SD-562

HOUSE OF REPRESENTATIVES—*Thursday, June 22, 1989*

The House met at 12 noon.

The Reverend Jerry Price, Patterson Baptist Church, Patterson, GA, offered the following prayer:

Our God and Father, we come into Thy presence this day recognizing Thy sovereignty over all mankind and acknowledging that in Thee we live and move and have our being and that from Thee comes every good gift, the gift of life, health and strength, and above all the gift of eternal life.

We thank Thee for our great Nation, for our Founding Fathers who secured for us the right to worship Thee according to the desires of our heart. Keep us spiritually and morally strong and help us not to be blinded to those influences which have the potential to destroy us. Continue, Father, to grant us peace with all nations.

We humbly acknowledge today our need for Thy wisdom and guidance as we fulfill the responsibilities placed upon us. May Thy abundant blessings be upon this great assembly we pray in the name of Him who loved us and gave himself for us, Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. JAMES. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JAMES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 98, answered "present" 1, not voting 28, as follows:

[Roll No. 99]

YEAS—305

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
Barnard
Bartlett
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Billey
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clement
Coble
Conte
Conyers
Cooper
Costello
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
DeLay
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Duncan
Durbin
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martin (NY)
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Robinson
Roe
Rohrabacher
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schulze
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Walgren
Walsh
Watkins
Weiss
Weldon
Whitten
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—98

Armey
AuCoin
Baker
Ballenger
Barton
Bentley
Bilirakis
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Clay
Clinger
Coble
Coughlin
Cox
Craig
Crane
Dannemeyer
DeWine
Dickinson
Dornan (CA)
Douglas
Emerson
Fawell
Gallegly
Gekas
Goodling
Goss
Grandy
Hancock
Hastert
Hefley
Herger
Hiler
Hopkins
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McGrath
Michel
Miller (OH)
Molinari
Moorhead
Murphy
Nielson
Oxley
Pashayan
Paxon
Petri
Ridge
Roberts
Rogers
Roth
Roukema
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sundquist
Taike
Thomas (CA)
Upton
Volkmer
Walker
Weber
Wheat
Whittaker
Wolf
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Dwyer

NOT VOTING—28

Boucher
Coleman (MO)
Coleman (TX)
Collins
Courter
Dellums
Fields
Florio
Garcia
Hall (OH)
Kleczka
Leach (IA)
Leath (TX)
Lehman (CA)
Livingston
Martinez
Mavroules
Moakley
Nagle
Parris
Schneider
Schumer
Torres
Udall
Vucanovich
Waxman
Williams
Wright

□ 1227

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. JONES] to lead the House in the Pledge of Allegiance.

Mr. JONES of Georgia led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under

God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1278. An act to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1278), "An act to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RIEGLE, Mr. CRANSTON, Mr. SARBANES, Mr. GARN, and Mr. HEINZ to reconcile all provisions of H.R. 1278 and of the Senate amendment to H.R. 1278, except those in sections 1401 and 1402 of H.R. 1278, Mr. BENTSEN, Mr. MATSUNAGA, and Mr. PACKWOOD are appointed as additional conferees solely for the consideration of reconciling:

First, sections 1401 and 1402 of H.R. 1278, and the specific disagreeing provisions of sections 501 and 502 of the Senate amendment to H.R. 1278 relating to the tax-exempt status of the Resolution Trust Corporation and the Resolution Funding Corporation—new paragraphs 21A(k) and 21B(f)(7) of the Federal Home Loan Bank Act; and

Second, sections 1403 and 1404 of H.R. 1278 be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1077. An act to authorize the President to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration; and

S. 1180. An act to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration.

THE REVEREND JERRY PRICE

(Mr. THOMAS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Georgia. Mr. Speaker, I rise simply to say how proud I am to have my hometown minister, Rev. Jerry Price, offer this morning's prayer. He is pastor of the Patterson, GA, Baptist Church, the church home in which I grew up. My mother and father are members of his church today. I therefore put my colleagues on notice that I expect them to put in a good word for me with my hometown preacher today.

Seriously, I want to say how proud I am of the faithful service of Reverend Price as he has led the congregation of Patterson Baptist for the past 9 years. He and his charming wife Sue and their children, Joel and Michel, are dear friends of mine and my entire family.

I feel a special connection to this 102-year-old church because my grandfather donated the land that the church building is located today.

Mr. Speaker, it is citizens such as Reverend Price and his family who are the bedrock of this great democracy. I thank him for his service to my church, my country, and to this body today.

CONFERENCE REPORT ON H.R. 1722, NATURAL GAS WELLHEAD DECONTROL ACT OF 1989

Mr. SHARP submitted the following conference report and statement on the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act:

CONFERENCE REPORT (H. REPT. 101-100)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken by the Senate amendment, and on page 3, line 10 of the House engrossed bill, strike "March 23, 1989" and insert in lieu thereof "the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989", and on page 3, lines 12 and 13 of the House engrossed bill, strike "the first day after the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989" and insert in lieu thereof "May 15, 1991".

And the Senate agree to the same.

JOHN D. DINGELL,
PHILIP R. SHARP,
BILLY TAUZIN,
NORMAN F. LENT,
CARLOS MOORHEAD,
Managers on the Part of the House.

J. BENNETT JOHNSTON,
DALE BUMPERS,
WENDELL H. FORD,
JAMES A. MCCLURE,
PETE DOMENICI,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

With one exception, the provisions of H.R. 1722 as approved by the House and as amended and approved by the Senate are identical.

IDENTICAL PROVISIONS OF BOTH BILLS

Both the Senate and House bills—

Decontrol gas under expired, terminated, or new contracts, effective on the day after enactment;

Decontrol gas under contracts that expire or terminate during the next three and one-half years, as these contracts end;

Decontrol any newly renegotiated contract in accord with its new terms during this same three and one-half year period; and

Decontrol all remaining regulated gas on January 1, 1993.

The purpose and effect of these identical provisions, as detailed in the reports of the Senate and House committees, are jointly endorsed and supported by all conferees.

NEWLY SPUDDED WELLS

The only difference between the Senate and House bills is in their treatment of natural gas from newly spudded wells.

The House-passed bill immediately decontrolled such gas. It provided that the flow of gas from all wells spudded after March 23, 1989, is decontrolled after enactment.

The Senate-passed bill had no special provision that decontrolled gas from newly spudded wells. It thus decontrols such gas on January 1, 1993, or earlier if the gas from the new well is under a new contract or a contract that expired, terminated, or was renegotiated before 1993.

CONFERENCE COMPROMISE

After careful consideration, the conferees have agreed to the following compromise:

Deliveries of natural gas produced from wells spudded after the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989 will be decontrolled on May 15, 1991.

This is a compromise between the House bill which decontrols such gas on enactment (approximately July 1, 1989), and the Senate bill which decontrols such gas on January 1, 1993. This provides a period for transition and equity purposes to both sellers and buyers of gas under existing contracts.

The conferees recognize that by virtue of this provision, some low cost controlled gas may move up in price, and some costly controlled gas may move down. As with all other provisions of the legislation, the conferees intend that no contract for a "first sale" of natural gas be abrogated by this provision; instead, the conferees intend that applicable contracts and contract law shall continue to govern first sales of gas from newly spudded wells.

JOHN D. DINGELL,
PHILIP R. SHARP,
BILLY TAUZIN,

VOL 135 PT 9 JE 14 22 1989 UMI

NORMAN F. LENT,
CARLOS MOORHEAD,
Managers on the Part of the House.
J. BENNETT JOHNSTON,
DALE BUMPERS,
WENDELL H. FORD,
JAMES A. MCCLURE,
PETE DOMENICI,
Managers on the Part of the Senate.

□ 1230

CONSTITUTIONAL AMENDMENT TO BRING RESPECT TO THE U.S. FLAG

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I was really disappointed with the Supreme Court decision that in certain cases one can burn the American flag and is protected under the first amendment rights.

Mr. Speaker, this is the same flag we just gave a Pledge of Allegiance to. It is plain-out unbelievable what this Supreme Court has done.

The American flag is a symbol of freedom and democracy here and throughout the world. More than 1 million Americans have died defending the flag, and millions more have been severely wounded.

Mr. Speaker, I have a bill in the Committee on the Judiciary that would make it illegal to knowingly put the flag on the ground and stand on it. However, Mr. Speaker, we might need a constitutional amendment to bring respect back to the American flag.

JERRY SOLOMON ON FLAG DESECRATION

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, the U.S. Supreme Court decision declaring unconstitutional Federal and State laws that would make it illegal to desecrate our American flag was shocking to most Americans. It was, indeed, a sad day for America.

The U.S. flag is the symbol of all that is good about America, not the least of which is our cherished freedom of speech and the rights of minorities.

We Americans are an independent bunch who often argue and fight with each other, as we do right here in this Congress.

But the one symbol that holds us together as friends and as Americans is that symbol of America, Old Glory.

Whether the Supreme Court was right or wrong, and I think they were wrong, we must restore respect for that flag; therefore, next week we will be introducing a constitutional amendment which would uphold a law making it illegal to desecrate the American flag, and I would welcome your original cosponsorship.

OVERTURN TEXAS VERSUS JOHNSON

(Mr. PICKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKETT. Mr. Speaker, I am today introducing a resolution proposing an amendment to the Constitution to overturn yesterday's Supreme Court decision in the case of Texas versus Johnson.

Since the beginning of our Nation, the flag of the United States has stood as a profound symbol of the liberty and democracy that Americans hold dear. It has inspired our troops in battle, and it has been a beacon of hope to those in distant lands.

With this decision, the Court cloaks the most offensive behavior as political expression. I submit that burning the flag is not expression. It conveys no real ideas, no political thoughts. It is an act that is designed solely to shock the moral sensibilities and patriotic impulses of our people.

We have been told that under our law free speech does not extend to such acts as yelling "fire" in a crowded theater. This amendment will make sure that it does not extend to such acts as setting fire to the American flag.

I urge my colleagues to support this resolution.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY DURING 5-MINUTE RULE

Mr. BOSCO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit today, Thursday, June 22, 1989, during the 5-minute rule.

Mr. Speaker, this has been approved by the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WALKER. Mr. Speaker, reserving the right to object, I did not quite hear the gentleman from California. Did he say that it has been approved by the minority?

Mr. BOSCO. If the gentleman will yield, the gentleman from Pennsylvania is correct, Mr. Speaker. It has been approved by the minority through the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. WALKER. Mr. Speaker, does the gentleman from California know exactly who approved it?

Mr. BOSCO. The gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. WALKER. Mr. Speaker, I thank the gentleman from California.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 5 P.M. FRIDAY, JUNE 23, 1989, TO FILE REPORT ON HOUSE JOINT RESOLUTION 281

Mr. BOSCO. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until 5 p.m. on Friday, June 23, 1989, to file a report on House Joint Resolution 281. This request has been cleared with the minority leadership of the Merchant Marine and Fisheries Committee. To my knowledge, there is no objection.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from California?

There was no objection.

LET THE SUPREME COURT HEAR OUR WORDS

(Mr. SCHUETTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUETTE. Mr. Speaker, free speech, freedom of expression, the first amendment in our Constitution, 200 years of cherished rights, 200 years of significant responsibility. The Supreme Court has spoken and said, "You can't say 'fire' in a crowded theater," but it says, "You may set fire to the American flag." Forty-eight States' laws up in smoke. I do not like the Supreme Court's words, and, Mr. Speaker, our flag is not just another symbol.

I assume that perhaps as early as today we will introduce an amendment to the Constitution to prohibit the burning, defiling, desecrating, demeaning of our flag.

Let Congress speak, and let the Supreme Court hear our expression about our American flag.

NOW CONGRESS WANTS TO SEE SAUDI ACTION FOR PEACE

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, President Bush just sent to Congress almost $1 billion in new military requests for Saudi Arabia, and Secretary Baker just this morning suggested to the Committee on Foreign Affairs that this may be the tip of the

iceberg. The Secretary also accused Congress in selectively opposing some of these sales of a knee-jerk reaction.

Mr. Speaker, apparently the Secretary forgot that Congress has already approved $30 billion worth of sales to Saudi Arabia, some $24 billion worth of weapon systems.

Now, Mr. Speaker, Congress wants to see Saudi action for peace in the region, and we would like to see administration support for arms reductions, not simply sale upon new sale. If the administration does decide to consult with Congress, Mr. Speaker, it will learn that our opposition is not knee-jerk, and it may even learn that some of these lethal sales are fundamentally contrary to American interests in the region. Hopefully, once it learns the facts, it may rethink its misguided policy.

YESTERDAY'S SUPREME COURT RULING ON THE AMERICAN FLAG

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, today's Washington Post reports on a Supreme Court ruling yesterday which, in effect, says that the first amendment protects protesters who burn American flags in political demonstrations. The ruling overturned flag desecration statutes in 48 States and a Federal statute as well.

As Justice Rehnquist noted in his dissent, however:

> For more than 200 years, the American flag has occupied a unique position as the symbol of our Nation, a uniqueness that justifies a governmental prohibition against flag burning.

I agree. For that reason, I am introducing today an amendment to the Constitution which would protect our flag. The amendment reads simply, "No person shall publicly mutilate, deface, defile, burn, or trample on the flag of the United States."

As a body, we pledge allegiance to the flag each day. Schoolchildren across the Nation pledge allegiance to the flag each day. Thousands of Americans have lost their lives fighting for the freedom the flag embodies. One only need visit the Iwo Jima Memorial—a few miles from this Chamber—to see valiant marines struggling to raise the American flag.

It is only proper that we protect this symbol of all the United States stands for.

Mr. Speaker, Justice John Paul Stevens, who also dissented from the majority opinion, summed up the situation perfectly:

> * * * if the ideas of liberty and equality * * * are worth fighting for, then it cannot be true that the flag that uniquely symbolizes their power is not itself worthy of protection from unnecessary desecration.

SARPALIUS' FIRST 6 MONTHS

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, I am amazed at what I have seen in my first 6 months as a Member of this body. Nothing has surprised me more than the action that was taken by our supposedly conservative Supreme Court.

Mr. Speaker, just out those doors is a large Mall, and in the middle of that Mall is a monument to George Washington, behind that, a monument to Abraham Lincoln. But across the Potomac River is Arlington Cemetery.

□ 1240

There lie the remains of thousands and thousands of lives, people who gave their lives so that we could enjoy this symbol. This symbol was placed on their coffins, and here we are today saying that it is legal to burn that symbol that stands for justice, freedom, and opportunity for all people.

I challenge every American citizen to show their flags with pride, show them with pride until we can change that decision hopefully within this body, so that we can show that we do have respect for that symbol that they gave their lives for.

FLAG BURNING

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, six brave and grimy men; six extraordinary men; six men from different walks of life—these six men scrambled to the top of Mount Suribachi. They knew in their heart that the sacrifices that they had made had been worth it.

These six battle-weary men knew that the free world would not forget, and with their last ounce of determination they raised for the world to see our beloved flag.

Yesterday, these six brave soldiers were symbolically shot in the back by five men in black robes.

The treasonous nature of the decision on the bench should be remembered every time we say the pledge of allegiance. It should be remembered every time we sing the national anthem. It should be remembered as we pass Arlington National Cemetery or Pearl Harbor.

Six brave men raised the flag and five Supreme Court Justices tore it down. Perhaps another monument with the names of the black-robed Justices cut in stone should be laid like a tombstone at the foot of the Iwo Jima Memorial.

STIFFER SANCTIONS AGAINST CHINA NEEDED

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, the nightmare in China cries out loudly for our immediate action. Despite pleas from our country and our allies for clemency, China is moving swiftly to execute student protesters.

We must show in a more forceful way our outrage with the brutal treatment of the Chinese Government of their young students. I call on President Bush and Secretary of State Baker to immediately remove most-favored-nation trade status from China. A nation which kills its students who are only expressing a desire for greater freedom, does not deserve nor merit the benefits of favored trading status with the United States of America.

Our words of protest are not enough in the face of China's brutality. America must stand up and say its commitment to freedom is greater than it is to dollars. Should the repression and brutality by the Chinese Government continue, we should move toward additional sanctions. A prohibition on trade with China is our next logical response.

I urge my colleagues to join me in support of H.R. 2613 to remove trade preference from the brutal Chinese Government.

OPPOSITION TO EXPENDITURE TARGETS

(Mrs. SAIKI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SAIKI. Mr. Speaker, this body has been struggling with spending cuts to meet budget targets and reduce the deficit. The effects of budget cuts are being felt in all areas.

The Medicare Program is expected to be restrained by billions of dollars. To soften the effects of restraint, it is suggested that the Medicare reimbursement system be refined under the resource based relative value scale [RBRVS].

However, the Ways and Means Subcommittee on Health recently approved a plan which would go far beyond the relative value scale proposal by implementing expenditure targets. This is an extreme way to control the rising cost of health care.

There is a very real concern that by limiting physician services in this fashion, Congress will be forcing rationed health care. Medicare serves millions of elderly and disabled individuals who are too frail or elderly to wait for their number to come up to receive care. The Canadian system currently practices a similar method so we know

VOL 135 PT 9 JE 14 — 22 1989 UMI

how rationing works—or rather doesn't work.

I strongly urge my colleagues to join me in opposing this proposal.

DEBATE THE AMERICAN TAXPAYER ASSISTANCE ACT OF 1989, NOT FOREIGN AID GIVEAWAY BILL

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, today we will debate the foreign aid bill. It is officially called the International Cooperation Act of 1989. That is a nice name.

This bill will send $11.5 billion overseas next year, and that is an increase of 7 percent from the last year.

Now, think about it, 7 percent more for foreign aid, yet American programs continue to be cut every day in this body.

Now, President Bush went a step further. He wants to be known as the education President and to prove that, he is willing to increase education spending in America by 2 percent. Two percent for education, 7 percent for foreign aid, yet he wants to cut out the Perkins loans and State grants. That says it all.

I say Congress today should be debating the American Taxpayer Assistance Act of 1989, not the foreign aid giveaway bill.

Think about it.

PROTECT OUR FLAG

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I share with millions of other Americans the outrage at the decision of the Supreme Court which ruled yesterday that the first amendment protects protesters who burn American flags in political demonstrations.

As far back as I can remember, Americans have fostered reverence and pride for our flag. Its unique position as the symbol of our country cannot be perpetuated if we allow its citizens to desecrate it.

I urge all of my colleagues in the House and Senate to voice their concern on this sad day.

A sad day when you think of the soldiers who scaled the bluff at Omaha Beach, fought inch by inch in the islands of Iwo Jima to further the ideas of liberty and equality, now only to find in their lifetime that the flag itself is now not worthy of protection from unnecessary desecration.

This flag is a living symbol of all our freedoms. Not only must we respect it, we must protect it. Much like we protect the rights and freedoms of our citizens.

QUEENS PROFILE/NATHANIEL E. SINGLETON

(Mr. FLAKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLAKE. Mr. Speaker, today I rise to express commendations to a citizen of the Jamaican community, Nathaniel E. Singleton, who is the executive director of the Association of Minority Enterprises, which promotes economic, commercial, and industrial growth for minority businesses; president of Met Con Enterprises, Inc., in Jamaica; director of local business centers for the city department of commerce and industry; founder and board president of the Jamaica Political Action League; board member of the Jamaica branch of the NAACP; member of the St. Albans Chamber of Commerce; who chairs the Alliance of Majority & Minority Contractors of New York State; board member of New York City NASCAP, Inc., and the National Association of Skycaps Inc.

Nat Singleton has demonstrated ability and leadership. Last year alone he was able to bring through AMENY 70 million dollars' worth of contracts for members of the minority community.

At 69 years of age he still has much energy and continues to move forward to do a marvelous job for minorities in this country, and in the light of recent Supreme Court decisions I think he is worthy of our commendation.

U.S. FLAGS SHOULD BE FLOWN AT HALF MAST

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, today and for the next 29 days, all Americans should fly the U.S. flag at half staff, as yesterday five Justices of the Supreme Court summarily executed the tradition and honor of the symbol of the United States—the flag.

The Justices decided that burning the flag was constitutionally protected free speech.

This is the symbol for which thousands upon thousands of Americans have died. Jefferson, Madison, and Washington would have been horrified at such a decision. They risked their lives and their fortunes to establish this Nation—of laws, which the Supreme has decided it is the final—and only arbiter.

Today, I am introducing a constitutional amendment that will disallow this Supreme Court protected privilege.

I ask all my colleagues to join in and right this injustice, and I ask all veterans, and all others who have sacrificed for their country to join me in flying their flags at half staff.

□ 1250

SUPREME COURT FLAG-BURNING RULING OFFENSIVE

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, I am a liberal Democrat who served his country for 3 years as a volunteer in the U.S. Army, and I am deeply offended by the Supreme Court's ruling that the burning of the American flag is a permissible form of political debate.

What is so amazing about this is that this ruling comes from the Reagan Court. My constituents told me that they thought electing Republican Presidents would result in a Court that honors basic American values. Imagine their surprise, Mr. Speaker, today. The Reagan Court has given us now constitutional protection for the burning of Old Glory.

This liberal Democrat says for shame.

INTRODUCTION OF THE AMERICAN ECONOMIC OPPORTUNITY ACT

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, this morning I was joined by several of my House and Senate colleagues announcing the American Economic Opportunity Act and to celebrate 79 months of recordbreaking growth in our economy. The AEOA is a comprehensive economic package that presents a Republican economic blueprint for continued positive economic growth through the rest of the century.

It consists of both new and existing legislation that have one thing in common: They empower our citizens by providing economic opportunity. Such opportunity is presented through enterprise zones, a lowered capital gains tax, tenant management, and changes in the earned income tax credit. These are but a few of the proposals made a part of this act.

The AEOA is supported by the Republican leadership and by many in the business and academic community. Several of our colleagues in the other body have plans to introduce a similar package. I plan to introduce the remaining portions of the act here in the House today.

House Republicans have long been a source of major economic proposals—

Kemp-Roth;
ple—and we
But we have
opportunity
reach out to
aisle and inv
in achieving
ued economi

JUDICIAR
HAS

(Mr. BUR
was given p
House for 1
extend his r

Mr. BUR
Speaker, Ge

You're a gran
You're a high
And forever i
You're the em
The home of t

Every heart b
Under red, wh
Where there's
But should ol
Keep your ey

Mr. Speal
turning in h

Americans
that flag a
have given
they did n
ground, if y
combat.

Yesterday
on a case t
Gregory "J
the Revolu
Brigade, wh
1984 of bu
The Suprem
"that neith
eral Govern
desecration
statement
ers."

What are
try?

In additi
judge in L
Navy WWI
because it r

Mr. Spea
country ha
that judge
on these ju
nan, Justic
Anthony K
Marshall,
shame on y

LET US
SERVIC
ALL YO
THE RI

(Mr. PA
permission
minute an
remarks.)

Mr. PAN
dent Bush
tention to
tary youth

Kemp-Roth; Gramm-Latta, for example—and we take pride in that fact. But we have a new Speaker and a new opportunity in this House. We want to reach out to our colleagues across the aisle and invite them to work with us in achieving our mutual goal of continued economic growth into the 1990's.

JUDICIARY IN THIS COUNTRY HAS GONE TOO FAR

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, George M. Cohan wrote:

You're a grand old flag,
You're a high flyin' flag
And forever in peace may you wave.
You're the emblem of the land I love
The home of the free and the brave.

Every heart beats true
Under red, white and blue
Where there's never a boast or a brag
But should old acquaintance be forgot
Keep your eyes on the grand old flag.

Mr. Speaker, Mr. Cohan, must be turning in his grave.

Americans have fought and died for that flag all over the world. Many have given their lives just because they did not want it to touch the ground, if you can believe that, during combat.

Yesterday the Supreme Court ruled on a case that involved a Communist, Gregory "Joey" Johnson, a member of the Revolutionary Communist Youth Brigade, who was convicted in August 1984 of burning the American flag. The Supreme Court said, and I quote, "that neither the States nor the Federal Government may criminalize flag desecration intended as a political statement even if it offends onlookers."

What are we coming to in this country?

In addition to that, a municipal judge in Las Cruces, NM, convicted a Navy WWII veteran of flying his flag because it made too much noise.

Mr. Speaker, the judiciary in this country has gone too far. Shame on that judge in New Mexico, and shame on these judges, Justice William Brennan, Justice Harry Blackmun, Justice Anthony Kennedy, Justice Thurgood Marshall, and Justice Antonin Scalia; shame on you, shame on you.

LET US PROVIDE VOLUNTEER SERVICE OPPORTUNITIES FOR ALL YOUNG PEOPLE, NOT JUST THE RICH

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, President Bush is right today to bring attention to the critical issue of voluntary youth service, but he is wrong, because his proposal focuses mainly on providing these opportunities to the children of the affluent when, in fact, we should be providing national service opportunities for all young people, the dropout, the poor, the unemployed, as well as the affluent.

I agree with the President that volunteer service encourages fortunate young people to give something back to society and makes them better citizens. But it is not only that. For those who have started life with few advantages, it is an opportunity to build self-confidence, to learn the benefits of commitment, and to prepare for school or a career.

I have introduced legislation, with 95 cosponsors, to establish a volunteer youth service and conservation program that makes sense for all young people, regardless of their background. It is not a broad national program. It is a modest, low-cost program which would provide matching grants to States and localities for volunteer programs which meet human, social, and conservation needs at the State or local level.

Unlike the President, we would offer young people working in these programs education and employment benefits which would enable them to move from their volunteer service to new school or career opportunities.

Youth service is not just for one group of citizens. It's for all young people. I look forward to working with the President to achieve a sensible, fair, and equal youth service program.

INTRODUCTION OF LEGISLATION CALLING FOR AMENDMENT TO U.S. CONSTITUTION DECLARING DESECRATION OF THE FLAG ILLEGAL

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, I rise before the House today saddened, shocked, numbed really at yesterday's decision of the Supreme Court upholding the burning of the American flag as free speech.

I am not a man to lightly seek limitations on the right of free speech granted by our Constitution, but at the same time this right does have limitations. After all, no one has the right to shout "fire" in a crowded theater.

Likewise, I do not believe that anyone should have the right to desecrate by any means the sacred symbol of everything our Nation stands for: Freedom, democracy, liberty. I do not accept the argument that the destruction of the Amercian flag is a legitimate form of political protest. The flag is not the symbol of any particular government, it is not the symbol of any particular policy. It is the symbol of the highest, noblest ideals of mankind, that all men should live free in control of their own destinies, and these ideals require, they demand, our protection.

Therefore, I know not what others may do, but today I have already introduced legislation calling for an amendment to the U.S. Constitution giving the Congress and the States the power to declare the desecration of the flag illegal and to set applicable criminal penalties.

RALLY ROUND THE FLAG

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, today the citizens of the 17th District of Texas join me in a day of grief. Why? Because of the injury inflicted yesterday on a true friend, a true inspiration and leader, by the U.S. Supreme Court. I refer, of course, to the 5 to 4 decision by the Court that burning Old Glory, the flag of the United States of America, is not a violation of law.

Moments ago this body stood to make its daily Pledge of Allegiance to the flag of the United States of Amercia. Perhaps the Supreme Court should begin its days in similar fashion so that it will remember how most Americans feel about the flag. Perhaps the Supreme Court finds no wrongdoing in treating the flag with anything less than full respect. But I'm here to tell you that my constituents in west Texas feel otherwise.

The American flag is no mere cut of colored cloth. It is a symbol of freedom and democracy throughout the world. It signifies all that we cherish and uphold here in this democracy. It flies in noble respect and gratitude for the more than 1 million Americans who have died defending our great land.

Indeed, the freedom of speech which the Supreme Court claims to be upholding by its decision is one of the most precious ones we enjoy in America. But this court decision, in effect, is an insult to all who have ever died, all who have ever fought, all who have ever defended that precious freedom.

Yes, today we in the 17th district are saddened by the insult flung at our flag. But we have no intention of standing quietly by in silent grief. Through legislative action, we intend to let the country know, let the U.S. Supreme Court know, that to us Old Glory is forever grand, forever loved, and forever respected.

VOL 135 PT 9 JE 14 — 22 1989 UMI

□ 1300

FLAG DESECRATION

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, yesterday the Supreme Court said burning the American flag is an acceptable form of free expression.

That unbelievable decision sent an ominous message to every American citizen, particularly our Nation's veterans and our children—a message that says "the American flag, and everything it represents, does not deserve a special place in our society."

The U.S. flag is the symbol for everything this country holds dear—including our Constitution and the individual liberties our Constitution protects.

Since the beginning of our Nation's history, the flag has been afforded the highest level of respect.

We follow special procedures for flying the flag, carrying the flag, and conferring the flag on our Nation's heroes.

We teach our children that the American flag should be cherished as a testament to this country's history.

And each day the Members of this House pledge allegiance to the flag and, "to the Republic for which it stands."

What are we saying to our children when we tell them it is OK to burn the flag in protest? What are we saying to our Nation's veterans who were willing to give their lives to protect the flag?

In 1979 the American people were horrified by vivid images of Iranian terrorists burning the American flag as they chanted "death to the United States." To think that such images could become commonplace in our own country is a terribly distressing thought.

FESTIVAL OF AMERICAN FOLK LIFE

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I rise today to welcome from my beautiful State of Hawaii participants in the Festival of American Folklife. The Folklife Festival is coordinated by the Smithsonian Institute and the National Park Service to present the folklife of America and the world to visitors of Washington, DC.

This year, Hawaii's participation will exhibit the rich heritage and diverse cultures that make our State so unique, so special, so beautiful. Japanese, Chinese, Filipino, Portuguese, Hawaiian, and other cultures have gathered together to create a place where many cultures have become one family.

Mr. Speaker, I invite my colleagues and the people of this Nation to join us tomorrow, June 23 through July 4, at the Folklife Festival to experience and become part of the Aloha of Hawaii. The people of Hawaii have traveled many miles to share their delicious food and their special talent and skills, and I thank them for their part in bringing our living culture here. I would also like to thank all those who have contributed their time and hard work to make this festival an outstanding success.

As we begin the 23d annual Festival of American Folklife, let us not forget that America like Hawaii is a gathering place where many peoples can continue to strive to live as one family, one ohana.

SUPREME COURT RULING ON FLAG BURNING

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, the ruling by the U.S. Supreme Court yesterday that flag burning is a constitutionally protected form of free speech is just plain ridiculous.

As a former judge I was very disappointed by this decision.

As Justice Kennedy, who unfortunately voted with the majority said:

> Many including some who have had the singular honor of carrying the flag in battle will be dismayed by our holding.

I would like to be counted as another who is dismayed by this decision.

Chief Justice Rehnquist said:

> For more than 200 years, the American flag has occupied a unique position as the symbol of our Nation, a uniqueness that justifies a government prohibition against flag burning.

Courts that allow obscenity and flag burning under the umbrella of free speech are stretching the Constitution in ways that would shock our Founding Fathers.

There are many other reasonable ways people could be allowed to dissent and show opposition to our Government without desecrating the flag.

It flies in the face of common sense and is just plain wrong to read protection for things like flag burning, pornography, and obscenity into the first amendment.

The Supreme Court has made a terrible and tragic mistake in this decision yesterday.

SUPREME COURT DECISION ON FLAG DESECRATION

(Mr. SANGMEISTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANGMEISTER. Mr. Speaker, I join with my colleagues who have spoken here today because I too believe there can be no question that the Supreme Court's decision in Texas versus Johnson, which protects the desecration of the flag of the United States of America under the protection of the first amendment is not only misguided, but an affront to every American.

I believe there can now be no question that as we read this decision that all Federal and State laws pertaining to the display of the American flag have now been emasculated.

If the U.S. Supreme Court feels that the burning of our national symbol is lawful then all of the other violations that we have been so concerned about such as displaying the flag on the floor, walking on the flag, wearing it as personal apparel, or any other display that may come to mind will now be lawful.

Justice Rehnquist, in his dissent said:

> The Government may conscript men into the Armed Forces where they must fight and perhaps die for the flag, but the Government may not prohibit the public burning of the banner under which they fight.

This made no sense to him and it does not make sense to me.

Particularly offended by this decision are our veterans, but no more offended than rank and file Americans.

As a Congressman and a lawyer, I believe in the first amendment and for those people who do not agree with our Government they can, through that amendment, show their dissent by carrying placards, assembling others of their beliefs, speaking out on their beliefs, without the necessity of destroying the one symbol under which this country unites.

As a Democrat there were not many of President Reagan's programs that I supported, but I always give him credit for instilling in this country a renewed sense of patriotism and pride for our country. Because of this I am surprised that two of his nominees, would vote to allow the degradation of this flag, that President Reagan so dearly loved and that President Bush made such an important issue this past campaign.

In any event, this desecration without question declares open war on our flag which will no longer be the sacred symbol we have held it to be these many years.

THE FLAG

(Mr. HOLLOWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLOWAY. Mr. Speaker, this time it has gone too far. Freedom of speech is one thing—but to be permitted to burn the flag of the United States of America? Absolutely ludicrous.

Our beloved flag represents the struggle we and our forefathers fought for, and everything we consider good and just in this great country.

As long as I can remember, I've looked up to the flag. It was not something we always consciously thought about—rather a given—a proud feeling. From the days of saying the Pledge of Allegiance we regarded the flag with respect and a sense of awe.

No one should have the right to destroy something that is so dear to our hearts.

To many of us proud Americans this is a direct slap in the face. And we say loudly—this time it has gone too far.

EXPENDITURE TARGETS

(Mr. TOWNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TOWNS. Mr. Speaker, I would be the first to admit that the Federal deficit—is a serious problem. However, I don't believe—that we should balance the budget on the backs of America's elderly, by restricting health care. Expenditure targets designed to reduce health-care costs, will actually lead to a reduction in the quality of health care for our seniors. The elimination of unnecessary services will only force a physician to limit, restrict, or postpone access to services.

Are you willing to sanction a policy which will mean that your elderly constituents must struggle along with that bad hip or cloudy vision? Are you willing to tell them to use a cane or a wheelchair until Congress can get its priorities straight? Well, I am not. I am not willing to tell my seniors to suffer a little bit longer so we can pretend to reduce the deficit. Expenditure targets are not the answer for our seniors or for our budget deficit.

URGING PRESIDENT BUSH TO BRING RESOLUTION CONDEMNING CHINA BEFORE U.N. SECURITY COUNCIL

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, the situation inside China today is grave and disturbing.

But the big lie, violent suppression, mass-arrests, and political executions we see in China have another dimension—regional stability.

Regional peace in Asia, and world peace are threatened by recent human rights violations in China. One-fifth of the world's population lies within the borders of the People's Republic of China. When the leaders of a powerful nation trample on the human rights of their people during times of international peace, these leaders are also more likely to provoke international hostilities. The recent brutal human rights violations in China have security implications for countries of that region such as Korea, Tibet, Hong Kong, Taiwan, and others.

Mr. Speaker, regional security and stability in East Asia are important U.S. concerns.

First, I urge my colleagues to join me and nearly 70 of their colleagues, many of whom have been outspoken on human rights, in condemning China's recent acts of violence by signing a letter I am sending to President Bush urging him to bring before the U.N. Security Council a resolution condemning China for its recent actions.

Second, next Tuesday, I will also be offering an amendment to the foreign aid bill expressing the sense of Congress to do the same.

SUPREME COURT HAS ALLOWED DESTRUCTION OF OUR GREATEST AMERICAN SYMBOL

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, I am mad as heck. We have witnessed the greatest travesty in the annals of jurisprudence when the U.S. Supreme Court allowed the destruction of our greatest of American symbols. What in God's name is going on?

One and a quarter million of our American veterans fought and died throughout our history to defend this flag and what it stands for.

The flag right here in this Chamber that we pledge to, we can take it down, throw it on the floor, step on it, defecate on it, do anything we want, burn it, as long as we have a message, and the Court is going to say it is all right.

The Court has humiliated the flag and allowed its desecration in the Chicago court case also. America should be outraged.

Are there any limitations? Are they going to allow fornication in Times Square at high noon? If one has a political and social message to make, why not go ahead and do it? I am sure the Supreme Court will probably uphold it.

If we change the Court, we change the decision. What we need is a constitutional amendment.

□ 1310

THE FLAG

(Mr. DONALD E. "BUZ" LUKENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, what does it say to the world that Americans can now legally burn our flag? We are a nation that prides ourselves as loving the freedom for which our forefathers fought so hard. The stars that were to form a new constellation can now be burned as a symbol of protest rather than pride.

The 77th Congress, because of the great significance of the flag, created a special set of rules concerning the flag. Now it seems that all the special time that was taken by our elected Members concerning "flag etiquette" has gone to waste. We even have Presidential proclamations concerning the flag.

For a country such as the United States which has become the symbol of freedom around the world, with the Stars and Stripes symbolizing this freedom, it makes me sick to think that such a symbol can now be legally burned.

It is unthinkable that all the deaths and sacrifices of millions of Americans over two centuries to secure glory and honor of the flag can now be "thrown in the trash" by the decision of five men.

EXPRESSING OUTRAGE OVER THE SUPREME COURT DECISION OF YESTERDAY

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, I join my colleagues who have spoken today in their outrage over the Supreme Court decision yesterday making it legal to burn the American flag. I think it is indeed an outrageous decision.

It is ironic that on the same day we hear of that decision we hear of the prosecution of another individual who is going to be in trouble with the law for flying his flag because apparently the rippling of it offends his neighbors.

You know, one of the proudest memorials in this town is the Iwo Jima Memorial. It shows brave Marines and one Navy hospital corpsman raising the American flag. Everyone who sees that, even if they have never heard the story of how it came about, are proud and humbled by just witnessing that particular monument.

So I am very proud, too, to have joined in sponsoring a constitutional amendment that will do away with the Supreme Court decision and will do what most Americans in this country, the overwhelming number of Americans in this country, want and that is for it to be a crime to burn the American flag.

VOL 135 PT 9 14 — 22 JE 1989 UMI

Mr. BENNETT. Mr. Speaker, mostly as an American but also as a veteran and also as an erstwhile lawyer, I find this decision by the Supreme Court with regard to the flag obnoxious on every point. Actually, the Supreme Court has been making a series of decisions which are not really very logical from the standpoint of an erstwhile lawyer.

A good example is when they said we in Congress could not control by law the amount of money spent in a campaign. That is absolutely ridiculous.

Other things of this nature have been done by them. They ought to make the Constitution work and our Government work together as a team.

Before I close I would like to say that I will not have time to talk later about the China resolution because I will be in writeup on a defense bill today. But I want to talk now briefly about the China situation. I am strongly in favor of the legislation introduced today on that subject. I am strongly in support of the idea that we ought to stand firm for the ideas of freedom in our time.

I also am happy to join with others today in the introduction of a constitutional amendment to protect our flag as well.

SUPPORTING THE PRESIDENT'S EFFORTS TO IMPOSE SANCTIONS AGAINST CHINA

(Mr. OWENS of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of Utah. Mr. Speaker, I rise today in support of the resolution offered today by our distinguished majority leader commending the President of the United States for his actions in imposing sanctions against China.

On Tuesday of this week, with a handful of other Members I marched from this Capitol to the Embassy of China on Connecticut Avenue, to protest the brutal killing of peaceful demonstrators in Tiananmen Square.

We were able to meet with the Chinese Ambassador. We were stonewalled. We were not met with any responsive concerns or answers to our questions about the indiscriminant slaying of so many young peaceful student demonstrators.

We made two proposals to him. We pleaded with him, first to stop the executions, as a show of good faith, and give more time to let the world see what has happened, to see whether in fact the accused young people are criminals or whether they were peaceful demonstrators.

That was answered, as the world knows, with three students executed yesterday and apparently another 10 or 13 today—a gross travesty of human rights.

We made a second request, and that was to allow a congressional delegation to visit China to see what actually happened.

My guess is that a new Great Wall has descended to block communications between China and the free world, and that our second request will be dealt with as unresponsively as was our first.

I support what President Bush has done to demonstrate our displeasure. I wish he had been even stronger.

SUPREME COURT DECISION SENDS A HORRIBLE SIGNAL TO FREEDOM-LOVING PEOPLES THROUGHOUT THE WORLD

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, on March 14, 1986, I had the thrill of going to Managua, Nicaragua. When we returned from that trip, one of the staff members of the Embassy sent a cable telling us of how a proud Nicaraguan stood on the tarmac at the runway saluting the American flag as the stars and stripes emblazoned on the side of our airplane took off.

Well, Mr. Speaker, what a horrible signal we are sending to freedom-loving peoples throughout the world with this Supreme Court decision.

In just a few moments we are going to be considering this resolution dealing with the situation in China. What kind of signal does the Supreme Court decision offer to those young people who are struggling for freedom? The Stars and Stripes are clearly the symbol throughout the world, the symbol of freedom, democracy and hope.

Mr. Speaker, I hope very much that my colleagues will join in cosponsoring these many resolutions which will rectify this horrible decision.

SUSPEND INTERIOR DEPARTMENT AID TO CHINA

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, the Government of the United States should not provide assistance to governments of countries which engage in a policy of murdering, injuring, or jailing citizens who speak out or peacefully demonstrate in favor of democracy.

The Government of the People's Republic of China is persisting in such a policy of the violent repression of these inalienable human rights.

Agencies of the Department of the Interior are currently assisting the People's Republic with a number of projects.

Because of this, other leaders of the Interior and Insular Affairs Committee and I are calling on the Secretary to direct that no further assistance be provided by the Department for these or other projects until the People's Republic respects the right of its people to express their aspirations for freedom.

The marginal advantages to the United States of providing this assistance are far outweighted by the disadvantages of cynically and hypocritically assisting a government which acts in a manner so reprehensible to the principles to which our Nation is dedicated.

RETARDED INDIVIDUALS SHOULD NOT BE CONSIDERED INELIGIBLE FOR ASHA PROGRAM

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, I rise today in support of H.R. 2655, the Foreign Assistance Authorization Act. I will, however, offer one amendment dealing with a specific portion of that bill relating to the American Schools and Hospitals Abroad Program.

I am personally outraged that the Agency for International Development does not consider educational facilities for the mentally retarded to be schools. Mentally retarded individuals should not be considered ineligible for the ASHA Program simply because their curriculum is not the traditional mix of English, math, and history.

AID must not be permitted this latitude to designate what is and what is not a school. My amendment would specifically define schools for the purpose of the American Schools and Hospitals Abroad Program to include facilities which provide services for mentally retarded. This action is consistent with the intent of the ASHA Program.

The amendment will not make any significant change to H.R. 2655 and it will not earmark any money for any specific program. In addition, the amendment will have no cost since it does not call for any additional appropriations.

I believe AID needs to be educated. Congress needs to teach AID that being mentally retarded does not indicate second-rate status.

INTRODUCING RESOLUTION FOR CONSTITUTIONAL AMENDMENT TO BAN DESECRATION OF THE AMERICAN FLAG

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEVILL. Mr. Speaker, I rise today to introduce a joint resolution calling for an amendment to the U.S. Constitution which would authorize the Congress and the States to prohib-

it the desecration of the American flag and to set criminal penalties for such an act.

I am shocked by the decision of the U.S. Supreme Court that the burning of the American flag is a form of free speech. This is a slap in the face to every American citizen.

Our flag is a symbol which we have always treated with respect. I feel disgusted and sickened that the highest court in our land would allow the American flag to be misused. In this ruling, the Supreme Court has reversed 200 years of tradition in our Nation.

Yesterday's ruling protects demonstrators who burn the American flag and nullifies all the State laws which prohibit flag desecration.

I want to make it part of our Constitution that our national flag is a symbol of our country and cannot be desecrated. I want to overturn this decision by the Supreme Court.

I believe that a constitutional amendment is justified and it is the only way I see to overturn this ridiculous decision. In my opinion, the vast majority of American citizens would support such a constitutional amendment because most people honor and respect the American flag.

I urge my colleagues to join me in cosponsoring this resolution.

□ 1320

SUPREME COURT TRAGEDY

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I want to commend the prior speaker, our distinguished chairman from the majority, the gentleman from Alabama [Mr. BEVILL].

I am doing precisely the exact same thing he is doing. I predicted on national television last night that our bill hopper over here would be filled with introduced legislation to take away all powers from the Supreme Court which our forefathers gave Members, the people's house, the House of Congress, in any area we choose. This may be the one area where we choose to say, the people's elected representatives will speak to defend the colors, to save the colors, Old Glory, our great Stars and Stripes.

My words, just like the speaker's, simply say in the House joint resolution, an amendment to the Constitution of the United States, authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act. In this bipartisan, patriotic spirit that we have seen here over the last hour and 22 minutes, I hope we can all get together and rectify this tragic mistake of our great Supreme Court. Save the colors, Mr. Speaker, and let Members do it today.

AMENDMENT TO CONSTITUTION FAVORED

(Mr. MARTIN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of New York. Mr. Speaker, I would like to be associated with the remarks of the gentleman from Alabama [Mr. BEVILL], as well as the gentleman from California [Mr. DORNAN].

Unfortunately, the act of the Supreme Court yesterday is going to require not only an act of Congress but an amendment to the U.S. Constitution. It is an absolute outrage. The Constitution provides for separation of powers, each from the others. Unfortunately, I find in this opinion of the Supreme Court a total separation from reality.

We are often accused here within the Beltway of not being in touch with what is going on around America. I do not want to be disrespectful, but I really wonder if the Justices and the majority in that opinion talk to anyone outside of the courthouse.

Again, I want to salute the gentleman from Alabama [Mr. BEVILL] and the gentleman from California [Mr. DORNAN], and would like to join both, in both or either of the resolutions.

REMOVAL OF NAME AND MEMBERS OF COSPONSOR OF H.R. 1676

Mrs. BOXER. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Oregon, Mr. ROBERT F. (BOB) SMITH, be removed as a cosponsor of H.R. 1676.

The SPEAKER pro tempore (Mr. AUCOIN). Is there objection to the request of the gentlewoman of California?

There was no objection.

SUPPORTING THE PRESIDENT'S CALL FOR CLEMENCY FOR PRODEMOCRACY DEMONSTRATORS ARRESTED IN CHINA

Mr. SOLARZ. Mr. Speaker, I offer a resolution (H. Res. 182) supporting the President of the United States in his call for clemency for the prodemocracy demonstrators arrested in China, and calling upon the leadership of the People's Republic of China to stay further executions of those arrested in the crackdown on prodemocracy demonstrators throughout China and I ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 182

Whereas the United States Government is founded on the principle that all people are endowed with certain unalienable rights, among these being life, liberty, and the pursuit of happiness;

Whereas a wide cross-section of Chinese society recognized their own unalienable rights and attempted to exercise their right to free speech by conducting demonstrations for democratic change which adhered to the highest goals of peace and nonviolence;

Whereas the Government of the People's Republic of China responded to such demonstrations by engaging in a murderous crackdown and brutal repression of the prodemocracy movement in Beijing and elsewhere in China;

Whereas the Chinese Government continues to repress its citizens, including the arrest and sentencing to death of student and labor leaders;

Whereas the Government of the People's Republic of China executed three such individuals on June 21, and seven more individuals the following day, despite widespread international opposition; and

Whereas it is the belief of the people of the United States that those Chinese massacred in Tiananmen Square and elsewhere in China and those Chinese subsequently arrested for their pro-democracy activities are martyrs to the cause of democracy that is sweeping the globe; Now therefore be it;

Resolved, That the House of Representatives, on behalf of the people of the United States, supports the President of the United States in his call for clemency for the prodemocracy demonstrators arrested in China, and calls upon the leadership of the People's Republic of China to stay further executions of those arrested in the crackdown on prodemocracy demonstrators throughout China.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLARZ] is recognized for 1 hour.

Mr. SOLARZ. Mr. Speaker, for the purpose of debate only, I yield 30 minutes to the gentleman from Michigan [Mr. BROOMFIELD], pending which I yield myself such time as I may consume.

Mr. SOLARZ. Mr. Speaker, this resolution was primarily drafted by the very distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT], to whom we all owe a debt of gratitude for taking the leadership in helping to bring this resolution before the House.

I want to emphasize, however, that this is a bipartisan initiative, enjoying very strong support from Members on both sides of the aisle and the cosponsorship of several of the most illustrious Members of this institution. In essence, what the resolution does is to express the very strong support of the House of Representatives for President Bush's efforts to prevail upon the leadership of the People's Republic of China to cease and desist from the course on which they have embarked,

VOL 135 PT 9 JE 14 — 22 1989 UMI

of administering the death penalty to those Chinese who have been found guilty of the terrible crime of protesting on behalf of democracy.

Mr. Speaker, the killing machine in China is under way. Already, 20 Chinese have been executed because of their alleged participation in this effort to seek greater freedom in China. As this resolution clearly states, the continued imposition of the death penalty in that country against those Chinese who have been involved in a movement for democracy would not only constitute a violation of the fundamental human rights of Chinese people, but would also have a chilling effect on Sino-American relations.

Mr. Speaker, a few weeks ago we adopted a resolution calling on the leaders of China to resolve the crisis in their country through peaceful means, and in a way which was compatible with the democratic aspirations of their people. They ignored that resolution. After they decided to crack down with force on the demonstrators in Tiananmen Square, resulting in the deaths of perhaps thousands of innocent Chinese, we adopted another resolution condemning the killings and saying very clearly to the Chinese that a deepening of the repression in their country would have adverse conditions for the relations between our two countries.

They now appear to have ignored that resolution as well. Now, in a call from the heart, we call upon the Chinese leadership to at least have the decency to refrain from snuffing out the life of those who wanted nothing more than to live a life somewhat greater than they have in the past enjoyed in the People's Republic. Let no one be under any doubt whatsoever, if the Chinese leaders continue on this course of action, if they continue to execute those who were involved in the democracy movement, and there is every indication that they plan to continue along that path, it will have serious consequences for the relationship between our two countries. Indeed, I expect next week when we resume our deliberations of the foreign aid bill, to offer an amendment, with broad bipartisan support, and I hope the endorsement of the administration as well, making it very clear to China that we will not continue to conduct business as usual, so long as they continue on this course of repression.

Mr. Speaker, in conclusion, let me just say that political assassinations have not been unknown in the history of the People's Republic of China. Over the course of the last four decades, first through the land reform campaign, then through the Great Leap Forward, then in the Cultural Revolution, literally millions of Chinese have lost their lives for political reasons. I think it is very interesting that in some respects the crackdown in Tiananmen Square and these recent executions seemed to have occasioned greater expressions of concern than the previous deprivations of human rights. To some extent that is undoubtedly due to the fact that television cameras were reporting what was going on in China in a way the media did not in the past. However, it also reflects the extent to which international concerns about human rights have been elevated to a much higher plane. So if we despair over what is happening in China today, we can at least take some satisfaction from the fact that this dissent into repression, these brutal executions, have gone neither unnoticed nor unremarked, and that they have occasioned a massive outpouring of protest and concern, not only in our Nation but in other countries throughout the world.

□ 1330

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I certainly support the resolution that is being offered by the distinguished majority leader, by the gentleman from New York [Mr. SOLARZ], and by many on our side, including the gentleman from Michigan, which calls on China to stay further executions of prodemocracy protesters.

The executions being carried out by the Chinese authorities are truly barbaric behavior, and we must speak out forcefully against it. The resolution is supportive of the measured steps already being taken by the Bush administration.

Secretary Baker appeared before our Foreign Affairs Committee this morning, and he said,

> When America speaks with one voice in foreign affairs, its initiatives are generally successful, and when we speak with many voices, our initiatives have most often failed.

This resolution, Mr. Speaker, is very much in the tradition of speaking with one voice.

There is a need for continued consultation between Congress and the executive branch. The China situation is fast moving and very, very volatile. It is important that the Bush administration have the option to respond quickly to changes should the situation deteriorate, and that the Congress stay continuously informed on administration actions.

I wish not only to indicate my support for this resolution, but to make the observation that during the consideration of the foreign aid bill there will be many amendments offered on China in the Asia title. I hope that we can fashion a comprehensive amendment which would maintain the bipartisan spirit while giving Congress the opportunity to provide policy direction on this important question. I have already discussed this with the gentleman from New York [Mr. SOLARZ], the chairman of the Subcommittee on Asian and Pacific Affairs, and we will be working on such an amendment.

Mr. Speaker, this is a very important action that we are taking today, and I hope that both Republicans and Democrats will give it their fullest support.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLARZ. Mr. Speaker, I yield 4 minutes to the very distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT] the author of this resolution.

Mr. GEPHARDT. Mr. Speaker, I want to thank the Members of the House for allowing the gentleman from New York [Mr. SOLARZ] and me to present this resolution to condemn the senseless execution of 20 pro-democracy demonstrators in China, and to call on the Chinese Government to stay the execution of any other demonstrators.

I appreciate the willingness of the Members to interrupt our usual business to consider this resolution. I believe it is essential for us to act now to tell the Chinese Government that there can be no "business-as-usual" as long as they continue their brutal repression of their own people.

In the House, we are now considering what stronger measures may be needed within the context of the foreign aid bill to provide a more comprehensive response to the actions of the Chinese Government.

At the same time, it is essential to tell the Chinese Government now, in no uncertain terms, that the U.S. Congress and the American people stand together in condemning this repression.

The murderous crackdown of the Chinese Government fills me with a personal sadness.

Last November, I visited China and had the honor to meet with students and workers who were calling for a new respect for human rights, self-determination, and personal dignity. Their words were hopeful and filled with optimism. But in their faces, I could see their apprehension.

Many of these students had been born in the middle of the Cultural Revolution—they knew that repression and chaos could easily sweep their country. They knew they had a wild tiger by the tail, but they were determined to see if they could tame it.

On Wednesday, I joined other Members of the House, both Democrats and Republicans, in a call on the Chinese Ambassador here in Washington. We explained the outrage the American people felt over the recent events in China, and called on the Chinese Government to stay the executions of those arrested in the aftermath of its bloody crackdown, to allow foreign of-

ficials to observe the current situation, and to abandon the "Big Lie" by acknowledging their actions and taking responsibility for them.

We left the Chinese Embassy angry and frustrated. It was clear to us that either the Chinese Government didn't understand the depth of feeling on this issue, or they just didn't care.

Twelve hours later, the Chinese Government executed three people for their involvement in the prodemocracy movement. This morning, another seven people were put to death. Many more executions are reportedly planned over the coming weeks.

This must stop. Yesterday, I received a letter from a group of Chinese students studying at the University of Missouri at Columbia. I'd like to read you a few sentences from their letter.

These patriotic Chinese citizens wrote,

> We feel pain in our hearts every time we learn of the news from China about the disaster.
>
> These young Chinese students' lives were taken away by their own Government just because they asked for the very fundamental human rights which are granted by God as well as the Chinese constitution.
>
> We believe that the night of evil will not last long. The Chinese Government may win this battle, but we, the Chinese people, with all the other people over the world behind us, will win the war.

Our resolution says that we are behind the forces of democracy in China. To the parents of the brave students whose lives were cut short, it says, "We share your grief. Your children are martyrs to the cause of democracy that is sweeping the globe."

To the students and workers in the prodemocracy movement, especially those in the jails and hospitals in China, our resolution says, "We pledge to stand by you in your titanic struggle for freedom. Be assured that history is on your side."

And to the Government of China, we say, "The world is watching your actions. Your return to the community of nations depends on your reasoned and humane treatment of dissent within your own country. You can muffle the voices of change for now, but you cannot silence them forever. Stop the killing now."

Mr. Speaker, this resolution is about winning the war. We must stop this repression, and today in a united way we ask the Government of China to bring these executions to an end.

Mr. SOLARZ. Mr. Speaker, I yield 1½ minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding this time to me.

While the majority leader is in the well, let me say that I commend him for his remarks that he made on this resolution and for exercising prompt leadership in formulating a resolution so that we could speak out in a united voice on the horrible situation that confronts the Chinese people, but making clear once again the fundamental principle that is involved here, with the people of the United States and with us as their representatives in the Congress speaking out.

I say to the majority leader that some folks might wonder why he took the lead in formulating this resolution and presenting to the Congress since we had already spoken. This answer is quite clear. It is because the events are such that it requires us to speak whenever the events are such that we cannot remain silent. And it may very well be, Mr. Speaker, that the majority leader will once again have to take the well of the House and exercise the leadership of the Congress to speak out on this issue in the next 2 days, and we should not hesitate in the slightest or have the slightest reservation in speaking out again in a united voice, if that is what it takes.

So, Mr. Speaker, I want to commend our majority leader as he takes this strong initiative.

Mr. GEPHARDT. Mr. Speaker, I thank the chairman of the committee.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. HYDE], a member of the Committee on Foreign Affairs.

Mr. HYDE. Mr. Speaker, I commend the gentleman from New York [Mr. SOLARZ], I commend the majority leader, and I commend the gentleman from Michigan [Mr. BROOMFIELD], who had a hand in the fashioning of this important resolution.

These resolutions are important because this is a statement of strong feeling on the part of the legislative branch of this Government on what is an ongoing atrocity in the People's Republic of China.

I cannot help but comment that years ago, when the Republic of China on Taiwan was sharply differentiated, as it still is, from the mainland Chinese, the so-called People's Republic, many of us used to refer to the People's Republic of China as Red China, and we were somewhat ridiculed as old cold warriors for making this distinction, and Red China was said to be a perjorative term.

But I think we knew instinctively that Communists do things differently from other cultures and other peoples. They hold human life more cheaply. What has happened in Tiananmen Square confirms that and bears that out.

If we study the statistics from the "Great Leap Forward" under Mao Tse-tung from 1958 to 1961, we find that demographers have shown that 30 million Chinese died as a result of Mao Tse-tung's "Great Leap Forward." They died from various causes, not the least of which was starvation.

So I think history is constantly the reference point for proving sadly and tragically that communism views human beings as units of production and consumption and considers them expendable, rather than as human beings with human dignity and rights.

□ 1340

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, first, I want to thank the new leadership of the House for responding so quickly to this resolution that was drafted just yesterday.

It shows the deep commitment of this Congress to freedom for all peoples. And, I thank the Republican side for their equal concern.

I rise with pride and dismay in supporting this resolution which asks the People's Republic of China to stop the political executions in their country.

Lives have already been taken—and this Congress must not be silent in the face of a political brutality, in the face of political cruelty, in the face of political barbarism.

I said I am filled with pride and dismay—pride that this Congress cares so deeply about the tragedy unfolding in China—pride because our leadership on both sides is moving aggressively; pride because I was part of a group of Members led by DAVID SKAGGS, NANCY PELOSI, and JOHN MILLER—a delegation that met with the Chinese Ambassador yesterday. Let me tell you about that meeting.

It had the aura of a Salvador Dali painting—the words were real but they were twisted and distorted.

Indeed history was being rewritten and was told to 14 Members of Congress as if we had no eyes with which to see the videos of the bodies of those Chinese students lying next to their mangled bicycles. No students were intentionally killed, said the Ambassador; and 5,000 Army troops were killed, he said, and only 300 civilians, some of these unintentionally.

The Ambassador said there have been no changes in China—China is still moving toward openness he said. They did what any other country would do under the circumstances, he said.

What a shocking meeting that was for all of us. The Ambassador told us to show restraint and take the long view. It will all be fine. He said for us not to be emotional.

Well it is not fine. People are being executed now and it must stop as a signal of conciliation; as a signal that China wants to rejoin the civilized world.

China wants our technology. China wants our know-how.

I went there on a trade trip 2 years ago and was most impressed with their

VOL 135 PT 9 JE 14 22 1989 UMI

eagerness to economically join the 20th century at last.

Well, let the message go out from this Congress today to the Chinese Govenment—stop the killings.

Let the message go out today to the Chinese Government—the Congress is united.

Let the message go out today—If you want our technology and our know-how and our help and our friendship—government to government—let basic freedoms come to the Chinese people.

We are the House of the people—the House of Representatives—and we ask for the killings to stop.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 182, commemorating the student revolt for democracy in China. I would like to commend our colleague from Missouri [Mr. GEPHARDT], the distinguished majority leader; and our House Foreign Affairs Committee chairman [Mr. FASCELL]; the ranking minority member [Mr. BROOMFIELD]; the subcommittee chairman [Mr. SOLARZ] for expeditiously bringing this measure to the floor at this time, enabling us to express our abhorrence with regard to China's violation of human rights.

Mr. Speaker, along with most of my colleagues, I strongly support the efforts of the Chinese students in their quest for a more democratic form of government in China. Through its actions, the Chinese Government has shown its inability to deal with the rising tide of democracy which cannot be stifled. Those valiant students who gave their lives in Tianamen Square so that other Chinese citizens could live a better life should be seen as heroes, not as treasonous criminals as the Chinese Government prefers to depict them.

Even today, still another student has been arrested for passing "rumors" to an American reporter and seven others have been executed. The United States cannot endorse the actions of any nation which treats its citizens as China does. We must rise in condemnation of the human rights atrocities still being committed even as we speak today. Finally, Mr. Speaker, I would like to commend the Presidential decision to suspend high-level United States exchanges with China by the White House as an expression of protest against the widening crackdown and I invite my colleagues to join with me in imposing even further sanctions against China.

As the longest standing democracy in the world, the United States has an obligation to provide a leading example to all nations in supporting basic liberties for all citizens of the world.

Mr. Speaker, I support the gentleman's resolution, and I urge my colleagues to demonstrate that the United States will not stand silent as others across the world are persecuted for their attempts to achieve basic freedoms.

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. SKAGGS], who organized a little march on the Chinese Embassy the other day.

Mr. SKAGGS. Mr. Speaker, I appreciate the gentleman from New York [Mr. SOLARZ] for yielding this time to me, and I rise in very deep support for this resolution, and I thank the majority leader, the gentleman from Missouri [Mr. GEPHARDT] for bringing it to the House.

Tragedy, Mr. Speaker, now compounds itself in China. It was not enough that hundreds of Chinese patriots were slaughtered earlier this month. Now the regime there seems determined to defame itself further with the execution of men and women who stood up for freedom and democracy. They represent the best in the human spirit, so their acts of courage affect us all, and we must stand up for them and with them. They drew their inspiration in no small part from the ideals and even the symbols, the goddess of democracy, of this country. We can do no less than to stand with them now.

Mr. Speaker, we must declare to their government, "No, you cannot do this. You must not do this." No matter what their supposed crimes under Chinese law, the civilized world must condemn a law and a system that enforces a law that they must pay with their lives.

Mr. Speaker, what appeal can we make to the Chinese Government? To their pragmatic interests perhaps? "Then do not jeopardize your economic progress by alienating the world and this Nation."

To their sense of history? Then do not defile the great name of China to perhaps even their moral compunction.

Then, Mr. Speaker, we ask, "Do you have no shame?"

Truly in the name of humanity these executions must stop.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of this bipartisan resolution, and I want to especially commend the new majority leader, the gentleman from Missouri [Mr. GEPHARDT], the gentleman from Florida [Mr. FASCELL], the gentleman from Michigan [Mr. BROOMFIELD], the gentleman from Illinois [Mr. MICHEL], and of course the gentleman from New York [Mr. SOLARZ].

Mr. Speaker, I think it will not go unnoticed that this resolution is the first legislative initiative, one might say, of the new majority leader, Mr. GEPHARDT; I think that is very significant, and the Chinese will take it into account when they hear about it.

My colleagues, the true face of the brutality of the Chinese hard-line Communist leadership has been revealed for all the world to see. It cannot be ignored. We have heard this afternoon about previous brutalities under that Chinese dictatorship, how scores of millions have been killed there, but that was not on TV. People did see on TV the tanks rolling into Tiananmen Square. They did see the students being shot down.

Mr. Speaker, that cannot be ignored. Even with the efforts of the Communist leadership in China to deny that, to put out a completely different story, thanks to Voice of America perhaps even the majority of Chinese people eventually will hear the truth about what happened and what is happening there.

I think the acts of the Chinese leadership in doing what they have done and in continuing to do what they are continuing to do is even worse than it would be because they have ignored the two resolutions previously passed by this House.

The administration has certainly not been silent about this.

I would like to give my colleagues some quotes from the administration:

> The whole world has seen what happened in Tiananmen Square. Large numbers of peaceful demonstrators were killed by army units. Labelling such people counterrevolutionaries and hooligans will do nothing to alter the reality. The persecution of people for the exercise of basic human rights, such as freedom of expression, freedom of association, freedom of the press, is reprehensible and demoralizing. We believe that arrests and show trials are not the route which offers the best hope for a return to civility in China.

Mr. Speaker, I support what the administration has already done about the situation. I hope they are ready to do even more, and I intend, Mr. Speaker and my colleagues, to support the amendment to be offered by the gentleman from New York [Mr. SOLARZ] next week as we go forward on the foreign aid bill.

□ 1350

Mr. SOLARZ. Mr. Speaker, I yield 1½ minutes to my very good friend, the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to call on my colleagues to support this resolution calling for an end to the executions in China. We must send a strong message to the Chinese Government that they may beat, shoot, tear gas, and kill the nonviolent protestors, but the ideas of freedom and democracy cannot and will not be destroyed.

The United States Government and the people of this country are shocked

and appalled by the action the Chinese Government has taken against her own people, who have been involved in a peaceful nonviolent revolution for democracy.

I want to say to the Chinese Government that what affects the people of China affects the people of the United States of America. As nations we may be independent, but as a people and as members of the community of nations, we are interdependent. We are all in the same boat.

The Chinese leaders must realize that a threat to human rights anywhere is a threat to human rights everywhere.

The blood of the young people who have been executed in China are the seeds of freedom. They will sprout and grow for years and generations to come.

Mr. Speaker, I am delighted to voice my support for this resolution and for the people of China who are struggling for freedom and democracy.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, the measured bipartisan approach taken today about this ghastly tragedy in China is about as uplifting as the expression of patriotism we say this morning in the well on the desecration of the flag.

I would wish that my President would be stronger in his words on this terrible tragedy to see these Gestapo-type films of young students degraded, heads down, about to be executed, but I know my President cannot be stronger and I respect his judgment, because he is looking at this unspeakable tragedy in the long term of history, hoping that all the dreams and hopes that all freedom-loving people had for China will not be destroyed or set back in terms of years before our eyes in the coming months.

I walked around Tiananmen Square with my younger son just a few months ago last summer. My son is very capable with the hackie sack, a little bean bag that you get on your feet that was developed in China, and we would draw a crowd of 50 to 100 people.

I sent him off to visit the Great Wall to which I had been in several years in the past, and I went to meet with the human rights people. When my son and I joined up again and began a long train trek through Mongolia to Moscow, we both decided that freedom had won in China. It was all over, 16,000 students in Australia, 40,000 Chinese students in America, tens of thousands in Europe, all of them going to take this middle kingdom into the 21st century in lockstep with all the other freedom-loving countries, and to see these Nazi Gestapo-type executions, the slaughter in the square, the statements to stay out of their internal business, that it is none of our business; yes; it is a terrible tortuous path we are weaving our way through, but we hope that we find the key to bring us back on course with the China that we all hope and pray for.

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from California [Mr. LEVINE], a member of the Foreign Affairs Committee.

Mr. LEVINE of California. Mr. Speaker, I thank the gentleman for yielding me this time. I want to commend him and the majority leader and the leadership on both sides of the aisle for their expeditious movement on a bipartisan basis on this important resolution.

It is extremely important that the Government of the Chinese People's Republic be under no illusions whatsoever about the depth and intensity and breadth and bipartisanship in this country with regard to the outrage and revulsion that we feel with regard to the brutality of this Chinese Government in terms of its crackdown on some of the most inspirational student activities that this world has ever seen in many a year.

As was discussed earlier, a number of us went the day before yesterday on a march that was organized by our colleagues, the gentleman from Colorado [Mr. SKAGGS], the gentlewoman from California [Ms. PELOSI], and the gentleman from Washington [Mr. MILLER], from the Capitol steps to the Chinese Embassy where we met with the Chinese Ambassador.

Frankly, I want to tell you that that meeting was one of the most disturbing meetings in which I have ever participated in my life. It was an example of Orwellian 1984 double speak. I would like my colleagues to hear some of the comments of the Chinese Ambassador that I took down verbatim so that we can understand precisely the position of the Chinese Government on this issue.

he said:

> Any country in the same situation would respond similarly.

He said:

> The Chinese government exercised the utmost restraint.

He said:

> No other country can be as responsible as ours.

And he said:

> The government took measures only when matters were beyond the limits of forbearance.

I worry that the Government of China perhaps because our President has been forceful, but restrained, is getting the restraint rather than the force of the message.

There should be no doubt of the depth of our concern as shared on both sides of the aisle and the American people, and I strongly support this resolution.

Mr. BROOMFIELD. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington [Mr. MILLER], a member of the committee.

Mr. MILLER of Washington. Mr. Speaker, 2 days ago we marched as one to the Chinese Embassy. Today we speak as one, both parties with the same message to the Chinese Government. Stop the executions, stop the executions, throw away this old tired Communist rhetoric about criminals, bandits, counterrevolutionaries, Socialist democracies, which you have been using, and stop the executions. Understand that you cannot extinguish the flame of freedom. It burns in the souls of men and women.

I say to the Chinese Government, resume your march toward, not away from democracy. Stop the executions.

No matter how hard you try, you cannot kill democracy.

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to my very good friend, the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, I have the honor of representing in Congress the largest Chinese population outside of Asia. Together with my colleague, the gentlewoman from California [Mrs. BOXER], we represent San Francisco. I want to bring to this floor the sentiments of those people, as well as everyone in our district, and that is everyone in our district, who cares about human rights.

I rise in support of the resolution calling on the People's Republic of China to stay the executions of those citizens who have been sentenced to death as a result of their participation in the prodemocracy movement.

As has been mentioned, we visited the Ambassador the other day and talked to him about the massacre, which shocked us all.

What was as disturbing was what followed, which was repression, secret executions, the ones that we know about. In addition to that, with the denial that these are students and charging them as being criminals, hooligans, et cetera.

□ 1400

This part of the story is where we asked the Ambassador:

> If this is the case, let us come. Why do you not agree to a delegation coming to China so that we can see how your story holds up? If you are not afraid of the truth, you will welcome a delegation to China.

Our message to them must be that the human rights of every single person in China are important to us, that human rights are not an internal matter but are the basis for the rela-

VOL 135 PT 9 JE 14 — 22 1989 UMI

tionships among people and that with every death, with every execution, the calls for freedom and democracy are strengthened, and that in the voices that are heard on this floor today and the actions of the students who care about freedom, that those dead students live.

I ask my colleagues to support this resolution unanimously and support also my bill for protecting the students in the United States. Please, let us make this unanimous today on this stay of execution.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, nothing has been more explosive immediately, more generally supported by the people of the United States and the free world and the whole world than the tragedy that took place days ago in Tiananmen Square in Beijing, China. What is doubly distressing to those of us, and I joined my marching friends at the Embassy of the People's Republic of China, was the discussion that we had with the Ambassador, that showed first of all, in my opinion, that he had no authority to do anything; second, he had no line to repeat. They did not know what they could say to a free-world country. Third, he offered absolutely no hope, in my opinion, of solace, moderation, forgiveness, or tolerance for those prodemocracy demonstrators who demonstrated, and some of whom we see in the morning died for their willingness to change a dictatorship into a real democracy.

I am further distressed by the apparent lack of any structure for appeal in the country of mainland China. They apparently do not have a legal system, or at least it has been suspended whenever they feel any threat at all to their dictatorial regime.

It does have the elements of nazism, the worst elements of extreme communism when they were militant, and hopefully they have lost that today, but it is a lesson for the free world that lest we charge too quickly forward to hold hands with those who have an alien philosphy and do not have a history in this century of freedom, do not have a history of democratization, do not have a history of pluralistic democracy or political choice, lest we charge too quickly.

I am sad because I love China. The history of China has been studied by many people. I spent 4½ years of my life in Asia. I have always dreamed of the day when the Chinese would join the free world.

Mr. Speaker, I want to join my colleagues, Republicans and Democrats, who marched and who have spoken today to this resolution. I commend particularly the gentleman from Michigan [Mr. BROOMFIELD] and the gentleman from New York [Mr. SOLARZ], the prime sponsors of this resolution.

The world is witnessing the militant desecration of the prodemocracy demonstration in China at this moment. We cannot speak out too loudly or too forcefully about the injustice and the death being delivered by this regime for which we had so much hope.

Our fondest hopes, our dreams go with the people of China, that they may once again see not the glimmer but the full bright light of democracy restored to that beleaguered mainland. We join hands with people, students, workers, all citizens hoping that China regains its senses and stops this unnecessary death, unnecessary punishment to those who merely want a little bit of what we have so much.

Mr. SOLARZ. Mr. Speaker, I yield 1½ minutes to my very good friend, the gentleman from Nevada [Mr. BILBRAY], a former member of the Committee on Foreign Affairs, now a member of the Committee on Armed Services.

Mr. BILBRAY. Mr. Speaker, today I speak with both sadness and anger concerning yesterday's brutal execution of three prodemocracy demonstrators by the Chinese Government. My heart goes out to the families of the three men whose lives were lost in the struggle to bring democracy to China. I hope that this Congress and the administration will act appropriately to assure the victims' families and friends that these three young men's lives were not given in vain.

Mr. Speaker, any government that engages in the systematic repression and execution of its fellow citizens is no friend of the United States. The actions of the People's Republic of China over the past 3 weeks run contrary to everything our country believes in. When I saw the thousands of student demonstrators in Tiananmen Square peacefully protesting their government's undemocratic policies, I could not help but think how our own Founding Fathers must have felt when confronted with the repressive policies of colonialist England in the 18th century. The Chinese students' desire for freedom and democracy is the same desire that our country's first generation of citizens felt when they fought for their independence.

The nationwide crackdown on prodemocracy demonstrators that is occurring in China flies in the face of our country's longstanding belief in human rights. According to today's Washington Post, there are currently eight other persons on death row in China for violent acts committed during the June 3–4 assault on Tiananmen Square; an assault instigated and perpetrated by government troops.

Mr. Speaker, while I can only speak for myself, I feel that the Congress of the United States, and the President as well, has a moral obligation to condemn the People's Republic of China for the atrocities it has committed against its people, especially yesterday's executions. So far, the President has done little to convince the People's Republic of China that he is willing to take further steps in response to their human rights violations. In fact, I do not believe that he even issued a statement condemning yesterday's executions. This is simply an unacceptable position for the leader of the United States. The policy of constructive engagement hasn't worked in South Africa, and it will not work in China either.

I urge my colleagues to support legislation to eliminate China's most-favored-nation [MFN] trade status and to call on the United States to vote against all World Bank and Asian Development Bank loans to China. I also urge my colleagues to support the majority leader's resolution calling upon the leadership of the People's Republic of China to stay further executions of prodemocracy demonstrators. The United States must stand up for those democratic ideals upon which it was founded; we must stand up against the Government of China.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, tragically throughout history we have seen totalitarian regimes make attempts to rewrite history. It is obvious that that attempt is once again being made, but, Mr. Speaker, it cannot happen. It cannot happen for a number of reasons.

First and foremost, because Democrats and Republicans are standing together behind President George Bush in calling for an end to these executions. We are standing also with the rest of the free world, Mr. Speaker. We have seen very strong statements come from the Federal Republic of Germany, and we have seen statements coming from other leaders throughout the world.

Mr. Speaker, why has this in large part happened? It has happened because of this tremendous informational explosion which we have seen develop over the past few decades. We have seen the advent of fax machines which can send those messages loudly and clearly across any lines which people are attempting to block. We also have seen the advent of satellite television and, because of that, we all got to see that horrible development in Tiananmen Square when we saw the massacre of those young students.

Mr. Speaker, we often talk in this country about our future. We, unfortunately, saw the totalitarian Communist regime of Red China making an attempt to obliterate its enlightened future.

Many of those young people have seen what a great thing freedom is from their visits to the United States of America. Many of those young people wanted to go back and carry that message and, tragically, many of those young people have been killed.

I congratulate our new majority leader, my good friend, the gentleman from New York [Mr. SOLARZ]; and all of those who joined us in that very emotional and hard-hitting meeting with Ambassador Han Xu on Tuesday and, of course, to the distinguished ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD], the gentleman from Washington [Mr. MILLER], and those who organized that important march.

We are standing solidly behind the cause of freedom, and I believe, Mr. Speaker, it is critically important that we, by an overwhelming margin, send this resolution to the President of the United States, and then to the rest of the world and, most important, to the leadership of China.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I support this resolution and President Bush, but I think we need to go farther.

As cochairman of the Congressional Human Rights Caucus, the gentleman from California [Mr. LANTOS] and I have introduced legislation to deny most-favored-nation status and OPIC privileges to China.

Economic considerations cannot outweigh our commitment to human freedom that makes America the beacon of hope to people all around this world.

Mr. Speaker, the murders continue. It is not just the public ones that we see, those staged by the Chinese Government, but there are hundreds of students being executed quietly with a bullet to the head and an unmarked grave that we do not see.

Mr. Speaker, we cannot deal with the murderous and barbaric Chinese Government, and we cannot allow these students to have died in vain.

□ 1410

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GOSS], a member of the Foreign Affairs Committee.

Mr. GOSS. Mr. Speaker, I am very honored to be here to suggest that what needs to be said on this has been said so well by all of my colleagues on both sides of the aisle. This is an issue that certainly transcends partisanship. This is an issue that goes to what democracy is about and what freedom is about and what we all stand for and are looking for the best way to make sure that it is properly manifest at this time.

Fortunately, we have a Nation that speaks with one voice. The voice in this case is the President of the United States. He called for a measured, steady response. He has said that our Nation speaks with one voice, and it does.

We are showing them what we stand for. We are showing them what is at stake. We are showing them we will not tolerate it, and we are doing it in a proper and reserved way that cannot possibly be misunderstood and stands for all of the values that that symbol, the flag which we have talked about today, represents, which is what we want the Chinese to understand too.

Mr. BROOMFIELD. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. AUCOIN). The gentleman from Michigan [Mr. BROOMFIELD] has 9 minutes remaining; and the gentleman from New York [Mr. SOLARZ] has 7½ minutes remaining.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes of my time to the gentleman from New York [Mr. SOLARZ], and I reserve the balance of my time.

Mr. SOLARZ. Mr. Speaker, I thank the gentleman from Michigan for that very generous gesture on his part.

Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia [Mr. JONES].

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

Mr. Speaker, I rise to speak in favor of this resolution.

The continuing repressive reaction of the hardline Communist government in Beijing against their own people—who have demonstrated peacefully for the most basic reforms—is an action with which the civilized world community can show no cooperation.

We must let the Chinese Government know that our respect for basic human rights outweighs business as usual.

Our moral imperative demands that we be unequivocal.

The whole world is watching the brutal repression in China—but the whole world is watching the United States, too, looking for leadership.

Even as we speak here today, the coldblooded executions of idealistic young people continue.

This resolution sends a strong bipartisan message—it tells the American people that we are willing to go beyond rhetoric, it tells the Chinese Government that their actions have a price, and it tells the Chinese people that we support their courageous efforts for democratic reform.

I urge my colleagues to support this tough and timely resolution.

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I thank the gentleman from New York for yielding time to me and commend him for his efforts on this and so many other issues.

It is clear to me that as the leader of the free world this Congress is taking the leadership on the concerns for human rights and civil liberties in China. I hope that President Bush will take the leadership in a world sense, as the United States has before, with economic summits and with military summits with our NATO allies, with economic summits with our friends from Japan and Western Europe to lead a summit for democracy.

It is fundamental for us to be a strong economic Nation and a strong military Nation if we are to lead the world. But what makes us stand out from all the nations on this Earth is our commitment to human rights and civil liberties. The outrages that have occurred in China need to be spoken out against directly here in this Congress and in the Executive, and I would hope that taking the action, led by my friend and colleague, the gentleman from New York, that the President of the United States would call upon our Western allies for a summit so that we in the West could act with one voice in responding to the outrage that the Chinese Government has perpetrated against its own citizens.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, first I would like to commend the majority leader, the gentleman from New York, [Mr. SOLARZ], the distinguished ranking member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD] and others involved in crafting this resolution. We want it to be known, as has been emphasized here already on several occasions, but I want to reiterate it for impact, that this is a bipartisan resolution, that I believe should have and will have the unanimous support of the Congress.

I also would like to speak as a representative of a State that has had a very special, very positive, and close relationship with the People's Republic of China in the area of highest education. At times in recent years there have been more students from the People's Republic of China in my district at the University of Nebraska-Lincoln than at any other U.S. campus. We certainly are ranked in the top three or four during most years. And of course we had the demonstrations by Chinese students in Lincoln, as we did in other States throughout the United States.

We are deeply grieved and outraged by the kind of brutality that has been demonstrated and exercised against the people of the People's Republic of

VOL 135 PT 9 JE 14 — 22 1989 UMI

China. And especially emblazoned in our memories are the images of the Chinese students in the People's Republic of China in the brave demonstrations that they made for democracy and greater freedom.

I want to make it quite clear that this Republican Member, representing a State that he had this special postsecondary education relationship with the People's Republic of China states that the kind of conduct that has been going on in Beijing and elsewhere in the People's Republic of China is totally unacceptable and abhorrent to American citizens. We urge full support for the President's call for a stay of these executions and for clemency. We urge our colleagues in this body to give this resolution our unanimous support.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I rise in the strongest possible support and commend the gentleman from New York [Mr. SOLARZ] and the gentleman from Michigan [Mr. BROOMFIELD] for this resolution. I also commend the distinguished majority leader, Mr. GEPHARDT, for bringing this resolution to the floor.

Mr. Speaker, the civilized world has recoiled in horror at the events of these recent days and weeks in China. The massacre of innocent and unarmed civilians has been made worse by the subsequent show trials and executions, on trumped-up charges, of still more innocent people.

It is particularly appropriate that this resolution opens with the immortal words of our own Declaration of Independence. Indeed, the Chinese students and other citizens who were demonstrating peacefully for their God-given rights took Thomas Jefferson and other American heroes as their inspiration for this struggle.

The power of brute force may have prevailed in China for the moment, but the cause of freedom will eventually win. No amount of brutality and repression can quench the moral authority that a just cause confers on its people.

We grieve with the Chinese people today, but we know their sacrifices have not been in vain. Indeed, those who have lost their lives are true martyrs for the freedom of mankind. Their sacrifice will sustain all who come after them in the same struggle.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLARZ] has 7 minutes remaining.

Mr. SOLARZ. Mr. Speaker, I yield myself such time as I may consume. In concluding debate on this resolution, I want to pay tribute to my very good friend, the gentleman from Michigan [Mr. BROOMFIELD] for his cooperation in bringing this resolution before the House. The significance of the legislation we are about to adopt is underscored by virtue of the board bipartisan support which it enjoys.

I have always believed that we are most effective abroad when we are united at home, and I am particularly pleased in this instance that the resolution not only has the support of the Members on both sides of the aisle, but that it also constitutes an expression of support on the part of the Congress for a position and an initiative taken by the President of the United States. So here we are speaking in unison, Democrats and Republicans, the administration and the Congress.

Mr. Speaker, I think it may have some additional symbolic significance that at the very same time that these executions are taking place in China, in Budapest a ceremony was being held in which literally tens of thousands of Hungarians participated to provide for the reburial and rehabilitation of Imre Nagy, the leader of Hungary in 1956 who was arrested and executed by the Soviet Union for his role in the uprising that took place in that country during which the people of Hungary sought peacefully to remove themselves from the shackles of Soviet oppression and to establish a truly free and democratic country. It may have taken over 30 years, but at the end of the day, Imre Nagy, who was executed as a so-called counterrevolutionary, was ultimately restored to a place of honor in the history of his nation.

Mr. Speaker, I do not know how long it will take for those who are being executed as we speak as thugs and as counterrevolutionaries in China to be redeemed in the eyes of their own people. It may take a year, it may take 5 years, it may take 10 years, it may take 30 years, it may take 50 years. No one can predict.

□ 1420

But of one thing we can be absolutely certain, and that is that those Chinese who are being executed today as counterrevolutionaries will one day be revealed and rehabilitated in the eyes of their people and will be seen not as thugs and as terrorists but as martyrs in the cause of democracy.

This resolution was designed to make it clear that in the eyes of the U.S. Congress and the American people they already enjoy that status. I can only express the hope, Mr. Speaker, that the leaders of China will come to their sense and bring the killing machine to an end before other innocent lives are lost.

Mr. MICHEL. Mr. Speaker, I am glad to be able to join with our colleagues in supporting President Bush in his call for clemency for the prodemocracy demonstrators in China.

This is a bipartisan resolution. It shows the Government of China that there are not divisions among Americans when it comes to human rights.

What is happening in China may well be one of the major events of this century. We cannot tell what all of its implications may be, for China, for our country and for the world.

But we do know that totalitarian governments can learn the rhetoric of democracy but know nothing of its spirit.

We know that the arrests and executions going on in China are not aberrations, but the usual reaction of totalitarians when they are threatened by their own people's cry for freedom.

Mr. Speaker, as I said, this resolution is bipartisan. I only hope that this same bipartisan spirit of support for the President continues during our discussion of China in the debate on the foreign aid bill.

Mr. SOLARZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. AUCOIN). All time has expired.

Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 416, nays 0, not voting 16, as follows:

[Roll No. 100]

YEAS—416

Ackerman	Buster	Courter
Akaka	Brennan	Cox
Alexander	Brooks	Coyne
Anderson	Broomfield	Craig
Andrews	Browder	Crane
Annunzio	Brown (CA)	Dannemeyer
Anthony	Brown (CO)	Darden
Applegate	Bruce	Davis
Archer	Bryant	de la Garza
Armey	Buechner	DeFazio
Aspin	Bunning	DeLay
Atkins	Burton	Dellums
AuCoin	Bustamante	Derrick
Baker	Byron	DeWine
Ballenger	Callahan	Dickinson
Barnard	Campbell (CA)	Dicks
Bartlett	Campbell (CO)	Dingell
Barton	Cardin	Dixon
Bateman	Carper	Donnelly
Bates	Carr	Dorgan (ND)
Bellenson	Chandler	Dornan (CA)
Bennett	Chapman	Douglas
Bentley	Clarke	Downey
Bereuter	Clay	Dreier
Berman	Clement	Duncan
Bevill	Clinger	Durbin
Bilbray	Coble	Dwyer
Bilirakis	Coleman (TX)	Dymally
Billey	Combest	Dyson
Boehlert	Conte	Early
Boggs	Conyers	Eckart
Bonior	Cooper	Edwards (CA)
Borski	Costello	Edwards (OK)
Bosco	Coughlin	Engel

English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster

English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martinez
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Portman
Price
Pursell
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Siljander
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—0

NOT VOTING—16

Boucher
Coleman (MO)
Collins
Crockett
Emerson
Florio
Goodling
Hatcher
Leach (IA)
Leath (TX)
Parris
Quillen
Thomas (CA)
Torres
Udall
Wright

□ 1444

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 182, the resolution just agreed to.

The SPEAKER pro tempore (Mr. BROWN of California). Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have taken this time to inquire of the distinguished majority leader how he perceives the program to develop for the balance of the day and tomorrow.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the majority leader.

Mr. GEPHARDT. Mr. Speaker, it is our intention to continue now on consideration of the foreign aid bill. There will be amendments and votes this afternoon.

As this is going on, we are, of course, continuing the conference on the urgent supplemental. It is our hope that there can be a resolution of that matter this afternoon, and that can be brought up at anytime. We would hope that this could be done before an early hour this evening so that Members could go on about their business. However, it could come later in the evening, although I doubt that will happen. It could come on tomorrow if we do not get it done today. But our clear effort is to try to get it done as quickly as possible.

Next week we will have on Tuesday 12 or 13 suspensions. On Wednesday and Thursday, we hope to complete the consideration of the foreign aid bill and to also consider the appropriation on Energy and Water. We are not clear yet on whether that can all be done by Thursday night, but that would be our target.

Mr. MICHEL. Mr. Speaker, might I also inquire, if we are going to be around here a little later on this evening, is there any prospect of possibility that on the savings and loan legislation a motion to go to conference would be in order, and that possibly a motion to instruct would be in order? Has that been discussed at all?

Mr. GEPHARDT. Mr. Speaker, that has not been discussed or decided, but as soon as we have information on that, we will obviously discuss it with the gentleman.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader.

So I am assuming that until we get something more definitive with respect to the appropriators and their attempt to reach agreement on the supplemental today, we Members had better have a backup position of being here tomorrow, is that not correct?

Mr. GEPHARDT. That is correct.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader. And even though I have been asked when we will know about this, I think I can anticipate that the gentleman is probably in about the same frame of mind as this gentleman, that it all depends on the outcome of the efforts of those who are currently negotiating?

Mr. GEPHARDT. The gentleman is correct.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1067

Mr. BRYANT. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1067.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

INTERNATIONAL COOPERATION ACT OF 1989

The SPEAKER pro tempore (Mr. BROWN of California). Pursuant to House Resolution 179 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2655.

□ 1450

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite

VOL 135 PT 9 JE 14 — 22 1989 UMI

the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, with Mr. AuCoin in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Wednesday, June 21, 1989, the amendments en bloc offered by the gentleman from Florida [Mr. Fascell] had been disposed of, and title I was open for amendment at any point.

Are there any amendments to title I?

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I ask unanimous consent to offer an amendment out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Richardson: Page 588, after line 7, insert the following new section:

SEC. 1404. CONCERNING THE SEIZURE OF A UNITED STATES CITIZEN IN AFGHANISTAN.

The Congress—

(1) finds the seizure of a citizen of the United States, Tony O'Brien, by the security forces of the Government of Afghanistan to be a reprehensible act; and

(2) calls upon the Government of Afghanistan to promptly release Tony O'Brien.

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, last week the Government of Afghanistan seized photo-journalist Tony O'Brien while he was traveling on assignment in Ka'bul. Tony O'Brien, a resident of Santa Fe, NM, is an excellent photographer whose work has been displayed in major publications across this country. He has now been held by the Afghan secret police for a week.

The Afghan regime is clearly acting out of desperation. In hopes of forcing the United States to reopen diplomatic relations with their country, the Afghan regime is using Tony O'Brien as a pawn, a bargaining chip. Such action is abhorrent, repugnant, and should be denounced in the strongest terms.

Mr. Speaker, today I am offering an amendment to H.R. 2655, the International Cooperation Act of 1989, expressing the sense of Congress that the Afghan Government's apprehension and detention of Tony O'Brien is a repugnant act. Furthermore, it calls on the Government of Afghanistan to release Tony O'Brien safely and immediately. I urge my colleagues to support this important amendment and send a strong signal to the Government of Afghanistan that United States citizens are not to be exploited for their political ends.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, we have examined the amendment. We think it is extremely appropriate to be acted upon and fully supported.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, the minority has examined the amendment and approved it, and I thank the gentleman from New Mexico [Mr. Richardson] for offering it.

Mr. BROOMFIELD. Mr. Chairman, I support the amendment of my colleague from New Mexico. America has always prided itself on its record of protecting the rights of its citizens wherever they are in the world.

Other nations watch our actions carefully. If they sense that we are willing to do nothing when one of our citizens is seized abroad, they will be emboldened to do the same—within their own borders.

We must make it clear that America cares deeply about the safety of all of the people who travel with an American passport. This is a good time to show that Congress will not tolerate abuse of the individual rights of American citizens.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. Richardson].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bereuter: Page 61, strike out line 23 and all that follows through line 21 on page 64, and insert in lieu thereof the following:

"SEC. 1301. SENSE OF CONGRESS ON PURCHASE OF UNITED STATES GOODS AND SERVICES.

"It is the sense of Congress that countries receiving cash transfer assistance from the United States should, to the extent possible, import United States goods and services using a wide variety of United States modes of transportation."

Mr. BEREUTER. Mr. Chairman, I yield to the distinguished chairman of the committee, the gentleman from Florida [Mr. Fascell]. I understood there may be some arrangement he would like to have on the time for the so-called cargo preference amendment.

Mr. FASCELL. Not yet, Mr. Chairman, but let us see how it goes here. I think we can be reasonably brief on this amendment. It has been before us many times.

Mr. Chairman, I think everybody understands the issues, but let us frame the issues first, and then let us see how the time goes.

Mr. BEREUTER. In other words, Mr. Chairman, are we proceeding under the 5-minute rule?

Mr. FASCELL. The gentleman from Nebraska [Mr. Bereuter] is correct.

□ 1500

Mr. BEREUTER. Mr. Chairman, this foreign aid authorization bill makes some very needed changes in our foreign assistance programs. I regret, however, that the Foreign Affairs Committee, without hearings and over the strong objections from the administration, most agriculture and exporting groups, and hunger relief organizations, adopted an amendment imposing cargo preference on U.S. commercial exports to the governments of nations receiving U.S. cash transfer assistance under the Economic Support Fund [ESF].

That amendment, offered by the gentleman from New Jersey [Mr. Torricelli] in committee, was adopted by a 22-to-15 vote with 9 not present.

The amendment I offer today would strike the so-called Torricelli amendment, or all of section 1303 of title I of the bill and, I emphasize, return as to the status quo and AID objections. It includes a sense of Congress sentence which encourages cost transfer recipient countries, to the extent possible, to import U.S. goods and services using a wide variety of U.S. modes of transportation.

The cargo preference provisions in this bill are unfair and unworkable for several reasons.

The Torricelli amendment is unfair because it effectively takes desperately needed funds away from some of the poorest developing countries in the world. Many of these nations use U.S. cash transfers to solve some of their most pressing human and economic problems. Because Congress provides no funds to AID's budget to pay for the additional cost of U.S.-flagshipping, AID cash transfers are effectively reduced by the additional cost of transporting goods on U.S. ships which is generally 75 percent or more than competitive free market rates.

The amendment is unfair because they take export markets away from U.S. agricultural producers. Because the cost of shipping on U.S. ships adds to the cost of the goods being shipped, U.S. producers of ocean-carried goods who must compete with foreign suppliers will be hurt economically if the amendment remains in this bill. U.S. agricultural exports, most of which go by ship, would be among those most affected. However, other major U.S. product groups exported by sea that

would also be affected include coal, fertilizer, machinery, and iron and steel products.

The amendment is unfair because it creates the impression that the nations who receive U.S. cash transfers will purchase more U.S. products. The fact is that cash transfer nations already purchase 13 times more from the United States than the cash transfer they receive. If anything, total exports to these countries will decrease because in paying for the higher cost of U.S. shipping, the cash transfer countries will have less money remaining to buy U.S. goods and services from us.

The amendment is also unfair because it creates the impression that we will be helping or saving the U.S. maritime industry. The administration has testified that AID-financed cargoes cost an average $58.79 per ton on U.S. ships in 1988, compared with $33.17 per ton on foreign-flagged ships at international rates. Faced with the higher cost of purchasing U.S. goods that must come by ship, the cash transfer countries can be expected to focus their purchases of U.S. goods and services which are transported by sea. And, inevitably, cash transfer countries will shift the procurement of oceanborne items to non-U.S. exporters who do not require higher transportation expenses.

Finally, the cargo preference provisions in the bill are simply unworkable. How can the President "assure" that purchases by cash transfer countries "are distributed equitably throughout the United States"? How can he assure that the ports of departure are likewise distributed? Will sovereign foreign governments allow any "access to records and personnel" desired by the U.S. Comptroller General for his monitoring and auditing under the amendment? All these are part of its requirements—they are unworkable and unrealistic.

In closing, this amendment is not just about "bottoms," it is about "backs." The backs of the U.S. farmers and coal miners and factory workers who will lose exports markets—and even more so—the backs of some of the neediest people in some of the poorest developing countries in the world who will have less funds available to buy food and other essential commodities.

Less than 2 years ago, we debated at great length this same issue. Essentially, the arguments have not changed, but the reasons for defeating the Torricelli cargo preference provisions of this bill are even stronger. Foreign assistance funds are scarcer, and the need for them is greater.

If further expenditures to support the U.S. merchant marine are necessary, then we should address those expenditures separately on their own merits in either transportation, defense, or maritime authorization and appropriation bills. Funds should not be taken from the poorest of the poor, or the neediest of the needy, to keep our U.S. maritime industry afloat.

Support the amendment to strike the Torricelli provisions in this bill.

Mr. FASCELL. Mr. Chairman, I rise in technical opposition to the amendment.

Let me say, Mr. Chairman, that I just wanted to announce at this point that we have a lot of amendments and we have a time constraint. We want to be as open as possible in this process.

I think I have to start out by saying that in all fairness to all the people who have amendments and all the speakers, that I would be constrained to object, and I hope the minority will join me on this, for any request for extension of time. There are ways to handle the matter. We have far more speakers than we can accommodate anyway, so let us start out with the idea that we want to move this along, say what we have to say within the time constraints.

I am not faulting the gentleman from Nebraska at all. I should have made that announcement at the start, but the gentleman certainly brought it to my attention immediately, so I am sure we will have that cooperation. I did not want anybody following the gentleman from Nebraska to be misled on that. I think we need to move along.

I thank the gentleman from Nebraska for his original suggestion. I have been checking among our colleagues to see what it looks like in terms of time here. Maybe we will have four or five speakers and then we can get to a vote on this issue. That is the way it looks as of right now, I hope.

Mr. TORRICELLI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the taxpayers of the United States knew that their dollars through our foreign aid program were being used to purchase Argentinean wheat, corn from Australia, Japanese machine tools, or German trucks, they would be outraged. If they knew that foreign ships from around the world were being chartered that do not fly American flags, do not bring dollars to our shores, nor employ American citizens to transport American foreign aid, they would be livid.

Mr. Chairman, that is the sad reality. The concept of American foreign assistance has never been to take our dollars and simply spread them around the world, hoping that people find in their hearts gratitude for us as a Nation. The great success of the American foreign aid program is that people see the genius of our products, the ingenuity of our designers and our engineers, the quality of our workmanship, the pride of our flag on the rear of an American flagship. That is an American foreign aid program. That is what makes people grateful for what we do, identify with our products and feel an identity with our interests. That was the Marshall plan. That was the rebuilding of Europe and Japan. That is not the American foreign aid program today.

There is no political identity. There is no security concern with a Japanese machine tool arriving on a Monrovian freighter to an Egyptian port. The only people who know what the American taxpayers are doing to help their country are the ministers of the treasury of the assorted nations.

Well, that is what I want to change. I want to end the insult and the injury.

Today the nation of Egypt is buying grain from Argentina and Cuban sugar with American taxpayer dollars.

It is alleged by the Indian press that American foreign aid cash assistance is being used for foreign assistance to turn to Nicaragua.

Perhaps, Mr. Chairman, there was a time when America had such vast resources, such infinite wealth, that she could afford to give her dollars around the globe without caring whether they ever returned to our factories or our farmers or our merchant marine. That time, Mr. Chairman, is gone.

Today, our foreign aid program as certain as every other aspect of American policy, must be relevant to the real concerns of our economy. That is why this year, as last year, the Foreign Affairs Committee on a bipartisan basis is asking this Congress to restrict the use of these funds so that if they are not spent in the recipient country and they are fully allowed to spend them in their own countries, it be spent in the United States, not in a third country, and that those funds not in private contracts, but if they are U.S. Government funds, must well be spent on an American flagship.

You voted that way last year. We ask you to vote that way again. We ask nothing that every other foreign aid donor nation in the world does.

Does anybody in this body genuinely believe that Japanese foreign assistance is coming to America to buy American products, or that German foreign assistance is being sent on American flagship?

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. TORRICELLI] has expired.

Mr. TORRICELLI. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. FASCELL. I have to object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

VOL 135 PT 9 JE 14 22 1989 UMI

Mr. FASCELL. Mr. Chairman I move to strike the requisite number of words after casting an objection.

The CHAIRMAN. The gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

Mr. FASCELL. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, simply in conclusion, no matter where you are from in America, this makes sense. This will not cost agricultural sales. It means agricultural sales.

This business is not coming to America. That is why the National Farm Union, the American agricultural movement, the National Farmers Organization representing 400,000 families, have endorsed this amendment.

Support the committee. Support American maritime interests. Support American labor. Bring this money home now. Make this program work. Support the Foreign Affairs Committee. Defeat the Bereuter amendment.

Mr. Chairman, I thank the distinguished chairman for yielding the additional time.

Mr. FASCELL. Mr. Chairman, I use this method in order to equal the time between the first speaker and the second speaker and to be fair about it, but I will continue to object to extensions of time. I think it is the only way to be fair to other speakers.

Mr. Chairman. I yield to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, in 1988, the United States had a trade deficit of $137 million. This can be attributed in part to our failure to provide support to U.S. businesses that would like to export.

This bill demonstrates the point:

The Trade and Development Program funds feasibility studies for much needed infrastructure projects such as water purification and power generation plants.

These projects in turn provide good market opportunities for U.S. exporters.

This program generates about $70 in U.S. exports for every dollar spent.

Despite the fact that this program has been fantastically successful in building necessary infrastructure while promoting U.S. exports, we fund it at $25 million per year.

This bill would increase TDP's budget to all of $30 million—still a fraction of what the Japanese spend for the same purpose.

If we are serious about reducing our trade deficit, we must not be shortsighted in funding trade and aid programs. We cannot be serious about dealing with our budget deficit unless we also address our trade deficit.

However, for a number of reasons, this bill is not the appropriate vehicle for providing additional funding. The Subcommittee on International Economic Policy and Trade is in the process of taking a careful look at these programs and determining cost effective approaches for assisting U.S. exporters—while providing important foreign aid.

One issue we are looking at, is tied aid—low interest loans or grants which are tied to procurement of goods and services from the donor country.

The United States is not in the same league as its competitors in providing tied aid.

In 1987, the United States spent about $65 million on tied aid. Japan spent 17 times that amount. Canada spent 4 times what the United States spent.

As a result, the United States is losing $2 to $4 billion in exports each year.

This means about 50,000 to 100,000 American jobs lost each year directly as a result of our unwillingness to compete.

The key is follow-on business. For example, a telecommunications system results in follow-on business 10 times the initial investment.

Part of the problem is the administration's unwillingness to be up front with Congress in recognizing this problem.

In a statutorily mandated report to Congress, they did not include recommendations as was specifically required. Only now are they contemplating how to deal with this situation.

OMB sanitized the report to minimize the magnitude of the problem.

The basic finding of the report—before it was sanitized by OMB—was that tied aid credits are a serious reality of the international environment which can affect the level of the U.S. exports and may be influencing the structure of U.S. industry.

The subcommittee needs to conduct further hearings and obtain additional information to determine the amount of funding that would be appropriate, the source of such funding, and the conditions to be attached to the funding.

I look forward to receiving the administration's recommendations in the next few weeks.

I thank the chairman for this opportunity.

Mr. FASCELL. Mr. Chairman, I yield back the balance of my time.

□ 1510

Mr. OBEY. Mr. Chairman, I rise in support of the Bereuter amendment.

Mr. Chairman, I have great respect for the gentleman who just spoke, but he managed to leave a totally erroneous impression of that the Torricelli amendment and the Bereuter-Obey amendment would do.

The previous speaker would have you believe that this is an issue which relates to the question of whether or not recipients of U.S. aid will buy American products or not. That is not what this issue is about. The fact is that the aid recipients in question already buy 13 times more in American goods than they would be required to buy under the Torricelli amendment, so do not be kidded, do not be fooled, do not be mislead.

The only issue we are dealing with today is whether or not we are going to raise the price of American products to these recipient countries and whether or not, in the process, we are going to hurt the very countries we are trying to help and hurt the American farmer at the same time and hurt every northern-midwestern port in America.

The fact is that the gentleman from Nebraska is absolutely correct. He pointed out that the agreement reached between various committees on the 1985 farm bill established the process under which the Government is operating today. We agreed on the amount of American cargo that would be shipped subject to cargo preference requirements. I support cargo preference. I have a strong record in favor of supporting causes in favor of organized workers in this country.

But it is too much to ask when the Torricelli amendment would, in fact, put Great Lakes ports out of business in terms of AID cargo. It is too much when the Torricelli amendment is trying to raise the cost of shipping American agricultural goods and thereby reduce the amount of goods that we can deliver to Third World countries.

I would simply make this point: If Members do not pass the Bereuter-Obey amendment, they will be crippling American exports. They will be raising the cost of agricultural products to the poorest countries. They will be reducing the value of aid which the United States provides, and they will be opposing the advice of the administration, the Department of Agriculture, the Agency for International Development, and a wide variety of farm groups listed on the sheet which I have available at the desk.

Every major farm organization in this country that understands the impact of this legislation is in support of the Bereuter-Obey amendment in opposition to the Torricelli amendment.

All we are asking the Members to do, by the adoption of the Bereuter amendment, is to keep the status quo. We are asking not to, under the guise of doing something else, not to reduce the amount of American agricultural products which we will be able to export to the Third World. We are asking the Members to stick to the status quo, stick to the agreement that we worked out between the various committees on the 1985 farm bill. We are asking the Members not to be misled by the false assertion that the issue before us is whether or not these countries will buy American or other goods.

Mr. Chairman, these countries are already buying far more American goods than the Torricelli amendment would require.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the

gentleman from Nebraska and the gentleman from Wisconsin, which would strike section 1303—including the cargo preference provisions—from this bill.

Mr. Chairman, this bill contains cargo preference provisions that I consider especially objectionable, and if my colleagues support policies that promote U.S. exports and a favorable balance of trade, you will find them equally obnoxious.

Section 1303 in this bill would require the recipients of U.S. foreign trade in the form of cash transfer assistance to spend an amount equal to the aid they receive on U.S. goods and services.

Section 1303 also would extend costly cargo-preference requirements to the commercial purchases of those countries that receive cash transfer assistance.

Now, supporters of this section of the bill say it would increase U.S. exports and increase jobs.

How?

Countries receiving cash transfers already buy more than 13 times in U.S. goods as they receive in cash transfer.

Egypt, for example, will receive an estimated $230 million in United States cash transfer in fiscal 1989.

Egypt bought $2.7 billion in United States goods in fiscal 1988.

Turkey will receive an estimated $60 million in cash transfers in fiscal 1989.

In fiscal year 1988, Turkey purchased $1.9 billion in United States exports.

In fact, the cash transfer recipients affected by this amendment bought $2.6 billion in agricultural exports alone in fiscal year 1988—more than four times what they received in cash transfers in the same fiscal year.

As I understand it, section 1303 has no provision that requires the cash transfer recipients to buy more U.S. goods than they do now.

So why is section 1303 necessary?

Well, it is not.

The underlying purpose of section 1303 is not to increase U.S. exports, but to extend cargo preference requirements to already existing commercial exports to cash transfer countries.

That would be disastrous for agriculture.

Because U.S. flagships charge nearly twice the rates charged by foreign flagships, cargo preference requirements make U.S. agricultural commodities more costly, making it difficult for our producers to compete with foreign suppliers.

Foreign nations faced with these cargo preference requirements will be forced to reduce their volume of U.S. agricultural purchases in order to pay for the more expensive shipping costs.

Or, more likely, they will turn to other nations for agricultural purchases and buy U.S. goods that do not require ocean transportation.

How bad would these cargo preference requirements be for agriculture?

Just ask the major agricultural groups of this country. They oppose these cargo preference requirements and support attempts to exempt agricultural commodities.

I am talking about the American Farm Bureau Federation, the North American Export Grain Association, the American Soybean Association, the National Grange, the National Rural Electric Cooperative Association, the Associated Milk Producers, the National Council of Farmer Cooperatives, and many, many more.

There agricultural groups are joined in their opposition to the section 1303 cargo-preference requirements by other exporting industries, including the National Coal Association.

I ask that complete list of these groups be printed in the RECORD.

In addition, I want to point out that section 1303 flies in the face of the agreement reached between agriculture and maritime interests in the 1985 farm bill.

Section 1303 would smash that agreement by extending cargo preference to USDA commercial programs, the credit guarantee and export enhancement programs, for example, specifically exempted by the farm bill agreement.

I also must question the wisdom of a policy that would, in effect, reduce the amount of cash transfer assistance by requiring a recipient nation to subsidize our merchant marine.

For this reason and others, the administration opposes this section of the bill.

Mr. Chairman, I want to close by saying that U.S. agricultural producers and exporters have worked hard to improve our standing in an incredibly competitive world market.

Section 1303 runs counter to our efforts to increase exports. It actually would discourage countries from buying our agricultural commodities.

I believe this cargo preference requirement is bad for agriculture, bad for our balance of trade, and bad for the countries that receive our foreign aid in the form of cash transfer.

I urge my colleagues to support the Bereuter-Obey amendment.

NORTH AMERICAN EXPORT GRAIN ASSOCIATION INC.

Washington, DC, June 19, 1989.

Hon. VIRGINIA SMITH,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSWOMAN SMITH: We understand that the Foreign Aid Authorizations bill only recently approved by the Foreign Affairs Committee may be considered on the floor of the House as early as Wednesday of this week.

We, the undersigned, take this opportunity to alert you to Section 1303 of that bill, which contains cargo preference provisions seriously damaging to U.S. agriculture and other U.S. industries reliant on waterborne shipping.

Section 1303, offered as an amendment in the Committee by Mr. Torricelli, purports to promote foreign purchases of U.S. goods by requiring that these countries currently or prospectively receive. In fact, these countries already purchase more than 13 times as much U.S. goods and services as they receive in ESF cash transfer assistance (see attached).

The Torricelli provision is unnecessary if its only purpose is to promote additional U.S. exports. In fact, the real purpose of the provision is to apply cargo preference requirements on the dollar value of ESF cash transfers provided to these countries.

The effect of the Torricelli provision would be particularly damaging to exports of U.S. farm goods and other U.S. products exported by sea, including coal, chemicals and many industrial products. Cargo preference applied to such sales under the terms of the provision would make it impossible for our U.S. exporters to compete with foreign suppliers, and would reduce the amount of money cash transfer recipient countries have to spend on U.S. products. Ironically, these are countries with which the U.S. currently runs a large and favorable trade balance.

The Torricelli provision runs counter to every major effort Congress has taken in recent years to enhance U.S. trade competitiveness. The provision would make U.S. waterborne exports more costly, lower export volumes, and provide incentives to foreign countries to purchase waterborne products from suppliers other than the United States.

The provision would apply cargo preference for the first time to commercial exports previously exempted by Congress from provisions of cargo preference law. In addition, it would expand application of cargo preference to include U.S. commercial credit and enhancement programs specifically exempted from cargo preference by the terms of 1985 Food Security Act.

We urge your strong opposition to this provision. We note that a similar provision offered by Mr. Torricelli to 1987 foreign aid legislation was turned aside by a substantial vote in the House.

We understand that amendments may be offered on the floor to delete or otherwise modify the Torricelli provision to make it less harmful to U.S. agricultural and other industrial interests. We urge you to study such amendments carefully and to support them if, indeed, they are consistent with the best interests of affected U.S. export industries.

U.S. agriculture and industry stand united in opposition to the Torricelli provision. The undersigned represent every segment of Nation's agricultural industry. We are joined by other major groups for whom waterborne shipments are essential for their sales abroad.

With warm regards,

Sincerely,

North American Export Grain Association.

American Farm Bureau Federation.

National Coal Association/Coal Exporters Association.

American Soybean Association.

The Fertilizer Institute.

Shippers for Competitive Ocean Transportation.

National Grange.

American Great Lakes Ports

Millers National Federation

VOL 135 PT 9 JE 14 — 22 1989 UMI

National Soybean Processors Association.
National Grain and Feed Association.
National Cooperative Business Association.
National Grain Trade Council.
Terminal Elevator Grain Merchants Association.
Protein Grain Products International.
U.S. Overseas Cooperative Development Committee.

LIST OF COOPERATIVE AND COOPERATIVELY RELATED ORGANIZATIONS OPPOSING SECTION 1303

U.S. Overseas Cooperative Development Committee.
National Cooperative Business Association.
Credit Union National Association.
Agricultural Cooperative Development International.
World Council of Credit Unions.
National Rural Electric Cooperative Association.
Volunteers in Overseas Cooperative Assistance.
National Farmers Union.
Blue Ridge Electric Cooperative Association.
North Carolina Association of Electric Cooperatives.
Wisconsin Electric Cooperative Association.
Lakes O'Lakes.
Minnesota Association of Cooperatives.
Washington State Council of Farmer Cooperatives.
League Insurance Companies.
CUNA Mutual Insurance Group.
Nationwide Insurance Companies.
Amalgamated Life Insurance Company.
National Cooperative Bank.
American Institute of Cooperation.
Cooperative Housing Foundation.
Housing Assistance Council.
National Association of Housing Cooperatives.
Federation of New York Housing Cooperatives.
National Council of Farmer Cooperatives.
Agway.
Associated Milk Producers.
CENEX.
CF Industries.
Countrymark.
Dairylea Cooperative.
Farmland Industries.
Growmark.
Harvest States Cooperative.
Indiana Farm Bureau.
International Cooperative Petroleum Association.
MFA Oil Company.
MCF Services.
Mississippi Chemical Corp.
National Cooperative Refinery Association.
Seald-Sweet Growers.
Southern Farmers Association.
Southern States Cooperatives.
Sunkist Growers.
Tennessee Farmers Cooperative.
Universal Cooperatives.
Farm Credit Bank of Baltimore.
Farm Credit Banks of Louisville.
Farm Credit Services of Omaha.
Farm Credit Bank of Spokane.
Farm Credit Banks of Springfield.
Farm Credit Services of St. Paul.
National Bank for Cooperatives.
Western Farm Credit Bank.
National Grange.
Mutual Services Insurance Company.
Wisconsin Federation of Cooperatives.
Mid-America Dairymen, Inc.
Blooming Prairie Warehouse.
Greenbelt Homes, Inc.
Ag Processing, Inc.
Group Health Cooperative of Puget Sound.
Garden City Cooperative.
Ohio Farm Bureau Federation.
Southern Cooperative Development Fund.

Mr. LENT. Mr. Chairman, I rise in opposition to the amendment.

The Chairman, the legislation before us today is the foreign aid bill. It is proper for the United States to provide assistance to nations less fortunate than ours, but I also believe that it would be desirable to provide that the taxpayers' funds which help other nations should also have a positive benefit to American business. The Torricelli provision would do that by simply requiring a country that receives a cash transfer to spend an amount equal to that cash grant to purchase U.S. goods and services.

We have heard some of the opponents of this section say that this provision will hurt American farmers. Nothing could be further from the truth.

This is not a fight between agricultural interests and maritime interests. This provision does not even impact the U.S. Department of Agriculture. It only affects the way that the Department of State handles cash transfers to foreign countries.

Currently the Department of State gives away over $2 billion in cash annually to other nations and does not require any accounting for the way that the money is spent by the recipient nations. In fact, we do not have any record of where this money has been spent over the years. I believe that section 1303 will benefit many American businesses, including American farmers and the American merchant marine, and since we do not have a "U.S. desk" at our State Department, this provision will ensure that U.S. aid will serve the dual purpose of helping the American economy at the same time it is helping other nations of the world.

It is important for Members of this body to know what the Torricelli provision does not do as well as what it will do.

It does not extend cargo preference to commercial exports.

It will not reduce agricultural exports.

It does not violate the 1985 cargo preference compromise contained in the farm bill of that year.

Section 1303 will ensure that foreign nations who receive U.S. cash aid, will use that aid to purchase American goods, including agricultural commodities, and U.S. services. It also will require that a portion of the goods purchased will be carried on American-flag vessels. This section also gives the President the ability to waive these requirements if it is important to the national interest to do so.

Mr. TORRICELLI's provision could benefit all sorts of American businesses. For example, a nation that is trying to build up its agricultural productivity might buy farm tractors built in Illinois. Another nation might buy schoolbuses built in Michigan or a third nation might want lumber from Washington.

The Torricelli provision would actually help American farmers. Currently, most of the foreign aid cash money given to less fortunate countries is not used to buy any U.S. grain. Members representing agricultural districts should strongly support this provision because it would result in the purchase of American farm products. Without this provision, some of these foreign aid cash grants will continue to end up in countries like Argentina, Canada, or France where less developed countries buy their grain using our American cash.

There is a requirement for shipping half of any goods purchased in the United States on American ships—but it is important to realize that this is half of something that today is zero under the current program because no goods at all are being purchased.

One thing I think ought to be straightened out, I think, because it has been said incorrectly. The proponents of the amendment to delete the Torricelli provision claim that it would reduce exports of American goods to nations that receive cash transfers because the nations import 13 times as much in American goods as they receive in cash grants. That is an interesting bit of information but it is totally unrelated to what this bill is all about. That is a classic example of mixing apples and oranges and using statistics in an attempt to cloud over the facts. Those imports they mention are private commercial transactions that have nothing to do with the receipt of U.S. Government cash grants to foreign governments. The requirements of section 1303 will not affect those private imports at all.

Consequently, I strongly support the provision authored by Mr. TORRICELLI and oppose any effort to delete this provision or to modify it to remove the requirement for shipping some of these goods on American merchant vessels.

1520

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LENT. I am happy to yield to the gentleman from Wisconsin, if I have time.

Mr. OBEY. Mr. Chairman, I would like to suggest that the gentleman is in error when he suggests that this does not apply to commercial exports.

The language of the Torricelli amendment makes quite clear that it does.

Mr. BERMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the Bereuter amendment and in opposition to the provision in the bill drafted by my friend and colleague, the gentleman from New Jersey [Mr. TORRICELLI].

It is very important I think for the Members to understand that there are two parts of this amendment that the gentleman from Nebraska [Mr. BEREUTER] seeks to strike. One part has absolutely no effect on anything. That is the part that talks about using cash ESF grants to purchase U.S. products.

These countries that are recipients of this cash assistance who purchase something like 13 tons more in U.S. products have for our purposes and our point of view a favorable balance of trade for us and a negative balance of trade for them.

The real agenda here deals with cargo preference. All I can say with regard to that is when we apply that to the cash ESF, to the foreign assistance program, we are talking that part of this budget which has suffered the most in the wake of Gramm-Rudman-Hollings, which has been cut the most, which is designed to help the poorest of the poor countries, our allies, and to move the peace process in different parts of the world forward. We are deciding to protect the merchant marine industry in this country on that one program.

There is no doubt in my mind that the merchant marine industry has an important and meaningful national security question involved. How do we sustain such an industry? We should not be sustaining it on the backs of an already beleaguered and besieged part of the budget which provides vital assistance to poor countries. We should be coming forth with funds and a system of subsidies or enhancements for protection straightforwardly, through the budget, through the transportation budget, through the Department of Defense budget, but not in the pretense that we are meeting our foreign assistance goals through this amendment.

It is for that reason that I urge my colleagues to look very carefully at this. This is not a buy U.S. products amendment that we are trying to remove from this bill. It is an effort to substantially reduce the impact of an already beleaguered foreign assistance program.

I urge an "aye" vote for the amendment.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Bereuter amendment.

Mr. Chairman, I rise in strong support of the Bereuter amendment. I think it is very unfortunate to impose cargo preference on some of the poorest countries in the world which will have the inevitable effect of raising the cost of food that they need.

Really what we are doing is we are subsidizing our merchant marine. That may not be a bad idea, but not on the backs of some of the most malnourished people in the world. To add to the cost of the food that economic support funds will purchase is a serious mistake.

In the Food-for-Peace Program we have this cargo preference system, and what it does in effect is take a bite out of the food that people are getting up to $150 million a year. If we want to subsidize our merchant marine, and I am certainly not against that, let us do that straightforwardly, honestly, by having a subsidy. Let us vote for that and see if we can come up with the money for it. But let us not take money from economic support funds that are going to some of the poorest countries in the world, in Africa, in Asia, in other parts of the world, and say to get this food you have got to ship it in American ships.

That is a fine idea and it has a certain ring to it, but what it means is it is going to cost 75 percent more to get this food. That ought not to be a burden on this program which is dedicated to helping some of the poorest people in the world.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to my friend, the gentleman from New Jersey, who surprises me that he wants to burden so many malnourished people with subsidizing the merchant marine industry.

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding, because he may be far less surprised with the explanation. Certainly the gentleman knows first those countries that have the foreign aid program of $10 million or less, many of the poorest nations, include some of those in Africa.

Mr. HYDE. If I may recapture my time on that point, excuse me, but the number of those countries is zero. There are no countries getting cash economic support funds below $10 million, at least that is what I am told by our experts.

So now I yield back to the gentleman to go on to his next point.

Mr. TORRICELLI. If the gentleman will yield, indeed there are several countries, and I will be happy to provide the gentleman with a list of those countries.

Mr. HYDE. Somalia is certainly not one of them.

Mr. TORRICELLI. Is the gentleman yielding?

Mr. HYDE. Yes; I am sorry.

□ 1530

Mr. TORRICELLI. The principal problem, however, with the gentleman's analysis is he suggested that it costs 75 percent more to use an American ship to deliver American foreign aid versus a foreign ship. My information, which I believe the gentleman heard in committee, was confirmed by AID, and it is that indeed in the most recent contracts to Egypt for American grain an American ship costs $35 per ton, a foreign ship costs $33.50 per ton. Indeed the efficiency of the American ship has been increasing by more than 10 percent a year. So the 75-percent figure I think indeed is more like 10 percent.

I thank the gentleman for yielding.

Mr. HYDE. I disagree with the gentleman's percentages, but at least he concedes it costs more to ship in American bottoms than any other that are available and that cost is going to have to be paid for out of the economic support funds, which means less food, I will not say on the table, I will say on the floor of some of the places where these malnourished people are going to eat it.

I am all for a strong merchant marine, but let us do it up front and not take it out of a program that is designed to feed the poor and the hungry.

Mrs. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentlewoman from Maryland.

Mrs. BENTLEY. I thank the gentleman for yielding.

Mr. Chairman, I hate to call the gentleman to task on this, whom I have great respect for.

Mr. HYDE. So do I.

Mrs. BENTLEY. But when you are talking about $1.50 different on a ton of grain, just think of the differential in your pay and the pay in the Houses of Representatives of those poor countries.

Mr. HYDE. The picture that I get in my mind is of some poor starving families grubbing for some grain that costs more because we are preferring American bottoms to the cheaper ones.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I simply point out that, in fact, the cost differential for cargo preferences is far higher than has been indicated on this floor. In many cases it exceeds 20 and 25 percent. That is a substantial bite to take out of foreign aid.

The other point I would make is that any cargo shipped under cargo preference automatically cannot be shipped out of Upper Midwest Great

Lakes ports, which cuts out entire reaches of the country.

Mr. ACKERMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Bereuter amendment in support of the Torricelli amendment and the committee bill, and in total confusion of how people could stand up in the well for 1 minute this morning and criticize the decision of the U.S. Supreme Court and then come here on the same day in the afternoon and trash the American flag for the sake of $1.50 a ton or any other price.

Mr. BATEMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the pending amendment.

It is my hope not to consume the entire 5 minutes, but I do rise in opposition to this amendment. I do so regrettably because I represent farmers who produce grain for export; I represent shippers of other commodities that flow through the great port of Hampton Roads, which my district abuts. But I have to rise in opposition to this amendment because of a concern for something with overriding importance to my country and to all of my constituents.

And that thing which requires me to do that is to do something to make it possible for there to be at least a survival of what remains of the American-flag merchant marine. There is precious little of it left.

Within the next 5 to 10 years under present trend lines that have developed over the past 10 or 15 or more years we will have no American-flag merchant marine whatsoever. I have been a Member of the Congress now since January 1983, and I have never heard anyone rise on the floor of this House who did not say that it was important that we maintain an American-flag merchant marine. I have never heard anyone rise and say that they were anything other than for an American-flag merchant marine.

But in the 7 years now I have been here, we have not done a cotton-picking thing to develop an American maritime policy that assures that there will be a continued American-flag merchant marine.

This is one opportunity, not the best way, not the hoped-for way that we would develop, but to this day virtually the only opportunity that I have to try to do something that would shed a little light and a ray of hope for the continuance of some American merchant marine.

Why should there be an American merchant marine? Why is it important? It is important to the national security of the United States of America where the Joint Chiefs of Staff, where our NATO commanders tell us that our most serious shortfall in national security is our lack of sealift in the event of an emerging war and the ability to sustain our troops in the field.

We must have an American-flag merchant marine, but it is disappearing unless we do something as a Government to encourage it.

Why should we fail to support an American merchant marine and be concerned that our shipping costs may be somewhat higher that those of many other flag vessels of other nations? We should not really be concerned if we want an American merchant marine because if you are aware of the fact that there is no maritime power on the face of the Earth that does not subsidize its merchant marine. If we choose not to do thing in this kind of a modest way at least, then reconcile yourselves to the disappearance of American-flag carriers on the oceans of the world. This is the only recourse that we presently or foreseeably have.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. I yield to the gentleman from New Jersey.

Mr. TORRICELLI. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Illinois [Mr. HYDE] asked a legitimate question, whether indeed the provisions to ensure that the poorest of nations were exempted indeed had any meaning. He suggested no nations would be impacted. Indeed he asked for the list and the list is as follows: Kenya, Ecuador, the nations of the South Pacific region, Chad, Thailand, Djibouti, and the Caribbean region.

So indeed some of those poorest of nations, despite the fact that we would like those dollars spent in America, and despite the fact that we lack a merchant marine, have been exempted. I wanted the gentleman to have his answer.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Speaker, I say to the gentleman that presently we subsidize the merchant marine to the tune of $120 million to $150 million a year by the Food for Peace Program. The people of this country do not understand that they are subsidizing the merchant marine, but we are. It is a compromise that we have reached.

I say to the gentleman if there needs to be more subsidy, why do not the people who want that subsidy come directly and put it on before the Congress directly instead of taking it out of the SF funds?

Mr. BATEMAN. Believe me, in response to the gentleman's inquiry, the members of the Committee on Merchant Marine and Fisheries of this House struggle with that virtually every meeting that we have and get nowhere because there has never been a willingness on the part of this body and the other body to come together and enact any comprehensive maritime policy for the United States of America. The gentleman mentioned Food for Peace and the other problems where there is a cargo preference: the merchant marine is disappearing steadily.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Bereuter amendment.

Mr. Chairman, I remind my colleagues that in 1985 in the farm bill we worked with members of the Committee on Foreign Affairs and the Committee on Merchant Marine and Fisheries to reach a compromise, one that was not satisfactory to either side, I might add, particularly agricultural side, but we reached a compromise that applied cargo preference to food aid but not commercial sales. The Torricelli amendment goes beyond that agreement in a very significant way because it provides that countries receiving cash transfer assistance spend an amount equal to the amount of cash transfer to purchase U.S. goods and services and that includes agricultural commodities.

Under the Torricelli provision the President, and get this, this is in the bill, my colleagues, the President must ensure that the purchases and ports of departure for these purchases are distributed equally, equally, throughout the United States.

□ 1540

It further goes to say that it must make certain that the United States' goods which are available in the United States at fair prices for such goods.

Now, anyone that understands our agricultural marketing system knows that that is going to guarantee a paperwork monstrosity. Tremendous costs will be involved in living up to the letter of those four sentences, on page 62 of the bill; tremendous amount of cost.

Now, up until now, food aid, we agree, has cargo preference. At least 75 percent of the U.S. food aid must now be sent on U.S. ships. There has been a number of problems in obtaining the right number of ships, the right type of ships, and in scheduling the right coastal range so that the commodities could arrive on time. Timing of arrival is crucial. Cargo nations and concessional programs go no further when they arrive during the harvest time of recipients' countries. If they are damaged or destroyed, the matter is litigated. However, the protective nature of our cargo preference law, as it applies to food aid, means that the very same American ships which may continuously damage com-

modities are continuously eligible, guaranteed, to carry future shipments. Now, this would be the case on commercial sales if this amendment does not carry, the Bereuter amendment.

I ask my colleagues to take a good hard look, certainly, when Members bring the flag into question. I sort of resent that remark because we are not talking about a fight between the merchant marine and agriculture. We are talking about how to get the most bang for our buck. I, too, want to say, if we need to do more for our merchant marine, let Members do it openly, honestly, and free debate on the floor of the House. Let Members not do it through the back door.

Mr. Chairman, I yield to my colleague from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding.

I would like to point out some very wrong figures that have been peddled. AID point out the differential between cargo preference and noncargo preference cargo, for AID, in fiscal year 1988 was $33 per ton versus $58 per ton. That means they are raising the cost of shipping by 70 percent for AID-shipped cargo. That is wrong from the standpoint of farmers, taxpayers, and aid recipients, and we ought not to do it.

Mr. STENHOLM. Mr. Chairman, I totally agree with my colleague's statements. The numbers of cost are significant: 20, 25, 50 percent, whatever the number, it is a significant increase in cost which defeats the purpose of the program we are debating today, and it does so unnecessarily. However, please read the language of the bill. If Members do not think it will be costly, watch and see who will implement some of the language on page 62 of this, without costing ourselves an arm and a leg.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Bereuter amendment. Mr. Chairman, it is with deep regret and a sense of personal disappointment that I must disagree with my good friends on this side of the aisle, more specially, the gentleman from Virginia [Mr. BATEMAN] whose district I have been to, and in regards to his concern, understandable concern, for the U.S. merchant marine and the need to maintain a viable and strong U.S. fleet.

I know that I am committed to that goal. We tried to work with these folks several years ago to go directly to the Reagan administration and provide those funds up front. That is not the issue. With all due respect to the gentleman from New Jersey [Mr. TORRICELLI], and the well-intentioned folks who represent the maritime industry so well in this body, we have been down this road before. It is a trip we should not be taking again.

It seems as if those who want to expand, and I want to stress expand, cargo preference are somewhat like foggy nights and poltergeist movies, "They're back," regardless of past agreements or counterproductive results to other parts of the economy namely the farmer.

This amendment comes without hearings. It is opposed by the administration, it is opposed by virtually every agricultural organization and export group. We went through this same chapter, same verse, same scenario back in 1987 when we exempted agricultural exports. I thought we struck a compromise.

As a matter of fact, I think if Members will recall, the gentleman from Oklahoma [Mr. ENGLISH] and this gentleman from Kansas during the 1985 farm bill debate, we tried to amend the cargo preference laws. The Congress spoke. We were defeated. We struck a compromise. We said, let the Members work together, and yet here we come again.

My colleagues, the legislative compromise of those earlier debates answered the concerns and wishes of both sides to the extent we could. How many times do we have to go through this exercise? Enough is enough.

Additional exports? Buy American? Most of the countries involved, as has been pointed out by the gentleman from Wisconsin, already purchase U.S. goods and services at a level 13 times greater than the aid that they receive.

The real impact, the real purpose of this amendment will be to impose cargo preference on U.S. sales already being made to these countries. It will not increase those sales. As a matter of fact, it will decrease sales. The countries paying for the higher cost of shipping will have less money remaining to buy U.S. goods.

In fact, I doubt if the amendment would really provide much, if any help to the U.S. merchant marine. The cash transfer of countries will focus on goods and services not transferred by sea.

Who will be affected? I will tell Members who will be affected: U.S. producers of ocean carried goods who must compete with foreign suppliers, meaning agricultural exports, coal, oil, chemicals, machinery.

Mr. Chairman, this amendment breaks the compromise reached by agriculture and maritime interests back in 1985. It expands cargo preference to cover agricultural exports deemed exempt in the 1985 farm bill.

Before Members vote, read the supplemental views by the gentleman from Indiana [Mr. HAMILTON] and the gentleman from Nebraska [Mr. BEREUTER]. Before Members vote, read the figures in regard to the agricultural exports to the 13 countries, and let Members vote for the Bereuter and Obey amendment.

Mr. MILLER of Washington. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the cargo preference provisions in this bill, and in opposition to the amendment offered by the distinguished gentleman from Nebraska [Mr. BEREUTER] for whom I have the greatest respect.

U.S. cash assistance as a component of foreign aid has grown dramatically in the last decade. I think that is something we have got to understand.

Years ago, decades ago, a high proportion of U.S. economic aid came in the form of equipment with Made in the U.S.A. labels, or food with the U.S.A. label. Today, a higher and higher proportion of our aid comes in the form of a check, a cash transfer payment.

It is time, Mr. Speaker, to encourage recipients of U.S. economic aid to purchase in kind U.S. goods and services, including shipping. With the exception of an agreement with Israel, no such stipulation currently exists.

Our foreign aid has many purposes, one of which is economic self-interest. U.S. aid programs can help underdeveloped nations become our trading partners, providing important markets for American goods and services. The cargo preference provision will help to do exactly that. We want to help our country. At the same time, we want to help ourselves, and I might add, develop a broader base among the American public of support for the foreign aid program. Countries which receive U.S. cash aid should use American-flag vessels to transport a portion of goods, products and agricultural commodities.

I urge Members to oppose the amendment to delete this important provision.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me disabuse those Members who think it is merely an agricultural problem posed by the gentleman from New Jersey [Mr. TORRICELLI's] language.

All Members whose districts produce coal or any sort of bulk product that is sold on the export market are threatened by the language in the bill and should vote for the Bereuter-Obey amendment to remove that language.

I represent a coal district, and I am telling Members, Members are threatened with this language, the coal export business that our Nation has now growing and producing those mine working jobs in the coal mines of America.

□ 1550

I do not want to see those coal miners thrown out of work by lan-

VOL 135 PT 9 JE 14 — 22 1989 UMI

guage which might favor the maritime industry. As has been said, if we want to help the maritime industry, let us bring it on the floor in an honest way, lay it on the table, and then we will debate it, but we should not attempt to take jobs from the agricultural community and from the coal mining community and the fertilizer industry, and so forth, with this kind of an around-the-horn effort.

Any requirement which would cause U.S. coal exports to become confined to the holds of U.S. bulk carriers would seriously harm the competitiveness of the United States in world markets. It is not peanuts, because, for example, Turkey, which would be affected by this language, buys 89 million dollars' worth of coal, Portugal buys $35 million. Egypt buys $19 million, and so on, and so forth. These are countries receiving the ESF funds and which would be affected by the Torricelli language.

The reason is simple, Mr. Chairman, and it is summarized very quickly by citing three interrelated facts. First, it is clear that competition is vigorous among coal producing countries. The need for U.S. coal to increase its competitiveness is aptly illustrated when we realize that in the late 1980's our coal exports have been in the range of about 80 to 90 million tons per year. At the beginning of the decade we were exporting more than 100 million tons annually.

Second, it is obvious that to be more competitive it is imperative that we hold down the delivered price of U.S. coal, a price which has two elements—the mine price and the transportation costs. U.S. coal producers have greatly increased their productivity in the 1980's to the point where coal mining productivity has leaped by 70 percent and prices of coal at the mine have dropped an average of more than 30 percent in this decade.

So our capability to be competitive in regard to coal production is proven and is a reality in today's markets. Consequently, it is critical that we seek to hold down the other components of coal's delivered price, namely transportation costs. If we do not, we will destroy the significant productivity gains in America's mines.

Finally, we know that ocean rates are a key part of the costs of transporting coal to overseas markets. The sure way to hold down those rates is to foster, not to stifle, competition among bulk carriers engaged in coal trade. U.S. shipping is more costly with regard to ocean freight rates. Thus, to require that U.S. coal exports be transported in U.S. vessels would substantially reduce transportation competition, raise the cost of transporting our coal in the world, and impair our competitiveness and lose American jobs.

Mr. Chairman, I urge support of the Bereuter amendment.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Bereuter amendment.

Mr. Chairman, I would like to emphasize, as has been stated already several times, that the administration strongly opposes the provision in the bill that the Bereuter-Obey amendment would strike.

We already do have a cargo preference rule. It applies to the Food for Peace Program, and as has been pointed out already, it costs us between $100 and $150 million a year, or roughly 10 percent of that entire budget.

The gentleman from Texas [Mr. STENHOLM] talked about getting more bang for our buck, and I can tell the Members that if we do not agree to the Bereuter amendment we will get less bang for our buck, and I would suggest, in more than one way. One way is that it will cost us more to do what the Torricelli language would have us do.

Second, I think that when it becomes known that we are paying through the foreign aid bill to subsidize the merchant marine, as worthy as that is in and of itself, we are going to have less support, not more, for the foreign aid program. I would like to emphasize again, because I think it is very important here, that AID-financed cargoes—and we have had experience in that, because we are doing it, as I have pointed out—cost an average of $58.79 a ton on U.S. ships in 1988, compared to $33.17 per ton on foreign flag ships at international rates. That is 75 percent higher.

The gentleman who just spoke in the well talked about the fact that this would effect the export of coal, and I think that is true. It would not only affect U.S. farm products, but it would affect such things as coal, fertilizer, and other ocean carried goods. Those items would be particularly hard hit.

I would suggest that one of the ways we are going to be able to at least partially offset the cost of imported oil is by exporting coal, and to the extent that this Torricelli language affects that, we are going to be further behind in that effort. It is true, and I would agree with everyone who has spoken on this, that the merchant marine in this country is in bad shape, and I think it is also true that we need to do something about it.

Mr. Chairman, the merchant marine probably does require some kind of subsidization, but let us not do it through the foreign aid bill.

Mrs. UNSOELD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment and in support of the original Torricelli provision as it occurs in the bill.

Mr. Chairman, many of my constituents look about their districts and they see the homeless, they see our failure to increase the minimum wage, they know we are unable to have long-term health care, we have no family leave and no child care, and they ask: Why should we have any foreign aid.

Indeed, American taxpayers are having difficulty understanding why we want to assist other countries without it also benefiting us. The value of the Torricelli provision is that it restores that balance between both assisting those countries that have less than we do and providing assistance by bringing much of that business back to the United States.

The Maritime Trades Department of the AFL-CIO, representing 43 national and international unions, composed of 8.5 million workers, urges the support of the Torricelli provision. This provision would mandate those countries receiving more than $10 million per year in cash aid to spend an equal amount of those funds on U.S. goods and services. In fact, many U.S. aid recipients today use that cash assistance to purchase goods abroad. That is what our American people cannot understand.

It is too difficult to justify to the American taxpayers, workers, and farmers who see this U.S. assistance sent overseas and see us reaping no benefits here at home.

No longer are there guarantees that the U.S. economy will benefit from the generosity of the American people to our foreign friends. It is time that we reverse this trend and encourage the recipients of U.S. economic aid to purchase in kind U.S. goods and services. Economic assistance should be multipurposed, benefiting those nations less fortunate than the United States, as well as American industries and agriculture here and the many thousands of U.S. citizens working in those manufacturing plants and on those farms.

Mr. Chairman, endorsement of the cash transfer restrictions will restore U.S. economic aid to its original purpose. I urge the Members to oppose this amendment and support the Torricelli provision.

Mr. BROOMFIELD. Mr. Chairman, I rise to see if we may get an agreement to end debate on this particular amendment.

Mr. Chairman, I move that we limit the debate on this amendment to 20 minutes, 10 minutes on each side, to conclude debate on this particular amendment under discussion.

The CHAIRMAN. The Chair will state to the gentleman that the gentleman may not divide time in his motion. The Chair can divide the time.

The question is on the motion to limit debate on this amendment and all amendments thereto to 20 minutes.

Mr. SMITH of Florida. Reserving the right to object, Mr. Chairman, do I understand that this is a motion?

The CHAIRMAN. This is a motion. The Chair will restate the motion.

The motion is to limit debate on this amendment, and all amendments thereto, to 20 minutes.

The question is on the motion offered by the gentleman from Michigan [Mr. BROOMFIELD].

The motion was agreed to.

The CHAIRMAN. The Chair will divide the time, 20 minutes, between the gentleman from Michigan [Mr. BROOMFIELD] and the gentleman from Florida [Mr. SMITH]. The gentleman from Michigan [Mr. BROOMFIELD] will have 10 minutes, and the gentleman from Florida [Mr. SMITH] will have 10 minutes.

□ 1600

The Chair will state to the gentleman from Michigan [Mr. BROOMFIELD] that he will recognize the gentleman from Nebraska [Mr. BEREUTER], the author of the amendment, for the 10 minutes, if the gentleman from Michigan [Mr. BROOMFIELD] wishes.

Mr. BROOMFIELD. Yes, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Nebraska [Mr. BEREUTER] seek recognition at this point?

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. SCHUETTE].

Mr. SCHUETTE. Mr. Chairman, I rise in support of the Bereuter-Obey amendment to remove section 1303 from this bill.

Mr. Chairman, I have no quarrel with the maritime industry; just let us not take it out of the hide of American agriculture. I believe in a strong maritime industry for this country, however, if we have problems that need to be solved, let us not do it at the expense of farm families or coal miner families across this land.

Mr. Chairman, we have seen American agriculture come back after tough years, embargoes, droughts. Let us not make American agriculture uncompetitive, and let us not create a tilt of an unlevel playing field for American farmers at a time when farm programs in this country are going down.

As my colleagues know, industries are experiencing an export surge. Let us not expand the trade deficit at a time when we need to bring it down.

I urge my colleagues to support the Bereuter-Obey amendment in support of farm families and coal miner families across this country.

Mr. SMITH of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I thank my distinguished colleague, the gentleman from Florida [Mr. SMITH] for yielding this time to me.

Mr. Chairman, I rise in support of the Bereuter amendment, and this is a very difficult one for me and those of us who are supportive of the merchant marine that have been on their side and continue to be on their side.

However, Mr. Chairman, this is not the way to legislate. This is really not the way to help our merchant marine off the backs of American producers and American industry, and for that reason I would hope that the Members would continue supporting the agreement that is in place that was reached during the 1985 Agriculture Act and support the Bereuter amendment.

Mr. Chairman, I rise in favor of the Bereuter amendment to exempt agricultural commodities from the provisions contained in the proposed new section 1303 of the Foreign Assistance Act of 1961, as it would be added by section 101 of H.R. 2655, the International Cooperation Act of 1989.

Section 1303's cargo preference requirement for countries receiving cash transfer assistance would make U.S. agricultural exports more expensive for this handful of Third World nations. In the process it would undermine our hard-won efforts to recapture export markets for U.S. farmers that began with the enactment of the Food Security Act of 1985. And finally, section 1030 will in effect encourage—if not force—countries receiving cash transfer assistance to turn to our export competitors for their food purchases.

Mr. Chairman, I would like to take a few minutes now to provide my colleagues with background on this isuse and why we need to exempt agricultural commodities from section 1303.

Congress has dealt with the cargo preference issue before, although in a different context. During the 1985 farm bill conference an ageeement was reached between the House and Senate Committees on Agriculture and the House Committees on Foreign Affairs and Merchant Marine and Fisheries which applied the cargo preference requirement to U.S. food aid shipments but not to commercial sales.

That agreement is current law.

However, section 1303 for the first time makes commercial sales subject to cargo preference. Enactment of this provision would be contrary to the agreement reached in 1985. Commercial agricultural sales financed under U.S. Department of Agriculture credit guarantee programs and other programs designed to make our exports more competitive in the world market were specifically exempted from cargo preference by the terms of the 1985 agreement.

We cannot keep changing our mind over the cargo preference issue. We cannot keep sending mixed signals to our Nation's farmers about our commitment to assist them in exporting their products. And we certainly should not undercut these Third World countries' food buying power or force them to look elsewhere for their food purchase needs.

Since section 1303 would apply to countries receiving economic support fund [ESF] assistance, let's take a look at these countries and how important our agricultural trade is with them. And let's also consider the situation these countries face in terms of their own burdensome foreign debt obligations.

Fifteen countries received $550 million in economic support fund [ESF] assistance in fiscal 1988—Bolivia, Costa Rica, the Dominican Republic, Egypt, El Salvador, Guatemala, Honduras, Ireland, Pakistan, the Philippines, Portugal, Senegal, Somalia, the South Pacific, and Turkey.

U.S. agricultural exports to these same countries—which ESF assistance helps generates—totaled more than $2.6 billion.

Our agricultural exports to most of these countries were significantly higher—overall, five times higher in fiscal 1988—than the ESF cash transfer assistance involved.

These markets are growing. Third World countries—the developing nations of the world—are the largest growing market for U.S. agricultural commodities. For instance, our agricultural sales to Pakistan in fiscal 1989 are expected to increase by more than $200 million; it will be a $55 million increase for the Philippines; and $100 million in additional sales to Egypt.

But while our agricultural trade has improved, we must remember how fragile these countries' economies are due to their burdensome foreign debt obligations. According to the World Bank, the 15 ESF cash transfer countries are holding more than $172 billion of foreign debt.

At a time when many of us here in Congress and the administration are trying to find solutions to the Third World's debt problems, section 1303 would impose an additional burden on these countries—one that is not their fault and over which they would have little control. Section 1303 would impose a burden that hurts literally millions of people.

If we do not approve the Bereuter amendment, we will substantially increase the transportation costs involved in moving agricultural commodities. We will seriously undercut these countries' food buying power. And in the end, the American farmer will lose export markets.

Mr. Chairman, I have become very familiar with the Third World debt issue and its effects on agricultural trade over the past year.

Last month I chaired an Agricultural Committee hearing on the Third World debt issue where the Secretary of Agriculture, Clayton Yeutter, said, "Developing country importers incur additional foreign exchange costs of about $2 billion annually due to the policies of industrial countries."

Let us not add another problem on top of those already before these 15 Third World countries. They are our friends and trading partners. Let us instead work together to ensure that they can continue to purchase competitively priced food and resolve their debt problems. This is what is good, not only for U.S. agriculture, but for the entire United States and world economies.

I urge my colleagues to support the Bereuter amendment to exempt agricultural commodities from the cargo preference clause contained in section 1303 of the bill before us today.

Mr. Chairman, I yield back the balance of my time.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise to express my strong opposition to this ill-conceived amendment which will strike the language in section 1303 of H.R. 2655.

Let me briefly address and clarify some of the issues raised during this debate on section 1303.

Mr. Chairman, the purpose of section 1303 is quite simple: it will require a foreign nation receiving United States cash aid to purchase an equal amount of United States commodities and to transport 50 percent—not 100 percent—of those goods on United States flag vessels.

This is not a new or a radical idea. In fact, the Government of Israel has been complying with the spirit of section 1303 since it voluntarily signed an agreement with the United States in 1978.

By enacting section 1303 in its current form, we can tell our constituents, when they ask about foreign aid, that this year we made a difference. We required that there be benefits for not only the recipient nation but also such vital United States industries as agriculture and maritime.

Mr. Chairman, I am also convinced that this language will in the future help build popular support for the foreign aid program.

While I would have supported a cash transfer requirement that applied to all nations, the authors of this modest proposal have already established sufficient exemptions for certain purchases and countries. These include: Allowing a recipient nation to use cash within its own country; exempting any nation receiving less than $10 million in United States cash aid; and giving the President waiver authority when important to the national interests.

In addition, section 1303 stipulates that the cash transfer requirement benefit all four seacoasts by requiring the equitable shipment of goods and services purchased with U.S. cash aid from our East, West, Gulf, and Great Lakes port ranges. In short, this requirement will provide major economic benefits for ports throughout this Nation.

Mr. Chairman, those are just some of the benefits of the cash transfer requirement. Now, I would like to highlight what section 1303 does not do.

First, it does not extend cargo preference to commercial agricultural exports. We are talking about requiring that 50 percent of those goods and services purchased with U.S. tax dollars, which are public not private funds, be transported on U.S.-flag vessels. In no way does section 1303 subject any commercial sales to our U.S. cargo preference requirements.

Second, section 1303 will not reduce agricultural exports. In fact, it will significantly increase them because it will stop foreign nations from taking their United States cash aid and spending it abroad. I would ask my colleagues from the farm States to consider the following:

We give Costa Rica 10 times more aid than Canada does. Yet, they import six times more wheat flour from Canada than from us; and

Similarly, United States aid to the Philippines is almost 200 times what it receives from France, yet the Philippines imports 4 times more wheat flour from France than from the United States.

It is my firm belief that U.S. cash aid—which is the product of the hard work of the men and women of our congressional districts—should be spent in the United States. If you want to increase, not decrease, U.S. agricultural exports, then vote no on this amendment.

Third, section 1303 does not violate the letter or the spirit of the Cargo Preference Compromise of 1985. Cash transfer is not an export program of USDA or the Commodity Credit Corporation and is, therefore, not within the scope of the Cargo Preference Compromise.

As someone who was intimately involved in that 1985 effort, I can categorically state that this language does not change any aspect of that agreement. To suggest otherwise is a gross misstatement of fact.

Fourth, United States shipping rates are not two, three, or five times more expensive than foreign rates. In fact, they are quite competitive. In 1988, United States-flag rates for bulk commodities to Israel were about $25 per ton, while Israeli vessels charged $24 per ton and third country-flag vessels charged $22 per ton. U.S.-flag vessels will transport cash transfer cargo at cost-effective prices.

Finally, every time we debate the issue of cargo preference, we hear opponents argue that this is not the time or the proper vehicle for consideration.

Mr. Chairman, I am tired of those arguments. When is the proper time? When our fleet is down to its last vessel? When one U.S. shipyard remains open? When one lone U.S. maritime worker is prepared to go to sea?

During the past 40 years, our merchant fleet, once the largest in the world, has declined from more than 1,300 ships to fewer than 350 today. By contrast, the Soviet Union's merchant marine fleet is about 3,000 vessels.

And despite the fact that the United States is the largest trading nation in the world, our market share of international trade transported by U.S.-flag vessels has declined dramatically from over 50 percent in 1945 to less than 5 percent today.

Mr. Chairman, this precipitous decline can be further demonstrated by the fact that the Soviet Union carries more of our Nation's cargo overseas than we do. In fact, the Soviet Union even carries nearly 50 percent of all mail postmarked in the United States, while our domestic carriers transport a mere 12 percent of it.

I think that is a national disgrace, and the President's Commission on Merchant Marine and Defense thinks that "there is a clear and growing danger to our Nation's security in the deteriorating condition of America's maritime industries."

Mr. Chairman, the day of decision has arrived. It is time for Members to stop talking and start doing something positive for the U.S. maritime industry. This time our rhetoric must match our vote.

By rejecting this amendment, we will help, not hurt, U.S. farmers, U.S. ports, U.S. taxpayers and, yes, even the U.S. maritime industry.

Today, we have a unique opportunity to assist, at no cost to the U.S. taxpayer, two vital U.S. industries—agriculture and maritime—by rejecting this amendment. Without the cash transfer requirements in section 1302, there won't be any cargo to argue about and, without cargo, there soon will be no U.S. maritime industry. In simple terms, what we are talking about, Mr. Chairman, is a 100-percent requirement for U.S. agricultural products and a 50-percent requirement for U.S. maritime. This vote will be one of the most important we cast this year.

Mr. Chairman, I urge my colleagues to join with me, the National Farmers Union, the National Farmers Organization, the American Agricultural Movement, and the AFL-CIO Maritime Trades Department, which represents 8.5 million workers, by voting no on this ill-conceived amendment.

Mr. SMITH of Florida. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman from Florida [Mr. SMITH] for yielding this time to me.

Mr. Chairman, I want to say that I think this amendment is a bad amendment. The Torricelli language is very correct, it is up front, it is very fair.

Why should we once again be the patsies in the eyes of the world? When Japan gives foreign aid, they insist that the country that is the recipient of that aid has to buy those goods either in the country that receives the aid; in other words, they keep the money in that country, or they buy it from Japan and they ship all the aid on Japanese ships. It is the same way with Germany; it is the same way with France.

Mr. Chairman, my colleague from Texas [Mr. FIELDS] made that point. We are the only nation that does not have that requirement, and the Torricelli language at least gets us halfway there.

My colleagues know that I think American taxpayers are very generous. We have been very generous over the years, and I think foreign aid is very important. But what is wrong, what is wrong with making sure that that foreign aid, should it leave that recipient country, helps our businesses, helps our maritime industry? What is wrong with that?

Mr. Chairman, we need a level playing field, and I think the Torricelli language gives us at least the start toward a level playing field.

So, I think it is very important to send a very clear signal to the world that we are not going to be patsies, that we are going to help our businesses in this country, that we are going to, yes, help our maritime industry and those who say they are willing to help our maritime industry, but do it later. I say, "Why wait? We can do it today."

Mr. Chairman, we ought to do it proudly. I think it is the right thing to do, and I hope we defeat this amendment.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I rise in opposition to the Bereuter-Obey amendment to section 1303 of H.R. 2655, the International Security and Development Cooperation Act of 1989. Section 1303 is a pro-American approach to our foreign aid program.

Opponents charge that section 1303 is an extension of cargo preference to USDA commercial programs—the credit guarantee and export enhancement programs—those programs exempted by the farm bill agreement, and that it takes the dangerous step, for the first time, of extending cargo preference to commercial cargoes.

Mr. Chairman, I want to stress to my colleagues that nothing is farther from the truth. Cash transfer payments are taxpayer dollars provided by our Government to another government. They are not—I repeat—not commercial transactions. Let's not be fooled by misleading statements to the contrary.

Under the current scheme of things, recipient nations are not required to spend those dollars in the United States. They spend them anywhere in the world they so choose, with no accountability whatsoever.

No one knows where those U.S. tax dollars are spent. What is known is that the billions of taxpayers' cash transfer dollars are not spent here in the United States.

Our constituents would be shocked to know that under the current system, United States foreign aid spurs the purchase of Canadian wheat and Japanese machinery.

The American people need to know that all United States aid money granted to foreign nations up until the Vietnam war had to be spent in the United States of America. American industries thrived. Midway during the war that policy was changed in order to allow the Department of Defense to purchase vehicles in Japan for our troops. That was the beginning of the end for America's once mighty industrial base. Our giveaway tax dollars started the mighty Japanese auto industry.

Allowing foreign nations to spread U.S. tax dollars throughout the world has had a devastating cause and effect. It caused United States industries to decline and foreign markets—most notably the Japanese auto manufacturing industry—to prosper.

U.S. tax dollars have been used—and are continuing to be used—to support and build foreign economies, while at the same time, killing the U.S. economy.

The original intent of Congress was for our foreign aid program to help both countries—the recipient nation, as well as the United States. We must return to that basic premise.

Mr. STENHOLM suggested that in eliminating the cargo preference requirements the recipient nation will be able to buy a greater volume of cargo. If that is the gentleman's concern, then we should allow the recipient nations to continue that practice they have been employing all along—let them spend American taxpayers' dollars buying Argentina wheat.

The U.S. agricultural industry receives $13.8 billion in subsidies, while the U.S. merchant marine receives a mere $423 million, less than 2 percent of the amount benefiting agriculture.

Opponents to section 1303 claim that the recipient nations are currently buying from the United States 13 times the amount of the cash transfer program.

Those sales are commercial transactions. Those favorable commercial sales will not be impacted, but I want to warn opponents of section 1303 that those commercial sales will evaporate when the U.S. dollar becomes stronger. Those sales will be lost to American farmers.

Requirements that recipient nations spend those tax dollars on American-made products and American services is completely justified. The American people—including the American farmer—demand it.

American tax dollars should be spent in the United States, whenever possible, to support American industry, to support American businesses, to support American farmers, to support American workers, to support the American merchant marine and other services, and to improve the American trade deficit.

All of this, in turn, will help the American budget deficit, because American industry, American businesses, American farmers, American workers, and American shipping interests all pay taxes to the American Government.

Foreign markets benefiting from the purchases by the recipient nations do not pay taxes to our Government.

A Foreign Aid Program without the requirements of section 1303 is nothing more than an outward bound funnel through which our tax dollars flow to the total benefit of foreign economies. We need to plug that funnel.

We owe it to those hard-working, tax-paying Americans who support this Government—not our foreign competitors.

Those who are asking you, my distinguished colleagues, to oppose section 1303 are asking you to support a lose-lose situation.

The American taxpayer—your constituents—loses, American industry, including agriculture, loses, and the American merchant marine, which the President's Commission on Merchant Marine and Defense acknowledges is the weakest link in our national security, also loses.

Section 1303 is a winning proposition. All America wins and the recipient nations win, because they have benefit of our generosity.

Ports on all four coasts also would benefit under section 1303. The committee report stipulates that additional commodity purchases made pursuant to cash transfer agreements be handled as equitably as possible throughout all four U.S. port ranges.

Mr. SMITH of Florida. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I rise in strong support of section 1303 of H.R. 2655, the foreign assistance authorization, offered by our distinguished colleague, Mr. TORRICELLI. I commend the gentleman from New Jersey for his visible and strong commitment to this issue over the years.

It seems ludicrous to me that the U.S. Government would give foreign governments United States tax dollars and then allow these governments to use this money to buy grain from Argentina and then ship it aboard foreign flagged vessels. Meanwhile, and as a result, the American maritime industry continues to decline and American jobs continue to be lost. It is absolutely ridiculous. Fortunately, we can begin to reverse this trend by supporting section 1303 of this bill as reported by the Foreign Affairs Committee.

Mr. TORRICELLI's provision of this bill is good for America, and most importantly, good for Americans. There

VOL 135 PT 9 JE 14 — 22 1989 UMI

is nothing unjust about trying to take care of other countries while at the same time, taking care of our own. I urge my colleagues to support this provision as reported.

Mr. BEREUTER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Rhode Island [Ms. SCHNEIDER].

Ms. SCHNEIDER. Mr. Chairman, I rise in support of the Torricelli provision.

Mr. Chairman, I rise in strong opposition to any changes in the committee language in section 1303 of the Foreign Assistance Authorization Act. This section provides important limitations on the use of cash transfers and provides that at least 50 percent of goods purchased through cash economic aid be shipped on U.S. ships.

I support foreign assistance to those nations less fortunate than our own. I am also a strong believer that the American taxpayer should see some return on our foreign aid investment. By ensuring that qualified U.S. suppliers of goods, services, and transportation are given a preference for the expenditure of these funds, we provide some immediate return on that investment.

Section 1303 was not developed in isolation. It resulted in the give and take of the committee's deliberations. It provides that the $2.4 billion in cash assistance contained in foreign assistance be spent in the United States and that half of the foreign aid shipment be shipped on U.S.-flagged ships. Section 1303 ensures that our foreign assistance dollars are not going to our economically healthy international competitors—an eminently reasonable constraint.

The bill does not pit various segments of the U.S. economy against one another. It assists all sectors of the economy. Agriculture and manufacturing interests will have more of their goods purchased abroad. American shipping interests will be assured that U.S. carriers are being provided with some much needed assistance in competition with highly subsidized foreign shipping.

Small countries, or those who receive less than $10 million in U.S. aid are not even held to the modest requirements in section 1303. Everyone stands to benefit from this provision—American businesses, the taxpayer, the recipients of U.S. aid, and the often overlooked maritime shipping industry. I urge my colleagues to join me in supporting section 1303 and opposing any amendment that would weaken this provision.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the distinguished ranking Republican member of the Committee on Agriculture, the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Chairman, I thank the gentleman from Nebraska [Mr. BEREUTER] for yielding.

Mr. Chairman, I just want to take this minute to unfortunately take issue with the gentleman from California [Mr. ANDERSON] who just spoke in the well in favor of the Torricelli provision and the foreign assistance bill.

Mr. Chairman, the gentleman from California [Mr. ANDERSON] said that it would help America. I do not see how anything that would hurt American exports and increase the exposure of the U.S. Treasury can possibly help America. We have addressed this issue a number of times over the years, and in 1985, in the Agriculture Act of 1985, we reached a compromise.

□ 1610

The Bereuter amendment would return us to the provisions of that compromise which were worked out very carefully with all the parties interested in this issue. I would urge that the Members of the House support the Bereuter amendment.

Mr. SMITH of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON], a member of the Foreign Affairs Committee.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, it is not often I stand up here and support amendments offered by the gentleman from New Jersey [Mr. TORRICELLI], but let me tell you something. When a man is right, you support him regardless of the differences you might have with him on other issues.

Let me talk to you hawks over here and you free-traders on my side of the aisle. Thirty years ago we had in the United States of America over 4,000 merchant marine ships ready to go to war in case we needed them; and we had a trade surplus in the millions and billions of dollars 30 years ago. Today we have less than 400 merchant marine ships, and Mr. Chairman, we have trade deficits in the billions.

Ask yourselves why. I will tell you why. Listen to the Defense Digest News:

> China had 60 merchant ships 20 years ago.

Do you know how many they have today, according to this article? By requiring more Chinese cargo to be carried in Chinese ships, China has increased its merchant marine fleet to—guess how many—1,200, three times as many as we have; and they carry 70 percent of all Chinese goods.

Where do they carry it to? Where do you think? Right here to our shores in Chinese merchant marine ships.

You know, I for one, believe in free trade, but it has to be fair trade. I believe in a strong national defense.

It is time we stopped turning the other cheek, and it is time we stood up to these people who keep doing it to us. Let us enact this Torricelli amendment today.

With all good respect to my good friend, the gentleman from Nebraska [Mr. BEREUTER], we need this kind of legislation. I expect every one of you on this side of the aisle to support it.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I do not expect many minds will be changed today. I do not expect that I will change the mind of the gentlewoman from Maryland, anymore than she will change mine on this debate. She represents her constituents. I represent mine.

I have soybean growers. She has sailors, and that is fine.

We have under the 1985 farm bill expended demand for our agricultural products. We have an agricultural surplus now. That is good.

Unfortunately, what we do not have to match that demand, is the supply. We have had drought. We do not have the soybeans, so many of those soybeans will probably come from Argentina and Brazil.

My concern is that if we continue to go along the cargo preference route, we all represent taxpayers and they will be compromised by this kind of legislation, because what we are in a sense doing is saying, well, we are going to reduce our demand, our ability to move agricultural exports around the world, and consequently we will be forced to drive up the price of our own domestic farm programs.

So if you like the idea of more costly protectionist kinds of domestic agricultural programs, then you should support the amendment of the gentleman from New Jersey [Mr. TORRICELLI], and if you want to take away our ability to negotiate multilateral reductions in international agricultural subsidies, whether they are ours or the European communities, then you probably should support the Torricelli amendment as well; but if we want to compete and if we want to continue on the course that the 1985 farm bill began, which by the way has reduced the amount of taxpayer burden on agricultural subsidies in half over three years, then perhaps we ought to think twice. Perhaps we ought to strip out cargo preference and try to pursue an attack which allows those products which we grow to move as quickly and as forcefully as they can around the globe, because I do not think we will get much support for increased farm support programs in this Congress. I hope I do not have to come to this Congress and ask for them; so I hope today we can take a preemptive step and support the amendment of the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman, I rise in support of H.R. 2655 as reported by the Committee on Foreign Affairs and in opposition to the amendment of-

fered by the gentleman from Nebraska.

This amendment would seek to delete a provision that would require recipient nations of cash foreign aid to spend an amount equal to the cash transfer on U.S. goods and services. This provision would also require that 50 percent of these U.S. products be shipped on U.S.-flag vessels and that these shipments be distributed equitably from ports throughout the United States.

As I said 2 years ago when this issue was last debated on the floor, I am disturbed by the idea of unfettered cash grants. There is simply no good reason why U.S. taxpayers who foot the bill for this foreign aid should not receive some benefit from the aid they are providing to foreign nations. With our trade deficit, there can be no justification in not supporting our U.S. manufacturing facilities.

Second, this amendment allows countries to use these grants to purchase goods in their own country. What it does not do is allow that country to buy a Japanese tractor or automobile instead of a John Deere tractor or a Ford or Chevrolet. By having the money spent here, we will assure that the aid benefits our economy, creating jobs in our country and generate more revenues for our U.S. Treasury.

Last, Mr. Chairman, the shipment of these goods to recipient countries will benefit the U.S. merchant marine and I hope the ports of the Great Lakes. The provision requiring equitable distribution of shipments throughout ports of the United States is specifically designed to assure that the Great Lakes benefits from this preference program. Not only will U.S.-flag service be encouraged to serve the Great Lakes, but it is absolutely essential after the recent, June 9, 1989, decisions by the court of appeals in the case of Milwaukee versus Yeutter. I trust that the language in H.R. 2655 relating specifically to "ports of departure" makes it clear that the preference requirements require equitable distribution at the point of origin and not the destination.

Mr. Chairman, the bill provides in section 1303 and I quote:

> The President shall ensure that purchases of United States goods pursuant to such agreement, and the ports of departure for those goods, are distributed equitably throughout the United States.

I would hope that it is now clear once and for all that the Great Lakes ports must be recognized and, in turn, allocated their equitable share. To do otherwise is to ignore the lakes' position as the forth coastline and its position in the U.S. economy. The Torricelli provision is good for the lakes, good for the United States, and good for U.S. producers and maritime interests alike.

I urge my colleagues to reject the pending amendment.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I would like to rise and voice my support for efforts to eliminate or modify section 1303 in H.R. 2655. Representing an area of the country heavily dependent upon agricultural exports, I have grave concerns about the impact of the requirement in this legislation with respect to U.S. commercial sales to countries receiving economic support funds [ESF].

As it has been pointed out, this cargo preference provision will reduce the amount of funds available for countries receiving ESF funds to purchase U.S. commodities. If these countries are required to pay U.S.-flagship rates for the commercial ESF shipments they purchase with their cash transfer funds, they will have less cash transfer funds to use. As many of my colleagues know, the administration testified that cargoes financed by the Agency for International Development were charged over $58 per ton to be shipped on U.S. flagships. Meanwhile similar cargoes were charged approximately $33 on foreign-flagged ships.

One effect of this provision may be that ESF recipients look to purchase commodities in countries other than the United States in order to reduce their costs. Since these countries already purchase far more from the United States than they are required to do, they likely will not hesitate to reduce their U.S. commercial purchases.

American farmers are just beginning to recover from the economic distress of the early 1980's. They can ill afford to have agricultural exports drop because of increased cost to purchasers. Secretary of Agriculture Clayton Yeutter has expressed his strong opposition to section 1303, as have numerous agricultural organizations. Additionally, AID Administrator Alan Woods, in a letter to Chairman DANTE FASCELL, stated this provision is inconsistent with the purpose of the economic support fund because it reduces the value of cash transfers, and he believes the provision is inappropriate and unnecessary. I join these individuals and groups in opposing the cargo preference provisions of H.R. 2655, and in support of the pending amendment.

Mr. BEREUTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I rise in support of the Bereuter-Obey amendment.

Mr. BEREUTER. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, if you are for increasing our exports, coal, agriculture, all kinds of bulk commodities, you should support the Bereuter amendment. That is the proper step to take, rather than supporting Polish coal, agricultural products from Argentina or from Brazil or from Canada or other places. That is the pitch I am making to you right here. Please support the Bereuter amendment.

Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I simply say that the Torricelli amendment will not add $1 in sales of American goods because the recipients already purchase 13 times as many U.S. goods as this amendment would provide.

The Torricelli amendment would do just the opposite. It would reduce American exports. It would simply extend cargo preference. It is contrary to every single action we have taken to increase our competitiveness internationally over the past 5 years.

In addition, it would prevent the shipping of American grain or American coal from any Great Lakes port, because American bottoms simply cannot use those ports in order to export internationally.

It is unfair regionally. It is grossly unfair to American agriculture.

Mr. Chairman, I urge you to support the Bereuter-Obey amendment. It is the only amendment that stands up for America.

□ 1620

Mr. SMITH of Florida. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I am about to do something I have never done before on the floor of this House, put on my glasses so I can see.

Mr. Chairman, we have heard a lot of discussion about this. We have heard a lot of discussion, we have heard a lot of pros and cons. We have heard a lot of pros and cons over the years on this issue, and we have heard a lot of facts and figures bandied about, some of which are true, some of which are slightly inflated.

Let me give the Members, from the State Department AID, the legitimate figures: Just for the year 1987, and let us not make any mistake, in 1987 the United States gave to Egypt economic aid of $815 million. We exported machinery only, just machinery, to Egypt of $349 million Germany, in the same year, gave $157 million in ESF to Egypt, and Germany exported just in machinery only $883 million. Japan gave $94 million in 1987, and Japan exported to Egypt $709 million in that year. In 1987 economic aid to Costa Rica from the United States was $160 million. U.S. exports in tonnage of wheat, 30 tons. Canada, $16 million in economic funds to Costa Rica and exports of wheat to Costa Rica of 180 tons. The list goes on and on.

Ladies and gentlemen, it is time to stop this travesty. They take our money, use other people's ships and then when they take other people's money, they do not use our ships.

Do the Members know that of all of these items I listed not one American ship was used to export the foreign countries' machinery to the recipient country of our aid? We are getting knifed in the back every single day. The flag of this country does not fly on our own ships because people who use our money do not want that ship in their ports.

Mr. Chairman, it is time we stood up for our own people. It is time we stood up for this country. It is time that the playing field was level and we did for ourselves what every other country in the world does for themselves. The taxpayers of this country should get no less for the money that they give to those countries.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I want to commend the gentleman for his remarks and making the observations which he has made.

I agree with him thoroughly, and I hope the amendment will be voted down, and that the language in the bill sponsored by the gentleman from New Jersey will be retained.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, we have heard a lengthy debate from people from agriculture, people from merchant marine States, but I have no merchant marine in my district, and I have no agriculture.

I have offered this provision which was adopted by the Committee on Foreign Affairs and which we hope to retain in the bill on a bipartisan basis for one reason: America's merchant marine is in decline, it has been destroyed, it is a national-security crisis, and because it is not fair to the American worker to take their tax dollars to send them to foreign nations so they can buy German or Japanese or French products.

I ask my colleagues to defeat the Bereuter provision, to stand with the Committee on Foreign Affairs. My friends, every weekend we return to our districts and say that we have a trade crisis. Here, in one vote, by defeating the Bereuter amendment, by standing with the Committee on Foreign Affairs, Democrats and Republicans alike can bring hundreds of millions of dollars' worth of business back to America's shores.

Mr. SCHUETTE. Mr. Chairman, I rise in strong support of the amendment.

Cargo preference is an issue we've all seen before, and no doubt we'll see it again. We're all familiar with the arguments, and I'm not going to pretend that I have any new ones. But I do believe that the arguments that have been advanced in the past to avoid additional cargo preference requirements on American exports are still valid.

The proponents of cargo preference ask to think of the American merchant marine, to think of how important that industry is both for national defense and for the livelihood of those who work at our Nation's great ports. I will not dispute the importance of the merchant marine industry. It is a vital industry, but I submit that the best way to help industry survive is to increase the amount of exports leaving our American ports, not to hinder the growth of exports by imposing unnecessary shipping requirements.

Other supporters refer to the particular nature of the cargo preference clause in the bill before us and ask us to think of fairness. It is only fair, they say, that those countries who benefit from our cash assistance should reciprocate by spending an equal amount of cash on American products. But there is a flaw in this argument. The fact is that those countries which receive the economic support funds authorized by the bill before us already purchase American goods and services, many more goods and services in fact than these countries ever receive in cash assistance.

The opponents of cargo preference, of which I am one, argue that such a policy is no more than a subsidy of the merchant marine industry, and what is more, a subsidy that harms other industries of equal importance. At a time when heavy subsidies from foreign governments make it difficult for our American agricultural producers to compete, when in fact we have been forced to meet foreign subsidies with subsidies of our own, it seems not a little counterproductive to restrict American exporters in their choice of shipping. We will never make much progress in the export market if we give a helping hand 1 day and then impose additional requirements the next.

The amendment offered by the gentlelady from Nebraska will save us from such a fate. Instead of hurting American industry by making it harder to export goods, we can continue to concentrate on promoting exports of manufactured goods and agricultural products and opening up markets for them. Our factory workers will thank us, our farmers will thank us, and our maritime industry will thank us for the opportunity to compete for an increased quantity of shipping.

Mr. EMERSON. Mr. Chairman, I rise today in opposition to the Torricelli amendment. Being a Representative of a predominantly agricultural district, I feel compelled to identify the detrimental effect this measure would have on this Nation's agricultural economy. What this amendment will in fact do is reopen the entire cargo preference debate which many of us had hoped was put to rest with the 1985 farm bill.

Proponents of this amendment claim that it would promote U.S. exports by requiring cash transfer recipients to spend an equal amount of their money on U.S. goods and services. The goods which are purchased would then be made subject to U.S. law requiring transport on American ships.

In actuality, however, the cash-transfer countries already buy far more in American goods and services than they get in cash transfers. In fact, cash transfer recipients spend 13 times as much on U.S. goods as they receive in U.S. aid. The only real impact of this amendment is to impose cargo preference on U.S. sales already being made to these countries. It will not increase those sales. Rather, it will decrease them as the higher cost of U.S. shipping will leave less money for the purchase of U.S. goods and services.

Additionally, domestic producers who must compete with foreign suppliers will be significantly hurt by this amendment. The Torricelli language in this bill will force cash recipient countries to choose between paying for increased shipping costs for goods, or spend their money on products that do not have to be transported on U.S. flag ships. Given this circumstance, it is readily obvious what any cash recipient nation would do, and that is to purchase goods that are not tied to the higher shipping costs associated with U.S. ships that enjoy "cargo preference." Tragically, it is the American farmer that is harmed the most.

Let me reinforce this point by bringing to the attention of my colleagues the extensive opposition to this amendment presently being voiced by numerous agriculture and trade organizations. Among those opposed to this misguided amendment are the North American Export Grain Association, American Farm Bureau Federation, Millers National, National Grain and Feed Association, National Grain Trade Council, American Soybean Association, National Grange, National Soybean Processors Association, and the Terminal Elevator Grain Merchants Association, just to name a few.

Today, U.S. agriculture is one of the few highlights within the U.S. economy that remains internationally competitive and also provides a positive contribution toward the reduction of our Nation's trade deficit. In the best interest of agriculture and U.S. trade, I urge all Members to strike this misconceived language from the bill before us. Let's not handicap the agricultural producers of this Nation who are just beginning to get back on their feet.

Mr. HOCHBRUECKNER. Mr. Chairman, I rise to support H.R. 2655 and call attention to an important provision contained in section 1303 of the bill.

Section 1303 of this legislation stipulates that those countries which receive more than $10 million in annual cash assistance from the United States must spend an equal amount on American goods and services. It also requires that commodities purchased in the United States with such foreign aid funds must be transported pursuant to the U.S.-flag shipping requirements in the Cargo Preference Act of 1954.

This provision, authored by our able colleague from New Jersey [Mr. TORRICELLI] and adopted by the Committee on Foreign Affairs, is designed to increase sales of American-made products and services and boost our merchant marine. The cash-transfer provision

in this legislation is particularly timely and well-conceived.

It only makes sense that, in those cases where the U.S. Government is delivering substantial amounts of cash assistance to a foreign nation, we should take steps to prevent that beneficiary nation from using the assistance to improve another nation's balance of trade while our own trade deficit worsens.

It is also important to seek to revitalize the U.S. merchant marine by requiring that, wherever practicable, U.S. goods given in foreign assistance should be carried on U.S.-flag ships.

Mr. Chairman, I urge the support of all Members for H.R. 2655 as reported by the Committee on Foreign Affairs. I applaud the members of that committee, particularly the gentleman from Florida [Mr. FASCELL] and the gentleman from New Jersey [Mr. TORRICELLI], for their hard work in putting together this legislation.

Mr. DYSON. Mr. Chairman, I rise in support of the gentleman from New York [Mr. SOLOMON].

Mr. Chairman, we are mid-way in the process of transferring administrative control over the Panama Canal to the Republic of Panama.

Ten years ago, the Panama Canal Treaties Act of 1979 set this process in motion. Ten years from now, the process will be complete. According to the treaties, the United States will retain unilateral military control over the Canal, and the Republic of Panama will assume day-to-day responsibility for the Canal's commercial operations.

Today we are at a crucial moment in the transfer process. According to the Treaty, this year President Bush is scheduled to appoint a citizen from the Republic of Panama to serve as Administrator of the Panama Canal Commission.

The problem, Mr. Chairman, is that today there is no Republic of Panama.

Today that tiny little country is ruled by a hired thug. Gen. Manuel Noriega, commander of the Panamanian defense forces and formerly considered a United States intelligence "asset", controls the Panamanian Government as if it were his personal business.

And he is, as we know, in business. His business is to service and provide sanctuary for billionaire drug smugglers. He launders their money, gives them free access and immunity, and takes a piece of the drug action.

He's gotten rich in this business. He's made his friends rich in this business. Along the way, he has allied himself with what ever nations can further his ambitions.

Noriega has cooperated with American drug enforcement agents, but the smugglers he turns in to us are simply his competitors. He has supplied the Contras and supported the Sandinistas, and the Sandinistas are now supporting him.

He is confident enough of his power to presume that he can brutally nullify Panama's national elections and get away with it. He has thrown his county into a 2-year political crisis, and there is no evidence that the end of this crisis is yet in sight.

The Panama Canal Commission is an official United States Government agency, and the administrator is a senior official in the United States Government, appointed by the President and confirmed by the Senate. It is absolutely absurd to imagine that a Noriega henchman will ever hold a position of authority in the Panama Canal Commission, let alone serve as its chief administrative officer.

Mr. Chairman, the administration has assured me that there isn't the slightest chance that a Noriega puppet will be appointed to the administrator's post. The President has no intention of proposing a Noriega candidate for this position, and our Senate colleagues have no intention of confirming any such candidate.

The only issue that needs to be discussed today is whether or not it is a good idea to declare these intentions now. I believe it is, and that is why I support this resolution.

Right now, the administration has perhaps the best opportunity it can hope for in its efforts to dislodge Noriega from his Panama stronghold.

Post-election Panama is a new ball game. It is conceivable that the combined pressure of Noriega's domestic opposition, his Latin American neighbors and the United States, will ultimately break Noriega's hold over Panama.

But until this happens, I believe we should eliminate any uncertainties about transferring administrative control over the Panama Canal to General Noriega.

I have been in touch with administration officials on this matter. They believe we should remain silent on the question of appointing a Panamanian administrator. They believe we should hold our cards, so to speak, pretty close to the vest. They would have us believe that our international position is stronger if we do not declare our refusal to consider a Panamanian appointee to the administrator's post until General Noriega is out of Panama.

As chairman of the House subcommittee with jurisdiction over the Panama Canal Commission, I support President Bush's handling of the Panama crisis. But I disagree with the idea that we are somehow stronger by keeping Panama, and the Latin American community, in doubt about the administrator's post.

I believe we are stronger, in fact, if we let the truth be known in clear and unequivocal terms. We cannot, should not and will not relinquish one iota of administrative control over the Panama Canal to General Noriega. Before the transfer process proceeds, Noriega must go.

I thank the gentleman from New York for his efforts to get this resolution onto the floor today. I support this resolution, and urge Members of this body to say "no" to a Noriega-backed administrator to the Panama Canal Commission.

Mr. RICHARDSON. Mr. Chairman, this amendment represents a moderate approach to a difficult problem. It neither reduces nor cuts off military aid, but simply provides for congressional review of the situation 10 months after the ARENA Party and President Cristiani have taken power.

The amendment only affects the final $34 million of fiscal year 1990 military aid. The McHugh amendment would not affect economic or development aid.

The bill as written authorizes $170 million in military aid for El Salvador over the next 2 years. Those funds would be released in four installments after the President certifies that certain conditions have been met by the ARENA government. While the bill's current language allows the Congress to disapprove the release of aid through a resolution of disapproval—such a resolution would be subject to a Presidential veto.

The McHugh amendment seeks to strengthen the congressional role in this important process by requiring an affirmative vote by the Congress. In April 1990, to release the balance of next year's military funds for El Salvador. The amendment does not cut aid—it merely reserves the Congress' right to reauthorize military aid next year. In April 1990, the Congress will be in a much better position to determine whether the new Salvadoran administration has sustained reform measures, respected human rights, and pursued a negotiated end to the war.

I believe it vitally important for the Congress to send a strong signal to the government of President Cristiani and the ARENA Party that we will watch events in El Salvador closely—that we do not intend to hand El Salvador's Armed Forces a blank check for military aid.

In the last 8 years, the United States has spent $3.5 billion in aid to El Salvador. Unemployment, poverty, war, and human rights abuses by both the right and left, continue unabated. Judicial and economic reforms are at a standstill. Surely as the present situation in El Salvador merits greater congressional scrutiny—the McHugh amendment merits our support and approval.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of this resolution condemning the brutality of the Soviet Army's use of force to silence the peaceful demonstrations in the Republic of Georgia. Without question, the use of armed soldiers, and armored troop carriers, to crush a peaceful demonstration, gives us clear evidence that the words "glasnost and peristroika" have an entirely different meaning to the captive people in Georgia than they do to many Westerners. Furthermore, it is fair to conclude that the approval for a military action, which may have included the use of chemical weapons, most likely came from the highest levels of the Soviet Government.

I support this resolution, not only because it condemns the oppression of the Soviet Army, but also because it calls on the government of the Soviet Union to honor the wishes of the Georgian people to once again exist as a self-determined, democratic Republic. The Soviet Union should cease, in the spirit of peristroika, its continued hegemony of the Georgians.

The words of the leadership of the Soviet Union have been soothing to many in the West, but the Georgian people and numerous other ethnic groups within the Soviet empire, have yet to realize the allegedly good intentions of the Soviet Government. They still live under repression, apparently tied to a marginally longer leash. They do not have the ability to free themselves from Soviet domination. However, by this resolution, we are able to express our agreement with their stated goal of freedom. It is proper for the United States to be allied with those in the captive Republics of the U.S.S.R. who wish to be free.

Finally, this resolution declares the necessity of the Soviet Union's respect for the human rights of the Georgian people. The first and most fundamental of all human rights is the

right to life. This resolution properly denounces the deaths of 20 Georgians caused by the military action of the Red Army. It is an outrage that those people died because they wanted to be free. Furthermore, their death is an indication that the Soviet Government is willing to kill its own people rather than permit them the second most fundamental human right; the right to freedom from government oppression. I urge my colleagues to support this resolution and to put the U.S. Congress on record as standing resolved with the Georgian people in their struggle to once again be free.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the amendment offered by Mr. DORNAN of California permitting the importation of Polish and Hungarian military hardware—like aircraft and tanks—into the United States for historical and educational purposes only.

Basically, this amendment will allow museums, like the Chino Museum in California, to obtain historically significant military hardware for their collections. In order to preserve the historical and educational intent of the legislation, the amendment contains three conditions: first, the military hardware must be at least 25 years old; second, it can only be used for public display; and third, weapons systems must be disabled so that no weapon or weapons system is functional.

The United States has some of the finest military museums in the world. We are fortunate to have been able to acquire historical artifacts from around the globe. However, one area where we are lacking is in significant military equipment from the east bloc. This deficiency decreases the overall quality of our displays.

Acquiring historically significant military equipment from Poland and Hungary will allow us to fill this gap. That directly and positively benefits the American public and historical education in America. These displays are important in helping explain and understand 20th century events like World War II, the Korean war, the Hungarian uprising and the cold war. For example, in the World War II Room at the National Air and Space Museum a visitor's knowledge and experience is enhanced by being able to see famous Japanese, German, and allied aircraft side by side. Similarly, for a Korean war display we should be able to examine the famous American F-86 Sabre side by side with the infamous Soviet MIG-15. Mr. DORNAN's amendment will allow American museums to acquire MIG-15's from Hungary and Poland—both former users of the aircraft.

Establishing cooperative links on military history with Poland and Hungary, the two most progressive countries in the Warsaw Pact, also will help improve our ties with these nations on the eve of President Bush's visit to them.

I urge my colleagues to support the Dornan amendment and provide our military museums with the ability to make their displays and educational programs even better.

Mr. OLIN. Mr. Chairman, I rise in support of the McHugh amendment.

Those of us who are concerned about the continuation of the war in El Salvador are well aware of the fact that El Salvador has a new President, Alfredo Cristiani of the ARENA Party. We want to do everything possible to encourage Mr. Cristiani to take the steps necessary to reestablish peace in his country, to eliminate the high level of human rights violations, and to find a sound and responsible way to bring into the normal political and economic life of the country the dissident elements that have been engaged in revolutionary military activity. We know this will be a difficult task, but without peace, there will be no way to restore health and prosperity to El Salvador.

I support the McHugh amendment because it will provide the opportunity, 10 months after Mr. Cristiani took office, to review the effectiveness of further military aid and modify that aid if appropriate. It does not in any way affect the economic, developmental, or food aid which the country receives.

This amendment will provide an incentive for Mr. Cristiani to attempt, through all the force he can bring to bear, to bring about progress toward peace. It is a signal to the ARENA Party that the United States does not consider a permanent high level of military aid to be a solution to El Salvador's problems. It will put all parties on notice that human rights violations must be brought to a halt.

I urge all my colleagues to vote for the McHugh amendment as an important element in bringing about a much needed change in the war torn country of El Salvador.

Mr. DURBIN. Mr. Chairman, I rise today in support of the McHugh amendment to H.R. 2655, the International Cooperation Act of 1989. At a time when the Bush administration is reviewing and adapting United States foreign policy to the rapidly changing global environment, it is telling that there are no new policy goals or plans for El Salvador. Instead, there is just more of the same—more military aid, more idle talk of human rights reforms, and above all else, more killings. It is as though United States policy toward El Salvador were on autopilot, its practitioners numb to the human costs and to the new political situation in that country and in the region as a whole.

Mr. Chairman, in the absence of any administration policy, it is very important that the Congress review and reflect on United States policy toward El Salvador. We have already spent over $3 billion in economic and military aid in the hope of bringing peace to El Salvador. For 9 years we have watched this aid help escalate, not stop, the violent killing of innocents—men, women, and children—by extremists on both the right and the left. For 9 years, we have waited for Salvadoran authorities to resolve the murder of Archbishop Romero. For 9 years, we listened to the Reagan administration reduce a complicated and bloody civil war to an increasingly meaningless ideological argument.

We need to turn away from this approach to one that emphasizes diplomatic solutions to the problems facing El Salvador. There is hope that such solutions can be found. President Bush has reportedly made progress in gaining a commitment from the Soviet Union to moderate its behavior in the region. The Administration has embarked on a new, more diplomatic policy toward Nicaragua. And in El Salvador itself, newly elected President Cristiani has committed himself to respect human rights and to seek further democratic reforms.

But these positive developments will be undermined if the United States continues to supply, without conditions, lethal military aid to El Salvador. This is especially true at a time when violence is on the rise, and when pressure will be placed on President Cristiani to fight random violence from the opposition with random violence from the Government. It is very important, therefore, to provide President Cristiani with an incentive to resist such pressures and instead seek a negotiated political settlement with the opposition.

The McHugh amendment requires an affirmative vote of the Congress before the second installment of fiscal year 1990 military aid to El Salvador could be dispensed. By requiring further congressional review of military aid, the McHugh amendment will give President Cristiani an incentive to follow through on the promises he has already made. It will also enable him to counter arguments from extremists in his own party, such as D'Aubuisson, that further violence is justified. Finally, the McHugh amendment will serve notice on the Bush administration that it must continue to insist that the Salvadoran Government respect human rights and seek a peaceful solution to the civil war.

At a time when Americans have expressed their outrage at the violence the Chinese Government has committed against its own people, it would be tragic if we did not take a strong stand to prevent the same thing from happening in El Salvador.

Mr. KENNEDY. Mr. Chairman, I rise today to express my deep disappointment with the El Salvador section of H.R. 2655, the foreign assistance authorization bill. I voted for this bill because of my commitment to the overall U.S. development assistance program, but I did so with great reservations.

Mr. Chairman, while we are imposing sanctions on the Chinese Government for its brutal repression of peaceful demonstrators, at the same time we are pumping about $1.5 million per day into El Salvador, to help the ARENA death-squad government terrorize, torture, and murder innocent civilians.

Since the ARENA government has been elected, human rights abuses have been on the upswing. Examples that we in Congress should be monitoring include: Maria Cristiana Gomez, a school teacher, was tortured—they poured battery acid over her—and murdered by a death squad on April 5. On April 22, 75 members of the Christian Committee for Displaced Persons [CRIPDES] were arrested. Six were badly tortured, denied medical treatment, and remain detained. On May 4, 35 people were forcibly repopulated by the Salvadoran armed forces to the village of La Joya. On May 26, the military encircled the offices of 10 labor unions and human rights groups, and entered the offices of two of these groups. They shot at four CRIPDES members. In early June, the military occupied the towns of Arcatao, Las Vueltas, and San Jose las Flores, bombing and shooting houses and property, preventing the villagers from working, and confining them to public buildings. In San Jose las Flores the military accused the nuns of collaborating with the FMLN and threatened

them with rape. On June 15, Salvadoran labor leader Jose Mazariego was abducted by armed men in civilian clothes—a typical death-squad abduction—and it was later disclosed that he was in the custody of the Treasury Police. He was tortured and interrogated during his confinement.

Mr. Chairman, I fear for Jose Mazariego's life, and I fear that we will see many more people like Jose, many more humanitarian relief workers and labor leaders, being abused by the Salvadoran police. By accepting the McCurdy-McCollum amendment to the foreign aid bill, which lifts the ban on police aid, the House of Representatives has encouraged the Salvadoran police to continue its abuse of human rights.

Mr. Chairman, if the pattern continues, and Congress views increased human rights abuses perpetrated by the ARENA government in the next months, we will be helpless to react. Our hands are tied by our failure to enact the McHugh amendment, which would have permitted Congress to review the human rights situation in El Salvador in April 1990 before sending more military aid. As it stands, the administration determines whether or not to release the $170 million in military aid. To the ARENA government, this is a blank check, and I'll tell you why.

The day Mr. Mazariego was kidnaped, Vice President DAN QUAYLE was meeting with Roberto D'Aubisson to express his support for the new government. D'Aubisson, who is leader for life of ARENA, is a self-proclaimed fascist, and implicated in the assassination of Archbishop Romero as well as the assassination attempt of former United States Ambassador to El Salvador, Thomas Pickering. He is described by another former U.S. Ambassador, Robert White, as a "pathological killer." That the administration is meeting with and supporting people like D'Aubisson does not bode well for the human rights situation in El Salvador. Yet Congress has foregone its ability to check the actions of the administration by failing to enact the McHugh amendment.

Despite the major problems with the sections on El Salvador, I felt it was imperative to vote for the foreign aid bill as a whole. The development assistance programs that this bill includes—child survival, health, poor distribution, and family planning programs—help the poorest people on this planet to survive day to day. We must maintain our commitment to Israel and peace in the Middle East, this bill expresses that commitment. The bill steps up the assistance program to southern Africa, an area approximately half the size of the United States with a population at least 13 times larger than that of El Salvador. The bill places tough conditions on countries that violate human rights, especially in Africa and most of Latin America. Finally, it is crucial that China, the most populous country in the world, receives the strong message which the sanctions in the foreign aid authorization bill send.

Mr. Chairman, we have lost just one battle with this bill. I will support amendments to the appropriations bill and other legislation which impose strict conditions on aid to El Salvador. Mr. D'Aubisson and Mr. Cristiani, I want you to know that this congressman will continue to monitor, now even more closely, the human rights behavior of the ARENA government.

The CHAIRMAN. All time has expired.

The question is on the amendent offered by the gentleman from Nebraska [Mr. BEREUTER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEREUTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 230, not voting 16, as follows:

[Roll No. 101]

AYES—186

Anthony
Archer
Armey
Aspin
Atkins
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Bellenson
Bereuter
Berman
Bliley
Broomfield
Brown (CA)
Brown (CO)
Bruce
Buechner
Burton
Campbell (CA)
Campbell (CO)
Carr
Chapman
Coble
Combest
Conte
Cooper
Costello
Cox
Craig
Crane
Dannemeyer
de la Garza
DeLay
DeWine
Dorgan (ND)
Dornan (CA)
Douglas
Dreier
Durbin
Edwards (CA)
Edwards (OK)
English
Fawell
Fazio
Frenzel
Gallegly
Gekas
Gibbons
Gillmor
Gingrich
Glickman
Gradison
Grandy
Grant
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Henry
Hiler
Hoagland
Hopkins
Houghton
Huckaby
Hyde
Ireland
Jenkins
Johnson (SD)
Jones (GA)
Jontz
Kaptur
Kasich
Kastenmeier
Kleczka
Kolbe
Kyl
LaFalce
Lagomarsino
Lancaster
Leath (TX)
Lehman (CA)
Lehman (FL)
Lewis (FL)
Lightfoot
Lent
Lukens, Donald
Madigan
Martin (IL)
Martin (NY)
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
McHugh
McMillan (NC)
Meyers
Michel
Montgomery
Moody
Moorhead
Morrison (WA)
Myers
Natcher
Nielson
Nowak
Oberstar
Obey
Olin
Oxley
Panetta
Parker
Paxon
Payne (VA)
Pease
Penny
Petri
Pickle
Porter
Poshard
Pursell
Ray
Regula
Rhodes
Roberts
Robinson
Rogers
Rohrabacher
Rose
Roth
Rowland (GA)
Sabo
Sarpalius
Scheuer
Schuette
Schulze
Sensenbrenner
Sharp
Shuster
Sikorski
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (OR)
Stallings
Stangeland
Stearns
Stenholm
Stump
Synar
Tauke
Thomas (GA)
Thomas (WY)
Traxler
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Watkins
Waxman
Weber
Whittaker
Whitten
Williams
Wilson
Wolf
Wolpe
Wylie
Yates
Young (FL)

NOES—230

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Applegate
AuCoin
Bateman
Bennett
Bentley
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Brooks
Browder
Bryant
Bunning
Bustamante
Byron
Callahan
Cardin
Carper
Chandler
Clarke
Clay
Clement
Clinger
Coleman (TX)
Conyers
Coughlin
Courter
Coyne
Crockett
Darden
Davis
DePazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Donnelly
Downey
Duncan
Dwyer
Dymally
Dyson
Early
Eckart
Engel
Erdreich
Espy
Evans
Fascell
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Gonzalez
Goodling
Gordon
Goss
Gray
Green
Guarini
Harris
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hochbrueckner
Holloway
Horton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Inhofe
Jacobs
James
Johnson (CT)
Johnston
Jones (NC)
Kanjorski
Kennedy
Kennelly
Kildee
Kolter
Kostmayer
Lantos
Laughlin
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
McCrery
McDade
McDermott
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Neal (MA)
Neal (NC)
Nelson
Oakar
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Pashayan
Patterson
Payne (NJ)
Pelosi
Perkins
Pickett
Price
Rahall
Rangel
Ravenel
Richardson
Ridge
Rinaldo
Ritter
Roe
Rostenkowski
Roukema
Rowland (CT)
Roybal
Russo
Saiki
Sangmeister
Savage
Sawyer
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schumer
Shaw
Shays
Shumway
Siskisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (MS)
Smith (NJ)
Smith (VT)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stark
Stokes
Studds
Sundquist
Swift
Tallon
Tanner
Tauzin
Torricelli
Towns
Traficant
Unsoeld
Vander Jagt
Walgren
Weiss
Weldon
Wheat
Wise
Wright
Wyden
Yatron
Young (AK)

NOT VOTING—16

Boucher
Coleman (MO)
Collins
Dixon
Emerson
Florio
Hatcher
Hawkins
Leach (IA)
Marlenee
McCandless
Parris
Quillen
Thomas (CA)
Torres
Udall

□ 1645

The Clerk announced the following pairs:

On this vote:

Mr. Hatcher for, with Mr. Quillen against.

Mr. Thomas of California for, with Mrs. Collins against.

Mrs. BYRON AND Messrs. LANTOS, FLIPPO, HEFNER, GRAY of Pennsylvania, BEVILL, LELAND, GORDON, and PACKARD changed their vote from "aye" to "no".

VOL 135 PT 9 JE 14 — 22 1989 UMI

Messrs. THOMAS of Georgia, PARKER, MOORHEAD, BROWN of California, TRAXLER, STEARNS, COSTELLO, and WAXMAN changed their vote from "no" to "aye".

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: Page 64, beginning in line 20, strike out "(including agricultural commodities)"; and line 21, before the period, insert", except that the term does not include agricultural commodities or products derived from agricultural commodities, petroleum and petroleum products, fertilizer, or coal".

□ 1650

Mr. FASCELL. Mr. Chairman, I make a unanimous-consent request on this amendment with regard to time limitation. I ask unanimous request that the time be limited to 10 minutes, 5 minutes on each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BEREUTER. Mr. Chairman, I yield myself 1 minute.

Mr. BEREUTER. This amendment leaves intact all of the provisions of the language added by the gentleman from New Jersey [Mr. TORRICELLI], except the definitional change, and it would exempt from the definition of commodities and goods, agricultural commodities, petroleum products, fertilizer, or coal. These are essential bulk items.

I think it has been the expressed intent that the provisions would not damage the coal and the agricultural sector, but important provisions the gentleman from New Jersey [Mr. TORRICELLI] and I and others would agree or complement in the previous provisions. It is important that we assure that the exports that are not exports of grain from Argentina or coal from Poland or other fertilizer products from other countries. That is what the essential amendment tries to protect, our coal products will move to these countries that receive ESF fund.

Mr. Chairman, I yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. We have been through this before.

The last time the House considered a foreign aid authorization, in 1987, the bill contained a nearly identical cargo preference provision.

I offered an amendment then to exempt agricultural commodities from the cargo preference provision, and the House voted to accept my amendment.

So I want to begin the debate on this amendment by pointing out that we have already debated this, and the position of the House was that agricultural exports should be exempted from this expansion of cargo preference.

Now, here we go again.

Let me make the following points:

Section 1303, as it stands now, will have no positive effect on U.S. exports.

The opposite is true.

The countries affected by section 1303's requirements to purchase U.S. goods in an amount equal to the cash transfer aid they receive already buy 13 times as much in U.S. goods as they receive in cash transfer.

The United States already has a favorable balance of trade with these countries.

Imposing cargo-preference requirements on these sales will only hurt our agricultural exports.

Second, section 1303 will not help the U.S. merchant marine.

The Agency for International Development has testified that its cargoes cost an average of $58.79 per ton to ship on U.S. flagships in 1988, compared with $33.17 per ton on a foreign flagship.

If foreign countries are faced with paying higher costs to purchase U.S. goods that must be transported by oceangoing vessel, those countries will simply shift their ocean-borne purchases to non-U.S. exporters who do not have these burdensome cargo-preference requirements.

And again, our agricultural exports, which are transported by oceangoing vessel, will stand to lose—and so will our merchant marine.

Third, if foreign countries are forced to pay more for shipping, they will have less to spend on purchases of U.S. agricultural commodities.

And again, U.S. agricultural loses—and, of course, so do those foreign nations we are trying to help with this bill.

I cannot understand the logic in sending a cash transfer to a poor foreign country, and then reducing the amount of aid by requiring that country to subsidize the U.S. merchant marine.

I believe this cargo-preference requirement is bad for agriculture, bad for our balance of trade, and bad for the countries that receive our foreign aid in the form of cash transfer.

I urge the House to reaffirm its position.

Vote for my amendment to exempt agricultural exports from the expansion of cargo preference requirements in the Torricelli section of this bill.

Mr. SMITH of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, this amendment is no different than the amendment we just voted on. It is nothing more than a gutting amendment.

Thirty years ago, the United States of America had 4,000 merchant marine ships, and we had huge trade surpluses. Today we have less than 400 merchant marine ships, and Members all know what kind of trade deficits we have.

By contrast, a country, a poor country like China, 20 years ago had 60 merchant marine ships, and to this day they have 1,200, three times as many as we do. They transport 70 percent of their goods into this country on their 1,200 ships. I think that tells the whole story.

We ought to defeat the Bereuter amendment and support the concept of the gentleman from New Jersey [Mr. TORRICELLI].

Mr. ROGERS. Mr. Chairman, my arguments were heard in the earlier debate and the comments I made earlier. Suffice it to say this: As far as the bulk commodity of coal and the other bulk commodities that need to be shipped overseas somehow, unless we allow the free market out there to remain, we are going to lose those sales. That means the coal port roads, New Orleans or wherever, are going to lose the jobs because if we lose those sales because we price ourselves out of the market, the coal market, those railroads will not be hauling the coal in the United States. No ships will haul the coal overseas. No miners will mine the coal in the United States. None of the tipples will operate, and Members will lose those sales.

It does not make any sense to me that Members want to lose the sales of the products we have because that is precisely what Members are going to do because the world price of coal is dependent upon the huge shipping charges.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. ROGERS].

Mr. SMITH of Florida. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, the gentleman from Kentucky [HAL ROGERS] and I have worked together for many years in an effort to promote U.S. coal exports, and I want to commend him for bringing the issue of coal exports before the House today.

However, with all due respect to the gentleman, I must rise in opposition to his amendment.

As I understand the legislation before us, it would require a country that is the recipient of cash aid under the economic support assistance program either to spend that money on purchases within that country itself or on the purchase of U.S. commodities. Further U.S. cargo preference laws would apply.

The gentleman from Kentucky's amendment, however, seeks to exempt coal from the cargo preference re-

quirement. It is my understanding that the countries which currently import United States coal and are also beneficiaries of the economic support assistance program are primarily Turkey, Portugal, Egypt, and the Dominican Republic. In this regard, I would note that these four countries combined only accounted for 3.6 percent of all purchases of U.S.-exported coal last year.

The fact of the matter is that I find it extremely hard to argue against a requirement that causes foreign recipients of U.S. taxpayer dollars to spend those dollars for U.S. commodities. With respect to coal, I think it is outrageous to provide cash assistance to a country so that it could simply turn around and purchase its coal from our coal exporting competitors, being Australia, South Africa, Canada, or Colombia.

Second, if we agree that a recipient country should be required to spend the cash amount it receives from the United States on commodities produced in this country, what adverse effect could there possibly be in causing those commodities to be shipped on U.S. vessels? I see none.

If a country which is the recipient of cash aid under the economic assistance program chooses to buy coal, the bill says that it must purchase U.S. coal and that we will send that coal to them in our own vessels. There is no downside whatsoever to this requirement. There are, however, major benefits.

Taxpayers benefit because their tax dollars are being used to purchase U.S. commodities, in this case, coal. U.S. coal producers and those they employ benefit because their tax dollars are not being spent by recipient countries to bolster their competitors in the international coal market. And, those who work in our domestic transportation sectors benefit as they also share in the opportunities created by exporting U.S. coal. Finally, the U.S. balance of trade benefits, which is a matter of no small concern.

Mr. Chairman, while I appreciate the intentions of the gentleman from Kentucky, I urge my colleagues to oppose his amendment.

Mr. BEREUTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. SCHUETTE].

Mr. SCHUETTE. Mr. Chairman, I am in support of the amendment.

Mr. BEREUTER. Mr. Chairman, I yield the remaining 2 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, the issue is very simple. If Members think it is in the interests of the United States to raise the cost of the coal we export and raise the cost of agricultural products that we export, and hurt our farmers in the process, then Members vote against this amendment. If Members think that is dumb, vote for it.

This is very simply an effort to expand cargo preference, and by doing so, break the agreement which we had in the 1985 farm bill that was an agreement between regions of this country and sectors of the economy. It is unfair to the Midwest. It is unfair to the Great Lakes ports. It is certainly unfair to American farmers.

□ 1700

I have one thing to say to maritime interests in this country. I have supported cargo preference for as long and I have been a Member of this House, but if the maritime interests of this country are going to welsh on the deal which we had on the 1985 farm bill, I will never again vote for cargo preference in any way, shape, or form. I put people on notice on that issue right now. This is double-crossing of the Great Lakes ports of this country, it is a double-crossing of the American farmers, and I have had it.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a member of the Committee on Merchant Marine and Fisheries, for years I have supported cargo preference on the condition that the U.S. flags serve the Great Lakes, and they have refused to serve the Great Lakes. They want to skim the gravy off the top; they want to serve the easy ports. They will not serve the Great Lakes. There are people there who need jobs, too. That is where 45 percent of the agriculture in this country is generated, and if they will not serve them, why should we expand the gravy for the U.S. flags?

They ought to spread it around to all the ports of this country. We ought to support this amendment. It is only fair and only decent. They have not delivered on their commitment in the past to serve the Great Lakes, and they will not deliver in the future.

Mr. OBEY. Mr. Chairman, I will simply say that this amendment has nothing whatsoever to do with expanding American exports. If the Torricelli language stands without this amendment, it will erode American exports and it will weaken the ability of our farmers to compete abroad.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SMITH] to close debate on this amendment.

Mr. SMITH of Florida. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, I rise in strong opposition to the amendment to eliminate cargo preference requirements for agricultural products acquired in the United States under any foreign aid cash transfer program.

The policy question posed by section 1303 of this legislation is whether or not a nation that receives a U.S. Government cash transfer payment as foreign aid should be required to purchase U.S. goods and services in the United States. As I understand this section, it could result in considerable benefits to many types of American business. A foreign nation might desire to acquire all sorts of American goods with the economic assistance they get from the United States.

American businesses would definitely benefit by this provision and it is eminently logical to provide that these foreign aid cash grants provide benefits to American businesses while, at the same time, providing economic assistance to less fortunate countries.

The amendment before us at this moment would eliminate one form of assistance to one particular sector of our American economy. Specifically, this amendment would eliminate the requirement that part of the agricultural commodities purchased pursuant to the cash transfer program be shipped on American-flag merchant vessels.

It seems to me that this amendment is an example of an effort to have one's cake and eat it too. They want to have U.S. agricultural products purchased pursuant to this program, but the do not want to ship those products on U.S. vessels. I fail to see why one industry should be allowed to benefit but another sector—the American merchant marine—should not.

The U.S. merchant marine represents an integral part of our national security effort. This nation is currently witnessing the most severe decline in the American merchant marine in the last 40 years. We cannot afford to lose any more of our national sealift capability. On January 20, 1989, the latest in a series of Government reports on the status of the merchant marine was sent to the President and Congress. It contains recommendations for rebuilding the American merchant marine, for both commercial trade and military sealift capability. Among other things, that report indicated that one of the best ways to support the private commercial merchant fleet is to provide cargo for the ships to carry.

This amendment would take away from the American merchant fleet a major source of cargo. This is a time when our Government has cut back on construction differential subsidies and operating subsidies to help our merchant fleet. Cargo preference is, really, the only way left. Members should also be aware that the shipments we are talking about are not in any way commercial shipments of grain. These shipments are the direct result of Federal foreign aid programs giving cash to foreign countries.

Mr. Chairman, eliminating the cargo preference requirement for agricultural, coal, fertilizer, or any other types of commodities covered by this legislation is wrong. The legislation would allow export of American agricultural commodities that are available at competitive prices because of the enormous Federal subsidies to our agricultural sector—around $25 billion a year. I think it is fair to keep that fact in mind when Members are complaining about

a subsidy to the American merchant marine in the form of cargo preference.

The actual direct Federal operating-differential subsidy to the American merchant marine for fiscal year 1990 will be in the neighborhood of $226 million. That figure is compared to $25 billion for the agricultural industry.

Simple fairness and equity should dictate that Members should not try to pit one industry against another. Both the agricultural industry and the maritime industry cannot afford to continue this bloodletting because each is in serious trouble and they really should support one another. I urge my colleagues to join me in defeating this amendment.

Mr. SMITH of Florida. Mr. Chairman, I yield the balance of my time to the gentleman from New Jersey [Mr. TORRICELLI].

The CHAIRMAN. The gentleman from New Jersey [Mr. TORRICELLI] is recognized for 3 minutes.

Mr. TORRICELLI. Mr. Chairman, if it appears that this vote is remarkably similar in substance to the vote Members just cast, that is because it is. We will be casting the identical vote for all practical purposes that we cast only a moment ago when this House by a wide margin voted no.

I ask the Members to vote no again because Members cannot go home this weekend and look their constituents in the eye and tell them that they approve using United States taxpayer dollars in foreign aid to buy Japanese machine tools, German automobiles, or Argentinean wheat. They do not have the heart to do so, so I ask them not to do it.

We are the only developed nation in the world with a foreign aid program that would allow its taxpayers' dollars to be used in a third nation to buy its products and then transport that to their country on a third nation's ships.

I ask the Members to vote no and deal with reality. I know that there was a time in America when it did not make any difference whether we would spend money around the world or where we spent it, and it did not matter whose factories were busy or whose farmers produced the goods. What was the difference? We could afford it. But I say to my friends that we cannot afford that anymore. Whose products are bought is important; whose ships are used is important.

The Members should defeat this amendment. That makes economic sense. I say also to my friends that it is important to realize that support for foreign aid in America is collapsing because the American people no longer identify with it. How will they ever identify with a foreign aid program if foreign aid means no more than sending a check to some foreign ministry?

Foreign aid means sending American goods and American farm products on American ships. That is what American foreign aid has always meant. I ask the Members to defeat the amendment so they can restore that identity. That is what the Foreign Affairs Committee has done. That is why we ask the Members to stand with the committee today.

I know there are regional differences. There is no merchant marine in my district, and there is no agriculture. But this is an important national interest. That is why farm groups have stood with us, and that is why labor groups have stood with us. That is why they ask the Members to defeat this amendment today.

Mr. Chairman, I say to my friends that the issue is simple. What the amendment would do is to ask that we not only exempt agriculture from cargo preference, it asks more than that. If we were to vote for this amendment, we would restore the ability of using foreign aid to buy foreign agricultural products. I ask the Members to vote no and stand with the committee.

The CHAIRMAN. All time for debate on this amendment has expired.

AMENDMENT OFFERED BY MR. CRAIG TO THE AMENDMENT OFFERED BY MR. BEREUTER

Mr. CRAIG. Mr. Chairman, I have an amendment in the second degree at the desk, and I offer that amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAIG to the amendment offered by Mr. BEREUTER: After "fertilizer," insert "forest products".

PARLIAMENTARY INQUIRY

Mr. SMITH of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Florida. Mr. Chairman, do I understand that any debate on this amendment in the second degree would not be covered by the time agreement under the rule; is that correct?

The CHAIRMAN. The gentleman is correct. The debate on this amendment would not be covered by the time limitation.

The Chair recognizes the gentleman from Idaho [Mr. CRAIG].

Mr. SMITH of Florida. Mr. Chairman, in the interest of fairness, I would suggest that we have no copy of this amendment.

The CHAIRMAN. The Chair will state to the gentleman that the Chair recognizes the gentleman from Idaho, who has sent an amendment to the desk. He is recognized for 5 minutes in support of his amendment. If the gentleman wishes a copy of the amendment, the Clerk will provide it.

The Chair recognizes the gentleman from Idaho [Mr. CRAIG]

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. Mr. Chairman, I am happy to yield to my colleague.

Mr. SMITH of Florida. Mr. Chairman, I appreciate the gentleman's yielding.

Do I understand that the amendment would just read: "after 'fertilizer,' insert 'forest products' "?

Mr. CRAIG. The gentleman is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. CRAIG] in support of his amendment.

Mr. CRAIG. Mr. Chairman, that exchange thoroughly explained the extent of this very simple amendment in the second degree, and that is that it concludes the words "forest products."

Mr. Chairman, as I said earlier, this amendment is in fact very simple.

It inserts two words following "fertilizer" in the Bereuter amendments, and those two words are "forest products." One of the difficulties we have faced throughout the United States and in the Pacific Northwest in the movement of our own products within the continental United States is the ability to move them, of course, in an expanded way. This would offer that opportunity because that item would be included in the exemption.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to say that I support the gentleman's amendment, but I would like to point out, in contrast to the comments made by the gentleman from New Jersey, that if anybody believes this issue is about whether or not some country is going to buy American goods, they are absolutely being misled.

The fact is that Egypt gets $315 million in cash transfer commodity items right now under the AID bill. They buy $800 million in U.S. agricultural products. So the argument that we have to expand the ability of these countries to buy American products by supporting the Torricelli language is a red herring.

The gentleman is correct in trying to add foreign products to the other exemptions we are providing.

So, Mr. Chairman, I would urge support of the amendment and of the Bereuter amendment.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I accept and appreciate the gentleman's amendment. The fact of the matter is that these countries that receive ESF funds, cash transfer funds, have no difficulty in expending that much money on American imports from the United States. They do that by a ratio of 13 to 1, but what they are going to do is shift away from bulk shipped products. They are

going to ship instead by air high-valued products.

So unless we have the gentleman's amendment to the Bereuter-Obey amendment, that will be the effect for forest products as well. This will exempt forest products. I commend the gentleman for offering his amendment, and I thank him for yielding.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, I have no objection to the gentleman's amendment, but the same point remains, that it should be understood we are not simply, by accepting this amendment unopposed, taking forest products out of cargo preference. We are opening a large door where people can use U.S. foreign aid to buy Canadian or other forest products as well. The same point holds.

Mr. Chairman, I have no objection to the amendment, but I hope we can then go on and defeat the Bereuter amendment and keep this important provision in the foreign aid bill.

□ 1710

Mr. CRAIG. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, if the gentleman is correct, then the amendment, the amendment of the gentleman from Nebraska [Mr. BEREUTER], now would exclude from the cargo preference agriculture products, coal, fertilizers, and now forest products.

Mr. Chairman, I want to support, reiterate my support, for the Bereuter amendment. I urge an aye vote.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, this is in partial response to the gentleman from Kentucky [Mr. ROGERS]. He would exclude from the cargo preference, but, more than that, as I read the gentleman's amendment, he would exclude the goods, the lumber, the commodities, the agricultural products that these foreign countries would be required to purchase under the terms of the Torricelli amendment in the United States.

Mr. Chairman, the gentleman is changing the definition of the term "goods." That definition is a word of art because it requires the foreign countries to purchase goods manufactured or produced in the United States with the terms of the foreign cash exchange, so I think the gentleman perhaps inadvertently has gone too far with his amendment. He is not just knocking out cargo preference, but he is also knocking out the earlier portions of the Torricelli amendment which would require the foreign country to buy 100 percent.

Mr. CRAIG. Mr. Chairman, for purposes of explanation I think it is important to understand that "goods" is also defined as "commodities," and that fits the definition that we were attempting to deal with here.

Mr. LENT. Mr. Chairman, will the gentleman yield further?

Mr. CRAIG. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, if the gentleman from Idaho [Mr. CRAIG] will turn to page 62 of the bill, it says that assistance may be provided.

Mr. CRAIG. Mr. Chairman, would the gentleman refer to the line?

Mr. LENT. Mr. Chairman, line 5.

The CHAIRMAN. The time of the gentleman from Idaho [Mr. CRAIG] has now expired.

The question is on the amendment offered by the gentleman from Idaho [Mr. CRAIG] to the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

The question was taken; and on a division (demanded by Mr. BEREUTER) there were—ayes 62, noes 29.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER] as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEREUTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 219, not voting 25, as follows:

[Roll No. 102]

AYES—188

Andrews
Anthony
Archer
Armey
Aspin
Atkins
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Bellenson
Bereuter
Berman
Bliley
Broomfield
Brown (CA)
Brown (CO)
Bruce
Buechner
Burton
Campbell (CA)
Campbell (CO)
Carr
Chandler
Chapman
Coble
Cooper
Costello
Cox
Craig
Crane
Dannemeyer
de la Garza
DeLay
DeWine
Dorgan (ND)
Dornan (CA)
Douglas
Dreier
Durbin
Edwards (OK)
English
Espy
Fawell
Fazio
Frenzel
Frost
Gallegly
Gekas
Gibbons
Gillmor
Gingrich
Glickman
Goodling
Gradison
Grandy
Grant
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hastert
Henry
Hiler
Hoagland
Hopkins
Houghton
Hyde
Ireland
Jacobs
Jenkins
Johnson (CT)
Johnson (SD)
Jones (GA)
Jontz
Kaptur
Kasich
Kastenmeier
Kleczka
Kolbe
Kyl
LaFalce
Lagomarsino
Lancaster
Leath (TX)
Lehman (CA)
Lehman (FL)
Lewis (FL)
Lightfoot
Long
Lukens, Donald
Madigan
Martin (IL)
Martin (NY)
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
McHugh
McMillan (NC)
Meyers
Michel
Montgomery
Moody
Moorhead
Morrison (WA)
Natcher
Nielson
Nowak
Oberstar
Obey
Olin
Oxley
Panetta
Parker
Pashayan
Paxon
Payne (VA)
Pease
Penny
Petri
Pickle
Porter
Poshard
Pursell
Ray
Regula
Rhodes
Richardson
Roberts
Robinson
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Rowland (GA)
Sabo
Sarpalius
Scheuer
Schuette
Schulze
Sensenbrenner
Sharp
Shuster
Sikorski
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (OR)
Stangeland
Stearns
Stenholm
Stump
Synar
Tauke
Thomas (GA)
Thomas (WY)
Traxler
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Watkins
Waxman
Weber
Whittaker
Williams
Wilson
Wolf
Wolpe
Wylie
Yates
Young (FL)

NOES—219

Ackerman
Akaka
Alexander
Anderson
Annunzio
Applegate
AuCoin
Bateman
Bennett
Bentley
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Brooks
Browder
Bryant
Bunning
Bustamante
Byron
Callahan
Cardin
Carper
Clarke
Clay
Clement
Clinger
Coleman (TX)
Combest
Conte
Conyers
Coughlin
Courter
Coyne
Crockett
Darden
Davis
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Donnelly
Downey
Duncan
Dwyer
Dyson
Eckart
Edwards (CA)
Engel
Erdreich
Evans
Fascell
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Gonzalez
Gordon
Goss
Gray
Green
Guarini
Harris
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hochbrueckner
Holloway
Horton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Inhofe
James
Johnston
Jones (NC)
Kanjorski
Kennedy
Kennelly
Kildee
Kostmayer
Lantos
Laughlin
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
McCrery
McDade
McDermott
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Neal (MA)
Neal (NC)
Nelson
Oakar
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Patterson
Payne (NJ)
Pelosi
Perkins
Pickett
Price
Rahall
Rangel
Ravenel
Ridge
Rinaldo
Ritter
Roe
Rowland (CT)
Roybal
Russo
Saiki
Sangmeister
Savage
Sawyer
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schumer
Shaw
Shays
Shumway
Sisisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (MS)
Smith (NJ)
Smith (VT)
Smith, Robert (NH)

VOL 135 PT 9 JE 14 — 22 1989 UMI

Snowe	Swift	Walgren
Solarz	Taiton	Weiss
Solomon	Tanner	Weldon
Spence	Tauzin	Wheat
Spratt	Torricelli	Wise
Staggers	Towns	Wyden
Stark	Traficant	Yatron
Stokes	Udall	Young (AK)
Studds	Unsoeld	
Sundquist	Vander Jagt	

NOT VOTING—25

Boucher	Hatcher	Quillen
Coleman (MO)	Hawkins	Roukema
Collins	Hockaby	Stallings
Dixon	Kolter	Thomas (CA)
Dymally	Leach (IA)	Torres
Early	Marlenee	Whitten
Emerson	McCandless	Wright
Florio	Myers	
Hansen	Parris	

□ 1733

The Clerk announced the following pairs:

On this vote:

Mr. Emerson for, with Mrs. Collins against.

Mr. Marlenee for, with Mr. Quillen against.

Mr. MATSUI and Mr. FISH changed their vote from "aye" to "no."

Mr. YATES changed his vote from "no" to "aye."

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of California: Page 173, after line 4, insert the following:

SEC. 102. INDEX OF ECONOMIC FREEDOM.

(a) DEVELOPMENT OF INDEX.—The Administrator for title I of the Foreign Assistance Act of 1961, in consultation with indigenous nongovernmental organizations in developing countries, shall study the feasibility of developing and implementing a system, to be referred to as the Index of Economic Freedom, for evaluating the economic freedom and opportunities of individuals in countries which are recipients or proposed recipients of development assistance or assistance for famine recovery and development in Africa. Such a system would include—

(1) consideration of the Index in determining the advisability of furnishing such assistance to each country;

(2) use of the Index to promote improvements in the underlying economic conditions evaluated by the Index;

(3) use of the Index as a basis for evaluating the direction of policy changes in developing countries and as a basis for evaluating specific projects and programs assisted by the administering agency for title I of that Act; and

(4) annual reports to the Congress.

(b) FACTORS EVALUATED BY THE INDEX.—The Index of Economic Freedom would assign a numerical rating for each of the following factors based on the degree to which each such factor reflects the degree of economic freedom and opportunity to a country, and other relevant economic factors:

(1) PROPERTY RIGHTS.—The extent to which poor or landless individuals are legally or otherwise artificially constrained from acquiring land or other forms of property or are unable to gain secure legal title to land, the degree to which laws and an independent judiciary protect private property and enforce contracts for individuals against the government, the extent of nationalization of property and the state's power to nationalize private property, and the degree of access of private parties to the judicial system.

(2) REGULATIONS.—The difficulty and costliness of securing a business license, and the extent to which regulations inherently favor established business at the expense of newcomers, limit the freedom and ability of citizens to establish businesses, or add prohibitive costs or additional risks to maintaining such businesses.

(3) INFORMAL SECTOR.—The extent to which government policies force economic activity into nominally illegal informal sectors where otherwise legal activities are conducted outside of government regulations and requirements, and the extent to which those policies discourage the development of locally controlled nongovernmental institutions.

(4) WAGE AND PRICE CONTROLS.—The identity of industries or goods which are subject to government mandated wages or prices, the value of goods sold wholesale and retail subject to price controls, the degree to which private farmers are forced to sell produce at government established prices, and the degree to which farmers are not allowed to profit from the real market price of their products.

(5) TAXATION.—The highest rate of taxation, the income level at which this rate takes effect, the relationship between per-capita income and the level at which the highest rate of taxation takes effect, the rate of any value added tax (VAT), the level of taxation on assets, and the rate of monetary inflation.

(6) TRADE POLICY.—Customs duty rates, quantitative restrictions on imports, import quotas, import prohibitions, foreign exchange availability for those engaged in international trade, export taxes, restrictive export practices, market-distorting export incentives such as subsidies, import licenses, and country-of-origin restrictions.

(7) RESTRICTIONS ON INVESTMENT AND CAPITAL FLOWS.—Limits on foreign investment and foreign ownership, limits on repatriation of principal and profits for foreign investors, and restrictions on removal of foreign or domestic capital from the country.

(8) SIZE OF STATE SECTOR.—Value of industries owned by the government, percentage of Gross National Product produced by state-owned industries, prohibitions on private economic activities in certain sectors, and the value of the state sector assets.

(9) BANKING.—Degree of government ownership of the banking sector, private citizens rights to own and operate banks, and citizens' access to private sources of credit.

(c) REPORT ON RESULTS OF STUDY.—Not later than 6 months after the date of enactment of this section, the Administrator shall submit a report on the results of the study conducted pursuant to this section to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

Mr. LEWIS of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, first, I would like to congratulate the members of the Foreign Affairs Committee on their major overhaul of the 1961 Foreign Assistance Act. The four basic objectives of economic growth, resource-sustainable development, poverty alleviation, and pluralism are on target and promise to effectively guide our development-aid decisions well into the future.

What I propose in this amendment is to establish an Index of Economic Freedom.

I should note that a similar measure was offered by our former colleague, now Senator from Florida, CONNIE MACK in the Senate Foreign Relations Committee. It was accepted as part of a noncontroversial en bloc amendment package.

This index is a tool to measure the economic liberalization of nations that receive U.S. development assistance and assistance for famine recovery and development in Africa.

The Index of Economic Freedom would parallel indices of human rights and political freedom that are used in other policymaking decisions. The premise of the amendment is simple: AID should begin to look at recipient countries to see how much they are pursuing self-help economic policies. The index is designed to examine nine aspects of economic liberalization:

First, property rights: To what extent are poor or landless individuals constrained by legal means or government practice from acquiring land and other forms of property?

Second, regulations: What is the personal and/or financial difficulty and risk in obtaining a business license? Does the system limit or prohibit newcomers to private enterprise? Do regulations, by keeping economic activity in the dark, promote the wasteful use and abuse of natural resources and the environment?

Third, informal sector: To what extent do Government policies force economic activity underground and therefore contribute to limited development and unsafe business practices?

Fourth, wage and price controls: Do these types of controls limit the ability of individuals to profit from the true level of their labor? If so, what are the real costs to the society and the individual?

Fifth, taxation: Do the types and levels of taxes detract from or contribute to individual effort, private savings and investment?

Sixth, trade policy: How free are citizens to buy and sell across national boundaries based on mutual consent?

Seventh, capital flows and investment: Do government policies limit

foreign investment that might provide needed capital for small businesses, and do they promote capital flight by limiting potential growth and development?

Eighth, State sector: Does the size and configuration of the government sector force individuals to compete with their own government to be productive?

Ninth, banking: Do individuals have fair access to credit, and the freedom to invest or save based on their own needs and desires?

I urge your support for this amendment. We need this kind of tool to help us carry out the great reforms in U.S. foreign aid that H.R. 2655 represents.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, we have examined this amendment on the majority side. We think the gentleman has provided a requirement which would be useful, one that ought to be considered.

□ 1740

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEWIS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. LEWIS of California. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their name:

[Roll No. 103]

ANSWERED "PRESENT"—395

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Borski
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Carslin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Davis
de la Garza
DePazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frenzel
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Oakar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Peloui
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Purseil
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Williams
Wilson
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

□ 1800

The CHAIRMAN. Three hundred and ninety-five Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California [Mr. LEWIS] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 206, noes 197, not voting 29, as follows:

[Roll No. 104]

AYES—206

Andersen
Andrews
Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Campbell (CA)
Carper
Carr
Chandler
Clarke
Clinger
Coble
Combest
Conte
Cooper
Coughlin
Courter
Cox
Craig
Crane
Dannemeyer
Davis
DeLay
DeWine
Dickinson
Dorgan (ND)
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
English
Fascell
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hiler
Holloway
Hopkins
Horton
Houghton
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Kasich
Kennelly
Kolbe
Kyl
LaFalce
Lagomarsino
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Long
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Martin (IL)
Martin (NY)
McCollum
McCrery
McCurdy
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (WA)
Neal (NC)
Nielson
Oxley
Packard
Pashayan
Paxon
Petri
Pickle
Porter
Purseil
Ravenel
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Skeen
Skelton
Slattery
Slaughter (VA)

VOL 135 PT 9 JE 14 — 22 1989 UMI

Smith (MS)	Spence	Walsh
Smith (NE)	Stangeland	Watkins
Smith (NJ)	Stearns	Waxman
Smith (TX)	Stump	Weber
Smith (VT)	Sundquist	Weldon
Smith, Denny (OR)	Tauke	Whittaker
Smith, Robert (NH)	Tauzin	Wilson
Smith, Robert (OR)	Thomas (WY)	Wolf
Snowe	Traxler	Wolpe
Solomon	Upton	Wylie
	Vander Jagt	Young (AK)
	Vucanovich	Young (FL)
	Walker	

NOES—197

Ackerman	Gephardt	Owens (NY)
Akaka	Gibbons	Owens (UT)
Alexander	Glickman	Pallone
Annunzio	Gonzalez	Panetta
Anthony	Gordon	Parker
Applegate	Hall (OH)	Patterson
Aspin	Harris	Payne (NJ)
Atkins	Hayes (IL)	Payne (VA)
AuCoin	Hefner	Pease
Barnard	Hoagland	Perkins
Bates	Hochbrueckner	Penny
Bellenson	Hoyer	Perkins
Berman	Johnston	Pickett
Bevill	Jones (GA)	Pashard
Boggs	Jones (NC)	Price
Bonior	Jontz	Rahall
Borski	Kanjorski	Rangel
Bosco	Kaptur	Richardson
Boxer	Kastenmeier	Rose
Brennan	Kennedy	Rostenkowski
Brooks	Kildee	Rowland (GA)
Browder	Kleczka	Roybal
Brown (CA)	Kostmayer	Russo
Bruce	Lancaster	Sabo
Bryant	Lantos	Sangmeister
Bustamante	Laughlin	Sarpalius
Byron	Leath (TX)	Savage
Campbell (CO)	Lehman (CA)	Sawyer
Cardin	Lehman (FL)	Scheuer
Chapman	Leland	Schumer
Clay	Levin (MI)	Sikorski
Clement	Levine (CA)	Sisisky
Coleman (TX)	Lewis (GA)	Skaggs
Conyers	Lipinski	Slaughter (NY)
Costello	Lloyd	Smith (FL)
Coyne	Lowey (NY)	Smith (IA)
Crockett	Luken, Thomas	Solarz
Darden	Manton	Spratt
de la Garza	Markey	Staggers
DePazio	Martinez	Stark
Dellums	Matsui	Stenholm
Derrick	Mavroules	Stokes
Dicks	Mazzoli	Studds
Dingell	McCloskey	Swift
Donnelly	McDermott	Synar
Downey	McHugh	Tallon
Durbin	McMillen (MD)	Tanner
Dwyer	McNulty	Thomas (GA)
Dymally	Mfume	Torricelli
Dyson	Miller (CA)	Towns
Eckart	Mineta	Traficant
Edwards (CA)	Moakley	Udall
Engel	Mollohan	Unsoeld
Erdreich	Montgomery	Valentine
Espy	Moody	Vento
Evans	Morrison (CT)	Visclosky
Fazio	Mrazek	Volkmer
Feighan	Murtha	Walgren
Flake	Nagle	Weiss
Flippo	Natcher	Wheat
Foglietta	Neal (MA)	Williams
Ford (MI)	Oakar	Wise
Ford (TN)	Oberstar	Wyden
Frank	Obey	Yates
Garcia	Olin	Yatron
Gejdenson	Ortiz	

NOT VOTING—20

Boucher	Hansen	Myers
Coleman (MO)	Hatcher	Nowak
Collins	Hawkins	Parris
Dixon	Hockaby	Quillen
Early	Kolter	Stallings
Emerson	Leach (IA)	Thomas (CA)
Florio	Marlenee	Torres
Frost	McCandless	Whitten
Garcia	McDade	Wright
Gray	Murphy	

□ 1807

The Clerk announced the following pair:

On this vote:

Mr. McCandless for, with Mrs. Collins against.

Mr. ASPIN changed his vote from "aye" to "no."

Messrs. WILSON, HERTEL, and ROE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BERMAN

Mr. BERMAN. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. BERMAN: Page 63, line 22, strike out "or"; and after line 22 insert the following:

"(3) which meets the poverty criteria established by the International Development Association;

Page 63, line 23, strike out "(3)" and insert in lieu thereof "(4)"; and page 64, line 7, strike out "(3)" and insert in lieu thereof "(4)".

□ 1818

Mr. BERMAN. Mr. Chairman, this amendment is a far more limited one dealing with the issue of the cargo preference question. It simply exempts from the new provisions that were placed in the bill in committee and that have withstood two challenges so far the poorest of the poor recipients of ESF cash aid by raising the limit from $10 to $25 million, and, second, it provides symmetry for the provision that already exempts Israel by including Egypt.

This amendment was offered in discussion with the author of the language in the Foreign Affairs Committee bill before us now, the gentleman from New Jersey [Mr. TORRICELLI]. I think it is worthy of our support. It retains the essence of the cargo preference provisions, but it says that we should not hammer the poorest of the poor countries and reduce the already small amounts of assistance those few countries are getting. And it also says, let us keep symmetry in the concept of Camp David, as we do in a variety of other provisions.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I accept the gentleman's amendment. It would be foolish if we were to raise the cost of our providing assistance to the two largest AID recipients in this bill.

Mr. Chairman, I think the gentleman is correct in offering his amendment.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I want to express support for the gentleman's amendment. I think it is an important step forward in assisting the less well-developed countries, and it does provide that symmetry that the gentleman has mentioned. I support the gentleman's amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the chairman of the committee.

Mr. FASCELL. Mr. Chairman, we are pleased on this side to accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman form California [Mr. BERMAN].

The question was taken; and the chairman announced that the ayes appeared to have it.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. KANJORSKI. Mr. Chairman, I requst a rollcall vote, and pending that, I suggest the absence of a quorum.

The CHAIRMAN. The Chair will state to the gentleman from Pennsylvania that his request comes too late. The Chair has recognized the majority leader.

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. GEPHARDT was allowed to speak out of order for 5 minutes.)

Mr. GEPHARDT. Mr. Speaker, I have asked for this time in order to discuss the schedule for the rest of the evening.

It is our intention to try to finish the supplemental appropriations this evening. The conference on the bill is just about completed, although there are one or two small unresolved questions. We hope they will be resolved in the next few moments, and if that is the case, we are told by the staff of the committee that within a matter of 2 or 3 hours the paperwork to complete the bill this evening would be finished.

So it is our intention to press ahead with this bill we are considering now and then try to finish the supplemental appropriations tonight and bring it before the House so we can leave here and not have to come back tomorrow.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENTS EN BLOC OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, on behalf of the gentleman from Michigan [Mr. BROOMFIELD], and myself, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. FASCELL: Page 36, line 7, before the period insert ", including encouragement of a variety of

transportation
which are nor
nature, as real
needs of poor
tries".

Page 36, line
making use
States technica
private sector,
ning and envir
of projects".

Page 135, li
marks insert "
and page 136,
ing:

"(b) DEFINITI
of subsection
cludes any inst
ties of daily l
tion, and relate
tarded.".

The CHAI
from Florida
nized for 10
amendments.

Mr. FASC
the en bloc
agreed to in
guage on
tion, the B
regard to U
for infrastru
and Carper
schools for
being eligibl
funds.

Mr. BROO
will the gentl

Mr. FASC
guished colle
ty member o
eign Affairs.

Mr. BROO
we have rev
offered en bl
the amendm
and I thank
these amend

Ms. SCHN
will the gent

Mr. FASC
yield to the
Island.

Ms. SCHN
thank the
yielding.

My statem
tary in natu
ment the ge
Republican
from Michig
the visionary
process we a

I would ve
thank both
ing as one o
emphasis on
biological di
global warn
other foreig

Mr. GILM
the gentlema

Mr. FASC
man from N

Mr. GILL
thank the ge

transportation options, particularly those which are nonmotorized and low cost in nature, as real solutions for the mobility needs of poor people in developing countries".

Page 36, line 15, before the period insert ", making use (as appropriate) of United States technical expertise, primarily in the private sector, to improve pre-project planning and environmental impact assessments of projects".

Page 135, line 18, after the quotation marks insert "(a) GENERAL AUTHORITY.—"; and page 136, after line 2, insert the following:

"(b) DEFINITION OF SCHOOL.—For purposes of subsection (a)(1), the term 'school' includes any institution which provides activities of daily life training, vocation education, and related services to the mentally retarded.".

The CHAIRMAN. The gentleman from Florida [Mr. FASCELL] is recognized for 10 minutes in support of his amendments.

Mr. FASCELL. Mr. Chairman, on the en bloc amendments we have agreed to include the Schneider language on nonmotorized transportation, the Broomfield language with regard to U.S. expertise in planning for infrastructure; and the Weldon and Carper language with regard to schools for the mentally retarded being eligible to compete for certain funds.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to my distinguished colleague, the ranking minority member of the Committee on Foreign Affairs.

Mr. BROOMFIELD. Mr. Chairman, we have reviewed these amendments offered en bloc. I certainly agree that the amendments should be adopted, and I thank the chairman for working these amendments out.

Ms. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I am delighted to yield to the gentlewoman from Rhode Island.

Ms. SCHNEIDER. Mr. Chairman, I thank the committee chairman for yielding.

My statement is merely complimentary in nature. I would like to compliment the gentleman and our ranking Republican member, the gentleman from Michigan [Mr. BROOMFIELD], for the visionary reform of the foreign aid process we are about.

I would very much personally like to thank both gentlemen for incorporating as one of their four objectives the emphasis on sustainable development biological diversity, and a sensitivity to global warming, as well as all the other foreign policy initiatives.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I was pleased to work with the gentlewoman from Rhode Island [Ms. SCHNEIDER] on these environmental issues, and I, too, thank the chairman of the committee and the ranking minority member for making certain in this bill that we have important environmental considerations of global warming and biological diversity to try to attack rain forest devastation and acidification. I think it is important that these items be included in the foreign aid measure.

Mr. Chairman, I thank the gentlelady for yielding. I am pleased to rise to note the important provisions which have resulted in the crafting of this legislation with respect to fostering initiatives to protect our environment and to improve resource management.

Unfortunately, Mr. Chairman, the diversity of life on the planet faces a perpetual threat of extinction which is directly related to the increasing growth of human population and our corresponding expansion into previously undeveloped natural preserves. This foreign assistance act takes some important first steps toward recognizing these problems in a number of important areas.

In particular, the explicit recognition of resource sustainable development as one of the four basic objectives for all foreign assistance programs represents a major accomplishment. Furthermore, I am pleased to point out that this section was improved by an amendment I offered in committee which, for the first time, explicitly recognizes reduction of global warming as an important priority in all foreign assistance efforts as we endeavor to promote resource sustainable development.

Despite worldwide concern for the devastating consequences posed by the rapid increase in atmospheric temperature, our original draft had failed to cite the environmental threat posed by global warming, and experts throughout the scientific and environmental communities were concerned that the problem might not receive direct scrutiny. I am pleased that my colleagues in the committee concurred in recognizing global warming as an environmental threat of the severest magnitude.

In addition, my amendment recognized the explicit importance of energy use and the development of new energy services in contributing to the global warming problem. The Gilman language positively states the intent of Congress to implement efficient management practices with respect to existing energy systems and promote the increased use of least-cost energy resource planning in developing new energy sources.

Least-cost planning allows us to identify, evaluate, and rank energy service options in increasing order of cost-effectiveness, ensuring that we consider total system costs, including costs to the environment. Least-cost options promote alternatives such as conservation, improvements in efficiency, and small-scale renewables which are suitable, reliable, readily available, and cost-effective.

Mr. Chairman, it is only through such initiatives that we will achieve the wide scale preservation of the fragile ecosystems which harbor life on Earth. My language, and the overall objective of resource sustainable development, are important not only for protecting the atmosphere from threats such as global warming, but also for preserving our shrinking genetic heritage which we must preserve for the enjoyment of future generations.

In considering this bill, I urge my colleagues to support these significant environmental advancements.

Mr. Chairman, I am pleased to support the amendments, and I thank the gentlewoman for her efforts.

Ms. SCHNEIDER. Mr. Chairman, in addition to the resolution focusing on tropical rain forests and biological diversity, I also would like to thank the chairman of the committee and the gentleman from Michigan [Mr. BROOMFIELD] for incorporating the encouragement of a variety of transportation options particularly those which are nonmotorized and low cost in nature as priority solutions for the mobility needs of poor people in developing countries. These are new ground-breaking directives, and I certainly appreciate that farsightedness.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I just want to take this opportunity to thank the committee and the gentleman from Michigan [Mr. BROOMFIELD] for accepting the Weldon-Carper amendment. I think the gentleman from Pennsylvania [Mr. WELDON] is going to be speaking to it in a moment.

The amendment specifically defines schools for the purpose of ASHA [American Schools and Hospitals Abroad] as institutions which provide services to the mentally ill. There is no earmarking that is involved here; there is no favoritism to any one entity or any one institution. All are eligible to bid.

We have said in this body for some time that children who are handicapped have as much right to an education as those who are not. With the acceptance of this amendment, we indicate that that concept and that principle will be part of this legislation.

Mr. WELDON. Mr. Chairman, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from Pennsylvania.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. WELDON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, please let me extend my thank-yous to my colleague, the gentleman from Delaware [Mr. CARPER], for coauthoring this amendment, to the distinguished chairman of this committee, and to the ranking minority member who worked with us in correcting what I think is a serious deficiency in defining what is in fact a school to the exclusion of those individuals who are mentally handicapped and mentally retarded young people. I thank the gentlemen for their support.

Mr. Chairman, this amendment is a very simple amendment. It is a fair amendment, and it should not be a controversial amendment. Stated simply, it would define schools in the American Schools and Hospitals Abroad [ASHA] Program to include facilities which provide vocational education, activities of daily life training, and related services to the mentally retarded.

It is incredible to me that retarded Americans have fought for decades to enter the educational mainstream, while overseas, programs for the mentally retarded are not even considered to be schools. This, Mr. Chairman, is unfair.

In testimony to the Senate Appropriations Committee just over a year ago, ASHA Director David Santos indicated that ASHA does not believe that "the legislative mandate permits us to have programs specifically for the mentally and physically handicapped." Further, he did not find such facilities to be schools but instead "a humanitarian effort."

Mr. Chairman, try telling your mentally retarded constituents that their daily program of vocational and living skills training is neither productive nor educational. Go see the constructive contributions made by mentally retarded citizens in your district. These highly regarded projects at home should not be viewed as charity when done abroad.

This amendment was brought to my attention by the Elwyn Institutes, a center for mentally retarded individuals based in my district. With 40 facilities in four States, Elwyn serves over 10,400 people daily. Formed in 1852, Elwyn has been cited on numerous occasions for its innovative and successful work to teach and rehabilitate retarded individuals. In 1984, Elwyn began its Jerusalem Program, which now serves nearly 600 students each day on an annual operating budget of $2 million.

What makes Elwyn's program in Jerusalem even more exciting is the fact that the staff is comprised of both Arabs and Jews. Although the facilities are generally divided between a site in west Jerusalem for Jews and east Jerusalem for Arabs, many programs are run jointly by the two sites.

Programs such as this increase the productivity and self-sufficiency of mentally handicapped individuals, thereby reducing future dependence on the welfare system. Elwyn estimates that this can be as much as $1,000,000 over the life of an individual. Further, by bringing Arabs and Jews together in a supportive setting, the Jerusalem Elwyn Program will increase understanding and cooperation between the two groups. It is difficult to fathom how such a facility can be classified as neither productive nor educational.

Mr. Chairman, my amendment does not cost the American taxpayer a single penny. It does not authorize any additional funds above the level described in this bill. Nor does it earmark any of it for any specific program. Grants for AID money would still be given out on a competitive basis.

I am not asking that Congress give anyone a handout. I am asking that you make it clear to the Agency for International Development that facilities for the mentally retarded are schools, they are productive, and they must be treated as such.

This action is consistent with the intent of the ASHA Program and is supported by many associations, including the American Association on Mental Retardation, the National Rehabilitation Association, the Commission on Accreditation of Rehabilitation Facilities, the Association for Retarded Citizens, the National Association of Private Residential Resources, the National Association of Rehabilitation Facilities, the Council for Exceptional Children, B'Nai Zion Foundation, United Synagogue Youth, and the Council of Jewish Federations.

The CHAIRMAN. If there is no Member opposed to the amendments offered en bloc, the Chair will put the question on the amendments offered en bloc.

The question is on the amendments en bloc offered by the gentleman from Florida [Mr. FASCELL].

The amendments en bloc were agreed to.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—MILITARY ASSISTANCE AND SALES PROGRAMS

CHAPTER 1—CONSOLIDATION OF MILITARY ASSISTANCE ACCOUNTS

SEC. 201. ESTABLISHMENT OF FOREIGN MILITARY FINANCING PROGRAM.

The Foreign Assistance Act of 1961 is amended by striking out part II and inserting in lieu thereof the following:

"TITLE II—MILITARY ASSISTANCE PROGRAMS

"CHAPTER 1—POLICIES REGARDING MILITARY ASSISTANCE

"SEC. 2101. FINDINGS AND STATEMENTS OF POLICIES REGARDING MILITARY ASSISTANCE.

"(a) FINDINGS.—The Congress finds that—

"(1) the provision of military assistance to friendly foreign countries and international organizations under chapter 2, chapter 5, and chapter 6 of this title is an integral element of United States foreign policy;

"(2) military assistance is one of the principal instruments available to the United States to strengthen alliances in the common defense and help friendly foreign countries meet mutual defense needs;

"(3) together with other assistance provided under this Act, military assistance can contribute to the development of economic and social improvements that enhance the development and maintenance of democratic political systems;

"(4) military assistance facilitates the development of comprehensive political relationships with the leadership of friendly foreign countries and cooperation in meeting threats to international security;

"(5) so long as friendly foreign countries lack the resources to meet their security needs without external assistance, military assistance provided by the United States can contribute to the strengthening of alliances and to the deterrence of aggression and international terrorism, reduce the international scope, direction, and human destructiveness of illicit narcotics trafficking, and promote regional security by enabling countries to negotiate peaceful solutions to conflicts with confidence; and

"(6) assistance under this title can also support multilateral efforts through the United Nations and other international organizations to promote peaceful settlements of disputes.

"(b) MORE EQUITABLE DISTRIBUTION OF COLLECTIVE DEFENSE RESPONSIBILITIES.—The Congress recognizes that the scope of threats facing friendly foreign countries is such that military assistance from the United States will not be sufficient to meet collective defense and security requirements. The Congress, in authorizing military assistance under this title, expects that the President will exert maximum effort in seeking the support of the member countries of the North Atlantic Treaty Organization and other allies in providing enhanced military assistance, in coordination with the United States, to friendly foreign countries so as to bring about a more equitable distribution of the responsibilities of collective defense, particularly with respect to assistance associated with the maintenance of military bases.

"(c) SELF-SUFFICIENCY.—Military assistance provided under this title to friendly foreign countries should serve as a necessary transition to effective self-help measures that will make such assistance unnecessary in the future.

"(d) MULTILATERAL CONTROLS ON TRANSFERS OF DEFENSE ARTICLES AND DEFENSE SERVICES.—The President should continue to seek, through negotiations with the Soviet Union and other countries that supply or receive defense articles and defense services, the establishment of effective multilateral controls on the transfer of defense articles and defense services, including controls on the furnishing of assistance

for the proc
services.
"SEC. 2102. OBJ
"The auth
sistance that
chapter 5, ar
be exercised
direction of t
to section 51
jectives:
"(1) Promo
cooperation
friendly cou
defense equi
cies and defe
tion through
duction.
"(2) Promo
tary forces
spect to com
intelligence,
cal support.
"(3) Promo
zation, and
forces of frie
Forces of the
"(4) Suppo
and activitie
by the Unite
al organizati
"(5) Increa
of friendly
ing democra
cially respec
human right
"(6) Suppo
countries of
and military
cratic system
"(7) Provi
tries to com
and to comb
"(8) Enha
friendly cou
needs.
"(9) Encou
ing the cap
friendly cou
such as plan
ic developm
vilian popul
for the peop
"CHAP
I
"SEC. 2201. AU
"(a) GENE
is authorize
to any frien
ganization b
"(1) acqui
ing any defe
"(2) finan
or defense s
"(3) provi
(b).
"(b) FINA
CIAL LEASIN
"(1) EL
TIONS.—Fin
this section
of the Nort
or is a ma
curement o
cluding lea
from Unite
the Presid
compelling
ty reasons
provided b
by governm
the Defens
"(2) NOTI
cise of the
be subject

for the procurement of such articles and services.

"SEC. 2102. OBJECTIVES OF MILITARY ASSISTANCE.

"The authorities to furnish military assistance that are provided in chapter 2, chapter 5, and chapter 6 of this title shall be exercised (subject to the supervision and direction of the Secretary of State pursuant to section 5102) to achieve the following objectives:

"(1) Promoting self-defense and defense cooperation by financing the acquisition by friendly countries of United States major defense equipment and other defense articles and defense services, including acquisition through licensed production and coproduction.

"(2) Promoting the effectiveness of military forces of friendly countries with respect to command, control, communications, intelligence, mobility, training, and logistical support.

"(3) Promoting rationalization, standardization, and interoperability of the military forces of friendly countries with the Armed Forces of the United States.

"(4) Supporting peacekeeping operations and activities, in particular those sponsored by the United Nations or other international organizations.

"(5) Increasing the awareness of nationals of friendly countries of basic issues involving democratic values and institutions, especially respect for internationally recognized human rights.

"(6) Support the establishment in friendly countries of a relationship between civilian and military sectors appropriate to a democratic system of government.

"(7) Providing support for friendly countries to combat the flow of illicit narcotics and to combat international terrorism.

"(8) Enhancing the military capability of friendly countries to meet their security needs.

"(9) Encouraging civic action by improving the capability of the armed forces of friendly countries to carry out activities such as planning and implementing economic development projects that benefit the civilian population and providing health care for the people of the country.

"CHAPTER 2—FOREIGN MILITARY FINANCING PROGRAM

"SEC. 2201. AUTHORITY TO FURNISH ASSISTANCE.

"(a) GENERAL AUTHORITY.—The President is authorized to furnish military assistance to any friendly country or international organization by—

"(1) acquiring from any source and providing any defense article or defense service;

"(2) financing the sale of defense articles or defense services; or

"(3) providing financing under subsection (b).

"(b) FINANCING PROCUREMENT BY COMMERCIAL LEASING.—

"(1) ELIGIBLE COUNTRIES; DETERMINATIONS.—Financing may be provided under this section to any country that is a member of the North Atlantic Treaty Organization or is a major non-NATO ally for the procurement of defense articles by leasing (including leasing with an option to purchase) from United States commercial suppliers if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under the Defense Trade and Export Control Act.

"(2) NOTIFICATION TO CONGRESS.—Any exercise of the authority of this subsection shall be subject to the regular notification requirements of the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate under section 4304.

"(c) EXCLUSION OF CERTAIN COSTS FROM CERTAIN SALES.—Sales under the Defense Trade and Export Control Act which are wholly paid from funds—

"(1) which are made available on a grant basis under this chapter, or

"(2) which, prior to the effective date of title II of the International Cooperation Act of 1989, were transferred under the former authority of section 503(a)(3) of this Act or were made available on a nonrepayable basis under the former authority of section 23 of the Defense Trade and Export Control Act,

shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States (other than the Coast Guard).

"(d) MILITARY PERSONNEL LIMITED TO DUTIES OF A NONCOMBATANT NATURE.—Members of the Armed Forces assigned or detailed to provide defense services under this chapter, provide military education and training under chapter 5, or perform functions under chapter 4 may not perform duties of a combatant nature, including any duty related to training and advising that may engage United States personnel in combat activities.

"(e) PROHIBITION RELATING TO OFFSETS.—(1) Funds made available to carry out this chapter may not be used to pay for any research or development activities, manufacturing or production, assembling, or other work performed by a foreign government or foreign firm, pursuant to an offset arrangement with a United States firm, in conjunction with the procurement of defense articles or defense services by a foreign country.

"(2)(A) Paragraph (1) does not apply to the extent that the Congress specifically exempts funds from the application of that paragraph.

"(B) Paragraph (1) does not apply with respect to funds made available for Israel for fiscal years 1990 and 1991.

"(3) As used in this subsection, the term 'foreign firm' means a business entity that does not perform substantially all its manufacturing, production, and research and development activities in the United States.

"(f) FINANCING FOR COPRODUCTION OR LICENSED PRODUCTION.—Assistance may not be furnished under this chapter in any case involving coproduction or licensed production outside the United States of any defense article of United States origin unless the President furnishes full information regarding the proposed transaction to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Such information shall be furnished before the coproduction or license production arrangement is approved by the United States Government or, if the decision to provide assistance is made after the arrangement is approved, before the assistance is furnished. Such information shall include—

"(1) a description of the defense article which would be coproduced or produced under license outside the United States;

"(2) the estimated value of such coproduction or licensed production; and

"(3) an analysis of the economic impact on the United States of furnishing or not furnishing the proposed assistance.

"(g) PROCUREMENT INVOLVING CERTAIN VESSELS OF WAR.—

"(1) PROHIBITION.—Except as provided in paragraph (2), if the President so determines, assistance described in paragraph (3) may not be used for the procurement of—

"(A) any vessel of war built pursuant to a prime contract awarded to a foreign shipyard; or

"(B) any weapons system or other major system or subsystem for any vessel of war built pursuant to a prime contract awarded to foreign shipyard rather than a United States shipyard because of unfair foreign competition (such as subsidization or the provision of financial or material incentives to the foreign country for which the vessel is built).

"(2) EXCEPTIONS.—Paragraph (1) does not apply with respect to a vessel of war which—

"(A) is built in the foreign country which is the recipient of the assistance; or

"(B) is built pursuant to a prime contract signed before the effective date of this subsection.

"(3) ASSISTANCE SUBJECT TO PROHIBITION.—The prohibition in paragraph (1) applies with respect to any obligation of assistance under this section, and any expenditure of MAP or FMS assistance, totaling more than $1,000,000.

"(4) DEFINITIONS.—For the purposes of this subsection—

"(A) the term 'MAP or FMS assistance' means any assistance under the former authorities of chapter 2 of part II of this Act or section 24 of the Arms Export Control Act; and

"(B) the term 'vessel of war' means any vessel of war in Category VI of the United States Munitions List, without regard to whether the vessel is imported into or exported from the United States.

"(h) DEOBLIGATION OF FUNDS AFTER 3 YEARS.—Any agreement to provide assistance under this section shall include a provision expressly granting the United States Government the right to deobligate any funds furnished under the agreement that have not been committed for an approved use by the end of the 3-year period beginning on the date on which that agreement is entered into.

"SEC. 2202. TERMS OF ASSISTANCE.

"(a) GRANTS OR CREDITS.—Assistance may be provided under this chapter on a grant basis or credit basis.

"(b) CRITERIA FOR DETERMINING TERMS OF ASSISTANCE.—In determining whether assistance under this chapter will be provided to a foreign country on a grant or a credit basis, the President shall take into account the following:

"(1) The national security and foreign policy interests of the United States in furnishing such assistance to that country.

"(2) The legitimate national security and self-defense needs of that country, taking into account regional and other threats to its security.

"(3) The economic conditions and circumstances of that country, including its per capita gross national product, debt service ratio, and external debt and rescheduled external debt, and whether the country has been designated as a middle income country by the International Bank for Reconstruction and Development.

"(c) TERMS OF CREDITS.—

"(1) REPAYMENT PERIOD.—In the case of credits provided under this chapter, the President shall require repayment in United

States dollars within a period not to exceed 12 years after the loan agreement with the country or international organization is signed on behalf of the United States Government, unless a longer period is specifically authorized by law for that country or international organization.

"(2) INTEREST RATE.—The President shall charge interest on credits provided under this chapter at such rate as the President considers appropriate, except that such rate may not be less than 5 percent per year.

"(d) FINANCING ASSISTANCE.—Funds used to finance the procurement of defense articles and defense services under section 2201(a)(2) shall be disbursed—

"(1) to suppliers (including the United States military departments) on behalf of the recipient country or organization; or

"(2) to the recipient country or organization as reimbursement upon submission of satisfactory proof of payments to suppliers.

"SEC. 2292. ELIGIBILITY.

"(a) CONDITIONS.—Financing may not be furnished under this chapter for the procurement of defense articles or defense services by a foreign country, and defense articles or defense services may not otherwise be furnished under this chapter to a foreign country, unless that country has agreed to the following (in addition to such other provisions as the President may require):

"(1) The country will not, without the consent of the President—

"(A) permit any use of such articles or services by anyone not an officer, employee, or agent of that country,

"(B) transfer, or permit any officer, employee, or agent of that country to transfer, such articles or services by gift, sale, or otherwise, or

"(C) use or permit the use of such articles or services for purposes other than those for which furnished.

"(2) The country will maintain the security of such articles or services, and will provide substantially the same degree of security protection afforded to such articles or services by the United States Government.

"(3) The country will, as the President may require, permit at any time observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles or services.

"(b) INELIGIBILITY.—

"(1) TERMINATION OF ASSISTANCE FOR SUBSTANTIAL VIOLATIONS.—Assistance and deliveries of assistance under this chapter to any country shall be terminated, and new commitments to provide assistance to that country shall not be made, as hereinafter provided if such country uses defense articles or defense services described in paragraph (2) in substantial violation (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved) of any agreement pursuant to which those defense articles or defense services were furnished—

"(A) by using such articles or services for a purpose not specified in paragraph (3) or, if such agreement provides that such articles or services may only be used for purposes more limited than those specified, for a purpose not authorized under such agreement;

"(B) by transferring such articles or services to, or permitting any use of such articles or services by, anyone not an officer, employee, or agent of the recipient country without the consent of the President; or

"(C) by failing to maintain the security of such articles or services.

"(2) DEFENSE ARTICLES AND DEFENSE SERVICES SUBJECT TO REQUIREMENTS.—Paragraph (1) applies with respect to any defense articles or defense services furnished (through financing or otherwise) under this Act, sold or leased under the Defense Trade and Export Control Act, or furnished under any predecessor foreign assistance or military sales legislation.

"(3) USES PERMITTED.—The purposes referred to in paragraph (1) are the following:

"(A) Internal security.

"(B) Legitimate self-defense.

"(C) Participation in regional or collective arrangements or measures consistent with the Charter of the United Nations, or participation in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

"(D) Construction of public works or other activities which contribute to the economic and social development of the recipient country.

"(4) ACTIONS REQUIRED FOR TERMINATION.—Assistance and deliveries of assistance shall be terminated, and new commitments to provide assistance shall not be made, pursuant to paragraph (1) if—

"(A) the President so determines and states in writing to the Congress, or

"(B) the Congress so finds by joint resolution.

"(5) REPORTS TO CONGRESS.—The President shall report to the Congress promptly upon the receipt of information that a violation described in paragraph (1) may have occurred.

"(6) PERIOD OF TERMINATION.—Assistance to a country shall remain terminated in accordance with paragraph (1) until such time as—

"(A) the President determines that the violation has ceased; and

"(B) the country concerned has given assurances satisfactory to the President that such violation will not recur.

"(7) SPECIAL WAIVER AUTHORITY LIMITED.—The authority contained in section 4102 may not be used to waive the provisions of this section with respect to further assistance under this chapter.

"SEC. 2294. APPROVAL OF THIRD COUNTRY TRANSFERS.

"(a) IN GENERAL.—In considering a request for approval of any transfer of any defense article or defense service to another country, the President shall not give his consent under section 2203(a)(1) to the transfer unless the United States itself would transfer the defense article or defense service under consideration to that country.

"(b) SIGNIFICANT MILITARY EQUIPMENT.—In addition, the President shall not give his consent under section 2203(a)(1) to the transfer of any significant military equipment on the United States Munitions List unless the foreign country requesting consent to transfer agrees to demilitarize such equipment prior to transfer, or the proposed recipient provides a commitment in writing to the United States Government that it will not transfer such equipment if not demilitarized, to any other foreign country or person without first obtaining the consent of the President.

"SEC. 2295. SPECIAL DRAWDOWN AUTHORITY.

"(a) UNFORESEEN EMERGENCIES.—If the President determines and reports to the Congress in accordance with section 4306 of this Act that—

"(1) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization, and

"(2) the emergency requirement cannot be met under the authority of the Defense Trade and Export Control Act or any other law except this section,

the President may direct, for the purposes of grant assistance under chapter 2 or chapter 5, the drawdown of defense articles from the stocks of the Department of Defense or the drawdown of defense services of the Department of Defense.

"(b) AGGREGATE ANNUAL CEILING.—The aggregate value of defense articles and defense services made available under this section may not exceed $100,000,000 in any fiscal year.

"(c) NOTICE TO CONGRESS.—

"(1) PRIOR NOTIFICATION.—The authority contained in this section shall be effective for an emergency only upon prior notification to the Committee on Foreign Affairs, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

"(2) CONTINUING INFORMATION.—The President shall keep the Congress fully and currently informed of all defense articles and defense services provided under this section.

"(d) NONAPPLICABILITY OF REQUIREMENT FOR REIMBURSEMENT FROM EXISTING ASSISTANCE FUNDS.—Section 5201(d) does not apply with respect to defense articles and defense services made available under this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles and defense services provided under this section.

"SEC. 2296. MODERNIZATION OF MILITARY CAPABILITIES OF CERTAIN COUNTRIES.

"(a) AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.—

"(1) NATO SOUTHERN FLANK COUNTRIES.—The President may transfer—

"(A) to any NATO southern flank country which is eligible for United States security assistance and which is integrated into NATO's military structure, and

"(B) to any major non-NATO ally on the southern and southeastern flank of NATO which is eligible for United States security assistance,

such excess defense articles as may be necessary to help modernize the defense capabilities of such country.

"(2) MAJOR ILLICIT DRUG PRODUCING COUNTRIES.—Subject to subsection (f), the President may transfer to country—

"(A) which is a major illicit drug producing country (as defined in section 3282(2)) in Latin America and the Caribbean,

"(B) which has a democratic government, and

"(C) whose armed forces do not engage in a consistent pattern of gross violations of internationally recognized human rights,

such excess defense articles as may be necessary to carry out subsection (f)(1).

"(3) TERMS OF TRANSFERS.—Excess defense articles may be transferred under this section without cost to the recipient country.

"(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

"(1) they are drawn from existing stocks of the Department of Defense;

"(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer; and

"(3) the President determines that the transfer of the excess defense articles will not have an adverse impact on the military readiness of the United States.

"(c) NOTIFICATION TO CONGRESS.—

"(1) ADVANCE NOTICE.—The President may not transfer excess defense articles under this section until 30 days after the President has provided notice of the proposed transfer to the committees specified in paragraph (2). This notification shall include—

"(A) a certification of the need for the transfer;

"(B) an assessment of the impact of the transfer on the military readiness of the United States; and

"(C) the value of the excess defense articles to be transferred.

"(2) COMMITTEES TO BE NOTIFIED.—Notice shall be provided pursuant to paragraph (1) to the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives and the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

"(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DOD EXPENSES.—Section 5201(d) does not apply with respect to transfers of excess defense articles under this section.

"(e) MAINTENANCE OF MILITARY BALANCE IN EASTERN MEDITERRANEAN.—

"(1) UNITED STATES POLICY.—The Congress intends that excess defense articles be made available under this section consistent with the United States policy, established by section 841 of the International Cooperation Act of 1989, of maintaining the military balance in the Eastern Mediterranean.

"(2) MAINTENANCE OF BALANCE.—Accordingly, the President shall ensure that, over the 3-year period beginning on October 1, 1989, the ratio of—

"(A) the value of excess defense articles made available for Turkey under this section, to

"(B) the value of excess defense articles made available for Greece under this section,

closely approximates the ratio of—

"(i) the amount of foreign military financing provided for Turkey, to

"(ii) the amount of foreign military financing provided for Greece.

"(3) EXCEPTION TO REQUIREMENT.—This subsection shall not apply if either Greece or Turkey ceases to be eligible to receive excess defense articles under subsection (a).

"(f) MAJOR ILLICIT DRUG PRODUCING COUNTRIES IN LATIN AMERICA AND THE CARIBBEAN.—

"(1) PURPOSE.—Excess defense articles shall be transferred under subsection (a)(2) for the purpose of encouraging the military forces of an eligible country in Latin America and the Caribbean to participate with local law enforcement agencies in a comprehensive national antinarcotics program, conceived and developed by the government of that country, by conducting activities within that country and on the high seas to prevent the production, processing, trafficking, transportation, and consumption of illicit narcotic or psychotropic drugs or other controlled substances.

"(2) USES OF EXCESS DEFENSE ARTICLES.—Excess defense articles may be furnished to a country under subsection (a)(2) only if that country ensures that those excess defense articles will be used only in support of antinarcotics activities.

"(3) ROLE OF THE SECRETARY OF STATE.—The Secretary of State shall determine the eligibility of countries to receive excess defense articles under subsection (a)(2). In accordance with section 3202, the Secretary shall ensure that the transfer of excess defense articles under subsection (a)(2) is coordinated with other antinarcotics enforcement programs assisted by the United States Government.

"(4) LIMITATION.—The aggregate value of excess defense articles transferred to a country under subsection (a)(2) in any fiscal year may not exceed $10,000,000.

"(g) DEFINITIONS.—As used in this section—

"(1) the term 'excess defense article' has the meaning given that term by section 5601(d)(5);

"(2) the term 'made available' means that a good faith offer is made by the United States to furnish the excess defense articles to a country;

"(3) the term 'major non-NATO ally' has the meaning given that term by section 5601(d)(7);

"(4) the term 'NATO' means the North Atlantic Treaty Organization; and

"(5) the term 'NATO southern flank countries' means Greece, Italy, Portugal, Spain, and Turkey.

"SEC. 2207. ANNUAL CEILING AND REPORTS ON TRANSFERS OF EXCESS DEFENSE ARTICLES.

"(a) ANNUAL CEILING.—The aggregate acquisition cost to the United States of excess defense articles ordered by the President in any fiscal year for delivery to foreign countries or international organizations under the authority of this chapter or pursuant to sales under the Defense Trade and Export Control Act may not exceed $250,000,000 (exclusive of ships and their onboard stores and supplies transferred in accordance with law).

"(b) REPORTS TO CONGRESS.—

"(1) NOTICE OF GRANTS OF EXCESS MAJOR DEFENSE EQUIPMENT.—The President shall promptly and fully inform the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, of each decision to furnish on a grant basis to any country excess defense articles which are major defense equipment to the extent that notice of the proposed furnishing of such equipment was not provided in the annual congressional presentation materials on security assistance or pursuant to section 2206(c).

"(2) ANNUAL REPORT.—The annual presentation materials for security assistance programs shall include a table listing by country the total value of all deliveries of excess defense articles, during the preceding fiscal year, under section 2201, under section 2205, under section 2206, or under the Defense Trade and Export Control Act (respectively), disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery.

"SEC. 2208. IMPROVED ACCOUNTABILITY WITH RESPECT TO FINANCED COMMERCIAL ARMS SALES.

"(a) FINDINGS.—The Congress finds that—

"(1) government-to-government sales of defense articles and defense services that are financed under this chapter are subject to various accountability requirements pursuant to the Federal Acquisition Regulation; but

"(2) comparable accountability requirements have not been applied to commercial sales of defense articles and defense services that are financed by the United States Government; and

"(3) more stringent eligibility standards and fiscal and accounting controls (including improved access to records) need to be established with respect to financed commercial arms sales.

"(b) MONITORING AND AUDITING REQUIREMENTS.—In order to carry out subsection (a)(3), the President shall establish controls providing that financed commercial arms sales shall be subject to monitoring and auditing requirements no less stringent in terms of accountability to those requirements of the Federal Acquisition Regulation that are applicable to sales under the Defense Trade and Export Control Act and that relate to improper business practices and personal conflict of interest, quality assurance, payment, price, and profit.

"(c) DEFINITIONS.—As used in this section—

"(1) the term 'Federal Acquisition Regulation' means the single system of Government-wide procurement regulation referred to in section 6(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(a)); and

"(2) the term 'financed commercial arms sales' means any procurement of defense articles or defense services (other than by sale or lease under the Defense Trade and Export Control Act)—

"(A) which is financed in whole or in part with assistance under this chapter, and

"(B) with respect to which an export license is required under section 38 of Defense Trade and Export Control Act.

"(d) EFFECTIVE DATE.—The controls established pursuant this section shall be established not later than one year after the date of enactment of this section.

"SEC. 2209. CONSIDERATIONS IN FURNISHING ASSISTANCE.

"Decisions to furnish assistance under this chapter shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether such assistance will—

"(1) contribute to an arms race;

"(2) increase the possibility of outbreak or escalation of conflict; or

"(3) prejudice the development of bilateral or multilateral arms control arrangements.

"SEC. 2210. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out this chapter $4,968,932,000 for fiscal year 1990 and $4,968,932,000 for fiscal year 1991.

"SEC. 2211. FINANCING FOR FMS SALES.

"Of the amounts made available to carry out this chapter, not less than $530,432,000 for fiscal year 1990 and not less than $530,432,000 for fiscal year 1991 shall be available only to finance government-to-government procurement under the Defense Trade and Export Control Act.

"SEC. 2212. RESERVE FUND FOR CERTAIN COUNTRIES.

"(a) FUNDS SET ASIDE FOR CERTAIN COUNTRIES.—Two percent of the amounts made available to carry out this chapter for each of the fiscal years 1990 and 1991 shall be available only for assistance for otherwise eligible countries for which the Congress has not by law specified a minimum or a maximum amount of assistance to be provided under this chapter for that fiscal year.

"(b) NOTICE TO CONGRESS.—At least 15 days before obligating funds for a country under this section, the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

"CHAPTER 3—STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

"SEC. 2301. RESTRICTIONS ON STOCKPILING.

"(a) REMOVAL FROM STOCKPILING.—Defense articles in the inventory of the Department of Defense which are set aside, reserved, or in any way earmarked or intended for future use by any foreign country may not be made available to or for use by any foreign country unless—

"(1) such transfer is authorized under this Act or the Defense Trade and Export Control Act; and

"(2) the value of such transfer is charged against funds authorized under this Act or against any limitations which may be established by the Congress, as appropriate, for the fiscal period in which the defense articles are transferred.

"(b) VALUE.—

"(1) DEFINITION.—For purposes of subsection (a), 'value' means acquisition cost plus crating, packing, handling, and transportation costs incurred in carrying out this section.

"(2) LIMITATION.—A defense article transferred from any stockpile which is made available to or for use by any foreign country may not be considered an excess defense article for the purpose of determining the value of that defense article.

"SEC. 2302. LOCATION OF STOCKPILES.

"Except for stockpiles located in the Republic of Korea, Thailand, a country which is a member of the North Atlantic Treaty Organization, or a country which is a major non-NATO ally, no stockpile may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

"SEC. 2303. ADDITIONS TO WAR RESERVE STOCKS.

"(a) LIMITATION.—The value of defense articles to be set aside, earmarked, reserved, or intended for use as war reserve stocks for allied or other foreign countries (other than for purposes of the North Atlantic Treaty Organization) in stockpiles located in foreign countries may not exceed in any fiscal year an amount specified in legislation authorizing military assistance programs for that fiscal year.

"(b) AUTHORIZATION OF ADDITIONS.—The value of such additions to stockpiles in foreign countries shall not exceed $65,000,000 for fiscal year 1990 and $78,000,000 for fiscal year 1991.

"CHAPTER 4—OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS

"SEC. 2401. AUTHORIZED FUNCTIONS.

"(a) IN GENERAL.—In order to carry out responsibilities for the management of international security assistance and sales programs conducted under chapter 2 and chapter 5 and under the Defense Trade and Export Control Act, the President may assign members of the Armed Forces to a foreign country to perform one or more of the following functions:

"(1) Equipment and services case management.

"(2) Training management.

"(3) Program monitoring.

"(4) Evaluation and planning of the host government's military capabilities and requirements.

"(5) Administrative support.

"(6) Promoting rationalization, standardization, interoperability, and other defense cooperation measures.

"(7) Liaison functions exclusive of advisory and training assistance.

"(b) ADVISORY AND TRAINING ASSISTANCE.—Advisory and training assistance conducted by members of the Armed Forces assigned under this chapter shall be kept to an absolute minimum. Advising and training assistance in countries to which members of the Armed Forces are assigned under this chapter should be provided primarily by other personnel who are not assigned under this chapter and who are detailed for limited periods to perform specific tasks.

"(c) PROGRAM MONITORING.—At least one member of the Armed Forces assigned to each country under this chapter shall be given responsibility primarily for monitoring the international security assistance and sales program in that country.

"SEC. 2402. LIMIT ON SIZE OF GROUPS.

"(a) IN GENERAL.—Subject to the additional limitation in subsection (b)(1) with respect to countries in Africa, the total number of members of the Armed Forces assigned under this chapter to a foreign country in a fiscal year may not exceed the number justified to the Congress for that country in the congressional presentation materials for that fiscal year, unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified 30 days in advance of the introduction of the additional military personnel.

"(b) GROUPS IN AFRICAN COUNTRIES.—

"(1) LIMITATION.—Not more than 6 members of the Armed Forces may be assigned under this chapter to a country in Africa, other than a country specified in paragraph (2), unless the President—

"(A) determines that United States interests require that more than 6 members of the Armed Forces be assigned under this chapter to that country; and

"(B) at least 30 days before the introduction of the additional military personnel, reports that determination to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(2) COUNTRIES AUTHORIZED TO HAVE LARGER GROUPS.—Paragraph (1) does not apply with respect to Egypt, Morocco, or Tunisia.

"SEC. 2403. COSTS.

"The entire costs (excluding salaries of members of the Armed Forces) of overseas management of international security assistance and sales programs under this chapter shall be charged to or reimbursed from funds made available to carry out chapter 2, other than any such costs which are either—

"(1) paid directly for such defense services under section 21(a) of the Defense Trade and Export Control Act, or

"(2) reimbursed from charges for services collected from foreign governments pursuant to section 21(e) and section 43(b) of that Act.

"SEC. 2404. ROLE OF CHIEF OF MISSION.

"Members of the Armed Forces assigned to a foreign country under this chapter shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission to that country.

"CHAPTER 5—INTERNATIONAL MILITARY EDUCATION AND TRAINING

"SEC. 2501. GENERAL AUTHORITY.

"The President is authorized to furnish military education and training to military and related civilian personnel of foreign countries. Such training and education may be provided through—

"(1) attendance at military educational and training facilities in the United States (other than Service academies) and abroad;

"(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States and abroad; and

"(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

"SEC. 2502. TERMS OF ASSISTANCE.

"(a) GRANT ASSISTANCE.—Military education and training under this chapter shall be furnished on a grant basis.

"(b) ASSISTANCE ON CREDIT TERMS.—Whenever feasible military education and training shall be provided on credit terms under chapter 2.

"SEC. 2503. EXCHANGE TRAINING.

"In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 5201(d)), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.

"SEC. 2504. TRAINING IN MARITIME SKILLS.

"The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills.

"SEC. 2505. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out this chapter $54,500,000 for fiscal year 1990 and $54,500,000 for fiscal year 1991.

"CHAPTER 6—PEACEKEEPING OPERATIONS

"SEC. 2601. GENERAL AUTHORITY.

"(a) IN GENERAL.—The President is authorized to furnish assistance to friendly countries and international organizations for peacekeeping operations and other peacekeeping activities.

"(b) REIMBURSEMENT OF DOD.—Assistance under this chapter may include reimbursement to the Department of Defense for expenses incurred pursuant to section 7 of the United Nations Participation Act of 1945. Such reimbursements may not exceed $5,000,000 in any fiscal year unless a greater amount is specified in authorizing legislation.

"(c) OTHER AUTHORITIES.—The authority provided by this chapter to furnish assistance for peacekeeping operations and activities is in addition to any other authority which may be available for that purpose.

"SEC. 2602. SPECIAL TRANSFER AND DRAWDOWN AUTHORITIES.

"(a) UNFORESEEN EMERGENCIES.—If the President determines that, as the result of

an unforeseen emergency, the provision of assistance under this chapter in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States, the President may—

"(1) exercise the authority of section 4101 of this Act to transfer funds available to carry out chapter 3 of part I (relating to economic support assistance) for use under this chapter without regard to the 20-percent increase limitation contained in such section, except that the total amount so transferred in any fiscal year may not exceed $15,000,000; and

"(2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services, of an aggregate value not to exceed $25,000,000 in any fiscal year, from the inventory and resources of any agency of the United States Government.

"(b) REIMBURSEMENT.—There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under this section.

"SEC. 2603. ADMINISTRATIVE AUTHORITIES.

"Except where expressly provided to the contrary, any reference in any law to title I of this Act shall be deemed to include reference to this chapter and any reference in any law to title II of this Act shall be deemed to exclude reference to this chapter.

"SEC. 2604. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out this chapter $33,377,000 for fiscal year 1990 and $33,377,000 for fiscal year 1991.".

SEC. 202. CONFORMING AMENDMENTS TO ARMS EXPORT CONTROL ACT.

The Arms Export Control Act is amended as follows:

(1) Section 2(b) is amended—

(A) by striking out "financing," both places it appears; and

(B) by striking out "or financing for" in paragraph (1).

(2) Section 3(c) is amended—

(A) in paragraph (1), by striking out "(1)(A) No" and all that follows through "(B) No" and inserting in lieu thereof "(1) No";

(B) in paragraph (1), as amended by subparagraph (A), by striking out "this Act, or any predecessor Act," and inserting in lieu thereof ", through sale, financing or otherwise, under this Act or the Foreign Assistance Act of 1961 (or under any predecessor military sales or foreign assistance legislation)";

(C) in paragraph (3)(A), by striking out "subparagraph (A)" and all that follows through "such paragraphs," and inserting in lieu thereof "paragraph (1)"; and

(D) in paragraph (3)(B), by striking out "subparagraph (B) of".

(3) Section 3 is amended—

(A) in subsection (d), by striking out "section 505(a)(1) or 505(a)(4)" and inserting in lieu thereof "section 2203(a)(1)"; and

(B) in subsection (e), by striking out "section 505" and inserting in lieu thereof "section 2203(a)(1)".

(4) Section 5(a) is amended by striking out ", and no credits (including participations in credits) or guarantees extended to or for" and inserting in lieu thereof "to".

(5) Section 6 is amended—

(A) by striking out ", no credits or guarantees may be extended,"; and

(B) by inserting "and no foreign military financing may be furnished under the Foreign Assistance Act of 1961" after "this Act".

(6) Section 23 is repealed.

(7) Section 24 is amended—

(A) by amending the section caption to read "PROVISIONS RELATING TO FORMER CREDIT AND GUARANTY AUTHORITIES";

(B) in subsection (a), by striking out "The" in the first sentence and inserting in lieu thereof "To the extent necessary to carry out the provisions under the heading "FOREIGN MILITARY SALES DEBT REFORM" in title III of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100-202), the";

(C) in subsection (b) by inserting "before the effective date of part A of title II of the International Cooperation Act of 1989" after "section 23"; and

(D) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The single reserve established under this section for the payment of claims under guarantees issued under the authority of this section may be referred to as the 'Guaranty Reserve Fund'.

"(d) Any guarantees issued under the authority of this section are backed by the full faith and credit of the United States.".

(8) Section 25(a) is amended—

(A) in paragraph (5)(A) by striking out "military education" and all that follows through "guarantees," and inserting in lieu thereof "and assistance under chapter 2 or chapter 5 of title II of the Foreign Assistance Act of 1961,";

(B) in paragraph (5)(B) by striking out "credits or guaranties under this Act" and inserting in lieu thereof "credits under chapter 2 of title II of the Foreign Assistance Act of 1961"; and

(C) in paragraph (11)—

(i) by striking out "the Arms Export Control Act" and inserting in lieu thereof "section 23 or 24 of this Act"; and

(ii) by inserting before the semicolon at the end of the paragraph the following: ", and the status of each extension of credit for the procurement of defense articles or defense services under chapter 2 of title II of the Foreign Assistance Act of 1961 with respect to which there remains outstanding any unpaid obligation or potential liability".

(9) Section 25(d), as added by 112(b) of the International Security and Development Cooperation Act of 1985, is amended by striking out "section 503(a)(3)" and inserting in lieu thereof "chapter 2 of title II"

(10) Section 31 is repealed.

(11) Section 36(a)(7) is amended by striking out "6, or 8 of part II" and inserting in lieu thereof "or 6 of title II or chapter 1 of title III".

(12) Section 37 is amended—

(A) in the section caption by striking out "RELATING TO FOREIGN MILITARY SALES CREDITS";

(B) in subsection (a), by striking out "section 23" and inserting in lieu thereof "the former authority of section 23 or under the authority of chapter 2 of title II of the Foreign Assistance Act of 1961"; and

(C) in subsection (b), by inserting "the former authority of" after "extended pursuant to".

(13) Section 42 is amended—

(A) in subsection (a) by striking out ", but subject to subsection (b) of this section," in the first sentence;

(B) by repealing subsections (b) and (c) and redesignating subsections (d) through (f) as subsections (b) through (d), respectively; and

(C) in subsection (b)(1), as so redesignated, by striking out "and guaranties under sections 21, 22, 23, 24," and inserting in lieu thereof "under sections 21, 22,".

(14) Chapter 6 is amended as follows:

(A) In section 61(c)—

(i) by striking out "or chapter 2 of part II of the Foreign Assistance Act of 1961, and may not be leased" and inserting in lieu thereof ", and may not be leased or loaned"; and

(ii) by inserting "or the authority of chapter 2 of title II of the Foreign Assistance Act of 1961" after "Code".

(B) In section 62(a)—

(i) by striking out ", or to loan any defense article under chapter 2 of part II of the Foreign Assistance Act of 1961,";

(ii) by striking out "or loaned" in paragraphs (1), (2), and (4); and

(iii) by striking out "or loan" in paragraphs (3) and (4).

(C) In section 62(b) by striking out "or loan".

(D) In section 63(a)—

(i) by striking out ", or the loan under chapter 2 of part II of the Foreign Assistance Act of 1961,"; and

(ii) by striking out "or loan".

SEC. 203. TRANSITION RULE CONCERNING DISPOSITION OF CERTAIN PREVIOUSLY PROVIDED MILITARY EQUIPMENT.

The requirements imposed pursuant to sections 505 (a)(4) and (f) of the Foreign Assistance Act of 1961, as in effect before the effective date of this title, shall cease to apply as of that date with respect to defense articles or related training or other defense services furnished before that date.

CHAPTER 2—FOREIGN MILITARY SALES PROGRAM

SEC. 221. ARMS TRANSFER POLICY.

(a) ESTABLISHMENT OF NEW POLICY.—The Arms Export Control Act is amended by striking out the first section and section 1 and inserting in lieu of section 1 the following:

"SECTION 1. SHORT TITLE AND STATEMENT OF UNITED STATES ARMS TRANSFER POLICY.

"(a) SHORT TITLE.—This Act may be cited as the 'Defense Trade and Export Control Act'.

"(b) POLICY OBJECTIVES.—The policy of the United States in implementing the authorities of this Act relating to sales and other transfers of defense articles, defense services, and design and construction services shall be based upon the following objectives:

"(1) Ensuring that such transfers are fully consistent with the foreign and national security policies of the United States.

"(2) Ensuring that such transfers directly enhance or achieve specific national defense requirements of the recipient country or objectives of mutual concern and contribute directly to the common defense.

"(3) Promoting defense cooperation through the transfer of United States major defense equipment and other defense articles and defense services, including through licensed production and coproduction.

"(4) Promoting rationalization, standardization, and interoperability of foreign military forces with the Armed Forces of the United States.

"(5) Contributing to the deterrence of aggression and promoting regional security by enabling recipient countries to negotiate

peaceful solutions to conflicts with confidence.

"(6) Enabling recipient countries to participate in regional or collective arrangements or other measures consistent with the Charter of the United Nations.

"(7) Enabling recipient countries to participate in collective measures requested by the United Nations.

"(8) Complementing United States efforts to restrain and control the international transfer of defense articles and defense services and to encourage international conventional arms control arrangements.

"(c) MULTILATERAL CONTROLS ON TRANSFERS OF DEFENSE ARTICLES AND DEFENSE SERVICES.—The President should continue to seek, through negotiations with the Soviet Union and other countries that supply or receive defense articles and defense services, the establishment of effective multilateral controls on the transfer of defense articles and defense services.".

(b) CONFORMING AMENDMENTS RELATING TO PURPOSES FOR WHICH DEFENSE ARTICLES MAY BE USED.—

(1) REPEAL OF EXISTING PURPOSE SECTION.—Section 4 of that Act is repealed.

(2) INELIGIBILITY.—Section 3(c) of that Act is amended—

(A) in paragraph (1), as amended by section 202 of this Act, by striking out "authorized under section 4" and inserting in lieu thereof "specified in paragraph (5)"; and

(B) by adding at the end the following:

"(5) The purposes referred to in paragraph (1) are the following:

"(A) Internal security.

"(B) Legitimate self-defense.

"(C) Participation in regional or collective arrangements or measures consistent with the Charter of the United Nations, or participation in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

"(D) Construction of public works, or other activities which contribute to the economic and social development of the recipient country.".

(c) CONFORMING REFERENCES TO ACT.—Any reference to the Arms Export Control Act shall be deemed to be a reference to the Defense Trade and Export Control Act.

SEC. 222. IMPROVED ACCOUNTING FOR FOREIGN MILITARY SALES.

Section 37 of the Defense Trade and Export Control Act is amended by adding at the end the following:

"(d) FMS FINANCIAL MANAGEMENT.—The President shall take the following steps to address the financial management problems that exist with respect to payments on account of sales under this Act:

"(1) NEW TRUST FUND.—Establish a new account for the deposit of funds with respect to any sale of defense articles, defense services, or design and construction services under section 21, section 22, or section 23 of this Act entered into after September 30, 1990, in order to isolate financial transactions relating to new sales from those relating to previous sales.

"(2) CENTRALIZED ACCOUNTING SYSTEM.—Establish a centralized accounting system with respect to payments received, payments made, and performance pursuant to payments with respect to sales under this Act. This system shall have the necessary access to the relevant accounting and billing systems maintained by each of the military services with respect to such sales. This centralized accounting system shall be fully operational not later than September 30, 1990.

"(3) COORDINATION OF ACCOUNTING AND BILLING SYSTEMS.—Improve coordination and uniformity among the accounting and billing systems maintained by each of the military services with respect to such sales.

"(4) RECONCILIATION OF FMS CASES.—Reconcile the discrepancies between reported disbursements and reported performance with respect to those sales under this Act which are still being implemented and with respect to those sales under this Act which have been completed.".

SEC. 223. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) DESIGNATION.—

(1) NOTICE TO CONGRESS.—Chapter 4 of the Defense Trade and Export Control Act is amended by adding at the end the following:

"SEC. 48. DESIGNATION OF MAJOR NON-NATO ALLIES.

"(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

"(1) designating a country as a major non-NATO ally for purposes of this Act and the Foreign Assistance Act of 1961, or

"(2) terminating such a designation.

"(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, and the Republic of Korea shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.".

(2) DEFINITION.—Section 47 of that Act is amended—

(A) by striking out "and" at the end of paragraph (7);

(B) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(9) 'major non-NATO ally' means a country which is designated in accordance with section 48 as a major non-NATO ally for purposes of this Act and the Foreign Assistance Act of 1961.".

(3) EXISTING DEFINITIONS.—(A) The last sentence of section 21(g) of that Act is repealed.

(B) Section 65(d) of that Act is amended—

(i) by striking out "or major non-NATO", and

(ii) by striking out "or a" and all that follows through "2767a)".

(b) COOPERATIVE TRAINING AGREEMENTS.—Section 21(g) of that Act is amended in the first sentence by striking out "similar agreements" and all that follows through "other countries" and inserting in lieu thereof "similar agreements with countries".

SEC. 224. STANDARDIZING CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Defense Trade and Export Control Act is amended—

(1) in subparagraph (A), by striking out ", as provided for in sections 36(b)(2) and 36(b)(3) of this Act";

(2) in subparagraph (B), by striking out "law" and inserting in lieu thereof "joint resolution"; and

(3) by adding at the end the following:

"(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

"(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of that Act is amended—

(1) by inserting "(A)" after "(3)";

(2) in the first sentence—

(A) by striking out "at least 30 calendar days", and

(B) by striking out "report" and inserting in lieu thereof "certification"; and

(3) by striking out the last sentence and inserting in lieu thereof the following: "Such certification shall be submitted—

"(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand (if this clause is applicable to New Zealand pursuant to paragraph (5) of this subsection), and

"(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

"(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

"(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(c) DESIGNATION REQUIRED FOR NEW ZEALAND TO RECEIVE ADDITIONAL PREFERENTIAL CONGRESSIONAL REVIEW.—Section 3(d) of that Act is further amended by adding at the end the following:

"(5) Clause (i) of paragraph (3)(A) of this subsection, section 36(c)(2)(A), section 36(d)(2)(A), and section 62(c)(1) apply with respect to New Zealand only if the President has reported to the Congress that he has designated New Zealand as being subject to the shorter congressional review period provided for in those provisions.".

(d) COMMERCIAL SALES.—Section 36(c)(2) of that Act is amended by amending subparagraphs (A) and (B) to read as follows:

"(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization, or Australia, Japan, or New Zealand (if this subparagraph is applicable to New Zealand pursuant to section 3(d)(5)), shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

"(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.".

(e) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of that Act is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking out "for or in a country not a member of the North Atlantic Treaty Organization"; and

(3) by adding at the end the following:

"(2) A certification under this subsection shall be submitted—

"(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization, Australia, Japan, or New Zealand (if this subparagraph is applicable to New Zealand pursuant to section 3(d)(5)); and

"(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

"(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

"(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2)(A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

"(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(f) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of that Act is amended—

(A) in subsection (a) by striking out "Not less than 30 days before" and inserting in lieu thereof "Before";

(B) in subsection (b)—

(i) by striking out "determines, and immediately reports to the Congress" and inserting in lieu thereof "states in his certification,"; and

(ii) by adding at the end of the subsection the following: "If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved."; and

(C) by adding at the end of the section the following:

"(c) The certification required by subsection (a) shall be transmitted—

"(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization, Australia, Japan, or New Zealand (if this paragraph is applicable to New Zealand pursuant to section 3(d)(5)); and

"(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.".

(2) CONGRESSIONAL VETO.—Section 63(a) of that Act is amended—

(A) by striking out "(a)(1)" and inserting in lieu thereof "(a)";

(B) by striking out the "30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a)," and inserting in lieu thereof "the 15-day or 30-day period specified in section 62(c)(1) or (2), as the case may be,"; and

(C) by striking out paragraph (2).

(g) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications submitted on or after the effective date specified in section 601.

SEC. 225. FOREIGN AVAILABILITY.

Section 36 of the Defense Trade and Export Control Act is amended—

(1) in subsection (b)(1)—

(A) by adding after the first sentence the following: "Such certifications shall also contain an analysis of the extent to which comparable kinds and amounts of defense articles, defense services, or design and construction services are available from other countries."; and

(B) by striking out subparagraph (K) and by redesignating subparagraphs (L) through (P) as subparagraphs (K) through (O), respectively; and

(2) in subsection (c)(1), by adding after the first sentence the following: "Each such certification shall also contain an analysis of the extent to which comparable kinds and amounts of defense articles or defense services are available from other countries.".

SEC. 226. ECONOMIC IMPACT ON UNITED STATES OF ARMS SALES.

(a) CONGRESSIONAL PRESENTATION MATERIALS.—Section 25(a) of the Defense Trade and Export Control Act, as amended by section 232 of this Act, is further amended—

(1) by redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively; and

(2) by inserting the following new paragraph (9) after paragraph (8):

"(9) an analysis of the economic benefits or disadvantages to the United States of sales and licensed commercial exports under this Act during the preceding fiscal year;".

(b) ARMS SALE NOTIFICATIONS.—Section 36(b)(1) of that Act, as amended by section 225 of this Act, is further amended—

(1) by striking out "and" at the end of subparagraph (N);

(2) by striking out the period at the end of subparagraph (O) and inserting in lieu thereof "; and"; and

(3) by inserting after subparagraph (O) the following:

"(P) an analysis of the economic benefits or disadvantages to the United States of the proposed sale.".

SEC. 227. COPRODUCTION AGREEMENTS.

(a) QUARTERLY REPORTS ON COPRODUCTION AGREEMENTS.—Section 36(a) of the Defense Trade and Export Control Act is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (9) the following:

"(10) a report on all concluded government-to-government agreements governing foreign coproduction of defense articles of United States origin (including coproduction memoranda of understanding or agreement) that have not been previously reported under this paragraph, which shall include—

"(A) the identity of the foreign countries or international organizations involved;

"(B) a description and the estimated value of the articles authorized to be produced, and an estimate of the quantity of the articles authorized to be produced;

"(C) a description of any restrictions on third party transfers of the foreign-manufactured articles; and

"(D) if any such agreement does not provide for United States access to and verification of quantities of articles produced overseas and their disposition in the coproducing country, a description of alternative measures and controls incorporated in the coproduction program to ensure compliance with restrictions in the agreement on production quantities and third party transfers.".

(b) SANCTIONS FOR UNAUTHORIZED THIRD COUNTRY TRANSFERS OF COPRODUCED DEFENSE ARTICLES.—The Defense Trade and Export Control Act, as amended by section 202 of this Act, is amended by inserting the following new section 31 at the beginning of chapter 3:

"SEC. 31. UNAUTHORIZED THIRD COUNTRY TRANSFERS OF DEFENSE ARTICLES COPRODUCED OR MANUFACTURED UNDER LICENSE ABROAD.

"(a) WHEN SANCTIONS REQUIRED.—The sanctions described in subsection (b) shall be applied if—

"(1) the foreign party to a coproduction agreement violates the restrictions in that agreement regarding unauthorized third country or third party transfers or other unauthorized dispositions of—

"(A) defense articles produced under that agreement, or

"(B) technical data or defense services provided under that agreement, and

"(2) that violation is substantial (either in terms of quantities or in terms of the gravity of the consequences regardless of the quantities involved).

"(b) SANCTIONS TO BE APPLIED.—If there is a substantial violation, as described in subsection (a), by a foreign party to a coproduction agreement—

"(1) the authority or license to produce defense articles abroad that is granted by all coproduction agreements to which that foreign party is a party shall be suspended during the sanction period; and

"(2) licenses may not be issued and approval may not be granted under section 38 with respect to that foreign party during the sanction period.

"(c) SANCTION PERIOD.—As used in this section, the term 'sanction period' means the period—

"(1) beginning on the date on which the President determines that the violation described in subsection (a) occurred; and

"(2) ending on the date, which may not be less than 1 year after the date described in paragraph (1), on which the President reports to the Congress that—

"(A) the violation has ceased; and

"(B) the foreign party has given assurances satisfactory to the President that such a violation will not recur.

"(d) REPORT TO CONGRESS.—Upon making a determination under subsection (a), the President shall report to the Congress with respect to that determination.

"(e) DEFINITIONS.—As used in this section—

"(1) the term 'coproduction agreement' means an arrangement for foreign production of United States origin defense articles—

"(A) that is authorized or approved by a memorandum of understanding or a memorandum of agreement between a foreign government and the United States Government, or

"(B) that is pursuant to a manufacturing license agreement approved under section 38 of this Act; and

"(2) the term 'foreign party' means a foreign government or foreign business entity that is granted authority or license to produce defense articles abroad by a coproduction agreement.

"(f) EFFECTIVE DATE.—This section does not apply to violations occurring before the date of enactment of this section, but does apply with respect to all coproduction agreements without regard to whether they were entered into before or after the enactment of this section.".

SEC. 228. ENFORCEMENT AND PROCESSING OF ARMS EXPORT LICENSING REQUIREMENTS.

(a) REGISTRATION FEES FOR MUNITIONS CONTROL LICENSES.—Section 38(b)(3) of the Defense Trade and Export Control Act is amended in the first sentence—

(1) by striking out "of the fiscal years 1988 and 1989, $250,000" and inserting in lieu thereof "fiscal year, up to $500,000"; and

(2) by striking out "shall" and inserting in lieu thereof "may".

(b) VIOLATIONS OF INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.—

(1) DISQUALIFICATION AND FORFEITURE.—Section 38 of that Act is amended by inserting after subsection (c) the following:

"(d)(1) No contract between a foreign government and a person convicted or debarred for a violation of this section or section 39, or any rule or regulation issued under either section, may be approved for financing under chapter 2 of title II of the Foreign Assistance Act of 1961 during the twelve months following the date of such conviction or debarment.

"(2)(A) Any person who is convicted for a violation of this section or section 39, or any rule or regulation issued under either section, shall (in addition to any other penalty) forfeit to the United States—

"(i) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in any defense article or other tangible item that was the subject of the violation;

"(ii) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in any defense article or other tangible item that was used in—

"(I) the export or import or attempt to export or import, or

"(II) the contribution, gift, commission, or fee that was paid or offered or agreed to be paid,

that was the subject of the violation; and

"(iii) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

"(B) The procedures in any forfeiture under this paragraph, and the duties and authorities of the courts of the United States and the Attorney General with respect to any forfeiture action under this paragraph or with respect to any property that may be subject to forfeiture under this paragraph, shall be governed by section 1963 of title 18, United States Code. Any new budget authority provided by this subparagraph may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

(2) EFFECTIVE DATE.—Subsection (d) of section 38 of that Act, as enacted by paragraph (1) of this subsection, shall take effect on the date of enactment of this Act or October 1, 1989 (whichever is later), and applies—

(A) in the case of paragraph (1) of subsection (d), with respect to convictions or debarments occurring on or after the effective date of that subsection; and

(B) in the case of paragraph (2) of subsection (d), with respect to convictions based on conduct occurring on or after the effective date of that subsection.

(3) CONFORMING AMENDMENT.—(A) Section 38(e) of that Act is amended by striking out "(e), and (g)" and inserting in lieu thereof "and (e)".

(B) The amendment made by subparagraph (A) does not apply with respect to convictions based on conduct occurring before the date specified in paragraph (2)(B).

(c) MUNITIONS CONTROL ENFORCEMENT PROCEDURES.—Section 38(g) of the Defense Trade and Export Control Act is amended—

(1) in paragraph (4), by inserting before the period at the end "or that foreign policy or national security considerations justify the issuance of the license to that person";

(2) in paragraph (5), by inserting "or international organization" after "foreign government"; and

(3) in paragraph (8)—

(A) by inserting "within 60 days" after "shall"; and

(B) by inserting before the period at the end ", and to assist with the processing of registration statements".

SEC. 229. BIENNIAL REVIEW OF THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.

Section 38(f) of the Defense Trade and Export Control Act is amended by striking out the first sentence and inserting in lieu thereof the following: "Not later than one year after the date of enactment of the International Cooperation Act of 1989 and at least once every 2 years thereafter, the President shall review the regulations issued to carry out this section, including the items listed on the United States Munitions List, for the purpose of determining what changes in those regulations are appropriate, including determining what items, if any, no longer warrant export controls under this section. Based on each such review, the President shall revise those regulations as necessary and shall publish a revised compilation of those regulations.".

SEC. 230. FAIR PRICING.

(a) FMS ADMINISTRATIVE SURCHARGE.—Section 21(e) of the Defense Trade and Export Control Act is amended—

(1) in paragraph (1)—

(A) by inserting before the semicolon at the end of subparagraph (A) "as specified in section 43(b) and section 43(c) of this Act";

(B) by inserting before the semicolon at the end of subparagraph (C) "(except for equipment wholly paid for from either (i) funds made available on a grant basis under chapter 2 of title II of the Foreign Assistance Act of 1961, or (ii) funds which, prior to the effective date of title II of the International Cooperation Act of 1989, were transferred under the former authority of section 503(a)(3) of the Foreign Assistance Act of 1961 or were made available on a nonrepayable basis under the former authority of section 23 of this Act)";

(C) by repealing subparagraph (B) and designating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(2) in paragraph (2), by striking out "paragraphs (1)(B) and (1)(C)" and inserting in lieu thereof "paragraph (1)(B)".

(b) CHARGES FOR ADMINISTRATIVE SERVICES.—Section 43(b) of that Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(3) such expenses (A) are not salaries of the Armed Forces of the United States and (B) do not represent unfunded estimated costs of civilian retirement and other benefits.".

(c) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on October 1, 1990. Paragraph (3)(A) of section 43(b) of the Defense Trade and Export Control Act (as added by the amendment made by subsection (b)(3) of this section) shall be effective as of October 1, 1989, and paragraph (3)(B) of that section (as added by that amendment) shall be effective as of October 1, 1990.

SEC. 231. PROHIBITION ON SALES OF ANTITANK SHELLS CONTAINING DEPLETED URANIUM.

Chapter 3 of the Defense Trade and Export Control Act, as amended by section 232 of this title, is amended by inserting after section 32 the following:

"SEC. 33. PROHIBITION ON SALES OF ANTITANK SHELLS CONTAINING DEPLETED URANIUM.

"(a) PROHIBITION.—Except for sales to countries described in subsection (b), the President may not use the authority of this Act to sell to any country any M833 antitank shells or any comparable antitank

shells containing a depleted uranium penetrator component.

"(b) COUNTRIES NOT SUBJECT TO PROHIBITION.—Subsection (a) does not apply to sales to—

"(1) a country which is a member of the North Atlantic Treaty Organization,

"(2) a country which is a major non-NATO ally, or

"(3) Pakistan.".

SEC. 222. AMENDMENTS TO ELIMINATE OBSOLETE AND INCONSISTENT PROVISIONS.

The Defense Trade and Export Control Act is amended as follows:

(1) Section 5(d) is repealed.

(2) Section 25 is amended—

(A) in subsection (a), by striking out "Except as provided in subsection (d), no" and inserting in lieu thereof "No";

(B) in paragraph (1) of subsection (a) by striking out "$7,000,000" and "$25,000,000" and inserting in lieu thereof "$14,000,000" and "$50,000,000", respectively;

(C) in subsection (a), by repealing paragraph (4) and paragraph (9), by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively, and by redesignating paragraphs (10) through (12) as paragraphs (8) through (10), respectively; and

(D) by repealing subsection (d), as added by section 113 of the International Security and Development Cooperation Act of 1985.

(3) Section 28 is amended by striking out "$7,000,000" and "$25,000,000" in subsections (a) and (b) and inserting in lieu thereof "$14,000,000" and "$50,000,000", respectively.

(4) Section 33 is repealed.

(5) Section 34 is repealed.

(6) Section 35 is repealed.

(7) Section 36 is amended—

(A) in the text preceding paragraph (1), by striking out "an unclassified report" and all that follows through "containing" and inserting in lieu thereof "a report, which shall be unclassified to the maximum extent possible, containing";

(B) in subsection (a), by striking out paragraphs (3), (5), and (6), by redesignating paragraph (4) as paragraph (3), and by redesignating paragraphs (7) through (9) as paragraphs (4) through (6), respectively; and

(C) in subsection (b)(1), by striking out "(9)" and "(8)" and inserting in lieu thereof "(6)" and "(5)", respectively.

(8) Sections 41, 45, and 46 are repealed.

SEC. 223. TECHNICAL CORRECTIONS.

The Defense Trade and Export Control Act is amended as follows:

(1) CORRECTION OF CROSS REFERENCES TO INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.—(A) Section 3(a) is amended in the second sentence following paragraph (4)—

(i) by striking out "significant defense articles" and inserting in lieu thereof "significant military equipment"; and

(ii) by striking "such defense articles" both places it appears and inserting in lieu "such significant military equipment".

(B) Section 36(d) is amended by striking out "combat" and inserting in lieu thereof "military".

(2) CLERICAL ERRORS IN 1985 AUTHORIZATION ACT.—Subsection (d) of section 25, as added by section 112(b) of the International Security and Development Cooperation Act of 1985, is amended by striking out the semicolon at the end and inserting in lieu thereof a period.

The CHAIRMAN. Are there amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—ASSISTANCE TO COMBAT INTERNATIONAL TERRORISM AND NARCOTICS TRAFFICKING

CHAPTER 1—PERMANENT AUTHORITIES, REQUIREMENTS, AND RESTRICTIONS

SEC. 301. CREATION OF NEW TITLE OF ACT FOR ANTITERRORISM ASSISTANCE AND INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

The Foreign Assistance Act of 1961 is amended by inserting the following new title III after title II (as enacted by title II of this Act):

"TITLE III—COMBATING INTERNATIONAL TERRORISM AND NARCOTICS TRAFFICKING

"CHAPTER 1—INTERNATIONAL TERRORISM

"SEC. 3101. COORDINATION OF ALL UNITED STATES TERRORISM-RELATED ASSISTANCE TO FOREIGN COUNTRIES.

"(a) COORDINATION.—The Secretary of State shall be responsible for coordinating all assistance related to international terrorism which is provided by the United States Government.

"(b) REPORTS.—Not later than February 1 each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance related to international terrorism which was provided by the United States Government during the preceding fiscal year. Such reports may be provided on a classified basis to the extent necessary, and shall specify the amount and nature of the assistance provided.

"(c) RULE OF CONSTRUCTION.—Nothing contained in this section shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.

"SEC. 3102. AUTHORITY TO PROVIDE ANTITERRORISM ASSISTANCE.

"Subject to the provisions of this chapter, the President is authorized to furnish assistance to foreign countries in order to enhance the ability of their law enforcement personnel to deter terrorists and terrorist groups from engaging in international terrorist acts such as bombing, kidnaping, assassination, hostage taking, and hijacking. Such assistance may include training services and the provision of equipment and other commodities related to bomb detection and disposal, management of hostage situations, physical security, and other matters relating to the detection, deterrence, and prevention of acts of terrorism, the resolution of terrorist incidents, and the apprehension of those involved in such acts.

"SEC. 3103. PURPOSES OF ANTITERRORISM ASSISTANCE.

"Activities conducted under this chapter shall be designed—

"(1) to enhance the antiterrorism skills of friendly countries by providing training and equipment to deter and counter terrorism;

"(2) to strengthen the bilateral ties of the United States with friendly governments by offering concrete assistance in this area of great mutual concern; and

"(3) to increase respect for human rights by sharing with foreign civil authorities modern, humane, and effective antiterrorism techniques.

"SEC. 3104. AUTHORITIES AND LIMITATIONS.

"(a) GRANT ASSISTANCE.—Notwithstanding section 4202, services and commodities may be granted for the purposes of this chapter to eligible foreign countries, subject to reimbursement of the value thereof (within the meaning of section 5601(d)(9)) pursuant to section 5201 of this Act from funds available to carry out this chapter.

"(b) REIMBURSED ASSISTANCE.—

"(1) AUTHORIZATION.—Whenever the President considers it to be consistent with and in furtherance of the purposes of this chapter any agency of the United States Government is authorized to furnish services and commodities, without charge to funds available to carry out this chapter, to an eligible foreign country, subject to payment in advance of the value thereof (within the meaning of section 5601(d)(9)) in United States dollars by the foreign country.

"(2) PROHIBITION ON USE OF FOREIGN MILITARY FINANCING FOR REPAYMENT.—Foreign military financing may not be used for payments under paragraph (1).

"(3) CREDITING OF COLLECTIONS.—Collections under this chapter shall be credited to the currently applicable appropriation, account, or fund of the agency providing such services and commodities and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

"(c) HUMAN RIGHTS.—The Assistant Secretary of State for Human Rights and Humanitarian Affairs shall be consulted in the development and implementation of the antiterrorism assistance program under this chapter, including determinations of the foreign countries that will be furnished assistance under this chapter and determinations of the nature of assistance to be furnished to each such country.

"(d) LIMITATIONS.—

"(1) TRAINING SERVICES.—Training services (including short term refresher training) provided pursuant to this chapter may be conducted outside the United States only if—

"(A) the training to be conducted outside the United States will be provided during a period of not more than 30 days;

"(B) such training relates to—

"(i) aviation security;

"(ii) crisis management;

"(iii) document screening techniques;

"(iv) facility security;

"(v) maritime security;

"(vi) VIP protection; or

"(vii) the handling of detector dogs, except that only short term refresher training may be provided under this clause; and

"(C) at least 15 days before such training is to begin, the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified in accordance with the procedures applicable to reprogramming notifications pursuant to section 4304.

"(2) ADVICE OUTSIDE THE UNITED STATES.—Personnel of the United States Government authorized to advise eligible foreign countries on antiterrorism matters shall carry out their responsibilities, to the maximum extent possible, within the United States. Such personnel may provide advice outside the United States on antiterrorism matters to eligible foreign countries for periods not to exceed 30 consecutive calendar days.

"(3) TRAINING BY STATE DEPARTMENT PERSONNEL.—(A) Except as provided in subparagraph (B), employees of the Department of State shall not engage in the training of law enforcement personnel or the provision of services under this chapter.

"(B) Subparagraph (A) does not apply to training (including short term refresher

training) or services provided to law enforcement personnel by employees of the Bureau of Diplomatic Security with regard to crisis management, facility security, or VIP protection.

"(4) MUNITIONS ITEMS.—(A) Articles on the United States Munitions List may be made available under this chapter only if—

"(i) they—

"(I) are small arms in category I (relating to firearms), ammunition in category III (relating to ammunition) for small arms in category I, articles in category IV(c) or VI(c) (relating to detection and handling of explosive devices), articles in category X (relating to protective personnel equipment), or articles in paragraph (b), (c), or (d) of category XIII (relating to speech privacy devices, underwater breathing apparatus and armor plating), and

"(II) are directly related to antiterrorism training under this chapter;

"(ii) the recipient country is not prohibited by law from receiving foreign military financing or international military education and training; and

"(iii) at least 15 days before the articles are made available to the foreign country, the President notifies the Committee on Foreign Affairs of the House of Representatives and Committee on Foreign Relations of the Senate of the proposed transfer, in accordance with the procedures applicable to reprogramming notifications applicable to assistance under this Act.

"(B) No shock batons or similar devices may be provided under this chapter.

"(5) EQUIPMENT TRANSFERS.—The value (in terms of original acquisition cost) of all equipment and commodities provided under subsection (a) in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.

"(6) ASSISTANCE RELATING TO INTELLIGENCE ACTIVITIES.—Assistance under this chapter shall not include activities authorized by the National Security Act of 1947 (50 U.S.C. 401 and following), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a and following), and Executive Order 12333, other than limited training in the organization of intelligence for antiterrorism purposes under the provisions of this chapter.

"(7) PERSONNEL COMPENSATION OR BENEFITS.—Funds made available to carry out this chapter may not be used for personnel compensation or benefits.

"(e) INFORMATION EXCHANGE ACTIVITIES.—This chapter does not apply to information exchange activities conducted by agencies of the United States Government under other authority for such purposes.

"SEC. 3106. REPORTS TO CONGRESS.

"(a) NOTICE TO CONGRESS.—Not less than 30 days before providing assistance to a foreign country under this chapter, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a written notification which specifies—

"(1) the country to which such assistance is to be provided;

"(2) the type and value of the assistance to be provided;

"(3) the terms and duration of assistance; and

"(4) an explanation of how the proposed assistance will further the objectives of this chapter to assist eligible foreign countries in deterring terrorism.

"(b) CONGRESSIONAL PRESENTATION DOCUMENTS.—The annual congressional presentation documents shall include—

"(1) a list of the countries which received assistance under this chapter for the preceding fiscal year, a list of the countries which are programmed to receive assistance under this chapter for the current fiscal year, and a list of the countries which are proposed as recipients of assistance under this chapter for the next fiscal year;

"(2) with respect to each country listed pursuant to paragraph (1) and for each such fiscal year, a description of the assistance under this chapter furnished, programmed, or proposed, including—

"(A) the place where training or other services under this chapter were or will be furnished, the duration of such training or other services, and the number of personnel from that country which were or will receive training under this chapter;

"(B) the types of equipment or other commodities which were or will be furnished under this chapter; and

"(C) whether the assistance was furnished on a grant basis, on an advance payment basis, or on some other basis; and

"(3) a description of the ways in which the provision of such assistance has furthered the objective of enhancing the ability of foreign law enforcement authorities to deter acts of terrorism.

"SEC. 3108. ADMINISTRATIVE AUTHORITIES.

"Except where expressly provided to the contrary, any reference in any law to title I of this Act shall be deemed to include reference to this chapter.

"SEC. 3107. AUTHORIZATIONS OF APPROPRIATIONS.

"There are authorized to be appropriated to the President to carry out this chapter $10,017,000 for fiscal year 1990 and $10,017,000 for fiscal year 1991.

"SEC. 3108. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

"(a) PROHIBITION.—The United States shall not provide any assistance under this Act, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Export-Import Bank Act of 1945 to any country which the President determines—

"(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

"(2) otherwise supports international terrorism.

"(b) WAIVER AUTHORITY.—The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of the waiver (including the justification for the waiver) in accordance with the procedures applicable to reprogramming notifications under section 4304.

"(c) MULTILATERAL SANCTIONS.—If sanctions are imposed on a country pursuant to subsection (a) because of its support for international terrorism, the President should call upon other countries to impose similar sanctions on that country.

"CHAPTER 2—INTERNATIONAL NARCOTICS CONTROL

"Subchapter A—General Policies

"SEC. 3201. FINDINGS AND STATEMENTS OF POLICY.

"(a) FINDINGS.—The Congress finds that—

"(1) under the Single Convention on Narcotic Drugs, 1961, each signatory country has the responsibility of limiting to illicit purposes the cultivation, production, manufacture, sale, and other distribution of scheduled drugs;

"(2) suppression of international narcotics trafficking is among the most important foreign policy objectives of the United States;

"(3) the international community should provide assistance, where appropriate, to those producer and transit countries which require assistance in discharging these primary obligations;

"(4) international narcotics control programs should include, as a priority, the progressive elimination of the illicit cultivation of the crops from which narcotic and psychotropic drugs are derived, and should also include the suppression of the illicit manufacture of and traffic in narcotic and psychotropic drugs; and

"(5) effective international cooperation is necessary to control the illicit cultivation, production, and smuggling of, trafficking in, and abuse of narcotic and psychotropic drugs.

"(b) MULTILATERAL DEVELOPMENT BANKS.—In order to promote international cooperation in combating international trafficking in illicit narcotics, it shall be the policy of the United States to use its voice and vote in multilateral development banks to promote the development and implementation in the major illicit drug producing countries of programs for the reduction and eventual eradication of narcotic drugs and other controlled substances, including appropriate assistance in conjunction with effective programs of illicit crop eradication.

"SEC. 3202. COORDINATION OF ALL UNITED STATES ANTI-NARCOTICS ASSISTANCE TO FOREIGN COUNTRIES.

"(a) RESPONSIBILITY OF SECRETARY OF STATE.—Consistent with subtitle A of title I of the Anti-Drug Abuse Act of 1988, the Secretary of State shall be responsible for coordinating all assistance provided by the United States Government to support international efforts to combat illicit narcotics production or trafficking.

"(b) RULE OF CONSTRUCTION.—Nothing contained in this section or section 3261(c) shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.

"Subchapter B—Narcotics Control Assistance

"SEC. 3221. AUTHORITY TO ENTER INTO AGREEMENTS AND PROVIDE ASSISTANCE.

"(a) AUTHORITY TO ENTER INTO AGREEMENTS.—In order to promote effective international cooperation, the President is authorized to enter into agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotics analgesics, including opium and its derivatives, other narcotic and psychotropic drugs, and other controlled substances.

"(b) AUTHORITY TO FURNISH ASSISTANCE.—Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organi-

zation for the control of narcotic and psychotropic drugs and other controlled substances.

"(c) ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to title I of this Act shall be deemed to include reference to this chapter.

"SEC. 3222. AUTHORIZATIONS OF APPROPRIATIONS.

"To carry out section 3221, there are authorized to be appropriated to the President $115,000,000 for fiscal year 1990 and $115,000,000 for fiscal year 1991.

"SEC. 3223. CONTRIBUTION BY RECIPIENT COUNTRY.

"To ensure local commitment to the activities assisted under this chapter, a country receiving assistance under this chapter should bear an appropriate share of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. A country may bear such costs on an 'in kind' basis.

"SEC. 3224. USE OF HERBICIDES FOR AERIAL ERADICATION.

"(a) MONITORING.—The President, with the assistance of appropriate Federal agencies, shall monitor any use under this chapter of a herbicide for aerial eradication in order to determine the impact of such use on the environment and on the health of individuals.

"(b) ANNUAL REPORTS.—The President shall report on such impact in the annual report required by section 3261(a).

"(c) REPORT UPON DETERMINATION OF HARM TO ENVIRONMENT OR HEALTH.—If the President determines that any such use is harmful to the environment or the health of individuals, the President shall immediately report that determination to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, together with such recommendations as the President deems appropriate.

"SEC. 3225. PROHIBITION ON PROCUREMENT OF WEAPONS AND AMMUNITION.

"Funds made available to carry out this chapter shall not be made available for the procurement of weapons or ammunition under this chapter.

"SEC. 3226. PERMISSIBLE USES OF AIRCRAFT AND OTHER EQUIPMENT.

"(a) IN GENERAL.—The President shall take all reasonable steps to ensure that aircraft and other equipment made available to foreign countries under this chapter are used only in ways that are consistent with the purposes for which such equipment was made available.

"(b) REPORTS.—In the reports submitted pursuant to section 3261(a), the President shall discuss—

"(1) any evidence indicating misuse by a foreign country of aircraft or other equipment made available under this chapter, and

"(2) the actions taken by the United States Government to prevent future misuse of such equipment by that foreign country.

"(c) REGULATIONS.—The President shall issue regulations specifying the steps to be taken in carrying out this section.

"(d) CONGRESSIONAL REVIEW OF REGULATIONS.—Regulations issued pursuant to subsection (c) shall be submitted to the Congress before they take effect.

"SEC. 3227. RETENTION OF TITLE TO AIRCRAFT.

"Any aircraft which, at any time after October 27, 1986 (which was the date of enactment of the International Narcotics Control Act of 1986), are made available to a foreign country under this chapter, or are made available to a foreign country primarily for narcotics-related purposes under any other provision of law, shall be provided only on a lease or loan basis.

"SEC. 3228. RECORDS OF AIRCRAFT USE.

"(a) REQUIREMENT TO MAINTAIN RECORDS.—The Secretary of State shall maintain detailed records on the use of any aircraft made available to a foreign country under this chapter, including aircraft made available before the enactment of this section.

"(b) CONGRESSIONAL ACCESS TO RECORDS.—The Secretary of State shall make the records maintained pursuant to subsection (a) available to the Congress upon a request of the Chairman of the Committee on Foreign Affairs of the House of Representatives or the Chairman of the Committee on Foreign Relations of the Senate.

"SEC. 3229. PROHIBITION ON USE OF NARCOTICS CONTROL ASSISTANCE TO ACQUIRE REAL PROPERTY.

"Funds made available to carry out this chapter may not be used to acquire (by purchase, lease, or other means) any real property for use by foreign military, paramilitary, or law enforcement forces.

"Subchapter C—Foreign Assistance Generally and Narcotics Control

"SEC. 3241. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.

"Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.

"SEC. 3242. PROHIBITION ON ASSISTANCE TO DRUG TRAFFICKERS.

"(a) PROHIBITION.—The President shall take all reasonable steps to ensure that assistance under this Act is not provided to or through any individual or entity that the President knows or has reason to believe—

"(1) has been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States, a State or the District of Columbia, or a foreign country relating narcotic or psychotropic drugs or other controlled substances; or

"(2) is or has been an illicit trafficker in any such controlled substance or is or has been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such substance.

"(b) REGULATIONS.—The President shall issue regulations specifying the steps to be taken in carrying out this section.

"(c) CONGRESSIONAL REVIEW OF REGULATIONS.—Regulations issued pursuant to subsection (b) shall be submitted to the Congress before they take effect.

"SEC. 3243. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

"(a) ADDITIONAL ASSISTANCE FOR COUNTRIES TAKING SIGNIFICANT STEPS.—If any funds made available for any fiscal year for security assistance are not used for assistance for the country for which those funds were allocated because of the requirements of section 3262 or any other provision of law requiring the withholding of assistance for countries that have not taken adequate steps to halt illicit drug production or trafficking, the President shall use those funds for additional assistance for those countries which have met their illicit drug eradication targets or have otherwise taken significant steps to halt illicit drug production or trafficking, as follows:

"(1) INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.—Those funds may be transferred to and consolidated with the funds made available to carry out this chapter in order to provide additional narcotics control assistance for those countries. Funds transferred under this paragraph may only be used to provide increased funding for activities previously justified to the Congress. Transfers may be made under this paragraph without regard to the 20-percent increase limitation contained in section 4101(b)(3).

"(2) SECURITY ASSISTANCE.—Any such funds not used under paragraph (1) shall be reprogrammed within the account for which they were appropriated (subject to the regular reprogramming procedures under section 4304) in order to provide additional security assistance for those countries.

"(b) DEFINITION OF SECURITY ASSISTANCE.—As used in this section, the term 'security assistance' means economic support assistance, foreign military financing, and international military education and training.

"SEC. 3244. WAIVER OF CERTAIN RESTRICTIONS ON ASSISTANCE FOR COUNTRIES REDUCING ILLICIT DRUG PRODUCTION.

"(a) COUNTRIES ELIGIBLE FOR ASSISTANCE.—The provisions of law described in subsection (c) do not apply with respect to a major illicit drug producing country during a fiscal year if that country had a verifiable net reduction during the preceding calendar year in the production within that country of any narcotic or psychotropic drug or other controlled substance whose production exceeds the amounts specified with respect to that substance in the definition of major illicit drug producing country contained in section 3282(2).

"(b) REDUCTION DURING THE PRECEDING CALENDAR YEAR DEFINED.—For purposes of subsection (a), the term 'reduction during the preceding calendar year' means, with respect to a fiscal year, a reduction in production during the last calendar year ending before that fiscal year began as compared to production during the previous calendar year.

"(c) PROVISIONS MADE INAPPLICABLE.—Subsection (a) applies with respect to section 4209 and any provision of any other Act which restricts or prohibits the furnishing of assistance under this Act to a country that is in arrears or default in payment to the United States of principal or interest on a loan made or credits extended to that country under any program for which funds are made available by that Act (or predecessor Acts).

"SEC. 3245. ASSISTANCE FOR CROP SUBSTITUTION ACTIVITIES.

"Section 4201(a)(4) of this Act and sections 106(b)(4)(B) and 108(c)(5) of the Agricultural Trade Development and Assistance Act of 1954 do not apply with respect to assistance for crop substitution activities undertaken in furtherance of narcotics control objectives.

"SEC. 3246. DEBT FORGIVENESS FOR MAJOR COCA PRODUCING COUNTRIES PARTICIPATING IN AERIAL ERADICATION PROGRAMS.

"(a) AUTHORITY.—The President may release a country, which is a major illicit drug producing country because of its coca production, from its obligation to make payments to the United States Government, during a fiscal year, of principal and interest on account of a loan made to that country under this Act or credits extended for that country under the former authorities

of section 23 of the Arms Export Control Act if the President determines that that country has agreed to, and is participating in, a program for the use during that fiscal year of a safe, effective herbicide for the aerial eradication of coca in that country.

"(b) EFFECTIVE DATE.—Subsection (a) applies with respect to fiscal year 1991 and each fiscal year thereafter.

"Subchapter D—Reports and Annual Certification Process

"SEC. 3261. REPORTS.

"(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—

"(1) REQUIREMENT FOR REPORT.—Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on United States policy to establish and encourage an international strategy to prevent the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances.

"(2) CONTENTS.—Each report pursuant to this subsection shall include the following:

"(A) A description of the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including policy development, bilateral and multilateral funding and other support for international narcotics control projects, representations of the United States Government to international organizations and agencies concerned with narcotics control, training of foreign enforcement personnel, coordination of the international narcotics control activities of United States Government agencies, and technical assistance to international demand reduction programs.

"(B) A description of the activities of the United States in international financial institutions to combat the entry of illicit narcotic and psychotropic drugs and other controlled substances into the United States for the fiscal year just ended, for the current fiscal year, and for the next fiscal year.

"(C) The identity of those countries which are the significant direct or indirect sources of illicit narcotic and psychotropic drugs and other controlled substances significantly affecting the United States. For each such country, each report shall include the following:

"(i) A detailed status report, with such information as can be reliably obtained, on the illicit narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported through such country, noting significant changes in conditions, such as increases or decreases in the illicit cultivation and manufacture of and traffic in such drugs and substances.

"(ii) A description of the assistance under this chapter and the other kinds of United States assistance which such country received in the preceding fiscal year, which are planned for such country for the current fiscal year, and which are proposed for such country for the next fiscal year, with an analysis of the impact that the furnishing of each such kind of assistance has had or is expected to have on the illicit cultivation and manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances in such country.

"(iii) A description of the plans, programs, and timetables adopted by such country for the progressive elimination of the illicit cultivation of narcotic and psychotropic drugs and other controlled substances, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with these plans.

"(iv) A discussion of the extent to which such country has cooperated with the United States narcotics control efforts through the extradition or prosecution of drug traffickers, and, where appropriate, a description of the status of negotiations with such country to negotiate a new or updated extradition treaty relating to narcotics offenses.

"(D) For each major illicit drug producing country for which the President is proposing to furnish United States assistance for the next fiscal year, a determination by the President of the maximum reductions in illicit drug production which are achievable during the next fiscal year. Each such determination shall be expressed in numerical terms, such as the number of acres of illicitly cultivated controlled substances which can be eradicated.

"(E) For each major illicit drug producing country which received United States assistance for the preceding fiscal year, the actual reductions in illicit drug production achieved by that country during such fiscal year.

"(F) Specific comments and recommendations by appropriate Federal agencies involved in drug enforcement, including the United States Customs Service and the Drug Enforcement Administration, with respect to the degree to which countries listed in the report have, during the preceding year, cooperated fully with such agencies (as described in section 3262(b)).

"(G) A description of the United States assistance for the preceding fiscal year which was denied, pursuant to section 3262, to each major illicit drug producing country and each major drug-transit country.

"(b) MIDYEAR REPORT.—Not later than September 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall include the status of each agreement concluded prior to such date with other countries to carry out this chapter.

"(c) ANNUAL REPORTS ON ASSISTANCE.—

"(1) IN GENERAL.—At the time that the report required by subsection (a) is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided by the United States Government during the preceding fiscal year to support international efforts to combat illicit narcotics production or trafficking.

"(2) INFORMATION TO BE INCLUDED.—Each report pursuant to this subsection shall—

"(A) specify the amount and nature of the assistance provided;

"(B) include, for each country which is a significant direct or indirect source of illicit narcotic and psychotropic drugs and other controlled substances significantly affecting the United States, a section prepared by the Drug Enforcement Administration, a section prepared by the Customs Service, and a section prepared by the Coast Guard, which describes in detail—

"(i) the assistance provided or to be provided (as the case may be) to such country by that agency, and

"(ii) the assistance provided or to be provided (as the case may be) to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year; and

"(C) list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

"(3) REPORTS MAY BE CLASSIFIED.—The reports required by this subsection may be provided on a classified basis to the extent necessary.

"SEC. 3262. ANNUAL CERTIFICATION PROCEDURES.

"(a) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—

"(1) BILATERAL ASSISTANCE.—Fifty percent of the United States assistance allocated each fiscal year in the report required by section 4303 for each major illicit drug producing country or major drug-transit country shall be withheld from obligation and expenditure, except as provided in subsection (b).

"(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development, the United States Executive Director of the International Development Association, the United States Executive Director of the Inter-American Development Bank, and the United States Executive Director of the Asian Development Bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country, except as provided in subsection (b).

"(b) CERTIFICATION PROCEDURE.—

"(1) WHAT MUST BE CERTIFIED.—Subject to subsection (d), the assistance withheld from a country pursuant to subsection (a)(1) may be obligated and expended, and the requirement of subsection (a)(2) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by section 3261(a), that—

"(A) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own—

"(i) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in paragraph (2)) or a multilateral agreement which achieves the objectives of paragraph (2),

"(ii) in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States,

"(iii) in preventing and punishing the laundering in that country of drug-related profits or drug-related moneys, and

"(iv) in preventing and punishing bribery and other forms of public corruption which

facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts; or

"(B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld pursuant to subsection (a)(1) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to subsection (a)(2).

"(2) BILATERAL NARCOTICS AGREEMENT.—A bilateral narcotics agreement referred to in paragraph (1)(A)(i) is an agreement between the United States and a foreign country in which the foreign country agrees to take specific activities, including, where applicable, efforts to—

"(A) reduce drug production, drug consumption, and drug trafficking within its territory, including activities to address illicit crop eradication and crop substitution;

"(B) increase drug interdiction and enforcement;

"(C) increase drug treatment;

"(D) increase the identification of and elimination of illicit drug laboratories;

"(E) increase the identification and elimination of the trafficking of essential precursor chemicals for the use in production of illegal drugs;

"(F) increase cooperation with United States drug enforcement officials; and

"(G) where applicable, increase participation in extradition treaties, mutual legal assistance provisions directed at money laundering, sharing of evidence, and other initiatives for cooperative drug enforcement.

"(3) REQUIREMENT FOR NARCOTICS AGREEMENT FOR CERTAIN COUNTRIES.—A country which in the previous year was designated as a major illicit drug producing country or a major drug-transit country may not be determined to be cooperating fully under paragraph (1)(A) unless it has in place a bilateral narcotics agreement with the United States or a multilateral agreement which achieves the objectives of paragraph (2).

"(4) INFORMATION TO BE INCLUDED IN CERTIFICATION.—If the President makes a certification with respect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

"(A) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this section and multilateral development bank assistance is not provided to such country; and

"(B) a statement weighing the risk described in subparagraph (A) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

"(5) LICIT OPIUM PRODUCING COUNTRIES.—The President may make a certification under paragraph (1)(A) with respect to a major illicit drug producing country or major drug-transit country which is also a producer of licit opium only if the President determines that such country has taken steps to prevent significant diversion of its licit cultivation and production into the illicit market, maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

"(c) MATTERS TO BE CONSIDERED.—In determining whether to make the certification required by subsection (b) with respect to a country, the President shall consider the following:

"(1) Have the actions of the government of that country resulted in the maximum reductions in illicit drug production which were determined to be achievable pursuant to section 3261(a)(2)(D)? In the case of a major illicit drug producing country, the President shall give foremost consideration, in determining whether to make the determination required by subsection (b), to whether the government of that country has taken actions which have resulted in such reductions.

"(2) Has that government taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacturing of and trafficking in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States?

"(3) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug-related profits or drug-related moneys, as evidenced by—

"(A) the enactment and enforcement by that government of laws prohibiting such conduct,

"(B) that government entering into, and cooperating under the terms of, mutual legal assistance agreements with the United States governing (but not limited to) money laundering, and

"(C) the degree to which that government otherwise cooperates with United States law enforcement authorities on anti-money laundering efforts?

"(4) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts, as evidenced by the enactment and enforcement of laws prohibiting such conduct?

"(5) Has that government, as a matter of government policy, encouraged or facilitated the production or distribution of illicit narcotic and psychotropic drugs and other controlled substances?

"(6) Does any senior official of that government engage in, encourage, or facilitate the production or distribution of illicit narcotic and psychotropic drugs and other controlled substances?

"(7) Has that government investigated aggressively all cases in which any member of an agency of the United States Government engaged in drug enforcement activities since January 1, 1985, has been the victim of acts or threats of violence, inflicted by or with the complicity of any law enforcement or other officer of such country or any political subdivision thereof, and energetically sought to bring the perpetrators of such offense or offenses to justice?

"(8) Having been requested to do so by the United States Government, does that government fail to provide reasonable cooperation to lawful activities of United States drug enforcement agents, including the refusal of permission to such agents engaged in interdiction of aerial smuggling into the United States to pursue suspected aerial smugglers a reasonable distance into the airspace of the requested country?

"(9) Has that government made necessary changes in legal codes in order to enable law enforcement officials to move more effectively against narcotics traffickers, such as new conspiracy laws and new asset seizure laws?

"(10) Has that government expeditiously processed United States extradition requests relating to narcotics trafficking?

"(11) Has that government refused to protect or give haven to any known drug traffickers, and has it expeditiously processed extradition requests relating to narcotics trafficking made by other countries?

"(d) CONGRESSIONAL REVIEW.—Subsection (a) shall apply without regard to subsection (b) if, within 45 days of continuous session (within the meaning of section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) after receipt of a certification under subsection (b), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

"(e) DENIAL OF ASSISTANCE FOR COUNTRIES DECERTIFIED.—If the President does not make a certification under subsection (b) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in subsection (f)(1) are satisfied—

"(1) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

"(2) the requirement to vote against multilateral development bank assistance pursuant to subsection (a)(2) shall apply with respect to that country, without regard to the date specified in that subsection.

"(f) RECERTIFICATION.—

"(1) TIME OF RECERTIFICATION; CONGRESSIONAL ACTION.—Subsection (e) shall apply to a country until—

"(A) the President makes a certification under subsection (b) with respect to that country, and the Congress does not enact a joint resolution under subsection (d) disapproving the determination of the President contained in that certification; or

"(B) the President submits at any other time a certification of the matters described in subsection (b) with respect to such country, and the Congress enacts a joint resolution approving the determination of the President contained in that certification.

"(2) CONGRESSIONAL REVIEW PROCEDURES.—(A) Any joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and enactment of joint resolutions under this subsection, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"SEC. 3263. DETERMINING MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES.

"(a) ESTABLISHMENT OF GUIDELINES.—For each calendar year, the Secretary of State, after consultation with the appropriate committees of the Congress, shall establish numerical standards and other guidelines

for determining which countries will be considered to be major drug-transit countries under section 3282(3) (A) and (B).

"(b) NOTICE TO CONGRESS OF PRELIMINARY STANDARDS.—Not later than September 1 of each year, the Secretary of State shall make a preliminary determination of the numerical standards and other guidelines to be used pursuant to subsection (a) with respect to that year and shall notify the appropriate committees of the Congress of those standards and guidelines.

"(c) NOTICE TO CONGRESS OF PRELIMINARY DETERMINATIONS.—Not later than October 1 of each year, the Secretary of State shall notify the appropriate committees of the Congress of—

"(1) which countries have been determined to be major drug-transit countries for that year under the numerical standards and other guidelines developed pursuant to this subsection; and

"(2) which countries have been determined to be major illicit drug producing countries for that year.

"Subchapter E—Miscellaneous Provisions

"SEC. 3291. PARTICIPATION IN FOREIGN POLICE ACTIONS.

"(a) PROHIBITION ON EFFECTING AN ARREST.—No officer or employee of the United States may directly effect an arrest in any foreign country as part of any foreign police action with respect to narcotics control efforts, notwithstanding any other provision of law.

"(b) PARTICIPATION IN ARREST ACTIONS.—Subsection (a) does not prohibit an officer or employee of the United States, with the approval of the United States chief of mission, from being present when foreign officers are effecting an arrest or from assisting foreign officers who are effecting an arrest.

"(c) EXCEPTION FOR EXIGENT, THREATENING CIRCUMSTANCES.—Subsection (a) does not prohibit an officer or employee from taking direct action to protect life or safety if exigent circumstances arise which are unanticipated and which pose an immediate threat to United States officers or employees, officers or employees of a foreign government, or members of the public.

"(d) EXCEPTION FOR MARITIME LAW ENFORCEMENT.—With the agreement of a foreign country, subsection (a) does not apply with respect to maritime law enforcement operations in the territorial sea of that country.

"(e) INTERROGATIONS.—No officer or employee of the United States may interrogate or be present during the interrogation of any United States person arrested in any foreign country with respect to narcotics control efforts without the written consent of such person.

"(f) EXCEPTION FOR STATUS OF FORCES ARRANGEMENTS.—This section does not apply to the activities of the United States Armed Forces in carrying out their responsibilities under applicable Status of Forces arrangements.

"SEC. 3292. DEFINITIONS.

"As used in this chapter, the following terms have the following meaning:

"(1) LEGAL AND LAW ENFORCEMENT MEASURES.—The term 'legal and law enforcement measures' means—

"(A) the enactment and implementation of laws and regulations or the implementation of existing laws and regulations to provide for the progressive control, reduction, and gradual elimination of the illicit cultivation, production, processing, transportation, and distribution of narcotic drugs and other controlled substances; and

"(B) the effective organization, staffing, equipping, funding, and activation of those governmental authorities responsible for narcotics control.

"(2) MAJOR ILLICIT DRUG PRODUCING COUNTRY.—The term 'major illicit drug producing country' means a country producing five metric tons or more of opium or opium derivative during a fiscal year or producing five hundred metric tons or more of coca or marijuana (as the case may be) during a fiscal year.

"(3) MAJOR DRUG-TRANSIT COUNTRY.—The term 'major drug-transit country' means a country—

"(A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States;

"(B) through which are transported such drugs or substances; or

"(C) through which significant sums of drug-related profits or monies are laundered with the knowledge or complicity of the government.

"(4) NARCOTIC AND PSYCHOTROPIC DRUGS AND OTHER CONTROLLED SUBSTANCES.—The term 'narcotic and psychotropic drugs and other controlled substances' has the same meaning as is given by any applicable international narcotics control agreement or domestic law of the country or countries concerned.

"(5) UNITED STATES ASSISTANCE.—(A) Except as provided in subparagraph (B), the term 'United States assistance' means assistance of any kind which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

"(i) assistance under this Act (including programs under subchapter A of chapter 5 of title I);

"(ii) sales under the Defense Trade and Export Control Act;

"(iii) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

"(iv) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; and

"(v) financing under the Export-Import Bank Act of 1945.

"(B) The term 'United States assistance' does not include—

"(i) narcotics control assistance;

"(ii) disaster relief assistance, including any assistance under chapter 6 of title I;

"(iii) assistance which involves the provision of food or medicine;

"(iv) assistance for refugees;

"(v) assistance under the Inter-American Foundation Act;

"(vi) development assistance, economic support assistance, or assistance for famine recovery and development in Africa that is used for activities which deal directly with the special health needs of children and mothers;

"(vii) development assistance, economic support assistance, or assistance for famine recovery and development in Africa that is used for activities aimed at increasing awareness of the effects of the production and trafficking of illicit narcotics on producing and transit countries (but any such assistance shall be subject to the prior notification procedures applicable to reprogrammings under section 4304); or

"(viii) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or Executive Order 12333.".

CHAPTER 2—ASSISTANCE FOR NARCOTICS-RELATED PURPOSES

SEC. 321. HERBICIDES FOR AERIAL COCA ERADICATION.

The Secretary of State shall use not less than $500,000 of the funds made available for each of the fiscal years 1990 and 1991 for narcotics control assistance under the Foreign Assistance Act of 1961 to finance the testing and use of safe and effective herbicides for use in the aerial eradication of coca.

SEC. 322. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

(a) EARMARKING OF FUNDS.—Of the funds available for foreign military financing under the Foreign Assistance Act of 1961, $1,000,000 for each of the fiscal years 1990 and 1991 shall be made available to arm, for defensive purposes, aircraft used in narcotics control eradication or interdiction efforts. These funds may only be used to arm aircraft already in the inventory of the recipient country, and may not be used for the purchase of new aircraft.

(b) NOTIFICATION TO CONGRESS.—The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of funds under subsection (a) at least 15 days in advance in accordance with the reprogramming procedures applicable under section 4304 of the Foreign Assistance Act of 1961.

SEC. 323. TRAINING FOR NARCOTICS CONTROL ACTIVITIES.

(a) EARMARKING OF FUNDS.—Not less than $2,000,000 of the funds made available for each of the fiscal years 1990 and 1991 for international military education and training under the Foreign Assistance Act of 1961 shall be available only for—

(1) education and training in the operation and maintenance of equipment used in narcotics control interdiction and eradication efforts of countries in Latin America and the Caribbean which are described in subsection (c); and

(2) the expenses of deploying, upon the request of the government of a foreign country described in subsection (c), Department of Defense mobile training teams in that foreign country to conduct training in military-related individual and collective skills that will enhance that country's ability to conduct tactical operations in narcotics interdiction.

(b) UNITS ELIGIBLE FOR TRAINING.—Education and training may be provided under subsection (a)(1) and training may be provided under subsection (a)(2) only for foreign law enforcement agencies, or other units, that are organized for the specific purpose of narcotics enforcement.

(c) ELIGIBLE COUNTRIES.—Assistance may be provided under this section only for a country—

(1) which is a major illicit drug producing country or a major drug-transit country (as defined in section 3282 of the Foreign Assistance Act of 1961);

(2) which has a democratic government; and

(3) whose law enforcement agencies do not engage in a consistent pattern of gross violations of internationally recognized human rights (as defined in section 5601(b)(3) of the Foreign Assistance Act of 1961).

(d) COORDINATION WITH INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance under this section shall be coordinated with narcotics control assistance under the Foreign Assistance Act of 1961.

(e) WAIVER OF POLICE TRAINING PROHIBITION.—Assistance may be provided pursuant to this section notwithstanding the prohibition contained in section 4202 of the Foreign Assistance Act of 1961 (relating to police training).

SEC. 324. MILITARY ASSISTANCE FOR ANTINARCOTICS EFFORTS.

(a) PURPOSES OF ASSISTANCE.—Assistance provided under this section shall be designed to—

(1) enhance the ability of friendly governments to control illicit narcotics production and trafficking;

(2) strengthen the bilateral ties of the United States with friendly governments by offering concrete assistance in this area of great mutual concern; and

(3) strengthen respect for internationally recognized human rights and the rule of law in efforts to control illicit narcotics production and trafficking.

(b) WAIVER OF CERTAIN PROVISIONS.—During fiscal year 1991, section 4202 of the Foreign Assistance Act of 1961 shall not apply with respect to foreign military financing provided under that Act to countries described in subsection (c) for the procurement, for use in narcotics control, eradication, and interdiction efforts, of weapons or ammunition for foreign law enforcement agencies, or other units, that are organized for the specific purpose of narcotics enforcement.

(c) ELIGIBLE COUNTRIES.—Assistance may be provided under this section only for a country—

(1) which is a major illicit drug producing country or a major drug-transit country (as defined in section 3282 of the Foreign Assistance Act of 1961);

(2) which has a democratic government; and

(3) whose law enforcement agencies do not engage in a consistent pattern of gross violations of internationally recognized human rights (as defined in section 5601(b)(3) of the Foreign Assistance Act of 1961).

(d) REPORTS TO CONGRESS.—Not less than 15 days before funds are obligated to provide assistance authorized by this section, the President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable under section 4304 of the Foreign Assistance Act of 1961, a written notification which specifies—

(1) the country to which the assistance is to be provided;

(2) the type and value of the assistance to be provided;

(3) the law enforcement agencies or other units that will receive the assistance; and

(4) an explanation of how the proposed assistance will achieve the purposes specified in subsection (a) of this section.

(e) REPORTS ON HUMAN RIGHTS SITUATION.—Section 4302(e) of the Foreign Assistance Act of 1961 (relating to country-specific human rights reports upon the request of the foreign affairs committees) applies with respect to countries for which assistance authorized by this section is proposed or is being provided.

(f) COORDINATION WITH INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance under this section shall be coordinated with narcotics control assistance provided under the Foreign Assistance Act of 1961.

(g) EARMARKING FOR LATIN AMERICA AND THE CARIBBEAN.—Of the amounts made available for each of the fiscal years 1990 and 1991 for foreign military financing under the Foreign Assistance Act of 1961, $3,500,000 shall be available only to provide assistance authorized by this section for countries in Latin America or the Caribbean.

(h) FY 1990 ASSISTANCE.—Section 4205 of the International Narcotics Control Act of 1988 authorizes assistance for fiscal year 1990 for the same purposes and subject to the same restrictions as the assistance that is provided for in this section for fiscal year 1991.

CHAPTER 3—PROVISIONS RELATING TO ASSISTANCE RECIPIENTS

SEC. 341. ASSISTANCE FOR BOLIVIA.

(a) SECURITY ASSISTANCE.—For each of the fiscal years 1990 and 1991, economic support assistance, foreign military financing, and international military education and training may be provided for Bolivia under the Foreign Assistance Act of 1961 only if the President certifies to the Congress that the Government of Bolivia is implementing legislation that—

(1) establishes its legal coca requirements;

(2) provides for the licensing of the number of hectares necessary to produce the legal requirement;

(3) makes unlicensed coca production illegal; and

(4) makes possession and distribution of coca leaf illegal (other than possession and distribution for licit purposes).

(b) ANNUAL CERTIFICATION.—For fiscal years 1990 and 1991, the President may make a certification with respect to Bolivia under subparagraph (A) or (B) of section 3262(b)(1) of the Foreign Assistance Act of 1961 only if the Government of Bolivia—

(1) has entered into the narcotics cooperation agreement with the United States specified in section 611(2)(B) of the International Security and Development Cooperation Act of 1985 (as in effect before the effective date specified in section 601 of this Act);

(2) has fully achieved the eradication targets contained in that agreement; and

(3) has begun a program of forced eradication of illicit coca cultivation if the targets for voluntary eradication are not being met or are not continued.

(c) DEVELOPMENT ASSISTANCE.—For fiscal years 1990 and 1991, the project agreement document for a project carried out with development assistance under the Foreign Assistance Act of 1961 shall contain—

(1) in the case of the Chapare Regional Development Project, a clause requiring that project activities be suspended if the Government of Bolivia fails to achieve the coca eradication targets contained in the applicable agreement concerning that project; and

(2) in the case of a project to be carried out in an area in Bolivia in which there is no known illicit coca cultivation as of the date of enactment of this Act, a clause requiring that project activities be suspended if the Government of Bolivia fails to keep the project area free of illicit coca cultivation.

SEC. 342. ASSISTANCE FOR PERU.

(a) DETERMINATIONS REGARDING NARCOTICS CONTROL COOPERATION.—In making determinations with respect to Peru pursuant to section 3262(b)(1)(A) of the Foreign Assistance Act of 1961 for fiscal years 1990 and 1991, the President shall give foremost consideration to whether the Government of Peru made substantial progress in meeting its coca eradication targets during the previous year.

(b) UPPER HUALLAGA VALLEY PROJECT.—Funds made available for fiscal years 1990 and 1991 for development assistance under the Foreign Assistance Act of 1961 may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Secretary of State determines, and reports to the Congress, that such project continues to be effective in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

SEC. 343. ASSISTANCE FOR MEXICO.

(a) LIMITATION ON ASSISTANCE.—Except as provided in subsection (b), not more than $15,000,000 of the amounts made available for each of the fiscal years 1990 and 1991 for narcotics control assistance under the Foreign Assistance Act of 1961 may be made available for Mexico.

(b) PROCEDURE FOR ADDITIONAL ASSISTANCE.—Assistance in excess of the amount specified in subsection (a) may be made available for Mexico only if the congressional committees specified in section 4304 of the Foreign Assistance Act of 1961 are notified at least 15 days in advance in accordance with the regular reprogramming procedures applicable under that section.

SEC. 344. NONAPPLICABILITY OF CERTIFICATION PROCEDURES TO CERTAIN MAJOR DRUG-TRANSIT COUNTRIES.

Section 3262 of the Foreign Assistance Act of 1961 shall not apply with respect to a major drug-transit country for fiscal year 1990 or fiscal year 1991 if the President certifies to the Congress, during that fiscal year, that—

(1) subparagraph (C) of section 3282(3) of that Act, relating to money laundering, does not apply to that country;

(2) the country previously was a major illicit drug producing country but, during each of the preceding two years, has effectively eliminated illicit drug production; and

(3) the country is cooperating fully with the United States or has taken adequate steps on its own—

(A) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in section 3262(b)(2) of that Act) or a multilateral agreement which achieves the objectives of that section;

(B) in preventing narcotic and psychotropic drugs and other controlled substances transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States; and

(C) in preventing and punishing bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts.

SEC. 345. ADDITIONAL ASSISTANCE FOR COOPERATING MAJOR COCA-PRODUCING COUNTRIES.

(a) SET-ASIDE OF FUNDS FOR ADDITIONAL ASSISTANCE.—Of the amounts made available for narcotics control assistance under the Foreign Assistance Act of 1961 for each of the fiscal years 1990 and 1991, $14,000,000 shall be available only for assistance under

subsection (c) for countries described in subsection (b). These funds shall remain available until expended notwithstanding any other provision of law.

(b) ELIGIBLE COUNTRIES.—Assistance may be furnished under this section to any country—

(1) which is a major illicit drug producing country because of its coca production, and

(2) which has met or exceeded its coca eradication targets or has otherwise taken concrete actions which have significantly reduced the amount of cocaine flowing to the United States.

(c) ASSISTANCE WHICH MAY BE FURNISHED.—The funds made available for use under this section may be used to furnish to countries described in subsection (b) such assistance authorized by title I or by chapter 1 or chapter 2 of title III of the Foreign Assistance Act of 1961 as the President may determine, provided the assistance is related to narcotics control.

The CHAIRMAN. Are there amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS ON ASSISTANCE, AND REPORTS

SEC. 401. CONSOLIDATION AND REVISION OF SPECIAL AUTHORITIES, RESTRICTIONS, AND REPORTING REQUIREMENTS; ELIMINATION OF OBSOLETE PROVISIONS.

The Foreign Assistance Act of 1961 is amended by striking out existing part III (except as provided in section 603(c)) and by adding the following new title IV after new title III (as added by title III of this Act):

"TITLE IV—SPECIAL AUTHORITIES, RESTRICTIONS ON ASSISTANCE, AND REPORTS

"CHAPTER 1—SPECIAL AUTHORITIES

"SEC. 4101. AUTHORITY TO TRANSFER BETWEEN ACCOUNTS.

"(a) GENERAL TRANSFER AUTHORITY.—Subject to subsection (b), whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 percent of the funds made available to carry out any provision of this Act—

"(1) may be transferred to, and consolidated with, the funds in the account or fund available to carry out any other provision of this Act; and

"(2) may be used for any of the purposes for which funds in that account or fund may be used.

"(b) EXCEPTIONS AND LIMITATIONS.—

"(1) TRANSFERS NOT ALLOWED TO INCREASE FOREIGN MILITARY FINANCING PROGRAM.—The authority of subsection (a) may not be used to transfer funds for use under chapter 2 of title II of this Act.

"(2) CERTAIN FUNDS MAY NOT BE TRANSFERRED.—The authority of subsection (a) may not be used to transfer—

"(A) any funds made available pursuant to subchapter A of chapter 5 of title I (relating to the Overseas Private Investment Corporation);

"(B) any funds allocated under subsection (e) (1) or (2) of section 1721 for the discharge of liabilities under that section (relating to trade credit insurance program);

"(C) any funds made available pursuant to section 1722 (relating to the housing and urban development guaranteed program); or

"(D) any funds made available for assistance for famine recovery and development in Africa.

"(3) LIMITATION ON AMOUNT OF INCREASE IN AN ACCOUNT.—The total amount in the account or fund for the benefit of which a transfer is made under subsection (a) may not be increased by more than 20 percent of the amount of funds otherwise made available for such account or fund.

"SEC. 4102. SPECIAL WAIVER AUTHORITY.

"(a) NONMILITARY ASSISTANCE PROGRAMS.—If the President determines that to do so is important to the national interests of the United States, the President may authorize the furnishing of assistance under title I, chapter 6 of title II, chapter 1 or chapter 2 of title III, or chapter 2 or chapter 3 of title VI without regard to any provision described in subsection (c).

"(b) MILITARY ASSISTANCE, SALES, AND LEASES.—If the President determines that to do so is essential to the national security interests of the United States, the President may authorize the furnishing of assistance under chapter 2 or chapter 5 of title II, and may authorize the making of sales or leases under the Defense Trade and Export Control Act, without regard to any provision described in subsection (c).

"(c) LAWS WHICH MAY BE WAIVED.—Subsections (a) and (b) apply with respect to the provisions of this Act, the Defense Trade and Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act.

"(d) CONSULTATION WITH CONGRESS.—Before exercising the authority granted in this section, the President shall consult with, and shall provide a written policy justification to, the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

"(e) NOTIFICATION TO CONGRESS.—A determination under subsection (a) or (b) shall be effective only if the President notifies the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, in writing, of that determination.

"(f) ANNUAL CEILINGS.—

"(1) IN GENERAL.—The authority of this section may not be used in any fiscal year to authorize—

"(A) more than $750,000,000 in sales or leases to be made under the Defense Trade and Export Control Act;

"(B) the use of more than $250,000,000 of funds made available for use under this Act; and

"(C) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law.

"(2) FINANCED MILITARY SALES.—If the authority of this section is used both to authorize a sale under the Defense Trade and Export Control Act and to authorize funds to be used under chapter 2 of title II of this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in paragraph (1)(B) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in paragraph (1)(A).

"(3) LEASES.—For purposes of paragraph (1)(A), the value of the defense articles authorized to be leased (in terms of their replacement cost less any depreciation in their value) shall be counted against the limitation in that paragraph.

"(4) COUNTRY LIMITS.—(A) Not more than $50,000,000 of the $250,000,000 limitation provided in paragraph (1)(B) may be allocated to any one country in any fiscal year unless that country is a victim of active Communist or Communist-supported aggression.

"(B) Not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in paragraphs (1)(A) and (1)(B) may be allocated to any one country in any fiscal year.

"(g) LIMITATION RELATING TO TRANSFER AUTHORITY.—The authority of this section may not be used to waive the limitations on transfers contained in section 4101(a).

"SEC. 4103. CONTINGENCIES INVOLVING NONMILITARY ASSISTANCE.

"(a) AUTHORITY.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to use funds made available to carry out any provision of this Act (other than the funds described in paragraph (2)) in order to furnish, for any emergency purpose, assistance authorized by any provision specified in paragraph (3) in accordance with the provisions applicable to the furnishing of such assistance.

"(2) DEVELOPMENT ASSISTANCE FUNDS NOT AVAILABLE.—The authority of paragraph (1) may not be exercised in order to use funds made available for development assistance or assistance for famine recovery and development in Africa.

"(3) PURPOSES FOR WHICH FUNDS MAY BE USED.—Funds made available for use under paragraph (1) may be used to furnish assistance under any provision of title I, chapter 6 of title II, chapter 1 or chapter 2 of title III, or chapter 2 or chapter 3 of title VI.

"(b) ANNUAL CEILING.—The authority of this section may not be used to authorize the use of more than $50,000,000 during any fiscal year.

"(c) REPORT TO CONGRESS.—The President shall report promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate each time the authority of this section is exercised.

"(d) PROHIBITION ON GIFTS.—Funds used under the authority of this section may not be used to pay for any gifts to any official of any foreign government.

"SEC. 4104. TERMINATION EXPENSES.

"(a) IN GENERAL.—Funds made available under this Act shall remain available, for a period not to exceed 8 months from the date of any termination of assistance under this Act, for the necessary expenses of winding up programs related to such termination. In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

"(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized, pursuant to the authority of this section, to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor which had been funded with assistance under this Act prior to the termination of assistance.

"(c) TERMINATION EXPENSES.—Amounts certified as having been obligated for assistance subsequently terminated by the Presi-

dent, or pursuant to any provision of law, shall continue to remain available and may be reobligated to meet any necessary expenses pursuant to this section arising from the termination of such assistance.

"(d) RELATION TO OTHER PROVISIONS.—Unless specifically made inapplicable by another provision of law, the provisions of this section shall be applicable to the termination of assistance pursuant to any provision of law.

"SEC. 4105. EXEMPTION OF ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS FROM RESTRICTIONS.

"(a) RESTRICTIONS NOT APPLICABLE.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under title I or chapter 3 of title VI in support of programs of nongovernmental organizations.

"(b) NATIONAL INTEREST CRITERIA.—The President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this section, whether assistance for programs of nongovernmental organizations is in the national interest of the United States.

"(c) NOTICE TO CONGRESS.—Before using the authority of this section to furnish assistance for a program of a nongovernmental organization, the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate. Such notification shall describe the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance.

"SEC. 4106. EXEMPTION OF TRAINING ACTIVITIES FROM PROHIBITIONS.

"Provisions of this or any other Act shall not be construed to prohibit assistance for any training activity funded under this Act for a country as long as that country has a democratically elected government and the assistance is otherwise consistent with section 3108, section 4201(a)(1), section 4201(a)(2), and section 4202.

"SEC. 4107. NONAPPLICABLITY TO MILITARY ASSISTANCE OF CERTAIN NEUTRALITY ACT PROVISIONS.

"The functions authorized under title II may be performed without regard to such provisions as the President may specify of the Neutrality Act of 1939 (22 U.S.C. 441 and following).

"CHAPTER 2—RESTRICTIONS ON ASSISTANCE

"SEC. 4201. INELIGIBLE COUNTRIES AND PROJECTS.

"(a) RESTRICTIONS.—Except as provided in subsection (b), assistance under this Act may not be furnished for any of the following:

"(1) COMMUNIST COUNTRIES.—A communist country, as determined under subsection (d).

"(2) HUMAN RIGHTS VIOLATORS.—A country whose government engages in a consistent pattern of gross violations of internationally recognized human rights.

"(3) EXPROPRIATION OF UNITED STATES PROPERTY.—A country whose government—

"(A) has—

"(i) expropriated the property of any United States person,

"(ii) repudiated or nullified any contract with any United States person, or

"(iii) taken any other action (such as discriminatory taxes or other extractions) which has the effect of seizing ownership or control of the property of any United States person, and

"(B) either has not provided adequate and effective compensation or is not engaged in good faith efforts to negotiate a settlement, if the United States person involved has exhausted host country legal or other formal remedies.

"(4) COMPETITION WITH UNITED STATES EXPORTS.—Direct support for any project or activity that is specifically designed to increase exports of any agricultural, textile, or apparel commodity from a developing country if such exports—

"(A) would be in direct competition with United States exports, and

"(B) can reasonably be expected to cause substantial injury to United States exporters of the same or substantially similar commodity.

"(b) EXCEPTIONS.—Assistance restricted by subsection (a) may be furnished under any of the following circumstances:

"(1) ALLEVIATING SUFFERING RESULTING FROM A DISASTER.—The assistance is for the immediate alleviation of suffering resulting from a natural or manmade disaster.

"(2) DIRECTLY BENEFITTING THE POOR.—The assistance will be furnished through nongovernmental organizations to directly benefit poor people of the country.

"(3) PROMOTING HUMAN RIGHTS AND DEMOCRACY.—The assistance will be furnished through nongovernmental organizations to directly promote increased respect for internationally recognized human rights and the development of democracy.

"(c) REPORT TO CONGRESS.—Assistance restricted by subsection (a) may not be provided under subsection (b) during a fiscal year until the President has submitted to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during that fiscal year, a report with respect to such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the dollar amount of such assistance, and a complete explanation of how the assistance meets the criteria specified in subsection (b).

"(d) COMMUNIST COUNTRY LIST.—

"(1) ESTABLISHMENT.—The President shall maintain a list of those countries which are communist countries for purposes of subsection (a)(1).

"(2) PUBLICATION OF LIST.—The list maintained pursuant to this subsection, and notice of any additions to or deletions from the list, shall be published in the Federal Register and shall be provided to the Congress.

"(3) REMOVAL OF COUNTRIES FROM THE LIST; EXEMPTIONS.—The President may remove a country from the communist country list pursuant to this section, or may exempt a listed country from the application of subsection (a)(1), if the President notifies the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate at least 30 days in advance.

"(e) HUMAN RIGHTS VIOLATORS.—

"(1) MATTERS TO BE CONSIDERED.—In implementing subsection (a)(2), consideration shall be given to the following:

"(A) The relevant findings of appropriate international organizations and nongovernmental organizations.

"(B) The extent of cooperation by the government in question in permitting an unimpeded investigation by indigenous nongovernmental organizations, other nongovernmental organizations, and international organizations (such as the International Committee of the Red Cross), of alleged violations of internationally recognized human rights.

"(C) Specific actions which have been taken by the President or the Congress relating to the human rights practices of the government in question.

"(2) DEFINITION OF ASSISTANCE.—For purposes of subsection (a)(2), the term 'assistance under this Act' means, in addition to any assistance authorized by this Act—

"(A) any sale of defense articles, defense services, or design and construction services under the Defense Trade and Export Control Act;

"(B) any license under section 38 of the Defense Trade and Export Control Act with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country; and

"(C) any license required under the Export Administration Act of 1979 for the export of crime control and detection instruments and equipment.

"(f) EXPROPRIATED PROPERTY.—

"(1) VALUATION.—If the President requests such an evaluation, the Foreign Claims Settlement Commission is authorized to evaluate the value of the property which is the subject of an action described in subsection (a)(3) and render an advisory opinion with respect to the value of such property to the President, the owner of the property, and the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(2) DEFINITION OF UNITED STATES PERSON.—For purposes of subsection (a)(3), the term 'United States person' means a United States citizen or a corporation, partnership, or association at least 50 percent beneficially owned by United States citizens.

"SEC. 4202. POLICE TRAINING.

"(a) PROHIBITION.—None of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

"(b) EXCEPTIONS.—Subsection (a) of this section shall not apply with respect to—

"(1) narcotics control assistance;

"(2) assistance, including training, in maritime law enforcement and other maritime skills; or

"(3) assistance for a country which has a longstanding democratic tradition, does not have standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights.

"SEC. 4203. INTELLIGENCE ACTIVITIES.

"No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States. Each such operation shall be considered a significant anticipated intelligence activity for the purpose of section 501 of the National Security Act of 1947.

"SEC. 4204. ABORTIONS AND INVOLUNTARY STERILIZATIONS.

"Funds made available to carry out title I or chapter 2 or chapter 3 of title VI may not be used—

"(1) to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions;

"(2) to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations; or

"(3) to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning.

"SEC. 4205. NUCLEAR ENRICHMENT TRANSFERS.

"(a) LIMITATION.—Except as provided in subsection (b), no funds authorized to be appropriated by this Act may be used for the purpose of providing economic assistance under title I or chapter 2 or chapter 3 of title VI or providing military assistance under title II to any country which, on or after the date of enactment of the International Security Assistance Act of 1977, delivers nuclear enrichment equipment, materials, or technology to any other country, or receives such equipment, materials, or technology from any other country, unless before such delivery—

"(1) the supplying country and receiving country have reached agreement to place all such equipment, materials, or technology, upon delivery, under multilateral auspices and management when available; and

"(2) the recipient country has entered into an agreement with the International Atomic Energy Agency to place all such equipment, materials, technology, and all nuclear fuel and facilities in such country under the safeguards system of such Agency.

"(b) WAIVER.—(1) Notwithstanding subsection (a) of this section, the President may furnish assistance which would otherwise be prohibited under such subsection if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that—

"(A) the termination of such assistance would have a serious adverse effect on vital United States interests; and

"(B) he has received reliable assurances that the country in question will not acquire or develop nuclear weapons or assist other nations in doing so.

Such certification shall set forth the reasons supporting such determination in each particular case.

"(2)(A) A certification under paragraph (1) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within 30 calendar days after receiving this certification, the Congress enacts a joint resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the enactment of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

"(B) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(C) For the purpose of expediting the consideration and adoption of joint resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"SEC. 4206. NUCLEAR REPROCESSING TRANSFERS AND ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES.

"(a) PROHIBITION.—Except as provided in subsection (b), no funds authorized to be appropriated by this Act may be used for the purpose of providing economic assistance under title I or chapter 2 or 3 of title VI or providing military assistance under title II to any country which—

"(1) on or after the date of enactment of the International Security Assistance Act of 1977, delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, or technologies which are alternatives to pure plutonium reprocessing); or

"(2) is a nonnuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device.

For purposes of paragraph (2), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country.

"(b) WAIVER.—(1) Notwithstanding subsection (a), the President may furnish assistance which would otherwise be prohibited under that subsection if the President determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

"(2)(A) A certification under paragraph (1) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within 30 calendar days after receiving this certification, the Congress enacts a joint resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the enactment of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

"(B) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(C) For the purpose of expediting the consideration and adoption of joint resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"SEC. 4207. NUCLEAR DETONATIONS AND TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES.

"(a) PROHIBITION.—Except as provided in subsections (b) and (c), no funds authorized to be appropriated by this Act may be used for the purpose of providing economic assistance under title I or chapter 2 or 3 of title VI or providing military assistance under title II to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

"(1) transfers a nuclear explosive device to a nonnuclear-weapon state, or

"(2) is a nonnuclear-weapon state and either—

"(A) receives a nuclear explosive device, or

"(B) detonates a nuclear explosive device.

"(b) INTERIM WAIVER.—(1) Notwithstanding subsection (a), the President may, for a period of not more than 30 days of continuous session, furnish assistance which would otherwise be prohibited under subsection (a) if, before furnishing such assistance, the President transmits to the Speaker of the House of Representatives, and to the Chairman of the Committee on Foreign Relations of the Senate, a certification that he has determined that an immediate termination of assistance to that country would be detrimental to the national security of the United States. Not more than one such certification may be transmitted for a country with respect to the same detonation, transfer, or receipt of a nuclear explosive device.

"(2) If the President transmits a certification to the Congress under paragraph (1), a joint resolution which would permit the President to exercise the waiver authority of subsection (c) of this section shall, if introduced in either House within 30 days of continuous session after the Congress receives this certification, be considered in the Senate and House of Representatives in accordance with paragraph (3) (A) and (B).

"(3)(A) Any joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and adoption of joint resolution under this subsection, a motion to proceed to the consideration of such a joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(4) For purposes of this subsection, the term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Congress having received on a certification by the President under subsection (b) of section 4207 of the Foreign Assistance Act of 1961 with respect to , the Congress hereby authorizes the President to exercise the waiver authority contained in subsection (c) of that section.', with the date of receipt of the certification inserted in the first blank and the name of the country inserted in the second blank.

"(c) CONGRESSIONALLY AUTHORIZED WAIVER.—Notwithstanding subsection (a), if the Congress enacts a joint resolution under subsection (b), the President may furnish

assistance which would otherwise be prohibited under subsection (a) if the President determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

"(d) CONTINUITY OF SESSION DEFINED.—For purposes of this section, continuity of session is broken only by an adjournment of Congress sine die and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"SEC. 4208. COUNTRIES WHICH SEIZE UNITED STATES FISHING VESSELS.

"(a) IN GENERAL.—In determining whether or not to furnish assistance under this Act, consideration shall be given to excluding from such assistance any country which seizes, or imposes any penalty or sanction against, any United States fishing vessel on account on its fishing activities in international waters.

"(b) INTERNATIONAL AGREEMENT EXCEPTION.—This subsection does not apply in any case governed by international agreement to which the United States is a party.

"SEC. 4209. COUNTRIES IN ARREARS ON ASSISTANCE REPAYMENTS.

"Assistance may not be furnished under this Act to any country which is more than 1 year in arrears to the United States Government on any payment of interest or principal on any loan made or credit extended under this Act or under the former authorities of section 23 or section 24 of the Arms Export Control Act.

"SEC. 4210. ASSISTANCE FOR CUBA.

"(a) PRESENT GOVERNMENT.—Assistance may not be furnished under this Act to the present government of Cuba.

(b) EXPROPRIATION CLAIMS OF UNITED STATES PERSONS.—Except as may be deemed necessary by the President in the interest of the United States, assistance may not be furnished under this Act to any government of Cuba until the President determines that such government has taken appropriate steps, according to international law standards, to return to United States citizens and to entities not less than 50 percent beneficially owned by United States citizens, or to provide equitable compensation to such citizens and entities for, property taken from such citizens and entities on or after January 1, 1959, by the Government of Cuba.

"CHAPTER 3—REPORTS AND NOTIFICATIONS TO CONGRESS

"SEC. 4301. CONGRESSIONAL PRESENTATION DOCUMENTS FOR ECONOMIC ASSISTANCE.

"(a) REQUIREMENT FOR SUBMISSION.—The President shall prepare, and submit to the Congress in a timely manner, annual congressional presentation documents for economic assistance programs under title I and chapters 2 and 3 of title VI.

"(b) MATERIALS FOR DEVELOPMENT AND ECONOMIC SUPPORT ASSISTANCE.—For development assistance, economic support assistance, and assistance for famine recovery and development in Africa, the documents submitted pursuant to subsection (a) shall include the following:

"(1) The rationale for the allocation of assistance to each country, regional program, or centrally funded program. In the case of economic support assistance, this rationale shall include a justification for the provision of economic support assistance and for the particular use of that assistance.

"(2) A brief description of each country program, regional program, and centrally funded program, including—

"(A) in the case of development assistance, a discussion of how each program supports the four basic objectives set forth in section 1102;

"(B) in the case of economic support assistance, a discussion of the extent to which each program supports the four basic objectives set forth in section 1102; and

"(C) in the case of assistance for famine recovery and development in Africa, a discussion of how each program support long-term development in Africa as described in section 6301(b).

"(3) An analysis of how the proposed assistance is consistent with the country or regional development strategy, what program objectives such assistance is designed to address, and what benefits it is expected will be derived from the provision of such assistance.

"(4) A description of all new activities to be undertaken in the coming fiscal year.

"(c) OTHER TITLE I PROGRAMS.—The documents submitted pursuant to subsection (a) shall include for each assistance program under title I (other than development assistance, economic support assistance, the trade credit insurance program under section 1721, and programs of the Overseas Private Investment Corporation and the Trade and Development Agency under chapter 5) or under chapter 2 of title VI—

"(1) a summary of program activities for the previous year; and

"(2) a description of activities anticipated in the current fiscal year and the coming fiscal year.

"(d) ADDITIONAL MATERIALS.—In conjunction with the submission of the documents pursuant subsection (a), the President shall submit to the Congress a report which sets forth the following:

"(1) The dollar value of all foreign assistance, by category and by country, furnished by the United States Government by any means to each foreign country and international organization—

"(A) from 1946 to the fiscal year immediately preceding the fiscal year in which the report is submitted;

"(B) as obligated during the immediately preceding fiscal year;

"(C) as presented for the fiscal year in which the report is submitted; and

"(D) as proposed for the fiscal year following the year in which the report is submitted.

"(2) A summary of the net aid flow from the United States to each country, taking into consideration the repayments to the United States from previous foreign assistance loans and the debt relief granted by the United States.

"(3) The status of the debt servicing capacity of each country receiving assistance under title I or chapter 3 of title VI; and a statement summarizing the debt relief granted to each country by the United States and the purpose for which it was granted.

"SEC. 4302. HUMAN RIGHTS POLICY AND REPORTS.

"(a) PROMOTION OF HUMAN RIGHTS.—The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.

"(b) CONDUCT OF ASSISTANCE AND MILITARY SALES PROGRAMS.—In furtherance of subsection (a), the President shall formulate and conduct United States assistance and military sales programs in a manner which will—

"(1) promote and advance human rights;

"(2) strengthen a relationship between civilian and military sectors appropriate to a democratic system of government; and

"(3) avoid identification of the United States, through these programs, with governments which deny to their people internationally recognized human rights and fundamental freedoms in violation of international law or in contravention of the policy of the United States as expressed in this section or otherwise.

"(c) MATTERS TO BE CONSIDERED.—In carrying out subsection (b) and in preparing the annual reports required by subsection (d) and any special report required by subsection (e), consideration shall be given to the following:

"(1) The relevant findings of appropriate international organizations and nongovernmental organizations.

"(2) The extent of cooperation by the government in question in permitting an unimpeded investigation by indigenous nongovernmental organizations, other nongovernmental organizations, and international organizations (such as the International Committee of the Red Cross), of alleged violations of internationally recognized human rights.

"(d) ANNUAL HUMAN RIGHTS REPORT.—In furtherance of subsections (a) and (b), the Secretary of State shall transmit to the Congress, not later than January 31 each year, a full and complete report with respect to practices regarding the observance of and respect for internationally recognized human rights in every foreign country. Each such report shall be prepared by the Assistant Secretary of State for Human Rights and Humanitarian Affairs. Wherever applicable, such reports shall include information on practices regarding coercion in population control, including coerced abortion and involuntary sterilization.

"(e) SPECIAL REPORTS.—Upon the request of the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives, the Secretary of State shall, within 30 days after receipt of such request, transmit to both committees a special report with respect to the country designated in such request. Any such report shall be prepared by the Assistant Secretary of State for Human Rights and Humanitarian Affairs. The report shall set forth—

"(1) all information, which has become available since submission of the last report under subsection (d), with respect to the matters described in subsections (f) (1) and (2);

"(2) the steps the United States has taken to—

"(A) promote respect for and observance of human rights in the country in question and discourage any practices which are inimical to internationally recognized human rights,

"(B) publicly or privately call attention to such practices, and

"(C) disassociate the United States, and any United States assistance or military sales provided for such country, from such practices;

"(3) such other information as the committee may request.

"(f) INFORMATION TO BE PROVIDED.—Each annual report under subsection (d), and each special report under subsection (e), shall include—

"(1) all information available about observance of and respect for human rights and fundamental freedom in the country in question, and

"(2) a detailed description of practices by the recipient government with respect to human rights and fundamental freedom, including information provided by appropriate organizations, including nongovernmental organizations.

"(g) DEFINITIONS.—For the purposes of this section—

"(1) the term 'assistance' means any assistance authorized by this Act; and

"(2) the term 'military sales' means—

"(A) sales of defense articles, defense services, and design and construction under the Defense Trade and Export Control Act; and

"(B) licenses with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Defense Trade and Export Control Act.

"SEC. 4303. ANNUAL ALLOCATION REPORT.

"(a) REPORT ON ALLOCATIONS OF ASSISTANCE.—Not later than 30 days after the enactment of any law appropriating funds to carry out any provision of this Act, the President shall notify the Congress of—

"(1) each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law; and

"(2) the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each such country or organization.

"(b) EXCEPTIONS.—Subsection (a) does not apply with respect to—

"(1) funds appropriated under section 1901 or section 1902 for operating expenses of the administering agency for title I; or

"(2) any law making continuing appropriations for a period of less than 90 days.

"(c) NONWAIVABILITY.—The requirement of subsection (a) may not be waived under the authority of section 4102.

"SEC. 4304. NOTIFICATION OF PROGRAM CHANGES.

"(a) INCREASED ASSISTANCE AND NEW PROGRAMS.—Unless the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance, funds appropriated for a fiscal year to carry out this Act may not be obligated for the following:

"(1) INCREASE IN ASSISTANCE LEVEL.—Any assistance under any provision of this Act—

"(A) for a country or international organization for which assistance under that provision was not justified in congressional presentation documents for that fiscal year, or

"(B) in excess of the amount allocated pursuant to section 4303 for that country or organization under that provision for that fiscal year.

"(2) NEW ACTIVITIES.—Any assistance for a program, project, or activity under any provision of this Act—

"(A) which was not justified in congressional presentation documents for that fiscal year; and

"(B) for which assistance was not furnished for the preceding fiscal year.

"(b) SIGNIFICANT CHANGES IN PURPOSE OF ASSISTANCE.—Unless the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance, funds appropriated for assistance under this Act may not be made available for a purpose that is significantly different from the purpose justified in congressional presentation documents.

"(c) CONGRESSIONAL PRESENTATION DOCUMENTS.—For purposes of this section, the term 'congressional presentation documents' means the annual congressional presentation documents for assistance under this Act or the justification documents accompanying a request for supplemental authorizations of appropriations or supplemental appropriations for assistance under this Act.

"(d) APPROPRIATIONS SUBJECT TO REQUIREMENTS.—Subsections (a) and (b) apply with respect to all funds appropriated for assistance under this Act (including narcotics control assistance) other than funds to carry out—

"(1) chapter 5 of title I (relating to the Overseas Private Investment Corporation and the Trade Development Agency),

"(2) section 1721 (relating to the trade credit insurance program for Central America);

"(3) section 1722 (relating to the housing and urban development guarantee program),

"(4) section 4103 (relating to contingencies involving nonmilitary assistance), or

"(5) programs of disaster relief and rehabilitation, including assistance programs under chapter 6 of title I (relating to international disaster assistance).

"(e) ADDITIONAL NOTIFICATION REQUIREMENTS.—The President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives concerning any reprogramming of funds in the International Affairs Budget Function, the authorizations of appropriations for which are in their respective jurisdictions, to the same degree and with the same conditions as the President notifies the Committees on Appropriations of each House of Congress. The requirements of this subsection are in addition to, and not in lieu of, other notification requirements.

"SEC. 4305. QUARTERLY REPORTS ON OBLIGATIONS FOR DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT ASSISTANCE.

"(a) QUARTERLY REPORTS.—At the end of each quarter of each fiscal year, the President shall submit to the committees specified in subsection (c) a report on the funds obligated during that quarter for development assistance and economic support assistance. These reports shall identify obligations by the beneficiary country, regional program, or international organization and by function.

"(b) CONSULTATIONS.—Within 30 days after the submission of each report pursuant to subsection (a), the administering agency for title I and the committees specified in subsection (c) shall consult with respect to the obligations for assistance reported for the preceding fiscal quarter. These consultations shall include, as necessary, discussions of the most informative and feasible manner of identifying obligations by function.

"(c) RECIPIENT COMMITTEES.—The committees referred to in subsections (a) and (b) are the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

"SEC. 4306. NOTICE OF EXERCISE OF CERTAIN SPECIAL AUTHORITIES.

"The President shall not exercise any special authority granted to him under section 2205(a) (relating to the special military assistance drawdown authority), section 2602(a)(2) (relating to the special peacekeeping operations drawdown authority), or section 4101 (relating to authority to transfer funds between accounts) unless the President, prior to the date on which such authority is exercised, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of—

"(1) the proposed exercise of that authority;

"(2) the section of this Act which provides the authority to be exercised; and

"(3) the justification for, and the extent of, the exercise of that authority.

"SEC. 4307. FURNISHING INFORMATION REQUESTED BY THE CONGRESS OR THE GAO.

"Funds made available to carry out this Act may not be used to carry out any provision of this Act in any country or with respect to any project or activity, after the expiration of the 35-day period which begins on the date the General Accounting Office or any committee of the Congress charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office or the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless there has been furnished to the General Accounting Office or to such committee (as the case may be)—

"(1) the material so requested; or

"(2) a certification by the President that has forbidden the furnishing of such material pursuant to request and the President's reason for so doing.

"SEC. 4308. ANNUAL REPORTS REGARDING RECIPIENT EXPENDITURES FOR MILITARY PURPOSES.

"The President shall report annually to the Speaker of the House of Representatives and chairman of the Committee on Foreign Relations of the Senate on—

"(1) the percentage of the budget of each country receiving assistance under title I or chapter 2 or 3 of title VI that is devoted to military purposes; and

"(2) the degree to which that country is using its foreign exchange or other resources to acquire military equipment.

"SEC. 4309. ANNUAL REPORTS ON GIFTS RECEIVED.

"For each fiscal year, the President shall submit to the Congress a report with respect to—

"(1) money, funds, property, and services made available under section 5202(d); and

"(2) gifts accepted under section 25 of the State Department Basic Authorities Act of

1956 with respect to functions under this Act.

"SEC. 4310. REPORTS ON FOREIGN COUNTRIES THAT TAX ECONOMIC ASSISTANCE FUNDS FURNISHED TO PVOS AND NGOS.

"The Administrator for title I shall report to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate whenever the Administrator finds that a foreign country requires a private voluntary organization or other nonprofit nongovernmental organization to pay taxes on any funds provided to that organization on grant basis under any economic assistance program under this Act.".

REQUEST FOR PERMISSION FOR MEMBER TO OFFER AMENDMENT TO TITLE III

The CHAIRMAN. For what purpose does the gentleman from New York [Mr. GILMAN] rise?

Does the gentleman from New York have an amendment to title IV?

Mr. GILMAN. Mr. Chairman, I have an amendment to title III, and I ask unanimous consent to return to title III?

The CHAIRMAN. Without objection, the gentleman is recognized to offer his amendment to title III. The Clerk will report the amendment.

Will the gentleman send his amendment to the desk?

Mr. GILMAN. Mr. Chairman, the amendment is at the desk, or it is on its way over.

Mr. FASCELL. Just a moment, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FASCELL. I do not know, Mr. Chairman. I do not even know what the request was.

The CHAIRMAN. Does the gentleman from Florida [Mr. FASCELL] reserve his right to object?

Mr. FASCELL. I certainly reserve my right to object, Mr. Chairman. I did not hear what the request was.

The CHAIRMAN. The gentleman from New York [Mr. GILMAN] will restate his unanimous-consent request.

Mr. GILMAN. Mr. Chairman, I made a request to come back to title III. The amendment is on its way to the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FASCELL. Mr. Chairman, we are past title III, are we not? We are on title IV?

The CHAIRMAN. The Chair will state that we are on title IV. It will take a unanimous-consent request to return to title III.

Is there objection to the request of the gentleman from New York?

Mr. FASCELL. Mr. Chairman, I have not seen the amendment. I do not know what the gentleman is talking about. I am sorry to say that I will have to say that I object.

The CHAIRMAN. Objection is heard.

Are there amendments to title IV?

□ 1820

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey: Page 319, after line 2, insert the following:

"(4) made available to any organization or program which (as determined by the President) supports, or participates in the management of, a program of coercive abortion or involuntary sterilization; or

"(5) made available to any foreign nongovernmental organization which performs or actively promotes abortion as a method of family planning.

Conforming amendments:

Page 318, line 15, strike out "used"; line 16, after "(1)" insert "used"; line 19, after "(2)" insert "used"; line 22, strike out "or"; line 23, after "(3)" insert "used"; and page 319, line 2, strike out the period and insert in lieu thereof a semicolon.

Mr. SMITH of New Jersey. Mr. Chairman, the amendment that I along with the gentleman from Illinois [Mr. HYDE] are offering today codifies current U.S. foreign policy as it relates to abortion and the use of coercion and bullying tactics in population control programs throughout the world.

When the full House last voted on these policies in 1985, a substantial majority voted to approve them. Repeated efforts by pro-abortion Members to repeal these important provisions have failed.

If anything, the case for perpetuating these humane prolife, prohuman rights policies is more compelling today than ever before. Acceptance of our amendment tangibly demonstrates that the Congress stands on the side of the oppressed, the weak, and the vulnerable. And that is as it should be.

Mr. Chairman, it should be abundantly clear to all that the People's Republic of China, through its one-child-per-family policy, continues to employ systematic coercion and brutality in achieving population control. Human life is incredibly cheap to the Deng Xiaopings of this world and babies—especially unborn children—are prime candidates for elimination and abuse in the cause of population control. The same iron fist that brought the prodemocracy students to their knees in Tiananmen Square has, since 1979, been using forced abortion, coercive sterilization and mandatory IUD insertion to control the masses. The simple fact of the matter is the people of China have no rights whatsoever concerning family planning matters. A couple's legitimate desire for a family is of no concern or consequence to the Chinese population planners and their cheerleaders in the population control community.

The result of this cruel and inhumane assault on the family has been nearly 110 million children aborted since 1979—a number equal to the combined population of England and France—and most of these abortions are the result of some degree of government coercion. The result has also been millions of women and men sterilized under government compulsion or threat of punishment and still millions more women who have undergone mandatory IUD insertions.

There's no pretense of choice or freedom in the PRC. The government demands, bullies, and orders—the people obey or are punished.

In their exhaustive 1988 study on population trends in the PRC, China experts, Judith Banister and Karen Hardee-Cleaveland of the U.S. Bureau of the Census conclude: "Today, Chinese couples still are not given a choice about whether they practice family planning, how many children they have, when they have the allowed birth or births, whether or not to sign family planning contracts, or what form of birth control they will use."

Mr. Chairman, I remain deeply disappointed that the international family planning community, including the UN Population Fund [UNFPA] and the International Planned Parenthood Federation of London [IPPF], have not condemned these crimes of forced abortion, infanticide, and mandatory sterilization. I am appalled that these groups have actually applauded China's brutal program which to me is outright obscene and totally indefensible. History indeed will be harsh on those who engaged in one of the worst coverups in history, and that includes the UNFPA and IPPF and other apologists in the population control community.

Mr. Chairman, notwithstanding the compelling evidence of coercion and forced abortion in China, the UNFPA continues—as it has consistently in this decade with its population awards and stream of accolades—to laud the program. According to the Foreign Broadcast Information Service [FBIS], in April the China director of UNFPA called the PRC population program "the most successful in the world." Sure it's successful in the same way the PRC showed itself to be adept at crowd control in Tiananmen Square. I'm sure the millions of Chinese victims would object strongly to considering this tyranny a "success."

These recent statements by the UNFPA China director are part of an ongoing pattern of UNFPA officials lavishing praise on the China program. In 1983, a committee chaired by UNFPA Executive Director Fafael Salas presented the Chinese family planning minister, Qian Xinzhong, with an award for "the most outstanding contribution to the awareness of population questions." A committee member, Nobel Laureate economist,

Theodore W. Schultz, resigned in protest.

In his book "The Crowded Earth" (Norton, 1984)—which was funded in part by a grant from the UNFPA—former New York Times correspondent Pranay Gupte reported on a subsequent interview with Qian Xinzhong, who "immediately launched into an appreciation of what the United Nations award meant to him and to the Chinese. The award had, Qian said, put the imprimatur of the world body on China's family-planning efforts" (p. 156).

In January 1985, the Washington Post ran a three-page expose on the coercion in China's population program. Following this series and other reliable news accounts, the UNFPA's deep involvement in China's program was subjected to critical scrutiny by the United States Congress. The response of UNFPA Executive Director, Rafael Salas, was to travel to China to reassure Chinese officials of the agency's steadfast support. "China should be proud of the achievements it scored in family planning," the April 26, 1985, edition of China Daily quoted Salas as saying.

In a Capitol Hill speech on April 8, 1986, Salas again lauded the Chinese program as "successful." His only critical comments were directed at the U.S. Congress:

> You have to leave the countries to decide for themselves. You are in no position, morally or culturally, to dictate to others what they want! It is the leaders of those countries that know best . . . So do not intervene and place your own moral conditions on other countries. That goes as well for China . . . leave the government to do that for themselves . . .
>
> Each country has its view of what really is free, a free choice . . . We have had no reports, really, of violations in this respect. And if you refer to the case of China, I am sure that the Chinese themselves will say that, within their cultural norms, they are not at all coercive. Maybe from certain Western standards, these might not be totally acceptable. But then, each country must determine that for themselves.

As recently as May 24 of this year, in a speech at the Cannon House Office Building, UNFPA's current Executive Director Nafis Sadik said the Chinese Government is running "a totally voluntary program."

That is unmitigated nonsense. That is coverup.

And let us not kid ourselves that things are easing up in China as some apologists contend. The evidence suggests coercion is actually on the rise. Of course, the Communists in Beijing deny all of this. Just as they denied the massacre in Tiananmen Square and the killings and purges in Tibet. The big lie repeated often enough persuades the gullible and provides plausible cover for the apologist. We should not be fooled, however, nor can we be an accessory to these crimes.

Recently, Dr. John S. Aird, former senior research specialist on China at the U.S. Bureau of the Census, completed an extensive review of China's population control program. He reports that "the trend toward greater compulsion continued throughout 1988 and into 1989." While noting that local compliance with central directives did falter seriously after 1983, he points out that "the central authorities have renewed efforts to force local authorities to resume the enforcement of the program. The coercion issue is still very much alive," he reports.

On Sunday, February 16, the Washington Post carried a report by Blake Kerr which was entitled, "Witness to China's Shame." Dr. Kerr, a physician involved in international human rights activities, recounted numerous interviews with "Tibetan nurses and doctors who had worked in Chinese and Tibetan hospitals, monks and lay Tibetans * * * to develop a sense of how the Chinese birth-control policy is being applied in Tibet." After detailing incidents of coercive abortions and sterilizations and grisly reports of infanticide, Dr. Kerr concluded that "these accounts are both widespread and consistent with accounts from other travelers."

Moreover, the Bush administration has again concluded that the PRC program remains coercive. On June 7, the Agency for International Development announced the United States Government's opposition to a proposal to extend the UNFPA's involvement in China's population control program for an additional 5 years. AID also reported that it was allocating to other family planning agencies $5 million that had originally been budgeted for the UNFPA.

Funds budgeted for UNFPA were first shifted in 1985 after a determination that it participated in the management of a program of coercive abortion and involuntary sterilization through its assistance to the population program of the People's Republic of China. That determination was sustained after a challenge in the Federal courts.

The amendment I am offering says the United States recognizes and respects the integrity of the family in a meaningful way and demands that authentic voluntarism be preserved in family planning programs. The amendment continues our policy of denying funds to any organization or program which, as determined by the President, supports, or participates in the management of, a program of coercive abortion or involuntary sterilization.

Mr. Chairman, the amendment also makes permanent the operative language of the so-called Mexico City policy. First announced at a population conference in Mexico City in 1984, the policy prohibits funds to any foreign nongovernment organization that performs or promotes abortion as a method of family planning. The rationale behind this enlightened policy is to separate abortion—the killing of unborn children—from family planning.

Over the years, several attempts have been made to reverse this policy—all have failed. In 1985, for example, an attempt was made to overturn the Mexico City policy on this floor. The House, instead, gave it a strong vote of endorsement.

I recall so well that some Members argued during the debates in 1985 that family planning groups would not accept the prolife conditions and would subsequently lose their U.S. AID funding.

That prediction, as I and others suggested at the time, has turned out to be demonstrably false.

Today more than 300 subgrantees are conducting approximately 700 family planning projects in about 70 nations under the terms of the Mexico City policy. That is to say, there are about 300 recipients of AID funds, including several planned parenthood organizations, who have agreed to provide contraceptive services without providing abortion or lobbying or campaigning for the legalization of abortion.

Let me state clearly for the record that the President has the authority to continue these policies, including the Mexico City policy, absent my amendment. As a matter of fact, he may even exceed these provisions. This amendment only intends to provide in law that which is minimally acceptable.

Mr. Chairman, I ask that the following additional documentation—a mere sampling of that which is available on the PRC's using coercion, be included in the RECORD.

COERCIVE ABORTION IN CHINA AND TIBET

". . . The villagers were informed that all women had to report to the tent for abortions or sterilizations or there would be grave consequences . . . The women who refused were taken by force, operated on, and no medical care was given. Women nine months pregnant had their babies taken out . . . We saw many girls crying, heard their screams as they waited for their turn to go into the tent, and saw the growing pile of fetuses build outside the tent, which smelled horrible . . . Since 1987 there has been a tremendous increase in the number and frequency of the teams that move from town to town, and to nomad areas." "Witness to China's Shame", *Washington Post*, Blake Kerr, February 26, 1989, p. C1.

". . . During 1987 and 1988 central demands for strict enforcement of family planning requirements escalated sharply and the escalations have continued into 1989. New measures have been devised to bring pressure on the whole administrative chain of command down to the grassroots level . . . Tactics once condemned as coercive are once again advocated. Mandatory IUD insertions, sterilizations and abortions

continue." "Is China's Birth Control Program Still Coercive?", John S. Aird (former Senior Research Specialist on China at the U.S. Bureau of the Census), February 1989, p. 196.

". . . Many gynecologists and nurses on the mainland are forced to kill the babies against their conscience. Sometimes they have to kill several tens of them in a day. It is a great pressure on them mentally and psychologically. Several gynecologists whom this writer is acquainted with often had nightmares because of this. Some laboratory technicians, because they had to dissect the bodies for organs to be used as specimens and occasionally when the babies were brought in from the hospitals still crying and breathing and had to be put to death by the same methods [injecting alcohol into the brain, injecting an overdose of ether, or stuffing gauze into the mouth to stop breathing] were also under mental and psychological stress." "Live Babies Are Put to Death Under Communist Chinese One-Child Policy", *Washington China Post*, Ge Hua, January 27, 1989, p. 11.

". . . No government program has cut so deeply into Chinese society nor inspired such strong resistance in 25 years of Communist rule as the struggle to trim China's population . . . Publicly, the claim to rely on the powers of persuasion and education, exercising a policy of voluntary consent . . . But a closer and longer look reveals a very different picture. China, to be sure, is curbing population growth, but its success is rooted in widespread coercion, mass abortion and intrusion by the state into the most intimate of human affairs." "Abortion Policy Tears at China's Society", *Washington Post*, January 7, 1985, Michael Weisskopf, p. 1.

". . . The Chinese program is at present actually becoming more coercive, not because of local deviations from central policies but as a direct, inevitable, and intentional consequence of those policies. Foreign organizations and individuals that indiscriminately laud the Chinese program or provide financial or technical assistance for any aspect of it place themselves in the position of supporting the program as a whole, including its violations of human rights." "Is China's Birth Control Program Still Coercive?", John S. Aird (former Senior Research Specialist on China at the U.S. Bureau of the Census), February 1989, pgs. 106–107.

". . . China's Tibetan birth control policy includes forced abortion, sterilization, and even infanticide . . . A Tibetan woman who desires a second child must wait for four years before becoming pregnant again. Women who violate these rules are forced to have an abortion, often accompanied by sterilization and economic sanctions." "Witness to China's Shame", *Washington Post*, Blake Kerr, February 26, 1989, p. c4.

". . . We should justly and forcefully say that we must punish those who have turned a deaf ear to dissuasion from having additional children and from unscrupulously having additional children and that suitable coercion and control should be implemented in China's family planning . . . Only if the country adopts effective and compulsory policies and at the same time, carries out propaganda and education, can the consciousness of the society be aroused." "There is No Route of Retreat", *JINGJI RIBAO* (Chinese National Economic Newspaper, transcribed by the Foreign Broadcast Information Service), Xie Zhenjiang, January 24, 1989, p. 3.

". . . 'My wife (Ping Hong) is seven months pregnant,' Li told me. 'Even though we are living in the United States, the Chinese government has been trying to force us to return to China for an abortion. We hope that you can help us to stay in the United States, at least until our baby is born' . . . (When Ping Hong failed to respond to the abortion directive, she received a very blunt letter from the Population Control Office at her place of employment in China. The letter in part reads:) . . . The punishment for this kind of violation [having a second child] is very severe, and we strongly advise you not to risk it. If you cannot have this abortion done abroad, then the factory director orders you to return to China immediately. Any further delays, and you will be punished according to the law. There is nothing ambiguous about our order! Make up your mind immediately! To your health!" "The Long Arm of 'One-Child' China", *Washington Post*, Steven W. Mosher, April 10, 1988.

". . . The new Chinese society is not merely displacing Tibet's ancient culture. It is actively destroying it . . . The harsh face of Chinese rule includes thousands of forced abortions and sterilizations of Tibetan women each year. The common method for both procedures . . . is by injection. In Chamdo, Tibet's third largest city, there have been numerous reports of fetuses thrown out in the storm drains and garbage bins of the People's Hospital. In Lhasa, many Tibetan women have heard their newborns cry, only to be told later that the infants died at birth." "The Rape of Tibet", *Washington Post*, John F. Avedon, March 29, 1987, p. C 7.

". . . Some of the provincial governments appear to be unconcerned with the detrimental effects that forced abortion has on women. All that seems to matter, if the press is any guide, is keeping down the number of births each year in the province through any means." *China's Changing Population*, Stanford University Press, Judith Banister, 1987, p. 207.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words just to say that I know the gentleman from New Jersey [Mr. SMITH] is very serious and emotional on this and thinks he has got a victory in his back pocket. He may very well have, but, as my colleagues know, this has been a longstanding matter of considerable dispute.

There has never been, as far as I know, ever any intention or effort until right this second to write that policy decision into law. I do not know any reason for it except an excess determination to make it essential, but we never debated this in the committee. The amendment was never offered, as far as I know, and, as I say, it may be entirely proper.

Mr. Chairman, this is not an amendment that I want to support frankly, certainly not as a legislative mandate with regard to a policy matter.

Having said that, it is all I want to say on the subject because this House has debated this issue a hundred times, as far as I know.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, if I could have the attention of the gentleman from New Jersey [Mr. SMITH], my friend, to ask him if he would object to us adding the words on line seven, "to the extent that this is consistent with U.S. law."

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, I would object, and I would say that because it is my understanding that that language would make or reverse current policy, so while it seems like a friendly amendment, the result of that would be the reverse policy, and I think this is a very clear-cut offering of an amendment that is current policy. We are not suggesting any changes, and I would hope again this body would approve that.

Mr. FASCELL. Mr. Chairman, I can understand the desire of the gentleman from New Jersey [Mr. SMITH] to write into policy a policy which was supported and maintained by the last administration for 8 years and, as far as I know, will be supported by this administration. But the gentleman has a right to his own feelings obviously, and, therefore, he wants to make sure it is canonized.

□ 1830

AMENDMENT OFFERED BY MR. KOSTMAYER TO THE AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. KOSTMAYER to the amendment offered by Mr. SMITH of New Jersey: On line 7 add "to the extent that this is consistent with U.S. law."

Mr. KOSTMAYER. Mr. Chairman, what the gentleman from New Jersey has said is that we are not going to provide any funds to organizations, such as the International Planned Parenthood Federation, who use not those funds which we provide, because there are already strong restrictions preventing those funds from being used for abortion or for the promotion of abortion in any way, but any organization which receives those funds cannot use its own funds collected from separate sources which have nothing to do with those funds received from the United States to perform abortions under any circumstances.

The gentleman is trying to put this policy, which has cut off the UN FTA, cut off IPPF, into law.

Now, what we are saying is that if this doctrine is going to be applied to American foreign policy, it ought to be applied to American domestic policy as

well, and that is what the amendment says.

I hope that the gentleman will support it. I do not know why the gentleman would oppose an amendment which would establish this kind of consistency on groups to which we provide assistance overseas and to which we provide domestic assistance here at home.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. Of course, I yield to my friend, the gentleman from New Jersey.

Mr. SMITH of New Jersey. Will the result of the gentleman's amendment be to reverse the current policy or to alter that policy?

Mr. KOSTMAYER. The current policy is in effect, as the gentleman knows, because the Bush administration, like its predecessor, has made this policy. This is American policy.

The gentleman has won on this issue. Funds have been cut off to the UN FPA and to the International Planned Parenthood Federation as well, so the gentleman is victorious in his policy. We just want that policy to be consistent with American law.

Mr. SMITH of New Jersey. Again, this language sounds good. It has some surface appeal. Will the result of it be to alter or to reverse the current policy as it exists today?

Mr. KOSTMAYER. Well——

Mr. SMITH of New Jersey. Yes or no?

Mr. KOSTMAYER. Would the gentleman repeat his question? I am sorry. I did not hear it.

Mr. SMITH of New Jersey. Will the result of the gentleman's language result in any alteration of the current policy as it exists today?

Mr. KOSTMAYER. No, I do not believe so. This policy is the administration's policy.

Mr. SMITH of New Jersey. Then I would suggest the gentleman's amendment is superfluous, or there is something disingenuous about it that might not be known to the gentleman.

Mr. KOSTMAYER. The gentleman from New Jersey can suggest anything he likes. I move the amendment.

Mr. SMITH of New Jersey. Mr. Chairman I rise in opposition to the amendment.

Mr. Chairman, first of all, in asking the gentleman from Pennsylvania what the result would be, he told us that he does not think it will change the policy. I have to be at least suspect as to the wording when the gentleman is a notorious ardent foe of that particular Mexico City policy, so I would suggest there is something here that does not meet the eye, and I would hope that the membership would vote down this amendment, quite frankly, because its net result is not known.

To be consistent with U.S. law—will that lead to additional litigation now by several of the population groups because they feel that somehow there has to be an equality between how we treat foreign nongovernmental organizations and domestics? We do not know, so those Members who are pro-life, who believe that abortion is the taking of human life, are well-advised to vote no on the Kostmayer substitute and then aye on the underlying amendment.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I do not see the gentleman from Illinois [Mr. HYDE] on the floor, so let me as he is wont to do so often and so effectively to clarify an issue here.

I believe we are going to end up with a vote on this.

To my distinguished chairman of the Committee on Foreign Affairs, I admit to being guilty to having that excess determination to canonize this into law, the Smith amendment, so I would say quite simply, loudly and clearly, the pro-life vote is to defeat the Kostmayer amendment.

The pro-abortion, pro-abortion on demand or pro-federal funding for abortion or pro-population control or pro-playing God on Earth by mankind, is to vote for the Kostmayer amendment.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield to me?

Mr. SMITH of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. No American taxpayer dollars are used for abortion anywhere in the world. That is the law. The language is tough, it is fundamental, and it is restrictive.

Mr. SMITH of New Jersey. Mr. Chairman, I reclaim my time. That is not the issue before us.

Mr. WALKER. Mr. Chairman, will the gentleman yield to me?

Mr. SMITH of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, if I read the amendment of the gentleman from Pennsylvania correctly, he says to the extent this is consistent with U.S. law.

I think the interpretation that could be put on that is that it would have to be to the extent that is consistent with the United States Code. U.S. law is what is codified under the law of the land.

Now, it seems to me that we run into a problem there because as I understand it, we are now operating under executive order, under a regulation which may not be interpreted under this as being specifically U.S. law or United States Code.

Can the gentleman from Pennsylvania clarify for us in any way whether or not his language does in fact mean that it is the law as reflected in the code or whether or not this is law as reflected by Executive order and/or by regulation?

Mr. KOSTMAYER. Mr. Chairman, if the gentleman will yield further, that question remains to be answered. I think domestic policy and foreign policy ought to be consistent. That is all my amendment does. There are strong restrictions already in effect.

Mr. SMITH of New Jersey. Mr. Chairman, I reclaim my time again.

The gentleman who is offering the amendment is uncertain as to its net effect. For that reason, if for no other, not to mention that I believe it could lead to a reversal of policy, Members should reject this amendment. When the operator of the amendment does not know what the result is going to be, I think that raises serious questions about the amendment. I would hope that the membership would vote down the Kostmayer amendment and vote in favor of the underlying amendment, the one that the gentleman from Illinois [Mr. HYDE] and I have offered.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I am happy to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding to me.

As I understand, the gentleman is simply seeking to codify what is the policy of our Government and this administration, namely, not to provide taxpayer funds to any agency or organization that councils, refers, or performs abortions; is that correct?

Mr. SMITH of New Jersey. The gentleman is correct, or lobbies in developing countries for abortion.

Mr. HYDE. In developing countries and elsewhere?

Mr. SMITH of New Jersey. That is correct.

Mr. HYDE. Well, this is simply making into law what is the policy of the Government, and I think that is a sound policy, that we should be in favor of human rights and human dignity and exterminating unborn children or contributing to it in any manner, shape, or form, ought to be anathema to our Government and certainly to our taxpayers, so I support the gentleman.

I ask that the amendment of the gentleman from Pennsylvania, which is confusing, incoherent, meaningless, and undoubtedly designed to muddy the waters, and I say that with affection and respect for the author thereof, I hope his amendment is resoundingly defeated and the amendment of the gentleman from New Jersey [Mr. SMITH] is resoundingly affirmed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KOSTMAYER] to the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 163, noes 229, not voting 40, as follows:

[Roll No. 105]

AYES—163

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Aspin
Atkins
AuCoin
Bellenson
Bennett
Berman
Boehlert
Bosco
Boxer
Brennan
Brooks
Brown (CA)
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clarke
Clay
Coleman (TX)
Conyers
Cooper
Coughlin
Coyne
Crockett
DeFazio
Dellums
Dicks
Downey
Dwyer
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Foglietta
Ford (MI)
Frank
Frost
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray
Green
Guarini
Hayes (IL)
Herger
Hoagland
Hubbard
Houghton
Hoyer
Hughes
Jacobs
Johnson (CT)
Johnston
Jones (GA)
Jones (NC)
Juntz
Kastenmeier
Kennedy
Kennelly
Kolbe
Kostmayer
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Machtley
Markey
Martin (IL)
Matsui
McCurdy
McDermott
McHugh
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Neal (NC)
Olin
Owens (NY)
Owens (UT)
Panetta
Payne (NJ)
Payne (VA)
Pease
Pelosi
Pickett
Pickle
Porter
Price
Rangel
Ridge
Rose
Roukema
Roybal
Sabo
Saiki
Savage
Sawyer
Scheuer
Schiff
Schneider
Schroeder
Schumer
Shays
Sisisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (VT)
Snowe
Solarz
Stark
Stokes
Studds
Swift
Synar
Torricelli
Towns
Traficant
Udall
Unsoeld
Valentine
Visclosky
Walgren
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wyden

NOES—229

Annunzio
Applegate
Archer
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boggs
Boner
Borski
Broomfield
Browder
Brown (CO)
Bruce
Buechner
Bunning
Burton
Byron
Callahan
Chapman
Clement
Clinger
Coble
Combest
Conte
Costello
Courter
Cox
Craig
Crane
Dannemeyer
Darden
Davis
de la Garza
DeLay
DeWine
Dickinson
Dingell
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Dreier
Duncan
Durbin
Dyson
Edwards (OK)
English
Erdreich
Fawell
Fields
Fish
Flake
Flippo
Gallegly
Gaydos
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Harris
Hastert
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Hunter
Hutto
Hyde
Inhofe
James
Jenkins
Johnson (SD)
Kanjorski
Kaptur
Kasich
Kildee
Kleczka
Kyl
LaFalce
Lagomarsino
Lancaster
Laughlin
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Luken, Thomas
Lukens, Donald
Madigan
Manton
Martin (NY)
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McEwen
McGrath
McMillan (NC)
McNulty
Michel
Miller (OH)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Natcher
Neal (MA)
Nelson
Nielson
Nowak
Oakar
Oberstar
Ortiz
Oxley
Packard
Pallone
Parker
Pashayan
Patterson
Paxon
Penny
Perkins
Petri
Poshard
Pursell
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Sangmeister
Sarpalius
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauke
Tauzin
Thomas (GA)
Thomas (WY)
Traxler
Upton
Vander Jagt
Vento
Volkmer
Vucanovich
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Whitten
Wolf
Wylie
Yatron
Young (AK)
Young (FL)

NOT VOTING—40

Armey
Bates
Boucher
Bryant
Coleman (MO)
Collins
Derrick
Dixon
Dymally
Early
Emerson
Florio
Ford (TN)
Frenzel
Garcia
Hansen
Hatcher
Hawkins
Huckaby
Ireland
Kolter
Leach (IA)
Leath (TX)
Lipinski
Marlenee
Martinez
McCandless
McDade
Murphy
Myers
Nagle
Obey
Parris
Quillen
Russo
Sharp
Thomas (CA)
Torres
Wright
Yates

□ 1850

The Clerk announced the following pair:

On this vote:

Mrs. Collins for, with Mr. Armey against.

Messrs. HEFNER, ENGLISH, TRAXLER, WATKINS, SPRATT, DONNELLY, and CLEMENT changed their vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1900

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

MODIFICATION TO THE AMENDMENT OFFERED BY MR. BERMAN

Mr. BERMAN. Mr. Chairman, I ask unanimous consent that the amendment that I earlier offered be modified with the language which I have submitted to the Clerk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to the amendment offered by Mr. BERMAN: In lieu of the matter contained in the amendment: Page 63, line 6 strike out $10,000,000 and insert $25,000,000, and on line 22 strike out "or" and after line 22 insert the following:

"(3) which is a party to the Camp David Accords; or

Page 63, line 23, strike out "(3)" and insert in lieu thereof "(4)"; and page 64, line 7, strike out "(3)" and insert in lieu thereof "(4)".

Mr. BERMAN (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WALKER. Mr. Chairman, reserving the right to object, before we allow amendments to be modified by unanimous consent, I think it would be worthwhile for the House to hear what the gentleman is doing in terms of the modification so we have some understanding of the process.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Further reserving the right to object, Mr. Chairman, I yield to the gentleman from California.

Mr. BERMAN. I thank the gentleman for yielding.

Mr. Chairman, I am happy to take this opportunity to explain the modification: Earlier I offered an amendment relating to the cargo preference issue to exempt countries below $25 million of assistance and Camp David countries from the provisions added in the Committee on Foreign Affairs and that were before us.

The Clerk read an amendment I had submitted earlier that did not have the agreement of the proponents of the cargo preference language instead of the language which I had intended to offer and which I explained to the House at the time and which passed unanimously.

This simply rectifies that error.

Mr. WALKER. Mr. Chairman, further reserving the right to object, I understand what the gentleman is doing. Can the gentleman explain the difference between the two versions?

Mr. BERMAN. Yes. The language that the Clerk read, an earlier amendment that I had proposed but never submitted, would have exempted all countries below the poverty line established by the International Development Association which excluded nearly all of the recipient countries of cash ESF. That was far beyond the agreement that Mr. TORRICELLI and I contemplated when we agreed to a compromise proposal.

Mr. WALKER. So the difference is that you are now saying instead of that language you are substituting the $25 million language.

Mr. BERMAN. The $25 million language and the Camp David language.

Mr. WALKER. Mr. Chairman, I withdraw my objection of reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The amendment is modified.

Mr. FASCELL. Mr. Chairman, I move to strike the last word simply to state that we have two amendments pending to this title which we are prepared to accept with the understanding that there would be no request for a call of the roll. Mr. Chairman, that would complete the work on title IV, and we would then designate the next title and rise.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENTS OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer two amendments and I ask unanimous consent that the two amendments be considered en bloc, which I understand is agreeable, and that they be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The text of the amendments is as follows:

Amendments en bloc offered by Mr. SOLOMON: Page 315, after line 5, add the following new paragraph:

"(4) INITIAL DESIGNATIONS.—The following countries shall be deemed to have been so designated by the President as of the effective date of this Section, and the President is not required to notify the Congress of such designations of these countries:

Czechoslovak Socialist Republic,
Democratic People's Republic of Korea,
Estonia,
German Democratic Republic,
Hungarian People's Republic,
Latvia,
Lithuania,
Mongolian People's Republic,
People's Democratic Republic of Ethiopia,
People's Democratic Republic of Yemen,
People's Republic of Albania,
People's Republic of Angola,
People's Republic of Bulgaria,
People's Republic of China,
People's Republic of Kampuchea,
Polish People's Republic,
Republic of Afghanistan,
Republic of Cuba,
Republic of Nicaragua,
Socialist Federal Republic of Yugoslavia,
Socialist Republic of Romania,
Socialist Republic of Vietnam,
Tibet,
Union of Soviet Socialist Republic (including its captive constituents republics).".

Page 315, after line 5, add the following new paragraph:

"(4) REPORTING REQUIREMENT.—Whenever a country on the communist country list is receiving humanitarian assistance pursuant to the provision contained in subsection (b)(1) of this Section, the President shall report to Congress every three months for as long as such assistance is being provided on what steps the government of the recipient country is taking in order to alleviate the conditions that make such assistance necessary.".

Mr. SOLOMON. I thank the chairman. I thank my colleagues.

I will be as brief as possible.

Mr. Chairman, when the core legislation governing foreign assistance was rewritten in H.R. 2655, for some reason the Communist countries list which exists in current law was dropped. The amendment I am now offering would serve to reinstate that list—to put it back into the core legislation.

The Communist countries list, which appeared in section 620(f) of the Foreign Assistance Act of 1961, was a list maintained by Congress of those countries that should be denied foreign assistance because they are Communist. Under this new rewrite of the core legislation, the Communist countries list is to be kept by the President, and he will have the discretion to move countries on or off at will.

Why it should be that something which has been written into law, and which has also been the traditional preserve of Congress, should now be made a private affair and turned over to the executive branch is a mystery to many of us. And I must add that the committee report accompanying H.R. 2655 doesn't shed any light on the subject either.

But the reason why this issue is important is not a mystery. As much as it pains me to say it as a Republican, it was the Reagan administration in the early 1980's which launched an active effort to take China off the list and to set up a foreign aid program there.

Fortunately, in this instance Congress resisted the administration, and the whole idea eventually came to naught. But what a monstrous mistake would have been made if we hadn't.

I will not press the point, Mr. Chairman, but I do believe the recent events in China should teach us not to get too carried away with optimistic expectations about where all of the ferment in the Communist world is leading up to. The fact remains that Gorbachev is a dictator by every conceivable definition of that word, and not a single Communist party in power anywhere has yet given up that power—unless, of course, they have to share it with the military in order to maintain order.

And so a reinstatement of the Communist countries would, I believe, put America on the side of skepticism, which, quite frankly, is the only safe place we can be right now.

I would just conclude by saying that the Communist countries list would be expanded to include South Yemen, Ethiopia, Angola, Cambodia, Afghanistan, and Nicaragua.

Mr. Chairman, this amendment is, I believe, noncontroversial. When I offered the same language to the foreign aid bill in 1987, the committee accepted it. Essentially what it says is that whenever our country is providing humanitarian assistance to a Communist country, to which normal foreign aid would be prohibited, the President shall report to Congress every 3 months on what steps the government of the recipient country is taking to alleviate the conditions that make the aid necessary.

It is no secret to anybody that natural calamities in Communist countries are usually exploited for political purposes, and this amendment seeks to illuminate that practice.

The most telling recent example is, of course, Ethiopia. Since 1985, the free world has poured more than 2 million metric tons of food and hundreds of millions of dollars' worth of supplies, equipment, and logistical support into Ethiopia. The United States has provided about one-third of this total aid package. All of it is to help rescue the Ethiopian people from famine and starvation.

But what has been the official response of the Mengistu regime to this unprecedented demonstration of international generosity?

I'll tell you what it's been: An increase in military spending; stepped-up military offensives; forced conscription of 12- and 13-year-old boys into the army; collectivized agriculture; and coercive resettlement schemes.

The list goes on and on, but we all get the point. The Mengistu regime has done nothing to alleviate the famine conditions that make humanitarian assistance necessary. And it's high time we started saying so.

So I believe this amendment makes sense, and I urge its adoption.

I understand that the amendments are going to be accepted by the majority.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, we will accept the amendments. I just want to make one statement, though. The gentle-

man, who was an excellent member of our committee before he went to higher and better places, I thank him for his cooperation, by the way, not only on these amendments but also on the bill; simply to say that the language he wants to amend, we thought the language in the bill was satisfactory. But we do not have any objection to this language. The language of the bill would have left this decision to the President.

What Mr. SOLOMON wants to do with his language is go back to what we had in the old law, which was to legislate and specify these countries.

Frankly, you knonw, we accept that amendment, we just thought the language in the bill was sufficient.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, we on this side have had a chance to review the amendments and we also accept them.

Mr. SOLOMON. I thank the gentleman for their cooperation and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from New York [Mr. SOLOMON].

The amendments en bloc were agreed to.

AMENDMENT OFFERED BY MR. DOUGLAS

Mr. DOUGLAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOUGLAS: Page 328, after line 2 add the following:

"(c) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) after 30 years, Fidel Castro has failed to recognize the basic human rights, aspirations, and freedoms of the Cuban people;

(2) oppressive government policies and economic mismanagement have increased the suffering and hardship on the people of Cuba;

(3) the Cuban people should be allowed to express their view on their country's political future, that the Cuban Communist Party permit a plebiscite, by a secret "yes/no" ballot, of the people's approval or rejection of Castro's continued rule;

(4) in order to guarantee an open and honest plebiscite, the Government of Cuba meet the following conditions—

(A) allow opposition and human rights groups to organize publicly and repeal all laws curtailing freedom of expression and of assembly;

(B) grant all opposition groups equal access to national press, radio, and television media;

(C) release all poltical prisoners; and

(D) invite a neutral, international commission to oversee the voting and ensure the legitmacy of the results;

(5) should the "no" vote on Castro's rule prevail, the regime would respect the will of the people, initiate a period of democratic openness, and hold prompt national elections through which the Cuban people could freely choose their leaders; and

(6) that normalized relations between the Governments of the United States and Cuba should one day be restored, and that a democratic Cuban Government elected by all the people must be an essential condition for such normalization.

Mr. DOUGLAS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

□ 1910

Mr. DOUGLAS. Mr. Chairman, this is a very simple amendment. It is cosponsored by 70 Members of this body. It calls as a sense of the Congress on Fidel Castro to do the same thing that Pinochet did in Chile, have a yes-no vote, a free and open vote on whether, after 31 years as the dictator of the island of Cuba, the Cuban people want him to stay in power.

It is supported by the Washington Post, believe it or not, who said why shouldn't Cuba's left wing dictator run and accept the results of a plebiscite. The New York Times said that Cuba, after 30 years, remains poor, unfree, and independent. No wonder this tropical dictator for life fears a real popular judgment.

Supporters include Jack Nicholson, for those Members who are "Joker" fans. I know "Batman" is something we are missing right now. Saul Bellow; and of course, our Ambassador to the U.S. Human Rights Commission.

I urge the House to support the amendment. I believe that the gentleman from Florida, Chairman FASCELL, is able to accept the amendment, and therefore, if so, I would not request a rollcall. Otherwise, I reserve the right.

Mr. FASCELL. Mr. Chairman, we have looked at this amendment and it follows the general guidelines and principles of similar amendments that have been in law, and we have seen the results of those. They have been eminently successful. We are happy to accept the gentleman from New Hampshire, Mr. DOUGLAS' amendment.

Mr. DOUGLAS. Mr. Chairman, I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. I think the amendment is very good, and I urge the House to pass it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. DOUGLAS].

The amendment was agreed to.

The CHAIRMAN. The Clerk will designate title V.

The text of title V is as follows:

TITLE V—GENERAL PROVISIONS

SEC. 501. CONSOLIDATION AND REVISION OF ADMINISTRATIVE AUTHORITIES AND ELIMINATION OF OBSOLETE PROVISIONS.

The Foreign Assistance Act of 1961, as amended by the preceding titles of this Act, is amended by adding the following new title V after new title IV (as enacted by title IV of this Act):

"TITLE V—GENERAL PROVISIONS

"CHAPTER 1—EXERCISE AND COORDINATION OF FUNCTIONS

"SEC. 5101. DELEGATIONS BY THE PRESIDENT.

"(a) IN GENERAL.—The President may exercise any functions conferred upon the President by this Act through such agency or officer of the United States Government as the President shall direct, subject to section 5104.

"(b) AUTHORITY TO ISSUE REGULATIONS AND DELEGATE.—The head of any agency or officer exercising functions under this Act—

"(1) may from time to time promulgate such rules and regulations as may be necessary to carry out such functions; and

"(2) may delegate authority to perform any such functions, including, if he or she shall so specify, the authority successively to redelegate any of such functions to a subordinate.

"SEC. 5102. SECRETARY OF STATE.

"(a) CONSISTENCY WITH FOREIGN POLICY.—Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

"(b) ECONOMIC SUPPORT ASSISTANCE.—The Secretary's responsibilities under subsection (a) include responsibility for policy decisions and justifications for economic support assistance programs, including decisions of whether there will be an economic support assistance program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator for title I.

"(c) MILITARY ASSISTANCE.—The Secretary's responsibilities under subsection (a) include decisions of whether there will be a military assistance program for a country and the amount of such program.

"SEC. 5103. SECRETARY OF DEFENSE.

"(a) GENERAL RESPONSIBILITIES.—In the case of assistance under title II of this Act, the Secretary of Defense shall have primary responsibility for—

"(1) the determination of military end-item requirements;

"(2) the procurement of military equipment in a manner which permits its integration with service programs;

"(3) the supervision of end-item use by the recipient countries;

"(4) the supervision of the training of foreign military and related civilian personnel;

"(5) the movement and delivery of military end-items; and

"(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

"(b) PROCUREMENT, DELIVERY, AND ALLOCATION OF DEFENSE ARTICLES.—The Secretary of Defense shall be responsible for establishing priorities in the procurement, delivery, and allocation of defense articles.

"SEC. 5104. DESIGNATION OF ADMINISTERING AGENCY FOR TITLE I.

"The President shall exercise his functions for administering programs under title I and chapter 2 and 3 of title VI primarily through a single agency, which the President shall designate.

"SEC. 5105. COORDINATION OF UNITED STATES POLICIES AND PROGRAMS AFFECTING DEVELOPMENT.

"(a) COORDINATION.—

"(1) IN GENERAL.—The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of developing countries.

"(2) COORDINATION ABROAD.—The President shall prescribe appropriate procedures to assure coordination among—

"(A) the various agencies of the United States Government having representatives in diplomatic missions abroad; and

"(B) representatives of the United States Government in each country, under the direction of the chief of the United States diplomatic mission.

"(3) NOTICE TO CONGRESS.—The President shall keep the Congress advised of his actions under paragraph (2).

"(b) ESTABLISHMENT OF COMMITTEE.—To the end specified in subsection (a)(1), the President shall establish a Development Coordination Committee (hereafter in this section referred to as the 'Committee') which shall advise the President with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance, and their consistency with the four basic objectives set forth in section 1102.

"(c) MEMBERSHIP.—The Committee shall include—

"(1) the Administrator for title I, who shall be the Chairman of the Committee; and

"(2) representatives of the Department of State, the Department of Treasury, the Department of Commerce, the Department of Agriculture, the Department of Energy, and the Department of Labor, the Executive Office of the President, and other agencies of the United States Government, as the President shall designate.

"(d) SPECIFIC RESPONSIBILITIES.—To carry out the purposes of this section, the Committee shall—

"(1) prepare studies on various development problems;

"(2) devise implementation strategies on developmental problems appropriate to each department or agency represented on the Committee;

"(3) monitor and evaluate the results of the development activities of each such department or agency; and

"(4) arrange for the exchange of information and studies between such agencies and departments.

"(e) STAFF.—The head of any department or agency represented on the Committee may temporarily assign, upon the request of the Chairman of the Committee, any employee from such department or agency to the staff of the Committee.

"SEC. 5106. SECURITY ASSISTANCE COORDINATION.

"(a) SECURITY ASSISTANCE COORDINATOR.—The President shall appoint, by and with the advice and consent of the Senate, one officer for the purpose of coordinating security assistance programs.

"(b) MILITARY ASSISTANCE RECOMMENDATIONS.—The chief of the United States diplomatic mission to a country shall ensure that recommendations pertaining to military assistance programs for that country are coordinated with political and economic considerations.

"SEC. 5107. AUTHORITY TO ESTABLISH MISSIONS ABROAD.

"(a) AUTHORITY.—The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out this Act.

"(b) CHIEF OF MISSION.—Each such special mission or staff shall be under the direction of a chief.

"(c) SMALLER ECONOMIC ASSISTANCE PROGRAMS.—In the case of smaller programs, assistance under title I and chapter 3 of title VI may be administered under the direction of the chief of the United States diplomatic mission by the principal economic officer of the mission.

"SEC. 5108. PRESIDENTIAL FINDINGS AND DETERMINATIONS.

"(a) FINDINGS AND DETERMINATIONS TO BE WRITTEN AND SIGNED.—In any case in which the President is required to make a report by any provision of this Act, the Defense Trade and Export Control Act, annual foreign assistance authorization legislation, or the annual Foreign Operations, Export Financing, and Related Programs Appropriations Act, to the Congress or to any committee or officer of either House of Congress concerning any finding or determination, that finding or determination shall be reduced to writing and signed by the President.

"(b) RESTRICTION.—No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

"(c) PUBLICATION IN FEDERAL REGISTER.—Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

"(d) INFORMATION REQUESTED BY CONGRESS.—No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Defense Trade and Export Control Act, annual foreign assistance authorization legislation, or the annual Foreign Operations, Export Financing, and Related Programs Appropriations Act, even though such report has not yet been transmitted to the Congress, the appropriate committee, or officer of either House of Congress, as the case may be.

"CHAPTER 2—ADMINISTRATIVE AUTHORITIES

"SEC. 5201. ALLOCATION OF FUNDS AND REIMBURSEMENT AMONG AGENCIES.

"(a) IN GENERAL.—The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, services, defense articles, or defense services. Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agency of the United States Government to which such funds are allocated or transferred.

"(b) PROCUREMENT FROM OTHER AGENCIES.—

"(1) AUTHORITY.—Any officer of the United States Government carrying out functions under this Act may utilize the services or defense services and the facilities of, or procure commodities or defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency.

"(2) SEPARATE ACCOUNT.—Funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"(c) NONMILITARY ASSISTANCE.—

"(1) REIMBURSEMENT TO AGENCIES.—In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out any provision of title I, title III, or chapter 2 or 3 of title VI, reimbursement or repayment shall be made to such agency from funds available to carry out that provision.

"(2) AMOUNT OF REIMBURSEMENT.—Such reimbursement or payment shall be at—

"(A) replacement cost,

"(B) if required by law, actual cost,

"(C) in the case of services procured from the Department of Defense to carry out chapter 2 of title III, the amount of the additional costs incurred by the Department of Defense in providing such services, or

"(D) at any other price authorized by law and agreed to by the owning or disposing agency.

"(3) CREDITING OF REIMBURSEMENT.—The amount of any such reimbursement or payment—

"(A) shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities; or

"(B) shall be deposited into the Treasury as miscellaneous receipts if such appropriations, funds, or accounts are not reimbursable except by reason of this subsection and if the owning or disposing agency determines that such replacement is not necessary.

"(d) MILITARY ASSISTANCE.—

"(1) REIMBURSEMENT TO AGENCIES.—Except as otherwise provided in section 2205, section 2206, and section 2503, reimbursement shall be made to any agency of the United States Government, from funds available for use under title II, for any assistance furnished under title II from, by, or through such agency.

"(2) AMOUNT OF REIMBURSEMENT.—Such reimbursement shall be—

"(A) in an amount equal to the value of the defense articles, the defense services (excluding salaries of members of the Armed Forces), or other assistance furnished, plus

"(B) expenses arising from or incident to operations under title II (excluding salaries of members of the Armed Forces and, after September 30, 1990, unfunded estimated costs of civilian retirement and other benefits).

"(3) CREDITING TO APPROPRIATION.—The amount of such reimbursement shall be

credited to the current applicable appropriations, funds, or accounts of such agency.

"(e) ESTABLISHMENT OF ACCOUNTS.—

"(1) AUTHORITY TO ESTABLISH; USES.—In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States—

"(A) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the last sentence of section 3727(b) and section 3727(c) of title 31, United States Code, and the second and third paragraphs of section 3737 of the Revised Statutes of the United States (41 U.S.C. 15); and

"(B) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation.

"(2) ACCOUNTING FOR EXPENDITURES.—Expenditure of funds which have been made available through accounts established under paragraph (1) shall be accounted for on standard documentation required for expenditure of funds of the United States Government.

"(f) EXPORT-IMPORT BANK.—Credits made by the Export-Import Bank of the United States with funds allocated to the Bank under subsection (a) of this section shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635e).

"(g) CHARGING TO APPROPRIATIONS.—

"(1) INITIAL CHARGING.—Any appropriation or account available to carry out provisions of title I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under that title.

"(2) FINAL CHARGING.—As of the end of such fiscal year, such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes.

"(3) REQUIREMENTS APPLICABLE ONLY TO ECONOMIC ASSISTANCE ACCOUNTS.—This subsection does not apply with respect to chapter 6 of title II or to chapter 1 or chapter 2 of title III.

"SEC. 5202. GENERAL AUTHORITIES.

"(a) TERMS OF ASSISTANCE.—Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act.

"(b) TERMS AND CONDITIONS.—The President may furnish assistance under this Act on such terms and conditions (consistent with other provisions of law) as the President deems appropriate.

"(c) ADVANCES, CONTRACTS, ETC.—In furtherance of the purposes and within the limitations of this Act, the President may make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with any person, any friendly government or government agency, and any international organization.

"(d) GIFTS.—The President may accept and use in furtherance of the purposes of this Act, money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

"(e) INSURANCE.—

"(1) FOREIGN PARTICIPANTS.—Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

"(2) FOREIGN EMPLOYEES.—Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign employees of that agency while those employees are absent from their places of employment abroad for purposes of training or other official duties.

"(f) ADMISSION TO UNITED STATES.—Alien participants in any program of furnishing assistance under this Act may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)), for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

"(g) ASSISTANCE AUTHORITIES.—In furnishing and administering assistance under this Act, the President—

"(1) may issue letters of credit and letters of commitment;

"(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to him, and may (as the President deems appropriate) refer any such obligations or rights to the Attorney General for suit or collection;

"(3) may—

"(A) acquire and dispose of (upon such terms and conditions as the President deems appropriate) any property, including any instrument evidencing indebtedness or ownership, except that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens or pledges or otherwise to satisfy a previously incurred indebtedness, and

"(B) guarantee payment against any such instrument;

"(4) may establish the character of, and decide the necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

"(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by chapter 91 of title 31, United States Code.

"(h) CLAIMS RELATING TO GUARANTEES.—Claims arising as a result of any guarantee program authorized by this Act may be settled, and disputes arising as the result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

"(i) FINANCIAL TRANSACTIONS WITH FOREIGN GOVERNMENTS IN DEFAULT OF OBLIGATIONS TO THE UNITED STATES.—Section 955 of title 18, United States Code, shall not apply to any person—

"(1) who acts for or participates in any operation or transaction arising under this Act, or

"(2) who acquires any obligation issued in connection with any operation or transaction arising under this Act.

"(j) EDUCATIONAL INSTITUTIONS.—Any cost-type contract or agreement (including grants) entered into with an institution of higher education for the purpose of carrying out programs authorized by title I or chapter 2 or 3 of title VI may provide for the payment of the reimbursable indirect costs of that institution on the basis of predetermined fixed-percentage rates applied to the total or an element thereof, of the reimbursable direct costs incurred.

"(k) MULTIYEAR COMMITMENTS.—A contract or agreement which entails commitments for the expenditure of funds under this Act may extend for not more than 10 years.

"SEC. 5203. AUTHORIZED ADMINISTRATIVE USES OF FUNDS.

"(a) PERSONNEL, PRINTING, PROCUREMENT OF SUPPLIES, AND OTHER ADMINISTRATIVE EXPENSES.—Funds made available to carry out this Act may be used for the following:

"(1) Compensation, allowances, and travel of personnel, including Foreign Service personnel, whose services are utilized primarily for the purposes of this Act.

"(2) Printing and binding without regard to the provisions of any other law.

"(3) Expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government (other than sections 1341, 1342, and 1517 of title 31, United States Code) as may be necessary to accomplish the purposes of this Act.

"(b) USES OF NONMILITARY ASSISTANCE FUNDS.—

"(1) AUTHORIZED USES.—Funds described in paragraph (2) shall be available for the following:

"(A) Rent of buildings and space in buildings in the United States, and for repair, alteration, and improvements of such leased properties.

"(B) Expenses of attendance at meetings concerned with the purposes of title I, chapter 1 or chapter 2 of title III, or chapter 2 or 3 of title VI, including (notwithstanding section 1346(a) and 1346(c) of title 31, United States Code) expenses in connection with meetings of persons whose employment is authorized by section 5503.

"(C) Contracting with individuals for personal service abroad. Such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management.

"(D) Purchase, maintenance, operation, and hire of aircraft, except that aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act.

"(E)(i) Purchase and hire of passenger motor vehicles, subject to clauses (ii) and (iii).

"(ii) Except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes outside the United States may be purchased for replacement only. Such vehicles may be exchanged or sold and replaced by an equal number of such vehicles.

"(iii) Passenger motor vehicles other than one for the official use of the Administrator for title I may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act.

"(F) Entertainment.

"(G) Exchange of funds without regard to loss by exchange.

"(H) Expenditures (not to exceed $50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment. A certificate of the amount of such expenditure, the nature of which it is considered inadvisable to specify, shall be made by Administrator for title I or such person as the Administrator may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

"(I) Insurance of official motor vehicles or aircraft acquired for use in foreign countries.

"(J)(i) Rent or lease outside the United States, for not to exceed 10 years (unless a longer period is provided for in advance by an appropriations Act), of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance.

"(ii) Maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States.

"(iii) Costs of fuel, water, and utilities for such properties.

"(K) Expenses of—

"(i) preparing and transporting to their former homes (or with respect to foreign participants engaged in any program under title I, title III, or chapter 2 or 3 of title VI to their former homes or places of burial), and

"(ii) caring for and disposing of,

the remains of an individual, or the remains of a member of an individual's family, who may die while such individual is away from home participating in activities carried out with funds described in paragraph (2).

"(L) Purchase of uniforms.

"(M) Payment of per diem in lieu of subsistence to foreign participants engaged in any program under title I, chapter 1 or 2 of title III, or chapter 2 or 3 of title VI while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations, notwithstanding any other provision of law.

"(N) Use in accordance with authorities of the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.) not otherwise provided for.

"(O) Ice and drinking water for use outside the United States.

"(P) Services of commissioned officers of the National Oceanic and Atmospheric Administration. For the purposes of providing such services, the National Oceanic and Atmospheric Administration may appoint not to exceed 20 commissioned officers in addition to those otherwise authorized.

"(Q) Expenses in connection with—

"(i) travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel);

"(ii) the transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year; and

"(iii) the costs of transporting automobiles to and from a place of storage, and the costs of storing automobiles of such personnel, when it is in the public interest or more economical to authorize storage.

"(2) FUNDS WHICH MAY BE USED.—Paragraph (1) applies to—

"(A) appropriations to carry out this Act (other than title II),

"(B) allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of title I, chapter 6 of title II, chapter 1 or chapter 2 of title III, or chapter 2 or 3 of title VI, and

"(C) funds made available for other purposes to the administering agency.

"(c) FACILITIES ABROAD.—

"(1) LIVING QUARTERS, OFFICES, SCHOOLS, AND HOSPITALS.—Notwithstanding any other provision of law, funds available for assistance under this Act may be used in any fiscal year (in addition to funds available for such use under other authorities in this Act)—

"(A) to construct or otherwise acquire outside the United States essential living quarters, office space, and necessary supporting facilities for use of personnel carrying out activities authorized by this Act;

"(B) to construct or otherwise acquire outside the United States schools (including dormitories and boarding facilities) and hospitals for use of personnel carrying out activities authorized by this Act, United States Government personnel, and their dependents; and

"(C) to staff, operate, and maintain such schools and hospitals.

"(2) DISPOSAL.—Overseas property acquired under this subsection (or predecessor provisions of this Act) may be disposed of, and the proceeds of such disposal shall remain available until expended for use for the purposes specified in paragraph (1).

"(d) EDUCATION OF DEPENDENTS.—Funds available for assistance under this Act may be used in any fiscal year to provide assistance to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel, in lieu of acquisition or construction pursuant to subsection (c) of this section.

"(e) TRAINING OF PERSONNEL.—

"(1) PAYMENT OF COSTS.—Funds available under this Act may be used to pay costs of training United States citizen personnel employed or assigned pursuant to section 5502(c), through interchange or otherwise, at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm.

"(2) LIMITATION ON DUAL EMPLOYMENT.—Such training shall not be considered employment or holding of office under section 5533 of title 5, United States Code.

"(3) ACCEPTANCE OF CERTAIN PAYMENTS.—Any payments or contributions in connection with such training may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency. Any such payments or contributions to any employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

"(f) PERSONNEL DETAILED TO ADMINISTERING AGENCY.—

"(1) REIMBURSEMENT OF COSTS.—Funds made available for development assistance or economic support assistance may be used to reimburse an agency of the United States Government, an agency of a State government, or an institution of higher education for the full costs of any employee which that agency or institution details or assigns to the administering agency for title I to carry out development assistance or economic support assistance programs that require specialized technical skills.

"(2) PERSONNEL CEILINGS.—Employees so detailed or assigned shall not be included within any personnel ceiling applicable to any agency of the United States Government during the period of detail or assignment.

"(g) MILITARY ASSISTANCE FUNDS.—Funds made available for the purposes of title II shall be available for the following:

"(1) Administrative, extraordinary (not to exceed $300,000 in any fiscal year), and operating expenses incurred by the agency primarily responsible for administering title II in furnishing defense articles and defense services under chapter 2 or chapter 5 of title II or on a sales or lease basis under the Defense Trade and Export Control Act.

"(2) Reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military and related civilian personnel, in accordance with the provisions of section 5702 of title 5, United States Code, applicable to civilian officers and employees.

"(3) Maintenance, repair, alteration, and furnishing of United States-owned facilities in the District of Columbia or elsewhere for the training of foreign military and related civilian personnel without regard to the provisions of section 3733 of the Revised Statutes (41 U.S.C. 12) or other provision of law requiring a specific authorization or specific appropriation for such public contracts.

"CHAPTER 3—SPECIAL REQUIREMENTS AND AUTHORITIES RELATING TO APPROPRIATIONS AND LOCAL CURRENCIES

"Subchapter A—Provisions Relating to Appropriations

"SEC. 5301. REQUIREMENT FOR SPECIFIC AUTHORIZATION OF APPROPRIATIONS.

"(a) REQUIREMENT FOR AUTHORIZATION.—Funds appropriated for foreign assistance or for the Peace Corps shall not be available for obligation or expenditure—

"(1) unless the appropriation thereof has been specifically authorized by law; or

"(2) in excess of an amount prescribed by law.

"(b) SUBSEQUENT AUTHORIZATIONS.—To the extent that legislation enacted after the making of an appropriation for foreign assistance authorizes the obligation or expenditure thereof, the limitation contained in subsection (a) shall not apply.

"(c) RELATION TO OTHER PROVISIONS.—The provisions of this section shall not be super-

seded except by a provision of law which specifically repeals or modifies the provisions of this section.

"SEC. 5302. AUTHORITY FOR EXTENDED PERIOD OF AVAILABILITY OF APPROPRIATIONS.

"Amounts appropriated to carry out this Act are authorized to be made available, in appropriations Acts, until expended.

"SEC. 5303. DEOBLIGATION/REOBLIGATION AUTHORITY.

"(a) AUTHORITY.—Amounts certified pursuant to section 1501 of title 31, United States Code, as having been obligated against funds made available for any fiscal year to carry out any provision of this Act may, if deobligated after the end of the period of availability of those funds, be reobligated for use under that provision notwithstanding sections 1502 and 1552 of that title or any other provision of law restricting the period of availability of funds.

"(b) NOTICE TO CONGRESS.—Subsections (a)(1)(A), (a)(1)(B), and (b) of section 4304 apply to reobligations of funds under subsection (a).

"(c) EFFECTIVE DATE.—This section does not apply with respect to funds appropriated for fiscal years ending before the effective date of this section.

"SEC. 5304. REDUCTION IN AUTHORIZATION EARMARKS IF APPROPRIATIONS ARE LESS THAN AUTHORIZATIONS.

"(a) PROPORTIONAL REDUCTIONS.—If—

"(1) the amount appropriated, or available in the event of a sequestration order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.), for a fiscal year pursuant to any authorization of appropriations provided by this Act is less than the authorization amount, and

"(2) a provision of this Act or the annual authorization legislation provides that a specified amount of the authorization amount for that fiscal year shall be available only for a specified country, organization, or purpose,

then the amount so specified shall be deemed to be reduced to the amount which bear the same ratio to the specified amount as the amount appropriated, or available in the event of sequestration, bears to the authorization amount.

"(b) EXCEPTIONS.—Subsection (a) does not apply with respect to funds specified for Israel or Egypt.

"Subchapter B—Local Currencies

"SEC. 5321. SPECIAL ACCOUNTS FOR AND USE OF HOST-COUNTRY OWNED LOCAL CURRENCY.

"(a) SPECIAL ACCOUNT.—If assistance is furnished to the government of a foreign country under title I or chapter 2 or chapter 3 of title VI under arrangements which will result in the generation of local currencies of that country, the President shall—

"(1) require that local currencies be deposited in a special account established by that government;

"(2) enter into an agreement with that government which sets forth—

"(A) the amount of the local currencies to be so deposited, and

"(B) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

"(3) establish by agreement with that government the responsibilities of the administering agency and that government to monitor and account for deposits into and disbursements from the special account.

"(b) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a special account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

"(1) to carry out title I or chapter 2 or chapter 3 of title VI (as the case may be), or

"(2) for the administrative requirements of the United States Government.

"(c) PROGRAMMING ACCOUNTABILITY.—The administering agency shall take all appropriate steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (b)(1) from the special account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

"(d) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under title I or chapter 2 or chapter 3 of title VI (as the case may be), any unencumbered balances of funds which remain in a special account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

"(e) REQUIREMENTS APPLICABLE ONLY TO ECONOMIC ASSISTANCE PROGRAMS.—This section does not apply with respect to chapter 6 of title II or to chapter 1 or chapter 2 of title III.

"SEC. 5322. USE OF CERTAIN FOREIGN CURRENCIES OWNED BY THE UNITED STATES.

"(a) AUTHORITY TO USE FOR ASSISTANCE PROGRAMS.—Except as otherwise provided in this Act or other provisions of law, foreign currencies described in subsection (b) may be used in providing assistance under title I and chapter 2 and 3 of title VI.

"(b) FOREIGN CURRENCIES WHICH MAY BE USED FOR ASSISTANCE.—The foreign currencies which may be used under subsection (a) are any foreign currencies received as a result of the furnishing of assistance under title I or chapter 2 or 3 of title VI (or any precessor legislation authorizing nonmilitary assistance) which are in excess of—

"(1) the amounts reserved under authority of section 105(d) of the Mutual Educational and Cultural Exchange Act of 1961 or any other Act relating to educational and cultural exchanges; and

"(2) the amounts required for payment by the agencies of the United States Government of their obligations outside the United States, as such requirements may be established from time to time by the President.

"(c) PAYMENT OF OBLIGATIONS OF GOVERNMENT AGENCIES.—Foreign currencies described in subsection (b) which are in excess of the amounts described in paragraph (1) of that subsection may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States.

"SEC. 5323. INTEREST ON FOREIGN CURRENCY PROCEEDS.

"(a) REQUIREMENT FOR PAYMENT OF INTEREST.—In cases where assistance is to be furnished to any recipient country under this or any other Act on a basis which will result in the accrual of foreign currency proceeds to the United States, the Secretary of the Treasury shall issue regulations requiring that agreements with respect to such assistance include provisions for the receipt of interest income on the foreign currency proceeds deposited in authorized depositories.

"(b) WAIVER OF REQUIREMENT.—The President may waive the requirement for receipt of such income if the President decides it would not be in the national interest to conclude arrangements for the receipt of interest income pursuant to subsection (a).

"SEC. 5324. USE OF LOCAL CURRENCIES.

"In carrying out programs under this Act, the President shall take all appropriate steps to assure that, to the maximum extent possible—

"(1) countries receiving assistance under this Act contribute local currencies to meet the cost of contractual and other services rendered in conjunction with such programs; and

"(2) foreign currencies owned by the United States are utilized to meet the costs of such contractual and other services.

"SEC. 5325. INTEREST ON LOCAL CURRENCY ACCRUING TO NONGOVERNMENTAL ORGANIZATIONS.

"A nongovernmental organization may invest local currencies which accrue to that organization as a result of assistance provided under title I or chapter 2 or chapter 3 of title VI or under the Agricultural Trade Development and Assistance Act of 1954, and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization.

"CHAPTER 4—PROCUREMENT AND DISPOSITION OF COMMODITIES AND DEFENSE ARTICLES

"SEC. 5401. USE OF PRIVATE ENTERPRISE.

"(a) IN GENERAL.—In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

"(1) to the maximum extent practicable carry out programs of assistance through private channels and, to the extent practicable, in conjunction with local private or governmental participation;

"(2) utilize wherever practicable the services of United States private enterprise to provide the necessary skills to develop and operate a specific project or program of assistance in a friendly developing country or area in any case in which direct private investment is not readily encouraged, and provide where appropriate for the transfer of equity ownership in such project or program to private investors at the earliest feasible time.

"(b) TECHNICAL ASSISTANCE.—In providing technical assistance under this Act, the President shall utilize, to the fullest extent practicable, goods and professional and other services from private enterprise on a contract basis. In such fields as education, health, housing, or agriculture, the facilities and resources of Federal agencies, which do not administer programs under this Act, may be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs.

"(c) MILITARY ASSISTANCE.—The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to title II. Such information shall be furnished as far in advance as possible.

"SEC. 5402. PROCUREMENT STANDARDS AND PROCEDURES.

"(a) ESTABLISHMENT OF STANDARDS AND PROCEDURES.—Notwithstanding any other provision of law, funds made available to carry out this Act (other than funds for antiterrorism assistance) may be used for the procurement of commodities and services or defense articles and defense services (as the case may be), including transportation serv-

ices, pursuant to such standards and procedures as may be established by the President. In establishing such standards and procedures, the President should take into consideration such factors as—

"(1) the need to maximize, to the extent practicable, the financing of—

"(A) commodities and services and defense articles and defense services of United States origin, and

"(B) the participation of United States suppliers and contractors, particularly small and disadvantaged businesses;

"(2) the need to encourage competition;

"(3) the need to coordinate assistance with other donors; and

"(4) the need to ensure the more effective and efficient provision of United States assistance.

"(b) REVISION OF PROCEDURES.—

"(1) IMPROVING EFFECTIVENESS OF ECONOMIC ASSISTANCE.—In exercising the authority of subsection (a) with respect to programs under title I and chapter 2 and chapter 3 of title VI, the Administrator for title I shall revise and streamline, consistent with basic principles of accountability, the procurement and contracting procedures of the administering agency for title I in order to ensure the more effective and efficient provision of United States economic assistance.

"(2) PROCUREMENT METHOD FOR INSTITUTIONS OF HIGHER EDUCATION.—The Administrator for title I may establish separate procurement standards and procedures for projects under title I and chapters 2 and 3 of title VI to limit competition to a selection among institutions of higher education when, under guidelines developed by the Administrator upon recommendations of the advisory board established under section 1942(e), the projects would benefit substantially from the resources and special capabilities of such institutions. The standards and procedures under this subsection may be established notwithstanding any other provision of law.

"(3) IMPROVING EFFECTIVENESS OF NARCOTICS ASSISTANCE.—In exercising the authority of subsection (a) with respect to programs under chapter 2 of title III, the Administrator for that chapter shall revise and streamline, consistent with basic principles of accountability, the procurement and contracting procedures of the administering agency for that chapter in order to ensure the more effective and efficient provision of narcotics control assistance.

"(4) REPORTS TO CONGRESS.—Not later than 9 months after the effective date of this section, the Administrator for title I and the Administrator for chapter 2 of title III shall each submit to the Congress a report detailing the nature of the revised procurement and contracting procedures developed pursuant to this subsection.

"SEC. 5402. SHIPPING ON UNITED STATES VESSELS.

"(a) CERTAIN LAWS NOT APPLICABLE.—The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 at following), and transfers of fresh fruit and fresh fruit products under this Act, shall not be governed by section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. app. 1241(b)), or any other law relating to the ocean transportation of commodities on United States flag vessels.

"(b) SHIPPING DIFFERENTIAL.—For purposes of facilitating implementation of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. app. 1241(b)), funds made available for development assistance and economic support assistance may be used to make grants to recipients or otherwise pay all or any portion of such differential as is determined by the Secretary of Transportation to exist between United States and foreign-flag vessel charter or freight rates. Grants made under this section shall be paid with United States-owned foreign currencies wherever feasible.

"SEC. 5404. EXCESS AND OTHER AVAILABLE PROPERTY.

"(a) POLICY REGARDING USE OF EXCESS AND OTHER AVAILABLE PROPERTY.—In furnishing assistance under title I, chapter 6 of title II, chapter 1 or chapter 2 of title III, and chapter 2 and chapter 3 of title VI—

"(1) excess personal property, or

"(2) if a substantial savings would occur, other property already owned by an agency of the United States Government,

may be utilized wherever practicable in lieu of or supplementary to the procurement of new items for United States assisted projects and programs.

"(b) SEPARATE ACCOUNT FOR EXPENSES RELATED TO PROPERTY.—

"(1) AUTHORITY TO MAINTAIN ACCOUNT.—The President is authorized to maintain in a separate account funds made available under title I, chapter 6 of title II, chapter 1 or chapter 2 of title III, or chapter 2 or chapter 3 of title VI. Funds in such a separate account shall (notwithstanding section 1535(d) of title 31, United States Code) be free from fiscal year limitations.

"(2) USE OF FUNDS IN THE ACCOUNT.—Funds in the separate account established under paragraph (1) may be used to pay costs (including personnel costs) of acquisition, storage, renovation and rehabilitation, packing, crating, handling transportation, and related costs of—

"(A) property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 and following);

"(B) any property available from an agency of the United States Government; or

"(C) other property,

in advance of known requirements for the use of such property in furtherance of the purposes of title I, chapter 6 of title II, chapter 1 or chapter 2 of title III, or chapter 2 or chapter 3 of title VI (as the case may be).

"(3) USE OF PROPERTY ACQUIRED.—Property acquired pursuant to paragraph (2) may be furnished—

"(A) pursuant to any provision of title I (other than chapter 8 or subchapter A of chapter 9), chapter 6 of title II, chapter 1 or chapter 2 of title III, or chapter 2 or chapter 3 of title VI (as the case may be) for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred; or

"(B) pursuant to chapter 8 of title I, in which case the separate account shall be repaid in accordance with section 1802 for all costs incurred.

"(c) CONDITIONS ON USE OF EXCESS PROPERTY.—

"(1) LIMITATION.—Government-owned excess property may not be made available for use under title I (including under chapter 8), chapter 1 or chapter 2 of title III, or chapter 2 or 3 of title VI, unless approval is given and a determination is made in accordance with paragraph (2)—

"(A) before the shipment of such property for use in a specified country, or

"(B) if the property is already in such country, before the transfer of the property.

"(2) DETERMINATION.—A shipment or transfer subject to paragraph (1) may take place only after the Administrator approves the shipment or transfer and makes a written determination—

"(A) that there is a need for such property in the quantity requested and that such property is suitable for the purpose requested;

"(B) as to the status and responsibility of the designated end-user and his ability effectively to use and maintain such property; and

"(C) that the residual value, serviceability, and appearance of such property would not reflect unfavorably on the image of the United States and would justify the costs of packing, crating, handling, transportation, and other accessorial costs, and that the residual value at least equals the total of these costs.

"SEC. 5405. RETENTION AND USE OF CERTAIN ITEMS AND FUNDS.

"(a) RETENTION AND USE OF CERTAIN COMMODITIES AND DEFENSE ARTICLES.—

"(1) AUTHORITY TO RETAIN, TRANSFER, AND USE.—Any commodities or defense articles procured to carry out this Act shall be retained by, or (upon reimbursement) transferred to and for the use of, such agency of the United States Government as the President deems appropriate in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby.

"(2) LAWS GOVERNING DISPOSAL OF GOVERNMENT PROPERTY.—Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage of such commodities or defense articles or to conserve their usefulness.

"(3) PROCEEDS CREDITED TO APPROPRIATIONS.—Funds realized from any disposal or transfer shall revert to the respective appropriation, fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

"(b) COMMODITIES RECEIVED AS PAYMENT.—Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes and within the limitations of this Act.

"(c) FAILED TRANSACTIONS.—Funds realized as a result of any failure of a transaction financed under this Act to conform to the requirements of this Act, to applicable rules and regulations of the United States Government, or to the terms of any agreement or contract entered into under this Act, shall revert to the respective appropriation, fund, or account used to finance such transaction or to the appropriation, fund, or account currently available for the same general purpose.

"SEC. 5406. ELIGIBILITY AND DEBARMENT.

"(a) DETERMINING ELIGIBILITY.—The President shall issue and enforce regulations determining the eligibility of any person to receive funds made available under this Act.

"(b) DEBARMENT.—A person—

"(1) may be suspended under such regulations for a temporary period pending the

completion of an investigation and any resulting judicial or debarment proceedings, upon cause for belief that such person or an affiliate of such person probably has undertaken conduct which constitutes a cause for debarment; and

"(2) after an opportunity has been afforded to such person for a hearing, the person may be debarred for an additional period, not to exceed three years.

"(c) CAUSES OF DEBARMENT.—Among the causes for debarment shall be—

"(1) offering or accepting a bribe or other illegal payment or credit in connection with any transaction financed with funds made available under this Act;

"(2) committing a fraud in the procurement or performance of any contract financed with funds made available under this Act; or

"(3) acting in any other manner which shows a lack of integrity or honesty in connection with any transaction financed with funds made available under this Act.

"(d) REINSTATEMENT.—Reinstatement of eligibility in each particular case shall be subject to such conditions as the President shall direct.

"(e) REVIEW.—Each person whose eligibility is denied or suspended under this section shall, upon request, be entitled to a review of his eligibility not less often than once every 2 years.

"SEC. 5407. FALSE CLAIMS AND INELIGIBLE COMMODITIES.

"(a) PERSONS SUBJECT TO PROVISIONS.—Subsection (b) shall apply to any person—

"(1) who—

"(A) makes or causes to be made or presents or causes to be presented to any bank or other financial institution, or to any officer, agent, or employee of any agency of the United States Government, a claim for payment from funds made available under this Act for the purposes of furnishing assistance; and

"(B) knows the claim to be false, fraudulent, or fictitious or to cover a commodity or commodity-related service, or a defense article or defense service, that has been declared to be ineligible for payment from funds made available under this Act;

"(2) who uses to support that person's claim any certification, statement, or entry on any contract, bill of lading, Government or commercial invoice, or Government form, which that person knows, or in the exercise of prudent business management should know, to contain false, fraudulent, or fictitious information;

"(3) who uses or engages in any other fraudulent trick, scheme, or device for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit or payment from funds made available under this Act in connection with the negotiation, procurement, award, or performance of a contract financed with funds made available under this Act; or

"(4) who enters into an agreement, combination or conspiracy to do any act described in paragraphs (1) through (3).

"(b) PENALTY.—Any person who engages in an act described in subsection (a)—

"(1) shall pay to the United States an amount equal to 25 percent of any amount sought to be wrongfully secured or obtained by that act but not actually received;

"(2) shall forfeit and refund any payment, compensation, loan, commission, or advance received as a result of that act; and

"(3) shall, in addition, pay to the United States for each such act—

"(A) the sum of $2,000 and double the amount of any damage which the United States may have sustained by reason of that act, or

"(B) an amount equal to 50 percent of any such payment, compensation, loan, commission, or advance so received,

whichever is the greater, together with the costs of suit.

"(c) RECOVERY BY THE UNITED STATES.—In order to secure recovery under this section, the President may, as he deems appropriate—

"(1) institute suit in the United States district court for any judicial district in which the person alleged to have performed or participated in an act described in subsection (a) may reside or may be found; and

"(2) upon posting by registered mail to such person a notice of claim describing the basis for such claim and identifying the funds to be withheld, withhold from funds owed by any agency of the United States Government to such person an amount equal to the refund, damages, liquidated damages, and exemplary damages claimed by the United States under this section.

Any such withholding of funds from any person shall constitute a final determination of the rights and liabilities of such person under this section with respect to the amount so withheld, unless within one year of receiving the notice of claim such person brings suit for recovery, which is hereby authorized, against the United States in any United States district court.

"SEC. 5408. WAIVERS OF CERTAIN LAWS RELATING TO CONTRACTS AND GOVERNMENT EXPENDITURES.

"Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

"CHAPTER 5—PERSONNEL

"SEC. 5501. STATUTORY OFFICERS IN ECONOMIC ASSISTANCE AGENCY.

"(a) APPOINTMENT.—The President may appoint, by and with the advice and consent of the Senate, 12 officers in the administering agency for title I.

"(b) TITLE.—The President may designate the title of any officer appointed under subsection (a).

"(c) ORDER OF SUCCESSION.—The President may also fix the order of succession among the officers appointed under subsection (a) of this section in the event of the absence, death, resignation, or disability of one or more of those officers.

"SEC. 5502. EMPLOYMENT OF PERSONNEL.

"(a) ECONOMIC ASSISTANCE FUNCTIONS IN THE UNITED STATES.—

"(1) APPOINTMENTS WITHOUT REGARD TO CERTAIN CIVIL SERVICE LAWS.—Of the personnel employed in the United States to carry out title I and chapter 2 and chapter 3 of title VI or to coordinate titles I and II, 110 may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be compensated without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title, subject to paragraph (2) of this subsection.

"(2) COMPENSATION.—Of the personnel appointed under paragraph (1), 51 may be compensated at rates higher than those payable for GS-15 of the General Schedule under section 5332 of title 5, United States Code, but not in excess of the highest rate payable for GS-18 of the General Schedule.

"(3) REINSTATEMENT RIGHTS.—Under such regulations as the President may prescribe, any individual employed under paragraph (1) may be entitled, upon removal (except for cause) from the position to which the appointment was made, to reinstatement to the position occupied by that individual at the time of appointment or to a position of comparable grade and pay.

"(4) PROVISIONS NOT APPLICABLE TO OTHER NONMILITARY ASSISTANCE PROGRAMS.—This subsection does not apply with respect to chapter 6 of title II or chapter 1 or chapter 2 of title III.

"(b) MILITARY ASSISTANCE FUNCTIONS IN THE UNITED STATES.—Of the personnel employed in the United States to carry out title II or the Defense Trade and Export Control Act not to exceed 8 may be compensated at rates higher than those payable for GS-15 of the General Schedule under section 5332 of title 5 of the United States Code, but not in excess of the highest rate payable of GS-18 of the General Schedule. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 5108 of title 5, United States Code.

"(c) PERFORMANCE OF FUNCTIONS OUTSIDE THE UNITED STATES.—

"(1) AUTHORITY TO EMPLOY OR ASSIGN.—For the purpose of performing functions under this Act outside the United States, the President may—

"(A) employ or assign individuals, or

"(B) authorize the employment or assignment of officers or employees by agencies of the United States Government which are not authorized to utilize the Foreign Service personnel system.

"(2) COMPENSATION.—Individuals employed or assigned under paragraph (1) shall receive compensation at any of the rates provided for under section 402 or section 403 of the Foreign Service Act of 1980, or under chapter 53 of title 5, United States Code, or at any other rate authorized by law, together with allowances and benefits under the Foreign Service Act of 1980.

"(3) REEMPLOYMENT RIGHTS.—Individuals so employed or assigned shall be entitled to the same benefits as are provided by section 310 of that Act for individuals appointed to the Foreign Service, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds 30 months.

"(d) CERTAIN FUNDS DEEMED OBLIGATED FOR CERTAIN SERVICES.—Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering title I or title II of this Act) as well as personnel not employed by the United States Government.

"SEC. 5503. EXPERTS, CONSULTANTS, AND RETIRED OFFICERS.

"(a) AUTHORITY TO EMPLOY.—Experts and consultants or organizations thereof may, as authorized by section 3109 of title 5 of the United States Code, be employed for the performance of functions under this Act.

"(b) COMPENSATION AND REIMBURSEMENT FOR EXPENSES.—Individuals employed under subsection (a)—

"(1) may be compensated at rates not in excess of the daily equivalent of the highest rate which may be paid to an employee under the General Schedule under section 5332 of title 5, United States Code; and

"(2) while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence in accordance with section 5703 of title 5, United States Code.

"(c) RENEWAL OF CONTRACTS.—The contracts or assignments for employment under subsection (a) may be renewed annually.

"(d) MANDATORY RETIREMENT AGE NOT APPLICABLE.—Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as employment or holding of office or position bringing such individual within the provisions of section 3323(a) of title 5 of the United States Code.

"(e) EMPLOYMENT OF CERTAIN PERSONS WITHOUT COMPENSATION.—Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950 (50 U.S.C. App. 2160(b)), and regulations issued thereunder.

"SEC. 5504. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS.

"(a) DETAILS TO FOREIGN GOVERNMENTS.—When consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of that agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government.

"(b) DETAILS TO INTERNATIONAL ORGANIZATIONS.—When consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of that agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

"(c) STATUS OF PERSONNEL DETAILED.—

"(1) RETENTION OF BENEFITS.—Any officer or employee, while assigned or detailed under this section—

"(A) shall be considered an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned for the purpose of preserving his or her allowances, privileges, rights, seniority, and other benefits as such; and

"(B) shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act, or may be detailed or assigned on a leave without pay status.

"(2) ALLOWANCES.—Any officer or employee assigned, detailed, or appointed under this section, section 5107, section 5505, or section 5506 may receive (under such regulations as the President may prescribe) representation allowances similar to those allowed under section 905 of the Foreign Service Act of 1980. The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 5536 of title 5, United States Code.

"(d) TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under this section or section 408 of the Mutual Security Act of 1954 in accordance with any of the following paragraphs:

"(1) Without reimbursement to the United States Government by the foreign government or international organization.

"(2) Upon agreement by the foreign government or international organization to reimburse the United States Government for compensation, travel expenses, benefits, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail. Such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, benefits, or allowances, or to the appropriation, fund, or account currently available for such purposes.

"(3) Upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act. Funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization.

"(4) Subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, benefits and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with subsection (c).

"SEC. 5505. CHIEF OF ECONOMIC ASSISTANCE MISSION ABROAD.

"(a) APPOINTMENT; REMOVAL.—The chief and his deputy of each special mission or staff carrying out title I (including chapter 2 or chapter 3 of title VI)—

"(1) shall be appointed by the President; and

"(2) may, notwithstanding any other law, be removed by the President at his discretion.

"(b) COMPENSATION AND ALLOWANCES.—Such chief shall be entitled to receive such compensation and allowances as are authorized by the Foreign Service Act of 1980, not to exceed those authorized for a chief of mission (as defined in section 102(a)(3) of that Act), as the President deems appropriate.

"SEC. 5506. CHAIRMAN OF OECD DEVELOPMENT ASSISTANCE COMMITTEE.

"(a) APPOINTMENT; TERMINATION OF APPOINTMENT.—The President may—

"(1) appoint any United States citizen who is not an employee of the United States Government, or

"(2) assign any United States citizen who is an employee of the United States Government,

to serve as Chairman of the Development Assistance Committee (or any successor committee) of the Organization for Economic Cooperation and Development, upon election thereto by members of that Committee. The President, in his discretion, may terminate such appointment or assignment, notwithstanding any other provision of law.

"(b) COMPENSATION AND ALLOWANCES.—An individual appointed or assigned under subsection (a) may receive such compensation and allowances as are authorized by the Foreign Service Act of 1980, not to exceed those authorized for a chief of mission (as defined in section 102(a)(3) of that Act), as the President deems appropriate. Such individual, if appointed under subsection (a)(1), shall be deemed to be an employee of the United States Government for purposes of chapters 81, 83, 84, 87, and 89 of title 5, United States Code. Such individual may also, in the President's discretion, receive any other benefits and perquisites available under this Act to chiefs of special missions or staffs outside the United States established under section 5107.

"SEC. 5507. ASSIGNMENT OF DOD PERSONNEL TO CIVIL OFFICES.

"Notwithstanding section 973(b) of title 10, United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

"SEC. 5508. DISCRIMINATION AGAINST UNITED STATES PERSONNEL PROVIDING ASSISTANCE.

"(a) ASSIGNMENT OF UNITED STATES PERSONNEL.—The President shall not take into account, in assigning officers and employees of the United States to carry out any assistance program funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

"(b) UNITED STATES POLICY.—It is the policy of the United States that assistance under this Act should not be furnished to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) from participating in the furnishing of assistance under this Act on the basis of race, religion, national origin, or sex.

"CHAPTER 6—DEFINITIONS AND MISCELLANEOUS PROVISIONS

"SEC. 5601. DEFINITIONS.

"(a) TYPES OF ASSISTANCE.—For purposes of this Act and any other provision of law relating to assistance under this Act, the following terms have the following meanings:

"(1) ANTITERRORISM ASSISTANCE.—The term 'antiterrorism assistance' means assistance under chapter 1 of title III.

"(2) ASSISTANCE FOR FAMINE RECOVERY AND DEVELOPMENT IN AFRICA.—The term 'assistance for famine recovery and development in Africa' means assistance under section 6301.

"(3) DEVELOPMENT ASSISTANCE.—The term 'development assistance' means assistance under subchapter A of chapter 2 of title I.

"(4) ECONOMIC ASSISTANCE.—The term 'economic assistance' means assistance under title I or chapter 2 or chapter 3 of title VI.

"(5) ECONOMIC SUPPORT ASSISTANCE.—The term 'economic support assistance' means assistance under section 1301.

"(6) FOREIGN MILITARY FINANCING.—The term 'foreign military financing' means assistance furnished with funds made available to carry out chapter 2 of title II.

"(7) INTERNATIONAL DISASTER ASSISTANCE.—The term 'international disaster assistance' means assistance under chapter 6 of title I.

"(8) INTERNATIONAL MILITARY EDUCATION AND TRAINING.—The term 'international military education and training' means assistance under chapter 5 of title II, and does not include military education and training under chapter 2 of title II.

"(9) MILITARY ASSISTANCE.—The term 'military assistance' means assistance under title II, except as otherwise provided with respect to assistance under chapter 6 of that title (relating to assistance for peacekeeping operations).

"(10) NARCOTICS CONTROL ASSISTANCE.—The term 'narcotics control assistance' means assistance under chapter 2 of title III.

"(11) NONMILITARY ASSISTANCE.—The term 'nonmilitary assistance' means any assistance under title I, title III, or chapter 2 or chapter 3 of title VI.

"(b) DEFINITIONS APPLICABLE TO THE ACT GENERALLY.—For purposes of this Act and any other provision of law relating to assistance under this Act, the following terms have the following meanings:

"(1) AGENCY OF THE UNITED STATES GOVERNMENT.—The term 'agency of the United States Government' includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

"(2) FUNCTION.—The term 'function' includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

"(3) GROSS VIOLATIONS OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS.—The term 'gross violations of internationally recognized human rights' includes torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, arbitrary arrest, incommunicado detention, and other flagrant denial of the right to life, liberty, or the security of person.

"(4) INCLUDES.—The term 'includes' means includes but is not limited to.

"(5) OFFICER OR EMPLOYEE.—The term 'officer or employee' means civilian personnel of the United States Government and members of the Armed Forces.

"(6) NONNUCLEAR-WEAPON STATE.—The term 'nonnuclear-weapon state' means any country which is not a nuclear-weapon state, as defined in article IX(3) of the Treaty on the Non-Proliferation of Nuclear Weapons.

"(7) UNITED STATES.—The term 'United States', when used in the geographic sense, includes the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands, and any other territory or possession of the United States.

"(c) DEFINITIONS APPLICABLE PRIMARILY TO NONMILITARY ASSISTANCE.—For purposes of this Act and any other provision of law relating to assistance under this Act, the following terms have the following meanings:

"(1) ADMINISTERING AGENCY.—The term 'administering agency' means—

"(A) with respect to programs authorized by title I and chapter 2 and 3 of title VI, the agency primarily responsible for administering title I (as designated by the President pursuant to section 5104); and

"(B) with respect to programs authorized by chapter 1 or chapter 2 of title III, means the Department of State (or such other agency of the United States Government as the President may designate to administer programs under that chapter).

"(2) ADMINISTRATOR.—The term 'Administrator' means the head of the administering agency.

"(3) AGRICULTURE.—The term 'agriculture' includes aquaculture and fisheries.

"(4) COMMODITY.—The term 'commodity' includes any material, article, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance or assistance under chapter 6 of title II.

"(5) FARMERS.—The term 'farmers' includes fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

"(6) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' as the same meaning that term is given by section 1201(a) of the Higher Education Act of 1965.

"(7) SERVICES.—The term 'services' include any service, repair, training of personnel, or technical or other assistance or information used for the purposes of furnishing nonmilitary assistance or assistance under chapter 6 of title II.

"(d) DEFINITIONS APPLICABLE PRIMARILY TO MILITARY ASSISTANCE.—For purposes of this Act and any other provision of law relating to assistance under this Act, the following terms have the following meanings:

"(1) ARMED FORCES.—The term 'Armed Forces' means the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States.

"(2) DEFENSE ARTICLE.—The term 'defense article'—

"(A) includes—

"(i) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

"(ii) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

"(iii) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this paragraph; or

"(iv) any component or part of any article listed in this paragraph; but

"(B) does not include—

"(i) merchant vessels; or

"(ii) as defined by the Atomic Energy Act of 1954 (42 U.S.C. 2011), source material (except uranium depleted in the isotope 235 which is incorporated in defense articles solely to take advantage of high density or pyrophoric characteristics unrelated to radioactivity), byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data.

"(3) DEFENSE INFORMATION.—The term 'defense information'—

"(A) includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service; but

"(B) does not include Restricted Data as defined by the Atomic Energy Act of 1954, and data removed from the Restricted Data category under section 142d of that Act.

"(4) DEFENSE SERVICE.—The term 'defense service' includes any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purposes of furnishing military assistance, including—

"(A) military education and training, and

"(B) design and construction services (as defined in section 47(8) of the Defense Trade and Export Control Act).

"(5) EXCESS DEFENSE ARTICLES.—The term 'excess defense articles' means the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which is in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act.

"(6) MAJOR DEFENSE EQUIPMENT.—The term 'major defense equipment' has the same meaning that term has under section 47(6) of the Arms Export Control Act.

"(7) MAJOR NON-NATO ALLY.—The term 'major non-NATO ally' means a country which is designated in accordance with section 48 of the Defense Trade and Export Control Act as a major non-NATO ally for purposes of that Act and this Act.

"(8) MILITARY EDUCATION AND TRAINING.—The term 'military education and training' includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces.

"(9) VALUE.—The term 'value' means—

"(A) with respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of section 5201(d) such actual value shall not be taken into account;

"(B) with respect to a nonexcess defense article delivered from inventory to a foreign country or international organization under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

"(C) with respect to a nonexcess defense article delivered from new procurement to a foreign country or international organization under this Act, the contract or production costs of such article;

"(D) with respect to a defense service, the cost to the United States Government of such service; and

"(E) with respect to military education and training under chapter 5 of title II or services provided under chapter 2 of title III of this Act, the additional costs that are incurred by the United States Government in furnishing such assistance.

"SEC. 5602. ACTIVITIES UNDER CERTAIN OTHER LAWS NOT AFFECTED.

"Unless expressly provided to the contrary, provisions of this Act and other provisions applicable to foreign assistance shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Mutual Educational and Cultural Exchange Act of 1961, or the Export-Import Bank Act of 1945.

"SEC. 5603. COMMITMENTS TO USE UNITED STATES ARMED FORCES.

"The furnishing of economic, military, or other assistance under this Act shall not be construed as creating a new commitment or as affecting any existing commitment to use the Armed Forces for the defense of any foreign country.".

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. MILLER of Ohio. Mr. Chairman, it was my intention to offer an amendment to title V of H.R. 2655 the Foreign Assistance Act that would have stricken the exemption from the Gramm-Rudman-Hollings law that this bill would have granted to the foreign aid programs for Egypt and Israel. Events, however, have overtaken my plans. I was pleased to find that the "en bloc" amendments approved last night will no longer make my amendment necessary. I commend the chairman of the Foreign Affairs Committee, Mr. FASCELL, for offering this amendment and striking the exemption.

As you will recall, in December, 1985, Congress gave final approval to the Gramm-Rudman-Hollings legislation—Public Law 99-177. At the time, consideration had been given to exempting foreign aid to Israel. In fact, an exemption was actively being offered by some Members, but the Israeli Embassy and pro-Israel lobbyists declined the exemption because they felt it would have been counter-productive to United States-Israeli relations. This judgment was true in 1985, and it is still true today. A Gramm-Rudman exemption for Egypt and Israel would have poisoned the positive relationship we have is with those two nations.

As I see it, the consequences of providing such an exemption are both significant and negative:

First, under this bill, total U.S. foreign aid to these two nations is $5 billion in fiscal year 1990. This amount constitutes 43 percent of all foreign aid dollars. Should sequestration go in effect, other foreign aid and nondefense programs, would be severely and disproportionately impacted.

Second, leaders from other nations receiving U.S. foreign aid would likely feel slighted and take offense at their new second-class status. This would prove awkward and embarrassing to the President and the Secretary of State in their dealings with other countries. Furthermore, you can bet the farm that the nonexempt countries would be all over us and the administration in an effort to gain this privileged status. Where would we draw the line? Are Costa Rica, Turkey, or the Philippines any less deserving?

Additionally, an exemption in this instance would invite further circumvention of the Gramm-Rudman-Hollings law in other areas of the Federal budget. The $64 dollar question again would be, where do we draw the line? Public Law 99-177 exempted the following programs from automatic cuts: First, Social Security; second, interest on the national debt; third, veterans' compensation; fourth, veterans' pensions; fifth, Medicaid; sixth, Aid to Families with Dependent Children [AFDC]; seventh, the Women, Infants, and Children Food Program [WIC]; eighth, Supplemental Security Income [SSI]; ninth, food stamps, tenth, child nutrition; and eleventh, limited cuts in five health programs, including Medicare.

I know that the aid for these two countries is popular within the Congress. But, had we granted this exemption, we would have been opening Pandora's box. Without much effort you can imagine the legions of lobbyists and interest groups who would be saying, "what about us. Where's our exemption." I applaud the restraint and wisdom of the chairman and my colleagues for amending this language.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have heard through the grapevine that we will get back to this bill on Wednesday of next week. I certainly hope so. I want to thank my colleagues for the cooperation in carrying Members this far on this legislation.

Ms. PELOSI. Mr. Chairman, today, as we consider H.R. 2655, the foreign affairs authorization bill, I rise in support of the Torricelli cash transfer provision, section 1303, and in opposition to amendments which would strike or weaken this important language.

The purpose of the Torricelli provision is straightforward. If countries receive cash assistance through our foreign aid programs and they use that assistance to import agricultural and industrial products, they should import those products from us, not from our competitors.

Without this provision, many aid recipients use cash assistance to purchase goods abroad. How do we explain this to American workers who have lost their jobs due to unfair foreign trade practices? Not only are we sending American taxpayer dollars abroad, but also those dollars are benefiting the very countries whose unfair practices are hurting our domestic agriculture, manufacturing, and maritime services sectors. I support the Torricelli provision because it helps our foreign friends and allies at the same time as it helps American workers.

At the end of World War II, the United States had more than 2,000 active American-flag commercial merchant vessels and American ships carried 65 percent of our Nation's foreign waterborne commerce. Today, the United States-flag merchant marine has approximately 400 oceangoing vessels and American ships carry less than 4 percent of our foreign waterborne commerce.

The President's Commission on Merchant Marine and Defense concluded in its 1987 report that there is a "clear and growing danger to the national security in the deteriorating condition of America's maritime industries." One of the Commission's recommendations was to make "U.S. cargoes generated as a result of foreign aid cash transfer programs" subject to U.S.-flag vessel cargo preference requirements. Under the Torricelli provision, commodities purchased in the United States with these foreign aid funds would be transferred according to the American-flag shipping requirements in the Cargo Preference Act of 1954.

Mr. Chairman, the Torricelli provision is reasonable. It would ensure that as we assist people in foreign countries, we make sure that American workers are not harmed. I urge my colleagues to oppose any weakening amendments to section 1303.

Mr. MANTON. Mr. Chairman, I rise in strong support of retaining the provision in the foreign aid bill originally authored by the gentleman from New Jersey [Mr. TORRICELLI]. This provision ensures American businesses and manufacturers, and our domestic merchant marine, will not be discriminated against by nation's receiving valuable U.S. foreign assistance. The Torricelli cash transfer/cargo preference provision makes eminent sense and is good for U.S. business. I believe we must oppose any attempts to weaken it.

The language in the bill is quite simple and straightforward. The bill requires countries receiving U.S. cash aid spend the same amount on the purchase of U.S. goods and services, and transport at least 50 percent of such goods on U.S.-flag vessels. I simply do not understand the position of those opposed to the intent of this language. How can it possibly hurt any one segment of our society, or the Nation as a whole, to require countries receiving our taxpayers' dollars to spend this money on goods and services from the United States?

Mr. Chairman, this body should maintain this meaningful improvement in our Nation's Foreign Aid Program. The Torricelli amendment will provide much needed reform in existing policy. The amendment will serve to strengthen our Foreign Aid Program. The inclusion of the "Buy-American" provision for the cash transfer program will help to increase public support for foreign aid programs in general. This provision is supported by a wide range of the American public. It does not hurt our position internationally, rather it allows the foreign aid process to continue while ensuring a number of benefits for American industry, American agriculture, and American maritime workers.

The maintenance of the Torricelli provision is extremely important to U.S. business. It means jobs and cargo for the maritime industry, which has suffered drastically under the benign neglect of the Reagan administration and continued unfair trading practices of our foreign competitors.

Mr. Chairman, I repeat today what I said on this floor almost 2 years ago: This is a well-thought-out, much-needed aspect of our Foreign Aid Program. It helps put America back on equal footing with the rest of the world. I strongly urge my colleagues to support this provision and oppose any and all amendments which would weaken its intent.

Mr. LELAND. Mr. Chairman, I rise in strong support of the position of the foreign assistance authorization bill dedicated to Africa famine recovery and development.

As chairman of the House Select Committee on Hunger, I am compelled to call attention to the increased proportion of sub-Saharan Africa's population which suffers from chronic malnutrition and the prospect of worsening hunger as this decade draws to a close.

Approximately one-quarter of Africa's population—over 100 million people—are without enough food to lead active, productive lives.

Currently, most at risk among Africa's hungry are millions facing starvation in areas such as Mozambique, Angola, Somalia, Ethiopia, and the Sudan.

During 1988, in the Sudan alone, more than 250,000 men, women, and children starved to death.

It is perhaps the increasing malnutrition and hunger found across Africa during the 1980's, which most dramatically testifies to underlying reversals in the continent's economic, social, and environmental sectors. These reversals have taken a severe toll on the ability of

people to feed themselves and meet basic human needs.

I am speaking of famine, and drought which have occurred with frightening frequency.

I am speaking of environmental abuses which have undermined the future ability to produce food on a continent where per capita food production has declined steadily for 20 years.

Moreover, population growth rates, already the highest in the world, have continued to spiral upward and place more pressure on food supplies and other resources.

The debt crisis, escalating food imports and falling prices for exports have crippled economic growth. Basic human services, such as primary health care and education have deteriorated.

Moreover, economic policy reforms, while necessary, have, nevertheless, exacerbated deprivation among the poor majority in sub-Saharan Africa.

Adoption of the language set forth by the African Famine Recovery and Development Act, would be a major step toward reversing the crisis in sub-Saharan Africa.

By making people, the center of development goals, the act supports Africa's own efforts to achieve economic growth which is equitable, participatory, environmentally sustainable, and self-reliant. Key among the provisions of this act, are earmarks for critical development sector activities, in environmental conservation, health, and voluntary family planning.

Also included in the bill are requirements for protecting vulnerable groups from negative consequences of policy reforms; inclusion of women in development activities; and, consultation with the poor majority in planning development assistance activities.

It is also significant that this act authorizes increased funding for development assistance through fiscal year 1992.

Overall, without this language in the foreign aid bill, we are provided no assurances of the type of development activity which needs to be undertaken in sub-Saharan Africa. With such legislation, the region can begin to extricate itself from its present crisis and realize its considerable potential.

I strongly urge adoption of the language and the step that it represents toward a more effective foreign aid program in sub-Saharan Africa.

Mr. FALEOMAVAEGA. Mr. Chairman, our country's Foreign Assistance Program to the South Pacific region has historicially been extremely low. Thus, a welcome and sorely needed development has been the administration's proposed increase in funding for the countries of the region, which recommendation has been adopted by the House Foreign Affairs Committee in H.R. 2655, the Foreign Assistance Act. Long-neglected, this area of the world can no longer be taken for granted as pro-Western by the United States.

With the Communists continuing to pursue inroads in Oceania, it is no wonder that instability in the region is at an all time high. The Anzus Defense Pact, in light of New Zealand's antinuclear policy, is on the verge of self-destruction; several coups have overthrown democratically elected Government in Fiji; Vanuatu, with the Libyan influence of Colonel Qadhafi, has experienced unprecedented political turmoil incited by street demonstrations; New Caledonia's prominent Kanak leader Jean-Marie Tjibaou was assassinated by political extremists just a short while ago, extending a string of killings in that country; and, violent riots resulting in deaths and sabotage have become commonplace in Papua, New Guinea.

In order to combat the tide of growing instability in the South Pacific, our Nation has a duty and moral obligation to increase its presence in the region. Rather than merely maintaining its past policy of "benign neglect," appreciably greater attentiveness to the needs and concerns of Oceania begs to be demonstrated through expanded foreign aid. That is one of the express findings and strongest recommendations made by the excellent minority staff report on South Pacific security concerns that was submitted recently to the House Foreign Affairs Committee.

A major factor contributing to anti-American sentiment in the region has been the generational shift in leadership. Many of the older leaders that remember the United States fondly from World War II have been replaced over time by a new generation of leaders. These new government officials often have had little contact with our country that is positive.

To that end, a provision which I have introduced through the Subcommittee on Asian and Pacific Affairs—section 906 of the foreign aid bill, the South Pacific Academic Scholarship—shall be a high-profile investment in the most valuable resource that Oceania possesses: her people. Through a relatively modest allocation, $4 million over the next 2 fiscal years, this program shall ensure that the best and brightest students from the South Pacific shall have an opportunity to come to America to study, and to see for themselves what a living democracy is all about.

Upon returning to their Pacific countries, it is expected that they in turn shall accept the mantle of leadership and responsibility. Hopefully, a little piece of America, and all that she stands for, shall always remain in their hearts and minds. One need only look at the thousands of exchange students from the People's Republic of China, that have studied in America and returned home with democratic ideals, for proof of the value of such academic programs.

Mr. Chairman, although this program is a step in the right direction, much more needs to be done by our country in the South Pacific. I would strongly urge my colleagues to support this measure, in addition to other initiatives in the region that are necessary to ensure the maintenance of democratic government and the growth of free market economies.

Hand in hand with the struggle for democracy in the South Pacific, Mr. Chairman, is the fight being waged against communism by our longtime neighbor and ally, the people of the Philippines. Crucial to the defense of freedom in the Philippines is an economy that is healthy, vibrant and productive for all elements of her society. By targeting economic assistance for the lower class in the rural, undeveloped areas of the country, section 905 of the foreign aid bill, the multilateral assistance initiative [MAI], shall materially assist in this endeavor.

The MAI presents the United States with an opportunity to adopt a new approach to foreign assistance for Third World countries. With a relatively modest contribution, the initiative will be able to leverage a multilateral aid program of substantial proportions which will be more comprehensive and effective than any previous U.S. aid program. The MAI will put into effect the concept of "burden sharing" among the United States and her allies that defend freedom. President Bush has requested Congress that our initial share in contribution be $200 million, which shall commit our allies to likewise contribute until the target total of $1 billion per annum is met.

It is vital that the United States follow through with the full $200 million expected of her at the upcoming pledging session to be held in Tokyo, Japan. To do otherwise would clearly be taken as a negative signal, not only to the Philippines but the other potential donor nations. This would surely deter our allies, who look to the United States for leadership, from giving their full financial support to the MAI.

Mr. Chairman, whereas our country along with our allies have sacrificed thousands of lives in the worldwide fight against communism and for democracy, the MAI presents an unique opportunity to assist the Philippines in her time of need, not with guns and bullets, but with an international cooperative strategy of economic assistance. I strongly urge my colleagues, both in the authorization and appropriation processes, to pass intact this vitally important measure.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the Chair, Mr. AuCoin, chairman of the Committee of the Whole House on the State of Union, reported that that Committee, having had under consideration the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF CONFEREES ON H.R. 1278, FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial

VOL 135 PT 9 JE 14 — 22 1989 UMI

institutions regulatory agencies, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WYLIE moves that the Managers on the part of the House at the conference on the disagreeing vote of the two Houses on the bill H.R. 1278 be instructed to not recede to the other body regarding provisions in H.R. 1278 as passed by the Senate that would single out a specific institution or institutions for unusual or special treatment.

The SPEAKER. The gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes and the gentleman from Texas [Mr. GONZALEZ] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. As Members will recall, last Thursday night the House approved by a vote of 412 to 7 a motion to recommit with instructions by the gentleman from Iowa [Mr. LEACH] which deleted from the savings and loan bill, H.R. 1278, certain special interest provisions, as my colleague [Mr. LEACH] noted, legislation for more than $100 billion to bail out the financial industry and the insurance fund is no place to tack on amendments providing for special treatment of large financial conglomerates.

If Mr. LEACH would have been afforded the privilege to offer this motion to instruct the conferees this evening, but his mother passed away unexpectedly on Monday evening and he needed to be back in Iowa. Certainly, we all extend our heartfelt condolences to him.

What this motion does, in effect, is to instruct the House conferees to insist that we not recede to the other body on provisions found in the Senate bill similar to those taken out on the House motion to recommit the other night. In other words, the motion to instruct House conferees which I have submitted is to support the House position as reflected by the Leach amendment to recommit. The Senate bill also has some other special provisions in their bill, and we would say to the conferees we want Members to reflect the sentiment of the House on the issue of special interest legislation. May I respectfully suggest an aye vote on my motion.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the gentleman from Ohio's [Mr. WYLIE] motion and agree to the general direction that he is seeking be given the conferees, and can assure him that probably there is total consensus here that the House will not recede from the positions it overwhelmingly voted in the full House last week.

I wish to commend Mr. WYLIE because I think we are of the agreement that any superfluous and unnecessary baggage on this extremely important piece of legislation is to be dispensed with every chance we have.

I merely rise to support this motion to instruct.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I thank the gentleman for yielding to me.

This is an appropriate motion. We ought to pass it. The House did the right thing to stripping out the special exemptions of those provisions that only apply to individual institutions. All the provisions in legislation such as this should be generic. Occasionally, there are, when we are changing law, there is a need for a transition from one set of laws to another set of laws, but those transitions should be generic in nature and not apply to an individual institution.

I want it known for the record, while it was a member of my party, the gentleman from Iowa [Mr. LEACH] that offered the motion to recommit that stripped out these provisions on the House bill, the original amendment that took out one particular provision was offered by the chairman of the committee, the gentleman from Texas [Mr. GONZALEZ], in an amendment that was made in order on the House floor, and it was for an institution that was in his district.

□ 1920

It was for an institution that was in his district. So the gentleman from Texas [Mr. GONZALEZ], the chairman of our committee, started the ball rolling along these lines, and now we seek to extend that to the Senate. Both bodies get in the bad habit from time to time of adopting the institution's specific exceptions, exceptions that often appear to be benevolent and fair on their face, but if those exceptions cannot be made as a class or a whole generic kind of exception or transition, then they should not be made at all. Individual exceptions are wrong on policy, and they are wrong on process.

The House has taken the right step to strip them out of our bill, and we call on our brethren in the other body to strip them out of their bill in the conference.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. HILER].

(Mr. HILER asked and was given permission to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, I rise today with somewhat mixed emotions on the appointment of conferees to H.R. 1278 the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

H.R. 1278 is badly needed legislation. The Federal Savings and Loan Insurance Corporation continues to lose $1 billion per month. Conferees on this legislation must move with deliberate speed to stop this rupturing in the system and to ensure that it never happens again. I fully support the major components of the President's plan as it passed the House last week including, with limited reservations, the capital standard.

I have been involved in sponsoring legislation to reform the S&L industry for the past several years. During the 99th Congress, I supported H.R. 4907, a bill that embodied Treasury's original proposal to recapitalize the FSLIC. That bill was reported out of the Banking Committee on July 17, 1986. The bill then languished until the last day of the Congress when it was passed under suspension. However, no time remained for a House-Senate conference and the legislation died.

In the 100th Congress, I supported and was a cosponsor of H.R. 27, the administration's second attempt to recapitalize the FSLIC. The proposal called for a $15 billion FSLIC recapitalization. During consideration of H.R. 27, I strongly opposed amendments adopted by the Banking Committee and the full House to reduce the funding of the administration's plan. The House reduced the funding of the plan to $5 billion and the Conference eventually reached a compromise level of $10.8 billion. Even so, Congress again had failed to give the FSLIC the resources it needed to do its work.

Later in the 100th Congress, I supported a proposal reported out of the Banking Committee to authorize an additional $5 billion of resources to the FSLIC, so as to fully fund the administration's plan. Again the House leadership failed to permit this legislation to reach the House floor in a timely fashion for consideration and it died.

Additionally, during the 100th Congress, I cosponsored H.R. 3929 a bill designed to increase the financial institution regulatory powers to fight fraud and abuse in the financial services industry. This proposal was incorporated into H.R. 5094 last year, the Banking Committee's financial industry restructuring proposal. This bill received no further action once reported out of committee.

Now in the 101st Congress, I am an original cosponsor of H.R. 1278, the President's proposal to reform the thrift industry. This legislation was unveiled by the President in February and he asked for Congress to pass it in 45 days. Unfortunately, it is now mid-

June and we are just appointing conferees.

I am quite concerned with the manner that the House conferees have been selected. The Senate has appointed 5 Senators as their conferees. However, the House will use a subconference approach and bring all 51 members of the Banking Committee to the conference, along with an unspecified number of conferees from the Ways and Means, Judiciary and Government Operations committees. I believe that this unwieldy approach will unnecessarily delay the work of the conference and cause prolonged debate on many issues.

Given that, the House leadership should do everything possible to pass this legislation in an expeditious manner. While I believe the subconference approach will unnecessarily delay the legislation at the expense of depositors and the American taxpayer, that decision has been made.

Mr. WYLIE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Ohio [Ms. OAKAR], a very distinguished member of the committee.

Ms. OAKAR. Mr. Speaker, I thank my distinguished chairman of the committee, and I want first of all to congratulate him and the ranking minority member for their leadership on this bill.

I want to associate myself with the remarks of the gentleman from Indiana [Mr. HILER]. I have no doubt that we will do what has been suggested because we met today even though formally there has not been a designation of who the conferees will be. But I did want to say that it is very imperative that we deal with this problem expeditiously.

The savings and loan industry, along with the banking industry, is a very fragile industry and a very important industry. It is very important that we tell the American people that indeed the bill that we have passed is a step in the right direction. I believe strongly, of course, that the House bill is by far the better bill. The capital standards are strict, the reforms are adhered to, and we also made room for having equity with respect to the regulators and the personnel. I think the American people should know that. I think the American people want a savings and loan industry. After all, this is the industry that provides access more than any other institution to home mortgages, and it fosters the all-American dream of owning one's own home. I believe that we will indeed now have a stronger system for these financial institutions. I think the American people do have confidence in what we have done, not only on our side, but on both sides of the aisle in a bipartisan spirit, the spirit in which we drafted this bill, providing we do take the tougher bill into account.

So let me say to the chairman of the committee and the ranking minority member that I will be proud to serve under their leadership, hopefully, as one of the conferees. I urge them to be strong about the House position. We did the right thing. It was not done without pain, and it has been a difficult decision.

Our committee had gone on with hearings led by the chairman of the committee since January on this issue, before we even formally organized our committee. We have been working on this reform, and it is our goal to guarantee the confidence that the American people have and should have in our banking industry.

What would happen if we allowed our savings and loan industry to go under? I think it would be terrible to do that. That particular type of institution was founded by this Congress in 1932. It has served many Americans in having access to building their own homes.

Mr. Speaker, I just want to say publicly that I am proud to serve on the Committee on Banking, Housing and Urban Affairs. I want to thank the chairman and thank the ranking minority member and urge them to hang tough, and we will act expeditiously under their leadership.

Mr. GONZALEZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER. The question is on the motion to instruct offered by the gentleman from Ohio [Mr. WYLIE].

The motion to instruct was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees, and without objection, reserves the authority to make additional appointments of conferees and to specify particular portions of the House bill and Senate amendment as the subject of the various appointments:

CAPITAL

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 1, 219(5), 223, 314, and 315 and title I of the House bill, and sections 1, 222(4), 223, that portion of section 301 adding new sections 3(b) and 5 (s) and (t) to the Home Owners' Loan Act of 1933, and 1409, and titles I and XV of the Senate amendment, and modifications committed to conference: Messrs. GONZALEZ, ANNUNZIO, and NEAL of North Carolina, Ms. OAKAR, Messrs. VENTO, BARNARD, GARCIA, SCHUMER, LEHMAN of California, MORRISON of Connecticut, CARPER, KLECZKA, PRICE, WYLIE, and LEACH of Iowa, Mrs. ROUKEMA, Messrs. BEREUTER, ROTH, SAXTON, STEARNS, and GILLMOR.

REGULATORY RESTRUCTURING

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 501, 505 through 508, 1203, 1204, 1207, 1208, 1211, and 1212 and titles II (except section 219(5)), III (except sections 314 and 315), IV, VI, and VIII of the House bill, and sections 501, 505, 724, 1402 through 1405, 1410, 1413, and 1414 and titles II (except sections 221(b)(2), 222(4), and 223), III (except that portion of section 301 adding new sections 3(b) and 5 (s) and (t) to the Home Owners' Loan Act of 1933), IV, VI, and VIII of the Senate amendment, and modifications committed to conference: Messrs. GONZALEZ, ANNUNZIO, NEAL of North Carolina, and LAFALCE, Ms. OAKAR, Messrs. SCHUMER, FRANK, LEHMAN of California, CARPER, KANJORSKI, MCMILLEN of Maryland, MCDERMOTT, WYLIE, LEACH of Iowa, SHUMWAY, PARRIS, MCCOLLUM, DREIER of California, HILER, and BARTLETT.

ENFORCEMENT

From the Committee on Banking, Finance and Urban Affairs, for consideration of title IX, X, and XI of the House bill, and section 221(b)(2) 1408, and 1411, and titles IX, X, and XIII of the Senate amendment, and modifications committed to conference: Messrs. GONZALEZ, ANNUNZIO, FAUNTROY, HUBBARD, and BARNARD, Ms. KAPTUR, Messrs. ERDREICH, and Nelson, Mrs. PATTERSON, Messrs. FLAKE, HOAGLAND, NEAL of Massachusetts, WYLIE, LEACH of Iowa, SHUMWAY, PARRIS, MCCOLLUM, BEREUTER, RIDGE, and MCCANDLESS.

HOUSING

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 1201, 1202, 1205, 1206, 1210, 1213 through 1216, and titles VII and XIII of the House bill, and sections 1401, 1406, 1407, and 1415 and titles VII (except section 724), XI and XII of the Senate amendment, and modifications committed to conference: Messrs. GONZALEZ, ANNUNZIO, FAUNTROY, and HUBBARD, Ms. OAKAR, Messrs. VENTO, GARCIA, FRANK, MORRISON of Connecticut, TORRES, KLECZKA, KENNEDY, and MFUME, Ms. PELOSI, Messrs. WYLIE, and LEACH of Iowa, Mrs. ROUKEMA, Messrs. DREIER of California, BARTLETT, ROTH, and RIDGE, Mrs. SAIKI, and Mr. BUNNING.

ON-OFF BUDGET

From the Committee on Banking, Finance and Urban Affairs, for consideration of section 502 through 504 of the House bill, and sections 502 through 504 of the Senate amendment, and modifications committed to conference: Messrs. GONZALEZ, ANNUNZIO, FAUNTROY, NEAL of North Caroli-

na, HUBBARD, LAFALCE, VENTO, SCHUMER, FRANK, MORRISON of Connecticut, TORRES, KLECZKA, WYLIE, LEACH of Iowa, HILER, MCCANDLESS, SAXTON, Mrs. SAIKI, Messrs. BAKER, and PAXON.

From the Committee on Ways and means, for consideration of title XIV of the House bill, and modifications committed to conference: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, ARCHER, VANDER JAGT, and CRANE.

From the Committee on Ways and means, for consideration of section 217, such portions of section 502 adding new subsections 21B (b), (c) (1) and (2), (d)(3), (f)(1) (A) and (B), (g)(2)(B), and (j) to the Federal Home Loan Bank Act, section 502 (b) and (c), 504 and 1209 of the House bill and that portion of section 501 adding a new subsection 21A(k) to the Federal Home Loan Bank Act, such portions of section 502 adding new subsections 21B (b), (c) (1) (2) (3) (5) (6) and (8), (d) (1) (2) and (3), (f)(1) and (i) to the Federal Home Loan Bank Act, sections 503 and 504 of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, JACOBS, FORD of Tennessee, JENKINS, DOWNEY, GUARINI, RUSSO, PEASE, ARCHER, VANDER JAGT, CRANE, FRENZEL, SCHULZE, GRADISON, THOMAS of California, and MCGRATH.

As additional conferees, for consideration of the remaining portions of section 502 of the House bill, and the remaining portions of section 502 of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, GUARINI, and ARCHER.

As an additional conferee, for consideration of sections 1213 through 1215 of the House bill, and modifications committed to conference: Mr. CONYERS.

As an additional conferee, for consideration of section 223 of the House bill, and that portion of section 223 adding a new subsection 28(d) to the Federal Deposit Insurance Act of the Senate amendment, and modifications committed to conference: Mr. DORGAN.

From the Committee on the Judiciary, for consideration of sections 212 and 219 of the House bill, and sections 212, 214, and 222 of the Senate amendment, and modifications committed to conference: Messrs. KASTENMEIER, CONYERS, HUGHES, GLICKMAN, STAGGERS, SANGMEISTER, FISH, HYDE, GEKAS, and SMITH of Mississippi.

From the Committee on the Judiciary, for consideration of title IX of the House bill, and sections 913, and 981(c), and title X of the Senate amendment, and modifications committed to conference: Messrs. KASTENMEIER, CONYERS, HUGHES, FRANK, SCHUMER, SANGMEISTER, FISH, HYDE, GEKAS, and SMITH of Mississippi.

From the Committee on Government Operations, for consideration of section 502(c) of the House bill, and modifications committed to conference: Mr. CONYERS, and Mrs. COLLINS, Messrs. ENGLISH, SYNAR, WISE, HORTON, CLINGER, and MCCANDLESS.

From the Committee on Rules, for consideration of that portion of section 501 adding a new section 21A(u) to the Federal Home Loan Bank Act, and section 502(c) of the House bill, and modifications committed to conference: Messrs. MOAKLEY, DERRICK, BEILENSON, FROST, BONIOR, QUILLEN, and SOLOMON.

There was no objection.

□ 1930

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I asked for this 1 minute to inquire of the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT], exactly where we are now for the balance of this evening and how we will have to proceed for tomorrow.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I am happy to yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, it is our intention to, with the exception of two unanimous-consent requests that may be made this evening, one by the gentleman from New Jersey [Mr. ROE] to authorize the President to appoint Rear Adm. Richard Harrison to the office to administrate the National Aeronautics and Space Administration and for a possible unanimous consent request from the gentleman from Minnesota [Mr. OBERSTAR] regarding the appointment of Mr. Busey to the Office of the Administrator of the Federal Aviation Administration.

With the exception of those two possibilities, we intend to have no more consideration of other bills or rollcall votes this evening.

The conference on the appropriations bill is still continuing. The language is being written. We believe that it will not be prepared for some time, so our intent is not to wait for that this evening, but to come back tomorrow morning at 10 a.m. and try to complete that business as quickly as we possibly can.

We will try not and hope not that Members will have to be here beyond 2 or 3 o'clock tomorrow afternoon.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Missouri [Mr. GEPHARDT].

Mr. Speaker, I think Members ought to be aware that the other body has to consider that conference report before we do, and I think Members recognize what a problem that presents for us on occasion when we never know for sure how long they will go with their interminable rules.

What I would like to inquire of the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT] is on the flag resolution because Members would surely want to be here at that time. Does it look now as if that will be put off now until next week?

Mr. GEPHARDT. Mr. Speaker, it is not clear at this point. I do not have a definitive answer. Many Members have put in resolutions or are interested in doing a resolution, but it is obviously not something that can be hastily slapped together.

So, Mr. Speaker, there is work going on on that. I cannot assure the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL] as to exactly when this might come up.

Mr. MICHEL. However, Mr. Speaker, could the gentleman from Missouri [Mr. GEPHARDT] assure us that it would not come up tomorrow?

Mr. GEPHARDT. Mr. Speaker, I cannot assure the gentleman from Illinois [Mr. MICHEL] of that.

Mr. MICHEL. I guess we have got a problem with our Members on that one who would surely want to be here.

Mr. GEPHARDT. If the gentleman from Illinois [Mr. MICHEL] would continue to yield, and, if the distinguished majority leader is asking about this with the thought that it would be preferable to have it next week, we could given an assurance that that could happen so that Members would know they would not have to vote on that tomorrow.

Mr. MICHEL. Mr. Speaker, let me express my appreciation to the gentleman from Missouri [Mr. GEPHARDT].

We were talking earlier about suggested language that was perfectly compatible with this gentleman's views, but it is my understanding that there were some objections by some people that it wanted to refine the particular language, and I have no problem with that whatsoever.

However, as I indicated, since it was of such importance, if we can have that agreement, that it would not come up until next week——

The SPEAKER. The Chair will give the majority leader and the minority leader assurance that the Chair will not recognize the unanimous-consent request tomorrow.

Mr. MICHEL. Mr. Speaker, I thank the majority leader, the gentleman from Missouri [Mr. GEPHARDT]. We would be happy to proceed, as the majority leader outlined, for tomorrow morning.

□ 1940

AUTHORIZING THE PRESIDENT TO APPOINT REAR ADM. RICHARD HARRISON TRULY TO THE OFFICE OF ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. ROE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1180) to authorize the President to appoint Rear Adm. Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. WALKER. Reserving the right to object, Mr. Speaker, and I shall not object, but I would like to offer the gentleman from New Jersey a chance to explain the bill to the House, and I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Speaker, S. 1180 is a bill to authorize the President to appoint Adm. Richard H. Truly to the post of NASA Administrator. As of July 1, Admiral Truly will retire from the U.S. Navy. The bill provides a waiver from certain provisions of the National Aeronautics and Space Act that require the Administrator to be drawn from civilian life. Thus, this waiver is necessary in order for the other body to confirm Admiral Truly to the post.

We have considered a companion piece of legislation in the Committee on Science, Space, and Technology and it has strong bipartisan support. Admiral Truly is an outstanding choice for the position of NASA Administrator and there is no question that his experience, leadership, and character will be of great value to our space program at this critical time. Moreover, we are confident that, for all intents and purposes, he will act as a civilian Administrator.

I ask my colleagues to join me in supporting this piece of legislation. The other body now awaits our action and they are prepared to act immediately on his confirmation.

EXPLANATION OF THE BILL

Section 1 waives the requirements of section 2472(a) of title 42, United States Code, that the Administrator of NASA be appointed from civilian life. This section further provides that any service as NASA Administrator shall not affect his retired status or rank or grade nor any benefit he might otherwise receive except to the extent his retired pay is limited by the Dual Compensation Act.

Section 2 makes clear that Mr. Truly, in the performance of his duties as the Administrator will not be subject to any supervision or control or be under the jurisdiction of any military or other authority, except those that are normally applicable to the NASA Administrator. This makes clear that Mr. Truly will function as Administrator in the traditional sense, subject to the same supervisory controls as other Administrators. To ensure this, the applicability of any military or other controls on members of the retired list of the U.S. Navy—for example, potential recall to active duty or conformance to the Uniform Code of Military Justice—is suspended for the duration of his service as NASA Administrator.

Section 3 makes clear that it is the intent of Congress that this action shall not be a precedent for future appointments to the office of the NASA Administrator.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I do want to commend the gentleman from New Jersey for his statement. He is absolutely right. Admiral Truly will make an outstanding Administrator for NASA.

This legislation is necessary to assure that that appointment moves forward. I urge the House to support its adoption.

Mr. NELSON of Florida. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Florida [Mr. NELSON], the distinguished chairman of the Subcommittee on Space Science and Applications of the Committee on Science, Space, and Technology.

Mr. NELSON of Florida. Mr. Speaker, I thank the gentleman for yielding to me.

I just simply want to say that Admiral Truly is recognized up here on the Hill as having been a key in the recovery of our Nation's space program after the disaster of the *Challenger*, and on the basis of his performance, not only as a former astronaut, but his performance as a leader in helping bring the Nation back together and getting our space program back on track, he has certainly deserved—the Nation by President Bush—to lead this agency, the National Aeronautics and Space Administration.

This legislation is a technical compliance so that he as a retired military officer can perform as the Administrator of NASA. It is almost unanimous here on the Hill, and it was certainly unanimous in our committee when we passed the legislation this morning.

Mr. MINETA. Mr. Speaker, today I was proud to join the esteemed chairman of the Space Science and Applications Subcommittee, the gentleman from Florida [Mr. NELSON], in introducing legislation to allow Rear Adm. Richard H. Truly to assume the post of NASA Administrator.

I am confident that in some future year, historians will look back and mark this time as they beginning of a new era for America's space program. They will mark this era as the time when our space program reached a new maturity. Where once we struggled just to escape the ancient limits of our Earth and its atmosphere, the history books will note that in these years we embarked on the road to living and working in space, to exploring our sister planets, and to probing the farthest reaches of our universe.

The hallmarks of this new era are the extraordinary goals we have set for ourselves and our space program.

We are planning to build and maintain in orbit around our Earth a premanently manned space station of unprecedented scale—a space station that will serve as a base from which we will be able to look back and study our Earth from a new perspective, and a platform from which we will look outward and begin sending our astronauts to explore beyond Earth orbit.

We have launched the first of a new series of planetary probes that will form the basis of an unparalleled decade of robotic exploration within our own solar system.

We have built the first of what will be a family of powerful telescopes that, when placed in orbit around the Earth, will enable us to peer for the first time into the farthest reaches of space and time.

These are ambitious goals that pose great challenges for our country. We will need to develop and perfect new technologies, some of which we can only just conceive of as we sit here today. We will need to acquire, examine, and come to understand more scientific data than ever before in history. We will need to effectively manage a program that not only spans our entire country, but that will also entail an unprecedented degree of international cooperation. We will need to learn how to live and work effectively in an environment very different from the warm embrace of Earth.

These challenges, daunting under any circumstances, will be made more difficult by the constraints of limited resources, as we struggle to cope with our current budget crisis.

Meeting these challenges will require leadership by this Congress and our President. Most importantly, though, these challenges will require the leadership of the men and women who make up our space program.

For that reason, I couldn't have been more pleased than with the nomination for Rear Adm. Richard H. Truly for the post of NASA Administrator. I believe that there could have been no better choice for this critical position.

Admiral Truly is one of NASA's own, and his nomination for NASA's top job is a symbol of our space program's maturity. Admiral Truly has served with NASA for two decades, and has a solid record of achievement both as an astronaut and as an administrator, most recently taking responsibility for restoring our shuttle program in the wake of the *Challenger* disaster. With Admiral Truly at the helm, I am confident that NASA will be in good hands as we embark on this new era.

Before Admiral Truly can assume his post, however, it is necessary for Congress to consent to the President's request in this instance to waive the restrictions in the NASA Act

against military officers serving as NASA Administrator.

I don't think that there is any doubt that Congress should and will agree to the needed waiver in the case of Admiral Truly, as has been done in the past from time to time on behalf of other exceptionally qualified military officers who have been asked by the President to assume posts of high responsibility in our government.

I feel strongly however, that as we prepare to approve this waiver, we should reflect for a moment upon the necessity for the restriction that makes this action necessary.

The NASA Act requires that the Administrator come from civilian life, thereby specifically removing military officers from consideration for this important post.

This restriction exists not because military officers would be by nature or training unsuited for this post, or because they are in any way tainted by their service in defense of our country. Our country has a long and proud history of citizen soldiers who have served their country in both the military and the civilian government, going all the way back to founders of our country—people like George Washington who were soldiers first and political leaders after. Indeed, I am proud of my own service as an officer in the U.S. Army, as so many of my colleagues are proud of theirs.

But since the time of the founders of our country, one of our fundamental principles in America has been that the military shall be in every aspect subordinate to civilian authority. This principle arises ultimately from our belief in government by the people.

So it is in this country, that those of our citizens who volunteer to take up the profession of arms in the defense of our country also accept an obligation not to seek or accept political or governmental authority. It is what makes our system work, and what enables us today to live in the world's most stable and longest running democracy.

From time to time, however, the needs of the country require that we set aside this principle, at least in a formal sense, to allow military officers of extraordinary capability to serve their government in a civilian capacity.

I believe that Rear Adm. Richard H. Truly is just such as officer, and that this Congress should grant him the necessary waiver. I believe that there is no doubt in anyone's mind that this is in the best interests of NASA, our space program, and our country.

I am pleased and proud to support this bill, and I call for its immediate passage.

Mr. LEWIS of Florida. Mr. Speaker, Richard H. Truly has done an outstanding job getting the Shuttle Program started again and keeping it on a sound schedule. He headed up a program that had low morale was under attack on all sides and had a bleak future. Within a short time, his leadership resulted in restoring morale within NASA and turned the American opinion of the Shuttle Program from doubt to support.

Moreover, his technical expertise coupled with a "can do" management style, was directly responsible for the resumption of the shuttle flights.

In my opinion, no one is more qualified to be Administrator of NASA at this time. Our space program is at a crossroads, if the programs do not get strong leadership from the Administrator, we could remain in second place in the space race with the Soviets.

Mr. Truly is the person who can provide that strong leadership. It is important that we pass the legislation to clear the way for the President to appoint Richard Truly, Administrator of NASA. I urge my colleagues to support this legislation and to give their support to Richard Truly as Administrator.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 202(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2472(a)), or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration. Admiral Truly's appointment to, acceptance of, and service in that Office shall in no way affect the status, rank, and grade which he holds as an officer on the retired list of the United States Navy, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, except to the extent that subchapter IV of chapter 55 of title 5, United States Code, affects the amount of retired pay to which he is entitled by law during his service as Administrator. So long as he serves as Administrator, Admiral Truly shall receive the compensation of that Office at the rate which would be applicable if he were not an officer on the retired list of the United States Navy, shall retain the status, rank, and grade which he now holds as an officer on the retired list of the United States Navy, shall retain all emoluments, perquisites, rights, privileges, and benefits incident to or arising out of such status, office, rank, or grade, and shall in addition continue to receive the retired pay to which he is entitled by law, subject to the provisions of subchapter IV of chapter 55 of title 5, United States Code.

SEC. 2. In the performance of his duties as Administrator of the National Aeronautics and Space Administration, Admiral Truly shall be subject to no provision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the United States Navy.

SEC. 3. Nothing in this Act shall be construed as approval by the Congress of any future appointments of military persons to the Offices of Administrator and Deputy Administrator of the National Aeronautics and Space Administration.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE PRESIDENT TO APPOINT ADM. JAMES B. BUSEY TO THE OFFICE OF ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1077) to authorize the President to appoint Adm. James B. Busey to the Office of Administrator of the Federal Aviation Administration and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. CLINGER. Reserving the right to object, Mr. Speaker, I will not object, but I do so to inquire of the chairman of the Subcommittee on Aviation of the Committee on Public Works and Transportation the purport of this legislation, and I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, the legislation now before us would allow Adm. James B. Busey to serve as Administrator of the Federal Aviation Administration while remaining on the retired list of the U.S. Navy.

The legislation is necessary because of a provision in the 1958 law establishing the Federal Aviation Administration which requires that the FAA Administrator must be a civilian. The conference report on that legislation stated that the requirement of civilian status for the Administrator is to be interpreted strictly and that the Administrator may not be on either the active or retired list of any of the armed services.

When this provision was added to the law in 1958, there was concern about establishing the supremacy of civilian control of our airspace. That objective has been accomplished and in recent years we have not heard concerns about undue military influence over the FAA.

Because military influence over civil aviation has not been a serious problem in the United States, legislation has been passed to allow three former military officers to serve as FAA Administrator and either retain their pension rights while serving or have those pension rights restored after they left office.

Last week the Aviation Subcommittee held a hearing to consider whether there are any problems in passing this legislation for Admiral Busey. Although at the hearings I expressed my reservations about our continuing policy of selecting former military leaders to administer the FAA, I made it clear that I have no problems with

Admiral Busey. The admiral has had a long and distinguished career of service to his country, first, as a naval aviator, and then in a series of high commands of increasing responsibility, including most recently his service as Vice Chief of Naval Operations and as Commander in Chief of Allied Forces in Southern Europe; a very impressive background.

The admiral's testimony established to my satisfaction that he intends to function as a civilian in his FAA role and that he will not be subject to influence or control by the military. Accordingly, I urge the House to pass this legislation and allow Admiral Busey to begin what I hope will be a long and productive term of service as FAA Administrator.

Mr. CLINGER. Further reserving the right to object, Mr. Speaker, I want to thank the gentleman for that explanation and join with him in applauding the nomination of Admiral Busey as Federal Aviation Administrator. I think it is an excellent choice. He will serve that Administration well.

Admiral Busey brings to the job a lifetime career in aviation. He is not only a skilled pilot in his own right, accustomed to flying high performance aircraft in all types of environments, he is also a proven manager of people and resources, having as the gentleman indicated, served most recently as Chief of Naval Operations in Europe. Thus he brings to the job an appreciation of the demands faced by pilots as well, an understanding of complex systems.

The people of this country, and indeed of this Congress and the House of Representatives, are fortunate that we have a candidate possessing such extraordinary qualifications.

So I heartily endorse the nomination of Admiral Busey and certainly support this legislation.

I do understand from the chairman that by virtue of the fact that the Senate has already acted on this, once we approve this action tonight this bill can go to the President for signature; is that correct?

Mr. OBERSTAR. Mr. Speaker, if the gentleman will yield, our action tonight in taking and passing the Senate bill means that the bill goes directly to the President for his signature and Admiral Busey would be able to be sworn in as FAA Administrator.

Mr. Speaker, if the gentleman will yield further, I would like to thank the gentleman for his partnership and participation in holding the hearings, doing the markup and moving this legislation so expeditiously.

Mr. CLINGER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 106 of title 49, United States Code, or any other provision of law, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration. Admiral Busey's appointment to, acceptance of, and service in that Office shall in no way affect the status, rank, and grade which he shall hold as an officer on the retired list of the United States Navy, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, except to the extent that subchapter IV of chapter 55 of title 5, United States Code, affects the amount of retired pay to which he is entitled by law during his service as Administrator. So long as he serves as Administrator, Admiral Busey shall receive the compensation of that Office at the rate which would be applicable if he were not an officer on the retired list of the United States Navy, shall retain the status, rank, and grade which he now holds as an officer on the retired list of the United States Navy, shall retain all emoluments, perquisites, rights, privileges, and benefits incident to or arising out of such status, office, rank, or grade, and shall in addition continue to receive the retired pay to which he is entitled by law, subject to the provisions of subchapter IV of chapter 55 of title 5, United States Code.

SEC. 2. In the performance of his duties as Administrator of the Federal Aviation Administration, Admiral Busey shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were not an officer on the retired list of the United States Navy.

SEC. 3. Nothing in this Act shall be construed as approval by the Congress of any future appointments of military persons to the Office of Administrator of the Federal Aviation Administration.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1950

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two Senate bills, S. 1077 and S. 1180, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

RESIGNATION AS FLOOR ASSISTANT

The Speaker laid before the House the following resignation as Floor Assistant to the Minority:

HOUSE REPUBLICAN POLICY COMMITTEE,
Washington, DC, June 14, 1989.

Hon. THOMAS S. FOLEY,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Please accept my resignation as Floor Assistant to the Minority, effective at the close of business, 30 June 1989.

I very much appreciate the opportunity and honor of serving in this position, and I offer my thanks to you, to the Minority Leader, and to all Members of the House for your kindness.

Sincerely,

GORDON S. JONES.

AUTHORIZING COMPENSATION FOR CERTAIN MINORITY EMPLOYEES

Mr. MICHEL. Mr. Speaker, by direction of the Republican Conference, I offer a resolution (H. Res. 183), and I ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 183

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, the fifth and sixth of the minority employees authorized therein shall be Mr. William F. Gavin and Ms. Vicki Love Martyak, effective July 1, 1989, (to fill two existing vacancies) until otherwise ordered by the House, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-Fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time that I might inquire again of the distinguished majority leader clarification of the schedule tomorrow.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the majority leader.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman.

In our previous colloquy, it might have been helpful to Members to let them know that on tomorrow when we come in, it is our intention to only have a vote on the supplemental appropriation. There is a possibility of some contest on some of the minor issues, but I doubt that that will be the case.

Mr. Speaker, there then may be a vote on an adjournment resolution, but other than that, we hope to not have any other votes. We will not take up the foreign aid bill. We will not put other votes on the floor, so that Members will not have to look forward to a number of votes.

Mr. MICHEL. I thank the majority leader for that clarification.

UNITED STATES COAST GUARD AUXILIARY DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 111) designating June 23, 1989, as "United States Coast Guard Auxiliary Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, and while I do not intend to object, I yield to the gentleman from Florida [Mr. HUTTO], the sponsor of the bill.

Mr. HUTTO. Mr. Speaker, I thank the gentleman, and I thank the chairman of the subcommittee for bringing this resolution to the floor tonight. I also thank the 218 Members who have cosponsored it.

Since June 23, 1939, the U.S. Coast Guard Auxiliary, a civil-voluntary adjunct of the U.S. Coast Guard, has been helping the American boating community. These men and women, located in every State and territory, routinely give much of themselves to help the U.S. Coast Guard. They annually save hundreds of lives on the water and hundreds of millions of dollars in property value. It would therefore be fitting to honor these individuals who have served us so honorably in times of peace and war.

Mr. Speaker, I think it is great that we can proclaim throughout the land tomorrow U.S. Coast Guard Auxiliary Day.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I want to join the gentleman from Florida [Mr. HUTTO] and thank him for bringing this measure to the floor and for commending the Auxiliary of the Coast Guard, who have done such an outstanding service for our Nation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

The Clerk read the joint resolution, as follows:

H.J. RES. 111

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 23, 1989, is designated as "United States Coast Guard Auxiliary Day", and the President is authorized and requested to issue a proclamation—

(1) commemorating the 50 years of service that service volunteers of the Coast Guard have given to enhance the safety of the people of the United States who enjoy water-related activities, and

(2) calling upon the people of the United States to observe such day in schools, Coast Guard units, boat clubs, and other suitable places with appropriate ceremonies, educational activities, and boating safety achievement programs.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

U.S. ALTERNATIVE FUELS COUNCIL MEMO NO. 62289: NO PLACE SAFE FROM AIR POLLUTION

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, no place on planet Earth is safe from air pollution. This week the New York Times revealed that air pollution has been discovered in the virgin rain forest in Central Africa. This pollution was discovered to contain carbon monoxide, ozone, and carbon dioxide, and it serves to point out that no area in the world appears to be safe from the problems of pollution.

One of the major contributors to this very serious problem is auto emissions, and that is one of the reasons I have worked so hard to increase the availability of clean-burning alternative fuels.

Both humans and plant life on Earth need for Congress to enact a clean-fuel program.

Mr. Speaker, I include in the RECORD a copy of the article for the consideration of the Members.

[From the New York Times, June 6, 1989]

HIGH OZONE AND ACID-RAIN LEVELS FOUND OVER AFRICAN RAIN FORESTS—AMOUNTS COMPARABLE TO THOSE IN INDUSTRIAL AREAS

(By Marlise Simons)

FREIBURG, WEST GERMANY.—High levels of ozone and acid rain, pollution normally associated with industrialization, have been found for the first time over the virgin rain forests of Central Africa.

Scientists who made the discovery said the pollution was particularly alarming because it exists throughout the year and is comparable to levels in Europe and North America.

The findings, which surprised other specialists on the tropics, have created new concerns about the future of Africa's equatorial forests, which are already under siege from a fast-growing population and the work of lumbermen.

The acid and ozone pollution stretches from the Congo basin in the heart of Africa to the west coast and sweeps out over the Atlantic Ocean, the scientists say.

The magnitude of the ozone, carbon monoxide, carbon dioxide and methane released by man-made fires is also raising new questions about their contribution to the greenhouse effect. Those gases and others trap heat from the sun in a process similar to what happens in a greenhouse, and that is expected to raise global temperatures.

The scientists, who belong to separate teams from West Germany and France, said the acid rain and ozone pollution—held to be harmful to plants—are largely caused by man-made fires that rage for months across thousands of miles of African savannas. Farmers and herdsmen set the fires to clear shrubs and to stimulate the growth of crops and grass.

"We don't know yet what this does; the research is too new," said Dr. Meinrat Andreae, who headed the West German team. "We also don't yet know how sensitive the tropical forest is to this. But with a mix like this in Germany or the U.S., we would have to look for damage to the forest."

The pioneering studies were presented at a conference on fire ecology late last month in the University of Feiburg, West Germany, and included the most comprehensive data yet about emissions from fires in Africa.

That and other new research is drawing attention to the little understood but apparently dramatic impact of the African savanna fires on the atmosphere.

In a new study, Dr. Paul Crutzen, a leading atmospheric scientist currently at the Max Planck Institute for Chemistry in Mainz, West Germany, reported that African fires were the world's leading contributor to pollution coming from the burning of vegetation. African savanna fires are so extensive, he said, that they pump three times more gases and particles into the air than all the fires set by farmers and settlers in South America, including the dramatic fires of the Amazon.

BURNINGS AND RAIN FORESTS

Of all the carbon dioxide released by burning or deforestation, he said, at least half comes from Africa. On a global scale, he said, burning and rotting vegetation of newly cut forest accounts for a third of the world's carbon dioxide, while two-thirds come from industrial burning of fossil fuel.

Recent satellite readings have also shown that while Africa's traditional burnings destroy much less rain forest than those in Latin America, the savanna fires cover a greater area, burn a greater volume of the dry grass, shrubs and trees and are more frequent than anywhere else in the tropics. Land clearing through fire is a common among farmers throughout the developing world.

"The forest burns once and it is destroyed, but the savannas and the grasslands become larger and are burned regularly," said Dr. Crutzen, a Dutch meteorologist.

Dr. Crutzen, who was the first scientist to draw attention to the enormous impact of tropical fires on the atmosphere and on the greenhouse effect, also warned that the world must count on increasing pollution from the tropics as the population grows and more forests are turned into fields and grasslands, which are burned with more frequency.

ACIDITY IN CLOUDS AND MIST

"Shrublands used to be burned every three years," he said. "It has now become evident that many are burned every two years and even every year."

In the case of acid rain, two groups of scientists found levels they described as pH 4, or almost 10 times more than normal acidity, in the Congo and the Ivory Coast. Jean Pierre Lacaux, whose French team carried out the most extensive ground and air tests for more than three years, said "the scale of the acidity in Africa is very serious."

It is present in all the forests of equatorial Africa, from the Ivory Coast across Central Africa to Gabon, Congo and Zaire, he said. High acidity has been linked to tree damage in temperate forests. Specialists say that in the soil, high acidity can cause changes in the root system of plants and effect their ability to take up nutrients, while the air or rainwater acidity can damage the leaves.

"We found the high acidity in the fog and mists that hang over the forests and the same high levels in cloud water and rainwater," said Mr. Lacaux, a specialist in cloud physics at the Center of Atmospheric Research in Lannemezan in the French Pyrenees. Part of the acidity, he noted, was natural, given off by living vegetation and decomposing forest litter. But most, he said, were formic and acetic acid as well as nitric acid caused by the fires. Hydrocarbons released by burning in turn created more acidity.

THICK HAZE OF SOIL DUST

"We found fire emissions all year long because the burning goes on all the time," Mr. Lacaux said in a telephone interview. "Part of the year it is above the equator and part of the year below the equator. But the winds move the emissions in such a way that the Congo is affected almost the entire year."

Dr. Andreae, who has also studied the atmosphere over the Amazon, said that fires there produced very high acidity in the air during the dry season. But during the rest of the year, the Amazon clouds returned to their natural, slightly acid levels, he said. Last year Dr. Andreae and his team from the Max Planck Institute rigged a small plane as a laboratory to work over the Congo.

"We found the most serious pollution I have ever seen over primary forest," he said. Flying some 400 miles north of Brazzaville and 200 miles east and west, he said, "there seemed to be no beginning or end to the pollution."

"There was a thick haze of soil dust and smoke and very high acidity reaching a pH level of 3.9," said Dr. Andreae. But most surprising, he said, was the high ozone pollution right above the forest. At night the forest would remove the ozone, but by midday, he said, "the photochemistry would bring it back up to 60 or 70 parts per billion or three times the normal rate."

THE AIR IS LIKE SOUP COOKING

Such findings are regarded as important evidence by scientists who study atmospheric chemistry in the tropical regions. The object of such research is to monitor the contribution by tropical forests to key compounds in the atmosphere that regulate climate and life on earth. The role of the equatorial forests, which is now widely regarded as vital, has only gained recognition in the last decade and is now becoming the object of wider research.

"You set out to study the interactions between the pristine forest and the atmosphere," said Dr. Andreae. "But then the burning forces itself upon you. It's such a dominant influence on the air over the forest that you end up studying it."

The pollution from the savanna fires is now studied because of its effects not only on the forest but also on far-off regions and higher layers of the global atmosphere.

"A lot of the ozone and the dust travel thousands of miles," said Dr. Crutzen, noting that in 1988 German researchers, traveling by ship off Africa, registered high ozone pollution in the middle of the Atlantic Ocean. They were able to trace the ozone to the African fires, he said.

"In the tropics, the air is like soup cooking, it's mixing and moving huge air masses and the north-east wind over Africa moves it west," said Dr. Crutzen. "We don't know yet if the high acidity is a big problem or a small problem for the tropical forest and we don't know whether the high ozone is damaging the forest. But we have to raise the questions because the burnings in the tropics will only increase."

FDIC-RUN THRIFT IS INTEREST RATE LEADER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, since the beginning of the year the Federal Deposit Insurance Corporation [FDIC] has been appointed the conservator for over 220 savings and loans across the Nation. By being appointed conservator the FDIC was to run the institutions to keep them from further decline.

One means of reducing costs at a financial institution is to reduce the cost of funds. Reducing the costs of funds requires an institution to lower the rates it pays on its deposits. The lower the rates one pays, the less interest expense the institution incurs.

Unfortunately, the FDIC has become the rate leader in many of its conservatorships. Not only is this harmful to the institutions under its conservatorships, but it also drives up the cost of funds for competing financial institutions. These institutions then must either raise their rates or risk losing deposits to their FDIC-run competitor. Depositors, knowing that an institution is being run by the FDIC, an agency of the United States Government, have no fear of placing their money in those institutions even though they are insolvent. They know that the FDIC will not permit them to lose money on their insured deposits.

The Clearwater, FL, area provides an excellent example of the problems generated by FDIC-operated financial institutions. Gibraltar Savings Bank was placed into conservatorship on March 31. On May 9, Gibraltar, which has a branch in Clearwater, was the rate leader among both savings and loans and banks. Compared to 15 other institutions, it had the highest rates on 90-day, 6 months, and 1-year certificates of deposits [CD].

Ninety-day CD's at FDIC-run Gibraltar were yielding a stunning 3.09 percent more than the identical CD at Chase Bank. Even compared to its nearest competitor, the yield on Gibraltar's 90-day CD's was 81.5 basis points (0.815 percent) higher than its nearest competitor. In an industry where 100 basis points is considered a good return on assets, Gibraltar's pricing is both predatory and economically unsound.

The same kind of difference on yields exists between Gibraltar and its competitors 180-day and 1-year CD's. Gibraltar's yield of 10.753 percent on 6 month CD's is 89 basis points above its nearest competitor, and more than 2 full percentage points above the lowest yielding CD offered by its competitors.

For 1-year CD's, Gibraltar's yield of 10.652 percent, was 52.8 basis points higher than its nearest competitor, and was 165 basis points higher than the lowest yield on a competitive 1-year CD. A chart showing the rates offered by Gibraltar and its competitors in the Clearwater area follows my statement.

Mr. Speaker, when it comes to trade, we often hear about the unfair competition from abroad. In the financial services area, however, we have the FDIC providing the unfair competition against savings and loans and even against banks that it insures.

What chance does its competitors have when the FDIC is paying rates that are far out of line with the prevailing market rates in its area? Such action drives up the ultimate cost to the insurance fund by increasing the costs to the institutions in conservatorship. It also puts a strain on other financial institutions. By driving up their costs, the FDIC may force some of those to fail. At the very least, by driving up their costs it tempts them to make riskier investments, thereby increasing the risk to the deposit insurance system.

Mr. Speaker, I am concerned that the FDIC is acting in a counterproductive manner in its conservatorships, by paying deposit interest rates that are unjustifiably high. As conservator, the FDIC has an obligation to try to reduce costs in institutions under its control, not increase them. The FDIC should be working toward a solution for failing institutions, not adding to the problem.

CLEARWATER, FL, DEPOSIT MARKET RATES

Local competitors	90 day		180 day		1 year	
	Rate	Yield	Rate	Yield	Rate	Yield
Gibralter Savings Bank	9.848	10.345	10.215	10.753	10.123	10.652
Countryside Bankers [1]	8.70	9.09	9.40	9.86	9.25	9.69
Fortune Savings [2]	9.25	([3])	9.50	([3])	9.55	([3])
Pioneer Savings [1]	9.10	9.53	9.35	9.80	9.45	9.91
First Nationwide [4]	8.71	9.00	9.27	9.60	9.45	9.80
California Federal [1]	8.90	9.31	9.40	9.85	9.53	10.00
Amerifirst Federal [3]	8.85	([3])	9.65	([3])	9.85	([3])
Florida Federal [2]	8.41	8.75	([3])	([3])	9.11	9.50
Barnett Bank [3]	9.25	([3])	9.00	([3])	9.00	([3])
Republic Bank [2]	8.40	8.73	8.75	9.11	8.75	9.11
First Florida Bank [3]	8.75	([3])	9.10	([3])	9.20	([3])
Citizens Bank [2]	8.60	8.947	9.20	9.60	9.10	9.48
First Union Bank [3]	8.70	([3])	9.05	([3])	9.10	([3])
First National of Clearwater [3]	NA	([3])	8.75	([3])	8.85	9.148
Gulf Bank of Dunedin [3]	9.00	9.38	9.00	9.16	9.00	9.38
Chase	7.00	7.253	9.40	9.85	9.60	10.07

[1] Compounded daily.
[2] Compounded monthly.
[3] Simple interest.
[4] Compounded quarterly.

Note.—Survey as of May 9, 1989.

VOL 135 PT 9 JE 14 — 22 1989 UMI

VERY SPECIAL CEREMONY IN PHILADELPHIA, MS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, there was a very special ceremony Wednesday in my congressional district. In Philadelphia, MS, people from all across the county gathered to commemorate the tragic deaths of three civil rights workers in Neshoba County 25 years ago.

James Chaney, Michael Schwerner, and Andrew Goodman were remembered for their efforts to register black voters in what was called freedom summer.

Philadelphia, MS, is very different today. Blacks and whites respect each other. They work together. They go to school together in an atmosphere of harmony and good will.

We cannot change what happened in Neshoba County in 1964, but the events yesterday prove we have come a long way. Blacks and whites have come together in our State and we share a common goal of trying to improve the lives of all Mississippians. I hope we can continue to build on the successes we have achieved since that troubled time in 1964.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EMERSON (at the request of Mr. MICHEL) for today on account of illness.

Mr. YATES (at his own request) for the remainder of today on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JAMES) to revise and extend their remarks and include extraneous material:)

Mrs. BENTLEY, for 60 minutes, on July 11, 12, 13, 18, and 19.

Mr. BOEHLERT, for 5 minutes, today.

Mr. DANNEMEYER, for 60 minutes, on June 26, 27, and 28.

(The following Members (at the request of Mr. SAWYER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MICHEL, prior to passage of House Resolution 182 in the House today.

(The following Members (at the request of Mr. JAMES) and to include extraneous matter:)

Mr. MICHEL.
Mr. MACHTLEY.
Mr. GREEN.
Mr. BEREUTER.
Mr. BUNNING.
Mr. BROOMFIELD in two instances.
Mr. ROWLAND of Connecticut.
Mr. RHODES in two instances.
Mr. GUNDERSON.
Mr. CALLAHAN.
Mr. ROBERT SMITH of Oregon.
Mr. YOUNG of Florida in two instances.
Mr. DANNEMEYER in two instances.
Mr. ROHRABACHER.
Mr. FISH.
Mr. DENNY SMITH.
Mr. CLINGER.
Mr. LOWERY of California.
Mr. LEWIS of California.
Mr. HAMMERSCHMIDT.
Mr. GILMAN.
Mr. MILLER of Ohio in two instances.
Mrs. MARTIN of Illinois.

(The following Members (at the request of Mr. SAWYER) and to include extraneous matter:)

Mr. STARK in two instances.
Mr. STOKES.
Mr. CAMPBELL of Colorado.
Mr. FRANK.
Mr. KLECZKA.
Mr. PENNY.
Mr. TAUZIN.
Mr. MONTGOMERY in three instances.
Mr. DONNELLY.
Mr. SOLARZ.
Mr. WOLPE.
Mr. MATSUI in two instances.
Mr. TRAFICANT.
Mr. WILLIAMS.
Mr. HOAGLAND.
Mr. SCHEUER.
Mr. TORRES.
Mr. LANTOS.
Mr. ACKERMAN.
Mr. LIPINSKI.
Mr. WYDEN.

ADJOURNMENT

Mr. SAWYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 57 minutes p.m.) the House adjourned until tomorrow, Friday, June 23, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1372. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-45, "Closing of Public Alleys in Square 290, S.O. 88-27, Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1373. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-24, "District of Columbia Recordation of Economic Interests in Real Property Tax Amendment Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1374. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-43, "Tree Space Beautification Regulation Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columiba.

1375. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-44, "Closing of a Public Alley in Square 627, S.O. 88-52, Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1376. A letter from the Secretary of Health and Human Services, transmitting a copy of a report pertaining to second surgical opinion and preadmission review programs in the Medicaid Program, pursuant to 42 U.S.C. 1396; to the Committee on Energy and Commerce.

1377. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1378. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interor and Insular Affairs.

1379. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to authorize the Secretary of Energy to sell the Government's ownership interest in the naval petroleum reserve Numbered 1 or 3, or both, and to establish the conditions for the sale, to establish the defense petroleum inventory, to assure the timely completion of the strategic petroleum reserve, and for other purposes; jointly, to the Committees on Armed Services and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referred to the proper calendar, as follows:

Mr. DINGELL: Committee of conference. Conference report on H.R. 1722 (Rept. 101-100). Ordered to be printed.

Mr. ANDERSON: Committee on Public Works and Transportation. Report on subdivision of budget totals agreed to in the concurrent resolution on the budget (H. Con. Res. 268) for fiscal year 1989 pursuant to section 302(b)(2) of the Congressional Budget and Impoundment Control Act of 1974, as amended, and the joint explanatory statement of the committee of conference on House Concurrent Resolution 268 (see also report 100-662) (Rept. 101-101). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDERSON: Committee on Public Works and Transportation. H.R. 801. A bill to designate the U.S. Court of Appeals

Building at 56 Forsyth Street in Atlanta, GA, as the "Elbert P. Tuttle Court of Appeals Building"; with amendments (Rept. 101-102). Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2557. A bill to designate the outpatient clinic of the Department of Veterans' Affairs to be located on New Jersey State Route 70 in Brick Township, NJ, as the "James J. Howard Veterans' Outpatient Clinic" (Rept. 101-103) Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2569. A bill to designate the Department of Veterans' Affairs medical center in Saginaw, MI, as the "Aleda E. Lutz Department of Veterans' Affairs Medical Center" (Rept. 101-104). Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 1334. A bill to amend title 38, United States Code, to remove a limitation relating to the payment of pension to veterans furnished hospital care by the Veterans' Administration on a long-term basis; with amendments (Rept. 101-105). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 1199. A bill to amend title 38, United States Code, to improve recruitment and retention of nurses in the Department of Veterans' Affairs by providing greater flexibility in the pay system for those nurses; with amendments (Rept. 101-106). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of the rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NELSON of Florida (for himself and Mr. MINETA):

H.R. 2716. A bill to authorize the President to appoint Rear Adm. Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration; to the Committee on Science, Space, and Technology.

By Mr. BERMAN (for himself, Mr. LEVINE of California, and Mr. WAXMAN):

H.R. 2717. A bill to amend the National Narcotics Leadership Act of 1988 to require that certain areas to be designated as high intensity drug trafficking areas, and for other purposes; jointly, to the Committees on the Judiciary, Merchant Marine and Fisheries, and Ways and Means.

By Mr. CLAY:

H.R. 2718. A bill to amend the National Labor Relations Act with respect to the right to organize of certain security personnel; to the Committee on Education and Labor.

By Mr. CLINGER:

H.R. 2719. A bill to amend titles I, II, IV, and V of the Surface Mining Control and Reclamation Act of 1977, and to add a new title X, to encourage the remining and reclamation of abandoned mined lands by active mining operations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GEJDENSON (for himself, Mr. EVANS, Mr. BONIOR, Mr. BUSTAMANTE, Mrs. COLLINS, Mr. FAUNTROY, and Mr. ROE):

H.R. 2720. A bill to require the Secretary of Veterans' Affairs to develop standard criteria for the treatment and diagnosis of veterans suffering from service-connected post-traumatic-stress disorder [PTSD] and the training of those who counsel and treat those veterans, to require the establishment of PTSD treatment teams at Department of Veterans' Affairs medical centers, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GUARINI:

H.R. 2721. A bill to extend the existing suspension of duty on graphite; to the Committee on Ways and Means.

By Mr. GUNDERSON:

H.R. 2722. A bill to grant permanent residence status to certain nonimmigrant natives of the People's Republic of China; to the Committee on the Judiciary.

By Mr. KANJORSKI (for himself and Mr. YATRON):

H.R. 2723. A bill to amend the Resource Conservation and Recovery Act to improve procedures for the implementation of State compacts providing for the establishment and operation of regional disposal facilities for municipal and industrial solid waste, and for other purposes; to the Committee on Energy and Commerce.

By Mr. LEWIS of California (for himself, Mr. MICHEL, Mr. MCMILLAN of North Carolina, Mr. PAXON, Mr. SOLOMON, Mr. LAGOMARSINO, Mr. HEFLEY, Mr. KOLBE, Mr. PETRI, Mr. ROHRABACHER, Mr. GOSS, Mr. SCHULZE, Mr. SMITH of Mississippi, Mr. IRELAND, Mr. SMITH of New Hampshire, Mr. RITTER, Mr. GINGRICH, Mr. WEBER, Mr. KYL, Mr. HUNTER, Mr. WALKER, Ms. SCHNEIDER, Mr. ARMEY, Mr. NIELSON of Utah, Mrs. JOHNSON of Connecticut, Mr. THOMAS of Wyoming, Mr. EDWARDS of Oklahoma, and Mr. STEARNS):

H.R. 2724. A bill to establish the Commission on the Federal Taxation of Savings and Investment; to the Committee on Ways and Means.

H.R. 2725. A bill to amend the Internal Revenue Code of 1986 to provide a cost-of-living adjustment for the amount of, and the income limits relating to, the deduction for individual retirement account contributions; to the Committee on Ways and Means.

By Mr. MINETA:

H.R. 2726. A bill to treat Hong Kong as a separate foreign state for purposes of applying the numerical limitations on immigration; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself and Mr. STUMP):

H.R. 2727. A bill to amend title 38, United States Code, to establish a retirement and survivor benefit program for judges of the new U.S. Court of Veterans Appeals, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. NEAL of North Carolina:

H.R. 2728. A bill to require that the President negotiate with Japan an agreement whereby Japan reimburses the United States for a portion of the costs the United States incurs in providing a military defense of Japan; to the Committee on Foreign Affairs.

By Mr. OBERSTAR:

H.R. 2729. A bill to amend title II of the Social Security Act to provide for a limitation on the reduction in widow's and widower's insurance benefits currently provided in the case of the early retirement of the deceased spouse, and to provide that widow's and widower's insurance benefits, as well as old-age insurance benefits, may be increased by the application of the delayed retirement credit, and to provide for the treatment of such benefits in cases of simultaneous entitlement; to the Committee on Ways and Means.

H.R. 2730. A bill to amend title II of the Social Security Act to provide for improvements in wife's and husband's insurance benefits; to the Committee on Ways and Means.

H.R. 2731. A bill to amend title II of the Social Security Act to provide for improvements in widow's and widower's insurance benefits; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. PENNY (for himself, Mr. FRENZEL, Mr. CARPER, and Mr. STENHOLM):

H.R. 2732. A bill to amend chapter 32 of title 39, United States Code, to limit the number of congressional mass mailings, require public disclosure of the costs of such mailings, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SAVAGE:

H.R. 2733. A bill to amend the Surface Transportation and Uniform Relocation Assistance Act of 1987; to the Committee on Public Works and Transportation.

By Mr. SCHEUER (for himself Ms. SCHNEIDER, Mr. ROE, Mr. BROWN of California, Mr. BOEHLERT, Mr. WOLPE, Mr. MORRISON of Washington, Mr. NELSON of Flordia, Mr. SMITH of New Hampshire, Mr. MINETA, Mr. FAWELL, Mr. VALENTINE, Mrs. MORELLA, Mr. STALLINGS, Mr. SHAYS, Mr. HAMILTON, Mr. MCMILLEN of Maryland, Mr. PRICE, Mr. SKAGGS, Mr. TANNER, and Mr. SMITH of Texas):

H.R. 2734. A bill to inaugurate a comprehensive program of environmental research development, and demonstration relating to contamination and depletion of ground water and ground water resources; and to establish an Interagency Ground Water Research Committee to improve coordination among Federal agencies and provide assistance for implementation of State management programs; jointly, to the Committees on Science, Space, and Technology; Agriculture; Energy and Commerce; Interior and Insular Affairs; and Public Works and Transportation.

By Mrs. SMITH of Nebraska:

H.R. 2735. A bill to amend the Rural Electrification Act of 1936 to allow the prepayment of certain loans; to the Committee on Agriculture.

H.R. 2736. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Prairie Bend unit of the Pick-Sloan Missouri Basin Program for the purpose of recovery and protection of threatened and endangered species and other migratory birds and for the protection and stabilization of ground water; to the Committee on Interior and Insular Affairs.

By Mr. DENNY SMITH (for himself, Mr. YOUNG of Alaska, and Mr. ROBERT F. SMITH):

H.R. 2737. A bill to require the payment of interest on moneys affected by injunctions on Federal timber sales; to the Committee on Agriculture.

H.R. 2738. A bill to provide for awards for information concerning the placement of hazardous or injurious devices on Federal lands, including the spiking of timber resources; to the Committee on the Judiciary.

VOL 135 PT 9 JE 14 — 22 1989 UMI

By Mr. SUNDQUIST:

H.R. 2739. A bill to amend title 4, United States Code, to limit the authority of a State to tax a resident of another State on income derived from Federal employment performed on a Federal area located within the borders of two or more contiguous States; to the Committee on the Judiciary.

By Mr. SYNAR (for himself, Mr. FISH, Mr. MOORHEAD, Mr. MOAKLEY, Mr. MARKEY, Mr. HUGHES, Mr. GLICKMAN, Mr. FRANK, Mr. BERMAN, Mr. BRYANT, Mr. SANGMEISTER, Mr. LEVINE of California, Mr. ATKINS, Mr. KENNEDY, Mr. NEAL of Massachusetts, Mr. MAVROULES, Mr. STUDDS, Mr. MATSUI, Mr. MCDERMOTT, Mrs. UNSOELD, and Mr. SWIFT):

H.R. 2740. A bill to amend title 17, United States Code, to protect certain computer programs; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 2741. A bill to amend the Tax Reform Act of 1986 to provide for the treatment of certain generation-skipping transfers; to the Committee on Ways and Means.

By Mr. WILLIAMS (for himself, Mr. FORD of Michigan, Mr. OWENS of New York, Mr. PERKINS, Mr. HAYES of Illinois, Mr. GAYDOS, Mr. MILLER of California, Mrs. LOWEY of New York, Mr. POSHARD, Mr. COLEMAN of Missouri, Mr. GOODLING, Mrs. ROUKEMA, and Mr. TAUKE):

H.R. 2742. A bill to extend and amend the Library Services and Construction Act, and for other purposes; to the Committee on Education and Labor.

By Mr. WYDEN:

H.R. 2743. A bill to increase economic development opportunities and housing opportunities for low- and moderate-income households; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YOUNG of Florida:

H.R. 2744. A bill to amend section 700 of title 18, United States Code, relating to desecration of the flag of the United States; to the Committee on the Judiciary.

By Mr. BILIRAKIS (for himself and Mr. BURTON of Indiana):

H.J. Res. 302. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. WYLIE:

H.J. Res. 303. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mrs. BENTLEY (for herself, Mr. WELDON, Mr. CLINGER, Mr. MARLENEE, Mr. HOLLOWAY, Mr. RITTER, Mr. QUILLEN, Mr. HAMMERSCHMIDT, Mr. BENNETT, Mr. INHOFE, Mr. EDWARDS of Oklahoma, Mr. MYERS of Indiana, Mr. SOLOMON, Mr. MCDADE, Mr. BERREUTER, Mr. SPENCE, and Mr. DORNAN of California):

H.J. Res. 304. Joint resolution proposing an amendment to the Constitution of the United States with respect to burning the flag of the United States; to the Committee on the Judiciary.

By Mr. BEVILL:

H.J. Res. 305. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. CALLAHAN:

H.J. Res. 306. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. DERRICK:

H.J. Res. 307. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. DORNAN of California (for himself, Mr. BROOMFIELD, Mr. DREIER of California, Mr. SOLOMON, Mrs. BENTLEY, Mr. MCGRATH, Mr. FIELDS, Mr. MARTIN of New York, Mr. YATRON, Mr. BAKER, Mr. STANGELAND, and Mr. BLILEY):

H.J. Res. 308. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. FIELDS:

H.J. Res. 309. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. DREIER of California (for himself and Mr. WILSON):

H.J. Res. 310. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. GOODLING:

H.J. Res. 311. Joint resolution designating the week of October 22 through 28, 1989, as "National Save Your Back Week"; to the Committee on Post Office and Civil Service.

By Mr. KLECZKA:

H.J. RES. 312. Joint resolution proposing an amendment to the Constitution of the United States to permit Congress to grant power to bodies in the judicial branch to remove judges for cause; to the Committee on the Judiciary.

By Mr. LEWIS of California (for himself, Mr. MICHEL, Mr. MCMILLAN of North Carolina, Mr. PAXON, Mr. SOLOMON, Mr. LAGOMARSINO, Mr. HEFLEY, Mr. KOLBE, Mr. PETRI, Mr. ROHRABACHER, Mr. GOSS, Mr. SCHULZE, Mr. SMITH of Mississippi, Mr. IRELAND, Mr. SMITH of New Hampshire, Mr. RITTER, Mr. GINGRICH, Mr. WEBER, Mr. KYL, Mr. HUNTER, Mr. WALKER, Ms. SCHNEIDER, Mr. ARMEY, Mr. NIELSON of Utah, Mrs. JOHNSON of Connecticut, Mr. THOMAS of Wyoming, Mr. EDWARDS of Oklahoma, and Mr. STEARNS):

H.J. Res. 313. Joint resolution proposing an amendment to the Constitution authorizing the President to disapprove or reduce an item of appropriations; to the Committee on the Judiciary.

By Mrs. MARTIN of Illinois:

H.J. Res. 314. Joint resolution proposing an amendment to the Constitution relating to the flag of the United States; to the Committee on the Judiciary.

By Mr. MILLER of Ohio:

H.J. Res. 315. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. MINETA (for himself and Mr. CAMPBELL of California):

H.J. Res. 316. Joint resolution to commemorate the 50th anniversary of the National Aeronautics and Space Administration Ames Research Center; jointly, to the Committees on Science, Space, and Technology and Post Office and Civil Service.

By Mr. PICKETT (for himself, Mr. MONTGOMERY, Mr. JOHNSON of South Dakota, Mr. CAMPBELL of Colorado, Mr. SARPALIUS, and Mr. PAYNE of Virginia):

H.J. Res. 317. Joint resolution proposing an amendment to the Constitution of the United States relative to the desecration of the American flag; to the Committee on the Judiciary.

By Mr. RHODES:

H.J. Res. 318. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the acts of physical abuse, destruction, and desecration of the flag of the United States; to the Committee on the Judiciary.

By Mr. SCHUETTE:

H.J. Res. 319. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States; to the Committee on the Judiciary.

By Ms. SLAUGHTER of New York (for herself, Mr. MILLER of California, Mr. DYMALLY, Mr. BERMAN, Mr. CALLAHAN, Mr. WOLF, Mr. WYDEN, Mr. KLECZKA, Mr. CROCKETT, Mr. FAZIO, Mr. LAGOMARSINO, Mr. DEFAZIO, Mr. LELAND, Mr. DE LUGO, Mr. MOODY, Mr. SAWYER, Mr. APPLEGATE, Mr. MATSUI, Mr. HUGHES, Mr. HAYES of Louisiana, Mrs. BOXER, Mr. WATKINS, Mr. LEHMAN of Florida, Mr. FAUNTROY, Mrs. COLLINS, Mr. SCHEUER, Mr. DWYER of New Jersey, and Mr. MINETA):

H.J. Res. 320. Joint resolution designating October 1989, as "National Domestic Violence Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.J. Res. 321. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. WALKER (for himself, Mr. HASTERT, Mr. DONALD E. "BUZ" LUKENS, and Mr. LENT):

H.J. Res. 322. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States; to the Committee on the Judiciary.

By Mr. WOLF (for himself, Mr. PARRIS, and Mr. SMITH, of New Jersey):

H.R. Res. 323. Joint resolution proposing an amendment to the Constitution of the United States relative to protection of the flag of the United States; to the Committee on the Judiciary.

By Mr. DOWNEY (for himself, Mr. GEJDENSON, Mr. GIBBONS, Mr. FRENZEL, Mr. GRADISON, Mr. GEPHARDT, Mr. STARK, Mr. FEIGHAN, and Mr. DE LA GARZA):

H. Con. Res. 155. Concurrent resolution relating to congressional support of a Presidential waiver of the provisions of the Jackson-Vanik amendment with respect to the Soviet Union; to the Committee on Ways and Means.

By Mr. HATCHER (for himself, Mr. CONTE, Mr. RAY, Mr. GINGRICH, Mr. SMITH of Mississippi, Mr. ERDREICH, Mr. MCCLOSKEY, Mr. TALLON, Mr. JONTZ, Mr. RANGEL, Mr. HORTON, Mr. COMBEST, Mr. GEJDENSON, Mr. MARTIN of New York, Mr. SCHUETTE, Mr. LAFALCE, Mr. MARLENEE, Mr. NEAL of Massachusetts, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. GRANDY, Mr. KASTENMEIER, Mr. LAGOMARSINO, Mr. MCNULTY, Mr. CHAPMAN, Mr. DE LA GARZA, Mrs. JOHNSON of Connecticut, Mr. BARNARD, Mr. ENGLISH, Mr. ROGERS, Mr. LAUGHLIN, Mr. HARRIS, Mr. HAYES of Louisiana, Mr. DARDEN, Mr. ROWLAND of Georgia, Mr. RINALDO, Mr. SUNDQUIST, Mr. EMERSON, Mr. MAVROULES, Mr. VALENTINE, Mr. ESPY, Mr. HILER, Mr. DICKINSON, Mr. BROWDER, Mr. CALLAHAN, Mr. BEVILL, Mr. THOMAS of Georgia, and Mr. JOHNSON of South Dakota):

H. Con. Res. 156. Concurrent resolution expressing the sense of the Congress that the existing authority to issue tax-exempt small issue bonds should be extended 1 year; to the Committee on Ways and Means.

By Mr. LEWIS of California (for himself, Mr. MICHEL, Mr. MCMILLAN of North Carolina Mr. PAXON, Mr. SOLOMON, Mr. LAGOMARSINO, Mr. HEFLEY, Mr. KOLBE, Mr. PETRI, Mr. ROHRABACHER, Mr. GOSS, Mr. SCHULZE, Mr. SMITH of Mississippi, Mr. IRELAND, Mr. SMITH of New Hampshire, Mr. RITTER, Mr. GINGRICH, Mr. WEBER, Mr. KYL, Mr. HUNTER, Mr. WALKER, Ms. SCHNEIDER, Mr. ARMEY, Mr. NIELSON of Utah, Mrs. JOHNSON of Connecticut, Mr. THOMAS of Wyoming, Mr. EDWARDS of Oklahoma, and Mr. STEARNS):

H. Con. Res. 157. Concurrent resolution calling for a flexible freeze budget for the concurrent resolution on the budget of the U.S. Government for fiscal year 1991; to the Committee on Rules.

By Mr. NOWAK:

H. Con. Res. 158. Concurrent resolution relating to a White House conference on water resources; jointly, to the Committees on Agriculture, Interior and Insular Affairs, Public Works and Transportation, Merchant Marine and Fisheries, and Energy and Commerce.

By Ms. OAKAR:

H. Con. Res. 159. Concurrent resolution expressing the sense of the Congress on the desecration of the flag of the United States of America; to the Committee on the Judiciary.

By Mr. SOLARZ (for himself, Mr. GEPHARDT, Mr. MICHEL, Mr. FASCELL, Mr. BROOMFIELD, Mrs. BOXER, Mr. SKAGGS, Mr. LEVINE of California, Ms. PELOSI, Mr. HOYER, Mr. OWENS of Utah, Mr. BENNETT, Mr. KENNEDY, Mr. MILLER of Washington, Mr. BILBRAY, Mr. JONES of Georgia, Mr. LEWIS of Georgia, Mr. DREIER of California, and Mr. DONALD E. LUKENS):

H. Res. 182. Resolution supporting the President of the United States in his call for clemency for the prodemocracy demonstrators arrested in China, and calling upon the leadership of the People's Republic of China to stay further executions of those arrested in the crackdown on prodemocracy demonstrators throughout China; considered and agreed to.

By Mr. MICHEL:

H. Res. 183. Resolution providing for the designation of certain minority employees; considered and agreed to.

By Mr. SCHAEFER:

H. Res. 184. Resolution expressing the sense of the House of Representatives that the Supreme Court decision to overturn statutes that protect the flag from desecration is without merit and, the flag, as a symbol of institutions and traditions that protect basic rights, must be protected from any attempt to mutilate, damage, destroy, or desecrate it in any manner; to the Committee on the Judiciary.

By Mr. STEARNS (for himself, Mr. MICHEL, Mr. GINGRICH, Mr. LEWIS of California, Mr. COBLE, Mr. GILLMOR, Mr. HYDE, Mr. HASTERT, Mr. SMITH of Vermont, Mr. HERGER, Mr. BARTON of Texas, Mr. MYERS of Indiana, Mr. DONALD E. LUKENS, Mr. THOMAS of Wyoming, Mr. PAXON, Mr. DORNAN of California, Mr. IRELAND, Mr. DANNEMEYER, Mr. PORTER, and Mr. DOUGLAS):

H. Res. 185. Resolution expressing the sense of the House of Representatives that the Constitution of the United States allows for a prohibition against acts of desecration against the flag of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. OWENS of Utah introduced a bill (H.R. 2745) for the relief of Long Sheng Yu; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. SISISKY.
H.R. 8: Mr. OWENS of Utah.
H.R. 84: Mr. GIBBONS, Mr. LEHMAN of California, and Mr. TOWNS.
H.R. 90: Mr. TRAXLER.
H.R. 222: Mr. YATRON.
H.R. 423: Mr. RITTER.
H.R. 458: Mr. HILER.
H.R. 475: Mr. PARKER.
H.R. 496: Mr. GARCIA and Mr. ENGEL.
H.R. 638: Mr. EVANS and Mr. MCDERMOTT.
H.R. 642: Mr. SCHAEFER, Mrs. COLLINS, Mr. HUCKABY, Mr. GILLMOR, Mr. SARPALIUS, Mr. CRANE, Mr. GIBBONS, Mr. SENSENBRENNER, Mr. HALL of Ohio, Mr. HALL of Texas, Mr. MCCRERY, and Mr. BROOKS.
H.R. 682: Mr. SMITH of New Hampshire.
H.R. 806: Mr. GILMAN.
H.R. 813: Mr. PERKINS.
H.R. 844: Mr. HERGER, Mr. JACOBS, and Mr. SHUMWAY.
H.R. 901: Mr. APPLEGATE, Mr. STEARNS, Mrs. PATTERSON, Mr. PAXON, Mr. MORRISON of Connecticut, Mr. SANGMEISTER, Ms. LONG, Mr. SAXTON, and Mr. BROWDER.
H.R. 902: Mr. HYDE.
H.R. 939: Mr. RANGEL.
H.R. 979: Mr. GUNDERSON, Mr. YATRON, Mr. GONZALEZ, and Mr. BOEHLERT.
H.R. 989: Mr. BUSTAMANTE, Mrs. BOXER, Mrs. LLOYD, Mr. HAWKINS, Mr. ROE, Mr. MCCURDY, Mr. CAMPBELL of Colorado, Mr. RAVENEL, Mr. MATSUI, Mr. FAZIO, Mr. HARRIS, Mr. OWENS of New York, Mr. LANCASTER, Mr. DE LUGO, Mr. FROST, Mr. ESPY, Mr. FOGLIETTA, and Mr. SENSENBRENNER.
H.R. 1025: Mr. DORGAN of North Dakota, Mr. DIXON, and Mr. BONIOR.
H.R. 1044: Mr. LEHMAN of California and Mr. LEWIS of Georgia.
H.R. 1060: Mr. DELLUMS.
H.R. 1063: Mr. CARPER.
H.R. 1086: Mr. OLINS, Mrs. UNSOELD, Mr. RAVENEL, and Mr. HARRIS.
H.R. 1161: Mr. DAVIS, Mr. HOLLOWAY, Mr. ESPY, Mr. PACKARD, and Mr. CRAIG.
H.R. 1187: Mr. JONTZ, Mr. ATKINS, Mr. BONIOR, and Mr. HAYES of Illinois.
H.R. 1188: Mr. PAYNE of Virginia and Mrs. SAIKI.
H.R. 1199: Mr. MONTGOMERY, Mr. STUMP, Mr. EDWARDS of California, Mr. WYLIE, Mr. APPLEGATE, Mr. MCEWEN, Mr. PENNY, Mr. SMITH of New Hamsphire, Mr. STENHOLM, Mr. JAMES, Mr. PAYNE of Virginia, Mr. STEARNS, Mr. MORRISON of Connecticut, Mr. PAXON, Mr. SANGMEISTER, Mr. PARKER, Mr. JONES of Georgia, Ms. LONG, Mr. LEATH of Texas, Mr. HEFNER, Mr. JENKINS, Mr. RICHARDSON, Mr. BROWDER, Mr. SAXTON, and Mr. MAVROULES.
H.R. 1292: Mr. DAVIS.
H.R. 1295: Mr. BARNARD.
H.R. 1307: Mr. WELDON, Mr. CAMPBELL of Colorado, Mr. PARKER, Mr. GOODLING, and Mr. MATSUI.
H.R. 1334: Mr. MONTGOMERY, Mr. STUMP, Mr. EDWARDS of California, Mr. HAMMERSCHMIDT, Mr. PENNY, Mr. WYLIE, Mr. ROWLAND of Georgia, Mr. MCEWEN, Mr. ROBINSON, Mr. SMITH of New Jersey, Mr. STENHOLM, Mr. BURTON of Indiana, Mr. HARRIS, Mr. BILIRAKIS, Mr. KENNEDY, Mr. RIDGE, Mrs. PATTERSON, Mr. ROWLAND of Connecticut, Mr. PAYNE of Virginia, Mr. SMITH of New Hampshire, Mr. MORRISON of Connecticut, Mr. JAMES, Mr. SANGMEISTER, Mr. STEARNS, Mr. PARKER, Mr. PAXON, Mr. JONES of Georgia, Ms. LONG, Mr. LEATH of Texas, Mr. HEFNER, Mr. JENKINS, Mr. RICHARDSON, and Mr. BROWDER.
H.R. 1337: Mr. PRICE.
H.R. 1371: Mr. STENHOLM, Mr. VENTO, and Mr. LEWIS of Georgia.
H.R. 1406: Mr. MARTINEZ.
H.R. 1516: Mr. LEHMAN of California and Mr. MACHTLEY.
H.R. 1557: Mr. OWENS of Utah.
H.R. 1602: Mr. JOHNSON of South Dakota and Mr. ROYBAL.
H.R. 1645: Mr. DONALD E. "BUZ" LUKENS.
H.R. 1676: Mr. DIXON and Mrs. BENTLEY.
H.R. 1730: Mr. MOLLOHAN and Mr. SCHAEFER.
H.R. 1746: Mr. RANGEL, Mr. SMITH of Florida, and Mr. RINALDO.
H.R. 1780: Mr. BONIOR.
H.R. 1782: Mrs. VUCANOVICH and Mr. ACKERMAN.
H.R. 1864: Mr. DINGELL and Mr. KILDEE.

H.R. 1870: Mr. McMillan of North Carolina and Mr. Cox.

H.R. 2002: Mr. Waxman and Mr. Smith of Florida.

H.R. 2008: Mr. Hall of Texas, Mr. Parker, Mr. Crane, Mr. Dyson, and Mr. Blaz.

H.R. 2022: Mr. Aspin, Mr. Lewis of Georgia, and Mrs. Martin of Illinois.

H.R. 2023: Mr. Lipinski, Mr. Hawkins, Mr. Hefner, Mr. Dymally, Mr. Jontz, Mr. Robinson, Mr. Bilbray, Mrs. Bentley, Mr. Donnelly, Mr. Evans, Mrs. Collins, Mr. Bateman, and Mr. Madigan.

H.R. 2051: Mr. McNulty.

H.R. 2076: Mr. Frank, Mr. Kennedy, Mr. Pascell, Mr. Atkins, Mrs. Johnson of Connecticut, and Mr. Miller of California.

H.R. 2096: Mr. Barnard, Mr. Wylie, Mr. Mavroules, Mr. Bonior, Mr. Hayes of Illinois, Mr. Hoyer, Mr. Smith of New Jersey, Mr. Schuette, Mrs. Morella, Mrs. Saiki, Ms. Schneider, Mr. Price, Mr. Miller of Ohio, Mr. Dannemeyer, Mr. Robert F. Smith, Mr. Ritter, Mr. Wolpe, Mr. Bereuter, Mr. Akaka, Mrs. Lowey of New York, Mr. Miller of California, Mr. Pashayan, Mr. Sarpalius, Mr. Wyden, Mrs. Byron, Mr. Payne of Virginia, Mr. Craig, Ms. Kaptur, Mr. Scheuer, Mr. Paxon, Mr. Buechner, Mr. Espy, Mr. Udall, Mr. Kennedy, Mr. Rowland of Georgia, Mr. Lagomarsino, Mr. Johnson of South Dakota, Mr. Pickett, and Mr. Davis.

H.R. 2112: Mrs. Bentley.

H.R. 2131: Mr. Hertel and Mrs. Meyers of Kansas.

H.R. 2141: Mr. Rowland of Georgia, Mr. Porter, and Mrs. Morella.

H.R. 2181: Mr. Quillen.

H.R. 2209: Mr. Goodling, Mr. Hiler, and Mrs. Martin of Illinois.

H.R. 2212: Mr. Hayes of Louisiana, Mr. Lagomarsino, Mr. McCollum, Mr. Bates, Mr. Traxler, and Mr. Dymally.

H.R. 2216: Mr. Schaefer.

H.R. 2228: Mr. Ackerman.

H.R. 2237: Mr. Hayes of Illinois.

H.R. 2258: Mr. Clinger.

H.R. 2269: Mr. Skaggs.

H.R. 2282: Mr. Richardson.

H.R. 2318: Ms. Kaptur, Mr. Atkins, and Mr. Fauntroy.

H.R. 2319: Mr. Fauntroy, Mr. Burton of Indiana, Mr. Hoyer, Ms. Long, Mr. McMillen of Maryland, Mr. Hughes, Mr. Martinez, Mrs. Saiki, Mr. Broomfield, Mr. Payne of New Jersey, Mr. Foster, Mr. Vento, Ms. Kaptur, Mr. Rahall, Mr. Frenzel, Mr. Hayes of Illinois, Mr. Alexander, Mr. Hayes of Louisiana, Mr. Wolpe, Mr. Vander Jagt, Mr. Payne of Virginia, Mr. Rinaldo, Mr. Schuette, Mr. de Lugo, Mr. Smith of Vermont, Mr. McDade, and Mr. Penny.

H.R. 2327: Mr. Poshard, Ms. Kaptur, and Mr. Hatcher.

H.R. 2360: Mr. Rowland of Connecticut.

H.R. 2395: Mr. Campbell of California.

H.R. 2460: Mr. Pashayan.

H.R. 2463: Mr. Rahall.

H.R. 2464: Mr. Shays.

H.R. 2466: Mr. Rangel.

H.R. 2470: Mr. Kildee and Mr. Sensenbrenner.

H.R. 2543: Mr. Mazzoli.

H.R. 2557: Mr. Hughes, Mr. Wylie, Mr. Applegate, Mr. McEwen, Mr. Evans, Mr. Burton of Indiana, Mr. Penny, Mr. Bilirakis, Mr. Staggers, Mr. Ridge, Mr. Rowland of Georgia, Mr. Rowland of Connecticut, Mr. Robinson, Mr. Smith of New Hampshire, Mr. Stenholm, Mr. James, Mr. Harris, Mr. Stearns, Mr. Kennedy, Mr. Paxon, Mrs. Patterson, Mr. Jontz, Mr. Payne of Virginia, Mr. Morrison of Connecticut, Mr. Sangmeister, Mr. Parker, Mr. Jones of Georgia, Ms. Long, Mr. Leath of Texas, Mr. Hefner, Mr. Jenkins, Mr. Richardson, and Mr. Browder.

H.R. 2569: Mr. Montgomery, Mr. Stump, Mr. Edwards of California, Mr. Hammerschmidt, Mr. Applegate, Mr. Wylie, Mr. Evans, Mr. McEwen, Mr. Penny, Mr. Smith of New Jersey, Mr. Staggers, Mr. Burton of Indiana, Mr. Rowland of Georgia, Mr. Bilirakis, Mr. Robinson, Mr. Ridge, Mr. Stenholm, Mr. Rowland of Connecticut, Mr. Harris, Mr. Smith of New Hampshire, Mr. Kennedy, Mr. James, Mrs. Patterson, Mr. Stearns, Mr. Jontz, Mr. Paxon, Mr. Payne of Virginia, Mr. Morrison of Connecticut, Mr. Sangmeister, Mr. Parker, Mr. Jones of Georgia, Ms. Long, Mr. Leath of Texas, Mr. Hefner, Mr. Jenkins, Mr. Richardson, and Mr. Browder.

H.R. 2584: Mr. Douglas.

H.R. 2611: Mr. Borski, Mr. Smith of New Jersey, Mr. Applegate, Mr. Rose, Mr. Chapman, Mr. Weiss, and Mr. Lewis of Georgia.

H.R. 2613: Mr. Eckart and Mr. Foster.

H.R. 2615: Mr. Fauntroy, Mrs. Saiki, Mrs. Collins, Mr. Atkins, and Mr. Dymally.

H.R. 2637: Mr. Holloway, Mr. Donald E. "Buz" Lukens, and Mr. Lagomarsino.

H.R. 2654: Mr. Schulze, Mr. Barton of Texas, Mr. Rohrabacher, Mr. Tauzin, Mr. Morrison of Washington, Mr. Oxley, and Mr. Chandler.

H.R. 2693: Mr. McCloskey and Mr. Madigan.

H.R. 2699: Mr. Brown of California.

H.R. 2705: Mr. de Lugo, Mr. McCloskey, Mr. Clay, and Mr. Sawyer.

H.R. 2706: Mr. Hoagland.

H.R. 2712: Mr. Beilenson, Mr. Wise, Mr. Williams, Mr. Spratt, Mr. Shays, Mr. Owens of New York, Mr. Slattery, Mr. Towns, Mr. Machtley, Ms. Schneider, Mr. Roe, Mr. Price, Mr. McGrath, Mr. DeFazio, Mr. Martinez, Mr. Fawell, Mr. Green, Mr. Erdreich, Mr. Quillen, Mr. Dornan of California, Mr. Rangel, Mr. Weber, Mrs. Johnson of Connecticut, Mr. Moakley, Mr. Bates, Mr. Rowland of Connecticut, Mr. Horton, Mr. Penny, Mr. Paxon, Mr. Stark, Mr. Hiler, Mrs. Collins, Mr. Rinaldo, Mr. Olin, Mr. Kolter, Mr. Campbell of California, Mr. Cooper, Mrs. Kennelly, Mr. Armey, and Mr. Douglas.

H.J. Res. 10: Mr. Johnson of South Dakota.

H.J. Res. 54: Mrs. Kennelly.

H.J. Res. 111: Ms. Snowe, Mr. Alexander, Mr. Andrews, Mr. Applegate, Mr. Barnard, Mr. Beilenson, Mr. Boehlert, Mr. Boucher, Mr. Brennan, Mr. Bruce, Mr. Buechner, Mr. Cardin, Mr. Carr, and Mr. Annunzio.

H.J. Res. 126: Mr. Dornan of California, Mrs. Byron, Mr. Clay, Mrs. Johnson of Connecticut, Mr. Cardin, Mr. Rose, Mr. Stangeland, Ms. Slaughter of New York, Mr. Sabo, Mr. Spratt, Mr. Burton of Indiana, and Mr. Akaka.

H.J. Res. 138: Mr. Spratt, Mr. Gonzalez, Mr. Solomon, Mr. Tallon, Mr. Poshard, Mr. Boehlert, Mr. Clinger, and Mr. Levine of California.

H.J. Res. 142: Mr. de Lugo, Mr. Evans, Mr. DeWine, Mr. Coughlin, Mr. Bilbray, Mr. Thomas A. Luken, Mr. Kennedy, Mr. Weber, Mrs. Meyers of Kansas, Mr. Dorgan of North Dakota, Mr. Matsui, Mr. Gordon, Mr. Tanner, Mr. Stark, Mr. Whitten, Mr. Solomon, Mr. Murphy, Mr. Lehman of Florida, and Ms. Kaptur.

H.J. Res. 160: Mr. Olin and Mr. Lehman of Florida.

H.J. Res. 178: Mr. Saxton, Mr. Barnard, Mr. Morrison of Washington, Mr. Henry, Mrs. Meyers of Kansas, Mrs. Byron, and Mr. Ray.

H.J. Res. 180: Mr. Whittaker and Ms. Kaptur.

H.J. Res. 209: Mr. Goodling, Mr. Lewis of Florida, Mr. Applegate, Mr. Borski, Mr. Costello, Mr. Emerson, Mr. Espy, Mr. Evans, Mr. Foster, Mr. DeFazio, Mr. Tauzin, Mr. Garcia, Mr. Hamilton, Mr. Hyde, Mr. Ireland, Mr. Hayes of Louisiana, Mr. Donald E. "Buz" Lukens, Mr. Leach of Iowa, Mr. Lent, Mr. Smith of New Jersey, Mr. Lewis of California, and Mr. McEwen.

H.J. Res. 217: Mr. Smith of Florida, Mr. Owens, of Utah, Mr. Jontz, Mr. Emerson, Mr. McNulty, Mr. Vento, Mr. Engel, Mr. Spratt, Mr. McDermott, Mr. English, Mr. Conyers, Mr. Walsh, Mr. Ford of Tennessee, Mr. Bilirakis, Mr. Matsui, Mr. Volkmer, Mr. Wheat, and Mr. Kostmayer.

H.J. Res. 221: Mr. Flake, Mr. Scheuer, Mr. Stangeland, and Mr. Weiss.

H.J. Res. 227: Mr. Nielson of Utah, Mr. Ortiz, Mr. Roberts, Mr. Schiff, Mr. Sisisky, Mr. Tanner, Mr. Traficant, Mr. Eckart, Ms. Slaughter of New York, Mr. Kostmayer, Mr. Shumway, Mr. Gunderson, Mr. Boehlert, Mr. Gordon, Mr. Espy, Mr. Mineta, Mr. McHugh, Mr. Hansen, Mr. Thomas of Georgia, Mr. Robinson, Mr. Ford of Tennessee, Mr. Wolpe, Mr. Dornan of California, Mr. Natcher, Mr. Parker, Mr. Packard, Mr. Skeen, Mr. Coleman of Texas, Mrs. Meyers of Kansas, Mr. Shays, Mr. Bustamante, Mr. Bryant, Mr. Cardin, Mr. Flippo, Mr. Hall of Texas, Mr. Hall of Ohio, Mr. Lehman of California, Mr. Nelson of Florida, Mr. Panetta, Mr. Pickett, Mr. Boucher, Mr. Alexander, Mr. Robert F. Smith, Mr. Morrison of Washington, Mr. Rowland of Connecticut, Mr. Bilirakis, Mr. McNulty, Mr. Annunzio, Ms. Kaptur, Mr. Barnard, Mr. Olin, Mr. Ray, Mr. Hayes of Illinois, Mr. Stearns, Mr. Lightfoot, Mr. Miller of Washington, Mr. Skelton, Mr. Borski, Mr. Cooper, Mr. Dicks, Mr. Flake, Mr. Gephardt, Mr. Hayes of Louisiana, Mr. Hoagland, Mr. Leland, Mr. Manton, Mr. McMillan of North Carolina, Mr. Oberstar, Ms. Oakar, Mr. Rahall, Mr. Rose, Mr. Sabo, Mr. Sarpalius, Mr. Stenholm, Mr. Valentine, Mr. Wise, Mr. Gallo, Mr. Clement, Mr. Coble, Mr. Laughlin, Mr. McCloskey, Mr. Bruce, Mr. Price, Mr. Lewis of Georgia, Mrs. Unsoeld, Mr. Kleczka, Mr. Chandler, Mr. Hubbard, Mr. Slattery, Mr. Harris, Mr. Browder, Mr. Spratt, Mr. Mollohan, Mr. Campbell of Colorado, Mr. Carper, Mr. Staggers, Mr. Pickle, Mr. Bosco, Mr. Huckaby, Mr. Gray, Mr. Levin of Michigan, Mr. Atkins, Mr. Brown of Colorado, Mr. Feighan, Mr. Stokes, Mr. Payne of Virginia, Mr. Akaka, Mr. Murphy, Mr. Hoyer, Mr. Durbin, Mr. Fawell, Mr. Visclosky, Mr. Jones of Georgia, Mr. Craig, Mr. Hamilton, Mr. Lancaster, Mrs. Patterson, Mr. Synar, Mr. Sawyer, Mr. English, Mr. Ackerman, Mr. Aspin, Mrs. Bentley, Mr. de Lugo, Mr. Fazio, Mr. Fish, Mr. Green, Mr. Ireland, Mr. Jones of North Carolina, Mr. Kanjorski, Mr. Lent, Mrs. Lowey of New York, Mr. Madigan, Mr. McCollum, Mr. McEwen, Mr. Moakley, Mr. Neal of Massachusetts, Mr. Porter, Mr. Ritter, Mr. Rogers, Mr. Rowland of Georgia, Mr. Scheuer, Mr. Solomon, Mr. Stangeland, Mr. Bates, Mr. Darden, Mr. DeLay, Mr. Gallegly, Mr. Anderson, Mr. Johnson of South Dakota, Mr. Yatron, Mr. Weiss, Mr. Costello, Mr. Jontz, Mr. Perkins, Mr. Dyson, Mr. Wyden, Mr. DeFazio, Mr. Skaggs, Mr. Nagle, Mr. Rangel, Mr. Watkins, Mr. Wheat, Mrs. Boxer, Mr. Callahan, Mr. Donnelly, Mr. Erdreich, Mr. Fas-

CELL, Mr. HEFNER, Mr. KOLBE, Mr. LEWIS of California, Mr. SCHUETTE, and Mr. SMITH of New Hampshire.

H.J. Res. 267: Mr. LELAND, Mr. STALLINGS, Mr. LANTOS, Mr. MCHUGH, Mr. TAUKE, Mr. DORGAN of North Dakota, Mr. HAWKINS, Mrs. COLLINS, Mr. MRAZEK, Mr. SCHEUER, Mr. MAZZOLI, Mr. ANDREWS, Mr. LIPINSKI, Mr. SAWYER, Mr. DYMALLY, Mr. CARDIN, Mr. CARPER, Mr. MILLER of Washington, Mr. RANGEL, Mr. BEVILL, Mr. AKAKA, Mr. ANDERSON, Mr. BILBRAY, Mr. BOSCO, Mr. JACOBS, Mr. LEHMAN of Florida, Mr. APPLEGATE, Mr. BUSTAMANTE, Mr. BEREUTER, Mr. DE LUGO, Mr. COSTELLO, Mr. DEFAZIO, Mr. CONYERS, Mr. DIXON, Mr. DELLUMS, Mr. LAGOMARSINO, Mr. FOGLIETTA, Mr. LEVIN of Michigan, Mr. KOLTER, Mr. KOSTMAYER, Mr. MINETA, Mrs. BOXER, Mr. CAMPBELL of Colorado, Mr. CROCKETT, Mr. WAXMAN, Mr. TRAXLER, Mr. ENGEL, Mr. EVANS, Mr. FAZIO, Mr. FRANK, Mr. FUSTER, Mr. HUBBARD, and Mr. LEWIS of Georgia.

H.J. Res. 273: Mr. WILSON, Mr. TORRICELLI, Mr. MINETA, Mr. MILLER of Washington, Mr. SCHEUER, Mr. HOYER, Mr. TANNER, Mr. ROBERT F. SMITH, Mr. HAMMERSCHMIDT, Mr. BRENNAN, Mr. DICKINSON, Mr. NEAL of Massachusetts, Mr. MAVROULES, Mr. FRENZEL, Mr. YOUNG of Alaska, Mr. KOSTMAYER, Mr. MCCREERY, Mr. VENTO, Mr. PARRIS, Mr. WOLPE, Mr. MOLINARI, Mr. HAYES of Illinois, Mr. FOGLIETTA, Mr. BOUCHER, Mr. STEARNS, Mr. WELDON, Mr. GEPHARDT, Mr. GALLO, Mrs. SAIKI, Mr. WEBER, Mr. SPENCE, Ms. PELOSI, Mr. SMITH of New Hampshire, Mr. WALGREN, Mr. LEVINE of California, Mr. WAXMAN, and Mr. PASHAYAN.

H. Con. Res. 5: Mr. BORSKI.

H. Con. Res. 66: Mr. BROWN of California.

H. Con. Res. 87: Mr. ENGEL, Mr. HOCHBRUECKNER, Mr. LOWERY of California, Mr. HOYER, Mr. WOLF, Mr. HALL of Ohio, Mr. WILSON, Mr. COOPER, Mrs. MARTIN of Illinois, Mr. CAMPBELL of Colorado, Mr. COUGHLIN, Mr. MILLER of Washington, Mr. LAGOMARSINO, Mr. SCHUMER, Mr. FOGLIETTA, Mr. OWENS of Utah, Mr. WAXMAN, Mr. ROE, Mr. LEWIS of California, Mrs. BOXER, Mr. LEVIN of Michigan, and Mr. WEISS.

H. Con. Res. 92: Mr. LIGHTFOOT, Mr. MOLLOHAN, Mr. BOEHLERT, Mr. KENNEDY, and Mr. BONIOR.

H. Con. Res. 152: Mr. MCEWEN.

H. Res. 141: Mr. WOLF, Mr. FAUNTROY, Mr. THOMAS of Georgia, Mr. MARKEY, Mr. BUECHNER, and Mr. PRICE.

H. Res. 178: Mr. MCMILLEN of Maryland, Mrs. BENTLEY, Mr. NOWAK, Mr. HERTEL, Ms. PELOSI, Mr. PAXON, Mr. SMITH of New Jersey, Mr. DANNEMEYER, Mr. FLAKE, Mr. HUGHES, Mr. INHOFE, Mr. OWENS of New York, Mr. CHAPMAN, Mr. MCCANDLESS, and Mr. ROWLAND of Connecticut.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1067: Mr. BRYANT.

H.R. 1676: Mr. ROBERT F. SMITH.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2655

By Mr. ACKERMAN:

—Page 473, after line 10, insert the following:

SEC. 723. ASSISTANCE FOR THE DOMINICAN REPUBLIC.

(a) FINDINGS.—The Congress finds that—

(1) on October 16, 1988, Daniel Mirambeaux, having just committed a drug-related robbery, allegedly shot and killed New York City Police Officer Michael Buczek;

(2) Mirambeaux allegedly fled the scene of the shooting and escaped to the Dominican Republic, where he is a citizen and where he is in custody on unrelated charges;

(3) the United States has been unsuccessful in negotiating the return of Mirambeaux to the United States to stand trial; and

(4) this case is a major test of how committed the Dominican Republic is to fighting a real war on drugs.

(b) RESTRICTION ON ASSISTANCE.—Unless the President certifies to the Congress that the Government of the Dominican Republic has extradited or expelled Daniel Mirambeaux to the United States, no United States assistance (including funds appropriated before the date of enactment of this Act) may be furnished for the Dominican Republic.

(c) DEFINITION.—For purposes of this section, the term "United States assistance" means assistance of any kind which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government, including—

(1) assistance under the Foreign Assistance Act of 1961 (including programs under subchapter A of chapter 5 of title I);

(2) sales under the Defense Trade and Export Control Act; and

(3) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

except that the term "United States assistance" does not include (A) international narcotics control assistance under chapter 2 of title III of the Foreign Assistance Act of 1961, (B) assistance which involves the donations of food or medicine, (C) disaster relief assistance (including any assistance under chapter 6 of title I of the Foreign Assistance Act of 1961), (D) assistance for refugees, (E) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or the Executive Order Number 12333 (December 4, 1981); or (F) commercial export promotion activities of the Department of Agriculture, including the Commodity Credit Corporation.

By Mr. BEREUTER:

—On page 37, line 21, insert ", as appropriate for particular countries," after "including".

By Mr. BROOMFIELD:

—Page 508, after line 21, insert the following:

SEC. 845. TURKISH MILITARY FORCES ON CYPRUS.

Of the amounts allocated for foreign military financing for Turkey under the Foreign Assistance Act of 1961—

(1) $100,000,000 for fiscal year 1990 shall be withheld from obligation for Turkey until the President certifies to the Congress that less than 15,000 Turkish military personnel remain in Cyprus; and

(2) $100,000,000 for fiscal year 1991 shall be withheld from obligation for Turkey until the President certifies to the Congress that less than 10,000 Turkish military personnel remain in Cyprus.

—Page 508, after line 21, insert the following:

SEC. 845. TURKISH MILITARY FORCES ON CYPRUS.

Of the amounts allocated for foreign military financing for Turkey under the Foreign Assistance Act of 1961—

(1) $100,000,000 for fiscal year 1990 shall be withheld from obligation for Turkey until the President certifies to the Congress that less than 15,000 Turkish military personnel remain in Cyprus; and

(2) $100,000,000 for fiscal year 1991 shall be withheld from obligation for Turkey until the President certifies to the Congress that less than 10,000 Turkish military personnel remain in Cyprus.

—Page 588, after line 7 add the following:

TITLE XV—SUSPENSION OF PREFERENTIAL TREATMENT

SEC. 1501. SUSPENSION OF PREFERENTIAL TREATMENT.

(a) SUSPENSION.—The application of the sections specified in subsection (d) to a country described in those sections shall be suspended if that country impedes the ability of United States Armed Forces vessels, aircraft, or vehicles to traverse or land in its national territory by implementing policies or procedures which are inconsistent with the policy of the United States not to confirm or deny the presence of nuclear weapons on such vessels, aircraft, and vehicles.

(b) WAIVER.—The President may waive subsection (a) with respect to a country if the President determines that—

(1) notwithstanding the implementation by that country of policies or procedures which are inconsistent with the policy of the United States not to confirm or deny the presence of nuclear weapons on United States Armed Forces vessels, aircraft, or vehicles, the country is nevertheless substantially fulfilling its responsibilities as a United States ally with respect to visits by such vessels, aircraft, and vehicles; or

(2) such a waiver is otherwise in the national interests of the United States.

(c) REPORT TO CONGRESS.—If the President exercises the authority of subsection (b), he shall promptly submit a written report to the Congress justifying the waiver.

(d) PREFERENCES TO BE SUSPENDED.—Subsection (a) applies with respect to the following:

(1) Section 2401(a)(6) of the Foreign Assistance Act of 1961 (relating to the assignment of United States military personnel to manage defense cooperation measures);

(2) Section 21(e)(2) of the Defense Trade and Export Control Act (relating to charges for certain arms sales costs);

(3) Section 21(g) of the Defense Trade and Export Control Act (relating to cooperative military training agreements); and

(4) Section 3(d)(3)(A)(i), section 36(c)(2)(A), section 36(d)(2)(A), and section 63(c)(1) of the Defense Trade and Control Act (relating to congressional review of arms transfers).

By Mr. COLEMAN of Texas:

—Page 482, after line 8, insert the following:

SEC. 765. ECONOMIC REFORM AND DEBT REDUCTION.

It is the sense of the Congress that—

(1) the government of Mexico should be commended for its recent economic reforms; and

(2) those commercial banks that are creditors of Mexico and other developing countries that adopt responsible economic austerity programs should negotiate debt re-

VOL 135 PT 9 JE 14 — 22 1989 UMI

duction packages to reflect the discounting of their loans on the world's financial markets, provided those countries continue those austerity programs.

By Mr. DORNAN of California:

—Page 508, after line 21, insert the following:

SEC. 616. RECORDS OF THE OTTOMAN EMPIRE.

Of the amounts allocated for Turkey for economic support assistance under the Foreign Assistance Act of 1961, not less than $100,000 for each of the fiscal years 1990 and 1991 shall be used for funding an independent U.S. academic task force to examine the records of the Ottoman Empire with respect to the Armenian population during the period 1890 to 1920. The task force shall include qualified representatives of the principal viewpoints on the treatment of Armeninas by the Ottoman government during the period indicated above. The purpose of such task force shall be to review and evaluate the archival materials recently made available by the Government of Turkey from the point of view of its completeness, authenticity, its relatedness to the U.S. archival material at the U.S. National Archives, as well as the adequacy of the cataloguing process and the procedures of access to these records by the world public. The task force shall give special attention to materials concerning American diplomatic, philanthropic, missionary and relief efforts on the treatment of Armenians in the Turkish Ottoman Empire. The task force shall submit a detailed progress report to Congress about its findings before the end of June 1990 and 1991.

—Page 502, after line 9, insert the following:

SEC. 628. IMPOSITION OF A TRADE EMBARGO ON SYRIA.

SECTION 1. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) The 40,000 Syrian troops in Lebanon—

(A) foster paralysis of the Government of Lebanon and promote divisions within the armed forces of the Government of Lebanon; and

(B) are critical in dividing Beirut into Christian and Moslem sections and thereby maintaining the de facto partition of Lebanon between rival governments.

(2) The continuing Syrian artillery bombardment of the Christian sectors of Lebanon that began on March 14, 1989, has resulted in the deaths of several hundred unarmed civilians.

(3) Syria is attempting to achieve the territorial dismemberment of Lebanon through the virual annexation of large portions of that nation by violent means.

(4) 9 American hostages still remain in captivity in Lebanon in areas largely under the control of Syrian military forces.

(5) The headquarters of the Popular Frunt for the Liberation of Palestine-General Command, which has been implicated in the mid-air bombing of Pan Am flight 103 on Decemer 21, 1988, that killed 270 people, is located in Damascus, Syria.

(6) The Syrian involvement in State-sponsored terrorist activities is well documented and includes the following:

(A) The attack on the Qiryat Shemona township in northern Israel in April 1974 in which 18 were killed and 16 wounded.

(B) The simultaneous machine gun and grenade attacks on the Rome and Vienna airports in December 1985 in which 16 were killed and 80 wounded are attributed to Abu Nidal who at the time was headquartered in Syria and who continues to operate in the Syrian-controlled Bekka valley of Lebanon.

(C) The bombing, attributed to a Syrian national named Hindawi, of the German Arab Friendship Union in Berlin in March 1986.

(D) The attempted bombing of an El Al flight from London to Tel Aviv in April 1986 by a brother of Hindawi.

(E) The bombing of an airport baggage handling area in Madrid, Spain, in June 1986 in which 11 were wounded.

(F) The September 5, 1986, ground hijacking in Karachi of a Pan Am aircraft that resulted in 21 killed and 100 wounded is attributed to Abu Nidal who at the time was still headquartered in Syria.

(G) The attack, also attributed to Abu Nidal, in Instanbul September 1986 of a synagogue that resulted in the death of 22 individuals.

(7) Syria has used other terrorist groups, including Iranian Shiite fundamentalists, in Lebanon as surrogates who are responsible for the deaths of hundreds of American servicemen and Embassy personnel in Beirut.

(8) Syrian involvement in the cultivation, production, and distribution of illegal narcotics, including heroin and hashish, has been so notorious that the United States Government has decertified Syria in regard to cooperation with United States in drug interdiction efforts;

(9) Syria presents the most dangerous and immediate security threat to the Government of Israel in the Mid-East region.

(10) Syria is closest ally in the Mid-East region of the Union of Soviet Socialist Republics.

SEC. 2. EMBARGO.

The President shall immediately implement a full embargo on trade with Syria.

SEC. 3. WORLD BANK ACTIONS.

The President shall instruct the United States Executive Director of the International Bank for Reconstruction and Development not to vote in favor of any action proposed to be taken by the bank that would benefit Syria.

SEC. 4. MULTILATERAL ACTIONS.

(a) UNITED NATIONS.—The Congress calls upon the President—

(1) to bring immediately to the attention of the Secretary General of the United Nations, and to pursue before the Security Council of the United Nations, the matter of the state-sponsored terrorism of Syria; and

(2) to demand that the United Nations undertake appropriate and effective measures against Syria for that terrorism.

(b) OTHER MULTILATERAL EFFORTS.—The Congress calls upon the President to seek multilateral cooperation in imposing sanctions and otherwise bringing pressure on Syria in order to obtain a cessation that nation's sponsorship of terrorism.

SEC. 5. EFFECTIVE PERIOD.

The provisions of this Act shall apply until the Congress is notified by the President that he has determined that Syria is no longer engaged in state-sponsored terrorism and drug trafficking and has withdrawn its military forces from Lebanon.

By Mr. DURBIN:

—Page 558, after line 7 insert the following:

TITLE XV—OTHER PROVISIONS

SEC. 1501. INDIA AND NEPAL.

It is the sense of the Congress that—

(1) India and Nepal, building on the offer of negotiations that the Government of Nepal has made and India has apparently responded to, should schedule without delay a time and place for talks by the two governments to resolve, on an urgent basis, issues relating to trade and transit between the two countries, recognizing that an expeditious and amicable resolution is in their mutual self-interest;

(2) India, as a gesture of good will befitting a responsible regional power, should consider resuming the sale of petroleum products to Nepal and encourage the normal passage of people and goods into and out of Nepal; and

(3) the Secretary of State, or his designee, should provide regular briefings to the Congress regarding the effects of the Indian-Nepalese dispute on the two countries and on the interests of the United States with respect to both countries and in South Asia in general.

By Mr. ENGEL:

—Page 454, at the end of line 17, insert the following:

This subsection does not apply to any agreement or understanding concerning—

(1) deliveries of the assistance provided for in the Act entitled "An Act to implement the Bipartisan Accord on Central America of March 24, 1989", approved April 18, 1989 (Public Law 101-14), or

(2) the continued presence of members of the Nicaraguan Resistance in Honduras pending the conclusion and implementation of a plan for their voluntary reintegration or voluntary regional relocation,

if a description of that agreement or understanding has been provided to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

—Page 454, at the end of line 17, insert the following:

This subsection does not apply to any agreement or understanding with Honduras concerning—

(1) deliveries of the assistance provided for in the Act entitled "An Act to implement the Bipartisan Accord on Central America of March 24, 1989", approved April 18, 1989 (Public Law 101-14), or

(2) the continued presence of members of the Nicaraguan Resistance in Honduras pending the conclusion and implementation of a plan for their voluntary reintegration or voluntary regional relocation,

if a description of that agreement or understanding has been provided to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

By Mr. FASCELL:

—At the end of the bill, insert the following:

TITLE XV—COMPLIANCE WITH BUDGET RESOLUTION

SEC. 1501. REDUCTION OF AGGREGATE AMOUNT AUTHORIZED TO BE APPROPRIATED BY THIS ACT.

Notwithstanding the specific authorizations of appropriations in the preceding provisions of this Act (including the amendments made by this Act), the aggregate amount appropriated for fiscal year 1990 pursuant to those authorizations may not exceed $11,236,407,000.

By Mr. GILMAN:

—In title VII after section 324, insert the following new section:

"SEC. 325. SUPPORT FOR A MULTILATERAL ANTI-NARCOTICS STRIKE FORCE.

"(a) FINDINGS.—The Congress finds that—

"(1) the United States Congress has, in the past, indicated its support for a multilateral, regional approach to anti-narcotics control efforts;

"(2) a proposal to create a multilateral, international anti-narcotics force for the Western Hemisphere, is a plan worthy of praise and strong U.S. support;

"(3) the development of a greater capability to assist the governments of Latin America, including the Caribbean basin nations, is an essential component of efforts to interdict the flow of narcotics to the United States;

"(4) regional leadership in the promotion of a multilateral, paramilitary force to combat the drug cartels is welcomed and encouraged;

"(b) SENSE OF CONGRESS.—It is therefore the sense of the Congress that—

"(1) the proposal for the promotion of a regional multilateral anti-narcotics force for the Western Hemisphere be endorsed; and

"(2) the United States should work through the United Nations, the Organization of American States, and other multilateral organizations to determine the feasibility of such a force and assist in the establishment of this force, if it is found to be feasible."

By Mr. INHOFE:

—Page 477, after line 25, insert the following:

SEC. 744. ASSISTANCE FOR ECUADOR.

(a) CONDITIONAL WITHHOLDING OF PART OF ASSISTANCE.—The funds described in subsection (b) shall be withheld from obligation for Ecuador until the President reports to the Congress that the Government of Ecuador has removed from the mural in Ecuador's Plenary Hall of Congress any reference to the United States Government or any of its agencies or personnel.

(b) FUNDS SUBJECT TO WITHHOLDING.—The funds to be withheld from obligation pursuant to subsection (a) are 40 percent of the aggregate amount of funds allocated for Ecuador for fiscal year 1990 for development assistance, economic support assistance, foreign military financing, and international military education and training.

By Mr. LEVINE of California:

—Page 514, strike out lines 14 through 21 and insert in lieu thereof the following:

(b) PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE OR GROUPS ALLIED WITH THE KHMER ROUGE.—Notwithstanding any other provision of law, none of the funds made available to carry out this Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members, or any group allied with the Khmer Rouge, to conduct military or paramilitary operations in Cambodia or elsewhere in Indochina.

By Mr. MANTON:

—Page 473, after line 10, insert the following:

SEC. 72[illegible]. ASSISTANCE FOR THE DOMINICAN REPUBLIC.

(a) FINDINGS.—The Congress finds that—

(1) on October 18, 1988, Daniel Mirambeaux, having just committed a drug-related robbery, allegedly shot and killed New York City Police Officer Michael Buczek;

(2) Mirambeaux allegedly fled the scene of the shooting and escaped to the Dominican Republic, where he is a citizen and where he is in custody on unrelated charges;

(3) the United States has been unsuccessful in negotiating the return of Mirambeaux to the United States to stand trial; and

(4) this case is a major test of how committed the Dominican Republic is to fighting a real war on drugs.

(b) RESTRICTION ON ASSISTANCE.—Unless the President certifies to the Congress that the Government of the Dominican Republic has extradited or expelled Daniel Mirambeaux to the United States, no United States assistance (including funds appropriated before the date of enactment of this Act) may be furnished for the Dominican Republic.

(c) DEFINITION.—For purposes of this section, the term "United States assistance" means assistance of any kind which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government, including—

(1) assistance under the Foreign Assistance Act of 1961 (including programs under subchapter A of chapter 5 of title I);

(2) sales under the Defense Trade and Export Control Act; and

(3) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

except that the term "United States assistance" does not include (A) international narcotics control assistance under chapter 2 of title III of the Foreign Assistance Act of 1961, (B) assistance which involves the donations of food or medicine, (C) disaster relief assistance (including any assistance under chapter 6 of title I of the Foreign Assistance Act of 1961), (D) assistance for refugees, (E) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or the Executive Order Number 12333 (December 4, 1981); or (F) commercial export promotion activities of the Department of Agriculture, including the Commodity Credit Corporation.

By Mr. NIELSON of Utah:

—Page 488, insert the following after line 19:

SEC. 8[illegible]. REOPENING SCHOOLS IN THE WEST BANK.

(a) FINDINGS.—The Congress finds that—

(1) on January 20, 1989, the civil administration of the Israeli Government announced that all 1,194 primary, preparatory, and secondary schools, as well as kindergartens, in the West Bank would be closed "until further notice";

(2) the Israeli civil administration issued similar closure orders on February 3, 1988, and on July 21, 1988;

(3) universities and community colleges in the West Bank have been closed for over one year;

(4) the closure orders have affected all West Bank schools, including public, private, and United Nations Relief and Works Agency (UNRWA) schools, as well as vocational training centers and universities;

(5) the school closures affect 300,000 school aged children and 18,000 university and community college students, or roughly 40 percent of the population of the West Bank;

(6) the continuation of education in any form, including informal makeup classes outside of school premises or the distribution of homework, is prohibited;

(7) the school closures have the most profound impact on primary-aged schoolchildren in as much as educators believe the denial of instruction to students at certain stages in their education leaves serious gaps in their cognitive development which are very difficult to correct at a later stage;

(8) Article 50 of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War (Convention IV) states that "The Occupying Power shall, with the cooperation of the national and local authorities, facilitate the proper working of all institutions devoted to the care and education of children";

(9) Article 33 of that Convention specifies that "No protected person may be punished for an offense he or she has not personally committed";

(10) reopening the schools on the West Bank would make an important contribution to improving relations between Palestinians and the Government of Israel; and

(11) reestablishing a more normal educational environment on the West Bank would be an important step toward creating a climate in the West Bank and Gaza which is more conducive to progress toward peace and in which mutually acceptable local elections could take place, a proposal put forward by Israeli Prime Minister Shamir during his recent visit to the United States.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that Israel should take immediate steps to reopen schools in the West Bank.

—Page 588, add the following after line 7:

SEC. 1404. REOPENING SCHOOLS IN THE WEST BANK.

(a) FINDINGS.—The Congress finds that—

(1) On January 20, 1989, the civil administration of the Israeli Government announced that all 1,194 primary, preparatory, and secondary schools, as well as kindergartens, in the West Bank would be closed "until further notice";

(2) the Israeli civil administration issued similar closure orders on February 3, 1988, and on July 21, 1988;

(3) universities and community colleges in the West Bank have been closed for over one year;

(4) the closure orders have affected all West Bank schools, including public, private, and United Nations Relief and Works Agency (UNRWA) schools, as well as vocational training centers and universities;

(5) the school closures affect 300,000 school aged children and 18,000 university and community college students, or roughly 40 percent of the population of the West Bank;

(6) the continuation of education in any form, including informal makeup classes outside of school premises or the distribution of homework, is prohibited;

(7) the school closures have the most profound impact on primary-aged schoolchildren in as much as educators believe the denial of instruction to students at certain stages in their education leaves serious gaps in their cognitive development which are very difficult to correct at a later stage;

(8) Article 50 of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War (Convention IV) states that "The Occupying Power shall, with the cooperation of the national and local authorities, facilitate the proper working of all institutions devoted to the care and education of children";

(9) Article 33 of that Convention specifies that "No protected person may be punished for an offense he or she has not personally committed";

(10) reopening the schools on the West Bank would make an important contribution to improving relations between Palestinians and the Government of Israel; and

(11) reestablishing a more normal educational environment on the West Bank would be an important step toward creating a climate in the West Bank and Gaza which is

more conducive to progress toward peace and in which mutually acceptable local elections could take place, a proposal put forward by Israeli Prime Minister Shamir during his recent visit to the United States.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that Israel should take immediate steps to reopen schools in the West Bank.

By Ms. OAKAR:

—Page 502, after line 9, insert the following new section:

SEC. 628. ASSISTANCE FOR LEBANON.

Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $7,500,000 for fiscal year 1990 and not less than $7,500,000 for fiscal year 1991 shall be available only for Lebanon.

By Mr. RITTER:

—Page 526, add the following after line 24:

SEC. 910. PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—The Congress finds that—

(1) military troops of the Government of the People's Republic of China, on June 4, 1989, used brutal force to attack and kill peaceful demonstators gathered in support of freedom and democracy;

(2) the Government of the People's Republic of China has not respected the human rights of the Chinese people in time of peace, and, since June 4, has continued its campaign of violent repression, propaganda, mass arrests, and executions;

(3) the Government of the People's Republic of China threatens regional security, because governments that have little regard for the human rights of their people are much more likely to provoke war and irrationally exploit and expend their citizens during time of war; and

(4) one fifth of the world's population lies within the borders of the People's Republic of China, and the recent human rights violations and propaganda in that country may have national security implications for Hong Kong, Korea, Vietnam, and Taiwan.

(b) STATEMENT OF THE CONGRESS.—The Congress urges the President to direct the United States Ambassador to the United Nations to bring before the United Nations Security Council, for reasons of regional stability and peace, a resolution condemning the violent repression, mass arrests, and executions of peaceful demonstrators by the Government of the People's Republic of China.

—On page 527, after line 8, insert the following:

It is the sense of the Congress to condemn the Soviet Union for its continued violation of the so-called "Geneva Accords" signed on April 14, 1988. The Soviet Union has, since it announced its complete withdrawal in January, continued to supply the government of the Democratic Republic of Afghanistan. Further, the Soviet Union continues to airlift extensive supplies into the Democratic Republic of Afghanistan at a rate of 65 daily flights.

Resolved, the Congress should state its unqualified and unwavering support for Mujahideen freedom fighters and it should be the policy of the United States to supply the Mujahideen with all weapons necessary, especially advanced anti-aircraft weaponry sufficient to cause the Soviet airlift to cease.

—Page 535, after line 10, insert the following:

SEC. 625. MINES IN AFGHANISTAN.

(a) FINDINGS.—The Congress finds that—

(1) the millions of Afghan refugees living in Pakistan threaten the stability of Pakistan's fledgling democracy; and

(2) these refugees cannot return to Afghanistan or make use of the land in Afghanistan because of the extreme life-threatening danger of mines deployed by the Soviet Union.

(b) UNITED STATES ASSISTANCE TO CLEAR MINES.—The Congress urges the President to provide such assistance as the President deems necessary for the purpose of clearing mines in Afghanistan if the President determines that adequate and timely progress is not being made by the United Nations in clearing those mines.

By Mr. ROHRABACHER:

—On page 37, strike out line 18 and all that follows through line 16 on page 38 and insert in lieu thereof the following:

"(2) GOALS OF PLAN.—The plan developed pursuant to paragraph (1) shall include specific quantifiable poverty-alleviating goals and the target dates for reaching these goals, including, as appropriate for particular countries, the goal of reducing by the year 2000 the proportion of the population living in absolute poverty by at least 50 percent of that proportion in 1980, and such other specific quantifiable goals, consistent with the achievement of the basic objectives set forth in section 1102, as the President determines to be crucial to measurably eliminating the worst aspects of absolute poverty."

—Page 520, after line 24, insert the following:

SEC. 910. ASSISTANCE TO DISPLACED BURMESE ALONG THE THAI-BURMA BORDER.

(a) AUTHORITY TO USE FUNDS.—For each of the fiscal years 1990 and 1991, not less than $3,000,000 of the funds described in subsection (b) shall be used for humanitarian assistance for displaced Burmese on both sides of the Thai-Burma border, including Burmese students who fled to the border after the suppression of popular demonstrations in 1988. Such assistance shall include the provision of food, medicine, medical supplies, medical training, and clothing.

(b) FUNDS WHICH MAY BE USED.—The funds which are to be used pursuant to subsection (a) each fiscal year are any funds that—

(1) are hereafter made available for that fiscal year for development assistance or economic support assistance; and

(2) are not earmarked for a specific country, organization, or purpose.

(c) CERTAIN RESTRICTIONS NOT APPLICABLE.—Section 3262 of the Foreign Assistance Act of 1961 shall not apply with respect to the humanitarian assistance for displaced Burmese provided for in this section.

By Mr. SMITH of New Jersey:

—Page 511, after line 25, add the following:

SEC. 662. UNITED STATES POLICY TOWARDS SOCIALIST REPUBLIC OF ROMANIA.

(a) FINDINGS.—The Congress finds that—

(1) the Government of the Socialist Republic of Romania continues its flagrant abuse of the human rights of its citizens, including the freedom of religion, the freedom of speech and press, and the rights of ethnic minorities;

(2) Romanian President Nicolae Ceausescu has refused to renounce his plan for forced relocation of Romania's populations into "agro-industrial complexes", and has begun to obliterate as many as half of the country's 13,000 rural villages, thereby systematically destroying family homes, churches and synagogues, and private sources of food;

(3) the people of Romania continue to be harassed and arrested for their religious activities, and houses of worship have been destroyed by government authorities, such as the demolition on May 31, 1989, of the Comanesti Baptist Church near Bacau;

(4) Hungarian, German, and other ethnic minorities have been subjected to a campaign of forced assimilation, including severe restrictions on the use of their own languages in education and on other cultural expressions;

(5) President Ceausescu's economic policies have been formulated to greatly accelerate the repayment of Romania's foreign debt by raising Romania's level of exports and sharply curtailing imports, thereby causing severe shortages of basic food staples and items such as meat, fruit, and vegetables, and requiring the strict rationing of household energy; and

(6) the United States imports certain food products from Romania, such as boned pork, grape wine, and cheese.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the United States should impose sanctions against all food and agricultural products of the Socialist Republic of Romania; and

(2) the President should consult with allied countries to develop a coordinated policy to impose sanctions against Romania, particularly sanctions against food and agricultural products of Romania.

—Page 588, after line 7, add the following:

SEC. 1404. UNITED STATES POLICY TOWARDS SOCIALIST REPUBLIC OF ROMANIA.

(a) FINDINGS.—The Congress finds that—

(1) the Government of the Socialist Republic of Romania continues its flagrant abuse of the human rights of its citizens, including the freedom of religion, the freedom of speech and press, and the rights of ethnic minorities;

(2) Romanian President Nicolae Ceausescu has refused to renounce his plan for forced relocation of Romania's populations into "agro-industrial complexes", and has begun to obliterate as many as half of the country's 13,000 rural villages, thereby systematically destroying family homes, churches and synagogues, and private sources of food;

(3) the people of Romania continue to be harassed and arrested for their religious activities, and houses of worship have been destroyed by government authorities, such as the demolition on May 31, 1989, of the Comanesti Baptist Church near Bacau;

(4) Hungarian, German, and other ethnic minorities have been subjected to a campaign of forced assimilation, including severe restrictions on the use of their own languages in education and on other cultural expressions;

(5) President Ceausescu's economic policies have been formulated to greatly accelerate the repayment of Romania's foreign debt by raising Romania's level of exports and sharply curtailing imports, thereby causing severe shortages of basic food staples and items such as meat, fruit, and vegetables, and requiring the strict rationing of household energy; and

(6) the United States imports certain food products from Romania, such as boned pork, grape wine, and cheese.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the United States should impose sanctions against all food and agricultural products of the Socialist Republic of Romania; and

(2) the President should consult with allied countries to develop a coordinated

policy to impose sanctions against Romania, particularly sanctions against food and agricultural products of Romania.

By Ms. SNOWE:

—Page 526, after line 24, insert the following:

SEC. 910. COMMENDATION OF THE PRESIDENT'S DECISION TO GRANT TEMPORARY SANCTUARY TO CHINESE INTELLECTUALS FANG LIZHI AND LI SHUXIAN.

(a) FINDINGS. The Congress finds that—

(1) the Vienna Convention on Diplomatic Privileges and Immunity and traditional international law uphold the rights of diplomatic missions to use their status as diplomatically inviolable to provide temporary sanctuary to individuals who are in imminent personal danger because of their political beliefs;

(2) on June 4, 1989, a day after the massacre of hundreds of unarmed Chinese citizens in the vicinity of Tiananmen Square by Chinese military units, the United States exercised its rights under international law to grant temporary sanctuary at the United States Embassy in Beijing to the noted Chinese intellectuals and advocates of peaceful democratic reform, Fang Lizhi and Li Shuxian; and

(3) actions by the Government of the Peoples Republic of China subsequent to the June 3, 1989 massacre of pro-democracy demonstrators in the vicinity of Tiananmen Square, including mass arrests and summary executions of unarmed demonstrators, underscores the continuing danger to the personal safety of Fang Lizhi and Li Shuxian.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should be commended for his courageous and appropriate action in swiftly providing temporary sanctuary to Fang Lizhi and Li Shuxian at the United States Embassy in Beijing;

(2) the President should continue to provide temporary sanctuary to Fang Lizhi and Li Shuxian at the United States Embassy in Beijing to ensure their personal safety;

(3) the Government of the Peoples Republic of China should grant amnesty to those who were involved in the pro-democracy demonstrations in China, should release all those being held for their participation in the demonstrations, and should stay any further executions of such individuals; and

(4) the Government of the Peoples Republic of China should end martial law in China and seek a national reconciliation with its citizens who have demonstrated so courageously their yearnings and hopes for democratic reform and greater respect for internationally recognized human rights in the Peoples Republic of China.

By Mr. SOLARZ:

—Page 520, line 25, strike out "(a) AUTHORIZATION.—"; and page 521, strike out lines 4 through 19 (including paragraph (3) as added by the amendments offered en bloc by Mr. Fascell of Florida on June 21, 1989).

By Mr. SOLOMON:

—Page 402, after line 2, insert the following:

"SEC. 5509. DRUG TESTING.

"The President shall require random drug testing of officers and employees of the United States assigned to carry out any assistance program funded under this Act."

—Page 402, after line 2, insert the following:

"SEC. 5509. DRUG TESTING.

"The President shall require random drug testing of officers and employees of Federal agencies assigned to carry out any assistance program funded under this Act."

—Page 454, strike lines 9 through 17.

—Page 482, after line 8, add the following new section;

"SEC. 765. RESTRICTION ON ASSISTANCE TO THE DOMINICAN REPUBLIC.

"(a) FINDINGS.—The Congress finds that—

"(1) on October 18, 1988, Daniel Mirambeaux, having allegedly just committed a drug-related robbery, allegedly shot and killed New York City Police Officer Michael Buczek;

"(2) Mirambeaux fled the scene of the shooting and escaped to the Dominican Republic, where he is a citizen and where he is in custody on unrelated charges;

"(3) the United States has been unsuccessful in negotiating the return of Mirambeaux to the United States to stand trial; and

"(4) this case is a major test of how committed the Dominican Republic is to fighting a real war on drugs.

"(6) RESTRICTION ON ASSISTANCE FOR THE DOMINICAN REPUBLIC.—

"(1) RESTRICTION ON ASSISTANCE.—Unless the President certifies to the Congress that the Government of the Dominican Republic has extradited or expelled Daniel Mirambeaux to the United States, no United States assistance (including funds appropriated before the date of enactment of this Act) may be furnished for the Dominican Republic.

"(2) DEFINITION.—For purposes of this section, the term "United States assistance" means assistance of any kind which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

"(A) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I of such Act);

"(B) sales, credits, and guaranties under the Arms Export Control Act;

"(C) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

"(D) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; and

"(E) financing under the Export-Import Bank Act of 1945,

except that the term "United States assistance" does not include (A) international narcotics control assistance under chapter 8 of part I of the Foreign Assistance Act of 1961, (B) assistance which involves the donations of food or medicine, (C) disaster relief assistance (including any assistance under chapter 9 of part I of the Foreign Assistance Act of 1961), (D) assistance for refugees, or (E) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or the Executive Order Number 12333 (December 4, 1981).

"(C) SUSPENSION OF MULTILATERAL ASSISTANCE.—Unless the President makes the certification described in subsection (b)(1), the Secretary of the Treasury shall instruct the United States executive directors of the International Bank for Reconstruction and Development, the International Development Association, and the Inter-American Development Bank to vote against any loan or other utilization of the funds of their respective institution to or for the Dominican Republic.

"(d) SUSPENSION OF AIR TRAVEL.—

"(1) IN GENERAL.—Unless the President makes the certification in subsection (b)(1)—

"(A) the President shall direct the Secretary of Transportation to revoke the right of any air carrier designated by the Government of the Dominican Republic under the air transportation agreement between the United States and that country to provide service pursuant to that agreement;

"(B) the Secretary of State shall terminate that agreement in accordance with the provisions of that agreement;

"(C) upon termination of that agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the Government of the Dominican Republic or by nationals of that country from engaging in air transportation with respect to the United States; and

"(D) the Secretary of Transportation shall provide for such exceptions from the prohibition contained in paragraph (C) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

"(2) DEFINITION.—For purposes of this subsection, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

"(e) ELIMINATION OF THE SUGAR QUOTA ALLOCATION OF THE DOMINICAN REPUBLIC.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, no sugars, sirups, or molasses that are products of the Dominican Republic may be imported into the United States after the date of enactment of this Act during any period for which a limitation is imposed by any other law on the total quantity of sugars, sirups, and molasses that may be imported into the United States.

"(2) REALLOCATION OF QUOTA AMOUNTS.—The United States Trade Representative shall reallocate among other foreign countries the quantity of sugar, sirup, and molasses products of the Dominican Republic that could have been imported into the United States before the date of enactment of this Act under any limitation imposed by law on the total quantity of sugars, sirups, and molasses that may be imported into the United States during any period.

"(3) CONFORMING AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULE.—

"(A) Paragraph (c)(i) of headnote 3 of the Additional U.S. Notes to chapter 17 of the Harmonized Tariff Schedule of the United States is amended by striking out the item relating to the Dominican Republic in the table.

"(B) Paragraph (c) of headnote 3 of the Additional U.S. Notes to chapter 17 of the Harmonized Tariff Schedule of the United States is amended by adding at the end thereof the following new subparagraph:

"(iv) Notwithstanding any authority given to the United States Trade Representative under paragraphs (e) and (g) of this headnote, no allocation may be made to the Dominican Republic of any portion of any limitation imposed under any paragraph of this headnote on the quantity of sugars, sirups, and molasses described in the subheadings listed in paragraph (a)(i) of this headnote which may be entered.".

"(4) EFFECTIVE DATE.—

"(A) The provisions of paragraphs (1) and (2), and the amendments made by paragraph (3), shall cease to apply if the President makes the certification described in subsection(b)(1).

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(B) On the day after the date on which the President makes the certification referred to in subparagraph (A), the United States Trade Representative shall allocate to the Dominican Republic at least the same percentage of any limitation imposed by any other law on the total quantity of sugars, sirups, and molasses imported into the United States that was allocated to the Dominican Republic on the day before the date of enactment of this Act.

"(f) DENIAL OF TRADE PREFERENCES AND IMPOSITION OF ADDITIONAL DUTY.—Notwithstanding any other provision of law, unless the President makes the certification described in subsection (b)(1)—

"(1) the President shall terminate, withdraw, or suspend any portion of any trade agreement or treaty to the extent the agreement or treaty requires the provision of nondiscriminatory (most-favored-nation) trade treatment to the Dominican Republic,

"(2) the Dominican Republic shall be denied nondiscriminatory (most-favored-nation) trade treatment by the United States and the products of the Dominican Republic shall be subject to the rates of duty set forth in rate of duty column number 2 of the Harmonized Tariff Schedule of the United States,

"(3) the provisions of title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.) shall not apply with respect to the products of the Dominican Republic,

"(4) the provisions of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701, et seq.) shall not apply with respect to the products of the Dominican Republic, and

"(5) the products of the Dominican Republic that do not receive duty-free treatment on the day before the date of enactment of this Act shall be subject to an additional duty at the rate of 50 percent ad valorem.".

By Mr. WOLPE:

—Page 566, after line 25, insert the following:

SEC. 1031. APPLICATION OF PROVISION TO EARMARKED FUNDS FOR SUB-SAHARAN AFRICA.

Section 5303 of the Foreign Assistance Act of 1961 shall not apply with respect to the funds described in sections 1021 and 1022 of this title.

The Sen
expiration
called to
ROBERT K
State of N

The Ch
ard C. Hal
lowing pra
Let us p
* * * bu
among yo
whosoever
shall be se
Gracious
we thank
among us
rarely see
form the
behind th
without t
function.
May Th
Your serv
and grou
subways,
for those
clerks, an
secretarie
Loving
hundreds
who keep
operating
is the serv

APPO
PRES

The P
clerk will
to the S
tempore
The le
ing letter

To the Se

Under t
of the St
hereby ap
KERREY, a
braska, to

Mr. K
the chair
pore.

RE
I

The AC
pore. Th
nized.

SENATE—*Thursday, June 22, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *but whosoever will be great among you, shall be your servant: And whosoever of you will be the chiefest, shall be servant of all.*—Mark 10:43, 44.

Gracious God our Heavenly Father, we thank Thee for all who serve among us, especially those who are rarely seen or heard about, who perform their tasks daily, faithfully behind the scenes. We recognize that without them, the Senate could not function.

May Thy blessing rest upon all of Your servants who maintain property and grounds, who run elevators and subways, who prepare and serve food, for those who provide security, for clerks, and receptionists, for pages and secretaries.

Loving God, keep us mindful of the hundreds of unseen, unsung heroes who keep the machinery of the Senate operating efficiently. In His name who is the servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 22, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KERREY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business not to extend beyond 10:30 a.m. with Senators permitted to speak therein up to 5 minutes each.

The Senate will resume debate on S. 5 at 10:30 a.m. At that time, under the provisions of the unanimous-consent agreement entered into yesterday, the Senate will begin 90 minutes of debate on the Dole amendment to the Mitchell substitute. Senator DOLE will control 60 minutes of the time and the remaining 30 minutes will be under the control of Senator DODD. Vote on the Dole amendment will occur at 12 noon.

In addition, should the Dole amendment be defeated, another vote will occur immediately on the Mitchell substitute amendment. Senators should be on notice, therefore, that one vote, at least, will occur at noon and the possibility exists of two votes occurring back to back at that time.

Other votes are likely in relation to this legislation during the remainder of the day and into this evening. Senators should be on notice that there will be a late evening today, with the possibility of several rollcall votes.

SEVEN MORE EXECUTIONS IN CHINA

Mr. MITCHELL. Mr. President, yesterday I began my remarks by quoting from an Associated Press report regarding the events in China of the previous day. I do so again today.

Today, this very morning, the Associated Press reports the following:

> Seven more "rioters" were executed today, bringing to 27 the number reported put to death in 2 days for their roles in protests against the violent suppression of the pro-democracy movement.
>
> The official Xinhua News Agency said the seven people executed in Beijing today were convicted of setting army trucks on fire, stealing army goods or assaulting soldiers when the military invaded the capital on June 3-4.
>
> The executions were carried out despite international pleas for clemency.
>
> They came a day after three men were executed in Shanghai for setting fire to a train June 6 after it ran through a barricade, striking and killing six protesters.

Mr. President, yesterday I described the three executions reported the previous day as barbarous acts deserving our strongest condemnation. What then can be said of seven more executions yesterday? This is indeed deplorable.

I am saddened by the President's refusal to give outlet to the feelings of the American people about these executions which now have reached the point which can only be described as organized murder—terror by a government against its own people seeking to intimidate them to permit that government to remain in power.

Only the President of the United States speaks for all Americans. Only the President of the United States is the leader of the free world. I understand and appreciate the delicate situation in which the President finds himself, and I support his stated desire to maintain, if possible, some relationship with the Chinese Government.

But, I ask—I urge—the President to condemn these actions personally and in the strongest possible terms, to give voice to the feelings of the overwhelming majority of the American people who are outraged and revolted by these executions in China.

I ask the President to remember that the Chinese Government is an institution that will exist beyond the men now organizing and directing this mass terror. And if we want relations with the Chinese Government—especially because, in my view, this Chinese Government cannot permanently endure, given its brutal acts against its own people—then we must make clear how America feels and where America stands on this issue.

This has become a moral issue of worldwide consequence and proportion. For over a half century the world has looked to the United States as the arsenal of democracy, the beacon of freedom, the voice of self-government and self-determination. We cannot and we must not duck and dodge and refuse to make our views known at such a critical moral point in not only Chinese but in human history.

The recent events in China and the Soviet Union demonstrate clearly for all to see just how universal is the human desire for freedom and eco-

nomic opportunity and how totally communism has failed to provide either.

They represent, in the strongest possible way, a ringing endorsement of American democracy and the concept of self-determination for which we have stood for two centuries.

It is the President of the United States and he alone who can give voice to American ideals; to, in this case, American outrage at what is occurring.

I urge the President to do so. I ask him not to refuse to answer questions about these matters, but to step forward voluntarily to speak out, to give voice to what the American people feel and what the American people think and what the American people want their President to say.

Mr. President, Prime Minister Thatcher, of Britain, said she was utterly appalled by the executions. Australian Prime Minister Hawke called them intolerable. New Zealand Prime Minister Lange expressed his revulsion. The Japanese Government, the French Government, governments the world over expressed the revulsion that their people are feeling.

The United States, as the leader of the world's democracies, as the symbol of freedom throughout the world, should be leading, not following, in this instance. I urge the President to assume the proper role as spokesman for the American people, as leader of the free world, and condemn these actions in the strongest possible terms, conveyed directly to the Chinese leadership, of the disastrous consequences of the course which they are now pursuing.

RESERVATION OF LEADERS' TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and I reserve the leader time of the distinguished Republican leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators to speak therein for not to exceed 5 minutes each.

The Senator from Iowa.

A PLEA TO THE PRESIDENT

Mr. GRASSLEY. Mr. President, before I speak on an agricultural issue, I want to associate myself fully and completely with the remarks just made by the distinguished majority leader. And, as one Republican Senator, just speaking for myself, I plead with the leader of my party, the President of the United States. He is my President and he is my leader. So many of the things he has done this year as President have shown such outstanding leadership I beg and ask that he take strong action as well as make the statement that the majority leader has just now spoken to. I ask him that as a friend. I ask him that as a member of his party and out of respect for his leadership.

(The further remarks of Mr. GRASSLEY pertaining to the introduction of S. 1221 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PRIVILEGE OF THE FLOOR

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Vicki Huddleston, who is an APSA congressional fellow working with my staff, be allowed to be on the floor today during my introduction of a bill on missile control technology.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from South Dakota.

CHINA

Mr. DASCHLE. Mr. President, I just had the good fortune to hear what was, in my view, one of the most compelling speeches yet to be spoken on the Senate floor with regard to China and the need for this Nation to speak out on the tragic situation there.

Our majority leader spoke eloquently and convincingly. I hope the President, and others who are in a position to guide U.S. policy toward China, heard those remarks. For I believe the majority leader speaks for the vast majority of American people who are disappointed and frustrated at the lack of response to what we now see in China.

It is my hope the President will heed those words and that those who have the opportunity to persuade him to do so will urge the President to speak out about what has to be one of the most horrendous examples of fundamental human rights violations that we have seen in a very long time.

Although I did not come to the floor this morning to speak about human rights, I think we could spend the bulk of this morning's business doing so, especially in relation to China. I know this will be the source of a good deal of discussion and debate in the coming days, and I want to echo the majority leader's words of support for the Chinese people who are struggling for freedom and suffering unjustly at the hands of their own Government.

THE RURAL PARTNERSHIPS ACT OF 1989

Mr. DASCHLE. Mr. President, often when we think about America today we think of it in a convenient way, as a unanimous, homogeneous people of 240 million strong. We underestimate the diversity that exists among our people, places, and cultures.

As I look at America today, there are really two Americas. There is the America you see as you drive down Pennsylvania Avenue, with new construction and bustling activity, representing what is, in a sense, a growing optimism about this economy and future generations. But there is another America, the America that the Presiding Officer and I see each and every time we go home: of people who live in poverty, now some 9 million; of people who are unemployed, now more than 2 million; of tens of thousands of people every day who pack up and leave behind their homes—their homes, their farms, their small communities, and their way of life. We see vibrant communities we knew in our childhood now turning into ghost towns with boarded up buildings and broken glass.

In many respects, it is reminiscent of another time, another desolate period in American rural history—the Great Depression. A time when the fields were dried up by drought and the wind took them away, filling the ditches full of dust and topsoil. A time when people left the land as they do today, and rural America was a place of dirt roads, no electricity, no plumbing.

Fifty years ago, this Senate and our Nation responded to the Great Depression, the deprivation, the unemployment, the poverty, the terrible situation that existed back then. We built roads and bridges. We brought electricity to the farms and the small towns for the first time. We extended credit. We brought programs to rural America that improved their lot, gave them hope and brought generations back to those small communities. And for 50 years that worked well. We did it because we recognized that rural America was a way of life. Rural Americans are hardworking people caught in a different kind of wind, the shifting winds of a global economy, but they love their way of life. They love the values upon which their life is built. They fear that if they give up that way of life, they will lose those values.

Now we are moving into the 21st century, and just as our programs 50 years ago brought an infrastructure and a technology to advance into the 20th century, we now need a new infrastructure, and new technologies to move into the next one. That really is the whole purpose behind the bill passed recently by the Senate Agriculture Committee, the Rural Partnerships Act of 1989, S. 1036. It reaffirms the 50-year-old commitment we have made in rural America. It is only one step up the ladder of recovery—investing in job creation, advanced telecommunications, education, and water and sewer infrastructure. The next step, obviously, is going to be to provide rural hospital legislation, something

the Senate Finance Committee is working on this very day, and the rural housing legislation as well. It is important as we look at these programs that we not reinvent the wheel, that we recognize that there are some programs that already exist that need not be replicated. It is also important that we recognize that the best thing we can do for rural America is to give our farmers a fair price.

The Rural Partnerships Act supplements the basic commodity programs, much as many of us supplement our diets with vitamins to make sure that we have the basic building blocks to stay healthy. We do not need to create a new bureaucracy. We do not need to replace the ideas that have worked well in the past. We need to use local know-how as much as possible. Mostly, we need to stop the bleeding.

And rural America is bleeding. A slow and steady stream of people leave each year. I once visited a school and asked more than 100 schoolchildren if they liked where they lived, if they enjoyed the rural way of life; and all 100-plus kids raised their hand. I then asked, do you expect to be here as adults? Out of that 100-plus body of rural students, four raised their hands. What a prophecy. What a classic demonstration of the bleeding that is taking place, the outflow, the out-migration of our best talent and our best hope for the future. That is what this bill is about. To give people a chance to make a living where they want to live, to stop the bleeding in rural America.

I yield the floor.

The PRESIDING OFFICER (Mr. KOHL). The Senator from New Mexico is recognized.

Mr. BINGAMAN. I thank the Chair.

(The remarks of Mr. BINGAMAN pertaining to the introduction of S. 1227 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. I thank the Chair.

(The remarks of Mr. DIXON pertaining to the introduction of S. 1222 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

RURAL DEVELOPMENT

Mr. SANFORD. Mr. President, one of my top priorities for this legislative session is the passage of comprehensive rural development legislation. It is time to focus Federal attention on the economic and human resource needs of rural communities throughout the Nation. These communities have often been ignored by Federal assistance efforts and left out of the economic prosperity of the 1980's.

I commend the distinguished majority leader, Senator MITCHELL, on his strong personal support for legislation that benefits rural America. Senator MITCHELL has been instrumental in the development of the Rural Housing Task Force. This task force will continue to coordinate diverse, legislative initiatives on the issues of rural business development, health care, education, infrastructure, telecommunications, and housing—just to name a few. His leadership will also catalyze quick consideration of rural development legislation by the Senate.

I also want to express my deep appreciation to Senator LEAHY, the chairman of the Agriculture Committee, whose tireless efforts have produced legislation that addresses many of the serious problems in rural areas. In addition, I congratulate Senator SASSER for his leadership in including additional funding for rural development in the fiscal year 1990 budget resolution.

The need for rural development legislation is clear. In the last decade, high interest rates, a strong dollar, and a changing national economy contributed to serious declines in agriculture and manufacturing—two staples of rural economic growth. Job displacement and plant closings sustained high rates of rural unemployment and poverty. This economic stagnation has forced almost 500,000 people to migrate from rural communities to the urban centers of the Nation each year.

In my home State, the economic divergence between rural and metropolitan communities has been particularly acute. The unemployment rate in rural North Carolina is 44 percent higher than the rate in urban areas of the State, while job growth remains one-third slower. The proportion of the rural population with less than a ninth grade education is almost twice the percentage in urban areas. In addition, 60 percent more rural residents live in poverty than urban residents. I could go on quoting statistics—and the numbers are deplorable—but simply put: rural counties have fallen behind and the gap is widening. We must improve the quality of rural life and provide the basic tools to make rural communities competitive.

The Federal Government cannot expect the problems in rural America to correct themselves until it addresses the key impediments that limit rural development. Communities that have long been dependent upon agriculture or other resource-based economies must receive incentives to diversify their economic base and develop new industrial opportunities. Essential infrastructure needs must also be met to improve the quality of life in rural communities, to install up to date communication and transportation systems, and to provide decent housing opportunities. The development of leadership in rural communities is equally important, along with the improvement of educational opportunity and quality.

The Rural Partnerships Act of 1989, introduced by Senator LEAHY, provides a comprehensive attack on the stagnation and despair in rural America. This legislation injects capital into rural businesses to encourage economic growth and business diversification. It authorizes and expands Federal infrastructure programs and provides critical technical assistance to rural areas. In addition, it funds advanced technology in rural schools and hospitals to encourage the human resource development necessary to sustain growth. Rural America is not looking for a handout from the Federal Government; it is looking to develop the economic and social base necessary to carry rural communities into the 21st century.

Mr. President, the basic needs of 61 million rural Americans can no longer be ignored by the Federal Government. The Rural Partnerships Act of 1989 invests in the future of our Nation's rural communities in a comprehensive fashion. I strongly support this legislation, and I hope that it will receive immediate consideration by the Senate.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. LIEBERMAN] is recognized.

Mr. LIEBERMAN. I thank the Chair.

(The remarks of Mr. LIEBERMAN pertaining to the introduction of S. 1223 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PRIVILEGE OF THE FLOOR

Mr. HEFLIN. Mr. President, I ask unanimous consent that Dr. Marvin Konyha, who is serving me as a member of the Senate Agriculture Committee staff, and who is a fellow from the Department of Agriculture, have the privileges of the floor today.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SUPREME COURT'S AMERICAN FLAG DECISION

Mr. HEFLIN. Mr. President, I want to address two subjects.

First, I want to address the decision yesterday of the U.S. Supreme Court in which it, in effect, authorized the desecration of the American flag. In my judgment, yesterday, June 21, 1989, was a sad day for America. It was a sad day for patriotism, and a sad day for Old Glory.

While I am a strong believer in the first amendment rights, nevertheless, I recognize that first amendment rights are not unlimited. There have been numerous decisions of the Supreme Court that limit freedom of expression. One that is most known to the American people is the case in which the Supreme Court held that you cannot holler "fire" in a crowded theater because of the potential danger to the people who may be there. There is a long line of decisions which, in effect, holds that if there is danger to individuals or danger to society as a

whole that might be created by the expression of certain words, certain labels, or certain things that might occur, then these expressions do not come within the protection of the first amendment rights.

To me, this decision injures the life and soul of America. It injures the heart of America. The heart of America is patriotism, and the muscle of the heart of America is the American flag.

I feel this decision was judiciously wrong. I think the American people will rise up in protest against this decision. I think they have the right to do so.

I feel it was wrong for this country, it was wrong for patriotism, and it was judiciously wrong. The Star Spangled Banner ends by saying, does the "Star Spangled Banner" yet wave over the land of the free and the home of the brave. I think it comes through loud and clear that if we are to be the land of the free, we must first be the home of the brave. And the home of the brave, in my judgment, has been injured by this decision.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. President, I want to compliment the able Senator from Alabama for the remarks he just made. I think this decision is an improper decision. It is not in thinking at all with the people of America.

I received a call this morning from a radio station in Anderson, SC. They said they have had hundreds of calls about this, and every one of them was against this decision except one—hundreds against one. I think that is the thinking of the American people.

I want to say further that I am now having prepared a constitutional amendment to offset this decision, and I hope we can get quick action by the Congress. I hope the able Senator from Alabama will join on that amendment.

Mr. HEFLIN. I will be delighted to be a cosponsor.

Mr. THURMOND. I thank the Senator very much.

STARS AND STRIPES FOREVER

Mr. PRESSLER. Mr. President, I was very disturbed that the Supreme Court ruled that an American flag could be burned in public, and that it was no violation of law.

As a Vietnam veteran myself, I was outraged at this fact—that our flag can be burned in public. I believe that we should find a legislative way to address this problem. We should be proud of our country and of our flag. However, the Supreme Court has authority to interpret our Constitution.

I am one who has frequently said that we should approve people to the Supreme Court who share the philosophy of the majority of Americans. Certainly, this ruling by our Court is a bad reflection on Washington, and a bad reflection upon the Supreme Court.

I am told by legislative counsel that a bill or a law specifically aimed at this decision theoretically would be unconstitutional. I am exploring with legislative counsel a way of addressing this matter. But, in any event, let us remember this case in our future debates on who should be appointed to the Supreme Court. I remember well the Bork debate. I voted with pride for Judge Bork.

I think the Supreme Court is out of step with the American people, and as one Senator and one citizen I am very distressed over the flag burning decision of yesterday.

I am a Vietnam veteran, and like so many other veterans, the flag has a deep personal meaning for me. I never fail to experience a feeling of pride when I see our flag flying, in front of a military base or on the top of the U.S. Capitol, or elsewhere. The flag is a living symbol of the principles for which our great country stands—liberty and justice for all.

I disagree with the decision made by the Supreme Court yesterday because it does not express the ideals of South Dakotans and other Americans. That is why I am cosponsoring a constitutional amendment to overturn the Court's decision.

Many great writers have written about the "Stars and Stripes." Today, in 1989, this symbol of our Nation has as much great meaning as it did for our forefathers who wrote the Pledge of Allegiance and "The Star Spangled Banner."

Yesterday, Justice Brennan of the Supreme Court said, "We do not consecrate the flag by punishing its desecration, for in doing so we dilute the freedom that this cherished emblem represents." But, let us not forget that the flag also stands for liberty, national unity, and democracy. These values and ideals also must be upheld in the courts of the United States.

All Americans have recited the following words:

> I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

I join with my colleagues in supporting an amendment to the Constitution that would uphold the ideals and values represented by the American flag by protecting the flag itself from desecration.

RURAL DEVELOPMENT

Mr. HEFLIN. Mr. President, the 1980's have not been good times in much of rural America. Rural problems run much deeper than agriculture, with its well-known income crisis. They include depressed conditions in forestry, mining, and light manufacturing. These rural problems cut a wide swath across our rural communities, and center on issues of jobs, community facilities, and human development.

These rural conditions persist for many reasons not under the control of our rural people. Even though rural poverty is one-third higher than urban poverty, the rural poor are generally the working poor—due to low wages, less than full-time employment, or low skill levels. While 80 percent of waste water treatment systems not in compliance with EPA standards are in rural areas, only 8 percent of EPA Sewage Treatment Grant Program funds have gone to rural communities. And, even though Federal per capita program expenditures have been lower in rural than in urban areas, budget cuts have further reduced these Federal programs nearly 50 percent in the 1980's.

Even in these economic hard times, rural people continue to support public investment in themselves and their communities. They support significant tax efforts, and devote a higher proportion of their income to sales, property, and excise taxes than do their urban and suburban neighbors. Rural people make significant investment in the education of their youth, most of whom have to leave the local rural community to find work, taking this investment with them.

Rural Americans do not want handouts, but they do want a fair share of Federal program expenditures. They are eager to create jobs and improve their communities. Rural people want a renewed partnership with their urban neighbors, with State and Federal governments, and between the public and private sectors.

Although it is only a modest beginning, the Rural Partnership Act will yield significant benefits to the whole Nation as well as to rural people and communities. The act's revolving loan fund will increase rural job opportunities and strengthen public/private partnerships in economic development. The act also strengthens the roles of State and local governments in directing Federal investments to the neediest rural areas. Through improved telecommunications, the act will help improve rural educational and health service systems, leading to a better skilled work force that can be more competitive in world markets. The act will improve water supplies, help diversify forestry dependent counties, and help reduce pressures on urban growth and suburban sprawl. And the act will increase the role and involvement of the research and outreach components of the Nation's land-grant universities in assisting local rural development efforts.

Rural economic development efforts must begin with local initiative and be guided by local leadership in both the public and private sectors. It is essential, however, for the Federal Government to be an active partner in these efforts. The time has come for the Federal Government to reaffirm its role and responsibility regarding our 62 million rural citizens, and to help

provide an environment in which local rural economic development efforts can be most effective.

The Rural Partnership Act is an important first step in reaffirming this Federal role and responsibility.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. I thank the Chair.

(The remarks of Mr. THURMOND pertaining to the introduction of S. 1225 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE. Mr. President, I think I still have my leader's time.

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. DOLE. I hope we will be able to extend morning business until 10:45 and slip the first vote from 12 to 12:15.

The PRESIDING OFFICER. The Republican Leader is recognized.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. DOLE pertaining to the introduction of S. 1225 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. I thank the Chair.

(The remarks of Mr. DECONCINI pertaining to the introduction of S. 1225 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

FINANCIAL REPORT OF SENATOR DECONCINI

Mr. DECONCINI. Mr. President, under the rules of the Senate, it is the obligation of Senators to fill out forms classifying their income and the property they own. For the most part, Senators do so with the utmost caution and are careful to include all properties in which they have any ownership, beneficial or otherwise.

It has been my practice since coming to the Senate in 1977 to go well beyond Senate requirements and to submit a statement prepared by an accounting firm showing total assets, total liabilities, and the net worth of both my wife and me. I have always made my financial statements available in this manner. Since 1983, I have made my income tax statements available to the press. This is in addition to all the requirements set forth by Senate rules and laws regarding disclosure.

I have elected to do this because I believe close scrutiny should follow public officials. The public must be assured that an official whose assets and wealth increase during public office is fully accountable. Public officials must meet the highest standards.

It should, however, be noted that public officials are citizens like everyone else and have the property ownership rights of all citizens, and are, therefore, entitled to be remunerated for their investments if they are taken by public eminent domain. If they should sell an investment which generates a profit for them, they are entitled to the fruits of their good judgment or, perhaps, just good luck, whichever the case may be.

I am this day putting in the public record my statement regarding all assets which I own, some of which could at some future date be subject to public condemnation. My involuntary participation in condemnation proceedings in the past was examined at my request by both the Justice Department and the Senate Ethics Committee, and both concluded that my participation was proper under Federal law and the Senate rules.

Although my involvement in the condemnation proceedings was completely proper, I am going to take two additional steps in order to remove any possibility of perception problems that might arise in the future. Henceforth, if any property that I own is subject to condemnation by the Federal Government, I will accept compensation only to the extent of the recapture of my original investment plus a reasonable interest, not to exceed that paid on Treasury notes of less than 12 months. Any real profits that would be due me from such condemnation proceedings will be donated to charity.

I do this with no apologies, but only to demonstrate that it is not my intent to profit from public service. With my full financial disclosure, I have gone the extra mile beyond that which is required by law and Senate rules. I want to go again that extra mile and assure my Arizona constituents that in the event condemnation is exercised against property I own or in which I have a beneficial interest, I will not accept any profit except reasonable interest on the value.

Second, to further avoid even the appearance of conflict where the Federal Government might, in the future, take land through eminent domain for public use, I will refrain from any future speculative purchases of vacant land.

I urge all Members of the Senate to continue to make full and exact public disclosure of their assets and income. This is not a pleasant experience for any of us, but it will help build the sense that elected public officials are credible and honest.

Mr. President, I thank the Chamber and the Chair for their indulgence in this matter and ask unanimous consent that the full statement attached hereto be printed in the RECORD as it fully reads.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DENNIS AND SUSAN DECONCINI STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 1988

TIZZARD PLOTKIN, KNUTTINEN & DONNELLY, P.C.,
Certified Public Accountants, Tucson, AZ, 85711, May 8, 1989.

DENNIS and SUSAN DECONCINI,
Washington, DC.

We have reviewed the accompanying statement of financial condition of Dennis and Susan DeConcini as of December 31, 1988, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in this financial statement is the representation of Dennis and Susan DeConcini.

A review of personal financial statements consists principally of inquiries of the individuals whose financial statements are presented and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying statement of financial condition in order for it to be in conformity with generally accepted accounting principles.

The historical cost information in the accompanying statement of financial condition is presented only for supplementary analysis purposes and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statement. We did not become aware of any material modification that should be made to the supplementary information.

DENNIS AND SUSAN DeCONCINI STATEMENT OF FINANCIAL CONDITION DEC. 31, 1988

	Estimated current value	Historical cost
ASSETS		
Cash, checking and savings accounts	$479,485	$479,485
Certificates of deposit	704,670	704,670
Income taxes, net overpayments	6,016	6,016
Miscellaneous receivables arising from rental properties	32,903	32,903
Note receivable, 4–D Properties (Note 2)	44,191	44,191
Investments:		
Marketable securities (Note 3)	125,243	[illegible]
Real estate (Note 4)	6,745,931	2,838,429
Monterey Water Company (Note 5)	354,396	3,000
Partnerships, closely held (Note 6)	5,423,805	244,408
Partnerships and S-Corporations, not closely held (Note 7)	313,358	139,554
Annuity	40,009	22,573
Vested interest retirement plans:		
Individual retirement accounts (IRA's)	39,383	
Civil service retirement fund	49,049	
Cash value of life insurance (Note 8)	100,178	100,178
Residence (Note 9)	350,000	193,118
Personal property (Note 9)	150,000	85,000
Total	15,968,617	4,959,703
LIABILITIES		
Miscellaneous payables arising from rental properties	13,549	13,549
Line of credit, 4–D Properties, interest at prime + 2%	160,571	160,572
Mortgages:		
Wraparound mortgage (Note 2)	44,191	44,191
Real estate investments (Note 4)	2,323,694	2,323,694
Residence (Note 9)	[illegible]	[illegible]
Total	2,641,054	2,641,054
INCOME TAXES		
Estimated on the difference between the estimated current values of the assets and the estimated current amounts of liabilities and their tax bases. (Note 10)	3,632,941	
NET worth	9,694,622	2,312,467
Total	15,968,617	4,953,521

NOTE 1—BASIS OF ACCOUNTING

The accompanying financial statement includes the assets and liabilities of Dennis and Susan DeConcini. Assets are stated at

their estimated current values and liabilities at their estimated current amounts.

NOTE 2—NOTE RECEIVABLE, 4-D PROPERTIES

In 1985 a residential house on Crystall Drive, San Diego, CA. was sold to 4-D Properties with the underlying mortgage being "wrapped around" the note receivable for the same terms. The monthly receivable/payable is $589 per month including interest at 11%.

NOTE 3—MARKETABLE SECURITIES

The estimated current values of marketable securities are either (a) their quoted closing prices or (b) for securities not traded on the financial statement date, amounts that fall within the range of quoted bid and asked prices. Marketable securities consist of the following:

	Number of shares or bonds	Estimated current values
Stocks:		
American Solar King	200	$156
Fidelity Trend Mutual Fund	268	10,036
First National Corporation	1,743	13,850
James Madison Bank	200	1,250
Laserlechnics, Inc.	1,000	1,750
Liberty Corporation	100	2,600
National Education Corporation	100	1,163
Price Membership Warehouses	100	2,100
Pacific Telecom	200	6,175
Southern Arizona Bancorp of Yuma, Inc	3,150	27,563
The Price Co.	100	7,500
Valley National Corporation	100	17,150
Total		94,243
Bonds: State of Israel	1	1,000
U.S. Treasury bills	3	30,000
Total marketable securities		125,243

NOTE 4—REAL ESTATE

The estimated current values were determined by use of assessed value for property taxes, inquiries of realtors familiar with similar properties in similar areas, acquisition price on recently acquired properties and appraisals of some properties. Ownership is 100 percent unless otherwise noted.

Property descriptions	Estimated current value	Mortgage balance	Mortgage terms: Monthly payment including interest	Mortgage terms: Interest rate	Mortgage terms: Maturity
Joint Interests:					
Alpha Beta Shopping Center, 44th and Broadway Phoenix, AZ (50 percent interest)	$476,818	$384,485	$7,654	9%	1995
Avra Valley/Pioneer Trust, Unimproved land Pima Co., AZ (3.125 percent interest)	3,677				
Cave Creek Shopping Center, Cave Creek and Bell Road, Maricopa Co., AZ (50 percent interest)	375,000	326,670	7,098	9.5	1991
Grant/Oracle Circle II, ground lease Pima Co., AZ (10.89 percent interest)	130,575				
St. Mary's and Silverbell Rd., ground lease Pima Co., AZ (66.67 percent interest)	180,000				
"Shopping Centers" Properties DES Building, 1346 N. Stone Ave. Tucson, AZ (25 percent interest)	275,000	144,859	(1)	9.75	1988
Budget Inn ground lease, 3033 S. 6th Ave., Tucson, AZ (25 percent interest)	11,936				
Ft. Lowell and Mountain Apts., 1240 E. Ft. Lowell, Tucson, AZ (25 percent interest)	115,590	123,164	1,219	11.25	2015
Mockery Village Shopping Center, 6202/6290 E. Speedway, Tucson, AZ (25 percent interest)	806,000	403,374	5,050	12.75	2003
Mountain Vista Condo and Pima Wash, Orange Grove Rd., Tucson, AZ (25 percent interest)	102,500				
Wilmot Terrace Apts., 3255 S. Wilmot Tucson, AZ (25 percent interest)		296,564	$2,605	8.875	2017
	144,274	15,680		10	
Investment properties:					
Cocoa Amber Vacas, Lots 17 and 18, Vacant land Tucson, AZ	108,000				
1133–1135 S. Wilmot Tucson, AZ, vacant land (demolished duplex land)	77,000				
1122 S. 6th Tucson, AZ, vacant land (formerly Victory Outreach)	52,013				
Rancho Sin Vaca, Lot 64, vacant land Tucson, AZ	86,000	58,000	[2] 8,000	10	1995
12th and Michigan Tucson, AZ, vacant land (Sonrana land)	52,060				
12th and Ave, Nat'l. City Annex Pima Co., AZ, vacant land	13,200				
Commercial Properties:					
Action Suds and Circle K, 3812/3816 S. 12th, Tucson, AZ	105,442				
Brockman Building, 2345 E. Broadway, Tucson, AZ	130,000				
L & L Furniture, 1140–1150 S. 6th, Tucson, AZ	200,000				
Las Cantinas, 615 S. 6th Tucson, AZ	100,000				
Pizza Hut 12th and Ave, 605 W. Ave Tucson, AZ	167,811				
39 cent Hamburger, 625 S. 6th Tucson, AZ	75,000				
Residential Properties:					
Canyon View Apartments, 301 Cedar Lane Sedona, AZ	360,000	330,861	3,602	10.25	2018
Carmel By The Sea House, Carmel, CA	300,000	29,000		12	1991
5686 Dolphin Street, La Jolla, CA (House)	475,000				
1901 N. George Mason Drive, Arlington, VA (House)	137,495	101,502	834	10.5	2117
303 Hodgson, Rehoboth Beach, DE (Condo)	200,000	56,674	543	12	2010
Salem Court Apartments, 785 Salem Court, Mission Beach, CA	1,800,000				
Sunset Cliff Apartments, 1963 Sunset Cliff, Ocean Beach, CA	372,500	43,596	554	8	1992
Totals	6,745,931	2,323,694			

[1] LOC on property.
[2] Annual payment plus interest.

NOTE 5—MONTEREY WATER COMPANY

30 shares of a total of 430 shares outstanding (7%) were owned as of December 31, 1988. The Company primarily holds real estate investments. The estimated current value is based upon appraisal. Total net loss for 1988 was $73,965. The unclassified balance sheet of Monterey Water Co. at December 31, 1988 is prepared on the accrual basis and is summarized below:

Cash	$2,346
Other current assets	100
Notes receivable	117,943
Investment, partnership	665,424
Depreciable property	122,777
Accumulated depreciation	(3,994)
Land	423,214
Other assets	16,310
Total assets	1,344,120
Other current liabilities	177,362
Stockholder loans	413,624
Notes payable	270,111
Other liabilities	11,994
Capital stock	43,300
Capital in excess of par	10,750
Retained earnings	418,979
Treasury stock	(2,000)
Total liabilities and equity	1,344,120

NOTE 6—PARTNERSHIPS, CLOSELY HELD

Interests in the listed partnerships are as a general partner. Partnership activities are primarily in the area of real estate. Their estimated current values were based upon their assessed value for property taxes, inquiries of realtors familiar with similar properties in similar areas, acquisition price on recently acquired properties and appraisals of some properties. Following are the condensed historical cost balance sheets and the net income or (loss) for the year ended December 31, 1988 for each partnership. The income tax method of accounting is used by the partnerships.

Partnership name	2-D properties	3-D properties	4-D properties	Dennis DeConcini/ Patrick Hurley	Total
Cash	$23,726	$150,088	$5,738	$60,632	$249,794
Receivables/loans	235,190		1,584,649		1,819,839
Other current assets		111,129			111,129
Investments		109,688	305,824		415,512
Depreciable property	41,524	2,056,996	4,530,649	124,843	6,754,012
Accumulated depreciation	(14,071)	(643,796)	(666,684)	(61,920)	(1,386,471)
Land	21,872	162,710	3,225,007	48,835	3,458,424
Intangibles		42,681	120,006		162,687
Accumulated amortization		(5,845)	(8,882)		(14,727)
Other assets		40,303	6,916		47,219

Partnership name	2-D properties	3-D properties	4-D properties	Dennis DeConcini/ Patrick Hurley	Total
Total assets	308,241	2,033,564	9,103,223	172,390	11,617,418
Other current liabilities	144	4,388	97,031		101,563
Loans		1,313,693	9,415,545		10,729,238
Deferred gains	191,464		80,893		272,357
Capital	116,633	715,483	(490,246)	172,390	514,260
Total liabilities and equity	308,241	2,033,564	9,103,223	172,390	11,617,418
Net income (loss) for the year ended Dec. 31, 1988	112,857	177,918	(785,266)	22,329	(472,162)
Percent ownership of Dennis and Susan DeConcini	50	33	25	50	
Estimated current value of Dennis and Susan DeConcini's partnership interests	$179,874	$525,557	$5,250,923	$467,451	$6,423,805

Note 7—Partnerships and S-Corporations, not closely held

Haras Sonoita, Ltd.—25 percent in an S-Corporation owning a race horse. Managing officer estimated the net realizable value of the horse	$2,500
InterIsland Reports Liquidating Partnership—0.005 percent in a limited partnership winding up affairs before cashing out the balances. Estimated current value based upon percent ownership of the cash	139
Pinnacle Peak North Investors—2 percent interest in a real estate general partnership. Estimated current value was based upon the managing partner's estimated value of the undeveloped land	183,600
Roadrunner Radio & Television—4.07 percent interest in a limited partnership collecting a note receivable. Estimated current value based upon percent ownership of the note	10,138
Southwest Radio & Television, Ltd.—2.44 percent interest in a limited partnership collecting a note receivable. Estimated current value based upon percent ownership of the note	24,461
Tonopah Partners I General Partnership—16.67 percent ownership in a real estate general partnership. Estimated current value was based upon a realtor's estimated value of the undeveloped land	66,667
Tonopah Partners II General Partnership—same as Tonopah I	13,209
Twenty-Two Spokane, Ltd.—0.962 percent interest in a limited partnership owning a television station. Due to financial difficulties nothing will probably be realized	0
W. M. Investments Partnership—13.33 percent ownership in a real estate general partnership. Estimated current value was based upon the general partner's estimated value of the apartment and commercial buildings	12,644
Total	313,358

NOTE 8—LIFE INSURANCE

The face value of fourteen whole life policies is $594,107.

NOTE 9—RESIDENCE/PERSONAL PROPERTY

The estimated current value was determined by the good faith estimates of Dennis and Susan DeConcini. The residence mortgage is payable in monthly installments of $906 including interest at 8.5 percent through 2006.

NOTE 10—INCOME TAXES

Estimated income taxes have been provided on the excess of the estimated current values of assets over their tax bases as if the estimated current values of the assets had been realized on the statement date, using applicable tax laws and regulations. The provisions will probably differ from the amounts of income taxes that eventually might be paid because those amounts are determined by the timing and the method of disposal or realization and the tax laws and regulations in effect at the time of disposal or realization.

NOTE 11—OTHER RELATED PARTY DISCLOSURES

Other family members and closely held businesses had the following amounts receivable from or payable to the following entities at December 31, 1988:

	3-D properties	4-D properties
Individuals		
Receivable	$132,920	$1,329,752
Payable	75,000	1,311,400
Closely held business		
Receivable		109,443
Payable		108,279

The notes all bear interest at prevailing interest rates.

NOTE 12—FUTURE INTERESTS

Remainder interests in trusts have not been presented because the rights are not fixed or determinable amounts.

EXTENDING MORNING BUSINESS UNTIL 11 A.M.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the period for morning business be extended until 11 a.m.; that the vote scheduled under the previous order to occur at 12 noon now occur at 12:15 p.m.; and that the period of time for debate on the pending Dole amendment be reduced from 90 minutes to 75 minutes, with the time to be allocated 45 minutes to Senator DOLE and 30 minutes to Senator DODD.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 1225 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. GORE. I thank the Chair.

(The remarks of Mr. GORE pertaining to the introduction of Senate Joint Resolution 162 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GORE. Mr. President, the day before yesterday, I rose to offer a critique of the President's opening moves at the START negotiations. It was, and it remains, my view that the President has made a disappointing and flawed opening move in START, by failing to define his objectives: particularly in regards to one of the central remaining issues—mobile intercontinental missiles.

Even though the Soviets are deploying mobile ICBM's even though the United States is in the course of developing them, and even though there is general agreement that mobile ICBM's are important for the stability of a reductions agreement, the President has not seen fit to change the United States' demand that all such weapons be banned. But that is not because the President opposes them. It is because he is not sure the Soviets will agree to measures useful in verifying limits upon the number of mobile ICMB's, and it is because he is not sure whether Congress will fund them.

These are legitimate concerns. However, they ought to be dealt with by asserting—rather than hiding—what the United States ultimately would like to do. Certainly we can talk more pursuasively to the Soviets about a verification scheme which relates to a stated, rather than an implicit United States goal. And just as certainly, the President would stand a better chance to get and keep Congress on his side, if he would forthrightly tell us where he wants to go, rather than tell us that he will figure that out later, based on what we do in the meantime.

That was the bad news. Now for the good.

Even though the President has missed the opportunity provided him by the resumption of START in Geneva, I believe that he has made at least one vital, positive decision: and that is, to personally support his ICBM modernization program, and to make sure that his administration rallies behind him in an organized fashion. At least, that is how I interpret the behavior of the Department of Defense over the last several days, culminating in testimony given yesterday before the Senate Armed Services Committee, by Assistant Secretary for

Policy, Paul Wolfowitz, and by Air Force Chief of Staff, General Welch.

To prepare the way for their testimony, the Secretary of Defense had earlier written to Senator NUNN, informing him of his recognition of the need to plan for higher levels of spending on Midgetman, in order to assure that the goal of initial deployment in 1997 could be met. The simple, but rare act of acknowledging that previous funding projections were inadequate helped clear the air, among many of us who doubted the administration's sincerity. Further, the announcement of an intent to spend an additional $950 billion to the development of the Midgetman puts in place a much more serious program. Assuming good faith—and I do—it is now possible to believe that the President is setting in motion a plan whose beginning is redeployment of MX as a rail mobile, and whose end is deployment of Midgetman.

The testimony of Mr. Wolfowitz and General Welch built impressively upon this foundation. It is apparent from their comments that the Department of Defense has been rethinking this issue from the ground up. Let me illustrate by reviewing a few key points for the benefit of interested colleagues.

In the past, the Air Force had consistently asserted that the only kind of attack for which Midgetman might be needed as a deterrent would be the so-called bolt out of the blue. But since, in the Air Force's opinion an unprovoked attack catching us by surprise was entirely incredible, Midgetman was unnecessary, and MX rail mobile would suffice.

Yesterday, however, Mr. Wolfowitz and General Welch testified to the effect that the United States needed to cover both the contingency of a nuclear war growing out of protracted crisis—for which MX rail mobile would suffice—and of a nuclear war launched under conditions designed to assure surprise—for which Midgetman would be important both as deterrent and response.

At an even deeper level of analysis, Mr. Wolfowitz and General Welch also agreed that the fundamental reason to address the first-strike contingency transcends technical considerations, and is, instead grounded in the realm of the behavior of nations.

Few people believe that a first-strike is likely even under very stressed conditions. On the contrary, given the dire consequences for the attacker, of even a fairly successful first strike, initiating nuclear war continues to look like an act of desperation or madness. But it is also true that even the hypothetical ability to carry out a first strike with some kind of net advantage, carries with it immense geopolitical impact. For that reason alone, it is necessary to deal with this contingency—and this fact has always been one of the most important underlying reasons for proceeding with Midgetman.

In the past, the Air Force had consistently testified that, much as it would like to have the Midgetman, it could not afford to procure two mobile missiles at the same time, without causing severe damage to other priorities.

Yesterday, Mr. Wolfowitz and General Welch stressed that the President's plan for sequential deployment of these weapons helped solve the problem of financing them within limited means. General Welch also pointed out that the increasingly hard estimate of acquisition costs for 500 Midgetman missiles is approximately $24 billion, rather than the $40-$50 billion figure which reflected very early and crude estimates, but which lodged in the public mind.

In the past, the Reagan administration proposed to ban all mobile ICBM's on the grounds of a flat assertion that no method could be found to assure the verifiability of any limits upon their numbers in arms control. By the end of that administration, there had been some softening, but no formal change in the U.S. view regarding mobiles and verification.

Yesterday, however, Mr. Wolfowitz made clear the Bush administration's view that verification of mobile limits is not impossible. Rather, he assured the Armed Services Committee that—on the assumption of reasonable cooperation from the Soviets—it should be possible to design verification procedures that make mobiles accountable in peace time, while leaving them survivable in case of the threat of war.

In the past, the Department of Defense has deliberately allowed the mission of SDI to be blurred in such a way that it was impossible to say whether it would exist to protect people or exist to protect missiles. Indeed, former SDIO General Abrahamson left office with an assertion that SDI in its latest form—Brilliant Pebbles—could do the job of protecting U.S. missiles sooner and cheaper than the alternative of deploying mobile ICBM's.

Yesterday, Mr. Wolfowitz and General Welch explicitly said that the fastest, cheapest, and most reliable method for making U.S. ICBM's survivable was mobility, and not SDI, including Brilliant Pebbles. They further asserted that in any event, the purpose of an SDI system, ought not in any case to be missile defense.

These are major clarifications of view. They accomplish what was never done by the Reagan administration, even though that administration first embraced the idea of mobility: they lay out a conceptual framework to support the President's request for continued funding. And in that connection, I was especially encouraged by the positive response offered by the Armed Services Committee's distinguished senior member, Senator THURMOND, who now apparently joins our chairman, Senator NUNN, and our ranking Republican, Senator WARNER, in supporting the President's modernization proposal.

In summary, on the evidence of this testimony, I think we have made an important step toward fundamental consensus on an issue that has divided our counsels for too long. It is disappointing that the President has not acted more boldly to define his purposes in START. Until he does so, he will not be able to make his strongest case either to the Soviets about verification of limits on mobile missiles, or to the Congress about procuring them. Nevertheless, the steps that have been taken—even if too limited—are still intelligent and purposeful. Hopefully, more is to come.

I appreciate my colleagues' courtesy and indulgence.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. I thank the Chair.

(The remarks of Mr. McCLURE pertaining to the introduction of S. 1225 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. I thank the Chair.

(The remarks of Mr. McCONNELL pertaining to the introduction of S. 1226 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from New York.

RETURN DANIEL MIRAMBEAUX ACCUSED KILLER OF NEW YORK CITY POLICE OFFICER MICHAEL BUCZEK

Mr. D'AMATO. Mr. President, 8 months ago, on October 18, 1988, New York City Police Officer Michael Buczek was murdered. He was 24 years old. Officer Buczek and his wife had married less than a year before.

On April 4, 1989, New York County District Attorney Robert Morgenthau announced the indictment of Daniel Mirambeaux, a citizen of the Dominican Republic, for Michael Buczek's murder.

The indictment states that Daniel Mirambeaux and several of his accomplices had just committed a drug-related robbery when the police arrived on the scene, and that Mirambeaux shot at them, killing officer Buczek.

Mirambeaux then fled the scene, escaping to the Dominican Republic, where he is now in custody on unrelated charges.

For the past 8 months, Mirambeaux's return to New York has been the subject of negotiations between the United States and the Dominican Republic. I ask unanimous consent that a detailed list of these actions be printed in the RECORD immediately following the text of my statement.

The PRESIDING OFFICER. Without objection, is it so ordered.

(See exhibit 1.)

Mr. D'AMATO. Mr. President, the President, the State Department, Justice Department, Marshals Service, DEA, our Embassy in Santo Domingo, the Manhattan District Attorney, and the New York City Police Department have all tried to ensure that Mirambeaux stands trial in the United States.

We have been told to keep quiet, to give "quiet diplomacy" a chance. The district attorney even delayed seeking Mirambeaux's indictment to give the Dominican Government time to return Mirambeaux to the United States quietly. Week after week, month after month, the Dominicans did nothing.

Despite all these efforts—8 months after Michael Buczek was killed, his accused murderer, Daniel Mirambeaux, is still in the Dminican Republic.

This is intolerable. Therefore, I am filing an amendment to the State Department authorization bill—cosponsored by Senators MOYNIHAN, DOLE, MACK, STEVENS, MURKOWSKI, GRAMM of TEXAS, DOMENICI, HELMS, PRESSLER, THURMOND, NICKLES, SPECTER, MCCONNELL, and WILSON, suspending virtually all nonhumanitarian United States aid to the Dominican Republic until Mirambeaux is returned to this country for prosecution.

A total of $63 million in aid would be affected, including $29.5 million in unobligated 1989 funds and $38.4 million in 1990 funds, including:

UNITED STATES AID TO DOMINICAN REPUBLIC

[In thousands of dollars]

	Development loans/grants	Economic support funds	Foreign military sales
1989	17,400	12,100	0
1990	16,355	20,000	2,000

This amendment will also cut the Dominican Republic's sugar quota—worth $60 million for the rest of this year and worth over $90 million next year.

The amendment will require the United States to vote against International Development Bank loans; deny the Dominican Republic any preferential tariff treatment it receives; increase duties on Dominican exports to the United States by 50 percent; and curtail tourism and air and sea transportation between the United States and the Dominican Republic.

Mr. President, the Mirambeaux case is not the first time we have had trouble with the Dominican Republic in the area of drug enforcement.

The fact is, the Dominican Republic has become a notorious safe haven for drug dealers and traffickers.

In July 1987, DEA special agents, New York State Police, and New York City Police detectives, dismantled the largest crack distribution organization in the city. This organization, operated by several brothers from the Dominican Republic, distributed between 10,000 and 17,000 vials of crack every day in Manhattan and the Bronx. They also laundered millions of dollars, which they sent back to the Dominican Republic.

Thanks to the efforts of the DEA and police, 29 members of the organization were indicted, and 16 have been arrested.

But six of the defendants are still at liberty in the Dominican Republic. They have been indicted as follows:

Santiago Antonio Polanco-Rodriguez, charged with:

One count conspiracy (count 1);

Two counts interstate and foreign travel in aid of racketeering (counts 6 and 16);

Two counts distribution and possession with intent to distribute cocaine (counts 23 and 28);

One count the racketeering enterprise (count 56); and

One count the racketeering conspiracy (count 57).

Elvis Polanco-Rodriquez, charged with:

One count conspiracy (count 1);

Two counts interstate and foreign travel in aid of racketeering (counts 5 and 15);

Two counts distribution and possession with intent to distribute cocaine (counts 27 and 40);

One count the racketeering enterprise (count 56); and

One count the racketeering conspiracy (count 57).

Dulce Elizabeth Maria Polanco-Rodriguez, charged with:

One count conspiracy (count 1);

One count interstate and foreign travel in aid of racketeering (count 20);

One count distribution and possession with intent to distribute cocaine (count 39);

One count maintaining a place for narcotics use, distribution and storage (count 52);

One count the racketeering enterprise (count 56); and

One count the racketeering conspiracy (count 57).

Luisa Ordanlina Rodriguez, charged with:

One count conspiracy (count 1);

Two counts interstate and foreign travel in aid of racketeering (counts 13 and 19);

One count the racketeering enterprise (count 56); and

One count the racketeering conspiracy (count 57).

Ramon Gonzalez-Brea, charged with:

One count conspiracy (count 1);

Three counts interstate and foreign travel in aid of racketeering (counts 3, 10, and 14);

One count the racketeering enterprise (count 56); and

One count the racketeering conspiracy (count 57).

Jose Cepeda, charged with:

One count conspiracy (count 1);

One count distribution and possession with intent to distribute cocaine (count 26);

One count the racketeering enterprise (count 56); and

One count the racketeering conspiracy (count 57).

If the Dominician Republic is serious about cooperating in drug enforcement, it cannot continue to allow itself to be used as a haven for drug traffickers and killers of police officers. And if the United States is serious, we must not continue to pour millions of taxpayer dollars into countries where fugitives and drug criminals escape justice. It is time for Daniel Mirambeaux to face trial for the murder of Michael Buczek.

EXHIBIT 1

FACTSHEET: THE DANIEL MIRAMBEAUX CASE—CHRONOLOGY OF EVENTS—EFFORTS BY U.S. AUTHORITIES

October 18, 1988: Daniel Mirambeaux, a Dominican national allegedly shot and killed NYC police officer Michael Buczek in NYC.

October 22, 1988: Mirambeaux returned to the Dominican Republic.

November 15, 1988: Four NYPD officers travelled to the Dominican Republic to develop additional evidence against Mirambeaux.

January 12, 1989: NYC Criminal Court issued a warrant for Mirambeaux's arrest on the charge of first degree murder.

January 17, 1989: NYPD officers met in the Dominican Republic with U.S. Ambassador Paul D. Taylor.

Ambassador Taylor has since raised their concerns with President Balaguer on several occasions.

April 4, 1989: The New York District Attorney announced Mirambeaux's indictment for murder.

May 29, 1989: Ambassador Taylor delivered to President Balaguer a letter from President Bush requesting extradition of Mirambeaux.

June 5, 1989: Ambassador Taylor and Department of State officials met in Washington with the family of Buczek, officials from the NYPD and D.A.'s Office and Congressional representatives to discuss the status of the case.

June 13, 1989: District Attorney Morgenthau sent Ambassador Taylor a letter—for delivery to President Balaguer—explaining that the longer this drags out, the harder it is to prosecute.

Yesterday, State Department officials met with the Dominican Ambassador, Eduardo Leon.

THE U.S. SENATE MUST DEFEND THE HONOR OF OUR FLAG

Mr. SANFORD. Mr. President, the Supreme Court follows the law and interprets the Constitution and I honor and respect that institution. When the law and the Constitution need changing, that responsibility falls to the Congress. Now, in light of the Supreme Court's 5-to-4 decision yesterday to nullify the laws in 48 sovereign States which outlaw the desecration of the U.S. flag, the Senate must act to protect our Nation's most treasured symbol. I now call for an immediate examination by my colleagues on the

Judiciary Committee of steps that can be taken to outlaw any desecration of our flag. We must act quickly to resolve the question of how this most important symbol of our Nation, our flag, can be protected without unnecessarily restricting the rights of free speech that we hold dear.

In doing so, Mr. President, I call on my colleagues to heed the words that Justice John Paul Stevens wrote in his dissenting opinion. Justice Stevens said that if—

> The ideas of liberty and equality . . . are worth fighting for, it cannot be true that the flag that uniquely symbolizes their power is not itself worthy of protection from unnecessary desecration.

Indeed, as Justices Rehnquist, White, and O'Connor noted:

> Throughout more than 200 years of our history, [the flag] has come to be the visible symbol embodying our nation . . . Millions and millions of Americans regard it with an almost mystical reverence regardless of what sort of social, political or philosophical beliefs they may have. I cannot agree that the First Amendment invalidates the [federal law] and the laws of 48 of the 50 states, which make criminal the public burning of the flag.

In World War II, when I parachuted into combat, I wore, stitched to my uniform, an American flag. That flag not only identified my Nation, it identified my purpose, my reason for fighting. Many of my best friends died defending that flag. Indeed, over the years, thousands of America's soldiers have fought and died defending the principles of freedom and justice symbolized by the Stars and Stripes. Those veterans, their relatives, and those who honor the memory of those who have fallen in combat, have a right to be disappointed, even outraged that we must permit the desecration of our flag.

I think most Americans feel the same way. I will later today cosponsor legislation to correct this matter.

Thank you, Mr. President.

TRIBUTE TO WARREN MAGNUSON

Mr. JOHNSTON. Mr. President, when I learned of our loss of Warren Magnuson and Claude Pepper, I knew that the age of legislative giants was over. We will probably never again see a time when, out of concern for the public good, through hard work and a masterful command of the political and legislative process, a member of Congress can create the kind of lifetime heritage they bequeathed to us this month.

I first met Warren Magnuson when I came here as a freshman legislator in 1973. In fact, when I came to the Senate, I had the enormous good fortune to serve my apprenticeship under the gold dust twins, Scoop Jackson and Warren Magnuson. Scoop was my mentor on the Interior, later the Energy Committee, and Maggie on Appropriations and Budget. They were a revelation: brilliant, humane, tireless, a credit to their great State and to the democratic principles they believed in.

Maggie's legislative record during his 36 years in the Senate made the lives of all Americans better. Thanks to him, we have truth in packaging and consumer protection, educational television, the public accommodations provisions of the Civil Rights Act, coastal zone management, NIH, and the National Cancer Institute. Those who knew him remember a tolerant, good-humored, compassionate man who was always ready to help people. It was an honor to have served in the Senate with him, and to have had the benefit of his experience and his advice.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, today marks the 1,559th day that Terry Anderson has been held in captivity in Beirut.

On Thanksgiving Day, November 24, 1988, Stan Grossfeld of the Boston Globe wrote a horrifying description of Terry Anderson's life in captivity and the nightmarish toll this ordeal has exacted. It is a disturbing piece to read. It is an important piece to read.

I ask unanimous consent that Mr. Grossfeld's piece be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Nov. 24, 1988]

FREED HOSTAGES TELL OF TERRY ANDERSON'S LIFE-TURNED-NIGHTMARE

(By Stan Grossfeld)

After 1,000 days chained in a windowless room, Terry Anderson hit the wall.

Literally.

He started pounding his forehead against the plaster until blood spurted out and ran down the pale yellow walls of his padlocked cell.

His cellmate, French hostage Marcel Fontaine, tried to stop him. Fontaine hugged him, telling him he had a family that loved him. This had worked in the past when Anderson got upset. But this time the former Marine was too angry, too strong, and would not stop. More blood flowed.

Finally, Fontaine called the guards. They subdued Anderson but did not treat his wound. The blood dried on the wall of the 10-by-10-foot cell they shared with cockroaches. Anderson didn't see it; he is blindfolded whenever the guards are around. He is told that if he so much as peeks at his captors' faces, he will be executed.

There is a chain shackling his left ankle. After three years of sweat, the rusty manacle burns his skin.

Today, Thanksgiving Day for Americans, is Day No. 1,350 of captivity for Terry Anderson, the Middle East bureau chief for the Associated Press.

He has been held longer than any of the 14 foreign hostages in Lebanon. Nine of the 14 are American. This is a portrait of Anderson's life in captivity, drawn from interviews with three Americans and one Frenchman who shared his ordeal but have since been freed, and his sister, Peggy Say, who has been to Damascus and the White House, and logged tens of thousands of miles fighting for his release.

The morning of March 16, 1985, was sunny and crisp in Beirut. Anderson was dropping off AP photographer Don Mell after a spirited tennis match. A green Mercedes pulled in front of their car. Three bearded gunmen jumped out. One dragged Anderson from his car in a bearhug. Mell watched, helpless, a 9mm pistol pointed at his head. "Terry had the look of a man who knew he was doomed," he said.

Later that day, the Islamic Jihad, a pro-Iranian Shiite Moslem group, released a photo of Anderson, warning of "catastrophic consequences" if Kuwait did not free 17 alleged terrorists. Those demands have not been met, and the US government refuses to negotiate with groups holding hostages.

In the past 3½ years, Terry Anderson has seen the moon and the stars but once. He gazed at them while shackled on a Beirut rooftop. He has taken less-pleasant trips, according to CIA information, taped up like a mummy and transported in a sealed coffin hidden in the belly of a truck.

Once, would-be rescuers came to the very door of the house where he and other Americans had been hidden, but their captors diverted the searchers. Today, he apparently feels forgotten by his country, and increasingly bitter. Every morning, said Fontaine, Anderson greets the new day thus: "Another day, another dollar."

He has gone on hunger strikes in an attempt to obtain a newspaper. He defiantly "Heil Hitler"-ed the guards. He is allowed 15 minutes a day to use the crude bathroom, shower, clean his utensils and wash his clothes.

Anderson always eats with his right hand. His left hand is used to clean himself with water because he has no toilet paper. He has learned to speak some Arabic and some French. He has put a Mr. T jigsaw puzzle together umpteen times.

Terry's daughter, Sulome, born during his captivity, had her second birthday party on June 7, 1987. "Where is Daddy?" Sulome asked that day. He received a photo of her in the mail.

Anderson's father and brother have both died of cancer since Terry was kidnapped. But he doesn't know that.

Fontaine filled Anderson in on a lot of news, but omitted the bad things. Why? "I was afraid he might commit suicide."

Less than a month ago, Terry sent his regards to his dad in a videotape.

Several times, his captors promised he would be going home soon. Once he thought he was being freed because they let him feel the sun through the kitchen window, and fed him a hamburger. In April 1987 they took his measurements and gave him new clothes.

"They put him in a suit and he wore it every day," said Fontaine. "A week later they came in and said 'get undressed'." They took the suit back.

In a videotape his captors released Oct. 30, Anderson blamed both President Reagan and President-elect George Bush for blocking his release.

The president's last response to Anderson's charges: "That wasn't Terry speaking . . . I think he had a script that was given to him."

Peggy Say disagrees: "I think I know my brother a hell of a lot better than Ronald Reagan does. This administration has devalued the hostages. That's their word: 'devalued.' "

Fontaine, the French diplomat released May 6, complains that Reagan called "to see how those three whales were doing, but I hear the administration is doing nothing to free the hostages."

The Rev. Lawrence Martin Jenco, Benjamin Weir and David Jacobsen, all former hostages, are doing nothing with their

beards, grown during captivity, until Anderson is free.

On the day Anderson was taken hostage, Father Jenco saw him. "I lifted my blindfolds, and caught a glimpse through a crack in the closet of a blindfolded man chained by his left wrist and left ankle to a bed. He was very depressed and traumatized," said Father Jenco.

For the first 100 days, they spoke not a word. An armed guard watched them constantly. They were given two containers, one for water, the other for urine.

The kidnapped CIA Beirut bureau chief, William Buckley, was brought in and chained to a pillar. American intelligence sources have said Buckley was tortured.

Their cell was filthy. The guards were teen-agers or men in their 20s who were paid $25 to $50 a month, Jacobsen said. The guards made a habit of spitting on the floor.

Buckley caught pneumonia, ran a high fever, became delirious and started hallucinating. They never brought him medication. Anderson, chained to a cot several feet away, heard his death rattles. "He died in our presence," Father Jenco said of Buckley. That was on June 3, 1985, five months before his captors announced Buckley had been "executed."

For the first time in three months the hostages were allowed to wash. Even so, they all had to bathe in the same fetid water. A filthy wet towel was all there was to dry with. The French hostages were imprisoned in another cell in the same building. Michel Seurat had pancreatic cancer. He was treated by a Lebanese Jewish doctor also held captive and later executed.

Seurat then was reduced to crawling on his hands and knees to the bathroom and urinating black fluid. He was last seen on Dec. 28, 1985.

The freed hostages today say they were held in an unfinished building in West Beirut. They can pin it down even closer. It was so near the Beirut airport, says Father Jenco, "you could smell the gas from the planes.

"They thought we were all CIA in the beginning. They thought my silver fillings of cavities were transmitters."

The Americans were held in two cells. They all made the same request: they wanted to pray together.

In one cell, Anderson read the Bible to Jacobsen, whose glasses were broken. In the other Father Jenco and Rev. Weir had a new cellmate: Thomas Sutherland, dean of the School of Agriculture at American University. Father Jenco heard Anderson's confession.

"We were brought blindfolded into a room and placed on the floor," said Rev. Weir. "There were armed guards in the room at either end. Father Martin [Jenco] celebrated Mass blindfolded, and we were allowed at the end to hug each other."

The men called their new religious freedom "The Church of the Locked Door."

For awhile, the five Americans were brought together in one room to exercise. They were forced to wear what they derisively termed their "three-piece hostages suits," jockey shorts, covered by boxer shorts, plus undershirts. Why two pairs of shorts per man? The shiites felt jockey shorts were immodest.

"Terry was like a rabbit in a rage," said Father Jenco.

"He stood in place running and wore out his socks, then sewed beads to the base of his socks." When Father Jenco was released after 564 days, Anderson altered the priest's trousers. Anderson would lead the men on two-hour-long imaginary walks around the room. He would pretend they were climbing up Mt. Fjui, or around Tokyo, where he once worked.

When breakfast came he would hoard tinfoil from the processed cheese to make chess pieces. From boxes he fashioned a deck of cards to play hearts. "He was a vindictive hearts player," recalled one ex-cellmate. He took the string from the floor mats and made rosary beads.

At times the cell walls would shake from shelling. Then guards would force the hostages to don flak jackets, which in the stifling cell made them feel like "a hotdog in a bun," said Father Jenco.

Once, the hostages were almost rescued. "There was heavy fighting and the Amal militia was one block away," said Jacobsen.

"They were going house to house looking for me . . . They stopped downstairs. The guards had put three cans of sand in our cell [barrels for protection against shrapnel] and flak jackets on us and were getting ready to fight it out. But the guards convinced the militia nobody was hiding there and they left."

Jacobsen, released Nov. 2, 1986, is the only former hostage who believes that a rescue is possible. "A troop of Boy Scouts could've rescued us," he said sitting in his office in Mercy Medical Center in Durango, Colo., sporting a Ronald Reagan tie clip. He said the captors didn't move the hostages for 28 days after Rev. Weir was released and 91 days after his release.

"What about a rescue?" says former hostage Fontaine back home in a Paris suburb. "You must never do that. He [Anderson] will die right away. We talked with Terry and he completely agreed. No rescue. When there was a knock at the door, the jailer would put us on our knees and hold a gun to our head. Often it was a Kalashnikov in one hand and a hand grenade in the other."

One day the leader of the guards, a man named Haj, came in and said one man will be freed. "We voted on Terry because he had the child he never saw and we felt he would be the best person to promote their case," said Father Weir. But Haj told Weir—the only man to speak Arabic—that he would be free."

On Christmas Day 1985, the guards came in with a cake that had "Happy Birthday Jesus" written on it. They heard on the BBC that Anglican church envoy Terry Waite said negotiations to free them were at a standstill.

For a time, the men had a nine-band short wave radio. "We heard Henry Kissinger on Voice of America say that he could advise the president of many ways of dealing with the hostages, but the best way was for them to use their own resources. "Here we were blindfolded in this hot, sweaty room—I thought 'My God Henry, what resources do we have? There's three armed guards here, a padlock on the door and no windows,'" said Jacobsen.

Father Jenco was released on July 26, 1986. He never forgot the words Anderson left him with: "Promise me one thing. I'm never forgotten."

Last Thanksgiving Anderson was allowed to see a little of the Macy's parade on Lebanese television. Fontaine said there was no special meal, just dried bread and stale cheese. About the time this afternoon that Americans are carving up their turkeys, a rusty chain will be rubbing against the left ankle of Terry Anderson.

Days held hostage

The number of days each American has been held hostage in Lebanon	*Days*
Terry Anderson: Bureau manager for Associated Press, 41, from New York. Seized Mar. 16, 1985	1,350
Thomas Sutherland: Dean of agriculture at American University of Beirut, 55, from Colorado. Seized June 9, 1986	900
Frank Reed: 53 years old, from Massachusetts. Seized Sept. 9, 1986	808
Joseph James Cicippio: Deputy comptroller at American University of Beirut. Seized Sept. 12, 1986	805
Edward Austin Tracy: Convert to Islam. Seized Oct. 21, 1986	766
Robert Polhill: Certified public accountant, 52, from Utah. Seized Jan. 24, 1987	664
Alann Steen: Professor of communications, 47, from New York. Seized Jan. 24, 1987	664
Jesse Turner: Professor of mathematics, 39, from Iowa. Seized Jan. 24, 1987	664
William R. Higgins: U.S. Marine Lieutenant Colonel. Seized Feb. 17, 1988	313

AIDS UPDATE

Mr. CRANSTON. Mr. President, according to the Centers for Disease Control, as of May 31, 97,193 Americans have been diagnosed with AIDS; 55,573 Americans have died from AIDS; and 41,620 Americans are currently living with AIDS.

Mr. President, 2,913 more Americans have developed AIDS and 2,029 Americans have died from this horrible disease during the month of May.

Mr. President, of the total number of AIDS cases reported, 1,632 are children under the age of 13. More than half have died. Although the percentages are small today, the number of infants and children with AIDS is growing. Yet, very little is known, relative to what is known about AIDS in adults, about how the human immunodeficiency virus [HIV] affects newborns and children of various ages, how the virus is transmitted from mother to infant, and how effective new and experimental drugs are in treating children.

I would like to let my colleagues know of one California-based organization that is making a difference for children with AIDS. The Pediatric AIDS Foundation has very specific mission—to fund basic and clinical research on how the HIV virus affects children. Last night, the Pediatric AIDS Foundation held an extremely successful fundraiser, and I congratulate the Senator from Ohio [Mr. METZENBAUM] and the Senator from Utah [Mr. HATCH] for putting together such a gala event. I understand the money raised will be in the hands of the scientists and researchers within a very few months. I applaud the work and commitment of the foundation for focusing needed attention and resources on this urgent area.

I would also like to share with my colleagues an article in last Sunday's New York Times, entitled "AIDS: The Youngest Victims." It describes the unique challenges and problems posed by pediatric AIDS. Many children and infants with AIDS are from low-income families and have parents who

VOL 135 PT 9 JE 14 — 22 1989 UMI

may also be infected. These families have difficulty gaining access to basic health care, let alone expensive specialized treatments. These are issues that the Congress must address, and I am committed to that effort.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, June 18, 1989]

AIDS: THE YOUNGEST VICTIMS

(By Perri Klass)

There is one question, says the social worker, that comes up with every mother. "The question is always, who is going to die first? And then comes, I wish my child would die first." The social worker is Anita Septimus, pediatric AIDS coordinator at Einstein-Weiler Hospital in the Bronx, and she is talking about the mothers of children born infected with the HIV virus. By definition, these women are infected themselves, and so they must worry about their own health, about the health of their young children, and also, inevitably, about who will outlive whom. Who will care for an ailing child after the mother's death? "I've seen so many mothers who struggle to stay alive until the kid dies—then it doesn't take much for the disease to overcome them," says Septimus.

The AIDS epidemic is changing. The rate of new infections among gay men has dropped remarkably with widespread acceptance of safe sex practices. The nation's blood supply is now as safe as we can make it, and it is expected that few new cases of AIDS will be related to transfusions or to the blood products used to treat hemophilia. The disease has devastated the American gay community and will continue to do so for years to come, as more men who already carry the virus sicken and die.

There is no way to wall off the disease—ultimately, AIDS will affect every segment of the population—but increasingly, it is becoming a disease of poverty, of the inner city, a disease of intravenous drug users and their sexual partners. And as more women are infected with the virus, pediatric cases of AIDS are becoming increasingly common.

At the age of 3½, one little girl with AIDS weighs only 22 pounds, an average weight for a 15-month-old. However, she is proportionately small, not emaciated, and as she sits contentedly in her mother's lap, she seems lively and alert. The pediatric AIDS clinic at Children's Hospital in Newark is obviously familiar territory for her, and she is dressed up for the visit, her hair braided into at least eight braids, each fastened with a different-colored barrette.

The mother thinks she knows how she acquired the HIV infection. "A guy I was going with a long time ago—I found out he was doing drugs, and I cut him off." At the time, she hadn't heard much about the HIV virus. Later, when she knew more about it, she was glad she had stopped seeing this man. She didn't know she was carrying the virus until her daughter was diagnosed, and she herself is still in good health, she says, with no symptoms of HIV infection.

Her daughter, though, was one of those babies who is always sick, always at the doctor, frequently in the hospital. Her illnesses—bad colds, asthma, diarrhea, feeding problems, seizures with fever—wouldn't automatically suggest the diagnosis of AIDS, but the combination of frequent infection with chronic difficulty in gaining weight is highly suggestive nowadays, and the child was ultimately diagnosed at the age of 1½.

"I didn't believe them," says her mother. "I was shocked. Then I was scared. Now I'm living day by day."

The child gets intravenous gamma globulin every month—that's why she is here at the clinic. She also takes prophylactic Bactrim (trimethoprim and sulfamethoxazole), an antibiotic that wards off infections, including pneumocystis carinii pneumonia, which is often associated with AIDS.

She has been hospitalized several times for mysterious fevers, or for diarrhea and dehydration, and she has had to be nourished intravenously. But now, according to her mother and her doctors, she is eating better, gaining weight and making progress developmentally—walking and talking.

I am touring Children's Hospital in Newark with Dr. James M. Oleske, medical director of the children's AIDS program and professor of pediatrics at the New Jersey Medical School. On the day I visit the clinic, there are 30 children due to come in for monthly gamma globulin treatments, meant to boost their immune systems and help them fight off bacterial infections.

The intravenous infusion takes hours, during which time the children are seen by a variety of specialists—a neurologist, a nutritionist, anyone who might be able to help with their problems. Dr. Oleske is teased by the residents as he walks through the hospital, because of a recent television movie that depicted his work with AIDS. Various comments pass back and forth about whether the actor who portrayed him was too good-looking for the part.

Relaxed and informal, he persistently apologizes for being distracted; a child died last night, and he and his group spent the whole night in the hospital. When we pass through the pediatric intensive-care unit, he stops to read a notice on the bulletin board and to write down the time of the funeral.

We pass through the in-patient pediatric wards, where Dr. Oleske knows every AIDS patient. He stops to talk to mothers, and as we move from room to room, he offers a running commentary that reflects both the medical and social factors involved in caring for these children:

She comes in when her weight drops too low, and we give her IV nutrition. . . . That little guy is encephalopathic, always crying for his mother. . . . He lives with his grandmother, who has trouble taking care of him, but he loves her, and to be taken away would hurt him more. . . . This is a boarder baby; she needs high-tech care at home, and it's hard to get foster placement with all that.

When, somewhat hesitantly, I ask the mother of the 3½-year-old girl about the future, she answers by referring to her daughter's most recent hospitalization: "When she got sick, that really scared me. But that time will come. How will I deal with that?"

She turns the child around on her lap, shows me the full cheeks, the plump arms. "Her appetite is very good right now." Silence for a few seconds, then she says very softly: "It scares me if I get sick and can't take care of her. I wouldn't want them to take her from me."

Pediatric AIDS is not the same as adult AIDS. It has different signs and symptoms, a number of different infections, and it requires that different questions be asked and answered. Pediatric AIDS is also unique among the illnesses that afflict children. True, there are many other diseases that regularly kill off young patients today, even in the developed world. Certain childhood cancers have high mortality rates, for example. Some cardiac defects are not usually correctable, and there are inherited conditions, such as muscular dystrophy and cystic fibrosis, which are inexorably fatal. But pediatric AIDS is the only disease that kills off the whole family; if the child is infected from birth, then the mother is infected, and usually the father, too.

Infected mothers pass the virus to their offspring some time during pregnancy or around the time of birth. The details of congenital transmission are not yet well understood, nor is the fact that not all children born to infected mothers contract the virus. Estimates of transmission vary between 30 and 70 percent, depending on the study, and most people I talked to guessed at a transmission rate of 40 to 50 percent.

The first case of congenitally acquired AIDS was described in the medical literature in 1983. To date, the Centers for Disease Control in Atlanta report about 1,500 cases in children under 13, about 1,200 of these congenitally acquired and the rest due to blood products. These numbers don't represent all the children infected with the HIV virus, however, just those comparatively few who have been diagnosed as having AIDS.

To fit the case definition, a child must not only be seropositive—which means having a blood test revealing antibodies to the HIV virus—but must have had specific infections and syndromes that show the virus has severely damaged the immune system.

So far, 824 children who fit the case definition have died. But it is the shape of the future epidemic that looms as truly threatening, in the unknown numbers of children who are carrying the virus, although they have not been diagnosed with the disease, and in the ever larger numbers of seropositive women who will give birth in coming years.

Current data reveal that disproportionate numbers of these women are black or Hispanic. Of the 1,200 cases of congenital AIDS reported by the Centers for Disease Control, about 750 occurred in blacks, about 300 in Hispanics and 200 in whites. Epidemiological studies of pregnant women have yielded seropositivity rates as high as 5 to 8 percent in such high-risk areas as Newark and the Bronx, suggesting that in these communities, the pediatric AIDS epidemic may soon overwhelm all existing medical and social-service resources.

The gay male victims of the epidemic's first wave faced prejudice, hostility and malignant "righteousness," but they were not absolutely barred by social class from access to funds, to political action, to attention by the press. The epidemic is spreading to a segment of society with no voice at all; and most voiceless of all, of course, are the children.

Dr. Arye Rubinstein, director of the Comprehensive AIDS Family Care Center at Einstein's Center for AIDS Research, ticks off on his fingers the cost of caring for his patients. Since 1984, his center has provided care for families, using teams made up of a physician, a nurse and a social worker. For something in the neighborhood of $200,000, he says, he can finance a single team for a year, and that team can deal with 35 to 40 families.

Then he does the other arithmetic problem everyone in this field does over and over: "21,600 deliveries a year in the Bronx; if 4 percent are positive—we are going to have 800 families!" The funds, Dr. Rubinstein says, are simply not there.

Like adults, some children with AIDS remain asymptomatic for years. No one knows the life expectancy of a child born infected with the HIV virus, though doctors

working with these children have noticed that they tend to fall into two groups. There are those who "present"—medical jargon meaning they come to medical attention—before the age of 2; these children are usually quite sick, and many die within a year of diagnosis. And then there are the children who are not diagnosed until later and who may not be sick at all until they are 5 or 6 years old. Some of these children are now 8 or 9, and perhaps with aggressive medial treatment, they will have years ahead of them. One unanswered question is whether there are children born infected with the virus who will never develop the disease.

Adult AIDS is marked by opportunistic infections—infections not seen in immunologically normal adults. Pediatric AIDS patients get some of these opportunistic infections, but they also get the same bacterial diseases that other children get—only more frequently and more severely.

One immunology theory to explain this difference is that adults, before their immune systems are attacked by the virus, have already built an immunology "memory" of antibodies to common bacteria, and are thus able to fight them off. Children, infected from birth with the immuno-suppressive HIV virus, never get to build this "library," and are struck down by every common childhood bug.

Pneumocystis carinii pneumonia, or P.C.P., is an opportunistic infection commonly seen in both children and adults with AIDS. But for children, the picture is complicated by another mysterious lung disease, lymphocytic interstitial pneumonitis, or L.I.P., which seems to be an abnormal immune response of the lung. Both of these syndromes cause progressive difficulty breathing, depletion of oxygen in the blood and chest X-ray abnormalities.

Another sure sign of pediatric AIDS is what pediatricians call failure to thrive; AIDS has now jumped to a place near the top of the long list of diagnoses considered when a child is unable to gain weight and grow normally.

Places such as the Bronx, Newark and Miami are on the front lines, but San Francisco, hit hard by the adult AIDS epidemic, has seen fewer pediatric cases. Yet as the city with the most complete support services for AIDS patients, San Francisco is trying hard to prepare for the next wave of the epidemic. "We're looking carefully at what's been done in Newark, New York, Florida, trying to develop programs in anticipation," says Dr. Diane W. Wara, professor of pediatrics at the University of California at San Francisco and director of the division of pediatric immunology. "We're just beginning; we have some time."

Dr. Wara stresses the unique nature of San Francisco, a city where, she says, AIDS education has been so pervasive that even the underprivileged have a good deal of information, where the special mix of communities and cultures has given the epidemic a somewhat different face.

Rest Stop Support Center is about four blocks east of Castro Street, in San Francisco's gay community. The center is quite homey, with a tank of fish, a profusion of plants and comfortable furniture. The kitchen is stocked with a variety of herbal teas, and the bulletin board is crowded with notices: "PWA in good health seeks apartment"; "HIV positive serum needed for clinical trial."

Paul Steindal, Rest Stop's director, defines it as "a drop-in and support center for people living with HIV concerns." There are support groups based on "attitudinal healing," education groups, classes in nutrition, creative writing. Most of the people sitting around the bright living room are gay men, a couple of them obviously sick, disturbingly thin, one blind.

Larry Benko is a large man with a full beard, conscientiously leaving the building every so often to smoke a cigarette. He has a certain fluency when he talks about his son's illness, which I recognize—the medical vocabulary acquired by the parent of a chronically ill child. Going to medical school the hard way, I have heard it called. He says:

"Joey was diagnosed Oct. 20, 1987. He was in the hospital for six weeks with CMV, which made him anemic, so he had eight red-cell transfusions. Prednisone kept his red-blood-cell level up, and now he's been on gamma globulin and pentamidine treatments for a year. Then his T-cell count dropped to nine, and he started on AZT, and his T-cell count increased. He hasn't been back in the hospital since."

Joey is now 8½ years old. He acquired the HIV virus from a transfusion he received as a newborn. One reason his parents are willing to have his name used, I suspect, is that they can see their son's illness as a horrible medical accident that does not reflect on them in any way. Still, after people in their San Francisco housing project found out what was wrong with Joey, the other children were forbidden to play with him, and the Benko's windows were broken.

Larry Benko feels that his family found a welcome at Rest Stop that was denied them elsewhere. He remembers Joey hearing other children saying that "anyone who has AIDS is a goddamn faggot," and later coming to Larry to ask, "How do I become gay?"

Infected children who, like Joey, remain mentally and developmentally normal are fortunate. As many as 75 percent of children with AIDS experience neurologic damage. Some children suffer from a progressive encephalopathy—they either stop developing or, in some cases, gain developmental milestones only to lose them. Their brain growth is impaired, and they gradually become weak and apathetic. This syndrome implies advanced disease, and so far there is no therapy to reverse the neurologic damage, though some researchers have high hopes that AZT, an antiviral drug, might at least keep the virus from doing further damage to the central nervous system.

Dr. Mark Mintz, a neurologist working with the Newark pediatric AIDS clinic, suggests that any treatment will have to take into account the possibility that the virus may "hide" in the nervous system, escaping the body's immune surveillance. Dr. Mintz does frequent neurologic exams on the children who come to the clinic, looking for evidence of degeneration, delay, weakness.

Neurologic involvement, like opportunistic infection, like frequent bacterial infection, defines a seropositive child as a child with AIDS. This is not just an academic distinction, and it is especially critical during the first year and a half of life because currently there is no reliable test for seropositivity below the age of 15 months.

The test measures antibodies in the blood—their presence reveals exposure to the virus. However, newborns often carry maternal antibodies, so that positive HIV antibodies in the baby of an infected mother may tell you only that some maternal antibody has crossed the placenta; the virus may or may not have crossed as well. These maternal antibodies can persist until the child is 15 months old, so a baby may repeatedly test positive but ultimately may be negative.

On the other hand, a baby exposed to the virus may fail to make antibodies effectively at first, so a negative test in a newborn known to be at risk does not mean the baby is definitely uninfected. Thus, while children of seropositive mothers are tested again and again, nothing definite can be known for 15 months—unless the baby gets sick.

"What we tell the families," says Dr. Ellen R. Cooper, medical director of the pediatric AIDS program at Boston City Hospital, "is that we're left confused. It's not clear till 15 months, unless the child becomes sick. So we tell them that we're happy as long as we're confused, and the longer we remain confused, the happier we are."

In adult AIDS, the patients are often the heroes, facing the destruction of their lives with grace and dignity. In pediatric AIDS, the patients are simply children. Give them any respite from illness and deterioration, and they will promptly act like children—they will fill the hospital playroom with noise and joyfully smear their food into their hair. This is the pleasure of pediatrics, but I'm not sure it's heroism.

If I had to nominate the heroes of this particular epidemic, I would choose the foster parents, who are bearing the unique burden of this disease by taking in children who they know may not have long to live. If not for the foster parents, many of these children would have nowhere to go. "It's the grandmothers who are saving New Jersey," says Dr. Oleske.

One foster child, a 1-year-old girl, has been my patient for the last seven months. She was born prematurely, weighing less than four pounds, to a mother who used intravenous drugs. She was taken away from her mother and placed in foster care because of continuing issues of malnourishment and possible neglect. Her current foster mother was contacted when the baby was 3 months old and hospitalized with a respiratory infection.

Because of the biological mother's history of drug use, doctors had done an HIV test, and when it came back positive, they had informed the infant's original foster family that there was a possibility she might develop AIDS. Those foster parents decided they were not comfortable keeping the child.

The couple who eventually took her in are experienced foster parents. They have cared for more than 100 children in their home, have adopted five and are now trying to adopt this baby. They have never before taken care of a baby who might have AIDS, and their family did not actually fit the agency guidelines, under which such babies are not placed with families who already have children under the age of 2.

Still, "My first reaction was 'sure,'" says the foster mother. "I knew very little about AIDS—I knew enough not to get hysterical, and the nurse came out and talked about universal precautions, always wearing gloves to change diapers, washing my hands a lot." She was not worried that her other children might catch the virus. In fact, her concerns ran in the other direction: "I said, are we exposing this baby to more infections, having her in a home with a lot of kids? I can't have my own children leave if they get sick, but I can be more careful about letting them slobber all over her."

This foster mother calls to mind the somewhat obvious adjective: motherly. A comfortable woman who handles a baby with superlative confidence, she tends to punctuate her remarks about the baby with the phrase, "God love her." When I talk to her on the phone, she is always ready with the child's latest accomplishment. From an obviously delayed and difficult start, the girl had made tremendous progress; she sits

alone, makes all kinds of noises, and most important of all, she is gaining weight.

Although the baby tested HIV positive at 5 months and again at 9 months, there is still no way to be sure whether she is infected with the AIDS virus. The foster parents' older children know that the baby may have AIDS. When the family made the decision to try to adopt her, the mother says, "I discussed with the older kids that we don't know what her life expectancy is. They said, 'Isn't it better she should have a family?' "

People outside the family, however, are not told about the baby's possible diagnosis—"I don't think it's anybody's business," says the mother. "What makes makes me angry is dealing with professional people who are not educated. When she was in the hospital, one nurse wore a mask, gloves and a gown. I mean, really!"

"I give the baby special polio shots made from killed viruses; the regular oral polio vaccine contains live viruses, and might actually cause polio in someone whose immune system is not working well. I worry about whether or not she ought to be getting regular infusions of gamma globulin; she already has been hospitalized once with a bacterial infection. Mostly, like her foster mother, I hope for the next HIV test to come back negative—but I don't really think it will.

"She's so well, it's hard to realize," the foster mother tells me over the phone. "I have real good thoughts about her, but I think in the back of my mind I'm realistic. I can't wait for you to see her, God love her."

Children with cystic fibrosis used to die, routinely, before the age of 10; a number now live on into their 30's. Although a cure for AIDS remains out of reach, there is some reason to hope that with what we learn over the coming years, medicine may be able to prolong these children's lives, too. But we have a lot to learn; because of the peculiarities of pediatric AIDS, much of our understanding of adult AIDS, painfully acquired over the last decade, is only questionably relevant. And meanwhile, the numbers of infected children will keep growing.

In Newark, I watch Dr. Mints sort through a pile of big black-and-white photographs he has taken of patients. The pictures are wonderful—children smiling, clowning, crying, completely comfortable with the camera:

"She's dead. He's doing O.K.—a little encephalopathy, but a functional kid. This mother got it from a dirtball—a one-shot deal, just bad luck. This is the Christmas party, with Dr. Oleske as Santa Claus. It breaks your heart, because one year they're here—and the next."

He puts down his pictures and wonders aloud what he will ever find to do with them, because he wants to protect the confidentiality of his subjects. But one reason he goes on taking them is because he worries that the victims of this epidemic, the children of the underclass dying in the inner city, may simply disappear without a trace: "I want to record it, to prove it happened."

TRIBUTE TO LT. COL. JOE WHITEHORNE

Mr. WARNER. Mr. President, this month, Lt. Col. Joseph W.A. Whitehorne retires from the Army after 25 years of service. He is the latest of a long line of family members who, since the Revolution, have served their country as military officers.

After graduation from the University of Pennsylvania in 1964, Lieutenant Colonel Whitehorne entered the service as an infantryman. He served in Germany and then Vietnam, where he was awarded the Purple Heart and the Combat Infantryman's Badge. Since 1970 he has served as a historian for the Army: teaching, researching, and providing support to military staffs and the general public.

As a teacher, Colonel Whitehorne developed and presented a well-received academic history course as a part of an innovative ROTC program. He also conceived and led most of the Army general staff battlefield studies and visits. The programs he established have drawn appropriate attention to historically important pieces of ground, contributing to the preservation of lands significant to our national heritage.

Lieutenant Colonel Whitehorne has been a valuable resource to the senior Army leadership. As the historian to the inspector general, Lieutenant Colonel Whitehorne assisted in providing service to soldiers, veterans and other citizens with matters of historical origins, including lost Civil War burial records.

Lieutenant Colonel Whitehorne provided invaluable support to the Secretary of the Army on papers, programs, and ceremonies of historical value. He assisted in the research and presentation of the Secretary's annual themes to the Army as well as in the development of a variety of special briefings.

His research on the important role of the Commonwealth of Virginia in colonial settlement, the Revolution, the War Between the States and the heritage of its National Guard have helped preserve the prominence of the Old Dominion in our national history.

One of his most outstanding achievements was as U.S. historian representing the Army Memorial Affairs Center on a project to document and return the remains of 28 United States soldiers killed in 1814, whose remains were recently discovered in Ontario, Canada. It was Colonel Whitehorne's efforts which permitted speedy determination of the origins and nationality of the remains and their return to the United States.

For 25 years, Lieutenant Colonel Whitehorne has placed the needs of the Army and his country above his own. In so doing, he has contributed greatly to providing the public a greater understanding and appreciation of their Armed Forces. I congratulate him on his successful 25 year military career and wish him continued success as he pursues his involvement in preserving and teaching the history of this great Nation.

THE FREEDOM EPIDEMIC

Mr. SYMMS. Mr. President, our distinguished Republican leader on the 15th of February of this year, at a conference hosted by the National Forum Foundation, gave a speech entitled "The Wonderful Epidemic of Freedom." I urge all my colleagues to read this speech. Our distinguished Republican leader stated the case very well.

It is though he was a prophet with respect to what might be in store in the world when one sees the recent developments in Communist China and the recent developments in the Soviet Union.

I ask unanimous consent that this speech, which I consider to be an outstanding speech, one that is worthy of all Senators and all Americans for that matter, be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE WONDERFUL EPIDEMIC OF FREEDOM

(By Senator Bob Dole)

I want to begin by saying four words to someone not here in person today, but very much here in spirit; four words that I know are deeply felt by everyone sitting before me.

President Reagan, thank you.

Without Ronald Reagan, we might well all be here today, talking about freedom. But our words would be very different, and our spirits very much lower.

Only a few years ago, when Ronald Reagan was sworn in as president, democracy seemed to many a shrinking island, battered by swelling seas of totalitarianism. The Soviet empire was on the move, swallowing up neighbors like Afghanistan and greedily acquiring clients in Southeast Asia, the Middle East, the Horn of Africa. And it was not just Soviet expansion that was the problem. It was our own moral paralysis; our lack of faith in America's will to act and power to do good in the world.

Today such doubts seem far away. Democracy is the watchword all over the globe—from Eastern Europe to Asia, from South America to the Indian subcontinent. Literally and figuratively, people everywhere are dying for democracy.

Thirty years ago Khrushchev boasted that communism would bury us. Today the free world pours out aid to help Gorbachev rescue survivors from the rubble of natural disasters which overwhelm the capacities of the Soviet state.

Just last week, in my office, I heard from a group of Latvian Americans about the tragedy of their homeland—its economic resources have been siphoned off to serve the Soviet state; its citizenry forced to wear gasmasks to escape the pollution of crude industrial development; its new-born babies—40% of them, 40%—afflicted with birth defects, because of the absymal state of the environment, and the inadequacies of socialist health care.

Today we see many things more clearly than we did a few years ago. We see that democracy is not only alive, but well and thriving. We see that the future belongs not to the Bolshevik Revolution but to our own. We see that the true prophets were not Marx and Lenin and Stalin but Washington and Jefferson and Lincoln; and that the true prophecy is summed up in these words: that all men are created equal, and are endowed by their creator with certain inalienable rights—life, liberty, and the pursuit of happiness.

How did we get here? Why was there this amazing turnaround in our attitude toward freedom, and in the fortunes of freedom itself? Those who still deny the power of the American example and the importance of American power would say that we had little to do with this development. For them, history is inertial. Democracy is on

the rise only because of some inexplicable shift in the pendulum; the Soviet empire has ground to a halt only because of the heavy gravity of its own incompetence.

We know better. History is moral rather than mechanical. We have succeeded in exporting freedom precisely because we have recovered our faith in ourselves as a nation founded on principles that apply equally to all human beings.

The recent rollback in totalitarianism has occurred not just because of its own inner contradictions but because we again assumed our responsibility not just to defend our own freedom but to advance its frontiers. As we stopped surrendering to hot flashes of malaise and anxiety, freedom began to flourish once again around the world.

Ten years ago, the Soviets invaded Afghanistan. A third of the Afghan population was driven from its home. More than a million Afghans were killed. Yet now the mighty Casey himself has struck out; it is the mighty Red Army which has packed its bags and gone home. Why? Not because of some irresistible law of "imperial overstretch," but because America finally did something more than pay lip service to rolling back Soviet tyranny.

The repercussions of this day and what led up to it, have only just begun to reverberate. The thing about freedom and independence is they're contagious. The germ is spreading like wildfire; the epidemic is already underway.

Thousands of men and women and children are afflicted in Latvia, Lithuania and Estonia—nations buried for half a century under the permafrost of the Soviet gulag, are just now beginning to sense the possibility of a new spring. The people there again talk of nationhood and sing their national anthems.

The epidemic permeates Eastern Europe, where the spoils of Yalta begin to slip from Soviet hands and the idea of Middle Europe with profound and reciprocal connections to the West is reborn.

The epidemic invades Kampuchea and Ethiopia and Angola—where national liberation movements struggle on, their futures uncertain but their hopes still high, and their spirits unquenchable.

This wonderful epidemic—its germ cultured in the laboratory of Independence Hall in Philadelphia; its disease spread by agents like Radio Free Europe and Radio Marti—This wonderful epidemic spreads relentlessly around the world.

And the most wonderful thing of all is that the Soviet antidote—more tyranny, less freedom—just makes the germ all the more potent, the epidemic all the more pervasive.

That is why we meet today with so much hope. But we meet today, too, at a time of transition. At a time when we must decide, as a nation, whether to continue carrying forward aggressively the torch of freedom; or instead, to set it down for a moment, to contemplate whether the dangers from tyranny are receding in favor of something called glasnost.

Forty-five years ago George Kennan wrote that the United States "had it in its power to increase enormously the strains under which Soviet policy operates" and to promote "either the break up or the gradual mellowing of Soviet power." This strategy, which became known as "containment," was implemented in the Truman Doctrine, the cornerstone of American policy during the darkest days of the Cold War. President Truman made its outlines clear in words that were as simple as they were courageous: "We must assist free peoples to work out their own destinies in their own way."

I remember this statement very well. At the time I was a young man with the marks of my own military service still upon me. I remember how Harry Truman's brave words were condemned—as too strong by those who still saw Joe Stalin as a wartime ally—and as too bold by those who wanted America to close its doors around our democracy and let the rest of the world fend for itself.

But many of my generation, men and women who had defended freedom in Europe and in the Pacific, had learned that strength is the only real security and that idealism about democracy was the truest realism there was. We understood that containment meant vigorously defending freedom, even on the borders of the Soviet empire.

What were the fruits of this commitment? Western Europe—liberated by American armies and then saved from Soviet tyranny by America's presence—prospered while Eastern Europe slipped tragically into darkness and despair. In Asia nations like South Korea, Thailand and Taiwan—among the most backward countries in the world in 1950—developed into some of the most advanced while states like China foundered and others like Vietnam have turned into basket cases.

Were the risks we took, the sacrifices we made—were they worth it? Visit West Berlin, and then cross into East Berlin, and you'll have the answer. Helicopter from Seoul, Korea, up to the DMZ, as I have, and you'll have the answer. Count up the number of requests you get from people behind the Iron Curtain who want to come to America, and then count up those you get from Americans who want to go live somewhere else—and you'll have the answer.

Of course it was worth it. Freedom is worth it.

What we learn from this piece of the past is that those who sell America short also sell the poor and powerless of the world short. We learn too that without an America confident enough to shoulder the burden, the world will witness loud and bloody revolutions that lead to tyranny and backwardness rather than quiet ones that lead to development and fulfillment.

History has many object lessons for us as we talk about the future of democracy. It shows us what can happen when America stands fast. It also shows what happens when we doubt ourselves, as we did after Vietnam and as we continued to do again and again until Ronald Reagan led us back to our own heritage. In the decade of the 80s, as the Reagan Doctrine picked up where the Truman Doctrine left off, we have begun to test both possibilites foreseen by George Kennan 45 years ago—the breakup of Soviet power and the mellowing of the Soviet state.

History, finally, shows us this—or at least it should: that while we have accomplished a great deal, the job is far from done. And if we don't finish it—if we don't live up to our history and rhetoric; if we don't do what is right, in its own right—then it is not just freedom in the broad sense that will lose, but it is America that will lose, too.

The job is far from over.

We cannot abandon the freedom fighters in Angola, until true national reconciliation is accomplished in that country.

We cannot permit the rollback of Vietnamese power in Kampuchea to be replaced by a new growth of the killing fields in Khmer Rouge barbarism.

We cannot turn our backs on the Cuban people, in the interest of reaching some kind of political accommodation with one of the Communist world's last true Stalinists.

And—perhaps most urgent of all—we cannot expect to just pull the plug on the Nicaraguan freedom fighters without paying a profound price. A price not only in the continued repression of millions of Nicaraguns, but a price, too, in American honor, American prestige, and American national security interests in Central America.

Today's headlines tell of a new Peace Plan, cooked up by Ortega and Arias, and signed off on by the other Central American Presidents. Well, I'm all for peace, too. But what I would like to see is not just a Peace Plan but a Peace with Freedom Plan. The kind that would include real elections, to put Ortega out of business; the kind that would really allow the freedom fighters to disband and go home, because their cause was won; the kind that would really deserve a Nobel Prize.

Nicaragua, Angola, Cuba and the rest—they are the challenges of today; there will be more tomorrow. That is the nature of the world; that is the burden of leadership; that is the cost of freedom.

The Reagan Doctrine says, quite simply, that freedom is worth it. I believe that. It is my responsibility and yours to see that American policy always reflects that profound truth.

HELPING FAMILIES MEET THE COST OF QUALITY CHILD CARE

Mr. COHEN. Mr. President, the desire and intent to help families see to the needs of their children is not a partisan issue. Democrats and Republicans alike in the Senate recognize and want to address the problems that have made child care such a prominent and pressing concern. The will of the Senate to provide more help to families in meeting the cost of quality child care is clear. It is the means of doing so that remain at issue.

Demographic and economic changes in our society have led to a greatly increased demand for child-care services. Economic necessity is bringing more mothers into the work force. In 1950, only 18 percent of mothers were in the labor force. The latest figures from the Bureau of Labor Statistics indicate that 65 percent of all women with children under 18—and 56 percent of the mothers of children not yet old enough to go to school—are now in the labor force. The Census Bureau estimates that by 1995, the mothers of two-thirds of children under 6 in this country will be working outside the home.

Although there are not comprehensive data on the need for child-care services in the United States, it is an accepted fact of the public discourse and political debate that the demand for high quality and affordable child care is far from adequately met. The evidence of unmet need includes not only the tremendous increase in the number of working mothers and the relatively small number of regulated child care "slots," but also the need for so many working mothers to resort to whatever temporary, informal, patchwork child-care arrangements they can scrape together.

For too many Americans, lack of affordable quality child care can become

an obstacle to education, employment, or training for employment. This scarcity of affordable quality child-care services can trap individuals, preventing them from realizing their full potential as productive members of our society. And, of course, the cost of child care can take quite a bite out of the paycheck of a parent struggling to make ends meet.

Parents in Maine and all over the Nation have made it clear that good, dependable, and safe child care is a priority—and unfortunately a problem—for them. For families in which both parents must work, it can be next to impossible to find affordable child care. Many families are forced to settle for child care that leaves them worrying and wondering about whether their children are being well cared for. I agree that the Congress ought to act now to provide a measure of relief—and peace of mind—to these families.

CURRENT FEDERAL INVOLVEMENT IN CHILD CARE

The Federal Government already has substantial involvement in the support of child care—some $7.5 billion per year of involvement. While there are some 31 Federal programs that provide some funding for child-care services, there is no Federal program whose sole purpose is to provide financial assistance to help families pay for child care.

The largest Federal program assisting families with children is the child and dependent care tax credit—about $3.9 billion per year. This credit, available to working families with dependent care expenses—including child care—allows these families to deduct between 20 and 30 percent of their dependent care expenses—up to $2,400 for one child and $4,800 for two or more children—from their tax liability. However, because this credit is not refundable, lower income families with little or no tax liability cannot benefit from the credit. Furthermore, the average credit is less than $350 per taxpayer, hardly sufficient to offset child-care costs currently averaging $3,000 per year.

The second largest expenditure on child care is the title XX Social Services Block Grant [SSBG], which provides approximately $2.7 billion per year for a variety of social service activities, including child care. However, only 15 to 18 percent of the funds are used for child care.

The Head Start Program spends about $1 billion to provide social, educational, and nutritional services for disadvantaged children. Most Head Start programs operate on a part-day schedule, however, and therefore cannot meet the child-care needs of mothers who work full time.

EXPANDING FEDERAL ASSISTANCE IN THE FAIREST AND MOST EFFICIENT WAY

As I indicated earlier, it should be clear that our debate today is not about whether the Federal Government ought to expand its assistance to families with children. It is clear that it is the will of the Senate that families need more help with finding and paying for good child care. Rather, our debate today is about the fairest and most efficient way of providing such help.

I prefer expanding Federal assistance with child care in a manner which gives parents the greatest degree of choice in selecting how to care for their children; which directs aid to those families which need it most; and which avoids the pitfalls inherent in a program run by the Federal Government or State governments. That is why I favor providing the bulk of any increased Federal child-care assistance through the ready mechanism of tax relief.

The child-care proposal offered by Senator DOLE would provide assistance directly to low-income families by making the dependent-care tax credit refundable and adding a refundable young-child supplement to the current earned income tax credit. Refundable credits allow the Government to give tax refunds to families of modest means that owe no Federal income tax.

The young-child supplement would apply to families with modest incomes having at least one child under age 5. The supplement would equal $500 for one child and $750 for two or more children under that age. Both tax credits would be available in advance through a parent's paycheck, thereby making the assistance immediately available for child-care bills as they come due.

The child-care proposal put forward by Senator DOLE also provides for a $400 million increase in the existing State Dependent Care Block Grant to help States address a wide array of child care needs. These funds could be used by the States for referral services, consumer education, training and technical assistance to child care providers, recruitment to increase the number of providers, encouraging employers to help with child care, addressing the problem of high liability insurance costs, and other purposes. States would be required to match a portion of these expanded child care grant funds. None of these funds could be used for the direct subsidy of child care services.

This approach directs resources to those families which most need them and gives families freedom of choice as to how best use those resources. It would help families whether a parent chooses to stay home or not and it would benefit families whether their children were cared for by a friend, a relative, in a family day care center, in a church-based program, or in a child-care center. Importantly, this approach would not raise questions regarding the constitutionality of Federal assistance to child-care programs that offer religious instruction. To my mind, the focus and flexibility that this approach offers are great advantages.

Of course, Senator DOLE's proposal is not the only child-care proposal before the Congress. Even if approved by the Senate as presented, this approach could not become law, given the disposition of the House of Representatives. Nor will the Act for Better Child Care—the ABC child-care bill—as currently before the Senate become law because the President feels strongly that a different approach to helping families with children would be more appropriate, more fair, and would better direct help to those who need it most. Therefore, those of us in the Senate who want to see Federal action on child care—whether we prefer tax credits or Federal appropriations—must consider contending child-care proposals with a view toward practicality and in a spirit of compromise. In any case, I remain hopeful that this Congress and President Bush will be able to cooperate on the enactment of comprehensive, fiscally responsible, and genuinely effective child-care legislation.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, if there is no objection, I would like to start on the pending amendment. I have 3 remaining minutes.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

CHILD CARE IMPROVEMENT ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 5, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes.

The Senate resumed the consideration of the bill.

Pending:

(1) Mitchell amendment No. 196, in the nature of a substitute.

(2) Dole amendment No. 201 (to amendment No. 196), of a perfecting nature.

The PRESIDING OFFICER. The time for debate on the pending Dole amendment to the Mitchell amendment is limited to 75 minutes with 45 minutes controlled by the Republican leader and 30 minutes controlled by the Senator from Connecticut [Mr. DODD] or his designees.

Mr. DODD. That is 48 minutes, I gather now.

The PRESIDING OFFICER. Forty-eight minutes.

Mr. DODD. Mr. President, I yield 6 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator from Connecticut.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. President, we are in the final moments before the Senate of the United States makes an extremely important decision affecting the futures of millions of children in this country. At the outset of this final phase of the debate, I join in commending my friend and colleague from Connecticut for bringing the Senate and the debate to the point we have now reached.

As he has stated and others have stated, this legislation is a product of 2½ years of field hearings across this Nation, of hours upon hours of markup and consideration of differing views of Members of this body and many others. I commend the extraordinary effort that he has made, and the consensus on this legislation that now has the support of parents and professionals across the Nation who, in many instances, make the issue of good, decent, affordable quality child care their life. They know the importance of it. They have worked on it in communities throughout the Nation. They have come together and today they support the proposal introduced by the Senator from Connecticut which is now represented in the Mitchell amendment.

Those are the facts, Mr. President. The individuals across our Nation who know the most, who have worked on this issue, who have given it the greatest throught and time, who have the greatest experience—they are the ones supporting this proposal, and it is a tribute to the Senator from Connecticut that there has been such uniformity among the many groups who are concerned about this issue and who now support this legislation.

Two alternative child-care bills are before the Senate. Both offer a combination of grants and tax incentives. Both make the dependent-care tax credit refundable. Both offer tax credits unrelated to child care. Both authorize grants to States to increase the supply and quality of child care.

But the two bills part company on the fundamental question at the heart of this debate—do poor families deserve the same chance for safe, affordable child care as their well-off neighbors?

The Democratic ABC bill says yes. If ABC is enacted, more than a million low- and moderate-income families will receive $1.2 billion in child care assistance.

They can choose home-based care provided by relatives or neighbors. Or they can choose center-based child care provided by employers, schools, community agencies, or churches. The choice is up to them.

The Republican alternative includes no comparable provision. In fact, it actually precludes States from using their block grant funds to provide child care.

Theirs is a wonderfully Republican kind of child-care bill. But I ask, what kind of child-care bill says you cannot spend money to pay for child care, even for the poorest of families, where the need for child care is often the greatest?

It is time to expose the Dole bill for what it is not—and it is not a child-care bill.

It is time to expose the Atwater-style lies, half-truths, and gross distortions our opponents have used in a desperate attempt to mislead the Senate and the American people about this legislation.

They would rather talk about what used to be in the ABC bill, than admit that we have addressed every concern they have raised in 2 years of debate on this legislation.

Our opponents invoke the spectre of bureaucratic control over child care in America.

That is patently false. ABC creates a partnership between the Federal Government and State and local governments to encourage child care in all its forms.

ABC is similar to a hundred other Federal programs. Would the Dole bill supporters end the school lunch program? Aid to education? Welfare assistance? Head Start? Aid to the handicapped? Job training?

The Senator from Kansas cannot repeal the 20th century. He cannot turn back the clock to the 1950's. He cannot recreate a type of work force that no longer exists except in the handouts of the Republican National Committee.

Our opponents talk at length about their opposition to Federal standards. This is a straw man. ABC does not require Federal standards—period.

Today, the Federal Government tells schools and neighborhood day care homes what food to serve for lunch. It tells Head Start centers what services they must provide. It tells manufacturers what kind of stuffing they can put in a toy bear. And it should also be able to set minimum standards for safety in child-care centers.

I happen to agree with the 80 percent of the American people who feel that Federal standards for child care are not only appropriate, but essential. I fail to understand why it is acceptable to set minimum Federal standards to protect senior citizens in nursing homes, workers on the job, or drivers on the highway—but not children in child-care centers.

Categorical spending programs involving the Federal Government, States, local governments and families are a long accepted part of public policy. Head Start, for example, involves Federal funds and regulations to ensure that financially disadvantaged young children have a wide array of social services. There are detailed provisions in Head Start about parental participation. Does the distinguished minority leader think that Head Start is too bureaucratic?

Another important program is chapter 1, which provides educational assistance to local schools to help meet the costs of educating disadvantaged students. Once again, this program involves another set of Federal regulations that affect State and local governments. And again, there are extensive requirements mandating parental participation.

When the Senate voted 95 to 1 to reauthorize the chapter 1 program last year, I did not hear any complaints about excessive bureaucracy. Does the distinguished minority leader now think that chapter 1 is too bureaucratic?

The Farmers Home Administration engages in strict supervision of low income farm borrowers. In the past few years, there have been increasing calls for a stronger partnership between Government and the borrowers; a principal criticism has been that the Farmers Home Administration has not been involved enough in the efforts of low-income borrowers to maintain their small farming operations.

All of these considerations indicate that Federal standards are used in a wide variety of areas, many of them involving children, and that such standards are entirely appropriate for child care. But in the interest of compromise to advance this long overdue legislation, we are no longer requiring that Federal standards apply. Instead, we are proposing model standards that all States can consider.

The kind of standards we are talking about are not onerous or burdensome. We are talking about basic first aid in case of emergency. We are talking about immunization to stop the spread of disease. We are talking about enough adults on the premises to supervise the children and ensure their basic safety. It does not take an expert to figure out that the more children per adult in a day-care arrangement, the less care the children are likely to receive and the more danger they are likely to face.

I am sure that no Member of the Senate would want his own child to spend time in any place that did not have these commonsense safeguards and precautions.

Massachusetts has these basic rules, so does Kansas. Working parents in these States know they can be assured of the basic safety of their children.

ABC no longer has minimum standards. It requires only that States set their own standards for staffing, parental involvement, and health and safety. Every State already has some child-care standards, but not all have them in each of these basic categories. ABC's model standards would give parents in every State the assurances that parents in Massachusetts and Kansas have today.

The Democratic alternative also strikes a reasonable balance on the very difficult church-state question. Religious institutions provide a substantial amount of high-quality child care. The Democratic alternative permits States to fund these providers through grants and contracts only if

their child-care programs are nonsectarian. And it permits parents to use child-care certificates to pay any qualified provider, including a sectarian child-care program selected by the parent, if the Constitution permits Federal funds to be used in this way for such care.

I know that some Senators are concerned about the constitutionality of permitting child-care certificates to be used for sectarian care. It is a close and difficult question. Our bill draws a line coextensive with the Constitution's limits. If intervening Supreme Court decisions or other developments were to make it clear that there is a constitutional problem, then the language of the substitute itself would forbid the use of Federal funds for this purpose.

Finally, our opponents suggest that bureaucrats, not parents, will control child-care choices under ABC. Obviously, the opponents have not read the bill, which specificially states that parents, not bureaucrats, will make this fundamental choice.

Above all, I support ABC because 50,000 families in Massachusetts need child care. Because the turnover rate for child-care staff today is an unacceptable 45 percent. Because the average cost of child care is $5,000 a year—far more than the meager assistance the Republican bill provides.

If we enact the Republican substitute, I will have to tell poor families in Boston to go and find the cheapest cutrate fly-by-night child care they can, because we will not help them with more than a tiny fraction of the cost. That is not a message this Congress should send to any mother or any State in America.

ABC is the alternative that gives low-income families their best hope for child care that is available, safe, and affordable.

ABC is the only alternative that increases supply, improves quality, and gives parents a full range of choices.

This legislation has been before the Senate for over 2 years. This issue has been before the Congress for more than 20 years.

It is time to break the impasse, stop the distortions, and finally meet the needs of millions of working families in our society for child care. I urge the Senate to reject the Republican substitute and vote for the bill that does the job—the Democratic ABC bill.

Mr. President, I ask unanimous consent that an opinion letter from Jamie Gorelick, of the Washington law firm of Miller, Cassidy, Larocca and Lewin, be printed in the RECORD. That opinion concludes that section 121(a) of the Mitchell substitute is constitutional.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 21, 1989.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: You have asked for our opinion regarding the constitutionality of Section 121(a) of the "Mitchell Substitute" to S. 5.[1] We understand that this language would permit eligible child care programs that include sectarian activities to receive funds through child care certificates, if such expenditure would not violate the Constitution. For the reasons stated below, we conclude that Section 121(a) is constitutional.

As you know, the extent to which religious organizations may participate in government programs as the ultimate recipient of government funds has been the subject of considerable debate in the courts. The path cut by *Lemon* v. *Kurtzman*, 403 U.S. 603 (1971), and its progeny, is not easily discerned. The Court in that case acknowledged that even it could "only dimly perceive the lines of demarcation" in this area. 403 U.S. at 612.

The boundaries of the debate are broad. On the one hand, direct payment of public funds to sectarian institutions for sectarian purposes is clearly prohibited. *See Grand Rapids School District* v. *Ball*, 473 U.S. 373, 385 (1985) striking down state programs that paid for teachers to teach in sectarian schools because the Establishment Clause does "absolutely prohibit government-financed or government-sponsored indoctrination into the beliefs of a particular faith"). On the other hand, indirect public funding of sectarian institutions through tax deductions is clearly constitutional. *Mueller* v. *Allen*, 463 U.S. 38 (1983) (upholding tax deduction for tuition, textbooks and transportation expenses of sending children to sectarian schools).

Allowing parents to use child care certificates to pay sectarian providers falls within the range of cases as to which no safe prediction may be made. Three cases are illustrative:

In *Witters* v. *Washington Department of Services for the Blind*, 474 U.S. 481 (1986), the Supreme Court upheld a vocational rehabilitation program for the blind in which the individual student decided which school to attend, even though the program paid for Bible school training of the student for a religious career.

In *Bowen* v. *Kendrick*, 108 S. Ct. 2562 (1988), the Court upheld the language of the Adolescent Family Life Act which provided funding to religious organizations that counselled teenagers on pregnancy and parenthood, but the Court remanded, *inter alia*, for specific findings on whether particular grantees were using the funding for religious activities.

In *Aguilar* v. *Felton*, 473 U.S. 402 (1985), the Court struck down a program which provided aid directly to private schools for the purpose of underwriting remedial education, because ensuring that federal funds were not used for religious purposes would excessively entangle the state in the supervision of sectarian schools.

No Supreme Court decision squarely addresses the constitutionality of permitting child care certificates to be used to pay sectarian providers. It is apparent that the issues that will be considered in evaluating the constitutionality of such a program are, *inter alia*, whether the statute has a principally secular purpose, whether the primary effect of the aid is to advance religion, whether the intervention of individual choice in the use of the certificates alters or eliminates the element of state involvement, whether the statutory scheme excessively entangles the state with the affairs of sectarian schools and whether the institutions aided are pervasively sectarian.

As always—but particularly in these circumstances—the courts will be, and properly are, the ultimate arbiters of constitutionality. Even without specific language barring unconstitutional expeditures of financial assistance, the courts would provide a check on unconstitutional activity. Inclusion of such a provision in the statute itself signals to those implementing the legislation and to the courts both Congress' understanding that difficult issues are raised by the legislation and its inability to predict the judicial outcome of a constitutional challenge to that legislation. The provision expresses Congress' unwillingness to pass legislation transgressing constitutional limitations. Similar language was used in the early 1970's in legislation authorizing busing as a remedy for school segregation. Equal Educational Opportunities Act of 1974 § 203(b), 20 U.S.C. § 1702(b) (1978). In reviewing that legislation, courts have noted the provisions as manifesting Congress' purpose to ensure the constitutionality of its actions. *See, e.g., Morgan* v. *Kerrigan* 530 F.2d 401, 413 (1st cir. 1976); *Newburg Area Council, Inc.* v. *Gordon*, 521 F.2d 578, 581 (6th Cir. 1975). Such a provision is a most appropriate failsafe here to ensure the constitutionality of the measure.

Sincerely yours,

JAMIE S. GORELICK.

Mr. DOLE. Mr. President, I yield 14 minutes to the Senator from Iowa [Mr. GRASSLEY].

Mr. GRASSLEY. Mr. President, I thank the majority leader.

Mr. President, I rise in opposition to the Mitchell amendment and I support the Dole amendment. I take this position, and I want you to know I do recognize that advocates of the ABC bill have compromised greatly their proposal trying to get more support. I believe that the new ABC bill is a good example of how the legislative process works.

It is, of course, an art in this body to negotiate compromise as have the Senator from Connecticut and the Senator from Utah. Having conducted themselves as they have with dignity and honor, their efforts should be applauded by all of us in this Chamber.

I cannot, however, cast a vote based simply upon the appreciation of the hard work of some of our colleagues. I respect their hard work and good intentions. However, it is my duty to use my best judgment in representing the citizens of my State who sent me here. So the conclusions I have reached—and those are to oppose the ABC bill and support the Dole substitute—have been confirmed by the letters and post cards that I have received from so many of my constituents.

---

[1] Section 121(a) provides:

(a) SECTARIAN PURPOSES AND ACTIVITIES.—No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction, except that this subsection shall not apply to funds received by an eligible provider resulting from the distribution of a child care certificate to a parent under section 108(a)(1)(C). Financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution.

In all due respect to the Senators from Utah and Connecticut, who repeatedly admonished this body to examine their new ABC bill, this bill may in fact be a horse of a different color but it is basically the same horse which entered the arena in the 100th Congress, because in spite of the changes in the proposed new bill what we have in these two amendments between DOLE and MITCHELL is a basic distinction in philosophy over just exactly what the role of the Federal Government should be in child care. In a sense, it is not even worth comparing these approaches on a point by point basis as has been laid out in working papers from both camps.

The focus of this debate is not a comparison of the specific and detailed aspects of each amendment. This debate in fact actually centers on the Government's role in child-care policy. In an even broader context, this debate focuses on the issue of the Government role in family policy.

Some in this body complain that the tax credit approach, while sound family policy, does not address the concerns of child care. To that I disagree. This bill addresses child care, but it does not stop there. Families are looking for financial assistance for taking care of their children, no more and no less. They are not asking for Government to tell them how to raise their children. The Congress has no business involving itself in any intricate and specific decisions of the family, whether on child care or something else. The Dole tax credit amendment cleanly and very clearly provides that very needed financial assistance and with no troublesome strings from the Federal Government attached to that help. As well-intentioned as the Mitchell substitute might be, it infringes upon personal family decision-making processes.

I support the Dole proposal in good company because it has been endorsed by the Bush administration, and I bet that it will get bipartisan support. It is not appropriate for the Federal Government to involve itself with the intricate details of family life. It is appropriate for the Federal Government, however, to foster an environment that allows families to support themselves. Such an environment is actually enhanced when the Federal Government offers basic tax credits for working families with small children where they have one wage earner or two.

Where the Federal Government does impose itself on the lives of the families, we only generate more complications, more dilemmas and surely controversy. A prime example is in the heated debate in which we find ourselves regarding how a child-care bill might infringe upon religious liberty. While a program that relies on Federal assistance today cares for the specific purpose of subsidizing the day care profession, we cannot avoid the convoluted issues of church and state.

I spent some time on this issue before this body on last Friday, although in a somewhat different context. I need to clarify my position on the religious exemption provided in the Ford-Durenberger language. I hope that the compromise language will resolve at least part of the problem.

This compromise will enable some families to select day-care providers which include religious activities—without forfeiting much needed Federal assistance.

I appreciate this accommodation. I believe it partially addresses the bill's restrictions on our constitutionally guaranteed right of religious freedom. This modification is no doubt also appreciated by those who are not active in religion.

Why? Because religion teaches good morals and values! Because people active in churches and synagogues generally make good citizens! Because people feel they can trust churches! Because people want to get their children "started on the right track."

On Friday I cited a Biblical passage that I think is appropriate again:

> Proverbs 22:6: Train a child in the way he should go, and when he is old, he will not turn from it.

I have been informed, Mr. President, that the modification embodied in the Ford-Durenberger amendment still falls short of providing guarantees against infringement of the religious liberties of families seeking child-care assistance. The junior Senator from Indiana did an excellent job yesterday afternoon delineating these additional concerns dealing with the religious exemption. As he explained to this body, this language applied only to the certificate program. Families which live in States which use a method of reimbursement, other than the certificate program, would not have the option of religious care.

Additionally, certificates are only available to care centers which are licensed. Many States, I believe at least 13, do not regulate church-run child care. Families living in these States will be forced to choose between obtaining needed child-care financial assistance, versus exercising their constitutional right to send their children to a church-run child-care center.

What right do we have to dictate how a family chooses to instill values and morals in their young children?

If the amendment by the Republican leader is not approved by this body, I hope that we will revisit this issue to correct these shortcomings later on in this debate.

It is so tempting for the long arm of the Federal Government to reach its greedy fingers into the personal decisions of families. It is too easy for politicians and bureaucrats to impose their ideas on trusting constituents.

Mr. President, I have become familiar with the experiences of parents as they leave their children for the day at child-care centers. For awhile now, my daughter and son-in-law and her family have lived with Barbara and I in our home in Mount Vernon. Most mornings, I help out my daughter by taking her 4-year-old son, Will, to the child-care center. I know how parents feel when they say good-bye for the whole day. I know what my daughter went through to select this child-care center.

Will is lucky. He has his grandparents, as well as his parents, to help him with this schedule. And even though my daughter and her husband feel the pinch from the costs of child care on their family budget, they would not qualify for the Federal assistance provided in this bill.

But the point is, Mr. President, I know what parents are going through! These decisions and experiences are very personal for families!

As a Federal legislature, we should look for solutions to family needs and concerns through existing community institutions. Churches and synagogues, for example, are the very pillars of community service institutions.

Several years ago, the children's defense fund published "The Child Care Handbook." The very first point raised in this book, as a directive to child-care providers for success and survival, is to "mazimize existing public and private resources." This may be a financial necessity, but the childrens' defense fund promotes this as also an opportunity to build "creative partnerships between service providers and advocates of business, labor unions, universities and public schools, voluntary civic organizations, concerned individuals, and parents." The theme throughout the entire book is that effective and successful child care requires parental involvement, community support, and local control.

Families need support from community institutions in order to cope with this diverse society, especially when many families live hundreds of miles away from their extended families. We in Congress should be especially sensitive to this because so many of us and our staffs have families back in our home States, hundreds, even thousands of miles away from Washington, DC.

Federal Government should encourage, not stifle, support structures in the community. Not only might these support structures provide child-care services, but the more these centers are integrated with the community and businesses, the more they will be able to respond to other family needs.

The most important message that I could deliver this morning is that we must seek creative ways for families, as well as communities, to help themselves. The people of this country uniquely possess traits of cooperation and self-reliance.

A joint effort by the American Enterprise Institute and Marquette University did an indepth study of the effect of Federal programs on the co-

VOL 135 PT 9 JE 14 — 22 1989 UMI

operative and independent spirit of program recipients. This resulted in the 1987 publication of "The New Consensus on Family and Welfare." In particular, I would like to quote a paragraph from that book which exactly depicts my sentiments, and I quote:

> Although in the past two decades all levels of government have assumed increased responsibilities for helping the poor and dependent, nonetheless, the success of public efforts depends crucially upon what major private institutions do, including the media, religious institutions, professional organizations, voluntary associations, and others.
>
> Government can help create an economic and social climate that is conducive to self-reliance, but only private institutions can inculcate the values and habits, and establish the local supports, that enable people to achieve it. Laws and administrative regulations can enforce civic obligations and standards of good conduct, but only the support and encouragement of private institutions can make them a matter of internalized volition. A free people is responsible to moral principles far beyond the reach of government.

Mr. President, I could talk for a very long time about my philosophies about the role of the Federal Government. For most of us, our ideology serves as a basis upon which we make decisions on casting votes.

For most of us, the decision on how to vote on this bill, whether voting for the amendment by the Republican leader or for the amendment by the majority leader, is based on our personal perception of how these approaches to child care fit in our philosophy on the role of Federal Government.

To summarize, the ABC approach embodies far too much Government intervention into the lives and personal decisions of families. I cannot support legislation which involves so much interference in family life.

A tax credit approach, on the other hand, embodies good family policy by providing targeted financial assistance to families most in need at a time when they need it most, with no strings attached. It's that simple and it's that clear.

Mr. President, once again I would like to commend the sponsors of the ABC bill for their sincerity on this matter and their genuine efforts to improve the bill. However, the ABC bill is a lemon. No matter how much sugar you add to sweeten it and no matter how much water you add to dilute it, the best you ever get is lemonade. While lemonade might be a good thirst quencher on a very hot day, it is not the stuff on which children grow to be strong and respectful citizens.

Thank you very much.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM). Who yields time?

The Senator from Texas.

Mr. BENTSEN. Mr. President, the distinguished manager of the bill has given time to me.

Mr. President, for the last several years we have listened to the concerns of many here, particularly the elderly and the disabled, and we would like to address those concerns. Now the Social Security system is sound. Now Medicare takes care of more elderly Americans and disabled than ever before. But there is one group that we have not adequately responded to. That is a group without a vote, and without much clout. That is the children of America. It is time we address those concerns.

Last year we created a National Commission on Children, a bipartisan commission, to give us a blueprint of the things that we ought to accomplish for them. There is plenty to do. It is time we get on with that job. We have that kind of a bill before us today.

The bill before us today, S. 5, is an important step on a long road toward meeting two priority needs of children today—for safe and wholesome child care, and for affordable health care.

We know that this bill is not going to solve all of those concerns, but it is a part of fitting it together. It is building that quick. It complements efforts being made by the States and communities to meet those kinds of urgent needs.

Let me tell you why the health insurance credit portion of it is so important. Right now there is one in five children in the country that have no health insurance or public health insurance whatsoever. Nearly two-thirds of those are in families that are receiving less than 185 percent of poverty in income, the very families that this credit helps. Remember that more than three-quarters of the money for this credit goes to families earning less than $15,000.

I have heard some speak that nothing is being done for those of $50,000, $60,000. Oh, yes, it is. We have the legislation there on dependent care that says that we help those people with 20 percent of a tax credit, up to $2,400 payment per child, or $4,800 for two children, or you are talking about $960, and that is whether they are earning $28,000, $50,000, $500,000 or $5 million. Then on the other side, we take care of the people on Medicaid. They have greater access to health care for people on welfare, than you have for someone making $15,000 a year or $20,000 a year. That is what we are trying to address, that group that is trying to stay off welfare, that wants to earn their own way, and yet are having a tough time getting health insurance and paying for it for their children.

What we have seen is an erosion of health insurance for employees of this country. Since 1980 to now, as you look over the medium-size employers, large employers, there has been a 20-percent drop in health insurance coverage for dependents, for children. At the same time, you see an escalation in cost of those premiums. Last year they went up 17 percent. So what happens? Fifteen thousand dollars a year, trying to make ends meet. We just have to bet on the kids not getting sick this year; we are not going to take out the health insurance. We are hoping that it works out. And then the child gets sick. Let us hope that the fever breaks, that it will take care of itself.

We had Mr. Farr, who heads the Association for Children's Hospitals across the country, telling us before the committee that there has been an alarming drop in the number of children that are covered by health insurance that come into these hospitals. What we need is the private sector and the public section working together to try to address that kind of a concern, and that is what we do in this kind of a legislation. We try to take care of that gap and to fill that gap. I heard one of the Members here speaking, saying that it is not enough, it does not take care of it, does not go far enough, it will not increase the amount of health insurance coverage. That is absolutely wrong.

We had a survey taken of what the average premium is for the employees, working for companies, for coverage on health insurance, $800. Now, what this one does, it is a credit that goes up to 50 percent, up to as much as $500, for a premium paid to the extent of $1,000. Here we are talking about an average of $800. So what that means is, for those people, it cuts it in half, instead of their paying $800, they pay $400. Instead of paying $66 a month, they pay $33 a month. It does not make a difference? Of course, that makes a difference.

In the State of the distinguished Presiding Officer today, Florida, what they are doing is taking school systems and putting together a health plan, demonstration plans, to see if we cannot have health insurance coverage on a wholesale basis on a much lesser cost for those children. This will help that program. We are seeing it done in California now where they are saying for a young child, $320. For one up to the age of 19, an older child, $250. This kind of a program will take care of that. That is what we are trying to accomplish. It is a substantial help to them and terribly important.

Blue Cross and Blue Shield, testifying before us, said they expected insurance companies to respond to this kind of incentive, to market toward that kind of product and to try to increase it. Health Insurance Association of America said that credit will make a dramatic difference in the proportion of low-income employees that are taking health insurance for their children.

The National Federation of Independent Business said that credit will make significant strides in helping low-income working families purchase health insurance for their uninsured children. They applaud that kind of credit, because it recognizes the issue

of the uninsured can be tackled by that kind of legislation.

In the area of child care, the ABC bill, sponsored by the distinguished Senator from Connecticut, will go a long way toward improving the supply of safe and affordable child care for families throughout this country. Much has been said here about the Federal standards, and if such standard were actually included in this bill, I would not be up here working for this piece of legislation. That is not what we are talking about. We are talking about model standards, a compromise worked out by the Governors, one which they support to protect the health and safety and well-being of our children.

This bill will help to fill the gap we have today, between those on welfare and those who are well off, who can afford to pay for child care and health insurance.

The administration has proposed a credit, too. But it is not targeted on child care, or child health, or anything else.

So what we have here is a question about setting priorities. And I think the American people would agree that good child care and health protection for children should be given the highest priority.

ABC goes hand in hand with the child care tax credit that was reported by the Finance Committee.

Right now that credit helps mainly middle and upper income families. Of the $3.7 billion now being spent, nearly 45 percent goes to families with incomes above $30,000.

What we are doing in this bill is making Federal tax policy more equitable by increasing the amount of the credit for very low-income families, and making it refundable, so that even families with incomes so low they pay no taxes will be able to benefit, too.

That is what S. 5 is all about. Leveling the playing field a little for low-income children—caring for them when they are well, and when they are sick.

These are priorities for Americans today—for our families, and for our children.

The PRESIDING OFFICER. Who controls time?

Mr. PACKWOOD. I believe I do. I yield 7 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. Seven minutes is yielded to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, whichever bill we pass on this floor, the Mitchell bill or the Dole bill or the President's bill or the House bill, only makes a dent in the problem of child care in the United States.

I would conservatively estimate that we have a $75 billion problem, against which we are putting about 4 billion new Federal dollars.

So when you have only one bucket of water to throw on a burning house, you had better aim it carefully.

As one of only two Members who marked up both the major pieces of the Mitchell substitute on which we will vote shortly, let me say that this bill is not one for textbooks on Senate procedure.

As a member of Labor Committee, I am somewhat amazed at the difference between the ABC bill we marked up on March 15, and the package we have before us now.

The transformation of all of the nonnegotiable parts of the ABC bill, Federal standards, a tax credit and any form of assistance to church-based child care to the noncontroversial has been astounding.

As to our experience in the Finance Committee, I have gotton used to the amount of money the committee usually has on the table, but our June 15 markup was breathtaking.

With less than a week's notice, we spent $3 billion, and created a new, and poorly understood health credit in about 90 minutes.

Ever since then, the chairman has been, as he just did, trying to justify why we did it. He said here a little while ago that you better hope your kid does not get sick before you pass the Bentsen health care bill. The fact of the matter is that you cannot buy new insurance, and you do not have it today with a $500 tax credit a year, and it is not going to make any difference to employment-based insurance, because the employer does not get the credit.

To say nothing of the fact that we are originating revenue legislation in the Senate without even giving a thought to what always happens in the House when we do that. This is kind of a textbook case.

Second, I would remind my colleagues that the Federal Government does not enter the child-care business with the passage of S. 5 this week. We are already subsidizing child care to the tune of $7.5 billion a year.

Even including the Bentsen health-care tax credit, which has found its way into this child-care bill, we will not even be doubling the Federal financial commitment to child care.

Here is a chart which describes the "wheel of programs" we have already established in this area of child care to everything from the earned income tax credit, title XX, this wide variety of Federal programs that are already in place in America today to provide limited access to child care.

I believe it is significant that we have had very, very little discussion of how well any one of these programs is currently working. Certainly many of these programs are in the Finance Committee and in the June 15 markup on child care there was very little discussion of any of these existing Federal programs. How might we coordinate that wheel a lot better so we have a lot more kids in a lot more care?

The Dole amendment before us builds on this foundation, rather than digging a brand new one.

These programs are well established. They are already integrated into State and local government.

They are working with the network of nonprofit organizations which always do so much to supplement government services.

And it is important to note that they are doing so without the antireligious restriction which has been included in section 19(a) of the ABC bill for the first time in the history of public policy in this country. And it was not put there by child-care advocates. It was put there by those who fear that somehow or other choice in child care is going to lead to choice in other areas of public activity like education.

Third, Mr. President, we need to remind ourselves of the public policy lessons of the last decade.

We have come a long way in this country in the last 9 years on the principle that people spend their own money more efficiently and effectively than government spends for them.

That means it is usually better to cut a tax than to create a new program.

As our resources grow scarcer at the Federal level, we need to appreciate what gives us the most for our money.

That boils down to two principles: Target resources to supplement the income of those who need it most and encourage the private marketplace and the nonprofit sector to do as much as it possibly can.

In a relative comparison, the Dole amendment will provide more parental choice and leverage more private resources than the Mitchell substitute.

We must remember, this is not the beginning of the end on this bill, it is only the end of the beginning.

We still need to go through a difficult conference with the House.

We need to take as much choice into conference as we can, in hopes that we will be able to bring some of it back out.

Fourth and finally, Mr. President, this boils down to 51 votes.

We have had an interesting debate on this floor as to the best means to achieving a bipartisan objective.

There are the natural suspicions on both sides; we each have our own ideal child-care policy.

In the final analysis, the issue is on what basis we can move forward toward a consensus solution to a problem we all perceive.

On balance, I will be supporting Dole amendment here this morning.

I believe it represents a logical extension to the established Federal efforts on child care.

I believe it takes better advantage of parental choice, and is less reliant on governmental decisions at the Federal and State level.

I believe it avoids a serious pitfall contained in ABC—writing the religious wing of the nonprofit sector out of the solution.

It eliminates the Bentsen health-care tax credit. We can find a better way to spend $1.5 billion a year to serve the health needs of poor Americans.

But the most important thing is that we continue to move forward. There has been significant movement by both sides in this debate.

I believe we are converging toward a bill that can gain bipartisan support in the Congress and, with further modification, win the support of the administration.

As long as neither side makes the good the enemy of the best, we will reach a bill which makes a difference for American families who really are in desperate need.

Mr. President, the issue before us today is not a new one. We have what I like to call a $75 billion problem that is currently being met by an estimated $7.5 billion a year effort by the Federal Government for child-care-related services. It is a measure of how far we have come that the issue here on this floor is no longer on whether or not there is a need for improved child care in this country—there clearly is—or even whether or not the Federal Government has an obligation to meet—clearly it does. No, the debate today is over how to expand the Federal role in child care and what foundation we will be laying for future generations and the 21st century.

Most people are surprised to learn that right now, already on the books, are as many as 40 programs contributing to the Federal Government's current involvement in child-care-related services. However, there is no comprehensive child-care policy in this country to address the changing needs of today's families. Current Federal child-care programs include a broad range of services including, day-care services, employment assistance programs, nutrition programs, tax benefits for both employers and employees, child-care training programs and others. The form of assistance under these programs range from direct program funding to indirect tax credits.

It is not difficult to demonstrate the need for improved child care in this country. We are all aware of the increased participation of women in the work force—often because of economic necessity. Children make up the poorest segment of our society, with over one-fifth of today's children living in poverty. We have all heard how we are failing to properly educate and prepare today's children for the challenges of tomorrow. We are reminded of this with grim statistics that show our students tested 13th out of 14 nations in math, that 92 percent of today's teenagers have experimented with alcohol before graduating from high school. And that between 1981 and 1985, the suicide rate for children more than doubled.

There is nothing more important to the future well-being of this country than giving our children the proper care and tools they need to grow, learn, and live healthy, meaningful lives. But, today we are failing to provide children with the start they will need to lead this Nation into the 21st century. Clearly, Mr. President it is time we reaffirm our commitment to the value we place on children and on the well-being of future generations.

Much of the credit for getting child care the kind of national attention it deserves must go the authors and supporters of the Act for Better Child Care [ABC]. Without the efforts of the chief author, my distinguished colleague from Connecticut, and the organizations that make up the ABC coalition, I seriously doubt that we would have raised the national attention to this issue that has lead to this debate here today.

Mr. President, legislation which the Congress passes this year will set the foundation on which child-care policy will be built for a decade or more. I believe we have both the opportunity and the obligation to today's families to build upon this broad foundation to both guide and support future steps we take to address this critical national problem.

As we begin to build this foundation, I believe it is important to start from a set of principles that are essential in child-care policy. And I commend President Bush as well as the distinguished minority leader for the work they have done in developing principles that set the foundation of both the President's child care proposal, S. 601, and the Dole substitute before us today.

Expanding upon these principles, I believe the essence of child care must be to: Maximize parental choice; recognize the financial needs of all low-income parents with children, not simply families with documentable child-care expenses; target resources to those most in need; ensure quality; minimize bureaucracy and maximize coordination between existing programs; avoid discrimination against religious provided care; and encourage employers to take a greater responsibility in meeting the work-family needs of their employees. The above, I believe represent a solid foundation from which we can build child-care policy that will last into the next century.

Given the fact that we can spend only a fraction of what is truly needed to meet the demand, we need to ensure that we respond in a way that maximizes resources and minimizes bureaucracy. We need to leverage as much care as we can for our buck. This means getting as much money directly in the hands of parents to enhance their care options as possible. Everytime we create another exchange, we reduce the dollar value of the original payment.

I have learned from my 10 years serving in this body that more Federal dollars in and of themselves is not the most efficient or best way to solve problems. More government is not always the best solution. Nor is the watering down of various proposals and piggybacking them into one proposal a good one. The result is too often, a package of proposals none of which attain enough of their original proposal to do the job intended. Experience has taught me that giving people the resources and information they need to make wise choices in the marketplace is a more efficient way to expand access and improve quality in public services. In applying these lessons to child care, I have found that we can best meet the needs of today's families by focusing our resources on expanding choices for parents and by assisting low-income parents to better be able to afford those options.

Another way to maximize efficiency is to encourage the private sector to become involved and to assume responsibility for the changing needs of society. No longer can Government be asked to bare the sole responsibility for meeting the needs of this country. The public and private sectors must work together in a coordinated effort to meet the work-family needs of today's workers.

Money spent on improving the well-being of children is an investment in the future of this country. Inadequate child-care affects everything from the future competitiveness of this country to this Nation's basic family values. By ensuring proper care and by reaching children at an early age, we are giving children a solid foundation from which they can build upon in their adult lives. The reponse we sent must both show a true commitment and dedication to this issue as well as recognize the serious financial constraints this Nation is facing.

Mr. President, there is no single solution to the child-care problem, as I think is evident by the various different proposals before the Congress. I believe it is absolutely vital that Federal child-care policy take into consideration the differing needs parents have at different stages of their lives as well as the appropriateness of the different approaches in meeting different populations. Both the Mitchell and the Dole substitutes contain elements that meet parents needs at differing needs. But neither in and of themselves, I believe, offer a complete array of options to parents. Ideally, I would support a toddler tax credit approach for those low-income families with children under the age of three who wish to stay at home with their child during those first critical years of life, expand upon the current DCTC by making it refundable for those with children over the age of 2, and to make direct subsidies available to the lowest income families to help subsidize a broader range of choices that they can afford, and to provide block grants to States to help meet their individual supply and availability needs.

I will vote today for the Dole substitute because I believe that it offers a strong foundation from which to expand these options. The Dole substitute offers a large number of options to parents and reaches a greater number of families than does an approach that focuses primarily on direct subsidies.

I also favor the Dole substitute because it incorporates an important principle advocated by President Bush—that of helping increase the income base of low-income families with young children in which there is no documentable child care expenses. During the debate surrounding another issue before this body—that of parental leave—I have heard from various individuals and constituents groups about the importance of allowing parents to stay at home for those first critical months or years of a child's life. Why then in debating child care do these same groups say that assistance should be given only to those with child-care expenses? I believe it is important that women not be forced back into the labor force simply for economic reasons. For parents who want to go back into the work force right away, that is fine. A common myth is that there are no longer many families where a parent stays at home with a child during the first years of child's life, and that those who do are affluent. But parents who choose to stay home represent the highest form of child care—in the cost of foregone income.

According to the Census Bureau, the median income of two-parent, two-worker family is $38,000, while the median income of a two-parent, one-worker family is $25,000.

According to a Philip-Morris survey, 80 percent of these women would prefer to stay at home during those critical first years. What this says to me is that parents have different needs at different times in their lives. And I believe Federal child-care policy should take into account these differing needs. For these first critical years in a child's life, I believe it is important that child-care policy take into account the needs of parents who decide to care for their child in their home. The Dole substitute addresses this need by expanding the earned income tax credit to acocunt for family size and by targeting children under age 3—the age when most parents would prefer to have the option of staying home and when child-care expenses are the greatest to help out those who would like to work.

I believe the block grant within the Dole substitute will help improve quality, supply and availability of child care. I believe that the block grant which was adopted in part from the Domenici-Durenberger child-care bill will give maximum flexibility to the States to use the $400 million to make substantial changes that meet the individual State needs whether it be improved training and assistance to providers, encouraging employer assisted care, or developing programs for children who are homeless, migrant, disabled, or abused. Under this block grant, there are few restrictions as to what the State can spend this money on.

This point is of particular concern to me as I have spent a considerable amount of time on trying to lift the religious restrictions within the ABC bill. Under the leadership of Senator MITCHELL, we were able to lift the restrictions for the certificate program under ABC. And I thank the Senator from Maine for his sincere efforts in trying to accommodate my concerns.

Because, I think there has been some confusion, I would like to take a moment at this point to clarify exactly what the Ford-Durenberger amendment would and would not do. Given the history of this bill, the Ford-Durenberger amendment was the most we could do without seeming to violate the establishment clause under the Constitution. But I must point out that I was—and still am—concerned about the precedent that is established in the ABC bill for religious provided care. Mr. President, there are over a dozen different Federal programs that currently provide assistance to meet the child-care needs of today's families. None of these programs, which are on the books today, which serve the same population and dealt with the same children and do so through grants, contract and certificate, make a distinction between religious and nonreligious child care. In fact many churches in Minnesota and around the country are currently using the funds under these programs for religious provided care, and this has never been questioned, nor has it resulted in law suits. And, they have not had any negative effect that this Senator can determine. It concerns me then, that this issue ever came to this point where there was even a need for the Ford-Durenberger amendment. Thus, I continue to be concerned about the precedent this bill creates for other child care programs—a precedent that would not exist under a strictly tax-based program.

One aspect of the leadership package that disturbs me greatly is the addition of the health insurance credit. With less than a weeks notice or debate the Finance Committee created and marked up a new, poorly understood health credit. I believe if we had taken our time that we could find a better way to spend the $1.5 billion that the Bentsen health-care credit proposes to better serve the needs of the group I believe the Senator from Texas is trying to target. The maximum credit received under this credit would equal $500. In reality, however, most families would receive much less than that amount. This is hardly enough incentive to get low-income parents to purchase major health-care coverage for their families—basic coverage usually starts at $2,500. Thus, what the Bentsen proposal does is it supplements those who already have health insurance, and does little to help the 37 million uninsured. I think we have other vehicles out there that we have all worked hard and long on including expansion of the Medicaid Program, that would be a better investment into the well-being of our Nation's health.

Again, I want to reiterate that I believe we need to make a wide array of options available to parents in order to meet the diverse and changing needs of today's families. And I think this can be best accomplished by the foundation that will be set by the Dole substitute. I would urge my colleagues to support the Dole substitute amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Connecticut controls 15 minutes and 52 seconds and the Senator from Oregon controls 25 minutes and 51 seconds.

Mr. PACKWOOD. Mr. President, I yield 2½ minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 2½ minutes.

Mr. THURMOND. Mr. President, I rise in support of the Dole amendment to the Mitchell substitute to S. 5, the Act for Better Child Care. I believe that parents are the most qualified persons to make decisions about the care of their children, not the Government. Child rearing is too personal and this Nation is too diverse, to have families subjected to uniform recommended standards that are formulated by governmental bureaucracies.

With the dramatic changes that have taken place in the work force of our country over the last several decades, a growing demand for child care has developed that spans all socioeconomic levels in our population. The increased participation of women in the labor force has contributed greatly to this demand.

It is becoming commonplace in the United States, for both parents in a nuclear-family to work outside of the home. There has also been a significant rise in the number of households that are being maintained by one adult with children. As a result of these changes, terms such as: "two-paycheck-family," "latchkey children," "day care," "caregiver," and "single-parent" have entered our vocabulary. The traditional family, in which the father works and the mother manages the household and takes care of the children, has been dismissed by detractors as an anachronism.

Furthermore, it has been proclaimed by some sociologists that the days of Ozzie and Harriet Nelson have van-

ished. However, there are many Americans who would disagree with such a view. According to figures published in a Bureau of the Census study entitled, "Who's Minding the Kids?" "More than 9.7 million preschool children, or over half of the preschool children in the United States, are still cared for at home by their mothers."

All parents have not left the home for the workplace. There are many men and women who choose to remain in the home to raise their children. I emphasize the word choose, because I believe that the issue of child care revolves around parental choice. Of course, not every parent in our complex society, for various reasons, has the option of staying at home with his or her children. Primarily, because of economic factors, many two-parent families find that both parents must work, in order to adequately provide for their households. The same is especially true for many single-parent families. However, it is important to recognize that each American family has different needs and preferences concerning the rearing of their children. These individual differences must be respected. Policy should not be adopted, on any level, that would discriminate against families, in which a parent stays at home to care for the children.

Mr. President, it has not been established in my mind that State and local governments have fallen short in their treatment of child care, and therefore, need to be guided by Federal legislation in this area. If further regulation is needed in regard to child care, then the State and local governments are the proper authorities to enact it, without the involvement of the Federal Government. The Founding Fathers of our great country intended that the role of the Federal Government is to be of a limited nature, by providing only those services that the States cannot best perform for themselves.

Proponents of the Mitchell substitute assert that the revised version of the Act for Better Child Care would allow States to "respond to the unique needs and resources of the individual States while moving toward a common set of national goals for quality child care services." They argue that States will be allowed to determine their own priorities and act at their own pace in adhering to recommended national standards. Yet, a key objective of this measure is simply to encourage the States to adopt recommended uniform standards. Such standards would have to be as stringent or more stringent than those that would be established by the Secretary of Health and Human Services, based on the recommendations of a National Advisory Committee, in accordance with the language of this act.

In my State of South Carolina, a Republican Governor, a Democrat Lieutenant Governor, and a legislature that is dominated by Democrats in both houses, have worked together to produce bipartisan legislation entitled, "The South Carolina Initiative for Child Care Act." This initiative, which amends the Code of Laws of South Carolina, of 1976, to address current child care needs in my State, recently passed the South Carolina General Assembly as part of the Fiscal Year 1989-1990 General Appropriations Act. Under the act, provisions are included, "to allow certain tax credits for expenditures made by a taxpayer to establish and operate a child care program for the benefit of his employees." The act also provides tax credits for child-care payments made by a taxpayer directly to licensed or registered independent child-care facilities for the benefit of his employees. Included, as well, is a Latchkey Program, to provide for a schoolage child-care program for children, 5 through 14 years of age. Furthermore, the State Health and Human Services Finance Commission is directed to establish child development services in designated counties and to expand those that are presently operated in other counties. Also, a Public/Private Child Care Council is created to report to the general assembly on child-care issues affecting the public and private sectors in South Carolina.

Provisions are included for the establishment of a Day Care Joint Underwriting Association. This association will consist of all insurers authorized to write within the State, and will provide liability insurance on a self-supporting basis for the protection of day care owners and operators.

Finally, provisions have been made for the inspection and licensing of child-care providers and criminal penalties have been increased for offenders.

Mr. President, I offer the child-care initiative of the State of South Carolina, as an example of the progressive efforts that are being made by State and local governments to ensure that children are cared for in safe environments and that their parents, as well as the employers of their parents, are involved in the process. This effort was made by South Carolina lawmakers without prodding from the Federal Government and without the incentives of Federal grant funds.

I am concerned that the Act for Better Child Care, as embodied in the Mitchell substitute, will lay the foundation for a federally funded child-care system. I caution my colleagues to carefully consider the implications of creating a framework that could lead to the fostering of another entitlement program, which the Federal Government is, in this time of budgetary constraints, unable to support, yet, expected to continue, once established.

The Bush administration has indicated that it is opposed to the Act for Better Child Care, which has been incorporated into the Mitchell substitute amendment. President Bush has stated that the "Act for Better Child Care" places its trust in Government, not parents, and that its provisions are not in accord with his principles. The President has suggested that legislative proposals relating to child care should be based on the following principles:

Maximizing parental choice;

Increasing child-care options;

Nondiscrimination against parents who stay at home to care for their children; and

Targeting assistance to families most in need.

I agree with these principles. I am convinced that expansive Federal involvement is not warranted in the area of child care. The approach that should be taken by Congress is to provide assistance through Federal tax relief to parents and through support of existing programs that have proven to be successful, such as Head Start. This allows parents to make their own choices about the care of their children, and helps those families that most need assistance in this area.

Senator DOLE has offered an amendment to the Mitchell substitute amendment, that would additionally:

Expand the earned income tax credit [EITC] by creating a young child supplement;

Make the dependent care tax credit [DCTC] refundable, as well as subject to advance payment; and

Expand the Dependent Care Block Grant Program, so that the States can use the funds to provide a variety of specified services.

Mr. President, I am pleased to be a cosponsor of the Dole amendment. I believe that this amendment merits support and that it is consistent with my belief in the limited function of the Federal Government in respect to the areas of authority of the individual States. Therefore, I will vote in favor of the Dole amendment to the Mitchell substitute amendment to S. 5, the Act for Better Child Care.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PACKWOOD. Mr. President, I yield 4½ minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 4½ minutes.

Mr. WILSON. Mr. President, having spoken at length before, let me use my brief time this morning to try to summarize the real differences that exist between the Dole and the Mitchell substitutes.

The first and perhaps most important has to do with parental choice. We are all agreed rhetorically here on the floor that parents should have the choice. But the fact of the matter is these two bills are very different in their approach. The result is there is a very sharp difference between the actual fact of whether or not parents have choice.

They clearly have under the Dole substitute because the choice is theirs to spend money that is put in their

hand through the device of a refundable tax credit, both a dependent care credit and, for a great many what is much more important, through the young child supplement to the earned income tax credit. The cash is in hand. The parents can make the choice without regard to any restrictions imposed by the State.

In stark contrast to that, Mr. President, under the Mitchell substitute, the so-called ABC bill, the decision is effectively that of the State, because the State must decide what kind of child care will be provided and the funds, the Federal assistance provided to the State, msut be "equitably distributed," whatever that means, in the discretion of those States. And the discretion of the State may not coincide with the discretion of the parent. The parent may find that the States decided that only 20 percent will go to so-called family based child-care centers. And there may be 60 percent of the total market that constitutes demand for that kind of child care but it will not be available. Therefore, parents will not get their choice, as they clearly would if the choice were simply theirs to expend the tax credit moneys as they choose.

The second point is that there is no provision, really no provision, in the Mitchell substitute for the so-called at-home mom; that is to say, the mother in the working poor family that decides to forgo a second income in the interest of staying home to give her child, in those most critical first days and months and years, the kind of personal maternal care for which there is probably no adequate substitute in terms of providing the kind of bonding, the kind of attachment that makes for a very different kind of adult.

There is nothing in the Dodd-Mitchell substitute that provides that. They have a dependent care credit but the dependent care credit does not permit the at-home mom to enjoy Federal assistance. Because, first, she must, in order to receive anything under the dependent care credit, have purchased child care and submit documentation to prove it. Only those parents who work, who are seeking employment, who are enrolled in a job, those are the ones that can qualify.

Finally, the targeted funds in the Dole amendment go to those in need.

The other day the distinguished Senator from Connecticut made the point that under his bill families can receive assistance even if they have the median income in the State. In my State, that can be $47,000. That is not the working poor. It is the earned income tax credit that will go to the working poor and that is where the money should go.

We should not be subsidizing those who are not in need. Instead, we should be making the money go to all eligible families, as it will under a tax credit. But under the market requirement, the market rate requirement of the Mitchell substitute, only 500,000 children of a potential 13 million children will receive the kind of care that we hear all this bleeding about. How much better to not have rich program for a very few but to have a program that allows all eligible families to participate in to some extent.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, I yield 3 minutes to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. FOWLER. Mr. President, I rise today in support of the bipartisan effort led by Senator ORRIN HATCH and the distinguished Senator from Connecticut in an effort to address a serious need in our society. I have listened very closely to the debate this morning which continues, as it did, with Senator WILSON of California, on the question of choice. And the effort is being made to draw the distinction between the Dole substitute and the leadership amendment on the question of choice.

In this brief time I simply want to say that what we are about are mothers who have no choice, no choice as to whether to stay home or to go into the workplace. All of us who are parents will attest to the need of children to be cared for at the earliest, and at the latest time in their life, if they are to grow to be responsible adults. But many, many mothers in my State and throughout the United States have no choice but to go into the workplace and to try to find a place that they can trust, with people they can trust to care for their young children.

Why do they have no choice? Well, let us be honest. They have no choice because there are no fathers in the home. They have no choice because they are on welfare. And every year we debate how we can move mothers off welfare into the job market so that they become responsible taxpaying citizens. They cannot do that, they cannot work unless somebody looks after the kids.

The Mitchell substitute puts the choice, the priority choice, where the choice is mandatory for people who must work and somebody must look after the children. I was critical of this bill a year ago, 2 years ago, because as a graduate of vacation Bible schools I know that many people choose vacation Bible schools and sectarian institutions because that is the only responsible, safe, and sane place for their children to be kept when they must go into the workplace to provide for those children.

I was initially critical that somehow we were going to make all these Federal standards. But the authors, led by this bipartisan effort, Senator HATCH and Senator DODD, have said the States ought to be the place to set the rules under which we provide the safest quality acceptable care for our children. I applaud their bipartisanship in taking the politics out of one of the most serious questions it faces.

We get a lot of values confused around here sometimes, Mr. President. We have heard a lot this morning about this incredible Supreme Court decision where, apparently, it is a sin to break a window but it is a legitimate form of protest to burn the flag.

That is crazy. Somehow we have confused private property rights with public responsibility and we are going to do everything we can, working in a bipartisan way, to straighten that out.

But there is no question in this approach to child care that the Mitchell substitute goes first to the working mothers that have no choice but to work and that is where our priorities must lie.

(The following occurred subsequently but appears at this point in the RECORD by unanimous consent.)

Mr. DODD. Mr. President, I ask unanimous consent that at the conclusion of the remarks of the Senator from Georgia an editorial from the Atlanta Constitution of June 20, 1989, be printed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE NEW, IMPROVED CHILD-CARE BILL

U.S. Sen. Christopher Dodd's multi-billion-dollar child-care bill has undergone some drastic changes on its way to the Senate floor, owing mostly to President Bush's intransigence.

In place of uniform federal standards, key to upgrading the quality of day-care centers but staunchly opposed by the White House, the Connecticut Democrat's bill now leaves regulation largely up to the states. It also permits the same assistance to church-run centers, provided they do not operate "in a manner inconsistent with the Constitution," which mandates separation of church and state. Those features should make it more palatable to President Bush, who earlier this year sent to Congress a bare-bones, $435 million plan calling for modest increases in Head Start, modest tax credits or refunds for low-income working parents—and nothing else.

As a further inducement to Republicans, the Act for Better Child Care (ABC) also carries an amendment delaying implementation of a law requiring businesses to end disparities in benefit programs for higher- and lower-paid employees.

Tax credits and refunds alone won't cure the nation's child-care problems, as Sen. Orrin Hatch (R-Utah)—ordinarily a staunch White House ally—now argues, taking issue with the simplistic solutions offered by the Bush plan. There are, he insists, "factors that discourage choice in child care which cannot be addressed simply by giving more money to consumers."

Thus, though 70 percent of the ABC funds provided by the Dodd bill would go directly to families to help pay for care (now averaging $3,000 a year), 22 percent would be used to improve the quality and supply of day-care facilities through training grants, start-up loans, resource referrals, public/private partnerships and the like, leaving 8 percent for administrative and enforcement costs. The Dodd bill would provide assistance, on a sliding scale, for

middle-class as well as poor families. It would also make tax refunds and credits, for child health insurance as well as child care, available to poor families.

The changes in the bill are a stiff price to pay for realistic funding levels and incentives for employers and schools to start their own day-care programs—measures that should stand on their own when women constitute nearly half the work force, and two-thirds of women with children under 3 are working. But the price is worth it, if that's what it takes to avoid partisan squabbling and a presidental veto over a measure bringing affordable child care within reach of more families.

No longer the partisan measure proposed several years ago by Mr. Dodd, the bill now bears the stamp of key Republicans including the president. It is closer to the child-care initiative Mr. Bush promised during his campaign than the plan he himself sent to Congress—and it deserves swift bipartisan approval.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 4 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 4 minutes.

Mr. SPECTER. Mr. President, there is an agreement on the necessity for child care in this country and there are many good provisions of Senator DODD's bill, now known as the Mitchell substitute. But as I read a critical provision of the Mitchell substitute, there is a very great risk that the bill is unconstitutional and that the unconstitutional provision would bring down the entire bill because it is not severable under the standards of the Supreme Court of the United States.

The Mitchell substitute permits certificates to be used by parents to reimburse pervasively sectarian institutions. It is not an easy matter, but the case which comes the closest to this situation is Committee for Public Education versus Nyquist, where the Court struck down direct tuition reimbursements.

Certain language from the Nyquist opinion is instructive on this issue. On page 780 of 413 U.S. Reports, there appears the following:

> What we have said demonstrates that New York's maintenance and repair provisions violate the Establishment Clause because their effect, inevitably, is to subsidize and advance the religious mission of sectarian schools.

The Court later said at page 784:

> The effect of the aid is unmistakably to provide desired financial support for nonpublic, sectarian institutions.

The prohibition of Nyquist comes into sharper focus in the 1985 decision of the Supreme Court in Grand Rapids School District versus Ball, when the Court points out at page 385, 473 U.S. Reports:

> The programs may provide a crucial symbolic link between government and religion, thereby enlisting—at least in the eyes of impressionable youngsters—the powers of government to the support of the religious denomination operating the school.

Mr. President, the cases which the proponents of the Mitchell substitute rely upon, Mueller versus Allen and Witters versus Washington Department of Services for the Blind, simply do not support the position for which they are cited. And on no day is it clearer than today, when the Supreme Court has just struck down statutes on flag burning, that constitutional mandates are inviolable.

While there are many very favorable provisions in the sweep of Senator DODD's bill, now captioned the Mitchell substitute, we run the very grave and material risk of having the entire effort stricken on these constitutional grounds.

Senator PACKWOOD's bill is more modest and perhaps, absent the constitutional issue, the Dodd provisions would be more desirable than Senator PACKWOOD's provisions. It may be that the bill advanced by Senator PACKWOOD is not going to be successful and then we are going to be faced with an analysis of whether to accept the problems of constitutionality in the Mitchell substitute or to reject the bill entirely.

But the prudent course, I submit, Mr. President, at this time, is to accept the more moderate approach of Senator PACKWOOD which does not raise this grave constitutional issue. And we will have passed important day-care legislation.

I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPECTER. I was about to yield back the remainder of my time, but I need not do so.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent that an analysis of the very issue raised by our distinguished colleague from Pennsylvania, the church-state issue, be printed in the RECORD in a letter from Jamie Gorelick of the Miller, Cassidy firm in Washington, analyzing the constitutional questions in that particular matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MILLER, CASSIDY, LARROCA & LEWIN,
Washington, DC, June 21, 1989.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY: You have asked for our opinion regarding the constitutionality of Section 121(a) of the "Mitchell Substitute" to S. 5.[1] We understand that this language would permit eligible child care programs that include sectarian activities to receive funds through child care certificates, if such expenditure would not violate the Constitution. For the reasons stated below, we conclude that Section 121(a) is constitutional.

As you know, the extent to which religious organizations may participate in government programs as the ultimate recipient of government funds has been the subject of considerable debate in the courts. The path cut by *Lemon v. Kurtzman*, 403 U.S. 603 (1971), and its progeny, is not easily discerned. The Court in that case acknowledged that even it could "only dimly perceive the lines of demarcation" in this area. 403 U.S. at 612.

The boundaries of the debate are broad. On the one hand, direct payment of public funds to sectarian institutions for sectarian purposes is clearly prohibited. *See Grand Rapids School District v. Ball*, 473 U.S. 373, 385 (1985) (striking down state programs that paid for teachers to teach in sectarian schools because the Establishment Clause does "absolutely prohibit government-financed or government-sponsored indoctrination into the beliefs of a particular faith"). On the other hand, indirect public funding of sectarian institutions through tax deductions is clearly constitutional. *Mueller v. Allen*, 463 U.S. 388 (1983) (upholding tax deduction for tuition, textbooks and transportation expenses of sending children to sectarian schools).

Allowing parents to use child care certificates to pay sectarian providers falls within the range of cases as to which no safe prediction may be made. Three cases are illustrative:

In *Witters v. Washington Department of Services for the Blind*, 474 U.S. 481 (1986), the Supreme Court upheld a vocational rehabilitation program for the blind in which the individual student decided which school to attend, even though the program paid for Bible school training of the student for a religious career.

In *Bowen v. Kendrick*, 108 S. Ct. 2562 (1988), the Court upheld the language of the Adolescent Family Life Act which provided funding to religious organizations that counselled teenagers on pregnancy and parenthood, but the Court remanded, *inter alia*, for specific findings on whether particular grantees were using the funding for religious activities.

In *Aguilar v. Felton*, 473 U.S. 402 (1985), the Court struck down a program which provided aid directly to private schools for the purpose of underwriting remedial education, because ensuring that federal funds were not used for religious purposes would excessively entangle the state in the supervision of sectarian schools.

No Supreme Court decisions squarely addresses the constitutionality of permitting child care certificates to be used to pay sectarian providers. It is apparent that the issues that will be considered in evaluating the constitutionality of such a program are, *inter alia*, whether the statute has a principally secular purpose, whether the primary effect of the aid is to advance religion, whether the intervention of individual choice in the use of the certificates alters or eliminates the element of state involvement, whether the statutory scheme excessively entangles the state with the affairs of sectarian schools and whether the institutions aided are pervasively sectarian.

As always—but particularly in these circumstances—the courts will be, and properly are, the ultimate arbiters of constitutionality. Even without specific language barring unconstitutional expenditures of finan-

[1] Section 121(a) provides: "(a) SECTARIAN PURPOSES AND ACTIVITIES.—No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction, except that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child care certificate to a parent under section 108(a)(1)(C). Financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution."

cial assistance, the courts would provide a check on unconstitutional activity. Inclusion of such a provision in the statute itself signals to those implementing the legislation and to the courts both Congress' understanding that difficult issues are raised by the legislation and its inability to predict the judicial outcome of a constitutional challenge to that legislation. The provision expresses Congress' unwillingness to pass legislation transgressing constitutional limitations. Similar language was used in the early 1970's in legislation authorizing busing as a remedy for school segregation. Equal Educational Opportunities Act of 1974 § 203(b), 20 U.S.C. § 1702(b) (1978). In reviewing that legislation, courts have noted the provision as manifesting Congress' purpose to ensure the constitutionality of its actions. *See, e.g., Morgan v. Kerrigan*, 530 F.2d 401, 413 (1st Cir. 1976); *Newburg Area Council, Inc. v. Gordon*, 521 F.2d 578, 581 (6th Cir. 1975). Such a provision is a most appropriate failsafe here to ensure the constitutionality of the measure.

Sincerely yours,

JAMIE S. GORELICK.

I point out to my distinguished friend and colleague, our colleagues felt very strongly on both sides of the aisle here that there ought to be a provision that allowed for these certificates to be used at religious-based institutions. Most of our colleagues in this Chamber have expressed that view strongly. He and I discussed it. I appreciate his concerns. We have included a severability clause so if this issue is raised in the court, as it may very well be, the courts will at some point decide that issue. I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Oregon has yielded himself 4 minutes.

Mr. PACKWOOD. Mr. President, very briefly, let us again go over some of the points raised by the opponents to the Dole amendment. The Senator from Massachusetts [Mr. KENNEDY] talked about other bills we have passed at other times. He said nobody here railed about standards in those bills. No, indeed, we did not. In many bills we pass, standards are needed. If you are going to pass a bill related to interstate commerce and railroads, you need a standard width. If you talk about the Federal Aviation Administration and airports, you need standard frequency for safety.

However, there is no need for Federal standards in this bill. And mark my words, Federal standards are what we will get when the original proponents of the ABC bill are back again in 2, 3, 4 years asking us to put Federal standards back into the bill. And they will try. But, these standards are unneeded. There is no need for that section in the bill at all.

Second, on religion, the following provision is still in the bill:

No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship or instruction. * * *

The Senator from Georgia will not have to worry about the vacation Bible school. There will be no money going to that school under this bill.

An argument is raised that a State can have certificates if it wants. However, only half the States at the most have certificates in one form or another. Certificates are like a voucher. You give it to the parent, the parent turns it in to the day-care provider, the day-care provider turns it in to the Government and gets money for it. Some agree that this is constitutional. I think the Senator from Pennsylvania is correct that it is probably actually unconstitutional. But there is no question about the constitutionality of a straight out tax credit where a parent sends their child where they want for child care, religious or nonreligious, pay some money to the institution and gets to take a portion of the child-care expense off their income tax. That is constitutional. No question about it.

In terms of the homemaker, there is an honest difference of opinion. There are some people who think, apparently to the amazement of the opposition, that the best way to take care of their children is to stay home with their children and not go into the work force. The opponents to the Dole amendment made it clear they do not intend for that person to get any child-care money in any way, shape, or form. They have amended their bill and amended their bill and amended their bill to attempt to take care of religious objections and national standard objections. They have never amended their bill to take care of the homemaker.

So under the Mitchell amendment, you can be assured you will get zero Federal assistance for child care if you think the best child care you can give to your child is to stay home.

The underlying bill is called the ABC bill, the Act for Better Child Care. I think it really ought to be called Anything But Choice, because there is going to be no parental choice of any consequence in this bill. There certainly is going to be no children's choice of any consequence in this bill. The States are going to determine which day-care centers get money. They must not be for-profit day-care centers like Kindercare. They cannot be religious day-care centers, like a Seventh Day Adventist or B'nai B'rith day-care centers. And the parents can express a wish as to which of the State-chosen centers they might like their child to go. But it is a wish, it is a hope. There is no guarantee that is where the child will end up. The ABC bill is a bureaucrat's dream.

I fear that the Dole amendment may lose. I think the sides have hardened on this issue. It is unfortunate, because if the ABC bill passes in its current form, we are going to see a bill that uses at least 30 percent of its money for administration, not for child care. We are going to see States attempt to draft standards of one kind or another that will make it very difficult for parents to leave their child with a neighbor who has maybe taken in four or five children herself from around the neighborhood.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PACKWOOD. How much time is left on our side, Mr. President?

The PRESIDING OFFICER. Nine minutes, 56 seconds.

Mr. PACKWOOD. I will yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator is yielded an additional 2 minutes.

Mr. PACKWOOD. Last, in terms of common sense, I want to talk about whether the approach of the ABC bill or the approach of the Dole amendment in terms of ease of administration is more rational. Under the ABC bill, we tax the citizens, and we bring the money to Washington, DC, then Congress passes bills to appropriate the money. That money goes to a Federal agency, which in turn gives it to the State governments. The State governments in turn purchase day-care slots in different day-care centers. That is the way the ABC bill works.

Under the Dole approach parents send their child where they want. The bill allows them to take a certain portion of that cost off their income tax. Parents know what the tax credit is ahead of time. They know how much they are going to be able to take off their income tax depending on what their income level is and how much they spend on child care. They put their child in the day-care center, of their choice and they take so much off their income tax.

I ask you, Mr. President, which is the simpler approach? Tax the citizen, bring the money, to Washington, DC, appropriate it, give it to a Federal agency which gives it to a State which buys slots in a day-care center, or say to a parent, send your child where you want and take part of the expense off your income tax, no additional bureaucracy, no additional IRS agents, no additional rules or regulations from the Federal Government or from the State government; just a simple choice.

Mr. President, I think it is clear which is the better alternative. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Connecticut.

Mr. DODD. Mr. President, I yield 1½ minutes to my colleague from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, the debate over the Act for Better Child Care, S. 5, is drawing to a close. This Chamber has been filled many times over with the words of arguments made by our colleagues. I concluded

prior to listening to the arguments that this bill was worthy of my support. The current status of our children and the thoughtful, caring way in which Senators DODD and HATCH have conducted themselves when confronted with reasonable objections have solidified my decision to vote "yes."

Mr. President, the careless manner by which this legislative response to America's greatest challenge has been delayed angers me. However, the misrepresentations made by some who oppose this legislation have already been addressed effectively and passionately by the Senator from Connecticut and the Senator from Utah.

The purpose of my comments today is to persuade those still undecided that they should vote for this bill. I urge them to support it. I urge them to consider three things:

First, America has changed; second, our expectations are higher; and third, delivery system of ABC is best.

1. AMERICA HAS CHANGED

On Tuesday, the Senator from Arkansas [Mr. PRYOR] rose to offer a worthy amendment which was accepted by the bill's principle sponsors. Senator PRYOR's amendment and the tax credits already in the bill would help parents care for latchkey children.

After making his argument he digressed into a memory. And it was in that memory, Mr. President, that I was moved.

He began by saying that he was probably a latchkey child when he was growing up. He recalled coming home from school and picking up the phone to find out where his mother was. In those days, the Senator said, there was no dial tone; only a central operator. When he picked up the receiver the operator said, "David, is that you?" He answered "yes," and she answered his question about the location of his mother.

Senator DODD, after accepting the amendment, allowed himself to describe what it was like for him to grow up. He said he never recalled a day coming home from school that he could not enter the front door of his home, holler for his mother, and find her there.

Then, the Senator said the most remarkable thing: "I wish this bill wasn't necessary. It is not with glee that I must propose it. I wish that children today faced the kind of home that I did. But increasing numbers of them do not".

In a dramatic reversal of roles, the details of this deficiency were presented in stirring fashion. Senator HATCH, a conservative Republican, offered the most impressive testimony yet that this legislation meets a sad and critical need.

Mr. President, I do not make these comments to mean that it is lamentable that increasing numbers of women are in the workplace. I believe it altogether good that Americans have acted affirmatively to provide increasing political and economic opportunities for women.

Rather, there is something lamentable in that both men and women in America seem to have lost sight of what they are working for. The impact of all of this upon me is to ask "Why? Why does this condition exist? What have we done to ourselves during the great economic advances of the past 50 years that has produced this?" Our standard of living is higher. We are more free to choose and to do what we want than ever before. The burdens of growing food and of providing shelter, clothing, and fuel have been substantially reduced. And the scourge of many childhood illnesses have been stopped with modern medicine.

Unfortunately, rather than looking out upon a nation of people with more leisure time and more time for reflection with their families, I see a nation scrambling to catch up, stay even or get ahead. Americans seem to be locked into a competitive race with an unseen enemy, and too often the race has become more important than where we are going.

I am not certain, Mr. President, why this is, but I believe one factor can be seen in the opposition to this bill. The attitude of the opponents seems to be that helping the poorest of the working poor is not a worthy enough goal. Rather, there must be something in it for ourselves as well. The opponents either implicitly support a large liberal transfer of Federal dollars to cover every single family in the United States, or their arguments are disingenuous and, therefore, cruel.

Unfortunately, I suspect that in this case it is the latter. I certainly have not heard a convincing argument that low income families do not have the need for the kind of child care this bill makes available. I fear that until we have the courage to help others, even if there is nothing in it for ourselves or the more powerful segments of our constituencies, the divisions in our society will continue to grow.

2. EXPECTATIONS ARE HIGHER: COMPETITION, WORKPLACE CHANGES, VISION OF OURSELVES IS BETTER

Mr. President, we have all come here because we have offered ourselves as leaders. Today, I believe it is increasingly important for us not just to debate what we are going to do to solve a problem, as the ABC bill will do, but to wrestle with questions of purpose. The first step in this pursuit is passage of the ABC bill to help provide families with the means to improve their lives and those of their children.

3. DELIVERY SYSTEM IS BEST

Now, more than ever we need to act according to the title of this bill, for better care, for those most in need. I urge my colleagues to vote for the Mitchell substitute to the ABC bill.

In summary, Mr. President, it seems to me what we are trying to do is design a Federal response to what people in America are already doing, the same way we did in nursing homes many years ago. The people of the United States of America are out purchasing child care as a consequence of all kinds of changes that have occurred. One of the things I have heard over and over is this preference for the woman to stay in the home. I understand that the best care that can be given is given by a mother and a father directly in the home. But I ask those Senators who are objecting to the ABC bill on this basis if they have women who work on their staffs who purchase child care? I suspect that most of us do. I suspect that most of us, in fact, have hired people who are looking at the ABC bill perhaps as a way for them to satisfy their child care needs as well.

Americans are purchasing child care, Mr. President, and what we have attempted to do is design a response consistent with what they are already doing themselves. Yes, we had to make all kinds of amendments and concessions to try to accommodate different interests and different needs but, in the end, our attention has always been focused on those people who are already in the system making those purchases. Instead, I hear in the Dole amendment precisely the opposite. In the Dole amendment, I hear some sort of centralized attempt to say we want to do it this way; we have a preconceived notion of what we think works the best. I do not hear, in fact, an argument that says we are trying to respond to a need out there in America today for increasing numbers of people, radically increasing numbers of people in the last 10 years.

In Nebraska, our first child-care center occurred in 1969, and over the last 20 years, there has been a rapid movement, a rapid change in the workplace for a variety of reasons. One of the things that I center on in my arguments is to say let us not judge that. What do the women think who work for us when we stand up here and say the only kind of real love that you can get is from a woman who stays at home with her child? That is not what we say to our employees. We try to provide an environment in which that care can be given, and it seems to me that what the ABC bill does, in fact, is respond to the needs of America's parents and America's children in the most appropriate, least invasive manner possible. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. Mr. President, child care is extremely important in our society. It is an issue to which we, as legislators, should give careful consideration. Any bill we pass should be fair to all children and target those who are most in need.

President Bush has laid out four basic principles which he feels are vital to child care in the United States. I support these principles. I believe

they target the essential elements of the issue.

First, the legislation must increase options for parents. The Federal Government should ensure that there are options available to all families with children. Options such as child care from relatives, friends, and neighbors should not be ignored. Church based care should also be taken into consideration. If parents want their children to learn a particular religion or set of values, then the option should be made available to them.

Second, we must maximize parental choice. If the options are made available, parents may choose the type of child care that suits their needs and the needs of their children. These needs are different in every family. Individual priorities should not be dictated by the Government; it is the responsibility of the parents. Congress cannot assume that parents are inept at deciding the type of child care they want. On the contrary, they know best the needs of their children and should be afforded the liberty to choose.

The third principle is nondiscrimination between working mothers and those who stay at home. If a mother decides to stay at home to care for her children, she deserves the same government assistance as a mother who works. Homemakers play a vital role in our society—strengthening the family unit. In the past few decades, society has continuously moved away from the family unit. If parents want to care for their children at home, they should not be punished by Congress. It is not the Federal Government's responsibility.

I am not suggesting that all mothers should quit their jobs, only that they should be able to make this decision on their own. It is not our job to dictate how families raise their children.

The fourth principle is that any legislation passed should go to those most in need—low income families. These families have no options because they cannot afford them. They also have the right to choose the type of child care they want for their children. Any assistance from the Federal Government should not ignore this group.

The Act for Better Child Care does not address even one of these principles. It was intended to increase availability and affordability of licensed child care, however it does just the opposite. If passed, this legislation will result in the closure of many day care centers which do not comply with set standards and, at the same time, drive up costs to the parents to cover the costs of compliance.

In a study conducted by Child Care Review, it was found that the standards mandated in the ABC bill will increase the cost of licensed child care by approximately $1.2 billion a year. This cost will be absorbed by the parents, raising tuition by an average of $351 a year, per child.

According to the Census Bureau, only 11 percent of children under 5 are enrolled in licensed child-care facilities. In view of the additional costs of ABC, the result will undoubtedly be displacement of many children who are currently enrolled in licensed child-care facilities, thus the ABC bill will benefit less than 11 percent of all children under 5.

The ABC bill mandates several requirements for States in order to receive funds. These include development of a child-care plan, which regulates a strategy for regulating all licensed providers and conducting inspections of these centers and homes, where ever child care is provided.

So if a grandmother looks after her grandchildren, she is required to sign a contract with the State and the parents describing in detail the type of care she will provide, and be subject to unannounced inspections to ensure that she complies with the health and safety standards. She would also have to provide daily reports to the State indicating that she met the nutritional standards of the State in feeding her grandchildren. On top of that, grandma, who has undoubtedly had experience in caring for children, must go through training to prove she is competent enough to care for her grandchildren! Given these requirements, it is unlikely that grandmothers will receive funds under ABC.

In the United States, substantially more children are cared for by relatives and friends than day care centers. In view of the strict regulations, these children will not benefit from the ABC bill. This definitely limits parental choice in child care, ruling out the major provider for funding.

Proponents of the ABC bill state that it will provide direct assistance to parents. This assistance is in the form of "child care certificates." If a State chooses to offer these, the certificates do not offer a variety of choices. Parents would have to sign a contract with the State, which would select and approve the type of child care. Therefore, the selection of child care falls under the jurisdiction of the Government. The parents have very little choice in care for their own children.

ABC then establishes a national board, the National Advisory Committee on Child Care, and requires each State to set up a similar board to police child-care providers and ensure that they comply with the Federal standards—to be set at a later time by the national committee.

I am curious as to where parents fit into this plan, if at all. The Federal Government is not in the babysitting business. However if Congress passes the ABC bill, that is what we will be doing.

A tax credit approach to child care would give the responsibility of child care to the parents. In this way, the funds go directly to the family without discriminating against any particular group.

Senator DOLE has offered a substitute amendment to the ABC child-care bill. It is a compromise of the various pending tax credit proposals. This would make the current dependent care tax credit refundable, enabling lower income families who do not file returns or pay little in taxes, to benefit from the credit.

The amendment also provides an expansion of the earned income tax credit for families with one or more children under 5. This will benefit single-income families. This proposal will give families the flexibility to choose what type of child care best suits their individual needs. I believe the tax credit approach is the best solution to this problem and it would benefit the most people.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut controls 7 minutes 53 seconds, the Senator from Oregon 7 minutes 54 seconds.

Mr. DODD. Mr. President, I yield 2 minutes and whatever seconds to myself.

Mr. President, very quickly, it has been a long debate, almost a week long. First of all, there is basically no disagreement on the tax side of the proposals. They are hardly distinguishable given what is included in both the Dole substitute and the Mitchell substitute.

The real differences are the three basic problems that American families face when looking at child-care issues today: The quality of that care, the affordability of that care and the availability of that care.

In the State of Florida there are 30,000 slots that are needed for children in that State; in Alabama, 7,000 to 10,000 slots; in Illinois, 30,000 slots; in Georgia, there are 133,000 children under the age of 5 living in poverty and only 8,000 of those children get any kind of child-care assistance at all. We are trying to increase availability by providing assistance to the States.

On affordability, the average cost is $3,000 per child per year. We try to alleviate some of those cost burdens that families face living in poverty, or who are working families. The ABC bill does that. With all due respect, the Dole substitute says there is really no problem in that area; we are only going to address the poor.

And last, quality, here we try to say that the quality of care ought to be improved. The substitute says quality is fine, do not worry about it, and yet we know in many jurisdictions there are no standards at all. We do not mandate standards, Mr. President, but we believe that your car and your pet are guaranteed certain standards and protection by State licensing agencies. We think your children deserve no less, that if they are going to be in a child-care center, we ought to be able to say the people who are watching them, the room in which they are in,

and the food they eat meets minimum standards. We are told we are wrong to insist upon that. We think we are right, that we are helping American families by trying to improve the quality of their care.

On affordability, on availability, and on quality, the Mitchell substitute addresses what the American family is seeking. With all due respect, the Dole substitute does not address those issues at all.

So, Mr. President, I urge my colleagues today—I am confident we can put together a compromise package. With Senator HATCH working with me, we have put together a bill that addresses the concerns that our colleagues and others have had. We believe it is a bipartisan approach. We look forward to working with the President and our colleagues who take a different point of view. We need to put partisanship aside. We need to deal with the issue on a substantive basis. That is what we have been striving to do for 2 years. We will continue to do that provided that we defeat the Dole substitute and deal with the Mitchell substitute, handle the amendments and work with the White House in putting together a comprehensive child-care program.

Mr. President, I yield back the remainder of my time. I apologize, Mr. President. I yield the floor. I still have approximately 5 minutes remaining.

The PRESIDING OFFICER. The Chair informs the Senator that he has 4 minutes and 40 seconds remaining. Who yields time?

Mr. DOLE. Mr. President, the only time remaining is, I think, my time and I would like to be the last speaker since it is my amendment.

Mr. DODD. As I understand it, I have 4 minutes and 45 seconds remaining. I will be glad to yield to my colleague from Utah the remainder of our time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah [Mr. HATCH].

Mr. HATCH. Mr. President, over the last number of years as I have looked at this issue I have seen thousands of instances of families in turmoil and trouble that cannot even find adequate child care. I have seen single heads of household who do not know what to do. I have seen waitresses who have split shifts and changed shifts who cannot solve their problems on child care because they only make the minimum wage and the average cost is $3,000 a year.

Yes, they would be helped by a tax credit, if they have two children, of $750. That means they would only have to come up with $5,250 out of the approximately $10,000 or $12,000 income to take care of those two children themselves.

I have seen women who had everything going for them; husband working, loving them, showing them great affection, bringing home the bacon and staying home with the children, and then all of a sudden the husband does not come home one day because he dies. I have seen them faced with the reality of having to go to work without having worried about education or without the requisite skills and having to support those children and pay the house payments knowing that they could do it as long as the husband worked, and not being able to make it and scrambling and scratching and worrying all day long about not being able to have child care because they cannot afford it, so their kids have to go without.

I have heard the stories, and they are true, of kids crawling into the gas dryer and getting killed because they have no supervision. I have heard the stories of little children running across the street and getting killed because there is nobody there to supervise them. I know there are 5 to 15 million latchkey children in this country who do not have adquate support.

Let me tell you something. I believe we should have a comprehensive child-care bill and neither side has the total answer. I would enthusiastically support this Dole amendment if it were not a substitute. I support tax credits. It is a good idea. I believe they can contribute a great deal to a comprehensive child-care bill. But I cannot support the Dole amendment in the form of a substitute because it completely wipes out the ABC bill. I am not for the wiping out of the ABC amendment because I think it adds a great deal.

I think Members on both sides of the aisle recognize the importance of dealing with the child-care issue. I have said and demonstrated in as many ways as I can that I support the tax credits and I would like to see the provisions of the ABC bill broadened to take care of the parent who stays at home as long as the other parent works. I would like to see it. I think we will before this debate is over. But I do not believe the tax credits are the only answer because they leave too many gaps. A tax credit does not adequately address availability or quality concerns which are as much a part of this debate as anything. Let us be realistic. I have said that tax credits do not necessarily solve the problems of cost to those who are in the low income categories such as single heads of household and others who are having a really vicious time getting by.

The ABC bill that has been negotiated over the past couple years is a good bill. It is not perfect. It is a compromise. I give credit to the distinguished Senator from Connecticut and his counterpart, BARBARA MIKULSKI, the distinguished Senator from Maryland. They have worked hard with all of us to try to come up with a bill that would be acceptable to all of us. It is a compromise, but I am comfortable supporting it. If I believed the arguments that were made against it, I, too, would vote against it, but I know they are not true. I believe this bill guards parental choice. It permits participation in all kinds of child care through all kinds of child care providers. It gives the States flexibility, flexibility that they need to design the programs to meet the specific needs of the people.

Actually, the Dole substitute, as I view it, knocks out the entire ABC bill, and although it is a good bill it is not enough. If we put them both together we might have something that could really be worthwhile. I know of the pressure on Senators.

May I ask how much time the Senator has remaining?

The PRESIDING OFFICER. The Chair informs the Senator that there are 7 seconds remaining.

Mr. HATCH. Let me just end with this. I hope my colleagues will vote against the Dole amendment. I do not think it solves the problem, nor do I think it will solve the problem but I hope we can revote on it again as part of a comprehensive package. We will all benefit, and families all over this country will be better off. I think we should support the ABC bill.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President how much time remains?

The PRESIDING OFFICER. There are 7 minutes 8 seconds remaining of the time allocated to the Senator.

Mr. DOLE. I yield 2½ minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico, [Mr. DOMENICI].

Mr. DOMENICI. I have had the privilege of speaking on this amendment twice before, and I am delighted to urge the Senate to support the Dole substitute. I wish I had time to do the arithmetic of this bill, but I am just going to do a little bit of speculating.

I want to repeat. I sure would not like to be out there in the States of this Union when they have to ration the child care under this bill.

My best guess is that if the entire profile of young children that this bill says are going to be helped, if you are going to try to help them, then I think you probably are going to help about 7 percent of the children. I do not believe that is the way it is going to turn out because I think there is going to be selective processes out there in the States that favor centralized facilities that find every excuse to fund religious facilities.

I believe out there in all of the counties and parishes across America, politics is going to get involved in that very tiny portion that are going to be privileged enough to get help. I am proud to say that we are going to help the poor children first. We are not trying to convince Americans that we are going to help everybody.

Those who are for ABC say we might even help $47,000 income families. If you really believe that, you are

going to try to take care of 16 million children with about an $800 million grant program. My best guess is that is about $25 a child. That will not work.

So the process of rationing is going to create a new group. Maybe we will call them kiddycrats instead of bureaucrats who are going to have to be out there making decisions on behalf of parents, and are the parents in this country going to be surprised when they find out about that process and that they have been left out.

I thank the leader for yielding to me.

Mr. BOSCHWITZ. Mr. President, I rise in support of the Dole-Packwood substitute, of which I am a cosponsor. This is the right approach to child care, and much of this substitute is similar or identical to provisions in legislation I have authored.

As I stated the other day on the Senate floor, my approach begins with the understanding that most child care originates not in a large institution, but in a home where a mother cares for her own children and those from the neighborhood. It often begins with a mother who wants to stay home with her children but needs to provide a second income for her family. Our efforts to support child care must recognize that reality.

That's why I want an approach to child care that does not burden these providers with a lot of new and complicated regulations. In addition, I want an approach that preserves parental choice in the whole area of child care, and I want to provide this assistance in the most efficient way possible.

The Dole-Packwood substitute is that kind of an approach. It uses tax credits, which are an effective and efficient way to provide assistance. It empowers parents to choose the kind of child care that is best for their family. And it does not add a lot of new government regulation.

My own child-care legislation included a number of tax credits, because I think they are an effective way for the government to provide assistance. Rather than taxing people, bringing the money to Washington, and sending it back to States with plenty of redtape and regulation attached, tax credits provide direct aid to families.

Let me briefly describe the two major tax provisions in this substitute. First, it enhances the existing dependent-care tax credit. That credit is available to everyone who pays for child care, and it is currently the largest form of child-care assistance provided by the Federal Government.

This substitute makes the dependent-care tax credit more useful to families with lower incomes, by making the credit refundable. That means that even if a family does not owe taxes, it would still qualify for the credit. Parents who qualify wouldn't have to wait until the end of the year to receive the credit. They could have it included in their weekly paycheck, making the assistance immediately available.

In addition, we include a credit for those families where one parent remains home with the children. This credit would expand the existing earned income tax credit for families with at least one child under 5. Families with low incomes would receive $500 for one child and $750 for two or more children under that age. This credit would also be refundable, and it would be available to all parents, whether they used child care or not.

Tax credits are not only efficient. They also protect a parent's ability to choose the kind of child care they want for their children. That's important to me.

Quite frankly, I am willing to trust parents who claim this credit to spend it wisely on child care. I don't think it would be wise for the Federal Government to develop a system that compels parents to choose a certain kind of child care. Parents know best what their children need.

Our substitute also provides $400 million in a block grant to the States, to improve their child-care programs. My bill had a similar block grant. As I've noted, most of the assistance in this substitute comes through tax credits, but this grant offers targeted support for important programs States already have underway or may want to establish. Those programs include things like resource and referral systems, loans and grants to providers, and special programs for those with disabilities.

But because it relies principally on tax credits, this substitute child-care bill provides assistance without imposing burdensome new standards. Those who support the ABC approach have emphasized that they have scaled back their regulations. In fact, they have gone so far that some of their original backers have withdrawn their support.

However, the ABC approach still imposes standards on States in six different areas, rather than leaving the choice of those standards to the States themselves.

And make no mistake, the supporters of ABC will not be satisfied with the present level of standards. Next year, its supporters will be back to push for stricter standards. As the Senator from Oregon pointed out last week, those who support the ABC approach believe that standards can guarantee quality child care. If their approach is adopted, they will continue to work for greater regulation of child-care providers and greater Federal involvement in child care.

Mr. President, this debate is making the differences clear. Quite simply, do we want an approach to child care that empowers parents to make choices in caring for their children, or do we want an approach that expands the role of Government in child care?

It is my hope the Senate will choose the approach that empowers parents, limits Government regulation, and provides the most efficient assistance possible. I urge the adoption of the Dole-Packwood substitute.

Mr. ROTH. Mr. President, I am proud to add my name to the list of cosponsors of the child-care package proposed by the distinguished Republican leader, Senator DOLE. I believe that this package represents a well-reasoned and comprehensive approach to the growing need for child care in this country.

The Republican leader's package contains several sensible components. First, it provides that the dependent care tax credit will be refundable. This will ensure that low-income families that pay for child care will be able to benefit fully from the dependent care tax credit, even if the size of that credit exceeds their tax liability. Second, it expands the earned income tax credit for families with children. This expansion will be available to all low-income families with children, whether they pay for child care, or rely on a parent, friend, or relative for this purpose. That means that families in which one parent stays at home to care for the children will not be forgotten under the Dole package. Third, it establishes a grant program to fund State efforts to improve the quality and expand the availability of child care. And fourth, it includes a version of a provision that I first introduced in the 100th Congress, to exempt child-care earnings from the Social Security earnings test.

Mr. President, I would never question the good intentions of the supporters of the child-care package offered by the distinguished majority leader, Senator MITCHELL. But I am concerned that the approach outlined in the Mitchell package, State-administered subsidies, would reach only a fraction of eligible families, despite a substantial cost. In addition, the subsidies called for under the majority leader's package would only be available when an eligible family uses a government regulated and licensed child-care provider. This requirement would effectively exclude many other possible child-care arrangements, including care by relatives or neighbors.

Viewed in this light, the alternative approach embodied in the Republican leader's package, tax credits, presents some distinct advantages. To begin with, tax credits reach more families. In fact, all of the families eligible under the income limits specified in the Dole package could conceivably benefit in the first year. At the same time, tax credits assure that parents themselves will have maximum choice in arranging for the care of their children, whether the care is carried out at a center, by a home-based provider, or by a parent staying at home. In short, tax credits will help make child care more affordable by giving money directly to the families in greatest need. And through this approach, Senator DOLE's package leaves the choice

of child-care arrangements to the families themselves.

I am pleased to see that the Republican leader's package includes a block grant program, because that program is quite similar to a block grant program that I proposed in my own child-care initiative, which I have introduced twice before. In the Dole package, $400 million will be available annually to States for such purposes as resources and referral, training, programs for sick children or latchkey children, and other very worthwhile and important needs associated with the provision of child care.

Finally, as I mentioned yesterday on this floor, I am particularly pleased that the Dole package includes my provision to exempt child-care earnings from the Social Security earnings test for senior citizens age 65 and older. This provision will allow seniors to get involved in child care without risking their Social Security benefits. Thus, it will help respond to the need for qualified child-care providers. At the same time, it will help bring seniors and children together. Surely, that is an outcome with which no one can argue.

Mr. President, the Republican leader's package has a lot to recommend it. It assists low-income working parents who pay for child care. It does not overlook low-income families where one parent forgoes a paycheck to stay at home with the children. Using the mechanism of a tax credit, it reaches more families than the alternative of State-administered subsidies. I am hopeful that the passage of this package will not only help those families most in need, but spur a cooperative effort by other entities—including the State governments, and the private sector—to assist in meeting the full spectrum of child-care needs in this country. I urge my colleagues to support the Republican leader's package.

Mr. CRANSTON. Mr. President, I am pleased to rise today in support of S. 5, the proposed Act for Better Child Care Services of 1989, better known as the ABC bill and in support of the Mitchell substitute. I am proud to be an original cosponsor of this legislation and to have worked closely with the chief sponsor, Senator DODD, in developing and perfecting the measure before us today. Mr. President, I consider this legislation to be one of the most important bills to come before the Senate. I am delighted that we now stand on the threshold of passing this much needed legislation that will help so many of our Nation's families.

Mr. President, as chairman of the Child and Human Development Subcommittee of the Senate Committee on Labor and Human Resources during the 95th and 96th Congresses and as a member of its predecessor, the Subcommittee on Children and Youth, since its creation in the 92d Congress, I have witnessed the escalation of the child-care crisis in this country. A decade ago, it was a growing problem; today it is a national crisis. To put it simply, there is a dire shortage of affordable, quality child care for children whose parents are in the work force.

Mr. President, there is hardly a single community in this country that is untouched by this crisis. Throughout the Nation, there are long waiting lists for admission to existing child-care programs. Countless parents are forced to make-do with unsatisfactory child-care arrangements so that they can continue to work to support their families.

Mr. President, in my State of California, the lack of child-care services constitutes a crisis which threatens the economic survival of many families. The current resources fall well below the existing need for child-care services. In the two areas of infant care and extended child care for school age children, the problems are particularly acute. Waiting lists are commonplace. By some estimates, 1 million more children need child care than can be accomodated by existing licensed facilities. By 1995, it has been projected that 200,000 more California children will need child care. My State, like the rest of the Nation, has simply not been able to keep pace with the escalating demand for services.

The cost of child care is also beyond the reach of many families. A recent study by the League of Women Voters found that most Californians are paying between $3,000 and $4,200 a year for full-time care of a preschool child. Full-time care for two preschool children costs between $7,200 and $8,200 a year. That's a staggering amount for any family and especially for a low-income family. Two parents working full time at the minimum wage would spend 30 percent of their income just on child care. A single parent working at the minimum wage would expend a staggering 60 percent of wages on child care. For millions of families, child-care costs rank at the top of the family budget, next to food and shelter costs.

Mr. President, we can no longer turn our backs on this Nation's children. The reality is that almost two-thirds of all mothers with school-aged children work outside the home. Why are so many mothers in the work force? Economic necessity. Statistics tell us that two-thirds of the women in the work force are either sole providers or have husbands who earn less than $15,000. In 1983, 25 percent of the married women in the work force had husbands earning less than $10,000; 50 percent under $20,000 and nearly 80 percent less than $30,000. The earnings of these women play a critical role in the economic well-being of their families. For the one in six American families headed by a woman, of course, her earnings are a matter of simple survival.

Tremendous demographic changes have taken place in our society during the last decade. Yet, public policies have simply not kept pace with an evolving work force and the changing needs of American families. It is imperative that we now respond to the changing demographics of the workforce by providing a carefully designed, long-range initiative to help meet the ever increasing demand for quality, affordable child care.

NEED FOR A COMPREHENSIVE APPROACH

Mr. President, throughout my service in the Senate, I have been deeply involved in and committed to issues relating to child-care services for working parents. In past Congresses, I have sponsored and cosponsored comprehensive child-care measures, including the 1971 child-care legislation vetoed by President Nixon and comprehensive child-care legislation, which I have introduced in the Senate since 1979. Although we have made some progress in recent years in enacting small measures dealing wiht child-care needs, we have failed to enact a comprehensive child-care initiative. This patchwork, incremental approach has fallen far short of what is truly necessary if we are to deal effectively with meeting the child-care needs of our Nation's working families.

The Act for Better Child Care Services was designed to provide a comprehensive approach to the problem. It deals with the complex problems of affordability, accessibility, and adequacy of child care. Other proposals, such as the various tax credit proposals, standing alone, fail to achieve the comprehensive approach to the problem offered by the ABC bill.

Mr. President, the legislation we are considering today attacks the child-care crisis from a number of different approaches. The bill, as modified by the substitute amendment, authorizes the appropriation of $1.75 billion to be distributed to the States to help low-income families pay for essential child-care services and improve the quality of child care for all families. In order to maximize parental choice, the bill authorizes the States to utilize a variety of funding mechanisms and types of child-care providers, ranging from both nonprofit and profit child care centers to family day-care homes and public schools.

Under this bill the States would be encouraged to use some of the funds to maximize existing resources, establish child-care resource and referral centers, and provide technical assistance to family day care providers. The States would also be authorized to provide grants and low-interest loans to child-care providers seeking to establish or expand child-care programs.

In addition, funding would be made available to assist employers with the startup costs of child-care programs and to help communities establish after-school services and programs. The bill is also designed to help provide liability insurance to child-care providers by helping the States establish shared risk pools.

Mr. President, the legislation we are considering today will go a long, long way in providing affordable child care to the many families that need it. The California Department of Education—the lead agency in California for child care—has estimated that enactment of the ABC bill would double the number of subsidized child-care slots in my State. It obviously will not solve all the problems in the child-care area, nor meet all of the need. The solution to the child-care crisis in this country will require the combined efforts of a wide array of entities, from both the public and the private sector, at all levels. But the ABC bill is a significant commitment from the Federal Government to do its share toward reaching meaningful solutions to this national problem.

Mr. President, the ABC bill was not created in a vacuum. Rather, it reflects the contributions of an extraordinary collaboration between child advocacy groups, religious groups, women's groups, the labor organizations, and many others over the past several years. What binds this talented yet diverse coalition is one concern: That all children have access to safe and adequate child care.

The bill we consider today has been refined, modified, and rewritten to reflect the viewpoints and perspectives of a wide array of interests. The ABC bill represents the consensus of numerous organizations who have been involved in child-care issues at local, State, and national levels. It has won the support of the National Governors' Association, the National Council of State Legislatures, the League of Cities, and other State and local governmental organizations. It is a fair and reasonable bill.

SUBSTITUTE AMENDMENT

Mr. President, I want to focus for a moment on the changes to the original bill which are contained in the substitute amendment offered by the distinguished majority leader, which I have also cosponsored. The substitute amendment represents a very commendable effort to broaden support for this initiative.

The substitute amendment would expand and make refundable the dependent child-care tax credit, create a child health insurance tax credit, and incorporate the agreement reached with the National Governors' Association with respect to State standards for center-based and family child-care services. That agreement shifts the role of the Federal Government from establishing uniform child-care standards to establishing model child-care standards to serve as a guide to the States in reforming their State and local child-care standards.

Mr. President, the compromise provisions are similar to the provisions of S. 18, legislation I have introduced in the 101st Congress which would establish an incentive grant program and model child-care standards to assist States in improving the quality and monitoring of child-care programs. Although I supported the original provisions of S. 5 relating to uniform standards, I believe this alternative approach can also lead to improvements in the quality of child-care programs and is a reasonable compromise which moves us forward in this important area.

The tax credit provisions which have been developed by the Finance Committee, when tied to the framework of the ABC bill, may also provide some additional assistance to low-income families, including those who do not have child-care expenses for whom the child health insurance tax credit will provide a benefit.

Mr. President, the substitute amendment also contains language, the Ford-Durenberger amendment, which would allow child-care vouchers to be used in sectarian programs so long as the funds are expended in a manner consistent with the Constitution.

Mr. President, the eligibility of sectarian-based child care for ABC funding is an issue that has dogged and threatened to divide the supporters of the ABC bill. In my view, the first amendment to the Constitution does not permit Federal funds to be used for religious instruction or worship. The provision in the substitute amendment which requires consistency with the Constitution would not therefore authorize Federal funds to be used in such a manner. At the same time, the legislation clearly allows for child-care funds to be used for programs sponsored by religious organizations so long as the programs themselves are nonsectarian. Indeed, the vast majority of church-sponsored child-care programs are already operated as nonsectarian programs. I recognize that there are conflicting legal opinions regarding this issue and that ultimately the issue may be resolved in the courts. That is not, however, an uncommon result in matters of this nature and an outcome which may well have resulted regardless of what the bill provides.

Finally, Mr. President, I must commend the majority leader, the Senator from Maine [Mr. MITCHELL], the chairman of the Subcommittee on Children, Family, Drugs and Alcoholism [Mr. DODD], and the chairman of the Finance Committee [Mr. BENTSEN], for their superb leadership in putting together this difficult compromise.

DOLE SUBSTITUTE

Mr. President, I would like to address briefly the fundamental inadequacies of the Dole substitute as a child-care initiative.

Let me stress that the flaw in the Dole substitute is in its relationship to the child-care crisis in the country.

The basic problem with the Dole substitute is that it was not designed to focus upon the child-care problem, but rather upon the economic needs of low-income families, regardless of whether they have child-care needs.

There is, of course, nothing inherently wrong with that focus. Indeed, proposals from the Republican side of the aisle which recognize the need of the poor families throughout this Nation are certainly welcome.

As a result, however, the Dole substitute, by moving the focus away from the child-care needs of working families, short changes and fails to address the very real and very critical need for child-care services.

Both the Mitchell substitute and the Dole substitute would make the current dependent care tax credit refundable. The centerpiece of the Dole substitute, however, is a new "young child supplement" designed to reach families who do not have child-care expenses, as well as those who do. In order to reach families without child-care expenses, the new credit would be available only to families with children 4 years of age and younger and then only up to $500 or $750 for families with two or more children. This credit would only be available to very low-income families, with incomes below around $15,000, and only the very poorest would receive the full $500 credit—many would receive far less.

What about a family with a 5-year-old needing child care?

What about a family with two parents working full time with a combined income of $15,000 who will receive no benefit from this new tax credit although they may have child-care costs of an average of $3,000 per preschool child?

Even if they are lucky enough to fall within these restrictions, this new tax credit would do very little to offset the staggering costs of child care this family faces if they want to stay in the work force and off welfare. At the maximum, the new credit would provide a family with less thant $10 a week.

Why is the Republican proposal so limited and so restrictive?

The answer is simple: It was not designed to help families with child-care expenses. It has been so diluted that it would not provide any meaningful assistance to any one, and especially not to families with child-care expenses.

Again, Mr. President, the notion of trying to help low-income families who don't have child-care expenses is not a bad proposal. However, when an attempt is made to disguise it as a child-care proposal, it is a deception on the American public.

How cruel it would be to tell the working families of this Nation that Congress is going to enact a child-care initiative, and instead provide a token tax credit that has little, if anything, to do with addressing the child-care crisis in America.

What is ironic is that we already have on the books programs to help low-income families regardless of whether they have child-care expenses. We have the earned income

VOL 135 PT 9 JE 14 — 22 1989 UMI

tax credit which goes to all working low-income families regardless of whether one parent remains home to take care of a child. We have a dependent deduction in the Tax Code—a deduction we have increased in the past several years, and as a result, have dropped some 6 million Americans off the tax rolls entirely.

If the proponents of the Dole substitute want to help poor families generally, why not do so in a straight forward manner and say that is what they are doing, rather than attempt to masquerade their proposal as a child-care initiative?

The answer is simple—they know, as every Member of this body knows, that the American people want and need a child-care bill.

The Mitchell substitute is a comprehensive child-care bill; the Dole substitute is not.

Finally, Mr. President, let me address the issue of parental choice. The proponents of the Dole substitute contend that their $10 a week tax credit for a very limited number of families promotes parental choice. The reality is, however, Mr. President, that parents don't have any choice unless there are programs from which to choose. The Mitchell substitute will help make those choices available. The Dole substitute will not.

The Dole substitute has equally serious flaws in its grant component which would bar any funds from being used to provide actual services to families or to pay for the operating costs of programs. The ABC bill, of course, has no such restrictions. Indeed, 70 percent of the funds allocated to the States under the ABC bill must be used to provide direct services to children and families.

By every measure, the ABC bill as modified by the Mitchell substitute will do a far better job of addressing the child-care needs of working families than the Dole substitute. And that, Mr. President, is what the American public expects Congress to do—deal with the growing child-care crisis in this country.

CONCLUSION

Mr. President, there is simply no question that the demand and need for child care will continue to grow. If we take steps today to design an efficient and cost-effective mechanism for meeting those needs, the ultimate savings will far outweigh the short-term expenditure.

Indeed, child care itself is both a short-term and a long-term investment in the future. Short-term expenditures may be almost immediately offset by increased tax revenues derived from parent earnings and reductions in governmental subsistence and other expenditures necessitated by the effects of a lack of adequate child-care arrangements. Some longer term social costs, such as juvenile vandalism, delinquency, and child abuse and neglect, may also be reduced by prudent and cost-effective investments in child care today.

Mr. President, I strongly support the Act for Better Child Care. This comprehensive response to our national child-care problem promises to provide a sound and realistic approach to the growing need of American families for high quality, yet affordable, child care. With passage of the ABC bill, the Senate will take a major stride forward on behalf of American children and families.

Mr. President, let me conclude by paying tribute to the Senator from Connecticut [Mr. DODD], the chairman of the subcommittee with jurisdiction over child-care programs, and the Senator from Utah [Mr. HATCH], the ranking Republican member of the full committee, for their tireless efforts to move this legislation forward. They have done a tremendous service in refining and perfecting this measure in the finest bipartisan spirit. I join my colleagues in applauding their tremendous work on this legislation.

Mr. NUNN. Mr. President, I want to begin by expressing appreciation for the tireless efforts of the sponsors of S. 5, to convince the Congress, the administration, and indeed the American people that affordable, quality child care has become a critical need for our society.

I have had serious concerns about S. 5 from the moment it was introduced, and I remain concerned about the revised ABC package we consider today. But we would not be in a position to consider constructive alternatives to S. 5, had not its sponsors so carefully developed the case for greater Federal support for child-care services.

The case for increased Federal support for child care is clear and compelling, and is now generally accepted by Republicans and Democrats, liberals, conservatives and moderates alike.

Child care is not just another worthy social objective that Congress is now getting around to addressing. Economic and social change have made child care a national priority.

We have all heard the statistics about the startling increase in the number of working mothers in recent years, but a few bear repeating. In 1950, 18 percent of mothers in 2-parent families with children at home worked outside the home. In 1987, that percentage had climbed to 64 percent. Even more compelling is the fact that more than half of the mothers in this country with a child under the age of 3 are in the work force.

Altogether, there are about 10 million children under the age of 6 with mothers working outside the home. According to our best estimates, there are about 3 million child-care slots in facilities with some sort of documented minimum quality. More importantly, many of those 3 million slots are beyond the financial means of millions of American families.

At a time when our human capital, our brainpower, has become our most precious national resources, and our most critical need in remaining competitive in a knowledge-based global economy, we cannot afford to give up the brainpower of women who want to work outside the home. As a matter of national economic policy, then, we need more Federal support for child care.

At a time when our most important social objective is to break the cycle of dependency among millions of Americans from deprived backgrounds, from communities blighted by crime and drugs, and from one-parent families where access to meaningful work is but a distant memory, the lack of affordable child care is a tremendous obstacle to welfare reform. We talked about that at enormous length last year, and now it is time to begin removing that obstacle. As a matter of national social policy, then, we need more Federal support for child care.

The case for a Federal child-care initiative is obvious to us all. But there is nothing obvious about the most appropriate type of Federal support for child care.

As a Senator who is not a member of the Labor and Human Resources Committee, or of the Finance Committee, I approach this issue without any prior commitments or preconceived notions about this proposal or that alternative.

There are three overriding considerations that I would offer as a guide to the most appropriate Federal initiative in support of child-care services.

The first is that Government, at the Federal or the State level, simply cannot supply child-care services. The vast majority of child-care facilities are supplied by the private sector, more than half by private nonprofit institutions, especially churches and synagogues.

Any effort by the Federal Government to directly control the supply and quality of child-care facilities, and especially any regulatory action that could run afoul of the first amendment prohibition against subsidizing religious institutions, run the risk of damaging our most valuable providers of child care.

Attempts to establish direct Federal regulation of child-care facilities are even more dangerous when they are combined with an open-ended Federal commitment to meet the outstanding need for child care. This supply-side approach could lead to a situation in which the supply of affordable private day care is actually reduced while the Federal Government and the States are obliged to fill the gap. Mr. President, that would be a social and fiscal disaster.

The second overriding consideration is that we simply must maintain parental choice in child care to the maximum extent possible. After all, placing a child outside the home for many hours of the work week is one of the most difficult, emotional, and personal

decisions any parent can ever make. That is one reason child-care facilities sponsored by religious institutions are so popular in this country. Most parents want a child-care facility that is in some respect an extension of the home, not a substitute. Any effort to control or regulate child-care providers that seeks to reduce parental choice simply will not work, because the final decision will be made by the parent in any event.

The third overriding consideration I would offer is that we understand child care is not an isolated issue. It is one of a wide range of critical needs affecting family life, the care and training of our children, and the development of a highly trained work force.

The Federal Government and the States have more than enough outstanding work to do in addressing our most critical social needs, without directly intervening in controlling the supply or quality of child care. We are engaged in an enormous effort to improve the quality of our public schools, from kindergarten up through college. That is a government responsibility—no one else can do it. We are battling a rising tide of drug and alcohol abuse, and violent crime. To a large extent, that is a government responsibility as well. Together, the Federal Government and the States are far and away the major purchaser of health care services for Americans, and reforming our system of health care supply and financing is yet another responsibility that Government must directly address.

If I was confident that we were making dramatic progress today on any of these inescapable issues, I might agree that we can afford to take on at the Federal and State levels a systematic effort to create millions of new child-care slots while upgrading their quality through national standards. We are not, and I do not.

Federal and State governments should concentrate on what they must do to serve our children, our families, and our economic needs, and let the private sector, overwhelmingly the current provider of child care, continue to serve that function. Federal support for child care should take some other form.

All three of these overriding considerations lead me to conclude that the best form of Federal support is to increase the supply of affordable child care by increasing the ability of parents to pay for it.

We know for a fact that increasing the demand, the ability to pay, for child care will increase the supply. We know that for a fact.

We do not know for sure whether direct Federal or State efforts to create new facilities and establish uniform standards, will in fact increase the supply, or will instead perversely produce the opposite effect.

It makes sense to me, in this our initial foray into substantial Federal involvement in this issue, to stick to those forms of Federal support that we know will produce a benign effect.

In time, we may discover truly effective and predictable ways to stimulate the supply of quality, affordable child care in addition to placing resources in the hands of parents.

Just to cite one possibility, several Senators have been working with me on a national service proposal that might make available to public and private nonprofit child-care facilities hundreds of thousands of volunteers, young people and senior citizens, to perform routine duties.

Of course, both proposals before us today include major provisions to give parents the resources to buy child-care services through a refundable child-care tax credit.

Because some Senators, and some members of the news media, have come to think of the tax credit approach to child care as a Republican idea, or an administration proposal, I would like to note in passing that the refundable child-care credit has been promoted for some time by the senior Senator from New York, Senator MOYNIHAN.

And now, in the revised ABC proposal, the child-care tax credit would be made fully refundable for most low-to-moderate income families.

The major differences between the revised ABC bill and the proposed alternative, are as follows:

First, the revised ABC proposal retains certain provisions of S. 5 that appear to contradict in principle and in operation the tax credit approach that has been grafted onto it.

If you are going to help parents afford child care by creating a refundable tax credit, why retain S. 5's "Child Care Certificates" in the same legislation?

If, as developed even before this bill reached the floor, the provisions establishing national standards for child care have been made virtually voluntary for States, why retain the elaborate procedures for creating those standards?

I greatly appreciate the efforts of the majority leader, the chairman of the Finance Committee, and the original sponsors of S. 5 to accommodate various views and incorporate the tax credit approach, but in all honesty I think we ought to admit that the compromise reached on the issue of standards, and the addition to tax credits, all but eliminate the rationale for most of the remaining provisions of S. 5.

The second difference between the two proposals is that the alternative proposal provides an increase in the earned income tax credit for the working poor with children at home.

This provision targets more resources to the families that most need our help. It also provides help to families that want to keep one parent at home to take care of the children—and we should never forget that is one very legitimate option for child care, and we must not discriminate against parents who make that choice.

The third difference is that the alternative proposal provides the States with flexible assistance to explore ways to improve both supply and quality, while the revised ABC bill provides money to States at a high cost in prescriptive details.

Finally, the alternative proposal is deficit-neutral—it authorizes $3 billion in spending, and raises $3 billion in revenues. The revised ABC bill, while it is within the limits of the fiscal year 1990 budget resolution, does authorize $1.7 billion in spending beyond the revenues raised.

It may seem a quaint point in these days of chronic high budget deficits, but it seems to me that it would set a nice precedent if we could launch this new initiative on a pay-as-you-go basis.

Comparing these two proposals in terms of the considerations I outlined earlier, I cannot help but conclude that the alternative proposal provides the most assistance to the neediest families, in the most direct manner, without interfering with private-sector facilities, and without hurling either the Federal Government or the States down a blind alley of responsibility for supplying child care.

I deeply regret that this choice has taken on such strong partisan implications. I repeat my strong opinion that whatever action we take, the real credit is due to the sponsors of S. 5, who worked so conscientiously to bring us to this point, and tried so hard to accomodate all points of view.

But precisely in terms of what these sponsors originally set out to accomplish when they began work on this legislation in the last Congress, the alternative proposal is superior, and I intend to support it with my vote.

Mr. DURENBERGER. Mr. President, I am very pleased that the majority leadership has chosen to accept the amendment by Senator FORD and myself to broaden the supply and quality of child care in America. Our amendment guarantees that parents will have a genuine choice under the bill's certificate program to secure the kind of child care they feel is most appropriate for their children. This amendment will help achieve the goal shared by Senators on both sides of the aisle: to build on the existing foundation of child care in America, to give parents choice and responsibility and to target help to those who need it most.

I commend the Senator from Kentucky for his leadership in bringing this issue before us, and I believe that a broad majority of our colleagues, on both sides of the aisle will support this amendment. It is our purpose today not to threaten ABC, or to hang excess baggage on ABC, or to jeopardize its implementation. Our purpose is to make a narrow and reasonable adjustment in the bill which will correct a serious oversight and will help this

legislation to fulfill its objectives of improving the quality, affordability, and supply of child care across America.

I think it would be useful to review for my colleagues the extent and nature of Federal assistance to child care under current law, and then discuss how ABC supplements that.

There are over a dozen different Federal programs that currently provide assistance to meet the child care needs of today's families under current law. Among these are the dependent care tax credit [DCTC], the earned income tax credit [EITC], employer assistance under section 129 of the IRC.

In each of these programs, the Tax Code is used to help parents meet their child care needs. As established in both Mueller versus Allen and Walz versus Tax Commission assistance of this kind does not constitute a violation of the establishment clause.

Several other Federal programs including title XX: Social Services Block Grant Program, the Family Support Act Head Start Child Welfare Services, the Child Care Food Program, the Child Care Training Program, and Child Welfare Services, provides a more direct form of assistance funds to States for child care. Under none of these programs is there a prohibition stating that funds under these acts—no matter what method of payment—may not be used for sectarian purposes.

Under these programs, States have the discretion to distribute funding in the most appropriate manner, whether it be contract, grant, certificate, or other method of payment, as long as the child care provider meets State licensing and regulatory requirements. Minnesota, for example, combines both title XX and the Community Development Block Grant Program funds to subsidize salaries, licensing, and the State direct subsidy program. No distinction is made, whether or not these funds are provided to a religious provider. In fact, many churches in Minnesota and around the country currently are using the funds under these programs for religious-provided care, and this has never been questioned as violating the establishment clause.

The point I want my colleagues to recognize is that none of these other programs, which are on the books today, which serve the same population and deal with the same children, make a distinction between religious and nonreligious child care. They have not resulted in lawsuits. They have not brought those programs down. They have not had any negative effect that this Senator can determine.

Now, let us turn our attention to the ABC bill. Under the committee proposal reported to the floor, we are authorizing $1.5 billion in Federal assistance for child care. This program is to be implemented through each of the 50 States devising a child-care plan. The States have three tools available to them:

A grant program: The State uses the Federal funds to make grants to institutions, local levels of government, and other organizations to provide child care;

A contract program: The State can also enter into a contractual relationship with individuals or groups to provide services; and

A certificate program: The State identifies families in need and supplies them with a certificate which finances all or part of their child-care services at any one of a broad number of institutions determined by the States.

The State has the option to put all of its funds into a single option or use a mixed approach, depending on what the State deems is the most appropriate means of providing child care.

There is a important distinction to be made at this point. Grant and contracts are both transactions between government and providers of child care. The certificate program, however, is a transaction between government and families. Under the certificate program, the provider is an indirect recipient of Federal assistance, and receives benefits only after the family has made a private, individual choice.

With that introduction, Mr. President, let me state what the amendment in the bill will do; and then I want to tell my colleagues, in contrast to the misinformation which is circulating about this amendment, what it does not do.

First, the amendment provides a limited exception from the bill's prohibition on assistance to sectarian institutions. It removes the certificate program only for the prohibition of section 19(a). That section reads as follows:

> No financial assistance provided under this Act shall be expended for any sectarian purpose of activity, including sectarian worship and instruction.

It is important to note that this limitation appears in S. 5, but does not appear in title XX, which as I have said, already provides significant child-care assistance. It did not appear in the welfare reform legislation which passed the Senate last year under the leadership of Senator MOYNIHAN, which also provides significant child-care assistance. It does not appear in any of the current tax proposals which were brought out of the Finance Committee. It only appears in ABC. Whether it belongs in this bill is perhaps an issue for another day.

The Ford-Durenberger language before us makes a limited exemption from the prohibition. It leaves the prohibition in force for contracts and grants which the States may choose to utilize under the bill. I would agree with the sponsors of the bill that prohibition is probably constitutionally required in those cases.

The objection that Senator FORD and I have is that the prohibition is applied where it should not be, and does not have to be, and it is done so in a way that compromises the bill's basic objectives. In effect, without our amendment, the bill takes two steps forward and one step back.

The amendment exempts the certificate program from the 19(a) restriction. As a conforming change, it also eliminates the requirement for States to contract with providers who receive certificates. Finally, it adds a severability clause which protects the remainder of the bill should one of its provision be ruled unconstitutional.

What are the objectives of ABC? The Senators from Connecticut and Massachusetts have outlined them in detail. For the sake of brevity, the committee report puts it this way:

> It is the committee's view that the Federal Government's most crucial role is to strengthen the child-care infrastructure in America to improve the quality of services and make them more available and affordable.

Senator FORD and I are enthusiastic supporters of that view. And that is exactly why we have offered this amendment.

Mr. President, I want to draw heavily here on our experience in my home State of Minnesota. I think it is indicative—if not of where most of the States are, but where they want to be—in terms of provision of child-care services. The conclusions of my study were quite significant:

First, about 40 percent of center-based child care in Minnesota is provided in churches;

Second, that such care is the predominant choice of lower income families because their costs are lower, due to subsidies and in-kind contributions from the religious institutions;

Third, that the State of Minnesota, which licenses these church-based institutions and provides direct State subsidies to them, does so without regard to religious instruction or behavior, and to date has done so without objection;

Fourth, that many experienced providers believe that church-based care in Minnesota is among the highest quality and most affordable available in Minnesota; and

Fifth, that in some areas of the State, church-based child care is the only center-based child care available.

This leads me to a central point, Mr. President. The Senators from Massachusetts and Connecticut have brought a bill to this floor to "strengthen the infrastructure of child care in America." Church-based child care is one of the pillars of that infrastructure. While the documentation on the supply of child care in the States is less than comprehensive, it has been conservatively estimated that up to a third of the care nationally is church-based. To pass a bill out of this body which discourages or undermines up to one third of our existing supply, and some of our best quality and low

cost providers, would be ludicrous. At a time when children needing care outnumber child-care spaces by a factor of 4 to 1, we simply cannot afford to ignore one of our best resources available to us.

Would the United States go to war leaving 30 percent of our troops and weapons and leadership behind? Would we enact an environmental program which left a third of the major polluters exempt from controls? Would we create a new entitlement program to meet a serious national need and then make it available to only 34 for our States? Of course not. But that is exactly what we are doing with this bill.

The answer from the opponents of the amendment is apparently that the Ford-Durenberger amendment is unconstitutional and will bring the ABC bill down. That, in my judgment and the judgment of a number of constitutional scholars, is simply incorrect. I hope my colleagues will listen carefully to the following points.

First, I submit for the RECORD at this point, an analysis of this subject prepared by the American Law Division of the Library of Congress.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, May 9, 1989.

From: American Law Division.

Subject: Constitutionality of Possible Amendment to S. 5 Removing Certificates From § 19(a).

This is in response to your inquiry regarding a possible amendment to S. 5 to remove child care certificates from the strictures of § 19(a). More specifically, you asked about the constitutionality of an amendment under the establishment of religion clause of the First Amendment. We have not seen the language of the proposed amendment, and so this analysis is necessarily tentative. But an amendment simply excluding certificates from the score of § 19(a) would not seem to violate the establishment clause.

The establishment of religion clause of the First Amendment provides that "Congress shall make no law respecting an establishment of religion. . . ." To guide the determination of whether a particular enactment violates the establishment clause, the Supreme Court has devised and generally employs a tripartitie test: First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion . . .; finally, the statute must not foster "an excessive entanglement with religion." *Lemon v. Kurtzman*, 403 U.S. 603, 612-13 (1971).

In applying this test to various public aid programs benefiting religious institutions, the Court has drawn two critically important distinctions. First it has drawn a distinction between religious institutions that are pervasively religious, *i.e.*, that are devoted to inculcating religious faith, and those that may have a religious affiliation or identity but are not devoted to religious indoctrination.[1] Second, it has made clear that a distinction can be made between public assistance that flows directly from government to religious institutions and public assistance that flows to religious institutions and indirectly, i.e., that gets there only as the result of an intervening choice by the primary recipient of the assistance.[2]

Direct assistance to religious institutions or programs, it has held, must be limited to "secular, neutral, and nonideological purposes.[3] Where the institution or program has not been pervasively religious, the Court has found aid so limited to be constitutionally permissible.[4] But direct aid to pervasively religious programs or entities the Court has found to be largely precluded by the establishment clause either because the aid would inevitably have a primary effect of advancing religion or because the government monitoring of its use would excessively entangle government with the religious institution.[5]

Indirect assistance such as tax benefits or vouchers, however, the Court has not found necessarily to be so constrained. Four decisions by the Court are particularly pertinent in this regard—*Committee for Public Education v. Nyquist, supra; Sloan v. Lemon*[6] *Mueller v. Allen*[7], *and Witters v. Washington Department of Services for the Blind, supra.* The gravamen of these decisions appears to be that indirect assistance programs will not pass muster under the establishment clause if their design virtually guarantees that the assistance flows largely to pervasively sectarian entities. But where the design of the program is genuinely religiously neutral and does not dictate to the immediate beneficiary (the taxpayer or voucher recipient) where the assistance is to be channeled, the program will be upheld as constitutional notwithstanding the fact that even pervasively religious entities may be benefited.

Nyquist involved, *inter alia*, two complementary programs enacted by New York to help the parents of children attending private elementary and secondary schools. A tuition grant program reimbursed low-income parent earning less than $5000 a year at the rate of $50 for each elementary school child and $100 for each secondary school child attending private school for whom the parents paid tuition. A tax relief program permitted parents not receiving a tuition grant to take a deduction from their gross income for each child attending a private elementary and secondary school in an amount that varied according to income. Parents with incomes of less than $9000 a year could deduct $1000 for each such child, with the deduction gradually declining to $0 for parents earning $25000 or more. The deduction had no relation to the amount of tuition paid but provided an amount of tax savings comparable to the amount of the tuition grants.

The Supreme Court held both programs unconstitutional, 6-3. With respect to the tuition grant program, the Court noted that such aid could not be given directly to sectarian schools, because the aid was not limited to secular use and thus would subsidize and advance the religious mission of the schools.[8] The fact that the aid was disbursed instead to parents, the Court held, was a factor to be considered but was not itself dispositive. More critical were the facts that aid was available only to the parents of nonpublic school children and that more than 85 percent of the private schools attended were pervasively religious in nature. As a consequence, the Court held, "the effect of the aid is unmistakably to provide desired financial support for nonpublic, sectarian institutions."[9] The tax relief program, it said, was no different: "In both instances the money involved represents a charge made upon the state for the purpose of religious education."[10] It made no difference, the Court stated, whether the program was denominated a tax deduction or a tax credit: "Insofar as [special tax] benefits render assistance to parents who send their children to sectarian schools, their purpose and inevitable effect are to aid and advance those religious institutions."[11]

Sloan v. Lemon, supra, involved a similar tuition grant program enacted by the State of Pennsylvania. Parents who paid tuition to nonpublic schools were entitled to receive grants of $75 for each child in a private elementary school and $150 for each child in a private secondary school. The grants were available to all such parents, regardless of income, and more than 90 percent of the private schools attended were religiously affiliated. The Court held the program unconstitutional, 6-3, saying "we find no constitutionally significant distinctions between this law and the one declared invalid today in *Nyquist*."[12]

"The State has singled out a class of its citizens for a special economic benefit. Whether that benefit be viewed as a simply tuition subsidy, as an incentive to parents to send their children to sectarian schools, or as a reward for having done so, at bottom its intended consequence is to preserve and support religion-oriented institutions. . . . We hold that Pennsylvania's tuition grant scheme violates the constitutional mandate against the 'sponsorship' or "financial support" of religion or religious institutions." *Sloan v. Lemon, supra*, at 832-33.

In both *Mueller* and *Witters*, on the other hand, the Court upheld the programs in question as constitutional. *Mueller* involved a tax relief program enacted by the State of Minnesota under which parents could deduct from their gross income a broad variety of expenses incurred in educating their children, including tuition, nonreligious books and instructional materials, transportation, lab fees, gym clothes, and course materials. The deduction was limited to $500 for each elementary school child and $700 for each secondary school child. In holding the program to be constitutional, 5-4, the Court cited three factors. First, it said, the Minnesota scheme was a "genuine tax deduction," and it noted that the courts traditionally give broad deference to legislative classifications in the tax area. Second, and "most importantly," it said, "the deduction is available for educational expenses incurred by *all* parents, including those whose

[1] *Compare, e.g., Committee for Public Education v. Nyquist*, 413 U.S. 756 (1973) *with Roemer v. Maryland Board of Public Works*, 426 U.S. 736 (1976).

[2] *Compare, e.g., Lemon v. Kurtzman, supra, with Witters v. Washington Department of Services for the Blind*, 474 U.S. 481 (1986).

[3] *Committee for Public Education v. Nyquist, supra*, at 780.

[4] *Bradfield v. Roberts*, 175 U.S. 291 (1899); *Tilton v. Richardson*, 403 U.S. 672 (1971); *Roemer v. Maryland Board of Public Works, supra; Bowen v. Kendrick*, 108 S.Ct.— (1988).

[5] *Lemon v. Kurtzman, supra; Committee for Public Education v. Nyquist, supra; Wolman v. Walter*, 433 U.S. 230 (1977); *Grand Rapids School District v. Ball*, 473 U.S. 373 (1985); *Aguilar v. Felton*, 473 U.S. 402 (1985).

[6] 413 U.S. 825 (1973).

[7] 463 U.S. 388 (1983).

[8] "In the absence of an effective means of guaranteeing that the state aid derived from public funds will be used exclusively for secular, neutral, and nonideological purposes, it is clear from our cases that direct aid in whatever form is invalid." *Committee for Public Education v. Nyquist, supra*, at 790.

[9] *Id.*, at 783.

[10] *Id.*, at 791, quoting from the lower court decision at 350 F.Supp. 655, 675 (1972).

[11] *Id.*, at 793.

[12] *Sloan v. Lemon, supra*, at 830.

VOL 135 PT 9 JE 14 — 22 1989 UMI

children attend public schools and those whose children attend nonsectarian private schools or sectarian private schools. . . . 'The provision of benefits to so broad a spectrum of groups is an important index of secular effect.'" *Mueller v. Allen, supra*, at 397, quoting *Widmar v. Vincent*, 454 U.S. 263, 274 (1981).

Finally, it said, Minnesota reduced possible establishment clause objections "by channeling whatever assistance it may provide to parochial schools through individual parents":

It is true, of course, that financial assistance provided to parents ultimately has an economic effect comparable to that of aid given directly to the schools attended by their children. It is also true, however, that under Minnesota's arrangement public funds become available only as a result of numerous, private choices of individual parents of school-age children. . . . Where, as here, aid to parochial schools is available only as a result of decisions of individual parents no "imprimatur of state approval" can be deemed to have been conferred on any particular religion, or on religion generally. *Id.*, at 399.

The dissenters argued that notwithstanding the facial neutrality of the statutory scheme, most of the benefits would flow to the parents of children attending sectarian schools because the bulk of the deductions would be claimed for tuition at private schools and 96 percent of the children in private schools attended religiously affiliated institutions. But the majority rejected the argument, stating "we would be loath to adopt a rule grounding the constitutionality of a facially neutral law on annual reports reciting the extent to which various classes of private citizens claimed benefits under the law." [13]

Finally, *Witters v. Washington Department of Services for the Blind, supra*, involved the vocational rehabilitation program of the State of Washington. The program provided assistance, *inter alia*, to visually handicapped persons "to overcome vocational handicaps and to obtain the maximum degree of self-support and self-care." An otherwise eligible blind applicant sought assistance to enable him to study at a private Christian college in preparation for a career as a pastor, missionary, or youth director. But the State denied him aid on the grounds it would violate the establishment clause. The Supreme Court unanimously reversed and held that it would not. Two factors, it said, were critical. First, it said, "any aid provided under Washington's program that ultimately flows to religious institutions does so only as a result of the genuinely independent and private choices of aid recipients." [14] The program, it observed, permitted training to be secured at institutions of all kinds, public and private, sectarian and nonsectarian, and it was in no way "skewed" toward religious training. Secondly, it stated, there was no evidence that "any significant portion of the aid expended under the Washington program as a whole will end up flowing to religious education." [15] The program was simply not designed "to provide desired financial support for nonpublic, sectarian institutions." As a consequence, the Court concluded, "we think the Washington program works no state support of religion prohibited by the Establishment Clause." [16]

The Court's opinion in *Witters* made no mention of *Mueller*. But five members of the Court authored concurring opinions to make clear their view that *Mueller* was directly relevant to the case, even though *Witters* involved a grant rather than a tax benefit. As Justice Powell [17] wrote with respect to whether the vocational rehabilitation grant had a primary effect of advancing religion,

"*Mueller* makes the answer clear: state programs that are wholly neutral in offering educational assistance to a class defined without reference to religion do not violate the second part of the *Lemon v. Kurtzman* test, because any aid to religion results from the private choices of individual beneficiaries. . . . Thus, in *Mueller*, we sustained a tax deduction for certain educational expenses, even though the great majority of beneficiaries were parents of children attending sectarian schools. . . . We noted the State's traditionally broad taxing authority . . . . but the decision rested principally on two other factors. First, the deduction was equally available to parents of public school children and parents of children attending private schools. . . . Second, any benefit to religion resulted from the 'numerous private choices of individual parents of school-age children.' *Witters v. Washington Department of Service for the Blind, supra*, at 490-91 (Powell, J., concurring)."

Thus, the critical element in these decisions does not appear to be whether the program involves a tax benefit or a voucher. Nor do the decisions appear to hinge solely on the fact that the benefits are channeled initially to parents. Instead, the critical issue appears to be whether there is a genuinely independent decisionmaker between the government and the ultimate beneficiary of the assistance. If the design of the program, as in *Nyquist* and *Sloan*, virtually requires that the assistance be channelled by the initial recipient to pervasively sectarian institutions, the program appears likely to be held unconstitutional. If, on the other hand, the design of the program does not dictate that the assistance be employed at pervasively sectarian institutions but provides a genuine choice to the initial recipient, as in *Mueller* and *Witters*, the program appears likely to pass muster under the establishment clause, even though pervasively sectarian institutions may be among the ultimate beneficiaries.

S. 5 would permit States funded under the bill to subsidize a broad variety of child care services either by making grants to, or entering into contracts with, eligible child care providers, or distributing child care certificates to the parents of eligible children. According to the report of the Committee on Labor and Human Resources,[18] providers eligible for assistance would include "nonprofit and for-profit organizations, schools, community-based organizations, units of general purpose local government, employers, close relatives of eligible children . . . . and churches and synagogues that offer nonsectarian services." [19] That nonsectarian requirement derives essentially from § 19(a) of the bill, which provides that "[n]o financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship and instruction." No assistance under the reported version of the bill, including certificates, in other words, could be expended for child care services that were religious in nature.

Under the foregoing interpretation of the pertinent cases, an amendment to S. 5 to remove certificate assistance from the sectarian use prohibitions of § 19(a) would appear to be constitutional, even though pervasively religious child care providers might be among the ultimate beneficiaries of such assistance. If S. 5 dictated to the parents who received the certificates that they be redeemed only at pervasively sectarian child care providers, the amendment likely would not pass muster under the establishment clause. But S. 5 does not appear to so dictate. Estimates suggest that church-related child care comprises no more than a fourth to a third of center/based care, and it seems reasonable to assume that much of that is nonsectarian in nature. Moreover, the universe of choice available to a certificated parent would also include group home providers, family providers, businesses, public educational institutions, and community-based organizations. Thus, the scheme would not seem to have an inherent bias toward religious child care but to be religiously neutral. As a result, "any aid . . . that ultimately flows to religious institutions [would do] so only as a result of the genuinely independent and private choices of aid recipients." [20]

The one constitutional issue that might be raised about the amendment, however, and that is not fully resolved by existing judicial decisions concerns excessive entanglement. S. 5 defines a "child care certificate" as something that is issued only "pursuant to a written agreement between the State and an eligible child care provider" providing for the use and redemption of certificates. In other words, the State would have to enter into a certificate use and redemption contract with providers wanting to participate in the certificate program. In addition, S. 5 would apply to such providers its full regulatory scheme, including applicable State and local licensing and regulatory requirements and the Federal standards to be developed after the bill is enacted. Whether these regulations, as applied to pervasively sectarian child care providers that might participate in the certificate program, might excessively entangle government with the religious institutions is uncertain. Excessive entanglement is a matter of degree and in some instances may implicate the free exercise clause as well as the establishment clause. Generally, the Court has not found it to exist except where there has been a "comprehensive, discriminating, and continuing state surveillance" of publicly funded activities on the premises of pervasively sectarian institutions.[21] Moreover, it has upheld the application of certain kinds of regulations to sectarian institutions.[22] Nonetheless, in the absence of a decision involving the kinds of regulations that might be imposed under S. 5, a question might be said to exist.

I hope the above is responsive to your request. If we may be of additional assistance, please call on us.

DAVID M. ACKERMAN,
Legislative Attorney.

---

[13] *Mueller v. Allen, supra*, at 401.

[14] *Witters v. Washington Department of Services for the Blind, supra*, at 487.

[15] *Id.*

[16] *Id.*, at 489.

[17] Justice Powell, it might be noted, authored the Court's opinions in *Nyquist* and *Sloan* but also joined the Court majority in *Mueller*.

[18] S. Rept. 17, 101st Cong., 1st Sess. (1989).

[19] *Id.*, at 42.

[20] *Witters v. Washington Department of Services for the Blind, supra*, at 487.

[21] *See, e.g., Lemon v. Kurtzman, supra; Meek v. Pittenger*, 421 U.S. 349 (1975); *Aguilar v. Felton, supra.*

[22] *See Bob Jones University v. United States*, 461 U.S. 574 (1983) imposition of racial nondiscrimination requirement on tax exemption afforded religious school held not to violate free exercise clause) and *Tony and Susan Alamo Foundation v. Donovan*, 471 U.S. 290 (1985) (application of recordkeeping and reporting requirements of Fair Labor Standards Act to religious foundation held not to precipitate excessive entanglement).

Mr. DUR
four key Su
subject—Con
tion versus
Lemon; Mue
ters versus
number of c

First, dire
gious institu
ed to "secul
gical purpos

Second, h
as tax cred
flows to sec
of "genuinel
grams, are
ble.

Third, the
there is a ge
sionmaker
and the ulti
sistance."

That decis
my own Sta
versus Allen
preme Court
tion tax cre
"By channel
may provi
through ind
has reduced
objections t
ject." The
acknowledgi
nomic effec
parable to t
the schools
* * *", whic
pervasively
a companion
Washington
sion conclud

Thus, the
sions does no
gram involve
Nor do the d
on the fact t
initially to
issue appears
inely indepe
the governm
ary of the a
program, as
requires that
the initial re
institutions,
be held unc
hand, the de
dictate that
pervasively
vides a genu
ent, as in Mu
appears likel
tablishment
sectarian ins
timate benef

Mr. Presi
in the RE
analyses: a
nell of the
a letter fro
ety.

There be
rial was o
RECORD, as

Mr. DURENBERGER. From the four key Supreme Court cases on this subject—Committee for Public Education versus Nyquist; Sloan versus Lemon; Mueller versus Allen and Witters versus Washington, they draw a number of conclusions:

First, direct aid to pervasively religious institutions which is not restricted to "secular, neutral and nonideological purposes" is unconstitutional.

Second, however, indirect aid, such as tax credits and vouchers, which flows to sectarian entities as a result of "genuinely religiously neutral" programs, are constitutionally permissible.

Third, the crucial issue is "whether there is a genuinely independent decisionmaker between the government and the ultimate beneficiary of the assistance."

That decision is based on a case from my own State of Minnesota, Mueller versus Allen. In this 1981 case, the Supreme Court declared a Minnesota tuition tax credit statute constitutional. "By channeling whatever assistance it may provide to parochial schools through individual parents, Minnesota has reduced the establishment clause objections to which its actions is subject." The Court ruled as it did, fully acknowledging that "the ultimate economic effect" of the credit was "comparable to that of aid given directly to the schools attended by the children * * *", which the Court knew to be pervasively sectarian. After reviewing a companion 1986 case, Witters versus Washington, the American Law Division concluded as follows:

Thus, the critical element in these decisions does not appear to be whether the program involves a tax benefit or a voucher. Nor do the decisions appear to hinge solely on the fact that the benefits are channeled initially to parents. Instead, the critical issue appears to be whether there is a genuinely independent decisionmaker between the government and the ultimate beneficiary of the assistance. If the design of the program, as in Nyquist and Sloan, virtually requires that the assistance be channeled by the initial recipient to pervasively sectarian institutions, the program appears likely to be held unconstitutional. If, on the other hand, the design of the program does not dictate that the assistance be employed at pervasively sectarian institutions but provides a genuine choice to the initial recipient, as in Mueller and Witters, the program appears likely to pass muster under the establishment clause, even though pervasively sectarian institutions may be among the ultimate beneficiaries.

Mr. President, I also want to include in the RECORD the following other analyses: a letter by Michael McConnell of the University of Chicago; and a letter from the Christian Legal Society.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF CHICAGO,
THE LAW SCHOOL,
Chicago, IL, June 12, 1989.

Hon. WENDELL H. FORD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FORD: In response to your request, I have reviewed the proposed "Parental Choice Amendment" to S. 5, the Act for Better Child Care, to determine whether it is likely to violate the Establishment Clause of the First Amendment, under current interpretation by the Supreme Court. In my judgment, the proposed amendment fully comports with constitutional standards, and there is little doubt that it would be upheld by the Court.

As presently drafted, the Act would provide federal funding to states for the purpose of supporting various child care services. These services fall into three categories: (1) child care pursuant to contracts between the state and selected child care providers; (2) child care pursuant to contracts between local governmental units and selected child care providers; and (3) child care purchased by parents using "certificates" issued by the state. See S. 5, § 8(a)(1). Section 3(4) of the Act defines the term "certificate" as follows:

"The term "child care certificate" means a certificate that is issued, pursuant to a written agreement between the State and an eligible child care provider, by the State to parents who may use such certificate only as payment for child care services for an eligible child and that provides to an eligible child care provider a right to reimbursement for such services . . ."

Section 19(a) of the Act provides that "[n]o financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship and instruction." According to the report from the Committee on Labor and Human Resources, S. Rep. No. 101-17 (Apr. 12, 1989), this language is interpreted to mean that "an entity receiving any form of financial assistance under this Act shall not include any sectarian activities, worship or instruction in providing child care services under this Act." Id. at 48-49.

The proposed Parental Choice Amendment would exclude from the coverage of Section 19(a) funds "received by any eligible provider resulting from the distribution of a child care certificate to a parent under section 8(a)(1)(C) of this Act." It would also amend Section 3(4) to delete the requirement of a written agreement between the state and the child care provider. In other words, the proposed amendment would allow parents, at their option, to use their federally funded benefits to obtain child care that includes religious training or observance.

The following factual elements are important to this constitutional analysis: (1) the government funds are provided to the parents of eligible children through certificates; (2) the parents may use those certificates to purchase child care services of their choice from among a wide array of eligible providers, including both secular and religious providers; (3) religious child care providers benefit from the program only through the independent choices of the parents; and (4) aid is not skewed in favor of religious child care providers.

The First Amendment of the United States Constitution forbids any law "respecting an establishment of religion, or prohibiting the free exercise thereof." The guiding principle under the Religion Clauses is neutrality, both between religions and between religion and nonreligion. As Justice Blackmun wrote for the Court in *Roemer v. Board of Public Works*, 426 U.S. 736, 747 (1976), "Neutrality is what is required. The State must confine itself to secular objectives, and neither advance nor impede religious activity." See also *Grand Rapids School District v. Ball*, 473 U.S. 373, 382 (1985) ("the government [must] maintain a course of neutrality among religions, and between religion and nonreligion"); *Everson v. Board of Education*, 330 U.S. 1, 18 (1947) (the First Amendment "requires the state to be neutral in its relations with groups of religious believers and nonbelievers; it does not require the state to be their adversary."). There is no constitutional requirement to discriminate against religion or religiously affiliated institutions in the distribution of public benefits. The Establishment Clause is not hostile to religion or religious choice. It is opposed, rather, to the use of the financial resources of the government to favor or encourage religious adherence or to channel religious activity into government-approved forms.

In interpreting the Establishment Clause, the Supreme Court generally looks to a three-part test, first announced in *Lemon v. Kurtzman*, 403 U.S. 603, 612-13 (1971) (citations omitted):

"First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion; finally, the statute must not foster 'an excessive entanglement with religion.'"

Under these criteria, S. 5, as amended by the Parental Choice Amendment, is constitutional.

Purpose. There can be little question that the purpose of the Act for Better Child Care is secular. The congressional findings, summarized in Section 1 of the Act, demonstrate the need for adequate child care services, and the Parental Choice Amendment has the purpose of providing "families . . . a broader range of child care options." S. Rep. No. 101-17, at 42. This will enhance "state flexibility and parental choice." Id. In any event, the Court does not strike statutes down under the purpose criterion unless they are "motivated wholly by an impermissible purpose." Bowen v. Kendrick, 108 S. Ct. 2562, 2570 (1988), citing Lynch v. Donnelly, 465 U.S. 668,680 (1984). Even in the parochial school funding cases, the Court invariably recognized that the legislative purpose was secular and legitimate. See, most recently, Grand Rapids School District v. Ball, 473 U.S. at 383. So also here, a court is likely to find that the purposes of extending federal assistance to needy families for better child care is a permissible purpose.

Primary effect. To be constitutional, a government program must have a primary effect that neither advances nor inhibits religion. This means that government funds must be allocated in ways that do not favor religion. This objective may be accomplished in one of two ways, depending on whether government assistance to recipient institutions is "direct" (meaning that the funds are allocated directly by government officials to the recipient institutions) or "indirect" (meaning that the funds are allocated to private individuals, and that any benefit to institutions is an indirect result of the private choices of individuals).

If aid is direct, then the government has an obligation to ensure that it is not used for "specifically religious activity." Hunt v. McNair, 413 U.S. 734, 743 (1973); Roemer v. Bd. of Public Works, 426 U.S. 736, 759 (1976); see Bowen v. Kendrick, 108 S. Ct. at 2576-77. It follows that direct aid cannot be given to institutions so "pervasively sectarian" that their religious and secular aspects are "inextricably intertwined." Lemon, 403 U.S. at 657; see Roemer, 426 U.S. at 759.

"The reason for this," the Court has explained, "is that there is a risk that direct government funding, even if it is designated for specific secular purposes, may nonetheless advance the pervasively sectarian institution's 'religious mission.'" Kendrick, 108 S. Ct. at 2574.

The Act for Better Child Care, as amended, however, is an instance of "indirect" assistance. Under the certificate program, funds will not be allocated by agents of the state. Rather, the parents of each eligible child will receive a "certificate" and will be free to "purchase" child care services from an eligible provider of their choice, whether secular or religious. Accordingly, the Act must be judged according to the standards the Court has set forth for indirect funding programs. The "direct" funding precedents are simply inapplicable.

The most pertinent case is *Witters* v. *Department of Services for the Blind*, 474 U.S. 481 (1986), a unanimous decision holding that public funds could be used to pay the tuition of a student at a Bible college for training for the ministry, pursuant to a program of vocational assistance for the blind. Justice Marshall's opinion for the Court identified several aspects of the program as "central to our inquiry." *Id.* at 487. First, he noted that funding goes to the recipient institution only through the choice of the individual student. "Any aid provided under Washington's program that ultimately flows to religious institutions does so only as a result of the genuinely independent and private choices of aid recipients." *Id.* The same is true of the Act, as amended. Parents will receive certificates that entitle them to purchase child care of their own choice. Any aid that flows to religious day care providers does so only as the result of the genuinely independent and private choices of the parents.

Second, Justice Marshall noted that "Washington's program is 'made available generally without regard to the sectarian-nonsectarian, or public-nonpublic nature of the institution benefited,' and is in no way skewed toward religion." *Id.* quoting *Committee for Public Education and Religious Liberty* v. *Nyquist*, 413 U.S. 756, 782–83 n.38 (1973). Again, the same is true of the Act, as amended. There is a rich diversity of child care providers. It is estimated that one third to one fourth are religiously affiliated, and many of those provide nonsectarian care. The very purpose of the Parental Choice Amendment is to ensure that certificates under the Act are made available without regard to the sectarian-nonsectarian nature of the child care provider. Far from being problematic under the First Amendment, the Parental Choice Amendment will foster pluralism, diversity, and religious freedom—values that the First Amendment is intended to serve.

Third, Justice Marshall stressed that the Washington program "creates no financial incentive for students to undertake sectarian education." *Id.* at 488. Their benefits are neither "greater nor broader" if they "apply their aid to religious education" than if to secular programs. *Id.* "[T]he fact that aid goes to individuals means that the decision to support religious education is made by the individual, not by the State." *Id.* This is the crux of the matter. The principal purpose of the Religion Clauses is to ensure that decisions about religious practice, including child raising, are reserved to the private realm of individual conscience. The decision to choose religious or secular child care should be made by the individual, not by the State. The government has no legitimate interest in discouraging free religious choices, any more than it may promote religion. Again, the Act, as amended, closely resembles the Washington program upheld in *Witters*. The benefits are the same—neither broader nor greater—for parents who choose religious child care as for those who choose secular. The Act creates no incentive to undertake religious child care; on the contrary, if not amended, the Act would create a significant incentive to forego religious child care.

Finally, Justice Marshall noted that "nothing in the record indicates that . . . any significant portion of the aid expended under the Washington program as a whole will end up flowing to religious education." *Id.* at 488. Similarly, there is no reason to expect that any more than a modest fraction of the aid dispensed under the Act will flow to child care providers who include specifically religious elements in their program. However, it must also be noted that on this point, a majority of the Court rejected Justice Marshall's analysis. Justice Powell, joined in substantial part by four other Justices, expressed the controlling principal as follows: "state programs that are wholly neutral in offering educational assistance to a class defined without reference to religion do not violate the second part of the *Lemon* v *Kurtzman* test." *Id.* at 490–91; accord, *id.* at 490 (White, J., concurring); *Id.* at 493 (O'Connor, J., concurring). Thus, even if a "significant portion" of the aid *did* flow to religious child care providers, it would not present a constitutional problem so long as "any benefit to religion resulted from the 'numerous private choices of individual parents.'" *Id.* at 491 (Powell, J.), quoting *Mueller* v. *Allen*, 463 U.S. 388, 399 (1983).

Witters is only the most recent of a long line of cases in which indirect aid distributed neutrally to religious and nonreligious organizations, through the independent choices of private individuals, has been sustained by the Court. In *Mueller* v. *Allen*, 463 U.S. 388 (1983), the Court upheld a Minnesota program of tax deductions for parents' expenses incurred in obtaining education for their children. The large part of these expenses were tuition payments to private schools, most of which were religious schools. *Id.* at 400–01. As in *Witters*, the decisive consideration was that the allocation of financial assistance was determined through private, decentralized choice. "Most importantly, the deduction is available for educational expenses incurred by *all* parents, including those whose children attend public schools and those whose children attend nonsectarian private schools or sectarian schools." *Id.* at 397 (emphasis in original). The program therefore was consistent with the Establishment Clause, notwithstanding the fact that tuition to parochial schools undoubtedly paid for religious instruction.

Unlike *Witters*, which was unanimous, the Court was closely divided in *Mueller*, but even the position of the dissenters in *Mueller* supports the constitutionality of the Act for Better Child Care, as amended. Justice Marshall's dissenting opinion stressed that the "vast majority of the taxpayers who are eligible to receive the benefit are parents whose children attend religious schools." 463 U.S. at 405. By contrast, those eligible for certificates under the Act include parents whose children use secular as well as religious child care. Indeed, the "vast majority" probably use secular—or at least nonsectarian—child-care. Even the dissenters, in *Mueller*, then, did not take the position that parents must be categorically barred from using their benefits in religious settings. They merely insisted that government programs may not be devised in such a way that the preponderance of the benefit can be expected to go to religious recipients.

In *Widmar* v. *Vincent*, 454 U.S. 263, 270–75 (1981), the Court held that it would not violate the Establishment Clause for a state university to make its facilities available, without payment, to a religious group on the same basis as other university student groups. Free facilities are, of course, a valuable benefit; and the group intended to use this benefit for specifically religious activities, including religious teaching, worship, and prayer. The Court reasoned, however, that when benefits of this sort are open to all on an evenhanded basis, there is no effect of "advanc[ing] religion." *Id.* at 273. "The provision of benefits to so broad a spectrum of groups is an important index of secular effect." *Id.* at 274.

In *Committee for Public Education and Religious Liberty* v. *Nyquist*, 413 U.S. 756 (1973), the Court sharply differentiated between programs in which aid flows to "all schoolchildren" and those in which aid is restricted to those who choose to attend private schools, which are overwhelmingly sectarian. The Court suggested, in dictum, that it would approve of a genuinely neutral aid program like the "G.I. Bill," even though government funds in such a program would go to religious institutions and would presumably support sectarian teaching. Id. at 782 n.38 (emphasis in original). This was followed by two summary affirmances of such programs. *Americans United for Separation of Church and State* v. *Blanton*, 433 F. Supp. 97 (M.D. Tenn.), aff'd 434 U.S. 803 (1877); *Smith* v. *Board of Governors*, 429 F. Supp. 871 (W.D. N.C.), aff'd, 434 U.S. 803 (1977). By contrast, in Nyquist itself, and in *Sloan* v. *Lemon*, 413 U.S. 825 (1973), the Court struck down programs of indirect aid to parochial education because the allocation formula was heavily skewed toward religious schools.

In *Walz* v. *Tax Commision*, 397 U.S. 664 (1970), the Court held, with only one dissent, that state property tax exemptions for religious organizations are permissible, even when the property is used "solely for religious worship." *Id.* at 666. Emphasizing the consitutional principle of "neutrality" (*id.* at 669), the Court noted that the tax benefit was provided to churches "within a broad class of property owned by nonprofit, quasi-public corporations which include hospitals, libraries, playgrounds, scientific, professional, historial, and patriotic groups." *Id.* at 673.

In sum, the key factor under the Supreme Court's indirect aid cases is that "the benefit of government programs and policies [must be] generally available, on the basis of some secular criterion, to a wide class of similarly situated nonreligious beneficiaries." *Marsh* v. *Chambers*, 463 U.S. 783, 809 (1983) (Brennan, J., dissenting). See *Texas Monthly, Inc.* v. *Bullock*, 109 St. Ct. 890, 897–99 (1989) (plurality opinion). When the allocation of aid is determined through individual choice and not government direction, and is not skewed in favor of religion, the program satisfies constitutional structures. In such a program, there is no need to exclude pervasively sectarian recipients, and no need to forbid specifically religious activities. Indeed, in each of the indirect aid cases discussed—*Witters*, *Mueller*, *Widmar*, *Walz*, and the *Nyquist* dictum—the recipients included pervasively sectarian organizations, which engaged in specifically religious activities. Such choices are not forbidden by the First Amendment, provided they are the product of independent decisionmaking.

Under these standards, the "primary effect" of the Act for Better Child Care, as amended, is "one that neither advances nor inhibits religion." *Lemon* v. *Kurtzman*, 403 U.S. at 612.

Excessive entanglement. The Court also holds that a statute is unconstitutional under the Establishment Clause if it "fosters an excessive government entanglement with religion." *Lemon*, 403 U.S. at 612-13; see *Aguilar* v. *Felton*, 473 U.S. 402 (1985). Two possible forms of entanglement must be examined in connection with the Act for Better Child Care.

First, the Court has frequently found the potential for "excessive entanglement" when, in order to avoid the "primary effect" of advancing religion, the government must monitor the conduct of a recipient institution to ensure that it does not engage in "specifically religious activities" within the funded program. The Court stated in *Aguilar*: "though a comprehensive system of supervision might conceivably prevent teachers from having the primary effect of advancing religion, such a system would inevitably lead to an unconstitutional administrative entanglement between church and state." 473 U.S. at 410. See also *Lemon*, 403 U.S. at 619. This form of entanglement is not present in cases of indirect aid, where there is no constitutional requirement that recipients refrain from religious activities. It is therefore not a problem with the Act for Better Child Care.

The second form of entanglement is the more general interaction between officials of religious organizations and agents of the state that can occur in the course of many regulatory programs. See generally Esbeck, Establishment Clause Limits on Governmental Interference with Religious Organizations, 41 Wash. & Lee L. Rev. 347 (1984). Entanglement of this form could conceivably result from the enforcement of state or federal standards for child care envisioned under the Act. See Sections 7(c)(3) (B) and (C), 11(c)(5), 18(e). These standards are, however, unlikely to result in invalidation of the Act under the Establishment Clause.

Unlike the first form of entanglement, the second form is not necessarily connected to financial assistance. It is as likely to arise from assertions of the regulatory or police power as from conditions to financial aid, and the criteria are the same in one context as the other. *Tony & Susan Alamo Foundation* v. *Secretary of Labor*, 471 U.S. 290, 305 (1985); *NLRB* v. *Catholic Bishop*, 440 U.S. 490, 501-04 (1979) (discussing entanglement in context of regulatory programs and citing precedents from aid programs); *Texas Monthly*, 109 S. Ct. at 903 (citing precedents from regulatory programs in context of entanglement from taxation). Until the specific standards are set, it is premature to speculate on their constitutionality. If they lead to excessive entanglement, the proper remedy is to enjoin their enforcement, not to invalidate the Act.

Moreover, regulatory contacts are not generally "excessive" if they pertain solely to secular aspects of the institution's program and do not intrude deeply into matters related to religious doctrine. See, e.g., *Alamo Foundation*, 471 U.S. at 305 (Fair Labor Standards Act recordkeeping would "have no impact on petitioners' own evangelical activities"); *Catholic Bishop*, 440 U.S. at 501-04 (describing the entanglement that would ensue from collective bargaining in religious schools). Assuming that the standards drawn under the Act pertain to legitimate secular matters such as "staff-child ratios, group sizes, provider qualifications, health and safety requirements, and parental involvement and access," as contemplated by Congress (S. Rep. No. 101-17, at 32), enforcement of the standards should not have a serious impact on the religious integrity of recipient organizations.

Some have suggested that the requirement of a "written agreement between the State and an eligible child care provider" (Section 3(4)) might constitute excessive entanglement. I see no reason why this would be true. It is the substance, not the form, of contact between church and state that matters. Whether compliance with the Act's standards is preceded by a written agreement or not appears not to implicate any values or principles under the First Amendment. Nonetheless, it is also true that such a written agreement is unnecessary in the case of certificates. If this provision is thought to raise constitutional problems, the most prudent course would be to delete it, as the proposed Parental Choice Amendment would do.

In conclusion, the Parental Choice Amendment comports fully with constitutional standards as enunciated by the Supreme Court, and would likely be sustained in any litigation that might take place following passage of the Act. The First Amendment exists to guarantee religious freedom to all. An important part of religious freedom is the freedom of the parents to direct and control the early care of a child in accordance with their own faith and conscience—be that secular or religious. This is a freedom exercised by the wealthy, who can afford their own child care. It should be a freedom, no less, for those dependent on the government for assistance.

Many will choose secular child care services. That is their right, and it would be unconstitutional to attempt to channel their children to religious care. But others will choose religious care, if the option is available to them. That, too, should be their right. The government has no legitimate interest in directing this choice, one way or the other. The Supreme Court has repeatedly upheld programs of financial assistance in which the aid flows to a wide spectrum of private organizations, including religious entities, through the independent choices of private individuals. There is no constitutional warrant for excluding religious child care providers from the Act, or for requiring them to stifle religious expression or observance. On the contrary, to open the program up to a diverse set of providers, with different approaches to child care (both religious and secular) will expand, rather than constrict, parental choice, in keeping with the spirit of the First Amendment. As amended, the Act will be consistent with the American constitutional tradition of pluralism and freedom.

If there is any further information or assistance I can provide in connection with this Act, please do not hesitate to ask.

Very truly yours,

MICHAEL W. MCCONNELL,
Professor of Law.

CHRISTIAN LEGAL SOCIETY,
Annandale, VA, June 14, 1989.

Hon. DAVID DURENBERGER,
U.S. Senate,
Washington, DC.

DEAR SENATOR DURENBERGER: We are responding to your request for our opinion on the constitutionality of the proposed Ford-Durenberger amendment to the Act for Better Child Care Services of 1989, or the "ABC Bill." The amendment would allow the certificates for child care assistance provided under section 8(a)(1)(c) to be used at child care centers which include religious instruction or worship among their activities. In our opinion, nothing in the Establishment Clause or the Supreme Court cases thereunder prevents the Congress from enlisting the aid of sectarian institutions to provide child care services. Furthermore, the amendment would substantially further the bill's purpose of providing parents real choices in selecting child care appropriate to their values.

In *Bowen* v. *Kendrick*, 108 S. Ct. 2562 (1988), the Supreme Court upheld a similar statute, the Adolescent Family Life Act (AFLA), against claims that the Act violated the Establishment Clause by involving religious organizations in government-funded family planning research and counseling. The Court applied the three-part test for Establishment Clause violations first announced in *Lemon* v. *Kurtzman*, 403 U.S. 602 (1971): "a court may invalidate a statute only if it is motivated wholly by an impermissible purpose . . . if its primary effect is the advancement of religion . . . or if it requires excessive entanglement between church and state." *Bowen*, at 536 (cites omitted). On the "purpose" part of the test, the Court found "no evidence" that the Congress' actual purpose in passing the AFLA was to endorse religion. *Bowen*, at 537. Addressing the "primary effect" of the Act, the Court rejected the view that expressly enlisting the involvement of religious institutions violated the Establishment Clause. Justice Rehnquist, for the Court, observed:

"[T]he statute reflects[s] at most Congress' considered judgment that religious organizations can help solve the problems to which the AFLA is addressed. . . . Nothing in our previous cases prevents Congress from making such a judgment or from recognizing the important part that religion or religious organizations may play in resolving certain secular problems."

Bowen, at 539. Justice Rehnquist concluded that any effect the statute may have had to advance religion "is at most 'incidental and remote.'" *Bowen*, at 539. The Court also rejected the argument that the receipt of federal funds by religious institutions "advanced" religion: "[T]his Court has never held that religious institutions are disabled by the First Amendment from participating in publicly sponsored social welfare programs." *Bowen*, at 540. Finally, on the question of entanglement between church and state, the Court held that the review and monitoring of programs run by religious institutions under the Act did not amount to excessive entanglement. *Bowen*, at 544.

If the constitutionality of the ABC Bill as amended is called into question in the courts, we believe the *Bowen* case would require upholding the bill. Like the AFLA, the ABC Bill has a clear secular purpose: the provision of child care services to families who would not otherwise be able to afford them. The bill seeks to "promote the availability and diversity of quality child care services to expand child care options available to all families who need such services." S. 5, 101st Cong. 1st Sess. Sec. 2(b)(2) (1989). As in *Bowen*, there is no indication that the Congress' intent is to use the ABC Bill to endorse a particular religion or religious doctrine. Although it may be argued that the proposed amendment is an attempt to promote religious worship or instruction in federally-aided day care facilities, the amendment equally serves the purpose of affording parents real choices in the type of day care services they prefer. A statute will only be struck down under the "secular purpose" part of the test if it is "motivated wholly by an impermissible purpose." *Bowen*, at 536.

After *Bowen*, a federal program that grants aid to religious institutions to achieve secular purposes does not *per se* "advance" religion. In fact, Justice Rehnquist noted in *Bowen* "the *long history of cooperation and interdependency* between governments and charitable or religious or-

ganizations." *Bowen*, at 541 (emphasis added). The Supreme Court has upheld against Establishment Clause attacks the public provision of textbooks in secular subjects for pupils attending church-related schools, *Cochran* v. *Louisiana*, 281 U.S. 370 (1930); tax subsidies for bus transportation for students attending Catholic schools, *Everson* v. *Board of Education*, 330 U.S. 1 (1947); and aid to church-affiliated colleges and universities for secular aspects of education, *Tilton* v. *Richardson*, 401 U.S. 672 (1971), *Hunt* v. *McNair*, 413 U.S. 734 (1973), and *Roemer* v. *Board of Public Works of Maryland*, 49 L.Ed. 2d 179 (1976). As Justice Blackmun stated in *Roemer*, "religious institutions need not be quarantined from public benefits that are neutrally available to all." *Roemer*, at 746.

One of the ways federal aid to religious institutions might "advance" religion, Justice Rehnquist noted in *Bowen*, would be if such aid flowed to "pervasively sectarian institutions." *Bowen*, at 541. However, it is highly questionable that day care centers, even if operated as part of churches or parochial schools, would be considered "pervasively sectarian" in nature, since the Supreme Court has only invalidated statutes on this basis in the context of parochial schools and sectarian colleges. See, e.g., *Committee for Public Education and Religious Liberty* v. *Nyquist*, 413 U.S. 756 (1973); *Roemer* v. *Board of Public Works of Maryland*, 49 L.Ed. 2d 179 (1976). Unlike such institutions, in which "a substantial portion of [the] functions are subsumed in the religious mission," *Hunt* v. *McNair*, 413 U.S. 734, 743 (1973), day care centers typically do not have the purpose of "indoctrination into the beliefs of a particular religious faith," *Grand Rapids School District* v. *Ball*, 473 U.S. 373, 385 (1985). While some ancillary instruction may be incidental to the provision of day care service, the purpose of a day care center is simply to provide supervision and care for infants and small children when their parents are unable to do so.

Even if some day care centers are found to be "pervasively sectarian," it would not require invalidation of the statute. The Court in *Bowen* refused to invalidate the AFLA despite the contention that some aid would inevitably flow to sectarian institutions:

[T]he contention that there is a substantial risk of such institutions receiving direct aid is undercut by the AFLA's facially neutral grant requirements, the wide spectrum of public and private organizations which are capable of meeting the AFLA's requirements, and the fact that, of the eligible religious institutions, many will not deserve the label of "pervasively sectarian." This is not a case like *Grand Rapids*, where the challenged aid flowed almost entirely to parochial schools."

Bowen, at 541. Like the AFLA, the ABC Bill provides for aid to a broad spectrum of groups on a nondiscriminatory basis, many of which could not be considered "pervasively sectarian"; and there is no reasonable basis for concluding that ABC funds would go to advance religious instruction, as they likely would in the case of parochial schools.

The third inquiry of the *Lemon* test, whether the statute fosters "excessive entanglement" between government and religion, also poses no hurdle to the constitutionality of the ABC Bill. The Ford-Durenberger Amendment avoids the most serious potential entanglement difficulties by exempting day care providers from the prohibition against sectarian activities only where they receive aid in the form of child care certificates. The registration and monitoring provisions of the bill, as applied to certificate assistance, are far less "entangling" than those upheld in *Bowen*.

A compelling reason for adopting the Ford-Durenberger amendment is that the ABC Bill as written would seriously threaten the Free Exercise of Religion rights of day care providers and parents. The bill requires under section 19(a) a "secularization" of day care facilities as a condition of receiving ABC funds. This provision runs afoul of the constitutional prohibition against conditioning a government benefit on the foregoing of a constitutional right. *See Sherbert* v. *Verner*, 374 U.S. 398 (1963) (state may not exclude from unemployment compensation a claimant who turned down suitable job on her Sabbath); *Shapiro* v. *Thompson*, 394 U.S. 618 (1969) (state may not deny welfare benefits for one year to those who have exercised their constitutional right to travel into the state); *FCC* v. *League of Women Voters*, 468 U.S. 364 (1984) (invalidated statutory provision preventing noncommercial educational stations which receive public funds from endorsing candidates or editorializing). The proposed amendment would reasonably accommodate the free exercise rights of parents and day care providers to engage in worship and incidental religious instruction (provided such incidental activity is not the "purpose" or "mission" of the center) without violating the Establishment Clause. As Justice White recently wrote for a unanimous Court in *Bishop* v. *Amos*, 483 U.S.—(1987), upholding an exemption from the 1964 Civil Rights Act for religious organizations, "There is ample room for accommodation of religion under the Establishment Clause." *Id.*, *See also Zorach* v. *Clauson*, 343 U.S. 306 (1952) (public school's program of release time for religious instruction off school premises was a permissible accommodation of Free Exercise right).

For reasons discussed above, we believe the Ford-Durenberger amendment meets constitutional standards. The amendment is a reasonable accommodation of the rights of parents and day care centers to secure child care consistent with their religious values. The amendment would effectively further the bill's purpose of "promot[ing] the availability and diversity of quality child care services to expand child care options," without involving the federal government in an unconstitutional entanglement with religious institutions.

Very truly yours,

SAMUEL E. ERICSSON,
Executive Director.

Mr. DURENBERGER. The conclusion is clear, Mr. President. The Supreme Court has made a distinction in matters of assistance which has the economic effect of assisting religious groups with transactions between Government and the groups and Government and individuals who freely choose to utilize their benefits in a religious setting. That is exactly the situation Senator FORD and I are trying to address in the area of child care.

The certificate program under ABC provides assistance to all families in the eligible categories. It requires a genuine choice by a private individual in order to allow assistance to flow. Therefore, there is no establishment clause reason why the certificate program should be restricted by section 19(a).

And Mr. President, as unlikely as this may seem, there is strong support for this argument even in the report of the committee explaining this provision. The report states:

The Committee expresses no view concerning whether the restriction in section 19(a) is constitutionally required by the Establishment Clause.

In other words Mr. President, the committee, which in the person of its chairman and the Senator from Connecticut is objecting to this amendment on constitutional grounds, expressly denied that it included the section we are amending for constitutional reasons. If they can't defend the prohibition on constitutional grounds, how can they oppose an exception from it on those same grounds?

Mr. President, I cannot, as a Member of the Senate, prove to my colleagues that the Supreme Court will approve an unrestricted certificate program. But neither can the opposition to the amendment cite a single case where the Supreme Court has invalidated a certificate program. It is our opinion, based on solid expert research, that such a program would be valid, and on that basis, there is every reason for the Senate to go forward.

I want to deal now with a number of other objections that have been raised, or will be raised with respect to the amendment.

First, there is the argument that the committee bill did not limit "church-based" child care, only "sectarian purposes and activities, including worship and religious instruction. For all practical purposes, the committee has created a distinction without a difference in those terms.

I quote from page 48 of the report:

LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR CERTAIN PURPOSES

Section 19(a) prohibits an entity receiving any of the forms of financial assistance provided under this Act (e.g., grants, contracts, or child care certificates) from using such assistance for any sectarian purpose or activity, including sectarian worship and instruction. This section is intended to ensure that all child care programs receiving funds under this Act are non-sectarian, whether or not a sectarian institution operates the program. Under a narrow, technical interpretation of this prohibition, one could argue that sectarian activities are permitted in a child care program funded under this Act, so long as no financial assistance under this Act is used for the sectarian activities. The Committee expressly rejects such a narrow, technical interpretation of Section 19(a). On the contrary, the Committee adopts a broad interpretation of the prohibition in Section 19(a). Under the Committee's broad interpretation, an entity receiving any form of financial assistance under this Act shall not include any sectarian activities, worship or instruction in providing child care services under this Act. Section 19(a) embodies the Committee's intent that all aspects of child care services provided by an entity receiving financial assistance under this Act be completely non-sectarian in nature and in content. The Committee expresses no view concerning whether the restriction in Section 19(a) is constitutionally required by the Establishment Clause.

The committee report emphatically states that a broad interpretation of the language should govern. Without any further explanation of what that means or what a broad definition

would leave out, there is no guidance for the States to differentiate between church-based and sectarian. The result would be that most States, in the interest of avoiding a violation of the act or litigation, would elect one of two undesirable courses of action: providing no certificates in church-based settings, which the committee says it did not intend; or not using the certificate program at all, which was certainly not the committee's intent.

Another argument raised against this amendment is that it violates a compromise early this year on the questioned bill and report language on these issues. If there ever was a compromise, Mr. President, the question is "Who compromised with whom?" As a member of the committee, albeit a new one, I was never consulted on the question of restriction of the certificate program. It is my understanding that 19(a) has been a part of the bill from the very beginning. There was a compromise on section 20 of the bill, which deals with nondiscrimination, but that has no bearing on the issue before us now.

The next argument we may hear is that the Ford-Durenberger amendment will kill the bill, either here on the floor, in conference, or in the courts, let me take those one at a time:

First, Mr. President, I have yet to hear of a single ABC supporter who will vote against this bill if this amendment passes. I recognize that there are strong feelings on and off this floor, but I cannot imagine Members who have invested years in this effort abandoning this struggle over the configuration of the certificate program. To the contrary, Mr. President, I can easily imagine a number of Members who would be far more likely to support S. 5 if the Ford-Durenberger amendment is agreed to. I would number the Senator from Kentucky and myself in that category.

Second, the House has its own means of achieving the goals of child care. They are far less likely than the Senate to include the tax provisions which the President has advocated. But the House is also unlikely to abandon this effort to avoid this fairly narrow amendment. It is important that this amendment be in the Senate, to ensure that it can be given proper consideration in conference.

Third, and perhaps most importantly, we cannot predict how this bill will look in the final analysis. We have a strong statement by the President as to his position on any child-care bill which goes beyond a tax credit approach. It is now likely that the Senate will pass a bill with a combination of ABC and tax credits. I strongly doubt that the Senate bill, as currently drafted, can attract the 67 votes necessary to override a possible veto. No matter how badly some of our colleagues may want ABC to pass, they should give careful consideration to accepting an amendment which broadens support for it.

By this time, I am sure my colleagues may have seen a letter signed by a number of groups in opposition to the Ford-Durenberger amendments. Before my colleagues jump to the conclusion that Senator FORD and I have some antireligious intent, I want to make three points. Almost without exception these groups are part of the original ABC coalition, which was put together 2 years ago. That group has had as its central message that ABC pass without amendment. Naturally, since we have offered a substantive amendment to the bill, those groups oppose it. Those same groups, however, vehemently opposed the tax approach which the leadership of this body has decided to take in this bill as an accommodation to political reality. I believe they will do the same on the Ford-Durenberger amendment.

I have had occasion to review the comments of some of the groups who have signed the letter, and I would vote against the amendment they describe, too. But it is not the amendment we have offered. We are not out to kill ABC. We are not out to get ABC declared unconstitutional. And we are not out to provide direct Federal assistance to religious groups.

A number of child-care provider groups, those who know the importance of church-based child care to our efforts to provide quality, affordable, and available child care. I ask that a letter from these groups appear at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR: We, the undersigned religious organizations and groups representing religious organizations, speak for our members who have been actively involved in providing quality child care services to communities across the United States. We applaud the interest of the Federal government in taking new initiatives to help low and moderate income families find quality child care.

The variety of proposals before Congress and the accompanying debate reveal both the urgency and the complexity of child care legislation. Since the Act for Better Child Care Services of 1989, S. 5, is the proposal to have come the furthest in the Senate at this writing, we wish to bring to your attention our deep concern about it. We believe this concern should be addressed by an amendment which would ensure that parents receiving child care certificates could be free to choose eligible church and synagogue providers of services for their children.

We are pleased that S. 5 gives primary responsibility to parents in choosing their children's child care providers. This should be a touchstone of any new national child care policy. However, the use restrictions in Section 19(a) would severely *limit* parental options, expecially in poor and isolated rural communities. Enactment of the bill with Section 19(a) as interpreted by the Senate Committee Report (101-117) would limit parents' choice to strictly secular child care providers. The current S. 5 discriminates against parents of eligible children who elect child care in religious settings, and would effectively eliminate the much needed services now offered by those religious providers from the available pool. We believe it essential that this unnecessary restriction be removed from child care certificates.

In our experience most religiously sponsored child care, because it is provided within at least a marginally religious context, would not meet the secularization requirements of Section 19(a). (See attached S. Rep. 101-17, pages 48-49.) Congressional committee hearings have revealed that religious organizations currently provide an estimated 30 to 40 percent of the center-based care in the country. It would be a significant policy error to exclude their quality child care programs from new legislation. Religiously sponsored child care centers currently offer their services to low income families in the larger community and will contribute an even greater share if they are included in this bill. We cannot support child care legislation which would effectively exclude many of our own efforts to serve the nation's child care needs, especially among the poor and vulnerable.

Therefore we believe that an amendment to S. 5 is needed to remove this unwarranted statutory restriction on parents' decisions about their children's care. A recent analysis of the Congressional Research Service which deals with the constitutionality of such an amendment clearly supports our views on this matter. A copy is enclosed.

We understand that such a "Parental Choice" amendment will be offered by Senators Ford and Durenberger when S. 5 comes up for consideration on the Senate floor. We urge you to vote in favor of the Ford/Durenburger amendment.

Respectfully yours,

Agudath Israel of America, American Montessori Society Christian Schools International, Council for American Private Education, Evangelical Lutheran Church in America Department of Education, Friends Council on Education, Knights of Columbus, Lutheran Church-Missouri Synod, National Association of Episcopal Schools, National Catholic Educational Association, National Society for Hebrew Day Schools, National Council of Catholic Women, Seventh-Day Adventist Board of Education, and Solomon Schechter Day School Association.

Mr. DURENBERGER. I believe when the facts of the Ford-Durenberger amendment are understood, many religious groups will see the merits of this approach.

Let me summarize, Mr. President. What the Senator from Kentucky is doing here today is designed to fulfill, not destroy the ABC bill. There is strong support for the judgment that we have made that the Constitution permits the States to provide child-care assistance for parents to dispose of as they wish, without running afoul of the establishment clause. Church-based child care is one of the foundations of the service infrastructure in this country. It is available to a large segment of our population. It is affordable. It is high quality. And it is established, not something we need to create. When Americans are crying out for more and better child-care services, when we have less than a fourth of the supply we need, it is critical that we make the most of every resource we have. And this amendment does just that.

THE MITCHELL AMENDMENT

Mr. President, I want to indicate my reasons for opposing the Mitchell substitute before us.

S. 5 has made marked progress since it left the Labor and Human Resources Committee on March 15. Many of the most difficult issues in the markup have been addressed to some degree. This amendment is an obvious improvement in the areas of standards, in the area of tax credits, and in providing the States with additional flexibility in the certificate program. But, Mr. President, I do not believe the Senate is done improving this bill.

The Bentsen health tax credit has been discussed during this debate. I think a very good case can be made that we can help more children and families with a different approach.

The amendment Senator FORD and I have made to section 19(a) has not made that section good policy. It has made it less bad policy. I remain concerned about the precedent we are setting with the passage of section 19(a). Title XX passed without such a restriction. The Welfare Reform Act passed without such a restriction. I have yet to hear a convincing case why S. 5 should be treated differently.

I look forward to working with my colleagues to make further improvements in S. 5, in hopes that we can enact a bill which provides the maximum service for each dollar we expend.

THE ACT FOR BETTER CHILD CARE: A MATTER OF CHOICE

Mr. WARNER. Mr. President, I rise today in support of increased Federal support for the provision of child-care assistance for American families. I believe it could be said that every Member present is supporting this position.

We are, however, being provided with a fundamental choice in this matter—whether to provide child-care assistance directly to families, or to make the assistance available largely through the States and child-care providers. In my view, the debate and our choice should be centered around one of the oldest questions in the quest for good government: How we can do the most good for the most people.

Allow me to share with you the results of a child-care mailing I sent out last summer to 247,000 Virginia households with school age children. Of those responding, 168,000 said yes, Government should play a larger role in the provisions of child care. What was startling to me was that of that figure, only 1,079 preferred the original ABC bill concept of funding the providers. For the tax credit concept 167,000 expressed their support.

I realize that the ABC bill is now greatly changed, but I do not believe the basic public preference for tax relief has been altered. The fact that refundable tax credits are now included in ABC signifies that the ABC leadership has also recognized this public preference.

It should be emphasized that the tax credit concept has such broad appeal mainly because of its universality. Under the Dole-Packwood substitute, as many as 5 million families stand to benefit from the combination of the two tax credits, no matter the makeup, either headed by two parents with one or both in the workplace, or by single parent households. Under ABC, perhaps fewer than 1 million families will be served, and of those, unfortunately, none may be traditional two-parent families with only one in the workplace.

Of equal concern to me has been the debate over the use of child care moneys in religious schools—how to best preserve the separation of church and State, when church-sponsored day-care centers are some of our predominant providers. Under the ABC bill, as amended by Senators FORD and DURENBERGER, it is my understanding that there are now two conditions under which funding may be utilized in a sectarian setting.

First of all, the bricks and mortar can be sectarian, but the child care environment must be secular. I should add that this is not a new development. Our Nation's hugely beneficial Head Start Program has for two decades been offered with careful nonsectarian care and teaching at numerous religious sites. The difference, of course, is that Head Start has always been a publicly funded program, while child-care services, up to this date, anyway, have generally been privately supported.

Second, under the Ford-Durenberger language, the child-care certificates authorized for low-income families are truly intended to be available for child-care facilities with religious activities. If, indeed, the States exercise their option to extend such federally funded certificates for pervasively religious child care, opponents believe their use will ultimately be a matter for the courts to decide.

Again, the tax credit concept appears to be a more workable choice. Why not avoid the regulation of church day care or a possible court fight altogether by the simple provision of tax relief for families?

Central to the Act for Better Child Care has, I believe since its inception, been the creation of Federal standards to direct the States in the provision of quality child care. This central component has now been modified, in accordance with the National Governors Association, to provide instead a Federal model on which the States may or may not base their own child-care regulations.

In this area, as well, we have been presented with a choice in the tax credit substitute package. Why not take the infusion of Federal funding for child care one step further. If we truly wish to free the States from Federal intervention, we can put the reins in the hands of our Governors in the form of expanded dependent care block grants. This is an alternative I believe the Nation's Governors would welcome.

I would like to express my support for the final component of the Dole-Packwood substitute, protection for Social Security retirees from being penalized under the earnings test for the receipt of child-care moneys. I have now joined several times with Senator ARMSTRONG to provide relief from the earnings test, and I commend both him and his fellow sponsor, Senator ROTH, for this initiative.

Mr. President, I would be remiss if I were to end my remarks without paying appropriate tribute to the sponsors of the Act for Better Child Care. We would not be engaged in this debate, setting the stage for committing several billion dollars to providing families with child-care assistance, were it not for the unstinting leadership of Senators CHRISTOPHER DODD and ORRIN HATCH. Together, they have championed the child-care cause through a dramatic evolution.

Now, for their consideration and, indeed, that of the full Senate, is one last alternative, the tax credit package developed by Senators DOLE and PACKWOOD, with the support of President Bush. The tax credit alternative is my choice, and I am pleased to have been an original cosponsor. I strongly believe that it is the choice of American families.

Mr. LEVIN. Mr. President, I rise in support of the Mitchell substitute. I do so because I believe it promotes safe, affordable, and accessible child care, while at the same time maintaining parental choice and involvement in child-care services.

I believe all of us in this Chamber can agree that for many Americans, finding reliable and affordable child care is a constant worry. The rapid growth of participation in the labor force by parents of children under the age of one has resulted in a critical shortage of quality child-care arrangements for infants and toddlers. According to the Children's Defense Fund,

> More and more mothers are working primarily out of economic necessity as the proportion of families headed by single mothers increases and the economic status of two-parent families with children declines. Often a mother's paycheck is all that stands between her family and poverty.

In 1989, the U.S. Census Bureau reported that 51 percent of women go to work or actively seek it within a year of having a child. The availability of child care is, therefore, critical to the self-sufficiency and independence of millions of families. The years from birth to age 6 are critical in the development of a young child. In my own State of Michigan, 42 percent of mothers with children under 6 are working.

Mr. President, high quality childhood development programs are cost

effective. Study after study has shown that quality child care can reduce the chances of juvenile deliquency and adolescent pregnancy and improve the likelihood that young people will finish high school and become gainfully employed.

Unfortunately, only about 1 American company in 10 provides day care for the children of its employees. Fewer than a fifth of preschool children spend their days in proper day nurseries; two-thirds are covered by informal arrangements in their own homes or those of neighbors. Although most are well served by ad-hoc day care groups run by local mothers or shared home helps, there are some horror stories.

Two years ago Jessica McClure, aged 18 months, fell into a well at an unlicensed day nursery in Texas. Other children have died in horrifying accidents while left unattended at home, or with persons whose previous abuse and neglect of children were unknown to the parents. In Virginia last year, 10-month-old Ashley died after being given the prescription drug imipramine to keep her quiet. A criminal background check would have revealed the provider had been convicted in 1968 for neglect of her own two children. Two children were killed and six others injured, some seriously, when a fire broke out in what officials said was an unlicensed day care center in the east New York section of Brooklyn. In early June of this year, a 17-month-old Prince Georges County, MD, boy died after his mother left him in a car for 3 hours outside a residence where she worked as a housekeeper. According to law enforcement officials, the mother did not want to take her child into the house because it was her first day of employment and she was fearful of losing her job. Mr. President, there are too many other tragic stories like these.

I find it difficult to follow the logic of some arguments made in opposition to the Mitchell substitute with respect to the standards issue. In its original form, the ABC bill left it up to the Federal Government to establish standards for child-care facilities receiving assistance in areas such as health and safety. The opponents of that version criticized it for imposing some new Federal bureaucracy on American families. Now, in the Mitchell substitute, the formulation of the standards is left to the States, and some important decisions about financial assistance will be made not by Federal officials or State officials, but by local officials. Still, we hear complaints from the opponents. Mr. President, it is ironic to see some of those who were supporting proposals for New Federalism just a few years ago, now to evidence such distrust of the wisdom of State and local authorities.

Most if not all of the legislation which passes through this body is a combination of consensus and compromise. Therefore, not every provision can or will fully please everyone. For example, I have concerns about the use of certificates for sectarian based child care. This provision should not be interpreted as a precedent for any broad based tuition tax credits. As important as it is to provide adequate child-care assistance, it is also important to maintain the constitutional principle of separation of church and state. It is my hope that the bill's provision that no financial assistance shall be expended in a manner inconsistent with the Constitution will allow this legislation to achieve both goals.

Additionally, I hope that at some point we can do more to provide assistance to middle-income families who are feeling both the economic pressures which require both spouses to work and feeling the economic burdens of paying for quality child care. I think it is important to remember as we talk about the child-care proposals that we are considering on the Senate floor that they do not solve the whole problem. To oversell them would only help breed cynicism among the American people. But, taken as a whole, the Mitchell substitute represents a major step forward for the children of our Nation. I believe the Mitchell substitute is a good beginning. I believe it is a balanced approach to the growing crisis in child care, and I urge my colleagues to join me in supporting it.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, first I want to thank all of my colleagues on both sides for the debate. I think we have had a good debate.

I do not have any illusions about how the vote is going to come out, particularly in view of the statement of our colleague on this side, Senator HATCH, who I did not think ever would oppose credits. But he has made that choice, and it is his.

Mr. President, I have listened with great interest to the floor debate on child care. I have heard all kinds of characterizations, and all kinds of honest disagreements on the issues.

But there is one fact that cannot be argued; one essential element that cannot be dismissed—child care is a "family issue." Let me say that again—this is a family issue, not a "Government issue."

It's all about parents and their children. And the bottom line here today is which bill before us gives the family the most flexibility, the most options, and the most freedom to do what they believe is best for them.

In other words, what is best for that family. And in my view, the overwhelming number of Americans believe that family and Government go together like oil and water.

When it comes to our children, our families don't want any more Government interference.

So, we can go with a family bill—the Dole-Packwood proposal—or, we can go with the other plan: The act for bureaucratic control. The ABC bill is not a family bill. It is antifamily.

Congress now has a clear choice: our amendment relies on a tax incentive and enhances parental choice. Notwithstanding all the denials we've heard in the last 3 days, the ABC bill relies on massive Government subsidies to the States and enlarges the role of big Government in family decisions.

Our proposal is based on what this Senator believes and many editorials note to be a sound concept; that parents, not the State, should bear prime responsibility for making decisions about whether their children are cared for at home, at grandmother's house, in a public care facility or at a church-run center. Our proposal trusts free people to make the decisions.

I have heard it suggested this morning that the Dole proposal is not a child-care proposal. In fact, the Joint Committee on Taxation tells us that the child-care supplement combined with the refundability of the existing DCTC will help approximately 5 million families, and of course, many of these families have more than one child. The $400 million in block grants to the States will also benefit a good many children so for a cost of about $12 billion over the next 5 years as compared to the $15 or more billion proposed by Senator DODD, we help millions of families provide what they believe their children really need.

Senator DODD said adamantly last night that the Mitchell substitute gives ultimate authority over where a child is cared for to parents, not to States.

Let us read their own bill. In section 107(C)(3)(A) it reads "that, to the maximum extent practicable, the parents of each eligible child who will receive child-care services for which assistance is provided are permitted to select the eligible child-care provider that will provide such services to such child;" and it goes on in the next subsection (ii) to state that: "the State will attempt to place such child with the eligible child-care provider selected by such parents."

Who has ultimate authority over the placement of children. The bill clearly shows, if you read it, that the States do—not parents.

I know my distinguished colleague from Oregon, Senator PACKWOOD, and my distinguished colleague from Indiana, Senator COATS, yesterday made some excellent remarks on the church-state issue. I would just like to take a few minutes now to amplify these remarks.

THE SO-CALLED FIX

Yesterday, Senators DODD and HATCH spoke on this floor and claimed that the revised ABC bill had resolved all the first amendment issues—that all the church-state issues had been fixed.

But let me read you the so-called fix. Let me read you the specific language

that supposedly resolves all our problems:

No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction, except that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child-care certificate. • • •

As you can see—this exception—this language—applies only to those States who have adopted a certificate program. It does not require States to use certificates. And the exception does not apply to those States who may provide child-care services through other mechanisms. In fact, religiously based child-care centers in those States who do not use certificates are subject to the broad proscription against sectarian activity.

Let me also read you another part of the so-called fix. This part states that "financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution."

This statement is obvious. It is so obvious that it is irrelevant. Of course, funding under the bill should not violate the Constitution. This statement is no fix—as my distinguished colleague from Connecticut suggested yesterday. It is meaningless.

But—on second thought—the statement will have one unfortunate meaning: it will mean that religiously based child-care centers will be subject to expensive litigation. And it will mean that religiously based child-care centers will spend more time and resources defending lawsuits than providing child-care services. As I said yesterday, the cure will be worse than the disease.

HEALTH CREDIT

Finally, with respect to the health credit, no one will disagree that there is a great need to increase access to health-care coverage. Certainly, the chairman of the Finance Committee deserves credit for bringing this to our attention once again. But, Mr. President, this is not the best way to spend $5 billion over the next 5 years. Again in this area, let us give parents the resources they need to make choices. Let us not once again assume that big Government knows best.

CONCLUSION

Again, let me boil it down to one question, who knows best how children should be cared for: parents or an omnipotent State? An enlightened use of tax policy would maximize parental choice. That's what this debate is all about. Choice.

I think we have to make some basic judgments here. We are all for child care. Most everybody has a child-care bill. Maybe there were one or two exceptions who do not want to do something in child care. But I have heard all kinds of characterizations, and all kinds of honest disagreements on the issues. I have heard the Senator from Massachusetts say we are going to repeal the 20th century. There are parts of it I would like to repeal, and other parts are pretty good. But there is one fact that cannot be argued.

One essential element that cannot be dismissed is that child care is a "family issue." Let me say it again. It is a family issue, not a "government issue."

Senator DODD and Senator HATCH want to make this a government issue. That is fine. They can have all the government they want. They will be out here railing against it sooner or later. But myself, Senator PACKWOOD, Senator DOMENICI, Senator WILSON, and others believe it is a family issue. It is all about parents and their children. It is not about more bureaucracy, and new bureaucracy in HHS or new bureaucracy in every State. It is a "lead agency," it is called. That is a bureaucracy. Which bill before us gives the family the most flexibility? There is not any doubt about it.

So to those who want to stand up here and say indirectly I do not trust parents to deal with money, we have to set up a bureaucracy, we have to set up a new government program, and some have never met a program they did not like. They are out trying to push this bill down the throats of American families all across America.

We have to decide what is best for the family and what is best for the family in Russell, KS. They do not live within the beltway. They are not bombarded every day by the Children's Defense Fund and by organized labor. They are out there taking care of their children. Where are they going to go to get their certificate? We have to remember there are people outside the beltway. They do not have any lobbying groups around here. They do not have anyone painting some rosy scenario about how this is going to solve all the problems. I do not think the American people want more government interference.

They had an election out in California, in Fremont, CA. In effect, they had the Dodd bill on the ballot. They wanted all the taxpayers to pay for child care for others. It was defeated on a 3 to 1 margin, 73 percent to 26 percent. Those are real people. They do not live within the beltway. They have not heard Senator HATCH's argument or Senator DODD's. They are wrestling with real problems.

What is wrong with saying to somebody who wants to stay home, raise their family, not go to work every day, we are not going to discriminate against you? I want to hear some of these people explain that vote after it is over. I want to see people all across, Senators all across the South, everybody else in America, saying we do not believe mothers who stay home and raise their children are entitled to anything. Why should they be entitled to anything? That is precisely what the Dodd-Hatch bill says—nothing. If that is what we want to vote for, you are going to get an opportunity here very quickly.

I have heard it suggested here this morning our proposal is not a child-care proposal. In fact, the Joint Committee on Taxation tells us the child-care supplement combined with the refundability of the existing DCTC will help approximately 5 million families, and of course, there is more than one child in most families. I think the average is about 1.9. That is about 10 million children. What is this little group in the other bill going to help, 500,000, maybe 700,000, if you stretch it a little as they have done.

What would it cost to fully fund the Hatch bill? They have already $1.75 billion. So you say that is 500,000 children, and only 18 million eligible. Multiply that quite a few times, and you are up to $40 billion. Nobody has talked about the cost of their bill. They have not talked about it. They do not want us to know. This is a con game going on on the floor. Nobody has talked about the cost. Do not talk about the cost, and say the other side is guilty of deception when you do not have any facts on your side.

I agree with my colleagues. I would like to see a child-care bill we could all support but we cannot have everything. Some people are for everything on this floor. "You name it, I will vote for it." We cannot have it all.

We have a clear choice. Our amendment relies on a tax incentive, and enhances parental choice. Nobody can argue with that. They have, but they cannot do it with any validity. Notwithstanding all the denials we have heard in the last 3 days, the ABC bill relies on massive Government subsidies to the States, and enlarges the role of big government in family decision. They cannot get around it. They can talk about it. They can say the rest of us are guilty of deception, it is true.

I want to have printed in the RECORD a number of editorials which will spell that out, and I so ask unanimous consent.

There being no objection, the editorials were ordered to be printed in the RECORD, as follow:

[From the Indianapolis Star, Feb. 16, 1989]

CHILD CARE CREDITS

President Bush has not—so far, at least—bought into the proposition that concern for the family automatically means support for a massive infusion of government funds into the day care industry.

In his budget message to Congress, he proposed that assistance for working parents be limited to those needing it most: low income families with young children.

"I support a new child care tax credit that will aim our efforts at exactly those families—without discriminating against mothers who chose to stay home," the president said.

"Now, I know there are competing proposals. But remember this: The overwhelming majority of all preschool child care is now provided by relatives and neighbors, churches and community groups. Families who choose these options should remain eligible for help. Parents should have a choice."

There are no such options or choices in much of the day care legislation that has been urged on Congress. Only "licensed" day care facilities would be covered in most proposals. That alone rules out an estimated 90 percent of day care providers and three-fourths of all children cared for.

Moreover 80 percent of the children enrolled in licensed facilities come from middle-income families in which both parents work. The median income for such families—$38,346—is nearly 50 percent higher than the median income for families with a single earner.

Thus such proposed legislation as the 1988 Act for Better Child Care, sponsored by Sen. Christopher J. Dodd, D-Conn., would benefit only a select group of families and they would benefit at the expense of all working families, most of whom earn less and don't use licensed facilities.

Moreover, as President Bush recognized, day care proposals discriminate against families whose mothers stay home to care for the children—often at considerable financial sacrifice. What is often overlooked is that most mothers of children under 5 don't work outside the home and most of those who do are employed part-time or seasonally.

According to a 1987 Census Bureau report, fewer than one child in five has a mother employed full-time year-round.

A tax credit such as that supported by President Bush makes much more sense than proposals that would establish a day-care bureaucracy—with its ever-expanding demands for dollars and personnel.

Parents of young children will benefit most from a tax code that provides direct, genuine tax relief rather a regulated service that may or may not be needed or wanted.

[From the Birmingham News, Mar. 19, 1989]

CHILD CARE QUESTIONS

Should the taxpayers of America subsidize middle-class families in which both parents work but not middle-class families in which one parent stays home? Should the federal government take over from the states the responsibility of regulating child care?

These are just two of the many questions raised in the competition between the Bush administration and the Democrat-controlled Congress to see who gets credit for being the most responsive to family needs.

They point out, though, some of the major differences between George Bush's plan and the approach approved this week by the Senate Labor and Human Resources Committee.

There is little disagreement that low-income families, especially when there is only one parent in the home, can be helped by safe, affordable child care. It helps families stay off welfare rolls and on employment rolls, with all the social as well as economic benefits that entails.

The Bush plan offers assistance in the form of tax credits to families making $13,000 a year or less. The maximum tax credit of $1,000 for each child under age 4 will not pay the full cost of good child care, but it certainly would provide a helping hand to an estimated 2.5 million American families.

It also puts control over spending decisions in the hands of families, rather than a government bureaucracy.

The Congressional plan is much more ambitious, providing $2.5 billion in direct subsidies to families earning up to the median income in their home state.

No doubt such subsidies would be popular. A telephone survey conducted for KinderCare found that 88 percent of parents with children under 10 years old believe the federal government should give tax credits or deductions for child care. Forty-one percent favored subsidies for low-income families and 28 percent said they supported subsidies to all income groups.

Of course, those of us who are trying to raise families want any help we can get. We know how difficult it is to make ends meet, and we know that many mothers work out of necessity.

But should that knowledge shift the burden for caring for children off individual families and onto the taxpaying public? We think not.

Federal child care help can be a powerful weapon for fighting poverty and dependence. It is harder to defend as a middleclass entitlement.

And the congressional plan demonstrates once again that whenever we accept federal money, we give up a little of our freedom. It would set up minimum federal standards for day care providers. That is the wrong way to go. As Bush said, "Federal policy should increase, not decrease, the range of choices available to parents."

But by limiting subsidies to those families who choose government-sanctioned child care, the plan would limit the range of choices.

The Bush plan may not go far enough in helping those at the economic margin deal with the dual responsibility of supporting and caring for their families. But it approaches the problem from the right perspective and targets the right families.

It should be the basis for government action on the issue of child care.

[From the Long Island Newsday, Mar. 19, 1989]

A BABY STEP TOWARD FILLING U.S. DAY-CARE NEEDS

Kids are expensive. Forget about the toys and the diapers, just having them skews the family budget. If Mom stays home, the family loses whatever income she might have earned at a job. If she goes to work, a chunk of her paycheck often goes to pay someone else to care for the kids: Full-time licensed day care costs $45-$75 per child a week on average (it can go much, much higher) and can devastate a minimum-wage earners' $134 weekly pay.

So President George Bush's new child-care initiative for low-income families is both wanted and welcome. It may help poor working families resist the temptation to give up and go on welfare. But it falls far short of filling the need for affordable, quality day care.

In fact, it's not really a child-care program at all: It doesn't mandate that the money go for day care. The proposal would give a tax credit of up to $1,000 for each child under age 4 in working families who make up to $13,000 a year. It would be refundable, so that a family with little or no tax liability would get the credit in the form of a government tax refund. Total cost the first year, $187 million.

That's minuscule compared with the $2.5-billion annual price tag on the Act for Better Child Care Services approved by the Senate Labor and Human Resources Committee last week. The ABC bill parcels out child-care subsidies to the states and also sets safety standards for day-care centers, something now handled at the state and local levels.

As much as we'd like to see the issues of quality and affordability solved, we have some problems with the ABC bill. The church-state conflicts that sank it last year—civil libertarians balked at giving government subsidies to church-run day-care centers—have not been satisfactorily resolved. We worry that the small home-based centers that serve half the kids in day care may be forced out of business: Experts say 90 percent of family day care is unlicensed. And, the bill is very costly.

So, the ABC bill needs work. Meanwhile, the president's proposal should be enacted. It's a small helping hand to the American families who need it most, the working poor.

[From the Richmond Times-Dispatch, Mar. 24, 1989]

BIG BROTHERLY CARE

It was "remarkably coincidental," quipped Sen. Christopher J. Dodd, D-Conn., that President Bush sent his child-care legislation to Capitol Hill the same day the Senate Labor and Human Resources Committee was approving by an 11-5 vote Sen. Dodd's $2.6 billion Act for Better Child Care Services (ABC). Coincidental or not, the timing was fortuitous. For the Bush and Dodd proposal on how the federal government should assist working parents in making arrangements for the care of their children differ dramatically.

Congress now has a clear choice: The Bush plan relies on a tax incentive and would enhance parental choice. The ABC bill relies on massive governmental subsidies and enlarges the role of Big Government in family decisions.

The ABC measure would send grants to states for subsidizing child care all the way up to age 15. To be eligible for government assistance, families could earn up to 100 percent of their state's median income, which works out, nationally, to approximately $33,000 a year for a family of four. Additionally, the Dodd plan would establish a new federal entity to set standards for day-care providers receiving ABC funds. States would have up to six years to ensure that their providers met the federal guidelines.

This approach would shift the major responsibility for financing and regulating child care to Washington and away from states, localities and individual families. It has all the earmarks of becoming an entitlement program that starts "small" (if $2.6 billion can be called that) and growing into resource-gobbling monsters like Medicare and Medicaid. Even home-based care—grandparents caring for their own grandchildren—would have to meet federal regulatory criteria if parents were to receive ABC subsidies. Call it the Act for Big-Brotherly Care.

By contrast, the Bush plan seeks to use the tax system to empower low-income families to make their own decisions about child care. It would enable families making less than $13,000 a year to take a tax credit of up to $1,000 for each child under 4. The credit would be "refundable"; that is, families making too little income to owe taxes would receive a refund that they could use toward child-care expenses.

The Bush administration proposal is less expensive than the ABC bill backed by Democratic liberals. It would cost an estimated $187 million in fiscal 1990, rising gradually to $2.5 billion by fiscal 1993. Moreover, note critics, it is less comprehensive, because the benefit stops when children reach 4 and when incomes rise above the poverty level. However, Mr. Bush also is proposing an expansion of Project Head Start, a popular program providing health, nutrition and education to preschoolers from poor homes. That could help fill the needs gap without creating a vast new child-care bureaucracy.

Sen. Dodd has complained that parents might not use the Bush tax credit wisely in

all cases. "They could spend it on beer if they wanted to," he said. Perhaps that's true, though it might be possible to write some safeguards into the law against that happening. Nevertheless, the Bush approach is far more compatible than the Dodd scheme is with the sound concept that parents, not the state, should bear prime responsibility for making decisions about whether their children are cared for at home, at grandmother's house, in a public care facility or at a church-run center. The Bush plan trusts free people to make the decisions. The Dodd plan asks Big Government to call the shots for them.

[From the Richmond Times-Dispatch, May 17, 1989]

THE "PARENTING PENALTY"

If you are a parent and you choose to stay home to care for your preschooler—or if you have a relative or friend do so—the federal government does not like you very much. And it is going to punish you even more harshly if the $2.5 billion Act for Better Child Care (ABCC) being pushed by Sen. Chris Dodd, D-Conn., ever becomes law.

The current U.S. tax code provides a Dependent Care Tax Credit for working parents who use paid child-care services. While the objective of easing the tax burden on those responsible for child-rearing is commendable, the Family Research Council has pointed out that this credit actually redistributes income from families that make little use of paid day care to those that so do extensively.

"Not only does this penalize families in which one parent stays home full time to care for children," declares an FRC report, "but it also shortchanges two-income and single-parent families that seek to minimize their use of paid substitute care by working part time, working different shifts, working from home, or having a grandparent or other relative care for their children."

ABCC, on which the Senate will vote this month, would make the government's preference for those who use group day care even more blatant. According to columnist Warren T. Brookes, the Dodd bill: "excludes 94 percent of children because only 11 percent of children under 5 are in group day-care facilities, and nearly half of those are run by churches, excluded by law." The child-care method of choice in this country, by far, is family-based private care. The ABCC would take tax dollars from those families, many of which are in low-to-moderate income ranges, and transfer them to users of public day care, many of them from higher-income, two-earner families. In short, the bill would create a large disincentive for parents to spend a lot of time with their own children.

The federal government should not be in the business of penalizing parents who choose to care for their children in the home. A fairer approach would provide tax relief to parents and let them make their own decisions. President Bush's proposed Toddler Tax Credit, which would be limited to families with incomes below $20,000, is at least the beginning of such a sound policy. An even more comprehensive approach, proposed by Reps. Clyde Holloway, R-La., and Richard Schulze, R-Pa., would replace the current Dependent Care Tax Credit with a new refundable credit of up to $1,000 per child for families making less than $45,000. The net revenue loss would be comparable to the cost of Sen. Dodd's ABCC, but 100 percent of the benefit would go to parents, whereas a new federal bureaucracy would devour at least one dollar in four of ABCC funds.

The basic question comes down to who knows best how children should be cared for: parents or an omnipotent state? An enlightened use of tax policy would maximize parental choice.

[From the Washington Times, May 17, 1989]

FEDERALLY LICENSED GRANDMAS

Pressure is building for a "compromise" child care bill that could open the door to federal licensing and control of day care. Congress would give low-income parents a child-care taxbreak while passing the Act for Better Child Care, backed by Rep. Dale Kildee, Sens. Orrin Hatch and Chris Dodd and the Children's Defense Fund. The ABC bill would spend $2.6 billion a year to aid secular day-care centers.

Backers of the bill contend their measure enhances parental choice because it provides "child-care certificates" for parents to spend on their children's care. But to use an ABCC certificate, Heritage Foundation policy analyst Robert Rector says, parents would have to enter into a written contract with the state, which would select and approve the child-care arrangement. Day-care providers would have to sign a contract with the government as well. In short, he notes, "bureaucrats and not parents would select the child care."

ABC fans also maintain that the bill could be used to subsidize care provided by grandmothers. But grandma first would have to jump through similar hoops, even filling out daily reports showing that her meals met detailed federal nutrition standards. ABC thus seems destined to drive grandmothers and small-scale day-care centers out of business. When Child Care Review, a leading journal for the industry, analyzed last year's similar version of ABC, it found that the added regulatory burden would shut down over 12,000 day care centers—more than 20 percent of the licensed centers now in operation.

The bill also would discriminate against church-based day care centers, which could receive subsidies only if they kept religion completely out of their program. Thus religious care centers would be faced with a choice: banish religion or compete directly with larger, secular, federally subsidized day care centers.

And state and local governments are already making life miserable for small-scale day care providers. Virginia Postrel details in the most recent issue of Reason magazine several examples of such harassment: A day-care provider in Culver City, Calif. spent three years battling city planners for a zoning permit to operate a day-care center; a bureaucrat in Los Angeles likened a day-care provider to a drug addict and a prostitute after the operator tried to wade through the morass of L.A. zoning laws. The ABC bill would actually force states trying to loosen such regulatory barriers to meet all sorts of federal procedural requirements.

Finally, ABC overlooks the reason that many parents need day care: High taxes have made it mandatory that both parents work. The average couple with two children paid 2 pecent of their income to Uncle Sam in 1948; the comparable couple paid 24 percent in 1988.

If he's serious about helping parents with children, President Bush will veto ABC and tell Congress to provide real child-care help: tax cuts.

[From the Wall Street Journal, Jan. 30, 1989]

LICENSING GRANDMA

The rush is on to define "kinder, gentler," so it's no surprise that the first proposal out of Washington would make government bigger, richer. Senators Christopher Dodd and Orrin Hatch are co-sponsoring a bill that has the potential to do for child care what the Great Society did for public housing.

The Act for Better Child Care Services (ABC) echoes back to what George Bush, in his inaugural address, called "the old solution, the old way * * * to think that money alone" could address social ills. The bill would throw money at state bureaucracies to "expand and improve working parents' child-care options." So a few thousand well-meaning but beleaguered state employees somehow are supposed to regulate and "improve" child rearing in America.

The bill would spend only $2.5 billion the first year, but make no mistake: This is the camel's nose under the tent. Medicare and Medicaid were also first promoted as modest programs, but by now they're rising on autopilot.

Politically, ABCC is cleverly designed to create and finance a permanent constituency for bigger government. Much, if not most, of the bill's $2.5 billion wouldn't go to parents at all, but instead to licensed "child-care providers." It's a good bet that many of these "providers" will be affiliated with the 100 special interests that Senator Dodd advertises as endorsing the bill. ABC also is careful to make the middle class eligible for its subsidies, because that's where the votes are.

The bill does discriminate against at least one group of Americans, however—parents who choose to stay at home to raise children themselves. They of course get nothing from such a program; so ABC effectively taxes those parents in order to subsidize those who work. Senators Dodd and Hatch seem to believe the government should assign a lower social value to a mother or father who chooses to raise children full time.

Senator Dodd claims ABC will expand the supply of child care, but the bill's regulations would only reduce it. Robert Rector, a child-care expert at the Heritage Foundation, cites studies showing the United States has at least 1.65 million unlicensed neighborhood providers. To receive benefits under ABC, these providers would suddenly have to meet OSHA-like standards, including at least 40 hours of health and safety training every two years. Mr. Dodd even wants to license grandmas. No joke.

Then there's the anti-religious provisions. ABC would provide a subsidy to church day-care centers only if they're "nonsectarian." So any day-care center that dared to teach five-year-olds stories from the Bible would appear to be out of luck.

One expects all of this from Senator Dodd, a devoted social engineer. But the mystery is why Senator Hatch would want to be the main Republican co-sponsor. Perhaps Mr. Hatch wants to burnish his compassion credentials. Perhaps he hasn't been spending enough time in Utah. Whatever the reason, someone should tell him that the candidate who supported ABC last year was Michael Dukakis.

President Bush, on the other hand, supported a $1,000 child-care tax credit to reduce the tax burden on the poor and expand parental (not bureaucratic) choice. Mr. Bush also spoke of "a thousand points of light." The Dodd-Hatch ABC bill is merely a single point of light, a beacon for statists.

[From the Boston Herald, May 13, 1989]

NEW DAY CARE PLAN TAXES MOTHERHOOD

(By Warren Brookes)

Tomorrow is Mother's Day, and mothers better watch out, because Congress is cooking up a scheme to subsidize day care for yuppies by taxing average-income spouses who stay at home.

This month, the Senate is expected to pass the act for Better Child Care (ABCC), a $2.5 billion special-interest boondoggle the majority of whose recipients will be upper income, two-earner families—and whose biggest beneficiary will be government subsidized day-care centers and their union bureaucracies.

They will pass this act instead of the better Bush administration proposal, the Toddler Tax Credit, which is explicitly limited to families with incomes below $20,000, in part because the Bush proposal would not create any new federal state bureaucracy.

More importantly, the Bush proposal does not respond to the most noisy child-care constituency (particularly in wealthy Washington): two-earner families with incomes well above the U.S. median—the top 10 to 20 percent of the nation.

The Cenusus Bureau shows that only 29 percent of preschool children have mothers who are employed full time, 17 percent are employed part time, while 54 percent are not employed at all.

Yet those children with full-time mothers are in families whose median income in 1988 was less than $27,000, or substantially below the overall median of $31,000.

By contrast, the median income of all dual-earner families in 1988 was more than $41,000, while the median income of all full-time dual-earner families was nearly $49,000. This means that most of the demand for day care now comes from families whose median income is 30 to 60 percent above the U.S. median.

Thus, any program of federal subsidies to day-care centers will automatically redistribute income from lower wage, intact families to higher-wage, two-earner families as well as single parents. It is also an explicit tax penalty against the majority of single-earner families with mothers who stay at home.

That is why, to get political special interest support for day-care subsidies, the ABCC advocates, including the supposed defenders of the poor, the Children's Defense Fund, had to set the upper-income limit on child-care subsidies at $45,000—within the top 10 percent of all U.S. incomes.

Worse, the bill excludes 94 percent of children because only 11 percent of children under 5 are in group day-care facilities, and nearly half of those are run by churches, excluded by law from getting federal funds. Another 13 percent are in unlicensed informal care with non-relatives while the other 76 percent are in the care either of a parent or other adult family members.

ABCC advocates argue that the reason lower income families do not use group day-care centers is they can't afford to, especially single mothers. This may be true—but that cannot explain why 54 percent of all mothers stay home with their children.

Choice is what this issue is really all about. More than 80 percent of mothers in a 1987 poll said they would prefer to stay at home if they could afford to, and by a 2-to-1 ratio, mothers under the age of 44 do not regard rising enrollment of children in day-care centers as a positive development.

Why then is it happening? Principally because of federal tax policy. In 1948, a family of four at the median income paid only 2 percent of its income in federal taxes (including Social Security). Today that family is paying about 24 percent.

In 1948, the dependent exemption of $600 represented 42 percent of per capita income. Today's $1,950 represents less than 12 percent. So the main reason so many second spouses now need to work is to make up the huge income lost to higher taxes.

So what we have here is not a day-care problem but a tax problem—and the most positive social and tax policy is to cut the tax penalty for parenthood and increase the range of options.

The Bush proposal is very good as far as it goes. There are other better proposals now before Congress, including one offered by Rep. Jerry Lewis (R-Calif.). But the best one, sponsored by Rep. Clyde Holloway (R-La.) and Rep. Richard Schulze (R-Pa.) was designed by Heritage Foundation's expert on child care, Robert Rector.

Under Rector's plan, there would be an explicit refundable tax credit for each child under age 7, of $1,000 for incomes up to $10,000, which would then be gradually phased down, dropping by $150 for every $1,000 in added income over $10,000, ending at $50,000. This would win support from most income groups.

Its first year added cost would be about $1.5 billion, and this would rise to about $5 billion by fiscal year 1994, so it is deliberately "back-loaded" to avoid the current Gramm-Rudman budget crunch.

But the beauty of these "tax cuts for babies" is they promote parenting fairly, instead of taxing it unfairly as ABCC does.

[From the Washington Post, Apr. 26, 1989]

HELP THE WORKING POOR; LIBERALS AND CONSERVATIVES SHOULD BE ABLE TO AGREE ON TAX RELIEF

(By Robert J. Samuelson)

If we have learned anything about curing poverty, it is that the most important kind of help is self-help. Government programs don't pull people out of poverty; people pull themselves out of poverty. That's why the problem of the "underclass" is so stubborn. People in the underclass aren't just poor. They're so unemployable, hopeless or welfare-dependent that they've lost the ability or the will to overcome their poverty.

By that point, the chances of government even helping are slim. What government can best do—but isn't—is to help those who help themselves. It can provide tax relief for the working poor. This is the most straightforward way of aiding many poor parents and their children. The poorest workers deserve to keep all their wages. Taxes simply push them closer to welfare, where their prospects diminish and they become a burden on society. Tax relief is common sense, and fortunately there's a mechanism to provide it: the federal earned income tax credit (EITC).

The credit is refundable, which means that the poorest workers get money from the government. The credit is now 14 percent for workers with children (others aren't eligible) on earnings up to $6,500. The maximum credit of $910 applies until earnings reach $10,240 and then is phased out. This maximum credit should be raised to somewhere between $2,500 and $3,000, with a larger credit for larger families. The credit should also be phased out more gradually, so that working parents with incomes up to about $20,000 would have their federal taxes cut significantly.

What's interesting is that liberal and conservative poverty specialists have reached a striking consensus that expanding the EITC is desirable. "It rewards people for taking responsibility for their own lives," says Robert Rector of the conservative Heritage Foundation. And, writes liberal economist David Ellwood of Harvard in his book, "Poor Support" (Basic Books, 1988): "People are helped without any need of a stigmatizing, invasive, and often degrading welfare system. . . ."

So what are Congress and the president doing? Almost nothing. They want to be seen as helping poor families—without finding the money. It's a cynical political theater.

There are some worthy proposals. Reps. Thomas Petri, Republican of Wisconsin, and Thomas Downey, Democrat of New York, have offered plans to increase the EITC. President Bush's child-care program involves a new tax credit for working parents of children under the age of 4. But these modest proposals aren't going anywhere, and the Bush plan aims mainly to prevent Democrats from stealing the child-care issue. Most Democrats pretend they're helping the working poor by favoring direct child-care subsidies and a higher minimum wage. These measures would aid the poor in haphazard and ineffective ways.

Consider first the minimum wage. The House and Senate have passed legislation raising it to $4.55 an hour by late 1991, up from the current $3.35. Bush, who has supported an increase only to $4.25, is expected to veto the congressional measure. He should. Congress is raising the minimum for only two reasons. First, it's something for nothing; it seems to provide a benefit without requiring Congress to vote for higher spending. And second, more than 70 percent of the public supports a higher minimum.

But this enthusiasm reflects bad information. Minimum-wage workers are not primarily from poor families. Nor are they family heads. Mostly, they are teen-agers and young adults (nearly 60 percent are under 25) or second earners. In 1988, less than one in seven was a family head. The main effects of raising the minimum would be to increase inflation and unemployment slightly. Businesses would react by either boosting prices or providing fewer job opportunities for the least-skilled workers.

Day-care subsidies are an even more dubious exercise. Under legislation approved by the Senate Labor and Human Resources Committee, families could receive subsidies if they place children in paid day-care arrangements. Families with up to a state's median income (almost $33,000 nationally) would be eligible. Government should help needy families, regardless of how they raise their children. It shouldn't subsidize one style of child rearing over another. This bill would do precisely that.

If mom and dad juggle work schedules so one parent is always home, they wouldn't get a subsidy. If grandma takes care of the child free, there would be no subsidy. Even a single mother who uses a day-care center might miss the subsidy because the eligible population dwarfs the likely funding. Perhaps 1 million children out of an eligible population of 18 million could be subsidized with the authorized $2.5 billion. The legislation's popularity is based on its "appearance of generosity" and "false hopes," as Sen. Nancy Kassebaum, Republican of Kansas, notes. It's political grandstanding. The point is to deceive.

Providing extra cash to a whole class of working parents is more honest and effective. Everyone who is eligible gets a benefit. It lets parents decide what their most pressing needs are. It minimizes bureaucratic overhead costs. Because some families receive money from the government, it's easy to see the EITC as a handout. That's wrong. For the poorest workers, even an expanded EITC would only crudely offset all their

nonincome taxes: Social Security, excise and state and local sales taxes. For better-paid workers, it would merely reduce their total tax burden.

In an era of big budget deficits, government need not be paralyzed. Good programs can be financed by ending less worthy spending programs or tax breaks. The expanded EITC outlined here would probably cost about $10 billion. There are ways to raise that money. An existing tax credit for child-care expenses costs the government about $4 billion annually. It should be eliminated. Three quarters of the benefits go to the wealthiest half of families; only 3 percent go to the poorest 30 percent. Another $5.5 billion could be raised by requiring that capital-gains taxes be paid on stocks and bonds when the owner dies.

It should be easy for liberals and conservatives to agree to help the working poor. The only obstacle is hard political work—making choices and upsetting some constituents. Sadly, it's quite an obstacle. Much as the working poor deserve tax relief, they probably won't get it.

Mr. DOLE. Mr. President, I wonder if I might use my remaining leader time.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered.

Mr. DOLE. Our proposal is based on what this Senator believes and many editorials note to be a sound concept, that parents, not the States, should bear prime responsibility for making decisions about whether their children are cared for at home.

What is wrong with having the child stay with grandma? What is wrong with saying to the mother who does not want to work, who wants to take care of the child—maybe she has a disabled child or two disabled children. Why should she be discriminated against as she is in the Dodd-Hatch proposal?

So I hope my colleagues on both sides of the aisle will understand precisely what they are voting for. If you want more government, you have a big chance for it in the Dodd-Hatch bill. If they want to give you more government, even if you do not want it, they are going to help you.

You think about the little town you are born in, where the parents are going to go for all this, and how are they going to raise the case, as the Senator from New Mexico pointed out. How many children? You have five, and one gets to go to a day-care center, or what? Not all five. But if you have a tax credit, you are going to benefit across the board, no discrimination.

So I just say in conclusion that there is a big religious issue here. It has not gone away. I heard people say it has gone away. It is not going to go away because it is still there. The Senator from Pennsylvania pointed out very well and the Washington Post pointed out very well this morning that it is not going to go away.

Another reason you should not vote for more government is I would rather let my parents, my mother and my father, and my grandparents in on taking care of my children than I would some Federal bureaucracy which dictates to the States that you have to meet six different standards. It seems to me it is pretty obvious.

I hope my colleagues on both sides will read our bill carefully and vote for the Dole substitute.

I yield back any time remaining.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 201

The PRESIDING OFFICER. Under the previous order, the question occurs now on the Dole amendment to the Mitchell substitute.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 44, nays 56, as follows:

[Rollcall Vote No. 93 Leg.]

YEAS—44

Armstrong	Gramm	Nickles
Bond	Grassley	Nunn
Boschwitz	Hatfield	Packwood
Burns	Heinz	Pressler
Coats	Helms	Roth
Cochran	Humphrey	Rudman
Cohen	Kassebaum	Simpson
Conrad	Kasten	Specter
D'Amato	Lott	Stevens
Danforth	Lugar	Symms
Dole	Mack	Thurmond
Domenici	McClain	Wallop
Durenberger	McClure	Warner
Garn	McConnell	Wilson
Gorton	Murkowski	

NAYS—56

Adams	Ford	Lieberman
Baucus	Fowler	Matsunaga
Bentsen	Glenn	Metzenbaum
Biden	Gore	Mikulski
Bingaman	Graham	Mitchell
Boren	Harkin	Moynihan
Bradley	Hatch	Pell
Breaux	Heflin	Pryor
Bryan	Hollings	Reid
Bumpers	Inouye	Riegle
Burdick	Jeffords	Robb
Byrd	Johnston	Rockefeller
Chafee	Kennedy	Sanford
Cranston	Kerrey	Sarbanes
Daschle	Kerry	Sasser
DeConcini	Kohl	Shelby
Dixon	Lautenberg	Simon
Dodd	Leahy	Wirth
Exon	Levin	

So the amendment (No. 201) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on my amendment.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 196

The VICE PRESIDENT. The question is on agreeing to the amendment of the majority leader. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 63, nays 37, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—63

Adams	Exon	Leahy
Baucus	Ford	Levin
Bentsen	Fowler	Lieberman
Biden	Glenn	Matsunaga
Bingaman	Gore	Metzenbaum
Boren	Graham	Mikulski
Bradley	Harkin	Mitchell
Breaux	Hatch	Moynihan
Bryan	Hatfield	Pell
Bumpers	Heflin	Pryor
Burdick	Heinz	Reid
Byrd	Hollings	Riegle
Chafee	Inouye	Robb
Cohen	Jeffords	Rockefeller
Conrad	Johnston	Sanford
Cranston	Kassebaum	Sarbanes
D'Amato	Kennedy	Sasser
Daschle	Kerrey	Shelby
DeConcini	Kerry	Simon
Dixon	Kohl	Specter
Dodd	Lautenberg	Wirth

NAYS—37

Armstrong	Grassley	Packwood
Bond	Helms	Pressler
Boschwitz	Humphrey	Roth
Burns	Kasten	Rudman
Coats	Lott	Simpson
Cochran	Lugar	Stevens
Danforth	Mack	Symms
Dole	McClain	Thurmond
Domenici	McClure	Wallop
Durenberger	McConnell	Warner
Garn	Murkowski	Wilson
Gorton	Nickles	
Gramm	Nunn	

So the amendment (No. 196) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. LIEBERMAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 202

(Purpose: To replace the tax credit for health insurance premiums with an increase in the earned income tax credit)

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 202.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 97, line 10, strike all through page 102, line 11, and insert the following:

Subtitle A—Earned Income Credit and Dependent Care Credit

SEC. 211. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income, (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

"(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

"(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individual with qualifying children)" after "Secretary".

"(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calender year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (2) and inserting the following new paragraph:

"(2) DEFENITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting "; and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

"(5) Paragraph (2) of section 3507(c) of such Code is amended—

"(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

"(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

"(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

"(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. DEPENDENT CARE CREDIT MADE REFUNDABLE.

On page 104, line 17, strike "and qualified health insurance expenses".

On page 105, lines 2 and 3, strike "and qualified health insurance expenses".

On page 107, lines 19 and 20, strike "or qualifying health insurance expense".

On page 109, line 2, strike "and health insurance premiums".

Mr. DOLE. Mr. President, let me indicate this is not too complicated. It did not knock out the health care credit and put in the earned-income tax credit. And I have agreed with the majority leader simply to lay down the amendment, to make my statement, put in a quorum call, so the rights of the Senator from Texas, who is not available now, will be protected, and we will do that.

Mr. President, let me say first with reference to the entire bill, I think the question now is how many amendments are there, how long will it take, and will it take through the weekend? That is not my hope. My view is we have had the vote on the two major proposals. I am satisfied with that. I think we have made a strong case, and I think that will have an impact on whatever happens. It has been my view for some time that probably ultimately the health care or the child-care bill will be refined in conference working with the administration. But I believe we have demonstrated enough strength with reference to the President's proposition as we will try to do in our amendments. Our amendments will be germane, and they will be relevant. As far as I am concerned, they will be. We are not trying to get off into some other fishing expedition because we know it is Thursday. We are fairly certain it is Thursday. We know tomorrow would be Friday. Many of my colleagues have plans, and some are going to be participating in arms talks in Geneva. It is a very important mission. We do not want to delay anyone beyond tomorrow.

Let me also say that no one is disagreeing with the distinguished chairman of the Finance Committee that it is important to extend health insurance coverage to every child. What I question is the value of the proposed child health credit and increasing the insurance coverage of children. It ssems to me we would be paying about a $1.5 billion subsidy to those fortunate families who already have access to employer-provided insurance.

I wrote to the chairman of the Finance Committee in early June objecting to the speed with which he was intending to report out this proposal. At that time the markup had already been scheduled to take place without the benefit of any hearings. I want to thank the distinguished chairman of the Finance Committee for having 1 day of hearings, and at least giving some insight into what this $1.5 billion proposal would do. To bring it out without any hearings it seemed to me rather straining the process.

I think we have to take this very seriously. Maybe it is a good idea. Maybe it is going to encourage purchase of insurance. Maybe it is going to encourage more health-care coverage for children. But it seems to me without a lot of study and exhaustive hearings we should not just drop it into a package when we only have $3 billion to spend, and take up half of it with this kind of an amendment.

I also object to the inclusion of section 89 in the middle of this bill. This is child-care legislation. We have thought about it. If we want to load this bill up, let us let everybody vote on catastrophic again. I am prepared to change my vote if we want to load this bill up. There is a lot of dissatisfaction among elderly people with the present catastrophic bill. As I think everybody knows, it was a very close vote on Senator MCCAIN's amendment.

If we want to put in 89, why not put catastrophic, earnings limitation, remove from Social Security, and once you have section 89 you invite those kinds of amendments. I say that as a matter of record so nobody will complain if somebody on this side has some amendment that is not related to child care because the precedent was already set. We followed it. Nobody can argue with that.

So we may be here for some time debating amendments. Why are they on the child-care bill? Well, because sec-

VOL 135 PT 9 JE 14 — 22 1989 UMI

tion 89 was added. It was added maybe for a good reason. I do not believe child care is going to move that quickly on the other side. I think we have a number of months to deal with child care, but section 89 must be dealt with before October 1.

I believe the Senator from Wisconsin, Senator KASTEN, will have something further, not only to say, but probably will have amendments to the existing section 89 that is in the Mitchell substitute.

So if that is going to be tied to this bill, then there will be a lot of amendments that I know the original sponsor, Senator DODD, preferred not to see on his bill. So we want to cooperate, but we do not want to overlook an opportunity.

As the distinguished Finance Committee chairman pointed out yesterday, the Joint Tax Committee has assumed that both the refundable dependent care taxpayer credit and the new child health credit will benefit those families who already pay for child care or health care. Keep that in mind. They are going to benefit those who are already paying. I agree with that assessment by the Joint Tax Committee.

That is precisely why we need a credit, such as the earned income tax credit supplement which I have introduced with many of my colleagues which reaches those poor families—in fact, the majority of poor families in the case of child-care expenses—who do not pay for either child care or health care.

That is what this amendment is all about. We have had a lot of debate, a lot of debate about who is going to benefit. The Senator from Connecticut—in his State a family of four can earn up to $47,000 and benefit under the ABC bill. Earned income tax credit—we are talking about poor people, poor families. Why should we spend $1.5 billion for a health care credit when we are not certain what it is going to do? At least I am not certain. The Senator from Texas is certainly an outstanding chairman, friend of mine, and maybe he knows all the answers. But some of us have not even heard of it until this week.

So I believe it is reasonable to assume in the case of health care that those poor families who do not have access to employer-subsidized health insurance will in fact be more needy that those families who do. Their employment situations may be less stable and their employers less understanding of family difficulties should they occur. If a poor family does in fact want our help in paying the employee cost of family health insurance, the credit which I propose will provide that help. The difference is that the earned income supplement also helps the other poor families who are not so lucky.

So even under the earned income tax credit amendment which is pending to replace the health care credit, yes, some families who may already have insurance may benefit. But the big difference is that all the families who do not have insurance may benefit. Maybe they want to buy health care insurance. That is the argument and perhaps a good argument made by the distinguished chairman of the Finance Committee.

The chairman of the Finance Committee apparently indicated yesterday, I did not listen too closely, said I was proposing tax credits for everyone along the lines of the McGovern proposal of 1972. I was here then but I have to confess I do not remember what the proposal was. George McGovern had some good ideas; some. This may have been one of them. My proposal does not help everyone, only families with young children whose incomes do not exceed $15,000 per year. I am proud that it does indeed help every such family.

Mr. President, I believe the issue of health care for children needs more study. I remain covinced that employer-based incentives remain the best method of actually expanding health care coverage to more low-income families. If my amendment is adopted today, I pledge that I will work closely with the distinguished Finance Committee chairman to craft an effective incentive to provide health care to all our children.

I think the issue is very simple in this case. Some of my colleagues say, "Do not offer this, you are going to make the bill acceptable, if it is adopted." I am not immune to making something acceptable. First it has to pass.

I want to acknowledge that this idea is not mine. Several weeks ago, the distinguished Senator from Minnesota, who is not on the floor now, was on the floor with charts, making this same argument about the earned income tax credit. And he, along with the distinguished Senator from California, are the real authors or had the idea behind this approach, not the Senator from Kansas. But as the Senator from Kansas thought there might be a question, who could be recognized, I offered the amendment on their behalf and myself and others.

I say that I do not enjoy offering amendments that would, in effect, take the chairman's proposal out of the package. The chairman of the Finance Committee is very influential—particularly this chairman—and he has done an outstanding job, and I have said so publicly.

I said so a couple of times, when my Republican colleagues said I should not have. So it is not a quarrel with the chairman, just a quarrel with maybe the idea that we have not really had a chance to feel and touch and massage it and look at it and see what really happens.

Again, we will have some statistics later on precisely who gets the benefit. If we are going to have child care, let us make certain—and I do not disagree with the Senator from Connecticut. Middle-income families have problems, too. In fact, they may have more problems than some of the others. The people at the top get taken care of or take care of them themselves. The people at the bottom, we try to take care of, and sometimes those in the middle incomes end up paying all of the bills and most of the taxes.

So we are not opposed to looking at that concept, as is contained in the ABC bill. I do believe that if we are looking at a package, we only have limited funds, we ought to make certain that package contains components that we know are going to work.

Now, some will still oppose the Dodd-Hatch proposal. But in my view, whether I agree or disgree with the final result, we have an obligation to try to improve the bill, because it might end up becoming law sometime—I do not think so, in its present form. Some of my colleagues think we ought to drag out the original ABC bill and vote on that, see how many votes it gets, so we can make a record. Others will probably offer amendments to substitute our $400 million grant for the $1.75 billion and see how many votes that gets. See if we can do piecemeal what we could not do in package. Those are opportunities that we have under the agreement and under the rules.

So it is the hope of this Senator that we can complete action—I would like to complete action on this bill today. I know the Senator from Connecticut would and the majority leader would, also. I urge my colleagues on this side of the aisle, if you have amendments, and if anyone is listening in their offices, and if you are a Senator and have an amendment or amendments, it would be helpful to us in planning the rest of the week and next week, if necessary, to know precisely how many amendments there are and what they are, because we need to notify the Senator from Connecticut, the manager of the bill on that side, of the content of the amendments. He indicated that some might be acceptable or might be able to be worked out.

So it is my hope—and there is no time limit on this amendment, and Senator BENTSEN may have some other ideas on it, and I assume he will have—that we can move as quickly as possible and that we can offer amendments that are relevant, and we can somehow eliminate section 89 from this bill, keep it to child care, or not be surprised if we get a lot of other amendments that do not deal with child care.

In accordance with the agreement I made with the Senator from Connecticut and the majority leader, I now suggest the absence of a quorum. I say, before making that request, that it was the understanding that the quorum would run until Senator BENTSEN came to the floor, unless there is some other agreement with the Senator from Connecticut.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask unanimous consent that I might be allowed to proceed as in morning business to introduce a constitutional amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

(The remarks of Mr. EXON pertaining to the introduction of Senate Joint Resolution 163 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FORMER SENATOR PAULA HAWKINGS

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, the Senate is graced with the presence of a former colleague, the distinguished former Senator from Florida, Paula Hawkins, who is present on the Senate floor.

On behalf of all the Senators, I welcome here back, and I indicate to the Senators who wish to do so, that she will be present off the Senate floor for a brief period of time for those Senators who wish to greet their former colleague; and I say that we are very pleased and honored to have her presence and that she is looking so well. Thank you, Mr. President.

I yield to my distinguished Republican colleague.

Mr. DOLE. I thank the majority leader for the courtesy extended to our former colleague, Paula Hawkins.

CHILD CARE IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

Mr. DOLE. At this time I want to urge my colleagues on this side, if we have amendments on the child care bill, to come to the floor. I know what happens around here. Tomorrow at this time people will say, "Why are we here?" It is because we do not have amendments. We intend to get Senator BENTSEN to set the present amendment aside for the time being. We are having a discussion about it. The managers indicated to me, as has the majority leader, that there are amendments on this side. Senator BOND has, I understand, three amendments. Senator BOSCHWITZ has two amendments, and probably there are other amendments that I am not aware of.

The managers are here, and they are prepared to do business.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. I thank my distinguished colleague.

It is my understanding that no Democratic Senators have any amendments to offer. The number of amendments is presently unknown to either the Republican leader, myself, or the managers. We hope there are not going to be very many.

I will say to Senators, as I previously indicated, we are going to remain here until we complete action on this bill. Therefore, the pace at which we proceed, and the time at which we finish, is entirely up to Senators.

We have been on this bill now for over a week, and I hope that Senators who intend to offer amendments are prepared to do so and will come to the Senate floor and offer their amendments, so that they can be fairly and fully debated and disposed of in whatever fashion the Senate determines.

If we do that, Mr. President, it is my intention that upon completion of this bill, whenever that occurs, that the Senate would then go into recess, providing we also deal with the question of the supplemental appropriations bill, which we will be discussing at a later time.

So I thank the distinguished Republican leader for his cooperation, and I encourage those Senators who have amendments to please come to the Senate floor and offer your amendments. The longer we delay today, the longer we will be here prior to completion of this bill. I thank my colleagues.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming [Mr. SIMPSON].

Mr. SIMPSON. Mr. President, I ask unanimous consent that I may have 4 minutes, as if it were morning business, to read a tribute to my friend MALCOLM WALLOP.

The PRESIDING OFFICER. Without objection, it is so ordered.

MALCOLM WALLOP'S 5,000TH VOTE

Mr. SIMPSON. Mr. President, I would like to say a few words on behalf of my very close and dear friend MALCOLM WALLOP on this significant occasion of his 5,000th vote in the U.S. Senate.

Interestingly enough, I did not realize he would be here on the floor seeking recognition, and so I have crept in here prior to his remarks.

Let me tell you, Mr. President, that MALCOLM WALLOP and I have known each other for about 40 years. Our parents and our grandparents knew each other. They were pioneers of Wyoming, and my grandparents were also pioneers of that State.

MALCOLM WALLOP was elected to office on a fine vote by the people of Wyoming in 1976. Since then he has served them loyally and tirelessly. It has been a great honor to work with him and learn from him over the years. As the senior member of the Wyoming delegation he has been a wise counsel and an inspiration to myself, and to Dick Cheney, and now Dick's replacement, the new Congressman from Wyoming, my friend Hon. CRAIG THOMAS.

Now in his third term, MALCOLM served for 12 years on the Senate Finance Committee and was recently appointed to the Armed Services Committee. He was the first Senator to serve on the Judiciary Committee without having a law degree. MALCOLM also serves on a committee of the utmost importance to the State of Wyoming—the Energy Committee.

He served with real distinction as chairman of the Ethics Committee when we went through the wrenching experience with our colleague from New Jersey.

There are many accolades I can bestow on MALCOLM WALLOP. The one thing I cannot describe to you easily here is what a good and gracious friend he has been to me—not just since we have served in the Senate together, but before that—in the Wyoming State House, and in life. MALCOLM has always been an outstanding leader for the great State of Wyoming, and he has always been a good friend.

One of the reasons for his success is his remarkable support group that rally around him throughout good and bad. That group is his family. MALCOLM is the father of four wonderful, delightful children, Malcolm, Mathew, Amy, and Paul, and his beautiful wife French is the light of his life. I am sure they all share in my pride and gratitude to MALCOLM for his outstanding service to his State and to his country.

Thanks for his attention to the needs of Wyoming and the Nation—reflected 5,000 times over.

So congratulations to MALCOLM, my friend. He has served us proud. And good luck on the next 5,000.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. DOLE. Mr. President, I wish to add my thanks to the distinguished Senator from Wyoming [Mr. WALLOP] not only for the 5,000 votes he has cast, but for the way he has cast them. There are some who have cast 5,000 votes who would not excite me very much, but in this case he votes right. That makes it doubly important for the leader of either party when you are trying to put things together.

I would say that MALCOLM WALLOP is a very independent person. He makes up his own mind. Nobody makes it up for him. But when he makes up his mind, he is a player, not just a voter, but a player on issues that affect the State of Wyoming and affect all of us here and throughout the world, and on some of the issues MALCOLM has been in the forefront.

So I wish to add my congratulations to Senator WALLOP and also thank Senator SIMPSON for his words.

Mr. WALLOP. Mr. President, I thank both Senator SIMPSON and the minority leader. I had come down here on quite a different purpose and am really pleased and flattered by their words.

As AL said, we have been friends for nearly 40 years. We have legislated together for nearly a quarter of a century. In that time you would think perhaps one would get used to the other. But friendship between us grows and that level of being accustomed is merely comfortable because both of us have horizons and futures which we seek together.

Mr. SIMPSON. Mr. President, I yield the floor.

Mr. WALLOP. Mr. President, I ask unanimous consent that I might proceed as if in morning business. Should it be that a Member would come to the floor with an amendment, I will happily yield the floor. But I wish to introduce today a piece of legislation and invite the attention and cosponsorship of my colleagues.

The PRESIDING OFFICER. Without objection, the Senator may proceed as though in morning business.

The Senator from Wyoming.

(The remarks of Mr. WALLOP pertaining to the introduction of S. 1232 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

(The remarks of Mr. DODD pertaining to the introduction of S. 1232 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 1232 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

Mr. WILSON. Mr. President, I ask further unanimous consent that I may be permitted to proceed, as if in morning business for the purpose of introducing a joint resolution.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. I thank the Chair.

(The remarks of Mr. WILSON pertaining to the introduction of Senate Joint Resolution 165 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WILSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

Mr. GLENN. Mr. President, I certainly support the concept of a child-care bill. And I have for a long time. For those who oppose it, I think they only need to note the change of demographics in our Nation, a change in the nature of the work force. The fact that more women and more parents are going to be involved in the work force, indicates the need for a child care bill.

Perhaps we all wish that we lived in simpler days, in days in which we could just go back and say father is the breadwinner, mother stays at home, the children are taken care of and family responsibilities are met. But we are beyond those days in our society. We are into a time period where there is quite often a single breadwinner. That person must go out, even though there may be children in the home, and then what happens? Well, we know all too tragically of what some of the results have been.

So I certainly support the concept of a child care bill. And I supported the ABC bill, as reported by the committee. I voted to place the leadership compromise on the calendar, even though I have serious reservations about parts of it. I would like to take a moment to lay the foundation for some of my concerns. Let me go back when we had votes on the floor regarding vouchers for education.

Those vouchers were supposed to be available to permit people to take the vouchers and whatever money they had and provide for education for their children. This could be accomplished by going out to private schools, by going out to parochial schools, by going out to an educational institution of choice and in effect opting out of the public school system of this country.

What would have been the likely result had that occurred? The PTA, the National Education Association, and the others leading education groups were all opposed to that for this reason: Because they felt this would ruin our system of public education.

I submit the United States has come to its preeminence in this world for two very basic reasons. It was not just great resources. It was not just majestic plains and fruited plains and purple mountain majesties that we sing about. It was not just resources because we had an education system in this country that was not just for the wealthy young people or for those who had some political connections. It was because we set out as a nation to have a public education system that was for everyone, and I will not say we have done a perfect job.

The second reason was because we put more into basic research than others nations. However, today, I want to speak about our educational system. An educational system which does not include vouchers. I think it was to our everlasting credit that this body has voted against vouchers. As I have stated earlier, our public school system would be threatened by vouchers.

What does that have to do with today's consideration of the child-care bill? Child care is different. This is not a basic education bill. This is not a bill that deals with money directly for schools. This is not a bill that says that child care has to automatically lead right into the first grade and there is a sort of sub, subkindergarten if you will in our school system. It is not that at all. I recognize that, and want to make that very clear.

At the same time, however, we set up a child-care program using something we do not call vouchers now because that is sort of forbidden term. We now say we are going to provide certificates. We say those certificates can go to providers to help defray the costs of child care. This certificate system is very close to what I used to call vouchers. We are saying that certificates are OK, and I do not necessarily agree with that. But herein lies the problem.

A fairly high percentage of child-care centers happen to be in religious institutions. They may be in the church basement or on church property. I applaud these organizations for recognizing this need in their community and they have moved to fill it.

Some of those child-care centers have as part of their program religious instruction. This means that our tax dollars would be going to provide for child care that at the same time is also being used for religious indoctrination. I was concerned about that when this legislation was first brought up; concerned enough about it that I talked to the sponsors of the legislation.

I talked to Senator DODD, who has done such a tremendous job in shepherding this legislation along. He has seen the need. He has moved on that need, and to his everlasting credit. I talked to him about this. He did not disagree with my view that we should put in a protection that would assure that this legislation would not be viewed as setting a precedent.

I do not question the right of other people to send their children to whatever school they want as long as they pay for it. That is an option of being a free American parent. But we also say that with our separation of church and state, which is so fundamental in this Nation, that we do not want to see taxpayer dollars subsidizing religious instruction.

In speaking with Senator DODD and the sponsors of this bill about how we could make certain that this was not setting a precedent for future education voucher system, we came with some language. The language was put in during committee markup. The language said very simply, and I will read it. "For sectarian purposes and activities." It said this: "No financial assistance provided under this title shall be expended for any sectarian purpose or activity including sectarian worship and instruction."

Now, I think that is very straightforward. I think that spells it out about as clearly as I can spell it out.

This was not aimed at any one church, was not aimed at the Catholic Church, at my Presbyterian beliefs and my Presbyterian Church, we are protecting against having any religious group which might want to provide day care from using taxpayer dollars.

This includes not only Catholics, and Presbyterians, but also followers of Reverend Moon, the Hare Krishnas, and Buddhists as well.

I would like to read the language one more time:

> No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction.

That is very, very straightforward, simple, and understandable. The prohibition that we keep the separation of church and state does not mean that you cannot have a child-care facility in the church basement and does not mean it cannot be held on church property. It does mean that if they are on that property, and receiving child-care certificates then they must be nonsectarian. That is about as American as anything I can think of. It has been proven over and over again by the Supreme Court in the separation of church and state.

Now, what happened? That language that I just read, some people did not like that language. I guess it was too specific, because perhaps they wanted to provide for taxpayer dollars for sectarian instruction in child-care centers. So what did they do? They changed that language. At the end of that sentence I just read; they changed the period to a comma, and they added: "except that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child-care certificate to a parent under section 108(a)(1)(c), financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution."

What does this do? What it says is that none of the money will be expended for sectarian purposes, for worship and instruction, except that the above will not apply to any of the certificate holders under this bill. We say we prohibit it, we uphold the Constitution of the United States, and we say that we cannot have worship, sectarian purposes, cannot have religious instruction in a child-care center, except that, if you have a certificate, the above does not apply. Oh, yes, and it will be in accordance with the Constitution. That is fine.

What has happened here? Well, it specifically permits what the first part of the sentence prohibits. The first language that we wanted to use taxpayer dollars for sectarian purposes; you had to require a challenge to the Constitution. Now, with the change that was made it basically provides for sectarian use. It almost invites sectarian use, because it is now permitted. It means if a specific religious organization wants to give sectarian instruction in the child-care program, taxpayer dollars paying for their particular brand of religious instruction, it is now permitted, with that additional language.

I am concerned, very concerned, about the precedent this sets, not only whether it is legal, but what it does further down the road.

So that is a basic part of my concern. I arose in our Democratic caucus the other day and, expressed in an abridged version, the same thoughts I am expressing here today, and I was told we only had about 20-some votes and with the compromise language, Senator GLENN, with that change, we now picked up enough that we can pass this bill.

You know, I have trouble believing this. I do not question the sincerity of the people that tell me this, but I cannot believe that 80 Senators could vote for this provision. Eighty U.S. Senators are willing to say that taxpayer dollars should be used or could be used, or we should encourage their use for sectarian instruction. This is very very difficult for me to believe. As much as I am in favor of this child-care bill, that is pretty tough for me to swallow. I may have to do that. I do not know. I have not quite decided yet.

I want this bill so much, because I see such a need for it all over the country, and in my State of Ohio, where we have a high percentage of working women, and a lot of children who need child care. We need this bill. If I vote for it, it is going to be something I, quite honestly, have to hold my nose and accept some of the provisions that are going to be challenged in the courts—we know that.

Proponents of the bill who do not want to take this part out say, "Well, it will be challenged in the courts." Well, OK, we all know how that goes. It has to be filed and get on a crowded court docket, and it is heard maybe 6 months, a year down the road. It takes a few months to hear the case, and then we could have a delay. So you have eaten a year, a year and a half, maybe more. Then there is the appeal, and it goes to the appellate court and has to have the same problem getting on the docket and has to have the same difficulty getting scheduled and being resolved. That, once again, is appealed to the Supreme Court.

We have passed maybe 2, 3, or 4 years or more in the judiciary of this country, in the judicial process, and meanwhile, your taxpayer dollars, my taxpayer dollars, are being used for religious instruction.

Is it any accident that one Senator said the other day that major opposition to this bill came from one of his religious groups in his State. But when they heard the additional language that I read that permitted sectarian use of funds, they immediately reversed themselves and sent him a message that they were all for the bill now. Can there be any clearer indication of what some of the church groups are intending to do if this bill passes in its current form?

Mr. President, the Washington Post had an editorial on this this morning, and I must say the points that I made in our Democratic caucus are almost identical to those made in the Washington Post lead editorial this morning. I think they state the whole thing very, very well. I think it is important enough that we read into this legislative history the view that the editorial writers took. They said:

> In most respects, the Democrats' child care bill is much improved since last time it was on the Senate floor. It is less prescriptive—in deference to the states there would be no binding national child care standards, and more of the aid would be in the looser form of tax credits—and from a fiscal standpoint more responsible; room has carefully been made for it in the budget.
>
> In another important area the bill has been disfigured, however; to pick up votes, the sponsors have abandoned principles they would otherwise uphold and agreed to give public funds to sectarian programs. Congress would stop defending the Constitution and put that entire burden on the courts. Badly as the sponsors want child

VOL 135 PT 9 JE 14 — 22 1989 UMI

care, they cannot want it this badly; the provision needs to be fixed.

The government already spends some $7 billion a year on child care, the bulk in the careless form of a tax credit for the middle class. The pending legislation would make the federal commitment in this area more explicit, increase the spending by more than half and tilt the increase toward the poor. The Democratic bill would do this mainly through a new program of grants to the states (which would use most of the money either to buy child care directly for eligible parents or to give the parents vouchers to buy the care themselves), and through a change in the tax law making the present child care credit refundable so that families too poor to owe taxes would still get the money in the form of payments from the Treasury.

The Bush administration and most Republicans have advanced a lower-cost alternative that would rely much more on tax credits and less on grants, which they say would implicate the government too deeply in an area—child-rearing—from which it should stand apart. The Republicans also say the Democratic bill is tilted against the traditional family, while theirs would give tax credit to mothers who stay at home as well as to those who work outside. But the poorer working women whom these bills would mainly help have not left home on a social adventure; their families need the income.

The additional argument is made that the grant program, under which money could go only to licensed providers, would end up favoring rigid institutional settings over gentler, older-fashioned neighborhood-based care for children. But (a) it isn't clear it would; each state would decide where to spend its funds and (b) the hypothetical virtue of neighborhood care depends to some extent on the neighborhood. The children both these bills would serve are not exactly living right now in child care heaven.

Church-state remains a major problem, in part lest public aid for more or less sectarian child care open the way to similar aid to sectarian education. A lot of child care is now supplied in churches (just as a lot of good inner-city education is supplied in church schools). But the care itself (as distinct from the setting) is often not religious, and we find we are not the purists on this issue that we used to be. The earlier Democratic bill, though it had some problems, seemed to us to come close to drawing a reasonable line.

And that, I might add, is the legislation that I, working with Senator DODD and others, put in, the first part of that sentence that I said made it very clear. That is what they are referring to.

But the current version, in a bid for votes, would explicitly allow public vouchers to be spent in the most openly sectarian programs, subject only to review by the courts. Why not then vouchers in such schools as well? What limits would exist? Congress should not abdicate its responsibility this way.

A threshold question remains with this entire bill: Is child care the best way to spend the next federal dollar (or several billion federal dollars) on the poor? We have argued in the past that cash (through an increase in the earned-income tax credit), health care and housing were greater needs, and we still think so. But a large increase in housing aid particularly seems a long way off; this bill could be of major help to a part of the population most in need; and most of the overreaching of the earlier drafts and has been removed. Child care is the open door, and if the church-state problem can be resolved, Congress should push on it.

That is the end of the Washington Post editorial.

Mr. President, I want to support a child-care bill. I am a sponsor of this ABC bill as reported out of the Labor and Human Resources Committee. The ABC bill, as it was reported, represents countless hours of hard work and negotiation. It addresses a national need that we have in this country. It provides for a desperately needed national child-care program—the objectives of the ABC bill sets forth goals which I support: The goal to improve the quality, the goal to expand the availability, the goal to ensure the affordability of high quality child care.

I believe the bill as reported achieved the objectives. However, I am afraid that this leadership substitute contains a certain flaw, perhaps a fatal flaw.

I have gone through what happened originally, the original bill, the changes we worked out with the committee, with Senator DODD, and the others who worked on this. We thought it was satisfactory. Now we are told that the only way we can get enough support for this bill is to specifically provide for sectarian use of funds. We leave it up to the years and years it would take for a court decision.

Mr. President, there are several questions I would like to ask. What is the purpose of this compromise language—perhaps the floor manager of the bill would respond to this—what is the purpose of the compromise language if it is not to specifically permit sectarian use of taxpayers' money?

(Mr. BURDICK assumed the chair.)

Mr. DODD. Mr. President, first of all let me commend my colleague and thank him for his generosity in referring to the other matters in the bill.

As my colleague from Ohio knows, there are many here that feel very strongly that certificates and vouchers ought to be able to be used by parents in providing child care for their children, that sectarian-based child care providers. In fact, we recognized the tremendous contribution even prior to this new language, and we recognized the tremendous contribution that churches and synagogues around this country have provided in providing child care.

A tremendous percentage of child care is actually dispensed through our religious institutions in this country and we recognize that. Many of them, most of them, I will tell my colleague from Ohio, do not use the child-care center as a source of religious instruction. It is a community service that may be located in the church basement or the community's center or synagogue, or wherever else.

But the fact of the matter is it is not used necessarily for religious purposes, nor do many discriminate against children of other religions, other than what is being provided by the particular church or synagogue in question.

The point was here that many felt and some cited to me going back to the GI bill where the GI bill passed in the fifties and we allowed people to use the benefits under the GI bill to choose whatever college or university they were going to go to, regardless of whether or not it was a religious institution or not, to use those funds. They cited other examples that are presently in place of funds that are used by parents or individuals at religious-based institutions for other services. So there is some precedent for it.

I have always felt very strongly and have opposed tuition tax credits, for instance, at elementary and secondary schools, and continue to do so, in public education.

But here I have talked virtually, I would say, almost every colleague here on both sides of the aisle about this. It was quite clear that this was a feeling that was held very strongly by many, and that they would not be willing to support a major effort in child care in the absence of some language in here.

Frankly, I would say to my colleague from Ohio, this could have been left, I suppose, to a battle out here on the floor, an amendment fight, which I would say, candidly, those who support the use of certificates and religious-based child-care providers would have prevailed. That is the view of the Senator from Connecticut, I will tell you.

I saw no reason to necessarily get involved in a protracted battle here on the floor when the goal was to try to increase the availability and affordability of child care in the country. In any piece of legislation, there is a give and take along the way.

I would say to my colleague from Ohio that I have my concerns about. We included language here that says that none of the funds can be expended that would, in fact, violate the Constitution. I suspect that there will be a challenge. There would have been no matter how we had written the language, quite frankly. We have included severability clause so the whole act does not come down.

Different Members of Congress and different Members of this body have different opinions on this question. We do not speak to that as such. We recognize and respect the opinions of others in that regard.

So that is the genesis of it, I would say to my good friend. I respect tremendously his strong feelings on this issue, as others have expressed them to me. And they are views held by many Americans in this country. Many organizations and groups with who I have enjoyed a good relationship feel very strongly about this. Many argue not so much against this specifically but it is the nose of the camel under the tent argument. And I understand that, as well.

But I would just say to my good friend from Ohio that, as far as this Senator is concerned, this does not mean that in this case I have changed my view with regard to tuition tax credits in parochial schools or to allow for such vouchers and so forth to be used in that regard. I think that is a separate issue entirely than this one we are talking about with infant children from child-care centers and programs.

Members have already expressed that, while they are concerned about this, in time obviously it will be challenged. But the existence of this particular language would not cause them to vote against the entire program we have here, and that is to provide decent child care.

Mr. GLENN. I thank the distinguished Senator from Connecticut for his comments on this. I know from talking to him privately of his feelings about this bill and how hard he has worked on it over the last couple of years. He really is the father of child-care legislation.

But on this particular section I have been told by others that in all probability if we left the language in that says "No financial assistance provided under this title shall be expended for any sectarian purpose or activity including sectarian worship and instruction," if we leave that language in, freestanding and alone with no other qualifiers, that the chances are that this bill would go down.

Does the distinguished floor manager concur in that? Or does he think if we took the second part that qualifies it, that nullifies that sentence, would this still have a chance of passage? Or does he feel that that freestanding language would be enough to sink this legislation?

Mr. DODD. I think there is a good possibility of that. That was the conclusion we reached after weeks of talking to Members about what was acceptable and unacceptable.

Obviously from day to day the mood of this body can change. But as I tried to take the temperature of the institution along the way it appeared to me quite obviously that there were an overwhelming majority of our colleagues who felt that way.

In the absence of that, they would probably—did not say categorically would oppose the legislation—but there was a good possibility of that.

Mr. GLENN. I thank my distinguished colleague for his comments. I just feel, Mr. President, that we have come to a rather sad pass here when the Senate of the United States has to put language, very plain language, that says we are going to permit taxpayer dollars to be used for sectarian instruction.

The word that the people that work in these areas talk about is "pervasively sectarian." And that word "pervasively" is rather key. Because what it means is that they set up a religious program. It is pervasively sectarian. They make no bones about it. They are going to get into this business, they are going to have child-care centers, religiously-based centers. And they want to be pervasively sectarian.

So I am really torn, Mr. President, how my vote should go on this. I want a child-care bill. I said that starting out. I support the concept and support it wholeheartedly. I think the proposal set out on this side of the aisle is far more effective, has the potential for being far more effective in letting families have a decent standard of living than the one that we just defeated a little while ago with the vote here on this floor.

At the same time, it is very, very hard for me to accept the fact that we are going to permit in law—we are going to vote into law from the U.S. Senate, language that will permit pervasively sectarian activities to occur in child-care centers.

We think of this in terms, normally, of the Catholic Church. I will be quite blunt about it. But that is not the only concern by a long shot. I do not want my Presbyterian beliefs put forward in a pervasively sectarian way in a child-care center in the church basement or church facilities.

Mr. President, I know, there are others waiting to speak on this particular subject who also have views on this. I think I made my views adequately known. This concerns me very much. I have not said yet how I will vote.

My inclination probably is to vote for this bill, but I certainly caution my colleagues and I hope we are not setting up a precedent here that one of these days will come back in the form of educational vouchers and we will then see the demise of our whole public school system.

I still see nothing whatsoever wrong with the very precise language:

> No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction.

When we go beyond that very simple, straightforward, protective statement with language which nullifies it, which in effect says, yes, you can be pervasively sectarian, then I think the Senate of the United States is making a big mistake.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I want to commend our colleagues from Connecticut, Massachusetts, and Utah who have done an outstanding job of leading us through this debate under very difficult circumstances. The compromise amendment before us reflects the work of many of our colleagues who are committed to providing quality child care to our Nation's children. But I want to take a moment to join Senator GLENN in expressing concerns with the church-state provisions in the compromise.

When I took the oath of office given to every Senator, I pledged to protect and defend the Constitution of the United States. That commitment imposes on all of us some affirmative obligations, a duty to take certain actions. But it also imposes on us an obligation not to do certain things. Specifically, when we took that oath, we vowed not to pass unconstitutional legislation. That vow, as a matter of common sense and good conscience, implies that we will not pass questionable laws and then hope that the Supreme Court will save us from ourselves. But that, I'm afraid, is what we are doing in the case of the ABC bill.

In that context, Mr. President, I want to express my very real concerns about section 123 of the ABC bill as amended. This section says that Government funds may not be used for religious purposes, except in the case of funds distributed through child-care certificates. As a matter of constitutional law—and as a matter of public policy—that exception troubles me.

I recognize that a good deal of child care is provided in religiously affiliated facilities. Religious groups saw a need and, with the concern for children and the commitment to the future which motivates all religious people, they acted to respond to it. These facilities have done a marvelous job. Many of them have opened their doors to children of all religions and races and put the care of those children above their commitment to a particular set of religious beliefs.

I applaud their work and I want to see it continue. Those institutions have demonstrated what we ought to remember: The issue before us is how we can help our kids. And we ought not let that issue or that interest be sacrificed or lost in this debate.

I think religiously affiliated care facilities are helping kids and I have no problem with funding them as long as they do not use public money for pervasively sectarian purposes or activities. For example, I do not think that a child-care facility located in a church or synagogue should be disqualified from receiving funds under the ABC bill simply because kids will be taken care of in rooms which have a crucifix or a Star of David on the wall. The separation between church and state ought not be a wall which prevents kids from getting care—it ought to be a line which protects all of us from the possibility that the Government will support or endorse pervasively sectarian activities.

At the same time, I am concerned about the language in the bill before us. The fact that we have specifically exempted certificates from normal constraints suggests that child care facilities might be able to use public funds for pervasively sectarian purposes, including such activities as instructing children in particular religious beliefs and practices. That suggestion would, I believe, be incorrect

since the Constitution forbids public funds from being used for such purposes.

Supporters of the exception say it is constitutional and will be upheld by the Supreme Court. They cite two cases in which the Court seemed to bless indirect public funding for religious activities. Those cases, however, involved different situations than the one we confront today. In the Mueller case, the Court said that a State could give a tax deduction to parents who send their children to public or parochial schools. But, as the Court made clear, the deduction for tuition was one of many available tax deductions. By contrast, the ABC bill says "here is a certificate and you can use it for religious instruction if you want to." In the Witters case, the Government's role was so small, in terms of both the number of people affected and the amount of support provided, as to be insignificant. By contrast, child care will involve millions of dollars and thousands of people.

I am bothered, then, by the fact that we may have crafted language which goes too far. I want to make it clear that religiously affiliated facilities can qualify for aid if they are not engaged in pervasively sectarian activities. And, given the committee report on the ABC bill, I understand why some believe we needed to clarify the language of the law. But I am afraid that the broad nature of the language before us may lead to uncertainty and litigation rather than allowing us to deliver aid to those facilities which we all agree ought to receive it.

I want to make it clear that I support the Mitchell amendment, but I do so in the hope and belief that before both Houses of Congress conclude their consideration of this issue, we will be able to develop language that we have confidence in—language that respects the Constitution and recognizes the valuable contribution that religiously affiliated facilities make to our children and to our country. I believe we can develop that language, and I look forward to working with my colleagues to make sure that happens.

I thank the Chair. I yield the floor.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, it has been pointed out to me by one of my colleagues that perhaps I gave a wrong impression a while ago. I want to make certain my earlier remarks are not misconstrued. If I indicated or gave the impression that I felt that permitting the certificates in this legislation somehow made this issue constitutional, that was not the intention of my previous remarks.

The intention of my remarks was that the burden of proof of constitutionality by the change of language had been to, if people had wanted to use these funds for pervasive sectarian purposes, they would have had to challenge, under whatever grounds they wish to challenge, on the statement that no financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship or instruction. They would have had to challenge that. And I think there would not have been a possibility of a constitutional challenge to that.

Now with this change in language and what was added, in effect, says the above does not apply, the burden of proof shifts.

I do not want anyone to think that my statement indicated that I felt that if the Senate votes these certificates on child care that that somehow legitimizes certificates under the Constitution of the United States. I still believe that the courts will prove in the future, that it is unconstitutional to permit sectarian use of taxpayer money. I have no doubt there will be such a challenge. I appreciate the opportunity to clarify that. I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to commend my colleague from Ohio for his statement on this subject, and I am particularly impressed with his latter statement to the effect this Congress cannot make constitutional that which is unconstitutional. We can write all the words in the world in a piece of legislation, but there are certain constitutional proscriptions that only the court can decide as to whether a piece of legislation is or is not constitutional. We can write in a piece of legislation that, notwithstanding any Supreme Court decision, this legislation is constitutional and that would not make it one with more constitutional.

So the senior Senator from Ohio has addressed himself very eloquently and well to this entire issue because there has been an effort made, obviously, to sort of fancydance around this issue, to try to say that, if we say that: "this does not count;" "this is excepted;" "provided that;" "wherever;" or "however," that somehow it is going to make an unconstitutional provision of the law constitutional or unconstitutional conduct constitutional. We cannot do it. We do not have authority to do that.

I agree with the senior Senator from my State that this is unconstitutional and that all the words in the dictionary cannot possibly make that which is unconstitutional constitutional. I predict the Supreme Court will arrive at that conclusion. I think we are ill-advised to even make that effort. I do not think it behooves us to do so. I think it is inappropriate. I think this is a political addition to the legislation, and I wish that it were not in it. I support the concept of the ABC bill, but I think that this effort to get around the Constitution will be a fruitless one, and I think the courts will determine that this whole effort to use certificates is an unconstitutional effort on the part of the Congress. I yield the floor.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, I indicated to the majority leader that I would check on our side to see if there are any amendments. I can now announce there are 54 and climbing. So it looks like we may be here for some time. I hope, as I have said before, that if there are any additional amendments that the leadership be notified no later—we cut it off at 3:30, but they are still coming in absentee ballots.

Whether 54 amendments will be offered, I do not know, but if they are offered and there are no time limits on any of the 54, it could take into the evening next week.

I urge my colleagues not to offer too many of these, in the first place. If they are child-care amendments, fine. I know there are at least half a dozen amendments to section 89. The best way to take care of that is to take section 89 out. It is not a child-care amendment. It has no place in this bill. We have already voted on 89 about six times. That would eliminate, I think, about a dozen of the 54 amendments by just taking section 89 out of the bill.

That is one option. There is another Senator who has 13 amendments, unlisted. I do not believe he will offer 13 amendments. But I hope that somebody would offer something. Since 1 o'clock we have been trying to get an amendment to consider. There is an amendment pending which we will be pleased to lay aside temporarily. I know the manager on the other side would like to have some business. So I urge my colleagues—there are no amendments on the other side. There are 54 on this side—if we are going to complete action on this bill today, tomorrow, or Saturday, then I think we need to start.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be 30 minutes equally divided between myself and Senator DOLE on a resolution regarding a recent decision on flag burning, that no amendments or motions be in order, and that immediately upon completion or the yielding back of time, the Senate proceed without any intervening action to vote on the resolution.

The PRESIDING OFFICER (Mr. ROBB). Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the pending amendment be laid aside, and that the Senate now proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SUPREME COURT RULING ON DESECRATION OF THE FLAG

Mr. MITCHELL. Mr. President, I send a resolution to the desk on behalf of myself, Senator DOLE, Senator DIXON, Senator THURMOND, and Senator SANFORD. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 151) to express the sense of the Senate on the decision of the United States Supreme Court declaring unconstitutional the Texas statute prohibiting the desecration of the flag.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator BYRD, Senator PELL, Senator NICKLES, Senator ROTH, Senator SIMPSON, and Senator MCCAIN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEXAS VERSUS JOHNSON

Mr. MITCHELL. Mr. President, I am deeply disappointed that the Texas statute prohibiting the desecration of the American flag has been declared unconstitutional.

In 1919, Justice Oliver Wendell Holmes wrote that:

The character of every act depends on the circumstances in which it is done. The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic.

Those words, a part of the Supreme Court's decision in the case of Schenck versus United States in 1919, represented a commonsense principle of behavior that is essential to preserve a civil society with free speech.

No first amendment rights would protect the claim of an airplane passenger that he was about to explode a bomb on a flight, whether his purpose was to draw attention to a political idea or not.

It is the terrorists of our world who have made the repeated claim that all action asserted for a political purpose must be given the respect due to political speech.

We have never adopted such a perspective in our system. Indeed, it is our proud boast that we seek only to punish actions, not thoughts or ideas.

The facts in Texas versus Johnson are not in dispute.

Gregory L. Johnson, apparently leading a group of demonstrators outside the 1984 Republican Convention, poured kerosene on an American flag and set a match to it, while his group chanted: "America, the red, white and blue, we spit on you."

Those words, offensive as they are to me and to the vast majority of Americans, are protected by the first amendment. The first amendment protects the right of free speech, especially unpopular speech, for what is popular and widely accepted usually needs no protection.

Nobody interfered with this group's right to speak freely. They were not prevented from speaking.

But they did not merely speak. They also acted. It was this action which was punished, not the speech.

The Supreme Court has, on other occasions, held that actions do not universally have the same level of protection as is accorded to speech.

Homeless persons wishing to demonstrate their destitution were refused the right to sleep in the square before the White House, when the Supreme Court ruled that sleeping was not a form of speech protected by the Constitution.

Local statutes barring demonstrations within a certain distance of foreign embassies have been upheld, because they do not unduly burden speech, and they also serve other valuable government purposes.

In my judgment the same principle applies to the actions in this case. The protesters were not denied the right to speak. They chose to burn the flag as an addition to that right, not as a substitute when speech was impossible or endangering.

Indeed, they may well have burned the flag in order to obtain the attention that their speech itself would not have garnered.

The first amendment guarantees the freedom to speak. But it guarantees nobody an audience for his words. If the protestors' purpose was to attract attention that their words alone could not attract, there is no constitutional obligation to provide that attention.

I agree with the dissent of Justice Stevens in this case, when he said "The case has nothing to do with 'disagreeable ideas' * * * it involved disagreeable conduct. * * *" Justice Stevens is right and the majority is wrong.

Justice Stevens made the point succinctly:

Had [respondent] chosen to spray paint * * * his message of dissatisfaction on the facade of the Lincoln Memorial, there would be no question about the power of the government to prohibit his means of expression. The prohibition would be supported by the legitimate interest in preserving the quality of an important national asset.

The flag is also a national asset, albeit, an intangible one.

We need not permit acts that destroy its value for all of us in order to avoid burdening in slight fashion the speech rights of those who seek to be heard in the face of indifference, not persecution.

The Court's ruling may hold out the possibility of enacting constitutional legislation that would bar the misuse of the flag to incite riot or other disturbance.

Now that this ruling has stricken the laws of 48 States and the Federal Government, I intend to consult with the Nation's leading constitutional experts to determine how best to develop such constitutional legislation.

I do not believe that Americans have to see the flag, that symbolizes their freedom to speak, devalued and cheapened in the cause of preserving that freedom. Every American has the right to speak freely and to dissent from the policies of the Government or from the orthodox and accepted views of the day. It is precisely that vast freedom that renders so unnecessary the condoning of the desecration of the flag as a means of expressing dissent. The Court's decision is wrong and it should be corrected.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Republican leader, Senator DOLE.

Mr. DOLE. Mr. President, first, I would like to ask that the distinguished Senator from Virginia, Senator WARNER, be added as a cosponsor to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPREME COURT DECISION ON FLAG-BURNING

Mr. DOLE. Mr. President, I join today with the distinguished majority leader, Senator DIXON, Senator THURMOND, and many other Senators, in submitting a resolution expressing the Senate's profound disappointment with yesterday's Supreme Court decision allowing the burning of the American flag.

TILTING WRONG

Now, I know there has been a lot of talk lately about how the Supreme Court has tilted right. Well, yesterday, the court did not tilt right—it tilted wrong. Dead wrong.

PRECIOUS FREEDOMS

Over the years, the Supreme Court has protected and defended the constitutional rights of our citizens—including the rights guaranteed by the first amendment. That is the Court's job. That is its constitutional role.

But even the Supreme Court has recognized that the freedoms guaranteed by the Constitution are not unlimited—they are not boundless.

The right to bear arms—for example—does not give you the right to shoot someone. The right to free as-

VOL 135 PT 9 JE 14 — 22 1989 UMI

sembly does not mean that people can congregate—uninvited—in your house. And the right to free speech does not—or at least should not—mean that people can desecrate the American flag with impunity. Free speech should not be a free license to desecrate the living symbol of our Nation. And I am confident most Americans would agree with me.

THE SENATE BILL

Last March, the Senate expressed its respect for the flag when it passed a bill prohibiting individuals from displaying the flag on the ground. I introduced the bill—along with Senator DIXON—after some so-called artist invited visitors to a Chicago art museum to trample on Old Glory. That exhibit struck a raw nerve. It infuriated and offended Americans from coast-to-coast.

It seems that my Senate colleagues thought the Dole-Dixon bill was a pretty good idea. It passed by a vote of 97 to 0.

CONCLUSION

This resolution should be adopted by a vote of 100 to 0. It should be unanimous.

This resolution will also send a clear signal to the fragile majority on the Supreme Court who do not seem to understand how sacred the flag is as a symbol of our ideals, our aspirations, and—indeed—our identity as a Nation.

As the resolution indicates, as the majority leader pointed out, we are going to consult with constitutional scholars in an effort to come up with a constitutional amendment. I know Senator WILSON has already proposed one. Senator THURMOND is about to propose one to make certain we can have an impact that will in effect overturn this decision.

Now, maybe those who sit in ivory towers—and there are some around this town, and some around every town, not many, but some towns, maybe they agree with the Supreme Court and maybe as Mr. Johnson said on television, millions of people hate Americans, hate the flag. If they do, they ought to leave the country. If they do not like America, that is fine. Go find something you do like. If they do not like our flag, go find one you do like.

I believe we can speak for the great majority in America in a nonpartisan sense, maybe in a patriotic sense, the average American who served his country understands the meaning, and the American family understands the meaning; the American schoolchild understands the meaning, and it seems to me that this resolution is an appropriate response, until we have in our hands an amendment, perhaps the one introduced by Senator THURMOND or by Senator WILSON or by Senator HEFLIN or someone, that will address this in a final way.

Mr. President, I yield to the Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I very much appreciate the remarks that were made by Senator DOLE, and also Senator MITCHELL, and I wish to associate myself with those remarks. I, too, am very disappointed and disgusted at the Supreme Court decision that was made yesterday. I think the Supreme Court decision was wrong, and I think it is an affront to American citizens and an affront to people who served our country throughout the centuries, who have fought for and defended our flag.

I think it was a serious mistake and needs to be overturned, maybe by a constitutional amendment, if that is our only remedy at this time. I hope the Supreme Court will reverse itself. Maybe it needs to reverse itself by a change in membership, and maybe they need to consider another decision, but this is a mistake.

Every Member of this body, and I am sure every American, wants to protect freedom of speech, but freedom of speech does not include desecration of the flag. It does not include graffiti on public buildings. It does not include obscene language to other people. It does not include inciting riots, and certainly does not include burning of the American flag. The decision made by the Supreme Court yesterday was a serious mistake, which needs to be changed.

Mr. MITCHELL. Mr. President, I yield 4 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIXON] is recognized for 4 minutes.

Mr. DIXON. Mr. President, I thank the majority leader for the time, and I join my distinguished friends, the majority and minority leaders, as a principal cosponsor of this resolution. I just want to tell my colleagues and the American public what the facts are with this Texas versus Johnson. This was a demonstration in front of the Dallas City Hall where Johnson unfurled the American flag, doused it with kerosene, set it on fire, and while the flame burned, the protestors chanted, "America, the red, white, and blue, we spit on you." We spit on you.

Mr. President, I believe that this closely divided opinion of the Supreme Court is a grevious error, and I want to quote from two dissenting opinions that I think correctly state what the law is in this country, what the law ought to be, and what the American public demands that it be. First, from the dissent by Chief Justice Rehnquist:

> Allowing the broadest scope to the language and purpose of the Fourteenth Amendment, it is well understood that the right of free speech is not absolute at all times and under all circumstances. There are certain well-defined and narrowly limited classes of speech, the prevention and punishment of which have never been thought to raise any Constitutional problem. These include the lewd and obscene, the profane, the libelous, and the insulting or "fighting" words—those which by their very utterance inflict or injure or tend to incite an immediate breach of the peace. It has been well observed that such utterances are no essential part of any exposition of ideas.

That is by Chief Justice Rehnquist. By my fellow Illinoisan, a distinguished jurist, Justice Stevens who says:

> The Court is therefore quite wrong in blandly asserting that respondent "was prosecuted for his expression of dissatisfaction with the policies of this country, expression situated at the core of our First Amendment values."
>
> Respondent was prosecuted because of the method he chose to express his dissatisfaction with those policies. Had he chosen to spray paint—or perhaps convey with a motion picture projector—his message of dissatisfaction on the facade of the Lincoln Memorial, there would be no question about the power of the Government to prohibit his means of expression. The prohibition would be supported by the legitimate interest in preserving the quality of an important national asset. Though the asset at stake in this case is intangible, given its unique value, the same interest supports a prohibition on the desecration of the American flag.

Let me say in conclusion, Mr. President, that the majority leader and the minority leader are exactly right. This flag is the spirit and the symbol of America that countless thousands have died for, and we owe it to the country to call upon the Court to reverse its decision in short order—I do that—or in the alternative, if it will not, to take whatever necessary steps, by amendment or otherwise, to the Constitution which will override that decision.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 3 minutes to Senator WARNER.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia [Mr. WARNER] for 3 minutes.

Mr. WARNER. Mr. President, I am privileged to associate myself with the remarks of the leadership of this body, and to be a cosponsor on the pending resolution and on one shortly to be submitted by the distinguished senior Senator from South Carolina. I wish to address my thoughts in a very personal manner.

Every family has that one artifact that it cherishes, above all. My father was a doctor in World War I, and he fought valiantly to save lives in the trenches, for which he was recognized, not only by the United States, but by other governments. And at the conclusion of World War II, when I returned from brief service in the U.S. Navy, I lost my father, and we buried him in Arlington; and on that casket was a flag, which I am privileged to have today and will pass on to my son.

When I heard, with astonishment, about this decision of the Court, I

thought of my father and the many funerals that I have attended because of my close association with the men and women of the Armed Forces of the United States. All I could see, Mr. President, was that flag, Old Glory, resting on the caskets of those who have worn the uniform of the United States of America proudly.

The Presiding Officer—my colleague and the junior Senator from Virginia—has likewise had a long association with the men and women in uniform who have worn this uniform. I ask every Senator who has had similar experiences, to think of those flags on the caskets of those who served this country as we work through this legal entanglement striving to preserve not only the rights of the Constitution, but also to preserve our flag, Old Glory for future generations. I thank the Chair.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. I ask unanimous consent that Senators BENTSEN and HEFLIN be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes, 31 seconds.

Mr. MITCHELL. I yield the remainder of my time to the distinguished Senator from Alabama [Mr. HEFLIN].

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama [Mr. HEFLIN] for 4 minutes and 30 seconds.

Mr. HEFLIN. Mr. President, this morning at the opening of the session, I spoke on this subject and expressed my disbelief and displeasure at the decision of the U.S. Supreme Court. I have now obtained a copy of that opinion and have glanced over it. I have not read it in detail, but, in my judgment, there was no reason for the Supreme Court to have taken this case and decided it in the manner that they did.

First, the flag was stolen. The decision could have been made on grounds other than the desecration of the American flag.

Also, in reviewing the precedents for this case today, I found that there had been expressions from some of the leading protectors of the first amendment. In the case of Street versus New York, decided in 1969, Hugo Black made this statement:

> It passes my belief that anything in the Federal Constitution bars a State from making the deliberate burning of the American flag an offense.

I do not think anyone can question that Hugo Black was a champion of the first amendment. But he himself recognized that the flag is something different. And he reviewed the Constitution in that case and made that statement.

Chief Justice Warren, another individual who is renowned for his protection of first amendment rights, stated in that same case:

> I believe that the States and the Federal Government do have the power to protect the flag from acts of desecration and disgrace.

In other cases, there have been similar statements by outstanding jurists in the field of civil liberties and by those who have protected the first amendment rights, that there was nothing in the Constitution which would have caused the Supreme Court to have made a decision like it did yesterday.

I would like to quote from the opinion of Justice Stevens in dissent when he says about the flag:

> It is a symbol of freedom, of equal opportunity, of religious tolerance, and of good will for other people who share our aspirations. The symbol carries its message to dissidents both at home and abroad who may have no interest at all in our national unity or survival.

And then I would like to quote again from Justice Stevens when he says:

> The ideas of liberty and equality have been an irresistible force in motivating leaders like Patrick Henry, Susan B. Anthony, and Abraham Lincoln, schoolteachers like Nathan Hale and Booker T. Washington, the Philippine Scouts who fought at Bataan, and the soldiers who scaled the bluff at Omaha Beach. If those ideas are worth fighting for—and our history demonstrates that they are—it cannot be true that the flag that uniquely symbolizes their power is not itself worthy of protection from unnecessary desecration.

It seems to me that in this instance the Supreme Court says that you have a Federal right to burn the flag, but if you attempted to burn the flagstaff, then, in effect, you could have laws passed prohibiting its destruction.

In my judgment, this is a mistake. I hope the Supreme Court will exercise the right that it has for a rehearing and reverse this decision.

The PRESIDING OFFICER. All time allocated to the majority leader has expired. There are 7 minutes and 17 seconds remaining to the Republican leader.

The Chair recognizes the Republican leader, Senator DOLE.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Delaware, 2 minutes to the Senator from Mississippi, and then to close it, 3 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware for 2 minutes.

Mr. ROTH. I thank the Republican leader for granting me 2 minutes.

Like most Americans, I was deeply shocked when I heard about the U.S. Supreme Court ruling yesterday in the case of Texas versus Johnson finding unconstitutional a Texas statute prohibiting the desecration of the flag, determining that this conduct was an act of symbolic speech protected by the first amendment.

I think most Americans were shocked because the flag is, of course, the symbol of our great Nation. Millions of Americans have literally fought and died to protect this sacred symbol of nationhood from the beginning of the Republic, of course, through the two World Wars, the Korean conflict, the Vietnam conflict, to the present.

I think an illustration of why so many Americans are concerned is the fact that Congress and 48 States have enacted laws to protect against the desecration of the flag.

As has been pointed out in the Senate resolution, it was only last March 16, 1989, when the Senate, by a unanimous vote—a unanimous vote of 97 to 0—prohibited the displaying of the flag on the floor or ground.

I join my colleagues who have spoken earlier in saying that I think it is critically important that a study be made to determine how and what is the best means of reversing the decision of the Supreme Court yesterday.

All loyal Americans believe in the American flag, honor it, and they find it indeed most distressing that it is a constitutional right to burn it when indeed we should honor it.

The PRESIDING OFFICER. The Senator's time has expired.

The Chair recognizes the Senator from Mississippi [Mr. LOTT] for 2 minutes.

Mr. LOTT. Mr. President, I am astonished at this 5-to-4 ruling by the highest court in the land, a ruling that would legalize the burning of our country's flag.

I have to pose this question here this afternoon to my colleagues in the Senate, and I know the American people all across this country are thinking the same thing: How far will we go in the name of free speech?

Forty-eight States have laws on their books that prohibit the desecration of the flag of the United States of America. The people's representatives in the State legislatures have spoken out very clearly on this matter.

I feel personally repulsed that the highest court in the land would allow the America flag, the most outwardly visible symbol of our country, to be desecrated under the guise of free speech.

Mr. Justice Rehnquist said in his dissent:

> Surely one of the high purposes of a democratic society is to legislate against conduct that is regarded as evil and profoundly offensive to the majority of the people.

A lady from Picayune, MS, called me this morning. She had this to say:

> The flag is not a piece of fabric. It is a part of our country. And when they desecrate it, they are slapping the faces of all who have fought and died for it.

I support a constitutional amendment or whatever is necessary to reverse this decision of the Supreme

VOL 135 PT 9 JE 14 — 22 1989 UMI

Court. I think the American people are rightly outraged.

And for those who wonder why the American people do not support pay raises for the Federal judiciary, perhaps this is an example of why the people are offended by what they get from their judicial system.

The PRESIDING OFFICER. The Senior Senator from South Carolina [Mr. THURMOND] is recognized for 3 minutes and 10 seconds.

Mr. THURMOND. Mr. President, I was terribly disappointed when I learned of the decision of the Supreme Court on this matter. I do now know when I have learned of any decision of the Supreme Court that I felt was more disappointing to the American people.

Our flag represents freedom. It represents justice. It represents equal opportunity. It represents hope. Millions of people want to come to this country. Hardly any want to leave.

Freedom loving people all over the world look at this flag and see hope. They look at our flag and they see the symbol of democracy flag under which Americans have fought and died to defend.

They look at our flag when the soldier has been killed and it is presented to the family because a loved one has given their life in the cause of freedom.

Mr. President, how the Supreme Court ever reached this decision is hard to imagine. It is my belief that they have not acted in accordance with the wishes and desires of the American people and were overreaching in their interpretation of the first amendment.

It is my opinion that this decision should be reversed, and I have prepared a constitutional amendment to accomplish this goal. We have over 40 Senators cosponsoring this proposal already. I am sure many other Senators will want to join to reverse this decision. It ought to be reversed. It does not represent the thinking of the American people.

Earlier this year Senator DOLE offered an amendment which would prohibit our flag from being "knowingly displayed" on the floor or ground. This amendment was unanimously adopted. Unfortunately, this decision would protect even worse treatment of the flag. This decision would allow an American flag to be burned.

So I say to you, we must stand for this flag. We must stand for this flag. We must stand for America. America, forever.

THE SUPREME COURT DECISION ON THE DESECRATION OF THE FLAG

Mr. KENNEDY. Mr. President, I must explain my position on this resolution. Those who have given their lives in battle under our hallowed flag do so to preserve the liberties guaranteed to all Americans by our Constitution. First among those is the right to freedom of expression. If that right is to be meaningful, it must be extended to views that are unpopular; that are mean-spirited; and, that are wrong.

The American flag is the most venerated symbol of all that is great and good about America. To cast contempt upon it is to reject all that we hold dear as a free and civilized people. Anyone who burns an American flag deserves the contempt of every American citizen.

But if the first amendment stands for anything, it means that the Government cannot punish someone for criticizing our society even if that criticism is as nasty and as obnoxious as the conduct at issue in the Johnson case.

The genius of the constitutional democracy symbolized by the American flag is evident in our system of an independent Federal judiciary sworn to uphold the Constitution's bulwarks against the swollen tides of public outrage.

The Supreme Court has the last word on the meaning of the Constitution, and no one envies them the job of protecting the rights of those whose views and whose actions we all so rightly condemn.

They have spoken; and justice is as diverse in views as Justices Brennan, Scalia, and Kennedy recognize that the first amendment required the result the Court reached.

This body ought not to go on record criticizing the Supreme Court for discharging its solemn duty to vindicate the freedoms protected by the Constitution and symbolized by our hallowed flag.

Mr. REID. Mr. President, the American flag is our symbol of the most successful democracy in history. In 2 weeks, we will celebrate our 213th birthday. It is offensive that the Supreme Court ruled yesterday in favor of desecrating the flag. It would be disgusting and disturbing at any time. It is especially cruel and tasteless coming so soon before the Fourth of July.

The heroes of the American Revolution fought for an idea—freedom. Many sacrificed their lives to keep the Revolution strong. The Supreme Court's decision blasphemes their memory and that of everyone who sacrificed or gave their life for this country.

People worldwide who watched the recent tragic events in China saw a powerful symbol of American freedom on their TV sets: a Statute of Liberty that the Chinese students had made by hand. This symbol of freedom was destroyed by the Communist government when it massacred the students. We must not allow the flag to be destroyed on our shores by the enemies of freedom.

This year, 1989, is the bicentennial of the First Congress. In honor of that distinguished history, we must all rise today and condemn the bizarre and disturbing vote of the Court against the flag.

People in Nevada and the United States share these eternal principles: Strong family values; belief in opportunity; guts to fight for change when it's needed; and ingenuity to get the job done. We know that America must be strong throughout the world and fair here at home. The flag, with its 13 stripes and 50 stars on a blue background, is our greatest symbol of these eternal principles.

I join in the resolution to come to the defense of our flag. It has always been there for us. We must now be there in its defense in its hour of need.

Mr. DOLE. Mr. President, if I have any time left I yield it back.

The PRESIDING OFFICER. All time having expired on the resolution, Senate Resolution 151, the question is on the adoption. The Chair recognizes the majority leader.

UNANIMOUS-CONSENT REQUEST

Mr. MITCHELL. Mr. President, I ask unanimous consent that the resolution now be set aside, that the Senate resume consideration of S. 5, that the Dole amendment be temporarily set aside and that the Senate proceed to the consideration of a Bentsen amendment relative to Social Security earnings limitations on which there shall be 20 minutes of debate to be equally divided between Senators BENTSEN and DOLE or their designees; that upon the completion of the debate on the Bentsen amendment the Senate proceed to the consideration of a Roth amendment on Social Security earnings, that there be 20 minutes of debate on the Roth amendment, equally divided between Senators ROTH and BENTSEN; that no amendments or motions be in order relative to either the Bentsen or Roth amendments; that, upon the completion of the debate on the Roth amendment, the Senate proceed to vote on Senate Resolution 151 to be immediately followed by a vote on Senator BENTSEN's amendment to be immediately followed by a vote on the Roth amendment; that the first vote be 15 minutes and that the two succeeding votes be 10 minutes each in duration.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas [Mr. BUMPERS].

Mr. DOLE. Mr. President, reserving the right to object.

Mr. BUMPERS. Mr. President, I have no objection.

The PRESIDING OFFICER. The Chair recognizes the Republican leader, Senator DOLE.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I withdraw my previous unanimous-consent request and I now ask unanimous consent that the Senate return to the consideration of Senate Resolution 151, that Senator HUMPHREY be recognized for 5 minutes to speak in opposition to the resolution and that immediately upon the conclusion of his remarks, the Senate proceed to a vote on the resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Hampshire is recognized.

Mr. HUMPHREY. Mr. President, I do have a problem with this resolution. I want to make it clear—it should not be necessary, but since some demogogue will probably try to use this against me in the future—that I am opposed to any kind of desecration of our flag.

I served 4 years in the armed services of our country as did many Members of this body, many Americans, and I have as much allegiance to that flag as anyone else.

But just what constitutes desecration? What about these American flag patches we see on the fannies of some people's levis? Is that not a desecration? And are we not, by this legislation, urging the legislatures to ban the use of the American flag as a patch on someone's levis? Are we urging legislatures to pass statutes against making a cap out of a material and pattern that resembles the American flag—the kind of things we see so often—and all kinds of apparel?

What defines desecration?

It seems to me it is an endless riddle. No one likes desecration but this just seems to me an exercise in silliness and even a little bit of hypocrisy, if I may say so.

I am going to vote against it knowing full well that all kinds of things will rain down upon my head. But, frankly, it strikes me as intellectually dishonest and I just cannot live with it. I yield back my remaining time.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 151. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 97, nays 3, as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—97

Adams	Bingaman	Breaux
Armstrong	Bond	Bryan
Baucus	Boren	Bumpers
Bentsen	Boschwitz	Burdick
Biden	Bradley	Burns
Byrd	Hatfield	Nickles
Chafee	Heflin	Nunn
Coats	Heinz	Packwood
Cochran	Helms	Pell
Cohen	Hollings	Pressler
Conrad	Inouye	Pryor
Cranston	Jeffords	Reid
D'Amato	Johnston	Riegle
Danforth	Kassebaum	Robb
Daschle	Kasten	Rockefeller
DeConcini	Kerrey	Roth
Dixon	Kerry	Rudman
Dodd	Kohl	Sanford
Dole	Lautenberg	Sarbanes
Domenici	Leahy	Sasser
Durenberger	Levin	Shelby
Exon	Lieberman	Simon
Ford	Lott	Simpson
Fowler	Lugar	Specter
Garn	Mack	Stevens
Glenn	Matsunaga	Symms
Gore	McCain	Thurmond
Gorton	McClure	Wallop
Graham	McConnell	Warner
Gramm	Mikulski	Wilson
Grassley	Mitchell	Wirth
Harkin	Moynihan	
Hatch	Murkowski	

NAYS—3

Humphrey	Kennedy	Metzenbaum

The resolution (S. Res. 151) was agreed to.

The preamble was agreed to.

The resolution, with the preamble, is as follows:

S. RES. 151

Whereas the first amendment to the United States Constitution lies at the core of our Nation's concept of ordered liberty;

Whereas the flag of the United States is the most profound symbol of our ideals, aspirations, and indeed our identity as a nation;

Whereas the flag stands for our very being, including our commitments to freedom, justice, equal oppportunity, and peace;

Whereas Americans have always displayed the flag as a living symbol of our Nation and the values for which it stands;

Whereas the burning of the American flag is an affront to our American heritage and an affront to the American people;

Whereas millions of Americans have fought valiantly, and many thousands have died, to protect this sacred symbol of nationhood, from the beginning of the Republic through the two World Wars, the Korean conflict, the Vietnam conflict, to the present, and that those who risked and gave their lives for our country are profoundly offended by the desecration of this sacred emblem;

Whereas the Congress and forty-eight States have enacted laws to protect against desecration of the flag;

Whereas the Senate expressed its respect for the flag as recently as March 16, 1989, when on a vote of 97-0, it passed S. 607, prohibiting the displaying of the flag on the floor or ground;

Whereas throughout the history of our Nation, the Supreme Court has properly defended and protected the first amendment rights of our Nation's citizens;

Whereas the United States Supreme Court yesterday rendered a decision in the case of *Texas* v. *Johnson*, No. 88-155, finding unconstitutional a Texas statute prohibiting the desecration of the flag, determining that this conduct was an act of "symbolic speech" protected by the first amendment;

Whereas the Congress has believed that the act of desecreting the flag is clearly not "speech" as protected by the first amendment; and that analogous acts, such as desecrating a public monument such as the Lincoln Memorial, would never be tolerated as speech;

Whereas it appears that yesterday's decision may invalidate the Federal and State laws prohibiting desecration of the flag: Therefore, be it

Resolved, That the Senate hereby—

(1) expresses its profound disappointment that the Texas statute prohibiting the desecration of the flag was found to be unconstitutional;

(2) expresses its continued commitment to preserving the honor and integrity of the flag as a living symbol of our Nation and its aspirations and ideals;

(3) intends to make an immediate study of the impact of yesterday's Supreme Court decision on Federal and state laws prohibiting the desecration of the flag, and to seek ways to restore sanctions against such reprehensible conduct; and

(4) urges the American people to continue to display proudly the American flag as a symbol of our Naton and the values for which it stands.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHILD CARE IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 203

(Purpose: To amend title II of the Social Security Act to increase the retirement test exempt amount to $10,560 in 1990, to lower the reduction factor for certain earnings to 25 percent, and for other purposes)

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I ask unanimous consent to lay aside——

Mr. KENNEDY. May we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senator will suspend. Senators will please take their conversations to the cloakroom.

The Senator from Texas.

Mr. BENTSEN. Mr. President, I ask unanimous consent that we temporarily lay aside the pending amendment and proceed to the consideration of the amendment I send to the desk on behalf of myself, Senator MOYNIHAN, and Senator ROTH.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN], for himself, Mr. MOYNIHAN, and Mr. ROTH, proposes an amendment numbered 203.

Mr. BENTSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . RETIREMENT TEST EXEMPT AMOUNT INCREASED TO $10,560 IN 1990.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42

VOL 135 PT 9 JE 14 — 22 1989 UMI

U.S.C. 403(f)(8)) is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l)) before the close of the taxable year involved shall be $980 for each month of any taxable year ending after 1989 and before 1991.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. . REDUCTION FACTOR WITH RESPECT TO CERTAIN EARNINGS LOWERED TO 25 PERCENT.

(a) IN GENERAL.—Paragraph (3) of section 203(f) of the Social Security Act (42 U.S.C. 403(f)) is amended by striking "33⅓ percent" and all that follows through "paragraph (8)" and inserting "equal to the sum of (A) 25 percent of so much of his earnings for such year in excess of the product of the applicable exempt amount as determined under paragraph (8) as does not exceed $5,000, and (B) 33⅓ percent of so much of such earnings in excess of such product as exceeds $5,000,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. . PAYMENT OF RECOMPUTED BENEFITS.

(a) IN GENERAL.—Subparagraph (D) of section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) A recomputation under this paragraph with respect to any year shall be effective—

"(i) in the case of an individual who did not die in that year, for the earlier of—

"(I) monthly benefits beginning with benefits for the fifteenth month following the end of such year, or

"(II) monthly benefits beginning with benefits for the month in which the individual submits a written request for such recomputation; or

"(ii) in the case of an individual who died in that year, for monthly benefits beginning with benefits for the month in which he died.

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph which became effective pursuant to subparagraph (D)(i) shall be further increased on an actuarial basis (taking into account the age of the individual) to include the value of benefits which would have otherwise been paid if the recomputation were effective beginning with benefits for January of the year following the year with respect to which the recomputation is made."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to recomputations made after the date of enactment of this Act.

SEC. . PAYMENT OF CERTAIN RETROACTIVE BENEFITS.

(a) IN GENERAL.—Subparagraph (B) of section 202(j)(4) of the Social Security Act (42 U.S.C.(j)(4)) is amended—

(1) by redesignating clause (v) as clause (vi), and

(2) by inserting after clause (iv) the following new clause:

"(v) Any retroactive benefits for which an individual is eligible because of clause (i) or (iv) shall be paid to the individual as an increase in the individual's monthly benefit amounts, determined on an actuarial basis pursuant to regulations prescribed by the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to applications for benefits made after the date of enactment of this Act.

SEC. . MANDATORY PROVISIONS OF SOCIAL SECURITY ACCOUNT STATEMENT.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301-1320b-10) is amended by adding at the end thereof the following new section:

"SOCIAL SECURITY ACCOUNT STATEMENTS

"Provision Upon Request

"SEC. 1141. (a)(1) Beginning not later than October 1, 1990, the Secretary shall provide upon the request of an eligible individual a social security account statement (hereinafter referred to as the 'statement').

"(2) Each statement shall contain—

"(A) the amount of wages paid to and self-employment income derived by the eligible individual as shown by the records of the Secretary at the date of the request;

"(B) an estimate of the employee and self-employment, old age, survivors, and disability insurance contributions of the eligible individual as shown by the records of the Secretary at the date of the request;

"(C) a separate estimate of the employee and self-employment hospital insurance contributions of the eligible individual; and

"(D) an estimate of the potential monthly retirement, disability, survivor, and auxiliary benefits payable on the eligible individual's account together with a description of the benefits payable under the medicare program of title XVIII.

"(3) For purposes of this section, the term 'eligible individual' means an individual who—

"(A) has a social security number,

"(B) has attained age 25 or over, and

"(C) has wages or net earnings from self-employment.

"Notice to Eligible Individuals

"(b) The Secretary shall to the maximum extent practicable take such steps as are necessary to assure that eligible individuals are informed of the availability of the statement described in subsection (a).

"Mandatory Provision of Statements

"(c)(1) By not later than September 30, 1994, the Secretary shall provide a statement to each eligible individual who has attained age 60 by October 1, 1993, and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. In fiscal years 1994 through 1999 the Secretary shall provide a statement to each eligible individual who attains age 60 in such fiscal years and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. The Secretary shall provide with each statement to an eligible individual notice that such statement is updated annually and is available upon request.

"(2) Beginning not later than October 1, 1999, the Secretary shall provide a statement on a biennial basis to each eligible individual who is not receiving benefits under title II and for whom a mailing address can be determined through such methods as the Secretary deems appropriate. With respect to statements provided to eligible individuals who have not attained age 50 such statements need not include estimates of monthly retirement benefits. However, if such statements provided to eligible individuals who have not attained age 50 do not include estimates of retirement benefit amounts, such statements shall include a description of the benefits (including auxiliary benefits) that are available upon retirement.".

(b) REPORT TO CONGRESS AND STUDY.—Not later than October 1, 1996, the Secretary shall submit to Congress a report on the implementation of the requirements of this Act and on his specific plans for implementing the final requirements contained in such Act, particularly with regard to estimating retirement benefit amounts for individuals who have not attained the age of 60.

(c) DISCLOSURE OF ADDRESS INFORMATION BY INTERNAL REVENUE SERVICE TO SOCIAL SECURITY ADMINISTRATION.—

(1) IN GENERAL.—Section 6103(m) of the Internal Revenue Code of 1986 (relating to disclosure of taxpayer identity information) is amended by adding at the end thereof the following new paragraph:

"(6) SOCIAL SECURITY ACCOUNT SATEMENTS FURNISHED BY SOCIAL SECURITY ADMINISTRATION.—Upon written request by the Commissioner of Social Security, the Secretary may disclose the mailing address of any taxpayer who is entitled to receive a social security account statement pursuant to section 1141(c) of the Social Security Act, for use only by officers, employees, or agents of the Social Security Administration for purposes of mailing such statement to such taxpayer.".

(2) SAFEGUARDS.—The last sentence of section 6103(p)(4) of such Code (relating to safeguards) is amended by striking out "subsection (m)(2) or (4)" and inserting in lieu thereof "paragraphs (2), (4), or (6) of subsection (m)".

(3) UNAUTHORIZED DISCLOSUE PENALTIES.—Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of returns and return information) is amended by striking out "(m)(2) or (4)" and inserting in lieu thereof "(m) (2), (4), or (6)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

The PRESIDING OFFICER. If the Senator will withhold, the Senate is not in order. Please clear the well and take the conversations to the cloakroom. The Senator is entitled to be heard. Please clear the well and suspend the conversations.

The Senator from Texas.

Mr. BENTSEN. Mr. President, the Social Security retirement test reduces the benefits of retirees who have earnings above a specific exempt amount. This year that exempt amount is $8,800. Above that limit every $2 of earnings causes a $1 in benefit losses. Since I first came to the Senate, I have worked to loosen that retirement test so that it will not discourage older citizens from supplementing their Social Security work.

When I first came to the Senate, the test was so tight that beneficiaries would generally lose all benefit earnings over $5,000 or even less.

Mr. President, we are keeping healthy, vigorous older Americans out of the work force. That really means some of our best energies are still left on the bench. I would rather have them in the lineup. They probably will not be the rookie of the year but most of them have some good hits left in them. They are playing for our team.

Today a typical retiree can earn as much as $34,000 and still quality for some benefits.

Mr. FOW
have order
The PR
Senator is
in order.
conversati
sations to
is entitled
The Sen
Mr. BEN
retirement
of a barri
cans, and
assist in th
Let me
year-old
ings who
where eac
is worth
pays his
taxes, pay
premium,
test, ther
That is wh
This am
exempt a
be earned
$10,560.
$1,200 hi
level that
This an
the rate
those wh
exempted
that level
fits, the b
for every
Now, th
it is today
of earning
$1 for eve
beyond
for 4.
This a
both in t
the 5-yea
mates ar
impact
status in
negligible
Althou
for, it do
the bene
transform
sum pay
benefits
are paid
recipient.
This a
Security
more of
retiree, i
ment wi
$800 mo
present
than $1
lower th
older w
keep onl
dollar e
acted leg
cents n
would f
cents.
We ha
in the a
tion of
and elig

Mr. FOWLER. Mr. President, can we have order, please?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. Will all Senators engaged in conversation please take those conversations to the cloakroom. The Senator is entitled to be heard.

The Senator from Texas.

Mr. BENTSEN. Mr. President, that retirement test still provides too much of a barrier to work for older Americans, and there are things we can do to assist in that regard.

Let me give you an example of a 65-year-old with $15,000 worth of earnings who finds himself in a situation where each additional dollar he earns is worth less than a quarter. After he pays his income and Social Security taxes, pays the Medicare catastrophic premium, and meets the retirement test, there is that benefit reduction. That is what he is faced with.

This amendment would increase the exempt amount, the amount that can be earned with no loss of benefits, to $10,560. We do that next year. That is $1,200 higher than the present law level that would otherwise be in effect.

This amendment would also lower the rate of reduction that applies to those who have earnings above that exempted amount. Earnings above that level and up to $15,560 in benefits, the benefits will be reduced by $1 for every $4 of earnings.

Now, that compares with the law as it is today, where it is $1 for every $2 of earnings, which will go next year to $1 for every $3. We are taking it a step beyond that, so the reduction is 1 for 4.

This amendment is fully paid for, both in the first fiscal year and over the 5-year period for which the estimates are available. In addition, its impact on the long-term actuarial status in the program is classified as negligible.

Although this amendment is paid for, it does not cut benefits for any of the beneficiaries. It is paid for by transforming certain retroactive lump sum payments into higher permanent benefits over the years, rates which are paid out over the lifetime of the recipient.

This amendment will allow Social Security retirees who work to retain more of their benefits. For a typical retiree, if he earns $15,000, the amendment will allow him to keep about $800 more than he can under the present law. For retirees who earn less than $15,060, this amendment will lower the marginal rates faced by older workers. Today such workers keep only 24 cents on each additional dollar earned. Under previously enacted legislation, that will go up to 41 cents next year. This amendment would further increase that to 49 cents.

We have some additional provisions in the amendment, insofar as notification of vesting, of benefits, of accrual, and eligibility, that have been added and have been principally the work of the distinguished senior Senator from New York, who will be addressing that later in the debate.

I would like to comment, too, that the distinguished Senator from Delaware, and the distinguished Senator from Colorado, worked long and hard on comparable amendments in trying to expand those benefits, as many of us have in the years we have been in the U.S. Senate.

I yield the floor.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, this is a red letter day. The amendment which the Senator from Texas called up and brings before the Senate addresses one of the most important issues that is going to come before the Senate this year and does it in a way which is typical of the Senator from Texas, thoughtful, responsible, aimed like a rifle shot at a serious, major national problem; and I have several things I want to say about it, but I want to start by asking a question: May I ask, would it be agreeable to the Senator from Texas that I be added as a cosponsor to his amendment?

Mr. BENTSEN. I would be delighted to have the distinguished Senator from Colorado, with his long interest in this subject, as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. I very much appreciate the opportunity to be added as a cosponsor, because this amendment is significant for many, many reasons, and I agree with what Senator BENTSEN has said about the process by which we have gotten here.

There are a lot of people who have been interested in this for a long time. In fact, I remember as long as a half-dozen years ago, when Senators DOLE and MOYNIHAN and some of the rest of us were working on this; I remember how the Senator from New York [Mr. MOYNIHAN] characterized the earnings limit. He said, in effect, that this was about the worst possible policy that he could imagine. In fact, I made a note of his words at the time. He said, "It is a tax on benefits." That is exactly right, and, "It is an unfair tax." He has spoken up over and over again about the unfairness of that.

I regard this amendment as a very significant amendment, not only because of the way it addresses a crucial subject, but because coming under the sponsorship of the Senate Finance Committee, I think it shows this really is exactly what I characterized it to be a few weeks ago, an idea whose time has come.

When Senator DOLE and I and Senator EXON and others brought up an amendment on this subject a few weeks ago, there were some who were skeptical and thought it was not timely, that we could not afford it, that the budget was tight; it was an issue that would have to wait for another year and so on.

I see the Senator from Nebraska is here, and I remember that he spoke up at the time and made the point that this was too important to be swept under the rug. It is not just a matter of economic policy or tax policy or even of labor or social policy, but a basic problem of human justice. I want to congratulate Senator EXON for taking the lead on this issue at a time when a lot of people did not think somehow we could get anything done.

Mr. President, I am not here to recap the past, except to put it in this perspective: Within the last few weeks, literally during this session of the Congress, an idea which many of us have been concerned about for a long time has begun to come into perspective. We voted, I guess, by about 86 votes here in the Senate a few months ago to increase, by a modest amount, the Social Security earnings limit. And subsequent to that, we incorporated some room in the budget resolution. Both of those were dropped in conference, but they were not in vain, because in the process of raising the issue here in the Senate, we raised the standard to which people in the other body could also repair; and within a matter of weeks, over 100 Members of the House introduced legislation along the same lines as that, which we had been considering here in the Senate.

Indeed, a hearing was held by the House Ways and Means Committee on May 25, and subsequent to that, in a markup by the subcommittee—and I am not sure whether the full committee has received it yet—legislation to increase, not by as large an amount as I would like, but by a significant amount, the Social Security earnings limit was included in the markup.

In fact, I am proud to recall that it was my colleague, HANK BROWN, from Colorado, who is a member of the Ways and Means Committee, and who has been interested in this issue for a long time, who led the charge, among those who advocated this.

Mr. President, the justice of this case is very hard to ignore. In fact, as I pointed out to my colleagues, someone who is in the affected age bracket, 65 to 69, who is a Social Security recipient, and whose earnings at the present time exceed $8,800 a year, finds themselves confronted with several major hurdles, several disincentives to work. They are not technically taxes, but that is what they come down to.

First of all, the retirement earnings test. That means if you are in the affected income bracket, you have to give back $1 ever every $2 you receive in outside income. That is scheduled to go from $1 to $2 in the present law, to $1 to $3 in the law which goes into effect in 1990; and as I understand the proposals Senator BENTSEN has brought before us, that will go for a certain group of people from $1 to $3

to $1 to $4 in the the years beyond 1990. That is a wonderful improvement.

But a person who is working, in this affected age and income bracket, faces the retirement earnings test, the tax on the catastrophic health care, on Social Security benefits, on tax exempt income and, of course, the regular FICA and Federal, State and local taxes. What that means, as a practical matter, is this, Mr. President: If you are a worker in this affected age bracket, you can easily face a marginal tax rate, not a 15 or 18 or 20 percent, but of 80 percent; and in fact, in some cases, which have been brought to my attention, which have been documented in national publications, it would not be impossible for a person in this age group to actually face a tax, a marginal disincentive to work, in excess of 100 percent.

Now, that is so far from economic justice, it is so far from good policy, that it is amazing to me that we have waited until 1989 to deal with this issue. But that, in fact, is exactly what has happened.

One more chart might be of interest to my colleagues. This shows, for different income groups, the extent of the marginal tax disincentive. As my colleagues can see, adding up all of the things I mentioned, Social Security earnings limit, regular tax, FICA, and so on, if you are at $10,000 a year, the marginal effective tax comes to 75 percent; at $22,000, 81 percent; at $25,000, 102 percent. We are not talking about a tax on the wealthy. We are talking about people of modest income.

In fact, Mr. President, one of the most insidious things about the Social Security earnings limit is the very fact that it does not apply, really, to the wealthy. Coupon clippers are not affected, because the Social Security earnings limit is only a tax on work.

If you get dividend income in any amount, rental income in any amount, profits from a business you own in any amount, bond interest, savings account interest, money market interest, you name it, none of that requires a giveback under the Social Security earnings limit; only income earned from work.

So that means people like my friend Joe Flynn who works down at McDonald's—after retiring from a distinguished career in the broadcasting business, he now has a little job down at McDonald's because that is something he wants to do. He wants to be busy—I do not know what his income or circumstances are, but it means people like him are facing these confiscatory marginal tax rates.

Mr. President, that is bad tax policy. Worse than that, it is an injustice to people who need the money. The fact of the matter is it is hard to get along sometimes on Social Security or even Social Security plus $8,800 or $98,000 or $10,000. In many cases this is a real financial issue.

It boils down to some very real hardships. Not the kind of life or death hardships that we think of in extreme poverty, perhaps, but, nonetheless, human hardships of very significant proportions.

I judge that there are some people for whom lack of income means they have to decide sometimes whether or not to send a birthday gift to a grandchild or to have the kind of a dinner that they would like to have on that day, or whether or not they can afford to have money for a long-distance telephone call to a relative on a holiday or birthday or at Christmas or something. We are talking about a human problem of real dimension.

If somebody has a financial problem and wants to go out and work, wants to make their own way in order to supplement their income, I think the last thing we ought to do, for heaven's sake, in discourage that kind of worthy effort.

More important than that, Mr. President, there are a lot of people in this age bracket and older—because this only affects people from 65 to 69; anybody over 70 is already exempt—but there are a lot of people in this age bracket and older who not only may need the income but they need the work. They need the activity. They need the involvement.

Mr. President, I believe I previously cited Jimmy Durante, who once said, when he was asked why he continued to perform well after the age when most people had retired completely and had withdrawn from active life, "Well, I don't need the money, but I need the work."

You know, Jimmy Durante is right about that. The very act of going to the office or going to McDonald's or going to a retail store or taking part in the work world keeps a person engaged in a way that is very, very significant to a lot of people. It is not for everybody. But for a lot of people it is crucial to maintaining their sense of participation, their sense of being in touch with things.

A poet once wrote something to the effect that you work in order to keep pace with the Earth and the seasons of the Earth. And I believe that that is really true to a very significant degree. Work is a blessing. And when we put this kind of a tax on it for people in this age group, we are really denying them something that is very, very important.

More than that, Mr. President, let me make the point that we need the work that people in this age group can produce. A lot of us in this Chamber have grown up in an era where we are accustomed to thinking of having a surplus of workers. Maybe that was true at some time in some era in this country, but it is not true anymore. We are heading into an era when there is going to be a more or less continual shortage of qualified, trained people who want to work. That is a demographic fact of life. So from here on in, from this point forward for the foreseeable future, we ought to encourage people in this age bracket in every way that we can within reason.

So, Mr. President, this is a good amendment based on every standard—on tax policy, on economic justice, on the human values involved, on the social policy that underlies it, on the labor policy that is implicit in this. It is the kind of amendment that really deserves our support for all of those reasons.

Now, I suppose somebody could get up and say, "Well, this is not germane to this bill." I hope nobody will get up and make an argument like that. I have heard that on other occasions, but it did not apply then and it does not apply now.

In fact, the truth is most of the really important work of this Chamber ends up being done when somebody brings up a nongermane amendment. Gramm-Rudman, you will remember, came up as an amendment which was not germane to whatever bill was under consideration.

As I recall, that is the way the GI bill got reenacted, was when it came up as a nongermane amendment to something. That is the way we got the Tax Code index was when it came up as a floor amendment to another bill.

Mr. President, I hope nobody will make that argument. I hope nobody will come forward and say "Well, we haven't had any hearings on this matter." Because we have had hearings on this back over 4 or 5 years ago. The fact that we have not had in the last 3 months or since this legislation was introduced or since I called up an amendment a couple of months ago is really irrelevant. We understand the issue. We know this is a good idea and we ought to go with it.

Mr. President, I want to conclude by summarizing in this way: This is an idea whose time has come.

I just want to share with my colleagues what other people are saying, because it is not just Senators who have realized that this is an important issue, nor is it just senior citizens who are directly affected. It is thoughtful people all over the country.

For example, the Rochester Democrat and Chronicle wrote:

> What's wrong with a limit? For starters, it's an earnings limit, not an income limit. Those who have huge incomes from pensions or investments don't lose a dime in Social Security benefits. Those who earn more than $8,160 a year bagging groceries do.
>
> The limit is a work tax, pure and simple.

The San Jose Mercury News wrote:

> For the working stiffs who need both benefits and wages to get by, or who simply enjoy working and have something to contribute to society, the penalty kicks in at a ridiculously low earnings level $8,160, after which $1 of benefits is lost for every additional $2 earned.

The St. Louis Post-Dispatch wrote:

> Those who have paid into the Social Security Trust Fund for so long should not have

to sharply curtail their income to receive the benefits they are due.

The Washington Times, in part, said:

The message sent to older people is that they have nothing to contribute to the Nation's economy after retirement.

Mr. President, I am going to send to the desk and ask unanimous consent to have printed in the RECORD brief excerpts at this point from what other thoughtful publications are saying, including the Baltimore Sun, St. Petersburg Times; South Bend, IN, Tribune; Dallas Morning News, the San Diego Tribune, Detroit News, Los Angeles Times, Forbes, the Cincinnati Enquirer, Houston Post, the Indianapolis Star; the News Journal, Wilmington, DE; Register Guard of Eugene, OR; Cedar Rapids Gazette; the New York Times; the Orange County Register; the Washington Times; and the Evansville Courier. I ask unanimous consent that excerpts from these editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"The Social Security landscape is littered with a great irony: While the program is built on the strength of the work ethic, its earnings test actually provides a disincentive to work.

". . . One consequence of this skewed policy is the emergence of a gray, underground economy—a cadre of senior citizens forced to work for extremely low wages or with no benefits in exchange for being paid under the table."—The Baltimore Sun, 10/9/87.

"The earnings cap is an outmoded concept that harks back to Depression-era thinking."—St. Petersburg Times, 12/3/87.

"Unfair? Of course it is. It is also illogical, which perhaps explains why it has had such acceptance in Washington."—South Bend Tribune, 12/2/87.

"Both individual citizens and society as a whole would benefit from a repeal of the law that limits what Social Security recipients may earn before their benefits are reduced.

". . . Now that the leading edge of the big baby boom generation is past age 40, the smaller size of the baby bust generations that are entering the work force will ensure that the shortage of skilled workers will grow . . . Under such conditions, it is economic lunacy to push millions of veteran, willing workers into retirement by effectively taxing them at a higher rate than billionaires pay."—Dallas Morning News, 12/1/87.

"The benefit-reaction law made some economic sense when Social Security was established in the 1930s and the government wanted to encourage the elderly to leave the labor force and open up jobs for younger workers. But with declining birth rates and the nation's need for more, not fewer, experienced workers, the measure is bad for the nation as well as its older workers."—The San Diego Tribune, 12/2/87.

"Work is important to many of the elderly, who are living longer. They shouldn't be faced with a confiscatory tax for remaining productive."—Detroit News, 7/29/87.

"As the senior population expands and the younger population shrinks in the decades ahead, there will be an increasing need to encourage older workers to stay on the job to maintain the nation's productivity."—Los Angeles Times, 1/3/88.

"Moreover, people are living longer; the economy is hurt when artificial barriers block the full use of our most productive asset, people."—Forbes, 12/28/87.

"No American should be discouraged from working, as long as he wants to and is physically able to do so. And as the label 'entitlement' implies, he is entitled to the benefits he invested in over so many work years."—The Cincinnati Enquirer, 12/9/87.

"Equity and common sense demand that this disincentive to work be scrapped."—Houston Post, 12/7/87.

"On the face of it, the game appears rigged in favor of those who stop working at 65 and against those who keep working, in favor of well-to-do retirees and against middle- and low-income retirees who need a part-time job to help with expenses."—The Indianapolis Star, 12/6/87.

"Furthermore, there is no need to change the rules abruptly. The limit on earnings can be removed gradually, say over five years. A phase-in would work well especially since for those 70 years old and older, there is no earnings limit anyway."—The News Journal (Wilmington, DE), 12/5/87.

"Individual seniors lose because they can't be as active and productive as they would like, and society loses by being deprived of experienced, often highly skilled labor.

". . . Discriminating so blatantly in favor of investment income and against wage or salary income would be justified only if the goal of the program were to keep people out of the work force."—Register Guard (Eugene, OR), 12/4/87.

"For medical and nutritional reasons, Americans 65 through 69 do not feel as tired as their counterparts did a generation or two ago. Consequently, many want to keep on working. But disillusioned by that infernal Society Security retirement test, they are tempted to circumvent the restriction by not reporting some income.

". . . The message is clear. When otherwise law-abiding people are tempted to underreport income, it is time to examine the cause. If a law is to blame, then Congress had better consider changing the law."—Cedar Rapids Gazette, 12/3/87.

". . . it is not wrong to encourage willing older adults to remain in the work force."—The New York Times, 12/6/87.

"Indeed, repealing the tax might actually increase revenues. More people would be working, paying more taxes of all kinds, including the Social Security tax. If our government bureaucrats want us to keep paying their salaries, the least they can do is make it possible to work in the first place.

". . . No private retirement system would ever discourage its recipients from working at other jobs."—The Orange County Register, 12/1/87.

"At a time when the nation is facing a rising labor and skills shortage, when the demand for mental, as opposed to physical, skills is accelerating, the nation's rising cohort of men and women over 60 is too valuable a resource to kick away."—The Washington Times, 3/27/89.

"On balance, it seems to us that the overall economy would be healthier if the elderly—poor, rich and in between—could work if they want to without forgoing Social Security benefits."—Evansville Courier, 12/7/87.

Mr. ARMSTRONG. Mr. President, this debate would not be complete if I did not single out for special appreciation and mention the AARP, the American Association of Retired Persons. I send to the desk also a letter of a couple of months ago which was sent to me about this matter by the AARP, which has long been a leader in all kinds of legislation that is of concern to retired persons and those who expect to be retired in the near future, but particularly have been leaders on this issue of the retirement earnings test. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION
OF RETIRED PERSONS,
Washington, DC, April 6, 1989.

Hon. WILLIAM ARMSTRONG,
U.S. Senate,
Washington, DC.

DEAR SENATOR ARMSTRONG: The American Association of Retired Persons (AARP) has long supported revising the Social Security retirement test. We believe congressional action to liberalize the earnings limit encourages older persons to continue working and represents prudent public policy now and especially in the future.

Under current law beneficiaries age 65 to 70 lose $1 in Social Security benefits for every $2 of earnings over the earnings limit of $8,880 in 1989. Beginning in 1990 this penalty will be reduced to $1 for every $3 in excess earnings. Last year 700,000 retired workers, 115,000 dependents and 40,000 survivors lost some of their Social Security benefit because of the earnings limit. For moderate and middle income workers who want or need to continue working beyond age 65, this penalty is burdensome.

Your amendment would increase the monthly limit by a modest $80. Any liberalization, even a modest one, brings needed financial relief to those who work out of necessity. If enacted, 85,000 lower paid workers who earned between $9,000 and $10,000 would no longer be affected by the retirement test. In addition, the amendment would provide some relief for the more than three-quarters of a million persons now affected by the earnings limit.

For example, a beneficiary with $6,108 annually in Social Security benefits (the average benefit for 1989) and $12,000 in wages would lose $1560 in benefits under current law. The Armstrong amendment would reduce this person's loss by $480, cutting their loss of benefits by about 30 percent.

Given the current budgetary situation and the constraints imposed by Gramm-Rudman-Hollings, the cost of any liberalization must be deficit neutral. In light of these requirements, AARP believes that the offset in your amendment is a reasonable one.

The Association commends you for offering this amendment. We hope your colleagues will support it.

Sincerely,

JOHN ROTHER,
Director, Legislation, Research and Public Policy.

Mr. ARMSTRONG. Mr. President, at a certain moment earlier this year, when the leadership of the AARP sat down around the conference table to try to figure out whether they wanted to get involved in this issue and make it a priority this year, it would have been easy for them to say, "Well, of course, we are for it, but we just haven't got the time to do it. We have a lot of our plate. It doesn't look too promising. It looks like an impossible dream."

But they did not say that. Instead, maybe recalling what I believe it was

Thomas Carlisle said, that every noble idea is first seen to be impossible, the AARP, like Senator EXON and like Senator ROTH and some others, came forward and said, "This is an idea we are prepared to fight for." And one reason why it is moving forward, why we have twice passed it in this Chamber, why it is moving in markup in the House, and why this excellent amendment by Senator BENTSEN is about to pass, is because of the statesmanship and leadership of the AARP.

I have already said, and I want to emphasize again my admiration for Senator BENTSEN for bringing this to our attention. There is no better person in this Chamber to champion our case than LLOYD BENTSEN. The chairman of the Finance Committee and, I trust, the chairman of the Social Security Subcommittee, who will speak in a moment, are the natural leaders of this issue. They will be our conferees when the legislation gets to the conference committee. I just want them to know that there are a lot of us who may or may not be conferees who are going to be their cheering section and we applaud them for what they are doing.

I also want to recall that as long as 5 or 6 years ago BOB DOLE took the lead on this matter. In fact, BOB DOLE and I, and some others, JOHN HEINZ, I believe was involved, actually helped to pass an amendment which would have at that time abolished the Social Security earnings limit. That seems right to the Senate. We passed it and we could not get it through conference, but we made some progress. We raised the earnings limit.

As I close, I just want to say this: Abolishing the Social Security earnings limit still seems right to me. This is an important step in the right direction but it is not the end.

First of all, we have to get something like this approved by conference to increase the earnings limit and then to go from a 1-to-3 penalty to a 1-to-4. And when we do that—and I believe that we are going to do that before this year is over—I hope we will not then rest on our laurels and say well, we have solved that problem, because we have not. We have improved the situation.

But I hope that sometime soon we will be able to celebrate the end to the Social Security earnings limit. And one of these days soon, I am going to be back with an amendment that will call for ending the Social Security earnings limit. If I am not quick enough on the trigger for somebody, I hope they will come to the floor and offer it: tommorrow or next week or a month from now or whatever it looks like we have a good chance to pass it. Because that is the ultimate objective, to abolish this unfair and burdensome provision of the Social Security Act.

Mr. HEINZ. Would the Senator yield?

Mr. ARMSTRONG. I am happy to yield to my distinguished colleague from Pennsylvania.

Mr. HEINZ. I just want to commend the Senator from Colorado on having waged a determined and successful fight over many years. I can remember, as chairman of the Social Security Subcommittee, Mr. ARMSTRONG bringing this issue to the Finance Committee time and again. He got partial satisfaction, some modest improvements in the 1983 amendments, the so-called Social Security solvency bill. He has been one of the most persuasive and articulate spokesmen for not just liberalization but abolishment of the earnings tests as demonstrated by his presentation here today.

I cannot add to the points he has made on why this is bad social policy. It is, indeed, bad social policy to tax the work of our senior citizens because, as BILL ARMSTRONG has pointed out on many occasions, many people work not just for the financial reward but because they need to work psychologically and physically. And, of all the things we could do for our senior citizens to allow them to maintain the same vigorous and independent lifestyle that they typically enjoyed throughout their working years, it is to allow them to continue to work, to be active, to be players, participants, respected members of their community.

All the other things that my friend from Colorado says: That it is bad tax policy, that it is unjust, are absolutely correct. And I, in a sense, feel almost as vindicated today as he does, because he has been the cross-bearer of this amendment.

But I remember, I say to my friend from Colorado, I remember back in 1980 when we were preparing for the White House Conference on Aging, I gave a speech back then that said we need to start preparing now because there will be, as we approach the 1990's, a shortage of workers in our country.

We had anything but a shortage of jobs in Pennsylvania then. We are doing even better right now. But it is true at long last that the predictions of the Senator from Colorado and I and a few others, that we had the temerity—perhaps the courage—to make, that we literally need our people who conventionally retire at age 62 or 65, to stay in the work force and for others to come back. Otherwise, we will not be able to produce what this country needs to be economically strong, self-sufficient. We worry a lot about imports.

You know, one of our biggest problems is we do not have the capacity to produce enough alternatives to those imports and we will not unless we find ways to expand our work force.

So, in addition, Mr. President, to all the other reasons that the Senator from Colorado has given us, I thought he had done a comprehensive job but he has missed one. That is that his amendment will also make this country stronger and more competitive because we need the very people his amendment will help.

I commend him in this long journey and I also submit, as suggested, that it is only a partial step forward. Therefore, I am very pleased to be a cosponsor of the amendment of the Senator from Texas. I support it wholeheartedly. I am delighted that he has offered it. But, most of all, I am delighted that BILL ARMSTRONG, who has worked so hard to bring about this kind of program, can take a considerable amount of satisfaction in what is going to take place, unless I miss my guess, on this Senate floor today.

I thank the Senator from Colorado for yielding.

Mr. ARMSTRONG. Mr. President, I want to yield the floor but not before commenting briefly on what the Senator from Pennsylvania has said. I am grateful for his remarks about my role in this, which are far too generous. But the fact of the matter is that Senator HEINZ has been unusually—really extraordinarily perceptive about the needs of the people in this age bracket, about senior citizens, about the elderly and those who need job opportunities.

I recall his fight to end discrimination against people in this age bracket in the terms of their employment and the successful legislation he put through this Chamber to end that discrimination, or at least to drastically curtail ancient practices which had discriminated against them.

I recall the many times he had spoken up on this issue of the Social Security earnings limit and I recall his leadership on the Select Committee on Aging. So it is his victory as much as it is the victory of the Senator from Texas or the Senator from New York or certainly the Senator from Colorado.

I am just proud to be on the team with him and part of the fight.

Mr. President, I see the Senator from New York has stood and is about to speak. I want to yield the floor because I want to hear what he has to say.

May I just in advance congratulate him for his sponsorship of this amendment and his leadership on this issue over many, many years. For a long time this has been of interest.

In addition to speaking for and favoring this for a long time, most Senators know—there might be one or two who are not aware of this—that Senator MOYNIHAN is one of the foremost authorities in this country not only on this issue but on the whole broad range of Social Security and has been for years. He has written and spoken about it persuasively, so we are all eager to hear what the Senator from New York has to say.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. The first thing the Senator from New York has to say is to express his appreciation to the Senator from Colorado for his generous remarks, for his tenacity, and for his foresight throughout the consideration of this issue. He is singular in those regards, and this Chamber will know how much we appreciate it on this side of the aisle.

The Senator from Colorado and the Senator from Pennsylvania have explained in great detail the large benefits of the principal provision that the Senator from Texas, the chairman of the Finance Committee, has authored and the chairman of the Subcommittee on Social Security and Family Policy has cosponsored.

Mr. President, I would take a moment of the Senate's time to describe a provision of this amendment which I dare to think in 10 years' time will be seen to have profoundly changed, and changed for the better, the understanding of Social Security in the United States and the sense of participation by individual workers and contributors to the Social Security system.

That is to say that the amendment provides that, commencing in 1994 and phased in over a period to 1999, that is in this decade, the Social Security Administration will begin to send out on a biannual basis to all workers, all Social Security contributors, a statement that tells them how much they have contributed and how much they will receive in benefits for various contingencies. The one that we most think about and most look forward to is the retirement benefit. But there is also the survivors' benefit, payments for spouse and children in the event of the worker's death. This is one of the most important of all the provisions of Social Security. Not everyone—I would dare to say not most persons covered—are aware of it, at least in those early years when people are not as concerned about such matters as, alas, they become with time. But in those early years is when they most need to know things; when a family is formed and wage earners have not accumulated anything in the way of private benefits or personal wealth. It will be nice for them to know they have this protection.

It speaks to the disability benefits. Again, we know the individual does not much like to think about it, but it does happen. The benefits are available but again there is a very limited awareness that disability pensions are there. And, finally, it describes Medicare benefits at the time of retirement.

It is the fact, Mr. President, that Social Security has been in place now for more than half a century, and its benefits have never been, as the Texans say "a day late or a dollar short." It is also the fact that the Social Security Administration is never in touch with individual contributors until they retire.

Or, to put it in graphic terms, until they die prematurely or are disabled. I can speak for myself. I think my Social Security card was issued in 1943, and I have never heard from the Social Security Administration. It happens I went out of my way to find out could I get the earnings statement in the course of a year by sending in cards, and I did finally do that, but as you have to know that is possible.

I never head from them. I do not know that they know my name or if they spelled it right or if they know what my address is or if they kept track of my contributions and, indeed, did they get them right. And the fact that we never hear from Social Security may contribute to the curious lack of public confidence in the program.

I cannot say what we do now know. But public opinion surveys show that the majority of nonretired adults in our country do not think they will get their Social Security retirement benefits. There is a deep skepticism bordering on disbelief. And you have to ask if you do not trust your Government in these matters, what do you trust it in?

In providing these statements we will follow the lead of the Canadians, who have been doing this for a few years now. We will now begin informing individuals on a regular basis what they have been paying in, what current coverage they have—disability, survivors' insurance; and after a point, when a responsible projection can be made at 50, what they will get at retirement at age 62, and then 65.

I would think of my own life of any relevance here. Up until age 35 or 40, these statements are likely to be put aside somewhere and get lost eventually. About age 40, individuals begin thinking about these things, and properly. There is a desk drawer where they get put in and added to and checked each year as to whether entries are accurate, and it will form a kind of bonding between the individual and the system, which is good for the system because people will know they are in it and have an interest in it and when we here in Washington legislate, that legislation will be watched more intelligently, carefully, and we will be more informed.

This will take a few years. It is entirely doable. It will be done and, I dare to say, that by the end of the decade, this would be thought to have been one of the more constructive acts we have taken with regard to Social Security in a very long way. May I say, as there will no doubt be inquiries about the expenses involved, they are very modest. The most expensive thing about this statement would be the stamp, and the benefit would more than outweigh the very modest cost, if not at least in the corrections to Social Security bookkeeping entries, which can become very difficult to do at a distance in time whereas they are easily rectified where there are mistakes in the previous calendar year.

I want to thank the always accommodating and always receptive chairman of our committee. The subcommittee held hearings, we had the benefit of very thoughtful testimony from our Canadian neighbors. It happens American advisers went up to them to help them devise their system which only dates from 1966, and they have come down to help us improve the reliable and widespread understanding of our system. I just want to record my great appreciation to the chairman of the committee for including these provisions in the amendment.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I want to join in the distinguished comments of our chairman of our committee. I also would like to be added as a cosponsor to the Bentsen amendment.

Mr. BENTSEN. I thank the distinguished Senator from Rhode Island for his comments.

Mr. CHAFEE. Mr. President, I also think while we are passing out the kudos around here, we certainly want to praise the senior Senator from Colorado who has labored in this vineyard for many, many years. Indeed, this is very similar, if not a replica, to that which the Senator from Colorado, Senator ARMSTRONG, presented on April 11, along with Senator DOLE, which passed here with a very substantial margin. I was pleased to have been a cosponsor of that also.

There is another point I would like to make, Mr. President, if I might. Several years ago, we passed legislation eliminating the retirement age. Previously, the retirement age had been 65, but we removed that and, therefore, it is against the law to force somebody to retire because of age. But, in effect, we have had breaks on that due to the fact that if somebody stayed working beyond the age of 65, he or she could not collect his or her full Social Security.

So it all looked very nice on the books to have an elimination of the retirement age, nonetheless the fact there is an age limitation on earnings under the Social Security caused people to retire, in many instances, when they would have chosen otherwise. So I think it is important that we recognize this legislation today as a corollary to that prior legislation eliminating the retirement age.

As many have mentioned, this does not go all the way. This does not eliminate all the restraints on earnings under Social Security. There is a period between the ages of 65 to 70 now where there are some limitations that have not been completely removed by this legislation. Nonetheless, it is a tremendous step forward, and I am happy to give it full support and to join as a cosponsor.

Again, I commend those who have been so helpful in all this, the Chairman of the Finance Committee, Sena-

29-[illegible] O-90-44 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

tor BENTSEN; the senior Senator from New York and, of course, as I mentioned, the senior Senator from Colorado and our own leader, our own distinguished Republican leader has worked on this for many years likewise. I want to thank the Chair.

Mr. BENTSEN. Mr. President, we have no more requests for time on this side. If there is no further request for time, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nay were ordered.

Mr. BENTSEN. If the Chair would hold, I promised the distinguished senior Senator from Nebraska time to comment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I rise today to again support the amendment to modify the Social Security earnings cap for individuals aged 65 to 70. I have worked for a long time with my friend and colleague from Colorado on this particular measure, and I cannot tell you how pleased I am to join him in cosponsoring, if I might be added as a cosponsor, the amendment offered by the chairman of the Finance Committee.

Mr. President, I think that other individuals have said very adequately the desperate need for this piece of legislation. I believe this is the third or fourth time I have stood in this Chamber suggesting we do this. It looks like there is unanimous agreement now on all sides. I salute the chairman of the Finance Committee for offering this amendment. I thank my friend and colleague from Colorado, with whom I have worked on this for many years.

Mr. President, we have all been expressing our concern about the need for affordable and quality child care; about the need to increase the pool of available providers. What better source to tap for help in this area than our elders. Many of these individuals, themselves parents and grandparents, have ample love, not to mention experience, to share with these children.

In this time when we bemoan the breakdown of the traditional family, here is a way to build the sense of the family unit back up again. Many children have not had the opportunity to know a grandparent or other older adult. This is truly unfortunate as older individuals can contribute so much to a child's sense of belonging, self-esteem, as well as their appreciation for family history, customs, and culture. These older cargivers serve as a wonderful role model and source of love and appreciation to all children.

The amendment we are offering would exempt from the Social Security earnings cap any income earned from employment in the child-care field. This would include direct services on a person-to-person basis as well as indirect services such as provider resource and referral information.

Current law allows a retired Social Security beneficiary to earn up to $8,880 in outside income before any reduction in benefits takes place. At that point, benefits are reduced $1 for every $2 in outside income earned above the limit. In 1990, that changes to $1 reduction in benefits for every $3 in outside income earned above the limit. That is a help, but it is not enough. It is a plain fact of life that many people cannot live on their Social Security benefits alone.

As I understand, the mechanisms to administer this provision are already in place within the Social Security Administration. It would be no added burden to create this exemption. Of course, it would be easier to make this kind of change for all beneficiaries age 65 to 70, but the House has rejected this notion on all our previous attempts. Maybe this way we can get our foot in the door with one exemption and then expand this to other equally deserviing beneficiaries.

The cost of this small amendment is minimal; $15 million in the first year and $85 million over 5 years. There is an appropriate offset.

Mr. President, this issue is not new to the U.S. Senate this year. We all know the arguments; therefore, I won't take up any more of the Senate's time by regaling my colleagues with information which is already familiar to them. I urge passage of this amendment and hope we will be successful in the House this time.

Mr. President, I yield the floor.

Mr. DASCHLE. Mr. President, today's unanimous consent adoption of the amendment by the distinguished chairman of the Finance Committee, Senator BENTSEN, increasing the earnings limitations under Social Security for Social Security beneficiaries from ages 65 through 69, is an historic culmination of Senator BENTSEN's longstanding concern and efforts on behalf of our senior citizens. I commend and thank him for his tireless efforts on their behalf and his leadership on this issue.

Today's vote is a tribute to that leadership and to the efforts of senior citizens' groups to address the Social Security earnings limitations issue. Those groups include the American Association of Retired Persons, the National Committee to Preserve Social Security and Medicare, the National Council of Senior Citizens, and others.

Today we have sent the message to America's senior citizens that we encourage them to stay or get back into the work force in this country, and that we need in our work force those senior citizens willing and able to work.

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of Senator BENTSEN's amendment to raise the Social Security retirement earnings test to $10,560 in 1990, while reducing the penalty for income earned above this limit.

The current earnings limit unfairly penalizes nearly 1 million older Americans who have chosen to continue working past the age of 65. The limit affects working beneficiaries between the ages of 65 and 70—essentially robbing them of $1 in Social Security benefits for every $2 earned above a specified limit. In 1989, the limit if $8,880.

This policy is blatantly discriminatory to working senior citizens. It subjects them to much higher marginal tax rates than those paid by younger workers with similar incomes. These rates can be as high as 83 percent for certain senior citizens, while younger workers with identical incomes face marginal rates of only 22.5 percent.

Moreover, it places working seniors at an unfair disadvantage when compared to other seniors with income from pensions, investments, and stock dividends—all of which is exempt from the current earnings limit. A recent article in the Rochester Democrat and Chronicle succinctly described this inquity:

> Those who have huge incomes from pensions or investments don't lose a dime in Social Security benefits. Those who earn more than [$8,880] a year bagging groceries do.

The most damaging effect of the earnings limit is obvious: it forces many senior citizens into an all-too-early retirement. Not only does this deprive those over 65 of their basic right to "the pursuit of happiness"; it deprives our economy of an invaluable pool of skills and experience that only senior citizens can provide. To continue this policy at a time when our Nation faces a shortage of qualified labor is nothing less than outrageous.

Clearly, fairness and commonsense call for the elimination of the ill-advised earnings limit. This body has already voted resoundingly, on a previous amendment by my colleague, Senator ARMSTRONG, to express its support for the eventual elimination of the earnings test.

The adoption of this amendment will move us forward toward this critical goal. By eliminating this outdated policy we will add fairness to the Social Security system while expanding horizons for thousands of senior citizens. I encourage my colleagues to join me in cosponsoring this needed amendment, and I urge its immediate passage.

Thank you, Mr. President.

Mr. ARMSTRONG. Mr. President, I wanted to add a footnote to what the Senator from Nebraska has said. He mentioned only in passing how long he has been in support of this issue. I want to note for the record that he has been on the floor over and over

again speaking with vigor and conviction and knowledgeably, it is in large part because of the fact he was willing to carry the ball that it has emerged as an issue of great popularity and great timeliness. So I compliment him not only for his statement today but for his leadership on this issue over a long period of time.

Mr. DODD. Mr. President, I want to again commend our colleague from Texas on this language, and our colleague from Colorado, who has worked a long time on this. I happen to feel this is a very worthwhile addition to the legislation. We in Connecticut are very proud of our hospice program, one of the first in the country. There has been for many years a child program associated with the hospice program.

That may sound strange to some people, but the elderly with terminal illness have benefited tremendously by the presence of young children. Young children learn a great deal while being around adults who are terminally ill. When we combine age groups, both benefit tremendously. The Senator from New York has worked a long time on this. I am delighted this is part of our effort. I think this makes this bill, which is a good bill, an even better bill with its inclusion. I commend him for it.

Mr. BENTSEN. Mr. President, I thank the distinguished Senator from Connecticut for his comments, the Senator from Nebraska, and the Senator from Colorado. I want to comment again how much work the senior Senator from New York has done in this field. He is a real expert in this area. I ask unanimous consent to add as cosponsors Senators DODD, SANFORD, KOHL, HEINZ, BRADLEY, PRYOR, SASSER, DECONCINI, WARNER, THURMOND, ARMSTRONG, CHAFEE, EXON, and RIEGLE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I have no further requests on this side.

The PRESIDING OFFICER. The matter before the Senate is amendment No. 203, sponsored by the senior Senator from Texas. Is there further debate on the amendment? If not, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—100

Adams	Burns	Dole
Armstrong	Byrd	Domenici
Baucus	Chafee	Durenberger
Bentsen	Coats	Exon
Biden	Cochran	Ford
Bingaman	Cohen	Fowler
Bond	Conrad	Garn
Boren	Cranston	Glenn
Boschwitz	D'Amato	Gore
Bradley	Danforth	Gorton
Breaux	Daschle	Graham
Bryan	DeConcini	Gramm
Bumpers	Dixon	Grassley
Burdick	Dodd	Harkin
Hatch	Lott	Robb
Hatfield	Lugar	Rockefeller
Heflin	Mack	Roth
Heinz	Matsunaga	Rudman
Helms	McCain	Sanford
Hollings	McClure	Sarbanes
Humphrey	McConnell	Sasser
Inouye	Metzenbaum	Shelby
Jeffords	Mikulski	Simon
Johnston	Mitchell	Simpson
Kassebaum	Moynihan	Specter
Kasten	Murkowski	Stevens
Kennedy	Nickles	Symms
Kerrey	Nunn	Thurmond
Kerry	Packwood	Wallop
Kohl	Pell	Warner
Lautenberg	Pressler	Wilson
Leahy	Pryor	Wirth
Levin	Reid	
Lieberman	Riegle	

So the amendment (No. 203) was agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER (Mr. REID). The majority leader.

Mr. MITCHELL. May we have order, Mr. President.

The PRESIDING OFFICER. The Senate will come to order.

Mr. MITCHELL. I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, we just had a lengthy debate on the subject of Social Security earnings limitation. I understand that Senator ROTH is prepared to offer an amendment on that general subject. Therefore, Mr. President, I am going to propound a unanimous-consent request that we can do that under a time limitation so that we can hopefully proceed on this bill with some dispatch, and I, therefore, ask for the attention of the Senators.

I ask unanimous consent that the Dole amendment be temporarily set aside, that the Senate proceed to the consideration of an amendment by Senator ROTH, that there shall be 20 minutes of debate on the Roth amendment, equally divided between Senators ROTH and BENTSEN; that no amendments or motions be in order relative to the Roth amendment; that upon the completion of debate on the Roth amendment, the Senate proceed to vote immediately on it.

The PRESIDING OFFICER. The Senators have heard the unanimous-consent request of the majority leader. Is there objection?

Mr. ROTH. If I may object, Mr. President, I understand the distinguished senior Senator from Colorado would like 10 minutes. I am not aware of any other requests, but I suggest that we make it a half hour, equally divided, if that would be acceptable. Is that so?

Mr. ARMSTRONG. Yes.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Reserving the right to object, and I shall not object, I have been waiting around several hours to get about 10 minutes in on the bill. I am not going to ask that the majority leader allocate me 10 minutes, but I want to say that I am going to object to any more time agreements, until I get the 10 minutes off my chest.

Mr. MITCHELL. Even though the Senator graciously did not ask, I will make an effort to accommodate him.

Mr. President, before I renew my request, in accordance with the suggestion of the Senator from Delaware, if this request is granted and we proceed with this amendment, we will then have a vote at or about 7 p.m. Between now and then, I hope to discuss with the distinguished Republican leader, more accurately to continue our discussions on this matter, and to be able to indicate to Senators some idea of the schedule on this matter for the remainder of tonight and thereafter. Accordingly, Mr. President, I now renew my unanimous-consent request and amend it to make the time 30 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I have previously talked to the majority leader and asked for 5 minutes to introduce a constitutional amendment to reverse this decision on the flag matter by the Supreme Court. I will cut that to 2 minutes, if I can have 2 minutes some time in the next day.

Mr. MITCHELL. Yes. I will do my best to accommodate the distinguished chairman after the next vote, as well as Senator BUMPERS and others. Perhaps we can work out a schedule that would give Senators some degree of certainty about how we are going to proceed this evening, and that will give time for everyone who wishes to do so, to speak, and enable Senators who have other engagements or interests, to participate in them.

The PRESIDING OFFICER. Is there objection? Hearing none, it is agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, if I may simply repeat what I have said, many, many times last week and this week. So that Senators can be aware of my intention and plan their schedules accordingly, we are going to complete action on this bill before the recess begins.

Now, we have had a hard time getting going today, because many Senators—we were told that there were 54 amendments. Although there were 54 amendments, it is very hard to find any Senator who will come over here and actually offer an amendment that we can proceed with. When we complete action depends upon the Members of the Senate. I want to repeat, so that there can be no misunderstand-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ing, whether it is tomorrow, Saturday, Sunday, Monday, or whatever, we are going to continue in session until we complete action on this bill.

I thank my colleagues for their courtesy and attention, and I yield to the distinguished Republican leader.

Mr. DOLE. I want to underscore that I think you are serious about that. Some of my fellow Republicans think you are not. They say, "We are not going to stay here Saturday, because all the Democrats are leaving town." I said, "Maybe if they do, we can win a few." It seems you made it very clear that we are going to finish the bill if we have to be here Saturday—we would not be here Sunday—Monday, or whatever.

We have whittled it down to 52 amendments. It took all afternoon, since 1 o'clock, to dispose of two amendments. I think a couple more have been disposed of by agreement. One way to dispose of about 20 is to drop section 89 out of this bill. That would speed up the bill. There are 20 amendments regarding that. Another Senator on this side said, "I just have 13 amendments," unidentified. It would help if he could identify those, so I could have a rational discussion with the majority leader.

My view is that they are not all going to be offered. I urge my colleagues on this side to get down to the bare bones number, and let us see if we cannot get some agreement to have a final vote on this package by, say, 3 o'clock tomorrow afternoon.

Mr. MITCHELL. I thank the distinguished Republican leader.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized by unanimous consent.

Mr. ROTH. Mr. President, I ask unanimous consent to lay aside the pending amendment.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Delaware cannot be heard.

Mr. ROTH. Mr. President, I ask unanimous consent to lay aside the pending amendment.

The PRESIDING OFFICER. The Senator is informed that the amendment is already laid aside. The Senator may proceed.

AMENDMENT NO. 199

(Purpose: To exempt child care earnings from the earnings test under the Social Security Act, and for other purposes)

Mr. ROTH. Mr. President, I call up amendment No. 199 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. ARMSTRONG, Mr. WILSON, Mr. BENTSEN, Mr. EXON, Mr. D'AMATO, Mr. COATS, Mr. GORTON, Mr. CHAFEE, Mr. MACK, Mr. BOSCHWITZ, Mr. MCCAIN, and Mr. GRASSLEY proposes an amendment numbered 199.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . CHILD CARE EARNINGS EXCLUDED FROM WAGES AND SELF-EMPLOYMENT INCOME FOR EXCESS EARNINGS TEST.

(a) WAGES.—Section 203(f)(5)(C) of the Social Security Act (42 U.S.C. 403(f)(5)(C)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new clause:

"(iii) the amount of any payment made to an employee who has attained retirement age (as defined in section 216(l)) by an employer for child care services (including indirect services) performed by such employee after the month in which such employee initially becomes entitled to insurance benefits under this title.".

(b) SELF-EMPLOYMENT INCOME.—Section 203(f)(5)(D) of such Act (42 U.S.C. 403(f)(5)(D)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii),

(3) by inserting immediately after clause (ii) the following new clause:

"(iii) an individual who has attained retirement age (as defined in section 216(l)) who has become entitled to insurance benefits under this title, any income attributable to child care services (including indirect services) performed after the month in which such individual becomes entitled to such benefits,", and

(4) by striking out "royalties or other income" and inserting in lieu thereof "royalties or income".

(c) PAYMENTS OF CERTAIN RECOMPUTED BENEFITS DELAYED.—Section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by adding at the end thereof the following new subparagraph:

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph shall be further increased on an actuarial basis to include such benefits which would have otherwise been paid in a lump sum (determined from the recomputation date to the effective date of such recomputation as provided under subparagraph (D)) as exceed an amount equal to such additional benefits determined for a thirteen month period beginning from such recomputation date.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to wages or income earned after the date of the enactment of this Act.

(2) The amendment made by subsection (c) shall apply to recomputations made after the date of enactment of this Act.

Mr. ROTH. Mr. President, as I said earlier today, there is nothing so promising as bringing together the wisdom of age and the future of youth. This Chamber often turns its attention to these two important segments of our society—calling our older Americans, our Nation's most important resource, and our children our hope for the future.

Tonight I am proposing an amendment that facilitates the interaction of the two through child care. It is an amendment to exempt child-care earnings from the Social Security earnings test for Americans aged 65 or older.

I am pleased to offer this amendment together, with my colleagues Senator ARMSTRONG, Senator WILSON; the distinguished chairman of the Finance Committee, Senator BENTSEN; as well as nine other cosponsors.

My amendment, as I said, would exempt child-care earnings from the Social Security earnings test for Americans age 65 and older.

As my colleagues are doubtlessly aware, this amendment was included in the minority leader's child-care package. That package failed in a close vote earlier today because of philosophical differences between its proponents and the supporter of the competing package over the principal method of addressing child-care needs.

But this amendment, offered by itself, should not be the subject of any disagreement. Mr. President, this amendment would help respond to the need for qualified child-care providers. It would do so by removing the disincentive that exists under current law for senior citizens to derive additional income caring for children. At the same time, it would facilitate the interaction between seniors and children, which is by itself a very worthy goal.

Here is how the amendment works: Under current law, the Social Security earnings test requires Americans between the ages of 65 and 69 to sacrifice $1 in Social Security Benefits for each $2 in earnings that exceeds a specified earnings limit. Next year, the penalty is scheduled to decrease to $1 in benefits for each $3 earned above the limit, but the disincentive will remain. My amendment would remove that disincentive by exempting income derived from the provision of child care from the Social Security earnings test. As a result, seniors would not be penalized with the loss of their benefits if they choose to enter the child-care profession. The cost of this amendment would be offset by a slight change in the system for repaying Social Security recipients for underpayments.

Mr. President, I think that everyone would agree that senior citizens as a group are naturally among the best qualified to be child-care workers. After all, many seniors have already raised their own children, and helped raise grandchildren as well. Some of these seniors have joined the much needed child care force, despite the penalty exacted by the earnings test. But many more seniors would be involved if we would remove the current disincentive. We can do so by passing this amendment.

Further, the passage of this amendment would enrich the lives of both senior citizens and children, by promoting interaction between their generations. Mr. President, there was a time in this country when children

could count on spending much of their childhood in the company of their grandparents. Sadly, those days have passed. Society has truly lost something when the young and old are separated. The Roth-Armstrong-Wilson amendment is one way to bring children and seniors together again.

Mr. President, my amendment would help meet the growing need for qualified child-care workers in this country. On this basis alone, it deserves to be a part of whatever child-care legislation is approved by this body. If it can help foster contact between the generations, so much the better. The Roth-Armstrong-Wilson amendment is good for our older Americans, good for our children, and good for a Nation that is presently crying out for quality child care. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. Who yield time?

Mr. ARMSTRONG. Mr. President, will the distinguished Senator yield a couple of minutes to me?

Mr. ROTH. I am happy to yield to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. ARMSTRONG. Mr. President, this is a great idea. This is not merely a good idea, this is a wonderful idea. This is a notion, the amendment which the Senator from Delaware has brought to us and which I am proud to cosponsor, which is so sensible it kind of makes one sit up and say, "Gosh, why didn't we think of this a long time ago?" It is clearly germane to the purpose of the bill, which is to provide high-quality child care. And he does so in a way that also advances another very important agenda which is to do away, gradually, with the Social Security earnings limit, which is something we all want to do for reasons we have been discussing.

But in the Senator's amendment, he simply says that to the extent that earnings are derived from providing child care, they are exempted immediately from the Social Security earnings limit. It is fair. It is logical. Most of all, it really is targeted exactly on the main purpose of this bill, which is to encourage child care.

I think most Senators remember that about a decade ago the Senator from Delaware began to advocate the supply-side economics, and it worked. The great Roth-Kemp tax cut, which he began to advocate in the late seventies and which was enacted in the early eighties in this Chamber, has helped to produce, really is largely responsible for producing, the longest period of uninterrupted economic expansion our country has seen.

What this is is supply-side for child care. Because there is a tremendous demand, but there is a shortage, in many cases, of the kind of skilled, talented, experienced personnel to provide child care. And the logical people, in many cases, to provide it are, to put it in a shorthand sense, the grandmothers of America.

This is the Bill Roth supply-side child-care program mothers amendment, and it really is a great idea.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield the distinguished Senator from California 3 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 3 minutes.

Mr. WILSON. Thank you, Mr. President.

Mr. President, I agree with the Senator from Colorado. This is a great idea. I commend the Senator from Delaware for having another one.

Let met pick up on the comments of my friend from Colorado. The reason it is such a good idea is because, as he has said, using the phrase "supply side," this will deal not just with supply but with the supply of quality child care. And it is that concern with quality that I think should be first and foremost in our minds. It is what has promoted much of the debate on this floor, much of the disagreement with respect to the best approach for funding.

Many have sought to supplement the earned income tax credit in order to provide assistance, which the law does not now provide, to mothers who choose to stay at home rather than to seek a second income for their families in order to provide quality child care in those critical first days and months and years of a child's life.

Now, more and more those who are writing about child care, those who have spent a career doing so, Burton L. White, those who have written at the Harvard Project for Child Care, Zigler at Yale—any number of people have said the best quality child care, the kind that will most clearly guarantee the bonding, the attachment that is essential to produce the kind of responsible and empathetic human beings that we hope children will become as adults, comes from that kind of care.

It is perfectly true, Mr. President, that not all women who have gone into the marketplace can have the luxury of that choice, even though we were targeting the earned income tax credit at the mothers in a poor, working family. There are single mothers who do not have the option to choose to stay home. They have to go into the marketplace, of necessity.

So the next best care, frankly, are the grandmothers. And not necessarily one's own grandmother. That is certainly the most desirable, I suppose, but senior citizens, those with the wisdom and the experience, the care to be first-class child-care providers are an enormous resource and we ought to do everything possible to induce a greater supply of them. And that is exactly what the Roth amendment will achieve.

It is a superb idea. We should be doing everything possible to, I think, enlarge the possibility for work and earnings of those over 65 in general. But in no area is it quite so obviously a benefit, is the fit so perfect, as between those grandmothers, those senior citizens, and the children who are in need of that kind of quality care.

I wonder if I might have an additional minute. I think my time is about expired.

The PRESIDING OFFICER. The Senator is recognized for an additional 1 minute.

Mr. WILSON. Mr. President, let me indulge in a personal reminiscence. Things have changed since I was a child. Then most mothers were at home. Today, most women of childbearing ages are in the marketplace. But I was one of those fortunate kids to be brought up in an extended family. My grandmother lived with us. Sometimes we were not all convinced it was a great fortune but in fact she was a treasure.

Somehow she taught me to read before I ever got to kindergarten. This was a woman who had barely a grammar school education in Ireland; came over at the age of 16.

I think at her hands I received something, as well as from my own father and mother, that, really, is a great gift. We ought to encourage that kind of thing, whether it be from a child's own grandmother or someone who has, through the time of life, come to the period where she can give that sort of care.

Mr. President, as I yield the floor I do congratulate my friend from Delaware because this is a simple, very, very good idea.

The PRESIDING OFFICER. Who yields time? The Senator from Delaware has 3 minutes and 20 seconds.

Mr. ROTH. In closing, I would like to thank the distinguished Senator from California as well as the senior Senator from Colorado, for their most gracious remarks. I also want to express my appreciation to the distinguished chairman for cosponsoring the amendment.

Mr. President, I am ready to take this to a vote.

Mr. BENTSEN. Mr. President, I wish to thank the distinguished Senator from Delaware for this comments. As he knows, I modified my amendment to make room costwise for his. I think his contribution is a good one and I am delighted to support it.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield to the Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent to be listed as a cosponsor as well on the Roth amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. I want to commend the Senator from Delaware and others associated with this. I mentioned the

VOL 135 PT 9 JE 14 — 22 1989 UMI

contribution of the Senator from Texas. These two amendments I think add, again, substantially to the merits of the overall bill; recognizing, of course, the tremendous value that older people can bring to the quality of child care, as I think our colleague from California made note.

I agree with that statement and I urge the adoption of this amendment.

Mr. COATS. Mr. President, I want to compliment Senators ROTH and ARMSTRONG for again raising this important issue concerning the earnings test for our senior citizens. This issue has come before this body on previous occasions, and each time we have responded overwhelmingly and resoundingly with a call for change in the current law. Now we have another opportunity to express our commitment.

So often, not only in this body but across the country, we have said all the right words about the importance and contribution of senior citizens. But our rhetoric is very different then their reality.

We talk of their wisdom, then lock them out of our busy lifestyles as intrusive burdens.

We express concern for their provision, then condemn so many to the lonely isolation and criminal squalor of cut-rate institutional care.

We praise their experience, then hasten their exit from the workplace with impatient finality.

We denounce discrimination on the basis of age, and yet legally treat our seniors as second-class citizens.

But I think this amendment that the Senator from Delaware has offered can go a long way to bridge that gap.

Current law mandates that every senior citizen under 70 lose $1 of their social security benefits for every $2 they earn elsewhere—above a limit of $8,880 set by Congress. It is a stiff, built-in penalty for senior citizens who want to work—a tax of sorts on those who can least afford it. And it sends a simple message: Your time is over. Your contribution has ended.

I remember 20 years ago when my father retired. He was a pharmacist, but had worked for 35 years as a salesman for a drug company. When he retired, he wanted to go back to take up, once again, the job he had been trained for. There was a shortage of registered pharmicists at that time in our town, so he was a welcome addition.

But I remember coming to visit in May of that year, 5 months after he returned to work on a part-time basis. He told me, "Well, this is my last week at the pharmacy." I asked, "What do you mean? I thought you enjoyed the work?"

But he replied, "I am now at the point when I hit the earnings limitation, and so for every $2 I earn at the pharmacy, I have to give back $1 of my Social Security benefits. I didn't work all those years to save my Social Security benfits to hand them back. I want to work, but the law is such that I'm not going to work. I informed the owner of the pharmacy that I'll see him next January to start again."

This is a time when we are sending signals to our young people saying, "Look, don't count on Social Security for all of your retirement earnings. It is a supplement. Don't get yourself into a situation when you retire at age 65 where you only have that Government check to cover all your expenses." I tell my children that. I tell people in town meetings that. Social Security is a supplement, and it won't meet all your needs.

We send people that message, but as soon as they retire we sent them another message: Do not supplement your income over a certain level or we will take away your Social Security benefits.

It just makes no sense. These two provisions are in direct conflict with each other.

The amendment that the Senator from Delaware has proposed is a small but important step. Significantly and appropriately, it is an amendment to the child-care bill which will benefit senior citizens most of all. The Roth amendment, which I am pleased to cosponsor, would exempt all earnings from child-care services, direct and indirect, from the retirement earnings limit.

This would, in effect, recognize an important connection it is our business to encourage—both for the sake of need and compassion. The elderly have the stability and experience that makes them particularly suited to the provision of child care. They have the unique sympathy of long experience for the innocent. Encouraging senior citizens to help meet our child-care needs benefits children, parents, and the elderly themselves. It is part of an innovative solution to a real need.

Let me state three basic contradictions in the current law. First, it unfairly discriminates against the elderly. We have pressed down on the shoulders of senior citizens a marginal tax that is nothing less than confiscatory.

Take, for example, a 65-year-old woman who needs to supplement her Social Security by working as a secretary or bank teller or child-care provider. If she goes over the earnings limit, the Federal Government bleeds her with tax after tax—the 50-percent earnings tests, a 15-percent income tax, 7.51-percent FICA, 7.5 percent on Social Security benefits, and the 3.37-percent catastrophic insurance tax. That adds up to an 83-percent marginal rate on the elderly.

But a younger worker, with the same income, would only be taxed at 22 percent—that is, 15-percent income tax plus 7.51-percent FICA. That is a 61-percent gap—the margin of our indifference.

Second, the current earnings limit is bad labor policy. A 50-percent Social Security cut for senior citizens who works drives most of them out of the labor force—and who can blame them? But we are enforcing this disincentive at a time when many economists are predicting labor shortages—and many businesses are already feeling them.

Businessmen across Indiana are saying that we literally are at full employment. Many people who are looking for jobs have little or no experience. This situation is simply going to get worse as we move into the decade of the nineties. As a result we are going to want to turn to our seniors for the experience they bring, and allow them to be part of the labor force. We should be encouraging, not discouraging, seniors that want to remain productive—not just for their sake, but for ours.

And finally, the present law discriminates against those elderly with "earned" income in favor of those with "unearned" income. The earnings limit does not consider money from pensions, stock dividends, or bond interest. So it's only those who really need to work—those without stocks and bonds—who end up losing Social Security benefits. It is a burden we place not only on the elderly, but on the elderly who can least afford it.

I can't help but note we are considering this amendment just as many senior citizens are about to be hit with a massive new tax for catastrophic insurance. And I'm convinced that this amendment is one way we can help offset that burden. We need to find others. But this is a start—and an important start.

A vote against this amendment is a vote against needed relief for some 855,000 older Americans who currently have their benefits reduced because of the earnings litmus test.

But a vote for the amendment of the senior Senator from Delaware sends a broader message to seniors: We don't underestimate your financial troubles. And we value your work and contribution, especially your contribution in providing loving care for children. You are not just wanted, but needed. You should not just be tolerated, but welcomed—as well as rewarded.

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of the amendment by Senators ROTH, ARMSTRONG, and WILSON to exempt child-care earnings from the Social Security earnings test for workers aged 65 and older. By freeing older workers from the unfair restrictions of the earnings limit, this amendment will create an important new incentive for older Americans to participate in the care of our children.

The current earnings limit discriminates against all workers aged 65 to 70. Our amendment would remove this burden from those older workers who earn income as child-care providers. According to the Congressional Budget Office, our amendment would immediately help 14,000 senior child-care providers. This amendment af-

fects not only those who provide direct child-care services on a person-to-person basis, but also those—such as resource and referral providers—who provide indirect services to parents.

I believe our amendment will help reverse one of the most harmful effects of the earnings limit: its tendency to force senior citizens into an all-too-early retirement. By removing the earnings penalty for seniors in the child-care professions, we create a new opportunity for seniors who want, or need, to remain active in the work force.

Morever, by encouraging senior citizens to become providers of child care, we foster the marriage of two of our Nation's most valuable resources: our children and our elderly. In a society that is becoming increasingly mobile, both young and old are losing the benefits of the extended family. Our amendment can help reverse the effects of this trend by creating valuable opportunities for interactions between the generations.

It is important to note that our amendment would benefit workers in a traditionally low-wage profession. According to the Department of Labor, the average child-care service provider earns between $8,000 and $12,000 annually. Although every profession can benefit from the expertise and talents of elderly workers, it is hard to imagine a field better suited to our Nation's seniors than child care.

Mr. President, if we truly believe our people are our greatest resource, we will do everything in our power to permit their full participation in society. That is why I strongly support the complete elimination of the earnings test. Until this is done, I am pleased to support an amendment to exempt at least some older workers from this outdated penalty. By passing this amendment, we will take a positive step forward toward greater fairness for all senior citizens.

I encourage my colleagues to join me in supporting this worthy amendment, and I urge its immediate passage.

Thank you, Mr. President.

The PRESIDING OFFICER. Is there further debate?

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Has the Senator from Texas yielded back his time?

Mr. BENTSEN. Mr. President, I have no more requests for time. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield back the remainder of my time.

The PRESIDING OFFICER. There is no further time.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, Senators were earlier under the impression that this vote would occur at about 7 o'clock. I, therefore, intend in just a moment to suggest the absence of a quorum for a few moments. I merely want now to give Senators notice that this vote is going to occur a few minutes earlier than previously anticipated because time has been yielded back.

I also intend, for the benefit of Senators, to seek to obtain an agreement with the distinguished Republican leader which I have been working on that would permit us to have a window for 1½ hours following this next vote during which amendments would be taken up, but the votes on them would be stacked for a few moments.

I am advised by the manager of the bill that he has two amendments by the Senator from Minnesota that could be accepted and completed within a few moments, Mr. President. So, therefore, may I make an inquiry.

Is any change in the pending agreement necessary to permit the manager to now handle amendments by the Senator from Minnesota?

The PRESIDING OFFICER. We are in a nondebatable posture at this time. We need a unanimous-consent request to have a vote at 7 o'clock and to consider the amendments at this time.

Mr. MITCHELL. Accordingly, Mr. President, I ask unanimous consent that the Senator from Minnesota be recognized to offer two amendments and that, upon disposition of those amendments, that the Senate proceed to the vote on the now-pending Roth amendment.

The PRESIDING OFFICER. Is there objection? Hearing none, that is the order.

The Senator from Minnesota is recognized.

AMENDMENT NO. 205

(Purpose: To authorize States to provide funds to local libraries to be used for the provision of services to certain child-care providers)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] for himself, Mr. HATCH, and Mr. DODD proposes an amendment numbered 205.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, between lines 2 and 3, insert the following new subparagraph:

(E) Allow that the State will make grants to local libraries for the purchase and delivery of children's books, videos, tapes, and toys to licensed or certified family-based or group child-care providers, child care centers, or other providers that meet State eligibility requirements.

Mr. BOSCHWITZ. Mr. President, the amendment I have sent to the desk would enable local libraries to deliver books and other educational materials to child care providers. Using a bookmobile, this program would give providers access to things like books, tapes, videos, and educational toys, even if they lived some distance from the closest library.

Mr. President, research indicates that children who are read to and are exposed to books at an early age are more able to learn, more likely to achieve academic success, and more disciplined in the classroom situation. They learn to listen attentively and enter school as better students.

Some providers who live close to a library can already take advantage of these resources. But many of the providers in my State are home providers who live in rural communities. Some are 20 miles or more from the nearest library, and bringing their children to the library during the day becomes quite an undertaking.

Under this program, providers would have another opportunity. A bookmobile would visit local providers, perhaps twice a month, and provide them access to these educational materials. Home providers could make their homes extensions of the local library, and their children would spend more time with books, videos, and tapes.

One of my goals in child care legislation is to provide incentives to become licensed. Often, the Government piles on so much regulation that it drives providers underground. If we limit regulation and provide incentives to become licensed, many of those providers will choose to become licensed.

This amendment includes one of those incentives. The bookmobile program will be available only to licensed providers.

I have worked for years on another program that is perhaps the strongest incentive for providers to become licensed. That program is the Child Care Food Program. In recent years, I have worked to increase the reimbursement for meals under CCFP, and this year I am pushing to provide an additional meal or snack under the program.

Hundreds of providers in Minnesota have written me to say how valuable the program is to them. It helps them provide nutritious meals to their children, and it gives them a tangible benefit for becoming licensed.

Mr. President, if the goal of this legislation is to increase the quality of child care in America, this amendment helps achieve that goal. It improves the variety of material available to children, and it gives providers, especially those in isolated communities, access to valuable materials.

I yield the floor to the Senator from Connecticut.

Mr. DODD. Mr. President, I had a chance to review this amendment. My colleague from Utah, who is not present on the floor right now, has had a chance as well to review this

amendment. We feel it is a good amendment being offered by the Senator from Minnesota.

It would, as he has indicated, permit the States to use funds for grants and local libraries for books, toys, and other materials that would be made available to child care providers. This library outreach program would be designated as one of the activities to improve child care.

Libraries, of course, as we all know, should be encouraged to do this generally, but I want to say that I am especially interested in the improved resources that may be available to family-based providers, not just the center-based or the school-based.

The Senator's amendment calls for family-based providers to also receive these educational materials as a result of his amendment. I think it is an excellent amendment. The Senator from Utah agrees with that conclusion.

Mr. President, we are delighted to accept it as one more feature that we think will improve the quality of child care across this country.

The PRESIDING OFFICER. Is there further debate on the amendment? Hearing none, the question is on agreeing to the amendment.

The amendment (No. 205) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 206

(Purpose: To express the sense of Congress regarding appropriations for subpart 8 of part A of title IV of the Higher Education Act of 1965)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] proposes an amendment numbered 206.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF CONGRESS REGARDING THE HIGHER EDUCATION ACT.

(a) FINDINGS.—Congress finds that—

(1) postsecondary education is an increasingly important element in enhancing the productivity of the work force;

(2) the enrollment of students in colleges, junior colleges and technical institutes continues to increase rapidly;

(3) the most rapidly growing segment in such institutions consists of those students who are 25 years of age or older;

(4) postsecondary education must expand its services to meet the needs of the changing student population;

(5) a barrier to continuing education is the lack of affordable, accessible and quality child care;

(6) students are often economically disadvantaged and child care costs are an additional financial burden;

(7) postsecondary schools have limited resources for traditional student services and do not have additional funding for child care; and

(8) the 100th Congress recognized that such problems exist and authorized, but did not appropriate, $10,000,000 for postsecondary institutions to assist students with child care.

(b) SENSE OF CONGRESS.—It is the sense of Congress that $10,000,000 should be appropriated in fiscal year 1990 to carry out subpart 8 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070f).

Mr. BOSCHWITZ. Mr. President, the amendment I have offered expresses the sense of the Senate that special child-care assistance for low-income students should be fully funded.

A solid education is the gateway to a better life. As our society becomes more complex, postsecondary education is an increasingly important element in enhancing the productivity of the work force. As technology continues to change at an ever increasing pace, individuals must continue to upgrade their skills. It is not surprising that the enrollment of postsecondary institutions continues to rise.

Most of us think of the students in 4-year colleges, community colleges, and technical colleges, as a young person who has recently graduated from high school. However, this is not the case, especially not in the case of community and technical colleges. The age of students in these postsecondary institutions is increasing, with the average age in Minnesota now approaching 28.

These students have returned to obtain skills to improve their chances in the job market. Some want to obtain job skills that will enable them to move into the work force, others want to win a promotion within their company, and others want to change careers. Whatever their reason, they return to school with needs that are far different from the recent high school graduate.

One of the biggest needs they have is child care. I have visited many campuses in my State, and these schools often find it very difficult to help students find child care.

In the 100th Congress we recognized that problem. As part of the higher education act, we authorized $10 million for postsecondary institutions to help poor students pay for child care. However, we have never appropriated any funds for the program. This amendment puts us on record in support of full funding.

Mr. President, I urge my colleagues to support this amendment and support funding for this important program. Child care assistance can help low-income students get the education that will lead to a brighter future for themselves and their families.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, this is a good amendment. Again, the Senator from Utah, [Senator HATCH] and I have reviewed this amendment. We believe it is a worthwhile amendment.

As the Senator from Minnesota has indicated, this amendment would allow for low-income students to receive child-care assistance as they go on to postsecondary education.

As the Senator from Minnesota has indicated, many of those people fall into the age bracket of being older students who want to go back to school and complete their education or resume their education. This provision, of course, calls on the Congress to support what we did really in the last Congress. That is, to appropriate some of these moneys that were authorized so these families do have the opportunity to get child care and a better education.

I see my colleague from Utah has arrived. He can speak for himself, but I happen to believe, and he does as well, that this strengthens the legislation.

I wanted to point out earlier in your previous amendment—and I saw our colleague from Illinois, [Mr. SIMON], as well as our colleague from New York [Mr. MOYNIHAN], both of whom have dedicated no small portion of their lives to talk about literacy in this country. The fact that your first amendment addresses library services to be made available to child-care providers I think is something both my colleagues from Illinois and New York would strongly support and would like to be associated with in their interest in improving the literacy of people in this country, making those kind of resources, connecting libraries with child-care providers, exactly the kind of networking that ought to go on to improve the opportunities of young people in this country.

I saw both my colleagues here, and I regret I did not make mention of that.

Mr. MOYNIHAN. I thank the Senator.

Mr. HATCH. Mr. President, I agree with the distinguished Senator from Connecticut. I think it is a good amendment. I would like to be listed as a cosponsor on this and the prior amendment which has been adopted. So we urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DODD. Mr. President, I ask unanimous consent to be made a cosponsor of both the amendments of the Senator from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no further debate, the question is on agreeing to the amendment.

The amendment (No. 206) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be advised the regular order is invoked on the pending amendment.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the distinguished Senator from South Carolina be recognized for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina is recognized for a period not to exceed 3 minutes.

Mr. THURMOND. I thank the Chair.

(The remarks of Mr. THURMOND pertaining to the introduction of Senate Joint Resolution 167 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MITCHELL. Mr. President, for the information of Senators, we are now about to have a vote on the pending amendment. I will make an announcement immediately following the vote as to whether or not we have been successful in getting a proposed agreement to create a window of approximately 90 minutes and stack whatever votes occur during that period for 90 minutes thereafter. I will attempt to have an agreement ready to propound following that vote. We are not yet able to propound that agreement because all interested Senators have not yet been fully consulted, but that is my intention, that we will have approximately 90 minutes after this vote during which there will be a window without any votes for the benefit of Senators.

I thank the distinguished Republican leader for his cooperation.

Mr. President, I yield the floor and understand that the vote on the pending amendment is now in order.

The PRESIDING OFFICER (Mr BAUCUS). That is the regular order. The question now is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—100

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gore	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatch	Packwood
Bradley	Hatfield	Pell
Breaux	Heflin	Pressler
Bryan	Heinz	Pryor
Bumpers	Helms	Reid
Burdick	Hollings	Riegle
Burns	Humphrey	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Roth
Coats	Johnston	Rudman
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	Matsunaga	Wirth
Ford	McCain	
Fowler	McClure	

So the amendment (No. 199) was agreed to.

Mr. ROTH. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is the pending amendment, No. 202, offered by the Republican leader, Senator DOLE.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, as I indicated—may we have order, please?

The PRESIDING OFFICER. The Senate is not in order. The majority leader has an important announcement to make.

Mr. MITCHELL. Mr. President, as I indicated prior to this vote, it is my hope that we can reach an agreement that would create a window of approximately 90 minutes, during which there would be debate on the bill, at least one amendment taken up, and a vote on that to occur at approximately 9 p.m. So the Senators, many of whom have asked about the opportunity to attend other functions, at least for a brief period of time, would be protected in that regard.

However, we are still trying to work out the terms of that agreement. I am unable to propound the agreement at this time, because some Senators who have an interest in it are attempting to make a determination in that regard.

If Senators who wish to attend other functions will want to leave and take their beepers with them in the expectation that there will be a window, I can provide them this assurance, that if we cannot get the agreement and we do have a vote during this period of time, we will give everyone sufficient notice prior to the time that the vote begins, so that Senators could be able to return from their functions, providing they are within no more than 20 or 25 minutes from the Senate Chamber.

I hope to be able to propound that agreement in just a few minutes. I am not yet able, because it would be objected to, and I want to wait until I think we can get it clear before propounding it.

Therefore, Senators who wish to leave and attend other functions should be aware that votes are possible during this period, but if they do occur, there will be sufficient notice for Senators to return. We will not just have a vote and go off. We will give notice prior to the time.

Mr. ARMSTRONG. If the leader will yield, that would indicate that maybe we would have a vote around 9 o'clock?

Mr. MITCHELL. That is correct.

Mr. ARMSTRONG. Could the leader disclose his plans beyond that?

Mr. MITCHELL. It is my intention to remain in session, as I said many times before today, all week, into the evening, in the hopes that we can make substantial progress on this bill. The alternative would be to go out and return tomorrow and possibly Saturday, and I think most Senators prefer to continue into the evening, so that we will not have to be here on Saturday or, possibly, tomorrow night.

Mr. ARMSTRONG. Mr. President, whatever the leader wants to do is fine with me, but let me just express this concern: I have a hunch that there is only about one amendment that is ready to be called up in this window, and we may find ourselves using 90 minutes to dispose of something that would otherwise be disposed of in 15 or 20 minutes.

Mr. MITCHELL. If I may comment on that, there will be other matters dealt with during the window. For example, the Republican leader and I will conduct the wrap-up business. We have other Senators who wish to speak.

Mr. ARMSTRONG. I thank the leader. I wanted to be sure we could expedite it.

Mr. COHEN. I do not have any objection to going on into the evening. What I do have objection to is going on into the morning. Frankly, I know that there are other important matters. The "Batman" movie, I am told, is on. Now I certainly am a big fan of the Gotham duo; but I really would have strong objection to going on into the morning hours under this proposal, if that is what the design is.

Mr. MITCHELL. The unanimous-consent request to which the Senator could, of course, object will not deal with any action after 9 p.m. And as my distinguished colleague knows, I try

very hard to accommodate all Senators—none more than my senior Senator—and I will do the very best I can in that regard.

Mr. DOLE. Mr. President, we are down to 50 amendments now. Nobody wants to offer any. I understand that Senator COATS, who had a package of 13, all but 1 or 2 of those may be worked out; there may be some agreement on those. That would eliminate 13. I have just given Senator BENTSEN a sheet with section 89 amendments that we hope something would happen with. I am not certain how many of the other amendments will be offered, but it would certainly be helpful to the leadership and to the request of the senior Senator from Maine, if somebody would come and offer amendments.

We are going to do wrapup, and Senator BUMPERS is going to speak for 10 minutes, and there will be a request for a vote on the gas conference report. Hopefully, by 8:30 we will have people stacked up here willing to offer amendments that we can get time agreements on.

Mr. MITCHELL. If I may comment on the remarks of the distinguished Republican leader, he, of course, got right to the heart of the matter. We have a long list of prospective amendments, but it is extremely difficult to get Senators to come and offer amendments. As a consequence, we spend an enormous, and in my judgment, an inordinate amount of time pleading with people to come and offer amendments, and in the meantime everyone else has to wait. That is the principal problem that we face, and we have faced for a long time, and everybody is aware of it. Everybody deplores it, except those who have the amendment that they want to wait until tomorrow or some other later time to offer.

We have all been in both positions, so I think we all comprehend the problem very well.

Mr. President, I ask unanimous consent that Senator BUMPERS be recognized to address the Senate for 15 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I thank the majority leader.

Mr. President, I feel very strongly about the Act for Better Child-Care Services and did not want it to be debated for this length of time without my expressing my support for it.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order. The Senate will please be in order.

The Senator from Arkansas is recognized.

(Mr. FORD assumed the chair.)

Mr. BUMPERS. There is another reason, Mr. President, that I wanted to speak. The day before yesterday, Heidi Hughes Bumpers, wife of my son Bill, gave birth to our first grandchild.

I hastened down to George Washington University Hospital to have a look at him. He is indeed a fine looking lad—five fingers on each hand, five toes on each foot, good, healthy lungs. As I stood looking at him, in awe that my blood is running in his veins, I was a lot more rhapsodic than I thought I would be. I thought for a long time that Betty was excited enough for both of us.

But I also thought about how lucky that youngster is—devoted and rather affluent parents, grandparents, aunts and uncles all to dote on him. Someday perhaps he will understand just how lucky he is to have been born with all that adoration and love.

And then I thought back to that same son, Bill, who called me the morning after Christmas and said, "Dad, I would like for you to go with me tomorrow."

"Where do you want me to go, Bill?"

"Well, our law firm feeds the homeless periodically and tomorrow morning is our law firm's time to feed at an organization called SOME." S-O-M-E, So Others Might Eat.

"Where is it?"

"Just off North Capitol."

This group is located eight blocks north of the building in which we sit, in full view of the U.S. Capitol.

My daughter Brooke was home for the Christmas holidays, so she and I got in the car and drove down there at 5:30 in the morning. We drove into the parking lot of this place where the homeless are fed. There were roughly 400 men standing out in 26-degree temperature waiting to be fed. My daughter, my son and his wife, and I flipped pancakes for 4 hours until we fed those 400 men and two women.

On the way home, I was talking to my daughter. I said, "You know, Brooke, there was probably not one single person there born in Potomac, MD, where homes start at a million dollars each. There was probably not a single soul there that was born in Bethesda or Chevy Chase, where your mother and father live, where homes start at, say, $400,000 each."

Thirty percent of the homeless, they say, are mentally ill, 30 to 35 percent. Thirty to thirty-five percent of them are drug abusers. The rest are full-time employed. They just do not make enough to afford an apartment or a house in Washington, DC.

I would guess, without doing a poll among those 400 men, that an awful lot of them spent a lot of time at home as children with nobody in attendance. A lot of them came from homes where their parents could not afford day care, and maybe the aunts and uncles and grandparents were working and unable to care for them.

Since 1950, Mr. President, we have done a remarkable thing in this country. We have cut the poverty rate among the elderly from 24 percent to 12 percent. In that same period of time, we have allowed the most helpless among us, namely, our children, to sink deeper into poverty.

The poverty rate among American children is not quite at an alltime high, but it is shamefully high. As many as one-fifth of all children are living in poverty. There are 36, 37, 38 million people without any health care, not even Medicaid, and 11 million of those are children.

Now, how many speeches have the Members of this body made on how precious our children are; how our future is in their hands; how we must protect our children from drugs, from violent television, from violent movies, from child pornographers; how we have got to give them a superior education?

I read the other day—and everybody in this body ought to be alarmed—a poll that is taken every year among high school seniors that asks them, "Who do you admire most?" I cannot name all 10 of them, but here are the ones I can remember of the 10 people most admired by the seniors in America's high schools:

Arnold Schwarzenegger, Patrick Swayze, Larry Bird, Michael Jordan, Mike Tyson, Oprah Winfrey, Jesse Jackson.

Poor Tom Cruise was No. 1 last year and he did not even make the top 10 this year. No Pope, no Gorbachev, no Reagan, no Bush, no Mother Theresa, not even mom and pop made the list.

When I was a country lawyer in Charleston, AR, for 18 years, I guess I tried 500 divorce cases. Finally I quit taking them.

But, you know, I can only remember one man coming into my office wanting a divorce who did not say, "What is the least you think you can get me out for?" Every single man, with one exception in my memory, wanted to know was the very least alimony he could pay his wife and the very least child support he could give his children.

The second thing I remember is 80 percent of all the people who ever came to me with marital troubles came with money troubles.

Some complain that ABC is just another entitlement program for the poor. Well, it is not an entitlement program. But I must say, I do not think we ought to be doing things like this for the rich. If we are concerned about our children, is it not the children from the underclass whom we are trying to help? Have we become so cynical in this country that those of us at the top of the ladder want to step on the hands of those reaching for the first rung? Of course, we want to help the underclass. And that is what this bill is all about.

I will be forever indebted to my distinguished colleague and very dear friend CHRIS DODD for his tenacity in bringing this bill to the Senate. Despite very trying conditions, he has finally brought this bill to the floor.

My grandson is going to get all the care in the world. He does not need this bill. His paternal grandfather and grandmother will do everything in the world to make sure that that child goes to the best schools, and has the best day care. His mother, a brilliant lawyer may or may not stay home with him. But whatever she does, we know he will have the best day care.

But I want you to know that not everybody gets that kind of first-class day care.

I heard the distinguished Senator from Connecticut [Mr. DODD] say the other day his mother was home every day when he came home from school. I say to the Senator, mine was, too. And I can remember on two or three occasions when she was not home—maybe she was over at the neighbor's house—the feeling of apprehension I had because she was not there. Not everybody has the care or the opportunities we had. My brother, sister, and I grew up about as poor as you could get. My brother and sister are both fairly well-to-do. They've made it. They think I am the failure in the family. But I can tell you such success as all three of us have had has been because of a devoted mother and father.

I tell my brother all the time, "You know how you made it? You chose your parents well." But everybody is not that lucky, either.

Well, I am not voting for this bill for my grandson. And I am not suggesting that other parents love their children or grandparents love their grandchildren less. But it is for economic reasons that we are doing this, to help parents who must work. They are working for economic reasons.

I am not going to burden this RECORD with statistics which have been recited time and again. The statistics on women moving into the work force are overwhelming. Fifty-six percent of all women work and 80 to 90 of them say they work because they have to.

Why do they feel they have to? Because they love their children. They want them to be well fed. They want them to be well housed. And they want them to get the best education possible.

Some of the phone calls to my office have suggested that this bill is designed to encourage mothers to leave home and get away from their children. This bill responds to the fact that women have already moved into the work force, primarily for economic reasons.

Women work because they want their children to have things. They work because they love their children. And the most important thing in the world is for mothers and fathers to have the satisfaction of knowing their children are being deposited in good day-care centers.

Mr. President, I also want to say, sometimes I am tempted to vote against this bill because of the lack of standards. As the Senator said, you cannot even get your dog's hair trimmed unless the guy who does it has been licensed. You cannot get a haircut, not in the Senate barber shop or anyplace, unless the guy has been licensed. I am not denigrating the States. I used to be Governor, and I used to fight about these things with the Feds. But shouldn't we require day-care centers to meet minimum health and safety, staffing, and group size standards? Shouldn't we at least make sure our children are in safe centers with qualified staff?

You bet I would have put standard in this bill. I have listened to this debate day after day and I still fail to understand how on Earth anybody could say we ought not to have standards.

Mr. President, in 1985, 67 percent of the 4-year-olds in this country and 54 percent of the 3-year-olds of parents who earned over $35,000 a year were in formal day care.

But if we go down to two parents making the minimum wage, those percentages are cut in half. It is an economic problem. Many more parents would choose formal, quality day care if they could afford it.

Some of the churches in this country have fine day-care centers and they ought to continue to have day-care centers, and they ought to be in this program. The constitutionality of the church-state compromise in ABC—which would allow parents great freedom to use certificates to purchase religious day care—will likely be reviewed by the courts. The argument that is used in support of the Republican alternative—that it will not be subject to consititutional attack—does not persuade me that it compares favorably to ABC. It does not improve the quality of care for all children and does not provide enough assistance to needy parents.

Mr. President, that is about all I have to say on something that I think is so very important. I want to say to the distinguished Senator from Connecticut that this country owes him a deep debt of gratitude. The children of this country, whether they ever know who they are beholden to—will always be indebted to the Senator from Connecticut for his absolutely relentless work on this bill.

I hope the President will not veto this bill. If he wants some partisan advantage out of it, I am for him. Let him have it. It is the substance of this bill that I care about, and it is the substance of the bill the Senator from Connecticut cares about. And I strongly urge my colleagues to vote aye on this bill.

It may not be perfect, but it does give mothers and fathers the peace of mind of knowing that their children, when they have to work to keep body and soul together, are being well cared for.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I, first of all, want to thank my distinguished friend and colleague from Arkansas for his very kind comments about our work on this legislation. Senators HATCH and I and many others have worked for countless weeks and months as he pointed out.

Because of the support of the Senator from Arkansas along the way—I mean this—on a lot of things that do not show up on the legislative product, but some phone calls and some messages to some Governors and others around the State, former colleagues of his—I look at the Presiding Officer and he is in the same category—because of that we are able to come up with a product that has the support it does because of those efforts.

I am not being candid with my colleagues or anyone else if I say otherwise, but there are an awful lot of hands that baked this product. One of them is sitting right here next to me, my colleague from Utah, and countless others around this room on both sides of the aisle.

Even some who did not support us today in votes this morning contributed to this product.

So it is an effort that involved an awful lot of people, people who are not Members of this institution. People whose names will never be recorded, I guess, anywhere, but who spent a lot of time giving us their ideas, pediatricians, early childhood development specialists, many others.

The Senator from Arkansas has the God-given talent to be able to express how many of us feel so eloquently and forcefully. He has done in about 10 minutes what I have tried to do I guess over a week, trying to express my views about what this legislation means to an awful lot of families in this country.

He has, once again, provided us with his eloquence, his passion, his thoughtfulness, and the Senator from Connecticut is extremely grateful to him once again for that.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, before the Senator from Connecticut reminded me, I had already had terrible pangs of conscience about not saying something about Senator HATCH, who has probably taken 10 times more abuse than Senator DODD has taken over this bill. The Senator from Utah has stood steadfast in support of this bill in the face of some really strident criticism. That is the mark of a real statesman.

My colleagues know, we can put our fingers in the air and test the wind or we can take an overnight poll and just vote that way and stay forever. But I can tell you, when a Senator faces the criticism that Senator HATCH has faced on this, his tenacity is most admirable.

VOL 135 PT 9 JE 14 — 22 1989 UMI

My admiration and respect for him have increased during the debate on this bill.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I cannot thank my colleague enough for his kind comments. However, I do agree with the distinguished Senator from Connecticut that there have been many people who have worked very hard on this bill, some of whom still do not yet support it.

But we are hopeful that this evening we can put together the coalition that will bring everybody together. I think it is going to take listening to the President, listening to colleagues on my side of the floor. It is certainly going to take some statesmanship on this side of the floor. And I believe we have the people here who are the statesmen who can put this together in its final form and fashion that will pass both Houses of Congress.

In that regard, I just have to compliment my friend from Arkansas for the work he has done on this bill, and above all, my friend from Connecticut.

I just call on everybody at this particular time to pull together. Here is a chance to pass a landmark bill that will really help families; that will alleviate a lot of pain and distress. We cannot just expect our own individual ideas to carry the day. We have to consider there are good ideas from others here in this body and I think both the distinguished Senator from Connecticut and myself have, throughout this process, tried to look at every idea which has come.

I am going to express my regard and my esteem for this great body and for the way this process works. I just hope before this evening is through that we can have a child-care bill that all of us will be proud of, or at least the vast majority of us will be proud of. We are close to it. It is going to take some statesmanship. It is going to take bipartisanship. It is going to take an acknowledgment, it seems to me, by the President who has played a very significant role in this debate. I think we need to accommodate him because his ideas are very, very good ideas. Standing alone they are not as effective as combining in a comprehensive bill. Then, again, ours standing alone are not as good as combining in a comprehensive bill either, although we have been for the tax credit approach as well.

What we are trying to do here is help families. We are trying to alleviate the distress of some of these parents. We are trying to create a better society by making sure these kids have some supervision during daylight hours.

We are trying to make available to the average single head of household and others child care. We are trying to make it so they can afford to pay for it without bankrupting themselves or cutting back on the necessary nutritional needs that they have, or other needs that they have to have a decent quality of life. And yet we are trying also to have quality child care which is absolutely crucial if we are going to do really a good job in the final analysis anyway. We want to have child care that is quality child care, that does good, that helps children and families. We think we have the makings of doing that.

One thing we did establish today is that the ABC bill, with the tax credit approach, is going to be a pretty darn good approach, and it will be a miraculous thing when we get it passed because we started from a zero opportunity perspective when we started. Today I think we do have a chance of passing a landmark piece of legislation that a vast majority of people in this whole Congress will be proud of. I do not think anybody has the total picture or the total ideas with regard to how to solve these myriad of family problems that presently beset us all. We have come a long way by listening, struggling and working together and, of course, striving together to try and get to the point where we are now where with statesmanship we can solve the problem.

Mr. President, again I am very grateful for the comments of our friend from Arkansas and for many others here on the floor. We just appreciate all the help we can get. I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, Senator GRAHAM of Florida had approached Senator HATCH and myself about a technical amendment that he cannot be here for at this time and has asked if I would propose the amendment on his behalf, which I will now do, Mr. President.

The PRESIDING OFFICER. I say to my good friend, there is a Dole amendment pending. Does the Senator want to set it aside?

Mr. DODD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside for the purpose of offering a technical amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 207

Mr. DODD. Mr. President, I send an amendment to the desk on behalf of Mr. GRAHAM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for Mr. GRAHAM, proposes an amendment numbered 207.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 8, in the paragraph entitled "Young Child Factor," insert before the period: "as provided by the most recent annual estimates of population in the States by the Census Bureau."

On page 16, line 16, in the paragraph entitled "School Lunch Factor," insert before the period: "as determined and updated annually by the Department of Agriculture."

Mr. DODD. This is a suggestion offered by the Senator from Florida which Senator HATCH and I feel is a very good one. It would amend the child care legislation by inserting language that says, "as provided by the most recent annual estimates of population in the States by the Census Bureau" when pertaining to the young child factor. And, second, it would, in dealing with the school lunch factor, insert language that says, "as determined and updated annually by the Department of Agriculture."

Why this technical approach? The Senator from Florida was very interested in determining these statistics so we have the most recent and the best data available so we can draw the conclusions about what must be done in the young child factor as well as in the school lunch factor. I found it to be a very worthwhile suggestion. For that reason, I am pleased to be able to offer the amendment on behalf of the Senator from Florida.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, we agree. We think it is a worthwhile amendment and one we should accept. Therefore, I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 207) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi.

Mr. COCHRAN. I thank the distinguished managers of the bill for agreeing to let me speak out of order. Mr. President, I ask unanimous consent that I may speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi is recognized.

Mr. COCHRAN. I thank the Chair.

(The remarks of Mr. COCHRAN pertaining to the introduction of S. 1253 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FORD. Mr. President, we are on the bill?

The PRESIDING OFFICER (Mr. DASCHLE). The Senator is correct.

Mr. FORD. Mr. President, first, let me say I believe America is blessed with two of the finest Senators from Arkansas, with whom I have had the opportunity to work. Both are innovative and have ideas that I at least find myself saying, "I wish I had thought of that," or, "I wish I had said that."

Tonight I think we were blessed with the presence of one of those great Senators, Senator BUMPERS, who, as Governor of Arkansas, I, as Governor of Kentucky, had an opportunity to serve with. I think the attitude that Senator BUMPERS expressed tonight about his feeling for child care comes from a life of understanding that coming home meant mother was there. That was my life. I grew up during the Depression. I ate better then than I do now because mother stayed home, canned everything from rhubarb to tenderloin. I was blessed but not rich. We were not worried about having the best house on the block or the newest car, or being best dressed. She turned my collars because they would wear out. She would turn them over so they would not show. But I had the home life we are all trying to give back to America, where mothers can stay at home. So I compliment Senator BUMPERS on his statement tonight. I think it is ironic, maybe, that his first grandchild just arrived, so he could give additional feeling to the statement he made tonight.

Giving his comments to the distinguished Senators from Connecticut and Utah I think was appropriate. I cannot add anything to it. I wish to endorse what he said as it related to those two fine Senators. From my dealings with the Senator from Connecticut, I can attest to the hard work and effort of Senator DODD that has gone into this bill.

But a little earlier this afternoon, Mr. President, my good friend and distinguished colleague from Ohio, Senator GLENN, made a statement, which I commend him for. I agree with much of what he said, although I disagree with the conclusion. I strongly agree with the Senator that education vouchers will lead to widespread opting out of the public education system. That is why I strongly and consistently oppose the use of vouchers or certificates or anything like them in the public education system.

But I disagree with my distinguished colleague when he says that the only purpose of the Ford-Durenberger language is to allow sectarian care in violation of the Constitution. On Monday I took the floor to explain why I believe the Ford-Durenberger amendment was necessary.

Let me explain that again. I met with the Kentucky Council of Churches, the Kentucky Catholic Conference in Kentucky, to discuss the original section 19(a) provision of the ABC bill. My Kentucky churches told me that as written they could not participate in the ABC bill. Why? Because they took the prohibition against any religious activities very seriously. My Kentucky churches have witnessed firsthand lawsuits which have taken the Ten Commandments off our school walls, and required disclaimers on the nativity scene on our State capital lawn. My Kentucky churches believe that the same groups that brought and won those lawsuits will ensure that churches in Kentucky, in order to participate in the ABC bill, will have to take religious symbols off the wall, will be prohibited from saying grace before meals, and perhaps will even have to ensure that religious garb is not worn before the children.

That is the interpretation of my churches of the original provision of the ABC bill. How could they make such a conclusion?

Let me read to my colleagues the report language of the original bill and I stress the original bill, not the Mitchell substitute, that caused my churches so much concern. I quote from page 48, of the committee report, No. 101-17:

LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR CERTAIN PURPOSES

Section 19(a) prohibits an entity receiving any of the forms of financial assistance provided under this Act (e.g., grants, contracts, loans, or child care certificates) from using such assistance for any sectarian purpose or activity, including sectarian worship and instruction. This section is intended to ensure that all child care programs receiving funds under this Act are nonsectarian, whether or not a sectarian institution operates the program.

Under a narrow, technical interpretation of this prohibition, one could argue that sectarian activities are permitted in a child care program funded under this Act, so long as no financial assistance under this Act is used for the sectarian activities. The Committee expressly rejects such a narrow, technical interpretation of section 19(a). On the contrary, the Committee adopts a broad interpretation of the prohibition in section 19(a). Under the Committee's broad interpretation, an entity receiving any form of financial assistance under this Act shall not include any sectarian activities, worship or instruction in providing child care services under this Act. Section 19(a) embodies the Committee's intent that all aspects of child care services provided by an entity receiving financial assistance under this Act be completely non-sectarian in nature and in content. The Committee expresses no view concerning whether the restriction in Section 19(a) is contitutionally required by the Establishment Clause.

What does that broad interpretation mean? It means "completely nonsectarian" means completely. And in Kentucky that means that my churches would not be able to participate in the ABC bill. Churches provide 20 to 35 percent of all slots of child care in Kentucky. If the original prohibition meant jeopardizing almost one-fourth of our slots in Kentucky, then this Senator had to do something about it.

I took the ABC bill as I got it, as sent from the committee. The original provision of the bill, section 19(a) was what we had. We had to come up with a way to allow churches, who believe that they should not have to set up a separate corporation in order to provide child-care services, to participate in the ABC bill. And we had to do it consistent with the Constitution. The Ford-Durenberger compromise in the Mitchell substitute represents that.

I should also point out that the original prohibition in the bill also applied to grandparents, aunts, uncles, and other members of the family.

So the original bill with the original section 19(a) provision would have meant that a grandmother could keep her grandchild in her home, be reimbursed under the bill, but could not say grace before meals, read Bible stories, sing religious songs or perhaps even leave religious objects or symbols uncovered in her home.

Mr. President, that is just not right. If that is what it takes to be constitutional, then I believe that we should forget direct subsidies, and go with the straight tax credits.

This is not the perfect answer. But if we are to have directly appropriated funds—and I supported the Mitchell substitute and this approach—then we must ensure that parents can choose church-based care. If that means purely religious care, and if that is upheld by the courts, then that is what we have.

Is there a constitutional basis for allowing certificates to be used for religious care? I believe there is. On Monday I placed in the RECORD an analysis by the Congressional Research Service that clearly lays out the constitutional basis for the Ford-Durenberger amendment.

At this point, Mr. President, I would like to place in the RECORD a very detailed analysis by Mitchell McConnell, professor of law at the University of Chicago Law School, which clearly sets out the constitutional basis for this provision.

I will assure my colleague from Ohio [Mr. GLENN] that the Ford-Durenberger language does not start down the path of vouchers in education. If that were the case, I would not have offered this amendment.

While I agree that vouchers would jeopardize our entire public education system, there is no public child care system. I believe parents must be the ultimate decisionmakers when it comes to child care. The Ford-Durenberger provisions strike that delicate balance. I urge support of this provision, now contained in the ABC bill before us.

Mr. President, I ask unanimous consent that a letter from Michael McConnell dated June 12, 1989, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF CHICAGO,
THE LAW SCHOOL,
Chicago, IL, June 12, 1989.

Hon. WENDELL H. FORD,
U.S. Senate, Washington, DC.

DEAR SENATOR FORD: In response to your request, I have reviewed the proposed "Parental Choice Amendment" to S. 5, the Act for Better Child Care, to determine whether it is likely to violate the Establishment Clause of the First Amendment, under current interpretation by the Supreme Court. In my judgment, the proposed amendment fully comports with constitutional standards, and there is little doubt that it would be upheld by the Court.

As presently drafted, the Act would provide federal funding to states for the purpose of supporting various child care services. These services fall into three categories: (1) child care pursuant to contracts between the state and selected child care providers; (2) child care pursuant to contracts between local governmental units and selected child care providers; and (3) child care purchased by parents using "certificates" issued by the state. See S. 5, § 8(a)(1). Section 3(4) of the Act defines the term "certificate" as follows:

"The term child care certificate means a certificate that is issued, pursuant to a written agreement between the State and an eligible child care provider, by the State to parents who may use such certificate only as payment for child care services for an eligible child and that provides to an eligible child care provider a right to reimbursement for such services . . ."

Section 19(a) of the Act provides that "[n]o financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship and instruction." According to the report from the Committee on Labor and Human Resources, S. Rep. No. 101-17 (Apr. 12, 1989), this language is interpreted to mean that "an entity receiving any form of financial assistance under this Act shall not include any sectarian activities, worship or instruction in providing child care services under this Act." *Id.* at 48-49.

The proposed Parental Choice Amendment would exclude from the coverage of Section 19(a) funds "received by any eligible provider resulting from the distribution of a child care certificate to a parent under section 8(a)(1)(C) of this Act." It would also amend Section 3(4) to delete the requirement of a written agreement between the state and the child care provider. In other words, the proposed amendment would allow parents, at their option, to use their federally funded benefits to obtain child care that includes religious training or observance.

The following factual elements are important to this constitutional analysis: (1) the government funds are provided to the parents of eligible children through certificates; (2) the parents may use those certificates to purchase child care services of their choice from among a wide array of eligible providers, including both secular and religious providers; (3) religious child care providers benefit from the program only through the independent choices of the parents; and (4) aid is not skewed in favor of religious child care providers.

The First Amendment of the United States Constitution forbids any law "respecting an establishment of religion, or prohibiting the free exercise thereof." The guiding principle under the Religion Clauses is neutrality, both between religions and between religion and nonreligion. As Justice Blackmun wrote for the Court in *Roemer v. Board of Public Works*, 426 U.S. 736, 747 (1976), "Neutrality is what is required. The State must confine itself to secular objectives, and neither advance nor impede religious activity." See also *Grand Rapids School District v. Ball*, 473 U.S. 373, 382 (1985) ("the government [must] maintain a course of neutrality among religions, and between religion and nonreligion"); *Everson v. Board of Education*, 330 U.S. 1, 18 (1947) (the First Amendment "requires the state to be neutral in its relations with groups of religious believers and nonbelievers; it does not require the state to be their adversary."). There is no constitutional requirement to discriminate against religion or religiously affiliated institutions in the distribution of public benefits. The Establishment Clause is not hostile to religion or religious choice. It is opposed, rather, to the use of the financial resources of the government to favor or encourage religious adherence or to channel religious activity into government-approved forms.

In interpreting the Establishment Clause, the Supreme Court generally looks to a three-part test, first announced in *Lemon v. Kurtzman*, 403 U.S. 603, 612-13 (1971) (citations omitted):

"First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion; finally the statute must not foster 'an excessive entanglement with religion.'"

Under these criteria, S. 5, as amended by the Parental Choice Amendment, is constitutional.

Purpose. There can be little question that the purpose of the Act for Better Child Care is secular. The congressional findings, summarized in Section 1 of the Act, demonstrate the need for adequate child care services, and the Parental Choice Amendment has the purpose of providing "families . . . a broader range of child care options." S. Rep. No. 101-17, at 42. This will enhance "state flexibility and parental choice." *Id.* In any event, the Court does not strike statutes down under the purpose criterion unless they are "motivated wholly by an impermissible purpose." *Bowen v. Kendrick*, 108 S. Ct. 2562, 2570 (1988), citing *Lynch v. Donnelly*, 465 U.S. 668,680 (1984). Even in the parochial school funding cases, the Court invariably recognized that the legislative purpose was secular and legitimate. See, most recently, *Grand Rapids School District v. Ball*, 473 U.S. at 383. So also here, a court is likely to find that the purposes of extending federal assistance to needy families for better child care is a permissible purpose.

Primary effect. To be constitutional, a government program must have a primary effect that neither advances nor inhibits religion. This means that government funds must be allocated in ways that do not favor religion. This objective may be accomplished in one of two ways, depending on whether government assistance to recipient institutions is "direct" (meaning that the funds are allocated directly by government officials to the recipient institutions) or "indirect" (meaning that the funds are allocated to private individuals, and that any benefit to institutions is an indirect result of the private choices of individuals).

If aid is direct, then the government has an obligation to ensure that it is not used for "specifically religious activity." *Hunt v. McNair*, 413 U.S. 734, 743 (1973); *Roemer v. Bd. of Public Works*, 426 U.S. 736, 759 (1976); see *Bowen v Kendrick*, 108 S. Ct. at 2576-77. It follows that direct aid cannot be given to institutions so "pervasively sectarian" that their religious and secular aspects are "inextricably intertwined." *Lemon*, 403 U.S. at 657; see *Romer*, 426 U.S. at 759. "The reason for this," the Court has explained, "is that there is a risk that direct government funding, even if it is designated for specific secular purposes, may nonetheless advance the pervasively sectarian institution's 'religious mission.'" *Kendrick*, 108 S. Ct. at 2574.

The Act for Better Child Care, as amended, however, is an instance of "indirect" assistance. Under the certificate program, funds will not be allocated by agents of the state. Rather, the parents of each eligible child will receive a "certificate" and will be free to "purchase" child care services from an eligible provider of their choice, whether secular or religious. Accordingly, the Act must be judged according to the standards the Court has set forth for indirect funding programs. The "direct" funding precedents are simply inapplicable.

The most pertinent case is *Witters v. Department of Services for the Blind*, 474 U.S. 481 (1986), a unanimous decision holding that public funds could be used to pay the tuition of a student at a Bible college for training for the ministry, pursuant to a program of vocational assistance for the blind. Justice Marshall's opinion for the Court identified several aspects of the program as "central to our inquiry." *Id.* at 487. First, he noted that funding goes to the recipient institution only through the choice of the individual student. "Any aid provided under Washington's program that ultimately flows to religious institutions does so only as a result of the genuinely independent and private choices of aid recipients." *Id.* The same is true of the Act, as amended. Parents will receive certificates that entitle them to purchase child care of their own choice. Any aid that flows to religious day care providers does so only as the result of the genuinely independent and private choices of the parents.

Second, Justice Marshall noted that "Washington's program is 'made available generally without regard to the sectarian-nonsectarian, or public-nonpublic nature of the institution benefitted,' and is in no way skewed toward religion." *Id.*, quoting *Committee for Public Education and Religious Liberty v. Nyquist*, 413 U.S. 756, 782-83 n.38 (1973). Again, the same is true of the Act, as amended. There is a rich diversity of child care providers. It is estimated that one third to one fourth are religiously affiliated, and many of those provide nonsectarian care. The very purpose of the Parental Choice Amendment is to ensure that certificates under the Act are made available without regard to the sectarian-nonsectarian nature of the child care provider. Far from being problematic under the First Amendment, the Parental Choice Amendment will foster pluralism, diversity, and religious freedom—values that the First Amendment is intended to serve.

Third, Justice Marshall stressed that the Washington program "creates no financial incentive for students to undertake sectarian education." *Id.* at 488. Their benefits are neither "greater nor broader" if they "apply their aid to religious education" than if to secular programs. *Id.* "[T]he fact that aid goes to individuals means that the decision to support religious education is made by the individual, not by the State." *Id.* This is the crux of the matter. The principal purpose of the Religion Clauses is to ensure that decisions about religious practice, in-

cluding child raising, are reserved to the private realm of individual conscience. The decision to choose religious or secular child care should be made by the individual, not by the State. The government has no legitimate interest in discouraging free religious choices, any more than it may promote a religion. Again, the Act, as amended, closely resembles the Washington program upheld in *Witters*. The benefits are the same—neither broader nor greater—for parents who choose religious child care as for those who choose secular. The Act creates no incentive to undertake religious child care; on the contrary, if not amended, the Act would create a significant incentive to forego religious child care.

Finally, Justice Marshall noted that "nothing in the record indicates that . . . any significant portion of the aid expended under the Washington program as a whole will end up flowing to religious education." *Id.* at 488. Similarly, there is no reason to expect that any more than a modest fraction of the aid dispensed under the Act will flow to child care providers who include specifically religious elements in their program. However, it must also be noted that on this point, a majority of the Court rejected Justice Marshall's analysis. Justice Powell, joined in substantial part by four other Justices, expressed the controlling principle as follows: "State programs that are wholly neutral in offering educational assistance to a class defined without reference to religion do not violate the second part of the *Lemon* v. *Kurtzman* test." *Id.* at 490-91; accord, *id.* at 490 (White, J., concurring); *id.* at 493 (O'Connor, J., concurring). Thus, even if a "significant portion" of the aid *did* flow to religious child care providers, it would not present a constitutional problem so long as "any benefit to religion resulted from the 'numerous private choices of individual parents.'" *Id.* at 491 (Powell, J., quoting *Mueller* v. *Allen*, 463, U.S. 388, 399 (1983).

Witters is only the most recent of a long line of cases in which indirect aid distributed neutrally to religious and nonreligious organizations, through the independent choices of private individuals, has been sustained by the Court. In *Mueller* v. *Allen*, 463, U.S. 388 (1983), the Court upheld a Minnesota program of tax deductions for parents' expenses incurred in obtaining education for their children. The large part of these expenses were tuition payments to private schools, most of which were religious schools. *Id.* at 400-01. As in *Witters*, the decisive consideration was that the allocation of financial assistance was determined through private, decentralized choice. "Most importantly, the deduction is available for educational expenses incurred by *all* parents, including those whose children attend public schools and those whose children attend nonsectarian private schools or sectarian schools." *Id.* at 397 (emphasis in original). The program therefore was consistent with the Establishment Clause, notwithstanding the fact that tuition to parochial schools undoubtedly paid for religious instruction.

Unlike *Witters*, which was unanimous, the Court was closely divided in *Mueller*. But even the position of the dissenters in *Mueller* supports the constitutionality of the Act for Better Child Care, as amended. Justice Marshall's dissenting opinion stressed that the "vast majority of the taxpayers who are eligible to receive the benefit are parents whose children attend religious schools." 463 U.S. at 405. By contrast, those eligible for certificates under the Act include parents whose children use secular as well as religious child care. Indeed, the "vast majority" probably use secular—or at least nonsectarian—child care. Even the dissenters in *Mueller*, then, did not take the position that parents must be categorically barred from using their benefits in religious settings. They merely insisted that government programs may not be devised in such a way that the preponderance of the benefit can be expected to go to religious recipients.

In *Widmar* v. *Vincent*, 454 U.S. 263, 270-75 (1981), the Court held that it would not violate the Establishment Clause for a State university to make its facilities available, without payment, to a religious group on the same basis as other university student groups. Free facilities are, of course, a valuable benefit; and the group intended to use this benefit for specifically religious activities, including religious teaching, worship, and prayer. The Court reasoned, however, that when benefits of this sort are open to all on an evenhanded basis, there is no effect of "advanc[ing] religion.," *Id.* at 273. "The provision of benefits to so broad a spectrum of groups is an important index of secular effect." *Id.* at 274.

In *Committee for Public Education and Religious Liberty* v. *Nyquist*, 413 U.S. 756 (1973), the Court sharply differentiated between programs in which aid flows to "*all* schoolchildren" and those in which aid is restricted to those who choose to attend private schools, which are overwhelmingly sectarian. The Court suggested, in dictum, that it would approve of a genuinely neutral aid program like the "G.I. Bill," even though government funds in such a program would go to religious institutions and would presumably support sectarian teaching. *Id.* at 782 n.38 (emphasis in original). This was followed by two summary affirmances of such programs. *Americans United for Separation of Church and State* v. *Blanton*, 433 F. Supp. 97 (M.D. Tenn.), *aff'd*, 434 U.S. 803 (1977); *Smith* v. *Board of Governors*, 429 F. Supp. 871 (W.D. N.C.), *aff'd*, 434 U.S. 803 (1977). By contrast, in *Nyquist* itself, and in *Sloan* v. *Lemon*, 413 U.S. 825 (1973), the Court struck down programs of indirect aid to parochial education because the allocation formula was heavily skewed toward religious schools.

In *Walz* v. *Tax Commission*, 397 U.S. 664 (1970), the Court held, with only one dissent, that state property tax exemptions for religious organizations are permissible, even when the property is used "solely for religious worship." *Id.* at 666. Emphasizing the constitutional principle of "neutrality" (*id.* at 669), the Court noted that the tax benefit was provided to churches "within a broad class of property owned by nonprofit, quasi-public corporations which include hospitals, libraries, playgrounds, scientific, professional, historical, and patriotic groups." *Id.* at 673.

In sum, the key factor under the Supreme Court's indirect aid cases is that "the benefit of government programs and policies [must be] generally available, on the basis of some secular criterion, to a wide class of similarly situated nonreligious beneficiaries." *Marsh* v. *Chambers*, 463 U.S. 783, 809 (1983) (Brennan, J., dissenting). See *Texas Monthly, Inc.* v. *Bullock*, 109 S. Ct. 890, 897-99 (1989) (plurality opinion). When the allocation of aid is determined through individual choice and not government direction, and is not skewed in favor of religion, the program satisfies constitutional strictures. In such a program, there is no need to exclude pervasively sectarian recipients, and no need to forbid specifically religious activities. Indeed, in each of the indirect aid cases discussed—*Witters*, *Mueller*, *Widmar*, *Walz*, and the *Nyquist* dictum—the recipients included pervasively sectarian organizations, which engaged in specifically religious activities. Such choices are not forbidden by the First Amendment, provided they are the product of independent decisionmaking.

Under these standards, the "primary effect" of the Act for Better Child Care, as amended, is "one that neither advances nor inhibits religion." *Lemon* v. *Kurtzman*, 403 U.S. at 612.

Excessive entanglement. The Court also holds that a statute is unconstitutional under the Establishment Clause if it "fosters an excessive government entanglement with religion," *Lemon*, 403 U.S. at 612-13; see *Aguilar* v. *Felton*, 473 U.S. 402 (1985). Two possible forms of entanglement must be examined in connection with the Act for Better Child Care.

First, the Court has frequently found the potential for "excessive entanglement" when, in order to avoid the "primary effect" of advancing religion, the government must monitor the conduct of a recipient institution to ensure that it does not engage in "specifically religious activities" within the funded program. The Court stated in *Aguilar*: "Though a comprehensive system of supervision might conceivably prevent teachers from having the primary effect of advancing religion, such a system would inevitably lead to an unconstitutional administrative entanglement between church and state." 473 U.S. at 410. See also *Lemon*, 403 U.S. at 619. This form of entanglement is not present in cases of indirect aid, where there is no constitutional requirement that recipients refrain from religious activities. It is therefore not a problem with the Act for Better Child Care.

The second form of entanglement is the more general interaction between officials of religious organizations and agents of the state that can occur in the course of many regulatory programs. See generally Esbeck, *Establishment Clause Limits on Governmental Interference with Religious Organizations*, 41 Wash. & Lee L. Rev. 347 (1984). Entanglement of this form could conceivably result from the enforcement of state or federal standards for child care envisioned under the Act. See Sections 7(c)(3) (B) and (C), 11(c)(5), 18(e). These standards are, however, Establishment Clause.

Unlike the first form of entanglement, the second form is not necessarily connected to financial assistance. It is as likely to arise from assertions of the regulatory or police power as from conditions to financial aid, and the criteria are the same in one context as the other. *Tony & Susan Alamo Foundation* v. *Secretary of Labor*, 471 U.S. 290, 305 (1985); *NLRB* v. *Catholic Bishop*, 440 U.S. 490, 501-04 (1979) (discussing entanglement in context of regulatory programs and citing precedents from aid programs); *Texas Monthly*, 109 S. Ct. at 903 (citing precedents from regulatory programs in context of entanglement from taxation). Until the specific standards are set, it is premature to speculate on their constitutionality. If they lead to excessive entanglement, the proper remedy is to enjoin their enforcement, not to invalidate the Act.

Moreover, regulatory contacts are not generally "excessive" if they pertain solely to secular aspects of the institution's program and do not intrude deeply into matters related to religious doctrine. See, *e.g.*, *Alamo Foundation*, 471 U.S. at 305 (Fair Labor Standards Act recordkeeping would "have no impact on petitioners' own evangelical activities"); *Catholic Bishop*, 440 U.S. at 501-04 (describing the entanglement that would ensue from collective bargaining in religious schools). Assuming that the standards drawn under the Act pertain to legitimate secular matters such as "staff-child ratios, group sizes, provider qualifications, health and safety requirements, and paren-

tal involvement and access," as contemplated by Congress (S. Rep. No. 101-17, at 32), enforcement of the standards should not have a serious impact on the religious integrity of recipient organizations.

Some have suggested that the requirement of a "written agreement between the State and an eligible child care provider" (Section 3(4)) might constitute excessive entanglement. I see no reason why this would be true. It is the substance, not the form, of contact between church and state that matters. Whether compliance with the Act's standards is preceded by a written agreement or not appears not to implicate any values or principles under the First Amendment. Nonetheless, it is also true that such a written agreement is unnecessary in the case of certificates. If this provision is thought to raise constitutional problems, the most prudent course would be to delete it, as the proposed Parental Choice Amendment would do.

In conclusion, the Parental Choice Amendment comports fully with constitutional standards as enunciated by the Supreme Court, and would likely be sustained in any litigation that might take place following passage of the Act. The First Amendment exists to guarantee religious freedom to all. An important part of religious freedom is the freedom of the parents to direct and control the early care of a child in accordance with their own faith and conscience—be that secular or religious. This is a freedom exercised by the wealthy, who can afford their own child care. It should be a freedom, no less, for those dependent on the government for assistance.

Many will choose secular child care services. That is their right, and it would be unconstitutional to attempt to channel their children to religious care. But others will choose religious care, if the option is available to them. That, too, should be their right. The government has no legitimate interest in directing this choice, one way or the other. The Supreme Court has repeatedly upheld programs of financial assistance in which the aid flows to a wide spectrum of private organizations, including religious entities, through the independent choices of private individuals. There is no constitutional warrant for excluding religious child care providers from the Act, or for requiring them to stifle religious expression or observance. On the contrary, to open the program up to a diverse set of providers, with different approaches to child care (both religious and secular) will expand, rather than constrict, parental choice, in keeping with the spirit of the First Amendment. As amended, the Act will be consistent with the American constitutional tradition of pluralism and freedom.

If there is any further information or assistance I can provide in connection with this Act, please do not hesitate to ask.

Very truly yours,

MICHAEL W. MCCONNELL,
Professor of Law.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations reported today by the Committee on Finance, the Committee on the Judiciary and the Committee on Armed Services:

Michael J. Astrue to be general counsel of the Department of Health and Human Services;

Julius L. Katz to be a Deputy U.S. Trade Representative;

Dee V. Benson to be U.S. attorney for the District of Utah;

James F. Rill to be an Assistant Attorney General;

E. Bart Daniel to be U.S. attorney for the District of South Carolina;

Stephen J. Hadley to be an Assistant Secretary of Defense;

Henry S. Rowen to be an Assistant Secretary of Defense, and

Military promotions.

Mr. President, I further ask unanimous consent that the nominees be confirmed en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Michael J. Astrue, of Massachusetts, to be general counsel of the Department of Health and Human Services.

EXECUTIVE OFFICE OF THE PRESIDENT

Julius L. Katz, of Maryland, to be a Deputy U.S. Trade Representative, with the rank of Ambassador.

DEPARTMENT OF JUSTICE

James F. Rill, of Maryland, to be an Assistant Attorney General.

DEPARTMENT OF DEFENSE

Stephen J. Hadley, of the District of Columbia, to be an Assistant Secretary of Defense.

Henry S. Rowen, of California, to be an Assistant Secretary of Defense.

DEPARTMENT OF JUSTICE

E. Bart Daniel, of South Carolina, to be U.S. attorney for the District of South Carolina for the term of 4 years.

Dee V. Benson, of Utah, to be U.S. attorney for the District of Utah for the term of 4 years.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be major general

Brig. Gen. Charles R. Driggers, 467-50-0585, Air National Guard of the United States.

Brig. Gen. Joe H. Engle, 509-32-1098, Air National Guard of the United States.

To be brigadier general

Col. Tandy K. Boseman, 418-46-8162, Air National Guard of the United States.

Col. Nelson E. Durgin, 006-34-3416, Air National Guard of the United States.

Col. Adolph P. Hearon, 247-46-7258, Air National Guard of the United States.

Col. Fred R. Helms, 420-36-8427, Air National Guard of the United States.

Col. Johnny J. Hobbs, 148-32-2327, Air National Guard of the United States.

Col. Thomas W. Napolitan 372-36-8064, Air National Guard of the United States.

Col. Richard E. Pezzullo, 037-20-0223, Air National Guard of the United States.

Col. James H. Renschen, 498-44-2048, Air National Guard of the United States.

Col. David J. Rist, 176-30-9433, Air National Guard of the United States.

Col. Dan A. Robar, 504-26-0391, Air National Guard of the United States.

Col. William J. Stockwell, 047-30-1201, Air National Guard of the United States.

Col. Terrence P. Woods, 527-60-5172, Air National Guard of the United States.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles, W. Bagnal, 247-44-8391, U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. Claude M. Kicklighter, 255-46-4806, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. James E. Moore, Jr., 245-64-1208, U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Lt. Gen. Williams H. Harrison, 400-42-2736, U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Calvin A. H. Waller, 435-46-5078, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Kenneth E. Lewi, 462-36-8977, U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Howard D. Graves, 466-48-4668, U.S. Army.

The following-named Army Medical Corps officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, section 611(a) and 624(c):

To be permanent major general

Brig. Gen. Frederick N. Bussey, 334-28-3670, U.S. Army.

To be permanent brigadier general

Col. Leslie M. Burger, 127-30-7953, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Maxwell R. Thurman, 237-42-0668, U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be general

Lt. Gen. John W. Foss, 472-32-7251, U.S. Army.

The following-named officer for appointment to the grade indicated, in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a) and to be appointed as senior Army Member of the Military Staff Committee of the United Nations under the provisions of title 10, United States Code, section 711.

To be lieutenant general and Army senior member of the Military Staff Committee on the United Nations

Maj. Gen. Gordon R. Sullvian, 020-26-9577, U.S. Army.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Richard C. Gentz, 377-34-6485/1230, U.S. Navy.

IN THE AIR FORCE

Air Force nominations beginning Greg W. Carlson, and ending Robert E. Cruthirds, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 16, 1989.

Air Force nominations beginning Edward T. Schwab, and ending John W. Morrison, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Air Force nominations beginning Raymond T. Barbera, and ending Jeffrey H. Camm, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Air Force nominations beginning Louis W. Adams III, and ending Garrett R. Tucker III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Air Force nominations beginning Stephen W. Andrews, and ending Robert G. Zerull, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Air Force nominations beginning Dennis M. Anderson, and ending John P. Zubialde, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

IN THE ARMY

Army nominations beginning Ronald W. Byers, and ending Robert J. Kenevan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 17, 1989.

Army nomination of Lawrence C. Mohr, Jr., which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Army nominations beginning Ronald E. Hall, and ending * Michael A. Stanton, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Army nominations beginning David A. Decker, and ending Irene I. Yevich, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 7, 1989.

Army nominations beginning * Billy J. Freeborn, and ending Timothy W. Starck, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 7, 1989.

IN THE MARINE CORPS

Marine Corps nominations beginning William E. Acker, and ending James D. Zartman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 16, 1989.

IN THE NAVY

Navy nominations beginning Alan E. Bell, and ending Brian D. Stanford, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

Navy nominations beginning John Craig, and ending Clinton A. Medbery III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 31, 1989.

STATEMENT ON THE NOMINATIONS OF HENRY S. ROWAN TO BE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS AND STEPHEN J. HADLEY TO BE ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY POLICY

Mr. WARNER. Mr. President, I rise today to bring to the attention of my colleagues the outstanding experience and qualifications of two Department of Defense nominees, whose nominations were reported favorably by unanimous vote to the full Senate today by the Senate Armed Services Committee.

Henry S. Rowan has been nominated by the President to be the Assistant Secretary of Defense for International Security Affairs. Mr. Rowan will bring to this position a long and distinguished career of public and private sector experience and accomplishment. Immediately before his nomination Mr. Rowan served as a professor of public policy studies at Stanford University's, Hoover Institution on War, Revolution and Peace. Earlier in his career, Mr. Rowan served in the U.S. Navy during World War II in the Pacific Theater of Operations. He then earned his bachelor's degree from MIT and a master's degree from Oxford University. From 1951 until 1961, he was an economist with the Rand Corp. From 1961 to 1964, he served as the Deputy Secretary of Defense for National Security Affairs, followed by service in 1965 and 1966 as an Assistant Director of the Bureau of the Budget. From 1967 to 1972, he was the president of Rand Corp. Additionally, since 1972 he has served as a member of the Chief of Naval Operations Executive Panel, as well as a consultant to the Department of Defense, the Navy Department, the National Intelligence Council, and the National Security Council. From 1981 to 1983, he served as the Chairman of the National Intelligence Council at the Central Intelligence Agency. Since 1983, he has served as a member of the Defense Science Board.

Mr. Stephen J. Hadley has been nominated to be the Assistant Secretary of Defense for International Security Policy. He received his bachelor's degree—magnum cum laude—from Cornell University and a law degree from Yale Law School. Since graduation from law school, Mr. Hadley has served in the Office of the Assistant Secretary of Defense (Comptroller) for 2 years, served as a staff member of the National Security Council staff for 3 years, and served as a consultant to the Senate Foreign Relations Committee in connection with its consideration of the SALT II Treaty in 1979. Mr. Hadley joined the Washington law firm of Shea and Gardner in 1977 and became a partner in that firm in 1981. During 1986 and 1987 he served as counsel to the President's Review Board investigating United States arms sales to Iran—commonly known as the Tower Commission. Since December of last year, Mr. Hadley has been serving as a senior member of the Department of Defense staff participating in the National Security Review directed by the President.

Mr. President, I take this opportunity to bring to the attention of my colleagues the outstanding records of experience and service of these two defense nominees and urge my colleagues to give their support to these nominations when they are placed before the Senate for action.

Last October, the chairman of the Senate Armed Services Committee, Senator SAM NUNN, and I wrote to the two then-candidates for the Office of the President, the Honorable George Bush and Michael Dukakis, setting forth our views on the general qualifications of persons to be considered for senior positions in the Department of Defense. I ask unanimous consent that a copy of that letter be inserted at this point in the RECORD. I think it is clear that the two individuals whose careers I have just described fall clearly within these qualification guidelines, and I commend the President and the Secretary of Defense for these nominations. It is my hope and expectation that those persons who will be nominated to fill the remaining senior positions in the Department of Defense will bring similar qualifications to their perspective positions.

Also at this time, I note for the record that the nominations of Mr. Hadley and Mr. Rowan were received by the Senate Armed Services Committee on June 16, only 7 days ago. The committee, under the leadership of Senator NUNN, has acted expeditiously on these nominations, as it has on all other nominations sent by the President to the Senate for positions

in the Department of Defense. I thank the chairman, and commend the committee members for the expeditious but thorough manner in which these and all other nominations for the committee have been handled.

Mr. President, it is my hope that the Senate will be able to take up the nominations of Mr. Rowan and Mr. Hadley before the recess so that these highly qualified men can assume their positions and assist the President and Secretary of Defense in carrying out our defense responsibilities. I urge the leaders to place these nominations before the Senate at the earliest possible time.

STATEMENT ON THE NOMINATION OF E. BART DANIEL, OF SOUTH CAROLINA, TO BE U.S. ATTORNEY FOR THE DISTRICT OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to voice my strong support for Mr. E. Bart Daniel, President Bush's nominee to be U.S. Attorney for the District of South Carolina.

Mr. Daniel is a native of Charleston, SC. He graduated from the Citadel in 1977, and the University of South Carolina School of Law in 1980. From 1979–82 he served as a law clerk and attorney in the South Carolina Attorney General's Office. From 1982 to 1985 Mr. Daniel served with distinction as an assistant U.S. Attorney for the District of South Carolina. During his tenure with the U.S. Attorney's Office he was known for his aggressive and effective abilities. He was particularly successful in the drug cases that he prosecuted. In 1985, Mr. Daniel entered into the private practice of law, where he remained for several years.

Mr. Daniel brings to this office impressive qualifications and a legal background that has prepared him well for this important position. He is a man of ability, integrity, and dedication. I am certain that he will be committed to the hard work which will be required of him. I was very pleased to recommend Mr. Daniel to President Bush and I am confident that he will be an outstanding U.S. attorney. I urge my colleagues to vote for his confirmation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

EXTENSION OF A CERTAIN LOAN TO THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL

Mr. HATCH. Mr. President, I send a bill to the desk on behalf of Senators DOLE and METZENBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1250) to waive the application of chapter 11 of Title 18, United States Code, to the extension of a certain loan to the United States Holocaust Memorial Council.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read the second time by title and, without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

The bill (S. 1250) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of section 208 of chapter 11 of title 18, United States Code (including any rules, regulations, or orders promulgated thereunder), shall not apply to any member of the United States Holocaust Memorial Council in connection with the extension of a loan in the form of a revolving line of credit in the amount of $50,000,000 to the Council for the purpose of financing the development and construction of the United States Holocaust Memorial Museum.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration en bloc of the following joint resolutions reported from the Judiciary Committee:

H.J. Res. 132, "National Children's Day"; S.J. Res. 19, "Montana Centennial Day"; S.J. Res. 81, "National Health Care Food Service Week"; S.J. Res. 93, "Polish American Heritage Month"; S.J. Res. 115, "National Nursing Home Residents' Week"; H.J. Res. 276, "National D.A.R.E. Day"; S.J. Res. 127, "National Drive for Life Weekend"; S.J. Res. 134, "National Disability Awareness Week"; S.J. Res. 155, "U.S. Coast Guard Auxiliary Week"; and S.J. Res. 161, "National Adult Immunization Week", that they be read a third time and passed and that the motion to reconsider the votes by which they were passed be laid on the table en bloc, and that their preambles, where appropriate, be agreed to en bloc.

The PRESIDING OFFICER. Without objection it is so ordered.

SENATE JOINT RESOLUTION INDEFINITELY POSTPONED

Mr. MITCHELL. Mr. President, I further ask unanimous consent that Senate Joint Resolution 15 "National Children's Day" and Senate Joint Resolution 121, "National D.A.R.E. Day" be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL CHILDREN'S DAY

The joint resolution (H.J. Res. 132) to designate the second Sunday in October of 1989 as "National Children's Day," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

MONTANA CENTENNIAL DAY

The joint resolution (S.J. Res. 19) to designate November 8, 1989, as "Montana Centennial Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 19

Whereas for a century the people of Montana have made substantial contributions to the economic and social well-being of the United States of America;

Whereas the State of Montana, known as "Big Sky Country", with wide vistas and scenic mountains, is a State of incomparable beauty; and

Whereas the history of Montana is forever intertwined with the history of westward expansion in the United States of America;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 8, 1989, is designated as "Montana Centennial Day", and the President is authorized and requested to issue a proclamation acknowledging the economic, social, and historic contributions of the people of Montana to the United States of America over the past century.

NATIONAL HEALTH CARE FOOD SERVICE WEEK

The joint resolution (S.J. Res. 81) to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J RES. 81

Whereas health care food service is a vital function of the provision of care and treatment of hospitalized persons;

Whereas health care food service workers, chefs, dietitians, dietary assistants, and administrators work in concert with other health care professionals to provide the best possible patient care; and

Whereas the provision of nutrition and sustenance is an essential component of the care and recovery of hospitalized persons: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 1 through 7, 1989, is designated as "National Health Care Food Service Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe that week with appropriate ceremonies and activities.

POLISH AMERICAN HERITAGE MONTH

The joint resolution (S.J. Res. 93) to designate October 1989, as "Polish American Heritage Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 93

Whereas the first Polish immigrants to North America were among the settlers of Jamestown, Virginia, in the 17th century;

Whereas Kazimierz Pulaski, Tadeusz Kosciuszko, and other Poles came to the British colonies in America to fight in the Revolutionary War and to risk their lives and fortunes for the creation of the United States;

Whereas Poles and Americans of Polish descent have distinguished themselves by contributing to the development of arts, sciences, government, military service, athletics, and education in the United States;

Whereas the Polish Constitution of May 3, 1791, was directly modeled on the Constitution of the United States, is recognized as the second written constitution in history, and is revered by Poles and Americans of Polish descent;

Whereas Americans of Polish descent and Americans sympathetic to the struggle of the Polish people to regain their freedom remain committed to a free and independent Polish nation;

Whereas Poles and Americans of Polish descent take great pride in and honor the achievements of the greatest son of Poland, His Holiness Pope John Paul II;

Whereas Poles and Americans of Polish descent take great pride in and honor the achievements of Nobel Peace Prize Laureate Lech Walesa, the founder of the Solidarity Labor Federation;

Whereas the Solidarity Labor Federation was founded in August 1980 and is continuing its struggle against oppression by the Government of Poland; and

Whereas the Polish American Congress is observing its 45th anniversary this year and is celebrating October 1989 as Polish American Heritage Month: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1989 is designated as "Polish American Heritage Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.

NATIONAL NURSING HOME RESIDENTS' RIGHTS WEEK

The joint resolution (S.J. Res. 115) to designate the period commencing on September 9 and ending on September 15, 1989, as "National Nursing Home Residents' Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S. J. Res. 115

Whereas over 1,500,000 older Americans reside in nursing homes and one in five older Americans likely will reside in a nursing home at some time;

Whereas nursing home residents have contributed to the growth, development, and progress of the Nation and, as elders, offer a wealth of knowledge and experience;

Whereas Congress recognizes the importance of the continued participation of institutionalized citizens in the life of our Nation;

Whereas, in an effort to foster reintegration of intitutionalized older Americans into their communities, Congress encourages community recognition of and involvement in the lives of nursing home residents;

Whereas nursing home residents want and need community support and involvement for increased understanding of and assistance in meeting such residents' needs;

Whereas the Federal government, through its study by the Institute of Medicine and its new Long Term Care Survey Process, identifies as a priority efforts to improve the quality of life and quality of care for nursing home residents and to safeguard such residents' rights;

Whereas Congress recognizes the importance of listening to nursing home residents' voices in the development and evaluation of public policy; and

Whereas it is appropriate for the American public to join in support of nursing home residents to demonstrate their concern and respect for institutionalized citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on September 9, 1989, and ending on September 15, 1989, is designated as "National Nursing Home Residents' Rights Week", a time of renewed recognition, concern, and respect for the Nation's nursing home residents. The President is authorized and requested to issue a proclamation calling on the people of the United States to observe such period with appropriate ceremonies and activities.

NATIONAL D.A.R.E. DAY

The joint resolution (H.J. Res. 276) designating September 14, 1989, as "National D.A.R.E. Day," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

NATIONAL DRIVE FOR LIFE WEEKEND

The joint resolution (S.J. Res. 127) designating Labor Day weekend, September 2 through 4, 1989, as "National Drive for Life Weekend," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 127

Whereas drunk driving is the most frequently committed crime in the United States, with arrests for driving while intoxicated totaling more than three times the number of arrests for all violent crimes combined;

Whereas one individual in the United States was killed every twenty-two minutes in a drunk-driving-related crash in 1988, an average of sixty-five individuals each day;

Whereas more than twenty-three thousand individuals were killed in the United States in drunk-driving-related crashes in 1988;

Whereas two out of every five individuals in the United States will be involved in a drunk-driving-related crash at some point in their lives;

Whereas the estimates of the economic costs of drunk driving in the United States are as high as $24 billion;

Whereas Drive for Life is a public awareness campaign which asks all Americans to pledge to be responsible by driving sober on the Drive for Life Day and thereby demonstrate a commitment to reduce significantly the tragedies of drunk driving, and which serves to educate the public about the dangers of drunk driving;

Whereas Americans are also asked to turn on their headlights while driving on Drive for Life Day as a remembrance of those killed by drunk driving;

Whereas on the second annual National Drive for Life Day, the toll of individuals killed in drunk-driving-related crashes in the United States was 28.6 per centum lower than the number of deaths due to drunk-driving-related crashes on Labor Day weekend Saturday, in 1987, reflecting the success of this campaign;

Whereas the second annual National Drive for Life campaign featured endorsements from all fifty Governors, more than two hundred and seventy-five mayors, and all fifty State police departments;

Whereas the third annual National Drive for Life Day will occur on September 2, 1989, the Saturday of the Labor Day weekend, when drunk-driving-related crashes are traditionally at their peak: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Labor Day weekend beginning on September 2, 1989, is designated as "National Drive for Life Weekend". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe that weekend with a pledge to be responsible by driving sober and encouraging others to do the same.

NATIONAL DISABILITY AWARENESS WEEK

The joint resolution (S.J. Res. 134) to designate the week of October 1, 1989, through October 7, 1989, as "National Disability Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 134

Whereas 37 million individuals in the United States have disabilities (such individuals are hereinafter referred to as "Americans with disabilities"), and over 25 percent of Americans with disabilities have more than one disability;

Whereas one out of every twelve individuals in the United States copes with some form of disability;

Whereas although nearly three out of every four individuals without a disability in the United States have at least a high-school education, the rate for Americans with disabilities is just slightly more than one in every two;

Whereas an American with a disability is two and one-half times as likely to have an income that falls below the poverty line than is a nondisabled imdividual in the United States;

Whereas the population of Americans with disabilities will increase dramatically over the next two decades as the ability of science of medical technology to prolong human life continually improves;

Whereas disabilities increasingly affect the people of the United States;

Whereas one working-age black American in every seven has a disability;

Whereas 31 million individuals in the United States have some form of activity limitation;

Whereas 8.2 million individuals in the United States have a visual impairment;

Whereas 17 million individuals in the United States have a hearing impairment;

Whereas 18.4 million individuals in the United States have an orthopedic disability;

Whereas 4.2 percent of all children under the age of 21 in the United States have a chronic activity limitation;

Whereas 3 percent of all school-aged children in the United States have a learning disability;

Whereas 50,000 school-aged children under the age of 18 in the United States have an emotional or behaviorial disability;

Whereas 5 percent of American school-aged children in the United States have speech and language disabilities;

Whereas most Americans with disabilities recognize that Federal laws passed since the late 1960's have helped to give better opportunities to Americans with disabilities;

Whereas most Americans with disabilities strongly endorse efforts by the Federal Government to enhance the lives of persons with disabilities;

Whereas Americans with disabilities are not alone in believing that individuals with disabilities should be protected by law from discrimination; and

Whereas the people of the United States can express their concern for all Americans with disabilities by recognizing such Americans' right to participate as integral members of our society; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 1, 1989, through October 7, 1989, is designated as "National Disability Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

UNITED STATES COAST GUARD AUXILIARY DAY

The joint resolution (S.J. Res. 155) designating June 23, 1989, as "United States Coast Guard Auxiliary Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The joint resolution, is as follows:

S.J. Res. 155

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 23, 1989, is designated as "United States Coast Guard Auxiliary Day", and the President is authorized and requested to issue a proclamation—

(1) commemorating the 50 years of service that service volunteers of the Coast Guard have given to enhance the safety of the people of the United States who enjoy water-related activities, and

(2) calling upon the people of the United States to observe such day in schools, Coast Guard units, boat clubs, and other suitable places with appropriate ceremonies, educational activities, and boating safety achievement programs.

NATIONAL ADULT IMMUNIZATION AWARENESS WEEK

The joint resolution (S.J. Res. 161) to designate the week of October 22, 1989, through October 28, 1989, and the week of October 21, 1990, through October 27, 1990, as "National Adult Immunization Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 161

Whereas the Surgeon General of the United States has declared as a major health initiative the reduction of vaccine-preventable death and disease among adults in the United States;

Whereas the reduction of these infectious diseases could save as many as 70,000 lives annually and more than $1 billion in direct costs annually;

Whereas the Surgeon General has declared the goal of immunizing 60 percent of America's elderly and chronically ill against influenza and pneumococcal pneumonia, yet only 18 percent of susceptible adults are immunized against influenza and 10 percent against pneumococcal pneumonia;

Whereas hepatitis B has grown to epidemic proportions in this country despite the availability of a highly effective vaccine;

Whereas childhood disease like measles and mumps are on the rise among young adults;

Whereas newborn infants in America are at risk of congenital deformities or death because 9 to 15 percent of women of childbearing age are not adequately protected against rubella;

Whereas the Congress has authorized through the Omnibus Reconciliation Act of 1987 a $25 million-a-year demonstration project to prove the cost-effectiveness of influenza vaccinations among Medicare recipients;

Whereas efforts should be made to alert Medicare participants to enroll in this project;

Whereas public awareness in the field of adult immunization has been conducted primarily by the volunteer sector; and

Whereas the Congress and the President have consistently declared the last week of October as "National Adult Immunization Awareness Week": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 22, 1989, through October 28, 1989, and the week of October 21, 1990, through October 27, 1990, are each designated as "National Adult Immunization Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people, the Surgeon General, and other Federal health officials of the United States to observe such week with appropriate ceremonies and activities.

NATIONAL DAY TO COMMEMORATE THE BASTILLE DAY BICENTENNIAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 298, which commemorates July 14, 1989, as the Bicentennial of Bastille Day, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 298) designating July 14, 1989, as "National Day to Commemorate the Bastille Day Bicentennial."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The question is on passage of the joint resolution.

The joint resolution was passed.

The preamble was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTING THE ENGROSSMENT OF SENATE RESOLUTION 149

MR. MITCHELL. Mr. President, I ask unanimous consent that the change I now send to the desk be reflected in the engrossment of Senate Resolution 149, regarding the resumption of the START negotiations.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL GAS WELLHEAD DECONTROL ACT

Mr. MITCHELL. Mr. President, on behalf of Senators JOHNSTON and MCCLURE, I present the report of the committee on conference on H.R. 1722, the Natural Gas Wellhead Decontrol Act, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD on page H2998.)

THE NATURAL GAS WELLHEAD DECONTROL ACT OF 1989, H.R. 1722

Mr. McCLURE. Mr. President, I rise in strong support of the conference

report on the Natural Gas Wellhead Decontrol Act of 1989, which will eliminate the remaining Federal wellhead price and allocation controls on natural gas.

I firmly believe that returning the wellhead production of natural gas to the discipline of the marketplace will benefit consumers and our economy, both in the short and long run.

Today, as never before, there is near unanimity in support of decontrol. Major and independent gas producers, interstate pipelines, local distribution companies, industrial end users, and consumer groups all agree that decontrol, as formulated in the pending legislation, would be in the overall national interest.

Returning wellhead production to the discipline of the marketplace has already been quietly underway for more than a decade. It began with the enactment of the Natural Gas Policy Act of 1978 which deregulated roughly half our gas supply on January 1, 1985. And it has been further promoted by a host of FERC regulatory actions, most notably the "open access gas transportation program."

Today, only a minority of our gas supply is still subject to Federal wellhead controls, and most of that is controlled in name only; the marketplace has largely made those price ceilings ineffective.

We are now at a crossroads: We can choose to hold on to the last vestiges of Federal wellhead controls engendered nearly four decades ago by the Supreme Court's 1954 Phillips decision or, instead, we can recognize the overwhelming benefits of the marketplace and take the final step to bring about a market-regulated natural gas supply. Bear in mind, however, that we are not eliminating wellhead regulation, we are substituting market discipline for Federal controls.

There are those who would urge Congress not to take this step; they claim that it would hurt consumers. They argue that continued Federal regulation would protect consumers from product shortages and price increases. But if you believe that, you are putting fear over experience. If there is one thing we know for sure from four decades of wellhead natural gas regulation, it is that Federal interference in the marketplace only harms consumers.

Federal wellhead controls have not prevented severe gas shortages from occurring; in fact, the exact reverse is true—Federal controls have instead created shortages. This occurred during the late 1960's and 1970's when Federal controls kept natural gas from entering the interstate gas market at the very time gas producing States were awash in surplus supplies. As a result, there were growing gas shortages and curtailments in the interstate market. And who can forget what happened during the winter of 1976-77 when severe shortages led to school closings and the shutting down of businesses and industry in the Midwest. Clearly, Federal controls did not help consumers in that case, it harmed them.

Nor have Federal controls protected consumers from rising prices. Following the 1978 enactment of the Natural Gas Policy Act, the wellhead price of natural gas increased, on average, 20 percent per year for the next 6 years. It wasn't until the NGPA in 1985 deregulated half our gas supplies that wellhead prices stopped rising, and then actually began to fall. Since partial deregulation on January 1, 1985, wellhead gas prices have fallen by nearly 50 percent. Clearly, partial deregulation has benefited consumers, as will be the case with total deregulation if we pass the pending legislation.

The lesson from our four-decade experience is plain and simple: Federal interference in the operation of the marketplace does not help, it instead causes severe distortions which directly harm consumers. Normal market activity, however imperfect, is far preferable and results in a more rational and efficient allocation of supplies; it matches supply with demand, bringing forth supply when needed at prices that are reasonable. It lets consumers decide what they want to purchase and what price they are willing to pay.

I would like to make clear one thing this legislation does not do; it does not deregulate interstate natural gas pipelines. Pipelines are natural monopolies and their continued regulation is in the public interest. Federal law confers upon the Federal Energy Regulatory Commission the duty and the responsibility to ensure that interstate pipelines operate responsibly as a regulated utility, and this legislation does not alter that.

The conference report resolves the only difference between the House-passed and the Senate-passed bills, the so-called newly spudded issue. The compromise is fair and I support the resolution.

Mr. President, it is for these reasons that I support the conference report and urge my colleagues to adopt it.

THE NATURAL GAS DECONTROL ACT OF 1989

Mr. NICKLES. Mr. President, I rise in support of the conference report on H.R. 1722, the Natural Gas Decontrol Act of 1989. On Tuesday afternoon, a conference agreement was reached with the other body on the single difference between the House and Senate versions of H.R. 1722.

It was a historic moment last Wednesday, when 82 Senators supported passage of the Natural Gas Decontrol Act of 1989. Enactment of the Natural Gas Decontrol Act of 1989 will eliminate the last remaining major legacy of the 1970's era of energy overregulation by the Federal Government. From President Nixon's price controls to President Carter's windfall profit tax and Synthetic Fuels Corporation, it was a dark decade for energy policy. The past few years have seen an end to the Synthetic Fuels Corporation, repeal of the major limitations of the Fuel Use Act, repeal of the windfall profit tax and now, finally, repeal of the many pricing categories of the Natural Gas Policy Act of 1978. Ending this last major vestige of those mistaken attempts to change the law of supply and demand will increase efficiency and use of natural gas production and provide consumers with adequate supplies of gas at reasonable prices.

I introduced the prototype of this natural gas decontrol legislation with Senator FORD on March 16, along with Senators WALLOP, GARN, BREAUX, BOREN, SIMPSON, BINGAMAN, COATS, GRAMM, and COCHRAN. That bill, S. 625, established the principles for the decontrol bills subsequently introduced in this Congress. It provided for decontrol of natural gas on January 1, 1993, with a transition period during which gas subject to contracts that expired or were renegotiated, including new contracts, would be decontrolled.

Decontrolling newly spudded wells would have reached gas subject to existing contracts during the transition period, something that was consciously avoided in S. 625. Similarly, I joined with the Senator from Louisiana, Senator JOHNSTON, in introducing S. 783, because it contained no provision decontrolling gas from newly spudded wells earlier than the date set for the removal of price controls, January 1, 1993.

The principles in S. 625 were incorporated by the House in H.R. 1722, except the House added the provision calling for immediate decontrol of all newly spudded wells drilled after March 23, 1989. The Senate rejected this provision and passed, 82 to 17, H.R. 1722 without newly spudded wells. During conference, the Senate was able to change the House provision of immediate decontrol of all newly spudded wells drilled after March 23, 1989, to a more reasonable provision. The negotiated result would deregulate on May 15, 1991, natural gas from wells spudded after date of enactment.

Thus, this conference agreement provides for a period of time until May 15, 1991, in which the NGPA pricing rules that producers relied on in committing to drill new wells can continue to apply. I believe the conference result is substantially more equitable than the House's original newly spudded provision and should be accepted in the context of this landmark legislation.

Although I am disappointed the Senate's position on newly spudded wells did not prevail, we must not lose sight of the importance of the opportunity before us. Finally, we can eliminate wellhead price controls on natural gas after 35 years of costly distortion and inefficiency caused by Feder-

al controls uder the Natural Gas Act and the NGPA.

All of us can look to future deliberations on energy and environmental policy with confidence that we have removed the NGPA's distortions and inefficiencies from natural gas wellhead sales, thus increasing the ability of our domestic gas industry to provide clean, domestic fuel for our economy. I urge my colleagues to support this conference report.

The PRESIDING OFFICER. Is there further debate on the conference report?

If not, the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL PLACED ON CALENDAR—S. 1248

Mr. MITCHELL. Mr. President, I ask unanimous consent that S. 1248, a Kennedy-Simpson bill on refugee assistance, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING RELEASE OF CERTAIN DOCUMENTS BY SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on authorization for release of certain documents by the Select Committee on Intelligence, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 152) to authorize the Select Committee on Intelligence to provide to the parties certain committee documents in the case of United States v. Fernandez.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, counsel for Joseph F. Fernandez has requested the Select Committee on Intelligence to provide copies of certain documents in its custody and control for purposes of pending criminal litigation. Mr. Fernandez is currently scheduled to be tried in the U.S. District Court for the Eastern District of Virginia on June 23, 1989, on criminal charges arising from his role in the Iran-Contra affair.

A search of the committee files has determined that it has certain of the documents requested, and the committee has indicated its willingness to provide them, under appropriate security controls, to the defendant's counsel, as well as to the independent counsel.

This resolution authorizes the chairman and vice chairman of the Select Committee on Intelligence to make copies of those documents available to defendant's counsel and to the independent counsel, under appropriate security procedures, for purposes of this criminal litigation.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, read as follows:

S. RES. 152

Whereas, in the case of *United States v. Fernandez*, Criminal No. 89-150-A, pending in the United States District Court for the Eastern District of Virginia, defendant Joseph F. Fernandez has requested certain documents within the custody and control of the Senate Select Committee on Intelligence;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate;

Whereas, certain of the documents requested have been classified in the interests of national security: Now, therefore be it

Resolved, That the Chairman and Vice Chairman of the Select Committee on Intelligence are authorized to make available to the parties, under appropriate security controls, copies of documents in the custody and control of the Committee, which are responsive to the request of defendant's counsel, in the case of *United States v. Fernandez*, Criminal No. 89-150-A, pending in the United States District Court for the Eastern District of Virginia.

AUTHORITY TO FILE REPORTED LEGISLATIVE AND EXECUTIVE CALENDAR BUSINESS ON THURSDAY, JULY 6

Mr. MITCHELL. Mr. President, I ask unanimous consent that committees may file reported Legislative and Executive Calendar business on Thursday, July 6, from 12 noon to 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROVIDING FOR RECESS OR ADJOURNMENT OF THE SENATE AND ADJOURNMENT OF THE HOUSE

Mr. MITCHELL. Mr. President, on behalf of myself and Senator DOLE, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 50) providing for a conditional recess for adjournment of the Senate and a conditional adjournment of the House over the July 4th holiday.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to as follows:

S. CON. RES. 50

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, June 22, 1989, Friday, June 23, 1989, Saturday, June 24, 1989, Sunday, June 25, 1989, Monday, June 26, 1989, Tuesday, June 27, 1989, Wednesday, June 28, 1989, Thursday, June 29, 1989, Friday, June 30, 1989, or Saturday, July 1, 1989, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand recessed or adjourned until 8:30 a.m. on Tuesday, July 11, 1989, or until 12 o'clock noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occurs first; and that when the House adjourns on Thursday, June 29, 1989, or Friday, June 30, 1989, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock noon on Monday, July 10, 1989, or until 12 o'clock noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occur first.

SEC. 2. The majority leader of the Senate and the Speaker of the House, acting jointly after consultation with the minority leader of the Senate and the minority leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 111, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 111) designating June 23, 1989, as U.S. Coast Guard Auxiliary Day.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the joint resolution.

The Senate proceeded to the consideration of the joint resolution (H.J. Res. 111), which was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD-CARE IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 208

(Purpose: To provide for the establishment of a school-based child care grant program and a comprehensive program of child care projects)

Mr. BOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 208.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, between lines 2 and 3 insert the following new subparagraphs and redesignate subparagraph (I) accordingly:

(I)(i) Making grants to States to enable such States to provide grants to school districts to enable such districts to establish or maintain extended day child care programs.

(ii) In order to use funds under this paragraph for the activity described in this subparagraph, the State shall—

(II)(aa) Administer the allotment provided to the State under this subparagraph shall be administered through the State educational agency; which

(cc) shall establish requirements that school districts must meet in order to receive assistance under this paragraph; and

(III)(I) use amounts received under this subparagraph to provide grants to school districts to enable such districts to provide extended day child care.

(IV) Ensure that school districts that receive assistance under this subparagraph use such assistance to—

(aa) offset the start-up costs associated with the establishent of extended day child care programs;

(bb) conduct studies to determine the feasibility of establishing extended day child care programs;

(cc) provide for the equipping and staffing of extended day child care programs; and

(dd) offset any other costs that the State determines appropriate.

(V) Ensure that amounts received under this subparagraph are not used for ongoing maintenance or operational costs incurred by school districts.

(VI) Ensure that extended day child care programs that receive, assistance under this subparagraph shall—

(aa) be developmentally appropriate and meet the diverse recreational, social, emotional, cultural, and educational needs of school-aged children; and

(bb) provide parents with the opportunity to participate in such programs;

(vii) Ensure that each school district that receives assistance under this subparagraph coordinates the programs carried out with such assistance with other public entities and private nonprofit community-based organizations that provide before and after-school child care;

(viii) Permit a school district to provide a before and after-school child care program in accordance with the provisions of this subparagraph through grants to or contracts with other public entities and eligible private nonprofit community-based organizations that provide before and after-school child care programs.

(ix) As used in this subparagraph:

(I) The term "school district" means the public authority legally constituted and recognized in a State as the administrative agency for that district or county's public elementary or secondary schools.

(II) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(J) Providing assistance for comprehensive child care demonstration projects within existing public school buildings that—

(i) ensure that year round, on-site, all day child care for children ages 3 to 5 (or of the age of entering kindergarten) and on-site before and after school child care for children ages 5 through 12, inclusive;

(ii) ensure the establishment of a family support system for parents (including a home visitation program);

(iii) provide support for local family day-care providers (including technical assistance, back-up support in case of illness, and training);

(iv) provide for information and referral and other specialized services;

(v) develop a sliding scale fee payment system for children using the system (based on the parents ability to pay);

(vi) provide for ongoing parental involvement in the planning, implementation, monitoring, and evaluation of such projects;

(vii) provide that such demonstration projects be operated by administrators trained in early childhood development;

(viii) provide for the use of trained child care workers in such demonstration projects, with a priority given to child care workers with credentials in early childhood education or child development, including the child development associate credential;

(ix) provide that salaries paid to child care workers in such demonstration projects shall—

(I) be not less than the rates paid for comparable services provided in the school or surrounding community, whichever is higher; and

(II) be comparable to salaries paid to school employees with equivalent responsibilities, experience and credentials; and

that salary schedules for child care workers encourage child care workers to obtain early childhood credentials;

(x) assure that any child care services provided by such demonstration projects meet, at a minimum, regulatory standards set by the State and local government;

(xi) develop ways to improve the quality of child care services in such demonstrations; and

(xii) describe plans for monitoring and evaluating the effectiveness of such demonstration projects.

Mr. BOND. Mr. President, I express my sincere thanks to the author and manager of this bill for his agreement to work out a portion of the measure that I think is extremely important. He and I share in a very strong commitment to the principles which are embodied in this amendment.

The purpose in offering this amendment is, first, to bring attention to the needs of children ages 5 to 12, schoolage children, because I feel at this point that the needs of those children have not been adequately dealt with.

Second, this amendment should encourage initiatives already being begun on the local and State levels with regard to child care, a role which I have long believed is a much more appropriate one for the Federal Government than that of Government as big brother, or Government as big spender.

The amendment that I have sent to the desk creates a specific program for States who wish to run a latchkey program to help local school districts with start-up funding. Schools could run the program themselves, or could contract with community-based organizations, such as the YMCA, to provide services in the schools. In addition, my amendment would allow States to use their availability funds to set up day care in schools for 3- to 5-year-olds, similar to the legislation sponsored by my friend from Connecticut, and modelled after Dr. Ed Zigler's Schools of the 21st-century program which is underway in Independence, MO.

Schoolage child-care programs have received attention in recent years because of the demonstrated need for before and after school and vacation care for children ages 5 to 12. Due to lack of services, many of these children remain alone at home during critical hours of the day. Often referred to as children in self-care or as latchkey children, these children have been the focus of much concern, stemming from the fact that these children may be exposed to a variety of dangers and are at risk for school absenteeism and other school-related problems as well as for emotional problems caused by

loneliness, fear and lack of opportunities to interact with peers.

Mr. President, I think we would all agree that children aged 5, 6, 7, or even 8 and 9 should not go unsupervised for hours at a time after school. Many who support early childhood efforts speak of the crucial, formative years from infancy to 5. There is much to be said for that. I have said it myself. But what about the 5-, 10-, 11-, and 12-year-olds? I am certain that educators and parents would agree that these years are equally important, and equally "formative." For that matter, a front page article in Tuesday's Washington Post told of the need for improvement to middle schools because of the increased numbers of children aged 10 to 15 who are doing poorly in school and getting into trouble. Dr. Ed Zigler, in a speech on September 18, 1987, said:

> Let us not again fall into the trap of magic periods. We are now hearing so much about the first 5 years of life. While these are truly important years, the next 5 years are also important. We must remember that half the needs for child care is represented by school age children ages 6 to 12.

Teachers around the nation point to children being left at home alone after school as the single most important factor causing poor performance in school. And, if we do not believe that being alone for several hours a day is a dangerous, fearful thing, let us ask the children. Sprint magazine, a language arts magazine for grades 4 to 6, did. And the results surprised them and surprised me.

The children were invited to respond in writing to the theme, "Think of a situation that is very scary to you. How do you handle your fear?" From a readership of 250,000 there were 5,000 letters on being home alone—mostly after school while parents were working. The magazine's editor claimed that the "being home alone" response was "absolutely overwhelming, probably 70 percent of the total."

Says Rich Scofield, editor of School Age Notes, about the results, "The numbers seem particularly significant given the age level of the respondents. In many communities it has been assumed that children are ready for self-care once they get beyond the early primary grades. The methods these 9- to 11-year-olds said they used to combat their fears included talking to friends, playing musical instruments, and video games," all—incidentally—activities that one might expect in an after school program. Says Scofield "While evidence compiled from this kind of exercise cannot be considered scientific, such a spontaneous outpouring of letters should not be overlooked by people who want to know how children really feel about self-care."

Most of us have received letters from constituents worried about the lack of available spaces. While the Labor Department has refused to concede a "general, national shortage of available child care," they do state that "certain types of day care may be in short supply in some communities. These types include infant care, sick child care, and after school care." "One million of the 13.8 million elementary and junior high school students are latchkey children—in unsupervised care before or after school hours. Care of these children may well be the largest shortage in child care." Other groups put the number much higher.

There is a cost-effective way to meet the needs of these children—one that is not now specifically provided for in this bill. The solution is beginning to be implemented on the local level, by educators and parents concerned about the time when the child is not in the care of either party. According to a report by Wellesley College's School-Age Child Care project, about 15 percent of the Nation's local districts either offer their own child-care service, or allow community groups to use their buildings. This grassroots movement is picking up speed, and is becoming very popular. Newsweek, in a May 15, 1989 article asks "Why do our schools sit empty most of the time? Inside are gyms, libraries, and cafeterias. The buildings are child-proof and they're paid for, but unless there's basketball practice or a Friday-night dance, the doors are shut at 3 p.m." Surely they can be utilized more fully, and cost effectively, in meeting the needs of children whose parents work. And I believe a little Federal money here could go a long way toward alleviating the shortage of school-age care, at little or no long-term cost to the Federal Government.

Mr. President, I am pleased to say that Missouri has taken a lead role in this area, not just through the progressive 21st Century Schools Program that is now underway in Independence, but through a number of programs all over the State that have come into existence with the aid of very small start-up grants through the Department of Elementary and Secondary Education; 32 of Missouri's 546 school districts now offer some sort of extended-day program for school-age children. An additional 151 districts have already requested information or technical assistance for school-age child care. To be eligible for funds, a school district must be anticipating establishing, expanding, or improving an extended day program. The director of community education in Missouri tells me that he does not have the money to fund the first half of this year's applicants for establishment of a center, let alone expansion or improvement of existing programs.

Since the program's inception in 1986, just $200,000 have been spent to establish programs in 65 schools, with a capacity of 3,000 students. The total investment works out to about $68 per child. And, perhaps most appealing, this may turn out to be the only Government money that is necessary for this particular child. Because schools have the necessary infrastructure, and do not have to pay for lights, heating, liability insurance, et cetera, the school can operate in the black at very little cost to parents.

In Independence, MO's "state of the art" "top of the line" 21st Century Schools Program, the top expenditure of any parent, with one school-age child, is $25 per week. Independence is not a wealthy area, and poorer familes are assisted through a sliding fee scale. I would envision that even the poorest districts might develop a program like this and with some assistance under the other provisions of this act, could operate in a cost-effective manner.

In a bill which has quite a bit to say about priorities, the latchkey program I have just outlined should certainly be included.

Mr. President, I ask unanimous consent to add Senator McCain of Arizona as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent as well to be added as a cosponsor.

Mr. HATCH. Mr. President, I would also make the same request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I would commend the Senator from Missouri for his amendment. I think it is an excellent amendment and does contribute significantly to the work product.

Let me just briefly state, as I understand the amendment, what it does. My colleague can correct me if I am wrong.

Basically this amendment creates two new allowable activities under the ABC bill. One, it allows as part of the 12-percent pot that is in the bill for increasing supply and availability of child care, it allows for money to be spent to assist latchkey children, as the Senator from Missouri has indicated.

Second, it establishes a comprehensive school-based demonstration child care program. This is a very important addition to this piece of legislation. As I told my colleague from Missouri in our personal conversation, I should have, frankly, included this as part of the product that had come out of the committee. It was really more of an oversight than anything else.

I am embarrassed to tell you that the author of these ideas, as the Senator from Missouri has very appropriately identified, is Ed Zigler of Connecticut, at Bush Center, my own constituent, who had put together a program dealing with the "schools of the 21st century."

Missouri is the only State in the country that has moved aggressively in that area and has set up programs in their State along the lines that Ed Zigler suggested.

Ed Zigler, I tell my colleagues, is a name that may not be well known to

people not deeply involved in the child care arena but if I said the Program Head Start you would know what I was talking about. Ed Zigler was the founder and originator of the idea of Head Start and worked on the very first program 20 years ago.

He is one of the most highly regarded people in the country in early childhood development and, of course, at Bush Center at Yale University has made significant contribution to the welfare of young people in our Nation and he has been an invaluable asset to Senator HATCH and myself. He works with everyone in this Chamber that I know of who is interested in these issues.

I could not tell you what Ed Zigler's party is. I do not know how he works, I do not know if he is a Democrat, Republican, conservative, liberal. All I know about Ed Zigler is he cares about kids and he talks with everybody and has really made significant contribution.

In fact, an article that recently appeared in the New York Times called "For Architect of Child Care, Small Gains," and it is a story about Dr. Ed Zigler, and I ask unanimous consent to have this article appear at this juncture in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOR ARCHITECT OF CHILD CARE, SMALL GAINS

(By Carol Lawson)

NEW HAVEN, June 19.—Before he sends his students at Yale University into the world to fight for better lives for the nation's children, Dr. Edward F. Zigler says, he outfits them with the verbal armor of an old warrior: "I tell them, if you're not ready to lose and lose and lose, don't even start."

That spirit has kept the 59-year-old child psychologist, a founder of the Head Start program, in the front lines of the struggle to establish a comprehensive child-care policy in the United States for more than 20 years.

This ought to be a gratifying moment for the professor because, as Dr. Zigler said in an interview, "We're going to get a child-care bill in this session of Congress." But he is far from jubilant because he does not believe the bill will accomplish as much as he had hoped. "It won't be a very good bill," Dr. Zigler said, "but we're going to get one."

This week the Senate has been debating the Act for Better Child Care, sponsored by Senator Christopher J. Dodd, Democrat of Connecticut, and Senator Orrin G. Hatch, Republican of Utah. The bill would provide $1.75 billion to help poor parents pay for child care and to expand the availability of child-care services.

The Senate also began debate yesterday on President Bush's child-care proposal, which would offer tax credits instead of subsidies to low-income families, Senator Dodd's office said votes were expected on both proposals Thursday or Friday. Child-care bills are also pending in the House of Representatives.

Dr. Zigler, who was involved in two doomed attempts at Federal child-care legislation in the 1970's, said he expected that whatever bill is passed by Congress, it will be a "drop in the bucket" for the nation's child-care needs. Even worse, he added, it "will not be a solution to the real problem of America's child-care system, which is simply bad quality."

Despite his pessimism, Dr. Zigler said he had been "busy behind the scenes," working with legislators on a compromise to the bills, adding, "Even Yale professors know that something is better than nothing."

Dr. Zigler said he was looking to the states, not the Federal Government, for solving the child-care problem. "The states are moving on this," he said. "Indiana has just passed a half-cent cigarette tax to provide before- and after-school care for every child in the state."

Dr. Zigler advocates a system of centering child-care programs for children from 3 to 12 years old in neighborhood schools. Critics of the plan which Dr. Zigler calls "the school of the 21st century," say that schools should not become the nation's sole child-care providers and that many are already overcrowded.

"A lot of people dislike it," Dr. Zigler noted, but he said his plan was "catching on." There are two demonstration programs in Missouri, and programs are being planned in Connecticut, Wisconsin and Florida.

Dr. Zigler, who is Sterling Professor of Psychology and director of the Bush Center in Child Development and Social Policy at Yale, which he started to train "the Ed Ziglers of the future," spends much of his life shuttling between here and the halls of Congress. He routinely testifies on legislation involving children and meets privately with influential legislators. He is quick to say he is "not a politician" and "not a partisan," just someone who "cares about children."

After more than two decades of talking on Capitol Hill about the nation's need for a child-care system, Dr. Zigler said he was "frustrated" and "saddened" by the lack of progress. "All over America today," he explained, "we have hundreds of thousands of children in child-care settings that are so bad that their development is being compromised."

The professor was speaking in a wood-paneled library down the hall from his office in a stately white brick building that could be a movie set for an ivory tower. He prefers not to meet visitors in his office, which has a hand-lettered sign on the door announcing "Ed's office," because "it's too messy."

On his frequent travels around the nation, Dr. Zigler makes a point of visiting child-care centers. "I come away feeling really lousy," he said. "We are cannibalizing our children. I know that sounds awful, but when you see 13 babies in cribs and one adult caretaker who can do nothing but change diapers and pop bottles, you see children who are being destroyed right after birth."

In his opinion, the importance of good child care is not properly understood. "Many parents approach child care as though they are buying a service that permits a mother to go to work," Dr. Zigler said. "It should be approached as an environment that determines in a very significant part the growth and development of the child. If the environment is good, a child will develop well. If it is bad, a child's development will be compromised. It's that simple."

Attitudes toward child care changed dramatically in the last few years as economists and a business leaders began to view it as a problem that affects the nation's productivity and future work force. Last year, the Federal Bureau of Labor Statistics said, 52 percent of working women had children under the age of 3. In 1970, by comparison, 27 percent of working women had children under 3.

"Finally, people have begun to see child care not as a welfare mothers' issue, not as a women's issue, but as a genuine national issue," Dr. Zigler said. "A women's productivity as a worker depends on how stable her child care is. And people with vision see that if we don't invest in good child care, workers 20 years from now will not be very productive. We need good child care for the same reasons we need good schools."

Also increasing interest in child care are the sheer numbers of working mothers. "Senator Dodd says that two out of three working mothers are either the sole support of their children or have a husband who makes less than $15,000 a year," Dr. Zigler said. "Women have to work."

Dr. Zigler said he had seen a need for an extensive child-care system as early as 1970, when President Nixon appointed him director of the Office of Child Development. "You didn't have to be brilliant to see what was happening," he said. "The increase of women in the work force has gone up, up, up since the end of the Second World War."

He said he thought the nation was on the road to dealing with the problem when Congress passed the Child Development Act of 1971. Representing the Nixon Administration, he fought hard for the bill, which was primarily meant to provide child care for mothers getting off welfare and going to work. "We won, and we drank champagne," Dr. Zigler said.

But suddenly the President turned against the bill he had supported. "Nixon vetoed the bill because of the outpouring of mail from the evangelicals and the far right," Dr. Zigler said. "They didn't want women to work. They said we were Sovietizing America's children, that children would be raised in centers rather than by their mothers."

After that, he said, child care became "a no-no" on Capitol Hill.

Today, Dr. Zigler is delighted to see a turnabout among some conservatives. "When you have somebody as conservative as Senator Orrin Hatch saying that we have to do something about child care," he observed, "you know we have turned a corner."

Mr. DODD. As I said a minute ago, Missouri is the only State, I believe, to have a program to put in place "schools of the 21st century." And this is extremely important.

It also, of course, as I have said, allows an additional part here that is very important, the second part of this amendment would allow for States to take 5 percent of the 70-percent funds that should go to parents directly, to deal with the affordability, to take 5 percent of those funds and use them for increasing the availability of child-care slots in a State.

Missouri, like many States, has a greater need in increasing available slots for child care than the problem, as they see it, in increasing affordability. What we are permitting with this amendment is that if the State certifies to the Secretary of Health and Human Services that in fact this is the case, then that State can use 5 percent of the 70-percent funds to increase availability and supply. And that is what we are trying to do with this legislation, is to maximize flexibility at the State level.

I see my colleagues from Alabama and Arkansas here. That may be the case—I am not as familiar with it in

VOL 135 PT 9 JE 14 — 22 1989 UMI

their two States—but it is not inconceivable that Alabama could have a greater problem within availability. As a result of the amendment being offered by the Senator from Missouri, Alabama now would be able to use more of those funds for increasing available slots for children on the funds that would have gone exclusively to the parents for reducing the cost of child care.

So, I commend him for these two suggestions as a part of this bill. It is extremely helpful and worthwhile. I think it has made it a better bill as a result of his amendment.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I want to commend also the distinguished Senator from Missouri. It takes a person like the Senator from Missouri, a former Governor who has had extensive and wide experience in these areas, to come up with an amendment that I think has this much merit.

I have to just compliment him on it because this amendment addresses the key issue of availability, which is something both the Senator from Connecticut and I have been very much concerned about. I think, for every family in America who needs child care, certainly those who do not have available child care, it provides additional flexibility to the States, the type of flexibility that would benefit them and help them in ways to implement this bill in an appropriate way, an individual way for the individual States.

It focuses on the important problem of latchkey children, something that I certainly am worried about. There are 5 million to 15 million, nobody knows exactly how many. But there are plenty.

This particular amendment will help with latchkey children. I do not think we should forget them and focus only on infants and toddlers, which is something that I think we were in danger of doing this morning, as important as care is for those groups.

It is important and there is only so much money to go around. But we still need to worry about other kids as well. And it gives flexibility to the schools to participate in this process as they should participate.

It is a very good amendment. I want to compliment the distinguished former Governor of Missouri, now our colleague, for bringing it to our attention and presenting it here today.

I also share the very high esteem that my friend from Connecticut has for Ed Zigler. We on the Labor and Human Resources Committee, both sides, have worked with Dr. Zigler. We tried very, very hard to pick his brain on a whole wide variety of issues.

He has been maligned as far left. He has been maligned as far right. I remember when we were starting with the so-called Hatch-Johnston bill, which was the first bill filed, Ed Zigler was the first to endorse that bill.

That bill has helped a lot in this process because the whole block grant program comes out of that bill. And virtually everybody has suggested that was a very good bill. But it just did not have enough money to it.

We understood that when we filed it, but we wanted people to look at the guts of the bill, how it developed availability and, of course, helped with quality while still working somewhat toward affordability.

But Ed Zigler was the first to endorse that and, as I say, if there is a person who has more knowledge about the needs of children in this society than Ed Zigler, I have not met that person. I just want to personally pay tribute to him on the floor of the U.S. Senate as a personal friend, as one who has always been willing to give time to us and answer our questions and help us with our problems. He is somebody who really has the best interests of children at heart, and I am happy the distinguished Senator from Missouri has recognized this and, of course, has adapted his program, to take some of his ideas into consideration.

But I have a personal feeling, even if Ed Zigler suggested some of these ideas, my friend from Missouri would have done it anyway because of his wide and effective experience as Governor of Missouri.

I want to compliment him and tell him this side certainly wants to accept this amendment and go from there.

The PRESIDING OFFICER. Is there further debate. If not, the question is on agreeing to the amendment.

The amendment (No. 208) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 209

(Purpose: To permit States with child care availability problems to use additional resources to help alleviate)

Mr. BOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 209.

Mr. BOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, line 9, strike out "subparagraph (B)" and insert in lieu thereof "subparagraphs (B) and (C)".

On page 34, line 19, strike out "and".

On page 34, line 24, strike out the period and insert in lieu thereof "; and".

On page 34, after line 24, add the following new subparagraph:

"(C) the State, with the approval of the Secretary, may use not to exceed 5 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year for any of the activities described in paragraph (6) if the State certifies that additional funds are needed to increase the availability of child care to meet the demand for such care.".

On page 36, line 4, stike out "The plan" and insert in lieu thereof "Except as provided in paragraph (4)(C), the plan".

Mr. BOND. Mr. President, I would like to say for clarification that this is the second part of the program that we were discussing. For ease of drafting, we had the latchkey amendment in the first provision, and in the second provision it provides flexibility. We found it was much simpler to do that.

I want to express my sincere thanks for the very kind words from the two distinguished leaders on their efforts on the ABC bill. We are very pleased to have them with us and to be able to have the adoption of the latchkey amendment.

The flexibility amendment, I think, is very important as well. This allows the State to petition the Secretary to transfer up to 5 percent of the funds from the affordability allocation to the availability programs.

As you may recall, I have pointed out with some concern that under the allocation system only a maximum of 12 cents could be used at the States' discretion for things like improving availability. This would allow the States to petition an extra 5 percent of the 70 cents, or about a little more than a quarter increase in that fund so that States like Missouri, which have availability problems which are just as great as the affordability problems, can make some change.

I pointed out the other day that the State of Missouri finds itself with 400 children for whom it has funds to subsidize day care, but cannot find a slot. On top of that, there are 1,200 children waiting for assistance. We have to provide assistance to them, but unless we make available 1,600 more slots, the 1,200 children are going to be without assistance. These people are the poorest of the poor. There are waiting lines for infant care throughout the State in rural areas.

According to our Department of Social Services, they regularly receive requests for startup assistance that they cannot meet. The flexibility will be extremely important.

In addition, as I understand from the managers of the bill, States with the 70 cents on the dollar now available under the ABC bill for direct assistance to parents, they would be able to use their other funds. In Missouri, it is the social services block grant funds which could be used to make more slots available.

So there is flexibility which comes about to the extent the direct assistance portion, the 70 cents or even the 70 cents reduced by 5 percent, would

go to the direct assistance supplements to parents.

The additional, the 12-plus cents and other funds, can be made available for providing new spaces, startup costs, anything from latchkey to improving existing facilities or businesses or other employers who qualify under the State program for State assistance in setting up the programs. This is the second part of the amendment.

I appreciate the kind words the managers have said about it. I thank them for their support. I would only join with them in the high praise for Ed Zigler. Clearly, I say to my friend from Utah, I would not have thought up this program. I have had the opportunity to work with Ed Zigler. He is a dynamic and effective spokesman for children. We are very pleased to be able to call attention to his programs and to make sure that this bill, as amended, will permit schools across the Nation to utilize the concepts he has developed.

The PRESIDING OFFICER. Is there further debate?

The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent that I be listed as a cosponsor of this amendment as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, we are very happy to accept this amendment as well.

Mr. DODD. Mr. President, I want to apologize to my colleague from Missouri. I got a little ahead of myself. I described in my description of the first amendment not only the first amendment but the second amendment as well. I will see to it that my remarks are reflected as part of the second amendment as offered.

Everything I said at that time certainly pertains to this amendment. It is, again, a very worthwhile effort. It does increase the flexibility I described talking about the situations in West Virginia, Arkansas, Alabama, Utah, Connecticut—wherever.

Again, I commend our colleague from Missouri for his effort and urge the adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment (No. 209) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I rise today to express my strong and sincere support for the historic legislation before us, the Act for Better Child Care. As a cosponsor of this bill, in the last Congress and in this one, I remain hopeful that we will indeed accomplish our goal this year—and that is to help American families in desperate need of affordable, accessible, and quality care for their children.

It is extremely unfortunate that we are not acting in unison on the ABC bill. I can think of very few times in which there has been the commitment and labor invested in crafting a reasonable, responsive, and responsible approach to a major problem as we have seen in the case of this legislation. Just the very fact that Senators DODD and HATCH, each true leaders on behalf of America's children and families, have joined together around this effort makes a powerful statement. It underscores the reality that child care is not and should not be a partisan or political issue. As both Senator DODD and Senator HATCH have been saying over and over again, this is a family issue, and it is our collective obligation to start solving it.

Our Majority Leader, Senator MITCHELL, has also done an outstanding job at working with a wide variety of individuals and groups with legitimate concerns and heartfelt ideas on what Federal policy for child care should consist of. It is my belief that he has put together a legislative package that reflects a national consensus on what Americans want if we succeed in making a major new investment in child care.

Yes, child care does not come cheap. It will take substantial public commitment to address the problem adequately and comprehensively. But it is an investment in our work force of today and our work force of tomorrow. When parents must turn to others to care for their children, they know the stakes of the choice they make.

Mothers and fathers know this, in West Virginia and across this country. Some are fortunate to have a relative or a friend nearby, who can be totally trusted to provide a loving, nurturing environment. Some families are also lucky enough to have a child-care program that is accessible and affordable, again providing reliable, dependable care.

But thousands upon thousands of parents, in my State and in all of my colleagues' States, are struggling to find good care for their children and agonizing over the trade-offs between cost and quality, between convenience and reliability.

I have talked with mothers and fathers in West Virginia facing these challenges. That want what is best for their children. But the plain and simple truth is, far too many families currently are unable to find or afford safe and healthy places where they can entrust their children for care and attention while they work. This is a tragedy and is simply intolerable.

Mr. President, West Virginia is proud of its tradition of strong, caring families. But the same economic realities and changing demographics have affected West Virginians that we see nationwide. More and more families with children are made up of two parents who work and who need child care while they work—during the day, at night, sometimes on the weekends, depending on the jobs available to them.

That is precisely why I have received an overwhelming number of letters, calls, and postcards from my constituents in favor of the ABC bill. Earlier this year, the West Virginia State Legislature passed a resolution endorsing the bill.

Thirty-one percent of all mothers in West Virginia with children under the age of 6 are in the work force and 46 percent of all mothers in West Virginia with children between the ages of 6 and 17 are in the work force. These statistics reflect economic reality in West Virginia. Few parents have a meaningful choice between working and staying at home.

In comparison to the demand for child care, West Virginia has only about 16,000 licensed child-care slots. Fourteen of West Virginia's 55 counties do not have a licensed child-care center, and 20 more counties have only one child-care center.

Mr. President, the ABC bill provides the framework for a comprehensive package of child-care initiatives that will go far in addressing 3 key elements of child care: affordability, availability, and quality.

Seventy percent of State ABC funds must be used to help families with lower incomes—who are struggling on extremely tight budgets—to pay for child care. In West Virginia, 31,000 children under age 5 live in poverty, yet only 4,700 received child-care assistance last year.

Under the ABC bill, it is the parents who choose the type of care best for their children and family from a full range of options, including center-based care, family day-care homes, relative care, and church-based care. Parents would have complete discretion.

A carefully crafted provision included in the majority leader's package addresses the concerns of some that the ABC bill would interfere with parents choosing to enroll their child in a church-based child-care center. Church-based child-care centers are a major provider of child-care services. The provision included would allow parents to use financial assistance for religious-based care, so long as it is not provided in any manner inconsistent with the Constitution.

Twelve percent of funds may be used for grants and loans to establish or expand child-care programs. These funds can be used in a variety of innovative and creative ways to improve the availability of child-care centers. The ABC bill allows the States to decide what needs to be done to stimulate the supply of child-care providers in their own communities.

Mr. President, one of the most important aspects of the ABC bill is that

VOL 135 PT 9 JE 14 — 22 1989 UMI

it addresses the quality concerns raised by parents across the country. Parents need peace of mind and assurances that their children will be safe and well cared for while they are at work.

Lack of safe and affordable child-care forces too many families to settle for an inadequate arrangement that neither meets their needs nor protects their children.

The child-care and health insurance tax credit provisions included in the majority leader's package compliment and round out the ABC bill. Providing refundable tax credits to low-income families with children will increase the number of families assisted with child-care and child health expenses. As is true nationwide, children in West Virginia represent one-third of the uninsured in my State. A shocking 96,300 children in West Virginia are not covered by any form of public or private insurance. Many of these children have working parents. The health insurance tax credit proposal will help countless working families buy health insurance for their children.

The ABC bill remains the best, most sensible, and most comprehensive step we can make presently to begin solving our current child-care crisis.

Mr. President, the comprehensive child-care package we are debating today is a giant step forward for American children and their families. Let's not turn our backs by not acting on a child-care bill that would provide crucial assistance to this Nation's children and their families. I plead with the President and my colleagues who are still opposing this legislation to listen to the mothers and fathers in our country struggling in a way they do not deserve to be. We have already taken too long to respond to the crisis, and it is time to start catching up. We have a real opportunity to give families the assistance they deserve and to make the investment in our children that is so fundamental to our Nation's future.

Mr. METZENBAUM. Mr. President, I rise today to discuss S. 5, the Act for Better Child Care Services.

It is no secret that working mothers are now the rule rather than the exception. Child care is no longer a luxury—it is a necessity. Yet the availability of child care has not kept up with the growing numbers of women in the work force. Frankly, the Federal Government has been asleep at the switch.

I have been concerned about this issue for a long time. In 1981, I authored and won passage of an amendment to the Tax Code to help young families cope with the rising cost of day-care services. In the 100th Congress, and again in this Congress, I introduced the Day Care for Working Families Act, to provide affordable, quality day care to low-income families. I am pleased that these issues have been addressed in the ABC bill.

It is high time that the Federal Government took the lead to help working families find quality, affordable day care for their children. For one thing, it makes economic sense. Every dollar invested in child care saves $3 in welfare. The Government will actually save money by investing in child care.

But child care is more than just an economic issue. We cannot put a price tag on the peace of mind that safe and affordable child care will bring to parents across America. The ABC bill will improve the quality of child care by requiring that federally funded child care providers comply with modest State-set standards.

A recent article in the Wall Street Journal detailed the success of my own State of Ohio in instituting child care standards. Despite the dire predictions of opponents, the number of licensed day-care centers in the State has grown, and the quality of care has improved. I will ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

Mr. President, I wish to comment on several aspects of the substitute amendment that was presented to the Senate last Thursday.

The substitute amends the current dependent care tax credit to make it refundable and to increase the size of the credit for very low-income families. I strongly support this measure. It will offer financial assistance to families who have not benefited from the existing tax credit because they do not have enough tax liability to obtain the credit. By linking this tax credit proposal to the ABC bill, we will help greater numbers of families while at the same time improving the overall quality of child care. This linkage is critical. Tax credits alone do nothing to improve the quality of day care. ABC will.

At the same time, Mr. President, I must say that I am troubled by the proposed solution to the church-State problem. I spoke to this issue earlier today, so I will not comment further on this provision at this time.

I also am very troubled by the section 89 changes added to the child care bill last week. I am sympathetic to the need for speedy action to amend section 89, but the Senate has not fully considered the section 89 changes included in the child care bill.

I agree with the business community that section 89 as originally enacted was too complicated. But, I strongly believe that the goal of section 89 must be retained. We must ensure that employers provide tax-deductible health care to their employees in a nondiscriminatory manner. I am sympathetic to the difficult task that Senator BENTSEN faced in seeking to modify section 89. Senator BENTSEN has taken what was a very complicated statute and made it understandable. My concern though is that in the process of making section 89 simple, the Senate is compromising the original intent of the law.

Congress enacted section 89 in 1986 in the belief that employer-provided benefits should not be tax deductible unless they benefit substantially all workers. Congress made it clear that the yearly $30 billion tax subsidy for employer-provided health benefits is only justifiable if the benefits fulfill important social policy objectives. One critical objective was increasing health insurance coverage among those who otherwise could not obtain or afford such coverage.

Unfortunately, the new and simplified section 89 will do little to achieve the goal of the original legislation. Millions of workers are excluded by the new changes. The Finance Committee bill excludes all workers employed for under 30 hours a week. The original section 89 exempted workers employed less than 17½ hours a week. In the name of simplification, 10 million workers employed between 17½ and 30 hours a week are treated as second-class citizens and denied access to health insurance.

The section 89 bill before us contains other troubling provisions. The supporters of the revised section 89 argue that protection for some is better than no protection. But the problems faced by the 37 million uninsured Americans, 24 million of whom are employed or the dependents of an employed worker, will not go away. The Senate's retreat today will only increase the pressure on Congress to return to this issue in the future. We must find a way to assure that adequate and affordable health care is provided to all Americans.

Mr. President, despite these shortcomings, which I believe are major shortcomings in the bill, the Act for Better Child Care Services will help to improve the quality, availability, and affordability of child-care. At the same time, it preserves parental choice and retains the strong role that State governments play in coordinating child-care services. For these reasons, despite my strong reservations about certain provisions of the bill, I will vote to support the legislation.

I ask unanimous consent that the Wall Street Journal article to which I referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 17, 1989]

OHIO DAY-CARE STANDARDS CALLED SUCCESS

(By Cathy Trost)

COLUMBUS, Ohio—Mark Real recalls accompanying state inspectors several years ago when they found child-care centers with people using drugs, no hot water, "back doors nailed shut so there was only one exit, stoves that didn't work so it was tough to serve a hot meal, and houses with roaches."

As documented by Mr. Real's group the Children's Defense Fund, inspectors in 1984 found understaffing, unhealthy diaper-changing practices, unsafe playgrounds and other hazards. Then in 1985, Ohio adopted tougher day-care standards that by most ac-

counts have produced big improvements. Despite some added costs, the changes have been "good for kids" without hurting business, says Thalia Johanssen, co-owner of the Fundamentals Learning Center here, where the soft snores of toddlers asleep on cots whistle through the day-care center.

At the national level, opponents warn there will be dire consequences if Congress imposes federal child-care standards on the states. But some states like Ohio have already instituted requirements very similar to those Washington is considering—with good results.

Backers say this bolsters the case of Sen. Christopher Dodd (D., Conn.), a leading proponent of the $2.5 billion bill to provide day-care subsidies for low and middle-income parents. He argues that the measure's federal standards are needed because "great discrepancies" exist among the states. Ohio's standards and the proposed federal ones, for example, mandate sanitary food-handling at child-care centers, but 18 states lack such requirements.

SIMILAR DEBATE

Critics counter that federal rules would drive out competent child care in many states by making it too costly and cumbersome. But Ohio adopted its regulations after a similar debate, and so far the fears of critics seem to have been unwarranted.

Since the Ohio standards took effect in 1986, the number of licensed day-care centers in the state has grown to 2,561 with a total capacity of 132,297 children from 2,271 centers with 111,825 children. Despite warnings of disaster, "the number of centers continues to increase, plus we have a real healthy percentage of centers which survive on a for-profit basis," says Pauline Hosenfeld, chief of Ohio's bureau of child-care services. "We've not seen a dramatic number of centers fail, and not any that I attribute directly to the [new] regulations."

Ohio officials say the requirements have improved care without causing sharp increases in day-care rates. To help with costs, the state has a new $20 million child-care tax credit, in addition, state funding of child-care services has grown to $11.5 million from $7 million in the last three years. Ms. Johanssen, the day-care center co-owner here, says she had to hire one more person and pay for her teachers to get more training. She attributes a rate rise of about 10% mostly to higher insurance and benefits costs.

Ohio officials say they would have little problem with national standards, and some other states agree. In Maryland, which has tougher standards in some areas than the proposed federal ones, Gov. William Schaefer backs a national bill "because it is already working in my state."

ANOTHER FEDERAL MANDATE

But opponents of national standards say regional economic and geographic differences mean what's good for one state isn't necessarily good for another. "The government should lead by example rather than by the switch," Sen. Daniel Coats (R., Ind.) theorizes. The National Governor's Association supports "model" standards, arguing that a national dictate would probably become "just another federal mandate without the money to carry it forward," an official says.

More federal regulation, these critics say, would only add to enforcement problems in many states. "These people are idiotic!" says Jack Brozman, president of La Petite Academy Inc., the nation's second-largest operator of day-care centers, who advocates state control. "Everybody thinks the solution is let's pass more regulations. . . . What they don't understand is states don't have the resources and the manpower to enforce what they have now."

Advocates of federal standards "are engaging in magic-carpet public policy, ignoring the economic laws governing their policy," charges Robert Rector of the conservative Heritage Foundation in Washington. Hiring more people and paying for more staff training, he argues, means driving up costs and pushing people out of business, or into the lawless underground.

A study last year by Child Care Review, a magazine for day-care owners and directors, predicted that federal standards would increase the national cost of licensed child care for parents by nearly $1.2 billion annually and result in the closing of 20% of all licensed centers. Hardest hit would be 10 Southern states that generally have less stringent standards, the magazine said. Though government subsidies would offset losses in some areas, says David Pierson, the magazine's editor, in the South there will be "an overall displacement of children."

WAITING LISTS

And while the number of licensed day-care centers has continued to grow in Ohio, there are 22,000 children on waiting lists there for such day care, and Gary Bauer, a former Reagan administration official who heads the conservative Family Research Council, suggests that without the new regulations there might have been greater growth in day-care providers.

In Congress, the debate over standards could be the most wrenching skirmish in the larger fight over a national child-care policy. The Democratic-led bill would provide subsidies to parents in states where publicly funded day-care programs meet minimum standards in such areas as group size, staff-to-child ratios, staff training and health and safety.

The bill is competing with President Bush's proposal to give low-income parents a tax credit of up to $1,000 a year for each child under the age of four, regardless of whether one parent stays home or how the money is used. But opponents complain that a tax credit alone does nothing to enhance the development and safety of children in day-care centers.

Both sides agree there is no perfect solution. In Ohio, even though child-care enrollments have increased overall since regulations were tightened, enrollments of poor children haven't kept pace.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER (Mr. SHELBY). The majority leader.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, shortly the chairman and ranking member of the Appropriations Committee will be here to present for consideration by the Senate the supplemental appropriations bill. It is my hope that we will be able to dispose of that matter this evening.

Considerable progress has been made on the child-care bill in the last 2 hours. Several amendments have been disposed of, or agreements made not to offer them. We still have many more to go, and many important matters.

So we will continue to be in session for some time this evening. But the next order of business, and this is following consultation with the distinguished Republican leader, will be the supplemental appropriations bill during which time we hope that the managers and their staffs on the child-care bill will be able to work with other Senators in reaching agreement on the disposition of several additional amendments.

Mr. President, I yield to the distinguished Republican leader.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, I just indicate as I have previously that we have been able to dispose of some amendments. There are still a rather large number that we have delivered to Senator BENTSEN, the section 89 amendments, to see whether or not any of those might be acceptable, and whether he might be willing to take section 89 out. There are nine of those, including the one which would be the repeal of section 89. I understand another large group of amendments are in the process of being worked out, packaged, and might be acceptable. That would still leave somewhere between 20, 25 amendments.

So again, I urge my colleagues. I think it is the hope of the majority leader that we might be able to conclude action on this bill following action on the supplemental. I am not certain that is going to be possible. But I alert my colleagues that is the intention of the majority leader to—and see what happens between now and the time the supplemental is finished.

So all Senators who have amendments should come to the floor and let us discuss their amendments so we may make plans for the rest of the evening on this side.

Mr. MITCHELL. I thank the distinguished Republican leader.

Mr. President, while awaiting the arrival of the chairman and ranking member of the Appropriations Committee, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2402.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 2402) entitled "An Act making supplemental appropriations for the Department of Veterans Affairs for the fiscal year ending September 30, 1989".

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia, the distinguished chairman of the Appropriations Committee.

Mr. BYRD. Mr. President, I ask unanimous consent that I may propose an amendment to the Senate amendment to the bill H.R. 2402.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, yesterday, the House of Representatives failed to complete action on the conference agreement on H.R. 2072, the fiscal year 1989 dire emergency supplemental appropriations bill. The House voted 201 yeas to 218 nays, defeated the conference report, and moved to insist on their position.

There is an urgent need to complete action on this supplemental in a form that will be signed by the President, not only for VA medical care, as critical as that program is, but for many other programs as well. Funding for other VA programs include:

VA compensation and pensions, $701,481,000;

VA readjustment benefits, $22,212,000;

VA loan guaranty revolving fund, $120,100,000; and

VA general operating expenses, $24,900,000.

The agreement includes $6.6 million for the Essential Air Services Program. Secretary Skinner has indicated that if this additional funding is not provided by July 1, he will have to begin notifying the air carriers that provide this service that they are out of money and begin to close down the program. That would mean the end of air service to 155 communities in 38 States.

So that would mean the end of air service to those communities and to those States throughout the rest of this fiscal year. Once service is cut off, Mr. President, it is not easy to get it turned on again.

The bill also includes the funding requested by the President for:

Guaranteed student loans, $892,428,000;

Payments to States for foster care and assistance, $423,345,000;

Reimbursement of firefighting costs, $341,669,000;

Food stamps, $224,624,000;

Federal unemployment benefits and allowances, $56,000,000;

Trade adjustment assistance, $34,648,000;

International peacekeeping, $125,000,000; and

Refugee assistance, $100,000,000.

I think about $9 million of that goes to Russian emigrees.

Mr. President, the agreement provides appropriations totaling $3.5 billion. Of this amount, $2.8 billion, or 80 percent is for mandatory entitlement programs which are beyond the control of the Appropriations Committee.

For discretionary programs, the agreement provides $670 million in new budget authority.

Mr. President, my amendment to H.R. 2402 would insert the bill language that was agreed to by the House and Senate conferees on H.R. 2072, with the exception of:

Amendment 71—This was an amendment in true disagreement with the House, pertaining to the National Center for Toxicological Research. Senator BUMPERS has agreed to the deletion of this amendment and will have a coloquy with Senator BURDICK regarding this item.

Amendments 87, 93, and 95—Language relating to VA, NASA, and EPA pay dates has been deleted from the bill.

Amendment 111—This amendment, which was in true disagreement with the House, pertains to the Legal Services Corporation. An agreement has been reached by the House and Senate conferees, so there is no longer any disagreement on this new language.

This amendment prohibits the current Legal Services Corporation Board from considering, developing and implementing a system for competitive award of grants for local legal services programs except that the current Board and staff of the Corporation may conduct in-house reviews of or hold hearings on proposals for a competitive awards system. In addition, the provision would permit current competitive awards to laws school clinics to remain in effect. It also requires that full-year fiscal year 1989 grants be obligated to Legal Services grantees pursuant to the fiscal year 1989 Appropriations Act. The grants, however, shall not be subject to any amendments to regulations relating to fee generating cases (45 CFR Part 1609) or the use of private funds (45 CFR Parts 1610 and 1611) not in operational effect on October 1, 1988.

Amendment 113—This amendment pertained to certain restrictions on the Department of Justice and the Small Business Administration. The conferees of both Houses have agreed to delete reference to the Small Business Administration.

Amendment 131—This amendment included language relating to the treatment of asset sales. An agreement has been reached to delete the language.

Mr. President, this is an agreement that has been reached through a lot of hard work. It was not easy, and it required many, many long hours.

It is an agreement that will break the logjam over the drug funding included in the House bill.

This pending amendment provides $75,000,000 to strengthen Federal domestic drug law enforcement at the local level for additional assistant U.S. attorneys, deputy U.S. marshals and other agents, including necessary equipment and supplies; fees of jurors; initiate plans to acquire available military facilities for use as prisons or Civilian Conservation Corps type use for drug offenders; speed up planning for not less than three prisons in areas where most needed; and to expedite the purchase of automatic data processing equipment to improve the exchange of information.

In order to accommodate this additional amount of $75 million for these purposes, an agreement was reached by the House and the Senate Appropriations Committees—and I made the proposal—to reduce by $37.5 million the amount provided for fiscal year 1989 in the conference agreement for the National Science Foundation for a replacement telescope. The remaining $37.5 million will not become available until October 1, 1989.

It has also been agreed to reduce the amount provided for agricultural credit insurance fund operating loans by $37.5 million.

So, together, Mr. President, these reductions provided the $75 million necessary to fund the Judiciary and Department of Justice programs mentioned earlier. This was done without adding to the total appropriations recommended in the conference agreement.

The Director of the Office of Management and Budget, Mr. Richard Darman, has examined the agreement and will recommend not that it be vetoed by the President, but that it be signed by the President.

Mr. President, to the extent not already noted, the Departments and Agencies affected by the funds included in this measure should be guided by the direction of the statement of managers of the committee of conference set forth in House Conference Report 101-89.

Mr. President, I thank my colleague, Senator HATFIELD, for the consistent and strong support that he has given and for the work that he has contributed to this effort, and it has been an effective performance by him. I count it a privilege and an honor to have as my working partner on this committee representing the minority, the ranking minority member, Senator HATFIELD. He is congenial, he is amiable, he is cooperative, always courteous and as firm as need be for whatever circumstance may obtain at the moment. I am deeply grateful for his efforts.

This effort represents legislative give and take and compromise for the public good. We have taken care of the veterans. Every dollar, every penny that was requested for the dire emergency programs for veterans is in this bill. There never was any doubt—never was any doubt—in this Senator's mind. I have been here long enough to know a good bit about the legislative process and something about the appropriations process. There was never any doubt about the veterans medical care or any of the other veterans programs. The pillars on this Capitol would be allowed to crumble and their gorgeous decorations be all covered with the

dust of the
the vetera
knew that.
knew that.
But we
some other
We had M
of the Cap
that we p
money so
would not
service. So
in, as the
the behest
bers but t
other side
districts. S
serves all a
are very su
We have
and funde
of funding.
The bipa
compromis
funding m
And I mu
Chairman
tough, tou
and also t
had to do
his colleag
CONTE, wi
House, I c
his cooper
So here
ranking R
other side
man; the
Senator H
work out
out of ch
think will
ably will
it does ind
bodies well
Politics
sponsible
encouragi
American
I know
like to se
bill. What
issue. Wh
to fund t
get on wi
appropria
If the
would not
not have
not have
charged
sibility.
said. He
kind of tr
So I th
selves to
that is wh
I take
ship of t
thank th
mittee a
worked
ference
went on
around h
of these
is someth

dust of the valley before we would see the veterans' programs suffer. We knew that. Senator HATFIELD and I knew that.

But we also knew that there were some other dire emergency programs. We had Members from the other side of the Capitol who came to us asking that we put in essential air service money so that their communities would not be bereft of essential air service. So the Senate put that item in, as the Senate sometimes does, at the behest not only of its own members but there were Members on the other side who want service for their districts. So the essential air service serves all and Members of both bodies are very supportive of it.

We have done the people's business and funded programs in urgent need of funding.

The bipartisan spirit evident in this compromise bodes well for additional funding measures for fiscal year 1990. And I must express my thanks to Chairman JAMIE WHITTEN, who had a tough, tough job on the other side, and also to him for the work that he had to do all day long in contacting his colleagues over there. And SILVIO CONTE, with whom I served in the House, I owe a great deal to him for his cooperation.

So here we have SILVIO CONTE, the ranking Republican member on the other side; JAMIE WHITTEN, the chairman; the ranking member on this side, Senator HATFIELD and I were able to work out an agreement and to bring out of chaos an agreement that I think will not please everybody, probably will not please anyone fully, but it does indicate a bipartisan spirit that bodes well for the Congress.

Politics has taken a backseat to responsible legislation. And that is an encouraging signal to send to the American people.

I know there are those who would like to see a Presidential veto of this bill. What we do not need is a political issue. What we need is a bill. We need to fund these programs. We need to get on with it because we have got 13 appropriations bills.

If the President vetoed this bill, he would not have vetoed it because it did not have drug money in it. He would not have charged that. He would have charged Congress with fiscal irresponsibility. That is what he would have said. He is not going to walk into that kind of trap.

So I think our job was to show ourselves to be fiscally responsible, and that is what we have done.

I take great pride in the workmanship of the committee. I also want to thank the other members of the committee and the other conferees. They worked hard in conference. The conference was not easy, by the way. It went on for 2 days. A lot of Members around here have never served on one of these appropriations conferences. It is something to behold. And it is even more to participate in them. So I thank them.

Now, I yield to my good friend, the ranking member on the Appropriations Committee, Mr. HATFIELD, for any statement he may wish to make.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Thank you, Mr. President.

First, Mr. President, I will not repeat the outline of this appropriations supplemental amendment. The chairman of our committee, Senator BYRD, has done a very eloquent job to lay out the detail and the outline of this compromise.

I would just like to underscore one or two points that the chairman has already made. One is that I think when you look at the size of the committee that we have on the Senate side—29 members of the Appropriations Committee, the largest committee of any committee in the Senate—and when you consider there are 60 House Members on the Appropriations Committee of the House, this is a very high percentage of the total Congress. And to get a consensus within each committee in itself is a very difficult task.

I would like to focus a moment upon the staff and the role the staff plays in this very complex procedure. We have outstanding leadership, both in Jim English, on the majority side, and Keith Kennedy, on the minority side, well experienced, well seasoned, but noted for their fairness, their dependability and their credibility in the accuracy of their information, and that has been a great facilitator.

I also want to thank the leadership, the majority leader, Senator MITCHELL, and the minority leader, Senator DOLE. We have proceeded all through this process in very close communication with the Senate leadership. And that Senate leadership has been very helpful and very important to us.

I want to pay special commendation to the chairman. Again, I have emphasized before that this is the first of the bills from the Appropriations Committee that our new chairman has handled. It has been a masterful example of statesmanship, patience, perseverance, and especially the clarity of keeping the goal in mind against all of the detail and all of the complexities and personalities and issues.

Really, this could be a chapter in another volume of the history of the Senate. I want to thank the chairman for his very kind remarks. It is a pleasure to be in trandem with him.

Mr. President, I think we have to understand that there are many items of this bill. I would like to touch on one brief one, to indicate that this bill is something more than funding of programs. Today is the date that the American State Department had as a deadline to repurchase the Stinger missiles from Bahrain. The administration had requested and the committee had worked out a compromise to extend this deadline to October 31.

I received a call today from the State Department, very anxious to know what in the world they should be doing, because of this being the deadline of June 22. So it is an item that helps us in our foreign policy. It is just but an example of the broadness of the depth of the details of this issue within this appropriation, this supplemental. I think it is very important for us to expedite this to get this to the House of Representatives. What happened yesterday I am sure was a surpirse to the leadership on both sides of the aisle and certainly to the leadership of the Appropriations Committee. It is, therefore, all the more incumbent on the Senate to expedite this, as quickly as possible, and get it to the House before the recess.

Mr. President, I just wanted to add one other point of commendation to the process that we have just completed on the appropriations bill and that is to Mr. Dick Darman, Director of the Office of Management and Budget, and to his very efficient staff.

Over the years, we have had, obviously, different styles of leadership in that office, but I want to say for the first time in my 23 years in the Senate, I feel that we have a cooperative relationship that is reflective of President Bush and his desire to work closely with the Congress.

It is an interesting contrast because it replaces kind of the adversarial relationship that we had had predominate in those previous administrations. And in Mr. Darman we not only have a man who understands and grasps the subjects and the scope of the office, but he has a staff who equally is very well-informed and very able.

But the attitude, the spirit of cooperation, the understanding that we are working together and we are achieving the same goal that will benefit the people of this country rather than a game between the Congress and the White House, and so forth and so on, is a refreshing experience. I just wanted to pay that special tribute, in addition to the others I have stated in my previous remarks. I thank the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I commend all concerned for their effort in bringing this supplemental appropriation bill to this point: the chairman of the Appropriations Committee, the ranking member of the Appropriations Committee. I want to also especially commend Senator CRANSTON, the chairman of the Veterans' Affairs Committee, who has been insistent throughout this entire period that the concerns of veterans be addressed promptly and thoroughly.

That will occur if this supplemental appropriations bill is enacted. I hope that it will be. I encourage support for it and if we act today, as expected, and

VOL 135 PT 9 JE 14 — 22 1989 UMI

hopefully the House acts tomorrow, this matter, which has consumed so much time and effort, will be behind us and the veterans of this country, in whose obligation we all stand, will be assured of the high quality of health care to which all veterans are entitled.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I wanted to thank the majority leader, Senator MITCHELL, and the chairman of the Appropriations Committee, Senator BYRD, for their kind words of my efforts on this measure and more for their leadership in seeing to it we reach the point where we can pass a matter that presumably will be passed by the House, signed by the President and free up very badly needed money for veterans medical care.

Unfortunately, we have gotten into a situation where money has not been available, or at least the administration has cut back very sharply on money available for needed medical services in assistance to veterans who need that care. We must see to it they get that care. This bill will see to it that they do, and I urge all Senators to support this measure. If it got delayed or killed for any reason whatsoever, we would be doing a great disservice to America's veterans.

REGARDING THE PROVISION IN THE URGENT SUPPLEMENTAL RELATING TO THE LEGAL SERVICES CORPORATION

Mr. RUDMAN. Mr. President, I rise to express my support for this urgent supplemental appropriations bill. It provides critical support for a variety of programs including veterans health care and veterans pensions. However, at this time I would like to discuss a provision relating to the Legal Services Corporation [LSC]. This provision is a modification of language which I offered in the Senate appropriations Committee. My amendment was overwhelmingly adopted by the Appropriations Committee and was subsequently passed by the Senate. The modified provision contained in this measure represents a compromise worked out between all interested parties.

First, the provision states that no funds may be used by LSC to consider, develop or implement any system for the competitive award of grants. This language merely clarifies current law: last year's appropriation bill covering LSC, Public Law 100-549, included a provision which stated that "a Board of Directors of the Legal Services Corporation, composed of individuals nominated by the President after January 20, 1989 and subsequently confirmed by the U.S. Senate, shall develop and implement a system for the competitive award of all grants and contracts, including support centers, to take effect after September 30, 1989." It is evident that the current LSC Board has been actively involved in developing a competitive bidding system in violation of the letter and intent of Public Law 100-459. These activities promoted Senate adoption of my amendment to prohibit LSC from considering, developing or implementing a competitive bidding system until a new Board is appointed.

The original language has been modified to clarify that Corporation Board members, officers, and employees—though not consultants—may engage in in-house study of competitive bidding and may hold hearings on the subject. However, all other activity relating to competitive bidding is prohibited until a new Board is nominated and confirmed. Activities which are prohibited under this language include, but are not limited to, the revision of the proposed competitive bidding regulation or the proposed competition manual, the development or drafting of any competitive bidding procedures or proposals, and any discussion of the subject with individuals who are not Board members, officers, or employees of the Corporation except during public hearings or to individuals to appear at hearings. It is the intention of Congress that if any Corporation Board member, officer, or employee decides to engage in the very limited range of activity relating to competitive bidding permitted under this provision, such person agrees to read the statutory exception narrowly.

The provision also provides that LSC must obligate full-year grants to grantees with fiscal year 1989 appropriated funds. Earlier this year, LSC advised recipients that it was not going to obligate the last quarter of fiscal year 1989 funds, allegedly to allow for the possible implementation of a competitive bidding system. This action is also contrary to the intent of Public Law 100-549. Under this language, therefore, the Corporation is required to fund all grantees for a full 12-month period. Generally, LSC grants are issued on a calendar year basis. A grantee which received financial assistance from the Corporation during the first months of 1989 may not have its funds taken away unless the Corporation goes through a full grant termination procedure to defund a grantee as authorized by section 1011 of the Legal Services Corporation Act as amended by Public Law 100-459.

Finally, the provision prevents the Corporation from implementing its proposed regulation to recapture attorneys' fees awarded to LSC grantees. This regulation was rejected by the Appropriations Committees. However, in hearings earlier this year, LSC indicated that they were likely to implement the regulations regardless of the views expressed by the Appropriations Committees. The provision also prevents LSC from applying other proposed regulations to private funds as opposed to LSC or LSC-derived funds.

It is clear that LSC has a misguided view of its authority to extend the coverage of regulations it promulgates to private funds. Many LSC grantees receive funding from other nonpublic sources which are granted for a variety of purposes. LSC repeatedly has attempted to apply its regulations to private funds as well as LSC and LSC-derived funds. Section 1010(c) of the authorizing statute provides that nonpublic funds received for the provision of legal assistance shall not be used for purposes prohibited by the statute. It does not give LSC the authority to require that all private funds be used in accordance with every regulation promulgated by LSC. Congress has recognized that LSC is overextending its authority to regulate private funds and has rejected regulations which seek to impose restrictions on private funds.

In sum, Mr. President, I believe this provision represents a workable compromise. It does not go as far as the provision I originally proposed, and which was adopted by the Senate, in restricting LSC activities. However, it is my hope that the debate over this issue will foster a better relationship between the Corporation and Congress, and that the conditions that led to the Senate language relating to LSC will not arise in the future.

Mr. SYMMS. Mr. President, I believe it is necessary to provide some legislative history relating to a provision contained in the supplemental appropriations bill with regard to United States contributions to United Nations peacekeeping operations in southern Africa.

I have two areas I believe need to be addressed, the first relates to the inclusion of the Government of Angola in the International Monetary Fund and the World Bank. The provision would allow such if the President certifies to the appropriate congressional committees that progress is being made toward national reconciliation.

It would be my understanding and belief that "progress" would be defined as:

> A series of high level meetings culminating in national reconciliation and the formation of a traditional government of national unity leading to free and fair elections.

The second relates to Cuban offensive actions against UNITA, and Cuban troop numbers and the bilateral agreement.

OFFENSIVE ACTION

The State Department, in numerous briefings to congressional staff, described one of the primary benefits accruing to UNITA under the terms of the Tripartite Agreement as the protection against offensive action by the Cuban occupation force in Angola.

Many UNITA supporters had serious reservations about the inequity of the Angola/Namibia agreement, which permits 50 percent of the Cuban forces to remain in Angola on election day in Namibia. Fifty-one Senators signed a letter to President Reagan prior to the consummation of the accords in December, urging that the final agreement, in order to protect UNITA,

maintain simultaneity between an internal settlement in Angola and any internal settlement in Namibia. This recommendation was ignored in the haste to obtain a diplomatic "victory" in the waning days of the Reagan administration.

Yet in the Geneva Protocol, the protection for UNITA against Cuban offensive operations is restricted to the territory lying east of meridian 17 and south of parallel 15 degrees, 30 minutes, and this is only provided UNITA not "harass" the Cubans. Essentially, UNITA is protected only in one small sector of Angola, not in the countryside at large where UNITA's forces are most active. It is evident that the Department misrepresented the agreement in order to garner support for it in the Congress. It is Congress' intent that the Department of State ensure the protection against Cuban offensive action guaranteed UNITA as it stipulated in its representations to the Congress. If the Cuban troops are redeploying north and withdrawing from Angola as they are required to do under the terms of the agreement, they should not be attacking UNITA troops anywhere in Angola.

CUBAN TROOP NUMBERS AND THE BILATERAL AGREEMENT

A report from last summer from a Lisbon paper, Tempo, claims that as many as 10,000 black Cuban soldiers may have been given Angolan citizenship, and that some of these were members of elite, special forces units. It is Congress' expectation that the Department of State, the DIA and the CIA investigate reports of this nature, and that the President's certification of the bilateral agreement includes assurances that the bilateral agreement requires the departure of all Cuban troops, including those that may have entered civilian life and been granted Angolan citizenship under the 1984 Angolan law which allows anyone serving the Revolution to be granted Angolan citizenship.

Mr. HELMS. Mr. President, the supplemental appropriations bill contains $77.9 million for peacekeeping assistance to the United Nations Transition Assistance Group [UNTAG] and the United Nations Angola Verification Mission [UNAVEM]. These sums are intended to implement the U.S. share of the peacekeeping activities in southern Africa resulting from the agreements signed in New York on December 22, 1988 by South Africa, Angola, and Cuba.

There are two of these agreements: the Tripartite Agreement signed by the three countries I just mentioned and relating to the transition of Namibia to an independent state; and the bilateral agreement between Angola and Cuba relating to the withdrawal of Cuba troops from Angola.

Mr. President, these agreements were concluded without the participation of one of the most important and relevant individuals in the conflict in that region of the world, Dr. Jonas Savimbi, President of the National Union for the Total Independence of Angola—which is known by its Portuguese acronym as UNITA. In my judgement, the omission of Dr. Savimbi results in a flawed outcome.

The agreements result in the termination of Dr. Savimbi's main line of logistical support. They propose a stepped withdrawals plan for the Cuban troops that provided the very minimum hope that the Cuban troops would leave, and insufficient assurance that the Cubans would not attack UNITA during the withdrawal period. Also, the negotiating objective of the Communists—indepdence and free elections for Nambia—is achieved early, with elections this year, while the long-standing objective of the United States—the withdrawal of Cuban troops from Angola—has a phased implementation that leaves some troops in Angola until July 1, 1991.

I am especially concerned that Dr. Savimbi and his UNITA forces are at great risk during this transition period of over 2 years during which the Cuban troops are supposed to be withdrawing from Angola.

I think it is important that the Congress have a role in guaranteeing that the agreements are implemented in a fair way that will ensure the best possible outcome in both countries. All too often the State Department has been willing to overlook the shortcomings, including flagrant violations, of supposed peace agreements.

Senators may recall that at the end of the session last year, in October, the State Department attempted to get this body to write a blank check to fund these agreements even before they had been concluded. Obviously, the Senate had not had an opportunity to review the agreements and to assess whether they were, in fact, in the best interest of the United States and supported the cause of freedom in the world.

It was wise that the Senate did await a review of the final agreements. It has become evident that there are ambiguities which need to be clarified. Additionally, we have witnessed a flagrant violation of the agreements in April when armed forces of the South West People's Organization [SWAPO], a Communist terrorist organization, poured across the border into Namibia from their sanctuaries in Communist Angola. Further, we have seen incredibly biased statements from the U.N. official in charge of monitoring in Angola which indicated he would believe whatever the Cubans and Angolans told him about how many Cuban troops had left Angola.

These are some of the reasons why it is necessary to attach conditions on the distribution of U.S. contributions for these peacekeeping activities.

Under the provision in the supplemental appropriations bill, the money for U.N. peacekeeping activities is provided in two phases, or tranches. The first tranch—$38,950,000, half of the total—will take place shortly after enactment when the President certifies three important conditions have been met. The second half of the money can be provided on August 15 after the President certifies five additional conditions which are to have been met by that time.

WITHDRAWAL OF ALL CUBAN TROOPS

The first two conditions have to do with clarifications about the Cuban troop withdrawal. Initial congressional briefings given by the State Department were not decisive as to the Cuban commitment.

The ambiguity stems from discrepancies about the original Cuban troop strength at the time the agreements were signed last year and other factors. Under the bilateral agreements, Cuba promised "the total withdrawal to Cuba of the 50,000 men who constitute Cuban troops contingent stationed in the People's Republic of Angola".

However, it had been reported at times that the United States has estimated Cuban troop strength at more than 50,000. UNITA, which is certainly closest to the situation on the ground, has estimated Cuban troop strength at 60,000 to 65,000.

According to UNITA, these excess troops take the form of: First, unreported Cubans; second, Cuban soldiers who have married in Angola and thus no longer counted as "Cuban", and third, "black Cubans" who are integrated into the black Communist forces and thus become virtually indistinguishable from black Angolans. The situation was further complicated by the apparent interpretation that the agreements allow Cuba to continue "rotating" troops into Cuba during the supposed "withdrawal" period. Keeping track of the departures and new arrivals could prove quite difficult.

Thus the question remained: Were the Cubans committed to withdraw 50,000 troops, or "all" troops—if, in fact, there were more than 50,000 Cuban troops in Angola?

The potential problem was all the more important because Fidel Castro himself has boasted of numbers higher than 50,000 in the the past. Even since the agreements were signed, he has made such claims. In a May 10 item in the Foreign Broadcast Information Service [FBIS], Castro is quoted as admitting that there are 50,000 military and what he termed 10,000 "armed cooperators."

The provision requires that in order for United States funding to go forward, the United States must have "received explicit and reliable assurances from each of the parties to the Bilateral Agreement that all Cuban troops will be withdrawn from Angola by July 1, 1991, and the no Cuban troops will remain in Angola after that date." Similarly, because the United Nations is charged with monitoring the troop withdrawal, the Secretary

VOL 135 PT 9 JE 14 — 22 1989 UMI

General of the United Nations must have assured the United States of his understanding of the total and complete withdrawal of all Cuban troops.

Thus, under the provision, Cuba and Angola will have to assure that all troops of Cuban origin—including those Castro terms "armed cooperators," or by any other name—are to be withdrawn from Angola.

These requirements have already passed the House as an amendment to the State Department authorization bill, further demonstrating the congressional concerns about the 50,000 troop question.

SWAPO'S INVASION OF NAMIBIA

Mr. President, the third condition for the first certification is in response to the irresponsible actions of SWAPO terrorists. Angola has been providing SWAPO, the Marxist revolutionary group trying to take over Namibia, with base camps. SWAPO has failed for years even to establish a military base in Namibia, nor has it obtained support among the numerous black and colored ethnic groups other than the Ovambo tribe of northern Namibia.

Many freedom-loving Namibians have been fearful that SWAPO would try to take advantage of the strong support that the United Nations has given it over the years to establish itself in Namibia by force. That fear came true in April. April 1 marked the date for the beginning of the implementation of U.N. Resolution 435, which established the procedures leading to elections and the independence of Namibia.

However, as that date approached, 1,600 to 2,000 armed SWAPO guerrillas crossed the border into Namibia in an attempt to establish a base of military operations—thus seeking to overturn the agreement that SWAPO would remain north of the 16th parallel in Angola. Only the outraged cries of world opinion and the courageous actions of local and South African troops finally forced SWAPO to withdraw the guerrillas.

However, for weeks after the initial SWAPO invasion, hundreds of guerrillas remained in Namibia, and many more were far south of the 16th parallel within Angola. Indeed, during congressional testimony, Ambassador Hank Cohen, now Assistant Secretary for African Affairs, noted that contrary to the peace agreement, SWAPO forces had never withdrawn north of the 16th parallel prior to the April 1 date, as required.

Frankly, Mr. President, I remain puzzled by a modification insisted upon by the administration during the conference on the supplemental bill. As passed by the Senate, the provision required that "all armed forces of the South West Africa People's Organization [SWAPO] have left Namibia and returned north of the 16th parallel in Angola in compliance with the agreement." The State Department insisted on changing the word "all" to "the."

I do not see the distinction being drawn. The Geneva Protocol specifies that "SWAPO's forces will be deployed to the north of the 16th parallel." Ambassador Cohen stated that "UNTAG forces deployed in Angola are making sure that all SWAPO forces are located north of the 16th parallel as called for in the Geneva Protocol. We will use all the means at our disposal to verify that this takes place."

The conference report specifies:

While a large majority of the individual SWAPO combatants who infiltrated into Namibia have apparently now moved north of the 16th parallel in Angola, the conferees recognize that some individual SWAPO combatants may still remain south of that line. Precise estimates are not possible, given the vast size of the territory and the possibility that individuals may now be sheltered by families or relatives in Namibia. The modified language is intended to account for the possibility that a small number of individual SWAPO combatants may remain south of the 16th parallel when the President certifies that the parties are in compliance with the Tripartite Agreement. The conferees emphasize their intent is only to take account of the fact that the President may not be able to certify that every single SWAPO combatant has withdrawn, and not to create a loophole that would allow any organized SWAPO combatant units to remain in Namibia south of the 16th Parallel.

I see no distinction in the difference that has been drawn by the conferees at the State Department's request. I would emphasize the conferees' intention that the provision is not be used as a loophole. Obviously, the President cannot be held to a standard of every single individual if there is no evidence of the continued activity of SWAPO. However, to the extent that SWAPO guerrilla activities continue in prohibited areas, such activities would demonstrate a continued violation of the peace agreement.

SECOND TRANCH

Mr. President, August 1 represents an important date in the timetable for Cuban withdrawal from Angola. It is by that date that the Cubans are to have withdrawn to north of the 15th parallel in Angola. This will result in the withdrawal of forces from several areas of great military significance and in areas near UNITA-held areas. It is imperative that the Cubans comply totally with these provisions. This will be the first really measurable test of the sincerity of their commitment to the peace accords.

Another significant requirement for the certification is that "the Cubans have not engaged in any offensive military actions against UNITA, including the use of chemical warfare." Mr. President, this is a critical issue and one, frankly, on which the State Department wanted to fudge.

For months, since the December signing of the treaties, it had been stressed by State Department briefers to Senators and congressional staff, that one of the benefits to accrue to Dr. Savimbi's forces was that the Cubans would no longer be engaged in offensive activities. The language of this amendment merely puts that understanding into the conditions which would be binding on the parties.

However, some within the State Department complained that the only written commitment by the Cubans, contained in the Geneva Protocol, related to a promise not to engage in offensive activities against UNITA-held territory in southeast Angola and sought to limit the language to such an interpretation. However, the Department's representatives had to admit that State had briefed the Congress on a broader interpretation and continued to say, in fact, that the Cubans had made such a commitment—albeit perhaps "only verbal"—not to engage in any offensive activities.

At any rate, the provision of the amendment is clear: No offensive activities against UNITA, including the use of chemical warfare. I have outlined my concerns about the apparent introduction of chemical weapons into Angola in earlier discussions, and I shall not repeat them here. Suffice it to say that credible reports continue to suggest that chemical weapons have been used in Angola against UNITA forces.

U.N. SUPPORT FOR SWAPO

Mr. HELMS. Mr. President, one of the most important aspects of the United Nations Plan for Namibian independence deals with the concept of impartiality. The United Nations, with a long history of financial and other support for the South West Africa Peoples Organization [SWAPO], must now exhibit complete impartiality in order to create a climate of trust and fairness in which each political party can participate in the forthcoming elections, scheduled for November.

In 1982, a document which became known as the impartiality package was negotiated by the United Nations and accepted by all parties to the controversy in Namibia. This document, which outlines certain obligations on the part of the Government of South Africa and the United Nations with regard to impartiality, was formally integrated into the U.N. plan for Namibian independence by the Secretary-General in his report of January 23, 1989 (S/20412), which was later ratified by Security Council Resolution 632 (1989).

Mr. President, the United Nations has a long history of support, financial and otherwise, for the terrorist organization SWAPO. The United Nations has declared SWAPO the sole and authentic voice of Namibians. It is thus extremely important that the United Nations now exercise a role of strict neutrality in its role as monitor of the Namibian elections. All funding for SWAPO, and I emphasize all, Mr. President, must be terminated. Additionally, Mr. President, all other support for SWAPO must also be ended.

For instance, the contents of the impartiality package, which were made public by the Secretary-General on May 24, 1989 (S/20635) specify the following with regard to the United Nations:

(10) Consideration of the question of Namibia at the regular General Assembly should be suspended during the transition period.

However, Mr. President, the "question of Namibia" still remains on the provisional agenda of the 44th session of the General Assembly, which will convene in September, thus a violation of the United Nations' impartiality package.

(11) The UN will not provide funds for SWAPO or any other party during the transition period.

But, Mr. President, although certain Members of Congress have been informed by the State Department that SWAPO has "reaffirmed its agreement to forego all direct U.N. funding," and that U.N. funding for SWAPO "ceased effective April 1, 1989," it appears that the United Nations funded the travel of a SWAPO delegation to Vienna after April 1. It should also be noted that the Council for Namibia's 1989 budget includes $562,200 earmarked specifically for SWAPO. Is the unused portion of this figure, which should account for roughly three-quarters of the whole, to be returned by the Council for Namibia to the General Assembly? Was it given to SWAPO as a lump sum before April 1?

(12) The UN Council for Namibia should refrain from engaging in all public activities once the Security Council meets to authorize implementation.

According to this provision, the U.N. Council for Namibia was to have ceased all public activity as of January 16, 1989, the day that the Security Council met to authorize the implementation of the U.N. Peace Plan. However, the Council appears to have continued its activities in violation of the agreement. In a working paper issued on February 28, 1989, the Council for Namibia insisted that because it "was not a party to the agreement" it is allowed to continue with its public activities. The Council further explained that because it derives its mandate from the General Assembly, its "activities related to Namibia may be terminated only by the explicit decision of the General Assembly" (A/AC.131/1989). Almost all of the Council for Namibia's 1989 budget of $3,935,000 is devoted to public activities. Will these funds earmarked for public activities be returned to the General Assembly?

The State Department has informed the Congress that "agreement in principles has been reached which will limit the Council's activities to those permitted by the impartiality package." In light of the aforementioned statements by the Council, Mr. President, I am not at all convinced that this is the case. The Council for Namibia has acted in a grossly partial manner for many years, so much so that for this reason U.S. funding of the Council has been prohibited—starting with Public Law 98-164.

Now the Council for Namibia must simply refrain from engaging in all public activities, as the impartiality package clearly stipulates. It cannot be allowed to carry on with its activities in what it defines as an "impartial manner."

(13) The Commissioner for Namibia and his Office should suspend all political activities during the transition periods.

It is imperative that this requirement be upheld. This includes all grants for political activities.

(14) SWAPO will voluntarily forego the exercise of the special privilege granted to it by the General Assembly, including participation as an official observer in the General Assembly and in other bodies and conferences within the UN system.

While this provision states that SWAPO must voluntarily forgo its privileges granted by the General Assembly, the response by SWAPO has been quite predictable. On April 28, nearly 1 month after SWAPO was to lose its permanent observer status, Helmut Angula, head of SWAPO's Observer Mission at the United Nation, indicated in a letter to The Namibian that he still holds his position at the United Nations. Ironically, in that same letter, Angula implies that the impartiality package, as well as all other agreements and understandings reached since 1978, are not binding, because in their opinion, "no agreement supercedes 435." In the past, the Council for Namibia has earmarked $447,000 for the maintenance of SWAPO's New York offices for 1989. The continued maintenance of these offices would be a blatant violation of the impartiality package.

Because of these concerns that the United Nations was not in complete compliance with the impartiality package, the amendment requires that the President certify that:

(4) the United Nations and its affiliated agencies have terminated all funding and other support, in conformity with the United Nations impartiality package, to the South West Africa People's Organization [SWAPO].

It is to be hoped that the knowledge that this Presidential certification must be made will prompt the United Nations and its affiliated agencies to clean up their act and abide by the agreement, and that certification will not be difficult. However, because of the United Nations' long history of bias toward SWAPO, it is imperative that it take every measure to ensure absolutely no funding or other support for SWAPO during the implementation of United Nations Resolution 435.

Last, Mr. President, the amendment requires that the U.N. Angola Verification Mission is demonstrating diligence, impartiality, and professionalism in verifying the departure of Cuban troops and the recording of any troop rotations.

Many in the Congress were frankly astonished by the remarks earlier this year of the Brazilian General who is to head the U.N. verification team in Angola with respect to the withdrawal of the Cuban troops there.

In an article in the New York Times Sunday, January 8, 1989, General Ferreira indicated that he and other members of the U.N. Angola Verification Mission [UNAVEM] will essentially take Cuba and Angola's word for it when the team is told of Cuban troop withdrawals. "We will trust the information given by both countries [Cuba and Angola]," he said.

A UNITA spokesman rightly countered, "They need to do a little more work than just sitting at the airport counting Cubans."

Secretary Baker, at his confirmation hearing in January, expressed concerns about this obvious bias and indicated that the United States had communicated these concerns to the United Nations. This provision ensures that the United Nations will remain sensitive to the need to keep in check General Ferreira and others who may wish to side with the communists in Angola.

Mr. President, I thank the Senators who have been so actively involved with the Angola Task Force for their assistance and support on this amendment: Senator DECONCINI, the principal sponsor of the amendment and chairman of the task force, as well as Senators GRAHAM of Florida and SYMMS. I am pleased to have been a part of this effort which I think will advance the cause of peace and freedom in southern Africa.

I also thank the distinguished chairman of the Appropriations Committee Senator BYRD, for his assistance and that of his very professional staff. And, Mr. President, I also express my thanks to Senators KASTEN, RUDMAN, and HOLLINGS who were very influential in maintaining the essence of the DECONCINI-HELMS amendment during the disscussions with the House conferees—and to their staffs as well.

Mr. BUMPERS. Mr. President, I am very disappointed that during conference on the fiscal year 1989 supplemental appropriations bill the House and Senate Appropriations Committees were unable to reach an agreement on funding for the national biotechnology demonstration project at the National Center for Toxicological Research. The suggestion was made during conference that funding the biotechnology demonstration project is not a dire emergency and should be delayed until fiscal year 1990. I disagree with the characterization of the project as something that can safely and wisely be delayed and believe it should have been initiated in fiscal year 1989. If I cannot win the fight in fiscal year 1989, however, I will cer-

tainly fight to see that the NCTR project is funded in fiscal year 1990.

The United States is still the world leader in biotechnology, but the leadership position we currently enjoy is being challenged by other nations. Experts from industry, government, and the academy have warned that the United States must guard against complacency and must continue to invest in biotechnology research and development. I believe the U.S. Government can play a key role in supporting biotechnology by encouraging public and private sector cooperation and by facilitating the transfer of biotechnology products from the laboratory to the marketplace. I believe the perfect place for a cooperative venture between the public and private sectors is the National Center for Toxicological Research in Jefferson, AR. There is laboratory space available at the NCTR which could be inexpensively renovated and made available to scientists who lack access to space and state-of-the-art equipment.

This cooperative laboratory venture, which I have been trying to fund for 2 years, enjoys the support of the Food and Drug Administration. I have received strong support from my colleague from North Dakota, the chairman of the Agriculture Appropriations Subcommittee, in funding the project, and I thank him for his unwavering support. Unfortunately, this project has run into a number of roadblocks which have absolutely nothing to do with its merits. At the beginning of fiscal year 1989, the Office of Management and the Budget blocked the expenditure of $3 million on the biotechnology demonstration project, and when I tried to remove any possible opposition from OMB and give FDA the opportunity to move forward with the project, I ran into the argument that this project does not qualify as a dire emergency.

I wanted to take this opportunity to discuss this project with the Senator from North Dakota and to get assurances from him that the subcommittee will make every effort to get this project funded in fiscal year 1990.

Mr. BURDICK. I agree with the Senator from Arkansas and support his efforts to provide funding for feasibility and planning and design studies for the national biotechnology demonstration project. The subcommittee has received assurances from the FDA Commissioner that this project is an FDA priority, yet no work has been completed on the project.

Mr. BUMPERS. The Senator is absolutely correct; this project is an FDA priority, and I hope the subcommittee will be able to provide adequate funds to the FDA to initiate the project in fiscal year 1990. Time is wasting while other nations rush forward in the biotechnology field. I look forward to working with the Senator from North Dakota during the fiscal year 1990 markup to provide funds to FDA for the NCTR project.

Mr. BURDICK. I will work with the Senator to provide funds to begin the biotechnology demonstration project in fiscal year 1990.

Mr. MURKOWSKI. Mr. President, I am extremely pleased to rise in support of this measure which should, among other things, provide for fiscal year 1989 supplemental appropriations for the Department of Veterans' Affairs. I congratulate and applaud the efforts of the Senate leadership—particularly Senators MITCHELL and DOLE—on this legislation.

Although this bill contains many needed and important provisions, I would like to highlight just one. This bill provides $340 million for veterans' medical care. This money is needed to permit VA to: First, hire new health-care personnel; second, purchase medical equipment and prosthetic devices; and third, provide needed care and treatment to our Nation's veterans.

President Bush recognized the need for additional VA funding and requested such a medical care supplemental in March. The President, of course, deserves our appreciation as well as the appreciation of America's veterans for sending the request to the Congress.

VA Secretary Derwinski also worked hard on obtaining additional funds for veterans' medical care. Without the Secretary's hard work I don't believe we would have the bill before us tonight.

As ranking Republican on the Veterans' Affairs Committee, I know of the financial difficulties which have faced VA, especially during the last several months. Enactment of this legislation should drastically improve VA's situation. This is certainly good new for veterans.

Thank you, Mr. President.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate recede from its amendment to H.R. 2402, and pass the bill with an amendment which is at the desk.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

(The text of the amendment No. 210 to the bill H.R. 2402 is printed in today's RECORD under "Amendments Submitted.")

Mr. BYRD. Mr. President, I want to take particular note of the efforts of the Senator from California [Mr. CRANSTON], chairman of the Committee on Veterans' Affairs, in working with the joint leadership to ensure that the urgently-needed veterans medical care funding would be provided before the forthcoming recess.

In his role as majority whip and committee chairman, Senator CRANSTON contributed in a major way to moving the process forward to this successful resolution and I thank him for all of his cooperation and his help.

I also wish to thank the majority leader for his cooperation and for his understanding and courtesies that have been accorded. And I thank the Republican leader for his cooperation and equally good understanding and courtesy.

Mr. President, the Appropriations Committee is fortunate to have such a highly professional and dedicated staff. They all worked many, many long hours on this bill. I want the entire staff to know that their efforts are deeply appreciated. Since this was a supplemental appropriations bill the staff of all 13 subcommittees as well as the full committee staff, both majority and minority worked together in a bipartisan way to assist all members of the committee and all Senators on this measure.

I would like to include in the RECORD at this point the name of each member of the committee staff, both majority and minority and the subcommittees on which they serve. I do ask unanimous consent.

There being no objection, the staff list was ordered to be printed in the RECORD, as follows:

Staff director James H. English, Deputy staff director Terrence E. Sauvain, Minority staff director J. Keith Kennedy, and chief clerk Mary S. Dewald; full committee professional staff members Jack Conway, Robert W. Putnam, Marsha Berry, Mark Walker, and Juanita Rilling; staff assistants Janelle Grose, Diana Gourlay, Anita J. Skadden, and Debbie Rieman; from the Subcommittees on Agriculture and Related Agencies Rocky Kuhn, Deborah A. Dawson, Tawanda Sullivan, Irma I. Hanneman, and Judee Klepec; on Commerce, Justice, State, the Judiciary Warren Kane, Dorothy Seder, Liz Blevins, and John Shank; on Defense Richard Collins, Charles J. Houy, Scott B. Gudes, Jay Kimmitt, Peter D. Lennon, C. Richard D'Amato, Jane McMullan, Mary C. Marshall, Mazie R. Mattson, Mavis Masaki, Steven J. Cortese, Eric J. Kammerer, and Dona Pate; on District Columbia B. Timothy Leeth, Lula Joyce, and Rick Pierce; on Energy and Water Development Proctor Jones, W. David Gwaltney, Gloria Butland, and Gary Barbour; on Foreign Operations Eric D. Newsom, Tim Rieser, Rand H. Fishbein, Fred Kenney, and Jim Bond; on Interior and Related Agencies Charles Estes, Rusty Mathews, Sue E. Masica, L. Shannon Skripka, and Jeff Cilek; on Labor-HHS J. Mike Hall, James J. Sourwine, Peter Rogoff, Carol C. Mitchell, Amy J. Schultz, Nancy C. Anderson, Sandra J. Kruhm, Maureen Byrnes, Craig A. Higgins, Santal Manos, and Marva Bickle; on Legislative Jerry Bonham, and Lula Joyce; on Military Construction Mike Walker, and Rick Pierce; on Transportation Patrick J. McCann, Don Knowles, Joyce C. Rose, Anne Miano, and Dorothy Pastis; on Treasury, Postal Service, General Government Patty Lynch, Ursula P. Mauer, and Becky Davies; on VA-HUD Kevin F. Kelly, Carolyn E. Simmons, Stephen Kohashi; in printing and editing area, Richard L. Voelker, Bernard F. Babik, Clarence E. Erney, Richard L. Larson, and Robert Swarts; in the telephone office Rheda Ann Freeman, and Nancy L. Brandel; and the clerical assistants Norman L. Edwards, and Joseph C. Chase.

I also want to thank members of my personal staff who have been a great help to me on many of the specific issues in this supplemental: My chief of staff, Barbara Videnieks, my administrative assistant Joan Drummond, Charlotte Holt, Becki Roberts, Kathy McNally, Melissa Wolford, and Jan Heininger.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the actions were taken and I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I yield to the distinguished Republican leader.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, let me just congratulate the chairman and Senator HATFIELD and all others who participated in this process. It is not easy, as the distinguished chairman pointed out.

I also want to thank Senator MCCAIN who thought about coming in to offer an amendment on catastrophic coverage. He was persuaded that maybe he could do that on child care, something that was not controversial.

He did not do it on the supplemental, though he could have. But I want to congratulate the leadership, and particularly Senator HATFIELD and Senator BYRD for their diligence. I know it is a difficult thing to do. It is done because of their efforts and we thank them.

Mr. BYRD. Mr. President, I publicly thank Senator HOLLINGS and Senator DECONCINI. They made it clear in the conference that they were with those who wished to support the $822 million, and various lesser amounts that came up in the amendments with respect to drug funding. They made it perfectly clear that they supported those efforts but that the Senate had had three votes on the floor and one in committee. It was obviously a very strong position which the Senate took. They recognized it and would recognize the futility of coming back here and making another effort and I think that took courage and I think it is very persuasive to the House conferees.

I also thank Senator RUDMAN and Senator HOLLINGS, for their cooperation on another matter involving the legislation, and I thank Senator SASSER and Senator DOMENICI for their excellent work that they did in the conference, as well as the other subcommittee chairmen and ranking members.

Mr. President, I thank all Senators and I yield the floor.

The PRESIDING OFFICER. The majority leader.

CHILD-CARE IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

Mr. MITCHELL. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Dole amendment to S. 5.

Mr. MITCHELL. Mr. President, for the information of Senators I am about to propound a unanimous-consent request regarding an amendment to be offered by Senator WILSON. If agreed upon it will provide for 40 minutes' of debate, maximum on that amendment, followed by a vote. Senators, therefore, should be aware that a vote will occur, if this agreement is accepted as I hope and expect that it will be, not later than 40 minutes from now or at approximately 10:30, or sooner if the time is yielded back.

So I hope that the Senators' staff who are listening will contact all Senators immediately. We will put out a hotline to indicate that on both sides, that there will be a vote upcoming in the near future so that Senators can return for that.

Accordingly, Mr. President, I now ask unanimous consent that the pending Dole amendment be laid aside and that Senator WILSON be recognized to offer an amendment relating to pay rates for child care on which there shall be 40 minutes of debate equally divided between Senators WILSON and DODD.

I further ask unanimous consent that no amendments be in order to the Wilson amendment of the language proposed to be stricken by the Wilson amendment, and that the Senate vote on or in relation to the Wilson amendment without any intervening action at the conclusion or yielding back of time on the amendment.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

Mr. DODD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Senator from California [Mr. WILSON] is authorized under the unanimous-consent agreement to offer his amendment at this time.

Mr. DODD. Mr. President, I ask that the time run equally against both sides. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 211

(Purpose: To delete provision relating to the rate of payment of child are providers)

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 211.

Mr. WILSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, strike out lines 15 through 23.

On page 41, line 1, strike out "(9)" and insert in lieu thereof "(8)".

On page 41, line 18, strike out "(10)" and insert in lieu thereof "(9)".

On page 41, line 24, strike out "(11)" and insert in lieu thereof "(10)".

On page 42, line 3, strike out "(12)" and insert in lieu thereof "(11)".

On page 45, line 5, strike out "(13)" and insert in lieu thereof "(12)".

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. Mr. President, this amendment seeks to maximize what money is available for child care in the pending legislation and specifically it seeks to strike that section of the ABC legislation that requires that child-care providers receive the same rate of compensation within the same State or substate area. Specifically, the language says that in the plan that is submitted by the State to the Federal Government for child-care services that "an eligible child care provider shall have a right to payment at the same rate charged by providers in the State or substate area to children whose parents are not eligible for certificates."

What this means, Mr. President, is that a child care provider who is presently in the business of providing care at a lesser rate than the highest in that substate area would, under this legislation, have a right to seek and receive payment at that rate. It means that even though St. Aloysius, for example, is providing child care at a much lesser rate than Kindercare; that under this language they have a right "to payment at the same rate charged by providers in the substate area for comparable services to children of comparable wages and comparable needs."

What that means, Mr. President, is that inevitably there will be a tendency for the costs of child care to rise. What that means is that with x amount of dollars available for child care of all kinds, be it through certificates or be it through contracted services with the State acting as the contracting agent to a child-care provider, the costs will go up from what they are now and less children will be permitted to be cared for. It is a simple matter of arithmetic, because the x dollars, whatever they turn out to be, will, in fact, be divided into fewer larger units, fewer children will be cared for than could be cared for if the market were permitted to operate.

If instead the law simply put surplusage in terms of stating that people can be compensated according to what the market provides, there obviously would neither be a need for that particular provision nor would there be the kind of compulsion that exists when the law says "shall have a right to payment at the same rate."

What we are dealing with here is a situation where under the law eligible families are those within the median income of the State or the substate area. What that means is that in certain areas, those of a reasonably substantial income can be eligible. In those areas, it is virtually guaranteed that costs will be higher because the

cost of living is higher, and what it means is that there will be pressure on those who are serving children at a lesser cost to increase what they charge, and that will not benefit the parents and it certainly will not benefit the children.

Already we have heard on this floor repeatedly concern expressed by my friend, Senator PACKWOOD, from Oregon, by my friend Senator DOMENICI of New Mexico, the other day. I have expressed this concern, and the Senator from Colorado, who is a cosponsor of this amendment, has expressed the concern, that we are going to be faced with a situation where there will be rationing of child care.

This provision simply aggravates it. It does not say "shall be compensated at the prevailing market rate" as it once did. There has been some concession, some softening of the language in that respect. But what it does say is that an eligible child-care provider shall have a right to payment at the same rate that he charges to the parents of children who are not eligible to receive assistance under this title or any other Federal or State program, any other child-care assistance.

Mr. President, good intentions, I repeat, are not enough, and what we are in danger of doing here is saying that it is only fair to providers that they be able to charge what the competition is charging and to receive it. They are able to charge it if they want to, but this says, instead, that they will receive the same rate. I do not know how you would interpret that, but I think it is fairly clear that there will be efforts made to interpret it. There will be court cases that will interpret it as meaning the prevailing market rate. We are in the situation where we have, in effect, a Davis-Bacon not for construction but for the provision of child care.

It will mean that less child care will be available than would otherwise be the case if we simply allow the market to operate.

Now, we do not know yet what the denouement will be in this drama that is slowly unfolding in terms of a negotiation to reach some agreement on what kind of tax credits this legislation will contain beyond the dependent care credit. What I will tell you is that whatever forms we provide in this legislation, the x amount of dollars that we provide for all those purposes will not go as far as it could or should if we simply permitted the market to operate, allowing the parents to choose the kind of care they want and even with assistance feel that they can afford because, admittedly, we are talking about sliding scale, ability to pay in the case of those receiving certificates. Any way you cut it, we are talking about reducing the amount of child care available.

Now, you can speak of fairness to providers. Well, they have been operating in the marketplace charging what they thought they could either get, if they are proprietary, or what they needed to get, if they are nonprofits. Why not simply allow that to continue? Why shrink the amount of child care available? Why lessen the number of children who, under a rationed system of child care, will receive care? Why aggravate that situation needlessly by insisting on a prevailing wage rate? I submit that is essentially what this language does. It may be less specific than those phrases of art about prevailing market rate, but that will be its effect inevitably. And just as inevitably it will reduce the amount of subsidized slots, whatever the form chosen to provide child care, and we will have fewer children cared for.

Mr. President, I suggest to you again, what we need to do with the limited amount of dollars we are allocating to this purpose, less than perhaps anybody would like to see, is to target those to low-income families, to the working poor. I am not sure we do that when we speak of allowing families to be eligible up to the median income in the State or the substate area. In some instances we may, but in others I think we will again by that standard aggravate the shortage. Together, that provision with this one that requires the provider receive payment at what is the prevailing market rate, and that is how it will be interpreted, what we are doing is providing an unnecessarily rich program for fewer children than should be provided. You may argue that it will not be a rich program, and that may be. But it will in fact mean that we are spending more per child than is necessary currently, and it will mean that there will be fewer children cared for.

That really is the bottom line. I think that is a very sad mistake to make.

Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. FOWLER). The Senator from California has 9 minutes remaining.

Mr. WILSON. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Connecticut controls the time.

Mr. HATCH. I yield such time as I may need.

Mr. DODD. I yield whatever time the Senator from Utah needs.

The PRESIDING OFFICER. The Senator from Utah is recognized for whatever time he needs.

Mr. HATCH. Mr. President, let me say to my friend from California that one of the original provisions of the ABC bill was that providers had to be reimbursed at the "market" rate. I had a problem with that in our negotiations. I do not know precisely what "market" rate is, and neither does anyone else. I did not want to establish an arbitrary fixed rate for reimbursement, and I did not want to preclude parents from choosing qualified providers who charge less than this or that established rate.

I also did not want providers who would otherwise charge less to raise their rates just because the State determined that the acceptable "market" rate was higher.

Now, having stated this, let me point out that the rationale for having this language—and this language in the bill basically says, "The plan shall provide the child care services for which assistance is provided under this title. An eligible child care provider shall have the right to payment at the same rate charged by providers in the State or substate areas for comparable services to children of camparable ages and special needs whose parents are not eligible for services under this title or for child care assistance under any Federal or State program."

Having stated what I have stated, the rationale for putting this language in the bill is to avoid creating disincentives for providers to serve low-income families who are or may be eligible for assistance under this bill. For example, some States currently reimburse only $6 or $7 a day when the true cost is $10 or $12 a day. Kansas in 1987, for instance, paid $8.35 per day for children aged 2½ to 6, even though preschool care averaged in the State $10.33 per day—in fact, just over $9, and the true cost is over $12. Utah has a reimbursement, for instance, of only $7.95 per day when the daily cost for infants and toddlers is actually $14.10 a day. Also, these provisions as a practical matter affect State contracts. Certificates going directly to parents will be assigned values based on a variety of other factors including the income and number of children in the eligible family. So all of these are important reasons why we wrote the language as it is, plus we wanted to avoid some of the political ramifications that could come from the other language.

Now, this language is actually more flexible than the "market" rate language the Senator rightly criticizes. I think he does rightly criticize that. A "market" rate implies that all providers must be reimbursed at the arbitrarily-established rating. This language in the bill says comparable rates for comparable services—toddler programs compared to toddler programs, infant care compared to infant care, et cetera, et cetera. So that means that a State can reimburse two or more infant care programs in the same area at different rates. Clearly there is no incentive under this language for the providers to raise rates.

So as much as I share the concern of the distinguised Senator from California, this language is much more flexible and much better than the other language that has been, for instance, put in the welfare reform bill that passed, as I recall, 96 to 4. And if I do not miss my bet, I think the distinguished Senator from California voted

for it. So we think it is much better language.

Now, it is no secret there are those here who would like to put formal Federal language of "prevailing" rates in here. We would like to avoid that because, first of all, if that were the case, then the arguments of the distinguished Senator from California would have some merit, would have some sting to them. So we have worked very hard to try to come up with language that solves the problem without getting into the "market" rate problem but literally exists in so many other areas of Federal law. Actually, we are for flexibility; it works better; it gives the States a lot of flexibility. I do not think we can really improve upon it unless we just said that there would be no restraints or restrictions whatsoever. I do not think we are going to be able to get away with that on this bill or any other bill, to make a long story short. So this is about as fair a way of stating it as we possibly can under the current laws of our country, and we solve two problems at the same time.

I reserve the remainder of our time.

Mr. WILSON. Mr. President, I thank my friend for his comments, but I think that he has, with all candor, made a compelling argument for the removal of this language because in the examples he cited, he repeatedly gave examples of those providers of child care who have been providing care, presumably comparable care, at a lesser rate who in his words have been in effect subsidizing the care they provide and that now he sees no reason why they should seek reimbursement at a higher rate.

I say the reason is that they have the right under the law, or would if this becomes law because it says "shall have a right to payment at the same rate charged by providers in a State or substate area."

Indeed, that is the announced purpose, the purpose in his words being to remove the disincentive that would otherwise exist for the provision of services to those children who, in fact, cannot afford market rate.

Now, what you have are people who are able to afford expensive care, and expensive care as provided by proprietary firms and you have other firms providing, or other forms of care being provided, good care being provided at a substantially lesser cost because that is what the market will bear with a particular audience they are trying to reach.

I used a fictitious St. Aloysius, meaning a church-based kind of care aimed at families within a parish perhaps in an afterschool program. In any case, what we will see now is that there will be pressure for compensation to be even. There will be in effect an economic egalitarianism in the name of not having distinctions either in the kind of care or no distinctions made between who is receiving it.

That is a nice idea, except that it is going to mean that we spend more on fewer kids. It will benefit not the kids but the providers, and this provision I submit with the best of intentions in the world is a provider's provision, not a consumers' provision, and my concern is that we reach as many children as possible.

Mr. ARMSTRONG. Mr. President, will the Senator yield to me for a moment?

Mr. WILSON. I am pleased to.

Mr. ARMSTRONG. We have been arguing about Davis-Bacon for about 50 years. I suppose we are going to be arguing about it for a while longer, but the reality is every Senator knows Davis-Bacon is a bad deal. CBO has reported that it is costing us hundreds of millions of dollars a year. The General Accounting Office has done numerous studies. If you look at the construction of highways, airports, housing projects, it has been a terrible deal. This is a new Davis-Bacon provision.

I am enough of a realist to know tonight we are not going to repeal the Davis-Bacon Act, but I appeal to my colleagues, let us not start with another reason. Let us not write into this bill a new provision we will be arguing about for the next 50 years.

The Senator from California is absolutely right. In response to the arguments that he has made, we have been told three things. We have been told, first of all, that there is no incentive to raise rates. That flies in the face of human nature for the reasons that Senator WILSON has pointed out.

Second, we have been told it is not as bad as it might have been, that in the original iteration of this thing it was much worse. I have no doubt that is true. But that is scarcely a reason to buy off on this kind of a provision.

If Senators want this provision, they can vote against the Wilson amendment. My view is that the free market works pretty well for most things, and unless there is a compelling showing of why we ought to intervene with this kind of a price-fixing scheme, 10:30 at night is not a good time to embark on a program on that kind that is going to affect a lot of millions of people over the next 10, 20, 30, 40, 50 years if, in fact, this bill is enacted.

Finally, we are told this is the best we could do; "We could not get away with it." I noted when that phrase was used, "We just could not get away with anything," that it was more free market than that.

I am not prepared to accept that. Maybe that is what the votes are going to show. If it does, that is the way it is. My colleagues, this is a terrible provision to put in this bill. Maybe it is not as bad as it is thought to be. But it is a lot worse than it needs to be.

Mr. WILSON. Mr. President, I reserve the balance of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I am told providers for many in the country simply feel it would serve low-income kids. One statistic that comes to mind is in Seattle. Something like 30 percent of the providers will not accept kids on a subsidy. What kind of parental choice is that.

Look, the fact is that the cost of these programs is going to be competitive, and they are going to try to match up. There will be always an attempt to pay more. As a matter of fact, as we try to get quality and reasonable State and local standards in, there will be an attempt to pay people what they should be paid to do child care based on certain areas. But this is unlike Davis-Bacon. This has no relationship to Davis-Bacon, and I think anybody who understands labor laws knows it has no relationship to Davis-Bacon. We provide for a lot of flexibility in here for different rates among different approaches. We give the States a lot of flexibility.

So it is not like we are trying to saddle them with a bunch of rules and regulations. It is trying to get the system to work so certain areas are not underserved.

I like the free market arguments myself. I think they are great. They will work very well under this system. What we have tried to do is come up with a compromise that basically will work well, that will satisfy the broadest number of people on this floor, and that probably will work better than any other system we can possibly have. But it is certainly not Davis-Bacon, does not have any relationship to Davis-Bacon, and it is a red herring. I want to put that one to bed.

Mr. KERREY. Mr. President, will the Senator yield?

Mr. HATCH. Yes.

Mr. KERREY. I appreciate the Senator bringing out the difference between what he and Senator HATCH are doing with this reimbursement system on Davis-Bacon. It seems to me it is much more close to the reimbursement system we have in place for intermediate care facilities.

I observe Senators who are concerned about the funding, and I think the Senator from California has identified one of the serious questions that the committee has gone through as they tried to figure out when you make it market oriented, when you essentially observe that over the past 10 years there has been an acceleration of the development of a new service being offered to individuals because of a change in the workplace known as day care. When you try to reimburse for that kind of service, you are going to get into funding difficulties.

I see the model as being very much comparable to the intermediate care facility.

I urge those Senators who are sort of intrigued by perhaps making this change to understand if you accept this different kind of a funding mech-

VOL 135 PT 9 JE 14 — 22 1989 UMI

anism you are going to have to apply the same kind of standard to the intermediate care facilities. We do in fact have uniform categories for intermediate care facilities. We set up categories within the State, and reimburse accordingly.

In addition to that, I point out something to Senators that I think we are going to discover, not only through this, but as we go more and more into welfare reform there is a terrible dilemma inside of the day-care facilities for working mothers and fathers that have chosen to work, for whatever their reasons. They may work for me, they may work for you, they have chosen to work, and are looking at day care. The dilemma is reimbursement required that is charged to these working mothers and fathers has grown exceedingly expensive and difficult for them to pay.

On the other hand, the reimbursement that provides for the institution that tries to provide the care is so low that most of these facilities in my State, and I would be surprised if it is much different throughout the United States, are unable to hire much more than just minimum-wage people. It is a terrible dilemma.

I suggest one of the things that will happen over time as we look at child care facilities is we are going to begin to ask ourselves what kind of care do we want these children to get? These children that are in there today are toddlers. Twenty years from now, they are going to be in the workforce. The ones that are being provided after-school care, as the Senator from California has cited, are going to be in our workplace in 10 years. We are going to be asking ourselves what kind of care do we want. I think we are going to begin to discover that the reimbursement that is provided right now is insufficient to be able to hire the kinds of people we want in that child-care facility.

I urge Senators to consider that if you accept the argument that is being offered and change this funding formula, it is going to have an awfully adverse impact upon the way we reimburse for our nursing homes.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, our colleague from Nebraska, as well as my colleague from Utah, laid out the specifics here. This is an amendment that, if adopted, would change exactly the trend we have been going in in a number of other areas legislatively. Last year the welfare reform package was adopted overwhelmingly, and this body adopted similar provisions. This is not something new and unique that has been suggested here at all. This is the way we have been progressing. Ninety-six to four, our colleagues here in fact chose a system, and arguably would create a little more dislocation than being proposed here.

Second, this is a compromise that came from the Governors of this country. This was not crafted or concocted or created around here. This is part of what the NGA, the National Governors Association, said would work best for them.

So it is coming from the States to us rather than something that is coming out of here.

Third, one of the things we have all been talking about here over the last week or so is trying to do something about particularly children in the poorer families or up into working class families. That is the target group here. As a practical matter, we also know, having listened to our colleague from Missouri offering his amendment on the crisis of availability, on slots. In Missouri, in Alabama, in Illinois, in California, in Nebraska, in Connecticut, in Utah, in Colorado, there is an availability crisis. If we are simultaneously trying to serve a population that is poorer at the same time we have a problem in finding slots for those children, obviously a provider that is not going to be receiving a comparable rate for a poor child is not going to accept it.

So on the one hand we are trying to serve a population, where with this, if you take this out, you are removing the possibility they get served at all.

I know my good friend from California, who faces a unique crisis in his State, would be de facto with this amendment rejecting almost every poor child in his State receiving child care if they do not make it possible for that child, that poor child, in Los Angeles, San Diego, San Francisco, getting from at least that provider the comparable rate from the State. This is where that comes from.

Mr. HATCH. Will the Senator yield?

Mr. DODD. Yes.

Mr. HATCH. If you do not give the comparable rate, you are going to have people not served. That is what is happening in cities all over the country. States are not giving comparable care in some instances.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. HATCH. Sure.

Mr. ARMSTRONG. The notion which the Senator is expressing, and which the Senator from Connecticut is expressing, is so far removed from any notion of marketplace economics that the very idea that you have to start by freezing the price in order to assure competition is bizarre. If the price is not high enough to encourage someone to provide a needed service, the price will rise to what economists call a "market clearing level."

I do not want to belabor the Senator's patience. But honest to Pete, that does not make sense.

Mr. HATCH. Let me answer the distinguished Senator. In that case, we are having trouble getting reimbursement for providers because the reimbursements are not adequate. All we are trying to do is make sure the system works. The fact of the matter is in some areas of the country poor people cannot get service because the reimbursement rates are not adequate to pay for the service. That is happening all over the country. You can say, well, let the free market care for it. The free market is not handling the problem.

So what we are trying to do here is trying to get adequate child care for people all over this country on a reasonable basis. So we say let us have comparable rates.

Mr. ARMSTRONG. Mr. President, if the Senator will yield further, the point the Senator is making would be applicable, and in fact would be obviously true, if what the Senator from California was suggesting were a ceiling price and if the ceiling price were imposed at some level which was too low to attract providers to render a needed service. That is not what he is saying.

Mr. DODD. I agree with that.

Mr. ARMSTRONG. What he is saying is he wants to strike out of the bill language which sets a floor price. Exactly the opposite.

Mr. DODD. If my colleague would yield, if the Senator would take his argument, that is true when you have demand roughly equalling supply, the market rate applies. But when demand far exceeds supply, when it far exceeds supply, then you either ensure that poor families can pay as much as wealthier families and market rate principles do not work under that kind of a fact situation. That is what we are talking about.

One thing we have all agreed upon here over 7 days debate on this issue—the Republican alternative offered this morning, certainly what we have tried, Senator HATCH and I—is to at least try and serve the poor elements in our society, get them back to work and off welfare and also reach up a bit. I would say on our side we try to do at least a little more than on that side.

If, simultaneously in our effort jointly to to that, you make it almost impossible for that poorer person to be able to get a slot where there is such a waiting list to get in, then you have defeated what we all decided here, choosing different means to arrive at that same result, that is to serve a poorer population, is lost.

So, obviously, you may reject, as I understand it—I mean, my colleague from California does not particularly find appealing the ABC approach, and I respect that. That is fine. But, having moved in that direction, this would just undercut and destroy the ability of these poorer people to take those vouchers and make them workable for them.

Mr. CHAFEE. Could I ask a question of the Senator?

The PRESIDING OFFICER. Who yields time?

Mr. DODD. I am glad to yield to my colleague from Rhode Island.

Mr. CHAFEE. Could I draw an analogy to the medicaid situation, in that you have a provider here who has a host of private, you might say, noneligible children attending there, private patients, if you would. And so the State is going to pay for several poor children to attend that facility. If I understand this provision, it says the State must be prepared to pay what the going rate is at that facility, for example, and if they set a lower rate, the facility is going to say, "We don't want that child."

Mr. DODD. That is basically true.

Mr. CHAFEE. Is this not a repeat of the Medicaid situation, where we have doctors, for example, who have plenty of patients and do not want to take the Medicaid patient because medicaid is not paying an adequate amount of money?

Mr. ARMSTRONG. Mr. President, I do not know who has the floor, but the Senator from Rhode Island is not stating the situation as I understand it.

Mr. President, who controls the time?

The PRESIDING OFFICER. The Senator from Connecticut has the floor. The Senator from Connecticut has 1 minute and 30 seconds remaining. The Senator from California has 4 minutes and 30 seconds.

Mr. DODD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Connecticut reserves the remainder of his time.

The Senator from California.

Mr. WILSON. Mr. President, let me just point out, in this fascinating discussion of market economics, that we are talking about a limited supply of money, a limited supply of money that we are seeking to stretch to serve as many children as possible. We will not achieve that goal if, instead, we reduce the number of units available because we are increasing the cost with that fixed number of dollars available.

Let me point out—I was just handed this interesting information. The National Child Care Association shows that there exists across the Nation today an 18-percent vacancy rate in licensed child-care facilities.

I would suggest that there may be an opportunity for the market to operate to the advantage of those children who I guarantee my friends will wind up on that longer waiting list because fewer of them can be served if we increase the cost of care for each of them. And that is precisely what this makes inevitable.

Now, you may not like analogies to Davis-Bacon, but, frankly, I think they apply. The language is not identical. But you watch. When it is construed in the court, they are going to come down and define these terms as meaning prevailing market rate. What else can it mean when it says the child care provider shall have a right to payment at the same rate charged by providers in the State or substate area for comparable services? What else can it mean?

And what it means, I will tell you, is that we are here in this section providing for the providers and not the children. We should be interested in the consumer more than the provider. We shold be interested in a program that stretches further rather than a rich program for fewer children. It is that simple, unhappily. And it does not really matter. It will probably be aggravated given the ABC approach that does not permit the use of the tax credit, at least not yet, to the extent we would like to see.

But whatever the form of the child care provided, when you have a fixed number of dollars and reduce the number of slots because you have made them more expensive, fewer children are going to be served. That is not the purpose of this legislation. I do not think it is even the purpose to get the nose of the camel under the tent to create a rich program for a few people in the hopes that we can expand the funding in the future.

Mr. President, we ought to be concerned with providing as much care with the dollars in this bill as we possibly can. This approach does not do it.

My friends who are worried about whether or not proprietary care operators will take poor children have made the point compelling. Let us stretch the money as far as it will go.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from California has 1 minute and 31 seconds and the Senator from Connecticut has 1 minute and 17 seconds.

Mr. DODD. Mr. President, at the conclusion of the debate, I inform my colleague that when he is completed I will move to table the pending amendment.

I believe the arguments have been made. I can repeat them again for those who care to hear them.

Basicially, as I said in response to our colleague from Colorado who was talking about market rate here, we have got a situation where demand vastly exceeds supply in every State in the country. This has been highlighted by various Members talking about the problem. One of the things we are trying to do is help poor people. And this provision here is designed to do that under the provisions of the bill.

As the Senator from Nebraska has pointed out and the Senator from Rhode Island has pointed out these are things we have done with the elderly in our country, in nursing homes. We did it in the welfare reform bill last year, part of that bill, which passed 96 to 4 when a similar attack was raised on it.

I would suggest that is all we are trying to do here with this legislation and with this particular provision.

Again, the Governors of this country were the ones who insisted that this provision be there.

The PRESIDING OFFICER. The Senator from Connecticut has 10 seconds remaining.

Mr. DODD. I reserve the 10 seconds.

Mr. WILSON. Mr. President, I ask unanimous consent to have printed in the RECORD this sheet from the National Child Care Association that makes the point about the current 18-percent vacancy rate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHILD CARE CENTERS NATIONWIDE HAVE CURRENT 18 PERCENT VACANCY RATE, JUNE 16, 1989

Final results of an 18 State survey of child care center vacancy rates manifest an 18 percent average vacancy rate. The licensed capacity of the proprietary child care centers survey was 38,848, but current total enrollment of 1-5 year olds was only 31,958.

"This definitely puts to rest the unsubstantiated charge of the ABC Coalition and its supporters that there is a massive shortage nationwide in available, quality child care," declared Nick Craft, President of the National Child Care Association as he reviewed the results. "This relates well to the statement of April 15, 1988 by a special Task Force of the United States Department of Labor," he continued, "that denied there was an ongoing national child care availability shortage. Rather, at most, there may be highly localized shortages of day care, especially for infants and toddlers, and these shortages are also keyed to local economic conditions."

The NCCA National survey also revealed that almost 25 percent of center enrollment was by 4 year olds, a group that would be pushed into public schools by the House ABC-like bill, H.R. 3, introduced by Chairman Gus Hawkins, of the House Committee on Education and Labor.

The National Child Care Association represents 18 state Associations and 30,000 proprietary (small business, for-profit) child care centers nationwide in the areas of national and state public and professional issues.

Mr. WILSON. Mr. President, let me conclude with thanks to my friend from Colorado for his eloquent and accurate analysis. Let me say to my friends who are trying hard to do a good thing that I think we ought to be realistic. There is a limited supply of dollars. We are not going to stretch them as far as they can go and ought to go by providing for, in effect, a Davis-Bacon for child-care providers that reduces the number of slots available. That is a mistake. It is a serious mistake.

The fact that we may be applying that approach in other areas is not persuasive. It is not an argument in favor of making the same mistake again. Let us, in fact, have not a providers' provision but one for consumers, not a rich program for fewer, but a market rate program for as many as can be served at the market rate.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Mr. President, I yield back the remainder of my time.

Mr. DODD. Mr. President, I agree. I wish we were doing a bit more here financially. But the fact that we are not doing quite as much as everyone would like is no reason to be against this. We are doing the best we can.

Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut [Mr. DODD] to table the amendment of the Senator from California [Mr. WILSON]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—59

Adams	Ford	Metzenbaum
Baucus	Glenn	Mikulski
Bentsen	Gore	Mitchell
Biden	Graham	Moynihan
Bingaman	Harkin	Nunn
Boren	Hatch	Pell
Bradley	Heinz	Pryor
Breaux	Hollings	Reid
Bryan	Inouye	Riegle
Bumpers	Jeffords	Robb
Burdick	Johnston	Rockefeller
Byrd	Kennedy	Sanford
Conrad	Kerrey	Sarbanes
Cranston	Kerry	Sasser
D'Amato	Kohl	Shelby
Daschle	Lautenberg	Simon
DeConcini	Leahy	Specter
Dixon	Levin	Stevens
Dodd	Lieberman	Wirth
Exon	Matsunaga	

NAYS—40

Armstrong	Gorton	Murkowski
Bond	Gramm	Nickles
Boschwitz	Grassley	Packwood
Burns	Hatfield	Pressler
Chafee	Heflin	Roth
Coats	Helms	Rudman
Cochran	Humphrey	Simpson
Cohen	Kassebaum	Symms
Danforth	Kasten	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	Wilson
Fowler	McClure	
Garn	McConnell	

NOT VOTING—1

Lott

So the motion to lay on the table amendment (No. 211) was agreed to.

The PRESIDING OFFICER. The pending business is amendment No. 202 offered by the Republican leader, Mr. DOLE.

The majority leader.

Mr. MITCHELL. Mr. President, Senator COATS has a series of, at maximum, seven amendments which he is prepared to offer. Five of those have been worked out and I understand will be acceptable to the managers and will take just a few moments once properly cleared. The remaining two, if offered, will be contested and will require rollcall votes.

Senator COATS has indicated that he is going to offer one of the remaining two for certain and possibly a second but has agreed to a 30-minute time limit on each. It is my intention that we proceed to complete action on all of Senator COATS' amendments this evening which, at the very latest, would take us to just prior to midnight and possibly the very earliest about 11:30. It would be my intention to discontinue action this evening and return tomorrow and attempt to complete action on the remaining amendments.

Accordingly, Mr. President, I ask unanimous consent that Senator COATS be recognized for the purpose of offering a maximum of seven amendments, five of which may be accepted by the managers and with respect to two of which votes may be required. With respect to those two, if offered, there would be 30 minutes of debate equally divided under the control of Senators COATS and DODD and that there be no amendments in order to the two Coats amendments.

The PRESIDING OFFICER. Is there an objection?

Mr. COHEN. Reserving the right to object, would it be possible to have a short time period between the votes if we were to have back-to-back votes to those amendments?

Mr. MITCHELL. They are not going to be back-to-back votes. Senator COATS has indicated he is not certain he is going to offer the second amendment that is contested so that there will likely be only one vote. He, of course, has the option to, and I have agreed to reserve his right to offer a second amendment should he so choose. That will not occur until after debate on that amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

The Senator from Indiana [Mr. COATS] is recognized.

Mr. MITCHELL. Mr. President, I understand that the Senator from Indiana is prepared to proceed and has been recognized by the Chair for purposes of offering the first of his amendments.

The PRESIDING OFFICER. The Senator from Indiana [Mr. COATS] is recognized.

Mr. COATS. Mr. President, I need to inform the majority leader that apparently one member of the majority has a question on one of the package of five.

I have been assured that there does not appear to be a problem but that needs to be looked at and within the next 2 or 3 minutes we should have the answer on that. So we cannot proceed with the package of five.

Mr. MITCHELL. Accordingly, Mr. President, I am advised that Senator DOMENICI has an amendment that is acceptable to the managers. Accordingly, Mr. President, I ask unanimous consent that Senator DOMENICI be recognized for the purpose of offering an amendment that will be acceptable, and that following disposition of that amendment the previous order be in effect and Senator COATS be recognized.

The PRESIDING OFFICER (Mr. BRYAN). Is there objection? Hearing no objection, it is so ordered.

The Senator from New Mexico [Mr. DOMENICI] is recognized.

AMENDMENT NO. 212

(Purpose: To exempt small employers from section 89)

Mr. DOMENICI. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside and the clerk will report the amendment of the Senator from New Mexico.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 212.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 112—

Strike section 89(c)(5) of the Internal Revenue Code of 1986 as added by section 222.

Strike section 89(d)(3) of the Internal Revenue Code of 1986 as added by section 222.

Strike section 89(f)(3)(C) of the Internal Revenue Code of 1986 as added by section 222.

Strike the second sentence of section 4980C(c) of the Internal Revenue Code of 1986 as added by section 222.

After section 204 insert the following:

SEC. 205. EXEMPTION FROM SECTION 89 FOR EMPLOYERS WITH FEWER THAN 20 EMPLOYEES.

(a) IN GENERAL.—Section 89(f)(1) of the Internal Revenue Code of 1986, as added by section , is amended to read as follows:

"(1) HEALTH PLAN.—

"(A) IN GENERAL.—The term 'health plan' means an accident or health plan within the meaning of section 105(e).

"(B) EXCEPTION FOR CHURCH PLANS.—The term 'health plan' does not include a plan maintained by a church for church employees. For purposes of the preceding sentence, the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization (as defined in section 3121(w)(3)(B)).

"(C) EXCEPTION FOR PLANS OF EMPLOYERS WITH FEWER THAN 20 EMPLOYEES.—

"(i) IN GENERAL.—The term 'statutory employee benefit plan' does not include a plan maintained by an employer during a testing year if on all days during such year the employer has fewer than 20 employees (determined without regard to employees excluded under subsection (h)).

"(ii) AGGREGATION RULES.—All employers treated as a single employer under section 414 (b), (c), (m), (n), or (o) shall be treated

as a single employer for purposes of subparagraph (A)."

(b) EFFECTIVE DATE; STUDY.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986, and shall remain in effect until taxable years beginning after December 31, 1992.

(2) STUDY AND REPORT.—

(A) STUDY.—The Secretary of the Treasury or the Secretary's delegate shall conduct a study to determine if discrimination occurs in employees benefits provided by small businesses exempted from the application of section 89 of the Internal Revenue Code of 1986.

(B) REPORT.—The Secretary of the Treasury or the Secretary's delegate shall not later than July 1, 1992, report the results of the study conducted under subparagraph (B) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

Mr. DOMENICI. Mr. President, I might indicate that I was one who was very critical of section 89 of the Internal Revenue Code. Section 89, in my view, has to do with a very salutory set of words that essentially say employers in the United States shall not discriminate in the providing of health care. There is great concern about discrimination. The Senator from New Mexico and many others are not at all convinced, especially since we changed the Tax Code from the very high marginal rates of years ago to the modest rate of 28 percent, that there is indeed discrimination by small business people in the United States.

So I am pleased tonight to offer an amendment that I think will be accepted by the chairman and ranking member. Essentially, it is very simple. It builds on the improvements in this bill and, indeed, there are major improvements for section 89 in this bill that came out of the Finance Committee.

My amendment builds on those improvements and says in simple language that 1 year from this January, or essentially 18 months will pass before these provisions in section 89 are applied to businesses with 20 employees or under. So essentially it is about a 1½-year exemption for small business defined as 20 employees or less.

During that exemption period, this amendment mandates that the Secretary of the Treasury conduct a broad-based, thorough investigation and study of small business in the United States, professional businesses, all kinds, and report to the two appropriate committees during that period of exemption as to whether or not there is discrimination in the purchasing of health care insurance by businesses that are taking advantage of the Tax Code and deducting the health insurance as a deductible item.

I think this is a fair compromise. For those of us who do not think there is discrimination, we will get a thorough evaluation well before the expiration of this exemption time. So essentially most small businesses in the United States will be exempt in total from section 89 while this study is being conducted which would be roughly a year from this January or approximately 18 months.

I thank the chairman and the ranking member for their cooperation. I truly believe this will accomplish what we had in mind. This is a huge percentage of American business. We think they deserve this opportunity to prove nondiscrimination rather than to come under the provisions of this bill.

Mr. BENTSEN. Mr. President, what we have done in the plan that has been proposed is to say that in effect small business can go to the insurance company and they will have a plan. So what you are talking about in the way of complexities we have removed.

The next thing we have said is that small business will be given the benefit of the doubt as long as they show good intent and try to carry it out and they offer it to 90 percent of their employees and that affordability is there with 40 percent of the premium paid, that they are going to qualify for that. But what we have done, we have extended it to January 1, 1990. What the Senator from New Mexico has asked for is that it now be extended for an additional year for those with 20 employees or less. That is my understanding of the amendment.

Mr. DOMENICI. Plus the mandated study.

Mr. BENTSEN. That mandated study is just fine because if there is discrimination, we both want to know about that. And if there is discrimination, we want to know the percentage of that discrimination so we can try to deal with it.

Mr. DOMENICI. And if there is not we will know that also, I say to my good friend from Texas.

Mr. BENTSEN. With the understanding we have not yet had time to look at the changes. Subject to that being the limitation of the amendment, then I see no objection to it.

Mr. DOMENICI. Mr. President, while I attempt to conform this amendment to what I intend, let me say that I agree with the distinguished chairman that many of the concerns expressed on the floor of the Senate, in the hearing rooms, and across this country regarding section 89 have been greatly modified and much of the cumbersome nature has been removed. For instance, I testified about what my constituents said. They said, "Well, why don't you just have the insurance companies certify. They know more than we do, and if they certify that it is nondiscriminatory, that ought to be enough to exempt the employer who in good faith purchases it." The statute before us will do that. Nonetheless, it seems to me that we ought not put small business under this program if there is not discrimination, and we are going to find that out in a very objective manner before we put them within the coverage. That is the purpose of my amendment.

I suggest the absence of a quorum.

Mr. BENTSEN. Mr. President, I agree with that because I do not believe that the wording has been changed in the amendment that was submitted. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I want to say to the distinguished majority leader, and the chairman of the Finance Committee, there are some technical problems with the drafting of the amendment that are being attended to. I do not want to take any more time of the Senate. We will have them ready shortly. But I am amenable to setting aside the pending Domenici amendment which I will have to modify as soon as the staff that are collaborating are sure it meets our intended purpose.

As drafted, it does not meet the commitment I made to the chairman. That is my mistake. I am agreeable to setting it aside with the understanding that we will be ready shortly at the leader's convenience to modify it. Then I assume it will be accepted.

Mr. MITCHELL. I thank the distinguished Senator from New Mexico. As soon as the appropriate modifications are made we will proceed to disposition of that amendment. I understand that will take a few minutes.

We are still awaiting the Senator from Indiana who is currently engaging in discussions regarding his amendment. Accordingly, pending that—if I might have the attention of the distinguished Republican leader.

The PRESIDING OFFICER. Without objection, the request by the senior Senator from New Mexico is agreed to.

Mr. MITCHELL. Mr. President, I understand that Senator DOMENICI's amendment requires some modification which expects to take a few minutes and then will be resolved, and that we are still awaiting discussions regarding the several Coats amendments.

I would like to inquire of the distinguished Republican leader if it is possible now to obtain a list identifying those amendments which remain to be considered which will enable us to have a clear idea of what our course of action will be tomorrow. There was earlier mention of a number of amendments that were pending. I believe once we complete action on Senator COAT's amendment and Senator DOMENICI's amendment we will have reduced that number significantly. I

VOL 135 PT 9 JE 14 — 22 1989 UMI

wonder if the Republican leader could comment on that.

Mr. DOLE. I cannot probably accommodate the majority leader right now. We may not be able to do that until morning. We have one Senator who is not available this evening who may or may not offer an amendment that would be significant. It would take some time.

The distinguished Senator from Wisconsin [Mr. KASTEN] has 18 amendments. He is now making some judgments on which way he wants to proceed. I think aside from that, if they work out the amendments of the Senator from Indiana [Mr. COATS], and Senator PACKWOOD I know has at least one amendment.

But I hope we will be in a position tomorrow to come to the majority leader with a list and say this is it. Then we could lock those in, and Members on both sides would then know when we might complete action.

Mr. MITCHELL. I thank the distinguished Republican leader. I look forward to receiving the list tomorrow at his earliest convenience.

Mr. President, pending the discussions now underway between the Senator from Indiana and the Senator from Connecticut, which I hope will be concluded shortly, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 213

(Purpose: Relating to application of section 89 rule to churches)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 213.

Mr. DANFORTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 128, strike lines 10 through 17, and insert:

"(1) HEALTH PLAN.—The term 'health plan' means an accident or health plan within the meaning of section 105(e).

On page 134, between lines 11 and 12, insert:

"(11) SPECIAL RULES FOR CHURCH EMPLOYEES.—

"(A) IN GENERAL.—There shall be excluded from consideration under this section church employees covered by a church plan.

"(B) DEFINITIONS.—For purposes of subparagraph (A), the terms 'church employee' and 'church plan' have the meanings given such terms by paragraphs (3)(B) and (1) of section 414(e), respectively, except that—

"(i) section 414(e) shall be applied by substituting 'section 501(c)(3)' for 'section 501' each place it appears, and

"(ii) the term 'church employee' shall not include an employee of—

"(I) an organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training),

"(II) an organization described in section 170(b)(1)(A)(iii), and

"(III) an organization described in section 501(c)(3), the basis of the exemption for which is substantially similar to the basis for exemption of an organization described in subclause (II).

On page 137, strike lines 16 through 18, and insert "Such term shall not include a church plan (within the meaning of section 414(e)).

Mr. DANFORTH. Mr. President, this amendment has been discussed with Senator BENTSEN, and I believe also with the minority staff of the Finance Committee. It relates to section 89, and the definition of "church" for the purpose of section 89.

Section 89 exempts from its coverage churches. However, the way the section is now written it does not include in the exemption many entities within the Catholic Church. And the purpose of this amendment is to simply alter the definition to make it clear that the Catholic Church and its various agencies are covered.

Mr. BENTSEN. Mr. President, the amendment has been examined by the chairman of the Finance Committee. I believe it serves a very worthwhile purpose. It addresses the situation. We have no objection to it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Missouri [Mr. DANFORTH].

The amendment (No. 213) was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, would the Senator from Missouri be good enough to yield for a question? My understanding is while we are standing around here some amendment was adopted that changed the definition in the bill. Can the Senator tell us specifically what that was because I did not know? I certainly think I have an interest in what had occurred.

Mr. DANFORTH. Yes. The amendment relates to section 89, the tax purpose, nondiscrimination. In the legislation, and the Internal Revenue Code as it now stands, churches are exempted from the coverage of section 89. However, the way in which churches are defined for the purpose of the existing law, it excludes various entities within the Catholic Church. This amendment which was just accepted by the chairman simply alters the definition, and utilizes an existing definition as a matter of fact within the Internal Revenue Code. But it covers the various ministries of the Catholic Church.

Mr. METZENBAUM. The amendment pertains only to section 89 and not the basic ABC bill?

Mr. DANFORTH. That is right.

Mr. METZENBAUM. I thank the Senator from Missouri.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I am pleased to report to my colleagues that the discussion between Senator COATS and Senator DODD and others have resulted in obviating any necessity for a rollcall vote on the Coats amendments, five of which will now be accepted and the remainder of which will not be offered. Therefore, there will be no further rollcall votes this evening.

I thank the distinguished Senator from Indiana for his cooperation and his consideration of his colleagues in this regard.

The Senate will return to session tomorrow morning. We will be back on this bill early tomorrow morning and we hope, pursuant to my discussions with the distinguished Republican leader, that we will, by approximately midmorning, be able to offer the remaining amendments, I do not think there are that many left, and be able to give Senators some idea when we can except to complete action on this bill which I hope will be during the day tomorrow.

I thank all Senators for their patience over this long day. We have made very substantial progress toward completion of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized.

AMENDMENT NOS. 214-218

Mr. COATS. Mr. President, I send five amendments to the desk and ask for their immediate consideration en bloc.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. COATS] proposes amendments numbered 214 through 218.

Mr. COATS. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 214

On page 89, line 16, strike all after the comma and insert: "except that a sectarian organization may require that employees adhere to the religious tenets and teachings of such organization and further, such organization may require that employees adhere to rules forbidding the use of drugs or alcohol.".

AMENDMENT No. 215

On page 28, line 25, strike the "." and insert in lieu thereof ", which receive public funds.".

AMENDMENT No. 216

On page 29, line 24, strike the ";" and "or" and insert the following: ", unless the State with the concurrence of the State advisory committee established under section 111, requests a waiver of this subparagraph and demonstrates, to the satisfaction of the Secretary, that the proposed reduction is necessary to increase access to and availability of eligible child care providers and will not jeopardise the health and safety of children.".

AMENDMENT No. 217

On page 10, line 1, after "consanguinity" insert "or by decree of court,"

On page 10, line 1, strike "or nephew" and insert "nephew or sibling".

AMENDMENT No. 218

On page 10, line 8, strike "the private residence of such individual" and insert in lieu thereof "a private residence."

Mr. COATS. Mr. President, I have been working this afternoon and evening with my distinguished colleague from Connecticut [Mr. DODD] to correct, what I perceive to be some pervasive problems in the bill before us. I am pleased that we have reached an agreement on many of these items.

First, let me thank my colleague for his willingness to address these issues. Though they do not make the bill perfect by any stretch of the imagination, they do go a long way in addressing concerns that I and many others share.

The first amendment will expand the definition of eligible child care provider to include persons providing care in the home of the child. Left unamended, ABC would have required that family providers provide care in their home. Persons providing care in the home of the child would not have been eligible. I believe this amendment will provide additional choice to parents of very young children and infants who want their children cared for in familiar settings.

The second amendment gives States additional flexibility in being able to regulate child care in the manner they deem most appropriate. Left unamended, ABC would have prevented a State from ever reducing the categories of child care providers it licenses and regulates once that State accepted ABC funds. My amendment gives States the ability to request a waiver to reduce these categories so long as the reduction will not jeopardize the health and safety of children.

The third amendment addresses a concern that States would be forced to impose and enforce on all licensed and regulated child care providers the requirements of ABC. My amendment limits that scope to providers which actually receive public funds.

There was some concern that sectarian providers might be forced under ABC to hire persons who not only disagreed with the provider's tenets and beliefs, but maintained a lifestyle that was contrary to those beliefs. I am adding a provision which provides that "except that, a sectarian organization may require that employees adhere to the religious tenets and teaching of such organization and further, that such organization may require that employees adhere to rules forbidding the use of drugs or alcohol."

Finally, the fifth amendment expands the definition of eligible relative provider to include siblings and persons who become related by court decree. This provision will protect adopted parents and their respective families.

Mr. President, I understand that these amendments are acceptable to the majority.

The PRESIDING OFFICER. Is there further debate?

The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, first of all, I ask unanimous consent the previous time limitations on the other two so-called Coats amendments be vitiated now that they will not be offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I want to commend our colleague from Indiana. I want to thank him as well. The hour is getting late. It has been 7 days or 8 days on this. The fact is that we have been able to take what could have been 13 lengthy debates and they are now down to one discussion and agreement on a consolidated amendment, if you will, including five provisions. This has been a lot of hard work. I commend the Senator from Indiana for his efforts.

I would just like to make it clear, as I understand it, and my colleague can tell me if I am correct in this, but, Mr. President, the amendment relating to the religious question that was raised—this amendment would make it very clear, as I understand it, that religious child care providers may insist that employees do not violate the religious teachings of that particular child care center. But the provider, of course, cannot also require that that prospective employee convert to the religious tenets of that child care center where they are applying for employment or otherwise discriminate against employees because of their religion.

As I understand it, that was certainly the intent, not to do that. So I find that amendment acceptable.

I just wanted to make that particular point clear.

I commend the Senator for his efforts in making it possible for us to move along here and I yield to my colleague.

Mr. HATCH. Mr. President, we accept these amendments and recommend their adoption and compliment our colleague. He has worked long and hard to come up with these amendments. They add to the bill. I think they strengthen the bipartisan approach, and we recommend adoption of these amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Indiana en bloc.

The amendments (Nos. 214, 215, 216, 217, and 218) were agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

AMENDMENT NO. 219

(Purpose: Relating to the effective date for section 89 qualification rules and guidance for the section 89 nondiscrimination rules)

Mr. DOMENICI. Mr. President, I withdraw my previous amendment and send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator's amendment (No. 212) is withdrawn. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and Mr. SPECTER, proposes an amendment numbered 219.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 148, between lines 2 and 3, insert:

(5) SPECIAL RULES RELATING TO SMALL EMPLOYERS.—

(A) 1-year delay.—In the case of a small employer, section 89 of the Internal Revenue Code of 1986 (as added by subsection (a)) and section 4980C of such Code (as added by subsection (b)) shall apply to years beginning after December 31, 1990.

(B) STUDY.—

(i) IN GENERAL.—The Secretary of the Treasury or his delegate shall conduct a study to determine if discrimination in favor of highly compensated employees occurs in the providing of employee benefits by small employers. Such studies shall consider a broad base of small businesses, including businesses of professionals.

(ii) REPORT.—Not later than July 1, 1990, the Secretary of the Treasury or his delegate shall report the results of such study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, including any recommendations. Such committees shall review such report and take appropriate actions with respect to the application of nondiscrimination rules to small employers.

VOL 135 PT 9 JE 14 — 22 1989 UMI

(C) SMALL EMPLOYERS.—For purposes of this subparagraph, the term "small employer" has the meaning given such term by section 89(c)(5)(B) of the Internal Revenue Code of 1986 (as added by subsection (a)).

Mr. DOMENICI. Mr. President, I ask that Senators WILSON and BURNS be made original cosponsors and I ask unanimous consent that any other Senators who want to be original cosponsors of this amendment are allowed to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I state that I had many cosponsors when I had a 3-year exemption period. Since I agreed on a modification, I have not been able to contact those Senators but I assume many of them would like to be on the exemption that is encapsulated in the following amendment that the Finance Committee chairman is going to find acceptable.

Mr. President, this amendment now conforms to what the Senator from New Mexico indicated that the small business exemption would do. I do not think at this hour I need to repeat, but I would like to thank the chairman of the committee and the ranking member, Senator PACKWOOD, who also concurs and state that I firmly believe this is a fair way to treat small businesses.

We are not sure they are violating the discrimination rules. This will give us ample opportunity by exempting them temporarily to get an official, authentic study. If we find there is discrimination, then many of us were wrong. If we find there is not, there will be time to take care of that eventuality also.

I hope the amendment will be adopted and retained in conference.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, we have examined the amendment, and it is in conformance with what the Senator from New Mexico has stated. I think the study will make a contribution. We have proof of instances where there has been discrimination. That is why we have this rule, and that is why we have section 89. It will be helpful to us as far as further legislation that might be necessary in the future.

I am also quite ready to agree to the extension for 1 year of the qualifications and discrimination rules for those companies that have less than 20 employees.

As the chairman of the Finance Committee, I am quite prepared to accept the amendment if there are no further objections on this side.

The PRESIDING OFFICER. If there are no further objections, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 219) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. KASSEBAUM. Mr. President, I have voted for the majority leader's child care proposal, but I have done so with reservations. As I outlined in an earlier statement, I have concerns about the eventual cost of the Act for Better Child Care and the expectations it will create.

Given the defeat of Senator DOLE's alternative, however, the majority leader's package is the only viable child care proposal left for us. The sponsors have come a long way in shaping the Act for Better Child Care to address the problems working parents face, and I believe the proposal is worthy of support. I hope that its remaining problems will be addressed as we proceed, and I know that I will do what I can in future years to ensure that any child care program we establish is fiscally realistic and responsible. The important thing, at this point, is for Congress to work out an adequate response to the child care problems that concern us all.

Mr. BRADLEY. Mr. President, I rise as a cosponsor of the amendment offered by the Senator from Texas [Mr. BENTSEN]. This amendment liberalizes the Social Security earnings test, which I strongly support, and modifies most Social Security retroactive retirement benefits.

Mr. President, under current law, Social Security payments are reduced by $1 for each $2 of earnings above the annual retirement test amount—$8,800 for those over age 65 in 1989. The 1983 Social Security reform bill included an earnings test liberalization so that $1 in benefits will be withheld for every $3 earned over the exempt amount for those reaching full retirement age in 1990. The amendment increases the Social Security earnings limit by approximately $1,200 in 1990 and raises the liberalization so that only $1 in earnings would be lost for every $4 earned.

I support this liberalization because almost 1 million persons would be helped by the provision. About 100,000 lower-paid workers who earn between $9,000 and $10,000 would no longer be affected by the retirement test.

The amendment, Mr. President, modifes retroactive benefits in such a way that persons will receive their benefits spread over their lifetimes rather than in lump sum. Therefore no one's benefits will be curtailed. I urge adoption of the amendment.

Mr. GRASSLEY. Mr. President, I have cosponsored this amendment to liberalize the Social Security retirement earnings test. This is a policy change which is long overdue.

It has been national policy since the days of the Great Depression to encourage older workers to leave the work force earlier than they otherwise might. In the years after 1935 we erected an edifice of public law well designed to discourage older people from working.

The cumulative effect of these rules is to face those who work while drawing Social Security with very high-marginal tax rates. Although it is the case that the effective tax rates on the elderly are lower than those on younger working people, it is also true, as Senator ARMSTRONG has clearly shown, that the marginal tax rates on older workers can be as high as 100 percent.

If you believe, as I do, that older workers constitute a wonderful resource for our society, then marginal tax rates at these levels constitute a very effective barrier to the gainful involvement of older people in the work of our country.

One of the policies which helps to accomplish this is the Social Security earnings limitation test, which Senator BENTSEN's amendment would liberalize. That earnings limitation discourages people from working once they begin to receive Social Security retirement benefits. Under current law, when an individual who receives Social Security, but wishes also to work, earns more than $8,800 in wages, Social Security benefits are reduced by $1 for every $2 earned.

Mr. President, $8,800 is not a great deal of money. And a loss of $1 for every $2 earned above that amount constitutes, in my opinion, a powerful disincentive to work.

We have not even begun to tap the potential of older individuals. I believe that surveys of older retired people have found that many of them would like to work in a part-time capacity after they have retired from their major occupation. I believe that the country would benefit greatly were they to do so in greater numbers. Were we to reduce the disincentives of current law which discourage older people from working, many more would work.

This amendment offered by Senator BENTSEN is a solid first step in that direction and I am very pleased to support it.

LEBANON—CONTINUED BLOODSHED CALLS FOR RENEWED U.S. LEADERSHIP

Mr. PELL. Mr. President, Lebanon remains in the throes of a bloody, violent civil war. The mighty cedar, once the proud symbol of this vibrant nation, has been splintered by conflict. During the last 14 years, more than 150,000 have died in the fighting. Within the last several months, we have witnessed an intensification of the violence among the Syrian Army, its Lebanese surrogates, and the Lebanese Army. The senseless and indiscriminate artillery exchanges have resulted in the tragic death of nearly 400

and the injury of more than 1,000 Lebanese.

The presence of foreign forces in Lebanon—most notably more than 40,000 Syrian soldiers—is contributing to the escalating violence and undermining efforts to establish a stable central government. A cease-fire and the withdrawal of all foreign troops are crucial first steps toward reestablishing the peace that this ravaged country so desperately needs.

Regrettably, attempts to bring an end to the fighting and suffering have not met much success to date. A cease-fire, negotiated by the Arab League in April, broke down almost immediately. Recent efforts by Arab foreign ministers to stabilize the cease-fire have failed. The Arab League concluded a 4-day meeting in May without agreeing to a peace plan for Lebanon.

Ultimately, the warring parties in Lebanon must decide for themselves to end their conflict and strive together for peace. However, the international community can be instrumental in helping to bring about an end to violence and the withdrawal of Syrian forces. The Secretary General of the United Nations, as well as other concerned nations such as the United States and France, can play a constructive role in seeking to end this tragic violence.

The new efforts by the heads of state of Saudi Arabia, Morocco, and Algeria may offer a ray of hope for Lebanon. President Bush has stated his support for this committee of three, and I believe that the United States should continue to encourage their attempts to facilitate a settlement to the conflict.

As an old and special friend of Lebanon, the United States has a responsibility to do what it can to promote an end to the fighting. The United States must renew its drive to obtain an immediate cease-fire. We must support international efforts to bring about conditions under which the parties in Lebanon can reconcile their differences and reconstruct their nation.

Mr. President, recently the Senate acted unanimously to pass S. Res. 108, a resolution expressing the sense of the Senate concerning the situation in Lebanon. I was an original sponsor of this bipartisan effort supporting the President's call for a cease-fire in Lebanon and urging renewed U.S. and international action to promote a settlement. I urge the President to give this problem his most urgent attention, and I ask unanimous consent that S. Res. 108 be included in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The resolution, with its preamble, reads as follows:

S. RES. 108

Whereas the recent artillery exchanges between Syrian and Lebanese forces and militias have resulted in the death or injury of nearly one thousand Lebanese;

Whereas in the last several weeks tens of thousands of shells and rockets have fallen in residential areas in and around Beirut;

Whereas the deterioration of conditions in Lebanon further undermines its territorial integrity and sovereignty;

Whereas the presence of paramilitary forces and foreign, particularly Syrian, military forces undermines efforts to reestablish a central government in Lebanon;

Whereas a restoration of central government authority is the only effective means of stopping the use of Lebanese territory controlled by Syrian and militia forces as centers for international terrorism and international narcotics trafficking;

Whereas the League of Arab States has been asked to mediate the dispute and has called for a cease-fire between the forces fighting in Lebanon; and

Whereas the United States supports the restoration of the unity, sovereignty and territorial integrity of Lebanon, the restoration of a central government in Lebanon, and the removal of all foreign forces from and the eventual abolition of militias in, Lebanon: Now, therefore, be it

Resolved, That the Senate hereby—

(1) commends the Bush Administration's call for an immediate cease-fire in Lebanon and condemns those parties unwilling to heed this call;

(2) calls on the President to renew, on an urgent basis, his efforts to obtain an immediate halt to the fighting in Lebanon and his support for international efforts, including those of the United Nations, to secure it;

(3) calls for the withdrawal of all foreign forces, including Syrian forces, from Lebanon and, in the context of a reconstituted central government, for the abolition of all militias within Lebanon; and

(4) calls upon the Lebanese parties to commit themselves to a process of internal reconciliation and free elections, and supports international efforts toward this end.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

MELISSA NEAL

Mr. PELL. Mr. President, I am delighted to pay tribute today to Melissa Neal, a young woman who has been chosen by the Rhode Island Department of Elementary and Secondary Education and the State Council on Vocational Education as the Outstanding Vocational-Technical Student in our State.

Ms. Neal is currently a senior at the Hanley Vocational School in Providence, where her major concentration is business education. Academically, Ms. Neal has excelled. She has consistently maintained an A average for 3 years, meeting the demanding requirements of the business magnet students, and fulfilling the course components necessary for admission to college. Ms. Neal has been accepted for enrollment at the University of Rhode Island, where she will begin her studies this fall. Ms. Neal is also a member of the Rhode Island Society, and as such recently represented her school at a luncheon hosted by the State treasurer of Rhode Island, Mr. Anthony Solomon.

While Ms. Neal is clearly a superior student, it is her unique interest and ability to succeed in a wide variety of areas that sets her apart from her peers. This past spring, as a member of Junior Achievement, she was awarded a $500 scholarship in conjunction with the Top Salesperson Award. In fulfillment of the Future Business Leaders of America membership, Ms. Neal spends a class period each week at the Nathan Bishop Middle School teaching 5th grade students a course in business basics. She also participates in the Rhode Island Enrichment Program, a program which has taken her to several colleges and universities, including Georgetown, Catholic, and Duke. In addition to all of this, Ms. Neal works at the Hanley School as part of the co-op program.

Ms. Neal is a bright, energetic, and dedicated young woman who holds the potential to make a difference, and to become one of our leaders of tomorrow. Her outstanding character and positive personality have earned the respect of her teachers and her peers, and it is clear that she is both worthy and deserving of this recognition of achievement.

MARTYRS FOR DEMOCRACY IN CHINA

Mr. PELL. Mr. President, today I am submitting for the record a list of members of the Chinese "democracy movement" who have been arrested.

These individuals who have bravely resisted tyranny are now being arrested and in some instances brutally beaten. The full glare of international public attention needs to be focused on at this glaring abuse of basic human rights. Public opinion appears to be a weak sword by which to deflect the bullets of tyranny; but as has been shown elsewhere in the world, few nations can withstand international opprobrium for a prolonged period.

I intend to persist in making the cause of democracy and human rights in China my cause both by submitting the names of those arrested and when possible the identities of their persecutors, providing a rollcall of the honorable as well as dishonorable men and women of China.

I ask unanimous consent that the rollcall of honor be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ROLLCALL OF HONOR: NAMES OF IMPRISONED CHINESE

ZHOU Fengsuo, 22, of Qinghua University, arrested on June 13 in Xian.

XIONG Yan, 25, a law student at Beijing University, arrested in Datong.

LI Dan, a radio Beijing announcer, arrested on June 4.

LIU Xiaobo, 34, on the faculty of Beijing Normal University, arrested June 4 by plainclothes policemen.

CHEN Ming Yuan, a professor at Beijing's Foreign Languages Institute, arrested while being treated for high blood pressure in a Beijing hospital.

GUO Haifeng, a student leader of the democracy movement.

REN Wanding, a founder of the China Human Rights League, arrested on June 9.

WENG Zhengming, a student leader in Shanghai, arrested on June 11.

XIAO Biu, 42, an unemployed factory worker, arrested on June 10 by the police after being interviewed by ABC News.

YAO Yongzhan, 19, a student from Hong Kong, arrested on June 11.

YANG Fuquian, a leader of the independent workers association in Beijing, arrested and apparently beaten by the police on June 11.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:18 p.m., a message from the House of Representatives announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 1485. An act to direct sale of certain lands in Clark County, Nevada, to meet national defense and other needs; to authorize sale of certain other lands in Clark County, Nevada; to further the ability of the United States to recover for damages to certain marine and other resources of the National Park System; and for other purposes;

H.R. 1529. An act to provide for the establishment of the Ulysses S. Grant National Historic Site in the State of Missouri, and for other purposes;

H.R. 2550. An act to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries; and

H.J. Res. 298. Joint resolution designating July 14, 1989, as "National Day To Commemorate the Bastille Day Bicentennial".

At 3:26 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 1077. An act to authorize the President to appoint Admiral James B. Busey to the Office of the Administrator of the Federal Aviation Administration; and

S. 1180. An act to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of the Administrator of the National Aeronautics and Space Administration.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 111. Joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day".

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1485 An act to direct sale of certain lands in Clark County, Nevada, to meet national defense and other needs; to authorize sale of certain other lands in Clark County, Nevada; to further the ability of the United States to recover for damages to certain marine and other resources of the National Park System; and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1529 An act to provide for the establishment of the Ulysses S. Grant National Historic Site in the State of Missouri, and for other purposes; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 663. A bill to provide for additional contingent termination liability for the Advanced Solid Rocket Motor program (Rept. No. 101-59).

By Mr. BIDEN, from the Committee on the Judiciary, without amendment and with a preamble:

H.J. Res. 132. Joint resolution to designate the second Sunday in October of 1989 as "National Children's Day".

H.J. Res. 276. Joint resolution designating September 14, 1989, as "National D.A.R.E. Day".

S.J. Res. 15. Joint resolution to designate the second Sunday in October of 1989 as "National Children's Day".

S.J. Res. 19. Joint resolution to designate November 8, 1989, as "Montana Centennial Day".

S.J. Res. 81. Joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week".

S.J. Res. 93. Joint resolution to designate October 1989 as "Polish American Heritage Month".

S.J. Res. 115. Joint resolution to designate the period commencing on September 9 and ending on September 15, 1989, as "National Nursing Home Residents' Rights Week".

S.J. Res. 121. Joint resolution to provide for the designation of September 14, 1989, as "National D.A.R.E. Day".

S.J. Res. 127. Joint resolution designating Labor Day Weekend, September 2-4, 1989, as "National Drive for Life Weekend".

S.J. Res. 134. Joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "National Disability Awareness Week".

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

S.J. Res. 155. Joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day".

By Mr. BIDEN, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 161. Joint resolution to designate the week of October 22, 1989, through October 28, 1989, and the week of October 21, 1990, through October 27, 1990, as "National Adult Immunization Awareness Week".

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BENTSEN, from the Committee on Finance:

Fred T. Goldberg, Jr., of Maryland, to be Commissioner of Internal Revenue;

Michael J. Astrue, of Massachusetts, to be General Counsel of the Department of Health and Human Services; and

Julius L. Katz, of Maryland, to be Deputy United States Trade Representative, with the rank of Ambassador.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NUNN, from the Committee on Armed Services: Stephen John Hadley, of the District of Columbia, to be an Assistant Secretary of Defense; and

Henry S. Rowen, of California, to be an Assistant Secretary of Defense.

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

(The nominations ordered to be on the Secretary's desk were printed in the RECORD of May 16, May 17, May 31, and June 7, 1989 at the end of the Senate proceedings.)

*Rear Adm. Richard C. Gentz, USN, to be vice admiral (Reference No. 270).

*Lt. Gen. Charles W. Bagnal, USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 317).

*Lt. Gen. Claude M. Kicklighter, USA, to be reassigned in the grade of lieutenant general (Reference No. 320).

**In the Air Force there are 7 promotions and appointments to the grade of major (list begins with Greg W. Carlson) (Reference No. 367).

**In the Marine Corps there are 475 appointments to the grade of major (list begins with William E. Acker) (Reference No. 368).

*In the Air Force Reserve there are 14 appointments to the grade of major general and below (list begins with Charles R. Driggers) (Reference No. 373).

**In the Army Reserve there are 116 promotions and appointments to the grade of colonel and below (list begins with Ronald W. Byers) (Reference No. 375).

*Lt. Gen. James E. Moore, Jr., USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 377).

*Lt. Gen. William H. Harrison, USA, to be reassigned in the grade of lieutenant general (Reference No. 378).

*Maj. Gen. Calvin A.H. Waller, USA, to be lieutenant general (Reference No. 379).

*Lt. Gen. Kenneth E. Lewi, USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 392).

**In the Air Force there are 9 promotions to the grade of colonel and below (list begins with Edward T. Schwab) (Reference No. 393).

**In the Air Forces there are 4 appointments to the grade of lieutenant colonel (list begins with Raymond T. Barbera) (Reference No. 394).

**In the Army there is one appointment to the grade of colonel (Lawrence C. Mohr, Jr.) (Reference No. 395).

**In the Army there are 7 promotions to the grade of colonel and below (list begins with Ronald E. Hall) (Reference No. 396).

**In the Navy there are 4 appointments to the grade of ensign (list begins with Alan E. Bell) (Reference No. 397).

**In the Navy and Naval Reserve there are 41 appointments to the grade of commander and below (list begins with John Craig) (Reference No. 398).

**In the Air Force there are 61 promotions to the grade of colonel (list begins with Louis W. Adams III) (Reference No. 399).

**In the Air Force there are 227 promotions to the grade of lieutenant colonel (list begins with Stephen W. Andrews) (Reference No. 400).

**In the Air Force there are 494 promotions to the grade of major (list begins with Dennis M. Anderson) (Reference No. 401).

**In the Army there are 7 promotions to the grade of lieutenant colonel and below (list begins with David A. Decker) (Reference No. 430).

**In the Army there are 7 promotions and appointments to the grade of major (list begins with Billy J. Freeborn) (Reference No. 431).

*Maj. Gen. Howard D. Graves, USA, to be lieutenant general (Reference No. 438).

*Brig. Gen. Frederick N. Bussey, USA, to be major general and Colonel Leslie M. Burger, USA, to be brigadier general (Reference No. 439).

*Gen. Maxwell R. Thurman, USA, to be placed on the retired list in the grade of general (Reference No. 449).

*Lt. Gen. John W. Foss, USA, to be general (Reference No. 450).

*Maj. Gen. Gordon R. Sullivan, USA, to be lieutenant general and Army Senior Member of the Military Staff Committee of the United Nations (Reference No. 451).

Total: 1,507.

By Mr. BIDEN, from the Committee on the Judiciary:

James Franklin Rill, of Maryland, to be an Assistant Attorney General.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

E. Bart Daniel, of South Carolina, to be United States Attorney for the District of South Carolina for the term of four years; and

Dee V. Benson, of Utah, to be United States Attorney for the District of Utah for the term of four years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself, Mr. DIXON, Mr. HARKIN, Mr. DOLE, Mr. SIMON, and Mr. LUGAR):

S. 1221. A bill to amend the Internal Revenue Code of 1986 to provide a permanent extension for the issuance of first-time farmer bonds; to the Committee on Finance.

By Mr. DIXON (for himself, Mr. SIMON, Mr. ADAMS, and Mr. DODD):

S. 1222. A bill to facilitate the adjustment of change of status of Chinese nationals in the United States by waiving the 2 year foreign residence requirement for "J" nonimmigrants and by treating nonimmigrants, whose departure has been deferred by the Attorney General, as remaining in legal nonimmigrant status for purposes of adjustment or change of status; to the Committee on the Judiciary.

By Mr. LIEBERMAN (for himself, Mr. CHAFEE, Mr. REID, Mr. DURENBERGER, and Mr. CRANSTON):

S. 1223. A bill to amend the Clean Water Act, to strengthen and expand for cleanup costs, damages, and penalties resulting from oil spills and to expand enforcement authority; to the Committee on Environment and Public Works.

By Mr. BRYAN (for himself, Mr. HOLLINGS, Mr. GORTON, and Mr. LIEBERMAN):

S. 1224. A bill to amend the Motor Vehicle Information and Cost Savings Act to require new standards for corporate average fuel economy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND (for himself, Mr. DOLE, Mr. SPECTER, Mr. MCCLURE, Mr. DECONCINI, Mr. D'AMATO, Mr. SIMPSON, Mr. WILSON, Mr. MCCONNELL, and Mr. NICKLES):

S. 1225. A bill entitled the "Comprehensive Violent Crime Control Act of 1989"; to the Committee on the Judiciary.

By Mr. MCCONNELL:

S. 1226. A bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of pornographic material; to the Committee on the Judiciary.

By Mr. BINGAMAN (for himself, Mr. MITCHELL, Mr. PELL, Mr. NUNN, Mr. MCCAIN, Mr. BRADLEY, Mr. DECONCINI, Mr. LIEBERMAN, Mr. CONRAD, Mr. LUGAR, Mr. KENNEDY, and Mr. GLENN):

S. 1227. A bill to amend the Arms Control Act and the Export Administration Act of 1979 to restrict proliferation of missiles and missile equipment and technology; to the Committee on Foreign Relations.

By Mr. HATCH:

S. 1228. A bill to provide for changes in the federal firearms laws, to provide for the federal death penalty, to make changes in certain criminal laws, and for other purposes; to the Committee on the Judiciary.

By Mr. FOWLER:

S. 1229. A bill for the relief of Maria Luisa Anderson; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 1230. A bill to authorize the acquisition of additional lands containing Indian burial grounds for inclusion in the Knife River Indian Villages National Historic Site, North Dakota, and to provide additional development funding for the historic site visitor center; to the Committee on Environment and Public Works.

By Mr. BINGAMAN:

S. 1231. A bill to authorize benefits under the Civil Service Retirement System for certain survivors, and for other purposes; to the Committee on Governmental Affairs.

By Mr. WALLOP (for himself, Mr. DOMENICI, Mr. DOLE, Mr. DIXON, Mr. WILSON, Mr. SYMMS, Mr. BURNS, Mrs. KASSEBAUM, Mr. DECONCINI, Mr. DODD, Mr. NICKLES, Mr. HARKIN, Mr. BOSCHWITZ, Mr. SIMON, Mr. COATS, Mr. D'AMATO, Mr. MACK, Mr. ROCKEFELLER, Mr. HUMPHREY, Mr. KENNEDY, and Mr. MITCHELL):

S. 1232. A bill to honor the world's most recent heroes in the universal struggle for freedom and democracy, and to designate the park in the District of Columbia directly across from the Embassy of the People's Republic of China as "Tiananmen Square Park"; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 1233. A bill to amend the Public Health Service Act to assist communities in developing coalitions to implement a substance abuse prevention and intervention program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1234. A bill to amend the Anti-Drug Abuse Act of 1988 to require that certain areas be designated as high intensity drug trafficking areas, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON:

S. 1235. A bill to amend the Civil Rights Act of 1964 to permit States and political subdivisions to establish minority set-asides, and for other purposes; to the Committee on the Judiciary.

By Mr. METZENBAUM (for himself, Mrs. KASSEBAUM, Mr. CHAFEE, Mr. PELL, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. KENNEDY, Mr. SIMON, Mr. MOYNIHAN, Mr. MATSUNAGA, and Mr. KERRY):

S. 1236. A bill to provide for a waiting period before the sale, delivery, or transfer of a handgun; to the Committee on the Judiciary.

By Mr. GLENN:

S. 1237. A bill to require the Administrator of the General Services Administration to encourage the use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies, and to establish an Interagency Council on Biodegradable Standards for the development of uniform definitions, standards, and testing procedures for degradable plastic products made from certain commodities, and for other purposes; to the Committee on Governmental Affairs.

By Mr. FOWLER:

S. 1238. A bill to amend the Internal Revenue Code of 1986 to restore the capital gains treatment for timber, and for other purposes; to the Committee on Finance.

By Mr. WALLOP:

S. 1239. A bill to amend part B of title XI of the Social Security Act to provide providers and practitioners with a right to reconsideration of a payment denial by a peer review organization before the organization notifies the medicare beneficiary of the denial; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1240. A bill to extend nondiscriminatory treatment to the products of the Peoples' Republic of Hungary for 5 years; to the Committee on Finance.

S. 1241. A bill to deny the People's Republic of China most-favored-nation trade treatment; to the Committee on Finance.

By Mr. CRANSTON:

S. 1242. A bill to deny the People's Republic of China most-favored-nation trade treatment; to the Committee on Finance.

By Mr. CRANSTON (for himself and Mr. MURKOWSKI):

S. 1243. A bill to amend title 38, United States Code, to establish a retirement and survivor benefit program for judges of the new United States Court of Veterans Appeals, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. METZENBAUM (for himself and Mr. ARMSTRONG):

S. 1244. A bill to amend the Securities Exchange Act of 1934 with respect to tender offers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MITCHELL (for himself, Mr. COCHRAN, Mr. LEAHY, Mr. LUGAR, Mr. BREAUX, Mr. DASCHLE, Mr. COHEN, Mr. LOTT, Mr. BOSCHWITZ, Mr. MCCONNELL, Mr. PRYOR, Mr. GRAHAM, and Mr. CHAFEE):

S. 1245. A bill to amend the Federal Meat Inspection Act to expand the meat inspection programs of the United States by establishing a comprehensive inspection program to ensure the quality and wholesomeness of all fish products intended for human consumption in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS:

S. 1246. A bill to require the Secretary of Agriculture to take certain actions to encourage the production of oats, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. COATS:

S. 1247. A bill to establish certain prohibitions with respect to the provision of sterile hypodermic needles or bleach to intravenous drug abusers and with respect to the medical treatment of narcotics addiction, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (for himself and Mr. SIMPSON):

S. 1248. A bill to amend the Immigration and Nationality Act to extend for 3 years the authorization of appropriations for refugee assistance, and for other purposes.

By Mr. BRYAN (for himself, Mr. HOLLINGS, Mr. GORE, Mr. BREAUX, and Mr. FORD):

S. 1249. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for Mr. DOLE (for himself, and Mr. METZENBAUM)):

S. 1250. A bill to waive the application of chapter 11 of title 18, United States Code, to the extension of a certain loan to the United States Holocaust Memorial Council; considered and passed.

By Mr. BOREN:

S. 1251. A bill to amend the Internal Revenue Code of 1986 to exempt from current taxation income earned in college savings accounts and to exempt permanently from taxation amounts from college savings accounts and from the redemption of qualified U.S. savings bonds used to pay college educational expenses; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. BIDEN, and Mr. SIMON):

S. 1252. A bill to amend the Immigration and Nationality Act with respect to the application of employer sanctions to longshore work; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 1253. A bill to amend the copyright law regarding work made for hire; to the Committee on the Judiciary.

By Ms. MIKULSKI:

S. 1254. A bill to authorize the Secretary of Labor to make grants to public housing agencies for the provision of literacy training, training in basic and employment skills, and support services, and to establish the Gateway Task Force; to the Committee on Labor and Human Resources.

By Mr. METZENBAUM (for himself and Mr. GRASSLEY):

S. 1255. A bill to provide better services for individuals with Alzheimer's disease and related dementias through improved biomedical research, health services research, and training of health care personnel, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GORE (for himself, Mr. BOSCHWITZ, Mr. WIRTH, Mr. HEINZ, Mr. CRANSTON, Mr. BUMPERS, Mr. SIMON, Mr. KERRY, Mr. LAUTENBERG, and Mr. PRYOR):

S.J. Res. 162. Joint resolution to urge the Nobel Commission to consider awarding Nobel Prize recognition for achievements in preservation of the world environment; to the Committee on Foreign Relations.

By Mr. EXON (for himself and Mr. PRYOR):

S.J. Res. 163. Joint resolution proposing an amendment to the Constitution relating to the election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. NICKLES (for himself and Mr. ARMSTRONG):

S.J. Res. 164. Joint resolution designating 1990 as the "International Year of Bible Reading"; to the Committee on the Judiciary.

By Mr. WILSON (for himself, Mr. DOLE, Mr. THURMOND, Mr. WALLOP, Mr. HELMS, Mr. HATCH, Mr. GRASSLEY, Mrs. KASSEBAUM, Mr. D'AMATO, and Mr. DIXON):

S.J. Res. 165. Joint resolution proposing an amendment to the Constitution relating to the flag of the United States; to the Committee on the Judiciary.

By Mr. KERRY (for himself, Mr. HOLLINGS, Mr. ROTH, Mr. SANFORD, Mr. PELL, Mr. STEVENS, Mr. KENNEDY, Mr. WILSON, and Mr. BENTSEN):

S.J. Res. 166. Joint resolution to designate the period of September 16 through October 9, 1989, as "Coastweeks '89"; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. DOLE, Mr. HEFLIN, Mr. MCCLURE, Mr. NICKLES, Mr. MCCONNELL, Mr. WILSON, Mr. MCCAIN, Mr. GRAMM, Mr. SYMMS, Mr. HATCH, Mr. NUNN, Mr. HELMS, Mr. PRESSLER, Mr. WALLOP, Mr. COCHRAN, Mr. LOTT, Mr. MURKOWSKI, Mr. WARNER, Mr. ROBB, Mr. DIXON, Mr. SIMPSON, Mr. BURNS, Mr. ARMSTRONG, Mr. MOYNIHAN, Mr. D'AMATO, Mr. SHELBY, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. EXON, Mr. GARN, Mr. COATS, Mr. DECONCINI, Mr. BENTSEN, Mr. ROTH, Mr. RUDMAN, Mr. KASTEN, Mr. MACK, Mr. FOWLER, Mr. HEINZ, Mr. JEFFORDS, Mr. BYRD, Mr. HOLLINGS, and Mr. FORD):

S.J. Res. 167. Joint resolution proposing an amendment to the Constitution of the United States to prohibit the desecration of the flag; to the Committee on the Judiciary.

By Mr. MCCLURE (for himself, Mr. SYMMS, Mr. REID, and Mr. BRYAN):

S.J. Res. 168. Joint resolution to designate the week of October 2 through 8, 1989, as "America's Gold Week"; to the Committee on the Judiciary.

By Mr. HATCH (for himself and Mr. THURMOND):

S.J. Res. 169. Joint resolution proposing an amendment to the Constitution of the United States relating to conduct which casts contempt upon the flag of the United States; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MACK (for himself, Mr. ARMSTRONG, Mr. DOLE, Mr. GRAMM, Mr. HATCH, Mr. HOLLINGS, Mr. LOTT, Mr. MCCAIN, Mr. SYMMS, and Mr. THURMOND):

S. Res. 150. Resolution expressing the sense of the Senate regarding the increased flow of Nicaraguans into the United States; to the Committee on Foreign Relations.

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. THURMOND, Mr. SANFORD, Mr. BYRD, Mr. PELL, Mr. NICKLES, Mr. ROBB, Mr. SIMPSON, Mr. MCCAIN, Mr. GRAHAM, Mr. WARNER, Mr. BENTSEN, Mr. HEFLIN, Mr. DIXON, Mr. ROTH, Mr. HEINZ, Mr. KASTEN, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BIDEN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COHEN, Mr. D'AMATO, Mr. DASCHLE, Mr. DECONCINI, Mr. EXON, Mr. FORD, Mr. FOWLER, Mr. GARN, Mr. GORE, Mr. GRAMM, Mr. GRASSLEY, Mr. HARKIN, Mr. HELMS, Mr. HOLLINGS, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MCCLURE, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MURKOWSKI, Mr. NUNN, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. ROCKEFELLER, Mr. RUDMAN, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. SYMMS, Mr. WALLOP, Mr. WILSON, and Mr. WIRTH):

S. Res. 151. Resolution to express the sense of the Senate on the decision of the United States Supreme Court, declaring unconstitutional the Texas statute prohibiting the desecration of the flag; considered and agreed to.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 152. Resolution to authorize the Select Committee on Intelligence to provide to the parties certain Committee documents in the case of United States v. Fernandez; considered and agreed to.

By Mr. GRASSLEY (for himself, Mr. DOLE, Mr. THURMOND, Mr. SIMON, Mr. SYMMS, Mr. BURNS, Mr. JEFFORDS, Mr. BURDICK, and Mr. BAUCUS):

S. Con. Res. 49. Concurrent resolution to express the sense of the Congress that the States should retain authority to regulate alcohol beverages; to the Committee on Governmental Affairs.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Con. Res. 50. Concurrent resolution providing for a conditional recess or adjournment of the Senate and conditional adjournment of the House over the July 4th Holiday; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself, Mr. DIXON, Mr. HARKIN, Mr. DOLE, Mr. SIMON, and Mr. LUGAR):

S. 1221. A bill to amend the Internal Revenue Code of 1986 to provide a permanent extension for the issuance of first-time farmer bonds; to the Committee on Finance.

PERMANENT EXTENSION FOR ISSUANCE OF FIRST-TIME FARMER BONDS

Mr. GRASSLEY. Mr. President, I rise today to introduce legislation to extend permanently the Federal tax exemption for agricultural private activity bonds. These "aggie bonds" are part of a larger package of tax-exempt bonds scheduled to sunset at the end of this year. Joining me in this effort are Senator DIXON, Senator HARKIN, Senator DOLE, Senator SIMON, and Senator LUGAR.

Aggie bonds are used to finance low-interest farm loans targeted to beginning farmers. The borrower must secure a participating private lender, who assumes all of the loan risk. Federal law limits use of the bonds for loans to first time farm purchases and restricts them to a maximum of $250,000 per family per lifetime. State law may impose additional restrictions, such as net worth and residency requirements.

Unfortunately, State programs could be extinguished if the tax-exempt status is lost, since the tax-exempt status is precisely what enables the finance programs to issue low-interest loans to first-time farmers.

As we all know, Mr. President, there has been a steady flow of people and income from rural to urban America, which has had a detrimental effect on the rural economy. Continuation of the Aggie Bond Program could be a real boon for rural development. The program addresses the one problem admitted by the task force on agricultural finance—that of accessible and affordable credit to beginning farmers.

To date, nearly 3,000 loans worth over $220 million have been processed through the Aggie Bond Program nationwide. In my State of Iowa, Aggie bonds were first issued in 1981. Under Iowa's beginning farmer program, over 800 loans worth over $74 million have been approved.

Mr. President, the National Council of State Agricultural Finance Programs, the National Association of Wheat Growers, the National Farmers Union, the National Farmers Organization, and Communicating for Agriculture have all strongly endorsed this legislation because they have seen first hand how the Aggie Bond Progarm provides necessary support to first-time farmers. It is also important to note that there is absolutely no financial risk to the Federal Government in this program and the cost is minimal.

So I urge my colleagues to join me and the cosponsors of this bill by supporting this effort to help America's beginning farmers.

Mr. President, I ask unanimous consent that the bill be printed in full following my statement and I yield the floor.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FIRST-TIME FARMER BONDS EXTENDED PERMANENTLY

(a) IN GENERAL.—Section 144(a)(12) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subparagraph:

"(D) FIRST-TIME FARMER BONDS.—Subparagraph (A) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide any land or property in accordance with section 147(c)(2)."

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 144(a)(12) of such Code is amended to read as follows:

"(B) BONDS ISSUED TO FINANCE MANUFACTURING FACILITIES.—In the case of any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide any manufacturing facility, subparagraph (A) shall be applied by substituting '1989' for '1986'."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 1989.

By Mr. DIXON (for himself, Mr. SIMON, Mr. ADAMS, and Mr. DODD):

S. 1222. A bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residence requirement for "J" nonimmigrants and by treating nonimmigrants, whose departure has been deferred by the Attorney General, as remaining in legal nonimmigrant status for purposes of adjustment or change of status; to the Committee on the Judiciary.

EMERGENCY CHINESE FACILITATION OF STATUS ADJUSTMENT

Mr. DIXON. Mr. President, with the prosecutions and executions going on in China, its time for us to think about the well-being of the 40,000 Chinese students presently in the United States.

It would be dastardly for us to send these Chinese students back to China at a time when the Chinese Government is committing unconscionable acts against its young people. These Chinese students in America would return to an uncertain fate of arrest, prosecution, prison, and in some instances, death.

For that reason, Mr. President, I rise today to introduce the Emergency Chinese Facilitation of Status Adjustment Act of 1989. My distinguished colleagues, Senators PAUL SIMON and BROCK ADAMS, join me in introducing this legislation.

This bill, Mr. President, based on legislation introduced by Congresswoman NANCY PELOSI, will help thousands of Chinese students in the United States. The bill grants a waiver of the 2-year foreign residency requirement for those Chinese students who are here through the J-1 Visa Program. It also would clarify the scope and application of the automatic 1-year extension of deferred enforced departure [DED] status granted Chinese students by the Attorney General on June 6, 1989.

This bill provides, in effect, a cooling off period so we can see what course events take in China. When cooler heads prevail in China, then we can work out a plan for assisting Chinese students in returning home.

It is clear from the front pages of today's newspapers that the Chinese Government is determined to get rid of all those who actively advocated reforms. Three students were executed yesterday despite pleas from around the world for mercy. I am appalled by the murderous actions of the Chinese Government. It is executing the future of China in a brutal effort to breath some life into a regime of tired ways and outmoded thinking. You can humiliate, maim and torture someone, but you cannot break the spirit of a whole country. The world is watching not only China, Mr. President, but watching us for leadership. We as a nation must take the lead to protect those who believe as we do that freedom should ring from Tiananmen Square.

This bill will assist many Chinese students in the United States. It will allow them, if otherwise eligible, to change status within nonimmigrant categories and to apply for permanent resident status if they qualify. The administration's authorization of an automatic 1-year extension of deferred enforced departure [DED] status created a catch-22.

Should a student accept DED status, he or she would be ineligible for visa adjustment or application for permanent resident status.

This bill corrects that oversight.

It also slightly broadens the criteria of eligibility for the J-1 visa waiver. Under my proposal, the criteria for the foreign residency waiver would extend to those Chinese students who may have allowed their J-1 status to lapse or expire. Many of the Chinese students who have allowed their J-1 visa to lapse have since married someone in this country. Some Chinese students have also changed their nonimmigrant status since arriving in this country, but are still subject to the 2-year foreign residency requirement.

My bill does not create a new category of immigrants, or provide Chinese students special status. Chinese students I have talked to simply want the opportunity to remain in this country until they are able to return without facing the prospect of arrest and imprisonment. These students want to return to their country.

Mr. President, I will never forget the image of a Chinese student standing in front of a convoy of tanks in Tiananmen Square. There is no higher virtue than laying down one's life for democracy. Try as they might, the Chinese Government will never be able to break the spirit of its people. As I said to the Chinese students in Illinois, I believe in my lifetime there will be the new beginnings of democratic institutions in China.

Democracy is a flower, and although its growth may be slowed for now, it will continue to grow. This Senator will do all he can to nurture it.

Mr. President, I ask unanimous consent that a text of the bill appear in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Chinese Facilitation of Status Adjustment Act of 1989".

SEC. 2. WAIVER OF 2-YEAR FOREIGN RESIDENCE REQUIREMENT FOR CHINESE "J" NONIMMIGRANTS IN THE UNITED STATES.

The 2-year residency and physical presence period requirement under section 212(e) of the Immigration and Nationality Act (8 U.S.C. 1182(e)) shall not apply in the case of any national of the People's Republic of China who is present in the United States on the date of the enactment of this Act, and who could otherwise be subject to that 2-year home residency requirement because of having had the status of nonimmigrant described in section 101(a)(15)(J) of such Act (8 U.S.C. 1101(a)(15)(J)).

SEC. 3. CONTINUATION OF LEGAL STATUS FOR PURPOSES OF ADJUSTMENT OR CHANGE OF STATUS OF CHINESE NATIONALS WHO ARE NONIMMIGRANTS IN THE UNITED STATES.

For purposes of adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1225) and change of status under section 248 of such Act (8 U.S.C. 1228) in the case of an alien who is a national of the People's Republic of China and who, as of June 5, 1989, was present in the United States in the lawful status of a nonimmigrant, such an alien shall be considered as having continued to maintain lawful status as such a nonimmigrant (and to have maintained continuously a lawful status) on and after such date during any continuous period in which nationals of the People's Republic of China are granted deferral of departure by the Attorney General.

By Mr. LIEBERMAN (for himself, Mr. CHAFEE, Mr. REID, Mr. DURENBERGER, and Mr. CRANSTON):

S. 1223. A bill to amend the Clean Water Act, to strengthen and expand liability for cleanup costs, damages, and penalties resulting from oil spills and to expand enforcement authority; to the Committee on Environment and Public Works.

OIL SPILL CLEANUP AND ENFORCEMENT ACT

Mr. LIEBERMAN. Mr. President, today I am introducing legislation amending the Clean Water Act to close some serious loopholes that hamper the cleanup of oil spilled in our waterways. These are loopholes that became obvious in the aftermath of the wreck of the *Exxon Valdez* in Prince William Sound off Alaska. I am pleased to be joined in this introduction by original cosponsors Senators CHAFEE, REID, DURENBERGER, and CRANSTON. The aim of the legislation is to make sure that all those who are related to the spilled oil bear the full cost of cleanup and damages resulting from the spill and that they pay substantial civil and criminal penalties where appropriate. While accidents are inevitable, what is particularly galling to people, including me, is the mounting evidence that Exxon's preparedness plans failed to take into account any significant oil spill—let alone one of the magnitude of the Valdez spill.

I was frankly shocked by the contents of the report on the Exxon disaster submitted by EPA Administrator Reilly and Secretary of Transportation Skinner to the President last month. For example, Exxon's plans for cleanup of spills in the waters of the United States from Exxon vessels, including the spills from the *Valdez*, had no details. It contained no information which related in any way to the Prince William Sound or the Valdez Terminal. It had no equipment list other than mention of a van and sampling equipment. It did not even discuss the use of booms, skimmers and dispersants. In short, it was entirely a paper exercise bearing no relationship to reality.

The plan prepared by Alyeska Pipeline Transit Co. was equally surrealistic. For example, the plan relies on the use of dispersants for cleanup of a spill in Prince William Sound. At the same time, the plan states that it would be difficult to apply dispersants effectively because, for some reason, the necessary equipment was far away in Arizona.

The Reilly-Skinner report to the President gets worse. The person in charge of cleanup for Alyeska simply decided it was not necessary to accompany the Coast Guard to the scene of the spill because the plan didn't require it. The arrival of vital equipment was delayed precious days during the early part of the spill. Training of workers did not take place until after the spill had occurred.

The fact that under our current laws Exxon's liability is limited simply adds insult to injury to the American people. The disaster thus leaves us not with one mess to clean up, but two: the one in the water and the one on the books—in the laws and contingency plans that actually failed us and that may prevent us from adequately protecting Alaska's environment and exacting the kind of justice the American public demands.

In my experience—and I speak particularly of my experience as a former attorney general of the State of Connecticut—one way to ensure that companies or individuals will act in a manner which protects our environment is to have laws which clearly spell out the consequences of their failure to do so. Call it deterrence. It is clear that current laws did little to compel Exxon to prepare for an oilspill, nor did they compel Exxon to act responsibly once a spill occurred.

I compared the liability provisions of the Clean Water Act for oilspills with the very strong provisions of the Superfund law concerning the disposal of hazardous substance on land and what I found was surprising because there are some very startling differences between these two laws.

The Superfund law, which was enacted by Congress in 1980 and amended in 1986, contains a strict liability scheme with no cap on the cleanup costs which the Government can collect from the responsible parties. It also gives the Government the power: First, to order polluters to clean up; second, to force them to pay triple the cleanup costs if they do not; and three, to pay, in addition, a penalty of up to $25,000 each day the order is violated.

The older Clean Water Act, which covers oilspills, has none of these protections. The Clean Water Act places a cap on potential liability, and it gives the Government no power to order cleanup of oil from a vessel, no power to issue administrative orders for cleanup of oil, no power to assess triple cleanup costs, and no power to impose a $25,000 per day penalty for violation of an order.

The existing Clean Water Act also does not hold the company which owns the oil or arranged for its shipment liable for the cleanup costs. This means that, if the vessel carrying the oil at Valdez had been owned by a small company with minimal assets, it is possible that there would have been no responsible party to bear the huge cleanup costs, even if the oil itself had been owned by one of the large oil companies. The Superfund law, by comparison, has a broader definition of responsible parties.

The legislation I am introducing today seeks to establish the same strong scheme of liability for the cleanup of oil dumped into water as the Superfund law provides for the cleanup of hazardous substances on land. In some circumstances, where appropriate, it is even stronger than Superfund. Specifically, the proposed legislation:

First, gives the Government authority to issue administrative orders or seek injunctive relief in court ordering the polluter to clean up an oilspill from a vessel or facility;

Second, allows the Government to assess daily penalties of up to $25,000 per day of violation of the order and triple the cleanup costs incurred by the Government if the polluter fails to comply with the order;

Third, extends the class of persons responsible for cleanup costs and dam-

ages to include any entity which owns an interest in the oil, any entity which arranged for the transport of the oil, and any entity which transported the oil; and

Fourth, provides that those responsible parties are liable for all cleanup costs and damages without any limit on the amount of potential liability.

Finally, many provisions of the Clean Water Act provide for large penalties for violations of the act—both civil and criminal. But the penalty provisions of section 311 of the Clean Water Act governing discharges of oil are extremely ambiguous; under one very plausible interpretation, the companies could be let off the hook simply by paying $5,000.

Those penalties are not clearly applicable to companies that are involved in an oilspill.

My proposed legislation clears up this ambiguity—it raises the civil penalties to an amount up to $25,000 per violation per day or $1,000 per barrel of oil discharged, whichever is greater. It sets a minimum penalty of $250,000 where the discharge was caused by willful negligence or violation of a safety rule. It also provides for a range of criminal penalties, including, in the event of knowing violations causing others serious injury, imprisonment of up to 15 years.

The American people are frustrated and angry. They don't like it when they hear that Exxon may only face a civil penalty of up to $5,000 for the spill. They don't like it when they hear that there is a cap on Exxon's cleanup responsibilities. They don't like it when they hear that our laws do not compel companies to prepare for environmental disaster or to clean up after it happens. I know how they feel and I know that now is the time to move forward to change the inadequacies in our laws to protect our environment.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Oil Spill Cleanup and Enforcement Act of 1989".

SEC. 2. Subsection (a) of section 311 of the Clean Water Act (33 U.S.C. 1321(a)) is amended as follows:

(1) paragraph (1) is amended to read as follows:

"(1) 'oil' means petroleum, including crude oil or any fraction or residue therefrom;";

(2) paragraph (2) is amended to read as follows:

"(2) 'discharge' means any emission, intentional or unintentional, into the environment, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping;";

(3) paragraph (3) is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "and inland oil barges";

(4) paragraph (12) is amended to read as follows:

"(12) 'act of God' means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character the effects of which could not have been prevented or avoided by the exercise of due care or foresight;";

(5) at the end of paragraph (17), strike out the period and insert a semicolon and the word "and";

(6) immediately after paragraph (17), add the following:

"(18) 'damages' means damages for economic loss or the loss of or injury to natural resources as specified in section 311(f) of this Act;

"(19) 'environment' means the navigable waters, the waters of the contiguous zone, the ocean waters of which the natural resources are under the exclusive management authority of the United States under the Magnuson Fishery Conservation and Management Act, adjoining shorelines, and the ambient air above such waters and shorelines;

"(20) 'natural resource' includes land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson Fishery Conservation and Management Act), or any State; and

"(21) 'removal costs' means the actual costs of removal taken after a discharge of oil has occurred or, where there was a substantial threat of a discharge of oil, the costs and action taken to prevent, minimize, or mitigate oil pollution from that incident, including all costs of completing removal.".

SEC. 3. (a) Section 311(e) of the Clean Water Act (33 U.S.C. 1321(e)) is amended to read as follows:

"(e) ABATEMENT ACTIONS.—

"(1) MAINTENANCE, JURISDICTION, ETC.—In addition to any other action taken by a State or local government, when the President determines there may be an imminent and substantial threat to the public health or welfare or environment of the United States, including, but not limited to, fish, shellfish, and wildlife and public and private property, shorelines, estuaries, oceans, navigable waters, wetlands, and beaches, because of any actual or threatened discharge of oil or hazardous substance from an onshore or offshore facility or vessel, the President may require the Attorney General of the United States to secure such relief from any person, including but not limited to any responsible party as defined in subsection (f), as may be necessary to abate such endangerment. The district court of the United States in which the threat occurs shall have jurisdiction to grant such relief as the public interest and the equities of the case may require. The President may also, after notice to the affected State, take other action under this section including, but not limited to, issuing such orders as may be necessary to protect public health or welfare or the environment.

"(2) FINES.—Any person who, without sufficient cause, fails to comply with any order of the President under paragraph (1) may, in an action brought in the appropriate United States district court to enforce such order, be fined not more than $25,000 per day of each violation of the order.

"(3) JUDICIAL REVIEW.—A determination of the President, under paragraph (1) as to the nature and scope of relief sought and an order issued by the President under paragraph (1) shall not be subject to judicial review except in a proceeding under this subsection to secure relief or to enforce such order. Judicial review of such orders or determinations shall be limited to the agency administrative record. Otherwise applicable principles of administrative law shall govern whether supplemental materials may be considered by the court. The reviewing court shall uphold the order or determination unless the respondent can demonstrate, on the administrative record, that the order or determination was arbitrary and capricious or otherwise not in accordance with law.

"(4) REIMBURSEMENT.—(A) Any person who receives and complies with the terms of any order issued under paragraph (1) may, within 60 days after completion of the required action, petition the President for reimbursement from the Fund established under this section for the reasonable costs of such action, plus interest. Any interest payable under this subparagraph shall accrue on the amounts expended from the date of expenditure at the same rate as specified for interest on investments of the Fund.

"(B) If the President refuses to grant all or part of a petition made under this paragraph, the petitioner may within 30 days of receipt of such refusal file an action against the President in the appropriate United States district court seeking reimbursement from the Fund established under this section.

"(C) Except as provided in clause (D), to obtain reimbursement, the petitioner shall establish by a preponderance of the evidence that it is not liable for response costs under subsection (f) of this section and that costs for which it seeks reimbursement are reasonable in light of the action required by the relevant order.

"(D) A petitioner who is liable for response costs under subsection (f) of this section may also recover its reasonable costs of response to the extent that it can demonstrate, on the administrative record, that the President's decision in selecting the removal action ordered was arbitrary and capricious or was otherwise not in accordance with law. Reimbursement awarded under this subparagraph shall include all reasonable removal costs incurred by the petitioner pursuant to the portions of the order found to be arbitrary and capricious or otherwise not in accordance with law.

"(E) Reimbursement awarded by a court under clause (C) or (D) may include appropriate costs, fees, and other expenses in accordance with subsections (a) and (d) of section 2412 of title 28, United States Code.

"(5) TREBLE DAMAGES.—If any person who is liable for a discharge or threat of discharge of oil or a hazardous substance from a vessel or onshore or offshore facility fails without sufficient cause to properly provide removal action upon order of the President pursuant to this Act, such person may be liable to the United States for punitive damages in an amount at least equal to three times the amount of any costs incurred by the Fund as a result of such failure to take proper action. The President is authorized to commence a civil action against any such person to recover the punitive damages. Any moneys received by the United States pursuant to this subsection shall be deposited in the Fund.".

(b)(1) Subparagraphs (A) and (B) of paragraph (6) of subsection (b) of section 311 of the Clean Water Act (33 U.S.C. 1321(b)(6)(A) and (B)) are amended to read as follows:

"(A) Any person who violates paragraph (3) (i) or (ii) of this subsection shall be sub-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ject to a civil penalty in an amount up to $25,000 per day for each violation or $1,000 per barrel of oil or hazardous substances discharged in violation of paragraph (3) of this subsection, whichever is greater. Each discharge of oil or hazardous substance (or any fraction thereof) in excess of the quantity determined by the President under paragraph (3) to be harmful to the public health or welfare or the environment shall constitute a separate violation. Each day shall constitute a separate day of violation until the President determines that the removal of the oil or hazardous substance is complete. In determining the amount of the civil penalty under this paragraph and paragraph (4), the court shall consider the seriousness of the violation or violations, the economic benefit to the violator, if any, resulting from the violation, any history of prior violations, the nature, extent, and degree of success of any efforts to minimize or mitigate the effects of such discharge, the economic impact of the penalty on the violator, and any other matters as justice may require. Where the United States can show that such discharge was the result of willful negligence, willful misconduct or a violation of applicable safety, construction, or operating regulations, such penalty shall be no less than $250,000.00.

"(B) The Secretary of the Department in which the Coast Guard is operating or the Administrator of the Environmental Protection Agency may request the Attorney General to commence a civil action to recover civil penalties against any person in the district court in the district in which such person is located, resides, or is doing business, and any such court shall have jurisdiction to assess such civil penalty.".

(2) Subparagraph (E) of paragraph (6) of subsection (b) of section 311 of the Clean Water Act (33 U.S.C. 1321(b)(6)(E)) is repealed.

(3) Paragraph (5) of subsection (b) of section 311 of the Clean Water Act (33 U.S.C. 1321(b)(5)) is amended by inserting immediately prior to the last sentence thereof the following new sentence: "In addition, any such person who knowingly fails to provide the notice required by this subsection shall not be entitled to any of the defenses to liability set out in subsection (f) of this section".

(4) Paragraph (4) of subsection (b) of section 311 of the Clean Water Act (33 U.S.C. 1321(b)(4)) is amended by inserting immediately after "public health or welfare" the following: "or the environment".

(c) Paragraph (1) of subsection (c) of section 311 of the Clean Water Act (33 U.S.C. 1321(c)(1)) is amended by deleting that part of such paragraph following "Magnuson Fishery Conservation and Management Act" and inserting in lieu thereof the following: "the President shall remove or arrange for the removal of such oil or substance. The President is not required to act to remove or arrange for removal of such oil or substance if the President determines that such removal will be done properly and promptly by the owner or operator of the vessel, onshore facility, or offshore facility from which the discharge occurs, or by any other responsible party or by any other entity intended to be selected by such owner or operator or other responsible party to carry out the removal of such oil or substance. In making such determination, the President shall consider whether such owner or operator or other party has the financial and technical capability necessary to effectively remove the oil or hazardous substance. A decision of the President under this subsection is not subject to judicial review.".

(d) Subsection (f) of section 311 of the Clean Water Act (33 U.S.C. 1321(f)) is amended to read as follows:

"Liability for actual costs of removal

"(f)(1) Notwithstanding any other provision or rule of law, and subject only to the exclusive affirmative defenses set forth in paragraph (2) of this subsection, whenever there is a release or threatened release of oil which causes the incurrence of response costs, each responsible party shall be strictly, and jointly and severally, liable for—

"(A)(i) all removal costs actually incurred by the United States Government or a State, including all internal agency costs necessitated by the incident; and

"(ii) any removal costs incurred by any other person, consistent with the National Contingency Plan; and

"(B) all damages for economic loss or loss of natural resources resulting from such a discharge, including—

"(i) any injury to, destruction of, or loss of any real or personal property;

"(ii) any loss of use of real or personal property;

"(iii) any injury to, destruction of, or loss of natural resources, including the costs of assessing such injury, destruction, or loss;

"(iv) any loss of use, including loss of subsistence use, of any natural resources, without regard to the ownership or management of such resources;

"(v) any loss of income or profits or impairment of earning capacity resulting from injury to or destruction of real or personal property or natural resources, without regard to the ownership of such property or resources; and

"(vi) any direct or indirect loss of tax, royalty, rental, or net profits share revenue by the Federal Government or any State or political subdivision thereof, for a period of not to exceed one year.

"(2)(A) There shall be no liability under paragraph (1) of this subsection for a person otherwise liable who can establish by a preponderance of the evidence that the discharge or threat of discharge of oil and the damages resulting therefrom were caused solely by—

"(i) an act of God;

"(ii) an act of war;

"(iii) an act or omission of a third party other than an employee or agent of the defendant, or other than one whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the responsible party, if the responsible party establishes by a preponderance of the evidence that (I) he exercised due care with respect to the oil or hazardous substance concerned, taking into consideration the characteristics of such oil or substance, in light of all relevant facts and circumstances, and (II) he took precautions against foreseeable acts or omissions of any such third party and the consequences that could foreseeably result from such acts or omissions; or

"(iv) any combination of the foregoing paragraphs.

"(B) In any case where a responsible party can establish by a preponderance of the evidence that a discharge and the damages resulting therefrom were caused solely by an act or omission of a third party (or solely by such an act or omission in combination with an act of God or an act of war) in accordance with subsection (f)(2)(A)(iii), such third party shall be liable under this section as if such third party were the responsible party.

"(3) For purposes of this subsection, the term 'responsible party' includes—

"(A) any person who owns or operates an onshore facility, offshore facility, or vessel at the time of a discharge or threatened discharge of oil from the onshore facility, offshore facility, or vessel;

"(B) any person who owns or operates an onshore facility, offshore facility, or vessel at the time any removal cost is incurred in connection with a discharge or threatened discharge of oil from the onshore facility, offshore facility, or vessel;

"(C) any person who owns or operates an onshore facility, offshore facility, or vessel at the time any suit is filed under this section in connection with a discharge or threatened discharge of oil from the onshore facility, offshore facility, or vessel;

"(D) in the case of a discharge or threatened discharge from an abandoned onshore facility, offshore facility, or vessel, any person who owned or operated the onshore facility, offshore facility, or vessel immediately prior to his abandonment;

"(E) any person who owns, or owns any interest in, the oil that has been, is being, or may be discharged;

"(F) any person who by contract, agreement, or otherwise arranged for the handling, storage, treatment, transport, or disposal of the oil by another party or entity, if the discharge or threatened discharge occurs while the oil is in the possession, or under the control, of the other party or entity; and

"(G) any person who accepts or accepted the oil for handling, storage, treatment, transport, or disposal if the discharge or threatened discharge occurs while the oil is in the possession, or under the control, of such person.

"(4) In the case of an injury to, destruction of, or loss of natural resources under subsection (f)(1)(B) of this section, liability shall be (A) to the United States Government for natural resources belonging to, managed by, controlled by, or appertaining to the United States, and (B) to any State for natural resources within the State or belonging to, managed by, controlled by, or appertaining to such State. The President, or the authorized representative of any State, shall act on behalf of the public as trustee of such natural resources to recover for such damages. Sums recovered by the United States Government as trustee under this subsection shall be retained by the trustee, without further appropriation, for use only to restore, replace, or acquire the equivalent of such natural resources. Sums recovered by a State as trustee under this subsection shall be available for use only to restore, replace, or acquire the equivalent of such natural resources by the State. The measure of damages in any action under subsection (f)(1)(B) shall not be limited by the sums which can be used to restore or replace such resources. There shall be no double recovery under this Act for natural resource damages, including the costs of damage assessment or restoration, rehabilitation, or acquisition for the same discharge and natural resource.

"(5) No indemnification, hold harmless, or similar agreement or conveyance shall be effective to transfer the liability imposed by this section from any responsible party to any other person. Nothing in this subsection shall bar any agreement to insure, hold harmless, or indemnify a party to such agreement for any liability under this section.

"(6) Any person may seek contribution from any other responsible party or potentially responsible party during or following any action under this section. Such claim shall be brought in accordance with this section and the Federal Rules of Civil Procedure. Nothing in this subsection shall diminish the right of any person to bring an

action for contribution in the absence of a civil action under this section.

"(7) Nothing in this subsection shall bar a cause of action that any responsible party subject to liability under this section has, by reason of subrogation or otherwise against any person.".

(e) Subsections (g), (h), and (i) of section 311 of the Clean Water Act (33 U.S.C. 1321(g), (h), and (i)) are repealed.

SEC. 4. (a) Subsection (c) of section 309 of the Clean Water Act (33 U.S.C. 1319(c)) is amended by inserting immediately after "308," each time it appears therein the following: "311,".

(b) Paragraph (1) of subsection (g) of section 309 of the Clean Water Act (33 U.S.C. 1319(g)(1)) is amended to read as follows:

"(g) ADMINISTRATIVE PENALTIES.—

"(1) VIOLATIONS.—Whenever on the basis of any information available—

"(A) the Administrator or the Secretary of the Department in which the Coast Guard is operating finds that any person has violated section 301, 302, 306, 307, 308, 311, 318, or 405 of this Act, or has violated any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or in a permit issued under section 404 by a State, or

"(B) the Secretary of the Army (hereinafter in this subsection referred to as the 'Secretary') finds that any person who has violated any permit condition or limitation in a permit issued under section 404 of this Act by the Secretary of the Army,

the Administrator, the Secretary of the Department in which the Coast Guard is operating, or the Secretary of the Army, as the case may be, may, after consultation with the State in which the violation occurs, assess a Class I civil penalty or a Class II civil penalty under this subsection.".

(c) Subparagraph (A) of paragraph (6) of subsection (g) of section 309 of the Clean Water Act (33 U.S.C. 1319(g)(6)(A)) is amended by inserting a comma immediately before the period at the end thereof, and the following: "except that any judicial or administrative action by a State under State law shall not affect or limit the authority of the Administrator or the Secretary of the Department under which the Coast Guard is operating with respect to discharges of oil or hazardous substances under subsection (d) of this section or section 311 of this Act".

By Mr. BRYAN (for himself, Mr. HOLLINGS, Mr. GORTON, and Mr. LIEBERMAN):

S. 1224. A bill to amend the Motor Vehicle Information and Cost Savings Act to require new standards for corporate average fuel economy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MOTOR VEHICLE FUEL EFFICIENCY ACT

Mr. BRYAN. Mr. President, I rise today to introduce legislation that I believe is vitally important to both the Nation's energy security and the environment. This legislation will increase the corporate average fuel economy, or CAFE standards, for automobiles and light trucks, by an equal percentage for all manufacturers who sell these vehicles in the United States. By doing this, we will reduce our dependence on foreign oil, now climbing toward 50 percent of our consumption. We also will recognize, as President Bush recently did with respect to clean air, that while we want and need economic growth, we also must expect and practice environmental responsibility.

I am proud to be joined in this effort by the chairman of the Commerce Committee, Senator HOLLINGS, as well as the ranking member of the Consumer Subcommittee, Senator GORTON, and my friend and fellow member of the class of 1988 in the Senate, Senator LIEBERMAN, as well as our friend and colleague on the Commerce Committee, Senator GORE.

The CAFE standards, originally enacted in 1975 through the leadership of Senator HOLLINGS and others, have been one of the most successful conservation measures in history. Since their enactment, there has been a doubling of the fuel economy of the passenger vehicle fleet in this country. It is estimated that this achievement by the automobile industry has resulted in a savings of 2.5 million barrels of oil per day, and a savings of at least $40 billion per year for consumers in gasoline costs. However, the standards set by statute in 1975 leveled off in 1985, and require no improvement in the future. Indeed, the CAFE levels of some manufacturers have actually begun to decline.

We held hearings last month in the Consumer Subcommittee, which I chair, on the issue of fuel economy, and received considerable information from a wide variety of sources, including the auto industry and environmental groups. This information convinced me that more can be done to improve fuel economy, and that legislation is necessary to encourage this effort.

My bill will continue the progress that has begun, build on the energy savings that have been achieved, and address an additional problem of which we were insufficiently aware in 1975—the greenhouse effect and the threat of global warming. Each gallon of gasoline consumed results in the emission of 19.7 pounds of carbon dioxide, a primary greenhouse gas. By saving fuel, we also reduce carbon dioxide emissions and the threat of global warming.

This legislation will require that each manufacturer improve its average fuel economy at least 20 percent beginning with the 1995 model year, and 40 percent beginning with model year 2001. The same improvement will be required for light trucks, which now constitue one-third of new passenger vehicle sales, and for which no statutory standards have been set in the past.

These increases should result in a fleet fuel economy for passenger cars of about 34 miles per gallon by 1995 and 40 miles per gallon by 2001. There is considerable evidence that these goals can be achieved without any major change in the size of the fleet or any net cost to consumers.

Additionally, by requiring equal improvement by all manufacturers, the bill eliminates an inequity in the current law. Today, there is a single numerical standard for all manufacturers, regardless of the size of the vehicles they build. This has put an undue burden on domestic manufacturers, who build cars in a range of sizes, from small to large, but still have to achieve the same average fuel economy as manufacturers who only build compact or smaller automobiles.

The bill also provides maximum flexibility to manufacturers in reaching the two established fuel economy goals. It contains no interim targets between current standards and the 1995 and 2001 goals, but allows the industry to decide how best to achieve those goals.

Thus, the bill attempts to strike a balance between the economic needs of the automobile industry, America's energy security needs, and the environmental needs of this country and the world.

Indeed, by achieving these fuel economy goals we can save, in just 2 years, a total of 41.3 billion gallons of fuel, and reduce carbon dioxide emissions by a total of 406.7 million tons. These numbers sound astonishing, and the prospect of their achievement is exciting. It also is within our grasp to make fuel economy an important goal, as my legislation attempts to do.

Mr. President, again, I am pleased to be joined in this effort by Senators HOLLINGS, GORTON, LIEBERMAN, and GORE, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Vehicle Fuel Efficiency Act of 1989".

FINDINGS

Sec. 2. The Congress finds and declares the following:

(1) Improved efficiency in the consumption of petroleum is vitally important, not only because the worldwide supply is finite, but because the increasing dependence of the United States on foreign oil is a threat to our national security and adversely affects the trade balance.

(2) The light duty vehicle fleet is a significant user of oil, accounting for about 39 percent of United States oil consumption.

(3) Improvements in vehicle fuel efficiency between 1973 and 1987 amounted to a savings of 1.8 million barrels of oil per day and a savings to drivers of close to $30 billion. Conversely, the rollback of the corporate average fuel economy (CAFE) standard for the 1989 model year, from 27.5 miles per gallon to 26.5 miles per gallon, is expected to result in increased consumption of 900 million gallons of fuel over the life of the vehicles.

(4) Emissions of carbon dioxide, including those from the light duty vehicle fleet, contribute substantially to increased retention of heat in the Earth's atmosphere, and may cause long term global warming and disruption of climate-dependent activities.

(5) The United States, with only 5 percent of the world's population, is responsible for 20 percent of world carbon dioxide emissions. United States carbon dioxide emissions from gasoline alone are greater than the carbon dioxide emissions from all sources in each of the following countries and areas of the world: Latin America, Japan, the Middle East, West Germany, South and Southeast Asia, the United Kingdom, Africa, and France.

(6) The transportation sector is responsible for 31 percent of carbon dioxide emissions in the United States. Each gallon of gasoline burned results in the emission of 19.7 pounds of carbon dioxide.

(7) The rollback of the CAFE standard for the 1989 model year is projected to result in 9 million tons of additional carbon dioxide emissions during the life of the vehicles involved.

(8) Increased numbers of vehicles and vehicle miles traveled in the United States will necessitate a 3 percent annual increase in fuel efficiency merely to hold future carbon dioxide emissions at current levels. Therefore, substantial improvements in vehicle fuel efficiency will be needed to reduce these emissions.

(9) CAFE standards and the successful response of automobile manufacturers to those standards have been very effective in increasing vehicle fuel efficiency, resulting in a doubling of the passenger car fleet fuel economy between 1975 and the present. However, current law does not require improvement above a standard of 27.5 miles per gallon which became effective in 1985.

(10) Light trucks were an insignificant part of the passenger vehicle market when CAFE standards were enacted in 1975, and have not been subjected to strict, legislatively-established, CAFE standards. As a result, there have been few major technological changes related to fuel efficiency in the standard size light trucks since 1982, and fuel economy in some light truck models has actually declined between 1982 and 1986. Light trucks have become increasingly popular for passenger use, and such vehicles now account for approximately one-third of new passenger vehicle sales.

(11) The Office of Technology Assessment and the Department of Energy agree that increased fuel efficiency is possible utilizing currently available technology and without significant changes in the size mix or performance of the fleet. Using conventional technologies, it is estimated that the fuel economy of the entire new car fleet could range from 33 to 38 miles per gallon by 1996.

(12) Over the long term, by utilizing technology currently in production or in prototype, additional increases in fleet fuel economy beyond 1995 estimates are achievable, from 40 miles per gallon to as high as 60 miles per gallon in the next decade.

(13) Gasoline prices currently are lower in real dollars than they have been since the early 1970s. Since there is at least some correlation between gasoline prices and consumer demand for fuel efficient vehicles, it is unlikely that the market alone will achieve significant improvement in fuel economy.

(14) Increased CAFE standards are, therefore, both reasonable and necessary to ensure that improvements in fuel efficiency continue to furtherance of the dual goals of the Nation's energy security and decrease carbon dioxide emissions.

AVERAGE FUEL ECONOMY STANDARDS

SEC. 3. (a) Section 502(a) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(a)) is amended by striking

"1985 and thereafter ..... 27.5."

and inserting in lieu thereof the following:

"1985 through 1994	27.5.
1995 and thereafter	
As provided in accordance with section 514 of this Act.".	

(p) Section 502(a)(4) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(a)(4)) is amended by striking "The Secretary" and inserting in lieu thereof "Except in the case of standards established by sections 514 and 515, the Secretary".

LIGHT TRUCKS

SEC. 4. Section 502(b) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 202(b)) is amended by inserting "and which ends before model year 1995" immediately after "after the date of enactment of this title".

EXEMPTIONS FOR LIMITED PRODUCTION

SEC. 5. Section 502(c)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(c)(1)) is amended—

(1) by striking "passenger" each place it appears;

(2) by inserting "or subsection (b) or section 514 or 515" immediately before the period at the end of the first sentence; and

(3) by inserting "subsection (b) of sections 514 and 515" immediately before "is more stringent".

EMERGENCY VEHICLES

SEC. 6. Section 502(g)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(g)(1)) is amended by inserting "or section 514 or 515" immediately before the period at the end of the first sentence.

CONSULTATION

SEC. 7. Section 502(i) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(i)) is amended by inserting "or sections 514 and 515" immediately before the period in the first sentence.

NOTIFICATION

SEC. 8. Section 502(j) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(j)) is amended by inserting "or sections 514 and 515" immediately before "or any modification".

NEW STANDARDS

SEC. 9. (a) Title V of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001 et seq.) is amended by adding at the end the following new sections:

"PASSENGER AUTOMOBILES

"SEC. 514. Notwithstanding any other provision of this Act, the average fuel economy for passenger automobiles manufactured by any manufacturer in model year 1995 and each model year thereafter shall not be less than the number of miles per gallon established for such model year pursuant to the following:

"Model year:	
"1995 through 2000...	For each such manufacturer, the average fuel economy required shall be an amount determined by the Secretary to be equal to the average fuel economy achieved by that manufacturer for passenger automobiles in model year 1988, plus an amount equal to 20 percent (as measured in miles per gallon) of such average fuel economy achieved for model year 1988; except that such standard shall not be less than 27.5 miles per gallon and shall not exceed 40 miles per gallon.
"2001 and thereafter	For each such manufacturer, the average fuel economy required shall be an amount determined by the Secretary to be equal to the average fuel economy achieved by that manufacturer for passenger automobiles in model year 1988, plus an amount equal to 40 percent (as measured in miles per gallon) of such average fuel economy achieved for model year 1988, unless such standard is modified under section 516; except that such standard shall not be less than 27.5 miles per gallon and shall not exceed 45 miles per gallon.

"AUTOMOBILES OTHER THAN PASSENGER AUTOMOBILES

"SEC. 515. Notwithstanding any other provision of this Act, commencing with model year 1995 and each model year thereafter, the average fuel economy for automobiles other than passenger automobiles manufactured by any manufacturer in any such model year shall not be less than the number of miles per gallon established for such model year pursuant to the following:

"Model year:	
"1995 through 2000	For each such manufacturer, the average fuel economy required shall be an amount determined by the Secretary to be equal to the average fuel economy achieved by that manufacturer for light trucks in model year 1988, plus an amount equal to 20 percent (as measured in miles per gallon) of such average fuel economy achieved for model year 1988; except that such standard shall not be less than 20 miles per gallon and shall not exceed 30 miles per gallon.

"Model year:	
"2001 and thereafter.....	For each such manufacturer, the average fuel economy required shall be an amount determined by the Secretary to be equal to the average fuel economy achieved by that manufacturer in model year 1988, plus an amount equal to 40 percent (as measured in miles per gallon) of such average fuel economy achieved for model year 1988, unless such standard is modified under section 516; except that such standard shall not be less than 20 miles per gallon and shall not exceed 35 miles per gallon.

"MODIFICATIONS OF STANDARDS

"SEC. 516. (a) Any time after the beginning of fiscal year 1995, any person may petition the Secretary to modify any average fuel economy standard established under this Act for model year 2001 and thereafter. In response to such a petition, the Secretary may increase or decrease such standard to the level which the Secretary determines is the maximum feasible average fuel economy for the relevant model year (taking into consideration the factors listed in section 502(e)), except that the Secretary shall not reduce any such standard below a standard equal to a 30 percent increase over the average fuel economy achieved by the manufacturer involved for the applicable type (or class) of vehicles for model year 1988. Any such petition shall be filed at least 12 months in advance of the model year to which it is applicable. Upon receipt of such a petition, the Secretary shall conduct a rulemaking proceeding, which shall be conducted in accordance with the following procedure:

"(1) The Secretary—

"(A) shall publish an advance notice of proposed rulemaking which specifies the type (or class) of vehicles to which the rule may apply;

"(B) shall invite interested persons to submit, within 60 days after the date of publication of such advance notice, written presentations of data, views, and arguments in response to such notice; and

"(C) may identify proposed or amended standards that may be prescribed.

"(2) A proposed rule which prescribes an amended average fuel economy standard, or prescribes no amended standard, for a type (or class) of vehicles shall be published in the Federal Register. In prescribing any such proposed rule with respect to a standard, the Secretary shall consider the 4 factors listed in section 502(e) and shall determine the maximum improvement in energy efficiency or maximum reduction in energy use that is technologically feasible for each type (or class) of vehicles. If such standard is not designed to achieve such maximum improvement or maximum reduction, the Secretary shall state in the proposed rule the reasons therefor.

"(3) After the publication of the proposed rulemaking, the Secretary shall afford interested persons an opportunity, during a period of not less than 60 days, to comment on matters relating to the proposed rule.

"(4) A final rule prescribing an amended average fuel economy standard, or prescribing no amended standard, for a type (or class) of vehicles shall be published as soon as is practicable, but not less than 120 days, after publication of the proposed rule in the Federal Register.

"(b) In determining the maximum feasible average fuel economy during a rulemaking proceeding under this section, the Secretary shall evaluate the economic practicability of the standard, considering—

"(1) the economic impact of the standard on the manufacturers and on the consumers of the vehicles subject to such standard;

"(2) the savings in operating costs throughout the estimated average life of the vehicle in the type (or class) compared to any increase in the price of, or in the initial charges for, or maintenance expenses of, the vehicles which are likely to result from the imposition of the standard;

"(3) the total projected amount of energy savings likely to result directly from the imposition of the standard;

"(4) any lessening of the utility or the performance of the vehicles likely to result from the imposition of the standard;

"(5) the impact of any lessening of competition or any change in foreign trade that is likely to result from the imposition of the standard;

"(6) the need for reducing carbon dioxide emissions to mitigate the global greenhouse warning, as well as reducing other environmentally damaging energy-related pollutants;

"(7) the need for national energy conservation; and

"(8) other factors the Secretary considers relevant.".

FUEL ECONOMY TESTING

SEC. 10. (a) The Administrator of the Environmental Protection Agency shall conduct a study on the accuracy of fuel economy testing of passenger automobiles by the Administrator performed in accordance with procedures in effect as of the date of enactment of this Act, as compared to the actual performance of such automobiles when driven by average drivers under average driving conditions in the United States. In the course of such study, the Administrator shall, for each model type and year—

(1) measure the fuel economy of a sampling of production passenger automobiles during the first month of manufacture for sale; and

(2) repeat, over a period of years to be determined by the Secretary of Transportation, the measurements and calculations under section 503(d)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(d)(1)), for purposes of monitoring automobile performance in use to determine the extent, if any, of decline in fuel economy after such use.

(b) The Administrator shall, within 12 months after the date of enactment of this Act and annually thereafter, submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on the results of the study required by subsection (a) of this section. The report shall include—

(1) a comparison between (A) fuel economy measured, for each model in the applicable model year, through testing procedures in effect as of the date of enactment of this Act and (B) fuel economy measured in accordance with subsection (a)(1) of this section;

(2) a statement on any decline in fuel economy determined through repeated measurements and calculations under subsection (a)(2) of this section; and

(3) any recommendations for legislative or other action.

(c) To the maximum extent practicable, the Administrator shall, in carrying out measurements under subsection (a) (1) and (2) of this section, simulate average drivers and average driving conditions in the United States.

(d) As used in this section, the term "production passenger automobile" means a passenger automobile manufactured for sale.

EXPLANATORY BOOKLET DISTRIBUTED BY SECRETARY OF ENERGY

SEC. 11. (a)(1) Paragraph (1) of section 506(b) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006(b)) is amended by adding at the end the following new sentence: "The Secretary of Energy shall distribute no less than 100 booklets each year to each dealer and shall distribute as many in addition to 100 booklet as are reasonably requested by dealers from time to time.".

(2) The amendment made by paragraph (1) of this subsection shall apply to the 12-month period beginning on the first day of the first month after the date of enactment of this Act and corresponding 12-month periods thereafter.

(b) Section 506(e) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006(e)) is amended by striking "Federal Energy Administrator" and inserting in lieu thereof "Secretary of Energy".

STUDY

SEC. 12. (a) The Secretary of Transportation shall provide for a review to be undertaken by the National Academy of Sciences, in consultation with vehicle manufacturers, representatives of environmental and consumer groups, appropriate State and local officials, and representatives of labor, of the current state of research and development in light truck fuel economy and passenger automobile fuel economy and an assessment of the remaining potential for improving the fuel efficiency and reducing the energy consumption of passenger automobiles and light trucks. The assessment shall include all aspects of vehicle design, including engines, drive train, component parts, auto body, tires, and any other aspect contributing to the reduction of energy consumption. The National Academy shall, not later than 2 years after the date of enactment of this Act, submit a report to the Congress on the results of the review and assessment and in the report recommend research and development priorities that could result in the commercialization of fuel economy technology through the early years of the next century. The National Academy shall update the report every 5 years, beginning not later than 7 years after the date of enactment of this Act, and shall submit each updated report to Congress.

(b) As used in this section, "passenger automobile" and "light truck" have the meaning given those terms under section 501 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001), as amended by this section 4 of this Act.

REPEATED VIOLATIONS OF AVERAGE FUEL ECONOMY STANDARD

SEC. 13. (a) Section 508(b)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2008(b)(1)) is amended by adding at the end the following new subparagraph:

"(C) Any civil penalty assessed under this subsection for a violation of section 507(a)(1) or (2) in model year 1995 or thereafter against a manufacturer shall be doubled if—

"(i) the manufacturer violated section 507(a) (1) or (2) in the two model years immediately preceding the model year involved in the assessment; and

"(ii) during each of such preceding years and the year involved in the assessment, the applicable average fuel economy standard exceeded the average fuel economy of the vehicles manufactured by such manufactur-

VOL 135 PT 9 JE 14 — 22 1989 UMI

er by five-tenths of a mile per gallon or more.".

(b) Section 507(a)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2007(a)(1)) is amended by inserting "including sections 514 and 515," immediately after "section 502(b)),".

Mr. HOLLINGS. Mr. President, I am pleased to join as a cosponsor of this legislation addressing the very important issue of fuel economy standards. In 1975, I cosponsored the legislation that became the current CAFE law. At Commerce Committee hearings on the issue in 1975, I made several points which I believe bear repeating today.

I noted then that the automobile has been a dominant influence in 20th century America, shaping our economy and our way of life, and it is now an integral part of most Americans' lives. However, then, as now, the automobile also is a major contributor to air pollution and resource depletion.

The one major change since 1975 is the dramatic increase—an approximate doubling—of the fuel efficiency of the new car fleet. This fact makes me very proud of the work we did to enact the CAFE law in 1975. It makes me very proud of the ingenuity of the automobile industry—a vital component of our economy. It also makes me think that we must continue to look at CAFE standards as at least a partial answer to the serious problems presented by the country's reliance on imported oil and the threat of global warming.

These problems have finally gained some national attention. President Bush recently addressed the importance of addressing environmental issues. Former President Reagan reported to the Congress in January of this year that the current level of oil imports presents a threat to our national security. In addition, experts from many disciplines warn us that we must pay immediate attention to the long-term effect of greenhouse gases on the Earth's climate. I believe that increased energy efficiency can address those problems.

It is clear that we must continue to work hard toward increased fuel economy. However, now, as in 1975, there is increased consumer demand for large cars with higher performance. Thus, now, as then, it may be difficult to achieve significant increases in fuel economy through market forces or voluntary activities by the auto companies. It is for this reason that CAFE standards continue to be important to achieve increased fuel economy.

However, we all recognize that the auto industry is an important contributor to the United States and world economies. We want to work with, not against, the members of that industry in addressing our environmental and energy security concerns. We also want to protect the right of the American consumer to a reasonable choice of products. Many important, and sometimes competing, factors need to be considered in the vital effort to conserve energy.

I compliment Senator BRYAN for his leadership on this issue. He chaired a consumer subcommittee hearing in early May, and has worked hard to produce a bill that I believe will assist America's energy independence and benefit our environment. I urge my colleagues to join with us in this effort.

● Mr. GORE. Mr. President, I rise today as an original cosponsor of Senator BRYAN's bill, S. 1224. I am proud to join my colleague in this effort, which promises to ultimately benefit our Nation's economy, environment, and national security. I will elaborate on this in a moment.

But first, I note that the approach taken in the bill introduced today, a percentage increase in vehicle fuel efficiency on a manufacturer-by-manufacturer basis, is the same approach taken in legislation that I introduced on the first day of this session, title IV of S. 201, the World Environmental Policy Act of 1989. I feel that this is a sound proposal, and am proud to have had Senator BRYAN, Senator HOLLINGS, and other colleagues join me as cosponsor of S. 201. The legislation introduced today calls for each manufacturer to achieve a 40-percent increase in fuel economy over the 1988 model year by 2001. S. 201, on the other hand, calls for a 65-percent increase over the 1989 model year by 2000. I feel that concerns about the environment, the trade balance, and our own ability to compete as a technological world leader demand that the higher goal become the one for which we strive.

As I have examined the subtleties surrounding this complex issue, and heard testimony in recent hearings, I have been intrigued by several ideas for enhancing S. 201's effectiveness in improving not only the efficiency of our vehicle fleet, but also the competitiveness of one of our Nation's most important industries. Consequently, after the break, I will introduce some of these ideas into the debate, and look forward to their inclusion as we work together on this issue. I also look forward to working within the Committee on Commerce, Science, and Transportation to debate these approaches, and to develop a strong proposal that effectively addresses this most important issue.

Mr. President, it has been almost 3 months since our Nation experienced the worst oilspill in its history, a disaster that spoiled the pristine waters of Prince William Sound. Today, we are left once again with apologies for an environmental disaster that did not have to happen.

Many of us have heeded the call to be better stewards of the atmosphere, the water, and the land. We have learned that the environment is not just an infinite void into which we can discharge our pollution. If we continue to do so, we threaten the delicate balance that is the planet's ability to support life.

The oil that killed the wildlife and fish of Prince William Sound, and destroyed the livelihood of the surrounding communities, was probably destined for our vehicles. Once burned, its emissions would have been dumped into our environment in another form, polluting the air in our cities and contributing to changing the climate of our planet.

We have heard calls for global cooperation to protect the world's environment. But that protection must begin here at home. Our cars and trucks are responsible for much of the air pollution choking our cities, and a large portion of the carbon dioxide emissions of our Nation.

Thus, one of the first steps to demonstrate U.S. leadership in protecting the global environment must be to increase the efficiency of our transportation sector. Each American consumes more energy in the single activity of transportation, than a person in almost any other country consumes in all activities combined. We do not need to speed development of environmentally sensitive areas to produce more oil for our vehicles; we can "produce" that oil in an environmentally and economically sound way, through increased vehicle fuel efficiency.

After dramatic improvements in the 1970's, and general stability in the 1980's, average new vehicle efficiency in 1988 was actually lower than the standards set originally for 1985. The average new vehicle produced in the United States got 27 miles per gallon in 1988; the average Asian import got 32 miles per gallon. The trend away from improved vehicle fuel efficiency has been hastened by another trend during the 1980's, back toward higher horsepower; in effect, the fuel efficiency wars of the 1970's have been replaced by the horsepower wars of this decade.

Clearly, improvements in vehicle fuel efficiency are long overdue, and they make sense for a variety of reasons:

Oil imports cost our trade balance $40 billion in 1988; for every 1-mile-per-gallon increase in the efficiency of our Nation's car and light truck fleet, we could reduce oil imports by 320,000 barrels per day—even at only $12 per barrel, that's $1.5 billion of our trade deficit each year.

Our national security is threatened by an overreliance on those oil imports to fuel the majority of the entire U.S. transportation sector.

Our competitiveness in international markets is compromised by energy-inefficient products in a world where continued depletion of finite oil resources can only lead to increased fuel costs.

Our vehicle fleet contributes as much as one-third of U.S. carbon dioxide emissions; overall, our Nation

emits more carbon dioxide than any other Nation in the world.

Last but not least, urban air quality in many cities is not coming into compliance with standards deemed necessary to avoid adverse impacts on human health. Among the major pollutants addressed by the Clean Air Act, the two that have proven most difficult to control—carbon monoxide and ozone—are largely due to our automobiles. Over 100 urban areas are not meeting air quality standards for one or both of these pollutants.

Our addiction to the Middle East's oil is again on the rise. Our trade balance is again on the decline. Our national security is at stake, and the environment demands our stewardship.

Burning less fuel in our vehicles is one sure way to meet all of these demands. And as we address this issue, we must realize that burning less fuel in our vehicles means not only driving more efficient vehicles; it also means stemming growth in the number of miles we drive. The Federal Highway Administration projects that in urban areas, the total number of miles traveled by vehicles will increase 50 percent to 80 percent by the year 2010. New vehicle fuel efficiency standards are the first component of reducing the fuel consumed by our vehicles. But a rethinking of urban and suburban transportation must be the second component.

Just as new commitments to clean up the environment were being sounded around the world, just as new international initiatives were being forged to protect our planet, 11 million gallons of crude oil pierced an ecological treasure. The disaster in Prince William Sound must be a turning point. If we are to leave our children a legacy of care and stewardship, we must take responsibility for the entire planet. Each of us must find within ourselves the foresight and the courage to confront this serious global challenge.●

Mr. GORTON. Mr. President, I am pleased to join with my colleague Senator BRYAN, the chairman of the Consumer Subcommittee of the Senate Commerce Committee, in introducing legislation to increase the current corporate average fuel economy [CAFE] standards for cars and light trucks. The energy and environmental challenges of the next century will be immense. This legislation is one necessary step to begin to reduce the amount of carbon dioxide, a primary greenhouse gas, emitted into the atmosphere and to reduce our dependence on fossil fuels.

The legislation we are introducing today will require each manufacturer by the year 1995 to increase its fleet performance 20 percent over the model year 1988 level. This should give all manufacturers adequate time to plan for fuel saving improvements. By the year 2000, manufacturers must achieve a 40-percent increase from 1988 levels. The bill also brings light trucks, the fastest selling vehicles today, under the new requirements.

In 1988, the overall car fleet average was 28.7 mpg. Our bill would increase the average to 34.4 mpg. The National Highway Transportation Safety Administration estimates that this would reduce carbon dioxide emissions by nearly 90 million tons over the lifetime of the vehicles compared with the current CAFE requirement. A fleet average of 25 mpg for light trucks would reduce carbon dioxide emissions by an additional 63 million tons over the lifetime of the vehicles, compared with the current fleet average. At the same time, over 9 billion gallons of fuel for cars and over 6 billion gallons of fuel for light trucks would be saved over the lifetime of the vehicles.

A recent report by the Office of Technology Assessment shows the need for this legislation. The report cited a "drastic" slowdown in fuel efficiency improvement because of relatively low fuel prices, increasing sales of performance and luxury cars, continued demand for older car models, the popularity of less fuel-efficient light trucks used as passenger vehicles, as well as other factors. In fact, OTA projects that, absent a Government increase in the CAFE standard, new car fleet efficiency may improve only a few miles per gallon by the year 2000.

Mr. President, we cannot allow ourselves to be lulled into a false sense of complacency caused by relatively low gasoline prices and the absence of lines at gas pumps. The need for a comprehensive national energy policy has become so apparent that it can no longer be ignored. In too many instances, the Congress has played a reactive role instead of a proactive role in addressing the environment and our dependence on fossil energy resources. I am encouraged that the proposal introduced today can be a major step in the right direction for the Congress in acknowledging the need for an energy policy and for our Nation's vital need to conserve energy.

Energy can be conserved in several sectors, including industry, buildings, and transportation: More efficient appliances and lights, better insulated buildings, more efficient heating and cooling systems for builidngs, greater use of public transportation and more efficient modes of private transportation. The Congress has considered legislation addressing many of the above. However, the fact remains that more must be done as we work to relieve our Nation's dependence on foreign energy resources.

An important component of this energy independence is that we all must work to become more efficient in our use of fossil fuels. I am encouraged by the administration's recent action to increase fuel efficiency standards—but we must set our sights higher. The administration and Congress have for the past several years battled over opening environmentally sensitive areas to oil and gas leasing. There is the continuing debate over opening the pristine Arctic National Wildlife Refuge Coastal Plain and in my State there are grave concerns over the administration's Outer Continental Shelf [OCS] Oil and Gas Leasing Program currently planned for waters off Oregon and Washington. These waters and coastal areas are some of the Nation's finest and highly sensitive marine environments. The public has correctly become outraged at the thought of oil and gas development as a result of the *Exxon Valdez* oil spill. Present laws, rules, and regulations are outdated and inadequate to allow consideration of imposing our Nation's need for energy resources on these critical areas. Yet our Nation's energy needs remain the same. We must take positive action. Increasing our fuel efficiency standards will constitute an important part of the necessary positive action.

I hope that this needed legislation will have the support of many of my colleagues.

By Mr. THURMOND (for himself, Mr. DOLE, Mr. SPECTER, Mr. MCCLURE, Mr. DECONCINI, Mr. D'AMATO, Mr. SIMPSON, Mr. WILSON, Mr. MCCONNELL, and Mr. NICKLES):

S. 1225. A bill entitled the "Comprehensive Violent Crime Control Act of 1989"; to the Committee on the Judiciary.

COMPREHENSIVE VIOLENT CRIME CONTROL ACT OF 1989

Mr. THURMOND. Mr. President, I rise today to introduce a sweeping anticrime proposal along with Senators DOLE, SPECTER, MCCLURE, DECONCINI, D'AMATO, SIMPSON, and WILSON.

Using some suggestions from a number of our colleagues, President Bush has given the Congress a comprehensive legislative package designed to combat the growing problem of violent crime across our Nation.

The freedoms we cherish today are not simply limited to a freedom from oppressive forms of government. Our citizens deserve to be free from fear of violence as they go about their daily lives. Appropriately, the American public looks to their elected officials to provide law enforcement with sufficient resources to keep our streets and neighborhoods safe. Spelled out so clearly in our Constitution is the Government's responsibility to insure domestic tranquility.

The sweeping crime package introduced today is a direct and forceful response to our obligation—protecting the citizens of this great Nation from the criminal element.

This proposal will provide effective resources for law enforcement as they risk their lives every day going into battle against these thugs and criminals who challenge a peaceful and law-abiding society.

With a strategy to remove violent offenders from the streets, the President has directed the Attorney General and the Treasury Secretary to coordinate efforts with State and local officials. As a part of this plan, the President wants to add 375 new agents at the Bureau of Alcohol, Tobacco, and Firearms, 300 at the FBI, and 150 Deputy U.S. Marshals. These highly trained men and women will be in the field and on the front lines protecting the public.

Another concern addressed in this package would increase the number of prosecutors so that lawbreakers can be vigorously prosecuted to the fullest extent of the law. This proposal calls for an additional 1,600 new prosecutors and staff to handle the increased number of defendants.

I am pleased that there is language to reinstate an enforceable Federal death penalty. This proposal authorizes the death penalty for, among other things, espionage, treason, murder for hire, attempts to assassinate the President, terrorists, and murder of hostages. Enactment of a comprehensive Federal death penalty is critical to deter violent offenders. I would strongly urge the Congress to take this opportunity to consider this important issue and send a death penalty proposal to the President for his signature. The law abiding citizens of this Nation demand action and these demands must be met. We simply cannot delay action on a Federal death penalty while violent offenders are allowed to prey on innocent victims.

Further, language to reform current habeas corpus procedures is included which will minimize Federal judicial interference with State criminal convictions, and deal with common abuses typical of habeas prisoner petitions.

Additionally, this package will codify the good faith exception to the exclusionary rule that has been recognized by the Supreme Court. Provisions in this crime package do not authorize law enforcement officers to disregard the forth amendment. What it does do is address the legal loophole that allows criminals to go free. When a law enforcement officer acts in good faith compliance with the fourth amendment, allowing an offender to go free on a mere technicality does not serve the ends of justice.

Enhanced and mandatory penalties for those who commit, and provide means for others to commit, violent crime are key components of this legislation. It is imperative that we make serious prison time a certainty for the criminals who prey on our society.

With additional agents in the field and more prosecutors using tougher anticrime statutes, our prison capacity, which is now below what is needed, must be increased. This proposal calls for additional prison construction to increase current capacity by 80 percent.

Also, as a direct response to the deadly firepower used by drug kingpins, hired thugs, and other violent offenders, the President is calling for restrictions on clips and magazines that hold more than 15 rounds. Legitimate sportsmen and hunters can still pursue their avocation without undue interference.

President Bush has proposed a comprehensive crime package which will strengthen current laws and give additional needed resources to law enforcement. Also, the important message throughout this proposal is that for lawbreakers, there will soon be a greater certainty of apprehension, prosecution, and punishment along with hard prison time.

The American people deserve our most serious effort in passing this sweeping measure to combat the miscreants and criminals in our society. We have an opportunity to send a clear message that our criminal justice system will ensure swift and certain punishment to those who break the law.

I commend President Bush for his leadership in submitting this important proposal and I urge my colleagues to join as cosponsors.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Violent Crime Control Act of 1989.".

TITLE I—FIREARMS AND RELATED AMENDMENTS

SEC. 101. PROHIBITION AGAINST TRANSFERRING FIREARMS TO NONRESIDENTS.

Section 922(a)(5) of title 18, United States Code, is amended by striking out "resides" and all that follows through "(or other than that in which its place of business is located if the transferor is a corporation or other business entity);" and inserting in lieu thereof "does not reside in (or if the person is a corporation or other business entity, does not maintain a place of business in) the State in which the transferor resides;".

SEC. 102. COMMERCE NEXUS FOR TRAFFICKING IN STOLEN FIREARMS.

(a) Section 922(j) of title 18, United States Code, is amended by striking out "or which constitutes," and inserting in lieu thereof "which constitutes, or which has been shipped or transported in,";

(b) Section 922(k) of title 18, United States Code, is amended by inserting "or to possess or receive any firearm which has had the importer's or manufacturer's serial number removed, obliterated, or altered and has, at any time, been shipped or transported in interstate or foreign commerce" after "altered".

SEC. 103. TECHNICAL AMENDMENTS.

(a) Section 923(d)(1)(B) of title 18, United States Code, is amended by striking out "(h)" and inserting in lieu thereof "(n)";

(b) Section 925(a)(1) of title 18, United States Code, is amended by inserting "possession," before "or importation";

(c) Section 925(c) of title 18, United States Code, is amended by striking out "conviction" the first and third place such term appears and inserting in lieu thereof "disability" and by striking out "by reason of such a conviction";

(d) Section 924(a) of title 18, United States Code, is amended by striking out ", and shall become eligible for parole as the Parole Commission shall determine" in both places those words appear. This amendment shall be effective with respect to any offense committed after November 1, 1987.

SEC. 104. DISPOSITION OF FORFEITED FIREARMS.

Subsection 5872(b) of title 26, United States Code, is amended to read as follows:

"(b) DISPOSAL.—In the case of the forfeiture of any firearm, where there is no remission or mitigation of forfeiture thereof—

"(1) The Secretary may retain the firearm for official use of the Department of the Treasury or, if not so retained, offer to transfer the weapon without charge to any other executive department or independent establishment of the Government for official use by it and, if the offer is accepted, so transfer the firearm;

"(2) If the firearm is not disposed of pursuant to paragraph (1), is a firearm other than a machinegun or a firearm forfeited for a violation of this chapter, is a firearm that in the opinion of the Secretary is not so defective that its disposition pursuant to this paragraph would create an unreasonable risk of a malfunction likely to result in death or bodily injury, and is a firearm which (in the judgment of the Secretary, taking into consideration evidence of present value and evidence that like firearms are not available except as collector's items, or that the value of like firearms available in ordinary commercial channels is substantially less) derives a substantial part of its monetary value from the fact that it is novel, rare, or because of its association with some historical figure, period, or event the Secretary may sell such firearm, after public notice, at public sale to a dealer licensed under the provisions of chapter 44 of title 18, United States Code;

"(3) If the firearm has not been disposed of pursuant to paragraphs (1) or (2), the Secretary shall transfer the firearm to the Administrator of General Services, General Services Administration, who shall destroy or provide for the destruction of such firearm; and

"(4) No decision or action of the Secretary pursuant to this subsection shall be subject to judicial review.".

SEC. 105. CLARIFICATION OF "BURGLARY" UNDER THE ARMED CAREER CRIMINAL STATUTE.

Section 924(e)(2) of title 18, United States Code, is amended by adding a new subparagraph, as follows:

"(D) the term 'burglary' means any crime punishable by a term of imprisonment exceeding one year and consisting of entering or remaining surreptitiously within a building that is the property of another with intent to engage in conduct constituting a Federal or State offense.".

SEC. 106. SERIOUS DRUG OFFENSES BY JUVENILES AS ARMED CAREER CRIMINAL ACT PREDICATES.

Section 924(e)(2)(A) of title 18, United States Code, is amended—

(1) by striking out "or" at the end of clause (i);

(2) by striking out "and" at the end of clause (ii) and inserting in lieu thereof "or"; and

(3) by adding a new clause (iii), as follows:

"(iii) any act of juvenile delinquency that if committed by an adult would be a serious

drug offense described in this paragraph; and".

SEC. 107. CLARIFICATION OF DEFINITION OF CONVICTION.

Section 921(a)(20) of title 18, United States Code, is amended by adding at the end the following:

"Notwithstanding the previous sentence, if the conviction was for a violent felony involving the threatened or actual use of a firearm or explosive or was for a serious drug offense, as defined in section 924(e) of this title, the person shall be considered convicted for purposes of this chapter irrespective of any pardon, setting aside, expunction or restoration of civil rights.".

SEC. 108. PERMITTING CONSIDERATION OF PRETRIAL DETENTION FOR CERTAIN FIREARMS AND EXPLOSIVES OFFENSES.

Section 3142(f)(1) of title 18, United States Code, is amended by—

(1) striking out "or" before subparagraph (D);

(2) redesignating subparagraph (D) as subparagraph (E); and

(3) inserting a new subparagraph (D) as follows:

"(D) an offense under 18 U.S.C. 844(a) that is a violation of 18 U.S.C. 842 (d), (h), or (i), or an offense under 18 U.S.C. 924(a) that is a violation of 18 U.S.C. 922 (d), (g), (h), (i), (j), or (o); or".

SEC. 109. ENHANCED PENALTY FOR USE OF SEMIAUTOMATIC FIREARM DURING A CRIME OF VIOLENCE OF DRUG TRAFFICKING OFFENSE.

(a) Section 924(c) of title 18, United States Code, is amended by inserting "and if the firearm is a semiautomatic firearm, to imprisonment for ten years," after "sentenced to imprisonment for five years,";

(b) Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(25) the term 'semiautomatic firearm' means any repeating firearm which utilizes a portion of the energy of a firing cartridge to extract the fired cartridge case and chamber the next round, and which requires a separate pull of the trigger to fire each cartridge.".

SEC. 110. SMUGGLING FIREARMS IN AID OF DRUG TRAFFICKING.

Section 924 of title 18, United States Code, is amended by adding at the end thereof the following:

"(h) Whoever, with the intent to engage in, or to promote, conduct which—

"(1) is punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), or the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.);

"(2) violates any law of a State relating to any controlled substances (as defined in section 102 of the Controlled Substances Act, 21 U.S.C. 802); or

"(3) constitutes a crime of violence (as defined in subsection (c)(3));

smuggles or knowingly brings into the United States a firearm, or attempts to do so, shall be imprisoned for not more than ten years, fined under this title, or both.".

SEC. 111. THEFT OF FIREARMS AND EXPLOSIVES.

(a) Section 924 of title 18, United States Code, is amended by adding at the end the following:

"(i) Whoever steals any firearm which is moving as, or is a part of, or which has moved in, interstate or foreign commerce shall be imprisoned for not less than two or more than ten years, and may be fined under this title.".

(b) Section 844 of title 18, United States Code, is amended by adding at the end the following:

"(k) Whoever steals any explosives materials which are moving as, or are a part of, or which have moved in, interstate or foreign commerce shall be imprisoned for not less than two or more than ten years, and may be fined under this title.".

SEC. 112. BAR ON SALE OF FIREARMS AND EXPLOSIVES TO OR POSSESSION OF FIREARMS AND EXPLOSIVES BY PERSONS CONVICTED OF A VIOLENT OR SERIOUS DRUG MISDEMEANOR.

(a) Sections 842(d)(2) and 922(d)(1) of title 18, United States Code, are each amended by inserting ", or has been convicted in any court of any crime of violence or serious misdemeanor drug or narcotic offense (as defined in section 404(c) of the Controlled Substances Act, 21 U.S.C. 844(c)). It is a bar to a prosecution under this section that the conviction for a serious misdemeanor drug or narcotic offense occurred prior to the date of enactment of this Act" after "crime punishable by imprisonment for a term exceeding one year";

(b) Sections 842(i)(1) and 922(g)(1) of title 18, United States Code, are each amended by inserting "or has been convicted in any court of any crime of violence or serious misdemeanor drug or narcotic offense (as defined in section 404(c) of the Controlled Substances Act, 21 U.S.C. 844(c)). It is a bar to a prosecution under this section that the conviction for a serious misdemeanor drug or narcotic offense occurred prior to the date of enactment of this Act" after "crime punishable by imprisonment for a term exceeding one year";

(c) Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(q) For purposes of this section and section 842 of this title—

"(1) the term 'crime of violence' means an offense that has as an element the use of physical force against the person of another with intent to cause bodily harm to such person; and

"(2) the term 'serious misdemeanor' means an offense for which the maximum term of imprisonment is greater than six months.".

SEC. 113. POSSESSION OF A FIREARM OR AN EXPLOSIVE DURING THE COMMISSION OF A FELONY.

(a) Section 924(c) of title 18, United States Code, is amended by striking out "uses or carries a firearm" and inserting in lieu thereof "uses, carries, or otherwise possesses a firearm".

(b) Section 844(h) of title 18, United States Code, is amended by striking out "carries an explosive during" and inserting in lieu thereof "carries or otherwise possesses an explosive during".

SEC. 114. MANDATORY REVOCATION OF SUPERVISED RELEASE FOR POSSESSION OF A FIREARM.

Section 3583 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) MANDATORY REVOCATION FOR POSSESSION OF A FIREARM.—If the court has provided, as a condition of supervised release, that the defendant refrain from possessing a firearm, and if the defendant is in actual possession of a firearm, as that term is defined in section 921 of this title, at any time prior to the expiration or termination of the term of supervised release, the court shall, after a hearing pursuant to the provisions of the Federal Rules of Criminal Procedure that are applicable to probation revocation, revoke the term of supervised release and, subject to the limitations of paragraph (e)(3) of this section, require the defendant to serve in prison all or part of the term of supervised release without credit for time previously served on postrelease supervision.".

SEC. 115. INCREASED PENALTY FOR KNOWINGLY FALSE, MATERIAL STATEMENT IN CONNECTION WITH THE ACQUISITION OF A FIREARM FROM A LICENSED DEALER.

Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (a)(1)(B), by striking out "(a)(6),"; and

(2) in subsection (a)(2), by inserting "(a)(6)," after "subsections".

SEC. 116. INCREASED PENALTY FOR SECOND OFFENSE OF USING AN EXPLOSIVE TO COMMIT A FEDERAL FELONY.

Section 844(h) of title 18, United States Code, is amended by striking out "ten years" and inserting in lieu thereof "twenty years".

SEC. 117. AMENDMENTS TO 18 U.S.C. CHAPTER 44 RELATING TO THE DOMESTIC ASSEMBLY OF NONIMPORTABLE FIREARMS.

(a) Section 921(a) of title 18, United States Code is amended by adding at the end thereof a new paragraph as follows:

"(26) The term 'semiautomatic rifle' means any repeating rifle which utilizes a portion of the energy of a firing cartridge to extract the fired cartridge case and chamber the next round, and which requires a separate pull of the trigger to fire each cartridge."

(b) Section 922 of title 18, United States Code is amended by adding at the end thereof a new subsection as follows:

"(s) It shall be unlawful for any person to assemble any semiautomatic rifle or any shotgun which is identical to any rifle or shotgun prohibited from importation under section 925(d)(3) of this chapter as not being particularly suitable for or readily adaptable to sporting purposes except that this subsection shall not apply to—

"(1) the assembly of any such rifle or shotgun for sale or distribution by a licensed manufacturer to the United States or any department or agency thereof or to any State or any department, agency, or political subdivision thereof;

"(2) assembly operations for any such rifle or shotgun by a licensed manufacturer that were taking place in the United States before May 15, 1989;

"(3) the assembly of any such rifle or shotgun for the purpose of exportation; or

"(4) the assembly of any such rifle or shotgun for the purposes of testing or experimentation authorized by the Secretary."

(c) Section 924(a)(1)(B) of title 18, United States Code is amended by striking out "or (k)" and inserting in lieu thereof "(k), or (s)".

SEC. 118. INAPPLICABILITY OF ENHANCED PENALTY IN PRESENCE OF MITIGATING CIRCUMSTANCES.

The amendment of section 109(a) of this Act shall not apply in sentencing a defendant who establishes that—

(1) he used the firearm to protect himself or another person from an immediate danger of death or injury arising from the unlawful use or threat of force by the person against whom the firearm was used;

(2) he used the firearm to protect the person or property of himself or another against actually occurring or immediately threatened felonious conduct by the person against whom the firearm was used; or

(3) he used the firearm to effect the arrest or prevent the escape of a person in immediate flight after the commission of a felony.

Notwithstanding the foregoing, this section is not applicable if the defendant engaged or participated in criminal conduct that

gave rise to the occasion for the defendant's use of the firearm.

TITLE II—CAPITAL PUNISHMENT

SEC. 201. SHORT TITLE FOR TITLE II.

This title may be cited as the "Capital Punishment Procedures Act of 1989".

SEC. 202. DEATH PENALTY PROCEDURES.

Title 18 of the Unites States Code is amended—(a) by adding the following new chapter after chapter 227:

"CHAPTER 228—DEATH PENALTY PROCEDURES

"Sec.
"3591. Sentence of death.
"3592. Factors to be considered in determining whether a sentence of death is justified.
"3593. Special hearing to determine whether a sentence of death is justified.
"3594. Imposition of a sentence of death.
"3595. Review of a sentence of death.
"3596. Implementation of sentence of death.
"3597. Use of State facilities.
"3598. Appointment of counsel.

"§ 3591. Sentence of death

"A defendant who has been found guilty of—

"(a) an offense described in section 794 or section 2381 of this title;

"(b) an offense described in section 1751(c) of this title if the offense, as determined beyond a reasonable doubt at a hearing under section 3593, constitutes an attempt to murder the President of the United States and results in bodily injury to the President or comes dangerously close to causing the death of the President; or

"(C) any other offense for which a sentence of dealth is provided, if the defendant, as determined beyond a reasonable doubt at a hearing under section 3593 either—

"(1) intentionally killed the victim;

"(2) intentionally participated in an act, contemplating that the life of a person would be taken or intending that lethal force would be used in connection with a person, other than one of the participants in the offense, and the victim died as a direct result of the act; or

"(3) acting with reckless disregard for human life, engaged or substantially participated in conduct which the defendant knew would create a grave risk of death to another person or persons and death resulted from such conduct;

shall be sentenced to death if, after consideration of the factors set forth in section 3592 in the course of a hearing held pursuant to section 3593, it is determined that imposition of a sentence of death is justified: *Provided*, That no person may be sentenced to death who was less than eighteen years of age at the time of the offense.

"§ 3592. Factors to be considered in determining whether a sentence of death is justified

"(a) MITIGATING FACTORS.—In determining whether a sentence of death is justified for any offense, the jury, or if there is no jury, the court, shall consider each of the following mitigating factors and determine which, if any, exist:

"(1) MENTAL CAPACITY.—The defendant's mental capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, regardless of whether the capacity was so impaired as to constitute a defense to the charge.

"(3) PARTICIPATION IN OFFENSE MINOR.—The defendant is punishable as a principal (as defined in section 2 of title 18 of the United States Code) in the offense, which was committed by another, but the defendant's participation was relatively minor, regardless of whether the participation was so minor as to constitute a defense to the charge.

The jury, of if there is no jury, the court, shall consider whether any other aspect of the defendant's character or record or any other circumstance of the offense that the defendant may proffer as a mitigating factor exists.

"(b) AGGRAVATING FACTORS FOR ESPIONAGE AND TREASON.—In determining whether a sentence of death is justified for an offense described in section 3591(a), the jury, or if there is no jury, the court, shall consider each of the following aggravating factors and determine which, if any, exist:

"(1) PREVIOUS ESPIONAGE OR TREASON CONVICTION.—The defendant has previously been convicted of another offense involving espionage or treason for which a sentence of life imprisonment or death was authorized by statute.

"(2) RISK OF SUBSTANTIAL DANGER TO NATIONAL SECURITY.—In the commission of the offense the defendant knowingly created a grave risk to the national security.

"(3) RISK OF DEATH TO ANOTHER.—In the commission of the offense the defendant knowingly created a grave risk of death to another person.

The jury, or if there is no jury, the court, may consider whether any other aggravating factor exists.

"(c) AGGRAVATING FACTORS FOR HOMICIDE AND FOR ATTEMPTED MURDER OF THE PRESIDENT.—In determining whether a sentence of death is justified for an offense described in section 3591(b) or (c), the jury, or if there is no jury, the court, shall consider each of the following aggravating factors and determine which, if any, exist:

"(1) DEATH OCCURRED DURING COMMISSION OF ANOTHER CRIME.—The death occurred during the commission or attempted commission of, or during the immediate flight from the commission of, an offense under section 751 (prisoners in custody of institution or officer), section 794 (gathering or delivering defense information to aid foreign government), section 844(d) (transportation of explosives in interstate commerce for certain purposes), section 844(f) (destruction of Government property by explosives), section 1118 (prisoners serving life term), section 1201 (kidnapping), or section 2381 (treason) of this title, section 1826 of title 28 (persons in custody as recalcitrant witnesses or hospitalized following a finding of not guilty only by reason of insanity), or section 902 (i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472 (i) or (n) (aircraft piracy)).

"(2) INVOLVEMENT OF FIREARM OR PREVIOUS CONVICTION OF VIOLENT FELONY INVOLVING FIREARM.—The defendant—

"(A) during and in relation to the commission of the offense or in escaping apprehension used or possessed a firearm as defined in section 921 of this title; or

"(B) has previously been convicted of a Federal or State offense punishable by a term of imprisonment of more than one year, involving the use or attempted or threatened use of a firearm, as defined in section 921 of this title, against another person.

"(3) PREVIOUS CONVICTION OF OFFENSE FOR WHICH A SENTENCE OF DEATH OR LIFE IMPRISONMENT WAS AUTHORIZED.—The defendant has previously been convicted of another Federal or State offense resulting in the death of a person, for which a sentence of life imprisonment or death was authorized by statute.

"(4) PREVIOUS CONVICTION OF OTHER SERIOUS OFFENSES.—The defendant has previously been convicted of two or more Federal or State offenses, each punishable by a term of imprisonment of more than one year, committed on different occasions, involving the distribution of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) or the infliction of, or attempted infliction of, serious bodily injury or death upon another person.

"(5) GRAVE RISK OF DEATH TO ADDITIONAL PERSONS.—The defendant, in the commission of the offense or in escaping apprehension, knowingly created a grave risk of death to one or more persons in addition to the victim of the offense.

"(6) HEINOUS, CRUEL, OR DEPRAVED MANNER OF COMMISSION.—The defendant committed the offense in an especially heinous, cruel, or depraved manner in that it involved torture or serious physical abuse to the victim.

"(7) PROCUREMENT OF OFFENSE BY PAYMENT.—The defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value.

"(8) COMMISSION OF THE OFFENSE FOR PECUNIARY GAIN.—The defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value.

"(9) SUBSTANTIAL PLANNING AND PREMEDITATION.—The defendant committed the offense after substantial planning and premeditation.

"(10) VULNERABILITY OF VICTIM.—The victim was particularly vulnerable due to old age, youth, or infirmity.

"(11) TYPE OF VICTIM.—The defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice President, the Vice President-elect, the Vice President-designate, or, if there is no Vice President, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent, of a foreign nation;

"(C) a foreign official listed in section 1116(b)(3)(A) of this title, if that official is in the United States on official business; or

"(D) a public servant who is a Federal judge, a Federal law enforcement officer, an employee (including a volunteer or contract employee) of a Federal prison, or an official of the Federal Bureau of Prisons—

"(i) while such public servant is engaged in the performance of his official duties;

"(ii) because of the performance of such public servant's official duties; or

"(iii) because of such public servant's status as a public servant.

For purposes of this paragraph, the terms, 'President-elect' and 'Vice President-elect' mean such persons as are the apparent successful candidates for the offices of President and Vice President, respectively, as ascertained from the results of the general elections held to determine the electors of President and Vice President in accordance with title 3, United States Code, sections 1 and 2; a "Federal law enforcement officer' is a public servant authorized by law or by a Government agency or Congress to conduct or engage in the prevention, investigation, or prosecution of an offense; 'Federal prison' means a Federal correctional, detention, or penal facility, Federal community treatment center, or Federal halfway house, or any such prison operated under contract with the Federal Government; and 'Federal judge' means any judicial officer of the United States, and includes a justice of the Supreme Court and a magistrate.

The jury, or if there is no jury, the court, may consider whether any other aggravating factor exists.

"§ 3593. Special hearing to determine whether a sentence of death is justified

"(a) NOTICE BY THE GOVERNMENT.—Whenever the Government intends to seek the death penalty for an offense described in section 3591, the attorney for the government, a reasonable time before the trial, or before acceptance by the court of a plea of guilty, or at such time thereafter as the court may permit upon a showing of good cause, shall sign and file with the court, and serve on the defendant, a notice—

"(1) that the Government in the event of conviction will seek the sentence of death; and

"(2) setting forth the aggravating factor or factors enumerated in section 3592 and any other aggravating factor not specifically enumerated in section 3592, that the Government, if the defendant is convicted, will seek to prove as the basis for the death penalty.

The court may permit the attorney for the government to amend the notice upon a showing of good cause.

"(b) HEARING BEFORE A COURT OR JURY.—When the attorney for the government has filed a notice as required under subsection (a) and the defendant is found guilty of an offense described in section 3591, the judge who presided at the trial or before whom the guilty plea was entered, or another judge if that judge is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. Prior to such a hearing, no presentence report shall be prepared by the United States Probation Service, notwithstanding the provisions of the Federal Rules of Criminal Procedure. The hearing shall be conducted—

"(1) before the jury that determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury that determined the defendant's guilt was discharged for good cause; or

"(D) after initial imposition of a sentence under this section, reconsideration of the sentence under the section is necessary; or

"(3) before the court alone, upon motion of the defendant and with the approval of the attorney for the government.

A jury impaneled pursuant to paragraph (2) shall consist of twelve members, unless, at any time before the conclusion of the hearing, the parties stipulate, with the approval of the court, that it shall consist of a lesser number.

"(c) PROOF OF MITIGATING AND AGGRAVATING FACTORS.—At the hearing, information may be presented as to—

"(1) any matter relating to any mitigating factor listed in section 3592 and any other mitigating factor; and

"(2) any matter relating to any aggravating factor listed in section 3592 for which notice has been provided under subsection (a)(2) and (if information is presented relating to such a listed factor) any other aggravating factor for which notice has been so provided.

Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial, or at the judge's discretion. Any other information relevant to such mitigating or aggravating factors may be presented by either the government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is outweighed by the danger of creating unfair prejudice, confusing the issues, or misleading the jury. The attorney for the government and for the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any aggravating or mitigating factor, and as to the appropriateness in that case of imposing a sentence of death. The attorney for the government shall open the argument. The defendant shall be permitted to reply. The government shall then be permitted to reply in rebuttal. The burden of establishing the existence of an aggravating factor is on the government, and is not satisfied unless the existence of such a factor is established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless the existence of such a factor is established by a preponderance of the evidence.

"(d) RETURN OF SPECIAL FINDING.—The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return special findings identifying any aggravating factor or factors set forth in section 3592 found to exist and any other aggravating factor for which notice has been provided under subsection (a) found to exist. A finding with respect to a mitigating factor may be made by one or more members of the jury, and any member of the jury who finds the existence of a mitigating factor may consider such factor established for purposes of this section regardless of the number of jurors who concur that the factor has been established. A finding with respect to any aggravating factor must be unanimous. If no aggravating factor set forth in section 3592 is found to exist, the court shall impose a sentence other than death authorized by law.

"(e) RETURN OF A FINDING CONCERNING A SENTENCE OF DEATH.—If, in the case of—

"(1) an offense described in section 3591(a), an aggravating factor required to be considered under section 3592(b) is found to exist; or

"(2) an offense described in section 3591 (b) or (c), an aggravating factor required to be considered under section 3592(c) is found to exist; the jury, or if there is no jury, the court, shall then consider whether the aggravating factor or factors found to exist to justify a sentence of death, or, in the absence of a mitigating factor, whether the aggravating factor or factors alone are sufficient to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall recommend whether a sentence of death shall be imposed rather than some other lesser sentence. The jury or the court, if there is no jury, regardless of its findings with respect to aggravating and mitigating factors, is never required to impose a death sentence, and the jury shall be so instructed.

"(f) SPECIAL PRECAUTION TO ASSURE AGAINST DISCRIMINATION.—In a hearing held before a jury, the court, prior to the return of a finding under subsection (e), shall instruct the jury that, in considering whether a sentence of death is justified, it shall not consider the race, color, religious beliefs, national origin, or sex of the defendant or of any victim and that the jury is not to recommend a sentence of death unless it has concluded that it would recommend a sentence of death for the crime in question no matter what the race, color, religious beliefs, national origin, or sex of the defendant or of any victim may be. The jury, upon return of a finding under subsection (e), shall also return to the court a certificate, signed by each juror, that consideration of the race, color, religious beliefs, national origin, or sex of the defendant or any victim was not involved in reaching his or her individual decision and that the individual juror would have made the same recommendation regarding a sentence for the crime in question no matter what the race, color, religious beliefs, national origin, or sex of the defendant or any victim may be.

"§ 3594. Imposition of a sentence of death

"Upon the recommendation under section 3593(e) that a sentence of death be imposed, the court shall sentence the defendant to death. Otherwise the court shall impose a sentence, other than death, authorized by law. Notwithstanding any other provision of law, if the maximum term of imprisonment for the offense is life imprisonment, the court may impose a sentence of life imprisonment without the possibility of release or furlough.

"§ 3595. Review of a sentence of death

"(a) APPEAL.—In a case in which a sentence of death is imposed, the sentence shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal of the sentence must be filed within the time specified for the filing of a notice of appeal of the judgment of conviction. An appeal of the sentence under this section may be consolidated with an appeal of the judgment of conviction and shall have priority over all other cases.

"(b) REVIEW.—The court of appeals shall review the entire record in the case, including—

"(1) the evidence submitted during the trial;

"(2) the information submitted during the sentencing hearing;

"(3) the procedures employed in the sentencing hearing; and

"(4) the special findings returned under section 3593(d).

"(c) DECISION AND DISPOSITION.—

"(1) If the court of appeals determines that—

"(A) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; and

"(B) the evidence and information support the special findings of the existence of an aggravating factor or factors;

it shall affirm the sentence.

"(2) In any other case, the court of appeals shall remand the case for reconsideration under section 3593 or for imposition of another authorized sentence as appropriate.

"(3) The court of appeals shall state in writing the reasons for its disposition of an appeal of sentence of death under this section.

"§ 3596. Implementation of sentence of death

"(a) A person who has been sentenced to death pursuant to the provisions of this chapter shall be committed to the custody of the Attorney General until exhaustion of the procedures for appeal of the judgment of conviction and for review of the sentence. When the sentence is to be implemented, the Attorney General shall release the person sentenced to death to the custody of a United States Marshal, who shall supervise implementation of the sentence in the manner prescribed by the law of the State in which the sentence is imposed. If the law of such State does not provide for implementation of a sentence of death, the court shall designate another State, the law of which does so provide, and the sentence

shall be implemented in the manner prescribed by such law.

"(b) A sentence of death shall not be carried out upon a person who lacks the mental capacity to understand the death penalty and why it was imposed on that person, or upon a woman while she is pregnant.

"(c) No employee of any State department of corrections or the Federal Bureau of Prisons and no employee providing services to that department or bureau under contract shall be required, as a condition of that employment or contractual obligation, to be in attendance at or to participate in any execution carried out under this section if such participation is contrary to the moral or religious convictions of the employee. For purposes of this subsection, the term 'participate in any execution' includes personal preparation of the condemned individual and the apparatus used for the execution, and supervision of the activities of other personnel in carrying out such activities.

"§ 3597. Use of State facilities

"A United States Marshal charged with supervising the implementation of a sentence of death may use appropriate State or local facilities for the purpose, may use the services of an appropriate State or local official or of a person such as an official employed for the purpose, and shall pay the costs thereof in an amount approved by the Attorney General.

"§ 3598. Appointment of counsel

"(a) Notwithstanding any other provision of law—

"(1) in every criminal action brought in a court of the United States in which a defendant is charged with a crime with respect to which a sentence of death is sought, a defendant who is or becomes financially unable to obtain adequate representation shall be entitled to appointment of counsel at trial and upon direct appeal of the judgment and sentence entered at trial.

"(2) After a conviction and sentence entered pursuant to the provisions of this chapter have been affirmed on direct appeal, appointment of counsel for such a person in any other proceeding related to the case shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority.

"(3) Appointment of counsel under this chapter shall be governed by the provisions of section 3006A and (with respect to paragraph (1)) section 3005 of this title.

"(b) The laws of the United States shall not be construed to impose any requirement with respect to the appointment of counsel in any proceeding in a state court or other state proceeding in a capital case, other than any requirement imposed by the Constitution of the United States. In a proceeding under section 2254 of title 28, United States Code, relating to a state capital case, or any subsequent proceeding on review, appointment of counsel for a petitioner who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Such appointment of counsel shall be governed by the provisions of section 3006A of this title."; and

(b) In the chapter analysis of part II, by adding the following new item after the item relating to chapter 227:

"228. Death penalty procedures ..... 3591.".

SEC. 203. CONFORMING AMENDMENT RELATING TO DESTRUCTION OF AIRCRAFT OR AIRCRAFT FACILITIES.

Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 204. CONFORMING AMENDMENT RELATING TO ESPIONAGE.

Section 794(a) of title 18 of the United States Code is amended by changing the period at the end of the section to a comma and by adding immediately thereafter the words "except that the sentence of death shall not be imposed unless the jury or, if there is no jury, the court, further finds beyond a reasonable doubt at a hearing under section 3593 of this title that the offense directly concerned nuclear weaponry, military spacecraft and satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; sources or methods of intelligence or counterintelligence operations; or any other major weapons system or major element of defense strategy.".

SEC. 205. CONFORMING AMENDMENT RELATING TO TRANSPORTING EXPLOSIVES.

Section 844(d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 206. CONFORMING AMENDMENT RELATING TO MALICIOUS DESTRUCTION OF FEDERAL PROPERTY BY EXPLOSIVES.

Section 844(f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 207. CONFORMING AMENDMENT RELATING TO MALICIOUS DESTRUCTION OF INTERSTATE PROPERTY BY EXPLOSIVES.

Section 844(i) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 208. CONFORMING AMENDMENT RELATING TO MURDER.

The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;".

SEC. 209. CONFORMING AMENDMENT RELATING TO KILLING OFFICIAL GUESTS OR INTERNATIONALLY PROTECTED PERSONS.

Section 1116(a) of title 18 of the United States Code is amended by striking the words "any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and".

SEC. 210. MURDER BY FEDERAL PRISONER.

Chapter 51 of title 18 of the United States Code is amended—

(a) by adding at the end thereof the following:

"§ 1118. Murder by a federal prisoner

"(a) Whoever, while confined in a Federal prison under a sentence for a term of life imprisonment, murders another shall be punished by death or by life imprisonment without the possibility of release or furlough.

"(b) For the purposes of this section—

"(1) 'Federal prison' means any Federal correctional, detention, or penal facility, Federal community treatment center, or Federal halfway house, or any such prison operated under contract with the Federal Government;

"(2) 'term of life imprisonment' means a sentence for the term of natural life, a sentence commuted to natural life, an indeterminate term of a minimum of at least fifteen years and a maximum of life, or an unexecuted sentence of death."; and

(b) by amending the section analysis to add:

"1118. Murder by a Federal prisoner.".

SEC. 211. DEATH PENALTY RELATING TO KIDNAPPING.

Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 212. DEATH PENALTY RELATING TO HOSTAGE TAKING.

Section 1203 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 213. CONFORMING AMENDMENTS RELATING TO MAILABILITY OF INJURIOUS ARTICLES.

The last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 214. CONFORMING AMENDMENT RELATING TO PRESIDENTIAL ASSASSINATION.

Subsection (c) of section 1751 of title 18 of the United States Code is amended to read as follows:

"(c) Whoever attempts to murder or kidnap any individual designated in subsection (a) of this section shall be punished (1) by imprisonment for any term of years or for life, or (2) by death or imprisonment for any term of years or for life, if the conduct constitutes an attempt to murder the President of the United States and results in bodily injury to the President or otherwise comes dangerously close to causing the death of the President.".

SEC. 215. CONFORMING AMENDMENT RELATING TO MURDER FOR HIRE.

Subsection (a) of section 1958 of title 19 of the United States Code is amended by deleting the words "and if death results, shall be subject to imprisonment for any term of years or for life, or shall be fined not more than $50,000, or both" and inserting in lieu thereof "and if death results, shall be punished by death or life imprisonment, or shall be fined in accordance with this title, or both".

SEC. 216. CONFORMING AMENDMENT RELATING TO VIOLENT CRIMES IN AID OF RACKETEERING ACTIVITY.

Paragraph (1) of subsection (a) of section 1959 of title 18 of the United States Code is amended to read as follows: "for murder, by death or life imprisonment, or a fine in accordance with this title, or both; and for kidnapping, by imprisonment for any term of years or for life, or a fine in accordance with this title, or both";

SEC. 217. CONFORMING AMENDMENT RELATING TO WRECKING TRAINS.

The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 218. CONFORMING AMENDMENT RELATING TO BANK ROBBERY.

Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 219. CONFORMING AMENDMENT RELATING TO TERRORIST ACTS.

Paragraph (1) of subsection 2331(a) of title 18 of the United States Code is amended to read as follows:

"(1)(A) If the killing is a first degree murder as defined in section 1111(a) of this title, be punished by death or imprisonment for any term of years or for life, or be fined under this title, or both;

"(B) If the killing is a murder other than a first degree murder as defined in section 1111(a) of this title, be fined under this title or imprisoned for any term of years or for life, or both so fined and so imprisoned;"

SEC. 229. CONFORMING AMENDMENT RELATING TO AIRCRAFT HIJACKING.

Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 221. APPLICATION TO UNIFORM CODE OF MILITARY JUSTICE.

The provisions of chapter 228 of title 18 of the United States Code, as added by this Act, shall not apply to prosecutions under the Uniform Code of Military Justice (10 U.S.C. 801 et seq.).

TITLE III—PROHIBITED GUN CLIPS AND MAGAZINES

SEC. 301. FINDINGS.

The Congress finds that—

(1) Offenses involving firearms equipped with magazines, belts, drums, feed strips, and other similar devices that enable such firearms to fire more than fifteen rounds without reloading, and particularly drug offenses, with their attendant loss of life and the generation of illegal profits, affect interstate and foreign commerce; and

(2) Such devices are themselves sold in interstate and foreign commerce, and are moved in commerce for the purpose of use in violent crimes.

SEC. 302. CERTAIN AMMUNITION CLIPS AND MAGAZINES DEFINED AS FIREARMS.

Section 921(a)(3) of title 18, United States Code, is amended by striking out "or" before "(D)", and by striking out the period after the word "device" and inserting in lieu thereof "; or (E) any ammunition feeding device.".

SEC. 303. DEFINITION OF AMMUNITION FEEDING DEVICE.

Section 921(a) of title 18, United States Code, is amended by adding a new paragraph at the end thereof as follows:

"(27) The term 'ammunition feeding device' means a detachable magazine, belt, drum, feed strip, or similar device which has a capacity of, or which can be readily restored or converted to accept, more than 15 rounds of ammunition. The term also includes any combination of parts from which such a device can be assembled. Notwithstanding the foregoing, such term shall not include any attached, tubular device designed to accept, and capable of operating with only .22 rimfire caliber ammunition.

SEC. 304. PROHIBITIONS APPLICABLE TO AMMUNITION FEEDING DEVICES.

Section 922 of title 18, United States Code, is amended by adding new subsections (t), (u), and (v), as follows:

"(t) It shall be unlawful for any person to import, manufacture, transport, ship, transfer, receive, or possess an ammunition feeding device, except that this subsection shall not apply to—

"(1) any importation or manufacturer of such a device for sale or distribution by a licensed importer or licensed manufacturer to the United States or any department or agency thereof or to any State or any department, agency, or political subdivision thereof;

"(2) any possession, shipment, transportation or transfers (in accordance with the provisions of subsections (u) and (v)) of such a device that was lawfully possessed before this subsection takes effect; or

"(3) any manufacture of such a device for the purpose of exportation.

"(u) The Secretary shall maintain a central registry of all ammunition feeding devices transferred after the effective date of this subsection which, after such transfer, are not in the possession or under the control of the United States, or any department of agency thereof or any State or any department, agency, or political subdivision thereof. This registry shall be known as the National Ammunition Feeding Device Registry. The registry shall include—

"(1) identification of the device;

"(2) date of registration;

"(3) identification and address of the person entitled to possess the device; and

"(4) such other information as may be required by regulations promulgated by the Secretary.

"(v) Each transferor of an ammunition feeding device that was lawfully possessed before the effective date of subsection (t) shall (except in the case of a transfer to the United States, or any department or agency thereof or any State or any department, agency, or political subdivision thereof) register the device to the transferee in accordance with regulations promulgated by the Secretary. Any information or evidence required to be provided in the course of such registration by a natural person shall be subject to the use-restriction provisions of section 5848 of title 26, United States Code. The transferor shall, contemporaneously with the registration of the device, pay a fee of $25 to the Secretary. A transferee of an ammunition feeding device required to be registered as required by this subsection shall retain proof of such registration which shall be made available to the Secretary upon request.".

SEC. 305. IDENTIFICATION MARKINGS FOR AMMUNITION FEEDING DEVICES.

Section 923(i) of title 18, United States Code, is amended by adding at the end thereof a new sentence as follows: "An ammunition feeding device shall be identified by a serial number and such other identification as the Secretary may by regulations prescribe.".

SEC. 306. CRIMINAL PENALTIES.

Subsection 924(a)(2) of title 18, United States Code, is amended by striking out "or (o)" and inserting in lieu thereof "(o), or (t)".

SEC. 307. NONINTERRUPTION OF BUSINESS FOR PERSONS IN THE BUSINESS OF IMPORTING OR MANUFACTURING AMMUNITION FEEDING DEVICES.

Any person engaging in the business of manufacturing or importing ammunition feeding devices requiring a license under the provisions of chapter 44 of title 18, United States Code, who was engaged in such business on the date of enactment of this Act, and who files an application for a license under the provisions of section 923 of title 18, United States Code, within 30 days after the date of enactment, may continue such business pending final action on the application. All provisions of chapter 44 of title 18, United States Code, shall apply to such applicant in the same manner and to the same extent as if the applicant were a holder of a license under chapter 44.

TITLE IV—DRUG TESTING OF DEFENDANTS ON POST-CONVICTION RELEASE

SEC. 401. DRUG TESTING PROGRAM.

(a) Chapter 229 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3608. Drug testing of defendants on post-conviction release

"The Director of the Administrative Office of the United States Courts shall, as soon as is practicable after the effective date of this section, establish a program of drug testing of criminal defendants on post-conviction release. In each district where it is feasible to do so, the chief probation officer shall arrange for the drug testing of defendants on post-conviction release pursuant to a conviction for a felony or other offense described in section 3563(a)(4) of this title.".

(b) The section analysis for chapter 229 of title 18, United States Code, is amended by adding at the end thereof the following: "3608. Drug testing of defendants on post-conviction release."

SEC. 402. OTHER AMENDMENTS.

(a) Section 3563(a) of title 18, United States Code, is amended—

(1) in paragraph (2), by striking out "and";

(2) in paragraph (3), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding a new paragraph (4), as follows:

"(4) for a felony, an offense involving a firearm as defined in section 921 of this title, a drug or narcotic offense as defined in section 404(c) of the Controlled Substances Act (21 U.S.C. 844(c)), or a crime of violence as defined in section 16 of this title, that the defendant refrain from any unlawful use of a controlled substance and submit to periodic drug tests (as determined by the court) for use of a controlled substance. This latter condition may be suspended or ameliorated upon request of the Director of the Administrative Office of the United States Court, or the Director's designee. No action may be taken against a defendant pursuant to a drug test administered in accordance with this paragraph or sections 3583(d) or 4209(a) of this title, unless the drug test confirmation is a urine drug test confirmed using gas chromatography techniques or such test as the Director of the Administrative Office of the United States Court after consultation with the Secretary of Health and Human Services may determine to be of equivalent accuracy.".

(b) Section 3583(d) of title 18, United States Code, is amended by inserting after the first sentence the following: "For a defendant convicted of a felony or other offense described in section 3563(a)(4) of this title, the court shall also order, as an explicit condition of supervised release, that the defendant refrain from any unlawful use of a controlled substance and submit to periodic drug tests (as determined by the court) for use of a controlled substance. This latter condition may be suspended or ameliorated as provided in section 3563(a)(4) of this title.".

(c) Section 4209(a) of title 18, United States Code, is amended by inserting after the first sentence the following: "If the parolee has been convicted of a felony or other offense described in section 3563(a)(4) of this title, the Commission shall also impose as a condition of parole that the parolee refrain from any unlawful use of a controlled substance and submit to periodic drug tests (as determined by the Commission) for use of a controlled substance. This latter condition may be suspended or ameliorated as provided in section 3563(a)(4) of this title."

TITLE V—EXCLUSIONARY RULE

SEC. 501. SHORT TITLE FOR TITLE V.

This title may be cited as the "Exclusionary Rule Reform Act of 1989".

SEC. 502. ADMISSIBILITY OF CERTAIN EVIDENCE.

(a) IN GENERAL.—Chapter 223 of title 18, United States Code, is amended by adding at the end the following new section:

29-089 O-90-46 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

"§ 3508. Admissibility of evidence obtained by search or seizure

"(a) EVIDENCE OBTAINED BY OBJECTIVELY REASONABLE SEARCH OR SEIZURE.—Evidence which is obtained as a result of a search or seizure shall not be excluded in a proceeding in a court of the United States on the ground that the search or seizure was in violation of the fourth amendment to the Constitution of the United States, if the search or seizure was carried out in circumstances justifying an objectively reasonable belief that it was in conformity with the fourth amendment. The fact that evidence was obtained pursuant to and within the scope of a warrant constitutes prima facie evidence of the existence of such circumstances.

"(b) EVIDENCE NOT EXCLUDABLE BY STATUTE OR RULE.—Evidence shall not be excluded in a proceeding in a court of the United States on the ground that it was obtained in violation of a statute, an administrative rule or regulation, or a rule of procedure unless exclusion is expressly authorized by statute or by a rule prescribed by the Supreme Court pursuant to statutory authority.

"(c) RULE OF CONSTRUCTION.—This section shall not be construed to require or authorize the exclusion of evidence in any proceeding.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 223 of title 18, United States Code, is amended by adding at the end of the following:

"3508. Admissibility of evidence obtained by search or seizure.".

TITLE VI—HABEAS CORPUS REFORM

SEC. 601. SHORT TITLE FOR TITLE VI.

This title may be cited as the "Reform of Federal Intervention in State Proceedings Act of 1989".

SEC. 602. FAILURE TO RAISE CLAIM; PERIOD OF LIMITATION.

Section 2244 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) When a person in custody pursuant to the judgment of a State court fails to raise a claim in State proceedings at the time or in the manner required by State rules of procedure, the claim shall not be entertained in an application for a writ of habeas corpus unless actual prejudice resulted to the applicant from the alleged denial of the Federal right asserted and—

"(1) the failure to raise the claim properly or to have it heard in State proceedings was the result of State action in violation of the Constitution or laws of the United States;

"(2) the Federal right asserted was newly recognized by the Supreme Court subsequent to the procedural default and is retroactively applicable;

"(3) the factual predicate of the claim could not have been discovered through the exercise of reasonable diligence prior to the procedural default; or

"(4) a constitutional violation asserted in the claim probably resulted in a factually erroneous conviction or a sentence predicated on an erroneous factual determination.

"(e) A one-year period of limitation shall apply to an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court. The limitation period shall run from the latest of the following times:

"(1) the time at which State remedies are exhausted;

"(2) the time at which the impediment to filing an application created by State action in violation of the Constitution or laws of the United States is removed, where the applicant was prevented from filing by such State action;

"(3) the time at which the Federal right asserted was initially recognized by the Supreme Court, where the right has been newly recognized by the Court and is retroactively applicable; or

"(4) the time at which the factual predicate of the claim or claims presented could have been discovered through the exercise of reasonable diligence.".

SEC. 603. APPEAL.

Section 2253 of title 28, United States Code, is amended to read as follows:

"§ 2253. Appeal

"In a habeas corpus proceeding or a proceeding under section 2255 of this title before a circuit or district judge, the final order shall be subject to review, on appeal, by the court of appeals for the circuit where the proceeding is had.

"There shall be no right of appeal from such an order in a proceeding to test the validity of a warrant to remove, to another district or place for commitment or trial, a person charged with a criminal offense against the United States, or to test the validity of his detention pending removal proceedings.

"An appeal may not be taken to the court of appeals from the final order in a habeas corpus proceeding where the detention complained of arises out of process issued by a State court, or from the final order in a proceeding under section 2255 of this title, unless a circuit justice or judge issues a certificate of probable cause.".

SEC. 604. AMENDMENT TO RULES OF APPELLATE PROCEDURE.

Federal Rule of Appellate Procedure 22 is amended to read as follows:

"RULE 22

"HABEAS CORPUS AND § 2255 PROCEEDINGS

"(a) Application for an Original Writ of Habeas Corpus. An application for a writ of habeas corpus shall be made to the appropriate district court. If application is made to a circuit judge, the application will ordinarily be transferred to the appropriate district court. If an application is made to or transferred to the district court and denied, renewal of the application before a circuit judge is not favored; the proper remedy is by appeal to the court of appeals from the order of the district court denying the writ.

"(b) Necessity of Certificate of Probable Cause for Appeal. In a habeas corpus proceeding in which the detention complained of arises out of process issued by a State court, and in a motion proceeding pursuant to section 2255 of title 28, United States Code, an appeal by the applicant or movant may not proceed unless a circuit judge issues a certificate of probable cause. If a request for a certificate of probable cause is addressed to the court of appeals, it shall be deemed addressed to the judges thereof and shall be considered by a circuit judge or judges as the court deems appropriate. If no express request for a certificate is filed, the notice of appeal shall be deemed to constitute a request addressed to the judges of the court of appeals. If an appeal is taken by a State or the Government or its representative, a certificate of probable cause is not required.".

SEC. 605. SECTION 2254 AMENDMENTS.

Section 2254 of title 28, United States Code, is amended by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and is further amended—

(a) by amending subsection (b) to read as follows:

"(b) An application for a writ of habeas corpus in behalf of a person in custody pursuant to the judgment of a State court shall not be granted unless it appears that the applicant has exhausted the remedies available in the courts of the State, or that their is either an absence of available State corrective process or the existence of circumstances rendering such process ineffective to protect the rights of the applicant. An application may be denied on the merits notwithstanding the failure of the applicant to exhaust the remedies available in the courts of the State.";

(b) by redesignating subsection "(d)" as subsection "(e)", and amending it to read as follows:

"(e) In proceeding instituted by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a full and fair determination of a factual issue made in the case by a State court shall be presumed to be correct. The applicant shall have the burden of rebutting this presumption by clear and convincing evidence.";

(c) by adding a new subsection (d) reading as follows:

"(d) An application for a writ of habeas corpus in behalf of a person in custody pursuant to the judgment of a State court shall not be granted with respect to any claim that has been fully and fairly adjudicated in State proceedings."; and

(d) by adding a new subsection (h) reading as follows:

"(h) In all proceedings brought under this section, and any subsequent proceedings on review, appointment of counsel for a petitioner who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Appointment of counsel under this section shall be governed by the provisions of section 3006A of title 18, United States Code.".

SEC. 606. SECTION 2255 AMENDMENTS.

Section 2255 of title 28, United States Code, is amended by deleting the second paragraph and the penultimate paragraph thereof, and by adding at the end thereof the following new paragraphs:

"When a person fails to raise a claim at the time or in the manner required by Federal rules of procedure, the claim shall not be entertained in a motion under this section unless actual prejudice resulted to the movant from the alleged denial of the right asserted and—

"(1) the failure to raise the claim properly, or to have it heard, was the result of governmental action in violation of the Constitution or laws of the United States;

"(2) the right asserted was newly recognized by the Supreme Court subsequent to the procedural default and is retroactively applicable;

"(3) the factual predicate of the claim could not have been discovered through the exercise of reasonable diligence prior to the procedural default; or

"(4) a constitutional violation asserted in the claim probably resulted in a factually erroneous conviction or a sentence predicated on an erroneous factual determination.

"A two-year period of limitation shall apply to a motion under this section. The limitation period shall run from the latest of the following times:

"(1) the time at which the judgment of conviction becomes final;

"(2) the time at which the impediment to making a motion created by governmental action in violation of the Constitution or laws of the United States is removed, where the movant was prevented from making a motion by such governmental action;

"(3) the time at which the right asserted was initially recognized by the Supreme Court, where the right has been newly recognized by the Court and is retroactively applicable; or

"(4) the time at which the factual predicate of the claim or claims presented could have been discovered through the exercise of reasonable diligence.".

"In all proceedings brought under this section, and any subsequent proceedings on review, appointment of counsel for a movant who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Appointment of counsel under this section shall be governed by the provisions of section 3006A of title 18, United States Code."

TITLE VII—1990 FISCAL YEAR AUTHORIZATION

SEC. 701. There are authorized to be appropriated for the fiscal year ending September 30, 1990, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following sums:

(1) For General Administration, Salaries and Expenses: $100,925,000;

(2) For the Office of Inspector General: $19,433,000;

(3) For the United States Parole Commission: $10,335,000;

(4) For General Legal Activities: $303,967,000; which shall include—

(A) not to exceed $80,000 may be transferred from the "Alien Property Funds, World War II," for the general administrative expenses of alien property activities;

(B) not to exceed $20,000 for expenses necessary in the collection of evidence may be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General;

(C) not to exceed $6,000,000 of those sums appropriated for litigation-support contracts, which shall remain available until September 30, 1991;

(D) not to exceed $12,160,000 of those sums appropriated for office automation systems for legal activities, including legal activities of the Antitrust Division and the United States Attorneys and the activities of offices funded under the General Administration, Salaries and Expenses, appropriation, which amount shall remain available until expended; and

(E) not to exceed $5,751,000 shall be available to fund the activities of the United States National Central Bureau of Interpol;

(5) For the Antitrust Division: $47,222,000;

(6) For the Foreign Claims Settlement Commission: $440,000;

(7) For the United States Attorneys: $520,561,000; and in addition, $5,000,000, which shall remain available until September 30, 1991, for the purposes of (1) providing training of personnel of the Department of Justice in debt collection, (2) providing services pertinent to debt collection, such as title searches, debtor skiptracing, asset searches, credit reports and other investigations related to locating debtors and their property, and (3) paying expenses of cost of sales of property not coverd by the sale proceeds, such as auctioneers' fees and expenses, maintenance and protection of property and businesses, advertising and title search and surveying costs;

(8) For the United States Marshals Service: $240,846,000; *Provided:* That the Director of the United States Marshals Service may collect fees and expenses for the service of civil process, including: complaints, summonses, subpoenas and similar process; and seizures, levies, and sales associated with judicial orders of execution; and notwithstanding the provisions of title 31 U.S.C. 3302, not to exceed $1,000,000 of such fees shall be credited to this appropriation to be used for salaries and other expenses incurred in providing these services;

(9) For the Support of United States Prisoners in non-Federal institutions: $160,034,000; which shall remain available until expended and of which not to exceed $15,000,000 shall be available until expended under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping state and local correctional facilities;

(10) For Fees and Expenses of Witnesses: $56,784,000; which shall remain available until expended; and which shall include not to exceed $1,690,000 for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;

(11) For the Community Relations Service: $29,609,000 of which not to exceed $21,606,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under section 501(c) of the Refugee Education Assistance Act of 1980, (P.L. 96-422);

(12) For the United States Trustee System Fund: $62,777,000; to remain available until expended and to be derived from the Fund, provided that deposits to the fund are available in such amounts as may be necessary to pay refunds due depositors;

(13) For the Assets Forfeiture Fund: $100,000,000, to be derived from the Fund, as may be necessary for the payment of expenses as authorized by 28 U.S.C. 524(c)(1)(A)(ii), (B), (C), (F) and (G); provided that of funds otherwise available, not to exceed $237,729,000 is available for expenses otherwise authorized by 28 U.S.C. 524(c)(1);

(14) For Organized Crime Drug Enforcement: $214,921,000; for expenses, not otherwise provided for, for the investigation and prosecution of individuals involved in organized crime drug trafficking;

(15) For the Federal Bureau of Investigation: $1,550,385,000 which shall include—

(A) not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $15,100,000 for INF treaty activities which shall remain available until expended;

(C) not to exceed $8,000,000 of those sums appropriated for research and development relating to investigative activities, which amount shall remain available until expended;

(D) not to exceed $25,000,000 of those sums appropriated for automated data processing and telecommunications; and not to exceed $1,000,000 of those sums appropriated for undercover operations, which amounts shall remain available until September 30, 1991;

(E) $7,500,000 for a language translation system shall remain available until expended;

(F) not to exceed $45,000 for official reception and representation expenses;

(16) For the Drug Enforcement Administration: $551,181,000; which shall include—

(A) not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $1,200,000 of those sums appropriated for research, which amount shall remain available until expended;

(C) not to exceed $1,700,000 of those sums appropriated for the purchase of evidence and for payments for information, which amount shall remain available until September 30, 1991; and

(D) not to exceed $9,638,000 of those sums appropriated for automatic data processing and telecommunications; and not to exceed $2,000,000 of those sums appropriated for technical and laboratory equipment; which amounts shall remain available until September 30, 1991;

(17) For the Immigration and Naturalization Service: $878,959,000; which shall include—

(A) not to exceed $50,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $400,000 of those sums appropriated for research, which amount shall remain available until expended; and

(C) funds for the purchase of uniforms without regard to the general purchase price limitation for the current fiscal year;

(18) For the Federal Prison System, including the National Institute of Corrections: $2,563,998,000, which shall include

(A) $1,152,554,000 for salaries and expenses;

(B) $10,112,000 which shall remain available until expended for carrying out the provisions of sections 4351 thru 4353 of title 18, United States Code, which established a National Institute of Corrections;

(C) $1,401,332,000 which shall remain available until expended for planning, acquisition of sites and construction of new facilities; and for the purchase and acquisition of facilities and remodeling and equipping of such facilities for penal and correctional institutions; and for the payment of United States prisoners for work performed in these activities; and that not to exceed 10 per centum of the funds appropriated to "Buildings and Facilities" in this Act or any other Act may be transferred to "Salaries and expenses," Federal Prison System upon notification by the Attorney General to the Committees on Appropriations of both the House and Senate; and

(D) funds for the purchase of uniforms without regard to the general purchase price limitation for the current fiscal year.

(19) For the Office of Justice Programs: $6,000,000, which shall remain available until expended and which shall include such sums as may be necessary to fund additional bonus grants, equal to five percent of the amount of formula grants under the Drug Control and System Improvement Formula Grant Program (Public Law 100-690, § 6091), to be awarded to States that adopt model legislation, as concurred in by the Attorney General, providing mandatory minimum sentences for criminal offenses involving firearms. This amount shall be available notwithstanding any other provisions pertaining to that program contained in the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

SEC. 702. A total of not to exceed $75,000 from funds authorized to be appropriated to the Department of Justice by this title shall be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

SEC. 703. The Attorney General may transfer up to two per centum of any appropriation made to the Department of Justice to any other such appropriation, but no such appropriation shall be increased by more than two per centum by any such transfers.

SECTION-BY-SECTION ANALYSIS OF THE "COMPREHENSIVE VIOLENT CRIME CONTROL ACT OF 1989."

TITLE I—FIREARMS AND RELATED AMENDMENTS

Section 101

This amendment was included in S. 2180 as passed by the Senate in the 100th Congress. Its purpose is to correct a drafting quirk in the existing law (18 U.S.C. 922(a)(5)) under which it is unlawful for a person not a licensed dealer, importer, manufacturer, or collector to transfer a firearm to any person "who resides in any State other than that in which the transfer resides." Read literally, this language may make it impossible to prosecute a nonlicensee who delivers a firearm to an alien or other person, such as a transient, who does not "reside" in any State. The amendment, consistent with the statutory purpose, would modify the provision so as to prohibit the disposition of a firearm to any person who does not reside in the State in which the transfer resides.

Section 102

These amendments were included in S. 2180 as passed by the Senate in the 100th Congress. They would expand federal jurisdiction, consistent with other firearms provisions, to permit prosecution of transactions in stolen firearms and firearms lacking serial numbers in cases in which the firearms have previously moved in interstate or foreign commerce, not only cases in which the firearms are so moving at the time of the offense.

Sections 103

These four amendments of a technical nature were included in S. 2180 as passed by the Senate in the 100th Congress.

The first would correct a misdesignation in section 923(d)(1)(B). From the time this provision was initially enacted until 1986, it is essence disqualified from receiving federal firearms licenses persons under certain disabilities including, by reference to former subsection 922 (g) and (h), persons under indictment for felonies. The 1986 amendments restructured those provisions of the Act relating to persons under firearms disabilities. The disabilities imposed on persons under indictment were removed from 922 (g) and (h) and placed in a new section 922(n). As a result of an apparent oversight, the Congress failed to amend section 923(d)(1)(B) to make reference to 922(n).

The second technical amendment involves 18 U.S.C. 925(a)(1), the provision which states that the provisions of the Act do not apply to any transportation, shipment, receipt, or importation of a firearm for use of a Federal, State or local governmental agency. The amendment makes it clear that the Act also does not apply to the possession of a firearm by an employee of such an agency in connection with his or her official duties. Occasionally government employees are under federal firearms disabilities due to a prior conviction or for other reasons. The amendment clarifies that such persons are not precluded from possessing firearms as required in the course of their employment.

The third change amends 18 U.S.C. 925(c) by striking out the word "conviction" in two places and inserting the word "disability", and by striking out the phrase "by reason of such conviction". This is necessary to carry out the intent of Congress in a portion of the Firearms Owners' Protection Act. Prior to the passage of that Act, only convicted felons could apply to the Secretary of the Treasury for relief from firearms disabilities. The 1986 Act expanded the relief provisions to bring within their scope all categories of disabled persons, not just convicted felons. Yet Congress inadvertently retained in the relief provision a reference only to a disabled person's "conviction".

The final technical amendment eliminates two outmoded references to parole in 18 U.S.C. 924(a). Parole was abolished by the Comprehensive Crime Control Act of 1984, effective November 1, 1987. Thus, the amendment to subsection 924(a) will be effective for offenses committed after that date.

Section 104

This proposal is designed to insure that certain forfeited firearms, if useful or valuable, are not needlessly destroyed. Rather, under the proposal, the forefeited firearms would be offered, first, to a federal agency without cost; and, finally, if the firearm were novel, rare, or historically significant, as determined by the Secretary of the Treasury, offered for sale to a licensed firearms dealer. Only if neither of these alternatives caused the firearms to be accepted or sold would it be destroyed.

Section 105

This amendment would restore to the Armed Career Criminal statute the defintion of burglary that was included in the original law which, as enacted, applied only to the offenses of robbery and burglary. The proposed definition, taken without substantive change from Public Law 98-473 and from its reenactment in Public Law 99-308, was deliberately broad and was not limited to common law burglary. Nearly all States and the Federal Government have long ago departed in their criminal codes from the original common law offense of burglary in view of the necessity to punish unlawful entries besides only those into a dwelling, at night, with criminal intent.

In 1986, as Public Law 99-510, the Armed Career Criminal law was expanded to reach all "violent felonies" in addition to the enumeration of burglary and other crimes, but the definition of "burglary" was not carried forward.

The absence of a definition has proved unfortunate in that it has caused some courts to place a narrow construction on the term so as to exclude offenses, not denomiated as burglary under State law, consisting of the unlawful entry into business premises with intent to steal. Those courts, applying the rule of lenity, have reasoned that since the proper interpretation of "burglary" is not clear, the defendant must be afforded the benefit of the doubt, and also that Congress must be deemed to have intended the common law meaning of a common law term such as burglary unless a different meaning is set forth. See, e.g., *United States* v. *Headspeth*, 852 F.2d 753, 756-9 (4th Cir. 1988). But see, rejecting Headspeth, *United States* v. *Hill*, 863 F.2d 1575 (11th Cir. 1989). See also, *United States* v. *Taylor*, 864 F.2d 625 (8th Cir. 1989).

The offense of unlawful entry of structures other than a dwelling, or storehouse breaking as some State laws describe it, is clearly one that poses a serous risk of danger to persons even if the premises entered (like a home when entered) is unoccupied at the time. It is, accordingly, a fit predicate for section 924(e). Indeed, there was, in our view, no intent in 1986 to narrow the scope of "burglary" under 924(e) to exclude these crimes but rather an intent to otherwise enlarge the scope of the Armed Career Criminal statute. Restoration of the original definition of "burglary" would confirm Congress' intent and appropriately end the needless confusion and litigation over the issue.

Section 106

The Anti-Drug Abuse Act of 1988 (§ 6451) added, as a new predicate offense category to the Armed Career Criminal statute, acts of juvenile delinquency that, if committed by an adult, would constitute a crime of violence. In view of the increasing involvement of youthful offenders with serious drug offenses, and the known association of drug crimes with violence, it appears sensible also to enlarge the scope of the Armed Career Criminal Act to include acts of juvenile delinquency that, if committed by an adult, would meet the Act's definition of a "serious drug offense," i.e., those drug felonies that carry a maximum prison term of ten years or more. The Department of Justice informally suggested this change during Congress' consideration of the omnibus drug bills last year, and the change has also been recommended by Los Angeles County Sheriff Sherman Block in a letter to Senator Wilson.

Section 107

Under current law, any conviction for a crime punishable by imprisonment for a term exceeding one year which has been expunged, set aside, or pardoned or with respect to which the convicted person has had civil rights restored is not considered disabling for purposes of the Act unless such expunction, setting aside, pardon, or restoration expressly provides otherwise.

However, the procedures for pardons, expunctions, set-asides and restorations among the various States are far from uniform. Such proceedings do not erase the legal existence of prior convictions nor remove all State disabilities imposed on felons. Neither do they uniformly involve a considered judgment whether the individual deserves the pardon, expunction, set aside or restoration of civil rights. In fact, in some States civil rights are restored automatically merely as a result of a person's completion of or discharge from his sentence, thereby permitting dangerous felons immediately to purchase a firearm upon their release.

In order to strike a better balance that takes into account the federal interest in preserving public safety, the proposed amendment would provide a uniform standard to determine whether a person is under federal firearms disabilities for certain categories of offenses, i.e., violent felonies involving the threatened or actual use of a firearm or explosive, and serious drug offenses. This approach has a statutory precedent which was contained in 18 U.S.C. App. 1203 prior to its repeal.

The amendment would provide that, with respect to the above-referenced categories of serious offenses, the person would be considered convicted under the federal firearms chapter irrespective of any pardon, expunction or restoration of civil rights. This would ensure that dangerous offenders would have to apply to federal authorities in order to have their firearms rights restored. In such instances, a thorough background investigation would be conducted and relief from federal firearms disabilities would not be granted unless it was determined that the applicant would not be likely to act in a manner dangerous to public safety or that the granting of relief would not be contrary to the public interest. This scheme would better protect the public from convicted felons whose receipt and possession of firearms pose a special danger.

Section 108

Section 108 of the bill amends subsection 3142(f)(1) of title 18 to create eligibility for pretrial detention in certain cases involving firearms and explosives. Currently, subsection 3142(f)(1) allows the government to seek a pretrial detention hearing in cases involving crimes of violence, offenses punishable by death or life imprisonment, serious

drug felonies, and any other felony case in which the defendant is a person who has already been convicted of two or more crimes in the preceding three catetories. The constitutionality of preventive detention was upheld by the Supreme Court in *United States* v. *Salerno*, 481 U.S. 739 (1987).

Section 108 would allow the government to seek a pretrial detention hearing in cases in which the defendant is charged with a violation of 18 U.S.C. 842(d) (distribution of explosives by felons and other prohibited persons); 842(h) (knowingly trafficking in stolen explosives); 842(i) (shipping or receiving of explosives by felons and other prohibited persons); 922(d) (sale of firearms to felons and other prohibited persons); 922(g) (possession or receipt of firearms by felons and other prohibited persons); 922(i) (transporting or shipping stolen firearms); 922(j) (trafficking in stolen firearms); or 922(o) (unauthorized possession of a machie gun). All of these crimes are of a type likely to be committed by dangerous individuals such as terrorists or career criminals even though the offenses do not themselves meet the definition of a crime of violence.

Consequently, the government should be allowed to seek pretrial detention in these cases. It should be emphasized, however, that the revision of subsection 3142(f)(1) does not require pretrial detention for anyone charged with a violation of one of the listed offenses. It merely means that the government is given an opportunity to show that no conditions of release will reasonably assure the appearance of the person for trial and the safety of the community or of a specific person.

Section 109

This section would double the current mandatory penalty in 18 U.S.C. 924(c) for persons convicted of using a semiautomatic firearm during and in relation to a felony crime of violence or drug trafficking offense from five to ten years in prison. (The mandatory penalty is thirty years in the case of a machinegun or silenced weapon). The vastly increased danger to innocent victims occasioned by the use of semiautomatic firearms in the course of violent or drug crimes, as illustrated by several recent incidents, warrants this increase. The amendment also provides a definition of the term "semiautomatic firearm" for insertion in 18 U.S.C. 921.

Section 110

Section 110 would create a new offense carrying severe penalties for smuggling firearms into the United States for the purpose of promoting drug trafficking or crimes of violence. At present, 18 U.S.C. 922(1) makes it a five-year offense to import certain firearms into the United States; and 18 U.S.C 924(f) makes it a ten-year felony to travel interstate or from a foreign country to purchase a firearm with intent to engage in conduct constituting a Federal or State drug offense or a crime of violence. The instant proposal is patterned after section 924(f) and would create an offense, similarly punishable by up to ten years' imprisonment, for smuggling or bringing into the United States (or attempting to do so) any firearm with intent to violate or promote conduct in violation of federal or State drug laws or to commit a crime of violence. Clearly, there is no reason to treat traveling to acquire a firearm for illegal drug trafficking purposes any differently from importing or smuggling a firearm into the United States for the same purpose. The proposed offense would thus rectify an anomaly in current firearms statuts.

Section 111

This section would create new offenses, punishable by a mandatory minimum two-year prison term, for stealing a firearm or explosive materials. Currently, 18 U.S.C. 844(h) and 922 (i) and (j) punish the transportation, receipt, or disposition of firearms known to have been stolen; and 18 U.S.C. 659 similarly punishes the theft of any goods, including firearms or explosive materials, from an interstate or foreign shipment. There is, however, at present no offense specifically directed at the theft of firearms or explosives.

The proposed offense would cure that gap by creating crimes of stealing a firearm or explosive materials that are moving as, are part of, or which have moved in, interstate or foreign commerce. It is intended that the term "steals" be interpreted, as elsewhere in the federal criminal code, to include any type of criminal taking accompanied by an intent to deprive the owner of the rights and benefits of ownership. E.g., *United States* v. *Turley*, 352 U.S. 407 (1957). A firearm which had at any time moved in interstate or foreign commerce would be subject to the prohibition in this section. See *Barrett* v. *United States*, 423 U.S. 212 (1976).

Section 112

Section 112 would punish the sale of firearms and explosives to or possession of firearms and explosives by persons who have been convicted of certain violent offenses against another person or a serious misdemeanor drug crime. Currently, 18 U.S.C. 842(d)(2) and (i)(1) and 922 (d) and (g) proscribe the sale to or possession of firearms and explosives by persons who have been convicted in any court of a felony (i.e. a crime punishable by imprisonment for more than one year). "Any court" includes a foreign court. *United States* v. *Atkins*, —— F.2d —— (4th Cir. 1989); *United States* v. *Winson*, 793 F.2d 754 (6th Cir. 1986). Section 212 would extend this bar to persons who have been convicted in any court of certain crimes of violence against another, as defined herein, and any serious misdemeanor drug or narcotic offense (as defined in 21 U.S.C. 844(c)). The prohibition would not, however, extend to a serious misdemeanor drug offense (typically an offense involving simple possession of personal use amounts of a controlled substance) that occurred prior to the date of enactment of this Act. The amendment would add a definition of "crime of violence" for purposes of 18 U.S.C. 842 and 922 that applies to certain crimes against persons, not property, and there is no requirement that the offense be a felony. Section 922 would also be amended to add a definition of the term "serious misdemeanor" as an offense that carries a maximum sentence of more than six months' imprisonment.

Section 113

This section is designed to broaden the prohibitions in 18 U.S.C. 924(c) and 844(h) to reach persons who have a firearm or explosive available during the commission of certain crimes, even if the firearm is not carried or used. Currently, section 924(c) punishes by a mandatory five-year prison sentence the carrying or use of a firearm during and in relation to the commission of a drug or violent felony. The court in *United States* v. *Feliz-Cordero*, 859 F.2d 250 (2d Cir. 1988), held that this statute does not cover a situation in which a loaded firearm was found in the dresser drawer of an apartment which the defendant utilized in connection with his drug dealings. The court noted that "carries" has been interpreted to encompass a case in which the defendant has a firearm "within reach", while "uses" has been construed to extend to a situation in which the defendant planned to use the firearm if a suitable contingency arose or to make his escape; but the court concluded that neither verb was broad enough to proscribe the constructive possession by a defendant of a firearm which is kept available generally in aid of or in relation to the commission of a drug trafficking or violent crime. The proposed amendment, adding the phrase "or otherwise possesses" to the statute, is designed to reverse the result in Feliz-Cordero, and to cover any circumstance in which, for example, a drug trafficker has available a firearm during and in relation to his illegal drug activities. As under the existing provision, the government will still be required to establish a relationship or connection between the drug or violent offense and the defendant's possession of the firearm (e.g., it would not include a gun kept exclusively in a club locker and used only for sporting purposes at the club), but the relationship or connection may be more attenuated than under current law and may apply to a firearm that is possessed by the defendant for potential employment in his illegal activities, even though it is not physically on his person or within reach and even though it is not proved to have been used or planned to be used during the offense.

The possession of firearms by persons who commit serious drug and violent crimes creates a sufficient danger of increased violence and harm so as to justify this extension. This section would make a conforming amendment to the parallel statute, 18 U.S.C. 844(h), which punishes the carrying of an explosive during the commission of any federal felony.

Section 114

Section 6214 of the Anti-Drug Abuse Act of 1988 provided for the mandatory revocation of probation for a defendant found, after a hearing pursuant to the Federal Rules of Criminal Procedure, to be in actual possession of a firearm at any time prior to the expiration or termination of the probation term. Under section 6214, the court was authorized to impose any other sentence that was available under "subchapter A" (that is, primarily a fine or imprisonment; see 18 U.S.C. 3551) at the time of the initial sentence. Section 6214, however, neglected to make a comparable amendment to section 3583 of title 18, dealing with supervised release. (Compare section 7303 of the Anti-Drug Abuse Act of 1988, which provided similarly for mandatory revocation for possession of controlled substances, and which applied to probation and supervised release, as well as parole.)

This amendment effects that conforming change. Unlike with respect to probation, however, Congress has enacted, in 18 U.S.C. 3583(e)(3), a limitation on the number of years of imprisonment that a person violating a condition of supervised release, and who was convicted of a Class B, C, or D felony, may be required to serve. This amendment incorporates those limitations.

In contrast to section 7303 of the Anti-Drug Abuse Act, it is not deemed necessary to extend the provisions here to persons on parole, since the number of persons who would be beginning a term of parole after the date of enactment and for whom a no-firearms possession condition would be appropriate—given that parole is only available for defendants whose offenses were completed before November 1, 1987—will be very small.

It should be noted that this amendment, like that in section 6214 of the Anti-Drug Abuse Act, does not require that the court

VOL 135 PT 9 JE 14 — 22 1989 UMI

impose as a condition of supervised release that the defendant not possess a firearm; it thus is applicable only where the court has chosen to impose that condition and the condition is violated. Section 7303 of the Anti-Drug Abuse Act, by contrast, properly made it a mandatory condition of release that a defendant not possess controlled substances. Since with respect to firearms there may be instances, for example in misdemeanor cases, or in felony cases where the defendant is seeking to have his firearms disability removed, where the court may wish not to restrict the defendant from possessing firearms as a condition of supervised release, the condition is left discretionary with the court.

Section 115

This section would raise the maximum penalty for making a knowingly false, material statement to a licensee in connection with the acquisition of a firearm. Presently, such false statements are made unlawful by 18 U.S.C. 922(a)(6) and are punishable under 18 U.S.C. 924(a)(1)(B) by up to five years' imprisonment. Under the proposed amendment, offenses under section 922(a)(6) would be grouped with more serious offenses punishable under 18 U.S.C. 924(a)(2) by up to ten years in prison. The importance of keeping firearms out of the hands of persons disentitled to possess them makes it appropriate to increase the penalty for violations by which licensed dealers, importers, and collectors are knowingly deceived into selling a firearm to an improper purchaser.

Section 116

Section 6460 of the Anti-Drug Abuse Act of 1988 increased the penalty under 18 U.S.C. 924(c) for a second offense of using a firearm to commit a federal violent or drug felony to twenty years' imprisonment, but failed to make a corresponding change to 18 U.S.C. 844(h), which prohibits the use of an explosive to commit a federal felony. This proposed amendment would effect a conforming increase to twenty years in the penalty for a second offense under section 844(h).

Section 117

If certain rifles or shotguns are determined not to be importable for the purposes of section 925(d)(3), the importation of both complete weapons and the frame or receiver of these weapons is prohibited. The frame or receiver is the major component of a firearm and is treated as a firearm under existing law. Existing law would not prohibit the importation of other parts for banned weapons. Consequently, everything from barrels and bolt carriers to springs and screws could continue to be imported into the United States.

These amendments are designed to prevent the circumvention of the importation restrictions by simply importing the firearms in a dissambled form and assembling them in the United States using domestically manufactured or other frames or receivers capable of accepting the imported parts. The amendment does not impose any new import restriction on parts themselves since there are legitimate reasons to import replacement parts for existing firearms. Moreover, the amendment is not intended to impose any new standard on the types of firearms which can be manufactured domestically.

The anti-circumvention provisions are limited to semiautomatic rifles and shotguns which are not importable under 18 U.S.C. 925(d)(3). The legislation would amend 18 U.S.C. 921(a) to add a new paragraph (26) to define "semiautomatic rifle." The legislation would also amend section 922 by adding a new subsection (s) to prohibit the domestic assembly of these nonimportable rifles and shotguns.

New subsection (s) includes four exceptions. The first exception would allow the assembly of such weapons for sale to a government agency. The second exception is designed to ensure that the anti-circumvention ban is not applied to licensed manufacturers who were manufacturing these firearms in the United States prior to May 15, 1989, the date the President announced the anti-circumvention proposal. The third and fourth exceptions would permit the domestic assembly of these weapons for exportation, and for testing and experimentation.

Finally, the legislation would amend the penalty provision of 18 U.S.C. 924(a)(1)(B) to include a reference to new subsection (s) of section 922. This amendment would make a knowing violation of the assembly prohibition punishable by imprisonment for a term not exceeding five years.

Section 118

This section provides that the mandatory ten-year sentence added by section 109 for use of a semi-automatic firearm does not apply in certain mitigating circumstances, though the circumstances fall short of providing a defense to the underlying charge.

TITLE II—SECTION-BY-SECTION ANALYSIS

Title II of the bill, the Capital Punishment Procedures Act of 1989, would provide procedures to permit the death penalty for certain heinous federal offenses. Although various provisions of the United States Code now authorize the imposition of the sentence of death for crimes of homicide, treason, and espionage, in most instances these sentences have been unenforceable because they fail to incorporate a set of legislated guidelines to guide the sentencer's discretion in coming to a determination whether the sentence of death is merited in a particular case. This requirement was first articulated by the Supreme Court in its decision in *Furman* v. *Georgia*, 408 U.S. 238 (1972). In a series of decisions following *Furman*, the Court has given further guidance on the constitutional requisites of a statute authorizing the imposition of capital punishment. Notable in this series of cases was a group of landmark death penalty decisions—*Gregg* v. *Georgia*, 428 U.S.C. 153 (1976); *Proffitt* v. *Florida*, 428 U.S. 242 (1976); *Jurek* v. *Texas*, 428 U.S. 262 (1976); *Woodson* v. *North Carolina*, 428 U.S. 280 (1976); and *Roberts* v. *Louisiana*, 428 U.S. 325 (1976)—in which the Court held that the death penalty was a constitutionally permitted sanction if imposed under certain procedures and criteria which guarded against the unfettered discretion condemned in *Furman* but which retained sufficient flexibility to allow the consideration of aggravating and mitigating factors in each case.

In the seventeen years since the *Furman* decision, 41 of the 50 states have enacted laws to restore the availability of the death penalty as a sanction for the most serious crimes. During the same period, Congress has on several occasions considered legislation to provide constitutional procedures that would permit the restoration of the death penalty to the federal criminal justice system. Such a provision for murders related to certain drug offenses was passed as part of the Anti-Drug Abuse Act of 1988, P.L. 100-690. The death penalty provision was added as a floor amendment to the House bill by a vote of 299-111 on September 8, 1988. An amendment to strike the death penalty from the Senate bill was defeated 64-25 on October 13, 1988. The Senate also passed S. 2455, a very similar death penalty provision to that contained in the Anti-Drug Abuse Act, by a vote of 65-29 on June 10, 1988.

Although the Anti-Drug Abuse Act of 1988 contained the first federal legislation enacting the death penalty since such a punishment was included in anti-aircraft hijacking legislation in 1974, there has been a great deal of Congressional interest in this important subject for most of the past decade. In the 97th, 98th and 99th Congresses, the Senate Judiciary Committee devoted considerable effort to the development of legislation that would establish constitutional procedures for the imposition of the death penalty at the federal level. In the 98th Congress the Committee reported a bill, S. 1765, which was very similar to the Administration's death penalty proposal of the same vintage (S. 829). It incorporated provisions to comport with the Supreme Court's capital punishment decisions over the past several years and passed the Senate by a vote of 63-32. In the 99th Congress, the Senate Judiciary Committee favorably reported a death penalty bill, S. 239, which closely resembled S. 1765, but no further action was taken on that measure.

The section-by-section analysis below describes the various provisions of this title. These provisions differ in some respects from death penalty bills prepared by the Department of Justice for previous Congresses because they contain many of the provisions in the death penalty procedures in the Anti-Drug Abuse Act of 1988. Nevertheless, since the death penalty provisions in that Act were taken largely from previous Department bills such as S. 1765, the Judiciary Committee's Report on S. 1765 (S. Rep. No. 251, 98th Cong., 1st Sess. (1983)), and S. 239 (S. Rep. No. 282, 99th Cong., 2d Sess. (1986)) in many instances provide a more detailed analysis. These reports also provide a lengthy discussion of many of the policy and constitutional issues addressed in this legislation.

Section 202 adds a new chapter 228 to title 18 of the United States Code consisting of sections 3591 through 3598, and makes necessary technical amendments. These sections provide that the punishment for certain crimes may, in specified circumstances, extend to the death penalty and set forth the procedures for determining whether the death penalty should be imposed in a particular case involving a conviction of such a crime.

Section 3591 sets out the offenses for which the death penalty may be imposed if, after consideration of the mitigating and aggravating factors applicable to the case in a post-verdict hearing (described in subsequent sections), it is determined that the imposition of death is justified. The offenses are treason, espionage, certain types of homicides, and an attempt to kill the President of the United States under specified circumstances. The circumstances justifying are that the attempt resulted in bodily injury to the President or came dangerously close to causing the President's death.

The homicides for which the death penalty may be imposed are described in subsection 3591(c). They are those in which the defendant intentionally killed the victim (subsection 3591(c)(1)), those in which the defendant intentionally participated in an act contemplating that life would be taken or intending that lethal force would be used in connection with someone other than a participant in the crime and as a direct result of the act the victim died (subsection 3591(c)(2)), and those in which the defendant "acting with reckless disregard for human life, engaged or substantially participated in conduct which the defendant knew would create a grave risk of death to an-

other person or persons and death resulted from such conduct" (subsection 3591(c)(3)). These threshold criteria limit the death penalty to defendants with a high degree of culpable responsibility for the harm or attempted harm and are designed to meet the constitutional requirements under *Coker* v. *Georgia*, 433 U.S. 584 (1977), *Enmund* v. *Florida*, 458 U.S. 782 (1982), *Gabana* v. *Bullock*, 474 U.S. 376 (1986), and *Tison* v. *Arizona*, —U.S. —, 107 S. Ct. 1676 (1987).

The language in subsections 3591(c)(1) and 3591(c)(2) was contained in similar death penalty bills considered in the 98th and 99th Congresses and was also in the Anti-Drug Abuse Act death penalty provisions. The language in subsection 3591(c)(3), which is like that contained in the Anti-Drug Abuse Act capital punishment provisions, reflects the holding in the *Tison* case which further explained the degree of culpability required to justify the death penalty in felony murder cases as set out in the earlier *Enmund* decision. *Tison* allowed the death penalty to be imposed in cases where the defendant was a major participant in the crime that resulted in the homicide and showed a reckless indifference to human life implicit in knowingly engaging in criminal activities known to carry a grave risk of death represents a highly culpable mental state, a mental state that may be taken into account in making a capital sentencing judgment when that conduct causes its natural, though also not inevitable, lethal result." (107 S. Ct. at 1688.) Subsection 3591(c)(3) codifies the *Tison* holding. It does not require that the government prove the defendant knew that his act met the legal criteria for a reckless disregard for human life, merely that his act in fact involved such a disregard.

Section 3591 precludes imposition of the death penalty on a person who was less than eighteen years old at the time of the offense. A plurality of the Supreme Court recently held in *Thompson* v. *Oklahoma*, —U.S.—, 108 S.Ct. 2687 (1988), that the death penalty is unconstitutional as punishment for persons who committed offenses while under the age of sixteen. While it is still an open question, to be decided this term by the Supreme Court, whether the death penalty may be imposed on one who was sixteen or seventeen at the time of the offense, this bill follows the recently enacted drug death penalty provisions as well as the most recent capital punishment bill approved by the Senate Judiciary Committee and does not allow the imposition of the death penalty on a person who committed the offense when less than eighteen years of age.

Section 3592 sets forth the statutory mitigating and aggravating factors to be considered by the jury or judge in determining whether a sentence of death is justified upon conviction of a crime for which the sentence is authorized. The section also allows, consistent with Supreme Court decisions, for the consideration of any other aggravating or mitigating factor, not listed in the section, which might affect such a determination. See *Skipper* v. *South Carolina*, 476 U.S. 1 (1986); *Lockett* v. *Ohio*, 438 U.S. 586 (1978); *Barclay* v. *Florida*, 463 U.S. 939 (1983); *Zant* v. *Stephens*, 462 U.S. 862 (1983).

Subsection (a) sets forth three mitigating factors which must be considered. They are (1) that the defendant's mental capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of the law was significantly impaired, although not so impaired as to constitute a defense to the charge; (2) that the defendant was under unusual and substantial duress although not such as to constitute a defense; and (3) that the defendant was an accomplice whose participation in the offense was relatively minor, even though he may still be charged as a principal. Subsection (a) further states that the jury or judge shall also consider any other aspect of the defendant's character, record, or the circumstances of the offense that the defendant may offer in mitigation. While the Supreme Court has held that no limitation may be placed on the defendant's introducing evidence of mitigating factors, some linkage must be established between the evidence offered in mitigation and the defendant's persona or the offense. For example, the catch-all provision in subsection (a) is not intended to allow such evidence as that on the night of the murder in New York City, unusually heavy rain had fallen in Los Angeles.

Subsection (b) sets forth the aggravating factors for treason and espionage. They are that the defendant had previously been convicted of an offense involving espionage or treason for which a sentence of life imprisonment or death was authorized by statute, that the defendant knowingly created a grave risk to the national security, and that the defendant knowingly created a grave risk of death to another person.

Subsection (c) sets forth the aggravating factors for the homicide offenses and for the attempted murder of the President. They are (1) that the death occurred during the commission, attempted commission, or the immediate flight from the commission, of one of several exceptionally dangerous crimes such as escape from prison, a murder by a prisoner serving a life sentence, aircraft hijacking, certain explosive offenses, and espionage; (2) that the defendant used or carried a firearm during and in relation to the offense—an aggravating factor that would typically be established by the defendant using the gun to shoot the victim but which would also be established if the defendant armed himself with a firearm for possible use during the offense but killed the victim in some manner other than shooting—or had previously been convicted of a felony involving the use, attempted use, or threatened use of a firearm against another person; (3) that the defendant had previously been convicted of another federal or State offense resulting in death for which life imprisonment or death was authorized; (4) that the defendant had previously been convicted of two or more federal or State offenses, committed on different occasions, each involving the infliction or attempted infliction of serious bodily injury or the distribution of a controlled substance and each punishable by imprisonment for more than one year; (5) that the defendant in the commission of the offense knowingly created a grave risk of death to one or more persons in addition to the victim; (6) that the defendant committed the offense in an especially heinous, cruel, or depraved manner in that it involved torture or serious physical abuse of the victim; (7) that the defendant procured the commission of the offense by paying or promising to pay anything of pecuniary value; (8) that the defendant committed the offense as consideration for receiving or in the expectation of receiving something of pecuniary value; (9) that the defendant committed the offense after substantial planning and premeditation; (10) that the victim was particularly vulnerable due to old age, youth, or infirmity; and (11) that the defendant committed the offense against certain specified public officials.

It should be noted that subsections (b) and (c) do not define the instances where the death penalty is authorized. This authorization is in the penalty provision for each individual capital offense and generally carries forward the provisions in the current statutes that are or may be unenforceable due to the aforementioned constitutional procedural problems. However, seven offenses in current law are changed to capital offenses by this bill. They are (1) the murders of certain foreign officials under 18 U.S.C. 1116; (2) kidnaping where a death results under 18 U.S.C. 1201; (3) murder for hire under 18 U.S.C. 1958; (4) murder in aid of racketeering under 18 U.S.C. 1959; (5) murder during a hostage taking in violation of 18 U.S.C. 1203; (6) terrorist murders of American nationals abroad in violation of 18 U.S.C. 2331; and (7) attempted assassination of the President in violation of 18 U.S.C. 1751. In addition, section 210 of the bill creates a new federal capital offense of murder committed by a federal prison inmate serving a life sentence. The factors listed in subsections (b) and (c) merely specify the aggravated instances in which the commission of a capital offense will permit a jury to determine whether the death penalty is justified.

Section 3593 sets out the procedure for a special hearing to determine whether a sentence of death is justified. At the conclusion of the hearing the jury (except in those unusual cases where the sentencing hearing is before the judge alone) will return a binding recommendation as to whether the sentence of death is justified. If the jury returns a recommendation of the death penalty as opposed to some lesser punishment, the court must impose a sentence of death.

Subsection 3593(a) provides that if the attorney for the government believes that the circumstances of one of the offenses for which the death penalty is authorized (the offenses set out in section 3591) justify the imposition of the death penalty, he or she must file with the court and serve on the defendant a notice of the conclusion and set forth the aggravating factors (including any not statutorily enumerated) the government proposes to show at the hearing. The notice must be filed and served on the defendant a reasonable time before trial or the accepting of a guilty plea or at such time thereafter as the court may permit upon a showing of good cause. The provision is intended to give adequate notice to the defendant so he can prepare for the post-conviction sentencing hearing and to ensure an appropriate *voir dire* that comports with applicable Supreme Court cases.

Subsection 3593(b) provides that if the attorney for the government has filed the notice required by subsection (a) and if the defendant is found guilty, a sentencing hearing shall be conducted by the judge who presided at trial or accepted the guilty plea or by another judge if the first one is unavailable. No presentence report is to be prepared in such a case inasmuch as the issue at the hearing is the existence of aggravating or mitigating factors and the justifiability of imposing the death sentence, and the issue is to be determined based solely on the information presented at the hearing. The hearing is to be conducted before the jury that determined the defendant's guilt, except that a jury may be impaneled for the purpose of the sentencing hearing in a case in which the defendant was convicted on a trial to the court or on a plea of guilty, in a case in which the original jury was discharged for good cause, or in a case where reconsideration of the sentence is necessary. This subsection also provides that the defendant may move that the sentencing hearing be conducted before the court alone but that the attorney for the government must concur. In the absence of this concurrence by the government, the sentencing hearing is before a jury.

Subsection 3593(d) deals with proof of the aggravating and mitigating factors. Any information relevant to the sentence may be presented. Information concerning any mitigating factor or factors, both those listed in section 3592 and those not so listed, may be introduced. Evidence of at least one aggravating factor listed in section 3592 must be introduced. As explained, the government must give the defendant notice of which aggravating factors it will seek to establish. If evidence of a statutory aggravating factor is introduced, the government may also introduce evidence of any other aggravating factor, again providing the government has given notice as to the nature of such a nonstatutory factor.

The information may include trial transcripts and exhibits or relevant parts thereof. Other evidence relevant to any mitigating or previously identified aggravating factor may be presented regardless of its admissibility under the rules of evidence, except that the court may exclude information if its probative value is outweighed by the danger of its creating unfair prejudice, confusing the issues, or misleading the jury. The burden of establishing an aggravating factor is on government and the standard of proof for such a factor is beyond a reasonable doubt. The defendant has the burden of establishing any mitigating factor but this burden is satisfied if the defendant proves such a factor by a preponderance of the evidence.

Subsection 3593(d) deals with the return of special findings required in the sentencing hearings. It provides that the jury, or if there is no jury, the court, must consider all the information received at the sentencing hearing. The jury, or if there is no jury, the court, must return a special finding identifying each aggravating factor (both statutory and nonstatutory) which it has found. Once again, it can only find the existence of an aggravating factor for which notice was provided. The finding with respect to an aggravating factor must be unanimous. If no aggravating factor is found, the death penalty cannot be imposed and the court must impose some other sentence authorized by statute.

With respect to mitigating factors, subsection 3593(d) reflects the recent holding of the Supreme Court in *Mills* v. *Maryland*, ——U.S.——, 108 S.Ct. 1860 (1988), that individual jurors may not be precluded from considering mitigating evidence regardless of the number of jurors who agree on a particular factor. Consequently, subsection (d) provides that a finding with respect to a mitigating factor may be made by one or more members of the jury. As used throughout section 3593, the term "mitigating factor" is meant to include all mitigating evidence which the sentencer must consider before returning a sentence of death to comport with such cases as *Eddings* v. *Oklahoma*, 455 U.S. 104 (1982). Nevertheless, the jury may only consider evidence presented at trial or at the sentencing hearing. It may not speculate on the existence of some factor completely unsupported by any evidence. See *California* v. *Brown*, 479 U.S. 538 (1987). Any member of the jury who is persuaded by a preponderance of the evidence—the standard set out in subsection (c)—that a particular mitigating factor exists may consider such a factor established. That juror (even if he or she is the only one who believes the evidence and has concluded that such a factor has been established) may then weigh that evidence against any aggravating factors which have been found unanimously beyond a reasonable doubt—again, the requirement of subsection (c)—in deciding, under subsection (e), whether to return a binding recommendation for a sentence of death.

Subsection 3593(e) provides that if one or more of the statutorily required aggravating factors is found to exist (a constitutional requirement under *Zant* v. *Stephens* and *Barclay* v. *Florida*, *supra*) the jury, or the court if there is no jury, must then consider whether the aggravating factor or factors which it has found outweigh all mitigating factors found by the individual jurors, or, if no mitigating factor has been found, whether the aggravating factor or factors alone are sufficient to justify a sentence of death. It is the intent of this subsection that the jurors be instructed that they are to weigh and balance the aggravating factor or factors found against any mitigating evidence. The word "justify" does not imply that the jurors are free to opt for the death penalty if they are merely convinced that such a penalty could be defended as "justifiable" by some persons. The jurors themselves must engage in a balancing process and determine whether the aggravating factor or factors outweigh any mitigating factors to determine the appropriateness in their own minds of the death penalty. Based on this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a recommendation as to whether the death penalty should be imposed.

Subsection (e) also provides that "[t]he jury or the court, if there is no jury, regardless of its findings with respect to aggravating and mitigating factors, is never required to impose a death sentence, and the jury shall be so instructed." This means that if even one juror believes that the aggravating factor or factors found do not outweigh any mitigating factor found, or, even if no mitigating factor has been found that the aggravating factor or factors do not justify a sentence of death, the jury may not return a recommendation of the death penalty. As is made explicit by the first sentence in section 3594, the quoted sentence does not mean that the judge is free to ignore a unanimous jury recommendation for the death penalty.

Subsection 3593(f) is designed as a special precaution against discrimination by the jury against the defendant on the basis of the defendant's or the victim's race, color, national orgin, religious beliefs, or gender. It provides that in a sentencing hearing in which the death penalty is sought, the jury shall be specifically instructed that it must not consider these factors and that the jury is not to make its binding recommendation for a sentence of death unless it would recommend such a sentence no matter what the race, color, national orgin, religious beliefs, or sex of the defendant or any victim. Moreover, the jury must return to the court a certificate signed by each juror stating that consideration of these factors was not involved in his or her individual decision, and that he or she would have made the same binding recommendation as to the sentence no matter what these particular characteristics of the defendant or victim might be.

Section 3594 provides that if the jury recommends a sentence of death, the court must sentence the defendant to death. If the court, rather than the jury, is the fact finder at the sentencing hearing, section 3594 requires the court to follow its own recommendation and impose the death penalty. If, however, the jury, or if there is no jury, the court, does not recommend the sentence of death the court shall impose any sentence other than death authorized by law. This section also provides that notwithstanding any other provision of law, life imprisonment without possibility of release or temporary furlough is an authorized sentence for a conviction of an offense punishable by death if the maximum term of imprisonment for such an offense is life.

Section 3595 sets out the rules applicable to appeals from the imposition of the death sentence. Subsection (a) provides that a sentence of death shall be subject to review by the court of appeals upon an appeal of the sentence by the defendant. Notice of appeal of the sentence must be filed within the time specified for filing an appeal of the judgment of conviction and the court may consolidate the appeal of the sentence and the appeal of the conviction. The review of a case in which the death sentence has been imposed must be given priority over all other cases.

Subsection 3595(b) provides that the court of appeals must consider the entire record including the evidence submitted at trial, the information submitted during the sentencing hearing, the procedures employed at the sentencing hearing, and the special findings returned at the sentencing hearing as to the existence of the aggravating factors.

Subsection 3595(c) states that the court of appeals must affirm the sentence if it finds that the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor, and the evidence and information support the special findings of the existence of an aggravating factor or factors. See *Zant* v. *Stephens*, *supra* (death sentence valid even if an aggravating factor is invalidated or found inapplicable on appeal, provided at least one valid statutory aggravating factor remains). Proportionality review with other death cases is not a part of the review process. *Pulley* v. *Harris*, 465 U.S. 37 (1984). In all other cases, the court of appeals must remand the case for reconsideration under section 3593 or for imposition of another authorized sentence, as appropriate. The court of appeals must state in writing the reasons for its disposition of an appeal of a sentence of death.

Section 3596 is concerned with the implementation of a sentence of death. Subsection 3596(a) provides that a person sentenced to death shall be committed to the custody of the Attorney General pending completion of the appeal and review process. When the sentence is to be implemented, custody of the person would be given to a United States Marshal who would then supervise the implementation of the penalty in accordance with the law of the State in which the sentence is imposed. If that State has no death penalty, the court would designate another State which does have such a penalty and the execution would be carried out in the manner prescribed in that State. This subsection generally reinstates a portion of the provisions of former section 3566 of title 18 which was repealed as of November 1, 1987, by P.L. 98-473.

Subsection 3596(b) states that a sentence of death shall not be carried out upon a person who lacks the mental capacity to understand the death penalty and why it was imposed, or upon a woman who is pregnant. The latter limitation is to spare the unborn. Following the conclusion of the pregnancy, the sentence of death would be implemented. The former limitation is intended to implement the constitutional bar on execution of a person who is mentally incompetent but who was sane at the time of the offense and who was competent to stand trail. See *Ford* v. *Wainwright*, 477 U.S. 399 (1986). This limitation, too, would normally only postpone the implementation of the sentence of death. See *Ford* v. *Wainwright*, concurring opinion of Justice Powell, 477 U.S. at 425 and footnote 5: "The only question

raised is not *whether* but *when* his execution may take place. [Emphasis in original.] [I]f petitioner is cured of his disease, the State is free to execute him."

Section 3597 reinstitutes other parts of former section 3566 not contained in subsection 3596(a) by authorizing the United States Marshal charged with implementing the sentence of death to use State facilities and to pay the costs thereof.

Section 3598 is concerned with the appointment of counsel for indigent defendants in cases in which the death penalty may be imposed. It applies to death penalty cases under this chapter and to those in which the death penalty may be imposed under the capital punishment provisions in title 21 relating to murders during drug related felonies.

Subsection 3598(a) applies to federal cases and provides that notwithstanding any other provision of law, in any federal criminal case in which the defendant is charged with an offense for which the death penalty is sought, if the defendant is or becomes unable to privately retain adequate representation, the defendant shall be entitled to counsel, both at trial and on direct appeal, pursuant to the provisions of 18 U.S.C. 3005 and 3006A. Section 3005 provides that in capital cases the defendant shall be entitled to be defended by two counsels "learned in the law." Section 3006A provides that each district court shall establish a plan for providing representation to persons unable to afford adequate representation. Subsection 3598(a) also provides that an indigent person convicted of a federal offense and sentenced to death shall be entitled to have counsel provided for him through a direct appeal of the conviction and sentence to the court of appeals. Upon further review, either a petition for certiorari or collateral review pursuant to 28 U.S.C. 2255, counsel will be provided at the discretion of the court or if required by a rule promulgated by the Supreme Court. See, for example, Rule 46.7 of the Rules of the Supreme Court.

Subsection 3598(b) deals with the issue of providing counsel to defendants in State capital punishment cases and any federal review of such cases. It states initially that there is no federal requirement for the appointment of counsel in such cases other than what may be required by the Constitution. It further provides that indigent State defendants seeking federal habeas corpus review under 28 U.S.C. 2254 of their convictions and the imposition of the death penalty under State law shall have counsel appointed at the discretion of the court or as required by a rule promulgated by the Supreme Court.

Section 203 applies the procedures of the new chapter 228 concerning the death penalty to violations of chapter 2 of title 18 dealing with the destruction of or damage to aircraft and motor vehicles where death results. Such violations are punishable by death under current law but the penalty is unavailable due to the previous problems.

Section 204 prescribes the scope of the availability of the death penalty for espionage. In accordance with the view reflected in prior bills that the death penalty is both constitutional and apppropriate for this offense, the penalty is retained as a possible punishment for peacetime espionage where it concerns certain major military matters, such as nuclear weapons or satellites which directly affect national defense. The death penalty, of course, remains applicable under 18 U.S.C. 794(b) to any instance of wartime espionage.

Sections 205, 206, and 207 apply the sentencing procedures of the new chapter 228 to three serious explosive offenses where death results. These sections, all of which deal with deliberate property destruction by explosives or the transportation of explosives in interstate commerce for the purpose of injuring persons or property, currently provide for the death penalty, but the penalty is unenforceable.

Section 208 applies the new death penalty procedure to the offense of first degree murder committed in the special maritime and territorial jurisdiction. Such a crime is presently punishable by the unenforceable death penalty provisions of current law.

Section 209 amends 18 U.S.C. 1116(a) to provide for the death penalty for the first degree murder of a foreign official, an official guest of the United States, or an internationally protected person. This offense was created after the *Furman* decision and so has not previously included the death penalty as a possible punishment. However, this section makes the penalty for this offense the same as for first degree murder in other situations subject to federal jurisdiction.

Section 210 adds a new section 1118 to title 18 to provide that a person serving a life sentence in a federal prison who murders another person will be punished by death or by life imprisonment without the possibility of release or furlough.

Section 211 amends the federal kidnaping statute, 18 U.S.C. 1201, to provide for the imposition of the death penalty, under the sentencing procedures of chapter 228, if death results from the kidnaping.

Section 212 provides for the death penalty under 18 U.S.C. 1203 (enacted in 1984) if death occurs in the course of a hostage-taking, either within the United States or, if the victim is a United States national, outside the United States, such as occurred in the incident a few years ago involving the cruise ship Achille Lauro.

Section 213 applies the new sentencing provisions to section 1716, dealing with the mailing of injurious articles where death results. This merely effectuates the presently unenforceable death penalty provision for this section.

Section 214 of the bill would for the first time provide for the death penalty for an attempt to kill the President if the attempt results in bodily injury to the President or otherwise comes dangerously close to killing the President. The procedures of the new chapter 228 would be applicable to such an offense.

Sections 215 and 216 provide for the death penalty under two related offenses enacted in 1984 and renumbered in 1988 proscribing murders for hire and killings in aid of racketeering activity (18 U.S.C. 1958 and 1959).

Section 217 applies the new sentencing provisions of chapter 228 to violations of 18 U.S.C. 1992 involving the wrecking of trains where death results. This effectuates the presently unenforceable death penalty provision for this offense.

Section 218 restricts the application of the death penalty in cases of bank robbery and incidental crimes in violation of section 2113 of title 18 to cases where death results, and provides for life imprisonment as an alternative penalty in such cases.

Section 219 amends 18 U.S.C. 2331(a)(1), a provision enacted as part of the Omnibus Diplomatic Security and Anti-terrorism Act of 1986 (P.L. 99-399), to provide for the death penalty in certain cases of first degree murder of a United States national while such national is outside the United States.

Section 220 applies the procedures of chapter 228 to aircraft piracy where death results from the commission or attempted commission of the offense by repealing the capital punishment procedures in the Federal Aviation Act of 1958 (49 U.S.C. 1473(c)) while retaining the death penalty for air piracy where death results.

Section 221 provides that the capital punishment procedures of the new chapter 228 shall not apply to prosecutions under the Uniform Code of Military Justice inasmuch as the military code has its own set of death penalty procedures and provisions.

TITLE III—SECTION-BY-SECTION ANALYSIS

Title III is designed to place severe restrictions on certain ammunition clips and other ammunition feeding devices frequently used with "assault weapons" to enable them to fire a large number of rounds without reloading.

Section 301

Section 301 contains congressional findings that the trafficking in and use of magazines, ammunition belts, and other feeding devices that enable a firearm to fire more than fifteen rounds without reloading affect interstate and foreign commerce. Moreover, there is a finding that these devices are sold in interstate and foreign commerce, and are moved in commerce for the purpose of use in violent crimes. Such findings establish a federal jurisdictional nexus under the Interstate Commerce Clause which in turn justifies proscribing certain acts concerning such feeding devices without a showing that the device involved in a case was, or had been, a part of interstate commerce. See *Perez* v. *United States*, 402 U.S. 146 (1971).

Sections 302 and 303

Section 303 defines the term "ammunition feeding device" and inserts that definition in subsection 921(a) of title 18, the part of chapter 44 that sets out definitions pertaining to firearms and firearms offenses in that chapter. Such a device is defined as a detachable magazine, belt, drum, feed strip, or similar device which has a capacity of, or which can be readily converted or restored to hold more than 15 rounds of ammunition. It would also include any combination of parts from which such a device can be assembled. Attached, tubular devices designed to accept, and capable of operating with, only .22 rimfire caliber ammunition are excluded from the definition.

Section 302, in turn, defines "ammunition feeding device" as a firearm. The term "firearm" already includes such things as mufflers and silencers which, like large-capacity ammunition feeding devices, are not necessary for the actual operation of a firearm. Defining ammunition feeding devices as firearms is necessary to enforce the provisions of this title. It will require manufacturers and importers to keep records, allow government inspection of these records to ensure that these devices are not being illegally imported or sold, and generally make applicable the present inspection and enforcement mechanisms that exist for firearms.

Section 304

Section 304 sets out criminal prohibitions that apply to ammunition feeding devices and also important exceptions to those prohibitions. The section sets out a new subsection 922(t) in title 18 which makes it an offense to import, manufacture, transport, ship, transfer, receive, or possess such an ammunition feeding device. Pursuant to section 306 of the bill, the punishment for such an offence is up to ten years' imprisonment and a felony level fine. Section 304, however, provides for three exceptions. First, it is not an offense for a licensed importer or manufacturer to make or import an ammunition feeding device for sale or distribution to an entity of the federal government or of a State or local government. Second, it is

not an offense for a licensee to manufacture such devices for the purpose of exportation.

Third, it is not an offense to possess, transport, or ship an ammunition feeding device which was possessed on the effective date of the new subsection, or to transfer such a device which was possessed on that date provided the conditions of new subsections 922(u) and (v) are met. Subsections 922(u) and (v), which are also set out in section 304 of the bill, establish a registration scheme for these devices which is akin to that already in paice for such firearms as machineguns—frequently called "Title II firearms" in reference to Title II of the Gun Control Act of 1968. See 26 U.S.C. 5801, et seq., especially section 5841 which establishes the registration system. The registration for ammunition feeding devices is much more limited than that for Title II firearms, however, in that only firearms transferred need be registered. A person lawfully in possession of such a device on the effective date of the bill would not have to register it and may retain it in his possession, or even transport or ship the device in interstate commerce, for example in the course of moving to another state.

If, on the other hand, the person in possession of the device on the effective date of the act wishes to transfer it to another person or entity—other than a governmental entity—he must register it to the transferee in accordance with regulations to be promulgated by the Secretary of the Treasury. It is expected that the Secretary will issue regulations, like those applicable to machineguns, requiring proof that the transferee is not under a firearms disability before the device can be registered. It should be noted that an ammunition feeding device once registered to the transferee could be sequentially transferred provided it was registered to each new transferee. This too is like the current law with respect to machineguns.

In addition to the requirement that only ammunition feeding devices transferred must be registered, the registration scheme for these devices differs from that for Title II weapons in other respects. The first is the cost. Registration of ammunition feeding devices will require a payment of a $25.00 fee as compared to a $200.00 tax on machinegun registrations. Second, the more limited registration scheme eliminates the need for a provision like that in 26 U.S.C. 5848 stating that no information contained in the registry of ammunition feeding devices or derived from the registration process may be used as evidence against a person in a criminal proceeding "with respect to a volation of law occurring prior to or concurrently with the filing of the application or registration."

Such a provision is necessary with respect to the machinegun provision where possession of an unregistered machinegun is itself an offense, only registered weapons may be transferred, and to comply with the registration provision for the purpose of transfer a person would in effect admit that he had not previously registered it. See *United States* v. *Freed*, 401 U.S. 601, 605–607. With respect to an ammunition feeding device, there is no requirement that persons in possession of such a device register it.

Section 305

This section provides that all ammunition feeding devices must be identified with a serial number and such other identification as the Secretary may prescribe by regulation. Such other information would typically include the manufacturer's name and address. Although ammunition feeding devices are included within the definition of the term "firearm" and although a firearm has to be identified by a serial number, the serial number requirement under current law is that it be placed on the frame or receiver. 18 U.S.C. 923(i). Since this specific placing requirement is meaningless with respect to ammunition feeding devices, section 305 imposes the requirement on ammunition feeding devices directly for clarity.

Section 306

This section sets out the criminal penalty for a violation of new subsection 922(t) and has been discussed in connection with section 304.

Section 307

Section 307 permits persons already in the business of manufacturing or importing ammunition feeding devices to continue to do so while their applications for licenses are pending. Since such devices are included in the definition of a firearm, manufacturers and importers will be required to obtain licenses to continue to engage in these activities. Section 307 provides that they may continue to engage in those businesses pending their licensing application provided they make application for a license within 30 days of the enactment of this bill.

TITLE IV—SECTION-BY-SECTION ANALYSIS

This title would create a nationwide program of drug testing for federal offenders on post-conviction release, and would effectively supersede and expand the demonstration program established by section 7304 of the Anti-Drug Abuse Act of 1988 in relation to convicted defendants. Section 7304 created a two-year demonstration program including mandatory drug testing of felons on probation or post-imprisonment supervised release (but not parole) in eight districts to be selected by the Judicial Conference. Based on preliminary data, the Administration has concluded that there is no need to await the final results of that demonstration program. The idea of a program to require defendants on post-conviction release to submit to periodic drug tests is so clearly meritorious that it should be implemented across the United States, as soon as practicable and feasible. Since the capacity to implement this program depends on the availability of appropriate personnel and/or contractors necessary to ensure quality control, this section allows a degree of flexibility and grants the Administrative Office of the United States Courts the latitude necessary to phase-in the program in stages as soon as practicable and feasible.

It is estimated that more than 81,000 persons will be on some form of federal supervised release in 1990. Under the proposal, defendants placed on parole, probation or post-imprisonment supervised release will be subject to a mandatory condition that they refrain from illegal use of drugs and submit to periodic drug tests. The class of defendants subject to this mandatory condition—limited to felons under the Anti-Drug Abuse Act demonstration program—would be extended to include as well misdemeanant firearms, drug, and violent offenders. The requirement could be suspended or ameliorated upon request of the Director of the Administrative Office or his designee. No adverse action such as revocation of release could take place for failure of a drug test unless the test was confirmed using gas chromotography techniques or other tests determined to be of equivalent reliability.

TITLE V—SECTION-BY-SECTION ANALYSIS

The Exclusionary Rule Reform Act of 1989 would (1) generally bar the exclusion of evidence obtained in circumstances justifying an objectively reasonable belief that a search or seizure was in conformity with the Fourth Amendment, and (2) clarify that evidence cannot be excluded on the basis of non-constitutional violations unless such exclusion is expressly authorized by law.

The principal reform proposed in the bill—an objective reasonableness standard for the admission of evidence—is very similar to exclusionary rule reform legislation that was passed by the Senate as S. 1764 in the 98th Congress and by the House of Representatives as section 673 of H.R. 5484 in the 99th Congress. A detailed discussion of the policy issues raised by this reform appears in the Senate Judiciary Committee's report on S. 1764 (S. Rep. No. 350, 98th Cong., 2d Sess. (1984)). The ensuing analysis briefly describes and explains the provisions of the bill.

Section 502 of the bill would add a new section 3508 to the federal criminal code. Subsection (a) of proposed section 3508 provides that evidence shall not be excluded in any federal proceeding on the ground that a search or seizure was in violation of the Fourth Amendment if the search or seizure was carried out in circumstances justifying an objectively reasonable belief that it was in conformity with the Fourth Amendment. This would apply the underlying principle of *United States* v. *Leon*, 468 U.S. 897 (1984), so as to bar the exclusion of evidence obtained in such circumstances in cases involving warrantless searches, as well as in cases involving searches pursuant to a warrant. The *Leon* decision specifically barred the suppression of evidence obtained in conformity with a warrant in circumstances justifying an objectively reasonable belief in the warrant's validity, noting that excluding evidence where an officer's conduct is objectively reasonable "will not further the ends of the exclusionary rule in any appreciable way; for it is painfully apparent that . . . the officer is acting as a reasonable officer would and should act in similar circumstances. Excluding the evidence can in no way affect his future conduct unless it is to make him less willing to do his duty." *Leon*, 468 U.S. at 920.

This principle has already been applied for several years by the federal courts in the fifth and Eleventh Circuits in deciding on the admissibility of evidence obtained through searches and seizures in both warrant and non-warrant cases. *See United States* v. *Williams*, 622 F.2d 830 (5th Cir. 1980). The standard of objective reasonableness is also uniformly applied in determining an officer's exposure to civil liability based on an allegedly unlawful search or seizure. *See Anderson* v. *Creighton*, 107 S. Ct. 3034 (1987).

Subsection (a) of proposed section 3508 perpetuates as a special case the specific holding of *United States* v. *Leon*, *supra*, that evidence is not subject to suppression if obtained in objectively reasonable reliance on a warrant. As in *Leon*, the circumstances relevant to the determination of objective reasonableness in warrant cases under subsection (a) would include the circumstances under which it was executed. *See Leon*, 468 U.S. at 923 n.24.

Subsection (a) also provides specifically that the fact that evidence was obtained pursuant to and within the scope of a warrant constitutes prima facie evidence of the existence of circumstances justifying an objectively reasonable belief that a search or seizure was in conformity with the Fourth Amendment. This reflects the fact that "[i]n the ordinary case, an officer cannot be expected to question the magistrate's probable-cause determination or his judgment that the form of the warrant is technically sufficient." *Leon*, 468 U.S. at 921. Thus, the fact that evidence was obtained in conformity with a warrant would be adequate to establish objective reasonableness in the ab-

sence of rebuttal by the defendant, such as a showing that the issuance of the warrant was predicated on a fraudulent affidavit or that the warrant was so patently deficient on its face that an officer could not reasonably believe it to be valid. *See generally Leon*, 468 U.S. at 922-23.

Subsection (b) of proposed section 3508 would bar the exclusion of evidence on the basis of non-constitutional violations, except as expressly authorized by statute or by a rule promulgated by the Supreme Court pursuant to statutory authority. Given the high price of the exclusionary rule to the truth-finding process, and the fact that the rule is not even applied in relation to all constitutional violations in light of the *Leon* decision and other Supreme Court decisions, it is desirable to codify explicitly the principle that evidence may not be excluded on the basis of non-contitutional violations in the absence of statutory authority for doing so. This restriction on the exclusion of evidence is already implicit in the broader rule of Federal Rule of Evidence 402, which provides that "[a]ll relevant evidence is admissible, except as otherwise provided by the Constitution of the United States, by Act of Congress, by these rules, or by other rules prescribed by the Supreme Court pursuant to statutory authority." Subsection (b) would clarify the import of the principle of Rule 402 in relation to evidence obtained in violation of non-constitutional provisions.

The value of such clarification is illustrated by the case of *United States* v. *Caceres*, 440 U.S. 741 (1979), in which a defendant accused of bribing an IRS agent attempted to secure the exclusion of evidence of his guilt on the ground that procedures specified in IRS regulations had not been complied with in obtaining the evidence. Under the plain terms of Rule 402, this argument should have been rejected summarily as an effort to secure the exclusion of relevant evidence in circumstances in which exclusion was not provided for by "the Constitution . . . by Act of Congress, by [the] rules [of evidence], or by other rules prescribed by the Supreme Court pursuant to statutory authority." The Supreme Court did reject the defendant's effort to create an exclusionary rule for violations of IRS regulations, but declined to address the government's argument that this result was required by Rule 402. *See* 440 U.S. at 755 & n. 22.

While the Supreme Court reached a result consistent with Rule 402 for independent reasons in the *Caceres* decision, it failed to produce any directive to the inferior courts to comply with the terms of that rule. Efforts by defendants to secure the exclusion of relevant and probative evidence of their guilt on the basis of alleged violations of non-constitutional provisions have accordingly continued to be a source of litigation in the lower courts. Subsection (b) would foreclose such litigation in the absence of a decision by Congress or by the Supreme Court pursuant to its statutory rulemaking authority to authorize the use of the exclusionary sanction and would ensure consistent compliance with the principle of Rule 402 in this context in future judicial decisions.

Subsection (c) of proposed section 3508 states that the section shall not be construed to require or authorize the exclusion of evidence in any proceeding. This makes it clear that the section is not to be construed as reflecting legislative approval of the exclusion of evidence as a sanction for official misconduct in any circumstances, and that the section's rules which explicitly bar the exclusion of evidence in certain circumstances should not be understood as implying that the exclusion of evidence is appropriate or permissible in other circumstances. The Supreme Court has recognized a number of important exceptions to the application of the exclusionary rule which are not confined to the "objective reasonableness" situation, including holding that the exclusionary rule is wholly inapplicable in grand jury and deportation proceedings and generally inapplicable in habeas corpus proceedings, *see United States v. Calandra*, 414 U.S. 338 (1974); *INS v. Lopez-Mendoza*, 468 U.S. 1032 (1984); *Stone v. Powell*, 428 U.S. 465 (1976), and that evidence inadmissible at trial in the government's case in chief under the exclusionary rule may nevertheless be used for impeachment, *see Walder v. United States*, 347 U.S. 62 (1954). In light of subsection (c), there would be no basis for arguing that these broader limitations of the exclusionary rule should be restricted or reconsidered in light of proposed section 3508, or that it would be inappropriate for the courts to create other broader limitations on the exclusionary rule in the future.

TITLE VI—SECTION-BY-SECTION ANALYSIS

The Reform of Federal Intervention in State Proceedings Act of 1989 would amend various provisions of title 28, United States Code, and a related Rule of Appellate Procedure, concerning the availability of collateral relief in the federal courts for State and federal prisoners. Among the matters addressed by these amendments are the standard of review in habeas corpus proceedings, the effect of procedural defaults on the subsequent availability of collateral relief, the time within which collateral relief may be sought, the requirement of exhaustion of State remedies, the procedure on appeal, and the appointment of counsel in collateral proceedings.

The proposal is very similar to S. 1763 of the 98th Congress, which was reported by the Senate Judiciary Committee and passed by the full Senate by a vote of 67 to 9 in 1984. The ensuring section-by-section analysis briefly describes the various provisions of the bill. The Senate Judiciary Committee's report on S. 1763 (S. Rep. No. 226, 98th Cong., 1st Sess. (1983)) provides a more detailed explanation as well as extensive analysis of the policy issues addressed in the legislation.

Section 602 of the bill would add two new subsections to section 2244 of title 28, United States Code. Proposed section 2244(d) relates to the effect of a State prisoner's failure to raise a claim properly in State proceedings on the subsequent availability of federal habeas corpus. Proposed subsection (d)(1) of secton 2244 sets out a general standard under which such a procedural default would bar access to federal habeas corpus unless it was the result of State action in violation of federal law. Attorney error or misjudgment in failing to raise a claim properly would excuse a procedural default under this standard if it amounted to constitutionally ineffective assistance of counsel, but lesser degrees of attorney error or misjudgment would not excuse a default. *See Murray v. Carrier*, 477 U.S. 478, 488 (1986). Proposed subsection (d)(2)-(4) of section 2244 further provides for excuse of a procedural default where a claim raised in a habeas corpus proceeding asserts a new, retroactive right subsequently recognized by the Supreme Court, where the factual predicate of the claim could not have been discovered prior to the default through the exercise of reasonable diligence, or where a constitutional violation asserted in the claim has probably resulted in a factually erroneous conviction or a sentence predicated on an erroneous factual determination. Proposed section 2244(d) is generally a codification and clarification of the existing caselaw standards governing the excuse of procedural defaults in collateral proceedings. *See Murray v. Carrier, supra*, 477 U.S. at 485-88, 496-97; *Smith v. Murray*, 477 U.S. 527, 537-38 (1986).

Proposed new section 2244(e) in section 602 of the bill would establish a one year time limit on applications for federal habeas corpus, normally commencing at the time State remedies are exhausted. This would provide State defendants with ample time to seek federal review following the conclusion of State proceedings, but would avoid the acute difficulties of proof that currently arise when federal habeas corpus is sought by a prisoner years or decades after the State trial. The proposed limitation rule may be compared to various existing time limits on seeking review or re-opening of criminal judgments in the federal courts, such as the normal ten day limit on appeals by federal defendants under Fed. R. App. P. 4(b); the normal sixty day limit on a State defendant's application for direct review in the Supreme Court under Sup. Ct. R. 20; and the two year limit on motions for new trials based on newly discovered evidence under Fed. R. Crim. P. 33. Proposed section 2244(e) further provides for deferral of the start of the limitation period in appropriate cases, such as assertion of newly recognized rights or newly discovered claims.

Section 603 of the bill would amend section 2253 of title 28, United States Code, so as to vest in the judges of the courts of appeals exclusive authority to issue certificates of probable cause for appeal in habeas corpus proceedings. It would also create an identical certificate requirement for appeals by federal prisoners in collateral relief proceedings pursuant to section 2255 of title 28, United States Code. This would implement recommendations of Judge Henry Friendly. See Friendly, *Is Innocence Irrelevant? Collateral Attack on Criminal Judgments*, 38 U. Chi. L. Rev. 142, 144 n.9 (1970). The reform would correct inefficiencies of the current system under which an appellate court is obliged to hear an appeal on a district court's certification, though it may believe that the certificate was improvidently granted, and under which a prisoner is afforded duplicative opportunities to persuade first a district judge and then an appellate judge that an appeal is warranted. Section 604 of the bill would amend Fed. R. App. P. 22 to conform it to the amendments of section 603.

Section 605 of the bill would make various changes in section 2254 of title 28, United States Code. Section 605(a) would amend current section 2254(b) to clarify that a habeas corpus petition can be denied on the merits notwithstanding the petitioner's failure to exhaust state remedies. This would implement a recommendation of Professor David Shapiro. See Shapiro, *Federal Habeas Corpus: A Study in Massachusetts*, 87 Harv. L. Rev. 321, 358-59 (1973). It would avoid the waste of State and federal resources that presently results when a prisoner presenting a hopeless petition is sent back to the State courts to exhaust State remedies.

Section 605(c) of the bill would add a new subsection (d) to section 2254, United States Code. Proposed subsection (d) would accord deference to the result of full and fair State adjudications. This may be compared to the standard of review stated by the Supreme Court in the case of *Ex Parte Hawk*, 321 U.S. 114, 118 (1944), prior to the unexplained substitution of the current rules of mandatory re-adjudication by the decision in *Brown v. Allen*, 344 U.S. 443 (1953). To be full and fair in the intended sense the State court determination must be reasonable, and must be arrived at by procedures consistent with applicable federal law, includ-

ing the constitutional requirement of due process. In addition, re-adjudication by the federal habeas court would be allowed in cases in which new evidence of substantial importance came to light or a retroactive change of law of substantial importance occurred after the State proceedings. *See* S. Rep. No. 226, 98th Cong., 1st Sess. 24-27 (1983).

Section 605(b) of the bill would simplify current section 2254(d), which is verbose, confusing, and obscure; redesignate it as section 2254(e); and bring its formulation into conformity with that of proposed new section 2254(d). This provision would be of minor practical significance, coming into play only when the general standard governing deference to State determinations in proposed new section 2254(d) was found by the habeas court to be unsatisfied.

Section 605(d) of the bill would codify the traditional principles governing the appointment of counsel for indigents in federal habeas corpus proceedings. Appointment of counsel in proceedings under section 2254 of Title 28, United States Code, and in any subsequent proceedings on review, would be in the discretion of the court, except as provided by rules promulgated by the Supreme Court. The general rule that appointment of counsel is discretionary would apply regardless of the nature of the offense for which the petitioner was convicted or the sentence imposed. The proviso relating to the Supreme Court's rule-making authority recognizes that the Court may create exceptions to the general principle of discretionary appointment for collateral proceedings and require appointment of counsel in some situations. See, for example, Rule 8(c) of the Rules Governing Section 2254 Cases in the United States District Courts.

Section 606 of the bill would amend section 2255 of title 28, United States Code. It would carry out reforms in the collateral remedy for federal prisoners comparable to the rules proposed in section 602 of the bill governing excuse of procedural defaults and time limitation in habeas corpus proceedings, and would codify the traditional principles governing appointment of counsel in section 2255 proceedings in a manner parallel to the provision for habeas corpus proceedings in section 605(d) of the bill.

TITLE VII—1990 FISCAL YEAR AUTHORIZATION

Section 701

This section of the bill authorizes 1990 fiscal year appropriations for various categories of activities conducted by the Department of Justice. Nineteen separate categories of appropriations are listed. Within certain of these categories additional provisions are made for allowing a portion of an appropriation to be available on a multiyear or a no-year basis. Similar language has been inserted in previous authorization and appropriation legislation. For example, a portion of the funds appropriated for the FBI's automated data processing and telecommunications expenses will be available for two years, and similarly part of the FBI's and DEA's funds for research will be available until expended. Other provisions set maximum amounts which may be used for certain purposes, such as representation expenses, construction of witness safesites, expenses necessary in the collection of evidence, and emergency expenses. Although the activities of the Office of Justice Programs are separately authorized in the Omnibus Crime Control and Safe Streets Act of 1968, as amended, a provision is included in this bill to authorize the special bonus grants proposed by the President as an award to States for adoption of legislation providing mandatory minimum sentences for criminal offenses involving firearms.

Section 702

This section authorizes the Attorney General to expend from monies appropriated to the Department of Justice up to $75,000 for official representation and reception expenses.

Section 703

This section authorizes the Attorney General to transfer a portion of one Department of Justice appropriation to another Department of Justice appropriation. Such a transfer may not diminish an appropriation by more than two percent nor may it increase an appropriation by more than two percent.

Mr. DOLE. Mr. President, today I am joining Senators THURMOND, SPECTER, MCCLURE, DECONCINI, D'AMATO, SIMPSON, and WILSON in introducing the Comprehensive Violent Crime Control Act of 1989, which has been sent to the Congress by President Bush.

PROTECTING THE CONSTITUTION

Make no mistake about it, many Americans—and not just those in low-income neighborhoods or our large cities—are living in fear. They are living as hostages to the thugs who roam our streets and terrorize our communities.

The Preamble of our Constitution, which lays the groundwork upon which all of our constitutional rights rest, states that we are joining together to form this Union to:

> Establish justice, insure domestic tranquility, * * * promote the general welfare and secure the blessings of liberty * * *.

Mr. President, it is time that we start taking these words seriously. It is time for us to strike a fair balance between the rights of the innocent victims of crime and the rights of the criminally accused. And it is time for us to focus our attention on the great value underlying our Constitution—protecting the guarantee of justice and liberty for all Americans.

The President's bill accomplishes these important objectives. It takes aim at the domestic terrorists. And it takes aim at those who would exploit the loopholes in our criminal justice system.

PROVISIONS OF THE BILL

Now, we may need to make a few technical changes to some of the firearms provisions contained in the President's bill. I am personally committed to working together with the White House to make sure that these technical changes are written into the President's bill.

But let's take a look at what the bill says now.

The bill says that we will place in pretrial detention those arrested for using firearms in the commission of a violent crime. From now on, we aren't going to let murderers out of jail to kill again simply because they were able to meet bail.

We have all seen some of the tragic press accounts of criminals switching to semiautomatic weapons in order to discharge greater numbers of bullets in their gun battles. The President's bill says "use a semiautomatic and you get 10 years." Quite frankly, we might want to increase this penalty for all criminal uses of firearm.

There is also a small but growing problem of drug smugglers getting into the gun running business. The bill seeks to nip this problem in the bud—it creates a new criminal sanction against those trying to double their illicit profits.

The same is true of firearm thefts. We must remember that 80 percent of firearms used in crimes are not obtained through normal channels—many are stolen, sold by illegal, unlicensed dealers or by smugglers. Stealing or trafficking in stolen guns is also made a separate Federal crime.

The bill punishes those convicts who abuse the privilege of probation and parole—automatic revocation of probation and parole if you flunk new, mandatory drug tests or if you are found in possession of a firearm. Probation and parole are supposed to be a contract between the convict and the people. From now on, break the contract and we will put you behind bars—no ifs, ands, or buts, just jail.

The President has also proposed to expand the Federal death penalty. In the 17 years since *Furman* v. *Georgia*—the Supreme Court decision restricting the use of the death penalty—41 of the 50 States have acted to permit the imposition of the death penalty for the most heinous of crimes. As I've said before, the Federal Government is way behind. We need this ultimate sanction for the crimes of homicide, espionage, treason, and assassination of the President.

There are two other very important provisions included in the President's crime package—the creation of a general good faith exception to the exclusionary rule and reform of habeas corpus procedure. The first provision would help bring criminals to justice by ensuring that evidence—gathered by police officers who believe they are acting in accordance with constitutional standards—will not be mindlessly rejected by the courts. The second provision would reduce the seemingly endless number of appeals that convicts now use to clog our court systems.

Finally, the bill provides some sorely needed Federal funding—$1 billion for the construction of additional Federal prison space, $50 million to hire more assistant U.S. attorneys. Another $40 million to hire more agents for the Bureau of Alcohol, Tobacco, and Firearms and for the FBI's violent crime and major offenders program, and an additional $12 million to beef up the U.S. marshal's program. This money will be money very well spent.

CONCLUSION

If we are going to fight a war, we had better have the weapons and the willpower to win it. The war on drugs and violent crime is no different. Half-measures—well intentioned as they may be—will get us nowhere.

The President's crime package is an important step in the right direction. It is tough—very tough—although I believe that we can make it even tougher. But the bottom line is that it ought to pass Congress by unanimous consent.

Mr. DECONCINI. Mr. President, I rise today to join my distinguished colleague from South Carolina [Mr. THURMOND] in introducing the Comprehensive Violent Crime Control Act of 1989.

I am impressed with the President's anticrime package and I am pleased to be a primary cosponsor of this bill as it goes through the legislative process. As legislators, we are responsible for protecting the public by providing law enforcement with the necessary tools to carry out their mission. Our objective must be to come down hard on violent and drug-related crime. This is an objective I pursued as Pima County attorney in Arizona, and continue to pursue as a U.S. Senator.

The proposed package contains a number of provisions designed to reduce both violent crime and illegal drug use. The seven titles of the legislation cover firearms, the death penalty, ammunition devices, drug testing on postconviction release, exclusionary rule reform, habeas corpus reform, and additional authorization for law enforcement personnel, prosecutors and prison expansion.

Although I am a strong supporter of the vast majority of the package, I do have concerns. My concerns center on the ability to fund this sweeping piece of legislation. Just last year we in the Congress passed the comprehensive drug bill which included many similar provisions in the areas of increased law enforcement personnel, prosecutorial personnel, and prison capacity. Regretfully, the appropriations to fund the drug bill were far below those authorized in the bill. The President's package is a worthwhile proposal. There are a number of sections which are gravely needed. Yet, I can not help but wonder where the money is going to come from. Unless there is some other additional pool of dollars, such as an excise tax on alcohol or tobacco, I for one do not see where we will find the money to fund this proposal.

Despite these concerns, I am nevertheless cosponsoring this bill. The violent and drug-related crime problems are so overwhelming that we must do something. If initiating dialog on the problems by considering this legislation will lead to possible solutions, then I am willing to cosponsor the proposal.

Mr. President, I am particularly pleased to see that the President has included title I—firearms and related amendments—in his crime package. The Atlanta Journal-Constitution recently reported that assault weapons account for only 0.5 percent of the 200 million privately owned firearms in the United States. We are told, however, that assault weapons were used in one of every 10 crimes resulting in a firearms trace in 1988. This is simply unacceptable. It is time to take action—action that will stop this violence that endangers our children and makes our streets unsafe. I have labored to ensure that the rights of the legitimate gun owner are not sacrificed to resolve the problem of firearms abuse. During this Congress I have introduced legislation which seeks to enhance penalties for violations committed with a so-called assault firearm. That legislation also seeks to limit the number of assault firearms available to criminals while protecting the right of legal owners to maintain their ownership. That legislation, however, does not provde the Secretary of the Treasury discretionary authority to identify firearms as assault weapons nor does it create a registration system similar to the current machine gun registration system. I am pleased to see that the President's package seeks similar goals.

The proposed legislation doubles the mandatory penalty for the use of semiautomatic firearms in crimes involving violence or drugs from 5 years to 10 years, a provision also found in my bill. The proposed bill would also create a new offense for smuggling firearms into the country for the purpose of promoting drug trafficking or crimes of violence, and would make these offenses punishable by up to 10 years imprisonment. And if the Bureau of Alcohol, Tobacco, and Firearms [BATF] determines that any of the imported firearms currently under review are not suitable for sporting purposes and thus are prohibited from being imported under existing law, then the President's proposal would prohibit the domestic assembly of these firearms.

Mr. President, I must be honest and say that I have some apprehension about this section because of the large number of imported firearms currently under review by the BATF and temporarily banned by the President. My bill limits the list of firearms which would be affected to only those which, based on BATF and others statistics, are considered blatantly abused. My bill affects only five imported firearms. The President's temporary ban currently in effect covers over a dozen additional types of firearms. If BATF were to rule that all of the firearms currently under temporary ban serve no suitable sporting purpose, and consequently were permanently banned from importation, I might be inclined to consider alternatives to such action by BATF.

Finally, with regard to the proposed firearms legislation, I am uncertain that the section concerning regulation of ammunition feeding devices will be enforceable. Although I am not opposed to this section, I do wonder if it serves a practical purpose. Because of the vast number of magazines and other devices in public use, it appears to this Senator that enforcement of the suggested requirements would be a most difficult assignment for law enforcement, and may take away from more important duties relating to violent and drug-related crime.

Mr. President, if I were to end my statement here, my support of this legislation could be in question. There should be no question. I am strongly behind this package. Since I first entered the halls of this great body I have worked on few issues of more importance than improving our criminal justice system. I have repeatedly sponsored and cosponsored legislation establishing a Federal death penalty, incorporating the court-acknowledged good faith exception to the exclusionary rule, and promoting habeas corpus reform. Seeing these and other strong law enforcement provisions contained in this package are enough to convince me that, although I may have concerns about specific sections, I should lend my strong support to the proposal and work toward its passage.

As President Bush stated,

> When a criminal commits a crime with a gun and someone dies, justice demands something in return—the ultimate penalty, the death penalty.

As a former prosecutor, I am more than familiar with the need for capital punishment. I have introduced legislation on more than one occasion that would allow Federal judges and juries to impose the death penalty as punishment when justified and when in accordance with Supreme Court guidelines.

Title II, entitled "Capital Punishment," establishes statutory procedures permitting the death penalty for certain Federal offenses. The procedures set forth comport with the Supreme Court's capital punishment decisions. Capital punishment is available in cases involving treason, espionage, certain types of homicide, and, under certain circumstances, an attempt to kill the President of the United States.

Mr. President, polls have continually indicated that the vast majority of the public favors a Federal death penalty. Last year the Senate passed a death penalty provision as part of the Anti-Drug Abuse Act of 1988, Public Law 100-690. The Senate Judiciary Committee, of which I am a member, has considered death penalty legislation in nearly every Congress since I was first elected. It is time for the Congress to respond to the people and pass a comprehensive Federal death penalty provision as found in title II of this proposal.

Title V, the Exclusionary Rule Reform Act of 1989, would generally apply the principle of *United States* v. *Leon*, 468 U.S. 897 (1984), where the Court barred the suppression of evidence obtained in conformity with a warrant under circumstances justifying an objectively reasonable belief in the warrant's validity. This is the so-

VOL 135 PT 9 JE 14 — 22 1989 UMI

called good faith exception to the exclusionary rule. This principle has already been applied in the fifth and eleventh circuits in both warrant and nonwarrant cases. By codifying what some courts have already seen fit to apply on occasion, this provision would allow for successful prosecutions on evidence which might otherwise be prohibited for technical reasons. The fine efforts of law enforcement personnel would not be wiped away for reasons beyond their control. In a time when too many criminals are avoiding punishment, this exception to the exclusionary rule is greatly needed. I am convinced that in our quest for the purity of due process of law, we have forgotten the citizen we are obligated to protect. That is why I have repeatedly sponsored legislation to modify the exclusionary rule, and will continue to support such a measure.

The President's proposal also contains a section addressing reforms in the habeas corpus petitioning procedure. I have long been a cosponsor of this type of legislation. There is no question in my mind that there is a dire need for reform of the habeas petitioning procedures. The Federal courts are inundated with habeas petitions, a large number of which are trivial at best. By including this provision in the package, it is my hope that this legislation along with the upcoming Powell Commission report, will promote further discussion of habeas corpus reform and lead to changes in the near future.

I believe that the President's crime package will assist our Nation's law enforcement personnel and prosecutors in combating the escalation of violent and drug-related crime. I look forward to the future passage of the Comprehensive Violent Crime Control Act of 1989.

Mr. SPECTER. Mr. President, I am pleased to join my colleagues, Senator THURMOND, Senator DOLE, and others in introducing the administration's Comprehensive Crime Control Act. This bill has been presented with input from many sources and is very desperately needed in this country to move forward in the war against crime and the war against drugs.

This bill, Mr. President, has already been characterized as a comprehensive crime package. There are many provisions. Some of these provisions, candidly, Mr. President, I think will have to be refined. It is not possible in crafting one bill to obtain agreement from all of those who have participated in the formulation of the bill. But I believe that, under the leadership of President Bush, this is a good bill. As I say, I have certain reservations about some provisions and I reserve the obvious right to offer amendments.

The most important part of this bill, Mr. President, is the very substantial level of expenditure for prisoners—$1,400,000,000. The critical bottleneck in the criminal justice system today is the absence of prison space. Some 20,000 prisoners each year are being released in advance of their sentences. Thousands of defendants are not sentenced because judges know there is insufficient room to hold them in jail. Due to this insufficiency of prison space, criminals go back to the streets and, in record numbers, commit additional crimes.

There are many, many cases—first-degree murder cases involving a firearm—where criminals are not incarcerated because of the insufficiency of jail space. This bill is important because it directly addresses that problem. Without taking the time this morning to discuss the interrelationship between Federal and State prisons, suffice it to conclude that the prison matter is a very, very important one.

The bill similarly makes critical amendments in the Armed Career Criminal Act, which I authored in 1984 and amended in 1986. Since passage of this act, it has proven to be the major weapon for involving the Federal Government in street crime and the war against drugs. That act provides that a career criminal—defined as someone who has committed three or more major felonies—is found in possession of a firearm; that person is triable in the Federal courts under the Speedy Trial Act, with preventative detention where appropriate, and if convicted, receives a mandatory sentence of 15 years to life.

Mr. President, this bill also reenacts the death penalty, which is very important. Since 1972, with the Supreme Court's decision in Furman versus Georgia, there has not been a constitutional Federal death penalty provision until we enacted a death penalty provision for certain drug-related crimes last year. There are many violent offenses—murder, espionage, treason, bank robbery murder, and other offenses which have traditionally called for the death penalty but for the past 17 years have been excluded. The evidence is persuasive that the death penalty is an important deterrent in the war on crime.

Suffice it for another day to argue the details, but this bill would reinstate the death penalty for very serious Federal offenses.

Mr. President, the provisions relating to assault weapons are complicated. Already there have been significant amendments to the Bush administration's proposal crafted by the very distinguished Senator from Idaho, Senator MCCLURE. This is an issue where, candidly, many of us remain unsatisfied with the results up to the present time.

The critical issue, Mr. President, is that we want to take assault weapons out of the hand of drug dealers and dangerous criminals but, at the same time, we do not want to restrict the use of semiautomatic rifles by legitimate gunowners for hunting and other sporting uses. Senator MCCLURE and many of us have been searching for a definition which would separate the semiautomatic rifle which may be used legitimately for sport purposes from the assault weapons. That effort will continue. These provisions of the bill I think must have further refinements.

Similarly, the provisions on search and seizure will require hearings and further analysis. It is one thing to have good faith test, as the Supreme Court handed down in United States versus Leon, where warrants are involved. But where the exception applies to warrantless searches, there must be further analysis and refinement.

Rather than take up any more time, Mr. President, I would identify one other area which has to be considered and that is the provisions related to the use of habeas corpus.

In conclusion, I am pleased to cosponsor this bill. It is a very good first effort, subject to a number of provisions which will have to be refined during the hearing and amendment process.

Mr. MCCLURE. Mr. President, I rise in strong support of the administration's bill on crime that has just been introduced by the distinguished Senator from South Carolina. There is no doubt that the American public has grown tired of being tyrannized by criminals. While we seek to curb the incidence of violent crime in this country, we must at the same time be very careful that we do not infringe upon the second amendment rights of law-abiding citizens across this land.

I support this legislation because, in the main, it does precisely that. I will have to say, however, that there are a couple of areas in which I have reservations and will attempt to make adjustments in the bill as introduced. One is with respect to the treatment of clips under the proposal which the President has submitted to us. It treats clips as machineguns. I think there is a better way of dealing with that question that will accomplish the end without the same kind of result upon the rights of law-abiding citizens.

The second is with respect to the domestic manufacture of semiautomatic firearms. There is an ambiguity or a potential ambiguity in the bill as written, with respect to domestic manufacture. It relies under the prohibition on assembly of guns which are prohibited from importation.

I would remind all of my colleagues that the action taken to prohibit the imports of guns is taken under existing statute which this proposed bill does not and in my judgment cannot affect nor change.

But I think it is possible to define the domestic assembly language in such a way that makes clear what the administration clearly intends to accomplish, without any infringement at all upon domestic manufacture.

I will propose that amendment or support such an amendment at a later date.

Mr. President, there is no doubt that the American public has grown tired of being tyrannized by criminals. The streets have become so dangerous in some areas that honest citizens are prisoners in their own homes. At the same time, criminals terrorize with impunity, secure in the knowledge that the justice system lacks the means and the will to punish. There is no price to pay. We must guarantee a price, and the President's crime package does just this by refining and enhancing the law.

Although I applaud the President's efforts and have agreed to be an original sponsor of this legislation, I must make clear that certain portions of this package, as introduced, are not entirely acceptable to me. Furthermore, I will make every effort to change these provisions at the appropriate time.

These provisions place the focus on firearms instead of crime and criminals. The solution to helping those innocent citizens who are now prisoners in their own homes is not to provide steel bars for their doors and windows. Yet some have adopted such logic when they promote banning guns as a solution to violent crime. Does anyone seriously believe that restricting the constitutional right of our law-abiding citizens is the way to deal with hardened criminals? A 20-year veteran with the U.S. Customs Service summarized it best in response to a question about the potential of smuggling weapons into the United States. He said, "I don't think [they] are going to be adverse to bringing weapons in," referring to those who have profited from smuggling cocaine and heroin.

I have always believed that it is futile to attempt to control crime by restricting the second amendment rights of honest citizens. And even worse, such attempts cloud the real issue of crime and criminals. It is deceptive to tell the American public that we are getting tough on criminals by restricting gunowners' rights. We must deal directly and harshly with criminals. If a gun is used in the commission of a crime, then yes, we should prosecute that person and we should hit him hard for the illegal use of a firearm. However, to restrict the constitutional right of millions of Americans under the guise that we are getting tough with criminals is a red herring and should be exposed as such.

Mr. President, to be more specific, I am concerned about the section in this bill which imposes restrictions on clips and magazines. The President's package treats clips and magazines in excess of 15 rounds—the same as machine guns. While I understand the intent of the President, I believe there is a better way to handle the large clips and magazines and will attempt to modify the President's package accordingly.

Another specific concern is the attempt by the administration to prohibit the domestic assembly of any imports restricted under current law. It is possible to interpret this provision in such a way that it would amount to a domestic ban on the manufacture of a wide range of firearms that are presently in common use by honest citizens. Again, I believe this measure can be corrected to carry out the intent of the administration without impinging on the legitimate owner and manufacturer.

Mr. President, I believe a majority in this body will agree to support these two needed changes to make this an excellent get-tough-on-crime package. I am pleased to point out many of the positive aspects of this package. I am certain that the law-abiding people of this country will applaud the commonsense reforms that will make our streets safe once more.

The President's package restores to the armed career criminal statute a proper definition of burglary. Lacking this definition, some courts have construed the crime of burglary so narrowly that unlawful entry into business premises with intent to steal, or unlawful entry into structures other than a dwelling, are not considered burglary under the career criminal law. Clearly, such crimes are dangerous, and clearly, Congress did not intend to exclude these crimes.

The drug trade has made cynical use of juveniles to commit violent crimes that would be a "serious drug offense" under the armed career criminal statute if committed by an adult. The President's package adds such crimes to the statute as a new predicate offense constituting a crime of violence.

Some criminals present so clear a threat to society that it makes sense to allow the Government to seek pretrial detention. This bill extends this possibility to those charged with certain crimes involving explosives. It also includes felons charged with possession or receipt of firearms, traffickers in stolen guns, or those illegally possessing machineguns.

Mr. President, throughout my career in the Congress, I have fought to protect our firearms rights, rights that have been recently challenged. The enemies of the second amendment have seized upon violent crimes in which firearms have been used as an excuse to deny those rights to law-abiding citizens. If we are to defend our rights, we must curtail the activities of those who make these rights vulnerable—the criminals who use firearms to commit crime.

In this regard, the President's anticrime package doubles the current mandatory penalty for persons convicted of using a semiautomatic firearm during a felony crime of violence or during a drug trafficking offense. Such crimes would carry a 10-year prison penalty. However, those law-abiding citizens who use firearms to protect themselves or their property will not be subject to the minimum mandatory sentence.

Mr. President, we know that drug traffickers have no problem obtaining firearms through illegal means. This bill will create a new offense carrying severe penalties for smuggling firearms into the United States for drug trafficking purposes, or for crimes of violence.

In many cases, criminals obtain firearms by theft. We would punish the theft of either a firearm or explosives with a mandatory minimum 2-year prison term.

We are also concerned that criminals can exploit the system by providing false information to obtain guns through legitimate channels. We would arise the maximum penalty for providing false information. Again, we must protect the rights of the law-abiding gunowner by keeping firearms out of the hands of criminals.

Mr. President, we have seen that vicious criminals do not hesitate to murder. There is no penalty that they fear. When we enacted the Anti-Drug Abuse Act, we provided for the death penalty in certain drug-related crimes. President Bush's bill outlines procedures for determining whether the death penalty should be imposed in cases of treason, espionage, certain types of homicides, and attempts to kill the President of the United States. This sentence cannot be imposed lighlty, and indeed, our consideration is directed toward the most heinous crimes. We also provide stringent safeguards to ensure that every case is painstakingly scrutinized.

Central to the epidemic of violence is the sale and use of illegal drugs. During the last Congress, we addressed this problem in a comprehensive antidrug bill, but we must not fool ourselves into thinking the job is done. We must reexamine practical means to curb both the sale and use of illegal drugs.

President Bush has proposed some common-sense measures that will enable law enforcement to grapple with this problem more successfully. In the comprehensive crime package he has submitted for our consideration, he mandates implementation of a program outlined in the comprehensive drug bill. This program requires mandatory periodic drug tests for felons on probation, those on post-imprisonment supervised release, or those on parole.

It is frustrating to see individuals released on technicalities when it is obvious to anyone with an ounce of common sense that they have committed dangerous crimes. We have all heard horror stories about serious crimes going unpunished because of a narrow interpretation of a complex rule. It is time we return common sense to the courtroom—and the President's package goes a long way toward that end.

First of all, this package will clarify the exclusionary rule. It would bar the exclusion of evidence obtained under a reasonable belief that the search conformed with the fourth amendment. I find it ironic, Mr. President, that the fourth amendment is so interpreted that criminals go free, while the second amendment is so disregarded that honest citizens are deprived of their rights.

Second, we must rethink our actual use of the principle of habeas corpus. Our court system cannot deal with the violent criminals who threaten the safety of our streets, yet it is bogged down with frivolous habeas corpus appeals. Without infringing on the right to legitimate appeal, the proposed change would free our courts from consideration of appeals that have no genuine merit.

Our law enforcement personnel are doing a heroic job of tracking down criminals. As a former prosecuting attorney, I share their frustration that dangerous criminals are free because there is no prison space for them. There is no doubt that we will need to build more prisons, and this bill provides for this very necessary construction.

Mr. President, we have seen the justifiable fear of crime manipulated to achieve dubious remedies. We have listened to emotional appeals to restrict particular firearms, as if such a measure would have the slightest effect on crime. Let us not waste our energy pursuing failed methods of fighting crime. Let us go after the real problem—the criminals who roam our streets. Let us see that they are put where they belong. It is time honest people stopped paying the price. It is time that criminals start paying the price.

Mr. SIMPSON. Mr. President, I am pleased to be an original cosponsor of President Bush's legislation to combat violent crime.

This legislation would bring needed reform to our judicial system and provide for additional law-enforcement personnel, prosecutors, and prisons. I am particularly pleased with the provisions that seek to improve our criminal justice system, since there is no doubt left lingering that the American public wants to live in a society where they and their property are secure and they are willing to commit resources to that good.

I firmly believe that those persons who commit violent crimes must be held accountable for their actions, and that the criminal justice system must provide for swift and certain apprehension, prosecution, and punishment of those who break the law. It is important to send the message that, if you commit a violent crime, you will be caught, prosecuted, and if convicted, you will "do time" in jail.

I am pleased that the President has included provisions for a Federal death penalty. I strongly believe that the death penalty is necessary to deter some of the more heinous and serious crimes that are now committed. This bill would impose the death penalty for treason, espionage, homicides with certain aggravating circumstances, and attempts to kill the President of the United States. Full due process protections, as required by recent Supreme Court decisions, are provided to ensure that the death penalty is properly imposed. However, when the crime is severe and the legal procedures followed are proper, I believe the death penalty is a very important tool for crime prevention that our Government must possess.

Another important provision in this bill would provide an exception to the exclusionary rule when law-enforcement officers were acting in good faith and demonstrating objectively reasonable behavior. Earlier Supreme Court decisions had called for the exclusion of evidence that was discovered through a search based on an invalid search warrant, or that was discovered based on an improper warrantless search. This bill provides for the admission of important evidence in criminal trials that is discovered through objectively reasonable conduct by the police, and I believe it will help to restore the American public's faith in the criminal justice system by reducing the number of cases where serious criminals are acquitted because of legal technicalities—known to the layman as "loopholes".

I also commend the President for including provisions to increase our law enforcement, prosecutor, and prison resources, for doubling many of the penalties that now exist for persons convicted of crimes involving violence, drugs, or illegal use of weapons, and for calling on prosecutors to end plea bargaining for violent Federal firearms offenses. These problems must be addressed head on if crime is to be controlled in our country, and I believe the President's bill does just that.

Some have expressed concern about possible gun control elements in this legislation. However, I feel secure in the knowledge that Senator McCLURE has cosponsored this legislation, and I know of no other single Senator who is more responsive to the legitimate concerns of the gunowners of our country, and I will be very pleased to assist him if he wishes to make any further changes to the legislation to assure the protection of legitimate gunowners.

Mr. President, one of President Bush's clearest election mandates was to fight violent crime in America. The problem continues to haunt us, and the President has submitted a strong and wise proposal in order to attack the problem, and I am proud to try to be a part of the solution.

By Mr. McCONNELL:

S. 1226. A bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of pornographic material; to the Committee on the Judiciary.

PORNOGRAPHY VICTIMS COMPENSATION ACT

Mr. McCONNELL. Mr. President, I am introducing a bill today entitled the Pornography Victims Compensation Act.

Mr. President, more and more experts are telling us that involvement of teenagers in grotesque sexual crimes is the result of exposure to violent material at an earlier and earlier age. My bill would put some of the responsibility for this alarming trend where it belongs: on those who produce, distribute, and sell this kind of vile material. The bill would allow the victim of any sexual offense, whether it be rape or attempted rape or child sexual abuse, to sue the porn producers, distributors, and sellers for damages if they can prove that their sexually explicit material was the cause of the sexual crime committed against them.

Earlier this year, just before serial killer Ted Bundy was executed, Bundy granted a final interview to Dr. James Dobson of Focus on the Family. In this interview, Bundy said he expected to die and did not want to make excuses for the violent crimes he committed.

However, Bundy wanted the world to know that he, as well as numerous other violent criminals he met while in prison, all had one thing in common in their backgrounds—violent pornography. In fact, Mr. President, a 1988 study by the FBI of sexual homicides backs up Bundy's claim. It found that 81 percent of violent sexual offenders regularly used violent pornography—81 percent.

Those who make money from violent pornography and child pornography or simulated child pornography know exactly what they are doing. They know exactly who they are appealing to and what kinds of hideous, destructive feelings their material stimulates. Yet these producers and sellers continue to pump this disgusting slime into our society for one reason and one reason only. Not because they are expressing themselves in accordance with the first amendment, but because they want to turn a profit. The Pornography Victims Compensation Act simply makes these peddlers of pornography responsible for the risk posed by the hazardous materials they deal in—in the same way we make those who handle toxic waste liable if they dispose of such waste carelessly.

So the next time some pornographer wants to run a picture of a woman being tortured or cut up or an explicit sex scene with a child-like model, he will have to think twice about what this vile business is doing to society and how he is putting women and young children at risk. If we can just achieve that, Mr. President, we will be at least halfway along in halting the trend of young sexual violence, and we will be making a major step toward

ending the victimization of women that occurs in pornography and because of pornography in our society. I urge my colleagues to support this legislation. Even with the child care bill we are discussing on the floor today, this bill may be the most important thing we can do for our children.

Mr. President, rape, murder, and torture are usually associated with the ravages of war. For millions of Americans, these terms are synonymous with life in the United States.

Millions of Americans are raped, tortured, and murdered simply because they are female. Millions more suffer the terror of knowing they could be next. Babies, children, teenagers, young women, mothers, wives, sisters, daughters, and grandmothers all have been victims and could be victims. However, all Americans are victims in a society which allows, even actively protects, an industry based on the subjugation and degradation of women. I am speaking of the pornography industry.

The pornography industry trades in the systematic abuse of women. It also trades in the abuse of children. Pornography, particularly violent porn, promotes violence against women, and provides instruction and inspiration for the rape, torture, and murder of women. When efforts are made to protect women from the hostility of pornography, pornographers and their defenders invoke the first amendment guarantee of free speech. We are told that the right of free speech justifies the denigration and abuse of women. What this overlooks, however, is the motivation of pornographers—money. Pornography is commerce, not speech.

Mr. President, pornography fuels the sexual violence that is now pervasive in our society. Studies have shown a correlation between the consumption of pornography and the commission of violent sexual acts. Ted Bundy was a gruesome case in point. Researchers have found that exposure to pornography breeds increased tolerance for violent behavior against women, even among normal men. You have only to read and watch the news to know there is an epidemic of sexual violence in this country, directed primarily at women and children.

We cannot know the terror of women subject to the threat of sexual assault. For women, the fear of rape is a horrible fact of life. This fear accompanies them to the parking lot at night and does not fade until the backseat is checked, the doors are locked, and the car is moving. This fear strikes again with a sudden movement in the dark, the sound of a footstep, or creaking floorboards. Women live with this terror, every day and every night. One hundred and twenty-five million Americans are the victims of this incessant sexual terrorism—simply because they are women or girls.

Americans today have access in their homes, through cable television and video cassette recorders, to explicit sex and violence that Americans could not have imagined 20 years ago. Television is our window on the world, whether it is beamed in, wired in, or through a VCR. Is it any wonder children emulate what they see? Does anyone doubt that some children do emulate what they see?

A 28-year-old woman jogging in Central Park was raped and nearly beaten to death, by a group of boys aged 14 to 16 years old. In New Jersey, five teenage boys sexually assaulted a mentally retarded 17-year-old girl, and then planned a reenactment so that they could videotape it. In Los Angeles, a 12-year-old girl was kidnaped and assaulted over the next 4 days by dozens of teenage boys.

In South Carolina, a 13- and a 14-year-old boy were charged with raping an 11-year-old girl in school. In Houston, three boys, aged 14, 15, and 16, abducted and raped a 26-year-old woman during a 3-day crime spree. In Massachusetts, a 13-year-old girl walking through a park with a girlfriend was attacked by five boys no older than 16. In Detroit, an 11-year-old boy and his 15-year-old companion were charged with the rape of a 2-year-old girl. Afterwards, they left her in a dumpster. Strangers are not the only enemies of women: so-called "date-rape" is now one of the most common sexual crimes.

We are outraged when passengers on an airplane are held hostage, and when we are inconvenienced by security measures to prevent its recurrence. We should be appalled and furious that tens of millions of Americans are held hostage by the fear of sexual assault. We should be horrified that so many are sexually assaulted. And we should do something to stop it.

Last year, over 90,000 rapes were reported in this country, and law enforcement officials say that figure is an understatement. For many rape victims, the justice system is a continuum of the pain, degradation, and humiliation of the rape itself. This ordeal often deters victims from reporting the rape and pressing for conviction; so rapists are free to rape again. The victims are left with physical and emotional pain which they will suffer for the rest of their lives. There is no justice for these Americans. They have no legal recourse other than a justice system which frequently lets criminals free.

The Pornography Victims Compensation Act would give women and other victims of sexual abuse a recourse against its instigators. It provides a cause of action for those who are victims of sexual abuse against pornography distributors, sellers, and exhibitors, if the victim can show a link between the crime and specific pornography.

A study performed by the Michigan State Police, of 48,000 sexual crimes over a 20-year period, found that pornography was used just prior to or during the commission of the offense in 41 percent of those crimes. Some sexual abusers use pornography to plan the offense, the victims, and the setting. Other use it to psyche themselves up for the crime. Pornography is a blueprint for some sexual abusers and an inspiration for others. In such cases, pornographers should be held accountable for their complicity in these sexual crimes. The victims and their guardians and estates should have the right to pursue compensation for their injuries and suffering from those who assisted in the commission of the offense.

I fully expect to hear a lot about the right of free speech in response to this bill. I will in turn respond that my overriding concern is the right of women and children to life and liberty. I will fight for their right to live free of terror and abuse. I will not sacrifice their rights so that pornographers can profit from their victimization.

I implore my colleagues to join me in providing an opportunity for justice for the victims of sexual abuse. All that is necessary for the triumph of evil is for good men and women to do nothing. Let us do something. Let us give Americans the opportunity to do something about the sexual abuse which is inflicted on them.

Mr. President, I would like to thank Catharine MacKinnon, a professor at Yale Law School, for her efforts to stop the sexual abuse of women by pornography. I would also like to thank Page Mellish of Feminists Against Pornography, for her work and dedication to this cause. These women have worked for years to bring attention to the harm caused by violent and abusive pornography. They have braved the verbal barrage of those with a stake in maintaining the status quo. They have persevered in the fact of ignorance, apathy, and special interests.

Mr. President, I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Pornography Victim's Compensation Act of 1989".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) protecting freedom of speech, within the bounds of safety to individuals and society, is essential to the preservation of a just and free society;

(2) consistent with the constitutional protection of freedom of speech, the State has a legitimate interest in restricting explicit material, if there is a danger of harm or actual harm to individuals or society, such as the sexual exploitation of children by child pornography, the invasion of privacy

and the home by indecent broadcasts, or the promotion of rape and sexual homicide by violent sexual material;

(3) the Attorney General's Commission on Pornography in 1986 found clinical and experimental evidence of a casual relationship between exposure to sexually explicit materials and sexual aggression, including the commission of unlawful sexual acts;

(4) the Attorney General's Commission on Pornography also found evidence that sexually explicit material need not be legally obscene to stimulate anti-social and potentially unlawful sexual aggression, if the material presents violent acts in a clear sexual context, or the sexual abuse of children;

(5) behavioral studies of serial murderers conducted by the Federal Bureau of Investigation have revealed a strong correlation between heavy exposure to violent sexual material and violent serial criminality;

(6) investigations conducted by the Child Pornography and Protection Unit of the United States Customs Service have revealed a nearly absolute correlation between heavy consumption of child pornography and child sexual abuse, including the use of child pornograpy to entrap children into the performance of sexual acts;

(7) recent psychological studies indicate a correlation between the growing number of children and youths who commit rape and other violent sexual offenses, and the declining age of first exposure to sexually explicit materials;

(8) sexual crimes such as rape and child abuse usually leave life-long psychological scars that may prevent the victim and his or her family from leading normal, fulfilled lives;

(9) the State has a legitimate interest in protecting its citizens, including children, from sexual crimes and in preventing such crimes through reasonable, effective, and constitutional means; and

(10) the State has a legitimate interest in providing adequate compensation to the victims of sexual xrimes for their physical injuries, complete medical and pyschologial treatemtn, and continuing pain and suffering.

(b) It is the purpose of this Act to require the producers, distributors, exhibitors, and sellers of sexually explicit material to be jointly and severally liable for all damages resulting from any sexual offense that was at least partially caused by the sexual offender's exposure to the sexually explicit material.

CAUSE OF ACTION

SEC. 3. (a) Notwithstanding any other provision of law, a civil action may be instituted in an appropriate United States district court against a producer, distributor, exhibitor, or seller of sexually explicit material, pursuant to the provisions of this Act, by—

(1) a victim of a rape, sexual assault, or sexual crime as described under the relevant State or Federal law, whether or not such rape, assault, or crime has been prosecuted or proven in a separate criminal proceeding,

(2) the estate of such a victim, or

(3) the guardian or survivors of any such victim.

(b) To recover pursuant to the provisions of this Act, the individual bringing such action must prove, by a preponderance of the evidence, that—

(1) the victim was a victim of a rape, sexual assault, or sexual crime, as defined under the relevant State or Federal law, whether or not such rape, assault, or crime has been prosecuted or proven in a separate criminal proceeding;

(2) the material is sexually explicit in nature;

(3) the material was a proximate cause of the offense, by influencing or inciting the sexual offender to commit the offense perpetrated against the victim;

(4) the defendant is a producer or distribution of the material or exhibited or sold the material to the sexual offenders;

(5) the producer, distributor, exhibitor, or seller of the material knew or should have known that such material was sexually explicit.

(c) For purposes of this Act, the finder of fact may reasonably infer that the sexually explicit material was a proximate cause of the offense, by influencing or inciting the offender to commit the offense if any of the following are found—

(1) unusual similarities between the acts described or depicted in such material and the actual offense;

(2) testimony of the offender to the effect that such material influenced or incited the commission of the offense; and

(3) testimony of experts who have examined the offender, to the effect that such material influenced or incited the offender to commit the offense.

(d) Any person who has brought an action pursuant to the provisions of this Act and has met the requirements of the provisions of this Act shall be awarded economic damages and compensation for pain and suffering as well as reasonable attorney's fees and costs of the suit.

(e) In determining whether the sexually explicit material was a proximate cause of the offense, by influencing or inciting the offender to commit the offense, the finder of fact shall consider all relevant information, including but not limited to—

(1) possession by the sexual offender of the material produced, distributed, exhibited, or sold by the defendant;

(2) whether such material depicts or describes violent behavior or acts;

(3) whether such material depicts or describes children or childlike subjects participating in sexual activity; and

(4) whether any language or matter contained in such material would tend to promote violent sexual acts or the sexual abuse of children or others.

(f) Any action commenced under this section shall be forever barred unless the complaint is filed within 6 years after the right of action first accured or, in the case of a person under a legal disability, not later than 3 years after the termination of such disability.

INJUNCTIVE RELIEF

SEC. 4. (a) If an action has been brought pursuant to section 3 and the court in such action found, by a preponderance of the evidence, that the material influenced or incited the sexual offender to commit an offense perpetrated against the victim as described in section 3(b)(4), a proceeding to enjoin, in whole or in part, the production, distribution, exhibition, or sale of any such material may be brought in the appropriate court.

(b) The proceedings for an injunction described in subsection (a) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(c) An order granting an injunction shall set forth the reasons for its issuance; shall be specific in terms; shall describe in reasonable detail, and not by reference to the complaint or other document, the act or acts sought to be restrained; and is binding only upon the parties to the action, their officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise.

DEFINITIONS

SEC. 5. For the purposes of this Act, the term—

(1) "sexually explicit" describes any material that graphically depicts or describes any of the following acts—

(A) sexual intercourse, including but not limited to genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex;

(B) bestiality;

(C) stimulation or penetration of the genitals by inanimate objects;

(D) masturbation;

(E) lascivious exhibition of the genitals of any person; or

(F) sadistic or masochistic abuse, including but not limited to torture, dismemberment, confinement, bondage, beatings, or bruises or other evidence of physical abuse, which are presented in a sexual context or which appear to stimulate sexual pleasure in the abuser or the recipient of such abuse, however

for the purpose of determining whether material shall give rise to a cause of action under this Act, "sexually explicit" is not meant to describe material that contains a depiction or description of any of the above acts, where such depiction or description is an isolated passage in material that otherwise does not contain sexually explicit matter;

(2) "violent describes any acts or behavior, or any material that depicts or describes such acts or behavior, in which women, children, or men are—

(A) victims of sexual assaults or sexual crimes such as rape, sexual homicide, or child sexual abuse;

(B) penetrated by animals or inanimate objects; or

(C) tortured, dismembered, confined, bound, beaten, or injured, in a context that makes these experiences or indicates that the victims derive sexual pleasure from such experiences.

SUMMARY OF THE PORNOGRAPHY VICTIMS COMPENSATION ACT OF 1989

VICTIMS' RIGHT OF ACTION

The bill would give a private right of action to victims of sexual crimes and their guardians and estates. It would allow them to sue the producers, distributors, exhibitors, and sellers of pornographic material, if the person bringing suit can prove that the defendant's material at least influenced or incited the sexual offender to commit the offense against the victim.

ELEMENTS OF THE CAUSE OF ACTION

In order to recover damages, the person bringing suit would have to prove by a preponderance of the evidence, that:

(1) the victim was a victim of a sexual crime, as defined by state or federal law, whether or not such crime has been prosecuted or proven in a separate criminal proceeding;

(2) the material is sexually explicit;

(3) the defendant knew or should have known that the material is sexually explicit; and

(4) the material was a proximate cause of the offense, by influencing or inciting the sexual offender to commit the offense against the victim.

INFERENCE OF CAUSATION

The finder of fact may reasonably infer that the sexually explicit material influenced the commission of the offense if:

(1) there are unusual similarities between the actual crime and certain acts described or depicted in the material;

(2) the sexual offender testifies that the material did in fact influence or incite him to commit the offense; or

(3) an expert who has examined the offender testifies that the material influenced or incited the commission of the offense.

DAMAGES AND LIABILITY

If the person bringing suit meets the requirements of proof, he or she is entitled to full recovery for economic loss, pain and suffering, and attorneys' fees. The producer, distributor, exhibitor, and seller of the material each shall be held jointly and severally liable for the damages.

STATUTE OF LIMITATIONS

The Act imposes a statute of limitations, barring suits more than six years after the right of action accrued, or three years after the person bringing suit becomes eligible to sue.

By Mr. BINGAMAN (for himself, Mr. MITCHELL, Mr. GLENN, Mr. PELL, Mr. NUNN, Mr. MCCAIN, Mr. BRADLEY, Mr. DECONCINI, Mr. LIEBERMAN, Mr. CONRAD, Mr. LUGAR, and Mr. KENNEDY):

S. 1227. A bill to amend the Arms Export Control Act and the Export Administration Act of 1979 to restrict proliferation of missiles and missile equipment and technology; to the Committee on Foreign Relations.

MISSILE CONTROL ACT OF 1989

Mr. BINGAMAN. Mr. President, I rise today to introduce legislation to control the spread of ballistic and cruise missiles around the globe. The President and the Vice President have correctly identified missile proliferation as one of the gravest threats to international stability. An interagency review is currently underway to try to come up with a policy for strengthening missile nonproliferation.

Simultaneously, the Congress has been undertaking a review of this crucial issue. A congressional research seminar was held in March under the sponsorship of Congressman BERMAN and myself. The Defense Industry and Technology Subcommittee of the Senate Armed Services Committee and the Senate Governmental Affairs Committee held hearings last month. The Foreign Relations and Banking Committees also have focused attention on the proliferation issue. The Senate Appropriations Committee included in the dire emergency supplemental approriations bill a provision, authored by Senator DECONCINI, relating to missile proliferation.

The bill my cosponsors and I introduce today is the culmination of several months of effort and represents our best judgment on how to proceed in this area. I particularly appreciate the assistance that I have received from Vicki Huddleston, an APSA congressional fellow working on my staff. I also want to thank Bob Bell of the Armed Services Committee staff, Randy Rydell of the Governmental Affairs Committee staff, Steve Polanski of the Foreign Relations Committee staff, and Bob Shuey of the Congressional Research Service for their generous support.

Mr. President, I am delighted that Senators MITCHELL, GLENN, LUGAR, PELL, NUNN, MCCAIN, BRADLEY, DECONCINI, LIEBERMAN, KENNEDY, and CONRAD are joining me as original cosponsors of this measure. They and their staffs have worked closely with me in the development of this legislation and I look forward to their continued support as we seek to have this legislation become law.

Mr. President, ever since World War II, we and our allies have sought to prevent future wars of more terrible destruction. Throughout this period the United States has been a leader in this quest. We recognized the terrible threat of nuclear destruction and took strong and effective measures to prevent that threat from becoming a reality. In the 1960's we negotiated the Nuclear Non-Proliferation Treaty. Following the Indian nuclear test of 1974, we initiated the London Nuclear Suppliers Group to augment the NPT controls. The Soviets were a key member of that group. The Congress played a vital role by enacting the Nuclear Non-Proliferation Act of 1978. But with time our defenses against the proliferation of weapons of mass destruction have not kept up with the growing threat. Now, we confront a more dangerous world in which unstable and newly emergent countries deploy the most malevolent of the world's weapons.

If we are concerned about this new world; if we care about peace; if we want a better future for our children then we must once again lead our allies and, indeed, all nations in search for an end to the proliferation of nuclear, chemical, and biological weapons and the missile systems that can most effectively deliver these weapons to their targets. The bill we are introducing today deals with the missile proliferation threat.

Mr. President, we can begin to improve multilateral cooperation by encouraging stricter adherence to the Missile Technology Control Regime [MTCR]. Since its adoption in 1987 by the U.S. and six close allies, some transfers of missile equipment and technology have been denied to unstable regions and countries. But overall Western missile equipment and technology has continued to flow into the Third World.

A major West German firm, Messerschmitt-Boelkow-Bolhm, [MBB] and SNIA-BPD, an Italian firm, both have provided critical technology to Argentina's Condor II ballistic missile program. MBB, according to the West German news magazine Der Spiegel, also supplied missile technology to Iraq and Egypt. A major French company, SAGEM, allegedly supplied Brazil with missile technology.

To their credit, American companies, unlike some of their European counterparts, have not purposefully violated MTCR guidelines. But the failure of U.S. Government agencies to strictly observe MTCR obligations and inadequate referral and cooperation among these agencies has resulted in the transfer of American missile related technology to countries intent upon developing intermediate range ballistic missiles.

Even if the MTCR were strictly observed by its members, missiles and missile equipment and technology would continue to be transferred by Communist countries and other nonadherents. The Soviet Union, China, and North Korea are major suppliers of ballistic missiles to the Middle East. China sold the Saudis intermediate range ballistic missiles, and supplied the Iranians with missiles and other weapons throughout the Iran-Iraq war. More advanced developing countries now seek to develop ballistic missiles for export. In return for funding Argentina's Condor II project, Egypt and Iraq expect to buy the missiles or adapt the technology for their own uses. China is negotiating an agreement to supply Brazil with powerful long-range rockets. Brazil, Argentina, North Korea, and China are all developing missiles for their export markets.

CIA Director William Webster testifying before a congressional committee said, "By the year 2000, at least 15 developing countries will be producing their own ballistic missiles." An unprecedented 20 countries may already be manufacturing chemical weapons, while at least 10 countries may be attempting to develop biological weapons. Over the past 15 years, the number of countries with nuclear weapons capability has almost doubled from the initial five with the addition of India, Israel, South Africa, and Pakistan. Several other countries are attempting to develop nuclear weapons capability.

Consider the current spread of ballistic missiles: An Iraqi ballistic missile, the al-Abbas, is capable of hitting both Jerusalem and Cairo. The Israeli Jericho II missile can strike Soviet territory. Catching the world by surprise, the Saudis last year acquired Chinese East Wind missiles, with the range to reach any target in the Middle East, and even into Southern Europe. India and Pakistan are determined to join the missile capable countries, as are Brazil and Argentina. Yet, barring a preemptive strike, there are no effective defenses against these weapons once launched.

Mr. President, the convergence of missiles and chemical and nuclear weapons in the Third World puts the means of massive destruction not only in more hands, but it puts them into the hands that are most likely to use them. Ironically, while the INF Treaty embodied the desire of the West and the East to reduce the danger of missile attack, the missiles most in demand throughout the Third World are exactly those that will be de-

stroyed under the INF Treaty. For too long we have concentrated solely on the Soviet threat. Now, it is urgent that we expand our security strategy to encompass the Third World.

We should not delude ourselves by thinking that these weapons of mass destruction will not be used. The Iran-Iraq war produced an intensive arms race in the Middle East. The protagonists of that war, as well as Libya, Egypt, and Syria are racing to obtain a poor man's atom bomb, a ballistic missile armed with a chemical warhead. The prospect of the Qadhafis of the world acquiring ballistic missile technology, and mating long-range missiles with a growing chemical capability, is real. Because there is no effective defense against missile attack, governments are increasingly inclined to strike first to prevent a neighbor from developing its own missile capability. In fact, the likelihood that ballistic missiles armed with chemical or biological warheads will be used is directly proportionate to the competition for these weapons.

If the United States does not take the lead in controlling missile proliferation, there will be no limit to the spread of these weapons. China, Argentina, and Brazil will continue to develop and sell their missiles; private companies in the West, attracted by big profits will set up front companies that will circumvent lax export restrictions; and the Soviet bloc will supply their clients. All too soon every major and most intermediate regional powers will have both chemical weapons and ballistic missiles. Unfortunately, these systems will not be connected to elaborate and expensive command, control, communications and intelligence systems which only the superpowers can afford. Such missiles are likely to prove inviting targets in crises with neighbors and in internal revolts. Nothing could be more destabilizing.

Mr. President, the legislation that I and my colleagues are introducing today provides a comprehensive strategy for restricting the transfer of ballistic and cruise missiles. If passed, it will allow the United States to take the lead in restricting the development and transfer of intermediate range ballistic and cruise missiles. If passed, in combination with legislation to control nuclear, chemical and biological weapons, it will restore to the United States the mantle of leadership toward a safer world.

This legislation is modest, but it does what is needed. It improves export controls and enforcement; it takes a global approach to enforcement which will not disadvantage American industry. It provides sanctions calibrated to the degree of violation, which are sufficiently strict to discourage countries and companies from cheating by denying American missile equipment and technology.

It allows the United States to take the lead in seeking international cooperation in restricting the transfer of ballistic and cruise missiles. It re-enforces U.S. adherence to the Missile Technology Control Regime, MTCR, encouraging the administration to seek a common and broader interpretation of MTCR provisions and more adherents to the MTCR.

It mandates cooperation among the executive agencies responsible for missile control, but it does not add layers of bureaucracy or slow the process for review of export licenses.

Specifically, the Missile Control Act of 1989 would:

Outline American policy for restricting the global spread of missiles and missile equipment and technology, including the strengthening and expansion of the Missile Technology Control Regime [MTCR];

Deny for a period of 2 to 5 years export licenses and government contracts for American missile equipment and technology to private firms and to countries that have transferred missile equipment and technology in violation of MTCR guidelines;

Prohibit the sale of American missile equipment and technology to countries which support terrorism and to offensive missile development facilities in countries which transfer these missiles to nonadherents of the MTCR;

Improve cooperation and license referral among the Departments of State, Defense, and Commerce;

Mandate annual reports to Congress on the development and transfer of missiles and missile equipment and technology, diplomatic efforts to stop proliferation, and export licenses issued for missile equipment and technology.

If the administration is serious about the President's commitment to control missile proliferation, this legislation sets the agenda. If the administration is serious about keeping missiles out of the hands of unstable nations and terrorist groups, this legislation will help it do that. If the administration is serious about keeping America safe, this legislation places appropriate restrictions on a set of potentially destabilizing technologies and thereby promotes a more peaceful world.

Nonproliferation of missiles is not a partisan issue. Rather it is an issue of the gravest concern to every one of us. The decision before Congress is not whether we should pass legislation to prevent missile proliferation, but what type of legislation will best ensure the effective implementation of a missile nonproliferation policy.

Mr. President, I submit that this legislation, the Missile Control Act of 1989, is the best strategy for restricting the spread of ballistic and cruise missiles around the globe. I ask unanimous consent that the full text of the legislation be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Missile Control Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the global spread of weapons of mass destruction, accompanied by the proliferation of sophisticated missile delivery systems and missile technology, poses a serious threat to stability and peace in many regions;

(2) the Missile Technology Control Regime (MTCR) was established in 1987 to restrict such proliferation;

(3) notwithstanding the existence of the MTCR, companies situated in countries which are adherents to the MTCR have transferred, in violation of the principles of that agreement, missile equipment and technology to nonadherents;

(4) the MTCR is further weakened as it does not include the Soviet Union, China, Argentina, North Korea, Brazil, and certain Soviet-bloc countries, which have transferred missiles and missile technology to countries without this capability;

(5) missile proliferation could be better controlled if MTCR adherents shared a common interpretation of the MTCR principles and strictly enforced its provisions;

(6) the spread of intermediate range missiles can be effectively restricted only if all countries involved in the transfer of such missiles and technology agree to restrict such transfers;

(7) coordination and cooperation between the agencies charged with responsibility for carrying out United States policy on missile control is inadequate; and

(8) greater consultation between the President and the Congress is needed to ensure that Congress is being kept fully informed about missile proliferation and development, and ongoing diplomacy to halt missile proliferation.

SEC. 3. PURPOSE.

It is the purpose of this Act—

(1) to restrict the transfer and development of missiles and missile equipment and technology;

(2) to encourage greater international participation in and adherence to the Missile Technology Control Regime (MTCR) of 1987;

(3) to seek bilateral and multilateral agreements similar to the MTCR;

(4) to encourage countries without missiles to forego the development or acquisition of these weapons; and

(5) to mandate procedures which would permit the United States to take the lead in restricting the spread of missiles and missile equipment and technology by requiring stricter enforcement procedures and improved cooperation among the responsible agencies.

SEC. 4. AMENDMENT TO THE ARMS EXPORT CONTROL ACT.

The Arms Export Control Act is amended by inserting after chapter 6 (22 U.S.C. 2795b. et seq.) the following new chapter:

"CHAPTER 7—CONTROL OF MISSILES AND MISSILE EQUIPMENT AND TECHNOLOGY.

"SEC. 71. POLICY.—It is the policy of the United States to improve the control and reduce the proliferation of missiles and missile equipment and technology by taking all appropriate measures—

"(1) to improve enforcement and seek a common and broader interpretation among

Missile Technology Control Regime (MTCR) members of MTCR principles;

"(2) to extend MTCR membership to nonadherents and to explore with other nonadherents which export missiles and missile equipment and technology the negotiation of bilateral and multilateral agreements which would support the principles of the MTCR or, at a minimum, not undercut the MTCR;

"(3) to consider the organization of an international conference to review measures which would reduce the proliferation of missiles and missile equipment and technology;

"(4) to consider an international treaty which prohibits the global spread of missiles that are subject to MTCR guidelines; and

"(5) to seek through diplomatic efforts peaceful resolution of regional differences, thereby reducing the perceived need for missile forces.

"SEC. 72. DENIAL OF THE TRANSFER OF MISSILE EQUIPMENT AND TECHNOLOGY.—(a) Except as provided in subsection (b), the following shall apply:

"(1) If the President determines, after consultation with the Secretary of State and the Secretary of Defense, that a domestic firm has transferred, in violation of the MTCR guidelines, after the date of enactment of this Act—

"(A) missile equipment and technology (other than MTCR category I), then the Secretary of State and the Secretary of Defense shall deny, for a period of two years, government contracts relating to missile equipment and technology and export licenses for any transfer of missile equipment and technology to such firm; and

"(B) MTCR category I missile equipment and technology, then the Secretary of State and the Secretary of Defense shall deny, for a period of five years, government contracts relating to missile equipment and technology and export licenses for any transfer of missile equipment and technology to such firm.

"(2) If the President determines, after consultation with the Secretary of State and the Secretary of Defense, that a foreign firm or state entity, in violation of the MTCR guidelines, has transferred, after the date of enactment of this Act—

"(A) missile equipment and technology (other than MTCR category I), then the Secretary of State and the Secretary of Defense shall deny, for a period of two years, government contracts relating to missile equipment and technology and export licenses for any transfer of missile equipment and technology to that foreign firm or State entity; and

"(B) MTCR category I missile equipment and technology, then the Secretary of State and the Secretary of Defense shall deny, for a period of five years, government contracts relating to missile equipment and technology and export licenses for any transfer of missile equipment and technology to that foreign firm or State entity.

"(b) The prohibitions contained in subsection (a) shall not apply if the President, after consultation with the Secretary of State and the Secretary of Defense, determines and so certifies to Congress that the export license or government contract would not be inconsistent with the purpose of the Missile Control Act of 1989.

"SEC. 73. ANNUAL REPORT ON MISSILE CONTROL.—

"(a) CONTENTS OF REPORT.—Not later than February 1 of each year, the Secretary of State shall submit to the Congress a report on transfers of missile equipment and technology to MTCR nonadherents that shall include—

"(1) the status of missile development programs, as defined in the MTCR, of all nonadherents, except the Soviet Union, which have transferred or sold to other countries, or are developing, missile systems and, in the case of the Soviet Union, a description of all missile exports, as defined in the MTCR, to other nonadherents;

"(2) a description of the assistance provided by individual Communist-bloc countries and non-Communist countries and companies, including MTCR adherents, to MTCR nonadherents in the development of missile systems, as defined in the MTCR;

"(3) the number, on a country-by-country basis, of validated export licenses, technical assistance agreements, manufacturing licensing agreements, and letters of offer and acceptance approved for the transfer of missile equipment and technology to MTCR nonadherents;

"(4) a description specifying the type of equipment, the end-user, and the purpose for which it will be used, of missile equipment and technology transfers to MTCR nonadherents which require assurances from the recipient; and

"(5) a description of diplomatic measures that the United States has taken or that other MTCR members have made to the United States with respect to activities of private firms and countries suspected of violating the MTCR.

"(b) TYPE OF REPORT.—The President shall make every effort to submit all of the information required by subsection (a) in unclassified form. Whenever the President submits any such information in classified form, he shall submit such classified information in an addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.

"(c) CONSTRUCTION.—Nothing in this section—

"(1) requires the disclosure of information in violation of Senate Resolution 400 of the Ninety-fourth Congress or otherwise alters, modifies, or supersedes any of the authorities contained therein; or

"(2) shall be construed as requiring the President to disclose any information which, in his judgment, would seriously—

"(A) jeopardize the national security of the United States;

"(B) undermine existing and effective efforts to meet the policy objectives outlined in section 71 of this Act; or

"(C) compromise sensitive intelligence operations, with resulting grave damage to the national security interests of the United States.

"SEC. 74. DEFINITIONS.—For purposes of this chapter—

"(1) the term 'Missile Technology Control Regime' or 'MTCR' means the agreement, as amended, between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on an annex of missile equipment and technology; and

"(2) the terms 'missile' and 'missile equipment and technology' mean those items listed in the MTCR Equipment and Technology Annex, as amended.".

SEC. 5. AMENDMENTS TO THE EXPORT ADMINISTRATION ACT OF 1979.

(a) REVIEW OF MTCR LICENSE APPLICATIONS.—Section 6(a)(5) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(a)(5)) is amended—

(1) by inserting "(A)" immediately after "(5)"; and

(2) by adding at the end thereof the following:

"(B)(i) The Secretary shall direct the Office of Export Licensing to refer all license applications for the export of items on the MTCR annex, excluding those directed to MTCR adherents and those that deal with NATO programs of cooperation, to the Secretary of State and, if so requested, to the Secretary of Defense.

"(ii) The Secretary shall, in consultation with the Secretary of State and the Secretary of Defense, establish a procedure that would permit the Secretary of State and the Secretary of Defense to have access to the Office of Export Licensing's computer lists of license applications for missile equipment and technology.".

(b) EXPORT LICENSING OF CERTAIN MISSILE EQUIPMENT AND TECHNOLOGY.—Section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) is amended—

(1) by redesignating subsections (k) through (p) as subsections (l) through (q), respectively; and

(2) by inserting after subsection (j) the following:

"(k) CONTROLS ON EXPORTS OF MISSILE EQUIPMENT AND TECHNOLOGY.—

"(1) IN GENERAL.—Missile equipment and technology, other than missile equipment and technology on the United States Munitions List, may be exported from the United States only pursuant to a validated export license.

"(2) DENIAL REQUIRED.—After enactment of this subsection, the Secretary shall not issue an export license for missile equipment and technology to which this subsection applies—

"(A) if the proposed exporter or recipient of the export has transferred, after the date of enactment of this subsection, and within the 2-year period preceding the application for the license, missile equipment and technology in violation of the MTCR guidelines;

"(B) if the proposed recipient of the transfer is a facility of a MTCR nonadherent that is designed to develop offensive missiles (as defined in the MTCR) for export to MTCR nonadherents; or

"(C) if the proposed recipient or end-user is located in a country which the Secretary of State has determined, for purposes of subsection (j) of this section, has repeatedly provided support for acts of international terrorism.

"(3) EXCEPTIONS.—Notwithstanding paragraph (2), the Secretary may issue a license for an export of missile equipment and technology to which this subsection applies if, after consultation with the Secretary of Defense, the Secretary determines and so certifies to the Congress that the issuance of the export license would not be inconsistent with the purpose of the Missile Control Act of 1989.".

(c) REPORT.—Section 14 of the Export Administration Act of 1979 (50 U.S.C. App. 2413) is amended—

(1) by striking the section heading and inserting in lieu thereof "REPORTS";

(2) in subsection (a), by striking "CONTENTS" and inserting "ANNUAL REPORTS"; and

(3) by adding at the end thereof the following:

"(g) REPORTS ON CONTROLS OF MISSILE EQUIPMENT AND TECHNOLOGY.—Not later than February 1 of each year, the Secretary shall submit to the Congress a report setting forth with respect to the preceding calendar year—

"(1) the number, on a country-by-country basis, of requests for validated export licenses approved for missile equipment and technology to non-MTCR countries;

"(2) a description, specifying the type of equipment, the end-user, and the purposes

for which it will be used of export licenses approved for missile equipment and technology to MTCR nonadherents that required assurances from the recipient; and

"(3) the number, on a country-by-country basis, and description of requests or applications for missile equipment and technology export licenses that were referred to the Department of State and the Department of Defense.".

(d) DEFINITIONS.—Section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

"(7) the terms 'MTCR', 'Missile Technology Control Regime', and 'missile equipment and technology' have the same meanings as in section 74 of the Arms Export Control Act;".

Mr. McCAIN. Mr. President, this bill is an important first step in strengthening our efforts to halt the proliferation of these missiles whose main purpose is the delivery of weapons of mass destruction.

Senator BINGAMAN has already spoken eloquently of the need to strengthen the missile technology control regime, and of the threat such missiles pose to world security. I believe that it is essential that we in the Congress act quickly and firmly to pass this bill, and to create a body of legislation that will deal with all aspects of the proliferation of weapons of mass destruction.

I also believe, however, that we must move beyond first steps. We must go further, and address both the problem of missiles and destabilizing offensive aircraft. Further, I believe we need to broaden the sanctions in this bill, and to establish suitable deterrents to persuade countries from importing such weapons and technology, and to indigenous efforts. I am working closely with Senator GORE and Congressman BERMAN on such legislation, as well as continuing to work with Senator BINGAMAN.

Proliferation is not a partisan issue. It is not a liberal issue of conservative issue. It is not a matter of contention between the President and the Congress.

Proliferation is now the greatest long-term security threat our Nation faces. The progress that East and West are making toward arms control still leaves much to be done, but I have increasing confidence that we will reduce the threats we have faced for nearly the last half century to manageable levels, and economic levels that act as a stimulus to progress, rather than as a threat to mankind's survival.

All of this progress, however, can be lost because of the actions of other states. We face the immediate and continuing risk that less developed states will start a new arms race of their own.

It is bad enough that far too many of the world's poorer states already mortgage their future by spending far more than they can afford on conventional arms. It will be far worse if they indulge in a global arms race in long-range missiles, in long-range bombers, in chemical weapons, in biological weapons, in nuclear weapons, and in the kind of advanced conventional weapons that can be used to cripple national economies and infrastructures.

I cannot believe that a world filled with regional conflicts, and new and ancient hatreds, can survive such proliferation. There simply are too many regimes whose leadership is as indifferent to the fate of other states as it is to the fate of their own people. Given the economic and political pressures on the developing world, even today's most stable regimes may be replaced with tomorrow's extremists.

Today's limited steps toward proliferation may be replaced with a race toward every possible form of proliferation. The end result is virtually certain to be the use of weapons of mass destruction and genocide. If not tomorrow, or next year, during the next decade or the decade after that.

Even if we in the United States, the West, or the first and second worlds, can escape the direct costs of such an arms race, we cannot escape the constant threat it will pose to our strategic interests, our military forces, and eventually to our populations. The world is now a very small place, and every advance in weapons is making it smaller. It would be an unspeakable tragedy if we were to resolve the tensions between East and West only to see them reoccur in the Third World.

This is why I believe we need to act quickly and decisively on this bill, and on the bills that Senators DOLE and PELL have put down relating to chemical and biological weapons. It is why I believe that additional legislation will be needed to expand our efforts to halt the proliferation of missiles and destabilizing aircraft, and why I believe we cannot simply single out a few terrorist or user countries, or ignore the grim reality that this is a problem that primarily affects less developed states. This problem threatens our very future, and we cannot let short term expediency blind us to the fact.

● Mr. GLENN. Mr. President, I rise to announce my support for the Missile Control Act of 1989, a bill that was introduced today by my friend and colleague from New Mexico, Senator BINGAMAN.

Before I address the substance of this bill, I want to commend Senator BINGAMAN for his diligent efforts in recent years to improve national and international controls over the proliferation of missiles that are capable of delivering nuclear, chemical or biological weapons. There is no question in my mind that the problem he is addressing is one that threatens the security of all Americans, and there is also no question that Senator BINGAMAN has some creative ideas on how we can address this problem. I am proud to join his efforts here today.

The Committee on Governmental Affairs, which I chair, has held five hearings so far this year—four of which were held jointly with Senator NUNN's Permanent Subcommittee on Investigations—on the subject of the proliferation of chemical, biological, and nuclear weapons. Throughout these hearings, we heard testimony raising concerns about the proliferation not just of these specific weapons, but of the missile systems that are capable of delivering them. Clearly, existing controls need to be improved both nationally and internationally—and we need to act soon.

I am pleased to report that prospects appear good indeed for progress in this area—especially in light of the shared appreciation in both the Executive and Congress, and in both parties, about the gravity of the problems that are posed by missile proliferation.

On February 22 of this year, Rear Adm. Thomas A. Brooks, the Director of Naval Intelligence, testified before the Seapower Subcommittee of the House Armed Services Committee that, in his words—

> The most significant event in the ballistic missile arena in 1988 was the Saudi purchase of the CSS-2 IRBM system from the PRC . . . In one stroke, Riyadh acquired a system which, when completely installed, could have a range of 1500 nautical miles and potentially will be able to threaten Iran, the Soviet Union, India, and Israel, among others.

Admiral Brooks provided additional details about the proliferation of ballistic missiles, including: Iraq's successful extension of the range of its Soviet-supplied Scud missiles; Israel's test launches of its 800-nautical-mile-range Jericho II missile; India's test of an indigenously produced short range ballistic missile—the "Prithvi"—with a range of 135 nautical miles; Pakistan's recent testing of its own SRBM which could be operational by the early 1990's; and last but certainly not least, China's efforts to market its "M" series of SRBM's, one of which—the M-9—he said "is certain to find clients in a number of Middle Eastern/South Asian states."

Since Admiral Brooks' statement, we witnessed India's test on May 22 of an intermediate range ballistic missile, the Agni, with a range about 10 times that of the Prithvi. And just yesterday I read in the Washington Times an article claiming that South Africa may be preparing to test an intermediate range ballistic missile, allegedly developed with Israeli assistance, that is capable of carrying a nuclear warhead.

I ask unanimous consent to introduce into the RECORD at the end of my remarks the full text of that article.

The Director of Central Intelligence echoed many of Admiral Brooks' concerns in testimony before the Committee on Governmental Affairs on February 9 and May 18. At our May hearing, he chronicled the rapid progress

that many nations in Latin America, the Middle East and South Asia, and concluded with these heavy words:

> We believe that the missile proliferation problem will affect every region of the world . . . It will become worse—and may never become better . . . [concluding that] Nuclear proliferation combined with the spread of chemical and biological weapons and the missiles to deliver weapons of mass destruction have the potential to place many regional conflicts on the brink of catastrophy.

We have every reason to take Judge Webster's concerns seriously. Mr. President, I ask unanimous consent to insert at this point in the RECORD a table summarizing some details about 22 ballistic missiles that are now under development or in service in 16 nations in the developing world.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE GLOBAL SPREAD OF BALLISTIC MISSILES—1989

Country	Missile	Producer	[illegible]
MIDDLE EAST AND AFRICA			
Egypt	Scud-B	USSR	In service.
	Badr-2000 (Condor II).	Egypt/Argentina	Under development.
Iran	Scud-B	USSR/N. Korea	In service.
	Unnamed	Iran/China	Uncertain.
Iraq	Scud-B	USSR	In service.
	Scud-B (Al [illegible]).	Iraq-modified	Do.
	Scud-B (Al Abbas).	do	Do.
	SS-12	USSR	[illegible]
	Condor II	Argentina/Egypt with Iraq funding.	Under [illegible].
Syria	Scud-B	USSR	In service.
Libya	do	do	Do.
Saudi Arabia	CSS-2	China	Do.
Israel	Jericho	Israel	Do.
	Jericho II	do	Possibly in service.
South Yemen	Scud-B	USSR	In service.
Afghanistan	do	do	Do.
ASIA			
India	Prithvi	India	Under [illegible]
	Agni	do	Do.
Pakistan	HATF-2	Pakistan w/China	Do.
Taiwan	Sky Horse	Taiwan	Do.
North Korea	Scud-B	N. Korea/Egypt	In service.
South Korea	NIKE (mod.)	S. Korea	Do.
SOUTH AMERICA			
Argentina	Condor II	Egypt/Iraq/Argentina.	Under development.
Brazil	[illegible]/II series	Brazil	Do.
	SS series	do	Do.

Mr. GLENN. Mr. President, I have no doubt whatsoever that enactment of Senator BINGAMAN's bill will enhance our national security and reduce the risk of further proliferation of these nuclear-capable missiles.

The bill expresses strong support for the Missile Technology Control Regime [MTCR], which was negotiated in 1987 between seven nations that export missile technology, and seeks to strengthen this regime by expanded international cooperation.

The bill prohibits the transfer of American missile equipment and technology to private firms and to countries that have violated MTCR guidelines, and to countries that support terrorism or to countries outside the MTCR that pursue offensive missiles development facilities.

The bill reaffirms the leading roles of the Commerce and State Departments in implementing missile export controls, while improving cooperation and coordination between these Departments and the Department of Defense with respect to the sharing of knowledge about missile-related export sales.

The bill offers improved and reasonable executive reporting requirements to enhance Congress' awareness of current proliferation-related developments and our Nation's international diplomacy to halt the spread of these weapons.

Finally, and perhaps most importantly, the bill raises the national priority of our missile nonproliferation efforts, and sends a signal to other nations of our deep national commitment to these efforts.

I look forward to working with Senator BINGAMAN and his distinguished cosponsors to ensure speedy enactment of this legislation.

There being no objection, the article mentioned earlier was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 20, 1989]

SOUTH AFRICA ON THE BRINK OF BALLISTIC MISSILE TEST

(By Bill Gertz)

The South African government will soon test launch a new intermediate-range ballistic missile developed with the help of Israel, according to U.S. intelligence officials.

The missile is a modified version of Israel's Jericho II IRBM and was detected by U.S. intelligence agencies at Armaston, a test range on the coast of South Africa near Capetown, the officials said.

It is said to be in the final stage of development, and the first test launch could take place in the next several weeks over the Indian Ocean, said the officials, who requested anonymity.

The new missile has been under development since at least 1987 as a joint project of Israel and South Africa, the officials said.

They added that the missile will give South Africa the capability to launch a nuclear warhead against a target at least 900 miles away, the officials said.

Acquisition of the ballistic missile would give the Pretoria government the capability to deliver a nuclear warhead to targets among the so-called front-line states in Africa as far north as Angola and Tanzania.

The pending missile test has increased concern among officials at the CIA and Defense Intelligence Agency over the proliferation of IRBMs in areas of high geopolitical tension.

Both South Africa and Israel are believed to possess nuclear weapons.

Evidence of a South African nuclear bomb dates to Sept. 22, 1979, when a flash of light was picked up by a U.S. satellite and interpreted by many analysts to be a nuclear explosion. A second suspected explosion was recorded a year later.

A spokesman for the U.S. Arms Control and Disarmament Agency declined comment on the expected South African test launch.

A military attache at the South African Embassy said he was unaware of the IRBM project.

Yossi Gal, an Israeli Embassy press spokesman, declined to comment. But Mr. Gal noted that the Israeli government decided in March 1987 not to initiate any new defense contracts with South Africa.

Pressed for a specific response to the pending missile test, Mr. Gal said: "We don't make public comments on defense ties."

Another Israeli source said the U.S. government has been pressing the Israeli government for the past several years to limit its defense cooperation with South Africa because of American opposition to the latter's racial policy of apartheid.

Defense links between Israel and South Africa are said by U.S. officials to be very close on a wide range of military projects, however, despite Israeli promises to end all military cooperation by 1991.

U.S. intelligence agencies believe the new South African IRBM also will be used as a booster for launching photo-reconnaissance satellites into space.

Israel launched its first low-earth surveillance satellite in September and is developing a second generation of satellites scheduled for launch later this year.

The missile test facility in South Africa where the IRBM was spotted is said to be identical to the Israeli launch site where the satellite lift-off occurred in the Negev Desert, the officials said.

The booster for that launch was described in press accounts at the time as a multistage, long-range version of the Jericho II, known as the Shavit, or Comet.

By conducting the missile test in South Africa, the Israelis will be able to monitor their longer-range version of the Jericho II because of the vast adjacent ocean and desert test areas, the officials said.

Previous Israeli IRBM tests were conducted into the Mediterranean Sea, including a test last year of a Jericho II that traveled 510 miles, with a maximum possible range of 900 miles.

U.S. intelligence agencies believe the South African IRBM is either a Jericho II or a Comet and will not know for certain until after the missile is tested, the officials said. The Comet is believed to have a maximum range of more than 2,000 miles.

South Africa is also said to be cooperating with Israel in developing a photo-reconnaissance satellite, the officials said.

The two countries plan to launch the satellites to assist South Africa in monitoring the recently concluded agreement providing for the withdrawal of Cuban forces from Angola, the officials said.

CIA Director William Webster, in a series of speeches over the past several months, has indicated that the increase in ballistic missiles, coupled with the nuclear and chemical weapons programs in several developing countries, poses "new dangers to regional stability and to the interests of the United States."

"Another disturbing development we have seen is the outright transfer of complete missile systems from one country to another," Mr. Webster said in a March 30 speech, without elaborating.

Mr. Webster said the spread of ballistic missiles was a cause of concern for U.S. policymakers and intelligence officials because they increase the possibility that nuclear arms can be used in regional conflicts. At least 15 developing countries he did not identify by name will be producing their own ballistic missiles by the year 2000, he said.

Ronald F. Lehman II, director of the U.S. Arms Control and Disarmament Agency, told the Senate Government Affairs Committee last month that ballistic missiles "may give undue confidence to an aggression"

"Possession of nuclear-armed missiles by additional countries would create a grave threat to international security given the

VOL 135 PT 9 JE 14 — 22 1989 UMI

level of international tension that exists in some regions, the limitations of command and control, and the proximity of the antagonists," Mr. Lehman said.

U.S. officials became increasingly concerned about the spread of IRBMs after Saudi Arabia acquired Chinese-made CSS-2 East Wind missiles last year.●

By Mr. HATCH:

S. 1228. A bill to provide for changes in the Federal firearms laws, to provide for the Federal death penalty, to make changes in certain criminal laws, and for other purposes; to the Committee on the Judiciary.

CRIME REDUCTION ACT

Mr. HATCH. Mr. President, I rise today to introduce the Crime Reduction Act of 1989.

When my colleagues examine my bill, they will discover that it is nearly identical to the President's proposal, the Comprehensive Violent Crime Control Act of 1989, which has recently been introduced. That is because I believe that most of what the President has included in his anticrime bill is good. Indeed, I suggested a number of these approaches when the Subcommittee on the Constitution considered gun control legislation earlier this year. I agree that we need to reinstate the Federal death penalty. We need drug testing of criminal defendants on postconviction release. We need to reform the exclusionary rule and habeas corpus proceedings. We need more prisons, prosecutors, and law enforcement agents. We need tougher measures against those who misuse guns.

I cannot support the President's bill in its current form, however, because I differ with the President with respect to some of his proposals regarding gun control. I believe that two provisions, in particular, do not belong in this legislation. These provisions will only punish law abiding gun owners, and will have little, if any, effect on violent crime. Consequently, I have introduced the Crime Reduction Act to reflect what I beleive to be the better approach to crime control.

Let me explain the changes that I have proposed to the President's bill. In his package, the President has proposed amendments to chapter 44 of title 18, United States Code, the Gun Control Act of 1968, prohibiting the domestic assembly of firearms that the Bureau of Alcohol, Tobacco, and Firearms has banned from importation because they have no "sporting" purpose. According to the administration's section-by-section analysis of the bill:

> These amendments are designed to prevent the circumvention of the importation restrictions by simply importing the firearms in a disassembled form and assembling them in the United States using domestically manufactured or other frames or receivers capable of accepting the imported parts. The amendment does not impose any new import restrictions on parts themselves since there are legitimate reasons to import replacement parts for existing firearms. *Moreover, the amendment is not intended to impose any new standard on the types of firearms which can be manufactured domestically.* (Emphasis added.)

I believe, and I think that many would agree, that this section of the President's bill does, in fact, impose a new standard on the types of firearms which can be manufactured domestically. The section-by-section analysis refers to imported parts, but the actual language in the bill says nothing about imported parts. It bans the assembly, regardless of the origin of the parts, of any semiautomatic rifle or any shotgun which is identical to any weapon that has been banned.

I have already gone on record as opposing the reevaluation of imported semiautomatic firearms currently being conducted by the BATF. I believe it was a hasty and ill-informed decision to try and reduce some of the pressure that has been brewing regarding so-called assault weapons. This section of the President's bill only makes a bad decision worse. It imposes a domestic manufacturing ban on any firearm that the Secretary of the Treasury decides is identical to foreign semiautomatic firearms that he or she has also decided has no sporting purpose. And in the case of the current BATF review, these are weapons that at one time were determined to have a sporting purpose. Will the notion of what is a sporting purpose now change from administration to administration?

And finally, with respect to this provision, I suppose if someone wanted to be technical about the President's bill, it could be read to prohibit the reassembly of a gun that had been taken apart for cleaning purposes, even though it had been previously legally imported and is currently legally owned. My bill omits this section of the President's bill.

Title III of the President's bill proposes a prospective ban on the manufacture of ammunition clips and magazines which hold more than 15 rounds for demestic, nongovernment use. That title does permit the continued possession and sale of such clips that were lawfully owned before the bill becomes effective, but in order to transfer them to another party, they must be registered with the Secretary of the Treasury. For all intents and purposes, the President's bill proposes treating large ammunition clips as machineguns. Under this proposal, in order to transfer a large capacity clip, the transferor must obtain an indentification number for the clip; register the number, identification and address of the transferee with the Secretary; and pay a $25 transfer fee. The transferor and transferee may also be required to comply with any other regulations promulgated by the Secretary.

When I first reviewed proposals to limit or ban large capacity clips, I was skeptical as to their effectiveness in addressing violent crime because it takes so little time for a clip to be changed by someone who knows how to operate a gun. I concluded that banning large clips was not an answer to our crime problems. In my view, the President's proposal compounds the problem of focusing on clip size rather than criminals in this provision. Not only would his bill ban future production of these clips, but it requires the registration of existing clips. Now I don't know about most people, but I view such a proposal as a de facto registration of the gun that uses the clip. It seems only reasonable that if the Government knows where a particular clip is located, it will also probably find a corresponding firearm.

If my memory is correct, I believe that we have previously voted down firearm registration proposals at least three times—once during the consideration of the 1968 National Firearms Act, once again in 1978 when Congress rejected BATF's attempt to establish registration by regulation, and finally during the consideration of the Firearms Owners' Protection Act of 1986. I am strongly opposed to this registration requirement and a clip ban. I have also deleted this section of the President's bill from my bill.

Finally, unrelated to firearms, I have substituted S. 379, a bill I introduced earlier this year to eliminate the exclusionary rule in Federal criminal cases, in place of the President's proposal to revise the exclusionary rule. Rather than carving out a good faith exception to the exclusionary rule as the President would do, my proposal would eliminate the exclusionary rule in Federal criminal proceedings. This would permit the introduction of evidence which may have been obtained in violation of fourth amendment rights by Federal law enforcement officials in Federal criminal proceedings. In place of the exclusionary rule, to protect the rights of those charged with crimes, my proposal would provide a private right of action against the United States for actual and punitive damages which result from a search or seizure conducted in violation of the fourth amendment.

I believe this exclusionary rule proposal will more appropriately address the problems that have historically occurred as a result of evidence that has been excluded for what are often technical or good faith mistakes during criminal investigations.

Mr. President, I believe that this crime package is a responsible approach to the problem of violent crime. As I stated at the outset, most of my bill is in complete agreement with the President's legislative package. I do believe, however, that by deleting the two gun provisions and changing the exclusionary rule proposal, this bill will help to reduce violent crime and protect the second amendment rights of law-abiding citizens. I ask my colleagues to give serious consideration to this proposal.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1228

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Crime Reduction Act of 1989".

TITLE I—FIREARMS AND RELATED AMENDMENTS

SEC. 101. PROHIBITION AGAINST TRANSFERRING FIREARMS TO NONRESIDENTS.

Section 922(a)(5) of title 18, United States Code, is amended by striking out "resides" and all that follows through "(or other than that in which its place of business is located if the transferor is a corporation or other business entity);" and inserting in lieu thereof "does not reside in (or if the person is a corporation or other business entity, does not maintain a place of business in) the state in which the transferor resides;".

SEC. 102. COMMERCE NEXUS FOR TRAFFICKING IN STOLEN FIREARMS.

(1) Section (1) 922(j) of title 18, United States Code, is amended by striking out "or which constitutes," and inserting in lieu thereof "which constitutes, or which has been shipped or transported in,";

(2) Section 922(k) of title 18, United States Code, is amended by inserting "or to possess or receive any firearm which has had the importer's or manufacturer's serial number removed, obliterated, or altered and has, at any time, been shipped or transported in interstate or foreign commerce" after "altered".

SEC. 103. TECHNICAL AMENDMENTS.

(1) Section 923(d)(1)(B) of title 18, United States Code, is amended by stiking out "(h)" and inserting in lieu there of "(n)";

(2) Section 925(a)(1) of title 18, United States Code, is amended by inserting "possession," before "or importation";

(3) Section 925(c) of title 18, United States Code, is amended by striking out "conviction" the first and third place such term appears and inserting in lieu thereof "disability" and by striking out "by reason of such a conviction";

(4) Section 924(a) of title 18, United States Code, is amended by striking out ", and shall become eligible for parole as the Parole Commission shall determine" in both places those words appear. This amendment shall be effective with respect to any offense committed after November 1, 1987.

SEC. 104. DISPOSITION OF FORFEITED FIREARMS.

Subsection 5872(b) of title 26, United States Code, is amended to read as follows:

"(b) DISPOSAL.—In the case of the forfeiture of any firearm, where there is no remission or mitigation for forfeiture thereof—

"(1) the Secretary may retain the firearm for official use of the Department of the Treasury or, if not so retained, offer to transfer the weapon without charge to any other executive department of independent establishment of the Government for official use by it, and, if the offer is accepted, so transfer the firearm;

"(2) if the firearm is not disposed of pursuant to paragraph (1), is a firearm other than a machinegun or a firearm forfeited for a violation of this chapter, is a firearm that in the opinion of the Secretary is not so defective that its disposition pursuant to this paragraph would create an unreasonable risk of a malfunction likely to result in a death or bodily injury, and is a firearm which (in the judgment of the Secretary, taking into consideration evidence of present value and evidence that like firearms are not available except as collector's items, or that the value of like firearms available in ordinary commercial channels is substantially less) derives a substantial part of its monetary value from the fact that it is novel, rare, or because of its association with some historical figure, period, or event the Secretary may sell such firearm, after public notice, at public sale to a dealer licensed under the provisions of chapter 44 of title 18, United States Code;

"(3) if the firearm has not been disposed of pursuant to paragraphs (1) or (2), the Secretary shall transfer the firearm to the Administrator of General Services, General Services Administration, who shall destroy or provide for the destruction of such firearm; and

"(4) no decision or action of the Secretary pursuant to this subsection shall be subject to judical review.".

SEC. 105. CLARIFICATION OF "BURGLARY" UNDER THE ARMED CAREER CRIMINAL STATUTE.

Section 924(e)(2) of title 18, United States Code, is amended by adding a new subparagraph, as follows:

"(D) the term 'burglary' means any crime punishable by a term of imprisonment exceeding one year and consisting of entering or remaining surreptitiously within a building that is the property of another with intent to engage in conduct constituting a Federal or State offense.".

SEC. 106. SERIOUS DRUG OFFENSES BY JUVENILES AS ARMED CAREER CRIMINAL ACT PREDICATES.

Section 924(e)(2)(A) of title 18, United States Code, is amended—

(1) by striking out "or" at the end of clause (i);

(2) by striking out "and" at the end of clause (ii) and inserting in lieu thereof "or"; and

(3) by adding a new clause (iii), as follows:

"(iii) any act of juvenile delinquency that if committed by an adult would be a serious drug offense described in this paragraph; and".

SEC. 107. CLARIFICATION OF DEFINITION OF CONVICTION.

Section 921(a)(20) of title 18, United States Code, is amended by adding at the end the following:

"Notwithstanding the previous sentence, if the conviction was for a violent felony involving the threatened or actual use of a firearm or explosive or was for a serious drug offense, as defined in section 924(e) of this title, the person shall be considered convicted for purposes of this chapter irrespective of any pardon, setting aside, expunction, or restoration of civil rights."

SEC. 108. PERMITTING CONSIDERATION OF PRETRIAL DETENTION FOR CERTAIN FIREARMS AND EXPLOSIVES OFFENSES.

Section 3142(f)(1) of title 18, United States Code, is amended by—

(1) striking out "or" before subparagraph (D);

(2) redesignating subparagraph (D) as subparagraph (E); and

(3) inserting a new subparagraph (D) as follows:

"(D) an offense under 18 U.S.C. 884(a) that is a violation of 18 U.S.C. 842 (d), (h), or (i), or an offense under 18 U.S.C. 924(a) that is a violation of 18 U.S.C. 922 (d), (g), (h), (k), (j), or (o); or".

SEC. 109. ENHANCED PENALTY FOR USE OF SEMIAUTOMATIC FIREARM DURING A CRIME OF VIOLENCE OR DRUG TRAFFICKING OFFENSE.

(a) Section 924(c) of title 18, United States Code, is amended by inserting "and if the firearm is a semiautomatic firearm, to imprisonment for ten years," after "sentenced to imprisonment for five years,";

(b) Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(25) the term 'semiautomatic firearm' means any repeating firearm which utilizes a portion of the energy of a firing cartridge to extract the fired cartridge case and chamber the next round, and which requires a separate pull of the trigger to fire each cartridge.".

SEC. 110. SMUGGLING FIREARMS IN AID OF DRUG TRAFFICKING.

Section 924 of title 18, United States Code, is amended by adding at the end thereof the following:

"(h) Whoever, with the intent to engage in, or to promote, conduct which—

"(1) is punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), or the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.);

"(2) violates any law of a State relating to any controlled substance (as defined in section 102 of the Controlled Substances Act, 21 U.S.C. 802); or

"(3) constitutes a crime of violence (as defined in subsection (c)(3));

smuggles or knowingly brings into the United States a firearm, or attempts to do so, shall be imprisoned for not more than ten years, fined under this title, or both.".

SEC. 111. THEFT OF FIREARMS AND EXPLOSIVES.

(1) Section 924 of title 18, United States Code, is amended by adding at the end the following:

"(i) Whoever steals any firearm which is moving as, or is a part of, or which has moved in, interstate or foreign commerce shall be imprisoned for not less than two or more than ten years, and may be fined under this title.".

(2) Section 844 of title 18, United States Code, is amended by adding at the end the following:

"(k) Whoever steals any explosives materials which are moving as, or are a part of, or which have moved in, interstate or foreign commerce shall be imprisoned for not less than two or more than ten years, and may be fined under this title.".

SEC. 112. BAR ON SALE OF FIREARMS AND EXPLOSIVES TO OR POSSESSION OF FIREARMS AND EXPLOSIVES BY PERSONS CONVICTED OF A VIOLENT OR SERIOUS DRUG MISDEMEANOR.

(1) Sections 842(d)(2) and 922(d)(1) of title 18, United States Code, are each amended by inserting ", or has been convicted in any court of any crime of violence or serious misdemeanor drug or narcotic offense (as defined in section 404(c) of the Controlled Substances Act, 21 U.S.C. 844(c)). It is a bar to a prosecution under this section that the conviction for a serious misdemeanor drug or narcotic offense occurred prior to the date of enactment of this Act" after "crime punishable by imprisonment for a term exceeding one year";

(2) Sections 842(i)(1) and 922(g)(1) of title 18, United States Code, are each amended by inserting "or has been convicted in any court of any crime of violence or serious misdemeanor drug or narcotic offense (as defined in section 404(c) of the Controlled Substances Act, 21 U.S.C. 844(c)). It is a bar to a prosecution under this section that the conviction for a serious misdemeanor drug or narcotic offense occurred prior to the date of enactment of this Act" after "crime punishable by imprisonment for a term exceeding one year";

VOL 135 PT 9 JE 14 — 22 1989 UMI

(3) Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(q) For purposes of this section and section 842 of this title—

"(1) the term 'crime of violence' means an offense that has as an element the use of physical force against the person of another with intent to cause bodily harm to such person; and

"(2) the term 'serious misdemeanor' means an offense for which the maximum term of imprisonment is greater than six months.".

SEC. 113. POSSESSION OF A FIREARM OR AN EXPLOSIVE DURING THE COMMISSION OF A FELONY.

(1) Section 924(c) of title 18, United States Code, is amended by striking out "uses or carries a firearm" and inserting in lieu thereof "uses, carries, or otherwise possesses a firearm".

(2) Section 844(h) of title 18, United States Code, is amended by striking out "carries an explosive during" and inserting in lieu thereof "carries or otherwise possesses an explosive during".

SEC. 114. MANDATORY REVOCATION OF SUPERVISED RELEASE FOR POSSESSION OF A FIREARM.

Section 3583 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) MANDATORY REVOCATION FOR POSSESSION OF A FIREARM.—If the court has provided, as a condition of supervised release, that the defendant refrain from possessing a firearm, and if the defendant is in actual possession of a firearm, as that term is defined in section 921 of this title, at any time prior to the expiration or termination of the term of supervised release, the court shall, after a hearing pursuant to the provisions of the Federal Rules of Criminal Procedure that are applicable to probation revocation, revoke the term of supervised release and, subject to the limitations of paragraph (e)(3) of this section, require the defendant to serve in prison all or part of the term of supervised release without credit for time previously served on postrelease supervision.".

SEC. 115. INCREASED PENALTY FOR KNOWINGLY FALSE, MATERIAL STATEMENT IN CONNECTION WITH THE ACQUISITION OF A FIREARM FROM A LICENSED DEALER.

Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (a)(1)(B), by striking out "(a)(6),";

(2) in subsection (a)(2), by inserting "(a)(6)," after "subsections".

SEC. 116. INCREASED PENALTY FOR SECOND OFFENSE OF USING AN EXPLOSIVE TO COMMIT A FEDERAL FELONY.

Section 844(h) of title 18, United States Code, is amended by striking out "ten years" and inserting in lieu thereof "twenty years".

SEC. 117. INAPPLICABILITY OF ENHANCED PENALTY IN PRESENCE OF MITIGATING CIRCUMSTANCES.

The amendment of section 109(a) of this Act shall not apply in sentencing a defendant who establishes that:—

(1) he used the firearm to protect himself or another person from an immediate danger of death or injury arising from the unlawful use or threat of force by the person against whom the firearm was used;

(2) he used the firearm to protect the person or property of himself or another against actually occurring or immediately threatened felonious conduct by the person against whom the firearm was used; or

(3) he used the firearm to effect the arrest or prevent the escape of a person in immediate flight after the commission of a felony.

Notwithstanding the foregoing, this section is not applicable if the defendant engaged or participated in criminal conduct that gave rise to the occasion for the defendant's use of the firearm.

TITLE II—CAPITAL PUNISHMENT

SEC. 201. SHORT TITLE FOR TITLE II.

This title may be cited as the "Capital Punishment Procedures Act of 1989".

SEC. 202. DEATH PENALTY PROCEDURES.

Title 18 of the United States Code is amended—

(a) by adding the following new chapter after chapter 227:

"CHAPTER 228—DEATH PENALTY PROCEDURES

"Sec.
"3591. Sentence of death.
"3592. Factors to be considered in determining whether a sentence of death is justified.
"3593. Special hearing to determine whether a sentence of death is justified.
"3594. Imposition of a sentence of death.
"3595. Review of a sentence of death.
"3596. Implementation of a sentence of death.
"3597. Use of State facilities.
"3598. Appointment of counsel.

"§ 3591. Sentence of death

"A defendant who has been found guilty of—

"(a) an offense described in section 794 or section 2381 of this title;

"(b) an offense described in section 1751(c) of this title if the offense, as determined beyond a reasonable doubt at a hearing under section 3593, constitutes an attempt to murder the President of the United States and results in bodily injury to the President or comes dangerously close to causing the death of the President; or

"(c) any other offense for which a sentence of death is provided, if the defendant, as determined beyond a reasonable doubt at a hearing under section 3593 either—

"(1) intentionally killed the victim;

"(2) intentionally participated in an act, contemplating that the life of a person would be taken or intending that lethal force would be used in connection with a person, other than one of the participants in the offense, and the victim died as a direct result of the act; or

"(3) acting with reckless disregard for human life, engaged or substantially participated in conduct which the defendant knew would create a grave risk of death to another person or persons and death resulted from such conduct;

shall be sentenced to death if, after consideration of the factors set forth in section 3592 in the course of a hearing held pursuant to section 3593, it is determined that imposition of a sentence of death is justified: Provided, That no person may be sentenced to death who was less than eighteen years of age at the time of the offense.

"§ 3592. Factors to be considered in determining whether a sentence of death is justified

"(a) MITIGATING FACTORS.—In determining whether a sentence of death is justified for any offense, the jury, or if there is no jury, the court, shall consider each of the following mitigating factors and determine which, if any, exist:

"(1) MENTAL CAPACITY.—The defendant's mental capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, regardless of whether the capacity was so impaired as to constitute a defense to the charge.

"(2) DURESS.—The defendant was under unusual and substantial duress, regardless of whether the duress was of such a degree as to constitute a defense to the charge.

"(3) PARTICIPATION IN OFFENSE MINOR.—The defendant is punishable as a principal (as defined in section 2 of title 18 of the United States Code) in the offense, which was committed by another, but the defendant's participation was relatively minor, regardless of whether the participation was so minor as to constitute a defense to the charge.

The jury, or if there is no jury, the court, shall consider whether any other aspect of the defendant's character or record or any other circumstance of the offense that the defendant may proffer as a mitigating factor exists.

"(b) AGGRAVATING FACTORS FOR ESPIONAGE AND TREASON.—In determining whether a sentence of death is justified for an offense described in section 3591(a), the jury, or if there is no jury, the court, shall consider each of the following aggravating factors and determine which, if any, exist:

"(1) PREVIOUS ESPIONAGE OR TREASON CONVICTION.—The defendant has previously been convicted of another offense involving espionage or treason for which a sentence of life imprisonment or death was authorized by statute.

"(2) RISK OF SUBSTANTIAL DANGER TO NATIONAL SECURITY.—In the commission of the offense the defendant knowingly created a grave risk to the national security.

"(3) RISK OF DEATH TO ANOTHER.—In the commission of the offense the defendant knowingly created a grave risk of death to another person.

The jury, or if there is no jury, the court, may consider whether any other aggravating factor exists.

"(c) AGGRAVATING FACTORS FOR HOMICIDE AND FOR ATTEMPTED MURDER OF THE PRESIDENT.—In determining whether a sentence of death is justified for an offense described in section 3591(b) or (c), the jury, or if there is no jury, the court, shall consider each of the following aggravating factors and determine which, if any, exist:

"(1) DEATH OCCURRED DURING COMMISSION OF ANOTHER CRIME.—The death occurred during the commission or attempted commission of, or during the immediate flight from the commission of, an offense under section 751 (prisoners in custody of institution or officer), section 794 (gathering or delivering defense information to aid foreign government), section 844(d) (transportation of explosives in interstate commerce for certain purposes), section 844(f) (destruction of Government property by explosives), section 1118 (prisoners serving life term), section 1201 (kidnapping), or section 2381 (treason) of this title, section 1826 of title 28 (persons in custody as recalcitrant witnesses or hospitalized following a finding of not guilty only by reason of insanity), or section 902(i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(i) or (n) (aircraft piracy)).

"(2) INVOLVEMENT OF FIREARM OR PREVIOUS CONVICTION OF VIOLENT FELONY INVOLVING FIREARM.—The defendant—

"(A) during and in relation to the commission of the offense or in escaping apprehension used or possessed a firearm as defined in section 921 of this title; or

"(B) has previously been convicted of a Federal or State offense punishable by a term of imprisonment of more than one year, involving the use or attempted or threatened use of a firearm, as defined in

section 921
person.
"(3) PREV
WHICH A SE
ONMENT W
has previou
Federal or
death of a
life imprisc
by statute.
"(4) PREV
OUS OFFENS
ly been con
State offen
imprisonme
mitted on
distribution
fined in se
stances Act
of, or atten
injury or d
"(5) GRA
PERSONS.—T
of the offe
knowingly
one or m
victim of th
"(6) HEI
OF COMMIS
the offens
or depraved
ture or ser
"(7) PRO
MENT.—The
sion of the
of paymen
"(8) COM
NIARY GAIN
offense as
in the exp
thing of pe
"(9) SUB
TION.—The
fense after
ditation.
"(10) V
victim wa
old age, yo
"(11) T
committed
"(A) the
the Presid
Vice Presi
ignate, or,
officer ne
office of t
or any pe
under the
United Sta
"(B) a c
or the p
nation;
"(C) a
1116(b)(3)
in the Un
"(D) a
judge, a F
employee
employee
of the Fed
"(i) whi
in the per
"(ii) bec
public ser
"(iii) b
status as
For purp
'President
mean suc
cessful c
dent and
certained
elections
President
with title
and 2; 'Fe
public se

section 921 of this title, against another person.

"(3) PREVIOUS CONVICTION OF OFFENSE FOR WHICH A SENTENCE OF DEATH OR LIFE IMPRISONMENT WAS AUTHORIZED.—The defendant has previously been convicted of another Federal or State offense resulting in the death of a person, for which a sentence of life imprisonment or death was authorized by statute.

"(4) PREVIOUS CONVICTION OF OTHER SERIOUS OFFENSES.—The defendant has previously been convicted of two or more Federal or State offenses, each punishable by a term of imprisonment of more than one year, committed on different occasions, involving the distribution of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) or the infliction of, or attempted infliction of, serious bodily injury or death upon another person.

"(5) GRAVE RISK OF DEATH TO ADDITIONAL PERSONS.—The defendant, in the commission of the offense or in escaping apprehension, knowingly created a grave risk of death to one or more persons in addition to the victim of the offense.

"(6) HEINOUS, CRUEL, OR DEPRAVED MANNER OF COMMISSION.—The defendant committed the offense in an especially heinous, cruel, or depraved manner in that it involved torture or serious physical abuse to the victim.

"(7) PROCUREMENT OF OFFENSE BY PAYMENT.—The defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value.

"(8) COMMISSION OF THE OFFENSE FOR PECUNIARY GAIN.—The defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value.

"(9) SUBSTANTIAL PLANNING AND PREMEDITATION.—The defendant committed the offense after substantial planning and premeditation.

"(10) VULNERABILITY OF VICTIM.—The victim was particularly vulnerable due to old age, youth, or infirmity.

"(11) TYPE OF VICTIM.—The defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice President, the Vice President-elect, the Vice President-designate, or, if there is no Vice President, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent, of a foreign nation;

"(C) a foreign official listed in section 1116(b)(3)(A) of this title, if that official is in the United States on official business; or

"(D) a public servant who is a Federal judge, a Federal law enforcement officer, an employee (including a volunteer or contract employee) of a Federal prison, or an official of the Federal Bureau of Prisons—

"(i) while such public servant is engaged in the performance of his official duties;

"(ii) because of the performance of such public servant's official duties; or

"(iii) because of such public servant's status as a public servant.

For purposes of this paragraph, the terms 'President-elect' and 'Vice President-elect' mean such persons as are the apparent successful candidates for the offices of President and Vice President, respectively, as ascertained from the results of the general elections held to determine the electors of President and Vice President in accordance with title 3, United States Code, sections 1 and 2; 'Federal law enforcement officer' is a public servant authorized by law or by a Government agency or Congress to conduct or engage in the prevention, investigation, or prosecution of an offense; 'Federal prison' means a Federal correctional, detention, or penal facility, Federal community treatment center, or Federal halfway house, or any such prison operated under contract with the Federal government; and 'Federal judge' means any judicial officer of the United States, and includes a justice of the Supreme Court and a magistrate.

The jury, or if there is no jury, the court, may consider whether any other aggravating factor exists.

"§ 3593. Special hearing to determine whether a sentence of death is justified

"(a) NOTICE BY THE GOVERNMENT.—Whenever the Government intends to seek the death penalty for an offense described in section 3591, the attorney for the government, a reasonable time before the trial, or before acceptance by the court of a plea of guilty, or at such time thereafter as the court may permit upon a showing of good cause, shall sign and file with the court, and serve on the defendant, a notice—

"(1) that the Government in the event of conviction will seek the sentence of death; and

"(2) setting forth the aggravating factor or factors enumerated in section 3592 and any other aggravating factor not specifically enumerated in section 3592, that the Government, if the defendant is convicted, will seek to prove as the basis for the death penalty.

The court may permit the attorney for the government to amend the notice upon a showing of good cause.

"(b) Hearing Before a Court or Jury.—When the attorney for the government has filed a notice as required under subsection (a) and the defendant is found guilty of an offense described in section 3591, the judge who presided at the trial or before whom the guilty plea was entered, or another judge if that judge is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. Prior to such a hearing, no presentence report shall be prepared by the United States Probation Service, notwithstanding the provisions of the Federal Rules of Criminal Procedure. The hearing shall be conducted—

"(1) before the jury that determined the defendant's guilt;

"(2) before the jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury that determined the defendant's guilt was discharged for good cause; or

"(D) after initial imposition of a sentence under this section, reconsideration of the sentence under the section is necessary; or

"(3) before the court alone, upon motion of the defendant and with the approval of the attorney for the government.

A jury impaneled pursuant to paragraph (2) shall consist of twelve members, unless, at any time before the conclusion of the hearing, the parties stipulate, with the approval of the court, that it shall consist of a lesser number.

"(c) PROOF OF MITIGATING AND AGGRAVATING FACTORS.—At the hearing, information may be presented as to—

"(1) any matter relating to any mitigating factor listed in section 3592 and any other mitigating factor; and

"(2) any matter relating to any aggravating factor listed in section 3592 for which notice has been provided under subsection (a)(2) and (if information is presented relating to such a listed factor) any other aggravating factor for which notice has been so provided.

Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial, or at the judge's discretion. Any other information relevant to such mitigating or aggravating factors may be presented by either the government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is outweighted by the danger of creating unfair prejudice, confusing the issues or misleading the jury. The attorney for the government and for the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any aggravating or mitigating factor, and as to the appropriateness in that case of imposing a sentence of death. The attorney for the government shall open the argument. The defendant shall be permitted to reply. The government shall then be permitted to reply in rebuttal. The burden of establishing the existence of an aggravating factor is on the government, and is not satisfied unless the existence of such a factor is established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless the existence of such a factor is established by a preponderance of the evidence.

"(d) RETURN OF SPECIAL FINDINGS.—The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return special findings identifying any aggravating factor or factors set forth in section 3592 found to exist and any other aggravating factor for which notice has been provided under subsection (a) found to exist. A finding with respect to a mitigating factor may be made by one or more members of the jury, and any member of the jury who finds the existence of a mitigating factor may consider such factor established for purposes of this section regardless of the number of jurors who concur that the factor has been established. A finding with respect to any aggravating factor must be unanimous. If no aggravating factor set forth in section 3592 is found to exist, the court shall impose a sentence other than death authorized by law.

"(e) RETURN OF A FINDING CONCERNING A SENTENCE OF DEATH.—If, in the case of—

"(1) an offense described in section 3591(a), an aggravating factor required to be considered under section 3592(b) is found to exist; or

"(2) an offense described in section 3591 (b) or (c), an aggravating factor required to be considered under section 3592(c) is found to exist.

the jury, or if there is no jury, the court, shall then consider whether the aggravating factors or factors found to exist sufficiently outweigh any mitigating factor or factors found to exist to justify a sentence of death, or, in the absence of a mitigating factor, whether the aggravating factor or factors alone are sufficient to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall recommend whether a sentence of death shall be imposed rather than some other lesser sentence. The jury or the court, if there is no jury, regardless of its findings with respect to aggravating and mitigating factors, is never required to impose a death sentence, and the jury shall be so instructed.

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(f) SPECIAL PRECAUTION TO ASSURE AGAINST DISCRIMINATION.—In a hearing held before a jury, the court, prior to the return of a finding under subsection (e), shall instruct the jury that, in considering whether a sentence of death is justified, it shall not consider the race, color, religious beliefs, national origin, or sex of the defendant or of any victim and that the jury is not to recommend a sentence of death unless it has concluded that it would recommend a sentence of death for the crime in question no matter what the race, color, religious beliefs, national origin, or sex of the defendant or of any victim may be. The jury, upon return of a finding under subsection (e), shall also return to the court a certificate, signed by each juror, that consideration of the race, color, religious beliefs, national origin, or sex of the defendant or any victim was not involved in reaching his or her individual decision and that the individual juror would have made the same recommendation regarding a sentence for the crime in question no matter what the race, color, religious beliefs, national origin, or sex of the defendant or any victim may be.

"§ 3594. Imposition of a sentence of death

"Upon the recommendation under section 3593(e) that a sentence of death be imposed, the court shall sentence the defendant to death. Otherwise the court shall impose a sentence, other than death, authorized by law. Notwithstanding any other provision of law, if the maximum term of imprisonment for the offense is life imprisonment, the court may impose a sentence of life imprisonment without the possiblity of release or furlough.

"§ 3595. Review of a sentence of death

"(a) APPEAL.—In a case in which a sentence of death is imposed, the sentence shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal of the sentence must be filed within the time specified for the filing of a notice of appeal of the judgment of conviction. An appeal of the sentence under this section may be consolidated with an appeal of the judgment of conviction and shall have priority over all other cases.

"(b) REVIEW.—The court of appeals shall review the entire record in the case, including—

"(1) the evidence submitted during the trial;

"(2) the information submitted during the sentencing hearing;

"(3) the procedures employed in the sentencing hearing; and

"(4) the special findings returned under section 3593(d).

"(c) DECISION AND DISPOSITION.—

"(1) If the court of appeals determines that—

"(A) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; and

(B) the evidence and information support the special findings of the existence of an aggravating factor or factors;

it shall affirm the sentence.

"(2) In any other case, the court of appeals shall remand the case for reconsideration under section 3593 or for imposition of another authorized sentence as appropriate.

"(3) The court of appeals shall state in writing the reasons for its disposition of an appeal of sentence of death under this section.

"§ 3596. Implementation of sentence of death

"(a) A person who has been sentenced to death pursuant to the provisions of this chapter shall be committed to the custody of the Attorney General until exhaustion of the procedures for appeal of the judgment of conviction and for review of the sentence. When the sentence is to be implemented, the Attorney General shall release the person sentenced to death to the custody of a United States Marshal, who shall suprvise implementation of the sentence in the manner prescribed by the law of the State in which the sentence is imposed. If the law of such State does not provide for implementation of a sentence of death, the court shall designate another State, the law of which does so provide, and the sentence shall be implemented in the manner prescribed by such law.

"(b) A sentence of death shall not be carried out upon a person who lacks the mental capacity to understand the death penalty and why it was imposed on that person, or upon a woman while she is pregnant.

"(c) No employee of any State department of corrections or the Federal Bureau of Prisons and no employee providing services to that department or bureau under contract shall be required, as a condition of that employment or contractual obligation, to be in attendance at or to participate in any execution carried out under this section if such participation is contrary to the moral or religious convictions of the employee. For purposes of this subsection, the term 'participate in any execution' includes personal preparation of the condemned individual and the apparatus used for the execution, and supervision of the activities of other personnel in carrying out such activities.

"§ 3597. Use of State facilities

"A United States Marshal charged with supervising the implementation of a sentence of death may use appropriate States or local facilities for the purpose, may use the services of an appropriate State or local official or of a person such as an official employed for the purpose, and shall pay the costs thereof in an amount approved by the Attorney General.

"§ 3598. Appointment of counsel

"(a) Notwithstanding any other provision of law—

"(1) in every criminal action brought in a court of the United States in which a defendant is charged with a crime with respect to which a sentence of death is sought, a defendant who is or becomes financially unable to obtain adequate representation shall be entitled to appointment of counsel at trial and upon direct appeal of the judgment and sentence entered at trial.

"(2) After a conviction and sentence entered pursuant to the provisions of this chapter have been affirmed on direct appeal, appointment of counsel for such a person in any other proceeding related to the case shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority.

"(3) Appointment of counsel under this chapter shall be governed by the provisions of section 3006A and (with respect to paragraph (1)) section 3005 of this title.

"(b) The laws of the United States shall not be construed to impose any requirement with respect to the appointment of counsel in any proceeding in a state court or other state proceeding in a capital case, other than any requirement imposed by the Constitution of the United States. In a proceeding under section 2254 of title 28, United States Code, relating to a state capital case, or any subsequent proceeding on review, appointment of counsel for a petitioner who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Such appointment of counsel shall be governed by the provisions of section 3306A of this title."; and

(b) In the chapter analysis of part II, by adding the following new item after the item relating to chapter 227:

"228. Death penalty procedures ..... 3591".

SEC. 203. CONFORMING AMENDMENT RELATING TO DESTRUCTION OF AIRCRAFT OR AIRCRAFT FACILITIES.

Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 204. CONFORMING AMENDMENT RELATING TO ESPIONAGE.

Section 794(a) of title 18 of the United States Code is amended by changing the period at the end of the section to a comma and by adding immediately thereafter the words "except that the sentence of death shall not be imposed unless the jury or, if there is no jury, the court, further finds beyond a reasonable doubt at a hearing under section 3593 of this title that the offense directly concerned nuclear weaponry, military spacecraft and satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; sources or methods of intelligence or counterintelligence operations; or any other major weapons system or major element of defense strategy.".

SEC. 205. CONFORMING AMENDMENT RELATING TO TRANSPORTING EXPLOSIVES.

Section 844(d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 206. CONFORMING AMENDMENT RELATING TO MALICIOUS DESTRUCTION OF FEDERAL PROPERTY BY EXPLOSIVES.

Section 844(f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 207. CONFORMING AMENDMENT RELATING TO MALICIOUS DESTRUCTION OF INTERSTATE PROPERTY BY EXPLOSIVES.

Section 844(i) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 208. CONFORMING AMENDMENT RELATING TO MURDER.

The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;".

SEC. 209. CONFORMING AMENDMENT RELATING TO KILLING OFFICIAL GUESTS OR INTERNATIONALLY PROTECTED PERSONS.

Section 1116(a) of title 18 of the United States Code is amended by striking the words "any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and".

SEC. 210. MURDER BY FEDERAL PRISONER.

Chapter 51 of title 18 of the United States Code is amended—

(a) by adding at the end thereof the following:

"§ 1118. Murder by a federal prisoner

"(a) Whoever, while confined in a Federal prison under a sentence for a term of life imprisonment, murders another shall be punished by death or by life imprisonment without the possibility of release or furlough.

"(b) For the purposes of this section—

"(1) 'Federal prison' means any Federal correctional, detention, or penal facility,

Federal cor
Federal hal
operated un
Government
"(2) 'term
sentence for
tence comm
minate term
teen years a
executed ser
(b) by an
add:
"1118. Murd
SEC. 211. DEA
Section 1
States Code
the words "
words "and,
sults, shall
prisonment"
SEC. 212. DEA
Section 1
States Code
the words "
words "and
sults, shall
prisonment"
SEC. 213. CON
The last p
18 of the U
changing th
prisonment
the remaind
SEC. 214. CON
Subsectio
the United
as follows:
"(c) Whe
kidnap any
tion (a) of t
by impriso
for life, or
any term o
constitutes
dent of th
bodily inju
comes dan
death of th
SEC. 215. CON
Subsectio
the United
ing the wo
subject to
years or fo
than $50,0
thereof" a
ished by
shall be fi
or both".
SEC. 216. CO
Paragrap
1959 of tit
amended t
death or li
cordance
kidnapping
of years o
with this t
SEC. 217. CO
The sec
tion 1992
Code is a
after the
period an
section.

Federal community treatment center, or Federal halfway house, or any such prison operated under contract with the Federal Government;

"(2) 'term of life imprisonment' means a sentence for the term of natural life, a sentence commuted to natural life, an indeterminate term of a minimum of at least fifteen years and a maximum of life, or an unexecuted sentence of death."; and

(b) by amending the section analysis to add:

"1118. Murder by a Federal prisoner.".

SEC. 211. DEATH PENALTY RELATING TO KIDNAPPING.

Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 212. DEATH PENALTY RELATING TO HOSTAGE TAKING.

Section 1203 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 213. CONFORMING AMENDMENT RELATING TO MAILABILITY OF INJURIOUS ARTICLES.

The last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 214. CONFORMING AMENDMENT RELATING TO PRESIDENTIAL ASSASSINATION.

Subsection (c) of section 1751 of title 18 of the United States Code is amended to read as follows:

"(c) Whoever attempts to murder or kidnap any individual designated in subsection (a) of this section shall be punished (1) by imprisonment for any term of years or for life, or (2) by death or imprisonment for any term of years or for life, if the conduct constitutes an attempt to murder the President of the United States and results in bodily injury to the President or otherwise comes dangerously close to causing the death of the President.".

SEC. 215. CONFORMING AMENDMENT RELATING TO MURDER FOR HIRE.

Subsection (a) of section 1958 of title 18 of the United States Code is amended by deleting the words "and if death results, shall be subject to imprisonment for any term of years or for life, or shall be fined not more than $50,000, or both" and inserting in lieu thereof" and if death results, shall be punished by death or life imprisonment, or shall be fined in accordance with this title, or both".

SEC. 216. CONFORMING AMENDMENT RELATING TO VIOLENT CRIMES IN AID OF RACKETEERING ACTIVITY.

Paragraph (1) of subsection (a) of section 1959 of title 18 of the United States Code is amended to read as follows: "for murder, by death or life imprisonment, or a fine in accordance with this title, or both; and for kidnapping, by imprisonment for any term of years or for life, or a fine in accordance with this title, or both";

SEC. 217. CONFORMING AMENDMENT RELATING TO WRECKING TRAINS.

The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 218. CONFORMING AMENDMENT RELATING TO BANK ROBBERY.

Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 219. CONFORMING AMENDMENT RELATING TO TERRORIST ACTS.

Paragraph (1) of subsection 2331(a) of title 18 of the United States Code is amended to read as follows:

"(1) (A) if the killing is a first degree murder as defined in section 1111(a) of this title, be punished by death or imprisonment for any term of years or for life, or be fined under this title, or both;

"(B) if the killing is a murder other than a first degree murder as defined in section 1111(a) of this title, be fined under this title or imprisoned for any term of years or for life, or both so fined and so imprisoned;"

SEC. 220. CONFORMING AMENDMENT RELATING TO AIRCRAFT HIJACKING.

Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 221. APPLICATION TO UNIFORM CODE OF MILITARY JUSTICE.

The provisions of chapter 228 of title 18 of the United States Code, as added by this Act, shall not apply to prosecutions under the Uniform Code of Military Justice (10 U.S.C. 801 et seq.).

TITLE III—DRUG TESTING OF DEFENDANTS ON POST-CONVICTION RELEASE

SEC. 301. DRUG TESTING PROGRAM.

(a) Chapter 229 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3608. Drug testing of defendants on post-conviction release

"The Director of the Administrative Office of the United States Courts shall, as soon as is practicable after the effective date of this section, establish a program of drug testing of criminal defendants on post-conviction release. In each district where it is feasible to do so, the chief probation officer shall arrange for the drug testing of defendants on post-conviction release pursuant to a conviction for a felony or other offense described in section 3563(a)(4) of this title.".

(b) The section analysis for chapter 229 of title 18, United States Code, is amended by adding at the end thereof the following: "3608. Drug testing of defendants on post-conviction release."

SEC. 302. OTHER AMENDMENTS.

(a) Section 3563(a) of title 18, United States Code, is amended—

(1) in paragraph (2), by striking out "and";

(2) in paragraph (3), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding a new paragraph (4), as follows:

"(4) for a felony, an offense involving a firearm as defined in section 921 of this title, a drug or narcotic offense as defined in section 404(c) of the Controlled Substances Act (21 U.S.C. 884(c)), or a crime of violence as defined in section 16 of this title, that the defendant refrain from any unlawful use of a controlled substance and submit to periodic drug tests (as determined by the court) for use of a controlled substance. This latter condition may be suspended or ameliorated upon request of the Director of the Administrative Office of the United States Courts, or the Director's designee. No action may be taken against a defendant pursuant to a drug test administered in accordance with this paragraph or sections 3583(d) or 4209(a) of this title, unless the drug test confirmation is a urine drug test confirmed using gas chromatography techniques or such test as the Director of the Administrative Office of the United States Court after consultation with the Secretary of Health and Human Services may determine to be of equivalent accuracy.".

(b) Section 3583(d) of title 18, United States Code, is amended by inserting after the first sentence the following: "For a defendant convicted of a felony or other offense described in section 3563(a)(4) of this title, the court shall also order, as an explicit condition of supervised release, that the defendant refrain from any unlawful use of a controlled substance and submit to periodic drug tests (as determined by the court) for use of a controlled substance. This latter condition may be suspended or ameliorated as provided in section 3563(a)(4) of this title.".

(c) Section 4209(a) of title 18, United States Code, is amended by inserting after the first sentence the following: "If the parolee has been convicted of a felony or other offense described in section 3563(a)(4) of this title, the Commission shall also impose as a condition of parole that the parolee refrain from any unlawful use of a controlled substance and submit to periodic drug tests (as determined by the Commission) for use of a controlled substance. This latter condition may be suspended or ameliorated as provided in section 3563(a)(4) of this title."

TITLE IV—EXCLUSIONARY RULE

SEC. 401. (a) Chapter 223 to title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3509. Elimination of exclusionary rule as it pertains to the fourth amendment

"Evidence, otherwise admissible in a Federal criminal proceeding, shall not be excluded on the grounds that such evidence was obtained in violation of the fourth amendment to the United States Constitution.".

(b) The table of sections for chapter 223 to title 18, United States Code, is amended by adding at the end thereof the following new item:

"3509. Elimination of exclusionary rule as it pertains to the fourth amendment.".

SEC. 402. (a) Title 28, United States Code, is amended by adding between after chapter 171 and chapter 173 the following:

"CHAPTER 172—ILLEGAL SEARCH AND SEIZURE

"Sec.
"2691. Definitions.
"2692. Tort claims; illegal search and seizure.
"2693. Sanctions against investigative or law enforcement officers; illegal search and seizure.
"2694. Judgment as a bar.
"2695. Attorney fees and costs.
"2696. Applicability of other tort claims procedures.

"§ 2691. Definitions

"As used in this chapter, and section 1346(g) of this title, the term—

"(1) 'Federal agency' includes the executive departments, military departments, independent establishments of the United States, and corporations primarily acting as instrumentalities or agencies of the United States, but does not include any contractor with the United States; and

"(2) 'investigative or law enforcement officer' means any officer of the United States who is empowered by law to execute searches, to seize evidence, or to make arrests for any violation of Federal law, or any person acting under or at the request of such officer.

"§ 2692. Tort claims; illegal search and seizure

"(a) The United States shall be liable for any damages resulting from a search or seizure conducted by an investigative or law enforcement officer, acting within the scope of his office or employment, in violation of the fourth amendment to the United States Constitution.

"(b) Any person aggrieved by such violation may recover actual damages and such punitive damages as the court may award under subsection (c).

"(c) Punitive damages may be awarded by the court, upon consideration of all of the circumstances of the case, including—

"(1) the extent of the investigative or law enforcement officer's deviation from permissible conduct;

"(2) the extent to which the violation was willful, reckless, or grossly negligent;

"(3) the extent to which the aggrieved person's privacy was invaded;

"(4) the extent of the aggrieved person's personal injury, both physical and mental;

"(5) the extent of any property damage; and

"(6) the effect such an award would have in preventing future violations of the fourth amendment to the United States Constitution.

"(d) Notwithstanding subsections (b) and (c), the recovery of any person who is convicted of any offense for which evidence of such offense was seized in violation of the fourth amendment to the United States Constitution is limited to actual physical personal injury and to actual property damage sustained as a result of the unconstitutional search and seizure.

"(e) No judgment, award, compromise, or settlement of any action brought under this section shall exceed the amount of $25,000, including actual and punitive damages. The United States shall not be liable for interest prior to judgment.

"(f) Any action under this section shall be brought within the period of limitations provided in section 2401(b) of this title.

"§ 2693. Sanctions against investigative or law enforcement officers; illegal search and seizure

"An investigative or law enforcement officer who conducts a search and seizure in violation of the fourth amendment to the United States Constitution shall be subject to appropriate discipline in the discretion of the Federal agency employing such officer, if that agency determines, after notice and hearing, that the officer conducted such search or seizure lacking a good faith belief that such search or seizure was constitutional.

"§ 2694. Judgment as a bar

"The remedy against the United States provided under the chapter shall be the exclusive civil remedy for a violation of the fourth amendment to the United States Constitution by any investigative or law enforcement officer acting within the scope of his office or employment whose act or omission gave rise to the claim.

"§ 2695. Attorney fees and costs

"In any action brought under this chapter, the court may award any claimant who prevails in such action reasonable attorney fees, and other litigation costs reasonably incurred.

"§ 2696. Applicability of other tort claims procedures

"The procedures provided in sections 2672, 2675, 2677, 2678, 2679, and 2680 of this title apply to any action brought under this chapter. For the purposes of such sections, any investigative or law enforcement officer who conducts a search and seizure in violation of the fourth amendment to the Constitution shall be treated as if he were an 'employee of the government'.".

(b) The table of chapters for [title 28, United States Code, and for] part VI of title 28, United States Code is amended by inserting immediately between item relating to chapter 171 and the item relating to chapter 173 the following:

"172. Illegal Search and Seizure ..... 2691".

SEC. 403. Section 1346 of title 28, United States Code, is amended by adding immediately after subsection (f) the following new subsection:

"(g) The district courts, together with the United States District Court for the District of the Canal Zone, the United States District for the Territory of Guam, the District Court for the Northern Mariana Islands, and the District Court of the Virgin Islands, shall have exclusive original jurisdiction of any civil action on a claim against the United States, for money damages, brought under chapter 172 of this title.".

SEC. 404. Section 1402(b) of title 28, United States Code, is amended by inserting after "subsection (b)" the following: "or subsection (g)".

SEC. 405. The amendments to title 28, United States Code, made by this Act shall apply only to claims arising on or after the date of enactment of this Act.

TITLE V—HABEAS CORPUS REFORM

SEC. 501. SHORT TITLE FOR TITLE V.

This title may be cited as the "Reform of Federal Intervention in State Proceedings Act of 1989".

SEC. 502. FAILURE TO RAISE CLAIM; PERIOD OF LIMITATION.

Section 2244 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) When a person in custody pursuant to the judgment of a State court fails to raise a claim in State proceedings at the time or in the manner required by State rules of procedure, the claim shall not be entertained in an application for a writ of habeas corpus unless actual prejudice resulted to the applicant from the alleged denial of the Federal right asserted and—

"(1) the failure to raise the claim properly or to have it heard in State proceedings was the result of State action in violation of the Constitution or laws of the United States;

"(2) the Federal right asserted was newly recognized by the Supreme Court subsequent to the procedural default and is retroactively applicable;

"(3) the factual predicate of the claim could not have been discovered through the exercise of reasonable diligence prior to the procedural default; or

"(4) a constitutional violation asserted in the claim probably resulted in a factually erroneous conviction or a sentence predicated on an erroneous factual determination.

"(e) A one-year period of limitation shall apply to an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court. The limitation period shall run from the latest of the following times:

"(1) the time at which State remedies are exhausted;

"(2) the time at which the impediment to filing an application created by State action in violation of the Constitution or laws of the United States is removed, where the applicant was prevented from filing by such State action;

"(3) the time at which the Federal right asserted was initially recognized by the Supreme Court, where the right has been newly recognized by the Court and is retroactively applicable; or

"(4) the time at which the factual predicate of the claim or claims presented could have been discovered through the exercise of reasonable diligence.".

SEC. 503. APPEAL.

Section 2253 of title 28, United States Code, is amended to read as follows:

"§ 2253. Appeal

"In a habeas corpus proceeding or a proceeding under section 2255 of this title before a circuit or district judge, the final order shall be subject to review, on appeal, by the court of appeals for the circuit where the proceeding is had.

"There shall be no right of appeal from such an order in a proceeding to test the validity of a warrant to remove, to another district or place for commitment or trial, a person charged with a criminal offense against the United States, or to test the validity of his detention pending removal proceedings.

"An appeal may not be taken to the court of appeals from the final order in a habeas corpus proceeding where the detention complained of arises out of process issued by a State court, or from the final order in a proceeding under section 2255 of this title, unless a circuit justice or judge issues a certificate of probable cause.".

SEC. 504. AMENDMENT TO RULES OF APPELLATE PROCEDURE.

Federal Rule of Appellate Procedure 22 is amended to read as follows:

"RULE 22

"HABEAS CORPUS AND § 2255 PROCEEDINGS

"(a) Application for an Original Writ of Habeas Corpus. An application for a writ of habeas corpus shall be made to the appropriate district court. If application is made to a circuit judge, the application will ordinarily be transferred to the appropriate district court. If an application is made to or transferred to the district court and denied, renewal of the application before a circuit judge is not favored; the proper remedy is by appeal to the court of appeals from the order of the district court denying the writ.

"(b) Necessity of Certificate of Probable Cause for Appeal. In a habeas corpus proceeding in which the detention complained of arises out of process issued by a State court, and in a motion proceeding pursuant to section 2255 of title 28, United States Code, an appeal by the applicant or movant may not proceed unless a circuit judge issues a certificate of probable cause. If a request for a certificate of probable cause is addressed to the court of appeals, it shall be deemed addressed to the judges thereof and shall be considered by a circuit judge or judges as the court deems appropriate. If no express request for a certificate is filed, the notice of appeal shall be deemed to constitute a request addressed to the judges of the court of appeals. If an appeal is taken by a State or the government or its representative, a certificate of probable cause is not required.".

SEC. 505. SECTION 2254 AMENDMENTS.

Section 2254 of title 28, United States Code, is amended by redesignating subsections "(e)" and "(f)" as subsections "(f)" and "(g)", respectively, and is further amended—

(a) by amending subsection (b) to read as follows:

"(b) An application for a writ of habeas corpus in behalf of a person in custody pursuant to the judgment of a State court shall not be granted unless it appears that the applicant has exhausted the remedies available in the courts of the State, or that there is either an absence of available State corrective process or the existence of circumstances rendering such process ineffective to protect the rights of the applicant. An application may be denied on the merits notwithstanding the failure of the applicant to exhaust the remedies available in the courts of the State.";

(b) by redesignating subsection "(d)" as subsection "(e)", and amending it to read as follows:

"(e) In a proceeding instituted by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a full and fair determination of a factual issue made in the case by a State court shall be presumed to be correct. The applicant shall have the burden of rebutting this presumption by clear and convincing evidence.";

(c) by adding a new subsection (d) reading as follows:

"(d) An application for a writ of habeas corpus in behalf of a person in custody pursuant to the judgment of a State court shall not be granted with respect to any claim that has been fully and fairly adjudicated in State proceedings."; and

(d) by adding a new subsection (h) reading as follows:

"(h) In all proceedings brought under this section, and any subsequent proceedings on review, appointment of counsel for a petitioner who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Appointment of counsel under this section shall be governed by the provisions of section 3006A of title 18, United States Code.".

SEC. 506. SECTION 2255 AMENDMENTS.

Section 2255 of title 28, Untied States Code, is amended by deleting the second paragraph and the penultimate paragraph thereof, and by adding at the end thereof the following new paragraphs:

"When a person fails to raise a claim at the time or in the manner required by Federal rules of procedure, the claim shall not be entertained in a motion under this section unless actual prejudice resulted to the movant from the alleged denial of the right asserted and—

"(1) the failure to raise the claim properly, or to have it heard, was the result of governmental action in violation of the Constitution or laws of the United States;

"(2) the right asserted was newly recognized by the Supreme Court subsequent to the procedural default and is retroactively applicable;

"(3) the factual predicate of the claim could not have been discovered through the exercise of reasonable diligence prior to the procedural default; or

"(4) a constitutional violation asserted in the claim probably resulted in a factually erroneous conviction or a sentence predicated on an erroneous factual determination.

"A two-year period of limitation shall apply to a motion under this section. The limitation period shall run from the latest of the following times:

"(1) the time at which the judgment of conviction becomes final;

"(2) the time at which the impediment to making a motion created by governmental action in violation of the Constitution or laws of the United States is removed, where the movant was prevented from making a motion by such governmental action;

"(3) the time at which the right asserted was initially recognized by the Supreme Court, where the right has been newly recognized by the Court and is retroactively applicable; or

"(4) the time at which the factual predicate of the claim or claims presented could have been discovered through the exercise of reasonable diligence.".

"In all proceedings brought under this section, and any subsequent proceedings on review, appointment of counsel for a movant who is or becauses financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Appointment of counsel under this section shall be governed by the provisions of section 3006A of title 18, United States Code."

TITLE VI—1990 FISCAL YEAR AUTHORIZATION

SEC. 601. There are authorized to be appropriated for the fiscal year ending September 30, 1990, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following sums:

(1) For General Administration, Salaries and Expenses: $100,925,000;

(2) For the Office of Inspector General: $19,433,000;

(3) For the United States Parole Commission: $10,335,000;

(4) For General Legal Activities: $303,967,000; which shall include—

(A) not to be exceed $80,000 may be transferred from the "Alien Property Funds, World War II," for the general administrative expenses of alien property activities;

(B) not to exceed $20,000 for expenses necessary in the collection of evidence may be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General;

(C) not to exceed $6,000,000 of those sums appropriated for litigation-support contracts, which shall remain available until September 30, 1991;

(D) not to exceed $12,160,000 of those sums appropriated for office automation systems for legal activities, including legal activities of the Antitrust Division and the United States Attorneys and the activities of offices funded under the General Administration, Salaries and Expenses, appropriation, with amount shall remain available until expended; and

(E) not to exceed $5,751,000 shall be available to fund the activities of the United States National Central Bureau of INTERPOL;

(5) For the Antitrust Division: $47,222,000;

(6) For the Foreign Claims Settlement Commission: $440,000;

(7) For the United States Attorneys: $520,561,000; and in addition, $5,000,000, which shall remain available until September 30, 1991, for the purposes of (1) providing training of personnel of the Department of Justice in debt collection, (2) providing services pertinent to debt collection, such as title searches, debtor skiptracing, asset searches, credit reports and other investigations related to locating debtors and their property, and (3) paying expenses of cost of sales of property not covered by the sale proceeds, such as auctioneers' fees and expenses, maintenance and protection of property and businesses, advertising and title search and surveying costs;

(8) For the United States Marshals Service: $240,846,000; *Provided*, That the Director of the United States Marshals Service may collect fees and expenses for the service of civil process, including: complaints, summonses, subpoenas and similar processes; and seizures, levels, and sales associated with judicial orders of execution; and notwithstanding the provisions of title 31 U.S.C. 3302, not to exceed $1,000,000 of such fees shall be credited to this appropriation to be used for salaries and other expenses incurred in providing these services;

(9) For the Support of United States Prisoners in non-Federal institutions: $160,034,000; which shall remain available until expended and of which not be exceed $15,000,000 shall be available until expended under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping state and local correctional facilities;

(10) For Fees and Expenses of Witnesses: $56,784,000; which shall remain available until expended; and which shall include not to exceed $1,690,000 for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites;

(11) For the Community Relations Service: $29,609,000 of which not to exceed $21,606,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under section 501(c) of the Refugee Education Assistance Act of 1980 (P.L. 96-422);

(12) For the United States Trustee System Fund: $62,777,000; to remain available until expended and to be derived from the Fund, provided that deposits to the fund are available in such amounts as may be necessary to pay refunds due depositors;

(13) For the Assets Forfeiture Fund: $100,000,000, to be derived from the Fund, as may be necessary for the payment of expenses as authorized by 28 U.S.C. 524(c)(1)(A)(ii), (B), (C), (F), and (G); provided that of funds otherwise available, not to exceed $237,729,000 is available for expenses otherwise authorized by 28 U.S.C. 524 (c)(1);

(14) For Organized Crime Drug Enforcement: $214,921,000; for expenses, not otherwise provided for, for the investigation and prosecution of individuals involved in organized crime drug trafficking;

(15) For the Federal Bureau of Investigation: $1,550,385,000 which shall include—

(A) not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $15,100,000 for INF treaty activities which shall remain available until expended;

(C) not to exceed $8,000,000 of those sums appropriated for research and development relating to investigative activities, which amount shall remain available until expended;

(D) not to exceed $25,000,000 of those sums appropriated for automated data processing and telecommunications; and not to exceed $1,000,000 of those sums appropriated for undercover operations, which amounts shall remain available until September 30, 1991;

(E) $7,500,000 for a language translation system shall remain available until expended; and

(F) not to exceed $45,000 for official reception and representation expenses;

(16) For the Drug Enforcement Administration: $551,181,000; which shall include—

(A) not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for

VOL 135 PT 9 JE 14 — 22 1989 UMI

solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $1,200,000 of those sums appropriated for research, which amount shall remain available until expended;

(C) not to exceed $1,700,000, of those sums appropriated for the purchase of evidence and for payments for information, which amount shall remain available until September 30, 1991; and

(D) not to exceed $9,638,000 of those sums appropriated for automatic data processing and telecommunications; and not to exceed $2,000,000 of those sums appropriated for technical and laboratory equipment; which amounts shall remain available until September 30, 1991;

(17) For the Immigration and Naturalization Service: $878,959,000; which shall include—

(A) not to exceed $50,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General or the Deputy Attorney General;

(B) not to exceed $400,000 of those sums appropriated for research, which amount shall remain available until expended; and

(C) funds for the purchase of uniforms without regard to the general purchase price limitation for the current fiscal year;

(18) For the Federal Prison System, including the National Institute of Corrections: $2,563,998,000, which shall include—

(A) $1,152,554,000 for salaries and expenses;

(B) $10,112,000 which shall remain available until expended for carrying out the provisions of sections 4351 through 4353 of Title 18, United States Code, which established a National Institute of Corrections;

(C) $1,401,332,000 which shall remain available until expended for planning, acquisition of sites and construction of new facilities; and for the purchase and acquisition of facilities and remodeling and equipping of such facilities for penal and corrections institutions; and for the payment of United States prisoners for work performed in these activities; and that not to exceed 10 per centum of the funds appropriated to "Buildings and Facilities" in this Act or any other Act may be transferred to "Salaries and expenses," Federal Prison System upon notification by the Attorney General to the Committees on Appropriations of both the House and Senate; and

(D) funds for the purchase of uniforms without regard to the general purchase price limitations for the current fiscal year.

(19) For the Office of Justice Programs: $6,000,000, which shall remain available until expended and which shall include such sums as may be necessary to fund additional bonus grants, equal to five percent of the amount of formula grants under the Drug Control and System Improvement Formula Grant Program (Public Law 100-690, § 6091), to be awarded to states that adopt model legislation, as concurred in by the Attorney General, providing mandatory minimum sentences for criminal offenses involving firearms. This amount shall be available notwithstanding any other provisions pertaining to that program contained in the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

SEC. 602. A total of not to exceed $75,000 from funds authorized to be appropriated to the Department of Justice by this title shall be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

SEC. 603. The Attorney General may transfer up to two per centum of any appropriation made to the Department of Justice to any other such appropriation, but no such appropriation shall be increased by more than two per centum by any such transfers.

By Mr. BURDICK:

S. 1230. A bill to authorize the acquisition of additional lands containing Indian burial grounds for inclusion in the Knife River Indian Village National Historic Site, North Dakota, and to provide additional development funding for the historic site visitor center; to the Committee on Environment and Public Works.

ACQUISITION OF ADDITIONAL LANDS FOR THE KNIFE RIVER INDIAN VILLAGES NATIONAL HISTORIC SITE

● Mr. BURDICK. Mr. President, today I am introducing a bill to expand the boundaries of the Knife River Indian Villages Historic Site in North Dakota. The site needs to be expanded to protect a number of Indian burial mounds which were recently discovered there.

Knife River is the only unit of the National Park Service that was created specifically to commemorate the culture and history of the Plains Indians, and to interpret their lifestyle. The Lewis and Clark expedition stopped at this site along the Missouri River in October 1804 and wintered nearby through April 1805. The site represents one of the longest unbroken records of cultural development among an identifiable tribal group anywhere in the world. Scholars say this is perhaps the largest and most important archeological site in the United States.

Knife River is the traditional home of the Three Affiliated Tribes: The Siouan-speaking Hidatsas and Mandans and their Caddoan-speaking neighbors, the Arikaras. Aside from Knife River, very few earth-lodge village sites are intact today and no other sites include the range of prehistoric settlements found at Knife River.

On the high bluffs immediately overlooking the site is Stanton Mounds, a prehistoric burial mound complex from the Woodland Period. The area is on the National Register of Eligible Archeological Sites and should be part of the Knife River Site. Of the original eight burial mounds, only 5½ remain. The current owner once ran a gravel pit on this land. After human remains were found in gravel spread on county roads, the North Dakota attorney general became involved in protecting the mounds. Purchase by the National Park Service is the best way to prevent additional damage in the future. I would like to emphasize that the current owner is a willing seller, and the bill provides that any purchase be on a willing buyer/willing seller basis.

The Park Service's preliminary estimate is that it will cost $398,000 to acquire and develop the land. I believe this is a fair price to pay to protect the graves of these early Americans.

Let me outline several reasons why the preservation of the Stanton Mounds is so important:

1. PRESERVATION OF SACRED BURIAL GROUNDS

The villages and their associated cemeteries are venerated by the living descendants of their original occupants. In 1979, the tribal council of the Three Affiliated Tribes passed a resolution opposing development of any area of the Knife River Indian Villages Site that would disturb Indian graves. The North Dakota Indian Affairs Commission has been working to protect prehistoric sites and preserve ancestral burial places.

2. EVIDENCE OF PREHISTORIC CULTURAL EVOLUTION

When the site was established, the four Mandan and Hidatsa villages were the only archeologically important resources known. Subsequent study revealed evidence of predecessors of the Mandan and Hidatsa and the exciting discovery that these prehistoric Woodland Period villagers represented a different form of adaptation to the rigorous Plains environment. Hardy varieties of corn and beans that are still being grown and marketed were developed by these Indians over the course of centuries of plant husbandry. Crop surpluses permitted extensive trade with nomadic Indian groups east and west of the Missouri River. The villages served as trade centers which attracted Indians and later Euro-Americans. This led to a degree of cultural sophistication and affluence which some anthropologists regard as one of the highest points of Indian culture in North America.

3. CAUSES OF CULTURAL DECLINE

Tools and other materials introduced by contact with Euro-American culture replaced many native industries. With the Europeans came diseases which decimated the tribes. Several smallpox epidemics broke out between 1780 and 1875. At one point, the mortality rate may have reached 60 percent. In 1834, two villages were destroyed in a Dakota Indian raid. In 1845, most of the Mandan and Hidatsa banded together and settled about 40 miles northwest of the Knife River Villages at Fort Berthold, ND, where their descendants still live. They were joined in 1862 by the remaining Arikara.

4. HIDATSA SUBGROUP STUDY

The three Hidatsa subgroups have separate traditional histories and myths.

5. MANDAN-HIDATSA DIFFERENCES

Study of microstylistic variation among artifacts may allow attribution of ethnic identity to village sites. Such distinctions will help trace the arrival of these peoples in the Missouri River area and their subsequent movements in the prehistoric period.

6. ORIGIN OF CROW INDIANS

The Crow apparently split from the Hidatsas, gave up their horticultural pursuits, and adopted the nomadic

lifestyle of classic Plains Indians of the southeastern Montana-northern Wyoming region. The timing and reasons underlying this are poorly understood.

Section 2 of the bill increases the development ceiling for the site to accommodate completion of the new visitor center at the site. Congress has appropriated just over $1 million of planning and preconstruction funds.

I urge my colleagues to support this bill so that we may protect this important piece of history. The Stanton Mounds will be a valuable addition to the study of prehistoric Plains Indian cultural development, change, and impact on other cultures.●

By Mr. BINGAMAN (for himself, Mr. PELL, Mr. NUNN, Mr. DECONCINI, Mr. GLENN, Mr. CONRAD, Mr. LUGAR, Mr. BRADLEY, Mr. MCCAIN, and Mr. LIEBERMAN):

S. 1231. A bill to authorize benefits under the Civil Service Retirement System for certain survivors, and for other purposes; to the Committee on Governmental Affairs.

AUTHORIZATION OF CERTAIN SURVIVORS BENEFITS UNDER CIVIL SERVICE RETIREMENT

● Mr. BINGAMAN. Mr. President, I rise today to introduce a bill which will authorize benefits under the Civil Service Retirement System for certain survivors, and for other purposes.

The basic purpose of the civil service retirement system, the new Federal employment retirement system, or any retirement system for that matter, is to provide some level of income maintenance after retirement. Most retirement systems allow for the extension of these benefits to the survivors of an employee. Millions of Americans depend on these benefits for their existence in their golden years. Our courts have even recognized the legal right to such benefits as a part of an individual estate.

Our Federal retirement laws have been a series of modifications to the civil service system and with each of these modifications have come different effective dates, inconsistent decisions on retroactivity, and other confusing rules involving implementation. With nearly every liberalization some class of survivors has been left out, usually for cost reasons.

The legislation I am introducing today addresses one of these classes of survivor annuitants who have been denied benefits due to an arbitary cutoff date. My legislation would restore benefits to a needy and dwindling class of annuitants who have been denied benefits because they are not allowed to count aggregate marriage time in order to establish entitlement to CSR survivor benefits, occurring before the arbitrary cutoff date, first set in 1985, then later changed to 1984.

This matter was brought to my attention due to the heart rendering case of a constituent of mine, Mrs. Simone Driscoll whose husband was a Federal employee, whom she married, subsequently divorced due to some extremely unusual medical problems, and later remarried.

Myron W. Driscoll, of Alamogordo, NM, was a dedicated employee, husband, and father. Married for over 15 years to Simone Rioux, together they raised six children. Mr. Driscoll was a civil service employee working as an electrical/electronics engineer employed by the Department of Defense (Army) at White Sands Missile Range. He took great pride in his work, always keeping abreast of the latest developments in the industry. As a U.S. naval veteran, Myron served his country in both World War II and the Korean conflict. He was a concerned resident of New Mexico, and his great love for the American Indian enabled him to befriend many of them, with their welfare being uppermost in his mind. He was also a member of the Yucca Council of the Boy Scouts of America reaching the level of Eagle Scout at the early age of 14.

In late 1977 Mr. Driscoll began having problems with a brain tumor that was undiagnosed at the time. It was later found out that the tumor affected his personality and ultimately caused his death. In 1978, due to the change in his personality, Mrs. Driscoll was forced to seek a divorce. On December 23, 1978, when it was discovered that Mr. Driscoll's condition was caused by an organic tumor, Mr. and Mrs. Driscoll were remarried. Major brain surgery was done on January 2, 1979, and Mr. Driscoll unfortunately died shortly thereafter.

After Mr. Driscoll's death, Mrs. Driscoll applied for survivor benefits under Mr. Driscoll's annuity program and was refused by the Office of Personnel Management. The OPM stated that she was not remarried to him for the required 1-year period, nor was she the mother of issue by that remarriage. OPM considers the second marriage as a single entity and fails to recognize the long relationship that had existed from the first marriage to the second. Therefore, Mrs. Driscoll was also denied survivor benefits to help raise her family. Subsequently, the CSR law as amended to solve Mrs. Driscoll's type of problem by allowing aggregate marriage time to count toward survivor benefits. However, that change, as made by Public Law 98-615, applied only in cases of marriages and deaths occuring after May 7, 1985. A subsequent amendment, Public Law 99-251, which authorized the use of new requirements in cases involving marriages occurring on or after November 8, 1984, was also of no help to Mrs. Driscoll, since her remarriage was in 1978 and her husband died in 1979. Mrs. Driscoll did apply but was denied benefits even after lengthy appeal. Therefore, Mrs. Driscoll was denied the much needed funds to help provide for her family and support her children through their college years.

Mr. President, this situation proves that there is a great need for a correction in our civil service retirement law. As the widow of a proud American citizen who served his country throughout his adult life, and someone now is left to raise three children still at home, Mrs. Driscoll deserves better treatment. Mrs. Driscoll is a survivor victim of a system which has failed to recognize, or at least make allowances for, her unique situation.

Mr. President, I ask unanimous consent that the text of my legislation be printed at this point in the RECORD.

I also ask that a copy of the most recent appeal, and OPM's 1980 initial rejection and her May 7, 1989, letter also be made a part of the RECORD.

Mr. President, I truly hope this bill can be considered and passed in the 101st Congress to resolve this important issue.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1231

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(a)(6) of Public Law 98-615, as added by Public Law 99-251, is amended to read as follows:

"(6)(A) The amendment made by section 2(4)(A) of this Act (relating to the definition of a widow or widower) shall apply with respect to any marriage occurring on or after the date of enactment of this Act.

"(B) The amendment made by section 2(4)(G) of this Act (but only to the extent that it amends title 5, United States Code, by adding a new section 8341(i)) shall apply with respect to any individual who, before, on, or after the date of enactment of this Act is married to an employee, Member, or retired employee or Member, who, before, on, or after the date of enactment of this Act dies, except that no annuity payment to which an individual is otherwise entitled by reason of the eanctment of this subparagraph may be paid for any period prior to the date of death of the employee, Member, or retired employee or Member, or the date of enactment of this Act, whichever is later.".

ALAMOGORDO, NM,
January 7, 1989.

Re Myron W. Driscoll, Jr., deceased 1/29/79, civil service employee at White Sands Missile Range, Simone R. Driscoll, widow (denied survivor benefits.). Claim Number: F1234645.

DEAR SENATOR BINGAMAN: Congratulations, Senator, on your re-election! The people whom you serve in the State of New Mexico certainly recognize and appreciate your concern and efforts in their behalf.

As a follow-up to our correspondence and conversations, I wish to resubmit the following information regarding my Civil Service Retirement survivor benefits. I was denied my widow's annuity benefits by the Office of Personnel Management. A subsequent appeal to the Merit Systems Protection Board was to no avail.

My husband, Myron W. Driscoll, Jr., and I were married for over fifteen years (September 29, 1962 to January 4, 1978). Three children were born of this marriage. We were divorced on January 4, 1978 and remarried on December 23rd of the same year. He died of cancer (carcinoma of stomach and esoph-

agus with metastases to brain) on January 29, 1979, a month short of his 54th birthday.

Somehow I feel compelled to tell you, Senator, something about this man I was married to. You see, Mick Driscoll was not just an ordinary man! He was Somebody, Someone I was very proud of, Someone who stood for something . . . He was an electrical/electronics engineer employed by the Department of Defense (Army) at White Sands Missile Range. He took great pride in his work, constantly keeping abreast of new developments in the scientific world. He was ambitious, hard working, extremely capable—a real achiever! Mick was an intensely patriotic American having served in the U.S. Navy for many years, a veteran of WW II and the Korean Conflict. He was a registered voter who believed that voting was his duty as a citizen of this country. His great love for the American Indian enabled him to befriend many of them, their welfare always being uppermost on his mind. Also, the Yucca Council of the Boy Scouts of America greatly benefited from his knowledge and dedication. He himself had made Eagle Scout by the time he was 14 years old. He also was a good father and provider to our children encouraging them always to seek knowledge, to be self-reliant and trustworthy.

Why did I divorce him? The only reason we were divorced is because of the unusual, grievous circumstances, a predicament of such magnitude there seemed to be only one solution. The children and I lived through a virtual nightmare; our very lives were in jeopardy. Mick was no longer the man we once knew! His personality had changed drastically. Later, after the divorce, a brain tumor was discovered. The neurosurgeon who performed the surgery informed me that the tumor was located in the part of the brain that affects one's personality This information can be substantiated by the divorce attorneys and the surgeon, if necessary. When I realized that my husband was suffering from an illness he had no control over, we remarried.

Today our children are all attending college. As you can well imagine, the financial burden is tremendous. Social Security student benefits no longer exist past the age of 18 and Guaranteed Student Loans have gotten increasingly difficult to obtain. Meanwhile, tuition and the cost of books keep going up! Myron will graduate from UNM with two degrees (Political Science and Criminal Justice) in May; Patrick will graduate from the DeVry Institute of Technology with an engineering degree in February and Jocelyne is working towards a degree in business. I would like to attend college too, and upon graduation, I would seek employment as a counselor for an Employee Assistance Program. We have come a long way in overcoming our tragedy. But for the Driscolls, taking the easy way out was never an option!

At this point there appears to be two options to redress this inequity: (1) Introduce legislation in my individual behalf which would make me eligible for all retroactive and future benefits or (2) Introduce legislation as drafted by Director Horner of the Office of Personnel Management that would allow the aggregation of marriage time. While my case is not unique by my not having been married to my husband a full year immediately prior to his death, I do feel that it is unique in that we were married over 15 years prior to our brief divorce. Certainly, I deserve better treatment as the widow of an upstanding, dedicated, proud American citizen who served his country well throughout his adult life. Clearly, one can understand that I am not an opportunist for whom this law was designed to eliminate. However, I am a survivor victim of the system which has failed to recognize, or at least to make allowances for, most unusual grievous circumstances. Obviously, this injustice would be best remedied by adopting the first option. However, I leave it to your discretion to determine which opinion of the two would be likely to be most successful in the Senate.

Senator Bingaman, I appreciate any effort on my behalf you will make in addressing this inequity and bringing about corrective legislation pertaining to my case.

Respectfully yours,

SIMONE R. DRISCOLL.

OFFICE OF PERSONNEL MANAGEMENT,
Washington, DC, June 10, 1988.

Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: This is in response to your letter concerning Civil Service Retirement (CSR) survivor benefits for your constituent, Mrs. Simone B. Driscoll.

We have again reviewed Mrs. Driscoll's case and have concluded, as did the Merit Systems Protection Board in rejecting her appeal, that she was properly denied a survivor annuity under the law in effect at the time of her husband's death. You are correct in noting that, subsequently, the CSR law was amended to solve Mrs. Driscoll's type of problem by authorizing the aggregation of marriage time to satisfy the duration of marriage requirement and thereby allow an individual in circumstances similar to those of Mrs. Driscoll to qualify for a survivor annuity. However, that change, as made by section 2 of Public Law 98-615, applied only in cases of marriages and deaths occurring on or after May 7, 1985. A subsequent amendment, in Public Law 99-251, which authorized the use of the new requirements in cases involving marriages occurring on or after November 8, 1984, was also of no help to Mrs. Driscoll.

Mrs. Driscoll's situation is not unique. Every prospective liberalization of the conditions for entitlement to benefits similarly disadvantages many individuals. Although we cannot take a position on Mrs. Driscoll's case in the absence of specific legislation, our customary position is to recommend against private relief legislation which would single out one such person for preferential treatment.

In accordance with your request, we are enclosing draft language which would permit Mrs. Driscoll, and any other person who is similarly situated, to aggregate marriage time in order to establish entitlement to CSR survivor benefits. Please recognize that this language is provided only as a drafting service and does not constitute our endorsement of such a measure.

I hope this information is helpful to you.

Sincerely,

CONSTANCE HORNER,
Director.●

By Mr. WALLOP (for himself, Mr. DOMENICI, Mr. DOLE, Mr. DIXON, Mr. WILSON, Mr. SYMMS, Mr. BURNS, Mrs. KASSEBAUM, Mr. DECONCINI, Mr. DODD, Mr. NICKLES, Mr. HARKIN, Mr. BOSCHWITZ, Mr. SIMON, Mr. COATS, Mr. D'AMATO, Mr. MACK, Mr. ROCKEFELLER, Mr. KENNEDY, Mr. MITCHELL, and Mr. GRASSLEY):

S. 1232. A bill to honor the world's most recent heros in the universal struggle for freedom and democracy, and to designate the park in the District of Columbia directly across from the Embassy of the People's Republic of China as "Tiananmen Square Park"; to the Committee on Energy and Natural Resources.

DESIGNATION OF TIANANMEN SQUARE PARK

Mr. WALLOP. Mr. President, on behalf of myself, Senator DOMENICI, and Senator DIXON as prime cosponsors, together with 14 of our colleagues, I rise to introduce a bill to name the small plot of land located across from the Embassy of the People's Republic of China. In light of the recent events occurring in China, we have chosen the name: Tiananmen Square Memorial Park. It is ironic indeed that you have the name of that country the People's Republic of China, and when the people express their desires for a republic, the government which controls that country repress them.

Apparently, this little island in the middle of Connecticut Avenue is so small as to not yet even warrant a name. It's current designation, according to the National Park Service, is merely "Reservation 303A and reservation 303B." However, this plot was recently the scene of a rather impressive demonstration, one in which several thousand Americans participated.

This protest served to remind the brutal Communist leadership of the People's Republic of China that Americans will never forget the massacre in Tiananmen Square on the 3d of June 1989. The gesture we make today, by introducing this bill, has become quite important considering recent events in China. In vintage Orwellian fashion, the Chinese Communist leadership has embarked on that most sinister of totalitarian practices: To deny or disfigure historical fact.

Mr. President, the Chinese Communist leadership cynically and callously maintains that no mass demonstrations ever took place in their country. They also continue to deny that Chinese troops ever fired into groups of protesters.

Furthermore, Communist leaders of the People's Republic of China continue to maintain the fiction that the only people killed were soldiers and innocent bystanders. Mr. President, this deception, this attempt to delude, is brought to us by the same individuals who reportedly has ordered the burning of the remains of protesters killed during the massacre to prevent an accurate depiction of the extent of the carnage.

Confucius said: "Those who know the truth are not equal to those who love it." The Communist leadership in the People's Republic of China seems intent on perpetuating "the big lie." It is incumbent upon Americans—certainly upon Congress—to make an appropriate gesture of our respect for

and admiration of the bravery exhibited by those students, workers, civil servants, and others who participated in the demonstrations.

Proper tribute to the thousands who may have been slaughtered in an attempt to win for themselves a few of those same liberties which we in free countries ought to more highly cherish is the wish of Americans everywhere.

In discussing options for this symbolic action, my aim was to focus upon the despicable nature of the Chinese Communist leadership's attempt to remove or deny any evidence of what actually took place during the weeks—even months—when hundreds of thousands of Chinese, representing nearly every sector of the population, came together in Tiananmen Square.

Those who demonstrated only wished to express their sincere desire to expand upon the few economic freedoms they have been given and to push for some basic individual and political liberties to increase democratization within their country.

I take this opportunity to express outrage at the recent arrests, convictions, and—in some cases—summary executions of individuals accused of orchestrating the demonstrations that took place in Tiananmen Square—the demonstrations that did not take place, according to the side of Chinese history.

The announcement today that Chinese authorities proceeded with seven more public executions—adding to the three yesterday—reminded me of the famous passage from a Supreme Court opinion authored by Justice Robert Jackson. Justice Jackson stated, "Those who begin coercive elimination of dissent soon find themselves exterminating dissenters. Compulsory unification of opinion achieves only unanimity of the graveyard."

Mr. President, it seems obvious to this Senator that, when the Communist leadership in China sent the tanks rolling over individuals involved in peaceful demonstration, they completely yielded what little legitimacy to govern they may have had.

We should not have been surprised—for that is the behavior of tyrants who rule by force. Any time an oppressive regime—especially one which asserts that mandate to govern—is forced to employ such drastic military measures to coerce or to subdue their populace, the myth of their exalted status in that society ceases to exist.

This "crisis of legitimacy" indicates to the masses that their rulers are not only fallible, but inhumane. This provides those forces working for change within a country not merely the justification but the duty to push forward with their crusade. They see such tragedies as the Tiananmen Square massacre as simply setbacks, not failures of will or purpose. Not surprisingly, most Chinese interviewed after the massacre contended that the current regime is "criminal" or "illegitimate."

The people, aware of the atrocities, believe the government can no longer pretend to operate as though it has the "consent of the governed." That though begs the question: "When have they ever sought it?"

Mr. President, many still argue about what the students in Tiananmen Square truly sought for their nation or whether their concept of "democracy" conforms with our own. Conformation with our system of government is neither our purpose nor our goal—freedom and liberty are, and it is enough. However, the regime currently ruling the People's Republic of China is certainly not now representative of the will of the "people"—if it ever was.

The Chinese people asked to speak freely, without fear of retribution, about the shortcomings of their current government. They requested accountability of the government to the people it is supposed to serve. They asked for continuing economic reforms to rid the country of corruption, inefficiency and provincialism.

The Communist leadership in China not only refused to formally consider these demands legitimate and reasonable, they appear bent on trying to pummel these aspirations into submission, regardless of the number of people killed.

Those are not outrageous demands for a people to make their government. Certainly, these demands were not sufficiently revolutionary to justify the brutal repression the world witnessed in Tiananmen Square. Let us make sure those who died and those who are struggling, will be remembered in our country.

Let us demonstrate to the Chinese leadership here in Washington and in Beijing that they cannot scrub our memory, too. As for the people of China, I am confident that despite the cruel efforts of the Chinese leadership, their heroes may be hidden, they may be vilified, they may be killed, but they will not be forgotten.

I ask my colleagues to lend their support to this measure, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Tiananmen Square Memorial Park Authorization Act."

SEC. 2. FINDINGS.

The Congress finds that—

(1) In April and May of 1989, Chinese students began hunger strikes and peaceful demonstrations in Beijing's Tiananmen Square to commemorate the seventieth anniversary of the May 19, 1919, student movement. These students demanded fundamental civil liberties such as those found in the United States Bill of Rights;

(2) Americans stand for certain timeless values that transcend political and national boundaries; among these principles is our belief in the sanctity of human life and the inviolability of individual rights and freedom;

(3) Hundreds of thousands of Chinese took to the streets throughout China in support of the ideals and aspirations expressed by the students;

(4) The Chinese students erected a version of the Statue of Liberty in Tiananmen Square to express their fervent desire to bring democracy and freedom to their country;

(5) The American people share the aspirations of all those around the world who struggle to win respect for these fundamental principles;

(6) When the pursuit of these ideals results in the shedding of innocent blood and the destruction of young lives, all Americans feel a profound sense of loss and an, equally great sense of outrage;

(7) The Communist regime in Beijing, unjustly and unprovoked, brutally slaughtered thousands of citizens engaged in peaceful demonstrations.

(8) Our nation mourns for the families and loved ones of those killed in China;

(9) Despite the outrageous brutality of elements of the Chinese Army in massacring unarmed, peaceful protestors, the Chinese leadership, including Communist Party leaders Deng Xiaoping and Li Peng, have publicly commended the actions of the Chinese Army;

(10) Since the massacre in Tiananmen Square, the Communist regime in Beijing has been engaged in the systematic arrest and detention of Chinese students and other dissidents allegedly involved in the demonstrations;

(11) There have been dozens of rallies across the United States in support of the Chinese students, including a demonstration held across the street from the Embassy of the People's Republic of China involving over 2,000 protestors;

(12) At this protest a twenty-foot replica of the Statue of Liberty was erected in a small park across the street from the embassy in honor of those students who lost their lives while demonstrating for greater political and economic freedom;

(13) A wreath was placed beneath the bright torch of the original Statute of Liberty to mourn the world's most recent heroes in the universal struggle for freedom and democracy; and

(14) The Communist regime in Beijing continues to deny the existence of any mass demonstrations, deny Chinese troops ever fired into groups of protestors, and deny that anyone other than soldiers and innocent bystanders were killed.

SEC. 3. DESIGNATION.

The park located in front of the Embassy of the People's Republic of China at the northwest corner of Connecticut Avenue and Kalorama Road in the District of Columbia, designated Reservation No. 303A and Reservation No. 303B by the National Park Service, shall be designated and known as the "Tiananmen Square Park".

SEC. 4. LEGAL REFERENCES.

Any reference in any law, regulation, document record, map, or other record of the United States or the District of Columbia to the park referred to in Section 3 is deemed to be reference to the "Tiananmen Square Park."

Mr. DODD. Mr. President, first I want to commend my colleague from Wyoming for his statement but also I am delighted to be a cosponsor of this piece of legislation. I think it is a very

VOL 135 PT 9 JE 14 — 22 1989 UMI

creative idea and one will give us all in this town an opportunity to at least associate ourselves with the young people and workers in the People's Republic of China. We have all watched with a great deal of pride and admiration as they tried to expand their democratic opportunities in that country and then, of course, with horror over the last several days when we heard about 2 or 3 dozen of these young people having lost their lives as a result of their activities.

Naming this small plot of ground in Washington that all of us who have lived in this city for some time, and have driven around hundreds and hundreds of times, never realized did not have a name—now we will all be able to drive by that plot and think of those young people and the efforts in that country.

I commend him for his comments and commend him for this suggestion and while waiting for amendments here on child care legislation I think it is worthwhile to take a moment out to express our horror, as I said, over what has occurred over the last several days in China.

I commend our colleague, by all means, for his 5,000th vote. I suspect we agreed on maybe five of those. We have had some differences of opinion. I am with him on this vote for sure.

Mr. DOMENICI. Mr. President, I am pleased to join Senator WALLOP and Senator DIXON as cosponsors of the bill that will give this Capitol a silent commemorative to China's heroic students.

I have not been able to find any better words to describe our Nation's sorrow and anger over these recent events in China than those of our President, George Bush. They were read by the Secretary of the Interior, Secretary Manuel Lujan, at the Statue of Liberty on June 8. The remarks are brief, but I believe express symbolism that is quite appropriate.

A wreath was laid before the Statue of Liberty. We, today, ask the United States Senate to lay a small parcel of American soil, in a very conspicuous place, across the street from the Embassy of the People's Republic of China. We would dedicate that symbol of open space in commemoration of China's brief and heroic exercise of freedom in this changing world where freedom seems to be afire.

Incidentally, these remarks by President Bush were made June 9, prior to the most recent tragedy of the executions.

The President said the following:

> By laying this wreath in memory of those killed during the recent violence in China, we express the heartfelt sorrow and deep sympathy of the people of the United States.
>
> As Americans, we stand for certain timeless values that transcend political and national boundaries. Among these principles is our belief in the sanctity of human life and the inviolability of individual rights and freedom. We share the aspirations of all those around the world who struggle to win respect for these fundamental principles. When the pursuit of these ideals results in the shedding of innocent blood and the destruction of young lives, all Americans feel a profound sense of loss and an equally great sense of outrage. Today, the heart of our Nation mourns for the families and loved ones of those killed in China.
>
> This wreath, placed beneath the bright torch of the Statue of Liberty, honors the world's most recent heroes in the universal struggle for freedom and democracy. These young Chinese students had built their own version of Lady Liberty, expressing a fervent desire to bring her promise of freedom to their country. Even though that tangible symbol of hope has been temporarily suppressed, the dreams it represented live on in the Chinese people.
>
> While we stand beneath the Lady who lifts her lamp "beside the golden door," let us take comfort in knowing that the young men and women we honor today have passed through a far greater one. God bless you all.

Mr. President, this bill, when we came here to the Senate floor, had about 30 Senators as cosponors. I believe we will have many more and I hope the appropriate committee, if it must go to a committee, will report it out quickly. I think the measure loses some of its symbolism if we wait too long. It is most appropriate immediately after the executions and after the rather incredible exercise in freedom of the past 5 or 6 weeks by the young in China.

Many are saying: Do something to the Government of China. I think our President is exactly right. We do not want to do something to the people of China that we will regret. With this bill, we are undertaking an internal, proper effort to dedicate an appropriate symbol of the tremendous enthusiasm, led by young people, for the basic exercise of freedom and opportunity in China.

Mr. President, today we also circulated a letter to the President, complimenting him on his efforts in behalf of Prof. Fang Lizhi. We in the Senate support him wholeheartedly in making sure that our American Embassy remains a refuge for those who are trying to escape from the attempt of the leadership in China to impose their will on them and perhaps even take their lives.

I refer specifically to the letter signed by many Senators, saying: Mr. President, keep that Embassy torch alive. If the eminent professor and astrophysicist, Fang Lizhi, wants to stay there until he feels safe, we back you. Do not give in. Make our American Embassy a bastion of freedom for that great professor who seeks temporary asylum there.

I ask unanimous consent to have that printed letter a in the RECORD. Mr. President, I thank all of the cosponsors of the bill that I joined Senator WALLOP in preparing and introducing.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 22, 1989.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We write to commend you, Mr. President, for your actions involving Professor Fang Lizhi.

This brave man, whose life is at risk, has entered our Embassy in Beijing seeking refuge from the Chinese authorities. His only crime is that he has spoken out for democracy—a crime which in present day China can result in imprisonment or even death.

In the name of freedom and democracy, we call on you never to bow to the demands of the Chinese government by turning Fang over to the brutal regime that is now in control in Beijing.

Mr. President, even if it means that Fang must spend months, or even years within our embassy walls, the cause he represents and the courage he has displayed compel us to guarantee his safety by giving him continued sanctuary at our embassy.

The Chinese government has demonstrated to the world that those who speak out for the God-given rights of liberty and freedom will be silenced by the force of oppression.

As we have unfortunately seen so many times before, Communist regimes when threatened by the legitimate aspirations of their people to be free, will bow at nothing if their dictatorial control over their people is challenged.

Professor Fang is an eloquent and courageous spokesman for the many Chinese who yearn to live in democracy and be free. He has repeatedly shown the courage to state his views, even prior to the student movement which sprang into being during those brief and brave days in Tiananmen Square.

And now he, like so many other Chinese who spoke out for democracy, is threatened by imprisonment and death.

Mr. President, in the tradition that has made America the envy and the dream of oppressed people everywhere, do not let Fang go. Our nation owes it to those who died in Tiananmen Square and to those who will live with the silent memories of the brutal massacre forever etched in to their hearts to do all it can to protect this courageous and noble man.

Mr. President, we know you will agree and act to ensure the continued protection of Fang.

Sincerely,

Alan J. Dixon, Patrick J. Leahy, Dennis DeConcini, Terry Sanford, Herb Kohl, J. James Exon, Pete V. Domenici, Conrad Burns, Jesse Helms, Strom Thurmond, William V. Roth, Jr., Jake Garn, John F. Kerry, Joseph I. Lieberman, John B. Breaux, Paul Simon, Howell Heflin, Jeff Bingaman, Spark M. Matsunaga, Richard G. Lugar, Alfonse M. D'Amato, Dan Coats, James M. Jeffords, Larry Pressler, Pete Wilson, Connie Mack, Arlen Specter, Edward M. Kennedy, Malcolm Wallop, Mitch McConnell, John W. Warner.

By Mr. CRANSTON:

S. 1233. A bill to amend the Public Health Service Act to assist communities in developing coalitions to implement a substance abuse prevention and intervention program, and for other purposes; to the Committee on Labor and Human Resources.

COMPREHENSIVE COMMUNITY SUBSTANCE ABUSE PREVENTION ACT

Mr. CRANSTON. Mr. President, today I am introducing legislation to increase Federal support of local drug prevention programs. As my colleagues well know, the American people have stated repeatedly that stopping drug abuse is their No. 1 priority. Drugs are tearing apart families and communities all over America, and they are threatening to steal away a whole generation of young people.

The Federal Government has poured billions of dollars, most of it into drug interdiction and law enforcement efforts, to stop the escalating epidemic. Although there have been some successes, they have been far too few, and Americans are growing increasingly frustrated for more action. We must continue to search for ways to retake the streets from the drug pushers and dealers, but new approaches are needed.

Mr. President, Congress has tried to respond to drug epidemic on many occasions—the most recent being last year through enactment of the comprehensive Anti-Drug Abuse Act of 1988. It addressed the full spectrum of the drug problem—from beefing up drug interdiction to expanding treatment. That law—when it is fully funded and implemented—will help. But I am concerned that not enough focus was placed on one critical aspect of the war on drugs—prevention.

If we as a society are ever going to be successful in stopping drug abuse, and the increasingly violent crime that often goes along with it, we must stop the demand. Our young people must be encouraged to change their views and attitudes about drugs and to find alternatives to the drug culture. We can step up efforts to stop the flow of drugs at our borders and increase law enforcement efforts to crack down on drug trafficking—and I think these activities are important—but they cannot ultimately stop people from using drugs.

Unfortunately, substance abuse prevention programs have traditionally received very little attention or funding. Consequently, we are only beginning to learn what works and what doesn't. We took one step forward in 1986 when we created the Drug-Free Schools Program to help schools develop and implement substance abuse prevention programs. But we haven't done much for community-wide prevention efforts, where, I believe, the real hope lies.

COMMUNITY FORUMS

Mr. President, because I believe that communities represent an untapped resource in our war against drugs, I have been holding community forums throughout California to learn about what they are doing and what needs to be done to stop the scourge of drugs.

I have heard stories repeated over and over again about crack-addicted babies and drug-related violence. One San Diego woman said that "It's like a house that's on fire and we see our children and our sisters and brothers inside the house * * * and the house is burning."

But I also heard from ordinary citizens rising to the challenge of fighting back, and what they said impressed me greatly. Communities rallying together with limited resources and unlimited heart to send a strong and united message that goes beyond urging young people simply to say "no" to drugs.

Community leaders, parents, and school administrators who say "yes" to involving community organizations and businesses in helping youth, who say "yes" to strong leadership in schools, and who say "yes"to high expectations of students at school and at home are making a difference.

They have found that it makes a difference when people open their homes for neighborhood meetings to discuss the warning signs and dangers of drug abuse. It makes a difference when local businesses invest their time and money to "adopt" a school and provide students with positive alternatives to criminal activity. It makes a difference when schools and recreational programs develop after-school projects which expose youth to positive role models and which build their self-esteem. All of these steps can make a difference because they tell young people we care.

Mr. President, the one thing that has struck me after having visited a number of different programs is that there is no one solution, no single answer about how to keep kids from using drugs or from joining drug-trafficking gangs. Each community has to develop its own set of solutions depending on the individual needs, resources, and structures of that community. But communities do use common tools and strategies to put together their programs.

Mr. President, I am taking the message to other towns and cities throughout my State that community activism and old-fashioned grassroots organizing can truly turn around a local drug program. I want to share with them model programs and help facilitate the development of programs tailored to their own unique needs.

At the same time, community representatives have told me that they cannot do it alone. The Federal Government can and should be a partner in these efforts. That's why I recently urged William Bennett, the Director of the Office of Drug Control, who is preparing a national drug control strategy, to meet with and enlist the help of Californians who are working in their own communities. They are truly the foot soldiers in the war on drugs and have much to contribute.

By the same token, the Federal Government, as a full partner in the war on drugs, can supply the heavy artillery by providing communities with much-needed resources, guidance, training, and technical assistance for developing drug prevention programs. That is what my legislation would do.

RESEARCH SUPPORTS COMMUNITY INVOLVEMENT IN PREVENTING DRUG USE

Mr. President, as I have become more convinced that community coalitions are the way to go, so, too, has the research community. Just 2 weeks ago, a study in the Journal of the American Medical Association reported that a comprehensive community program that encourages teenagers to avoid cigarettes, alcohol, and marijuana is far more successful than programs that rely only on the schools.

The study involved 23,500 sixth and seventh graders in 42 schools in the Kansas City area. The schools were randomly assigned to carry out the experimental program, which involved parents and family members, community organizations, and the media, in addition to the schools, or to continue their normal programs. The experimental program included sessions at school, homework assignments that involved role playing with family members and newspaper articles and TV and radio spots on resisting drugs.

One year later, students were asked whether they had used drugs in the last month. Among the students in the experimental group, 17 percent said they had smoked cigarettes, 11 percent said they had drunk alcohol, and 7 percent reported using marijuana. In contrast, 24 percent of the students who were not in the experimental program reported smoking cigarettes, 16 percent reported drinking alcohol, and 10 percent said they used marijuana.

More interestingly, the increase in drug prevalence among the experimental group was half that of the control group during the first year. That is, the number of students who reported using marijuana and who participated in the intervention program increased by 3.4 percent, whereas the number who reported using marijuana and who did not participate increased by 7.1 percent.

I am most encouraged, however, that, according to the author of the study, Dr. Mary Ann Pentz, preliminary data indicate that the program effects have been maintained and may even have improved during the subsequent 2 years.

THE 1988 ANTI-DRUG ABUSE ACT

Mr. President, the Anti-Drug Abuse Act of 1988 placed more emphasis on demand-reduction activities than ever before. In particular, it included a number of provisions to expand substance abuse prevention activities. As a member of the Senate task force that crafted the legislation, I proposed the concept for the Community Youth Activity Program to authorize Federal support to help local community organizations, agencies, and businesses develop drug prevention programs and other activities for youth—including training, education, and recreational

activities—so that they have real alternatives to the drug culture.

Also at my request, the law authorized Federal assistance for communities to develop long-term strategies to combat drug abuse. I was glad to see that President Bush recognized the value of the approach and included $35 million in his budget for that purpose.

SUMMARY OF LEGISLATION

Mr. President, despite these initiatives, only 30 percent of the entire drug budget is focused on ways to reduce the demand for drugs. I believe that much more needs to be done. My legislation would do two things. First, it would formalize a program—in effect, provide a blueprint for spending the money in the President's budget—to assist communities in developing comprehensive substance abuse prevention programs. If there is one thing we learned from the 1986 anti-substance abuse law, it's that a one-time only appropriation when dealing with the drug epidemic does not work. The Federal Government must be willing to make a long-term sustained commitment in partnership with communities. Otherwise, we are destined to fail.

This bill would enable the Federal Government to be much more aggressive in supporting local initiatives and would provide incentives and encouragement for them to organize, plan, and implement long-term strategies. The proposed legislation would specifically authorize for 3 years an initiative, consistent with the $35 million budget request, to assist communities in developing coalitions to identify the nature and extent of the drug and alcohol problem and to plan, develop, and implement a substance abuse prevention and intervention program. This legislation would help ensure that efforts begun with funding proposed by President Bush will be continued.

The second component to the bill concerns training in substance abuse prevention. Over the last 10 years, the emphasis on dealing with the drug epidemic has been on law enforcement and on cutting off supply. Drug prevention has received very little attention. Consequently, there are few individuals trained in the field who can in turn train community participants in a comprehensive prevention program. In my meetings with concerned citizens in California, one message has come through loud and clear. People want to help, they want to feel that they can do something. But most people throughout the Nation don't know how or what to do. They often lack the tools, knowledge, and resources to mount an effective and comprehensive substance abuse prevention program.

The proposed legislation would establish a National Substance Abuse Prevention Training Program and would authorize the Secretary to provide technical assistance and general support for training, including helping communities develop organizing skills, in substance abuse prevention. It would also establish a grant program to help State and local governments as well as community organizations to provide substance abuse prevention training to representatives of those organizations and agencies—in order to "train the trainer"—who can then provide training to parents, coaches, clergy, and other interested members of the community.

CONCLUSION

Mr. President, to wage this war against drugs effectively, we must come down hard on the drug kingpins in Colombia and the crack dealers in our neighborhoods. We need police, guns, nightsticks, and handcuffs to arrest drug pushers and to control drug-related street violence. But the police are the first to admit that handcuffs, nightsticks, and guns alone will not solve the drug problem. Whether the war on drugs will utlimately be won or lost depends on the success of failure of local grassroots efforts to decrease the demand for drugs, and the Federal Government must support these efforts.

I urge all my colleagues to join me in support of this legislation. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Community Substance Abuse Prevention Act of 1989".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) preventing substance abuse is the key to reducing the demand for illegal drugs and stopping the drug epidemic;

(2) substance abuse prevention activities have been seriously ignored and underfunded;

(3) successful prevention efforts require the involvement of all segments of the community including those in leadership positions and other concerned individuals and organizations on the grassroots level;

(4) many communities lack the tools, resources, and knowledge to mount an effective and comprehensive substance abuse prevention program; and

(5) the Federal Government should be a partner with local and State governments and community organizations in an effort to prevent substance abuse.

(b) PURPOSE.—It is the purpose of this Act to assist communities in planning, developing, and implementing long-term comprehensive substance abuse prevention strategies and programs—

(1) by developing communicative and cooperative relationships between various organizations, agencies, businesses, clergy, schools, parents, youth, and interested citizens regarding substance abuse prevention activities; and

(2) by assisting communities in training individuals in methods of planning, developing, and implementing substance abuse prevention and intervention programs and activities.

SEC. 3. COMMUNITY PARTNERSHIPS.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 509H. COMMUNITY COALITIONS ON SUBSTANCE ABUSE.

"(a) DEFINITION. As used in this section, the term 'eligible coalition' means an association, consisting of at least seven organizations, agencies, and individuals that are concerned about preventing substance abuse, that shall include—

"(1) public and private organizations and agencies that represent law enforcement, schools, health and social service agencies, and community-based organizations; and

"(2) at least three representatives of the clergy, academia, business, parents, youth, the media, civic and fraternal groups, and other nongovernmental interested parties.

"(b) GRANT PROGRAM.—The Secretary, acting through the Director of the Office, shall make grants to eligible coalitions in order to—

"(1) plan and implement comprehensive long-term strategies for substance abuse prevention;

"(2) develop a detailed assessment of existing substance abuse prevention programs and activities to determine community resources and to identify major gaps and barriers in such programs and activities;

"(3) identify and solicit funding sources to enable such programs and activities to become self-sustaining;

"(4) develop a consensus regarding the priorities of a community concerning substance abuse;

"(5) develop a plan to implement such priorities; and

"(6) coordinate substance abuse services and activities, including prevention activities in the schools and communities and substance abuse treatment programs.

"(c) COMMUNITY PARTICIPATION.—In developing and implementing a substance abuse prevention program, a coalition receiving funds under paragraph (1) shall—

"(1) emphasize and encourage substantial voluntary participation in the community, especially among individuals involved with youth such as teachers, coaches, parents, and clergy; and

"(2) emphasize and encourage the involvement of businesses, civic groups, and other community organizations and members.

"(d) APPLICATION.—An eligible coalition shall submit an application to the Secretary in order to receive a grant under this section. Such application shall—

"(1) describe and, to the extent possible, document the nature and extent of the substance abuse problem;

"(2) describe the activities needing financial assistance;

"(3) identify participating agencies, organizations, and individuals;

"(4) identify the agency, organization, or individual that has responsibility for leading the coalition, and provide assurances that such agency, organization or individual has previous substance abuse prevention experience;

"(5) describe a mechanism to evaluate the success of the coalition in developing and carrying out the substance abuse prevention plan referred to in subsection (b)(5); and

"(6) contain such additional information and assurances as the Secretary may prescribe.

"(e) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to a community that—

"(1) provides evidence of significant substance abuse;

"(2) proposes a comprehensive and multifaceted approach to eliminating substance abuse;

"(3) encourages the involvement of businesses and community leaders in substance abuse prevention activities;

"(4) demonstrates a commitment and a high priority for preventing substance abuse; and

"(5) demonstrates support from the community and State and local agencies for efforts to eliminate substance abuse.

"(f) AUTHORIZATION OF APPROPRIATION.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $35,000,000 for fiscal year 1990, $40,000,000 for fiscal year 1991, and $45,000,000 for fiscal year 1992.

"(2) SIZE OF COMMUNITIES.—The Secretary shall allocate at least 35 percent of the amount appropriated under paragraph (1) for a fiscal year to communities, with populations of no more than 250,000 individuals, that have made substance abuse prevention a high priority, as determined by the Secretary.

"SEC. 5091. SUBSTANCE ABUSE PREVENTION TRAINING.

"(a) ESTABLISHMENT.—The Secretary, acting through the Director of the Office, shall establish a National Substance Abuse Prevention Training Program (hereinafter in this section referred to as the 'Program').

"(b) The Program shall be headed by a Director who has extensive experience in substance abuse prevention (hereinafter in this section referred to as the 'Program Director').

"(c) DUTIES.—The Program Director shall—

"(1) develop a substance abuse prevention training curriculum for community groups in organizational development, program operation, prevention concepts, and models;

"(2) provide technical assistance and support for community training on substance abuse prevention, including organizing the community, developing skills, and establishing program goals;

"(3) provide technical assistance and support for advanced prevention and intervention training for the community organizing staff and state and local substance abuse agency staff;

"(4) develop specific training modules for problem areas such as substance abuse, teen pregnancy, and acquired immune deficiency syndrome and for professional groups that work with children and adolescents, such as juvenile court judges, pediatrics, coaches, and counselors;

"(5) provide substance abuse prevention outreach and support to communities with substantial minority populations through workshops and collaborative initiatives with organizations serving such populations;

"(6) disseminate successful curricula and training practices in substance abuse prevention in communities through involvement with parents, civic groups, members of the business community, clergy, law enforcement representatives, and community leaders; and

"(7) evaluate the appropriateness and effectiveness of substance abuse prevention training.

"(d) AUTHORIZATION.—There are authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 1990 through 1992.

"SEC. 5092. SPECIALIZED TRAINING PROGRAM.

"(a) GRANT PROGRAM.—The Secretary, acting through the Director of the Office, shall make grants to States, local agencies, and community organizations in order to—

"(1) provide substance abuse prevention training to representatives of such organizations and agencies;

"(2) provide substance abuse prevention training to parents, teachers, clergy, the business community, and civic groups;

"(3) coordinate with other community resources and programs; and

"(4) provide specialized training programs for professional groups that work with children and adolescents, or that are targeted to specific population groups.

"(b) AUTHORIZATION.—There are authorized to be appropriated to carry out this section $20,000,000 for each of the fiscal years 1990 through 1992.".

SEC. 4. OFFICE FOR SUBSTANCE ABUSE PREVENTION.

Section 508(d)(2) of the Public Health Service Act (42 U.S.C. 290aa-6(d)(2)) is amended by striking out "$5,000,000" and inserting in lieu thereof "$4,000,000".

By Mr. CRANSTON:

S. 1234. A bill to amend the Anti-Drug Abuse Act of 1988 to require that certain areas be designated as high intensity drug trafficking areas, and for other purposes; to the Committee on the Judiciary.

AMENDING THE ANTI-DRUG ABUSE ACT OF 1988 RELATING TO DRUG TRAFFICKING AREAS

Mr. CRANSTON. Mr. President, the Anti-Drug Abuse Act we passed last year contains a very important provision that authorizes the new drug czar, William Bennett, to designate certain areas of the country as "high intensity drug trafficking areas" and to provide special Federal assistance to such areas. I was glad to see that the 1988 drug bill contained this provision, Mr. President, because since March 1988 I have been pressuring the administration to send more Federal resources to the Los Angeles area which is a major drug importation and transshipment center for the entire country. I have consistently argued that the problem in Los Angeles is not a local problem. Rather, the scope of the problem has reached national dimensions, and thus clearly demands a Federal response.

With the beginning of the 101st Congress, I joined Congressmen BERMAN and LEVINE in asking the new drug czar to make some commitment to utilize his authority under the 1988 drug law to designate the Los Angeles area as a high intensity drug trafficking area. Mr. President, I ask unanimous consent that a copy of that letter be printed in the RECORD at the conclusion of my remarks. Also, because of the serious problems we face regarding drug trafficking along the southern border, I joined a number of other Senators in asking that that region of the country receive a similar designation. While the drug czar has acknowledged these requests, no commitment has been forthcoming.

Consequently, today I am introducing a bill which goes a step further than the step we took in the 1988 drug law. This bill requires the drug czar to designate certain areas as high intensity drug trafficking areas and, when designating such areas, to include those cities which are now acknowledged as major drug importation, distribution, or manufacturing centers: Los Angeles, San Diego, New York, and Miami. Current law merely authorizes—but does not require—the designation of such areas, and does not name specific areas. I believe this change is necessary, Mr. President, if we indeed are going to make a serious commitment to cut off the supply of drugs into this country. The crisis in these cities is such that we should not delay in making such a commitment.

STOPPING THE DRUG SUPPLY IS A NATIONAL—NOT LOCAL—PROBLEM

Reports of the Drug Enforcement Administration [DEA], the Federal Bureau of Investigation [FBI], and the National Narcotics Intelligence Consumers Committee (known as the NNICC report), indicate that major drug trafficking activity—including either importation, or distribution, or manufacturing, or some combination of these activities—are occurring in Los Angeles, San Diego, New York, and Miami. Certainly there are other cities which might qualify for special Federal assistance, but it is important that we make a commitment now to those areas which we know to be major sources of supply of illegal drugs.

For example, in the case of Los Angeles, local and Federal officers seized over 40,000 pounds of cocaine during 1988—which some officials estimate is only 10 percent of the total amount flowing through the area to the rest of the country. Additionally, as a result of the substantial amount of drug trafficking in Los Angeles, the city is now widely regarded as the drug money laundering capital of the Nation.

Federal officials estimate that several billion dollars a year is being laundered from Los Angeles through Panama and other countries and back to Colombia. Last year, for the first time, Federal and local drug agents seized more assets from drug dealers in Los Angeles—more than $200 million—than anywhere else in the country.

The situation in Miami and New York is just as shocking. Large sums of cocaine profits were laundered in or moved out of these cities. For example, in February 1988, DEA agents in New York seized a record $7.8 million in cash in drug profits from a cocaine distribution network. Subsequent to the seizure it was learned the group was purported to be moving approximately $40 million per month.

In the cities mentioned in my bill, gang conflicts have become a form of urban-guerrilla warfare over drug trafficking.

The Los Angeles gangs—the Bloods and the Crips—have spread their drug trafficking activities up and down the State, into neighboring States, and even attempted to establish operations as far east as York, PA. These two gangs have established a far-reaching drug trafficking network that has made itself known throughout the country. They extend their activities

by recruiting retail-level distributors from the local area and using gang members as couriers for both the drugs and income generated from crack sales.

Dominican gangs are based in New York City and operate in cities in the northeastern United States; Haitian gangs, based in Miami, operate primarily in the southeastern United States. During 1988, there was a substantial increase in violence and homicides as power struggles over drug territory developed among retail-level distribution groups, local inner-city street gangs, and the larger, well-organized gangs attempting to expand their distribution area in a number of cities.

Often these gangs traffic in crack cocaine. Mr. President, at this point in time I think everyone is aware of the particular pernicious dangers associated with this highly addictive and yet relatively low cost drug. The history of this drug is that it was first available in 1981 in Los Angeles, San Diego, and Houston. Later, it became a serious problem in New York. Crack cocaine literally exploded on the drug scene during 1986 and was reported available in 28 States and the District of Columbia. It is currently available in almost every State.

Crack is a problem of epidemic proportions in Los Angeles where the Bloods and the Crips gangs control the manufacture and distribution of the drug. It is available in multikilogram quantities throughout the Los Angeles area, and kilogram quantities can be purchased for $15,500 to $19,500.

In Miami, local authorities estimate that there are over 700 crack houses. DEA Miami has identified two interstate trafficking networks, one which spreads across Florida, Georgia, South Carolina, and Tennessee, and the other involves the east coast to New York, extending west through Texas and Nevada to California.

In New York, several large crack organizations—whose structure approaches that of midlevel cocaine or heroin dealers—have been established. The DEA is investigating several organizations capable of supplying 10,000 vials of crack per week.

In addition to the trafficking in cocaine and crack cocaine in these cities, there is also the problem of trafficking in Southeast or Southwest Asian or Mexican brown heroin. New York City is the primary entry point and distribution center for both Southwest and Southeast Asian heroin. Mexican and Southeast Asian heroin are trafficked through Los Angeles.

As a final example of the need for this legislation I am introducing today, I would like to point out that clandestine laboratory production of methamphetamines and amphetamines is a very serious problem in this country. A significant amount of the production of these drugs is done in the San Diego area. Methamphetamine laboratory seizures in DEA's San Diego field division area have increased significantly during the past several years. DEA's San Diego, Los Angeles, San Francisco, Seattle, and Houston field divisions accounted for over 80 percent of the methamphetamine laboratories seized in 1988.

Mr. President, all of the data I have been able to gather regarding the supply of drugs into this country indicate that the drug trafficking in and through Los Angeles, San Diego, New York, and Miami, affects us all. We can advance the war on drugs significantly by cutting off the supply in these cities.

Los Angeles is a case in point. By some estimates, 40 percent of all the cocaine entering this country is routed via Los Angeles. That is not to count the crack, the heroin, or other illicit drugs, that are distributed from there. The toll this is taking on local governmental resources, plus the tragic toll on human lives, is hard to comprehend. At this point, Mr. President, I ask unanimous consent that the letters and city council resolutions I have received from cities in the Los Angeles area asking for some assistance with this crisis be entered in the RECORD at the conclusion of my remarks. These cities are asking for our help. I think we should answer with some form of commitment to provide Federal assistance to address this crisis situation.

STATEMENT OF PURPOSE AND CONCLUSION

The intent of my legislation is to assure that those cities which are the principal drug supply centers for the rest of the country will have the Federal resources they need to crack down on the drug traffickers. It is not my intent that Federal law enforcement agents supplant or preempt any local law enforcement efforts. Rather, what is clearly needed is for Federal and local law enforcement to join forces in this war on drugs.

Local governments acting alone cannot stem the flow of drugs into our country. I hope that my colleagues will support this legislation. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HIGH INTENSITY DRUG TRAFFICKING AREAS.

Section 1005(c)(1) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended—

(1) in the matter preceding subparagraph (A), by striking out "may designate" and all that follows through "Director may" and inserting in lieu thereof the following: "shall designate specific areas of the United States as high intensity drug trafficking areas, and such areas shall include Los Angeles County, California; San Diego, California; New York, New York; Miami, Florida; and such other areas the Director considers appropriate. After making such a designation and in order to provide federal assistance to the areas so designated, the Director shall"; and

(2) in subparagraph (A), by inserting before the semicolon the following: ", including personnel of the Coast Guard, the United States Customs Service, the Immigration and Naturalization Service, the Drug Enforcement Administration, the office of the United States Attorney for the appropriate district, the Bureau of Alcohol, Tobacco, and Firearms, the Federal Bureau of Investigation, and the United States Marshal Service."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 19, 1989.

Hon. WILLIAM BENNETT,
Director, Office of National Drug Control Policy, Executive Office of the President, Washington, DC.

DEAR MR. BENNETT: We would like to call your attention once again to the terrible drug problem that is savaging the Los Angeles area. We applaud your decision to have the Federal government play a more active role in fighting the war on drugs in Washington, D.C. We feel that the Federal government should put forth an equal effort to help with the drug problem in Los Angeles.

Los Angeles is clearly the center for drug importation and distribution in the United States. It should be designated a "high intensity drug trafficking area," so that it can qualify for more Federal assistance.

L.A. drug gangs, with over 70,000 members, export drugs and violence across the country. Los Angeles based drug traffickers have extended their operations into Washington, D.C., Seattle, Denver, Phoenix, Oklahoma City, Kansas City, Anchorage, Omaha and many other cities in the United States. We believe that by taking action in Los Angeles, the Federal government will be taking a large step toward dealing with the narcotics problem nationwide.

Recently in a drug bust in Washington D.C., Federal and local law enforcement officials broke up the largest and most organized drug ring in the city's history. The organization was responsible for 20-50% of the District's cocaine market. Law enforcement officials believe the drug ring to have received 30 kilograms of cocaine per week from a notorious Los Angeles drug gang known as the "Crips."

Although Los Angeles has been widely acknowledged as the fastest growing drug trafficking area in the country, it has not received an appropriate share of Federal anti-drug resources. Of the $150 million appropriated for fighting the war on drugs in this fiscal year, only $118.8 million went to the states. Of this $118.8 million, the State of California received only $10.7 million. We believe this reflects a grave under-estimate of the true nature of the problem in Southern California.

The Drug Enforcement Agency (DEA) estimated that roughly 40% of all cocaine coming to the United States enters through the Los Angeles area, and that percentage is growing. In 1982, 329 pounds of cocaine was seized. By 1988, more than 15 tons of cocaine with an estimated value of more than $5 billion had been taken off the streets of Los Angeles. In addition to being a major supplier/distributer of crack cocaine, Los Angeles is the nation's major production center for PCP and a major distribution center of heroine.

Cash seizures from the drug trade in Los Angeles totaled over $100 million last year and topped Miami for the first time. The drug money that has flowed into the Los Angeles area has flooded the city's Federal Reserve Bank with a $3.8 billion cash surplus. We believe this to be a clear confirmation that Los Angeles has become the prin-

cipal distribution and money laundering center for the drug trade in the United States.

We urge the Federal Government to fight the problem at the source and wage an all-out war on drugs and gangs in Los Angeles and Southern California. Until significant progress is made to reduce drug trafficking, the situation will continue to deteriorate in Washington and other cities in which L.A. gangs are operating.

The Federal presence in Southern California must be expanded. It is appalling that only 10% of the thousands of drug cases can be brought to trial because of the severe shortage of Federal attorneys. We are hopeful that in your capacity as the "Drug Czar" you will allocate more resources to Los Angeles to help expand the Drug Task Force.

We would greatly appreciate an opportunity to meet with you to discuss the possibility of declaring Los Angeles a "high intensity drug crime area." Thank you for your time and consideration.

Sincerely,

ALAN CRANSTON,
U.S. Senate.
HOWARD L. BERMAN,
House of Representatives.
MEL LEVINE,
House of Representatives.

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Los Angeles, CA, April 21, 1989.

Hon. ALAN CRANSTON,
U.S. Senator,
Washington, DC.

DEAR SENATOR CRANSTON: On April 18, 1989, we heard testimony from key officials representing locally based Federal anti-drug investigation and enforcement agencies, as well as our County Sheriff's Office, regarding Federal and local efforts to combat illegal drugs. After presentations by the representatives, it is apparent that we are facing a crisis.

Los Angeles County has become a major drug importation and transshipment center for the United States with massive amounts of cocaine and Mexican heroin flowing into the area. The dramatic rise in drug trafficking and abuse within the County has severely overburdened our justice and health care systems as is evidenced by the growing numbers of arrests, drug seizures, emergency room episodes and deaths.

Within Los Angeles County, we do have excellent cooperation among Federal and local anti-drug enforcement agencies. However, the enclosed chart clearly indicates the disproportionate allocation of Federal resources for drug enforcement. The need for additional resources for the war on drugs in the County is clear, both for locally based Federal agencies and for the County's Sheriff and other justice agencies.

To address this critical problem, we are requesting the Federal Administration to reallocate resources, including personnel, technology and funding, available to Federal anti-drug enforcement agencies to those areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area. We are also requesting that Dr. William Bennett, Director of the Office of National Drug Control Policy, expedite implementation of the Anti-Drug Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need, including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Therefore, we have requested the President to visit Los Angeles County, and bring Dr. William Bennett, Director of the Office of National Drug Control Policy, and Mr. William Sessions, Director of the Federal Bureau of Investigation, to meet with us and other law enforcement officials, to discuss the dangerous problems of drug trafficking and gang violence that we are facing.

We are also inviting you and Senator Pete Wilson, and the Los Angeles County Delegation in the House of Representatives to meet in Los Angeles County with the Sheriff and other local law enforcement agencies, including locally based Federal agencies, to see first-hand this battleground in the war on drugs.

For your information, enclosed is a transcript of the presentations made, and our discussion on this issue.

Sincerely yours,

Edmund D. Edelman, Chairman, Supervisor, 3rd District; Peter F. Schabarum, Supervisor, 1st District; Deane Dana, Supervisor, 4th District; Kenneth Hahn, Supervisor, 2nd District; Michael D. Antonovich, Supervisor, 5th District.

RESOLUTION NO. 4032—A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDENA, CA

Whereas, drug abuse in the United States as a whole has become rampant and presents critical societal problems; and

Whereas, Los Angeles County is fast becoming a major drug importation and transshipment center for the United States of massive amounts of cocaine and Mexican heroin; and

Whereas, the County of Los Angeles has experienced severe overburdening of our justice and health care systems, which is evidenced by the growing numbers of arrests, drug seizures, emergency room episodes and deaths; and

Whereas, Los Angeles County drug enforcement agencies and officers are not receiving their proportionate share of Federal anti-drug funds;

Now, therefore, be it resolved, by the City Council of the City of Gardena to respectfully urge the Federal government to:

1. Reallocate resources, including personnel, technology and funding available to Federal anti-drug enforcement agencies to those areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area; and

2. Expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need, including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Approved, passed and adopted this 23rd day of May, 1989.

RESOLUTION NO. 89-17

Whereas, the City of Cudahy, located in Southeast Los Angeles County, is experiencing escalating drug-related violence, crime, and associated problems which are threatening our community; and

Whereas, Los Angeles County has become the major drug importation and transshipment center for the United States and is known as the cocaine consumption capitol of the country; and

Whereas, in Los Angeles County, 60 percent of all criminal cases in the courts are drug related and it is estimated that 75 to 80 percent of the inmates in the Los Angeles County Jail System are imprisoned directly or indirectly as the result of substance abuse; and

Whereas, in Los Angeles County, an estimated 275 babies are born each month addicted to narcotics; and

Whereas, the drug epidemic has created a major crisis with the dramatic rise in drug trafficking and abuse within Los Angeles County severely overburdening our justice and health care systems; and

Whereas, the allocation of Federal resources the Los Angeles County area receives for drug enforcement is not proportionate to the amount of illegal drug activity in Los Angeles County.

Now, therefore, the City Council of the City of Cudahy does resolve as follows:

Section 1. That it hereby urges the Federal Government to reallocate resources, including personnel, technology and funding, available to Federal anti-drug enforcement agencies to these areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area; and to expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need, including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Section 2. That the City Clerk shall certify to the passage and adoption of this resolution and shall transmit copies of this resolution to the President of the United States, Senator Alan Cranston, Senator Pete Wilson, Representative Matthew G. Martinez, Dr. William Bennett, Director of the Office of National Drug Control Policy, and the Los Angeles County Board of Supervisors.

CITY OF MONROVIA, CA,
June 9, 1989.

Senator ALAN CRANSTON,
Hart Office Building, Washington, DC.

DEAR SENATOR CRANSTON: The City of Monrovia is facing a serious drug problem, and we need your support to address this critical societal problem.

Los Angeles County, of which this City is a part, has become a major drug importation and transshipment center for the United States, with massive amounts of cocaine and Mexican heroin flowing into the area. The dramatic rise in drug trafficking and abuse within the County and this City has severely overburdened our justice and health care systems, as is evidenced by the growing number of arrests, drug seizures, emergency room episodes and deaths.

Due to this crisis, the City Council of the City of Monrovia, by unanimous vote, urges the Federal Government to:

1. Reallocate resources, including personnel, technology and funding, available to Federal anti-drug enforcement agencies, to those areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area, and

2. Expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need, including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Sincerely,

ROBERT T. BARTLETT,
Mayor of the City of Monrovia.

CITY OF HERMOSA BEACH, CA,
May 23, 1989.

Hon. ALAN CRANSTON,
Senator, Washington, DC.

DEAR SENATOR CRANSTON: The City Council of the City of Hermosa Beach, California wishes to join the Los Angeles County Board of Supervisors and cities throughout Los Angeles County in urging your support

to address the critical societal problem of drug trafficking and abuse.

The dramatic rise in drug and these societal cancers within our County has severely overburdened our justice and health care systems and is evidenced by a growing number of arrests, drug seizures, emergency room episodes and deaths. We urge your assistance in the war on drugs by causing Federal government action to:

(1) Reallocate resources, including personnel, technology, and funding, available to Federal anti-drug enforcement agencies to those areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area; and

(2) Expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need, including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

If we are to be successful in our war on drugs, we will need high priority efforts at every level of government. We pledge our utmost efforts to this end and most respectfully request your assistance in order to meet the challenges of drug trafficking and abuse.

Sincerely yours,

JUNE WILLIAMS,
Mayor.

JIM ROSENBERGER,
Councilmember.

ETTA SIMPSON,
Councilmember.

ROGER CREIGHTON,
Mayor Pro Tempore.

CHUCK SHELDON,
Councilmember.

CITY OF PARAMOUNT, CA—RESOLUTION No. 89:019

Whereas, the drug problem and the disproportionate allocation of federal resources overburdens the justice and health care systems; and

Whereas, the City of Paramount desires federal resources to be distributed comparably and relieve such excess burden;

Now, therefore, the City Council of the City of Paramount resolves, determines and finds as follows:

Section 1. The federal government is urged to reallocated resources, including personnel, technology and funding available to Federal anti-drug enforcement agencies to those Federal agency offices working in the Los Angeles County area; and

Expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Section 2. The City Clerk shall certify to the adoption of this resolution.

RESOLUTION No. 89-46 of the City of Santa Clarita, CA

Whereas, Los Angeles County has become a major drug importation and transshipment center for the United States with massive amounts of cocaine and Mexican heroin flowing into the area; and

Whereas, the dramatic rise in drug trafficking and abuse within the County has severely overburdened our justice and health care systems as is evidenced by the growing number of arrests, drug seizures, emergency room episodes and deaths; and

Whereas, Los Angeles County is facing a serious drug problem and needs the support of the Federal government to address this critical societal problem;

Now, therefore be it resolved that the City Council of the City of Santa Clarita urges the Federal government to:

1. Reallocate resources, including personnel, technology and funding, available to Federal anti-drug enforcement agencies to those areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area; and

2. Expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

RESOLUTION No. 89-67 OF THE CITY OF MONTEBELLO, CA

Whereas, on April 18, 1989, the Los Angeles County Board of Supervisors heard testimony from key officials representing locally based Federal anti-drug investigation and enforcement agencies, as well as the Los Angeles County Sheriff's Office, regarding the extent of the problem and the inadequate resources for drug enforcement.

Whereas, it was brought out in the testimony that Los Angeles County has become a major drug importation and trans-shipment center for the United States with massive amounts of cocaine and Mexican heroin flowing into the area, the dramatic rise in drug trafficking and abuse within the County has severely overburdened our justice and health care systems as is evidenced by the growing numbers of arrests, drug seizures, emergency room episodes and deaths.

Whereas, it was apparent from the testimony that we are facing a crisis.

Now, therefore, the City Council of the City of Montebello does resolve as follows:

Section 1. That the City Council of the City of Montebello urges the Federal Government to:

Re-allocate resources, including personnel, technology and funding, available to Federal anti-drug enforcement agencies to those areas of highest drug abuse and trafficking activity, particularly to those Federal agency offices working in the Los Angeles County area; and

Expedite implementation of the Anti-Drug Abuse Act of 1988, targeting resources made available under the Act to those areas which have demonstrated the greatest need, including Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Section 2. That the City Clerk shall certify to the adoption of this Resolution and that a copy of this Resolution be directed to the President of the United States, Director William Bennett, Office of the National Drug Control Policy, the Los Angeles County Congressional Delegation, and the Los Angeles County Board of Supervisors.

RESOLUTION No. 15,927 OF THE CITY COUNCIL OF COMPTON, CA

Whereas, the overburdening of Los Angeles County's criminal justice and health care systems as well as the ever-increasing number of arrests, drug seizures, emergency room episodes and deaths point to the fact that Southern California is now the drug importation and transshipment center for the entire United States; and

Whereas, despite these facts the Congress has consistently allocated resources to New York, Washington, D.C., and Florida; and

Whereas, the Los Angeles County Board of Supervisors is calling on the President and Congress to expedite the implementation of the Anti-Drug Abuse Act of 1988 and to target resources made available under the Act to areas that have demonstrated the greatest need, namely Los Angeles County, to assist with local law enforcement, health care, prevention and education efforts.

Whereas, the reallocation of resources, including personnel, technology and funding must be realized to enable federal anti-drug enforcement agencies operating in areas of highest drug abuse and trafficking activity to effectively combat the crimes that emanate from illegal narcotics.

Now, therefore, the City Council of the City of Compton does hereby resolve as follows:

Section 1. That we support the Los Angeles County Board of Supervisors in its efforts to reallocate federal resources to areas of the highest drug abuse and trafficking.

Section 2. That a certified copy of this Resolution be forwarded to President George Bush.

Section 3. That a certified copy of this Resolution be forwarded to William Bennett, Director of the Office of National Drug Control Policy.

Section 4. That a certified copy of this Resolution be forwarded to Senator Alan Cranston, Senator Pete Wilson, and Congressman Mervyn Dymally.

Section 5. That a copy of this resolution shall be filed in the Offices of the City Manager, City Attorney, Economic and Grants Management Services, and City Clerk.

Section 6. That the Mayor shall sign and the City Clerk shall attest to the adoption of this resolution.

By Mr. SIMON:

S. 1235. A bill to amend the Civil Rights Act of 1964 to permit States and political subdivisions to establish minority set-asides, and for other purposes; to the Committee on Governmental Affairs.

SET-ASIDES FOR STATES AND POLITICAL SUBDIVISIONS

● Mr. SIMON. Mr. President, in January, the Supreme Court delivered the first of four recent decisions which dilute the guarantee of equality for all citizens. In the case of *City of Richmond* v. *Croson*, 109 S.Ct. 706 (1989), the court struck down a minority set-aside program enacted by the city of Richmond, VA. My bill would use Congress' constitutionally granted power to enforce the 14th amendment to authorize States and municipalities to adopt set-aside programs if they so choose.

The Croson decision has had disastrous consequences. In the few short months since that decision, several set-aside plans have been ruled unconstitutional by State and Federal courts. Others have been rescinded by legislatures or failed to win approval as legislators, fearful that these programs may be unconstitutional, voted against them. Set-aside programs in the States of Michigan and Colorado; the cities of Atlanta, GA, and South Bend, IN, and in Guilford County, NC, have been so eliminated. Of the 36 States and 200 local government set-aside laws or policies, many others are now vulnerable.

The Chicago Defender has aptly described the message of Croson:

[The] justices, in effect, are saying: "Look, we know that your opportunities have been

severely restricted by racism in the past, but we can't recommend that anything be done to right that wrong or to make sure that it does not happen again. We realize that you've been severely wronged, but we can't even offer you a small bandaid. And even if you are still being attacked, you are going to have to categorically prove that the assault is taking place before you can even get an aspirin.

We cannot allow this to be the message we send to those who have suffered from discrimination in this country.

Set-aside programs are both an effective and appropriate means of redressing past discrimination, both public and private. Private discrimination takes many forms; for instance, discrimination in lending impedes the formation and growth of minority and women owned businesses. Governmental discrimination in the awarding of public contracts may then exacerbate preexisting private discrimination.

Of course, any set-asides must be reasonable, limited in scope and duration, to ensure that no abuses are taking place, and only those plans which meet these requirements are authorized by my bill. Moreover, my bill does not require State or local governments to enact set-aside programs; it merely authorizes them to do so if they choose.

The Supreme Court has set a daunting hurdle for those State and local governments seeking to remedy past discrimination by enacting a set-aside program. In order to institute a program, States and localities would have to give a detailed confession of their past discrimination or passive participation in private discrimination. Such a requirement would discourage action to redress discrimination. The Court's decision would also tax the resources of those who wish to encourage equality by requiring, in Justice Marshall's words, "unnecessarily duplicative, costly, and time-consuming factfinding."

My bill frees State and local governments of this high evidentiary burden by using Congress' broad remedial powers to redress discrimination, derived from section 5 of the 14th amendment. The Supreme Court affirmed the broad scope of those remedial powers in *Fullilove* v. *Klutznick*, 448 U.S. 448 (1980). The Croson decision did not overrule Fullilove, but reaffirmed it. As Justice O'Connor wrote, section 5 is "a specific constitutional mandate to enforce the dictates of the 14th amendment. The power to enforce; may at times also include the power to determine situations which Congress determines threaten principles of equality and to adopt prophylactic rules to deal with those situations."

Congress has previously determined that discrimination, both by the Government and by private citizens, is an important problem and clearly violates the principles of equality. We have passed several Federal set-aside programs: The Public Works Employment Act of 1977, the Highway Improvement Act of 1982, and the International Security and Development Assistance Authorizations Act of 1961.

But the Federal Government alone cannot effectively remedy discrimination without the assistance of State and local governments. By allowing other government units to enact set-aside programs, Congress will be furthering its goal, and the Nation's goal, of achieving equality.

The civil rights cases decided after Croson demonstrate that this case was not an aberration. Instead, as Justice Marshall warned, Croson "sounds a full-scale retreat from the Court's longstanding solicitude to race conscious remedial efforts. * * *" Congress cannot stand idly by, while the Supreme Court abandons its position as protector of the rights of the disadvantaged. Congress must use its power under the 14th amendment to ensure opportunity for all.

Mr. President, I ask unanimous consent that the Chicago Defender article and the the text of my bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SET-ASIDES FOR STATES AND POLITICAL SUBDIVISIONS.

Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) is amended by adding at the end thereof the following new section:

"SEC. 719. SET-ASIDES FOR STATES AND POLITICAL SUBDIVISIONS.

"(a) FINDINGS.—Congress finds that—

"(1) there has been a long and continual history of discrimination on the basis of race, color, religion, sex, or national origin by private contractors in employment and subcontracting; and

"(2) such discrimination has been exacerbated by States and the political subdivisions of such States in awarding contracts.

"(b) AUTHORIZATION.—Congress, pursuant to its power to enforce the Fourteenth Amendment to the Constitution, determines that States and the political subdivisions of States may enact reasonable provisions setting aside a percentage of funds for spending on contracts to be awarded to firms that have ownership, control, or employment practices which further the goal of remedying the discrimination referred to in subsection (a).

[From the Chicago Defender, Jan. 25, 1989]

HIGH COURT GOOFED ON "SET-ASIDE" RULING

The Supreme Court made a serious error in striking down a law requiring construction companies bidding for city contracts in Richmond, Virginia to set aside a share of the jobs for minority subcontractors. The high court's decision was approved 6-3.

Set-asides are affirmative action programs calling for a percentage of government contracts at all levels to be awarded to minority- or female-owned firms. The ruling was established mainly to stop the traditional exclusion of these groups from such businesses. For years, the set-aside program has worked to correct past injustices and to lessen the economic impact from any present form of racial or sex discrimination.

Justice Sandra Day O'Connor wrote in the majority decision: "While there is no doubt that the sorry history of both private and public discrimination in this country has contributed to a lack of opportunities for Black entrepreneurs, the observation, standing alone, cannot justify a rigid racial quota in the awarding of public contracts in Richmond." In so ruling, O'Connor is exhibiting the same kind of thinking when she served on California's Supreme Court.

But her words are extremely limited, in that they make no reference to the private and public discrimination which for centuries has assailed female entrepreneurs in this country's construction industry. Even though the Richmond case specifically involved African Americans, the ramifications of the ruling will definitely impact negatively on the nation's minorities and women. That should have been taken into consideration and made a part of the court's majority ruling. But perhaps it was but just ignored.

Also, the "observation" of past racial abuse limiting opportunities for Blacks is not, as Justice O'Connor mentioned, "standing alone." It stands right alongside the reality of present racial bias and sexism in the construction industry across America.

It is rather obvious that O'Connor and the five justices who voted with her simply refused to observe or acknowledge that racism and sexism still are potent barriers to minority and female entrepreneurs. The six justices, in effect, are telling these groups: in each and every case, before set-aside levels can be established, you must prove that racism and sexism truly are keeping you out of the construction industry.

Worst of all, those justices, in effect, are saying: "Look, we know that your opportunities have been severely restricted by racism in the past, but we can't recommend that anything be done to right that wrong or to make sure that it does not happen again. We realize that you've been severely wronged, but we can't even offer you a small bandaid. And even if you are still being attacked, you are going to have to categorically prove that the assault is taking place before you can even get an aspirin." And this is coming from the highest court in America, the body that has the prime directive of distributing justice, the organization that is the supreme law of the land.

The Defender thinks Justice Thurgood Marshall, who voted against the ruling, was right when he said it was a "giant step backward" because it discourages local and state governments "from acting to rectify the scourge of past discrimination." The Defender must stress that the Richmond City Council chose to establish the set aside program in 1983. Therefore, Marshall correctly said, "I find deep irony in second-guessing Richmond's judgment on this point. As much as any municipality in the United States, Richmond knows what racial discrimination is . . ." If any one doubts the wisdom of those words, that person should remember that Richmond was the capital of the Confederacy and, according to Marshall, ". . . a century of decisions by this and other federal courts has richly documented the city's disgraceful history of public and private racial discrimination."

What makes O'Connor and company think the situation in Richmond has changed?●

By Mr. METZENBAUM (for himself, Mrs. KASSEBAUM, Mr. CHAFEE, Mr. PELL, Mr. LAUTEN-

BERG, Ms. MIKULSKI, Mr. KENNEDY, Mr. SIMON, Mr. MOYNIHAN, Mr. MATSUNAGA, and Mr. KERRY):

S. 1236. A bill to provide for a waiting period before the sale, delivery, or transfer of a handgun; to the Committee on the Judiciary.

BRADY HANDGUN VIOLENCE PREVENTION ACT

● Mr. METZENBAUM. Mr. President, today, we are pleased to introduce legislation to require a national 7-day waiting poeriod before the sale of a handgun. This simple step will allow local law enforcement to undertake a background check to make sure that a person is legally entitled to make the purchase. In addition, it allows a cooling off period for persons in a violent or suicidal rage before they take possession of a handgun.

I am pleased to be joined in this effort by Senators KASSEBAUM, CHAFEE, PELL, LAUTENBERG, MIKULSKI, KENNEDY, SIMON, MOYNIHAN, MATSUNAGA, and KERRY.

President Reagan, Attorney General Thornburgh, and law enforcement officials across the county have endorsed a national minimum waiting period, which does not undercut State laws that require longer waiting periods. Waiting periods have proven to be highly successful in preventing handguns from falling into the hands of criminals in the 22 States where they are now in effect. In a single year, the State of California prevented 1,500 handguns from falling into the hands of convicted felons. New Jersey stops an average of 500 felons a year from illegally purchasing handguns.

While State laws are extremely useful, it is far too easy for the lax laws in one State to undercut the effectiveness of those of its neighboring State. We know that drug dealers and other criminals are buying weapons in States without waiting periods and transporting them into States which do. For example, law enforcement experts tell us guns purchased in Virginia, Ohio, and Texas are transported by drug gangs into States with waiting periods. Criminals will continue to evade State laws unless Congress acts to ensure that law enforcement officials throughout the Nation have an opportunity to perform a background check.

Federal law already prohibits persons who present a serious risk of criminal use of a gun from purchasing one, including convicted felons, persons adjudicated mentally ill and drug addicts. However, there are no reliable ways of determining who is disqualified from buying a weapon without some background check. Law enforcement officials all over the country report that they can perform a simple computer check if they are given basic information and a limited time before the handgun is transferred.

A waiting period is one of the least expensive and most effective methods of keeping firearms out of the hands of criminals. A General Accounting Office study has estimated that the cost of a waiting period in States which do not have them would amount to $5 to $10 million spread throughout all local law enforcement jurisdictions. Thus, the cost to any single local jurisdiction or to the Federal Government is minimal.

A 7-day wait is a minor inconvenience compared to the enormous benefits of preventing weapons from falling into the hands of drug dealers or persons who are in a psychotic rage. Each year there are tragic cases involving an insane person obtaining a handgun while in a violent rage, then hours later killing innocent persons. My own city of Cleveland was the scene of just such an incident in 1984.

Some persons have claimed this bill is a backdoor registration system. This claim is preposterous. The bill specifically requires that law enforcement destroy records of a firearm purchase, and information obtained from them, within 30 days of receipt unless the information indicates a criminal violation. In addition, the bill contains a number of procedures by which a person could obtain a handgun prior to the expiration of 7 days. A person need not wait 7 days if the chief local law enforcement officer where the buyer lives notifies the dealer that: First, the purchase would not violate Federal or State law; or second, the buyer requires access to a handgun because of a threat to the life of the buyer or his household. A buyer would also be exempt from the 7-day wait if he has applied to the State and received a permit to possess a handgun, provided the law enforcement authorities of the State have verified that the buyer is qualified under law to receive a handgun. States may adopt other programs, discussed below, that would exempt them from the 7-day waiting period requirement.

During the last Congress the House of Representatives narrowly defeated a 7-day waiting period proposal. The House voted to require the Attorney General to develop a point-of-sale verification system, which is capable of determining eligibility to purchase a firearm before it is delivered. The bill we are introducing today provides that a State may choose to implement this option rather than a 7-day waiting period if the verification system meets certain basic requirements.

Under our bill, the Federal 7-day waiting period will not be required in a State if any of the following are in effect in the State:

First, a waiting period of 7 days or longer which is required by State law and which already provides for a background check;

Second, a requirement that a purchaser of a handgun submit to a background check before obtaining a weapon, for example, which require permits; or

Third, a verification system which allows the gun dealer to determine whether the purchaser has a State or Federal criminal record which would disqualify him from purchasing a handgun.

Section 6213 of the Anti-Drug Abuse Act of 1988 provides that the Attorney General "shall develop a system for immediate and accurate identification of felons who attempt to purchase one or more firearms * * *" Further, the section states that the Attorney General shall report a description of this system to Congress 1 year after the enactment of the bill and "shall begin implementation of the system" 30 days after the report to Congress. Thus, the Attorney General is required to put in place a system to identify convicted felons some time this year. The option of a point-of-sale verification system, provided in our bill, is consistent with this approach. At such time that a Federal point-of-sale verification system is established, any State choosing to participate in such a system may at their option be exempt from the 7-day waiting period requirement.

In order to allow time for the Attorney General to develop an identification system, we will not press for Senate consideration of this measure until the Attorney General reports to Congress. We will take into account any recommendations or findings in the report in determining whether to modify the bill.

Law enforcement organizations throughout the Nation are urging Congress to enact responsible legislation which keeps guns out of the hands of criminals without infringing upon the legitimate rights of gun-owners. This bill is supported by the Fraternal Order of Police, the Federal Law Enforcement Officers Association, the International Brotherhood of Police Officers, the International Association of Chiefs of Police, the Major Cities Chief Administrators, the National Association of Police Organizations, the National Organization of Black Law Enforcement Executives, the National Troopers Coalition, the Police Executive Research Forum, the Police Foundation, and the Police Management Association.

We have entitled this bill the "Brady Handgun Violence Prevention Act," in honor of James Brady, who was shot in the attack on President Reagan, and Sarah Brady, who has spoken up courageously for sensible and effective firearms legislation. We urge you to join us in the effort to keep guns out of the hands of criminals, drug addicts, and other persons who are not legally entitled to own them.

Mr. President, I ask unanimous consent that the entire text of my bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1236

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "Brady Handgun Violence Prevention Act."

SEC. 2. WAITING PERIOD REQUIRED BEFORE PURCHASE OF HANDGUN.—

(a) IN GENERAL.—Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(p)(1) It shall be unlawful for any licensed importer, licensed manufacturer, or licensed dealer to sell, deliver, or transfer a handgun to an individual who is not licensed under section 923 unless—

"(A)(i) before delivery of the handgun and within one business day after the date the transferee possess such transfer, such transferor has delivered or sent, by registered or certified mail (return receipt requested), to the chief law enforcement officer of the place of residence of the transferee a copy of a sworn statement by the transferee as described in paragraph (3); and

"(ii)(I) 7 days have elapsed from the date the requirements of clause (i) are met and the transferor has not received information from the chief law enforcement officer that receipt of possession of the handgun by the transferee would be in violation of Federal law or of a State or local law of the residence of the transferee; or

"(II) at any time after the transferee proposes such transfer, the chief law enforcement officer of the place of residence of the transferee notifies such transferor that receipt or possession of the handun by the transferee would not violate Federal law or State or local law of the residence of the transferee;

"(B) the transferee has presented to the transferor a written statement from the chief law enforcement officer of the place of residence of the transferee which states that the transferee requires access to a handgun because of a threat to the life of the transferee or of any member of the household of the transferee; or

"(C)(i) the transferee has applied to the State in which the transfer is to occure for a permit allowing the transferee to possess a handgun;

"(ii) the transferee has received such permit from the state in which the transfer is to occur;

"(iii) after the transferee applied for such permit and before the State granted such permit, the law enforcement authorities of the State verified that the transferee is qualified under law to receive a handgun; and

"(iv) not more than 365 days have elapsed from the date the transferee received such permit.

"(2) Nothing in this subsection shall be interpreted to require any action by a chief law enforcement officer which is not otherwise required.

"(3) The sworn statement referred to in paragraph (1)(A)(i) shall contain only—

"(A) the name, address, and date of birth of the transferee appearing on a valid identification document which is of the kind referred to in section 1028(d)(1) and which contains a photograph of the transferee;

"(B) description of the identification document used;

"(C) a statement that Federal law does not prohibit the receipt of the handgun by the transferee;

"(D) the date the sworn statement is made; and

"(E) notice that the transferee intends to obtain a handgun from the transferor.

"(4) Any transferor of a handgun who, after such transfer, receives a report from a chief law enforcement officer containing information that receipt or possession of the handgun by the transferee is in violation of Federal law or of State or local law of the residence of the transferee shall immediately communicate all information such transferor has about the transfer and the transferee to—

"(A) the chief law enforcement officer of the place of business of the transferor; and

"(B) the chief law enforcement officer of the place of residence of the transferee.

"(5) Any transferor who receives information, not otherwise available to the public, in a report under this subsection shall not disclose such information except to the transferee, to law enforcement authorities, or pursuant to the direction of a court of law.

"(6)(A) Any transferor who sells, delivers, or otherwise transfers a handgun to a transferee shall retain the copy of the sworn statement of the transferee with respect to the handgun transaction for at least one year after the date the transaction is completed.

"(B) Unless the chief law enforcement officer to whom a copy of such sworn statement is sent determines that a transaction would violate Federal, State, or local law, the officer shall, within 30 days after the date the transferee made such statement, destroy such copy and any record containing information derived from such statement.

"(7) This subsection shall not apply to the transfer of a handgun in a State if the law of such State—

"(A) prohibits any licensed importer, licensed manufacturer, or licensed dealer from transferring a handgun to an individual who is not licensed under section 923, before at least 7 days have elapsed from the date the transferee proposes such transfer; or

"(B) requires that, before any licensed importer, licensed manufacturer, or licensed dealer completes the transfer of a handgun to an individual who is not licensed under section 923, a law enforcement officer of the State verify that the transferee is qualified under law to receive a handgun;

"(C) establishes and operates a qualified verification system which meets the requirements of paragraph (8); or

"(D) participates in a qualified verification system, which meets the requirements of paragraph (8), established and operated by the United States; provided that any State may choose to participate in such a system and, at the option of any State, this subsection shall remain in effect regardless of a State's participation in such a system.

"(8) A qualified verification shall require that—

(A) any prospective transferee of a firearm present to the transferor the sworn statement described in paragraph (3);

(B) prior to the delivery of the firearm, the transferor shall provide by telephone, electronic communication, or delivery of a document, information contained in such sworn statement to an agency of the state of the United States with access to records of criminal convictions in each state and in courts of the United States, and which is capable of verifying on a regular basis such records and the information described in subparagraph (8)(E);

(C) prior to the delivery of the firearm, such agency verifies, if possible within the same business day, that it has no information that receipt or possession of the firearm would be in violation of Federal law or of a State or local law of the residence of the transferee;

(D) within one business day after the date the transferee proposes such transfer, such transferor shall deliver or send a copy of the sworn statement to an agency of the state, as the state shall require;

(E) in the event that such agency is unable to obtain immediate access to complete information regarding possible convictions or the agency has information that the transferee has, within the last year, been arrested for any offense involving (i) use or sale of an unlawful controlled substance (ii) use, purchase or possession, or transfer of a firearm, or (iii) a crime of violence, the transferor shall wait seven days before delivery of the firearm.

"(9)(A) Notwithstanding any other provision of this title, any licensed importer, licensed manufacturer, or licensed dealer who violates this subsection shall be fined not more than $1,000, or imprisoned for not more than one year, or both.

"(B) The penalties provided in this paragraph shall be the only penalties imposed on a licensed importer, licensed manufacturer, or licensed dealer, for a violation of this subsection.

"(10) For purposes of this subsection, 'chief law enforcement officer' means the chief of police, the sheriff, or an equivalent officer, or the designee of any such individual.

"(11) The Secretary shall take necessary action to assure that the provisions of this subsection are published and disseminated to dealers and to the public.".

SEC. 3. DEFINITION OF A HANDGUN.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following new paragraph:

"(25) The term 'handgun' means a firearm which has a short stock and is designed to be held and fired by the use of a single hand or any combination of parts from which a handgun can be assembled.".

SEC. 4. CONFORMING AMENDMENT.—Section 924(a)(1) of title 18, United States Code, is amended by inserting "section 922(p)," after "section," the first place it appears.

SEC. 5. EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of the enactment of this Act.●

By Mr. GLENN:

S. 1237. A bill to require the Administrator of the General Services Administration to encourage the use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies, and to establish an Interagency Council on Biodegradable Standards for the development of uniform definitions, standards, and testing procedures for degradable plastic products made from certain commodities, and for other purposes; to the Committee on Governmental Affairs.

DEGRADABLE COMMODITY PLASTICS PROCUREMENT AND STANDARDS ACT

● Mr. GLENN. Mr. President. I rise today to introduce the Degradable Commodity Plastics Procurement Act of 1989. This legislation addresses the need to return our Nation's agricultural sector to prosperity and to address our waste management problems associated with disposal of plastics items.

Earlier this year, I introduced S. 244, the Agricultural Commodity-Based Plastics Development Act of 1989. The legislation I am introducing today encompasses the same principles and goals outlined in S. 244, but expands its focus to include the establishment of standards by which to measure the

effectiveness and impact of degradable products upon the environment. The goal of S. 244 was to promote the development of plastics markets through incentives and preferential procurement of these products by the Federal Government and to authorize funds to pay for the difference in cost of conventional plastics and degradable plastics. This mechanism is necessary to expand the market for product distribution and to demonstrate the Government's support for everyday use.

Last year, I chaired a hearing of the Committee on Governmental Affairs regarding the desirability and feasibility of increasing research efforts and expanding the markets for degradable plastics. At this hearing, the General Accounting Office [GAO] released a report I had requested on the status of Federal research and development efforts pertaining to degradables. I was disappointed to learn that Federal programs in this critical field are quite limited. In fact, we have no uniform definitions for what is degradable item. Virtually no testing has been done and few projects are planned to evaluate product performance or to establish standards for degradable plastics.

Funding for research initiatives remains insufficient. Although most Government and industry officials agree that degradable plastics can provide new uses for agricultural commodities and can diminish the amount of plastics in landfills, this potential cannot be realized until uniform definitions and standards are in place.

Mr. President, our farmers need our help. The U.S. trade market is faltering because our foreign competitors no longer purchase our excess crops. Throughout this decade, the economic plight of our farmers has continued to fester and will continue to decline unless new nonfood uses are developed and made available for their agricultural commodities. Perhaps the most significant barrier hindering such an effort is the lack of uniform standards.

Besides promoting increased development, procurement, and use of these items, this legislation addresses the establishment of uniform definitions, standards, and testing procedures for products derived from commodity-based plastics. These criteria will be developed by a Federal interagency committee, in consultation with private sector organizations, demonstrating an interest in these issues. The council's primary focus will be to ensure the safety of degradable products for consumers and the environment. The council will set the definitions as to what is a biodegradable, photodegradable, chem-biodegradable, environmental degradability, enhanced degradability and biodeterioration. These definitions will take into account the rate and degree of desired degradability as well as the risk degradable plastics pose to human health and the environment.

New nonfood uses for agricultural commodities are possible and feasible today. Cornstarch is already being used to manufacture paper products, building materials, textiles, and adhesives. Today's technology is capable of producing agricultural commodity-based plastics that will degrade when disposed of in the environment. Many are made by combining cornstarch with conventional plastic resins. The cornstarch-resin mix technique has been used to develop plastic packaging materials, plastic bags, agricultural mulch, milk jugs, dairy tubs, meat containers, industrial containers, fast food containers, and pharmaceutical packaging. Children's toys, automobile components, and office supplies can also be made using a durable injection molding technique. Research shows that when the cornstarch based items are disposed of in an ecologically active environment, such as a landfill, microbes will consume the starch causing the items to degrade.

It is estimated that cornstarch-based plastics could replace 30 to 40 percent of the low-density polyethylene plastics used each each, thereby, producing an additional market for approximately 112 million bushels of corn per year. This fact alone will boost the economy and aid our farmers.

I want to emphasize that the problems facing American agriculture and disposal of municipal waste are complex. There is no strategy for quick results. The solution to this problem requires the use of several initiatives, such as recycling, advanced incineration techniques, and modification of our use and disposal of solid waste. A long-range forward-looking methodology must be devised to meet our economic and environmental challenges. I believe that this legislation is an important part of the equation necessary to attain a workable solution.

Mr. President, I would like to share with my colleagues an article which appeared in the New York Times on April 11, 1989, describing the potential degradable plastics have in combating waste disposal problems. It also pinpoints the need for standards to ensure that degradable plastics are environmentally safe. The need for further extensive research and a coordinated Federal effort is obvious. We owe it to the American people, as well as to our next generation, to make maximum and safe use of degradable items. My legislation will further this process.

Mr. President, I know some of my colleagues have proposed similar initiatives recognizing the benefits of developing new nonfood uses for agricultural commodities. I invite their support as cosponsors of this legislation. I ask unanimous consent that the New York Times article, that I referred to earlier, and the text of my bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Degradable Commodity Plastics Procurement and Standards Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the achievement of long-term health for the agriculture sector of the United States is essential to the vitality of the national economy, the well-being of our citizens and rural communities, and the maintenance of national security;

(2) the development of new nonfood uses for agricultural commodities will reduce crop surpluses, raise farm income, and lower the cost of agricultural subsidies provided by the Federal Government;

(3) the economic security of the United States requires that the Federal Government should promote the development and use of products derived from agricultural commodities through the preferential procurement of such products to reach a threshold level of commercial application at which such products can successfully compete;

(4) more than one-half of the cities in the United States will exhaust their current landfill capacity by 1990, and the management of this growing volume of solid waste is one of the most urgent and fundamental environmental problems facing Federal, State, and local officials;

(5) plastic products comprise a significant amount of the 150,000,000 tons of solid waste produced in the United States and the use of degradable plastics products made from agricultural commodities can provide a positive impact in solving the problem of solid waste disposal;

(6) the technology exists to develop and market degradable agricultural commodity-based plastics for use in packaging, agricultural mulching, and in other applications;

(7) the widespread introduction of the technology referred to in paragraph (6) into the commercial marketplace will provide a new outlet for United States agricultural products;

(8) the use of domestically produced agricultural commodity-based degradable plastics products will reduce the reliance of the United States on imported oil and result in an improved trade balance for the United States and increased employment opportunities for our citizens;

(9) the Federal Government should assist in bringing agricultural commodity-based degradable plastics to a level of commercial application comparable to other alternative products and should provide incentives for the development and adoption of such products;

(10) the potential benefits of degradable plastic products cannot be realized on a commercial scale without the development of uniform standards and testing procedures; and

(11) the adoption of uniform standards and testing procedures will assist Federal, State, and local government officials in developing effective agricultural, environmental, and economic policies.

(b) PURPOSE.—It is the purpose of this Act to provide—

(1) that the Federal Government shall—

(A) promote the continued development of degradable plastics technology by increasing the purchases of degradable plastics products, with special emphasis on agricultural commodity-based products;

(B) assist State and local entities in purchasing degradable plastics products;

(C) provide incentives for further technology development through the preferential procurement of degradable plastics products, with special emphasis on agricultural commodity-based technologies;

(D) promote the manufacture and purchase of degradable plastics products by assisting producers in demonstrating the capability of this technology;

(E) assign agency responsibility for the development of definitions, standards, and testing procedures;

(F) ensure that degradable plastic products meet safety standards for human use, consumption, and environmental concerns;

(G) increase the commercial availability of agricultural commodity-based degradable plastics products;

(H) support existing Federal, State, local, and privately sponsored degradable plastics programs; and

(I) be provided with advice concerning the status of research in new nonfood uses for agricultural commodities; and

(2) for the establishment of an interagency council to develop and coordinate the implementation of this Act.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) AGRICULTURAL COMMODITY-BASED PLASTICS.—The term "agricultural commodity-based plastics" means plastic products that use agricultural commodity products as a constituent component.

(2) DEGRADABLE.—The term "degradable" means the biologically or light induced loss of utilitarian or physical characteristics of a plastic or hybrid material containing plastics as a major component.

(3) GOVERNMENT PURCHASING CATALOG.—The term "government purchasing catalog" means any approved list of items supplied by the General Services Administration to agencies of the Federal Government.

(4) NONFOOD USES FOR AGRICULTURAL COMMODITIES.—The term "nonfood uses for agricultural commodities" means uses for agricultural commodities that do not involve the consumption of the commodities as food.

(5) PREFERENTIAL PROCUREMENT.—The term "preferential procurement" means any procurement practice employed by the Federal Government that gives preference to the selection of an item or service based on any criteria in addition to cost and performance.

(6) SLIDING SCALE RATING METHOD.—The term "sliding scale rating method" means an evaluation method used in Federal procurement procedures that reduces the cost bid for an item according to an established criteria for purposes of determining the effective low bid.

(7) SOLID WASTE.—The term "solid waste" means nonsewage waste which must be disposed of by Federal, State, or local officials through landfills, incineration, or other approved methods.

SEC. 4. ENCOURAGEMENT OF DEVELOPMENT AND USE OF COMMODITY-BASED PLASTICS.

(a) GENERAL SERVICES ADMINISTRATION.—The Administrator of the General Services Administration (hereinafter referred to in this Act as the "Administrator") shall—

(1) identify products in the General Services Administration government purchasing catalogue or in the inventory of the General Services Administration that can be made from degradable plastics technology, and that are environmentally safe, with particular emphasis on agricultural commodity-based products; and

(2) make available in the standard General Services Administration government purchasing catalogue the products identified above through competitive bidding process as prescribed in subsection (c).

(b) REQUESTS.—On the request of the head of any agency of the Federal Government, the Administrator shall ensure that such Federal agency be provided with products acquired under this section to the maximum extent practicable.

(c) COMPETITIVE BIDDING.—

(1) SLIDING SCALE.—In awarding competitive bids for the provision of products, the Administrator shall develop and implement a sliding scale rating method for awarding contracts based on such competitive bids for the acquisition of products under subsection (a).

(2) FACTORS.—The sliding scale developed under paragraph (1) shall consider, in addition to price and performance of the offered products, other factors that make the use of degradable plastics technology advantageous, including—

(A) the increased market for agricultural products;

(B) the benefits to the environment; and

(C) the benefits to the long-term energy independence of the United States.

(d) COST OF PRODUCT.—

(1) IN GENERAL.—Funds appropriated pursuant to the authorization under this section for the acquisition by Federal agencies of products under subsection (a) shall be available for such acquisitions only in an amount which does not exceed 10 percent of that portion of the cost of the product acquired under such subsection that exceeds the cost of comparable conventional products. No manufacturer, or any affiliate thereof, shall receive, in any one fiscal year, an aggregate amount in excess of 20 percent of the funds appropriated for such fiscal year pursuant to this section.

(2) COST TO AGENCY.—The Administrator shall ensure that the cost to any Federal agency receiving products under this section shall not exceed the cost to such agency of a comparable conventional product.

(e) INELIGIBILITY.—Federal agencies are ineligible to receive funds under this section for reimbursement of costs to buy products that such agency is required by law to purchase.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1991 and each of the next following 4 fiscal years the sum of $5,000,000 to carry out the purposes of this section.

SEC. 5. INTERAGENCY COUNCIL.

(a) ESTABLISHMENT.—The Administrator shall establish an Interagency Council to encourage the use and development of agricultural commodity-based plastics, coordinate activities under this Act, and to develop uniform definitions, standards, and testing methods for degradable plastics products.

(b) MEMBERS.—The Council established under subsection (a) shall include the—

(1) Administrator of the General Services Administration;

(2) Secretary of Agriculture;

(3) Secretary of Energy;

(4) Secretary of Defense;

(5) Secretary of the Interior;

(6) Administrator of the Environmental Protection Agency;

(7) Commissioner of the Food and Drug Administration;

(8) Director of the National Institute of Science and Technology;

(9) Director of National Science Foundation;

(10) Director of the Office of Technology Assessment; and

(11) heads of all other Federal departments and agencies as the Council considers appropriate.

(c) ORGANIZATION AND PROCEDURE.—The Council shall be chaired by the Administrator of the General Services Administration. The Administrator of the Environmental Protection Agency, the Director of the National Institute of Standards and Technology, and the Commissioner of Food and Drugs shall act as Vice-Chairpersons of the Council. A Vice-Chair may act as Chair in the absence of the Chair. Any dissenting views of a Vice-Chair from a decision of the Chair in the discretion of the dissenting Vice-Chair, may be described in the report to the Congress required under this section. The Chair shall consult with the Vice-Chairs as to the dates and agendas of meetings.

(d) CONSULTATION AND COOPERATION WITH PUBLIC AND PRIVATE ORGANIZATIONS.—In carrying out its duties, the Council shall seek the participation, through consultation and cooperation, of other public and private organizations, such as the American Society for Testing and Materials and the Society of Plastics Industry, which have a significant interest in the research and development of degradable plastics technology. Reports containing details of meetings, lists of activities and other communications shall be submitted as described in subsection (k).

(e) DUTIES.—The Council shall, prior to the expiration of the 24-month period following the date of the enactment of this Act, establish uniform definitions, standards, and testing methods for degradable plastic products.

(f) DEFINITIONS FOR DEGRADABLE PLASTIC PRODUCTS.—The Council shall establish definitions for degradable plastic products including but not limited to, biodegradability, photodegradability, chem-biodegradability, environmental degradability, biodeterioration, and enhanced degradability.

(g) STANDARDS FOR DEGRADABLE PLASTIC PRODUCTS.—The Council shall establish standards for degradable plastic products. In developing these standards, the Council shall consider—

(1) the initiation and rate of degradation of such products under different environmental and biological conditions, and

(2) the risk, if any, degradable plastics pose to human health and environment, including the effects on ground, water, soil, and air.

(h) TESTING METHODS FOR DEGRADABLE PLASTIC PRODUCTS.—In order to evaluate the performance and suitability of plastic products for degradability, the Council shall establish such uniform methods of testing as may be necessary.

(i) MEETINGS.—The Interagency Council shall meet within 30 days of the date of the enactment of this Act, and shall meet a minimum of 6 times per year.

(j) PERSONNEL.—The detailing of personnel from any Federal agency to the Interagency Council shall be permitted.

(k) REPORT.—Not later than 9 months after the date of the enactment of this Act, the Council shall prepare and submit to the Committee on Governmental Affairs of the Senate and the Government Operations Committee of the House, a report that contains the status of duties under this section. Such report shall include, but not be limited to, a summary of all activities, projects, and programs undertaken by the Council; progress achieved in fulfilling such duties; meetings, activities, and contacts with other Federal agencies and public and private organizations; a list of projects and program objectives to be carried out in the 12-month period following the month in which such report is submitted; and an accounting of agency resources expended in this effort.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SEC. 6. FOOD AND DRUG ADMINISTRATION.

(a) FOOD ADDITIVE ASSESSMENT.—The Commissioner of Food and Drugs, in cooperation and consultation with the Administrator of the Environmental Protection Agency and the Director of the National Institute for Science and Technology, shall perform an assessment of the safety of indirect food additives intended to increase the degradability of plastic food-packaging materials. In performing this assessment, the Commissioner of Food and Drugs shall consider, among other things—

(1) the effect of degradability on the shelf-life of the package; and

(2) the potential migration of the additive from the package to the food.

(b) REPORT TO CONGRESS.—Not later than 12 months after the date of the enactment of this Act into law, and annually thereafter until completion of the food additive assessment, the Commissioner of Food and Drugs shall submit to Congress a report detailing the activities undertaken to conduct the food additive assessment, a project timetable listing overall objectives with planned activities and programs for completion of the food additive assessment, and an accounting of staff resources spent to conduct this assessment.

[From the New York Times, Apr. 11, 1989]

DEGRADABLE PLASTICS SHOW PROMISE IN FIGHT AGAINST TRASH

(By William K. Stevens)

They are everywhere: coffee cups and burger boxes, trash and grocery bags, diapers and margarine tubs and containers for everything from milk to antifreeze—billions of pieces of trash, all made of seemingly indestructible plastic.

As the nation's trash crisis builds, some desperate communities are searching for new disposal sites. Others are turning to the recycling of plastics and other waste items. Some are prohibiting plastics outright. Last month, for instance, Minneapolis banned most plastic food packaging from grocery stores and fast-food restaurants until the city can work out an acceptable way to recycle plastics.

But in a sharply different approach, scientists and entrepreneurs, convinced that plastic waste need not be as indestructible as it seems, are coming up with a variety of ways to make plastics that disintegrate over time. Their success is mixed and in some cases preliminary. It has come, however, at a time when plastics are moving to the fore in the quickening national debate over solid-waste disposal. And it has made degradable plastics one of the most talked-about pollution-control technologies.

Such plastics are already on the market in a limited way, most notably in the yokes for beverage six-packs. Not merely unsightly litter, the conventional yokes entangle, injure and kill wildlife. Sixteen states, including New York, New Jersey and Connecticut, now require that they be degradable.

Spurred in part by this success, officials in Washington are promoting degradable plastics, along with recycling, as the wave of the future. Bills aimed at requiring the use of degradable plastics together with recycling have been introduced in Congress, and many states and localities have approved or proposed similar measures.

But in the debate over the issue, scientists environmentalists and industrialists have all expressed reservations. Some question whether degradables really do degrade as well as claimed. They also wonder about the safety of residues that might be left in the environment by disintegrating plastic.

Even if those questions can be satisfactorily resolved, some fear that degradable plastics might frustrate the recycling of plastic waste, a strategy that some consider more promising. Making plastics degradable these skeptics say, will make them unfit for recycling.

"People are jumping on this bandwagon," said Ellen Harrison, a spokeswoman for the Waste Management Institute at Cornell University. But, she said, "let's not assume this solves our waste problem; it doesn't."

Few believe that degradables are the final answer, and the degree to which they can be useful hangs largely on fundamental questions of chemistry.

All plastics share an inherent characteristic that is at the root of the degradability problem. Their chemical structure makes them, under most conditions, impervious to disintegration except through oxidation over hundreds of years or through burning.

Plastics are made of polymers, or long chains of repeating hydrocarbon molecules, so tightly bound together that the microscopic fungi and bacteria that dissolve wood and other organic matter cannot penetrate them. This characteristic also gives plastics their strength, and the task for scientists is to weaken the polymers so that they can break apart without sacrificing too much strength.

They attempt to do this in two basic ways. One is to make plastics photodegradable, or vulnerable to breakdown by ultraviolet rays from the sun. The other is to make them biodegradable, or vulnerable to attack by microorganisms.

The photodegradables can be made by mixing light-sensitive chemicals into the plastic resin during production or by incorporating light-sensitive molecules, called carbonyls, into the polymer chains chemically. When exposed to the sun's ultraviolet rays, these chemicals cause the polymers to weaken and break down into shorter units. The plastic becomes brittle and falls apart.

VALUE IN REDUCING LITTER

Packages or containers made of photodegradable plastic do not degrade indoors, since windows block ultraviolet rays. Nor do they degrade if covered up in a landfill.

Experts believe the major value of photodegradables is in reducing litter. Three American companies produce them for beverage yokes, and four others, including one in Canada, are producing them for products like trash bags, grocery bags and plastic film used in agricultural soil to hold nutrients, heat and moisture. Another possible use is in the plastic boxes used to package hamburgers and other fast foods.

"It's very clever stuff," David Wiles, the director of the chemical division of Canada's National Research Council, said in a telephone interview. "Let's go with it. I think it's a real solution."

Dr. Wiles's laboratory, part of a Canadian Government office dealing with standards for materials, has investigated the properties of both kinds of degradable plastics. The research council's counterpart in the United States, the National Institute of Standards and Technology, is just starting to investigate the materials.

Still, some experts say there are better ways to deal with the problem. Ms. Harrison of Cornell said that photodegradable plastic six-pack yokes could take months to disintegrate, depending on climate. "Aren't we better off changing the design in some way?" she said.

The outlook for biodegradable plastics appears less clear than for photodegradables. Some plastics have been produced for medical use—sutures, for example—that break down inside the body. But for other uses, biodegradables, with some exceptions, are in the experimental or developmental stages.

In one technique, pioneered by the chemical company ICI Americas Inc., a biodegradable plastic is produced by breeding bacteria normally found in soil. When fed sugar in a fermentation process, the bacteria produce a natural polymer with all the properties of plastic. Filtered and dried, the resin retains its plastic properties in normal use, according to its manufacturers, but degrades under microbial attack when placed in soil, sewage or the ocean floor. It is still under development, but its makers are optimistic.

Another technique for making biodegradable plastic involves adding natural polymers like cornstarch or cellulose to plastic resin to make it vulnerable to microorganisms. A number of variations on this technique have been tried.

A Canadian company, the St. Lawrence Starch Company, is marketing a plastic to which both cornstarch and an oxidizing agent, simple vegetable oil, have been added. The company says bacteria feed on the cornstarch, exposing more of the material's surface to the oxidizer, which reacts with metal salts in soil to destroy the polymer chains. Eventually, the company says, the fragments become small enough to be eaten by microorganisms. How long that takes depends on factors like heat, moisture and microbial activity, said Peter Campbell, a company engineer.

The company's plastic was introduced in the United States last month in lawn bags manufactured by Petoskey Plastics Inc. of Petoskey, Mich.

Other researchers say they have also solved the problem of maintaning the plastic's strength while making it biodegradable. This involves finding the right proportion of starch, or starch and cellulose, and plastic polymer. But there are skeptics. Dr. Wiles, for instance, said that if enough starch were put into a plastic trash bag to cause it to degrade, it would not be strong enough to hold anything, and that if it did hold, it would not fully degrade.

Environmentalists and scientists are concerned not only about how effective all the techniques are, but also about how much residue remains after degradation takes place and whether any toxic substances would be left. The General Accounting Office, an investigative arm of Congress, reported last fall that no standards for such products existed, that very little independent testing had been done, and that definitions of such terms as biodegradable and photodegradable had not yet even been agreed on. Of particular concern, the agency reported, was uncertainty about "the rate of degradation and the safety of the end products."

Environmentalists like Jeanne Wirka, who has studied the problem for the Environmental Action Foundation, a research and advocacy group, fear that toxic ingredients in plastics, like heavy metals used as pigments and stabilizers, would be released by degradation.

But even if degradable plastics are ultimately proved safe and effective, Ms. Wirka said, they might interfere with recycling.

PROCESS IN ITS INFANCY

Recycling, some say, is a potentially more effective strategy. Even naturally biodegradable materials like paper and food do not break down in many landfills because of lack of moisture, oxygen or warmth. Some scientists say it is not unusual to find 20-year-old newspapers in good condition in excavated landfills. Biodegradable plastics, they say, would not degrade any better.

The recycling of plastics is in its infancy. Plastics differ in their molecular structures, and not all can be successfully melted down and recast. And coloring dyes, once in the plastic, cannot be removed.

One problem, Ms. Wirka said, is that degradable plastics and recyclable plastics "in many ways are competitors."

"Recyclers consider the additives to be contaminants," she said.

"It's a really mixed picture," said Howard Levenson, a senior analyst at the Congressional Office of Technology Assessment, who is working on a study on solid waste. "Everywhere we've turned it comes up, yes, there are problems. But there are problems with everything else, too."●

By Mr. FOWLER:

S. 1238. A bill to amend the Internal Revenue Code of 1986 to restore the capital gains treatment for timber, and for other purposes; to the Committee on Finance.

RESTORING CAPITAL GAINS TREATMENT FOR TIMBER

● Mr. FOWLER. Mr. President, I rise today to introduce the Forestry Management Improvement Act of 1989. This legislation would free the timber industry from onerous restrictions imposed by the Tax Reform Act of 1986. The capital gains and passive loss rules applied to the industry at that time make it harder for our Nation's tree farmers to wisely manage our forest lands—at a time when we need to encourage the best possible management, in every dimension, of these invaluable resources.

In our attempt to root out the tax shelters of the millionaires we have also harmed tree farmers, the majority of whom net less than $20,000 a year. That happened because Congress failed to recognize the major differences between timber and other investments to which capital gains and passive loss rules are applied. The remedy I am proposing is to restore the capital gains exclusion for timber, and establish a standard for management practices that realistically reflects the nature of the industry.

Our tree farmers are locked into a very long-term investment, in which they must bear the risks of fire, disease and insect damage over decades—with no guarantees of a good market by the time their seedlings mature. And a forest that grows on a 30- to -60 year cycle clearly is not managed with the same intensity as more liquid investments.

Our tree farmers also have the responsibility to adhere to the soundest environmental practices in our forests. The former capital gains break helped defray the expenses of sound management practices—such as leaving buffer strips of trees along waterways—that are crucial to the quality of our air and water. The restoration of the capital gains exclusion would allow tree farmers to manage their lands for the good of all resources that depend on our forests, including wildlife.

In the final analysis, we must encourage our tree farmers to wisely manage, harvest, and replant our forests, for economic as well as environmental reasons.

For we cannot ignore in all this the importance of the timber industry to our economy. The value of timber production in the South is over $6.1 billion annually. Forest industries lead all other manufacturing in the number of employees and wages paid. That is added incentive to keep the industry healthy and place it on a sound course for the future.

The short-term effects of the change in tax policy for timber are not encouraging. Already more acres of trees are being harvested than are being planted. This course toward deforestation is not acceptable.

I ask unanimous consent the bill be printed in the RECORD in its entirety.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALTERNATIVE TAX ON GAIN FROM SALE OR EXCHANGE OF TIMBER.

(a) GENERAL.—Part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1203. ALTERNATIVE TAX ON GAIN FROM SALE OR EXCHANGE OF TIMBER.

"(a) GENERAL RULE.—If for any taxable year a taxpayer has qualified timber gain, then, in lieu of any tax imposed by section 1, 11, 511, or 831 (a) or (b) (whichever applies), there shall be imposed a tax equal to the sum of—

"(1) a tax computed on taxable income reduced by the amount of the qualified timber gain, at the rates and in the manner as if this subsection had not been enacted, plus

"(2) a tax of 15 percent of the qualified timber gain.

No tax shall be imposed under this subsection unless it is less than the tax which it is in lieu of.

"(b) QUALIFIED TIMBER GAIN.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified timber gain' means gain from any sale or exchange of timber—

"(A) which, in the hands of the taxpayer, is a capital asset, or

"(B) with respect to which section 631 applies.

"(2) TRANSITION RULE.—In the case of any taxable year which begins before January 1, 1990, and ends on or after such date, qualified timber gain shall be determined by taking into account only gain which is properly taken into account for the portion of the taxable year after December 31, 1989.

"(c) COORDINATION WITH OTHER PROVISIONS.—This section shall be applied after section 1(j) or 1201, whichever applies."

"(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1203. Alternative tax on gain from sale or exchange of timber."

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after December 31, 1989, in taxable years ending after such date.●

By Mr. WALLOP:

S. 1239. A bill to amend part B of title XI of the Social Security Act to provide providers and practitioners with a right to reconsideration of a payment denial by a peer review organization before the organization notifies the Medicare beneficiary of the denial; to the Committee on Finance.

FAIRNESS IN PHYSICIAN SERVICES REVIEW ACT

● Mr. WALLOP. Mr. President, today I am introducing legislation which will reaffirm our sense of fair play and the rule of law in our society. The current witch hunt and mock trials underway in China certainly demonstrate the necessity for a society based on laws rather than the whim of demagogs and tyrants. The issue I am concerned about may seem narrowly focused, but any erosion of individual rights moves us closer to that slippery slope descending into state totalitarianism.

One of the interesting requirements we have set up as part of the Medicare Program is the physician review organizations. The PRO's are intended to review physician billings to Medicare to ensure that the services are appropriate and necessary. While the Federal Government should ensure that it is paying for appropriate services in any program that it funds, there has at times been an aura of zealotry in oversight of physicians by Medicare. Part of the responsibility, or problem, is with the Health Care Financing Administration, but the source is actually the Congress. And, physicians increasingly feel as if they are part of an organized crime syndicate.

Several years ago, the Congress required physicians to sign attestation statements in order to be paid by Medicare for the services they provided to senior citizens. We had essentially determined that doctors were guilty of something or other, and had to declare that they would not commit illegal acts. Somehow, it was decided that the U.S. Government, with all its resources and manpower, could not prosecute a physician for fraud and abuse if they did not have this signed statement.

There are some of us who thought that it was unnecessary for every doctor in America to sign a statement declaring that they were not crooks. I even introduced legislation to repeal this insulting requirement. But, there are those in Congress who have a great mistrust of doctors, and we have not been able to remove this requirement.

Our most recent adventure in flagellating physicians involves an attempt to uncover substandard care. Some doctors do game the system, and they should be held to account. That is the purpose of the PRO review. However, the new requirements go far beyond ferreting out wrongdoing.

In recent years, I have spent much time discussing with Wyoming physicians, HCFA, and Wyoming's fiscal intermediary the question of appropriate care. Often, physicians have been

denied payment for services which upon investigation are determined to be appropriate rather than substandard. It has been a constant and frustrating problem. Now, physicians face the situation where letters will be sent to their patients whenever an initial denial for substandard care is declared by the PRO. The patients will have the letters even if the decision is later reversed.

I wrote to HCFA earlier this year to express my concern that we were prejudging and sentencing physicians with the substandard care letters. The response from HCFA basically agreed with my arguments. But, I still believe that we need to correct the law. Physicians should have the right to review with the PRO any question about the appropriateness of care. I am therefore introducing legislation to allow a physician to seek a review before any denial letter is sent to a Medicare patient. A similar bill has been introduced in the House of Representatives by Congressman HAMMERSCHMIDT.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks along with copies of my correspondence with HCFA on this issue.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1239

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROVIDER AND PRACTITIONER RIGHT TO RECONSIDERATION OF PRO DETERMINATION BEFORE NOTICE TO BENEFICIARY.

(a) IN GENERAL.—Section 1154(a)(3) of the Social Security Act (42 U.S.C. 1320c-3(a)(3)) is amended—

(1) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)", and

(2) by adding at the end the following new subparagraph:

"(C) The notification under subparagraph (A) shall not occur in the case of services and items denied for payment by reason of subparagraph (B) of paragraph (1) until after—

"(i) the organization has notified the practitioner or provider involved of the determination and of the practitioner's or provider's right to a formal reconsideration of the determination under section 1155, and

"(ii) if the provider or practitioner requests such a reconsideration, the organization has made such a reconsideration, and

"(iii) such reconsideration, if requested by a practitioner, shall be performed by a physician who specializes in the same field as the physician under review, or a panel of physicians, one of whom specializes in the same field as the physician under review.

If a provider or practitioner is provided a reconsideration, such reconsideration shall be in lieu of any subsequent reconsideration to which the provider or practitioner may be otherwise entitled under section 1155, but shall not affect the right of a beneficiary from seeking reconsideration under such section of the organization's determination (after any reconsideration requested by the provider or physician under clause (ii)).".

(b) CONFORMING AMENDMENT.—Section 1156 of such Act (42 U.S.C. 1320c-4) is amended by inserting ", subject to section 1154(a)(3)(C)," before "any practitioner or provider".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations by utilization and quality control peer review organizations with respect to which preliminary notifications were made under section 1154(a)(3)(B) of the Social Security Act more than 30 days after the date of the enactment of this Act.

U.S. SENATE,
Washington, DC, March 7, 1989.

Mr. TERRY COLEMAN,
Acting Deputy Administrator, Health Care Financing Administration, Department of Health and Human Services, Washington, DC.

DEAR MR. COLEMAN: I am writing in regard to the proposed rules issued by the Health Care Financing Administration on denial of Medicare payment of substandard care.

I am concerned about one aspect of the new procedures which revives a past problem with HCFA procedures. I am referring to the proposed notice to beneficiaries regarding denial of benefit coverage. HCFA is required to implement congressional dictates regarding Medicare coverage. It is often a complicated, controversial process, and I do not envy your task. However, the process sometimes exhibits zeal over common sense.

For instance, HCFA did have a previous letter which was sent to participants when services were denied. The tone of the letter indicated that the services were inappropriate and unnecessary. There was much objection to the letter—it was understandable and correct. Physicians were labeled as incompetent whenever Medicare coverage of services was denied.

In my own State of Wyoming, I received case after case where payment was denied. But, it was denied because the physician was attempting to provide appropriate and necessary care. The problem was the services did not fit HCFA guidelines, and was denied. One example is the situation where a physician made too many patient visits according to HCFA guidelines. But the additional visits resulted from medical emergencies on the part of the patient. The physician would have been guilty of malpractice if he has not made the visits, but Medicare declared the services to be unnecessary since they did not fit the guidelines. That is not only medically wrong, but leaves the doctor open to potential legal challenge.

I am afraid that the letter you are now proposing on substandard care will compound this problem. If coverage of services is denied because the physician had to provide additional services not covered by the guidelines, it appears that this letter, which implies that the care was substandard, will be sent to the patient. It will create mistrust and generate malpractice suits. This is inappropriate. At the very least, any communication from HCFA or its intermediaries to a patient should distinguish between situations where the care is substandard and where the care is necessary, appropriate, but not covered by HCFA guidelines. There is a major difference here, and it must be clearly distinguished in any official communication to patients.

I appreciate your attention to my comments, and look forward to your response.

Sincerely,

MALCOLM WALLOP,
U.S. Senator.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, May 16, 1989.

Hon. MALCOLM WALLOP,
U.S. Senate,
Washington, DC.

DEAR SENATOR WALLOP: I am responding to your letters to me and Terry Coleman, former acting Health Care Financing Administrator, concerning the proposed rule on denial of payment for substandard quality care and the carrier refund notice for medical necessity denials. I apologize for the delay in my response.

I can understand your concerns about the proper implementation of this legislative provision. As you know, section 9403 of P.L. 99-272, which amended section 1154(a)(2) of the Social Security Act (the Act) (effective April 7, 1986), gave the Utilization and Quality Control Peer Review Organizations (PROs) the authority to deny medicare payment to a physician or hospital for services furnished that are of substandard quality. The proposed implementation of this provision was outlined in a Notice of Proposed Rulemaking, which was published in the Federal Register on January 18. The public comment period ended on March 20.

As proposed, determinations to deny payment for substandard quality will be made on the basis of written criteria which are consistent with written guidelines established by this Department. Physicians in each PRO will develop the criteria or standards in accordance with professionally recognized standards in that State. In addition to the written criteria, denial determinations are to be based on the reviewing physician's knowledge, expertise and experience.

As is the case with all PRO denial determinations, the physician and/or provider must be given an opportunity to discuss the potential denial for substandard quality with the PRO and provide additional information, if available, before the denial is made. The beneficiary is not notified of this "potential" denial action.

The attending physician's and any involved consulting physician's comments, as well as the patient's condition (as reflected in the medical record), are considered in making the final decision to approve or deny payment for services. If the PRO physician determines, based on this discussion and any additional information, that no quality issue exists, then no denial will be made. In this instance, of course, the beneficiary would receive no notification. Title XI of the Act requires, when a PRO makes a denial determination, that a notice be sent to the beneficiary, physician and provider. Thus, if the severity of the quality issue requires denial of payment, a quality denial letter must be issued. As you point out in your letter, the wording of the denial letter is very important. Therefore, we included model quality denial letters in the proposed regulations for public comment. Also, as proposed, all PROs would be required to use these model notices.

As you note, this provision is being implemented in response to specific legislation. We fully recognize the sensitivity of this provision and have taken steps to ensure broad input to our implementation plans. In developing proposed regulations, we convened a panel of physicians from 16 medical societies (including specialty societies) and PROs to advise us. We have continued to involve the medical profession and beneficiary organizations in the many issues surrounding implementation.

It is also important to note that an adverse outcome (e.g., unnecessarily prolonged stay) must be coupled with confirmed mismanagement for there to be a denial of pay-

ment. Neither element stands alone. Therefore, a denial of payment resulting in notification of such to the beneficiary will only occur for a significant adverse outcome.

The ultimate goal of the PRO program is to improve medical care provided to beneficiaries. The PROs implement interventions other than denials, including: notification, education, intensified review, other actions such as preadmission review or notification to hospital committees, coordination with licensing and certification bodies, and sanction.

When we prepare the final rule, we will consider your comments and all other comments we received during the comment period. This rule will be published in the *Federal Register* at a later date. The preamble to the final rule will contain a summary of the comments received and our responses. We will also consider your comments as we implement the final regulation.

We are continuing our dialogue with the American Association of Retired Persons and the American Medical Association on these and other significant issues impacting the beneficiary and medical communities. Again, I am committed to ensuring that this provision is appropriately implemented.

Your letter also expressed concern about language in the original refund notice sent to physicians and beneficiaries for medical necessity denials on unassigned claims. I appreciate the concern and want to assure you that the Health Care Financing Administration acted expeditiously to improve the tone and content of these notices. We continue to work with representatives of organized medicine to ensure that the notices are appropriately and sensitively worded.

I hope that this information is useful to you.

Sincerely,

LOUIS W. SULLIVAN, M.D.,
Secretary.●

By Mr. MOYNIHAN:

S. 1240. A bill to extend nondiscriminatory treatment to the products of the People's Republic of Hungary for 5 years; to the Committee on Finance;

S. 1241. A bill to deny the People's Republic of China most-favored-nation trade treatment; to the Committee on Finance;

EXTENDING MOST-FAVORED-NATION STATUS FOR HUNGARY AND REVOKING IT FOR CHINA

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to extend for 5 years most-favored-nation status for Hungary, and to revoke most-favored-nation status for China. In the one nation the totalitarian state is in retreat. In the other, it is in resurgence. Our response must be simple and swift: to reward the first and punish the second.

Seventeen years ago, Mr. President, Senator Henry Jackson proposed what he termed "an unprecedented measure to bring the blessings of liberty to these brave men and women who have asked only for the chance to find freedom in a new land." The Jackson-Vanik amendment to the Trade Act of 1974 tied the provision of most-favored-nation status to the Soviet Union to that nation's willingness to permit emigration. In doing so, it established a relationship between trade and human rights. Indeed, the purpose of Jackson-Vanik was expressed clearly in its text:

To assure the continued dedication of the United States to fundamental human rights.

The extention of most-favored-nation status has been used since to buttress America's defense of human rights around the world. In 1982, the President suspended Poland's MFN status after its government outlawed Solidarity. In 1987, Poland's MFN status was restored to reward its government for agreeing to political dialog with its people. Similarly, in 1986 the President revoked Afghanistan's MFN status. I do not need to recount to my colleagues the horrors that led to that decision.

The world has changed much since the day Jackson-Vanik passed. But our commitment to defend democratic values has not.

On June 15, 1989, I introduced a joint resolution declaring that Congress is prepared to support the President should he decide to grant most-favored-nation status for the Soviet Union. Hungary has, by practically every measure, made even greater strides toward democracy than has the U.S.S.R. The Hungarian leadership has called for free elections in 1990, and permitted the Hungarian people to organize independent political organizations. Or, rather, it might well be put the other way around. The Hungarian people, I should say, have been kind enough to permit the Hungarian leadership to continue organizing a government.

Perhaps most dramatically, the Hungarian Government this past Friday presided over the unearthing and reburial of the body of Imre Nagy, the Hungarian leader who led the 1956 uprising against Soviet domination. One Hungarian after another eulogized Mr. Nagy as a hero, and declared that Hungary never wanted communism, never ought to have suffered it. "Hungarians around the world prayed for this day," said Sandor Racz, chairman of the Central Workers Council during the 1956 revolution. "It is a day of Hungarian mourning. But it is also a revival of the Hungarian nation." The list of nations not sending their ambassadors to this remarkable ceremony itself says much about the state of freedom around the world: China, North Korea, Albania, Rumania.

Where Hungary is unburying the truth, China is crushing it into the ground with the weight of its tanks. The totalitarian idea is dead. But as we have seen in Beijing, the totalitarian practice is alive and well, stripped of its ideological pretensions, and wielded, now as always, to defend the power of an elite. China's students refused to submit. They have joined the ranks of the martyrs of the 20th century; and their grace has touched us.

Almost 10 years ago, China was opening to the world, and the United States responded by waiving Jackson-Vanik and granting China MFN status. Supporters of the decision, Senator Jackson among them, cited China's progress in the area of human rights. Deputy Secretary of State Christopher Warren told the Ways and Means Committee on November 1, 1979 that "it should be a source of gratification to us that the Chinese Government is determined to develop a legal system that would prevent the unchecked exercise of official authority." Senator Jackson reminded the committee that Deng Xiaoping had told a Chinese-American audience earlier that year of his desire to loosen travel restrictions. To wit:

> Many of you have relatives living on the mainland and wish they may come over for a family reunion, and others may wish to go back to China to visit their relatives. This is quite natural and understandable. The Chinese government will treat these legitimate wishes favorably and with sympathy and will adopt effective measures to satisfy these wishes. You may rest assured on this score.

Well, we rested assured. And on June 19, 1989 a Washington Post headline declared: "Chinese Government Issues New Restrictions on Foreign Travel."

The conditions under which China received most-favored-nation status have clearly changed. We would not have offered MFN status to China had the events in Tiananmen Square occurred in 1979, rather than 1989. We would not consider offering it to the Soviet Union were the Red Army to massacre a thousand Russians in Red Square. We cannot ignore what happened in China. And we cannot avoid calling it by its name: an armed revolt by the Chinese Army against what we must recognize to be the legitimate authority of the Chinese people.

The Chinese leadership wants Western capital to resume its follow into Beijing. What is more, it probably expects it to resume. It expects the world to forget. The New York times reported today that Japanese officials have already criticized the United States for imposing sanctions against China. In 1988 Chinese exports to the United States totaled $8.4 billion. These exports represent a treasure the Chinese Government must consider worth preserving. If so, we must consider them worth denying.

Of course, such brutal repression of democratic dissent is not rare in the world. What is rare is that the world has taken note. It is certainly not new to China. Ask any Tibetan. It is not new to Chinese history. I once observed to Alexander Solzhenitsyn how remarkable it was that the greatest literature of our time had been written in and smuggled out of Stalin's Russia. Where would such writing next appear, I asked. Easy, he replied. In China, when they begin to write about Mao's reign. And it is not unique to China. Today in the New York Times, buried under a long article about China was a short article about a lone Burmese demonstrator shot dead while protesting for democracy. Something like 3,000 Burmese have been

VOL 135 PT 9 JE 14 — 22 1989 UMI

murdered before him, fighting for the same cause as the Chinese students, though far from the scrutiny of the world press.

Each time it happens, we must be ready to notice, remember, and react. And each time democracy triumphs, as I am confident it will in China just as it is appearing to do in Hungary, we must be ready to reward. That is the spirit in which I offer these bills, and the spirit in which I ask for my colleagues support. I ask unanimous consent that the full text of these bills be printed in the RECORD at this time.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF HUNGARY.

Subject to section 2, during the 5-year period beginning on July 4, 1989, nondiscriminatory treatment (most-favored-nation treatment) applies to the products of the Peoples' Republic of Hungary.

SEC. 2. REQUIREMENT FOR BILATERAL COMMERCIAL AGREEMENT.

The nondiscriminatory treatment provided for under section 1 shall apply only during such time within the 5-year period referred to in that section that there is in effect between the United States of America and the Peoples' Republic of Hungary a commercial agreement that meets the requirements set forth in section 405(b) of the Trade Act of 1974 (19 U.S.C. 2435(b)).

SEC. 3. COORDINATION WITH JACKSON-VANIK AMENDMENT.

During the 5-year period referred to in section 1, the provisions of section 401, 402, 404, 405 (a) and (c), and 407 of the Trade Act of 1974 are suspended with respect to the Peoples' Republic of Hungary except to the extent necessary for the inclusion of that country within the appropriate waiver procedures of section 402(d) for purposes of extending nondiscriminatory treatment (if the President decides to recommend such extension) to Hungarian products after July 3, 1994.

S. 1241

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DENIAL OF MOST-FAVORED-NATION TRADE TREATMENT TO THE PEOPLE'S REPUBLIC OF CHINA.

Notwithstanding any other provision of law—

(1) the President shall terminate or withdraw any portion of any trade agreement or treaty tht relates to the provision of nondiscriminatory (most-favored-nation) trade treatment to the People's Republic of China,

(2) the People's Republic of China shall be denied nondiscriminatory (most-favored-nation) trade treatment by the United States and the products of the People's Republic of China shall be subject to the rates of duty set forth in column number 2 of the Harmonized Tariff Schedule of the United States, and

(3) the People's Republic of China may not be provided nondiscriminatory (most-favored-nation) trade treatment under any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431, et seq.).

SEC. 2. EFFECTIVE DATE.

The provisions of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

By Mr. CRANSTON:

S. 1242. A bill to deny the People's Republic of China most-favored-nation trade treatment; to the Committee on Finance.

DENYING MOST-FAVORED-NATION STATUS TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. CRANSTON. Mr. President, I send to the desk a bill which would deny the People's Republic of China most-favored-nation trade treatment.

I am deeply disturbed about events taking place in China. The Chinese Government appears to believe that it can be "business as usual" with the West even as they execute workers with a single bullet to the head, and hunt down student leaders and brutally beat them.

The Chinese seem to be taunting us daily with their executions while at the same time inviting Western business back. Perhaps they believe that the murders of workers—some of whom according to press reports are mentally impaired—will affect us less than the massacre in Beijing near Tiananmen Square.

Under these conditions, it is difficult to imagine the United States continuing to treat China as a most favored nation.

The legislation which I am now introducing would deny China most-favored-nation trade treatment until the President certifies that the Government of the People's Republic of China has released from detention leaders and members of the Democracy Movement in China and is no longer violating basic human rights of its people.

Denying most-favored-nation status will not cut-off the trading relationship which has clearly encouraged democratic forces in China but will make that trade subject to higher tariffs.

Denying MFN underscores the commitment already made by the President that it will not be "business as usual" with a regime that oppresses its people.

While I commend the President for his decision earlier this week to bar high-level official contacts with China and to suspend indefinitely United States support for multilateral bank loans to China, these important sanctions do not go far enough. I appreciate the need not to shut the door to change in China which has taken so long to open, but the United States needs to draw and maintain the line, not only in China, but elsewhere concerning acceptable behavior.

The United States cannot bear alone the price of upholding liberty. We must ensure a united stance in the free world to all assaults on freedom. I call on the President to raise this issue with our allies during the July economic summit to ensure a coordinated and unified policy in the face of this challenge. It is not enough just to regret actions taken by the Chinese Government. We must take actions of our own.

This measure does so. China cannot be a favored nation while at the same time shooting down its citizens.

By Mr. CRANSTON (for himself and Mr. MURKOWSKI):

S. 1243. A bill to amend title 38, United States Code, to establish a retirement and survivor benefit program for judges of the new U.S. Court of Veterans' Appeals, and for other purposes; to the Committee on Veterans' Affairs.

COURT OF VETERANS' APPEALS JUDGES RETIREMENT ACT

Mr. CRANSTON. Mr. President, as chairman on the Committee on Veterans' Affairs, I have today introduced the proposed Court of Veterans' Appeals Judges Retirement Act. I am pleased to be joined by the committee's ranking minority member, Mr. MURKOWSKI, in proposing this measure, which we developed together with the chairman and ranking minority member of the House of Representatives Committee on Veterans' Affairs, Mr. MONTGOMERY and Mr. STUMP, who are today introducing a companion bill in the House.

This legislation would establish a retirement and survivors annuity program, modeled primarily on the U.S. Tax Court program, for judges serving on the U.S. Court of Veterans' Appeals, the new article I court which was established pursuant to division A of Public Law 100-687, the Veterans' Judicial Review Act. This new court is due to begin operations on September 1, 1989. Other provisions of this bill address issues that we believe should be resolved prior to the beginning of the court's operations, such as initial funding for the court, expedited hiring authority, the rules of procedures which will apply prior to the court's adoption of rules, and certain technical corrections in the law establishing the court. Although other provisions relating to the court's operations and additional technical corrections may be needed in the future, this bill was designed to address those issues with immediate consequences so that the court can begin operations in a timely manner.

SUMMARY OF PROVISIONS

Mr. President, the provisions of this bill relating to the retirement system may be summarized as follows:

First, in order to be eligible for the Court of Veterans' Appeals retirement plan, a judge would be required to make an election to participate. The election could be made at any time while the individual is serving as a judge. Until a judge makes an election to participate in the retirement plan provided by this legislation, the provisions relating to the civil service retire-

ment program—chapters 83 and 84 of title 5, United States Code—would be applicable to his or her service as a judge.

Second, the retirement benefit would be equal to the judge's salary in effect at the time of retirement.

Third, for a nondisabled judge to be eligible to retire, either the judge must have reached age 65 and served on the court at least 15 years, or if the judge is over 65 and has at least 10 and less than 15 years of service, the sum of the judge's years of service and attained age must be 80 or greater. A judge who is not reappointed following the expiration of the term for which appointed and who has served at least 15 years would also be eligible for retirement.

Fourth, a disability retirement benefit would be provided to judges who become permanently disabled and as a result of that disability are unable to perform the duties of a judge. A judge who is disabled to that extent and who has served more than 10 years would receive a benefit equal to the salary in effect at the time of retirement. A judge so disabled who has served less than 10 years would receive a benefit equal to one-half of the rate of pay in effect at the time of retirement.

Fifth, a 1-percent deduction would be made from the salary of a judge who elects to participate in the court retirement plan. This amount would be deposited in the Court of Veterans' Appeals retirement fund—which I will refer to as the "retirement fund"—established by this legislation. In addition, the judge would be required to deposit in the retirement fund an amount equal to 1 percent of the total salary received for any period, up to 15 years of service as a judge prior to the election to participate. Deductions would terminate upon the retirement of the judge or upon the completion of 15 years of service for which deductions or deposits have been made.

Sixth, a judge would not have a vested right to receive benefits—other than disability benefits—until meeting the age and service requirements and, if applicable, making the deposit for prior service.

Seventh, a judge who elects to participate in the court retirement plan would be barred from receiving any payment under the civil service retirement laws, regardless of whether the service on which retirement under those laws could otherwise be based is performed before or after the judge's service on the court. Following the election to participate in the court retirement plan, no further deductions would be made from the judge's salary for purposes of the civil service retirement program and the judge would be entitled to a lump-sum refund of all prior deductions.

Eighth, the retirement pay of a retired judge who receives compensation for any Federal employment would, during the period for which that compensation was received, be reduced by the amount of the compensation.

The principal features of the Court of Veterans' Appeals judges' survivors annuity plan would be as follows:

First, in order for a judge to provide his or her spouse and children with the benefits of the survivors annuity plan, a judge would be required, while serving as a judge, to make an election to do so and to waive all benefits under the civil service retirement laws. However, a surviving spouse who is eligible for an annuity under any law other than this measure based on service not used in the computation of the Court of Veterans' Appeals survivors annuity which includes the judge's Federal civilian service and up to 5 years of the judge's active military service would be entitled to that annuity.

Second, once an election to provide a survivors annuity is made, a deduction of 3.5 percent would be made from the judge's salary and retirement payments. These amounts would be deposited in the retirement fund. In addition, the judge would be required to deposit in the retirement fund with interest a sum equal to 3.5 percent of previous salary earned for service as a judge, for other Federal civilian service, or for service as a member of Congress, for which no deduction had been made under the civil service retirement laws. A judge would be permitted to make deposits in installments during the judges's period of service. If the required deposit were not made, the annuity of the surviving spouse would be reduced by an amount equal to 10 percent of the amount of the unmade deposit, unless the spouse chose to have that period of service disregarded for purposes of calculating the annuity. No deposit would be necessary for any year in which deductions from the judges salary, or a deposit, were actually made and not withdrawn under the civil service retirement laws.

Third, the survivors annuity would be payable only if the judge had rendered at least 5 years of civilian service and only if the deduction I have described—or a comparable deduction under the civil servie retirement laws—had been made for at least the last 5 years of service as a judge or other allowable civilian service.

(d) For purposes of calculating the amount of the annuity for a surviving spouse, civilian service described in section 8332 of title 5—generally, all Federal civilian service, service as a Member of Congress, and up to 5 years service in the Armed Forces would be credited if the judge makes the required contributions—3.5 percent of the compensation received for Federal civilian service and for service as a Member of Congress.

Fifth, a surviving spouse's annuity generally would be calculated by adding the following amounts: 1.5 percent of the judge's average annual pay including both salary and retirement pay times the number of years of judicial service, prior allowable service as a Member of Congress, prior allowable service—up to 5 years—as a member of the Armed Forces, and up to 15 years of prior service as a congressional employee; and 0.75 percent of the judge's average annual pay including both salary and retirement pay times the years of any other allowable Federal civilian service.

However, an annuity could not exceed 50 percent, or be less than 25 percent, of the judge's average annual pay for the three consecutive years in which the judge received the highest average annual pay, regardless of whether the three years were judicial service or retirement or other allowable service.

Sixth, whenever the salaries of Court of Veterans' Appeals judges is increased, the amount of an annuity which is based in whole or in part upon a deceased judge having rendered some portion of his or her final 18 months of allowable service as a judge of the court shall also be increased by an amount equal to 3 percent of the annuity for each full 5 percent by which the salary is increased.

(g) Where there is a surviving spouse and a surviving dependent child or children, the surviving spouse is entitled to an annuity immediately upon the judge's death and an additional annuity of 10 percent of the judge's average annual pay is payable on behalf of a dependent child. If there is more than one dependent child, the additional annuity payable is equal to 20 percent of such pay. Where there is no surviving dependent child, the surviving spouse is not eligible for annuity payments until attaining age 50.

(h) If the judge is not survived by an eligible spouse but is survived by a dependent child or children, an annuity is payable on behalf of each such child. The amount of the annuity would be equal to the lesser of 20 percent of the judge's average annual pay or 40 percent of such pay divided by the number of such children. A child's annuity is payable until the child reaches age 18 or, in the case of a full-time student, age 22. A child who becomes incapable of self-support because of physical or mental disability incurred before age 18 is entitled to an annuity regardless of age.

Ninth, if a judge dies in office before having rendered 5 years of service or without a survivor or survivors entitled to an annuity, the amount contributed by the judge would be paid to beneficiaries designated by the judge, to certain relatives of the judge, or to the estate of the judge.

Mr. President, the Secretary of the Treasury would be required to invest amounts of the retirement fund not immediately required for retirement and annuity payments in interest bearing securities of the United States. Survivors annuities would be exempt from assignment, execution, levy at-

tachment, garnishment, or other legal process.

Subject to the availability of appropriations, an amount equal to the unfunded liability of the retirement fund—defined as the amount by which the present value of benefits payable from the fund exceeds the present value of future contributions to and the current balance of the fund—would be deposited in the retirement fund prior to the end of each fiscal year.

Mr. President, the remaining provisions of this bill would:

First, provide for initial funding for the court by requiring the Secretary of Veterans' Affairs to transfer to the court an amount to be determined by the Chief Judge of the Court of Veterans' Appeals, but not to exceed $3.1 million, from a combination of three VA revolving funds; and require that, upon the appropriation of funds for the operation of the court, the Chief Judge fully reimburse the Secretary and the revolving funds for all funds previously transferred to the court.

Second, direct the Administrator of General Services to set aside appropriate space for the Court of Veterans' Appeals in the Post Office Building adjacent to Union Station in the District of Columbia should the Administrator enter into a long-term lease agreement with the Postal Service under which the Administrator would manage the space.

(c) Extend the time for filing an appeal to the court, as provided for in section 4066 of title 38, United States Code, to provide that a notice of appeal may be filed by the end of the 30-day period beginning on the date the court causes a notice of its commencement of operation to be published in the Federal Register.

(d) Make the Federal Rules of Appellate Procedure applicable to Court of Veterans' Appeals proceedings until the court itself adopts rules of practice and procedure pursuant to section 4064(a) of title 38.

(e) Authorize the court, from the date of enactment to December 31, 1989, to employ up to 35 employees without regard to competitive hiring requirements contained in title 5, United States Code.

(f) Provide for the court permanent authorization to use the authority in section 3109 of title 5 to employ the services of experts and consultants.

(g) Provide, in the event of a vacancy in the office of the chief judge, for the associate judge most senior in terms of service on the court to serve as acting chief judge, unless and until the President designates one of the other associate judges to serve as the acting chief judge.

(h) Make a series of technical corrections in Public Law 100-687.

(i) Make one technical correciton in the Department of Veterans' Affairs Act, Public Law 100-527, so as to provide for certain noncareer appointments to be made in the Department of Veterans Affairs.

BACKGROUND

Mr. President, as the 100th Congress drew to a close, a compromise was reached concerning the previously controversial issue of judicial review of the denial of veterans benefit claims. This compromise, embodied in the Veterans' Judicial Review Act, became possible when, after efforts by the Senate over the proceeding 10 years to grant veterans the right of access to the courts, the House of Representatives, on October 3, 1988, passed a judicial review bill of its own—H.R. 5288. The House and Senate Veterans' Affairs Committees—racing against the clock as the 100th Congress wound down—worked furiously to develop a fair, equitable, and effective compromise. During that process, there was no time to consider fully some of the complexities involved in establishing a retirement system for the judges in the new U.S. Court of Veterans' Appeals. Accordingly, the Court of Veterans' Appeals was created without such a system for its judges other than the civil service retirement system [CSRS] and Federal employees retirement system [FERS] generally applicable to Federal civilian employees. That left the new Court of Veterans' Appeals alone as the only Federal court lacking a separate retirement system.

Thus, soon after the enactment of Public Law 100-687, Chairman MONTGOMERY and I began to develop a Court of Veterans' Appeals judges retirement and survivors annuity bill. My goals in this effort were to design a retirement and annuity program that would place this new court on a comparable footing in this regard in relation to other Federal courts; to help ensure the long-term ability of the court to attract and retain the quality of judges desired and needed to establish and maintain the Court of Veterans' Appeals as a first-class judicial body; and to provide a fair and equitable reward for the service rendered by the judges.

In order to fashion a system that would meet these goals, we have reviewed retirement systems for various article I courts, such as the Court of Military Appeals, the U.S. Tax Court, and the U.S. Claims Court, as well as retirement systems for article III courts, specifically the U.S. district courts and the bankruptcy courts, which operate under the direction of the district courts. As this review progressed, two things became apparent: First, each court had a distinctly different retirement system and, second, every system except that of the Claims Court provides more generous benefits than CSRS/FERS.

We have now developed a proposed retirement system that draws heavily on the features of the Tax Court program, with modifications primarily to address the differences in size and scope of review between the Tax Court and the Court of Veterans' Appeals. For instance, although the Tax Court, as a trial court with jurisdiction over the Federal Government's vast internal revenue enterprise, appears to require a mechanism to recall its retired judges back to the bench for a period of time each year because of its enormous, fluctuating workload, we had no basis to foresee a similar need with respect to the Court of Veterans' Appeals—as a court of up to seven judges reviewing the record of Board of Veterans' Appeals cases—will have such a need. Accordingly, recall and related provisions were not included in this measure.

RETIREMENT AND SURVIVORS ANNUITY SYSTEM

Mr. President, under our legislation, judges on the U.S. Court of Veterans' Appeals who elect to be covered by this system and make the required contributions would be eligible to retire after age 65, upon having served at least 15 years. A judge who is over 65 and has at least 10 years of service would be eligible for retirement if the sum of the judge's years of service and age equals 80 or more. Upon retirement, a judge would receive the equivalent of the salary of the office at the time of the judge's retirement for the rest of his or her life. These retirement benefits are modeled after the U.S. Tax Court judges' retirement plan.

Those judges who serve their full term of 15 years, but who are not reappointed by the President upon the expiration of their term would also be eligible for retirement, regardless of age. This provision protects the judge who served an entire term but for whatever reason is not given a reappointment. Likewise protected is a judge who becomes permanently disabled with a disability that prevents the proper execution of the duties of the office. Regardless of age, if the judge who becomes disabled has served 10 or more years, the judge would receive a retirement equal to the salary of the office at the time of retirement. If the judge who becomes disabled has served less than 10 years, he or she would be entitled to one-half of the salary in effect at the time of retirement. I believe these to be fair protections for judges who either become disabled or are not reappointed.

Although the Court of Veterans' Appeals is much too small to fund its own retirement and survivor's annuity system, and we recognize that appropriations will be necessary to keep the retirement fund solvent, we also believe that it is conceptually sound and prudent to have the judges make a contribution to their own retirement program, as well as to their survivors' annuities. Having followed the Tax Court with regard to most other provisions, we decided to follow it with regard to contributions, with a modification borrowed from the bankruptcy court system, to require a modest contribution by the judges to their own retirement. Tax Court judges make no

contribution to their own retirement, but make a contribution to their survivors' annuity equaling 3.5 percent of their annual salary or retirement pay. Bankruptcy judges contribute 1 percent of their annual salary to their own retirement for their first term of service, and contribute 5 percent to their survivor's annuity. Our legislation would require the judges of the Court of Veterans' Appeals to contribute 1 percent of their annual salary to their own retirement system, for the first 15 years of their service, and 3.5 percent of their annual salary or retirement pay to the survivors annuity system.

As in the case of most other judicial retirement systems, an election to participate in the Court of Veterans' Appeals retirement system must be made by the judge prior to leaving office. Accordingly, someone who has been contributing to CSRS or FERS could continue to participate in that program until enough time has passed to vest in the court's retirement system. This flexibility would allow the judges to tailor their retirement systems to their individual personal circumstances. Once an election is made, the judge's CSRS/FERS contributions would be returned in a lump sum and the judge would be required to contribute to the Court of Veterans' Affairs retirement system the equivalent of 1 percent of the judge's annual salary for each year served, up to 15 years.

If a retired judge accepts compensation for employment by the Federal Government, the retired pay for the period for which the compensation was received would be reduced by the amount of the compensation received. Unlike the Tax Court provision which requires a retired judge who receives compensation for work in the Federal Government to forfeit all retired pay while receiving such compensation, I believe that this offset provision would not unduly discourage judges from serving the Federal Government after retiring from the court.

Mr. President, the survivors annuity plan is modeled directly on the one utilized by the Tax Court. As with the retirement plan, a judge would have to elect to participate in, and make contributions to, the survivors annuity program. Once a judge made an election to provide a survivors annuity, a deduction of 3.5 percent would be made from the judge's salary and retirement payments and the amounts deducted would then be deposited in the retirement fund. In addition, the judge would be required to deposit in the retirement fund, with interest, a sum equal to 3.5 percent of previous salary earned for service as a judge, for other Federal civilian service, and for service as a Member of Congress, for which deductions were not currently on deposit under the civil service retirement laws. A judge could elect to make that deposit in installment payments in such amounts and under such conditions as the Chief Judge determines. A judge could opt not to make such a deposit, in which case those years of service would be counted but the annuity of the surviving spouse would be reduced by an amount equal to 10 percent of the amount of the unmade deposit. The spouse could, however, choose to have that period of service disregarded for purposes of calculating the annuity rather than incur the 10-percent reduction.

The survivors annuity would be payable only after the judge had rendered at least 5 years of countable Federal civilian service or service as a Member of Congress and only if the deduction or deposit, as described above, had been made for the last 5 years of service as a judge or other countable service.

Once a judge has met all of the requirements, eligible spouses and dependent children would receive an annuity pursuant to a computation based on the judge's time of service on the court, and other Federal service, and would not exceed 50 percent, or be less than 25 percent, of the judge's average annual pay, including salary for active service and retirement pay, for the judge's high-3 years. The judge's average annual pay for this purpose would be based on the 3 consecutive years in which the judge received the highest average annual pay, regardless of whether the 3 years were judicial service or retirement or other allowable service, or a combination thereof.

To ensure that children of a judge are provided for, the survivors annuity provisions would entitle a surviving spouse with a surviving dependent child or children to an annuity immediately upon the judge's death. An additional annuity of 10 percent of the judge's average annual pay would be payable on behalf of a dependent child; if there were more than one dependent child, the additional annuity payable would be equal to 20 percent of such pay. If there were no surviving dependent child, however, the surviving spouse would not be eligible for annuity payments until attaining age 50.

The surviving spouse's entitlement to an annuity would terminate upon that spouse's remarriage before reaching age 55.

Recognizing the importance of encouraging a child toward higher education by providing support through his or her years of schooling, this bill would entitle a child to an annuity payment until that child reaches age 18 or, in the case of a full-time student, until age 22. Also recognizing a parent's responsibility toward a child who is incapable of self-support because of physical or mental disability incurred before age 18, this bill would entitle such a child to an annuity regardless of age.

Should a judge die in office before having rendered 5 years of service or without a survivor or survivors entitled to an annuity, the amount contributed by the judge to the annuity program would be paid to beneficiaries designated by the judge, to certain relatives of the judge, or to the estate of the judge. This provision ensures that the contributions made by the judge into the system will be paid out in accordance with the judges wishes. Additionally, survivors annuities would be exempt from assignment, execution, levy attachment, garnishment, or other legal process.

As discussed above, the size of the court makes it highly unlikely that the payments made into the survivor's annuity program will provide enough funding to make payments out of the retirement fund as needed. So as to make the best use of the funds available, the bill also includes provisions requiring the Secretary of the Treasury to invest amounts of the retirement fund, which are not immediately required for payments, in interest bearing securities of the United States. To ensure that the fund has sufficient funds to meet its responsibilities, the unfunded liability of the fund—defined as the amount by which the present value of benefits payable from the fund exceeds the present value of future contributions to and the current balance of the fund—would, subject to the availability of appropriations, be deposited in the retirement fund prior to the end of each fiscal year.

INITIAL FUNDING FOR THE COURT

Mr. President, because of the time constraints involved in passage of the law establishing the Court of Veterans' Appeals—Public Law 100-687, as discussed above, neither the House nor Senate Veterans' Affairs Committee had sufficient time to determine the amount of funding necessary initially to establish and operate the new court. Since the enactment of Public Law 100-687, I have sought the assistance of the General Services Administration [GSA] in preparing a preliminary personnel plan, space assessment, and operating budget for a three-, five-, and seven-judge court. According to these estimates, a seven-judge court would require a total of $3.1 million for fiscal year 1989—$1.9 million increase over the administration budget request of $1.2 million, which would include $1.6 million for initial nonrecurring items. Assuming the fiscal year 1989 funding is obtained, court operations in fiscal year 1990 are estimated to cost a total of $6.3 million, or $4.8 million over the administration's request.

To ensure that the long-sought right Congress recently accorded veterans and other claimants to have their benefit claims reviewed by a judicial entity is a real, not a hollow one, Chairman MONTGOMERY of the House Veterans' Affairs Committee and I have been working closely with the Appropriations Committees to ensure that the Court of Veterans' Appeals has sufficient startup funding, includ-

ing funds for salaries, short-term space, equipment, and commitments for long-term space and renovations. Thus, I am very grateful to Representative ROBERT TRAXLER and Senator MIKULSKI, chairpersons of the House and Senate Appropriations Subcommittees on VA, HUD, and independent agencies, for the inclusion of $3.1 million rather than the $1.2 million requested in the administration's budget, for the new court in the fiscal year 1989 dire emergency supplemental appropriations bill, H.R. 2072.

It is not, however, entirely clear when the measure will be enacted. Accordingly, our bill would provide an initial funding mechanism under which the Secretary of Veterans' Affairs would temporarily fund the court, in an amount to be determined by the Chief Judge of the Court of Veterans' Appeals but not to exceed $3.1 million, from a combination of the following VA revolving funds, in such proportion as the Secretary determines—the canteen service revolving fund, the loan guaranty revolving fund, and the direct loan revolving fund. Upon the appropriation of funds for the operation of the court, the Chief Judge would be required to transfer to the Secretary for reimbursement all funds previously transferred to the court.

This provision is designed to enable the court to begin operations as soon as possible if the enactment of the fiscal year 1989 supplemental appropriations measure is further delayed beyond the enactment date of our bill. Should the supplemental measure be enacted before the final passage of this bill, I would anticipate that this provision would be dropped in the final version of the legislation.

Mr. President, I ask unanimous consent that my March 17, 1989, and April 4, 1989, letters to Senator MIKULSKI and her March 23, 1989, response be printed in the RECORD at this point.

There being no objection, the letters were orderd to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, March 17, 1989.

Hon. BARBARA MIKULSKI,
Chair, Subcommittee on HUD-Independent Agencies, Washington, DC

DEAR BARBARA: I would like to take this opportunity to highlight the need for funding for the creation and the operation of the U.S. Court of Veterans Appeals. The three-to-seven judge Court, which was established under Public LAW 100-687 and is to begin hearing cases on September 1, 1989, is the culmination of over 10 years of work in the Senate to ensure that veterans are accorded the fundamental right of judicial review of veterans' benefit claims. Although the Reagan budget request included some funds for the Court for FYs 1989 and 1990 ($1.2 and $1.5 million, respectively), these amounts will not be sufficient to start up and operate the Court.

At this Committee's request, the General Services Administration prepared a preliminary personnel plan, space assessment, and operating budget for a three-, five-, and seven-judge Court. The Committee recently received a new version of these estimates, updated to include funding for public access to the Court files, which is enclosed for your review. According to these estimates, a seven-judge Court will require a total of $3.1 million for FY 1989 (a $1.9 million increase over the Administration budget), which would include $1.6 million for initial non-recurring items. Assuming the FY 1989 funding is obtained, Court operations in FY 1990 are estimated to cost a total of $6.3 million, or $4.8 million over the request.

To ensure that the long-sought right Congress recently accorded veterans and other claimants to have their benefit claims reviewed by a judicial entity is a real not a hollow one, it is imperative that the Court of Veterans Appeals have sufficient start-up funding, including funds for salaries, short-term space, equipment, and commitments for long-term space and renovations. Without very prompt enactment of an FY 1989 supplemental appropriation, or of a temporary funding transfer such as we discussed in our very productive February meeting (which could be made from a non-appropriated account, or a combination of them, such as the Post Fund, the Canteen Fund, or the Direct Loan Revolving Fund), there are absolutely no funds available to pay any salaries or obtain any space or supplies and equipment. The VA's General Counsel has advised that the Department has no authority to transfer or reprogram funds for such purposes since the Court is a totally independent entity, not in any way part of or tied to the Department of Veterans Affairs.

I appreciate your attention to this matter.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, March 23, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans Affairs, Washington, DC

DEAR ALAN: Thank you for letting me know of the need for funding for the creation and operation of the U.S. Court of Veterans Appeals.

I appreciate the importance of getting the Court up and running. However, the Subcommittee on VA, HUD and Independent Agencies has reached its spending limit for fiscal year 1989. Therefore, a waiver of the Budget Act would be required to pass a supplemental appropriation for the Court of Veterans Appeals. Furthermore, it is not yet clear whether the administration will propose a supplemental appropriation for any discretionary program.

In any event, let me assure you that if the White House does send to the Congress a supplemental appropriation for the Court, I will give it my utmost consideration.

I look forward to working with you on this matter.

Sincerely,

BARBARA A. MIKULSKI,
Chair, VA, HUD, and Independent Agencies Subcommittee.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 4, 1989.

Hon. BARBARA MIKULSKI,
Chair, Subcommittee on VA, HUD and Independent Agencies, Committee on Appropriations, Washington, DC

DEAR BARBARA, Thank you for your March 23 response to my earlier letter highlighting the need for adequate funding for the creation and operation of the U.S. Court of Veterans Appeals. As you well know, the Bush March 24 FY 1989 supplemental request includes funding—albeit not in an adequate amount—for the Court's start-up and operational costs.

There is one point I failed to mention in my earlier letter that needs to be stressed: the vital importance of ensuring that the FY 1989 funding be made available through September 30, 1990. Such a two-fiscal-year provision would accommodate the uncertainty of the Court's obligational schedule, particularly as to non-recurring start-up costs, in its early months of operation.

Thank you for your continued attention to this matter.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

FACILITIES FOR THE COURT

Mr. CRANSTON. Mr. President, section 202 of the bill would direct the Administrator of General Services to set aside appropriate space for the Court of Veterans Appeals in the Post Office Building adjacent to Union Station in the District of Columbia should the Administrator enter into a long-term lease agreement with the Postal Service under which the Administrator would manage the space. Such an agreement is pending. The Post Office Building, with its majestic high ceilings, would provide appropriate space for courtrooms, and this provision would ensure that, if GSA receives the right to manage the building, the Court would have access to permanent offices and courtroom space.

Mr. President, I ask unanimous consent that letters I wrote with House Committee Chairman SONNY MONTGOMERY on this subject to Architect of the Capitol George White and former GSA Regional Administrator Richard Hadsell, and their responses be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
Washington, DC, January 30, 1989.

Hon. GEORGE M. WHITE,
Architect of the Capitol, Washington, DC.

DEAR GEORGE: As Chairmen of the Senate and House Committees on Veterans' Affairs, we are writing to alert you to the fact that the United States Court of Veterans Appeals, created by Public Law 100-687, will need space in the near future—both on a temporary basis while permanent space is identified and made ready, and then on a permanent basis—in which to conduct its business. Under the law, the Court, which will have from three to seven members, is to begin hearing cases on September 1, 1989, and a Chief Judge is to be nominated between January 21 and April 1.

In this regard, we recently became aware of two possibilities for permanent space—both of which involve you as the Architect of the Capitol—Which appear very promising. The first of these is the Judiciary Office Building, which is to be constructed pursuant to Public Law 100-480, and the other is the Post Office renovation project at Union Station

George, given the likely needs of the new Court for a significant block of space (based on conversations with GSA, we estimate a

need for around 30,000 square feet with provision for expansion), we urge that, as these two projects go forward, you do your utmost to see that decisions are not made about space allocation that would ignore the important long-term need of the new Court for appropriately dignified and effective space. We recognize that any provision for such space in either of these projects will take a minimum of two to three years to effecuate and that the Court will need to secure short-term interim space, a need that we are now addressing with the GSA. Another possibility would be to move activities from another building (the Pension Building may be particularly suitable to the operation of this new Court) into one of the new buildings in order to place the Court in an existing, appropriate building.

It is our plan, working with the Appropriations Committees, to try to provide for a fiscal year 1989 funding transfer to the new Court by April 1 in order to defray its start-up costs (including temporary and permanent space needs) pending the enactment of a fiscal year 1989 supplemental appropriation.

Thank you for your attention to this matter.

Sincerely,

ALAN CRANSTON,
Chairman, Senate Committee of Veterans' Affairs.

G.V. (SONNY) MONTGOMERY,
Chairman, House Committee on Veterans' Affairs.

THE ARCHITECT OF THE CAPITOL,
Washington, DC, February 24, 1989.

Hon. ALAN CRANSTON,
Chairman, Senate Committee on Veterans' Affairs,

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, House Committee on Veterans' Affairs, Congress of the United States, Washington, DC.

DEAR ALAN AND SONNY: With regard to your inquiry concerning the space needs of the U.S. Court of Veterans Appeals, I can report the following information in connection with the status of the two projects that you mentioned:

1. City Post Office Building—Final negotiations are actively taking place between GSA and the Postal Service which, upon completion, will provide that GSA will lease the entire building for the use of several occupants. At the present time, two primary "tenants" have been identified, viz., the Bureau of Labor Statistics and the Legislative Branch, with the latter to have about 150,000 square feet and the former about 420,000 square feet. The total available square footage is not yet capable of accurate determination because of the need to analyze cost-benefits that might be achieved through the creation of mezzanines, precise layouts of known user needs, adjacency requirements, etc. It appears very likely, however, that 30,000 square feet for the Court needs could be made available. The high ceiling heights would make that location particularly useful for courtroom purposes.

2. Judiciary Office Building—This project is now in the negotiation stage with the prospective provisional developer that has been selected. The required space is available in this building, but the ceiling heights are, in general, planned to be of normal office height. Although increased heights in selected areas could be made available, some construction cost increases can be anticipated if that is to be done. A "ripple effect" obviously occurs that can cause space to be lost on two floors rather than merely on one. Nevertheless, it can be accomplished if that is what is desired.

The full rental cost for these buildings has not yet been finally determined, but will be of the order of magnitude of $25 to $30 per square foot, guaranteed for thirty years. It is thus predicted to be substantially below market rates over the lease period.

The proposal to utilize a "temporary" location in the Pension Building is a distinct and attractive possibility provided, of course, that the GSA can provide for that in its planning. It is my understanding that commitments for occupancy may have already been made, but, of course, that is outside my jurisdiction and therefore my information may be inaccurate.

In any case, I shall continue, from my vantage point, to bear the need in mind and to proceed in whatever manner you deem appropriate. As you know, the Judiciary Office Building is under the oversight jurisdiction of a Commission established in the enabling legislation. The GSA-Postal service negotiations have been taking place with the strong involvement of the Senate Committee on Rules and Administration which was originally interested in making the entire Post Office building available to the Legislative Branch. It may therefore be appropriate to apprise those two entities of your interest as well.

I shall be pleased to provide whatever additional information you may find desirable.

Cordially,

GEORGE M. WHITE,
FAIA, Architect of the Capitol.

CONGRESS OF THE UNITED STATES,
Washington, DC, March 3, 1989.

Mr. RICHARD M. HADSELL,
Regional Administrator, National Capital Region, General Services Administration, Washington, DC

DEAR MR. HADSELL: We are very grateful for the excellent cooperation that you and Mr. Dennis Condie and others in your office have been providing to our Committee Staff Directors/Chief Counsels (Jon Steinberg and Mack Fleming) regarding the preparation of a tentative budget and space plan as well as space allocation for the new United States Court of Veterans Appeals. On February 1, Jon and Mack met with Mr. Condie and Mrs. Peggy Mutton and Mr. Jim Sober of your Real Estate Division to look at space at the Interstate Commerce Commission (ICC) Building at 12th Street and Pennsylvania Avenue, N.W., that might be suitable for short-term temporary space for the Court's initial months of operation.

As you probably know, Mr. Condie last week provided us with a tentative space and budget estimate, and we are very impressed with the thoroughness of his work and deeply grateful to you and him for this invaluable assistance. We will be passing this estimate on to the Appropriations Committee with our endorsement. We are sure that the Chief Judge and Associate Judges of the Court will be enormously grateful for your efforts and that their work will be greatly enhanced by the groundwork you have done.

Jon and Mack have advised us that the space they saw at the ICC Building could be temporarily suitable, with appropriate renovation, for the Court's initial operations. In his space projection, Mr. Condie has estimated a need for approximately 28,000 square feet for the Court at a seven-judge size. The available space at the ICC Building totals 8235 square feet on the first and third floors, including corridors, closets, and toilets and one very large (2800 square feet) hearing room. The large hearing room and the smaller hearing room (1080 square feet) could be suitable, with appropriate renovation, for Court hearing operations for a substantial period of time. The space on the third floor could provide satisfactory space for two judges and their accompanying secretaries, clerks, and assistants. The other space on the first floor could serve temporarily to accommodate the clerk and administrative personnel for a short period of time. (As we understand it, the current GSA-per-square foot charges would be $25.09 for office space and $29.18 for hearing-room space.) We understand that some garage parking could be made available for Court personnel.

This space represents a start, but the office space would plainly not be sufficient after several months, and there would be a need for substantial additional office space for the Court for at least two years during which renovations are being made for permanent space for the Court (which, as you know, we hope will be at the Old Post Office renovation project adjacent to Union Station). Unless some alternative larger interim space can be found, the Court will be faced with having its operations split between two or more locations. We think this is highly undesirable.

Hence, we are making the following requests:

(1) That you hold the 8235 square feet in the ICC Building available for the Court's interim use;

(2) That you make all possible efforts to locate interim space that would accommodate the Court for two or more years at one site; and

(3) That you continue to cooperate with the Architect of the Capitol, George M. White, with respect to appropriate permanent space for the Court, especially the joint Executive Branch—Legislative Branch project at the Old Post Office.

In connection with point (2), above, we would greatly appreciate whatever you could do to reconsider the availability of the 3rd and 4th floors of the Pension Building, which, according to your February 21 letter to Jon Steinberg, you have committed to a variety of short-term commissions or entities. We wish to stress that this new Court is the fulfillment of Congressional efforts and consideration over three decades and is an undertaking of very significant national and historic proportions in our Nation's efforts to provide fairly for its veterans and their families. We hope very much that you could be helpful to the Court on this account and would certainly deem the Pension Building space, once available, a suitable replacement for the temporary space at the ICC Building.

Thank you again for all of the excellent cooperation that you and your staff have extended to us on behalf of the new Court of Veterans Appeals.

With warm regards.

Cordially,

ALAN CRANSTON,
Chairman, Senate Committee on Veterans' Affairs.

G.V. (Sonny) Montgomery,
Chairman, House Committee on Veterans' Affairs.

GENERAL SERVICES ADMINISTRATION,
Washington, DC, March 29, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of March 3, 1989, regarding the United States Court of Veterans Appeals. It will be our pleasure to work with the Court in filling its space requirements.

At present, we have reserved the 8,235 square feet at the Interstate Commerce Commission Building for the Court. In regards to parking, we are researching its availability and will keep the Court advised.

VOL 135 PT 9 JE 14 — 22 1989 UMI

In addition, we are working with the Court to develop both its short-term and long-term space requirements.

It is our intention to locate interim space which would accommodate the Court for two or more years at one site. To achieve this, we are exploring a variety of possibilities. However, at the Pension Building, firm commitments have been made and no additional space is available.

When the Court is established, we will immediately begin to work to define the long-term space requirements. At that time, we will provide the most appropriate housing for the Court. We are, however, continuing to pursue the availability of space at the City Post Office.

With the cooperation of the Court, we hope to proceed in an expeditious manner. Thank you for your continued interest in this project.

Sincerely,

RICHARD M. HADSELL,
Regional Administrator.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 20, 1989.

Mr. RICHARD M. HADSELL,
Regional Administrator, General Services Administration, National Capital Region, Washington, DC

DEAR MR. HADSELL: Thank you for your March 29 response to my earlier letter in which you outline efforts to develop the short-term and long-term space requirements of the new United States Court of Veterans Appeals.

I want you to know how very grateful I and this Committee are for your help and the help of your associate, Dennis Condie, in reserving temporary space for the Court at the Interstate Commerce Commission (ICC) Building and for your assistance in preparing a budget and personnel plan for the new Court. In addition, I very much appreciate your ongoing interest in and attention to the development of acceptable plans to meet the Courts' longer-term space needs.

Please note that I have sent a copy of your letter on to Judge Frank Q. Nebeker, the President's nominee to be the Chief Judge of the new Court, in order to facilitate continued efforts between the GSA and the Court in connection with the ICC space, longer-term interim space, and permanent space at the old City Post Office Building adjacent to Union Station.

I previously sent you a copy of my April 10, 1989, letter to Judge Nebeker regarding his proceeding with such efforts and related administrative matters during the pendency of his nomination before our Committee, and he has advised me of GSA's cooperation in retaining an expert consultant to work with him.

Thank you again for all of your and Mr. Condie's great help in this matter and for the help I know you will provide directly to Judge Nebeker and the new Court.

With best wishes,

Sincerely,

ALAN CRANSTON,
Chairman.

INTERIM PROVISION FOR FILING NOTICES OF APPEAL

Mr. CRANSTON. Mr. President, section 203 of the bill addresses the concern that, in a case subject to Court of Veterans Appeals review, a decision of the Board of Veterans Appeals could be made more than 120 days prior to the time the Court of Veterans Appeals begins to operate, thereby making it impossible for those claimants to make a timely appeal to the court under section 4066 of title 38, United States Code, under which those claims are denied at the BVA have 120 days to file a notice of appeal.

Although the court is supposed to be operating on September 1, this may not turn out to be the case. So as to deal with such a delay should it occur, section 203 would extend the time in which a notice of appeal must be filed to the end of the 30-day period beginning on the date the court causes a notice of its commencement of operation to be published in the Federal Register.

INITIAL RULES OF THE COURT

In order to ensure that the court has rules under which to operate prior to the court itself having the opportunity to establish its own rules pursuant to section 4064(a) of title 38, section 204 of the bill would make the Federal Rules of Appellate Procedure applicable to Court of Veterans Appeals proceedings until the court itself adopts rules of practice and procedure. By declaring the Federal Appellate Rules to be applicable, this legislation would enable practitioners to prepare for appearances before the court.

AUTHORITY TO EMPLOY PERSONNEL

Mr. President, the Court of Veterans Appeals Chief Judge-designate, Honorable Frank Q. Nebeker, whose nomination was confirmed by the Senate on May 17, 1989, brough to my attention in early May of this year the need for a temporary modification of the court's employment authorities in order to bring employees on board expeditiously as soon as funds are made available to the court. Before the new court begins hearing cases on September 1, 1989, as contemplated by the Veterans' Judicial Review Act, it must be able to hire staff, arrange for court rooms and offices, acquire furnishings and equipment, establish procedures and rules of practices, and complete a multitude of other housekeeping and administrative arrangements.

Section 4081 of title 38, United States Code, as enacted in Public Law 100-687, provides that the court may appoint such employees as may be necessary and that such appointments must be made in accordance with the provisions of title 5 governing appointment in the competitive service, except that the classification of positions may be based on judicial branch classifications. Chief Judge-designate Nebeker pointed out to me that he foresaw very serious practical difficulties arising from the mandate to comply with competitive-service requirements in the initial appointments of certain personnel. He noted that using the civil-service-register process could delay by months the hiring of personnel that will be needed from virtually the very first day that the court receives funding, particularly a clerk, deputy clerk, administrative officer, and certifying officer.

I found his concerns well founded and asked the Chair of the Appropriations Subcommittee on VA, HUD, and Independent Agencies, Senator BARBARA MIKULSKI, to include in H.R. 2072, the fiscal year 1989 dire emergency supplemental appropriations measure, in which the initial funding for the court that Congressman MONTGOMERY and I had recommended based on GSA's survey and plan was being provided, statutory language to provide the court with the authority for making initial appointments, without regard to the title 5 competitive-service requirements, of a clerk, deputy clerk, administrative officer, and certifying—fiscal—officer and of up to 30 other administrative positions, and for filling any vacancies that may occur in those positions, during calendar year 1989.

I am exceedingly grateful to Senator MIKULSKI for her cooperation in including the provision I requested in H.R. 2072 as reported and passed by the Senate on June 7, 1989. In connection with the conference on the appropriations bill I worked with House Chairman MONTGOMERY in developing a proposed modified provision, which was, although more generalized, substantively identical to the Senate provision, except for the period during which the hiring authority would be in effect. That provision has been included in the Appropriations Act conference report with the further modification that it would remain in effect only through the end of fiscal year 1989—rather than calendar year 1989, as we had proposed. Again, I thank Senator MIKULSKI and her House counterpart, Representative ROBERT TRAXLER, for their excellent cooperation in this matter.

Although I sincerely appreciate their assistance, I believe that we should now, in this authorizing measure, make the provision effective for all of calendar year 1989. Thus, section 205 of our bill would provide the court with interim extraordinary authority to employ personnel without regard to certain civil-service-law-competitive requirements, and section 403 would provide the court with the permanent authority, which was inadvertently omitted from the legislation establishing the court, to use the authority in section 3109 of title 5, United States Code, to employ the services of experts and consultants. More specifically, section 205 would authorize the court, during the period from the date of enactment through December 31, 1989, to employ not more than 35 employees without regard to competitive hiring requirements contained in title 5. These employees would be eligible for noncompetitive conversion to a position in the competitive service if they apply for such conversion prior to December 31, 1990, and the Director of the Office of Personnel Management determines that such conversion is in the interest of the government.

In addition, the bill would require observances of the spirit of the veterans' preference provisions in title 5 by requiring that, among equally-qualified applicants, preference be given those who have preference rights under title 5. To further enable the chief judge to set up the court, section 205 also would allow the chief judge to exercise the hiring authority on his own whenever there are not at least two associate judges of the court.

OTHER PROVISIONS

Mr. President, section 301 of the bill would postpone from November 18, 1988, to September 1, 1989, the effective date of the amendment to section 4004 of title 38, relating to the reopening of disallowed BVA cases, made by section 204 of Public Law 100-687. Section 4004 as amended by Public Law 100-687 includes a cross-reference to section 3008 of title 38, which was amended by section 103(a) of that public law effective September 1, 1989. Thus, section 301 would simply make consistent the effective dates of the amendments to those two title 38 sections.

Section 401 of our bill would make a technical correction in the Department of Veterans Affairs Act, Public Law 100-527, so as to provide for certain non-career appointments to be made in the Department of Veterans Affairs as to which section 12(c)(1) of that Act would preclude consideration of political affiliation or activity.

In the event of a vacancy in the office of the chief judge, section 402 of our bill would provide for the most senior associate judge, in terms of service on the court, to serve as acting chief judge, unless and until the President designates one of the other associate judges to serve as the acting chief judge.

CONCLUSION

Mr. President, the provisions in this bill provide Court of Veterans Appeals judges with a fair and equitable retirement program and provide other technical and funding assistance to enable the court—which is the culmination of over 10 years of work to ensure that veterans are accorded the fundamental right of judicial review of VA denials of their claims for veterans' benefits—to begin operations on September 1, 1989, as scheduled.

I will be asking interested witnesses at our committee's June 22 hearing and others to provide supplementary testimony on this measure. Also, together with Chairman MONTGOMERY, I will be asking the Office of Management and Budget, which has already been contacted in this regard, as well as the Department of Veterans Affairs, to provide administration views on the bill on an expedited basis. We will also be asking Chief Judge-designate Nebeker to provide us with his views on the provisions of the bill.

I have scheduled the bill for a markup at the Veterans' Affairs Committee's July 13 meeting and, in light of the collaborative efforts by the chairmen and ranking minority Members of both Veterans' Affairs Committees in the development of this measure, I am anticipating Senate passage and final action on the bill before the August recess.

Mr. President, I urge all of my colleagues to give this bill their careful consideration and support and ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Court of Veterans Appeals Judges Retirement Act".

TITLE I—JUDGES RETIREMENT AND SURVIVOR ANNUITY PROGRAM

SEC. 101. JUDGES RETIREMENT PROGRAM.

(a) RETIREMENT SYSTEM.—Chapter 72 of title 38, United States Code, is amended by adding at the end of the following new subchapter:

"Subchapter V—Retirement and Survivors Annuities

"§ 4096. Retirement of judges

"(a) For purposes of this section:

(1) The term 'Court' means the United States Court of Veterans Appeals.

"(2) The term 'judge' means the chief judge or an associate judge of the Court.

"(b)(1) A judge who meets the age and service requirements set forth in the following table may retire:

"The judge has attained age:	And the years of service as a judge are at least
65	15
66	14
67	13
68	12
69	11
70	10

"(2) A judge who is not reappointed following the expiration of the term for which appointed may retire upon the completion of that term if the judge has served as a judge of the Court for 15 years or more. In order to retire under this paragraph, a judge must, not earlier than nine months preceding the date of the expiration of the judge's term of office and not later than six months preceding such date, advise the President in writing that the judge is willing to accept reappointment to the Court.

"(3) A judge who becomes permanently disabled and as a result of that disability is unable to perform the duties of the office shall retire.

"(c)(1) An individual who retires under subsection (b) of this section and elects under subsection (d) of this section to receive retired pay under this subsection shall (except as provided in paragraph (2) of this subsection) receive retired pay at the rate of pay in effect at the time of retirement.

"(2) An individual who serves as a judge for less than 10 years and who retires under subsection (b)(3) of this section and elects under subsection (d) of this section to receive retired pay under this subsection shall receive retired pay at a rate equal to one-half of the rate of pay in effect at the time of retirement.

"(3) Retired pay under this subsection shall begin to accrue on the day following the day on which the individual's salary as judge ceases to accrue and shall continue to accrue during the remainder of the individual's life. Retired pay under this subsection shall be paid in the same manner as the salary of a judge.

"(d)(1) A judge may elect to receive retired pay under subsection (c) of this section. Such an election—

"(A) may be made only while an individual is a judge (except that, in the case of an individual who fails to be reappointed as judge at the expiration of a term of office, the election may be made at any time before the date after the day on which the individual's successor takes office); and

"(B) may not be revoked after the retired pay begins to accrue.

"(2) In the case of a judge other than the chief judge, such an election shall be made by filing notice of the election in writing with the chief judge. In the case of the chief judge, such an election shall be made by filing notice of the election in writing with the Director of the Office of Personnel Management.

"(3) The chief judge shall transmit to the Director of the Office of Personnel Management a copy of each notice filed with the chief judge under this subsection.

"(e) If an individual for whom an election to receive retired pay under subsection (c) is in effect accepts compensation for employment with the United States, the individual shall, to the extent of the amount of that compensation, forfeit all rights to retired pay under subsection (c) of this section for the period for which the compensation is received.

"(f)(1) Except as otherwise provided in this subsection, the provisions of the civil service retirement laws (including the provisions relating to the deduction and withholding of amounts from basic pay, salary, and compensation) shall apply with respect to service as a judge as if this section had not been enacted.

"(2) In the case of any individual who has filed an election to receive retired pay under subsection (c) of this section—

"(A) no annuity or other payment shall be payable to any person under the civil service retirement laws with respect to any service performed by such individual (whether performed before or after such election is filed and whether performed as judge or otherwise);

"(B) no deduction for purpoes of the Civil Service Retirement and Disability Fund shall be made from retired pay payable to that individual under subsection (c) of this section or from any other salary, pay, or compensation payable to that individual, for any period beginning after the day on which such election is filed; and

"(C) such individual shall be paid the lump-sum credit computed under section 8331(8) of title 5 upon making application therefore with the Office of Personnel Management.

"(g)(1) A judge who becomes permanently disabled and as a result of that disability is unable to perform the duties of the office shall certify to the President in writing that such permanent disability exists. If the chief judge retires for such a disability, the retirement of the chief judge shall not take effect until concurred in by the President. If any other judge retires for such a disability, the chief judge shall furnish to the President a certificate of disability signed by the chief judge.

"(2) Whenever the President finds that a judge has become permanently disabled and as a result of that disability is unable to perform the duties of the office, the President shall declare that judge to be retired. Before

VOL 135 PT 9 JE 14 — 22 1989 UMI

a judge may be retired under this paragraph, the judge shall be provided with a full specification of the reasons for the retirement and an opportunity to be heard.

"(h)(1) An individual who has filed an election to receive retired pay under subsection (c) of this section may revoke such election at any time before the first day on which retired pay would (but for such revocation) begin to accrue with respect to such individual.

"(2) Any revocation under this subsection shall be made by filing a notice of the election in writing with the Director of the Office of Personnel Management. The Office of Personnel Management shall transmit to the chief judge a copy of each notice filed under this subsection.

"(3) In the case of a revocation under this subsection—

"(A) for purposes of this section, the individual shall be treated as not having filed an election to receive retired pay under subsection (c) of this section;

"(B) for purposes of section 4097 of this title—

"(i) the individual shall be treated as not having filed an election under section 4097(b) of this title, and

"(ii) section 4097(e) of this title shall not apply, and the amount credited to such individual's account (together with interest at 3 percent per year, compounded on December 31 of each year to the date on which the revocation is filed) shall be returned to the individual;

"(C) no credit shall be allowed for any service as a judge of the Court unless with respect to such service either there has been deducted and withheld the amount required by the civil service retirement laws or there has been deposited in the Civil Service Retirement and Disability Fund an amount equal to the amount so required, with interest;

"(D) the Court shall deposit in the Civil Service Retirement and Disability Fund an amount equal to the additional amount it would have contributed to such Fund but for the election under subsection (d); and

"(E) if subparagraph (D) of this paragraph is complied with, service on the Court shall be treated as service with respect to which deductions and contributions had been made during the period of service.

"(i)(1) Beginning with the next pay period after the Director of the Office of Personnel Management receives a notice under subsection (d) of this section that a judge has elected to receive retired pay under this section, the Director shall deduct and withhold 1 percent of the salary of such judge. Amounts shall be so deducted and withheld in a manner determined by the Director. Amounts deducted and withheld under this subsection shall be deposited in the Treasury of the United States to the credit of the Court of Veterans Appeals Judges Retirement Fund. Deductions under this subsection from the salary of a judge shall terminate upon the retirement of the judge or upon the completion of 15 years of service for which either deductions under this subsection or a deposit under subsection (j) of this section has been made, whichever occurs first.

"(2) Each judge who makes an election under subsection (d) of this section shall be considered to agree to the deductions from salary which are made under paragraph (1) of this subsection.

"(j) A judge who makes an election under subsection (d) of this section shall deposit, for service performed before the election for which contributions may be made under this section, an amount equal to 1 percent of the salary received for the first years, not exceeding 15 years, of that service. Retired pay may not be allowed until a deposit required by this subsection has been made.

"(k) The amounts deducted and withheld under subsection (i) of this section, and the amounts deposited under subsection (j) of this section, shall be deposited in the Court of Veterans Appeals Retirement Fund for credit to individual accounts in the name of each judge from whom such amounts are received.

"§ 4097. Survivor annuities

"(a) DEFINITIONS.—For purposes of this section:

"(1) The term 'Court' means the United States Court of Veterans Appeals.

"(2) The term 'judge' means the chief judge or an associate judge of the Court.

"(3) The term 'pay' means salary received under section 4053(e) of this title and retired pay received under section 4096(c) of this title.

"(4) The term 'retirement fund' means the Court of Veterans Appeals Retirement Fund established under section 4098 of this title.

"(5) The term 'surviving spouse' means a surviving spouse of an individual who (A) was married to such individual for at least two years immediately preceding the individual's death, or (B) is a parent of issue by the marriage.

"(6) The term 'dependent child' has the meaning given the term 'child' in section 376(a)(5) of title 28.

"(7) The term 'Member of Congress' means a Representative, a Senator, a Delegate to Congress, or the Resident Commissioner of Puerto Rico.

"(b) A judge may become a participant in the annuity program under this section by filing a written election under this subsection while in office. Any such election shall be made in such manner as may be prescribed by the Court.

"(c) There shall be deducted and withheld each pay period from the pay of a judge who has made an election under subsection (b) of this section a sum equal to 3.5 percent of the judge's pay. Amounts so deducted and withheld shall be deposited in the retirement fund. A judge who makes an election under subsection (b) of this section shall be considered by that election to agree to the deductions from the judge's pay required by this subsection.

"(d) A judge who makes an election under subsection (b) of this section shall deposit, with interest at 3 percent per year compounded on December 31 of each year, to the credit of the retirement fund, an amount equal to 3.5 percent of the judge's pay and of judge's basic salary, pay, or compensation for service as a Member of Congress, and for any other civilian service within the purview of section 8332 of title 5. Each such judge may elect to make such deposits in installments during the judge's period of service in such amount and under such conditions as may be determined in each instance by the chief judge. Notwithstanding the failure of a judge to make such deposit, credit shall be allowed for the service rendered, but the annual annuity of the surviving spouse of such judge shall be reduced by an amount equal to 10 percent of the amount of such deposit, computed as of the date of the death of such judge, unless the surviving spouse elects to eliminate such service entirely from credit under subsection (k) of this section. However, a deposit shall not be required from a judge for any year with respect to which deductions from the judge's pay, or a deposit, were actually made (and not withdrawn) under the civil service retirement laws.

"(e) If the service of a judge who makes an election under subsection (b) of this section terminates other than pursuant to the provisions of section 4096 of this title, or if any judge ceases to be married after making the election under subsection (b) of this section and revokes (in a writing filed as provided in subsection (b) of this section) such election, the amount credited to the judge's individual account (together with interest at 3 percent per year compounded on December 31 of each year to the date of the judge's relinquishment of office) shall be returned to the judge. For the purpose of this section, the service of a judge making an election under subsection (b) of this section shall be considered to have terminated pursuant to section 4096 of this title if—

"(1) the judge is not reappointed following expiration of the term for which appointed; and

"(2) at or before the time of the expiration of that term, the judge is eligible for and elects to receive retired pay under section 4096 of this title.

"(f)(1) If a judge who makes an election under subsection (b) of this section dies after having rendered at least 5 years of civilian service (computed as prescribed in subsection (1) of this section), for the last 5 years of which the salary deductions provided for by subsection (c) of this section or the deposits required by subsection (d) of this section have actually been made (and not withdrawn) or the salary deductions required by the civil service retirement laws have actually been made (and not withdrawn)—

"(A) if the judge is survived by a surviving spouse but not by a dependent child, there shall be paid to the surviving spouse an annuity beginning with the day of the death of the judge or following the surviving spouse's attainment of the age of 50 years, whichever is the later, in an amount computed as provided in subsection (k) of this section; or

"(B) if the judge is survived by a surviving spouse and a dependent child or children, there shall be paid to the surviving spouse an immediate annuity in an amount computed as provided in subsection (k) of this section and there shall also be paid to or on behalf of each such child an immediate annuity equal to the lesser of—

"(i) 10 percent of the average annual pay of such judge (determined in accordance with subsection (k) of this section), or

"(ii) 20 percent of such average annual pay, divided by the number of such children; or

"(C) if the judge is not survived by a surviving spouse but is survived by a dependent child or children, there shall be paid to or on behalf of each such child an immediate annuity equal to the lesser of—

"(i) 20 percent of the average annual pay of such judge (determined in accordance with subsection (k) of this section), or

"(ii) 40 percent of such average annual pay, divided by the number of such children.

"(2) The annuity payable to a surviving spouse under this subsection shall be terminated—

"(A) upon the surviving spouse's death; or

"(B) upon the remarriage of the surviving spouse before age 55.

"(3) The annuity payable to a child under this subsection shall be terminated upon the child's death.

"(4) In case of the death of a surviving spouse of a judge leaving a dependent child or children of the judge surviving the spouse, the annuity of such child or children under paragraph (1)(B) of this subsection shall be recomputed and paid as provided in paragraph (1)(C) of this subsection. In any case in which the annuity of a depend-

ent child is t
remaining
based upon
shall be reco
child whose
not survived
"(g) Quest
pendency, a
section shal
manner as
chapter 84 o
"(h)(1) If—
"(A) a ju
subsection (
office (i) bef
civilian serv
subsection (
having rend
service but w
nuity benefi
this section;
"(B) the ri
annuity und
based on th
nates before
been establis
the total am
account of
percent per
31 of each y
such judge)
specified in p
"(2) An an
(1) of this su
establishmen
the person o
title to the p
order of prec
"(A) To t
whom the ju
before death
that in the c
ignation sha
scribed by th
"(B) To th
"(C) To th
(and the de
dren by repr
"(D) To t
survivor of t
"(E) To th
the estate of
(F) To suc
as may be d
be entitled u
the judge at
"(3) Deter
spouse, chil
purposes of
shall be mad
tions in subs
"(4) Paym
manner prov
a bar to reco
"(5) In a c
persons enti
service of a
gregate amo
total amoun
count of suc
cent per yea
of each year
judge), the c
tablishment
order of pre
(2) of this su
"(6) Any
unpaid upon
death) of
based upon
paid to that
remaining u
vidual recei
service of a
tablishment
following or
"(A) To t
the estate o

ent child is terminated, the annuities of any remaining dependent child or children, based upon the service of the same judge, shall be recomputed and paid as though the child whose annuity was so terminated had not survived the judge.

"(g) Questions of family relationships, dependency, and disability arising under this section shall be determined in the same manner as such questions arising under chapter 84 of title 5 are determined.

"(h)(1) If—

"(A) a judge making an election under subsection (b) of this section dies while in office (i) before having rendered 5 years of civilian service computed as prescribed in subsection (1) of this section, or (ii) after having rendered 5 years of such civilian service but without a survivor entitled to annuity benefits provided by subsection (f) of this section; or

"(B) the right of all persons entitled to an annuity under subsection (f) of this section based on the service of such judge terminates before a claim for such benefits has been established,

the total amount credited to the individual account of such judge (with interest at 3 percent per year, compounded on December 31 of each year, to the date of the death of such judge) shall be paid in the manner specified in paragraph (2) of this subsection.

"(2) An amount payable under paragraph (1) of this subsection shall be paid, upon the establishment of a valid claim therefor, to the person or persons surviving at the date title to the payment arises, in the following order of precedence:

"(A) To the beneficiary or beneficiaries whom the judge designated in writing filed before death with the chief judge (except that in the case of the chief judge such designation shall be filed before death as prescribed by the Court).

"(B) To the surviving spouse of the judge.

"(C) To the child or children of the judge (and the descendants of any deceased children by representation).

"(D) To the parents of the judge or the survivor of them.

"(E) To the executor or administrator of the estate of the judge.

(F) To such other next of kin of the judge as may be determined by the chief judge to be entitled under the laws of the domicile of the judge at the time of the judge's death.

"(3) Determination as to the surviving spouse, child, or parent of a judge for the purposes of paragraph (2) of this subsection shall be made without regard to the definitions in subsection (a) of this section.

"(4) Payment under this subsection in the manner provided in this subsection shall be a bar to recovery by any other person.

"(5) In a case in which the annuities of all persons entitled to annuity based upon the service of a judge terminate before the aggregate amount of annuity paid equals the total amount credited to the individual account of such judge (with interest at 3 percent per year, compounded on December 31 of each year to the date of the death of the judge), the difference shall be paid, upon establishment of a valid claim therefor, in the order of precedence prescribed in paragraph (2) of this subsection.

"(6) Any accrued annuity remaining unpaid upon the termination (other than by death) of the annuity of any individual based upon the service of a judge shall be paid to that individual. Any accrued annuity remaining unpaid upon the death of an individual receiving an annuity based upon the service of a judge shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"(A) To the executor or administrator of the estate of that person.

"(B) After 30 days after the date of the death of such individual, to such individual or individuals as may appear in the judgment of the chief judge to be legally entitled thereto.

Such payment shall be a bar to recovery by any other individual.

"(i) When a payment under this section is to be made to a minor, or to a person mentally incompetent or under other legal disability adjudged by a court of competent jurisdiction, the payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or is otherwise legally vested with the care of the claimant or the claimant's estate. If no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, the chief judge shall determine the person who is otherwise legally vested with the care of the claimant or the claimant's estate.

"(j) Annuities under this section shall accrue monthly and shall be due and payable in monthly installments on the first business day of the month following the month or other period for which the annuity has accrued. An annuity under this section is not assignable, either in law or in equity, or subject to execution, levy, attachment, garnishment, or other legal process.

"(k)(1) The annuity of the surviving spouse of a judge making an election under subsection (b) of this section shall be an amount equal to the sum of the following:

"(A) The product of—

"(i) 1.5 percent of the judge's average annual pay; and

"(ii) the sum of the judge's years of judicial service, the judge's years of prior allowable service as a Member of Congress, the judge's years of prior allowable service performed as a member of the Armed Forces, and the judge's years, not exceeding 15, of prior allowable service performed as a congressional employee (as defined in section 2107 of title 5).

"(B) Three-fourths of 1 percent of the judge's average annual pay multiplied by the judge's years of allowable service not counted under subparagraph (A) of this paragraph.

"(2) An annuity computed under this subsection may not exceed 50 percent of the judge's average annual pay and may not be less than 25 percent of such average annual pay. Such annuity shall be further reduced in accordance with subsection (d) of this section (if applicable).

"(3) For purposes of this subsection, the term 'average annual pay', with respect to a judge, means the average annual pay received by the judge for judicial service (including periods in which the judge received retired pay under section 4096(d) of this title) or for any other prior allowable service during the period of three consecutive years in which the judge received the largest such average annual pay.

"(l) Subject to subsection (d) of this section, the years of service of a judge which are allowable as the basis for calculating the amount of the annuity of the judge's surviving spouse shall include the judge's years of service as a judge of the Court, the judge's years of service as a Member of Congress, the judge's years of active service as a member of the Armed Forces not exceeding 5 years in the aggregate and not including any such service for which credit is allowed for the purposes of retirement or retired pay under any other provision of law, and the judge's years of any other civilian service within the purview of section 8332 of title 5.

"(m) Nothing contained in this section shall be construed to prevent a surviving spouse eligible therefor from simultaneously receiving an annuity under this section and any annuity to which such spouse would otherwise be entitled under any other law without regard to this section, but in computing such other annuity service used in the computation of such spouse's annuity under this section shall not be credited.

"(n) A judge making an election under subsection (b) of this section shall, at the time of such election, waive all benefits under the civil service retirement laws. Such a waiver shall be made in the same manner and shall have the same force and effect as an election filed under section 4096(d) of this title.

"(o) Whever the salaries of judges paid under section 4053(e) of this title are increased, each annuity payable from the retirement fund which is based, in whole or in part, upon a deceased judge having rendered some portion of that judge's final 18 months of service as a judge of the Court, shall also be increased. The amount of the increase in the annuity shall be determined by multiplying the amount of the annuity on the date on which the increase in salaries becomes effective by 3 percent for each full 5 percent by which those salaries were increased.

"§ 4098. Court of Veterans Appeals Retirement Fund

"(a) There is established in the Treasury a fund known as the Court of Veterans Appeals Retirement Fund.

"(b) Amounts in the fund are available for the payment of judges' retired pay under section 4096 of this title and of annuities, refunds, and allowances under section 4097 of this title.

"(c) Amount deposited by or deducted and withheld from the salary of a judge under section 4096 or 4097 of this title shall be deposited in the fund and credited to an individual account of the judge.

"(d) The chief judge of the Court of Veterans Appeals shall submit to the President an annual estimate of the expenditures and appropriations necessary for the maintenance and operation of the fund, and such supplemental and deficiency estimates as may be required from time to time for the same purposes, according to law.

"(e)(1) The chief judge may cause periodic examinations of the retirement fund to be made by an actuary, who may be an actuary employed by another department of the Government temporarily assigned for the purpose.

"(2)(A) Subject to the availability of appropriations, there shall be deposited in the Treasury to the credit of the retirement fund, not later than the close of each fiscal year, such amounts as may be required to reduce to zero the unfunded liability (if any) of the fund. Such deposits shall be taken from sums available for that fiscal year for the payment of the expenses of the Court.

"(B) For purposes of subparagraph (A) of this paragraph, the term 'unfunded liability', with respect to any fiscal year, means the amount estimated by the chief judge to be equal to the excess (as of the close of that fiscal year) of—

"(i) the present value of all benefits payable from the fund (determined on an annual basis in accordance with section 9503 of title 31), over

"(ii) the sum of—

"(I) the present values of future deductions under sections 4096(i) and 4097(c) of this title and future deposits under sections 4096(j) and 4096(d) of this title, and

VOL 135 PT 9 JE 14 — 22 1989 UMI

"(II) the balance in the fund as of the close of the fiscal year.

"(C) Amounts deposited in the retirement fund under this paragraph shall not be credited to the account of any individual.

"(f) The Secretary of the Treasury shall invest from time to time, in interest-bearing securities of the United States, such portions of the retirement fund as in such Secretary's judgment may not be immediately required for payments from the fund. The income derived from such investments shall constitute a part of the fund.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 72 of such title is amended by adding at the end the following:

"Subchapter V—Retirement and Survivors Annuities

"4096. Retirement of judges.

"4097. Survivor annuities.

"4098. Court of Veterans Appeals Retirement Fund.".

SEC. 102. CONFORMING AMENDMENTS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8334(i) of title 5, United States Code, is amended by adding at the end the following new paragraph:

(5) Notwithstanding any other provision of law, a judge who is covered by section 4096 of title 38 shall not be subject to deductions and contributions to the Fund, if the judge notifies the Director of the Office of Personnel Management of an election of a retirement annuity under that section. Upon such an election, the judge shall be entitled to a lump-sum credit under section 8342(a) of this title.".

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8402 of title 5 United States Code, is amended by adding at the end the following new subsection:

"(e) A judge who is covered by section 4096 of title 38 shall be excluded from the operation of this chapter if the judge notifies the Director of the Office of Personnel Management of an election of a retirement annuity under that section. Upon such election, the judge shall be entitled to a lump-sum credit under section 8424 of this title.".

(c) STANDARDS FOR REMOVAL OF JUDGES—Section 4053(f)(1) of title 38, United States Code, is amended in the first sentence—

(1) by inserting "or" before "engaging"; and

(2) by striking out "law," and all that follows in that sentence and inserting in lieu thereof "law.".

TITLE II—PROVISIONS RELATING TO ESTABLISHMENT OF COURT OF VETERANS APPEALS

SEC. 201. INITIAL FUNDING FOR COURT.

(a) TRANSFERS FROM DEPARTMENT OF VETERANS' AFFAIRS FUNDS.—The Secretary of Veterans' Affairs shall transfer to the United States Court of Veterans Appeals such funds as the Chief Judge of the Court certifies to be required, not to exceed $3,100,000, for the initial startup costs and operation of the Court until funds for the operation of the Court are first appropriated. Such funds shall be derived in equal amounts, or in such other amounts as the Secretary may determine, from the following revolving funds: the Canteen Service Revolving Fund, the Loan Guaranty Revolving Fund, and the Direct Loan Revolving Fund.

(b) REIMBURSEMENT.—Upon the appropriation of funds for the operation of the Court, the Chief Judge of the Court shall immediately transfer to the Secretary of Veterans' Affairs, for reimbursement to the appropriate revolving funds, the total sum transferred to the Court under subsection (a).

SEC. 202. FACILITIES FOR COURT.

If the Administrator of General Services, through a long-term lease arrangement with the Postal Service, acquires the right to operate the space in the Post Office Building adjacent to Union Station in the District of Columbia, the Administrator—

(1) shall provide for approximately 30,000 square feet of such space on the first floor of that building (or in such other area in that building and on the first floor as the chief judge of the Court may specify) to be remodeled for, and to be leased to, the United States Court of Veterans Appeals for use as the Court's principal place of business; and

(2) shall arrange that space adjacent to such 30,000 square feet be leased under such terms and conditions that, with proper notice, it can be made available for the Court in the event of the need for expansion.

SEC. 203. INTERIM PROVISION FOR FILING NOTICES OF APPEAL.

In the case of a person adversely affected by a final decision of the Board of Veterans' Appeals that is made before the date on which the United States Court of Veterans Appeals has caused to be published in the Federal Register a notice by the Court that it has commenced operations, the period prescribed under section 4066 of title 38, United States Code, within which a notice of appeal must be filed with the Court shall be extended to the end of the 30-day period beginning on the date such notice is published, if the end of that period is later than the date that would otherwise be applicable under such section.

SEC. 204. INITIAL RULES OF THE COURT.

The Federal Rules of Appellate Procedure (28 U.S.C. App.) shall be the rules of the United States Court of Veterans Appeals until otherwise provided by the Court in accordance with section 4064(a) of title 38, United States Code.

SEC. 205. INTERIM AUTHORITY TO EMPLOY PERSONNEL.

(a) EMPLOYMENT AUTHORITY.—During the period beginning on the date of the enactment of this Act and ending on December 31, 1989, the United States Court of Veterans Appeals may employ under this section not to exceed 35 employees (and employees to replace any employees so appointed whose appointment by the Court is terminated). Any employee so appointed shall be eligible for noncompetitive conversion to a position in the competitive service if—

(1) application for such conversion is made to the Director of the Office of Personnel Management not later than December 31, 1990; and

(2) the Director of the Office of Personnel Management determines that such noncompetitive conversion is in the interest of the Government.

(b) PREFERENCE ELIGIBLES.—In the making of appointments pursuant to subsection (a), the Court shall give preference, among equally qualified persons, to persons who are preference eligibles (as defined in section 2108(3) of title 5, United States Code).

(c) WAIVERS.—Appointments may be made under subsection (a) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to section 4081 of title 38, United States Code.

(d) INTERIM AUTHORITY OF CHIEF JUDGE OF THE COURT.—The authority provided in subsection (a) may be exercised by the chief judge of the court whenever there are not at least two associate judges of the Court.

TITLE III—TECHNICAL CORRECTIONS

SEC. 301. EFFECTIVE DATE FOR NEW RULE FOR REOPENING BOARD OF VETERANS' APPEALS DISALLOWED CASES.

Section 401(d) of the Veterans Judicial Review Act (Public Law 100-687; 102 Stat. 4122) is amended to read as follows:

"(d) BOARD OF VETERANS' APPEALS.—Section 202, 203, 205, 206, and 207 shall take effect as of January 1, 1989. Section 204 shall take effect on September 1, 1989.".

SEC. 302. OTHER TECHNICAL AMENDMENTS.

(a) CROSS-REFERENCE TO NEW SECTION.—Section 3301(b)(1) of title 38, United States Code, is amended by striking out "section 4009" and inserting in lieu thereof "section 3009 or 4009".

(b) REVIEW OF COURT DECISIONS.—Section 4092(d)(1) of such title is amended by striking out "statute or".

(c) APPLICABILITY OF AMENDMENTS.—The amendments made by subsections (a) and (b) shall take effect as if included in the Veterans' Judicial Review Act.

(d) REDESIGNATION OF DUPLICATE SECTION NUMBER.—The section 223 of title 38, United States Code, added by section 203(b)(1) of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 509) is redesignated as section 224.

(2) The item relating to that section in the table of sections at the beginning of chapter 3 of that title is revised to reflect the redesignation made by paragraph (1).

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. NONCAREER APPOINTMENTS IN DEPARTMENT OF VETERANS AFFAIRS.

Section 12(c)(2) of the Department of Veterans Affairs Act (Public Law 100-527; 102 Stat. 2642) is amended—

(1) by inserting "(A)" before "any person"; and

(2) by inserting before the period at the end the following: ", or (B) any person to (i) a Senior Executive Service position as a noncareer appointee, or (ii) a position which is excepted from the competitive service, on a temporary or permanent basis, because of the confidential or policy-determining character of the position".

SEC. 402. ACTING CHIEF JUDGE IN EVENT OF VACANCY.

Section 4054 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(d) In the event of a vacancy in the position of chief judge of the Court, the associate judge senior in service on the Court shall serve as acting chief judge unless the President designates one of the other associate judges to serve as acting chief judge, in which case the judge so designated shall serve as acting chief judge.".

SEC. 403. AUTHORITY TO PROCURE SERVICES OF EXPERTS AND CONSULTANTS.

(a) AUTHORITY.—Section 4081 of title 38, United States Code, is amended—

(1) by inserting "(a)" before "The Court"; and

(2) by adding at the end the following new subsection:

"(b) The Court may procure the services of experts and consultants under section 3109 of title 5.".

(b) EFFECTIVE DATE.—Notwithstanding section 401 of the Veterans Judicial Review Act, the authority provided by subsection (b) of section 4081 of title 38, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act.

By Mr. METZENBAUM:

S. 1244. A bill to amend the Securities Exchange Act of 1934 with respect to tender offers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CORPORATE TAKEOVER REFORM ACT OF 1989

● Mr. METZENBAUM. Mr. President, I rise today with my colleague Senator ARMSTRONG to introduce the Corporate Takeover Reform Act of 1989. This bill contains a number of provisions which I believe are much needed to correct serious problems arising out of the current takeover environment. Many of these provisions I have introduced before. The legislation has three main parts. The first is aimed at reforming the tender offer process by requiring earlier notice of stock purchases, and changing the waiting period for shareholders to respond to tender offers. I introduced these provisions last Congress as part of S. 678.

The second part would increase fairness to shareholders by protecting them against abusive defensive tactics. It would protect shareholders by limiting the use of greenmail, poison pills, and golden parachutes, and providing for confidential proxy voting. I cosponsored these provisions with Senator ARMSTRONG and other Senate colleagues as amendments to S. 1323 at the end of the last session.

The third part of the bill amends the securities laws with respect to civil liability arising out of certain violations by providing for double damages in some cases.

This legislation is not a cure-all, but it will go a long way toward alleviating some of the ills associated with tender offers and securities fraud and I urge its speedy adoption.

CHANGE OF 13(d) THRESHOLD AND 10-DAY WINDOW

Under current law, a person acquiring 5 percent of a class of stock must file notice with the SEC and the public. The purchaser is allowed a 10-day window after the 5-percent threshold is reached before notice is required. During this period, substantial additional shares can be purchased. This delay means that shareholders, who are unaware of the intentions of the person or persons making the tender offer, continue to trade their stock at values far below those which would exist if the intentions had been made public. The bill I am introducing today would reduce this 10-day period to 1 day. In addition, I believe it is also appropriate to reduce the threshold at which notice must be given to 4 percent rather than 5 percent. This stricter requirement will provide shareholders with earlier notice of large-scale stock purchases that may lead to a takeover and a sharp escalation in stock prices.

WAITING PERIOD

This section of the bill extends the time for shareholders to respond to a tender offer from the current 20 business days to 60 calendar days. Under the current law, a premium is placed on speed, rather than rational, informed decisionmaking. The present 20-day time period is too short to allow shareholders the time to carefully consider what are often very complex investment decisions and forces potential bidders to make hasty decisions without adequate analysis. To the extent other potential bids are therefore discouraged, shareholders may be deprived of more favorable bids that would allow them to realize the best value for their stock.

GREENMAIL

This section would prohibit the payment of greenmail unless approved by a majority of the outstanding voting securities of the issuer. The term "greenmail" refers to the purchase by a corporation of its own stock in order to rid itself of a takeover attempt by a hostile raider. Too often a raider making a play for a company becomes rich when a corporation is forced to buy its own stock at a premium. There are three problems with allowing raiders to collect greenmail. First, it harms other shareholders who, unlike the raider, are not paid a premium for their shares. In fact these ordinary shareholders are often left holding stock that is worth less than the trading price before the attempted takeover. Second, companies that pay greenmail are frequently weaker and saddled with debt after coming up with the cash necessary to pay the greenmail. Third, the opportunity to walk away from a deal with a fortune in greenmail offers an inducement to raiders to make plays for companies where there is no thought to gaining control of the company, improving management, or making the company more efficient. This provision is substantially similar to one recommended by the Securities and Exchange Commission in 1984. (See S. 2784, introduced in the 98th Congress at the request of the Commission, June 20, 1984.)

POISON PILLS

A poison pill is a tactic used by companies which are, or fear they may be, the subject of a takeover bid. These companies issue securities which create certain rights in the event of change in ownership of the company. For example, these rights can include an option to purchase additional stock at less than market value or to exercise special voting or other rights. I have long been concerned about the negative effects of poison pills. They tend to protect entrenched management and deny stockholders the opportunity to gain the full value of their shares in takeover situations because they significantly raise the cost of acquiring a company. These rights are not intended to encourage investment in the company or to expand shareholders' rights. They are solely designed to discourage a bidder from attempting a takeover bid. As such, these types of poison pills unfairly discourage legitimate attempts to change corporate ownership and should be prohibited.

This provision would make it unlawful for a company to establish poison pills without the approval of a majority of shareholders. It further requires that all poison pills adopted prior to the enactment of this legislation be submitted to the shareholders for a vote within 3 years. Additionally, the provision grants some regulatory authority for exemptions to the SEC.

GOLDEN PARACHUTES

A golden parachute is an employment contract, typically for upper management, which guarantees a substantial severance pay to those who lose their jobs as a result of a takeover. Unlike a regular severance pay contract, a golden parachute only kicks in if the termination of employment results from a takeover and, also unlike normal severance pay, the amount paid is typically quite excessive. These payments are unfair to shareholders for a couple of reasons. First, the amount of the severance usually is far beyond what is warranted and therefore wastes corporate resources. Second, the amount is often so large that it acts as a barrier to successful takeovers even of entrenched and inefficient management.

This provision would not ban golden parachutes but would require that any such arrangement be approved by a majority of the aggregate outstanding voting securities of the issuer—those not held to be insiders. A golden parachute is defined according to the IRS Code as three times annual compensation.

CONFIDENTIAL PROXY VOTING

This provision is particularly important in light of the other provisions of this bill which depend upon shareholder votes to ratify what are otherwise unhealthy corporate practices. This section has one simple purpose—to protect the confidentiality and integrity of the proxy voting process.

Currently the proxy rules, as established by the SEC, require disclosure, timely distribution of proxy materials, and prohibit false proxy statements and fraudulent proxy solicitations. These rules do not however provide the most basic protection of all: Confidentiality. Corporate elections are the only elections in America where the incumbents prepare the ballot with only their issues and their candidates on it, send the ballots to the voters, and then collect and count the ballots. Too often the corporate managers use their control of the proxy voting mechanism, including their knowledge of how shareholders vote, to coerce the votes of shareholders and influence proxy voting. This is wrong and unfair. Confidential voting and independent tabulation of the results are an essential element of corporate democracy. They are also essential to takeover reform. Without a fair and effective proxy process, legislative improvements in the tender offer process

that depend on shareholder approval will be meaningless.

INCREASED ACCESS TO PROXY STATEMENTS FOR SHAREHOLDERS

In addition to assuring the confidentiality of the proxy voting process, I also think it is important that the shareholders be fully informed concerning issues which are important to the value of the company and their stake in it. For that reason I am also including a provision modeled after a similar provision in S. 1323 last session. Too often what the shareholders hear about a tender offer is from the biased point of view of management. These shareholders are therefore unlikely to have the information necessary to intelligently weigh the decision put before them. It is only fair that they hear both sides of the arguments before making their decision.

This section would require that any proxy materials sent by the issuer to its shareholders must include a fair treatment of any other proposals submitted by anyone who is the owner of at least 3 percent of the voting power of the company's securities. Last year's Banking Committee proposal set a 10-percent threshold, but I think that is too high to result in the inclusion of many meaningful and relevant minority proposals.

INCREASED CIVIL LIABILITY FOR SECURITIES FRAUD

Multiple damages are not available under the Federal securities laws for ordinary civil fraud. This is so because the courts have interpreted section 28(a) of the Securities Exchange Act of 1934, which reads: "No person * * * shall recover * * * a total amount in excess of his actual damages" in a suit under the act, to bar punitive damages. This language, however, is clearly aimed at preventing a double recovery under State and Federal law rather than at punitive damages, as is made clear from a reading of the rest of the statute. There is in fact no good reason why the tort of fraud should be treated any different with respect to securities fraud. Because investors defrauded in connection with the purchase or sale of securities are limited to recovering actual damages they rarely if ever recover their actual losses under the securities laws. For that reason plaintiffs have been encouraged to rely instead on the RICO statutes as a way to be made whole. As Congress is considering taking away that avenue for plaintiffs it is essential that this provision be enacted in order to protect investors and ensure full and adequate recoveries.

This provision would do just that. It amends section 10 of the Securities Exchange Act of 1934 to permit recovery of up to twice the actual damages suffered as a result of the fraud. This additional recovery above actual damages would be allowed only where the defendant acted in wanton disregard for the plaintiff's rights. I introduced a similar provision as part of S. 657 in the last Congress.

Mr. President, I ask unanimous consent that this statement along with a copy of the bill be placed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Corporate Takeover Reform Act of 1989".

SEC. 2. CHANGE OF 13(d) THRESHOLD AND 10-DAY WINDOW.

Section 13(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)(1)) is amended by striking "5 per centum of such class shall, within ten days" and inserting "4 percent of such class shall, within one day".

SEC. 3. WAITING PERIOD.

Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended—

(1) by striking subsection (d)(2) and inserting the following:

"(2) Any person making a tender offer or request of invitation for tenders shall hold such offer, request, or invitation open for a period of at least 60 days from the date on which such offer, request, or invitation is first published or sent or given to security holders, except that this paragraph shall not apply to such an offer, invitation, or request by the issuer for the class of securities being sought if such offer, invitation, or request is not made in anticipation of or response to another person's offer, request, or invitation for securities of the same class."; and

(2) by adding at the end the following:

"(h)(1) For the purpose of subsections (d) and (f) of this section, when 2 or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, voting, holding, or disposing of securities of an issuer, such syndicate or group shall be deemed a 'person'.

"(2) For the purpose of this section, the term 'voting equity security' means any equity security of the issuer that entitles the holder thereof to vote generally in an election of directors of the issuer.".

SEC. 4. GREENMAIL.

Section 13(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(e)) is amended by adding at the end the following:

"(4) It shall be unlawful for an issuer of any class of equity security described in section 14(d)(1) of this title to acquire, directly or indirectly, any of its securities from any person who is the beneficial owner of more than 3 percent of the class of the securities to be acquired unless such acquisition has been approved by the vote of a majority of the outstanding voting securities of the issuer (excluding the shares to be acquired), or acquisition is pursuant to a tender offer, or request or invitation for tenders, to all holders of securities of such class. A vote under this paragraph shall be conducted in accordance with rules and regulations in effect under section 14(a)(2). The Commission shall by rule, regulation, or by order, on application, conditionally or unconditionally, exempt any person, security, or transaction from any or all of the provisions of this paragraph as it determines to be necessary or appropriate and consistent with the public interest, the protection of investors, and the purposes of this paragraph.".

SEC. 5. POISON PILLS.

Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) is amended by adding at the end the following new subsection:

"(m)(1) It shall be unlawful for an issuer of any class of equity security which is registered pursuant to this section, or any equity security of an insurance company which would be required to be so registered except for the exemption contained in subsection (g)(2)(G), or any equity security issued by a closed-end investment company registered under the Investment Act of 1940, to issue, grant, declare, or establish any rights, including voting rights, of securities holders of the issuer with respect to any security or asset of the issuer or any other person, where the exercisability of such right is conditioned on the acquisition of securities of the issuer by a person other than the issuer, unless the establishment of such rights has been approved by a majority of the aggregate outstanding voting securities of the issuer. A vote under this subsection shall be conducted in accordance with rules and regulations in effect under section 14(a)(2). If such rights were established prior to the effective date of rules and regulations under the preceding sentence, such rights shall remain in effect after the close of the 3-year period beginning on the date of enactment of this subsection only if such rights are approved by the shareholders pursuant to this subsection prior to the close of such period.

"(2) The Commission may, by rule, regulation, or by order, upon application, conditionally or unconditionally, exempt any person, security, or transaction, or class thereof from any or all the provisions of this subsection to the extent it determines such exemption is necessary or appropriate in the public interest and for the protection of investors and consistent with the purposes and policy fairly intended by this subsection.".

SEC. 6. GOLDEN PARACHUTES.

Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) is amended by adding at the end thereof the following new subsections:

"(n)(1) In the case of any class of equity security which is registered pursuant to this section, or any equity security of an insurance company which would be required to be so registered except for the exemption contained in subsection (g)(2)(G), or any equity security issued by a closed-end investment company registered under the Investment Act of 1940, it shall be unlawful for the issuer of such securities to enter into or amend, directly or indirectly, agreements to increase the current or future compensation of any officer or director in an amount which would constitute an 'excess parachute payment' as defined in section 280G(b)(1) of the Internal Revenue Code of 1986, contingent upon a change of control of the issuer by stock or asset acquisition, unless such agreements have been approved by the affirmative vote of a majority of the aggregate outstanding voting securities of the issuer. A vote under this subsection shall be conducted in accordance with rules and regulations in effect under section 14(a)(2). If any such agreement was entered into prior to the effective date of rules and regulations under the preceding sentence, such agreement shall remain in effect after the close of the 3-year period beginning on the date of enactment of this subsection only if such agreement is approved by the shareholders pursuant to this subsection prior to the close of such period.

"(2) The Commission may, by rule, regulation, or by order, upon application, conditionally or unconditionally—

"(A) exempt any person, security, or transaction from any or all of the provisions of this subsection as it determines to be necessary or appropriate and consistent with

the public interest or the protection of investors, and

"(B) provide exemptions, subject to such terms and conditions as may be prescribed therein, from any or all of the provisions of this subsection.

SEC. 7. CONFIDENTIAL PROXY VOTING.

Section 14(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2)(A) Unless the Commission prescribes rules and regulations providing for an alternative to confidential proxy voting as described in paragraph (3), the rules and regulations prescribed by the Commission under paragraph (1) shall require confidentiality in the granting and voting of proxies, consents, and authorizations, and shall provide for the announcement of results of a vote following tabulation by an independent third party certified in accordance with such rules and regulations. Nothing in this paragraph authorizes any person to withhold information from the Commission or from any other duly authorized agency of Federal or State government.

"(B) The Commission shall prescribe any rules and regulations required by subparagraph (A) within 1 year after the date of enactment of this paragraph.

"(3)(A) In lieu of the rules and regulations described in paragraph (2), the Commission may prescribe rules and regulations which provide for an alternative to confidential proxy voting, if such alternative will assure—

"(i) the integrity of the proxy voting procedures,

"(ii) fairness to shareholders,

"(iii) unimpeded exercise of shareholder voting franchise,

"(iv) insulation from improper influence to a degree that meets or exceeds the protection afforded by confidential proxy voting, and

"(v) announcement of results of a vote following tabulation by an independent third party certified in accordance with such rules and regulations.

"(B) In promulgating rules and regulations under this paragraph the Commission shall—

"(i) consult with the Secretary of Labor, and

"(ii) hold public hearings, inviting the participation of all interested parties, including individual shareholders, securities issuers, institutional investors, and securities firms.

"(C) The Commission shall prescribe any rules and regulations required by subparagraph (A) not later than 11 months after the date of enactment of this paragraph.".

SEC. 8. INCREASED ACCESS TO PROXY STATEMENTS FOR SHAREHOLDERS.

Section 14(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(a)) is amended by adding at the end the following:

"(4) There shall be included in any proxy and other solicitation materials (as defined in the rules promulgated under paragraph (1) by the Commission) sent by any issuer to its shareholders pursuant to this subsection, descriptions and other statements of or with respect to any issue to be presented by the issuer for decision by the shareholders (including descriptions and statements or with respect to any candidates for election as directors), and any other proposals and descriptions and statements pertaining to such proposals, that are submitted by persons or groups of persons, if such person or group is the beneficial owner of voting equity securities of such issuer representing not less than 3 percent of the voting power of such issuers' securities. Such descriptions, other statements, and other proposals shall receive equal space, coverage, and treatment as is received by the issues and positions on such issues of (or the candidates nominated by) the board of directors or management of such issuer, and shall be subject to such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.".

SEC. 9. DAMAGES FOR SECURITIES FRAUD.

Section 10 of the Securities Exchange Act of 1934 (15 U.S.C. 78j) is amended—

(1) by redesignating paragraphs (a) and (b) as paragraphs (1) and (2);

(2) by inserting "(a)" after "SEC. 10."; and

(3) by adding at the end the following:

"(b) Notwithstanding section 28(a) of this title, in an action for damages arising from a violation of subsection (a)(2) of this section, a person may recover an amount up to twice the actual damages suffered if the trier of fact finds that the violation demonstrated wanton disregard for the rights of such person.".

● Mr. ARMSTRONG. Mr. President, today, I am introducing with my good friend from Ohio, Senator METZENBAUM, legislation that allows shareholders to realize the promise of corporate democracy and that protects shareholders from abusive tactics by management and by third parties seeking to control the corporation.

Many Americans, and many Members of Congress in particular, have expressed concerns over the increase in the frequency and size of corporate takeover in recent years. For the most part, I do not share these concerns because I believe that the trading of corporate assets is natural to our free market economy and, in fact, necessary if our economy is to achieve its potential for improving our standard of living.

This increase in the buying and selling of corporate assets has, however, led to a number of developments that I find deplorable as, I am sure, do many of my colleagues. I am speaking now of golden parachutes, poison pills, greenmail, two-tier tender offers, and equity shares with disparate voting rights. Some of these are no longer at issue, such as the rule requiring one share one vote. The others, however, await our action.

Over and above such issues as poison pills and greenmail, however, the growth in takeovers has shown a spotlight on the fact that the process of corporate democracy is not working properly. Shareholders protect their investment in a corporation primarily through the proxy voting process by which they decide specific issues on the ballot and by which they elect board members to represent them in overseeing management. The one great and longtime weakness of the proxy voting process is that it isn't a fair vote.

Imagine an election in which the incumbent controls virtually all of the information available to the voters, in which the incumbent controls the issues on which a vote may be cast, in which the incumbent knows how each individual votes, and in which the incumbent tallies and reports the results of the election. This is not intended as a description of democracy as practiced in the Soviet Union, nor of democracy as practiced in Panama. This is the process by which shareholders in America's corporations vote to protect their interests.

I am sure that in the overwhelming majority of instances, corporate management administers the proxy process honestly. And I am quite certain that, in the vast majority of cases, management is careful to protect shareholders' best interests as they see it.

I am equally certain, however, that abuses do occur, that shareholders sometimes are influenced in their voting by the fact that management knows how they voted, that there are important issues left off the ballot, and that management takes actions that the shareholders would not support if they were able to get a fair vote. Shareholders, for example, would not support greenmail payments, in my opinion. And shareholders would not allow management to institute a poison pill to thwart a takeover if they had the opportunity to get a fair vote on the matter.

A fair vote means shareholders have access to all the information necessary to make a decision. If there is more than one side to an issue, shareholders need to be presented information from both sides, not just from management's position, to make the best decision.

A fair vote means they must be able to vote with the confidence that the vote they cast won't be used against them after the fact. And a fair vote means the shareholder must be confident that the election results will be reported accurately, honestly, and in a timely manner.

Shareholders must be allowed a fair vote to protect their investments. Due to the growth in takeover activity, the need to reassert the rights of shareholders is more important today than ever before and, I would bet, it will be more important tomorrow than it is today.

This bill contains a number of other, very important provisions that Senator METZENBAUM has already discussed, so I won't repeat the list here. This bill is not an antimanagement bill, nor is it an antitakeover bill. This bill is a proshareholder bill. Each of its provisions seeks to enhance the ability of the shareholder to protect his investment.

This bill is badly needed and long overdue. The pace of takeovers and the technology of corporate acquisitions have outstripped the laws that govern them. In some ways, this may be a good thing. But in others, gaps in the laws governing corporate behavior that were only occasionally a problem in years past have led to serious injury to corporate shareholders. This bill seeks to fill those gaps.●

[illegible]-010 O-90-46 (Pt. 9)

VOL 135 PT 9 JE 14 — 22 1989 UMI

By Mr. MITCHELL (for himself, Mr. COCHRAN, Mr. LEAHY, Mr. LUGAR, Mr. BREAUX, Mr. DASCHLE, Mr. COHEN, Mr. LOTT, Mr. BOSCHWITZ, Mr. MCCONNELL, Mr. PRYOR, Mr. GRAHAM, and Mr. CHAFEE):

S. 1245. A bill to amend the Federal Meat Inspection Act to expand meat inspection programs of the United States by establishing a comprehensive inspection program to ensure the quality and wholesomeness of all fish products intended for human consumption in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL FISH INSPECTION ACT

Mr. MITCHELL. Mr. President, I am today introducing legislation to establish a Federal fish inspection program.

I am joined in this action by my chief cosponsor, Senator COCHRAN of Mississippi, as well as by Senator LEAHY, chairman of the Senate Agriculture Committee and Senator LUGAR, the committee's ranking Republican. The bill is bipartisan and includes representatives of coastal States, which have a strong, direct interest in the issue.

The bill we are introducing is general in nature. It is intended primarily as a foundation for further discussion and development of detailed provisions. However, it provides an important starting point. It defines a strong, initial consensus within the Senate for addressing what surely will be a complex range of technical issues. The legislation proceeds on the following premises:

The Department of Agriculture is best-suited to assume responsibility for a Federal fish inspection program;

It should be funded directly by the Federal Government as a public health and safety program, and not by industry user fees;

The program should be based on the hazard analysis critical control point [HACCP] concept, so that any regulations will be based on reasonable, scientific assessments;

Imported seafood products should be held to the same standards as domestic seafood; and

The Federal program should build upon and cooperate with existing State programs.

It is the intention of the bill's cosponsors to work with the commercial fishing industry, including both harvesters and processors; and with food wholesalers and retailers; State authorities; and consumer organizations to build on this initial consensus. This process will begin within the Senate Agriculture Committee, and later will need to be continued within the Senate Commerce Committee.

The leaders of Maine's fishing industry also have encouraged me to take a major role in this process. Legislation of this nature also has been endorsed by the Brunswick Times Record, as well as by the Commercial Fisheries News published in Stonington, ME, and the National Fisherman, published in Rockland, ME. I ask unanimous consent that these editorials be included in the CONGRESSIONAL RECORD immediately following my statement.

If Congress is to legislate a Federal seafood inspection program, then it is important to Maine that it be done right. By introducing this legislation, and joining in negotiations that still lie ahead, I intend to see to it that it is indeed done right.

Maine has always been a leader within the New England commercial fishing industry. In 1985, the region's first display auction was established at the Portland Fish Exchange. Of the seven principal fishing ports in New England, Portland and Rockland are the fourth and fifth largest. Maine fisheries landings include hundreds of thousands of pounds of finfish and shellfish each year: including lobsters, clams, scallops, cod, haddock, and herring.

Over 15,000 Maine citizens hold harvesting licenses. They include over 8,500 lobster licenses, and over 1,200 commercial groundfish licenses. There are also approximately 1,700 seafood processing jobs in the State.

The largest sector of Maine's industry involves lobstering. Together with Massachusetts and Rhode Island, Maine provides 97 percent of the lobsters landed in the United States. Slightly over 50 percent of the lobsters sold in the U.S. market are from New England. The rest are imported from Canada. Maine lobster dealers depend on supplies of Canadian lobsters to meet seasonal demand. Maine processors also depend on imports of raw fish from Canada in order to maintain production volumes. These kinds of relationships underscore the need to ensure that whatever standards are applied to Maine fishermen are also applied equally to imported fisheries products.

Maine has a stake in seafood inspection.

Whatever affects seafood quality affects Maine.

Whatever affects consumer confidence in the seafood market affects the livelihoods of all Maine fishermen.

The waters of the Gulf of Maine are very clean. Maine fishermen are honest and hard-working. Maine seafood has a reputation for freshness, quality, and wholesomeness. However, any loss of consumer confidence in seafood sold on the overall U.S. market inevitably affects Maine. The National Fisheries Institute estimates that as many as 15 percent of American consumers have stopped buying fish because of concerns over potential health effects.

One consumer advocacy group, Public Voice for Food and Health Policy, has argued that health risks for seafood are over 10 times greater for seafood than for beef; 7 times greater than for poultry; 6 times greater than for pork. These estimates are greatly exaggerated. If raw shellfish are omitted, the Food and Drug Administration has indicated that eating seafood presents no greater risk than eating beef—and slightly less risk than eating poultry. According to data reported to the Centers for Disease Control from 1979 to 1984, seafood-related illnesses represented only 5 percent of all food-borne illnesses. Nonetheless, such statistics have created fears and perceptions that are very real.

The lack of a single, unified Federal seafood inspection program is also very real. The Food and Drug Administration currently samples less than 1 percent of domestic seafood and only 3 percent of imported seafood products. A voluntary seafood inspection program within the National Oceanic and Atmospheric Administration [NOAA] covers only 10 percent of the seafood consumed in the United States. There are 24 States with shellfish safety programs—9 of which were considered by FDA to have serious problems in 1987.

This patchwork of fish inspection programs has not maintained consumer confidence. Nor has it necessarily produced uniform, minimally acceptable standards that ensure fairness to all fishermen.

The fishing industry is complex. It involves many different species of fish; many different sizes and kinds of fishing vessels; and different kinds and scales of processing operations.

Whatever inspection program is created must be reasonable, and must take into account the unique features and needs of different sectors of the industry. In promoting public health and safety concerns, regulations must be based on reasonable, scientific risk assessments, using the hazard analysis critical control point [HACCP] concept. It is my intention to work closely with the Associated Fisheries of Maine, the Maine Fishermen's Cooperative Association, the Maine Lobstermen's Association, the Maine Sardine Council, and other interested groups in developing details for the legislation in this regard.

This legislation is a starting point. It also is a promise both to Maine's fishermen and American consumers that if there is to be a Federal seafood inspection program, it will be done right. I look forward to working with all interested parties to protect and reassure the American public about the safety and wholesomeness of seafood.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Fish Inspection Act".

SEC. 2. FINDING

(a) FINDING

(1) fish are
the meat sup
are harvested
large and dive

(2) the who
and fish pro
health and w
United States

(3) the De
rently conduc
meat product
technical exp
necessary to r
programs to c

(4) heighte
health benefi
and the avail
products mad
sumption rate
some, high qu

(5) current
toring progra
ment of Agr
products are
confidence in
and quality of

(6) better in
of, fish and fi
health and w
ers and incre
meat product

(b) PURPOSE
Act to—

(1) expand
and meat pro
products;

(2) improve
of fish and f
crease the hea
and fish produ

(3) enhance
wholesomenes
tect markets
spection prog
fish;

(4) designate
as the Federa
inspection of
fish; and

(5) increase
tion of proper
fish products.

SEC. 3. FISH INSP

The Federa
U.S.C. 601 et
the end there

"TITLE V—F

"SEC. 501. DEFIN

"As used in t

"(1) FISH.—
meat from fr
mollusks, cru
aquatic anima
cultured sourc

"(2) FISH PR
uct' means an
consumption o
tial part from
fish.

"(3) HAZARD
POINT METHOD
Critical Contr
system of food
dorsed by the
'An Evaluation
cal Criteria fo
published in
Academy Pres

"(4) SECRET
means the Sec

"SEC. 502. FISH I

"(a) ESTABLI
establish an in
ensure the saf
and fish produ

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) fish are an important component of the meat supply of the United States and are harvested, processed, and marketed by a large and diverse industry;

(2) the wholesomeness and safety of fish and fish products are important to the health and well-being of the people of the United States and proper nutrition;

(3) the Department of Agriculture currently conducts inspection programs for all meat products other than fish and has the technical expertise and workforce capacity necessary to rapidly expand meat inspection programs to cover fish and fish products;

(4) heightened public awareness of the health benefits associated with eating fish, and the availability of a greater diversity of products made from fish, have raised consumption rates and the demand for wholesome, high quality fish products;

(5) current Federal inspection and monitoring programs carried out by the Department of Agriculture for meat and meat products are insufficient to ensure public confidence in the wholesomeness, safety, and quality of fish and fish products; and

(6) better information on, and inspection of, fish and fish products would improve the health and well-being of American consumers and increase public confidence in all meat products and the overall food supply.

(b) PURPOSES.—It is the purpose of this Act to—

(1) expand inspection programs for meat and meat products to include fish and fish products;

(2) improve the wholesomeness and safety of fish and fish products and thereby increase the health benefits of consuming fish and fish products;

(3) enhance public confidence in the wholesomeness and safety of fish and protect markets through a comprehensive inspection program specifically designed for fish;

(4) designate the Secretary of Agriculture as the Federal official responsible for the inspection of all meat products, including fish; and

(5) increase public awareness and education of proper handling and preparation of fish products.

SEC. 3. FISH INSPECTION PROGRAM.

The Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—FISH INSPECTION PROGRAM

"SEC. 501. DEFINITIONS.

"As used in this title:

"(1) FISH.—The term 'fish' includes all meat from freshwater or marine fin fish, mollusks, crustaceans, and other forms of aquatic animal life, whether from wild or cultured sources, including amphibians.

"(2) FISH PRODUCT.—The term 'fish product' means any product intended for human consumption derived in whole or in substantial part from fish, including unprocessed fish.

"(3) HAZARD ANALYSIS CRITICAL CONTROL POINT METHOD.—The term 'Hazard Analysis Critical Control Point method' means the system of food inspection described and endorsed by the National Research Council in 'An Evaluation of the Role of Microbiological Criteria for Foods and Food Ingredients' published in May, 1985 by the National Academy Press.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 502. FISH INSPECTION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish an inspection program designed to ensure the safety and wholesomeness of fish and fish products.

"(b) SCOPE.—The inspection program shall—

"(1) cover the processing, storage, and handling of meat from fish and fish products;

"(2) provide for the inspection of imported and domestic fish products on an equal basis;

"(3) provide for the registration and inspection of facilities and vessels that process fish products; and

"(4) identify geographic areas producing fish and fish products that exceed the safety standards developed in accordance with this title.

"(c) STANDARDS.—The Secretary shall establish standards governing—

"(1) the maintenance of sanitary conditions and good processing, storage, and handling practices;

"(2) the safety and wholesomeness of meat from fish and fish products; and

"(3) the packaging and labeling of fish products, including the use of common names.

"SEC. 503. ENFORCEMENT.

"(a) MONITORING AND SURVEILLANCE.—The Secretary shall develop and carry out a comprehensive system of monitoring and surveillance to assure compliance with the standards established under section 502(c).

"(b) ADMINISTRATION.—The compliance system shall—

"(1) be developed and carried out in accordance with the Hazard Analysis Critical Control Point method;

"(2) provide for the appointment and training of authorized inspection officers;

"(3) contain appropriate reporting and record keeping requirements that, among other things, will assist the Secretary in locating sources of contaminated fish and fish products; and

"(4) provide for the enforcement of this title and the imposition of appropriate civil and criminal penalties on a person who violates this title.

"SEC. 504. RESEARCH AND EDUCATION.

"(a) RESEARCH.—The Secretary shall conduct and support research with respect to—

"(1) testing the methodology for biological and chemical contaminants;

"(2) techniques and procedures for inspecting fish and fish products; and

"(3) sanitation practices for the processing, transportation, and storage of fish and fish products.

"(b) EDUCATION.—The Secretary shall conduct and support education programs to increase public awareness in furtherance of the purposes of this title.

"SEC. 505. INTERAGENCY COOPERATION.

"(a) FEDERAL PROGRAMS.—The Secretary, in consultation with other appropriate Federal agencies, shall develop and carry out the inspection program established under this title in a manner that—

"(1) avoids duplication of Federal and State efforts; and

"(2) to the extent practicable, minimizes disruption in the fish industry consistent with ensuring the safety and wholesomeness of fish and fish products.

"(b) INTERAGENCY CONSULTATION.—The Secretary, in carrying out this title, shall consult with other Federal agencies that have developed expertise in areas covered by this title.

"(c) STATES.—The Secretary shall provide technical, advisory, and financial assistance to encourage States to establish and maintain inspection programs for fish products consistent with this title.

"(d) FOREIGN NATIONS.—The Secretary shall ensure that arrangements with foreign nations are established to ensure, to the extent practicable, mutual acceptance of standards and inspection programs for fish products.

"SEC. 506. ADMINISTRATION.

"(a) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this title.

"(b) NONAPPLICABILITY.—Titles I through IV shall not apply to this title.

"SEC. 507. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this title.".

[From the Brunswick (ME) Times Record, June 9, 1989]

INSPECTIONS ARE NEEDED

Testimony on the safety of seafood given before a House subcommittee leads to one inescapable conclusion: A comprehensive federal inspection program is warranted. Such a program would be good for consumers and good for the fishing industry, too.

A spokeswoman for Public Voice, a nonprofit organization that studies food and health policies, said federal statistics show more people became sick from eating fish and shellfish from 1980–87 than from eating beef and poultry combined. Ellen Haas, the executive director of Public Voice, said the risk of food poisoning is 10.4 times greater from seafood than it is for beef, 6.9 times greater than for poultry, and 5.8 times greater than for pork.

And while the Agriculture Department routinely inspects livestock and poultry, it does not inspect seafood—even though the waters from which some fish are taken are polluted with chemicals, pesticides and sewage. Even the head of the Food and Drug Administration, which has a seafood inspection program, said the FDA program does not do enough. "Our program is comprehensive . . . (but) anemic," said FDA Commissioner Frank E. Young. "It lacks the greenbacks to get the job done."

Americans are increasing their consumption of seafood, but many consumers are avoiding fish altogether for safety reasons. Lee Weddig, of the National Fisheries Institute, said recent surveys show as many as 15 percent of consumers are not buying fish because of nagging concerns over its long-term impact on their health.

The current patchwork system of state and federal inspections, some of which are voluntary, is inadequate for meeting the needs of consumers. What's needed is a vigorous inspection program along the lines of livestock and poultry inspections conducted by the Department of Agriculture.

Such a program would decrease the incidence of food poisoning and increase consumer confidence in seafood. That should woo the wary 15 percent back into fish markets, which would be beneficial for the industry. Fishermen and consumers both stand to gain from mandatory federal inspections.

[From the Commercial Fisheries News, July 1989]

IT'S TIME TO SUPPORT SEAFOOD INSPECTION

(By Robin Alden)

It's summer again. And after last year's horrors, that means it's ocean pollution time again. Pick up any daily paper from Maine to New Jersey and you are likely to find a "beach patrol" report. The syringe watch is on.

All this means that for the fishing industry, it is time to support federal seafood inspection. Anyone who has looked at the television report produced last year in New Jersey called "Killer Fish" will agree that we won't stand a chance in the market if we

don't at least have a federal inspection program that is comparable to beef and poultry.

Congress seems to agree, and there's a good chance a seafood inspection bill could be passed by the end of the summer—astoundingly fast given how many years this issue has languished.

So, it's heads-up time again. An inspection program could be a nightmare of bureaucracy that still doesn't produce a guarantee of safe seafood if knowledgeable industry people don't participate in drafting the program. We commend the National Fisheries Institute for taking the lead on this. Fishermen's associations need to join the effort.

The industry needs the consumer confidence an inspection program could give us. And yes, we also need some tightening up on handling methods and channels. The hazards can be real. At the same time, we need a program that takes into account the diversity of the industry and its practices. That will only happen if we pay attention and participate.

[From the National Fisherman, July 1980]

Is SEAFOOD SAFE?

(By Jim Pullilove)

A half-hour or so into the flight, the passenger beside me asked about the copy of National Fisherman I was reading. Did I know anything about fish, she wondered?

When I said I worked for the magazine, her expression turned to concern: "Is it true what they say about fish," she asked, "that it's not safe to eat?" The Exxon Valdez had just spilled its guts into Prince William Sound, so I inquired if her question stemmed from reports that the crude oil might poison the fish and shellfish in the area.

No, she said, she was talking about fish from the polluted waters of the Northeast. Last summer, the woman had seen the stories on television and in magazines concerning sewage and syringes washing ashore, as well as fish disfigured by tumors and fin rot. Although the passenger couldn't reconstruct specifics, she clearly remembered the warning that the seafood she had been so fond of might now be harming her. These days, she rarely buys any seafood except canned tuna.

When the plane landed, I headed for my destination—the National Fisheries Institute convention. There, a common concern gripped nearly everyone I talked to. They wanted to know how to deal with the perception that my fellow passenger had so clearly expressed. Before the convention ended, the board of directors had agreed to accelerate the push for legislation mandating seafood inspection. The association would appeal to President Bush for his support.

As many fishermen know, NFI and the federal government are already well along in the development of a model program for the noncontinuous inspection of seafood. The idea is to identify the critical steps that occur during handling and processing, the levels where monitoring is crucial. Checks would be made only at these points.

Vessels are included in the monitoring program, and several meetings have been held with fishermen in an attempt to inform them of the plan and enlist their support. Unfortunately, these sessions have been poorly attended. The problem is real, and it won't simply disappear. Another long, hot summer of coastal pollution reports could send many boat owners—and processors—into bankruptcy.

As many groups and legislatures set their sights on reducing pollution, fishermen must join with processors and marketers in restoring public confidence in seafood. Before consumers will again universally embrace fish and shellfish as health food, they must first be convinced the product is safe to eat.

Do your part. Find out about the quality control program for vessels. Contact Spencer Garrett, National Marine Fisheries Service, 3209 Frederick St., Pascagoula, MS 39567, tel. (601) 762-7402.

Mr. COCHRAN. Mr. President, I rise today to join the distinguished majority leader and others in introducing the Federal Fish Inspection Act. This bill will provide important safeguards for both American consumers and the fish and seafood industry in our Nation.

In an effort to consolidate Federal responsibilities for the inspection of fish and seafood, this bill calls for the development of a comprehensive program within the U.S. Department of Agriculture. This bill also provides for an active program based upon modern Hazard Analysis Critical Control Point principles recommended by the National Academy of Sciences. Work on designing an inspection program based on these principles is well underway and would be incorporated into the regulatory system authorized in this legislation.

Heightened public awareness of the health benefits associated with eating fish and seafood and the many new fish and seafood products which have been introduced in the marketplace have prompted a growing demand for fish and seafood. In my own State of Mississippi, for example, we have seen phenomenal growth in our catfish industry. On the other hand, there is widespread public concern over the pollution of coastal and ocean areas and the impact this pollution might have on the safety of seafood. Consumer, environmental, and industry groups agree that better inspection of products would improve the health and well-being of consumers and increase public confidence in the safety of fish and seafood. These groups agree that the U.S. Department of Agriculture is the agency best equipped to deal with the problem.

I hope others will join us in this important effort. I look forward to working closely with all interested groups to ensure that the fish and seafood enjoyed by Americans continues to be safe and wholesome.

Mr. LEAHY. Mr. President, I'm pleased today to join the majority leader, Senator MITCHELL, in introducing the Federal Fish Inspection Act.

In recent months, the evening news has been filled with stories raising questions about the safety of our food. Apples sprayed with alar, grapes from Chile tainted with cyanide and fish found with chemical and pesticide residue are among the food safety problems reported.

Food safety is not just a media issue. American consumers are concerned. American consumers are worried. Although America produces the safest food in the world, we can do better. We must protect our consumers and make certain that the food in the market is safe and nutritious. The bill the majority leader, myself and others are introducing today starts us down that road.

This bill is just a starting point. I want a stronger bill that is as specific as possible. We have a long set of difficult negotiations in front of us. I want a bill that will protect consumers—that will provide us with a safe seafood supply. I intend to work closely with all concerned to develop a strong program. We cannot just put together a program that gives the appearance of an inspection system. We need a strong program to restore and keep the consumer's confidence.

Fish consumption was at an all time high in 1987. It fell in 1988, in part due to consumer concerns. Seafood remains the only flesh food not subject to mandatory Federal inspection. Existing voluntary, industry-based programs are used on only 11 percent of our seafood—and these are designed more for grading product than for ensuring safety. Only 7 percent of the almost 2,000 seafood processors participate in these voluntary inspection programs. Roughly three-quarters of U.S. seafood is not examined before being sold to American consumers. In 1986 alone, a mere 5 percent of the 167,000 shipments of imported seafood were inspected at the wharf; the rest were waived through.

Seafood must be inspected because uninspected fish and shellfish may be contaminated by polluted waters, pesticide run-off, parasites, and disease. Twenty percent of all reported foodborne illnesses are caused by contaminated seafood. The rate of reported foodborne illness from seafood is nearly four times higher than the rate reported for poultry—nearly six times higher than in beef and pork. While mandatory Federal inspection cannot completely eliminate all contaminants from the marketplace, it will make our seafood safer and reduce the risk of illness to consumers.

This bill contains three basic principles that the industry as well as consumer organizations have supported.

First, there is widespread agreement that we should implement a mandatory seafood inspection program. The organization Public Voice, has been calling for mandatory seafood inspection for several years. I commend the head of that organization, Ellen Haas for her efforts to ensure that the food reaching American consumers is safe. This bill represents an important first step in answering that call. The National Fisheries Institute and much of the fish industry also agree that mandatory inspection is the proper step.

Second, the Department of Agriculture should manage the inspection program. USDA now inspects all of our meat and has the basic infrastructure necessary to conduct this type of expanded operation. The Department works with inspection officials in

other countries, a role which will also be important as the United States last year imported over $8 billion of seafood. Here again, both consumer organizations and industry have called for USDA to conduct the program.

Third, the bill directs the Secretary of Agriculture to utilize the Hazard Analysis—Critical Control Point approach. This method examines the flow of seafood products, from water to retail outlet, and focuses on those points in the process where contamination is most likely to occur.

I thank the majority leader, Senator LUGAR, the ranking minority member of the committee, and Senators COCHRAN, BREAUX, and DASCHLE for joining me on this bill. I hope that other members will be ready to work with us as we develop the final legislation.

Mr. BREAUX. Mr. President, I am happy to join my distinguished colleagues in introducing legislation to ensure the safety and quality of the fish and seafood available to American consumers. Both consumer groups and the seafood industry recognize the need for and support a mandatory seafood inspection program.

In recent years, American consumers have become increasingly aware of the health benefits of including seafood in their diets. This awareness is reflected by consumer per capita consumption of seafood increasing over 20 percent in this decade.

Nevertheless, recent concerns about the safety and quality of domestic seafood resulted in a decrease in consumer consumption. The American public is concerned about the effects of environmental pollution of our oceans and they question the wholesomeness of seafood harvested from those oceans. While the actual impact of pollution on the safety of seafood is subject to debate, consumers deserve a guarantee that seafood is safe and wholesome.

The fact that seafood, particularly shellfish, are often consumed raw also supports the need for a new inspection program. Seafood that would be perfectly safe if properly cooked could make a consumer ill if raw or undercooked. The same statement is true of all meat and poultry products. Therefore, consumer education should be included in the inspection program.

Currently, seafood is subject to a number of voluntary State and Federal inspection programs. However these programs are neither comprehensive or consistent. In order to respond to the consumers' fears, whether real or perceived, and support the continued growth of the seafood industry, a new mandatory seafood inspection program is necessary.

This legislation provides a starting point for developing the substance of a comprehensive, mandatory seafood inspection program within the U.S. Department of Agriculture. The program should be based on the Hazard Analysis Critical Control Point [HACCP] Program and apply equally to domestic and imported seafood.

I invite all interested parties to participate in the development of the substance of this program in the coming months.

Mr. LOTT. Mr. President, I rise today to join the distinguished majority leader and others in introducing the Federal Fish Inspection Act. The introduction of this legislation will provide a beginning toward insuring the safety and wholesomeness of our Nation's seafood products.

The bill calls for the U.S. Department of Agriculture to develop a comprehensive plan to coordinate effective inspection of fish and seafood. The bill provides for an active program based upon Modern Analysis Critical Control Point principles recommended by the National Academy of Sciences.

The program, developed by this bill, should provide for cooperation with existing State programs and agencies. It should contain provisions for an Advisory Committee to aid the U.S. Department of Agriculture and the various State programs associated with the fish and seafood industry, as these agencies guarantee the wholesomeness of our Nation's seafood products

A consumer education program to make the public aware of the value of such inspections should be contained in the bill. We are familiar with public awareness of safeguards for food products grown in this country and those that are imported. Public confidence in seafood products can be increased by better inspection programs.

I strongly urge others to join us in the development of this important program. We want to ensure Americans that the fish and seafood products provided by this country as well as the imported products continue to be safe and wholesome.

Mr. LUGAR. Mr. President, I am pleased today to join with the majority leader and other distinguished Senators in the introduction of the Federal Fish Inspection Act.

This bill provides for a federally funded program within the Department of Agriculture. The Department has experience with other inspection programs and is the appropriate forum for a seafood inspection program. An inspection system will be developed for fish and fish products that carries with it the assurance of quality that other USDA inspection programs provide to the public.

It is important that a program is established in a manner that prioritizes safety for consumers without hindering the vital seafood industry that exists in our country. In recent years, seafood consumption has increased dramatically in the United States and the consumer is demanding greater assurances of product safety and wholesomeness. The Hazard Analysis Critical Control Point principles will be utilized in this legislation to guarantee quality control methods for seafood inspection programs.

Our Nation is served by a seafood industry of various sizes, services and locations. This program will also provide an inspection process for imported seafood so consumers are confident of the wholesomeness and safety of fish from all markets.

I would simply note that the purpose of this legislation represents a framework of an inspection program. The Senate Agriculture Committee will work with all interested parties to develop more specific details for the standards and procedures of an inspection program.

Whether they are large or small producers, the industry recognizes the value of such an inspection program as an important component to providing a safer product for consumers. I am pleased with the joint effort by consumer and industry representatives to provide a quality product for the public.

By Mr. BAUCUS:

S. 1246. A bill to require the Secretary of Agriculture to take certain actions to encourage the production of oats, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

ENCOURAGING THE PRODUCTION OF OATS

● Mr. BAUCUS. Mr. President, today, I am introducing legislation which will help every American in these United States. I am introducing legislation which will encourage farmers to grow oats. You ask how this will help every American? Well, Americans now realize that eating oats and oat products reduces blood cholesterol levels. Consequently, the United States has had a tenfold increase in the demand for oats.

In fact, it would take 4 to 6 million additional acres of harvested oats to meet domestic demand in the coming years. However, production within the United States has fallen steadily. In the 1950's the United States produced 1.4 billion bushels of oats each year. In 1988, this total had dropped to 210 million. The imbalance between what is needed and what is produced within the United States is so great that we have been forced to import large quantities of oats from abroad to keep up with the demand; a record 60 million bushels in 1988.

Oats is the only major grain imported into the United States.

The current farm program encourages farmers to raise grain products other than oats because of increased program benefits. Farmers are hesitant to risk loss of base acres in one commodity by switching to a lower target-priced commodity where the program may be less. Since oats has a lower target price, the return to farmers has been less. However, many farmers who choose to raise other grain products could raise oats on the same land.

Since 1985, the Secretary of Agriculture has had discretionary authority

VOL 135 PT 9 JE 14 — 22 1989 UMI

to allow farmers to switch up to 10 percent of their crop bases from one commodity to another without risk of program benefits loss. The Secretary has not allowed farmers to exercise this option.

Additionally, the conservation reserve program has withdrawn significant amounts of oats acreage from production.

There are other reasons to grow oats besides farm program benefits. Domestic oats have a higher protein content than that which is imported. Oats are, also, an excellent rotation crop because they reduce the need for use of fertilizers and pesticides and, consequently, there is less ground-water contamination. Finally, oats help control erosion problems.

Taken all together, it is clear that the Congress and USDA should do whatever is necessary to encourage the American farmer to grow oats. My legislation provides the Secretary of Agriculture with a number of options to accomplish this goal. I encourage immediate action on this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1246

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) the demand for oats as a food grain has risen sharply over the past 2 years, with a 10 percent annual rate of increase, as a result of information that suggests that oats actually help to reduce blood cholesterol levels;

(2) it would take another 4,000,000 to 6,000,000 acres of harvested oats to meet the domestic demand for oats in the coming years;

(3) production of oats within the United States, however, has fallen steadily since 1965;

(4) the imbalance between the demand for and supply of oats is so great that the United States has been forced to import large quantities of oats from abroad to meet the demand for oats;

(5) oats are the only major grain imported into the United States;

(6) domestic oats generally have a higher protein content than imported oats;

(7) the current farm program encourages producers to produce grains other than oats to obtain higher program benefits;

(8) many producers who choose to raise other grains could raise oats on their farm acreage;

(9) the conservation reserve program has withdrawn significant quantities of oat acreage from production;

(10) producers are hesitant to risk the loss of base acres in one commodity by converting to a commodity with a lower target price if the program benefit may be less;

(11) since oats has a lower target price, the return to oat producers has been less;

(12) since 1985, the Secretary of Agriculture has had discretionary authority to allow producers to convert up to 10 percent of their crop bases from one commodity to another commodity, but has not exercised the authority; and

(13) oats are an excellent rotation crop because oats reduce the need for the use of fertilizers and pesticides, lessen ground water contamination from such products, and help control erosion problems.

SEC. 2. OAT PRODUCTION.

Notwithstanding any other provision of law, effective only for the 1990 crop of oats, to encourage the production of oats in the United States, the Secretary of Agriculture shall—

(1) adjust the payment rates for various types of feed grains for the 1990 crop year under section 105C(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1444e(c)(1)) to remove disincentives for the production of oats;

(2) freeze the payment rate for the 1990 crop of oats under such section, as the payment rate for the 1990 crop of other feed grains declines;

(3) permit the producers on a farm to convert acreage normally devoted to the production of a program crop to the production of oats, without a reduction in the original crop acreage base under sections 504 and 505 of such Act (7 U.S.C. 1464 and 1465);

(4) permit the producers on a farm to produce oats on acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under section 105C(c)(1)(B) of such Act), set-aside program, or land diversion program established under section 105C of such Act, without a reduction in crop acreage bases established under sections 504 and 505 of such Act;

(5) permit an owner or operator who has placed land under the conservation reserve program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) to use such land for the production of oats; or

(6) take any combination of the actions described in paragraphs (1) through (5).●

By Mr. COATS:

S. 1247. A bill to establish certain prohibitions with respect to the provision of sterile hypodermic needles or bleach to intravenous drug abusers and with respect to the medical treatment of narcotics addiction, and for other purposes; to the Committee on Labor and Human Resources.

DRUG ABUSE TREATMENT POLICY ACT

● Mr. COATS. Mr. President, there is no doubt that the war against drugs will be protracted and frustrating. Our final goal, after all, is nothing less than to prod and shift a reluctant national consensus. But it is disturbing to me that there are already those prepared to concede defeat on key points in pursuit of other aims. They contend with a pretended realism that since drug addicts are beyond redemption, we might as well provide them clean needles to prevent the spread of disease. They argue with misinformed cynicism that we may as well give methadone to the addicted in order to maintain their habit rather than treat it.

But the fight for a drug-free America has not been tried and found wanting. It has been tried and found difficult. It is still early in the battle. And there is no place for exhausted and preemptive concession.

Mr. President, it is with this in mind that I introduce today the Drug Abuse Treatment Policy Act of 1989.

This bill would prohibit the use of Federal funds and other Federal activities in support of programs to distribute sterile needles or bleach for intravenous drug users. And the bill would also stop the Department of Health and Human Services from going ahead with proposed regulations authorizing a "minimum" or "interim" methadone maintenance program in which methadone or other similar narcotics would be provided to drug addicts without also providing rehabilitation and counseling.

In the Anti-Drug Abuse Act of 1988, Congress specifically prohibited, in section 2025, any State from using any Federal funds available to them under the alcohol, drug abuse and mental health services [ADMS] block grant "unless the State involved agrees that such payments will not be expended * * * to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection." The ADMS block grant is the primary vehicle for Federal assistance to community-based drug treatment programs. By including this specific, strongly worded prohibition in the block grant, Congress was making it abundantly clear that Federal policy would not support or condone sterile needle exchange and bleach distribution programs for drug users.

Despite this clear statement of congressional intent, Secretary of Health and Human Services Dr. Louis Sullivan, in one of his first public interviews after being appointed to the Cabinet, stated his support and encouragement for State and local needle exchange programs as a way of slowing the spread of AIDS by intravenous drug users. He indicated that, although he did not favor a Federal needle exchange program, the Federal Government would encourage such programs locally and would be able to help by providing information, trained personnel and funding. Apparently, Secretary Sullivan was willing to make Federal funds available for these local efforts, though presumably not from ADMS block grants administered by his Department.

Dr. Sullivan's statement is not merely a sad commentary on his view of congressional policy and legal mandates. It is also a sorry indictment of our national antidrug policy. For the country's top health official to promote or endorse the distribution of clean needles, even as a means of halting the spread of disease, suggests profound ignorance of the consequences of this kind of proposal on our efforts to win the war on drugs.

I agree with Congressman CHARLES RANGEL, chairman of the House Select Committee on Narcotics Abuse and Control, who called Dr. Sullivan's idea

tragic, ill-advised, and illegal. Commenting further, Mr. RANGEL observed:

The only thing free needles would accomplish would be to continue addiction. It would sweep addicts under the rug, keep them out of sight and out of mind. It would put public authorities in the business of death on the installment plan, rather than developing the comprehensive treatment options needed to help addicts regain their dignity and give them a chance to lead productive, drug-free lives. It would do little, if anything, to halt the spread of AIDS.

My bill is identical to bipartisan legislation introduced in the House by Congressman RANGEL, together with 15 members of his select committee. It expands the prohibition contained in the Anti-Drug Abuse Act of 1988 by barring the use of Federal funds for needle and bleach distribution programs, as well as any other Federal activities in support of such programs, including providing advice. Thus, this bill clarifies our intent in the Congress: there will be no money for such programs.

In addition, the bill prevents the Department of Health and Human Services from going forward with a proposal that would allow treatment programs to give addicts methadone without also providing a comprehensive range of rehabilitative services, including counseling, at every stage of treatment.

On March 2, 1989, the Food and Drug Administration [FDA] and the National Institute on Drug Abuse [NIDA] published in the Federal Register a proposed rule to allow programs to provide minimum service—or interim—maintenance treatment by dispensing methadone to drug addicts waiting for placement in comprehensive maintenance treatment. According to the FDA and NIDA, this was proposed in response to the AIDS epidemic and is intended to allow more narcotic addicts into treatment more quickly, thereby reducing the transmission of AIDS through needle sharing. The period for public comment was extended to May 3, 1989.

But this is a needless concession to maintaining, not treating, the problem of addiction. Its usefulness in fighting AIDS is untested and questionable. But we are certain that comprehensive counseling and support services are a necessary part of an effective methadone treatment program. Long-term rehabilitation, not just methadone, is the critical factor for successful methadone maintenance treatment.

My bill would prohibit methadone maintenance and long-term—up to 180 days—detoxification treatment using methadone unless the treatment program provides rehabilitative services, including counseling. However, this requirement would not apply to short-term detoxification programs—of 30 days or less—where a narcotic is provided a patient in decreasing doses in order to alleviate adverse physiological and psychological effects that accompany their withdrawal from drug addiction.

Mr. President, I must compliment Congressman RANGEL on his leadership in the drug war in the House of Representatives. He represents a constituency which has experienced the ravages of drug abuse. And he knows the distinction between a real solution and a quick fix. As chairman of the House Select Committee on Narcotics Abuse and Control, he has spoken out strongly and intelligently on the problem of drug addiction and on programs for treating users, punishing pushers and restricting demand.

In a letter to FDA and NIDA, dated March 23, 1989, Representative RANGEL outlined his objections to the "no frills" methadone proposal. Let me quote from his letter:

"No frills" methadone maintenance is not drug treatment, and it will not reduce the transmission of aids. It is wishful thinking that will waste scarce public resources without producing any measurable public health benefit. It substitutes methadone addiction for heroin addiction without giving addicts any hope of becoming productive, drug free members of society.

What we need are comprehensive drug treatment programs that address not only heroin addiction but an addict's dependence on other drugs as well and provide a full range of counseling and rehabilitative services. There are no shortcuts around the AIDS/IV drug problem, and the sooner we accept that, the sooner we can begin doing what needs to be done.

This is good, sound advice which I hope William Bennett, the Director of National Drug Control Policy, will heed as he formulates a comprehensive national strategy to fight drug trafficking and abuse.

Mr. President, the Drug Abuse Treatment Policy Act which I am introducing today will stop the "quick fix" approach to the drug abuse problem which seems to have found some champions at the Department of Health and Human Services. Federal drug abuse treatment policy should not offer drug addicts a terrible choice between free needles to continue injecting illegal drugs or a program that promotes addiction to methadone without supportive services. We must not lose sight of our twin goals of reducing drug demand as well as interdicting drug supply in this country. We must give addicts hope that they can eventually become drug-free, just as we must give America assurance that we can achieve a drug-free society.●

By Mr. KENNEDY (for himself and Mr. SIMPSON):

S. 1248. A bill to amend the Immigration and Nationality Act to extend for 3 years the authorization of appropriations for refugee assistance, and for other purposes; ordered placed on the calendar.

REFUGEES ASSISTANCE REAUTHORIZATION

Mr. KENNEDY. Mr. President, I am pleased to join with my colleague the ranking member of the Subcommittee on Immigration and Refugee Affairs, Senator SIMPSON, in introducing once again a bill to reauthorize our country's refugee resettlement assistance programs.

The bill we reintroduce today is virgually identical to the one which passed the Judiciary Committee in the last Congress. Unfortunately, Congress adjourned before this matter could be brought to a final vote in the full Senate, and the authorization for these programs would have expired on September 30, 1989, without specific provisions in the fiscal year 1989 appropriation.

Mr. President, this bill reauthorizes our country's programs to assist and resettle refugees under the provisions of the Refugee Act of 1980. These programs encompass an impressive network of Government agencies, private voluntary organizations, and community groups from around and country. It is an extraordinary example of the partnership between the Government and private sector to achieve a humanitarian goal—the resettlement of refugees—and the program deserves the Senate's full support.

The principle elements of the bill include: a 3-year reauthorization of refugee assistance and resettlement programs; a simplification of procedures for Federal funding to states and audits of private resettlement agencies; greater consultation between the administration and Congress, as well as between the Federal Government and State and local governments and voluntary agencies; a strengthening of programs to encourage a greater private sector role in resettlement; and modifications in the targeted assistance program to ensure greater flexibility.

All of these initiatives contained in this bill deserve the Senate's support.

There has been justifiable concern expressed regarding the diminishing Federal funding of domestic refugee resettlement assistance programs. A most recent example is the administration's unwillingness this year to request additional funding for domestic resettlement while increasing overall refugee admissions levels. Although the increase in admissions was necessary to respond to rising emigration from the Soviet Union, the administration should also have sought additional funds for the Department of Health and Human Services' Office of Refugee Resettlement. Otherwise, State governments shoulder the increasing costs of what is a Federal responsibility.

Mr. President, our bill will alleviate this problem in the future. It requires, in section 5, that when the administration consults with Congress each year on refugee admissions levels, it must include any changes in budget authority which would be required to fund the level of additional refugee admissions the President may propose. In this way, unlike the past, funding becomes a crucial element of any discus-

VOL 135 PT 9 JE 14 — 22 1989 UMI

sion on the level of refugee admissions.

Mr. President, I also wish to note that our bill contains a requirement that the President present his recommendations on refugee admissions by June 1 of each year. We understand that it may not always be possible for the President to make a definitive recommendation by that date. Between June 1 and the start of the fiscal year in October, there may be major changes in refugee conditions, as well as budgets and appropriations, to take into consideration before making a final recommendation.

It is our intent, however, that if the President cannot propose a definitive recommendation on admissions by June 1, he may present his best estimate. The administration could then submit its final recommendation to Congress at a later date. In this way, Congress will be afforded a preliminary projection of admissions by June 1 for the purpose of beginning to consult on the refugee program and to conclude our annual consultations on admissions in a timely manner before October 1 of each year.

Mr. President, this is a bipartisan proposal—as all refugee legislation and policy has been in recent history. Finally, I believe it is a tribute to all those in the churches and voluntary agencies who work so selflessly to assist refugees to rebuild their lives in America.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT.

(a) SHORT TITLE.—This Act may be cited as the "Refugee Resettlement Extension Act of 1989".

(b) AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Immigration and Nationality Act.

SEC. 2. THREE-YEAR EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.

(a) THREE-YEAR EXTENSION.—Section 414(a) (8 U.S.C. 1524(a)) is amended by striking out "fiscal years 1987 and 1988" and inserting in lieu thereof "fiscal years 1990, 1991, and 1992".

(b) ADDITIONAL AUTHORIZATIONS OF APPROPRIATIONS.—Such section is further amended—

(1) in paragraph (2), by striking out "for fiscal year 1987" and all that follows through "$77,924,000" and inserting in lieu thereof "for each of fiscal years 1990, 1991, and 1992, $80,000,000";

(2) in paragraph (3), by striking out "for fiscal year 1987" and all that follows through "$9,125,000" and inserting in lieu thereof "for each of fiscal years 1990, 1991, and 1992, $10,000,000";

(3) in paragraph (4), by striking out "for fiscal year 1987" and all that follows through "$5,434,000" and inserting in lieu thereof "for each of fiscal years 1990, 1991, and 1992, such sums as may be necessary"; and

(4) by adding at the end the following new paragraph:

"(5) There are hereby authorized to be appropriated, for each of fiscal years 1990, 1991, and 1992, such sums as may be necessary for the purpose of carrying out section 412(e)(7)(A).".

SEC. 3. CONSOLIDATION OF ADMINISTRATIVE PROCEDURES ON FUNDING.

Section 412(a)(4)(B) (8 U.S.C. 1522(a)(4)(B)) is amended—

(1) by redesignating clauses (i), (ii), (iii), and (iv) as subclauses (I), (II), (III), and (IV), respectively;

(2) by striking out "(B) No" and inserting in lieu thereof "(B)(i) Subject to clause (ii), no"; and

(3) by adding at the end thereof the following:

"(ii) Nothing in clause (i) may be construed as prohibiting any State from submitting a single grant proposal to cover programs within the State funded under this chapter or from establishing reporting deadlines on a concurrent basis for those programs or as prohibiting any other consolidation of administrative procedures relating to funding of programs under this chapter. To the maximum extent practicable, the Director shall permit the States to consolidate such administrative procedures.".

SEC. 4. APPROPRIATE CONSULTATION.

The first sentence of subsection (d)(1) of section 207 (8 U.S.C. 1157(d)(1)) is amended by inserting ", but not later than June 1," after "each fiscal year".

SEC. 5. CONSULTATIONS ON REFUGEE ADMISSIONS.

Section 207(e)(3) (8 U.S.C. 1157(e)(3)) is amended by inserting before the period at the end thereof the following: ", including a recommendation for any change in budget authority for the respective fiscal year necessary to cover the estimated refugee admissions and resettlement for that fiscal year".

SEC. 6. CONSULTATIONS BETWEEN THE FEDERAL GOVERNMENT AND STATE AND LOCAL GOVERNMENTS.

(a) IN GENERAL.—Section 412(a)(2)(A) (8 U.S.C. 1522(a)(2)(A)) is amended by inserting before the period the following: "and concerning the funding policies and procedures, both current and anticipated. Such regular consultation shall include meetings at which State and local governments and private nonprofit voluntary agencies are represented and at which recommendations for the refugee program are considered".

(b) REPORT ON COORDINATED ACTIVITIES.—Section 301(c) of the Refugee Act of 1980 (8 U.S.C. 1525(c)) is amended by adding after paragraph (2) the following new paragraph:

"(3) The Coordinator shall submit an annual report to the Committees on the Judiciary of the House of Representatives and of the Senate setting forth the Coordinator's specific efforts to coordinate the refugee admission and resettlement activities of Federal agencies, States, localities, and private nonprofit voluntary agencies.".

SEC. 7. INITIAL RESETTLEMENT ASSISTANCE, AUDITS, AND REPORTS.

(a) TECHNICAL AMENDMENTS.—(1) The first sentence of paragraph (1)(A) of section 412(b) (8 U.S.C. 1522(b)) is amended to read as follows: "For each fiscal year the Director (except as provided in subparagraph (B)) is authorized to make grants to, and contracts with, public or private nonprofit agencies for initial resettlement (including the initial resettlement and placement with sponsors) of refugees in the United States.".

(2) Such section is further amended by striking out paragraph (6) and redesignating paragraph (7) as paragraph (6).

(3) Subparagraph (F) of paragraph (7) of such section, as redesignated by paragraph (2), is amended by striking out "subsection (b)(7)" and inserting in lieu thereof "paragraph (6)".

(b) RESPONSIBILITIES OF VOLAGS.—(1) Paragraph (6) of such section (as redesignated by subsection (a)) is amended—

(A) in subparagraph (A), by striking out "and financial status";

(B) by amending clause (i) of subparagraph (E) to read as follows:

"(i) The number of refugees placed (by county of placement).";

(C) by amending clause (ii) of subparagraph (E) to read as follows:

"(ii) A best estimate of the proportion of refugees placed by the agency in the previous year who are receiving cash or medical assistance described in subsection (e).";

(D) by adding after subparagraph (E) the following new subparagraph:

"(F) To submit audited annual financial statements to the Secretary of State, including a schedule of revenue and expenditures under reception and placement grants, attesting—

"(i) that the Federal funds provided under the grant or contract are accounted for,

"(ii) that such funds have been expended in accordance with the terms of the grant or contract,

"(iii) to administrative and service costs incurred by the agency, and

"(iv) to the amount of funds not expended.

Such statements shall be audited in accordance with generally accepted auditing standards and shall assess compliance with the terms of the grant or contract.".

(2) Section 412(b) is further amended by adding after paragraph (6) (as redesignated by subsection (a)) the following new paragraph:

"(7) Any subrecipient of at least $100,000 or assistance awarded to an agency described in paragraph (1) shall submit to the Federal agency administering such paragraph the statements described in paragraph (6)(F) through the agency described in paragraph (1).".

(c) REPORT ON RESETTLEMENT OF VIETNAMESE AMERASIANS.—Section 413 (8 U.S.C. 1523) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of State shall submit a report to the Committees on the Judiciary of the House of Representatives and of the Senate at the end of each 6-month period concerning progress in the resettlement of Vietnamese Amerasians and their family members and in the orderly departure program for other Vietnamese refugees. Such report shall include particular information concerning—

"(1) the number of such persons approved for resettlement who have actually been resettled,

"(2) the number of such persons approved for resettlement who are awaiting resettlement, and

"(3) the number of such persons awaiting a determination as to their eligibility for resettlement.".

SEC. 8. TRANSFER OF RESPONSIBILITY FOR POLICY OF INITIAL PLACEMENT.

Section 412(a)(2) (8 U.S.C. 1522(a)(2)) is amended—

(1) in subparagraph (B), by inserting ", in cooperation with the Federal agency administering subsection (b)(1)," after "The Director";

(2) in clause (i) of subparagraph (C), by inserting ", in cooperation with the Federal agency administering subsection (b)(1)," after "by the Director".

SEC. 9. REPORTING REQUIREMENT.

Not later than 18 months after the date of enactment of this Act, the Director of the Office of Refugee Resettlement shall prepare and transmit to the Judiciary Committees of the Congress a report discussing the potential viability of a refugee assistance program under section 412(e) of the Immigration and Nationality Act which would consist solely of the provision of "Refugee Cash Assistance" and "Refugee Medical Assistance".

SEC. 10. MODIFICATION OF TARGETED ASSISTANCE.

(a) IN GENERAL.—Section 412(c)(2) of the Immigration and Nationality Act (8 U.S.C. 1522(c)(2)) (relating to targeted assistance) is amended by adding at the end thereof the following new subparagraph:

"(C) Notwithstanding subparagraph (B)(i), of the funds allocated for grants for a local area under this paragraph for a fiscal year, not less than 20 percent shall be used by the Director for assistance under this subsection (other than employment-related assistance) for refugees in that area for that fiscal year, including assistance through local schools, hospitals, and other institutions. Such assistance shall be available to refugee populations (including populations due to secondary migration) without regard to the date of entry into the United States of such refugees.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1989.

SEC. 11. IMPLEMENTATION OF PRIVATE SECTOR FUNDING FOR CERTAIN REFUGEES.

(a) ESTABLISHMENT OF GUIDELINES.—(1) As long as the President continues to reserve admission numbers under section 207 of the Immigration and Nationality Act for refugees described in paragraph (2), the United States Coordinator for Refugee Affairs, in cooperation with the Immigration and Naturalization Service and other concerned agencies, shall coordinate the issuance of, and shall issue, guidelines for the admission to, and private sponsorship in, the United States of refugees described in paragraph (2).

(2) The refugees referred to in paragraph (1) are individuals who may be admitted to the United States utilizing refugee admissions which are allocated in any fiscal year contingent upon the availability of private sector funding sufficient to cover the essential and reasonable costs of such admissions.

(b) SPECIFIC GUIDELINES.—The guidelines described in subsection (a) shall include guidelines governing—

(1) verification of the refugee's status;

(2) verification of the financial security of the private sponsor; and

(3) the operation of the program described in subsection (a) on a basis which maximizes the likelihood of the refugee's financial self-sufficiency in the United States.

(c) DEFINITION.—For purposes of this section, the term "refugee" means—

(1) a refugee, as defined by section 101(a)(42) of the Immigration and Nationality Act; and

(2) any alien described in section 207(c)(2) of such Act.

Mr. SIMPSON. Mr. President, I am again pleased to join with my colleague, Senator KENNEDY, the chairman of the Subcommittee on Immigration and Refugee Affairs, in introducing the Refugee Resettlement Extension Act of 1989.

This bill would reauthorize funds for the Domestic Refugee Resettlement Program for fiscal years 1990 through 1992. It sets in motion the funding process for the programs that Congress has provided to ensure that newly arriving refugees are integrated into our communities, provided with language and vocational training, and helped along the path toward economic self-sufficiency.

The legislation is nearly identical to legislation that passed the Senate Judiciary Committee unanimously in the 100th Congress, but which the full Senate failed to act upon. Such sums as are necessary are authorized for the expenses incurred by State governments in providing cash and medical assistance to refugees who have recently arrived in our country; $80 million are authorized for social services to refugees, $10 million are authorized for medical screening of refugees, and such sums as are necessary are authorized to reimburse State and local governments for their costs incurred from the incarceration of criminal aliens who arrived in the Mariel boatlift.

The legislation attempts to place, on a more parallel track, the refugee admissions process and the budget process for refugee resettlement activities. New provisions would require early estimates of likely refugee admissions for the coming fiscal year, and would require submission by the executive branch of the estimated budget authority needed to resettle refugees when the annual refugee consultation process is being conducted.

Finally, the bill would encourage "private sector initiatives" in refugee resettlement, grant the Director of the Office of Refugee Resettlement the authority to make discretionary grants to impacted areas for provision of non-employment-related services to refugees, and make changes to promote the efficiency of the administration of the Refugee Resettlement Program.

Mr. President, it is always a pleasure to work with my friend, Senator KENNEDY, on these important immigration and refugee issues. I thank him for his unfailing courtesies to me and bipartisan cooperation on this matter, and I urge my colleagues to support the legislation.

By Mr. BRYAN (for himself, Mr. HOLLINGS, Mr. GORE, Mr. BREAUX, and Mr. FORD):

S. 1249. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FEDERAL TRADE COMMISSION ACT AMENDMENTS

● Mr. BRYAN. Mr. President, today I am introducing, along with several of my colleagues, the Federal Trade Commission Act Amendments of 1989. This legislation will provide authorization of appropriations for the Federal Trade Commission [FTC] to carry out its activities during fiscal years 1990, 1991, and 1992.

On June 7 and 8, I chaired hearings in the Consumer Subcommittee into the effectiveness of the FTC in fulfilling its statutory mandate. Witness after witness reaffirmed the importance of the FTC. The increasing number of mergers and filings under the Hart-Scott-Rodino Act, the burgeoning problem of consumer fraud—including telemarketing fraud—and the growing need for heightened consumer protection activities were topics consistently cited by witnesses as appropriate functions for the FTC.

Despite the importance of the FTC, a critical threshold question continued to be addressed at the hearings: Why try to reauthorize the FTC, especially in view of the fact that things go on at the agency without an authorization bill? I can answer, as did some witnesses, why this is an important effort: Because Congress created the FTC to oversee the marketplace, and Congress through the authorization process has the opportunity to redirect and instruct the FTC regarding its efforts and the manner in which its mandate should be interpreted. I am well aware that previous efforts to reauthorize the agency have been unsuccessful, but I am committed to achieving this goal.

Recently, an analysis of the FTC was undertaken by the antitrust division of the American Bar Association. The so-called Kirkpatrick Committee submitted its report in April, and members of this committee presented the results of the study during the Consumer Subcommittee hearings. The Kirkpatrick Committee looked into issues of leadership, antitrust activities, consumer protection, guidance to business, competition and consumer advocacy, economic theory, resources, organization and structure, and relationships with Congress and the States. This thoughtful examination suggested no dramatic restructuring or reorienting of the FTC. Rather, it found that the FTC has existing statutory authority for a satisfactory role in antitrust and consumer protection areas, but it needs more clarity in certain areas and greater dedication to its mission. In addition, the committee pointed to the continuing resource drain on the FTC, which is being asked to act more and more aggressively with fewer and fewer employees.

The legislation that I am introducing today is similar to bills previously approved by the Senate. Included in the bill are provisions to define the statutory parameters of the FTC Act a bit more precisely; to require that the FTC act in rulemaking matters only where actions have been prevalent in an industry, so as to utilize the FTC's resources in those areas that are especially active; to prevent the FTC from using its limited resources in pursuit of areas that can be effectively dealt with on the State or local level, or are

assigned to other departments or agencies at the Federal level; and to require the FTC to provide information on its activities regarding certain competitive practices, so that Congress can evaluate the FTC's performance in these areas.

The FTC is an important agency, with an important mission. Reauthorizing the agency will indicate Congress' concern that the agency have sufficient resources and direction to accomplish its objectives. I urge my colleagues to support the bill.●

● Mr. HOLLINGS. Mr. President, I am pleased to cosponsor this legislation to reauthorize the Federal Trade Commission [FTC].

As chairman of Commerce Committee and the Appropriations Committee subcommittee with jurisdiction over the FTC, I have the occasion to observe the FTC from both the authorizing and the spending perspectives. The FTC is an agency that needs to be reauthorized, so that Congress can provide direction to the agency as to its functions.

In the last Congress, I cosponsored legislation similar to the bill that is introduced today. That bill passed the Senate, but we were unable to resolve differences in the Senate and House bills. I am hopeful that we will be able to move this bill forward to enactment during this Congress.●

By Mr. BOREN:

S. 1251. A bill to amend the Internal Revenue Code of 1986 to exempt from current taxation income earned in college savings accounts and to exempt permanently from taxation amounts from college savings accounts and from the redemption of qualified U.S. savings bonds used to pay college educational expenses; to the Committee on Finance.

FAMILY COLLEGE SAVINGS ACT OF 1989

Mr. BOREN. Mr. President, we are all familiar with the current crisis in savings for the cost of a college education. According to all polls, most parents feel obligated to contribute toward the cost of their children's college education. However, only half the families that plan to have one of their children attend college are actually saving for college. Even among savers, the median savings level is under $600 per year. Such savings programs are clearly inadequate in the face of today's rapidly escalating college costs. Without some incentives families will be financially unprepared to pay for their children's college education.

The persistently high rates of college inflation present an imposing challenge both to Congress and to those families seeking to save for college. Based on data compiled by the College Board, college costs at private institutions have increased since 1981 at an average rate of 10 percent per annum. This is more than double the rate of inflation in consumer prices. Even at the 7.89 percent rate of college cost inflation for 1988, direct charges—tuition, mandatory fees, room and board—for 4 years at the average private institution, currently $12,205 per year, would cost a member of the class of 2004 more than $136,000.

At the close of the 100th Congress we took an important first step toward assisting families to save for college education by providing that EE savings bonds, when transferred to a qualified educational institution for purposes of paying tuition would be tax exempt. My proposal today refines and augments this beginning by establishing the college savings account [CSA] which extends to the private sector the same tax treatment provided EE bonds.

The only problem with current law is that it fails to utilize the abundant and outstanding resources of the private sector in drawing out savings for college. Private sector innovators and those who conceive and market financial instruments designed to stimulate college savings will be preempted and competitively disadvantaged by the establishment of a tax advantaged Federal product. In order to maximize savings for college we must level the playing field for all financial instruments by providing tax incentives across the board.

Under legislation that I am introducing today, eligible investments for a CSA include: the series EE savings bond; deposits made in a college savings program sponsored by a State; bank accounts, investment accounts, and other accounts that satisfy requirements that are similar to those for an IRA. As in the current EE savings program, there will be no deduction for contributions to the college savings account. Earnings on amounts deposited by parents in a college savings account would not be taxed when earned and would be exempt from taxation when withdrawn to pay for college educational expenses. With the exception of the series EE savings bonds, contributions to CSA's must be held for 5 years to be eligible for the exclusion. In addition, my proposal has a phase out of the benefits for higher income families. The income test for the phase out is set in the taxable year immediately following the year of contribution to the college savings account. The purpose of this provision is to encourage early savings and deposits in college savings accounts. When combined with the unrestricted holding period for EE savings bonds this proposal will provide maximum flexibility for savers with young children and for those with children much closer to college age but who do not currently have savings programs established.

Both the dollar limitation and the adjusted gross income level in which the phase down of the limitation begins will be indexed for inflation. The proposal also provides penalties for nonqualified withdrawals of withdrawals that are not used to pay qualified higher education expenses.

Mr. President, the college savings account proposal introduced today will help level the playing field for all market participants and avoid the market damaging effects that may be caused by a preemptive Federal savings product. The private sector has a substantial ability to cultivate thrift among the families of the Nation. The private sector can provide college savers with a wide range of investment choices, reach a broad spectrum of eligible families, and create a competitive and innovative market place that is necessary to maximize the savings rate for college in this great country. And there is no question that savings for, and investment in, a college education is a good investment. Over time the average college graduate will produce substantial additional personal income compared to those who do not attend college. Clearly, the challenge of the future for this Nation is to produce an innovative, skilled, and well-trained work force able to compete in tomorrow's economy. By providing incentives today to America's families to save for the education of our future generation, we will be securing our Nation's future. I urge my colleagues on the Finance Committee and in the Senate to move promptly to adopt this proposal.

Mr. President, I ask unanimous consent that the language of this bill and a short summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family College Savings Act of 1989".

SEC. 2. COLLEGE SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 135 of the Internal Revenue Code of 1986 (relating to income from United States savings bonds used to pay higher education tuition and fees) is amended to read as follows:

"SEC. 135. INCOME FROM COLLEGE SAVINGS ACCOUNTS.

"(a) EXEMPTIONS FROM TAX.—

"(1) CURRENT EARNINGS.—A qualified college savings account is exempt from taxation under this subtitle unless such account has ceased to be a qualified college savings account by reason of subsection (e)(4).

"(2) TAX-EXEMPT WITHDRAWALS.—In case of a taxpayer who pays qualified higher education expenses during the taxable year, gross income shall not include—

"(A) the applicable fraction of earnings included in eligible withdrawals during the taxable year from a qualified college savings account owned by the taxpayer, or

"(B) the applicable fraction of amounts that would otherwise be included in gross income by reason of redemption during such year of any qualified United States savngs bond.

"(b) APPLICABLE FRACTION.—

"(1) GENERAL RULE.—For purposes of subsection (a), the term "applicable fraction" shall mean with respect to any eligible withdrawal the lesser of—

"(A) 1, or

"(B) a fraction the numerator of which is qualified higher education expenses paid by the taxpayer during the taxable year and allocated by the taxpayer to such withdrawal and the denominator of which is the total amount of such withdrawal.

"(2) ALLOCATIONS TO WITHDRAWALS.—If the total amount of eligible withdrawals by a taxpayer in a taxable year exceeds the total qualified higher education expenses paid by the taxpayer during the taxable year, the taxpayer may allocate the qualified higher education expenses to the eligible withdrawals in any manner selected by the taxpayer.

"(c) ELIGIBLE WITHDRAWALS.—

"(1) IN GENERAL.—For purposes of this section, the term "eligible withdrawals" shall include—

"(A) amounts received by reason of a redemption of a qualified United States savings bond,

"(B) any deposits withdrawn from a qualified college savings account if such deposits were held in qualified college savings accounts for at least 5 years prior to withdrawal, and

"(C) earnings withdrawn from a qualified college savings account if such earnings are attributable to principal described in subparagraph (B).

"(2) ORDERING RULES.—For purposes of paragraph (1)—

"(A) Every withdrawal from a qualified college savings account shall be considered in part the withdrawal of a deposit and in part the withdrawal of earnings on the deposit (unless the balance in the account is less than or equal to the total deposits to the account). The amount of earnings attributable to any withdrawal shall be determined in accordance with regulations to be prescribed by the Secretary.

"(B) Deposits shall be treated as withdrawn in the same order that deposits are made.

"(d) NONQUALIFIED WITHDRAWALS.—

"(1) GENERAL RULE.—Gross income shall include all earnings that are part of a nonqualified withdrawal from a qualified college savings account.

"(2) PENALTY.—The tax liability of the owner of a qualified college savings account or formerly qualified college savings account (or the estate of such owner) under this chapter for a taxable year shall be increased by an amount equal to 10 percent of the amount which is includible in gross income under paragraph (1) for such taxable year.

"(3) DEFINITION.—For purposes of this section, the term 'nonqualified withdrawal' means—

"(A) any withdrawal from a qualified college savings account that is not an eligible withdrawal,

"(B) any withdrawal or the portion of any withdrawal from a qualified college savings account if such withdrawal or portion is not excluded from income under subsection (a), or

The termination of a qualified college savings account under subsection (e)(4) shall constitute a nonqualified withdrawal.

"(4) SPECIAL RULE IN CASE OF DEATHS.—If the death of a person described in clause (i) or clause (ii) of subsection (e)(3) causes the owner of an account not to be an eligible holder, paragraph (2) shall not apply to the nonqualified withdrawal resulting from such death.

"(e) QUALIFIED COLLEGE SAVINGS ACCOUNTS.—

"(1) COLLEGE SAVINGS ACCOUNT.—For purposes of this section, the term 'qualified college savings account' means—

(A) a prepaid tuition contract or

(B) a trust created or organized in the United States for the exclusive benefit of an eligible holder or his beneficiaries, but only if the trust meets the following requirements:

"(i) Except in the case of a rollover contribution, no contribution will be accepted unless it is in cash, it is made by the eligible holder, and it will not exceed the limitation described in subsection (e).

"(ii) The trust satisfies requirements described in paragraphs (2), (3), (4) and (5) of section 408(a).

"(iii) The trust satisfies rules that are applicable to individual retirement accounts and which the Secretary determines by regulation are applicable to qualified college savings accounts.

"(2) PREPAID TUITION CONTRACT.—For purposes of this section, the term "prepaid tuition contract" means a contract with a state, an agency or instrumentality of a state, or an entity created and administered by a state for the benefit of its residents pursuant to which an individual is entitled to receive educational services at an eligible educational institution or the payment of higher education expenses at an eligible educational institution.

"(3) ELIGIBLE HOLDER.—The term 'eligible holder' means—

"(A) any taxpayer who has attained age 24 and who has at least one child (or a dependent with respect to whom the taxpayer is allowed a deduction under section 151) who—

(i) has not attained the age of 20 or

(ii) who has not attained the age of 27 and is enrolled in an eligible educational institution (or on an approved leave of absence of not more than one year from an eligible educational institution), or

"(B) Any taxpayer described in clause (i) or (ii) of paragraph (A) who acquired ownership of a qualified college savings account by reason of the death of an individual described in paragraph (A).

"(4) TERMINATION OF QUALIFIED STATUS.—A college savings account shall cease to be a qualified college savings account if—

"(A) the account ceases to be owned by an eligible holder,

"(B) the account is a trust that fails to satisfy the requirements described in clause (ii) or clause (iii) of paragraph (1)(A),

"(C) the eligible holder engages in any transaction prohibited by section 4975 with respect to the account, or

"(D) the eligible holder uses the account or any portion thereof as security for a loan.

"(f) LIMITATIONS ON CONTRIBUTIONS—

"(1) GENERAL RULE.—An individual and his spouse, if any, may contribute no more than a total of $10,000 to a qualified college savings account in a taxable year. For purposes of the preceding sentence, an individual shall be treated as contributing to a qualified savings account the issue price of qualified United States savings bonds acquired in the name of the individual or his spouse during the taxable year.

"(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—If the modified adjusted gross income of the taxpayer and his spouse exceeds $60,000 ($40,000 if the taxpayer is not married) in any taxable year, the limitation described in paragraph (1) for such taxpayer shall be reduced by an amount which bears the same ratio to such limitation as such excess bears to $30,000 ($15,000 in the case of an unmarried individual).

"(3) INFLATION ADJUSTMENTS.—In the case of any taxable year beginning after 1990, each dollar amount contained in paragraph (1) and paragraph (2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting "calendar year 1989" for "calendar year 1987" in subparagraph (B) thereof.

"(4) ROUNDING.—All adjustment to be made pursuant to this subsection shall be made by rounding to the nearest multiple of $50 (or by rounding to the next highest multiple of $50 of the amount if the amount to be rounded is a multiple of $25 but not a multiple of $50).

"(5) EXCESS CONTRIBUTIONS.—Under regulations prescribed by the Secretary, rules and penalties similar to rules and penalties for excess contributions to individual retirement accounts shall apply to excess contributions to qualified college savings accounts.

"(6) ROLLOVER CONTRIBUTIONS.—Paragraph (1) shall not apply to rollover contributions. Under regulations prescribed by the Secretary, rules similar to the rollover rules for individual retirement accounts shall apply to qualified college savings accounts.

"(7) TIME WHEN CONTRIBUTION DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a college savings account on the last day of his preceding taxable year if the contribution is made on account of such taxable year and is not made later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(g) QUALIFIED UNITED STATES SAVINGS BONDS.—For purposes of this section, the term 'qualified United States savings bond' means any United States savings bond—

"(1) issued after December 31, 1989;

"(2) issued in the name of eligible holder and with the designation College Savings Account typed under the holder's name;

"(3) issued at a discount under section 3105 of title 31, United States Code; and

"(4) the issuance of which does not cause the limitations of subsection (f) to be exceeded.

"(h) OTHER DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED HIGHER EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition and fees required for the enrollment or attendance of any dependent of the taxpayer (other than the taxpayer's spouse) with respect to whom the taxpayer is allowed a deduction under section 151 at an eligible educational institution.

"(B) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—Such term shall not include expenses with respect to any course or other education involving sports, games, or hobbies other than as part of a degree program.

"(2) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) an institution described in section 1201(a) or subparagraph (C) or (D) of section 481(a)(1) of the Higher Education Act of 1965 (as in effect on October 1, 1989), and

"(B) an area vocational education school (as defined in subparagraph (C) or (D) of section 481(a)(1) of the Carl D. Perkins Vocational Education Act) which is in any State (as defined in section 521(27) of such Act), as such sections are in effect on October 1, 1989.

"(3) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

"(A) without regard to this section and sections 911, 931, and 933 and

"(B) after the application of sections 86, 469, and 219.

"(i) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified higher education expenses otherwise taken into account under subsection (b) with respect to the education of an individual shall be reduced by the sum of the amounts received with respect to such individual for the taxable year as—

"(A) a qualified scholarship which under section 117 is not includable in gross income,

"(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

"(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for educational expenses, or attributable to attendance at an eligible educational institution, which is exempt from income taxation by any law of the United States.

"(2) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring record keeping and information reporting.

"(b) CLERICAL AMENDMENTS.—The table of sections for part III of chapter 1B of subtitle A of such Code is amended by striking out the item related to section 135 and inserting in lieu thereof the following new item:

"Sec. 135. College savings accounts."

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply to income earned in taxable years beginning after December 31, 1989, and to qualified college savings accounts formed after December 31, 1989.

COLLEGE SAVINGS ACCOUNTS—PARTIAL SUMMARY OF TERMS

Eligible Investments—Investments generally eligible for IRAs, Series EE Savings Bonds, college savings programs sponsored by states, etc.

Deductibility of Contributions—Contributions to CSAs will not be tax deductible.

Taxation of Earnings of CSAs—Earnings (interest and dividends) will not be taxed currently.

Exclusion from Income—Earnings that are part of qualified withdrawals will be excluded from income to the extent of qualified higher education expenses paid by the taxpayer.

General Limit on Annual Contributions—$10,000 per taxable year by parents. Income test similar to Series EE Bond legislation except applied at time of contribution instead of time of withdrawal. Contribution limit would be phased down for higher income families (possibly using the same phasedown ranges as the Series EE bond college savings program). The contribution limit and phasedown range would be indexed for inflation.

Holding Periods—Amounts held in CSAs (other than Series EE bonds) would have to be held five years to be eligible for favorable tax treatment.

Penalties; Nonqualified Withdrawals—In the case of a nonqualified withdrawal, e.g., a withdrawal that is not used to pay "qualified higher education expenses," or a disqualification of a CSA because the taxpayer ceased to have any children below college graduation age, the taxpayer generally would be required to include in income for the year of withdrawal the earnings that are part of the nonqualified withdrawal (and which would have been included in income in a prior year but for the CSA) and pay a penalty.

Effective Date—January 1, 1990. This would expand the Series EE Bond college savings program scheduled to become effective on that date.

By Mr. KENNEDY (for himself, Mr. BIDEN, and Mr. SIMON):

S. 1252. A bill to amend the Immigration and Nationality Act with respect to the application of employer sanctions to longshore work; to the Committee on the Judiciary.

AMENDING THE IMMIGRATION AND NATIONALITY ACT REGARDING EMPLOYER SANCTIONS TO LONGSHORE WORK

Mr. KENNEDY. Mr. President, I am introducing today remedial legislation to amend our immigration laws to protect the legitimate labor interests of U.S. longshoremen.

Increasingly, foreign vessels offloading in U.S. ports are utilizing foreign crewmembers for domestic longshore work. Since this work by foreign crewmembers is performed exclusively on board the vessels—such as when operating ship-board cranes—the Immigration and Naturalization Service has ruled such work is technically outside the jurisdiction of our immigration enforcement.

At the same time, I know of no foreign port in which American crewmembers are permitted to conduct similar longshore work overseas.

This amendment to the Immigration and Nationality Act would close this loophole and place U.S. longshoremen back on equal footing with the longshoremen of other maritime countries.

Mr. President, Chairman JACK BROOKS of the House Judiciary Committee has introduced similar legislation, and I am pleased to be joined in the Senate by the chairman of the Senate Judiciary Committee, Senator JOSEPH BIDEN, as well as Senator PAUL SIMON of our Subcommittee on Immigration and Refugee Affairs.

By Mr. COCHRAN:

S. 1253. A bill to amend the copyright law regarding work made for hire; to the Committee on the Judiciary.

ARTISTS BILL OF RIGHTS

Mr. COCHRAN. Mr. President, today I am introducing legislation to clarify provisions of copyright law which have come to be known by artists, creators, publishers, and others as the "work made for hire" law.

Since 1982, I have urged that legislation be enacted to clarify this law to ensure that one who actually creates a work of art be considered its author and able to claim the benefits of copyright protection in that work. Under the work for hire exception, a freelance writer, photographer, illustrator, or other artist who prepares a work "for hire" is not considered the author of that work, for copyright purposes. It is the employer or person commissioning the work who is considered the owner of the copyright, or, in effect, the "author."

The law allows a work made for hire relationship to arise in only two instances: First, when the work is created by an employee within the scope of his or her employment; or second, when it is a specially commissioned work of a specific type, and the parties agree in writing that it is a work made for hire.

Some courts have interpreted the law to mean that a work for hire arrangement between a commissioning party and a creator can arise without compliance with the requirements of this statutory definition. Since the statute does not define "employee," freelance artists have been deemed to be in the employment of the parties that commissioned them merely because those parties retained, and sometimes exercised, a right to supervise and control some aspect of the artist's work. The practical consequence is that the artist's creation is considered authored and owned by the commissioning party, without the artist's consent or knowledge, and sometimes even without compensation.

Earlier this month, on June 5, the Supreme Court unanimously ruled that a freelance artist was entitled to the rights of authorship in his own work in a case where that issue was litigated. The Court said in the case of Community for Creative Non-Violence v. Reid that an "employee," in the definition of work made for hire, was meant to refer to a person who was hired in a conventional employment relationship.

In the *Reid* case, a nonprofit association entered into a verbal agreement with a sculptor to produce a statue of a family scene resembling the Nativity, to dramatize the plight of the homeless. The association paid only the sculptor's expenses. The artist donated his time to the project, and there was no discussion of who would own the copyright to the finished work.

While the sculptor accepted many of the association's suggestions and directions in producing the statute, no other elements of a traditional employment relationship existed. The association paid him in the manner that independent contractors are normally compensated; it did not withhold income or social security taxes, or provide any employee benefits.

The Court held that the sculptor in this case was an independent contractor, and that the commissioning party's supervision of the project was not sufficient to convert the artist into an employee. Thus, the work was held not to be a "work made for hire."

In its decision, the Court also made it clear that, if a creator is an independent contractor and not an employee, his or her work can be a work made for hire only if it falls into a described category and the creator agrees to it.

Some artists in other cases have had the experience of having to sign a

work for hire agreement to get paid for a work. In effect, these freelance writers and artists who prepare works on commission are forced to relinquish the authorship of their works as a condition of being paid.

The bill I am introducing today would more clearly define the rights of artists and would clarify the copyright statute to make it consistent with the Supreme Court's decision.

It makes four changes in the work for hire provision in the Copyright Act.

First, the bill defines "employee" as a formal, salaried employee.

Second it clarifies that "employee" works made for hire are separate and distinct from specially ordered or commissioned works.

Third, the bill would require work for hire agreements to be signed before the work begins.

Fourth, it would bar work for hire agreements under which the freelance creator forfeits all rights in all future works created for a commissioning party.

The bill also makes two changes in the definition of "joint work." In the Reid decision, the Supreme Court left open the question of when freelance artists and their commissioning parties may be joint authors. My bill would make it clear that each author of a joint work must contribute original, or copyrightable, subject matter to the work. Also, it would require the parties to sign a written agreement in advance if they intend the work to be owned jointly.

Mr. President, this legislation does not prohibit publishers or other commissioning parties from seeking work for hire arrangements with freelance artists, nor does it limit their use. Neither does the bill in any way inhibit the ability of anyone to secure a written assignment of copyright at any time.

My bill merely seeks to clarify the conditions which must be present for a work for hire arrangement to be valid. I believe these are the same conditions which Congress originally intended, when it enacted the Copyright Act of 1976. I am confident that these clarifications will provide a more predictable working environment for creators of artistic works as well as for those who purchase, commission and disseminate those works.

My bill has the support of the Copyright Office, and will be the subject of a hearing before the Subcommittee on Patents, Copyrights and Trademarks on July 12.

I invite other Senators to join me in support of this legislation.

I ask unanimous consent that a copy of the bill and a copy of the explanation of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 101 of title 17, United States Code, is amended—

(1) by amending clause (1) and the first sentence of clause (2) of the definition, "work made for hire" to read as follows:

"(1) a work, other than a specially ordered or commissioned work, prepared by a formal salaried employee within the scope of his or her employment; or

"(2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplemental work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if, with respect to each such work, the parties expressly agree in a written instrument signed by them before the commencement of the work, that the work shall be considered a work made for hire.";

(2) in the definition of "joint work", by striking out "their contributions" and inserting in lieu thereof "their original contributions"; and

(3) by adding before the period at the end of the definition of "joint work" the following: ", provided that, in the case of each specially ordered or commissioned work, no such work shall be considered a joint work unless the parties have expressly agreed in a written instrument, signed by them before the commencement of the work, that the work shall be considered a joint work".

EXPLANATION OF WORK FOR HIRE BILL

The new bill represents a substantial revision of prior legislation to change the "work made for hire" provisions of the 1976 Copyright Act. Rather than propose radical changes to the work for hire compromise enacted as part of the 1976 Copyright Act, the bill seeks merely to clarify the existing statutory language. Those clarifications are entirely consistent with the spirit and purpose of the work for hire compromise enacted in 1976, which was to strike a fair and workable balance between creators, disseminators and users of copyrightable works. Despite the Supreme Court's recent decision in *Community for Creative Non-Violence* v. *Reid,* 57 U.S.L.W. 4607 (June 5, 1989), legislative clarification of the meaning of "employee" and of the rules governing work for hire agreements are essential to give the public and the courts a better understanding of the specific circumstances under which a work is eligible to be a "work made for hire."

As a complement to the clarifications to the work for hire definition, the bill proposes limited but important modifications to the definition of "joint work." One of these modifications would merely make explicit what most courts have recognized is implicit in the current definition—that any joint author must make an original (*i.e.,* copyrightable) contribution of authorship to the joint work. The other modification to the definition of joint work would add, for certain types of works, a second requirement to the "intent" standard currently in the definition. The bill would require, in the context of specially ordered or commissioned works only, that all authors agree in writing and in advance of commencement of the work that it should be considered a joint work. The adoption of this objective standard for a limited class of works will avoid the uncertainty and constant threat of litigation associated with the current definition.

I. AMENDED DEFINITION OF "WORK MADE FOR HIRE"

A. *Subsection (1)*—

The bill would make two changes in subsection (1) dealing with works created by an "employee." First, the bill would define "employee" as a "formal, salaried employee." Second, the bill would provide that "employee" works for hire do not include specially ordered or commissioned works that fail to meet the eligibility criteria specified in subsection (2). Under the bill, subsection (1) would be revised to read as follows (new language is in italic):

A "work made for hire" is—

(1) a work, *other than a specially ordered or commissioned work,* prepared by a *formal salaried* employee within the scope of his or her employment. . . .

1. *Definition of Employee*

In *Community for Creative Non-Violence* v. *Reid, supra,* the Supreme Court held that the term "employee" found in subsection (1) of the work for hire definition was intended to refer "to a hired party in a conventional employment relationship." 57 U.S.L.W. 4610. In order to determine whether that relationship exists in any given case, the Court instructed the courts to apply the general common law of agency. 57 U.S.L.W. 4609.

The Court's recourse to agency principles was necessary because it was unable to find conclusive evidence either in the language or legislative history of the work for hire definition of exactly what Congress intended the term "employee" to mean. In the absence of such evidence, the Court presumed that Congress understood that term to have its generally accepted meaning under agency law principles.

Rather than articulate a definitive interpretation of "employee," the *Reid* decision invited legislative clarification. The bill seeks to fill that void by adopting the formulation of "employee" endorsed by the Ninth Circuit in *Dumas* v. *Gommerman,* 865 F.2d 1093 (9th Cir. 1989), and by the Copyright Office in its brief before the Supreme Court in the *Reid* case. The absence of a clear articulation in the statute of who an "employee" is under subsection (1) has led to confusion and disagreement in the courts, and has resulted in independent contractors being classified as "employees" in contravention of the intent of the framers of the compromise on work for hire enacted as part of the 1976 Coyright Act. The purpose of the new clarifying language is to confine the concept of "employee" to the limits intended when the term was included in the 1976 compromise: to ensure that only true employees—that is, those persons who have an established, ongoing relationship with an employer characterized by the provision of employment benefits to the putative employee—will forfeit their authorship and copyright rights under the work for hire presumption.

Adoption of the "formal, salaried" definition of "employee" will avoid the inevitable uncertainties and costs associated with the agency law test. As articulated by the Court, that test requires an evaluation of at least thirteen factors to the circumstances of each case, with no factor having dispositive impact standing alone. 57 U.S.L.W. 4612. *See* Restatement of Agency (Second) § 220(2). Although the Court's discussion of those factors strongly suggests that most freelancers would not be considered "employees" under them, that determination cannot be made with certainty at the onset of the relationship between a commissioning party and the creator. Particularly given the nonexclusivity of the factors mentioned by the

Court in *Reid*, litigation will routinely be required to ascertain whether the party creating the work meets the "employee" standard. Aside from the cost and uncertainty associated with the constant threat of litigation, there remains the possibility that a freelancer could be held to be the employee of a commissioning party based on a court's subjective assessment of the facts and circumstances of each particular case.

Furthermore, the agency law test inevitably requires some judicial consideration of the commissioning party's right to control the work of the creator. *See* Restatement of Agency (Second) § 220(1). Since that right exists by definition in most commissioned relationships, it is not a fair or meaningful indicator of an employment relationship.

While the bill would replace the general law of agency with a more objective, predictable standard, the bill nevertheless reaffirms the Supreme Court's unequivocal rejection of the so-called "supervision and control" test adopted by the Second Circuit in *Aldon Accessories* v. *Spiegel*, 738 F.2d 548 (2d Cir.), *cert. denied*, 469 U.S. 982 (1984). Under that test, a freelance artist or other creator is classified as an "employee" if the commissioning party has the right to supervise and direct the work of the creator, or instead exercises what a court deems to be a sufficient degree of supervision and direction over the creator's work. *Id.* at 552. *See also Evans Newton, Inc.* v. *Chicago Systems Software*, 793 F.2d 889 (7th Cir.), *cert. denied*, 479 U.S. 949 (1986). As the Supreme Court recognized, the "supervision and direction" test is a vestige of the 1909 Copyright Act and was never meant to be imported into the "employee" prong of the work for hire definition enacted in 1976. By reaffirming that intent in new statutory language, the amendment makes indisputably clear that the "supervision and direction" test should not be followed by the courts in determining who is an "employee" for purposes of subsection (1).

In sum, the "formal, salaried" language would provide clear guidance to the courts and to parties involved in the creation and dissemination of copyrightable works. The expectation is that in all instances in which a creator "holds himself or herself out as a freelancer, the [putative] employer should anticipate that the commissioned work will not be a work for hire under § 101(1) [the "employer" prong of the definition]." *Dumas* v. *Gommerman*, 865 F.2d at 1105. In a situation in which the relationship between a putative "employer" and "employee" is ambiguous, courts should determine the creator's status by reference to whether he or she is accorded *all* of the benefits that the employer customarily extends to its regular employees, including but not limited to a salary. In using the term "salary," the bill refers to a regular, periodic form of compensation that is not tied to a particular project or task but instead is spread out over the course of the creator's relationship with the putative employer.

2. *Subsections (1) and (2) Are Mutually Exclusive*

When Congress enacted a two-prong definition of "work made for hire," it did not explicitly state how subsections (1) and (2) of the definition should relate to each other. Congress did not anticipate that commissioning parties would attempt, as they later did, to use subsection (1) as a catch-all provision in circumstances where the prerequisites of subsection (2) were not satisfied.

In the *Reid* case, the Supreme Court acknowledged that subsections (1) and (2) of the definition are mutually exclusive, and that commissioning parties must satisfy the requirements of subsection (2) in order to make the work of a freelance artist a work for hire. 57 U.S.L.W. 4610. The bill would codify this interpretation, and thus make explicit Congress' intent that the creative works produced by freelance artists are eligible to be works for hire only if the parties expressly agree in writing, and only if the work is covered by one of the nine enumerated categories in subsection (2).

To accomplish this purpose, the bill would amend subsection (1) to specify that an "employee" work for hire is a work "other than a specially ordered or commissioned work."[1] If a work is specially ordered or commissioned, it cannot be a work for hire under subsection (1); any such work qualifies as a work for hire, if at all, only if it meets all the criteria specified in subsection (2) as amended.

B. *Subsection 2—Work for Hire Agreements*

Unlike previous work for hire legislation introduced in recent Congresses, the bill proposes only minor changes to subsection (2) that are designed to prevent certain abusive practices with regard to the negotiation of work for hire agreements. Under the bill, subsection (2) would be amended to read (new language in italics):

A "work for hire" is—

(2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplemental work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if *with respect to each such work*, the parties expressly agree in a written instrument signed by them *before the commencement of the work*, that the work shall be considered a work made for hire.

1. *"Blanket" Work for Hire Agreements*

First, by requiring that work for hire agreements be entered into "with respect to each such [specially ordered or commissioned] work", the bill would bar so-called "blanket" work for hire agreements under which the freelance creator forfeits all rights in all future works created for the commissioning party. Congress never intended to allow commissioning parties to obtain a single work for hire agreement from a freelancer and then use that agreement as a basis for conferring work for hire status on all subsequent creations produced by the freelancer. Rather, the drafters of the 1976 Copyright Act clearly intended that work for hire agreements be negotiated on a project-by-project basis, thereby giving the creator a meaningful opportunity to decide before undertaking any particular commissioned project whether he or she is willing to accept a work for hire arrangement.

Since that intent was not made explicit in the language of the statute, work for hire agreements that purport to apply beyond the scope of the particular project for which the creator is commissioned have proliferated. These overreaching agreements are likely unenforceable under the current definition, but few, if any creators, have the resources or incentives to challenge the scope of a blanket work for hire agreement once it is signed. Equally as troubling, the absence of a specific requirement that work for hire agreements be negotiated for each separate creative undertaking leaves the public uncertain as to the proper limits of a work for hire agreement. By expressly prohibiting blanket or "life" work for hire agreements, the bill would make clear to all parties that a work for hire agreement can apply only to the specific work or works being specially ordered or commissioned.

2. *After-the-Fact Work for Hire Agreements*

The bill would also require work for hire agreements to be signed "before the commencement of the work." Again this language is intended to clarify the intent of the drafters of the 1976 Act. They understood that the benefit to the creator of the writing requirement is to enable him or her to make an independent, objective decision whether to agree to a work for hire arrangement at the outset of the commissioned relationship. In circumstances in which an agreement is foisted upon the creator after work has begun or after the work is completed, the creator's independence and objectivity are compromised. At that stage, the creator will ordinarily have invested a considerable amount of time, effort and resources in the project; he or she may have no choice but to sign a work for hire agreement offered as a condition of getting paid. The amendment would prohibit any such "after-the-fact" agreement.

The most egregious abuse that the prior writing requirement would address is the increasingly common practice of stamping a work for hire provision on the back of a check forwarded to the freelancer in payment for producing a commissioned work. By endorsing the check, the creator necessarily executes the work for hire provision. While this contract of adhesion is clearly unenforceable, the creator has to go to court—and consume vast amounts of time and resources in the process—in order to vindicate his or her rights.

No less egregious are cases in which the parties agree orally at the outset of a commissioned project to allow the creator to retain the authorship and copyright rights, but the commissioning party later reneges and forces a work for hire agreement upon the creator. This is a common problem in the publishing industry, and its concequence is that the writing requirement is reduced to meaningless formality. That was not Congress' intent in 1976, and the bill would make that intent unmistakeably clear.

If commissioning parties seek a work for hire arrangement with respect to a particular work, they should bear the burden of securing the creator's written consent beforehand. If they neglect to do so, they should not have the opportunity to sue their vastly superior bargaining position to extract a work for hire agreement from a creator who is already committed to the project.

In the rare circumstance in which the urgency of a project leaves no time to negotiate a work for hire arrangement in advance, the commissioning party is not without recourse. A publisher or other commissioning party can always, at any time, obtain a written assignment of copyright rights in accordance with section 204(a). While any such assignment is subject to the author's right of termination 35 years under section 203(a), Congress has previously decided that acquisition of rights for that period is sufficient to meet the assignee's needs and still

[1] The words "specially ordered or commissioned" should be given their ordinary meaning. As the Copyright Office observed in its brief in the Reid case, "[t]o 'commission' someone is "to appoint [him] to a certain task, mission, function or duty." Brief for the Register of Copyrights as Amicus Curiae Supporting Respondent, p. 10, *quoting Webster's Third International Dictionary of the English Language* 457 (1966). Moreover, as the Copyright Office noted, "a 'commissioned' relationship is defined by a particular project." *Id.* at 10. In contrast, subsection (1) covers ongoing business relationships that involve "a specific stream of services that can be defined as falling 'within the scope' of that relationship." *Id.*

give the assignor the opportunity to reclaim ownership of and income from his or her earlier works.

II AMENDED DEFINITION OF "JOINT WORK"

Clarification of the rules governing work for hire will not in itself put an end to the uncertainty and endless litigation that has plagued the determination of copyright ownership in commissioned works. Recent cases, most notably *Community for Creative Non-Violence* v. *Reid*, aptly illustrate that the determination that a commissioned work is not a work for hire leaves open the difficult issue whether the commissioning party and the creator are joint authors of the work under the current definition of "joint work." Without additional legislative clarification, litigation over the joint work question as it arises in the commissioned work setting will be long and protracted. Ultimately, it will also be unsatisfactory in terms of providing clear guidance in advance to interested parties entering into a commissioned relationship.

The fundamental characteristic of joint authorship is "a joint laboring in furtherance of a preconcerted common design." *Nimmer on Copyright*, § 6.03 (1988). As joint authors are considered to be coowners in the work, 17 U.S.C. § 201(a) (1982), they are treated as tenants in common. They own an undivided interest in the whole of the work in proportion to the number of coowners and not in relation to the relative importance of their respective contributions, and may independently use or license the work, subject only to a duty to account to the other coowner for any profits earned thereby. *Oddo v. Ries*, 743 F.2d 630, 633 (9th Cir. 1984). While a joint author may not transfer all interest in the work without the express written consent of the other joint author(s), he or she may transfer all of his or her undivided interest to a third party who then stands in the shoes of that joint author for all purposes.

Against this background, the bill proposes two clarifications to the definition of "joint work." The first would make explicit the requirement that each author of a joint work contribute "orginal" (*i.e.*, copyrightable) subject matter to the work. The second would require the parties to a specially ordered or commissioned work to sign a written agreement in advance if they intend the work to be a joint work.

Under the bill, the definition of "joint work" would be amended to read (new language is in italics):

"A 'joint work' is a work prepared by two or more authors with the intention that their *original* contributions be merged into inseparable or interdependent parts of a unitary whole, *provided that, in the case of each specially ordered or commissioned work, no such work shall be considered a joint work unless the parties have expressly agreed in a written instrument, signed by them before commencement of the work, that the work shall be considered a joint work.*"

1. "Original" Contribution

The purpose of the language to clarify the constitutionally-based standard of joint authorship that has been somewhat obscured by certain court interpretations of the joint work provision of the 1976 Copyright Act. Most courts have correctly recognized that the contribution of ideas alone, or of other uncopyrightable involvement such as supervising the work of another, is not sufficient to make the resulting work a "joint work." *See, e.g., Ashton-Tate Crop.* v. *Ross*, F.Supp. (N.D. Cal. 1989); *Olan Mills, Inc.* V. *Eckerd Drugs of Texas*, F.Supp. (N.D. Tex. 1988); *Whelan Associates* v. *Jaslow Dental Laboratories*, 609 F.Supp. 1307, 1318-19 (E.D. Pa. 1985), *aff'd on other gr.*, 787 F.2d 1222 (3rd Cir. 1986); *Aiken, Hazen, Hoffman, Miller* v. *Empire Construction*, 542 F.Supp. 252, 259-60 (D.C. Neb. 1982). But under decisions such as *Community for Creative Non-Violence* v. *Reid*, 846 F.2d 1485 (D.C. Cir. 1988), *rev'd on other gr.*, 57 U.S.L.W. 4607 (June 5, 1989), some courts appear to have endorsed the view that individuals (or worse, corporations commissioning works) need not contribute copyrightable expression in order to be considered joint authors. Instead, they have suggested that even the mere supplying of the title or legend for a work may be relevant in considering whether joint authorship status should be conferred on commissioning parties. 846 F.2d at 1496 n.15. *Cf.* 37 C.F.R. 202.1(a) (words, titles, and short phrases not copyrightable). Moreover, some decisions have suggested that the involvement of a commissioning party in the project, through supervising the work of the creator, is alone sufficient to confer joint authorship status upon him. *See Strauss* v. *The Hearst Corp.*, 8 U.S.P.Q.2d 1832 (S.D.N.Y. 1988).

Congress never intended to allow one who does not meet the constitutional standard of authorship to become a coowner of all copyright rights in that work, and thus to become entitled a share of all profits from the exploitation of the work in accordance with his or her undivided interest therein. In addition to the almost unimaginable business and practical consequences of such a result, it raises serious statutory and constitutional issues. The Constitution empowers Congress to extend protection to the "writing" of "authors." Article I, Sec. 8, cl. 8. Ideas and de minimis efforts such as titles, suggested ideas or supervision are not writings and no one is, constitutionally their author. The constitutional imperative may not be circumvented by describing one as a "joint" author. One must still be an "author."

Accordingly, to properly limit the grant of copyright, this bill amends the definition of "joint work" to confine its application to situations where all of the putative joint authors' contributions are "original contributions." The term "original" was chosen due to the limitation of copyright in Section 102(a) of the Act to "original works of authorship." 17 U.S.C. § 102(a). The legislative reports to the 1976 Act indicate this term was "intended to incorporate without change the standard of originality established under the [1909] copyright statute." S. Rep. No. 94-473, 94th Cong., 1st Sess. 50 (1975); H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 51 (1976). It is, therefore, a term that is well understood by the courts. The term "original contributions" in amended Section 101 is meant to be conextensive with the term "original works of authorship" and interpreted identically to it.

2. Prior Writing Requirement

The amendment also adds a requirement, not found in the present statute, that in the case of specially ordered or commissioned works only, there must be a signed agreement, entered into by the parties before commencement of the work, that it shall be considered a joint work. The purpose of this requirement is two-fold: first, to prevent hiring parties who fail to comply with the work for hire provisions from claiming, after commencement or completion of the work, coownership in the work by virtue of alleged joint authorship; second, to prevent the courts from expanding the conditions under which joint authorship may be found in order to compensate for a more restrictive work for hire test.

Under the amendment, no specially ordered or commissioned work may be a work of joint authorship unless the parties expressly agree, in a written instrument signed by them before commencement of any work on the project, that the particular work shall be deemed a joint work. While some consideration was given to extending this writing requirement to all works of joint authorship, it appears that the abuses have principally occurred in the context of specially ordered or commissioned works. Similarly, the writing requirement is not limited to the nine specially ordered or commissioned categories found in the second subsection of the work for hire definition in Section 101 of the Act. Although it is anticipated that most specially ordered or commissioned works affected by this amendment will in fact fall within one of those nine categories, this may not always be the case, and, consequently, the writing requirement for commissioned joint works is not limited to the nine work for hire categories. Conversely, this amendment is not intended to and does not expand the categories of works of authorship that may be treated as specially ordered or commissioned works made for hire. *See* 17 U.S.C. § 101 (subsection (2) of definition of "work made for hire").

Where the parties to a commissioned work neglect to sign a joint work agreement in advance, or in circumstances in which the urgency of the project makes negotiation of such an agreement unachievable, each party would retain the separate copyright to his or her contribution. *Cf.*, 17 U.S.C. § 201(c) (copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole). This would be the case even if they intended their contributions to "be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101 (definition of "joint work"). The bill would require them to embody their intent in a written instrument at the outset of the commissioned relationship, when the subject of rights is normally discussed and when an adequate opportunity exists to define the terms of their relationship. By forcing parties involved in a commissioned work to address the ownership of copyright at the outset of their relationship, the bill will have the beneficial effect of reducing the incidence of disputes that arise when the value of the work brings the ownership question to the forefront and yet no written agreement exists.

By Ms. MIKULSKI:

S. 1254. A bill to authorize the Secretary of Labor to make grants to public hearing agencies or the provision of literacy training, training in basic and employment skills, and support services, and to establish the gateway Task Force; to the Committee on Labor and Human Resources.

PUBLIC HOUSING GATEWAY ACT

Ms. MIKULSKI. Mr. President, I am introducing the Gateway public housing bill today. This bill will provide literacy, job and skills training, and supportive services such as child care and drug prevention, and drug education programs to public housing tenants.

Illiteracy is a problem that disproportionately affects the poor. Over one-third of the mothers receiving Aid to Families With Dependent Children [AFDC] are functionally illiterate.

Other legislation have proposed to enhance the literacy level of the economically disadvantaged. However, this bill is unique in that it will target

VOL 135 PT 9 JE 14 — 22 1989 UMI

assistance to our public housing facilities, where large numbers of low- and moderate-income persons live. The Gateway bill will provide for grants to public housing authorities to design programs or purchase services from existing providers of social services to assist public housing residents' efforts to achieve independence through skills training and, ultimately, jobs.

I am pleased to sponsor this bill along with my colleague Senator ADAMS of Washington State. Also, I am especially pleased to introduce this legislation because the model program for the Gateway proposal is a public housing high rise development located in my hometown, Baltimore, MD.

Baltimore's Lafayette Homes is a typical public housing high rise development with 805 units and almost 2,400 residents, 85 percent of which receive public assistance. However, with the creation of the Family Development Center, Lafayette Homes broke the mold of the typical public housing project. In the first program of its kind in the Nation, literacy training, computerized basic skills education, and job training are all available on site at the Lafayette Homes. Child care, year round, both during and after school is available nearby so that parents will know their children are safe while they participate in these programs. Medical assistance and counseling are also available on site. Residents of the Lafayette Homes voluntarily participate in these programs because the Gateway Program serves not only the individual, but the entire family.

A reading America is a working America and a better America. For these reasons, I bring to you today the Gateway public housing bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There are no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Housing Gateway Act of 1989".

SEC. 2. STATEMENT OF PURPOSE.

The purpose of this Act is to establish programs, through public housing agencies, to increase the abilities and self-sufficiency of young residents of public housing, increase the prospects for employment of young residents of public housing, and end generational dependency on public assistance in public housing, through—

(1) the provision of literacy training, training in basic and employment skills, and support services through the public housing agencies; and

(2) the employment of residents of public housing and of professional staff to perform outreach services, including identification of and assistance to residents who could prosper from education and training programs.

SEC. 3. GRANT PROGRAM.

(a) IN GENERAL.—The Secretary of Labor may, with the advice and participation of the Gateway Task Force established in section 7, make grants under this Act to public housing agencies for the utilization of public housing in the provision of training and services to economically disadvantaged residents of public housing through gateway programs.

(b) SELECTION OF GRANT RECIPIENTS.—The Secretary shall select public housing agencies to receive grants under subsection (a) and may select only public housing agencies that meet the following requirements:

(1) PROVISION OF FACILITIES.—The public housing agency shall agree to make available suitable facilities in the public housing projects administered by the public housing agency, or any facilities provided by a State or local governmental agency or any private organization or person, for the provision of training and services under this Act.

(2) NEED AND CAPABILITY TO PROVIDE SERVICES.—The public housing agency shall demonstrate to the Secretary the need and ability to provide the training and services described in section 4(a) to individuals qualified to receive the training and services under section 5.

(3) PROVISION OF SERVICES TO QUALIFIED INDIVIDUALS.—The public housing agency shall demonstrate to the Secretary that any training and services to be provided under this Act will be provided only to individuals qualified to receive the training and services under section 5.

(4) PROVISION OF SERVICES TO YOUNG FAMILIES.—The public housing agency shall demonstrate to the Secretary that the training and services to be provided under this Act will be provided to residents of public housing projects where a significant number of young families receiving public assistance reside.

(5) COOPERATION WITH PRIVATE, NON-PROFIT ORGANIZATIONS, OR COMMUNITY BASED ORGANIZATIONS.—The public housing agency shall demonstrate to the Secretary the ability to create cooperative working relationships with private organizations, non-profit organizations, or community based organizations that are to provide training and services under this Act and are located in the same community as the public housing agency.

(c) APPLICATIONS FOR GRANTS.—(1) The Secretary shall prescribe the form and procedures for public housing agencies to make applications for grants under this section.

(2) The Secretary shall give priority to applications that demonstrate significant cooperation and coordination with existing private organizations, non-profit organizations, or community based organizations.

SEC. 4. GATEWAY PROGRAM ESTABLISHED UNDER GRANT PROGRAM.

(a) MANDATORY TRAINING AND SERVICES.—Any public housing agency that receives a grant under section 3 shall use the grant to establish a gateway program to make available to individuals eligible under section 5 all of the following training and services, subject to the limitations of section 5:

(1) INFORMATION.—The provision of information designed to make individuals aware of training, employment, education, counseling or the provision of services offered by the public housing agency, including the training and services available under this Act.

(2) LITERACY TRAINING.—Literacy training and bilingual training.

(3) BASIC SKILLS TRAINING.—Remedial education and training in basic skills.

(4) DEVELOPMENT OF WORK HABITS.—Development of good work habits and other personal management skills to enable individuals to obtain and retain employment.

(5) CHILD CARE.—Child care services provided free of charge to facilitate the participation of individuals in other training and services provided under this section. The child care services shall be designed, to the extent practicable, to employ and train economically disadvantaged residents of the public housing project involved, and shall include—

(A) services to provide daytime care for the child dependents who do not attend school and adult dependents of eligible individuals;

(B) services to provide care after school hours for the child dependents of eligible individuals; and

(C) irregular, periodic, and evening care for the child dependents of eligible individuals scheduled to allow the eligible individuals to participate in the training and services provided under this section.

(b) PERMISSIVE TRAINING AND SERVICES.—Public housing agencies that receive grants under section 3 may make available as part of their gateway programs to individuals qualified under section 5 literacy training, training in basic and employment skills, and support services, in addition to the training and services described in subsection (a) and subject to the limitations of section 5, including the following:

(1) EMPLOYMENT ASSISTANCE.—Assistance in acquiring employment.

(2) EMPLOYMENT COUNSELING.—Employment counseling and vocational exploration services.

(3) DEVELOPMENT OF JOBS.—Development of employment positions.

(4) PRIVATE JOB TRAINING.—The provision of training in occupations for which demand is increasing and training in the course of employment, by private employers or organizations.

(5) OTHER FEDERAL EMPLOYMENT TRAINING OR SERVICES.—Training or services coordinated with other Federal employment-related activities.

(6) HIGH SCHOOL EDUCATION.—Assistance in the attainment of certificates of high school equivalency.

(7) COMPUTER SKILLS TRAINING.—Training in computer skills for use in education, skills training, and employment preparation.

(8) TRAINING IN APPLICATION OF SKILLS.—Services to help individuals receiving training and educational assistance to utilize their acquired skills in the competitive employment market.

(9) TRANSITIONAL ACTIVITIES.—Activities designed to provide transition from education to employment.

(10) DRUG PREVENTION SERVICES.—Services to assist individuals with drug prevention, drug counseling, and drug education programs.

(11) SUPPORT SERVICES.—Support services, including child care services in addition to the services described in subsection (a)(5) and transportation to training and services not held in public housing projects.

SEC. 5. LIMITATIONS ON GATEWAY PROGRAMS.

(a) ELIGIBILITY IN GENERAL.—Public housing agencies receiving grants under this Act shall limit participation in training and services provided under gateway programs to individuals who meet the following requirements:

(1) RESIDENCY.—The individual shall be a resident of public housing.

(2) AGE.—The individual shall be not more than 25 years of age.

(3) ECONOMIC DISADVANTAGE.—The individual shall be economically disadvantaged.

(4) EDUCATIONAL DISADVANTAGE.—The individual shall—

(A) have encountered barriers to employment because of a deficiency in a basic skill; or

(B) if over 16 years of age or beyond the age of compulsory school attendance under

State law, not have a certificate of graduation from a school providing secondary education and not have achieved an equivalent level of education.

(b) LIMITATIONS ON CHILD CARE SERVICES.—

(1) ELIGIBILITY.—Public housing agencies receiving grants under this Act shall limit the provision of child care services under section 4(a)(5) to the following individuals:

(A) PARTICIPANTS UNDER GATEWAY PROGRAMS.—Individuals who are participating in training or services under a gateway program (not including the provision of support services), during the participation of the individual in the training or services.

(B) UNEMPLOYED FORMER PARTICIPANTS UNDER GATEWAY PROGRAMS.—Individuals who have successfully completed participation in training or services under a gateway program (not including the provision of support services) and who are not employed, during a period in which the individual searches for employment after the completion of the training or services, as follows:

(i) COMMENCEMENT.—The period shall begin on the completion of the training or services by the individual.

(ii) TERMINATION.—The period shall end on whichever of the following occurs first:

(I) The expiration of the 3-month period after the completion of the training or services by the individual.

(II) The commencement of the employment of the individual in a position not funded by grants made under this Act.

(C) EMPLOYED FORMER PARTICIPANTS UNDER GATEWAY PROGRAMS.—Individuals who have successfully completed training or services under a gateway program (not including the provision of support services) and who are employed in a position not funded by grants made under this Act, during the 12-month period that begins with commencement of the employment of the individual.

(2) COMPLIANCE WITH STATE AND LOCAL LAWS.—A public housing agency that provides child care services under this Act shall ensure that the child care complies with applicable State and local laws.

(c) LIMITATIONS ON SUPPORT SERVICES.—An individual may receive support services under this Act after the individual terminates any participation in training or services under a gateway program (not including the provision of support services) only if the individual has completed the training or services. An individual may not receive support services later than 18 months after the completion of the training or services by the individual.

(d) LIMITATION ON NONRESIDENT PERSONNEL.—A public housing agency receiving a grant made under this Act shall attempt to employ in positions relating to the administration and delivery of training and services under gateway programs residents of the public housing project involved whenever qualified residents are available.

SEC. 6. EFFECT OF GATEWAY PROGRAMS.

(a) NONCONSIDERATION AS INCOME FOR PARTICIPATING INDIVIDUALS.—The earnings of and benefits to any individual resulting from participation in training and services under a gateway program shall not be considered as income for the purposes of determining eligibility for or the amount of public assistance or determining a limitation on the amount of rent paid by the individual during the following periods:

(1) PERIOD OF PARTICIPATION UNDER GATEWAY PROGRAM.—The period during which the individual participates in training or services under a gateway program (not including the provision of support services).

(2) EMPLOYMENT PERIOD.—If the individual participating in training or services under a gateway program (not including the provision of support services) successfully completes the training or services, a single period, not to exceed 18 months, as follows:

(A) COMMENCEMENT.—The period shall begin on the commencement of employment of the individual in the first position acquired by the individual after completion of the training or services that is not funded by a grant under this Act.

(B) TERMINATION.—The period shall end on whichever of the following occurs first:

(i) The expiration of the 18-month period following the commencement of the period described in subparagraph (A).

(ii) The individual ceases to continue employment without good cause, as the Secretary shall determine (with the advice of the Gateway Task Force).

(b) PUBLIC HOUSING OPERATING ASSISTANCE.—The use of the facilities of a public housing agency receiving a grant under this Act in the provision of training or services under a gateway program shall have no effect on the amount of assistance provided to the public housing agency under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g).

SEC. 7. TASK FORCE.

(a) ESTABLISHMENT.—There is established an interagency task force to be known as the "Gateway Task Force".

(b) PURPOSE.—The Task Force shall advise and assist the Secretary in carrying out the responsibilities of the Secretary under this Act and shall carry out the functions of the Task Force under this Act.

(c) INFORMATION AND FACILITIES.—The Secretary shall provide the Task Force with the information and facilities necessary to carry out the purposes of the Task Force.

(d) MEMBERSHIP.—The Task Force shall be composed of 8 members as follows:

(1) OFFICER OF DEPARTMENT OF LABOR.—An individual, designated by the Secretary of Labor, who is an officer of the Department of Labor.

(2) OTHER DESIGNEE OF SECRETARY OF LABOR.—An individual, designated by the Secretary of Labor, who is not an officer or employee of the Federal Government and has demonstrated knowledge or experience in the provision of social services or has demonstrated concern for underprivileged individuals.

(3) OFFICER OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—An individual, designated by the Secretary of Housing and Urban Development, who is an officer of the Department of Housing and Urban Development.

(4) OTHER DESIGNEE OF SECRETARY OF HOUSING AND URBAN DEVELOPMENT.—An individual, designated by the Secretary of Housing and Urban Development, who is not an officer or employee of the Federal Government and has demonstrated knowledge or experience in the provision of social services or has demonstrated concern for underprivileged individuals.

(5) OFFICER OF DEPARTMENT OF EDUCATION.—An individual, designated by the Secretary of Education, who is an officer of the Department of Education.

(6) OTHER DESIGNEE OF SECRETARY OF EDUCATION.—An individual, designated by the Secretary of Education, who is not an officer or employee of the Federal Government and has demonstrated knowledge or experience in the provision of social services or has demonstrated concern for underprivileged individuals.

(7) OFFICER OF DEPARTMENT OF HEALTH AND HUMAN SERVICES.—An individual, designated by the Secretary of Health and Human Services, who is an officer of the Department of Health and Human Services.

(8) OTHER DESIGNEE OF SECRETARY OF HEALTH AND HUMAN SERVICES.—An individual, designated by the Secretary of Health and Human Services, who is not an officer or employee of the Federal Government and has demonstrated knowledge or experience in the provision of social services or has demonstrated concern for underprivileged individuals.

(e) TERMS.—Members of the Task Force shall be appointed for the duration of the Task Force.

(f) VACANCIES.—A vacancy in the Task Force shall be filled in the manner in which the original appointment was made.

(g) CONTINUATION OF MEMBERSHIP.—If any member of the Task Force who was appointed to the Task Force as an officer of the Department of Labor, the Department of Housing and Urban Development, the Department of Education, or the Department of Health and Human Services, leaves the department, or if any member of the Task Force who was appointed from persons who are not officers or employees of the Federal Government becomes an officer or employee of the Federal Government, the member may continue as a member of the Task Force for not longer than the 60-day period beginning on the date the member leaves the department or commences employment with the Federal Government, as the case may be.

(h) COMPENSATION.—Members of the Task Force shall receive no pay on account of their service on the Task Force, except that members shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed under section 5703 of title 5, United States Code.

(i) CHAIRPERSON.—The Chairperson of the Task Force shall be elected by receiving a vote of a majority of the members of the Task Force.

(j) TERMINATION.—The Task Force shall cease to exist 5 years after the date of the 1st regularly called meeting of the Task Force, not including an initial meeting called for organizational purposes.

SEC. 8. REVIEW AND SANCTIONS.

(a) REVIEW.—

(1) SECRETARY.—The Secretary shall review at least annually the compliance of the public housing agencies receiving grants under this Act with the provisions of this Act.

(2) TASK FORCE.—The Task Force shall review at least annually the gateway programs of public housing agencies receiving grants under this Act for the purpose of determining the merits of the various programs in enhancing the employability of residents of public housing, advising the Secretary regarding the determinations, and making recommendations regarding the grant program under section 4 and the various training and services under gateway programs.

(b) SANCTIONS FOR NONCOMPLIANCE.—Whenever the Secretary determines on the record after opportunity for a hearing that a public housing agency has failed to comply substantially with the provisions of this Act, the Secretary shall notify the public housing agency that no further grant payments will be made to the public housing agency under this Act until the public housing agency demonstrates, to the satisfaction of the Secretary, that the public housing agency will comply. Until the public housing agency demonstrates as required by this subsection, the Secretary may not make further grant payments to the public housing agency under this Act.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SEC. 9. REPORTS.

(a) ANNUAL REPORTS.—The Secretary shall transmit annually to the President and to each House of the Congress a report containing a detailed statement of the activities of the Task Force in the preceding 12 months and the recommendations of the Task Force for any action it considers appropriate.

(b) FINAL REPORT.—The Secretary shall transmit to the President and to each House of the Congress a report not later than the date of termination of the Task Force under section 7(i). The report shall contain a detailed statement of the findings and conclusions of the Task Force with regard to the activities of public housing agencies awarded grants under this Act and the recommendations of the Task Force for any action the Task Force considers appropriate.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) BASIC SKILLS.—The term "basic skills" means the rudimentary skills necessary for an individual to function in daily living, including literacy, arithmetic skills, and problem-solving.

(2) ECONOMICALLY DISADVANTAGED.—The term "economically disadvantaged" has the meaning given the term in section 4(8) of the Job Training Partnership Act (29 U.S.C. 1503(8)).

(3) GATEWAY PROGRAM.—The term "gateway program" means a program for the provision of training and services described in section 4 established by a public housing agency under a grant made by the Secretary under this Act.

(4) LITERACY.—The term "literacy" means the knowledge and skills necessary to communicate, including reading, writing, speaking, and listening normally associated with the ability to function at a level greater than the 8th grade level.

(5) OFFICER.—The term "officer" has the meaning given the term in section 2104 of title 5, United States Code.

(6) PUBLIC ASSISTANCE.—The term "public assistance" means cash payments, credits, or other assistance or benefits provided to individuals or families under Federal law.

(7) PUBLIC HOUSING.—The term "public housing" has the meaning given the term in section 3(b)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(1)).

(8) PUBLIC HOUSING AGENCY.—The term "public housing agency" has the meaning given the term in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

(9) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(10) SUPPORT SERVICES.—The term "support services" means services to facilitate the participation of residents of public housing in training and services under gateway programs. The term includes child care services under section 4(a)(5) and services under section 4(b)(10).

(11) TASK FORCE.—The term "Task Force" means the Gateway Task Force established in section 7.

SEC. 11. REGULATIONS.

The Secretary shall issue any regulations necessary to carry out this Act.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $50,000,000 for fiscal year 1990. Any amount appropriated under this section shall remain available until expended.

By Mr. METZENBAUM (for himself and Mr. GRASSLEY):

S. 1255. A bill to provide better services for individuals with Alzheimer's disease and related dementias through improved biomedical research, health services research, and training of health care personnel, and for other purposes; to the Committee on Labor and Human Resources.

ALZHEIMER'S DISEASE RESEARCH AND TRAINING ACT

● Mr. METZENBAUM. Mr. President, today, with my distinguished colleague, the Honorable Senator from Iowa, Mr. CHARLES E. GRASSLEY, I introduce the Alzheimer's Disease Research and Training act of 1989. The bill is based on the recommendations of the National Alzheimer's Disease Advisory Panel, composed of national leaders in five categories of expertise: biomedical research scientists, health services research, long-term care providers, financing, and family caregivers in national voluntary organizations.

The 99th Congress, in title IX of Public Law 99-660, charged the panel with responsibility for advising Congress annually on Alzheimer's disease research priorities, and for making policy recommendations.

When the panel members were named, several of my colleagues commented favorably:

Senator EDWARD KENNEDY, Chairman of the Committee on Labor and Human Resources, hoped "that the panel's work will catalyze the research and policy efforts essential to conquering this dread disease." The panel's work will do so if we provide the resources.

Senator ORRIN HATCH, ranking minority member, Committee on Labor and Human Resources, declared, "Alzheimer's disease is the scourge which affects countless thousands of elderly people in this country. The Advisory Panel for Alzheimer's Disease will focus much needed attention on this disease and the plight of its victims. I look forward to receiving the panel's advice." We now have the first installment of that advice, and should act on it.

And our beloved late colleague, the Honorable Claude Pepper saw the panel as "an expert and meaningful panel to study the disease of the century," and he urged that we "make certain that the fruits of their good work are in the end made available to the millions of elderly afflicted with this devastating disease." Surely we have an obligation to do just that.

Right now, more than 4 million Americans are afflicted with Alzheimer's disease—a tragic and irreversible affliction that destroys the mind and humanity of its victim.

The situation may get worse. The number of people with severe dementia is projected to increase by 60 percent by the year 2000; at that time, more than 40 percent of the growing 85 and older population will be affected.

But there is hope.

And that hope—in fact, the only hope—is prevention of Alzheimer's disease through biomedical research.

At the same time, we must develop the best and most cost-effective services for clinical and supportive care of Alzheimer's victims.

That is why we have introduced the Alzheimer's Disease Research and Training Act of 1989. With our bill, we hope to answer a critical and growing need.

As recommended by the panel, our bill authorizes the appropriation of $150 million for biomedical research in fiscal year 1990. It would allow the National Institute on Aging to double the number of grant proposals it funds.

Additionally, it would allow for longitudinal, multidisciplinary studies and clinical trials; tissue banks and patient registries; establishment of satellite facilities for expanded diagnostic and treatment services; recruitment of new researches and training of scientists from underserved States and regions.

A range of services is needed at different stages of Alzheimer's, and development of this continuum of services for Alzheimer's patients could be a model for other chronic disabling conditions.

Our bill also authorizes $25 million to establish 10 health services research centers on Alzheimer's disease and related dementias, and to support investigation of initiated health services projects.

Finally, our bill authorizes $4 million to train professionals, paraprofessionals, and support personnel caring for Alzheimer's patients and related dementias—patients who have lost cognitive abilities and unique behavior patterns.

We urgently need a breakthrough on Alzheimer's disease.

With the year 2000 just a decade away, we must act to stem the tragic and painful devastation that Alzheimer's inflicts on individuals and their families. Our greatest cost would be to do nothing in the face of this massive health problem.

We are all aware of the changing demographics of this Nation, of the rapid aging of our population. It is incumbent upon us to address the tragedy of Alzheimer's disease before our institutions and resources are totally overwhelmed. The cost is minuscule compared with the devastation to be averted.

We urge our colleagues to take needed action now, and support the Alzheimer's Disease Research and Training Act of 1989.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Alzheimer's Disease Research and Training Act of 1989".

SEC. 2. FINDINGS.

Congress finds that—

(1) the National Alzheimer's Disease Advisory Panel, that is composed of national experts and family members and authorized by the 99th Congress, has presented its recommendations to Congress.

(2) more than 4,000,000 people are afflicted with Alzheimer's disease, a devastating disease that destroys the mind and humanity of the victim;

(3) Alzheimer's disease is estimated to affect over 11 percent of individuals over 65 years of age and more than 40 percent of individuals over 85 years of age;

(4) the number of people with severe dementia is expected to increase 60 percent by the year 2000;

(5) the cost of Alzheimer's disease to the Nation is approaching $80,000,000,000;

(6) unless a cure or means of prevention of Alzheimer's disease is discovered, two and a half or three times more Americans will be affected by the disease by the year 2040, with a minimum of two and a half to three times the cost referred to in paragraph (5);

(7) biomedical research offers the only hope for preventing Alzheimer's disease, yet only one in four of National Institutes of Health approved investigator-initiated proposals can be funded with existing resources;

(8) research on clinical care and health services delivery offers the best hope for developing the most appropriate and cost-effective strategies for home and community-based services, yet only minuscule funding is available for such research;

(9) Alzheimer's disease patients require a full range of services at different stages of the illness, and the development of this continuum of care can provide a model for other chronic disabling conditions;

(10) the loss of cognitive abilities and the unique behavioral patterns of Alzheimer's disease patients require specialized training for professionals, paraprofessionals and support personnel; and

SEC. 3. BIOMEDICAL RESEARCH.

(a) GENERAL APPROPRIATION.—In addition to amounts otherwise authorized to be appropriated for fiscal year 1990, $150,000,000 is authorized to be appropriated to conduct biomedical research relating to Alzheimer's disease in order to substantially increase, by at least 50 percent, the number of approved meritorious investigator-initiated grant proposals funded in accordance with the recommendations of the Advisory Panel on Alzheimer's Disease (as established in section 921(a) of the Alzheimer's Disease and Related Dementias Services Research Act of 1986 (42 U.S.C. 11221(a))).

(b) SPECIFIC APPROPRIATIONS.—From the amounts appropriated under subsection (a), the Secretary of Health and Human Services shall provide—

(1) at least $30,000,000 to the 15 Alzheimer's Disease Research Centers (as referred to in section 445 of the Public Health Service Act (42 U.S.C. 285e-2)) to enable such Centers to conduct or operate longitudinal and consortium-type multi-disciplinary studies and clinical trials, tissue banks, and patient registries;

(2) at least $15,000,000 to permit the 15 Alzheimer's Disease Research Centers, as referred to in paragraph (1), to establish—

(A) offsite facilities that shall provide essential high quality services in the diagnosis and treatment of Alzheimer's Disease; and

(B) satellite facilities, that shall be linked to the Alzheimer's Disease Research Centers to utilize the technical resources, expertise in diagnosis, treatment, and training of such Centers in order to improve the quality of such services in underserved areas; in rural regions;

(3) at least $2,000,000 to the National Institute on Aging, (as established in subpart 5 of Title 4 of the Public Health Service Act (42 U.S.C. 285e through 285e-8)), to enable such Institute to—

(A) attract new or young investigators to pursue careers in fields involving research on the biomedical, behavioral, and social aspects of Alzheimer's disease; and

(B) develop institutional training programs within the general guidelines of the National Research Service Awards program that emphasize—

(i) training of individuals at the post-doctoral level;

(ii) training of scientists from States or regions that are underserved; and

(iii) training of women and under-represented groups; and

(4) at least $20,000,000 to be used in conjunction with selected research institutions, to expand construction on the Alzheimer's Disease Research Centers, as referred to in paragraph (1), that are considered by the Director of the National Institute on Aging to be inadequate and antiquated on the date of enactment of this Act.

(c) ADMINISTRATION OF FUNDS.—

(1) NATIONAL INSTITUTE ON AGING.—Not less than 70 percent of the funds made available under subsection (a) shall be administered by the National Institute on Aging.

(2) NATIONAL INSTITUTE ON MENTAL HEALTH.—Not less than 15 percent of the amount referred to in paragraph (1) shall be administered by the National Institute of Mental Health and the National Institute of Neurological Disorders and Stroke.

(d) COORDINATION OF RESEARCH.—The research efforts conducted with funds made available under this section shall be coordinated by the Alzheimer's Disease Coordinating Committee of the National Institutes of Health and the the Council on Alzheimer's Disease (as established in section 911(a) of the Alzheimer's Disease and Related Dementias Services Research Act of 1986 (42 U.S.C. 11211(a))).

SEC. 4. RESEARCH ON SERVICES AND THEIR FINANCING.

(a) GENERAL SERVICES.—

(1) RESEARCH AND EVALUATION.—There are authorized to be appropriated $25,000,000 for each fiscal year to be utilized by the Secretary of Health and Human Services to conduct research and prepare evaluations on Alzheimer's disease services, psychosocial issues, and behavioral management methods, including the best methods to design, deliver, and finance programs of clinical care and family services for Alzheimer's disease patients.

(2) HEALTH SERVICES FOCUS.—Of the amounts appropriated under paragraph (b)(1), $10,000,000 shall be made available to establish not more than 10 Health Services Research Centers on Alzheimer's Disease to work in conjunction with the Alzheimer's Disease Research Centers that focus on biomedical issues relating to Alzheimer's disease.

(b) INCREASE IN FUNDING FOR THE ALZHEIMER'S DISEASE AND RELATED DEMENTIAS SERVICE RESEARCH ACT.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, in addition to amounts otherwise appropriated for fiscal year 1990, $15,000,000 in 1990 to carry out the Alzheimer's Disease and Related Dementias Service Research Act.

(2) EXPENDITURE OF FUNDS.—The amounts made available under paragraph (1) shall be used by the National Institute on Aging, the National Institute of Mental Health, the National Center for Health Services Research and Health Care Technology Assessment, and the Health Care Financing Administration for the purposes specified in parts D and E of the Alzheimer's Disease and Related Dementias Services Research Act of 1986 (42 U.S.C. 11223 through 11273).

(c) AUTHORIZATION OF APPROPRIATIONS.—In order to establish Centers for Health Services Research on Alzheimer's Disease and Related Dementias, there is authorized to be appropriated—

(1) $3,000,000 for fiscal year 1990 for the establishment of 3 such Centers;

(2) $6,000,000 for fiscal year 1991, of which—

(A) not more than $3,000,000 shall be used to operate and administer the Centers established with amounts made available under paragraph (1); and

(B) at least $3,000,000 shall be used to establish 3 additional Centers; and

(3) $10,000,000 for fiscal year 1992, of which—

(A) not more than $6,000,000 shall be used to operate and administer the Centers established with amounts made available under paragraphs (1) and (2); and

(B) at least $4,000,000 shall be used to establish 4 additional Centers.

(d) COORDINATION OF RESEARCH EFFORT.—Research efforts that receive assistance under this section shall be coordinated through those Alzheimer's Disease Research Centers in existence on the date of enactment of this Act, and with the assistance of the Department of Health and Human Services Council on Alzheimer's Disease.

(e) TYPES OF RESEARCH.—The research efforts that receive assistance under this section shall be focused on—

(1) the epidemiology and the identification of risk factors for Alzheimer's disease and related dementias;

(2) the development of methods for early diagnosis, functional assessment, and psychological evaluation of individuals, and families of individuals, with Alzheimer's disease and related dementias in order to monitor the progress of the disease and develop strategies for improving the quality of life of such individuals and families;

(3) the understanding of the optimal range and cost-effectiveness of community and institutional services available for individuals, and families of individuals, with Alzheimer's disease and related dementias, particularly concerning—

(A) the design, delivery, staffing, and mix of such services;

(B) the coordination of such services with other services; and

(C) the relationship of formal to informal support services;

(4) the understanding of optimal methods of combining formal support services provided by health care professionals with informal support services provided by family, friends, and neighbors of individuals with Alzheimer's disease, and the identification of methods that can be utilized by families to reduce psychological, social, and physical problems induced by stress related to Alzheimer's disease; and

(5) the costs incurred in caring for individuals with Alzheimer's disease and related dementias.

SEC. 5. SPECIALIZED TRAINING.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $4,000,000 in fiscal year 1990 to be used by the Secretary of Health and Human Services for the training of professionals, paraprofessionals, and support personnel responsible for the care of, or working with, patients with Alzheimer's disease and related

dementias. Such training may include special training for—

(1) case managers with respect to information and referral for Alzheimer's patients, and the families of such patients, to home and community-based services for such patients;

(2) nursing home personnel who care for individuals with Alzheimer's disease; and

(3) personnel who provide patient and family counseling and care planning.

(b) COORDINATION OF TRAINING.—The training referred to in subsection (a) shall be coordinated with—

(1) established training programs that are administered by the National Institute on Aging, the National Institute of Mental Health, the Health Resources and Services Administration, and the Administration on Aging, with assistance provided under this Act; and

(2) established training programs, including those associated with Mental Health and Aging Training Programs, Geriatric Education Centers, Geriatric Research and Training Centers, Teaching Nursing Homes, Alzheimer's Disease Research Centers, and Alzheimer's Disease Education and Referral Centers, with the consultation of the Department of Health and Human Services Council on Alzheimer's Disease.●

By Mr. GORE (for himself, Mr. BOSCHWITZ, Mr. WIRTH, Mr. HEINZ, Mr. CRANSTON, Mr. BUMPERS, Mr. SIMON, Mr. KERRY, Mr. LAUTENBERG, and Mr. PRYOR):

S.J. Res. 162. Joint resolution to urge the Nobel Commission to consider awarding Nobel Prize recognition for achievements in preservation of the world environment; to the Committee on Foreign Relations.

NOBEL PRIZE RECOGNITION FOR PRESERVATION OF THE WORLD ENVIRONMENT

Mr. GORE. Mr. President, we have all watched world environmental problems rise to the forefront of the public's attention. In this decade, we have found that the problems in the environment are no longer confined within the borders of one nation. Today, these are truly problems of international scope. The global cooperation that will be required to protect the planet's ability to support life will be unprecedented.

Before corrective steps can be considered, however, we must become aware of the problems. That awareness begins with the dedicated efforts of individuals committed to identifying those problems, and forging the solutions. The work of such individuals has already led to a profound change in public consciousness and in the agendas of all governments.

It seems highly appropriate to me that those who have made outstanding contributions to the world's awareness of our environment receive recognition truly global in scope. For this reason, I am offering a resolution today, urging the Nobel Commission to consider awarding Nobel Prize recognition for achievements in preservation of the world environment. It is my hope that such a prize would recognize those outstanding individuals worldwide who have made signal contributions to our awareness of, and responsibility for, the environment. Such recognition would serve all of the planet's citizens well, by drawing the public's attention to those issues which have emerged to profoundly stir the consciousness of nations.

I am honored to be joined today in this resolution by nine of my friends and colleagues: Mr. BOSCHWITZ, Mr. WIRTH, Mr. HEINZ, Mr. CRANSTON, Mr. BUMPERS, Mr. SIMON, Mr. KERRY, Mr. LAUTENBERG, and Mr. PRYOR.

I am convinced that the complexity of problems which make up the global ecological crisis pose the most serious environmental challenge we have ever faced, bar none. The Nobel Prize would recognize the profound contribution to mankind made by those dedicated individuals who have, and will continue to, alert us to the problems and forge their solutions. And certainly, Mr. President, humankind's pursuit of progress in the sciences, literature, economics, and world peace will falter if we do not also work to save the planet on which we live.

By Mr. EXON (for himself and Mr. PRYOR):

S.J. Res. 163. Joint resolution proposing an amendment to the Constitution relating to the election of the President and Vice President of the United States; to the Committee on the Judiciary.

AMENDING THE CONSTITUTION REGARDING THE ELECTION OF THE PRESIDENT AND VICE PRESIDENT

Mr. EXON. Mr. President, I rise to offer an amendment to the Constitution to eliminate the electoral college and permit the direct election of the Presidential ticket.

I have long felt that the electoral college is a relic which has outlived its usefulness. It is time to do away with the electoral college and make every vote across the Nation count. Certainly, the United States is now mature enough as a nation to elect it's own President.

The American people also agree. Over the years, public opinion has consistently favored the direct election of the President.

Electoral arithmetic forces Presidential candidates to adopt special interest strategies to capture the electors in larger States and ignore the real problems of smaller States. A system which makes all votes equal will encourage candidates to run their campaigns based on the national interest.

The electoral college is an antidemocratic institution. With its winner-take-all tradition, votes for opposing candidates in each State are essentially eliminated from consideration. A Presidential ticket in theory only needs to win the 11 largest States, even by the very narrowest margins and lose all other States even by significant margins to be elected; regardless of the total popular vote.

Mr. President, I say winner-take-all tradition because, there is nothing to legally bind electors to vote any particular way. The electoral college could, in theory, disregard the popular vote of the electorate and vote as the electoral college pleases.

Several times in American history, including in the 1988 election, one or two so-called faithless electors voted for candidates of their own choosing.

While an occasional faithless elector will not threaten the outcome of an election, three times in our Nation's history, Presidents were elected without a popular mandate.

In 1824, Andrew Jackson received 43.1 percent of the popular vote and 37.9 percent of the electoral vote while his opponent, John Quincy Adams, received 30.5 percent of the popular vote and 32.1 percent of the electoral vote.

Since no candidate received a majority of the electoral vote, the election was thrown to the House of Representatives as directed by the Constitution, where John Quincy Adams secured the support of 13 State delegations winning over Andrew Jackson who had won the support of only seven State delegations.

In 1876, Samuel Tilden received 50.1 percent of the popular vote and lost to Rutherford B. Hayes who won a one-vote majority in the electoral college.

The third case occurred in 1888. Grover Cleveland won 48.7 percent of the popular vote and 42 percent of the electoral vote, while his opponent, Benjamin Harrison, became President with only 47.9 percent of the popular vote and 58 percent of the electoral vote.

If the electoral college system is not changed, I suspect that within my lifetime, history will repeat itself. Indeed, in 20 Presidential elections, a 1-percent shift in the national vote could have changed the outcome of the election.

In 1976 the shift of a mere 10,000 votes in two States would have elected President Ford despite the 2 million popular vote margin won by Governor Carter. In the 1988 election the people gave the Vice President Bush 54 percent of the popular vote and the electoral college gave the new President 79 percent of the electoral vote. It is only a matter of time before the Nation is again faced with misfire of the electoral college.

The proposed constitutional amendment I introduce today eliminates the electoral college and allows the people to choose their President. Under this proposal, if no Presidential ticket should receive at least 50 percent of the popular vote and the majority of the vote in at least one-third of the States, a run-off election between the two highest vote-getters would be held.

This system will guarantee that the will of the people will prevail but at the same time will not expose the Nation to the factionalism feared by our Founding Fathers.

I introduced this legislation in the last Congress, in part to start a nation-

al examination of our electoral process. Similar legislation was introduced in 1979 by Senator Birch Bayh of Indiana. I am delighted that this legislation has been discussed by many Americans including students at Omaha's Westside High School, participants in a constitutional seminar in Georgia and on a radio talk show in Oregon.

Our Nation's constitutional history is one of granting increasing democratic power to the people. In 1776 our Founding Fathers declared their independence from the King of England. In 1787 the Constitution was adopted; in 1791 the Bill of Rights was ratified; in 1865 slavery was prohibited; in 1868 the vote was extended to former slaves; in 1913 the selection of the Senate was taken from the State legislatures and given directly to the people; in 1920 the vote was given to women; and in 1971 the right to vote was extended to 18-, 19-, 20-year-olds. Over our history, the Nation has never been satisfied with the democratic status quo. The direct election of the President simply continues our Nation's long march to improve and strengthen our democracy.

I look forward to the continued national discussion and the debate that the introduction of this proposed constitutional amendment will spark. I ask my colleagues to give this legislation serious consideration. I welcome any comments and suggestions to change and improve this legislation.

I ask unanimous consent that the text of this proposed constitutional amendment be printed at the close of my remarks and that Senator Pryor's speech be inserted into the RECORD as well.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S.J. RES. 163

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District consituting the seat of government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President.

"SEC. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for the electors of President and Vice President, any State may prescribe by law less restrictive residence qualifications and for electors of President and Vice President the Congress may by law establish uniform residence qualification.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 50 per centum of the whole number of votes cast and such number be derived from a majority of the number of votes cast in each State comprising at least one-third of the several States. If, after any such election, none of the persons joined as candidate for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held within sixty days in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greatest number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed by law in each State; but the Congress may by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than thirty days after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of either the President-elect or the Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take two years after the ratification of this article.

"SEC. 7. The Congresss shall have power to enforce this article by appropriate legislation.".

Mr. PRYOR. Mr. President, I am pleased to cosponsor my good friend Senator EXON's constitutional amendment to provide for the direct election of the President and Vice President. This past Presidential election marked the 100th anniversary of the last selection by the electoral college of a "minority" President. In 1888, Benjamin Harrison lost in the popular vote to Grover Cleveland by a margin of 5,439,853 to 5,540,309, but won the electoral college vote by a margin of 233 to 168.

The electoral college system has resulted in the selection of three minority presidents, John Quincy Adams in 1824, Rutherford B. Hayes in 1876, and Harrison, and every election that is close in the popular vote presents the possibility of a fourth. Before this Nation again faces the constitutional crisis of the selection of a minority President, I think that we should seriously address the question of electoral college reform.

The electoral college system was highly controversial at the Constitutional Convention of 1787, and it presents many problems. The major contributing factor to the potential selection of a minority President is the fact that electoral votes are allocated by the winner-take-all method in 49 of the 50 States and in the District of Columbia. As a result, the allocation of electoral votes does not truly reflect the popular vote.

Four alternatives to the electoral college system have been proposed in the past. Under the district plan, last proposed in 1983, electoral votes would be allocated by giving two to the winner of the statewide popular vote and one each to the winner of the popular vote in each of the State's congressional districts. Under the proportional plan, last proposed in 1979, electoral votes would be proportioned based on the number of votes each candidate captures statewide. The automatic plan, last proposed in 1979, would abolish the electoral college, eliminating the problem of the elector who does not vote as he is pledged, and would automatically allocate electoral votes on a winner-take-all basis.

The alternative that has received the most attention and congressional action is the direct election plan. Under this plan, the electoral college would be eliminated and the President and Vice President would be elected by a majority of the nationwide popular vote. I cosponsored Senator EXON's version of the direct election plan in the historic 100th Congress.

Direct election is the approach I have always supported. In fact, Joint Resolution 1 introduced by former Indiana Senator Birch Bayh was one of the first bills I cosponsored upon coming to the Senate in 1979. As a Congressman 10 years earlier in 1969, I was a cosponsor of a House resolution which would have abolished the electoral college and provided for direct election of the President and Vice President. This resolution passed the House by a vote of 339 to 70, but never reached the Senator floor.

Although I have not seen a recent poll on this subject, I cannot help but believe that direct election of the President and Vice President still enjoys the support of a larger majority of the American people. I cannot understand the fear of those who oppose such an amendment. There is certainly nothing evil about proposing that each person's vote be counted equally. That is the way we have been taught to conduct elections from the time we first voted on our class officers in school.

The electoral college may have made sense before the advent of television, radio and daily newspapers. However, now the miracles of modern communication enable every citizen in this country to be well-informed about Presidential and Vice Presidential candidates.

Direct election of the President will give every man and woman in every State an equal voice in the election of our two highest national officials. It is time for our country, which believes in the equality of all its citizens, to adopt

VOL 135 PT 9 JE 14 — 22 1989 UMI

an election framework which ensures this same equality at the voting booth.

Congress is usually a creature of reaction, not action, and I hope that we will not have to face the constitutional crisis of the selection of another minority President before we act to correct the process. I urge my colleagues to carefully consider Senator EXON's proposal.

By Mr. NICKLES (for himself and Mr. ARMSTRONG):

S.J. Res. 164. Joint resolution designating 1990 as the "International Year of Bible Reading"; to the Committee on the Judiciary.

INTERNATIONAL YEAR OF BIBLE READING

● Mr. NICKLES. Mr. President, today I rise to introduce a resolution which would authorize and request the President to proclaim 1990 as the "International Year of Bible Reading." My colleagues may recall that in 1982, the Senate passed a resolution naming 1983 the Year of the Bible. This proposal is similar. However, this resolution shifts the focus from a national to an international level. Additionally, the resolution I am introducing today promotes the actual reading of the Bible. I think it is important.

History has illustrated the fact that the Bible has had a profound influence on our Founding Fathers in shaping the direction of our country as well as on the lives of individuals, families, and societies in many parts of the world. As President Lincoln once said, "No man was ever worse for living according to the directions of the Bible . . . Take all of this book (the Bible) upon reason that you can, and the balance on faith, and you will live and die a happier man."

Mr. President, I am happy to introduce legislation calling for the proclamation of 1990 as the "International Year of Bible Reading." I invite my colleagues to cosponsor this important resolution.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 164

Whereas the Bible, the Word of God, has made a unique contribution in shaping the United States as a distinctive and blessed Nation and people;

Whereas deeply held religious convictions springing from the Holy Scriptures led to the early settlement of our Nation;

Whereas many of our great national leaders, such as Presidents Washington, Jackson, Lincoln, and Wilson, paid tribute to the important influence the Bible has had in the development of our Nation;

Whereas President Jackson called the Bible "the rock on which our Republic rests";

Whereas the history of our Nation clearly illustrates the value of voluntarily applying the teachings of the Holy Scriptures in the lives of individuals, families, and societies;

Whereas, the Bible has had a profound positive effect in the shaping of individuals, families, and societies in many parts of the world;

Whereas, the Bible provides a major source of hope for the poor and repressed peoples of the world;

Whereas the family of nations now faces great challenges that will test international relationships as they have never been tested before;

Whereas the renewing of knowledge and faith in God through Holy Scripture reading can strengthen the family of nations and their respective people; and

Whereas numerous individuals and organizations around the world are joining hands to encourage international Bible reading in 1990: Now, therefore, be it

Resolved by the Senate and House of Representative of the United States of America in Congress assembled, That 1990 is designated as the "International Year of Bible Reading." The President is authorized and requested to issue a proclamation recognizing both the formative influence the Bible has had on many societies of the world and the need for world wide study and application of the teachings of the Holy Scriptures.

By Mr. WILSON (for himself, Mr. DOLE, Mr. THURMOND, Mr. WALLOP, Mr. HELMS, Mr. HATCH, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. D'AMATO, and Mr. DIXON):

S.J. Res. 165. Joint resolution proposing and amendment to the Constitution relating to the flag of the United States; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT RELATING TO THE FLAG OF THE UNITED STATES

Mr. WILSON. Mr. President, I think probably many of my colleagues experience something akin to the same shock and surprise that I did this morning when picking up the morning newspaper we found a lead line, a story declaring that the Supreme Court had rendered a decision which protected the burning of the American flag as exempt or as a permissible expression of first amendment rights, of free speech.

Mr. President, to say that I disagree with the decision considerably understates my feeling, but what I think is necessary is that the Congress of the United States not simply go on record expressing disagreement, but take the action that is necessary to give protection to the dignity and to the integrity of the flag of the United States. I am not going to debate at great length against the decision. I will just simply make these comments.

I think every schoolchild by the time they leave grammar school should understand the first amendment is perhaps the most important in the Bill of Rights to the Constitution. We do prize the freedom of expression in this country, and the reason why it was thought to be so important when it was added was that it was felt absolutely essential that those in this Nation, unlike nations all across the world at that time—and, frankly, in this time—that citizens of this Republic have as their absolute guaranteed right the ability to protest actions of their Government, to express dissenting opinions. It was by and large, to protect the right of people to make utterances that were politically unpopular, but it was intended to allow them to be critical, to express dissent with respect to policies, philosophies, laws. That is a right that we prize today.

Indeed, the irony of this decision, it seems to me, is that if that flag stands for anything, it stands for freedom. Perhaps the most important of those freedoms, I repeat, are those that are guaranteed by this first amendment, but they are not without limit. Justice Homes, many years ago, to make the point, said that there is not right to shout "fire" in a crowded theater. What he meant by that very simply was that even first amendment rights of free speech are subject to reasonable limitations in the public interest. There is no right to create panic; there is no right, I would submit, to engage in actual physical desecration of symbols, and I would liken this to the situation where someone might speak ill of the dead and be entitled to do so, but really not enjoy a right to go into a cemetery and desecrate the tombstone of the person for whom they held such low opinion.

There are certain standards of conduct which transcend matters of taste. We are not here objecting to someone expressing the most unpopular view in attacking a policy of this Government or in attacking a general ideology. He is privileged to do so. Indeed, as a friend of mine who was a Korean war veteran of the Marine Corps once observed as we were at law school together in Berkeley many years ago, and as he observed this student exercising his right of free speech up on a card table in the Student Union Building Square, the plaza there, as this young man asked one rhetorical question after another and asked why his brothers had been made to sacrifice one war after another. My friend with a booming, Flatbush accent responded to him, "So that you can stand up there on that soapbox and make a damn fool of yourself."

We respect the right of people to disagree, but the first amendment, I would submit, is intended to protect a certain quality of speech. It was to permit unpopular ideas to be expressed without fear and without retribution. But here we have seen a decision that I think goes too far. It confuses the symbol of our Nation with criticism of a policy, criticism of a law with unpopular political speech. Here we are talking about something that has been, in the act of its burning, desecrated in a way that is not simply criticism; it is more akin to an insult.

It seems to me, Mr. President, that we are perfectly consistent with the traditions of protecting free speech, the great American tradition of safeguarding unpopular political opinion, if we at the same time insist upon there simply being the observance of decent conduct with regard to the na-

tional symbol, a symbol for which people by the thousands have literally given their lives in combat, the most obvious example being the 6,000 Marines who gave up their lives in an attack upon Iwo Jima which culminated with the raising of the American flag on Mt. Suribachi. That flag raising became the most widely distributed news photograph in American history; indeed, in world history.

The flag that was raised by those Americans on that occasion was a symbol of all that all Americans think good about this Nation, and they have different views, different values, but there is a common bond and it is, it seems to me, our obligation as the elected representatives of the American people to provide, by legislation, in a way that guarantees the safeguard of differences, of different opinions of politically unpopular opinions, but in a way that guarantees the dignity and the integrity of the American flag.

So the joint resolution that I am introducing, Mr. President, is very simple. It proposes to add an article to the Constitution of the United States that will add a single sentence, and that sentence will read: "The Congress shall have the power to protect the integrity and dignity of the flag of the United States by appropriate legislation."

Mr. President, I introduce this Senate joint resolution on behalf of myself, Senators DOLE, THURMOND, WALLOP, HELMS, and HATCH, and I would be delighted to add any additional cosponsors who may wish to communicate with me or with either the Democratic or the Republican Cloakrooms.

By Mr. KERRY (for himself, Mr. HOLLINGS, Mr. ROTH, Mr. SANFORD, Mr. PELL, Mr. STEVENS, Mr. KENNEDY, Mr. WILSON, and Mr. BENTSEN):

S.J. Res. 166. Joint resolution to designate the period of September 16 through October 9, 1989, as "Coastweeks '89"; to the Committe on the Judiciary.

COASTWEEKS '89

● Mr. KERRY. Mr. President, I rise with a number of my colleagues to introduce a joint resolution in support of Coastweeks '89. Our coasts are among this Nation's most precious resources. Last summer America's beaches were sadly marred by medical waste, plastic pollution, sewage waste, and other debris which has littered our beautiful shores and closed many of our beaches. To educate our citizens on the valuable coastal resources we possess and the problems they face, I am offering a Senate joint resolution designating the 3 weeks of September 16 through October 9, 1989, as "Coastweeks '89."

Coastweeks '89 is the 8th year of this unique annual event. Its purpose is to educate the public about our precious coastal resources, and to work together to determine what all of us can do to preserve and clean up our Nation's shores.

Our oceans are literally being swamped by garbage, fouled by sewage sludge, choked by nutrients from acid rain, littered with plastic debris, and contaminated by medical waste. Unfortunately, history has shown that mankind often refuses to act on a situation until it becomes a dire emergency. We must do all we can to enlist the support of our citizens in reversing the situation. Coastweeks '89 will serve as an opportunity to foster enjoyment of our coasts, to call attention to the problems, to find out what is being done, and what individuals can do to help.

Last year 31 States and territories, a 5-percent increase over the previous year, participated in Coastweeks events including seafood banquets, lectures, and conferences, nature walks, cruises, photo contests, and museum exhibits. Coastal cleanups were among the most notable events, with thousands of volunteers nationwide pitching in to pick up 900 tons of trash. This is equivalent to an area of 88 city blocks ankle deep in trash. That we should have this much trash on our shores is alarming. In Massachusetts alone, 2,200 volunteers picked up 25 tons of debris.

This year the Coastal States Organization will serve as national coordinator for over 250 sponsors, including the League or Women Voters, Sea Grant, the Sierra Club, and the Coast Alliance. Coastweeks brings fishermen, scientists, teachers, elected officials, environmental organizations, local groups, families, and individuals together to work for a common goal. The emphasis is on activities that foster public awareness of our Nation's valuable salt- and fresh-water shores, the great diversity of their uses, the increasing pressure of conflicting activities and the urgent need for improved planning and management.

The Coastweeks '89 resolution creates an opportunity for the Senate to strengthen and support the efforts of the thousands who will lend their time and efforts to this year's celebration of our Nation's rich coastal resources. I ask my colleagues to join with me in cosponsoring this joint resolution.●

By Mr. THURMOND (for himself, Mr. DOLE, Mr. HEFLIN, Mr. MCCLURE, Mr. NICKLES, Mr. MCCONNELL, Mr. WILSON, Mr. MCCAIN, Mr. GRAMM, Mr. SYMMS, Mr. HATCH, Mr. NUNN, Mr. HELMS, Mr. PRESSLER, Mr. WALLOP, Mr. COCHRAN, Mr. LOTT, Mr. MURKOWSKI, Mr. WARNER, Mr. ROBB, Mr. DIXON, Mr. SIMPSON, Mr. BURNS, Mr. ARMSTRONG, Mr. MOYNIHAN, Mr. D'AMATO, Mr. SHELBY, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. EXON, Mr. GARN, Mr. COATS, Mr. DECONCINI, Mr. BENTSEN, Mr. ROTH, Mr. RUDMAN, Mr. KASTEN, Mr. MACK, Mr. FOWLER, Mr. HEINZ, Mr. JEFFORDS, Mr. BYRD, Mr. HOLLINGS, and Mr. FORD):

S.J. Res. 167. Joint resolution proposing an amendment to the Constitution of the United States to prohibit the desecration of the flag; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT TO PROHIBIT DESECRATION OF THE FLAG

Mr. THURMOND. Mr. President, I rise today, along with our distinguished minority leader, Senator DOLE, and Senators HEFLIN, MCCLURE, MOYNIHAN, BURNS, WALLOP, ARMSTRONG, NUNN, BENTSEN, COCHRAN, D'AMATO, KASSEBAUM, SHELBY, EXON, GARN, COATS, GRASSLEY, PRESSLER, DECONCINI, RUDMAN, MACK, FOWLER, KASTEN, HEINZ, JEFFORDS, BYRD, HOLLINGS, NICKLES, MCCONNELL, ROBB, HELMS, WARNER, GRAMM, SYMMS, HATCH, MURKOWSKI, DIXON, ROTH, SIMPSON, WILSON, MCCAIN, and LOTT and others, to introduce a proposed constitutional amendment which would protect our American flag from desecration.

This constitutional amendment would effectively overturn the Supreme Court's decision yesterday in Texas versus Johnson which allows protesters to burn and desecrate the American flag.

Our proposal makes clear that the Congress and individual States have the power to enact laws to prevent the desecration of the American flag.

The Supreme Court has couched its decision in terms of the first amendment's freedom of speech. As generally recognized, the first amendment does not give an absolute protection for the freedom of speech. The desecration of the American flag should not be protected under the first amendment.

It is unfortunate that we must now pass a constitutional amendment to afford protection to that which has symbolized American democracy for over 200 years.

I firmly believe that this narrow 5 to 4 decision was wrongly decided and absolutely does not reflect the sentiment of an overwhelming majority of Americans.

This morning I had the pleasure of participating in a radio talk show hosted from Anderson, South Carolina on this decision. The radio station received literally hundreds of telephone calls expressing anger, alarm, and disbelief that the Supreme Court ruled against protection for our most respected symbol of democracy, the American flag.

Mr. President, I believe these patriotic citizens expressing their consternation with this decision is typical of the reaction all across our great Nation.

I am disheartened that in the wake of our spirited celebration of the Bicentennial of the Constitution of the United States, the Supreme Court has seen fit to sanction contemptuous

desecration of one of the most admired and venerable of this great country. The American flag has flown as the shining beacon of democracy for over 200 years. Our Stars and Stripes have earned the respect and admiration of freedom loving people all over the world.

Mr. President, American veterans who have worn the uniform in defense of the freedoms we all enjoy must be truly angered and dismayed by the Supreme Court's recent decision. Men and women throughout our Nation's history have risked and given their lives so that liberty would persevere in the United States.

The American flag has led many brave soldiers into battle and served as an inspiration to the men and women who protected our democratic way of life.

It is indeed a sad day when the Supreme Court of the United States does not show our Nation's appreciation and patriotism by protecting the dignity of the American flag.

The appropriate action is now for the Congress—elected officials who represent the American public—to act swiftly to alter this overreaching decision and restore the proper deference and civil respect to the flag of the United States of America.

Mr. President, I urge my colleagues to join with me and the sponsors of this proposed constitutional symbol of freedom and democracy—the American flag.

By Mr. McCLURE (for himself, Mr. SYMMS, Mr. REID, and Mr. BRYAN):

S.J. Res. 168. Joint resolution to designate the week of October 2 through 8, 1989, as "America's Gold Week"; to the Committee on the Judiciary.

AMERICA'S GOLD WEEK

● Mr. McCLURE. Mr. President, I rise to introduce a joint resolution designating the week of October 2 through 8, 1989, as America's Gold Week. I am joined by my colleague from Idaho, Senator SYMMS, and Senators REID and BRYAN of Nevada.

Gold, historically one of man's most highly valued metals, is still an essential part of our society. While the U.S. gold mining industry has grown rapidly, making it the third largest producer of gold in the world, so too have gold's applications grown due to its unique properties. This expansion means that the mining, manufacturing, and selling of gold and gold products provide substantial growing employment throughout the United States.

We have come to rely on gold in many ways: we depend on gold in critical electronic and industrial uses, we purchase gold jewelry and coins for investments, and we count on gold to insure the reliability of our communications networks and our defense systems. In fact, gold has many modern applications of which many Americans are unaware.

A few examples of the use of gold in technology include: Gold seals and protects vital components of our space shuttle; gold alloy tubes in heat exchangers in nuclear powerplants prevent cracking of the metal and consequent leaking; gold is essential in heart pacemakers, kidney machines, as well as several other medical applications; and the list goes on.

Mr. President, I have been involved in a number of issues relating to gold. One program I am particularly proud of is the American Eagle Bullion Coin Act. Since its enactment in 1986, the American eagle bullion coins have been bought by millions of people all over the world, providing a lasting symbol of the United States wherever they are sold, and contributing to the balance of trade. These coins are both gold and silver.

The gold mining industry in the United States is a major contributor to our economic well being. Gold mining alone created over 12,000 new jobs in 1987.

Mr. President, I believe it is time for Congress to recognize the significant contributions made by this vital and growing industry, by declaring the week of October 2-8, 1989, as America's Gold Week. I encourage my colleagues to join in support of recognizing the substantial role that gold plays in our society.

Mr. President, I ask unanimous consent that a copy of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 168

Whereas gold is an essential component of many items used in high technology, space exploration, economics and daily life;

Whereas the gold industry currently employs hundreds of thousands of people in the mining, refining, manufacturing and sales of gold and gold products;

Whereas United States gold mining production has increased approximately 252% since 1981;

Whereas the United States is thereby moving toward self-sufficiency in gold thus contributing to the U.S. balance of trade;

Whereas developments in gold mining have significantly contributed to the opening of the western United States over the years;

Whereas the American Eagle Gold Bullion Coins provide a lasting symbol of the United States wherever they are sold throughout the world;

Whereas sales of the American Eagle Gold Bullion Coins contribute to reducing the national deficit and the balance of trade;

Whereas developments in gold mining and production significantly contribute to the economies and quality of life in all fifty states: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 2 through 8, 1989 is designated as "America's Gold Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

By Mr. HATCH (for himself and Mr. THURMOND):

S.J. Res. 169. Joint resolution proposing an amendment to the Constitution of the United States relating to conduct which casts contempt upon the flag of the United States; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT RELATING TO CONDUCT WHICH CASTS CONTEMPT UPON THE FLAG OF THE UNITED STATES

Mr. HATCH. Mr. President, yesterday the Supreme Court made a mistake. In a 5-to-4 decision, the Court ruled that a Texas statute which prohibits the intentional or knowing desecration of our national flag was unconstitutional. The Texas statute defined desecration as follows: "desecrate means deface, damage, or otherwise physically mistreat in a way that the actor knows will seriously offend one or more persons likely to observe or discover his action." Tex. Penal Code Ann. sec. 42.09 (1989).

Congress has for many years prohibited acts which knowingly cast contempt upon the flag of the United States. So strong is the congressional sentiment condemning flag desecration that criminal penalties are provided for "publicly mutilating, defacing, defiling, burning, or trampling upon" the flag. 18 U.S.C. 700. In addition, 48 of the 50 States have statutes prohibiting similar conduct.

I do not intend to dwell on the purpose of this amendment. In my view, we do no damage to the first amendment or the underlying principle of freedom of speech by carving out protection from desecration for this unique symbol of our country. This matter is truly sui generis. We can treat the flag with respect without creating fear of a slippery slope.

18 U.S.C. 700 provides criminal penalties to "[w]hoever knowingly casts contempt upon any flag of the United States by publicly mutilating, defacing, defiling, burning, or trampling upon it." My amendment will ensure the constitutionality of that statute and of similar State laws.

ADDITIONAL COSPONSORS

S. 122

At the request of Mr. INOUYE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 122, a bill to amend title XVIII of the Social Security Act to provide coverage for social worker services furnished at rural health clinics.

S. 148

At the request of Mr. PRESSLER, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Missouri [Mr. DANFORTH], the Senator from New York [Mr. D'AMATO], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Vermont [Mr. JEFFORDS], the

Senator from Florida [Mr. MACK], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

S. 243

At the request of Mr. MCCLURE, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 243, a bill to provide for the extension of regional referral center classification of certain hospitals under the Medicare Program and to continue the payment rates for such hospitals.

S. 335

At the request of Mr. MCCAIN, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under Part B of the Medicare Program, with the exception of the spousal impoverishment benefit.

S. 370

At the request of Mr. CHAFEE, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 432

At the request of Mr. ROCKEFELLER, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 435

At the request of Mr. REID, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 458

At the request of Mr. DECONCINI, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 507

At the request of Mr. SIMON, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 658

At the request of Mr. PELL, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 658, a bill to amend the Carl D. Perkins Vocational Education Act of 1984 to authorize appropriations for fiscal year 1990 and succeeding years, and for other purposes.

S. 659

At the request of Mr. SYMMS, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 659, a bill to repeal the estate tax inclusion related to valuation freezes.

S. 685

At the request of Mr. METZENBAUM, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 685, a bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pensions plans and to provide for an explicit exception to such rules for employer reversions meeting certain requirements.

S. 753

At the request of Mr. GORE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 753, a bill to provide a special statute of limitations for certain refund claims.

S. 754

At the request of Mr. PACKWOOD, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 754, a bill to restrict the export of unprocessed timber from certain Federal lands, and for other purposes.

S. 755

At the request of Mr. PACKWOOD, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 755, a bill to authorize the States to prohibit or restrict the export of unprocessed logs harvested from lands owned or administered by States.

S. 758

At the request of Mr. LAUTENBERG, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 758, a bill to require the Secretary of the Treasury to monitor the adherence by certain United States corporations to principles of nondiscrimination and freedom of opportunity in employment practices in Northern Ireland.

S. 771

At the request of Mr. REID, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 814

At the request of Mr. DOMENICI, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 814, a bill to provide for the minting and circulation of $1 coins, and for other purposes.

S. 933

At the request of Mr. HARKIN, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 933, a bill to establish a clear and comprehensive prohibition of discrimination on the basis of disability.

S. 972

At the request of Mr. WIRTH, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 972, a bill to transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of the effects of radiation, and for other purposes.

S. 980

At the request of Mr. MITCHELL, the names of the Senator from Florida [Mr. MACK], the Senator from Delaware [Mr. BIDEN], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of S. 980, a bill to amend the Internal Revenue Code of 1986 to improve the effectiveness of the low-income housing credit.

S. 1067

At the request of Mr. GORE, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1067, a bill to provide for a coordinated Federal research program to ensure continued U.S. leadership in high-performance computing.

S. 1119

At the request of Mr. MITCHELL, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 1119, a bill to amend the Internal Revenue Code of 1986 to provide that

unearned income of a child attributable to damages received on account of personal injuries or sickness of the child not be taxed at the marginal rate of such child's parents.

S. 1179

At the request of Mr. LAUTENBERG, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 1179, a bill to establish a comprehensive marine pollution restoration program, to amend the Federal Water Pollution Control Act and the Marine Protection, Research, and Sanctuaries Act, and for other purposes.

S. 1216

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1216, a bill to amend the National Labor Relations Act to give employers and performers in the live performing arts, rights given by section 8(e) of such act to employers and employees in similarly situated industries, to give to such employers and performers the same rights given by sections 8(f) of such act to employers and employees in the construction industry, and for other purposes.

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 59

At the request of Mr. WIRTH, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Maine [Mr. COHEN], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from Kansas [Mr. DOLE], the Senator from Washington [Mr. GORTON], the Senator from Utah [Mr. HATCH], the Senator from Wisconsin [Mr. KASTEN], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from Idaho [Mr. MCCLURE], the Senator from Virginia [Mr. ROBB], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. STEVENS], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of Senate Joint Resolution 59, a joint resolution designating January 19, 1990 as "National Skiing Day."

SENATE JOINT RESOLUTION 125

At the request of Mr. REID, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of Senate Joint Resolution 125, a joint resolution relating to responsible trade and conservation of tropical forest resources.

SENATE JOINT RESOLUTION 132

At the request of Mr. SASSER, the names of the Senator from Virginia [Mr. ROBB], the Senator from Missouri [Mr. DANFORTH], the Senator from Texas [Mr. BENTSEN], the Senator from Nevada [Mr. REID], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Joint Resolution 132, a joint resolution designating September 1 through 30, 1989, as "National Alcohol and Drug Treatment Month."

SENATE JOINT RESOLUTION 134

At the request of Mr. LEAHY, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 134, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "National Disability Awareness Week."

SENATE JOINT RESOLUTION 140

At the request of Mr. GLENN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 140, a joint resolution designating November 19-25, 1989, as "National Family Caregivers Week."

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. HUMPHREY, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution establishing procedures for expedited consideration by the Congress of certain bills and joint resolutions submitted by the President.

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. DECONCINI, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Concurrent Resolution 46, a concurrent resolution condemning the brutal treatment of, and blatant discrimination against, the Turkish minority by the Government of the People's Republic of Bulgaria.

AMENDMENT NO. 199

At the request of Mr. ROTH, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of amendment No. 199 proposed to S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

At the request of Mr. DODD, his name was added as a cosponsor of amendment No. 199 proposed to S. 5, supra.

AMENDMENT NO. 201

At the request of Mr. DOLE, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of amendment No. 201 proposed to S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

SENATE CONCURRENT RESOLUTION 49—RELATIVE TO THE REGULATION OF ALCOHOL BEVERAGES

Mr. GRASSLEY (for himself, Mr. DOLE, Mr. THURMOND, Mr. SIMON, Mr. SYMMS, Mr. BURNS, Mr. JEFFORDS, Mr. BURDICK, and Mr. BAUCUS) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 49

Whereas the Constitution of the United States provides for a Federal system of Government with powers not expressly delegated to the United States reserved to the States,

Whereas section 2 of the 21st Amendment to the Constitution provides that States shall have authority to regulate the importation and distribution of alcohol beverages within their borders,

Whereas, all States have established systems for regulating the sale and use of alcohol beverages consistent with the circumstances and public attitudes of that State, and

Whereas, the courts have consistently upheld the authority of the States to regulate intrastate commerce in alcohol beverages consistent with other protections of the Constitution: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that it is in the interest of a viable Federal system of Government that primary regulatory authority over alcohol beverages within their borders shall remain with the States.

● Mr. GRASSLEY. Mr. President, I rise today to submit a concurrent resolution whose purpose is to reaffirm the intent of the 21st amendment to the U.S. Constitution

In the course of considering the many bills that come before Congress every session, we occasionally need a reminder that ours is a federal system of government. In that system, many powers are reserved for the States, or are explicitly vested in the States, by the Constitution.

Section 2 of the 21st amendment explicitly gives States the power to regulate the importation and distribution of alcoholic beverages within their borders. Within that power, States preside over such questions as whether there shall be prohibition in all or part of the State, hours of operation for establishments that serve alcoholic beverages, conditions of license, cash loans, Sunday sales, and other regulatory questions. This concurrent resolution merely reaffirms the intent of section 2 of the 21st amendment with regard to the States' use of these powers.

The core powers of the State are, of course, subject to the constitutional powers of Federal Government, such as the authority to regulate interstate commerce, to attach conditions to the spending of Federal moneys, and to assure equal protection of the laws. The resolution expresses the accepted legal and judicial consensus on the meaning of the 21st amendment and in no way seeks to change that meaning. This resolution simply reminds us that some matters of regulation of alcoholic beverages are meant to be left to the States. Adherence to this principle, I submit, will enhance the effectiveness and efficiency of both the Federal and State Governments.

To demonstrate how this concurrent resolution follows the accepted interpretation of the 21st amendment and the ensuing case law, I ask unanimous consent that an analysis by John G.

Roberts, an attorney at the firm of Hogan & Hartson, be printed in the RECORD at the conclusion of my remarks.

Mr. President, I urge my colleagues to cosponsor this concurrent resolution, and thereby join Mr. DOLE, Mr. THURMOND, Mr. SIMON, Mr. SYMMS, Mr. BURNS, Mr. JEFFORDS, Mr. BAUCUS, and Mr. BURDICK who already have agreed to cosponsor. This concurrent resolution is a most worthy one and it deserves our approval.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANALYSIS OF CONCURRENT RESOLUTION TO REAFFIRM THE INTENT OF THE 21st AMENDMENT

The proposed resolution consists of four "whereas" clauses embodying statements reflective of the current state of the law, and a concluding resolution that "it is the sense of the Congress that it is in the interest of a viable Federal system of Government that primary regulatory authority over alcohol beverages within their borders shall remain with the States." We have reviewed the proposed Resolution and conclude that (1) the "whereas" clauses accurately reflect the current state of the law, and (2) the sense of the Congress resolution would not alter that state of the law, but would serve a valuable function in highlighting the commitment of the Congress to the values underlying the Twenty-first Amendment to the United States Constitution.

The first clause of the proposed Resolution states: "Whereas the Constitution of the United States provides for a Federal system of Government with powers not expressly delegated to the United States reserved to the States." The animating design of the Framers of the Constitution was a Federal system.[1] In addition, the Tenth Amendment specifies that "[t]he powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." While the Supreme Court has fluctuated on the issue of whether the Tenth Amendment may be judicially enforced,[2] there is no dispute that it remains a part of the written Constitution, and reflects the Framers' understanding of the nature of the Federal system.

The second clause of the proposed Resolution states: "Whereas section 2 of the 21st Amendment to the Constitution provides that States shall have authority to regulate the importation and distribution of alcohol beverages within their borders." Section 2 of the Amendment provides that "[t]he transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited." The Supreme Court has repeatedly recognized that this provision expressly authorizes state regulation of alcohol beverage importation and distribution within the State.[3]

The third clause of the proposed Resolution states: "Whereas, all States have established systems for regulating the sale and use of alcohol beverages consistent with the circumstances and public attitudes of that State." Each State regulates alcohol beverages, and there is a great deal of diversity in the approaches of the various States. Such diversity is a key benefit of the Federal system. *See, e.g., Chandler* v. *Florida*, 449 U.S. 560, 579 (1981) (ability of different States to try different approaches to social problems is "'one of the happy incidents of the federal system'") (quoting *New State Ice Co.* v. *Liebmann*, 285 U.S. 262, 311 (1932) (Brandeis, J., dissenting)).

The fourth clause of the proposed Resolution states: "Whereas, the courts have consistently upheld the authority of the States to regulate intrastate commerce in alcohol beverages consistent with other protections of the Constitution." This is an accurate statement of the law. When state regulation reaches *beyond* the state borders, it may be subject to scrutiny under the Commerce Clause of the Constitution.[4] In addition, when state regulation conflicts with Federal law, and therefore with the Supremacy Clause of the Constitution,[5] The Supreme Court will balance the state and Federal interests in resolving the conflict.[6] The "whereas" clause of the proposed Resolution appropriately takes account of such situations through the qualification that the state regulation be "consistent with other protections of the Constitution."

Finally, the conclusion of the proposed Resolution—"that primary regulatory authority over alcohol beverages within their borders shall remain with the States"—is fully in accord with the Twenty-first Amendment and the values of Federalism. This resolution recognizes the virtue in generally leaving such questions to be decided at the State level. Although this "sense of the Congress" resolution will not preclude future legislation inconsistent with the Resolution, it can serve a valuable purpose in highlighting the unique role of the States in this area under the Twenty-first Amendment, and the commitment of the Congress to preserving that role.●

[1] *See The Federalist* No. 45 ("The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite") (J. Madison) (C. Rossiter ed. 1961); *Younger* v. *Harris*, 401 U.S. 37, 44 (1971).

[2] *See Garcia* v. *San Antonio Metropolitan Transit Authority*, 469 U.S. 528 (1985) (Tenth Amendment not judicially enforceable), *overruling National League of Cities* v. *Usery*, 426 U.S. 833 (1976). *See also Garcia*, 469 U.S. at 580 (*National League of Cities* "will, I am confident, in time again command the support of a majority of this Court") (Rehnquist, J., dissenting).

[3] *See, e.g., 324 Liquor Corp.* v. *Duffy*, 479 U.S. 335, 346 (1987); *City of Newport* v. *Iacobucci*, 479 U.S. 92, 95 (1986); *Brown-Forman Distillers Corp.* v. *New York State Liquor Authority*, 476 U.S. 573, 584 (1986); *California Retail Liquor Dealers Ass'n* v. *Midcal Aluminum, Inc.*, 445 U.S. 97, 110 (1980).

[4] *See, e.g., Brown-Forman Distillers Corp.* v. *New York State Liquor Authority*, 476 U.S. at 585; *Hostetter* v. *Idlewild Bon Voyage Liquor Corp.*, 377 U.S. 324, 333-334 (1964).

[5] U.S. Const. Art. VI, cl. 2 ("This Constitution, and the Laws of the United States which shall be made in Pursuance thereof * * * shall be the supreme Law of the Land; * * * any Thing in the Constitution or Laws of any State to the Contrary notwithstanding").

[6] *See, e.g., Capital Cities Cable, Inc.* v. *Crisp*, 467 U.S. 691, 714 (1984).

SENATE CONCURRENT RESOLUTION 50—PROVIDING FOR A CONDITIONAL RECESS OR ADJOURNMENT OF THE SENATE AND A CONDITIONAL ADJOURNMENT OF THE HOUSE

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 50

Resolved by the Senate (the House of Representatives, concurring), That when the Senate recesses or adjourns at the close of business on Thursday, June 22, 1989, Friday, June 23, 1989, Saturday, June 24, 1989, Sunday, June 25, 1989, Monday, June 26, 1989, Tuesday, June 27, 1989, Wednesday, June 28, 1989, Thursday, June 29, 1989, Friday, June 30, 1989, or Saturday, July 1, 1989, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand recessed or adjourned until 8:30 a.m. on Tuesday, July 11, 1989, or until 12 o'clock noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occurs first; and that when the House adjourns on Thursday, June 29, 1989, or Friday, June 30, 1989, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12:00 o'clock noon on Monday, July 10, 1989, or until 12:00 o'clock noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

SENATE RESOLUTION 150—RELATING TO THE INCREASED FLOW OF NICARAGUANS INTO THE UNITED STATES

Mr. MACK (for himself, Mr. ARMSTRONG, Mr. DOLE, Mr. GRAMM, Mr. HATCH, Mr. HOLLINGS, Mr. LOTT, Mr. MCCAIN, Mr. SYMMS, and Mr. THURMOND) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 150

Whereas the number of new asylum cases filed by Nicaraguans nearly doubled during 1987, the same year in which the Congress took steps to discontinue military aid to the Nicaraguan Freedom Fighters;

Whereas in the last six months of 1988, 50 percent of the total number of Central Americans seeking asylum were Nicaraguans;

Whereas the Nicaraguans are fleeing from a Marxist government whose totalitarian policies deny individuals of their right to the most basic economic, religious and political freedoms;

Whereas the cessation of military aid undermined the hopes of the Nicaraguan people that the struggle of the Freedom Fighters would lead to a restoration of freedom in their country: Now, therefore, be it

Resolved, That it is the sense of the Senate that the current Nicaraguan refugee crisis is a direct result of Sandinista tyranny and Congress' unwillingness to provide consistent support to the Nicaraguan Freedom Fighters.

Mr. MACK. Mr. President, today I am submitting a sense of the Senate resolution identifying the link between Congress' unwillingness to continue military aid to the Nicaraguan Freedom Fighters and the sharp increase in Nicaraguans flowing into the United States.

Nicaraguans have been running from Communist oppression since the Sandinistas came to power. Estimates

VOL 135 PT 9 JE 14 — 22 1989 UMI

have been made that up to one-fourth of Nicaragua's total population has fled. Thousands of Nicaraguans have found refuge in Honduras and Costa Rica. These days Nicaraguans who are "voting with their feet" have made their way further north into the United States.

The number of new asylum cases filed by Nicaraguans nearly doubled during 1987, the same year Congress refused to continue military aid to the Nicaraguan Freedom Fighters. In the last 6 months of 1988, 50 percent of the total number of Central Americans seeking asylum were Nicaraguans.

The message is clear. Nicaraguan refugees are fleeing from a Marxist government whose totalitarian policies repress individuals of their right to the most basic economic, religious, and political freedoms.

The latest flow of Nicaraguans was a direct result of congressional action in the last session of Congress to discontinue military aid to the Nicaraguan Freedom Fighters.

The Congress had a clear choice then: to provide the Nicaraguan freedom fighters with sufficient military aid to fight Communist Sandinista policies or to pay the price later when Nicaraguans would be forced out of their country in search of basic human freedoms.

Now, local communities throughout the United States are paying the price for the Congress' failed Central American policy.

The south Florida community has embraced thousands of Nicaraguans providing food, temporary shelter, and the understanding of sympathetic Latin Americans who may have experienced similar situations in their lifetimes.

Florida taxpayers have already paid millions of dollars in basic services for the latest flow of Nicaraguan refugees. Costs are expected to exceed $100 million.

The list of expenditures is endless:

Cost estimates for Florida in health care, police, corrections and rehabilitation services are as high as $21 million over 12 months.

Dade County alone spent nearly $3.5 million in health care for indigent Nicaraguans in 1988.

The Bobby Maduro Stadium Project to house homeless Nicaraguans cost Miami $200,000.

Nicaraguan students are registering at the rate of 28 a day; that's one classroom a day.

Experience indicates that Federal reimbursement for expenses incurred by Florida for Nicaraguans fleeing from the Communist Sandinista regime will be an uphill battle. The Governor's office prepared a report from the last crisis in 1980 with the Cuban/Haitian boatlift. The report accounted for nearly $150 million in unreimbursed costs the Federal Government never paid Florida.

Costs continue to go unreimbursed by the Federal Government and Floridians continue to pay the bills.

There are those who blame the crisis in Nicaragua on the Contras. But these accusations are meaningless in light of the overwhelming testimony by Nicaraguans themselves who respond that they are fleeing from the Sandinistas, not the Contras.

The Nicaraguan resistance is the only force standing between the Sandinistas and unchallenged dictatorship in Nicaragua. Abandoning the resistance is tantamount to consigning the Nicaraguan people to the kind of dictatorship that has gripped Cuban for 30 years.

Therefore, it is incredible to me that anyone would suggest disbanding the Contras—and effectively allowing the Sandinistas to consolidate their power—is the way to address the Nicaraguan situation.

Ronald Reagan called communism a "huge refugee machine" and predicted that the Communist Sandinista regime would produce thousands of Nicaraguan refugees—just as did the totalitarian regimes in Vietnam, Cuba, Ethiopia, Cambodia, Laos, Angola, Mozambique, and Afghanistan.

Supporters of the Freedom Fighters tirelessly echoed Mr. Reagan's words, but were overpowered by the misguided leadership who wanted to "give peace a chance."

Until the Sandinistas are gone, or have fundamentally changed their system, the Sandinista "refugee machine" will continue to add to this human tragedy. And the United States will continue to be flooded by desperate Nicaraguans leaving everything behind for freedom.

SENATE RESOLUTION 151—SENSE OF THE SENATE ON THE SUPREME COURT DECISION DECLARING UNCONSTITUTIONAL THE TEXAS STATUTE PROHIBITING DESECRATION OF THE FLAG

Mr. MITCHELL (for himself, Mr. DOLE, Mr. THURMOND, Mr. SANFORD, Mr. BYRD, Mr. PELL, Mr. NICKLES, Mr. ROBB, Mr. SIMPSON, Mr. MCCAIN, Mr. GRAHAM, Mr. WARNER, Mr. BENTSEN, Mr. HEFLIN, Mr. DIXON, Mr. ROTH, Mr. HEINZ, Mr. KASTEN, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BIDEN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BRYAN, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COHEN, Mr. D'AMATO, Mr. DASCHLE, Mr. DECONCINI, Mr. EXON, Mr. FORD, Mr. FOWLER, Mr. GARN, Mr. GORE, Mr. GRAMM, Mr. GRASSLEY, Mr. HARKIN, Mr. HELMS, Mr. HOLLINGS, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MCCLURE, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MURKOWSKI, Mr. NUNN, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. ROCKEFELLER, Mr. RUDMAN, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. SYMMS, Mr. WALLOP, Mr. WILSON, and Mr. WIRTH) submitted the following resolution; which was considered and agreed to:

S. RES. 151

Whereas the First Amendment to the United States Constitution lies at the core of our nation's concept of ordered liberty;

Whereas the flag of the United States is the most profound symbol of our ideals, aspirations, and indeed our identity as a nation;

Whereas the flag stands for our very being, including our commitments to freedom, justice, equal opportunity, and peace;

Whereas Americans have always displayed the flag as a living symbol of our nation and the values for which it stands;

Whereas the burning of the American flag is an affront to our American heritage and an affront to the American people;

Whereas millions of Americans have fought valiantly, and many thousands have died, to protect this sacred symbol of nationhood, from the beginning of the Republic, through the two World Wars, the Korean Conflict, the Vietnam Conflict, to the present, and that those who risked and gave their lives for our country are profoundly offended by the desecration of this sacred emblem;

Whereas the Congress and forty-eight states have enacted laws to protect against desecration of the flag;

Whereas the Senate expressed its respect for the flag as recently as March 16, 1989, when on a vote of 97–0, it passed S. 607, prohibiting the displaying of the flag on the floor or ground;

Whereas throughout the history of our nation, the Supreme Court has properly defended and protected the First Amendment rights of our nation's citizens;

Whereas the United States Supreme Court yesterday rendered a decision in the case of *Texas v. Johnson*, No. 88–155, finding unconstitutional a Texas statute prohibiting the desecration of the flag, determining that this conduct was an act of "symbolic speech" protected by the First Amendment;

Whereas the Congress has believed that the act of desecrating the flag is clearly not "speech" as protected by the First Amendment; and that analogous acts, such as desecrating a public monument such as the Lincoln Memorial, would never be tolerated as speech;

Whereas it appears that yesterday's decision may invalidate the Federal and state laws prohibiting desecration of the flag; Now therefore, be it

Resolved, That the Senate hereby—

(1) expresses its profound disappointment that the Texas statute prohibiting the desecration of the flag was found to be unconstitutional;

(2) expresses its continued commitment to preserving the honor and integrity of the flag as a living symbol of our nation and its aspirations and ideals;

(3) intends to make an immediate study of the impact of yesterday's Supreme Court decision on Federal and state laws prohibiting the desecration of the flag, and to seek ways to restore sanctions against such reprehensible conduct; and

(4) urges the American people to continue to display proudly the American flag as a symbol of our nation and the values for which it stands.

SENATE RESOLUTION 152—AUTHORIZING THE PROVISION OF CERTAIN DOCUMENTS BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 152

Whereas, in the case of United States v. Fernandez, Criminal No. 89-150-A, pending in the United States District Court for the Eastern District of Virginia, defendant Joseph F. Fernandez has requested certain documents within the custody and control of the Senate Select Committee on Intelligence;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate;

Whereas, certain of the documents requested have been classified in the interests of national security: Now, therefore be it

Resolved, That the Chairman and Vice Chairman of the Select Committee on Intelligence are authorized to make available to the parties, under appropriate security controls, copies of documents in the custody and control of the Committee, which are responsive to the request of defendant's counsel, in the case of United States v. Fernandez, Criminal No. 89-150-A, pending in the United States District Court for the Eastern District of Virginia.

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE

DOLE (AND CHAFEE) AMENDMENT NO. 202

Mr. DOLE (for himself and Mr. CHAFEE) proposed an amendment to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

Beginning on page 97, line 10, strike all through page 102, line 11, and insert the following:

Subtitle A—Earned Income Credit and Dependent Care Credit

SEC. 211. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year."

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. DEPENDENT CARE CREDIT MADE REFUNDABLE

On page 104, line 17, strike "and qualified health insurance expenses".

On page 105, lines 2 and 3, strike "and qualified health insurance expenses".

On page 107, lines 19 and 20, strike "or qualifying health insurance expense".

On page 109, line 2, strike "and health insurance premiums".

BENTSEN (AND OTHERS) AMENDMENT NO. 203

Mr. BENTSEN (for himself, Mr. MOYNIHAN, Mr. ROTH, Mr. ARMSTRONG, Mr. GRASSLEY, Mr. CHAFEE, Mr. D'AMATO, Mr. GRAHAM, Mr. SHELBY, Mr. PELL, Mr. DODD, Mr. SANFORD, Mr. KOHL, Mr. HEINZ, Mr. BRADLEY, Mr. PRYOR, Mr. SASSER, Mr. DECONCINI, Mr. WARNER, Mr. THURMOND, Mr. RIEGLE, Mr. ARMSTRONG, and Mr. EXON), proposed an amendment to the bill S. 5, supra, as follows:

At the appropriate place; insert the following:

SEC. . RETIREMENT TEST EXEMPT AMOUNT INCREASED TO $10,560 IN 1990.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42 U.S.C. 403(f)(8)) is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l)) before the close of the taxable year involved shall be $880 for each month of any taxable year ending after 1989 and before 1991.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. . REDUCTION FACTOR WITH RESPECT TO CERTAIN EARNINGS LOWERED TO 25 PERCENT.

(a) IN GENERAL.—Paragraph (3) of section 203(f) of the Social Security Act (42 U.S.C. 403(f)) is amended by striking "33⅓ percent" and all that follows through "paragraph (8)" and inserting "equal to the sum of (A) 25 percent of so much of his earnings for such year in excess of the product of the applicable exempt amount as determined under paragraph (8) as does not exceed $5,000, and (B) 33⅓ percent of so much of

such earnings in excess of such product as exceeds $5,000.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. . PAYMENT OF RECOMPUTED BENEFITS.

(a) IN GENERAL.—Subparagraph (D) of section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) A recomputation under this paragraph with respect to any year shall be effective—

"(i) in the case of an individual who did not die in that year, for the earlier of—

"(I) monthly benefits beginning with benefits for the fifteenth month following the end of such year, or

"(II) monthly benefits beginning with benefits for the month in which the individual submits a written request for such recomputation; or

"(ii) in the case of an individual who died in that year, for monthly benefits beginning with benefits for the month in which he died.

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph which became effective pursuant to subparagraph (D)(i) shall be further increased on an actuarial basis (taking into account the age of the individual) to include the value of benefits which would have otherwise been paid if the recomputation were effective beginning with benefits for January of the year following the year with respect to which the recomputation is made.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to recomputations made after the date of enactment of this Act.

SEC. . PAYMENT OF CERTAIN RETROACTIVE BENEFITS.

(a) IN GENERAL.—Subparagraph (B) of section 202(j)(4) of the Social Security Act (42 U.S.C. 402(j)(4)) is amended—

(1) by redesignating clause (v) as clause (vi), and

(2) by inserting after clause (iv) the following new clause:

"(v) Any retroactive benefits for which an individual is eligible because of clause (i) or (iv) shall be paid to the individual as an increase in the individual's monthly benefit amounts, determined on an actuarial basis pursuant to regulations prescribed by the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to applications for benefits made after the date of enactment of this Act.

SEC. . MANDATORY PROVISION OF SOCIAL SECURITY ACCOUNT STATEMENT.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301-1320b-10) is amended by adding at the end thereof the following new section:

"SOCIAL SECURITY ACCOUNT STATEMENTS

"Provision Upon Request

"SEC. 1141. (a)(1) Beginning not later than October 1, 1990, the Secretary shall provide upon the request of an eligible individual a social security statement (hereinafter referred to as the 'statement').

"(2) Each statement shall contain—

"(A) the amount of wages paid to and self-employment income derived by the eligible individual as shown by the records of the Secretary at the date of the request;

"(B) an estimate of the employee and self-employment, old age, survivors, and disability insurance contributions of the eligible individual as shown by the records of the Secretary at the date of the request;

"(C) a separate estimate of the employee and self-employment hospital insurance contributions of the eligible individual; and

"(D) an estimate of the potential monthly retirement, disability, survivor, and auxiliary benefits payable on the eligible individual's account together with a description of the benefits payable under the medicare program of title XVIII.

"(3) For purposes of this section, the term 'eligible individual' means an individual who—

"(A) has a social security number,

"(B) has attained age 25 or over, and

"(C) has wages or net earnings from self-employment.

"Notice to Eligible Individuals

"(b) The Secretary shall to the maximum extent practicable take such steps as are necessary to assure that eligible individuals are informed of the availability of the statement described in subsection (a).

"Mandatory Provision of Statements

"(c)(1) By not later than September 30, 1994, the Secretary shall provide a statement to each eligible individual who has attained age 60 by October 1, 1993, and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. In fiscal years 1994 through 1999 the Secretary shall provide a statement to each eligible individual who attains age 60 in such fiscal years and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. The Secretary shall provide with each statement to an eligible individual notice that such statement is updated annually and is available upon request.

"(2) Beginning not later than October 1, 1999, the Secretary shall provide a statement on a biennial basis to each eligible individual who is not receiving benefits under title II and for whom a mailing address can be determined through such methods as the Secretary deems appropriate. With respect to statements provided to eligible individuals who have not attained age 50 such statements need not include estimates of monthly retirement benefits. However, if such statements provided to eligible individuals who have not attained age 50 do not include estimates of retirement benefit amounts, such statements shall include a description of the benefits (including auxiliary benefits) that are available upon retirement.".

(b) REPORT TO CONGRESS AND STUDY.—Not later than October 1, 1996, the Secretary shall submit to Congress a report on the implementation of the requirements of this Act and on his specific plans for implementing the final requirements contained in such Act, particularly with regard to estimating retirement benefit amounts for individuals who have not attained the age of 60.

(c) DISCLOSURE OF ADDRESS INFORMATION BY INTERNAL REVENUE SERVICE TO SOCIAL SECURITY ADMINISTRATION.—

(1) IN GENERAL.—Section 6103(m) of the Internal Revenue Code of 1986 (relating to disclosure of taxpayer identity information) is amended by adding at the end thereof the following new paragraph:

"(6) SOCIAL SECURITY ACCOUNT STATEMENTS FURNISHED BY SOCIAL SECURITY ADMINISTRATION.—Upon written request by the Commissioner of Social Security, the Secretary may disclose the mailing address of any taxpayer who is entitled to receive a social security account statement pursuant to section 1141(c) of the Social Security Act, for use only by officers, employees, or agents of the Social Security Administration for purposes of mailing such statement to such taxpayer.".

(2) SAFEGUARDS.—The last sentence of section 6103(p)(4) of such Code (relating to safeguards) is amended by striking out "subsection (m) (2) or (4)" and inserting in lieu thereof "paragraphs (2), (4), or (6) of subsection (m)".

(3) UNAUTHORIZED DISCLOSURE PENALTIES.—Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of returns and return information) is amended by striking out "(m) (2) or (4)" and inserting in lieu thereof "(m) (2), (4), or (6)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

ARCTIC COASTAL PLAIN COMPETITIVE OIL AND GAS LEASING ACT

JOHNSTON AMENDMENT NO. 204

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to the bill (S. 406) to authorize competitive oil and gas leasing and development on the Coastal Plain of the Arctic National Wildlife Refuge in a manner consistent with protection of the environment, and for other purposes, as follows:

Amend S. 406, the "Arctic Coastal Plain Competitive Oil and Gas Leasing Act", by striking all after the enacting clause and substituting therefor the following new language:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gulf of Mexico Oil Spill Prevention and Response Act".

SEC. 2. DEFINITIONS.

As used in this Act, the term—

(a) "Gulf of Mexico and lower Mississippi River" means (1) all waters seaward from the coastline east of 98 degrees west longitude and west of 80 degrees 30 minutes west longitude, extending to the seaward boundary of the exclusive economic zone as established under Presidential Proclamation Numbered 5030, dated March 10, 1983 (2) that portion of the Mississippi River running adjacent to or within the boundaries of the State of Louisiana including its navigable tributaries located adjacent to or within the State of Louisiana and (3) the Gulf Intracoastal Waterway: *Provided*, That the Secretary is directed to publish within one month of the date of enactment of this Act regulations defining the precise boundaries of the area covered by this Act;

(b) "oil" means petroleum, including crude oil or any fraction or residue therefrom;

(c) "public vessel" means a vessel which—

(i) is owned or chartered by demise, and operated by (A) the United States, (B) a State or political subdivision thereof, or (C) a foreign government; and

(ii) is not engaged in commercial service;

(d) "Secretary" means the Secretary of the Department in which the Coast Guard is operating;

(e) "spill" means any emission (other than natural seepage), intentional or unintentional, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping;

(f) "tanker" means a vessel constructed or adapted primarily for the carriage of oil in

bulk or in commercial quantities as cargo; and

(g) "vessel" means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water other than a public vessel.

TITLE I—AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT

SEC. 101. OFFSHORE OIL POLLUTION COMPENSATION FUND.

(a) INCREASE IN FUND AND ESTABLISHMENT OF ACCOUNTS.—Section 302(a) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(a)) is amended by deleting the subsection in its entirety and inserting in lieu thereof the following:

"(a)(1) There is hereby established in the Treasury of the United States an Offshore Oil Pollution Compensation Fund (the "Fund"). The Fund shall contain an Oil Pollution Account and a Wetlands Protection, Restoration and Enhancement Account (the "Wetlands Account"). Except as otherwise provided in this subsection, moneys collected pursuant to subsection (d) of this section as a result of the fee imposed on oil obtained from the Outer Continental Shelf shall be deposited into the Oil Pollution Account. Moneys collected pursuant to subsection (d) of this section as a result of the fee imposed on gas obtained from the Outer Continental Shelf shall be deposited into the Wetlands Account.

"(2) The Secretary of the Treasury shall continuously monitor the amount of moneys deposited into the Fund. When the Oil Pollution Account reaches $500,000,000, all additional moneys collected pursuant to subsection (d) of this section as a result of the fee imposed on oil obtained from the Outer Continental Shelf shall be deposited into the Wetlands Account.

"(3) Notwithstanding the previous paragraph, if at any time the Oil Pollution Account falls below $500,000,000, all moneys collected pursuant to subsection (d) as a result of the fee imposed on oil produced from the Outer Continental Shelf shall be deposited into the Oil Pollution Account until such account reaches $500,000,000.

"(4) The Oil Pollution Account shall be maintained at a level of not less than $500,000,000, and not more than $550,000,000 except that such amount shall be increased to the extent necessary to permit any moneys recovered or collected which are referred to in subsection (b)(2) of this section to be paid into the Fund.

"(5) The Oil Pollution Account within the Fund shall be administered by the Secretary and the Secretary of the Treasury as specified in this Act. The Wetlands Account within the Fund shall be administered by the Secretary of the Interior and the Secretary of the Treasury as specified in this Act.".

"(6) The Oil Pollution Account within the Fund may sue and be sued in its own name.".

(b) WETLANDS ACCOUNT.—Section 302 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812), is amended by adding a new subsection (d) as follows and redesignating the remaining subsections (d) through (f) as subsections (e) through (g):

"(d)(1) Funds deposited in the Wetlands Account shall remain available until expended and may be used solely in accordance with the provisions of this section.

"(2) (A) As soon as practicable after the date of enactment of the Gulf of Mexico Oil Spill Prevention and Response Act, the Secretary of the Interior, in conjunction and consultation with the Secretary of the Army acting through the Chief of the Corps of Engineers, the Secretary of Commerce, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency shall initiate a process to identify and prepare a list of high priority projects to preserve, protect, enhance, restore, or create coastal wetlands in the United States.

"(B) To assist in the preparation of the list, the Secretary of the Treasury shall make funds available from the Wetlands Account to the Secretary of the Interior to prepare preliminary assessments; general or site specific inventories; reconnaissance, engineering, or other studies; preliminary design work; and such other studies as may be necessary to identify such projects.

"(C) such funds as are necessary for these purposes, but not to exceed $10 million annually, shall be allocated by the Secretary of the Interior to the federal agencies identified in paragraph (2)(A) (including the Department of the Interior) based on the need for such funds and such other factors as the Secretary of the Interior, in consultation with the other agencies, deems appropriate to carry out the purposes of this subsection.

"(3)(A) As soon as practicable after funds are made available pursuant to paragraph (2), the Secretary of the Interior shall compile and transmit the list of priority projects to the Congress. Thereafter, the list shall be transmitted to the Congress annually as part of the President's budget submission. Such transmittal shall also include a statement from the Secretary of the Treasury indicating the amount available for expenditure from the Wetlands Account.

"(B) The list shall include, but not be limited to, the following:

(i) identification, by map or other means, of the coastal wetland area to be covered by the project; and

(ii) a detailed description of the proposed project including a justification for including such project on the list, the proposed activities to be carried out pursuant to the project, the benefits to be realized by such project, the identification of a lead agency to undertake the proposed project, an estimated timetable for the completion of project, and the estimated cost of the project.

"(C) Where such a determination is required under applicable law, benefits of projects on the list are deemed to be at least equal to the costs associated with such projects.

"(D) In preparing the list, special consideration shall be given to the inclusion of projects affecting coastal wetland areas having particularly high value as fish and wildlife habitat, for purposes of flood or pollution control and which are, or are likely to be, subject to erosion, conversion or other degradation.

"(4) Except as provided in paragraph (2), funds from the Wetlands Account shall be allocated in accordance with the list submitted pursuant to this section unless such list is modified by law: *Provided*, That funds in the Wetlands Account shall be available for projects within a state in proportion to the amount of production of oil and gas on the Outer Continental Shelf seaward from the submerged lands of such state.

"(5) Unless the list is modified by law, the Secretary of the Treasury is authorized and directed, beginning one year after the list is transmitted pursuant to paragraph (3)(A), to make funds from the Wetlands Account directly available to the head of the appropriate agency for the purpose of carrying out projects as identified on the list and in accordance with paragraph (4). If the list is modified by law, the Secretary shall take action in accordance with such modifications.

"(6) As used in this subsection, the term "project" means a complete project or, where applicable, individual phases, portions, or components thereof.".

(c) FEES.—Section 302(d)(1) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(d)(1)) is amended by striking "not to exceed 3 cents" and inserting "10 cents" and adding at the end of the thereof:

"The Secretary of the Interior shall levy and the Secretary of the Treasury shall collect a fee of 2 cents per thousand cubic feet of gas obtained from the Outer Continental Shelf, which shall be imposed on the owner of the gas when the gas is produced.".

(d) CONFORMING AMENDMENTS.—

(1) Section 302(c) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(c)) is amended by striking the word "Fund" in the first and second sentences and inserting in lieu thereof "Oil Pollution Account of the Fund" in each sentence and by striking paragraph (3) and inserting in lieu thereof:

"(3) subject to such amounts as are provided in appropriation Acts, all administrative and personnel costs of the Federal Government incident to the administration of the Oil Pollution Account of the Fund, including, but not limited to, the claims settlement activities and adjudicatory and judicial proceedings, whether or not such costs are recoverable under section 308 of this Act.".

(2) Section 302(d)(2) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(d)(2)) is amended by deleting paragraph (2) in its entirety and inserting in lieu thereof the following:

"(2) The Secretary of the Treasury, after consulting with the Secretary and the Secretary of the Interior, shall promulgate reasonable regulations relating to the collection of the fees authorized by paragraph (1) of this subsection. No regulation that sets fees, whether or not in effect, may be stayed by any court pending completion of judicial review of such regulation.".

(3) Section 302(e)(1) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(e)(1)) is amended by deleting "Fund" and inserting in lieu thereof "each account within the Fund".

(4) Section 302(e)(2) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(e)(2)) is amended by deleting "the Fund" in the first sentence and inserting in lieu thereof "each account within the Fund" and by deleting the last sentence of the paragraph and inserting in lieu thereof the following:

"The interest on, and the proceeds from the sale of, any obligations held in the Fund shall be deposited in and credited to the appropriate account within the Fund.".

(5) Section 302(f)) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(f)) is amended by deleting "Fund" at each place where it appears in the subsection and inserting in lieu thereof "Oil Pollution Account of the Fund".

(6) Section 304(f)(1) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1814(f)(1)) is amended by deleting "Fund" and inserting in lieu thereof "Oil Pollution Account of the Fund".

(7) Section 306(c) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1816(c)) is amended by deleting "Fund" and inserting in lieu thereof "Oil Pollution Account of the Fund".

(8) Sections 307, 308 and 312 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1817, 1818 and 1822) are

VOL 135 PT 9 JE 14 — 22 1989 UMI

amended by deleting "Fund" each place it appears in those sections and inserting in lieu thereof "Oil Pollution Account of the Fund".

(9) Section 309(b) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1819(b)) is amended by inserting "and the Oil Pollution Account within the Fund" after "Fund".

SEC. 102. OIL SPILL RESEARCH AND DEVELOPMENT CENTER.

Section 302 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812) is amended by adding the following new subsection:

"(g)(1) The Secretary of the Department in which the Coast Guard is operating shall establish a Research and Development Center (hereinafter referred to as the 'Center') to be administered by the Commandant of the Coast Guard.

"(2) The Center shall conduct and support, through contracts and grants, research, development, testing, and training in the best available techniques, equipment, and materials to prevent, contain, remove, recover, and clean up oil spills by vessels transporting oil affecting the navigable waters of the United States and those waters extending seaward from the coastline of the United States to the seaward boundary of the exclusive economic zone as established under Presidental Proclamation Numbered 5030, dated March 10, 1983.

"(3) In administering the Center, the Secretary of the Department in which the Coast Guard is operating shall consult regularly with representatives of the Departments of Commerce, the Interior, the Environmental Protection Agency, the Navy, foreign governments, international organizations, and knowledgeable academic, industry, and other persons in order to identify and pursue development of the best available techniques, equipment, and materials.

"(4) There are authorized to be appropriated to the Secretary of the Department in which the Coast Guard is operating, for purposes of carrying out the provisions of this section, $10,000,000 in each of the fiscal years ending September 30, 1990 through September 30, 1995.".

SEC. 103. OIL SPILL CONTINGENCY PLANS.

Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended by adding at the end thereof a new subsection (j) as follows:

"(j) The holder of any oil or gas lease issued or maintained under this Act shall submit an oil spill contingency plan for approval by the Secretary prior to engaging in any exploration, development or production activities on such lease.".

SEC. 104. INSPECTION OF OIL SPILL PREVENTION AND CONTAINMENT EQUIPMENT FOR THE OUTER CONTINENTAL SHELF.

Section 22(c) of the Outer Continental Shelf Lands Act (43 U.S.C. 1348(c)) is amended by deleting the word "and" at the end of paragraph (1), replacing the period at the end of paragraph (2) with "; and" and adding a new paragraph (3) as follows:

"(3) an onsite inspection no less than two times each year without advanced notice to the operator of such facility of all equipment to prevent, ameliorate, or contain oil spillages, including equipment maintained by contractors.".

SEC. 105. DRILLS AND REQUIRED EQUIPMENT.

Section 22 of the Outer Continental Shelf Lands Act (43 U.S.C. 1348) is amended by redesignating subsections (d) through (g) as subsections (e) through (h) and inserting a new subsection (d) as follows:

"(d) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall individually, or jointly if they so agree, promulgate regulations—

"(1) to provide for drills for familiarization with pollution control equipment and operational procedures when the equipment is placed initially and at least once every six months by the lessee or a contractor serving the lessee, with such drills simulating conditions in the area of operations and including deployment and operation of equipment; and

"(2) to require that equipment which the Secretary and the Secretary of the Department in which the Coast Guard is operating deem to be essential to carry out the oil spill contingency plan and to ensure the prompt containment of spilled oil be maintained at the site of operations.".

TITLE II—OIL SPILL CONTINGENCY PLANNING

SEC. 201. APPLICABILITY.—This title applies to owners or operators of vessels transporting oil in the Gulf of Mexico or the lower Mississippi River and owners or operators of oil-producing, refining, or transportation facilities that, due to their location, reasonably could be expected to spill oil into or upon the Gulf of Mexico or the lower Mississippi River or adjoining shorelines.

SEC. 202. OIL SPILL CONTINGENCY PLANS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue a final rule requiring persons subject to this section to prepare and submit to the Secretary for approval an oil spill contingency plan for the prevention, containment, and cleanup of oil spills from vessels or facilities described in section 201. At a minimum, such plans must include—

(a) a clear and precise, detailed description of how the individual plan relates to and is integrated into the overall National Contingency Plan;

(b) an analysis of the "maximum probable spill" from the facility or vessel determined in accordance with the guidelines established under section 205 of this Act;

(c) procedures for early detection and timely notification regarding oil spills;

(d) a description of procedures to be used to minimize the damage from a spill and to make immediate repairs if possible;

(e) a description of countermeasures, response and cleanup personnel and equipment and their locations, and the time required to deploy them at the spill site;

(f) procedures to assess the severity of the oil spill, to plan countermeasures, and to begin cleanup efforts; and

(g) provisions for disposal of recovered spill material. Such plans shall not be required for any facility or vessel covered by an oil spill contingency plan required by the Outer Continential Shelf Lands Act. With respect to vessels, such plans shall be required to the maximum extent consistent with international law.

SEC. 203. COOPERATIVE EFFORTS.—In complying with this section, an owner or operator of a vessel or facility may rely on his or her participation in a cooperative effort with other persons subject to this title to develop satisfactory contingency plans.

SEC. 204. APPROVAL OF PLANS.—(a) In approving the contingency plans required by this title, the Secretary shall consider the adequacy of risk analysis in the determination of maximum probable spill, the estimated response time, and the adequacy of trained personnel and communications equipment, and equipment to prevent, ameliorate and contain oil spillages.

(b) No plan shall be approved unless the Secretary determines that the equipment listed in the plan is sufficient to respond to the maximum probable spill from the vessel or facility in question.

SEC. 205. GUIDELINES FOR MAXIMUM PROBABLE SPILL.—The Secretary shall publish guidelines for the determination of maximum probable spill from a vessel or facility, taking into account the amount of oil being transported, stored, or transferred, weather and other natural conditions, technological capability, and the risk of a spill.

SEC. 206. PUBLIC AWARENESS AND PRACTICE DRILLS.—(a) The Secretary shall annually publish an up-to-date list of the contingency plans prepared for oil spills in the Gulf of Mexico and the lower Mississippi River and an inventory of equipment available for responding to such spills.

(b) The Secretary shall annually conduct practice drills of the contingency plans prepared for oil spills in the Gulf of Mexico and the lower Mississippi River pursuant to this title. The Secretary shall publish a report on such drills including an assessment of actual response time, available equipment as compared to equipment listed in the contingency plans, and requirements, if necessary, for changes in the plans.

SEC. 207. PREPARATION OF REPORT ON ADEQUACY OF OIL SPILL CONTINGENCY PLANS.—(a) Within 180 days of the of enactment of this Act, the Secretary of Transportation, the Secretary of the Interior and the Administrator of the Environmental Protection Agency shall submit to the Congress a report which shall include their recommendations, based upon an in-depth review of all Federal, State, local and industry contingency or oil spill emergency response plans, for dealing with oil spills in connection with the exploration, development and transportation of oil in the Gulf of Mexico and lower Mississippi River. The review shall include, but not be limted to, all plans dealing with such oil spills required by the Outer Continental Shelf Lands Act (43 U.S.C. 1331, et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251, et seq.), and the Deepwater Port Act of 1974 (33 U.S.C. 1501, et seq.).

(b) The review and report on contingency plan adequacy shall address, but not be limited to, the following subjects:

(1) The adequacy of the contingency of oil spill emergency response plan for dealing with potential oil spills;

(2) The adequacy and operational capacity of oil spill containment equipment, including, but not limited to, containment booms, oil skimming vessels, barge facilities, work vessels, oil spill dispersants and equipment for their application;

(3) The adequacy, training, preparedness and fitness of all personnel assigned to direct and implement the contingency or oil spill emergency response plan;

(4) The adequacy of plans, personnel and prepositioned equipment for protecting wetlands, critical habitat, environmentally sensitive areas, and fisheries;

(5) The adequacy of on-site availability of chemical dispersants and dispersing systems; and

(6) The adequacy of arrangements for enlisting the use of non-oil industry personnel and calling upon backup assistance from sources such as the national guard or the military.

TITLE III—VESSEL DESIGN AND SPILL PREVENTION

SEC. 301. REPORT AND RECOMMENDATIONS ON SPILLS AND VESSEL DESIGN.—Within 90 days of the date of enactment of this Act, the Secretary shall submit to the Congress a report which addresses and makes recommendations on the following transportation issues related to the movement of oil through the Gulf of Mexico and the lower Mississippi River:

(a) a review of all recent oil spills in the Gulf of Mexico and the lower Mississippi River involving vessels, and whether any of these spills could have been prevented by requiring double hulls or double bottoms on such vessels, or requiring additional safety lines between towing vessels;

(b) The need or desirability, from a safety point of view, for a requirement that existing vessels engaged in the transport of oil be retorfitted and that new vessels engaged in the transport of oil be constructed to incorporate:

(1) Double bottoms or interior liners to reduce oil spill risks;

(2) An increased number of separated compartments;

(3) Bow thrusters to increase vessel maneuverability; and

(4) Any other design, equipment or operational feature which will achieve the purposes of this section and this Act to reduce the risk of oil discharges from tanker or other vessel accidents, groundings or collisions.

(c) The need or desirability, from a safety point of view, for more frequent and more rigorous Coast Guard safety and structural inspections of all vessels engaged in the transportation of oil in the Gulf of Mexico and lower Mississippi River, including both in-water inspections and dry dock inspections, with special attention directed to older vessels and to vessels over 700 feet in length.

SEC. 302. REGULATIONS ON VESSEL CREW REQUIREMENTS AND TRAINING.—Effective within 90 days of the date of enactment of this Act, the Secretary shall issue regulations which:

(a) Provide that the conditions for a Masters license for any person required to have such license who is engaged in the operation of a vessel transporting oil in the Gulf of Mexico or the lower Mississippi River shall require that the license be renewed every two years and the license holder shall submit a copy of the required physical examination by a licensed physician to the appropriate Federal agency;

(b) Provide that all required certificates of inspection for vessels engaged in the movement and transport of oil in the Gulf of Mexico or the lower Mississippi River direct and require that all watches on board ship be redundantly manned to insure back-up personnel and second opinions on radar monitoring and critical navigation decisions; and

(c) Provide to the maximum extent practicable more stringent recruiting, pesonnel, and job training standards for all personnel and crew operating or crewing vessels engaged in the movement of transport of oil in the Gulf of Mexico or the lower Mississippi River for the purpose of enhanceing safety and reducing future risks of oil spill to the lowest level humanly possible.

SEC. 303. *Equipment Standards.*—Not later than one year after the date of enactment of this Act, the Secretary shall issue a final rule listing the equipment that must be carried by vessels transporting oil in the Gulf of Mexico or the lower Mississippi River to carry out the oil spill contingency plans required by section 202 of this Act.

SEC. 304. INSPECTION AND MAINTENANCE.—The Secretary shall implement regulations providing for inspection of vessels transporting oil in the Gulf of Mexico or the lower Mississippi River to ensure that each vessel is in compliance with the oil spill contingency plan required by section 202 of this Act, and to ensure that the equipment required by section 303 of this Act is on board and in good working order.

TITLE IV—NO IMPACT ON STATE LAW OR ON LIABILITY UNDER OTHER LAW

SEC. 401. STATE LAWS AND PROGRAMS.—Nothing is this Act shall be construed or interpreted as preempting and State from imposing any liability or other requirements with respect to oil spills or to the discharge of oil within such State.

SEC. 402. LIABILITY FOR OIL SPILLS OR DISCHARGES OF OIL NOT AFFECTED BY THIS ACT.—(a) Nothing in this Act shall affect or modify in any way the obligations or liabilities of any person under other Federal or State law, including common law, with respect to oil spills or the discharges of oil.

(b) Nothing in this Act shall absolve any person of any obligations or liabilities, or reduce the obligations or liabilities of any person, under existing Federal or State law, including common law, with respect to oil spills or discharges of oil occurring prior to the date of enactment of this Act.

TITLE V—PENALTIES

SEC. 501. (a) CIVIL PENALTIES.—A person violating any provision of titles II and III of this Act or a regulation issued under such titles is liable to the United States for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation.

(b) VESSELS.—Each vessel to which titles II and III apply that is operated in violation of such titles or a regulation issued under such titles is liable in rem for a civil penalty as prescribed in subsection (a) of this section.

(c) CRIMINAL PENALTIES.—A person willfully and knowingly violating any provision of titles II and III of this Act or a regulation issued under such titles shall be fined not more than $100,000, imprisoned for not more than five years, or both.

(d) JURISDICTION.—The district courts of the United States have jurisdiction to restrain a violation of any provision of titles II and III of this Act or a regulation issued under such titles.

TITLE VI—COOPERATIVE DEVELOPMENT OF COMMON

SEC. 601. COOPERATIVE DEVELOPMENT OF COMMON HYDROCARBON-BEARING AREAS.—Section 5 of the Outer Continental Shelf Lands Act, as amended (42 U.S.C. Sec. 1334), is amended by adding a new subsection (j) as follows:

"(j) COOPERATIVE DEVELOPMENT OF COMMON HYDROCARBON-BEARING AREAS.—

"(1) FINDINGS.—

"(A) The Congress of the United States finds that the unrestrained competitive production of hydrocarbons from a common hydrocarbon-bearing geological area underlying the Federal and State boundary may result in a number of harmful national effects, including:

"(I) the drilling of unnecessary wells, the installation of unnecessary facilities and other imprudent operating practices that result in economic waste, environmental damage and damage to life and property;

"(II) the physical waste of hydrocarbons and an unnecessary reduction in the amounts of hydrocarbons that can be produced from certain hydrocarbon-bearing areas; and

"(III) the loss of correlative rights which can result in the reduced value of national hydrocarbon resources and disorders in the leasing of Federal and State resources.

"(2) The Secretary shall prevent the harmful effects of unrestrained competitive production of hydrocarbons from a common hydrocarbon-bearing area underlying the Federal and State boundary by protecting against drainage through the cooperative development of such area.

"(3) Whenever it shall appear that Federal oil and gas resources on the Outer Continental Shelf are being drained, or are about to be drained, by a State or any lessee, permittee or agent of a State, the Attorney General may institute a civil action in the district court of the United States for the judicial district in which the lease or land involved is located, for a temporary restraining order, injunction, or other appropriate remedy, in order to prevent the drainage of Federal oil and gas resources. Such relief shall be granted if it appears that Federal oil and gas resources on the Outer Continental Shelf are being drained or are about to be drained and the Secretary and the Governor do not agree as to the method of cooperative development of the common hydrocarbon-bearing area, including the fair and equitable apportionment of the oil and gas resources involved. Such temporary restraining order, injunction, or other appropriate remedy shall remain in full force and effect until such time as the Secretary and the Governor of the State reach agreement on such method of cooperative development and apportionment of resources or until the court enters a final judgment on the merits of the matter.

"(4) Whenever it shall appear that State oil and gas resources on the Outer Continental Shelf are being drained, or are about to be drained, by the United States or any lessee, permittee or agent of the United States, the State may institute a civil action in the district court of the United States for the judicial district in which the lease or land involved is located, for a temporary restraining order, injunction, or other appropriate remedy, in order to prevent the drainage of State oil and gas resources. Such relief shall be granted if it appears that State oil and gas resources on the Outer Continental Shelf are being drained or are about to be drained and the Secretary and Governor do not agree as to the method of cooperative development of the common hydrocarbon-bearing area, including the fair and equitable apportionment of the oil and gas resources involved. Such temporary restraining order, injunction, or other appropriate remedy shall remain in full force and effect until such time as the Secretary and the Governor of the State reach agreement on such method of cooperative development and apportionment of resources or until the court enters a final judgment on the merits of the matter.

ACT FOR BETTER CHILD CARE

BOSCHWITZ (AND OTHERS) AMENDMENT NOS. 205 AND 206

Mr. BOSCHWITZ (for himself, Mr. HATCH, and Mr. DODD) proposed two amendments to the bill S. 5, supra, as follows:

AMENDMENT No. 205

On page 36, between lines 2 and 3, insert the following new subparagraph:

(E) Allow that the State will make grants to local libraries for the purchase and delivery of children's books, videos, tapes, and toys to licensed or certified family-based or group child-care providers, child care centers, or other providers that meet State eligibility requirements.

AMENDMENT No. 206

At the appropriate place, insert the following new section:

SEC. . SENSE OF CONGRESS REGARDING THE HIGHER EDUCATION ACT.

(a) FINDINGS.—Congress finds that—

VOL 135 PT 9 JE 14 — 22 1989 UMI

(1) postsecondary education is an increasingly important element in enhancing the productivity of the work force:

(2) the enrollment of students in colleges, junior colleges and technical institutes continues to increase rapidly;

(3) the most rapidly growing segment in such institutions consists of those students who are 25 years of age or older;

(4) postsecondary education must expand its services to meet the needs of the changing student population;

(5) a barrier to continuing education is the lack of affordable, accessible and quality child care;

(6) students are often economically disadvantaged and child care costs are an additional financial burden;

(7) postsecondary schools have limited resources for traditional student services and do not have additional funding for child care; and

(8) the 100th Congress recognized that such problems exist and authorized, but did not appropriate, $10,000,000 for postsecondary institutions to assist students with child care.

(b) SENSE OF CONGRESS.—It is the sense of Congress that $10,000,000 should be appropriated in fiscal year 1990 to carry out subpart 8 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070f).

BOND (AND OTHERS) AMENDMENT NO. 208

Mr. BOND (for himself, Mr. BOSCHWITZ, Mr. MCCAIN, Mr. DODD, Mr. HATCH, and Mr. RIEGLE) proposed an amendment to the bill S. 5, supra; as follows:

On page 40, between lines 2 and 3, insert the following new subparagraphs and redesignate subparagraph (I) accordingly:

(I)(i) Making grants to States to enable such States to provide grants to school districts to enable such districts to establish or maintain extended day child care programs.

(ii) In order to use funds under this paragraph for the activity described in this subparagraph the State shall administer

(II)(aa) the allotment provided to the State under this subparagraph shall be administered through the State educational agency; which

(bb) shall establish requirements that school districts must meet in order to receive assistance under this subparagraph; and

(iii)(I) use amounts received under this subparagraph to provide grants to school districts to enable such districts to provide extended day child care.

(IV) Ensure that school districts that receive assistance under this subparagraph use such assistance to—

(aa) offset the start-up costs associated with the establishment of extended day child care programs;

(bb) conduct studies to determine the feasibility of establishing extended day child care programs;

(cc) provide for the equipping and staffing of extended day child care programs; and

(dd) offset any other costs that the State determines appropriate.

(V) Ensure that amounts received under this subparagraph are not used for ongoing maintaince or operational costs incurred by school districts.

(VI) Ensure that extended day child care programs that receive assistance under this subparagraph shall—

(aa) be developmentally appropriate and meet the diverse recreational, social, emotional, cultural, and educational needs of school-aged children; and

(bb) provide parents with the opportunity to participate in such programs;

(VII)(iv) Ensure that each school district that receives assistance under this subparagraph coordinates; the programs carried out with such assistance with other public entities and private non-profit community-based organizations that provide before and after-school child care;

(VIII)(v) Permit a school district to provide a before and after-school child care program in accordance with the provisions of this subparagraph through grants to or contracts with other public entities and eligible private nonprofit community-based organizations that provide before and after-school child care programs.

(vii) As used in this subparagraph:

(I) The term "school district" means the public authority legally constituted and recognized in a State as the administrative agency for that district or county's public elementary or secondary schools.

(II) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(J) Providing assistance for comprehensive child care demonstration projects within existing public school buildings that—

(i) ensure that year round, on-site, all day child care for children ages 3 to 5 (or of the age of entering kindergarten) and on-site before and after school child care for children ages 5 through 12, inclusive;

(ii) ensure the establishment of a family support system for parents (including a home visitation program);

(iii) provide support for local family day-care providers (including technical assistance, back-up support in case of illness, and training);

(iv) provide for information and referral and other specialized services;

(v) develop a sliding scale fee payment system for children using the system (based on the parents ability to pay);

(vi) provide for ongoing parental involvement in the planning, implementation, monitoring, and evaluation of such projects;

(vii) provide that such demonstration projects be operated by administrators trained in early childhood development;

(viii) provide for the use of trained child care workers in such demonstration projects, with a priority given to child care workers with credentials in early childhood education or child development, including the child development associate credential;

(ix) provide that salaries paid to child care workers in such demonstration projects shall—

(I) be not less than the rates paid for comparable services provided in the school or surrounding community, whichever is higher; and

(II) be comparable to salaries paid to school employees with equivalent responsibilities, experience and credentials; and

that salary schedules for child care workers encourage child care workers to obtain early childhood credentials;

(x) assure that any child care services provided by such demonstration projects meet, at a minimum, regulatory standards set by the State and local government;

(xi) develop ways to improve the quality of child care services in such demonstrations; and

(xii) describe plans for monitoring and evaluating the effectiveness of such demonstration projects.

BOND (AND DODD) AMENDMENT NO. 209

Mr. BOND (for himself and Mr. DODD) proposed an amendment to the bill S. 5, supra, as follows:

On page 34, line 9, strike out "subparagraph (B)" and insert in lieu thereof "subparagraphs (B) and (C)".

On page 34, line 19, strike out "and".

On page 34, line 24, strike out the period and insert in lieu thereof "; and".

On page 34, after line 24, add the following new subparagraph:

"(C) the State, with the approval of the Secretary, may use not to exceed 5 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year for any of the activities described in paragraph (6) if the State certifies that additional funds are needed to increase the availability of child care to meet the demand for such care.".

On page 36, line 4, strike out "The plan" and insert in lieu thereof "Except as provided in paragraph (4)(C), the plan".

SUPPLEMENTAL ... APPROPRIATIONS FOR THE DEPARTMENT OF VETERANS AFFAIRS

BYRD (AND HATFIELD) AMENDMENT NO. 210

Mr. BYRD (for himself and Mr. HATFIELD) proposed an amendment to the bill (H.R. 2402) making supplemental appropriations for the Department of Veterans Affairs for the fiscal year ending September 30, 1989, and for other purposes, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

TITLE I—DIRE EMERGENCY SUPPLEMENTALS AND TRANSFERS

CHAPTER I

EMERGENCY DRUG FUNDING

DEPARTMENT OF JUSTICE

To strengthen Federal domestic drug law enforcement at the local level for additional Assistant United States Attorneys, Deputy United States Marshals and other Agents, including necessary equipment and supplies; initiate plans to acquire available military facilities for use as prisons or Civilian Conservation Corps type use for drug offenders; speed up planning for not less than three prisons in areas where most needed; and to expedite the purchase of automatic data processing equipment to improve the exchange of information, $71,000,000, notwithstanding any designations contained in Titles I through IX of Public Law 100-690: *Provided*, That not later than thirty days after each month the Attorney General shall report to the Committees on Appropriations of the Senate and House of Representatives on the monthly obligation of these funds.

THE JUDICIARY

FEES OF JURORS AND COMMISSIONERS

For an additional amount for "Fees of jurors and commissioners" to strengthen drug law enforcement at the local level, $4,000,000.

DEPA
OFFI

For an add
sistance" fo
Benefits Pr
available unt

JUDI
PAYMENT TO

For payme
tirement Fu
100-659, $2,3

DEPARTM
DEPAR
CORI

For additio
for the fisca
costs author
follows:
"General
$1,100,000, t
"Operation a
"General e
rived by tran
al".

GENER

For an ad
regulatory f
available un
transfer fron

DEPA
EN
URANIU

For an ac
supply and e
out the pu
Energy Org
91), $55,000,
expended: *P*
by the Dep
uranium
$1,429,000,00
retained and
offsetting co
in providing
tivities as
Public Law
visions of se
title 31, Uni
ther, That
shall be re
revenues are
so as to resu
propriation

GE

SEC. 301.
tion 1119(a)
opment Act
the end the
cost referre
may be incr
amount con
ests which i
ed by non-F
ceding sente

"SEC. 302.
Constructio
hereafter ap
Army is dir
Segment "C
Project in a
locations C
1984, betwe
neer and th

"SEC. 303.
of the Arm

CHAPTER II

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For an additional amount for "Justice assistance" for the Public Safety Officers' Benefits Program, $4,000,000 to remain available until expended.

THE JUDICIARY

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIAL OFFICERS' RETIREMENT FUND

For payment to the Judicial Officers' Retirement Fund, as authorized by Public Law 100-659, $2,300,000.

CHAPTER III

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

(TRANSFER OF FUNDS)

For additional amounts for appropriations for the fiscal year 1989, for increased pay costs authorized by or pursuant to law as follows:

"General regulatory functions", $1,100,000, to be derived by transfer from "Operation and maintenance, general".

"General expenses", $2,600,000, to be derived by transfer from "Construction, general".

GENERAL REGULATORY FUNCTIONS

(TRANSFER OF FUNDS)

For an additional amount for "General regulatory functions", $2,225,000, to remain available until expended, to be derived by transfer from "Construction, general".

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For an additional amount for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $55,000,000, to remain available until expended: *Provided*, That revenues received by the Department for the enrichment of uranium and estimated to total $1,429,000,000 in fiscal year 1989, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302(b) of section 484 of title 31, United States Code: *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1989 so as to result in a final fiscal year 1989 appropriation estimated at not more than $0.

GENERAL PROVISIONS

SEC. 301. Sunset Harbor, California: Section 1119(a) of the Water Resources Development Act of 1986 is amended by adding at the end thereof the following: "The total cost referred to in the preceding sentence may be increased by the Secretary by any amount contributed by non-Federal interests which is in excess of amounts contributed by non-Federal interests under the preceding sentence.".

"SEC. 302. Saylorville Lake, Iowa: From Construction, General funds heretofore or hereafter appropriated, the Secretary of the Army is directed to construct Highway 415, Segment "C" at the Saylorville Lake, Iowa, Project in accordance with terms of the Relocations Contract executed on June 21, 1984, between the Rock Island District Engineer and the State of Iowa.

"SEC. 303. Sims Park, Ohio: The Secretary of the Army, acting through the Chief of Engineers, shall undertake a beach erosion control project at Sims Park, Euclid, Ohio, using funds appropriated under the heading "CONSTRUCTION GENERAL" in title I of the Energy and Water Development Appropriation, 1988 (Public Law 100-202; 101 Stat. 107).

"SEC. 304. The undesignated paragraph under the heading "Bonneville Lock and Dam, Oregon and Washington—Columbia River and Tributaries Washington" in section 301(a) of Public Law 99-662 (100 Stat. 4110) is amended by striking out "$191,000,000" in two places and inserting in lieu thereof "$328,000,000".

"SEC. 305. From existing funds appropriated pursuant to Public Law 100-371, an Act making appropriations for energy and water development for the fiscal year ending September 30, 1989, and for other purposes, the Secretary of the Army, acting through the Chief of Engineers, is directed to use $500,000 to undertake preliminary engineering and design for a project at West Fork of Mill Creek Lake, Ohio, pursuant to section 1135 of Public Law 99-662, as amended.

CHAPTER IV

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ECONOMIC SUPPORT FUND

Of the funds appropriated in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, up to $200,000 of the unearmarked funds appropriated under the heading "Economic Support Fund" may be made available for the support of the process of democratic transition in Poland, which may include, among other things, civil education programs, including independent media and publishing activities: *Provided*, That funds made available under this paragraph may be used without regard to any provision of law which would otherwise prohibit the use of foreign assistance funds with respect to Poland: *Provided further*, That there shall be available an additional amount for the "Economic Support Fund", $3,000,000, which shall be made available notwithstanding any other provision of law for the promotion of democracy in Nicaragua: *Provided further*, That of the funds made available under this heading for the promotion of democracy in Nicaragua, $1,500,000 shall be made available as a contribution to the Organization of American States to carry out election monitoring activities in Nicaragua: *Provided further*, That the amount provided for promotion of democracy in Nicaragua under this heading shall be derived from funds appropriated under such heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1987, or from funds earmarked under such heading in Public Law 100-202 for reconstruction and rehabilitation of the National University of El Salvador and other institutions of higher education in El Salvador: *Provided further*, That such funds shall be in addition to funds made available for the promotion of democracy in Nicaragua by Public Law 100-461.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for "Migration and refugee assistance", $100,000,000, to support emergency refugee admissions and assistance: *Provided*, That this amount may be derived through new budget authority, or the President may transfer to such account for purposes of this paragraph any unobligated and unearmarked funds made available under Public Law 100-461, notwithstanding section 514 as amended by section 589 of Public Law 100-461: *Provided further*, That if the President transfers funds for this paragraph not more than 3.3 per centum of the unobligated and unearmarked funds available under any account in Public Law 100-461 may be transferred: *Provided further*, That any transfer of funds pursuant to this paragraph shall be subject to the regular reprogramming procedures of the Committees on Appropriations: *Provided further*, That not less than $85,000,000 of such amount shall be made available for Soviet and other Eastern European Refugee admissions and for admissions restored to other regions: *Provided further*, That funds provided under this paragraph are available until expended.

GENERAL PROVISIONS

SEC. 401. The Congress finds that failing to recognize natural resource depletion causes current systems of economic statistics to provide a distorted representation of many nation's economic condition.

(a) The Secretary of State shall instruct the United States representative to the Organization for Economic Cooperation and Development and to the United Nations and it's appropriate affiliated organizations to seek revisions in the manner in which these organizations report the income and economic activities of nations. Such a system of accounting shall recognize the depletion or degradation of natural resources as a component of economic activities.

(b) The Secretary of the Treasury shall instruct the United States Executive Director to each Multilateral Development Bank and to the International Monetary Fund to seek the adoption of revisions in accounting systems as described in subsection (a).

(c) The Administrator of the Agency for International Development shall incorporate the changes described in subsection (A) into AID's evaluations and projections of the economic performance of recipient countries.

HAITI

Section 563(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, as contained in Public Law 100-461 is amended by adding two new subsections as follows:

"(11) assistance consisting of sales and donations of agricultural commodities under Public Law 480, in an amount not to exceed $12,000,000.

"(12) animal and plant health programs, where the assistance is primarily for the benefit of the United States.".

CHAPTER V

DEPARTMENT OF THE INTERIOR AND DEPARTMENT OF AGRICULTURE

For an additional amount for emergency rehabilitation, forest firefighting, fire severity presuppression, and other emergency costs on National Forest System lands and Department of the Interior lands, $341,669,000 of which (1) $30,180,000 is for "Bureau of Land Management, Management of lands and resources"; (2) $2,895,000 is for "United States Fish and Wildlife Service, Resource management"; (3) $25,000,0000 is for "National Park Service, Operation of the National Park System"; (4) $33,594,000 is for "Bureau of Indian Affairs, Operation of Indian Programs"; and (5) $250,000,000 is for "Forest Service, National Forest System": *Provided*, That such funds are to be available for repayment of advances to other approportion accounts from which funds were transferred in fiscal year 1987 and fiscal year 1988 for such purposes.

DEPARTMENT OF THE INTERIOR

OIL SPILL EMERGENCY FUND

For an additional amount for the Department of the Interior for contingency planning, response and natural resource damage assessment activities related to the discharge of oil from the tanker *Exxon Valdez* into Prince William Sound, Alaska, $7,300,000, to be available until September 30, 1990: *Provided*, That for purposes of obligation and expenditure, these funds shall be transferred, upon approval of the Secretary, to existing appropriations of the Department of the Interior: *Provided further*, That any reimbursements from the Pollution Fund of the Coast Guard or other sources for activities for which funds were transferred from this account are to be credited back to this account: *Provided further*, That notwithstanding any other provision of law, in fiscal year 1989 and thereafter, sums provided by any party, including sums provided in advance as (1) reimbursement for contingency planning, response or damage assessment activities conducted or to be conducted by any agency funded in the Department of the Interior and Related Agencies Appropriations Act as a result of any discharge of oil into the environment or (2) damages for injuries resulting from such a discharge to resources for which an agency funded in the Department of the Interior and Related Agencies Appropriations Act is a trustee, may be credited to the relevant appropriation for that agency then current and shall be available until expended: *Provided further*, That section 102 of the Department of the Interior and Related Agencies Appropriations Act, 1989, is amended as follows: after the term "volcanoes" insert ": for contingency planning subsequent to actual oilspills, response and natural resource damage assessment activities related to actual oilspills".

DEPARTMENT OF THE INTERIOR

ALTERNATIVE FUELS PRODUCTION

(TRANSFER OF FUNDS)

Monies received from government operations and sale of the Great Plains Gasification Plant, including accrued interest, which currently are deposited in the liquidation trust at the First Trust of North Dakota shall be deposited in this account, and $12,000,000 determined by the Secretary of Energy to be excess to the needs of ongoing alternative fuels programs shall be transferred to the General Fund of the Treasury prior to October 1, 1989.

CLEAN COAL TECHNOLOGY

Notwithstanding any other provision of law, funds originally appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1989, shall be available for a third solicitation of clean coal technology demonstration projects, which projects are to be selected by the Department not later than January 1, 1990.

GENERAL PROVISIONS

Sec. 501. No funds appropriated or made available heretofore or hereafter under this or any other Act may be used by the executive branch to contract with organizations outside the Department of Energy to perform studies of the potential transfer out of Federal ownership, management or control by sale, lease, or other disposition, in whole or in part, the facilities and functions of Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912, and Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915: *Provided*, That the negotiation of changes to the unit plan contract with Chevron which governs operation of Elk Hills, where the purpose of the changes is to prepare for the divestiture of the Reserve, is prohibited.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Funds made available under the Departments of Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 1989 (Public Law 100-436), that are authorized under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) may be used to carry out the targeted jobs tax credit program under section 51 of the Internal Revenue Code of 1986.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for the Occupational Safety and Health Administration, $3,200,000, which shall be available for a grant to the State of California under section 23(g) of the Occupational Safety and Health Act.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses", $1,445,000, to be derived by a transfer of such sum from the amounts available for Departmental Management administrative expenses in the fiscal year 1989 Black Lung Disability Trust Fund appropriation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES PROGRAM OPERATIONS

For activities authorized under section 799A(e) of the Public Health Service Act, $800,000.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

Funds appropriated by the Department of Health and Human Services Appropriations Act, 1989, to implement section 4005(e) of the Omnibus Budget Reconciliation Act of 1987, Public Law 100-203, may not be used to provide forward or multiyear funding.

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The last proviso under this heading in Public Law 100-436, related to automatic data processing and telecommunications expenditures, is deleted.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For an additional amount for "Payments to States for Foster Care and Adoption Assistance", $423,345,000 for title IV-E of the Social Security Act, which shall be available for prior years' claims.

DEPARTMENT OF EDUCATION

IMPACT AID

Section 5(e)(1)(D) of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), shall not apply to any local educational agency that was an agency described in section 5(c)(2)(A)(ii) of the Act in fiscal year 1987 but is an agency described in section 5(c)(2)(A)(iii) of the Act in fiscal year 1989 as a result of families being moved off-base in order to renovate base housing: *Provided*, That any school district which received a payment under section 5(b)(2) of the Act for fiscal year 1986 but which the Department of Education has determined to be ineligible for section 2 assistance due to a review of the original assessed value of the real property involved at the time of acquisition of the federal property shall be deemed eligible for payments under section 2, for fiscal year 1989 only.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

Appropriations under the heading "Rehabilitation Services and Handicapped Research" shall be considered as funds mandated by law for purposes of applying section 517 of the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1989.

GUARANTEED STUDENT LOANS

For payment of obligations under this heading incurred during fiscal year 1989, $892,428,000.

HIGHER EDUCATION

For an additional amount for "Higher Education" which shall be available for such project as the Secretary may deem appropriate which is authorized under existing law, $1,600,000.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

(RESCISSION)

Of funds provided under this head for necessary expenses of the National Student Loan Data System, $5,533,000 are rescinded.

OFFICE FOR CIVIL RIGHTS

For an additional amount for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $790,000.

OFFICE OF THE INSPECTOR GENERAL

For an additional amount for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $440,000.

RELATED AGENCIES

RAILROAD RETIREMENT BOARD

LIMITATION ON REVIEW ACTIVITY

For an additional amount for "Limitation on Review Activity", $150,000.

PRESCRIPTION DRUG PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For the Prescription Drug Payment Review Commission, as authorized by section 1847 of title XVIII of the Social Security Act, $250,000, to be derived by transfer of $125,000 from the Physician Payment Review Commission and $125,000 from the Prospective Payment Assessment Commission, to remain available until expended.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

For carrying out activities under Public Law 100-382, $1,750,000.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Carolyn F. Nichols, widow of Bill Nichols, late a Representative from the State of Alabama, $89,500.

LIBRARY OF CONGRESS

Effective June 15, 1989, the Library of Congress shall provide financial management services and support to the United States Capitol Preservation Commission as may be required and mutually agreed to by

the Librarian of Congress and the Cochairmen of the United States Capitol Preservation Commission.

CHAPTER VIII

DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed an additional $2,500,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for necessary administrative expenses of the Agricultural Stabilization and Conservation Service incurred in carrying out fiscal year 1989 workload in connection with 1988 disaster assistance activities only, not to exceed $40,000,000, to be derived by transfer from the Commodity Credit Corporation: Provided, That of this amount, $275,000 shall be transferred to the Cooperative State Research Service to be paid to the Kansas Agricultural Research Experiment Station at Kansas State University for the purposes of disseminating information to farmers on methods of alleviating drought problems and exploring improved water conservation techniques.

CONSERVATION RESERVE PROGRAM

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Conservation Reserve Program", delete the sum "$1,864,000,000" and insert in lieu thereof "$1,789,000,000", and delete the sum "$385,000,000" and insert in lieu thereof "$370,000,000".

ADVANCED DEFICIENCY PAYMENTS

Notwithstanding any other provision of law, effective only for the 1988 crops of wheat, feed grains, upland cotton and rice, if the Secretary determines that any portion of the advanced deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refunds shall not be required prior to December 31, 1989, for that portion of the crop for which a disaster payment is made under section 201(a) of the Disaster Assistance Act of 1988: Provided, That for the purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), this provision is a necessary (but secondary) result of a significant policy change.

FARMERS HOME ADMINISTRATION

AGRICULTURAL CREDIT INSURANCE FUND

OPERATING LOANS

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For an additional amount for insured operating loans, $32,500,000, to be derived by transfer from emergency disaster loans, to remain available until September 30, 1990: *Provided*, That the Secretary shall allocate immediately insured farm operating loans to States from the national reserve, from pooling of unobligated funds previously allocated to States, and from this appropriation, in a manner that will provide each State with an opportunity to fund at least the same level of obligations as in fiscal year 1988: *Provided further*, That in Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Agricultural Credit Insurance Fund", delete the sum of "$600,000,000" and insert in lieu thereof "$562,500,000".

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Agricultural Credit Insurance Fund", delete the sum of "$14,000,000" and insert in lieu thereof "$7,000,000", delete the first sum of "$3,000,000" and insert in lieu thereof "$1,500,000", and delete the sum of "$2,000,000" and insert in lieu thereof "$1,000,000".

RURAL HOUSING INSURANCE FUND

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Rural Housing Insurance Fund" the first proviso of the second paragraph is hereby amended to read as follows: "*Provided*, That of this amount not less than $109,918,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, as amended, and not more than $5,082,000 is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949:".

RURAL DEVELOPMENT INSURANCE FUND

For an additional amount for insured water and sewer facility loans, $2,500,000, to remain available until expended.

RURAL WATER AND WASTE DISPOSAL GRANTS

For an additional amount for water and waste disposal grants, $7,500,000, to remain available until expended.

SOIL CONSERVATION SERVICE

REIMBURSEMENT TO THE SOIL CONSERVATION SERVICE FOR CONSERVATION RESERVE PROGRAM ASSISTANCE

The Agricultural Stabilization and Conservation Service shall reimburse the Soil Conservation Service for services provided to carry out the Conservation Reserve Program pursuant to the Food Security Act of 1985 (16 U.S.C. 3831-3845), at a rate of $3.00 per acre bid in the program: *Provided*, That reimbursement for this service is made retroactive to October 1, 1988.

WATERSHED AND FLOOD PREVENTION OPERATIONS

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Watershed and Flood Prevention Operations", delete the sum "$7,949,000" and insert in lieu thereof "$4,000,000".

RESOURCE CONSERVATION AND DEVELOPMENT

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Resource Conservation and Development", delete the sum "$1,207,000" and insert in lieu thereof "$600,000".

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

For an additional amount for necessary expenses to carry out the Food Stamp Act, $224,624,000.

FOOD AND DRUG ADMINISTRATION

For an additional amount for orphan product grants and contracts, $500,000.

Notwithstanding any other provision of law, funds available under this head in both Public Law 100-457 and this Act shall be available for expenses incurred in fiscal year 1989 by the Coast Guard in responding to any oil spill.

FEDERAL AVIATION ADMINISTRATION

INSTALLATION AND USE OF EXPLOSIVE DETECTION EQUIPMENT

Not later than thirty days after the date of the enactment of this Act, the Federal Aviation Administrator shall initiate action, including such rulemaking or other actions as necessary, to require the use of explosive detection equipment that meets minimum performance standards requiring application of technology equivalent to or better than thermal neutron analysis technology at such airports (whether located within or outside the United States) as the Administrator determines that the installation and use of such equipment is necessary to ensure the safety of air commerce. The Administrator shall complete these actions within sixty days of enactment of this Act: *Provided*, That notwithstanding any other provision of law, the Federal Aviation Administration shall renegotiate the Logan County Airport grant agreements "5-54-0013-01-77" and "5-54-0013-02-78" to include funds sufficient to cover the additional project costs associated with project delay and inflation, so that the project can be completed as originally intended.

FEDERAL HIGHWAY ADMINISTRATION

The paragraph designated "Discretionary Bridge Program" under the heading "General Provisions" of chapter XI of title I of Public Law 100-71 (101 Stat. 436) is amended by adding at the end thereof the following: "Phase II of such project shall include, for purposes of funding under the discretionary bridge program, construction of the bridge from the end of phase one on City Island to the touchdown point of the bridge near Fourteenth Street. Application and determination of eligibility for additional funding on the project beyond present commitments shall occur without regard to the current schedule of bidding and construction, prior determinations of agreements by the United States Department of Transportation concerning the boundaries of phase II of the project.".

CHAPTER IX

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS

For an additional amount for "Payments to air carriers" $6,600,000: *Provided*, That notwithstanding and other provision of law, after September 30, 1989, no subsidy shall be paid for any service to or from any essential air service point in the contiguous United States for which the per passenger subsidy exceeds $300.

STATE AND LOCAL ANTI-APARTHEID POLICIES

Notwithstanding any other provision of this or any other law, none of the funds provided by this or any previous or subsequent Act to the Department of Transportation shall be withheld from State or local grantees for any reason related to the adoption by any such grantee of a policy prohibiting the procurement of products manufactured or fabricated in the Republic of South Africa.

COAST GUARD

OPERATING EXPENSES

Notwithstanding and other provision of law, in fiscal year 1989 and thereafter, sums provided by any party, including sums provided in advance, as reimbursements for operating expenses incurred by the United States Coast Guard in response to the oil-

spill from the "Exxon Valdez" grounding, shall be credited to the "Operating expenses" appropriation for the United States Coast Guard, and shall remain available until expended.

From funds made available under this head in Public Law 100-457, up to $5,600,000 shall be made available until expended for development, acquisition, installation, operation, and support, including personnel, or equipment to provide vessel traffic management information in the New York Harbor area: *Provided*, That the United States Coast Guard shall initiate action within sixty days of the date of enactment of this Act to establish such a system: *Provided further*, That within sixty days of the date of enactment of this Act, the Secretary shall initiate a rulemaking to determine which class be required to participate in an active vessel or classes of vessels operating in the New York Harbor area shall be required to participate in an active vessel traffic management system, and the specific operating procedures and requirements of such a mandatory system.

CHAPTER X

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INTERNATIONAL AFFAIRS

(TRANSFER OF FUNDS)

For an additional amount for "International affairs", not to exceed $1,623,000, to be derived by transfer from "Salaries and expenses".

CHAPTER XI

DEPARTMENT OF VETERANS' AFFAIRS

VETERANS HEALTH SERVICE AND RESEARCH ADMINISTRATION

MEDICAL CARE

(TRANSFER OF FUNDS)

For an additional amount for the purchase of prosthetic appliances for "Medical care", $5,000,000, to be derived by transfer from "Construction, major projects".

Notwithstanding any other provision of this Act, the proviso following "$340,125,000" under the head "Veterans Health Service and Research Administration, Medical Care" contained in the earlier part of this Act, shall have no force or effect.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Of the amounts heretofore provided for the section 8 moderate rehabilitation program, any amounts in excess of $47,000,000 that are recaptured during fiscal year 1989 shall not be subject to the requirements of the sixth proviso under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Public Law 100-404, 102 Stat. 1014).

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

(TRANSFER OF FUNDS)

For an additional amount for "Payments for operation of low-income housing projects", $88,000,000, to remain available until September 30, 1990: *Provided*, That such amount shall be derived by transfer from "Annual contributions for assisted housing", and the amount specified for the section 8 moderate rehabilitation program in the first proviso under that head in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Public Law 100-404, 102 Stat. 1014) shall be reduced by such amount: *Provided further*, That from the foregoing amount, $8,200,000 shall be made available, notwithstanding section 9(d) of the United States Housing Act of 1937, for grants for use in eliminating drug-related crime in public housing projects, consistent with the criteria set forth in section 5125(b), and reflected in other requirements of the Public Housing Drug Elimination Act of 1988 (Public Law 100-690, 102 Stat. 4301).

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,490,000, to be derived by transfer from "Urban development action grants".

ADMINISTRATIVE PROVISION

Section 17(f) of the United States Housing Act of 1937 (42 U.S.C. 1437o(f)) is amended—

(1) by inserting after "State of New York" the following: "or City of New York"; and

(2) in clause (1), by inserting "or municipal" after "State".

INDEPENDENT AGENCIES

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the initial startup costs and operation of the Court of Veterans Appeals as authorized by sections 4051-4091 of title 38, United States Code, $3,100,000, to remain available until September 30, 1990: *Provided*, That, notwithstanding section 4081 of title 38, United States Code of Veterans Appeals may (A) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint not to exceed 35 employees (and employees to replace any employees so appointed whose employment by the Court is terminated) shall be eligible for noncompetitive conversion to a position in the competitive service if (i) application therefor is made to the Office of Personnel Management by December 31, 1990, and (ii) the Director of the Office of Personnel Management determines that such noncompetitive conversion is in the interest of the Government, and (B) procure the services of experts and consultants under section 3109 of such title, (2) in the making of appointments pursuant to clause (1), preference among equally-qualified persons shall be given to persons who are preference eligibles (as defined in section 2108(3) of such title), and (3) the authorities provided in clause (1) may be exercised by the Chief Judge of the Court whenever there are not at least two Associate Judges on the Court.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $6,000,000.

ABATEMENT, CONTROL, AND COMPLIANCE

For an additional amount for "Abatement, control, and compliance", $9,000,000, to remain available until September 30, 1990.

HAZARDOUS SUBSTANCE SUPERFUND

(RESCISSION)

Of available funds under this head, $15,000,000 are rescinded.

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", up to $5,000,000, which shall be derived by transfer from "Abatement, control, and compliance".

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY FOOD AND SHELTER PROGRAM

For an additional amount for the "Emergency food and shelter program", $12,000,000 to be derived by transfer from "Urban development action grants".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFERS OF FUNDS)

For an additional amount for "Research and program management", up to $35,000,000, to be derived by transfer from "Research and development" and "Space flight, control and data communications".

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For an additional amount for "Research and related activities", $37,500,000, to remain available until September 30, 1991.

For an additional amount for "Research and related activities", $37,500,000, to remain available until September 30, 1991: *Provided*, That this amount shall not be available for obligation until October 1, 1989: *Provided further*, That this additional amount made available on October 1, 1989 is in addition to the amount made available upon enactment.

CHAPTER XII

DISTRICT OF COLUMBIA

INAUGURAL EXPENSES PAYMENT

(TRANSFER OF FUNDS)

For an additional amount for "Inaugural expenses payment", $1,000,000, to be derived from Expenses, Presidential Transition, General Services Administration.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for "Governmental direction and support", $26,000: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 to 2269-2), $7,216,000 are rescinded for a net decrease of $7,190,000.

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for "Economic development and regulation", $1,990,000: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-2), $19,016,000 are rescinded for a net decrease of $17,026,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $29,360,000, of which $5,064,000, to remain available until expended, shall be solely for overtime expenses of the Metropolitan Police Department and $800,000, to remain available until expended, shall be solely for overtime expenses of the Superior Court: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-2 to 2269-4), $1,210,000 are rescinded for a net increase of $28,150,000.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $4,529,000, which shall be allocated as follows: $3,758,000 for the public schools of the District of Columbia and $771,000 for the District of Columbia School of Law: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $2,000,000 for the University of the District of Columbia, $6,000 for the Educational Institution Licensure Commission, $389,000 for the Public Library, and $185,000 for the Commission on the Arts and Humanities are rescinded for a net increase of $1,949,000.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $45,858,000: *Provided*, That $3,611,000 of this appropriation, to remain available until expended, shall be available solely for the District of Columbia's employees' disability compensation: *Provided further*, That of the funds provided for the Office of Emergency Shelter and Support Service, $750,000 shall be used to provide food for the homeless and may not be used for any other purpose: *Provided further*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $9,945,000 are rescinded for a net increase of $35,913,000.

PUBLIC WORKS

(INCLUDING RESCISSION)

For an additional amount for "Public works", $5,436,000: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $10,655,000, including $300,000 from the school transit subsidy are rescinded for a net decrease of $5,219,000.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center fund", $543,000.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-5), $5,834,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $13,950,000: Provided, That in addition, all net revenue that the District of Columbia government may collect as a result of the District of Columbia government's pending appeal in the consolidated case of *U.S. Sprint communications et al.* v. *District of Columbia, et al.*, CA 10080-87 (court order filed on November 14, 1988), shall be applied solely to the repayment of the general fund accumulated deficit.

SHORT-TERM BORROWINGS

For an additional amount for "Short-term borrowings", $4,592,000.

PERSONAL SERVICES ADJUSTMENTS

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), $18,553,000 as determined by the Mayor, are rescinded: *Provided*, That the Mayor shall reduce appropriations and expenditures for personal services within object classes 11, 12, 13 and 14: *Provided further*, That during the fiscal year ending September 30, 1989, the Mayor shall reduce the number of authorized, full-time, funded positions above DS-10 by 318.

INAUGURAL EXPENSES

For an additional reimbursement for necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973 (87 Stat. 824; D.C. Code, sec. 1-1803), $1,000,000, which shall be apportioned by the Mayor within the various appropriation headings in this Act.

ENERGY ADJUSTMENT

(RESCISSION)

Of the funds appropriated under the various appropriations headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), an additional $349,000 as determined by the Mayor are rescinded from object class 30(a) energy.

EQUIPMENT ADJUSTMENT

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), $3,500,000 as determined by the Mayor are rescinded from object class 70 (equipment).

CAPITAL OUTLAY

(INCLUDING RESCISSION)

For an additional amount for "Capital outlay", $146,642,000, to remain available until expended: *Provided*, That of the amounts appropriated under this heading in prior fiscal years, $15,970,000 are rescinded for a net increase of $130,672,000: *Provided further*, That $14,700,000 shall be available solely for the Correctional Treatment Facility of which $8,700,000 shall be for delay claims owed to the contractor for construction delays and $6,000,000 shall be for fixtures and equipment connected to the floors, walls, and ceilings of the Facility by means of structural, mechanical, or electrical requirements: *Provided further*, That $4,185,000 shall be available for project management and $9,425,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: *Provided further*, That $25,000,000 shall be available to the Department of Corrections for a feasibility study, site acquisition, and design and construction of a jail that is generally bounded by G Street, N.W. on the north, 6th Street, N.W. on the west, Pennsylvania Avenue, N.W. on the south and 1st Street, N.W. on the east: *Provided further*, That the feasibility study shall include a companion analysis of a revised mission for the present jail to prevent duplication: *Provided further*, That the executive branch is prohibited from disposing of any property in the Judiciary Square area that is under the jurisdiction of the Mayor until a site has been chosen.

WATER AND SEWER ENTERPRISE FUND

Of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-7), $100,000 shall be available to compensate individuals as provided in the Water Main Break Fund Emergency Act of 1988, effective December 21, 1988 (D.C. Act 7-269; to be codified at D.C. Code, sec. 47-375, note).

ADMINISTRATIVE PROVISIONS

The United States hereby forgives $5,064,000 of the fourth quarter indebtedness incurred by the District of Columbia government to the United States pursuant to the Act of March 3, 1915, D.C. Code, sec. 24-424, as amended, this amount being equal to the increased cost of housing District of Columbia convicts in Federal penitentiaries during the fiscal year ending September 30, 1989: provided, That for the fiscal year ending September 30, 1990, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

Notwithstanding any other provision of law, including, but not limited to the District of Columbia Historic Landmark and Historic District Protection Act of 1978, D.C. Law 2-144, as amended, 25 DCR 6939 (1979), the District of Columbia Government is directed to begin construction of a correctional facility to be located in the District of Columbia, as described in Public Law 99-591, within thirty days of enactment of this Act.

TITLE II—URGENT SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $28,400,000, to remain available until expended.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $1,800,000.

ASSETS FORFEITURE FUND

(RESCISSION)

Of the $75,000,000 in expenses authorized by 28 U.S.C. 524 and appropriated from receipts of the Assets Forfeiture Fund in 1989 (Public Law 100-459), $2,232,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

(INCLUDING RESCISSION)

From the amounts made available to the National Institute of Justice in Public Law 100-459, there shall be available $200,000 for a grant to the University of South Carolina for the purpose of studying the causes and effects of the increasingly disproportionate use of illegal drugs in the black community: *Provided*, That of deobligated funds previously awarded from appropriations for "Justice assistance", $2,053,000 are rescinded, notwithstanding any other provision of law.

DEPARTMENT OF STATE

GENERAL PROVISION

(TRANSFER OF FUNDS)

SEC. 1. In order to meet urgent requests that may arise during fiscal year 1989 for contributions and other assistance for new international peacekeeping activities, and to

reimburse funds originally appropriated for prior international peacekeeping activities, which have been reprogrammed for new international peacekeeping activities, the President may transfer during fiscal year 1989 such of the funds described in section 2(a) as the President deems necessary, but not to exceed $125,000,000 to the "CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES" account or the "PEACEKEEPING OPERATIONS" account administered by the Department of State, notwithstanding section 15(a) of the Department of State Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law.

SEC. 2. (a) IN GENERAL.—The funds that may be transferred under the authority of this heading for use in accordance with section 1 are—

(1) any funds available to the Department of Defense during fiscal year 1989, other than funds appropriated by the Department of Defense Appropriations Act, 1989 (Public Law 100-463); and

(2) any funds appropriated by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461) for the "MILITARY ASSISTANCE" account, for the "INTERNATIONAL MILITARY EDUCATION AND TRAINING" account, or for grants under the "FOREIGN MILITARY FINANCING PROGRAM" account.

(b) RELATIONSHIP TO CERTAIN OTHER PROVISIONS.—Funds described in subsection (a)(2) may be transferred and used for contributions or other assistance for new international peacekeeping activities in accordance with section 1 of this provision notwithstanding section 514 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (as amended by section 589 of that Act), relating to transfers between accounts.

SEC. 3. (a) REVIEW OF PROPOSED TRANSFERS.—Any transfer of funds pursuant to section 1 shall be subject to the regular reprogramming procedures of the following committees:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Armed Services of each House of Congress if funds described in paragraph (1) of section 2(a) are to be transferred.

(3) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate if funds described in paragraph (2) of section 2(a) are to be transferred.

(b) REVIEW OF PROPOSED OBLIGATIONS.—The regular reprogramming procedures of the following committees shall apply with respect to the obligations of any funds transferred pursuant to section 1:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

SEC. 4. (a) Of the amount that may be transferred pursuant to section 1, $38,950,000 shall be made available upon enactment for contribution with respect to implementation of the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations on December 22, 1988 (hereafter known as the Tripartite Agreement) only if the President determines and certifies to the appropriate Congressional committees that (1) the armed forces of the South West Africa People's Organization (SWAPO) have left Namibia and returned north of the 16th parallel in Angola in compliance with the agreements, (2) the United States has received explicit and reliable assurances from each of the parties to the Bilateral Agreement that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date, and (3) the Secretary General of the United Nations has assured the United States that it is his understanding that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date.

(b) An additional $38,950,000 of such amount shall be made available after August 15, 1989, for implementation of the Tripartite Agreement only if the President has determined and certified to the appropriate Congressional committees that (1) each of the signatories to the Tripartite Agreement is in compliance with it obligations under the Agreement, (2) the Government of Cuba has complied with its obligations under Article 1 of the Bilateral Agreement (relating to the calendar for redeployment and withdrawal of Cuban troops), specifically with respect to its obligations as of August 1, 1989, (3) the Cubans have not engaged in any offensive military actions against UNITA, including the use of chemical warfare, (4) the United Nations and its affiliated agencies have terminated all funding and other support, in conformity with the United Nations impartiality package, to the South West Africa People's Organization (SWAPO), and (5) the United Nations Angola Verification Mission is demonstrating diligence, impartiality, and professionalism in verifying the departure of Cuban troops and the recording of any troop rotations.

(c) Funding of these activities by the United States may not be construed as constituting recognition of any government in Angola.

(d) The term "Bilateral Agreement" means the Agreement Between the Governments of the People's Republic of Angola and the Republic of Cuba for the Termination of the International Mission of the Cuban Military Contingent, signed at the United Nations on December 22, 1988, and the term "Tripartite Agreement" means the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations on December 22, 1988.

(e) The term "appropriate Congressional committees" means the Committees on Appropriations, Foreign Affairs, and Permanent Select Committee on Intelligence of the House of Representatives, and the Committees on Appropriations, Foreign Relations and the Select Committee on Intelligence of the Senate.

SEC. 5. The Secretary of the Treasury shall instruct the United States Executive Directors to the International Monetary Fund and the International Bank for Reconstruction and Development to vote in opposition to the entry of the Government of Angola into these financial institutions or to approve any loans to Angola unless the President certifies to the appropriate Congressional committees that progress is being made toward national reconciliation.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

FEDERAL SHIP FINANCING FUND

For payment to the Secretary of Treasury for debt reduction, $515,000,000, to remain available until expended.

Notwithstanding section 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of Transportation may issue a certificate of documentation for each of the following:

(1) the vessel LIBERTY, hull identification number BHA 5512 B and State of Hawaii registration number HA 5512 B;

(2) the vessel NAVATEK I;

(3) the vessel NANCY ANN, United States official number 901962; and

(4) the vessel NOR'WESTER, United States official number 913451.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

That the authority under the Supplemental Appropriations Act, 1985 (Public Law 99-88) with respect to the relocation of the Fort Lauderdale Monitoring Station be amended to authorize the Federal Communications Commission to expend the funds remaining from the sale of the Fort Lauderdale, Florida Monitoring Station, for salaries and expenses in fiscal year 1989 in lieu of returning the unused funds to the general fund of the United States Treasury.

LEGAL SERVICES CORPORATION

ADMINISTRATIVE PROVISION

None of the funds appropriated under this Act or under any prior Acts for the Legal Services Corporation, or any other funds available to the Corporation, shall be used by the Corporation Board, members, staff or consultants, to consider, develop or implement any system for the competitive award of grants until such action is authorized pursuant to a majority vote of a Board of Directors of the Legal Services Corporation composed of eleven individuals nominated by the President after January 20, 1989, and subsequently confirmed by the United States Senate, except that nothing herein shall prohibit the Corporation Board, members, or staff from engaging in in-house reviews of or holding hearings on proposals for a system for the competitive awards of all grants and contracts, including support centers, and that nothing herein shall apply to any competitive awards program currently in existence: *Provided*, That the Corporation shall insure that all grants or contracts made during calendar year 1989 to all grantees funded under sections 1006(a) (1) and (3) of the Legal Services Corporation Act with funds appropriated in Public Law 100-459, or prior appropriations Acts, shall be made for a period of at least twelve months beginning on January 1, 1989, so as to insure that the total annual funding for each current grantee or contractor is no less than the amount provided pursuant to Public Law 100-459, and shall not be subject to any amendments to regulations relating to fee generating cases (45 C.F.R. Part 1609) or the use of private funds (45 C.F.R. Part 1610 and 1611) not in operational effect on October 1, 1988.

HAZARDOUS SUBSTANCE SUPERFUND

(RESCISSION)

Of available funds under this head, $15,000,000 are rescinded.

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", up to $5,000,000, which shall be derived by transfer from "Abatement, control, and compliance".

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY FOOD AND SHELTER PROGRAM

For an additional amount for the "Emergency food and shelter program", $12,000,000, to be derived by transfer from "Urban development action grants".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFER OF FUNDS)

For an additional amount for "Research and program management", up to $35,000,000, to be derived by transfer from "Research and development" and "Space flight, control and data communications".

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For an additional amount for "Research and related activities", $37,500,000, to remain available until September 30, 1991.

For an additional amount for "Research and related activities", $37,500,000, to remain available until September 30, 1991: *Provided*, That this amount shall not be available for obligation until October 1, 1989: *Provided further*, That this additional amount made available on October 1, 1989 is in addition to the amount made available upon enactment.

ADMINISTRATIVE PROVISIONS

SEC. 101. Funds appropriated to the Commission for the Study of International Migration and Cooperative Economic Development and the Commission on Agricultural Workers in Public Law 100-459 shall remain available until expended.

SEC. 102. The Director of the Administrative Office of the United States Courts, under the supervision of the Judicial Conference of the United States, and upon notification to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in Section 606 of Public Law 100-459, may transfer unobligated balances available under Courts of Appeals, District Courts, and Other Judicial Services, "Defender Services", to any appropriation account of the Judiciary: *Provided*, That compensation and reimbursement of attorneys and others as authorized under section 3006A of title 18, United States Code, and section 1875(d) of title 28, United States Code, may hereinafter be paid from funds appropriated for "Defender Services" in the year in which payment is required.

SEC. 103. Funds heretofore or hereafter appropriated or otherwise made available to the United States Information Agency for television broadcasting to Cuba may be used by the Agency to lease, maintain and operate such aircraft (including aerostats) as may be required to house and operate necessary television broadcasting equipment.

SEC. 104. Section 631(b)(1) of title 28, United States Code, is amended by strking out all after "Puerto Rico, or the Virgin Islands of the United States," through "the bar of the district court of the Virgin Islands;" at the end of subparagraph (b), and by striking out the words "the first sentence of" that appear in the same paragraph.

SEC. 105. None of the funds provided in this or any prior Act shall be available for obligation or expenditure to relocate, reorganize or consolidate any office, agency, function, facility, station, activity, or other entity falling under the jurisdiction of the Department of Justice.

CHAPTER II

DEPARTMENT OF DEFENSE—MILITARY

ADMINISTRATIVE PROVISIONS

SEC. 201. (a) Section 8111 of the Department of Defense Appropriation Act, 1989 (Public 100-463; 102 Stat. 2270-38) is amended by striking out "$1,163,200,000" and inserting in lieu thereof "$1,258,600,000".

(b) The additional funds made available pursuant to subsection (a) may be used only to cover costs related to underestimates of the cost of transporting exchange merchandise to overseas locations and to compensate for adverse changes in foreign currency exchange rates.

SEC. 202. Section 8119 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-39/40) is repealed.

SEC. 203. Section 8080 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463) is amended by inserting the following provision at the end of the paragraph, after "skills": ": *Provided further*, That these limitations shall not apply to members who enlist in the armed services on or after July 1, 1989, under a fifteen-month program established by the Secretary of Defense to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense".

SEC. 204. Section 8031 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-22/23) is amended by inserting "High mobility multipurpose wheeled vehicle;" after "M-1 tank Chasis;".

SEC. 205. The appropriation "Operation and Maintenance Army" contained in the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-2/3) is amended by adding the following after "Championships": ": *Provided further*, That, of the funds appropriated in this paragraph, "$50,000,000 shall be available only for procurement for the Extended Cold Weather Clothing System (ECWCS) unless $50,000,000 of ECWCS is procured by the Army Stock Fund during fiscal year 1989".

SEC. 206. The Secretary of Defense may, in conjunction with the Office of Personnel Management, conduct a test program to adjust pay rates to reflect local prevailing rates of pay for civilian employees in the following health care occupations; nurse, physician assistant, medical records librarian, medical laboratory technician, and radiology technician.

SEC. 207. Section 8037 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-23), is amended by striking out "39 individuals" and inserting in lieu thereof "42 individuals".

SEC. 208. Within funds available to the Department of Defense, the Secretary of Defense shall transfer or otherwise make available funds as necessary to accommodate repair of real property, aircraft, and other Department of Defense assets damaged during the storm at Fort Hood, Texas, on May 13, 1989: *Provided*, That funds made available pursuant to this section shall be in accordance with established authorities and procedures.

CHAPTER III

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

GENERAL PROVISIONS

SEC. 301. None of the funds available to the Department of the Interior may be used to place on the National Register of Historic Places the Al Capone House at 7244 South Prairie Avenue, Chicago, Illinois.

SEC. 302. The King Center and the National Park Service are authorized to locate an additional parking site for the Martin Luther King National Historic Site within the National Historic Site and Preservation District Boundary in accordance with Federal and State preservation regulations, in lieu of the vacant lot on the north side of Irwin between Jackson and Boulevard as specified in Public Law 100-202.

CHAPTER IV

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

For the settlement of promissory notes issued to the Secretary of the Treasury, $10,770,941, to remain available until expended, together with such sums as may be necessary for the payment of interest due under the terms and conditions of such notes.

GENERAL PROVISIONS

SEC. 301. Section 312 of Public Law 100-457 is amended by deleting "276,000" and inserting in lieu thereof "$300,000".

SEC. 302. Notwithstanding any other provision of law, the New York State Bridge Authority shall have the authority to collect tolls on the Newburgh-Beacon Bridge and to utilize the revenue therefrom for the construction and reconstruction of and for the costs necessary for the proper maintenance and operation of any bridges and facilities under the jurisdiction of such Authority and for the payment of debt service on any of the Authority's obligations issued in connection therewith.

Section 341 of Public Law 100-457 is amended by deleting "2" and inserting in lieu thereof "4".

CHAPTER V

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

Under this heading in the Treasury Department Appropriations Act, 1989, Public Law 100-440, after the words, "Provided, That", insert "with the exception of the transfer of two E2C aircraft to the U.S. Coast Guard,".

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Funds appropriated under this heading in the Treasury, Postal Service, and General Government Appropriations Act, fiscal year 1989, Public Law 100-440, for construction of barriers at the south end of the White House shall remain available until expended.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

Section 103 under this heading in the Treasury Department Appropriations Act, 1989 (Public Law 100-440) is amended by striking "1 per centum" and inserting in lieu thereof "2 per centum".

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Notwithstanding any other provision of law, for an additional amount for "Salaries and expenses", for grants to the Popular Democratic Party, the New Progressive Party, and the Puerto Rican Independence Party of the Commonwealth of Puerto Rico, $1,500,000, to remain available until the sine die adjournment of the One Hundred First Congress: *Provided*, That grants shall be made to each such party in equal amounts, not to exceed $500,000 each: *Provided further*, That such funds shall be made available for necessary expenses incurred after March 1, 1989, to each such party to participate in the legislative process involving the future political status of Puerto Rico, including the travel and transportation of persons, services as authorized by section 3109 of title 5, United States Code, communications, utilities, printing and reproduction, and supplies and materials and other relat-

29-059 O-90-30 (Pt. 2)

ed services, and for administrative costs: *Provided further*, That under such regulations as the Comptroller General may prescribe, the Comptroller General shall perform a financial audit of the financial transactions made by each such party with such funds: *Provided further*, That such funds may not be used directly or indirectly to finance the campaigns of candidates for public office.

OTHER INDEPENDENT AGENCIES

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Amounts made available under this heading in the Independent Agencies Appropriations Act, 1989 (Public Law 100-440), which are to be transferred from the Trust Funds for implementing the recordkeeping system of the Federal Employees' Retirement System, shall remain available until expended.

GENERAL SERVICES ADMINISTRATION

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of law, the Administrator of General Services (Administrator) shall transfer to the administrative jurisdiction of the Holocaust Memorial Council (Council), without consideration, the Auditors West Building (Annex 3) located at Raoul Wallenberg Place and Independence Avenue Southwest, Washington, District of Columbia.

Prior to such transfer of jurisdiction to the Council, the Council shall agree to perform all necessary repairs and alterations to the Auditors West Building so as to renovate the exterior of the Auditors West Building in a manner consistent with perservation of the historic architecture of the building, and to preserve the structural integrity of the building. The Council, prior to such transfer, shall furnish to the Administrator, for his approval, a plan detailing the repairs and alterations proposed, dates for completion of the work, and funding availability.

In the event the Council ceases to exist, administrative jurisdiction of the Auditors West Building (Annex 3) shall revert to the General Services Administrator.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $250,000, to be derived by transfer from "Expenses, Presidential Transition", General Services Administrator.

GENERAL SERVICES ADMINISTRATOR

FEDERAL BUILDINGS FUND

SEC. 201. (a) Notwithstanding any other provision of law, the General Services Administrator is hereby authorized to purchase, from annual funds available in the Federal Buildings Fund in fiscal year 1989, such additional furniture and equipment as may be necessary, not to exeed $1,500,000, for the National Oceanic and Atmospheric Administrator to relocate to the Silver Spring, Maryland, Metro Center.

(b) The National Oceanic and Atmospheric Administrator will reimburse the General Services Administration for such expenditures in equal amounts over a period of two years, beginning in fiscal year 1990.

CHAPTER VI

DEPARTMENT OF VETERANS' AFFAIRS

GENERAL OPERATING EXPENSES

The costs of external contract audits shall be charged to "Construction, major projects", "Construction, minor projects", and the "Supply fund", as appropriate, and be made retroactive to October 1, 1988.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The Secretary of Housing and Urban Development may make amounts reserved or obligated under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for particular projects under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), available as subsidy amounts for such projects under section 202(h)(4) of such Act.

RENTAL HOUSING ASSISTANCE

Such sums as may be necessary are hereby approved to implement the authority conferred on the Secretary of Housing and Urban Development by section 236(r) of the National Housing Act to provide interest reductions and rental assistance payments: *Provided*, That notwithstanding the second sentence of such section 236(r), an application shall be eligible for assistance under such section if the mortgagee submits an application within five hundred and forty-eight days after the effective date of this Act.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Funds under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 shall be made available for a special project under section 107 of the Housing and Community Development Act of 1974 (42 U.S.C. 5307) to the Hawaii State Department of Hawaiian Home Lands, for infrastructure development on Hawaiian Home Lands, notwithstanding the restrictions on alienation applicable to such lands.

INDEPENDENT AGENCIES

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

The limitation carried under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 on program development and management in fiscal year 1989 is increased by $750,000.

GENERAL PROVISION

Section 406 under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Public Law 100-404) is amended by striking out "the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitation" and inserting in lieu thereof "any officer or employee authorized such transportation under title 31, United States Code, section 1344".

TITLE III—TECHNICAL ENROLLMENT CORRECTIONS

SEC. 301. The appropriation Operation and Maintenance, Navy as contained in the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-3) is amended by striking out ", of which $60,000,000 shall be transferred to the Coast Guard".

SEC. 302. In Public Law 100-461, "An Act making appropriations for Foreign Operations, Export Financing, and Related Programs for the fiscal year ending September 30, 1989, and for other purposes", in TITLE V—GENERAL PROVISIONS, following the last "." in section 572, insert the following:

"RESOLUTION OF JAPANESE BEETLE PROBLEM"

"SEC. 573. None of the funds appropriated by this Act may be used to fund any programs to assist in solving the Japanese beetle problem in the Azores. It is the sense of the Congress that this problem was created by the Department of Defense which should fund any program to resolve it.".

SEC. 303. In Public Law 100-446, "An Act making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Navajo and Hopi Indian Relocation Commission" delete the sum "$27,323,000" and insert in lieu thereof "$27,373,000".

SEC. 304. In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "National Agricultural Library", delete the sum "$13,268,000" and insert in lieu thereof "$14,268,000".

SEC. 305. In Public Law 100-457, "An Act making appropriations for the Department of Transportation and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Urban Mass Transportation Administration, Interstate Transfer Grants-Transit" delete the sum "$2,000,000,000" and insert in lieu thereof "$200,000,000".

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 402. Notwithstanding section 1346 of title 31, United States Code, or section 608 of Public Law 100-440, funds made available for fiscal year 1989 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order Numbered 12472 (April 3, 1984).

SEC. 403. No funds appropriated under this Act or any other Act shall be available to the Bureau of Alcohol, Tobacco and Firearms for the enforcement of section 204 of the Alcoholic Beverage Labeling Act of 1988, title VIII of the Anti-Drug Abuse Act of 1988 (Public Law 100-690, 102 Stat. 481), and regulations issued thereunder, as it relates to malt beverage glass returnable bottles of 12 ounces or less to which labels have been permanently affixed by means of painting and heat treatment, which were ordered on or before April 21, 1989: *Provided*, That the closure for such bottles contain the warning statement: *And provided further*, That any new returnable glass bottles ordered after April 21, 1989, will be in full compliance with section 204 and the regulations issued thereunder.

SEC. 404. (a) Within 6 months of the enactment of this Act and after granting notice and opportunity to comment to affected tenants, the Secretary shall review the drug-related eviction procedures of all jurisdictions having a Public Housing Authority for the purpose of determining whether such procedures meet Federal due process standards.

(b) Upon conclusion of the review mandated by subsection (a), if the Secretary determines that due process standards are met for a jurisdiction, the Secretary shall issue that jurisdiction a waiver of the procedures required in section 6(k) of the United States Housing Act of 1937, 42 U.S.C. 1437(k), for evictions involving drug-related criminal activity which threatens the health and safety of other tenants of public housing authority employees as long as evictions of a household member involved in drug-related criminal activity shall not affect the right of any other household member who is not involved in such activity to continue tenancy.

(c) Within 60 days of completion of the review mandated by subsection (a), the Secretary shall report to Congress the findings of the review including all waivers granted in accordance with subsection (b).

SEC. 405. SENSE OF THE SENATE REGARDING THE APPOINTMENT OF A NEW ADMINISTRATOR OF THE PANAMA CANAL COMMISSION.—It is the sense of the Senate that the President should not appoint a new Administrator of the Panama Canal Commission unless and until he certifies to Congress that the ruling government of Panama is democratically elected according to procedures specified in the Constitution of Panama providing for a civilian government in control of all Panamanian military and paramilitary forces.

SEC. 406. RESTORATION OF EASTERN AIRLINES.—

(a) FINDINGS.—The Senate finds that—

(1) the operations of Eastern Airlines have been substantially shut down since March 4, 1989, by a strike by the International Association of Machinists with the support of pilots and flight attendant unions;

(2) Eastern Airlines filed a petition under chapter 11 of title 11, United States Code, on March 9, 1989;

(3) Texas Air Corporation, which controls Eastern Airlines, had negotiated for the sale of Eastern;

(4) the organized employees of Eastern had agreed to provide a potential new owner with substantial wage concessions;

(5) the deregulation of the airline industry by Congress was predicated on the anticipated continued existence of strong, independent airlines, such as Eastern Airlines;

(6) the Bankruptcy Court has the power to appoint an independent trustee to manage Eastern's return to operation during the interim period, leading up to the consummation of the sale agreement and transfer of control to a potential owner; and

(7) the return of Eastern Airlines to full operation is in the public interest and in the best interest of the creditors, employees, and customers of Eastern as well as the economies of the communities, States and regions of the United States that Eastern serves.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Bankruptcy Court and all involved parties should facilitate the prompt and safe restoration of Eastern Airlines to full operations through all appropriate action, which may or may not include appointment of an independent trustee, pending sale of the company.

SEC. 407. RESPONSIBILITY FOR NUCLEAR, CHEMICAL BIOLOGICAL, AND MISSILE NONPROLIFERATION.—

(a) RESPONSIBILITIES.—The responsibilities of the Undersecretary of State for Coordinating Security Assistance Policy shall include—

(1) coordinating United States diplomatic efforts to obtain the agreement of all appropriate countries to a missile technology control regime encompassing chemical, biological, and nuclear capable missiles; and

(2) coordinating policies within the United States Government on strategies for restricting the export to foreign countries of components of missiles which are capable of carrying nuclear, chemical, or biological weapons.

(b) REPORT REQUESTED.—The Secretary of State shall submit within 90 days of the date of enactment of this Act to the Speaker of the House of Representatives and the President pro tempore of the Senate a report setting forth the Administration strategy for dealing with the missile proliferation issue, and specifying the steps taken to ensure that adequate resources will be allocated for that purpose.

(c) CONTENTS OF REPORT.—The report required in subsection (b) shall contain, but is not limited to—

(1) a discussion of efforts that can be made to strengthen the Missile Technology Control Regime to restrict the flow of Western missile hardware and knowhow;

(2) a discussion of ways to strengthen international arrangements, including the formation of a new international organization, to monitor missile-related exports and compliance with missile nonproliferation efforts; and

(3) a discussion of how incentives and threats of sanctions can be used to win the cooperation of more nations in controlling missile proliferation.

SEC. 408. TEMPORARY SUSPENSION OF RIGHT TO REPURCHASE STINGER MISSILES.—Notwithstanding section 573(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and section 566(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, the United States hereby suspends its obligation to repurchase STINGER antiaircraft missiles from Bahrain until October 31, 1989.

SEC. 409. EXEMPTION PROVIDED FOR NATIONAL COMMISSION ON CHILDREN FROM CERTAIN PROVISIONS OF TITLE 5.—Section 1139 of the Social Security Act (42 U.S.C. 1320b-9) is amended by striking subsection (f) and inserting in lieu thereof the following new subsection:

"(f)(1) The Commission shall appoint an Executive Director of the Commission. In addition to the Executive Director, the Commission may appoint and fix the compensation of such personnel as it deems advisable. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, that govern appointments in the competitive services, and the provisions of chapter 51 and subchapter III of chapter 53 of such title that relate to classifications and the General Schedule pay rates.

"(2) The Commission may procure such temporary and intermittent services of consultants under section 3109(b) of title 4, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.".

SEC. 410. It is the sense of the Senate that the Secretary of Transportation should conduct a review of the potential impact of highly leveraged acquisitions of control of United States air carriers. The potential impacts to be addressed in such review should include the effects of increased expenses associated with increased debt on carriers' ability to—

(i) modernize their fleets;

(ii) make necessary expenditures for maintenances;

(iii) survive economic downturns (and the effect on competition among air carriers if some do not survive);

(iv) provide small community services;

(v) compete internationally against foreign airlines; and

(vi) make and/or keep the financial commitments to airport projects necessary to expand capacity and improve safety, and meet the future needs of their employees with regard to such matters as salaries, benefits, pensions, and job security and growth.

Pursuant to the conclusions of such review, the Secretary should make a report to the Congress and include in such report an assessment with respect to any major air carrier that is the object of a highly leveraged buy-out.

SEC. 411. The Secretary of Agriculture may use his section 32 authority in appropriate instances to stabilize the apple market and to satisfy the request of recipient agencies.

This Act may be cited as the "Dire Emergency Supplemental Appropriations and Transfers, Urgent Supplementals, and Correcting Enrollment Errors Act of 1989".

ACT FOR BETTER CHILD CARE

WILSON AMENDMENT NO. 211

Mr. WILSON proposed an amendment to the bill S. 5, supra, as follows:

On page 40, strike out lines 15 through 23.

On page 41, line 1, strike out "(9)" and insert in lieu thereof "(8)".

On page 41, line 18, strike out "(10)" and insert in lieu thereof "(9)".

On page 41, line 24, strike out "(11)" and insert in lieu thereof "(10)".

On page 42, line 3, strike out "(12)" and insert in lieu thereof "(11)".

On page 45, line 5, strike out "(13)" and insert in lieu thereof "(12)".

DOMENICI AMENDMENT NO. 212

Mr. DOMENICI proposed an amendment to the bill S. 5, supra, as follows:

Beginning on page 112:

Strike section 89(c)(5) of the Internal Revenue Code of 1986 as added by section 222.

Strike section 89(d)(3) of the Internal Revenue Code of 1986 as added by section 222.

Strike section 89(f)(3)(C) of the Internal Revenue Code of 1986 as added by section 222.

Strike the second sentence of section 4980C(c) of the Internal Revenue Code of 1986 as added by section 222.

After section 204 insert the following:

SEC. 205. EXEMPTION FROM SECTION 89 FOR EMPLOYERS WITH FEWER THAN 20 EMPLOYEES.

(a) IN GENERAL.—Section 89(f)(1) of the Internal Revenue Code of 1986, as added by section , is amended to read as follows:

"(1) HEALTH PLAN.—

"(A) IN GENERAL.—The term 'health plan' means an accident or health plan within the meaning of section 105(e).

"(B) EXCEPTION FOR CHURCH PLANS.—The term 'health plan' does not include a plan maintained by a church for church employees. For purposes of the preceding sentence, the term 'church' means any church (as defined in section 3121(w)(3)(A)) or qualified church-controlled organization (as defined in section 3121(w)(3)(B)).

"(C) Exception for plans of employers with fewer than 20 employees.—

"(i) IN GENERAL.—The term 'statutory employee benefit plan' does not include a plan maintained by an employer during a testing year if on all days during such year the employer has fewer than 20 employees (determined without regard to employees excluded under subsection (h)).

"(ii) AGGREGATION RULES.—All employers treated as a single employer under section 414 (b), (c), (m), (n), or (o) shall be treated as a single employer for purposes of subparagraph (A)."

(b) EFFECTIVE DATE; STUDY.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986, and shall remain in effect until taxable years beginning after December 31, 1992.

(2) Study and Report.—

(A) STUDY.—The Secretary of the Treasury or the Secretary's delegate shall con-

duct a study to determine if discrimination occurs in employee benefits provided by small businesses exempted from the application of section 89 of the Internal Revenue Code of 1986.

(B) REPORT.—The Secretary of the Treasury or the Secretary's delegate shall not later than July 1, 1992, report the results of the study conducted under subparagraph (B) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

DANFORTH AMENDMENT NO. 213

Mr. DANFORTH proposed an amendment to the bill S. 5, supra, as follows:

On page 126, strike lines 10 through 17, and insert:

"(1) HEALTH PLAN.—The term 'health plan' means an accident or health plan within the meaning of section 105(e)."

On page 134, between lines 11 and 12, insert:

"(11) SPECIAL RULES FOR CHURCH EMPLOYEES.—

"(A) IN GENERAL.—There shall be excluded from consideration under this section church employees covered by a church plan.

"(B) DEFINITIONS.—For purposes of subparagraph (A), the terms 'church employee' and 'church plan' have the meanings given such terms by paragraphs (3)(B) and (1) of section 414(e), respectively, except that—

"(i) section 414(e) shall be applied by substituting 'section 501(c)(3)' for 'section 501' each place it appears, and

"(ii) the term 'church employee' shall not include an employee of—

"(I) an organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training),

"(II) an organization described in section 170(b)(1)(A)(iii), and

"(III) an organization described in section 501(c)(3), the basis of the exemption for which is substantially similar to the basis for exemption of an organization described in subclause (II)."

On page 137, strike lines 16 through 18, and insert "Such term shall not include a church plan (within the meaning of section 414(e)).

COATS AMENDMENT NOS. 214 THROUGH 218

Mr. COATS proposed five amendments to the bill S. 5, supra, as follows:

AMENDMENT No. 214

On page 89, line 16, strike all after the comma and insert: "except that a sectarian organization may require that employees adhere to the religious tenets and teachings of such organization and further, such organization may require that employees adhere to rules forbidding the use of drugs or alcohol."

AMENDMENT No. 215

On page 28, line 25, strike the "." and insert in lieu thereof ", which receive public funds."

AMENDMENT No. 216

On page 29, line 24, strike the ";" and "or" and insert the following: ", unless the State with the concurrence of the State advisory committee established under section 111, requests a waiver of this subparagraph and demonstrates, to the satisfaction of the Secretary, that the proposed reduction is necessary to increase access to and availability of eligible child care providers and will not jeopardize the health and safety of children.".

AMENDMENT No. 217

On page 10, line 1, after "consanguinty," insert "or by decree of court,"

On page 10, line 1, strike "or nephew" and insert "nephew or sibling".

AMENDMENT No. 218

On page 10, line 8, strike "the private residence of such individual" and insert in lieu thereof "a private residence."

DOMENICI (AND OTHERS) AMENDMENT NO. 219

Mr. DOMENICI (for himself, Mr. SPECTER, Mr. BURNS, and Mr. WILSON) proposed an amendment to the bill S. 5, supra, as follows:

On page 148, between lines 2 and 3, insert:

(5) SPECIAL RULES RELATING TO SMALL EMPLOYERS.—

(A) 1-YEAR DELAY.—In the case of a small employer, section 89 of the Internal Revenue Code of 1986 (as added by subsection (a)) and section 4980C of such Code (as added by subsection (b)) shall apply to years beginning after December 31, 1990.

(B) STUDY.—

(i) IN GENERAL.—The Secretary of the Treasury or his delegate shall conduct a study to determine if discrimination in favor of highly compensated employees occurs in the providing of employee benefits by small employers. Such studies shall consider a broad base of small businesses, including businesses of professionals.

(ii) REPORT.—Not later than July 1, 1990, the Secretary of the Treasury or his delegate shall report the results of such study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, including any recommendations. Such committees shall review such report and take appropriate actions with respect to the application of nondiscrimination rules to small employers.

(C) SMALL EMPLOYERS.—For purposes of this subparagraph, the term "small employer" has the meaning given such term by section 89(c)(5)(B) of the Internal Revenue Code of 1986 (as added by subsection (a)).

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Thursday, July 13, 1989, at 9 a.m. in SR 332, Russell Senate Office Building to receive testimony on drought.

For further information, please contact Bob Young of the committee staff at 224-2035.

SUBCOMMITTEE ON DOMESTIC AND FOREIGN MARKETING AND PRODUCT PROMOTION

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Domestic and Foreign Marketing and Product Promotion of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on July 11, 1989 at 2 p.m. on research and promotion legislation. The hearing will be held in room 332, Russell Senate Office Building.

Senator DAVID L. BOREN will preside. For further information please contact Dan Webber of the subcommittee staff at 224-4721.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that the hearings scheduled before the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources on July 18 and 20, 1989, have been postponed.

Testimony was to be heard at this hearing on the Department of Energy's nuclear reactor research and development programs and on commercial efforts to develop advanced nuclear reactor technologies.

The hearings were originally scheduled to take place on the above mentioned dates in the Dirksen Senate Office Building in Washington, DC.

The hearings will be rescheduled at a later date. For further information, please contact Mary Louise Wagner or Teri Curtin at (202) 224-7569.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on July 19, 1989, beginning at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on four measures currently pending before the subcommittee. The measures are:

S. 866, a bill to establish the Calumet Copper Country National Historical Park in the State of Michigan, and for other purposes;

S. 931, a bill to protect a segment of the Genesee River in New York;

H.R. 419, a bill to provide for the addition of certain parcels to the Harry S. Truman National Historic Site in the State of Missouri; and

H.R. 1529, a bill to provide for the establishment of the White Haven National Historic Site in the State of Missouri, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, SD-364, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the committee staff at (202) 224-9863.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National

Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on July 20, 1989, beginning at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 371, a bill to designate certain National Forest System lands in the State of Idaho for inclusion in the National Wilderness Preservation System, to prescribe certain management formulae for certain National Forest System lands, and to release other forest lands for multiple-use management, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, SD-364, Washington, DC 20510.

For further information regarding the hearing, please contact Beth Norcross of the committee staff at (202) 224-7933.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON TRADE

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Trade of the Committee on Finance be authorized to meet during the session of the Senate on June 22, 1989, at 2 p.m. to hold a hearing on Japanese trade barriers that block United States forest product exports.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. EXON. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on June 22, 1989, at 10 a.m. to hold hearings on and to consider the nominations of Fred T. Goldberg, to be Commissioner of the Internal Revenue Service; Juluis L. Katz, to be a Deputy U.S. Trade Representative; and, Michael J. Astrue, to be General Counsel of the Department of Health and Human Services, and to consider an original bill, identical to section 2 of H.R. 2550, the "Democracy in Eastern Europe Act of 1989", to extend eligibility for the generalized system of preferences to Poland.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. EXON. Mr. President, I ask unanimous consent that the Communications Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 22, 1989, at 9 a.m. to hold a hearing on media ownership: Diversity and concentration which will focus on broadcast industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. EXON. Mr. President, I ask unanimous consent that the Surface Transportation Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on June 22, 1989, at 2 p.m. to hold a hearing on S. 1005, legislation regarding railroad debt and acquisition issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. EXON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on June 22, 1989, at 2 p.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. EXON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 22, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSERVATION AND FORESTRY

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Conservation and Forestry of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Thursday, June 22, 1989, at 9 a.m. to hold a hearing on Conservation and Agricultural Practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. EXON. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, June 22, 1989, at 9:30 a.m. to conduct a hearing on the Americans With Disabilities Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, June 22, beginning at 10 a.m., to conduct a mark up of S. 804, the North American Wetlands Conservation Act, to conserve North American wetlands and waterfowl and the other migratory birds and fish and wildlife that depend upon these habitats.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. EXON. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Thursday, June 22, 1989, at 9:30 a.m. The committee will hold a hearing on the problems faced by small businesses in complying with the paperwork requirements of the Occupational Safety and Health Administration's Hazard Communications Standard.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. EXON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, June 22, 1989, at 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on European Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 22, at 2 p.m. to hold a hearing on Europe 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Thursday, June 22, 1989, at 9 a.m. to conduct hearings on chemical weapons proliferation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. EXON. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on home loan guaranty and agent orange legislation (S. 404, H.R. 1415, S. 898, a Cranston home-loan program bill, and an agent orange compensation bill) on Thursday, June 22, 1989, at 8 a.m. in SR-418.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, June 22, 1989, at 2 p.m., to hold a hearing on Civil Rights Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Education, of the Committee on Labor and Human Resources,

be authorized to meet during the session of the Senate on Thursday, June 22, 1989, at 11 a.m. to conduct a hearing on "Voc Ed Reauthorization."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SELF-RESTRAINT

● Mr. SIMON. Mr. President, Richard Reeves, the highly respected national columnist, recently had a column in the Peoria Journal-Star and other newspapers around the Nation which ran under the title "Lee Atwater: Days Are Dwindling Down for Republicans' Rambo." I assume it ran under different titles in other newspapers.

Its content is significant.

For a free system to work, self-restraint is necessary on the part of leaders of the free system.

There is too much evidence that the free system is not working as it should these days.

I hope all of us in both political parties can exercise more self-restraint.

An example of that abuse is in his column, which I ask to be printed in the RECORD at this point.

The column follows:

[From the Peoria Journal-Star, June 14, 1989]

LEE ATWATER: DAYS ARE DWINDLING DOWN FOR REPUBLICANS' RAMBO

(By Richard Reeves)

WASHINGTON.—I have lived in Washington on and off under five presidents and have always suspected that only one thing was sure around here: If Attila the Hun were in the White House, Washingtonians would be telling each other how good we all looked in bearskins.

My suspicion was confirmed, as Reader's Digest would say, when I saw the cover of the current issue of a local magazine called Dossier. When I last lived here, in 1974, Dossier was dropped on your doorstep if you had the right ZIP code. It was 10 or 12 pages then, most of them filled with pictures of a South Korean lobbyist named Tongsun Park at parties with his girlfriend, a blonde whose name I've forgotten.

But people did read it, because it pioneered one irresistible feature: lists of real estate prices. The density of gossip in Washington is extraordinary—and appetites for it bottomless—and Dossier, I remember, made a small mark by publishing the price when James Reston of The New York Times sold his house to Tom Brokaw of NBC. A classic changing of the guard.

By the time I came back last year, Dossier had become a slick magazine of 88 pages filled with photographs of almost everybody at play. The subscription forms inside listed the magazine's priorities as "Powerful Personalities" . . . "Luxurious Homes and Gardens" . . . "Sophisticated Fashions." And the articles listed on the cover were: "Real Estate Special: What a Million Dollars Won't Buy" and "Friday Night at the Bushes."

The cover itself was a photograph of the little Attila of this day: "Lee Atwater, chairman of the Republican National Committee . . . Grooming by Ilona Holland." Miss Holland, I guess, deserves credit for getting Atwater out of his bearskin and into a white shirt. He is posed staring into the camera, his unclouded eyes beaming the sincerity he projected when declaring that he had no idea that the star of the millions of dollars' worth of Bush commercials, the most publicized rapist of the 20th century, Willie Horton, was a black man.

In fact, those are the same eyes that President Bush said looked into his own as Atwater declared that he never knew his office was sending our fliers intimating that House Speaker Thomas Foley was a constant danger to children in schoolyards around the nation. Who could disbelieve such a likable young fellow who is forever being picked on just because in about every campaign he manages, rumors begin to pop up about mental illness, homosexuality, drugs, and the burning of American flags by opponents' wives?

So, Washington can be a very silly place, but only a bit sillier than most. And Lee Atwater is a thug, but hardly unique. My feelings about him are not personal. I wish they were. The most distressing thing about Atwater is that he's a type, part of a modern American breed.

Atwater, I'm sure, knows the classic differences between right and wrong. He just doesn't think they're relevant to what he does. What counts is not how you play the game; it's whether you win or lose. The new breed define themselves and their work by the numbers—in Atwater's case, the numbers of votes. In the case of television programmers, it's the number of viewers. In the case of Wall Street hotshots or commodity brokers, it's the number of dollars.

Winning is its own reward. Winning asserts its own morality. Political managers, network programmers and MTV managers alike see themselves answering to a higher voice than mine. They see themselves as answering the call of the people. They are giving the people what they want!

What could be more moral than that? If you believe in democracy, if you believe in free markets, what can be better than giving the people what they want? Numbers, ratings, elections are the purest test of the public mood, the public desire, the public fears, the public good. And Lee Atwater is the perfect conductor of those things, the unjudging conduit from polls and focus groups to the people.

Clearly Atwater has no sense that the strength of democracy is that it can generate dialogue and leaders that make us better as a people than we know ourselves to be as individuals. We, the people, hope, for instance, that the U.S. Senate will produce better debate than the mean ramblings of a focus group.

Atwater may not last long as cover boy and chairman. He may be nothing more than the Billy Carter of this season. He won't be allowed another mistake like the Foley affair. The press and Washington itself would tolerate his kind forever, but he will be done in by his patrons. George Bush and other Republicans who don't wear bearskins jettison the Atwaters of the world as quickly and cleanly as they tell the maid to take out the garbage.

That is something Atwater may sense; he does not see himself as an ordinary Republican. The Dossier piece on him celebrates his workingman's lust for rock music, barbecue sauce and Hulk Hogan. How charming. But being on that cover was a fatal mistake. He will fall now, not because his opponents find him amoral, but because he has already made a mistake deadly among Republicans: Lee Atwater talks too much; he doesn't know his place.●

BURDENSHARING AND THE BUSH CONVENTIONAL PARITY INITIATIVE

● Mr. JOHNSTON. Mr. President, on January 19, of this year I wrote President Bush a letter urging him to expedite appointment of an Ambassador-at-Large for defense burdensharing. The Congress created this ambassadorship last year in the fiscal year 1989 defense appropriation bill. I suggested to the President that if he quickly appointed an eminent person to this post it would signal this administration's priority on reducing the disproportionate burden our people bear in defending the free world. Today, almost 6 months later, that post remains unfilled.

Some say that President Bush's "conventional parity initiative," which would limit Soviet and American troops in Europe to 275,000 on each side, has killed hopes for progress on burdensharing, at least in Europe. They say that Congress dare not act unilaterally on burdensharing once the talks begin on Mr. Bush's proposal. They predict that as our defense burden declines in Europe through negotiated agreements with the Soviets, the pressure at home for equity in how that burden is shared will diminish. Burdensharing is a dead issue we are told.

On the contrary, I think burdensharing will be more important than ever to this administration. Appointment of a special Ambassador to handle that task is not only a requirement of law, but would be a wise move for the Bush administration.

First, let me commend President Bush for his bold and daring initiative in proposing troop reductions in Europe to 275,000 on each side. He skillfully seized the initiative from Secretary Gorbachev. If the Bush proposal is adopted and the Soviets cut their troops in Eastern Europe by 350,000, then the likelihood of a Soviet attack on Europe will be significantly diminished.

As for the prospects for burdensharing legislation, no doubt it will be very difficult now for Congress to enact any unilateral troop cuts in Europe during negotiations of the President's proposal. Certainly, history suggests that Congress is preempted from unilateral action, at least for a while. My colleagues may recall that from 1966 to 1973, Senator Mansfield introduced a resolution every year calling for substantial U.S. troop reductions in Europe. In 1970 he had mustered 50 cosponsors in the Senate. But in 1973 that mutual and balanced force reduction talks—MBFR talks—began. President Nixon urged Congress not to legislate unilateral troop withdrawals as it would interfere with the delicate negotiations. Over 400 meetings later the MBFR talks had little to show for the effort.

Let me remind my colleagues that during those 400-odd meetings the

number of active duty U.S. troops stationed in Europe grew by 50,000. The number of DOD civilians has increased by 25,000 and the number of U.S. dependents in Europe soared by 80,000. All told, since the MBFR talks began, the United States increased its presence in Europe by about 150,000 people.

So why is burdensharing so important for the Bush administration now, besides the fact that appointment of a burdensharing Ambassador is required by law? The reason is that Gorbamania and demographics are tempting individual members of the alliance to cut their defenses substantially now, to bear less of the defense burden. But negotiations on conventional force reductions in Europe will require many months, if not years. Such defense cutbacks now could induce instabilities within the alliance that would unravel our negotiating position with the Soviets. Moreover, the United States might find itself carrying an even larger percentage of the total defense burden than it already does.

No one should count on Mr. Bush's proposal being implemented quickly. One can be optimistic, but realistic at the same time. The President's proposal is contained within a NATO package that has yet to be finalized. A formal presentation to the Soviet Union will come later. While President Bush hopes treaty negotiations can be negotiated within 1 year, many doubt that is possible. The Soviets seem to think their own proposal wouldn't be implemented until 1997.

Yet already, the West Germans have unilaterally decided to delay until 1992 the planned extension of their draft. Their troop levels may drop from the current 489,000 down to 370,000-405,000, predicts one observer. The French are said to be considering cutting their conventional forces.

It would be easy for our allies to misinterpret the Bush proposal as creating a floor, not a ceiling on our military presence in Europe. The 275,000 troop limit would apply only to the United States and the U.S.S.R. European members of the alliance might conclude that the United States has the burden of matching the Soviet presence, that the rest of the alliance can slacken its efforts. If that happens, then I seriously doubt that the United States can be relied on to field 275,000 troops in Europe. The issue of burdensharing has always been one of fairness, fairness in the distribution of the burden among military allies who are also trading partners.

There will be impatience here at home as well. Mr. Bush's proposal would not dramatically cut either our defense presence in Europe, or our defense budget. It was not offered as a budget-saving measure. Cutting our troop levels in Europe to a level of 275,000 would take us back to about where we were, ironically, in 1973. That's a level that Senator Mansfield and many other Members thought entirely excessive back then.

The deficit situation next year will put a severe squeeze on the defense budget. The administration's budget forecast for fiscal year 1991 shows they will ask for $3 billion more in defense overseas funding than we will spend this year. Before, burdensharing meant we were asking our allies to shoulder more of the defense burden, so that we could reduce our disproportionate contribution to the alliance. Now, it seems we may have to struggle to get our allies even to maintain their current contribution. That will be especially frustrating for Members next year.

I would hope that the President would match his first proposal with a second one. Call it an alliance parity initiative. I have no illusions that appointment of such a burdensharing Ambassador would magically redress the imbalance in who pays what to defend Europe. But it is an opportunity to bring someone new into the equation who has a mandate from the President. That mandate would be, first, to dissuade alliance members from prematurely cutting their defense commitments, and second, to seek parity among the NATO members in shouldering the revised defense burden of the future.

Perhaps one day, once the third or fourth round of successive troop reductions in Europe are implemented, the level of defense required will be comfortably affordable. Then fairness in who bears what defense burden within the alliance may not be an issue. I look forward to that day, but until then, the President would do well to appoint a burdensharing Ambassador to instill patience, but also a greater sense of fairness within the alliance.●

PASSAGE OF THE DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL

● Mr. SHELBY. Mr. President, today I rise to respectfully urge the conferees to reach a workable agreement on the appropriations bill so that funds for veterans' health care and other projects will be provided in an expeditious manner. The Independence Day recess is before us. I do not want to leave without completing a package that will provide funding for programs that serve those who have served our country in times of need.

As we all know, because our constituents are informing us, horror stories of delayed medical treatments are growing. Mr. President, the dire emergency supplemental appropriations bill contains $1.2 billion for the Department of Veterans Affairs, including $340 million for medical care. It has been reported that the Department of Veterans Affairs has been working to maintain prudent levels of veterans' health care and that many medical facilities may be closed soon and treatment denied to veterans. At this juncture, we must concentrate on strengthening the Veterans' Affairs Department health care system. This temporary crisis, and I hope it is temporary, is not needed.

The maintenance of quality health care is the preferred goal. We must not lose sight of this goal. Only with full funding can we provide A-1 medical services. I do not think it is fair nor reasonable to deny benefits to those brave individuals who have served our country with hesitation.

Mr. President, I strongly urge the conferees to reach a compromise so that our veterans will not be unduly affected.●

BRILLIANT PEBBLES

● Mr. SIMON. Mr. President, we seem to go from one loony idea to another one, in the area of defense.

The latest is "brilliant pebbles" that would be used to stop about 30 percent of Soviet missiles that would be attacking the United States. These pebbles would be in space.

During my year in the House, I came to have tremendous regard for one of the most thoughtful Members of the House, who has his feet on the ground and is also extremely knowledgeable in defense.

I mean no disrespect to the current chairman of the House Armed Services Committee, when I say I would have voted for CHARLIE BENNETT for chairman of the House Armed Services Committee, had I been a Member of the House.

Our colleague in the House, Congressman BENNETT, has written an op-ed piece for the New York Times that briefly, swiftly, and effectively demolishes the whole "brilliant pebbles" idea.

I ask to have it printed in the RECORD at this point, and I urge my colleagues and their staffs to take the time to read this article.

The article follows:

[From the New York Times, June 17, 1989]

"BRILLIANT PEBBLES"? NO, LOOSE MARBLES

(By Charles Bennett)

WASHINGTON.—With "brilliant pebbles," proponents of the Strategic Defense Initiative may finally have gone off the deep end.

After six years and $17.5 billion of research, the "Star Wars" program has produced lots of exciting ideas. Every time one of them gets shot down, the scientists invent another. This time it's a doozie.

After a year of lobbying, Lowell Wood and Edward Teller of Lawrence Livermore National Laboratory have convinced the Bush Administration to embrace brilliant pebbles. The idea is to encircle the globe with tens of thousands of rockets packed with so much advanced technology that they could shoot down about 30 percent of the first wave of a Soviet nuclear missile strike.

We should not reject this idea out of hand. But for something swallowed uncritically by educated adults who should know better, this proposal has a remarkable number of problems.

To start with, brilliant pebbles is the brainchild of the same two scientists who hatched the idea of shooting down missiles in space with an X-ray laser. Mr. Teller's briefings to President Ronald Reagan about this weapons concept are widely credited with inspiring the S.D.I. program. Mr. Teller claimed the laser was close to reality, writing that "a single X-ray laser module the size of an executive desk could potentially shoot down the entire Soviet land-based missile force." The problem was that this claim wasn't true.

While Mr. Reagan believed Mr. Teller, other S.D.I. scientists were less optimistic, to put it mildly. George Maenchen, the senior scientist in charge of the X-ray laser program at Lawrence-Livermore, said: "All these claims are totally false. They lie in the realm of pure fantasy." Indeed, the X-ray laser program that launched S.D.I. was soon put on the backburner as "long-term research."

Mr. Wood and Mr. Teller also championed ground-based lasers, and then space-based interceptors—hundreds of satellites, each carrying a dozen rockets. Unfortunately, brilliant pebbles looks no more promising than its predecessors.

The system requires technological breakthroughs in dozens of areas. No "brilliant pebble" has been built yet. Mr. Wood talked last year of deploying 100,000 rockets, each weighing five pounds and costing $10,000. Last month, Vice President Quayle said each would weigh 100 pounds and cost $500,000.

Even if the technology does work, we still haven't solved the basic problem of strategic defense: All defensive systems can be defeated by countermeasures that cost far less. The reason for that is simple. It's a lot easier to hit an orbiting satellite than a warhead moving at a vast rate of speed. Moreover, it's also easy to build enough new missiles to numerically overwhelm a defense, or to develop missiles that get into space before interceptors can target them.

In any event, we would be locked into a spiraling offensive and defensive arms race with no winner, no stability and no security. Funds would be drained from more urgent defense needs.

Recently, the Joint Chiefs of Staff proposed that the Administration drop its insistence, in the Geneva talks on strategic arms reductions, on the right to deploy strategic defenses. This note of skepticism follows their call, in April, for the lowest of the funding options presented during an official review of Star Wars.

Research, however, is a prudent hedge against unpleasant technological surprises. Respected experts have told Congress repeatedly that a vigorous research program could be supported at $2 billion to $3 billion a year. We are spending more than that now because we have a program geared to deployment, not research.

If the Bush Administration wants to spend some of that money on brilliant pebbles research, fine. Administration officials may, in fact, know the idea is crazy but be using it to divert attention while they cut $1 billion from S.D.I. Since there has been little outcry at the cuts from the true believers, perhaps we should concede the brilliance of their strategy.

But for Congress to appropriate $4 billion or $5 billion for this scheme would look less like brilliant pebbles than like loose marbles.●

ODYSSEY OF THE MIND

● Mr. PRYOR. Mr. President, today, I want to brag a bit and share with my colleagues a success story from the city of Blytheville, AR. Three teams representing the Blytheville School District competed admirably in the "Odyssey of the Mind" world finals on May 27 of this year in Boulder, CO. I hope that my colleagues will join me in commending the students from that fine town for their effort, intelligence and innovation.

The "Do More With Less" team in division III coached by Ms. Michele McLeod competed against 600 teams and 6,000 students from several countries, including China, the Soviet Union, Canada, and Mexico. The Arkansas know-how of Michael Strickland, Tommy Long, Rebecca Moore, Crystal Strickland, Harriet Hammett, and Matthew McLeod brought home first place and the title of "Best in the World" to Blytheville. In one exercise they managed to support 247 pounds with a balsa wood design weighing merely five grams, roughly the weight of a nickel.

This Chamber's congratulations should also be extended to Kevin Patterson, Destry Mason, Brian Needham, Michelle Fryer, Jennifer Robbins, Brian Mosley, and coaches Mrs. Joy Patterson and Mrs. Kwajalean Needham of Burdette Elementary School for their fifth place finish in division II of the "Do More With Less" competition. My admiration and respect goes out to those fifth and sixth graders who performed with style and grace.

West Junior High's team is also a credit to their city and their school. Brad Young, Julie Harmon, Edward Rhodes, Stephanie Jones, Chris Clark, and coaches Mrs. Sue Harmon and Miss Carey McMahan exhibited a fine sense of sportsmanship and competitiveness. I am proud of their exemplary effort.

I hope my esteemed colleagues will join me in congratulating the participating students and coaches of the Blytheville School District. Today I am proud of my State and these young citizens for their fine effort and excellence. I am sure that my colleagues share my enthusiasm for the Odyssey of the Mind Program and its emphasis on excellence. These students and the town that supported them stand as fine examples of hard work and intelligence and deserve our respect and admiration.

Mr. President, I respectfully request that a copy of an article from the Arkansas Democrat detailing the success of these students be reprinted in the RECORD at this point.

The article follows:

[From the Arkansas Democrat]

ARKANSAS STUDENTS AMONG BEST IN WORLD AT MENTAL COMPETITION

(By Thomas Sisson)

Some Arkansas students proved themselves among the best in the world at the worldwide "Odyssey of the Mind" competition held May 27 in Boulder, Colo.

Teams of students from Blytheville finished first and fifth in their divisions and a team from Norman Junior High School in Crosett finished second.

The first-place team from Blytheville had six students from three schools: Blytheville High School, which had four students; East Junior High School with one student; and Robinson Primary School, also with one student.

Blytheville beat out more than 600 teams from several countries, including China, the Soviet Union, Canada and Mexico. Their winning effort was in the "Do More With Less" problem.

In one part of the problem, the students were required to build a balsa wood structure weighing between 5 and 15 grams.

Five grams is about equal to the weight of a nickel, according to Janet Taylor, assistant school superintendent in Blytheville. The 3-inch-tall, 5-gram structure designed by the students supported a weight of 247 pounds at the world competition.

Tommy Long, a 10th-grade student, was the chief designer. The other term members were Harriet Hammett, Rebecca Moore and Crystal Strickland, all 10th-grade students; Michael Strickland, an eighth-grade student, and Matthew McLeod, a first-grade student.

Long said the winning structure wasn't exactly designed according to modern engineering techniques.

"It was mainly just trial and error," Long said. "We'd build one, test it and rebuild it. Mostly the changes were just moving a diagonal crosspiece here and there I think we made about 50 different structures before we settled on this one."

Long said he wasn't surprised at the team's performance in Boulder. At the statewide competition, their entry had actually supported more weight, 295 pounds; He speculated the change in climate made some difference.

Crystal Strickland said she and the others were mainly involved in the other phase of the team competition, an eight-minute skit on the plight of the homeless and hungry for which they provided a script, costumes, scenery and music.

She said her six years of participation in the competitions have benefited her both as a student and as a person.

"I plan to stay on the team the rest of my time in school," she said. "We really have learned how to work with other people to get a common job done. And it's really built up my confidence and self-esteem."●

MORATORIUM ON THE TRADE OF ELEPHANT IVORY

● Mr. MOYNIHAN. Mr. President, I would like to commend President Bush on his announcement that the United States is banning imports of ivory, effective June 9. Great Britain, France, and West Germany have also declared moratoria on imported ivory. In addition, Japan, the world's largest consumer of ivory products, announced it will shut down all imports of ivory shipped from non-African countries beginning June 19. Taken together, these actions should significantly curb the world's appetite for ivory products, and curtail poaching operations which threaten to wipe out the 700,000 remaining African elephants.

Not a moment too soon. At the next meeting of the Convention on International Trade in Endangered Species, CITES, in Lausanne this October, the classification of the African elephant

is expected to be transferred from threatened to endangered, meaning the international community recognizes that the elephant—a keystone species in African ecosystems—is in danger of becoming extinct entirely. International recognition of the African elephant as endangered should mean an end to ivory imports in the 103 CITES member countries. A ban on imports by the world's major ivory consumers, together with effective measures to eliminate demand for such ivory, would make poachers less likely to slaughter the remaining animals.

As the elephant has fallen prey to poachers in the last decade, the price of 1 ton of ivory has risen not only in dollar terms, but in terms of the actual number of animals slaughtered to yield 1 ton of ivory. According to the New York Zoological Society, in most populations elephant bulls are scarce—so poachers are now taking female elephants with smaller tusks. In 1979 the number of elephants taken for a ton of ivory was 54, mostly bulls. In 1987, 113 elephants, mostly females, had to be killed to provide the same ton of ivory. Because many of these females left orphan calves, 55 additional elephants died with each ton of ivory taken. At present 10 percent of the living population per year is being destroyed.

Elephants have fallen prey to humans at least since the ice age, 25,000 years ago. Archeologists have uncovered remains of trinkets, needles, and small utensils carved out of ivory by European hunters. When the Europeans began to colonize Africa 500 years ago, 10 million elephants inhabited the savannas and forests from the shores of the Mediterranean to the Cape of Good Hope.

Europeans acquired a taste for ivory to make combs, ornaments, piano keys, and bagpipe joints. African elephant populations gradually diminished. By the late 19th century African elephants, which had disappeared from North Africa entirely, became almost extinct in Cape Colony, the present day South Africa.

Subsequent conservation efforts preserved the remaining stock of elephants, and the population remained stable through the 1960's. However since 1970, the demand for ivory increased dramatically, in part because as a commodity ivory has been considered a good investment: the price of ivory has increased 900 percent in the last 20 years. And new sources of demand emerged. The two largest importers are now Japan and Hong Kong.

Increased ivory prices led to the decimation of African elephants. In the Central African Republic, bands of poachers—Sudanese horsemen, 50 or more to a group, armed with automatic weapons from the Chadian war—slaughtered over two-thirds of the country's elephants between 1978 and 1986.

Elephants such as those inhabiting the Dzanga-Sangha dense forest of the southwestern Central African Republic illustrate that the elephant is a keystone species, having a profound effect on the local ecology. These elephants sustain other forms of life. For example, the elephants enlarge and create marshy clearings, which support populations of bongo, buffalo, birds, and forest wildlife.

Wild species of plants and animals are a treasure in more than an esthetic sense. Prescription medicines, such as those used to treat leukemia, herpes, encephalitis, and high blood pressure are derived from living species. In addition, wild varieties of wheat and corn can be used to genetically enrich farmers' yields. Decimation of wild species impoverishes the human race in manifold unforeseeable ways.

The General Accounting Office reported in December 1988 that one plant or animal species is lost per day worldwide. It is my hope that today's efforts by the international community will not stop at protecting African elephants, but will engender a larger effort to preserve all species that are threatened or endangered.

To further this effort, on January 25 I introduced a bill, S. 261, that would strengthen the hand of the President to enforce international agreements to protect endangered and threatened species by making actions that undermine such agreements unfair trade practices under section 301 of the Trade Act of 1974. This bill would enhance protection of species such as the African elephant that have been subjected to irresponsible commercial exploitation.

To capture the attention of the governments of countries where illegal trade in endangered species is known to occur, the United States should have the ability to selectively retaliate against all categories of imports. The governments involved would then be more likely to tighten restrictions on illegal trade in endangered species. If countries such as Japan or Hong Kong fail to follow through with the moratorium on ivory trade—or continue to import ivory from African countries should the CITES secretariat designate the African elephant an endangered species this October—retaliatory action should, for example, fall on sophisticated electronics or automotive products, or whatever would be most effective.

Hence, my bill. The use of section 301 of the Trade Act of 1974 would greatly broaden the armory of retaliatory options available to the President. And the President could craft the proper response. Our ability to enforce conservation agreements would be improved and the security of many species enhanced.

In addition, private parties would also have the right to petition the U.S. trade representative under section 301 for relief against any burden caused by the failure of foreign governments to enforce agreements.

Finally, Mr. President, although I am pleased that Japan has finally responded to environmental concerns in the case of ivory, much more needs to be done. Japan remains the largest market for endangered species and continues to hunt whales in violation of international agreement. Although the United States could take unilateral action under section 301, I continue to urge a multilateral approach. President Bush and Ambassador Hills should pursue a framework agreement at the current round of GATT negotiations to prevent trade in endangered species. Article XX of the GATT permits trade restrictions for conservation purposes. All that is required is the will to undertake negotiations. I can only hope that President Bush's strong action on elephant ivory means a new willingness to harness our trade laws and the GATT to prevent irresponsible trade in endangered species.●

FAREWELL TO BOB SMITH

● Mr. SIMON. Mr. President, it is my pleasure to salute Robert E. Smith, who will retire June 30, 1989, after 34 years of distinguished service with United Parcel Service. As the company's senior vice president and functional manager of the communications, public relations, and public affairs department, Bob has expertly managed the company's publications, audio-visual communications, public relations, and public affairs activities. His principal activity has been to inform government officials at all levels of the company's views regarding legislation and regulation. Bob also has participated actively as the company's chief witness in rate and other Postal Services hearings, particularly as the issues relate to fair competition in the public and private sector. He has great respect among his colleagues and professional associates, who will miss his valuable and trusted service. It has been a pleasure and an honor to work with Bob and we on the hill will miss him as well.

Bob was born on December 20, 1929, in Jersey City, NJ. He moved west with his family and graduated from high school in Santa Maria, CA. He attended San Jose State University before moving back to New Jersey, where he later earned a B.S. degree in communications from Farleigh Dickinson University.

Bob worked for 6 years with the National Broadcasting Company [NBC] in New York, starting as a studio page. Before leaving NBC, Bob served as a noncommissioned officer in an explosive disposal unit in the U.S. Army.

Bob worked in network sales with NBC and then as a salesman for two other companies before joining UPS in 1955 in press relations.

In his capacity as chief executive of the company's communications function, Bob has played an important role in shaping UPS internal and external communications programs. As head of this group, Bob is also a member of the UPS Management Committee, the executive board which has responsibility for the overall, day-to-day management of the company.

Bob is a member of the board of trustees of the UPS Foundation, an organization through which UPS channels the bulk of its corporate charitable funds.

Bob has also served the public by sharing his transportation and shipping expertise with numerous organizations. He is a member of the Business Advisory Committee of the Transportation Center at Northwestern University, a member of the Business Transportation Council of the U.S. Chamber of Commerce; and a member of the Steering Committee for the National Center for Small Communities.

Bob's 34 years of leadership in his industry has served both his company and the public well. His effective communications skills, wise management, and expert testimony before the Postal Rate Commission and various committees of the Congress are part of a notable career which will be missed.

Now, Bob is retiring from UPS to pursue his personal interests. I know that his enthusiasm and dedicated efforts will be valuable to whatever activity he may choose.

I salute Bob Smith's many contributions to building awareness about the free enterprise spirit and about fair competition here on Capitol Hill, and I wish Bob and his wife Marie much happiness and success in their new venture.●

A TRIBUTE TO BILL VINCENT

● Mr. BRYAN. Mr. President, today I rise to recognize an outstanding and public spirited Nevada citizen, Bill Vincent. On June 27, 1989, a group of Nevadans will honor Bill, who has made a lifetime commitment to conserving the Nevada environment, by planting a grove of trees in Lorenzi Park.

Bill Vincent exemplifies what can be accomplished by volunteer and grassroots activities in support of preserving our environment for our children and grandchildren, and making our communities better and more liveable places. During his career as a journalist with the Las Vegas Review-Journal, Bill wrote eloquently and effectively about the Nevada environment, its recreation, and its wildlife. He has been instrumental in the State's efforts to fight the nuclear waste dump, racetrack basing of the MX missile in Nevada, and supporting wilderness in our state.

Bill was named as Conservation Communicator of the year by the Nevada Wildlife Federation in 1971, and was recognized again in 1980 with the Governor's Conservationist of the Year Award. Without doubt, Bill Vincent's contributions to Nevada's quality of life are enduring and will benefit generations to come. Moreover, he stands as a fine example of what one citizens can do to improve the world in which we live. Therefore, I ask my colleagues to join me in honoring a fine citizen and respected Nevadan, Bill Vincent.●

COMMENDING MICHAEL J. LAVERSA

● Mr. McCAIN. Mr. President, I would like to thank Mr. Michael J. LaVersa for the dedicated service he has rendered to this country. It is unfortunate that we will no longer benefit from his knowledge and expertise, but I can assure you that this Nation has truly benefited from his wise and insightful counsel.

Mr. LaVersa has been the head of the Navy's quality program located in the Office of the Assistant Secretary of the Navy [S&L], for the last 13 years. The following is a letter he received from various industry representatives, and it contains an adequate explanation of his contributions. I do not intend to add any information to this excellent letter.

I do, however, wish to join with those who commend Mr. LaVersa for his leadership and dedication in obtaining better quality weapons systems at lower cost.

I ask that the text of the letter be printed in the RECORD.

MIKE J. LAVERSA,
OASN (S&L) RM&QA, Department of the Navy, Washington, DC.

DEAR MR. LAVERSA: On behalf of the Industry/Government Working Group (IWG), the undersigned extend our upmost appreciation and gratitude for your exemplary dedication and leadership of the Tri-Service Initiative to eliminate 100% inspection. The release of MILSTD-2000 represents a major milestone in the history of government specifications and is the result of an unprecedented cooperative effort by the Government and Industry to achieve a single soldering standard.

It is the consensus of the Industry participants that this success could not have been achieved without your personal commitment and coordination of the overall project. You are to be commended for your exemplary performance while serving in the Office of the Assistant Secretary of the Navy.

The best wishes of the IWG go with you as your career ventures into new waters.

Respectively,

L.G. "Skip" Livingstone, Litton, Chairman, Technical Committee; J. Rosser, Hughes, Co-Chairman, Technical Committee; J. Maguire, Boeing, Chairman, Criteria Committee; V. Mosca, Hamilton Standard, Chairman, SPC Committee; R.O. Peterson, President and Chief Operating Officer, Litton Industries; Malcolm R. Currie, Chairman of the Board and Chief Executive Officer, Hughes Aircraft Co.; A.E. Hitsman, Executive Vice President, Boeing Aerospace and Electronics; Terry D. Stinson, President, Hamilton Standard Division, United Technologies Corp.●

HONORING WILLIAM H. KELLEY UPON HIS RETIREMENT FROM NEW ENGLAND TELEPHONE CO.

● Mr. CHAFEE. Mr. President, I am pleased to pay tribute to William H. Kelley of Narragansett, Rhode Island who will retire this month after 35 years of service to the New England Telephone Co. That longevity, in itself, is noteworthy, but Bill Kelley has become a fixture of Rhode Island's public life. A graduate of Providence College and an Army veteran, Bill Kelley began his work at the telephone company on August 25, 1954, and had a baptism by fire—Hurricane Carol lashed the Rhode Island coast the following day. Bill learned quickly the importance of a cool head during times of crisis.

Since those early days, Bill has distinguished himself both within his company and throughout the State of Rhode Island.

He is the past president of the Friendly Sons of St. Patrick, the Providence Rotary Club, and the Telephone Pioneers. He is a director of Blue Cross-Blue Shield, HMO-RI, and the Rhode Island Heart Fund, as well as a member of the executive committee of the Catholic Charity Fund.

Bill Kelley has represented his company well in his dealings with State government and as an ombudsman for customers, and he has exhibited extraordinary fortitude over the years in his appearances on local radio talk shows.

New England Telephone has recognized his value and as he retires, Bill does so with the title "director of external affairs."

By his side during all of these years has been his wife Peg, a loving spouse and mother. They are the parents of three daughters, Mary, Margaret, and Maureen; indeed, Mary was a member of my Washington staff in the late 1970's. Bill and Peg are also the proud grandparents of four—Michael, Stephanie, Nicholas, and Joseph.

Bill Kelley is a good Rhode Island, and we are pleased to call him friend.●

THE POLISH ELECTIONS

● Mr. HEINZ. Mr. President, even as the world was being shocked and outraged by the brutal massacre of peaceful protesters in Beijing 2 weeks ago, it was marveling at the good news from Poland. After so much suffering and turmoil, the Polish people were given a chance to advance freedom, and they rose to the occasion.

With the imposition of martial law by the Soviet supported Communist regime in Poland in 1981, the struggle of the Polish people for democracy faced a great challenge. Dark days followed the harsh crackdown. Solidarity was outlawed, and its leader Lech

Walesa was imprisoned. Even in the bleakest of times, however, the Polish people have refused to knuckle under to oppressors, and the last decade has been no different.

That resolve and determination not to submit to unjust rule bore fruit when the elections demanded for so long took place on June 4. The same Polish Government official who signed the order to arrest Lech Walesa in 1981 was forced to congratulate him and Solidarity for its overwhelming sweep of the elections. The results were extraordinary, and an unmistakable blow to the prestige of the ruling Communist Party.

Of the 100 seats up for election in the Polish Senate, the Solidarity candidates won 92. In the lower house, the Sejm, where there where 161 seats with races open to opposition candidates, Solidarity's candidates won all but one outright, and may well win the one remaining in the runoff election.

Under an agreement worked out previously between Solidarity and the Government, Communist Party candidates ran unopposed in elections for 35 seats in the Sejm. But even in these slanted elections, the Government candidates failed to receive the majority of the vote needed to win. The people simply voted no.

For those peoples throughout the world who are still struggling to assert their right to determine their own destiny, these elections will serve as a example of courage and responsibility. People who refuse to surrender the belief that they have a God-given right to be free will one day be free.

When we look toward Poland and the excitement its citizens feel as they stand on the threshold of greater democracy and national independence, we share their excitement. All of us here in what we proubly call "the land of liberty" pray that one day the Polish people will share the full and robust democracy that many sons and daughters of Poland have helped build here in America.

The United States has long been involved in providing Poles assistance in building a better life. Since 1961 we have sent $11 million to help fund the Childrens Hospital in Krakow. More recently, the United States has been active in helping to alleviate the shortage of medical supplies and hospital equipment and has aided rural development. We have also stoked the fire of liberty alive in Poland by channeling $1 million to bolster Solidarity in 1987 and again in 1988 through the National Endowment for Democracy. This year $2 million additional will be provided to Solidarity.

Further strengthening of United States-Polish economic ties are in prospect. Plans currently in development call for Poland to become eligible for the programs of the Overseas Private Investment Corporation [OPIC], which will benefit businesses in both nations.

As a member of the Helsinki Commission that monitors human rights in Eastern Europe, I have watched the underpinnings of tyranny come loose in several Soviet-bloc states. For Poland, the June 4 electionss were a dramatic step in the right direction. We hope that it will be only one of many peaceful steps on the road to complete freedom. All of us wish that the present rulers in Poland will respect the overwhelming voice of the people and willingly give due consideration to the freely elected representatives of the people.

I join other friends of the Polish people in the Congress and the American public in pledging my constant support in Poland's drive toward freedom.●

TRADE WITH JAPAN

● Mr. BOSCHWITZ. Mr. President, recently, I voted to support the President of the United States and the agreement to codevelop the FSX fighter aircraft with Japan. However, the debate over this agreement raised valid concerns over our economic relationship with our Asian ally. The unequal trade relationship between the United States and Japan continues unabated. While we offer a fairly open market for Japanese products, Japan remains a largely closed market to many American goods and services. This situtation must not continue on and on as it has.

Now, Japan may point to its relatively low tariff rates and claim that this reflects an open market. However, it has become quite clear that tariffs are simply one of many ways with which to keep a market closed to foreign competititon. In Japan, a myriad of regulations, discriminatory standards, procurement and distribution systems, and intercompany linkages effectively restrict access to the Japanese market for many American and other non-Japanese companies.

The United States Trade Representative recently released its 1989 report on foreign trade barriers, and Japan warrants a major chapter in this report. This report describes many examples of unfair Japanese trading practices. Quotas and tariffs restrict imports of many agricultural products, including wheat, wheat flour, barley, feedgrains, wood and paper products. Rice imports are banned altogether.

Japanese Government regulations, procurement practices and market interventions unfairly support domestic industries and restrict access for United States firms to the Japanese market. In an effort to build up its own satellite industry, Japan prohibits government entities from purchasing foreign-made satellites, and has extended this ban to NTT, the major Japanese telecommunications company. American firms are only permitted to supply parts for satellites. In the area of optical fibers, NTT has limited its purchases to Japanese suppliers, even though American manufacturers of optical fibers have advantages in both price and quality.

The Japanese have told us that Americans cannot sell well in Japan because the quality and price of our products are not good enough for Japan. We are told that if we offer a good product at a good price, the Japanese will buy it. As this example of optical fibers shows, this is not necessarily the case. Another example is supercomputers. The Japanese public sector is a major market for supercomputers. Americans lead the world in supercomputers, and as an indication of this preeminence, American manufacturers constitute 80 percent of the world supercomputer market. You would think that American supercomputers would be salable in Japan, but this remains largely untrue. While the Japanese private sector has to some degree recognized the quality of United States supercomputers, the United States share of the Japanese public sector market continues to be artificially small. In my State of Minnesota, Cray Research makes perhaps the best supercomputers in the world. They have been successful in selling to the Japanese private sector—several Japanese automakers have replaced Japanese supercomputers with Crays. But even Cray cannot break into the Japanese public sector market. They have managed to sell only one supercomputer to the Japanese Government, and that was under a special, one-time deal.

Special technical specifications are created which unfairly favor Japanese suppliers of supercomputers. And even if an American firm is able to meet these specifications, it is faced with the need to discount its price in order to sell to the Japanese Government—up to 80 percent off the list price. Now, perhaps a Japanese company can absorb such a discount by counting on sales to the Japanese Government in other areas, but an American manufacturer cannot afford such a loss. Through these special specifications and the de facto requirement of huge price discounts, the Japanese Government is able to effectively shut American firms out of the market. In 1987, a section 305 study concluded that United States firms were being excluded unfairly from the Japanese public sector supercomputer market. Subsequent negotiations led to an agreement which was supposed to correct this situation, but as yet, nothing has really changed. Since 1987, not a single United States-made supercomputer has been sold to the Japanese public sector, and no firm sales are expected. To be sure, it was recently reported in the Washington Post that the Japanese Government is planning to buy eight supercomputers over the next 3 years to ease trade frictions. However, this does not mean that they would buy American computers—only that the bidding would be "open and fair"—and anyway, a vague, uncon-

firmed statement is a long way from a sure thing.

Indeed, two of the cases just cited—supercomputer and satellite procurement practices—were judged serious enough to warrant Japan's inclusion in the super 301 list, released at the end of May by the USTR. It may be unfortunate that the United States Government must now resort to the threat of retaliation in order to encourage Japan to change its unfair practices, but other efforts do not seem to have meant much to the Japanese Government.

While the super 301 notification names only the supercomputers and satellites, the complete list of Japanese unfair trading practices goes on and on. The Japanese Government is planning to purchase more than 2 million personal computers for its secondary schools. American companies make some excellent personal computers. But the Japanese Government has created a technical specification which will give an overwhelming advantage to equipment using a Japanese-developed operating system. This will effectively exclude the operating systems used by American computer manufacturers, even though they are recognized as world leaders.

Even if an American company is able to get through all the Japanese Government regulations, restrictions and other barriers, there is still the problem of breaking into the market. Japanese business operates with a system of formal and informal cartels, fixed supply sources and complex and rigid distribution systems which make it exceedingly difficult for an American or other foreign company to enter the Japanese market, even with a competitive product.

These problems are also serious enough in nature to warrant special attention. At the same time as the release of the super 301 report, the President announced a new initiative to form a high level committee which will propose negotiations with Japan on these so-called structural adjustment matters. The negotiations are to take place outside of section 301, and I strongly recommend that Japan agree to these negotiations as soon as they are formally released.

I am all in favor of free trade. The United States is one of the world's more open markets, and it should remain so. But it is not in our national interest to welcome all the products a particular country wishes to send us if that nation does not accept our products in return. World trade must be based on reciprocity. Our trade with Japan remains too one-sided, and this is largely due to the unfair practices of Japanese Government and industry. This situation has got to change. The American people will not long tolerate our willingness to cooperate with and even support Japan if Japan continues to take advantage of the United States across the board in our trade relationship.●

WASHINGTON, MO, SESQUICENTENNIAL: 1839-1989

● Mr. DANFORTH. Mr. President, the city of Washington, MO, is celebrating its sesquicentennial this year. This is a commemoration of 150 years of growth and accomplishment. Washington's history is a proud history. Today, Washington is a model American community that exemplifies the best of the pioneer spirit and family values that make ours the greatest nation on Earth.

The city of Washington is situated in a scenic location on the banks of the Missouri River. Lewis and Clark traversed the area as they explored the territory of the Louisiana Purchase for President Jefferson. By the 1839's, German immigrants attracted by the beauty and abundance of the area, and by its resemblance to their homeland, had settled at Washington Landing. On May 29, 1839, a plat of the town was filed for an area of 12 blocks, 14 partial blocks, and 144 lots.

From these beginnings the city of Washington attained prosperity, never losing site of the strong German heritage that shaped its founding and traditions.

Gerhard Tod, H.H. Bienke, John B. Busch, H. Mittendorf, J. Conrads, Henry Hoomann, and J.M. Menkhaus made up the first meeting of the city council. Today, a visitor to Washington will find signs bearing the names Eckelkamp, Miller, Hillerman, Orschein, Hazel, Droege, Heidmann, Maschmann, Schroeder, Buescher, Gildehaus, and Reust. Many are descendants of the founders.

Washington, MO, has played its role in our Nation's history—suffering plunder by Confederate forces during the Civil War; celebrating visits by Presidents Truman and Eisenhower; and benefitting from the efforts of Congressman Clarence Cannon to encourage economic development through such public works as the Missouri River Bridge, built in 1934. Local history tells us that Congressman Cannon's announcement of funding for the bridge was greeted by the ringing of church bells and the blowing of factory whistles. Everyone greeeted the news warmly, except for Harry Schaefer, who operated the local ferry that provided passage for 15 cents and 25 cents for the round trip.

During the major wars of the century, Washington men proudly went to the service of their country. Wives and other family members contributed to the Red Cross, observed rationing, and collected rubber and iron for the war effort.

Gen. Douglas MacArthur would feel at home in Washington: local citizens named a street for the general following his heroics in the Pacific Theatre in World War II. Had the general been able to attend the dedication of the street named in his honor, he could have been presented with a corncob pipe manufactured in Washington, MO, the corncob pipe capital of the world, by the Missouri Meerschaum Co.

At 150 years, the city of Washington has a population of more than 10,000 and can boast of impressive economic success. The city's industrial parks are full. The commercial district has been revitalized. The efforts of the Washington Civic Industrial Corp. and Washington Area Chamber of Commerce seem blessed with the Midas touch. This economic growth has provided the basis for an excellent school system, a community life second to none, and has helped to shape a city that is a wonderful place to live and raise a family.

For this proud community, named for the first President, it is fitting that we pause to commend the city of Washington, MO, on the grand and joyful occasion of its 150th birthday. Happy Birthday, Washington.●

JOHN "EDDIE" WEBSTER

● Mr. McCONNELL. Mr. President, as we all know in times of economic growth more and more States and cities are working hard to attract new business to their area. As a matter of fact, my State of Kentucky proudly proclaims that "it is open for business." I would like to take this opportunity to welcome Mr. John "Eddie" Webster to the city of Louisville. Mr. Webster is determined to make sure that future conventions are aware that Louisville is open for their business.

As of July 1, 1989, John Webster will become the executive director of the Convention and Visitors Bureau of Louisville and Jefferson County. In the convention business Louisville is considered a second-tier town, that is, it is a smaller city with fewer hotels, lower room rates, and perhaps some smaller convention and exhibit facilities. However, do not think that because Louisville is considered a smaller city it cannot compete with bigger cities for this important business. Louisville already has a substantial convention business. A survey in Business Travel News ranked Louisville 21st in conference attendance in 1987. According to the U.S. Travel Data Center, last year visitors to the Louisville and Jefferson County area spent over $572 million. This money supports hundreds of hotels and restaurants and provides jobs for thousands of Kentuckians. Despite its current success, Louisville will benefit from John Webster. He believes that Louisville can compete for convention business with larger cities such as New York and Chicago and he is determined to see that it does.

Upon asuuming his new duties, John Webster plans to initiate a Louisville First Campaign to get residents of Louisville involved in attracting convention business to the city. He also plans to work closely with the hospitality industry to provide a united

front when competing for business. Another idea is a push to encourage business from the international marketplace, Europe, Canada, Japan, and Australia. John Webster's positive outlook and aggressive business style will benefit the Louisville area and the whole State of Kentucky.

In a recent interview, John Webster stated that "Louisville is a great all-around city." I couldn't agree more. I am confident that in the next few years, thousands of individuals will also see the benefits of Louisville and Kentucky as they attend future conventions. I welcome John Webster and his family to Louisville.

Mr. President, at this time I would like to insert into the RECORD an article from the Louisville Courier-Journal about John Webster and I encourage my Senate colleagues to read it.

The article follows:

[From the Louisville Courier-Journal, June 19, 1989]

A PLAN TO SPUR LOUISVILLE IN RACE FOR CONVENTIONS

(By Annie Best)

The signs at Kentucky's borders proclaim the state "is open for business."

Eddie Webster intends to see the convention business makes its destination Louisville.

Webster is a believer.

So much a believer, he's moving his family, his "first priority," from Palm Springs, Calif., to Louisville to become the executive director of the Convention and Visitors Bureau of Louisville and Jefferson County.

So much a believer, he's taking a $10,000 cut to an annual salary of $90,000, albeit "not a cut in compensation," to do so.

Webster believes Louisville stands ready to race stride for stride with other thoroughbred cities across the country.

And city and county leaders believe in Webster.

They are betting that a shot of Webster's enthusiasm will enable Louisville, a "second-tier town" in the trade, to nose out larger cities at the wire.

Second-tier does not mean second rate, Webster explained. According to those in the convention and tourism business, second-tier generally denotes smaller cities with fewer hotels and rooms, lower room rates and frequently smaller exhibit facilities.

Webster is "catalytic in his leadership," says Mayor Jerry Abramson. "Eddie is a can-do type of person . . . an energizing kind of guy."

The stakes? Substantial convention and tourist dollars, big business here.

Visitors to Jefferson County spent more than $572 million in 1987, according to a report by the U.S. Travel Data Center prepared for the Convention and Visitors Bureau. In fact, statewide, convention and tourism revenue is exceeded only by manufacturing and coal.

Those visitors' dollars support a hospitality industry, including hotels, motels, restaurants, and tourist attractions, which employed more than 13,500 people in 1987 and more than 15,700 in 1988, say the latest state estimates.

Webster, who assumes his post July 1, believes Louisville can "actually compete with the major metropolitan areas," such as New York, Dallas and Chicago, for the big convention business.

Webster says Louisville is already far ahead of most other medium-sized cities in the country.

With Louisville's existing 750,000 square feet of exhibit space, convention facilities, and approximately 10,000 hotel rooms, "no other second-tier city can compete with it."

In its most recent annual survey, Business Travel News, a trade publication, ranked Louisville No. 4 in the nation in exhibit space and No. 18 in meeting space with 100,000 square feet.

The survey, based on 1987 figures, also put Louisville No. 21 in conference attendance with 468,000 people. With the exception of Columbus, Ohio, the top cities were major metropolian areas.

"Some of the greatest jobs in this country are in the second-tier cities," Webster says, where "it's a lot more fun, just as challenging, and just as personally rewarding."

Along with Louisville's central location, Webster believes transportation is a key to "success in convention and visitor promotion." Given Louisville accessibility and the planned improvements in air service, "the sky is the limit, literally, with what we can do."

"The expansion of the airport was one of the things that really interested me when I first interviewed here," Webster said. "If you don't have flights into your city, then you are extremely limited with what you can achieve, especially with international group tourism solicitation."

Webster, the unanimous selection of the visitor's bureau board of directors, will succeed Russell Anderson, the executive director for the last 10 years.

The nine-member board made "the No. 1 choice," according to Chairman Leonard Kaufman.

Of Webster, Kaufman said, "Without reservation, each and every board member thinks he's head and shoulders" above his competition.

Anderson, with about 40 years experience with the hospitality business in Louisville, concurred with Kaufman's view of Webster. Anderson plans to remain on board as a consultant to Webster—"to be his ambassador."

Webster may find such help invaluable as he admittedly brings "a very aggressive approach to sales and marketing."

County Judge-Executive Harvey Sloane is "extremely strong on Eddie Webster," and expects he "will give us the push that is needed in order to increase convention and tourism."

Ed Hall, currently executive director of the bureau in Birmingham, Ala., where Webster worked for 13 years—nine as director—said one of Webster's strengths is that he "recruits good people and lets them do their thing."

The bureau seems to be ready for his leadership, Webster said, adding the staff is "really looking forward to the more aggressive tactics I'm going to bring to the table."

While the bureau has a solid team, Webster believes a "we must go together" attitude needs to be encouraged among local hospitality industry executives.

"It's not to say that they're not getting along now," he added, "but I don't really see that really strong, cohesive team effort."

Webster believes a united hospitality industry can become an important part of Louisville's economic-development efforts. Abramson agrees, saying the bureau can help put Louisville in the national spotlight as a major convention and tourist center.

During his three-year tenure in Palm Springs, Webster reorganized and expanded that bureau, widening its focus from one community to an area encompassing seven cities. Room bookings increased to approximately 180,000 per year from fewer than 70,000 in 1985 when he arrived.

Patrick Pharris, director of publicity and promotions at the Greater Palm Springs Convention and Visitors Bureau, said, "It was a grave loss to this market to lose Eddie," calling him "an absolute leader."

Others who have worked with Webster, or competed against him, generally agree that he's aggressive.

Webster, who admits to trying to steal convention business from other towns, says the hospitality industry is "extremely competitive," but "it is a friendly competition among a close-knit group."

And, Webster cautions, "you'd better believe they are trying to steal our business."

While Webster is facing new challenges in Louisville, at least some of the battles will be familiar.

He appears to be delighted that he will be locking horns again with James H. Smither, who is executive director of the convention and visitors bureau in Lexington, and looks forward to a little friendly competition as well.

Sparring between the two goes back to the early 1970s, when Smither worked in San Antonio, Texas, and Webster was director of sales at the convention bureau in Birmingham, Ala.

Smither adds, however, that the competition with Louisville can only be carried so far. Hospitality industry officials in the state have to "join forces continually," because potential clients "first have to decide on Kentucky."

Webster's initial focus, however, will be closer to home.

He envisions a "Louisville First Campaign," designed to engage the help of area residents in bringing bureau business to Louisville.

Every person walking the street out there belongs to some national organization that meets, Webster contends, "they should understand that they are on the team, too."

Other changes are already under way.

One is the addition of a new full-service telemarketing division to the existing staff of 28. Webster expects this will enable his sales staff to double its bookings and possibly quadruple the number of business leads sent to hotels' sales departments.

Developing business for the area's hotels and motels is the bureau's primary objective. Successful efforts would result in a larger budget for the bureau, which is directly funded through a licensing fee based on room sales. Its proposed 1989-90 budget is $2.7 million.

Webster plans to further increase industry revenue "through cooperative advertising programs" involving the entire hotel community.

On the tourism side, which covers wholesale, bus and packaged-tour business, Webster "plans on a very strong push in the international marketplace, the European marketplace, and the Pacific Rim countries—mainly Japan and Australia."

Webster's transition into his new job is only the beginning for him and his family—they will relocate as soon as school lets out in California.

Webster's wife, Sherry, will be leaving a position as executive director of the Golfe Association, a trade group that sponsors and manages golf tournaments at large conventions. But, she said, "we are really excited about coming to Louisville," calling the city "kind and gracious."

Webster said, "We made the decision (to accept the position here), based not only on the professional side of the picture but also very heavily on the personal side."

"Different things become important to you as life goes along," according to Webster, who called Louisville "a great all-around city."

"The decision to move your family to Louisville should be an easy one for most people."●

TWENTY-FIFTH ANNIVERSARY OF THE CIVIL RIGHTS ACT

● Mr. RIEGLE. Mr. President, when the Senate adjourns later this week, Members will return to their home States to participate in Fourth of July celebrations marking the 213th anniversary of our Nation's independence. It is fitting that we as a nation have selected this day to reaffirm our national commitment to the free and just society embodied in the three simple words, "We the people."

Yet, Mr. President, not all Americans have shared equally in the dream of a free and just society. As a nation, we have seen the violence that flows when men and women of color, seeking to assert their rights, clash with those who would deny them their rights. We have heard the voice of hatred and bigotry raised by some against blacks and other minorities. And we remember that fateful day when one man thought he could still the voice of freedom through the assassination of Martin Luther King, Jr.

For those of us who are deeply committed to achieving the type of nation envisioned by the Founding Fathers, Dr. King, and others, there is an additional reason for celebration this Fourth of July—the 25th anniversary of the most comprehensive civil rights legislation to pass Congress since Reconstruction, the Civil Rights Act of 1964.

On July 2, 1964, President Johnson signed the Civil Rights Act into law just 5 hours after it had passed the House of Representatives. The new law contained numerous provisions designed to help guarantee blacks and others the right to vote, to ensure access to public accommodations, to desegregate the schools, and to require companies and employment agencies to grant equal employment opportunity. Perhaps President Johnson best summarized this legislation when he stated that—

> The purpose of this law is simple. It does not restrict the freedom of any American so long as he respects the rights of others. It does not give special treatment to any citizen. It does say the only limit to a man's hope for happiness and for the future of his children shall be his own ability. It does say that those who are equal before God shall now also be equal in the polling booths, in the classrooms, in the factories, and in the hotels and restaurants and movie theaters, and other places that provide service to the public.

It is hard to conceive of another piece of legislation during the past 25 years that has had such a profound and lasting effect on the lives of all Americans. The Civil Rights Act of 1964 has renewed the hope of millions of blacks and other minorities that they too can share in the American dream and can aspire to the same goals as any other American regardless of the color of their skin. The Civil Rights Act of 1964 has given notice to those who espouse racial prejudices that such views will no longer be condoned or be supported through government action or inaction. And the Civil Rights Act of 1964 has reaffirmed our national commitment to achieving the dream of Dr. King and others of a free and just society.

Mr. President, I realize that much more will have to be done in the future if we are to end racial prejudice in our country; however, I wish to quote from Martin Luther King, Jr., a statement which I believe we would all do well to take to heart:

> Let us hope that the dark clouds of racial prejudice will soon pass away and the deep fog of misunderstanding will be lifted from our fear drenched communities, and in some not too distant future tomorrow the radiant stars of love and brotherhood will shine over our great nation with all their scintillating beauty.●

SOUTHERN AFRICA—THE GARDEN VIOLATED

● Mr. PELL. Mr. President, the current issue of American Baptist magazine contains an article by the Honorable Joseph E. Newsome, a member of the Rhode Island House of Representatives. Representative Newsome is a member-at-large of the American Baptist General Board.

Representative Newsome recently spent 3 weeks on a tour of southern and central Africa, including the nations of Zambia, Zimbabwe, Zaire, and Kenya. The article details his thoughts and impressions as a black Christian about how the apartheid system in South Africa is affecting other African nations.

Mr. President, one of the most crucial questions that we must address in this Congress is how the United States should confront apartheid. We must examine carefully all points of view if we are to make an informed judgment about United States policy in South Africa. The article by Representative Newsome offers a useful look at this subject from an interesting perspective. Entitled "Southern Africa: The Garden Violated," I ask that the article be printed in the RECORD.

The article follows:

[From the American Baptist, May/June 1989]

SOUTHERN AFRICA: THE GARDEN VIOLATED

(By Joseph E. Newsome)

(EDITOR'S NOTE.—Joseph E. Newsome, a member of Pond Street Baptist Church in Providence, R.I., traveled to southern Africa for three weeks last summer as part of a delegation of American Baptists seeking to learn more about apartheid. The trip took them to two southern African nations, Zambia and Zimbabwe, as well as to the central African nations of Zaire and Kenya. "The American Baptist" asked Newsome to share impressions from his perspective as a black Christian and a member-at-large of the American Baptist General Board. Newsome is also a member of the Rhode Island State Legislature.)

Apartheid is no secret to Americans. We read about it in our daily newspapers; we see reports on the evening news; some of us even hear it denounced from pulpits on Sunday mornings. Even so, few of us could imagine the far-reaching impact of apartheid on the lives of innocent African people, even those who live outside of South Africa.

During our visit we learned first-hand of the effects of South Africa's policy of apartheid—the social system that segregates whites from blacks and gives social, economic and political supremacy to the white minority. In the process we experienced a new awareness of what racism and colonialism are all about.

We returned with the conviction that if we, as Christians, ignore the existence of so pervasive an evil as apartheid, we conspire unwittingly to assure its existence. Moreover, we retuned convinced that we in the United States may miss the point of what the church is all about if we fail to understand the struggle or our brothers and sisters in South Africa to interpret the Gospel of Jesus Christ to those who maintain racial oppression.

The following are my personal reactions, as a Christian and as a black American, to what we witnessed during our trip.

GOD MADE THE GARDEN

The striking beauty of the continent is immediately apparent to any visitor to Africa. From the majesty of Victoria Falls to the magnificence of the safari plains, from the exotic splendor of vegetation to the stately elegance of the animal life, Africa is full of visual pleasures. It is easy to appreciate the conclusions of some Biblical archaeologists that the Garden of Eden must have been in Africa.

Apartheid violates the natural beauty of this land and the open-heartedness of its people. Everywhere I traveled I was struck by the spirit of hospitality and generosity of the African people, and I wondered if that generosity was a reason southern Africans had suffered so long under the burden of European domination.

Our delegation went to Africa as black American Baptists seeking to establish bonds of kinship and friendship that have been lost over the centuries. We left the United States thinking of our trip as a special opportunity to express our solidarity with black South Africans who were suffering under the burden of apartheid and to educate ourselves about apartheid as a problem that affects vast areas of the continent. We met with religious leaders (clergy and laity), government officials (African and American), liberation movement officials, missionaries and ordinary citizens. The trip was one of the most transforming, powerful experiences of my life.

For one thing, we saw firsthand how devastating the legacy of colonialism had been in Africa. Before Zaire won its independence in 1960, for example, only 11 Zaireans had been allowed to acquire a formal college education. In Mozambique prior to 1975, only six had been permitted to attend college. And I must be clear on one point in particular: I sensed that the last vestiges of colonial mentality are very much entrenched both in the U.S. missionary community and in the African community that the missionaries are committed to serve. We heard more than one African head of state refer to the need to "unshackle the minds of the people," many of whom still believe that whites everywhere have superior techniques and the correct answer to every question.

Even so, our trip offered evidence of some signs of a true re-Africanization of Christianity in the countries we visited. In many churches our hearts were touched by affirmations of Christians that "Jesus is alive," and we were caught up in the joyful singing, enthusiasm and vibrancy of the worship services. In stark contrast to these images, however, we were also left with impressions of continued acceptance of white domination. As a black American, for instance, I resented the large portrait of a blond-haired, Caucasian Jesus in the office of an African church leader at a Baptist mission in Zaire. Perhaps this feeling was unwarranted, but it was honest and real. I believe that the witness of American Christians will not really blossom in Africa until we can truly see God's beauty in African images and in African faces.

It will take decades or more, I fear, to erase completely the psychological and spiritual damage that has been done in the name of Christianity on the African continent by Americans and Europeans, but I trust God will forgive us. I believe we must confess that, in our turbulent history, race relations often have been based on ignorance. Many of our ancestors condoned slavery or supported government policies that led to the near extermination of the American Indian. Even so, I believe that God's grace and mercy are infinite, and good can still come from the most evil of historical deeds.

THE POLITICS OF APARTHEID

One mistake we tend to make is to consider apartheid the exclusive problem of South Africa. Indeed, apartheid is a dominant evil in that country, but it is not confined to South Africa alone. South Africa's policy of apartheid infects all of the southern region of the continent and beyond. In Zaire, Kenya, Zambia and Zimbabwe, the dilemma of apartheid is a factor of daily life.

At a political rally in Zambia, attended by heads of state of African nations in the region, speaker after speaker referred to the political and economic problems caused by apartheid in South Africa. Problems discussed ranged from the disruption of trade routes caused by the bombings of rail lines to the destabilization of whole regions by terrorist activity. Other concerns included South Africa's military incursions into neighboring countries and its continued illegal occupation of Namibia.

South Africa is actively pursuing a campaign to ensure its continued survival as a white-dominated political/economic system in that region of the world. Given the harsh reality that all of southern Africa, and much of central Africa, is dependent upon South Africa for vital goods and services, apartheid will be difficult to overcome.

As Americans study the politics of apartheid, it is reasonable to ask whether capitalism or Marxism will become the system of choice in a post-apartheid South Africa. But the essential point is this: It is not for us to decide. It is the right of the African people to decide what type of government and economy is best suited for them. This is the true essence of democracy. Yet one reality is worth keeping in mind: both the capitalist and Communist systems are presently beset by serious economic woes, and it would behoove Africans to look to those values that are fundamentally African when it comes time to fashion a post-apartheid system.

Of course, the longer it takes western nations to side with the legitimate aspirations of the black majority in southern Africa—and the longer unrest continues to ferment—the more likely it will be that a Communist-style ideology will flourish in the region.

WHY CONSTRUCTIVE ENGAGEMENT?

Why does the U.S. government oppose apartheid but pursue a policy of "constructive engagement" and diplomatic relations with the South African government? I believe the U.S. government is taking a "wait and see" approach on the issue of South Africa because it hopes to buy enough time for the white-dominated government to strengthen its military and economic hold on the region. As sinister as it may sound, I believe our government hopes that a white-dominated government in South Africa will continue to assure the availability of the rich, strategic mineral resources (e.g., chromium, cobalt, diamonds, manganese, vanadium) that God has placed beneath the feet of the peoples of southern Africa.

As we discussed these issues with U.S. officials in the area, it seemed clear to me that the U.S. government has certain strategic interests in that part of the world and does not give priority to the rights of indigenous peoples. When we asked our government representatives in Africa about ways the conflict might be resolved in southern Africa, they tended to respond in terms of maintaining U.S. "leverage" in the area or of being careful not to isolate the increasingly hostile apartheid regime. Their answers did not acknowledge the legitimate aspirations of the black South African majority for freedom and self-determination.

It also seemed apparent to me that U.S. embassies in Africa are not accustomed to receiving delegations of black Americans who are interested in discussing U.S. foreign policy toward southern Africa. I now see how important it is for black Americans to travel more frequently to Africa so that our opinions are taken into consideration when U.S. policy is developed toward Africa, which many of us regard as our homeland. Historically, the U.S. government has demonstrated racism and indifference toward blacks in the U.S., and the attitudes of many U.S. officials in Africa reflect this legacy.

I hope American Baptists can be a catalyst in fostering new respect between persons of such different backgrounds and experiences. For one thing, perhaps we can encourage President Bush and Secretary of State Baker to assign more black American diplomats to the U.S. embassies of Africa. One ambassador told us, with some embarrassment, that he had only one black on his diplomatic staff, at an embassy in the very heart of Africa! The multiracial, multiethnic character of the United States could be a tremendously valuable asset in the formulation of American foreign policy if used constructively and progressively. As American Baptists, we certainly understand the benefits of racial and ethnic diversity.

From the standpoint of its relations with the black community in the U.S., the Bush administration would be well advised to regard southern Africa as having significant, long-term strategic value. Our official attitude toward southern Africa will be regarded as an example of the attitude we bring to other Third World peoples. If we fail to get our foreign policy right in this important region of the globe, then it is unlikely that we will get it right with the rest of the developing world. This is a crucial issue for the United States at a time when the Third World is growing dramatically in size and in political influence.

AFRICAN NATIONAL CONGRESS

One of our most memorable meetings was in Lusaka, Zambia, where we were introduced to a member of the executive council of the African National Congress (ANC) of South Africa. The Rev. Fumanekile Gqiba is a man quite small in stature but very big in spirit. He spoke eloquently, both about the successes and failures of the liberation movement in South Africa as well as the personal aspirations for freedom held by black South Africans. When we asked him about the ANC's public relations problem caused by western efforts to classify it as a Communist-dominated organization, Gqiba smiled easily and offered this explanation: "What is significant, and what the world should know, is that the ANC since its founding in 1912 has historically been infiltrated by Christians who responded to the mandate to live out the Gospel in oneness with those who are oppressed and to share their witness for Christ by standing up for that which is just and right." He then cited the names of numerous past ANC leaders who were priests or ministers. Many of these leaders have died; some are in prison.

It seems natural for Christians, in the ANC and elsewhere, to stand up for righteousness and justice. If we American Christians were to do more of that, then no doubt more of us, like Dr. Martin Luther King Jr., would also wind up in jail. I am reminded of what it took for the first-century church to establish its witness as a new and dynamic community of believers—where neither race nor color mattered, where class and title were meaningless, where there was no exploitation of one by another—in a hostile Roman world. Indeed, I continue to be moved when I read of the experiences of Christians described in Hebrews 11:36-37: "Some faced jeers and flogging, while still others were chained and put in prison. They were stoned; they were sawed in two; they were put to death by the sword" (NIV). To the early Christians, God's mandate to be a truly inclusive community was *serious business*! Many were willing to pay the price and provide a witness to the power of this community to stand its ground in peaceful resistance to the established order. My visit to Africa reminds me that resistance to evil is still serious business.

In the U.S. today the church is suffering because a large portion of the body of Christ is addicted to comfort, to prestige and to acceptance in the eyes of the world. Our faith does not seem to cost us anything. Despite the demanding, engaging nature of the Gospel of Jesus Christ, we seem blissfully at ease in our segregated churches on Sunday mornings. We hear nicely prepared sermons, recite our hymns of praise and find ourselves willing to suffer for no one and no cause beyond ourselves. Is this what Jesus called us to, or are we somehow missing the point of how and why he died? We were told that the African National Congress has been "infiltrated by Christians." I find that statement has a perfectly natural sort of ring to it.

THE CHURCH'S VOICE

The churches in southern Africa are struggling every day to determine their role and the nature of their witness against apartheid. The general secretary of the Zimbabwe Christian Council confided to us that there is not a single meeting where the issue of apartheid in South Africa is not raised. "We pray and we look for creative ways to express our oneness with our brothers and sisters in that crisis-torn country," he said.

Clearly, it is never an easy matter to stand with the oppressed. The ministers of white churches in places like Zimbabwe (independent since 1980) are wrestling with how they can be prophetic and faithful to the Gospel in their opposition to apartheid and not risk alienating their members. Some of the members who favor continued racial segregation are "generous givers" to the

church. The dilemma of balancing prophecy with financial stability will be all too familiar to many American Baptist pastors in the U.S.

In many meetings throughout Africa, we met people who were active in the anti-apartheid movement. Some were seasoned church people. Others were youth who simply felt this was what they should be doing, given the situation.

One Christian anti-apartheid group called "Heal the Wounds" was affiliated with the Zimbabwe Christian Council. Its members devote themselves to going into villages that have been ravaged by South African-backed terrorists and try to rebuild homes and treat the families victimized by the violence. The entire group, with its director, Jonah Gokova, exemplifies the spirit of dedicated Christian service.

AN EVIL SPIRIT

Apartheid is an evil spirit that is difficult to capture with pictures. It was possible for us, however, to get a vivid image of the tremendous beauty of Africa, a beauty violated by the ugliness of apartheid.

Whenever I am invited to speak about the trip, one question is invariably raised: "How can we respond as a church community to the situation in southern Africa?" I would suggest the following specific actions to end apartheid, aid its victims and transform the church community in the United States.

1. Let us pray for increased discernment, individually and collectively, as members of the body of Christ. As we begin to discern, we will increasingly notice that many of our own social and political attitudes are not so much different from those who maintain the system of apartheid in South Africa.

2. Let us confess our collective sins. Many of us fall prey to insatiable greed or to an inclination to honor gigantic multinational corporations and endow them with almost unlimited powers over the lives of innocent persons here and abroad. Many of us advocate military policies without considering the pain and suffering caused by the arms we manufacture and sell around the globe.

3. Let us share one another's sorrows and be aware of the pain experienced by our brothers and sisters in other parts of the world. We must go further than an intellectual comprehension of apartheid; we must "feel" the personal anguish apartheid causes. We must regularly remember and call out the names of those banned, detained and murdered by the South African police.

4. Let us free ourselves from the notions that all the people of the world must act and worship like us or that white images are somehow better than black images. We must lovingly support our American Baptist missionaries in Zaire as they try to demonstrate that not all Americans have condescending attitudes toward persons of color. Let us recognize that we in this country can also benefit from the ministry of missionaries, expecially those sent from Third World nations where the church is often so alive and so vigorous.

5. Let us remember the serious divisions that continue to separate the races in this country and in our own denomination. Much work remains to be done in eliminating personal and institutional racism, as well as in achieving economic justice. In Zaire especially, we American Baptists must help the people build an economy that is free from dependence upon South Africa.

6. Let us repent as a country for our own history of racism and exploitation. As a nation we have never really repented these sins, and the consequences of our failure to do so will continue to be evident for generations upon generations.

7. Let us hold special educational seminars within our churches to learn more about South Africa, taking special care to address the connections between apartheid in South Africa and racism within our own country. These educational opportunities will equip American Baptists for even greater leadership roles in the international crusade against apartheid.

8. Let us support comprehensive economic sanctions against South Africa, as advocated by black church leaders in South Africa and neighboring countries. Support for sanctions was expressed almost unanimously by those we met in southern Africa, with the exception of several white American missionaries who felt that education must precede political freedom for black South Africans.

9. Let us support the Shell boycott, as recommended by the ABC General Board at its June 1988 meeting (see *The American Baptist*, September/October 1988). In addition, we must continue to organize for the divestment of public and private pension and endowment funds from U.S. corporations still operating in South Africa and Namibia.

10. Let us respond to the considerable material needs of the people of southern Africa. Material aid is urgently needed in the refugee camps for those fleeing the violence caused by South African terrorist activity in Mozambique and Angola. Thanks to the churches in the region, some supplies are being provided, but much more can be done. Among the reputable organizations providing assistance to the region are Church World Service, the American Friends Service Committee and the United Nations.

Let me end on a note of optimism. Despite all the hardship we witnessed and the tendency among many Americans to believe that apartheid is so entrenched that it cannot be overcome, there is a strong sense of hope present in southern Africa, especially in the Christian community. The Rev. Frank Chikane, general secretary of the South African Council of Churches, expressed it well in a recent interview in *Sojourners* magazine:

"It is our faith that gives us hope. We know that in our helplessness we become more dependent on God. In our powerlessness we become more powerful. It is our weakness that is our strength.

"Those who run the evil system know it will end, and therefore they have not hope. They just become madder by the day, and in their madness take more and more lives. But we know that our struggle is a just one. That is really what makes it hopeful—God cannot allow evil to prevail forever."

Amen—and *Amandla!*●

MODIFICATIONS TO THE CATASTROPHIC COURAGE ACT OF 1988

● Mr. McCAIN. Mr. President, 2 weeks ago, during consideration of the dire emergency supplemental appropriations bill, I offered an amendment to delay implementation of many of the provisions in the Catastrophic Coverage Act of 1988. As my colleagues know the Senate adopted a sense-of-the-Senate resolution in its place that gives the Finance Committee until September to come up with a plan for modifications to the act.

This amendment was adopted by a very slim margin, even though it had been sponsored by the majority and minority leaders and the two ranking members of the Finance Committee. This amendment prevailed in large part due to the fact that the Finance Committee leadership assured members that it would take up this issue without haste.

Mr. President, I find it very interesting that the Finance Committee has yet to hold a hearing, and that the sense-of-the-Senate resolution was dropped in conference. Not only was it dropped in conference, which is not unusual, it did not even come back over as an amendment in technical disagreement.

But, two other sense-of-the-Senate resolutions did. They are a sense-of-the-Senate amendment regarding the restoration of Eastern Airlines and one regarding leveraged acquisition of air carriers. It seems that given the fact that the sponsor of the sense-of-the-Senate resolution regarding catastrophic were the majority and minority leaders and the two ranking members of the Finance Committee that their amendment could have been reported in technical disagreement if the commitment to the issue were there.

Mr. President, I have already heard a number of seniors question whether those who offered the resolution are serious in their commitment to reexamine the act. Given what has occurred, their questions may well be justified.

This question is only underscored by the fact that the Finance Committee has yet to hold one hearing.

At the time we adopted this resolution, over my amendment, there were only 6 legislative weeks until September. Now, there are only 4 legislative weeks until September—and hearings have yet to be held.

Mr. President, it is no small task that the Finance Committee has agreed to undertake in reexamining the act. That is, if there is to be a thorough reexamination. And, now we have only 4 legislative weeks left before September.

What's more, Mr. President, when hearings are finally scheduled, they ought not to be just inside of the beltway. We need to take this issue to the people. In fact, some say that it is by not taking this issue to people from the very start that resoluted in us missing the mark with this act.

Mr. President, we need to take this issue to the people. We need to give seniors from Alaska to Florida the opportunity to involve themselves in the hearing process regarding this issue. While I know it would be impossible to go to every city, and even every State, picking a handful of States and taking this issue to the people of those States would be a great idea in my opinion. What better way to get a reading of how the people are really feeling about this issue?

Mr. President, I would be pleased to help the Finance Committee set up a hearing in my State of Arizona. And, I am sure that others of our colleagues

would be willing to do the same in their States as well.

This is a very important issue to the seniors of our country. There is a firestorm out there. Mr. President, it would be unconscionable if we do not deal with the shortcomings of this act. My amendment would have given the Finance Committee adequate time to address this situation. But, it did not come up for a vote given the sense-of-the-Senate resolution. I understand that, and can live with the will of the Senate, so for now at least I too look expectantly to the Finance Committee for action on this issue.

I hope, no—the seniors of this country hope, that the commitment by the authors of the sense-of-the-Senate resolution to reexamine the act is genuine. From what has happened thus far, that commitment is being seriously questioned—and justifiably so.

I might say to my colleagues in closing, that given what has happened with this conference report, I am going to have to think very seriously about running this amendment again in the near future. We have not sent a good signal to the seniors of this country, who are already understandably upset, by not at least reporting this as an amendment in technical disagreement.●

SHEILA OLSEN—MULTIPLE SCLEROSIS SOCIETY'S MOTHER OF THE YEAR

● Mr. McCLURE. Mr. President, tomorrow a very special friend of mine, Mrs. Sheila Olsen, will be honored by President Bush as the National Multiple Sclerosis Society's Mother of the Year.

I've known Sheila Olsen for years and I would like to pay tribute to her today for the truly remarkable person she is. Of course, "remarkable" is not a word Sheila would use to describe herself as she views her accomplishments as being the ordinary chores of day-to-day life. I know differently, and so do her many, many friends in Idaho who are so pleased she is being honored by the MS Society.

Sheila and her late husband, Dennis, have always been active members of the Republican Party. Dennis was the Republican State Chairman in Idaho for a number of years and he and Sheila devoted countless hours to community service. We were deeply saddened by his death in 1985, but I know how proud Dennis would be of Sheila.

Most of us might be able to keep the kind of schedule that Sheila has—political events, teaching classes to senior citizens, attending conferences as a speaker, being a board member for an organization helping the disabled, as well as many, many activities with the Church of Jesus Christ of Latter-day Saints—but I doubt any of us could do everything that she does and still find time for ten children.

While I want to pay tribute to Sheila for all the things she does, the point of this award is that Sheila is being honored as the Multiple Sclerosis Mother of the Year. And what a mother she is. Sheila and Dennis were dedicated to having a large family and five of their children were born after Sheila was diagnosed as having Multiple Sclerosis. In a touching message to his wife and children, Dennis Olsen wrote:

> I hope someday the children can understand the faith and courage that it took, particularly on Sheila's part, to continue to have children after we became aware of her illness. Firstly, it was a decision that was made only after careful consideration, prayer, and consultation with physicians. * * * Regardless of the circumstances that we now have, I am firmly of the conviction that we were destined to have the five additional children that came after this illness. There isn't a one of them that I would not want to have in our family. Each one has a special part in our heart and occupies a unique part in the family. * * *

After Dennis' death, Sheila still had six children at home. Today, there are still four Olsen children living at home and three others are in college. Sheila reports that the family gets along just fine and that the children pitch in with housework, cooking, and laundry. An older daughter who lives nearby comes in three evenings a week to help prepare meals. I was impressed that Sheila has established every Friday night as her date night when she does something special with one of her children, although she does say that she now has seen "Who Framed Roger Rabbit" three times.

So, Mr. President, although Sheila Olsen is a modest person, she really is remarkable and I'm pleased to stand before the U.S. Senate today to honor her. I would like to close my remarks today by quoting Sheila. It is a statement that I believe epitomizes Sheila's outlook on life and her love for her children:

> I hope that the things I can no longer do for the children are more than compensated for by the things I can. I can direct, encourage, and support their development. I can take responsibility for my own feelings of self-worth and well-being so I am not an emotional burden on them. I can treat the difficult situations I sometimes find myself in as "adventures," so the children will know they can handle the unknown, the unexpected, or the undesirable. I can reach out in service to others and teach my family to do the same. I can exemplify by daily living that regardless of times of difficulty or discouragement, the thing to do is keep going. And I can, by my very example, demonstrate the belief that I hold in my heart of hearts: that life, regardless of its challenges is good * * * that the problems and challenges which life brings can be met.●

THE RADIATION VICTIMS FAIR TREATMENT ACT

● Mr. WARNER. Mr. President, I wish to take this opportunity to address an issue of great importance, the Radiation Victims Fair Treatment Act. This is an issue about which I have spoken before and about which action must be taken now.

As a result of an act of Congress in 1984, civilians and veterans who believe they were injured by exposure to radiation caused by atomic testing have no effective recourse through the judicial system. The Radiation Victims Fair Treatment Act would restore those legal rights.

Until 1985, individuals alleging injury from exposure to radiation could file suit against contractors who participated in U.S. atomic testing programs. The contractors were indemnified by the Government for any legal costs they incurred.

Section 1631 of the 1985 Defense Authorization Act substituted the U.S. Government as defendant in all suits brought against the contractors and provided that these cases fall under the Federal Tort Claims Act [FTCA]. Because of certain defenses available to the Government under the FTCA, which are not available to the contractors, any judgments on behalf of veterans and civilian claimants against the U.S. Government are effectively barred. The result of section 1631 is that the vast majority of those injured by radiation are left with no remedy in court.

The Radiation Victims Fair Treatment Act would repeal section 1631, and restore the victims' fundamental right to seek redress in court. I cannot emphasize too strongly that action must be taken now. Time is running out. With each passing day another possible victim of nuclear testing may die. We must act immediately to restore this important legal right to these individuals.

ORDERS FOR FRIDAY

RECESS UNTIL 9:30 A.M.

MORNING BUSINESS

RESUME CONSIDERATION OF S. 5

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow, Friday, June 23, and that following the time for the two leaders, there be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each, and that at 10 a.m., the Senate return to consideration of S. 5, the child care bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the distinguished Republican leader has no further business, and if no other Senator is seeking recognition, I ask that the Senate stand in recess until 9:30 a.m. tomorrow, under the previous order.

There being no objection, the Senate, at 11:54 p.m., recessed until Friday, June 23, 1989, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 22, 1989:

DEPARTMENT OF STATE

RICHARD A. CLARKE, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE, VICE H. ALLEN HOLMES, RESIGNED.

DEPARTMENT OF LABOR

GERARD F. SCANNELL, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE JOHN A. PENDERGRASS, RESIGNED.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CLAIRE E. FREEMAN, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE JUDITH L. TARDY, RESIGNED.

DEPARTMENT OF ENERGY

JOHN J. EASTON, JR., OF VERMONT, TO BE AN ASSISTANT SECRETARY OF ENERGY (INTERNATINAL AFFAIRS AND ENERGY EMERGENCIES), VICE DAVID B. WALLER, RESIGNED.

IN THE NAVY

THE FOLLOWING-NAMED NAVAL RESERVE OFFICERS TO BE APPOINTED PERMANENT LIEUTENANT IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531

KEVIN G. MITTS
MICHELLE K. RESSLER

THE FOLLOWING-NAMED NAVAL RESERVE OFFICERS TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531

BURL W. AMSBURY
BENJAMIN K. BARRETT
THOMAS R. CROWELL
JOHN A. DEMERS
LARRY A. DEXTER
ROBERT A. HALL
CARL R. HERRON
JOEL D. JUNGEMANN
ERIC H. LAW
FREDRICK J. LOO
ERIKA L. SAUER
KEVIN C. THOMAS
SCOTT E. WHITMORE
ANTHONY J. WILLIAMS

THE FOLLOWING-NAMED U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

WILLIAM O. SHAFFER
EDWARD H. WEBER

THE FOLLOWING U.S. NAVY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE LINE OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

TIMOTHY G. DOBBIYOUNY

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE REGULAR MARINE CORPS DESIGNATED FOR LIMITED DUTY FOR APPOINTMENT AND DESIGNATION AS UNRESTRICTED OFFICERS IN THE REGULAR MARINE CORPS UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531 AND [illegible]

To be lieutenant colonel

MERLE E. MACKIE, JR. [illegible]

To be major

FREDERICK H. GHANT [illegible]

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS RESERVE FOR TRANSFER INTO THE REGULAR MARINE CORPS UNDER TITLE 10, UNITED STATES CODE, SECTION 531:

To be captain

THOMAS J. ANDERSON, 471-74-[illegible]
LARRY F. AUTRY, 442-60-3002
FRANKLIN D. BAKER, [illegible]
JOHN A. BERENS, [illegible]
BLAINE L. BUTLER, [illegible]
MICHAEL E. BUTTERS, [illegible]
MICHAEL W. CALLAGHAN, [illegible]
RONALD J. COLYER, [illegible]
KELLY D. CROSS, [illegible]
BRADLEY J. DEVRIES, [illegible]
JAMES M. DOCHERTY, [illegible]
ARTHUR L. DYER, [illegible]
THOMAS L. ENTERLINE, [illegible]
ALLAN M. FARON, JR. [illegible]
MICHAEL D. FORD, 225-90-1066
JOHN T. GAITA, 162-54-4713
KEVIN M. HALLENBECK, 094-50-1989
DANA L. HASKELL, 006-64-0566
ROBERT S. HELLMAN, 167-52-8708
MARK A. HEWITT, 522-82-9609
MARC L. HOHLE, 434-23-5512
ROBERT D. HOLTER, JR. 135-50-4527
GORDON N. HOUSTON, 187-56-4845
TIMOTHY L. HUNTER, 231-82-5179
THOMAS INNOCENTI, III, 234-11-6380
ROBERT J. JAECKEL, 575-74-2214
KENNETH V. JANSEN, 202-52-5241
EDWARD C. JASIEWICZ, JR. 012-54-5805
DAVID P. JOHNSON, 564-02-4140
ROBIN E. LOCKWOOD, 213-50-1068
SEAN P. MCDONALD, 416-94-1050
ROBERT D. MCOOVERN, 101-46-1312
STEPHEN M. MIRANDA, 268-52-9965
PETER T. NICHOLSON, 029-48-6510
DERYL K. NIELSEN, 544-54-8108
MARK B. NIEMI, 309-58-6858
PETER U. NILSEN, 327-60-4072
JAMES L. NORCROSS, 147-52-5674
WILLIAM B. PAYNE, 463-96-4415
JAMES L. PILLOW, 419-78-8273
DANIEL D. POPE, 329-58-1410
JONATHON D. POWELL, 537-56-5637
LAWRENCE D. PUTNAM, 168-46-7613
LEE B. RAGLAND, 410-78-3197
KEITH B. RAWLS, 404-19-3548
RONALD E. REEVES, 243-86-9903
MANUEL RIVERA, JR. 056-56-6892
THOMAS E. RODABAUGH, 367-46-2632
RITCHIE L. RODEBAUGH, 373-70-7348
THOMAS A. ROGERS, 344-58-8521
KOENRAAD M. SALDIEN, 318-82-2002
MICHAEL A. SANTACROCE, 044-52-4021
HIDEO SATO, 196-46-6360
JEFFERY A. SATTERFIELD, 316-74-6320
PAUL D. SCHMEDING, 216-80-5019
RODERICK T. SHERENCO, 251-94-4670
CHARLES T. STAIGLE, 242-13-0384
LARRY S. STEWART JR. JR. 285-52-0820
GERALD R. TEMPLE, 542-74-4675
DARRELL L. THACKER JR. JR. 244-21-7913
RICHARD W. THELIN, 347-52-0073
WILLIAM O. WALDRON, 186-44-5010
RICHARD E. WARE, 263-80-1552
MICHAEL C. WARREN, 084-50-9070
KEN YOKOSE, 261-77-4649
ROBERT M. ZEISLER, 225-94-1070

To be lieutenant

NELSON E. ALBERTS, 564-04-1937
ROBERT C. ALEXANDER, 446-66-8340
ANTHONY P. ALFANO, 381-74-5879
AARON T. AMEY, 240-86-7583
JOEL D. ANDERSON, 511-66-8017
MARK T. AYCOCK, 438-68-3492
JAMES D. BARICH, 567-41-8062
TIMOTHY E. BARNHILL, 237-04-0387
KEVIN M. BARTH, 508-86-0252
PATRICK B. BEAGLE, 344-60-9081
MICHAEL S. BEVIS, 513-72-9555
JAMES B. BONNER III, III, 207-40-1719
MICHAEL J. BOSSE, [illegible]
JOHN M. BOURGAULT, 386-39-8233
JOHN R. BYRD, 548-17-9127
ADAM S. CANNIZZARO, 060-64-2056
JOHN D. COLEMAN, 434-96-5044
ROBERT C. COOKE, 526-74-0296
JEFFREY B. COOPER, 147-52-8510
THOMAS E. CORCORAN, 346-52-6344
JONATHAN D. COVINGTON, 410-02-2266
STEPHEN A. COX, [illegible]
SCOTT D. CROCKETT, 440-86-3444
CHRISTOPHEJ DAVIS, 145-60-8434
JEFFREY S. DAVIS, 148-50-1969
RICHARD A. DEPOREST, 229-02-6185
JON E. DIXON, 568-31-1963
TIMOTHY J. DOLAN, 143-60-7079
JEROME E. DRISCOLL, 566-15-7005
THOMAS B. EIPP, 565-57-8417
DAVID A. ELLIS, 267-19-9057
LINK P. ERMIS, 484-35-1270
JOSEPH E. EVANS, [illegible]
MARK P. EVERMAN, 296-54-1742
JOACHIM W. PACK, 303-86-9691
SCOTT L. FINDELL, 566-68-1960
HAROLD J. FLANAGAN, 433-74-5105
CHRISTOPHEC FOSTER, [illegible]
STEVEN D. FOX, 315-64-8097
DAVID S. FOY, 297-64-3110
PETER T. GAYNOR, 037-44-4081
WILLIE R. GOLDSCHMIDT, 291-60-2848
DAVID C. GOMEZ, [illegible]
MICHAEL S. GROEN, 372-84-5918
ELIZABETH C. GRUBER, [illegible]
ANTHONY J. GRZYB, 333-86-7763
PERRY E. HALL, [illegible]
DOUGLAS M. HARDISON, 440-20-4565
PETER A. HARMON, [illegible]
NATALIE G. HAUG, 501-60-5584
JOHN D. HAYNES, JR. 042-64-7774
MARK A. HEATON, 179-52-7736
SEAN M. HEERY, 156-52-0325
DAVID R. HERR, JR. 454-11-9623
MARCUS O. HEWETT, 228-04-7478
THOMAS G. HOLDEN, 150-68-5327
RICHARD W. HOLLAND, 563-66-9233
MICHAEL R. HUDSON, 573-17-1471
RICHARD B. JESSOP, 140-40-9115
KEITH R. JEWELL, 432-25-9185
TREVOR R. JOHN, 474-74-5200
DANIEL P. JOHNSON, 512-72-8266
GEORGE M. JONES, 403-54-6543
KEVIN M. JONES, 572-45-1468
JOHN F. KAMMEIER, 479-88-9578
HARVEY A. KEELING, III, 230-80-9828
KEVIN T. KELLEY, 381-68-9757
KEVIN D. KING, 470-80-2461
STEPHEN P. KIRKPATRICK, 466-96-7431
PATRICK E. KLINE, 037-50-1696
JOHN G. KNAPP, 167-58-5263
MARC H. LAMBERT, 036-40-2206
PHILIP S. LARK, 330-68-3074
DAVID P. LEMLEY, 531-80-5968
KYLE B. LEWIS, 511-72-0985
SAMUEL LIMA, 156-58-2745
RAYMOND S. LOPES, JR. 068-58-2800
HUGH A. LOTTINGER, 249-82-1076
JOHN K. LOVE, 464-33-6661
JAMES B. LOVING, 229-15-4177
JOHN P. LUDDY, II, 023-36-7462
PATRICK E. MADDEN, JR. 191-52-9446
MARC L. MAGRAM, 187-66-9162
THOMAS E. MATSON, 096-60-6621
MARK W. MCCADDEN, 196-46-0855
GREGORY D. MCMANUS, 550-67-4416
ANDREW R. MELLON, 347-60-8042
STEPHEN J. MERVINE, 221-54-9281
LAWRENCE E. MICCOLIS, 158-62-8157
HAROLD D. MILLER, JR. 185-46-6191
KEVIN D. MOON, 254-13-4249
LUIS NARVAEZ, JR. 484-31-8363
MARK K. OBERG, 491-78-6039
FRANK T. ONEILL, 209-52-0642
STEPHEN M. PACE, 265-57-3004
RICHARD W. PALERMO, 267-64-9364
JOHN W. PALMER, 029-54-7727
DAVID PERE, 239-27-9656
MICHAEL S. PERKINS, 088-58-0258
THOMAS M. QUOSS, 320-58-5726
ROBERT N. RACKHAM, JR. 519-76-7273
JAMES S. RAMIREZ, JR. 262-45-2979
PHILIP G. RESTIVO, 451-37-7822
PATRICK A. RILEY, 217-86-9781
JEFFREY A. ROBB, 400-94-4676
ROBERT W. ROSETTA, 513-62-3204
DONALD M. ROSS, 214-96-7649
THOMAS S. RUTLEDGE, 262-59-3433
JOHN M. SCHULTZ, 187-56-8135
ALLEN L. SCHWEIZER, 301-64-9286
DOUGLAS D. SCOVILLE, 367-70-4382
RANDALL W. SMITH, 267-51-6246
RICHARD C. SMITH, 186-44-2471
WILLIAM C. SMITH, III, 241-31-7664
JAMES J. STANFORD, JR. 431-27-4016
DENNIS H. STEGALL, 499-72-6512
JEFFREY O. STRUEBING, 506-62-6069
FREDERICK W. STURCKOW, 571-53-0856
MICHAEL J. STUTZMAN, 012-46-0583
TIMOTHY L. SULLIVAN, 027-60-8721
LORING A. TABOR, 561-49-9221
JAMES E. TANIS, 485-82-4342
ALAN L. THOMA, 537-04-1599
BRIAN E. TODD, 522-13-2127
FRANK E. TOY, III, 036-40-7067
TODD O. TRAVIS, 405-98-2926
TED K. VANASUPA, 383-56-7209
KEVIN S. VEST, 565-23-2226
JAMES P. WEDGE, 371-96-7276
RICHARD H. WEEDE, 224-17-8971
BARNEY K. WICK, 312-56-3190
GLENN S. WILDE, 575-56-8820
CHRISTOPHED WILKERSON, 255-06-3934
MICHAEL P. WILKES, 150-38-4935
JEFFREY A. WOLFF, 404-02-9249
JEFFREY S. WRIGHT, 259-29-0006

To be chief warrant officer

RAYMOND L. KESSLER, 504-58-4526
JOHN T. SEVERSON, 318-50-4270

IN THE NAVY

THE FOLLOWING NAMED LIEUTENANT COMMANDERS OF THE RESERVE OF THE U. S. NAVY FOR PERMANANT PROMOTION TO THE GRADE OF COMMANDER IN THE LINE, IN THE COMPETITIVE CATEGORY AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE,SECTION 5912:

UNRESTRICTED LINE OFFICERS

To be commander

JOHN MATTHEWS ABERNATHY, III
ALLAN BLAKELY ADAMS, JR
JOE RICHARD ADAMS
JOHN MARIO AGOSTINI
THOMAS JOSEPH AHERN, JR
JAMES ANDREW ALDON
JOHN WILLIAM ALGER
DAMON EARL ALLEN, JR
SHIRLEY ALLEN
STEPHEN BATCLIFF ALLEN
WILLIAM RONALD ALLYN
CHARLES FO AMANN
RICHARD ROWLAND AMELON
JOSEPH WILLIAM AMENT
MARION DESAUTIE AMENT
DAVID CHAPPIN AMMERMAN
DALE NORMAN ANDERSON
ROBERT ROY ANDERSON
SCOTT PIERCE ANDERSON
JESSE ARNOLD ARBLISEN
LORAIN BLOUNT ARMSTRONG, JR
CYNTHIA HOPE ARVIN
JESSE LEE ASHCRAFT
GEORGE BERNARD AUSTIN
EDWARD LEE AVIS
ROBERT CONDON BAILEY
DONALD RAYMOND BAIRD, II
HENRY SCOTT BALDWIN
SIMEON BALDWIN, III
ROBERT CARL BARR
PAUL KENNETT BARRETO
FRED ALEXANDER BARRINGER, JR
ROGER THOMAS BARTH

DAVID HAMILTON BAISTHOLD
CHARLENE GRANGER BABY
JOHN RUSSELL BABB, II
LUNCFORD LEWIS BASS
CHRISTINA BATJER
GLENN LOUIS BATTENFIELD
CHARLES MCINTYRE BAUCOM
GARRICK WILLIAM BAUER
PAUL RUDOLPH BAZEMORE, JR
CHARLES EDWARD BECK
DAVID WILLIS BECK
JAMES EDWARD BEERE
BRUCE ALLAN BEIMER
FREDRICK ARTHUR BELL
RAE EILEEN BENAVAGE
GARY DAVID BENNETT
FRED WAYNE BERGMAN
GARY RICHARD BERMAN
ROBERT ALLEN BERO
DOUGLAS JAMES BERRY
JOHN EUGENE BETTIS, JR
ALLEN KENT BETTISWORTH
BRUCE EDWARD BEUCHEL
REED CHARLES BHINEY
BRUCE M. BLACK
BRADY ERIC BLAIN
ALAN BURKE BLAKE, JR
STEVEN GEORGE BLAKE
JOHN ESTEL BLONOM
KENNETH ALLEN BODE
DAVID EARL BOECKNER
ROSS AYRES BOGERT
SAMUEL JOSEPH BONANNO
VINCENT JOHN BORRUSO
MITCHELL CURTIS BOSWELL
ALLEN GEORGE BOUSKA
STEVEN GENE BOWERS
EDWIN EVERETT BOYD, II
THOMAS EDWIN BOYD
FRANK LORIN BRACKEN, JR
ROBERT CLARK BRACKETT
DAVID GORDON BRAGG
PAMELA AUBEL BRANCH
JOHN LYLE BRANCHFLOWER
PETER DENNISTON BRAUN
THOMAS LEE BREEMER
LAWRENCE DEAN BREITEN
ADELIE SHERIDAN BRENNAN
CHRISTOPHER PETER BRENNAN
JAMES GILBERT BREWER
MICHAEL HAROLD BREWER
ROBERT ARTHUR BRODY
DAVID ALLEN BROWN
DON MICHAEL BROWN
GLENN T. BROWN
JOHN MICHAEL BROWN
RANDALL HOLLIS BROWN
ROBERT CLYDE BROWN
ROBERT DANIEL BROWN
RONALD ALAN BROWN
ROY STANLEY BROWN
THOMAS RUSSELL BROWN, JR
ROBERT SLOMAN BROWNE, IV
ROBERT CLEVELAND BRUCE, JR
ROBERT EDGAR BRUCE, IV
GLENN ALFRED BRUGGEMANN
DANIEL PAUL BRUNSVOLD
DEWEY GORDON BRYAN
THOMAS ALEXANDER BUBB
THOMAS JOSEPH BUDDE
GEORGE RALPH BUDDINGTON
STEPHEN ALAN BUESCHER
MARK LINCOLN BUMGARDNER
DONALD BARRY BURKE
MICHAEL DAVID BUSSEY
ALLEY COWAN BUTLER
RICHARD HESS BUTLER
STEPHEN CRAIG BUTLER
JOHN WILLIAM BYRNE, IV
MICHAEL FRANCIS BYRNE

DAVID PAUL CACCAMO
WILLIAM DOUGLAS CADY
JOHN DELANE CALHOUN
ROBERT DAVID CALLIER
THOMAS DEREK CAMPOBASSO
KENNETH HOWARD CARLSEN
JAMES ROBERT CARLSON
THOMAS ALAN CARLSON
JAMES CHARLES CARTER
STEPHEN JOSEPH CASSIN
JEFFREY DRISCOLL CAVANAGH
THOMAS ALOYSIUS I. CAVANAUGH
LADD MICH CECH
ANTHONY LAWRENCE CELLINI
J. ROSS CHAFFIN
ROBERT MARK CHAMBERLAIN
RANDOLPH AUGUST CHARLSEN
WILLIAM RENE CHIQUELIN
KYLES LEE CHRISTENSEN
LARRY RAY CHRISTENSON
CHRISTOPHER JUDE CIKANOVICH
JOSEPH PAUL CIOLA
MICHAEL LEWIS CLARK
ALAN BENNETT COFFER
WILLIAM MICHAEL COFFIN
CLARENCE WILLIAM COFFMAN
STEPHEN DAVID COLE
ELLIOT REEBA COLLIER
DOUGLAS LEE COLLINS
KENNETH WARREN COMER
JOHN ROBERT CONNELLY
PHILIP LEO CONROY
RANDALL FOSS COOPER
ROBERT DAVID CORLEY
STEPHEN TODD COX
VINCENT HENRY COX
RAYMOND PRIDE CRAIG, JR
KEVIN EUGENE CRAINE
JAMES WARD CRANDALL, JR
KENNETH EARL CRAVEN
BERTRAM MADISON CRAWFORD, JR
DANIEL ALBERT CRAWFORD
ROBERT DOUGLAS CRAWFORD
DON MICHAEL CRITES
RICHARD C. CROWE
BRYANT GEORGE CRUSE
JEFFREY FRANZ CULL
MICHAEL LEE CULPEPPER
JOHN CHARLES CUNLIFFE
JAMES ALEXANDER CUNNINGHAM
MORRIS SHEPARD CUPP
JAMES WHITFIT CURRIER
PATRICK DUNCAN CURTIS

DOUGLAS LEE DALRYMPLE
JERRY WAYNE DALTON
JOSEPH WILSON DANDREA
PETER ALAN DANFORTH
HOYLE HOLMES DANIELS, III
DALLAS MICHAEL DARLAND
GARY RICHARD DAVIDSON
DAVID HUGH DAVIS
WALLACE DAVIS, III
WILLIAM BRIAN DAVIS
ROBERT PATRICK DELANEY
STEPHEN GERARD DEMERANVILLE
JOHN MICHAEL DEMOSTHENES
NEIL JOSEPH DEPASCAL, JR
JAMES EDWARD DESPAIN
BRUCE ROMAN DEUTSCH
CHARLES M. DEVEAUX, III
GERALD WALTER DEVORE
JOHN JOSEPH DIBERNARDO, JR
RICHARD DICK
GARY WAYNE DICKSON
SKEETER JAMES A. DICKSON
WALTER ALBERT DIEM, JR
RALPH SCOTT DIMAIO
DORY ELYSE DIXON
PETER RAYMOND DODD
DANA THOMAS TIERNEY DODGE
STEVEN CHARLES DODGE
PAUL RICKARD DOMBROWSKI
JAMES HIGH DORMAN
WALTER SAMUEL DOSE, JR
BARRY LAWRENCE DOUGHERTY
MICHAEL LAWRENCE DOUGLAS
JAMES RAY DOVER, JR
MICHAEL THOMAS DOYLE
WESLEY CLAUDE DRAKE
SONDRA LEE DRISCOLL
JOHN JACKSON DRIVER
ROBERT EARL DRUM
ROBERT TERRANCE DUDDY
JAMES KELLY DUFFY
SIDNEY PERRYMAN DUMONT, III
FRANK ROSSER DUNAWAY, III
ROBERT HAYNES DUNN
MICHAEL JAMES DUNNE
JAMES WADE DYER
JAMES JOSEPH DYSON

THOMAS EARLE ECKERT
HUBERT FRANK EDMONDS
EDWARD STEPHEN ELIASEN
JANIS SUE ELLIS
CHARLES PHILLIP ENGLISH
KENNETH BENJAMIN EPSTEIN
RICHARD ROYCE ERICKSON
SHANNON WILLIAM ESSON

RICHARD FRANCIS FAGAN, JR
WILLARD B. FARQUHAR, JR
PAUL FRANCIS FARRELL
RICHARD LOUIS FARRELL, JR
JAMES EDWARD FAY
KEVIN JOSEPH FEENEY
MARC ALAN FELDMAN
THOMAS WALLACE FELHOFER
STEPHEN MICEL FILSON
ROBERT EDWARD FINNEGAN
PAUL STELLING FISCHBECK
EARLE BYRON FISHER, JR
DOUGLAS PAUL FITZGERALD
PATRICK DANIEL FITZPATRICK
DANIEL MICHAEL FLANNERY
WILLIAM ANDERSON FLOWERS
JOHN EDWARD FLYNN
JOHN CRAIG FOERSTER
JOSEPH ROGER FORTIN
RAYMOND FRANCIS FOSTER
HAROLD EDWARD FOWLER, JR
DONALD BRIX FRASER, JR
JAMES THOMAS FREDERICKSON
ROBERT MICHAEL FRESE
MICHAEL JOSEPH FRIDIGEN
DAVID EMERSON FROST
JAMES THOMAS FULLER

CYNTHIA LOU GABUS
GARY FRANCIS GADZINSKI
MARK ALAN GAFFNER
BRIAN HOWARD GAHRAN
RICHARD MICHAEL GALECKI
JAMES MICHAEL GALLAGHER
CRAIG ELDON GALLOWAY
DANIEL TERRY GALVIN, JR
ALAN WILLIAM GAREY
DUSTIN JEFFREY GARROW
JOSEPH CARMEN GAUTILLE
MICKEAL STEPHEN GEHRINGER
STEPHAN PAUL GEORGE, II
LEE ALAN GHOLZ
ANTHONY DAVID GIANCATARINO
WILLIAM CHAMBERLAIN GIESEY
ROBERT TALBOTT GILES
ROMAN GENE GILLULY
JOSEPH ANTHONY GIMMA, JR
HARRY CLAY GINTZER, III
KURT ALAN GJERDE
DONALD JULIUS GLASSER
LONNIE L. GLENN
KATHLEEN M. GOLDSTEIN
ROBERT L. GORE
DAVID LEE GOTHARD
DEREK GOUDGE
MICHAEL JOSEPH GOUGE
CHRISTOPHER MICHAEL GOWRIE
PATRICK MATTHEW GRABER
RANDALL LEE GRAHAM
DAVID PATRICK GRAY
CHRIS EWALD GREEN
GEORGE ANTHONY GREENLEAF
PAUL GREGORY GREGORY
MICHAEL STEPHEN GRIGGS
DEBORAH GROESBECK
CARL JOHN GROSS
GRETCHEN GAIL GROVER
SIEGFRIED GUENTHER
NEAL FLOYD GUERNSEY
KENNETH JAY GUNDERSON
MARCIA ANNE GWIN

JAMES ELLIOTT HAAS
LONNY MAX HAGAN
LAMAR CLAYTON HAILE, III
MARK ARTHUR HALLENBECK
BRUCE SYLVAN HAMILTON
GEORGE K. HAMILTON, JR
GARY F. HAMMERGREN
STEVEN PETER HANSEN
PAUL GERHARD HANSON, III
THOMAS GERARD HANSON
PAUL WILLIAM HARAH
TIMOTHY SCOTT HARDEN
WAYNE ARNOLD HARLAN
STEPHEN CHARLES HARMON
MARK JOSEPH HARPER
KENNETH ROY HART
LINDA C. HARTZ
THEODORE LEONARD HARWOOD, II
CHARLES THOMAS HAST
GREGORY DANIEL HATSTAT
WILLIAM CARL HAUG
EDWARD ROY HAWKINS
JOHN WALTER HAYDEN
FRED EDWARD HAYES
STEPHEN TALBOT HAZAM
GARY LEE HEARNE
VERONICA DEMARIS HEBERT
LESTER JOHN HEINRICH
RICHARD DWIGHT HEINRICH
PETER FERRIS HELSELL
GLENN HENDERSON
THOMAS JEFFREY HENDERSON
BRUCE ALLEN HENDRICKS
RANDOLPH CLYDE HENSON
EDWARD PHILIP HERMANN
JOHN HAMILTON V. HERSEY
LARRY ALLAN HICKS
DAVID EUGENE HINSON
GARY LYNN HOBBIE
HERBERT WELLINGTON J. HOEFER
ROBERT ALAN HOFF
NORMAN ALEXANDER HOFHEIMER
GARY PATRICK HOGAN
MERRILL DENNIS HOLMES, JR
FRANCIS TERUMI HONDA
REBECCA EUGENIA HOUCK
WILLIAM RANDALL HOWARD
WILLIAM STEVE HOWSE
JOHN ROBERT HOYT, JR
MICHAEL JUDD HUDGINS
JAMES MICHAEL HUNZIKER
ANDREW RICHARD HUTCHENS
MICHAEL ALAN HUTCHISON
MILO WILT HYDE, III
JOHN THOMAS IAIA
GARY CHARLES INGOLD
NANCY PHILLIPS ISE

FREDERICK PAUL JACKSON
ROBERT WARREN JACKSON
PHILIPPE ARMAND JACQUES
WILLIAM EUGENE JANSON
RICHARD HARVEY JENDERNY
CHRIS PAUL JENSEN
EDWIN DAVID JEWELL
DAVID ANDREW JOHNSON
JOHN AUGUST JOHNSON, JR
MARTHA SUE JOHNSON
ROXANNE THERESE JOHNSON
WILLIAM WAYNE JOHNSON
ROGER JOHN JONES
WILLIAM JOHN JORDAN, III

GLENN LEIGH KADEN
RICHARD WAYNE KAMMIER
GREGORY JAY KARP
ROBERT ARNOLD KATIN
FRANCIS JOSEPH KEARNEY, JR
JAMES PATRICK KEARNEY
DONALD LOWE KEELER, JR
MICHAEL PAUL KEEN
KEVIN THOMAS KELLY
PATRICK MICHAEL KELLY
WILLIAM ALFRED KELLY, JR
ROBERT J. KERMEN
RAYMOND LEE KINSAUL, JR
NICHOLAS JAN RALPH KIRBY
DONALD JOSEPH KISSINGER, JR
STEPHEN JAMES KLOCH
JOEL FRANCIS KMETZ
THOMAS JEFFREY KNOTTS
ROBERT VINCENT KOLLMAN
CHARLES JOSEPH KONDRACK
JOHN NICHOLAS KOVAC
GEORGE NICK KOVCH
SYLVESTER CARL KRELL
GEORGE SINAR KULP
PETER MICHAEL KUSHNER
JAMES CRAIG KVAMME

VINCENT DEVOS LACAVA
KERRY DWAYNE LANDIS
FRANK MICHAEL LANGLEY
RONALD DAVIS LANNING
DONALD PATRICK LAPAN
CHRISTOPHER JOSEPH LARGER
ROBERT THOMAS LARNED
DONALD ROBERT LAW
JEFFREY EUGENE LAWSON
BRIAN STEVEN LEACH
RICHARD LOUIS LECKY
JOHN CARL LEDYARD
CHARLES WILLIAM LEFEAUX
DAVID LINDSAY LEONARD
CLAUDE ETIENNE LEPENDU
CHARLES KEMPTON LETTS
WILLIAM K. LEVEDAHL
ROBERT EARL LEWIS
MICHAEL LEE LILLARD
ALFRED STICKNEY LILLIENDAHL
JON STEVEN LIMMER
JAMES JAY LIND
ANDREW EDGAR LINDSEY
MARK RAY LINDSEY
MICHAEL LEE LINGERFELT
KEITH STEPHEN LISAK
KEENE HILLIS LITTLE
STEVEN MARSHALL LOFTON
GILBERTO JORGE LOPEZ, JR
LAWRENCE LEE LOUDON
NATHANIEL LUCAS
MARK CHRISTOPHER LUNNY
DANIEL JEROME LYNCH

SCOTT CLEVELAND MACLEOD
LEO THOMAS MAHONEY
WILLIAM FRANCIS MANGANARO
WALTER ENN MARDIK
JERRY WAYNE MARGUTH
JOHN WALDEMAR MARLOWE
GEORGE MICHAEL MARUZSAN
JOHN BROWN MARQUES, III
KENNETH ALAN MARSH
CHARLES MICHAEL MARTIN
DOUGLAS FRED MARTIN
LANCE STEWART MARTIN
WILLIAM EMMETT MARTIN, II
JACK MARTINEZ, JR
MYRON ALAN MARTINSON
DAVID LEE MASLOW
JOSEPH HARLAND MASTIN
CHARLES SHERMAN MATASIC
LEONARD RAY MATHENY
JEROME MATTHEWS
DAVID E. MAXSON
DEAN E. MAY
JAMES JOSEPH MCCABE
MICHAEL A. MCCABE
THOMAS JOHN MCCABE, JR
RICHARD EDWARD MCCAMANT
THOMAS ROBERT MCCLELLAN
JOHN RAYMOND MCCLURE
PATRICK ALBERT MCCOMBS
JOHN LAWRENCE MCCONNELL
THOMAS BRENT MCCORMICK
DAVID EARL MCCUNE
CAROL JEAN MCDEVITT
THOMAS BRAMLETT MCGAHEY, III
DAVID LEE MCGEE
JAMES WILLIAM MCHALE
THOMAS RANDALL MCINVALE
KENNETH ANTHONY MCKEE
JOHN E. MCKIERAN
BRADLEY DALTON MCKNIGHT
BOBBY DERYL MCPHERSON
PATRICK JAMES MEANEY
CHARLES DOUGLAS MEEKINS
ROBERT WILLIAM MEISELAS
JOHN BARNHARDT MELVIN
JOHN H. MERRITT
SUSAN JANE MERRITT
CHARLES WEBB MERWINE
GREGORY BRADLEY METCALFE
CAREY LEE MEUSHAW
JERRY LEE MEYER
BRIAN KENNETH MICHAUD
STEVEN THAVIS MIDDLETON
LARRY WAYNE MIKULENCAK
JOSEPH G. MILLER
GARY CAMPBELL MITCHELL
NEIL ROBERT MITCHELL
VERNON PETER MOHR, JR
DANIEL PATRICK MOONEY
JOHN ALAN MOORE
RAY HAROLD MOORE
RICHARD HARVEY MORCK
JOHN STEVEN MORGAN
JONI PARKER MORGAN
GRAY D. MORRISON, III
DAVID MICHAEL MORSE
CHRISTOPHER MOSCHELLA
DUVAL FLETCHER MOSS, III
GARY WILLIAM MOULDER
RONALD MUELLER
LAWRENCE ARCHER MULLALY
EDMUND DELABEIN

MURPHY, JR
JOHN STANLEY MURPHY
DANIEL LAWRENCE MURRAY
TONY MICHAEL MUSCHARA
LINDA MARY MYERS

JOSEPH JOEL NAPTAN
MICHAEL FRANCIS NAVARRO
THOMAS STEPHEN NEAL
GREGORY FARRELL NELSON
MICHAEL MCLAUGHLIN NEMECHEK
MARC CAMERON NIEMEGEAL
DAVID GERARD NIEDERMAIER
ANDREW STANTON NIEMYER
DAVID SILVIO NIERI
PAUL DOUGLAS NORCROSS
ERIC RANDALL NORLAND

MICHAEL PATRICK OBERT
JAMES DENNIS OBRIEN
STEPHEN ALAN OBRIEN
CARL STEPHEN OLEXIK, JR
LARRY ALLAN OLSON
JAMES A. OMLIN
MICHAEL JERRY ONEILL
JOHN LEON O'SHAUGHNESSY
MICHAEL PATRICK O'SULLIVAN
MICHAEL KENT OWENS

JAMES GLEN PAGE
ALLEN CHARLES PAINTER
STEPHEN HAMILTON PARFEY
ALAN MELVIN PARK
JOHN SPRUANCE PARK
DENNIS LEROY PARKS
LEONARD MATT PARKER
TERRY LEE PARSONS
HERBERT W. PARTHUM, JR
RAYMOND JOHN PAUL
LEONARD KIMBALL PAYNE, III
ROBERT SCOTT PEARSON
CHARLES ALBERT PERRIDY, JR
JAMES CARL PERLER
PAUL CURTIS PECK
EDWARD WILLIAM PEKAREK
MARK ELLIOTT PERICH
DONALD SPERLING PHIPER
KEITH LEE PHILLIPS
ROBERT GEORGE PHILLIPS, JR
CHARLES WINFRED PHILPOT
JAMES THOMAS PICKETT
GREGORY DENNIS PIERCE
THOMAS JAMES PINKL
GAYEL ANNE PITCHFORD
JOHN DANIEL PITTMAN
LOUIS WILLIAM POLLOCK
LARRY GLEN POPE
GEORGE LAURIN POWERS
DANE MASON PRANKE
ROBERT WILSON PRATT, II

JEFFREY GARRISON QUAID

DAVID FOSTER RACHEL
FRANK EUGENE RAINES
CLARENCE EDWARD RAPPE, JR
STEVEN EMILE RASIN
TIMOTHY JOHN RASTOK
ROBERT EDWIN RATCLIFFE
JAMES MICHAEL RAUBA
STEVEN PETER RAY
JAMES ROBERT REA
JOHN VINCENT READER
GARY EUGENE REED
GREGORY WAYNE RICHARDS
STUART ALAN RICHARDS
DAVID LESLIE RILEY
ALAN ROBERT RINAUDO
VIVIAN SANDRA RIPPEY
RICHARD WALTE ROBEEN
JOHN EDWIN ROBERTS
CHRISTOPHER ROCK ROBINSON
DONALD LAWRENCE ROBINSON
WILLIAM R. ROBINSON
JOHN JACOB ROEMER, JR
GORDON MERRIAM ROESLER, JR
STEVEN LAWRENCE ROGERS
MARTIN WALFRET ROHRER
MICHAEL JOHN ROLAND
FRANK JOHN ROSE
JOSEPH MARIO ROSSINI
DOUGLAS MICHAEL ROUEN
JAMES SCOTT ROWAN
RICHARD RONALD ROYER
JEAN MCCAIG RUMMEL
DAVID LEDING RUSH
CHARLES THOMAS RYAN
LESTER EUGENE RYAN
PAUL JOSEPH RYAN
RICHARD STEWART RYAN

FRED GILES SANDERS, III
MARK ANTHONY SATORIUS
JOHN FREDRIC SAUCERMAN
TOD WARD SCHAEFER
JOSEPH SCHEER
ROBERT LUTHER SCHILLINGI
DOUGLAS CHARLES SCHLAEFER
ANDREW EDWARD SCHNECK
JOHN RICHARD SCHNEIDER
MARGARET WHEATON SCHNEIDER
ROSE ANN SCHOMBERGER
DAVID HAROLD SCOBY
DENNIS ROY SCOTT
GEORGE RANDALL SEPTAS
ROBERT JOHN SERICH
DAVID DANIEL SERKOWSKI
THOMAS FINIS SHACKELFORD, II
RICHARD LEE SHEETS
ROBERT ROY SHERLOCK
KENNETH BRUCE SHERMAN
DAVID ALAN SHILLIDAY
WILLIAM BRIAN SHIRRICK
STEVAN DONALD SILVART
CLYDE BURTS SIMMONS, JR
ROBERT ANTHONY SIMON
PHILIP DOUGLAS SIMS
DONALD RICHARD SINOER
GEORGE ANDREW SIRAGUSA
DONALD RAYMOND SKUTTY
GARY MICHAEL SKURA
STEPHEN IRVIN SLIGHT
PATRICK FRANCIS SLOAN
COLUMBUS L. SMITH, JR
GENE DEREK SMITH
MARK WILLIAM SMITH
NORMAN KENT SMITH, II
RICHARD ALAN SMITH
SCOTT L. SMITH
WILLIE SMITH, JR
JAMES PATRICK SMITHWICK
WILLIAM VINCENT SNOOK
WILLIAM DONALD SPEIGHTS
EORD EMIL SPIELMANN
WILLIAM HENRY SPINKS, JR
THOMAS LEWELLYN SPRAGUE
STEVEN EDWARD SPRINGER
WILLIAM DAVID SQUIRES, JR
WAYNE STANLEY STANFIELD
TIMOTHY DAVID STANLEY
ROBERT SHEPHERD STANTON
JOHN STEPHEN STARCHER
DOROTHY ELAINE STARK
WILLIAM FRANCIS STEAGALL, JR
GEORGE DONALD STEEL
GERALD MICHAEL STENOVEC
VAN ALAN STEPHENS
BARRY L. STERETT
GEORGE REID STEVENSON, JR
JOHN MARVIN STEWART, JR
TIMMY CLIFFORD STEWART
ROBERT DONALD STOERMAIN
GARY BERT STOFFELS
DENNIS DUANE STONE
KERMIT PAUL STOTT
DONALD JOSEPH STRAKA
RICHARD THOMAS STRECKER
LAWRENCE JOHN STRIZICH
JAMES MARTIN STRONG
GARY MICHAEL SUDHOFF
JEFFERY H. SUNDAY
WILLIAM JAMES SVENSON
LEROY SWANNER, JR
DAMASO MICHAEL SWIATKOWSKI
FREDERICK LEROY SWINDAL, JR
HARRY WILLIAM SYER, JR
PETER MORTIMER STROWIEZ

HENRY JOHN TABB
JOHN FREDERICK TAFT
LARRY GENE TARKINGTON
BRUCE ROBERT TERRIL
BRAD N. THOMAS
JOHN KERMIT THOMAS
STEVEN FINLEY THUEN
NEIL EDWARD TOLLEFSRUD
CRAIG SCOTT TOMLINSON
DAVID ROBERT TOPOLEWSKI
JANET TORELLI
JAMES ANTHONY TRITCHLER
PHILIP ELWELL TROY
DICK WILLIAM TURNER

RICHARD ANTHONY UDICIONI
THOMAS WILLIAM UHL

GARY MICHAEL VALVO
JOHN ALPHEUS VANDERSLICE, II
THOMAS KEVIN VAUGHN
JOHN WILLIAM VENES, JR
PETER BARNUM VESTER
GUY LESLIE VESKO
DEAN STEPHEN VEREMAKIS
JOHN EDWARD VERHELDT
ANTHONY JAMES VINNOLA, JR

JOHN WATSON WAGENBLASS
JOHN GERALD WALL
THOMAS EARLY WARREN
TIMOTHY RUSSELL WARREN
EUGENE FLOYD WASSON
BRIAN RUSSELL WEAVER
GREGORY GARFIELD WEBB
JOHN ROBERT WEIR
RICHARD FRANKLIN WELLS
RODERICK ARTHUR WELLS
KIRK D. WESSEL
JOHN JOSEPH WESSLING
DANIEL ALLAN WHEELER
DAVID EARL WHIPPLE
RICHARD C. WIEHENHAEFER
WILLIAM MICHAEL WILDER
DANIEL JOHN WILDPONG
LONNIE OTTO WILKERSON, III
KENNETH LEE WILLETT
CHARLES RUSSELL WILLIAMS, JR
DAVID MICHAEL WILLIAMS
JEFFREY CARL WILLIAMS
MILTON CARGILL WILLIAMS
MICHAEL ALLEN WILLIAMSON
CARL JEROME WILLIS
JOHN ROBERT WILLIS
CHARLES SCOTT WILLY
JOSEPH DILLON WILSON
RANDAL VERN WOOD
JOHN EDWARD WOODS, JR
GARRY LYNN WOODY
EDWARD PHILIP WORK
RAY ALLEN WRICE
ERWIN JOHN WUNDERLICH

WILLIAM RICHARD YATES
DENNIS CARY YOUNG
DAVID YOSHIO YUMEN

ROGER THOMAS ZEIMET
WILLIAM WARD ZURBRICK
WILLIAM EARL ZWICKER

UNRESTRICTED LINE OFFICERS (TAR)

To be commander

MICHAEL JOSEPH BENCY
STEVEN CLARK CHRISTOPHER
CHRIS JOHN CLUBYER
GEORGE PATTERSON I. CRANDALL
MICHAEL SIMMONS CROUCH
JEROME ANTHONY DABROWSKI
JOHN PATRICK DEBBOUT
JANET ELIZABETH DENARDO
LARRY MAURICE DENTON
GARY MICHAEL ERICKSON
GARY LYNN EVEREST
DONALD CARL FIERCE, JR
MICHAEL JAY FILKINS
STANLEY R. FODNESS
WILLIAM LEE GARRETT
MICHAEL JOSEPH GERVAIS
BRIAN WESLEY GILMORE
MARY CHRISTINE GIZA
RILEY J. GLADDEN
THOMAS EDMUND GOULD
TERRY MERLE GRIENINGER
CLIFFORD ARTHUR HAAS
JON MARLIN HAAS
STANLEY P. HALTER
MITCHELL TODD HARMON
RICHARD MARK HEILENDAY
PAUL ERNEST HEINMULLER, JR
KEITH JOHN HERBEL
CRAIG ANTHONY HIMEL
RALPH SCOTT HIXSON
WALLACE GENE HOLLYFIELD, JR
JENNIFER LIND HUNTER
BARRY DAVID JOHNSON
GEORGE WILLIAM KNELL
CRAIG BERNARD LAPORTE
BARRY ALLAN LAVIONE
PETER DAVID LEIMAN
DAVID DENMAN LIVINGSTONE
RANDOLPH PIERCE LOVELESS
RONALD LYONS
MARK HAROLD MAGWOOD
DAVID WILLIAM MANSFIELD
DANIEL THOMAS MARTIN
MARTIN RICHARD MASKIEWICZ
KEITH RAYMOND MAYNARD
THOMAS FREDERICK WAGELIN, JR
WILLIAM THOMAS OLIVER, JR
LYNN FREEMAN OSTER
RICHARD WAYNE OVERTURF
GARY CONRAD PARKS
GARY LEE POWELL
STELLA B. REITZ
BENJAMIN CLIFTON RHODES
RONNIE MERL RICHARDSON
MICHAEL WARD ROBISON
DOUGLAS JOHN ROSEMARK
ALEXANDER JOHN SABOL
PHILLIP JOHN SCHER, JR
DAVID MICHAEL SCHORN
BYRON VESLER SMITH, III
GARRY PAUL SMITH
JOHN ANTHONY SOWERS
GARY LYNN STEVENER
WAYNE SHELTON STUART
DAVID JOSEPH SVAJDA
DENNIS JAMES SWEENEY
ALTON JAMES WANDELL
RICHARD CRAIG WILLIAMS
JAMES GILBERT WOODSIDE
MICHAEL RICHARD WRINKLE
RICHARD TABBUT YOUNG

ENGINEERING DUTY OFFICERS

To be commander

WILLIAM HANU ALLEN
JOHN ERIC CHRISTIAN
WILLIAM ARTHUR CROSS
JOHN FRANCIS ENNIS
LEROY JOSEPH FOURNIER
JAMES RAYMOND GOSLER
THOMAS BRADFORD GREGORY
TIMOTHY MATTHEW GUSTAFSON
RICHARD ALLEN HILL
HARRY KEITH JACKSON, JR
WALTER GERARD KEATING
CARL RAYMOND KLEE
JOHN CONRAD KLEIN, IV
JAMES HARLEY LASH
JAMES C. NEWTON
MARK ALLEN PEIFER
NOLAN GEORGE FERREIRA
SCOTT LEISENRING RABIG
WILLIAM HENRY RIX
JAMES ROBERT RUSSELL, JR
CHRISTOPHER ALAN SALES
RICHARD STEVEN SCHENK
RAY LEROY SHOAFF, JR
ROBERT GEORGE STERBLE
JAMES ARTHUR WILLIAMS

AERONAUTICAL ENGINEERING DUTY OFFICERS (AERONAUTICAL ENGINEERING)

To be commander

STEVEN THERON BURNUM
WILLIAM ROBERT BUSHELLE
JAMES W. MARTIN
DONALD LEE MORGAN
FREDERICK JOSEPH ROEDER
JOHN GEORGE SHANNON
SAMUEL DWIGHT STANIFER
LARRY CARLOS TURNER

AERONAUTICAL ENGINEERING DUTY OFFICERS (AVIATION MAINTENANCE)

To be commander

WILLIAM HOWARD BELL
ROBERT DANIEL CORRIGAN
KENNETH MORRIS JONES
RONALD LYNN SMITH

SPECIAL DUTY OFFICERS (MERCHANT MARINE)

To be commander

WILLIAM JAY ABERNATHY
RICHARD JOHN BOWEN
WILLIAM JOHN BRIGGS
WILLIAM M. CROWE, III
WILLIAM HENRY DOHERTY
STEVEN PAUL FOX
ROBERT MARK GLANDER
MICHAEL ANGELO JIMENEZ
MICHAEL JOSEF KUCHARSKI
CHRISTOPHER GERARD LARKIN
DERRIC FRANCIS LINARDICH
REGINALD EDMUND MCKAMIE
BRIAN SCOTT MCNAMARA
ROBERT HAYS MORRIS
WILLIAM ANDREW MOSS
LAWRENCE JAMES MURPHY
EDWARD JOSEPH NAHARTOWICH
RICHARD T. NELSON, JR
DAVID MICHAEL OCONNOR
PAUL WARREN PREZIOSE
GARY MANNING SCHMIDT
WILLIAM TALMAGE SMITH, III
CORNELIUS VINCENT SULLANE
ARTHUR H. SULZER, IV
WILLIAM ALMON VOSE
ARTHUR JOHN WEIS

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be commander

WILLIAM CHARLES BOLSER
KENNETH LEE LUSHER

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be commander

ROGER LYNN AIKIN
BERNARD H. ARENDS, JR
MICHAEL ROBERT ARMSTRONG
RAY LELAND BABCOCK
JAMES ANDREW BAIRD
JAMES MARK BEHNKE
WILFRED EDWARD BERENFORD
LORRAINE CHERYL BOGGS
CHARLES CURRAN BRIANT
MICHAEL WILLIAM BROADWAY
KEVIN DONNELLY BROWN
LINDA SHIRLENE BURNS
STEVEN C. BYRAM
RICHARD FREDERICK CHEW, JR
CHARLES LOUIS CHRISTOPH
BELINDA WONG CHUNG
BARRY WAYNE CLICK
JOSEPH PATRICK CODY, JR
DANIEL ROBERT CONWAY
CAROL JOANN COUVARIS
ELIZABETH ANN CRUTTY
RONALD GEORGE DELORENZO
JUDI ANN DUVEEN
ANDREW GEORGE FALTUM, JR
JOHN ROBERT FLOYD
LAURIE ELIZABETH FORBES
JAMES BINGHAM GRAY
NORMAN KENNETH GREEN, JR
CINDY ANNE HANSEN
PHILIP MICHAEL HERSEY
GARY EVERETT HILL
JOHN BERNARD HILL
WILLIAM MICHAEL HILLIMAN

JOHN RAYMOND HORN
ROBERT EDMUND HOWE, JR
WILLIAM BARNARD HUNTER
RODNEY GENE HURLEY
JOHN OLAV JOHNSEN
JANIS MARY JORGENSEN
DANIEL EARL KAH
ANDREW B. KARAMANOS
WILLIAM ANDREW KEALY
THOMAS MICHAEL KELLERHALS
ANDREW PAUL KOCZON
LESLIE KUTAS
STEVEN EDWARD LEFKOWICZ
JAMES ALLEN LESLIE, JR
SHARON L. B. LILLIEHAHL
ROBERT LEE LOOKABILL
JAMES STEWART MAULIN
RICHARD VERNON MAUGHAN
DON DELBERT MCCHAVY
MALCOLM RAY MCKEE
DALE JEROME MIERSCH
MARK EVANS MILLER
WILLIAM CLYDE MOODY, JR
JOHN ROBERT MUNRO
PAUL RESHITT MURPHY
JAMES WESLEY NEATHERY
THOMAS PAGE NELSON, JR
MICHAEL WEBB NICKODEM
DARLICE STUART OGLETREE
DANIEL JOSEPH ORLANDI
RONALD JAMES ORLANDI
KENNETH RICHARD PARR
WILLIAM MALCOLM J. PATTERSON
GREGORY DENNIS PATTON
BRUCE ELLIOTT PEARE
ROBERT ELWOOD PICKETT
NEIL ALLEN POPPENHEIM
CECIL JAMES ROWE
RICHARD FRANK SCHALLER
STEPHEN REA SCHARAMANN
JON ALAN SIEWERS
RONALD FRANCIS SMITH
GREGORY THOMAS SOLETHER
ORAL DEE STAMAN
WILLIYMYR SUMAN SULZYNSKY
ROBERT WARNER TODD
JOHN EDWARD TROJACK
MICHAEL JOHN TROWBRIDGE
ANDRES VAART
JEFFREY BRUCE VANSKIKE
PETER CHARLES VANTRIOT
JOSEPH THOMAS VITANZA
MERVYN E. WALSH
STEVEN ALLEN WEINER
JAMES DAVID WELLS
THOMAS EDWARD WHITE
STEPHEN F. WILDER
DOUGLAS LARRY WILLS
MICHAEL VINCENT WOOD
RICHARD TROY YOUNG

SPECIAL DUTY OFFICERS (INTELLIGENCE) (TAR)

To be commander

THOMAS PHILIP CURPS

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be commander

CARL FRANCIS BENSCHEIDT
LISA ANNE BENSCHEIDT
NORRIS EDWARD JONES
RONALD FREDERICK PINKARD
JOHN C. ROACH
GREG JOSEPH SLAVONIC
JAMES DONALD TURK

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be commander

JOHN E. PINKERTON
WAYNE S. SHIVER
MICHAEL H. WOOSTER

DEPARTMENT OF JUSTICE

RICHARD BURLESON STEWART, OF MASSACHUSETTS, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE ROGER J. MARZULLA, RESIGNED.

DEPARTMENT OF THE INTERIOR

LOU GALLEGOS, OF NEW MEXICO, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE HENRY M. VENTURA, RESIGNED.

DEPARTMENT OF ENERGY

JACQUELINE KNOX BROWN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS), VICE C. ANSON FRANKLIN, RESIGNED.

EXPORT-IMPORT BANK OF THE UNITED STATES

JOHN D. MACOMBER, OF NEW YORK, TO BE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM OF 4 YEARS EXPIRING JANUARY 20, 1993, VICE JOHN A. BOHN, JR., RESIGNED.

EUGENE KISTLER LAWSON, OF THE DISTRICT OF COLUMBIA, TO BE FIRST VICE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM OF 4 YEARS EXPIRING JANUARY 20, 1993, VICE WILLIAM F. RYAN, TERM EXPIRED.

DEPARTMENT OF LABOR

THOMAS E. COLLINS, III, OF MISSISSIPPI, TO BE ASSISTANT SECRETARY OF LABOR FOR VETERAN'S EMPLOYMENT AND TRAINING, VICE DONALD E. SHASTEEN, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22, 1989:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MICHAEL J. ASTRUE, OF MASSACHUSETTS, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

EXECUTIVE OFFICE OF THE PRESIDENT

JULIUS L. KATZ, OF MARYLAND, TO BE A DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR.

DEPARTMENT OF JUSTICE

JAMES FRANKLIN RILL, OF MARYLAND, TO BE AN ASSISTANT ATTORNEY GENERAL.

DEPARTMENT OF DEFENSE

STEPHEN JOHN HADLEY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

HENRY S. ROWEN, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF JUSTICE

E. BART DANIEL, OF SOUTH CAROLINA, TO BE U.S. ATTORNEY FOR THE DISTRICT OF SOUTH CAROLINA FOR THE TERM OF 4 YEARS.

DEE V. BENSON, OF UTAH, TO BE U.S. ATTORNEY FOR THE DISTRICT OF UTAH FOR THE TERM OF 4 YEARS.

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTIONS 593, 8218, 8373, AND 8374, TITLE 10, UNITED STATES CODE:

To be major general

BRIG. GEN. CHARLES R. DRIGGERS, 467-50-0585, AIR NATIONAL GUARD OF THE UNITED STATES.
BRIG. GEN. JOE H. ENGLE, 509-32-1096, AIR NATIONAL GUARD OF THE UNITED STATES.

To be brigadier general

COL. TANDY K. BOZEMAN, 418-46-8162, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. NELSON E. DURGIN, 006-34-3416, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. ADOLPH P. HEARON, 247-46-7258, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. FRED R. HELMS, 420-36-8427, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. JOHNNY J. HOBBS, 148-32-3427, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. THOMAS W. NAPOLITAN, 372-36-8064, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. RICHARD E. PEZZULLO, 037-20-0223, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. JAMES H. RENSCHEN, 498-44-2048, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. DAVID J. RIST, 176-30-9433, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. DAN A. ROBAR, 504-26-0391, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. WILLIAM J. STOCKWELL, 047-30-1201, AIR NATIONAL GUARD OF THE UNITED STATES.
COL. TERRENCE P. WOODS, 527-60-5172, AIR NATIONAL GUARD OF THE UNITED STATES.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES W. BAGNAL, 247-44-8391, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. CLAUDE M. KICKLIGHTER, 255-46-4906, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JAMES E. MOORE, JR., 245-64-1208, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. WILLIAM H. HARRISON, 400-42-2736, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. CALVIN A. H. WALLER, 435-46-5078, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. KENNETH E. LEWI, 462-36-8977, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A) IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. HOWARD D. GRAVES, 466-48-4668, U.S. ARMY.

THE FOLLOWING-NAMED ARMY MEDICAL CORPS OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be permanent major general

BRIG. GEN. FREDERICK N. BUSSEY, 334-38-3670, U.S. ARMY.

To be permanent brigadier general

COL. LESLIE M. BURGER, 127-30-7953, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. MAXWELL R. THURMAN, 237-42-0668, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. JOHN W. POSS, 472-32-7251, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER THE PROVISONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A) AND TO BE APPOINTED AS SENIOR ARMY MEMBER OF THE MILITARY STAFF COMMITTEE OF THE UNITED NATIONS UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 711.

To be lieutenant general and Army senior member of the Military Staff Committee of the United Nations

MAJ. GEN. GORDON R. SULLIVAN, 020-26-9577, U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. RICHARD C. GENTZ, 377-34-6485/1230, U.S. NAVY.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING GREG W. CARLSON, AND ENDING ROBERT E. CRUTHIRDS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 16, 1989.

AIR FORCE NOMINATIONS BEGINNING EDWARD T. SCHWAB, AND ENDING JOHN W. MORRISON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

AIR FORCE NOMINATIONS BEGINNING RAYMOND T. BARBERA, AND ENDING JEFFREY H. CAMM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

AIR FORCE NOMINATIONS BEGINNING LOUIS W. ADAMS III, AND ENDING GARRETT R. TUCKER III, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

AIR FORCE NOMINATIONS BEGINNING STEPHEN W. ANDREWS, AND ENDING ROBERT G. ZERULL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

AIR FORCE NOMINATIONS BEGINNING DENNIS M. ANDERSON, AND ENDING JOHN P. ZUBIALDE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

IN THE ARMY

ARMY NOMINATIONS BEGINNING RONALD W. BYERS, AND ENDING ROBERT J. KENEVAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND

VOL 135 PT 9 JE 14 — 22 1989 UMI

APPEARED IN THE CONGRESSIONAL RECORD ON MAY 17, 1989.

ARMY NOMINATION OF LAWRENCE C. MOHR, JR., WHICH NOMINATION WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

ARMY NOMINATIONS BEGINNING RONALD E. HALL, AND ENDING * MICHAEL A. STANTON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

ARMY NOMINATIONS BEGINNING DAVID A. DECKER, AND ENDING IRENE I. YEVICH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 7, 1989.

ARMY NOMINATIONS BEGINNING * BILLY J. FREEBORN, AND ENDING TIMOTHY W. STARCK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 7, 1989.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING WILLIAM E. ACKER, AND ENDING JAMES D. ZARTMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 16, 1989.

IN THE NAVY

NAVY NOMINATIONS BEGINNING ALAN E. BELL, AND ENDING BRIAN D. STANFORD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

NAVY NOMINATIONS BEGINNING JOHN CRAIG, AND ENDING CLINTON A. MEDBERY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 31, 1989.

EXTENSIONS OF REMARKS

THE CONTINUING SOVIET DISINFORMATION AND FORGERY CAMPAIGN AGAINST THE UNITED STATES

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. YOUNG of Florida. Mr. Speaker, throughout this sustained period of Soviet General Secretary Gorbachev's expressed good will toward the United States and our allies, I have warned that we must make sure his deeds live up to his words.

Among the deeds we must watch is the Soviet Union's ongoing disinformation campaign aimed at undermining our Nation in the eyes of our allies. These Soviet active measures operations range from anti-American disinformation and forgeries that are placed in the media throughout the world to sophisticated influence operations where the Soviet hand is difficult to detect.

Soviet active measures activities have been a primary interest of mine through my work on the House Permanent Select Committee on Intelligence and the Appropriations Subcommittee on Defense. In fact, much of what the public and the media knows today about these operations was the result of a series of hearings I requested during my 6-year term on the Intelligence Committee. During those hearings, the Central Intelligence Agency estimated the Soviet Union spends $3 to $5 billion per year on active measures operations.

At the request of the Appropriations Committee on which I serve, the U.S. Information Service last year compiled a report entitled "Soviet Active Measures in the Era of Glasnost" which examines in great detail the record of ongoing Soviet disinformation and forgery campaigns at this time when General Secretary Gorbachev makes his grand gestures to the free world.

The report concludes that during this period of glasnost, Soviet active measures operations are as prevalent as always. USIA, however, reports that there have been significant shifts in tactics employed by Soviet operatives. While the goal of undermining United States credibility remains the same, the Soviets have softened their disinformation and forgery campaigns. Still they exist, and the only method our Nation has to counter these activities is to publicize them when uncovered and to educate the public and media to their existence.

It was during the December 1987 summit in Washington between President Reagan and General Secretary Gorbachev that Gorbachev said there would be "no more lying, no more disinformation." The record of Soviet deeds says otherwise. Among the major disinformation campaigns mounted against the United States since that promise by Gorbachev are;

Claims that the United States manufactured the AIDS virus in a U.S. military facility at Fort Detrick, MD;

A report that the United States is manufacturing an ethnic weapon that kills only nonwhites;

Articles claiming that the FBI assassinated Rev. Martin Luther King;

A report that the head of the U.S. delegation to the U.N. Human Rights Commission conference in Geneva was jailed in Cuba for bombing stores; and

Claims that the CIA assassinated Swedish Prime Minister Olof Palme, Indian Prime Minister Indira Ghandi, and attempted to assassinate Pope John Paul II.

Following my remarks, I would like to include a summary of this USIA report and would encourage my colleagues to review the full text. It provides greater information about each of these cases of disinformation and extensive detail about Soviet active measures campaigns including disinformation in the media, forgeries, and the use of front groups. There also is a chapter on United States efforts to counter Soviet disinformation. Finally, as an appendix to the report, there is a paper which provides a historical perspective to Soviet active measures operations in other periods of improved United States-Soviet relations between 1959 and 1979. The paper concludes that just as we have seen during this current period of Soviet good will, vigorous Soviet disinformation campaigns have continued during other periods of eased tensions between our countries.

As a result of our hearings and the publication of other recent reports detailing Soviet active measures operations, our Nation has responded by establishing a number of programs to uncover, trace, and respond to these Soviet efforts. Despite our best attempts, however, we will never be able to catch every Soviet forgery or false report. Instead, we must continue to educate the public and the media to the existence of these Soviet efforts so that we all watch for and question many of these spurious claims about the United States. It is in this way that we can dilute the effectiveness of these Soviet activities not only in the United States, but throughout the world, and especially in Third World nations where the Soviets have had much of their recent success.

SOVIET ACTIVE MEASURES IN THE ERA OF GLASNOST

(A report to Congress by the U.S. Information Agency)

OVERVIEW

Active measures are carefully crafted influence operations, often covert or deceptive, which the Soviets use, in addition to traditional diplomatic and informational activities, to support Soviet foreign policy. They range from the crude to the sublime, from vicious anti-American disinformation and forgeries to sophisticated, soothing influence operations. Soviet active measures include:

"Black" KGB activities such as disinformation and forgeries, the use of agents of influence, and covert media manipulation;

"Gray" activities run by the International Department ID of the Soviet Communist Party Central Committee, which include the orchestration of actions by local communist parties, Soviet-controlled international front groups, and ostensibly independent Soviet friendship societies, "mass organizations" and foreign-policy related academic institutes.

"White" media replay of these activities and active measures themes by the overt elements of the Soviet active measures apparatus, which are directed by the Propaganda Department of the Central Committee: the TASS and Novosti press agencies, Radio Moscow and Radio Peace and Progress, other elements of the Soviet press, and Information Departments in Soviet embassies overseas. These "white" elements also provide cover for KGB and ID operatives.

This report concerns those of the above topics that are of the greatest relevance to USIA activities: forgeries, disinformation, media manipulation, and the activities of front groups and Soviet mass organizations.

Recent developments

Since the Geneva summit of 1985, there have been significant shifts in the tactics of "gray" Soviet active measures and the personnel directing them. The concept of the broadest possible "United Front" to oppose the Strategic Defense Initiative and to undermine U.S. arms control negotiating positions has now become the main thrust of Soviet active measures undertaken in the West. This has led the Soviets to adopt a much more soothing tone than in the past:

The Soviet-controlled international front groups, such as the World Peace Council, have adopted a conciliatory line, aimed at appealing to "peace" activists of all colorations.

Ostensibly independent Soviet "mass organizations," such as the Soviet Peace Committee, have initiated many direct contacts with Westerners, hoping to use these channels to convince Westerners of the logic of Soviet views on SDI and disarmament.

The Soviets have also taken a lead in organizing new international "peace" forums and groups, composed largely of professionals, academics, prominent public figures, and businessmen, in an effort to open another influence channel to Western elites.

In all areas, current Soviet tactics rely on cultivating a more open image, and trying to utilize positive Western perceptions about the processes of "glasnost" and "perestroika" to Soviet advantage.

These active measures are coordinated by the new, able leader of the international Department of the Soviet Communist Party Central Committee, former Soviet ambassador to the United States, Anatoly Dobrynin. During Dobrynin's tenure, Soviet "gray" active measures have become much more sophisticated and subtle.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 9 JE 14 — 22 1989 UMI

In the KGB arena, however, there has been no significant change in Soviet active measures operations. Virulent anti-U.S. disinformation and forgeries continue as before, as does the massive Soviet effort to covertly manipulate the press. Indeed, one of the most remarkable features of Soviet active measures in recent years has been the persistence of these activities at the same time that the Soviets are mounting sophisticated influence operations centered around the themes of "glasnost" and "new political thinking" in their bilateral dealings with the West.

These actions have also continued despite the statement by Soviet Communist Party General Secretary Mikhail Gorbachev at the Washington summit that there would be "No more lying. No more disinformation." Since the December 1987 summit, state-controlled Soviet media have falsely claimed or suggested that:

The United States manufactured the AIDS virus in a U.S. military facility at Fort Detrick, Maryland [Radio Moscow, Feb. 13, 1989];

The United States is manufacturing an "ethnic weapon" that kills only non-whites [TASS, Jan. 9, 1988; January 1988 Novosti Military Bulletin; Radio Moscow, Feb. 5, 1988];

The FBI assassinated Rev. Martin Luther King [Literaturnaya Gazeta, Jan. 20, 1988];

The head of the U.S. delegation to the U.N. Human Rights Commission conference in Geneva, Armando Valladares, was jailed in Cuba for bombing stores [Izvestia, Feb. 6, 1988];

The CIA assassinated Swedish Prime Minister Olof Palme, Indian Prime Minister Indira Gandhi, and attempted to assassinate Pope John Paul II [Moscow Television, Feb. 9, 1988]; and

The United States has military advisors in Afghanistan [TASS, Dec. 30, 1987].

The continuance of AIDS disinformation in the Soviet media is perhaps the most striking, given the fact that the U.S. government has informed the Soviets that there will be no direct U.S.-Soviet collaboration on AIDS research as long as this continues. In August 1987, the Soviets told U.S. officials that such allegations would cease appearing in the Soviet media, after which time they decreased dramatically. They still occasionally appear, however, as in the February 13, 1988 Radio Moscow broadcast.

The chapter on Covert Media Placements in Nigeria presents an excellent study of how the Soviets are able to manipulate perceptions by placing Soviet-written articles under false attributions. In the case of Nigeria, Soviet material often appears under Nigerian by-lines, making it appear as if the opinions expressed are of local rather than Soviet origin. The case study by the United States Information Service (USIS) post in Lagos, Nigeria is a landmark examination of a phenomenon whose massive proportions have not been sufficiently appreciated.

The USIS New Delhi report on Soviet Disinformation in India provides an excellent survey and analysis of Soviet disinformation and USIS countermeasures in an area where the Soviets have their largest propaganda and disinformation operation in the noncommunist world. The report gives an in-depth look at the steady stream of Soviet disinformation, and the vigorous USIS efforts against it.

Finally, an appendix on "Soviet Disinformation During Periods of Relaxed East-West Tension, 1959-1979" gives a historical perspective on Soviet disinformation activities during earlier period of improved relations. It shows that, much as in the present era, Soviet disinformation activities have continued despite relaxations of tension in other areas of the U.S.-Soviet relationship.

VOLUNTEERS CRUCIAL TO VETERANS' HOSPITALS

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MONTGOMERY. Mr. Speaker, last year, 85,000 volunteers contributed some 12.6 million hours to helping sick and disabled veterans and their families at our veterans' medical facilities around the country. Quite frankly, without the compassion and selfless dedication of volunteers, we simply couldn't maintain our veterans' hospitals.

I am pleased to share with my colleagues a recent letter from Mr. John Vogel, Chief Benefits Director of the Department of Veterans' Affairs [DVA]. His letter, in part, describes the magnificent efforts of our volunteers at the Bay Pines, FL, DVA Medical Center. While it conveys the success of one volunteer program in particular, it is indicative of the contributions of DVA volunteers across the country.

VETERANS' ADMINISTRATION,
DEPARTMENT OF VETERANS BENEFITS,
Washington, DC, May 25, 1989.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Last week I had the opportunity to visit the St. Petersburg Regional Office, at which time I was briefed on operational issues. Knowing that you are and have always been America's veterans' #1 advocate, I thought I should let you know of a few things which I saw there. I believe you will be pleased.

First, I must say that the Regional Office is performing well. Of course we have a rather unique demographic phenomenon there, with so many veterans moving to Florida. But although the office is pressed to provide the very important benefits programs to our veterans and their families in a timely fashion, I was pleased to find a motivated staff which is delivering those benefits in a quality way.

Second, I must mention colocation. I certainly appreciate your support for our efforts to colocate our regional offices to the VA-owned land when both cost-effective and beneficial for service delivery. On this trip, the regional office Director, Carlos Rainwater, and I toured the Bay Pines VA Medical Center. As you know, we're desirous of constructing a building at Bay Pines to house our benefits office and a fine piece of land has been designated for such a building. We have plans to begin the construction process in FY 92. The Bay Pines facility is located on a beautiful site. The hospital, nursing home and domiciliary are modern, well maintained and staffed by a committed and most competent staff. The Director, Dick McElligott, gave Carlos and me a first hand look at the medical center. He is rightfully proud of it. The patients universally expressed appreciation for the high quality care they receive.

Third, I must mention the wonderful example of volunteerism at work which I saw at Bay Pines. Coincidentally, on May 19 Secretary Derwinski presented Volunteer Awards to a number of VA Central Office employees. Volunteerism is a great American attribute and, as the Secretary pointed out, it enriches the lives of both the beneficiary and the volunteer. Without the VA Volunteer Service and the millions of volunteer hours our fellow Americans donate at our medical centers, we would simply not be able to fulfill our responsibilities to our veterans. At Bay Pines, the volunteer program is alive and well. Volunteers provide one hundred percent of the patient escort services and can be seen throughout the medical facility augmenting VA staff in so many areas. I saw first hand Americans helping Americans.

I was proud to see the concepts and programs which you have so effectively supported at work. Along with all of the people who serve in the Veterans Benefits Administration I personally appreciate your abiding interest in the programs we proudly administer.

Sincerely yours,

R. J. VOGEL,
Chief Benefits Director.

CONGRESSIONAL SALUTE TO ALVIN E. ZIMMERMAN

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to an outstanding individual in my community who deserves to be recognized for his dedication and service to the public. June 30, 1989, will mark the end of Alvin E. Zimmerman's 15 years of service with the Vision Service Plan and it is my honor to share with my colleagues today the career of this distinguished professional.

Alvin Zimmerman has spent the entire span of his career devoted to public service. After Alvin's many years of service to our country in both the U.S. Navy and the U.S. Air Force, he went on to continue using his valuable public service abilities through his work as the vice president of operations at Vision Service Plan, where he retires from today.

His management expertise and knowledge of the field of optometry is an asset to the entire Sacramento community. Alvin's excellent guidance and leadership skills have greatly contributed to the professionalism and dedicated service of the entire staff at the Vision Service Plan.

Mr. Speaker, I, and all who have had the privilege of knowing Alvin E. Zimmerman, hold his management expertise in the highest regard. His dedication and excellent service to the citizens of our community will be sorely missed by all. Alvin E. Zimmerman is to be commended for his outstanding contribution to the city and county of Sacramento and the State of California. I take great pride in saluting Mr. Zimmerman and know that my colleagues join me in extending best wishes to him in his retirement.

THE BEIJING MASSACRE: SOME UNVARNISHED TRUTH

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. BROOMFIELD. Mr. Speaker, like many of my colleagues, I have read thousands upon thousands of words in recent weeks about the massacre of Chinese students in Tiananmen Square.

Nothing I have read has described the reality of the situation in such frank terms as a recent New York Times article. The Times article simply describes a speech reported to have been given by China's senior leader, Deng Xiaoping, to a group of senior army officers in charge of enforcing martial law in Beijing.

Deng is reported to have told his officers that the stakes in the crackdown were quite simple: "I myself, and all of you commanding officers present, would have been shoved under the guillotine."

Deng expresses a conviction that I am sure must be on the minds of Communist leaders everywhere. Nowhere do such leaders command the affection, or even the respect, of the people they purport to lead.

What's more, they know that as party members they are the heirs to some of the most savage tyrants in history.

There must be a lot of nervous officials in Communist capitals these days. I recently spoke to a Rotary Club in Traverse City, MI, and told them the recent discovery of a basement in Polish Communist headquarters in Krakow that had been made into a bunker. It contains huge supplies of food and water, enough to withstand a long siege. A secret tunnel leads from the bunker to the Soviet consulate in Krakow.

I am sure many of my colleagues will be reminded of an earlier 20th century tyrant who spent his last days in a bunker in Berlin. The existence of a bunker in Poland and of a bunker mentality in China can be taken as a good sign: It suggests that the long-running drama of Communist tyranny is nearing an end.

I urge my colleagues to read this interesting Times article.

DENG IS SAID TO LINK FORCE TO SAFETY OF PARTY

(By Fox Butterfield)

HONG KONG, June 16—Deng Xiaoping, China's senior leader, is reported to have asserted in a speech last week that the Communists had to crack down on pro-democracy demonstrators to prevent their own demise.

"If we had not suppressed them, they would have brought about our collapse," Mr. Deng reportedly said in the speech, given on June 9 when he met with a group of senior army officers in charge of enforcing martial law in Beijing.

"I myself, and all of you commanding officers present, would have been shoved under the guillotine."

"Whoever wins the battle for state power gets to occupy the throne," Mr. Deng reportedly told the officers. "That is the way it was in the past, and that is the way it still is, in China as well as abroad."

ON CHINESE TELEVISION

It was impossible to confirm the authenticity of the speech, the reported text of which was published by the Huaqiao Ribao, a Chinese-language newspaper in New York.

But diplomats, analysts and academic specialists who have read the remarks said they sounded like others by Mr. Deng, and they noted that People's Daily, the Communist Party paper, has called on people throughout China to study a speech made by Mr. Deng to the martial law officers that day. Chinese television showed glimpses of the 84-year-old Mr. Deng delivering the talk to the generals.

In the material printed in New York, Mr. Deng is by turns tough, discursive, ruthless and xenophobic, sounding much like the aging Mao in the Cultural Revolution period in the late 1960's.

In the material, Mr. Deng is quoted as saying that a major cause for the student demonstrations was that since Mao's death in 1976 and the purge of the so-called Gang of Four, the Communists had failed to "thoroughly get rid of spiritaul pollution and oppose bourgeois liberalization." These are Communist code words for growing Western influences brought about by Mr. Deng's open-door policy and economic initiatives.

Mr. Deng reportedly said that Mao had been correct in saying political power grows out of the barrel of a gun, and that he had also been right about controlling "those who wield pens."

This means that having used the army to put down the student, the Government must now "create revolutionary public opinion on a grand scale and make the people understand what really happened," Mr. Deng is reported to have said.

This remark seems to have foreshadowed the Communists' intense effort to rewrite the history of the military crackdown in central Beijing this month, describing the pro-democracy students as hooligans and playing down the number of demonstrators killed.

Mr. Deng also expressed contempt for foreign reaction to the crackdown. "We are not afraid of the foreigners isolating us," he reportedly said.

"We do not care even if all of them break off relations with us," he continued, playing on an old Chinese nationalistic streak. "If the state really had collapsed, what meaning would there have been in all these investments, all that aid and all that foreign trade? Once we have stabilized the political situation and have the economy going again, the foreigners are still going to come knocking on our door."

Separately, another Chinese-language paper in New York, World Journal, published what it said was another speech by Mr. Deng, apparently made one day earlier, on June 8.

The paper said this talk was delivered to a meeting of the party's Central Military Commission, with copies later read to provincial military commanders. World Journal said its text was based on notes taken by an official who attended one of these provincial briefings.

ON THE USE OF TANKS

The analysts said they had not heard of this speech and could not verify it. But again several specialists said the language sounded like Mr. Deng's and included some passages that they believed were being circulated in China.

In this talk, Mr. Deng reportedly said there was no reason for remorse about the killings of protesters. "Some say we're inexperienced in putting down riots, so we had to use tanks, and that violence was excessively exercised," Mr. Deng is reported to have said. "But I think it is a very good experience."

"Some say many innocent people were killed on the streets—it does not matter," he continued. "We already announced martial law and asked people not to go out into the streets. If you are killed on the streets, then you are a counterrevolutionary."

If the text is accurate, Mr. Deng reserved some of his harshest language for his onetime protégé Hu Yaobang, the late party General Secretary who was ousted two years ago, and Zhao Ziyang, still officially the party leader but believed to have been purged.

IN HARSH LANGUAGE

Mr. Deng reportedly accused them of forming "an anti-party clique" in extremely harsh language, and said: "I have kept an eye on Zhao for quite a few years. He has wild ambitions."

Mr. Deng also suggested, if the text is authentic, that Prime Minister Li Peng had acted too cautiously. "Li Peng, does not consult me on everything," Mr. Deng was quoted as having said. "I only have 15 minutes a day to listen to reports."

"You even consulted me on whether a certain statue should be pushed down or not," Mr. Deng said, referring to the statue put up by the students in Tiananmen Square that was modeled after the Statue of Liberty. "Just push it down."

Mr. Deng was contemptuous of the people of Hong Kong, who are due to revert to China's control in 1997 and who have been badly shaken by the military crackdown in Beijing.

HONG KONG DEMONSTRATIONS

"I was told a million people paraded in Hong Kong," Mr. Deng is supposed to have said. "Do not be scared. Compared to a billon people, a million is nothing. By 1997, Hong Kong will be returned to us anyway, and it will be prosperous anyway."

According to the text, Yang Shangkun, China's President, interjected that some people had suggested Mr. Deng's son, Deng Bufang, be appointed a deputy chairman of the National People's Congress, China's legislature. But Mr. Deng opposed it, Mr. Yang said.

In addition, Mr. Yang said some officials wanted to make Li Tieying, a Politburo member and head of the State Education Commission, the new party General Secretary. Mr. Li is the son of Jin Weiying, Mr. Deng's first wife.

To this proposal, Mr. Deng is quoted as saying: "Li is still immature. Let's consider that two years from now."

THE COURAGE OF THE SAN LEANDRO CITY COUNCIL

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. STARK. Mr. Speaker, I'd simply like to take a few minutes to recognize the courage of the San Leandro, CA, City Council and their recent action which banned the sale of 55 brands of military style semiautomatic assault

VOL 135 PT 9 JE 14 — 22 1989 UMI

weapons. The action closes a glaring loophole in the recent assault weapons bill passed by the California Legislature and signed into law by our Republican Governor, George Deukmejian.

A recent survey by the Oakland Police Department found that over 70 percent of the firearms confiscated as a result of criminal misuse, drug dealing, and violent crime were actually bought, over the counter and legally, from one gun store in San Leandro named Traders. That's right, just one gun store.

Those members of the San Leandro City Council—Mayor Dave Karp, Linda Perry, John Faria, William Jardin, Tony Santos, Robert Glaze, and Ed Suchman—deserve credit from all elected officials in standing up to the gun lobby by opposing over-the-counter sales of assault weapons to drug dealers and other violent criminals. Their display of courage is noteworthy and sets an example for this legislative body.

SAN LEANDRO BANS ASSAULT GUNS

SAN LEANDRO.—An emergency ordinance banning the sale of 55 brands of military-style guns was approved Monday night by the City Council.

Effective immediately, it is illegal to sell the guns to anyone except gun dealers. The ordinance passed on a 5-0 vote and makes San Leandro the second city in the county, after Berkeley, to enact such a ban.

The ordinance is intended to fill in until a state ban on the same weapons takes effect Jan. 1.

The San Leandro ordinance imposes a $5,000 penalty and provides for the confiscation and destruction of the guns.

Two people testified against it, including Dan Russ of Competition Gun Works who said it would be hard for his store to legally dispose of guns already on hand.

The Traders gun store, said to be the largest gun seller in Northern California, is located in San Leandro, and owner Tony Cucchiara has said that sales of the guns would make up 50 percent of his business if he could keep them in stock. Cucchiara did not attend the council meeting.

"Working in an emergency room and seeing what happens when someone gets hit with one of these weapons, I don't see how someone could object," said Vice Mayor Linda Perry in voting for the ban.

According to Police Chief Robert Maginnis, officers recently confiscated several of the weapons in a drug arrest.

Mayor Dave Karp and Councilman Tony Santos were absent. Karp has urged every city in Alameda County to pass similar ordinances.

HARRISBURG BULLDOGS ARE BASEBALL CHAMPIONS

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. POSHARD. Mr. Speaker, for high schoolers across the country, the boys of summer are actually the boys of spring, because that's when their baseball championships are decided. And I'm proud to say I represent here in Congress the Illinois Class AA State baseball champions, the Bulldogs of Harrisburg, IL.

Harrisburg is a community that's perhaps best known locally for its accomplishments in football. But Coach Jay Thompson and his crew have turned that attention toward the ball diamond this year, capturing the Illinois championship for its largest schools. This is the first time ever a deep southern Illinois school has won the big-school championship.

Whether it's a Stan Musial home run, a Bob Gibson no-hitter, or an Ozzie Smith somersault that comes to mind, baseball means something special to the people of America, and the Bulldogs have made that magic real for the community they represented so well this season.

We should congratulate them not only because they won, but because they displayed the characteristics in winning that will help them throughout life. Teamwork, pride, determination, and self-confidence all played a part in getting the Bulldogs to the top. They deserve every minute of the joy it brings now, and I'm hopeful they'll recall this time in life when they need it again in the future.

Please allow me to enter into the RECORD some of the specific accomplishments of the Harrisburg Bulldogs Class AA championship team, and some of the many persons who helped bring them such success. We are all extremely proud of them:

1988-89 HARRISBURG HIGH SCHOOL BASEBALL TEAM: CLASS AA ILLINOIS STATE CHAMPIONS

Superintendent: Dennis Carpenter; Principal: Gary Gordon; Athletic Director: Jim Collins; Head Coach: Jay Thompson; Assistant Coach: Fred Barnes; Sports Editor: Curt Felton; Players: Tom Roper, Blake Wilson, Shawn Pilkington, Brian Ziegler, Ryan McGowan, Chris Healy, Brian Banks, Ray Graham, Chris Lucas, Jamie Hayes, Brian Bebout, Brad Barnhill, Robbie Nicholes, Ryan Lambert, Eric Bargo, Brandon Joggerst, Jason Butler. Bat Girls: A.J. Gall, Brandi Blair.

Harrisburg finished the season with a 32-1 record, and the Class AA State Championship. The Bulldogs' road to the title included a 4-3 win over Tinley Park, a 5-3 win over Galesburg, and a dramatic 3-2, 8 inning win over Schaumburg for the Title.

IN MEMORY OF BIBB FALK, TEXAS BASEBALL LEGEND

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. PICKLE. Mr. Speaker, I rise today to pay tribute to one of the legends of professional sports in Texas, Bibb Falk, who passed away in Austin, TX, on June 8 at the age of 90. For many Texans, it was Bibb Falk who was the true father of baseball.

Bibb Falk's professional baseball career is most noteworthy because he was the player who took the place of "Shoeless Joe" Jackson, in the outfield of the Chicago White Sox after Johnson was banished from baseball for accepting a bribe in the 1919 World Series. But Falk's record speaks for itself in proving his outstanding talent. He finished second to Babe Ruth for the American League batting title in 1924, hitting .352, and in 12 major leagues seasons with the White Sox and the Cleveland Indians, he achieved a .315 career batting average, with 69 home runs, 59 triples, and 300 doubles among his 1,463 career hits.

However, Falk's spot in Texas sports history was assured in 1940, when he became the coach of the University of Texas baseball team. During his 25 years as coach, the Longhorns won two national championships and 20 Southwest Conference titles. Falk compiled a record of 478 wins and 176 losses as coach of the Longhorns, with a winning percentage of .731.

Today, the Longhorn baseball team plays in a stadium that bears Falk's name. That is a fitting tribute to one of the true giants of Texas sports, whose legacy is part of the tradition of the University of Texas.

A SALUTE TO THE NATIONAL SAFETY TOWN CENTER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. STOKES. Mr. Speaker, caring for your fellow man and servicing for the betterment of the community in which one lives is the highest and most self-fulfilling form of work. Nonprofit organizations nationwide exist for the sole purpose of improving communities across the Nation.

Such an organization is the National Safety Town Center. Celebrating their 25th year, this nonprofit organization is dedicated to promoting the importance of safety awareness and preventive procedures to preschool children. Through programs such as Safety Town, Safety City, Safetyville, and Safety Village comprehensive safety education programs have been taught to over 3 million children. The Safety Town Program also promotes community involvement by providing teenagers, parents, senior citizens, businesses, civic organizations, and other members of the community the opportunity to work together in managing and mobilizing such an important service. I am pleased to report that a National Safety Town Center exists in my congressional district. The spread of safety education to children in the Cleveland area enables me to recognize the objectives and accomplishments of such a successful organization.

Mr. Speaker, I also want to take this opportunity to honor the pioneer of this most essential program, Dorothy Chlad. Ms. Chlad is the founder and president of National Safety Town Center and founder of the comprehensive Safety Town Program established in 1964. This exceptional individual's sincere concern for the safety of our children has let her efforts expand to 780 Safety Town Programs throughout the United States and other countries. Dorothy Chlad's outstanding determination enabled her to fully succeed in promoting the importance of early childhood safety education.

The National Safety Town Center is a unique example of an organization's perseverance to better our communities, States, and country and create a safer, more peaceful environment for all. I hope that my colleagues will join me in honoring such a worthy organization.

PRESIDENT'S CLEAN AIR PACKAGE RECEIVES FAVORABLE EDITORIAL COMMENT

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. BEREUTER. Mr. Speaker, last week President Bush unveiled the administration's clean air initiatives. Nebraska was very proud to host the President for his discussion on the use of alternative fuels as part of his clean air initiatives.

This Member believes the President is sending a very strong message to the Congress that action can no longer be delayed on major environmental legislation. It is time for the Congress and the administration to work cooperatively and pass major amendments to the Clean Air Act.

Recently two of the major newspapers in Nebraska editorialized on the President's clean air proposals. I commend their statements to my colleagues for their review.

[From the Lincoln Star, June 16, 1989]

BUSH POLLUTION CONTROL A MATTER OF LIFE, DEATH

With his environmental control plan President George Bush has offered the American people a choice—life or death. It could be phrased in other ways, such as life and inconvenience or death and the status quo.

More than 40 million tons of sulfur and nitrogen oxides are added to the air every year by coal-burning electric power plants, many of them in the Midwest. Once airborne, they undergo chemical change, drift long distances and ultimately fall to earth as acid rain, snow, fog or dust.

This pollution is believed to be damaging vast forest lands and has destroyed life in lakes and streams. Damage to human health is strongly suspected.

More than 100 million Americans in more than 100 American cities are suffering assorted respiratory difficulties as a result of urban smog and automobile carbon monoxide emissions into the air. Other organic chemicals are released into the air by a variety of businesses and industries.

According to federal Environmental Protection Agency estimates, industry annually discharges 2.7 billion pounds of toxic chemicals into the air. Cancer, neurological disease, respiratory illness and birth defects are among the consequences of this.

Bush is proposing a 75 percent reduction in the discharge of these toxic chemicals. He is calling for a 50 percent reduction in sulfur dioxide emissions and a 10 percent reduction of nitrogen oxides.

He proposes safe levels of smog be achieved, in most cases, by the year 2000. New fuel and exhaust controls are advanced by the president to control harmful automobile pollutants.

From reports of those who have analysed the details of these measures, their impact upon the marketplace would be substantial. Electric energy would surely become more expensive and the price of automobiles could well increase.

Automobiles might not offer the kind of power and overall convenience we have come to expect and even their usage could be curtailed. Emission controls on polluting businesses and industries could affect a host of products and services that have come to be accepted things in our lives.

Some jobs could be eliminated; new ones could materialize.

All of this would cost business and industry up to $18 billion a year when fully implemented, according to William R. Reilly, EPA administrator. Surely, there would be meaningful government expenditures, also.

Thus, the environmental improvement program put forth by the president would inconvenience the American people. It would cost them a lot of money. It would considerably disgruntle many of them.

But the alternative to this enforced discipline is continued and accelerated destruction of our environment. At the present rate of pollution, we are making our planet a life threatening place to live.

We are in the process of preparing for our children a world in which their health and well-being is assaulted from land, sea and sky.

It is no exaggeration to say that the choice the president has given us is life or death. If Congress fails to follow his lead, voters should rise up and throw from office those members who refuse to join the battle to make the Earth habitable.

[From Omaha World-Herald, June 15, 1989]

IT'S GOOD TO SEE PRESIDENT WORKING FOR CLEANER AIR

One of the more commendable aspects of President Bush's clean-air initiative is its emphasis on balance. . . .

Bush, following the balanced approach he established a day earlier in his speech discussing his clean-air program, left room during his Nebraska visit for a variety of solutions.

While mentioning methanol and natural gas, he didn't slight ethanol. Referring to the fact that ethanol is made from grain, he said American farmers are going to "help America fill up its tank," providing clean fuel for motorists of the future. . . .

It is good that the White House, under Bush, is moving ahead on these and other environmental matters. The government during the Reagan years held back on some of the things that could have been done to protect and improve the environment, leaving a leadership vacuum that in some cases has been filled by environmental activists. President Bush, with his clean-air initiative, has pointed the government toward its rightful place in dealing with a matter of concern that affects American.

THE NATIONAL GROUND WATER RESEARCH ACT OF 1989

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. SCHEUER. Mr. Speaker, today I am pleased to introduce the National Ground Water Research Act of 1989. This legislation is a refinement of a similar bill introduced last Congress. This legislation will assist State and local governments in the management of their ground water and improve the coordination between the Federal agencies involved with ground water research. Provisions from this bill passed both the House and the Senate during the last session of Congress, yet we were unable to reach a compromise during the last week of the session.

Mr. GEJDENSON from the House of Representatives and Mr. BURDICK from the Senate have already introduced bills that address the issue of ground water research, yet they address the issue with two diffeent approaches. The bill which I will introduce today promises to bridge the gap between the two Houses of Congress so that we may finally pass a ground water research bill.

Ground water is one of this Nation's most valuable, but least understood, natural resources. The information on the extent and effects of ground water contamination is very limited; however, there is available information showing that ground water contamination has occurred in every State and is being detected with increasing frequency. Aquifer rehabilitation is feasible in certain cases but is expensive and time consuming with no guarantee of complete success. A successful ground water protection policy will depend on the Federal Government and the States looking beyond assessment and clean-up to prevention.

Today, approximately 50 percent of our Nation's population depends on ground water as a primary source of drinking water, and in rural communities the percentage is as high as 90 percent. Representatives from industry, agriculture, and environmental organizations have all agreed that more information is essential if the States and Federal Government are to assess the quality of the Nation's ground water.

Federal agencies have responded to public demands for enhanced protection of ground water, but have acted independently without specific legislation to coordinate the activities of the agencies involved with ground water research. The Safe Drinking Water Act, the Resource Conservation and Recovery Act, and the Clean Water Act have ground water protection provisions, but do not coordinate nor describe the roles which the Federal agencies should have in the protection of our Nation's ground water.

The States must bear the primary responsibility for ground water management while the Federal Government provides oversight and technical support. A majority of the States have developed some form of ground water protection policy, but few have comprehensive programs. This bill would assist States in the development and implementation of State ground water programs, and provide assistance for the development of technologies to control or remediate potential sources of contamination.

This bill establishes an Interagency Ground Water Research Committee to coordinate the activities conducted by the Federal agencies related to ground water. The Interagency Committee shall also determine the research and information needs of States and local

VOL 135 PT 9 JE 14 22 1989 UMI

governments, and assist in the development and implementation of State ground water protection strategies.

Under the bill, the Secretary of Interior, acting through the U.S. Geological Survey [USGS], shall establish a National Ground Water Assessment Program. The bill will expand the current efforts by USGS to map and evaluate ground water resources nationally. In addition, the Secretary shall assist in the transfer of information between the Geological Survey and other Federal and State agencies.

The bill will also establish a National Research, Development, and Demonstration Program for ground water protection and management under the guidance of the Environmental Protection Agency [EPA] Administrator. The program will encourage the development of cost-efficient technologies that will improve efforts by the States and local governments to detect, control, and prevent ground water contamination. The Administrator shall also establish environmental profiles for significant ground water contaminants.

Finally, the bill will authorize the EPA Administrator to provide 50-percent matching grants to States for planning and implementation of State strategies for ground water protection.

This legislation will redirect the Nation's attitude toward ground water by focusing our policies toward prevention rather than simple end-of-the-pipe controls that only deal with the problem after it has been discovered. This legislation is badly needed especially for a society which depends so heavily on ground water for so many uses. The time to act is now, and I urge my colleagues to join me in the support of this important piece of legislation.

A section-by-section summary of the National Ground Water Research Act of 1989 follows:

NATIONAL GROUND WATER RESEARCH ACT OF 1989

SECTION-BY-SECTION SUMMARY

Sec. 1. Short title.

Sec. 2. Findings: States that Congress finds that: the primary responsibility for protecting and managing the ground water lies with the States, and that the Federal role should be one of research and technical assistance; there remain significant gaps in our scientific knowledge about ground water contamination; ground water contamination should be prevented rather than relying on expensive cleanup efforts; and greater efforts are necessary to prevent ground water contamination today and to preserve this valuable resource for current and future generations of Americans.

Sec. 3. Definitions.

Sec. 4. Coordination of Federal Ground Water Programs. Section 4 requires the President to coordinate Federal ground water research programs by establishing an Interagency Ground Water Research Committee, to be cochaired by EPA and USGS. The section also identifies the principle roles of the USGS, EPA, and USDA.

Sec. 5. Education Committee: Section 5 directs the Interagency Committee to appoint an Education Committee within 180 days after the date of enactment of this Act. The Education Committee shall review the academic and related institutional capabilities for education and training of individuals that have responsibilities for ground water protection. The Education Committee shall also recommend a plan for strengthening such programs.

Sec. 6. National Ground Water Assessment: Section 6 requires USGS to prepare a report in collaboration with other Interagency Committee Members within one year on the adequacy, utility, and accessibility of present ground water information systems, and to make recommendations for improvements. USGS is required to establish a National Ground Water Assessment Program to assist Federal, State, and local governments in assuring that they have information to assess ground water resources for the purposes of protecting and managing ground water resources. The program includes assistance to State and local governments, development of recommended protocols and data collection methods, and the improvement of knowledge on ground water contamination.

Sec. 7. National Research, Development, and Demonstration Program for Ground Water Protection and Management: Section 7 requires EPA to in collaboration with other Interagency Committee Members to establish a research, development, and demonstration program to assist States in protecting, managing, and enhancing ground water quality. In addition, the development of new technologies which could be used to control, clean-up, and prevent ground water contamination will be solicited through the Demonstration Program.

Sec. 8. Ground Water Contaminant Risk Assessment Analysis: Section 8 requires the Administrator in collaboration with other Interagency Committee Members, to establish environmental profiles for significant ground water contaminants. The profiles shall include a summary of the physical and biological properties of the contaminant and its effects on human health and the environment. The Administrator shall also propose a research program to develop additional information for the profiled contaminants. The additional studies will evaluate technologies for both treatment and prevention of ground water contamination. The design of this program will promote State access to information as well as improve the State's ability to make management decisions based on risk to human health and the environment.

Sec. 9. Technical Assistance, Training, and Technology Transfer: This Section states that EPA and USGS in collaboration with other Interagency Committee Members, shall provide technical assistance to States, train State and local personnel, transfer technology, and disseminate information.

Sec. 10. National Ground Water Information Clearinghouse: This Section states that USGS in collaboration with other Interagency Committee Members, shall establish a National Clearinghouse to catalog and disseminate ground water information.

Sec. 11. Environmental Protection Agency Research Capability Improvements: Section 11 contains several provisions to enhance EPA's internal capability to conduct ground water research. EPA is required to establish a centralized ground water research committee within EPA. EPA's independent Science Advisory Board will review EPA's ground water research program and periodically report to Congress. The SAB is also directed to comment on the risk assessment analyses prepared by EPA under Section 8. This Section also directs EPA to establish not more than five ground water research centers that will have responsibilities for research and training related to ground water protection.

Sec. 12. Annual Report: Section 12 states that the President shall submit an annual report beginning on January 15, 1990 to lay out the activities of Interagency Committee and the various agencies involved with ground water research and ground water protection.

Sec. 13. Peer Review: This section requires studies and research conducted under this Act to be subject to appropriate scientific peer review to ensure the quality and integrity of the data.

Sec. 14. Authorization of Appropriations: There are to authorized by this section $10 million in fiscal 90, $12 million in 91, and $14 million in 92 to the Environmental Protection Agency for carrying out the provisions of sections 4 through 13.

Sec. 15. State Ground Water Strategies: Section 15 states that the Administrator may make grants to States for purposes of improving State protection and management of its ground water and ground water resources. This section clarifies the authority of EPA to make such grants; identifies those State activities which qualify for funding; describes the requirements for qualification by the States; and outlines the procedure for determining levels of funding for each State. There are procedures for the preliminary development of State strategies as well as for the solicitation of additional information to ensure proper use of grant monies. After a State has received the grant, the State will be required to submit a report to EPA within 60 days on the use of such funds. This section authorizes $25 million for each of the fiscal years 90, 91, and 92.

Sec. 16. Miscellaneous Provisions: Section 16 states that this Act shall not supersede, abrogate, or otherwise impair the authority of each State to allocate quantities of water. This section also sets out that the authorities granted to any of the Federal agencies shall not be diminished by the activities of this legislation.

SUPREME COURT FLAG DECISION DRAWS ANGER, DISAPPOINTMENT

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MONTGOMERY. Mr. Speaker, America disagrees with the Supreme Court. Phone calls are pouring into my office. Less than 24 hours since the announcement was made, Americans are up in arms, expressing both outrage and sadness about the Supreme Court ruling that claims burning the U.S. flag is OK and cannot be criminally prosecuted.

While this is a very disheartening decision, it will not deter those of us who rightly believe in the enforcement of fines and jail terms for people who publicly mutilate, deface, burn or trample the flag. This will not deter those who believe this decision is a travesty of the very principles and sacrifices upon which this Nation was built. Those who died to uphold and protect this grand symbol now surely look down upon us in disbelief and sorrow.

Justice Stevens noted in his dissenting opinion that—

The ideas of liberty and equality have been an irresistible force in motivating leaders like Patrick Henry, Susan B. Anthony and Abraham Lincoln, schoolteachers like Nathan Hale and Booker T. Washington, the Philippine Scouts who fought at Bataan, and the soldiers who scaled the bluff at Omaha Beach.

He went on to say:

If those ideas are worth fighting for—and our history demonstrates that they are—it cannot be true that the flag that uniquely symbolizes their power is not itself worthy of protection from unnecessary desecration.

I shall continue to press for an expansion of the 1968 law that established fines and jail terms for the public mutilation and defacement of the U.S. flag. I shall continue to work for the passage of H.R. 1295, which would impose criminal penalties upon anyone who knowingly displays the flag on the floor or ground. I know I am not alone; 103 of my colleagues are cosponsors of this legislation. A similar bill was endorsed by the Senate, 97 to 0.

I would like to share with my colleagues the following statements regarding this grave matter from the National Commanders of two of the Nation's great veterans' service organizations, the Veterans of Foreign Wars and The American Legion who, combined, represent more than 5 million wartime and combat veterans.

STATEMENT OF LARRY W. RIVERS, COMMANDER-IN-CHIEF, VETERANS OF FOREIGN WARS ON SUPREME COURT FLAG DECISION

The Veterans of Foreign Wars has always been opposed to the desecration of the American Flag.

As Americans and veterans we find it offensive, knowing that in our 200-year history Americans have fought, died and were carried to their graves under that flag. It is incomprehensible to us that there are those who would choose to desecrate that very symbol which protects and guarantees their freedom of speech—their freedom of expression. To choose to desecrate the flag as a political statement is shocking and offensive to the VFW.

The VFW is extremely disappointed with the Supreme Court decision which, obviously, was a controversial one as evidenced by its 5-4 vote.

The VFW will continue, as it has done throughout our 90-year history, to engender honor and respect for the flag through its nationwide education and patriotic programs.

STATEMENT OF H.F. "SPARKY" GIERKE, NATIONAL COMMANDER, THE AMERICAN LEGION, CONCERNING SUPREME COURT DECISION RE: TEXAS FLAG BURNING

As a veteran my first reaction to the decision is one of anger. Then my anger turns to extreme sadness. This is a sad day for the United States of America.

There is strong irony in the Supreme Court decision. The same Americans who raised the Stars and Stripes on Iwo Jima while their buddies were dying at their feet, guaranteed, according to the reasoning of five Justices, the rights of others to desecrate the very symbol of what they fought and died for.

The American Legion, in its own constitution, dedicates itself to uphold and defend the Constitution of the United States of America and uphold law and order. But, the Flag is a living part of our country and its history, symbolizing all the freedoms guaranteed by the Constitution. The American Legion strongly believes in granting proper respect to that symbol.

All three million wartime veteran members of the Legion fully support federal legislation which would make desecration of our Flag, in any manner, a crime.

Many a Gold Star Mother cherishes that carefully folded, triangular bundle of red, white and blue as the closest link to a fallen son or daughter. I met and spoke recently with just such a mother during a visit to Pennsylvania. With tear filled eyes and a voice cracking with emotion she spoke about her son who had lost his life in Vietnam. "Everytime I look at the Flag that covered my boy's coffin, given to me at his graveside, I see him." I wonder how deeply saddened she is by this decision.

TRIBUTE TO THE LATE SUSUMU WINSTON NAKAMURA

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MATSUI. Mr. Speaker, I rise today, filled with sadness, to pay a final farewell to Susumu Winston Nakamura, a dear friend and an outstanding individual whose passing will be felt deeply by all who knew him.

Susumu Winston Nakamura led a full life devoted to public service. A graduate of University of California, Berkeley, Susumu retired in 1975 after 29 years of teaching Japanese and Tibetan in the University of California, Berkeley Department of Oriental Languages. Prior to teaching, Susumu was a broadcaster for the Voice of America in 1940 and 1941. During this time, he developed a program to teach fluency in Japanese in 1 year instead of 5 years. He headed the Naval Language School Japanese Program at the University of Colorado at Boulder during World War II.

In addition to being an active member of the community, Susumu dedicated a major portion of his life to improving United States-Japan relations. He was a member of the Japanese Chamber of Commerce, Nichibei Kai, Japan-America Society, Japanese American Citizen's League, and former director of Kansai Gai-Dai University in Honolulu after his retirement from University of California, Berkeley.

Mr. Speaker, I would like to extend my heartfelt sympathy to the family of Susumu Winston Nakamura including his four sons, Edwin S. Nakamura of Berkeley, Eugene M. Nakamura and Peter K. Nakamura of El Cerrito, and Richard S. Nakamura of Albany; and his daughter, Evelyn S. Ohki of Arlington, VA. The death of Susumu is a loss not only for his friends and family, but for the community of Berkeley and the entire State of California.

FIRM, NOT JUST ANGRY, TOWARD CHINA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. BROOMFIELD. Mr. Speaker, it's clear in light of today's overwhelming passage of the resolution on China that Congress cares deeply about the massacres and executions occurring there.

It is also clear that this is a bipartisan response and one that supports the initiatives already taken by the Bush administration.

I am happy to see that the editorial board of the New York Times also supports the President's actions. In an editorial today, the Times observes that "the President is proceeding in a tough and sensible way."

I commend the Times editorial to my colleagues.

FIRM, NOT JUST ANGRY, TOWARD CHINA

The news from China, more arrests and now executions, continues to chill the soul, and President Bush is right to tighten official pressure on the Beijing regime. Still, many Americans, liberals and conservatives, demand more dramatic steps like full trade and investment sanctions or the recall of Ambassador James Lilley. Their horror is justified but their choice of response confuses drama with strength. The President is proceeding in a tough and sensible way.

The Administration has now suspended high-level diplomatic as well as military contacts. Further, U.S. representatives will seek to delay consideration of Chinese loan requests from international lenders like the World Bank. These are not mere symbols. Chinese borrowing from the World Bank alone amounts to $8 billion, and China's desperate attempts to reassure frightened foreign investors will be set back by the cancellation of Commerce Secretary Robert Mosbacher's scheduled July visit.

China's hard-line leaders know that the pressure Mr. Bush is putting on them is real enough. Beijing daily denounces American words and deeds, including, notably, the sheltering of Fang Lizhi and Li Shuxian, the democratic dissident couple, in the U.S. Embassy. And ordinary Chinese made plain their gratitude for Washington's stand.

Mr. Bush has indeed been cautious, as is his style. But in this case at least, principle and effectiveness have been well served. His Administration has managed the difficult feat of at once signaling revulsion with present trends and openness to restoring close relations when appropriate. Washington's concern to reach out to future Chinese leaders is only reasonable in view of the advanced age of, and broad opposition to, the hard-line junta.

In any case, the best way to measure America's response to the Chinese crackdown is not against abstract appearances but by its likely effectiveness in the case at hand. U.S. economic sanctions against Poland, for example, proved helpful after martial law was decreed in 1981. Similar steps worked less well against the Soviet Union in the early 1980's, and the Reagan Administration dropped a grain embargo and efforts to halt a gas pipeline. In Panama, economic sanctions have proved close to disastrous.

VOL 135 PT 9 JE 14 — 22 1989 UMI

With China, a more highly developed relationship permits a more sharply targeted response. By suspending military cooperation, Washington directly challenged the generals who countenanced the use of force at Tiananmen Square and who have since gained political weight in the continuing power struggles. Now, by moving on the Mosbacher visit and Chinese development loans, it challenges the economic development plans considered vital by many of those now contending for power.

Sanctions that aim only to punish are blunt instruments. But Mr. Bush's course sends strong yet nuanced signals, making positive effects more likely. A half-dozen old men, even with the power to deploy tanks and guns, can't indefinitely maintain sway over a billion discontented people without allies. They need the loyalty of the generals and other power brokers.

American principles and interests are best served when these constituencies understand that all the advantages of economic, technological and strategic ties with the U.S. remain available—but only if China stops cruel repression.

That is the message Mr. Bush seeks to send. His carefully crafted policy cannot be abandoned because it has not produced the desired results thus far. It is far more likely to be constructive than are the merely angry messages proposed by his critics.

LOOPHOLE TO VIOLENCE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. STARK. Mr. Speaker, as many of us continue to work with the major national law enforcement organizations, drug enforcement experts, and Federal firearms experts, it's incumbent that we craft a comprehensive crime control package which does not include any loopholes. KGO Radio recently touched upon a significant loophole in the recent law passed by the California legislature and signed into law by Governor Deukmejian.

I recommend the following editorial to my colleagues.

LOOPHOLE TO VIOLENCE

California's new assault gun bill contains a huge loophole which will impede efforts to ban semi-automatic weapons from our streets. In its original form that bill could have been the strongest such statute anywhere in the country. Instead, it was watered down by amendments. Insisted upon by the gun lobby. And agreed to by the Governor.

This leaves uncounted numbers of combat military type guns in the hands of organized crime. Warring gangs and drug dealers. These weapons, and a black market dealing in their transfer, can never be traced.

Here's the loophole: The legislation first required that failure to register a banned weapon could be punishable as a misdemeanor or a felony. But, as passed and signed by the Governor, the law now permits this to be an "infraction" similar to a traffic ticket. This tap on the wrist penalty is no deterrent to illegal ownership. It appears the National Rifle Association remains "alive and well."

I'm Michael Luckoff.

ANNA-JONESBORO BASEBALL WILDCATS

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. POSHARD. Mr. Speaker, besides being a Congressman, I'm a baseball fan, and that means I'm a fan of the Anna-Jonesboro Wildcats.

The Wildcats recently won third place in the Illinois class A baseball championships, and they deserve great praise for their accomplishments.

The list of record-setting performances is so long I can't begin to list all of them for you here today.

But I can tell you something about the students of Anna-Jonesboro High School and the community they represented so well.

The Wildcats won the Southwestern Egyptian Conference, then won the regional and sectional championships on their way to the State tournament. In the first game the Wildcats defeated Manito Forman 14–4, before losing a heartbreaking 12–9 decision to Bishop McNamara in the semifinals. Undaunted, the Wildcats struck back to defeat Argenta Orena 10–8 in thrilling come-from-behind fashion, to capture the third place trophy.

A–J ended the season 28–6, and the first third place trophy ever awarded in the State of Illinois.

The community these students represent is made up mostly of farms and small businesses, and times are tough in those areas. But with the support of caring family, friends and neighbors, these young people have given us all something to point to with pride. What they've learned on the ballfield, dealing with both success and disappointment, will help them become better citizens in the future.

I'm extremely pleased to represent them in Congress, and to call the attention of the Nation to their accomplishments. Please allow me to enter into the RECORD the names of some of the persons who made this dream come true.

1988–89 ANNA-JONESBORO WILDCAT BASEBALL TEAM

Superintendent: John Davis; principal: Bruce Bell, Athletic director: Cory Miller; head coach: Rick Bittle; assistant coach: Ron Knupp. Players: Heath Cunningham, Wade Ralls, Craig Chapman, Sean Clark, Rob Stoelzle, Scott Swink, Chris Keller, Scott Neighbors, Darrin Pickel, Shane Shoemaker, Jason Blakely, Greg Ury, Rob Cash, Tim Hubbs, Charlie Haire, Matt McGrath. Managers: John Parks, Mike Eudy.

CONGRATULATIONS TO TEXAS LONGHORNS BASEBALL TEAM

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. PICKLE. Mr. Speaker, I rise today to congratulate Wichita State University on winning the NCAA national baseball championship, and to congratulate the University of Texas Longhorn baseball team on its outstanding season, which ended just one victory short of a national title.

The Longhorns lost the championship game to an outstanding team from Wichita State by a 5 to 3 score, but throughout the season and the College World Series, the team's performance surpassed expectations and thrilled baseball fans across the State of Texas. The team played with courage and determination all year long, and every alumnus of the university is very proud of them.

Mr. Speaker, I ask unanimous consent that the article from the University of Texas student newspaper, the Daily Texan, recounting the championship game be inserted in the RECORD following my remarks. And I will close with one final observation: I want to be a good sport about this disappointment, but I would be remiss in serving my constituents if I failed to point out that—despite the fact that the NCAA playoffs are a double-elimination tournament—the Longhorns lost the championship with only one loss. It is a maddening inconsistency, created for the convenience of television sports programming, that a previously undefeated team can be eliminated from a double-elimination tournament with a single loss, and I hope the NCAA will consider changing this policy. The inequity is felt most keenly by the players who will not have another opportunity to play in the College World Series—they earned better treatment.

LONE NCAA LOSS LEAVES HORNS 2ND

(By Paul Hammons)

OMAHA, Neb.—For this year, the Texas Longhorns will have to settle for second-best.

The Longhorns' title dream ended with a 5–3 loss to the Wichita State Shockers. It was Texas' only loss in NCAA tournament action, but it was the one that counted most.

"It always hurts to lose a ball game, or certainly a national championship ball game," said Texas Coach Cliff Gustafson. "But it's a great thrill to get the opportunity."

"You can't win the national championship without getting to the championship game, and we came as close as you can come without winning it, and I think we can take some solace in that," Gustafson said.

"You always hate it [losing] for your team, for your kids," he said. "I feel like I'll have another chance. Some of them won't, and that's the toughest part about it."

The Longhorns lost to an explosive Wichita State team that didn't look quite as dangerous opening the tournament. The shockers beat Arkansas in a lackluster effort, 3–1, and lost to Florida State 4–2.

Then they caught fire—beating Arkansas 8–4, Florida State 7–4 and 12–9, and then burning Texas in the final.

Gustafson said he thought the Shockers were definitely the best team.

"I think they proved it [Saturday]," Gustafson said. "Some of the other clubs that I thought were among the best here we defeated, and they beat us today, so I think they certainly deserve the right to be called the best team."

While most will concede that the Shockers are No. 1, there are many who thought Texas was lucky to even be in Omaha. After all, this team finished with a school record

18 losses. Hov
that felt it ha
"It was a go
"People didn
this far in t
turned aroun
was a great s
memories, bu
the way it did
Gustafson
ball club. I k
get used to h
of their club
long way a
throughout t
tournament
I'm just dee
they've had
given all year
And so the
the self-style
again next ye
"We'll be
pitching sho
year, with tw
Dressendorfe
could have a
our plan will
"And," he
told me he w
gave him a m
We all have

INTRODU
TION TO
THE CO
ING PRI

HON.

IN THE H

Th

Mr. PENN
gressmen B
CHARLIE STE
legislation to
sional frankin
Under the
of usual and
letters each
be reduced
legislation re
Senator prep
outlining the
mailings he
Within 30 d
Congression
Senate Com
tion would c
public a sum
statements.
The legisl
gressional p
accounts, o
Senate, in c
spending se
nally, the bil
ceeds his
would be r
their office p
The need
appropriatio
spite electio
ly increased
1978, the to
$48.9 millio

18 losses. However, it was also a Texas team that felt it had something to prove.

"It was a good season," Scott Bryant said. "People didn't think we were going to get this far in the first place, and then we turned around and surprised most people. It was a great season, and I have a lot of good memories, but I just wish it hadn't ended the way it did."

Gustafson said, "I'm very proud of this ball club. I know it's an old cliche that you get used to hearing—that coaches are proud of their clubs—but this ball club came a long way and gave us a lot of thrills throughout the playoffs and the regional tournament and the College World Series. I'm just deeply indebted to the attitude they've had and the effort that they've given all year long."

And so the inevitable question arises: Will the self-styled ugly girl be at the dance again next year?

"We'll be back," Gustafson said. "Our pitching should be in a better shape next year, with two proven big-time winners in Dressendorfer and Dare. We feel that we could have a good ball club next year, and our plan will be to come back."

"And," he said jokingly, "Scott Bryant told me he would not sign this year if they gave him a million dollars."

We all have our dreams.

INTRODUCTION OF LEGISLATION TO REFORM THE USE OF THE CONGRESSIONAL FRANKING PRIVILEGE

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. PENNY. Mr. Speaker, along with Congressmen BILL FRENZEL, TOM CARPER, and CHARLIE STENHOLM, I have today introduced legislation to reform the use of the congressional franking privilege in mass mailings.

Under the provisions of this bill, the number of usual and customary congressional newsletters each Member can send annually would be reduced from six to two. In addition, the legislation requires that each Congressman or Senator prepare a statement every 6 months outlining the number and costs of all mass mailings he or she has prepared and sent. Within 30 days, the House Commission on Congressional Mailing Standards and the Senate Committee on Rules and Administration would collect and make available to the public a summary of the information from such statements.

The legislation also divides the joint congressional postage account into two separate accounts, one for the House and one for the Senate, in order to prevent either body from spending savings generated by the other. Finally, the bill stipulates that if any Member exceeds his or her postage allowance, they would be required to pay the excess from their office payroll account.

The need for this legislation is clear. The appropriation for congressional mailing, despite election year fluctuations, has significantly increased in the last 10 years. In fiscal year 1979, the total congressional mailing cost was $48.9 million; last year that number had risen to $113.4 million. With the public demanding that the Congress cut its costs, this seems like a reasonable place to begin.

This measure, which was introduced earlier this year in the Senate by Senators J.J. EXON and ROBERT KERREY, is a reasonable and fair approach that would weed out needless and abusive use of the frank while preserving each Member's basic right to the frank. I encourage all Member's to study and to join in cosponsoring this measure.

Mr. Speaker, the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3210 of title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(h)(1) Notwithstanding any other provision of this section, no Member of Congress, Member-elect to Congress, or other official to whom the provisions of this section apply may mail more than two usual and customary congressional newsletters as mass mailings and postal patron mailings in any calendar year.

"(2) The Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses such rules and regulations and shall take such other action, as the Committee or Commission considers necessary and proper for the Members and Members-elect to conform to the provisions of paragraph (1) and applicable rules and regulations. Such rules and regulations shall include, but not be limited to, provisions defining a postal patron mailing and what matter constitutes a newsletter.

"(3) For purposes of paragraph (1), the term 'mass mailings' shall have the same meaning as such term is defined under subsection (a)(6)(E).

"(i)(1) Each Member of Congress, Member-elect to Congress, and other official to whom the provisions of this section apply shall on the first January 1 following the date of the enactment of this subsection and every 6 months thereafter submit to the Senate Committee on Rules and Administration, or the House Commission on Congressional Mailing Standards, as appropriate, a disclosure statement containing a summary detailing all costs for every mass mailing conducted by such Member of Congress, Member-elect of Congress, or official during the preceding 6-month period. All such statements shall be made available to the public upon request.

"(2) Within 30 days after the submission of the statements described in paragraph (1), the Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall collect and publish a summary of the information from such statements.

"(3) For purposes of paragraph (1), the term 'mass mailings' shall have the same meaning as such term is defined under subsection (a)(6)(E).".

SEC. 2. Section 3216 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) The lump sum appropriation described in subsection (a) shall provide for separate appropriations for the Senate and the House of Representatives for such purpose.

"(2) Any Member of Congress, Member-elect to Congress or other official described under subsection (a)(1)(A) whose spending for franked mail expenses exceeds the postage allowance based on the appropriations described under paragraph (1) and determined by the Senate Committee on Rules and Administration or the House Commission on Congressional Mailing Standards, shall pay such excess expenses from funds of the office payroll account of such Member, Member-elect, or official.".

PLIGHT OF THE WORLD'S FORGOTTEN JEWS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. SOLARZ. Mr. Speaker, today, as cochair of the Congressional Caucus on Ethiopian Jewry, I am introducing a resolution regarding the plight of the world's forgotten Jews.

We live in momentous times in which the cause of human rights has become a major concern. Yet too often, the spotlight of scrutiny has not been directed into corners of the world where oppression has cast its long, dark shadow. In Ethiopia, for instance, some of the most basic human rights—the right to emigrate and the right to be reunited with one's family—do not exist today for the Jews in that country.

Thousands of Jews were separated from their families in 1984 and 1985, as many fled religious persecution, civil war, and famine. They traveled on foot, braving armed thugs and government troops, and made their way into the Sudan. Many died on the trip and 2,000 more died in the refugee camps in Sudan. But through "Operation Moses"—a joint United States-Israeli rescue effort—some 17,000 Jews are airlifted to liberty and taken to their spiritual homeland, Israel.

Nearly 5 years later, many of these "Beta Yisrael," as the Ethiopian Jews are now called, have made the transition to a new life in their adopted country. They serve in the Israeli defense forces, study in universities, and work in communities. But they cannot forget the families they were forced to leave behind. Many suffer from overwhelming guilt. They have been separated—brothers and sisters, wives from husbands, and parents from children. At present there are over 1,500 orphans of circumstance. These children suffer from grief and pain so great that some of them have attempted suicide. Tragically, a number have succeeded.

Today, the thousands of remaining Jews in Ethiopia struggle to survive under the repressive regime of Colonel Mengistu. The traditional villages and areas where Ethiopian Jews have lived for over 2 millenia are being systematically destroyed through the government villagization program. Jews are forced to live with non-Jews who persecute them for their religious beliefs and customs. Their holy relics must be hidden for fear that they will be defiled or destroyed. The Mengistu regime refuses to provide protection and there are re-

VOL 135 PT 9 JE 14 — 22 1989 UMI

ports that a number of Jews have recently been murdered.

The Jewish villages located in the northern Gonder province also face the threat of the encroaching civil war. Over the past year the Mengistu regime has suffered massive defeats at the hands of the rebel forces of Eritrea and Tigre. As a result, Mengistu has blocked vital U.N. food aid shipments to the northern provinces where many seek famine relief.

Only last month, the internal rebellion within Mengistu's own armed forces led to an attempted military coup that nearly toppled the totalitarian regime. With Soviet support apparently waning, Colonel Mengistu has become increasingly desperate. He has given orders that men and boys be rounded up and forcibly conscripted into the army. And as the unwinnable war continues, these Ethiopian Jews and other civilians are caught in the crossfire. In Israel, the families of these Jews wait in anguish, feeling their pleas have fallen on the world's deaf ears.

This resolution which I introduce today expresses the sense of Congress that these fundamental rights to free emigration and family reunification must not be denied. My friends, there is indeed a place for quiet diplomacy. But behind-the-scenes negotiations cannot be a substitute for a public campaign against repression and religious persecution. We must respond courageously and compassionately. As our ancestors fought to rescue the Israelites from Egypt, so must we also speak out for the forgotten Jews of Ethiopia.

H. CON. RES.—

Concurrent resolution expressing the sense of the Congress relating to the human rights conditions of Jews in Ethiopia

Whereas the Universal Declaration of Human Rights of the United Nations, to which Ethiopia is a signatory, recognizes the right of free emigration;

Whereas any nation's willingness to permit emigration for the purposes of family reunification is a practical demonstration of respect and concern for basic human rights;

Whereas the termination of Operation Moses left tens of thousands of Ethiopian Jews separated from their families in Israel, Western Europe, and the United States;

Whereas the Government of Ethiopia denies both emigration opportunities and foreign visitation right to the Ethiopian Jewish community;

Whereas most of the fifteen thousand Jews remaining in Ethiopia have been separated by the exodus of thousands of their relatives who have sought refuge in Israel, Western Europe, and the United States;

Whereas one thousand five hundred Jewish children whose parents are still in Ethiopia live as "orphans of circumstance" in youth villages throughout Israel;

Whereas a significant percentage of the remaining Jewish population of Ethiopia consist of elderly, ill, or dependent children who increasingly require the assistance and support of their relatives abroad;

Whereas the Ethiopian Civil War and the practice of villagization malnutrition, and death among Ethiopian Jews since 1985;

Whereas the Government of Ethiopia has repeatedly expressed an interest in establishing a more extensive bilateral relationship with the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) a primary condition for improvement in relations between the United States and Ethiopia should be tangible progress in the human rights conditions for Ethiopian Jews, including the freedoms to emigrate, travel, and observe religious holidays, as well as a cessation of the "villagization" program and all other activities that divide, impoverish, or quarantine the indigenous Jewish community;

(2) the President and Congress should condition any potential resumption of United States aid to Ethiopia on the Ethiopian Government's progress in implementing the commitments it makes and has made to respect human rights; and

(3) the President should instruct United States representatives in all appropriate international forums to support this important effort to facilitate the reunification of separated Ethiopian families. In particular, the United States Ambassador to the United Nations should be directed to petition the United Nations World Food Program, the United Nations Security Council, and the United Nations General Assembly to exert diplomatic and political pressure on the Ethiopian Government to develop and implement a policy for the sustained emigration of Ethiopian Jews.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President.

PLIGHT OF THE WORLD'S FORGOTTEN JEWS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. GILMAN. Mr. Speaker, I would like to express my staunch support for the legislation being introduced by my colleague, the gentleman from New York [Mr. SOLARZ], on behalf of the Congressional Caucus for Ethiopian Jewry of which I am pleased to be cochairman.

The legislation being introduced today urges the Government of Ethiopia to honor its commitment as a cosignatory of the United Nations Universal Declaration of Human Rights, which cites free emigration as a humanitarian right to be granted to all.

This bill also conditions the improvement of relations and the continuance of economic aid to the People's Democratic Republic of Ethiopia upon significant, tangible improvements regarding the human rights conditions of Ethiopian Jewry. These provisions, when combined with a sustained executive policy to secure the sustained emigration of Ethiopian Jews, will reunify Ethiopian families and ensure their cultural survival.

The efforts expended in 1984 and 1985 with operations Moses and Joshua have not been completed. Approximately 15,000 Ethiopian Jews were separated from their families and left stranded in Ethiopia when these operations ceased. This situation has only added to the burdens these courageous individuals have endured for centuries and has transformed 1,500 children in Israel into orphans of circumstance.

Accordingly, as the House cochairman of the Congressional Caucus for Ethiopian Jewry with Congressman SOLARZ, I urge our colleagues to cosponsor this measure and look forward to its speedy consideration on the floor of the House.

THE DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL

HON. CLYDE C. HOLLOWAY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. HOLLOWAY. Mr. Speaker, I rise today to read to my colleagues a letter I received yesterday from the Larry Rivers, National Commander of the Veterans of Foreign Wars, who I am proud to say is my constituent. Even though the letter is dated June 20, it is just as relevant today as it was prior to Wednesday's vote on the dire emergency supplemental appropriations bill.

DEAR CONGRESSMAN: We in the VFW are convinced that the President will veto the long-sought emergency supplemental appropriation for 1989 unless the anti-drug abuse program is deleted from the legislation.

Sir, it is extremely hard for our leadership to explain to our 2.7 million members why we can't have a separate up or down vote in the Congress on the President's request for a dire supplemental so far as the Department of Veterans' Affairs is concerned.

God knows, and you shall know, it is needed. Twenty thousand veterans per month are being turned away from VA hospital doors because of inadequate funding and staff. My organization will not take a back seat to any one in supporting a strong anti-drug abuse program. However, we recall that only six months ago Congress enacted a $3 billion FY '89 drug supplemental. In our opinion, there is no way this money can be spent adequately before October.

Your vote excluding drug abuse funding from the supplemental request will be appreciated and remembered.

Sincerely,

LARRY W. RIVERS,
National Commander-in-Chief,
Veterans of
Foreign Wars of the United States.

GI BILL 45 YEARS STRONG

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MONTGOMERY. Mr. Speaker, today, June 22, marks the 45th year that education benefits for military veterans, collectively referred to as the "GI bill," have been provided by the Department of Veteran's Affairs and its predecessor, the Veterans' Administration.

Although the original GI bill was changed and adjusted for succeeding generations of

veterans, its purpose, declared by President Franklin D. Roosevelt when he signed the legislation in 1944, has not. "This law," he said, "gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down."

Since its inception near the close of World War II, the GI bill and succeeding programs for veterans have provided more than $69 billion in educational and training assistance to more than 20 million veterans, dependents, active duty members and reservists.

GI bill assistance benefited 7.8 million World War II veterans and 2.4 million Korean Conflict veterans. Some 8.1 million veterans and active-duty service personnel of the Vietnam era and those with peacetime service after Korea or Vietnam have participated so far in their version of the GI bill which expires on Dec. 31, 1989.

Over the years, 1.1 million disabled veterans have been aided by VA vocational rehabilitation programs. More than 560,000 eligible dependents and survivors have gone to school using VA educational assistance benefits.

Since the end of the Vietnam era in 1975, other programs have evolved to provide new forms of educational assistance for peacetime veterans. The current Montgomery GI bill provides benefits for servicemembers who agree to have their first year's pay reduced by $1,200 in return for up to $10,800 in educational assistance after they meet certain active duty requirements.

Current-year spending for VA readjustment benefits programs will amount to more than $733 million, most of it in the form of direct payments to veterans and others enrolled in schools and training activities.

CONGRATULATIONS TO NYPRO, INC., OF CLINTON, MA

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. EARLY. Mr. Speaker, it is with great pleasure that I rise today to offer my congratulations to Nypro, Inc., of Clinton, MA, a company which has reached the enviable milestone of $100 million worth of sales. This accomplishment is especially noteworthy when one considers the company's modest beginnings. Under the leadership of Gordon B. Lankton, Nypro's president and owner, Nypro has grown from a small molding company in 1962 to a multimillion dollar concern presently at the top of its field.

Today, Nypro boasts of more than 1,100 employees in offices throughout the United States and overseas, and is currently the world's largest custom injection molding company. Primarily serving the health-care industry, Nypro has several major accounts with some of America's leading corporations.

Nypro, Inc., has been a great positive influence for the economy of Clinton, MA, a town which I represent. Mr. Lankton, who has overseen the operations of Nypro for 27 years, has demonstrated what diversification and a dedicated entrepreneur can accomplish. In addition, Nypro has shown that America can remain competitive in this important industry. Nypro's dedicated employees, both past and present, can take pride in their contribution to this success story. Again, I extend my compliments to the many people involved in this achievement, and I wish them all continued success.

WALL STREET REVOLUTIONARY

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, as the debate continues about how Congress should address the problems associated with the use of junk bonds in a growing wave of highly leveraged corporate takeovers, I wish to bring to the attention of my colleagues a provocative and informative article recently published in the Best of Business Quarterly. In this article, one of the foremost authorities in this area, Columbia University Law School's Prof. Louis Lowenstein, provides us an interesting perspective about leveraged buyouts [LBO's] and junk bonds.

I recommend the article to my colleagues and insert it in the RECORD:

[From the Best of Business Quarterly]

WALL STREET REVOLUTIONARY

(By Alex Gibney)

Today Louis Lowenstein may be one of the most subversive critics of the speculative fever sweeping American business. His opinions—which pop up in editorial pieces in The New York Times, The Wall Street Journal, and Fortune, and in TV appearances on MacNeil/Lehrer, Adam Smith, 20/20, and Frontline—show utter opposition to the dominant ideas about American business and investment. And his book, What's Wrong With Wall Street, was so seditious that a Business Week reviewer described it as "a call for revolution on the street."

But Lowenstein is anything but a steely-eyed revolutionary. He's a mild-mannered Ivy League professor whose blue-chip background in law and business brings an insider's credibility to his maverick message: too much speculation and too little long-term investment are killing American business. He disparages takeover artists and dismisses junk-bond boosters as people on a Saturday-night binge: "If you ask a drunk at eleven-thirty at night how he feels, he'll tell you he feels fine. The question is, how will he feel at six in the morning?"

As a lawyer, Lowenstein helped launch the prestigious corporate firm Kramer, Levin, Nessen, Kamin & Frankel. His specialty, ironically enough, was merger and acquisitions.

Lowenstein's skill at buying companies helped his key client, Supermarkets General, grow into a $2 billion corporation. In 1978 the board installed him as CEO. Then, later in 1979, he was ousted by the company's co-founder, Herbert Brody, who had decided he wanted to take over.

Lowenstein traded his chauffeured corporate car for a rabbit-hutch office at the Columbia University School of Law. Years before, he had studied business at Columbia as an undergraduate, and he'd received his LL.B from the law schoool in 1953. A scholarly article helped to earn him tenure, and he set about resurrecting the reputations of two of his spiritual ancestors at Columbia: Benjamin Graham and David Dodd. Their 1934 book Security Analysis, is potent fuel for Lowenstein's burning ambition: to convince investors that buying stock means assuming the responsibility of long-term owners—understanding the business, knowing the managers, assessing the competition. He rails against the prevailing Wall Street view: if you don't like a stock, wait five seconds.

Recently he founded with his friend Ira Millstein, a denior partner at the New York firm Weil, Gotshal & Manges, the Institutional Investor Project, an international undertaking whose purpose is to study the role and growing power of pension funds and other institutional investors. He's worried that those investors, by vesting so heavily in all the latest quick-trading gimmicks of the stock market, are robbing American businesses of the steady capital and responsible oversight that they need to compete over the long term.

Lowenstein's obsessions have not colored his easygoing personality. In his bright dining room in the El Dorado apartment building overlooking Central Park West, he speaks softly and chuckles often as he lobs his rhetorical grenades at the program traders downtown.

A lot of people have focused on takeovers and junk bonds—so have you—but you're becoming more interested in the conflict between the institutional investor and the corporation. What's wrong with Wall Street?

Maybe the best way to look at it is that in all of American industry there are virtually no board directors who were put there by shareholders. The model of the corporation says that the shareholders elect the directors and the directors elect the management, the officers. In practice it works the other way around. The management controls the proxy machine. It therefore selects the next nominees for election as directors and submits that slate to the shareholders, who as a group have been very passive. The rub, the difficulty, is the separation of ownership from control and the question of who watches the watchers. Who monitors management?

You mean there's no real corporate democracy. Are you suggesting the kind of thing Ralph Nader talks about: the broad oversight of companies by all their constituences—employees, customers, investors, regulators?

I don't think anyone wants to turn corporate America into a pure democracy. In fact, the so-called reforms suggested by people like Ralph Nader make absolutely no sense to me, because the idea of turning a corporate boardroom into a corporate legislature that represents different interest groups reflects a misperception of the role of a board. A board is not a legislature. It's an action group. It has to make decisions. It doesn't have the leisure to bring together disparate opinions, conflicts of interest over a wide segment of society. It's working in a competitive environment.

But having said all that, I have to add that the shareholders have never taken an interest in corporate management. They have consistently followed what I call the Wall Street role, which is a role of passivity. It means that if you like the company, you buy the shares, and if you don't, you sell

them. And they have been selling or trading them at a heroic rate.

So you believe that the problem is that there's no long-term investment in a company per se?

There's no investment, because the investors don't think of themselves as owners of a business. They think of themselves as owning or trading paper—market instruments divorced from the underlying enterprise.

There's a fishy example you used in your book * * *.

Right. There's an old Wall Street anecdote about a sardine auction. The price goes up and up, and a bystander watching all the action says, "Oh, those sardines must really be good." So he starts bidding for sardines, too. And he finally buys a can of sardines for $50 or so. When he gets home he opens the can, and he finds that they're ordinary sardines. He goes back to the auctioneer and says, "Hey, what's wrong? I paid $50 for plain Norwegian sardines." And the stockbroker says, "Fool, those sardines are for trading, not for eating."

Has this emphasis on trading rather than long-term investments been exacerbated by institutional investors?

Institutions own 40-plus percent of the shares, and they do 65 percent of the trading. And if you look at the market as a whole, there was 95 percent turnover in 1987. Therefore, the institutions must have been turning over their portfolios on the average at maybe 140 or 150 percent. They buy all 500 stocks in the Standard & Poor's index, and they don't care, or even know, which companies are in the index. In that sense, it's a kind of mindless share ownership—it's a security blanket. It's a way of being sure that whichever way the market goes, you won't look worse. The money manager is saying, "I don't care if you lose 32 percent of your money as long as everybody else loses 32 percent, too."

Aren't corporate managers usually thrilled by institutional investors who buy in and out but don't really cause them too much trouble in terms of corporate governance? For CEOs isn't that ideal?

It was ideal until hostile takeovers came along. Hostile takeovers changed things a lot, because the lack of loyalty on the part of the institutions made corporate managers accountable to their least valuable shareholders. And it exacerbated what I think had always been corporate managers' lack of respect for Wall Street—at least at the brokerage end of the business.

Why? Because there was no interest in the way companies worked?

The only thing that mobilized some institutional investors was precisely what the corporate managers feared most, which was hostile takeovers and defenses against hostile takeovers. Institutional investors began to take an interest in companies in order to galvanize for action on issues like poison pills. Far from being owners of the business, they were trying to keep the tracks clear for hostile bids. In other words, they were taking an interest in corporate governance only in the very narrow sense of making sure that the opportunity to trade out at a profit was there. At that point the relationship—which I don't think was ever terribly cordial—began to break down amid controversy and confrontation. If you step back a little bit, that makes no sense.

The tension isn't health?

When the institutional investors focus on market profits and deny any responsibility for the internal affairs, the operation of the business can't be long-term smart. It won't work. It's trying to look for market gains without thinking about the substance.

I can see that it might destabilize the capital markets, but what is it doing to productivity, to employee loyalty, to all those bedrock things that are supposed to be responsible for a company's success?

It's very easy to give simplistic answers to that question. And lots of people have given them: you know, "It's destroying jobs and community." On the other side is Mike Jensen, who's probably the high priest of the takeover movement, at least in academia, and who likes to say that it's revitalizing American industry. (Michael Jensen is a professor at Harvard Business School who is an advocate of LBOs and takeovers.)

In 1975 we had $12 billion worth of takeovers. In 1985 we had 15 times that much: $180 billion. In 1988 it's $268 billion. With any phenomenon that large and that complex—we're talking about hostile bids, large companies buying companies, LBOs, foreign companies buying American companies—anything you say about it is true.

The naysayers can find evidence to support their arguments. Can the boosters of LBOs and takeovers point to the benefits of getting mean and lean when they have to sell off pieces of a business to pay back their debts?

I've sat with old friends who are still engaged in the LBO business, and they tell me that really good things are happening. Inventory has been pawed down. Products that should have been abandoned have been abandoned; all those things that we call trimming fat. The question is whether, in addition to trimming fat, we've also cut into bone and muscle.

Can you give me an example?

The oil industry has been substantially restructured. And it does not have the financial wherewithal, the strong balance sheets, that it once did. As a result of that, companies have drastically cut back on exploration. Mike Jensen—I don't want to pick on Mike. But, you know, it is said by many people that the cutback is a good thing. And I submit to you that we just don't know whether it is or not. The proportion of our oil that we import has risen dramatically, and it continues to rise. And even if we began today to explore for oil again in the United States, there'd be a five-year lag before it came onstream.

It may be that in 1995 we'll find that we're hemorrhaging money and being held in some sort of bondage of OPEC because we listened to Mike Jensen. We took away the oil companies' ability to follow what they regarded as their mission.

What is the your response to people who claim that short-term trading is a good thing, that it greases the skids of the market and increases pricing efficiency?

I believe the error in that thinking is obvious. They're confusing two kinds of efficiencies. One is trading efficiency. They say the costs are not that high. My figures are about 1 percent, not just the commissions but also market impact and the like—the total cost. And that's a lot more than people think it is. And the other kind of efficiency, of course, is pricing efficiency. When you keep putting grease on the wheel with more frequent trading, you may be increasing the trading efficiency, but you're likely to skid and lose direction.

So you don't think much of the accuracy of current estimates of stock value?

Studies show that the stock-price fluctuations do not correlate well with the underlying realities. Just think back to 1987. That year doesn't seem like a remarkable one in American industry. Gross national product and corporate earnings went up just a few percentage points. On the surface, 1987 looks like any other year. In fact, what was going on, of course, was a huge bubble on Wall Street. It was like the bubble in the 1920s, when it didn't matter what you paid for a blue chip. If it was a blue chip and not a read chip, price didn't matter. But when General Electric lost 91 percent of its value in the 1929 crash, suddenly people rediscovered that price mattered.

Well, they discovered it again in 1987 when we wiped out $1 trillion worth of value in a few days' time. I talked to people downtown, and each of them thought God was going to give him a signal before anyone else. Where was the market efficiency?

Everybody's talking about junk bonds these days. What's so bad about junk bonds? Many people say these bonds have provided capital for innovative companies that couldn't get it otherwise.

They're a little bit like loans to Brazil. They keep issuing new pieces of paper to us, and we can record them as earnings, so who cares if they're really paying in cash? It's called accounting, but I think it's smoke and mirrors.

Look at the zero coupon bonds (bonds which accrue interest but do not pay it out until maturity) of Federated Department Stores. Federated has only $400 million of operating income to support $600 million of interest charges. Federated pretends that it's paying 173¾ percent interest on the bonds, and it makes that entry on its books, but it really keeps the cash. So these bonds actually have no earnings, they generate no cash, but the holders of the bonds pay taxes on them as if they did. What a remarkable instrument.

You mean—dare I say it—that leaving everything to the whims of the market isn't the best thing for America?

It depends on the market, and it depends on the problem. No one wants to tell the candlestick makers how to make their product. The market works very well. The price is right. The designs are right. Why should the government tell people how to manufacture a candlestick?

But there are problems that can't be solved by the market. Like pollution. It's cheaper for me to go to the grocery store and buy toilet tissue whose maker polluted a lake, because the cost is lower. I can't even tell what lake was polluted. It's hard for the paper manufacturer to clean up the lake because there's no incentive for him to put in the equipment unless everyone else in the industry does so, too. Once the playing field is leveled, then the consumer pays for the cost of keeping the lakes clean.

None of those problems—the horribly short-term focus of the stock-market myopia—seem to me insuperable if the investors say, "We don't want to put our money on a roulette table; we have responsibilities." But if this doesn't happen as a cultural change, it will have to come through legislation.

What kind of legislative solutions do you have in mind?

Some kind of turnover tax, because many believe that lower trading would be a public good—society would be richer in that we would not be spending $20 billion a year trading pieces of paper in a zero-sum game. Zero-sum for everyone except the guys who are running the casino.

You would also accomplish two other objectives that come back to the basic control of institutional investments. One is that they would be forced to focus more on long-term values, and therefore the pricing would be more efficient. Think of it as an antibubble-movement proposal. And second, the right legislation would make investors much more interested in participating appropriately in corporate government.

Any specifics?

I'd do it in a way that President Bush could live with, which is—read my lips—revenue-neutral. It might work so that if you held onto a stock for five years, capital gains would be tax-free. But under one year, there'd be a very stiff tax of 50 percent. And if institutional investors—the otherwise tax-exempt funds—didn't hold for at least some portion of that five-year period, they'd get taxed as if they were not tax-exempt. They couldn't play the trading game.

What's your opinion on the value of takeovers?

The volume of takeovers and LBOs indicates a problem. For the past five years, the total volume of mergers has been $900 billion, or 38 percent of the average value of those stocks during the period. Some Businesses, such as Budget Rent-A-Car, have bought and sold themselves several times over, going private, then going public, then going private again, all within about two years' time. Why rent a car when you can rent the whole company?

We are currently flipping ownership of whole companies at a 10 percent annual rate. The sheer magnitude of it should make us wonder whether that much of American industry could have been so undermanaged, or how it is that takeovers could be the "magic bullet" that could cure so widespread an affliction. What if we have already passed the stage of cleaning up the inefficiencies in American industry but the deals roll on unchecked?

What's driving all this activity? How much is the takeover service industry costing the American economy?

The LBO business has been transaction-driven and fee-driven. The direct costs—the fees paid out in takeovers last year—were about $12 billion. And that's conservative. If you believe that Wall Street has created a private mint, then the lawyers and bankers regularly take about 4 to 5 percent for running the mint. The fees on the RJR Nabisco (LBO) alone will be at least $1.25 billion.

Do you think it's true that all the mergers and acquisitions activity is luring away all of our best and brightest?

More and more students—terrific kids—are flocking to Columbia Law School, and they've been drawn into this vortex . . . of financial transactions. Almost 90 percent of our graduates go to major metropolitan law firms, whose major activity is mergers and acquisitions and other financial transactions. The average partner at Davis, Polk & Wardwell earned $900,000 last year. It's a very powerful message the market is sending. And they hear it. Why shouldn't they?

But for society, it means that our best people—instead of doing engineering, product design, marketing, getting their hands dirty in factories in the rust belt—they are doing deals. What happens when the highest salaries and payoffs are not for running companies or building better rockets but for doing deals? What if deals and the fees they generate seem to be the end of the process and not just a step on the road to improved technology and the like?

What do you think of some of the anti-takeover proposals in Congress?

The problem's not just a takeover problem; it's a debt problem. Wall Street has just discovered that if you have a lot of debt, you don't pay taxes. They sort of ignored that for a long time. And when Wall Street learns something, it learns it with a vengeance.

If you look at the whole takeover market today, you see people buying companies where $9 out of $10 is borrowed. There's no room in that kind of capital structure for a rainy day. It's as though we've abolished rainy days in the American economy.

The tax laws, by allowing deductions for interest and not for dividends, are pushing companies into this kind of cockeyed capital structure. We have to take a fresh look at that, because when there's only a dollar of income to support a dollar and a half of interest charges, not only do you have to worry about a rainy day, but you also have to look for a miracle.

The Institutional Investor Project grows out of the unstated, but I think general, conviction that if takeovers and LBOs are not the magic bullet that the protagonists would have us believe, that if you think—no great wisdom—that all of us need watching and management needs to be accountable to someone, and that if the control of $4 trillion worth of assets is going to acquire legitimacy in the eyes of the public, then the rational entity to be accountable to is shareholders. And you come back to the problem of this confrontation between the institutions and the corporate managers.

If you agree that in the long term they really have much in common, then you begin to explore some questions about institutional investing. To whom are you accountable? And for what? Are you accountable for the working conditions and welfare of employees? Is your accountability to them defined essentially in dollar returns or in some other intangibles? We haven't thought about that a great deal, and we need to think about it. Just what is the role of the institutional investor?

What about your own experience at Supermarkets General? What did that teach you about the value of the investors' voice?

Corporate presidents live in a very insulated environment. If you're not careful, you begin to believe all the PR. And everybody around you who works with you, his or her salary and future progress, depends upon a nod of your head. And all those people love to make you feel happy. And so, talking to people on the outside—some money managers, security analysts—can help you see things in a better perspective.

Sounds nice in theory—did it work that way in practice? Did your institutional shareholders help you run the company?

In the beginning I would sit down and have lunch with different retail analysts. But I quickly realized that they were in for a play, and my best shareholders were the people who had actually sold their businesses to us at one point or another—and whom we had not paid much attention to. We would have dinner once a quarter, and I'd give them a sense of the texture of what was going on in the business. And there would be a loyalty there. Not in the institutions; they came and went. And we ignored them. And they didn't ask for anything more than a good sense of what the earnings would be like for the next six months.

Is there anything worth emulating in Germany and Japan regarding long-term investment?

Yes. The Germans and the Japanese clearly have some interested, serious, thoughtful long-term investors who monitor management without all the Sturm und Drang of the takeover process and without all the waste. They do their jobs neatly and privately. Things happen earlier without companies sinking into the pits. That's good. One might hope that the institutional investors in the United States will mature in some way and be able to fulfill that role.

If you could start over, what business would you be in today?

If I graduated from the business school today—I came out of Columbia business school in 1947—I would go into something like manufacturing. It's fun. That's where the battle is. How do we beat the Japanese? Are we going to beat them on Wall Street? Nonsense.

In your position in academia, it seems you enjoy not only teaching students but also engaging the university with the outside world. You may not be convincing people at Drexel that yours is the right vision, but you may be having a broader impact than when you were in business. . . .

I'm having more impact on the world—and sometimes I'm taken aback. At the school I basically spend my day talking to kids and sitting in a not-very-elegant office with a sweater on and an open shirt collar. I do tend to forget that there has been some visibility and impact. Maybe some political solutions will follow. In academia there's been some progress, but not as much as I would like. But I think much of academia is still wedded to the efficient market model. Intuitively, it's attractive. Basically what academics say to themselves is, there can't be any bargains in the stock market, because if there were bargains people would take advantage of them and eliminate them. And as long as you think that people are wiser about money than about sex or most other things, as long as you don't have a sense of human fallibility or the intrinsic difficulty of making long-term judgments about money and industries, then it's an attractively simple model.

From a personal point of view, there's a happy conjunction of my interests and what's going on in the world. I can't get away from takeovers—you know, they're a $300 billion phenomenon. So I'm still the wild man busting up chairs in the barroom.

COMMENDING CAPT. JOHN KLOTZ

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. TAUZIN. Mr. Speaker, on the occasion of the retirement of Capt. John Klotz from active Coast Guard duty, I have the privilege and honor as chairman of the Coast Guard and Navigation Subcommittee of the Merchant Marine and Fisheries Committee to commend the captain for his many and valuable contributions to his Nation and to the Coast Guard.

There is perhaps no better measure of any of us, than that from the people with whom we work. Both within the Coast Guard and the private sector, Captain Klotz is held in high esteem for his knowledge, leadership skill, and personal character.

VOL 135 PT 9 JE 14 — 22 1989 UMI

I recently received a copy of the following commendation, and because it speaks clearly about how many people feel about Captain Klotz, I am honored to make it a part of the RECORD of the House of Representatives of the U.S. Congress.

The commendation reads:

The Offshore Marine Service Association is desirous of commending and registering its strongest expression of appreciation to Capt. John Klotz for the assistance he has rendered to the offshore energy and maritime industry during his tour of duty in New Orleans, Louisiana from April 1984 through June 1989 as the Officer in Charge of Marine Inspection.

During his tour in New Orleans, the Coast Guard command was reorganized, combining the Captain of the Port and the Marine Inspection Offices into a combined Marine Safety Office under Captain Klotz. This increased the scope of his duties and responsibilities to a significant extent, but he accomplished his missions with no appreciable reduction in service.

It is a privilege to acknowledge Capt. Klotz for his evenhandedness and his sensitivity to the difficulties which we in the industry were facing and working through together. His family should be proud to know that this man is held in unusually high esteem and is sincerely appreciated for the job that he has done.

On behalf of all mariners, the Offshore Marine Service Association wishes Captain John Klotz well and God speed.

Mr. Speaker, a native of Leavenworth, KS, Captain Klotz graduated from the Coast Guard Academy in 1959 and was assigned to Honolulu on the cutter *Bering Strait* where he served as deck and engineering watch officer. Reassigned to the cutter *Kukui* as assistant engineer, he participated in the reconstruction of the remote Philippine chain LORAN stations. In 1963 in Mobile, AL, he began his career specialty as a marine inspector. He received special training as a nuclear plant engineer and served as inspector during construction of the MH 1-A floating nuclear powerplant. In 1966 he transferred to Marine Inspection Office Portland, ME, and was promoted to executive officer. Returning to Honolulu in 1969, he served as engineering officer on the cutter *Winnebago*. After completing marine industry training with the American Waterway Operators in January 1972, he reported to Marine Inspection Office New Orleans as inspector and later, senior investigating officer.

While assigned to the United States Embassy in Manila, Republic of the Philippines, from 1975 through 1977, he conducted inspections of United States vessels throughout the Far East and acted as supervisor of the LORAN advisory detail to the Philippine Coast Guard. On return to the United States, Commander Klotz served as executive officer at Marine Safety Office Mobile. In 1980 he was promoted to captain and served at Coast Guard Headquarters in Washington 2 years as deputy chief of the Marine Technical Division. During the following 2 years as chief of the Marine Investigation Division, Captain Klotz coordinated and directed revisions of the vessel casualty reporting system, the commercial vessel safety automated vessel-casualty system, and a detailed analysis program. Implementation of this new data system was instrumental in the development of a more effective reporting system. For this achievement and directing a detailed analysis of fishing, towing and old vessel casualties which brought about current safety improvements, Captain Klotz was awarded the Coast Guard Commendation Medal.

On April 27, 1984, he assumed command of Marine Inspection Office New Orleans. Through a Coast Guard reorganization, in October 1987 Captain Klotz also assumed the role of captain of the port, New Orleans, and the combined commands were designated Marine Safety Office.

Captain Klotz is married to the former Joy Urguhart of Mobile, AL. The Klotzs have two children; Cynthia, an architect residing in Daytona Beach, FL, and Chris, a 1989 graduate of LSU.

NO-ADDS POLICY IS A GOOD GOVERNMENT POLICY

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ASPIN. Mr. Speaker, this coming Tuesday, June 27, the full House Armed Services Committee will be voting on whether to adopt a no-adds policy with regard to the Bush administration weapons procurement budget. I rise today to report to the House on this topic.

Last Tuesday, in the Procurement Subcommittee that I chair, I moved that we adopt this no-adds policy. My motion was approved 10 to 9. This no-adds policy applies to the dollar items in the procurement title of the National Defense Authorization Act, H.R. 2461, before the subcommittee. That totals $69 billion. If you look in the budget submission, you'll see there's $79 billion in there for procurement. The $10 billion difference is for shipbuilding, which is handled in our Seapower Subcommittee.

The adoption of my motion blocked any add-ons to the equipment requested for procurement in the bill. So far, I have received requests to add $7.8 billion for unrequested equipment for the services. I do not mean to suggest that all these proposals are crude pork. Some of them I like myself.

For example, one proposed add-on calls for $300 million for trucks that happen to be built in Wisconsin. Some people view those trucks as pork. I don't. The Army would like to have them. But in a declining budget era, the Army has chosen to cut trucks to save other programs. This would be the last year for this program. Given the budget crunch, I agree that the trucks are now a lower priority and we can give up the last year of the truck buy.

Another example is the V-22 tilt-rotor aircraft for the Marine Corps. The Marine Corps wants this so badly it might sell its soul to get it. It's not pure pork. But it will eventually cost $28 billion. This is the first year we would be buying V-22's. If we start down this road, we are committing ourselves to a $28 billion program—meaning that we will have to cut $28 billion out of other programs. The V-22 is a nice idea. But it has a very narrow use. In a period of expansive budgets, we could buy it. But in a period of rising deficits and declining defense budgets, there is simply no room for the V-22.

Another example is equipment for the National Guard and Reserves. Every year, the Pentagon shortchanges the Guard and Reserves. It does this for two reasons. First, the Pentagon is run by the active forces. They have always borne a bias against the "weekend warriors." So, the active forces use a different standard for the Guard and Reserve budget than for their own budget. Second, the Pentagon knows that Congress will put money in for the Guard and Reserves because we are very protective of those institutions.

So, how can I support a no-adds policy if I know that adds for the Guard and Reserves can be justified? There are two reasons. The first reason is that there are overriding issues this year. A permanent bar on add-ons would be foolish because it would undermine the Guard and Reserves, but a 1-year hiatus will not do any real harm. The second reason is that we should send a message to the Pentagon to stop this "Washington Monument exercise" and to present a serious budget to us. Most of you have heard the not-so-apocryphal story about a President asking the departments where they would cut to save money. The Interior Department proposes to shut down the Washington Monument—it does that because it knows there is no way the monument will be closed. By proposing a ridiculous cut, it is trying to protect less popular programs. The false budget proposals for the Guard and Reserves fall into that category.

I've mentioned some non-pork requests. There are, of course, many proposals that are really laughable on their face. Let me give you just one example. It's called IPADS, for Improved Processor and Display System. This gem would consume $55 million to build an improvement into old P-3 Orions. These are aircraft that hunt for enemy submarines. And the Navy is in the process of eliminating these P-3's from its inventory. Why should we improve planes just as they're headed for the scrap heap?

The key vote on this no-adds policy comes next Tuesday. I have decided to take this somewhat unorthodox approach for several reasons.

First, while the budget submitted by Defense Secretary Dick Cheney lacks a true strategic underpinning, we are in no position this year to impose a strategic vision of our own. We are in a period of ferment. We're waiting to see if the Gorbachev initiatives really pan out. And the entire country is still sorting through how to respond in that case. In essence, this is an interim budget.

Second, while the budget may not be perfect, it's a darn good product—especially given the 39 days Dick Cheney had to put it together. He deserves an up-or-down vote. And, in his first year in office, I think he deserves a vote of confidence. Many of us were critical of Casper Weinberger's budgets for their failure to set priorities, terminate marginal programs, or emphasize economic order quantities. Dick Cheney has taken a remarkable first step.

Third, I have received requests for more than $7 billion in add-ons—but there's no room for even the deserving add-ons, let alone the ones that go oink. In previous years, budget submissions have been packed with filler—often $5 to $10 billion worth—that we could slice off and replace with more deserving programs. But Dick Cheney did what we usually do. He has scrubbed the budget of those inflated discretionary management funds, contract savings, unexecutable programs, and other dollars we used to shake out of the budget tree. To insert any volume of add-ons this year would require the wholesale axing of requested items that are defensible military requirements and that have substantial political support in the House.

The denouncement comes next Tuesday, June 27. The full committee will vote on three or more alternatives.

First, it will have before it my no-adds proposal.

Second, Congressman MARVIN LEATH of Texas is preparing a package of add-ons. I do not know how big it will be. I understand it will not contain anything like the full $7.2 billion in requested add-ons. But I also expect that it will be the proposal with the largest volume of add-ons.

Third, Congressman JOHN SPRATT of South Carolina is preparing another amendment. I don't yet know what that amendment will contain, but I expect it to be a more modest package of add-ons than in Congressman LEATH's package.

Fourth, I expect there will be some amendments to add particular individual programs.

I will oppose any and all of these add-ons—not because any and all of them are indefensible, but became I think it is time for Congress to take a stand. We should send a message to the public—and to ourselves—that we must be and we will be more discerning.

Mine is the most radical proposal. Because of that, it faces a tough battle. Clearly, there is a great deal of interest and support in the House Armed Services Committee in tacking add-ons onto the defense bill. After all, Congressmen seek seats on the committee because they have interests to protect back home. This gives a built-in boost to any effort to add to the bill. Should one of these packages be approved, the one consolation we have is that it will be a mere fraction of what might otherwise have been tacked onto the bill.

The defense budget is going down. In real terms, this will be the fifth straight year in which the defense budget is going down. We peaked in the fiscal year 1985 budget. In successive years, the defense budget has declied—after allowing for the impact of inflation—by 4 percent in fiscal year 1986, then 3 percent in 1987, 3 percent again in 1988, 1 percent in 1989, and 1½ percent in the 1990 budget that is now before us.

In the coming years, the defense budget will continue down. The pressures of Gramm-Rudman to reduce spending in order to reduce the deficit will be larger in 1991 and 1992 then they have been in the past. That forces a lower defense budget. Furthermore, if the Soviet defense cuts announced by President Gorbachev materialize, I expect the public will argue for U.S. defense cuts on a higher scale.

All this means that we must think long term as we put together this year's defense budget. Yes, we ought to keep the pork out of the budget. But the issue is even broader than that. We have to keep reasonable but lower priority programs—like the V-22—out of the budget because they threaten to crowd out the higher priority programs that we have an obligation to fund first.

A vote to freeze the procurement budget this year and to bar any add-ons is admittedly an unorthodox approach. It's also not the world's most sophisticated approach to budgeting. But let's not make some theoretical best the enemy of the good option before us. This no-adds policy is a good government policy. It makes sense. I hope that all Members will support it. And I hope that from coast to coast the public will tell their representatives that the national interest should take precedence over the parochial concerns.

SISTERS OF ST. JOSEPH CENTENNIAL CELEBRATION

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. WOLPE. Mr. Speaker, I rise to pay tribute to the Congregation of the Sisters of St. Joseph on the occasion of the centennial of the order's presence and service in Michigan. The Congregation of the Sisters of St. Joseph was founded in Le Puy, France, in 1651. In 1886, eight Sisters of St. Joseph arrived in New Orleans and eventually settled in Carondelet, near St. Louis, and began their work in the United States.

In 1889, Sister Margaret Mary Lacy of Carondelet and nine Watertown Sisters came to Kalamazoo in response to a request from the Right Reverend Francis O'Brien, pastor of St. Augustine Parish.

Their first mission—a 20-bed hospital named Borgess Hospital—opened on August 15, 1889, and has grown to become one of the most respected health care delivery facilities in the Nation. That same month in 1889 the Sisters opened St. Francis Home for Orphan Boys in Monroe, MI, and 2 years later, they took over responsibility of the LeFevre Institute which subsequently was renamed St. Augustine School. In 1897, the Sisters of St. Joseph began construction on their motherhouse, novitiate, and private school for girls. The motherhouse was dedicated in September 1898. Within their first decade of service in Kalamazoo, the Sisters of St. Joseph were also instrumental in the founding of Nazareth Academy, Barbour Hall, St. Agnes Foundling Home, Villa St. Anthony for Special Children, the St. Joseph, and the St. Mary School in nearby Niles.

Today the Sisters of St. Joseph are found wherever there is a need, whatever the need may be; helping others to live in dignity, serving with the gifts and abilities God has given them. The Sisters work directly with the poor in soup ktichens, in housing projects, and in prisons and jails; they serve in senior citizen centers and adult education centers, while maintaining their other activities in teaching and health care. Their goal is to not only help others take care of their immediate needs, but also to bring about systemic changes to eliminate the causes of poverty and powerlessness.

Mr. Speaker, the Sisters of St. Joseph take understandable pride in their ecumenical spirit and in their historical involvement in social issues confronting the wider community. This centennial celebration commemorates the order's activities in Michigan. It is a very special event, reflective of the order's sense of its own history and its confidence in its future. I feel privileged to represent and to work with constituents who use the celebration of their history as a means of recommitting themselves to their religious heritage and their service within the community.

VETERANS DUE AN APOLOGY

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ROWLAND of Connecticut. Mr. Speaker, I rise today to express my deepest sorrow to our Nation's veterans on two counts. First, we see that the Supreme Court sadly decided that Old Glory could be set on fire as a justifiable expression of free speech as protected by the first amendment to the Constitution. Our veterans risked their lives for the flag and this is a shameful way to repay them.

Second, and equally shameful, Congress continues to tell our veterans that partisan politics and pork barrel spending are more important than their medical care.

Congress and the Supreme Court have joined together to tell our service men and women that they must continue to risk their lives, but now under a flag that has lost its sanctity and dignity.

To our veterans, I am heartfully sorry. And to my colleagues, I say let us pass a clean veterans supplemental appropriations bill and end this silly ping pong game at the expense of our veterans.

CURRENT TIMBER SUPPLY CRISIS

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. DENNY SMITH. Mr. Speaker, today I am introducing two bills that address two separate problems that have arisen in the Northwest because of the current timber supply crisis.

The first bill would provide for a $20,000 reward for information concerning the placement of hazardous devices on Federal lands including the spiking of timber resources. Last

VOL 135 PT 9 JE 14 — 22 1989 UMI

year, as part of the omnibus drug bill, we increased the penalties for such acts of sabotage.

However, because of the nature of the crime, it has been impossible to catch the perpetrators. Tree spikers can act months before a timber sale is offered. Any evidence of their crime, other than the deadly tree spikes, is long gone by the time the spikes are discovered. Without a reward system for information, these criminals will never be caught.

These acts are a real threat to human life. Tree spiking is designed to maim or kill mill workers and loggers. A mill worker in California had to have his face rebuilt because a saw blade came flying across the mill after hitting one of these spikes.

Most of my mills in my district have had to install costly metal detectors in an effort to protect their workers. So now those who value a tree more than a human life have switched to ceramic spikes, which have the same deadly result. I hope my colleagues will help me end these acts of violence against innocent workers.

The second bill I am introducing would require the Federal Government to pay interest when the harvesting of timber under a Federal timber sale contract is delayed for more than 30 days by a court injunction on administrative stay.

Many Northwest mills are located in small communities, and are the mainstay of the local economy. The Federal Government now requires substantial up-front capital when it awards a timber sale. When that money is held up indefinitely, the whole community loses. The mill can't harvest the timber it has under contract, and it has less capital to purchase alternative log supplies.

This bill is a fair response to this situation, and may also bring some order to the issuance of stays and injunctions.

I would ask my colleagues to join me in support of Northwest workers by cosponsoring these bills.

PERKINS SCHOOL RECOGNITION CEREMONIES

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. EARLY. Mr. Speaker, on Sunday, June 11, 1989, I was invited to the recognition day ceremony at Dr. Franklin Perkins School in Lancaster, MA. I was honored to receive the Distinguished Service Award from the school.

I would like to share with our colleagues and you, my thoughts and memories on such a wonderful and inspiring institution. Dr. Franklin Perkins School has for 50 years, provided educational programs for developmentally delayed children and adults. The school provides such things as residential facilities, highly motivated and professional staff, an accessible campus, and educational programs that encourage the students to embrace "family involvement, educational challenge, and movement toward maximum independence."

Mr. Speaker, I wish to pay tribute to this institution, and to all of the wonderful children and adults whom I was honored to address on that commencement day, and to all of the future students who will be touched by Dr. Franklin Perkins School's magic.

COMMENDING COMMANDER CARL WOLCOTT

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. TAUZIN. Mr. Speaker, one of the more perplexing and frustrating tasks facing an offshore marine operator is compliance with the ever-changing complex of regulations on licensing and the documentation of the seamen who man our vessels. Many operators have told me that personnel matters are probably the most challenging to manage.

The point of contact between these businessmen and the Government is the U.S. Coast Guard Regional Examination Center. The officer who runs the center can have a significant impact, directly and indirectly, upon both individual marine service companies and the industry as a whole.

On the eve of his retirement from the U.S. Coast Guard, the Offshore Marine Service Association conveyed to me its strongest sentiments that public and private sectors have both benefited greatly and have been well served by Commander Carl Wolcott over the past 2 years. The industry has commended Commander Wolcott for his knowledge and character. In part, the Offshore Marine Service Association commendation reads:

Commander Carl Wolcott's good spirit and his willingness to work hard and equitably with individuals, operators, educators and with the Offshore Marine Service Association are highly commendable. He has strived to find ways to accomplish his Coast Guard mission in a conscientious way, while ensuring that industry would be able to comply with the law and regulations without unnecessary burdens."

We sincerely appreciate the objectivity that Commander Wolcott has brought to his post as well as his sincere good faith in dealing with any question or challenge to him by his command and by the industry.

We regret losing him and we shall miss him. We certainly wish him well in his future endeavors.

Mr. Speaker. On the occasion of the retirement of Commander Carl Wolcott from active Coast Guard duty, I have the privilege and honor as chairman of the Coast Guard and Navigation Subcommittee of the Merchant Marine and Fisheries Committee to offer my personal commendation to the Commander for his many and valuable contributions to this Nation and to the Coast Guard.

MAKING PROGRESSIVE VALUES COUNT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, when it comes to articulating progressive values, Mark Green takes a back seat to no one.

For weeks, the Nation has been mired in an endless debate about peripheral ethics-in-government questions. While the press has rehashed the same information about political action committees, hardly any one has raised tough questions about the real moral choices: Why must 40,000 kids die each day of malnutrition? How can the world justify spending $17.5 trillion on military budgets since World War II while most of humanity is struggling to survive? Can a wealthy nation give away luxury tax breaks for economically destructive megamergers while millions of citizens can't make a decent living?

Mark Green pops the Michael Milken bubble: maximum personal income for minimum societal benefit. He points to all of us, Bush administration included, to a more excellent standard. He calls us to put progressive values four square in the middle of the national policy debate.

To this end, I commend to the attention of my colleagues Mark Green's article, "Progressive Values for America." Article from the January 30, 1989, issue of the Nation follows:

PROGRESSIVE VALUES FOR AMERICA

(By Mark Green)

America is in transition, even if the executive branch is not. Belying the comfortable metaphor of George Bush's "friendly takeover" of the Reagan Administration, great changes are taking place in the world: global warming, Soviet counterrevolution, movement in the Middle East. At home, America faces stagnant wages and mountainous debt, and among Western countries it ranks lowest in voter turnout and highest in children living in poverty.

At this moment of opportunity and peril, Democrats understandably doubt that Bush can provide imaginative leadership. After all, his quarter-century career is undistinguished by a single idea or cause, and his campaign was without content, his victory without vision. At best we can only hope that his prepresidential training proves to be, as has been said of Wagner's music, "better than it sounds."

And yet, the issue for Democrats isn't really Bush. Nor is the issue even issues. It's values, just as Bush maintained in the campaign—though hardly the flag-waving ones he pushed so shamefully. From the turn of the century, the progressive philosophy has held that a fair and frugal government could improve the quality of our lives by curbing private-sector abuses. As we enter a decade of transition, five principal values should guide the loyal opposition in Washington: strong democracy, demand-side growth, children first, post-cold war peace and respect for law. Together they constitute a foundation for change and a fresh approach as much at odds with prevailing conservative orthodoxy as Copernicus was with Ptolemy.

STRONG DEMOCRACY

For the United States to fulfill its revolutionary promise, citizens need to adhere to the twin principles of patriotism—participation and mutuality.

A century ago, 80 percent of eligible Americans voted (about the current average turnout among our Western allies). In 1960, it was 63 percent; in 1988, 50 percent; and in the last nonpresidential election, 33 percent. Americans who once crossed the oceans to fight for democracy now don't cross the street to exercise it. How do we know when a democracy is dying? Surely one measure is the number of its residents who consider it worthwhile to choose the representatives who govern their lives. If too few vote, however, will officials know what is in the broadest national interest? Will some communities fail to be heard—while others are heard too loudly? If a 50 percent turnout is still a democracy, is 33 percent? Ten percent? What about when Americans with annual incomes of less than $5,000 are half as likely to vote as those earning more than $50,000, giving the affluent one and a half ballots each compared with the poor?

Two of the reasons for this decline of participation are registration requirements and political action committees.

Cumbersome voter registration laws were erected a century ago to discourage new black and immigrant voters. Yet while other laws with an invidious intent, such as literacy tests, have been prohibited, registration laws endure. Isn't it foolish, for example, that 500 high-school students each separately try to find their way to one Board of Elections to register rather than having one board representative go to the school to register them in a day?

Also, the proliferation of PACs—almost half of all members of Congress get at least half their funds from legislatively interested PACs—discourages participation. Citizens may not bother voting when their representatives seem more interested in their contributors than in their constituents. Officeholders predictably don't go out of their way to bite the hand that funds them. The result: Congress tilts to organized interests rather than average citizens; good people are priced out of seeking public office; Congress suffers staleness as insulated incumbents serve near-lifetime tenures; and voters turn off—e.g., while one in three voters thought their voice didn't count in 1966, according to a Harris poll, now two out of three believe so.

"The solution to the problems of democracy," Governor Al Smith of New York once said, "is more democracy." Using the Smith prescription, the White House and Congress should enact Senator Alan Cranston's Universal Voter Registration Act, further reduce or eliminate PAC influence, provide for free TV time for general election Congressional candidates and schedule elections on nonwork days—say, the second Saturday in November. Call it Democracy Day. To enact this empowerment program requires only that Democrats in the Congress vote their beliefs and that Republicans, long frustrated at their minority status because the PACs entrench incumbents, vote their self-interest.

As for mutuality, a strong democracy needs to emphasize that citizens have not only rights but obligations. To sit on juries. Pay taxes. Obey laws they don't like. Assist those worse off. Mutuality also means meeting reasonable conditions if receiving a Federal benefit, especially in an era of tight budgets. Citizens and corporations receiving public benefits have responsibilities to the taxpayers who confer them—from students' repaying loans to corporations' commitment not to flee suddenly the community that provided inducements to invest there.

Ultimately, a strong democracy is a primary value because, without it, powerful interests can stymie the national interest and overwhelm all other values. Without PAC reform, for example, we should not be surprised that military contractors continue to dominate the defense budget process and that a single Stealth bomber costs more than providing prenatal care for all pregnant women in poverty.

DEMAND-SIDE GROWTH

While supply-side conservatives want to bribe owners with incentives to produce, demand-side progressives want to spur economic growth by providing workers with an adequate income to signal producers where to invest. It's the difference between trickle-down and trickle-up economics.

We are all familiar with the supply-side theory, pioneered by Andrew Mellon in the 1920s and popularized the Reagan Administration. In an update of Say's Law—that supply creates its own demand—Reaganites concluded that the best way to produce sustained growth was to concentrate on stimulating well-off investors to save, invest and produce more. This emphasis, however, conveniently led to a flood of corporate giveways and upscale tax breaks.

The results? Savings and investment fell after enactment of Reagan's tax and budget programs in 1981, and the distribution-of-wealth gap predictably widened. The planned, massive redistribution from labor to capital produced the greatest disparity between the wealthiest fifth and the poorest fifth of American families in forty years, as $9.50 in income was added at the top for every $1 lost at the bottom. While the average American worker earned $281 a week in 1983, he or she earned only $276 a week (in constant dollars) by 1988.

This policy failure, however, was accompanied by a political success. George Bush won the economic argument of 1988 by citing the Administration's sixty-nine consecutive months of sustained growth and by attacking "the failed policies of the past" (*aka* Carter-Mondale). This is triply ironic. First, economic growth under Democratic Administrations over the past half-century has been six times greater than under Republican Administrations. Second, the reason for the continuous growth under Reagan and Bush was hyper-Keynesian deficit spending (financed from abroad) that Reagan had denounced in 1980 as inflationary. And now, Reagan blames "big liberal spenders" for the deficits that created the borrowed prosperity that he and his successor brag about! (But for the intellectual dishonesty, you almost have to admire their argument for its audacity.)

Compounding supply-side's failures, however, is it 1990s descendant: austerity. Precisely because of Reagan's legacy of debt, many in the business community urge slashing wages, consumer spending and Federal entitlements in order to reduce the deficit and encourage capital formation. Which brings to mind Oscar Wilde's observation, "Nothing succeeds like excess." Why further squeeze the middle class to further enrich an economic elite that previously simply pocketed, rather than invested, its tax cuts.

It's foolish to believe we can impoverish ourselves into prosperity. If the goal is to keep our wages "competitive," do we keep depressing them to the level of Korea's, or Sri Lanka's? The austerity school followers would so reduce individual and Federal spending as to risk the kind of severe recession certain to depress the very savings they seek.

What we need is demand-side growth. If average Americans have an adequate wage, their spending will create markets for manufacturers to supply. Keynes once wrote about the Depression's lack of consumer demand, "The patient does not need rest, the patient needs exercise!" He understood that owners and managers won't build a factory unless there are consumers who want its product, regardless of how much idle capital is around. Say's Law should have been discredited during the Depression, when there was supply without demand. Instead, demand-side law assumes that demand creates supply and that there's no fixed tradeoff between spending and saving. More consumer and government spending can spur *more*, not less, output, savings and jobs. The risk of added inflation today appears modest due to world surpluses, low inflation to begin with and no recent experience with demand-pulled inflation.

How would the value of demand-side growth affect policies? In labor markets, we need a "new social contract," in Robert Kuttner's phrase, that can cheat the traditional tradeoff between inflation and unemployment: Labor gets secure, well-paying work and lifelong retraining while management gets a high-quality work force and labor peace. This means a liveable minimum wage, more employee participation and stock ownership, and government investment in retraining (since the private sector habitually underinvests there). The United States could look to Sweden, which prefers to subsidize re-employment rather than unemployment: While 80 percent of our labor market outlays go to unemployment compensation and 20 percent to retraining, in Sweden the ratio is reversed.

In fiscal policy, we should stop being obsessed with our budget deficit as the only economic enemy. The deficit should be reduced *gradually* but not so precipitously as to trigger a recession. In monetary policy, lower interest rates should precede higher taxes on the top bracket, which can ease the deficit without reducing consumption and provoking a recession. In terms of Third World debt, lending nations should negotiate a write-down so that debtor nations can afford to be consumers of the lenders' exports. Americans must understand that debt and trade do not comprise a zero-sum game—we prosper when others do.

CHILDREN FIRST

Until very recently, public policy didn't consider children to be significant. Parents raised children, not government. Indeed, when Congress began discussing child care for struggling working families in 1971, President Richard Nixon attacked and dismissed it as a version of Big Brother socialism. Yet by 1988, Vice President George Bush was campaigning for a child care tax credit because "child care is nothing short of a family necessity." Between Nixon's indifference and Bush's concern came a confluence of demographic and economic trends that elevated the issue of children, especially children in poverty.

The simultaneous increase in single-parent families and decline in real value of the minimum wage, for example, have produced a poverty rate among children (at least 20 percent) that is the highest of any

industrial democracy. The 1970s and 1980s also saw an unprecedented influx into the work force of women with children—without safe, affordable, quality child care. There has been a large increase this decade in reported cases of child abuse, teen-age pregnancy and school dropouts. Because the Reagan Administration funding cuts in prenatal care and child immunization, there are more low-birth-weight babies, and the infant mortality rates among minorities in the United States exceed those of many Third World nations. Last, as American education scores and employees' skills have fallen in our world marketplace, many business groups began calling for increased spending on education.

An unusual alliance of the compassion lobby and the corporate lobby helped make the issue of children more prominent in the 1988 presidential campaign than the issue of, for example, *contra* aid.

A policy of "Children First" must be a pre-eminent social value for an obvious reason: As nonvoters and nonpurchasers, children cannot represent their own needs. Consequently, laws should have a "children's impact statement," so that legislators can anticipate how bills might help or hurt the most vulnerable among us. Second, spending on children should be considered more an investment than an expenditure. Since every $1 spent on prenatal care saves more than $3 through fewer hospitalizations of premature babies, and since early education programs now will help equip the work force of the next century, policy should be guided by the prudent ethic of "pay now or pay (more) later."

A Children First program would include universal prenatal care; parental leave; child care in the workplace; drug treatment on demand; stronger product safety regulations; expanded Head Start and Women, Infants and Children, school nutrition and student loan programs; and a higher minimum wage and earned income tax credit so that working families will not live in poverty. There can be no better pro-family policy or use of taxpayer funds than investing in the minds and bodies of children.

POST-COLD WAR PEACE

The first obligation of government is peace—the protection of its citizens from external aggression. No society can pursue growth, equity and excellence at home if it is not free from serious military threat.

America's postwar foreign policy has largely brought us peace, but at the cost of an immensely expensive arms race and the risk of nuclear incineration. Now, however, a once-in-a-lifetime development is underway that could diminish this cost and risk: The cold war—the central fact of the postwar era—is probably defunct. Mikhail Gorbachev's U.N. speech and internal reforms clearly distinguish him from his predecessors who indolently allowed their country to stagnate from a lack of political and economic freedoms.

But what should the U.S. response be? To date, American leaders have largely been spectators without a strategy. President Reagan deserves praise for finally appreciating the need to trade proposals rather than insults. But there's still no concensual answer to the following obvious question, posed by The New York Times: "If Mikhail Gorbachev succeeds in reforming the Soviet economy, will Moscow pose more or less of a threat to Western security?"

Isn't the answer less? A Soviet Union that evolves from a military economy to a civilian one, allows for more pluralism and markets, increasingly (though slowly) frees refuseniks, renounces world expansionism and advocates nuclear reductions is good for the United States. In an era of nuclear parity, in which more nuclear weapons do not purchase more safety and in which one reason we survive today is that the Russians chose not to launch any of their 25,000 nuclear weapons, the only enduring way to peace is to reduce tensions through negotiations.

That means that, as Stephen F. Cohen has argued, we must meet Gorbachev halfway. How long can he make concessions without responses? Unless he can demonstrate real gains to his hard-liners—say, American arms reductions to match the Soviet Union's or Western loans at market rates for domestic investment—Gorbachev may fail and be succeeded by a tradional cold warrior.

So while the value of peace required the "containment" of Stalin's Soviet Union at the height of the cold war, today the same value requires a shift from containment to cooperation—because it's in our national interest. The United States must continue to be skeptical and vigilant, but also should show its own "new thinking" to seize an opportunity that could produce huge dividends in three areas: the reduction of nuclear arms, conventional arms and regional conflict.

In nuclear arms, the new President and Congress should pursue the promising initiatives begun at the Reagan-Gorbachev summits. Unlike all prior weapons in history, nuclear arms exist to deter and not be used; each side, consequently, must avoid destabilizing weapons—those capable of launching a first strike and "winning" a nuclear exchange—since those may provoke a pre-emptive attack. Also, it's time to use the bargaining chip called the Strategic Defense Initiative to obtain a great compromise: that both sides slash their ballistic weapons to below the number that would trigger a "nuclear winter," and both confine any strategic defense systems to the laboratory. Last, the world will be safer with a comprehensive test ban treaty. If John Kennedy had persuaded his Pentagon to accept the treaty he desired, rather than only the limited test ban, today there would be no hydra-headed MIRVs (multiple independent re-entry vehicles) and no undetectable nuclear-tipped cruise missiles.

In conventional arms, in the early 1960s, the Pentagon budget was based on America's ability to fight two large wars and one small war at the same time. But Secretary of Defense Melvin Laird changed a two-and-a-half-war strategy to a one-and-a-half-war strategy after the "Chinese threat" effectively disappeared. The next defense secretary should pursue similar savings if the Russians join the Chinese as a former obsession.

The most obvious place to start would be Western Europe, where the United States spends 60 percent of its defense budget defending NATO. Following up on Gorbachev's dramatic U.N. announcement about unilateral Soviet troop reductions, after inauguration President Bush could match or top the General Secretary in advancing a post-cold war peace. The United States should at least agree to a "defensive defense" strategy whereby both sides would be strong enough to repel an attack though not to launch one. Or Bush could make a bold, historic counterproposal that would establish him as a world leader for peace: a complete, mutual withdrawal of all superpower troops from Eastern and Western Europe.

In regional conflicts, both superpowers have expensively learned that there are limits to their power to dominate Third World events and countries, especially after Vietnam and Afghanistan. In the 1990s, let's test Gorbachev's assertion that there is no longer a military solution to any of the great political conflicts around the world. Already, several regional conflicts are being resolved—the Iran-Iraq war, Mozambique, Namibia, Angola. If U.S.-Soviet relations continue to warm, it should not be inconceivable to attempt understandings about such hot spots as Nicaragua, South Africa, the Middle East and Cuba. Beyond discussing such difficult regional conflicts, the United States should aggressively challenge the Soviet Union—with whom we once cooperated to win a world war—to cooperate in addressing such common problems as world hunger, nuclear proliferation, environmental hazards, terrorism and AIDS.

RESPECT FOR LAW

Throughout our history, Americans and America's leaders have displayed a special fidelity to law and ethics. If anything, our Revolution militantly rejected arbitrary government and embraced the principle that no person is above the law. Recall that the late Senator Paul Douglas would return every gift sent him worth more than $5. And recall that Dwight Eisenhower vetoed a natural gas deregulation bill that he avidly supportd because a natural gas lobbyist had tried to bribe a New Jersey senator before final passage.

It's a sharp drop from Ike and Douglas to Edwin Meese 3d, Michael Deaver, Lyn Nofziger, Robert McFarlane, Rita Lavelle and Paul Thayer—not to mention Oliver North and dozens of lesser-knowns who feathered their nests at taxpayer expense and who seemed to take literally their constitutional oath to "*execute* the laws faithfully." "For God's sake," said Elliot Richardson, four times a Republican Cabinet secretary, "are we not entitled to hope that the next Administration will be a little less sleazy?"

A new Administration and Congress have the opportunity to spotlight again the value of law. First, once in office President Bush should nominate, and the Senate confirm, only people who will pledge allegiance to public service and ethics. People such as F.D.R.'s Francis Perkins and Truman's George Marshall and Kennedy's Stewart Udall and L.B.J.'s John Gardner and Ford's Edward Levi and Carter's Cyrus Vance, who were more interested in making history than money. Second, above all other positions, the Attorney General and each Federal judge should be "a meet person, learned in the law" (Judiciary Act of 1789) and not merely a Daniel Manion who passes a reactionary saliva test. Third, the installed Bush should sign the ethics bill his predecessor vetoed, a bill to discourage executive and Congressional branch members from cashing in on their public office. And he should make clear that any appointee who failed faithfully to comply with the law's letter and spirit would be out on his or her ear the next day.

Without respect for law and ethics, the necessary bond of trust between the governed and their governors may break.

The performance of incoming Presidents is invariably measured against F.D.R.'s first hundred days, when the greatest domestic crisis of the century and an overwhelmingly Democratic Congress gave Roosevelt carte blanche to fight the Depression. In 1989, however, such a benchmark artificially con-

VOL 135 PT 9 JE 14 — 22 1989 UMI

strains the real transition challenge for the United States. The prospects and problems are simply too long-term to fit into such neat journalistic boxes as First Hundred Days.

Indeed, dropout rates of 50 percent in our central cities, $150 billion annual budget and trade debts and a depleted ozone layer took decades to develop; their solutions may take no less. Some of the most significant public policy reforms of the last half century, such as the Public Utility Holding Company Act, school desegregation, Federal securities laws and automobile safety standards all took a decade or two of great effort by committed advocates before they became a reality. As Justice Arthur Vanderbilt of the New Jersey Supreme Court once wrote, "Reform is not for the short-winded."

The time to begin a campaign for progressive change is with Bush's inauguration—indeed because of it. No political philosophy worth its precepts should default because of a defeat, or defeats. After eight years of conservative Republican indictments, deceits, deficits, drugs and poverty, why should progressive Democrats be in any way apologetic? Because Dukakis flopped in the second debate and forgot to respond to the slandering of the liberal tradition? Instead, progressive Democrats need to advertise unapologetically their winning values in order to co-govern and to provide a foundation for this decade of transition.

So don't listen to Lee Atwater, now of the Republican National Committee, or Al From, of the Democratic Leadership Council. The progressive mainstream has a potent message, even if it currently lacks a presidential messenger.

THE AMERICAN FLAG

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mrs. MARTIN of Illinois. Mr. Speaker, like many Americans around our Nation I received with dismay news of the Supreme Court's recent decision stating, in effect, that the guarantees of free speech and expression provided under the first amendment of the Constitution extended to those who would purposefully desecrate the flag of the United States.

Recent events in China have reminded us in a most tragic and dramatic fashion of the preciousness of the freedoms of free speech and assembly which our Constitution grants us. The rights and protections granted us under the first amendment are fundamental to our democracy. For this reason I believe that the decision which the Court confronted was an especially difficult one. Yet, I believe that in this particular case the Court, reflecting its profound and well-placed respect for the first amendment, erred on the side of caution.

Consistent with this belief, I have today introduced a resolution which would amend the Constitution for the purpose of granting Congress the authority to enact legislation to protect the integrity and dignity of the flag of the United States. This amendment's impact on the first amendment would thus be most strictly limited.

The American flag stands throughout the world as the preeminent symbol of freedom and of Government's respect for human dignity. Through respect for our flag we express respect for the Constitution and for the democracy which it represents.

INTRODUCTION OF STRATOSPHERIC OZONE PROTECTION ACT OF 1989

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. BATES. Mr. Speaker, yesterday, I introduced the Stratospheric Ozone Protection Act of 1989.

This legislation comprehensively addresses the depleting stratospheric ozone layer, and has been long awaited in the House of Representatives. Both Republicans and Democrats have joined in cosponsoring this bill.

I would like to thank Chairman HENRY WAXMAN for his support and guidance in crafting this. In addition, I appreciate the support this bill has received by such Members as CLAUDINE SCHNEIDER, GERRY SIKORSKI, BILL RICHARDSON, and others too many to name at this time.

The Stratospheric Ozone Protection Act of 1989 phases out in reasonable fashion those chemicals which significantly contribute to the depleting stratospheric ozone layer, and provides both short-term and long-term strategies to assist in the phaseout schedule.

Recently, there has been much publicity about improving the Clean Air Act. Some 150 million Americans are currently exposed to unhealthy levels of ozone air pollution and/or carbon monoxide. However, every American, indeed every person living on this planet, is exposed to the health risks associated with the depleting ozone layer. The effects of continued ozone-depletion range from direct human health damage to indirect but potentially massive ecosystem disruptions.

The source of the problem is as close as your refrigerator, your automobile air conditioner, or the fast-food container you may have recently used. These everyday items release chlorofluorocarbons [CFCS], which float toward the paper-thin ozone layer. Halons, which may be found in fire extinguishers, react in similar fashion. Under the right conditions, CFCS and halons destroy the ozone layer.

As ozone is reduced in the upper atmosphere, the Earth receives more and more ultraviolet radiation. Increased ultraviolet radiation causes skin cancer and eye cataracts, depresses human immune systems, reduces crop yields, and disrupts ecosystems. Increased radiation also aggravates the smog and acid rain problems. Finally, ozone-destroying chemicals are known to increase global warming, which causes changes in climate, droughts, heat waves and a destructive rise in sea levels.

The EPA estimates that, given current depletion rates, the increased ultraviolet radiation will cause the following among Americans born before 2075:

Melanoma, which is a fatal form of skin cancer, will increase between 31,000 to 126,000 additional cases with 7,000 to 30,000 deaths.

Common skin cancers will increase from 3 to 5 million additional cases, with 52,000 to 252,000 deaths.

Eye cataracts will increase between 555,000 to 2.8 million additional cases.

Clearly what is needed is strong, immediate action. The Montreal Protocol's phaseout schedule, 50-percent reduction over 10 years, is a step in the right direction. But it will not reverse ozone depletion. In addition, carbon tetrachloride and methyl chloroform, two chemicals known to deplete the ozone layer, are not included in the protocol.

The United States, the world's largest producer and user of chemicals that destroy the stratospheric ozone layer, should lead this international effort by example. The comprehensive action required by this legislation would reestablish the United States as the world's leader in protecting the stratospheric ozone layer.

The President has proposed a 100-percent phaseout of these chemicals by the year 2000. However, this would mean that the peak ozone destruction would persist for another 50 years.

The Stratospheric Ozone Protection Act amends part B of the Clean Air Act. It will phaseout the nine most destructive ozone depleting chemicals, while encouraging the research, development and usage of less destructive chemicals.

Specifically, the Stratospheric Ozone Protection Act of 1989 puts the five most poisonous CFC chemicals, the three most dangerous halon chemicals, carbon tetrachloride, and methyl chloroform on a phaseout schedule that would immediately freeze production at 1986 levels, reduce production 50 percent by July 1, 1993, and prohibits production of these chemicals by July 1, 1996. The EPA can accelerate that schedule if it is determined that the ozone layer degradation is increasing or safe substitutes are available.

The legislation also places a limit on the growth of less destructive ozone depleting chemicals by requiring that total ozone depletion be reduced by July 1, 1997. This provision is important in controlling the amount of chlorine released into the atmosphere.

The legislation includes trade sanctions that can be used to leverage other countries and convince their governments to adopt phaseout programs similar to ours. The trade provisions are designed to ensure that U.S. industries will not be penalized by domestic unilateral action to eliminate CFCS and halons.

Also included in the legislation is a safe alternatives policy. The policy is designed to ensure that our efforts to ban ozone depleting chemicals do not lead to an increase in the use of substitute chemicals that harm human health and the environment. This policy is integral to a successful phaseout of ozone depleting chemicals, and compliments the ambitious phaseout schedule included in the bill.

Automobile air conditioners, which represent the largest end-use of CFCS nationwide and third largest use of CFCS worldwide, are also addressed in the Stratospheric Ozone Protec-

VOL 135 PT 9 JE 14 — 22 1989 UMI

tion Act. Two years after enactment, service station personnel, when servicing automobile air conditioners, must be trained in the proper use of approved refrigerent recycling equipment.

Finally, the legislation requires products containing CFCS or manufactured with CFCS to bear a public health warning label.

CFCS have been found to be a Dr. Jekyll-Mr. Hyde type of chemical. CFCS are widely used by industry and consumers because they are nontoxic, nonflammable, and score high on thermal energy absorption. However, we now know that CFCS have created a global environmental crisis, which may take years to remedy. This legislation is an excellent step in that direction.

THE SOCIAL SECURITY NOTCH

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ENGEL. Mr. Speaker, I rise today in support of H.R. 917, of which I am a cosponsor. This bill is designed to correct the Social Security notch problem, which causes people born between 1917 and 1921 to receive smaller Social Security payments than others. This is unfair. H.R. 917 is designed to correct the notch problem by providing a formula to increase benefits for these deserving senior citizens.

It is wrong for people who are born between 1917 and 1921 to be treated as second-class citizens. These are hard-working people who deserve to be treated with the same dignity and respect that we give to other persons who receive Social Security. I urge my colleagues to join me in fighting for the rights of these notch babies who have been denied benefits to which they are entitled.

The Social Security notch occurred in an effort to correct an error in the Social Security Amendments of 1972, which indexed Social Security benefits to the cost of living. When Congress originally passed this legislation, it intended Social Security recipients to receive 42 percent of their last year's wages.

A mistake in the benefit calculations caused the average payment benefit to increase to 55 percent of preretirement earnings by 1977. If this error had been allowed to continue, the Social Security trust fund would have run out of money because it would have been paying out more money than it was taking in.

The 1977 Social Security amendments sought to stabilize future payments by gradually lowering benefits by 6 to 10 percent over a 5-year period. Unfortunately, this legislation caused an abrupt change and resulted in people born between 1917 and 1921 often receiving over $100 less per month than those born in other years, despite identical work and wage histories.

I believe the notch has resulted in arbitrary benefit discrepancies which are unfair and jeopardize the integrity of the Social Security System. I urge the Ways and Means Committee to take action on H.R. 917 and to correct the Social Security notch. Let's help these people who were born between 1917 and 1921.

INTRODUCTION OF LEGISLATION TO PROPOSE A CONSTITUTIONAL AMENDMENT AGAINST DESECRATION OF THE AMERICAN FLAG

HON. JOHN J. RHODES III

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. RHODES. Mr. Speaker, today I am introducing a proposed amendment to the U.S. Constitution to undo the preposterous and tragic decision yesterday by five members of the U.S. Supreme Court in the case of Texas versus Johnson.

I am utterly shocked and disgusted by this decision which sanctions as an expression of free speech, the burning of the American flag. Millions have died for our flag. Millions, including myself, have served in our Armed Forces for the defense of our country and our flag.

In my opinion, desecrating the U.S. flag is desecrating all that America stands for. I find the Court's action absolutely unbelievable. The American flag is unique; it is our national symbol and it deserves unequaled protection. Now—and I truly find this incredible—the Government may not prohibit the public burning of the banner and symbol under which millions serve, have served, and have died.

This preposterous decision threatens the American flag as a symbol of our national unity. The decision is a slap in the face of all Americans, and must be corrected.

I ask all my colleagues to join in correcting this travesty of justice. Let us join together and quickly adopt a constitutional amendment and send it to the several States for ratification, to protect the sanctity of the American flag and provide for the punishment of those convicted of disgracing our most cherished national symbol.

A PRIVATE BILL FOR THE RELIEF OF MR. LONG SHENG YU

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. OWENS of Utah. Mr. Speaker, today I rise to introduce a bill for the private relief of Mr. Long Sheng Yu, a Chinese biomedical engineer employed by the University of Utah, and an integral participant in U.S. research into the development of the artificial heart. Mr. Yu is the primary assistant to Dr. Willem J. Kolff, the inventor of the artificial kidney, and they are currently pursuing exciting new avenues together into the production of a workable artificial heart.

I have previously requested a waiver from the 2-year foreign residence requirement of the Exchange Visitor Program, through the Department of Health and Human Services, which was unfortunately denied. Under the terms of his J-1 visa, he is now required to leave the United States for a period of 2 years before his visa can be renewed, at a time when the practical artificial heart he and Dr. Kolff have been developing seems closer than ever—and also at a time when events in China are in unpredictable turmoil. I am introducing this special bill before the House in an effort to keep this gifted and irreplaceable scientist at the university during this critical time in his and Dr. Kolff's research.

Mr. Yu is a remarkably innovative scientist, with a unique expertise in the specialized making and testing of elastometric heart valves. He is currently working with one of the most creative innovators of medical devices, Dr. Willem Kolff, on an NIH grant entitled "Small Artificial Hearts With Minimum Thrombosis: Bridge for Transplant."

Long Sheng Yu has proven himself to be an extraordinarily inventive and gifted engineer. His educational years took place during the period of the Cultural Revolution in China. He was lucky to even escape the Red Guards with his life, and thus does not possess some of the lofty academic credentials he would have otherwise had. But inventiveness is more a natural gift than the product of formal education, and Mr. Yu has received this in abundance. In the words of Dr. Kolff, "In my long experience, I have not had any engineer more gifted than Long Sheng Yu."

Despite the fact that Dr. Kolff's artificial kidney was initially greeted with skepticism, over a quarter of a million individuals have now benefited from this invention. Now, his emphasis is on the artificial heart and Mr. Yu is a crucial part of that effort—35,000 people in the United States need heart replacement, yet only 2,000 donor hearts are available; 33,000 people are effectively sentenced to death until some sort of artificial heart is available for at least a short-term alternative.

Mr. Yu brought one of his hearts and valves to my office and it is a truly astounding creation: small, pliable, soft, far removed from its cumbersome, heavy predecessors. Mr. Yu is the pivotal figure at this point in the research. His absence would devastate the program.

I urge my colleagues to join me in this effort to allow Dr. Kolff and Mr. Yu to finish their critically important work together. The bill I introduce today will grant Mr. Yu a waiver of the 2-year residence requirement so he can complete his work. I hope you will agree with me that this waiver is not only important to Mr. Yu, but to thousands of Americans who await the results of his research and endeavors.

PRIVATE ENTERPRISE FOR EASTERN EUROPE

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ROHRABACHER. Mr. Speaker, every once in a while an idea comes along that is new and important. One of my constituents,

Andrew Erdely of Cypress, has come up with one of these ideas.

Mr. Erdely, a Hungarian immigrant and freedom fighter, has proposed a way that Communist regimes can turn their economies from State-run, command economies into private enterprise, market-based economies. His idea is especially valuable at a time when economic liberalization appears possible in the Soviet Union and Eastern European nations.

The United States should enter into negotiations with the Soviet and Eastern European authorities, Mr. Erdely states, to facilitate the transfer of major East-Bloc industries to their employees. Restructured, privately owned employee corporations could then present stock offerings to Western investors. The employees would retain 51 percent of the ownership in any corporation, however, Western businessmen through stock purchases would infuse new capital for modernization into the newly formed East-Bloc corporations. The employees would thus own controlling interest in and run the new private companies, while Western businessmen would sit on the board of directors and provide deperately needed resources and expertise.

Under this scenario, investment from the West would be an impetus for fundamental change in the Communist system, a catalyst for progress. Mr. Erdely offers a politically and economically acceptable vehicle for the transition from communism to a free market economy while enabling employees to derive an ownership stake in the future of their own system.

Just as in our own economy, employee ownership can play a major role in giving employees a stake in the company for which they work, and a corresponding ability to determine their own economic destiny. Employee ownership is a method of extending the blessings of liberty and free enterprise to all people, everywhere.

INDIAN MUSEUM FOR ALL AMERICANS

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. CAMPBELL of Colorado. Mr. Speaker, last week I was joined by many of my distinguished colleagues in introducing a bill to establish the National Museum of the American Indian on The Mall.

As we all know, very soon this country will be celebrating the 500th anniversary of Columbus' landfall on this continent. Since that time, American Indian contributions to the development and success of our Nation have been numerous and indisputable.

As the new jewel in the crown of the Smithsonian, the National Museum of the American Indian will be ideally located for all the world to enjoy and appreciate as people learn about the first Americans, and their many accomplishments, both past and present.

Let me say that Indian people have a vision for the museum as a living memorial, not a dusty collection of artifacts. We envision the museum as not only an inspiring display of our ancestors' rich legacy, but as an opportunity for all Americans to experience the vibrant arts, cultures, and traditions that Indian people have kept alive for thousands of years.

It is my hope, indeed my dream, that the National Museum of the American Indian will enrich and enhance our shared experiences as Americans.

THE POST TRAUMATIC STRESS DISORDER SERVICES ACT OF 1989

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. GEJDENSON. Mr. Speaker, today I am joined by several of my esteemed colleagues in introducing the Post Traumatic Stress Disorder [PTSD] Services Act of 1989. You may have heard of this psychological illiness in connection with a Vietnam veteran who suffers an outburst and takes his or the life of another. It is unfortunate that these tragic incidents prevail in our image of the veteran. Most veterans who suffer from PTSD simply fail to live the normal lifestyle that we as individuals take for granted.

This legislation expands the Department of Veterans' Affairs [DVA] treatment services for PTSD. Specifically, this bill would direct the DVA to ensure that each State has not less that one PTSD treatment team at a Veterans' Administration medical facility. These teams would consist of at least one mental health professional who is trained in the diagnosis and treatment of PTSD. The DVA's own Special Committee on Post Traumatic Stress Disorder has stated that these teams are an effective means of treating this illness, and the DVA will soon complete the establishment of 23 treatment teams. But there are still many States and areas of the country where veterans must wait for months to get qualified treatment; this bill would mandate the VA to furnish additional teams and ensure that a veteran can at least go to the VA hospital in his home State and be ensured adequate treatment.

The DVA currently operates 16 specialized inpatient PTSD units for the treatment of this disorder. However, these facilities are considered an option of last resort for patients who are so seriously afflicted that intensive treatment is the only remedy. Additionally, access to these facilities is limited, sometimes by a 6-month waiting list, sometimes by their location, and sometimes by the fact that the condition of the applicant is not considered serious enough to dedicate the precious bedspace that so few facilities provide.

Additionally, this bill would direct the DVA to set forth standards for the treatment and diagnosis of PTSD and criteria for training, education, and evaluation of personnel who treat PTSD. The need for this legislation stems from the fact that there is a growing sensitivity and awareness in the mental health community of the prevalence of the disease. However, even highly trained health professionals may not recognize the illness, as PTSD victims display certain symptoms which are common to other mental illnesses such as schizophrenia, anxiety, and other neuroses.

PTSD is not a new illness. After World War II we called it shellshock or battle fatigue. Tragically enough, many World War II veterans are still suffering psychological effects from the war. A DVA survey showed that more than 20 percent of the PTSD visits to DVA outpatient facilities were by veterans of World War II. So it is not new, it is just gaining recognition as a unique illness which requires specific treatment.

In 1980 the American Psychiatric Association included PTSD in its diagnostic and statistical manual, thereby giving it recognition by the medical establishment. Unfortunately, the VA has been dragging its feet in setting up treatment for this illness. I find it discouraging that so many veterans do not have access to treatment for a service-connected illness that currently afflicts almost 480,000 Vietnam veterans. This legislation would ensure a minimum standard of quality and availability for veterans who seek treatment for PTSD.

UNITED JEWISH APPEAL-FEDERATION PAY TRIBUTE TO HERBERT SINGER

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. GREEN. Mr. Speaker, I rise today to acknowledge with pride the dedication of the Herbert M. Singer room at the United Jewish Appeal-Federation headquarters. The dedication of the conference room was held at the annual meeting of the UJA-Federation Council of Overseers on June 7.

Mr. Singer is one of the most renowned leaders in the New York Jewish community. I am pleased to have this opportunity to honor a man who has made such extraordinary contributions to the work of UJA-Federation and whose life exemplifies the highest of Jewish ideals.

Mr. Singer is a member of the UJA-Federation Board of Directors and the Council of Overseers. Prior to 1986, he served as a member of the Board of Directors of the United Jewish Appeal of Greater New York, as well as the vice president of the Federation of Jewish Philanthropies. He was the founding president, in 1972, of the Jewish Communal Fund of New York, and remained its president until 1987. Mr. Singer is also president emeritus of the Beth Israel Medical Center, where he continues to serve as a trustee, and is chairman emeritus of the Board of the American Jewish Joint Distribution Committee.

VOL 135 PT 9 JE 14 — 22 1989 UMI

I join with the UJA-Federation in paying tribute to Herbert Singer for more than 30 years of communal service. Mr. Singer is a truly outstanding citizen and entirely worthy of our commendation and respect.

A CONGRESSIONAL SALUTE TO THE HONORABLE ROBERT G. CORMACK, MAYOR OF DOWNEY, CA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ANDERSON. Mr. Speaker, it gives me great pleasure today to rise and pay tribute to Robert Cormack, a constituent and friend of mine, who in just a few days will conclude his tenure as mayor of the city of Downey, CA.

Bob has lived in Downey nearly all of his life. He began his public service back in 1971, on the board of education for the Downey Unified School District. He served on the board for 9 years. And in addition to his school board responsibilities, and actually as an outgrowth of them, Bob earned an appointment to the U.S. Department of Agriculture's Council on Child Nutrition, and served from 1974 until 1977.

After his career in education, Bob set his sights on a city council seat, and was first elected in 1980 to represent Downey District Three. Having been elected by his constituents a total of four times, most recently in June of 1988, Bob is now concluding his second term as mayor.

In addition to his council duties, Bob has worked on such committees as the Southern California Association of Government's Energy and Environment Committee, the League of California Cities' Environmental Quality Committee, and as a director of the Commerce Refuse-to-Energy Joint Powers Authority. His involvement bears testimony to the many ways in which Bob has served the citizens of his community.

Bob enjoys a private life as well. As a businessman, he is familiar to anyone who has had dealings with Delta Systems, Inc., located in nearby Santa Fe Springs. Others may know his wife of 50 years, Louise, or their three sons. And when he can get away, Bob enjoys spending some of his precious free time tending to his 100-acre farm to the north, in Roseville, CA. But back home, as almost a lifelong resident of Downey, a good many people know Bob Cormack and his family as neighbors. However they may know him, the people of Downey have a good friend in Bob Cormack, and we are all happy that he is a part of our community.

Mr. Speaker, my wife Lee joins me in extending our most sincere thanks and congratulations to Mayor Robert Cormack, for his years of dedication and commitment to the citizens of Downey. We also wish Bob, his wife Louise, and their children, Robert, Harold, and Steven all the best in the years to come.

HONORING HERBERT M. SUSSMAN, PRESIDENT, RIO HONDO COMMUNITY COLLEGE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. TORRES. Mr. Speaker, I rise today to recognize Mr. Herbert M. Sussman, president of Rio Hondo Community College. He will be honored at a special farewell dinner on Tuesday, June 27, 1989.

For the past 7 years, Herb Sussman has served as superintendent/president of Rio Hondo Community College in Whittier, CA. President Sussman has provided leadership to the growing community college that serves many residents of my congressional district. Under his tenure, the college has developed several programs to address the growing demographic changes in southern California and the Pacific Rim. He has also helped to develop a strong community involvement program at the college to help make the campus more accessible to students and the community.

I use the Rio Hondo College campus to conduct my annual "Business Expo," a procurement conference for small business in my district. I have also participated in several class lectures at the college and have enjoyed an excellent relationship with President Sussman and his staff.

President Sussman has also been active with the following organizations: The Rotary Club of Whittier; Rio Hondo Symphony Association; the Whittier Area Chamber of Commerce; and, with the California Association of Community Colleges. Most recently, he served on the Congressional Award Council for the 34th District, which I formed to honor youth volunteerism in my district.

Earlier this year, President Sussman received a National Leadership Award at the 69th annual convention of the American Association of Community and Junior Colleges. He received his award in Washington, DC, from First Lady Barbara Bush at the convention.

Mr. Speaker, I ask my colleagues to join me in congratulating Herb Sussman for his outstanding contributions to the community college concept and for his work as president of Rio Hondo Community College.

INNOVATIVE HELP FOR ALZHEIMER'S PATIENTS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. FRANK. Mr. Speaker, I want to take this opportunity to extend much deserved recognition to an innovative program which has helped Alzheimer's disease patients and their families. I would also like to recognize the contributions of the people who have made this program a success.

In this program, which was developed by Gamal Zaki executive director of the Alzheimer's Disease Crisis Intervention Center in Pawtucket, RI, and Bill Connelly, director of scientific affairs for Sandoz Pharmaceuticals Corp. trained volunteers provide animal-assisted therapy for patients with Alzheimer's disease. This method of therapy has proven helpful in improving the quality of life for many Alzheimer's patients.

The program has received notice nationwide, and much of the attention is the result of the efforts of Betsey Douglas MacDonald, of Westport, Ma, who has developed a coloring book entitled "Helping Grandma" to educate children about Alzheimer's disease. The coloring book features Jeff, a dog which is the mascot of the Alzheimer's disease and Related Disorders Association, and shows how families can come to terms with this disease with the help of pets. In addition to creating this sensitive book, Ms. MacDonald has also been very generous with her time by visiting many schools and teaching children about Alzheimer's disease.

I would like to include in today's CONGRESSIONAL RECORD an article from the Fall River Herald News which provides additional information about the program and Ms. MacDonald's efforts.

[From the Fall River Herald News, Sept. 25, 1988]

WESTPORTER CREATES COLORING BOOK ON ALZHEIMER'S DISEASE

(By Carol Lee Costa-Crowell)

Betsey MacDonald met Jeff and spent the entire summer drawing.

A line here, a line there, and pretty soon a 24-page coloring book evolved. And Jeff plays a crucial role in it.

Jeff, a mongrel dog, is the mascot for the Alzheimer's Disease and Related Disorders Association.

MacDonald, a Westport resident, and Westport High School science and art teacher was recruited to design a coloring book to be used by the Bloomington, Ind., school system and mental health clinic. Its purpose is to help children and adults understand the devasting effects of Alzheimer's disease.

Jeff was adopted from an animal shelter, and the Alzheimer's Disease Crisis Intervention Center in Providence realized he could give love and attention to an Alzheimer's victim. It was the first clinic in the nation to develop and practice intervention therapies for all cognitive disorders. Researchers there have noted that even patients in the most advanced stages of Alzheimer's have responded positively to animals.

Summertime is usually when MacDonald dabbles with her oils. "I never did get to paint. But, the coloring book was worth it," the petite blonde said. The project brought together two of her favorite subjects, drawing and animals.

"It's about human and animal bonding. It's about Alzheimer's. It's about love," MacDonald said.

MacDonald was recruited by William F. Connelly, a summer resident of Westport, and the director of scientific and external affairs for Sandoz Pharmaceuticals Corp. The coloring book was the brainchild of that company which sees pets, especially dogs, as invaluable in helping victims of Alzheimer's disease. Four years agao Sandoz began a campaign to educate the public about this problem of aging.

"Bill has seen my paintings. He knows I love animals. He knew I was a teacher and

that I was interested in science. It was a natural," she said.

The coloring book will be released Oct. 6 and 7 in Bloomingdale. She hopes to be there for the event. "I'd love to hand it out to the kids. It's great public relations for the town. It will give Westport some recognition," she said.

MacDonald said she reviewed a videocassette of a movie "There Were Times, Dear" produced by Sandoz, Lilac Productions and S.C.ETV. "It was pretty powerful stuff, pretty depressing. It's awful. It's a terrible thing to watch, especially for a spouse," she said. The movie was an education, and she found she read up a lot on Alzheimer's Disease. Then Sandoz sent her a script for the coloring book.

"It was pretty tough trying to come up with something visual to portray this disease," she said. In the book she has a boy and a girl. "You can't really tell their age. They love their grandmother. They are very close to her, and then she starts to behave in a strange manner," MacDonald said.

From there the children notice she losses things, she forgets things, she gets lost when she takes them for ice cream. They worry a lot about her. The their parents get involved and make the decision to take the woman to the doctor.

"The book tries to educate people. It tries to explain what a family can do in this situation," MacDonald said. One particular page that gave her difficulty was trying to portray making the decision to put grandmother into a nursing home.

"I though about it for quite some time. Then I just drew a bedroom scene with the mother and father and the two children. They were sitting on the bed discussing it. It seemed to work," she said.

For the grandmother, MacDonald used her own mother for the model. "We all wanted to get away from the stereotype grandmother. We wanted someone youthful, someone vital, someone competent because this disease strikes people in their middle age," she said.

Alzheimer's will strike one member out of each five families. The symptoms initially are similar to other diseases. People get forgetful; they get confused; they have recent memory loss, she said.

MacDonald said the curriculum coordinator for the Westport elementary school system has expressed an interest in using the coloring book. "That would be wonderful. Not only are we teaching the young children about this disease, they bring the book home to mom and dad and they, too, become educated," MacDonald said.

Her love for animals is apparent to any of her Main Road neighbors. "I have several horses, some goats, several cats and dogs. When I walk down Main Road I take a lot of ribbing. People yell out the window E-I-E-I-O. But I love animals," she said.

"And I think it's a wonderful idea matching dogs who might be put to sleep up with these Alzheimer's victims. A dog is all love, and these people need that love and attention. They have recent memory loss, but they can remember when they had a dog when they were kids. It's a wonderful, beautiful thing matching dogs like Jeff up with the elderly. And that's why I'm glad I'm part of the project."

PROTECT OUR FLAG

HON. ELIZABETH J. PATTERSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mrs. PATTERSON. Mr. Speaker, I rise today in amazement at the decision of the U.S. Supreme Court yesterday in the case of Johnson verses Texas. It is incredible that the majority decided that both Houses of the Congress and the duly elected legislatures of 48 States acted unconstitutionally when they enacted laws against the desecration of the American flag.

As Justice Stevens pointed out in the dissent, we would not allow someone to spray paint a message across the facade of the Lincoln Memorial. Why can't we protect the flag against desecration? The reasoning of the majority is simply not persuasive.

Mr. Speaker, symbols are important in our society—some more so than others. But, there is no more potent symbol in this Nation than our flag. It deserves our reverence and our protection.

CELEBRATING THE 100TH ANNIVERSARY OF THE NALC

HON. JIM BUNNING

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. BUNNING. Mr. Speaker, I rise today to recognize the 100th anniversary of the National Association of Letter Carriers. About 60 letter carriers traveled from 18 States to Milwaukee, WI, in late August 1889, and on August 30, 1889 a resolution was passed to form the National Association of Letter Carriers.

Today the NALC has a membership of 315,000, covering all 50 states and other U.S. jurisdictions. There are over 1,800 letter carriers in Kentucky.

To commemorate the 100th anniversary of this organization, a 3- by 5-foot envelope was mailed from Postal Service headquarters in Washington, DC, on March 2, 1989. During a 5-month period, this envelope will travel 37,654 miles to all 50 States and Puerto Rico, with a ceremony being held in each State, and the envelope being postmarked with a special cancellation. At journey's end, it will contain 51 pictorial cancellations and will represent the commitment of letter carriers to provide effective mail delivery to all corners of our great Nation.

The ceremony for letter carriers in Kentucky is being held Tuesday, June 27, 1989, at the Main Post Office in Louisville, KY.

I invite my colleagues to join me today in expressing appreciation and gratitude to the letter carriers of the U.S. Postal Service, who provide an invaluable contribution to communication in our country.

TRIBUTE TO JESS W. SWEETSER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MICHEL. Mr. Speaker, I would like to take this opportunity to honor Mr. Jess W. Sweetser who died at the age of 87 at his home in Bethesda, MD, late last month. Jess was one of the last of the great amateur golf champions of the Bob Jones era.

While a student at Yale University Jess Sweetser suffered an athletic injury which necessitated his concentration on the game of golf. He won the National Intercollegiate Individual championship in 1920 and the U.S. Golf Association's Amateur championship in 1922 while a member of Yale University's golf team. In 1926 he displayed uncommon courage and determination while competing in the British Amateur championship in chilly Scottish weather with a cold which then developed into the flu and ultimately tuberculosis. He won this tournament becoming the first American-born golfer to do so and immediately went on to successfully compete in two more matches as a member of the Walker Cup team at St. Andrews. The cost to his health, however, was considerable, and it took him more than a year to fully recover.

A friend and fellow competitor of the legendary Bob Jones, Jess Sweetser arranged for Jones to refine his golf game—in preparation for the 1930 U.S. Amateur championship—in the relative seclusion of the Pine Valley Golf Club in New Jersey. Jess narrowly lost out to Jones in the semi-finals, and Jones went on to win his now-famous Grand Slam.

A member of the Walker Cup team six times, Jess Sweetser also served as treasurer and executive committee member of the U.S. Golf Association. He was honored in 1986 as a recipient of the association's Bob Jones Award, and in the intervening years remained actively involved in national and international efforts to promote and enhance the sport of golf.

During his 46-year marriage to his late first wife, Nan Lewis Sweetser, Jess worked as a stockbroker in New York City and enventually moved to the Washington area where he worked for the Curtiss-Wright Aircraft Co., the Glenn L. Martin Aircraft Co., and ultimately retired in 1967 from his position as a vice president of the Martin Marietta Corp.

Jess was a member of Burning Tree Golf Club. We loved him as no other for the many contributions he made to the game of golf and his camaraderie in the 19th hole.

Jess is survived by his widow, Virginia Lee Sweetser, his daughter Nan Dodds, and sons Jess, Jr. and Charles. In extending our sympathies to them, we want them to know that we have all felt privileged to know their husband and father. He was a real gem of a fellow, and our club has suffered immeasurable loss.

VOL 135 PT 9 JE 14 — 22 1989 UMI

TRIBUTE TO SAINT ROSE SCHOOL OF GIRARD, OH

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Saint Rose School of Girard, OH on the occasion of their 75th anniversary on August 27, 1989.

Saint Rose School opened it doors for classes for the first time on January 5, 1914. The Ursuline Sisters staffed for four classroom school with Sister Margarget Mary McCabe serving as the first principal. During the first year, the Saint Rose School saw eight graduates move on to further their excellent education.

Tradition still plays a large role at Saint Rose School. This can be seen by the continued staffing of the school by Ursuline Sisters for the past 75 years. In 1956, a new building was constructed to meet the needs of the ever growing student body. Today, 20 lay teachers instruct over 380 students enrolled in grades kindergarten through eighth.

Mr. Speaker, the Saint Rose School is providing a superior Catholic Christian education for my 17th Congressional District of Ohio. I would like to congratulate Saint Rose School on their 75th anniversary celebration. It is an honor to represent such a fine institution and I wish the students and faculty continued success in the coming years.

SURPRISING STANCES TAKEN BY JAMAICAN PRIME MINISTER

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. RICHARDSON. Mr. Speaker, like many other Members of Congress, I have been pleasantly surprised at the Jamaican Prime Minister's new moderate and constructive stances on foreign investment, drugs, economics, and foreign policy. Perhaps he is getting some good advice. I ask unanimous consent that the attached articles be inserted in the RECORD.

[From the Washington Post, June 10, 1989]

JAMAICAN URGES ANTI-DRUG FORCE—PRIME MINISTER ENDORSES CONCEPT OF MULTILATERAL PARAMILITARY ACTION

(By Michael Isikoff)

Jamaican Prime Minister Michael Manley, saying that criminal drug cartels are a global threat that may be "without precedent," yesterday proposed an international anti-narcotics force that could interdict drugs, eradicate crops and mount paramilitary-style attacks against traffickers.

Manley's proposal is believed to be the first time a Western Hemisphere leader outside of the United States has endorsed the concept of multilateral paramilitary action against drug traffickers. A similar idea has been endorsed by members of Congress and U.S. officials but has been stoutly resisted by most Latin American leaders.

"The more we look at this, the more we are convinced you are dealing with a level of international criminal organization that is probably without precedent," Manley said at a news conference here yesterday. "Those who manipulate production, transportation, distribution and marketing operate in a global framework. . . . They can target what [country] they want."

As one example, Manley said, the Colombian drug cartels have determined that the U.S. cocaine market is saturated, so "they are probing England, . . . they are probing Western Europe with cocaine because that's the new target of opportunity."

As a result, Manley said, the only effective solution is international action—a multilateral force, similar to the U.N. peacekeeping force, that could be mobilized quickly at the invitation of foreign leaders.

"It could help Colombia: Colombia might be able to call it in," Manley said. "Maybe [Peruvian President Alan] Garcia could call it in to deal with the [Shining Path guerrillas] in Peru. Right now, the Peruvian Army is not defeating the Shining Path.

"Certainly, if I had the kind of problem in Jamaica that I see Colombia facing or Peru facing right now, I would feel very good to know that I could raise a hand and say, 'Please, please, come help me. I need some forces to come and rub [out] those people up in the mountains or wherever they may be,' " he said.

Moreover, Manley said that by operating under the umbrella of the United Nations or some other international body, such a force would be less likely to arouse nationalist sentiments that have confronted some U.S. anti-drug actions in foreign countries.

"You would sidestep every one of those problems if an American helicopter pilot or a French or a British came under some kind of interntional sponsorship, " he said. "It gets that problem out of the way."

Manley said he is beginning to work out the details of his plan and intends to explore it when he meets with European leaders next week. At a minimum, he said, he plans to push it within the British Commonwealth, the United Nations and possibly the Organization of American States.

A State Department spokesman said late yesterday that he could not comment on the plan. But one anti-drug expert called it a potential breakthrough.

"This is fairly dramatic in terms of past policy," said Raphael Perl, anti-narcotics expert with the Congressional Research Service. "This is the first really concrete commitment to a regional law enforcement solution other than just vague talk."

Manley, who once had testy relations with the United States because of his close ties to Cuba's Fidel Castro, has emphasized closer cooperation with the Bush administration, particularly on the drug issue, since he took office for the second time last February.

One reason is that Jamaica, which has long a been a marijuana capital, has been suffering from a mounting cocaine-abuse problem driven in part by the increasing use of the country as a transshipment point by Colombian drug cartels smuggling into the United States.

"I don't fight drugs in Jamaica because the State Department tells me to," Manley said. "I fight drugs because I want to save my country."

[From the Financial Times, June 15, 1989]

MANLEY TURNS INTO A MODEL SOCIAL DEMOCRAT—JAMAICA'S PREMIER IS SHOWING MORE MODERATION THAN IN THE 1970'S

(By Canute James)

When Mrs. Margaret Thatcher ends her meeting with Mr. Michael Manley, the Prime Minister of Jamaica, at Downing Street tommorrow the British premier is likely to conclude that thier philosophical differences are fewer than she might have expected.

Since taking office after an election in February, Mr. Manley has displayed a level of equanimity and moderation far removed from his earlier term in the 1970s. Then, driven by a strident left wing, Mr. Manley's administration gave itself over to bombast and ideological sabre-rattling while the economy, hit by high oil prices and low demand for bauxite, the main export, declined rapidly.

After replacing Mr. Edward Seaga, the conservative who became prime minister in 1980, Mr. Manley's People's National Party appears to have moved right to social democrat principles on which it was founded 50 years ago. The change of government has been unusually seamless for Jamaica.

According to Mr. Seymour Mullings, the Finance Minister, the Government intends to continue those of Mr. Seaga's policies which worked, and to change those which have not.

Consequently, Mrs. Thatcher will find that Mr. Manley shares her outlook on some aspects of economic management. Mr. Manley is continuing Mr. Seaga's programme of reducing the role of government in the economy through the divestment of state companies and is increasing the incentives for the private business sector to expand, creating jobs to reduce the island's 21 per cent unemployment rate and to lift exports.

Both Mr. Manley and Mrs. Thatcher, however, are likely to agree to disagree on some issues, including South Africa. Mr. Manley shares the belief of many of his Commonwealth colleagues that more economic pressure from the industrialised countries is a necessary tool for eventual social and political change in Pretoria.

Mr. Seaga appears not to be particularly impressed with the direction of his successor's policies. "There is a clear pre-occupation with form rather than with substance," the former prime minister contends. "There is also a preoccupation with sending signals, all of which appear to be mixed."

If Mr. Manley is preoccupied on his current visit to Europe (he will be seeing the prime minister of France, Spain, Norway and Sweden in addition to Mrs. Thatcher) it will be with the state of the island's economy. Recent growth after a decade of stagnation was dampened last September when hurricane Gilbert scored a direct hit on the island.

Gilbert's ghost still haunts the economy, which was running at a rate of 5 per cent last year but which now appears to have expanded by less than 1 per cent. "The effects of the storm are clear in the effect it had on agriculture," says Mr. Mullings. "The decline in the rate of growth of the economy is due the storm."

The economy could not meet performance targets agreed with the International Monetary Fund under a stand-by credit agreement. Mr. Mullings says a new pact has been concluded with the Fund but suggests there will be no fundamental changes in

economic policy. He discounts recent suggestions of a currency devaluation, always a politically unpopular measure in Jamaica. The island's currency was devalued by 70 per cent between 1983 and 1986.

While there are indications that three of the four pillars of the economy—tourism, bauxite mining and refining and manufacturing—will grow this year, agriculture needs time to get over the devastation caused by the storm. Mr. Mullings has predicted growth of 4 per cent this year.

But Mr. Manley is likely to be troubled by the demands placed on the economy in servicing the foreign debt of $4.5bn (£3bn) which is just over half the island's Gross Domestic Product. Repayment obligations represent 41 per cent of the Government's projected expenditure for this year, says Mr. Mullings, and 39 per cent of earnings from exports of goods and services.

Government officials say the prime minister's visit to Europe is not in search of financial assistance "although economic programmes will be discussed." He has already visited Washington and spoken with President Bush, apparently forestalling any repeat of the strained relations with the US in the 1970s.

Mr. Manley, however, appears to be treading carefully in implementing his promise to reopen the diplomatic ties with neighbouring Cuba which were cut by Mr. Seaga in 1981. "The Government does not want to appear to be in a hurry to restore ties with Cuba because this could be misinterpreted by those who are looking for something to hit us with," explained a foreign official. "Diplomatic relations with Cuba will be restored but in due course."

In the four months since it took office, Mr. Manley's administration has had mixed reviews. Mr. Seaga says that although the storm damaged the economy, the decline in growth is the result of the Government's "inability to manage a market system economy" in the first few weeks. "It takes only a second to let go of the wheel of car to crash it," the opposition leader says.

Mr. Manley will be more encouraged by the reaction of the private sector. "The Government's effort at continuity is a good thing," says Mr. Delroy Lindsay, executive director of the Private Sector Organization of Jamaica. "Some of Mr. Seaga's policies were good but he did not go far enough. Mr. Manley is prepared to go further in deregulating the economy and making the private sector the engine of growth."

Mr. Paul Chen-Young, one of the island's leading bankers, said the new government "has made a deliberate attempt to cultivate the confidence of the business sector".

But the more moderate face of Mr. Manley's new administration rankles with some former party members. "The election has given us a change which is neither of form nor substance," suggested a former member of the People's National Party's left wing which was put to the sword in the early 1980s.

LIBRARY SERVICES AND CONSTRUCTION ACT

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. WILLIAMS. Mr. Speaker, I am pleased to introduce today legislation to reauthorize the Library Services and Construction Act. LSCA was the first, and continues to be the largest, Federal program of assistance specifically for public libraries. The act is designed to assist libraries in extending and improving services, to provide some support for library construction and renovation, to promote sharing of resources among libraries, to improve services to Native Americans and to support library literacy programs.

The House began the important process of rewriting the Library Services and Construction Act with a hearing at the Flathead County Library in Kalispell, MT, in March. On April 11, "Library Awareness Day", a joint hearing was held by the House Subcommittee on Postsecondary Education and the Senate Subcommittee on Education, Arts, and the Humanities to further discuss the merits of the act. And while the witnesses offered some recommendations as to how this program might be improved, the general sense of the library community was that the Congress should await the outcome of the White House Conference on Libraries before making significant changes in the Library Services and Construction Act.

This conference, to be held no later than September 1991, will be preceded by hundreds of State and local meetings of librarians and library patrons to discuss the future needs of public libraries. The recommendations generated by the State and local meetings will be considered by the delegates at the White House conference and will be included in a report to the President and the Congress on the conference.

As a result of our hearing process, the legislation that I introduce today is a simple reauthorization, amending only the Library Services and Construction Act. This legislation makes technical corrections to the act, as requested by the Department of Education and the library community. It broadens the act to encourage the use of new technologies to improve library services. And, it provides public libraries with the opportunity to become more involved with preservation and literacy efforts.

The Library Services and Construction Act Amendments of 1989 enjoys bipartisan support, including a majority of the members of the Subcommittee on Postsecondary Education. I invite my colleagues to join me in support of this important legislation.

SMALL ISSUE DEVELOPMENT BOND PROGRAM

HON. CHARLES HATCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. HATCHER. Mr. Speaker, today I am introducing a resolution calling for a 1-year extension of the Small Issue Development Bond [SIDB] Program. I believe that this program is the most effective Federal tool for assisting economic development efforts at the local level. State and local governments issue these tax-exempt bonds, and they are used to finance the construction of new manufacturing plants or expand existing businesses. Small issue bonds enable small- and medium-size businesses to obtain capital at rates competitive with those charged to large corporations.

This week our colleagues on the ways and means committee are beginning their consideration of 1989 tax legislation as part of the budget agreement for fiscal year 1990. It is imperative that extension of this expiring tax provision be included in any tax legislation this year. Of all tax provisions expiring at the end of 1989, the small issue development bond program is the least expensive. Extension of this program represents a Federal revenue loss of only $7 million during fiscal year 1990.

Mr. Speaker, we have seen many economic development programs eliminated or severely curtailed in recent years. The SIDB Program is a cost-effective means for stimulating job creation and economic growth in both rural and urban areas. Over 45 of my colleagues in both parties have joined me as original co-sponsors of this resolution, and I ask for the support of the rest of my colleagues in my effort to see an extension of this program included in 1989 tax legislation.

KOREAN WAR REMEMBRANCE

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. HAMMERSCHMIDT. Mr. Speaker, yesterday, I introduced House Joint Resolution 299, which would designate the week of July 24 to July 30, 1989 as the National Week of Recognition and Remembrance for those who served in the Korean war.

Over 5 million servicemen and women served in this conflict. They stood to stop the spread of communism and provided the setting wherein the Republic of Korea has prospered. One only has to remember scenes from the 1988 Olympics to notice how far this nation has come in the last three decades.

Each year the Korean War Veterans Association meets during the last week in July to remember those brothers-in-arms with whom they served. On July 27, 1989, the association will hold its annual service in the amphitheater at Arlington Cemetery and all congressional Members are invited. The association will also hear a march dedicated to the Korean war

VOL 135 PT 9 JE 14 22 1989 UMI

veterans by Gary Burke entitled "The Mighty Men of Valor."

Last year Congress passed a resolution honoring those who served in the Korean conflict. This year the Senate has already acted once again. I would ask my colleagues to join with me in sponsoring House Joint Resolution 299, to remember and recognize the achievement of those men and women who served this Nation in the Korean war.

CHINESE FOREIGN STUDENTS AND EXCHANGE VISITORS RELIEF ACT OF 1989

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. GUNDERSON. Mr. Speaker, in response to the Chinese Government's brutal massacre of thousands of students and citizens in Beijing who were peacefully demonstrating to demand democracy, I am introducing a bill today that would allow Chinese foreign students and exchange visitors immediately to apply for, and, if otherwise eligible, to receive permanent resident status in our country.

This bill is identical to a bill introduced June 20, 1989, by Senator SLADE GORTON. Although President Bush and Attorney General Thornburgh have taken initial steps to ensure the temporary safety of the Chinese students here by allowing for sympathetic review of visa extension requests and suspending until June 5, 1990, deportation of any Chinese national in the United States, this bill would allow Chinese students and exchange visitors to remain as residents. It is important to note that this will provide initiatives to the current Chinese leaders to take steps to encourage rather than to try to force these individuals to return.

The majority of Chinese students have expressed their desire to return home if conditions permit. They want to contribute their talents to the economic and political modernization of China. However, this legislation would allow students the option to return to their country or to make new lives in the United States. We should welcome the Chinese students and exchange visitors who choose to live in a country where democracy and freedom exist.

Mr. Speaker, I ask unanimous consent that the entire text of the bill I am introducing today be printed in the RECORD at the conclusion of my remarks.

IN CONDEMNATION OF THE REPRESSION OF THE CHINESE DEMOCRATIC MOVEMENT BY THE GOVERNMENT OF CHINA

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. LOWERY of California. Mr. Speaker, last Thursday three men accused of setting fire to a train during a protest in Shanghai were sentenced to death. Today they were executed. The three men were part of a civil disobedience campaign to halt public transportation in protest of the bloody suppression of prodemocracy demonstrators in Beijing. They resorted to attacking the train only after it plowed through a crowd blocking the tracks, killing six peaceful protesters. Since then, more protesters have been sentenced to death.

I, like most Americans, was shocked by the repressive action of the Chinese Government in Beijing on the night of June 3–4. We are dismayed that the Chinese Government has allowed this reactionary, state-sponsored violence to continue unabated.

Furthermore, the Chinese Government has compounded its crime by maligning the peaceful and nonviolent democratic movement as the instigator of the bloodshed.

Mr. Speaker, Chinese courts are merely dispensing death, not justice. Death sentences for those who participated in the democratic demonstrations must end. The Chinese Government must find a way to address the demands of a genuine and broadly supported democratic movement with something other than a policy of extermination.

AMENDMENT WOULD LOWER COST OF IMPEACHMENT

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. KLECZKA. Mr. Speaker, we in the House breathed a sigh of relief when Judge Nixon was impeached. No more time consuming impeachments we thought. Well, we were wrong. Here we go again. Last week a U.S. district judge in San Jose, Judge Robert Aguilar, was indicted on racketeering charges.

The indictment of Judge Aguilar raises the specter of another lengthy impeachment. As you remember, in 1986 Judge Harry Claiborne was impeached and the impeachments of Judge Hastings and Judge Nixon are awaiting action by the full Senate. The Congress' experience working on these cases shows that the impeachment process is costly, time consuming, and ineffective.

These three impeachments have cost in the neighborhood of $3 million and the investigation of Judge Hastings began almost 5 years ago. It takes longer to remove a simple district judge than it does to impeach a President.

I believe we can find a way to remove judges which frees the Congress from this onerous responsibility while still protecting the bedrock of our civil liberties, our independent judiciary. Today I am introducing a constitutional amendment to give the Congress the authority to establish a new removal system, and I encourage my colleagues to cosponsor this legislation.

HONORING THE FIFTIETH ANNIVERSARY OF DUNOLLY GARDENS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to one of the truly outstanding apartment complexes in all of Queens County, NY, the Dunolly Gardens. On Sunday, June 25, a celebration will be held to honor 50 glorious years of apartment living at this magnificent complex.

Fifty years ago this spring, Dunolly Gardens was dedicated with great ceremony as "the first affordable garden apartment complex for tenants in Queens." Mayor Fiorello LaGuardia was on hand to plant the ceremonial first tree, which stands proudly today in the complex garden. Bagpipers led a parade of dignitaries through the streets of Queens. Politicians and businessmen hailed Dunolly Gardens as the "last word in garden apartment housing." On Sunday, June 25, the new co-op owners and existing tenants will reenact that event with the 1989 version of dignitaries.

Over the years, Dunolly Gardens, like Queens County, has seen many changes. But in a day of gigantic, sometimes impersonal high-rise apartments, Dunolly Gardens has maintained its original charm and splendor. The complex has also kept its commitment toward affordable housing, which is especially remarkable considering the extremely high price of apartment living in the surrounding area.

Mr. Speaker, throughout New York City, apartment complexes come and go, but Dunolly Gardens is still thriving today. It is rare to find a complex where there has been a shared love for the integrity and living environment by both tenants and the management. I ask all of my colleagues in the U.S. House of Representatives to congratulate the tenants and management at Dunolly Gardens and praise the efforts of Audrey Mackey and Jan Jaffe for organizing the 50th anniversary celebration. With continued determination and foresight, the Dunolly Gardens apartment complex will be able to prosper well into the 21st century.

"NO" TO THE S&L BAILOUT

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MACHTLEY. Mr. Speaker, on June 15, I voted against H.R. 1278, the thrift bailout bill. I voted no for a number of important reasons.

My greatest concern is that taxpayers have been asked to shoulder a dizzying and uncertain share of the savings and loan bailout. Administration estimates have set the 10-year cost to the taxpayers at $39.9 billion—or approximately $1,000 a year per taxpayer. However, other indications point toward an ultimate cost for the bailout exceeding this estimate by 8 times!

While I understand the immediate need to provide funds to restore the integrity of the thrift industry, I think it is important to be honest with the people of my State about the potential costs of the bailout, and I think it is necessary to seek safeguards to limit the future costs to the taxpayer.

When the cost for restoring the thrift industry balloons to $3,000, $5,000, or more per taxpayer, will it be fair to those individuals who supported the bailout with the trust that only $1,000 of their taxes would be diverted in the process?

The taxpayers in my State of Rhode Island created zero of the need for this major fiscal overhaul. The taxpayers of 33 other States and the District of Columbia incurred zero of the cost of this bailout. Yet Rhode Islanders, and taxpayers in every city and town across the United States, are paying a share of the cleanup.

To add insult to injury, while the grand majority of FSLIC expenditures during 1988 went to pay for problems created by high risk, ill supervised State-chartered thrifts in Texas and California, the Northeast-Midwest States carrying less than 10 percent of the blame foot an unfair burden of the bill by paying almost half of the Nation's taxes.

In addition, the thrift bailout bill before the House did not successfully secure more aggressive enforcement of the penalties, both civil and criminal, against the individuals who abused their fiduciary authority.

Recent Washington Post articles tell of unconscionable acts of greed and excess by a select few Texas executives. Donald Dixon, of Vernon Savings & Loan paid himself with a hunting club and three beach houses where he and his wife ran up tabs of almost $761,000 a year, a $6 million fleet of 5 planes and 6 pilots, $5.5 million in artworks for the thrifts offices, the list goes on.

While I am pleased that the bill did incorporate extra funds to the Justice Department for seeking out and prosecuting criminal fraud in the thrift industry, I am concerned that some individuals may get off with only a slap on the wrist. I am hopeful that strong enough incentives exist to provide for the successful prosecution and punishment of those individuals who have wrongfully helped produce this national crisis.

Many of the savings and loans that have failed have run into difficulties for purely economic reasons. Others, however, failed because of fraudulent and inappropriate actions. It is this handful of people who have made clear the need in the future—beginning now—for a tightened regulatory system which does not permit one suggestion of the excessive risks that certain segments of the thrift industry were permitted to take during the past 10 years.

I am not confident that the legislation that the House of Representatives passed June 15 is the final answer to the thrift crisis. As I have pointed out, I am uncertain about what the ultimate cost to the taxpayers will be. I am apprehensive about the lack of strong enough enforcement and regulatory mechanisms in the bill, and I oppose having Rhode Islanders and other innocent citizens pick up the tab, while those whose excesses consumed the thrift insurance fund are barely leaving enough to cover the tip.

EFFECTIVE REMINING AND RECLAMATION ENCOURAGED

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. CLINGER. Mr. Speaker, today I rise to announce the introduction of legislation that will improve the environment, provide for increased public safety, potentially save millions of dollars, and bolster our Nation's coal industry by encouraging remining and reclamation in areas previously affected by coal mine operations.

In 1977, the Surface Mining Control and Reclamation Act [SMCRA] was enacted into law. Under SMCRA, the abandoned mineland fund was established. Moneys for the fund, collected through fees assessed on coal on a per-ton basis, are used to reclaim dangerous abandoned mineland sites. Authorized until 1992, the fees collected under the program are expected to total $3 billion. While that sounds like a tremendous sum of money, it will only scratch the surface of the approximate $6 billion needed to reclaim just the highest hazardous priority 1 and 2 sites currently inventoried. It has been estimated that in my home State of Pennsylvania, AML funds available under current statute would be sufficient to address less than 35 percent of the priority 1 and 2 sites.

One of the primary intentions of SMCRA is to ensure that our Nation's abandoned mineland scars are healed. Ironically, SMCRA oftentimes discourages abandoned mineland reclamation by active coal operators. Due to excessive regulatory burdens, many active coal operators opt not to mine previously affected coal reserves with abandoned minelands in favor of mining new, undeveloped coal reserves. As a result, abandoned minelands, many containing valuable coal reserves, go unreclaimed.

The legislation that I am introducing today will improve the environment and ensure that our Nation's energy resources are developed more efficiently by encouraging remining and reclamation of abandoned minelands. Specifically, my legislation will provide incentives to remine in several ways:

First, the bill establishes the principle that "surface coal mining operations can be effective in the reclamation of abandoned minelands and should be encouraged to remine and reclaim such areas to maximize reclamation of abandoned minelands concurrently with coal production."

Second, to encourage reclamation through remining, the bill provides the Secretary of the Interior with the authority to waive or reduce reclamation fees for remining projects.

Third, the measure amends SMCRA to establish a new title X remining section, allowing the Secretary or approved State program to enter into reclamation agreements with coal mine operators for the reclamation of unreclaimed mineland and to compensate the operators based on the value of the reclamation performed. The bill allows for the proposal of reclamation projects that can be completed in conjunction with active surface mining operations. A key provision is the exemption for the use of excess spoil for reclamation purposes.

Fourth, abandoned mineland recovery zones are authorized in an effort to define those areas within a State where unreclaimed minelands have significant potential to be reclaimed by surface mining operations. Certain incentives are authorized in an effort to target reclamation efforts in these designated areas.

Fifth, the Secretary is authorized to furnish reclamation bond credits to operators in return for reclamation work performed. This will allow more actual reclamation work value for the dollar than other mechanisms in use.

Sixth, the legislation would establish a special bond release provision for abandoned mine areas that are remined and reclaimed only after revegetation has been successful.

Seventh, the bill establishes new authorities to provide additional incentives for the safe and effective removal of existing coal mine waste piles, slurry ponds, and other waste materials.

Eighth, section 210(e) benefits of the Public Utilities Regulatory Policies Act are extended to qualified waste coal-fired small production facilities.

In the 99th Congress, Representative NICK RAHALL and I introduced remining legislation to address disincentives which held remining operators liable for the previous operators' effluent pollution. We were successful in incorporating that legislation in the Water Quality Act of 1987. The legislation that I am introducing today is similar to legislation that I introduced in the waning days of the 100th Congress and builds on the success of the provision contained in the Water Quality Act.

Environmentalists, conservationists, State officials, and Federal surface mining authorities agree that remining and reclamation is an effective and cost-efficient approach to solving many of our abandoned mineland problems. By providing active coal operators with adequate incentives, thousands of acres of unreclaimed land currently threatening the well-being of our citizens and polluting the environment will be ameliorated. The legislation that I am introducing today is of critical importance if we are going to realize the benefits of

VOL 135 PT 9 14 — 22 1989 JE UMI

remining and reclamation. I would encourage my colleagues to join with me in supporting this legislation.

OCEAN PARK COMMUNITY CENTER CELEBRATES 25TH ANNIVERSARY

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to draw to the attention of my colleagues an exemplary social services agency which is based in my district. The Ocean Park Community Center runs eight different projects to serve the needs of the Santa Monica/West Los Angeles area.

Founded 25 years ago by Rev. Dan Kennedy, the Ocean Park Community Center received its first antipoverty program grants to aid neighborhood residents and to provide advocated services. In 1973, the center was revitalized by Rev. James Conn, who obtained a $10,000 grant from the city of Santa Monica to develop a program of frontline human services for the community of Ocean Park. The center developed programs for crisis intervention, emergency counseling, and to provide food and clothing to those in need.

The Ocean Park Community Center has since expanded its services, and now operates Sojourn, a shelter for battered women and their children, and Stepping Stone for runaway and throwaway youth. The center has also become the lead agency for homeless assistance programs in Santa Monica, and operates six separate organizations for the homeless in the community. Turning Point, a shelter for homeless people who can become self-supporting again; Daybreak, a day center for mentally ill women; Campion Counseling Center, to provide support and counseling for homeless individuals who are attempting to turn their lives around; an outreach team to build a rapport with the homeless and connect individuals to the services they need; a jail program for persons who have been arrested and had no addresses; and a drop-in center which provides food, clothing, counseling and information are all among the Ocean Park Community Center's services to the area.

In the past 25 years, the center has grown both in terms of the variety of services it provides and in terms of the number of individuals served. Last year alone, the center's more than 350 dedicated volunteers and staff responded to over 10,000 unduplicated client cases, providing food, shelters and social support to their clients. They have been recognized for their innovative approach and for their comprehensive, client-centered programs. Throughout its history, the Ocean Park Community Center has developed programs which respect the dignity of each individual, and which support clients in their efforts to regain control over their own lives. The center does not ask those in need to fit into any preset "client profile," but instead has developed programs in response to the needs of its clients.

One measure of the citywide respect for the work of the Ocean Park Community Center is that Jim Conn, its guiding light for many years, was elected to the city council, and ultimately mayor of Santa Monica. During his service on the city council he established himself as one of the most dedicated public servants the city of Santa Monica has ever seen. He retired from the council one of the most respected and admired members in its history. I am proud to count Jim Conn as a friend and I deeply admire his outstanding work on behalf of the people of Santa Monica and its Ocean Park Community.

Mr. Speaker, during its existence, the Ocean Park Community Center has grown to become a nationally recognized social services agency with consistently innovative, flexible approaches to client services. The center provides not only short-term crisis assistance, but also works to empower its clients to take control over their own lives and find permanent solutions to their problems. I ask my colleagues to join me in congratulating the Ocean Park Community Center on their 25th anniversary of providing essential social services to those in need.

TIBET AND THE CURRENT HUMAN RIGHTS CRISIS IN CHINA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. LANTOS. Mr. Speaker, this morning the Congressional Human Rights Caucus held a briefing to focus on the recent gross violations of human rights in the People's Republic of China. Presentations were made by a number of individuals who witnessed the recent massacre on Tiananmen Square in Beijing, officials of Hong Kong and Taiwan, and a series of internationally recognized human rights organizations.

The American people are shocked and appalled at what is happening in China. The Chinese regime has massacred its most promising youth. Now it denies that it ever did so. Yet, lies are not so easy in an age of television and instantaneous global mass communications. The record is there—the evidence is there. Testimony at our briefing today included dramatic eye-witness accounts of the atrocities in China, and we were shown photographs of bodies mangled by tanks and riddled with bullets.

Unfortunately, the tragedy in Tiananmen Square is not an isolated incident. while the attention of the world has been focused on Chinese students in Beijing for the past 3 weeks, for the past three decades the gentle people of Tibet have been subject to brutal Chinese repression and vicious attempts to destroy their ancient culture and traditional way of life. The Chinese denial of Tibetan human rights is one of the great tragedies of our generation.

With my distinguished colleague, the Republican cochairman of the Congressional Human Rights Caucus, Congressman JOHN PORTER of Illinois, I have introduced legislation calling for the United States to deny to China the privileges of most-favored-nation treatment for its trade and withdraw the benefits of the Overseas Private Investment Corporation [OPIC].

It is high time we told the "Butchers of Beijing" that business as usual will not go on as long as they massacre their young men and women, whose sole crime it is to cry out for freedom and democracy. Business as usual cannot go on as long as the Chinese kill and viciously beat Tibetan monks and Tibetan people who are peacefully protesting the brutal repression and destruction of their culture, religion, and way of life.

The time has come for Congress to take stronger action against brutality of Chinese officials in both Tibet and Tiananmen Square.

Mr. Speaker, at our briefing today, we heard a statement by Michele Bohana, Director of Human Rights for the International Campaign for Tibet. Her comments were particularly insightful and helpful for those of us who have been following Chinese events in recent weeks. I ask that her statement be placed in the RECORD.

TESTIMONY OF MICHELE BOHANA BEFORE THE CONGRESSIONAL HUMAN RIGHTS CAUCUS, JUNE 22, 1989

Chairman Lantos and Porter, thank you for giving me the opportunity to testify today on behalf of the International Campaign for Tibet.

My name if Michele Bohana. I am Director for Human Rights at the International Campaign for Tibet, a Washington based human rights organization.

What happened in Beijing on Tiananamen Square, in Shanghai and elsewhere in China is tragic beyond words. The Dalai Lama's sympathy and that of all Tibetans and Tibet supporters, goes out to the Chinese people at this time.

We hope that what has happened in Beijing will have opened the eyes of the Chinese people and the world to the repressive nature of the present regime of the PRC, and that it may also increase understanding for the suffering the Tibetan people have undergone for the past 40 years and are undergoing today.

As many of you know, the Chinese security troops, including the army, put down numerous demonstrations by Tibetans in Lhasa and other Tibetan cities in past years with the same brute force that was displayed in Beijing. Unfortunately, unarmed Tibetans were fired upon with AK-47's well before the tragic events unfoled in Beijing on June 3, 1989. In this way, the massacres of demonstrators in Tibet were a precursor to those in Tiananmen Square.

Since March of this year, according to some sources, as many as 800 Tibetans—all civilians—were killed by Chinese security forces during demonstrations or in the crackdown that followed the imposition of martial law on March 7, 1989. Tibetans are all too familiar with house to house arrests, neighborhood informants and other repressive and intimidating tactics that clearly evidence what the Chinese mean by "crackdown". Thousands of Tibetans have been arrested in Tibet over the past two years for publicly or privately expressing their views on democracy or support for the leadership of the Dalia Lama. Torture, arrests, interrogation sessions and "self-criticism" statements have become routine.

The testimonies of numerous recent Tibetan political detainees include detailed accounts of people being repeatedly shocked by electric cattle prods, beaten and hung by their thumbs. Buddhist nuns have even been violated by electric cattle prods. Both internationally recognized human rights organizations and the U.N. Special Rapporteur on Torture have corroborated these abusive practices.

For years the Chinese Government has been consistently misleading and misforming the Chinese people through sophisticated propaganda about events in Tibet. Nonviolent Tibetan demonstrations for freedom are always reported by Chinese officials as violent attacks by "counter-revolutionaries", "criminals" and "hooligans". This rhetoric has been repeated, though less believed, by the international community, once again in Beijing. In the official Chinese media the Tibetan people are always depicted as happy under Chinese rule and supportive of the Chinese government leadership. Yet, the truth is very different. Even the Panchen Lama, in his last speech before he died, stated that Tibetans had suffered and paid too great a price than they could have ever gained from thirty years of Chinese rule.

We hope that the Chinese people and people elsewhere, will now start to understand the power of the Chinese state's propaganda apparatus to falsify facts and rewrite history in order to justify the leadership's policy. We hope they will also come to realize that they have been mislead in the same way by such propaganda about events in Tibet and about the colonial and oppressive nature of China's occupation of Tibet. What the Chinese government has been saying about the demonstrations in Tibet, the aspirations of the Tibetan people, the 1959 uprising against Chinese rule and what China has been saying about the Tibetan culture, religion, civilization and history, are not facts.

The worst way to deal with the Chinese government and to bring about change in China is to placate the Chinese leaders. That was the policy adopted by the West in the past, even in the face of evidence of gross human rights violations in Tibet. This attitude was interpreted by the Chinese leadership as weakness and as willingness to turn a blind eye to human rights abuses in order not to harm western strategic and economic interests.

The terrible events that occurred in Tibet and China teach us, that to close a blind eye to human rights violations is in no one's best interest. It is not even in the Western strategic, political or economic best interest. The only way to bring change, through nonviolent means, is through firm international economic and political action. However, such action should be swift and consistent. If student demonstrations can bring such crisis to the very existence of the Chinese government, international action can force change.

For years Tibetans have been trying, at great cost, to struggle for freedom through non-violent means. Chinese students, workers and academicians staged a similar nonviolent movement. It is important that the non-violent nature of these movements be recognized and encouraged. With reaffirmed determination we must not foresake Tibetan and Chinese martyrs. Inadvertently perhaps, the western world encourages violence by failing to stand up for just causes before they turn to violence.

Many governments will take measures, including sanctions, against the Chinese government because of the violations of human rights in China. They did not do so when Tibetan demonstrators were being killed, arrested, and executed. We think that this was largely due to the fact that most people did not realize the extent of brutality and repression being perpetrated in Tibet. The expulsion of foreign journalists and tourists from Tibet allows China to forcefully implement material law and with scrutiny. But, even with the whole world watching the events of the last two months, china issues statements of denial.

The only two cities the Chinese government put under martial law are Lhasa and Beijing. On June 7th the New York Times reported local radio broadcasts in Lhasa stated that ". . . army troops were enforcing martial law with new vigor". What does "new vigor" mean to Tibetans?

Finally, Mr. Chairmen, we recommend that any measures taken against China be taken specifically and explicitly for what has happened in China and in Tibet. Further, we recommend that measures against the Chinese government not be lifted before martial law is lifted in Lhasa, Tibet is opened to foreigners, including the press and Tibetan political prisoners are released. Moreover, should a Congressional delegation visit Beijing in order to obtain firsthand evidence of the situation there, the delegation should also investigate the situation in Tibet.

DESECRATING THE AMERICAN FLAG IS AN AFFRONT TO THIS SACRED SYMBOL OF FREEDOM AND DEMOCRACY

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. YOUNG of Florida. Mr. Speaker, the American flag throughout the world stands for freedom and democracy and it is a sacred symbol of our Nation's proud history and heritage. Burning or in any way desecrating the American flag is an affront to the American people and to those who have come to the defense of our Nation and gave of their lives to protect our cherished freedom.

Instead of granting immunity to those who would desecrate our flag, we should be imposing stiffer penalties on anyone who would deface or destroy this great American symbol. The Congress in 1968 enacted legislation to make it a Federal offense to knowingly "cast contempt upon any flag of the United States by publicly mutilating, defacing, defiling, burning, or trampling upon it." Those found guilty are subject to up to 1 year in prison and a $1,000 fine.

Legislation I am introducing today would strengthen this Federal law to further punish anyone found guilty of altering the shape or design of the American flag, or flying the flag asunder, or of attaching the flag to one's body or clothing in a manner degrading to this emblem of the traditions, freedoms, and ideals of the American people.

Mr. Speaker, the unfurling of the Stars and Stripes evokes a sense of pride and patriotism in all Americans and one of the great privileges of my 19 years as a Member of Congress, has been the opportunity to have thousands of flags flown over the Capitol for the people of Pinellas County, FL. When home, it is inspiring to see the hundreds of families and businesses throughout our county flying their flags everyday.

The American flag also is a worldwide symbol of hope and peace to our allies and to those people of oppressed lands who keep alive the dream of freedom. Wherever the Stars and Stripes flies, it represents to our allies American friendship and support. They are secure in seeing the American flag flying over U.S. embassies and military installations. For the millions of immigrants and refugees who have sought shelter here, the American flag is a welcome sign of the limitless opportunities that are open to them.

Unfortunately there have been some people over the years who have deliberately desecrated and degraded the American flag in protest and as an affront to our Nation. Demonstrators have burned, torn, cut, and plastered the American flag with symbols or flown it asunder.

Mr. Speaker, those who would knowingly destroy this symbol of American democracy should be severely punished. In light of the Supreme Court's decision yesterday, it is my hope that we will expedite consideration of the legislation I introduce today to reaffirm our intent to preserve the sanctity and grand symbolism of the American flag.

CONDEMNATION OF SUPREME COURT DECISION ON AMERICAN FLAG

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. VISCLOSKY. Mr. Speaker, Wednesday the Supreme Court ruled that the first amendment protects protesters who burn American flags in political demonstrations. The 5 to 4 decision nullifies flag desecration laws in 48 States and comes only 3 months after the Senate passed a bill making it a crime to knowingly display the flag on the floor or ground.

I am terribly disappointed with the Supreme Court's ruling. The desecration of the American flag for any reason is obscene.

The flag of the United States of America is a symbol like no other in our Nation. It symbolizes equality, justice, and freedom. It symbolizes democracy.

No one can convince me that desecrating the flag is equivalent to writing a letter to the editor of a newspaper, to speaking at a school board meeting or is equivalent to any other forms of expression.

Freedom of speech requires responsibility. For example, one cannot shout "fire" in a crowded movie theater, nor can one express his dissatisfaction with the U.S. Government by bombing the Capitol, or the White House. Yet the Court's ruling will allow the flag of the United States, our symbol for democracy, to be desecrated.

Many people have fought and died to protect everything that the American flag represents. I cannot fully express my dissatisfaction and disappointment with yesterday's decision.

OPPOSES EXPENDITURE TARGETS FOR MEDICARE PART B PAYMENTS

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. ROBERT F. (BOB) SMITH. Mr. Speaker, today I voice my opposition to the Physician Payment Review Commission's suggestion that "expenditure targets" be established as a means of reducing Medicare part B payments.

While I have been a strong supporter of legislation to balance this Nation's budgets, I will not do so on the backs of our senior citizens.

Expenditure targets will only force physicians to limit, postpone, or restrict access to medical services. America's elderly depend on their Government to maintain vital services in their golden years. The use of expenditure targets will cause those services to deteriorate and jeopardize the health of senior citizens.

I urge my colleagues to join me in opposing expenditure targets for Medicare part B payments.

COMMUNITY HOUSING PARTNERSHIP ACT: A COMPREHENSIVE PROGRAM FOR PROMOTING LOW-COST HOUSING AND HIGH-GRADE ECONOMIC DEVELOPMENT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. WYDEN. Mr. Speaker, today I am introducing the Community Housing Investment Partnership Act [CHIP]. CHIP is a comprehensive bill aimed at increasing housing and economic development opportunities for low- and middle-income households throughout the country. This bill develops a program where the entire community—Federal, State, and local government, businesses, local nonprofit organizations, and most importantly, individual households—work together to alleviate local shortages in affordable housing and increase opportunities for local economic development.

The underlying theme of the CHIP bill is to increase accessibility to housing across-the-board, and to do so at low cost to the Government and with a maximum of community participation:

First, the bill addresses housing shortages by promoting programs which rehabilitate dilapidated and abandoned housing;

Second, it addresses affordability by establishing security deposit loan funds, which can be used within communities to assist low-income households who can afford monthly rent payments but have trouble saving enough money for a security deposit;

Finally, the bill expands eligibility criteria for enterprise zone designation, increasing the cities' abilities to expand job opportunities for their low-income residents and promoting economic development.

Let me explain this bill in further detail:

Title I of the CHIP bill revitalizes the section 312 Rehabilitation Loan Program. Since its inception in 1965, section 312 funds have provided localities with over $1 billion in redevelopment loans. Historically, the funds have been used to assist rehabilitation housing for low- and moderate-income families, although in recent years they have been used to finance rehabilitation of commercial buildings as well.

One great advantage of section 312 is that it operates at no cost to the Federal Government. It has not received any appropriations since 1981, yet has continued to make funds available to support local development efforts. The types of projects funded by section 312 would be unlikely to receive funding from other Federal or private sources. One would think that such a program would have earned Congress's appreciation. Instead, Congress last year virtually disabled the program by transferring $200 million from the fund.

Local community development agencies have cited the loss of section 312 funds as a hindrance to their economic development plans. They have found the section 312 program to be an efficient method to spur local development efforts. Last year alone, over $100 million in loans were made from this self-financing fund. We should pressure this program, which is not a Federal giveaway program, but one in which communities have been able to borrow capital which they could not otherwise acquire, except at excessively high costs.

The Community Housing Investment Partnership Act will preserve section 312 in two ways. First, it will replenish the fund by authorizing the appropriation of $220 million to replace the funds which were transferred out of it last fiscal year. Second, it reaffirms the purpose of the fund, and states that moneys will not be transferred from it again.

Title II of the CHIP bill addresses a sad paradox which exists in several neighborhoods in my district in Portland, OR, and throughout the country: hundreds of homeless families and hundreds of abandoned houses. These abandoned houses plaguing neighborhoods, and the squalor in which homeless families must live, are tragically now a part of the American terrain.

We cannot tolerate a situation where good houses are allowed to lie vacant while families who can't find affordable housing are forced to crowd in with friends or relatives, or to live in their cars. Yet those who need the housing most lack the financial resources to rebuild houses.

The legislation which I am introducing in CHIP will help reverse this tragic and wasteful trend. This legislation promotes the use of local sweat equity programs to repair the abandoned houses and make then available to low-income families, especially the homeless.

Sweat equity programs have been successfully implemented throughout the country. They are a low-cost way to both provide housing and to revitalize neighborhoods. I believe that they should be supported with an investment made at the Federal level.

Here's how my legislation will work:

First, it will provide grants to State or local agencies, or to public or private nonprofit agencies, which acquire abandoned housing and utilize sweat equity to assist homeless families or families with incomes below 80 percent of the area median income.

Second, it will promote basic training in building and home maintenance skills, as well as financial counseling, to the prospective households.

Third, recognizing that home ownership is not a viable option for some households, it will promote programs which increase the stock of both affordable owner- and renter-occupied housing.

Fourth, it will ease the process of acquiring housing, by directing the Departments of Housing and Urban Development, Veterans' Affairs, and Agriculture to make available abandoned FHA, VA, and FmHA housing which has been vacant or unsold for at least 6 months. Such housing should be sold at a price no greater than either 90 percent of the outstanding mortgage balance, or the current market value, whichever is less.

State or local governments participating in the program will be required to provide at least a 25-percent match to the Federal grant. This will insure a local commitment to the sweat equity program.

The program will support innovative solutions by local nonprofit agencies. As such, these agencies will be allowed to allocate some of their funds for establishing material banks, for hiring electrical and plumbing contractors, or for other purposes as they see fit. Such technical assistance will be limited to 25 percent of the total appropriation.

Title III of CHIP expands the eligibility for Nehemiah grants, a program which provides grants for communities for housing rehabilitation.

A unique feature of the Nehemiah Program is its focus on neighborhood redevelopment. In fact, a project utilizing a Nehemiah grant must involve rehabilitation of several blocks of contiguous lots. This means that rehabilitation is done on a neighborhood-wide basis, rather than as a piecemeal approach which leaves a neighborhood with some rehabilitated houses and others decayed or abandoned.

The feature of neighborhood level rehabilitation is an excellent one, and I support it fully. But the current structure of the program ignores the development potential of neighborhoods which are facing significant amounts of decay, but are not entirely abandoned. In my district in Portland, OR, as in many others across the country, there are neighborhoods in which some houses are abandoned and vacant, often taken over by drug dealers, while others are occupied by families who are struggling to preserve their communities. Unfortunately, the decaying houses tend to feed upon each other, so that increasing numbers of houses are abandoned as the neighborhood becomes less and less habitable.

I believe that by rehabilitating the abandoned houses, existing neighborhoods can be preserved. The Nehemiah Grant Program supports efforts to rebuild neighborhoods which are still vibrant, but which have large numbers of decaying, abandoned housing.

For that reason, my legislation will broaden the criteria by which areas are eligible for Nehemiah grants. It will maintain the spirit of the program by requiring that rehabilitation be done at a neighborhood level. But it eases the eligibility standards by limiting rehabilitation needs to 30 percent of the lots in a neighborhood of contiguous blocks. It also requires that other houses in the neighborhood not be in disrepair.

Titles I–III of the CHIP legislation have addressed the issue of housing supply. Title IV addresses housing affordability in a unique way—assisting working homeless and low-income households who can, with a little assistance, help themselves to find decent, affordable housing. It does this by providing funds for communities to establish security deposit loan funds.

There's no doubt that the shortage of low-cost housing has led to an increase in homelessness among the working poor, and in the number of people living in substandard housing. The problem is worsened by the high security deposits, often equal to 2 months' rent in advance, required by many landlords.

In addition to security deposits, potential tenants often have to pay deposits to utility companies. Together, these two forms of deposits serve as "barriers to entry" to affordable housing. These barriers are too difficult for many families to overcome when they are struggling just to meet current expenses and day-to-day needs.

Removing these barriers would benefit both the tenants and the communities in which they live. The tenant's family could move from its current living situation—be it a shelter, transitional housing, or substandard housing—into a better environment. The community benefits because homeless families are moved from temporary shelters into permanent housing, thereby freeing up more shelter space for the needy.

It is our national shame that working families should be so stripped of their dignity and the chance to provide decent homes for themselves. But we can begin to turn this crisis around with just a modest investment in self-sufficiency, by helping these families with loans for the small amounts of cash they need to get themselves back on their feet and into a better place to live.

Here's how the security deposit loan funds will work: Local community agencies will be provided with the needed capital to establish the funds on a demonstration basis. These agencies will use the money to make no- or low-interest loans to eligible borrowers.

By keeping the loan fund administration at the local level, the program will be flexible enough to encourage versatility and experimentation with what program design works best in the community. While not intended to be profitable, administering agencies will be encouraged to keep losses at a minimum.

The legislation does provide some guidelines, however, to ensure successful lender-borrower relationships. First, borrowers will have to show an ability to meet monthly rental payments. Second, they will have to prove that they can save from their income, by providing at least 20 percent of the total security deposit from their own funds. Finally, loan administrators will have to offer financial counseling to the loan recipients.

There are successful models for this type of approach. Security deposit loan funds have been established in Reno, NV, and in Keene, NH. These groups have been successful at assisting families to obtain rental housing. There are few outright defaults. And borrowers have been able to find decent, permanent housing that they can afford.

And there is a precedent in Federal policy for removing barriers to entry in housing. After all, the FHA and VA insurance programs basically remove the downpayment barriers on home purchases for middle-income households. The security deposit loan fund which I am proposing simply removes the barriers to renting for low-income households.

For many people faced with a housing crisis, this approach is far more appropriate and cost-effective than the types of assistance provided by homeless shelters and transitional housing programs. In lending a hand with a small cash loan, we'd be restoring their sense of dignity by showing our faith in their ability to make better lives for themselves.

Finally, title V of the CHIP legislation eases eligibility criteria for enterprise zone designation.

Current regulations on enterprise zones effectively limit eligibility to cities which are undergoing citywide economic decay. There is no doubt that these cities deserve Federal assistance, but other cities still have large pockets of poverty and economic inactivity and should not be excluded from the advantages of enterprise zone designation. Excluding these cities unfairly limits the ability of enterprise zones to foster economic activity.

My legislation eases eligibility standards for enterprise zone designation by making a community eligible for enterprise zone designation if it meets one of four criteria: it has an unemployment rate at least 1.5 times the national average; at least 20 percent of its population is below the poverty rate; at least 70 percent of the households in the proposed enterprise zone have incomes below 80 percent of the area median; or, the proposed zone has had a 20-percent decrease in population.

In addition, a community will be eligible for designation if it currently provides economic incentives, such as tax abatements, to promote urban development in specified zones.

The expanded criteria will not affect the way in which the Secretary of Housing and Urban Development makes the final designations of enterprise zones. However, it will provide the Secretary with greater leeway in making those designations, and expands the potential advantages of the enterprise zone program to a wider range of communities.

RESTORE OUR FLAG'S INTEGRITY

HON. SONNY CALLAHAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. CALLAHAN. Mr. Speaker, I rise to denounce the decision of the U.S. Supreme Court that the burning of the U.S. flag is protected by the first amendment as a form of free speech.

If there is any symbol of freedom respected around the world it is the American flag. Our children are instructed in its proper uses and are admonished that it must be respected because it represents the liberties our forefathers fought to preserve. As a boy, I remember the honor occasionally bestowed when I was allowed to present the flag at a school function. Later, as a Navy seaman, our ships proudly displayed the U.S. flag and I felt it an honor to serve under this banner that represented the greatest state of freedom on Earth.

It saddens me deeply to recall those thousands of brave Americans who have given their lives so that the American flag can continue to fly. As we return home soon for the Fourth of July and its all-American pageantry, how can we face without a great sense of shame those veterans who have given so much to support the many principles embodied by the American flag?

In an era of renewed patriotism in our Nation, it is inconceivable first that any American would dare to desecrate our flag. It is even more inconceivable and reprehensible that our highest judicial body would abet this cowardly act. I am the first to defend our constitutional right to free speech, but I am ashamed that some would distort the intention of the first amendment to allow the abuse of the most important symbol of that freedom.

Mr. Speaker, this Congress must immediately begin the process to amend our great Constitution to explicitly prohibit the desecration of our flag. I am today introducing an amendment to the Constitution for that purpose and I call on the leadership in the House to move promptly on its passage. The American people will not tolerate the senseless destruction of our flag and I am confident that the individual States will ratify a Constitution amendment in all due haste.

SALUTE TO STEVEN ALAN COMBS ON COMPLETION OF HIS MASTERS DEGREE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. LEWIS of California. Mr. Speaker, I rise today to applaud 1st Lt. Steven Alan Combs as he reaches a tremendous milestone in his postgraduate education. He should be saluted for his outstanding dedication in completing the stringent requirements of the Masters of Science in Systems Management degree from

VOL 135 PT 9 JE 14 — 22 1989 UMI

the University of Southern California, all the while honorably serving his country in the U.S. Air Force.

Lieutenant Combs exemplifies the very best that our country has to offer in loyalty and service in the Armed Forces. In his 3 years in the 2045th Communications Group at Andrews Air Force Base, he has performed his responsibilities with the highest acclaim of both his supervisors and his peers. Of special note is his work on the groundfloor of the Mystic Star Presidential Communications System, a worldwide communication system linking Air Force I and other VIP aircraft with land-based satellite units. Among numerous other duties, Lieutenant Combs is also responsible for the computer security activities of each and every computer on Andrews AFB.

The son of John and Carolyn Combs, Steve spent his childhood in New Jersey and his teenage years in sunny central Florida. He ventured from the Gator State to the University of Oklahoma where he studied a plethora of subjects, ultimately championing a chemistry major. With extensive course work in computer science under his belt, Steve triumphed through the rigors of officer training school and received his commission as an officer in the U.S. Air Force.

Inside the beltway, Steve is a dear friend to many of us. He is actively involved with the programs and relationships afforded by his church, Washington Community Fellowship. An avid sideline softball enthusiast, Steve supports the TWAN and the members of my staff who participate.

Mr. Speaker, please join me in congratulating Steven Alan Combs on this tremendous accomplishment. I know that Steve's wife, Heather—a devoted and valued member of my staff for the past 5 years—along with both the Seyden and Combs families and their many friends share my pride and join me in wishing him every success in his bright future.

A SACRED SYMBOL IT SHOULD BE

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. MILLER of Ohio. Mr. Speaker, if one were to deface one of our national monuments such as the Lincoln or Jefferson Memorial, the U.S. Capitol Building, or the White House, they would be immediately apprehended and made to pay for their crimes, yet the U.S. Supreme Court ruled yesterday that desecration of this country's most cherished national symbol, the American flag, was not a crime but an exercise in political expression.

I am compelled to ask the Justices who wrote this opinion, is there no limit to the excesses that can be committed in the name of the first amendment? The courts have already ruled that an individual cannot go into a crowded theater and yell fire; the courts have already ruled that a person cannot walk down Main Street without any clothing on because to do so is either considered dangerous to the public health or offensive to the public's concept of decency.

What could be more offensive to the general public than the burning of that most sacred of American symbols, the American flag?

Now that the Court has defined such an act of desecration as constitutional, apparently, the only way to make such an act a criminal act is to amend our Constitution. Toward this end, today, I am introducing a constitutional amendment to do just that. I am confident that such an amendment will be given quick and favorable consideration by this Congress and by the requisite number of State legislatures.

A TRIBUTE TO PERKASIE

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. KOSTMAYER. Mr. Speaker, I rise to salute the borough of Perkasie, in Bucks County, PA, for developing a new, innovative trash recycling program. The program developed in Perkasie is an example of a workable solution devised by local citizens at the local level for one of our Nation's most difficult environmental problems.

Perkasie, like other towns in the Nation, faced a serious financial and environmental problem: how to dispose of its trash. The Nation produces huge volumes of refuse each year. In the past this waste has largely been disposed of in landfills. But these heaps of garbage destroy our environment by contaminating our drinking water and polluting our streams and rivers. Because of pollution and limited space for new refuse, 70 percent of the Nation's landfills have shut down, and we must now look for new environmentally sound ways to dispose of waste.

Faced with this problem, Perkasie decided to slow the production of new waste materials by recycling its garbage. In the past towns that adopted these types of programs have had trouble in getting citizens to comply, even when participation was mandatory. Perkasie took the initiative and developed a new innovative recycling program which uses classical economics and applies it to environmental concerns.

The Perkasie program, which enjoys 90 percent participation from its citizens, uses financial incentives to encourage compliance. In Perkasie, residents must pay $1.50 for each 40-pound bag of trash the borough picks up. Under the Perkasie plan citizens can lighten the load of their trash be setting aside recyclable goods, which the town picks up for free. In the end less trash ends up in area landfills.

Under the Perkasie plan everyone is a winner. Residents' fees for garbage disposal on average have decreased by 30 percent, while the borough's disposal cost have dropped by 40 percent. And local companies benefit from receiving the recyclable goods.

Not just the Nation, but the planet is now experiencing an environmental crisis. We simply no longer have room for the waste we generate. If more communities were to follow Perkasie's lead and resolve their environmental problems, the Earth's ecosystem would remain vibrant for our children and for those generations yet to come.

The Wall Street Journal has taken note of Perkasie's program and I insert the article at this point in the RECORD, so that my colleagues might make local officials in their districts aware of this innovative and important program in Perkasie, PA.

PENNSYLVANIA TOWN FINDS A WAY TO GET LOCALS TO RECYCLE TRASH

(By Bill Paul)

PERKASIE, PA.—As millions of Americans still do, Meredith Campbell used to throw things away without giving it much thought. But now that she has to pay $1.50 for each 40-pound bag of trash she sets out at the curb, Mrs. Campbell, like most people in this tiny town 25 miles north of Philadelphia, has a new attitude.

These days she and her husband and 12-year-old daughter save newspapers, cardboard, glass bottles and aluminum cans. The town provides white buckets for these recyclable materials and picks them up, free of charge, as an incentive to recycle.

The Campbells have made some other changes, too. They compost food waste, leaves and grass clippings in their back yard. They buy fewer rolls of paper towels. They avoid cosmetics and other elaborately packaged products. When they buy soft drinks or beer, it is always in aluminum cans or returnable bottles—never in non-returnable plastic. And they recycle their junk mail, bundling it with the newspapers.

BY THE BAG

Paying by the bag for garbage collection cost the Campbells about $116 last year, compared with the $145 they would have paid had the town continued to charge a flat annual fee for refuse pickup. While the recycling program is mandatory, no fines have yet been collected, and the town hopes to avoid the need for them.

"You really don't have to recycle" for fear of fines as yet, says Mrs. Campbell. "But it will cost you money if you don't."

What Perkasie (pop. 6,200) appears to have discovered is that Americans' interest in saving a buck can overcome their indifference to the garbage crisis.

Since 1978, more than 70% of U.S. landfills—14,000 facilities—have closed, primarily because of Americans' growing fear of landfill-contaminated drinking water. The Environmental Protection Agency estimated that a third of the remaining 6,000 landfills will close by 1992. At the same time, people are averse to air pollution and the toxic ash produced by incinerators. The newest of them burn waste to produce electricity, and they must comply with a plethora of regulations, that among other things control emissions. But the plants produce toxic ash that must be disposed of. And most of the 100-odd municipal incinerators currently on the drawing board are opposed by citizen groups.

AHEAD OF THE NATION

The cumulative effect of all this, according to solid-waste officials, is that much of the U.S. will be mired in garbage before the year 2000 unless "source reduction" and recycling become popular. But while eight states will run out of landfill space within five years, and 15 states in less than 10 years, federal and most state environmental officials haven't yet found a way to reduce the "waste stream."

Perkasie, it seems, is ahead of them. Last year, when it began to charge a per-bag fee and require recycling, the town reduced by more than half the garbage it had to dispose of. Its sanitation truck collected trash just once a week, not twice, and on the second day picked up only recylables.

Perkasians paid $81,182, or 30% less for garbage collection. The town paid $100,805, or nearly 40% less for garbage disposal. Older people living alone made out particularly well. Bob Kell, 73, cut back to just one bag every six weeks, or about $14 a year. In a poll taken at year end, nearly everyone in town said the program was a good value for the money. Meanwhile, three companies got a valuable source of raw material: Jefferson Smurfit Corp. (paper), Aluminum Co. of America (cans) and broker Todd Heller of Allentown, Pa. (glass).

"We've let Adam Smith lead the way," says Perkasie borough manager Paul A. Leonard.

GLASS DISTINCTIONS

The town's official, black plastic garbage bag has a tree printed on it (that is supposed to be suggestive of environmental consciousness) and comes in two sizes. The 20-pounder costs 80 cents, the 40-pounder $1.50. Most people seem to prefer the larger size. Bags can be purchased at the borough hall or at local stores. Retailers report that with more people coming in, they are selling all sorts of other merchandise, too, not just the sanctioned garbage bags. Specially made, a 40-pound Perkasie bag is about three feet tall and twice as tough as a heavy-duty Hefty lawn bag, although it can still be torn by a sharp can or a raccoon's tooth.

In addition to supplying free buckets and free weekly pickup of recyclable goods, Perkasie has a 24-hour recycling center behind the borough hall. There, however, people have to do their own sorting. (Brown glass in one drum, clear in another.)

"You find that when you remove all the paper, glass and cans, there isn't much left to throw away," says John Gerner, the editor of Perkasie's weekly newspaper, the News-Herald. Still, before Mr. Gerner puts out his garbage, he stomps on the bag, which seems to reduce its volume by a third. (Other Perkasians have trash compactors.) No matter how much a bag is stuffed, however, Mr. Leonard says nobody manages to get 40 pounds into it.

The savings reported by Perkasie make sense when you consider what Americans typically throw out. According to the National Solid Wastes Management Association, a Washington, D.C., trade group, 41% of U.S. residential and commercial garbage is paper and paperboard. Yard waste ranks second, at 17.9%, followed by metals (including aluminum), glass, food waste and plastics.

Perkasie's recycling program currently doesn't include some metals, ferrous and otherwise. Plastic soda bottles and water jugs are being added this month under a deal with Wellman Inc., the nation's leading plastics-recycling company. Perkasie's steel cans also may soon be recycled and sold to USX Corp. Meanwhile, for people without big back yards, the borough manager, Mr. Leonard, is considering buying a "tub grinder," a machine that chews up yard waste and even paper bags.

ANOMALIES IN PERKASIE

Still, things aren't quite what they seem in Perkasie. But the figure looks high if you consider the volume of unsorted trash to be seen in apartment dumpsters. The problem: Landlords don't use the municipal system. Instead, they hire private haulers, to avoid policing tenants, for whom garbage-collection costs are part of the rent. Consequently, much of what tenants toss is the same old mix of newspapers, cans and other stuff that really ought to be recycled. Some landlords have encouraged tenants to take part by agreeing to hold down rents if tenants take responsibility for their own garbage disposal.

Some Perkasians have been burning garbage, and that is illegal. One anonymous local confesses to having a daily paper fire in his barbecue. A few businesses in town have had to chain and padlock their dumpsters. Old appliances get collected just once a month, and residents have to pay $5 for each one carted off.

At least so far, however, Perkasie hasn't had any "bagnappers". (In Utica, N.Y., police recently said someone was dumping trash in the streets and making off with the official city bags in which it had been packed.)

Some problems Perkasie faces are beyond its control. Since Pennsylvania lacks enough landfills, Perkasie's garbage must be trucked to Ohio. Andrew Gansberg, a New York attorney specializing in environmental and regulatory issues, predicts that states will soon try to prohibit garbage imports. This issue, he says, may well wind up before the Supreme Court—as a matter of states' rights vs. interstate commerce.

REGULATING INCINERATORS

Also diverting legislators and regulators from reducing the "waste stream" is the politically painful process of trying to write comprehensive health and safety regulations for municipal incinerators. In Washington, the process is crawling as the Bush administration fights a Senate bill that would place such severe restrictions on incinerator emissions that it could cripple the incineration industry, according to Susan O'Keefe, the acting chief of the assessment team in EPA's Office of Solid Waste. (EPA supports a less-restrictive House bill.)

market forces, too, pose a threat, particularly declining prices for old newsprint, and paper-industry opposition to recycling. While the American Paper Institute, the industry's trade group, says its members are committed to using recycled fiber, companies that recycle paper say that most U.S. paper companies are interested only in *exporting* old paper, thereby keeping the lucrative U.S. market for virgin fiber from their own forests. The price for recycled newsprint recently collapsed, reflecting a glut on export markets. James L. Burke, the executive vice president of Garden State Paper Co., a paper-recycling firm, says that "Distasteful as it may be, there must be legislation" to force increased use of recycled fiber in domestic paper products.

Recycling, meanwhile, is catching on, albeit slowly. While the Bush administration would like to see 25% of the nation's commercial and residential garbage recycled or eliminated by 1992, firms such as Waste Management Inc. in Oak Brook, Ill., doubt the figure will top 12%. Where recycling is mandatory, it is hard to enforce. Where it is voluntary, there is little incentive to change habits.

What led Perkasie to experiment with a per-bag fee and a recycling program is a problem common to the nation.

GROWTH IN COSTS AND TONS

Between 1981 and 1987, Perkasie's cost per ton for garbage disposal rose 900%, to $58.95, as landfill space grew scarce and people put out more and more trash. (In 1960, Americans discarded 2.7 pounds of trash a day per person. Today, it is 3.6 pounds and rising, according to the Solid Wastes Management Association.) Meanwhile, Perkasie is seeing an influx of new residents who can't afford to live in Philadelphia's closest suburbs.

Despairing of getting federal or state help, Mr. Leonard, the borough manager, decided to experiment. Although it wasn't the first community to try per-bag fees, Perkasie apparently is the first to have linked such fees with the threat of fines, a powerful incentive to recycle. (Pennsylvania has since required counties to develop long-term disposal plans.)

Perkasie may be sending a chill through consumer-product companies and plastics manufacturers because, as Mr. Leonard puts it, "We're not going to let the big guys dump on us anymore. Why should we pay to dispose of trash that companies needlessly produce?"

A company such as General Mills Inc., for instance, which makes Wheaties among many other products, feels trapped between consumer forces. General Mills's director of government relations, Larry Sawyer, says that as the population ages and as more people have smaller families, they demand more single-serving packages, and that means more paper and plastic that must be disposed of. And people are beginning to shun excess packaging because it contributes to the garbage glut.

HUGGING THE BEAR

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. DANNEMEYER. Mr. Speaker, in the rush to gush over glasnost, it behooves us to be circumspect, not conned; nosey, not naive. While we should seek avenues of common ground, promote better understanding and cooperation, and strive to lessen tensions, we should pursue these goals judiciously and carefully. Nobody wants to win the Neville Chamberlain award for head-in-the-sand diplomacy. It is best to keep our eyes open and our wallets shut.

In the July/August issue of Defense & Diplomacy, Lawrence Sulc writes a cogent and timely article about real Soviet motives. "Peredishka"—breathing space—is a far more appropriate—and historically accurate—term for current Soviet policy. Mr. Sulc is president of the Nathan Hale Institute, a Washington-based organization devoted to nonpartisan research on domestic and foreign intelligence. He was an intelligence operations officer for the Central intelligence Agency for more than 23 years. And he served as Executive Director of the House Republican Study Committee during 1983, during which time I got to know and appreciate his expertise in this area.

I commend this article to my colleagues. Its message is one we cannot afford to ignore.

VOL 135 PT 9 JE 14 — 22 1989 UMI

SMILES AND IRON TEETH

(By Lawrence Sulc)

Momentous events are occurring in the communist world today. The dizzying pace of occurrences and revelations issuing from the Soviet Bloc makes it difficult to grasp the meaning of it all. Soviet psychiatric hospitals, for example, infamous for their administration of mind-altering drugs and psycho-torture, pass from the jurisdiction of the Ministry of Internal Affairs (MVD) to—if of all things—the Ministry of Health. The organs of state coersion, the MVD ably assisted by the KGB, actually relinquishing health care to the medical bureaucracy? Mind boggling. This development could mean not only a net gain for the dissident citizen consigned to Soviet psychiatric care—until now an art of state control—but might even signify a sea change in the Party's *modus operandi*.

Big changes are in the works in the vast Soviet communist enterprise. The command economies of the Bloc, with their lines of strict, doctrinaire control, all emanating from Moscow, have fallen into such disrepair that, in economic terms, the communist system has slipped from a poor second to a full third in world status. To arrest the slide, General Secretary and President Mikhail Gorbachev has boldly and at great risk attempted to force *perestroika* ("the revolutionary renovation of our society, our system," as he explains it) on the degenerative shambles that is the communist economic arrangement. The only way to reverse the decline of the communist economic system is to restructure it—radically, and fast.

Perestroika, however, according to Andrei Sakharov, Soviet human rights activist and winner of the 1975 Nobel Peace Prize," can only develop with real democratic foundations. Without them, reform is at a dead end," *The Washington Post* quotes him as saying. Sakharov, who himself has consistently supported Gorbachev's *perestroika*, nonetheless believes that granting the Soviet leader the power he seeks, "in a country that does not have a multi-party system is just insanity. * * * This is practically boundless power," Sakharov warns. Crazy or not, the Communist party of the Soviet Union, in its urgent drive to reorganize the system, is disinclined to yield any of its monopoly of political power. "*Perestroika* does not mean sharing power with noncommunists, and it does not mean giving them a voice in government," Jeane Kirkpatrick wrote in *The Washington Post*. "The dictatorship of the Communist party remains untouched and untouchable," affirmed Robert Gates, as Soviet affairs specialist and former deputy director of the CIA.

Perestroika, in any case, has so far flunked the course, and faith in Communism has declined accordingly. Try as they have, Soviet leaders have failed to force *perestroika*, on an apathetic people and an entrenched and redolent bureaucracy. Restructuring the nation's "booze habit," for example, has been a spectacular and costly failure, and the vodka ration, so drastically cut, must be restored. Perhaps that was a particularly difficult reform to effect and the United States, for its part, can hardly be smug on the question of dependence. Nevertheless, official efforts to impose *perestroika*, are to be redoubled and, ostensibly for that purpose, power concentrated in a new, combined party/state organization—the formulation that distrubs Sakharov so much.

One of the many strengths of the Western democracies (and those of the Eastern persuasion, too) is a certain freedom of thought, an open exchange of ideas—a give and take, if you will. Productivity, economic and otherwise, stems in large part from that freedom. The Soviet leaders know this and are determined, however distasteful, to pay the necessary price for *perestroika*: *glasnost*—candor (or "openness," as it is often called in the West) for certain sectors of the Soviet system. Non-Party people who practice it find themselves vilified, harassed, detained and imprisoned, for Gorbachev, as a classical Leninist, wants to improve the Party and the system, not pull the plug.

It is the consumer part of the Soviet economy that experiences particularly ill health, and it is this aspect that needs *perestroika*, so urgently. The military/space sector is doing just fine. Military spending has doubled on Gorbachev's watch, its real growth continuing to accelerate 3 percent a year. Absorbing between 15 and 20 percent of Soviet GNP annually (a spectacular sum when compared with 6.5 percent for the United States), it remains a very heavy burden on the economy. There are to be no restrictions on the wherewithal to advance Soviet plans for world supremacy: offensive strategic and conventional weapons, and the means to control space. It is the long-neglected and short-changed domestic economy (food, clothing, housing and so on) that needs repair and overhaul—their jury-rig lash-up.

Socialism remains irreversible under Gorbachev, and power concentrated in his hands. Moreover, " * * * we know that no essential goals of Soviet domination have changed—or, at least, the Soviets have made no statements of such a change," reports William Webster, Director of U.S. Central Intelligence. *Perestroika. Glasnost.* What the leaders of the Politburo of the Central Committee of the Communist Party of the Soviet Union are really angling for, of course, is *peridishka*, or breathing space, as put by Lenin himself in 1921 and as pointed out by Natalie Grant, a long-time observer of Soviet affairs. They need a break—to restructure the jury-rig part of the system so that the military-space appendages can continue to develop full bore.

As the Soviets fall back and regroup, the West should exercise caution. If the Soviet has plenty of resources for military hardware and space shuttles—as it most certainly does—would it not be wise to wait for it to reshuffle its guns-or-butter priorities? If the Soviet Union were to make the necessary reapportionment on its own, without massive and cheap Western loans, the whole world benefit. Yet, the United States' NATO allies are offering billions of dollars in soft loans and credit lines, including "untied" loans not designated for specific projects or purposes. According to Roger Robinson, former senior director for economic affairs at the National Security Council, most of the $9 billion in loans from U.S. NATO allies to the USSR are government guaranteed; that is, will fall on Western taxpayers if the Soviets default.

"Gorbachev is trying to save Communism and we are helping him * * *" said Gen. Jan Sejna, high-ranking Czech defector and an analyst of Soviet affairs for the U.S. government for 20 years. The West could actually delay implementation of communist reform with its unseemly haste to bail ou the corrupt Soviet system. Robinson estimates the Soviets lost up to $25 billion in revenues under Gorbachev's anti-alcohol campaign, for example. Should U.S. allies underwrite those losses or chip in more for the European common defense, helping to alleviate the U.S. balance of payments problem in the process? The United States spends $150 billion a year to defend Western Europe against those Soviet forces deployed to the East. And, as everyone knows, overall it spends a good deal more than it makes every year.

Oddly enough, Congress is out front on this one: in late October a sense-of-the Senate resolution, proposed by Sen. Steve Symms (R-ID) and passed by a lopsided vote, called on the president to instruct the secretaries of state, defense, treasury and commerce to consult with the United States' allies on the impact on allied security of untied Western loans to the Soviet Union. The Senate, at least, counsels caution.

In the meantime, is the Soviet Union becoming any nicer? What does this current phase of *detente* mean to the United States? The U.S. embassy in Moscow must be torn down and replaced at a cost of $200 million to $250 million because the Soviets not only bugged it relentlessly while building it, but actually made the whole building into a single huge resonance microphone. Moreover, Soviet active measures, "designed to subvert and deceive, to 'disinform' the public opinion upon which our democracies are built," as then President Reagan once described them, have actually increased during Gorbachev's tenure.

"No more lying. No more disinformation," the general secretary promised during the Washington Summit in December 1987. Meanwhile, his country continued as before its "virulent, anti-U.S. disinformation and forgeries," as the U.S. Information Agency calls them. Among the scurrilous themes: that the United States created the AIDS virus, that it manufactures an "ethnic weapon"; that kills only non-whites, that the FBI assassinated the Rev. Martin Luther King and that the CIA assassinated Swedish Prime Minister Palme and Indian Prime Minister Gandhi and tried to kill Pope John Paul II.

Last summer the Soviets even managed to have a French communist member of the European Parliament (EP) slip a resolution through "charging American with trafficking babies for spare parts." This vicious disinformation theme has been promoted by the Soviet Union and its foreign surrogates for years now, and the gullibility of certain Western institutions seems boundless. Shortly before the EP's bizarre resolution, three London dailies—*The Times, The Daily Telegraph* and *The Evening Standard*—succumbed to a Reuters item about a Paraguayan kidnap gang killing babies for sale of their vital organs in the United States. In that case, fortunately, Reuters recanted quickly, followed by the embarassed newspapers that had been so readily duped.

Knowledgeable observers of the Soviet scene have predicted that as the age of *glasnost* unfolds, Soviet active measures will increase rather than decrease, and so they have. Things have been looking up for the disinformation and forgery crowd in the Party's Central Committee secretariat and the KGB since Gorbachev took power four years ago. As Soviet anti-U.S. and anti-Western propaganda—the overt arm of doctrine—is toned down in accordance with the new era of good feeling, the hidden hand has become even more active in promoting Soviet policy themes.

And what are the Soviets up to in the United States as *detente* warms relations?

According to William Webster, "* * * the threat against us has grown. The number of operations against us has certainly increased. * * * Over the past three years, we have discovered more penetrations of the U.S. defense and intelligence communities than at any time in history. The costs of these compromises are estimated in the billions of dollars * * * [T]he Soviet intelligence services * * * represent by far the most significant threats in terms of size, ability, and intent to act against U.S. interests—both at home and abroad. And despite Soviet *glasnost* and *perestroika*, we have actually seen an increase this year in Soviet attempts to recruit U.S. sources." Although the DCI was making a point about Soviet espionage against the United States, and how it had prospered despite *perestroika* and *glasnost*, he might as well have been talking about Soviet influence operations.

The Soviet "new way of thinking"—*perestroika's* international concomitant—will be promoted by a "broad dialogue," according to Gorbachev. The Soviet "new way of thinking" and the expected new wave of Soviet visitors to the West opens up a host of problems for the United States. There will, of course, be a preponderance of dedicated, ideologically committed persons from their side arrayed against ordinary citizens, largely open and naive, on ours. The situation will be somewhat analogous to U.S./Soviet competition in sports: our amateurs against their professionals.

"It is important to realize that most of the Soviets visiting this country to study in American universities, or as members of scientific, cultural, sports and trade exchange programs, are involved in gathering intelligence," says Stanislav Levchenko, former KGB major now working against communism in the United States. "Many of them are not professional spies, but are co-opted by the KGB or the GRU. If any Soviet citizen refuses to fulfill the intelligence requirements, he or she will never be permitted to travel abroad," Levchenko points out. "Better relations can reduce the threat of another war. But we have to realize that in the secret espionage war there is no such thing as *détente*. The secret war conducted by Soviet espionage is perpetual," Levchenko warns. Levchenko, as in the case of DCI Webster, might have said the same thing about the secret active measures war, as well.

Western journalists, including those in the United States, have been dealing with the blandishments of Soviet cadres for decades, as A.M. Rosenthal, journalist and former editor of *The New York Times*, makes clear. "Earlier and later, I met various kinds of agents of Communist intelligence," Rosenthal writes in the *Times*." At the United Nations, I met a jovial KGB agent accredited as a journalist but almost out in the open who specialized in offering royalties to American reporters, even if they hadn't written any books." These "royalties," of course, are one means the Soviets use to influence and perhaps eventually gain control over the gullible targeted journalist.

At United Nations headquarters in New York, the Soviets have had a field day for decades with their intelligence collection and influence operations. Experience in the U.N. arena gives us an idea of what an increase in Soviet visitors to other places in the United States means. "Soviet U.N. employees use their positions to spot, assess and recruit spies, and to collect scientific and technical information of value to the USSR," says Col. Kalitka, a retired army intelligence officer. "What is significant," he points out, "is that the Soviets, obviously knowledgeable of American CI [counter-intelligence] awareness, brazenly continue attempts to challenge and overwhelm U.S. CI efforts by saturating the U.N. operation area with agents." Although referring to Soviet intelligence collection operations in the U.N. in New York, NY, Col. Kalitka's observations, like those of Webster and Levchenko, also apply to Soviet influence operations and to other parts of the United States.

The House Permanent Select Committee on Intelligence (HPSCI) for its part has long recognized that "[i]n their attempts to 'secure tha active collaboration' of 'political, economic and media figures in the West,' Soviet intelligence—both operations officers and others working as Soviet agents—'offers intangible rewards tailored to meet the specific requirements or vulnerabilities of the individuals involved.' Rewards include access to special channels of communication to important Soviet policy makers, recognition of accomplishments on the part of the collaborator, and so forth."

Most Americans have a pretty good idea of what foreign hostile espionage in the United States is all about. There has been plenty of media coverage of espionage over the years. What many Americans may not track very well, however, are "active measures"—hostile, often clandestine, influence operations. As the lead government agency for foreign counterintelligence in the United States, the Federal Bureau of Investigation, which monitors all hostile intelligence activities—influence activities as well as espionage—says that "[t]he Soviet Union continues to conduct espionage and active measures against its main enemy—the United States." It relies "on Eastern European intelligence services to assist them," the Bureau affirms. The term "main enemy," it should be pointed out, important in the training and motivation of its personnel, remains a firm doctrinal concept of the Soviet Union despite the twists and turns in its overt foreign policy. The United States has long been and remains the "main enemy" of the Soviet Union.

"Certain KGB officers * * * are in regular contact with officials of the Communist Party, USA (CPUSA), the National Council of American-Soviet Friendship (NCASF) and other front groups," the FBI explains. "The KGB is also responsible for developing agents of influence, planting media stories and resurfacing forgeries in support of active measures campaigns * * * [I]t is important to note," the FBI points out, "that many active measures operations utilize overt or semi-overt elements as well as clandestine or covert ones." Furthermore, the Bureau warns, "* * * it should be emphasized that all Soviet officials, journalists, scholars, trade union officials, scientists and even some students who visit the United States could be used for active measures and influence operations. * * * Thus active measures operations involve individuals from virtually every element of Soviet society and are closely integrated and coordinated with traditional diplomatic activities and long-term Soviet foreign policy objectives."

Non-official Soviet citizens abroad also carry out active measures, the FBI says. Private U.S. groups and the media for their part, facilitate active measures by providing the Soviets—both officials and private citizens—with access to large, often unsuspecting audiences. Officials of Soviet "religious" organizations, for example, speak to groups in the United States, spreading "propaganda or disinformation about religious freedom in the Soviet Union," the FBI explains. "It appears that the Soviet have acquired an appreciation of the vast audiences and substantial political influence of conservative religious leaders in the United States."

The Soviet party and intelligence services take full advantage of the access provided them by the U.S. media, presenting "Soviet active measures themes to a vast American audience * * * appearing candid and forthright * * * a new generation of refined and articulate Soviet spokesmen" delivers the Soviet message "in Western style that the American public and media can better identify with and appreciate." Those of us who have met these Soviet operatives affirm that they are indeed formidable adversaries.

The FBI describes the value U.S. front groups render their Soviet sponsors, by allowing, for example, Soviet representatives "* * * to travel in areas closed to Soviet diplomats * * * meet with U.S. persons of influence, spot and assess U.S. persons for recruitment operations, and influence certain groups of activists in the U.S. peace movement." The front groups, by facilitating these Soviet operations, are sponsoring their sponsors, as it were. Some of the groups at the U.S. end, of course, are talking up "peace" and "friendship," all of which is difficult to absorb in light of the opinion of the Simon Wiesenthal Center, for example, that the Soviet Union "has become a historical heir to the cancerous hatred so effectively utilized by Nazi Germany a generation ago."

In early 1985, Dusko Doder in *The Washington Post* quoted Andrei Gromyko's remarks to the Central Committee while endorsing Gorbachev's election as general secretary. "Comrades, this man has a nice smile, but he's got iron teeth," Gromyko said. When it comes to the new president of the Soviet Union, we in the West have seen the engaging smile. It behooves us to watch those iron teeth. And as Rudyard Kipling said, "The bear is most dangerous when he hugs you."

LET'S GATHER AROUND OLD GLORY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. BROOMFIELD. Mr. Speaker, I, too, was very distressed by the decision by the Supreme Court that no laws could prohibit political protesters from burning the American flag.

Chief Justice Rehnquist had it right when he wrote that burning the American flag is not really a form of self expression, but is just an inarticulate grunt. People who burn flags don't do it to express an idea, but do it solely to antagonize other people.

Who do they antagonize? First and foremost, they antagonize all those brave Americans who at great sacrifice have gone to war for America so that all Americans, including the flag burners, could live free.

The American flag has been carried up Mount Suribachi on Iwo Jima; it has crossed the rivers of Europe. It entered Paris to the

VOL 135 PT 9 JE 14 — 22 1989 UMI

cheers of millions of French men and women who had been liberated from the bondage of fascism. Burning the American flag is an insult to all those brave Americans who have fought in America's wars.

But the American flag is not just a symbol of America's willingness to protect itself and other nations. It is a symbol of peace as well.

I see that every day in the hallways of this building as interns carry around the American flags that have been requested by our constituents. For many Americans, the flag symbolizes the freedoms and opportunities that they work hard every day to earn and to maintain.

The American flag is large enough to take in Americans of all political beliefs, rich and poor, black and white, north and south.

It flies over our heads right here in the Capitol, taking in Congressmen from the left as well as those from the right. There are plenty of symbols that can and do divide us. The American flag is a symbol that unites us.

I would hope that this debate on the Supreme Court's decision will send a message that America is a country that is willing to tolerate an awful lot of antisocial behavior, but that burning the flag is something that we consider totally out of bounds.

COMMENDING THE CYPRIOT AMBASSADOR UPON HIS PROMOTION TO DIRECTOR GENERAL OF THE CYPRIOT FOREIGN MINISTRY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. GILMAN. Mr. Speaker, I rise to congratulate the Cypriot Ambassador to the United States, Ambassador Andreas J. Jacovides, upon his appointment to Director General of the Cypriot Foreign Ministry. It is with mixed emotions that we bid farewell to an admirable diplomat, a fine representative of the Cypriot people, and a friend of the United States Congress.

Ambassador Jacovides' promotion should come as no surprise. In addition to serving as the Cypriot Ambassador, he has been a member of the Cyprus delegation to the U.S. General Assembly since September 1960. He received his bachelor degree in 1958 with top honors and his degree in international law in 1959, also with honors from the University of Cambridge. In 1959, he was awarded the Henry Fellowship at Harvard Law School where he did research in public international law.

He has extensive training and experience in international lawmaking and multilateral diplomacy, and his knowledge and wisdom has been crucial to the proper representation of Cyprus on an international scale. As you know, Cyprus has been partially occupied by Turkey since 1974. Both Congress and leaders around the world have benefited from his examination of many diverse events and his befitting representation of the Cyprus Government.

Mr. Speaker, I am confident that Ambassador Jacovides, as Director General of the Foreign Ministry, will continue to demonstrate his commitment to the citizens of Cyprus, and to a peaceful settlement of the Cypriot Government's dispute with Turkey. I wish both him and his wife, Pamela, my best wishes in all of their future endeavors.

SAVINGS AND LOAN CRISIS

HON. JAMES A. McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. McDERMOTT. Mr. Speaker, as we move closer to a final agreement on legislation to stop the hemorrhaging in the savings and loan industry and the Federal deposit insurance fund (H.R. 1278), many of my constituents continue to wonder why they should foot the bill for a problem someone else caused. That's a legitimate question and they have a right to know why I voted in favor of H.R. 1278.

The S&L problem is a tough issue and there are no good solutions—the damage is done, the costs are immense and unavoidable. There was a massive dereliction of duty on the part of a government and a thrift industry that overzealously pushed a mindless quest for deregulation. But we can't turn back the clock and make this multihundred billion dollar problem disappear.

We are left with the job of cleaning up this mess, punishing those individuals who broke the law, and putting in place a regulatory system that protects the public and enables well-run thrifts to go about the business of home mortgage lending.

Our first responsibility, and the only justifiable reason for the tremendous cost to American taxpayers, is our obligation to protect depositors, not to bailout stockholders or managers of failed S&L's. When people put their hard-earned money in the local thrift or bank, they do so with the explicit understanding that the Federal Government will stand behind those deposits.

The deposit insurance grew out of the hard-learned lesson of the banking crisis that helped trigger the Great Depression. A failure to stand behind federally insured deposits would condemn us to repeat the mistakes of the past. People would lose their money and their faith in their Government, and there would be a bank panic rivaling the runs on deposits 60 years ago.

MAKING THE INDUSTRY PAY

Some people ask, "Why can't the S&L's pay for the problem?" To the greatest extent possible, this legislation extracts as much money as possible from the S&L industry—but even if we were to totally liquidate the entire industry, there simply would not be enough money to fully protect all depositors. If we place too heavy a financial burden on the remaining healthy thrifts, then we risk driving them into insolvency, creating an even bigger and more expensive problem for taxpayers.

The S&L industry will be paying a significant amount of money to clean up this problem. The General Accounting Office estimates that the industry will pay about $148 billion over the next 30 years.

Even taking into account money provided by the industry, however, taxpayers will end up covering at least 50 percent of the total costs. I think, when all is said and done, taxpayers will actually cover 75 percent or more of the total costs over the full 30 years, because the Bush administration has significantly underestimated the costs of this legislation. That could work out to $1,800 for every man, woman, and child in America over the next 30 years.

One of the biggest disappointments in this bill was the decision to finance this plan through long-term borrowing rather than raising taxes to pay for this problem today. Not only does this decision needlessly increase the total cost of the plan, but it means that future generations will be forced to pay for the mistakes of our generation.

ENFORCING THE LAW

Many of my constituents then demand to know, "How can I be assured that those individuals who broke the law are prosecuted to the fullest extent of the law." The law enforcement track record so far has not been good. Over 10,000 cases of alleged fraud or criminal activity have been reported to the Justice Department, but only 3,600 cases are under active investigation and reportedly only 25 cases have been brought to trial.

H.R. 1278 strengthens law enforcement efforts in several ways. The Justice Department will be given $75 million to enhance its capacity to investigate and prosecute cases. Further, two regional offices of the Fraud Division will be established in California and Texas. Finally, civil penalties—up to $1 million a day—were strengthened.

None of these provisions will make a difference, however, unless officials at the regulatory agencies and at the Justice Department get tough on white collar crime. We need tough action not only to bring wrongdoers to justice, but to deter individuals from bilking the public in the future. This bill gives the Attorney General the tools to get the job done, now we must wait and see if the Justice Department chooses to move aggressively.

AVOIDING A REPEAT OF PAST MISTAKES

Many of my constituents want to know, "How can I be sure that this mess will never be allowed to happen again?" There are several safeguards built into the bill.

I was proud that the House stood its ground against strong industry lobbying and required significant tightening of capital standards for thrifts. Up until now, many S&L owners and operators had little of their own money at risk. Essentially, they were playing with depositors' money—which means the taxpayers' money since these deposits are federally insured.

H.R. 1278 changes that. S&L owners will be required to put more of their own money at risk. With their own money at risk, they will be more prudent and their private capital will provide a cushion to absorb bad business decisions before they tap into the Federal deposit insurance funds and the U.S. Treasury.

H.R. 1278 also totally overhauls the regulatory system. The capacity for strong supervision has been increased and the cozy rela-

tionhsips between regulators and the industry have been broken.

This legislation also reins in the "high-flyers" who have either no conception of their higher responsibility to their shareholders, the public and consumers or little business sense. For instance, the House bill probibits investment in junk bonds and refocuses the industry's attention on its original public purpose—home mortgage lending.

WHAT THE FUTURE HOLDS

While the thrift industry in Washington State has seen rough times, today the industry in my State is healthy and profitable. What the industry as a whole continues to suffer losses nationwide, I believe the continued success of Washington State thrifts and those in many other states illustrates that there is still a vital role to be played by the thrift industry. But there are many risks and pitfalls ahead.

I am not confident that H.R. 1278 will solve all of the problems of the current thrift crisis. There are many weak institutions, many of which will be closed at great cost ot the taxpayers. It is quite likely the H.R. 1278 will not provide enough money to fully resolve these problems; it is likely that a future administration will have to ask for more financial assistance.

The Federal Government is now faced with the liquidation of tens or hundreds of billions of dollars of assets held by these failure institutions. This a job that has never faced before and I am pessimistic about the ability of the Government to efficiently manage the disposition of these assets. It is a problem that will be in the newspapers in the future and one which will need further congressional attention as the problems become evident over time.

IDENTIFYING THE PUBLIC PURPOSE

When all is said and done, one still must wonder what public purpose is served by this legislation. Despite the pitfalls that lie ahead, several things are certain.

No depositor will lose a single dime. The public's confidence in our finanical system will not be broken and the crisis in the S&L industry will not spill over and damage the rest of our economy.

The thrift industry will be smaller and consolidated, but stronger and better able to provide home mortgages in our local communities. H.R. 1278 provides $75 million annually for below-market interest rate home mortages which will provide a modest boost for low and moderate income homebuyers. Due to provisions strengthening consumer banking laws, discrimination against women and minorities will be lessened.

In essence, we have done the best we can in a very bad situation. It is now our job to fend off continued attacks by industry lobbyists and keep this bill as strong as possible, and they follow through with public vigilance and the strongest possible congressional oversight to ensure that this never happens again.

STAY FURTHER EXECUTIONS OF CHINESE PRODEMOCRACY DEMONSTRATORS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. HOYER. Mr. Speaker, today I rise to join my colleagues, the majority leader, DICK GEPHARDT, Congressman DAVID SKAGGS, Congresswoman BARBARA BOXER, and Congressman MEL LEVINE in introducing this resolution which calls on the Chinese Government to stay further executions of those arrested in the prodemocracy demonstrations in China.

Mr. Speaker, I watched in horror with the rest of the world as Chinese students who believed in the principle of freedom and democracy were ruthlessly and mercilessly mowed down with tanks, guns, and bayonets. We have all heard the stories from eyewitnesses who reported that young students who begged for their lives or who shouted epithets of protest were quickly shot at close range. The saddest aspect of these inhumane acts was the heartless and unceremonious burning of the students bodies in an odious attempt to deceive the world and to dispose of the bodies in a quick and repugnant manner.

Earlier this week, I participated with many of my colleagues in a walk to the Chinese Embassy to protest these egregious violations of human rights. In our talks with the Chinese Ambassador, I indicated that China, as a member of the World Community, is accountable to the internationally recognized human rights norms, as outlined in the United Nations Declaration on Human Rights.

We now have reports that the repression in Beijing continues with reports of 20 people brutally executed and many more under sentence of death, and new arrests are being reported daily. We can only imagine the fate of those newly arrested individuals.

Mr. Speaker, I have been contacted by hundreds of Chinese students from my district and around the country who are terrified of the atrocities they may suffer as a result of their participating in prodemocracy demonstrations. They report that they have been videotaped and photographed at demonstrations and are terrified that they may be imprisoned or executed upon their return to China. For that reason I have cosponsored the Mrs. PELOSI's legislation to waive the 2-year residency requirement for those students and scholars who hold J-1 visas.

I urge all of my colleagues to join with Congresswoman PELOSI to demonstrate our compassion for these students whose only crime was to speak out for a right constitutionally guaranteed to all of us. With the Pelosi legislation and the legislation before us today, we are appealing on humanitarian grounds for the end of this senseless massacre.

"INROADS" RECOGNIZES YOUTH ACHIEVEMENT

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1989

Mr. PRICE. Mr. Speaker, I recently had the honor of speaking at the annual banquet of the INROADS/North Carolina Triangle Program. Some 500 North Carolina students, parents and corporate officials gathered in North Carolina's Research Triangle Park to celebrate the 5th anniversary of this excellent minority recruitment and internship program.

Recent statistics tell us that fewer and fewer minority students are choosing to enter the high-technology world of business, math and science. As an educator, parent and member of the House Science Committee, this disturbs me greatly. We must do all we can within government, business and our local communities to reverse this trend.

INROADS is one of the most creative of these private sector efforts. The national program recruits talented minority students, helps prepare high school students for college and places college students in 4-year internships with sponsoring companies. The corporations then train these academically gifted students for corporate and community leadership.

Since 1970, the INROADS Program has graduated more than 1,400 young men and women with degrees in business and engineering across the country. More than 3,600 students currently participate in the college and pre-college components. As the president and CEO of Briggs & Stratton recently testified, "This organization is not just another well-intentioned coalition; it is a professionally managed, organized operation that means business * * * INROADS' enforced standards of excellence can deliver qualified, experienced minority job applicants for managerial positions."

In North Carolina, 100 minority students are working with 23 corporations, including Northern Telecom, IBM, Glaxo, BASF, Burroughs Wellcome, CP&L, CIBA-GEIGY, Rhone Poulenc, NCNB, and First Union. So far, 12 graduates are working full-time in business, I'm proud to say. I want to commend the sponsoring companies for taking good corporate citizenship one step further by working to increase minority participation.

So that we may all learn more about the challenges of the INROADS Program, I ask that the speech given on June 19 by Alan Lutz, chairman of INROADS/North Carolina Triangle's board of directors and the group vice president of Integrated Network Systems at Northern Telecom, be reprinted in the CONGRESSIONAL RECORD.

SETTING OUR SIGHTS HIGHER

Thanks to all the students, parents, sponsors and other supporters here tonight who have helped make INROADS the success it is today.

I'd like to issue a special welcome to our guests who are getting their first exposure to INROADS, and to our two newest corporate sponsors, The Durham Herald Co. and AT&T of Greensboro, both information-based companies. It's probably a little ironic

but entirely fitting that my company, Northern Telecom, and AT&T, are acute competitors in the communications marketplace, but firm teammates when it comes to recognizing the good business sense INROADS makes for us both locally and nationally.

It's been my pleasure to watch this organization grow from a satellite of Charlotte to the State's largest affiliate. And each year we've added more interns and more corporate sponsors so that now we have 100 interns serving 23 corporations.

Tonight we celebrate INROADS 5th anniversary here, and many of us are looking back, proud of the growth and progress that has been made. But it's my feeling that while appreciating the success, we've got to keep setting our sights higher. We have to realize that an organization that is not growing is stagnant and maybe heading backward.

I think we can all agree that there is no shortage of deserving, bright, articulate and aggressive minority youth out there, that, with a little counseling and direction, can form the foundation for business leadership in America in the 21st century.

Simply, these students need additional challenging places to work while they are fresh out of high school and in their college years. We don't want them only behind fast food counters or in car washes or mowing lawns. We want them to flex their most important asset, their brain power, in marketing offices and engineering labs and software production facilities.

That is why tonight I challenge the businesses of North Carolina to set their sights higher, to join us for next year, turing our 23 sponsoring companies into 28 or 30 or 35 sponsors, opening up the needed new intern slots that launch these deserving young people into successful mainstream careers.

When I put on my INROADS hat and go calling on business leaders to sell the program, I often give them a rundown on the history of the organization locally and nationally, its mission and objectives and a sense of where the organization is trying to go.

I might tell them how the organization started with one idealistic and hard-headed Chicago priest named Father Frank Carr who in 1970 pulled together 25 college interns and 17 sponsoring corporations. Today more thn 1000 graduates are pursuing professional and managerial careers nationwide.

But those are statistics, and while meaningful, they don't give a potential corporate sponsor a sense of the spirit, the determination these kids have, or the technical and creative spark the young people bring to a host organization. You see, INROADS isn't some unfocused "dogooder" type program that seems to exists for along forgotten reason. INROADS is a short-term investment with lucrative long-term payoffs for each organization that participates. From the first or second summer of participation, American businesses are way ahead in their investment. Because of you, the young people, the heart of the organization.

Let me give you some examples.

Take Marva Roberts, 20 years old, from Burlington, NC, an engineering student at North Carolina State University and an intern in her third summer at Bristol Myers Products Co.

Marva is a typical example of the long-term sacrifice and discipline these young people exhibit in the organization. This summer, while many of her peers might be found concentrating on athletics or maybe into the second year of a less-than-promising job found after high-school, Marva is working long hours as a mechanical engineer at Bristol-Myers. She's away from home and loved ones while she builds the future for herself.

Marva's world involves the brand names we all see and use daily. She helps design the equipment that manufactures such well known products as Excedrin, Nuprin, Datril and Bufferin.

She says that when she first entered the intern program, she was leaning towards electrical engineering. But the work at Bristol-Myers needed mechanical solutions and not surprisingly, she came to enjoy solving the mechanical problems on the factory floor. "I just love seeing the things that I design get made and used in the plants," she says.

She notes that she was thrown into drafting in her first year of interning, even before she got into it in college, and when the college course came around, she already had practical working experience, something her peers in school were envious of.

But more than that, the INROADS experience at Bristol-Myers gave her a new perspective on the world. "I was trusted," she says. "They gave me big jobs and I began to feel I was part of the company. I meant something to the company. It has shaped me a lot. It helped me in school, too. The challenging work on the job helped me set goals in school. I was able to study harder. It was a discipline."

Marva Roberts encapsulates the INROADS experience. A young person with a creative mind and lots of brainpower and discipline. Matched to a challenging job 2 years ago, the future now seems without limits.

I can't leave Marva without this personal note. She tells me that much of her drive and mature goal setting comes from an important lady in her life, Caroline Francis Thompson, of Burlington. Mrs. Thompson, ladies and gentlemen, who couldn't be with us here tonight, is 104 years old! She started raising Marva as a 84 year old! This remarkable woman showed Marva that the world is what you make of it, that truly there are no impossible dreams. Can you imagine the energy that lady has? Marva says she is still physically fit and acts and feels much, much younger than 104. For Mrs. Thompson, born only 20 years after slavery, who didn't have access to higher education or INROADS-type organizations, a round of applause. Marva would you lead us?

A great lady indeed and an inspiration to us all!

Of course, not all of our stories are so dramatic, but they are equally inspirational and valid and carry the same themes.

Eddie Lambert, here tonight, is 18, a graduate of Walter Williams High School in Graham, NC. He is attending North Carolina State and is interning in his second summer with IBM. Last summer Eddie tells me he was involved in creating databases related to Netview PC, IBM's important network management product.

And this summer he's into PASCAL programming with new product development work.

While Eddie's peers are sleeping in on Saturdays, maybe planning a ball game or a trip to the beach, Eddie gets up early to go to INROADS training sessions. There, he and the other students discuss improved ways to study, how to survive and flourish in the corporate culture and other useful ideas about making it in the educational and work world.

Or take Dwight Thompson, getting ready to enter his senior year at N.C. State while interning at Glaxo. Dwight, 21, is an accounting major who works in the tax department there.

"I love tax!" Dwight says. "There is so much to learn. It always changes." Dwight talks about what the work experience did for him. "That first summer I looked on it as maybe just a summer job. Then, into the second year, I saw it evolve into a career development program. I started to see myself grow. I saw myself developing as a person while my responsibilities became more and more meaningful."

Dwight said it was interesting watching his friends, not in the program, who originally didn't take much interest in his internship, who, as the summers went by, began to see the value of on-the-job experience. Now, as he nears entering the full-time workforce with all that experience under his belt, they fully see the value of the effort he has put forth over the past 4 years.

Dwight gives credit to special people that helped along the way, Kevin McKinnon, his INROADS advisor, and Evelyn Boykin, the INROADS managing director. They were always there when he needed them.

Marva and Eddie and Dwight share many common traits: intelligence, perseverance, discipline, vision. But I think what strikes me most about them and the 100 of you in this ballroom is that fact that you are turned on about what you are doing.

Dwight loves tax work! Eddie is deep into his new software language and product development. Marva takes a special pride in seeing her engineering solutions run smoothly on the plant floor! These turned on kids are assets to their companies, to their communities and to society.

As we get into the awards portion of the program later you will see there is no shortage of turned on kids ready to be immediate contributors to corporate life and success.

What we lack are enough turned on corporations.

True, there are more than 589 of them. But in a nation this large and rich there should be 5,000 corporations in the INROADS program.

Many of the largest companies in the United States have no interns. And some of the largest ones who do participate do so in relatively small numbers, ones and twos and threes.

This has got to change. There is no reason why the top 250 companies in this country can't make room for 20,000 to 25,000 interns on an ongoing basis. IBM and AT&T have more than 100 interns in their programs nationally. Northern Telecom, dwarfed by these corporate titans in size, has nearly 100. Compare that to the 3000 kids employed today by all 589 companies.

If this Nation is going to grow in the 21st century, minority youth of today have got to make it happen. In the year 2000 only 15 percent of the new hires into American corporations will be white males. And with the pool of available youth growing at a much smaller rate than we have become accustomed to, we will either learn to develop our minority population or we will stagnate.

We have a long way to go. National statistics show that minority participation in the professional workplace, particularly in technical, managerial and professional positions, is not high enough.

VOL 135 PT 9 JE 14 — 22 1989 UMI

Currently, minorities comprise only 5 percent of the Nation's engineering graduates. According to the National Action Council for Minorities, engineering, technical and scientific job opportunities will grow by about 40 percent in the 1990s. But minority participation may not keep pace.

Organizations like INROADS can and are making a difference. But corporate sponsors have to start signing on now.

INROADS is building a future for the youth and corporations here at the North Carolina Triangle affiliate, throughout North Carolina, and throughout the Nation.

So to the students and graduates in this room, set and keep your sights high. The world is out there—waiting for you to develop it and shape it. To the corporate sponsors of today, a sincere thanks and an appeal to enlarge your programs for 1990.

And to the potential sponsors of tomorrow, look at the opportunities you are passing by. We all know finding motivated, turned-on employees is always a challenge. In many cases they are right here in your backyard, right under your nose.

Join this success team. INROADS can and will be one of the best investments you will ever make.

VOL
135

PT
9

JE
14
—
22

1989

UMI

VOL
135

PT
9

JE
14
—
22

1989

UMI

VOL
135

PT
9

JE
14
—
22

1989

UMI

VOL
135

PT
10

JE
23
—
JL
13

1989

UMI

UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE *101st* CONGRESS

FIRST SESSION

VOLUME 135—PART 10

JUNE 23, 1989 TO JULY 13, 1989

(PAGES 13241 TO 14715)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1989

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Friday, June 23, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for all the celebrations we experience that mark the special moments of time and events in our lives and in the lives of our communities. Give us the insight to see how the celebrations of life and the thankfulness for all the blessings we receive, can be a part of every day and all our thoughts. May the spirit of gratitude, O God, become our focus and lead us to health and respect and love so we become the people You would have us be. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SENSENBRENNER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 226, nays 71, not voting 135, as follows:

[Roll No. 106]

YEAS—226

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Applegate
Archer
Atkins
Bateman
Bennett
Bereuter
Berman
Bevill
Bilbray
Bliley
Bonior
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bustamante
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Clarke
Clement
Clinger
Coleman (TX)
Combest
Conte
Conyers
Costello
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Dicks
Dorgan (ND)
Dreier
Duncan
Durbin
Dwyer
Engel
English
Erdreich
Espy
Evans
Fawell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Gallo
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Holloway
Houghton
Hubbard
Hughes
Hutto
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kasich
Kastenmeier
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lancaster
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Lloyd
Long
Lowey (NY)
Manton
Markey
Martin (NY)
Mavroules
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Penny
Perkins
Petri
Pickle
Poshard
Rahall
Ravenel
Ray
Regula
Ritter
Robinson
Rohrabacher
Rowland (CT)
Roybal
Sabo
Saiki
Sangmeister
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schulze
Shaw
Shumway
Shuster
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stenholm
Stokes
Studds
Synar
Tallon
Tanner
Thomas (GA)
Towns
Traficant
Udall
Unsoeld
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Whitten
Williams
Wise
Wyden
Wylie
Yates

NAYS—71

AuCoin
Baker
Ballenger
Bilirakis
Buechner
Bunning
Burton
Chandler
Coble
Coleman (MO)
Coughlin
Cox
Dannemeyer
DeLay
DeWine
Dickinson
Douglas
Edwards (OK)
Emerson
Gallegly
Gekas
Goodling
Goss
Grandy
Hancock
Hastert
Hefley
Hiler
Hopkins
Hyde
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Lewis (FL)
Lightfoot
Lukens, Donald
Machtley
McGrath
McMillan (NC)
Oxley
Pashayan
Paxon
Rhodes
Roberts
Rogers
Roukema
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Stearns
Stump
Sundquist
Tauke
Upton
Vucanovich
Walker
Weber
Wheat
Whittaker
Young (AK)
Young (FL)

NOT VOTING—135

Anthony
Armey
Aspin
Barnard
Bartlett
Barton
Bates
Beilenson
Bentley
Boehlert
Boggs
Borski
Bosco
Boucher
Boxer
Broomfield
Brown (CO)
Bryant
Byron
Chapman
Clay
Collins
Cooper
Courter
Coyne
Craig
Crane
Derrick
Dingell
Dixon
Donnelly
Dornan (CA)
Downey
Dymally
Dyson
Early
Eckart
Edwards (CA)
Fascell
Fields
Flippo
Florio
Ford (TN)
Frank
Frenzel
Frost
Garcia
Gaydos
Green
Guarini
Hall (OH)
Hansen
Hatcher
Hawkins
Henry
Herger
Horton
Hoyer
Huckaby
Hunter
Jenkins
Johnson (CT)
Kaptur
Kennedy
Kolter
Lantos
Leach (IA)
Lent
Lewis (CA)
Lipinski
Lowery (CA)
Luken, Thomas
Madigan
Marlenee
Martin (IL)
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
Miller (CA)
Miller (OH)
Molinari
Moody
Moorhead
Morella
Morrison (CT)
Murphy
Myers
Nelson
Nielson
Ortiz
Parris
Payne (VA)
Penny
Pelosi
Pickett
Porter
Price
Pursell
Quillen
Rangel
Richardson
Ridge
Rinaldo
Roe
Rose
Rostenkowski
Roth
Rowland (GA)
Russo
Sarpalius
Savage
Schroeder
Schumer
Sharp
Sisisky
Smith (FL)
Smith, Denny (OR)
Stangeland
Stark
Swift
Tauzin
Thomas (CA)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Thomas (WY)	Valentine	Wright
Torres	Wilson	Yatron
Torricelli	Wolf	
Traxler	Wolpe	

□ 1025

Mr. ROHRABACHER changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentleman from California [Mr. PACKARD] to lead the House in the Pledge of Allegiance.

Mr. PACKARD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The Chair announces to the House his intention of recognizing Members for 1-minute speeches at the conclusion of all other business, prior to special orders.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, annnounced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 111. Joint resolution designating 23, 1989, as "United States Coast Guard Auxiliary Day";

H.J. Res. 132. Joint resolution to designate the second Sunday in October of 1989 as "National Children's Day";

H.J. Res. 276. Joint resolution designating September 14, 1989, as "National D.A.R.E. Day"; and

H.J. Res. 298. Joint resolution designating July 14, 1989, as "National Day To Commemorate the Bastille Day Bicentennial."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2402. An act making supplemental appropriations for the Department of Veterans' Affairs for the fiscal year ending September 30, 1989, and for other purposes.

The message also announced that the Senate recedes from its amendment to the bill (H.R. 2402) entitled "An act making supplemental appropriations for the Department of Veterans' Affairs for the fiscal year ending September 30, 1989, and for other purposes," and the bill do pass with an amendment.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1722) "An act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act."

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1250. An act to waive the application of chapter 11 of title 18, United States Code, to the extension of a certain loan to the U.S. Holocaust Memorial Council, and

S. Con. Res. 50. Concurrent resolution providing for a conditional recess or adjournment of the Senate and a conditional adjournment of the House over the July 4th Holiday.

SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF VETERANS' AFFAIRS, FISCAL YEAR 1989

Mr. WHITTEN. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 2402) making supplemental appropriations for the Department of Veterans' Affairs for the fiscal year ending September 30, 1989, and for other purposes, with a Senate amendment thereto, and concur in the amendment of the Senate.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Page 3, strike out "No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein." and insert:

TITLE I—DIRE EMERGENCY SUPPLEMENTALS AND TRANSFERS

CHAPTER I

EMERGENCY DRUG FUNDING

DEPARTMENT OF JUSTICE

To strengthen Federal domestic drug law enforcement at the local level for additional Assistant United States Attorneys, Deputy United States Marshals and other Agents, including necessary equipment and supplies; initiate plans to acquire available military facilities for use as prisons or Civilian Conservation Corps type use for drug offenders; speed up planning for not less than three prisons in areas where most needed; and to expedite the purchase of automatic data processing equipment to improve the exchange of information, $71,000,000, notwithstanding any designations contained in Titles I through IX of Public Law 100-690: *Provided*, That not later than thirty days after each month the Attorney General shall report to the Committees on Appropriations of the Senate and House of Representatives on the monthly obligation of these funds.

THE JUDICIARY

FEES OF JURORS AND COMMISSIONERS

For an additional amount for "Fees of jurors and commissioners" to strengthen drug law enforcement at the local level, $4,000,000.

CHAPTER II

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For an additional amount for "Justice assistance" for the Public Safety Officers' Benefits Program, $4,000,000 to remain available until expended.

THE JUDICIARY

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIAL OFFICERS' RETIREMENT FUND

For payment to the Judicial Officers' Retirement Fund, as authorized by Public Law 100-659, $2,300,000.

CHAPTER III

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

(TRANSFER OF FUNDS)

For additional amounts for appropriations for the fiscal year 1989, for increased pay costs authorized by or pursuant to law as follows:

"General regulatory functions", $1,100,000, to be derived by transfer from "Operation and maintenance, general".

"General expenses", $2,600,000, to be derived by transfer from "Construction, general".

GENERAL REGULATORY FUNCTIONS

(TRANSFER OF FUNDS)

For an additional amount for "General regulatory functions", $2,225,000, to remain available until expended, to be derived by transfer from "Construction, general".

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For an additional amount for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $55,000,000, to remain available until expended: *Provided*, That revenues received by the Department for the enrichment of uranium and estimated to total $1,429,000,000 in fiscal year 1989, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302(b) of section 484 of title 31, United States Code: *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1989 so as to result in a final fiscal year 1989 appropriation estimated at not more than $0.

GENERAL PROVISIONS

SEC. 301. Sunset Harbor, California: Section 1119(a) of the Water Resources Development Act of 1986 is amended by adding at the end thereof the following: "The total cost referred to in the preceding sentence may be increased by the Secretary by any amount contributed by non-Federal interests which is in excess of amounts contributed by non-Federal interests under the preceding sentence.".

"SEC. 302. Saylorville Lake, Iowa: From Construction, General funds heretofore or hereafter appropriated, the Secretary of the Army is directed to construct Highway 415 Segment "C" at the Saylorville Lake, Iowa Project in accordance with terms of the Re

locations Contract executed on June 21, 1984, between the Rock Island District Engineer and the State of Iowa.

"SEC. 303. Sims Park, Ohio: The Secretary of the Army, acting through the Chief of Engineers, shall undertake a beach erosion control project at Sims Park, Euclid, Ohio, using funds appropriated under the heading "CONSTRUCTION GENERAL" in title I of the Energy and Water Development Appropriation, 1988 (Public Law 100-202; 101 Stat. 107).

"SEC. 304. The undesignated paragraph under the heading "Bonneville Lock and Dam, Oregon and Washington—Columbia River and Tributaries Washington" in section 301(a) of Public Law 99-662 (100 Stat. 4110) is amended by striking out "$191,000,000" in two places and inserting in lieu thereof "$328,000,000".

"SEC. 305. From existing funds appropriated pursuant to Public Law 100-371, an Act making appropriations for energy and water development for the fiscal year ending September 30, 1989, and for other purposes, the Secretary of the Army, acting through the Chief of Engineers, is directed to use $500,000 to undertake preliminary engineering and design for a project at West Fork of Mill Creek Lake, Ohio, pursuant to section 1135 of Public Law 99-662, as amended.

CHAPTER IV

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ECONOMIC SUPPORT FUND

Of the funds appropriated in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, up to $200,000 of the unearmarked funds appropriated under the heading "Economic Support Fund" may be made available for the support of the process of democratic transition in Poland, which may include, among other things, civil education programs, including independent media and publishing activities: *Provided*, That funds made available under this paragraph may be used without regard to any provision of law which would otherwise prohibit the use of foreign assistance funds with respect to Poland: *Provided further*, That there shall be available an additional amount for the "Economic Support Fund", $3,000,000, which shall be made available notwithstanding any other provision of law for the promotion of democracy in Nicaragua: *Provided further*, That of the funds made available under this heading for the promotion of democracy in Nicaragua, $1,500,000 shall be made available as a contribution to the Organization of American States to carry out election monitoring activities in Nicaragua: *Provided further*, That the amount provided for promotion of democracy in Nicaragua under this heading shall be derived from funds appropriated under such heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1987, or from funds earmarked under such heading in Public Law 100-202 for reconstruction and rehabilitation of the National University of El Salvador and other institutions of higher education in El Salvador: *Provided further*, That such funds shall be in addition to funds made available for the promotion of democracy in Nicaragua by Public Law 100-461.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for "Migration and refugee assistance", $100,000,000, to support emergency refugee admissions and assistance: *Provided*, That this amount may be derived through new budget authority, or the President may transfer to such account for purposes of this paragraph any unobligated and unearmarked funds made available under Public Law 100-461, notwithstanding section 514 as amended by section 589 of Public Law 100-461: *Provided further*, That if the President transfers funds for this paragraph not more than 3.3 per centum of the unobligated and unearmarked funds available under any account in Public Law 100-461 may be transferred: *Provided further*, That any transfer of funds pursuant to this paragraph shall be subject to the regular reprogramming procedures of the Committees on Appropriations: *Provided further*, That not less than $85,000,000 of such amount shall be made available for Soviet and other Eastern European Refugee admissions and for admissions restored to other regions: *Provided further*, That funds provided under this paragraph are available until expended.

GENERAL PROVISIONS

SEC. 401. The Congress finds that failing to recognize natural resource depletion causes current systems of economic statistics to provide a distorted representation of many nation's economic condition.

(a) The Secretary of State shall instruct the United States representative to the Organization for Economic Cooperation and Development and to the United Nations and it's appropriate affiliated organizations to seek revisions in the manner in which these organizations report the income and economic activities of nations. Such a system of accounting shall recognize the depletion or degradation of natural resources as a component of economic activities.

(b) The Secretary of the Treasury shall instruct the United States Executive Director to each Multilateral Development Bank and to the International Monetary Fund to seek the adoption of revisions in accounting systems as described in subsection (a).

(c) The Administrator of the Agency for International Development shall incorporate the changes described in subsection (A) into AID's evaluations and projections of the economic performance of recipient countries.

HAITI

Section 563(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, as contained in Public Law 100-461 is amended by adding two new subsections as follows:

"(11) assistance consisting of sales and donations of agricultural commodities under Public Law 480, in an amount not to exceed $12,000,000.

"(12) animal and plant health programs, where the assistance is primarily for the benefit of the United States.".

CHAPTER V

DEPARTMENT OF THE INTERIOR AND DEPARTMENT OF AGRICULTURE

For an additional amount for emergency rehabilitation, forest firefighting, fire severity presuppression, and other emergency costs on National Forest System lands and Department of Interior lands, $341,669,000 of which (1) $30,180,000 is for "Bureau of Land Management, Management of lands and resources"; (2) $2,895,000 is for "United States Fish and Wildlife Service, Resource management"; (3) $25,000,0000 is for "National Park Service, Operation of the National Park System"; (4) $33,594,000 is for "Bureau of Indian Affairs, Operation of Indian Programs"; and (5) $250,000,000 is for "Forest Service, National Forest System": *Provided*, That such funds are to be available for repayment of advances to other approportion accounts from which funds were transferred in fiscal year 1987 and fiscal year 1988 for such purposes.

DEPARTMENT OF THE INTERIOR

OIL SPILL EMERGENCY FUND

For an additional amount for the Department of the Interior for contingency planning, response and natural resource damage assessment activities related to the discharge of oil from the tanker *Exxon Valdez* into Prince William Sound, Alaska, $7,300,000, to be available until September 30, 1990: *Provided*, That for purposes of obligation and expenditure, these funds shall be transferred, upon approval of the Secretary, to existing appropriations of the Department of the Interior: *Provided further*, That any reimbursements from the Pollution Fund of the Coast Guard or other sources for activities for which funds were transferred from this account are to be credited back to this account: *Provided further*, That notwithstanding any other provision of law, in fiscal year 1989 and thereafter, sums provided by any party, including sums provided in advance as (1) reimbursement for contingency planning, response or damage assessment activities conducted or to be conducted by any agency funded in the Department of the Interior and Related Agencies Appropriations Act as a result of any discharge of oil into the environment or (2) damages for injuries resulting from such a discharge to resources for which an agency funded in the Department of the Interior and Related Agencies Appropriations Act is a trustee, may be credited to the relevant appropriation for that agency then current and shall be available until expended: *Provided further*, That section 102 of the Department of the Interior and Related Agencies Appropriations Act, 1989, is amended as follows: after the term "volcanoes" insert "; for contingency planning subsequent to actual oilspills, response and natural resource damage assessment activities related to actual oilspills".

DEPARTMENT OF ENERGY

ALTERNATIVE FUELS PRODUCTION

(TRANSFER OF FUNDS)

Monies received from government operations and sale of the Great Plains Gasification Plant, including accrued interest, which currently are deposited in the liquidation trust at the First Trust of North Dakota shall be deposited in this account, and $12,000,000 determined by the Secretary of Energy to be excess to the needs of ongoing alternative fuels programs shall be transferred to the General Fund of the Treasury prior to October 1, 1989.

CLEAN COAL TECHNOLOGY

Notwithstanding any other provision of law, funds originally appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1989, shall be available for a third solicitation of clean coal technology demonstration projects, which projects are to be selected by the Department not later than January 1, 1990.

GENERAL PROVISIONS

SEC. 501. No funds appropriated or made available heretofore or hereafter under this or any other Act may be used by the executive branch to contract with organizations outside the Department of Energy to per-

form studies of the potential transfer out of Federal ownership, management or control by sale, lease, or other disposition, in whole or in part, the facilities and functions of Naval Petroleum Reserve Numbered 1 (Elks Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912, and Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915: *Provided*, That the negotiation of changes to the unit plan contract with Chevron which governs operation of Elk Hills, where the purpose of the changes is to prepare for the divestiture of the Reserve, is prohibited.

SEC. 502. Notwithstanding any other provision of law, the Secretary of the Treasury is directed to provide the Secretary of Agriculture, to remain available until expended, total timber receipts in fiscal year 1988 in excess of $791,000,000 as required in Public Law 100-446 without reductions for payments made in accordance with the provision of the Act of May 23, 1908, as amended (16 U.S.C. 500) or the Act of July 10, 1930 (16 U.S.C. 577g): Provided further, That additional receipts made available by this section shall be distributed by the Secretary of Agriculture in the same manner as provided in Public Law 100-446.

SEC. 503. The Department of the Interior and Related Agencies Appropriations Act, fiscal year 1989 (Public Law 100-446), is amended under the heading "Miscellaneous Payments to Indians" by inserting "100-383," after "98-500,".

SEC. 504. Of the funds appropriated in Public Law 100-446 under the heading "Forest Service, National Forest System", $400,000 shall be transferred to the appropriation account "Forest Service, Forest Research".

CHAPTER VI

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

TRADE ADJUSTMENT ASSISTANCE

For an additional amount for "Federal Unemployment Benefits and Allowances", $90,648,000, of which $56,000,000 shall be for activities as provided by part 1, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended, and $34,648,000 shall be for activities, including necessary related administrative expenses, as authorized by sections 236, 237, and 238 of the Trade Act of 1974, as amended.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Funds made available under the Departments of Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 1989 (Public Law 100-436), that are authorized under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) may be used to carry out the targeted jobs tax credit program under section 51 of the Internal Revenue Code of 1986.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for the Occupational Safety and Health Administration, $3,200,000, which shall be available for a grant to the State of California under section 23(g) of the Occupational Safety and Health Act.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses", $1,445,000, to be derived by a transfer of such sum from the amounts available for Departmental Management administrative expenses in the fiscal year 1989 Black Lung Disability Trust Fund appropriation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES PROGRAM OPERATIONS

For activities authorized under section 799A(e) of the Public Health Service Act, $600,000.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

Funds appropriated by the Department of Health and Human Services Appropriations Act, 1989, to implement section 4005(e) of the Omnibus Budget Reconciliation Act of 1987, Public Law 100-203, may not be used to provide forward or multiyear funding.

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The last proviso under this heading in Public Law 100-436, related to automatic data processing and telecommunications expenditures, is deleted.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For an additional amount for "Payments to States for Foster Care and Adoption Assistance", $423,345,000 for title IV-E of the Social Security Act, which shall be available for prior years' claims.

DEPARTMENT OF EDUCATION

IMPACT AID

Section 5(e)(1)(D) of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), shall not apply to any local educational agency that was an agency described in section 5(c)(2)(A)(ii) of the Act in fiscal year 1987 but is an agency described in section 5(c)(2)(A)(iii) of the Act in fiscal year 1989 as a result of families being moved off-base in order to renovate base housing: *Provided*, That any school district which received a payment under section 5(b)(2) of the Act for fiscal year 1986 but which the Department of Education has determined to be ineligible for section 2 assistance due to a review of the original assessed value of the real property involved at the time of acquisition of the Federal property shall be deemed eligible for payments under section 2, for fiscal year 1989 only.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

Appropriations under the heading "Rehabilitation Services and Handicapped Research" shall be considered as funds mandated by law for purposes of applying section 517 of the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1989.

GUARANTEED STUDENT LOANS

For payment of obligations under this heading incurred during fiscal year 1989, $893,428,000.

HIGHER EDUCATION

For an additional amount for "Higher Education" which shall be available for such project as the Secretary may deem appropriate which is authorized under existing law, $1,600,000.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

(RESCISSION)

Of funds provided under this head for necessary expenses of the National Student Loan Data System, $5,533,000 are rescinded.

OFFICE FOR CIVIL RIGHTS

For an additional amount for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $790,000.

OFFICE OF THE INSPECTOR GENERAL

For an additional amount for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $440,000.

RELATED AGENCIES

RAILROAD RETIREMENT BOARD

LIMITATION ON REVIEW ACTIVITY

For an additional amount for "Limitation on Review Activity", $150,000.

PRESCRIPTION DRUG PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For the Prescription Drug Payment Review Commission, as authorized by section 1847 of title XVIII of the Social Security Act, $250,000, to be derived by transfer of $125,000 from the Physician Payment Review Commission and $125,000 from the Prospective Payment Assessment Commission, to remain available until expended.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

For carrying out activities under Public Law 100-382, $1,750,000.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WINDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Carolyn F. Nichols, widow of Bill Nichols, late a Representative from the State of Alabama, $89,500.

LIBRARY OF CONGRESS

Effective June 15, 1989, the Library of Congress shall provide financial management services and support to the United States Capitol Preservation Commission as may be required and mutually agreed to by the Librarian of Congress and the Cochairmen of the United States Capitol Preservation Commission.

CHAPTER VIII

DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed an additional $2,500,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for necessary administrative expenses of the Agricultural Stabilization and Conservation Service in

curred in carrying out fiscal year 1989 workload in connection with 1988 disaster assistance activities only, not to exceed $40,000,000, to be derived by transfer from the Commodity Credit Corporation: Provided, That of this amount, $275,000 shall be transferred to the Cooperative State Research Service to be paid to the Kansas Agricultural Research Experiment Station at Kansas State University for the purposes of disseminating information to farmers on methods of alleviating drought problems and exploring improved water conservation techniques.

CONSERVATION RESERVE PROGRAM

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Conservation Reserve Program", delete the sum "$1,864,000,000" and insert in lieu thereof "$1,789,000,000", and delete the sum "$385,000,000" and insert in lieu thereof "$370,000,000".

ADVANCED DEFICIENCY PAYMENTS

Notwithstanding any other provision of law, effective only for the 1988 crops of wheat, feed grains, upland cotton and rice, if the Secretary determines that any portion of the advanced deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refunds shall not be required prior to December 31, 1989, for that portion of the crop for which a disaster payment is made under section 201(a) of the Disaster Assistance Act of 1988: *Provided*, That for the purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), this provision is a necessary (but secondary) result of a significant policy change.

FARMERS HOME ADMINISTRATION

AGRICULTURAL CREDIT INSURANCE FUND

OPERATING LOANS

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For an additional amount for insured operating loans, $32,500,000, to be derived by transfer from emergency disaster loans, to remain available until September 30, 1990: *Provided*, That the Secretary shall allocate immediately insured farm operating loans to States from the national reserve, from pooling of unobligated funds previously allocated to States, and from this appropriation, in a manner that will provide each State with an opportunity to fund at least the same level of obligations as in fiscal year 1988: *Provided further*, That in Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Agricultural Credit Insurance Fund", delete the sum of "$600,000,000" and insert in lieu thereof "$562,500,000".

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Agricultural Credit Insurance Fund", delete the sum of "$14,000,000" and insert in lieu thereof "$7,000,000", delete the first sum of "$3,000,000" and insert in lieu thereof "$1,500,000", and delete the sum of "$2,000,000" and insert in lieu thereof "$1,000,000".

RURAL HOUSING INSURANCE FUND

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Rural Housing Insurance Fund" the first proviso of the second paragraph is hereby amended to read as follows: "*Provided*, That of this amount not less than $109,918,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, as amended, and not more than $5,082,000 is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949:".

RURAL DEVELOPMENT INSURANCE FUND

For an additional amount for insured water and sewer facility loans, $2,500,000, to remain available until expended.

RURAL WATER AND WASTE DISPOSAL GRANTS

For an additional amount for water and waste disposal grants, $7,500,000, to remain available until expended.

SOIL CONSERVATION SERVICE

REIMBURSEMENT TO THE SOIL CONSERVATION SERVICE FOR CONSERVATION RESERVE PROGRAM ASSISTANCE

The Agricultural Stabilization and Conservation Service shall reimburse the Soil Conservation Service for services provided to carry out the Conservation Reserve Program pursuant to the Food Security Act of 1985 (16 U.S.C. 3831-3845), at a rate of $3.00 per acre bid in the program: *Provided*, That reimbursement for this service is made retroactive to October 1, 1988.

WATERSHED AND FLOOD PREVENTION OPERATIONS

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Watershed and Flood Prevention Operations", delete the sum "$7,949,000" and insert in lieu thereof "$4,000,000".

RESOURCE CONSERVATION AND DEVELOPMENT

In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Resource Conservation and Development", delete the sum "$1,207,000" and insert in lieu thereof "$600,000".

FOOD AND NUTRITION SERVICE

FOOD STAMP PROGRAM

For an additional amount for necessary expenses to carry out the Food Stamp Act, $224,624,000.

FOOD AND DRUG ADMINISTRATION

For an additional amount for orphan product grants and contracts, $500,000.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS

For an additional amount for "Payments to air carriers" $6,600,000: *Provided*, That notwithstanding and other provision of law, after September 30, 1989, no subsidy shall be paid for any service to or from any essential air service point in the contiguous United States for which the per passenger subsidy exceeds $300.

STATE AND LOCAL ANTI-APARTHEID POLICIES

Notwithstanding any other provision of this or any other law, none of the funds provided by this or any previous or subsequent Act to the Department of Transportation shall be withheld from State or local grantees for any reason related to the adoption by any such grantee of a policy prohibiting the procurement of products manufactured or fabricated in the Republic of South Africa.

COAST GUARD

OPERATING EXPENSES

Notwithstanding and other provision of law, in fiscal year 1989 and thereafter, sums provided by any party, including sums provided in advance, as reimbursements for operating expenses incurred by the United States Coast Guard in response to the oil-spill from the "Exxon Valdez" grounding, shall be credited to the "Operating expenses" appropriation for the United States Coast Guard, and shall remain available until expended.

From funds made available under this head in Public Law 100-457, up to $5,600,000 shall be made available until expended for development, acquisition, installation, operation, and support, including personnel, or equipment to provide vessel traffic management information in the New York Harbor area: *Provided*, That the United States Coast Guard shall initiate action within sixty days of the date of enactment of this Act to establish such a system: *Provided further*, That within sixty days of the date of enactment of this Act, the Secretary shall initiate a rulemaking to determine which class be required to participate in an active vessel or classes of vessels operating in the New York Harbor area traffic management system, and the specific operating procedures and requirements of such a mandatory system.

Notwithstanding any other provision of law, funds available under this head in both Public Law 100-457 and this Act shall be available for expenses incurred in fiscal year 1989 by the Coast Guard in responding to any oil spill.

FEDERAL AVIATION ADMINISTRATION

INSTALLATION AND USE OF EXPLOSIVE DETECTION EQUIPMENT

Not later than thirty days after the date of the enactment of this Act, the Federal Aviation Administrator shall initiate action, including such rulemaking or other actions as necessary, to require the use of explosive detection equipment that meets minimum performance standards requiring application of technology equivalent to or better than thermal neutron analysis technology at such airports (whether located within or outside the United States) as the Administrator determines that the installation and use of such equipment is necessary to ensure the safety of air commerce. The Administrator shall complete these actions within sixty days of enactment of this Act: *Provided*, That notwithstanding any other provision of law, the Federal Aviation Administration shall renegotiate the Logan County Airport grant agreements "5-54-0013-01-77" and "5-54-0013-02-78" to include funds sufficient to cover the additional project costs associated with project delay and inflation, so that the project can be completed as originally intended.

FEDERAL HIGHWAY ADMINISTRATION

The paragraph designated "Discretionary Bridge Program" under the heading "General Provisions" of chapter XI of title I of Public Law 100-71 (101 Stat. 436) is amended by adding at the end thereof the following: "Phase II of such project shall include,

for purposes of funding under the discretionary bridge program, construction of the bridge from the end of phase one on City Island to the touchdown point of the bridge near Fourteenth Street. Application and determination of eligibility for additional funding on the project beyond present commitments shall occur without regard to the current schedule of bidding and construction, prior determinations of agreements by the United States Department of Transportation concerning the boundaries of phase II of the project.".

CHAPTER X

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INTERNATIONAL AFFAIRS

(TRANSFER OF FUNDS)

For an additional amount for "International affairs", not to exceed $1,623,000, to be derived by transfer from "Salaries and expenses".

CHAPTER XI

DEPARTMENT OF VETERANS' AFFAIRS

VETERANS HEALTH SERVICE AND RESEARCH ADMINISTRATION

MEDICAL CARE

(TRANSFER OF FUNDS)

For an additional amount for the purchase of prosthetic appliances for "Medical care", $5,000,000, to be derived by transfer from "Construction, major projects".

Notwithstanding any other provision of this Act, the proviso following "$340,125,000" under the head "Veterans Health Service and Research Administration, Medical Care" contained in the earlier part of this Act, shall have no force or effect.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Of the amounts heretofore provided for the section 8 moderate rehabilitation program, any amounts in excess of $47,000,000 that are recaptured during fiscal year 1989 shall not be subject to the requirements of the sixth proviso under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Public Law 100-404, 102 Stat. 1014).

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

(TRANSFER OF FUNDS)

For an additional amount for "Payments for operation of low-income housing projects", $88,000,000, to remain available until September 30, 1990: *Provided*, That such amount shall be derived by transfer from "Annual contributions for assisted housing", and the amount specified for the section 8 moderate rehabilitation program in the first proviso under that head in the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1989 (Public Law 100-404, 102 Stat. 1014) shall be reduced by such amount: *Provided further*, That from the foregoing amount, $8,200,000 shall be made available, notwithstanding section 9(d) of the United States Housing Act of 1937, for grants for use in eliminating drug-related crime in public housing projects, consistent with the criteria set forth in section 5125(b), and reflected in other requirements of the Public Housing Drug Elimination Act of 1988 (Public Law 100-690, 102 Stat. 4301).

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,490,000, to be derived by transfer from "Urban development action grants".

ADMINISTRATIVE PROVISION

Section 17(f) of the United States Housing Act of 1937 (42 U.S.C. 1437o(f)) is amended—

(1) by inserting after "State of New York" the following: "or City of New York"; and

(2) in clause (1), by inserting "or municipal" after "State".

INDEPENDENT AGENCIES

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the initial startup costs and operation of the Court of Veterans Appeals as authorized by sections 4051-4091 of title 38, United States Code, $3,100,000, to remain available until September 30, 1990: *Provided*, That, notwithstanding section 4081 of title 38, United States Code of Veterans Appeals may (A) without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint not to exceed 35 employees (and employees to replace any employees so appointed whose employment by the Court is terminated) shall be eligible for noncompetitive conversion to a position in the competitive service if (i) application therefor is made to the Office of Personnel Management by December 31, 1990, and (ii) the Director of the Office of Personnel Management determines that such noncompetitive conversion is in the interest of the Government, and (B) procure the services of experts and consultants under section 3109 of such title, (2) in the making of appointments pursuant to clause (1), preference among equally-qualified persons shall be given to persons who are preference eligibles (as defined in section 2108(3) of such title), and (3) the authorities provided in clause (1) may be exercised by the Chief Judge of the Court whenever there are not at least two Associate Judges on the Court.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $6,000,000.

ABATEMENT, CONTROL, AND COMPLIANCE

For an additional amount for "Abatement, control, and compliance", $9,000,000, to remain available until September 30, 1990.

HAZARDOUS SUBSTANCE SUPERFUND

(RESCISSION)

Of available funds under this head, $15,000,000 are rescinded.

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", up to $5,000,000, which shall be derived by transfer from "Abatement, control, and compliance".

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY FOOD AND SHELTER PROGRAM

For an additional amount for the "Emergency food and shelter program", $12,000,000 to be derived by transfer from "Urban development action grants".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFERS OF FUNDS)

For an additional amount for "Research and program management", up to $35,000,000, to be derived by transfer from "Research and development" and "Space flight, control and data communications".

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For an additional amount for "Research and related activities", $37,500,000, to remain available until September 30, 1991.

For an additional amount for "Research and related activities", $37,500,000, to remain available until September 30, 1991: *Provided*, That this amount shall not be available for obligation until October 1, 1989: *Provided further*, That this additional amount made available on October 1, 1989 is in addition to the amount made available upon enactment.

CHAPTER XII

DISTRICT OF COLUMBIA

INAUGURAL EXPENSES PAYMENT

(TRANSFER OF FUNDS)

For an additional amount for "Inaugural expenses payment", $1,000,000, to be derived from Expenses, Presidential Transition, General Services Administration.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for "Governmental direction and support", $26,000: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 to 2269-2), $7,216,000 are rescinded for a net decrease of $7,190,000.

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for "Economic development and regulation", $1,990,000: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-2), $19,016,000 are rescinded for a net decrease of $17,026,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $29,360,000, of which $5,064,000, to remain available until expended, shall be solely for overtime expenses of the Metropolitan Police Department and $800,000, to remain available until expended, shall be solely for overtime expenses of the Superior Court: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-2 to 2269-4), $1,210,000 are rescinded for a net increase of $28,150,000.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $4,529,000, which shall be allocated as follows: $3,758,000 for the public schools of the District of Columbia and $771,000 for the District of Columbia School of Law: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $2,000,000 for the University of the District of Columbia, $6,000 for the Educational Institution Licensure Commission, $389,000 for the Public Library, and $185,000 for the Commission on the Arts and Humanities are rescinded for a net increase of $1,949,000.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $45,858,000: *Provided*, That $3,611,000 of this appropriation, to remain available until expended, shall be available solely for the District of Columbia's employees' disability compensation: *Provided further*, That of the funds provided for the Office of Emergency Shelter and Support Service, $750,000 shall be used to provide food for the homeless and may not be used for any other purpose: *Provided further*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $9,945,000 are rescinded for a net increase of $35,913,000.

PUBLIC WORKS

(INCLUDING RESCISSION)

For an additional amount for "Public works", $5,436,000: *Provided*, That of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-4), $10,655,000, including $300,000 from the school transit subsidy are rescinded for a net decrease of $5,219,000.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center fund", $543,000.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-5), $5,834,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $13,950,000: Provided, That in addition, all net revenue that the District of Columbia government may collect as a result of the District of Columbia government's pending appeal in the consolidated case of *U.S. Sprint communications et al.* v. *District of Columbia, et al.*, CA 10080-87 (court order filed on November 14, 1988), shall be applied solely to the repayment of the general fund accumulated deficit.

SHORT-TERM BORROWINGS

For an additional amount for "Short-term borrowings", $4,592,000.

PERSONAL SERVICES ADJUSTMENTS

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), $18,553,000 as determined by the Mayor, are rescinded: *Provided*, That the Mayor shall reduce appropriations and expenditures for personal services within object classes 11, 12, 13 and 14: Provided further, That during the fiscal year ending September 30, 1989, the Mayor shall reduce the number of authorized, full-time, funded positions above DS-10 by 318.

INAUGURAL EXPENSES

For an additional reimbursement for necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973 (87 Stat. 824; D.C. Code, sec. 1-1803), $1,000,000, which shall be apportioned by the Mayor within the various appropriation headings in this Act.

ENERGY ADJUSTMENT

(RESCISSION)

Of the funds appropriated under the various appropriations headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), an additional $349,000 as determined by the Mayor are rescinded from object class 30(a) energy.

EQUIPMENT ADJUSTMENT

(RESCISSION)

Of the funds appropriated under the various appropriation headings for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-1 through 2269-6), $3,500,000 as determined by the Mayor are rescinded from object class 70 (equipment).

CAPITAL OUTLAY

(INCLUDING RESCISSION)

For an additional amount for "Capital outlay", $146,642,000, to remain available until expended: *Provided*, That of the amounts appropriated under this heading in prior fiscal years, $15,970,000 are rescinded for a net increase of $130,672,000: *Provided further*, That $14,700,000 shall be available solely for the Correctional Treatment Facility of which $8,700,000 shall be for delay claims owed to the contractor for construction delays and $6,000,000 shall be for fixtures and equipment connected to the floors, walls, and ceilings of the Facility by means of structural, mechanical, or electrical requirements: *Provided further*, That $4,185,000 shall be available for project management and $9,425,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: *Provided further*, That $25,000,000 shall be available to the Department of Corrections for a feasibility study, site acquisition, and design and construction of a jail that is generally bounded by G Street, N.W. on the north, 6th Street, N.W. on the west, Pennsylvania Avenue, N.W. on the south and 1st Street, N.W. on the east: *Provided further*, That the feasibility study shall include a companion analysis of a revised mission for the present jail to prevent duplication: *Provided further*, That the executive branch is prohibited from disposing of any property in the Judiciary Square area that is under the jurisdiction of the Mayor until a site has been chosen.

WATER AND SEWER ENTERPRISE FUND

Of the funds appropriated under this heading for fiscal year 1989 in the District of Columbia Appropriations Act, 1989, approved October 1, 1988 (Public Law 100-462; 102 Stat. 2269-7), $100,000 shall be available to compensate individuals as provided in the Water Main Break Fund Emergency Act of 1988, effective December 21, 1988 (D.C. Act 7-269; to be codified at D.C. Code, sec. 47-375, note).

ADMINISTRATIVE PROVISIONS

The United States hereby forgives $5,064,000 of the fourth quarter indebtedness incurred by the District of Columbia government to the United States pursuant to the Act of March 3, 1915, D.C. Code, sec. 24-424, as amended, this amount being equal to the increased cost of housing District of Columbia convicts in Federal penitentiaries during the fiscal year ending September 30, 1989: provided, That for the fiscal year ending September 30, 1990, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

Notwithstanding any other provision of law, including, but not limited to the District of Columbia Historic Landmark and Historic District Protection Act of 1978, D.C. Law 2-144, as amended, 25 DCR 6939 (1979), the District of Columbia Government is directed to begin construction of a correctional facility to be located in the District of Columbia, as described in Public Law 99-591, within thirty days of enactment of this Act.

TITLE II—URGENT SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $28,400,000, to remain available until expended.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $1,800,000.

ASSETS FORFEITURE FUND

(RESCISSION)

Of the $75,000,000 in expenses authorized by 28 U.S.C. 524 and appropriated from receipts of the Assets Forfeiture Fund in 1989 (Public Law 100-459), $2,232,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

(INCLUDING RESCISSION)

From the amounts made available to the National Institute of Justice in Public Law 100-459, there shall be available $200,000 for a grant to the University of South Carolina for the purpose of studying the causes and effects of the increasingly disproportionate use of illegal drugs in the black community: *Provided*, That of deobligated funds previously awarded from appropriations for "Justice assistance", $2,053,000 are

rescinded, notwithstanding any other provision of law.

DEPARTMENT OF STATE

GENERAL PROVISION

(TRANSFER OF FUNDS)

SEC. 1. In order to meet urgent requests that may arise during fiscal year 1989 for contributions and other assistance for new international peacekeeping activities, and to reimburse funds originally appropriated for prior international peacekeeping activities, which have been reprogrammed for new international peacekeeping activities, the President may transfer during fiscal year 1989 such of the funds described in section 2(a) as the President deems necessary, but not to exceed $125,000,000 to the "CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES" account or the "PEACEKEEPING OPERATIONS" account administered by the Department of State, notwithstanding section 15(a) of the Department of State Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law.

SEC. 2. (a) IN GENERAL.—The funds that may be transferred under the authority of this heading for use in accordance with section 1 are—

(1) any funds available to the Department of Defense during fiscal year 1989, other than funds appropriated by the Department of Defense Appropriations Act, 1989 (Public Law 100-463); and

(2) any funds appropriated by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461) for the "MILITARY ASSISTANCE" account, for the "INTERNATIONAL MILITARY EDUCATION AND TRAINING" account, or for grants under the "FOREIGN MILITARY FINANCING PROGRAM" account.

(b) RELATIONSHIP TO CERTAIN OTHER PROVISIONS.—Funds described in subsection (a)(2) may be transferred and used for contributions or other assistance for new international peacekeeping activities in accordance with section 1 of this provision notwithstanding section 514 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (as amended by section 589 of that Act), relating to transfers between accounts.

SEC. 3. (a) REVIEW OF PROPOSED TRANSFERS.—Any transfer of funds pursuant to section 1 shall be subject to the regular reprogramming procedures of the following committees:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Armed Services of each House of Congress if funds described in paragraph (1) of section 2(a) are to be transferred.

(3) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate if funds described in paragraph (2) of section 2(a) are to be transferred.

(b) REVIEW OF PROPOSED OBLIGATIONS.—The regular reprogramming procedures of the following committees shall apply with respect to the obligations of any funds transferred pursuant to section 1:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

SEC. 4. (a) Of the amount that may be transferred pursuant to section 1, $38,950,000 shall be made available upon enactment for contribution with respect to implementation of the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations on December 22, 1988 (hereafter known as the Tripartite Agreement) only if the President determines and certifies to the appropriate Congressional committees that (1) the armed forces of the South West Africa People's Organization (SWAPO) have left Namibia and returned north of the 16th parallel in Angola in compliance with the agreements, (2) the United States has received explicit and reliable assurances from each of the parties to the Bilateral Agreement that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date, and (3) the Secretary General of the United Nations has assured the United States that it is his understaniding that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date.

(b) An additional $38,950,000 of such amount shall be made available after August 15, 1989, for implementation of the Tripartite Agreement only if the President has determined and certified to the appropriate Congressional committees that (1) each of the signatories to the Tripartite Agreement is in compliance with it obligations under the Agreement, (2) the Government of Cuba has complied with its obligations under Article 1 of the Bilateral Agreement (relating to the calendar for redeployment and withdrawal of Cuban troops), specifically with respect to its obligations as of August 1, 1989, (3) the Cubans have not engaged in any offensive military actions against UNITA, including the use of chemical warfare, (4) the United Nations and its affiliated agencies ave terminated all funding and other support, in conformity with the United Nations impartiality package, to the South West Africa People's Organization (SWAPO), and (5) the United Nations Angola Verification Mission is demonstrating diligence, impartiality, and professionalism in verifying the departure of Cuban troops and the recording of any troop rotations.

(c) Funding of these activities by the United States may not be construed as constituting recognition of any government in Angola.

(d) The term "Bilateral Agreement" means the Agreement Between the Governments of the People's Republic of Angola and the Republic of Cuba for the Termination of the International Mission of the Cuban Military Contingent, signed at the United Nations on December 22, 1988, and the term "Tripartite Agreement" means the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations on December 22, 1988.

(e) The term "appropriate Congressional committees" means the Committees on Appropriations, Foreign Affairs, and Permanent Select Committee on Intelligence of the House of Representatives, and the Committees on Appropriations, Foreign Relations and the Select Committee on Intelligence of the Senate.

SEC. 5. The Secretary of the Treasury shall instruct the United States Executive Directors to the International Monetary Fund and the International Bank for Reconstruction and Development to vote in opposition to the entry of the Government of Angola into these financial institutions or to approve any loans to Angola unless th President certifies to the appropriate Co gressional committees that progress is bein made toward national reconciliation.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

FEDERAL SHIP FINANCING FUND

For payment to the Secretary of Treasu for debt reduction, $515,000,000, to rema available until expended.

Notwithstanding section 12106, 12107, a 12108 of title 46, United States Code, a section 27 of the Merchant Marine Act, 19 (46 App. U.S.C. 883), as applicable on t date of enactment of this Act, the Secreta of Transportation may issue a certificate documentation for each of the following:

(1) the vessel LIBERTY, hull identific tion number BHA 5512 B and State Hawaii registration number HA 5512 B;

(2) the vessel NAVATEK I;

(3) the vessel NANCY ANN, United Stat official number 901962; and

(4) the vessel NOR'WESTER, Unit States official number 913451.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

That the authority under the Suppleme tal Appropriations Act, 1985 (Public Law 9 88) with respect to the relocation of t Fort Lauderdale Monitoring Station amended to authorize the Federal Comm nications Commission to expend the fun remaining from the sale of the Fort Laud dale, Florida Monitoring Station, for sa ries and expenses in fiscal year 1989 in li of returning the unsued funds to the gen al fund of the United States Treasury.

LEGAL SERVICES CORPORATION

ADMINISTRATIVE PROVISION

None of the funds approriated under t Act or under any prior Acts for the Le Services Corporation, or any other fu available to the Corporation, shall be u by the Corporation Board, members, st or consultants, to consider, develop or plement any system for the competit award of grants until such action is auth ized pursuant to a majority vote of a Bo of Directors of the Legal Services Corpo tion composed of eleven individuals no nated by the President after January 1989, and subsequently confirmed by United States Senate, except that noth herein shall prohibit the Corporat Board, members, or staff from engaging in-house reviews of or holding hereings proposals for a system for the competit awards of all grants and contracts, includ support centers, and that nothing her shall apply to any competitive awards p gram currently in existence: Provided, T the Corporation shall insure that all gra or contracts made during calendar year 1 to all grantees funded under secti 1006(a) (1) and (3) of the Legal Servi Corporation Act with funds appropriate Public Law 100-459, or prior appropriati Acts, shall be made for a period of at le twelve months beginning on January 1989, so as to insure that the total ann funding for each current grantee or cont tor is no less than the amount provided p suant to Public Law 100-459, and shall be subject to any amendments to reg tions relating to fee generating cases C.F.R. Part 1609) or the use of private fu (45 C.F.R. Part 1610 and 1611) not in o ational effect on October 1, 1988.

ADMINISTRATIVE PROVISIONS

SEC. 101. Funds appropriated to the Commission for the Study of International Migration and Cooperative Economic Development and the Commission on Agricultural Workers in Public Law 100-459 shall remain available until expended.

SEC. 102. The Director of the Administrative Office of the United States Courts, under the supervision of the Judicial Conference of the United States, and upon notification to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in Section 606 of Public Law 100-459, may transfer unobligated balances available under Courts of Appeals, District Courts, and Other Judicial Services, "Defender Services", to any appropriation account of the Judiciary: *Provided*, That compensation and reimbursement of attorneys and others as authorized under section 3006A of title 18, United States Code, and section 1875(d) of title 28, United States Code, may hereinafter be paid from funds appropriated for "Defender Services" in the year in which payment is required.

SEC. 103. Funds heretofore or hereafter appropriated or otherwise made available to the United States Information Agency for television broadcasting to Cuba may be used by the Agency to lease, maintain and operate such aircraft (including aerostats) as may be required to house and operate necessary television broadcasting equipment.

SEC. 104. Section 631(b)(1) of title 28, United States Code, is amended by striking out all after "Puerto Rico, or the Virgin Islands of the United States," through "the bar of the district court of the Virgin Islands;" at the end of subparagraph (b), and by striking out the words "the first sentence of" that appear in the same paragraph.

SEC. 105. None of the funds provided in this or any prior Act shall be available for obligation or expenditure to relocate, reorganize or consolidate any office, agency, function, facility, station, activity, or other entity falling under the jurisdiction of the Department of Justice.

CHAPTER II

DEPARTMENT OF DEFENSE—MILITARY

ADMINISTRATIVE PROVISIONS

SEC. 201. (a) Section 8111 of the Department of Defense Appropriation Act, 1989 (Public Law 100-463; 102 Stat. 2270-38) is amended by striking out "$1,163,200,000" and inserting in lieu thereof "$1,258,600,000".

(b) The additional funds made available pursuant to subsection (a) may be used only to cover costs related to underestimates of the cost of transporting exchange merchandise to overseas locations and to compensate for adverse changes in foreign currency exchange rates.

SEC. 202. Section 8119 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-39/40) is repealed.

SEC. 203. Section 8080 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463) is amended by inserting the following provision at the end of the paragraph, after "skills": ": *Provided further*, That these limitations shall not apply to members who enlist in the armed services on or after July 1, 1989, under a fifteen-month program established by the Secretary of Defense to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense".

SEC. 204. Section 8031 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-22/23) is amended by inserting "High mobility multipurpose wheeled vehicle;" after "M-1 tank Chasis;".

SEC. 205. The appropriation "Operation and Maintenance Army" contained in the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-2/3) is amended by adding the following after "Championships": ": *Provided further*, That, of the funds appropriated in this paragraph, "$50,000,000 shall be available only for procurement for the Extended Cold Weather Clothing System (ECWCS) unless $50,000,000 of ECWCS is procured by the Army Stock Fund during fiscal year 1989".

SEC. 206. The Secretary of Defense may, in conjunction with the Office of Personnel Management, conduct a test program to adjust pay rates to reflect local prevailing rates of pay for civilian employees in the following health care occupations; nurse, physician assistant, medical records librarian, medical laboratory technician, and radiology technician.

SEC. 207. Section 8037 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-23), is amended by striking out "39 individuals" and inserting in lieu thereof "42 individuals".

SEC. 208. Within funds available to the Department of Defense, the Secretary of Defense shall transfer or otherwise make available funds as necessary to accommodate repair of real property, aircraft, and other Department of Defense assets damaged during the storm at Fort Hood, Texas, on May 13, 1989: *Provided*, That funds made available pursuant to this section shall be in accordance with established authorities and procedures.

CHAPTER III

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

GENERAL PROVISIONS

SEC. 301. None of the funds available to the Department of the Interior may be used to place on the National Register of Historic Places the Al Capone House at 7244 South Prairie Avenue, Chicago, Illinois.

SEC. 302. The King Center and the National Park Service are authorized to locate an additional parking site for the Martin Luther King National Historic Site within the National Historic Site and Preservation District Boundary in accordance with Federal and State preservation regulations, in lieu of the vacant lot on the north side of Irwin between Jackson and Boulevard as specified in Public Law 100-202.

CHAPTER IV

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

For the settlement of promissory notes issued to the Secretary of the Treasury, $10,770,941, to remain available until expended, together with such sums as may be necessary for the payment of interest due under the terms and conditions of such notes.

GENERAL PROVISIONS

SEC. 401. Section 312 of Public Law 100-457 is amended by deleting "276,000" and inserting in lieu thereof "$300,000".

SEC. 402. Notwithstanding any other provision of law, the New York State Bridge Authority shall have the authority to collect tolls on the Newburgh-Beacon Bridge and to utilize the revenue therefrom for the construction and reconstruction of and for the costs necessary for the proper maintenance and operation of any bridges and facilities under the jurisdiction of such Authority and for the payment of debt service on any of the Authority's obligations issued in connection therewith.

Section 341 of Public Law 100-457 is amended by deleting "2" and inserting in lieu thereof "4".

CHAPTER V

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

Under this heading in the Treasury Department Appropriations Act, 1989, Public Law 100-440, after the words, "Provided, That", insert "with the exception of the transfer of two E2C aircraft to the U.S. Coast Guard,".

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Funds appropriated under this heading in the Treasury, Postal Service, and General Government Appropriations Act, fiscal year 1989, Public Law 100-440, for construction of barriers at the south end of the White House shall remain available until expended.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

Section 103 under this heading in the Treasury Department Appropriations Act, 1989 (Public Law 100-440) is amended by striking "1 per centum" and inserting in lieu thereof "2 per centum".

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Notwithstanding any other provision of law, for an additional amount for "Salaries and expenses", for grants to the Popular Democratic Party, the New Progressive Party, and the Puerto Rican Independence Party of the Commonwealth of Puerto Rico, $1,500,000, to remain available until the sine die adjournment of the One Hundred First Congress: *Provided*, That grants shall be made to each such party in equal amounts, not to exceed $500,000 each: *Provided further*, That such funds shall be made available for necessary expenses incurred after March 1, 1989, to each such party to participate in the legislative process involving the future political status of Puerto Rico, including the travel and transportation of persons, services as authorized by section 3109 of title 5, United States Code, communications, utilities, printing and reproduction, and supplies and materials and other related services, and for administrative costs: *Provided further*, That under such regulations as the Comptroller General may prescribe, the Comptroller General shall perform a financial audit of the financial transactions made by each such party with such funds: *Provided further*, That such funds may not be used directly or indirectly to finance the campaigns of candidates for public office.

OTHER INDEPENDENT AGENCIES

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Amounts made available under this heading in the Independent Agencies Appropria-

tions Act, 1989 (Public Law 100-440), which are to be transferred from the Trust Funds for implementing the recordkeeping system of the Federal Employees' Retirement System, shall remain available until expended.

GENERAL SERVICES ADMINISTRATION

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of law, the Administrator of General Services (Administrator) shall transfer to the administrative jurisdiction of the Holocaust Memorial Council (Council), without consideration, the Auditors West Building (Annex 3) located at Raoul Wallenberg Place and Independence Avenue Southwest, Washington, District of Columbia.

Prior to such transfer of jurisdiction to the Council, the Council shall agree to perform all necessary repairs and alterations to the Auditors West Building so as to renovate the exterior of the Auditors West Building in a manner consistent with perservation of the historic architecture of the building, and to preserve the structural integrity of the building. The Council, prior to such transfer, shall furnish to the Administrator, for his approval, a plan detailing the repairs and alterations proposed, dates for completion of the work, and funding availability.

In the event the Council ceases to exist, administrative jurisdiction of the Auditors West Building (Annex 3) shall revert to the General Services Administration.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $250,000, to be derived by transfer from "Expenses, Presidential Transition", General Services Administration.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

SEC. 201. (a) Notwithstanding any other provision of law, the General Services Administration is hereby authorized to purchase, from annual funds available in the Federal Buildings Fund in fiscal year 1989, such additional furniture and equipment as may be necessary, not to exeed $1,500,000, for the National Oceanic and Atmospheric Administrator to relocate to the Silver Spring, Maryland, Metro Center.

(b) The National Oceanic and Atmospheric Administrator will reimburse the General Services Administration for such expenditures in equal amounts over a period of two years, beginning in fiscal year 1990.

CHAPTER VI

DEPARTMENT OF VETERANS' AFFAIRS

GENERAL OPERATING EXPENSES

The costs of external contract audits shall be charged to "Construction, major projects", "Construction, minor projects", and the "Supply fund", as appropriate, and be made retroactive to October 1, 1988.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The Secretary of Housing and Urban Development may make amounts reserved or obligated under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) for particular projects under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), available as subsidy amounts for such projects under section 202(h)(4) of such Act.

RENTAL HOUSING ASSISTANCE

Such sums as may be necessary are hereby approved to implement the authority conferred on the Secretary of Housing and Urban Development by section 236(r) of the National Housing Act to provide interest reductions and rental assistance payments: *Provided*, That notwithstanding the second sentence of such section 236(r), an application shall be eligible for assistance under such section if the mortgagee submits an application within five hundred and forty-eight days after the effective date of this Act.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Funds under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 shall be made available for a special project under section 107 of the Housing and Community Development Act of 1974 (42 U.S.C. 5307) to the Hawaii State Department of Hawaiian Home Lands, for infrastructure development on Hawaiian Home Lands, notwithstanding the restrictions on alienation applicable to such lands.

INDEPENDENT AGENCIES

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

The limitation carried under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 on program development and management in fiscal year 1989 is increased by $750,000.

GENERAL PROVISION

Section 406 under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Public Law 100-404) is amended by striking out "the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitation" and inserting in lieu thereof "any officer or employee authorized such transportation under title 31, United States Code, section 1344".

TITLE III—TECHNICAL ENROLLMENT CORRECTIONS

SEC. 301. The appropriation Operation and Maintenance, Navy as contained in the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-3) is amended by striking out ", of which $60,000,000 shall be transferred to the Coast Guard".

SEC. 302. In Public Law 100-461, "An Act making appropriations for Foreign Operations, Export Financing, and Related Programs for the fiscal year ending September 30, 1989, and for other purposes", in TITLE V—GENERAL PROVISIONS, following the last "." in section 572, insert the following:

"RESOLUTION OF JAPANESE BEETLE PROBLEM"

"SEC. 573. None of the funds appropriated by this Act may be used to fund any programs to assist in solving the Japanese beetle problem in the Azores. It is the sense of the Congress that this problem was created by the Department of Defense which should fund any program to resolve it.".

SEC. 303. In Public Law 100-446, "An Act making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Navajo and Hopi Indian Relocation Commission" delete the sum "$27,323,000" and insert in lieu thereof "$27,373,000".

SEC. 304. In Public Law 100-460, "An A making appropriations for Rural Develo ment, Agriculture, and Related Agencies f the fiscal year ending September 30, 198 and for other purposes", in the accou titled "National Agricultural Library delete the sum "$13,268,000" and insert lieu thereof "$14,268,000".

SEC. 305. In Public Law 100-457, "An A making appropriations for the Departme of Transportation and Related Agencies f the fiscal year ending September 30, 198 and for other purposes", in the accou titled "Urban Mass Transportation Admin tration, Interstate Transfer Grants-Transi delete the sum "$2,000,000,000" and inse in lieu thereof "$200,000,000".

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriati contained in this Act shall remain availat for obligation beyond the current fiscal ye unless expressly so provided herein.

SEC. 402. Notwithstanding section 1346 title 31, United States Code, or section 6 of Public Law 100-440, funds made availat for fiscal year 1989 by this or any other A shall be available for the interagency fun ing of national security and emergency p paredness telecommunications initiativ which benefit multiple Federal depa ments, agencies, or entities, as provided Executive Order Numbered 12472 (April 1984).

SEC. 403. No funds appropriated unc this Act or any other Act shall be availa to the Bureau of Alcohol, Tobacco and Fi arms for the enforcement of section 204 the Alcoholic Beverage Labeling Act 1988, title VIII of the Anti-Drug Abuse A of 1988 (Public Law 100-690, 102 Stat. 48 and regulations issued thereunder, as it lates to malt beverage glass returnable b tles of 12 ounces or less to which labels h been permanently affixed by means painting and heat treatment, which were dered on or before April 21, 1989: *Provid* That the closure for such bottles conta the warning statement: *And provided f ther*, That any new returnable glass bott ordered after April 21, 1989, will be in f compliance with section 204 and the regu tions issued thereunder.

SEC. 404. (a) Within 6 months of the actment of this Act and after grant notice and opportunity to comment to fected tenants, the Secretary shall rev the drug-related eviction procedures of jurisdictions having a Public Housing thority for the purpose of determin whether such procedures meet Federal process standards.

(b) Upon conclusion of the review mand ed by subsection (a), if the Secretary det mines that due process standards are for a jurisdiction, the Secretary shall is that jurisdiction a waiver of the procedu required in section 6(k) of the United Sta Housing Act of 1937, 42 U.S.C. 1437(k), evictions involving drug-related criminal tivity which threatens the health and saf of other tenants of public housing author employees as long as evictions of a hou hold member involved in drug-related cri nal activity shall not affect the right of other household member who is not volved in such activity to continue tenar

(c) Within 60 days of completion of review mandated by subsection (a), the S retary shall report to Congress the findi of the review including all waivers gran in accordance with subsection (b).

SEC. 405. SENSE OF THE SENATE REGARD THE APPOINTMENT OF A NEW ADMINISTRA

OF THE PANAMA CANAL COMMISSION.—It is the sense of the Senate that the President should not appoint a new Administrator of the Panama Canal Commission unless and until he certifies to Congress that the ruling government of Panama is democratically elected according to procedures specified in the Constitution of Panama providing for a civilian government in control of all Panamanian military and paramilitary forces.

SEC. 406. RESTORATION OF EASTERN AIRLINES.—

(a) FINDINGS.—The Senate finds that—

(1) the operations of Eastern Airlines have been substantially shut down since March 4, 1989, by a strike by the International Association of Machinists with the support of pilots and flight attendant unions;

(2) Eastern Airlines filed a petition under chapter 11 of title 11, United States Code, on March 9, 1989;

(3) Texas Air Corporation, which controls Eastern Airlines, had negotiated for the sale of Eastern;

(4) the organized employees of Eastern had agreed to provide a potential new owner with substantial wage concessions;

(5) the deregulation of the airline industry by Congress was predicated on the anticipated continued existence of strong, independent airlines, such as Eastern Airlines;

(6) the Bankruptcy Court has the power to appoint an independent trustee to manage Eastern's return to operation during the interim period, leading up to the consummation of the sale agreement and transfer of control to a potential owner; and

(7) the return of Eastern Airlines to full operation is in the public interest and in the best interest of the creditors, employees, and customers of Eastern as well as the economies of the communities, States and regions of the United States that Eastern SERVES.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Bankruptcy Court and all involved parties should facilitate the prompt and safe restoration of Eastern Airlines to full operations through all appropriate action, which may or may not include appointment of an independent trustee, pending sale of the company.

SEC. 407. RESPONSIBILITY FOR NUCLEAR, CHEMICAL BIOLOGICAL, AND MISSILE NONPROLIFERATION.—

(a) RESPONSIBILITIES.—The responsibilities of the Undersecretary of State for Coordinating Security Assistance Policy shall include—

(1) coordinating United States diplomatic efforts to obtain the agreement of all appropriate countries to a missile technology control regime encompassing chemical, biological, and nuclear capable missiles; and

(2) coordinating policies within the United States Government on strategies for restricting the export to foreign countries of components of missiles which are capable of carrying nuclear, chemical, or biological weapons.

(b) REPORT REQUESTED.—The Secretary of State shall submit within 90 days of the date of enactment of this Act to the Speaker of the House of Representatives and the President pro tempore of the Senate a report setting forth the Administration strategy for dealing with the missile proliferation issue, and specifying the steps taken to ensure that adequate resources will be allocated for that purpose.

(c) CONTENTS OF REPORT.—The report required in subsection (b) shall contain, but is not limited to—

(1) a discussion of efforts that can be made to strengthen the Missile Technology Control Regime to restrict the flow of Western missile hardware and knowhow;

(2) a discussion of ways to strengthen international arrangements, including the formation of a new international organization, to monitor missile-related exports and compliance with missile nonproliferation efforts; and

(3) a discussion of how incentives and threats of sanctions can be used to win the cooperation of more nations in controlling missile proliferation.

SEC. 408. TEMPORARY SUSPENSION OF RIGHT TO REPURCHASE STINGER MISSILES.—Notwithstanding section 573(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and section 566(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, the United States hereby suspends its obligation to repurchase STINGER antiaircraft missiles from Bahrain until October 31, 1989.

SEC. 409. EXEMPTION PROVIDED FOR NATIONAL COMMISSION ON CHILDREN FROM CERTAIN PROVISIONS OF TITLE 5.—Section 1139 of the Social Security Act (42 U.S.C. 1320b-9) is amended by striking subsection (f) and inserting in lieu thereof the following new subsection:

"(f)(1) The Commission shall appoint an Executive Director of the Commission. In addition to the Executive Director, the Commission may appoint and fix the compensation of such personnel as it deems advisable. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, that govern appointments in the competitive services, and the provisions of chapter 51 and subchapter III of chapter 53 of such title that relate to classifications and the General Schedule pay rates.

"(2) The Commission may procure such temporary and intermittent services of consultants under section 3109(b) of title 4, United States Code, as the Commission determines to be necessary to carry out the duties of the Commission.".

SEC. 410. It is the sense of the Senate that the Secretary of Transportation should conduct a review of the potential impact of highly leveraged acquisitions of control of United States air carriers. The potential impacts to be addressed in such review should include the effects of increased expenses associated with increased debt on carriers' ability to—

(i) modernize their fleets;

(ii) make necessary expenditures for maintenance;

(iii) survive economic downturns (and the effect on competition among air carriers if some do not survive);

(iv) provide small community services;

(v) compete internationally against foreign airlines; and

(vi) make and/or keep the financial commitments to airport projects necessary to expand capacity and improve safety, and meet the future needs of their employees with regard to such matters as salaries, benefits, pensions, and job security and growth.

Pursuant to the conclusions of such review, the Secretary should make a report to the Congress and include in such report an assessment with respect to any major air carrier that is the object of a highly leveraged buyout.

SEC. 411. The Secretary of Agriculture may use his section 32 authority in appropriate instances to stabilize the apple market and to satisfy the request of recipient agencies.

This Act may be cited as the "Dire Emergency Supplemental Appropriations and Transfers, Urgent Supplementals, and Correcting Enrollment Errors Act of 1989".

The SPEAKER (during the reading). Without objection, further reading of the Senate amendment will be dispensed with, and the Senate amendment will be printed in the RECORD.

There was no objection.

The SPEAKER. The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes, and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and that I may include tabular and extraneous material, on the Senate amendment to the bill (H.R. 2402) making supplemental appropriations for the Department of Veterans' Affairs for the fiscal year ending September 30, 1989, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I am proud to present H.R. 2402, which I introduced in the House on May 18. We passed it that same day and sent it to the Senate. This bill protects the veterans' programs.

I introduced the bill in case H.R. 2072, handling the overall supplemental, struck a snag. This did happen on Wednesday, June 21. After this occurred, the gentleman from Massachusetts [Mr. CONTE] the ranking Republican, and I, met repeatedly with Senator BYRD, the new chairman of the Senate Appropriations Committee and Senator HATFIELD, the ranking Republican and a former chairman. The Senate retracted many additions which had been made to H.R. 2072. We in turn insisted that we strengthen local law enforcement. We agreed unanimously on the amendment now attached to this bill, H.R. 2402, which was pending in the Senate. This procedure will let us move ahead and allow us to save time in meeting our problems.

□ 1030

Mr. Speaker, I wish to thank my colleagues, the new leadership of the House and Senate, and particularly my colleague, the gentleman from Massachusetts [Mr. CONTE], ranking Republican of the Committee on Appropriations. We have worked togeth-

er many times, but never more effectively than on the bill before us.

Mr. Speaker, we have a national crisis because of the breakdown of law enforcement at the local level. This agreement provides $75 million to strengthen our hand at the local level by providing funds for hiring additional assistant U.S. attorneys, deputy U.S. marshals, agents in the field for the Drug Enforcement Administration, FBI, and the Immigration and Naturalization Service.

There are also adequate funds to initiate plans to acquire available military facilities for use as prisons, or, as proposed in H.R. 1591, Civilian Conservation Corps-type camps for drug offenders. Funds are also to be used for speeding up planning for not less than three prisons.

Mr. Speaker, this agreement includes:

Veterans' programs	$1,193,818,000
Law enforcement at the local level	75,000,000
Guaranteed student loans	892,428,000
Forest fire restoration	341,669,000
Payments to States for foster care and adoption services	423,345,000
Food stamps	224,824,000
Trade adjustment assistance	90,849,000
Migration and refugee assistance	125,000,000
International peacekeeping assistance	125,000,000
Essential air services and many other important programs	5,600,000

It does not advance any pay dates for the Department of Veterans' Affairs, NASA or EPA.

May I say to my colleagues that this is largely due to the last minute further cuts in the 1989 budget resolution of $1,900,000,000 which affected our appropriations bills. We went along with that, with the feeling on the part of many of our conferees that we would straighten it out in a supplemental.

The agreement that was reached between some of our leaders was that we would have supplementals only in dire emergencies, and may I say to my colleagues that dire is a word with a general definition that one sees in the dictionary.

We have tried to stick to the fact that these are dire emergencies as that term is defined.

May I say in other cases we did not impose a dire emergency test, but we had offsetting cuts so as to keep the spending in line. In each case, in the judgment of the conferees, what we have done with the money here is far more important than the place from which they took it.

So I bring you a deal here where everybody that was in the conference is in agreement. It passed without difficulty in the Senate. The Representatives of both parties there agreed with what we are doing here.

I shall not take up your time further because the record is plain. We have held the line and everything we have got here is badly needed to keep this country running.

Whatever our problems are, domestic and foreign, we are going to have to keep our country going or we will not be able to handle the problems. It is rapidly reaching the point where we had better look at the veterans' affairs in view of this and other things. We need to save money if we can, but you do not save it by letting your country go down.

LEGISLATIVE DIRECTIVES

Mr. Speaker, because we are concurring with the Senate amendment, we have an unusual situation where there is no conference report or statement of managers. Since it is really the agreement on H.R. 2072, the reports associated with H.R. 2072 provide the explanations and guidance to be followed in the implementation of H.R. 2402.

Drop the so-called scorekeeping adjustments related to the payday shift and the section 202 asset sale contained in amendments numbered 87, 93, 95, and 131 of the statement of the managers.

Reduce fiscal year 1989 funding for the National Science Foundation for a replacement telescope at Green Bank, WV, to a level of $37.5 million (amendment number 96).

Reduce fiscal year 1989 insured farm operating loans from a level of $70 million to a level of $32.5 million (amendment number 59).

Provide $75 million for additional law enforcement at the local level to fight the war on drugs and begin design of not less than three prison facilities in lieu of $821 million provided by the House and reported in true disagreement to fight the war on drugs (amendment number 2).

Drop the Senate earmark for the Center for Toxicological Research reported in true disagreement (amendment number 71).

Provide new clarifying language for the Legal Services Corporation which was reported in true disagreement (amendment number 111).

Mr. Speaker, in closing I would like to insert in the RECORD at this point a comparative table showing the various items in the new agreement and how they compare with the request of the administration.

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs. Requests	Conference vs. House	Conference vs. Senate
	TITLE I - DIRE EMERGENCY SUPPLEMENTALS AND TRANSFERS							
	CHAPTER I - EMERGENCY DRUG FUNDING							
	DEPARTMENT OF JUSTICE							
---	Drug law enforcement	---	821,579,000	---	75,000,000	+75,000,000	-746,579,000	+75,000,000
	CHAPTER II							
	DEPARTMENT OF JUSTICE							
	Office of Justice Programs							
101-40	Justice assistance	---	---	4,000,000	4,000,000	+4,000,000	+4,000,000	---
	THE JUDICIARY							
	Judicial Retirement Funds							
101-4 S.Doc. 101-7	Payment to Judicial Officers' Retirement Fund	2,300,000	2,300,000	2,300,000	2,300,000	---	---	---
	Total, Chapter II: New budget (obligational) authority	2,300,000	2,300,000	6,300,000	6,300,000	+4,000,000	+4,000,000	---
	CHAPTER III							
	DEPARTMENT OF DEFENSE - CIVIL							
	Corps of Engineers - Civil							
101-40 S.Doc. 101-7	General regulatory functions (by transfer)	(3,325,000)	(1,100,000)	(3,325,000)	(3,325,000)	---	(+2,225,000)	---
101-40	General expenses (by transfer)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	---	---	---
	Total, Corps of Engineers - Civil: (By transfer)	(5,925,000)	(3,700,000)	(5,925,000)	(5,925,000)	---	(+2,225,000)	---
	DEPARTMENT OF ENERGY							
	Energy Programs							
101-40	Uranium supply and enrichment activities	55,000,000	55,000,000	55,000,000	55,000,000	---	---	---
101-40	Revenue	-153,000,000	-153,000,000	-153,000,000	-153,000,000	---	---	---
	Total, Chapter III: New budget (obligational) authority	-98,000,000	-98,000,000	-98,000,000	-98,000,000	---	---	---
	(By transfer)	(5,925,000)	(3,700,000)	(5,925,000)	(5,925,000)	---	(+2,225,000)	---
	CHAPTER IV							
	FOREIGN ASSISTANCE							
	BILATERAL ECONOMIC ASSISTANCE							
	DEPARTMENT OF STATE							
101-40	Migration and refugee assistance	100,000,000	100,000,000	100,000,000	100,000,000	---	---	---
101-40	International peacekeeping activities and operations (by transfer)	(125,000,000)	(125,000,000)	---	---	(-125,000,000)	(-125,000,000)	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs Requests	Conference vs House	Conference vs Senate
	CHAPTER V							
	DEPARTMENT OF THE INTERIOR							
	Bureau of Land Management							
---	Management of lands and resources	---	30,180,000	30,180,000	30,180,000	+30,180,000	---	---
	United States Fish and Wildlife Service							
---	Resource management	---	2,895,000	2,895,000	2,895,000	+2,895,000	---	---
	National Park Service							
---	Operation of the national park system	---	25,000,000	25,000,000	25,000,000	+25,000,000	---	---
	Bureau of Indian Affairs							
---	Operation of Indian programs	---	33,594,000	33,594,000	33,594,000	+33,594,000	---	---
	Office of the Secretary							
---	Oil Spill Emergency Fund	---	---	7,300,000	7,300,000	+7,300,000	+7,300,000	---
	Total, Department of the Interior	---	91,669,000	98,969,000	98,969,000	+98,969,000	+7,300,000	---
	DEPARTMENT OF AGRICULTURE							
	Forest Service							
---	Forest Research (by transfer)	---	---	(400,000)	(400,000)	(+400,000)	(+400,000)	---
101-4	National Forest System	250,000,000	250,000,000	250,000,000	250,000,000	---	---	---
	DEPARTMENT OF ENERGY							
---	Alternative fuels production (offsetting collections)	---	-12,000,000	-12,000,000	-12,000,000	-12,000,000	---	---
	Total, Chapter V:							
	New budget (obligational) authority	250,000,000	329,669,000	336,969,000	336,969,000	+86,969,000	+7,300,000	---
	(By transfer)	---	---	(400,000)	(400,000)	(+400,000)	(+400,000)	---
	CHAPTER VI							
	DEPARTMENT OF LABOR							
	Employment and Training Administration							
101-40	Federal unemployment benefits and allowances	126,648,000	126,648,000	90,648,000	90,648,000	-36,000,000	-36,000,000	---
	Occupational Safety and Health Administration							
S.Doc. 101-7	Salaries and expenses	3,200,000	---	3,200,000	3,200,000	---	+3,200,000	---
	Departmental Management							
101-40	Salaries and expenses	1,445,000	---	---	---	-1,445,000	---	---
---	(By transfer)	---	---	(1,445,000)	(1,445,000)	(+1,445,000)	(+1,445,000)	---
	Total, Department of Labor	131,293,000	126,648,000	93,848,000	93,848,000	-37,445,000	-32,800,000	---
	DEPARTMENT OF HEALTH AND HUMAN SERVICES							
	Health Resources and Services Administration							
---	Health Resources and Services, program operations	---	---	800,000	800,000	+800,000	+800,000	---
	Assistant Secretary for Human Development Services							
101-4 101-40	Payments to states for foster care and adoption assistance	423,345,000	423,345,000	423,345,000	423,345,000	---	---	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs. Requests	Conference vs. House	Conference vs. Senate
	DEPARTMENT OF EDUCATION							
	Office of Postsecondary Education							
101-4	Student financial assistance (reappropriation).....	(4,308,000)	---	---	---	(-4,308,000)	---	---
101-4								
101-40	Guaranteed student loans.....	892,428,000	892,428,000	892,428,000	892,428,000	---	---	---
---	Higher Education.....	---	---	1,600,000	1,600,000	+1,600,000	+1,600,000	---
	Departmental Management							
---	Program administration (rescission).....	---	---	-5,533,000	-5,533,000	-5,533,000	-5,533,000	---
---	Office for civil rights.....	---	---	790,000	790,000	+790,000	+790,000	---
---	Office of the inspector general.....	---	---	440,000	440,000	+440,000	+440,000	---
	Total, Departmental Management.....	---	---	-4,303,000	-4,303,000	-4,303,000	-4,303,000	---
	Total, Department of Education.....	892,428,000	892,428,000	889,725,000	889,725,000	-2,703,000	-2,703,000	---
	RELATED AGENCIES							
	Railroad Retirement Board:							
---	Limitation on review activity.....	---	---	(150,000)	(150,000)	(+150,000)	(+150,000)	---
101-	Prescription Drug Payment Review Commission.....	250,000	---	---	---	-250,000	---	---
---	(By transfer, trust funds).....	---	(250,000)	(250,000)	(250,000)	(+250,000)	---	---
	White House Coference on Library and Information							
---	Services.....	---	---	1,750,000	1,750,000	+1,750,000	+1,750,000	---
	Total, Chapter VI:							
	New budget (obligational) authority.....	1,447,316,000	1,442,421,000	1,409,468,000	1,409,468,000	-37,848,000	-32,953,000	---
	(By transfer).....	---	---	(1,445,000)	(1,445,000)	(+1,445,000)	(+1,445,000)	---
	(By transfer, trust funds).....	---	(250,000)	(250,000)	(250,000)	(+250,000)	---	---
	CHAPTER VII							
	LEGISLATIVE BRANCH							
	SENATE							
101-4	Salaries, officers and employees.....	490,000	---	---	---	-490,000	---	---
101-4	Sergeant at Arms and DoorKeeper of the Senate.....	157,000	---	---	---	-157,000	---	---
101-4	Miscellaneous items.....	570,000	---	---	---	-570,000	---	---
	Total, Senate.....	1,217,000	---	---	---	-1,217,000	---	---
	HOUSE OF REPRESENTATIVES							
	Payments to Widows and Heirs of Deceased Members of Congress							
---	Gratuities, deceased Members.....	---	89,500	89,500	89,500	+89,500	---	---
	Salaries and expenses							
101-4	Salaries and expenses.....	6,102,000	---	---	---	-6,102,000	---	---
	JOINT ITEMS							
	Official Mail Costs							
101-4	Expenses.....	7,057,000	---	---	---	-7,057,000	---	---
	BIOMEDICAL ETHICS BOARD							
101-4	Salaries and expenses.....	904,000	---	---	---	-904,000	---	---
	Total, Chapter VII:							
	New budget (obligational) authority.....	15,280,000	89,500	89,500	89,500	-15,190,500	---	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs. Request	Conference vs. House	Conference vs. Senate
	CHAPTER VIII							
	DEPARTMENT OF AGRICULTURE							
---	Cooperative State Research Service (by transfer).....	---	---	(275,000)	(275,000)	(+275,000)	(+275,000)	---
	Agricultural Marketing Service:							
---	Marketing Services (limitation on administrative expenses, from fees collected).....	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	---	---	---
	Agricultural Stabilization Conservation Service:							
101-40	(Transfer from Commodity Credit Corporation).....	(50,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(-10,000,000)	---	---
---	Conservation reserve program (rescission).....	---	-75,000,000	---	-75,000,000	-75,000,000	---	-75,000,000
	Farmers Home Administration:							
	Agricultural Credit Insurance Fund:							
	Operating loans (loan authorization):							
---	Insured (by transfer).....	---	(75,000,000)	---	(32,500,000)	(+32,500,000)	(-42,500,000)	(+32,500,000)
	Soil and water loans (loan authorization):							
---	Insured.....	---	---	(-7,000,000)	(-5,500,000)	(-5,500,000)	(-5,500,000)	(+1,500,000)
---	Guaranteed.....	---	---	---	(-1,500,000)	(-1,500,000)	(-1,500,000)	(-1,500,000)
	Indian tribe land acquisition loans (loan							
---	authorization).....	---	---	(-1,880,000)	(-1,000,000)	(-1,000,000)	(-1,000,000)	(+880,000)
	Watershed and flood prevention (loan							
---	authorization).....	---	---	(-7,869,000)	(-3,949,000)	(-3,949,000)	(-3,949,000)	(+3,920,000)
	Resource conservation loans (loan							
---	authorization).....	---	---	(-1,151,000)	(-607,000)	(-607,000)	(-607,000)	(+544,000)
	Rural Development Insurance Fund:							
	Water and sewer facility loans (loan							
---	authorization) Insured.....	---	---	(2,500,000)	(2,500,000)	(+2,500,000)	(+2,500,000)	---
---	Rural water and waste disposal grants.....	---	---	7,500,000	7,500,000	+7,500,000	+7,500,000	---
	Soil Conservation Service:							
---	Conservation operations.....	---	---	5,000,000	---	---	---	-5,000,000
	Food & Nutrition Service:							
101-	Food stamp program.....	253,000,000	---	224,624,000	224,624,000	-28,376,000	+224,624,000	---
	Food and Drug Administration:							
---	Salaries and expenses.....	---	---	1,000,000	500,000	+500,000	+500,000	-500,000
	Total, Chapter VIII:							
	New budget (obligational) authority.....	253,000,000	-75,000,000	238,124,000	157,624,000	-95,376,000	+232,624,000	-80,500,000
	Appropriations.....	(253,000,000)	---	(238,124,000)	(232,624,000)	(-20,376,000)	(+232,624,000)	(-5,500,000)
	Rescission.....	---	(-75,000,000)	---	(-75,000,000)	(-75,000,000)	---	(-75,000,000)
	(By transfer).....	(50,000,000)	(40,000,000)	(40,275,000)	(40,275,000)	(-9,725,000)	(+275,000)	---
	(Loan authorization).....	---	---	(-15,400,000)	(-10,056,000)	(-10,056,000)	(-10,056,000)	(+5,344,000)
	(Loan authorization, by transfer).....	---	(75,000,000)	---	(32,500,000)	(+32,500,000)	(-42,500,000)	(+32,500,000)
	CHAPTER IX							
	DEPARTMENT OF TRANSPORTATION							
	Office of the Secretary							
---	Payment to air carriers.....	---	---	6,600,000	6,600,000	+6,600,000	+6,600,000	---
	Federal Aviation Administration							
101-4	Operations (By transfer).....	(40,700,000)	---	---	---	(-40,700,000)	---	---
	CHAPTER X							
	DEPARTMENT OF THE TREASURY							
	Office of the Secretary							
101-4	International affairs (by transfer).....	(2,063,000)	(2,063,000)	(1,623,000)	(1,623,000)	(-440,000)	(-440,000)	---
	Financial Management Service							
101-4H	Salaries and expenses (by transfer).....	(5,500,000)	(5,500,000)	---	---	(-5,500,000)	(-5,500,000)	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs. Request	Conference vs. House	Conference vs. Senate

UMI 1989 JE 23 - JL 13 PT 10 VOL 135

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs. Requests	Conference vs. House	Conference vs. Senate
	Internal Revenue Service							
101-4	Processing tax returns (by transfer)	(32,229,000)	(32,229,000)	---	---	(-32,229,000)	(-32,229,000)	---
101-4	Investigation, collection, and taxpayer service (by transfer)	(41,754,000)	(41,754,000)	---	---	(-41,754,000)	(-41,754,000)	---
	Total, Chapter X:							
	New budget (obligational) authority	---	---	---	---	---	---	---
	(By transfer)	(81,546,000)	(81,546,000)	(1,623,000)	(1,623,000)	(-79,923,000)	(-79,923,000)	---
	CHAPTER XI							
	DEPARTMENT OF VETERANS AFFAIRS							
	Veterans Benefits Administration							
101-40	Compensation and pensions	701,481,000	701,481,000	701,481,000	701,481,000	---	---	---
101-40	Readjustment benefits	22,212,000	22,212,000	22,212,000	22,212,000	---	---	---
101-40	Loan guaranty revolving fund	130,000,000	120,100,000	120,100,000	120,100,000	-9,900,000	---	---
	Total, Veterans Benefits Administration	853,693,000	843,793,000	843,793,000	843,793,000	-9,900,000	---	---
	Veterans Health Service and Research Administration							
101-4								
101-40	Medical care	303,000,000	340,125,000	340,125,000	340,125,000	+37,125,000	---	---
---	(By transfer)	---	---	(1,160,000)	(5,000,000)	(+5,000,000)	(+5,000,000)	(+3,840,000)
	Departmental Administration							
---	Construction, major projects (rescission)	---	---	-8,840,000	---	---	---	+8,840,000
---	General operating expenses	---	9,900,000	9,900,000	9,900,000	+9,900,000	---	---
---	(By transfer)	---	(15,000,000)	(15,000,000)	(15,000,000)	(+15,000,000)	---	---
	Total, Department of Veterans Affairs	1,156,693,000	1,193,818,000	1,184,978,000	1,193,818,000	+37,125,000	---	+8,840,000
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
	Housing Programs							
---	Payments for operation of low-income housing projects (by transfer)	---	(88,000,000)	(8,200,000)	(88,000,000)	(+88,000,000)	---	(+79,800,000)
	Management and Administration							
101-4	Salaries and expenses (by transfer)	(3,490,000)	(3,490,000)	(3,490,000)	(3,490,000)	---	---	---
	INDEPENDENT AGENCIES							
	Court of Veterans Appeals							
101-4								
101-40	Salaries and expenses	1,204,000	3,100,000	3,100,000	3,100,000	+1,896,000	---	---
	Environmental Protection Agency							
---	Salaries and expenses	---	6,000,000	6,000,000	6,000,000	+6,000,000	---	---
---	Abatement, control, and compliance	---	9,000,000	9,000,000	9,000,000	+9,000,000	---	---
---	Hazardous substance superfund (rescission)	---	-15,000,000	-15,000,000	-15,000,000	-15,000,000	---	---
	Total, Environmental Protection Agency (net)	---	---	---	---	---	---	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs Requests	Conference vs House	Conference vs Senate
	Federal Emergency Management Agency							
---	Emergency food and shelter program (by transfer).....	---	(15.000.000)	---	(12.500.000)	(+12.500.000)	(-3.000.000)	(+12.500.000)
	National Aeronautics and Space Administration							
---	Research and program management (by transfer).....	---	(15.000.000)	---	(35.000.000)	(+35.000.000)	(+20.000.000)	(+35.000.000)
	National Science Foundation							
---	Research and related activities.....	---	---	75.000.000	37.500.000	+37.500.000	+37.500.000	-37.500.000
---	Advance appropriation, FY 1990.....	---	---	---	37.500.000	+37.500.000	+37.500.000	+37.500.000
	Total, Chapter XI:							
	New budget (obligational) authority (net)...	1.157.897.000	1.196.918.000	1.263.078.000	1.271.918.000	+114.021.000	+75.000.000	+8.840.000
	Appropriations.....	(1.157.897.000)	(1.211.918.000)	(1.286.918.000)	(1.269.418.000)	(+91.521.000)	(+37.500.000)	(-37.500.000)
	Rescission.....	---	-15.000.000	-23.840.000	-15.000.000	-15.000.000	---	+8.840.000
	(By transfer).....	(3.490.000)	(136.498.000)	(27.850.000)	(158.490.000)	(+155.000.000)	(+22.000.000)	(+130.640.000)
	CHAPTER XII							
	District of Columbia							
	Federal Funds							
S.Doc. 101-7	Inaugural expenses payment (by transfer).....	(1.000.000)	---	(1.000.000)	(1.000.000)	---	(+1.000.000)	---
	District of Columbia Funds							
	Operating Expenses							
101-61	Governmental direction & support.....	(26.000)	---	---	---	(-26.000)	---	---
101-61	Rescission.....	(-7.216.000)	---	(-7.190.000)	(-7.190.000)	(+26.000)	(-7.190.000)	---
101-61	Economic development & regulation.....	(1.990.000)	---	---	---	(-1.990.000)	---	---
101-61	Rescission.....	(-19.016.000)	---	(-17.026.000)	(-17.026.000)	(+1.990.000)	(-17.026.000)	---
101-61	Public safety and justice.....	(29.360.000)	---	(28.150.000)	(28.150.000)	(-1.210.000)	(+28.150.000)	---
101-61	Rescission.....	(-1.210.000)	---	---	---	(+1.210.000)	---	---
101-61	Public education system.....	(4.529.000)	---	(4.529.000)	(4.529.000)	---	(+4.529.000)	---
101-61	Rescission.....	(-2.580.000)	---	(-2.580.000)	(-2.580.000)	---	(-2.580.000)	---
101-61	Human support services.....	(45.858.000)	---	(35.913.000)	(35.913.000)	(-9.945.000)	(+35.913.000)	---
101-61	Rescission.....	(-9.945.000)	---	---	---	(+9.945.000)	---	---
101-61	Public works.....	(5.436.000)	---	---	---	(-5.436.000)	---	---
101-61	Rescission.....	(-10.655.000)	---	(-5.219.000)	(-5.219.000)	(+5.436.000)	(-5.219.000)	---
101-61	Washington convention center fund.....	(543.000)	---	(543.000)	(543.000)	---	(+543.000)	---
101-61	Repayment of loans and interest (rescission).....	(-5.834.000)	---	(-5.834.000)	(-5.834.000)	---	(-5.834.000)	---
101-61	Repayment of general fund deficit.....	(13.950.000)	---	(13.950.000)	(13.950.000)	---	(+13.950.000)	---
101-61	Short-term borrowing.....	(4.592.000)	---	(4.592.000)	(4.592.000)	---	(+4.592.000)	---
101-	Inaugural expenses.....	(1.000.000)	---	---	(1.000.000)	---	(+1.000.000)	(+1.000.000)
101-61	Personal services adjustment (rescission).....	(-18.553.000)	---	(-18.553.000)	(-18.553.000)	---	(-18.553.000)	---
101-61	Energy adjustment (rescission).....	(-349.000)	---	(-349.000)	(-349.000)	---	(-349.000)	---
101-61	Equipment adjustment (rescission).....	(-3.500.000)	---	(-3.500.000)	(-3.500.000)	---	(-3.500.000)	---
	Total, operating expenses, general fund (net)...	(28.426.000)	---	(27.426.000)	(28.426.000)	---	(+28.426.000)	(+1.000.000)
	Capital Outlay							
101-61	General Fund.....	(131.942.000)	---	(131.942.000)	(146.642.000)	(+14.700.000)	(+146.642.000)	(+14.700.000)
101-61	Rescission.....	(-15.970.000)	---	(-15.970.000)	(-15.970.000)	---	(-15.970.000)	---
	Total, Chapter XII:							
	New budget (obligational) authority.....	---	---	---	---	---	---	---
	(By transfer).....	(1.000.000)	---	(1.000.000)	(1.000.000)	---	(+1.000.000)	---
	(District of Columbia funds (net)).....	(144.398.000)	---	(143.398.000)	(159.098.000)	(+14.700.000)	(+159.098.000)	(+15.700.000)
	(Appropriations).....	(239.226.000)	---	(219.619.000)	(235.319.000)	(-3.907.000)	(+235.319.000)	(+15.700.000)
	(Rescission).....	(-94.828.000)	---	(-76.221.000)	(-76.221.000)	(+18.607.000)	(-76.221.000)	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs Requests	Conference vs House	Conference vs Senate

UMI 1989 JE 23 - JL 13 PT 10 VOL 135

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs Requests	Conference vs House	Conference vs Senate
	Total, Title I:							
	New budget (obligational) authority (net)	3,127,793,000	3,719,976,500	3,262,628,500	3,265,968,500	+138,175,500	-454,008,000	+3,340,000
	Appropriations	(3,127,793,000)	(3,809,976,500)	(3,292,001,500)	(3,324,001,500)	(+196,208,500)	(-485,975,000)	(+32,000,000)
	Rescission	-94,828,000	-90,000,000	-105,594,000	-171,754,000	-76,926,000	-81,754,000	-66,160,000
	(Reappropriation)	(4,308,000)	---	---	---	(-4,308,000)	---	---
	Advance appropriations, FY 1990	---	---	---	(37,500,000)	(+37,500,000)	(+37,500,000)	(+37,500,000)
	(By transfer)	(307,661,000)	(386,736,000)	(78,518,000)	(209,158,000)	(-98,503,000)	(-177,578,000)	(+130,640,000)
	(By transfer, trust funds)	---	(250,000)	(250,000)	(250,000)	(+250,000)	---	---
	(Loan authorization)	---	---	(-15,400,000)	(-10,056,000)	(-10,056,000)	(-10,056,000)	(+5,344,000)
	(Limitation on administrative expenses)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	---	---	---
	TITLE II - URGENT SUPPLEMENTAL APPROPRIATIONS							
	CHAPTER I							
	DEPARTMENT OF COMMERCE							
	National Oceanic and Atmospheric Administration							
---	Operations, research, and facilities	---	---	---	28,400,000	+28,400,000	+28,400,000	+28,400,000
101-40	(By transfer)	(19,200,000)	---	(19,200,000)	---	(-19,200,000)	---	(-19,200,000)
	DEPARTMENT OF JUSTICE							
	Legal Activities							
101-40	Salaries and expenses, General Legal Activities	3,416,000	---	---	1,800,000	-1,616,000	+1,800,000	+1,800,000
---	(By transfer)	---	---	(1,000,000)	---	---	---	(-1,000,000)
101-40	Salaries and expenses, U.S. Attorneys	12,476,000	---	---	---	-12,476,000	---	---
---	Assets forfeiture fund (rescission)	---	---	---	-2,232,000	-2,232,000	-2,232,000	-2,232,000
	Total, Legal Activities	15,892,000	---	---	-432,000	-16,324,000	-432,000	-432,000
	Federal Bureau of Investigation							
101-40	Salaries and expenses	23,010,000	---	---	---	-23,010,000	---	---
	Office of Justice Programs							
101-4	Justice assistance	2,900,000	---	---	---	-2,900,000	---	---
	Rescission	---	---	---	-2,053,000	-2,053,000	-2,053,000	-2,053,000
	Total, Department of Justice	41,802,000	---	---	-2,485,000	-44,287,000	-2,485,000	-2,485,000
	DEPARTMENT OF STATE							
101-40	International peacekeeping activities and operations (by transfer)	---	---	(125,000,000)	(125,000,000)	(+125,000,000)	(+125,000,000)	---
	THE JUDICIARY							
	Courts of Appeals, District Courts, and Other Judicial Services							
101-4 101-40 S.Doc. 101-7	Salaries and expenses	30,000,000	---	---	---	-30,000,000	---	---
101-4 101-40 S.Doc. 101-7	Fees of jurors and commissioners	8,865,000	---	---	---	-8,865,000	---	---
101-4	Court security	1,080,000	---	---	---	-1,080,000	---	---
101-40	Defender services	6,750,000	---	---	---	-6,750,000	---	---
	Total, Courts of Appeals, District Courts, and Other Judicial Services	46,695,000	---	---	---	-46,695,000	---	---

1989 SUPPLEMENTAL BILL (H.R. 2402)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs Requests	Conference vs House	Conference vs Senate
	Administrative Office of the United States Courts							
S.Doc. 101-7 101-40	Salaries and expenses	1,250,000	---	---	---	-1,250,000	---	---
	Federal Judicial Center							
101-40	Salaries and expenses	440,000	---	---	---	-440,000	---	---
	Total, The Judiciary	48,385,000	---	---	---	-48,385,000	---	---
	RELATED AGENCIES							
	DEPARTMENT OF TRANSPORTATION							
	Maritime Administration							
101-4	Federal Ship Financing Fund	515,000,000	515,000,000	515,000,000	515,000,000	---	---	---
101-4	Portion applied to debt reduction	-515,000,000	-515,000,000	-515,000,000	-515,000,000	---	---	---
	Total, Department of Transportation	---	---	---	---	---	---	---
	Federal Communications Commission							
101-4	Salaries and expenses (by transfer)	(1,431,000)	---	---	---	(-1,431,000)	---	---
	Total, Chapter I:							
	New budget (obligational) authority	90,187,000	---	---	25,915,000	-64,272,000	+25,915,000	+25,915,000
	(By transfer)	(20,631,000)	---	(145,200,000)	(125,000,000)	(+104,369,000)	(+125,000,000)	(-20,200,000)
	CHAPTER II							
	DEPARTMENT OF DEFENSE - MILITARY							
---	Administrative provisions	---	---	---	---	---	---	---
	CHAPTER III							
	DEPARTMENT OF THE INTERIOR							
---	Administrative provisions	---	---	---	---	---	---	---
	CHAPTER IV							
	DEPARTMENT OF TRANSPORTATION							
	Federal Aviation Administration							
101-40	Aircraft Purchase Loan Guarantee Program	11,905,941	11,905,941	---	11,905,941	---	---	+11,905,941
	Mandatory	---	---	10,770,941	---	---	---	-10,770,941
101-40	Portion applied to debt reduction	-10,770,941	-10,770,941	---	-10,770,941	---	---	-10,770,941
	Mandatory	---	---	-10,770,941	---	---	---	+10,770,941
	Total, Chapter IV:							
	New budget (obligational) authority	1,135,000	1,135,000	---	1,135,000	---	---	+1,135,000

VOL 135 PT 10 JE 23 - JL 13 1989 UMI

1989 SUPPLEMENTAL BILL (H.R. 2492)

Doc. No.		Supplemental Request	House	Senate	Conference	Conference vs. Requests	Conference vs. House	Conference vs. Senate
	CHAPTER V							
	Executive Office of the President							
---	Office of Administration	---	---	1,500,000	1,500,000	+1,500,000	+1,500,000	---
	Independent Agencies							
	Federal Election Commission:							
---	Salaries and expenses 1/	---	---	250,000	---	---	---	-250,000
101-	(By transfer)	[368,000]	---	---	[250,000]	[-118,000]	[+250,000]	[+250,000]
	General Services Administration:							
---	Expenses presidential transitions (rescission)	---	---	-250,000	---	---	---	+250,000
	Office of Personnel Management							
---	Administrative provisions	---	---	---	---	---	---	---
	Total, Chapter V:							
	New budget (obligational) authority	---	---	1,500,000	1,500,000	+1,500,000	+1,500,000	---
	Appropriations	---	---	(1,750,000)	(1,500,000)	(+1,500,000)	(+1,500,000)	(-250,000)
	Rescission	---	---	-250,000	---	---	---	+250,000
	(By transfer)	(368,000)	---	---	(250,000)	(-118,000)	(+250,000)	(+250,000)
	CHAPTER VI							
	National Science Foundation							
101-40	Research and related activities (limitation on administrative expenses)	(1,100,000)	(750,000)	(750,000)	(750,000)	(-350,000)	---	---
	Total, Title II:							
	New budget (obligational) authority	91,322,000	1,135,000	1,500,000	28,550,000	-62,772,000	+27,415,000	+27,050,000
	Appropriations	(617,092,941)	(526,905,941)	(527,520,941)	(558,605,941)	(-58,487,000)	(+31,700,000)	(+31,085,000)
	Appropriations for debt reduction	(-525,770,941)	(-525,770,941)	(-525,770,941)	(-525,770,941)	---	---	---
	(By transfer)	(20,999,000)	---	(145,200,000)	(125,250,000)	(+104,251,000)	(+125,250,000)	(-19,950,000)
	(Limitation on administrative expenses)	(1,100,000)	(750,000)	(750,000)	(750,000)	(-350,000)	---	---
	TITLE IV - GENERAL PROVISIONS							
101-40	General reduction to offset discretionary requests	-829,418,000	---	---	---	+829,418,000	---	---
	Grand Total:							
	New budget (obligational) authority (net)	2,389,697,000	3,721,111,500	3,264,128,500	3,294,518,500	+904,821,500	-426,593,000	+30,390,000
	Appropriations	(2,815,467,941)	(4,336,882,441)	(3,819,522,441)	(3,882,607,441)	(+967,139,500)	(-454,275,000)	(+63,085,000)
	Appropriations for debt reduction	(-525,770,941)	(-525,770,941)	(-525,770,941)	(-525,770,941)	---	---	---
	Rescission	(-96,828,000)	(-90,000,000)	(-105,844,000)	(-176,039,000)	(-81,211,000)	(-86,039,000)	(-70,195,000)
	(Reappropriation)	(4,308,000)	---	---	---	(-4,308,000)	---	---
	Advance appropriations, FY 1990	---	---	---	(37,500,000)	(+37,500,000)	(+37,500,000)	(+37,500,000)
	(By transfer)	(338,660,000)	(386,736,000)	(223,718,000)	(334,408,000)	(+5,748,000)	(-52,328,000)	(+110,690,000)
	(By transfer, trust funds)	---	(250,000)	(250,000)	(250,000)	(+250,000)	---	---
	(Loan authorization)	---	---	(-15,400,000)	(-10,056,000)	(-10,056,000)	(-10,056,000)	(+5,344,000)
	(Limitation on administrative expenses)	(3,600,000)	(3,250,000)	(3,250,000)	(3,250,000)	(-350,000)	---	---

1/ FEC Supplemental request transmitted to the Congress on February 24, 1989.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think this ship, which has been adrift for 3 months now, has finally come home to port. The ship has been in dire straits, wracked by cataclysms, threatened with foundering by storms, stymied by weeks of dead calm, and even had a few mutinies over its bounty.

Its sailors are weak, wounded, covered with bruises, sleepless, clothes in bad shape, if not bad taste, and in need of some "R and R". There is at least one group of veterans happy to see this ship limp in, and I am happy for them too. But I think this ship has finally come home.

As one of the sailors on this good ship "Lollygag", I hope I never see one like it again, and that's no fooling around.

But I do want to thank the captain of the ship, the admiral, the chairman of the Appropriations Committee, JAMIE WHITTEN, for all of his tireless work.

Yesterday, we spent all day working this thing out, and I look forward in the months and years ahead to the same kind of close and cooperative relations that we enjoyed yesterday.

Let me also express my appreciation to the chairman of the Senate Committee, Senator ROBERT BYRD, who at one point regaled us by tracing the origin of the tradition that the House originates appropriations bills back to the 15th century—he is a scholar and a gentleman—and also my good friend, the ranking minority member, Senator MARK HATFIELD, a prince among men.

Let me also thank the staff, particularly the front office, Fred Mohrman, Dennis Kedzior and Ed Powers.

Mr. Speaker, as the chairman said, yesterday we worked out a compromise that makes this bill very different from the bill that was last brought to the floor Wednesday. Essentially, what we have done is resolve all the problems that were pending when the bill was brought up. Hopefully we have resolved them in a way that is acceptable to all.

There is $75 million for drug programs, for local law enforcement, initiation of three new prisons, and needed equipment.

That $75 million was obtained by reducing the telescope in half this year and reducing the amount provided for agriculture direct operating loans.

Let me say that there is no one who fought harder for the drug law enforcement funding than the chairman.

Even though the writing was on the wall, once the Senate voted four times to delete it, and the administration indicated it would not accept the additional spending, the chairman fought tooth and nail. The same goes for the chairman of the Commerce Justice Subcommittee, the Gentleman from Iowa, [NEAL SMITH].

A compromise was worked out on Legal Services. The scorekeeping provisions relating to moving the pay date and section 202 loans have been removed. And the $3 million for the Toxicological Research Center has been dropped.

Mr. Speaker, this bill contains much needed supplemental funding for many programs, including:

$1.2 billion for Veterans programs, including $340 million for way overdue funding for medical care. I hope that medical system can get back on its feet as soon as possible. It is really not fair what happened to the veterans on this one. But I think they are free at last.

$892 million for Guaranteed Student Loans;

$423 million for Foster Care programs;

$348 million for Forest Fire fighting costs;

$225 million for Food Stamps;

$125 million by transfer for peacekeeping in Southwest Africa;

$100 million for refugees, including badly needed funding for Soviet refugees; and

$90 million for trade adjustment assistance.

In total, depending upon whose numbers you believe—and there have been at least three different sets of figures at all times on this bill—the bill provides $3.2 billion in new budget authority. That is a long, long, way from the $4.7 billion reported out of full committee on April 18.

It is almost exactly the total of the Conte substitute offered at that time.

The bill has been passed by the Senate, and it is acceptable to the administration. It will be signed. If they do not sign it, I will personally go down and start tearing down the Old Executive Office Building stone by stone.

Let me say to all of you who have worked so hard to get the supplemental funding for the one truly dire emergency in here—the Veterans Medical Care—Chairman MONTGOMERY, Vice Chairman STUMP, Mr. SOLOMON, Mr. MCEWEN, and many, many others—thank you.

Our veterans have needed this bill for 3 months. They need it now. Free the veterans.

CONFERENCE AGREEMENTS, COMMERCE, JUSTICE, STATE, AND JUDICIARY

The agreement provides $75 million in budget authority and outlays in fiscal year 1989 for antidrug purposes for the Department of Justice and the judiciary. This is a reduction from the $322 million in the House bill.

These funds are intended to strengthen Federal domestic drug law enforcement at the local level. As stated in the bill language, the funds may be used to acquire military facilities for use as prisons or Civilian Conservation Corps, or boot camp, type use for drug offenders. Other uses could include additional assistant U.S. attorneys, deputy U.S. marshals and other agents, to speed up the planning for three new prisons, and to provide additional automatic data processing equipment.

These antidrug funds are to be obligated completely before the end of the fiscal year on October 1 to ensure that the war on drugs is, in fact, accelerated. To this end the bill requires monthly reports on obligations by the Attorney General.

In addition to the $71 million provided to the Department of Justice, the remaining $4 million is for necessary fees of jurors and commissioners within the judiciary.

The agreement also includes compromise language regarding the activities of the Board of the Legal Services Corporation. The language prohibits the current Board from considering, developing, and implementing a competitive award system for grant awards, except for in-house reviews or hearings on proposals for such a system. Competitive award systems currently in place can remain in place.

The LSC language also requires that 1989 grants shall be funded through the end of calendar 1989 rather than the end of the fiscal year as proposed by the current Board, and that all 1989 grants not be subject to regulations imposed after October 1, 1989, relating to fee generating cases or the use of private funds. Stronger Senate language prohibiting a much wider range of new regulations, policies, rules, guidelines, instructions, data collection systems, and accounting and audit procedures was dropped as part of the agreement.

The House receded to the Senate addition of $4 million for the Public Safety Officers' Benefit Program. Benefits under this program were doubled last year by the Congress.

The conferees have agreed to provide $28.4 million for the National Oceanic and Atmospheric Administration. The total includes $13.2 million for the Geostationary Satellite Program, $2,129,000 for requirements of the Marine Mammal Protection Act Amendments of 1988, and $13,071,000 to prevent cutbacks and closures at National Weather Service facilities around the country.

The conference agreement provides $1.8 million for the Office of Redress Administration in the Department of Justice for the initial costs of identifying Japanese-Americans interned during World War II for the purpose of making payments under the Civil Liberties Act of 1988. These funds are offset with rescissions from the assets forfeiture fund and justice assistance.

The House receded to a Senate earmark of $200,000 from funds available to the National Institute of Justice for a study by the University of South

Carolina into the causes and effects of drug use in the black community.

The Senate receded on its language directing the FBI Director to expand a cost-of-living bonus plan to the Bureau's Newark, NJ, employees. Currently, New York City employees are receiving such benefits under a provision in the Intelligence Authorization Act. The conferees agreed that the question of compensation of Federal employees in high cost areas should be dealt with on a broad rather than piecemeal basis.

The House receded to Senate language waiving the Jones Act to allow four vessels of uncertain U.S. birthright to transact business in U.S. coastal waters.

The House receded on technical language authorizing the use of aircraft, including aerostats, for testing television broadcasting to Cuba via TV-Marti.

And finally, the conferees agreed to compromise language which would allow former U.S. magistrates to be appointed as magistrates in States in which they are not members of the bar.

This amendment also includes language added in conference prohibiting the Department of Justice and the Small Business Administration from relocating, reorganizing or consolidating offices under their jurisdiction. Both agencies recently violated the committees' reprogramming procedures regarding the closure of offices.

Both bills included the mandatory amount of $2.3 million for the judicial officers' retirement fund.

Mr. Speaker, the items that were contained in the H.R. 2072 conference report that was defeated on Wednesday pertaining to defense are included in this version of H.R. 2042. Those items are: A raise in the ceiling for MWR transportation costs; a rejection of the prohibition on funds for the MIRACL laser; putting the HMMWV vehicle on the list for multiyear procurement; purchase of $50 million in cold weather gear by the Army; conducting a study in conjunction with OPM regarding the pay of health care professionals in the military; adding three positions to the DOD at the SES level 4; directing the Army in language to put $36 million of an $80 million reprogramming request in supply funds into aviation maintenance and the rest in P2 mission funds to help address the damage at Fort Hood by severe weather on May 13.

ENERGY AND WATER DEVELOPMENT

The bill includes all provisions added by the Senate to H.R. 2072, including an increased authorization for the Bonneville lock and dam project and direction to the Corps of Engineers to commit $500,000 of previously appropriated funds to the design of the Mill Creek Lake project of Ohio. All items contained in the House version of H.R. 2072, with the exception of the Blue Tee land exchange, are included in H.R. 2402.

The bill includes $55 million in new spending authority to purchase low-cost power for the uranium enrichment activities of the Department of Energy. This will be more than offset by revenues generated by the sale of enrichment services.

VA, HUD, AND INDEPENDENT AGENCIES

The bill includes all items contained in the conference agreement on H.R. 2072 (H. Rept. 101-89), with the exception of provisions advancing the pay dates for three agencies of Government and a provision permitting revenues from the sale of section 202 mortgages to be credited to the 302(b) allocation of the Subcommittee on VA, HUD, and Independent Agencies. The bill modifies the conference report on H.R. 2072 by making only $37.5 million of the $75 million Green Bank telescope in West Virginia available for expenditure in fiscal year 1990.

The bill includes a transfer of $5 million from the Facilities Development Planning [FDP] Program of the Department of Veterans' Affairs into the VA medical care account for the purchase of prosthetic devices. It also includes a transfer of another $5 million from FDP into the VA working reserve. The bill includes $88 million for public housing operating subsidies, including $8.2 million to finance the antidrug effort in public housing.

The bill includes a limited waiver of civil service rules to permit immediate hiring for the Court of Veterans Appeals and provides limited transfer authority for the EPA and NASA. The bill also includes language to facilitate transfer of HUD section 202 projects to the new Handicapped Housing Program as authorized by the Housing Act of 1987.

The bill provides $1.2 billion in new spending authority for the Department of Veterans' Affairs; $340,125,000 of this spending authority is for VA medical care. The balance is dedicated to mandatory programs, including compensation and pensions, readjustment benefits, and the VA loan guaranty revolving fund.

At the National Aeronautics and Space Administration, the conference report provides an additional $35 million for research and program management through transfers from space flight, control and data communications, and requires that personnel compensation for fiscal year 1989 be made before the end of the fiscal year.

At the National Science Foundation, the conference agreement provides an additional $75 million for research and related activities for replacement of the national radio astronomy telescope at the Greenbank Astronomy Observatory, $37,500,000 to be made available in fiscal year 1989 and $37,500,000 to be made available in fiscal year 1990. In addition, bill language is provided to increase the limitation by $750,000 on program development and management for increased pay costs, as requested by the National Science Foundation.

FOREIGN OPERATIONS SUBCOMMITTEE

The House receded to Senate amendments 14 through 17, which made minor changes in the House language earmarking $200,000 in economic support funds available to assist the democratic transition in Poland.

The conferees agreed to compromise language providing $3 million in previously appropriated economic support funds for the promotion of democracy in Nicaragua. Half of the money would go to the Organization of American States for election monitoring activities. These funds are in addition to the $2 million included for such activities in the fiscal 1989 Foreign Assistance Appropriations Act.

The House receded to Senate language directing the Secretaries of State and Treasury and the Administrator of AID to seek revision in economic activities reports of international agencies to include information on the depletion or degradation of natural resources. Report language directs the agencies to work toward the improvement of adequate accounting systems in this area.

The conferees agreed to compromise language providing $125 million by transfer for U.N. peacekeeping activities. Funds for the U.N. Transition Assistance Group working in southwest Africa are made available in two tranches subject to Presidential certification that all parties are adhering to the peace agreement between South Africa, Angola, and Cuba, including the withdrawal of Cuban troops and SWAPO forces.

The House receded to a Senate provision relaxing current limitations on aid to Haiti by excepting up to $12 million in Public Law 480 food aid and animal and plant health programs which benefit primarily the United States.

The House also receded to Senate language expressing the sense of the Senate that the President should not appoint a new Administrator of the Panama Canal Commission until he certifies that Panama has a democratically elected government. Under the Panama Canal Treaty the next canal Administrator is to be a Panamanian.

And finally, the House receded to Senate language extending the period during which the United States is to buy back Stinger missiles and components previously sold in Bahrain. The existing deadline is July 22, 1989, and conference agreement extends this to October 31, 1989.

The amendment also assigns responsibility for missile proliferation issues to the Undersecretary of State for Co-

ordinating Security Assistance Policy and requires a report from the Secretary of State stating the administration's strategy for dealing with missile proliferation.

Both the House and Senate bills included $100 million by transfer or in new budget authority, at the discretion of the President, for emergency refugee admissions and assistance. Of the total, $85 million is for the admission of additional refugees from the Soviet Union and the East bloc, and $15 million is for refugee assistance in Africa and Asia.

INTERIOR AND RELATED AGENCIES

The conference report includes several provisions under the jurisdiction of the Interior Subcommittee.

The conference report provides $342 million for reimbursement of 1988 and 1989 firefighting costs by agencies of the Interior and Agriculture Departments. The bill provides $30 million to the Bureau of Land Management; $2.9 million to the U.S. Fish and Wildlife Service; $25 million to the National Park Service; $33.6 million to the Bureau of Indian Affairs, and $250 million to the U.S. Forest Service. These amounts were transferred from other accounts within these departments to pay for firefighting costs which exceeded the amounts provided in the regular appropriation bill. An unexpectedly serious fire season accounted for this cost overrun.

The President requested only $250 million for the Forest Service to cover firefighting costs.

Bill language is included restricting the use of funds to study the sale of the Naval Petroleum Reserves.

Bill language is included which would allow Interior Department appropriations accounts to be reimbursed directly by any party for expenses related to any discharge of oil into the environment.

The provision also expands the Department's emergency transfer authority to include activities related to oil spills. The conferees accepted a Senate amendment which provides $7.3 million to the Department of the Interior for contingency planning and response activities related to the oil spill in Alaska.

The conferees also accepted a Senate amendment which set a new deadline for completion of the third solicitation of the Clean Coal Technology Program.

The conference report also provides $150,000 in administrative funds for the implementation of the Aleutian and Pribilof Island Restitution Act; $400,000 in competitive research grants into the effect of forest fires in the Yellowstone area, and language is included clarifying a provision in Public Law 100-446 concerning Forest Service receipts.

The conference agreement also includes a provision which prevents the Interior Department from listing the Al Capone House on the National Register of Historic Places. Section 302 authorizes the King Center and the National Park Service to use funds to construct a parking lot at the Martin Luther King National Historic Site.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

In the Department of Labor, the conference report provides $90,648,000 in supplemental funds for training and benefits under the Trade Adjustment Assistance Act. This is $36,000,000 less than was provided in the House bill, but is based on a revised estimate from the Department of Labor. These funds are to provide benefits to workers made eligible by last year's Omnibus Trade and Competitiveness Act of 1988. Of the funds provided, $56,000,000 is for weekly benefits and $34,648,000 is for training, job search, and relocation allowances.

The conference agreement also provides authority to States to use Employment Service funds to carry out the targeted jobs tax credit. Fiscal year 1989 appropriations were not sufficient to operate the TJTC Program through the year, and some States are experiencing difficulty operating the programs. In addition, the managers approve an administration request for an additional $3,200,000 for the Occupational Safety and Health Administration to help the transition from Federal to State coverage in the State of California resulting from last year's referendum. Finally, the conference report provides authority, requested by the Labor Department, to transfer $1,445,000 from the Black Lung Disability Trust Fund to adjudication of longshore cases.

In the Department of Health and Human Services, the conference report provides $800,000 to the Health Resources and Services Administration to conduct an evaluation of rural health care needs. In the Health Care Financing Administration, the managers have included language prohibiting the multiyear grants under the rural health care transition program.

In addition, the conference agreement deleted a proviso in the fiscal year 1989 appropriations act which limited the amount the Social Security Administration could spend on data processing and telecommunications costs to $170 million. The conference report also provides an additional $423,345,000, to cover the Federal share of foster care and adoption assistance services that have already been provided by States, and will fully satisfy the Federal obligation required under this entitlement program. Both of these items were requested by the President.

In the Department of Education, the conference report provides authority to continue impact aid eligibility for certain school districts, for fiscal year 1989 only, whose eligibility has been affected by circumstances beyond their control. For Rehabilitation Services and Handicapped Research, the agreement clarifies our intent that what we originally appropriated for these programs in the fiscal year 1989 appropriation act should not have been reduced by the Education Department. The bill also provides $892,482,000, requested by the President, for additional costs of the Guaranteed Student Loan Program resulting principally from increased interest costs.

The conference agreement also provides $1,600,000 in higher education for the Secretary to make a grant to such entity as he deems appropriate. It is my hope that the Secretary will make that grant to the Urban Education Foundation in Philadelphia to complete a project begun in 1983. In addition, the conference report provides $790,000 for the Office of Civil Rights to handle increased complaint compliance reviews resulting from the enactment of the Civil Rights Restoration Act, and $440,000 for the inspector general to expedite investigations of fraud and abuse in postsecondary institutions. Finally, the managers have agreed to a rescission of $5,533,000 from the National Student Loan Data System, a nonoperational system, to offset the costs of discretionary increases.

For the related agencies, the conference agreement provides $150,000 for the inspector general of the Railroad Retirement Board to conduct an audit of the board's processing of Medicare claims. For the Prescription Drug Payment Review Commission, the conferees provide $250,000, from transfers of $125,000 each from the Prospective Payment Assessment Commission and the Physician Payment Review Commission. In addition, the conferees agreed to provide $1,750,000 for authorized start up activities leading to the White House Conference on Library and Information Services. Finally, the conference report provides bill language modifying the Social Security Act exempting the National Commission on Children from civil service hiring and recruitment requirements as is the practice with most independent agencies.

LEGISLATIVE BRANCH

In the only item in disagreement the House receded to Senate language authorizing the Library of Congress to provide financial management services to the U.S. Capitol Preservation Commission, which has no such capability presently.

Both the House and Senate bills included a death gratuity payment to the widow of the late Representative Bill Nichols of Alabama.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

TREASURY-POSTAL SERVICE-GENERAL GOVERNMENT

The conference agreement includes several provisions under the jurisdiction of the Treasury Subcommittee.

The House bill included $4 million for the Bureau of Alcohol, Tobacco and Firearms; $35 million for Customs Service salaries and expenses; $51 million for the Customs Service air interdiction program, and $6 million for the Federal Law Enforcement Training Center. This funding for drug programs was deleted as part of the compromise.

The House bill included transfers totaling $81.5 million for three Treasury Department offices as requested by the President. Two million dollars within the Office of the Secretary; $5.5 million from unspecified other Treasury bureaus to the Financial Management Service; $74 million within accounts of the Internal Revenue Service. There is no budget impact because of these transfers, and they are needed to meet unanticipated, uncontrollable costs. The conference agreement eliminated these transfers and instead the Department was directed to use general transfer authority to meet these needs. The usual reporting requirements are expected to be followed.

The conference agreement accepted a House provision to include bill language which would allow the U.S. Secret Service to extend the availability of $2 million beyond fiscal year 1989 for the construction of security barriers around the south portion of the White House. Bill language requested by the administration was also included which would authorize the Office of Personnel Management to obligate until expended $7 million already authorized for 1989 for costs to be incurred in implementing the recordkeeping system of the FERS system. This proposal would not affect outlays.

Bill language was included to give the Office of Personnel Management authority for setting wage rates for certain health care personnel. The committee claims that "this authority will allow OPM to maintain parity among Federal agencies regarding pay rates for health care personnel."

The conferees accepted several provisions included by the Senate: Language authorizing the transfer of two E2C aircraft from the Customs Service to the Coast Guard; $1.5 million for grants to certain political parties in Puerto Rico for statehood referendum; $250,000 for the Federal Election Commission to be derived by transfer from unexpended Presidential transition expenses; $1.5 million for expenses associated with the relocation of NOAA offices.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I rise in total support of this dire supplemental appropriation.

Let me say to the gentleman in the well and also to the gentleman from Mississippi [Mr. WHITTEN], my chairman, and to the gentleman from Michigan [Mr. TRAXLER] and to the gentleman from New York [Mr. GREEN] and the rest of the Members on the Appropriations Committee my appreciation for the wonderful work they did.

We were not hollering "wolf" on the hospital care funding. It had to be done.

I would like the record to show to our veterans organizations that the problem of funding on this medical care for veterans was not in the House of Representatives. It was caused by the other body. They delayed us. I would certainly like to make that crystal clear, that the House of Representatives sent the other body a clean bill and they did not act on it; but thanks to all this hard work, the funding will be allocated to the veterans hospitals this next week and we will get back on track of taking care of these veterans and quit turning them away.

Mr. Speaker, I rise in support of this supplemental. It contains more than $1.1 billion for veterans benefits and services. It contains $340 million for veterans health care. For weeks we have known many VA hospitals were running out of money and thousands of veterans needing health care were being denied such care.

Mr. Speaker, I regret it has taken the other body so long to pass the veterans supplemental. We sent the other body a separate veterans supplemental on two occasions. On both occasions the other body failed to act.

I have spoken with Secretary Derwinski and he has assured me that he will quickly authorize the entire $340 million to be obligated to hospitals in the field. So although the enactment of this legislation is far later than it should be, it is better late than never.

This bill also contains $3.1 million for the new U.S. Veterans Court of Appeals.

Mr. Speaker, I want to thank my colleague, the distinguished chairman of the Appropriations Committee, Mr. WHITTEN, and the very able ranking minority member of the full committee, Mr. CONTE, for the efforts they have made in behalf of our veterans. I want to also pay a special tribute to the chairman of the subcommittee, the gentleman from Michigan, [Mr. TRAXLER] who has been deeply involved in getting the funds contained in this bill. No one has worked harder for our veterans than BOB TRAXLER and we appreciate his leadership. I also want to thank the very able ranking minority member of the subcommittee, BILL GREEN, who has been a strong advocate for our veterans over the years.

I urge my colleagues to adopt this measure.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman from Mississippi for his cooperation.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, let me just say that we really do owe to Chairman WHITTEN and the ranking member, the gentleman from Massachusetts [Mr. CONTE] a debt of gratitude. Quite often we fight, Democrats and Republicans, on this floor. Let me assure you that this is a case where the House of Representatives won the battle. We have eliminated about 80 percent of the problems that we had with this bill, and that is why I would urge all the conservatives on both sides of the aisle, even though as a matter of principle this is not all dire, we won this battle. We need the money for the veterans. We ought to pass this bill right now. So I take my hat off to all of you. Congratulations.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am happy to yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding to me.

Just for a quick comment or two, I want to join in the accolades the gentleman has doled out to the Members responsible for bringing us all together.

Now, there is no question that when it started out, it was a dire emergency for veterans, with only a few other incidental items. Yes, there have been some other items added, but that is only in the interest of compromise.

I think for those of you who may still have some reservation about the fact that there are additional items other than those original ones proposed, bear this in mind. In years past we have had a first, second, third supplemental, maybe emergency, et cetera, et cetera. This is "the" supplemental appropriation for this current fiscal year. That means through September 30, this is going to be it. It had to involve a few other things to make absolutely sure that we are not going to be forced to another one before we get to the end of the fiscal year.

I think you have all done a good job. It is within what the administration can assimilate as far as the testimony of the Budget Director to us.

So I applaud all those responsible and hope there will be an overwhelming vote in support of this.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Kentucky.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I thank the gentleman from Massachusetts for yielding this time and rise in support of the supple-

mental appropriations bill embodied in the Senate amendment to H.R. 2402.

Mr. Speaker, this bill provides for a number of dire and urgent needs our Government faces, including funding for veterans medical care and other veterans programs, funding for guaranteed student loans, funding for the National Weather Service, and additional funding to fight the war on drugs.

The bill also contains a modified version of a Senate amendment to H.R. 2072, an administrative provision with respect to the Legal Services Corporation.

The original Senate amendment would have prevented the Legal Services Corporation from considering, developing, or implememting a system for the competitive award of grants and contracts, including support centers. It also would have prohibited the Corporation from enforcing any regulation, guideline, grant condition, or other specific procedures not in operational effect as of October 1, 1988. The essence of the Senate amendment, in my view, was to deny the Corporation the legal authority to adequately account for the use of Federal funds, prevent and address instances of fraud, waste, or abuse of Federal funds, otherwise manage LSC programs, and ensure that LSC attorneys are properly devoting resources toward the main goal of the LSC—the provision of basic legal services to the poor.

The bill contains significant improvements to the Senate amendment. First, in no way does it depart from the current law requirement that a new Board of Directors, nominated by the President and confirmed by the Senate, shall develop and implement a system for the competitive award of grants and contracts, including support centers. Second, the bill does not preclude the Corporation's current Board, individual Board members, or staff from engaging in in-house reviews of or holding hearings on proposals for a competitive award system, not does it prohibit any competitive awards programs currently in existence. While a new Board must implement competition and the current Board cannot, the current Board, as well as the Corporation's staff, can and will perform a valuable function by focusing attention on the issues associated with competition and holding hearings on proposals for making such awards. Since the Congress expects the Corporation's new Board to move with dispatch on the implementation of competition, as much preparatory work as is possible should be completed. Third, on the subject of regulations, the Corporation has adopted amendments to the existing regulations dealing with fee-generating cases (45 CFR pt. 1609) and the use of private funds (45 CFR pts. 1610 and 1611), but has not given notice of its intent to publish the amendments to these regulations in final form. While the Corporation may publish these regulatory amendments in final form, the Corporation may not enforce the amendments in connection with the legal services grants and contracts made for the calendar year 1989. Nothing, however, prevents the Corporation from enforcing these regulatory amendments after the end of calendar year 1989. Fourth, it also should be noted that this bill does not preclude the Corporation from moving forward to make final its previously adopted regulation prohibiting the legal services programs from engaging in redistricting activity—including the use of private funds to pay for such activity. Nor does the bill limit the Corporation's ability to enforce or otherwise use its policies, rules, guidelines, instructions, data collection systems, and accounting and audit procedures. As I stated earlier, it is both desirable and important that the Corporation be allowed to manage and require accountability of the legal services programs.

While I and others would prefer no LSC language at all in this supplemental appropriations, this language removes the most onerous shackles embodied in the LSC amendment passed by the Senate.

Mr. Speaker, at this time I also commend the chairman of the full Appropriations Committee, Mr. WHITTEN, and the ranking member, Mr. CONTE, for their tireless efforts on this supplemental and for making this compromise language possible. I also wish to acknowledge and commend my chairman, the gentleman from Iowa, for his perseverance on a matter of great personal concern to him and many of us—the war on drugs, for his leadership on our subcommittee's portion of this supplemental, and for his consideration of this Member's interests throughout the process.

Mr. Speaker, I recommend adoption of the bill.

Mr. WHITTEN. Mr. Speaker, I yield 13 minutes to the gentleman from Iowa [Mr. SMITH], the chairman of the subcommittee which handles law enforcement and so many other things. The gentleman is thoroughly familiar, more so than any of us, with the real need which we try to meet in this bill.

Mr. SMITH of Iowa. Mr. Speaker, first of all, I want to thank the gentleman from Mississippi [Mr. WHITTEN] for really standing firm to make more adequate funding available for the No. 1 problem in this country. Crime is the No. 1 problem in this country, and since most violent crimes are drug-related, illegal drugs are also the No. 1 problem in this country. It is the No. 1 problem in Chicago; it is the No. 1 problem in New York. It is the No. 1 problem in Los Angeles, and every major city, in every small city, in rural areas and everywhere it is time we know whether the country is going to be committed to fighting this problem.

Now, $75 million is all that is in the bill for law enforcement and crime, but I want to point out that the language is as important as the amount of money. The language in the bill permits the leveraging of the $75 million so that enhanced programs and new initiatives will have the funds available during the next 100 days they would have had in the first 100 days of a new fiscal year.

Let me explain. We would ordinarily provide the full amount of obligation authority to initiate, plan, and complete an entire prison, and to do that might require us to appropriate $60 million for one prison. During the first 100 days mainly what they do is go out, find the site, maybe do some of the planning, line up the architect, and they would spend very little of the authority they have to obligate, but instead of that approach, we are leveraging the $75 million so that they can pay the first 100 day's cost on a much greater total program.

Now, the administration tells us that they have the capital right now to initiate a program to construct eight prisons. That would be two complexes of three each, plus three others, and also to take advantage of some of these newly closed military bases. This $75 million will give them the money needed to take the initial steps for handling all of that even though the eventual cost for the program may be $500 million.

The language says they shall initiate a program to build not less than three, it would require about $25 million or $30 million the first 100 days for a $500 million program, so they can go ahead with that program. Without this language, they could not do it. Ordinarily we front fund the whole cost of a facility before they can spend $1. So that is terribly important. Also, they have the funds to locate and initiate plans to use closed military bases for drug related activities.

In addition to that, they will have the money so they can interface the computers. Do you know that the DEA cannot even communicate with the FBI and cannot exchange information with the Border Patrol by computer instantaneously at the present time?

Each one stores its own information but needs to have up-to-date information that is in the others' system. The money in this bill also gets them started 100 days earlier and thus permit them to complete interfacing these systems 100 days earlier.

We do have some emergencies coming up also and they can handle those, so I want to thank Chairman

WHITTEN for being so insistent on having drug money in this bill. For example the DEA has insufficient funds to even complete the fiscal year in some field offices, in their most important investigative unit and in their aircraft program, let alone expanding as needed.

It was even said as an excuse that they still have unobligated funds. To the untrained ear that sounds like and was designed to sound like they have a surplus. That is not so. Of course, they had unobligated funds at the end of the second quarter because they are prohibited from spending third quarter and fourth quarter funds in the second quarter. The Defense Department is well over $100 billion in unobligated funds but that doesn't mean it is surplus to the programs for which that obligation authority was given.

The Department of Veterans' Affairs has unobligated funds in the hospital account too but that is fourth quarter money and so everyone agreed they needed more obligation authority in this supplemental. They do not have a surplus for law enforcement accounts and an enhancement in programs requires this supplemental.

Now why were we so insistent on considering more funds for the drug program as being as important as other things in this bill? It is because drugs and crime and law enforcement is the No. 1 problem in this country. The polls show that it is the No. 1 problem and this is one case where I think the polls are right, no question about it. It is truly a national problem. It reaches into every community, into every city, into every county, even down into the local school districts. It is truly a national problem if there ever was a national problem, and it is not even limited to adults.

One thousand babies are being born each day who are addicted to drugs because their mothers were on drugs; 1,000 per day. By the end of this fiscal year that is another 100,000 babies that will be born that will be addicted to drugs at birth and have to go through withdrawal pains at the same time they are trying to make the transition from the umbilical cord to sustenance by mouth. One hundred thousand; that is more than all the lives we lost in Vietnam.

Even if we were to solve this drug problem today, those 100,000 babies that will be born will still have problems and be a part of society, some of them will die, some of them will be afflicted for life, but they will be around for longer than our lives. If we were to solve the sale and distribution and addiction problem today, we would still have a lot of problems with those who have suffered permanent damage and for a lot of years to come.

We have delayed too long. Last year we were delayed while the omnibus drug bill of 1988 was developed and passed. Then when the drug bill passed, budget caps did not permit full funding. Without the money, that bill was really a hoax. The small amount of money that was provided could have been provided without the new bill.

Now it has been argued that we should wait for the drug czar to make a report in September. That is another delay. We do not need the delay, because Secretary Bennett has already said and the President has already said that we need more for law enforcement. Even though the administration opposed the funding in the bill, they have both said we need more for more law enforcement than we have in this bill. We do not need to wait for another report.

Some say we cannot move both on the veterans supplemental and a drug bill at the same time, and even indicate veterans are opposed to the supplemental on drugs. I don't believe it.

Veterans are just as interested with getting on with the war on drugs as any group. These babies being born addicted to drugs are in many cases their children or grandchildren or close relatives. Veterans are just as sensitive to social problems and suffering caused by drugs as any group. They are not single-issue people, they are not monolithic in their interests in this country. The impression some Members of Congress leave that veterans are only interested in veterans benefits is not salable with me and does veterans as a group a disservice.

Veterans would be the last ones to give up on any war without at least making an all-out effort and the war on drugs is no exception. It is not an either/or proposition. We must take care of veterans and also seriously fight a war against illegal drugs and crime.

Anyone who thinks they are helping veterans or even making points with veterans by opposing a speedup in the war on drugs is wrong.

Some members have been saying we can't do both the drug problem and also fund welfare and other social programs.

But the drug problem reaches into every community and at least indirectly to every family in America. It has virtually destroyed many families and in other cases, curtailed the freedom of everyone to move about freely. Right here in Washington, in every area of the city, danger lurks around the corner for anyone who goes out and it is not even limited to darkness. Every area is involved including the inner city and no one is more affected than the same people who are dependent on social programs. You ask people who are dependent on welfare and social programs what their No. 1 priority is and they will say, control drugs—get drugs out of our neighborhood, our schools, and protect us from drug related crimes. When there is a drug bust in an inner city neighborhood, the local residents turn out to cheer the law enforcement officers. You have never heard of one instance where a welfare recipient said we should divert money from enforcing drug laws in order to increase a social program they themselves need.

The President has asked for funding for an additional 18 prisons or more starting in November. The professionals at the working level say they could get started on 8 of these now if they had the obligation authority and also take advantage of some closed military bases. The supplemental only provides authority sufficient to start three and concert some military facilities so that would certainly not be too much. Incarceration for violent criminals is expensive. It costs from $20,000 to $60,000 per inmate, but the same criminal on the street renders $200,000 in damage on victims in society. When some more Willie Horton's commit violent crimes because there was no place to keep them locked up who would have been incarcerated had this supplemental passed, no one—including the veterans—will take credit for urging opposition to this bill.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the gentleman from Iowa on a very, very fine statement. He does an outstanding job as chairman of this important subcommittee. I want to commend him.

I also want to congratulate the chairman of the full committee, the gentleman from Mississippi [JAMIE WHITTEN], for navigating a lot of minefields in what I know was a very, very difficult conference, he and SIL CONTE, the gentleman from Massachusetts.

But I want to tell you I am really disheartened by what came out of the conference with regard to drug money.

The gentleman from Iowa says drugs are the No. 1 priority in this country except, I say to the chairman, in this House and in the Congress. It apparently is not the No. 1 priority.

I have heard my colleagues get up and say we have won the war in this conference, the House won the war.

Well, the House had a total of $821 million in there for drug enforcement and we are back to $75 million. If that is winning the war, then I do not want to be involved in that kind of a war because we have been overwhelmed, our flanks have been overrun, they have taken prisoners, we have retreated, we are down to $75 million.

I say to the chairman: Are we saying in this conference report that drug en-

forcement is as important as building a replacement telescope at a cost of $37.5 million? Is that what we are saying?

Mr. SMITH of Iowa. Well, obviously there are 15 things that some people thought were more dire emergency than winning the war on drugs. But, with the persistence of the chairman, fighting crime and illegal drugs are included, at least, for the first time, we have a commitment that drugs are going to be treated at least on an equal basis with other emergencies. The administration thought paying the Contras mustering out pay was such an emergency that it should be passed first and separately from a veterans supplement and they did not want any drug supplemental. Thus they requested more money for the United Nations, of which $107 million in outlays is not offset. Then others considered other items more important.

Mr. HUGHES. Well, there is a drug epidemic in this country. Our neighborhoods are burning while we are fiddling. While $75 million is certainly going to be an assist, particularly the way the gentleman has crafted the language so that we can leverage the funding, the fact of the matter is we are operating in the margin. We are deficient in every program on the enforcement side as well as on the demand reduction side, directed to substance abuse in this country. It is disgraceful.

Mr. SMITH of Iowa. Well, the fact of the matter is the administration and the Congress has not in the past been committed to winning the war on drugs, this Government should not do what it did in Vietnam and just respond with half measures restricted to defending and halfway do it for 8 or 9 years and then give up.

Either we should get in there with a commitment to win the war on drugs or else acknowledge that we are not going to.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to my chairman, the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding.

Mr. Speaker, I would like to say to my friend, the gentleman from New Jersey [Mr. HUGHES], and nobody is a better Member of Congress than he, that you cannot judge what you do by how much money you appropriate. We have got a plan which is supposed to come up September 1. What we have here is a beginning. It was not recommended to us by the President. In fact, a veto has been threatened from the very first because we had money for this problem in the supplemental.

What we have done here is try to handle it, get a start. May I say that in these vacated military facilities, we call on them to use them, and have CCC-type camps for those folks suffering from drugs; we are trying to save a generation.

We have named a czar and all he can do as of now is issue news releases and make speeches until September 1. What we have done is make a concrete move and identify specific things that lead to doing something, and we did it on our own.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Speaker, with all due respect to our chairman, we do not have to wait, we do not have to have to wait for Chairman BENNETT to come back to this Congress and to the White House with a plan.

Mr. WHITTEN. Regardless of what is in the plan, we have funds in this bill.

Mr. HUGHES. But the fact of the matter is we presently are cutting youngsters loose, five and six times, because we do not have places to house them and judges have to decide whether to send them back to the same neighborhoods or to send them to prison. That is the only option. We have a program, the Foreign Cooperative Investigative Program overseas that is so shallow that we are doing pittance in other countries who try to deal with trafficking problems overseas because we are short on resources.

Mr. SMITH of Iowa. Let me end the discussion here on my part.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of Iowa. I yield to my chairman, the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding further.

Mr. Speaker, I would like to point out what is in this bill. There are adequate funds to initiate plans to acquire available military facilities for use as prisons, or, as proposed in H.R. 1591—which I introduced and which is pending—civilian conservation corps-type camps for drug offenders.

Funds are also to be used for other purposes.

This is a start, and you have to start before you can finish. And we have started on our own.

Mr. SMITH of Iowa. I want to take my time back and conclude this from my part.

What we have done here is to leverage this money.

When this bill started out, the administration was opposed to any money to enhance and speed up the war on drugs even though at the same time the President is out making speeches saying he supports more money. At least now the country is aware of what is going on. We have people in the administration and we have some people in Congress who talk one way and act another.

At least now maybe we are on to a policy where we speak loudly and carry a big stick instead of the past policy of speaking loudly and carrying a very small stick and that is the policy we have had in the administration and to large extent in Congress.

So what we need now is to take this bill as a commitment. We have a commitment which probably equals a $550 million increase in annual programs because it is leveraged to fund the first 100 days of such an annual program.

We will have to further fund it later. But they can get started. For the first time they have the authority, and the chairman insisted on this, they have the authority to go ahead to use this to initiate these programs even though they are not front loaded, and they are just a part of what the President has in speeches said he is for. They can take the preliminary steps necessary to hire more agents, to build those field offices down there on the Mexican border, to initiate probably eight persons, to use closed military bases and to interface computers so the various agencies can coordinate their activities.

So we need to do this.

Mr. CONTE. Mr. Speaker, I have no further requests for time. I think we have heard enough here.

Mr. WHITTEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Speaker, I listened to all the other debate and I did not complain. But I do want to complain about a provision that the Senate insisted on in this conference report, which is legislation in an appropriation bill. It was stricken when the bill passed the House. We have no recourse in this legislation, in this conference report, to deal with what is manifestly a contravention of House rules providing legislation in an appropriation bill. In this instance it is the direction to the FAA to install and use explosive-detection equipment and require airlines to buy it, pay for it, install it and operate it.

□ 1100

The House Committee on Public Works and Transportation and the House Committee on Foreign Affairs have reported comprehensive terrorism countermeasure legislation. We are ready to bring that legislation to the floor. Part of that bill deals with this very issue of explosive detection devices with a very different approach into how the money should be raised to pay for those detection devices.

It is unconscionable that the Senate sent this take-it-or-leave-it proposition to the House, when the House had already clearly spoken that this lan-

guage was not to be included in an appropriation bill. Then, I might add, on top of that, they put a little frosting on the cake with an additional $400,000 funding for an airport in West Virginia. Now that is just unreasonable. It goes beyond the bounds.

We have kept such funding projects out of the House legislation. The Senate comes around and puts this very unwise and unworkable approach and unfair approach into the legislation.

If this legislation stands, air travelers will be paying twice for security: paying once in the airline ticket tax, part of that tax goes to security. If this stands, and I hope it will not when we pass our legislation, they will be paying a second time in an airport ticket surcharge which I think is unreasonable.

Mr. CLINGER. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Speaker, I want to associate myself with the gentleman from Minnesota's remarks, at least insofar as it relates to the procedure which is being employed here.

As the gentleman knows, we have a disagreement on how the devices should be funded, but I think it is absolutely inappropriate in this case that we are seeing another example of legislating the appropriation bill. It is clearly within our purview and our responsibility to deal with this. We are dealing with it in the authorizing committee, and it is unconscionable that we are dealing with it in this fashion at this time.

We may disagree on the ultimate result. We certainly agree this is not appropriate procedure.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for his support.

The legislative committees worked diligently, held hearings both in the Committee on Foreign Affairs and the Committee on Public Works and Transportation and worked out the legislation, and brought a bill to the floor expeditiously. This provision should be dropped.

I thank the chairman for defending the House position in conference.

Mr. DREIER of California. Mr. Speaker, amendment No. 133 of the general provisions of the conference report to H.R. 2072, the emergency supplemental appropriations bill, was added on the Senate side and subsequently modified in conference.

Its original purpose was to aid HUD Secretary Kemp and the millions of law-abiding tenants of public housing to rid their developments and neighborhoods of drugs. It told Secretary Kemp to review local statutes on drug-related evictions and, if those statutes guaranteed due process to residents as well as landlords, told Secretary Kemp to waive a cumbersome first layer of bureaucracy required of public housing authorities in such circumstances.

As my colleagues know, Secretary Kemp has been in the forefront of the drug fight and is currently making due process determinations in all 50 States and has granted waivers of this cumbersome HUD lease-grievance procedure for a number of jurisdictions. These tenants are consistent in their pleading for action on behalf of the Government to remove these burdensome administrative procedures which allow drug dealers to lengthen victimization of public housing tenants. I strongly support Secretary Kemp's efforts, and so do most public housing tenants. They are tired of being the victims of the drug trade, where they are constantly exposed to murder, violence, and other forms of crime.

Unfortunately, the modification of the general provisions of the conference report—section 404(b)—has the effect of tying Secretary Kemp's hands. It is a garbled provision which refers to "tenants of public housing authority employees." It goes on to prohibit evictions of drug dealing households in public housing if not all household members are involved in such illicit activity. This will deal a devastating blow not to drug traffickers but to those it is intended to protect—the innocent neighbors and tenants who must continue to be victimized by drug dealers.

Residents of public housing are perhaps among the most victimized and terrorized persons in the drug wars. They want the crack dealers out. But we can't have it both ways. Either we rid public housing of these terrorists who threaten everyone else, or we continue to watch shootings and drug overdoses on the nightly news.

Although I am certain that those proposing this modification do not intend for this language to in any way overrule any provision of the 1988 Anti-Drug Abuse Act, that should be made clear. Unfortunately, their drafting may not adequately reflect this. I believe section 404 was written hastily and needs technical corrections so that HUD can continue its efforts with local public housing authorities and residents to take back their communities. I urge my colleagues on the appropriations committee to take corrective action on this language in the fiscal year 1990 HUD appropriations bill.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time, and I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MFUME). The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 318, nays 6, not voting 108, as follows:

[Roll No. 107]

YEAS—318

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Baker
Ballenger
Bateman
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boggs
Bonior
Brennan
Brooks
Browder
Brown (CA)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clarke
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dorgan (ND)
Douglas
Dreier
Duncan
Durbin
Dwyer
Dyson
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fawell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Gunderson
Hamilton
Hammerschmidt
Hancock
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kasich
Kastenmeier
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Manton
Markey
Martin (NY)
Mavroules
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Montgomery
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pashayan
Patterson
Paxon
Payne (NJ)
Penny
Perkins
Petri
Pickle
Poshard
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Ros-Lehtinen
Rowland (CT)
Roybal
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schuette
Schulze
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stearns
Stokes

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Rudd	Valentine	Wheat
Rump	Vander Jagt	Whittaker
Sundquist	Vento	Whitten
Synar	Visclosky	Williams
Tallon	Volkmer	Wilson
Tauke	Vucanovich	Wise
Tauzin	Walgren	Wolf
Thomas (GA)	Walker	Wright
Towns	Walsh	Wyden
Traficant	Watkins	Wylie
Udall	Waxman	Yates
Unsoeld	Weber	Young (AK)
Upton	Weiss	Young (FL)
	Weldon	

NAYS—6

Campbell (CA)	Dannemeyer	Sensenbrenner
Cox	Hall (TX)	Stenholm

NOT VOTING—108

Armey	Garcia	Ortiz
Aspin	Gaydos	Parris
Barnard	Guarini	Payne (VA)
Bartlett	Hall (OH)	Pease
Barton	Hansen	Peloso
Bates	Hatcher	Pickett
Bellenson	Hawkins	Porter
Bochlert	Henry	Price
Borski	Horton	Pursell
Bosco	Huckaby	Quillen
Boucher	Jenkins	Rangel
Boxer	Johnson (CT)	Ridge
Broomfield	Kaptur	Rinaldo
Brown (CO)	Kennedy	Roe
Bryant	Kolter	Rose
Chapman	Lantos	Rostenkowski
Clay	Leach (IA)	Roth
Collins	Lent	Rowland (GA)
Courter	Lipinski	Russo
Craig	Luken, Thomas	Schroeder
Crane	Madigan	Schumer
Dixon	Marlenee	Slattery
Donnelly	Martin (IL)	Smith (FL)
Dornan (CA)	Martinez	Smith, Denny (OR)
Downey	Matsui	Stangeland
Dymally	Mazzoli	Stark
Early	McCandless	Swift
Eckart	McCollum	Thomas (CA)
Edwards (CA)	Molinari	Thomas (WY)
Fazzell	Moody	Torres
Fields	Moorhead	Torricelli
Filippo	Morella	Traxler
Florio	Morrison (CT)	Wolpe
Ford (TN)	Murphy	Yatron
Frank	Myers	
Frenzel	Nelson	
Frost	Nielson	

□ 1123

The Clerk announced the following pairs:

On this vote:

Mr. Downey for, with Mr. Crane against.

Mr. Nelson for, with Mr. Craig against.

Mrs. Martin of Illinois for, with Mr. Torricelli against.

Mr. Denny Smith for, Mr. Barnard against.

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. MICHEL. Mr. Speaker, I asked for this 1 minute for the purpose of inquiring of the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT] the program for next week and the balance of the day knowing that we also have an official move to make with respect to an adjournment resolution.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman from Illinois [Mr. MICHEL] for yielding.

First, I would say that the only matter left that may require a vote, although we hope it will not require a vote, is the Senate Concurrent Resolution 50 for adjournment for next week.

Mr. Speaker, we will then have three other unanimous-consent requests that have to do with adjournment here until next Monday and with the various calendars.

Then I would like to announce the program for next week.

On Monday the House will not meet, and there will not be legislative business.

On Tuesday we will have suspensions: H.R. 1199, Veterans Nurse Pay Act of 1989; H.R. 2557, to designate the "James J. Howard Veterans' Outpatient Clinic" in Brick Township, NJ; H.R. 2569, to designate the Aleda E. Lutz Department of Veterans' Affairs Medical Center in Saginaw, MI; H.R. 1334, to remove a limitation relating to the payment of pension to veterans furnished hospital care by the VA on a long-term basis; H.R. 1594, to extend most-favored-nation [MFN] status for Hungary for 5 years; H.R. 2467, 1988 Disaster Assistance Extension Act; H.R. 536, to allow claims against the United States for damages arising from certain negligent medical care provided members of the Armed Forces; H.R. 1048, Hate Crime Statistics Act; H.R. 2705, relating to Government contributions to the Federal Employees Health Benefits Program for 1990 or 1991; House Joint Resolution 281, to approve the designation of the Cordell Bank National Marine Sanctuary; House Joint Resolution 175, Palau Compact of Free Association Implementation Act; H.R. 2214, to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations; and H.R. 2136, to limit the length of time an individual may be incarcerated for civil contempt in a child custody case in the D.C. Superior Court.

Mr. Speaker, those votes will be postponed until after debate on all suspensions on Tuesday.

Then, beginning on Wednesday, we will take up the emergency and water appropriations for fiscal year 1990. We will try to finish that. Of course it is subject to a rule. And following that we will resume consideration of H.R. 2655, the Foreign Assistance Act authorization for fiscal 1990 and 1991. It will be our intention to go late on Wednesday and try to complete as much of that act as we can. We will, however, try to finish by 6 o'clock on Thursday so that Members could plan their weekend and then be able to leave Washington on Friday or Thursday evening.

I also would like to announce that the Members will have in their offices the proposed schedule for July and the first week of August. There will be a recess that extends through July 10. We will not have votes on July 10. We will then have votes each week in July, Tuesday through Thursday, and on Monday the 17th, Monday the 24th, Monday the 31st after 3 p.m. in the afternoon. We will aim at being able to leave for the August recess in the afternoon or night of August 4, which is a Friday.

Mr. Speaker, this calendar will be in the Members' offices today.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. Speaker, might I inquire again with respect to Monday? There will be no session Monday; is that not correct?

Mr. GEPHARDT. The gentleman from Illinois [Mr. MICHEL] is correct.

Mr. MICHEL. In addition, Mr. Speaker, noting that conference reports may be brought up at any time, does the gentleman from Missouri [Mr. GEPHARDT] know if it is possible we might be considering the natural gas conference report sometime next week? It is my understanding that they are pretty near or probably will have agreement, and I am just curious.

Mr. GEPHARDT. Mr. Speaker, I am told, although I do not have definitive information, that there is an agreement, and it well may be that that will be brought up next week.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader, and I think that concludes my questions.

MAKING IN ORDER ON TUESDAY, JUNE 27, 1989 DISTRICT OF COLUMBIA BUSINESS

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the District of Columbia business in order on Monday, June 26, 1989, be made in order on Tuesday, June 27, 1989.

The SPEAKER pro tempore (Mr. MFUME). Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT TO TUESDAY, JUNE 27, 1989

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING CONDITIONAL RECESS OR ADJOURNMENT OF SENATE AND CONDITIONAL ADJOURNMENT OF HOUSE OVER THE JULY 4TH HOLIDAY

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 50) providing for a conditional recess or adjournment of the Senate and a conditional adjournment of the House over the July 4th holiday, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 50

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, June 22, 1989, Friday, June 23, 1989, Saturday, June 24, 1989, Sunday, June 25, 1989, Monday, June 26, 1989, Tuesday, June 27, 1989, Wednesday, June 28, 1989, Thursday, June 29, 1989, Friday, June 30, 1989, or Saturday, July 1, 1989, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand recessed or adjourned until 8:30 a.m. on Tuesday, July 11, 1989, or until 12 o'clock noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occurs first; and that when the House adjourns on Thursday, June 29, 1989, or Friday, June 30, 1989, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12:00 o'clock noon on Monday, July 10, 1989, or until 12 o'clock noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING MEMBER TO SIGN AND SUBMIT REQUESTS TO ADD NAMES OF MEMBERS TO LIST OF COSPONSORS ON H.R. 2273

Mr. HOYER. Mr. Speaker, I ask unanimous consent that I may be authorized to sign and submit requests to add the names of the following Members to the list of cosponsors on H.R. 2273: PETER H. KOSTMAYER, HENRY J. NOWAK, JAMES H. SCHEUER, BOB CARR, LEE H. HAMILTON, C. THOMAS MCMILLEN of Maryland, AL SWIFT, FLOYD H. FLAKE, and WILLIAM O. LIPINSKI.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 1048, HATE CRIMES STATISTICS ACT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until midnight tonight, June 23, 1989, to file a report on the bill, H.R. 1048, the Hate Crimes Statistics Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

□ 1130

Mr. WALKER. Reserving the right to object, Mr. Speaker, I am told that the staff on our side knows nothing about this request. Is this something that has been cleared with the minority? We have not heard from the minority side on this.

Mr. BROOKS. Mr. Speaker, if the gentleman will yield, it is my understanding the minority has been consulted on this and has agreed to it. It is just a report on a bill, H.R. 1048, the Hate Crime Statistics Act, which was supported by the Republicans, and I think there is no objection whatsoever to it.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROPOSED CONSTITUTIONAL AMENDMENT ON RESPECT FOR THE FLAG

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, later today I will be introducing a piece of legislation which will call for a constitutional amendment to raise the flag of our country to its proper place in the hearts and minds of all Americans. With due respect to the Supreme Court and its recent decision, the supreme will of the people of our country is that henceforth no flag raising will be met with anything except the full respect of the American people. If this legislation should pass, the flag of the United States no longer will be flown or desecrated without penalty, no longer will be burned without punishment, no longer will be desecrated in any way without the due enforcement of law. That is the will of the American people, and we in the Congress should heed that and proceed with a constitutional amendment or any statutory remedy that we can apply.

SUPREME COURT DECISION ON DESECRATION OF THE FLAG

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, yesterday I introduced a resolution that would acknowledge the sense of Congress that we are indeed outraged with the Supreme Court decision relating to the desecration of the American flag. I opposed that decision.

I think this Court is schizophrenic. Several days before, they take away the access to rights of women and minorities and then this so-called conservative Court, which is or is not, takes away I think what is something very, very sacred, the values of the American people.

I think people who desecrate the American flag maliciously or intentionally ought to be punished. My father was born on the 4th of July and I introduced that resolution in his memory because reverence for the American flag and what it symbolized was very cherished in my family.

PERSONAL EXPLANATION

Mrs. MORELLA. Mr. Speaker, I was unavoidably detained this morning because I had an important field hearing for the Select Committee on Aging on drug misuse in Montgomery County. Therefore, I missed rollcall vote No. 107.

Mr. Speaker, had I been here, I would have voted resoundingly yes.

APPOINTEES TO NATION'S MILITARY ACADEMIES FROM 31ST DISTRICT OF NEW YORK

(Mr. PAXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAXON. Mr. Speaker, all too often in these Chambers we discuss what is wrong with America, our Nations problems, and sometimes it appears that our future may be rocky, indeed.

29-050 O-90-2 (Pt. 10)

Just 2 days ago, this feeling was underscored when the Supreme Court issued what can only be termed an awful decision, saying that our flag, this flag, the very symbol of our Nation's strength and our values, could be desecrated.

Well, Mr. Speaker, today at my district office back in Williamsville, NY, there are gathered 11 young men and women who symbolize to me all that is right about America, and these talented young men and women, the next generation of leaders of this Nation, prove that America's future is strong indeed.

For these young men and women are my district's outstanding appointees to the U.S. military academies for the coming year.

These nominees are: Christina Ott, Williamsville; Timothy Hens, Hamburg; Rick Randazzo, East Amherst; Richard Allen, Mount Morris; Robert Mansell, Williamsville; Brian Lane, Getzville; Tom Kait, Angola; Chris Chilbert, Geneva; Matthew Zacher, Conesus; Christopher Bannister, Gainesville; and John Wieland, Elma.

By entering service to our Nation, these great men and women are making a tremendous sacrifice for their fellow Americans and, in a very real way, insuring a bright future for this flag and for this country.

ACTION IS NEEDED TO RESOLVE COAL CRISIS

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, it is time to end the impasse in the coalfields between the Pittston Coal Co. and the United Mine Workers of America.

This situation is offensive to working men and women across the country, who have joined unions to protect their safety on the job and standard of living at home.

The inability of Pittston to recognize legitimate bargaining demands by the United Mine Workers has now forced an emotionally charged situation to spread to coalfields across the country. That includes the mines and miners I represent in southern Illinois.

I stand ready to join my colleagues on the Coal Caucus and others in this House who are interested in bringing a satisfactory end to this logjam.

Coal provides 60 percent of our Nation's energy needs. The union and coal companies have settled two contracts in a row without the strike activity that was part and parcel of previous contracts.

We in this body should encourage peaceful resolution through negotiating channels before we end up regretting that we did not act sooner.

SUPPORT FOR THE DISASTER ASSISTANCE EXTENSION ACT

(Mr. DONALD E. "BUZ" LUKENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, farmers in western Ohio are suffering from one of the worst one-two disaster punches Mother Nature could deliver. Last year, it was the devastating drought that caused millions of dollars worth of crop losses. This year, they have been hit with rains so heavy, many have not been able to even get their crop in the ground.

Last month, the House Agriculture Committee passed H.R. 2467, the Disaster Assistance Extension Act. This bill would extend benefits to those farmers hit by drought, hail, excessive moisture, and other natural disasters. I rise today in continued strong support of this legislation.

My district has some of the most productive land in the Nation. Ohio is proudly titled as a breadbasket State. It is indeed a sad sight to see this sector of American society, the backbone of this Nation continue to suffer.

I urge the speaker to bring this urgent legislation to the floor as soon as possible so that we can relieve the suffering of our Nation's farmers.

□ 1140

OPPOSITION TO EXPENDITURE TARGETS

(Mr. TALLON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALLON. Mr. Speaker, I am opposed to a proposal in Ways and Means to put expenditure targets on physician services. The promise of the implementation of the resource based relative value scale is being tainted by a provision that threatens to ration medical care.

A cap would result in only less costly medical services being rendered. Sicker and elderly patients could be turned away by doctors who try to stay within the limits of a cap. Rationing of health care is exactly contrary to the intent of Medicare as well as the Hippocratic oath.

TRAGIC INCIDENT WITH SISTER MARY MACKEY IN EL SALVADOR

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, what tragic news we got yesterday about the horrible attack which took place against Sister Mary Mackey in San Salvador. A bullet came from a pickup truck and hit her in the head. The report is that she may lose an eye.

I would like to say, Mr. Speaker, that my prayers, along with those I know of others in this House, and my friend, the gentlewoman from Ohio. [Ms. OAKAR], expressed her concern, go to Sister Mackey and to the other nuns and those who are working in El Salvador.

I have to say, Mr. Speaker, that this horrible incident underscores the importance of an amendment which my colleague, the gentleman from Florida [Mr. MCCOLLUM] and I are going to be offering next week to the Foreign Assistance Act designed specifically to provide important training to police forces within El Salvador which in the past has prevented these kinds of incidents and just may have been able to prevent this one had we not let the waiver expire on this very important training which will take place.

Our prayers are with Sister Mackey, and I hope very much that our colleagues will respond to their horrible incident by supporting our important amendment.

AFLATOXIN FOOD SAFETY ACT OF 1989

(Mr. JONTZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONTZ. Mr. Speaker, food safety is a concern not only of consumers, but also of those who produce the food for our Nation. This past week, I filed legislation to deal with one potential food safety issue which shows that farm and consumer groups can work together toward insuring the safety of our Nation's food supply.

The Aflatoxin Food Safety Act of 1989 would take several steps to prevent any threat to consumers from aflatoxin, a naturally occuring carcinogenic substance which has been detected in some of the corn affected by this past year's drought. The bill would standardize testing for aflatoxin to improve its accuracy, provide indemnification for farmers who find aflatoxin damaged corn, direct USDA to engage in research to prevent aflatoxin, and require testing of corn exports from our Nation to insure all customers receive a quality product.

Joining me in sponsoring this bill is the very capable Chair of our Wheat, Soybeans, and Feedgrains Committee, Mr. GLICKMAN of Kansas. The legislation has been endorsed by the National Corngrowers Association, the National Farmers Union, and Americans for Food Safety, a consumer group.

Mr. Speaker, food safety is an issue this Congress must address. I hope that the Aflatoxin Food Safety Act of 1989 helps us to meet our obligation to

the American people to insure them the safest food supply possible.

OUTRAGE AT SUPREME COURT'S DECISION ON FLAG BURNING

(Mr. STEARNS asked and was given persmission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I would like to take this opportunity to once again express my outrage over the Supreme Court's decision to allow American flagburning as political expression.

From Valley Forge to Vietnam, in every battlefield wherever American values have been attacked, the American flag has been the shining, eternal spirit of liberty.

To desecrate such a symbol is to desecrate the memory of the thousands of Americans who have sacrificed their lives to keep that banner flying, intact.

Since Americans have fought and died to defend the flag, any act of desecration of this proud symbol is offensive to Americans.

I have introduced legislation that incorporates the above and expresses the sense of Congress that the Supreme Court erred in its decision in Texas versus Johnson. I ask your support for this resolution.

The Supreme Court has voiced its opinion, now it is time for the body of the people to express its opinion.

WOUNDING OF SISTER MARY MACKEY IN EL SALVADOR

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, I am happy to yield to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank my friend from Texas for yielding. I wanted to say I was grateful to hear my friend, the gentleman from California [Mr. DREIER], expressing his disbelief at the terrible assault on one of the nuns and missionaries in El Salvador.

I represented two of the missionaries who were killed some years ago in El Salvador. We were at least pleased to see the military who are responsible for those terrible actions put on trial and indeed convicted, and we think that that saved other lives. But this kind of an assault on people who are in El Salvador to help the poor is despicable, reprehensible, and I hope our Government will play a role, as it ultimately did in determining who killed the four American missionaries on this avenue. And I hope that we will express more outrage at this kind of an assault on innocent people, not only for Sister Mackey, but for the El Salvadoran people who have their human rights violated every day of the week.

Again, I thank the gentleman from Texas for yielding.

PERSONAL EXPLANATION

Mr. EMERSON. Mr. Speaker, during part of the session of Thursday, June 22, I was absent due to emergency dental surgery and I missed several recorded votes. If I had been present, I would have voted as follows:

Rollcall No. 100—House Resolution 182—China resolution—I would have voted "aye."

Rollcall No. 101—Bereuter amendment—striking cargo preference language—I would have voted "aye."

Rollcall No. 102—Bereuter amendment as amended—allowing certain cargo preferences—I would have voted "aye."

Rollcall No. 103 was a quorum call.

Rollcall No. 104—Lewis amendment—assessing the progress of countries moving toward economic liberalization—I would have voted "aye."

Rollcall No. 105—Kostmayer amendment—gut international family planning restrictions—I would have voted "no."

FLAG BURNING CASE SPURS MOVE TO AMEND THE CONSTITUTION

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, there is a difference between liberty and license and the Supreme Court stepped over the line this week.

Disparate elements of our society are woven together by threads—sometimes not as strong as we wish—that have been weakened by allowing the burning of our flag. The fragile social fabric that sustains freedom has been undermined by diminishing freedom's finest symbol.

By blurring the distinction between liberty and license, the Supreme Court is advocating "anything goes" freedom. Isn't it true that a part of America's problem with drugs—the tremendous demand for drugs and their use at all levels of society—stems from the breaking down of boundaries between freedom and license?

Our youth, our citizenry, will not respect limits imposed by society for its own protection when society's highest judicial body, the Supreme Court itself, cannot even impose limits on protecting the American flag.

Mr. Speaker, for those who fought and died in so many wars to preserve freedom, for all who served and serve our country, indeed for all who believe in America's great legacy of freedom, the Supreme Court's decision was a shocking stunning blow. To reverse this decision, I have introduced a bill to amend the Constitution, and I urge my colleagues to support it.

□ 1150

HISPANIC SERVING INSTITUTIONS BILL AND CENSUS

The SPEAKER pro tempore (Mr. MFUME). Under a previous order of the House, the gentleman from Texas [Mr. BUSTAMANTE] is recognized for 5 minutes.

Mr. BUSTAMANTE. Mr. Speaker, I would like to share with my colleagues the findings of a recent Census Bureau study that will have an important impact on many of their districts, and will undoubtedly shape our Nation's future in the global marketplace. In its first detailed estimates of minorities by State since its 1980 census count, the Census Bureau has reported that Hispanics are densely concentrated in a few of our fastest growing States and most populated cities. According to the Bureau's statistics, the city of Laredo in my district is the Nation's most Hispanic, 97.9 percent of its inhabitants are Hispanic. All throughout the Southwest and West similar clumping occurs. Of 17.5 million Hispanics in the United States almost 6 million live in California and another 3.6 million live in Texas. Elsewhere, New York and Florida each have more than 1 million residing in their States, with Illinois and New Jersey both nearing that number.

Knowledge of this population density will have a profound effect on how we address the needs of the Hispanic-American community. And how these needs are addressed will do more to determine the future health of the United States than most can imagine. On the shoulders of this vibrant and growing population rests our educational and economic strength as a nation.

Many hours are spent by our colleagues on this floor warning of the need to prepare our country for the economic demands of the coming century. The United States' preeminent position as economic leader in the world is being challenged all across the globe. No longer can we rest on our laurels and expect to remain the power we have become. The Pacific Rim countries are quickly becoming industrial and technological centers, while an impending European Common Market threatens to compete more forcefully with our export businesses. Unless we are willing to rise to these new challenges, our position of international leadership and our domestic standard of living will suffer.

Fortunately, we are beginning to realize that steps must be taken to ensure that we remain competitive in an increasingly technological world marketplace. The cornerstone of our

efforts to prepare for this battle is education. We understand that a high school education will no longer suffice for our needs. In Japan, high school students will graduate this year with an education equal to a college sophomore in the United States. It is clear that we must do more to funnel students through high school and into college where they can acquire the skills needed to become a part of our productive economy.

Recent statistics from the Census Bureau reveal that Hispanics are the fastest growing subpopulation in the United States. Between 1980 and 1985 their numbers have increased by over 22 percent. At this rate, Hispanics will be the country's most populous minority by the year 2020. It is these young Hispanics who will determine our Nation's fate. They will be our work force in the 21st century. They will be the consumers at our supermarkets and department stores. They will be the owners and board members of business ventures across the land. And they will be the taxpayers who fund America's defense and social needs. If they are strong and wise, our Nation will thrive; if they are weak and uneducated, we will decline.

Unless we act quickly to prepare these young men and women for the important roles they will be asked to fill, our changes for prosperity in the future are slim. Hispanic high school students have a much higher dropout rate than their white counterparts. They average much lower than the general population on standardized tests, and comprise a tiny fraction of doctoral candidates at our universities. In my own district, dropout rates are sometimes as high as 50 percent. If we don't do something to keep these students in school and help them pursue college educations, we are going to be depending on an unskilled army to defend us in a technological war.

I have introduced a bill in this Chamber that will begin us on this road of preparation for the future. H.R. 1561, the Hispanic-Serving Institutions of Higher Education Act of 1989 will create a pipeline between high school and college for young Hispanic students. Through this legislation a network would be formed of colleges and universities with at least a 25 percent Hispanic student population. This network will then be given funding to help member schools recruit and retain young Hispanic men and women. Such an effort is essential if we are to properly prepare for our future. And it must be made now.

But the task is not as difficult as it may seem. The high concentration of Hispanics in certain population centers hints at how effective a directed effort would be. Because Hispanics reside in such large numbers in cities like San Antonio, Los Angeles, New York, and San Diego, we know where to focus our efforts. We do not need to paint with broad, wasteful strokes. Instead we can pinpoint our brushes in select areas without overlooking many needy people. This is the aim of the Hispanic-Serving Institutions of Higher Education Act. And it would be as cost efficient as it is effective.

It is not often that we are able to help a group of people so in need, with so much ease, and with so much benefit to our entire Nation. For their sake, and for the sake or our country's future, let's take advantage of the obvious implications found in the Census Bureau's report and invest in this legislative attempt to prepare for the future.

COLLAPSE OF COMMUNISM IN CHINA, POLAND, AND THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr. Speaker, we have over the past several months seen almost all of the national news magazines printing headlines like this on their covers: "Collapse of Communism in China, Poland, the Soviet Union, the People Defy Their Leaders." Time, Newsweek, U.S. News, all the great publications, that great publication insight which we all get in our offices. A lot of publications are focusing attention on that. In fact it underscores the fact that we have seen the attention move away from Washington, DC. The world usually focuses on Washington, DC, the District of Columbia and the activities which we are involved in here. Now world attention is focused on these spots where democracy is on the move.

There is an interesting column which they carry every week, which I always like to read at the beginning of the week if I am lucky enough to get my magazine, U.S. News, delivered to my office on time, called "Washington Whispers." One would think that those of us in Congress are well aware of everything that goes on and would know in advance what the "Washington Whispers" column might be printing. But I often learn quite a bit from the U.S. News and World Report, "Washington Whispers."

This one deals specifically with the cover that I have been talking about, "Collapse of Communism." It is very interesting.

I read it especially in light of the fact that a couple of weeks ago I had the thrill of joining with a couple of my colleagues in observing the first election in over four decades take place in Poland.

I am going to read through this—maybe it is a little dated, this is actually the June 19 issue of U.S. News and World Report. It is the lead item in the "Washington Whispers" column.

It says:

> If there were Polish-style elections in other Communist-run countries, how would the party fare? Even worse in some places than in Poland, where Communist candidates won only an estimated 20 percent of last week's vote, say U.S. analysts surveyed by U.S. News. The experts believe that in neo-Stalinist Czechoslovakia and Romania, the party could get no more than 10 percent, that East German Communists would be lucky to outdo their Polish comrades and that even in Bulgaria, which has always been the most pro-Soviet of Moscow's allies, the party could count on no more than 30 percent.

□ 1200

The Communists' best chance seems to be the Hungarian Party's reform wing, which could win as much as 35 percent. Now it is clear that that reform is not Marxist leaning, and that is the reason they do as well as they predict here. The experts think that if Cubans were asked next week to choose Fidel: "sí or no," Castro might line up 60 percent—but if the opposition had time to organize, it could win by the same percentage. An even better example of the problems of holding free elections where dissent is banned in North Korea, whose veteran dictator Kim Il-song, could emerge on top because, as one scholar says, "It's like the last days of Stalin. North Koreans don't know alternatives exist."

Well, Mr. Speaker, it is clear that with this informational explosion as we have discussed here, that alternatives do exist and people throughout the world are learning about these alternatives. I am very pleased we were able to incorporate the Douglas amendment in the Foreign Assistance Act which calls for a plebiscite in Cuba, and I hope, very much, Mr. Speaker, that the world will recognize that the idea behind these Communist totalitarian regimes is clearly a failed one. We hope very much that we will see an opportunity for the kinds of elections which these analysts outlined for us in U.S. News and World Report will, in fact, take place.

INTRODUCING LEGISLATION TO PROTECT THE AMERICAN FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. EMERSON] is recognized for 5 minutes.

Mr. EMERSON. Mr. Speaker, if we were to stand today and gaze at Fort McHenry under seige, would we feel the same swell of pride at the sight of the Stars and Stripes as that which prompted Francis Scott Key to pen the glorious words to our National Anthem? We would. But, after the Texas versus Johnson decision, the broad strips and bright stars are not so

gallantly streaming since flag burning and desecration has been given the nod by the U.S. Supreme Court.

The U.S. flag is, in and of itself, a symbol of all the freedoms which we as Americans enjoy everyday—the freedoms of speech, press, assembly, religion and so many more. Earlier this year I introduced a resolution expressing the sense of the Congress regarding the flagrant and malicious desecration of the flag, and in response I have heard from many, many people in my district, and in fact from many people from across the Nation, who are outraged over the blatant desecration that the American flag has suffered in recent years.

I happen to believe that flagrant and public abuse of the flag should not be considered as symbolic speech under the first amendment, and such abuse should not be tolerated. I am pleased to offer an amendment to the U.S. Constitution declaring that desecration of the flag is prohibited. This amendment will also give enforcement powers to both the Federal and the State governments. I urge my colleagues to support this amendment to the Constitution.

Throughout history, the U.S. flag has been revered as the embodiment of the liberty and freedom which have become the hallmark of our Nation. This casual treatment of our Nation's most revered symbol is an affront not only to the flag, but to the ideals which stand behind it. It is an affront to the people who have served our great country in all capacities and exigencies, but especially to those who have fought and died for America.

I urge my colleagues to join me in sponsoring this resolution to set in motion the process of amending the Constitution to give protection to the flag, the embodiment, the entity which symbolizes our national ideals.

COMMUNITY LIFE AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, one of the most eloquent statements of liberty ever penned was our own Declaration of Independence. We celebrate this document and its glorious message each Fourth of July. The declaration is the charter of our Nation, our founding document. The principles espoused therein are the core of our democracy and represent our collective civic faith.

Thomas Jefferson surmised the predicament of the colonies in these revolutionary terms:

> When, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume, among the powers of the Earth, the separate and equal station to which the laws of nature and of nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to separation.
>
> We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these, are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed * * *.

Mr. Jefferson's formal recognition of God in connection with the rights of people, not sovereigns, was certainly unique. No nation had ever acknowledged that all men are created equal, let alone state that each has been endowed by their creator with individual, inalienable rights.

More significant for my purposes today is the injunction that, "to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed." In the same breath, our national charter has listed that we not only have rights that no government can take away, but that our constitutional Government was instituted to secure these rights.

The declaration continues that:

> Whenever any form of government becomes destructive of these ends, it is the right of the people to alter it.

Mr. Speaker, I would like to share with my colleagues a short history of a government that has become destructive to certain of these ends as stated in our Declaration of Independence. In fact, the history I will detail is of a government that has sought to deny the sole authority that has granted it legitimacy. I am speaking of how an unelected body, with the timid consent of the Congress of the United States, has disallowed through a series of judicial decisions the right of rising generations to formally acknowledge their creator.

The significance of this encroachment into the verity that has established our inalienable rights is that if a creator did not grant us these rights, then men must have. Meaning in practical terms: What men can grant, they can also take away. America was an experiment of inalienable rights, not transitory rights. And for our constitutional Government, established by this people, to become destructive to the authority that granted it its very existence is inimical to all reason and to all of the temporal privileges of our existence.

There are many ways I could begin this history of judicial turpitude. I could begin on a positive note by affirming the spiritual nature of our society. History is replete with facts detailing how the pursuit of religious freedom spawned the Original Thirteen Colonies. Mind you, I said in "the pursuit of religious freedom," not out of fear for religion, was this Nation spawned.

I could discuss the faith of our Founding Fathers. That out of the 55 men who drafted the Constitution, all but three were orthodox members of one of the established Christian communions: approximately 29 Anglicans, 16 to 18 Calvinists, 2 Methodists, 2 Lutherans, 5 Roman Catholics, 1 lapsed Quaker, and sometime-Anglican, and one open deist.

It does no good for critics of our spiritual heritage to shrug off these facts to the times—as if to say, "what else would you expect them to profess in that day and age?" This criticism is no more substantive that claims that all people in the days of Jesus Christ were either Jews or Christians, or even that no spiritual consensus exists today. These critics are only dealing with perception and self-delusion.

I could also talk about the philosophical and legal traditions of men schooled in the Judeo-Christian ethic relied on by our Founding Fathers. Men like Algernon Sidney and John Locke, the French philosopher Montesquieu and William Blackstone, and Hugo Grotius.

Or I could recite all the many references to our creator in ancillary documents to our founding. Those such as the Northwest Ordinance of 1787 and all 50 State constitutions.

But I won't submit to this great temptation. I prefer instead to begin by cataloging the judicial decisions that have taken God out of the intellectual and civic realm of public schoolchildren. This removal has created an atmosphere of distrust and duplicity in the minds of kids toward their elders.

Children will not allow us to get away with a double message. If a belief in a creator is good enough for home and church, then it is certainly appropriate to recognize a creator in the school room. Relegating this recognition to its proper place is not enough to effectively influence the active minds of children who spend most of their days away from both home and church and in an environment that unhesitatingly proclaims that such instruction is antithetical to reasoned thought and intellectual stimulation.

The judicial activism of the Supreme Court began toward this end in 1962. The case of *Engel* v. *Vitale* (370 U.S. 421 (1962)) centered on a State-imposed and drafted prayer that was recited daily in the public schools of New York. The beginning of each day would begin with:

> Almighty God, we acknowledge our dependence on Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country.

The Court held that:

> The constitutional prohibition against laws respecting an establishment of religion

must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government.

And further, that the first amendment's,

Prohibition against governmental establishment of religion, as reinforced by the provisions of the 14th amendment, government in this country, be it State or Federal, is without power to prescribe by law any particular form of prayer which is to be used as an official prayer in carrying on any program of governmentally sponsored religious activity.

The nondenominational aspect of the regent's prayer did not persuade the Court to preclude it from application under the first amendment. Neither did the fact that student participation was strictly voluntary. Left unresolved was the issue of whether or not other issues such as student intiated voluntary prayers, reading the Bible in class, and posting the Ten Commandments were constitutional.

Only 1 year later, on June 17, 1963, the Court addressed these other concerns, directly and indirectly, in *Abington School District* v. *Schempp* (374 U.S. 203, 1963). Each morning at Abington Senior High School selected students would read 10 verses of the Holy Bible over the school's intercommunications system. The reading was followed by the recitation of the Lord's Prayer with all students being asked to stand and repeat the prayer in unison. The exercises were closed with a flag salute and the Pledge of Allegiance. Once again, participation in these activities was left to the discretion of the student and students could either refrain from participation in class or leave the room entirely until completion of the exercise.

In ruling against Abington school district, as with its forerunner Engel, the Court ruled that such exercises were a violation of the establishment clause as applied to the States under the 14th amendment. The majority arguments in both cases rested on the 14th amendment incorporating the establishment clause.

By 1980 the Court had worked its way up to denying the Ten Commandments to be posted on a school room wall. In Stone versus Graham the Court reviewed a case where a 1978 Kentucky statute required a copy of the Ten Commandments to be posted in each public school class room in the State.

Also to appear in small print following the last commandment was the wording:

The secular application of the Ten Commandments is clearly seen in its adoption as the fundamental legal code of western civilization and the common law of the United States.

A Kentucky trial court as well as the Kentucky Supreme Court upheld the statute as constitutional, but the U.S. Supreme Court felt different. The Court held that:

The pre-eminent purpose for posting the Ten Commandments on school room walls is plainly religious in nature. The Ten Commandments is undeniably a sacred text in the Jewish and Christian faiths, and no legislative recitation of supposed secular purpose can blind us to that fact.

It is important to note that the language of the Court restricted the posting of the Ten Commandments even if Kentucky law did not require such a posting. Now-Chief Justice Rehnquist authored a dissenting opinion that held the statute as constitutional and that a secular legislative purpose was well-defined by the Kentucky Legislature.

A last major court decision I will mention concerned a Lousiana law passed by the State legislature in 1982 that stated that any time the theories of creation and evolution are taught, independent of each other, then the other theory must be taught as well.

Once again, the paragons of the establishment clause rose to the occasion. In a seven-to-two decision, the Court held in Edwards versus Aguillard that:

The act continues the battle William Jennings Bryan carried to his grave. The act's intended effect is to discredit evolution by counterbalancing its teaching at every turn with the teaching of creationism, a religious belief. The statute therefore is a law respecting a particular religious belief.

Justice Antonin Scalia called the court's reasoning embarrassing and argued that the Court should abandon the perilous task of trying to determine the subjective intent of legislators.

Mr. Speaker, what is crucial to understanding this series of major decisions, as well as various lesser related decisions, is that an activist Court has not only consistently refused to side with the merits of religious-based values, but it has also refused to consider true secular State interests in promoting a formal recognition of God in our public schools.

Well, I for one, have had enough of double-edged Supreme Court decisions that, on their surface, focus on limiting State mandates, but also serve as legal fodder to intimidate financially-strapped and time-constrained local school systems into docile submission.

I would now like to turn my attention to the reality of children refused a higher authority than man himself. Author David Barton has produced a book titled, "America: To Pray Or Not To Pray." Every Member's office should have received a copy of this book by now.

Mr. Barton got to wondering about the 1962 prayer decision and its correlation to various social indices. For instance, he compiled Government statistics on SAT scores, dropouts, teenage pregnancies, violent crime, alcohol consumption, birth rates, divorce, unwed couples living together, and single parent households.

Now let me state up front that various factors could have led to the picture Mr. Barton's analysis paints. The welfare state, for instance, began its massive buildup in the early sixties. But let's get one thing clear: A picture is worth a thousand words, and what I am about to show you cannot be denied.

THE SAT SCORE CHART

The scholastic aptitude test is an academic test measuring the developed verbal and math reasoning skills of student's preparing to enter college. These results are widely used to gain admission to colleges and universities. The SAT has been administered to high school seniors since 1926. A scale was established in 1941 to allow comparison of the scores from year to year.

Notice the dramatic decline in scores at the time of the initial Court decisions prohibiting State-sponsored prayer. A high of 980 in 1963, down to the 1986 level of 905. My friends, this is not a picture of a trend. A trend would gradually slide downhill. This is a picture of an event.

THE SCHOOL DROPOUT CHART

The examination of school dropout rates is a difficult area of documentation. It is hard to track individual students to know if they have actually dropped out, have moved out of the State or country, or if they are suffering an extended sickness or serious injury.

The one aspect of school dropouts that is well documented in the number of students who take the general education development test, or the G.E.D. test. A G.E.D. certificate is available for those people who did not receive a high school diploma, but are able to prove that they have adequate and equivalent academic skills. The test has been used since 1918.

Once again notice how the chart goes ballistic after the 1962 and 1963 decisions. Also note the relatively flat plane of population growth.

TEENAGE PREGNANCIES

Lastly, let's look at pregnancies to unwed women between the ages of 15 and 19. There were other age groups to choose charts from, but this particular chart offers a poignant testimony to our social decline since 1962.

You can see the differential between population growth within these ages and total births and abortions. Figures were reported that 1 million adolescent girls become pregnant each year. Eighty percent of the teenage girls who are pregnant are unmarried. And the cost to the public of teenage pregnancies in 1985 alone was estimated at $16½ billion.

Tell Mr. Barton that other factors are responsible for these tragedies. Tell him it is not enough social spend-

ing or social justice. Tell him it was the adverse effects of the Vietnam war or the television age. Just don't tell him 1962 and 1963 were not pivotal years in our existence. These pictures don't lie.

In my opinion, the only solution to nearly 3 decades of government by judiciary and the social ills that, at least, this rule has contributed to, is to allow local communities to send their school kids a clear message: rights come with responsibilities and those rights do not change with each new generation because God, the creator of those rights, decreed them inalienable.

We have seemingly entered a new era of thought regarding education. This is the day of public choice. And in this same spirit of public choice, I have introduced a bill I call the community life amendment that will allow the people to determine the civic efficacy of voluntary prayer and the teaching of the Judeo-Christian ethic.

The bill's language reads as follows:

SECTION 1. The right of the people to allow voluntary school prayer and the teaching of the Judeo-Christian ethic in public schools shall not be denied or abridged by the United States.

SEC. 2. For the purpose of section 1, the term "teaching of the Judeo-Christian ethic" shall include the Ten Commandments, and the creation of the earth as accepted in Judeo-Christian tradition.

SEC. 3. Section 1 shall not force the people to enact any statute against their will.

SEC. 4. Nothing in this amendment shall constitute an establishment of religion, nor shall this amendment permit any governmental or administrative authority to prescribe the form or content of any voluntary prayer.

Let me take this opportunity to define the terms of this amendment as well as offer some legislative intent.

The first thing I would like to point out is that this bill is not a school prayer amendment. It is not a religion in school amendment. It is not a Ten Commandments amendment. Nor is it a creation amendment. This truly is a community life amendment. Legislative jurisdiction is returned to the people to choose to reinforce to the fullest our inalienable rights, or to choose not to.

Section 3 of the amendment states explicitly, that section 1 shall not force the people to enact any statute against their will. This is not a school prayer amendment. It mandates little upon the States, local communities, and the people. It does do what all good constitutional amendments do, and that is to limit the scope of the Federal Government.

What is mandated is that if a community decides to pursue truly voluntary prayer in public school, then this amendment states that no Governmental or administrative authority shall prescribe the form or content of any prayer. That is what is mandated in keeping with a fair reading of the first amendment.

Well, what do I mean by voluuntary prayer? Didn't the board of regents in the State of New York also say that their State-written prayer was voluntary?

I have just read section 4 of the amendment that holds unconstitutional any government-prescribed prayers. By voluntary, I mean that if a community decides that, first of all, they want a formal recognition of the Creator in their schools and, second, choose to allow this formal recognition in the form of vocal prayer, then this prayer must originate from a student, be extemporaneous, and unconstrained in form or content by any governmental or administrative authority. Local communities are left to decide regulations dictating a proper time and place to maintain academic order.

But, I have been asked, aren't kids now allowed to say silent prayers whenever they choose? And the answer is of course they are. The lords of lunacy in Washington have yet to figure a way to dictate the private thoughts of individuals. But what is not allowed is the formal recognition of God, by whatever name, in public school. Without this formal recognition, we are attempting to teach kids that they have been endowed by their Creator with inalienable rights, but for some strange reason, they are not allowed to recognize that fact in school, a place we have sent them by law to learn how to be responsible adults.

This has the same effect as telling a child that it is not good to steal when the child may actually be making a profit from stealing. Children need to be told that some authority, higher than man, has instructed him not to steal no matter the utility of the act. It is a wonder of our existence that most kids respond positively to rules of equal conduct as laid out by a higher authority. In fact, they respond much more positively to this instruction then they do rules handed down by adults who fail to practice what they preach.

But shouldn't we leave parents and churches to teach children these fundamental concepts? I have already explained the failing of limiting the scope of this formal recognition. Without it the public schools are left with teaching civics based on the authority of men. This is Humanism.

Humanism, by definition, will fail to effectively instruct kids that God is the source of their civic and personal liberties. Again, the moral relativism of Humanism will only adversely indoctrinate children by teaching them that utility is the standard whereby actions should be judged. Socialism, Communist, and authoritarian regimes have provided ample evidence of where moral relativism leads a nation.

I am also asked, why not compromise and pursue a policy that allows a time for silent prayer or meditation as well as comparative instruction about religions?

The community life amendment says nothing about religion or religions. It neither advances nor inhibits religion. There is nothing to compromise. The amendment simply allows public school children to formally recognize their Creator, by instruction in the Judeo-Christian ethic and by voluntary prayer, thereby instilling in them the importance of their inalienable rights as outlined in the declaration of independence.

Silent prayer or meditation may not formally recognize the Creator of inalienable rights and, hence, may not meet the defined secular legislative purpose. However, the amendment allows this nondescript form of recognition.

What we can expect if this amendment becomes law is that local school boards, under the direction of the people, will first have to establish whether or not they want to allow a formal recognition to take place. Second, they will have to decide whether they want vocal or silent voluntary prayer. If they decide in the affirmative, then they may choose to develop regulations governing the proper time and place for voluntary prayer as well as how the Judeo-Christian ethic will fit into their curriculum. Some local school boards may choose not to enact any governing regulations. However, academic order will be better served by some regulations.

Clearly though, regulations cannot preclude any student from offering a voluntary prayer.

Now let me turn my attention to section 2 of the amendment that defines the teaching of the Judeo-Christian ethic to include "the Ten Commandments and creation of the Earth as accepted in Judeo-Christian tradition."

These two items are specifically cited because the Supreme Court singled them out as points of contention. My amendment leaves to the discretion of local communities just how, if at all, they will choose to incorporate these teachings into curriculums.

It is common knowledge that the Judeo-Christian ethic is the cornerstone of American jurisprudence, the Ten Commandments at its core. We know that the first Four Commandments of the Ten regard our personal relationship with deity, while the remaining six regard man's dealing with man.

While the posting of the Ten Commandments would be allowed in schoolrooms if communities desired this posting, there is nothing in this amendment that would require wholesale instruction in the entire Ten Commandments. For instance, if a commu-

nity felt that instruction in the first Four Commandments was too sensitive by community standards, then a community could choose to limit the inclusion of the Ten Commandments—in curriculum—to instruction in the latter Six Commandments.

My point is that communities have flexibility under the provisions of this amendment—flexibility being a hallmark of a wise amendment. They can have all, some, or none of the teaching of the Judeo-Christian ethic as they independently choose.

The Divine creation of the Earth is also included among topics covered by the Judeo-Christian ethic. The inclusion of creation is intended to counter adverse Supreme Court decisions as well as support our Nation's claim that a Creator endowed us with inalienable rights. After all, what good would it do to teach kids about the divine origin of our human rights and then attempt to ignore or sidestep references to the Creator or the creative process.

This issue of creation need not be as contentious as some people try to make it. We do not need to pit creation versus evolution in open warfare. There need not be separate classes in creation or evolution. We can treat these topics as we treat others in society so as to set a mature example for our youth.

Just as sex education can be adequately taught in a biology class, within the discipline of biology, and just as the Judeo-Christian ethic can be taught in civics or history classes, within the confines of those disciplines, so too can the divine creation of the Earth be taught within the discipline of science. Communities have the discretion to teach these principles as they see fit within the confines of the Constitution.

Say a community chooses to include in its science curriculum the divine origins of the universe. Children could be instructed in scientific fact about the complexities that make up our environment. Let the kids decide whether or not an accident could have originated these complexities. Let the kids decide whether or not a faceless nature could wrought this life. A community may decide that they owe it to their children to pose the question of divine creation after a thorough presentation of the facts.

This approach is articulated in a reasonable and cogent analysis of the origins of our universe in a book titled, "Origins and Destiny", by Dr. Robert Gange of the Genesis Foundation. Dr. Gange is a practicing scientist in Princeton, NJ. Just as one example, Dr. Gange explains the complexity of our existence as in Earth's relationship to the Sun. He writes:

> The Sun is 92.9 million miles away from the Earth, and yet its 12,000 degree surface temperature radiates precisely the correct amount of energy for the proper intensity to reach this planet * * *. The Earth's diameter is 7,900 miles so that it intercepts one two-billionth of the total solar energy that reaches us. Yet if its diamater were slightly smaller or larger, we would either freeze or roast to death * * * and lest we take our thermal environment for granted, we might recall that the moon is only 293,000 miles away. Yet its surface temperature varies each lunar day from a high of 214 degrees above zero to a low of 243 degrees below zero!

Dr. Gange concludes of these type scientific facts:

> This is a world of complex patterns harmoniously interacting so as to sustain themselves. Such patterns are never produced on our scale of observation by chance processes. We see them only produced by intelligence. Where is the emirical warrant for the faith that presupposes that lifeless particles first made a home for themselves [Earth], endowed themselves with a living awareness of their own existence [us], and then proceeded to build art museums, mucic halls, and bowling alleys? There [is] none!

We are a mature and rational people who also happen to have been endowed by their Creator with certain inalienable rights. The collective wisdom of the people as expressed in their representative local governments is more than adequate to handle the instruction authorized by the community life amendment.

Whether the issue is truly voluntary school prayer or instruction in the Judeo-Christian ethic, the civic mandate is self-evident. If the greater liberal Thomas Jefferson acknowledged our Creator in our country's founding document, then does there not exist a secular legislative purpose in the passage of the community life amendent—an amendment that simply allows communities across America to instill this knowledge in their kids if they so choose?

The time is right for this amendment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MYERS of Indiana (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DREIER of California) to revise and extend their remarks and include extraneous material:)

Mr. RITTER, for 5 minutes today.

Mr. DREIER of California, for 5 minutes, today.

Mr. EMERSON, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, on June 29.

(The following Member (at the request of Mr. DANNEMEYER) to revise and extend his remarks and include extraneous material:)

Mr. GOSS, for 60 minutes, on June 28.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER of California) and to include extraneous matter:)

Mr. HOUGHTON.

Mrs. BENTLEY in two instances.

Mr. LEWIS of Florida.

Mr. SAXTON.

Mr. RHODES.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ASPIN.

Mr. LELAND.

Mr. JONES of North Carolina.

Mr. PAYNE of New Jersey.

Mr. LAFALCE.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table, and under the rule, referred as follows:

S. 1250. An act to waive the application of chapter 11 of title 18, United States Code, to the extension of a certain loan to the United States Holocaust Memorial Council, to the Committee on the Judiciary.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 111. Joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day."

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, bills of the House of the following titles:

On June 21, 1989:

H.R. 881. An act to provide for restoration of the Federal trust relationship with, and assistance to, the Coquille Tribe of Indians and the individual members consisting of the Coquille Tribe of Indians, and for other purposes.

On June 22, 1989:

H.R. 2344. An act to authorize the transfer to the Republic of the Philippines of two excess naval vessels.

ADJOURNMENT

Mr. DANNEMEYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 36 minutes p.m.), under its previous order, the House adjourned until Tuesday, June 27, 1989.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1380. A letter from the Secretary of Agriculture, transmitting a copy the annual animal welfare enforcement report; to the Committee on Agriculture.

1381. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 901. A bill to amend title 38, United States Code, to improve programs for the recruitment and retention of health-care personnel of the Department of Veterans' Affairs, to extend certain expiring programs of that Department, and for other purposes with an amendment (Rept. 101-107). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDERSON: Committee on Public Works and Transportation. H.R. 2444. A bill to provide for the appointment of Adm. James B. Busey as Administrator of the Federal Aviation Administration, and for other purposes (Rept. 101-108). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. H.R. 1048. A bill to provide for the acquisition and publication of data about crimes that manifest prejudice based on race, religion, homosexuality or heterosexuality, or ethnicity; with amendments (Rept. 101-109). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. House Joint Resolution 281. Jont resolution to approve the designation of the Cordell Bank National Marine Sanctuary, to disapprove a term of that designation, and to prohibit the exploration for, or the development or production of, oil, gas, or minerals in any area of that sanctuary; with an amendment; referred to the Committee on Interior and Insular Affairs for a period ending not later than June 26, 1989, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(1), rule X (Rept. 101-110, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DORGAN of North Dakota:

H.R. 2746. A bill to provide for the payment by the Secretary of the Interior of undedicated receipts into the refuge revenue sharing fund; to the Committee on Merchant Marine and Fisheries.

By Mr. LAFALCE:

H.R. 2747. A bill to amend the International Lending Supervision Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. EMERSON (for himself, Mr. MCCURDY, Mr. SAXTON), and Mr. KANJORSKI):

H.J. Res. 324. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. GEKAS:

H.J. Res. 325. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration to the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. HORTON:

H.J. Res. 326. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration to the flag of the United States; to the Committee on the Judiciary.

By Mr. STOKES:

H.J. Res. 327. Joint resolution designating September 1989 as "National Minority Health Awareness Month," and for other purposes; jointly, to the Committees on Post Office and Civil Service and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 37: Mr. SMITH of New Jersey.

H.R. 520: Mr. SOLOMON.

H.R. 521: Mr. SOLOMON.

H.R. 522: Mr. SOLOMON.

H.R. 523: Mrs. SAIKI and Mr. SOLOMON.

H.R. 526: Mr. BUSTAMANTE.

H.R. 529: Mr. HUGHES and Mr. HAWKINS.

H.R. 530: Mr. HUGHES, Mr. HAWKINS, and Mr. CARPER.

H.R. 586: Mr. ROYBAL.

H.R. 638: Mr. LEHMAN of Florida.

H.R. 645: Mr. JAMES and Mr. CAMPBELL of Colorado.

H.R. 720: Mr. GARCIA and Mr. GILMAN.

H.R. 774: Mr. MURPHY, Mr. DICKS, Mr. BRYANT, Mr. CARR, Mr. YATES, Mr. ESPY, Mr. FLORIO, and Mr. WALGREN.

H.R. 791: Mr. MACHTLEY and Mr. ENGEL.

H.R. 800: Mr. BRYANT and Mr. HAYES of Illinois.

H.R. 1000: Mr. COSTELLO.

H.R. 1117: Mr. PICKETT.

H.R. 1138: Mr. ASPIN.

H.R. 1181: Mr. CRAIG, Mr. ROE, Ms. KAPTUR, and Mr. HYDE.

H.R. 1295: Mr. GILMAN.

H.R. 1439: Mr. HAYES of Illinois.

H.R. 1540: Mr. LEVIN of Michigan.

H.R. 1691: Mr. ENGEL and Mr. ROYBAL.

H.R. 1997: Mr. BARNARD and Mr. FORD of Tennessee.

H.R. 2170: Mr. NIELSON of Utah, Mr. LAGOMARSINO, Mr. EMERSON, Mr. ARMEY, and Mr. RHODES.

H.R. 2259: Mr. INHOFE and Mr. LAGOMARSINO.

H.R. 2273: Mr. KOSTMAYER, Mr. NOWAK, Mr. SCHEUER, Mr. CARR, Mr. HAMILTON, Mr. MCMILLEN of Maryland, Mr. SWIFT, and Mr. FLAKE.

H.R. 2361: Mr. HUGHES and Mr. PRICE.

H.R. 2362: Mr. HUGHES and Mr. PRICE.

H.R. 2386: Mr. VENTO, Mr. RINALDO, and Mrs. COLLINS.

H.R. 2405: Mr. KENNEDY, Mr. MAVROULES, Mr. MORRISON of Connecticut, Mr. KOSTMAYER, and Mr. RANGEL.

H.R. 2414: Mr. GINGRICH, Mr. SUNDQUIST, Mr. MARLENEE, Mr. LAGOMARSINO, Mr. SHUMWAY, Mr. HORTON, Mr. LIGHTFOOT, and Mr. LANCASTER.

H.R. 2547: Mr. KILDEE, and Mr. OWENS of New York.

H.R. 2561: Mr. OWENS of Utah, Mr. MOLINARI, and Mr. MORRISON of Connecticut.

H.R. 2585: Mr. RAVENEL.

H.R. 2596: Mr. SHARP, Mr. BOSCO, Mr. RINALDO, and Mr. FLORIO.

H.J. Res. 174: Mr. BATEMAN, Mr. BROOKS, Mr. FIELDS, Mr. FROST, Mr. HASTERT, Mr. HILER, Mr. HUCKABY, Mr. JACOBS, Mr. KOLTER, Mr. PANETTA, Mr. PARKER, Mr. PETRI, Mr. SABO, Mr. SAVAGE, Mr. SAWYER, Mr. SAXTON, Mr. TAUKE, Mr. TAUZIN, Mrs. UNSOELD, Mr. VOLKMER, Mrs. VUCANOVICH, Mr. WALSH, Mr. YATRON, Mr. ARCHER, and Mr. SMITH of Mississippi.

H.J. Res. 227: Mr. GILMAN, Mr. VENTO, Mr. NOWAK, Mr. GRANDY, Mrs. VUCANOVICH, Mr. SLAUGHTER of Virginia, Mr. ANTHONY, Mr. MONTGOMERY, Mr. MARKEY, and Mr. DENNY SMITH.

H.J. Res. 257: Mr. KOSTMAYER, Mr. IRELAND, Mr. SHUSTER, Mr. JONES of North Carolina, Mr. BUSTAMANTE, Mr. BEVILL, Mr. DONALD E. LUKENS, Mr. GINGRICH, Mr. SABO, Mr. MCEWEN, Mr. ATKINS, and Mr. WHEAT.

H.J. Res. 273: Mr. JENKINS, Ms. SLAUGHTER of New York, Mr. CLEMENT, Mrs. LLOYD, and Mr. ACKERMAN.

H.J. Res. 277: Mr. ACKERMAN, Mr. ALEXANDER, Mr. ANTHONY, Mr. APPLEGATE, Mr. ASPIN, Mr. ATKINS, Mr. BATES, Mr. BERMAN, Mr. BILBRAY, Mr. BLILEY, Mr. BONIOR, Mr. BOUCHER, Mrs. BOXER, Mr. BROOKS, Mr. BUECHNER, Mr. CHANDLER, Mr. CLAY, Mr. CLEMENT, Mrs. COLLINS, Mr. CONYERS, Mr. COOPER, Mr. COSTELLO, Mr. COUGHLIN, Mr. COURTER, Mr. COX, Mr. CROCKETT, Mr. DARDEN, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. DICKS, Mr. DIXON, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ECKART, Mr. EMERSON, Mr. ENGEL, Mr. ENGLISH, Mr. ESPY, Mr. EVANS, Mr. FAUNTROY, Mr. FAWELL, Mr. FAZIO, Mr. FLAKE, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FRANK, Mr. FUSTER, Mr. GALLO, Mr. GARCIA,

Mr. GINGRICH, Mr. GONZALEZ, Mr. GOODLING, Mr. GOSS, Mr. GRANDY, Mr. GRAY, Mr. GUARINI, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HANCOCK, Mr. HANSEN, Mr. HARRIS, Mr. HATCHER, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HEFNER, Mr. HENRY, Mr. HERTEL, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. HOPKINS, Mr. HORTON, Mr. HOUGHTON, Mr. HOYER, Mr. HUCKABY, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mrs. JOHNSON of Connecticut, Mr. JOHNSTON of Florida, Mr. JONES of Georgia, Mr. JONTZ, Ms. KAPTUR, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LAUGHLIN, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr. LIPINSKI, Ms. LONG, Mrs. LOWEY of New York, Mr. MCDERMOTT, Mr. MCEWEN, Mr. MCNULTY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Mr. MOODY, Mr. MRAZEK, Mr. MURPHY, Mr. NAGLE, Mr. NEAL of Massachusetts, Mr. NEAL of North Carolina, Ms. OAKAR, Mr. OBERSTAR, Mr. OBEY, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PALLONE, Mr. PANETTA, Mr. PARKER, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. POSHARD, Mr. PRICE, Mr. RAHALL, Mr. RANGEL, Mr. RAVENEL, Mr. RHODES, Mr. RICHARDSON, Mr. RINALDO, Mr. ROBINSON, Mr. ROE, Mr. ROGERS, Mr. ROHRABACHER, Mr. ROSE, Mr. ROWLAND of Connecticut, Mr. SABO, Mr. SARPALIUS, Mr. SAVAGE, Mr. SAWYER, Mr. SAXTON, Mr. SCHUMER, Mr. SHAYS, Mr. SISISKY, Ms. SLAUGHTER of New York, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. SMITH of Oregon, Mr. SMITH of Florida, Mr. SMITH of Vermont, Mr. SOLARZ, Mr. STAGGERS, Mr. STOKES, Mr. STUDDS, Mr. SYNAR, Mr. TALLON, Mr. TANNER, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mrs. UNSOELD, Mr. VALENTINE, Mr. VISCLOSKY, Mr. WALSH, Mr. WAXMAN, Mr. WEISS, Mr. WHEAT, Mr. WILLIAMS, Mr. WISE, Mr. WOLPE, Mr. WRIGHT, Mr. CARPER, Mr. BROWDER, Mr. SCHEUER, Mr. SKELTON, Mr. BUSTAMANTE, Mr. GILMAN, Mr. DORGAN of North Dakota, Mr. MONTGOMERY, Mr. DERRICK, Mr. THOMAS of Georgia, Mr. GRANT, Mr. SCHUETTE, Mr. CARR, Mr. CARDIN, Mr. CLARKE, Mr. FROST, Mr. GEJDENSON, Mr. KANJORSKI, Mr. LANCASTER, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MORRISON of Washington, Mr. MURTHA, Mr. MYERS of Indiana, Mr. PACKARD, Mrs. PATTERSON, Mr. SANGMEISTER, Mr. SHAW, Mr. SUNDQUIST, Mr. VANDER JAGT, and Mr. WILSON.

H.J. Res. 281: Mr. JONES of North Carolina, Mr. PRICE, Mr. MILLER of California, Mr. ROSE, and Mr. NEAL of North Carolina.

H.J. Res. 307: Mrs. PATTERSON and Mr. RAVENEL.

H. Con. Res. 117: Mr. HORTON, Mr. SARPALIUS, Mr. WHEAT, Mr. BILBRAY, Mr. FAZIO, Mr. HANCOCK, Mr. DE LUGO, and Mr. MCNULTY.

H. Res. 172: Mr. ARMEY, Mr. DEFAZIO, Mr. HUGHES, Mr. LAGOMARSINO, and Mr. MAZZOLI.

H. Res. 176: Mr. SHAW.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2655

By Mr. OWENS of Utah:

—Page 509, strike out lines 11 through 24; redesignate subsections (c) through (e) of section 361 as subsections (b) through (d), respectively; page 510, line 11, strike out "(a) REQUIREMENT FOR REPORTS.—"; page 511, line 10, insert closing quotation marks and a period after the period; and strike out lines 11 through 17.

SENATE—*Friday, June 23, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Therefore shall a man leave his father and his mother, and shall cleave unto his wife: and they shall be one flesh.—(Genesis 2:24).

God of creation, as Thou didst preside at the first marriage giving the first woman to the first man, make us to realize that marriage is God's idea, not the invention of a clever sociologist who thought that would be a good way to organize society. Teach us respect for the sanctity of marriage. Impress upon each husband God's mandate to him to "cleave unto his wife." And enable each husband to take time—make time to be with his wife, to nourish the intimacy that God intends in marriage. Help them to understand that the greatest security children enjoy is in the strength and intimacy of parental relationships. Whatever else involves the husbands during this recess, move them to take some time for wife and family. Protect the family against the subtle desertion so common in the business of our culture.

Dear God, bless our families. As this recess offers opportunity, bring healing, reconciliation and restoration.

In the name of Him who is love incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 23, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting majority leader is recognized.

THE JOURNAL

Mr. DIXON. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. DIXON. Mr. President, following the time for the two leaders, there will be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak for up to 5 minutes each. The Senate will resume debate on S. 5 at 10 a.m.

Mr. President, I ask that the time for the majority leader be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting Republican leader is now recognized.

Mr. HATFIELD. Mr. President, thank you.

Mr. President, I ask unanimous consent that the Republican leader's time be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. For the record, under the previous order there will now be a period for the transaction of morning business for not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not to exceed 5 minutes.

Mr. HATFIELD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Oregon.

(The remarks of Mr. HATFIELD pertaining to the submission of Senate Concurrent Resolution 51 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. HATFIELD. Mr. President, how many minutes do I have left on my 5?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. HATFIELD. Mr. President, I yield myself 4 additional minutes from the leader's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. HATFIELD pertaining to the submission of Senate Concurrent Resolution 52 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH pertaining to the introduction of S. 1256 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania [Mr. HEINZ].

SUPREME COURT DECISION ON DESECRATION OF AMERICAN FLAG

Mr. HEINZ. Mr. President, I rise this morning to express my amazement and profound concern at the decision of the Supreme Court which licenses the burning and destruction of the American flag, nothing less than an obscenity.

In making its decision, the Court has cited the first amendment and the right of every American to free speech. But, Mr. President, although I am not a lawyer, I have read enough cases, and I have been in this institution long enough to know that obscenity is explicitly not protected speech. And to the vast majority of American people, and to myself, the desecration of the American flag is obscenity, and nothing less.

I believe that the Court is inconsistent in ignoring previous holdings about what is and is not protected speech. I submit the decision is wrong, the Court's opinion misguided and, offensive. I must tell you that I am also troubled that this decision represents a judicial activism, that is going

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

beyond the clear meaning of the Constitution.

As I understand the first amendment, it talks about speech in all its forms. Now, that includes not only verbal speech, but writing and gestures. But it should not include overt physical acts by individuals or groups. Once you start down that slope, Mr. President, it is slippery and dangerous indeed.

We are not a perfect country, Mr. President, but we strive to make it better every day, and the flag of our country has a special place in our hearts. We love freedoms for which it stands. We cherish it for the duty to which it calls us. We recall the thousands upon thousands of young Americans who have died to defend it. The Court's decision offends because it devalues those sacrifices, and because it cheapens two centuries of efforts, of blood, sweat and tears, by generations of Americans who have labored to build a country of which we can all be proud.

In sanctioning the act of flag burning, the Court licenses a patently offensive obscenity, and it is for this reason that I have joined in introducing Senate Joint Resolution 167, to reverse this ruling.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I thank the Chair.

(The remarks of Mr. GLENN pertaining to the submission of Senate Concurrent Resolution 52 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

A WHITE HOUSE CONFERENCE ON GLOBAL CLIMATE CHANGE

Mr. HEINZ. Mr. President, today I am sending a letter to the President, signed by many of my colleagues, urging him to invite the Nation's top authorities and scientists on climate change to a discussion with relevant Cabinet and other top administration officials.

The President has already taken a strong and meaningful step toward international agreement on climate change. This fall, the United States will host an international workshop on this very urgent subject. We believe, however, that the President can also take a very important and subtantive interim step before the workshop convenes.

By convening a high-level meeting on this subject, the President and his advisers would go into the workshop armed with the best possible evidence and analysis. The benefits of the discussion would also go far beyond just the workshop. Because the United States' world influence is so great, and our Government so segmented among agencies and departments, the consequences of our actions—be they concerted or disjointed—will very likely determine the world's response to climate change. The kind of preparation we suggest will enhance the likelihood of the U.S. Government role that is not only concerted, but responsible and effective as well.

Mr. President, I ask unanimous consent that the text of the letter we are sending be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 23, 1989.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We commend you for your decision to sponsor a workshop this fall on global warming response strategies. We believe your action enhances the United States' diplomatic, scientific, and environmental leadership in the world.

We believe this workshop would be even more productive and significant if the Administration were to take an interim step even sooner. This step would be for the White House to invite the nation's top authorities and scientists on climate change to a discussion with relevant Cabinet and other top Administration officials on this very serious problem, and the scientific, diplomatic, and policy steps necessary to forge a U.S. response.

Given the vast international influence of this nation, and the many consequences inherent in developing policies in this area as well as the conflicting departmental jurisdictions, such an investment would have far greater significance here compared to Mrs. Thatcher's similar conferences and discussions.

We recognize that the White House, and in particular Dr. Alan Bromley, is more than able to convene the best authorities for the briefing. We would be able to recommend some very capable individuals should you desire our assistance. In sum, we would be delighted to assist you with this effort.

Sincerely,

John Heinz, John Warner, David Pryor, Spark Matsunaga, Herb Kohl, Paul Simon, Arlen Specter, Timothy E. Wirth, Brock Adams, Joseph Lieberman, Thad Cochran.

COL. TADAHIKO ONO, U.S. ARMY CORPS OF ENGINEERS

Mr. DECONCINI. Mr. President, I would like to take a minute to recognize Col. Tadahiko Ono who is being transferred from command of the Los Angeles District of the U.S. Army Corps of Engineers to command engineer of the U.S. Army Training and Doctrine Command, Fort Monroe, VA, effective August 1.

Prior to taking command of the Los Angeles District, Colonel Ono was Assistant Director of Civil Works for the Pacific area in headquarters, U.S. Army Corps of Engineers, Washington, DC. He is a graduate of the U.S. Military Academy at West Point and holds a master of science degree in civil engineering from the University of Illinois. Colonel Ono is also a graduate of the U.S. Army Command and General Staff College, Industrial College of the Armed Forces, and the National Institute for Defense Studies, Japan.

I would like to convey my appreciation of Colonel Ono's efforts to keep a number of vitally important flood control projects on track in Arizona. In fact, in some cases he recognized the urgency of the situation and expedited the ultimate construction of certain projects. Examples of his responsiveness to the flooding concerns of Arizona are the Prima Bridge project in Graham County, the Nogales Wash project, the Clifton project, and most recently the Alamo Dam. He has certainly been a friend to Arizona. Along with a great many other Arizonans, this Senator is appreciative of the hard work and tireless efforts of this fine public servant.

I would like to thank Colonel Ono for his dedicated service and wish him continued success in his new position.

DR. CHARLES M. LOVELESS, NATIONAL FOREST SERVICE

Mr. DECONCINI. Mr. President, this year the U.S. Forest Service is losing a dedicated and longtime employee. On June 30, Dr. Charles M. Loveless is retiring after almost 40 years of service in the Fish and Wildlife Service and the National Forest Service. I would like to take a moment to share with you some of the many achievements of this outstanding public servant.

Dr. Loveless graduated from the University of Florida with a bachelor's degree in forestry and a master's degree in wildlife ecology and statistics. In 1964, Dr. Loveless received his Ph.D. in wildlife ecology and statistics from Colorado State University. Upon graduation, Dr. Loveless dedicated his life to the Forest Service in many different capacities. His first job was Chief of the Office of Special Service of the Denver Wildlife Research Center. During the last 10 years of his career, Dr. Loveless was the Director of the Forest Environment Research Staff with the U.S. Department of Agriculture right here in Washington and, most recently, he has been Station Director of the Rocky Mountain Forest and Range Experiment Station in Fort Collins, CO.

During his career, Dr. Loveless received a plethora of awards recognizing his significant accomplishments. Included among these are the Outstanding Publication in Wildlife Ecology and Management by the Wildlife Society, the Honor Alumnus of 1980 for the College of Forestry and Natural Resources, Colorado State University in Fort Collins, and the Outstanding Alumnus of 1985 for the School of Forest Resources and Conservation, University of Florida, in Gainsville.

I ask for this body to join me in the recognition of Dr. Loveless for his

marvelous achievements in the service of the U.S. Forest Service. We wish him well in his retirement.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas [Mr. PRYOR].

EXPENDITURES TO FIGHT THE WAR ON DRUGS

Mr. PRYOR. Mr. President, I rise this morning to share some very deep concerns I have about the billions of dollars that have been spent already on the so-called war against drugs. For the past decade, the Federal Government has spent over $20 billion—$20 billion, Mr. President—to fight this dreaded scourge. While I do believe that eliminating the importation and the use of illegal drugs is one of this country's highest priorities, I do have a very growing and gnawing concern that the money being spent is not getting down to the State and local levels of government where it is so desperately needed.

With all the talk in this city and in this very body about what we are going to do in the drug program, the number of new programs that we are going to fund, the number of taxpayers' dollars that we are going to appropriate, I thought it might be wise if we would pause to reflect on what we have already spent on the war on drugs and where these dollars have gone over the last several years. But my question is and will be, are we hitting the target with these dollars?

Mr. President, last month, President Bush spoke at a memorial service commemorating the 161 law enforcement officials who were killed in the line of service in 1988. All but 9 of those law enforcement officials who had given their lives were involved in State and local law enforcement. I was struck by this fact. I began to wonder how many of the billions of dollars that we are spending actually filter down to the State and the local levels to allow these very brave people to hire more officers or purchase better equipment to enable them to fight a better fight in our own localities, in our own neighborhoods. So far it appears that most of the money we are spending today in the drug war is spent not at the State and local level.

Mr. President, 97 percent of all the dollars is spent at the Federal level. Only 3 percent filters down to the local level. I am today releasing a report I requested from the General Accounting Office detailing Federal law enforcement spending on the drug problem since 1981. The General Accounting Office has found in this study that the bulk of the $20 billion has gone to 11 of the 13 Cabinet departments in Washington. This study makes it very clear, Mr. President, that we have not provided a fair share of resources on the State and local level. Over the past decade, State and local law enforcement authorities have received some $500 million in 10 years from the Federal Government to fight the war on drugs. This means, once again, that less than 3 percent of the total amount this Congress has appropriated has filtered down to the State and local level. The Drug Enforcement Agency, the Customs Service, and the Coast Guard have received $10 billion over the past decade.

Mr. President, I want to emphasize I am not criticizing the fact that these agencies receive much needed money for this war on drugs. However, I do have a longstanding concern that whenever the Federal Government throws massive amounts of money at a problem, agencies do not always use the money in the most effective fashion. All too often, the funds go to consultants and private contractors, hired to organize the new initiatives. We do further studies. We give research grants. At this particular time when agencies receive massive infusions of funds for more programs we must be very cautious that these dollars are hitting the mark.

For example, Mr. President, the Department of Education received $2.9 million in fiscal year 1986 for its drug abuse prevention program. The next year the Department of Education received $203 million for its drug prevention program. The Department of Education is the right place to turn to educate our children on the dangers of using drugs.

Mr. President, the Department of Education, sad to admit, has never met a consultant it could not hire or did not like. I have no doubt that large numbers of reports and evaluations of drug programs are now being worked on by private consultants and private contractors, when these same dollars could be spent at the local level fighting the war on drugs.

Another example: the Customs Service, Mr. President. Customs—has had some success in using dogs to detect hidden drugs in luggage and packages. I guess the Government thinks that if a dog's nose is effective in detecting drugs, maybe an electronic nose would be even better. So the Customs Service has recently awarded a contract for $90,000 to pay for research on an electronic nose.

Mr. President, maybe we need that research. But I hope these dollars are being well spent. I have also noticed that when the Government invests heavily in a new program, money is flowing freely, agencies often rely heavily on reports and studies that have already been completed years in the past. The Federal antidrug campaign is no different, and one example is the Department of Transportation who just recently issued a contract for $970,000, almost $1 million, for a study of the role of drugs in fatal car accidents.

Mr. President, this very issue, the role of drugs in fatal car accidents, has been studied exactly 141 times since 1970, and yet the Department of Transportation grants a $1 million contract to a private consulting firm to do another study.

Mr. President, that $1 million contract represents the entire amount that was authorized for the little State of Arkansas in the 1988 crime and drug omnibus bill. It went to a private contractor. There was probably no real competition on it. The buddy system is alive and well—yes, even in the war on drugs.

Mr. President, Arkansas, as I mentioned, authorized in this legislation we passed in 1988 $1.3 million for law enforcement improvements. Fourteen States received less than $1 million.

I realize we need to base decisions on good information, but I have to wonder if this million dollars that we have spent might have been better spent hiring more State police officers to fight this war in a more significant and efficient and meaningful way.

The trouble with these reports and evaluations is that all too often they sit unread on shelves. I wonder if we would not be better off sending these studies and these reports to the Border Patrol and have them build a wall with them to stop the drug smugglers from entering this country. That is about how useful many of these studies actually are, while we are taking and siphoning away from the meaningful drug program to further study some issue which frankly we know most of the answers to.

I recognize that the Congress and the President have worked together to make a decision to spend a great deal of money to solve this problem, but we are not going to solve it, Mr. President, with further studies, further reports that are unneeded.

This money needs to go down to the local law enforcement officers. We do not need 1,600 more lawyers in the Justice Department that President Bush has recommended.

I simply want to ensure that this money is spent on the necessary personnel, the treatment facilities, the security for public housing tenants, and the drug interdiction equipment that is so desperately needed today at the Federal and State level.

I do not want this money to be spent on expensive advice and duplicate studies, especially if it is granted to the friends and buddies of those officials who feel that they must spend this money before the fiscal year runs out or they will not get any more the next fiscal year.

President Bush's plan to get tough on crime earmarks money for more Federal law enforcement personnel,

and that is good; increased spending on Federal prisons, and that is good; and more money for assistant U.S. attorneys. Maybe we need some, but we do not need 1,600.

The President's plan had this to say to State and local law authorities. The President urged State and local authorities to "increase their law enforcement resources devoted to identifying and apprehending violent criminals."

Imagine if you were a State trooper sitting out there alone some night working in the interdiction of drugs and you heard our Presidential report say we are not going to send you any more money; we want you to raise your own money. We are going to keep this money in Washington, DC. We are going to hire 1,600 more lawyers in the Justice Department. What does this do and what message does this send out there to the local law enforcement people, Mr. President, while they are out there protecting our lives and fighting a war that we are not helping them to win?

Unfortunately, that exhortation was just about all the State and local law enforcement authorities received in the President's crime package. Of the nearly $1.2 billion targeted in that plan, the recent plan submitted by our very fine President, only $6 million, less than ⅓ of 1 percent is going to State and local officials.

Mr. President, let us be honest. Let us reexamine this request and how these so-called war on drug dollars are being spent.

Our State and local law enforcement officials are on the frontline every day, every night in the war on drugs. At a time when drug dealers are becoming millionaires or maybe billionairies, and airplane pilots smuggling in planeloads make $250,000 a flight, it is absolutely imperative that we provide the State and local officials with a fair share of the resources so that they can effectively fight these well-funded criminals.

This is an area of real concern to me, Mr. President. I know it is to all of us. I intend to continue examining the way in which Federal agencies use the money that has been earmarked for the flight against drugs.

Mr. President, let me just cite a few examples. I have already cited the example of the Department of Transportation, a study for $970,000 to study the role of drugs in fatal car accidents.

Once again, this issue was studied 141 times since the 1970's; $1 million, $1 million thrown down a rat hole, $1 million that could have gone to the State of Arkansas, to the State of Wisconsin, to the State of Colorado, Oregon, wherever to really fight and to really target in on the drug dealers.

Here is another contract, Mr. President, a contract for "Problem-Oriented Policing," a $1 million contract. I do not know who that contract went to. I do not know how much profit they are going to make on that, but another contract for cool $1 million.

Another contract: Listen to this, Mr. President—the exploratory study of indirect pressures on cocaine sellers, $296,581. What is going on around here? Who are these people who are doing all these studies, and what are these studies going to accomplish?

Another study: Research strategies to incapacitate narcotics wholesalers—well, that was a nice one—$137,000 worth of research and study.

Here is a nice one: Stakes and risks in violent crime behavior, $224,000, to a private consulting firm.

Here is a good one. Listen to this one, now, Mr. President: The program on human development and criminal behavior, $612,000. Who did this contract? What results are we going to see from that study that we do not already know?

Mr. President, another good one. The empirical test of ecological theories of victimization, $153,829. What are we going to learn from this study, Mr. President?

Think of this very short list, and it is only a limited number of those contracts and those consulting firms that are today coming to the public trough, to enrich their own coffers and not truly to fight the war on drugs.

Mr. President, I am going to conclude by saying that if we are sincere, if we are going to truly fight the war on drugs, and if we are going to appropriate additional billions of dollars to do it, let us hit the target. Let us hit the target, Mr. President.

Mr. President, I ask unanimous consent that at this point in the RECORD a report from the General Accounting Office on this issue, dated June 16, 1989 be printed.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, June 16, 1989.

B-235807.

Hon. DAVID PRYOR,
Chairman, Subcommittee on Federal, Services, Post Office, and Civil Service, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This fact sheet responds to your May 31, 1989, request for information on federal agencies' budget authority and outlays by strategy regarding drug law enforcement, abuse, and treatment. We obtained the budgetary data for fiscal years 1981 to 1989 from the Office of Management and Budget (OMB). We did not verify the accuracy of this data.

The information you requested is included in appendixes I, II, and III. As arranged with the Subcommittee, we extracted information for each of the various strategies (e.g., interdiction, prosecution, treatment) from the OMB-provided data and summarized it for (1) fiscal years 1981 to 1989, (2) fiscal years 1986 to 1989, and (3) fiscal year 1989. The figures presented in the percentage column may not total exactly due to rounding.

As agreed with the Subcommittee, we plan no further distribution of this fact sheet until 5 days after the date of issuance, unless you publicly announce its contents earlier. At that time, we will send it to interested parties and make copies available to others upon request.

The major contributors to this report are listed in appendix IV. If you have any questions on this fact sheet, please call me on 275-5074.

Sincerely yours,

BERNARD L. UNGAR,
Director, Federal Human Resource Management Issues.

[Fact sheet for the Chairman, Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs U.S. Senate, from the General Accounting Office, June 1989]

FEDERAL DRUG-RELATED EFFORTS: BUDGET INFORMATION BY STRATEGY

APPENDIX I.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY

[Dollar amounts in millions]

Strategy	Fiscal year 1981–89			
	Budget authority	Percent	Outlays	Percent
Interdiction				
Coast Guard	$4,020.6	53.0	$3,965.9	56.0
Customs Service	2,037.8	26.9	1,910.9	27.0
Department of Defense	988.0	13.2	867.8	12.3
Department of Justice Forfeiture Fund	390.0	5.1	212.3	3.0
Immigration and Naturalization Service	78.9	1.0	73.9	1.0
Customs/Asset Forfeiture	45.7	.6	[illegible]	.5
Payments to Puerto Rico	15.6	.[illegible]	15.6	.2
Federal Aviation Administration (FAA)	.7	0	.7	0
Office of Criminal Drug Enforcement	0	0	0	0
Subtotal	7,587.3	100.0	7,083.5	100.0
Investigation				
Drug Enforcement Administration (DEA)	2,071.3	52.6	1,962.8	51.7
Federal Bureau of Investigation	798.2	20.3	787.6	20.7
Internal Revenue Service	457.9	11.6	457.9	12.1
Customs Service	405.5	10.3	393.3	10.4
U.S. Marshals Service	65.5	1.7	62.5	1.6
Bureau of Alcohol, Tobacco and Firearms	59.7	1.5	[illegible]	1.5
Immigration and Naturalization Service	54.3	1.4	54.3	1.4
Bureau of Indian Affairs (BIA)	15.0	.[illegible]	12.6	.3
U.S. Park Service	6.1	.2	6.1	.2
Bureau of Land Management	2.5	.1	2.5	.[illegible]
U.S. Forest Service	1.9	[illegible]	1.9	.1
Office of Criminal Drug Enforcement	[illegible]	0	[illegible]	0
Subtotal	3,937.9	100.0	3,797.3	100.0
International				
Department of State International Narcotics Matters	572.8	46.2	502.1	45.4
Drug Enforcement Administration	549.0	44.3	505.2	45.7
Agency for International Development (AID)	95.4	7.7	76.9	7.0
U.S. Information Agency	10.0	.[illegible]	9.3	.[illegible]
Department of State, Salaries and Expenses	5.0	.4	4.0	.4
International Criminal Police Organization (INTERPOL)	3.2	.3	3.1	.3
Federal Bureau of Investigation	3.2	.3	3.2	.3
U.S. Marshals Service	2.0	0.2	1.8	.2
Subtotal	1,240.6	100.0	1,105.6	100.0
Prosecution				
U.S. Attorneys	[illegible]	50.7	[illegible]	50.3
U.S. Marshals Service	436.8	41.5	417.4	41.2
Internal Revenue Service	[illegible]	3.8	[illegible]	3.9
Department of Justice:				
Criminal Division	34.0	3.4	34.0	3.4
Tax Division	11.6	1.1	11.4	1.1

APPENDIX I.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY—Continued

[Dollar amounts in millions]

Strategy	Fiscal year 1981–89			
	Budget authority	Percent	Outlays	Percent
Office of Criminal Drug Enforcement	0	0	0	[illegible]
Subtotal	1,053.2	100.0	1,012.4	[illegible]
Corrections:				
Bureau of Prisons	2,082.3	87.2	1,925.4	87.1
U.S. Marshals Service, Support of Prisoners	223.6	9.4	205.1	9.3
Immigration and Naturalization Service	[illegible]	3.5	80.9	3.7
Subtotal	2,389.0	100.0	2,211.4	[illegible]
Intelligence:				
Drug Enforcement Administration	241.4	74.5	225.2	73.6
Federal Bureau of Investigation	41.0	12.6	[illegible]	13.1
Customs Service	38.5	11.9	37.1	12.1
Immigration and Naturalization Service	2.2	.7	2.2	.7
Federal Aviation Administration	[illegible]	.3	.9	.3
U.S. Forest Service	.2	.1	.2	.1
Subtotal	324.2	100.0	305.8	100.0
State and local assistance:				
Office of Justice Programs (OJP)	475.2	48.3	234.1	35.2
Department of Justice, Forfeiture Fund	260.0	26.4	195.2	29.3
Drug Enforcement Administration	167.4	17.0	157.8	23.7
Customs Forfeiture Fund	41.5	4.2	40.4	6.1
Bureau of Indian Affairs	[illegible]	2.1	19.0	2.9
U.S. Forest Service	13.5	1.4	13.5	[illegible]
Bureau of Land Management	3.1	.3	3.1	.5
Fish and Wildlife Service	2.5	[illegible]	2.5	[illegible]
National Highway Traffic, Safety Administration (NHTSA)	.4	0	.2	[illegible]
Subtotal	984.4	100.0	665.8	[illegible]
Research and Development:				
Office of Justice Programs	33.1	29.8	28.9	[illegible]
Drug Enforcement Administration	23.9	21.5	[illegible]	24.5
Coast Guard	18.5	16.7	18.1	16.7
Customs Service	17.4	15.7	17.0	15.6
Agriculture Research Service	12.3	11.1	12.3	11.3
President's Commission on Organized Crime	[illegible]	4.5	[illegible]	4.6
Immigration and Naturalization Service	.4	[illegible]	.4	.4
U.S. Forest Service	.4	[illegible]	.4	.4
Subtotal	111.0	100.0	108.7	100.0
Regulatory and compliance:				
Drug Enforcement Administration	172.8	81.9	163.6	82.0
Food and Drug Administration	15.8	7.5	[illegible]	6.9
Internal Revenue Service	13.5	6.4	13.5	6.8
U.S. Forest Service	8.2	3.9	[illegible]	4.1
Department of Justice Inspector General	.6	.3	[illegible]	.2
Subtotal	210.9	100.0	199.5	100.0
Subtotal, drug law enforcement	17,839.7		16,490.9	
Drug abuse prevention:				
Department of Health and Human Services (HHS) Alcohol, Drug Abuse and Mental Health Administration	1,501.3	49.7	1,384.0	57.2
Department of Education	[illegible]	26.7	469.7	[illegible]
Department of Defense	530.6	17.6	460.7	[illegible]
Action	[illegible]	1.9	53.4	2.2
Other HHS	[illegible]	1.0	3.0	[illegible]
Department of Justice Office of Justice Programs (OJP)	25.9	.9	22.6	.9
Department of Labor	[illegible]	.7	17.2	.7
Department of State (AID)	[illegible]	.6	12.5	.5
Department of Transportation (FAA)	[illegible]	.4	13.0	.5
Department of Justice (DEA)	[illegible]	.2	5.4	.2
White House Conference	5.0	[illegible]	3.7	.2
Department of the Interior (BIA)	3.4	.1	3.3	.1
Drug Czar	1.2	0	.9	.0
Department of Transportation (NHTSA)	0	0	0	0

APPENDIX I.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY—Continued

[Dollar amounts in millions]

Strategy	Fiscal year 1981–89			
	Budget authority	Percent	Outlays	Percent
Special Forfeiture Fund	0	0	0	0
Subtotal, drug abuse prevention	3,018.1	100.0	2,419.4	100.0
Drug abuse treatment:				
Department of Health and Human Services Alcohol, Drug Abuse and Mental Health Administration	1,620.1	63.1	1,492.2	62.3
Veterans' Administration	632.2	24.6	[illegible]	26.1
Department of Defense	185.3	7.2	173.4	7.2
Department of Health and Human Services Indian Health Service	52.0	2.0	51.9	2.2
Department of Justice (OJP)	45.9	1.8	[illegible]	.9
Department of Justice (Prisons)	[illegible]	1.2	29.7	1.2
Department of the Interior (BIA)	1.7	.1	1.5	.1
Drug Czar	1.2	0	[illegible]	0
Special Forfeiture Fund	0	0	0	0
Subtotal, drug abuse treatment	2,569.3	100.0	2,396.2	100.0
Total, Federal drug summary	23,427.1		21,306.5	

APPENDIX II.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY

[Dollar amounts in millions]

Strategy	Fiscal year 1986–89			
	Budget authority	Percent	Outlays	Percent
Interdiction:				
Coast Guard	$2,089.5	43.6	$2,034.8	46.3
Customs Service	1,259.2	26.3	1,225.9	27.9
Department of Defense	914.0	19.1	798.8	18.2
Department of Justice Forfeiture Fund	[illegible]	8.1	212.3	4.8
Immigration and Naturalization Service	77.4	1.6	72.5	1.6
Customs/Asset Forfeiture	45.7	1.0	36.4	.8
Payments to Puerto Rico	15.6	.3	15.6	.4
Federal Aviation Administration (FAA)	.7	0	.7	0
Office of Criminal Drug Enforcement	0	0	0	0
Subtotal	4,792.1	100.0	4,397.0	100.0
Investigation:				
Drug Enforcement Administration (DEA)	1,273.8	54.7	1,176.3	53.2
Federal Bureau of Investigation	427.8	18.4	417.2	18.9
Internal Revenue Service	214.2	9.2	214.2	9.7
Customs Service	265.5	11.4	[illegible]	11.6
U.S. Marshals Service	41.9	[illegible]	40.2	[illegible]
Bureau of Alcohol, Tobacco and Firearms	35.8	1.5	35.0	1.6
Immigration and Naturalization Service	[illegible]	2.3	53.8	2.4
Bureau of Indian Affairs (BIA)	10.0	.4	8.7	[illegible]
U.S. Park Service	3.8	.2	3.8	[illegible]
Bureau of Land Management	2.5	.1	2.5	.1
U.S. Forest Service	1.4	.1	1.4	.1
Office of Criminal Drug Enforcement	[illegible]	0	0	0
Subtotal	2,330.5	100.0	2,209.3	100.0
International:				
Department of State International Narcotics Matters	373.3	[illegible]	309.9	44.3
Drug Enforcement Administration	353.0	44.3	315.6	45.1
Agency for International Development (AID)	53.2	6.7	58.5	[illegible]
U.S. Information Agency	5.0	[illegible]	4.8	[illegible]
Department of State Salaries and Expenses	5.0	[illegible]	4.0	.6
International Criminal Police Organization (INTERPOL)	2.7	.3	2.6	[illegible]
Federal Bureau of Investigation	3.2	.4	3.2	.5
U.S. Marshals Service	1.7	.2	1.5	.2
Subtotal	797.1	100.0	700.1	100.0

APPENDIX II.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY—Continued

[Dollar amounts in millions]

Strategy	Fiscal year 1986–89			
	Budget authority	Percent	Outlays	Percent
Prosecution:				
U.S. Attorneys	353.6	49.4	342.8	49.5
U.S. Marshals Service	289.9	40.5	277.8	40.1
Internal Revenue Service	38.0	5.3	38.0	5.5
Department of Justice:				
Criminal Division	26.1	3.6	25.6	3.7
Tax Division	[illegible]	1.2	8.2	1.2
Office of Criminal Drug Enforcement	0	0	0	0
Subtotal	716.0	100.0	692.4	100.0
Corrections:				
Bureau of Prisons	1,503.4	86.0	1,383.9	85.8
U.S. Marshals Service Support of Prisoners	160.7	9.2	147.5	9.1
Immigration and Naturalization Service	83.1	4.8	80.9	5.0
Subtotal	1,747.2	100.0	1,612.3	100.0
Intelligence:				
Drug Enforcement Administration	127.0	71.4	117.8	70.7
Federal Bureau of Investigation	22.8	12.8	22.0	13.2
Customs Service	25.2	14.2	24.1	14.5
Immigration and Naturalization Service	2.2	1.2	2.2	1.3
Federal Aviation Administration	.4	.2	.4	.2
U.S. Forest Service	.2	.1	[illegible]	.1
Subtotal	177.8	100.0	166.7	100.0
State and local assistance:				
Office of Justice Programs (OJP)	440.6	54.1	190.9	38.7
Department of Justice Forfeiture Fund	[illegible]	31.9	195.2	39.6
Drug Enforcement Administration	[illegible]	[illegible]	46.1	9.3
Customs Forfeiture Fund	35.5	4.4	35.5	7.2
Bureau of Indian Affairs	15.2	1.9	13.4	2.7
U.S. Forest Service	8.1	1.0	8.1	1.6
Bureau of Land Management	2.5	.3	2.5	.5
Fish and Wildlife Service	1.5	.2	1.5	.3
National Highway Traffic Safety Administration (NHTSA)	.4	0	.2	[illegible]
Subtotal	814.7	100.0	493.4	[illegible]
Research and development:				
Office of Justice Programs	[illegible]	40.1	25.8	37.2
Drug Enforcement Administration	11.7	15.9	11.5	[illegible]
Coast Guard	15.8	21.5	15.4	22.2
Customs Service	[illegible]	13.3	9.5	13.7
Agriculture Research Service	5.3	7.2	5.3	7.6
President's Commission on Organized Crime	1.0	1.4	1.3	1.9
Immigration and Naturalization Service	.4	.5	.4	.6
U.S. Forest Service	.1	.1	.1	.1
Subtotal	73.6	100.0	69.3	[illegible]
Regulatory and compliance:				
Drug Enforcement Administration	63.6	68.6	59.1	[illegible]
Food and Drug Administration	11.5	12.4	9.5	11.0
Internal Revenue Service	10.1	[illegible]	10.1	11.7
U.S. Forest Service	[illegible]	7.4	6.9	[illegible]
Department of Justice Inspector General	.6	.6	.4	.5
Subtotal	92.7	100.0	86.0	[illegible]
Subtotal, drug law enforcement	11,542.9		10,427.4	
Drug abuse prevention:				
Department of Health and Human Services (HHS) Alcohol, Drug Abuse and Mental Health Administration	1,034.3	45.4	919.9	53.8
Department of Education	790.2	34.7	394.8	23.1
Department of Defense	314.0	13.8	297.3	17.4
Action	28.5	1.2	23.5	1.4
Other HHS	30.0	1.3	3.0	.2
Department of Justice Office of Justice Programs (OJP)	25.9	1.1	22.6	1.3
Department of Labor	14.7	.6	11.3	.7
Department of State (AID)	16.8	.7	12.4	.7

APPENDIX II.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY—Continued

[Dollar amounts in millions]

Strategy	Fiscal year 1986-89			
	Budget authority	Percent	Outlays	Percent
Department of Transportation (FAA)	11.1	.5	11.1	.6
Department of Justice (DEA)	5.4	.2	5.2	.3
White House Conference	[illegible]	.2	3.7	.2
Department of the Interior (BIA)	3.4	.1	3.3	.2
Drug Czar	1.2	.1	.9	.1
Department of Transportation (NHTSA)	0	0	[illegible]	0
Special Forfeiture Fund	[illegible]	0	[illegible]	0
Subtotal, drug abuse prevention	2,280.5	100.0	1,709.0	100.0
Drug abuse treatment:				
Department of Health and Human Services Alcohol, Drug Abuse and Mental Health Administration	1,100.1	67.6	973.4	66.2
Veterans Administration	[illegible]	20.5	332.9	22.7
Department of Defense	[illegible]	5.3	[illegible]	5.6
Department of Health and Human Services Indian Health Service	42.1	2.6	42.1	[illegible]
Department of Justice (OJP)	45.9	2.8	20.6	1.4
Department of Justice (Prisons)	16.5	[illegible]	[illegible]	1.1
Department of the Interior (BIA)	1.7	.1	1.5	.1
Drug Czar	1.2	.1	[illegible]	.1
Special Forfeiture Fund	[illegible]	[illegible]	[illegible]	[illegible]
Subtotal, drug abuse treatment	1,627.1	100.0	1,460.3	100.0
Total, Federal drug summary	15,450.5		13,605.7	

APPENDIX III.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY

[Dollar amounts in millions]

Strategy	Fiscal year 1989			
	Budget authority	Percent	Outlays	Percent
Interdiction:				
Coast Guard	[illegible]	41.1	$597.5	43.7
Customs Service	[illegible]	21.9	327.7	24.0
Department of Defense	[illegible]	[illegible]	[illegible]	22.2
Department of Justice Forfeiture Fund	[illegible]	13.5	[illegible]	[illegible]
Immigration and Naturalization Service	42.0	2.7	39.3	2.9
Customs/Asset Forfeiture	[illegible]	.1	[illegible]	.1
Payments to Puerto Rico	[illegible]	0	0	0
Federal Aviation Administration (FAA)	0	[illegible]	0	[illegible]
Office of Criminal Drug Enforcement	[illegible]	0	[illegible]	0
Subtotal	1,530.1	[illegible]	1,367.9	[illegible]
Investigation:				
Drug Enforcement Administration (DEA)	[illegible]	55.2	[illegible]	[illegible]
Federal Bureau of Investigation	125.4	[illegible]	127.4	[illegible]
Internal Revenue Service	[illegible]	7.3	[illegible]	7.7
Customs Service	75.1	11.2	73.5	11.6
U.S. Marshals Service	15.1	2.3	14.7	2.3
Bureau of Alcohol, Tobacco and Firearms	[illegible]	1.3	[illegible]	1.4
Immigration and Naturalization Service	21.4	3.2	21.4	3.4
Bureau of Indian Affairs (BIA)	2.4	[illegible]	2.5	[illegible]
U.S. Park Service	1.2	[illegible]	1.2	2
Bureau of Land Management	.7	[illegible]	.7	[illegible]
U.S. Forest Service	.4	.1	.4	.1
Office of Criminal Drug Enforcement	0	0	0	0
Subtotal	667.6	100.0	634.8	100.0
International:				
Department of State International Narcotics Matters	[illegible]	[illegible]	[illegible]	45.4
Drug Enforcement Administration	[illegible]	44.3	[illegible]	41.3
Agency for International Development (AID)	12.7	[illegible]	21.6	[illegible]
U.S. Information Agency	[illegible]	.5	[illegible]	.5

APPENDIX III.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY—Continued

[Dollar amounts in millions]

Strategy	Fiscal year 1989			
	Budget authority	Percent	Outlays	Percent
Department of State Salaries and Expenses	[illegible]	2.3	4.0	1.9
International Criminal Police Organization (INTERPOL)	1.1	[illegible]	1.0	[illegible]
Federal Bureau of Investigation	.4	.2	.4	.2
U.S. Marshals Service	.7	.3	[illegible]	.3
Subtotal	218.7	100.0	213.8	100.0
Prosecution:				
U.S. Attorneys	$141.4	51.0	$139.9	51.3
U.S. Marshals Service	108.1	39.0	105.3	38.6
Internal Revenue Service	15.0	5.4	15.0	5.5
Department of Justice:				
Criminal Division	10.7	3.9	10.6	3.9
Tax Division	2.2	.8	2.1	.8
Office of Criminal Drug Enforcement	0	0	0	0
Subtotal	277.4	100.0	272.9	100.0
Corrections:				
Bureau of Prisons	574.4	[illegible]	[illegible]	83.2
U.S. Marshals Service Support of Prisoners	[illegible]	[illegible]	[illegible]	9.5
Immigration and Naturalization Service	44.6	[illegible]	43.3	7.3
Subtotal	677.4	100.0	593.4	[illegible]
Intelligence:				
Drug Enforcement Administration	31.4	71.0	28.6	69.4
Federal Bureau of Investigation	3.5	7.9	3.5	8.5
Customs Service	[illegible]	[illegible]	8.1	19.7
Immigration and Naturalization Service	.8	[illegible]	.8	1.9
Federal Aviation Administration	.1	.2	.1	[illegible]
U.S. Forest Service	.1	.2	.1	[illegible]
Subtotal	44.2	100.0	41.2	100.0
Drug and field assistance:				
Office of Justice Programs (OJP)	141.8	48.1	89.5	[illegible]
Department of Justice Forfeiture Fund	120.0	40.7	55.2	31.3
Drug Enforcement Administration	13.8	4.7	12.6	7.1
Customs Forfeiture Fund	12.0	4.1	12.0	6.8
Bureau of Indian Affairs	3.6	1.2	3.8	2.2
U.S. Forest Service	2.0	.7	2.0	1.1
Bureau of Land Management	.6	.2	.6	.3
Fish and Wildlife Service	.4	.1	.4	.2
National Highway Traffic Safety Administration (NHTSA)	.4	.1	.2	.1
Subtotal	294.6	100.0	176.3	100.0
Research and development:				
Office of Justice Programs	12.5	50.6	10.9	47.6
Drug Enforcement Administration	2.7	10.9	2.5	10.9
Coast Guard	4.0	16.2	4.0	17.5
Customs Service	3.7	15.0	3.7	16.2
Agriculture Research Service	1.3	5.3	1.3	5.7
President's Commission on Organized Crime	0	0	0	0
Immigration and Naturalization Service	.4	1.6	.4	1.7
U.S. Forest Service	.1	.4	.1	.4
Subtotal	24.7	100.0	22.9	[illegible]
Regulatory and compliance:				
Drug Enforcement Administration	19.1	56.7	17.4	[illegible]
Food and Drug Administration	6.7	19.9	4.7	15.8
Internal Revenue Service	4.7	13.9	4.7	15.8
U.S. Forest Service	2.6	7.7	2.6	8.7
Department of Justice Inspector General	.4	1.8	.4	1.3
Subtotal	33.7	[illegible]	[illegible]	100.0
Subtotal, drug law enforcement	3,769.6		3,353.9	
Drug abuse prevention:				
Department of Health and Human Services (HHS) Alcohol, Drug Abuse and Mental Health Administration	428.7	45.6	350.0	51.4

APPENDIX III.—FEDERAL DRUG LAW ENFORCEMENT AND ABUSE SUMMARY BY STRATEGY—Continued

[Dollar amounts in millions]

Strategy	Fiscal year 1989			
	Budget authority	Percent	Outlays	Percent
Department of Education	354.5	37.7	210.9	31.0
Department of Defense	89.0	9.5	85.0	12.5
Action	7.9	.8	5.0	.7
Other HHS	30.0	3.2	3.0	.4
Department of Justice Office of Justice Programs (OJP)	11.5	1.2	10.0	1.5
Department of Labor	5.7	.6	3.4	.5
Department of State (AID)	5.2	.6	5.4	.8
Department of Transportation (FAA)	4.2	.4	4.2	.6
Department of Justice (DEA)	2.2	.2	2.1	.3
White House Conference	0	0	0	0
Department of the Interior (BIA)	.8	.1	.8	.1
Drug Czar	1.2	.1	.9	.1
Department of Transportation (NHTSA)	0	0	0	0
Special Forfeiture Fund	0	0	0	0
Subtotal, drug abuse prevention	940.9	100.0	680.7	100.0
Drug abuse treatment:				
Department of Health and Human Services Alcohol, Drug Abuse and Mental Health Administration	$462.1	74.4	$382.6	71.6
Veterans' Administration	93.9	15.1	93.6	17.5
Department of Defense	23.0	3.7	22.0	4.1
Department of Health and Human Services Indian Health Service	18.7	3.0	18.7	3.5
Department of Justice (OJP)	17.0	2.7	10.0	1.9
Department of Justice (Prisons)	5.1	.8	5.0	.9
Department of the Interior (BIA)	0	0	1.5	.3
Drug Czar	1.2	.2	.9	.2
Special Forfeiture Fund	0	0	0	0
Subtotal, drug abuse treatment	621.0	100.0	534.3	100.0
Total, Federal drug summary	5,331.5		4,568.9	

APPENDIX IV.—MAJOR CONTRIBUTORS TO THIS REPORT

General Government Division, Washington, D.C.:

Lucille B. Kauffman, Assistant Director, Federal Human Resource Management Issues; Ronald J. Cormier, Assignment Manager; Terry L. Draver, Evaluator-in-Charge.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business under the previous order has expired.

The Chair recognizes the Senator from Louisiana.

EXTENSION OF MORNING BUSINESS

Mr. BREAUX. Mr. President, I ask unanimous consent that the time set aside for morning business be extended to the hour of 10:15 under the same conditions as previously agreed to.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RURAL AMERICA

Mr. BREAUX. Mr. President, the conventional wisdom these days has it that the United States is enjoying one of our longest sustained periods of economic growth and good times in our history. Unfortunately, as many of us are now beginning to realize, the blessings of these expanded services and economy have not benefited everyone or every region of our great Nation equally. We have spent a great deal of our time beating our chests about the economic growth that is taking place on the east coast and the west coast. For too long we have ignored the stagnation and dislocation that has become pervasive in the rural parts of America.

The challenges facing rural America are very severe and they are numerous. In virtually every measurable area, rural communities now lag behind metropolitan areas: Whether it is in employment and job creation, the startup of new businesses, education, health care, community, municipal and human services, you name it, you will find that rural America is lagging behind metropolitan America.

The unemployment rate in rural America last year was 28 percent higher than it was in urban areas. Almost 2 million rural Americans were searching for work in 1988. The rate at which jobs were created in rural communities was actually less than half of the rate that jobs were created in the cities.

Employment patterns in rural communities are beginning to change. Only about 10 percent of the Americans who actually live in rural America are now engaged in agricultural activities. Nevertheless, many rural communities remain overly dependent on narrow resource-based mining or forestry industries.

My own home State of Louisiana, which is basically largely rural, is now suffering the very severe consequences of having become overly dependent on a single resource. At the beginning of this year, our unemployment rate finally fell below double digits, and in April stood at 9.6 percent unemployment rate. A number of Louisiana parishes still have unemployment rates above or near 20 percent unemployment and I am willing to bet that there are substantially even more people living in those areas who have actually just given up because there is no hope of finding a job in these very depressed areas.

What Louisiana is trying to do and what we need to try to do on a nationwide basis is to help rural communities diversify their economic activities and their economic bases. Whether through the promotion of high-technology communications and computer facilities or the establishment of rural enterprise zones, there are steps we can take to make rural communities more attractive as places for existing businesses to locate and actually to make new locally owned and operated businesses more viable and profitable.

The poverty rate among rural Americans is now about 35 percent higher than in metropolitan areas, with nearly 9 million rural American citizens now living in poverty. Despite the fact that unemployment and poverty are higher and more widespread in rural areas, Federal spending per person in the countryside is about one-fifth lower than it is in metropolitan areas. Overall Federal assistance to rural areas has actually fallen by half during the 1980's.

The availability and quality of health care in the rural parts of this country is beginning to slip, and the Federal Government can actually share some of the responsibility for this. Rural America has a larger proportion of elderly people living in rural areas. This means that hospitals in rural areas are generally more heavily dependent on Medicare as their primary source of payment than are urban hospitals. In recent years we have seen a dramatic increase in the number of rural hospitals that have actually had to close their doors, and we are also told that 60 percent of rural hospitals are expecting to lose money in the fiscal year coming up.

Rural America also has a higher concentration of young, school-aged children than does the metropolitan parts of this country. Education, even more so than health care, is heavily dependent on local funds. Innovation and opportunity in rural America will require that our working people are properly educated and have the ability to keep up in what is now a global and highly technical economy. Again, the statistics are depressing. The rural high school dropout rate is higher. Fewer rural Americans have gotten their college degrees. More and more we are seeing young, well-educated citizens leaving the countryside for the cities.

The combination of decreased Federal assistance and declining local economies has left a huge void where communities once found the resources that they needed in order to function. Tax bases have shrunk and community services are beginning to disintegrate. In addition to problems with basic human services such as education and health care, rural communities are having more trouble keeping up with their basic infrastructure needs. Roads, bridges and sewer systems all require major maintenance. Federal demands for improved water quality and also for waste disposal methods have made the inevitable infrastructure demands even harder to keep up with, especially coupled, as they have been, with cuts in Federal assistance.

I am glad that the Agriculture Committee has a bill that will be coming to the floor, hopefully, in the middle of next month. Through a combination of public and private funds, we can begin to provide the initial capital that small businesses need in order to get started, as well as the access that any business in today's marketplace needs to high-tech telecommunications and computer facilities. The bill also will provide some assistance to communities that are struggling with inadequate resources as they struggle to meet their basic infrastructure needs and comply with Federal environmental mandates.

Mr. President, all of these facts point to a simple conclusion: Opportunity and economic development are not evenly distributed throughout this country. Geographic disparities in our economy are something that Congress can do something about. We need to make this a priority and I hope that my colleagues will join me in this effort.

As I said, I am particularly pleased that the Senate Agriculture Committee has a bill that will be coming to the floor, hopefully in the middle of next month, and through a combination of public and private funds we can begin to improve the initial capital that small businesses need, which will be of dramatic assistance to rural America.

I am very pleased that this Senate and this Congress, and particularly our Agriculture Committee, has taken this initiative, and I urge my colleagues to also join in supporting it.

The PRESIDING OFFICER (Mr KOHL). The Chair recognizes the Senator from West Virginia [Mr. BYRD].

BULGARIA'S EXPULSION OF ITS TURKISH MINORITY

Mr. BYRD. Mr. President, I want to express my deep concern about the blatant discrimination by the Government of Bulgaria against its Turkish minority and the escalation of discrimination into a policy of expelling its Turkish citizens across the border into Turkey. This has recently received a great deal of press attention. Rightly so. What is going on in Bulgaria right now is appalling.

The Bulgarian Government has been engaged for the past 5 years in an increasing draconian campaign to assimilate its large Turkish minority into the Bulgarian mainstream. What this means is that since December 1984, the Bulgarian Government has forced its Turkish citizens to change their Turkish names to Bulgarian names. In 1984 and 1985, the Government killed, wounded, and arrested hundreds of ethnic Turks who protested this new policy. Using both force and coercion, the Bulgarian Government has removed ethnic Turks from their own villages and resettled them

into areas with small Turkish populations.

The Government also has prohibited the study of Turkish language in schools. It has banned the use of the Turkish language in public. It has made the receipt and reading of Turkish publications a punishable act. It has jammed the reception of Turkish radio and television programs. It has also severely curtailed the right of its Turkish citizens to practice their religion and has closed mosques and barred the importation of copies of the Koran.

At the same time, the Bulgarian Government has prevented its ethnic Turkish citizens from emigrating.

These actions have not received very much attention. No one paid attention to what the Bulgarian Government has been doing until this past month, when the Government began forcibly expelling ethnic Turks and sending them across the border into Turkey.

Although figures vary, it is clear that the Bulgarian Government is sending massive numbers of ethnic Turks across the border. Massive numbers is in the range of 30,000 to 45,000.

This is not the first time that Bulgaria has forcibly expelled large numbers of its ethnic Turkish population. In the 1950's, it sent about 100,000 ethnic Turks across the border. A smaller number departed in the late 1900's.

While some people are fleeing voluntarily, most are being ordered out by soldiers or the police. They are being uprooted from their homes and exiled with only what they can carry of their personal belongings. Most cross the border on foot; some push wheelbarrows or carts. A few cross in delapidated cars. Most were given no more than 24 hours to pack their possessions and have had to leave behind property, bank accounts, and family members. Passports being handed out are validated with exist visas only for Turkey.

That brings us to the role of Turkey. Faced with as many as 6,000 people entering Turkey on a daily basis, the Turkish Government has welcomed these Bulgarian refugees with open arms. I believe the open door policy announced by Prime Minister Ozal deserves great praise. Turkey has set up tent cities and has tried to help absorb the new arrivals as quickly as possible. New laws are being drafted to allow tax-free importation of household goods. Legislation is being prepared to grant the Bulgarian refugees automatic residency work permits.

Prime Minister Ozal has called repeatedly for the negotiation of an orderly departure agreement between Turkey and Bulgaria under the auspices of the United Nations High Commissioner for Refugees. Bulgaria has rebuffed all calls for such talks.

The United States' response so far has been mild. The United States has condemned the expulsion of the ethnic Turks and has raised the issue in international fora such as the Paris human rights conference. It also canceled the State Department appointments of a Bulgarian trade official recently—although that official met with Government representatives at the Commerce Department, the U.S. Trade Representative [USTR], and the Overseas Private Investment Corporation [OPIC].

I do not think this goes far enough. I understand Bulgaria wants most favored nation status which would facilitate closer trade ties. I have questions about whether that would be in the interest of the United States, but I certainly would oppose it until, at minimum, Bulgaria had negotiated a comprehensive migration agreement with Turkey and halted its assimilation campaign against its ethnic Turkish population.

I understand that the discussions the Bulgarian trade official had at Commerce, USTR, and OPIC were preliminary explorations for expanding trade ties. I am all for expanded trade—particularly if it is other countries who want to buy American goods. But in this case, I see no reason to hurry the process along or to reward Bulgaria with international bank loans or assist Bulgaria in its desire to join the General Agreement on Tariffs and Trade [GATT].

We do not have a lot of leverage over Bulgaria, but we can urge our Western European allies to condemn Bulgaria and exact economic penalties. Our allies have been surprisingly silent on this matter. We can also urge that the United Nations High Commissioner for Refugees get involved. Absorbing 50,000 to 100,000 refugees will be costly for Turkey, particularly since last fall, it absorbed enormous numbers of Kurdish refugees fleeing chemical weapons attack in Iraq.

The Bulgarian expulsion of its Turkish minority is an appalling violation of the norms of civilized behavior. As such, I deplore it and I urge the administration to do so as well.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator's time has expired.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 2 minutes and that morning business may be extended the same amount of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUTRAGE IN CHINA

Mr. BYRD. Mr. President, there are new reports today of what continues to be shocking and dastardly behavior by the Chinese Government against its own people. The President and the Congress have so far refrained from taking punitive measures against the Chinese Government. First, the situation was confused and it seemed imprudent to act precipitously. And I congratulate the President on his cautious approach at that point. Second, it did not appear that action we took would have any effect on that quickly unfolding chain of events. Third, there has been a legitimate concern that we should refrain from punishing the Chinese people of the fruits of economic intercourse with the West because of the barbaric and reactionary actions taken by the leaders of China's Communist Party.

But now, Mr. President, the dust is settling. The stark barbarism of the Communist regime is becoming clear and it is unforgivable to all civilized people. The dust has settled on the blood of peaceful demonstrators, and now the regime wantonly spills fresh blood on top of old. It executes its young on the altar of old men's egos and fears. America cannot possibly be in the position of rewarding, appearing to reward, or to in any way countenance such acts.

For America to allow business as usual in the face of these despicable acts runs afoul of the core of values and the principles of civilized governance. I believe the President must take tough action and block trade with, and new investments in, China right now. There are some 40,000 to 50,000 Chinese students in the United States today. If our actions fail to influence the behavior of the current Chinese regime, at the least, we can impress upon those future leaders residing in our Nation today that America stands for something worthwhile, that there are some values which take precedence over commerce, and that there is a point beyond which we will not stomach business as usual in the face of the acts being perpetrated by the Chinese leaders on their own people.

So, Mr. President, I hope the administration will not need any more evidence, any more fresh outrages, to act. I hope we will not need to see any more footage of public murders of patriotic and courageous Chinese to clearly and strongly make our stand unequivocal. There should be no confusion about where America stands in the face of the barbaric acts of the Chinese Government. The Senate will go on a recess period in all likelihood tonight, and I do hope that when we, the Senate, returns, the administration will have acted.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

CHILD CARE IMPROVEMENT ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 5, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 5) to provide for a Federal program for improvement of child care, and for other purposes.

The Senate resumed the consideration of the bill.

Pending: Dole amendment No. 202, to replace the tax credit for health insurance premiums with an increase in the earned income tax credit.

Mr. DODD. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside for the purpose of considering the amendment to be offered by the Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Vermont.

AMENDMENT NO. 220

(Purpose: To limit the effect of title I on provisions of State law regarding the expenditure of State government revenues in sectarian institutions)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself and Mr. BOND, proposes an amendment numbered 220.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 91, after line 24, add the following new subsection:

(c) EFFECT ON STATE LAW.—Nothing in this title shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by sectarian institutions.

Mr. JEFFORDS. Mr. President, I offer this amendment on behalf of myself and Senator BOND.

The amendment I am offering is in keeping with the general structure and philosophy of the bill now before us. The substitute takes care in allowing the State flexibility in establishing standards of care.

I believe my amendment is probably a restatement of existing law. A well written law review article on the subject substantiates this. (Va law Review 71:625) However, I am concerned that the substitute may create considerable confusion in the area of discrimination. Thus my amendment would allow States to add clarification and protection in the area of possible discrimination in the use of funds for child care. I am sure the Federal and State courts will be called upon to interpret the language of the Mitchell substitute, and thus determine the protection afforded by its provisions and the U.S. Constitution. My amendment is intended to insure compliance with the States own laws and constitutions.

Not to do so will result in inexplicable conflicts between State programs using only State funds, and programs using State standards and funds from this bill, as well as perhaps State funds.

By amending the bill as introduced to remove requirements for compliance with Federal standards to be established, we clearly establish the intent to allow States to control the programs. I believe it is clear that the rationale expressed in *Wheeler* v. *Barrera*, 417 U.S. 402 applies here. This amendment therefore, merely restates existing law.

I believe it will add considerable clarity to how to handle certain delicate issues under this bill. I have cleared it with both the managers of the bill. I do not believe there is an objection.

I would be happy to yield to the Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague for yielding.

In fact, I ask unanimous consent that I be added as a cosponsor for this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, Senator HATCH is temporarily tied up in hearings this morning but I am authorized to speak for him and I say he has also cleared this amendment. We both have. It is a good amendment. It does do exactly what the Senator says. It reaches the flexibility issue which is one of the central, key points of this legislation, to allow maximum flexibility for the States. We urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 220) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, I thought I might take a minute here, since we are waiting for a couple of our colleagues—I believe Senator DOMENICI is on his way. There is an amendment he has proposed which we can also accept, to try to move some of these matters along. So we can raise the significant possibility that we may be leaving here this afternoon, as Members are planning, I know, their Fourth of July recess plans. We will try to handle as many matters as we can here pending the resolution of some other outstanding issues which may take a little more time.

I would also like to take a moment to congratulate a number of our colleagues who have proposed amendments that have been accepted by both the Senator from Utah and myself and others that have, we believe, contributed significantly to the improvement of the legislation. It reflects what both Senator HATCH and I have expressed over the last number of months, that is we were anxious to have people make suggestions as to how the child care program in this country could be improved.

Yesterday, once we got beyond the two major amendments, the amendment offered by the minority leader, the substitute, and the Mitchell substitute, we then began to receive some suggestions. Yesterday there were some 11 different amendments that were accepted by the managers of the bill, two amendments by Senator BOSCHWITZ dealing with library outreach and child care for higher educational students; five amendments by Senator COATS covering a wide variety of issues; two amendments by Senator BOND that were proposed.

There was an amendment offered by Senator ROBERT KERREY of Nebraska. Senator PRYOR offered, along with his colleague, Senator BUMPERS, an amendment to reduce the age of children under the legislation from 16 to 13.

Senator BOB GRAHAM of Florida offered an amendment to clarify the calculation of State allocations in the legislation. And those are the ones that we took yesterday.

Just a few moments ago an amendment by Senator JEFFORDS was adopted.

I felt very strongly that this ought to be bipartisan legislation. That is the reason Senator HATCH and I, I believe, worked out concerns that he raised early on. I joined in this effort. Unfortunately, for a short period of time, at any rate, we seemed to have lost that bipartisanship. But we seem to have restored that yesterday with accepting most of the amendments coming from the minority side. This legislation re-

flects the work product of truly a bipartisan effort.

Of the 11 amendments yesterday, 9 come from the minority side at their suggestion and 2 more will be accepted this morning. I know that even the acceptance of those amendments does not necessarily mean that some of those people are going to support the legislation, but for those who want to suggest that this is just a Democratic bill, I think the actions of yesterday indicate that it is no longer the case.

Again, I congratulate all my colleagues yesterday for those suggestions. Every single one of them, I think, was extremely worthwhile and does improve the product of the legislation, as does Senator JEFFORDS' this morning. We believe Senator DOMENICI will be coming over with an amendment of his as well.

I wanted to make that point this morning, Mr. President, and hopefully, before too long, we will be able to resolve the few remaining outstanding issues and be able to move this child-care legislation along and raise the significant possibility that, for the first time in 46 years, we may have a major child-care effort.

I took note the other evening that the last time that a major child-care bill was enacted into law and was signed by the President was in June 1943.

It was a child-care bill that was sponsored by Senator Thomas of Utah. It was passed on the floor of the Senate on June 30, 1943, in the middle of World War II. The Senate allocated $20 million in the middle of the war effort for child care for American citizens. It passed on a voice vote. It was not even a recorded vote, Mr. President. That is how strongly that legislation was supported.

Senator Taft of Ohio gave an eloquent statement about the needs of children and the people who worked and how they should be able to reconcile workplace responsibilities and family responsibilities and how child care could play a significant role.

Obviously, in 1943, we were faced with a unique situation in those days of young men fighting in the Pacific and European Theaters. Women were home raising families and working in the war-production process. Child care was a real necessity. Single parents were trying to work and manage the responsibilities of home life during that great worldwide crisis.

At the end of World War II, the program phased out. Men came home, families were restored, mothers stayed home, by and large, and raised children, although not in every case, obviously, and no longer was there a great necessity for child care. I noted that of all the child-care programs that were set up in 1943, there is still one remaining in Santa Monica, CA, that was created in 1943 and has been in continuous operation, at least I am told it has been in continuous operation.

Today, in 1989, 46 years later, we are obviously, thank God, not involved in a great world conflict. But the facts are not dissimilar to this extent: That we find today an awful lot of single mothers raising children, home alone trying to hold down a job and take care of their families. We also find a lot of dual-income parents, parents where both spouses are working in order to provide for the economic needs of their families. They would prefer, I know, to be at home, at least one of the parents, to take care of minor children, but the facts of life are they need two incomes. They are not affluent people.

Our legislation is designed to try and relieve some of that burden, to try and reduce the cost of child care for those families. We even make it possible for some middle-income families to qualify under this legislation.

I have been criticized for that. I find that criticism fascinating because I have always felt that we ought to try, whenever possible, to make it possible for working middle-income families to qualify for some of the things that we pass in these Halls. I do not think there is anything wrong with trying to make it possible. We leave it up to the States to say that middle-income families also have tremendous financial stress and that if the States and Governors and State legislatures allow some of those families to qualify for child-care assistance, then that ought to be something we take pride in.

As I said the other day, too often we ask the middle-income families of this country to fight our wars and pay our taxes and support all the other programs that affect everyone else but them. This legislation at least carves out the possibility that for the first time in many a year, middle-income families might also qualify as well for some child-care assistance. I do not think we need apologize for that.

But, obviously, the major thrust is focused on trying to get people off aid to families with dependent children, those welfare programs, and back to work; something we all support. The welfare reform bill last year passed overwhelmingly in the Congress and was signed into law by President Reagan. Clearly, one of the major reasons that that legislation was so broadly supported is because it had as one of its major goals getting people off welfare and back to work and being productive citizens.

A major feature of the welfare reform bill was a child-care component during the training period and 1 year after the training period. Child care then ended under the welfare reform bill. What we are doing here is picking up what the welfare reform bill started, which was so broadly supported by this Congress and the President of the United States.

I look forward today to some additional amendments to try to resolve some of these efforts.

Mr. President, I am not clear whether or not Senator DOMENICI is going to be coming to the floor to offer an amendment which we have reached agreement on.

MORNING BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 10:50 a.m., under the same conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPEAK OUT ON CHINA

Mr. KERRY. Mr. President, yesterday the Secretary of State said that the United States must speak with one voice regarding the situation in China. Congress and the American people appear to have found their voice. The administration appears to have not.

In a very real sense, Mr. President, the bullets that are aimed at prodemocracy students, at workers, and at teachers, are also aimed at us. Each shot ricochets around the world, to tear at the civilized world's conscience. Each shot that takes a life, when met by silence or indifference or a sense of impotence, also takes with it a piece of who we are and what we are supposed to stand for as a nation.

These public executions, coming in the wake of such an extraordinary expression of human will to be free, cannot be met by a simple public balancing of geopolitical equities. They must be met with public rage. They must be met by an unrelenting and unmistakable willingness to change immediately and significantly the status quo of our relationship. They must be met with measures that leave no doubt to the world, but particularly to China, that they cannot publicly murder their citizens and somehow still be partners in the world of business as usual.

Yes, Mr. President, we have worked for 17 years, as the Secretary said, to build a relationship with China. And it is, indeed, upsetting to put that work at risk. But we have worked for more than 200 years to build the relationship with the world, and among our own people. And we should be even less willing to put that at risk.

The history of that relationship demands, I believe, that we take the strongest available action condemning what is happening in China today. We must do so now when it matters. We must do so now before they execute so many people that they take away the core leadership and intimidate com-

pletely any others left, then to stand up and announce the executions have come to an end with nothing changed in the economic relationship between China and the world.

Mr. President, who in the world is not moved by the sight of a single man placing himself in front of a column of tanks and stopping them cold in their tracks? It was one of thousands upon thousands of acts of courage, and it sent shivers through all who witnessed it.

For a brief moment, he seemed to say to the world that one human being can stop an army. Now we have learned that he, too, has been murdered. What the tanks were unwilling to crush, frightened men with too much power were not. The symbol of his defiance was too powerful for them to live with and so, by killing him, they sought to kill the meaning behind the symbol.

Mr. President, history has taught us that they cannot do that. They will not do that. And they do not understand that.

No country should understand that better than we do. No country should be more at the forefront of world leadership to bring whatever pressure we can to bear, Mr. President, even if those actions we take will have less effect than desired. To not take them is to guarantee that we will have less effect on this and on many other matters in the future if we do not try.

The administration asserts that it has spoken out loudly and clearly, but, Mr. President, it is obvious that the number of people looking for a stronger message suggests that theirs has not been heard. And if it has not been heard by us in this country, Mr. President, it is fair to assume that it has not created the barest ripple in China.

There is much that we could do with a national effort here in this country, with the United Nations, with most favored nations status. There is much we could do to send a stronger message. And I hope that the President and the Secretary of State will not let the equities of the geopolitical balance allow them to lose sight of the equities of human rights and of the meaning of the executions that are taking place in China today.

I hope that the President and Secretary of State will recommit themselves to this task.

I yield the floor.

WAYNE A. WHITNEY IS SELECTED FOR THE RESEARCH SCIENCE INSTITUTE

Mr. KENNEDY. Mr. President, we all know that there is a concern that our Nation's youth will not be able to compete in the fields of math and science. Recently, a young student in my State was recognized for his accomplishments in these fields and I would like to congratulate him.

Wayne A. Whitney, a high school student at Medfield High School in Medfield, MA, has been selected for the Research Science Institute held at the George Washington University by the Center for Excellence in Education. Selection for this highly competitive program was based on his Preliminary Scholastic Aptitude Test score, high school grade point average, recommendations, and a personal essay.

For 6 weeks, he will attend math and science classes taught by distinguished college professors from schools such as MIT, the George Washington University, the University of Washington, and excellent high school teachers from around the country.

I send my heartiest congratulations to Mr. Whitney and wish him the best of luck in the future. In an era where talk about the shortcomings of American schools and students are commonplace, it is important to recognize and honor students that excel.

I hope that other Members of the Senate will join me in congratulating Mr. Whitney.

DEMOCRACY AND INDEPENDENCE

Mr. HELMS. Mr. President, in June 1988, the leaders of the popular movements in Estonia, Latvia, Lithuania, Armenia, Georgia, and the Ukraine gathered in L'vov, Ukraine, to form the Coordinating Center of the National Democratic Movements of the People of the U.S.S.R.

This umbrella organization has been concerned mainly with national rights, much to the dismay of the Soviet Government, which throughout its existence has been dedicated to the preservation and expansion of the colonial empire built by the Russian czars, which has continued unabated by the Marxist-Leninist leaders of the Soviet Union.

As a result of their beliefs, many of the leaders of the National Democratic Movements have been forced to emigrate from the Soviet Union, and now find themselves in the West. These representatives, along with other recent Soviet exiles and national rights supporters, met on May 9 and 10 at a historic conference in Paris to form a new organization, dedicated to the same goals as the National Democratic Movements.

Mr. President, this new organization, The Coordination Center in Support of National Democratic Movements for the Peoples of the U.S.S.R., also known as Democracy and Independence, released its founding declaration at the recent Paris conference.

Mr. President, I ask unanimous consent that the text of this declaration be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, in it, the delegates to the conference state their belief that both "perestroika" and "glasnost" in the Soviet Union have been a failure:

> After four years of perestroika policy, the consumer situation has worsened, the transition from socialist command methods in the economy to economic management has not taken place, ecological reforms have led to nothing, and dozens of new Chernobyls threaten the peoples of the USSR with disaster, despite some unavoidable concessions to liberalization of certain aspects of public life, there has been no real democratization. Soviet society has not moved closer to the rule of law.

However, Mr. President, they view the nationality question as the most obvious failure of "perestroika" and "glasnost." As the delegates make clear, "the Soviet Union has always been and remains a colonial empire * * *," and feel that "the existing crisis cannot be resolved by a liberalization or modernization of the existing system, the only solution is to reject it entirely. The nations of the Soviet bloc cannot be saved by cooperating with the single party system, but by creating alternative political structures."

The primary recommendation of the delegates to the Paris conference was a plea that no subsidies or confidence should be granted to the Government of the U.S.S.R. without proper consideration for the interests of the national liberation struggle. Paruyr Hayrikian, the elected representative of the Armenian democratic movements in the West, and newly elected president of Democracy and Independence, and the representative to the West of all the democratic resistance movements in the Soviet Union, has publicly declared that Democracy and Independence, and the constituent members of the organization in the U.S.S.R. oppose President Bush's proposal to waive the "Jackson-Vanik" amendment to the United States Trade Act of 1974 and grant most favored nation trade status to the U.S.S.R.

Mr. Hayrikian bases his opposition on the fact that:

> * * * even if the emigration condition improves, there are other issues that have significantly changed since 1974. The Soviet Bloc owes western financial institutions more than $160,000,000,000, nearly a third of which is to the Soviet Union itself and is wholly unpayable. Moreover, today the Democratic Movements in the Soviet Union are currently forcing change in the Soviet system. That is a condition which also did not exist in 1974 * * * U.S. "MFN" will open the floodgates of escalated debts, which is used to support the Soviet Government's efforts to repress the people, thwart the Democratic Movement and cause mischief abroad, all of which are contrary to U.S. and Western interests.

Mr. President, I agree with Mr. Hayrikian in his assessment that this is not the proper time to be giving away our carrot of economic assistance on the basis of vague promises. The Soviet economy is on its knees. The most basic of food stuffs, milk, bread, meat, butter is rationed throughout the country, unless you are a Communist Party member. In fact, the standard of living under Gorbachev has declined significantly.

Until the Soviet Union discovers democracy and freedom, and puts itself on a solid economic footing, we should not reward it by giving the Soviet Union most favored nation treatment.

Democratic movements throughout the Soviet Union are working to establish democratic reforms and putting forth demands for economic independence from Moscow. Three days after the conclusion of the Paris conference, representatives of the Estonian and Latvian Popular Fronts and the Lithuanian Reform Movement "Sajudis" met in the Estonian capital of Tallinn to formulate a common strategy for proceeding with reform in the occupied Baltic States.

According to an article in the May 15 issue of the New York Times, this Baltic assembly adopted a series of resolutions. The most important may have been those resolutions that appealed to the United Nations and the members of the Conference on Security and Cooperation in Europe "to heed the aspiration of our nations for self-determination and independence in a neutral and demilitarized zone of Europe," expressed the right of the people of the "sovereign states of Estonia, Latvia, and Lithuania" to determine the form of their economy. The assembly also demanded that the Soviet Union should—and would—declare the infamous Molotov-Ribbentrop Pact and its secret protocols, that divided up Eastern Europe into Soviet and Nazi German spheres of influence, null and void.

Mr. President, I ask unanimous consent that this article, from the May 15, 1989, issue of the New York Times, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. In reference to the recently announced proposal by President Bush to waive temporarily the Jackson-Vanik amendment, pending the codification of a new, freer Soviet immigration law, democratic groups within the Soviet Union have made clear their opposition to this proposal as well. The May 14 issue of the Soviet samizdat newspaper the Express Chronicle featured a report of two demonstrations which took place on May 10 in Moscow in opposition to the possible repeal of Jackson-Vanik. According to the report, one demonstration, organized by a group known as Free Emmigration, took place in front of the American Embassy in Moscow. The other, a gathering of Jews gathered outside of the International Trade Center, was dispersed by police and special riot troops.

Mr. President, this is just another example of the fraud of glasnost being perpetrated on the gullible West. In fact, culturally, politically, and historically, the Russians—who make up the vast majority of the Soviet leadership—even under the czars have had only one response to internal dissent: repression.

Mr. President, I ask unanimous consent that a samizdat report on the demonstrations, which appeared in Issue No. 20 of the Express Chronicle, May 14, 1989, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. Mr. President, the United States has a moral obligation to support the aspirations of freedom-loving people the world over, to stand against repression and the denial of basic human and national rights. Our great Nation, will be doing a disservice to those individuals and groups that are pushing the Soviet Union to become a freer country, if we were to reward the Soviet Government for words alone, before they followed through with concrete actions.

Mr. President, I feel the Government of the United States should heed the words of Mr. Hayrikian, who is, as I have pointed out, the president of the new Coordination Center in Support of the National Democratic Movements for the Peoples of the U.S.S.R. Mr. Hayrikian said:

The Democratic Leaders in the Soviet Bloc who are struggling for democracy, call on President Bush to delay the Executive Order waiving Jackson-Vanik until there is democracy in the Soviet Union and permanent reforms are in place. I hope it is not the intention of the American government to finance Soviet repression and, if not, then the grand benefit of "MFN" should be held out until democratic reforms are fully implemented, and not granted as a reward for Soviet repressive behavior. President Bush must choose if he is going to be on the side of the repressed or on the side of the repressors.

Mr. President, the Western leaders have finally heard from the leaders of the Democratic movements in the Soviet Union, not the Soviet Communist Party leadership. These Democratic leaders represent the aspirations and hopes of the masses that are oppressed by the Soviet Communist Party.

Mr. President, what is it that these democratic leaders request? They request the exact opposite of the stated policy of the Bush administration. We cannot and we must not, Mr. President, waive Jackson-Vanik. Emmigration is not the sole human rights issue that this country and our freedom loving heritage stands for, we stand for all human rights.

The Bush administration must listen to the leadership of the Democratic movements in the Soviet Union and must not waive the Jackson-Vanik amendment.

Mr. President, C-SPAN recently twice aired a press conference that was given by the group Taxpayers Against Subsidizing the Soviets. Over 100 independent taxpayer and other political and ethnic organizations signed a petition to President Bush that demanded that President Bush not grant the Soviet Union most favored nation trade status. There is a growing realization among American taxpayers that the Soviet Union is not going to pay its debts and furthermore, that the American taxpayer, just as they were the ones that were stuck with the $300 billion savings and loan bill, will end up having to pay for bad debts to the Soviet Union.

Mr. President, the domestic political resistance to waiving Jackson-Vanik and granting MFN to the Soviets will continue to grow once the American taxpayers realize who is going to foot the bill.

Mr. President, I ask unanimous consent that the petition and the list of signatories be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

DECLARATION OF THE COORDINATION CENTER IN SUPPORT OF DEMOCRATIC MOVEMENTS FOR THE PEOPLES OF THE U.S.S.R.

The crisis in the communist systems and resistance by democratic forces both within and outside of the Soviet bloc have compelled the Politburo of the Soviet Communist Party to make some concessions regarding the long-standing demands of the democratic movement, and to introduce a program of reform.

However, given the existing exclusive rule by the communist system, neither Gorbachev nor any other communist party upstart is able to achieve any major changes for the better.

After four years of perestroika policy, the consumer situation has worsened, and so have inflation and the budgetary deficit.

The transition from socialist command methods in the economy to economic management has not taken place.

Ecological reforms have led to nothing, and dozens of new Chernobyls threaten the peoples of the USSR with disaster.

Despite some unavoidable concessions to liberalization of certain aspects of public life, there has been no real democratization. This is especially evident in the election system, which is fundamentally non-democratic, as well as in the merger of the party structures with those of the Soviet government.

Soviet society has not moved closer to the rule of law. Soviet laws, already enacted or under consideration, remain contradictory to internationally accepted standards. The new articles of the criminal code give even greater leeway to repression on political

grounds, and while many of the old political prisoners have still not been released, new ones are already filling the camps and psychiatric prisons. The KGB apparatus is still in full force, and has not been made accountable for its past crimes.

But the most obvious failure of the new party policy is evidenced by the nationality question. When the peoples of the Soviet Union made legitimate demands concerning respect for their national rights, the reaction was traditional repression. People who are active in the national-democratic movements are subjected to persecution and arrest. Campaigns aiming to defame independent associations and movements have not calmed down. Unlimited rights to suppress demonstrations have been granted to the Spetsnats troops (commando forces). These have committed unheard of atrocities in Georgia, using chemical weapons against civilians, and killing many peaceful demonstrators. Martial law was proclaimed in Armenia in response to Armenians' attempt at self-rule, and is still in force. The question of the repatriation of forcibly deported nations has not been resolved.

The Soviet Union has always been and remains a colonial empire where the seizure of new territories has been accomplished along classical imperial lines: by means of military occupation and by the annexation of sovereign states, by the overthrow of legitimate governments, by forced sovietization and the bloody suppression of national liberation efforts. A vivid example of this policy is the forcible integration of the western Ukraine, western Bielorussia, and the seizure of independent Baltic states and of Bessarabia under a deal with Nazi Germany. The only solution for the problem of nationalities in the USSR is to grant peoples their right to self-determination, as set forth in the UN Charter, and in particular to restore the independence of the forcibly colonized peoples.

A specific feature of the Soviet empire is a power system based on the partocratic principle and on Marxist-Leninist ideology. Not only did the Bolsheviks restore the former empire, but they turned it into a totalitarian empire, based on this ideology.

Socialism has proved its complete importence in solving economic, political, national and other problems. Thus the attempts of the authorities to keep the society within the "the framework of socialism", which is imposed upon all the nations of the Soviet bloc, are even less justified. The existing crisis cannot be resolved by a liberalization or modernization of the existing system, the only solution is to reject it entirely. The nations of the Soviet bloc cannot be saved by cooperating with the single party system, but rather by creating alternative political structures.

Our peoples' struggle for national independence and socio-economic progress is hindered by a misjudgment of the role and meaning of the democratic opposition. Certain opportunistic circles of the Soviet intelligensia, along with certain former dissidents inside the USSR and in emigration contribute to this misjudgment. In essence, their position helps to stabilize the Soviet regime on a level far removed from a democracy.

The misjudgment of the Soviet Union's democratic opposition and of its core—the national democratic movement—is also prevalent in the West. Our nation's movements are wrongly associated here with nationalistic extremism or mere ethnic problems. The interests of the national democratic movement are subordinated to real-politics and to obsolete sovietological concepts, and are considered as an obstacle to "Gorbachev's positive reforms". Contrary to what is evidenced by the events in different republics, the West overestimates Gorbachev's actual strength and underestimates the real strength of national democracies. This struggle of the peoples of the USSR must be reflected truthfully. We believe that it is in the best interests of the West to support the national democratic movement.

No subsidies or confidence should be granted to the government of the USSR without proper consideration for the interests of the national liberation struggle. We appeal to the West to reject the double standards, and not to regard phenomena which it considers unacceptable for itself or for developing countries as being normal or even positive in the context of the USSR.

Democratic opposition in the USSR is a reality. It has found its expression in the emergence of independent political parties and organizations, in the creation of the Coordinating Committee of National Democratic Movements, of the Movement of Freedom and Democracy, etc. We are representatives abroad of this opposition, and we propose a constructive program, the purpose of which is to lead our nations out of a socialist dead-end. We are convinced that the way out is the immediate implementation of the following three fundamental principles: democracy, self-rule and free enterprise.

Our main principle is that one can learn democracy only in the process of implementing it. Democracy is the power by the people, each and every citizen being equally sovereign. There is no reason why democracy should be postponed.

The essence of the democratic opposition in the USSR is a political struggle for assertion of the people's will. This implies the creation of a system of national self-rule as an alternative to the totalitarian power. We support the creation by the nations of democratic institutions and political parties, their own choice of a political system, of the judicial, executive, legislative and judicial systems. National self-rule should take on the shape of oppositional national parliaments, instruments for the expression of people's will.

At the present time, it is precisely in self-rule that we see the force capable of bringing to life the idea of independent statehood for the people of the USSR. National self-rule should in fact determine the question of citizenship in the republics, of their diplomatic representations, etc. Self-rule of each of the peoples of each nation must be completely sovereign. At the same time, there should be close cooperation, mutual help and an exchange of experience in creating each given system of self-rule.

We consider the cause of each nation to be a common cause for each of us. Our movements are united by functional conditions and principles.

The main functional condition is the existence of a single and common enemy: an imperial totalitarian system.

The basic principles are the following: a commitment to human rights, to the rights of other nations and to the rights of minorities living on the territories of the different republics, a commitment to nonviolent methods of political struggle, opposition to all forms of chauvinism, racism, national discrimination in the spheres of language, religion, culture etc.

One of the main evils for the nations under Soviet rule is economic subservience, and the imperial-colonial nature of the Soviet economy. Centralized and totalitaristic socialist economy has failed completely.

The main principle under socialism is the removal of products from the most productive sector and their transfer to the less productive sector. In the Soviet empire, this type of redistribution is carried out by the totalitarian government, with the result that all the nations of the USSR without exception regard themselves as being robbed. This inevitably leads to an exacerbation of relations between these nations, to further colonization of national economies, to economic inefficiency.

The only way to solve the economic problems of our nations is to introduce a free market economy and private enterprise on a large scale, leading to the elimination of national colonial barriers. All taxes should be direct and separate, i.e. each individual or enterprise should pay local and republic-level taxes separately. Federal taxes are relevant only for those republics that wish to stay within the federation. Domestic and foreign trade should be free, prices should be set by the market, and trade levies and duties should be reduced to a minimum.

We demand that the economies be freed from state socialism in the USSR, and that the people's productive forces be given an opportunity for free competition within the private cooperative and state production systems.

We welcome the creation of independent associations, trade unions and other safeguards of social and economic rights. We proclaim our unshakeable commitment to the right to a non-socialist democratic alternative in the USSR.

We demand the elimination of barriers to free self-expression for our nations, the withdrawal of all occupational troops from all national republics, complete non-interference in their internal affairs.

We demand the immediate release of all political prisoners, and that all repression of national democratic movements cease.

Being an obvious evil and anachronism, the Soviet totalitarian empire should disappear from the historical arena. It should give way to free democratic states, equal to other states in the modern world.

We fully support the birth of a new era in the history of nations of the Soviet bloc, an era of struggle for independence and democratic reorganization. To fulfill these demands, we proclaim the creation of a Coordination Center in Support of National Democratic Movements in the Soviet empire. The name of the Center is "Democracy and Independence".

This Center will provide assistance, to the full extent of its means, to democratic opposition in the USSR.

Our Center is open to the participation of representatives of national liberation and democratic movements in the USSR, to cooperation with all those active in human rights, and to public and political forces in the West who share the principles of this declaration.

Signed by:

Agulian, Karen: Paris section of the Association "National Self-Determination of Armenia";

Hayrikyan, Paruyr: Association "National Self-Determination of Armenia" Coordination Committee for National democratic Movements of the peoples of the USSR;

Ahonen, Heiki: Estonian party for National Independence;

Broude, Sergei: Action for the Protection of Soviet Jewry;

Bukovsky, Vladimir: American Foundation for Resistance International;

Gerashchenko, Igor; Gintere, Sarma: Latvian Movement for National Independence;

Gudava, Tengiz: National Democratic Party of Georgia;

Gudava, Eduard: Georgian Helsinki Group;

Koriagin, Anatoly: Democratic Union;

Kuznetsov, Eduard: Resistance International;

Madison, Tiit: Estonian Party for National Independence;

Pliouchtch, Leonid: Ukrainian Helsinki section;

Ratushinskaya, Irina: Center for Democracy in the USSR;

Roskalns, Yanis: Latvian Movement for National Independence;

Ruban, Petro: Radical wing of the Ukrainian Helsinki sector;

Rudenko, Mikola: Ukrainian Helsinki section;

Svitlichna, Nadia: Ukrainian Helsinki section;

Seytmuratova, Ayshe: National Movement of Crimean Tatars;

Skuodis, Vitautas: Lithuanian Helsinki section;

Suslensky, Yakov: Society for Ukrainian-Jewish Relations; and

Yarim-Agaev, Yuri: Center for Democracy in the USSR.

EXHIBIT 2

[From the New York Times, May 15, 1989]

BALTIC INDEPENDENCE FRONTS PLEAD TO U.N.

(By Esther B. Fein)

TALLINN, U.S.S.R., May 14.—Leaders of popular political movements from the Soviet Union's three Baltic republics appealed today to the United Nations to help them become independent nations.

Saying they wanted their status resolved "on the international level," representatives of the Popular Fronts of Estonia and Latvia and the Lithuanian movement Sajudis adopted a joint document that called on the United Nations and the Conference on Security and Cooperation in Europe "to heed the aspiration of our nations for self-determination and independence in a neutral and demilitarized zone of Europe."

After an interval of independence between the world wars, Estonia, Latvia and Lithuania were forcibly incorporated in the Soviet Union in 1940, after Hitler and Stalin signed a nonaggression treaty and a secret protocol in 1939 carving up Europe into spheres of influence.

The Soviet annexation is still not recognized as legitimate by the United States, and Lithuanians, Estonians and Latvians maintain small independent diplomatic missions in the United States.

VOIDING OF PRITICOL ASKED

Members of the three popular movements said in their statement that they believed the Soviet Government should—and within the year would—"renounce and declare null and void" the treaty and the secret protocol, thus dissolving any Soviet legal claims to the Baltic republics.

Under Mikhail S. Gorbachev's leadership, the Soviet authorities have begun to present a more honest version of a history long distorted, but they still deny that there ever was a secret protocol. Excerpts from the pact have been printed in Baltic newspapers.

The Soviet Government had no immediate comment on the Baltic statement today, but Mr. Gorbachev has stressed recently that he is "resolutely against" the calls for secession being issued by various nationalist groups.

Grass-roots political movements were officially founded in Estonia, Latvia and Lithuania less than a year ago, but already they have gained wide support from both their ethnic populations and local Communist party leaders.

The action today, taken at the first assembly of all three Baltic popular movements, marks the first time that these groups have appealed for an international forum to decide their status, basing their claims on the illegality of the Stalin-Hitler pact.

The assembly also passed a declaration spelling out the rights of "the people of the sovereign states of Estonia, Latvia and Lithuania" to choose their own form of economy. The statement said the current attempts at economic perestroika, or restructuring had failed because they were inherently ineffective, mainly because they serve a centralized economy.

While many of those concepts have been put forth before by the popular fronts individually, the joint demands and strategy were more radical than previous ones.

LOCAL PARTY CHIEFS ABSENT

Apparently expecting that this conference would adopt more extreme positions, none of the Communist party leaders from the three republics were in attendance this weekend.

"I think our leaders were a little bit afraid to attend," said Antanavicius Kazimieras, a leader of the Lithuania Sajudis and a deputy-elect to the new Soviet Congress of People's Deputies. "But this does not represent a confrontation between the party leaderships and the popular fronts."

At a rally Saturday night in the medieval town square here, thousands of Tallinn residents and visitors from the other Baltic republics watched the lighting of a symbolic torch of Baltic unity as similar flames were being ignited in Riga, the Lativan capital, and Vilnius, the Lithuanian capital.

Underneath the flags of all three republics, the long-banned national anthems of the republics' independent period were played.

"The last time I sang this song freely was the 18th of July 1940," said Janis Blum, a 64-year-old engineer from Riga, who cried as he sang "God Bless Latvia" under his homeland's flag. "My dream is to once again sing it as a completely free man."

EXHIBIT 3

[From the Express Chronicle, May 14, 1989]

SAMIZOAT REPORT

Moscow, May 10.—Two demonstrations in protest of the possible repeal of the Jackson-Vannik amendment were held on May 10th in Moscow. At 4:00 P.M., about 150 people, organized by the group "Free Emigration," demonstrated for 30 minutes outside the American Embassy. At 6:00 P.M. about 50 Jews who had been refused permission to imigrate gathered outside the International Trade Center. Police and special troops dispersed the second demonstration.

EXHIBIT 4

PETITIONS TO THE PRESIDENT OF THE UNITED STATES OF AMERICA

(By Paruyr Hayrikian, President, Democracy and Independence)

PETITION 1

Whereas funds lent to the U.S.S.R. to finance trade and for other purposes are being used by the Soviet government to repress the people and to undermine their popular movements for democracy and independence guaranteed by the right of national self-determination,

Now, therefore, as the official representative of Democracy and Independence, the unified national democratic movements in the Soviet Union, I respectfully request that President Bush not grant United States "most favored nation" (MFN) trade status to the Soviet Union until democracy and independence have been fully implemented throughout the republics in the Soviet Union.

PETITION 2

Whereas funds lent or otherwise made available to the U.S.S.R. to finance trade and for other purposes, are being used by the Soviet government to repress the people; to undermine their popular movements for democracy and independence guaranteed by the right of national self-determination, and to carry out activities and policies contrary to Free World interests; and

Whereas the Soviet Union refuses to comply with internationally accepted standards for accounting, auditing and disclosure of its financial and production statistics; and

Whereas the Soviet Union's external debt is not repayable from Soviet resources and assets, while additional extensions of credit, which would follow the granting of "most favored nation" (MFN) trade status to the Soviet Union, also would be unrepayable, thus putting the burden of these Soviet debts on American taxpayers; and

Whereas the Soviet Union has used its resources and assets to finance, train and otherwise support international terrorism and oppression, and has promoted drug trafficking in the Free World,

Now, therefore, as leaders of American organizations, we respectfully call on President Bush to delay the granting of "most favored nation" (MFN) trade status to the Soviet Union until:

The Soviet Union has fully implemented democracy and independence throughout the republics in the Soviet Union; and

The Soviet Union complies fully with its obligations under all its international agreements; and

The Soviet Union conducts its economic affairs—financial, accounting, disclosure and independent auditing of statistics—on a par with those of the Western nations; and

The Soviet Union has ceased to support international terrorism, and has halted its promotion of drug trafficking.

Signatories:

Martin Colman, chairman, Taxpayers Against Supporting the Soviets,

Paul M. Weyrich, national chairman, Coalitions for America,

Phyllis Schlafly, president, Eagle Forum,

Howard Phillips, chairman, The Conservative Caucus,

Beverly LaHaye, president, Concerned Women for America,

Ambassador Lewis Tambs,

Ralph Perk, American Nationalists Movement,

Lucuja Mazeika, California Republican Heritage Groups Council,

Dr. John Nadas, National Federation of American Hungarians,

L. Francis Bouchey, president, Council for Inter-American Security,

Curt Anderson, vice president, C.N.P., Inc.,

Jack Wheller, senior consultant, Krieble Associates, Inc.,
Laszlo Pasztor, national president, Liberation Support Alliance,
Lt. Gen. Daniel Graham, High Frontier,
Eugenia Ordynsky, executive director, Congresss of Russian Americans,
The Honorable Albert Lee Smith, former congressman from Alabama,
Constantine Menges, American Enterprise Institute,
Dr. Gabor Papp, Committee for a Free Hungary,
Peter Harkay, Capisztan Youth Foundation,
Dr. Marianne Bouvier, German American National Congress,
George Sterling, Association of Free Hungarian Journalists,
Dr. Colomann Fiedler, Polish Hungarian World Federation,
Don Devine, Citizens for America,
George Mesterzcuk, Ukranian Congress Committee of America,
Stockton Reeves, chairman, College Republican National Committee,
Henry L. Walther, president, United States Defense Committee,
Slava Stetsko, Anti-Bolshevik Bloc Nations,
Maj. F. Andy Messing, Jr., executive director, National Defense Council Foundation,
William P. Hoar, executive editor, Conservative Digest,
Howard Segermark, executive director, Free the Eagle,
Warren Carroll, editor, The Freedom Fighter,
Roxolana Potter, American Friends of the Anti-Bolshevik Bloc Nations,
Phillip Abbott Luce, Americans for a Sound Foreign Policy,
John Fisher, president, American Security Council,
Dr. Frank Fazakas, Pacific Chapter, National Federation of American Hungarians-Rev.,
Pal Bolvary, American Hungarian Federation of Western Pennsylvania,
Dr. Albert Wass, Transylvanian World Federation,
Maido Kari, president, Estonian World Council,
Ard Piirisild, Baltic American Free League,
Clay Claiborne, Black Silent Majority Committee,
Orest M. Baranyk, Captive Nations Council,
Joan Hueter, president, National Association of Pro-America,
Susan R. Brackin, executive director, College Republican National Federation,
William Gill, Catholic War Veterans,
Grover Narquist, Resistance Support Alliance,
Mrs. Margaret Rothla, Captive Nations Committee of Pennsylvania,
Ms. Amilda Houge, Cardinal Mindszenty Society of Florida,
Orest Steciw, Anti-Bolshevik Bloc Nations of Canada,
Eric Licht, president, Coalitions for America,
Jennifer White, Center for Security Policy,
Fred Smith, The Competitive Enterprise Institute,
Tammy Lyles, executive director, Ruff PAC,
John Kwapisz, director, Center for Peace and Freedom,
Robert G. L. Wall, Western Monetary,
Ron Nelson, American Foreign Policy Council,
Robert G. Mills, International Freedom Foundation,
Henry Kriegel, Committee for a Free Afghanistan,
Dr. Balint Gaspar, United American Capitive National Movement,
Dr. Imre Gal, World Federation of Free Hungarian Jurists,
Denes Koltavary, United States Division, World Federation of Hungarian Veterans,
Peter J. Flaherty, chairman, Conservative Campaign Fund,
William W. Pascoe, III, executive director, Krieble Associates, Inc.,
Tom Burch, National Vietnam Veterans Coalition,
John Marshall Rohrer, executive director, The Conservative Network,
William Holt Kling, convenor, The James Monroe Group on the American Democracies,
R. V. Raehn, founder, U.S. Global Strategy Council,
Dr. Richard Harris, American Association of Christian Schools,
Mike Thompson, American Defense Lobby,
Tim Beauchemin, American Legislative Exchange Council,
William Lyons, Family Life Seminars,
Larry Pratt, Gun Owners of America,
Amy Moritz, National Center for Public Policy Research,
Carter Wrenn, The National Congressional Club,
David Keating, National Taxpayers' Union,
James Denton, National Forum Foundation,
Megan Lott, Organizational Director, National Teenage Republicans,
Tom Cox, legislative assistant, Free the Eagle,
Judy Bashore, vice president, Phoenix International,
Reinaldo Lopez-Lima, Pro-Liberation of Cuba,
Karen McKay, president, Americans for Freedom,
Ray Raine, Richland Development Corporation,
Morgan Norville, Selous Foundation,
Richard Viguerie, United Conservatives of America Political Action Committee,
Rick Hendrix, United Families of America,
Paul Kamenar, Washington Legal Foundation,
Tom Lizzardo, Young Americans for Freedom,
Ralph Galliano, Congressional Majority Committee,
Dr. Pedro DeMesones,
Theodore J. Mortensen, National Vietnam Veterans Coalition,
Julia Godolley, Plant City Liberty Society,
Eugene Delgaudio, Council of Volunteer Americans,
Carolyn C. Sullivan, secretary, Eagle Forum Education Fund,
Patrick B. McGuigan, 721 Group,
Stan McDonald, Office of the Governor of Alabama,
Richard M. Baker, president, Executive Homes, Birmingham, Alabama,
R. Trenton Ellison, vice president, Sun Building Company, Birmingham, Alabama,
Gordon W. Miller, president, Miller Sales, Company, Birmingham, Alabama,
Francis E. Keller, president, Richard Machine Company, Birmingham, Alabama,
Donald C. King, president, KBE, Inc., Birmingham, Alabama,
Nevin R. Newton, vice president, Southern Precision, Inc., Birmingham, Alabama,
James W. Scott, vice president, Executive Homes, Birmingham, Alabama,
Chad C. Baker, Birmingham, Alabama,
Glenn Bullen, vice president, Robbins Manufacturing, Inc., Birmingham, Alabama,
Kenneth S. Austin, Reformed Theological Seminary, Birmingham, Alabama,
William B. Baker, vice president, Baker & Sons, Dairy, Birmingham, Alabama,
Lutheree Bradwell, Birmingham, Alabama,
Martha K. Park, Birmingham, Alabama,
William C. Braswell, Birmingham, Alabama,
Valerie Jones, Birmingham, Alabama,
Susan Townley, Birmingham, Alabama,
Howard D. Parr, pastor, Shades Mountain Bible Church, Birmingham, Alabama,
Arthur J. Phillips, Birmingham, Alabama,
Nathan Park, Birmingham, Alabama,
Donald Simpson, Birmingham, Alabama,
LaVerne S. Lamb, Birmingham, Alabama,
Ruth Stone, Birmingham, Alabama,
Janice White, Birmingham, Alabama,
Darryl White, Birmingham, Alabama,
Tamela C. Nelson, Birmingham, Alabama,
Joe Nelson, Birmingham, Alabama,
Brenda Carroll; Birmingham, Alabama,
Shirley Bingham, Birmingham, Alabama,
Debbie Hailey, Birmingham, Alabama,
Celia Adams, Birmingham, Alabama,
Marvin Hewlett, Birmingham, Alabama,
Barry Wood, Birmingham, Alabama,
David F. and Martha H. Stokes, Carrollton, Alabama,
Kenneth R. Sullivan, Birmingham, Alabama,
Mrs. Eunice W. Smith, president, Alabama Eagle Forum,
Stewart H. Welch, Birmingham, Alabama,
Charlene Johnson, Birmingham, Alabama,
Mike A. Priestly, Birmingham, Alabama,
Rocky Smith, Birmingham, Alabama,
Marie S. Gresham, Birmingham, Alabama,
Mac McCullough, Birmingham, Alabama,
J. M. McGee, Jr., Birmingham, Alabama,
Al S. Reynolds, Birmingham, Alabama,
John C. Beck, Birmingham, Alabama,
John C. Beck, II, Birmingham, Alabama,
John D. Vernon, Sr., Birmingham, Alabama,
Lamar M. Davis, II, Birmingham, Alabama,
Michael Palmer, Helena, Alabama,
Mary Tediman, Albertville, Alabama,
Lois P. Filmore, Huntsville, Alabama,
Linda McClendon, Birmingham, Alabama,
John Herzberg, Birmingham, Alabama,
Cleve Smith, Birmingham, Alabama,
P.E. Garrison, Birmingham, Alabama,
Mr. and Mrs. R.C. Weldon, Birmingham, Alabama,
Charles H. Potter, Birmingham, Alabama,
Peggy Pettus, Birmingham, Alabama,
John F. Pettus, Birmingham, Alabama,
Doris McCroskey, Birmingham, Alabama,
Jimmy M. Hester, Birmingham, Alabama,
Jay Hester, Birmingham, Alabama,
Brian S. Everling, Birmingham, Alabama,
Walter J. Bishop, Birmingham, Alabama,
Kenneth Farragut, Birmingham, Alabama,
Jane Southerland, Birmingham, Alabama,
W.L. Ivey, Springville, Alabama,
Mildred P. Ivey, Springville, Alabama,
James E. McLendon, Birmingham, Alabama,
Pauline McLendon, Birmingham, Alabama,
Wilson Donovan, Birmingham, Alabama,
Wayne H. Jones, Birmingham, Alabama,
Jed P. McLendon, Birmingham, Alabama,
Dick E. Campbell, Birmingham, Alabama,
Florine M. Kinkel, Birmingham, Alabama,

Harry N. Wilhite, Jr., Irondale, Alabama,
Linda Ling, Irondale, Alabama,
Terry Hood, Alabaster, Alabama,
Karen Hooper, Birmingham, Alabama,
J. Michael Ballard, Ashville, Alabama, and
William Nobles, Irondale, Alabama.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

CHILD CARE IMPROVEMENT ACT

The PRESIDING OFFICER. The Senate will continue with the consideration of S. 5.

The Senate continued with the consideration of the bill.

Mr. DODD. Mr. President, I ask that the pending amendment be temporarily laid aside for the purpose of considering an amendment to be offered by the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 221

(Purpose: To exempt child care services provided by relatives from the prohibition against sectarian activities.)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and Mr. GRASSLEY proposes an amendment numbered 221.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 88 after line 14, add the following new section:

"(b) Subsection (a) shall not apply to funds received by an eligible child care provider as defined in section 103(8)(B)."

Renumber as appropriate.

Mr. DOMENICI. Mr. President, while this appears to be a rather innocuous amendment, and in discussing the matter with the manager of the bill, I really think this was the intention of the bill. I believe this amendment will clarify a very significant objective of this bill.

We all recall that Senators FORD and DURENBERGER offered an amendment that was directed at the religious or sectarian centers for providing child care that had that quality.

I think perhaps through an oversight what has happened is that the provider that is given that exemption is deemed, in the amendment, to be entitled to be reimbursed through a certificate, and actually there are three ways for reimbursement, not just a certificate. There are certificates and there are contracts and there are grants. Some States may not use the certificate approach. That is still something within their flexibility.

Consequently, if they do not, it would seem to me that a literal reading of the Ford-Durenberger amendment and the bill would say for those States there is no real way to reimburse. If you happen to find a way to do it through the contract or grant, the technical exemption amendment only used one of the words, "certificate," and yet there may be an opportunity for the relationship, the grandmother, the aunts, and the siblings, to provide the religious training and child care and be exempt and find there is no way to get reimbursed. If that occurs—and I am not suggesting it will happen many of the times. I would think that most, if it works, will be certificate reimbursement—I would think we ought to make it clear we did not intend in Ford-Durenberger to limit the reimbursement scope of that exemption to certification reimbursement.

So all my amendment does essentially is say that it is certification, grant or contract as the means of reimbursement under the religious exemption. I believe it is fair and I think the managers acknowledge it was perhaps oversight, but in any event that they are prepared to accept the amendment.

Mr. DODD. Mr. President, I thank my colleague for his comments. I would not say it was an oversight because we believe we covered the situation and there is no disagreement as to what the intent of the legislation is, but for the purpose of clarity this will make it clearer to those who are concerned about this and we believe it does not violate anything in the course of the legislation already called for. We are delighted to accept it.

Again, I can speak for my comanager, the Senator from Utah [Mr. HATCH], as well as myself, that we think this is a good amendment and will help clarify the situation even further. The intent of the Ford-Durenberger language was clearly to allow for the situation as the amendment spells out.

So I thank my colleague from New Mexico for offering this amendment. I know of no further debate on this particular amendment.

The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 221) was agreed to.

Mr. DODD. I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I thank the manager of the bill. I compliment him on his dedication and hard work and hope that we will be able to, this afternoon, culminate the months of work with a final vote and we can perhaps go to our respective States and talk about what we did or did not do. I compliment the Senator.

Mr. DODD. I thank my colleague. I pointed out this morning that we have had now about 13 amendments we have accepted over the last day or so, and most of them have been from the minority side. We have had a few from our side. But I have tried to really make this a bipartisan bill and the amendments of the Senator from New Mexico, amendments offered by Senators JEFFORDS, COATS, and BOSCHWITZ have really made this a bipartisan bill and we want to continue in that vein. I thank my colleague for his comments.

Mr. DOMENICI. I thank my distinguished colleague. I yield the floor.

AMENDMENT NO. 222 TO AMENDMENT NO. 202

(Purpose: To provide for a perfecting amendment adding a supplemental earned income credit for families with young children, and for other purposes)

Mr. BENTSEN. Mr. President, I send an amendment to the desk in the second degree to the Dole amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ROBB). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN] proposes an amendment numbered 222 to the Dole amendment 202.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after "SUBTITLE" on page 1, line 3 of the amendment, and insert the following:

A—TAX CREDIT FOR CERTAIN HEALTH INSURANCE PREMIUMS AND CHILD CARE AND SUPPLEMENTAL EARNED INCOME CREDIT FOR FAMILIES WITH YOUNG CHILDREN

SEC. 211. CREDIT FOR HEALTH INSURANCE PREMIUM COSTS.

(2) ALLOWANCE OF CREDIT.—Paragraph (1) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual who maintains a household which includes as a member 1 or more qualifying individuals, there shall be allowed as a credit against the tax imposed by this chapter for

the taxable year an amount equal to the sum of—

"(A) the applicable percentage of the employment-related expenses paid by such individual during the taxable year, plus

"(B) the credit percentage of the qualified health insurance expenses paid by such individual during the taxable year."

(b) CREDIT PERCENTAGE.—Section 21(a) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

(3) CREDIT PERCENTAGE.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'credit percentage' means 50 percent reduced (but not below zero) by 16.67 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $12,000.

"(B) SPECIAL RULE.—In the case of taxable years beginning before 1994, subparagraph (A) shall be applied by substituting in the case of any taxable year beginning in—

"(i) 1991, '35 percent',

"(ii) 1992, '40 percent', and

"(iii) 1993, '45 percent', for '50 percent'."

(c) LIMITATIONS.—

(1) DOLLAR LIMITATION.—Section 21(c) of the Internal Revenue Code of 1986 is amended to read as follows:

"(c) LIMITATIONS.—

"(1) DOLLAR LIMIT ON EMPLOYMENT-RELATED EXPENSES.—The amount of the employment-related expenses paid during any taxable year which may be taken into account under subsection (a)(1)(A) shall not exceed—

"(A) $2,400 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(B) $4,800 if there are 2 or more such qualifying individuals.

The amount determined under subparagraph (A) or (B) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 for the taxable year.

"(2) QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed $1,000."

(2) EARNED INCOME LIMITATION.—

(A) IN GENERAL.—Section 21(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed the excess (if any) of—

"(A) the earned income of the taxpayer for the taxable year, over

"(B) the amount of employment-related expenses taken into account under subsection (a)(1)(A)."

(B) CONFORMING AMENDMENT.—Paragraph (1) of section 21(d) of such Code is amended by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(d) DEFINITIONS AND RULES.—

(1) QUALIFIED HEALTH INSURANCE EXPENSES.—Section 21(b) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFIED HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified health insurance expenses' means amounts paid during the taxable year for insurance—

"(i) which constitutes medical care (within the meaning of section 213(d)(1)(C)), and

"(ii) under which coverage includes at least 1 qualifying individual.

For purposes of this paragraph, the rules of section 213(d)(6) shall apply.

"(B) QUALIFYING INDIVIDUAL.—For purposes of this paragraph and subsection (a)(1)(B), the term 'qualifying individual' means an individual described in paragraph (1)(A), except that such paragraph shall be applied by substituting 'age of 19' for 'age of 13'.

"(C) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in subparagraph (A) not treated as qualified health insurance expenses."

(2) IDENTIFYING INFORMATION REQUIRED.—Section 21(e)(9) of such code is amended by adding at the end thereof the following new sentence: "In the case of the credit allowable under subsection (a)(1)(B) for qualified health insurance expenses, the Secretary may require an insurance policy number in addition to (or in lieu of) the taxpayer identification number."

(e) COORDINATION WITH DEDUCTION FOR SELF-EMPLOYED INDIVIDUALS.—Section 162(1) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 21."

(f) CONFORMING AMENDMENTS.—

(1) The heading for section 21 of the Internal Revenue Code of 1986 is amended by inserting "; HEALTH INSURANCE EXPENSES" after "EMPLOYMENT".

(2) The item relating to section 21 in the table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting "; health insurance expenses" after "employment".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. DEPENDENT CARE AND HEALTH INSURANCE PREMIUM CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000 ($14,000 in the case of a married individual filing a separate return).

"(3) COORDINATION WITH ADVANCE PAYMENTS ANDS MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year.

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)) for the taxable year.

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer.

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect.

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses and qualified health insurance expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period.

"(B) on the basis of the employee's estimated employment-related expenses and qualified health insurance expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1990.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OR CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code

of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1991.

(A) 90 percent of the amount of the credit allowable under section 22(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining 10 percent of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense or qualifying health insurance expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. SUPPLEMENTAL EARNED INCOME CREDIT FOR FAMILIES WITH YOUNG CHILDREN.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 10 percent (7 percent for an eligible individual with only 1 qualifing child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 20 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the lesser of—

"(A) $10,000, as adjusted under subsection (i), or

"(B) $12,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 4."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (1) of subsection 32 of such Code is amended—

(A) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(B) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (1) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)(A)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by adding at the end thereof the following new flush sentence:

"A separate advance amount table shall be prescribed for the credit under section 32(a)(2) in the same manner as provided under the preceding sentence, except that the applicable percentage under section 32(a)(2)(B) shall be substituted for 14 percent."

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 215. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 212(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215-B. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury, or the Secretary's delegate, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care and health insurance premiums allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

SEC. 215-C. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, EVERYTHING IN THIS ACT WHICH FOLLOWS THIS SECTION AND PRECEDES SECTION 216 SHALL BE NULL AND HAVE NO FORCE OR EFFECT.

In lieu of the matter proposed to be stricken on page 104, line 17, insert the following "and qualified health insurance expenses."

In lieu of the matter proposed to be stricken on page 105, lines 2 and 3, insert the following: "and qualified health insurance expenses."

In lieu of the matter proposed to be stricken on page 107, lines 19 and 20, insert the following: "or qualifying health insurance expenses."

In lieu of the matter proposed to be stricken on page 109, line 2, insert the following: "and health insurance premiums."

Mr. BENTSEN. Mr. President, we worked all yesterday afternoon, far into the night, trying to reach a compromise with the minority that would accommodate both the President's proposal for a new young child supplement and the Finance Committee's proposal for a new health initiative, a health insurance credit to help low-income working families to provide health insurance for their children.

But in the long run it finally came apart because there were some on the other side who would not yield on that point. Apparently they want it all.

Mr. President, that just is not the way the process works around here, or should not.

The chairman of the Finance Committee is not going to write this bill. The chairman of the Labor and Human Resources Committee is not going to write that bill. The senior Senator from Connecticut is not going to write that bill, nor any one of the ranking members.

The President of the United States cannot have it all.

The provisions reported by the Finance Committee are the result of listening to all of the groups who represent the children of American—their concerns and their needs, listening to all of them as we have, having them testify before us, telling us how the system works and what we need, and then putting that all together to make the whole, and to arrive at what we think is best from each of these plans to try to help the children of America.

I hear some people say that the health credit is not that important; it does not necessarily have to be a part of this package.

I strongly disagree with that.

I was looking at this morning's USA Today, an article saying that people who lack health insurance are shortchanged on hospital care, even in public institutions that traditionally treat them. That is a study of some 52 Boston area hospitals. In this country, we have more than 37 million Americans without health insurance, and 13 million of these are children.

Studies have shown that Federal cost-cutting pressures have caused hospitals to provide less outpatient care to people without insurance than to people with insurance. Studies show that the uninsured are generally sicker when they get there and once admitted have shorter stays.

Mr. President, I understand why. What you are seeing is escalating health insurance premiums. Last year health insurance premiums went up 17 percent.

So what do parents say? "We are low income. We want to stay off welfare. We are trying to make ends meet, and the health insurance premium has gone up 17 percent. Maybe the kids won't get sick this year. Guess we better chance that. Let's drop the health insurance policy."

And they do that. And then the kids get sick.

And then they say "Maybe that fever will break. Let's hold off and give our child some more aspirin."

And then finally at the last minute, they have no choice but to go to the hospital. And the study reported in the paper today shows that once they get there, they do not get as good care as the family that has the hospital insurance. In some cases, they do not even get admitted.

You bet it is important.

You have someone working, making $15,000 a year who needs medical attention, and today under our system the person on welfare has better access to health care than that person working, and trying to stay off welfare.

Now let us take a look at the other side. There are those who have said here in the debate there is not anything for the person making $50,000 a year. That is not correct.

Under the dependent care credit for children, you are getting a 30 percent credit on a $2,400 payment for child care if you make $10,000 a year and that finally phases down to $28,000 when the credit drops to 20 percent. But then you can make $50,000 a year and still get that credit. Or add a digit—$500,000 a year, or add a digit—$5 million a year, and you still get that credit. With two kids you get a credit twice the size.

So we are already helping those various groups. But here we are trying to help a group with incomes just above welfare, who are having a tough time.

There are those who have said we should do more for the mother who does not work, who stays home with her kids. The credits under this amendment are available to her, and we provide help for that family.

Mr. President, in the spirit of compromise, what we are trying to do with this amendment that I am offering is to provide for almost an equal division between the two proposals, the President's proposal, and what we are proposing out of the Finance Committee. Over the next 5 years the 5-year estimate for the President's credit is $2.714 billion and for the health insurance credit it is a little less, $2.652 billion.

In addition, there is another $5.103 billion that will go toward making the child care credit refundable.

Let me describe what the amendment will do. It will phase in the health insurance credit over time, and originally what I wanted and what we brought out of the Finance Committee was a credit of 50 percent immediately. But in the spirit of compromise, and trying to take care of what the minority also wants and what the President wants, we will start the health care credit at 35 percent in 1991, 40 percent in 1992, 45 percent in 1993 and finally reach the 50 percent in 1994.

In addition that credit will phase out for families in excess of $18,000 a year. The way we reported it out of the Finance Committee it was $21,000 a year but once again we are acting in a spirit of compromise and trying to see that we get a balance.

The young child supplement will be available to families with incomes from $10,000 to $15,000, and as in the earlier Dole amendment it will be indexed with inflation so that over time it will reach families with incomes between $12,000 and $17,000. The credit will be equal to 7 percent of earnings, and that is up to a maximum of $500 for the first child and an additional 3 percent of earnings up to a cap of $250 if there is more than one child. As the President originally proposed that credit will apply to children under the age of 4.

The dependent care credit will be made 90 percent refundable beginning in 1991.

As I understand it, the concern on the other side is to have something in the ABC bill for families with mothers who stay at home to take care of their children. And I want Members and staff who have talked to me about that position time and time again to know that we have something in there for these families. The majority leader's package, the package that came out of the Finance Committee, has always had something in there for these families. Part of that is the health insurance credit—available to every low-income family with a child under the age of 19 regardless of whether both parents are employed.

The White House has wanted its own credit—first called a child tax credit, now called a young child supplement to the earned income tax credit. It is still the same kind of credit it has always been, an untargeted income supplement. It has been renamed an EITC, I suppose because they believe there is some support for an expanded EITC.

Well, this compromise amendment, Mr. President, is going to provide more to families where the mother does not work than did the Dole amendment $5.4 billion over the next 5 years, as compared to $4 billion for the Dole amendment.

I find it interesting, Mr. President, that no one who opposes the child health insurance credit is trying to make the case that improving support for health coverage is unimportant. In fact, the opposite is true.

Before the Finance Committee completed action on its portion of this package, I was asked to join the Republicans in a compromise package

that included an unearmarked tax credit, and my credit for the purchase of health insurance. I declined that offer because a majority of the members of the Finance Committee had already rejected an unearmarked credit.

Now, the other side has begun to focus its criticism on the health insurance portion of our package. I understand. They want to support the President.

But, Mr. President, in my view, that deletion would be an absolute tragedy—13 million children uninsured, one in five in this Nation without any public or private health insurance coverage. Nearly two-thirds of those children are from families below 185 percent of poverty, the very families we want to help with this credit. And the credit is focused on low-income families.

In the compromise before you, all of the benefits will go to families with incomes of $18,000 or less. Now let me remind the Members that it is these families that are finding it harder and harder to provide health insurance coverage.

As I stated earlier, all the trends are in the wrong direction; the cost of premiums went up 17 percent last year. A study by the Health Insurance Association of America shows that in medium-sized and large companies providing health insurance for their employees and their dependents, the average premium cost to the employee is $800.

There have been those here who have stated that that is not enough to be meaningful to those employees. Not enough? We start out with a 35-percent credit and we work up to a 50-percent credit. That 50-percent credit means if you have an $800 premium the cost would be $66 a month; with the credit, it costs you half of that, $33. You would cut the cost of a monthly premium from $66 to $33. For the low-income people, that sure would help.

I think this credit will create a strong incentive for insurers to provide health insurance benefits for children and an incentive for those families to buy it.

Just this week, Mr. George Farr, President of the Children's Medical Center of Dallas, testifying for the National Association of Children's Hospitals, told the Finance Committee how important it was for the public and the private sector to work together to try to get insurance for children; that hospitals know firsthand about the decline in employer-paid dependent coverage, and that they are getting an increasing number of uninsured children in their hospitals. And they say they are encouraged by the tax credit approach in this bill, and that it will increase health insurance coverage for the children of America.

The National Federation of Independent Business said that the credit will make significant strides toward helping low-income families purchase health insurance for their uninsured children. And they applaud the credit because it recognizes that the issue of the uninsured can be tackled through the private sector by these kinds of market incentives. This legislation, they said, is an important step toward making sure all children have access to health care.

The Health Insurance Association of America has said that this credit will make a dramatic difference in the proportion of low-income employees choosing to extend health care coverage to their children.

Blue Cross-Blue Shield said they expect insurance companies to respond to the incentives provided by this credit by making available low-cost policies aimed at children.

The Washington Business Group on Health told the Finance Committee that it is in the direct economic interest of employers of all sizes to have Congress lead the Nation in making a responsible investment in our children. They believe the credit will lead to an increase in the provision of health insurance that is provided by small business.

But that is not what is happening now. Businesses are dropping it in droves as they see the cost of premiums go up. You have to turn this situation around, and that is what this kind of credit will do.

There are a lot of people out there who understand what we are trying to do. I have a list of sponsoring organizations as long as my arm. I recited them yesterday here. I will not take the time of the Senate to repeat them, but I could again put them in the RECORD for those who want to peruse that.

Now, my friends, let us put the parents of low income who are concerned about their kids on at least as good a footing as the parents who are on welfare and trying to take care of their kids. These are the working poor and they need help, too. We want to close that gap to help these working Americans who either cannot afford or who lack access to health insurance for their children.

The administration's credit is not targeted on child care or child health or anything else. You hark back to George McGovern's days with $1,000 for everybody. I cannot help but think of the irony of it, how much George would enjoy being in the gallery today and hearing of a Republican administration that wants $1,000 for everybody to spend it as you would like, whatever you want to do with it.

I think health insurance is a worthy priority for our country, and it is a targeted priority for our country. And I think the American people agree with that.

So what we have here is a question about setting priorities. And because I think the American people would agree that health protection for children should be given the highest priority, I oppose deleting the health credit altogether.

I am prepared to compromise with the minority as a way of bringing this debate over this portion of the child care bill to closure. But I cannot endorse stripping out of this package a provision that promises to see that millions of children receive the kind of health care that they need in this country.

Mr. President, let me say again, I offer this amendment in the spirit of compromise and I ask for its adoption.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon, Senator PACKWOOD.

Mr. PACKWOOD. I thank the Chair.

Mr. President, I hate to disagree with my good friend, the chairman from Texas. I am with him on most issues, but on this particular one, he pays for part of it by reducing the refundability of the dependent care tax credit to 90 percent, which has been a touchstone for me and many others. For that reason, I will have to oppose him on this amendment.

Mr. President, I ask for the yeas and nays of this amendment. I would hope that we would not have to have extensive debate on it. I think the issues are well known.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. I hope we could vote on it soon.

I yield the floor.

The PRESIDING OFFICER. Does any other Senator wish to be recognized?

The Chair recognizes the Senator from Minnesota, Senator DURENBERGER.

Mr. DURENBERGER. Mr. President, I rise to speak against the Bentsen amendment to the Dole amendment and I do it with an obvious degree of reluctance. I commented, during the course of the debate yesterday, about the rapid pace with which the Senate Finance Committee's child-care bill went through the Senate Finance Committee and came to the floor. I also made reference to the fact that only shortly before the markup did a lot of us have an opportunity to view the chairman's proposal on health insurance.

Having said that, and because it was a proposal by the chairman of the Finance Committee and because he is

not only committed to child care in particular—and I think his tendencies in this regard are probably a little bit more Republican as viewed here today than Democrat—and because there is no question at all about the fact that his lifelong commitment to children has provided us all with an opportunity in this body to do more by way of good public policy, that I am relucant to speak against the amendment by the Senator from Texas. And to speak very strongly, if I may, in favor of the Dole amendment.

What brings us here in debate is kids and the growing value that we place on their care, particularly in the early years of life. This is a time in our society when we are busy about many things: Making a living, getting ahead, child care—whatever the case may be.

My two colleagues who are still seated in this Chamber, Senator DODD and Senator HATCH, have led us, on the Labor and Human Resources Committee, through a wide variety of means to address what I characterized yesterday as a $75 billion problem, and trying to suit to that something in the nature of a $4 billion solution. That is very difficult.

We currently spend $7.5 billion in Federal money to supplement child care in a variety of different ways. We spend in this bill approximately $4 billion additional annual Federal dollars. And the point of all of this, lest it be lost on anybody—and I do not think it has been in the course of this debate—is that a premium is being placed during the course of this week on how we spend this money, not whether.

There is no question about the fact that the Federal Government and Federal policy must deal with the lack of child care in this country. The only issue is how do we spend each of these dollars. It strikes me after going through this process in the Labor and Human Resources Committee and then again on the Finance Committee, that child care can be approached in a variety of ways. It is not like health insurance where we can not. Unless we have a doctor in the family, we have to buy health insurance. Unless we have a hospital that we own, we have to buy health insurance in order to get into the system.

So, we can have a system in this country, either in the private sector or in the social insurance sector, in which people have the option to buy their access to doctors and hospitals through a health insurance system.

But largely, the responsibility for child care is on the family. A child is in need of care every single day of his early life and we have a wide variety of choice about how we provide for that child. But the difference between child care and health insurance is simply that we must provide some type of care for the child—the child needs that care.

Health insurance or access to doctors and hospitals in this country is still an elective access. I just came from another Labor and Human Resources Committee hearing on proposals both by Senator KENNEDY and Senator HATCH on a universal health insurance program for this country. How are we going to provide for the needs of the 37 million Americans who do not have access to the system?

Many of the 37 million Americans do not have access to the system because if they are in desperate need of a doctor and a hospital, they are going to be able to get a doctor and a hospital. It is an elective. You do not have to have health insurance. If you work for an employer who has it, you have it. If you are elderly, you have it in Medicare; certain poor have it in Medicaid. But for the rest, it is an elective.

As we deal with how to provide child care, we can do it either as ABC does it, providing grants and contracts, and certificates, or we can do it in one way or another by supplementing income of the parent and the way in which that income is used to make child-care choices.

The Dole substitute chooses to use the income supplement method as its principal way of accessing people to child care. Current Federal policy uses the income supplement as a way to do it. In part, it supplements income directly as through the earned income tax credit; in part, it supplements income by providing through the dependent care tax credit for those who purchase child care somewhere in the marketplace.

So as I view the health insurance proposal of the Senator from Texas, I am inclined to look at it as a form of income supplements. If, in fact, you can provide on the average $189 in a refundable tax credit for anything—anything; it does not have to be health insurance, it just happens to be health insurance, but it is an extra $189 a year to supplement choice—then I could say a positive thing you can say for Senator BENTSEN's proposal is that it puts an extra $189 in the hands of people that would not normally be there because it is now being spent on health insurance; $189 a year or, even at the maximum, $500 a year on health care which the average cost of coverage is about $3,600 is at least something. But compared with an earned income tax credit, compared with the refundable tax credit that is also targeted at this particular population, I would suggest that it is a less advantageous income supplement that is put forward by the Senator from Kansas.

Let us look at its as health insurance. Most Americans are covered by health insurance at work. Some people buy it in the marketplace. Thirty-seven million Americans do not and there is the great debate in this country about how to ensure coverage for these individuals.

As I understand the proposal by the Senator from Texas, it is designed to provide an incentive to retain health insurance in the employment area for children of parents who work or to provide an incentive to purchase additional health insurance for those who are uninsured. But as I have looked at the data since the Senator made this proposal and particularly since the proposal was passed through the Senate Finance Committee, the reality, Mr. President, is that Senator BENTSEN's proposal does not and will not, particularly after in its amended, gradually phased-in form, benefit the vast majority of children who are in families earning less than $20,000 a year. I think it has even been scaled down to something substantially less than the $20,000 limit, possibly $17,000.

At best, Senator BENTSEN's proposal, both in its amended form and original form, at best reaches 8.2 million children living in families earning less than $20,000 a year. I regret, without having the benefit of the amendment in front of me, I am not sure whether or not that has been changed.

Let us assume the original proposal of $20,000 a year reaches 8.2 million children. Mr. President, we checked with the Internal Revenue Service, which is America's reliable way to find out how many of everything there are in this country. According to the Internal Revenue Service there are today over 20 million children claimed as dependents on tax returns filed by families earning less than $20,000 a year. So this means that at least 11.8 million children, or over 60 percent of kids living in low-income families, are not covered by private health insurance and will not even be reached by the benefits proposed in this new subsidy.

It has been argued that the tax credit will do two things: First, that it will encourage parents with self-only policies to upgrade that coverage, to expand their coverage to include dependents. Second, it is argued that it will encourage parents with no private insurance to go into the market and buy it.

Mr. President, I have come to the conclusion that there is no chance that this is going to happen in the market for American health insurance today. The average benefit from this proposal is $189 a year, or $16 a month. At best, it is $500 a year or $42 a month. But what does this do for a low-income family? If a family had to buy a typical policy in the private marketplace today for self and family coverage, the average annual cost is approximately $3,000 or more a year. I priced one out yesterday with the Blue Cross people in New York and it is

substantially more than that, but this $3,000 is an average figure across the country.

So I think as we consider the merits of the proposal in this second-degree amendment, Senator BENTSEN's amendment, we just need to ask ourselves whether or not $189 a year, or $16 a month, or even at the maximum, $500 a year, is enough to induce a family to spend $3,000 on health insurance in 1989.

As I understand the proposal of my colleague from Texas, this does not start to go into effect until 1991, and then it is to be phased in over 4 or 5 years. At the rate health insurance is going up today—the hearing I just came from in the Labor and Human Resources Committee was using the figure 20 to 30 percent a year—this $189 would be worth much less. The Chamber of Commerce people who testified said 50 percent over the last 2 years. At that rate, a $3,000 policy 6 years from now is probably going to cost somewhere in the neighborhood of $7,500 or $8,000, and the Senator would have us spend $1.5—I guess it is scaled down now—to about $1 billion a year providing an average $189 contribution to a $7,500 policy.

A single parent with two children who earns $12,000 a year only realizes about $221 a week in disposable income, even after the earned income tax credit. So ask yourself again: If you were supporting two children on $12,000 a year, would you spend $3,000, $5,000, or $7,000 a year on health insurance? And the answer in the experience of the eighties is no. That is one of the reasons why we have so many people not buying health insurance.

I say again, Mr. President, so that it is not misunderstood either by my colleagues or by the chairman of my committee, whom I revere—respect is a better word.

Mr. BENTSEN. I like revere.

Mr. DURENBERGER. Revere has something to do with in the past context, like we have not seen him lately. Revere or respect.

I would repeat what I said at the beginning, we can look at this as a $189 supplement to make it easier to buy it or we can look at it as health insurance. I look at it both ways, and I have to say that an earned income tax credit is a much better way to help those people making $12,000 a year.

Now let me also put it in the context of current tax credits, or tax deductions, which is the way in which we currently subsidize employment-based health insurance.

If a tax credit, as the Senator proposes, of $189 a year or up to $500 a year would help get people to hang on to their health insurance, then why today are so many employers dropping their health insurance? And why are so many people in the employment sector choosing not to take health insurance?

Using this $3,000 a year self and family plan as an example, the current tax spending for this plan is at almost $500 a year. That is the value on that kind of a plan to you and I and everybody else in America in the fact that we do not have to pay taxes on that portion of the employer's contribution. It is a tax-free income to us. That is worth $500 a year already.

In addition to that, our employer gets a tax deduction for all of his premium contributions, and that again on an average premium is worth about $1,000 a year. So you have all these employers in this country with an average $1,000 tax break and all these employees with an average $500 tax break and they are still not buying health insurance. Again, Mr. President, how is $189 a year going to induce anybody to buy into this system?

Mr. President, I argued earlier that this proposal will not benefit the vast majority of children who are in families earning less than $20,000 a year, and I ask unanimous consent to introduce at this point in the RECORD what is entitled "Analysis of Health Insurance Premium Credit."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANALYSIS OF HEALTH INSURANCE PREMIUM CREDIT

(Office of Senator David Durenberger)

[illegible]	Total returns [1]	Total [illegible] [2]	Total [illegible] [illegible]	Total [illegible] of each income level [illegible]	Percent of [illegible] not [illegible]
All data is based on 1985 Federal Income Tax [illegible]					
$0 to $5	0.871	2.7	[illegible]	4.8	71
$5 to $10	1.438	3.9	2.565	7.4	66
$10 to $15	2.191	4.1	4.161	7.9	47
$15 to [illegible]	[illegible]	4.1	5.039	7.7	35
$0 to $15			8.2	20.1	[illegible]
$0 to $30			13.2	27.8	53

[1] Source: Joint Committee on Taxation
[2] Source: Internal Revenue Service, U.S. Department of the Treasury
Note.—Analysis was not performed on the adjusted gross income class $20,000—$30,000 because of the phase-out of the tax credit

Explanation: The Joint Committee on Taxation released preliminary data of the distribution, by income class, of the number of dependent children reported on those returns whose families are estimated to have private health insurance coverage. Those data show the number of children in families who could benefit from the subsidy of the parent's premium expense for private health insurance that includes coverage for dependent children.

However, separate data reported by the Internal Revenue Service on the total number of returns filed, by income class, and the total number of dependent children claimed on those returns, highlights how many families do not have private health insurance at those income levels. The last column above displays, by income class, the estimated percentage of children in families who do not have private health insurance coverage and who are unlikely to benefit from the premium credit.

Mr. DURENBERGER. What this small chart indicates—and again this is Internal Revenue Service and Joint Committee on Taxation data—is by family income category how many dependent children there are, and how many are potentially reached by the proposal of the Senator from Texas. In the adjusted gross income category of zero to $5,000 per year, which is approximately 2.7 million returns, the total number of children potentially reached, even if everyone used the Bentsen subsidy, is 1,460,000. The total number of children at that level in need of some kind of health insuranced is 4.8 million. He reaches, even if the system works, 29 percent of the kids with family incomes on an adjusted gross income basis of less than $5,000.

In the category $5,000 to $10,000 in adjusted gross income, there are about 3.9 million returns in this category and the number of children potentially affected if this thing works as the Senator form Texas believes it should work—and I have to say I disagree that it can—the total number of children currently affected is 2.5 million. The total number of children in families whose adjusted gross income is between $5,000 and $10,000 a year is 7.4 million. So the proposal of the Senator reaches 34 percent of the kids in that category. So more than two-thirds of the children in America, most of whom are the ones in most desperate need in this country are not even affected by the proposal of Senator BENTSEN, even if it worked.

Mr. President, this brings me obviously to the issue of alternatives, and to ask the question if you want to spend a billion and a half dollars to ensure access to better health care for kids in low-income families, are there not so much more direct and valuable ways to spend the money.

At this point I would love to defer to my colleague from Texas because he has played such a role in helping to create so many of these programs, title V of the Social Security Act, and maternal and child health, title XIX, Medicaid Program, a wide variety of these programs. But the most dramatic illustration I can think of for where our money ought to be going, if we want to help poor kids, if we want to help young people, if we want to help moms with prenatal care, if we want to help the kids before they are 4, 5, 6 years of age with health care, if that is our desire, the most dramatic place to look is the Medicaid Program, because if we eliminated all categorical distinctions under Medicaid, that do not say you have to be in AFDC, you do not have to be this, that, or the other

thing, get rid of the distinction and we say by gosh, for once in America we are going to leave South Africa by itself and we are going to cover every young person in America below the poverty level. Here is how many uninsured children we could cover and what it would cost in fiscal 1990, and this is according to the Congressional Budget Office: to cover 1.9 million additional kids under 100 percent of poverty, $320 million. If we extend that to 130 percent of poverty, 3.1 million additional kids—with just $460 million.

So for an amount almost equal to the average value of the tax credit, $189 a year, we could provide complete Medicaid coverage for one child for 1 year. According to CBO, the average cost of care under Medicaid for children between the ages of 1 and 5 is $265 per year. For children 5 to 18 the cost is $460 per child per year.

So, Mr. President and my colleagues, I just have to ask myself, as I have since we marked up this proposal in the Finance Committee, What are we doing? It is kids we are talking about here. It is child care. This proposal that we need to vote on has to be measured against what it is ultimately doing for children. If I thought this proposal by the Senator from Texas was going to provide $256 million a year through the Medicaid system for kids, take his $1.5 billion and make universal health care coverage for all kids in America a reality, I say that is a lot better than the earned income tax credit, but that is not his proposal. That is not his proposal. His proposal is simply to say if you are lucky enough to be in a family where a breadwinner has a health insurance plan, you get $189 a year on the average or maximum of $500.

And 71 percent of the kids in this country who live in families of less than $5,000 a year income do not have a breadwinner with a job with health insurance. Sixty-six percent of the kids in this country who live in families that make less than $10,000 a year do not have somebody in that family that has a job and has a health insurance plan so they can get $189 a year.

I heard the Senator yesterday read off a list of business and health insurance supporters, and I guess that would be impressive around here except for the fact that if you have been at this business a little while, you know who the first folks are to line up behind any proposal to increase tax subsidies for health insurance. It is going to be the health insurance industry, and it is going to be any business that uses health insurance.

We are now spending $48 billion a year in this subsidy, and we are going to add $1.5 billion. They are going to stand around and cheer. Why? Because it is direct money in their pockets? Not necessarily—because it endorses the current system of health insurance in which the bigger you are and the more you have, the more you get. If you are Chrysler, you have health insurance, all of your employees are totally covered, when your bill goes up from $500 to $600 a year, and the cost of the car goes up another $100, you pass that on through to the employees. But you get the tax subsidy, and that tax subsidy is going to be supplemented by this $189. But if you are a little self-employed person, a farmer in my State, or you run a little business in Connecticut, Texas, or Virginia, particularly if you are self-employed, you do not get that subsidy. You do not get to pass it through to anything because you are buying your health insurance with after-tax dollars. You are paying 50 percent more.

Why endorse that kind of a system? Why endorse the system in which tax subsidies, tax spending that is precious dollars that we cannot find to spend on kids is going to make the big bigger, the rich richer, and the poor poorer? There are six of our colleagues and six House Members and three other persons on the National Bipartisan Commission on Comprehensive Health Care. It is called the Pepper Commission, and our job by the end of this year is to solve the problem that the chairman of the Finance Committee has been trying to deal with for a long time; that is, how do we provide access to all Americans for adequate health care in this country?

I suggest that if we want to do child care we do it here on the floor right now, and we could do it by voting against the health insurance proposal of the Senator from Texas and for the Dole substitute. Then you know they are going to buy child care. If you want to buy more health insurance, I suggest you wait until after the bipartisan commission report. Do it right or do not do it at all.

I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I first want to commend our colleague and chairman of the Senate Finance Committee, Senator BENTSEN, on his very creative and vitally needed tax credit proposal to assit low-income families with the cost of health insurance premiums for their children, and as we now know a refundable expansion of the earned income tax credit. Both he and his staff have worked very long into the night in order to reach a compromise. In fact, many of us were here last evening—of the reasons we were here as late as we were—in part because it seemed as though we were about to reach an agreement that would bring not only a good portion of the health care credit of the Senator from Texas in line but also take into consideration the arguments on the earned income tax credit.

Regrettably that compromise did not work. I am not entirely clear as to why it did not except the fact I know at some hour last evening it was decided they would walk away from the effort that the Senator from Texas and others had been engaged in. That is history, and the fact is we now find ourselves with making a choice. I happen to believe what the Senator from Texas has put together here deserves the support of all of us in this Chamber.

As I said, unfortunately there was no agreement, so we find ourselves in that situation today.

Senator BENTSEN now presents us with his own compromise, one that is balanced and responsible, and it is a better compliment to the Act for Better Child Care. I believe his amendment moves more than halfway across the aisle and deserves the Senate's support, and particularly the health care credit is a very innovative approach which addresses the intolerable problem facing this Nation.

Mr. President, as we all know, there are 37 to 40 million Americans which have no health insurance at all, none. Of that 37 to 40 million, 13 million of that number are children in this country, children who cannot fend for themselves, who regrettably are living in a family circumstance that does not make it possible for them to receive the adequate coverage they must have in order to protect against the significant loss, not only financially but, of course, physically, as a result of illness.

The Senator from Minnesota has said what the Senator from Texas is proposing is inadequate or endorses the present system. I have only been in this Chamber about 10 years. But I go back to my predecessor, Senator Ribicoff, and I recall 20 years ago his talking about a national health insurance program, the Long-Ribicoff proposal. I think it was in the sixties they were advocating some changes in the health care coverage system of this country.

I know my colleague from Texas, as we all do, hopes at some point we might come up with a system in this country that will deal with the health care problems of this Nation. But the fact of the matter is we have not yet. We talk a lot about it. We have commissions about it. We have hearings about it, and we have discussion groups. But the fact of the matter is we still have the present system, and under the present system 13 million kids have no health insurance.

The Senator from Texas is not suggesting with his amendment that he is going to eradicate the crisis of affordability in child care. I am not suggesting that is what this bill does. We are trying to at least deal in part with the problem as it is. What do you say to a

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

child? "Wait? There is a Commission in Washington, DC, you see, and that Commission is going to make some suggestions next week, next month, next year. You hold on there, youngster, and be careful, do not get sick. Do not fall down. Do not break a limb. We know you do not have any kind of health insurance. Do not you worry. Washington is going to solve the problem." Well, we have not. In the meantime, the numbers grow.

This year it is 13 million. We now know one out of every four children, almost one out of every four, is growing up in poverty. In our major cities it is every other child. In this city as you leave this building today, and you drive through it, either to your home or to the airport, if you spot a child in Washington, DC, there is a 50-50 chance that child is growing up in poverty. Every other child in this city is growing up in poverty. We are paying a dear cost for it. It is not as if there is no cost associated with it. That child gets sick and someone pays. We are paying.

All we are trying to do here with this in combination with the earned income tax credit is to try to provide some assistance and help. I do not think the Senator from Texas ought to be condemned for trying to do that. He ought to be commended and applauded for coming up with an innovative idea of trying to reduce the cost. I realize some may not take advantage of this. But the fact of the matter is it will at least lure people into the possiblity of picking up some health insurance that may reduce the cost that somebody is going to pay—and it is usually the American taxpayer—and help us try to at least reduce the hemorrhaging that is occurring with the health insurance crisis in this country. It does not stop that bleeding. We still have to address that fundamental problem.

But in the meantime, this will help, and deserves our support. The implications from children not getting proper and timely health care are vast. I will not go into them this morning. My colleagues know them as well as I do.

The reasons for this are complex, that there are many deficiencies and restrictions in Medicaid, costly private insurance premiums are unaffordable to the low-income working poor, to name only two. The result is, of course, the children are going without essential, cost-effective preventive care. Early symptoms of illness are initially ignored, until the time when the hospital's emergency room must become the course of care, which is both poor economics and poor health care.

Senator BENTSEN's proposal will amend the dependent care credit, adding a new one for health insurance premiums paid for coverage of dependent children under the age of 19. Up to $1,000 of qualified health insurance expenses may be taken into account in the credit calculations.

I said 1 in 4 a minute ago. It is between 1 and 4 and 1 in 5. Certainly, in this country children are without health coverage. Two-thirds of them are in families with incomes 185 percent below poverty. I will repeat that. That is 185 percent below poverty—the very people who benefit from this credit.

Low-income families are finding it harder to afford health insurance coverage for their families. Cost of premiums rose 17 percent just last year. The recent Finance Committee hearings on the subject of Blue Cross and Blue Shield said they expect that insurance companies will respond by making available low-cost policies for children. The Bentsen proposal will provide incentives for both insurers to provide coverage and families to purchase it.

The child health insurance credit makes new funds available to poor families, including those with stay-at-home spouses. Let me emphasize that. We have heard criticism raised that one of the problems of the ABC bill, the package, the Mitchell substitute, if you will, is that we are not sympathetic about the mother at home. I hope we would address that not only on our own concerns as individual Members, but the history on what exists in the books. The law today in our land provides for mothers at home. We do take that into account, regardless of income.

But if that were not enough, the Senator's proposal here says specifically that mothers at home would not be excluded from this, the benefits of this particular amendment. They are included. So those that would suggest sowehow that we are not taking into consideration people in that situation, I would hope they would be disabused of that notion, in light of what is in this proposal. Families would receive this credit, in addition to funds. They may receive credit for dependent care. Like child care, there are no simple solutions for assuring affordable and available health care. To obtain services for many children in America, we must continue to work together for solutions, and this proposal is a good start.

I want to commend the chairman of the Finance Committee and the staff. This proposal represents an extremely fine compromise. We have worked together over the last number of weeks trying to put this package together.

I say once again, Mr. President, that in the last 2 days I have accepted 12 amendments from the minority side. They are good amendments. We tried to word on some others. Some we have not worked out. Some are represented by colloquies, exchanges between two Members in the RECORD. I understand there may be more coming over, and I am willing to consider them. I want this to be a bipartisan bill.

The Senator from Texas sat down last night and tried to work this out, so that we would marry the various ideas on the tax side of this equation. Regrettably, that did not occur. What he is offering us today is the fruit of that labor. That compromise was not accepted in the final analysis, by the other side, but the compromise is a good one. It is normally how we conduct our business here. We try and work things out among ourselves and try and bring together the best ideas in the way that we can all claim that this legislation has been approved. I believe this compromise does that.

Again, I thank my colleague from Texas and his staff for their fine work, not only on this particular proposition, but the tremendous support they have offered this Senator and the Senator from Utah in backing us and providing guidance and assistance on putting together the Act for Better Child Care. We would not have been successful at all without the support and backing of the chairman of the Finance Committee.

As a result of that, I think we have a very good product before this body. I am confident that before the Sun sets on this Capitol tonight, this body will have sent to the other Chamber, along the way to the President, for the first time in 46 years, a child care program that offers real hope to American families.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the compromise amendment that has been worked out by the distinguished chairman of the Finance Committee, I do so for the reasons that have just been set forth plainly and purposefully by the chief sponsor of the child care legislation before us, the distinguished Senator from Connecticut.

Mr. President, I would like to bring to the attention of this Chamber two points, one of which is familiar, and the other of which may be less so. The first—and you heard the distinguished Senator from Connecticut speak to it—is the extent of child poverty in this country and in our cities.

The Senator from Connecticut said that if you were to drive randomly in the city of Washington, every other child you saw would be living in poverty. That is the rate for children in this District of Columbia. That is about twice the rate for the Nation as a whole. For the Nation as a whole, it is, at any given moment, over 20 percent. Over time, it is a much higher proportion, in the sense of the number of

children who will have been poor during their childhood.

We have made estimates in the Committee on Finance, Subcommittee on Social Security and Family Policy, that as much as 32 percent, a third, of children born in 1980 can expect to be on welfare before they are 18 years of age. I note, Mr. President, that our committee changed the title of the subcommittee which I chair for a very specific reason. It is not called merely the Subcommitte on Social Security but the Subcommitte on Social Security and Family Policy. That is what our social science system should be most about: How families support themselves and raise their children. That is the elemental concern of any society, and needs to be ours, not less than others.

Here is the second point which I wish to make, the first point being the incidence of poverty in our country among children. The second point is that we are the first society in history in which the poorest group in our population are children. Never before in the history of the species can this be said to have happened.

As the industrial age came upon us, we began to notice the problems of poverty among the aged, who had lost wages and did not have retirement benefits. Retirement benefits are something new. They appeared about mid-20th century in this country for ordinary employees. So we found ourselves in a period where the problems of poverty were distinctly those of the aged, where the aged were the poorest group. As for children, they were as well off or as badly off as their parents, and that was about all there was to say.

In the past 50 years we have addressed the problem of poverty among the elder. First we established Social Security, with its most advertised provision, retirement benefits. Then we added, in the 1960's, medical care through Medicare. During this period we saw the maturing of private pension systems. We have brought the incidence of poverty among the aged down to a very low level.

It is mostly Goverment transfers that account for this success. Given just income available from employment or pensions, almost half of the persons 65 and over are poor. But when Government transfers such as Social Security and Medicare are figured in, that drops down to about 10 percent, and of these, you are talking mostly about what are called the "old old," the persons in their eighties and nineties who have not ever acquired private pension benefits and very little in the way of Social Security entitlement, who are in nursing homes, and so forth.

Today, in the main, people retire in circumstances almost as well off as they have been in their working years, and that is a great achievement and one to be preserved. But simultaneously we look up and we find that children are no longer as well or badly off as their parents but are distinctly worse off. They are the poorest group in the population.

Despite this, or perhaps the reason for this is that we are the only democratic industrial nation in the world that does not have a childrens' allowance, that does not say that the raising of children obviously involves expenses and that society should look after those additional expenses while families have minor children.

I do not know when if ever we will get a child's allowance in our country. We have some provisions of sorts. We have the earned income tax credit for the working poor. We have the dependent care tax credit for families who pay taxes. But we have no children's allowance per se. We have talked about it on this floor. John F. Kennedy, when he was Senator from Massachusetts, introduced legislation for a children's allowance; Senator Neuberger of Oregon did the same. He had run into the child allowance when he was working on the Al-Can Highway. The Canadians have had this as a matter of course for two generations or three now, I should say.

Mr. President, if we do not go so far as to establish outright a child's allowance in this legislation, we extend some present provisions to the point where we clearly have the beginnings of such.

As I say again, we are the only industrial democracy in the world that does not have one. Our neighbors in Canada continue to be amazed that we do not. But today, with the proposals introduced by the distinguished chairman of our committee and endorsed now by the manager of this legislation we may be beginning. I would dare to hope we are beginning.

There are three provisions, each of which moves in this direction.

The first is the dependent care credit. This is a proposal offered by my good and learned friend, the former chairman of our committee, the Senator from Oregon, Mr. PACKWOOD, and myself. He and I proposed this some 3 months ago. It is to take the present provision in the Tax Code that says you may deduct a portion of your child care expenses as a cost of obtaining income but only if you owe taxes.

It happens, and properly so, that in the 1986 tax legislation we removed some 6 million families from the income tax rolls. We were at that point taxing families into poverty. We had a tax policy of creating poor families, as you might say, and we instantly agreed in the Finance Committee that we would put an end to that. But when we put an end to that, we put an end to the availability of this tax credit to the working poor.

Now, today we propose to pay out in a positive sum what otherwise would have been deducted in a negative manner. This is the principle of a children's allowance.

It can be paid at the end of the year or it can be paid over time in a paycheck on a monthly or bimonthly basis. This is the first part of the amendment offered by the chairman of the Finance Committee. It is a bipartisan proposal that was introduced by Mr. PACKWOOD and myself 3 months ago—and it is a step toward a child's allowance.

The second provision in the chairman's compromise has exactly the same feature. I want to stand and acknowledge that it was first proposed in this particular debate from the other side of the aisle, to the credit of the Republican leader, Mr. DOLE, who is the ranking member of the Subcommittee on Social Security and Family Policy.

The proposal Mr. DOLE has submitted to us would provide a supplement to the earned income tax credit which would provide families with a child under 4 an additional credit of 7 percent and provide families with more than one child under 4 an additional credit of 10 percent. Here we introduce an absolutely essential principle of the children's allowance: that it should increase with the number of children.

One of the reasons people were so skeptical about a childrens' allowance back in the days when former Senator, later President, John F. Kennedy and Senator Neuberger proposed it was we were all then fearful that it might encourage population growth. There is no evidence of this ever having happened anywhere. In any event, we are in a period of declining population of young people, of labor shortages. Therefore, if it should have that effect, it need hardly concern us anymore.

This is the first time, and it is in the chairman's proposal, that we have taken into account, in terms of positive payments from the Federal Treasury, family size.

It never happened before. It is happening today. Probably it will not be much noticed. But many of the most important things in social policy begin quietly, when principles are established, and that is what the chairman, Senator BENTSEN's proposal does. It establishes principles that can grow into a true transformation of social policy.

And then, of course, there is his third provision, his own and his unique provision, a health insurance credit, which would amend the Dependent Care credit by adding a refundable credit for health insurance expenses. He has discoursed at great and learned length in this regard. It is

a refundable credit, as are the other two.

Herein you have the beginning of the structure of a child allowance, the kind of children's allowance which will be found in every democratic industrial nation on Earth, an aspect of social insurance which most countries take for granted and they look and wonder why the United States has never done.

As I said, Senator John F. Kennedy talked about it 40 years ago in this Chamber. We are doing something about it today, and we are doing it because the Senator from Texas, who knew John F. Kennedy, as we had reason to recall in a recent unpleasantness, is doing what was proposed as a visionary idea 40 years ago and it is going to become a reality on this floor today.

There are three provisions: Dependent care tax credit, refundable; earned income tax credit expanded for children under 4, adjusted for family size, refundable; health insurance credit, refundable.

This is the makings of a transformation in American social policy, and it is happening right here, and it is being proposed by the chairman of the Finance Committee.

I would plead with the Senate to accept this. I would plead with them to acknowledge that the refundable child care tax credit is a bipartisan proposal of Mr. PACKWOOD and myself. The earned income tax credit expansion comes from Mr. DOLE, the ranking member of the Subcommittee on Social Security and Family Policy, and the health care credit from the Senator from Texas, Mr. BENTSEN.

These are admirable measures, long overdue. I see the two distinguished leaders are on the floor, Mr. President. I do not want to detain them, but I would do it just long enough to make this point.

When we pass these measures, we ensure that they will be carried out because they are tax credits, they are automatic claims on the Treasury. They do not go through the annual travail of the authorization process and the appropriation process and the negotiations and the cuts and the repeated total disappearance of programs. These measures we start today and the successive measures built on them will be in our Tax Code a half-century from now, and there will not have been a year in which the benefits contemplated will not have been paid.

I think this is an extraordinary moment. I want to congratulate the Senator from Kansas for what he has done. I want to thank the Senator from Texas. I know that I am particularly grateful that the refundable dependent care credit is included.

I say, again, Mr. President, we lay the foundation of a genuine transformation of social policy in behalf of children in this country with this measure. We are fortunate to have it brought before us. I urge its approval.

Mr. MITCHELL. Mr. President, I note the presence of the distinguished Republican leader on the floor and inquire as to whether he believes that we have had sufficient debate on this matter to permit us to proceed to a vote on it within the next half-hour or so, if the Republican leader is agreeable to it.

Mr. DOLE. Mr. President, I know there are still 20-some amendments floating around. If we have any intention of finishing by 6, 7, or 8 o'clock tonight, I think we ought to agree to vote on this.

One o'clock is satisfactory with me. I think Senator WILSON wants to speak. I have about a 3-minute statement. Others are willing to speak again, but I think everybody fairly understands the issues.

I know there are going to be additional amendments, so I would hope we might agree to vote at 1 o'clock.

Mr. MITCHELL. I would like to make a brief statement. Does Senator DURENBERGER wish to be heard on this?

Mr. DURENBERGER. For a couple of minutes.

Mr. MITCHELL. Might I suggest that I would propound an agreement that we vote at 1:05 and that the 30 minutes remaining be divided, 20 minutes under the control of the Senator from Kansas and 10 minutes under my control.

Mr. President, I ask unanimous consent that the Senate proceed to vote on the pending amendment at 1:05 p.m., with no intervening amendments or motions in order, and that the 30 minutes of debate remaining be divided 20 minutes under the control of Senator DOLE and 10 minutes under my control.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. MITCHELL. I thank the distinguished Republican leader.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield myself about 3 or 4 minutes.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I want to acknowledge first that there was a sincere effort—in fact, it lasted all day—to see if we could not reach some agreement. But it seems that in some cases the closer we thought we were coming, really, the further apart we were. Because when I took this information back to many of my colleagues, they thought we were not advancing what we considered to be an appropriate response to he need for child care.

What we have, in effect, is sort of a cafeteria plan now. We take a little bit of everything. We do not know precisely how much we want, so we just take a little of this, take a little of this. We assumed that everybody was going to be happy because we have gone through the line. We picked up what we wanted, and even if we did not want it, we would take a little anyway just to get what we call a compromise.

That was the point my colleagues raised with me about 10 o'clock last night, when I then notified Senator BENTSEN and the majority leader that we could not work out a compromise.

I know that many Members on both sides would like to find some way we could all vote for child care. Everybody is for child care, as far as I know, last time I checked.

So we have fairly different approaches under the ABC bill and the President's bill. To date, there is nothing in this package that the President wants except for the one provision that is in nearly every bill and that is the dependent tax care credit and the refundability of that.

But there is nothing in the bill that will help those mothers who stay at home. Again, I repeat, as I did yesterday, I do not know anything wrong with staying home with your children. Some mothers work because they want to work, because of necessity. Others stay at home because they do not want to work or because of necessity. Maybe they have disabled children; maybe they have very small children.

So I share the view that compromise is always possible, but it is not possible yet in child care. Maybe in 4 or 5 months, maybe after the House acts—and they have been cool to this approach. A recent interview by the chairman indicated some reluctance to adopt much of what we were doing over here.

But I guess the conclusion of my colleagues, the bottom line, was that the compromise would spend too much money on a health insurance windfall for the fortunate and too little on very low-income families with young children. When you start adding up the cost of this bill and the cost in the out years of the ABC approach, if that is finally adopted, we are talking about billions and billions and billions of dollars.

Some will say, "Oh, that's all right. We are investing in our children. It is probably worth billions of dollars."

But I think we have to take a look at what the compromise does, and I think some people on the other side would be outraged, even though I know the great affection they have for the chairman of the Finance Committee, as we all do. I know nobody likes to take on the chairman of the Finance Committee—at least I used to think that when I was chairman. Now and then I did not succeed, however.

I have heard a lot of talk about we should not touch the dependent care tax credit. But in order to achieve this

compromise, you are going to reduce the refundability of existing dependent care tax credit by 10 percent. That is the one common element in all these proposals—refundability of the DCTC, because it is simple fairness to provide the same subsidy to all qualifying families regardless of their tax liabilities. I think this is a point we have to keep in mind.

Under the Bentsen compromise, the poorest families whose dependent care tax credits exceed their tax liabilities will lose 10 percent of the tax benefit. Millionaires and others who do not have to worry about that are going to get everything. They are not going to lose anything.

It was hard for our colleagues on this side to justify or support this result. You are going to ask the poor people, those with the lowest incomes, to pay for the health care credit, or part of it, over a billion dollars over a 5-year period. It seems to them: Why?

Maybe this idea—and I do not want to quarrel with my colleague from Texas—is a good idea. But I think we know that the DCTC is a good idea and refundability is a good idea. Why should we start right off the top when we are starting refundability, and say, "Oh, by the way, we are going to have to take 10 percent of your check to pay for this other thing we want to do." But not everyone is going to get 10 percent, only those people who do not have much income.

So it is pretty hard to justify or support that result.

Second, this proposal spends more than $2.5 billion over 5 years on health insurance credits for the already insured. As the Senator from Minnesota has pointed out, and I hope he will point out again, this so-called child health credit does not reach 71 percent of the families earning less then $5,000 a year or 66 percent of the families earning $5,000 to $10,000 per year. These poorest families with less than $10,000 a year income are also indirectly paying for the very health insurance credits which only a few will receive.

Why? You say, oh, I do not believe that. Well, this is because the earned income tax credit which benefits every family earning less than $10,000 with a child under age 5 is being cut back by more than $1 billion to fund the child health credit.

You may say, well, it is all well and good in the spirit of compromise. You are talking about a multibillion dollar bill and $2.5 billion or $1 billion here or there really does not make any difference, because this may prove to be an excellent program.

So there was an effort, an all-day effort by staff on each side, by Members, by Joint Tax Committee people who helped us with numbers, trying to figure out what we could do. We tried to work out what we might do to create incentives which will increase employer provided health insurance coverage for the lowest income families.

But, again, should we just say well, here is $2.5 billion, let us give it a try; $2.5 billion for those who already have employer-subsidized insurance, subsidizing those who already have insurance. This is a child care bill, not a health care bill. With the money you get under EITC, or refundability under DCTC, particularly EITC, you can buy health insurance.

So, I would just say, in conclusion, that my amendment will provide full and fair, 100 percent refundability of the dependent care tax credit for the lowest-income families and will supplement the incomes for all poor families with young children.

If anybody wants to dispute that they are free to do it. I do not know of anybody who has really focused on it on the other side. This may be a loyalty vote rather than a vote on the merits. We are talking about policy. Policy.

The EITC income, this income I am talking about, is not earmarked for health insurance but is available for the purchase of health insurance, if the family has access to affordable coverage, and I think based on some of the information we have, that might be rather hard to come by.

What I want to do, and what I have indicated I would like to do, is to set the stage so we might somewhere along the line have a child care bill that most everyone can support. To do that I would like to at least say well, there is one provision in this bill that the President wanted. There is one provision in this bill that is going to reach the mothers who stay at home as well as those who work.

Well, now we say, well, we are going to have half a loaf; you get a little bit, we will get a little bit and then we will water that down in conference and pretty soon there will not be anything for the mothers who stay at home; who stay at home for any reason they wish or work for any reason they wish. We are not trying to discriminate against either group but we do not want to discriminate against the mothers who stay at home or the mothers who work.

I think our amendment is fair and it is balanced. There is no mystery about the dependent care tax credit. It has been on the books for a long time. We are spending what, about $6.2 billion now. Some say that is not a very effective program, there are too many high-income people get dependent care tax credit. Others say that poor families do not receive it because they do not keep track of their child care expenses and therefore they cannot qualify. So there are even flaws that ought to be addressed there. But I never thought I would stand on the Senate floor with some of my colleagues on both sides of the aisle who say: Let us take money out of the earned income tax credit. Do not give it to poor families. Let us give it to somebody who had already bought insurance and let us give them a little subsidy.

I would think the liberals would be jumping out of their seats on the other side saying you cannot do this. But they are not.

We are going to try again if we fail on this. We have other avenues this afternoon and tomorrow if necessary, if we are going to have a child-care bill that can be supported by a majority on a bipartisan basis. I read about all this bipartisanship. That only works when the President is giving in. Bipartisanship is a two-way street. There is nothing in this bill for the President of the United States. He is on record for child care. He wants a child-care bill he can sign. But to get one we have to put something in there that he supports.

So I would urge my colleagues on both sides of the aisle to take a look at what we are doing. We could not reach a compromise. We tried. Some of my colleagues who are more expert than I on this said: Do not do that. You cannot do that. We are not going to vote for it.

I would say to my friend from Texas, we tried. But I cannot believe on the other side that everybody is just willing to give up $1 billion or $2 billion in dependent care tax credits and EITC just to try a new program that subsidizes those who already have insurance. If that happens then I know that it is going to be difficult.

It is not enough to say well, everybody gets something. We will take care of everybody.

Mr. President, I hope when the vote comes, that we might prevail for once because we are right. Not because we are Republicans. We know we are outnumbered. If there is going to be straight party-line votes we will not win anything, but we will be here for a while losing. Because we want a good child-care bill and we are not in any hurry.

Maybe enough on the other side will go home, we will win one here one of these days and will have a better child-care bill because of it. We are talking about policy. Not personality. Policy. Children.

Mr. President, I yield 5 minutes to the Senator from California, 5 minutes to the Senator from Minnesota, and 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Republican leader only has 7½ minutes of time left.

Mr. DOLE. That will not quite make it, will it?

Let me see. I would ask unanimous consent that I might have—I will take 5 minutes of my leader's time.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. DOLE. That will be about 4½ minutes apiece.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, we have made some progress but not nearly enough. This amendment should be defeated because what it proposes is through fiscal years 1991 through 1994, we will provide roughly equal amounts of money for a health credit being proposed by the chairman of the Finance Committee and the earned income tax credit.

What we should do is not have two inadequate programs. We should have one that is adequate where it counts most.

Mr. President, it does not make sense to shortchange the earned income tax credit because in contrast to what we have heard on this floor this morning, existing law does not provide adequate incentive for the at-home mom; that is for the woman who decides that she wishes to forego a second income for her working poor family in order to give the kind of care to her child that the child deserves, needs in those most critical first days and months and years of life.

Dr. Burton L. White, who is, perhaps, the leading authority on the early years of childhood, for many years the director of Harvard University's celebrated preschool project, the author of "The First Three Years of Life," the host of the television series of the same name, now the director of the Center for Parental Education in Newton, MA, has these things to say about the critical first years of life.

> Studies have almost always revealed that the absence of a primary caretaker during a child's first few years produces serious emotional and psychological debilitation.

Yet he points out that more and more infants and toddlers are spending the majority of their waking hours in the hands of a full-time substitute caretaker. He says:

> I firmly believe that most children get a better start in life when during the majority of their waking hours of their first 3 years they are cared for by their parents or other nuclear family members. Not by any form of substitute care.

Indeed, he concludes,

> To put it bluntly, after more than 25 years of research on how children develop well, I would not think of putting a child of my own in any substitute care program on a full-time basis during the first few years of life, especially a center-based program.

Mr. President, we should be encouraging women to stay at home with their children in the first years of life, not because we wish to deny them the opportunity for fulfillment in a career, but because we wish to encourage them to give that all important care that only they can give so much better, in the words of Dr. White, than a full-time substitute caretaker. And that is what this argument is all about.

There is not under the dependent care credit the kind of incentive that will allow a mother to make that choice saying to her husband, "You go to work and I will stay home. We need the money, but I think we need the time with the baby more." Instead, she cannot get anything from the dependent care tax credit because, one, she is not purchasing child care. She is providing it and, therefore, she cannot provide to the IRS the documentation to get a credit. She is not eligible. That family just does not get any assistance in that regard.

So let us be honest about this. I think the Senator from Kansas, the distinguished Republican leader, made it quite clear the other day that the rather trivial sum, and I do not mean to be offensive, that the trivial sum that is offered in the way of a health care credit will not induce poor working families to go out and buy health insurance.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILSON. Mr. President, let us have a program that works for poor working families and encourages mothers to stay at home.

The PRESIDING OFFICER. Who yields time?

Mr. DOMINICI. Mr. President, I believe the leader yielded to Senator DURENBERGER.

The PRESIDING OFFICER. The Senator from Minnesota has 4½ minutes.

Mr. DURENBERGER. Mr. President, let me say to my colleagues that the most telling part of the argument I thought the Republican leader made about this bill is one that really I feel fairly strongly as one of the only people who has spoken on this floor on this issue who has spent time watching this bill develop in both of the authorizing committees, and it is not just a matter of pleasing the President. You can find a little bit of the President in it, a little bit of the Finance Committee, a little bit of Labor and Human Resources Committee. The fact is we are talking about a $75 billion problem for which we are adding about $4 billion in solutions.

A wide variety of Americans who need child care in this country demand this kind of variety, and it is for that reason that I strongly support the Dole substitute and argue that it not be diluted by the Bentsen amendment.

The most expensive, difficult, financially difficult child care in America to provide is the decision by a parent to forego outside earned income in order to provide that care for a child himself or herself. And so nothing ought to stand in the way of an opportunity to add to ABC, to add to the current tax credit as much of the earned income tax credit or opportunity to spend the most expensive, most costly health care the mother or the father in the home that we have in this country.

It is not like we are creating this new policy. That is in effect the way it is in America today. The question is whether or not Federal policy will conform to the realities of child care in America as it is and will supplement with the limited dollars that we have available, will supplement those kinds of decision.

So I rise and argue strongly against the dilution by the Bentsen amendment of the expansion of the earned income tax credit and to remind my colleagues again, as I did earlier in this argument, that for $1.5 billion a year, slightly less than that—I think it must be down to a billion, whatever it is a year—you will be spending $123 on the average in 1991 to buy on the average family plan $4,320 in premium costs of health insurance. That is not going to buy anything.

In 1992, the Bentsen proposal would provide $152 on the average with a maximum of $400 against an average premium cost of $5,184. Again, we are assuming a rate of increase which is about the average in the last 3 years.

By the year 1994, when fully implemented, the maximum credit in the Bentsen proposal averages $189 a year against the $7,453 cost. I would say if we have that kind of money to spend we spend it on child care, not on supplementing an antiquated health insurance system in this country. I strongly recommend that my colleagues who believe in child care and who believe in health care make the decision to do both of them the right way and vote against the Bentsen amendment and for the Dole substitute.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New Mexico is recognized for 4½ minutes.

Mr. DOMENICI. Mr. President, I leave the health care argument to those who know a lot more about it than I, and address my remarks to the policy of the child care bill and to those who are strong proponents of the ABC bill.

Mr. President, there can be no doubt, and I say to my fellow Senators that those who are in support of the ABC grant program, where we are going to subsidize a small portion of the young children in this country through a mechanism of State grants and State certification, I urge that you consider the fact that your program is very narrow.

It cannot cover enough of our young children. Why in the world would you be voting for tax credits that take away from those dependent care tax credits for working mothers and EITC tax credits for nonworking mothers who will then get a very significant child care tax credit to spend on an unknown, untried reimbursement for existing health care expenditures? If that is a good program, why do we not consider it sometime? But why do we not say to the American people we have a State grant program that in and of itself is not going to do the job? Why do we not maximize the opportunity to help parents with their child care needs—whether they are working or not by giving them tax credits that are for child care needs?

If we had that $30 billion around here, we might take care of everything. But the issue before us is that ABC child care bill is supplemented by tax credits of one kind or another. All of a sudden, instead of an earned income tax credit that is meaningful, that will help stay-at-home mothers if they so decide, and that will help parents who work and pay for child care, we siphon off over $1 billion and say let us pay for a new program.

I am sure somebody can stand up and say it is related to child care. I tell you, whatever you take off the bill for this new reimbursement to people who are buying health insurance for children comes right out of the pockets of parents who have child care needs. That is what we have been talking about for 2 years. That is what the Presidential campaign was about. And now all of a sudden we are saying we can do all three.

We are going to do all three ineffectively. We are going to put a lot more pressure on the ABC bill and its effectiveness because we are taking money out of the pockets of parents who could then go get a subsidy for less money out of ABC because they received a tax subsidy. You take that into consideration when you assign them their allotment under ABC, but there are going to be less of them around with resources.

So essentially for a new program, the need of which has not been determined, you are taking money away from the effectiveness of the ABC program. For those who are sponsors and advocates of it, every dollar you put in this new program you take away from the effectiveness of the ABC program because it is supplemented by tax credits, either the refundable dependent care credit or refundable earned income credit. That is the issue. The issue is not who is sponsoring what. The issue is a child care bill that is made more comprehensive and apt to solve more problems versus a bill that is less comprehensive, will solve less problems, and put more pressure on ABC.

I yield the floor.

The PRESIDING OFFICER. The majority leader has 10 minutes.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator KENNEDY be recognized for 5 minutes, Senator BENTSEN be recognized for 5 minutes, and I be recognized for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I rise to support the provisions which have been included in this package that relate to health care. Listening to this debate, you think, well, if you have a child who needs day care, they may not need health care, and then I hear the minority leader saying why are we doing this; why are we subsidizing health insurance for some of the neediest families in this country? Well, this particular proposal, Mr. President, is helpful if you are actually going to provide some kind of health care to children. That is important. Senator BENTSEN has not stated that this is going to answer all the problems that we are facing in terms of the health needs of the children in this country, but it is a down payment just as the ABC bill is a down payment.

Then I hear, "Why should we be subsidizing these individuals?" Mr. President, we subsidize American business; $35 billion a year through the Tax Code for health care. We are talking about $1.5 billion in this program for children, for the neediest people in our society. Why do we not hear any opposition to those $35 billion subsidies to business from those who are saying, "Why are we doing this for needy people who are struggling to provide health care for their children?"

Mr. President, I think this particular proposal makes sense. We have seen increases in health insurance premiums of 20 to 30 percent per year in many of the last 5 years. How are low-income people supposed to maintain coverage at these inflation rates? Their incomes are increasing 4 to 5 percent a year, if they go up at all. We haven't increased the minimum wage since the beginning of this decade. This amendment is to try to give some relief, not a lot, but some relief, to those individuals who are trying to provide some health care to their children.

Mr. President, I believe this is a commendable amendment and it deserves support. I hope those who are concerned about whether we are going to begin to move down the road toward meeting health needs of our children will recognize the benefits of it and support it.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Texas.

Mr. BENTSEN. Mr. President, I heard the distinguished minority leader saying he wished we could have a bipartisan solution. He did not want this just to be a party line vote.

We had a bipartisan solution. When this bill came out of the Senate Finance Committee, with the child health care provision in that bill, the vote was 17 to 3—17 to 3. You cannot get much more bipartisan than that. The switch has been since then.

The President wants his bill. He is not going to get his bill just as he designed it. There is going to have to be a compromise. I am not going to get mine just as I designed it, and neither will the chairman of the Labor and Human Resources Committee, or the Senator from Connecticut. But we are going to take the best of each and put them together to help the children of America.

I have heard a lot of talk about the mothers who stay home and how Senators want to address that issue. I listened to those comments. And so we have now crafted this amendment so that over the next 5 years $5.4 billion will go to the mothers who stay home. Do you know the interesting thing about that? That is more money to the mothers who stay home than the Dole amendment had. Over 50 percent of the money in this amendment goes to the mothers who stay home.

I heard my friend from Minnesota talking about a $500 tax credit, to provide an incentive for the mother to stay home. Do you really think it adequate? Do you really think she is going to stay home because of that?

I heard my friend from Minnesota—and we are often allies when it comes to things for children. He is a compassionate man who has been very effective in their assistance. I regret the fact he is not with me on this one because I think we have a breakthrough in this amendment and that is important. But when he referred earlier to the long list of organizations supporting the health credit, in effect what he was saying by innuendo was that they are doing it to increase their profits. But let me tell you what some of those organizations who support this credit are: The American Academy of Pediatrics, the National Association of Children's Hospitals, the Washington Business Group on Health, the Children's Defense Fund, the National Women's Law Center; Dr. Steve Freedman, University of Florida Institute for Child Health Policy. Those are the kinds of people who are for it, who think this is a breakthrough and helpful to the children of America.

I heard the comment made that the credit does not do enough in paying for part of the premium. The study by the Health Insurance Association of America showed that the average cost of a family premium for the employ-

ees of middle and large sized companies providing family coverage is $800.

Now, by 1994, when the credit gets up to the full 50 percent, you are talking about cutting that premium in half. If it is a $800 premium, you are talking about payments per month of $33, instead of $66.

Will the market provide a product for this incentive? Of course it will. Will they expand the market? Certainly they will. But you also want to staunch the flow of companies and employees that are dropping their coverage because they just cannot afford it. That it what this does.

The Joint Tax Committee told us the credit affects 14 million children. Sure, some of them have insurance now. But, some of them are dropping insurance now. That is what we are trying to turn around. So this is an innovative approach supported by a majority of the Finance Committee. That means Republicans and Democrats trying to bring this about, making a dramatic difference in the child care and the health care of our country.

We have Blue Cross/Blue Shield saying they believe the private health insurance markets will respond to the incentive provided by the credit by making low-cost policies available.

Go down to Florida and see what they are doing there, offering a low-cost package to children through the public school system. Look at what is happening out in California where they have designed a product now for preschool children at $320; for children up to the age of 19 for $250. Does a $500 tax credit make a difference in the purchase of that insurance? Absolutely. It is a major breakthrough. But what you are seeing today amongst the families of America is the dropping of insurance coverage.

Surveys show that since 1980 there has been a 20-percent drop in the number of employees in medium and large sized firms who have wholly paid dependent health coverage, and that has happened to companies across America. That is what we are trying to turn around. You have seen a 17-percent increase in the premiums last year, representing a heavier burden for that family. And when they are faced with that fact, too many families are saying, well, maybe the kids will not get sick this year; maybe we will not have to go to the hospital. And then once that child has a fever, maybe that fever will break tonight, put on some ice packs, see if we cannot turn it around, give them some more aspirin. And when it gets too late, take them to the hospital.

I have seen a survey of the hospitals in Boston which shows that the child who arrives at a hospital without insurance gets lesser health care than a child who arrives with hospital insurance.

So what we are talking about is upgrading the health care of the children of this country. If you are a person on welfare with children, you have a better chance of health access for your children than someone who earns $10,000, $15,000 a year who wants to stay off welfare, wants to take care of the children. That is the target at which we are aiming. Those are the people we are helping.

I urge strong support for this amendment.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized for 5 minutes.

Mr. MITCHELL. Mr. President, I urge the Members of the Senate to support this amendment, and I begin by attempting to correct a misimpression which has been created during this debate. Over and over again opponents of this amendment have said—and I wrote it down verbatim when stated by one of them—that "Nothing in the bill helps mothers who stay at home."

Mr. President, that is not true. The health care credit which is now being debated is available to mothers who stay at home. An effort has been made to incorporate provisions proposed by the President which are available to mothers who stay at home. The legislation is now before the Senate, and this amendment by Senator BENTSEN, is specifically designed to help mothers who stay at home.

So let us dispel that misimpression. This helps mothers who stay at home. That is what it is intended to do, and that is what it will do.

This is a fair compromise. We have responded to the President's concerns. We have responded to the concerns of our Republican colleagues. But now we are being told that unless we accept what the President wants there will be no bill. Remember the sandlot baseball game? "I brought the ball, and if I cannot pitch, there will not be a game." That is what we are being confronted with. We have gone the extra mile to compromise, to accept recommendations made by the President, and made by opponents of the legislation not only in the provisions of the ABC bill but with respect to the nature of tax assistance.

Let me address the question of health care. Do we need better health care for American children? Consider this fact: Fully 40 percent of American children under the age of 4 have not been immunized against diseases such as polio, whooping cough, measles, and mumps. Consider another fact: The United States ranks 19th in the world in infant mortality—19th in the world. The health of American children ought to be one of our highest national priorities, not something to be discounted, ridiculed, or shunted aside. Yes; this amendment helps provide better health care for American children, and we do not apologize for that. We are proud of it. We think it is important and necessary to help improve the health of American children.

What do the words "child care" mean if they do not mean the health of American children?

So this amendment deals with child care, including the health of American children. It helps mothers who stay at home. It is a well balanced compromise that takes some of the provisions which the President has proposed, takes some of the provisions which our Republican colleagues have proposed, and represents a sincere and genuine effort to go the extra mile to compromise.

Now, we are being told we only want 90 percent of the way, and we have to go 100 percent of the way. Well, I think the Members of the Senate recognize a fair compromise when they see one.

I urge my colleagues to support this amendment. We want to get the best, most fair, most comprehensive bill possible which the limits on our resources permit. This does not address every problem in the country. It does not make aid available to every family and child who will need it. But it does represent a significant, a truly significant step in the direction of better child care and better health care for American children. It deserves the support of every Member of the Senate.

I urge my colleagues to support this amendment.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 222 offered by the Senator from Texas to amendment No. 202 offered by the Republican leader, Mr. DOLE. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

The VICE PRESIDENT. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—54

Adams	Burdick	Fowler
Baucus	Byrd	Glenn
Bentsen	Conrad	Graham
Biden	Cranston	Harkin
Bingaman	Daschle	Heflin
Boren	DeConcini	Hollings
Bradley	Dixon	Inouye
Breaux	Dodd	Johnston
Bryan	Exon	Kennedy
Bumpers	Ford	Kerrey

Kerry	Mikulski	Robb
Kohl	Mitchell	Rockefeller
Lautenberg	Moynihan	Sanford
Leahy	Nunn	Sarbanes
Levin	Pell	Sasser
Lieberman	Pryor	Shelby
Matsunaga	Reid	Simon
Metzenbaum	Riegle	Wirth

NAYS—45

Armstrong	Gramm	McConnell
Bond	Grassley	Murkowski
Boschwitz	Hatch	Nickles
Burns	Hatfield	Packwood
Chafee	Heinz	Pressler
Coats	Helms	Roth
Cochran	Humphrey	Rudman
Cohen	Jeffords	Simpson
D'Amato	Kassebaum	Specter
Danforth	Kasten	Stevens
Dole	Lott	Symms
Domenici	Lugar	Thurmond
Durenberger	Mack	Wallop
Garn	McCain	Warner
Gorton	McClure	Wilson

NOT VOTING—1

Gore

So the amendment (No. 222) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAFEE. Mr. President, I support Senator DOLE's amendment which would replace the health insurance tax credit portion of the ABC bill with an increase in the earned income tax credit for low-income families with young children.

I was extremely distressed to learn that the health insurance tax credit had been added to ABC. I do not believe that the original proposal is effective. Senator BENTSEN's amendment with a modified health insurance tax credit is even less effective.

For the past 8 years, many of us, including the distinguished Senator from Texas, have worked tirelessly to improve the health care status of low-income children and families by improving and expanding the Medicaid Program. We have struggled every year to find small amounts of money to pay for limited expansions in coverage.

But today, we are suddenly talking about a $1.5 billion proposal which does not expand health care coverage at all, but rather subsidizes those families already receiving health care coverage. The estimate of the cost of this provision does not recognize any increase in insurance coverage for children.

If we used this same amount of money to pay for an expansion of Medicaid, we could assist up to four times as many people who are currently without any health care coverage. In a time of limited funding, it seems imprudent to consider a proposal which does not address increased access to care.

This Senator has been one of the most consistent and outspoken proponents of improved health care services for children and low-income families. The health care tax credit will not achieve that goal. As one deeply involved in these issues, I strongly believe we can find a more effective way to spend $1.5 billion through the Medicaid Program.

During this time of fiscal restraint our priorities should include providing health care to the 12 million children who are uninsured. Providing a health insurance tax credit to families who currently have insurance should be a lower priority.

Employers who pay wages under 200 percent of poverty frequently do not even offer the opportunity to buy dependent coverage. In order to have health insurance, families have to purchase nongroup coverage in the private market—at rates that we all know to be exorbitant. A $500 maximum credit for a family under $12,000 would not be sufficient to make this feasible.

Therefore, the majority of families who have the potential of benefiting from this proposal are those who do not have access to employer-subsidized insurance. Even these families would have difficulty taking advantage of this credit because most of them are to pay a substantial percentage of the premiums. In fact, it is not uncommon for employees to pay the entire family coverage premium—at a cost ranging from $2,600 to $3,000 per year. Again, the maximum credit of $500 would not be enough to encourage low-income families to purchase the coverage.

In preparing cost estimates on this proposal, the Joint Committee on Taxation assumed no behavioral changes in terms of those who currently purchase insurance and those who do not. JCT estimates that the $1.5 billion credit proposal will affect 14 million children. But, those 14 million children are already insured.

It appears clear that very few children, possibly as low as 500,000 children will benefit from this proposal. A few numbers will illustrate what I mean. In the income category this proposal would affect, there are approximately 8.8 million uninsured children. Of these, there are only 1.2 million children that even have access to employer-provided insurance: that is, they are the children of employer-insured adults. This is the group that would theoretically be able to use the credit. But as a practical matter, fewer than half would be able to afford to.

We can be doing much more for low-income families with $1.5 billion. Senator DOLE's amendment would give a supplemental tax credit to families with incomes below $15,000. The goal is to allow families to offset some of the costs they experience in having small children. These costs may include child care, health care, proper nutrition, or anything that families provide for their children.

My concern about the health insurance tax credit increased when I compared its effectiveness with the Dole amendment. The health insurance tax credit would help families with incomes under $21,000. Senator DOLE's amendment would help families with incomes under $15,000. If we are going to use limited dollars to provide a supplement to families with small children, I believe it is most appropriate to concentrate on families at the lowest end of the income scale, as Senator DOLE's amendment does.

Some Senators may object that the credit does not ensure that families will use the supplement specifically for their children's expenses. However, I believe that families need the flexibility to use the money in the most effective and necessary manner. For example, the credit may enable a family to more easily pay the sliding scale fee for community health clinic services while still leaving money available for child care or some other necessity.

The Act for Better Child Care in combination with Senator DOLE's proposed EITC credit makes a significant step toward removing some of the barriers blocking low-income families from self-sufficiency. Last year we worked very hard to reform the Welfare Program. Our efforts to help families get back on their feet will soon prove to be very successful. But our work must not stop there. We must enact the ABC bill and the Dole amendment to alleviate some of the burden of child care and other necessities. Both of these measures will enable more families to continue on the path toward financial independence.

We cannot afford to short-change our children by spending $1.5 billion on a proposal that doesn't efficiently and effectively help them. I urge my colleagues to support the Republican leader's amendment, and to defeat the second-degree amendment currently under consideration.

AMENDMENT NO. 202, AS AMENDED

The VICE PRESIDENT. If there is no further debate, the question is on agreeing to the amendment of the Senator from Kansas, as amended by the amendment of the Senator from Texas.

The amendment (No. 202), as amended, was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The minority leader.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

AMENDMENT NO. 223

(Purpose: To replace the tax credit for health insurance premiums with an increase in the earned income tax credit)

Mr. DOLE. Mr. President, I send an amendment to the desk.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 223.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 97, line 5, strike all through page 109, line 10, and insert the following:

TITLE II—INTERNAL REVENUE CODE PROVISIONS

This title shall be effective after December 30, 1990.

SUBTITLE A—EARNED INCOME CREDIT AND DEPENDENT CARE CREDIT

SEC. 211. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting ("including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

SEC. 212. DEPENDENT CARE CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection.

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle and section 6401, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsection (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)(2)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses (as defined in section 21(b)(2)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee,

"(C) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with

such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

"(e) REGULATIONS.—The secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) one-third of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining two-thirds of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end there the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 212(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury and the Secretary of Labor, or the Secretarys' delegates, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

If the Senator will suspend 1 minute to restore order to the Chamber so the Senator may be heard.

The Republican leader.

Mr. DOLE. Mr. President, I understand the majority leader wants to take a look at the amendment. Let me explain while we have Members here what it does.

It is just where we were when we started. We changed the effective date by 1 day.

We need to make a decision in the Senate whether we are going to go for some untested new program called a health credit or going to enlarge the EITC, earned-income tax credit.

We would like to get a clear vote on that, not a half loaf of this and a half loaf of that.

We intend to keep doing this. If this is going to be a second degree and have the same vote, I will offer another amendment. We would like an up or down vote. We would like the Senate to say we do not believe in EITC; we want to try this new untested program.

I do not believe that represents the majority view. This will be a clearer test than what we just finished where we had some EITC and some health care that satisfied a majority of Senators.

That is all the amendment does. I am sure the majority leader wants some time to discuss it and form a strategy to follow. Meanwhile I will try to find another amendment if that is satisfactory.

The PRESIDING OFFICER. If the Senator will suspend 1 minute until we obtain order in the Chamber so the Senator may be heard.

Senators will please take their conversations off the floor, so that the Senate can conduct business.

MORNING BUSINESS

Mr. PRYOR. Mr. President, I ask unanimous consent that there be a period now for the transaction of routine morning business, the time not to extend beyond 2:20 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. I thank the Chair.

(The remarks of Mr. BUMPERS pertaining to the introduction of S. 1264 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. I thank the Chair.

(The remarks of Mr. METZENBAUM pertaining to the introduction of S. 1261 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 1261 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MOUNT RUSHMORE COMMEMORATIVE COIN

Mr. PRESSLER. Mr. President, I am happy to announce that nearly one-half of the U.S. Senate has joined me in sponsoring a bill to mint a commemorative coin for Mount Rushmore.

Mount Rushmore is a South Dakota treasure. It celebrates its 50th anniversary in 1991 when a major celebration is planned. In fact, a celebration similar to what was done for the Statue of Liberty is underway. A national fundraising drive is being chaired by Mr. Al

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Neuharth, of USA Today, who is a native South Dakotan.

Nearly 2 million tourists a year visit Mount Rushmore. It is one of the most popular attractions that foreign tourists, particularly Japanese, wish to visit.

Of the money raised from the coin, one-half will go to the Treasury of the United States for reduction of the deficit and the other half will go to the Mount Rushmore Society for improving its facilities.

I was pleased, in an earlier Congress, to sponsor an amendment to build a new road up to Mount Rushmore. I also introduced another amendment to develop the architectural plans for refurbishing Mount Rushmore for the 1991 celebration. It is a major national symbol. It is a major attraction for domestic and foreign citizens to visit and to be inspired by the four Presidents on Mount Rushmore and the ideals they represent.

A number of years ago I sponsored a National Tourism Act, which designated one of the Under Secretaries of Commerce to work strictly on tourism as the U.S. Travel and Tourism Administration. Part of the effort was to help those States that are not on the coasts to get more tourists: the midlands, and some of the other sites within the interior of our country. Certainly Mount Rushmore, the national parks, the national forests, the Badlands, the attractions in Wyoming, and those in North Dakota where my colleague, who is chairing the Senate at this moment, is from, are a part of this effort.

Mr. President, I wish to thank my colleagues. I believe we have 46 cosponsors today. There will be more. As a member of the Banking Committee, 40 Members allows us to proceed to consideration of the bill. We will continue to increase the number of cosponsors and continue to work toward the minting of Mount Rushmore commemorative coins. We look forward to building to this celebration in 1991 which will be a national celebration of Mount Rushmore, and of the ideals represented by George Washington, Thomas Jefferson, Abraham Lincoln, and Teddy Roosevelt.

Mr. President, I thank my colleagues and I yield the floor.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, it is now 1,560 days that Terry Anderson has been held in captivity in Beirut.

Peggy Say, Terry Anderson's sister, has shown enormous strength in the face of her brother's ordeal. She has worked tirelessly for his release, despite meeting tremendous frustration.

On January 21, 1989, a story appeared in the Boston Globe which described Peggy Say's visit to a school which had undertaken a letter-writing campaign on Terry Anderson's behalf. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Jan. 21, 1989]

NEW ERA BRINGS NEW HOPE FOR HOSTAGES

(By Stan Grossfeld)

It was just past high noon when Peggy Say let the Gipper have it.

"Ronald Reagan didn't even mention the hostages in his farewell speech. He said his only regret was the deficit. God willing my only problem should be money."

Say, sister of hostage Terry Anderson, was particularly irked because Reagan had called her from Air Force One in November, 1986, and promised he "would not rest until Terry was home." But yesterday was Day 1408 in captivity in the Middle East for Anderson and Day One for private citizen Reagan.

Unlike eight years ago, when the hostages held in Iran were freed on the day of Reagan's first inaugural, yesterday there was no word on the nine American hostages held by Shiite Moslems in Lebanon. Still, President George Bush's inaugural speech gave her hope.

"Hey, even a mention is an acknowledgment of the pain, and that means a lot," she said after speaking at Waltham's South Middle School, where she thanked students for a letter-writing campaign and helped hoist a hostage flag, which will fly until the Americans are released.

Students then launched 400 yellow balloons, each one carrying a message asking the receiver to write the president and other leaders in support of Terry Anderson. Some balloons headed skyward, but many got trapped in the bare trees of Moody Street, giving it a carnival look. Until one thought of the obvious symbolism.

Peggy Say repeatedly asked reporters if there was any news out of Beirut—she carries her passport with her wherever she goes—and then talked of Bush, whom she has met and reportedly called "cold fish." Say claims she was misquoted.

"I must admit . . . he seems to be extending an olive branch in many directions. I hope that would include those in the Mideast who have influence over the hostages." Former President Reagan, who at the time was flying to Andrews AFB in a Marine helicopter was given yet another swipe.

"Reagan always refers to those shadowy groups' holding the hostages, and he said in one of his last interviews 'We don't know where they are or who has them.' I know who took my brother, his captors names, where they went to school. Their identities were published in Newsweek two years ago."

Say is not the only one angry: the students at South Middle are, too. "I think the government should be doing something—they haven't acted on anything," said 7th-grader Billy Ferguson. "They should talk to the people holding them captive and find out what they want. He has a three-year-old daughter he's never seen."

Ferguson, 11, says he has grown more than a foot since Terry Anderson was taken hostage. He has also learned to write letters to President Bush and to Sen. Kennedy, and he's gotten an unsolicited taste of life in captivity—when he lied to his mother.

"I told her I had to do homework at a friend's house and I went and saw 'Who Framed Roger Rabbit.' My mother found out and made me spend one week in my room—no going out except for my paper route. I felt real sad and real lonely and real bored . . . I'm surprised he [Anderson] hasn't tried to kill himself."

South Middle School principal Paul Connolly said. "These kids have big hearts and are very sensitive. They've already written 500 letters, and we hope to go statewide, get 150,000-200,000 and then start on the other 49 states."

"There were a lot of kids really choked up that he has never seen his daughter."

Say told a packed auditorium that Anderson was abducted on a Beirut street by three armed men driving a green Mercedes. "My eight-year-old niece Rachel said, 'Mommy, how many men with three arms took Uncle Terry?' "

She told the students that they may sometimes fight with their brothers and sisters, but they should "be a little quicker to hug."

Brian Kenney, a 7th-grader at Millis Middle School, got the message. "We're gonna hound them, overload them, and flood them with letters. People are sitting around doing nothing while he's rotting. I wouldn't want that to happen to my father."

THE U.S. CAPITOL PRESERVATION COMMISSION

Mr. BYRD. Mr. President, this has been quite a busy time for those of us who cherish the U.S. Capitol Building.

Last November, Congress established the U.S. Capitol Preservation Commission to provide improvements in the preservation and acquisition of works of fine art and other property for display in the Capitol.

Also in 1988, Congress passed the U.S. Congress Commemorative Coin Act. This statute provided for the minting of a five-dollar gold coin, a one-dollar silver coin, and a fifty-cent clad coin, each bearing designs emblematic of congressional history. A significant portion of the surcharges received from the sale of these coins will be deposited in the Capitol Preservation Fund, under the jurisdiction of the Capitol Preservation Commission.

On June 14, 1989, as Senators are aware, the initial gold and silver bicentennial coins were minted under a tent on the Capitol's East Front plaza. This became the first occasion that U.S. coins have been struck outside a mint facility.

On June 20, this past Tuesday, the Capitol Preservation Commission sponsored a gala dinner at the National Building Museum to raise $1 million for the Capitol Preservation Fund.

Mr. President, I ask unanimous consent that my remarks on both of these excellent bicentennial events be printed in full in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROBERT C. BYRD AT THE FIRST COIN STRIKE CEREMONY, WEDNESDAY, JUNE 14, 1989, U.S. CAPITOL BUILDING

Secretary Brady, Treasurer of the United States, Mrs. Ortega, Director of the Mint, Mrs. Pope, Mrs. Boggs, Members of Congress, ladies and gentlemen. If the United States of America has one tangible, visible symbol, it is our Capitol Building. It began as our Nation began—as an idea in the minds of inspired men. Its location here in a new Federal city emerged from a vigorous debate in which differing parties yielded in compromise for the good of all. In designing the new city, Pierre L'Enfant selected this hill as the Building's site—a place he described as a "pedestal waiting for a monument."

The Capital has grown as our Nation has grown. As the leaders of the legislative and executive branches struggled in the temporary Capital of Philadelphia during the 1790's to give shape to the newly minted government, the Capitol's architects and overseers labored against funding shortages and differing visions of what building design would be most appropriate for the Nation. As the administration of George Washington declined in popularity and talk of impeachment flourished, construction funds were cut and work ceased on the structure's south wing, designed for the House of Representatives.

Yet work continued on the Capitol's north wing, and in November of 1800, the House and Senate moved to Washington and convened for the first time in the north wing's cramped quarters. This came in the midst of a Presidential contest that seemed likely, for the first time, to transfer power from the Federalist Party of George Washington and John Adams to the Republican Party of Thomas Jefferson. There were no guarantees that the new nation would survive this transition, which was seen as the greatest test of this fledgling constitutional republic.

Three months later, Thomas Jefferson took his oath in the Senate Chamber as the Nation's third President. Just yards from this very place, he declared, "We have been called different names, brethren of the same principle. We are all Republicans: We are all Federalists. Jefferson's inauguration demonstrated the Constitution's abiding strength as a framework for the peaceful transfer of political power.

In the dozen years that followed, work was completed on the House wing. This doubled the Capitol's size, just as the purchase of the Louisiana Territory doubled the Nation's size. The greatest challenge of all appeared in mid-August of 1814 as hostile British forces marched on Washington, virtually unimpeded, and set the Capitol ablaze. The fire destroyed the interior but a fortuitous rainstorm saved the exterior. The next year brought peace with Great Britain and the beginning of the Nation's westward expansion. Within three decades, the United States would extend its reach across a continent, spanning from the Atlantic to the Pacific.

By the middle of the nineteenth century, Senators and Representatives from newly admitted States arrived to find the Capitol's Legislative Chambers crowded to capacity. It became apparent that as the Nation was expanding, so too must the Capitol. In 1859, as the issue of slavery threatened to tear the Nation asunder, new wings were made ready for occupancy and work progressed on a new dome, designed to be in proportion to the expanded structure.

Then came the greatest test ever to the fabric of our Constitution. Shortly after the enlarged Chambers went into service, a tragic and bloody civil war emptied them of their Southern Members. Learning that the Secretary of War, in the face of an engulfing military emergency, had ordered a halt to the dome's construction, President Abraham Lincoln proclaimed that the work should continue. He declared, "If the people see the Capitol going on, it is a sign that we intend the Union shall go on. In the midst of that construction, the very cast iron plates that would form the dome were pressed into service as protective breastworks on the Capitol's porticoes. Boards and Boulders and casks of cement barricaded the entrances. Construction did go on. The dome was completed and the statue of freedom was hoisted into place in December of 1863, as the fortunes of war began to turn in favor of the Union.

Since those dark days, the Capitol has stood as a unifying symbol to our Nation. In our legislative chambers we pause in great moments to honor the Nation's living heroes: its poets, its generals, its astronauts. In the Capitol's magnificent rotunda, we have paid homage to our departed heroes: From Henry Clay and Abraham Lincoln to John F. Kennedy and Claude Pepper.

The building has survived fires, bombings, and the assaulting elements of wind, rain, and searing sun.

Like the Capitol, our form of government has endured. It has weathered war, economic depression, assassination, and bitter divisions among its citizens. As we survey the political and social turmoil that engulfs other nations in our modern world, we pause with today's ceremony to pay tribute to our system of checks and balances. This system has ensured that government remain the servant of the people and not their master.

For today's ceremony, the U.S. Mint has chosen the theme "Proclaiming the Triumph of Democracy." And for the coins that are about to be issued, Congress has specified that each would bear the word "Liberty." Liberty and democracy are what our Capitol Building has come to symbolize. These coins are thus a fitting way to celebrate the bicentennial of Congress and to promote the magnificent and enduring principles for which this Nation stands.

STATEMENT OF SENATOR ROBERT C. BYRD AT THE FINAL GALA BICENTENNIAL DINNER, TUESDAY, JUNE 20, 1989, PENSION BUILDING, WASHINGTON, DC

Ladies and gentlemen. Welcome to this final gala celebration of the bicentennial of the United States Congress. Thank you for being here. I deeply appreciate your support of the Capitol Preservation Commission.

We meet this evening in the majestic hall of the Pension Building. In the late nineteenth century, this building's construction was supervised by General Montgomery C. Meigs. Years earlier, General Meigs had similarly been in charge of the building of the Senate and House wings of the U.S. Capitol.

As gifted and influential a man as was Montgomery Meigs, he was only one of countless numbers of Americans who have played a part in the construction and reconstruction, in the furbishing and refurbishing of the Capitol Building over the past two hundred years. And during that time, the Capitol has grown with the Nation, literally pushing out its walls and expanding as new States were added to the Union, new Members were added to Congress, and more and more Americans came to see this living symbol of democracy. The Capitol weathered war and peace, prosperity and depression. It has even weathered Washington's weather. Because of the efforts of the many who love this building, it still stands proudly upon Capitol Hill, its marble gleaming in the sunshine, its dome the most recognized symbol of our national Government. Our national symbols are precious. They remind us of how fortunate we are to live in this unique land. They inspire captive peoples to struggle against oppression and reach out for the promise of freedom. Our symbols are the dwelling places of our dreams and the shrines of our ideals. So, tonight we launch the Capitol Preservation Commission, to maintain and enhance our temple of democracy, the United States Capitol Building. This is not just a worthy effort. It is a responsibility to future generations. Our Capitol Building is the legacy of all that we have struggled for and all that we have achieved. We must never let it decay of slip into disrepair. It is the people's talisman, and with our efforts it will remain forever a beacon to all who thirst for freedom around the globe.

As those of you attending this evening know, events do not just happen. They take hard work and good advance planning.

I want to give a special thanks to individuals who have been extremely helpful in making this evening possible.

Our chairman of this celebration, Bob Tisch, is a legend in New York. Now he has brought his talents to Washington. You have done a wonderful job, Bob, and I extend the appreciation of the Congress to you for your commitment.

Hamish Maxwell, our dinner chairman, has been extremely generous with his resources and his time. Hamish, we are all in your debt—you have certainly "earned your dinner."

I also want to thank Colonel John Bourgeois and the U.S. Marine Corps Band who have so enhanced our bicentennial activities.

In closing, let me also thank Barbara Boggs and Ellen Proxmire, who have spent many hard hours to make this event successful. And to our own Dot Svendson, who is our in-house guarantee for the success of any event with which she is associated, I express gratitude.

Thank you all for being here and thank you for your support for the Capitol Preservation Commission. In future years, each of you can look back and know that you had a significant part in preserving our Capitol Building for future generations to enjoy and revere.

It is now my great pleasure to introduce the distinguished chairwoman of the House Commission on the Bicentenary, the Honorable Lindy Boggs.

TRIUMPH FOR THE U.S. CUSTOMS SERVICE

Mr. HELMS. Mr. President, on June 24, 1988, the United States Customs Service arrested three men who were trying to smuggle sophisticated weapons technology to Egypt. On June 11, 1989, 1 year later, U.S. scientist Abdelkader Helmy pleaded guilty and agreed to cooperate in an international inquiry. Mr. Helmy was the main figure in the smuggling attempt.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The arrest and trial reflects the excellent job done by the Customs Service through its ambitious program code named Operation Exodus. The object of this program is to stop the unlawful exportation of high technology. Through the dedication and persistence of the Customs Service, the United States was able to avoid a serious loss of high technology which is used for ballistic missile production.

Mr. President, the Customs operation succeeded in breaking one of the links in the escalating crisis in the Middle East as countries there scramble to obtain ballistic missiles. The United States must make every effort to stop the proliferation of missiles in the Middle East. With this in mind, Mr. President, I point out that the Foreign Aid bill being considered currently in the committee includes a provision I sponsored with the chairman which is intended to discourage Chinese sales of ballistic missiles to Libya, Syria, Iran, and Iraq. I hope my colleagues will take note of this when the bill comes to the floor.

Mr. President, so that my colleagues may have the opportunity to read an excellent summary of the Helmy case, I ask unanimous consent that an article written by William M. Carley in the April 4, 1989, Wall Street Journal be printed in the RECORD. In addition, I ask unanimous consent that a New York Times article of June 11, 1989, also be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 4, 1989]

SHADY BUSINESS: HOW THE U.S. CAUGHT AN ALLEGED SMUGGLER OF ARMS PARTS TO EGYPT—HIS SHIPMENTS FED THE RACE AMONG MIDEAST NATIONS FOR A LONG-RANGE MISSILE

(By William M. Carley)

RANCHO CORDOVA, Calif.—Abdelkader Helmy's career as an alleged smuggler of U.S. missile materials and parts lasted barely nine months.

Last June, his worst fear came to pass. Mr. Helmy, who is 41 years old, was arrested, jailed and fired from his $70,000-a-year job as chief scientist on a weaspons program at GenCorp's Aerojet division. The Internal Revenue Service filed notice to seize his family's newly purchased home here in Rancho Cordova. The agency even seized his modest individual retirement account. Today he is still in jail.

The Egyptian-born Mr. Helmy was ruined in the quickening race of Middle East nations to arm themselves with sophisticated missiles. He played a critical role, according to the government, in efforts to export missiles-making supplies to Egypt. He was supplied $1 million from a Swiss bank account. He deposited the money in a California savings and loan association, the government says, using it to buy and ship items that Egypt couldn't obtain legally.

SIFTING THE GARBAGE

But the U.S. Customs Service, tipped early to the scheme, possibly by Israeli intelligence or the U.S. Central Intelligence Agency, was tracking almost every move of Mr. Helmy and his confederates. They also tapped his phone and facsimile machine.

The agents sifted through his garbage, too, and found notes on missile systems. Kenneth Colins, an Aeroject vice president, told customs officials that the notes describe "a complete package to build or upgrade a tactical missile system."

Most of Mr. Helmy's confederates are untouchable: the cast of characters includes three high-ranking Egyptian military officers, one of whom was indicated by the U.S. but never arrested, and the Egyptian minister of defense. Only Mr. Helmy and James Huffman, an aerospace marketing man from Livingston, Ohio, now are being prosecuted. Mr. Huffman is free on bail.

Both men deny any wrongdoing and say they will fight the smuggling charges against them, filed in federal court in Sacramento and announced June 24 last year. A spokesman for the Egyptian government says it is investigating the role of its officials in the affair.

A BOYHOOD CHUM

Whatever the outcome of the legal proceedings, U.S. officials say the case grows but of a dangerous race in the Middle East to obtain long-range missiles, some possibly tipped with poison-gas warheads. They say several countries in the region are trying to obtain ballistic missiles that could reach targets in five minutes or so.

Born and raised in Cairo, Mr. Helmy, according to his attorney, was a boyhood chum of Abdel Halim Abu Gazala, who is now the Egyptian defense minister. At the University of Cairo, Mr. Helmy earned bachelor's, master's and doctoral degrees in chemical engineering. In 1977 he came to the U.S. to work for Jet Propulsion Laboratory, Pasadena, Calif., where he specialized in rocket fuels.

In 1982 Mr. Helmy moved to Teledyne Inc.'s Teledyne McCormick Selph division in Hollister, Calif., still specializing in rocket fuels. At Teledyne he met Mr. Huffman, who later moved to Ohio to become a Midwest marketing representative for the division.

In September 1987, according to Mr. Helmy's lawyer, Mr. Helmy was on vacation in Egypt with his wife and children when he was summoned to the Defense Ministry to talk with Mr. Abu Gazala. The minister asked Mr. Helmy to help purchase chemicals and other items for export to Egypt. Mr. Helmy was told to work out the shipping details with the Egyptian Embassy in Washington; but he would report to Col. Hussam Youssef, posted to Salzburg, Austria.

MILLION-DOLLAR ACCOUNT

Mr. Helmy returned to the U.S. became an American citizen in October, and got his job at Aerojet. The story that follows comes largely through affidavits filed by customs agents in federal court in Sacramento.

In early 1988, IFAT Corp., Zug, Switzerland, a company the agents believe Egyptian officials used as a front, began making wire transfers to the Helmys' checking account at the World Savings & Loan Association branch in Cameron Park, Calif., not far from the Aerojet plant. In transfers increasing in size from $30,000 to $150,000 to $500,000, the account swelled to more than $1 million.

Mr. Helmy began his shopping. Because of his job at Aerojet, he had only occasional difficulty. He ordered 54 pounds of carbon composites, which can be used to make rocket nose cones, from Kaiser Aerospace's Kaiser Aerotech division in San Leandro, Calif. It was shipped to his home by United Parcel Service. He ordered a tiny antenna made by Vega Precision, Vienna, Va., that could be installed on a rocket for data telemetry.

Later, Col. Youssef telephoned from Austria to ask about the antenna: "Did you ship it?" Mr. Helmy replied: "They are now tuning it. * * * As soon as I receive it I will ship it to you right away; if somebody from your end comes our way, he can carry it [back] in his suitcase."

But the conversation was being recorded: on March 18 the Customs Service had received its tip that a smuggling plot was afoot, and that to further it, an Egyptian official—Fuad Algamal, who was later identified as a brigadier general in the Egyptian army—would be flying from Frankfurt to Chicago on his way to California. The next day, a customs agent in Chicago learned from Lufthansa that Gen. Algamal would arrive that afternoon to board an American Airlines flight to Sacramento.

Shortly after the general stepped of his Lufthansa flight at the Chicago airport, the customs agent surreptitiously photocopied Gen. Algamal's passport. The agent then wired a facsimile copy of his passport identification photo to customs agents in Sacramento. Recognized by the photo as he stepped off his American Airlines jet in Sacramento, Gen. Algamal was shadowed by agents until he left the country.

His trail led directly to Mr. Helmy; the two met at a motel in Rancho Cordova and then flew to Washington, D.C. There, Mr. Helmy checked into a room at the Vista International Hotel on March 24. Defense Minister Gazala was also in the hotel. He and other Egyptians were in Washington for final negotiations of an arms treaty with the U.S.

Mr. Helmy's lawyer says the minister complained that the procurement of rocket materials was going too slowly. Mr. Helmy was urged to speed things up.

He did. Returning to his office in a windowless concrete building at Aerojet's sprawling rocket plant at Rancho Cordova, Mr. Helmy began directing the shipments of his purchases to Mesa Associates, a company set up in Ohio by Mr. Huffman. According to Customs Service affidavits, on May 12 an American Cyanamid plant in Charlotte, N.C., shipped to Mesa an order of Cyanox 2246, a chemical that prolongs the life of solid rocket fuels.

On May 26, Arsyncol Co., New York City, sent to Mesa a rocket propellant ingredient called MAPO. On May 27, Henkel Corp., La Grange, Ill., shipped to Mesa an epoxy hardener that, with another chemical, is used to glue carbon materials in aerospace applications.

While the materials were being gathered in Ohio, Mr. Helmy's garbage was being gathered from his home in nocturnal visits by customs agents. In the garbage they found a deposit receipt that led them to World Savings & Loan and the Helmys' accounts there. The agents found that a check had been written to Kaiser Aerotech; they visited Kaiser and learned of the Helmy order of carbon composites.

Meanwhile, from officials at Aerojet the agents learned that Mr. Helmy was expert in both rocket propulsion and carbon composites technology.

Another Helmy check, the agents found, had gone to Greenleaf Technical Ceramics, a subsidiary of Greenleaf Corp., in East Flat

Rock, N.C. Customs inquiries at the company disclosed that Mr. Helmy was in the process of ordering two ceramic cones that could withstand temperatures as high as 1,400 degrees Celsius for one minute; a missile nose of such resistance could survive reentry into Earth's atmosphere.

James Greenleaf, a Greenleaf manager, took the order himself, thinking it involved classified work. "I knew he [Mr. Helmy] worked for Aerojet, so I assumed it was for some black project," he says. "I thought, they're just trying to muddy the water. If you assume it's the government, you don't ask a lot of questions."

By this time customs agents had enough evidence for a court order to tap Mr. Helmy's phones. On May 25, according to their affidavit, Mr. Huffman in Ohio called Mr. Helmy at his Aerojet office. He had run into a roadblock, Mr. Huffman said. Mobay Chemicals wouldn't sell him a chemical called HDI. He added that he would wait a few days before contacting another supplier.

"I don't want to make anybody nervous or suspicious so they start sending somebody around to investigate," Mr. Huffman told Mr. Helmy.

When customs agents contacted Mobay, they were told Mr. Huffman had asked to buy HDI as a paint additive to paint the floor of a local gym. A Mobay official replied that the toxic chemical was used mainly in rocket fuel, and refused to sell it to him.

Despite this rebuff, Mr. Helmy and Mr. Huffman were rapidly accumulating enough materials for major shipments to Egypt. The plan was to truck the materials that had accumulated in Ohio to the Baltimore-Washington airport. There an Egyptian Air Force C-130 cargo plane, on a regular weekly flight, would ferry the materials to Egypt.

Another glitch developed. The Egyptian Embassy official who coordinated shipments on the C-130 took ill. He was replaced by Egyptian Rear Adm. Abdel Rahim Elgohary, posted to Washington as director of military procurement in the Egyptian Embassy. Adm. Elgohary, however, apparently hadn't been briefed by the Egyptian defense ministry on the urgency of the Mesa shipments.

In a June 1 phone call from the Egyptian Embassy to Mr. Helmy at his Aerojet office, Adm. Elgohary seemed disturbed by the shipments Mr. Helmy wished to make.

Said Mr. Helmy: "Both items are banned from being exported [from the U.S.] and we acquired them through our own ways and channels. You knew that very well."

"We cannot include a bill showing the type of items exported," Adm. Elgohary objected.

"No problem." Mr. Helmy responded. "I shall list the kind of material that looks like the material that we are shipping."

MORE OBJECTIONS

When the admiral expressed fear that the nature of the shipments might be discovered, Mr. Helmy tried to reassure him. "The operation is being done in three stages." Mr. Helmy said. "We acquire the material from the company itself in a certain way with the understanding that it is going to be used locally; then we move it to another place [in Ohio], and from there to you so no one will know its final destination."

The admiral still objected. "I am thinking. The shipment is large and heavy, 10 pieces in all. I need a year or more to ship it in small parcels. I was not expecting to be asked to ship a cargo of such weight, six or seven tons."

Mr. Helmy exploded. "You know the minister wanted the cargo shipped, no matter what. We were told that you will arrange for the shipment via the airplane that usually leaves for Cairo every . . . week."

The conversation ended. Shortly afterwards, Mr. Helmy was on the telephone with Col Youssef in Salzburg.

"The man in Washington is going to put us in great trouble." Mr. Helmy said of Adm. Elgohary. He said that if the shipments become known. "I shall be in great trouble." and he added. "You should understand that in one single minute I could be thrown in jail here and my children will never see me again. If he [the admiral] talks in a high voice like he did and people around him know what is going on, he should realize that very sensitive things are involved, especially things like antennas. Not only I will be in trouble, but also those who are helping me too."

FLIGHT DEPARTS

Col. Youssef promised to intercede. Later that day, he phoned to tell Mr. Helmy that he had spoken to Adm. Elgohary and that the admiral would cause no problems in the future.

Shipments began moving quickly. On June 11, the Egyptian C-130 took off from Baltimore-Washington. In its hold were drums of plasticizer—a chemical used to render plastic flexible enough to be molded into products—listed on the cargo manifest as fatty acid of animal oil, and a drum of a chemical called EPON, listed as plastic. Nordel, a specialty rubber, was listed as synthetic rubber. "We took all the markings off the barrels and boxes," Mr. Huffman told Mr. Helmy in a phone call.

A few days later another shipment was on the way, 430 pounds of carbon fibers from Fiberite, a company in Winona, Minn., to a freight forwarder in Ohio used by Mesa Associates. But this time customs agents were on hand; with Fiberite's cooperation, one customs agent rode the truck delivering the carbon fibers to Ohio, and other agents followed the shipment on to the Baltimore area.

Bigger shipments were in the works. The Customs Service's access to Mr. Helmy's phones also enabled them to copy facsimile messages between him. Mr. Huffman and Col. Youssef in Salzburg. From the nature of the messages it became clear that Mr. Huffman was beginning to get price quotations on tons of maraging steels—which can be used to make missile casings—from Ladish, a Milwaukee forging company.

But the group never got the opportunity to buy the steels.

Still unaware they were under investigation, Mr. Helmy and Mr. Huffman on June 23 chatted on the phone about a future shipment. "You tell him." Mr. Helmy said, "this is the material for the big man . . . which is the minister."

On June 24, the Fiberite carbon material was standing on the tarmac at Baltimore-Washington airport: it was scheduled to be flown to Egypt the next day. Adm. Elgohary's aide, a Col. Shousha—also known as Col. Mohamed Adballa Mohamed—was there to supervise the loading of the material. Mr. Helmy was at work at his office in California. Mr. Huffman, on other business, was visiting the U.S. Navy's Surface Weapons Center at Indian Head, Md.

Almost simultaneously, customs agents swarmed onto the airfield, the office and the Navy base, arresting all three men and seizing the carbon material.

Agents also took Mr. Helmy's computer disks from his home and his office. On one printout they found a total of 20 items had been ordered amounting to $614,000.

While some materials didn't require export licenses, others did, the federal indictment against the two men alleges. The two respond that they didn't break any U.S. laws because they were only acting as purchasing agents and that it was up to Egyptian officials to obtain any export licenses that were needed.

The materials actually involved didn't require licenses, they add. "The carbon compounds involved are no more high tech than those in this telephone," says Marcus Topel, attorney for Mr. Helmy. Mr. Topel adds that he will dispute some of the conversations from phone taps, arguing that the English translations of some discussions that were in Arabic were faulty.

Adm. Elgohary and Col. Shousha, who both left the U.S. shortly after the June 24 arrests, were named as unindicted co-conspirators. The State Department asked the Egyptian government to waive their diplomatic immunity, either for their prosecution or only for their testimony, which could be used against Mr. Helmy and Mr. Huffman. Egypt's government refused to waive any immunity. Col. Youssef in Salzburg was indicted by the U.S., but he has never been arrested.

While top Egyptians go free, the U.S. continues to pursue Mr. Helmy. The IRS, asserting that the Helmys owe hundreds of thousands of dollars in income taxes on the money wired by the Swiss company, has seized all the funds in his bank accounts. While Mr. Helmy remains in jail, his wife and two children are living at their home. Nobody believes that the cracking of the case will stop the Middle East missile race. Even now Israel, with assistance from the U.S. government, is developing an anti-ballistic missile as a defensive measure against other nations' missiles.

[From the New York Times, June 11, 1989]

U.S. ROCKET EXPERT PLEADS GUILTY IN EGYPTIAN SMUGGLING CASE

SACRAMENTO, CALIF., June 10 (AP)—An American rocket expert accused of trying to smuggle sophisticated weapons technology to Egypt has pleaded guilty and agreed to cooperate with investigators in an international inquiry.

The rocket expert, Abdelkader Helmy, 41 years old, of El Dorado Hills, pleaded guilty on Friday to one count of illicit exporting in return for having 11 other charges dismissed. He faces up to $1 million in fines and 10 years in prison.

As part of the plea arrangement, Federal prosecutors urged that Mr. Helmy serve nearly five years in prison. Federal District Judge Raul Ramirez set a presentencing hearing for Sept. 27.

"I put my faith in God and your judgment," Mr. Helmy told the judge.

Mr. Helmy, who was employed at the Aerojet Solid Propulsion Corporation, said he had participated in an international ring that attempted to smuggle out 430 pounds of carbon phenolic cloth, a material to help elude radar that is used in missile nose cones and stealth aircraft.

The cloth, which is on the Government's restricted-munitions list, can not be exported without a license. Aerojet was not impli-

cated in the scheme, the Federal authorities said.

Mr. Helmy, who has worked for NASA and propulsion companies in France and West Germany, said last year that he was recruited for the smuggling scheme by Egypt's Defense Minister at the time, Lieut. Gen. Abdel Halim Abu Ghazala.

MUBARAK'S DENIAL

In August 1988, The Washington Post reported that transcripts of monitored telephone conversations appeared to implicate Mr. Abu Ghazala in the alleged scheme.

Egypt's President, Hosni Mubarak, has denied that Mr. Helmy was part of an Egyptian spying ring.

Federal prosecutors said Mr. Helmy had received at least $1 million in payments from Egyptian sources to buy high-technology products like missile equipment.

"The indictment against Helmy charges serious violations of the nation's export laws," United States Attorney David Levi said. "As Helmy has today admitted, he was involved in an effort to defeat those laws and to export technology and terms of military importance."

Mr. Helmy admitted that he and a confederate had shipped the material last June from Minnesota, where it was manufactured by the Fiberite Corporation, to the Baltimore-Washington airport. Federal agents seized the material moments after it was loaded aboard a transport plane bound for Egypt.

COMMUNIST CHINA: MORE EXECUTIONS

Mr. HELMS. Mr. President, this morning's news contained reports of more executions in Communist China, this time in Beijing. That brings the official total to 27 such killings. The charges against the 27 involved such things as stealing Chinese Army property—for example, theft of a mosquito net.

I am outraged, but not surprised. After all, this is what communism is all about. On January 29, 1987, I spoke on the Senate floor about the true nature of the Chinese Communist Party. I said then that the Chinese Communist Party had dragged China on a long, wretched march to nowhere. Today we would say that it has been a long march to repression and death.

Mr. President, we are told that we must "maintain the relationship" with Red China—but, a relationship with what? A relationship with whom? At what point will Deng's terrorism against his own Chinese citizens make association with his regime more repugnant than it is worth? That point has already been reached insofar as I am concerned.

It is time to speak the truth: The Chinese Communist Party is an organization of gangsters masquerading as a government. Their rule is by death squads and a bullet in the back of the head.

It is time for the President and the Congress to assert the leadership of the free world and decide how we are to meet this challenge. Reacting after the fact to each new outrage with a little more response, is not the answer.

Today I call on the administration to join with the Congress to develop a united program to address the state terrorism of the Chinese Communist regime. Together, we must take a stand on a matter of fundamental principle. We cannot do business as usual with a regime that murders its own citizens.

SECTION 89

Mr. PRYOR. Mr. President, on January 1 of this year, small businesses woke up to find that the U.S. Government had mandated them to hire new employees and to purchase expensive computers and software. In other words, they woke up to find section 89 on their doorsteps.

Mr. President, I would like to read two letters from a couple of those small businesses.

WILLIAM C. NOLAN, JR.,
El Dorado, AR, April 25, 1989.

Senator DAVID PRYOR,
Federal Building, Little Rock, AR.

Re: Section 89 of the Internal Revenue Code.

DEAR DAVID: I am writing to request your support in repealing the now infamous Section 89 of the Internal Revenue Code. I operate several small businesses, two of which have what I consider to be very good group health insurance plans in which our Company pays the premium for the employee and the employee pays the family portion. Neither of the plans discriminate in any manner in favor of the owners, stockholders or partners. In fact, in some instances the owners and stockholders are not even covered by the plan.

Even with my legal training I have been completely unable to understand or comprehend what I must do in order to prove that our group insurance plans do not discriminate, when in fact there is no such discrimination in these plans. I do not think that I have ever seen a more misguided effort out of our Congress.

I believe that we should do everything possible to encourage the adoption of employer sponsored health benefit plans. However, if this new law stands I will be forced to consider abolishing the group health insurance plans relating to my companies because I do not want to risk being fined and censored when in fact our plans do not discriminate. This would be a real shame because it would very likely result in more than one hundred persons losing insurance benefits.

From what I can tell, my situation is just like that experienced by just about every other small businessman with whom I have any contact. Please do what you can to abolish this law. I believe that government was formed to serve and aide people and not foster completely unreasonable and incomprehensible laws and regulations on them thereby compounding the very problem that they are attempting to deal with.

Thank you for your consideration of this matter.

With best personal regards, I remain,

Sincerely,

BILL NOLAN, JR.

PACKAGING SPECIALTIES, INC.,
Fayetteville, AR, April 28, 1989.

Senator PRYOR,
U.S. Senate, Washington, DC.

DEAR SENATOR PRYOR: As the owner of Packaging Specialties, Inc., a small business in your district, I would like to call your attention to the hardships being inflicted on my company, and others like it, by the requirements under Section 89 of the Internal Revenue Code. This provision of the Tax Reform Act of 1986 will be ineffective because of its complexity, which has been compounded by a lack of guidance and poor communication from the Internal Revenue Service. Section 89 may also impose excessive and misdirected penalties on employers, even if they make sincere efforts to comply with its requirements.

Congress' primary goal in enacting Section 89 was to encourage employers to provide tax-free benefits, such as health insurance, to a broader base of employees who could not otherwise purchase or afford to purchase such coverage. While I agree with Congress' intentions, Section 89 in its present form cannot serve as the vehicle to reach this well intended goal. In fact, the substantial costs in terms of both dollars and time, required to comply with Section 89 will discourage employers like myself to extend these desirable benefits to a broader cross section of employees.

Under the qualification provisions of Section 89, I am required to have a written notification document and a written plan for each tax-free benefit I provide to my employees. Yet, the Internal Revenue Service has offered little guidance on the form or content of these documents. These qualification provisions apply even if a benefit is extended to only one employee. Compliance requires costly outside assistance to document the plan. Please note that the expense of drafting a plan for one or 1,000 employees may be the same, which poses a significant disadvantage to small and medium size businesses such as mine.

The Section 89 mathematical tests required to be made for each plan are so complex that many small and medium size employers will be compelled to seek outside assistance which results in an additional cost of doing business.

The Section 89 penalties are both excessive and misdirected. To tax a highly compensated employee on his excess benefits, for example, provides little, if any, encouragement to an employer to extend health care coverage. Further, the law may penalize the wrong person by including the proceeds of a disastrous medical reimbursement in the income of a non-highly compensated employee if the employer fails to comply with the plan qualification rules.

I urge you to communicate these concerns to the members of the House Ways and Means and the Senate Finance Committee. Please join me and thousands of other owners of small and medium sized businesses, to persuade Congress to postpone the date on which Section 89 becomes effective to a point in time when an alternative provision better suited to achieving the desired objectives may be enacted.

Our well-trained and motivated work force is the nation's most valuable resource. We must do all that is necessary to enhance, extend and preserve the well-being of our employees. Section 89 in its present form, works against these objectives. Please join

us in our quest for more effective legislation.

Sincerely,

M. HAYS BIGGS.

Mr. President, I want to thank these constituents for exercising their right to petition the Government, and I want to say to them that Congress has heard them loud and clear. S. 1129 repeals section 89. I repeat. S. 1129, as included in the ABC bill, repeals section 89. I am not sure if many of my distinguished colleagues are aware of this fact.

I want to point out that there is a common thread running through these letters and through most of the letters coming into my office. Employers do not mind having nondiscriminatory health plans. What irks them is the cost and burden of complying with section 89. As one letter points out, section 89 adds thousands of dollars to the cost of doing business, even if a health plan is clearly nondiscriminatory on its face.

S. 1129 recognizes this fact by providing a simple rule to test for discrimination. As I said earlier, the bill repeals section 89 and replaces it with a simple design-oriented test based on availability. The rule says that if the plan is made available to substantially all of the employees—at least 90 percent—and the employees are not required to pay more than 40 percent of the cost of their coverage, then the plan is not discriminatory. Period.

The employer does not have to calculate coverage, keep track of who is actually receiving benefits, gather reams of data and paper, or run a whole gauntlet of tests. At the beginning of the year, the insurance company sells the employer a plan that complies with the new rule and the employer is through.

This is a good solution. But most of all, it is a fair solution to the section 89 problem. It is fair to employers, because it provides a simple, straight forward rule. It is fair to employees, because they will have access to tax-favored health benefits. It is fair to taxpayers, because they will not be subsidizing executive-only health coverage. I believe the bill equitably balances the interests of employers and employees.

I would like to make two points: First, Treasury and the IRS must be required to produce early guidance on any new legislation. This morning, the new Commissioner of Revenue, Fred Goldberg, pledged that the IRS will abide by a congressional mandate to rush guidance on any section 89 legislation. I repeat, Congress must make an affirmative statement on the necessity of early guidance. Second, if for whatever reason this new legislation proves to be over burdensome or over complex, I pledge to seek its repeal. I will monitor its implementation very carefully, and if we have a repeat of the present debacle I will introduce legislation to remove this law from the books.

I would like to thank a number of groups for their support. These groups have been tough with us here in Congress at times. Sometimes pushing us in the right direction when we did not want to be pushed. But, they have always been willing and technically able to discuss the issues important to small businesses.

These groups are the National Small Business United, Small Business Legislative Council, the National Association of Life Underwriters, the National Rural Electric Association, the American Institute of Certified Public Accountants, the Associated General Contractors of America, the Retail Tax Committee, and the Jewelers of America.

These groups have earned our respect as well as our gratitude for guiding us through this difficult issue. Many of these groups would have preferred repeal and still would. But that has not stopped them from discussing the important issues with the members and their staff. They have demonstrated once again their immense influence on issues affecting small businesses. And, they have once again served their members well. I look forward to continuing our work together on this and other issues important to small businesses.

FIRST ANNIVERSARY UPDATE ON INF TREATY—IS IT UNRAVELING?

Mr. SYMMS. Mr. President, despite the fact that the Soviet Union continued to violate all existing arms control treaties, including the SALT I ABM Treaty and the SALT II Treaty, on May 27, 1988 the Senate gave its advice and consent for the President to ratify the INF Treaty. On June 1, 1988, Ronald Reagan ratified the treaty with Soviet leader Gorbachev in Moscow, and the treaty entered into force.

Thus the first anniversary of the U.S. Senate's advice and consent to ratify the INF Treaty was May 27, 1989, and June 1, 1989 was the first anniversary of the treaty's ratification and entry into force.

This INF Treaty update is presented in sober commemoration of the first anniversary of the unwise Senate vote on the ratification and entry into force of the treaty. This update suggests that the treaty is unraveling, due to increased, new United States intelligence evidence showing Soviet maintenance of covert INF missile forces, and to a proliferation of Soviet violations of the treaty all related to maintenance of these covert INF forces. The historical record of Soviet cheating on arms control treaties thus persists, even with Gorbachev's INF Treaty.

The January 25, 1988 memorandum to Republican Senators on the Senate Foreign Relations Committee from Senator HELMS on the INF Treaty addressed the fundamental question of whether the treaty decreased or increased the danger of nuclear war. The "Helms' INF Red Book" memorandum was organized around 10 INF issues. The following is a June 1989 analysis of each of these 10 INF issues, coming a year after the treaty's entry into force on June 1, 1988.

SUMMARY

In each of the 10 INF issues, the update analysis shows that almost 1½ years ago, Senator HELMS correctly predicted the negative effects of the treaty almost precisely:

Issue 1. The INF Treaty in fact weakened the NATO alliance, by deeply eroding Western nuclear deterrent capabilities.

Issue 2. The treaty indeed advanced the strategic offensive Ogarkov doctrine, by preserving and enhancing Soviet nuclear superiorities.

Issue 3. The U.S.S.R. has gained significant military advantages by cheating on the treaty, by means of their originally intended maintenance of covert SS-4, SS-20, SS-23, and SS-CX-4 GLCM INF missile forces probably numbering in the thousands of missiles and warheads; for example, the hard evidence of a covert SS-20 force reportedly has jumped from about 300 covert SS-20's to now about 1,600 covert SS-20's; and there is now reportedly also hard evidence of at least 12 of the previously undetected Soviet SS-CX-4 GLCM's, which are reportedly part of a covert force of up to 2,000 illegal SS-CX-4 GLCM's, together with evidence of reverse dismantling in the SS-23 and SS-20 forces.

Issue 4. The treaty missile dismantling requirements together with the reported extreme shortage of U.S. nuclear materials results in the unilateral destruction of about 931 U.S. INF nuclear warheads, but such U.S. unilateral warhead destruction is destabilizing. In contrast, the Soviets have probably retained and reused on non-INF missiles all 3,136 of their nuclear warheads on declared INF missiles; the treaty requires the destruction only of INF missiles; the Soviets have reportedly dismantled 51.2 percent of their INF missiles declared, but some could have been dummies or duds, while the United States has reportedly dismantled 38.3 percent of its INF missiles; the higher Soviet percentage of destruction is due largely to the fact that the Soviets were allowed to launch 100 SS-20 missiles to destruction, which is really 10 years worth of illegal troop training, while the United States had no similar right.

Issue 5. The Soviets were already confirmed by President Reagan to have clearly cheated on the INF

Treaty in five ways involving several hundred illegal incidents during the first 6 months of the treaty's entry into force, and also to originally have provided false missile dimensional data. There are now recent press reports that even before the early May Shevardnadze threat to violate the INF Treaty, the Soviets illegally stopped dismantling their SS-20 and SS-23 launchers, and that some SS-20 and SS-23 dismantling was even illegally reversed. There have also been press reports that the intelligence evidence of covert Soviet INF missile forces in all categories, numbering in the thousands of covert missiles, has recently been greatly strengthened.

Issue 6. Due to continually delayed U.S. deployment of new NTM systems still years away, and to an ineffective and at least 10 months late United States onsite x-ray system, the United States cannot even now effectively monitor or verify at all a key provision of the INF Treaty—the ban on further SS-20 production. A total of a year and a half thus will have gone by during which the United States could not verify at all whether the Soviets are continuing to illegally produce SS-20's banned by the treaty.

Issue 7. Continued Soviet aggression in the Third World—the Soviets persist in supplying arms to their satellite regimes in Afghanistan, Angola, Namibia, and Nicaragua—and violent Soviet suppression of religious, ethnic, national, and basic human rights in the U.S.S.R. proves that the Soviet Gulag police-state endures despite Gorbachev's new thinking.

Issue 8. The West is accelerating its trade, untied investment, and technology transfer help to the U.S.S.R., enabling it to become an economic superpower.

Issue 9. The cost of the INF Treaty to the United States is very large, because the United States was forced to abandon and destroy brand new INF missiles and support assets. In contrast, the Soviets are converting most of their INF facilities into supporting non-INF missiles.

Issue 10. The treaty did not result in the elimination of a whole class of nuclear weapons or missiles on both sides, the main objective of the treaty. The Soviets are reusing their INF warheads on non-INF missiles, and have also retained thousands of covert INF missiles and warheads.

A former top level United States military intelligence officer summarized the effect of the INF Treaty, when he stated privately last year that while the treaty destroyed the main American nuclear deterrent in NATO, it greatly accelerated the Soviet strategic missile modernization program.

In sum, Senator HELMS has been proven to have been correct about the dangers of the INF Treaty on each of the 10 issues, just as he has been proven correct earlier on the dangers to American national security of the fatally flawed SALT II Treaty and the self-defeating Panama Canal Treaty.

The INF Treaty must also be judged to be unsuccessful even by its proponents, who stated in their 1988 report:

> The success of the treaty will depend largely on whether it will lead to the conclusion of an all-encompassing agreement on strategic offensive arms.

A potential START Treaty is a long way from being ready to sign, partly because of verification concerns stemming from the same problem of Soviet covert missile forces we have experienced in the INF Treaty, and thus the INF Treaty is deemed unsuccessful even by its proponents.

INF TREATY UPDATE ANALYSIS

Issue 1. Relations with allies: Does the INF Treaty strengthen or weaken NATO?

American military leaders in NATO evidently believe that the INF Treaty has weakened NATO, because in the wake of the treaty's entry into force they are arguing that NATO's conventional forces must be strengthened, and that NATO's short range nuclear forces such as the Lance missile must also be modernized. Clearly, without the Pershing II's, NATO's nuclear deterrent has been severely weakened. Moreover, the FRG's resistance to Lance modernization and its insistence upon premature East-West negotiations on short range nuclear forces and a broadened and accelerated economic détente with the Soviet bloc have reawakened the long smoldering alliance defense burden sharing debate. Finally, the FRG is leading the efforts to severely restrict low-level military flight training and other types of military exercises, further weakening NATO's readiness.

Issue 2. Preparations for war: Is the INF Treaty a major step forward in the implementation of the Ogarkov doctrine that the Soviets can dominate Europe despite the danger of nuclear war?

The Soviet nuclear first strike threat to NATO has not decreased under the treaty, but has merely taken a different form, with SLCM's, theater SLBM's, medium bombers, and road mobile ICBM's replacing the SS-20's as the principal counterforce threat. For example, since the INF Treaty went into effect almost a year ago, the detected deployment of the variable range, road mobile SS-25 ICBM's has doubled, from about 100 to reportedly over about 200 launchers. If reload/refire missiles are taken into account, the SS-25 force has quadrupled.

While the Soviets have announced unilateral cuts in their armed forces of 500,000 men and 10,000 tanks, these cuts will be difficult to monitor and verify, and they could actually streamline and improve the efficiency and offensive capability of remaining Soviet conventional forces if they are mostly reductions in obsolete equipment.

Issue 3. Militarily significant advantages: Can the Soviet Union gain any militarily significant advantages by cheating on compliance with the treaty?

The main militarily significant advantage that the Soviets might gain by cheating on the treaty would be by maintaining a covert force of SS-20's and other INF missiles.

There is now new and even stronger evidence that the Soviets are maintaining a covert SS-20 force, as well as covert forces of other INF missiles, according to press reports.

Since the treaty entered into force, DIA has reportedly reanalyzed their evidence and methodology for estimating the number of existing SS-20's. DIA reportedly now believes that the Soviets produce a ratio of five missiles for every detected launcher. DIA now reportedly believes that about 2,250 SS-20's have been produced, rather than only 1,200. Thus the SS-20 force has almost doubled. Moreover, CIA reportedly now agrees with DIA on their estimative methodology and conclusion that about 4,000 SS-4's were produced, also doubling the SS-4 force previously estimated at 2,000.

In addition, according to several press reports, United States onsite inspectors discovered from their analysis of Soviet SS-CX-4 missile factory serial numbers that at least 12 more were produced than the 80 that the Soviets declared under the INF Treaty. Moreover, both DIA and CIA reportedly have estimated that about 2,000 SS-CX-4's were produced, a very significant covert force.

Finally, according to several press reports, several SS-20 canisters and TEL's have been detected by U.S. National Technical Means of verification, at nondeclared facilities. Moreover, in early May, United States onsite inspectors reportedly detected that the Soviets were rewelding parts cut off their SS-23 transporter erector launchers [TEL's], and refusing to cut off required parts of their SS-20 TEL's. Thus in early May 1989 the Soviets had reportedly stopped their compliance with important provisions of the treaty. This Soviet noncompliance thus came before Soviet Foreign Minister Schevardnadze's ominous threat to stop SS-23 dismantling, in violation of the treaty. The threat is all the more significant because the Soviets were already violating the INF Treaty by stopping their SS-23 and SS-20 dismantling.

Thus, according to press reports, since the treaty went into force, United States intelligence evidence for large Soviet covert forces of INF missiles has been strengthened significantly.

Moreover, an interesting Soviet statement on the issue of their covert INF forces was published shortly after the treaty entered into force. In early August 1988, an authoritative Soviet spokesman stated:

> In March Helms decided to change tactics. In an effort to prove that the Soviet side was planning to "conceal" some of the missiles that were to be destroyed, he distributed a chart showing missile estimates from the State Department, the CIA, and the Defense Intelligence Agency to the members of the Foreign Relations Committee. The data conflicted and were also highly classified * * *."

This Soviet statement is interesting for several reasons.

First, the 1988 HELMS' chart showed estimates of a Soviet covert SS-20 force, not the concealment of SS-20's from within the 654 Soviet acknowledged SS-20 force that had to be destroyed under the treaty. Thus the covert SS-20 force issue appears to have been deliberately obfuscated in the Soviet statement.

Second, by stating incorrectly that the data were highly classified, the Soviets seem to be enhancing the credibility of the HELMS' chart. The Soviets almost always deny the truth when they are caught in arms control treaty deceptions or violations, and they almost always deny any wrongdoing. Thus finally, the Soviets further enhance the credibility of the Helms chart by failing to deny that they indeed do have a large covert force of SS-20s.

In this case, the Soviet failure to deny that they are maintaining a covert SS-20 force can be interpreted as evidence that such a covert force indeed exists.

Issue 4. Reduction of nuclear weapons: Does the INF Treaty meet the definition and destruction of nuclear weapons on both sides?

On the U.S. side, all the 931 INF nuclear warheads for the Pershing IIs, Pershing IAs, and the GLCMs are reportedly being destroyed, in order for their nuclear material to be reprocessed into new nuclear weapons. This is happening because the United States reportedly has an acute shortage of nuclear materials for weapons.

But in contrast, on the Soviet side, most if not all of their 3,136 INF warheads can easily be reused on other missiles which are not constrained by the Treaty, of which there are many being produced. There is reportedly also evidence that the Soviets are reusing their INF warheads intact. Thus the treaty has had a negative and one-sided effect, and because of U.S. unilateral disarmament it has decreased stability.

According to an unclassified report recently released by the Defense Department, during the past year the Soviets have dismantled 945 of their 1,846 INF missiles required to be eliminated under the treaty. Thus the Soviets have dismantled about 51.2 percent of their INF missiles. But some of those Soviet missiles reported to be dismantled may have been dummies or duds, because the United States has never been able to effectively check and identify missiles before destruction. For example the United States has never photographed an SS-20 missile to compare with and verify the Soviet-supplied SS-20 photograph, which many believed was a forgery. According to the same Defense Department report, the United States has dismantled 324 of its 846 INF missiles required to be eliminated under the treaty. Thus the United States has dismantled about 38.3 percent of its INF missiles. The DOD report does not reveal how many TEL's the Soviets have dismantled, perhaps because the Soviets have suspended and even reversed their TEL dismantling in some cases.

One reason that the Soviets have dismantled more missiles than the United States is the fact that they took advantage of the fact that the treaty allowed them the unilateral right to test launch to destruction 100 SS-20s, or about 10 years' worth of troop training firings.

Issue 5. Soviet record of cheating: Does the history of Soviet cheating on arms control treaties make it more likely or less likely that they will cheat on the INF Treaty?

In 1988, Senator HELMS predicted that the confirmed record of Soviet cheating on every other arms control treaty suggested that the Soviets would also cheat on the INF Treaty.

Senator HELMS was again proven correct. Then President Reagan formally reported the following five unqualified Soviet INF violations to the Congress on December 2, 1988, involving hundreds of illegal Soviet acts, only 6 months after the treaty entered into force:

> INF Treaty issues have arisen for which the U.S. has made *noncompliance findings*. These include the following:
>
> Since entry into force, the Soviets have conducted nearly 200 noncompliant transits of SS-20's on their launchers between missile operating bases (MOB's), missile/launcher repair facilities (MLRF's), and elimination facilities * * * it is clear that such transits constitute a *violation* of paragraph 8 of Article VIII of the Treaty.
>
> Immediately after the INF Treaty's entry into force, the Soviets *were not in compliance* with Article IX requirements to list all TLI's and their locations in the data update to the MOU * * *.
>
> In addition, *noncompliant* activities occurred with regard to: (1) un-notified movements of training launchers; (2) treaty-limited items at a facility declared ready for elimination; removal of SRM's from an elimination facility; and (3) Treaty-limited items at non-declared locations * * *.
>
> A compliance-related question that also arose, but did not result in a conclusion of noncompliance, was Soviet failure to provide complete and accurate technical data in the MOU. The parties are obliged to present true and accurate data, both in the MOU and in all subsequent updates * * * they failed to provide true and accurate data in the MOU with regard to the existence of the short version of the SS-20 launch canister." (Emphasis added.)

These Presidential statements confirm that during the first 6 months of the treaty, the Soviets have already clearly cheated on the treaty in five ways, and also provided false data, just as Senator HELMS predicted.

In addition to these presidentially confirmed Soviet INF Treaty violations, as noted before, there are multiple press reports of several new Soviet violations:

First, several Soviet SS-20 canisters on transporter erector launchers under camouflage have reportedly been sighted by NTM's at nondeclared sites in the U.S.S.R. If confirmed, this would be another blatant INF violation.

Second, there are press reports that there is evidence from Soviet missile serial numbers seen by United States onsite inspectors that the Soviets have at least 12 more SS-CX-4 GLCM's than they declared. These extra SS-CX-4 GLCM's, out of 2,000 reportedly estimated to have been produced, are further evidence that the Soviets are maintaining illegal covert INF forces. This evidence is also consistent with the reported recent DIA-CIA estimate doubling the historical total of SS-4 missile production to 4,000 missiles, and the reported DIA estimate doubling SS-20 production to 2,250. Moreover, it has been reported in the press that the Soviets have erased all the serial numbers on their SS-20 force. The best explanation for this erasure of all SS-20 serial numbers is that the Soviets have something important to hide—the fact that they have kept a covert force of hundreds or even a thousand or more SS-20's that they do not want the United States to discover.

Third, there are press reports that the Soviets are not dismantling their SS-20 and SS-23 TEL's as is required by the treaty. These reports indicate that the Soviets are rewelding back on the parts they are required to cut off these TEL's. This, too, is a flagrant violation of the INF Treaty. Indeed, Soviet Foreign Minister Shevardnadze even threatened to stop dismantling their SS-23 TEL's as required by the INF Treaty, just after the Soviets were caught rewelding the cut parts back onto SS-23 TEL's. Thus the Soviets were caught violating the INF Treaty in this way even before the Soviet leadership threatened to do so.

Fourth, there are press reports that the Soviets are camouflaging illegally their SS-25 TEL's that have been subject to United States observation by NTM's six times each year. This is a flagrant violation if confirmed.

Fifth, there is a press report that several camouflaged Soviet SS-20 units that have eliminated their launchers and missiles have been sighted by NTM's undergoing covert missile training in the field. These reported NTM sightings of camouflaged missile training by former SS-20 units add to the evidence of the Soviet covert SS-20 force, and suggest that these units are part of the Soviet covert SS-20 force.

In sum, there are multiple press reports of increased evidence that the Soviets have retained covert INF missile forces, in serious violation of the INF Treaty, just as Senator HELMS predicted 1½ years ago.

Issue 6. Verification and compliance: Does the INF Treaty give us the ability to detect, inspect, and correct any violations of the treaty which occur on declared sites, or which occur elsewhere?

According to press reports, in February 1988, the chairman of the Senate Select Committee on Intelligence, Senator DAVID BOREN, proposed a package of U.S. intelligence satellite monitoring upgrades totaling about $3 billion a year for 5 years, or about $15 billion.

This package was designed to improve U.S. national technical means [NTM] capabilities to monitor the then proposed INF Treaty, and also a potential START Treaty. Several of the Indigo-Lacrosse all weather, around the clock, synthetic aperture radar monitoring satellites—reportedly first launched by the U.S. space shuttle in early 1989—were reportedly included in the proposed Boren package. Senator BOREN and then Senate Majority Leader BYRD told President Reagan that the Senate would not schedule consideration of advice and consent to the proposed INF Treaty, and might in addition oppose any potential START Treaty, until President Reagan agreed to fund the Boren INF/START NTM upgrade package.

Then President Reagan agreed to fund the Boren INF/START upgrade package, and the INF Treaty was cleared for consideration on the Senate floor in May 1988. Advice and consent was given by the Senate for the President to ratify the treaty on May 27, 1988, and the treaty entered into force on June 1, 1988.

But now, in the proposed fiscal year 1990 defense budget, President Bush has agreed to accept an as yet undetermined cut in defense spending. In anticipation of this defense cut, the Bush administration has reportedly reneged on the promised funding of much of the Boren NTM upgrade package.

The defense budget cut has reportedly forced the following: Delay in the initial operational capability of at least 5 years on all the new NTM satellites, from about 1995 to beyond 2000; and stretch out in the funding of the new satellites over 10 years, instead of the original five.

These reported actions have the effect of gutting the Boren INF/START NTM upgrade package. Thus it is apparent that the U.S. NTM upgrades needed to monitor and verify the INF Treaty do not now exist, and are not likely to be deployed for at least another 5 to 10 years.

There is yet another serious monitoring and verification problem with the INF Treaty. Under the terms of the treaty, the United States was supposed to be able to install an x-ray monitoring system at the Soviet Votkinsk missile factory portal, in order to be able to ascertain that no banned SS-20's were exiting the factory in the guise of similar but allowed SS-25's. The United States was supposed to be allowed to install this x-ray machine 6 months after entry into force of the treaty, or by December 1, 1988. During the ratification debate, this machine was correctly described as the keystone in the whole U.S. verification scheme for the treaty.

But now in June 1989, the x-ray machine is still not installed, largely because the Soviets are making additional demands in the terms of the memorandum of agreement for verification procedures even now still under negotiation. The earliest that the x-ray machine could be operational at Votkinsk is October or November 1989, according to the U.S. program manager, or almost a year late, and almost 1 year and 11 months after the treaty went into force.

Thus for the first year and 11 months of the treaty's entry into force, the Soviets could have been able to continue to produce banned SS-20 missiles, without the United States being able to verify that this production was not occurring. The Soviets therefore could have replaced by new production all of the 100 SS-20's they were allowed to eliminate through launch to destruction firings.

But even under the most optimistic United States objectives for the x-ray machine, once it is belatedly installed the United States will reportedly be able to detect Soviet cheating only three times out of four. Thus one time out of four Soviet cheating will go undetected. In addition, the data base for estimating this relatively low detection rate does not emphasize the most difficult but also most likely objects for detection—fiberglass cased second stages of missiles. Further, the estimated inaccuracy tolerances for missile stage length are reportedly at best 20 percent of length difference, and possibly 50 percent of diameter difference. These large detection degradation factors could reduce U.S. detection capabilities even further. Moreover, the effects of misalignment of the missile, canister, and railcar upon the x-ray detection accuracy have not even been measured. Finally, whether even these maximum but inadequate United States detection capabilities would provide a deterrent to Soviet cheating is arguable.

But beyond these inherent inaccuracies, there are at least two good Soviet cheating options. These Soviet cheating options are easy to execute, and they each have the inherent advantage of being very difficult to detect. There are no known U.S countermeasures being devised to cope with these cheating options. Thus the Soviets probably could easily continue to cheat on the INF Treaty constraints on production of banned SS-20 missiles, even with cargo scan belatedly installed.

In sum, even with United States onsite monitoring capability at the Soviet Votkinsk SS-20 factory, the United States may never be able to detect or prevent cheating. Moreover, even if the United States were to detect these cheating options, the Soviets know that they have yet to pay any penalty for their massive cheating on all existing arms control treaties.

Issue 7. Peace and freedom: Can the INF Treaty be viewed apart from the Soviet stand against religious rights and human freedom in the Soviet empire and throughout the world?

Soviet troops have shot and even gassed Soviet citizens recently in the Baltic states and throughout Soviet Asia, who were merely trying to achieve basic human rights. Despite Gorbachev's glasnost and perestroika reforms and so-called new thinking, the Soviet forced labor camps of the gulag remain in place, and Soviet proxies continue their wars against freedom in Afghanistan, Namibia, Angola, and Nicaragua, with continued Soviet supply of arms.

Issue 8. Economic benefits to the Soviet Union: Is it a collateral purpose of the INF Treaty, and follow-on arms treaties, to make it possible for the United States to help the Soviet Union become an economic superpower?

In late March 1989, a consortium of United States business firms announced the consummation of a multibillion dollar deal with the Soviet Union. Recently, the British have announced several billion dollar investment deals with the Soviets. These are but several of many such similar business deals in the offing, and these are dwarfed by other Western European and Japanese business deals, trade deals, and untied loans that are now in the offing with the Soviet Union. Thus the Soviets are already benefiting economically from the treaty.

Issue 9. Cost to United States: What is the cost to the U.S. taxpayer in terms of weapons destroyed, implementation of treaty actions, and redressing the conventional military balance in Europe?

The multibillion dollar cost of the treaty to the United States outlined in the Helms memorandum has yet to be analyzed by the executive branch, but it is clear that the costs are very large. For example, the United States has been forced to abandon completely brand new facilities just built for the GLCM in Sicily, Italy, because of the treaty. Indeed, all the U.S. Pershing II and GLCM missiles and facilities were newly built just before the treaty required their destruction.

In contrast, the Soviets seem to be converting most of the facilities for their banned INF missiles into facilities for other nonconstrained missiles.

Issue 10. Success of the negotiations: Does the text of the INF Treaty fulfill our negotiating goals and carry out the treaty's expressed intentions?

In sum, it is fair to conclude that the treaty has not resulted in its main goal—the total elimination of a whole class of nuclear missiles and weapons on both sides. Only on the United States side is a whole class of missiles and nuclear warheads being eliminated. On the Soviet side, they are reusing their 3,136 INF nuclear warheads on missiles not banned by the treaty, and they have kept thousands of covert INF missiles and their warheads.

COMPARATIVE INF MISSILE DATA—REFINING ARSENAL INVENTORIES

	Soviet MOU data—	
	December 1987 [1]	July 1988 [2]
SS-20	650	[3] 654
SS-4	170	[4] 149
SS-5	[redacted]	[5] 6
SS-12	726	[4] 718
SS-23	[redacted]	[3] 239
SS-CX-4	[redacted]	[5] 80
Total	1,832	[3] 1,846
Pershing II	[6] 247	[4] [7] 234
GLCM's	[6] 442	[5] [7] 443
Pershing IA	[6] 170	[4] [7] 169
FRG PIA's	[6] 72	[5] [7] 72
Total	[redacted]	[4] [7] 918

[1] SFRC majority report of April 1988; data extrapolated from Soviet MOU data of December 1987.
[2] Unclassified executive branch data extrapolated from Soviet MOU data of July 1988.
[3] Increase.
[4] Decrease.
[5] Same.
[6] United States December 1987 data.
[7] United States July 1988 data.

The United States has slightly decreased its numbers of declared missiles, between the INF Treaty memorandum of understanding on data exchanged at the time of treaty signing in December 1987, and the treaty MOU on data exchanged in July 1988, just after the treaty entered into force. This slight decrease in U.S. missile numbers of 13 missiles suggests a U.S. refinement of arsenal inventories. The increase in the Soviet number by 14 missiles also suggests a refinement of arsenal inventories.

According to press reports, out of the 1,846 INF missiles that the Soviets are required to dismantle under the treaty, they have done the following:

First, eliminated only 192 SS-20's out of the 654 SS-20's declared, but there is hard evidence of a covert force of over 1,600 more SS-20's; the Soviets may be deliberately stalling on their SS-20 elimination, in order to maintain diplomatic leverage;

Second, eliminated 600 SS-12's out of the 718 SS-12's declared;

Third, eliminated none of their 239 SS-23's—the Soviets were very reluctant to include these missiles in the INF Treaty in the first place, and they have reneged on their destruction in violation of the treaty;

Fourth, eliminated 72 SS-4's out of the 149 SS-4's declared, but about 4,000 SS-4's were estimated to have been produced since 1954 and thousands cannot be accounted for:

Fifth, eliminated one out of the six SS-5's declared; and

Sixth, eliminated all 80 of the SS-CX-4's declared, but there is hard evidence of at least 12 more out an estimated covert force of about 2,000.

CONCLUSION: SOVIET INF COVERT MOBILE MISSILE FORCES SHOW THAT A START TREATY ALLOWING MOBILE ICBM'S WILL BE IMPOSSIBLE TO VERIFY

Mr. President, it is a well-known fact that any limits on the deployment of the Soviet SS-24 and SS-25 mobile ICBM's, under the START Treaty now being negotiated, cannot be verified at all. Even the CIA, which so often exaggerates its own ability to monitor arms control treaties, reportedly recognizes that any START constraints on the Soviet mobile ICBM's that allow some deployment will be impossible to verify. The only hope in verifying mobile ICBM's under START is to completely ban them. But even complete bans on mobile missiles, as were negotiated in the INF Treaty, are not easy to verify, as we have seen with the accumulation of increased evidence of Soviet convert INF forces in violation of the INF Treaty. So we must conclude that even a complete ban on mobile ICBM's, the current U.S. START proposal, will entail large verification uncertainties.

On June 16, 1989, a senior Defense Department official made the following statements about START verification problems in general, and whether mobile ICBM constraints or bans in a START Treaty could be verified:

> One of the things the [Bush Administration strategic] review has made clear is that even on the numbers of elements where we have achieved maybe a surprising degree of agreement with the Soviets, there are some very big verification problems that we can see already . . . I think one of the biggest questions this [START] Treaty's going to confront when it goes up for ratification is not about the basic strategic soundness of the framework, but rather about whether we can in fact verify what we've [agreed to] . . . we're into tougher problems than we've ever had to verify before . . . under present arrangements [there is] a rather large uncertainty as to how many [mobile ICBMs] they have . . . there are major verification problems in the agreed elements of this Treaty.

These statements all suggest that the proposed START Treaty's verification problems will become the critic's biggest issue.

In my April 1, 1988 minority views on the INF Treaty, I answered the central question of the verifiability of the INF Treaty as follows:

> The Soviets have probably already made the calculation that covert SS-20 force is both militarily useful to them, and poses no political risk even if detected. An SS-20 covert force probably exists, and it could be maintained, and the Soviets could cheat without detection, without our ability to enforce their compliance, for a significant military and political advantage. The ten year covert deployment of 50 to 200 SS-16 mobile ICBMs, without flight-testing, is a good precedent of what the Soviets probably intend to do under the INF Treaty.

I believe that increased evidence of covert INF forces have proven the accuracy of my assessment. We do not have enough evidence of Soviet convert INF missile forces to confirm that they exist. We will need another special closed session of the Senate to inform Senators of the details of this new evidence.

HOSTILE BUT SOPHISTICATED SOVIET ANALYSIS OF THE U.S. SENATE'S INF TREATY RATIFICATION DEBATE

Mr. President, May 27, 1989, was the first anniversary of the Senate's advice and consent to the President's ratification of the INF Treaty, and June 1, 1989, was the first anniversary of the treaty's ratification and entry into force. In commemoration of this dangerous though historic event, I also wish to bring to the Senate's attention an important Soviet analysis of the U.S. Senate's ratification debate.

On August 8, 1988, the open, unclassified journal of the Soviet Institute for the Study of the U.S.A. and Canada (IUSAC), entitled SSHA: Ekonomika, Politika, Ideologiya, published a very interesting article called "The Pace of the Senate and the Speed of History." The article was signed to press on July 22, 1988.

This open-source Soviet article was published in Russian, and was translated into English by the U.S. Government on January 19, 1989. The author was Yu. A. Ivanov, a candidate of historical sciences and sector chief at the IUSAC. The unclassified Soviet article was about the U.S. Senate INF Treaty ratification debate.

I have several comments on this interesting though pro-INF Soviet commentary on the INF Treaty.

First, Soviet author Ivanov erroneously claims that the INF Treaty reduced nuclear weapons. It is a fact, however, that the INF Treaty did not actually reduce nuclear weapons, be-

cause despite the reported U.S. destruction and reprocessing of its INF nuclear weapons, on the Soviet side intermediate range nuclear weapons are probably reused on other missiles and continue to increase:

Second, I agree with Soviet commentator Ivanov that:

> . . . J. Helms (North Carolina), M. Wallop (Wyoming), S. Symms (Idaho), and others—had what [Senator] Dole described as 'definite feelings about some aspects of the Treaty.' . . . Although they [the U.S. Senate opponents of the INF Treaty] failed, the nature of the debates, the methods to which the conservatives resorted, and the entire struggle over the treaty seem quite edifying. . . .

Indeed, the opponent's debates were quite edifying. Many Senators were impressed by the seriousness and correctness of the opponents arguments, and learned a great deal about the nature of the Soviet threat during the debates.

Third, I also agree with the article's statement that:

> The [INF] Treaty's opponents were few in number but they were extremely active.

I would add that the few opponents were also highly effective in their opposition.

Moreover, I also partially agree with the additional Soviet statement:

> Although the inveterate opponents of the treaty realized that they were not strong enough to sabotage its approval, they continued to prolong the debates with the aid of procedural loopholes, rumors, and outright slander.

It is indeed true that the Senate opponents of the INF Treaty did oppose the treaty by means of procedural devices, but use of parliamentary rules to advance a point of view or an argument is a natural part of parliamentary democracy. The opponents never resorted to "rumors" and "slander" to attack the treaty. Instead, treaty opponents used bona fide arguments and analyses to attack the treaty.

Finally, I strongly disagree with the article's anti-democratic conclusion that: "The cost of parliamentary democracy seems too high—a handful of opponents of a historic agreement can cause as many delays as they want in the work of the legislative body."

The anti-democratic Russian author seems not to understand that slow but deliberate debate is the essence and even the virtue of parliamentary democracy, because all sides of an argument are given a chance to be expressed and heard. History is gradually proving that the opponents of the INF Treaty were correct in their arguments.

In sum, while in many ways hostile and misguided, this interesting Soviet article at least demonstrates a sophisticated understanding of the U.S. constitutional treaty-making powers, the rules and procedures of the U.S. Senate regarding treaties, and a perceptive grasp of the political forces involved in the Senate's debate on the INF Treaty. The article also shows a grudging Soviet respect for the American opponents of the INF Treaty. While I do not agree at all with the pro-INF Treaty or the anti-democratic thrusts of the article, I do congratulate Mr. Ivanov for the quality of his scholarship, research, procedural understanding, and analysis.

Mr. President, I ask unanimous consent that this important and unclassified Soviet article be printed in the RECORD, so that my colleagues may have the benefit of reading this insightful, albeit hostile, interpretation of an important event in the Senate's history.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROCESS OF U.S. SENATE RATIFICATION OF INF TREATY DETAILED

[Article by Yu. A. Ivanov, candidate of historical sciences and sector chief at Institute of U.S. and Canadian Studies: "The Pace of the Senate and the Speed of History"]

[Text] The era of nuclear disarmament began when the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles (INF) went into effect on 1 June 1988 after the exchange of ratification documents at the Moscow summit meeting. The conclusion of the treaty last December was one of the most important events in world history in recent decades. The journey to the treaty was a long and difficult one, requiring considerable effort on the part of both states and their allies.

After the treaty was signed, it took more than 4 months before it was ratified and became law.

In the United States the main event, took place in the Senate and its committees, where rabid opponents of arms limitation and reduction and of the entire process of normalization of Soviet-American relations concentrated on sabotaging the ratification of the treaty. Although they failed, the nature of the debates, the methods to which the conservatives resorted, and the entire struggle over the treaty seem quite edifying. Now new steps must be taken along the road to a nuclear-free world, a world without wars or violence. This means that the struggle is not over, and the experience accumulated thus far requires analysis and clarification.

There are significant differences between the two countries in the constitutional role of legislative bodies in the ratification of international treaties and in the machinery for this kind of decisionmaking.

In the Soviet Union the government submits an international treaty to the USSR Supreme Soviet Presidium for consideration. The presidium then requests the foreign affairs commissions of the Council of the Union and the Council of Nationalities to review the treaty. The INF Treaty was analyzed scrupulously and thoroughly by these commissions; a working preparatory commission was then formed for a more detailed analysis. The opinions of experts, scholars, and representatives of ministries and departments, the parliaments of the GDR and CSSR, and the Soviet and foreign public were voiced at joint sessions of the two commissions and in the preparatory commission. The INF Treaty was ratified on 28 May 1988 by an ukase of the USSR Supreme Soviet Presidium in accordance with its constitutional prerogative.

According to the Constitution of the United States, the president "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the senators present concur." In practical terms this means that the treaty ratification process consists of two stages: During the first the Senate decides whether or not it will consent to the proposed treaty, and during the second, by and with the Senate's "advice and consent," the president ratifies the treaty in accordance with his constitutional prerogative. In other words, even by and with the "advice and consent" of the Senate, the president retains the power to decide if and when a treaty should be ratified.

The discussion of the treaty in the Senate is preceded by its consideration by one or several committees. An important feature of the ratification process in the Senate is this body's power to not only register approval or disapproval of the treaty as a whole but also to make it conditional upon various amendments, reservations, or interpretations. When the reservations are included in the resolution of approval, they are binding only on the American side, but amendments to the text of the international agreement can make it completely unacceptable to the other side. In American political terminology these are known as "killer amendments." Is there any need to speak of how dangerous the attempt to impose these kinds of amendments on Soviet-American agreements can be in the sphere of disarmament, where each word and each number are carefully calculated to preserve the balance of mutual interests?

Within the first days after the signing of the INF Treaty, it was clear that the overwhelming majority of senators had positive feelings about the document as a whole. The leader of the Democratic majority, R. Byrd (West Virginia), said: "I hope we will realize how positive this treaty is." The leader of the Republicans in the Senate, R. Dole (Kansas), stressed: "I have not heard a single senator oppose the treaty or say he will vote against it. This does not mean that no one will want to object to it during the discussion of the document."

It was precisely in the Republican faction of the Senate that there was no unanimity on this matter. Some senators on the extreme right—J. Helms (North Carolina), M. Wallop (Wyoming), S. Symms (Idaho), and others—had what Dole described as "definite feelings about some aspects of the treaty." Were these definite feelings not objections? It is indicative that even the leader of the Republicans, who had entered the race for the presidential nomination and was busy campaigning, was wary of expressing unconditional support for the treaty in the first days after its signing. It was not until 17 December that Dole finally declared his views at the insistence of his campaign managers and under pressure from the White House: "I definitely support the treaty. I told the President that I support the treaty." [1]

The Republican leaders in the Senate tried to urge the conservative extremists to display loyalty to the general party line. In December a Republican coordinating group

Footnotes at end of article.

was formed, consisting of 11 senators, including conservatives. As later events indicated, however, this goal was not attained.

It was a paradoxical situation: The Republican President had to rely on the Democrats to win the consent of the Senate, and not only because they held the majority there, but also because their support for the treaty was more consistent. . . . Democratic leader R. Byrd expressed the hope that the treaty would be approved by the middle of April. As soon as the treaty had been signed, the majority leaders formed their own coordinating group for preparations for its discussion. The group consisted of R. Byrd and the chairmen of the three committees slated to consider the treaty: the committees on foreign relations (C. Pell, Rhode Island), on the armed services (S. Nunn, Georgia), and on intelligence (D. Boren, Oklahoma).

There was one important factor, however, that complicated the relations between the administration and the Democratic majority in the Senate. Ever since the administration had decided to step up the work on the SDI program, it had insisted on a "broad" interpretation of the 1972 Soviet-American ABM Treaty, and the majority of Democrats in the Senate had vehement objections to this. We should recall that in March 1987 Senator Nunn shattered all the administration's arguments in three lengthy speeches [2], and the matter then reached the point of a constitutional crisis. The Democrats insisted that the executive branch did not have the power to change the interpretation of the treaty in the form in which it was approved by the Senate without the Senate's consent, but the administration disagreed. The Democrats made several attempts to reinforce their position by legislative means. On 1 September 1987, long before the INF Treaty was signed, Senator Nunn sent President Reagan a letter to inform him that the administration's position on the possibility of reinterpreting treaties approved by the Senate "will have serious implications for the Senate's work in the ratification of all future treaties, including the possible treaty on intermediate-range nuclear forces." In this way, the White House was warned that the discussion of an INF treaty would demand executive concessions in the constitutional disagreement over the power to interpret treaties.

In December and early January the Reagan Administration made a massive effort to neutralize the group of conservative extremists in the Senate. The President met with them several times to convince them of the need to uphold party solidarity. It appeared, however, that the President's remonstrations were having no effect on the inveterate opponents of the INF Treaty: The press constantly reported their false statements and attacks on the treaty. Conservative organizations flooded the senators with letters and petitions and launched a lobbying campaign.

The leaders of the Democratic faction attached great significance to a trip taken by an influential senator from their party, J. Biden (Delaware), in January at the request of the chairman of the Senate Foreign Relations Committee. Biden met and spoke with the leaders of the FRG, France, and England and with influential West European politicians. He returned to the United States convinced that the United States' allies were unanimous in their opinion that the INF Treaty should be ratified as quickly as possible and without any changes. Prime Minister M. Thatcher of Great Britain told him that "if the U.S. Senate does propose a 'killer amendment' to the treaty, it will be a disaster for NATO."

The position taken by the United States' West European allies undermined the arguments of the treaty's opponents and aided considerably in its approval. Senator D. Quayle (Republican, Indiana) summed up the situation: "even if the Senate votes against the treaty, political realities will demand the withdrawal of the missiles anyway." [3]

At that time the Reagan Administration was conducting thorough preparations for the upcoming debates in the Senate. A special group of 20 State Department staffers was formed to plan tactics: How could the Senate be prevented from making any changes in the treaty? The group worked in close contact with two other groups, headed by White House Chief of Staff H. Baker and National Security Adviser C. Powell. Members of the administration kept Senate staffers informed of all new developments and prepared the testimony of witnesses representing the administration and other materials and documents.

In the morning of 25 January 1988 a White House courier handed the secretary of the Senate a thick package containing the texts of the INF Treaty and the documents connected with its, as well as other documents, including a detailed analysis of the agreement by administration experts. The treaty was officially submitted to the Senate. In a letter accompanying the treaty, Ronald Reagan wrote: "I believe that this treaty is in the best interest of the United States and will be an important step in arms reduction and will strengthen the security of the United States and its allies. For this reason, I ask the Senate to offer its advice and to consent to its ratification."

According to the usual procedure in the Senate, the preliminary examination of all international treaties is one of the prerogatives of the Foreign Relations Committee. Treaties are not discussed by the full Senate until this committee has made its report. If a treaty pertains to other matters within the competence of other Senate committees, these might also be involved in its preliminary discussion. In this case, these committees hold their own hearings on the treaty and then present their reports to the Foreign Relations Committee.

This was the procedure in the Senate during the discussion of the INF Treaty. It was to be discussed first by the Committee on the Armed Services, which would concentrate on the military aspects of the treaty, and by the Select Committee on Intelligence, which was supposed to study the reliability of the verification system in the treaty in depth. In this case the procedure was not superfluous even for the supporters of the agreement—for political reasons. It was a presidential election year, and the White House wanted to include the treaty among the assets of the Republican Party, while the Democratic leaders in the Senate were making a massive effort to underscore their party's role in the discussion and approval of the treaty.

Evaluating the prospects for the discussion of the INF Treaty before the committees went to work, Senate Majority Whip A. Cranston, the experienced and influential Democratic politician from California, said: "I believe that we will almost certainly be able to reject any amendment designed to bury the treaty. I am certain that it will be approved by the Senate. The main thing we have to watch out for now is the attempt to attach amendments, reservations, or interpretations to the treaty that will make strategic arms reduction talks difficult, if not impossible."

The hearings before the two committees began on the same day that the treaty was officially submitted to the Senate. When the hearings in the Foreign Relations Committee started, Chairman C. Pell said that he regarded the treaty as "the first step in the efforts to reverse the nuclear arms race." He stressed that the treaty "has won the support of the American people." At the first meeting the committee was addressed by Secretary of State G. Shultz and heard a statement by Republican leader R. Dole, who requested the committee to recommend Senate approval of the document.

The first speakers to address the Committee on the Armed Services were Secretary of Defense F. Carlucci and Admiral W. Crowe, the chairman of the Joint Chiefs of Staff. Both made definite statements in favor of the approval of the treaty—and both reported plans for the modernization of NATO nuclear arms.

Senator Helms launched an attack on the treaty at the first meeting of the Foreign Relations Committee. He was the acknowledged leader of the agreement's opponents on that day and throughout the period of discussion in the Senate. He distributed a memorandum to the Republican senators on the Foreign Relations Committee. In this 180-page document, the senator argued that the treaty "would not lead to any reduction in nuclear arms," because "neither side has to destroy its nuclear warheads." He also asserted that the treaty was not verifiable and then took this opportunity to heap accusations on the USSR, ranging from its alleged constant "non-observance" of treaties to the "Soviet position on religious rights and civil liberties."

The treaty's opponents were few in number but they were extremely active. They used every opportunity to prolong the discussion of the document. In February the same Helms dreamed up a new condition: The United States should have the right to conduct inspections . . . in Cuba. He used the excuse that the United States "could not know of the existence of missiles and warheads of this kind there." Conservative preacher P. Robertson, another contender for the presidential nomination, picked up the ball and ran farther with it: He asserted that Soviet intermediate-range missiles were most probably deployed in Cuba. The White House and the Pentagon had to issue resolute denials.[4]

In March Helms decided to change tactics. In an effort to prove that the Soviet side was planning to "conceal" some of the missiles that were to be destroyed, he distributed a chart showing missile estimates from the State Department, the CIA, and the Defense Intelligence Agency to the members of the Foreign Relations Committee. The data conflicted and were also highly classified, and for this reason the chart was quickly retrieved. Helms insisted that he had cited previously published data. It turned out that they had been published, but the person who had supplied the newspapers with the information was . . . Helms' top aide, prominent conservative D. Sullivan, who had once worked for the CIA and other government agencies.[5]

Although the inveterate opponents of the treaty realized that they were not strong enough to sabotage its approval, they continued to prolong the debates with the aid of procedural loopholes, rumors, and out-

right slander. They were trying to prolong the approval process as much as possible in order to prevent the exchange of ratification documents at the summit meeting in Moscow and to undermine the strategic offensive arms reduction talks as much as possible.

Intensive hearings in all three Senate committees continued until the end of March. Current and former administration staffers, experts (both supporters and opponents of the treaty), and other witnesses spoke at 72 sessions. The main thing was that all of the "killer amendments" introduced by the treaty's opponents were rejected by a significant majority.

All of the hearings before the Senate Select Committee on Intelligence were closed. On 22 March the committee's unanimous conclusions were submitted to the Foreign Relations Committee. The chairman of the select committee, D. Boren, conceded that the current capabilities of American intelligence would secure a "quite satisfactory" level of verification of the INF Treaty. At the same time, both Boren and the vice chairman of the committee, Republican Senator W. Cohen (Maine), insisted that if a new Soviet-American agreement should be concluded on strategic offensive arms, the capabilities of American technical intelligence would be insufficient for the verification of both agreements.[6] The motives behind these statements became apparent later, when the American press reported that the Senate Committee on Intelligence had used the discussion of the INF Treaty as an opportunity to exert pressure on the administration in order to gain its approval of the program for the development of the latest spy satellite, the Indigo-Lacrosse, with an estimated cost of from 6 billion to 12 billion dollars.[7]

The next day, on 23 March, the Senate Committee on the Armed Services recommended the approval of the INF Treaty by a vote of 18 to 2. Only Senators G. Humphrey (Republican, New Hampshire) and the previously mentioned S. Symms voted against it. In addition, however, the committee asked the administration to clarify several matters before the discussion of the treaty by the full Senate. In particular, the committee wanted to know whether the treaty would prohibit "futuristic" systems of intermediate- and shorter-range weapons—i.e., systems which do not exist now but might be developed in the future. The systems in question here were ones using laser, particle-beam, and microwave components.

After receiving the reports of the committees on the armed services and on intelligence, the Foreign Relations Committee began drafting a Senate "advice and consent" resolution on the ratification of the INF Treaty. The resolution was approved by the committee on 30 March by a vote of 17 to 2—Helms and L. Pressler (Republican, South Dakota).

The Democrats were able, however, to include a reservation in the draft reflecting their position on the U.S. administration's claims to the right to change the interpretation of treaties. The reservation was proposed by Senator J. Biden and was then modified slightly by A. Cranston. Referring to constitutional provisions, the amendment stipulated that "the United States will interpret this treaty in accordance with the common understanding of the treaty by the administration and the Senate at the time of the Senate's consent to its ratification," "will not consent to an interpretation differing from this common understanding, and will not recognize this kind of interpretation without the consent and recommendations of the Senate."

The fact that two Republican senators—J. Helms and F. Murkowski (Alaska)—voted for this reservation along with the Democrats can be described as one of the frequent paradoxes in the Senate. It is probable that the motive in this case was not their concern about constitutional proprieties, but the possibility of creating another obstacle to block the approval of the treaty.

The administration had vehement objections to this reservation. When White House Counsel A. Culvahouse addressed the Foreign Relations Committee, he called it an "unprecedented usurpation of the power to make treaties."[8] The administration's supporters in the Senate also railed against the reservation. Senator R. Lugar (Republican, Indiana) predicted a "battle" over this matter, and Senator R. Boschwitz (Republican, Minnesota) voted for the draft resolution in the committee but then threatened to change his mind.

The final report of the Senate Foreign Relations Committee, summarizing the results of the hearings in the committees (according to procedure, it is submitted to the Senate along with the draft resolution on "advice and consent"), was distributed on 18 April. It recommended Senate consent to the ratification of the INF Treaty "on the conditions stipulated in this report and in the resolution on ratification." This was a reference to the Biden-Cranston reservation. Because the treaty reduces nuclear arms "only slightly," the report stressed, "the significance of the INF Treaty is mainly political rather than military." It went on to say: "The success of the treaty will depend largely on whether it will lead to the conclusion of an all-encompassing agreement on strategic offensive arms," because in the absence of this kind of agreement, it "could lose its significance if new strategic weapons lead to the augmentation of the size and force of stockpiles." In the section of the report on missiles equipped with "weapons of the future," the committee requested the administration to "work through diplomatic channels for the Soviet Union's unequivocal affirmation that future weapons will be covered by the INF Treaty.

Judging by all indications, the Senate was ready to begin the discussion of the treaty. Because of the week-long recess at the beginning of May, the debates were expected to start on 9 May. It is indicative that support for the treaty was expressed by the House of Representatives, which has no constitutional prerogative to participate in the process of the approval of treaties. When a vote was held on 19 April, 393 of its members voted for the INF Treaty, and only 7 voted against it. The symbolic vote was deliberately held before the discussion in the Senate.

During these weeks, however, the issue of "weapons of the future" in connection with the treaty was exaggerated in the Senate and in the American press to the extreme. Former Secretary of Defense C. Weinberger and former Director of the Arms Control and Disarmament Agency K. Adelman sent letters to Congress to inform it that the issue of "weapons of the future" was never discussed at Soviet-American talks; the administration did not deny this, but it did stress that there were no differences of opinion between the Soviet and American sides in this area: These weapons would be banned. Nevertheless, Senators D. Quayle, W. Cohen, B. Bradley (Democrat, New Jersey), and P. Gramm (Republican, Texas) brought the issue up several times. Chairman D. Boren of the Committee on Intelligence announced that his committee might have to hold additional hearings on this matter.

At this time, Chairman S. Nunn of the Senate Committee on the Armed Services informed journalists that the treaty might require an amendment on "weapons of the future." "We need a precise text signed by both sides," he said.[9] It is true that Nunn changed his mind 2 days later and announced that if the administration could get a precise document on this matter from the Soviet side, no amendment would be necessary.

Time was passing inexorably, there was only a month left before the Moscow summit meeting, and the procedure of Senate approval of the treaty was clearly taking too long. Senate leaders were not doing anything to speed up the process either. Democratic Majority Leader R. Byrd remarked: "The White House will have to wait, it seems to me, until we are certain that all obstacles can be surmounted." Republican leader R. Dole, however, was vigorously promoting the quickest possible discussion of the treaty. Another Republican, Senator R. Kasten (Wisconsin), said in one of the subcommittees of the Senate Committee on Appropriations: "It seems to me that the hearings are taking too long. Everyone knows what the crux of the problem is. I think we should conclude the discussion and make a decision by the time the President leaves for the summit meeting." Kasten clearly hinted that the party concerns of the Democratic leaders were one of the reasons for the delay.

At the end of April the senators learned that the details of the treaty verification procedure had given rise to certain differences of opinion when they were discussed by the Soviet and American sides at the preparatory talks: now these technical problems were also exaggerated beyond measure. There was even some talk about the Soviet Union's alleged "questioning" of the provisions of the treaty. The people who said this completely ignored the fact that the Soviet side had also expressed its concern about several matters at these talks. . . .

On 9 May the administration and the leaders of both factions in the Senate agreed to postpone the discussion of the INF Treaty. Senator Byrd said: "It is clear that the problems which came up earlier have not been solved, and new ones have also come to light." Byrd and Dole expressed the hope that all differences of opinion might be resolved at the upcoming meeting between Secretary of State G. Shultz and USSR Minister of Foreign Affairs E.A. Shevardnadze on 11–12 May.

The meeting justified these hopes. Two Soviet-American documents were signed in Geneva to eliminate the difficulties and misunderstandings connected with the INF Treaty. Shultz said: "We reached completely satisfactory agreements on all of these matters."[10] C. Powell returned to Washington right away and held a confidential briefing on the agreements for congressional leaders and committee chairmen.

Hearings on the results of the talks in Geneva were held in all three of the committees reviewing the treaty on 16 May, and R. Byrd announced that debates by the full

Senate would begin the next day. The first meeting, which took place after lunch, was essentially procedural: The clerk started reading the text of the treaty, but even this formality had to be interrupted when there was no quorum by six o'clock.

The procedure of the discussion of treaties in the Senate consists of two stages: First the test of the document and the amendments to it is discussed, and then the text of the resolution of approval, which can also be amended, is debated. The conservative opponents of the treaty began introducing amendments to the text right away for the purpose of prolonging the discussion. Then J. Helms announced that he would not support the treaty even if he should be the only senator voting against it.

There was a veritable flood of amendments. The conservatives alleged that the treaty was not binding on the Soviet Union. They demanded that the enactment of the treaty be linked with the administration's assurances that the USSR would observe earlier agreements in this area. They proposed the postponement of the enactment of the treaty until NATO had built up its reserves of fuel and ammunition—and much more in the same vein. All of these amendments were rejected by the Senate, and by a significant majority, but they took up a great deal of time. Helms also resorted to procedural ruses: He would announce that he had amendments and would then refuse to indroduce them, he would block attempts to close the debates, etc. As a result, the discussion of the treaty proceeded at what the The Washington Post described as "a snail's pace."

The second week of debates began, but the Senate still could not climb out of the morass of amendments. In an interveiw on the CBS television network, D. Bumpers (Democrat, Arkansas) said: "The treaty will be approved by the Senate. The only question is whether it will be approved before the summit meeting or after it. I think that the opponents of the treaty believe that if it is approved by the Senate before the meeting, it will be a success, and they do not want a successful summit meeting."

On 24 May, the day before Reagan left for Europe, R. Byrd and R. Dole had a meeting with the President, who was quite disturbed by the course of events in the Senate. After this, Byrd proposed the limitation of the debates to 30 hours. The approval of the resolution would take 60 votes, and the results of all previous votes indicated that this majority would be easy to obtain, but according to procedure, the proposal could not be put to a vote until 26 May.

The President left for Europe without waiting for the vote on the treaty, but on the same day, 25 May, the Senate leaders finally prevailed over J. Helms, and he gave up his obstructionist behavior. This was apparently a result of the threat of a vote on the limitation of the debates and the completely obvious futility of any further contention.

The Senate finally began discussing the resolution of approval. After the Foreign Relations Committee had included the abovementioned statement about the obligatory common interpretation of the treaty by the Senate and the administration in the draft resolution, some of the supporters of the SDI in the Senate began threatening to vote against the resolution in this form. During all of the time the Senate was trying to surmount the obstructionist tactics of the conservatives, a vigorous search was going on behind the scenes for a compromise on this matter. The compromise amendment R. Byrd introduced on 26 May was approved by a vote of 72 to 27. It was "intended to clarify and reinforce the Senate's role in the interpretation of this treaty," Byrd said. "The amendment was supposed to make it absolutely clear that the common understanding reached by the executive branch and the Senate would be binding for the current President and all future presidents."

The amendment concerning "weapons of the future" and the verification of the treaty was approved unanimously (96 votes "for").

The last and deciding vote on the INF Treaty was held in the evening of 27 May. The treaty won the "advice and consent" of the Senate by an overwhelming majority—93 to 5 (four Republicans—J. Helms, G. Humphrey, S. Symms, and M. Wallop—and one Democrat—E. Hollings (South Carolina). When the results of the vote were announced, something extraordinary happened: The senators and all of the other people present in the room applauded the historic decision. For the first time in 16 years the Senate had approved a Soviet-American agreement on disarmament.

Senate leaders immediately telephoned Ronald Reagan in Finland to inform him of the decision. The Senate resolution was delivered to Moscow by White House Chief of Staff H. Baker, who had been waiting for it in Washington. Ratification documents were exchanged during the Moscow summit meeting. On that day the INF Treaty, the first treaty on nuclear arms reduction in history, went into effect.

When the Senate was just beginning the discussion of the INF Treaty, a New York Times editorial said: "This test of strength will tell who will determine the future of Soviet-American relations. Will it be the advocates of the hard line, who would doom the West to endless, hopeless, costly, and potentially dangerous rivalry with Moscow? Or will it be a bipartisan coalition willing to investigate the possibilities for the use of less dangerous forms of rivalry?" [11] The impressive majority by which the treaty was approved in the Senate is clear testimony in favor of the latter conjecture.

It is disturbing, however, that the legislators took more than 4 months to discuss the treaty in the Senate. Furthermore, obstructionist tactics threatened to cause even more delays, and the situation was only saved by the reluctance to undermine the President's position at the summit meeting and by concern about the United States' international prestige. There is no question that the thorough discussion of agreements of this kind by the legislative bodies of both countries is absolutely necessary, but goodwill is also important: Agreements on details of a technical nature can be reached much more quickly and simply. . . .

The cost of parliamentary democracy seems too high: A handful of opponents of a historic agreement can cause as many delays as they want in the work of the legislative body. A negative role was also played by inter-party differences of opinion, which are more pronounced in presidential election years, and by the rivalry between the White House and the Capitol, which is trying to consolidate its more active role in foreign policy.

The new foreign policy thinking is finding its way into the hearts and minds of people throughout the world. The idea of the gradual elimination of the threat of mutual nuclear annihilation, an idea set forth by our country, is winning more and more support. It is in this direction that the USSR and the United States will have to take many resolute steps, and none of them will be easy. They will be necessary, however, and speed will be of the essence.

When we examine the discussion of the INF Treaty in the Senate in this context, we might wonder whether the Senate is keeping pace with history. Traditions are a good thing, but they can sometimes conflict with progression toward a safe world.

FOOTNOTES

[1] The New York Times, 18 December 1987.
[2] Congressional Record, 11 March 1987, pp. S2967-2986; 12 March 1987, pp. S3070-3145; 13 March 1987, pp. S3171-3173.
[3] The New York Times, 24 January 1988.
[4] Ibid., 26 February 1988.
[5] Time, 23 May 1988, p. 23.
[6] The New York Times, 23 March 1988.
[7] The Washington Post, 6 April 1988.
[8] International Herald Tribune, 31 March 1988.
[9] The New York Times, 20 April 1988.
[10] International Herald Tribune, 13 May 1988.
[11] The New York Times, 25 January 1988.

Mr. SYMMS. In conclusion, Mr. President, I wish to point out that the above Soviet article was labeled by the United States executive branch "For Official Use Only." This United States label was affixed only because the Soviet article was copyrighted under international law. I would note the following points:

The U.S. Department of Defense does not regard the "For Official Use Only" caveat to be an official U.S. Government security classification. Thus such a label is certainly not a part of the security classification system within the U.S. Government;

The CONGRESSIONAL RECORD of the U.S. Congress is an official publication of the U.S. Government, and thus it can legitimately publish any unclassified U.S. Government document, especially one that is not classified and is labeled "For Official Use Only";

Indeed, under the Constitution, it is only the Congress that is mentioned as the source of all governmental authority for any secrecy classification;

Articles copyrighted under U.S. law and international law are routinely and almost daily printed in the CONGRESSIONAL RECORD;

The CONGRESSIONAL RECORD is not covered at all by any international or even national agreements on copyrights, because this publication is privileged under the congressional debates immunity principles in American law; and

Thus the CONGRESSIONAL RECORD's publication of an "Official Use Only" document is fully legitimate by the already existing standards of the CONGRESSIONAL RECORD.

Mr. President, I have carefully checked all the above points with the Senate legal counsel and with legal and copyright experts of the Congressional Research Service, the Library of Congress, and the Intelligence Community.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ADMINISTRATION CONFIRMS SOVIET SALT II VIOLATIONS WHILE CONGRESS HOLDS UNITED STATES TO UNILATERAL COMPLIANCE WITH SALT II

Mr. President, as we commemorate the first anniversary of the INF Treaty the world often forgets the most fundamental fact about arms control today. This fact is quite simple, but we usually forget about it, probably because it has unpleasant, and even dangerous implications.

This fact is that the Soviet Union is confirmed even now to be violating every existing arms control treaty—the SALT I ABM Treaty, the SALT II Treaty, the Limited and the Threshold nuclear test ban treaties, and the Kennedy-Khrushchev Agreement of 1962 that ended the Cuban Missile Crisis. The Soviets are even now violating the INF Treaty. This is despite Gorbachev's glasnost, perestroika, and "new thinking."

Meanwhile, in stark contrast to the Soviet Union, the United States is in unilateral compliance with all the existing arms control agreements.

In sum, the Soviets are cheating, while the United States is unilaterally complying. This is really American unilateral disarmament.

Mr. President, in May 1989, the Bush administration, like the Reagan administration several times before it, has confirmed that the Soviets are still violating the overall ceiling and the sublimits of the SALT II Treaty. The Bush administration confirms that the following statement is both accurate and unclassified:

> Information indicates that the Soviets appear to be slightly above the SALT II Treaty Sublimit of 1,200 MIRV'd ICBM and SLBM launchers, and on occasion have temporarily exceeded this Sublimit since mid-1987. The Soviets have exceeded the SALT II Strategic Nuclear Delivery Vehicle Limit of 2,504 for several years.

In fact, according to many press reports, the Soviets have continuously exceeded their unilateral SALT II SNDV Limit of 2,504 since 1984. Moreover, according to press reports, the Soviets were violating the SALT II Sublimit on MIRV'd ICBM's as early as mid-1986. According to press reports, the Soviets have over 1,220 MIRV'd ICBM's and MIRV'd SLBM's, and over 2,580 SNDV's.

Meanwhile, the Congress legislated in the fiscal year 1989 Defense authorization bill the continued U.S. unilateral dismantling of Poseidon submarines. While the SALT II Treaty is not specifically mentioned in the legislation, the effect of continued U.S. unilateral dismantling of Poseidon submarines is to keep the U.S. in unilateral compliance with the SALT II Sublimits. President Reagan originally vetoed the fiscal year 1989 Defense authorization bill, partly because it required U.S. unilateral compliance with SALT II. The Congress rewrote the bill and took out most of the features that the President objected to, but the Congress kept in the unilateral Poseidon dismantling. The President finally was forced to accept U.S. unilateral SALT II compliance.

In sum, the Soviets are confirmed to be violating SALT II, while the United States unilaterally complies. There are a total of 25 confirmed Soviet violations of SALT II. The same is true of the SALT I-ABM Treaty. The Soviets are confirmed to be violating the ABM Treaty by their construction of the Krasnoyarsk radar, among nine other violations, while the United States unilaterally complies with the ABM Treaty.

COMMEMORATIVE STATEMENT ON THE FIRST ANNIVERSARY OF THE INF TREATY AND THE CURRENT STATUS OF UNITED STATES-SOVIET ARMS CONTROL NEGOTIATIONS

Mr. President, arms control is not in very good shape today, in the month of the first anniversary of the Senate's advice and consent vote on the President's ratification of the fatally flawed, dangerous INF Treaty.

Unfortunately, despite ongoing Soviet violations of all existing arms treaties, the Senate voted overwhelmingly to give its advice and consent to the President's ratification of the treaty. But today, as many treaty opponents predicted, there are important signs that the INF Treaty is unraveling, just as Soviet violations have unraveled all previous arms control treaties.

There are several disturbing Soviet strategic activities going on.

First, the Soviets continue to violate the ABM Treaty's core provisions, while trying to use their Krasnoyarsk radar violation of their existing ABM Treaty obligations to induce leverage for United States concessions in negotiations for a potential Strategic Arms Limitation Treaty.

Second, the Soviet Foreign Minister has recently threatened to stop dismantling missiles required to be dismantled under the INF Treaty. The Soviets are clearly already unraveling the recent INF Treaty, by showing a cavalier attitude toward solemn treaties similar to Adolf Hitler's. The Soviets, like the Nazis, seem to be willing to comply with solemn treaties only as long as it is convenient for them. They use threats to violate existing treaties in order to coerce Western concessions in further negotiations for new treaties. In fact, as predicted over a year ago, there is now strong new evidence of illegal Soviet covert INF missile forces, in flagrant violation of the INF Treaty.

Thus, even under Soviet leader Gorbachev, the Soviets show by their behavior that they will comply with solemn treaties only temporarily. Unfortunately, this dangerous attitude was also the Nazi German and Soviet Stalinist approach to treaties.

Here are the facts backing up my statements. The Soviet Krasnoyarsk radar was deemed to be a clear violation of the key provisions of the ABM Treaty by President Reagan, and also by unanimous votes of both Houses of the U.S. Congress.

Yet Gorbachev continues to try to convince the United States to accept or to condone the clear Soviet violation of the ABM Treaty.

First, instead of dismantling the illegal Krasnoyarsk radar, over 2 years ago Gorbachev offered to turn the illegal Krasnoyarsk radar over to the Soviet Academy of Sciences for peaceful space research. But this peaceful transition can not be verified, and we have no way of ascertaining whether such a transfer is in effect. In any case, such a turnover would still preserve the physicial external and internal structure of Krasnoyarsk and its capability to be an illegal ABM radar.

Second, Gorbachev tried last December at the United Nations to propose to turn over the illegal Krasnoyarsk radar to the U.N. for international space research. This Gorbachev proposal, too, would preserve Krasnoyarsk as an illegal ABM radar, and can not be verified. So far even the pro-Soviet United Nations has failed to take the Soviets up on this fallacious offer.

Finally, Gorbachev tried to convince the new U.S. Secretary of State, James Baker, in Moscow recently, to trade mere Soviet pledges, often repeated, to dismantle the illegal Krasnoyarsk radar, in exchange for a permanent moratorium on U.S. SDI testing.

But why should the United States have to make clearly disadvantageous bargains constraining future U.S. rights to legitimate research and development on ABM defenses, only in order to achieve Soviet compliance with their existing arms control obligations?

The fact is that last fall, the Soviets quietly admitted that they were continuing their internal installation at Krasnoyarsk of the internal radar electronics equipment. The Soviet Krasnoyarsk radar is externally complete, reportedly, covert internal electronics installation continues, and could be internally complete as soon as next year. The entire Soviet LPAR network of 12 or more radars could be operational as soon as next year.

The Soviets are also continuing to violate their solemn agreement made last November in the ABM Treaty's Standing Consultative Commission to very precise dismantling procedures for their illegal Flat Twin and Pawn Shop ABM radars at Gomel. The Soviets are still trying to convince the United States to condone their failure to fulfill their solemn, and very precise, procedural obligations at Gomel.

In regard to the 1-year-old INF Treaty, the situation is also dismal. Last December, President Reagan reported to Congress that the Soviets had clearly violated the new INF Treaty in five clearcut ways, involving over several hundred separate illegal incidents, and that the Soviets had also provided false INF missile size data.

The Soviets have also refused for 6 months to allow the vital United States Cargoscan x-ray machine for verification to be installed at their Votkinsk SS-20 factory, a key verification provision of the treaty. Indeed, other key verification provisions of the INF Treaty are, even a whole year after the treaty entered into force, still under negotiation. Therefore, over 1 year and 11 months will have gone by before the U.S. Cargoscan can be installed, during which the Soviets could have illegally produced hundreds of banned SS-20's at their Votkinsk factory, totally without United States verification.

Finally, recently in Bonn, Federal Republic of Germany, Soviet Foreign Minister Shevardnadze threatened to violate the new INF Treaty by illegally ceasing the required dismantling of their SS-23 missiles and launchers banned by the treaty. Why are the Soviets threatening to violate solemn, existing legal treaties? This can only be a sign of Soviet nuclear blackmail.

There are press reports that the Soviets have already reneged upon their solemn obligations to dismantle their banned SS-20 and SS-23 missile launchers. In addition, there are reportedly other signs that the INF Treaty is unraveling. For example, there is reportedly increasing United States intelligence evidence that the Soviets have maintained illegal, covert INF missile forces in several categories, numbering in the thousands of covert missiles.

In sum, I see no evidence that Gorbachev's new thinking in foreign policy is any different from Brezhnev's, or for that matter, Stalin's. Soviet arms control cheating just goes on and on.

And yet, nevertheless, the main question the Senate is being asked to debate next is not whether, but only when, the U.S. should sign a proposed START Treaty.

COMMEMORATING THE 20TH ANNIVERSARY OF THE NATIONAL ASSOCIATION OF REHABILITATION FACILITIES

Mr. DOLE. Mr. President, I rise today to congratulate the National Association of Rehabilitation Facilities [NARF] on the 20th anniversary of its outstanding service to the vocational developmental, residential, and medical rehabilitation communities.

The National Association of Rehabilitation Facilities was formed in 1969 from the merger of the Association of Rehabilitation Centers and the National Association of Sheltered Workshops and Homebound Programs.

Since then, NARF has grown to represent the needs and goals of the entire range of rehabilitation facilities, including vocational and developmental facilities, comprehensive outpatient facilities, distinct rehabilitation units, supported employment programs, residential programs, and rehabilitation hospitals serving over 600,000 persons with disabilities annually.

During the last 20 years, NARF has established a reputation as a skilled, assertive and knowledgeable advocate for the rehabilitation industry and people with disabilities. The tightly knit and responsive network of NARF State chapters provides NARF with a grassroots organization that is unparalleled. Because of the swift and energetic response of this national network to the issues affecting rehabilitation, we on Capitol Hill always know exactly where the rehabilitation industry stands.

With the help of NARF and its dedicated volunteers, the rehabilitation industry has grown in influence, prestige, and its ability to serve persons with disabilities. There are many examples of that growth. NARF's support has been instrumental in enacting positive amendments to the Fair Labor Standards Act, amendments to Medicare creating comprehensive outpatient rehabilitation facilities, renewal of Small Business Administration set-asides and renewal of the targeted jobs tax credit. NARF has grown in national leadership, sponsoring job training partnerships with major corporations, administering a variety of research grants and advocating the expansion of medical rehabilitation coverage through Medicare and Medicaid. Such progressive leadership has enabled rehabilitation facilities of all types to provide more and better services to their clients and patients.

This year, NARF will celebrate its 20th anniversary with a national conference held right here in Washington, DC. It is only fitting that an organization known for its outstanding leadership, successful advocacy, and tireless dedication celebrate 20 years of commitment in the Nation's Capitol.

Mr. President, I commend the National Association of Rehabilitation Facilities for serving so well and so long the needs, the goals, and the overall welfare of the entire rehabilitation industry and people with disabilities.

DANIEL JUSTIN McNAMARA

Mr. DURENBERGER. Mr. President, despite the image that most people have, politics and public service is a team sport.

The people of Minnesota see my face on television and my name on the ballot, but what they are really getting is a team of committed talented people.

Today the Durenberger team is saying good bye to its last remaining original Washington staff member, Daniel Justin McNamara. Danny joined me from the staff of my predecessor, Muriel Humphrey.

Prior to that, he had worked with her husband, the great Senator Hubert Humphrey. Danny's roots go back many generations in this city. He is the great, great grandson of a stone mason who worked on this Capitol Building.

That man would look proudly on the work his descendant has done in the Senate.

Danny has been a workhorse for me and the people of Minnesota for over a decade. He has been a bridge between Minnesota's farmers, builders, and businesses and their Government here in Washington.

He has also been a constant source of information for my constituents about how Federal programs work, and how to achieve funding through the appropriations process for worthy projects.

He excelled at handling people's problems as if they were his own. His judgment and policy input can be seen in many of the major public works and infrastructure bills of the 1980's.

It has also been a personal pleasure for my family to know him and depend on him as a friend over the years, and to enjoy getting to know his wife, Marie and their son, Seamus.

The members of the Durenberger team wish him well in his new position with Cassidy & Associates here in Washington, and express our gratitude for the talents and energy he shared with us for so long.

NATIONAL WOMEN'S HALL OF FAME

Mr. MOYNIHAN. Mr. President, the National Women's Hall of Fame is located in Seneca Falls, NY. Seneca Falls is a small town of some 7,500 residents, but it was there that in 1848 the first women's rights convention was held. Led by Elizabeth Cady Stanton, 300 participants drafted a declaration of sentiments that called for such outlandish reforms as equal pay for equal work, the right to own and inherit property, and the right to vote.

These ideas began to spread in the reform-minded central New York region, and spread west with travelers on the railroad routes and the Erie

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Canal. Congress acknowledged the importance of the convention in 1980 when we established the Women's Rights National Historic Park in Seneca Falls.

It is this historical context that makes the town so appropriate as the site of the Hall of Fame. The hall was established in 1968 to honor the achievements of American women. Forty-two women have been inducted, including Susan B. Anthony, Willa Cather, Babe Didrickson Zaharias, and Sally Ride; It is an impressive and diverse group.

The hall is a private concern, dependent on contributions, admissions, and memberships for its funding. It is not associated with the National Historical Park. And it is facing a financial crisis. It has been unable to meet its operating expenses and will close if it cannot achieve financial stability in the near future.

The hall has launched a fundraising drive that I hope will see it through the near term. It must then concentrate on plans for viability in the long run. Surely there are individuals and organizations that will want to help keep the Women's Hall of Fame in operation, and help expand the programs and activities it is capable of.

I believe the Federal Government should be willing to help as well, and I have encouraged hall officials to apply for funds from the Institute for Museum Services. I will help with this and other efforts to improve its financial picture, and I encourage my colleagues to do so as well. The Women's Hall of Fame is a resource to be kept alive. Simply spreading the word about the hall would help greatly. Its importance is easy to recognize, as is the need for providing support for its immediate needs and its long-term goals.

LEGISLATION TO ENCOURAGE DEMOCRACY IN POLAND AND HUNGARY

Mr. PELL. Mr. President, today we are witnessing dramatic changes in parts of Eastern Europe, particularly Poland and Hungary. Recent events in Poland and Hungary demonstrate that the spirit of freedom and the hope for democracy has been kept alive during four decades of oppression. Just 3 weeks ago, in the first free elections in Eastern Europe in four decades, the people of Poland went to the polls to elect a new Senate. In Hungary, the government has finally recognized Imre Nagy for the patriot that he was and has promised to hold free elections next year.

These are, of course, first steps. In Poland, while the elections for the new Senate were completely open and free, 65 percent of the seats in the other legislative body, the Sejm, were reserved for government-sponsored candidates. And in Hungary, the 1990 election remains a future promise not a current reality. Nevertheless, it is absolutely essential that the world recognize and encourage the process of change that is underway in Poland and Hungary.

Last year, before the outcome of the dialog between Solidarity and the Polish government was known, I made a statement here on the Senate floor in which I posed the following question: "Will the Polish government embark down the bold path of reform with its unpredictable political consequences, or will it retreat down the well beaten, but more predictable, path of economic stagnation?" The Polish government appears to have chosen the bolder path of political reform. We now have a responsibility to take steps to encourage that process.

On April 17, 1989, President Bush reached the same conclusion in a speech he made in Hamtramck, MI. In that speech he called for legislation that would provide economic benefits for Poland. With recent developments in Hungary, the President has agreed that Hungary should be eligible for similar benefits.

Those proposals are incorporated in the legislation, entitled the "Democracy in Eastern Europe Act of 1989", which has passed the House and has been introduced in the Senate. The "Democracy in Eastern Europe Act" demonstrates our willingness to respond to genuine changes in Eastern Europe with constructive steps of our own. The United States has long demanded that the Governments of Poland and Hungary release their stranglehold over the people of Poland and Hungary and allow the democratic process to take hold. Now those governments have begun to loosen their grip and the people of Poland and Hungary have asked the United States to take steps that will spur private economic enterprises and help fledgling democratic institution to grow. That is what the "Democracy in Eastern Europe Act" will do.

Unfortunately, while the administration has called upon the Congress to enact this legislation before the President's visit to Poland and Hungary in early July, we will not have done so with the result that the President will leave for Eastern Europe without it.

When the Senate returns from its recess we will confront these issues once again and I am committed to trying to get this legislation passed.

IMPLEMENTING CLOSED CAPTION BROADCASTING FOR HEARING-IMPAIRED INDIVIDUALS OF SENATE FLOOR PROCEEDINGS

Mr. DOLE. Mr. President, several years ago, we voted to bring the Senate to the American people through the medium of television. We did so out of the belief that increasing access to political process strengthens our democracy. Just this week the Senate voted to increase access to the political process through passage of Senate Resolution 13—making available closed captioned proceedings of Senate floor debates to more than 20 million Americans with hearing impairments.

Closed-captioning technology allows the audio portion of a program to be displayed in printed form on a television screen The captions are only received if a person has a special decoding device attached to the television set. Real time, instantaneous closed captioning is already being used in Presidential speeches and press conferences, news programs, and even some Senate committee hearings. Real time captioning involves creating captions that appear on the viewer's screen almost instantaneously. A real time captioner, trained as a court reporter, listens to the broadcast and creates a machine shorthand transcript of the program audio. The shorthand is immediately fed into a computer which translates it into printed text. The text data is sent to an encoder which inserts the data onto the broadcast screen.

This method will now bring full verbatim coverage of Senate floor proceedings to deaf and hearing-impaired individuals. This body, by providing such a service, contributes to the equal opportunity of all Americans and allows access for everyone to understand how our political system works and ultimately to become involved in the process.

I commend my colleagues on the Rules Committee and the Senate Task Force, as well as representatives of the hearing-impaired community and those agencies and companies experienced in captioning, for working out the details to assure full coverage captioning.

I am proud that the Senate has this week committed itself to opening its doors to deaf and hearing-impaired Amerricans. All Americans—whether hearing or nonhearing—have a right to share in these debates. This 101st Congress can say that the world's greatest deliberative body is accessible to all Americans.

CLOSED CAPTIONING OF SENATE PROCEEDINGS

Mr. HARKIN. Mr. President, we have decided that it is important that we be accountable to our constituents and that they have the opportunity to partake in the legislative process via television. It is no less important that deaf and hard-of-hearing Americans be afforded that same opportunity. As

chairman of the Subcommittee on the Handicapped, and as the brother of a deaf sibling, I am very pleased that the Senate has passed Senate Resolution 13 which will allow our televised proceedings to be closed captioned.

There are approximately 22 million Americans who experience partial or total loss of hearing and who stand to benefit from closed-captioned proceedings. Of that number, 2 million are totally deaf; the other 20 million have varying degrees of hearing loss. As Americans live longer, the number of people with hearing impairments will increase.

In addition, in 1988, the Commission on the Education of the Deaf issued a report which identifies captioning of television as one of the most important technologies for deaf and hearing-impaired individuals. The Commission also finds that closed captioning is the most effective technology for speeding the attainment of literacy, and more importantly, in helping the deaf person participate in the wider world that is routinely accessible to those who hear. I subscribe to this view.

> TV is the most pervasive and influential means of sharing information in America. Until the 1970's, deaf persons had no access to TV, and were isolated from the major pipeline feeding information to America. The development of captioning made it possible for deaf persons to see what others heard on TV. (p.112)

It is also important to note that closed-captioned television can benefit more than just the deaf and hearing-impaired population. It can help hearing children and illiterate adults learn to read. Captioning can also facilitate the acquisition of the English language by those whose first language is not English.

Mr. President, one of the most disturbing findings of the Commission is that some 70 percent of all deaf high school graduates read at the third grade level. This is partially due to the difficulty in recognizing and accommodating the special communication needs of deaf children. These children have an invisible language disability and oftentimes cannot understand what is being taught. Closed captioning provides visible access to the English language, and facilitates language acquisition which in turn facilitates learning.

As a cosponsor of this resolution, I want to thank the majority and minority leaders for bringing this proposal before the Senate and I anxiously await its implementation.

TRIBUTE TO WILLIAM WINPISINGER

Mr. METZENBAUM. Mr. President, after devoting more than 40 years of his life to improving the standard of living for millions of Americans, William W. Winpisinger is retiring as international president of the International Association of Machinists and Aerospace Workers. It is fitting that we take a moment to recognize the tremendous contribution that Wimpy has made to the lives of working people across America.

William Winpisinger and I grew up together in Cleveland, OH. Wimpy joined the Navy, served time in World War II, and upon his return, he became an auto mechanic. Wimpy quickly moved up the ranks of the machinists union, from member to shop steward, lodge president, national automotive coordinator, and then vice president. In 1977, Wimpy was elected international president of the machinists, a position he will hold until his retirement at the end of this month.

During his five decades with the machinists union, Wimpy has developed a reputation for being a tough, outspoken advocate for working people both inside and outside the machinists union. I can think of no labor leader who has worked so tirelessly or spoken so eloquently on behalf of the less fortunate in our society. You may not agree with everything that Wimpy stands for. You may not take the same side as Wimpy on the many issues he is involved in. But regardless of whether you agree with his views, anyone who knows Wimpy respects him for his conviction and devotion to improving the quality of life of citizens both in the United States and abroad.

William Winpisinger is my very good friend. He is a leader. He and I have worked together time and time again on issues and legislation before the Congress, and I will miss his leadership in future endeavors. The working people of America will miss the strong effective representation he has provided them. But knowing Wimpy, I am confident that even in retirement, Wimpy will be up here on Capitol Hill fighting for the causes he believes in. He will still be a formidable presence. Retirement will not quiet him.

I salute William Winpisinger on his long and distinguished career, and I wish Wimpy and his wife, Pearl, much health and happiness in retirement.

THE DROUGHT CONTINUES

Mr. GRASSLEY. Mr. President, in 1988, farmers suffered wilted crops and parched land, while consumers across the Nation endured inflated prices and shortages of many food items. Only through immediate emergency relief was an economic calamity to our producers minimized.

For parts of our Nation's heartland, the most serious drought ever recorded is still continuing; in other words, the question is not whether or not we are in a drought this year; the point is that we are in a drought. In the past week, temperatures in Iowa hovered near 100 degrees.

The damage from abnormally high temperatures has been compounded by high winds. The heat and wind have combined to deplete Iowa's soil of the moisture needed to insure a favorable harvest next autumn. Last week, topsoil moisture was inadequate for over one-half of my State.

Just like last year, many parts of Iowa are experiencing a rainfall deficit of 50 percent. Some parts of Iowa need at least 5 inches of rain just to be up to the average rainfall that we normally have by this time of year. Subsoil moisture remains inadequate for 92 percent of my State. These indicators point to a potential crisis ahead. Unless the climate rapidly improves, something that meteorologists would seriously question, Iowa and other parts of the Nation will be in the same position as in 1988.

There are those here in Washington, DC, who advocate a wait-and-see approach when the subject of drought aid is brought up. Some observers prefer to be optimistic, hoping for ample rains later in the summer. But, in my opinion, this is a strategy for disaster. If conditions become worse, farmers need to have assurances from the Federal Government as to the type of assistance, if any, that will be available.

So we must begin by expanding the focus of the drought hearing, which is scheduled for the 19th of July before the Agriculture Committee of the Senate. The current hearing is to consider the impact the drought has had on our wheat crop. This is not enough. We must also examine the state of our corn, soybeans, as well as other crops and commodities, and determine what can be done to protect our producers against the climatic extremes they currently face.

We need to draft emergency drought legislation that is similar to last year's measure—legislation that is truly comprehensive bipartisan and a cooperative agreement between Capitol Hill and the White House. The House Agriculture Committee has already passed an extension to the Disaster Assistance Act of 1988 and in every respect that meets the necessity of being timely, bipartisan, and, as we were in 1988, being cooperative between Capitol Hill and the White House. So I feel that we on the side of the Hill must do the same. In short, we must make certain that all of our major crop producers are protected.

Therefore, plans for comprehensive Federal drought relief must be made now. If the climate becomes favorable in the future, then we may take satisfaction in knowing that we were prepared for the worst. And if the worst does occur, we will be prepared to cushion the blow.

I urge my colleagues on the Senate Agriculture Committee to move quick-

ly in preparing, as our counterparts on the side of the Hill, a very comprehensive drought legislation. If we do not prepare for the worst, the future productivity of America's agricultural States, as well as the institution of the family farm, will be in jeopardy.

BOSH AND NAUSEA: POSTAL SERVICE "HONORS" HOMOSEXUALS

Mr. HELMS. Mr. President, some days I decide that things cannot get any worse, but then they do. The U.S. Postal Service took a big step this week to accommodate the perversion. Tomorrow and Sunday, June 24 and 25, several post offices in New York City will issue a special postmark to "honor" Gay and Lesbian Pride Week.

Obviously, I am appalled at this astounding lack of judgment on the part of the U.S. Postal Service. Mr. President, the post office produces more than 1,500 special postmarks each year celebrating such things as county fairs, local celebrities, anniversaries of special events, and so on. That is all well and good. But, the Postal Service has explicit regulations against the issuing of postmarks which contain political propaganda.

Obviously, the U.S. Postal Service has deliberately ignored its own regulations in order to pander to the whims of the militant homosexual minority, and I resent it.

The Postal Service is "celebrating" what homosexual groups candidly regard and proclaim as the beginning of their political "movement." Twenty years ago police raided a "gay" bar in New York City known as the Stonewall Inn. The homosexuals in the neighborhood responded by rioting. This is the event the Postal Service is helping to "celebrate."

The homosexuals are in a battle against American values. Their ultimate aim is to have the American people accept the proposition that their perverted "lifestyle" is as worthy of protection as race, creed, and religion.

I do not buy that. I say to them, bosh and nausea, and a pox upon whomever in the Postal Service made this completely misguided decision.

Mr. President, instead of denouncing the homosexual "lifestyle," countless politicians, some in this Chamber, fall in line with a repugnant organized political movement—and that is what it is—attempting to persuade the American people that this is a desirable way to conduct their lives.

Recently, San Francisco took the final step toward recognizing homosexual marriages. Homosexuals in San Francisco may now register their relationships publicly. They may obtain hospital visitation rights and health insurance and bereavement leave. In the meantime, thousands more in this country will continue to die from AIDS while the homosexuals proclaim the virtues of their perverse practices.

So, Mr. President, the Postal Service, in the judgment of this Senator, has done a great disservice to its long tradition of public service to the American people.

Mr. President, I ask unanimous consent that a letter I wrote on June 19 to Postmaster General Anthony Frank and an article from yesterday's Washington Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 19, 1989.

Hon. ANTHONY M. FRANK,
Postmaster General, U.S. Postal Service, Washington, DC.

DEAR MR. POSTMASTER GENERAL: I assume that there is no substance to strong protests I have received to the effect that the Postal Service has approved a Stamp Cancellation for June 24-25 promoting "Gay and Lesbian Pride Week" in connection with the 20th anniversary of the Stonewall Station incident.

But if the reports are indeed accurate, I must myself register a protest. Surely the United States Government is not in the business of dignifying perversion.

Please assure me that this is not going to happen.

Sincerely,

JESSE HELMS.

DORNAN: GAY POSTMARK "ACCOMMODATES SODOMY"

(By David Braaten)

The Postal Service will be stamping a special "Gay and Lesbian Pride" postmark on letters in Greenwich Village Saturday, and Rep. Robert Dornan is furious.

The California Republican, an outspoken critic of homosexuality, yesterday deplored the Postal Service's effort to "accommodate sodomy."

But a postal official said there's really no cause for alarm. The general public will not be getting mail with the gay logo—only those who present a stamped envelope to clerks at the temporary "Stonewall Station" to be set up on Christopher Street," he said.

"It'll more than pay for itself," predicted High McGonigle, senior philatelic programs specialist at Postal Service headquarters here. "We'll probably sell 25,000 25-cent stamps at a minimum."

And most of them will be handed back, not mailed, he said.

Philatelic or pictorial postmarks are not like commemorative stamps, Mr. McGonigle explained. The special cancellations are produced for about 1,500 events each year, from state fairs to political conventions and local municipal celebrations.

"It provides an inexpensive souvenir of events for people," he said. "For 25 cents they can have something that says, 'I was there.' It sort of freezes an event in time."

The event on Saturday is a 20th anniversary celebration of the police raid on the Stonewall Inn, a gay bar in the Village. It led to an unexpectedly spirited response by neighborhood residents who previously had taken police harassment passively.

Some in the gay community regard the incident as the beginning of the gay rights movement. Mr. Dornan was informed of the upcoming gay-pride postmark by a friend in New York City who thought mistakenly that it meant nationwide use of the cancellation.

The congressman's suspicions were fueled by the initial response he got when he called the Postal Service's congressional liaison.

"They said, 'It can't be true,'" Dornan aide Brian Bennett said yesterday. "Then they checked, and it was."

The delay led Mr. Dornan to believe that the Postal Service was trying to—what else?—stonewall on the issue.

Mr. McGonigle said there was some concern over the suitability of a postmark for the gay celebration. There are strict requirements for philatelic and pictorial cancellations, he said, and one of them is that there cannot be a propaganda message contained in them.

"This one was sort of borderline," Mr. McGonigle said. But officials scrutinized the Keith Haring drawing and the wording and decided they could not reject the postmark under the guidelines.

Another consideration, Mr. McGonigle said, is "whether we're going to lose our shirts" on a postmark. They would not, he said, create one for, say, a birthday party.

"But we should make money on this one," he said. "You figure two or three clerks, a couple of 6-foot tables in a booth and a couple of rubber stamps. How much can that cost?

Mr. Dornan had planned to devote his one-minute floor speech yesterday to the gay-lesbian postmark. As it turned out, an aide said, there were so many other issues that outraged the congressman that he simply added it to a list that included the Supreme Court's flag-burning decision and the attempt to show homoerotic photographers at the Corcoran Gallery.

HUMAN RIGHTS AND THE U.S.S.R.

Mr. GRASSLEY. Mr. President, there has been much discussion and debate recently concerning the Jackson-Vanik amendment. We are beginning to hear a call for a waiver and the granting of most favored nation status to the Soviet Union, in view of the improved emigration record. But I rise today to caution against any precipitious action, and of course to urge careful deliberation before granting a waiver.

Let me state at the outset that I want to see more trade with the Soviet Union. Removing trade barriers would certainly be good for American business, including my own farmers in Iowa. And, if giving the Soviet Union MFN resulted in the presence of more American goods and services in the U.S.S.R., that would benefit Soviet citizens who are so short of domestic goods.

Clearly, things are changing in the Soviet Union. And emigration—the issue to which the granting of MFN is expressly linked by Jackson-Vanik—has greatly improved. It is expected that more than 40,000 Soviet Jews will emigrate in 1989. Added to that are thousands of ethnic Germans, Armeni-

ans, and Pentacostals who are being allowed to leave.

But obstacles to emigration remain. First, there are still some 600 long-term refusenik families, 7 months after Secretary Gorbachev's encouraging speech before the United Nations in which he claimed he wanted to get the refusenik issue "off the table." Many of these long-term refusenik families are in fact refused because someone in the family allegedly has access to what the Soviets call "state secrets." Even if they did work with classified information, they haven't done so for many years, some as long as 15 or 20 years. Moreover, there are no procedures to appeal a secrecy determination, and many have no clue as to how long they will be tagged with the secrecy label, which is nothing more than a subterfuge for not giving permission to leave the Soviet Union.

Second, many can't even apply to emigrate because a close relative refuses to relinquish financial claims. These so called poor relative cases do not even make it into the refusal statistics, because their applications to leave are not accepted by emigration officials. And once again there is no legal procedure to challenge the financial claim.

Jackson-Vanik prohibits the granting of MFN to a country which, in the words of the law, "denies its citizens the right or opportunity to emigrate. * * *" While the Soviet Union has greatly improved its emigration record, emigration still remains a privilege, as seen by the leaders of the Soviet Union. And as long as it remains a privilege, we need to be cautious with a Jackson-Vanik waiver.

Last November, when I was in the U.S.S.R. with the Helsinki Commission, Soviet leaders told us they were drafting an emigration law which would address some of our objections. We offered our legislative expertise in helping them.

Quite frankly, they more or less said they did not know how to go ahead with this sophisticated business of law writing and seemed to imply that they welcomed our help. But they in the final analysis have seemingly declined our offer but promised to share that draft law when it was in blueprint rather than sketch form, as they put it. As yet we have seen no such draft law.

I am not certain that we need to wait for such a law. After all, lots of good intentions can be put into laws, but the real test is in how laws, rules, or policies, are carried out. While Jackson-Vanik does not require emigration laws before MFN can be granted, it mandates the President report to Congress on the "nature and implementation of emigration laws and policies. * * *" As I have said many times before, deeds must be the measuring stick. Words simply codified into a law will not be reason enough to waive Jackson-Vanik.

Mr. President, this debate on Jackson-Vanik is most healthy. It shows the Soviets that their progress has our attention. And it requires the right response. We have already agreed to hold a human rights conference in Moscow in 1991. Now, the Soviets need to remove the remaining barriers to emigration. Clear the way for the long-term refuseniks to leave—families like Uspensky, Lurie, and Genis. And keep the exit doors open for new applicants. Show us the policies have really taken firm hold. Then we can start the Jackson-Vanik waiver process.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from Colorado.

Mr. WIRTH. I thank the Chair.

THE CHILDREN'S EDUCATION ACT OF 1989

Mr. WIRTH. Mr. President, it is appropriate today when we are considering this extremely vital legislation relating to children to also note the introduction of the Children's Education Act of 1989.

Mr. President, there is an education crisis in this country, a crisis that is eating away at the fabric of our society and undermining our economic competitiveness. We see it every day, day in and day out. Twenty-five percent of high school students from low-income families drop out; our inner-city schools are increasingly becoming battlegrounds; Head Start does work, but only one in six eligible children are funded; and there are more than 30 million illiterate adults in this country.

How can we begin to address this crisis? It is a good start today with the ABC bill, another with the Children's Education Act.

In recent years, a new force has joined family, church, and school, the traditional institutions through which we imparted values and education to our young. Television has become a force as powerful as the others—perhaps more powerful. Study after study shows the enormous potential of television in educating and socializing our children. Yet the tragic paradox is that the more we know about television and its capacity to teach our young, the less we use it.

It puzzles me how most television stations can perform so admirably in some areas, such as providing worldwide news coverage, and at the same time perform so irresponsibly in failing to deliver any worthwhile educational programs for children. With the deregulation bent at the FCC in recent years, broadcasters seem to have abandoned educational children's programs entirely. Today, not one of the three major commercial broadcast networks offers a single regularly scheduled educational program for children. Without question, the educational needs of America's young are not being served by the Nation's television broadcasters.

This week, along with Senators METZENBAUM and LAUTENBERG, I am introducing legislation to remedy the situation by requiring each station, as part of its public-interest obligation, to provide programming specifically designed to educate and inform young viewers.

A very important aspect of this legislation is its emphasis on programming specifically designed for the child audience. Children learn most effectively from material that is specially tailored to their limited level of cognitive development. Imagine a third-grader trying to learn from a textbook intended for adults and it is easy to see why we need educational television programs specifically designed for children.

Our proposal also requires—and I might point out that we used to have this requirement before the FCC. It was part of the public service obligation that every broadcaster received. Broadcasters receive licenses for nothing. They do not pay for it. If livestock grazes on the public lands, owners pay a grazing fee. If people timber in our national forests, they pay a fee, but not for using the public spectrum. Why not have some return come back to the public for that? That is the public interest obligation. Children's programming always used to be in that. It has been dropped out.

Our proposal requires that educational programs for children be publicly identified in advance by the broadcaster. We have a careful way in which broadcasters, like the movie ratings, can help parents, who clearly cannot look at every program offered, by seeing which ones are going to be more valuable than others.

Finally, as part of a comprehensive package to improve children's television, our legislation would limit commercial advertising directed at children to no more than 9½ minutes per hour on weekends and 12 minutes per hour on weekdays.

Since the FCC went on this deregulatory rampage, they have now allowed any number of advertising minutes to be in a children's program. You watch a Saturday morning program and it is replete with advertising for toys, chocolates, and so on. Children are seeing not only this enormous number of advertisements but we are now seeing two more insidious items: One tie-in where the characters on Saturday morning shows are the items being marketed during the advertising time. That kind of tie-in would be eliminated through this legislation, and also we are seeing the biggest one

of them all, program-linked commercials. What we have is the whole half hour devoted to marketing a product in the guise of programming for kids.

What more insidious way of trying to take advantage of young people in our time?

The FCC has an obligation to move in this particular direction. The FCC has said this is excessive interference with the public interest standard. However, that which is in the communications law of 1934 is very, very clear on what that public interest standard can be. And in fact in June 1987, in response to overderegulation by the FCC, the U.S. Court of Appeals ruled that the Commission had erred in deregulating and ordered the agency to reconsider the decision. In June, 1987, it ordered the FCC to reconsider their decision. But now, more than 2 years later, the FCC continues to stonewall and has offered no response to the court order.

The time has come for us to carefully reevaluate the importance of television and the impact of television on the education of our young. We all know that something is amiss, and it is time for us to help the broadcasters move above the lowest common denominator.

Mr. President, I am also pleased to say that this legislation has earned the strong support of several organizations, including the American Academy of Child and Adolescent Psychiatry, the American Academy of Pediatrics, the American Psychological Association, the Consumer Federation of America, the National Association of Better Broadcasting, the National Education Association, and the National Parents and Teachers Association—broad-based citizen groups interested in the welfare of our young.

I hope, Mr. President, that this brief explanation, which appears at greater length in the RECORD earlier this week, will help to suggest to our colleagues what this legislation is that we are offering, and I urge our colleagues to join us in supporting this, and as this important legislation in front of us moves to take further steps to promote the interests of our young people.

Thank you very much, Mr. President.

If there is nobody seeking recognition, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD CARE IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

Mr. DOMENICI. Mr. President, parliamentary inquiry. In order for an amendment to be in order must I ask the amendment pending be set aside?

The PRESIDING OFFICER. There is an amendment pending.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the pending Dole amendment be temporarily set aside for the purpose of offering another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 224

(Purpose: To provide parents with a choice in the type of care their children receive.)

Mr. DOMENICI. Mr. President, I send an amendment to the desk in behalf of myself, Senators PACKWOOD, GRASSLEY, HELMS, and GRAMM of Texas. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself, Mr. PACKWOOD, Mr. GRASSLEY, Mr. HELMS, and Mr. GRAMM, proposes an amendment numbered 224.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 48, between lines 3 and 4, insert the following new paragraph:

(3) PROVIDE PARENTS WITH CHOICE.—Subject to the limitation described in paragraph (2), each State that receives assistance under this Act shall provide each parent of an eligible child who receives, or whose eligible child is cared for by a child care provider that receives, assistance under this Act with the option of—

(A) enrolling such child with an eligible child care provider that receives assistance through grants or contracts as provided under subparagraphs (A) of (B) of paragraph (1); or

(B) receiving a child care certificate as provided in paragraph (1)(C).

Mr. DOMENICI. Mr. President, I understand from the distinguished manager of the bill that he is prepared to accept this amendment. I assume that means he has conferred with the Republican manager and he concurs.

Having said that, I think it is an important enough amendment and advances an important enough principle that I should take a few moments to explain it. I will try to be brief. But nonetheless, I think it makes a couple of points.

I hope in adopting it here today we will make some legislative history about the ABC bill and parental choice with reference to where the children that are going to child care centers actually end up being assigned or end up being taken care of.

I choose to call this the assured choice through certificates amendment. If it were a bill, that is what I would call it. I have said before in discussing the ABC bill that we had shifted from a focus of national bureaucracy and rules to what I perceive to be a new, growing, set of State rules and State bureaucracy that will determine where the young children that we are going to be paying for are taken care of.

I believe that is the case. I would like this bill to move slightly in another direction by making parents of the children have the ultimate final choice as to where children are taken care of.

So this amendment, while it is simple, ends up as a bottom line. It says that parents are entitled to a certificate if they are unsatisfied or desire alternative assignment for their children than that which the State has determined.

So, in a sense, I do not want the State to be accommodated. I want the parent to be accommodated. Another way to look at it is to look at the evolution of the public school system in this country. We note that when parents get tired enough of bad schools, they demand choice. The idea grew up in Minnesota that parents have the right to choose the school, even if you have moved out of the district to which the child was assigned.

In a very real sense, my amendment says that every parent ultimately should be entitled to a certificate in lieu of the assignment that the State makes on behalf of the parents for the care of the child in licensed facilities. I add one other thrust. Think of the Ford-Durenberger amendment, which supposedly took care of, and made constitutional, the right of parents to put children in sectarian-oriented centers. That choice might be unconstitutional, if we fund it directly; they can put children in these licensed facilities, through the certificate mechanism.

I hope the Senate knows that not all States have a certificate mechanism. If that is the case, not all States are going to be able to carry out the wishes of the Ford-Durenberger amendment, which created the flexibility to choose, even religious or sectarian day care centers.

So, essentially, when you boil it all down, the Domenici-Packwood-Helms assured choice amendment at the minimum says that ultimately, before the child is assigned by the State, the parent can elect a certificate. I think this keeps the heat on the State to provide choice. Even though the base bill says that States will provide this diversity to the maximum extent possible, I believe that by having parents be entitled to a certificate, it keeps the

pressure on the State to provide diversity of care arrangements.

My second point is that we will surely move more States in the direction of certificate programs. In fact, it may make all of them have it, because if parents have the choice, I do not know how the States are going to provide them if they do not have certificate programs. Essentially, this is an assured parental choice amendment, through the mechanism of certificates. It is making this bill as accommodating to the parent's choice, rather than accommodating to what the State wants. That is it in a nutshell. I believe it is good philosophy, and a good idea.

When the Senate adopts it here today, and after it is totally analyzed in conference, I hope that those who continue to say the family and the parents have a lot of choice under ABC, will say let us maximize that choice by allowing parents to choose that ultimate weapon of choice; a certificate. Parents will have a little more shopping room, a little more discretion as to where, and what kind of facility, their child is attending.

I understand that this will only apply to licensed facilities. That is the whole tenor of the bill. I do not choose to change that. I do believe that many in this body who have not looked at the nuances of the bill and looked at it with care, might assume their parents already have this choice. Frankly, I think the choice should be as broad as possible, and as accommodating as possible. Pressure should be on the State to accommodate the parents, and they ought to be able to be the source of that pressure by having the choice.

I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I want to thank my colleague from New Mexico for this amendment. I must say to him, briefly, that the Senator from Utah and the Senator from Connecticut do not disagree at all with the intent of the Senator's amendment. The problem we face in trying to achieve this is our good friends, the Governors, who did not want us to be mandating anything in this legislation, requiring the State to do something that they were not doing.

As the Senator pointed out, there are 20-some other States that do not have certificate programs, telling us, "Let us decide how we best want to do this. You give us the assistance. We will decide." We are caught in that proverbial rock and a hard place, trying to reflect the desires of our colleagues that did not want us mandating things to the States and simultaneously wanting to make it possible for the parents in the States to have maximum choice. We agree with the goals, as stated by the Senator and included, frankly, in his amendment. For those reasons, we accept them, and we are going to try to see if we cannot get the Governors to agree with that approach.

Mr. HATCH. Mr. President, I agree with the distinguished Senator from Connecticut. We are happy to accept this amendment, with that stipulation, that we are concerned about anything that amounts to a mandate. We do not disagree with the general intentions of the Senator from New Mexico.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank both managers for their comments and for accepting this amendment, and I urge that between now and conference, that the Governors of our sovereign States find a way to accommodate this philosophy.

Frankly, if we are going to have mothers and fathers who are single heads of households out there in the 50 States who are supportive of the system that the Governors are going to have to run, either through contract, or otherwise, they better provide parents with maximum choice. If they don't, then they are going to be in a a position where parents will say, "You are sending me to a facility that is not good. I want a better one. I want one that is as good as my neighbor Johnny is going to." And the way to alleviate and accommodate that natural emotion, and at the same time maximize the opportunity to keep these centers the best centers possible, you give these parents some choice, and it will have an ameliorating affect of very significant proportions.

I hope they understand that I do not like to tell the States what to do, but in this case we are putting up an awful lot of money. We are pushing to allow certificates to be used in religious facilities. It seems to me that if we are doing that, we might as well say, you better have a certificate program to implement it.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 224) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me indicate to my colleagues on this side of the aisle that we would like to enter into some time agreement to cover all amendments and final passage and disposition of this bill. So I hope that any of my colleagues on this side would be in touch with the Republican cloakroom within the next 10 minutes, if they intend to offer an amendment.

Right now we have an amendment by Senator HELMS that is not disposed of, and an amendment by Senator WILSON that is not disposed of, and possibly an amendment by Senator PACKWOOD or WILSON, and an amendment by this Senator, which is not disposed of. Two amendments by Senator KASTEN are not disposed of. Possibly, there will be one other amendment by this Senator.

So I hope in the next 10 minutes we can get some agreement, and then we can notify our colleagues on both sides of the aisle—many who have places to go this evening, far away from Washington, DC—as to what time they may depart.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the Senator from California is prepared to offer an amendment. He is prepared to accept 20 minutes on the amendment equally divided. If the manager of the bill has no objection, he could not make that request.

Mr. DODD. This is with no amendments in order.

Mr. DOLE. With no amendments in order to the amendment.

TIME LIMITATION AGREEMENTS

Mr. DODD. Mr. President, I ask unanimous consent that as to an amendment to be offered by the Senator from California the debate be limited to 20 minutes equally divided between the Senator from California and the Senator from Connecticut with no amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I also ask unanimous consent that as to an amendment to be offered by the Senator from North Carolina that the debate be limited to 20 minutes equally divided between the Senator from

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

North Carolina and the Senator from Connecticut and there be no amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The pending amendment will be set aside and the Senator from North Carolina is recognized for his amendment.

AMENDMENT NO. 225

(Purpose: To make certain provisions unseverable)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistance legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], for himself, Mr. DOMENICI and Mr. GRASSLEY proposes an amendment numbered 225.

On page 88, after line 24, insert the following new subsection:

"(c) SEVERABILITY.—If any provision of this section or the application thereof to any individual or circumstance is held invalid, the invalidity shall cause the entirety of this Title to be invalid."

On page 97, delete section 126.

Mr. HELMS. Mr. President, the intent of this legislation's sponsors is certainly laudable. Of course, we all want strong families in America. I, and other Senators, have been preaching that for a long time because families instill values, they build character, strengthen religious commitment, and teach morality. Indeed, the strength of a republic is determined by the strength of its people. Consequently, the fate of our Nation literally hinges on the survival of the family.

I have listened carefully to the various declarations and proclamations throughout the discussion of this bill. It is obvious now that the bill blatantly discriminates against mothers who choose to stay home and raise their children because it denies these parents any portion of the massive Federal child-care assistance program they will be taxed to support.

However, Mr. President, I have been particularly intrigued by the provision referred to as the Ford-Durenberger amendment. This provision would supposedly make it possible for parents to use child-care certificates authorized under this bill to purchase religious day care if—and I repeat if—the courts do not strike it down.

Mr. President, as originally proposed, this bill contained a flat-out prohibition on the expenditure of funds for religious instruction and worship. The effect was to eliminate religious-based child care from the options available to parents who want to take advantage of the Federal assistance provided under this bill.

Now here is the point, Mr. President: If this bill becomes law it will provide child-care assistance to fewer than 1 million out of the approximately 12 million children who would be eligible for assistance—just 1 child out of 12. Thus, in a sense, the bill creates a giant lottery for the available assistance. The question for the religious day cares in this country is whether or not the children they care for will be allowed to compete for these Federal funds.

Mr. President, the Ford-Durenberger amendment was intended to guarantee that they would be able to. However, I have my doubts that the Ford-Durenberger amendment will survive a constitutional challenge in the Federal courts. If the courts drop the Ford-Durenberger provision from this legislation, then the bill will have been a fait accompli and parents who want to send their children to religious day care will be out in the cold in the competition for Federal assistance.

Is that fair, Mr. President? Is that what we intend? No, it is not. I do not think a single Senator on this floor will say that this is our intent. But, that is very likely what will happen once the antireligious groups in this country take this issue to court—which they have promised to do.

Now I want to be clear that I fully support the intent of the Ford-Durenberger provision and I commend my colleagues for attempting to address this problem. For many Senators, the inclusion of the Ford-Durenberger provision is essential to their support of this bill. If those Senators are listening in their offices, my amendment is an important amendment to them because without it the millions of parents who send their children to religious day care will be discriminated against by this bill. They will be shut out of the Federal day care game despite our efforts to protect them.

Mr. President, I have heard Senators come to the floor and say that the Ford-Durenberger amendment is unconstitutional. I have heard other Senators say that it is not unconstitutional. But many attorneys whom I have consulted question whether Federal assistance, even in the form of child-care certificates, can be exempted from the Supreme Court's onerous interpretations of the Establishment Clause. These attorneys—and they are pretty good ones who know a lot about the Constitution—tell me that the chances that a Federal court will find the Ford-Durenberger provision unconstitutional are very good.

Recognizing that possibility, Mr. President, the authors of this legislation included in Title I of the bill a severability clause, stating that, "If any one or more provisions of this title is held to be unconstitutional, the same shall not affect the validity of other provisions of this title."

Mr. President, the severability clause will allow a Federal court to strike down the Ford-Durenberger provision—or possibly the entire child-care certificate program—without affecting the rest of the bill. My amendment would prevent this from happening. So, unless my amendment passes, we could end up with the ABC bill without any guarantee whatsoever that religious day-care centers will be a viable option for parents receiving assistance under this bill. Such a turn of events would be completely contrary to the purpose and intent of the Ford-Durenberger provision.

Mr. President, I dare say that many of the Ford-Durenberger provision's opponents agreed to accept it simply because they were confident that the courts would not uphold it. What did they have to lose? They think they can satisfy our concerns on the Senate floor and then confidently sit back and wait for a Federal judge to take it out of the bill later on.

Mr. President, I am trying to make it certain that that is not what will happen. The only way to do that is to delete the severability clause, and that is what the pending amendment does.

However, Mr. President, deleting the severability clause does not take care of the problem entirely. We must ensure that if the Ford-Durenberger provision does not remain in the bill—if it is later deleted by a Federal judge—all of Title I will fall and we can go back to the drawing board. Consequently, it is necessary to include a provision to that effect in the bill.

My amendment inserts such a provision in section 121 stating:

If any provision of this section or the application thereof to any individual or circumstance is held invalid, the invalidity shall cause the entirety of this Title to be invalid.

Mr. President, if the Ford-Durenberger provision is to offer any real protection to religious day care, it must have the teeth provided for in my amendment. Those Senators who do not recognize the importance of religious day care in this country and who wish to remove such child care as an option for parents relying on the Federal assistance should vote against my amendment. All other Senators should vote for it.

Mr. President, the Senator from Iowa and the Senator from New Mexico joined with me in offering this amendment, so we should call it the Helms-Grassley-Domenici amendment.

Mr. President, I reserve the remainder of my time and I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, I yield whatever time the Senator may need.

Mr. HATCH. Mr. President, I have a great deal of fondness and admiration for my colleague from North Carolina. I think everybody in this Senate does. He is one of the most unique Senators who has ever sat here. I consider him one of the greatest Senators who has ever sat here. I cannot imagine the Senate without a JESSE HELMS in it, because there are so many things he stands up for and speaks out against. He is an amazing human being and I consider him my friend.

But, for the life of me, I cannot understand this argument today. And the reason I cannot is because the very reason severability clauses are put into legislation is to make sure that legislation is constitutional; to make sure that we are not wasting our time here in the U.S. Senate in pushing legislation.

Because if we did not have severability clauses and one aspect of the legislation is found to be unconstitutional, then the whole legislation is unconstitutional. So the effect of the amendment of the distinguished Senator from North Carolina would be that if a small part of the ABC bill was found to be unconstitutional—and I do not believe even the smallest part is unconstitutional under current constitutional law—then the whole bill would be unconstitutional. And that means that it will be knocked out, even though we have now spent 8 days on the floor of the U.S. Senate making a case for the ABC bill and, I might add, having won the two most crucial amendments with regard to that bill.

The fact of the matter is that good draftsmanship, good legislative draftsmanship, smart legislative draftsmanship, good-faith legislative draftsmanship mandates putting a severability clause in the legislation. Who knows what a future Supreme Court will do? But, in the unlikely event that something in this legislation is unconstitutional, we surely want a severability clause in there so that all of the legislation is not wiped out in a single swoop of the Supreme Court's pen.

That just makes sense. With regard to the Ford-Durenberger amendment which is put in here—yes, there will be litigation, probably. There will probably be those who will try to knock that amendment out and they will generally be on the side of people who are contrary to what the distinguished Senator from Kentucky, from Minnesota, and, I might add, from North Carolina believe. But there are many, many authorities who based upon current constitutional law agree that the Ford-Durenberger amendment is constitutional.

I may not be an authority but I am somewhat familiar with the Constitution and I agree that this clause is not unconstitutional. But even if it were, the severability clause protects the rest of our legislation from being thrown out as unconstitutional. And it is a wise and important, worthwhile, honest, intelligent thing to have in there.

So I have to conclude that my dear colleague from North Carolina dislikes the ABC bill so much that, even though he would like to see the Ford-Durenberger amendment upheld because it does protect the rights of religious freedom, he hates the ABC bill so much that he is hoping the Ford-Durenberger amendment will be found unconstitutional and that this lack of a severability clause, if his amendment passes, will then invalidate the whole ABC bill.

Mr. DODD. Will my colleague yield?

Mr. HATCH. I will be glad to yield.

Mr. DODD. I want to underscore what my colleague pointed out. We asked legislative counsel. There are over 60 parts of the U.S. Code that contain severability clauses. Last year, well, the number I cannot even count, a drug abuse act, the Indian health care amendments, a long list of bills last year, all of which include severability clauses.

In fact, there are two in this bill, Mr. President, one to apply specifically to the provision with regard to the discrimination area and then one that applies to the act overall.

Obviously, this is just basically good legislating, as the Senator from Utah has indicated.

I know my colleague from Kentucky is interested in being heard on this.

Mr. HATCH. I will be happy to yield to the distinguished Senator from Kentucky.

Mr. FORD. Mr. President, let me just take a minute or 2 to say to my good friend from North Carolina that I am somewhat disappointed that he would take this tack because 70 percent of the money under the amended ABC bill is paid in the manner in which I think he would like for it to be—in tax credits. If the Ford-Durenberger portion of the bill is found unconstitutional, then we would lose all of that money, that 70 percent of that money, to help the children throughout this country of ours.

Mr. DOMENICI. Will the Senator yield? I do not mean to ask this question but——

Mr. FORD. Yes. You do not mean to ask it?

Mr. DOMENICI. Would my colleague not recognize, if I were to read him the language, that it does not apply to the tax credit portion? The tax credit portions are not included in his language. It is simply anything within the ABC bill that his nonseverability clause applies to.

So I do not think it applies to the other two but I will be glad to read the amendment, if the Senator would like me to.

Mr. FORD. I would not want to take that much time. But I think if he is not willing to take a chance on the Ford-Durenberger language, I am not willing to take a chance on his severability clause.

The chances of the Ford-Durenberger provision being unconstitutional are remote. If we take the Ford-Durenberger language we have CRS, and they say it is constitutional; we take the University of Chicago School of Law, Professor Michael McConnell, who says our position is constitutional. But my colleague wants to take a chance and do away with all the rest of ABC on this one provision. I think he is trying to kill the bill.

If the Senator succeeds with this position and the bill is killed, we lose the opportunity to help those children out there who need safe, affordable care. If that happens, I think we will all rue the day.

If this amendment kills the ABC bill, that means we will have to come back and try to write another one. That is exactly what will happen.

If we do that, then it will be the next session of Congress before we get something out of here. And the children will be the ones who suffer.

Mr. President, I hope my colleagues will not accept this amendment. I am not a lawyer. I do not intend to be a lawyer.

My Dad told me, "A little knowledge of the law is dangerous, get you a good lawyer; stay with him."

I have a good lawyer. I am staying with her on this. And I think her advice is good.

We have several experts that have said the Ford-Durenberger position is constitutional; they helped us draft this amendment. I think we are right, and I am willing to take a chance on it. I hope my colleagues will oppose this amendment.

Mr. HATCH. Mr. President, how much time do we have on this?

The PRESIDING OFFICER. A minute, thirty-five seconds.

Mr. HATCH. Let me yield 35 seconds to the distinguished Senator from New Mexico and a minute to the distinguished majority leader.

Mr. DOMENICI. Thirty-five seconds?

Mr. President, the problem, or the argument against this amendment is that it ignores the fact that probably this whole bill would fail but for the religious section. If Senators were confident that they have enough votes to pass this bill without the Ford-Durenberger amendment then they vote against this amendment. What we are saying is this bill would not become law but for that. Therefore, if it is de-

clared unconstitutional, we ought to bring the bill back. The whole bill should go. Maybe we ought to have a test vote and see if my colleagues have 50 votes for ABC without the religious exemption. I will bet they do not. That is why this is appropriate in this case.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The majority leader.

Mr. MITCHELL. Mr. President, a severability provision exists in over 63 Federal laws. It is a commonplace occurrence in the writing of laws. This is not new, it is not novel, it is in no way unique. I am certain that it exists in many laws supported by persons who might otherwise be disposed to favor this amendment.

Mr. President, let us understand what it is we are being asked to do here. We are being asked to say that if any aspect of this law is declared unconstitutional, that the entire law must fall. Yet we are not asked to do that with respect to a very large number of laws that are now on the books.

Accordingly, Mr. President, I urge my colleagues to support a motion to table this amendment which I am about to make.

Has all time expired?

The PRESIDING OFFICER (Mr. KERREY). All time has just expired. The Senator from North Carolina has 32 seconds.

Mr. MITCHELL. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, inasmuch as we are trying to help the leadership along and I agreed to a time limitation, knowing there was not going to be time enough, would the leadership be good enough to extend my time 3 minutes so I could yield to the distinguished Senator from California if he wishes to speak?

Mr. MITCHELL. I have no objection to that.

May I ask, Mr. President, if the Senator would in turn agree to permit Senator HATCH to have 2 minutes?

Mr. HELMS. Oh, absolutely. Absolutely.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator WILSON be recognized for 3 minutes in support of Senator HELMS' amendment, Senator HATCH be recognized for 2 minutes in opposition to it, following which I be recognized to move to table the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

Mr. WILSON. Mr. President, if the Ford-Durenberger amendment has made the ABC legislation constitutional, then the adoption of the Helms amendment can in no way hurt it. But if, in fact, the Ford-Durenberger amendment fails to make it constitutional, then we will have a situation in which 40 percent, at least, of existing child care providers in the United States will be prohibited from receiving any Federal assistance under this bill.

Mr. President, that is not keeping good faith with parents to whom we have heard time and time again on this floor the ABC bill will offer a maximum of parental choice. It will not, if we shrink by 40 percent the existing day care facilities and providers in this country. All the Helms amendment does is to say that if, in fact, Ford-Durenberger proves inadequate when tested constitutionally, that, in fact, yes, we will have to rewrite the whole bill to see that it is constitutional to afford parents that choice which presumably Ford-Durenberger does afford them. If it does, fine; the Helms amendment cannot hurt. But if, in fact, that legislation is not constitutional, then speaking of good faith, we better be in good faith with the people to whom we say we are offering choice, and we will not be if we just blithely say, "gee, that is a shame; we thought we fixed it but now, guess what, 40 percent of existing child care providers will not be eligible to receive any assistance under this legislation."

Mr. President, what we should do is recognize this as a situation in which it is critical that there be a fix if it is required. If it is not required, then the Helms amendment becomes merely surplusage. To say that it is a killer amendment, to say that it will gut the bill, to say that it is in bad faith is wrong because quite openly and clearly, Senator HELMS and those supporting his amendment think that unless it is constitutional, parents will be deprived to the freedom of choice that they have been promised and that we should therefore come back and rewrite the bill, and he is right. It is that simple.

So I might say to those who feel full confidence in the adequacy, constitutionality of the Ford-Durenberger provision, you should not even reject it. You should accept the amendment because it will do no harm. It is mere surplusage.

I commend my colleague from North Carolina.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I was intrigued by the argument of the distinguished Senator from New Mexico. The Ford-Durenberger amendment does not make this whole bill any more than the countless other amendments we have. The reason we accept these amendments is to try to improve the bill. One of the reasons for the Ford-Durenberger amendment is because it protects the right of people who want religious freedom. I think most people in this body agree with that. What we are trying to say here is that it is a little bit of sophistry to come in and say this whole bill hinges on the one issue. It does not. We are trying to protect certain rights and certain freedoms, and we are trying to do it the best we can.

Frankly, whether this amendment was in this bill or not, the bill is a good bill; it is one that ought to be passed. It is one that might just possibly help some families in America who have long been waiting for this kind of help.

Now we are here at this late hour playing around with a severability clause that virtually every legislator worth his salt would like to have in basic legislation as a protection to that legislation. You do it in bills that do not have any constitutional issues at all just to be sure because you never know. A court that will permit desecration of our flag might very well permit something else that nobody ever thought about.

So you never know what is going to happen, that is why you put these severability clauses in these things and to take it out now, there is only one reason: That is because the distinguished Senator from North Carolina, my friend, does not like the ABC bill. Well, he has a right to do that. He has a right to not like it. He has a right to this amendment, but we have a right to vote this amendment down. It is good legislative craftsmanship to vote it down. I hope every Senator in this body will vote it down because it will send a legislative message that is worthwhile, one that is long overdue.

Whatever time I have left, I yield to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. There are 4 seconds left.

Mr. FORD. Mr. President, Senator DOMENICI offered an amendment this morning that I think is absolutely unconstitutional. Without this severability clause, whether the Ford-Durenberger amendment is unconstitutional or not, the Domenici amendment will bring this bill down. This is a backdoor attempt to kill the bill.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, the amendment by the Senator from North Carolina gets a high score for ingenuity, but that's about it. It purports to strengthen the parental-choice portion of the bill, but its actual intent is to bury a legal landmine in the bill before us, which he hopes will eventually destroy it. While

he attempts to draw support for the amendment by appealing to supporters of the language Senator FORD and I offered to this bill, I think the votes will indicate that he will be joined in this effort only by those who want to defeat this bill.

It is likewise misleading of the Senator to leave the impression that this is somehow a referendum on the constitutionality of Ford-Durenberger; it is certainly not. The severability clause which the Senator deletes by this amendment is in no way specific to section 121. I believe the Senator has the hope that a future court may find some portion of this section unconstitutional; in that case his amendment would have the result of invalidating the entire bill. Severability is a commonplace protection which the Senate uses to safeguard its work product in the judicial arena and it belongs on this bill, regardless of the addition of the Ford-Durenberger language in majority leader's package.

As I and a number of other Members have argued, the Ford-Durenberger amendment is both constitutional and improves this legislation. The Senator from North Carolina is not interested in improving this bill, and Senators should keep that in mind as they vote.

CONSTITUTIONALITY AND SEVERABILITY OF THE CHILD CARE BILL

Mr. SPECTER. Mr. President, I have voted for the Mitchell substitute and am voting for final passage of the ABC bill notwithstanding my doubts about the constitutionality of the provision in the bill that authorizes Government funds to be expended for sectarian child care.

In a floor statement yesterday, I expressed my concerns with respect to the constitutional issue. Specifically, I reviewed the relevant first amendment precedents and expressed my belief that tax credits which indirectly benefit sectarian institutions are constitutional, but more direct aid such as grants, vouchers, or certificates run a significant risk of being declared unconstitutional. A more detailed analysis of the constitutional question can be found in letters from Prof. Laurence Tribe of Harvard Law School and Gary Simson of Cornell Law School. I ask unanimous consent that both letters be printed in the RECORD at the conclusion of this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. SPECTER. Mr. President, in my floor statement yesterday, I also expressed concern that the courts might not find the unconstitutional provision in this act severable from the rest of the bill. I should note, however, that the vote to table the Helms amendment on severability may alter that analysis. There is now a strong congressional declaration that the Ford-Durenberger provision should be severed in order to save the remainder of this important legislation. It appears that many of my colleagues agree with me that there must be comprehensive child-care legislation, even if the first amendment prohibits Government aid to sectarian child-care providers.

It is my hope that the bill can be improved in conference to eliminate the potential constitutional problems. I firmly believe that it is vital that we move ahead with legislation on the important subject of child care. Therefore, the conferees should attempt to craft legislation that does not risk invalidation on constitutional grounds. Toward this end, I urge my colleagues to study carefully the relevant Supreme Court precedents.

EXHIBIT 1

HARVARD UNIVERSITY LAW SCHOOL,
Cambridge, MA, May 5, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: I am writing in response to your request for my views on the constitutional implications of a proposed amendment to the Act for Better Child Care (S. 5). The amendment would exempt the certificates for child care assistance provided for in section 8(a)(1)(C) from the prohibition in section 19(a) against the expenditure of federal funds "for any sectarian purpose or activity, including sectarian worship or instruction." For the reasons stated below, I believe that such an amendment, if adopted, would create a significant risk that the ABC bill would be held unconstitutional.

Under the bill as reported by the Labor and Human Resources Committee, federal child care assistance may be awarded to eligible providers through three means: (1) grants to, or (2) contracts with, the providers, or (3) child care certificates distributed to parents of eligible children. In all three instances, the bill requires that the participating state enter into an agreement with the child care provider under which the provider agrees to meet the requirements of the ABC bill, and the state pays the provider directly for providing child care services to eligible children. Secs. 3(4), 3(8)(A) & 8(a)(1).

Section 19(a) of the reported bill provides that "[n]o financial assistance provided under this Act shall be expended for any sectarian purpose or activity, including sectarian worship or instruction." The Committee Report makes clear that this provision bars an entity receiving any of the forms of financial assistance under the bill from including "any sectarian activities, worship or instruction in providing child care services under this Act." S. Rep. 101-17 at 49.

The proposed amendment would exempt federal assistance awarded through child care certificates from the restrictions in section 19(a). Its purpose is to permit federal funds under the Act to be used to pay for child care when parents using child care certificates opt to send their children to providers that carry on religious worship and instruction as part of the child care program.

In evaluating the constitutionality under the Establishment Clause of government aid to religious institutions, the Supreme Court is guided by the three-part test first articulated in *Lemon v. Kurtzman*, 403 U.S. 602, 612-13 (1971):

"First, the statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion; finally, the statute must not foster 'an excessive government entanglement of religion.'" *Id.* (quoting *Walz v. Tax Comm'n*, 397 U.S. 664, 674, (1970); other citations omitted).

On the first, secular purpose requirement, later Supreme Court decisions have suggested that a statute will be invalidated on this ground "only if it is motivated wholly by an impermissible purpose." *Bowen v. Kendrick*, 108 S.Ct. 2562, 2570 (1988) (citations omitted). Numerous other precedents define the requirement slightly more broadly, stipulating that, so long as the law was motivated at least primarily by a legitimate secular purpose, the first leg of the *Lemon* test is satisfied. *See, e.g., Lynch v. Donnelly*, 465 U.S. 668 (1984). The mere fact that a particular legislative objective may coincide with, or even be prompted by, religious doctrine does not render the objective an impermissible one; only actions intended either to endorse or to disapprove of religious doctrine fail the secular purpose requirement. *See* L. Tribe, *American Constitutional Law* sec. 14-9 (2d ed. 1988).

Both the text of the ABC bill and the Committee Report make it clear that the measure's primary purpose is a secular one; to facilitate the provision of high quality child care to families that are unable to afford it without government assistance. As a general matter, broad-based financial aid programs like that envisioned by the bill easily survive scrutiny under the first prong of the *Lemon* test, even when they run afoul of other aspects of the *Lemon* framework." *Mueller v. Allen*, 463 U.S. 388, 394 (1983). *See Grand Rapids School District v. Ball*, 473 U.S. 373, 383 (1985) ("As has often been true in school aid cases, there is no dispute as to the first test.").

Though it may be argued that one purpose of the proposed amendment is to advance religious observance by awarding federal funding to child care programs that engage in religious instruction, it seems clear that the amendment is also intended to enlist religious child care providers in meeting the bill's primary objective of providing high quality day care to indigent families.

The Supreme Court accepted this latter rationale as persuasive in *Bowen v. Kendrick, supra*, 108 S.Ct. at 2571, in holding that provisions in the Adolescent Family Life Act changing federal law in order to permit payment of federal funds to religious institutions that provide counseling on questions of adolescent sexuality satisfied the secular purpose requirement. Moreover, it may also be argued that the proposed amendment is simply intended to remove financial considerations from an eligible parent's decision whether to send his or her child to a sectarian or a nonsectarian day care program, and as such is a "reasonable accommodation" to the parent's religious beliefs, rather than an endorsement of religion. *See Church of Latter-day Saints v. Amos*, 107 S.Ct. 2862, 2868 (1987).

Under these precedents, it is highly unlikely that adoption of the proposed amendment would cause the bill to violate the secular purpose requirement. But the bill's prospects under the latter two *Lemon* criteria would be far more problematic if the amendment were adopted.

Under the proposed amendment, it is predictable that a significant portion of ABC assistance will be paid to child care provid-

ers which conduct religious instruction or worship as part of the child care programs subsidized by the bill. As a result, it is quite likely that the ABC bill would be held to violate the second *Lemon* requirement, which bars measures having the primary effect of advancing religion.

The amendment probably transgresses this stricture because it would permit government funds to be used directly to subsidize sectarian activities carried on as part of the child care programs funded by the bill. "Although Establishment Clause jurisprudence is characterized by few absolutes, the Clause does absolutely prohibit government-financed or government-sponsored indoctrination into the beliefs of a particular religious faith." *Ball, supra* 473 U.S. at 385.

In this regard, the bill as amended would go considerably beyond the AFLA statute upheld in *Kendrick*. There, the Court ruled that the projects authorized by AFLA, which included counseling and child care, were "facially neutral" in nature, 108 S.Ct. at 2576. In so doing, however, it acknowledged that federal funding of these activities by "pervasively sectarian institutions" would imperil the constitutionality of the AFLA law, and it explicitly declined to assume that such institutions would receive AFLA funds.

Adoption of the proposed amendment would thus raise two significant constitutional problems not present in *Bowen*. First, the amendment seems to contemplate that ABC funds would be paid to "pervasively sectarian" institutions, such as child care programs maintained as an integral part of a parochial school program. Such a result appears likely to doom the provision under the approach taken by the majority in *Kendrick. See id.* at 2580. And second, since the amendment would lift even the prohibition against using ABC funds paid through child care certificates for sectarian purposes or activities, it seems clear that the amended bill would contemplate that government funds would be used to further religion, a result that would render the provision invalid even under the relatively unrestrictive approach outlined in Justice Kennedy's concurring opinion. *Id.* at 2582.

Nothing in *Witters v. Washington Dep't of Services for the Blind*, 474 U.S. 481 (1986), provides a secure basis for confidence that a contrary result will be reached. In *Witters*, the Court simply held that the Establishment Clause did not forbid granting aid under a state vocational program for visually handicapped persons to one solitary student who sought to use it to pay to attend Bible college. Indeed, the opposite result would have imposed a significant burden on the student's rights under the Free Exercise Clause.

It is true that the "form" of federal assistance—the fact that ABC funds would flow to sectarian programs as a result of individual parents' decisions regarding where to use their child care certificates, rather than an explicit statutory directive—will undoubtedly weigh favorably in the Court's deliberations. There is nevertheless a significant possibility that the measure would be held unconstitutional, because the child care certificates differ substantially from the forms of government aid to religious institutions previously upheld by the Court.

In *Mueller v. Allen*, for example, parents were allowed a tax deduction for the costs they incurred in sending their children to public or private schools. The benefit that flowed to religious schools was indirect; in contrast, under the proposed amendments, ABC funds would be paid directly by the government to the child care provider to which the parent delivers a child care certificate. More importantly, the ABC bill requires the provider to enter into a written agreement with the government under which the provider promises to comply with the bill's requirements.

This factor highlights the problems posed by the proposed amendment under the third Lemon test: whether the statute would lead to "an excessive entanglement of government with religion." 403 U.S. at 613. If the amendment were adopted, the government would be thrust into the position of closely monitoring compliance by pervasively sectarian institutions with the requirements of the Act. Exactly such a situation prompted the Court in *Aguilar v. Felton*, 473 U.S. 402 (1985), to strike down on entanglement grounds New York City's program of Title I aid to elementary and secondary schools: many of the schools receiving aid were "pervasively sectarian" and had as a substantial purpose the teaching of religious values. 473 U.S. at 411. The Court found that ensuring that federal funds were not used for religious indoctrination would require "a permanent and pervasive state presence in the sectarian schools receiving aid." *Id.* at 413.

In sum, adoption of the proposed amendment would create a significant likelihood that the ABC bill would be held to have the primary effect of advancing religion and to create an unacceptable entanglement of government with religion. The amendment thus poses a substantial threat to the constitutionality of the ABC bill.

Sincerely,

LAURENCE H. TRIBE.

EXHIBIT 2

CORNELL UNIVERSITY,
CORNELL LAW SCHOOL,
Ithaca, NY, May 5, 1989.

MS. SHIRLEY SAGAWA,
Counsel, Senate Labor and Human Resources Committee, Washington, DC.

DEAR MS. SAGAWA: As you requested, I am writing to offer my opinion of the constitutionality of the proposed amendment to the Act for Better Childcare relating to certificate-funded programs. Based on our telephone conversation, my understanding of the amendment is that it would authorize federal funding of childcare programs that provide religious instruction without seeking to ensure that such funds do not go to support the religious instruction. In my view, the amendment clearly violates the Establishment Clause of the First Amendment. It directly contradicts one of the core purposes of the Establishment Clause as well as a long line of Supreme Court cases interpreting the clause.

As Chief Justice Burger underlined in his landmark opinion for the Court in *Lemon v. Kurtzman*, 403 U.S. 603, 612 (1971), "financial support" of religion is one of the principal "evils against which the Establishment Clause was intended to afford protection." In keeping with this perception of original intent, the Court in *Lemon* and a host of other cases has invalidated government aid to parochial schools unless it was satisfied that the aid was not being used to support the schools' religious mission. The *Lemon* case exemplifies the court's approach. In striking down aid supplementing the salaries of teachers of secular subjects in parochial schools, the Court made clear that it regards as unconstitutional not only laws that plainly help pay for religious instruction but also ones that on their face appear to fund only secular instruction but that in practice present a significant risk of supporting religious instruction. Under this approach the proposed amendment, with its unabashed subsidy for religious instruction, presents an easy case for invalidation.

The Court's recent decision in *Bowen v. Kendrick*,—U.S.—, 108 S. Ct. 2562 (1988), upholding the federal Adolescent Family Life Act, does not suggest that the Court would view the proposed amendment otherwise. In an opinion by Chief Justice Rehnquist, the Court in *Bowen v. Kendrick* reaffirmed the principle that aid is invalid that directly supports religious activities or that poses a significant risk of being used to advance such activities (108 S. Ct. at 2574–75), and it expressly provided that specific grants under the Act should be struck down if they could be proven to entail a significant risk of supporting religious instruction (108 S. Ct. at 2580–81). It may well be that the Court in *Bowen v. Kendrick* retreated to some degree from its earlier cases in its estimate of what constitutes a significant risk of funds being channeled to religious activities. There is no basis for finding in its opinion, however, any retreat from its longstanding position that government funding of religious instruction is barred.

It appears that the only Supreme Court precedent that lends any aura of legitimacy to the proposed amendment is *Mueller v. Allen*, 463 U.S. 388 (1983). In *Mueller* the Court held that a state could allow parents of parochial school children a state income tax deduction for tuition and other specified expenses. Read broadly, *Mueller* might seem to suggest that government indeed may fund religious instruction without violating the Establishment Clause: though not an expenditure of public funds in form, a tax deduction is one in fact; and the tuition payments encompassed by the deduction plainly go to support the religious instruction provided at parochial schools.

In *Mueller* itself, however, the Court indicated that such a broad reading would be inappropriate. It emphasized that its determination of constitutionality was significantly influenced by the fact that the law under review was a tax statute. According to the majority, the Court "traditionally" has given legislatures "especially broad latitude" and "substantial deference" in matters of taxation (463 U.S. at 396). Furthermore, in subsequent cases, the Court has confirmed that *Mueller* should not be read broadly. *Grand Rapids School District v. Ball*, 473 U.S. 373 (1985), is particularly notable in this regard. Not only did the Court in *Grand Rapids* invalidate a funding scheme based on a significant risk that funds would be used to support religious instruction; it also expressly distinguished *Mueller* as a case involving aid "mediated by the tax code" (473 U.S. at 395 n.13). *Mueller* is a highly controversial decision by a sharply divided Court. Whether or not *Mueller* proves to be long-lived, it is apparent that the Court is unwilling to read it so broadly as to provide precedent for the type of funding authorized by the proposed amendment.

In sum, I strongly recommend against adoption of the proposed amendment based on its unconstitutionality under the Establishment Clause of the First Amendment. Please feel free to share this letter with anyone you wish and do not hesitate to contact me if I can be of any further assistance.

Very truly yours,

GARY J. SIMON,
Professor of Law.

Mr. MITCHELL. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—62

Adams	Durenberger	Lieberman
Baucus	Exon	Matsunaga
Bentsen	Ford	Metzenbaum
Biden	Fowler	Mikulski
Bingaman	Glenn	Mitchell
Bond	Graham	Moynihan
Boren	Harkin	Nunn
Bradley	Hatch	Pell
Breaux	Hatfield	Pryor
Bryan	Heinz	Reid
Bumpers	Hollings	Riegle
Burdick	Inouye	Robb
Byrd	Jeffords	Rockefeller
Chafee	Johnston	Sanford
Cohen	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Shelby
Daschle	Kohl	Simon
DeConcini	Lautenberg	Specter
Dixon	Leahy	Wirth
Dodd	Levin	

NAYS—36

Boschwitz	Heflin	Nickles
Burns	Helms	Packwood
Coats	Humphrey	Pressler
Cochran	Kassebaum	Roth
D'Amato	Kasten	Rudman
Danforth	Lott	Simpson
Dole	Lugar	Stevens
Domenici	Mack	Symms
Garn	McCain	Thurmond
Gorton	McClure	Wallop
Gramm	McConnell	Warner
Grassley	Murkowski	Wilson

NOT VOTING—2

Armstrong	Gore

So the motion to lay on the table amendment No. 225 was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, last month my wife Marcelle and I spent a morning at a child care center in Burlington. It was a cold, drizzly Vermont spring day—but you would not have known it by the smiles on the children's faces. The center is one of the best in my State. Parents who leave their children in its care feel comfortable that their kids are in safe, qualified hands.

The value of this peace of mind cannot be underestimated. Parents who must work need assurances that their children are safe and well-cared for. Their productivity depends on it.

Too often, though, parents are forced to make choices that compromise their childrens' welfare and safety. The serious shortage of safe, affordable child care in America forces many families to settle for mediocre, sometimes even dangerous, arrangements. Our children deserve better. Working families deserve better, and they need our help.

My home State of Vermont is responding to the varied needs of families and has taken steps to improve its child care system. Vermont is spending more on child care and is in the forefront on safety and quality issues.

The number of licensed child care spaces in Vermont has almost tripled in 4 years, from 6,000 to 16,000. Vermont now spends $5.8 million annually to help Vermont's parents care for their children, but another 25,000 children need this quality care, and are not getting it.

Mr. President, we have an opportunity to help parents who cannot find safe, affordable care for their children. We have an opportunity to save the business community billions of dollars lost due to child care-related absenteeism.

I support the children's package introduced by the majority leader. Senators MITCHELL, DODD, and HATCH and many others have worked hard to put together a bill that offers a sound approach to our child care needs. Through years of debate, difficult compromise, and bipartisan cooperation, the ABC bill before us is greatly improved. It is not perfect. No legislation that tackles a problem as great as child care can be. But what this bill says to working families is that the Federal Government is making a commitment to better child care in America.

The ABC bill expands child care options for working parents. It allows them to choose among a wide variety of child care services, including care by relatives, churches, family providers, centers, schools and employers.

As revised by the agreement with the National Governors Association, 70 percent of ABC funds will go directly to families. Twenty-two percent of funds will go to improve the quality and supply of child care in each State. The States will use the remaining funds to administer the program.

States will have complete discretion to design their own health and safety standards, and they will be able to apply for incentive grants to meet model standards recommended by a national committee.

The ABC compromise includes a child-care and child-health tax credit package reported by the Senate Finance Committee. It provides refundable tax credits to low-income families with children to increase the number of families helped with child-care and child-health expenses.

The compromise reduces the original authorization level for the ABC bill to $1.75 billion. I want to commend Senator DODD for leading the successful effort to fund new child-care initiatives contained in the fiscal year 1990 budget resolution passed earlier this year.

Is $1.75 billion too high a price to pay for adequate child care? Well, let me remind Senators that we could take care of the Nation's child-care needs for the next decade and more for far less than it will cost the American taxpayers to bail out the Nation's savings and loan institutions in the southwest.

I consider spending on child care an investment in the future. So do many in the business community. The Committee for Economic Development, a group of more than 220 heads of major U.S. corporations and universities. released a report that stresses the importance of investing in children early on.

The money we spend on child care will improve the lives of working families and their children. It is a sound investment. It is a necessary investment.

Over the past 2 years, the ABC bill has undergone significant change and improvement. With the additions and changes that are included in the Mitchell substitute, it is the best proposal for addressing the problems of supply, quality and affordability of child care. A tax credit approach alone is not a meaningful substitute for comprehensive child care. A tax credit does nothing to address the problems of quality and supply of child care. It offers no guarantee that the money is spent on child care.

Last year a filibuster prevented us from passing child-care legislation and helping thousands of families meet their child-care needs. We have a second chance. I urge my colleagues to vote for better child care by supporting the ABC bill.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, if I could have the Senator's attention, I am about to propound a unanimous-consent request which will enable us to complete action on this legislation very shortly. So I ask for Senators' attention on that, because at the conclusion I am going to inquire with respect to whether or not there will be a request for a vote on final passage.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. President, I understand the pending business is the Dole amendment.

The PRESIDING OFFICER. That is correct.

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be 15 minutes of debate on the Dole amendment, equally divided between Senator MITCHELL and Senator DOLE, following which there occur an up or down vote on the Dole amendment.

I further ask unanimous consent that after the Dole amendment is disposed of, either Senator PACKWOOD, Senator WILSON, Senator GRASSLEY, or Senator DOLE be recognized to offer an amendment on model standards on which there shall be 20 minutes of debate equally divided between Senator DODD and the sponsor of the amendment.

I further ask unanimous consent that following the disposition of the model standards amendment, the Senate turn to the consideration of Senator WILSON's amendment on credits on which there shall be 20 minutes of debate equally divided between Senators DODD and WILSON; that, following the disposition of the credits amendment, Senator GORTON be recognized to offer an amendment on the flag that the managers expect to accept; that, following disposition of the Gorton amendment, Senator KASTEN be recognized to offer two amendments, one on section 89 and one on licensing, which the managers expect to accept; that, following disposition of the Kasten amendments, Senator MITCHELL be recognized to offer an amendment in behalf of himself, and Senators BOSCHWITZ, PACKWOOD, and PRYOR regarding section 89 which the managers expect to accept; and, that, following the disposition of the Mitchell-Boschwitz-Packwood-Pryor amendment, the Senate proceed without any intervening action to third reading and final passage of the bill, and that no other amendments or motions except motions to table be in order.

The PRESIDING OFFICER. Is there objection?

Mr. BRADLEY. Reserving the right to object, I would like to ask the leader, do the last four amendments have time agreements on them? How long does the leader expect the amendments if accepted will take?

Mr. MITCHELL. Just a few moments. We do not anticipate more than a few moments. They have been cleared on both sides.

Mr. EXON. Reserving the right to object, may I further inquire? I appreciate the fact we are trying to move things along. I did not get a chance to add up all of the time. For those of us who have already canceled two or three flights, could the majority leader give us any approximate time sometime between 6 o'clock and midnight that he anticipates we might be through or is that impossible under the present situation?

Mr. MITCHELL. No. It is my hope that if this agreement is accepted we will be through by before 5:30. I hope even before that. It is possible I am advised that one of the amendments for which time has been allocated in the agreement may not be offered which would speed it up that much. This means that there would be a maximum of three rollcall votes on amendments, the amendments taking 15, 20, and 25 minutes in succession.

I would like to get agreement on this, and then I am going to make the request of Senators with respect to final passage.

Mr. DODD. Reserving the right to object, would I be permitted, or the Senator from Texas be permitted, to offer a second-degree amendment to any of the amendments being proposed

Mr. MITCHELL. Not as the agreement is currently drafted.

Mr. DODD. I would like at least the opportunity to consider a second-degree amendment.

Mr. MITCHELL. Can the Senator identify the amendment with respect to which he wishes to reserve the right to offer that second-degree amendment, so we can put that in the agreement?

Mr. DODD. I apologize to the leader. I did not hear.

Mr. MITCHELL. Will the Senator identify the amendment with respect to which he would like to reserve the right?

Mr. DODD. A standard amendment, both amendments.

Mr. MITCHELL. Mr. President, I amend my unanimous consent request to provide that with respect to the amendment which I identified as to be offered by Senators PACKWOOD, WILSON, GRASSLEY or DOLE, and with respect to the amendment which I identified as a Wilson amendment, with respect to credits, that there be permitted a second-degree amendment, and if a second-degree amendment is offered, that the time limitation on the second-degree amendment be the same as the time limitation on the amendment sought to be amended.

Mr. DODD. Reserving the right to object, is that to cover any amendment on the standards issue?

Mr. MITCHELL. There is only one amendment that may be permitted on standards under this agreement. It will be offered by one of four Senators who have been identified in the agreement, and the distinguished Republican leader has not identified which of the four will offer it.

Mr. DOLE. If anyone offers it, I will offer it.

Mr. MITCHELL. If it is to be offered, it will be offered by Senator DOLE.

Mr. WILSON. Reserving the right to object, do I understand that the Senator talking about a second-degree amendment to the Wilson tax credit amendment?

Mr. MITCHELL. Yes, the agreement would permit such an amendment with a time limit on the same amount of time as your amendment.

So, Mr. President, I amend my request to provide that a second-degree amendment permitted under this agreement would be offered by Senator DODD and would be on the same subject matter as the amendment sought to be amended.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, now it is not my intention to seek a rollcall vote on final passage, which means that the last rollcall vote will occur within about an hour and a half, if all of these amendments are offered, and they may not all be, which means it would be even less time. Now, many Senators are here, and I make inquiry, and I know the distinguished Republican leader makes inquiry, is there any Senator who wishes a recorded vote on final passage?

Mr. HATCH. Reserving the right to object, I am informed there are some Senators who do.

Mr. MITCHELL. Well, that is not part of the agreement, but I just say we have made a real effort here to accommodate as many Senators as possible, and this is the time of day and week when many Senators would like to depart. I ask the Senator and the distinguished Republican leader, and I will do the same, if we can find out who would like a vote.

Mr. HATCH. The senior Senator from Connecticut told me he would like a vote on final passage.

Mr. MITCHELL. Mr. President, we have obviously been unable to resolve the question for a recorded vote on a final passage. There will be two, possibly three rollcall votes. I suggest we proceed to the consideration of the Dole amendment, not unduly delay it further, and I will have an announcement with regard to later action after the next vote.

The PRESIDING OFFICER. There is 15 minutes of time, evenly divided, between the majority and Republican leader. Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. The pending business——

The PRESIDING OFFICER. The Senate will come to order. The pending business is amendment No. 223, offered by the Republican leader.

Mr. DOLE. Mr. President, I know what time it is, and I know there are a number of Senators who have been very nice to me, calling me on the tele-

phone today, and they normally do not call at all, saying, "When are we going to get out of here." I am going to take about 1 minute, and I hope we can——

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. I am going to take about 1 minute to say what this amendment does, and I am prepared to yield back the remainder of my time. I know Senators have a lot of things they would like to do. What I wanted to have is a vote up or down, and we are going to have the vote up or down now, and I want to thank the majority leader and chairman of the Finance Committee.

I do not think there is going to be any change. There should be a change, but I want to put it into this bill so we can work out this compromise somewhere down the line, hopefully, on child care and have the President be a player, because he has an interest in legislation.

What I want to do is replace the health care credit and put in the earned income tax credit; that helps poor families, people that live in my State, as opposed to some untested program that may be a great idea. I do not want to quarrel with the chairman of the Finance Committee, but we know the EITC will help people who stay at home, poor families, and is not going to help families who are going to be reimbursed for insurance they are already buying. I think we ought to make that RECORD.

Second, it brings the President of the United States, who is getting along pretty well with a 75 percent approval rating, into the action; it makes him a player in child care. That is essentially the case.

I yield the remainder of my time.

Mr. DURENBERGER. Mr. President, not only do I believe we are going in the wrong direction with the addition of the health credit, but I also think that the substitute of the expansion of the earned income tax credit is an excellent one.

I think one lessen we have learned from this extended debate on child care, is that families have differing child care needs at different times in their lives. I have heard from many when debating another topic before this body—that of parental leave—about the importance of giving parents the choice of staying home to care for a child during that first critical months or years of a child's life.

And I believe Federal child care policy should take into account these differing needs at different periods of a child's life. For these first critical years in a child's life, I believe it is important that child care policy take into account the needs of parents who decide to care for their child in their home. Expansion of the earned income tax credit to account for family size and by targeting children under age 3—the age when most parents would prefer to have the option of staying home.

Not only is this good social policy, it is also good economic policy. These first few years of a child's life is also the time when care expenses are the highest and when low-income families need the most assistance to make ends meet. When we are putting more money directly into parents pockets to use in a manner which best suits their own individual needs, we are making the most efficient use of Federal dollars. I urge my colleagues to support this amendment.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, in good faith, yesterday, for what was, I believe, more than 10 hours, negotiations occurred with respect to the subject that the distinguished Republican leader has described. Negotiations did not succeed, but we took the final stage of those negotiations and added them to the bill today, accepting more than half of what it is that the President wanted. So we have accepted into this, in the spirit of compromise, what the President wanted, even though the reality is the votes existed not to accept that. The votes on this are clear, that we could have prevailed without accepting those provisions, but we did so in an effort to try to indicate some willingness to compromise on this, which attitude continues.

The PRESIDING OFFICER. The Senate will come to order.

Mr. MITCHELL. So having accepted what I think can fairly be characterized, having gone more than halfway toward the position espoused by the distinguished Republican leader, we have included that in the bill. We are now being asked to say we must accept it all or nothing. Take it or leave it. I do not think that is compromise. I do not think that is going halfway.

So I urge my colleagues to keep in mind that we have included an earned income tax credit in this bill as a result of the amendment adopted earlier today. We accepted more than half of what it is that the President's proponents asked us to. We went more than halfway, and we hope that the spirit of compromise which has been displayed can continue, and that we can end up with a bill, finally, that will be acceptable to the President and to all concerned.

This is a good bill. This is a fair compromise; it is a reasonable and sincere attempt to accommodate the interests of the President and the Republican Members of the Senate. It includes an earned income tax credit. It helps mothers who stay at home, which is what I understood to be the principal request being made.

Accordingly, Mr. President, I urge my colleagues to repeat the vote of earlier today, stand firm, and defeat this amendment, and then let us go on to complete final action on this bill, which will be a historic bill for our Nation and for this Senate.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The question is on agreeing to the amendment of the Senator from Kansas, Mr. DOLE.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] and the Senator from North Carolina [Mr. HELMS] are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

The PRESIDING OFFICER (Mr. FOWLER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 53, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—44

Bond	Gramm	Murkowski
Boschwitz	Grassley	Nickles
Burns	Hatch	Packwood
Chafee	Hatfield	Pressler
Coats	Heinz	Roth
Cochran	Humphrey	Rudman
Cohen	Jeffords	Simpson
Conrad	Kassebaum	Specter
D'Amato	Kasten	Stevens
Danforth	Lott	Symms
Dole	Lugar	Thurmond
Domenici	Mack	Wallop
Durenberger	McCain	Warner
Garn	McClure	Wilson
Gorton	McConnell	

NAYS—53

Adams	Ford	Metzenbaum
Baucus	Fowler	Mikulski
Bentsen	Glenn	Mitchell
Biden	Graham	Moynihan
Bingaman	Harkin	Nunn
Boren	Heflin	Pell
Bradley	Hollings	Pryor
Breaux	Inouye	Reid
Bryan	Johnston	Riegle
Bumpers	Kennedy	Robb
Burdick	Kerrey	Rockefeller
Byrd	Kerry	Sanford
Cranston	Kohl	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Shelby
Dixon	Levin	Simon
Dodd	Lieberman	Wirth
Exon	Matsunaga	

NOT VOTING—3

Armstrong	Gore	Helms

So the amendment (No. 223) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the information of Senators, it is my understanding now that there is no request for a rollcall vote on final passage. Under the agreement now in effect, there will be two more amendments, one to be offered by Senator DOLE on model standards, with 20 minutes of debate, and one by Senator WILSON on credits with 20 minutes of debate.

Senator DOLE has agreed not to offer his amendment. Through an inadvertent error, Senator HEINZ', amendment was left off the list.

Therefore, Mr. President, I ask unanimous consent that Senator HEINZ now be recognized to offer an amendment with respect to which there will be 10 minutes of debate, equally divided between Senator HEINZ and Senator BENTSEN; that following the disposition of the Heinz amendment, Senator WILSON be recognized to offer his amendment in accordance with the agreement in effect; and that the conditions applying to the agreement in effect apply to this agreement as amended.

I will make that request now, Mr. President, then I will make a brief explanatory statement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

Mr. PRYOR. Reserving the right to object. I do not think there is a need to object, I say to the leader, but I think the leader inadvertently left off the Kasten-Pryor amendment to section 89. I do not think it will require a rollcall.

Mr. MITCHELL. No; it is my intention that the Kasten-Pryor amendment on section 89 and the amendment I will offer for myself, and Senators BOSCHWITZ, PACKWOOD, and PRYOR, will remain in effect under the agreement. This modifies only that portion of the agreement which provided for an amendment by Senator DOLE with 20 minutes equally divided. In effect, we are not substituting an amendment for that one, an amendment by Senator HEINZ, with 10 minutes equally divided.

Mr. PRYOR. Thank you.

Mr. METZENBAUM. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Ohio reserves the right to object.

Mr. METZENBAUM. I do not intend to object. Is it my understanding that a part of the package of amendments to be accepted is one that provides some provision directing one of our committees to act by a date certain in connection with an issue that is of concern to Members of the Senate?

Mr. MITCHELL. Mr. President, I will defer to the manager on that.

Mr. BIDEN. Will the majority leader yield on that point? I think I can add some light. Apparently there is some consideration by some of our colleagues to do just that. I have been speaking with some of our colleagues. I have a piece of legislation that I believe would obviate the need for that and I would be happy to show it.

That has not been done yet, to the best of my knowledge. There is no unanimous-consent agreement that that be done. I would not want that done as chairman of the Judiciary Committee, but I would be delighted—as a matter of fact, I am on my way over to speak to the Senator with an alternative.

Mr. METZENBAUM. It is not part of any package before us?

Mr. MITCHELL. No; that is not correct. There is in the agreement now in effect a provision to recognize Senator GORTON to offer an amendment which, in the words of the agreement, "that the managers expect to accept."

That is the agreement now in effect. That was a result of discussion with the managers.

Mr. BIDEN. Would the Senator yield? The point is, it is not accepted at this point and hopefully in the next 45 minutes or so, we can work that matter out.

Mr. MITCHELL. The distinguished Republican leader has suggested that perhaps the two Senators would meet with Senator GORTON while we are proceeding with these other matters.

Many Senators have indicated a desire to leave. I would ask if we could proceed with the pending provision, pending amendment, and while that is being disposed of, discuss this. The provision agreement to which the Senator refers was entered into previously. It has nothing to do with the agreement I am now seeking.

Mr. METZENBAUM. I will not object.

The PRESIDING OFFICER. Hearing no objection, the unanimous-consent agreement is agreed to.

The Senator from Pennsylvania [Mr. HEINZ], is recognized.

AMENDMENT NO. 226

(Purpose: To replace the tax credit for health insurance premiums with an increase in the dependent care tax credit)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 226.

Mr. HEINZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 97, line 5, strike all through page 108, line 5, and insert the following:

TITLE II—INTERNAL REVENUE CODE PROVISIONS

This title shall be effective after December 30, 1990.

Subtitle A—Dependent Care Credit

SEC. 211. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 45 percent reduced (but not below 20 percent) by 3 percentage points for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $12,500."

(b) NO CREDIT FOR EXPENSES SUBSIDIZED BY GOVERNMENT.—Section 21(b)(2) of the Internal Revenue Code of 1986 (defining employment-related expenses) is amended by adding at the end thereof the following new subparagraph:

"(E) EXCEPTION FOR SUBSIDIZED EXPENSES.—Employment-related expenses described in subparagraph (A) shall not be taken into account if such expenses are paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal government, a State or local government, or any agency or instrumentality thereof.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1990.

(2) The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1989.

SEC. 212. DEPENDENT CARE CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsections (f) and (g) as subsection (g) and (h) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer—

"(A) the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part, and

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,500.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payments of wages with respect to whom a depedent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer of such period,

"(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate,

"(C) on the basis of the percentage of the credit which is refundable under section 21(f), and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.— Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1990.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

On page 109, line 2, strike "and health insurance premiums".

Mr. HEINZ. Mr. President, in simplest terms, what this amendment does is to take the money that was put into the Bentsen amendment which was offered as a perfecting amendment in the nature of a substitute to that offered by the minority leader, Mr. DOLE, and take all of those revenues and apply them to an enhanced child care and dependent tax credit.

Most of that money, of course, will come out of the child-care health tax credit that has been a part of the Finance Committee bill, and which was a part of the Bentsen amendment. The shortcomings of the child health-care tax credit have been debated at some length and I will not take much time to point out its weaknesses now. Except to say that it rests on the doubtful, if not simply inaccurate premise, that there are people who are in the process or may be about to drop family health-care insurance that they pay for in favor of cheaper single coverage for themselves, thereby leaving their children exposed.

Mr. President, I happen to think that that is doubtful for many reasons but it certainly runs against human nature, especially in this country where people have a history of sacrificing for their kids.

More importantly, no amount of analysis has been done that satisfied anybody as to, really, what the effect of that amendment is going to be; that money is going to be. We do not know who is going to benefit from that money.

Indeed, the Joint Tax Committee, and they are usually an authority we have a tendency to respect, has said basically everybody who will benefit already has health insurance. Well, what a way to spend billions of dollars when we have 37 million people in this country who do not have health insurance.

Mr. President, that is a backward priority. So I am aiming at that pot of money above all with my amendment, and to apply all of that money to an enhanced child care and dependent tax credit which will allow us to offer not only a substantially enhanced child-care health credit, but it will allow us to help more people. We will help some 12 million people, as compared to 11 million or so people under this bill and about 9 million people helped by the dependent-care tax credit under current law.

But more importantly still, for those who need the help the most, for example, people earning between $5,000 and $10,000 a year, we will increase the amount of the child and dependent-care tax credit on average, for a tax paying family by close to $340. We will nearly have a 50-percent increase in the tax credit for those people and, not only that, we have, unlike the present bill as it is now amended, full refundability. One hundred percent refundability; not 90 percent as was in the amendment that was adopted earlier today.

So we will help the poorer people even more.

My friends, that is where we ought to direct our attention. If we care about poor people, if we want to empower them to have day care, let us put the money, not into some will-o'-the-wisp tax credit nobody has any idea who it will affect, but let us put it into right where we need to put it, the child care and dependent tax credit.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Texas controls the time in opposition.

Mr. BENTSEN. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Pennsylvania has 37 seconds remaining. The Senator from Texas has 5 minutes.

Mr. BENTSEN. Mr. President, this is an interesting proposal coming from a Republican. This proposal would strike the health insurance credit. In doing so my colleague is actually taking money away from the mother at home. The health insurance credit does not discriminate against one-earner families. It allows these families to receive a credit for health insurance expenditures. This credit is a carefully targeted solution to the problems facing the millions of children in families with no health insurance. It also will provide relief to millions of families who will not be able to afford insurance due to dramatic increases in premiums. Recently we have seen a 17-percent increase in premiums and a 20-percent reduction in the amount of health insurance provided by companies to their employees for dependent coverage. The health insurance credit is a positive step toward solving this problem.

Today many people who are on welfare have more access to health care for their children than those working families with incomes of $10,000, $15,000, $17,000 a year. This credit will provide health-care assistance to approximately 10 million children. However, my distinguished colleague says that he does not know who will benefit from the credit. I've answered that question. The credit is structured very carefully to provide assistance to those families that are currently uninsured and to those families that may soon find that the cost of health insurance for their children has increased beyond their means.

The Senator from Pennsylvania wants to increase the maximum percentage of a credit that under current law provides millions of dollars to high income taxpayers. The dependent care is currently an expenditure of several billions of dollars. His proposal would add another $3.5 billion to current expenditures. And this may just be the beginning.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Nearly everyone who has testified before the Finance Committee—the Association for Insurance, the Association for Pediatric Care, for Children's Hospitals—endorsed the health insurance credit. In addition, the insurance industry itself has said that they will design packages structured to take advantage of the tax credit and to encourage increased coverage for low-income children.

Insurance companies on the west coast have designed a plan where the cost per child will be $320 for preschool and $250 for those who are in school. In Florida they are putting together a plan offered through the school system. These are positive moves and the right direction and the credit will encourage insurers to take additional steps.

There is a real health-care crisis for children in this country. We have a mortality rate in our country today that puts us 19th amongst the developing countries. If you have a child born within a mile of this Capitol, that child has less chance of living to the age of 1 than a child born in Cuba today, and we need to turn that around. I'm convinced that this credit sends out the right kind of a message.

We have been down this road several times today and once again we are being challenged. So I strongly urge my colleagues to continue doing what you are doing. Back this provision.

I must say to you also, that in the Finance Committee this was part of a package that was passed by a bipartisan vote of 17 to 3. Let us continue to give it that kind of support and bring this to a successful conclusion. I urge strongly that we defeat the amendment.

Has the Senator finished?

Mr. HEINZ. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirty seconds.

Mr. BENTSEN. I reserve the remainder of my time.

Mr. HEINZ. Mr. President, I have great respect for the Senator from Texas but he has made an excellent argument for the expansion of Medicaid, not for an untried insurance program which, if it is really effectively administered, 40 cents out of every dollar is going to go to the insurance company. That is about the average in this country today of the benefit to insurance premium ratio. Talking about giving to the rich. This is a very good way to do it if we leave this bill unamended.

As to what this legislation does, we keep the present ceiling on the child care and dependent tax credit, which phases out, I say to my good friend from Texas, at $28,000 and most of it is concentrated well below that.

So, Mr. President, I must object to the characterization, and I think my friend from Texas knows this focuses on the poor. I wish his did. I think he means to do it but unfortunately going through the private insurance system is going to be 40 cents out of every dollar.

Mr. BENTSEN. Mr. President, I move to table the amendment.

Mr. HEINZ. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MITCHELL. Mr. President, I announce for the information of the Senate that the distinguished Senator from West Virginia [Mr. ROCKEFELLER] will be absent for the remainder of today's session due to a death in the family.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

I also announce that the Senator from West Virginia [Mr. ROCKEFELLER] is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Oregon [Mr. HATFIELD], the Senator from North Carolina [Mr. HELMS], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 40, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—53

Adams	Exon	Matsunaga
Baucus	Ford	Metzenbaum
Bentsen	Fowler	Mikulski
Biden	Glenn	Mitchell
Bingaman	Graham	Moynihan
Boren	Harkin	Nunn
Bradley	Hatch	Pell
Breaux	Hollings	Pryor
Bryan	Inouye	Reid
Bumpers	Johnston	Riegle
Burdick	Kennedy	Robb
Byrd	Kerrey	Sanford
Conrad	Kerry	Sarbanes
Cranston	Kohl	Sasser
Daschle	Lautenberg	Shelby
DeConcini	Leahy	Simon
Dixon	Levin	Wirth
Dodd	Lieberman	

NAYS—40

Bond	Coats	Danforth
Boschwitz	Cochran	Dole
Burns	Cohen	Domenici
Chafee	D'Amato	Durenberger
Garn	Lott	Rudman
Gorton	Lugar	Simpson
Gramm	Mack	Specter
Grassley	McCain	Stevens
Heflin	McClure	Thurmond
Heinz	McConnell	Wallop
Humphrey	Murkowski	Warner
Jeffords	Nickles	Wilson
Kassebaum	Pressler	
Kasten	Roth	

NOT VOTING—7

Armstrong	Helms	Symms
Gore	Packwood	
Hatfield	Rockefeller	

So the motion to lay on the table amendment No. 226 was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from California, Mr. WILSON, is now recognized for his amendment.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 227

(Purpose: To permit States to use assistance provided under title I to offer child care tax credits to its residents)

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON], for himself and Mr. BURNS, proposes an amendment numbered 227.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, line 9, strike out "or".

On page 47, line 14, strike out the period and insert in lieu thereof "; or".

On page 47, between lines 14 and 15, insert the following new subparagraph:

"(D) through the use of tax credits provided by the State to low income working families with children, including two parent families in which one parent cares for the children of such family at home.".

On page 72, between lines 15 and 16, insert the following new paragraph:

(5) STATE TAX CREDITS.—In calculating the Federal share for purposes of making payments to a State that certifies to the Secretary that it will provide child care tax credits as described in section 108(a)(1)(D), the Secretary shall require the State to provide

20% matching funds for any amounts that are to be used by the State for such tax credits.

Notwithstanding the adoption of amendment No. 224 a new category D shall be deemed added to that amendment as contained in page 1, line 6 through page 2, line 2.

Mr. WILSON. Mr. President, this is a very simple, and, if I do say so somewhat immodestly, a very good amendment. It is simple because it is described in the single sentence that has been affixed to the amendment. It says: "Purpose: To permit States to use assistance provided under title 1 to offer child care tax credits to its residents."

That is what it is all about. It simply provides—and it is permissive—but it provides an additional option to the States to use State tax credits in order to provide the kind of assistance for child care that we have been talking about these several days.

Mr. President, the basic facts here are that probably there is no one on this floor that would not like to see the earned income tax credit increased beyond what we are seeing offered in the ABC legislation as it will leave this floor.

There is not a whole lot of money. It will be a help, but we would like to see more help. And if, in the judgment of a particular State, their people can be best served by offering full parental choice in a way that allows them to not only receive some kind of earned income tax credit as a Federal tax credit, but to be supplemented by a further State tax credit, Mr. President, it seems to me we should allow the States to make that judgment.

We should say that parents who wish to go that route will have that option. That is what this legislation does. It puts the tax credit on an equal footing with the other forms of child care under which assistance is offered under the ABC bill because it requires as do the others a 20-percent State matching fund.

So we have a completely equal footing for the different forms. It allows the States, and therefore parents, to make that choice. Clearly not all States will choose to do so. Some do not offer that kind of a tax credit now. Some do not tax income. Some do not tax earned income. But let us allow the States to have the option, and the only reason to oppose this amendment very simply is, if you dislike the idea of helping people through tax credits, if you are against that idea, then you should vote against this amendment. But if you are for allowing the States and allowing parents to choose what form of assistance they shall have, and if you do not wish to prejudice that choice, then this is the amendment for you.

Mr. President, I reserve the remainder of my time.

Mr. HATCH. Mr. President, I yield such time to our side as I may need.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Senator Durenberger had to leave, but he asked me to put his statement in the RECORD on this amendment. I would like to read it.

Mr. President, at another place and time in this debate, the amendment of the Senator from California would be a very attractive proposal for this Senator. As a rule, I support the notion of tax credits over direct assistance. But the amendment by the Senator from California comes before us in the form of a killer amendment. Were it a serious attempt to modify this bill, it certainly would have come far earlier in this process and not at the eleventh hour.

I have concluded that this bill has been improved sufficiently to merit its moving forward in the legislative process. I do not not believe the Senate should do indirectly what it has not decided to do directly, namely derail this bill. I therefore will reluctantly vote to defeat the amendment of my colleague from California.

So this is important. He should be listed as a vote against this amendment, as I will, because I will vote against this amendment. It diverts needed resources away from the availability and quality, I might say. Availability is important. Quality is important. This takes resources away, and these are also services of ABC to parents. It is one of the main things we do in this bill.

Number two, it makes families earning up to a State median income, with a parent at home, eligible for a credit at the expense of lower-income families that the States would otherwise be able to target. So it is unfair to the lower-income families, and as much as I like tax credits, that is why I need a comprehensive bill to do both sides of this thing.

This amendment would ruin one of the more imprtant parts of this comprehensive bill, and that is the ABC bill as we have amended it here up until now. A tax credit is an entitlement. Services under the ABC bill are explicitly not entitlements. It is one of the redeeming features of this bill.

As the Senator from New Mexico has pointed out often in this debate, our approach is not an entitlement approach. It is about time somebody did it that way. These funds will be targeted by the State, and the State has the flexibility to do that.

Our bill makes sense. It makes even more sense with the Bentsen amendment added on and the tax credits. But all one or all the other do not work as well as both together.

With that, I certainly would like to yield time to my distinguished colleague and friend, the principal sponsor of the ABC bill, Senator DODD.

Mr. DODD. I thank my colleague for yielding.

The Senator from Utah hit it on the head here, Mr. President. I say, what you are doing here is to to set up a program wherein you would have the Federal Government sort of subsidizing.

Tax credits are perfectly allowable in the States. They can do it. It is just whether or not they do it with Federal funds. That would be as if we said to the States in the Head Start, "Have a Head Start program or use the money for a tax credit. Under title I, use title I or do not use a tax credit. Use the Federal money any way you want."

The fact of the matter is, if you take the Wilson amendment, despite his statements last evening about how concerned he was about the very poor in his own State, and there are thousands of them in the State of California, 150,000 children, 150,000 children would be cut out of this legislation, if this amendment were adopted. That is California. And Alabama, Arkansas, Michigan, go right around the country, and the poor in your State would be absolutely excluded, if this amendment were adopted. He comes at the 11th hour trying to gut this legislation, and that is what I call totally unacceptable after 9 days of working on this.

Second, of course, you would be finding yourself in a situation here, whereas the Senator from Utah said reallocate funds.

ABC is designed to spread it out. We try to do something with quality, and we try and deal with availability. Most of you have told me you have a problem with slots, and you do not have enough availability in the States for your people. If this amendment is adopted, those funds are gone, entirely. The earned income tax credit—a part of it anyway—that was part of the Dole approach and the Bentsen approach, I applaud that.

I say to my colleagues that in March of this year, I sat in the White House and offered that that ought to be what the child-care bill looked like. The President's EITC approach and the ABC approach. That was the offer in March. Today we have at least a good part of that back. That could have resolved this bill. Having done that with half of this bill, now to turn around and say we are going to take the money and subsidize the tax credit at the local level, that is defeating the purpose of this legislation. It takes funds, as the Senator from Utah said, and not to send them off in the directions which would deny these others.

Last—and I do not think my colleagues want to do this—clearly under our bill, the ABC bill, we allow up to 100 percent of median income for the States to decide whether or not you would receive under the ABC fund.

Our argument is that in some cases people in middle-income categories ought not be excluded from child care assistance. If you take the Wilson amendment, the effect of it would be

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

to provide a tax credit, potentially, for that crowd of people at the very top. So the people at the lower income levels would be excluded. So the poor, who need the help the most, that we all agree on here, could be cut out entirely, or virtually entirely, for the purposes of this legislation.

With all due respect to my colleague from California, this amendment is not designed to help this bill. I have accepted 18 amendments from the minority side. I thought they were amendments that help. This amendment guts, viscerates this bill.

I hope at this final hour, the last vote on this, we would reject this amendment. At the appropriate time, I will offer a motion to table this amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WILSON. How much time remains, Mr. President?

The PRESIDING OFFICER. Seven and a half minutes.

Mr. WILSON. Mr. President, I must say that I am disappointed in the quality of the response. Frankly, I would have expected better from my friends from Utah and Connecticut. To suggest that because an amendment is offered late, it is not in good faith, is absurd on its face and I resent it. I do not think it is worthy of further comment.

Second, to say that this would have been a superb amendment and one that one could have voted for if it could have been offered earlier, but not now, is a little ridiculous. Speaking of good faith, there is a question there as to whether or not that argument makes sense.

Finally, let me just say this: To say that this amendment guts the ABC bill is ludicrous on its face. It is, on its face, a permissive amendment. What they are saying is that if the States have the choice that would be offered by this amendment, that it will choose to use tax credits, as opposed to the other forms of assistance, and clearly that is not true.

I suspect the States, the broad range of our States in their different circumstances will use all the forms of the child care for which Federal assistance is offered.

But there is a hysteria, an absolute panic, on the part of the proponents of the ABC bill, that this permissive amendment is going to gut this legislation. How can it gut it, unless the States and parents choose to exercise this option? What they are saying to you, Mr. President, is that they do not want the States to have that option. They are fearful that if there is real parental choice, people will exercise it.

Now, I think their fears are largely exaggerated, I hate to say that, because I wish they were correct, that this would allow everyone who has the opportunity to choose it; and, therefore, they would all choose it. They will not all choose it. The States will not choose to make it as available. It will cost the States just as much. They will have to provide the same 20 percent matching funds.

What they are saying is that they are opposed to the idea of a tax credit, and I must say that the idea that we have done enough by way of an earned income tax credit, that this was the solution in March, but, by God, it was not the solution this afternoon; it was not the solution yesterday. There has been one after another amendment offered and defeated. This does not require then adjustment of the formula as would the Dole amendment. It does not do that.

So, people who did not want to do that, really do not have to. They do not have to be alarmed that they will be inconsistent, that they will be denying to their States or to any form of child care, the opportunity to receive Federal assistance. What this does is to make explicit that there is one additional option to States and, therefore, to parents, and that is to use a State tax credit, in order to supplement what is now an inadequate tax credit and made it more inadequate by the Bentsen amendment, which took half the money away to put it into a child health care credit which, frankly, is going to help children of median income parents and not the working poor.

Mr. President, how much time remains to me?

The PRESIDING OFFICER (Mr. BRYAN). Three minutes and 58 seconds.

Mr. WILSON. How much time remains to the opponents?

The PRESIDING OFFICER. Four minutes and 5 seconds.

Mr. WILSON. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, I will not use all 4 minutes. People have flights they want to catch. Let us wrap this up.

I will just say clearly in looking around here there are an awful lot of States that this is irrelevant to. The State of Alabama, for instance, does not use credits at all. They would not benefit under this proposal at all. I could go around the room here just looking down, Michigan, North Dakota, Wisconsin, people here in the room, of course my own State, and others, this is meaningless to us. We do not use credits.

As I said before if you accept this amendment the way it is working it does exactly what we have tried to avoid doing here.

All of us, Republicans and Democrats, are trying to target child care whether you use the credits or whether you use the direct assistance approach. We have all been concerned about serving people most in need. There is no disagreement on that point, it seems to me. We disagree about how best to reach that targeted group.

This amendment, if accepted, moves you away from that group entirely. That is the problem with it. You end up discriminating against the very people who need the help the most.

As I listened to my colleague last night from California, he was eloquent on the need of targeting those tax credits to the neediest part of our population. Today he offers an amendment that would do it in exactly the opposite direction. So, even though there is debate——

Mr. WILSON. Mr. President, will the Senator yield right there?

Mr. DODD. I yield.

Mr. STEVENS. If it is discretionary and it is up to the States, and the State legislature has to do it, how does the Senator say we are taking anything away by virtue of this amendment?

Mr. DODD. I say to my colleague what you end up doing is having the Federal Government becoming a subsidy source for an entitlement program. You do not do it in any other area of Government. That is the reason I think it is so dangerous for us to move in that area.

Mr. STEVENS. That is a form of assistance.

Mr. DODD. Mr. President, we have gone on for almost 9 days. It has been a lengthy debate.

I thank our colleagues for their patience on this.

I urge that this amendment be rejected.

I reserve the remainder of my time. I will not use any more time and, I will move to table at the appropriate time.

The PRESIDING OFFICER. Who yields time?

Mr. WILSON. Mr. President, let me read, which I fear my friends have not done, the amendment. It seeks to create an option. It is permissive, and the option to the State is to make available, and I quote now, "through the use of tax credits provided by the State to low-income working families."

Low-income working families, Mr. President, "including two-parent families in which one parent cares for the children of such family at home."

Mr. President, I have to tell you the reason that I am concerned is that in my State there are a lot of low-income working families who will not be helped enough by the ABC bill as it is now written. This is an effort to give them a little more assistance.

So let us not try to delude anyone, and the suggestion has been made that somehow this involves a Federal subsidy to a particular form of child

care not available to any of the others under the ABC legislation. This is false because in fact this is on an equal footing. All forms of assistance would be equally subsidized by the Federal Government. All would require the same State matching funds.

The difference provided by this amendment is that it adds explicit authority for the States to have this additional option, and only if you are terrified of the idea of State tax credits being used for child care assistance should you reject this amendment.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. WILSON. I yield to my friend.

Mr. DOMENICI. Let me just compliment the Senator and say I was not even going to speak, but to hear my friend from Connecticut once again call the ABC bill a program to help poor children when they spent 2 days down here talking about it will help middle-income people, that it will help people with $47,000 incomes, which was the medium income, and then to oppose an amendment where a State would be given the right to target substantial portions to the poor children of this country, to oppose the earned income tax credit because it goes to the poor children of this country and you need it broader, seems to me to be rather inconsistent.

You are saying if the State would want to use some of the money it could create a tax credit for low-income families, is that correct?

Mr. WILSON. That is correct.

Mr. DOMENICI. I thank the Senator.

Mr. WILSON. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute.

Mr. WILSON. Mr. President, I thank my friend from New Mexico. Once again he has perceived the truth and stated it very simply.

The fact of the matter is if your State does not give these credits, if it is irrelevant to your State, neither can your State be hurt by the adoption of this amendment. It simply means that your State can choose the other forms of child care assistance.

But if your State does, and many States do, give child care tax credits, then this is an opportunity for them to enhance what they do. It is that simple.

Mr. President, having missed five airplanes, I am delighted to yield back the remainder of my time.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Have the yeas and nays been ordered on the final passage of this bill?

The PRESIDING OFFICER. They have not.

Mr. WILSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second——

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. MITCHELL. Mr. President, for 7 days we have debated this legislation. It has been a good instructive healthy debate. But for 7 days what we have heard from the Republican side of the aisle is that this bill should be defeated because it is not adequately targeted to the poor. Over and over and over again for 7 days this argument was made.

Now, at the very last minute the Senator from California comes in with an amendment that is the exact opposite of the argument that has been made for 7 days, that would do the very thing for which the pending bill was criticized by speakers for 7 days.

Either that means that the arguments of the past 7 days had no validity or that this amendment has none.

Mr. President, this is the last vote. We ought to complete action on it and pass this bill. I urge that this amendment be defeated and I move to table the amendment and ask for the yeas and nays.

Mr. STEVENS. Mr. President, has the amendment been read?

The PRESIDING OFFICER. There was a consent agreement which called off the reading of the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment be read.

SEVERAL SENATORS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DODD. Regular order.

The PRESIDING OFFICER. The regular order is on the motion.

Mr. MITCHELL. Mr. President, I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The bill clerk proceeded to call the roll.

Mr. STEVENS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment be read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the amendment.

The bill clerk read as follows:

On page 47, line 9, strike out "or".

On page 47, line 14, strike out the period and insert in lieu thereof "; or".

On page 47, line 14 and 15, insert the following new subparagraph:

"(D) through the use of tax credits provided by the State to low income working families with children, including two parent families in which one parent cares for the children of such family at home.".

On page 72, between line 15 and 16, insert the following new paragraph:

(5) STATE TAX CREDITS.—In calculating the Federal share for purposes of making payments to a State that certifies to the Secretary that it will provide child care tax credits as described in section 108(a)(1)(D), the Secretary shall require the State to provide 20 percent matching funds for any amounts that are to be used by the State for such tax credits.

Notwithstanding the adoption of amendment No. 224 a new category D shall be deemed added to that amendment as contained in page 1, line 6 through page 2, line 2.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maine to lay on the table the amendment of the Senator from California.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from South Dakota [Mr. DASCHLE], the Senator from Tennessee [Mr. GORE], and the Senator from Nevada [Mr. REID] are necessarily absent.

I also announce that the Senator from West Virginia [Mr. ROCKEFELLER] is absent because of death in family.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Oregon [Mr. HATFIELD], the Senator from North Carolina [Mr. HELMS], Senator from Arizona [Mr. MCCAIN], Senator from Oregon [Mr. PACKWOOD], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 55, nays 33, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—55

Adams	Biden	Boren
Baucus	Bingaman	Breaux
Bentsen	Bond	Bryan

Bumpers	Heflin	Mikulski
Burdick	Hollings	Mitchell
Byrd	Inouye	Moynihan
Conrad	Jeffords	Nunn
Cranston	Johnston	Pell
D'Amato	Kassebaum	Pryor
DeConcini	Kennedy	Riegle
Dixon	Kerrey	Robb
Dodd	Kerry	Sanford
Exon	Kohl	Sarbanes
Ford	Lautenberg	Sasser
Fowler	Leahy	Shelby
Glenn	Levin	Simon
Graham	Lieberman	Wirth
Harkin	Matsunaga	
Hatch	Metzenbaum	

NAYS—33

Boschwitz	Gramm	Nickles
Burns	Grassley	Pressler
Chafee	Heinz	Roth
Coats	Humphrey	Rudman
Cochran	Kasten	Simpson
Cohen	Lott	Specter
Danforth	Lugar	Stevens
Dole	Mack	Thurmond
Domenici	McClure	Wallop
Garn	McConnell	Warner
Gorton	Murkowski	Wilson

NOT VOTING—12

Armstrong	Gore	Packwood
Bradley	Hatfield	Reid
Daschle	Helms	Rockefeller
Durenberger	McCain	Symms

So the motion to lay on the table amendment No. 227 was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the order, the Chair recognizes the Senator from Wisconsin.

The majority leader.

Mr. MITCHELL. Mr. President, the Senator from Wisconsin is not present. Under the order I am to be recognized following that to offer an amendment in behalf of myself and other Senators.

The PRESIDING OFFICER. The majority leader is recognized for that purpose.

AMENDMENT NO. 228

(Purpose: Relating to the definition of qualified cash payment)

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] for himself, Mr. BOSCHWITZ, Mr. PACKWOOD and Mr. PRYOR, proposes an amendment numbered 228.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 130, strike lines 3 through 9, and insert: "because the employee indicates that he is covered by a health plan providing core benefits maintained by another employer".

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, this amendment is offered on behalf of myself and Senators BOSCHWITZ, PACKWOOD, and PRYOR. It modifies the provisions in the bill dealing with the treatment of cafeteria plans under section 89. Cafeteria plans are employee benefit arrangements where employers give their employees a menu of benefit options from which to choose.

For the purpose of the new nondiscrimination tests, it is important to distinguish between employer-paid and employee-paid benefits. This, however, is difficult to do with cafeteria plans where benefits are purchased through salary reduction and employer credits.

In an attempt to accommodate the legitimate concerns of cafeteria plans, the Finance Committee bill adopts definitions to deal with this problem. However, these rules still limit the flexibility of cafeteria plans and as a result many cafeteria plans which clearly pass the nondiscrimination tests under current law, will not pass this new test.

My amendment slightly alters the definition of "qualified cash payments" to expand the definition of employer credits counted as employer-paid benefits—by eliminating the requirement that the employee must elect not to be covered by any health plan of the employer.

I understand this amendment is acceptable to the chairman and ranking member of the Finance Committee. I urge its adoption.

I yield to my colleague, the Senator from Minnesota, who is a coauthor of this amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise to join the majority leader, Senator MITCHELL, to offer an amendment to the section 89 proposals in the ABC child-care legislation. Employers sponsoring cafeteria plans often provide a plan contribution or "credit" that an employee may use to pay for coverage elected under the plan. For instance, the employer might give the employee $1,500 in credits and allow the employee to elect among medical options worth $700, $1,200, $1,500, and $1,800. Employees are not permitted to go without coverage and are required to take at least $700 in coverage. Employees electing the $700 option, receive $800 in cash, the so-called cashable credit. Employees electing the $1,800 plan must pay in salary reduction contributions.

The Finance Committee amendments to section 89 single out a limited form of cashable credits for treatment as employer contributions—qualified cash credits—but treats all other cashable credits as employee contributions. The qualified cash credits are those that the employee can obtain only if he can show that he has coverage elsewhere, such as through his spouse's employer. Qualified cashable credits also are limited to cases where the employee obtains the cash by going to a zero coverage option.

In the example above, the $800 in cashable credits are not treated as employer contributions under the qualified cashable credit rule because: First, the employee does not have to demonstrate other coverage in order to elect the $700 plan and receive $800 in cash; and second, even if the $700 option were so limited the qualified cash credit rule applies only if the employee elects zero medical coverage.

If the cashable credits are treated as employee contributions, the $1,200, $1,500, and $1,800 options in the example will not be treated as affordable plans. The $1,200 plan is not affordable because the employee is viewed as having to pay $500 in order to obtain the $1,200 plan—the employee's share of the cost is 41.6 percent, which flunks the 40-percent affordability test. The cap on the highly compensated employees' medical benefits is determined by looking at the $700 plan which is the only affordable plan. This produces a cap of $931 for the highly paid. The highly compensated employees are taxed on $269 if they take the $1,200 plan even though the employer gives all employees $1,500 to spend on the medical benefits.

The qualified cashable credit rule should be expanded to apply to situations where the employee is required to take some coverage from the employer. In the above example, for instance, the $700 plan might be limited to employees who demonstrate other coverage. No sound policy is served by requiring the employer to add a zero option to a cafeteria plan to improve the section 89 outcome.

I believe my amendment solves most, if not all, of these problems. I ask my colleagues for their support.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, what this amendment does is clarify some of the employees' benefits and it is directed to some of the unintended consequences of the bill itself. As chairman of the Finance Committee, I see no problem with the amendment, and I am pleased to see that it is accepted.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 228) was agreed to.

Mr. MITCHELL. Mr. President, I move to consider the vote by which the amendment was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Wisconsin, Senator KASTEN, is recognized.

AMENDMENT NO. 230

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] for himself, Mr. PRYOR, Mr. DASCHLE, Mr. BUMPERS, and Mr. BOREN, proposes an amendment numbered 230.

Mr. KASTEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 126, strike lines 18 through 21, and insert:

"(2) HIGHLY COMPENSATED EMPLOYEE.—

"(A) IN GENERAL.—The term 'highly compensated employee' has the meaning given such term by section 414(q); except that paragraph (5)(B) of such section shall not apply.

"(B) SPECIAL RULE FOR CERTAIN 5-PERCENT OWNERS.—Notwithstanding subparagraph (A), no amount shall be included under subsection (a) in the gross income of a highly compensated employee for any taxable year if such employee is treated as a highly compensated employee by reason of paragraph (1)(A) of section 414(q) and such employee has adjusted gross income for such taxable year of less than $30,000. In the case of years beginning after 1990, the $30,000 amount under the preceding sentence shall be adjusted at the same time and in the same manner as the $75,000 and $50,000 amounts are adjusted under section 414(q)(1).

On page 134, beginning with line 22, strike all through page 135, line 9, and insert:

"(a) IMPOSITION OF TAX.—

"(1) GENERAL RULE.—There is hereby imposed a tax equal to the applicable percentage of the amounts paid or incurred during any taxable year under a specified employee benefit plan which at any time during the taxable year does not meet the requirements of subsection (c).

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'applicable percentage' means—

"(i) 10 percent with respect to amounts paid or incurred which are allocable to the 1st 6 months of the correction period,

"(ii) 20 percent with respect to amounts paid or incurred which are allocable to the 2nd 6 months of the correction period, and

"(iii) 34 percent with respect to any other amounts.

"(B) CORRECTION PERIOD.—The term 'correction period' means, with respect to any failure, the period—

"(i) beginning on the date any of the persons referred to in paragraph (3) knew, or exercising reasonable diligence knew, that such failure existed, and

"(ii) ending on the date such failure is corrected.

"(3) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by paragraph (1):

"(A) In the case of a plan other than a multiemployer plan, the employer.

"(B) In the case of a multiemployer plan, the plan.

On page 135, line 16, strike "subsection (a)(2)" and insert "subsection (a)(3)".

On page 136, line 1, strike "subsection (a)(2)" and insert "subsection (a)(3)".

On page 148, between lines 2 and 3, insert:

"(6) DELAY IN APPLICATION OF QUALIFICATION RULES.—Section 4980C of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to plan years beginning after the later of—

(A) December 31, 1989, or

(B) the earlier of—

(i) 3 months after the Secretary of the Treasury or his delegate issues regulations for an application of such section which taxpayers may rely upon, or

(ii) December 31, 1990.

Notwithstanding paragraph (5), in the case of a small employer (as defined in paragraph (5)), section 4980C of such Code shall apply to years beginning after the date which is one year after the date determined under the preceding sentence.

"(7) GUIDANCE.—Not later than January 1, 1990, the Secretary of the Treasury or his delegate shall issue such guidance as may be necessary to comply with the provisions of section 89 of the Internal Revenue Code of 1986 (as amended by subsection (a)).

Mr. KASTEN. Mr. President, this amendment pertains to section 89 of the Internal Revenue Code and S. 1185, the Finance Committee's bill which would replace current law. In recent weeks, great progress has been made, Mr. President, in improving the old regulations. I hope we are about to take another step closer to a plan which will help end the uncertainty in the small business community with regard to section 89.

Last night, the Senate approved an amendment to delay any new nondiscrimination rules for small businesses until 1991. What that means, in simple terms, is that for the next 18 months, the small businesses of this Nation do not need to worry about section 89. A study will be done to determine whether there truly is discrimination in the small business community. If not, I am confident that Congress will permanently exempt small businesses.

The amendment that I am offering today does three additional things: First, my amendment would delay the effective dates of S. 1185, the Bentsen section 89 reform bill. Delay is needed to allow businesses and state and local governments time to interpret and comply with any new regulations. When combined with last night's vote, the effective date of S. 1185 would be as follows: For the qualification rules, firms must be in compliance 3 months after regulations upon which the taxpayer can rely on are issued, but not later than January 1, 1991. Small businesses with 20 or fewer employees get an additional 1-year delay. For the nondiscrimination rules, the compliance date for businesses with 20 or fewer employees is delayed until January 1, 1991. All other firms are required to be in compliance by January 1, 1990.

The second part of this amendment would modify the harsh excise tax penalties contained in the Bentsen bill. Instead of forcing firms to meet a 34 percent penalty immediately, my amendment would phase in that rate.

The third and final part of my amendment would modify the definition of a highly compensated employee. Under the present bill, an individual who owns as little as 5 percent of a business is classified as a highly compensated employee, even if they only make, say, $10,000 or $15,000. That is crazy.

What my amendment would do is to make certain that no one who owns 5 percent or more of a firm, yet who makes less than $30,000 a year, will be at risk of running up against section 89 penalties. My amendment would also index that $30,000 rate to keep pace with inflation.

Mr. President, by adopting this amendment today, we will have succeeded in doing four things. We will effectively have exempted small businesses for the next 18 months, delayed the effective day of the new law, and made sure that only people who are truly highly compensated are classified as highly compensated under the bill, and also will have adopted a more sensible excise tax penalty structure.

Mr. President, I appreciate the willingness of the Senator from Texas and also the Senator from Arkansas who I might say, is an original cosponsor of the amendment to consider improvements to S. 1185. I hope the full Senate will join in supporting this amendment.

I also want to say to my colleagues that I fully reserve my right to offer a repeal amendment at some later date. For several months now, I have been fighting in the U.S. Senate for the repeal of section 89 of the Tax Code. I still strongly support repeal, but we have made tremendous progress. The question we have to concern ourselves with now is the potential obstacles to the efforts we are making today in finally getting through to a workable plan.

I think we have to recognize this particular bill may not make it through the House of Representatives and be signed into law by the President. There still are obstacles in the House of Representatives with regard to the Ways and Means Committee. There are many, many steps that remain before what we have before us today is actually the law. I think we have to stand ready if these kinds of reforms that are now being accepted do not make it through the process, then we have to be ready to repeal section 89, and I reserve my right to do so.

However, in the meantime, this is a good amendment, a workable amend-

ment with strong bipartisan support, and I urge its adoption.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I am very pleased to join with Senator KASTEN today in the amendment that is now the business of the Senate. I also would like to very much thank the distinguished chairman of the Finance Committee who, for several months, has labored with all of us in this body to work out a meaningful, a constructive, and a workable answer to the chaotic situation that we enacted in the 1986 tax law.

This amendment offered by Senator KASTEN and myself and others will mandate the Treasury to issue guidance before the implementation at the new section 89 rules. This is fair, and it is reasonable. Mr. President, I ask unanimous consent that Senator DASCHLE, Senator BOREN, and Senator BUMPERS be made original cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I am pleased to join my colleagues in proposing this amendment to the section 89 provisions.

Among the many complaints that were raised about the existing section 89 provisions was the fact that Treasury regulations were not released until long after employers were expected to comply with the section 89 law. I raised this point when the Finance Committee was considering the Bentsen/Pryor section 89 bill. The chairman of the Finance Committee and my colleague from Arkansas have done a commendable job in proposing a far simpler approach to the qualification and nondiscrimination rules for health plans. But, why should we go to all this trouble simplifying section 89 and then allow it to go into effect once again without the necessary guidance from Treasury?

I am delighted that a compromise has now been negoitated and that the amendment we are now proposing will address the effective date issue. As has been mentioned, the amendment mandates Treasury to publish guidance on the new section 89 provisions prior to the effective date. As a fallback measure, it would prevent certain aspects of the section 89 provisions from going into effect until 3 months after Treasury guidance is released.

The amendment we are offering will also make some adjustments to the penalty structure of the new section 89 measure. These are specifically aimed at small businesses. The penalties for failure to meet the qualification rules will be phased in over the period of noncompliance, and relatively low-paid individuals who are considered highly compensated under the rules simply because they are 5 percent owners will be given a special exception to the penalty provisions.

I believe the proposed amendment would provide modest but nontheless important improvements in the new section 89 provisions. I therefore encourage my colleagues to support it.

Mr. KENNEDY. Mr. President, I wish to make an inquiry of the floor manager about the intention of the bill's exclusion from the section 89 nondiscrimination rules of employees covered under the Davis-Bacon Act.

The Davis-Bacon Act requires contractors on federally-financed construction projects to pay their workers no less than the wage rates (including employee benefits) prevailing in the geographic areas as determined by the Labor Department. A contractor is permitted to satisfy his obligation to pay this prevailing wage by any combination of cash wages and benefit plan contributions.

This aspect of the Davis-Bacon Act, combined with the exemption of benefit plan contributions from payroll taxes (like FICA and workers compensation taxes), is being seized upon by some entrepreneurs and non-union contractors to manipulate employee health plans.

The purpose of this manipulation is to avoid payroll taxes and unfairly undercut competition for Davis-Bacon projects. Under these schemes, typically a contractor makes inflated benefit plan contributions for an employee while the employee is working on a Davis-Bacon job, and discontinues or reduces the contributions when the employee is working on other jobs for the contractor. By unilaterally diverting a larger portion of the Davis-Bacon prevailing wage to plan contributions, the contractors reduce their cash payroll that is subject to payroll income taxes. In contrast, collectively bargained benefit plan contributions are not subject to this type of manipulation. Such manipulation of benefit plans is contrary to sound public policy.

Accordingly, it is my understanding that the bill is not intended to give any comfort to such schemes. To the contrary, it seems to me that the bill has the effect of reducing the ability of highly compensated employees using such schemes to receive greater health benefits under the nondiscrimination rules by taking into consideration inflated plan contributions for Davis-Bacon projects.

Also, it is my understanding that a contractor's employees would be considered for purposes of the nondiscrimination rules when they are not employed on Davis-Bacon jobs.

I wish to ask the chairman of the Finance Committee whether my understanding is correct?

Mr. BENTSEN. Yes, the Senator's understanding of the bill's intent is correct.

Mr. KENNEDY. I thank the distinguished chairman for that clarification.

Mr. PRYOR. Mr. President, this amendment would mandate the Treasury Department and the IRS to issue guidance on the new section 89 legislation before it goes into effect January 1 of next year. Additionally, it would delay the effective date of the qualification requirements under section 89 until 3 months after guidance from the Treasury. The amendment would phase in the penalty for failing to qualify. Presently, the penalty is 34 percent. The amendment would make the penalty 10 percent in the first 6 months, 20 percent in the second 6 months, and finally, 34 percent after 1 year. The amendment would modify the definition of highly compensated employee. Under present law, 5-percent owners must include the value of the health insurance coverage in their income if the plan fails the nondiscrimination rules. The amendment would provide an exception for 5 percent owners with less than $30,000 in adjusted gross income.

Many of the employers who wrote to me about section 89 complained about the lack of guidance from Treasury and the IRS until well after the law went into effect. The lack of timely guidance added to the general cynicism and opposition to section 89. Let's save ourselves a lot of grief and mandate the Treasury to get out the guidance early. This amendment will ensure that employers will not have to comply twice with the new rules: once before guidance from Treasury and a second time after Treasury comes out with regulations.

The amendment would give employers 3 months to look over the guidance from Treasury to comply with the qualification rules. This is only fair. Employers will have time to make important decisions about their health plans to ensure that their plans will pass the qualification rules. Employers will be able to decide what constitutes proper notice to employees. They will be able to know with some certainty what to put in their plan description. Most importantly, this amendment will ensure that employers will be able to get it right the first time.

The phase-in of the penalty would ensure that we only punish the truly noncompliant. This change is consistent with the penalty reform process now occurring on Capitol Hill.

The change in the definition of highly compensated employees will ensure that we do not hurt the small business owner who inadvertently fails the nondiscrimination rules.

Mr. President, before I close, I would like to thank a number of small business groups that are most responsible for this amendment being before us today. These groups are the National

Small Business United; Small Business Legislative Council; the National Association of Life Underwriters; the National Rural Electric Association; the American Institute of Certified Public Accountants; the Associated General Contractors of America; the Retail Tax Committee; and the Jewelers of America. Without their help, I truly believe that we would have made a very tragic mistake. With their help, we will repeal section 89 and replace it with a much simpler test. I would like to thank the chairman of the committee, Senator BENTSEN, for his strong support, and for allowing us the opportunity to bring this amendment to the floor of the Senate for its final and, I hope, immediate consideration.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I thank the distinguished Senators from Arkansas and from Wisconsin for their very generous comments, and I commend them for this excellent amendment. I believe it is a substantial help to small business.

I cannot help but remember the pioneering work the Senator from Arkansas did on simplifying section 89—doing away with the complexities of that particular piece of legislation. He understood early on the adverse impact section 89 would have on small business. I also recall just before the markup on the Bentsen/Pryor section 89 bill, that Senator PRYOR and Senator DASCHLE came to me saying they were concerned that there might not be guidelines early enough for small business to understand the full implications of the new rules. We did not have time at that markup to take care of it. But Senator PRYOR and Senator DASCHLE continued to work on that issue. They never stopped in your diligence in trying to correct it.

Senator KASTEN also continued to work on that issue, and we were able to work out this amendment together. I am delighted to be supportive of it as chairman of the Finance Committee. I think it is a good amendment. Let us support it.

Mr. KASTEN. Mr. President, I ask unanimous consent that Senators DOLE, PRESSLER, and BURNS be named as original cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the Kasten amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 230) was agreed to.

Mr. KASTEN. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, under the order, Senator GORTON was to be recognized to offer an amendment on the flag. Following discussions between Senator GORTON, Senator BIDEN, and others it has been agreed that Senator BIDEN would be recognized to offer an amendment in his behalf as well as in behalf of Senator GORTON and others.

Mr. KASTEN. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. KASTEN. My understanding was that I would have an opportunity to offer both Kasten amendments at this time.

Mr. MITCHELL. I apologize to the Senator. I thought he completed action on his second amendment. Accordingly, Mr. President, I yield to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

AMENDMENT NO. 231

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 231.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert in the appropriate place the following: "Nothing in this Act shall be construed to require, or to mandate the States to require, the training or licensing of individuals to provide child care to members of their families."

Mr. KASTEN. Mr. President, this amendment has been reviewed by managers on both sides and I believe it to be acceptable. This amendment is very simple. It attempts to cut through the underbrush of charges and countercharges on the issue of licensing and training family members to be child-care providers.

Over the last few days, a lot of concern has been expressed, in this Chamber, all over the country and in my State of Wisconsin, on the subject of training and licensing grandmothers. Some Senators believe this bill would allow States to require family members—like grandmothers and grandfathers and aunts and uncles—to undergo mandatory training or Government licensing in order to be permitted to act as providers of child care to their young relatives.

Mr. President, I believe it is essential for us to make our legislative intent clear on this issue. Licensing grandmothers is not what we intend. All my amendment does is spell out this in the clearest possible terms. We simply say, "Nothing in this act shall be construed to require, or to mandate the States to require, the training or licensing of individuals to provide child care to members of their families."

Mr. DOLE. Does this cover grandfathers, too?

Mr. KASTEN. It covers grandfathers, also.

Mr. President, it is my understanding that this amendment reflects a broad bipartisan consensus, and it is my hope that we can proceed to its swift adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 231) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, as I indicated, Senator GORTON was to offer an amendment. It has now been agreed that Senator BIDEN will offer an amendment for himself, Senator GORTON, and others. I ask unanimous consent that Senator BIDEN be recognized for the purpose of offering his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 232

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN], for himself, Mr. HATCH, Mr. MITCHELL, Mr. GORTON, Mr. DOLE, Mr. HEFLIN, Mr. BUMPERS, Mr. DECONCINI, and Mr. BREAUX, proposes an amendment numbered 232.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . That subsection (a) of section 700 of title 18, United States Code, is amended to read as follows:

"(a) Whoever knowingly and publicly mutilates, defaces, burns, displays on the floor or ground, or tramples upon any flag of the United States shall be fined not more than $1,000 or imprisoned for not more than one year, or both.".

Mr. BIDEN. Mr. President, I rise today to address an issue that—given our discussion and vote yesterday on Senate Resolution 151—is on the

hearts and minds of all of us. What I am talking about is the Supreme Court's decision Wednesday in the case of Texas versus Johnson, the so-called "flag burning" case.

My concern today is a narrow and—at least for this body, I believe—an important one. I am concerned about the Federal law on flag burning.

As we all know by now, the law at issue in the Supreme Court case was a Texas law and not the Federal law. Nonetheless, the decision by the Supreme Court did cast doubt upon the continued viability of our Federal flag burning statute.

I believe that I have come up with a way to change our law so that the Federal Government can make burning the American flag a crime while at the same time be consistent with the Supreme Court's decision in Texas versus Johnson.

In fact, I have just sent an amendment to the desk that I believe accomplishes these very goals.

Very simply, Mr. President, my amendment amends the Federal flag burning statute so that it will be a crime for anyone to knowingly and publicly: Mutilate, deface, burn, display on the floor or ground, or trample upon, the American flag.

In effect, what my amendment does is to change the current Federal flag burning law by striking the words, "cast contempt."

Now some will ask, "Why does that make any difference?" and "Isn't that still unconstitutional because of the Supreme Court's decision?"

Mr. President, I respectfully suggest, to those who respond in that manner, no, I believe the amendment I have offered is not unconstitutional under the terms of the Court's decision.

Let me explain.

Justice Brennan's opinion on Wednesday for a majority of the Court reasons that the man in Texas who burned the flag was prosecuted because he knew his action would cause, "serious offense to others."

As you read Justice Brennan's opinion, you find that this was the real problem with the Texas statute. Indeed, the Texas law was not aimed at protecting the integrity of the flag in all circumstances—rather, it was aimed at protecting against only those kinds of acts against the flag that would cause "serious offense to others."

In my view, the amendment I have offered meets the test articulated by Justice Brennan and thus would be constitutional under the terms of yesterday's Supreme Court decision. What I have drafted does not depend on whether the person burning the flag has intended to offend other people or cast contempt.

I should note that the amendment specifically incorporates the language of S. 607, passed unanimously by the Senate in March, which prohibits displaying the flag on the floor or on the ground.

The point is that the Court might very well have reached a different result had the Texas statute not specifically said that flag burning is a crime when designed to seriously offend other individuals.

Therefore, in order for a flag burning statute to be constitutional under the terms of Wednesday's Supreme Court decision—at least how I read the decision—it has to be more neutral. The statute cannot be tied—to use a lawyer's term here—to "the likely communicative impact" of the flag burning on other people. In other words, whether you have committed the crime cannot depend on whether your action seriously offends others or whether—to use the words from the Federal statute—you intended to "cast contempt."

Thus, if you eliminate from the statute the word "cast contempt"—the language aimed at the particular political expression that the Government has deemed unpopular—you have redressed the problem that most concerns Justice Brennan and the Justices who joined his opinion on Wednesday.

Mr. President, Woodrow Wilson said in a speech on June 14, 1915:

> "The flag is the embodiment, not of sentiment, but of history. It represents the experiences of those who * * * live under that flag.

Mr. President, I believe that through the amendment I have offered, we can live up to the ideals expressed by President Wilson and at the same time act in a manner consistent with the terms of Wednesday's Supreme Court opinion. I urge my colleagues to support this amendment.

Mr. President, in the interest of the time of my colleagues so late in the day and so far into this debate on the ABC bill, let me just suggest again that I am confident this amendment is constitutional. I thank my colleague from the State of Washington for yielding to me for the opportunity to introduce this amendment. I hope it will be accepted by both the managers of the bill. I know Senator HATCH, who is an original cosponsor, is in favor of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I greatly commend the distinguished Senator from Delaware, who is the chairman of the Committee on the Judiciary. The amendment which I had proposed was to be a sense-of-the-Senate amendment going somewhat beyond yesterday's leadership amendment on this subject, which I supported, asking for prompt consideration by the Senate Judiciary Committee of legislation or a constitutional amendment which could effectively overturn the decision of 2 days ago by the Supreme Court of the United States on flag desecration. Events overtook me. The distinguished Senator from Delaware wrote such a statute after consulting with noted constitutional law experts. He has expressed his belief that it is constitutional.

It is my considered opinion that the bill which the Senator from Delaware has drafted would be found by a majority of the members of the Supreme Court of the United States to be constitutional and effective in preventing outrageous desecration of the flag of the United States.

Since my proposal was simply a sense-of-the-Senate amendment, since this amendment is in the form of a statute which can promptly be passed by the House of Representatives, I was delighted to yield to the Senator. I commend him for his drafting work. I am very pleased to be a cosponsor. I think we can effectively deal with the problem with which the American people wish us to deal.

Mr. HATCH. Mr. President, I commend the distinguished chairman of the Judiciary Committee, the Senator from Delaware, for what is an ingenious amendment. Frankly, I think he has, through careful legal research and careful consultation, with the distinguished Senator from Washington, uncovered the flaw in the statute that probably made the Court come up with the flag-desecration decision that they did. That is basically the language in the statute which says "that might cause serious offense to other individuals." Frankly, I think he is right, and I believe constitutionally he is right. If he is, it is far better for us to correct this matter in the statute at this time than to seek a constitutional amendment, although I am a cosponsor of Senator THURMOND's constitutional amendment and I have filed a constitutional amendment myself which would give Congress authority to correct and resolve issues of the desecration of our national symbol, the American flag.

So I thank the distinguished Senator from Delaware for his work. I am a principal cosponsor. Although usually I would not try to overturn a Supreme Court decision by mere statute, this is an instance where we are trying to correct an existing statute so as to satisfy the Court so that the next decision by the Court will sustain and uphold the statute which will prevent people from desecrating our national symbol, our flag. I think this will solve a lot of problems that presently exist.

If the distinguished Senator from Delaware is right, and I believe he is, then I believe we will in the simplest of ways solve one of the most serious

problems we have had in a long time. So, with that I support this amendment and certainly accept it.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DODD. Mr. President, I am pleased to accept the amendment with my colleague from Utah. I know the Senator from Delaware, the chairman of the Judiciary Committee, has worked very long and hard in this particular effort. Certainly, this is something that we would be glad to make a part of this piece of legislation. So there is no objection from the majority.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 232) was agreed to.

Mr. DODD. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 233

Mr. DODD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment?

Mr. DODD. Mr. President, in asking unanimous consent that it be in order, this is a noncontroversial amendment offered by myself and Senator HATCH which was inadvertently omitted from the pending legislation. It is language requested by the League of Cities and the National Association of Counties which simply clarifies that cities and towns receiving funds will comply with various provisions of the bill which otherwise could apply to the States. It is a noncontroversial amendment which I urge the Senate adopt.

The PRESIDING OFFICER. Is there objection? The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes an amendment numbered 233.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

(2)(A) If, for any fiscal year for which funds are appropriated to carry out this Act, a State does not seek or receive assistance under this Act, then

(i) for purposes of sections 105, 106, 107, 109, 110, 117, 119, a reference applicable to such State (other than a reference to State law, including licensing and regulatory requirements) shall be deemed to be a reference to each unit of general purpose local government in the State;

(ii) the Secretary shall allot to such unit the pro rata share of such unit attributable to the amount that is allotted to the State under section 105(b); and

(iii) each such unit is eligible to receive assistance under this Act if such unit complies with the requirements of such sections, other than any of such requirements that is expressly waived by the Secretary because its application to such unit is inappropriate.

(B) For purposes of making the allotment required by subparagraph (A), the number of children in a geographical area that lies in the jurisdiction of more than 1 unit of general purpose local government shall be divided equally among all units of general purpose local government—

(i) in which such area lies; and

(ii) which submit an application under this section.

(C) In order to receive funds under subsection (A), a unit of general purpose local government shall submit to the chief executive officer of the State a copy of the plan otherwise required of the State under section 107, assuring the compliance of the unit of general purpose local government with the requirements of the plan, as appropriate, and shall submit a report to the State consistent with the terms and provisions of the report otherwise required of the State under section 111(g).

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 233) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 234

(Purpose: To make a technical amendment to strike a duplicative provision)

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 234.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section , added by Amendment 199, strike all matter after subsection (b) and insert the following:

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to wages or income earned after the date of the enactment of this Act.

Mr. HATCH. Mr. President, this is a technical amendment to correct the situation as regards the Roth amendment, and with regard to the subsequent amendment creating a duplicative provision in the Roth amendment. This will correct that. I think it is acceptable to everyone.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah.

The amendment (No. 234) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CLARIFICATION OF THE STATE LEAD AGENCY PROVISION

Mr. CRANSTON. Mr. President, I would like to seek clarification of the provisions of section (6)(a) of S. 5, which deal with the designation of a lead State agency for implementation of the child-care program authorized under this bill. In my State of California, the State department of education is already designated by State law as the lead agency for child-care programs. It is my understanding with respect to section 6(a), that where a lead agency for child-care programs is already designated by State law that designation would not be altered by this bill, assuming of course that that agency meets the requirements of the act.

Mr. DODD. My friend from California is correct. Section 6(a) of the act was not intended to supersede existing State law with respect to the designation of the lead State agency for child-care programs.

REGULATION OF NONFUNDED PROVIDERS

Mr. FORD. There is a great deal of misrepresentation about the type of providers that must be regulated or licensed under the Mitchell substitute to the ABC bill.

An assertion has been made that the Ford-Durenberger language on sectarian care, included in the Mitchell substitute, will require States, in order to participate in the ABC bill, to impose regulations on all day-care providers, thereby "tending to coerce State regulation of church-based child-care centers in States where they are now exempt."

As one of the authors of the Ford-Durenberger language, this is clearly not the intent of the provision. In my opinion, such an interpretation ignores the changes made in the Mitchell substitute.

It is my understanding that States may continue to exempt from regulation or licensing those child-care providers that receive no assistance under this title, including churches and other religious providers.

Would the Senator from Connecticut agree with this interpretation?

Mr. DODD. The Senator from Kentucky is correct.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. DURENBERGER. Mr. President, I rise to state my support for the legislation before us and urge my colleagues to vote for its passage. Let me say at the outset that I express my appreciation and admiration to the managers of this bill on both sides of the aisle. This has been a long and difficult process, involving many difficult choices, and the managers have done an effective job bringing the Senate to the point where we can present to our colleagues a bill most of them can support. This is not a perfect bill; I doubt any of our colleagues is entirely satisfied with it. But as I said yesterday, prior to the vote on the Dole substitute, the most important thing is for this measure to move forward. I am confident that we are converging toward a genuinely bipartisan bill, and one which the administration can support. And on that basis I am glad to lend it my support.

With the passage of this bill, we are pointing the policy of this Government toward a range of child-care services to meet a variety of needs. The ABC provisions of this bill, modified to allow State standards and church-based care in certificate programs, and the tax credit proposals approved by the Finance Committee, if enacted into law, will join the $7.5 billion in Federal subsidies made available in at least 12 existing programs. I believe that diversity of approaches is a virtue for child-care policy. I am hopeful that as the provisions of this year's bill are being implemented that we will take a cold look on what further legislation is necessary to coordinate these many programs and insure they reinforce, rather than duplicate, each other.

I am very pleased that the majority leadership has chosen to accept the amendment by Senator FORD and myself to broaden the supply and quality of child care in America. Our amendment guarantees that parents will have a genuine choice under the bill's certificate program to secure the kind of child care they feel is most appropriate for their children. This amendment will help achieve the goal shared by Senators on both sides of the aisle: to build on the existing foundation of child care in America, to give parents choice and responsibility and to target help to those who need it most. I appreciate the support of my colleagues from around the Nation, from rural and urban States and from both sides of the aisle. The Senate has sent a very clear signal to the House of Representatives in conference that the certificate program is a critical element of this bill in the Senate, and that that program should provide a broad opportunity for parents to select the kind of child care they feel is appropriate, without arbitrary limits.

I am also pleased that this bill contains language which will be of assistance to the millions of "latch key" children in this country. This has been a major concern of mine and it deserves to be addressed in this and future legislation.

Mr. President, as I have said on this floor, I have significant reservations about the health care tax credits brought to this floor by the chairman of the Finance Committee. That proposal has not met the burden of proof that it will accomplish its goals or that it is superior to other things it could do to help improve the health of America's poor children. As cochair of the Pepper Commission, the group created by the 100th Congress to address the needs of the 37 million uninsured Americas, I am quite familiar with this problem. I think it has been demonstrated on this floor, however, that a credit of the size and type contained in the proposal is unlikely to result in much additional coverage for America's poor children. I would much prefer that we put this money toward tried and true proposals to improve Medicaid coverage for pregnant women and children near the poverty line. I had hoped that the lengthly negotiations which have gone on with respect to the Bentsen proposal might have yielded a better result, but that fight will have to wait for another day.

I believe, Mr. President, that a good-faith effort has been made to improve this bill as much as could be expected under the circumstances. I am hopeful that the Senate conferees will continue the process we've made on this floor.

Mr. President, one of the guiding forces in my approach to child care issues in the Congress has been Minnesota's experience in establishing a child care support system that maximizes parental choice, supports diversity, and targets assistance to those families that need help the most.

In 1979, I established a women's task force designed to look at a variety of issues effecting the economic and social well-being of women in our society. This task force saw the need to address the problem of child care, and studied various methods of assistance to parents to meet their child-care needs. From this task force emerged the movement behind the 1981 creation of the dependent care tax credit.

I think this is important because Minnesotans, and the members of this task force, have not felt the need to limit parent choices to certain types of legally operating child care arrangements, for example. Instead, Minnesotans have sought to encourage and support diversity, while at the same time addressing concerns about quality, accessibility and availability.

Perhaps a brief review of the various aspects of the child care support system in Minnesota will help make my point.

Mr. President, Minnesota has chosen to pool available Federal, State, and local funds for child care into what is called the Minnesota Child-Care Fund. This fund subsidizes child care costs for AFDC children and other low-income parents. Many eligible families pay a portion of their child-care costs depending on their income and number of children in care with the remaining costs paid by the State. The State's sliding fee program serves families with incomes up to 75 percent of the 1985 State median income. Under this fee schedule, a family of two currently becomes ineligible for assistance when family income reaches $15,700 per year.

In fiscal year 1988, the State of Minnesota appropriated $12.5 million for the child care fund, to which counties added about $4.0 million in other revenue sources. Federal reimbursements for AFDC recipients in training programs in Minnesota was over $2.0 million this past year.

As of December 1988, the Minnesota Child-Care Fund was subsidizing approximately 15,000 children from just over 9,600 families. The average subsidy per child was $1,500 for families not on AFDC and $1,200 to $1,500 for AFDC families.

In the 1989 session, the Minnesota Legislature continued to expand its commitment to child care by expanding funding for the State sliding fee program by $12 million over the next 2 years. State funding for child care for postsecondary education students was also increased by $2.0; and an increase of $600,000—to a total of $800,000—was made in the State's child-care service grant program for family child care providers and centers needing assistance for startup expenses, facility improvement needed to meet standards, equipment and training.

Mr. President, the aspect of Minnesota's Child Care Program that lends parents the greatest degree of choice is its dependent care tax credit. Just this year, the Minnesota Legislature voted to add $2.7 million per year to this program which, in 1987, assisted about 40,000 families at a total cost to State taxpayers of $10.4 million.

The Minnesota dependent care tax credit has special merit because of its targeting of benefits to low-income families, including families that can afford to spend relatively little on child care.

Two features in the Minnesota tax credit are of special note.

The first is its refundability, also one of the most important improvements in the Federal dependent care credit we are making in the legislation now before us.

The second is a unique feature that helps target needed funds to low

income families, with a result much like the so-called toddler tax credit I and many other Senators would prefer to see included in legislation assisting all low income families with young children.

Under the Minnesota system, all families earning less than $15,000 per year—who qualify for a Federal dependent care credit by spending any amount of money on work-related child care—are eligible for the maximum State credit of $720 for one child and $1,500 for two or more children. About $15,000 in income, the State credit begins to phase down until it reaches zero at $27,000.

Under certain circumstances, this kind of a flexible credit allows lower income parents in Minnesota to recoup the entire cost of their child care, even using higher cost arrangements.

For example, parents could use the credit to cover all of their out-of-pocket expenses above the subsidy they qualify for under the State's sliding fee program. Or, they could use the maximum credit they're entitled to to cover the entire cost of child care used for part-time or seasonal work. Or, if they could use the credit for a higher cost, part-day program—in a nursery school, for example—in combination with lower cost or uncompensated care provided by a neighbor or relative.

My point here, Mr. President, is that Minnesota has found a way to not only offer maximum choice, but to also provide low-income parents—who cannot afford to spend $2,000 or $3,000 a year on child care—with a way to reap the maximum benefits of its dependent care credit. That same credit also allows its maximum benefit to be shared by low-income parents who choose to combine at-home parenting with less than full-time employment outside the home.

CHURCH-BASED CHILD CARE IN MINNESOTA

Finally, Mr. President, I want to turn to an aspect of Minnesota's child care system that has been a major factor in my own concerns about how we expand the Federal role in child care—the substantial, growing role in child care provided by churches in Minnesota, and the support and recognition for that role provided by both Government and by church leaders and church organizations.

Mr. President, my own informal inquiry into the role of churches in child care in Minnesota found what I'm sure many of us have found in our own States. On the whole, church-based child care is helping to meet all three goals of the legislation we have before us: quality, affordability, and accessibility. It's a large—and growing—part of the child care delivery system that public policy must not discourage.

Between 35 and 40 percent of licensed full- and part-day child care centers in Minnesota are located in churches. More than half these centers are actually operated and supported by the host churches, and an even larger number have chosen to include some sectarian content in their program.

It's impossible to overstate the value of the contribution of churches to quality child care in Minnesota. In most cases, the motivation of church sponsors is to offer the best quality, caring environment possible. This is very important in a State that—although it has been a leader in establishing quality child care arrangements—still faces a critical shortage in many areas.

Church-based child care also benefits from substantial subsidies from host-churches, helping to hold down the cost to parents and make child care more affordable.

According to a recent survey of child care programs in the western Twin Cities metropolitan area, 66 percent of the church-housed centers use the church's tax exemption; 71 percent are covered by a rider or by the church's insurance policy; and almost half provide direct or indirect funding through donation of space, payment of utilities, building repair and refurbishing, provision of custodial services, and provision of church office supplies and staff time.

State and local governments in Minnesota have recognized the quality and other contributions of church-based child care by deferring to the large number of low-income parents who both qualify for public subsidies and choose to place their children in church-based child-care programs.

According to the same survey of church-based child-care centers in the western Twin Cities metropolitan area, 21 percent of the programs are receiving public sliding fee subsidies; 24 percent receive assistance under the child-care food program; and 12 percent receive other Government programs.

Minnestoa's two largest counties—Hennepin and Ramsey—have contracts with sectarian church-based child-care centers and totally defer to the individual choices of subsidized parents who choose to use them. The centers must only satisfy State licensing requirements and have adequate liability insurance coverage.

Similar policies—deferring to parent choice, even when that choice includes sectarian, church-based child-care centers—are also in effect in other counties outside the Twin Cities metropolitan area. And, in counties that currently do not have children placed in sectarian centers, officials have stated that they would defer to parent choice if such centers were selected by eligible parents.

Mr. President, this policy of deferring to parent choice in the selection of sectarian child-care centers is widely supported in Minnesota, not only by parents, but by State and local government officials. And, as the State has gradually added components to its comprehensive child-care assistance program, eligibility of church-based child care—when such care is the preference of parents—has not been an issue.

As one county social services child-care coordinator told me:

> I see churches as a growing player in meeting the need for quality child care. We shouldn't discourage that role.

A social services child-care coordinator from another county put it this way—

> I personally believe parents should have the choice of whatever program they want. Taking away that choice for low-income parents would be real disconcerting for some parents because the most convenient center would no longer be eligible. A good example would be students who attend church-supported colleges in our county who use religious child care centers associated with those colleges.

Mr. President, State and local officials who regulate child care and administer child-care funding programs have a herculean task as they seek to assure safe, high quality environments for children. But, as one local official told me, "* * * quite frankly, we have more important concerns in monitoring the quality of care provided in day-care centers than whether grace is being said before snacks."

Mr. President, I found the contribution of church-based child care in Minnesota to be of particular value to many minority and inner city parents. Consider, for example, the following comments made recently by Willie Mae Wilson, executive director of the St. Paul Urban League:

> Speaking as an individual, as a parent who has used church-based child care, and as a person who works with low income families who would like to have access to quality child care, I support giving parents the right to choose any licensed church-based child care program. Quality child care is in critically short supply and we need to be expanding, rather than restricting, the supply of quality child care programs. Church-based child care meets the needs of many low income families in St. Paul and I'm all for retaining the right of free choice for parents to use those programs. But, we should not deny that free choice to low income parents who need financial assistance.

For differing reasons, I found the same strong support for allowing subsidized parents to choose sectarian child care programs in rural parts of Minnesota. That case was made most forcefully recently by Cy Carpenter, former president of the Minnesota Farmers Union and the National Farmers Union:

> In rural areas, because of financial pressures in farming and other parts of the economy, families have a growing need for

quality child care. In many rural communities, church-based centers provide the only child care center options available to parents. And, because of the special role they play in rural communities, churches are also the most logical place to look for expansion in the availability of quality child care.

Many smaller rural communities don't have non-profit organizations or entrepreneurs available and willing to go into the child care business. Churches—with their pool of volunteers and available space can undertake that task, and many are. And, because of what they contribute, through in-kind donations, direct support, and volunteers, churches are able to hold down costs and make high quality child care more affordable.

We need to encourage an expansion of the role of rural churches in supporting quality child care, not discourage it. And, for many churches that will mean including some type of religious program which their parents desire. For all these reasons, it would be a tragedy to deny low income rural parents the right to choose what for them may be the old child care center option available in their community.

Mr. President, beyond the essential role being played by church-based child care in Minnesota and the broad support it enjoys, I also found that—given the right kind of signals from policymakers—churches in my State are poised to assume an even greater role in improving the quality of child care and making it more accessible and affordable.

Just last year, the Greater Minneapolis and Greater St. Paul Area Council's of Churches received private foundation funding for a 3-year project designed to expand the role of metropolitan area churches in child care and other services to children.

This program—called Churches Concerned for Children—offers a variety of services to churches including technical assistance in establishing child care centers and other children's programs, assistance in recruiting family day care providers from within congregations, speakers, printed materials, a regular newsletter and conferences, all designed to increase the awareness of pastors, church staff, and church members in the large number of options available as they seek to expand their ministries to children.

Expanding this type of program on a statewide basis is now a goal of the Minnesota Council of Churches—hopefully bringing the same kind of information, inspiration, and assistance to rural congregations.

While these programs—through the Council of Churches' organizations in Minnesota are directed primarily toward so-called mainline Protestant churches. I also found growing interest in child care programs in virtually every religious denomination that serves the State.

Many Catholic churches in Minnesota, for example, are already deeply involved in child care and preschool programs through their elementary schools. And, a large number of Missouri Synod and Wisconsin Synod Lutheran churches also have preschools attached to their elementary schools. The same is true for a number of Baptist and Evangelical Christian churches in Minnesota that are either independent or affiliated with various national denominations.

Because of the strong historic commitment in these denominations to children and to education, leaders of these denominations believe that this commitment will—in many parishes and congregations—gradually expand into offering full-day child care programs.

That is one reason why both the Minnesota Catholic Conference and the Southern Minnesota District of the Lutheran Church Missouri Synod have issued strong statements urging that the option of parents to choose sectarian child care programs not be removed as we expand Federal child care assistance for low-income parents.

Mr. President, I have taken the time here today to give an overview of the child care system in Minnesota because I believe it will help explain my own approach to this issue. As we lay the foundation for Federal child care programs and policies we would do well to do what Minnesota has done—to respect and support the diversity of child care arrangements used and preferred by parents; to target available resources to those at low-income levels needing help the most; to make it possible for low-income parents to receive the maximum assistance possible through the tax system, where maximum choice is preserved; and to respect the wishes of parents—especially low-income parents—to use the large number of high quality child care centers operated and supported by the churches.

Again, I would like to thank the distinguished Senator from Connecticut who has worked long and hard at putting together the package we have before us today. Overall, I think that the package we have before us today draws a lot on what Minnesota has done in terms of offering a broad array of programs that allow States and parents greater options in the child care arena. And, I am pleased to say that it will go a long way in helping the many families who so drastically need this assistance.

Mr. DODD. Mr. President, I would like to take a moment to commend my colleague from Minnesota for his work on this bill. While he was not an original cosponsor of this bill, he has made a major contribution to its passage on this floor. I recognize his efforts to make this a stronger bill, by modifying the certificate program under the bill and to find alternate means of achieving our joint objective of improving the health and welfare of America's children. The Senate as an institution is all about consensus. There is a very important role in our process here for those who help to forge the majorities which result in our work here becoming the law of the land. The Senator from Minnesota has played that role on this bill, and as the manager of the bill, I thank him for his strong and active support for this bill and we look forward together to bringing a bill back from conference which serves the needs of the American people.

Mr. McCONNELL. Mr. President, this is the summer of sequels. Some are better than the originals, some worse. Some are descendents of bad originals, however popular they might have been. This Senate has seen its share of sequels. Now showing is the Act for Better Child Care.

The original ABC bill was bad legislation with strong support among vocal special interests. The latest sequel, known as the Mitchell substitute, has been substantially improved, but it also has problems. Supporters of the Mitchell substitute are proponents of Federal standards for child-care, now referred to as "model" standards. They do not feel that parents who stay home with their children and sacrifice income, are deserving of assistance. They believe government must be the conduit for child-care funding, because parents cannot be trusted to use their own money wisely. Further, they are risking the excellent child-care provided by religious institutions in this country through a provision of questionable constitutionality.

Since this debate began, I have believed that if we are to develop effective and equitable child-care legislation, we must understand who uses child-care, which arrangements they prefer, and what kind of assistance they need. Despite claims that the traditional American family is a relic, over 50 percent of all children under 5 years of age are cared for by their parents at home. In other words, the traditional family unit is alive and well in America.

In addition, parents overwhelmingly prefer—by 3 to 1—to have their children cared for in a home, rather than an organized day-care facility. In fact, there is a remarkable diversity in the kinds of child-care arrangements available to families today. Many parents rely on some form of extended family relationship, while others use informal neighborhood-based care, often splitting the responsibility with other parents in a nonpaid arrangement.

Less than one-quarter of all children under 5 are cared for in organized day care centers. Many parents who select this option prefer a religiously affiliated facility, because of the reduced cost and the assurance of strong moral instruction. It should go without saying that any Federal child-care policy we adopt must respect parents' religious and moral convictions in

making child-care decisions, and preserve the range and freedom of choice available to families today.

The principal goal of our child-care policy should be to assist the most needy, and we should avoid approaches that would make child-care more costly or unavailable for those who need help most. Regulations will make child-care more expensive.

The ABC bill, will impose costly and bureaucratic new regulations on all child-care providers—including home care, which traditionally has been the most affordable and high-quality option for struggling families. The first ABC bill set up these regulations through a Federal day care dictatorship. The sequel does it indirectly, by requiring extensive State regulation. The regulatory maze established by ABC will make it too expensive for many family-based providers to operate, even though they are today the most preferred child-care resource for all parents, particularly those with low incomes. It is no wonder that people are saying ABC stands for "Act for Bureaucratic Control."

To better address the needs of families, I supported the Dole substitute amendment, the Working Family Child Care Act. This bill provides financial assistance directly to families to meet their child-care needs. The tax credit provided in this bill would preserve freedom of choice and would not discriminate against traditional families who care for their children at home or want religious-oriented care. Further, direct assistance avoids the expensive layers of bureaucracy and regulation which the ABC bill heaps onto child-care providers and parents.

The amendment I voted for would make the Dependent Care Tax Credit refundable to better target assistance to low-income working families. Further, it would provide a $400 million annual increase in State Dependent Care Development Grants, to help States improve the quality and availability of child-care. To better utilize a tremendous source of care for our Nation's children, this amendment also eliminated the earnings limit for Social Security recipients who provide child-care. Grandparents certainly are qualified to care for children. In fact, no Americans are more experienced.

Clearly, a huge economic problem that families face is the Federal tax bite: In 1948, Federal taxes took only 2 percent of the total income of a middle-class family; now, 40 years later, the Federal Government takes about one-fourth of the average family's income. I believe that parents are well-qualified to determine the most suitable care for their children, and that the Government can best assist parents by allowing them to keep more of their hard-earned money, thus enabling them to afford quality child-care. That is why I have supported the tax credit approach to helping families.

Raising a family is among the most fundamental endeavors of human life. For thousands of years, parents have raised their children without benefit of advanced degrees, Federal guidelines, model standards, or government regulations. Americans still are quite capable of caring for their children. The best help the Government can provide is to let Americans keep more of their money and leave them alone. The worst way that government can get involved in child-rearing is to force families to hand over money in taxes to pay for bureaucratic, socialized day care programs, and to regulate preferred child-care options out of existence.

Mr. BYRD. Mr. President, I am pleased to support the Act for Better Child Care Services—better known as the ABC bill. This legislation is designed to promote the availability of affordable and quality child-care.

It will increase the number of child-care facilities, and the number of child-care providers available to all families. It will improve the quality of child-care available to all families, and it will coordinate child-care resources to ensure their efficient use and help make a wide range of child-care options available to parents, enabling them to make the most suitable arrangements for their children.

In my own State of West Virginia, 46 percent of women with school-age children work outside the home, and 32 percent of women with children under the age of 6 work outside the home. This translates to 111,000 children under the age of 13 in West Virginia whose mothers are in the work force.

The majority of working mothers in West Virginia are working outside the home because they must. Two-thirds of these mothers are either the sole wage earner for the family or are married to men who make less than $15,000 per year. Stated another way, 122,000 West Virginia children live in families with incomes below the poverty level. This represents one in four children in West Virginia. So you see most West Virginia mothers do not have a choice about working, and they need safe, affordable child-care.

In the latest figures available from the West Virginia Department of Human Services [DHS], only 13.9 percent of the 111,000 children that currently use child-care are in licensed child-care situations. An appalling 95,000 children are in "unregulated" child-care. Fourteen counties have no DHS-approved facility at all, and other approved facilities have enormously long waiting lists. For instance one center in Huntington, WV, has a capacity of 70 children, and has a waiting list of 71.

The major source of Federal funding which can be used to help States with child-care, the title XX program, shrank under the Reagan administration. Between 1981 and 1986, the number of children receiving child-care under the title XX program in West Virginia decreased by 13.5 percent. The State is now able to assist 4,700 children, or 4 percent of the children in need of day care in the State.

The modified ABC bill does address many issues that have led to a crisis in the provision of child-care services. It maintains the emphasis on helping low- and moderate-income families find and afford decent child-care.

The bill helps lower income parents pay for child-care, through direct financial assistance and refundable tax credits. Many low-income families will receive grants or certificates for the full cost of child-care—which averages $3,000 per year nationwide—while the remaining low-income families will receive a tax refund for a portion of their child-care expenses. At the same time more affluent families will retain the current child-care tax credit.

Under the ABC bill, it is the parents that choose the type of child-care best for their children and family from a full range of options—from care by relatives to child-care centers. It helps low-income parents with choices by providing them with assistance to afford the types of care previously available to moderate- and higher-income parents.

By requiring States to develop their own standards for the health and safety of children in care, as opposed to instituting national standards, the ABC bill will improve the quality and the safety of available child-care but allow the States to tailor their standards to the needs of their specific State circumstances and needs. This is vitally important, as many children are in care that is totally unregulated today.

Finally, the ABC bill will help increase the availability of child-care by assisting States in the establishing or expanding child-care programs; recruiting and training family day care providers; establishing after-school-care programs; and assisting businesses with child-care programs.

We have all heard or read the horror stories of mistreatment or neglect of children in unregulated care or children who are left alone because care is not available or not affordable; we need to act now to prevent such occurrences in the future.

Finally, I want to commend Senator DODD and Senator HATCH, for their perseverance and commitment in pushing this legislation which is so important to our Nation's children.

Our children are our future. If we shortchange our investment in them now, we will be shortchanging ourselves and our Nation in the future. We have achieved a crisis atmosphere

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

in regard to child-care, and I believe we need to enact the ABC bill now. I strongly support the modified ABC bill, and I urge my colleagues to do likewise.

Mr. LUGAR. Mr. President, I rise today to share my views in the ongoing debate over how the Federal Government can best address the child-care needs of millions of families across our Nation. In studying the child-care issue for 2 years, I have concluded that families will be best served by initiatives that make quality care available in both the private and public sectors. Greater supply will create an environment in which providers will have to compete on the basis of quality and affordability.

One of my concerns with the direct subsidies provided in the ABC bill—70 percent of the $1.75 billion authorized this year—is that this enormous infusion of Federal funding may detract from the current pressure in the private sector to respond to the changing needs of our work force. With the growing number of mothers employed outside the home—some by choice and others by necessity—discerning employers are already involved in providing some measure of child care for employees. This involvement comes in any number of forms including onsite child-care centers, resource and referral programs, reimbursement of child-care costs and flexible work schedules.

The Federal Government ought to encourage, not discourage, greater involvement by private enterprise. Under the Dole proposal, which I supported yesterday, the authorized State block grant moneys could be used to set up recruitment and training programs to increase the number of child-care providers and volunteers. States would be encouraged to reduce barriers to affordable liability insurance, which is a major stumbling block for many competent individuals who want to provide quality child care. Senior citizens who want to offer their services could exempt earnings from the Social Security earnings test.

To address affordability, an expansion of tax credits available to families has been proposed. I support refunding existing dependent care tax credit, which will allow us to help those families most in need who have little or no tax liability and, thus, do not benefit under the current Tax Code.

I also favor the increased earned income tax credit proposed by Senator DOLE. Low income families with one or more children under age 4 could take an additional credit, as long as one of the parents is working. While the extra $500 to $750 this will free up for the care of children is not a complete panacea, it will ease the burden for those mothers who work to make ends meet, as well as help those who stay at home to care for their young children while forgoing outside income.

Mr. President, we cannot afford to wait much longer for an agreement on how to improve the quality of life for our children. I am pleased that the Senate is working through philosophical differences in opinion. I hope this will result in a comprehensive, effective package that all Seniors can endorse.

THE RELIGIOUS EXEMPTION

Mr. GRASSLEY. Mr. President, I rose last Friday and again this morning to address my concerns about the Act for Better Child Care. I have made it clear that I believe that the best approach to the child-care issue is one that has as its centerpiece a tax credit that would be available to all families with children, including those with one parent staying home to take care of the children.

With the Mitchell substitute to the ABC bill, we encounter all kinds of controversy around the provisions involving the participation of religious child-care centers in Federal programs. I believe, however, that this Congress should be as concerned about the clause which protects religious liberty as we are about the clause ensuring the separation of church and state.

One of the specific problems expressed is that it is unclear whether in States providing a certificate program, if parents will be guaranteed the right to choose between receiving those certificates themselves, as opposed to putting their children in a directly subsidized child-care center.

Furthermore, the National Association of Evangelicals and the American Association of Christian Schools are deeply concerned about the uniformity clause. This clause, they fear, would require religious day care centers to submit to Government licensing and regulation, even if they do not receive Federal funds. If this is not true, then I appeal to the sponsors of this bill to immediately amend the bill to clarify that this would not occur.

Mr. President, at this point, I ask unanimous consent to have printed in the RECORD a statement by the National Association of Evangelicals which express this group's concerns about the latest version of this bill—the Mitchell substitute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF EVANGELICALS,
OFFICE OF PUBLIC AFFAIRS,
Washington, DC, June 21, 1989.

Hon. CHARLES GRASSLEY,
U.S. Senate, Washington, DC.

DEAR CHUCK: With a modified version of the Act For Better Child Care Services (the Mitchell Amendment) under Senate consideration, confusion exists over whether discrimination against parents desiring religious care has been adequately addressed.

The Mitchell proposal, first made by Senators Ford and Durenberger, to allow parental choice of child care providers through certificates, with an exception from the restriction against sectarian activity, has been heralded as solving the problem of discrimination against parents who are committed to religious care. It does not.

The idea is no doubt well-intended but it by no means solves the problem of religious discrimination. Indeed, the changes are in essence cosmetic. The attached materials indicate why the revised ABC bill, even with its proposal for child-care certificates, is an injustice to the religious community. The only real solution is a non-discriminatory tax credit approach.

Faithfully yours,

ROBERT P. DUGAN, Jr.
Director.

NATIONAL ASSOCIATION OF EVANGELICALS CITES PROBLEMS FOR RELIGIOUS CHILD CARE IN THE REVISED ABC BILL OR "MITCHELL AMENDMENT"

The "ABC" child care bill (S. 5) now nearing a vote in the Senate, originally excluded from assistance, families who choose day care with religious activity. The revised bill (Mitchell Amendment) prohibits assistance to "sectarian activity" except where the means of assistance may be "child care certificates to parents," redeemable with "eligible child care providers". This exception is heralded as solving the problems of discrimination against parents who choose religious care. It does not. In particular:

1. "Eligible child care providers" must be licensed or regulated under state law". In quite a number of states, church-based day care is exempt from regulation. Parents in these states would be denied the religious choice in using certificates under ABC.

2. The dismayingly complex and ambiguous provisions appear to require that a state, to participate in the federal funding, must impose regulation on all day care providers—thus tending to coerce state regulation of church-based child care centers in states where they are now exempt, whether or not such centers receive any assistance. If that is not the intent, clarifying language is imperative.

3. According to the Department of Justice, as a consequence of child care certificate use (or other aid) "all child care centers * * * and any affiliated religious organizations like churches and synagogues, would be subject to the strictures of the Civil Rights Restoration Act of 1988." Any selectivity in employment practice or dealing with children based on religious or moral considerations could subject day care centers and churches to both the CRRA (Grove City Bill) and a number of additional discrimination strictures which appear in the ABC bill or might be added by HHS regulations. The Department foresees "officious government intervention in the private affairs of churches."

4. The ABC bill does not provide working guides of permissible use of child care certificates in religious day care, but instead literally invites court litigation to provide the working rules with a declaration that "assistance * * * shall not be expended in a manner inconsistent with the constitution," and the addition of a severability clause to keep the rest of the bill moving if the certificate process is held up in litigation.

5. There is no requirement that any of the billions authorized be channeled to the "child care certificate" process where the choice of religious day care is to be available to parents. The states are free to limit or

omit this channel, and the litigation potential will increase their past reluctance to use such vouchers or certificates.

The vast regime of subsidies and regulation in the ABC bill must be avoided, and replaced by a non-discriminatory tax credit approach, using the principles of the Administration proposal.

STANDARDS

Mr. GRASSLEY. Mr. President, I rise to discuss the specific issue of Federal and State standards, required in the amended ABC bill.

The new version of the ABC bill has deleted mandated Federal standards and replaced them with mandated State standards. We will still have Federal standards and we will still have mandated standards.

The good Senator from Utah, with whom I usually agree, assures us that the States will not be pressured in any way to adopt the Federal model standards. I guess none of us really know the answer to that question. None of us can predict how States will respond.

The political climate, indeed the child-care climate, may change during the years in which the advisory commission develops its standards. At any rate, that remains to be seen.

The issue I am addressing today has little to do with the extent to which States will or will not be obligated to meet the Federal model standards, although I think that is significant to this debate. My discussion, instead, focuses on whether the standards will accomplish their stated goal. State standards, which are supposed to look something like the Federal model standards, are mandated with a goal to ensure quality.

Quality is the primary issue that opponents of the Dole amendment claimed was lacking in our proposal. Therefore, the assurance of quality, it would follow, would be the main reason to support the ABC bill.

The Federal Government, however, cannot possibly guarantee every parent that every child in licensed child care would receive high quality care.

Will licensing give moms and dads confidence that their little ones will be loved, protected, and well cared for? Will State licensing, with compliance in no less than six federally mandated areas, make them feel better when they have to leave their children to go to work?

The new State standards, under the umbrella of Federal model standards, is supposed to give parents the assurance of a Federal Government "good child-care seal of approval."

Mr. President, I don't believe this is the case—even if the standards were perfect.

First, standards are only as good as is their enforcement.

Second, compliance with standards is ensured only at the time of the inspection.

Third, the elements that parents want in high quality child care cannot be regulated.

Despite these shortcomings, the Federal Government will encourage parents to place their children in licensed child-care centers. Then they will supposedly be assured that their children will be safe and well cared for.

Mr. President, I do not want to be a party to that false sense of security. I can imagine the letters I will receive when this bill is fully implemented. Mothers and fathers will write in anger and frustration about the horrors that occur in licensed child-care centers. These horrors may occur in child-care centers which meet or exceed the Federal standards, just as they may occur in any center operated by the wrong people.

Many of my colleagues have spoken on the floor that there is no data on the relationship to quality child care with regulations. Likewise, there is no relationship to abuses in child care and the lack of regulation.

Anecdotes can tell any story, but I believe I have one that represents the problems of many parents and child-care providers.

About a month ago I received a letter from a mother who was quite distraught. Leaving her child at the baby sitters was the most difficult thing she ever had to do. In order to provide sufficiently for her family, however, it was necessary for her to go to work every day.

The first baby sitter was a disaster for a variety of reasons. The mother then found a child-care provider who already had the maximum number of children enrolled for which the center was licensed. The provider decided to take a chance and enroll the daughter because someone is usually missing, whether sick or on vacation, or whatever.

The young mother wrote me that her daughter thrived at this center. Leaving her daughter in the mornings was no longer a heartache because her daughter enjoyed her time there and looked forward to going "to Debbie's house."

The young mother wrote me, because one day, when she went to pick up her daughter, Debbie the child-care provider, told her that she could no longer bring her daughter to the center. Someone from the State agency has been there to inspect the center and determined that too many children were present.

This young mother was upset that a government worker would not allow her to continue the best child care for her daughter. Instead, the young mother was forced to put her daughter in a center which met the State standards, but which was much less satisfactory to her. She implored me to not let a government worker tell her how to raise her daughter.

Mr. President, the point is that standards do not guarantee high quality, and the absence of standards do not guarantee the absence of quality.

Instead, tighter standards will only make it more difficult for parents to make the decisions about the care which is best for their children and will require parents and State governments to expend more money on enforcement.

My colleague from California has spent a considerable amount of effort on this issue of additional expense. He has spent considerable time on the impact of the ABC bill on State government budgets.

Some States, like Minnesota and New York, already have an extensive State regulatory structure. Other States, however, such as my State of Iowa, have not chosen to develop or implement extensive State regulations.

Iowa and these several other States will incur significant new expense to develop, implement, and enforce standards for child-care providers.

Yet, Mr. President, the child-care system in Iowa is excellent. Child-care providers in Iowa are responsible and loving professionals who take their jobs very seriously.

We have over 1300 State-licensed child-care centers. Even more impressive, 3000 family care providers voluntarily register their programs with the State.

The record of quality, effectiveness, and success in Iowa child-care centers is well documented. This quality is obviously not the result of oppressive standards. Instead, quality is evident because the strong sense of family and community ever-present through my State.

The figures submitted by Senator WILSON suggest that families in 17 States will incur increased child-care costs in excess of $400 per child annually. Families in 26 States will have to pay an additional $800 per child annually.

In closing, then, Mr. President, I do not feel that the amendments, which are bipartisan and which embody significant improvements to the bill, are sufficient to alleviate my concerns about the underlying bill.

Although they will serve as model standards, the underlying bill creates Federal standards. Although the standards will be developed by the States, the underlying bill mandates standards in six specific areas.

Mr. President, I spoke yesterday and last week on my philosophy on the role of the Federal Government in family policy. I hope I made it very clear that Federal standards and Federal intervention in family policy, particularly with the other implications this bill has, are highly inappropriate.

There are many problems in this bill that are not yet resolved. I fear that if we pass this bill, we will regret it.

Mr. KERRY. Mr. President, I am delighted to speak on this critical issue. The need for child care in this country is tremendous. The need has far outstripped the Nation's capacity to provide enough quality care that American families can afford.

My colleague from Connecticut deserves enormous credit for his work on this legislation. He has labored hard for 2 years to bring this bill successfully to the floor. My colleague from Utah has also worked long and hard on this legislation. He, too, deserves to be commended.

The bill we are considering may not be as strong as some would have wanted, but it is still a major piece of legislation and it will make a significant improvement in American families' ability to find good child care that they can afford.

Obviously, the world has changed for all of us, but particularly for women and their families as more and more women have entered the workforce. In 1950, only 18 percent of married mothers, with a husband present and children under age 18; by 1988, 65 percent were working. Thirty percent of married mothers with young children less than 6 were working.

Currently there are 9 million children under the age of 6 whose mothers are in the labor force—9 million.

And we cannot ignore the fact that women work for simple economic survival: two-thirds of women in the labor force with preschool children are either the family's sole wage earner or are supplementing a family income of $15,000 or less. Good child care is not a luxury; it is an absolute necessity.

And for the families who are better off financially, it is increasingly the case that the income of both parents is necessary to meet a family's financial needs. All of these factors are creating a massive need for quality child care at a reasonable and affordable cost, care that is often unavailable.

In all of this debate, we must remember that it is the children who suffer from lack of quality child care.

No parent should be forced to choose between necessary employment and the needs of their children. And we have to take the steps to insure that the children—who represent the future of our Nation—are properly cared for.

It has been proven beyond any doubt that good child care is a good investment in the future. Children who are in quality in the future. Children who are in quality early childhood programs get a solid start in life. They are prepared for school. They get positive attention from their caregivers. They learn about themselves and their world. Centers with nutrition programs mean kids get decent meals. There is no question that child care and nutrition programs pay off in the long run.

Good child and nutrition programs give our children the foundation and tools to lead our Nation and the world into the 21st century. If we neglect our children by failing to provide proper care, the societal costs may be great.

I have heard Senators during this debate mention that the legislation we are discussing is too expensive and that we cannot afford it. Mr. President, what we cannot afford to do is neglect the next generation of Americans.

Despite the obvious need for some sort of child care program, the United States has no comprehensive policy to address the affordability, availability, or quality of child care in America. Indeed, the national policy on child care. Our patchwork system is swamped with demands and waiting lists, and is ill-equipped to cope with increased demands. More and more children are being placed in substandard day care, or must remain alone at home, because affordable care is simply not available.

Mr. President, we have a crisis on our hands—parents are making the choice between employment and the safety and proper supervision of their children. In many neighborhoods in Massachusetts, parents are forced into making terrible choices.

I know of two parent families, families with solid, well-paying jobs, that are being torn apart because they cannot find adequate child care that they can afford. Mothers find jobs on day shifts, fathers find jobs on swing shifts or night shifts so one parent will always be home with the children. These families have no family time; they don't eat dinner together, they have no time together. The lack of quality affordable child care is fragmenting the American family. This situation is simply wrong.

I know of women who have given up well-paying jobs because they simply cannot find quality care for their children; their husbands are forced to take second jobs to make up the lost income. These are the problems of the middle class; the problems facing the poor are even worse. Single parents don't have spouses who can take second jobs to make up lost income. Child care is often the link between being able to make it and not.

Mr. President, in my home State of Massachusetts 20 percent of all the households with children are headed by a single parent. For these families, reliable, quality and affordable day care is essential to independence and self sufficiency. For low-income families day care can mean the difference between a life of welfare dependency, or the ability to continue school, participate in job training programs, or maintain gainful employment. For the children, quality day care can mean a safe, healthy environment and proper nutrition.

As we have learned from the great success of the Head Start Program, this type of early intervention leads to children who are more likely to complete high school and to be gainfully employed and more likely to be involved with the penal system, or to become victims of teen age pregnancy.

Many mothers in Massachusetts, especially in the ET program, have been able to successfully move off AFDC into the work force because they have been able to find decent care for their children.

But if they can only find marginal care, they simply don't have the choices the middle class and the affluent do. We need high quality, affordable child care for all of our families who want it.

Massachusetts leads the nation in the level of resources that we have allocated toward day care; we have made great progress. Even so, the demand for childcare still greatly outweighs the supply and the cost is often prohibitive. For example, in Boston the cost of day care for an infant averages $120 a week. Clearly it is going to take the combined efforts of Federal, State and local governments as well as private industry to rectify this situation.

Families in Massachusetts are relatively lucky when it comes to the child care services available. The Act for Better Child Care is necessary so families across the country have access to higher quality, more affordable child care.

In Massachusetts, we have high quality standards for our providers. These standards encompass staff/child ratios, group size, staff training, and health and safety. These standards are an important part of a system that delivers quality child care to 180,000 children by 12,300 family and center based providers.

Partnerships are absolutely necessary to increasing the supply of quality child care. In Massachusetts, we have 250 businesses and colleges providing child-care assistance to their employees.

The ABC bill is an important piece of legislation. It addresses our most important child-care problems. It will assist States improve the quality and availability of child-care services and provide direct assistance to low-income working families.

The dependent-care tax credit provision helps out the working poor who were eliminated from income tax liability in the 1986 Tax Reform Act, but who were also eliminated from the benefits of the credit. Refundability is an important benefit.

While some would have preferred national standards instead of State

standards, we will see the development of a mechanism for the design of model standards. Standards are an important issue to the child-care providers in Massachusetts. We have very high standards for our caregivers; we believe that children across the Nation should have the opportunity to receive care that meets similar standards.

One of the most controversial aspects of this bill is the language on the funding of religious activities. I am well aware of arguments of the opponents of this language. But I believe that it is vitally important that parents be able to receive assistance for the type of care that they choose. I believe that the language promotes parental choice without violating constitutional principles.

During this debate, my colleagues across the aisle proposed an alternative to the package we are now discussing. These alternatives were based on the very important recognition of the problems facing many American families today. Expanding the earned income tax credit puts extra cash in the hands of the working poor; this is an important proposal and I am glad that we have made the earned income tax credit more generous.

It is vitally important that we take measures to increase the availability and quality of child care. This legislation gives parents choice through the expanded dependent-care tax credit and through State grants to help families pay for services. We need to do everything we can to broaden the availability of care.

The legislation we are considering today is crucial to the well-being of our families, and of our economy. Yet, it is actually very modest. It only addresses part of the need for increased services, increased quality, and affordability. It is an important step, but only a first step.

In a year when we will bail out the savings and loan industry at a cost of $150 billion to $300 billion, it seems a tragic comment that we have spent so much time engaged in a political debate over a $2 billion initiative to provide care for our children, to invest in our children.

I am a strong supporter of this legislation. It is of critical importance to our Nation: to working women, to working parents, to our children, and to our economy.

Mr. BIDEN. Mr. President, we as a nation have neglected our children.

More than one fifth of our children live in poverty.

Tens, if not hundreds of thousands of our children are living in shelters and wandering the streets. In my own State of Delaware, 39 percent of the homeless are children.

An estimated 375,000 babies will be born this year with illegal drugs already in their veins.

Over 4 million poor children have no health insurance and are not even eligible for Medicaid.

The most basic needs of our children are too often unmet, and they cry out for a national solution.

Today, we have an opportunity to address one of the most serious of these needs—the shortage of affordable child care.

LIBRARIES: AN EXAMPLE OF MAKESHIFT CHILD CARE ARRANGEMENTS

Mr. President, 15 years ago, when my two eldest children were very young, the public library was a place where we took your children to discover the world of books. It was where we showed them how to gain access to other times—past and future—and other lands—real and imaginary.

Fifteen years later, the role of the public library has expanded in unintended ways. Now, in addition to allowing children to escape their boundaries to learn about other worlds, some libraries are being used to allow parents to escape their children to work or do other things.

According to a recent New York Times article, some Long Island libraries are now being called upon to serve as emergency child care facilities.

In a growing number of cases, young children—some only 3 years old—have been left unsupervised in libraries for long periods of time.

These children frequently fall asleep, or play loudly and disrupt other persons using the library.

Some librarians have even had to turn unattended children over to the police when parents do not show up at closing time.

Mr. President, it goes without saying that libraries and librarians are not qualified or intended to provide child-care services.

But this Nation faces a severe shortage of affordable, quality child care. Too many American parents have no good options for caring for their children while they work. Leaving children unattended in libraries is just one of the makeshift, desperate measures to which American parents have resorted.

We badly need to expand the options parents have to provide child care. The Act for Better Child Care, as it has been amended and improved in the last few days, will help achieve this goal, and that is why I am an original cosponsor of the measure.

CHANGES IN THE AMERICAN FAMILY

Mr. President, few among us would deny that there have been substantial changes in the structure of the American family and the American work force over the last several decades.

In 1950, 35 percent of all women aged 25-34 were in the labor force. Today, over 70 percent of the women aged 25-34 work outside the home.

In 1950, 12 percent of women with children under age 6 were in the labor force. Today, 57 percent of such mothers work outside the home.

In my own State of Delaware, 49 percent of mothers with children under age 6 work.

As one would guess, these changes in the American family have resulted in an increased need for quality child care.

Over 10 million American preschool children have mothers in the work force.

By 1995, there will be 15 million preschool children with mothers in the work force.

About 120,000 Delaware workers, more than one-third of the State's labor force, rely on child care.

By 1995, the number of children in child care in Delaware is expected to double.

Unfortunately, it is all too clear that the supply of child-care slots has not kept up with this demand. In 1986, less than one-quarter of all preschool children with working mothers were enrolled in licensed child-care programs.

Our national shortage of affordable quality child care hurts us in many ways.

CHILD CARE SHORTAGE HARMS CHILDREN

First, it hurts our Nation's children.

Children cannot develop healthy bodies and minds if they are ignored or left unattended in front of a television set.

In several tragic cases, young children left home by themselves were hurt and even killed in easily preventable accidents.

Older, latchkey children are also at risk, though from different perils. Unattended latchkey children are more likely than children in after-school programs to become involved with drugs or to become teenage parents.

CHILD CARE SHORTAGE HURTS PARENTS

The lack of affordable, quality child care burdens the working parents of our Nation. Many American women either cannot work or must limit their hours of work, because they cannot afford or cannot find adequate child care for their children.

Even those who do work often must place their children in child care arrangements which they don't trust. A number of surveys indicate that parents who are dissatisfied with their child-care situation are more likely to be absent, and less likely to be productive.

The child-care shortage has been particularly burdensome on lowest-income families.

Two-thirds of the respondents to a recent survey of welfare recipients cited difficulties with child-care arrangements as the primary problem in seeking and keeping jobs.

Three-quarters of the recipients surveyed who had given up looking for a job cited child-care problems as the reason.

Single mothers on welfare who cannot find affordable child care also cannot enroll in job training programs, cannot enter remedial education courses, and cannot leave home to work. The shortage of quality child care cuts these women off from the opportunities necessary to help themselves, trapping them in a cycle of poverty and welfare dependency.

CHILD CARE SHORTAGE HARMS THE ECONOMY

Even the most coldhearted among us must admit that there is also an ominous economic dimension to our shortage of affordable child care.

Children who receive poor child care or are left completely unattended today will be the leaders of tomorrow's citizens, the producers in tomorrow's economy, the guardians of tomorrow's democracy, and the providers for tomorrow's retirees.

In a world where our leadership role is increasingly challenged by our economic rivals, we cannot afford to yield 1 yard of productive potential because of inferior child care.

Unfortunately, we are falling well behind our competitors in this important area. Almost every other industrialized nation does a better job in providing adequate child-care services. If we want to be competitive in the international economy of tomorrow, we must support a child-care system that boasts the same quality, affordability and availability as the systems of our competitors.

ABC BILL HELPS MEET THESE NEEDS

The legislation we now have before us would be an important first step toward meeting these child-care needs. The ABC bill will provide a cost-effective, direct means of addressing three important aspects of our national child care problem. It will improve the affordability, the availability, and the quality of child care.

AFFORDABILITY

The ABC bill takes an important step toward making child care more affordable for low-income parents. Most of the bill's funds will be used to subsidize the cost of child care for these families.

All told, the leadership ABC bill will help as many as three-quarters of a million children receive quality child care.

In the State of Delaware, over 1,500 children will be helpled.

SUPPLY

The bill also helps expand the supply of child care. Some of the act's funds are set aside for grants and low-interest loans to increase the supply of child care services by establishing and expanding child care programs, by recruiting and training new child care workers, by helping small businesses form consortia to establish child care programs, and by assisting communities to set up afterschool programs.

In addition, some of the act's funds will be allocated for developing resource and referral systems and for health and training programs for child care workers.

QUALITY STANDARDS

Finally, the ABC bill will improve the quality of child care provided in this Nation. The bill requires States to establish minimum quality standards to ensure that child care providers receiving Federal aid meet acceptable health and safety requirements.

The need for strong quality standards is obvious. There have been far too many cases in which children were left in child care arrangements which were unsanitary, poorly supervised, overcrowded, or—in a few tragic cases—dangerous and abusive.

There are some who say that the Federal Government should stay out of the question of quality standards. I cannot agree with the idea that Federal money should be indiscriminately handed over to child care centers without making sure that providers meet minimum safety and health standards. We must be sure that Federal money is never used to support institutions that endanger our children.

TAX PROVISIONS

The bill has also been greatly improved by the package of tax provisions added by the distinguished chairman of the Finance Committee.

These provisions will expand the dependent-care tax credit so that it will be much more progressive, and much more useful to low-income persons.

The bill will also extend the dependent-care tax credit, so it will now also cover the expenses of low-income parents who buy health insurance for their children. This will help some of the millions of poor children who currently have no access to needed medical care.

DEBUNKING MYTHS ABOUT ABC

Like many other path-breaking social initiatives, the ABC bill has been the target of a great deal of distortion. Just as some once claimed that Medicare represented repression and socialism, we now hear complaints that the ABC bill will socialize motherhood and require grandmothers to be licensed. These accusations are far-fetched and incorrect.

First, some critics imply that the ABC bill will herd all our children into massive Government-run centers. That is plainly wrong. In fact, the bill ensures that a large portion of the funds will be directed to parents who may then choose the sort of care that they wish for their children. That care can include services operated by churches, schools, community organizations, employers, for profit agencies, or even neighborhood family child care providers. Accusations that this bill will require parents to use only institutional care are absurd.

Second, some people have claimed that the ABC bill would lead to licensing of all grandmothers. In fact, State minimum standards would only apply to child care providers that receive Federal money. Any providers not wishing to comply with the new State quality standards required by the bill could simply choose to not accept Federal money.

Lastly, it is simply not true that the ABC bill will create a cumbersome Federal bureaucracy. The task of developing and administering child care programs is left to the States.

According to the Congressional Budget Office, the entire Federal administrative cost of the original ABC bill would be approximately three-tenths of 1 percent of the total amount of funds authorized. The amended version of the bill will have even lower costs.

COMPARISON WITH DOLE AMENDMENT

Mr. President, let me also take a moment to explain why I opposed the alternative that Senator DOLE offered yesterday.

I was encouraged that the minority leader proposed to expand the earned income tax credit. I agree that the EITC is a good way to supplement the incomes of low-income Americans, and in other contexts I myself have proposed legislation to raise it. What I object to, however, is proposing an increase in the EITC as a substitute or replacement for having a national strategy to address child care problems.

Increasing the earned income tax credit is not a child care strategy—it is merely throwing money at the problem. It would not increase the supply of child care. It would not improve the quality of child care. It would not provide any referral or consumer information services.

The Dole amendment's emphasis on the earned income tax credit was an indirect and very inefficient way of addressing child care. It was trickle down child care. Much of the money will go to families who have no child care problem. Even for the money that does go to families with child care problems, there is no guarantee that those dollars will be spent on child care.

Supporters of the Dole substitute made a so-called family choice argument, saying that it is immoral to do anything special for parents who need child care, as opposed to something that would equally benefit families where one parent stays at home.

If you take this argument to its logical conclusions, however, you end up with some rather extreme results. Under this reasoning, we should repeal or abolish the dependent care tax credit and the Head Start Program. Both benefit parents who wish to put their children in child care programs,

but do not benefit parents who wish to care for their children at home.

In addition, Mr. President, if we accept the reasoning of this family choice argument, raising welfare payments is an outstanding child care proposal. That would increase the disposable income available to low-income parents, without requiring them to spend it on any particular expense.

The earned income tax credit provisions of the Dole amendment would have only helped those children who are aged 4 or less. This provision also did little for those it does help—it would have given only $500 at most to an eligible family with one child, even though the average cost of child care in America runs at $3,000 or more.

In short, Mr. President, the main provisions of the Dole substitute amendment would have been a useful step to alleviate poverty for some low-income families. It was not really a child care program, however, and it was not a worthy substitute to a national child care strategy.

ADDITIONAL STEPS STILL NEEDED

Mr. President, as vital as the leadership substitute to the Act for Better Child Care is, it is still only one step among many we should take to improve the quality and availability of child care.

Another step we should pursue is to encourage employers to provide onsite child care for parent-employees. Employees who are physically close to their children are happier and more productive. More importantly, the children feel closer to their parents.

Only about 10 percent of all employers provide some kind of child care service or benefit for workers, but there is more we can do to encourage other employers to do the same. During the last Congress, I proposed that we provide a tax credit of 10 percent for corporate expenditures to provide child care at worksites, and I will continue to pursue this idea during this Congress.

Similarly, we cannot be content to simply address the issue of child care. We must also address other concerns, such as the health needs of our children.

That is why I recently introduced the Health Care for Children Act. This legislation would require States to extend Medicaid coverage to all poor children aged 18 and under. It would ensure that 4 million children who are currently uninsured would receive adequate health care.

Mr. President, we cannot afford to wait any longer to address our shortage of affordable quality child care.

Child care is not somebody else's problem. It is the responsibility of all of us. For these are not somebody else's children. They are our children, because they are also our future.

Mr. PRYOR. Mr. President, I want to thank the Senator from Texas for the fine job he has done on drafting the section 89 reform bill. A number of small business groups have asked for clarification of the medically uninsurable rule. Specifically, they would like Congress to review the issue of extremely poor underwriting risk individuals in relation to the special rule on medically uninsurable. They would like assurances that Congress will review this issue during the conference committee on S. 5.

Mr. BENTSEN. Mr. President, it is my intention to take a careful look at the medically uninsurable rule during the conference committee on S. 5.

Mr. President, the committee report states that—

> Except where directly inconsistent with the provisions of the bill, prior legislative history relating to any provision amended by the bill (including the rules of section 89) and guidance issued by the Secretary pursuant to any such provision, continue in effect.

I would like to make it clear that including this statement in the report, the committee does not intend to endorse the Internal Revenue Service's proposed regulations under section 89 and the other provisions amended by the bill. The committee intends only to allow employers to rely upon the proposed regulations to the extent that those regulations are not directly inconsistent with the provisions of the bill. However, as the committee report makes clear, an employer may rely on a reasonable, good faith interpretation of the statute. The committee recognizes that an employer's reasonable, good faith interpretation may differ from the position taken by the Internal Revenue Service in its proposed regulations.

Mr. PACKWOOD. Mr. President, let me state that I agree completely with the statement of the chairman of the Finance Committee. The committee did not in its report intend to endorse the proposed regulations and no inference with respect to any specific provision in those regulations is intended.

Mr. BRADLEY. Mr. President, I rise to support the child-care legislation currently before us. I am proud to have been an original cosponsor of the Act for Better Child Care, which is a major component of this package. The legislation before us makes the existing dependent care tax credit 90 percent refundable, in order to be sure that low-income working families with child care expenses will benefit from a provision that is already used by many middle-income families. Finally, it creates a new child health tax credit and expands the earned income tax credit for families with children under age 4.

Mr. President, this legislation represents years of hard work orchestrated by the distinguished Senator from Connecticut, by the Senators from Massachusetts and Utah, as well as by the majority leader, the Finance Committee chairman, their staffs, and many groups and individuals across the Nation. The legislation which has resulted recognizes our commitment to the welfare of our country's children, the changing pattern of work and family life in our country, and an appreciation of the problems facing working parents seeking quality child care. I support this legislation because I believe that it is a well-balanced, pragmatic approach to expanding and improving available child care and making it more accessible to low-income families.

Mr. President, in 1950, only 12 percent of women with children under age 6 were in the labor force. In those days of the breadwinning father and the stay-at-home mother, the rhythms of family life fell into predictable patterns. Dad left for work and the older kids left for school while mom stayed home tending to chores and caring for the younger children. In a pinch, grandmother was there to help. Today, many families still fit this description. But for many others, the picture has changed dramatically.

By 1987, more than 50 percent of women with children less than 1-year-old were in the labor force. In New Jersey, 39 percent of mothers with children under age 6 are working.

There are many reasons for this change. One reason is that families need two wage earners to make ends meet. A 1983 New York Times poll reported that 70 percent of mothers who work, do so primarily because they need the money to support their families.

Another important trend has been a dramatic increase in the number of single parent families. While the number of married couples with children has remained unchanged over the past decade, the number of single-parent families has increased by 35 percent. As a result, roughly 22 percent of all children under the age of 18 live in single-parent families. And single parents are more likely to be working than not.

Today, a total of 35.5 million children—or 61 percent of all children under the age of 18 in the United States—live in families in which both parents, or the sole parent, are in the work force. Two-thirds of working mothers are single, widowed, divorced, separated, or have husbands who earn less than $15,000 per year.

If trends continue, by 1995, 2 of 3 preschool children and 3 of 4 children age 6 to 13 will have mothers in the labor force.

Mr. President, in light of these trends, it is clearly important for us to consider who cares for children while their parents are working. One-fourth of preschool children are cared for by relatives. Frequently, however, grandparents and other relatives are either in the work force themselves or live

hundreds of miles away. Half of the Nation's preschool children are cared for in out-of-home, nonrelative arrangements.

By making an investment in the early care and education of American children, we can produce a better educated, better trained work force—one that will contribute to future economic growth. If we ignore the needs of our Nation's childen and families, particularly low-income families, we are likely to move into the 21st century with a work force that lacks the skills and character necessary for productive employment.

Mr. President, parents all over the country are faced with two basic problems: Good child care is hard to find and difficult to afford.

The search for child care is costly, time consuming, and frustrating. As a result, families may be unable to find the type and quality of child care they would prefer, even when it exists at a price they are able to afford.

To make matters worse, there are often serious shortages of particular types of care within communities. Even if information were available, parents would still not be able to meet their needs or preferences, except perhaps, at prices that are unacceptably high. Infant and toddler care, child care for children when they are ill, care for handicapped children, and child care during evenings and weekends are services that are in short supply in many communities.

The cost of child care varies widely. Out of home child care for one child can range from $1,500 to $10,000 per year, averaging $3,000 per year in low-income urban areas such as Newark and Camden, NJ. Center-based care, for example, is more costly than family day care. Infant and toddler care is more expensive than care for preschoolers. The most expensive child care option is an in-home caregiver who is unrelated to the child.

For the average family, child care accounts for 10 percent of the family budget—equivalent to family expenditures for food. Poor families pay as much as 20 percent to 26 percent of their family budget for day care—comparable to expenditures for housing. Without help, these families will have serious problems paying for quality child care.

Mr. President, despite the obvious, growing need for child care for working families, the United States has no comprehensive policy or program to address the availability, affordability and quality of child care. What child care policy there is in our country is a patchwork of Federal, State, local and private programs developed on an ad hoc basis. The legislation before us presents an excellent alternative—an opportunity to address the child care problems of our country at a variety of levels and in a variety of ways.

This legislation is a two-pronged approach to addressing existing child care problems. The legislation authorizes $1.75 billion for a child care grant program. On the tax side, it alters the existing dependent care tax credit in order to ensure that low-income working families will be able to benefit from the credit, and expands the earned income tax credit for low-income families with children under age 4.

Seventy percent of the grant funding will be used by States to subsidize child care on a sliding fee scale. These funds will go directly to improving the affordability of child care for low-income families. Assistance may be provided for services for children up to age 13 in families with incomes within 100 percent of the State median. States must, however, give priority to the lowest income families. Families have complete discretion to choose among a wide range of child care services including: Nonprofit and for-profit child care centers, family day care homes, group homes, and school-based care. Families may also choose nonsectarian care provided by churches and religious congregations, and may choose sectarian care if their State has provisions for the use of child care certificates, as does New Jersey. Relative care by grandparents, aunts and uncles is also fully eligible for assistance under the act, provided such care complies with any current State laws or regulations.

Affordability of child care is also addressed by making the dependent care tax credit 90 percent refundable for families with adjusted gross income under $28,000. This means that beginning in 1991, low-income working families who have little or no Federal income tax liability will be able to take advantage of this credit for work-related child care expenses.

This legislation also increases the size of the credit for low-income taxpayers from the current 30 percent to 34 percent for those with adjusted gross income of less than $8,000. Taxpayers with adjusted gross income of at least $8,000 but less than $10,000 will be entitled to a 32 percent credit.

After 1992, the dependent care tax credit will be refundable on an advance payment basis through the employees regular paycheck. This means that low-income families will receive the tax credit in time to pay for needed child care, rather than at the end of the tax year. This is important, because families living at or near the poverty line are hard pressed to find cash needed to pay for child care. A tax return at the end of the year is too late.

Affordability of child care is further enhanced by a provision in the legislation before us which creates a supplemental earned income tax credit of 7 percent for families with one child under age 4, or 10 percent for families with more than one child under this age, and who have adjusted gross incomes of up to $15,000. The credit, which will be up to $500 for families with one child and up to $750 for families with more than one child, would be refundable on an advance payment basis beginning in 1991. I am pleased about this expansion, since I have long been a supporter of expanding the earned income tax credit as a way to ensure that low income working families do not have to live below the poverty line.

The availability of child care is addressed in the legislation before us by authorizing States to use up to 12 percent of Federal grant funds for activities to achieve this purpose. These activities could include, for example, establishing or expanding child care programs, recruitment and training of family day care providers, assistance to establish after-school services and programs for sick and homeless children, assistance to business with child care programs, resource and referral systems to help parents find the type of care they are seeking, consumer education, before and after school care, or development of child care for nontraditional hours. States will have the flexibility to decide how best to fill in the gaps in child care that exist in their jurisdictions.

The problems of the high cost or unavailability of liability insurance can pose a significant barrier to the establishment of new day care centers as well as to the continued operation of existing centers. This legislation addressed the problem by authorizing an expenditure of $100 million to fund a new Child Care Liability Risk Retention Fund to increase day care providers' access to affordable liability insurance through a shared risk pool system.

Finally, Mr. President, this child care legislation addresses the need to improve the quality of child care in our Nation. States will use at least 10 percent of Federal funds for activities to improve the quality of care. These activities could include State monitoring of child care, licensing and inspection efforts, health and safety training for child care workers, and improvements in salaries for child care workers. Additional funds will be available to help States that seek to improve their standards toward the national recommended level.

Mr. President, this bill would permit my State of New Jersey to double the number of poor children in quality child care from 13,500 who currently receive child care assistance to nearly 30,000 under this legislation.

I have long believed that the Act for Better Child Care was important legislation for all American families with children and particularly for low-

income families. The bill has focused national attention on the problems of working families who faced the problem of how to care for their children while parents were working. Since the Act for Better Child Care was first introduced, it has improved through debate, negotiation, and compromise. The legislation now before us represents a well-balanced, pragmatic, and creative approach to confronting the problems of affordability, availability, and quality of child care. I urge my colleagues to take this opportunity to vote to provide support for American families who are seeking to balance their economic needs, the needs of their children, and the need of our country for a productive work force.

Mr. COATS. Senator HATCH, as one of the chief cosponsors of this bill, I wonder if you could clarify for me the intent of section 121(a) of the Mitchell substitute which restricts the use of the financial assistance, other than through certificates, for any sectarian purpose or activity.

I would like to know whether it is the intent of this provision to restrict child-care providers from engaging in activities such as prayers before meals or holiday songs, and whether it would require such action as the removal of religious objects from walls.

Mr. HATCH. I appreciate the Senator's concerns in this area and appreciate them given the amount of rhetoric that we have all heard on the church-state issue.

Well, I can tell you that the intent of this section is that Government funds in the form of direct assistance not be expended for sectarian purposes. No more is intended, and no less. Thus, as long as the use to which this aid is put is consistent with the limitations of the establishment clause, it is not the intent of this provision to prohibit any activities which are otherwise permissible. In this regard, I would point out that the Supreme Court has upheld as constitutional general direct aid programs benefiting religiously affiliated institutions so long as the aid has been legislatively restricted to secular use. See, for example; *Bradfield* v. *Roberts*, 175 U.S. 291 (1899); *Roemer* v. *Maryland Board of Public Works*, 426 U.S. 736 (1976); *Bowen* v. *Kendrick*, 108 S. Ct. 2562 (1988). I, therefore, do not believe that the types of activities and matters to which you have referred would necessarily be precluded. Certainly, if such activities are not barred by the establishment clause, they would not otherwise be precluded by section 121.

Mr. COATS. I thank the Senator. May I ask one further question for clarification? It is my understanding that nothing in this bill would preclude religious organizations or institutions in the 13 States that do not license such institutions from becoming eligible providers. Is that correct?

Mr. HATCH. The Senator is correct. As he knows, the bill requires that an eligible provider be either licensed or regulated. Thus, even if such providers are not licensed, if they are regulated, that, by itself, is sufficient.

Mr. COATS Is it the further understanding of the Senator from Utah that States which neither license nor regulate sectarian providers, but do require some sort of registration would still be eligible recipients under this legislation, and that those providers would nonetheless be eligible as providers?

Mr. HATCH. It is my understanding that if a State's only current form of regulation for child-care providers is a registration requirement, nothing in this bill would require a State to change that. Providers who were covered by a State requirement for registration, which is a form of regulation, would be eligible to participate in the ABC program.

Mr. KERRY. Mr. President, regarding the interpretation of the leased employee rules, I want to emphasize that the fact that an individual's services are not performed under the control of the intermediary third party that arranged for the individual to perform the services for the recipient company does not, by itself, necessarily lead to the conclusion that the individual's services are performed under the control of the recipient company. The services may instead be performed under the control of the individual himself or under the control of an entity other than the intermediary third party or the recipient company. This issue is particulary important in my State of Massachusetts where a substantial number of workers provide services through brokers as independent contractors. Is my understanding of the committee's intention correct?

Mr. BENTSEN. The Senator's understanding is correct.

Mr. RIEGLE. Mr. President, World War II marked the beginning of the greatest economic expansion in the history of the world; World War II also marked the last time this country, the site of that expansion, had a national child-care policy. On June 29, 1943, this body passed by voice vote a $20 million child-care bill. It was passed because mothers were needed to aid in the war production effort, and the Nation recognized that the children of those mothers needed quality care.

After the war, most mothers returned to their homes. By 1947, only 19 percent of women with children under 18 worked. Since then, however, women's participation in the work force has steadily increased. In 1970, 42 percent of women with kids under 18 worked, and in 1987 that figure reached 65 percent.

Today, we are not engaged in military battle, but rather in economic battle, and women again play a vital role in the effort. They now comprise 45 percent of the work force, and, according to the Department of Labor, they will constitute two-thirds of new workers by the year 2000. As labor shortages worsen, the importance of recruiting and retaining female workers will intensify.

Today our Nation is struggling to sustain the economic vitality that the postwar era brought, and the lifeblood of that economic vitality is the productivity of our work force. Productivity depends upon the quality of our investment in our people and most importantly in our children's education, health and care.

We now have an opportunity to provide comprehensive child-care options to America's families, to make quality care available and affordable.

Currently, those options do not exist. Employers are discovering that recruitment and retention of female workers is hampered by the lack of adequate child-care services. Furthermore, recent studies have shown strong links between child-care problems and stress, stress-related health problems, absenteeism, and lower job productivity for both female and male workers. One survey of 5,000 employees found that 67 percent, including those with no kids, agreed that child-care problems exact a high price in unproductive use of employees' minds and time.

Employers have begun to realize that meeting child-care needs of employees is cost-effective, yet nationwide only 11 percent of workplaces with 10 or more employees offer some specific care benefits or services. Sixty-one percent have some work-schedule policy, such as flextime or job sharing, that assists parents to meet child-care needs.

Despite the efforts of employers to help fill the gap for quality, affordable care, the gap remains wide. Many workers receive no assistance, and for those that do, it usually is not enough. In addition, States and local communities lack sufficient resources to adequately meet child-care needs. Clearly, the Federal Goverment has a role to play to assist parents in their struggle to provide for their children.

Even more important than assuring that working parents are productive is guaranteeing that their children will be well-adjusted and therefore productive parents for their chidren.

One of the most crucial factors in that guarantee is quality child care. Indeed, comparison studies between low-income children who attended a quality early childhood development program are more likely at 19 to be literate, employed, and enrolled in post-secondary education and less likely to be school dropouts, dependent on welfare, arrested for criminal activity or

29-059 O-90-5 (Pt. 10)

delinquency than those who had not attended.

Unfortunately, too many low-income children are not likely to be enrolled in a quality development program. In fact, many have poor quality care or no care at all. Research shows that children in self-care, "latchkey" children, face considerable stress and run greater risk of academic problems, accidents, exposure to alcohol and drugs, poor nutrition, fear, prolonged loneliness.

The Act for Better Child Care provides low-income families real choices. Presently, costs are so prohibitive that families cannot afford quality care. By providing direct financial assistance to working families, they are able to afford decent child care, and thus do not have to choose between ceasing to work and placing their children in potentially dangerous child-care situations.

Indeed, the ABC is a critical step in helping working families to make ends meet without sacrificing their children's well-being in the process. Low-income families can hardly afford quality care at $2,300-$3,000 per child; this amount equals one-third of poverty-level income for a family of three.

As some have charged, the ABC does not encourage mothers to enter the workforce and thus neglect their children; rather, it assures those families in which the parent or parents have to work that their children have quality care. Thirty-five percent more two-parent families would live below the poverty line if mothers were not employed.

An equally urgent need confronting America's working families is health insurance. Senator BENTSEN took the initial step in the Finance Committee package to improve access to health care for children. I look forward to developing, with him and the distinguished leader, Senator MITCHELL, a comprehensive proposal to guarantee universal access to health insurance for the 37 million Americans, 12 million of whom are children, who lack coverage.

For myself and the families of America, I would like to thank my friend from Connecticut, Senator DODD, and Senators HATCH and KENNEDY and their staffs for their tireless efforts in crafting this compromise package. As an original cosponsor of the ABC, I have admired the leadership of Senator DODD on this very important issue. The compromise package is a solid one that I am proud to support, and I hope that as this legislation is implemented, adequate standards will be set forth by the States and care will be provided in a constitutional manner.

Mr. WALLOP. Mr. President, while I have strongly supported other child-care initiatives in the Senate, and have introduced my own legislation to do just that, I cannot support the bill the Senate will pass today. If there would have been a rollcall vote on this measure, the Act for Better Child Care, I would have registered a vote against it.

This legislation, Mr. President, is not only too expensive but it creates another entitlement program in the process. I do not believe this bill will meet the child-care needs of working and single parents. Most importantly, the bill ignores altogether the needs of parents who choose to stay home and care for their own children. Parents should have the right to choose what kind of care they want for their children. This bill dictates that choice. It does not give it to the parents, it takes it away. For all these reasons, I cannot support this bill.

Mr. CONRAD. Mr. President, child care is one of my highest priorities and a pressing national concern. I am pleased that the Senate is debating the Act for Better Child Care, or ABC bill, for the benefit of our Nation's families. Our changing work force has resulted in increasing numbers of single-parent and dual-earner families. Today, fewer than 10 percent of families have a mother staying home to care for the children and a father who is the sole wage earner—less than 1 in 10 families. Further, we are the only industrialized Nation in the world without a national child-care policy. While other countries have recognized this need, we have not addressed this issue for our citizens and we are losing our competitive edge. Child care must be accessible and affordable to these single-parent and dual-earner working families.

Mr. President, I do not believe, however, that assistance for families with children stops there. I believe that low-income families who have chosen to forfeit a second income and have one parent remain at home to care for their kids—I will call these homemaker families—also need financial assistance. After all, these families are struggling to make ends meet in a society where two incomes are often necessary to do so. I do not want to send the signal that the Senate favors parents' working over staying home with their children.

On several trips home many of my constituents from homemaker families have asked me why I would support legislation that helps families who utilize day-care services, but doesn't help them. The original version of the ABC bill did not offer these families any assistance. These families raise an excellent point, and I strongly agree that assistance for them should be a high priority as well.

For this reason, I was pleased to support the Dole amendment to the ABC bill. The most direct way to assist homemaker families is to expand the earned income tax credit [EITC]. This would directly provide additional disposable income to low-income families. The Dole amendment would provide such assistance: Up to $500 for one child and an additional $250 for two or more children. This would lighten the burden of low-income families by providing additional disposable income in their pockets.

Such a tax credit would also clearly address the issue of utilizing religiously affiliated child-care services. Although the ABC bill currently allows funds to be directed toward religious day-care centers, States must have a statewide child-care certificate program in place for parents to do so. Many States, including North Dakota, do not have such a program, and that has me concerned. However, parents with additional income from a tax credit could go directly to the religious day-care center and enroll their children. I support such freedom in choosing religious child-care options.

Mr. President, while I was pleased to support the Dole amendment, that amendment alone does not address our Nation's child-care needs; a tax credit does not go far enough. One further provision needs to be married with such a tax credit, which I believe would make it the strongest, fairest possible package for all of our families.

For this reason, I was also pleased to support the Mitchell amendment to the ABC bill. I was a cosponsor of the ABC bill in the 100th Congress, and was pleased to support the amended package because I believe that it will go a long way toward increasing the availability of safe and affordable child care for working families.

Close to 70 percent of mothers with schoolage children work outside the home, and 85 percent of all women in the work force expect to have children at some point during their working careers. There are 3.5 million single women who head households, and 52.5 percent of these families are below the poverty level. One out of five children under 18 today in our country is poor; 1 out of 4 infants and toddlers under 3 is poor. The annual median income of a female head-of-household with at least one child under age 6 is $6,400.

And my home State is no exception; 12,000 children under age 5 live in poor families in North Dakota. This represents 19.4 percent, or 1 in 5, of all children under age 5. These families do not have the option to remain at home and care for their children; they can barely make ends meet with their incomes. It is essential that these families have reliable child-care services, and I believe the package passed today moves significantly toward achieving this goal.

Mr. President, in order for child care to be reliable, it must be safe, quality care. This package requires that States implement standards, at their own discretion, in several areas to

ensure that minimal safety is provided. While my home State has one of the most stringent systems of child-care licensing in the Nation, I am pleased that this bill recommends standards and provides a grant incentive program to achieve standards for the safety of children nationwide.

The care of our children must also be affordable. The average annual cost of child care today is $3,000 per child. More specialized types of care, such as for infants—and one-half of mothers with infants 1 year old and younger are in the work force—and handicapped children, often incur even greater costs for families. The ABC bill earmarks 70 percent of its funds to directly assist low- and middle-income families pay their child-care expenses. This is particularly beneficial to my State, where direct child-care assistance is only provided where protective services are needed. This means that serious problems, such as child abuse, must be present before the State can directly assist families with child-care costs. This package will implement an income-eligibility level for families in North Dakota to receive assistance in paying their prohibitive child-care costs. I am also pleased that a set-aside provision is included for programs which benefit Indian children.

In addition, Mr. President, child care must be accessible. Even if a family can afford to pay for day care, there are often not enough child-care slots available in a community to meet the demand. Rural communities in particular often have extremely limited child-care options. A constituent recently wanted to start a child-care center in a small town in my State, but didn't have the money and couldn't get any Federal assistance. The ABC bill would help people like him; 12 percent of the funds are directed toward increasing child-care supply.

The ABC bill offers extensive parental choice concerning child care. Mr. President, no parent, including myself, wants the Government to tell us who should care for our children. Under the package passed today, parents may choose among several child-care options, including religiously affiliated day-care centers, day-care homes, or school-based care. They may also choose to place their children in the care of a relative or friend. Some people expressed concern that the bill would require the "licensing of grandmothers." This will not happen. The bill does not require any new regulations with respect to relative care.

I am pleased that the package fits within the fiscal year 1990 budget authority, and I believe it will be extremely cost effective. Quality programs for our young children will get them off to a good start and save the Nation money in the long run. For example, our experience shows that participants in early education programs, such as Head Start, are less likely to drop out of school, commit a crime, become unemployed, or seek welfare, and they have fewer incidents of teenage pregnancy, saving $5 to $6 for every $1 spent.

Not only will our children benefit from the services in this package and become more productive citizens in the future; their parents will be more productive members of the work force now—when it is important that we increase competitiveness and productivity to balance our budget before our spending options are completely reduced. Mr. President, I said before that we are the only industrialized Nation in the world without a national child-care policy. What these other nations realize is that parents are more productive on the job when they don't have to worry or take time off to straighten out child-care arrangements. As my distinguished colleague from Connecticut, Mr. LIEBERMAN, pointed out, 48 percent of women and 24 percent of men said they must take time away from work for their children's needs. And 75 percent of women and 57 percent of men have difficulty finding reliable child care. Clearly, child-care worries have contributed to increased worker absenteeism and decreased productivity.

Further, this package will provide incentives for employers to become involved in child care. Of our 6 million employers across the Nation, roughly 4,000 provide any employee child-care assistance. The bill provides for child-care liability insurance assistance so that employers can become involved in child care with less worry.

Finally, Mr. President, last year we passed a welfare reform bill which provided up to 1 year of child-care services for parents making the transition from the welfare rolls to the work force. But when that 1 year is up, many of these families are still not earning enough to pay for day care. With insufficient income to pay the bills, these families might be forced back to the welfare rolls. The ABC package will provide the necessary assistance to encourage these families to remain in the work force. And, our Nation currently spends over $14 billion annually for AFDC [Aid to Families with Dependent Children] recipients. By helping families afford to hold down jobs, ABC has the potential to reduce the need for such great AFDC funding and save our Nation billions of dollars.

For all of these reasons I was pleased to support this carefully crafted, comprehensive package. North Dakota will receive an estimated $5.6 million in assistance under the child-care portion alone.

Mr. President, we owe it to our Nation's working families—the fabric of our society—to unite our strong ABC package with a tax credit for all families, and I am hopeful that the final version of the legislation passed in the Senate will do just that. We owe it to our families, our homemakers, and our children, and it is in this spirit that I supported these two child-care approaches.

Mr. METZENBAUM. Mr. President, I would like to address several questions to the Senator from Connecticut. I must say that I am troubled by the proposed solution to the church-State problem in section 121(a) of the Mitchell substitute. The leadership substitute could well be construed to allow Federal funds to be used for religious instruction or indoctrination of impressionable children.

I have grave doubts about the constitutionality of this approach.

The bill we reported out of committee provided that no financial assistance provided under the ABC bill "may be expended for any sectarian purpose of activity, including sectarian worship or instruction." The substitute exempts the use of Federal child care certificates from this restriction.

As I understand the bill, a State may contract with a religious organization to provide child care to serve a number of low-income children. No funds from that contract, however, may be used for sectarian purposes. Is that understanding correct?

Mr. DODD. Yes.

Mr. METZENBAUM. But what if the State tries to serve the same children by issuing child care certificates to the parents of those children? For example, would the substitute allow a religious provider to cash in the child care certificates and use the resulting Federal funds for religious instruction of children?

Mr. DODD. The bill allows for such use if such use is not inconsistent with the Constitution. Thus, for example, if financial aid goes directly to the parent in the form of a certificate, then a parent may use such certificate for child care in a religious setting provided that the courts do not find that such aid is constitutionally barred.

Mr. METZENBAUM. Ultimately, the courts will have to decide whether this approach is constitutional. The leadership package expressly provides that no funds, including child care certificates, may be spent in a manner inconsistent with the Constitution.

It is my understanding that notwithstanding the exception for certificates in section 121(a), Congress has stated no opinion on the constitutionality of the use of certificates for religious purposes. Is that correct?

Mr. DODD. Yes.

Mr. METZENBAUM. Therefore, I fully expect that the courts will review the use of certificates based on currently accepted constitutional principles, with no view from Congress on

this issue. Does the Senator, as prime sponsor of this bill, agree?

Mr. DODD. I agree. Some Members believe the use of child care certificates for sectarian purposes is constitutional. Others believe such use is unconstitutional. Therefore, section 121(a) of the leadership substitute does not take a position on the constitutionality of the use of child care certificates for any sectarian purposes.

Mr. KOHL. Mr. President, I rise today as a cosponsor of the Act for Better Child Care to support final passage of the bill.

This Federal investment in child care is long overdue. In Wisconsin, 49 percent of mothers with children under 6 are working. According to the statistics provided by the Children's Defense Fund, 59,000 Wisconsin children under age 5 live in poverty, yet only 12,690 received child-care assistance that year. These are children, along with thousands others like them across the country, who need a lifting hand. This legislation will extend that hand to those children and to their families.

It is a step in the right direction. The bill will provide $29.4 million to Wisconsin. It will not provide all of the assistance needed, and I think we must acknowledge that here. It is not a total fix, but it is a bandage that will stop the bleeding of thousands of families. ABC will provide 13,218 more children with decent day care in Wisconsin. With the standards that will be established by the State of Wisconsin, it will also provide healthy and safe environments and caring, trained child-care providers. It will allow parents to choose the care for their children, be it by a family member, a school or a local church-based program.

It increases the authorization for the Head Start Program, a critical component of the State of Wisconsin's effort to provide social services and child care to children.

And there is more. The bill contains three refundable tax credits for low-income families with children. The first is an expansion of the dependent care tax credit that allows taxpayers to reduce their tax liability by a portion of their child-care expenses. A new health care tax credit was also created for low-income working families with children. This measure will hopefully, make health insurance more affordable to some of the 37 million Americans lacking coverage. The bill also makes both of these credits available to families, even if they have no tax liability. This makes the program, dramatically, more effective than previous law. Finally, the bill increases the earned income tax credit for families with young children. Both the earned income tax credit and the health insurance tax credit are available to families in which one or the other parent remains at home to care for the children.

I am pleased to see the inclusion of changes to section 89. Under current law, employers are facing enormously complex rules governing health insurance plans for their employees. I am proud to have been an original cosponsor of the bill on which this provision was modeled.

I am pleased with these components of the bill. But I would be remiss, Mr. President, if I did not express my regrets with the limitations as well. With increased resources and without this crushing budget deficit, we could have done much more. And we must.

If we are committed to the children of this Nation, to the low- and middle-income families who work to keep a roof over their heads and work to instill the traditional values and work ethics that are at the very foundation of this society, if we are committed to helping those families give their very best to those children, we must continue to build on the foundation laid by this bill.

There were several difficult votes on this measure and I frankly didn't like the choices. The choice should not be between expansion of the dependent care tax credit or health insurance for the uninsured children. The choice should not be between the earned income tax credit and preventive health care for pregnant women and children. The choice should not be between grandmother's loving care or a school-based service. And the choice should not be between lower- and middle-income families.

I hope, Mr. President, that as we continue our debate on this vital issue, that we can lay down partisan swords and do what this bill is all about: To make a better life for our children, and to provide more choices to their families.

I look forward to that end and I am pleased that we have made one giant step forward with passage of the Act for Better Child Care.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I rise to make a few brief comments on the bill, and to commend the managers of the bill.

When the Act for Better Child Care first burst upon the scene, it was quite a different animal than it is today. Providers were to be licensed. We heard praises such as "licensing grandmothers" and 'shrinks availability"; that too many dollars would go to bureaucrats. I must confess that I made some of those comments myself.

But the bill we have before us today is very different from the ABC bill thanks to the willingness of Senator DODD to work on the issue raised by parents and providers from around the country, and thanks to the hard work of the Senator from Utah [Mr. HATCH]. His involvement and active participation in the drafting of this year's bill meant that those of us interested in State flexibility had an advocate on our side.

No longer must every provider be licensed or regulated. States are now left to create or continue with their own standards. No Washington bureaucrats will be breathing down their necks insuring that Nome, AK, and Miami, FL, meet the same climate control standards.

It is also a very important step toward State flexibility. I wrestled with this bill, and whether it met the needs of child care in this country.

I have long believed that child-care bills should give the States flexibility that they need to solve the particular child care problems in the States.

Second, it should encourage programs which will become self-sufficient over time. And, third, it should address the very basic child care problems most working families face in finding affordable safe day care.

I believe the changes the sponsors have made in this bill, and the amendments adopted along the way, including those that I have offered and which have been so graciously accepted by the two managers, have gone a long way toward making this a responsible, responsive vehicle for meeting the child care needs in our country today.

My State faces a shortage of child-care slots, and we believe that the latchkey amendment and other provisions which have been added will do much to solve those needs.

Mr. President, I commend the distinguished floor managers and sponsors, the Senator from Connecticut [Mr. DODD] and the Senator from Utah [Mr. HATCH] for their diligence, patience, and hard work on this bill. They have been alternatively villified and revered, and probably did not deserve the decible level at either end of the spectrum. But I want to thank them for working diligently for a very long time to accomplish what I think is a vastly improved product.

As a former Governor who has had the opportunity to work on programs provided for by Congress, I believe this bill will give the States, localities, and the school districts and the parents who want to make it work the flexibility to make it work.

I urge my colleagues to give it a chance.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have to go to participate in a McNeil-Lehrer show on another subject. But on behalf of all the families in America who will benefit from the services that we have authorized in this landmark

legislation, just prior to the final passage by the U.S. Senate, I want to thank the many people and organizations who worked so hard to develop this successful compromise.

First, I want to pay particular tribute to the distinguished Senator from Connecticut. I do not know when I have enjoyed working with another human being as much as I have enjoyed working with him. At the right time, he has had the great gift of a sense of humor. He is an indefatigable worker, and we spent hundreds of hours together trying to put this bill together in a way that would be acceptable to our colleagues. He has always had his arms open to anybody who had ideas. We went to the White House together. We tried our best there.

I am somewhat disappointed. We were less successful than either of us would have liked to be. On the other hand, I also understand the White House views in these areas. I do not want to be too critical of them at this point.

Let me say this: He has been a champion in our committee of children and families, and has headed the relevant subcommittee. He has done a wonderful job. On this particular bill, it would not have been debated nor would it have passed this very deliberate body if it had not been for the distinguished Senator from Connecticut. I have personal affection and regard for him.

I have to say I gained a great deal of respect for him through this process, and I think if anyone deserves credit for this legislation it would be the distinguished Senator from Connecticut.

Let me also pay tribute to the Senator from Maryland, BARBARA MIKULSKI. If there is a woman serving in any legislative body in this world who is more dynamic, who is more aggressive and more intelligent than the distinguished Senator from Maryland, then I would like to meet that person. Although I have to admit it is a tiring thing to be around Senator MIKULSKI. She really has worked hundreds of hours on this legislation and was a real moving force behind this compromise.

I want also to acknowledge the good cooperation and support of the distinguished chairman of the Labor Committee, Senator KENNEDY.

I want to pay special tribute to the staff as well, both the staff of the Senator from Connecticut and the Senator from Maryland. Rich Tarplin, Jackie Ruff, Courtney Pasterfield, and Trudy Vincent spent countless hours, days, weeks, months, and years on this legislation and deserve so much credit. Also, Shirley Sagawa from Senator KENNEDY's staff did yeoman's work on the bill.

All I can say is that it is a good thing Congress does not have to pay overtime or we would owe these people a great deal of money right now.

The list of organizations who have contributed in so many constructive ways is too long to mention. But I will risk singling out the ABC Coalition, which is comprised of over 120 national groups interested in family matters; the U.S. Catholic Conference and the National Governors Association—we could not have reached this point without their help. They deserve a lot of credit, too.

Finally, and this is very emotional, I want to express my regard for my own staff on this issue. Wendy Higginbotham, Sharon Prost, Mark Disler, Abby Kuzma, and, of course, Kris Iverson, the minority staff director for our Labor Committee.

The ABC bill was an exercise in both confrontation and, of course, conciliation, and I want to thank my staff for going the distance.

Mr. President, it has been a privilege to work with all these people. They have all been professionals, and whether people agree or disagree with what we have done here today, there is no question, I think, in anybody's mind that this is a monumental achievement, and these people deserve the credit.

Last but not least, I pay special respect to the distinguished majority leader. I have been here 13 years, and I have always enjoyed working with the other side, but never have I worked with anyone on the other side who has conducted his affairs, and the affairs of the Senate, with more dignity, more ability, more downright lack of partisanship, more friendliness, and more intelligence than my friend from Maine. I have had nothing but respect for him ever since he came here. Having served on the Iran-Contra Committee with him, I saw a real professional in action, and I can tell you I have personally appreciated him as the majority leader in this body ever since he started serving. I want to just express my affection and respect for him, because there have been many times when his wisdom has contributed to the passage of this bill and probably has made it possible for this bill to pass.

I hope, with my heart, that we can get this bill through the House in substantially its present form. It has been widely amended. We have taken good amendments from Senators on both sides of the floor. I think it is a good bill and one that I believe will help these families all over America who are in such dire need of help. I hope that my colleagues who disagree with this bill look at it and read it and start finding some good in it, so that they, too, could share in the blessings that I believe will come to families and to our country as a result of this bill. When I think of the hardship that families have had over the past many years concerning child care, I have to say that what has been done here, in spite of the process, in spite of the difficulties, is really a monumental achievement. Again, thanks to the distinguished Senator from Connecticut and all that I have mentioned. I want to express my personal thanks and gratitude to them for the privilege of being able to work with them.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I want to congratulate those who brought us to this point in this legislation—I do not agree with them, but I think they deserve our congratulations. There are differences of opinion. There are strong differences of opinion, and we are a long way from any child-care legislation. Before anybody breaks out the champagne, I think we need to make certain that we understand that this is just the first step, and a very small step at that.

This is not bipartisan. I noticed that the Senator from Utah praised everybody but the Republicans, and that is his right. The President has a stake in this legislation. We are about to pass and are going to have a child-care bill that ignores the needs and wishes of millions of Americans and working families with young children.

It is about to go on record as rejecting the helping hand of child-care choice and replacing it with a rulebook, flow chart, certificate, inspector, and a giant building in Washington, maybe, someday, and all the other red tape, paragons of Government meddling. Even worse, this act is about to undermine one of American's most cherished freedoms, the freedom to decide what is best for our children. Oh, this bill sounds good. We have just heard some rhetoric about how good it is, what it is going to do and all those things. It ought to do some good. It is going to cost enough money. But if the money finds its way through the Federal and State bureaucracy, maybe some will even get to the families—not much. It will not help many families, until you put 10 times as much money into the bill. Then you have a $20 billion, $30 billion program, and that has never really been discussed on this floor. We just all accepted $1.75 billion. Let us see, that helps 500,000 to 700,000 children, those who are eligible.

Add up the costs. We have been so busy saying what a great bill it was, we forgot to add up the cost. I think once billions of Americans outside the beltway find out what is in the ABC package, all the mandates and the mischief, there will be a different attitude. It will take a while, because the networks give to one side the liberal cast. They like mandates; they like Government. But the American people

somehow will find out what happened. This is a classic inside-the-beltway bill. It sounds great. Who can be against it?

Until you go out in the real work like Russell, KS—and the people in my hometown are not yelling for Government, they are yelling at it. They do not need any more Government in their lives, especially when the long arm of the bureaucracy comes between working families and their children.

If there is one overriding message, one theme, one lesson from the past three Presidential landslides, it is that the American people are fed up with big Government. That is a message we ought to be hearing loud and clear, as we talk about child care. When the working Americans say they want their kids staying with the family, they mean brother, not Big Brother. I think they are right.

We have covered a lot of ground in this debate on child care. I am not going to cover it again. But I do think that we have glossed over a lot of things in the rush—and this is an important bill—to get it done. I do think we do a disservice to the President of the United States when he is on record, campaigned on the record, was elected, won 40 States, and there is nothing in this bill, except a little bit of health care, which is going to subsidize those who already have health care, the dependent care tax credit, which is in every bill. There is going to be very little in this bill, the way it is moving, for stay-at-home parents, the parents who want to take care of their children. Is there some crime against not working, staying home with your children? Should they be discriminated against? They are going to be in the ABC bill.

I think there is a big philosophical debate going to take place on this bill all across the country. How is it going to help? Poor families? We tried to do that with the earned income tax credit, but we end up with barely one-half of a loaf. We are going to put it into some new program that has not even been tested. One day of hearings. So I congratulate all the groups. Somebody called me from the Children's Defense Fund, and they do not speak for everybody in America. They have done a good job.

I do not think the American people voted for mandates, and I know they say there are no standards, only model standards, but States have to meet those. The religious issue is still unsettled. It has been papered over. So it just seems to me that, notwithstanding the diligent efforts of the manager—and I compliment Senator DODD, Senator HATCH, and Senator KENNEDY, and all the other key players because their side won; they had more votes. But I would like to be able to compliment the parents, the children. You cannot do that yet, because we do not have a child care bill. What do we tell our friends and neighbors, that maybe the amendment by Senator KASTEN will take care of it? What do we tell our grandparents, sorry you cannot stay with our children anymore; some bureaucrat just labeled you hazardous to our kids' health?

Oh, there are limited exemptions that have been made for grandparents, aunts, and uncles. I am certain there are a lot of grandmothers out there breathing a sigh of relief knowing that the Senate of the United States has provided them with a limited exemption. They are going to be very thankful for that when they find it out.

But what about the neighbors? Is a trusted friendship worth nothing to the sponsors of the ABC bill? The ABC bill denies help to families who place their children with a trusted friend or neighbor. Try explaining that at the next town meeting somewhere in the South or the Midwest or anywhere in America.

I think we ought to give Americans a choice and I thought at one time during this debate we might be headed for a sort of compromise that we might be able to put together even with some provisions, because there has been a vast change as someone said earlier, the Senator from Missouri, Senator BOND, even from the original ABC bill and this ABC bill. Why was it changed? Not because it was voluntary, but because there was so much opposition to the original bill. It would not have passed this body. So changes were made, and they were good changes, and I commend the managers.

But I think in the final analysis, when we needed bipartisanship, it was not there. It became party line.

We do not want the President of the United States to have anything to do with this bill. We are going to pass a Democratic bill with the help of three Republicans, and we are going to call it bipartisan.

And when we knocked out the EITC, or most of it, and replaced it with the health care credit, for no good reason that anybody yet has stated, then you do not give the Americans a choice. It is just another government program.

But having said all that, I am an optimist. I have been around long enough to know that things can happen, things can change, and I am going to encourage the administration not to view what happened in the Senate as final. It is not final. I think the House of Representatives has a whole different attitude. They are more inclined to go with credits. They want money to go to the families and that is where the credits go. Credits go to the families as opposed to the ABC approach.

We never know who is right. Maybe the ABC people are exactly right, and those on the other side are totally wrong. Maybe, but I doubt it.

I have to believe they are partly right and maybe some on the other side are partly right and all those partly rights will get together sometime in the next few months and sit down and hammer out a child-care bill that everyone can vote for.

It is an important issue. It has been an issue that at least has been addressed by the Senate, and I congratulate the majority leader for getting it done. I may not agree with the results, but that is not the way it works. We have a system. It was fair, deliberative, Senators had all the opportunity they wanted, but the bottom line is how many votes do you have? In this case we did not have enough.

But there is a long way to go, and I would guess as Members span out or fan out across the country during this recess period a lot of people will be wondering about it. Some have already made up their minds. Some like credits. Some like the ABC approach. Most Americans are not going to worry about details. They want help, particularly low-income and lower middle-income Americans.

I would hope just as one Senator and the leader on this side of the aisle that when it is all said and done we can all be at the signing ceremony somewhere all saying, well, we started off and the Senate of the United States gets the credit for starting the movement, and those who did it get the credit for starting the movement, those who were opposed get some credit for raising some new ideas or different ideas, and in the final analysis everybody came together, including the President of the United States, who is willing, and I note just yesterday Mr. Fitzwater, the press secretary, said maybe we can work out something.

So I would say to my friends on the other side or on the other side of this issue that I want to work with them and work with the President to put together a child-care bill that will have the support of nearly every Senator and every Member of the House of Representatives.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I join those who have commended the floor managers of this legislation: my friend, the chairman of the Children's Subcommittee, Senator DODD; and also the ranking member of the Labor Committee, Senator HATCH.

This has been a spirited debate. Differing views have been presented in the Senate. The Senate has made up its mind, and I believe that as a result of the actions that have been taken today the real winners, the children, are closer to a safe, more effective, and more affordable child care program.

I must say I am somewhat mystified at the comments of the minority leader. The bill he describes is not the bill that this Senate has just voted on. It appears that he misrepresents the bill and then differs with the misrepresentation because I could not understand it.

And I am somewhat perplexed, Mr. President, at the words of the minority leader because we have seen in these last years the reauthorization of the chapter I programs for disadvantaged children. The money does not go to the parents for them to make choice. It goes to the schools and this body sets up the criteria to ensure, for example, that the parents are going to be very much involved in the development of that program.

We strengthened parental involvement just this last year, and the Senator from Kansas voted for it. We have the Head Start Program for which this administration is recommending some $250 million, with very careful criteria again involving the parents, again involving items of nutrition and care for the children, very carefully devised according to the lessons of past experience.

This President, this administration, the Members of this body are all in support of Head Start. Republicans on the Budget Committee acted in support of it.

The Senator from Connecticut and the Senator from Utah have outlined very carefully the differences between the old ABC bill and how this legislation addresses the issue of child care.

This, I can say as the chairman of the Human Resources Committee, was not a partisan issue. It was not in our committee. We had members of the Republican Party who supported this measure. And it certainly was not a partisan issue in the Senate until the final days of the debate.

I think anyone in this body, any fair-minded person, who has had the opportunity to talk to the floor managers, Senator DODD and Senator HATCH, would find that they were quite willing to accommodate, to adjust, to change this legislation, according to criteria set out when this legislation was drafted: It was going to improve quality, it was going to be affordable, and it was going to increase availability. Those were the criteria.

I found, as I watched the shaping of this legislation that the floor managers were willing to adjust, accept other views, as long as it did not do violence to those fundamental principles, and they deserve great credit for it.

So, Mr. President, I commend both of them and commend the chairman of the Finance Committee, Senator BENTSEN, for his involvement and his willingness to work closely with the floor managers and with our committee. There are so many areas of common interest between our committees. We now have a strong working partnership and a relationship which hopefully can move along in the course of this session to develop constructive and positive legislation. I commend him and I also, as others have, commend the majority leader.

There were so many times during the course of both the scheduling of this legislation and during the time of the debates that a person of weaker will, of weaker determination, of weaker commitment might have moved in a different direction. But he has demonstrated on this issue, as we have come to understand, appreciate and almost expect on other matters, to be a strong hand at the wheel in helping to guide this institution to very constructive and positive action.

We look forward to action in the House of Representatives. We are eager to see a successful conclusion of the legislative process.

I know that I speak for all the members of the committee when we say that we are quite willing to hear the administration, to listen to their recommendations and their suggestions.

I think it has been abundantly clear during the course of the debate, as has been expressed time in and time out by the Senator from Connecticut and the Senator from Utah, that this is not a perfect bill. But it is a real down payment on the child care issue.

ABC reflects the best ideas of literally hundreds of organizations and experts. The Children's Defense Fund, under the leadership of Marian Wright Edelman, has guided this effort with great skill over the past 3 years.

The tireless commitment and extraordinary vision of Mrs. Edelman, and her associates, Mary Bourdette, Helen Blank, Amy Wilkins, and Jenny Savage, made this victory for children possible.

I would also like to commend the work of Senator DODD's staff—Rich Tarplin, Jackie Ruff, and Courtney Pasturfield; Bob Rosen and Grace Reef of Senator MITCHELL's staff; Suzanne Martinez and Asha Jaini of Senator CRANSTON's staff; Trudy Vincent of Senator MIKULSKI's staff; Kristine Iverson, Wendy Higginbotham, and Sharon Prost of Senator HATCH's staff; and Shirley Sagawa, Mike Epstein, Jeff Blattner, Nick Littlefield, Rusty Barbour, Terri Rivera, Matt Hersh, Tommy Brennan, and Angela Antonelli of my own staff.

Duffy Campbell and Brenda Smith of the National Women's Law Center also deserve special thanks for their work on the legislation, as do Jerry Klepner, Patricia Murdock, Debbie Murdock, Barbara Warden, Janice Pieper, Susan Campbell, Joan Lombardi, Eden Fisher, Joyce Strom, Barbara Willer, Karen Hendricks, Jane O'Grady, and others too numerous to mention.

In passing the ABC bill, the Senate has taken a giant step on behalf of children. I am pleased that we could put our partisan differences aside, to vote overwhelmingly in favor of this landmark legislation.

My only regret is that our action comes a generation late. It has been almost two decades since Congress last took up the issue of comprehensive child-care legislation. The measure that passed both Houses in 1971 was defeated on a veto by President Nixon. The bitter passions and divisions unleashed by that debate have stalled action for 18 years.

In that time, an entire generation of children has grown up. The share of mothers in the workforce has grown significantly. And the need for child care has grown overwhelmingly greater.

In passing this legislation, we have the chance to save future generations from spending years in unsafe child care or alone, while their parents work to keep the family off the welfare rolls. The ABC bill will help those children and those families.

It will provide child care to millions of families across the Nation. It will increase the supply, reduce the cost, and improve the quality of child care in every State.

In the course of getting to this point, we were able to reach important compromises on critical issues such as model Federal standards to ensure quality and safety, new tax credits for working families—and a fair role for religious day-care centers.

We have now adopted a far-reaching measure that squarely addresses the three most serious failings of our current child-care system: Poor quality, inadequate supply, and lack of affordability.

The measure now goes to the House of Representatives, where I hope that it will receive expeditious action.

Every day we delay, 3 million children spend another day in unsafe, unreliable child-care settings. Every day we delay, 2 million children spend another day alone and unsupervised.

Our message today to millions of working families across America is that help is on the way.

Mr. DODD. Mr. President, first of all, let met thank my colleague from Massachusetts for his very generous remarks. I said at the outset of this debate that we would not have arrived at the position we did a week ago yesterday, 8 days ago, had it not been for the tremendous support that the chairman of the full committee had given to those of us on the subcommittee and on the committee who were seeking to bring a child care bill to the floor of the Senate. I said it to him privately and I have said it to others along the way, that his leadership, his support, his counsel, his untiring ef-

forts on behalf of this legislation in no small measure contributed to the fact that we are on the brink of adopting this bill, S. 5, sending it to the House and hopefully, with the support of the President, guaranteeing the American public before too very long this year, for the first time in 21 years, that Congress would have passed child care legislation. It would have been 46 years this month, the month of June 1943, the very last time we actually had a child care bill passed by the Congress and signed into law by the President of the United States.

Mr. President, first of all, I want to take a minute or 2 here to thank some people. I am sure I am going to miss some people, Mr. President. There have been so many people involved in this effort.

But I want to begin at home. I want to begin in my own office with my own staff. I want to take a moment to share with my colleagues something that they already know because I know each and every one of them have people with whom they work that make the difference in terms of the success of their office, the kind of representation they give their constitutents in their home States.

I am very lucky. I have a number of people, many of whom have been with me for 15 years, since I was first elected to public office.

But the one in particular who has made it possible for us to bring this bill to the floor is Rich Tarplin, who is the staff director of the Subcommittee on Children, Family, Drugs, and Alcoholism. He spent countless nights and early mornings working with hundreds and hundreds of people, off the Hill and on the Hill, with groups, academic institutions, the list just goes on forever. He has had to work with members of the committee to listen to the suggestions and ideas that others had about how best to deal with this legislation. He has earned the respect and admiration of people from the minority side as well as the majority side.

I feel truly blessed to have someone as talented, as competent, as caring as Rich Tarplin on my staff.

And in this bill, ultimately, when I know it will be signed by the President in one form or another, truly he deserves the lion's share of the credit as a young man making it possible for a piece of legislation to reach the floor of the Senate and ultimately the desk of the President.

We are lucky to have with us as well Jackie Ruff and Courtney Pasturfield, who have just done a tremendous job; Angela Manuel; Jason Isaacson of my own office; Ed Silverman; Pat Walsh, my secretary. I have a tendency to cover all of them.

But every one of them has contributed in some way in making it possible with their time and effort that has gone into this.

Jackie Ruff and Courtney Pasturfield have worked here on the floor, again, working with the minority staff, patiently listening to other ideas, being positive whenever possible.

On the minority side, of course, they have been balanced by a terrific team, as well: Kris Iverson, Wendy Higginbotham, and Sharon Prost all have done a tremendous job. I see a couple of them sitting here on the floor this afternoon, Mr. President, and they have been a joy, an absolute joy to work with.

We have our differences of opinion. They have been candid from the very first moment when we started our discussions with what they could accept and what they would not accept. They have listened patiently and offered good suggestions. It is the way the staff ought to work. This is a model of how congressional staff with different points of view ought to try to sit down and get together. It is a pleasure to have worked with them, as well. So I thank them.

Certainly from Senator KENNEDY's staff, Shirley Sagawa, Mike Epstein, Jeff Blatner, and Nick Littlefield all were tremendously helpful.

And on the majority leader's staff, Grace Reef—I take credit for Grace. Grace first worked for me, but she said I did not offer too many opportunities, I guess. She left me and joined the majority leader. She is doing far better than with the Senator from Connecticut. She has a much bigger office than she had when she worked for me; but we take credit for her. She had done a tremendous job.

Bob Rozen, who is brilliant in analyzing tax legislation; Sally Mernissi from the Democratic Policy staff; all of these people have been tremendously supportive.

I have walked in and out of the majority leader's office more times in the last 8 days than I have in 9 years. I think they will be glad to see this bill come to a close and see somebody else wandering around those rooms rather than the Senator from Connecticut. So I thank them for what they have done.

From the floor staff: Charles Kinney, Marty Paone, and Lula Davis, all right here, have been terrific and supportive over the last week.

Suzanne Martinez, from Senator CRANSTON's staff; Trudy Vincent, who Senator HATCH has referred to, from Senator MIKULSKI's staff; Margaret Malone and Mariana Weiss from the Finance Committee; Amy Dunathan from Senator CHAFEE's staff; all, again, have worked for weeks and months with us on this legislation.

And from the outside groups, of course, the minority leader sort of referred to them in a disparaging way, as if somehow they had no interest but their own interests. Marian Wright Edelman and the Children's Defense Fund has been accused of various things. I do not think anyone has ever accused them of not caring about America's children and their families. I am disappointed, I am sorry to say. We have our differences; we have our fights. You win some and you loss some. But it is people like Marian Wright Edelman of the Children's Defense Fund; the Bush Center, the National Women's Law Center, the American Academy of Pediatrics, the Child Welfare League, the National Association of the Education of Young Children; organizations like the AFL-CIO, AFSCME, the Junior League, ILGW, UFCW, SEIU, the YMCA, all of these groups that many people know care deeply about what is happening to families and their children.

And as far as the people that work with these organizations and worked with us over the last several months—I mentioned Marian Wright Edelman—Helen Blank, Mary Bourdette, Dr. Ed Zigler, who I referred to, of course, and his staff were present; Evie Dubrow and Barbara Warden were tremendously supportive of these efforts.

Jerry Klepner, I could not have done anything without him. Early on, he was there from the very beginning working with us.

So I express my gratitude to them.

Let me mention also, of course, as I have tried to do throughout the debate and probably not as adequately as I should, but in my 9 years that I have served in the Senate, I have never had a more enjoyable working experience than I have had in the past several months, particularly in the last 8 or 9 days, working with my colleague from Utah.

I have read all of the civics books and read the stories about how a Congress and legislatures are supposed to pass laws, how Members of Congress are supposed to work together for the benefit of the country. And I have watched, on occasion, that happen here. I have never had the opportunity to be directly and personally involved in it, carrying a piece of legislation from the idea, the conceptualization, through the subcommittee and full committee to the floor of the Senate and debate it here as we have for the last week.

But I must tell you that this experience of working with Senator HATCH has reconfirmed my views that this process does work. It may not always be the most glorious process to watch. As someone once said, there are two things never meant for the human eye to observe in production: sausage and laws.

From time to time, that certainly is the case. But with all of its shortcomings, with all of the tensions and the time spent—time wasted, it may appear to some—this system that we embrace, this political process that

makes it possible for the people to be represented in a Hall such as this, where disparate views can be raised, debated, argued, and finally voted on, is the best system in the world.

And I had an opportunity to work with a Member of the Senate with whom I have disagreed on countless occasions, an individual with whom I do not share a similar political philosophy in many areas, but ORRIN HATCH cares about this country deeply.

He cares about its children deeply. He was willing to put aside ideological or partisan differences. He reached his hand out across the aisle of this institution, embraced the hand of someone who shares a different political point of view, and said: let us do something about the one out of every four Americans who is a child and how one out of every four of them is living in poverty. We can do it if we work together. If we do not bring excess baggage and luggage that has nothing to do with this debate, we can accomplish what has not been accomplished for 46 years. And I am very proud, Mr. President, on this evening, this Friday evening, to have been associated with this fine public servant. The people of Utah are represented well in the U.S. Senate in the person of ORRIN HATCH.

I have developed a great respect for him. That I had even before this debate. What has grown is my friendship for this individual, for his humor, his joy of the political process, for his heart and his soul. I look forward to the days and weeks and months ahead we can join on other matters. There are times I can guarantee we will be fighting on an issue, but I look forward to those days we will be working together.

I quickly want to say how much I enjoyed working with the majority leader as well. The bill had trouble. He pointed it out to us. He made it one of the priorities of the legislation for the Democratic side in the early days of the 100th Congress.

The majority leader felt the interests of children and their families should be a priority for the Congress. Without his assistance in giving this particular proposal the priority attention that it has enjoyed, I am not sure we would have reached the point we have today.

He has stood on this floor over the last 8 or 9 days and moved this Senate. During periods of heated debate there were moments over the last 24 hours when I thought we would never get this bill done. We have because of his patience, because he did not flare up, he did not get angry, he was never mean spirited. There were times when I went to him and said let us try some of those tactics that he has available to him as the majority leader.

I hope he will not mind me saying that on each and every occasion he said: Have patience. Have patience. This matter will work its way out. And it has. He was right.

It is that kind of leadership which has earned him the respect of every single individual that I know of in this institution as a great majority leader. And S. 5, the Act for Better Child Care, is very fortunate indeed that GEORGE MITCHELL, of Maine, was the majority leader of the U.S. Senate on the day that it reached the floor. He was there to guide it over the past week.

Senator MIKULSKI, Senator CHAFEE, Senator JEFFORDS, Senator BOB KERREY, who was here on every day of this debate, engaged every day in discussion and argument. I want to thank them, of course, for their efforts.

Senator HOLLINGS, of South Carolina, stood with me 2 years ago, only a few feet from this Chamber on the day we introduced the bill. He was the earliest cosponsor and stayed with the legislation all the way through.

Senator BUMPERS, Senator PRYOR, from Arkansas, gave good advice. Senator FOWLER, from Georgia, was a tremendous help. Senator RICHARD SHELBY, Senator HOWELL HEFLIN, were good supporters, and gave me good advice and counsel.

People who did not always agree with me and said they would not support me if I did not make changes. Senator FORD and Senator DURENBERGER—the fingerprints of almost every Member of this Senate are on this legislation, one way or the other. Some did not vote for the final passage but contributed to its success, and I want to thank each and every one of them for that effort.

I just want to say in conclusion, Mr. President, I listened a few moments ago to the minority leader. There are very few people for whom I have as much respect as I do for BOB DOLE, of Kansas. I consider some of my proudest moments when I joined with him when we have been crushed by votes on matters that were matters of principle. Going back a number of years ago on the issue of withholding the interest on dividends, when only five or six of us were around here, I remember being buried alive in mail from my constituents because I thought he was right and voted with him on that issue. And there have been a number of others.

But I have to say, as a friend, tonight I was disappointed. He talked tonight about a bill that I am totally unfamiliar with, and I am listed as chief sponsor of the bill that is before us.

He talked about choice and bureaucracy and mandates, things that have nothing whatsoever to do with the Act for Better Child Care.

We began with the idea of trying to reduce cost of child care in this country, increase the available supply of it, and improve the quality. Those were our three goals. We set out, trying to find various ways in which we could improve on each one of those areas. I think we have done that.

We have not done it all, but today, the American parents, when this bill is finally adopted or signed into law, will have greater choice and better choice in the area of child care than they have ever had before. Many poor families who have been on welfare will have a chance to get off welfare and become productive citizens because we have made child care more affordable for hundreds and hundreds of thousands of families across this country.

We ought to reduce and we have reduced, I believe, the fear that many parents, have felt, the anxiety, of leaving a child off at a child care center with someone they may not know very well, wondering whether or not those individuals are going to give that child the kind of care or at least come close to the kind of care the parents give.

Our preference of course is parents taking care of children. But the realities of life are, today, with two out of every three women either in the work force or with a husband that earns less than $15,000 a year it is not possible for them to be.

So, I am disappointed that the minority leader, while I understand why he voted against the bill, could not have at least addressed what is in the bill. I recognize that, though shortcomings it may have, it is a step in the right direction and deserves, frankly, more support, in my view, than his comments indicated.

So, Mr. President, I know my colleagues will not object if I enjoy a little pride at this moment. It has been a long fight. It has been a long week.

I had an awful lot of good friends, not the least of which of course is my colleague from Utah, who stood with me. And he stood tall, Mr. President. He has taken an awful lot on the chin in the last few days from people primarily within his own party. That happens from time to time. But he never was shaken at all. He remained strong and tall in this efforts and he set a good example.

Because there will come a time when each and every one of us will be faced with some choices. He made a tough choice; a political choice in some sense—but a right choice.

So, I thank all involved and look forward to the weeks and months ahead because we are not through. The minority leader is right in that sense. We are not over here. This is not the law of the land yet by any stretch of the imagination. But I know I will be talking, as the majority leader will, to the others on the House side, and will be making calls to the White House.

I sat 2 feet outside of the Oval Office 4½ months ago and offered the compromise the minority leader was talking about. It was rejected. In the

last 4 months I made that offer repeatedly and it has been rejected. But I would still say the door is open and I look forward to working with President Bush. I do think he cares about children and would like to see a good child-care program in this country.

The Senator stands willing and able to work with him in that regard. I am not bitter about his opposition to my particular proposal. I am not upset at the fact that he worked hard to defeat my proposal and pass another one a few days ago. That is the nature of the political process.

But now that that battle is over with I hope we can join ranks and do something about the American child and their families.

So, again, Mr. President I thank all involved for their efforts and I look forward to continue the fight and serving children in this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, this is an important day for the Senate, for American families, for American children. But I think, most important, for American women.

This is titled "a child care bill," and indeed it is. But I believe a central issue, running through this legislation and this national concern is equal economic opportunity. The scarcity, in some areas the total absence of decent, affordable, safe child-care facilities has deprived millions of American women of their equal economic opportunity.

They have been forced to make a painful choice between the economic imperative of working to supplement their families's income and the anxiety of concern for their children's health, safety and well-being. And until the day that our society makes child care readily available, readily affordable in safe and secure settings for all American women, we will not have achieved our ideal of equal opportunity for all Americans.

I believe that to be as significant as any aspect of this bill, which is, admittedly, but a first step in that direction.

All concerned deserve credit for getting us this far. I will not repeat the many staff members, the many Senators who have contributed to this effort. I believe three deserve special recognition: Senator KENNEDY, the chairman of the full committee, Senator DODD, the chairman of the subcommittee, and Senator HATCH. Senator HATCH especially, I believe, has demonstrated again the remarkable independence of judgment and political courage that have marked his political career. As Senator DODD indicated, we do not share a political party or a political philosophy and, therefore, often find ourselves on different sides of an issue. But as always, he has conducted himself with intelligence, with dignity, with vigor and genuine courage.

I think Senator DODD has rightly been recognized as the architect, author and principal sponsor of this important legislation and he, indeed, deserves the pride of success at what has occurred in the Senate today. And perhaps more important than any words I might utter or Senator HATCH might utter or any other person might utter is the knowledge in which he can be secure that as a result of his efforts, millions and millions of Americans, once we bring this legislation to enactment, millions and millions of Americans, many of whom will never know his name, will enjoy better, more full and meaningful lives.

Mr. President, I want to say that this has been a vigorous, competitive, instructive, informative, and beneficial debate. It has been long—7 full days on the Senate floor. It has been tiring for all concerned, but I believe it demonstrates our process at its best because I believe that the legislation that we are about to enact is much better than the bill that we began debating 7 legislative days ago, better still than the bill that emerged out of committee and better yet when the bill was first introduced. I think we can all agree that we still have work to do. We can still improve it. We learned during this week from its critics. Much of the criticism was constructive and positive. The bill was changed to accommodate that criticism, and that process will continue.

I thank the distinguished Republican leader with whom I have had such a good personal and working relationship for his courtesy and thoughtfulness throughout this process. I have tried very hard to balance the interests of moving this legislation forward with total fairness to those who opposed it and the opportunity for everyone to have the fullest possible chance to express whatever view they may have, and I hope that as a result of this effort, the Senate will be strengthened in that regard.

I conclude, Mr. President, by saying that we have made a significant step in the direction of providing adequate safe care for American children and equal economic opportunity for American women. We have a long way to go, but we can take pride in what we have done to this point. On behalf of all Americans, I salute and thank Senators DODD, HATCH, and KENNEDY, and all concerned.

The PRESIDING OFFICER. Under the previous order, the bill will be engrossed for a third reading.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 5), as amended, was passed, as follows:

S. 5

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Act for Better Child Care Services of 1989".

(b) TABLE OF CONTENTS.—

TITLE I—CHILD CARE SERVICES

Sec. 101. Short title and table of contents.
Sec. 102. Findings and purposes.
Sec. 103. Definitions.
Sec. 104. Authorization of appropriations.
Sec. 105. Amounts reserved; allotments.
Sec. 106. Lead agency.
Sec. 107. Application and plan.
Sec. 108. Special rules for use of State allotments.
Sec. 109. Planning grants.
Sec. 110. Continuing eligibility of States.
Sec. 111. State advisory committee on child care.
Sec. 112. Resource and referral programs.
Sec. 113. Training and technical assistance.
Sec. 114. Child care public-private partnership.
Sec. 115. Federal administration of child care.
Sec. 116. Federal enforcement.
Sec. 117. Payments.
Sec. 118. National Advisory Committee on Recommended Child Care Standards.
Sec. 119. Child care standards improvement incentive grant program.
Sec. 120. National study on child care standards.
Sec. 121. Limitations on use of financial assistance for certain purposes.
Sec. 122. Nondiscrimination.
Sec. 123. Preservation of parental rights and responsibilities.
Sec. 124. Child care liability risk retention group.
Sec. 125. Head Start Act authorization of appropriations.
Sec. 126. Family members training or licensing.
Sec. 127. State allotments.
Sec. 128. Severability.

TITLE II—INTERNAL REVENUE CODE PROVISIONS

Sec. 201. Short Title.
SUBTITLE A—TAX CREDIT FOR CERTAIN HEALTH INSURANCE PREMIUMS AND CHILD CARE AND SUPPLEMENTAL EARNED INCOME CREDIT FOR FAMILIES WITH YOUNG CHILDREN
Sec. 211. Credit for health insurance premium costs.
Sec. 212. Dependent care and health insurance premium credit made refundable.
Sec. 213. Modifications of dependent care credit.
Sec. 214. Supplemental earned income credit for families with young children.
Sec. 215. Study of advance payments.
Sec. 215A. Program to increase public awareness.
Sec. 215B. Disclaimer.
Sec. 212. Dependent care and health insurance premium credit made refundable.
Sec. 213. Modifications of dependent care credit.

Sec. 214. Study of advance payments.
Sec. 215. Program to increase public awareness.
Sec. 216. Demonstration projects to extend health insurance to children not covered by public or private health programs.

SUBTITLE B—EMPLOYEE BENEFIT NONDISCRIMINATION RULES

Sec. 221. 1-year delay in application of section 89 rules.
Sec. 222. Revision of antidiscrimination rules for certain employee benefit plans for years beginning after 1989.
Sec. 223. Other provisions relating to nontaxable benefits.
Sec. 224. Study of section 89.

SUBTITLE C—OTHER REVENUE PROVISIONS

Sec. 231. Permanent extension of telephone excise tax.
Sec. 232. Estimated tax payments required for S corporations.

TITLE III—SOCIAL SECURITY ACT AMENDMENTS

Sec. 301. Retirement test exempt amount increased to $10,560 in 1990.
Sec. 302. Reduction factor with respect to certain earnings lowered to 25 percent.
Sec. 303. Payment of recomputed benefits.
Sec. 304. Payment of certain retroactive benefits.
Sec. 305. Mandatory provision of social security account statement.
Sec. 306. Child care earnings excluded from wages and self-employment income for excess earnings test.

TITLE IV—GENERAL PROVISIONS

Sec. 401. Sense of Congress regarding the Higher Education Act.
Sec. 402. Penalties for desecrating the flag.

TITLE I—CHILD CARE SERVICES

SEC. 101. SHORT TITLE.

This title may be cited as the "Act for Better Child Care".

SEC. 102. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the number of children living in homes where both parents work, or living in homes with a single parent who works, has increased dramatically over the last decade;

(2) the availability of quality child care is critical to the self-sufficiency and independence of millions of American families, including the growing number of mothers with young children who work out of economic necessity;

(3) high quality child care programs can strengthen our society by providing young children with the foundation on which to learn the basic skills necessary to be productive workers;

(4) the years from birth to age 6 are a critical period in the development of a young child;

(5) a significant number of parents do not have a real choice as they seek adequate child care for their young children because of limited incomes, insufficient State child care standards, and the inadequate supply of child care services in their community;

(6) high quality early childhood development programs provided during such period are cost effective because such programs can reduce the chances of juvenile delinquency and adolescent pregnancy and can improve the likelihood that children will finish high school and become employed;

(7) the number of quality child care arrangements falls far short of the number required for children in need of child care services;

(8) the rapid growth of participation in the labor force by mothers of children under the age of 1 has resulted in a critical shortage of quality child care arrangements for infants and toddlers;

(9) the lack of available child care services results in many preschool and school-age children being left without adequate supervision for significant parts of the day;

(10) many working parents who are unable to afford adequate child care services do not receive adequate financial assistance for such services from employers or public sources;

(11) because of the lack of affordable child care, a large number of parents are not able to work or to seek the training or education they need to become self sufficient;

(12) making adequate child care services available for parents who are employed, seeking employment, or seeking to develop employment skills promotes and strengthens the well-being of families and the national economy;

(13) the payment of the exceptionally low salaries to child care workers adversely affects the quality of child care services by making it difficult to retain qualified staff;

(14) several factors result in the shortage of quality child care options for children and parents, including—

(A) the inability of parents to pay for child care services;

(B) the lack of up-to-date information on child care services;

(C) the lack of training opportunities for staff in child care programs;

(D) the high rate of staff turnover in child care facilities; and

(E) the wide differences among the States in child care licensing and enforcement policies; and

(15) improved coordination of child care services will help to promote the most efficient use of child care resources.

(b) PURPOSES.—The purposes of this title are—

(1) to build on and to strengthen the role of the family by seeking to ensure that parents are not forced by lack of available programs or financial resources to place a child in an unsafe or unhealthy child care facility or arrangement;

(2) to promote the availability and diversity of quality child care services to expand child care options available to all families who need such services;

(3) to provide assistance to families whose financial resources are not sufficient to enable such families to pay the full cost of necessary child care services;

(4) to lessen the chances that children will be left to fend for themselves for significant parts of the day;

(5) to improve the productivity of parents in the labor force by lessening the stresses related to the absence of adequate child care services;

(6) to provide assistance to States to improve the quality of, and coordination among, child care programs;

(7) to increase the opportunities for attracting and retaining qualified staff in the field of child care to provide high quality child care services to children; and

(8) to strengthen the competitiveness of the United States by providing young children with a sound early childhood development experience.

SEC. 103. DEFINITIONS.

As used in this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of Child Care appointed under section 115(a).

(2) CAREGIVER.—The term "caregiver" means an individual who provides a service directly to an eligible child on a person-to-person basis.

(3) CENTER-BASED CHILD CARE PROVIDER.—The term "center-based child care provider" means a child care provider that provides child care services in a nonresidential facility.

(4) CHILD CARE CERTIFICATE.—The term "child care certificate" means a certificate that is issued by the State to parents who may use such certificate only as payment for child care services for an eligible child and that provides to an eligible child care provider a right to payment for such services at the same rate charged by that provider for comparable services to children whose parents are not eligible for certificates under this title or for child care assistance under any other Federal or State program.

(5) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" has the meaning given such term by section 4(5) of the Job Training and Partnership Act (29 U.S.C. 1503(5)).

(6) ELEMENTARY SCHOOL.—The term "elementary school" means a day or residential school that provides elementary education, as determined under State law.

(7) ELIGIBLE CHILD.—The term "eligible child" means an individual—

(A) who is less than 13 years of age;

(B) whose family income does not exceed 100 percent of the State median income for a family of the same size; and

(C) who—

(i) resides with a parent or parents who are working, seeking employment, or enrolled in a job training or educational program; or

(ii) is receiving, or needs to receive, protective services and resides with a parent or parents not described in clause (i).

(8) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of child care services for compensation that—

(i) is licensed or regulated under State law;

(ii) satisfies—

(I) the Federal requirements; and

(II) the State and local requirements;

applicable to the child care services it provides; and

(iii) not later than 3 years after the date of enactment of this title, complies with State standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such provider; or

(B) a child care provider that is 18 years of age or older who provides child care services only to an eligible child who is, by affinity or consanguinity, or by decree of court, the grandchild, niece, nephew, or sibling of such provider, if such provider complies with any State requirements that govern child care provided by relatives.

(9) FAMILY CHILD CARE PROVIDER.—The term "family child care provider" means 1 individual who provides child care services for fewer than 24 hours per day, as the sole caregiver, and in a private residence.

(10) FAMILY SUPPORT SERVICES.—The term "family support services" means services that assist parents by providing support in

parenting and by linking parents with community resources and with other parents.

(11) FULL-WORKING-DAY.—The term "full-working-day" means at least 10 hours per day.

(12) GROUP HOME CHILD CARE PROVIDER.—The term "group home child care provider" means 2 or more individuals who jointly provide child care services for fewer than 24 hours per day and in a private residence.

(13) HANDICAPPING CONDITION.—The term "handicapping condition" means any condition set forth in section 602(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1401(a)(1)) or section 672(1) of the Education of the Handicapped Act (20 U.S.C. 1471(a)).

(14) INDIAN TRIBE.—The term "Indian tribe" has the meaning given it in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b)).

(15) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 481(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1)), except that with respect to a tribally controlled community college such term has the meaning given it in section 2(a)(5) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(5)).

(16) LEAD AGENCY.—The term "lead agency" means the agency designated under section 106(a).

(17) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given that term in section 198(a)(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2854(a)(10)).

(18) PARENT.—The term "parent" includes a legal guardian or other person standing in loco parentis.

(19) SCHOOL-AGE CHILD CARE SERVICES.—The term "school-age child care services" means child care services that are—

(A) provided during such times of the school day when regular instructional services are not in session; and

(B) not intended as an extension of or replacement for the regular academic program, but are intended to provide an environment which enhances the social, emotional, and recreational development of children of school age;

(20) SECONDARY SCHOOL.—The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(21) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services unless the context specifies otherwise.

(22) SCHOOL FACILITIES.—The term "school facilities" means classrooms and related facilities used to provide education.

(23) SLIDING FEE SCALE.—The term "sliding fee scale" means a system of cost sharing between the State and a family based on income and size of the family.

(24) STATE.—The term "State" means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.

(25) UNIT OF GENERAL PURPOSE LOCAL GOVERNMENT.—The term "unit of general purpose local government" means any city, county, town, township, parish, village, a combination of such general purpose political subdivisions including those in two or more States, or other general purpose political subdivisions of a State.

(26) TRIBAL ORGANIZATION.—The term "tribal organization" has the meaning given it in section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c)).

(27) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the meaning given it in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this title, other than section 122, there are authorized to be appropriated $1,750,000,000 for the fiscal year 1990 and such sums as may be necessary in each of the fiscal years 1991 through 1994.

(b) STANDARDS IMPROVEMENT INCENTIVE GRANT PROGRAM.—Of the amounts appropriated in each of the fiscal years 1993 and 1994 under subsection (a), the Secretary shall make available 10 percent of such amounts in each such fiscal year to make grants under section 119. In no event shall amounts made available under this subsection be less than $35,000,000 nor more than $75,000,000 in each such fiscal year.

(c) CHILD CARE LIABILITY RISK RETENTION GROUP.—

(1) IN GENERAL.—To carry out section 122, there are authorized to be appropriated $100,000,000 for fiscal year 1990.

(2) AMOUNTS TO REMAIN AVAILABLE.—The amounts appropriated pursuant to paragraph (1) shall remain available for assistance to States for fiscal years 1990, 1991, and 1992 without limitation.

SEC. 103. AMOUNTS RESERVED; ALLOTMENTS.

(a) AMOUNTS RESERVED.—

(1) TERRITORIES AND POSSESSIONS.—The Secretary shall reserve not to exceed one half of 1 percent of the amount appropriated under section 104(a) in each fiscal year for payments to Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau, to be allotted in accordance with their respective needs.

(2) INDIANS.—The Secretary shall reserve an amount, not less than 1.5 percent and not more than 3 percent of the amount appropriated under section 104(a) in each fiscal year, to carry out subsection (c) regarding Indian children.

(b) STATE ALLOTMENT.—

(1) GENERAL RULE.—From the remainder of the sums appropriated under section 104(a) for each fiscal year, the Secretary shall allot to each State (excluding jurisdictions referred to in subsection (a)(1)) an amount equal to the sum of—

(A) an amount that bears the same ratio to 50 percent of such remainder as the product of the young child factor of the State and the allotment percentage bears to the sum of the corresponding products for all States; and

(B) an amount that bears the same ratio to 50 percent of such remainder as the product of the school lunch factor of the State and the allotment percentage bears to the sum of the corresponding products for all the States.

(2) YOUNG CHILD FACTOR.—The term "young child factor" means the ratio of the number of children in the State who are less than 5 years of age to the number of children in all the States who are less than 5 years of age as provided by the most recent annual estimates of population in the States by the Census Bureau.

(3) SCHOOL LUNCH FACTOR.—The term "school lunch factor" means the ratio of the number of children in the State who are receiving free or reduced price lunches under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) to the number of children in all the States who are receiving free or reduced price lunches under such program as determined and updated annually by the Department of Agriculture.

(4) ALLOTMENT PERCENTAGE.—

(A) IN GENERAL.—The allotment percentage for a State is determined by dividing—

(i) the per capita income of all individuals in the United States; by

(ii) the per capita income of all individuals in the State.

(B) LIMITATIONS.—If a sum determined under subparagraph (A)—

(i) exceeds 1.2, then the allotment percentage of that State shall be considered to be 1.2; and

(ii) is less than 0.8, then the allotment percentage of the State shall be considered to be 0.8.

(C) PER CAPITA INCOME.—For purposes of subparagraph (A), per capita income shall be—

(i) determined at 2-year intervals;

(ii) applied for the 2-year period beginning on October 1 of the first fiscal year beginning on the date such determination is made; and

(iii) equal to the average of the annual per capita incomes for the most recent period of 3 consecutive years for which satisfactory data are available from the Department of Commerce at the time such determination is made.

(c) PAYMENTS FOR THE BENEFIT OF INDIAN CHILDREN.—

(1) TRIBAL ORGANIZATIONS.—From the funds reserved under subsection (a)(2), the Secretary may, upon the application of a Indian tribe or tribal organization enter into a contract with, or make a grant to such Indian tribe or tribal organization for a period of 3 years, subject to satisfactory performance, to plan and carry out programs and activities that are consistent with this title. Such contract or grant shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) and shall be conducted in accordance with sections 4, 5, and 6 of the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 655-657), that are relevant to such programs and activities.

(2) INDIAN RESERVATIONS.—In the case of an Indian tribe in a State other than the States of Oklahoma, Alaska, and California, such programs and activities shall be carried out on the Indian reservation for the benefit of Indian children.

(3) STANDARDS.—The Secretary shall establish, through the application process, standards applicable to child care services provided under such programs and activities. For purposes of establishing such standards, the Secretary shall take into consideration—

(A) the codes, regulations, and cultural factors of the Indian tribe involved, as expressed by such tribe or the tribal organization that represents such tribe; and

(B) the State standards, and licensing and regulatory requirements applicable to child care services provided in the State in which such program and activities are carried out.

(4) AVAILABILITY OF STATE CHILD CARE SERVICES.—For the purpose of determining whether to approve an application for a

contract or grant under this subsection, the Secretary shall take into consideration the availability of child care services provided in accordance with this title by the State in which the applicant proposes to carry out a program to provide child care services.

(5) RULE OF CONSTRUCTION.—This subsection shall not be construed—

(A) to limit the eligibility of any individual to participate in any program carried out with assistance received under this title by a State; or

(B) to modify any requirement imposed on a State by any provision of this title.

(6) COORDINATION.—To the maximum extent practicable, the applicant for a grant or contract under this subsection and the State in which the applicant is located shall coordinate with each other their respective child care programs and activities, including child care programs and activities carried out with assistance received under this title.

(d) DATA AND INFORMATION.—The Secretary shall obtain from each appropriate Federal agency, the most recent data and information necessary to determine the allotments provided for in subsection (b).

(e) REALLOTMENTS.—

(1) IN GENERAL.—Any portion of the allotment under subsection (b) to a State that the Secretary determines is not required to carry out a State plan approved under section 107(d), in the period for which the allotment is made available, shall be reallotted by the Secretary to other States in proportion to the original allotments to the other States.

(2) LIMITATIONS.—

(A) REDUCTION.—The amount of any reallotment to which a State is entitled to under paragraph (1) shall be reduced to the extent that it exceeds the amount that the Secretary estimates will be used in the State to carry out a State plan approved under section 107(d).

(B) REALLOTMENTS.—The amount of such reduction shall be similarly reallotted among States for which no reduction in an allotment or reallotment is required by this subsection.

(3) AMOUNTS REALLOTTED.—For purposes of any other section of this title, any amount reallotted to a State under this subsection shall be considered to be part of the allotment made under subsection (b) to the State.

(f) DEFINITION.—For the purposes of this section, the term "State" means any of the several 50 States, the District of Columbia, or the Commonwealth of Puerto Rico.

SEC. 108. LEAD AGENCY.

(a) DESIGNATION.—The chief executive officer of a State desiring to participate in the program authorized by this title shall designate, in an application submitted to the Secretary under section 107(a), an appropriate State agency that meets the requirements of subsection (b) to act as the lead agency, or the State Child Care Board that is appointed by the chief executive and that meets the requirements of subsection (b), to serve as the lead agency.

(b) REQUIREMENTS.—

(1) APPOINTMENT OF BOARD.—

(A) ESTABLISHMENT.—The chief executive officer of a State desiring to participate in the program authorized by this Act shall, if such chief executive officer has not designated a lead agency under subsection (a), establish a State Child Care Board that shall be composed of seven members to be appointed by such chief executive officer with the advice and consent of the legislature of such State.

(B) CHAIRPERSON.—The chief executive officer of the State shall designate a member of the Board to serve as chairperson. Such chairperson shall report directly to the chief executive officer and serve at the pleasure of such chief executive.

(C) TERMS, VACANCIES, COMPENSATION.—The chief executive officer of the State, with the advice and consent of the State legislature shall determine the terms of office of the members and chairperson of the Board established under subparagraph (A), the method to be used to fill vacancies on such Board, and the compensation to be received by such members.

(D) DUTIES.—The Board established under this paragraph shall act as the lead agency for the State for the purposes of this Act.

(2) ADMINISTRATION OF FUNDS.—The lead agency shall have the capacity to administer the funds provided under this title to support programs and services authorized under this title and to oversee the plan submitted under section 107(b).

(3) COORDINATION.—The lead agency shall have the capacity to coordinate the services for which assistance is provided under this title with the services of other State and local agencies involved in providing services to children.

(4) ESTABLISHMENT OF POLICIES.—The lead agency shall have the authority to establish policies and procedures for developing and implementing interagency agreements with other agencies of the State to carry out the purposes of this title.

(c) DUTIES.—The lead agency shall—

(1) assess child care needs and resources in the State, and assess the effectiveness of existing child care services and services for which assistance is provided under this title or under other laws, in meeting such needs;

(2) develop a plan designed to meet the need for child care services in the State for eligible children, including infants, preschool children, and school-age children, giving special attention to meeting the needs for services for low-income children, migrant children, children with a handicapping condition, foster children, children in need of protective services, children of adolescent parents who need child care to remain in school, and children with limited English-language proficiency;

(3) develop, in consultation with the State advisory committee on child care established under section 111, the State plan submitted to the Secretary under section 107(b);

(4) hold hearings, in cooperation with such State advisory committee on child care, annually in the State in order to provide to the public an opportunity to comment on the provision of child care services in the State under the proposed State plan;

(5) assist the chief executive officer in making such periodic reports to the Secretary as the Secretary may by rule require;

(6) coordinate the provision of services under this title with—

(A) other child care programs and services, and with educational programs, for which assistance is provided under any State, local, or other Federal law, including the State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.); and

(B) other appropriate services, including social, health, mental health, protective, and nutrition services, available to eligible children under other Federal, State, and local programs;

(7) as appropriate, identify resource and referral programs for particular geographical areas in the State that meet the requirements of section 112; and

(8) establish in accordance with subsection (d)(1) several local advisory councils that collectively represent the entire geographical area in the State.

(d) LOCAL ADVISORY COUNCILS.—

(1) APPOINTMENT.—Each local advisory council established under subsection (c)(8) shall be composed of individuals who are collectively representative of the local geographical area for which they are appointed and of the ethnic characteristics of the population of such area. Such council shall be composed of individuals appointed from among the following:

(A) Parents of preschool children.

(B) Parents of school-age children.

(C) Individuals who are child care providers.

(D) The heads of Head Start agencies.

(E) The heads of local public agencies that provide social services or human resources.

(F) The heads of local education agencies.

(G) The heads of local public health agencies.

(H) The heads of resource and referral agencies.

(I) Individuals engaged locally in business.

(J) Representatives of units of local purpose government.

(K) Local representatives of nonprofit private organizations that provide funds for social services or human resources.

(L) Representatives of groups that engage in private activities relating to providing child care services.

(2) DUTIES.—Each local advisory council shall—

(A) assess the extent to which there is an unsatisfied need for child care services in the geographical area for which such council is appointed;

(B) submit to the lead agency, not less frequently than biennially, a report identifying the results of the implementation in such area of the State plan included in the application submitted under section 107;

(C) recommend to the lead agency the uses for which assistance received under this subchapter by the State should be expended in such area, and with respect to each such use, the amount of such funds that should be so expended;

(D) advise local child care providers regarding the means to collectively obtain training, supplies, and insurance relating to providing child care services; and

(E) otherwise assist the lead agency, and the State advisory committee on child care established under section 111 to carry out their respective duties.

(3) ADMINISTRATIVE SUPPORT.—The lead agency shall provide to such council such funds, and administrative support services (including personnel) directly or by contract, as the State determines necessary to enable such council to carry out its duties.

(4) CONFLICTS OF INTEREST.—A member of such council may not cast a vote on any matter that—

(A) may result in a financial benefit to such member; or

(B) under Federal, State, or local law would create or appear to create a conflict of interest if such vote were cast by such member.

(5) PUBLIC AWARENESS OF COUNCIL PARTICIPATION.—The Secretary shall require by rule that residents of each geographical area for which a local advisory council is appointed are informed of the opportunity to be appointed to such council.

(e) REDESIGNATION.—The chief executive officer of a State may modify the original

decision concerning the designation of a lead agency if such chief executive determines that the original designation is not appropriate.

SEC. 107. APPLICATION AND PLAN.

(a) APPLICATION.—To be eligible to receive assistance under this title, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require by rule.

(b) PLAN.—The application of a State submitted under subsection (a) shall include an assurance that the State will comply with the requirements of this title and a State plan, that shall be prepared by the lead agency or the State Child Care Board established under section 6(b)(1), that is designed to be implemented during a 3-year period and that meets the requirements of subsection (c).

(c) REQUIREMENTS OF A PLAN.—

(1) LEAD AGENCY OR STATE CHILD CARE BOARD.—The plan shall identify the lead agency or the members of the State Child Care Board appointed under section 6(b)(1), the location of the offices of such Board, and shall contain a certification that the Board solicited input from the local advisory councils in preparing the plan.

(2) ADVISORY BODIES.—The plan shall demonstrate that the State will establish in accordance with section 111 a State advisory committee on child care.

(3) POLICIES AND PROCEDURES.—The plan shall set forth policies and procedures designed to ensure all of the following:

(A) That, to the maximum extent practicable—

(i) the parents of each eligible child who will receive child care services for which assistance is provided under paragraph (4) are permitted to select the eligible child care provider that will provide such services to such child; and

"(ii) if the State places such child under the methods provided in section 108(a)(1)(A) or (B), the State will attempt to place such child with the eligible child care provider selected by such parents.".

(B) That—

(i) all providers of child care services for which assistance is provided under this title comply with all licensing or regulatory requirements (including registration requirements) applicable under State and local law; and

(ii) such requirements are imposed and enforced by the State uniformly on all licensed and regulated child care providers within the same category of care, which receive public funds.

This subparagraph shall not be construed to prohibit a State from imposing more stringent standards or requirements on child care providers who provide services for which assistance is provided under this title and who also receive State funds under any other law to provide child care services under a contract or other arrangement with the State.

(C) That procedures will be established to ensure that child care providers receiving assistance under this title or under other publicly-assisted child care programs comply, not later than 3 years after the date of enactment of this title, with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers, and comply with all applicable State and local licensing or regulatory requirements (including registration requirements).

(D) That the State will not—

(i) reduce the categories of child care providers licensed or regulated by the State on the date of enactment of this title, unless the State with the concurrence of the State advisory committee established under section 111, requests a waiver of this subparagraph and demonstrates, to the satisfaction of the Secretary, that the proposed reduction is necessary to increase access to and availability of eligible child care providers and will not jeopardize the health and safety of children.

(ii) reduce the level of standards applicable to child care services provided in the State and to the matters specified in sections 113(a) and 118(d) unless the State, with the concurrence of the State advisory committee established under section 111, requests a waiver of this subparagraph and demonstrates, to the satisfaction of the Secretary, that the proposed reduction is necessary to increase access to and availability of eligible child care providers and will not jeopardize the health and safety of children.

(E) That funds received under this title by the State will be used only to supplement, not to supplant, the amount of Federal, State, and local funds expended for the support of child care services and related programs in the State, except that States may use existing expenditures in support of child care services to satisfy the State matching requirement under section 117(b), but in no event shall such expenditures be used to satisfy the matching requirements of any other Federal program.

(F) That for each fiscal year the State will use an amount not to exceed 8 percent of the amount of funds received under section 105 by the State for such fiscal year to administer the State plan.

(G) That the State will pay funds under this title to eligible child care providers in a timely fashion to ensure the continuity of child care services to eligible children.

(H) That resource and referral services will be made available to families in the State.

(I) That each eligible child care provider described in section 103(8)(A) who provides services for which assistance is provided under paragraph (4)—

(i) gives priority for provider services to children of families with very low income, taking into account family size, or children with special needs;

(ii) not later than 3 years after the date of enactment of this title, complies with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers;

(iii) if such eligible child care provider is regulated by a State educational agency that—

(I) administers any State law applicable to child care services;

(II) develops child care standards that meet or exceed the State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers, and the State licensing or regulatory requirements (including registration requirements); and

(III) enforces the standards described in subclause (II) that are developed by such agency, using policies and practices that meet or exceed the requirements specified in subparagraphs (A) through (K) of paragraph (11);

complies with the standards described in subclause (II) that are developed by such agency; and

(iv) complies with the State plan and the requirements of this title.

(J) That child care services for which assistance is provided under paragraph (4) are available to children with a handicapping condition.

(K) That the State will review existing State regulations to determine if such regulations are appropriate for school-age child care services.

(L) That child care providers in the State are encouraged to develop personnel policies that include compensated time for staff undergoing training required under this title.

(M) Encourage the payment of adequate salaries and other compensation—

(i) to full and part-time staff of child care providers who provide child care services for which assistance is provided under paragraph (4);

(ii) to the extent practicable, to such staff in other major Federal and State child care programs; and

(iii) to other child care personnel, at the option of the State.

(N) That child care services for which assistance is provided under paragraph (4) are available for an adequate number of hours and days to serve the needs of parents of eligible children, including parents who work nontraditional hours.

(4) CHILD CARE SERVICES.—The plan shall provide that—

(A) subject to subparagraphs (B) and (C), the State will use at least 70 percent of the amount allotted to the State in any fiscal year to provide child care services that meet the requirements of this title to eligible children in the State on a sliding fee scale basis and using funding methods provided for in section 108(a)(1), with priority being given for services to children of families with very low family incomes, taking into consideration the size of the family, or children with special needs;

(B) the State will use at least 10 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year to provide for the extension of part-day programs as described in section 108(b); and

(C) the State, with the approval of the Secretary, may use not to exceed 5 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year for any of the activities described in paragraph (6) if the State certifies that additional funds are needed to increase the availability of child care to meet the demand for such care.

(5) ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.—The plan shall provide that the State will use not less than 10 percent of the amount allotted to it in any fiscal year to do the following:

(A) Provide financial assistance, pursuant to procedures established under the State Dependent Care Development Grants Act (42 U.S.C. 9801 note), to private nonprofit organizations or public organizations (including units of general purpose local government) that meet the requirements of section 112 for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care.

(B) Improve the monitoring of compliance with, and enforcement of, the licensing and regulatory requirements (including registration requirements) of the State.

(C) Provide training, technical assistance, and scholarship assistance in accordance

with the provisions of subsections (b), (c), and (d) of section 113.

(D) Ensure that adequate salaries and other compensation are paid to full- and part-time staff who provide child care services for which assistance is provided under paragraph (4).

(E) Allow that the State will make grants to local libraries for the purchase and delivery of children's books, videos, tapes, and toys to licensed or certified family-based or group child-care providers, child care centers, or other providers that meet State eligibility requirements.

(6) ACTIVITIES TO INCREASE THE AVAILABILITY OF CHILD CARE.—Except as provided in paragraph (4)(C), the plan shall provide that the State will use not more than 12 percent of the amount allotted to it in any fiscal year for any of the following activities:

(A) Making grants or low-interest loans to existing and potential family child care providers and nonprofit child care providers to help such providers pay the cost of—

(i) establishing child care programs; and

(ii) making renovations and improvements in existing facilities to be used to carry out such programs.

(B) Making grants or low-interest loans to child care providers to assist such providers in meeting recommended Federal child care standards, or State and local child care standards, giving priority to providers receiving assistance under this title or under other publicly assisted child care programs and which serve children of families that have very low incomes.

(C) Providing funds for the child care public-private partnership activities described in section 114.

(D) Providing assistance for the establishment and operation of after school child care programs.

(E) Providing assistance for the temporary care of children who are sick and unable to attend child care programs in which such children are enrolled.

(F) Providing assistance for the establishment and operation of child care programs for homeless children.

(G) Providing assistance to link child care programs with programs designed to assist the elderly.

(H)(i) Establishing and administering a revolving loan fund from which any person desiring to make capital improvements to the principal residence of such person (within the meaning of section 1034 of the Internal Revenue Code of 1986) may obtain a loan in order to become a licensed or regulated family child care provider, pursuant to State and local law, and to comply with the standards applicable to such providers as established by the State in each of the categories described in section 118(d)(2).

(ii) To permit the use of funds provided under this title for the activity described in clause (i), the State shall set forth procedures and guidelines to carry out the purposes of such clause, including procedures—

(I) that provide assurances that only applicants who will licensed or regulated to operate a child care facility in accordance with the provisions of State and local law and who will meet the State standards applicable to family child care services in each of the categories described in section 118(d)(2), benefit from loans made available pursuant to the provisions of clause (i);

(II) to assure that the revolving fund will be administered by the State and will provide loans to qualified applicants, pursuant to the terms and conditions established by such State, in an amount, determined by such State, that is not in excess of $1,500;

(III) to assure that funds used to carry out the purpose of clause (i) are transferred to such fund to provide capital for making loans;

(IV) to assure that interest and principal payments on loans and any other moneys, property, or assets derived from any action concerning such funds are deposited into such fund;

(V) to assure that all loans, expenses, and payments pursuant to the operation of the revolving loan fund are paid from such fund;

(VI) to assure that loans made from such fund are made to qualified applicants to enable such applicants to make capital improvements so that such applicants are able to become a licensed or regulated family child care provider pursuant to state and local law and so that such applicants are able to meet the State standards applicable to such providers in each of the categories described in section 118(d)(2); and

(VII) that specify how such revolving loan fund will continue to be financed in subsequent years, such as through contributions by the State or by some other entity.

(I)(i) Making grants to States to enable such States to provide grants to school districts to enable such districts to establish or maintain extended day care programs.

(ii) In order to use funds under this paragraph for the activity described in this subparagraph, the State shall—

(I) Administer the allotment provided to the State under this subparagraph shall be administered through the State educational agency; which

(II) shall establish requirements that school districts must meet in order to receive assistance under this subparagraph; and

(iii)(I) use amounts received under this subparagraph to provide grants to school districts to enable such districts to provide extended day child care.

(II) ensure that school districts that receive assistance under this subparagraph use such assistance to—

(aa) offset the start-up costs associated with the establishment of extended day child care programs;

(bb) conduct studies to determine the feasibility of establishing extended day child care programs;

(cc) provide for the equipping and staffing of extended day child care programs; and

(dd) offset any other costs that the State determines appropriate.

(III) Ensure that amounts received under this subparagraph are not used for ongoing maintenance or operational costs incurred by school districts.

(IV) Ensure that extended day child care programs that receive assistance under this subparagraph shall—

(aa) be developmentally appropriate and meet the diverse recreational, social, emotional, cultural, and educational needs of school-aged children; and

(bb) provide parents with the opportunity to participate in such programs."

(V) Ensure that each school district that receives assistance under this subparagraph coordinates the programs carried out with such assistance with other public entities and private non-profit community-based organizations that provide before and after-school child care;

(VI) Permit a school district to provide a before and after-school child care program in accordance with the provisions of this subparagraph through grants to or contracts with other public entities and eligible private nonprofit community-based organizations that provide before and after-school child care programs.

(VII) As used in this subparagraph:

(aa) The term "school district" means the public authority legally constituted and recognized in a State as the administrative agency for that district or county's public elementary or secondary schools.

(b) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(J) Providing assistance for comprehensive child care demonstration projects within existing public school buildings that—

(i) ensure that year around, on-site all day child care for children ages 3 to 5 (or of the age of entering kindergarten) and on-site before and after school child care for children ages 5 through 12, inclusive;

(ii) ensure the establishment of a family support system for parents (including a home visitation program);

(iii) provide support for local family day-care providers (including technical assistance, back-up support in case of illness, and training);

(iv) provide for information and referral and other specialized services;

(v) develop a sliding scale fee payment system for children using the system (based on the parents ability to pay);

(vi) provide for ongoing parental involvement in the planning, implementation, monitoring, and evaluation of such projects;

(vii) provide that such demonstration projects be operated by administrators trained in early childhood development;

(viii) provide for the use of trained child care workers in such demonstration projects, with a priority given to child care workers with credentials in early childhood education or child development, including the child development associate credential;

(ix) provide that salaries paid to child care workers in such demonstration projects shall—

(I) be not less than the rates paid for comparable services provided in the school or surrounding community, whichever is higher; and

(II) be comparable to salaries paid to school employees with equivalent responsibilities, experience and credentials; and

that salary schedules for child care workers encourage child care workers to obtain early childhood credentials;

(x) assure that any child care services provided by such demonstration projects meet, at a minimum, regulator standards set by the State and local government;

(xi) develop ways to improve the quality of child care services in such demonstrations; and

(xii) describe plans for monitoring and evaluating the effectiveness of such demonstration projects.

(K) Providing assistance for any other activity deemed by the State to be in accordance with the purposes of this paragraph.

(7) DISTRIBUTION OF FUNDS.—The plan shall provide that funds will be distributed—

(A) to a variety of types of child care providers, including center-based child care providers, group home child care providers, and family child care providers; and

(B) equitably among child care providers to provide child care services in rural and urban areas.

(8) PAYMENTS.—The plan shall provide that for child care services for which assistance is provided under this title, an eligible child care provider shall have a right to payment at the same rate charged by providers in the State or substate area for comparable services to children of comparable ages and special needs whose parents are not eligible for certificates under this title or for child care assistance under any other Federal or State program.

(9) PRIORITY.—The plan shall provide that priority will be given, in distributing funds in the State, to child care providers that—

(A) in providing child care services assisted by such funds, will give priority to eligible children of families with very low income, or children with special needs;

(B) to the maximum extent feasible, provide child care services to a reasonable mix of children, including children from different socioeconomic backgrounds and children with a handicapping condition;

(C) provide opportunities for parent involvement in all aspects of providing such services; and

(D) to the maximum extent feasible, offer family support services.

(10) SLIDING FEE SCALE.—The plan shall provide for the establishment of a sliding fee scale that requires cost sharing based on the services provided to and the income of the families (adjusted for family size) of eligible children who receive services for which assistance is provided under this title.

(11) PARENTAL INVOLVEMENT.—The plan shall establish procedures for parental involvement in State and local planning, monitoring, and evaluation of child care programs and services in the State.

(12) ENFORCEMENT OF LICENSING AND OTHER REGULATORY REQUIREMENTS (INCLUDING REGISTRATION REQUIREMENTS).—The plan shall provide that the State, not later than 3 years after the date of enactment of this title, shall have in effect enforcement policies and practices that will be applicable to all licensed or regulated child care providers (including child care providers required to register) in the State, including policies and practices that—

(A) require personnel who perform inspection functions with respect to licensed or regulated child care services to have knowledge concerning health and safety, child abuse prevention and detection, program management, and relevant law enforcement practices and policies;

(B) to the maximum extent feasible, have personnel requirements to ensure that individuals who are hired as licensing or regulatory inspectors are qualified to inspect and have inspection responsibility exclusively for children's services;

(C) require—

(i) personnel who perform inspection functions with respect to licensed or regulated child care services to make not less than 1 unannounced inspection of each center-based child care provider in the State annually; and

(ii) personnel who perform inspection functions with respect to licensed or regulated child care services to make periodic, unannounced inspections of all licensed or regulated family child care providers and group home child care providers in the State;

(D) require licensed or regulated child care providers (including registered child care providers) in the State—

(i) to have written program policies and to make a copy of such policies available to parents; and

(ii) to provide parents with unlimited access to their children and to providers caring for their children, during normal hours of operation of such providers and whenever children of such parents are in the care of such providers;

(E) implement a procedure to address complaints that will provide a reasonable opportunity for a parent, or child care provider, that is adversely affected or aggrieved by a decision of the lead agency or any program assisted under this title, to be heard by the State;

(F) prohibit the operator of a child care facility to take any action against an employee of such operator that would adversely affect the employment, or terms or conditions of employment, of such employee because such employee communicates a failure of such operator to comply with any applicable licensing or regulatory requirement;

(G) make consumer education information available to parents and the general public about licensing and regulatory requirements, complaint procedures, and policies and practices required by this paragraph;

(H) make readily available to parents the telephone number of the appropriate licensing or regulatory agency that parents may call regarding a failure of such provider to comply with any applicable licensing or regulatory requirement; and

(I) require the State to maintain a record of parental complaints and to make information regarding substantiated parental complaints available to the public on request.

(13) DATA COLLECTION.—The plan shall provide for the establishment of procedures for data collection by the State designed to show—

(A) by race, sex, ethnic origin, handicapping condition, and family income, how the child care needs of families in the State are being fulfilled, including information on—

(i) the number of children being assisted with funds provided under this title, and under other Federal child care and preschool programs;

(ii) the type and number of child care programs, child care providers, caregivers, and support personnel located in the State;

(iii) the average cost of child care in the State; and

(iv) such other information as the Secretary considers necessary to establish how funds provided under this title are being used;

(B) the extent to which the availability of child care has been increased; and

(C) how the purposes of this title and the objectives of the State set forth in the State plan are being met, including efforts to improve the quality, availability, and accessibility of child care;

and shall provide that data collected by the State under this paragraph shall be submitted to the Secretary.

(d) APPROVAL OF APPLICATION.—The Secretary shall approve an application that satisfies the requirements of this section.

(e) SPECIAL RULE.—Subject to compliance with the standards, licensing, and enforcement requirements of sections 107 and 110, the Secretary shall strongly encourage States to undertake the activities described in subparagraphs (A) and (D) of subsection (c)(5).

SEC. 108. SPECIAL RULES FOR USE OF STATE ALLOTMENTS.

(a) FUNDING OF CHILD CARE SERVICES.—

(1) IN GENERAL.—The child care services referred to in section 107(c)(4) that are to be provided out of the allotment to a State, shall be provided—

(A) by contracts with or grants to eligible child care providers who agree to provide such services directly to eligible children;

(B) by grants to units of general purpose local government, or by contracts to nonprofit private organizations designated by the State, that agree to enter into contracts with eligible child care providers who agree to provide such services directly to eligible children; or

(C) by distributing child care certificates to parents of eligible children under such terms as the Secretary shall prescribe to enable the recipients of such certificates to purchase child care services from eligible child care providers.

(2) LIMITATION ON CERTIFICATES.—Child care certificates authorized by paragraph (1)(C) may be issued by a State only if a resource and referral program carried out by an organization that meets the requirements of section 112 is available to help parents locate child care services made available by eligible child care providers.

(3) NO ENTITLEMENT TO CONTRACT OR GRANT.—Nothing in this title shall be construed to entitle any child care provider or recipient of a child care certificate to any contract, grant or benefit, or to limit the right of any State to impose additional limitations or conditions on contracts or grants funded under this title.

(4) PROVIDE PARENTS WITH CHOICE.—Subject to the limitation described in paragraph (2), each State that receives assistance under this Act shall provide each parent of an eligible child who receives, or whose eligible child is cared for by a child care provider that receives assistance under this Act with the option of—

(A) enrolling such child with an eligible child care provider that receives assistance through grants or contracts as provided under subparagraphs (A) of (B) of paragraph (1); or

(B) receiving a child care certificate as provided in paragraph (1)(C).

(b) PART-DAY PROGRAMS.—

(1) IN GENERAL.—At least 10 percent of the funds available for activities under section 107(c)(4)(A) shall be used by the State to enable child care providers to extend the hours of operation of the part-day programs described in paragraph (2) to provide full-working-day child care services throughout the year, in order to meet the needs of parents of eligible children.

(2) ELIGIBLE PROGRAMS.—As used in paragraph (1), the term "part-day programs" means—

(A) programs of schools and nonprofit child care providers (including community-based organizations) receiving State or local funds designated for preschool;

(B) programs established under the Head Start Act (42 U.S.C. 9831 et seq.);

(C) preschool programs for which assistance is provided under chapter 1 of the Education Consolidation and Improvement Act of 1981 (20 U.S.C. 3801 et seq.); and

(D) preschool programs for children with a handicapping condition.

(c) FACILITIES.—

(1) NEW FACILITIES.—No financial assistance provided under this title shall be expended for the construction of a new facility.

(2) EXISTING FACILITIES.—No financial assistance provided under this title shall be

expended to renovate or repair any facility unless—

(A) the child care provider that receives such financial assistance agrees—

(i) in the case of a grant, to repay to the Secretary or the State, as the case may be, the amount that bears the same ratio to the amount of such grant as the value of the renovation or repair, as of the date such provider ceases to provide child care services in such facility in accordance with this title, bears to the original value of the renovation or repair; and

(ii) in the case of a loan, to repay immediately to the Secretary or the State, as the case may be, the principal amount of such loan outstanding and any interest accrued, as of the date such provider ceases to provide child care services in such facility in accordance with this title;

if such provider does not provide child care services in such facility in accordance with this title throughout the useful life of the renovation or repair; and

(B) if such provider is a sectarian agency or organization, the renovation or repair is necessary to bring such facility into compliance with health and safety requirements imposed by this title.

SEC. 109. PLANNING GRANTS.

(a) IN GENERAL.—A State desiring to participate in the programs authorized by this title that cannot fully satisfy the requirements of the State plan under section 107(b) without financial assistance may, in the first year that the State participates in the programs, apply to the Secretary for a planning grant.

(b) AUTHORIZATION.—The Secretary is authorized to make a planning grant to a State described in subsection (a) if the Secretary determines that—

(1) the grant would enable the State to fully satisfy the requirements of a State plan under section 107(b); and

(2) the State will apply, for the remainder of the allotment that the State is entitled to receive for such fiscal year.

(c) AMOUNT OF GRANT.—A grant made to a State under this section shall not exceed 1 percent of the total allotment that the State would qualify to receive in the fiscal year involved if the State fully satisfied the requirements of section 107.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—A grant made under this section shall be considered to be expended for administrative costs by the State for purposes of determining the compliance by the State with the limitation on administrative costs imposed by section 107(c)(3)(F).

SEC. 110. CONTINUING ELIGIBILITY OF STATES.

A State shall be ineligible for assistance under this title after the expiration of the 3-year period beginning on the date of enactment of this title unless the State demonstrates to the satisfaction of the Secretary that—

(1) the State has established State child care standards in each of the categories described in paragraphs (1), (2), and (3) of section 118(d);

(2) all child care providers required to be licensed or regulated by the State—

(A) are so licensed or regulated; and

(B) are subject to the enforcement provisions referred to in the State plan; and

(3) all such providers who are receiving assistance under this title or under other publicly-assisted child care programs—

(A) satisfy the requirements of subparagraphs (A) and (B) of paragraph (2); and

(B) satisfy the State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such providers.

SEC. 111. STATE ADVISORY COMMITTEE ON CHILD CARE.

(a) ESTABLISHMENT.—The chief executive officer of a State participating in the program authorized by this title shall—

(1) establish a State advisory committee on child care (hereinafter in this section referred to as the "committee") to assist the lead agency in carrying out the responsibilities of the lead agency under this title; and

(2) appoint the members of the committee.

(b) COMPOSITION.—The State committee shall be composed of not fewer than 21 and not more than 30 members who shall include—

(1) at least 1 representative of the lead agency designated under section 106(a);

(2) 1 representative of each of—

(A) the State departments of—

(i) human resources or social services;

(ii) education;

(iii) economic development; and

(iv) health; and

(B) other State agencies having responsibility for the regulation, funding, or provision of child care services in the State;

(3) at least 1 representative of providers of different types of child care services, including caregivers and directors;

(4) at least 1 representative of early childhood development experts;

(5) at least 1 representative of school districts and teachers involved in the provision of child care services and preschool programs;

(6) at least 1 representative of resource and referral programs;

(7) 1 pediatrician;

(8) 1 representative of a citizen group concerned with child care;

(9) at least 1 representative of an organization representing child care employees;

(10) at least 1 representative of the Head Start agencies in the State;

(11) parents of children receiving, or in need of, child care services, including at least 2 parents whose children are receiving or are in need of subsidized child care services;

(12) 1 representative of specialists concerned with children who have a handicapping condition;

(13) 1 representative of individuals engaged in business;

(14) 1 representative of fire marshals and building inspectors;

(15) 1 representative of child protective services; and

(16) 1 representative of units of general purpose local government.

(c) FUNCTIONS.—The committee shall—

(1) advise the lead agency on child care policies;

(2) provide the lead agency with information necessary to coordinate the provision of child care services in the State;

(3) otherwise assist the lead agency in carrying out the functions assigned to the lead agency under section 106(c);

(4) in conjunction with the lead State agency, review and evaluate child services for which assistance is provided under this title or under State law, in meeting the objectives of the State plan and the purposes of this title;

(5) make recommendations on the development of State child care standards and policies;

(6) participate in the public hearings required under section 106(c)(4); and

(7) perform other functions to improve the quantity and quality of child care services in the State.

(d) MEETINGS AND HEARINGS.—

(1) IN GENERAL.—Not later than 30 days after the beginning of each fiscal year, the committee shall meet and establish the time, place, and manner of future meetings of the committee.

(2) MINIMUM NUMBER OF HEARINGS.—The committee shall have at least 1 public hearing each year at which the public shall be given an opportunity to express views concerning the administration and operation of the State plan.

(e) SUBCOMMITTEE ON LICENSING.—

(1) COMPOSITION.—The committee shall have a subcommittee on licensing (hereinafter in this section referred to as the "subcommittee") that shall be composed of the members appointed under paragraphs (2)(A)(iv), (3), (6), (7), (11), (14), (15), and (16) of subsection (b).

(2) FUNCTIONS.—The subcommittee shall review the law applicable to, and the licensing and regulatory requirements and the policies of, each licensing agency that regulates child care services and programs in the State unless the State has reviewed such law, requirements, and policies in the 3-year period ending on the date of the establishment of the committee under subsection (a).

(f) USE OF EXISTING COMMITTEES OR SUBCOMMITTEES.—To the extent that a State has established broadly representative State advisory groups, prior to the date of enactment of this title, that are comparable to the advisory committee or the subcommittee on licensing described in this section and focused exclusively on child care and early childhood development programs, such State shall be considered to be in compliance with subsections (a) through (c), or (e), as appropriate.

(g) REPORT.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this title, the committee shall prepare and submit to the chief executive officer of the State involved a report that meets the requirements of paragraph (2).

(2) CONTENTS OF REPORT.—A report prepared under paragraph (1) shall contain information on child care services provided by center-based child care providers, group home child care providers, and family child care providers, including—

(A) a detailed statement of the findings and recommendations that result from the subcommittee review under subsection (e)(2), including a description of the current status of child care licensing, regulating, monitoring, and enforcement in the State;

(B) a detailed statement identifying and describing the deficiencies in the existing licensing, regulating, and monitoring programs of the State involved, including an assessment of the adequacy of staff to carry out such programs effectively, and recommendations to correct such deficiencies or to improve such programs; and

(C) comments on the relationship between the child care standards of the State and the national recommended child care standards established by the Secretary under section 118(e)(2).

(3) RECEIPT OF REPORT BY THE CHIEF EXECUTIVE OFFICER OF THE STATE.—Not later than 60 days after receiving the report from the committee, the chief executive officer of the State shall transmit such report to the Secretary with—

(A) the comments of the chief executive officer of the State; and

(B) a plan for addressing deficiencies in, or improving the licensing, regulating, and monitoring, of the child care services and programs referred to in subsection (f)(2).

(h) SERVICES AND PERSONNEL.—

(1) AUTHORITY.—The lead agency is authorized to provide the services of such personnel, and to contract for such other services as may be necessary, to enable the committee and the subcommittee to carry out their functions under this title.

(2) REIMBURSEMENT.—Members of the committee shall be reimbursed, in accordance with standards established by the Secretary, for necessary expenses incurred by such members in carrying out the functions of the committee and the subcommittee.

(3) SUFFICIENCY OF FUNDS.—The Secretary shall ensure that sufficient funds are made available, from funds available for the administration of the State plan, to the committee and the subcommittee to carry out the requirements of this section.

SEC. 112. RESOURCE AND REFERRAL PROGRAMS.

(a) ELIGIBILITY FOR ASSISTANCE.—Grants or contracts made or entered into by the State, pursuant to section 107(c)(5)(A), shall be made to, or entered into with, private nonprofit organizations or public organizations (including units of general purpose local government) who shall provide resource and referral services to families in the State.

(b) FUNDING.—Organizations that receive assistance under subsection (a) shall carry out resource and referral programs—

(1) to identify all types of existing child care services, including services provided by individual family child care providers and by child care providers who provide child care services to children with a handicapping condition;

(2) to provide to interested parents information and referral regarding such services, including the availability of public funds to obtain such services;

(3) to provide or arrange for, at the discretion of the State, the provision of information, training, and technical assistance to existing and potential child care providers and to others (including businesses) concerned with the availability of child care services; and

(4) to provide information on the demand for and supply of child care services located in a community.

(c) REQUIREMENTS.—To be eligible for assistance as a resource and referral agency under subsection (a), an organization shall—

(1) have or acquire a database of information on child care services in the State or in a particular geographical area that the organization continually updates, including child care services provided in centers, group home child care settings, nursery schools, and family child care settings;

(2) have the capability to provide resource and referral services in a particular geographical area;

(3) be able to provide parents with information to assist them in identifying quality child care services;

(4) to the maximum extent practicable, notify all eligible child care providers in such area of the functions it performs and solicit such providers to request to be listed to receive referrals made by such organization; and

(5) otherwise comply with regulations promulgated by the State in accordance with subsection (d).

(d) LIMITATION ON INFORMATION.—In carrying out this section, an organization receiving assistance under subsection (a) as a resource and referral agency shall not provide information concerning any child care program or services which are not in compliance with the laws of the State and localities in which such services are provided.

SEC. 113. TRAINING AND TECHNICAL ASSISTANCE.

(a) MINIMUM REQUIREMENT.—A State receiving funds under this title shall require, not later than 3 years after the date of the enactment of this title, that all employed or self-employed individuals who provide licensed or regulated center-based, family and group home child care services (including registered child care services) in a State complete a minimum number of hours of in-service training each year in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and the needs of special populations of children.

(b) GRANTS AND CONTRACTS FOR TRAINING AND TECHNICAL ASSISTANCE.—

(1) GRANTS AND CONTRACTS.—The State may make grants to, and enter into contracts with State agencies, units of general purpose local government, institutions of higher education, and nonprofit organizations (including resource and referral organizations, child care food program sponsors, and family child care associations, as appropriate) to develop and carry out child care training and technical assistance programs under which preservice and continuing in-service training is provided to eligible child care providers, including family child care providers, and the staff of such providers including teachers, administrative personnel, and staff of resource and referral programs involved in providing child care services in the State.

(2) ELIGIBILITY REQUIREMENTS FOR GRANTS AND CONTRACTS RELATING TO TRAINING FOR FAMILY CHILD CARE PROVIDERS.—To be eligible to receive a grant or enter into a contract for a training and technical assistance program for family child care providers under paragraph (1), a nonprofit organization shall—

(A) recruit and train family child care providers, including providers with the capacity to provide night-time and emergency child care services;

(B) operate resource centers to make developmentally appropriate curriculum materials available to family child care providers;

(C) provide grants to family child care providers for the purchase of moderate cost equipment to be used to provide child care services; and

(D) if appropriate, operate a system of substitute caregivers.

(3) ELIGIBILITY REQUIREMENTS FOR GRANTS AND CONTRACTS RELATING TO TECHNICAL ASSISTANCE.—To be eligible to receive a grant, or enter into a contract under subsection (b) to provide technical assistance, an agency, organization, or institution shall agree to furnish technical assistance to child care providers to assist such providers—

(A) in understanding and complying with local regulations and relevant tax and other policies;

(B) in meeting State licensing, regulatory, and other requirements (including registration) pertaining to family child care providers.

(c) SCHOLARSHIP ASSISTANCE.—The State may provide scholarship assistance to--

(1) individuals who seek a nationally recognized child development associate credential for center-based or family child care in amounts sufficient to cover the costs involved in securing such credential; and

(2) caregivers who seek to obtain the training referred to in subsection (a) and whose income does not exceed such poverty line.

(d) CLEARINGHOUSE FUNCTION.—The State shall establish in the lead agency a clearinghouse function to collect and disseminate training materials to resource and referral agencies and child care providers throughout the State.

SEC. 114. CHILD CARE PUBLIC-PRIVATE PARTNERSHIP.

(a) ACTIVITIES AUTHORIZED.—Each State using funds as described in section 107(c)(6)(C) shall design activities conducted with such funds to encourage businesses in the State to support or provide child care services to a reasonable mix of children, including children from different socioeconomic backgrounds, and children of employees and nonemployees. Such activities may include—

(1) disseminating information relating to—

(A) model child care programs appropriate for implementation by such businesses;

(B) flexible employee work schedules; and

(C) other technical assistance that would enable employers to establish and operate child care programs;

(2) making grants or loans on a competitive basis to assist employers in establishing innovative child care programs;

(3) establishing a demonstration program under which grants are made to local nonprofit private organizations to improve and expand child care services in cooperation with employees who contribute to the cost of such improvement or expansion;

(4) making grants to non-profit business organizations to provide technical information and assistance to enable employers to develop and operate child care services; and

(5) encouraging such businesses to participate in resource and referral activities carried out by organizations recognized under section 112.

(b) DUTIES OF STATE.—In carrying out the activities described in subsection (a), the State shall—

(1) consult with the State advisory committee on child care established under section 111;

(2) provide outreach to businesses participating in such activities; and

(3) encourage such businesses to contribute to the cost of carrying out such activities.

(c) BUSINESS PARTNERSHIP TASK FORCE.—The State may carry out subsection (a) in consultation with—

(1) a business task force appointed by the State from among representatives of businesses of various sizes in the State; and

(2) a state entity that administers laws relating to productive economic development.

(d) PRESIDENT'S AWARD FOR PROGRESSIVE MANAGEMENT POLICY.—

(1) ESTABLISHMENT AND AWARD.—

(A) IN GENERAL.—There is established the President's Award for Progressive Management Policy to honor public and private sector employers who have—

(i) successfully implemented in their businesses family-oriented personnel programs and policies responsive to the child care needs of working parents; or

(ii) made significant contributions to child care projects in their communities.

(B) CITATION.—The President's Award for Responsive Management Policy shall con-

sist of a certificate, plaque, or other appropriate citation.

(2) NOMINATION AND SELECTION.—

(A) NOMINATIONS.—Each year the President, acting through the Secretary of Labor, shall solicit nominations for the President's Award for Responsive Management Policy from State and local elected officials, educational institutions, State-based employee or business associations, or other State or local entities.

(B) RECIPIENTS.—The President, in conclusion with the Secretary of Labor, shall select not less than 3 such nominees from each State to receive the President's Award for that year.

(C) REPRESENTATION.—Of the nominees selected from each State to receive such awards, at least 1 shall represent—

(i) a small business;

(ii) an intermediate-size business; and

(iii) a large business.

(3) PRESENTATION.—The President shall present the President's Award each year with such ceremonies as the President may consider proper.

(4) REGULATIONS.—The Secretary of Labor shall promulgate such regulations as are necessary to carry out the provisions of this section.

SEC. 115. FEDERAL ADMINISTRATION OF CHILD CARE.

(a) ADMINISTRATOR OF CHILD CARE.—There is hereby established in the Department of Health and Human Services the position of Administrator of Child Care (hereinafter in this section referred to as the "Administrator"). The Secretary shall appoint an individual to serve as the Administrator at the pleasure of the Secretary.

(b) DUTIES.—The Administrator shall—

(1) coordinate all activities of the Department of Health and Human Services relating to child care, and coordinate such activities with similar activities of other Federal entities;

(2) annually collect and publish State child care standards, including periodic modifications to such standards;

(3) evaluate activities carried out with funds provided under this title;

(4) act as a clearinghouse to collect and disseminate materials that relate to—

(A) the child care training and technical assistance programs described in section 113(b)(1); and

(B) studies that relate to the salaries paid to individuals employed to provide child care services; and

(5) provide technical assistance to assist States to carry out this title.

SEC. 116. FEDERAL ENFORCEMENT.

(a) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this title and the plan approved under section 107(d) for the State.

(b) NONCOMPLIANCE.—

(1) IN GENERAL.—If the Secretary, after reasonable notice and opportunity for a hearing to a State, finds that—

(A) there has been a failure by the State to comply substantially with any provision or any requirements set forth in the plan approved under section 107(d) for the State; or

(B) in the operation of any program or project for which assistance is provided under this title there is a failure by the State to comply substantially with any provision of this title;

the Secretary shall notify the State of the finding and that no further payments may be made to such State under this title (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to such program or activity) until the Secretary is satisfied that there is no longer any such failure to comply or that the noncompliance will be promptly corrected.

(2) ADDITIONAL SANCTIONS.—In the case of a finding of noncompliance made pursuant to this paragraph (1), the Secretary may, in addition to imposing the sanctions described in such paragraph, impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this title, and disqualification from the receipt of financial assistance under this title.

(3) NOTICE.—The notice required under paragraph (1) shall include a specific identification of any additional sanction being imposed under paragraph (2).

(c) ISSUANCE OF RULES.—The Secretary shall establish by rule procedures for—

(1) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this title; and

(2) imposing sanctions under this section.

SEC. 117. PAYMENTS.

(a) IN GENERAL.—

(1) AMOUNT OF PAYMENT.—Each State that—

(A) has an application approved by the Secretary under section 107(d); and

(B) demonstrates to the satisfaction of the Secretary that it will provide from non-Federal sources the State share of the aggregate amount to be expended by the State under the State plan for the fiscal year for which it requests a grant;

shall receive a payment under this section for such fiscal year in an amount (not to exceed its allotment under section 105 for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the State plan for such fiscal year.

(2) FEDERAL SHARE.—The Federal share for each fiscal year shall be 80 percent.

(3) STATE SHARE.—The State share equals 100 percent minus the Federal share.

(4) LIMITATION.—A State may not require any private provider of child care services that receives or seeks funds made available under this title to contribute in cash or in kind to the State contribution required by this subsection.

(b) METHOD OF PAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may make payments to a State in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(2) LIMITATION.—The Secretary may not make such payments in a manner that prevents the State from complying with the requirement specified in section 107(c)(3)(F).

(c) SPENDING OF FUNDS BY STATE.—Payments to a State from the allotment under section 105 for any fiscal year may be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 118. NATIONAL ADVISORY COMMITTEE ON RECOMMENDED CHILD CARE STANDARDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—In order to improve the quality of child care services, the Secretary shall establish, not later than 60 days after the date of the enactment of this title, a National Advisory Committee on Recommended Child Care Standards (hereinafter in this section referred to as the "Committee"), the members of which shall be appointed from among representatives of—

(A) the chief executive officers of the several States;

(B) State legislatures;

(C) units of general purpose local governments;

(D) businesses;

(E) individuals responsible for regulating the insurance industry within the States;

(F) religious institutions;

(G) different types of child care providers;

(H) persons who carry out resource and referral programs;

(I) child care, early childhood development, or early childhood education specialists;

(J) individuals who have expertise in pediatric health care, handicapping conditions, and related fields;

(K) organizations representing child care employees;

(L) individuals who have experience in the regulation of child care services; and

(M) parents who have been actively involved in community child care programs.

(2) APPOINTMENT OF MEMBERS.—The Committee shall be composed of 20 members of which—

(A) 4 members shall be appointed by the President;

(B) 4 members shall be appointed by the majority leader of the Senate;

(C) 4 members shall be appointed by the minority leader of the Senate;

(D) 4 members shall be appointed by the Speaker of the House of Representatives; and

(E) 4 members shall be appointed by the minority leader of the House of Representatives.

(3) CHAIRMAN.—The President shall appoint a chairman from among the members of the Committee.

(4) VACANCIES.—A vacancy occurring on the Committee shall be filled in the same manner as that in which the original appointment was made.

(b) PERSONNEL, REIMBURSEMENT, AND OVERSIGHT.—

(1) PERSONNEL.—The Secretary shall make available to the Committee office facilities, personnel who are familiar with child development and with developing and implementing regulatory requirements, technical assistance, and funds as are necessary to enable the Committee to carry out effectively its functions.

(2) REIMBURSEMENT.—

(A) COMPENSATION.—Members of the Committee who are not regular full-time employees of the United States Government shall, while attending meetings and conferences of the Committee or otherwise engaged in the business of the Committee (including traveltime), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedule established under section 5332 of title 5, United States Code.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the Committee, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(3) OVERSIGHT.—The Secretary shall ensure that the Committee is established and operated in accordance with the Federal Advisory Committee Act (5 U.S.C. App.).

(c) FUNCTIONS.—The Committee shall—

(1) review Federal policies with respect to child care services and such other data as the Committee may determine appropriate;

(2) not later than 180 days after the date on which a majority of the members of the Committee are first appointed, submit to the Secretary proposed recommended standards, as described in subsection (d), for child care services, taking into account the different needs of infants, toddlers, preschool and school-age children; and

(3) develop and make available to lead agencies, for distribution to resource and referral agencies in the State, model requirements for resource and referral agencies.

(d) RECOMMENDED CHILD CARE STANDARDS.—The proposed child care standards submitted by the Committee pursuant to subsection (c)(2) and the child care standards issued by the Secretary pursuant to subsection (e) shall be recommended standards and shall consist of only the following:

(1) CENTER-BASED CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by center-based child care providers shall be limited to—

(A) group size limits in terms of the number of caregivers and the number and ages of children;

(B) the maximum appropriate child-staff ratios;

(C) preservice qualifications and background of child care personnel;

(D) requirements for inservice training in areas appropriate to the provision of such child care services, including a minimum number of training hours requirement;

(E) health and safety requirements for children and caregivers, including requirements for—

(i) the prevention and control of infectious diseases (including immunization and handwashing procedures);

(ii) injury prevention, control and treatment;

(iii) building and physical premises safety;

(iv) general health and nutrition;

(v) children with special needs; and

(vi) prevention of child abuse; and

(F) requirements for parental involvement in licensed and regulated child care services.

(2) FAMILY CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by family child care providers shall be limited to—

(A) the maximum number of children for which child care services should be provided and the maximum number of infants for which child care services should be provided;

(B) the minimum age for caregivers;

(C) requirements for inservice training in areas appropriate to the provision of such child care services, including a minimum number of training hours requirement; and

(D) health and safety requirements for children and caregivers, including those described in paragraph (1)(E), as appropriate for family child care services.

(3) GROUP HOME CHILD CARE SERVICES.—Such standards submitted with respect to child care services provided by group home child care providers shall be limited to the matters specified in paragraphs (1)(B) and (2).

(4) LIMITATION.—The Committee shall not submit any standard under subsection (c)(2) and the Secretary shall not establish any standard under subsection (e) that is less or more rigorous than the least or most rigorous standard that exists in any of the States at the time of the submission or establishment of such recommendation.

(e) CONSIDERATION AND ESTABLISHMENT OF RECOMMENDED STANDARDS.—

(1) NOTICE OF PROPOSED RULEMAKING.—Not later than 90 days after receiving the recommendations of the Committee, the Secretary shall—

(A) publish in the Federal Register for public comment for a period of at least 60 days—

(i) the proposed recommended standards of the Committee submitted under subsection (c)(2); and

(ii) the proposed recommended standards of the Secretary; and

(B) distribute the proposed recommended standards of the Committee and the proposed recommended standards of the Secretary to each lead agency and each State subcommittee on licensing for comment.

(2) ESTABLISHMENT OF RECOMMENDED CHILD CARE STANDARDS.—

(A) ISSUANCE OF RULES.—The Secretary shall—

(i) take into consideration any comments received by the Secretary with respect to the standards published under paragraph (1); and

(ii) not later than 180 days after publication of such standards, issue rules establishing recommended child care standards for purposes of this title. Such standards shall include the nutrition requirements issued, and revised from time to time, under section 117(g)(1) of the National School Lunch Act (42 U.S.C. 1766(g)(1)).

(B) AMENDING STANDARDS.—The Secretary may amend any standard first established under subparagraph (A), except that such standard may not be modified, by amendment or otherwise, to make such standard less comprehensive or less stringent than it is when first established.

(C) EXTENDED PERIOD FOR COMMENT.—If the Secretary proposes a recommended standard under paragraph (2) that no State has a requirement concerning, as of the time that such standard is recommended, the Secretary shall provide an additional 30 days during which States may submit comments concerning such standard.

(3) ADDITIONAL COMMENTS.—The National Committee may submit to the Secretary and to the Congress such additional comments on the recommended child care standards established under paragraph (2) as the National Committee considers appropriate.

(f) TERMINATION OF COMMITTEE.—The National Committee shall cease to exist 90 days after the date the Secretary establishes recommended child care standards under subsection (e)(2).

SEC. 119. CHILD CARE STANDARDS IMPROVEMENT INCENTIVE GRANT PROGRAM.

(a) ESTABLISHMENT.—Not later than 3 years after the date of enactment of this title, the Secretary shall establish a child care standards improvement incentive grant program to make grants to eligible States to assist such States in improving State child care standards in the categories described in section 118(d).

(b) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application in accordance with subsection (c).

(c) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare, and submit to the Secretary, an application at such time, in such form, and containing such information as the Secretary shall require, including—

(1) a certification that the State has consulted with the licensing subcommittee of the State in preparing the application and has provided an opportunity for public comment on such;

(2) an assurance that the State will meet the matching requirements of subsection (g);

(3) information that shall—

(A) describe the present level of child care standards that are in effect in such State;

(B) describe the prospective use of such grant; and

(C) describe the expected improvement in the child care standards of the State;

(4) an assurance that the State will use any amounts received under a grant under this section to specifically improve its child care standards; and

(5) any other information that the Secretary determines appropriate.

(d) CONSIDERATION AND AWARDING OF GRANTS BY SECRETARY.—

(1) INITIAL GRANTS.—The Secretary shall consider applications submitted by the States under subsection (c), and shall award the initial grants under this section to States on a competitive basis after considering the following criteria—

(A) the relative quality of the existing child care standards of the State as described in the application in comparison to such standards of other States that submit applications;

(B) the level of child care standards that the State desires to adopt and the State plans for achieving this improved level of standards; and

(C) the relative fiscal capacity of the State in comparison to that of other States that submit applications.

(2) SUBSEQUENT GRANTS.—In determining whether a State that submits an application under subsection (c) for subsequent grant under this section after the expiration of the previous grant, the Secretary shall award such grant based on the compliance of the State with the application for the previous grant. The Secretary may award a subsequent grant to a State that has not complied with such application of the State if the Secretary determines that factors beyond the control of the State significantly contributed to such non-compliance.

(e) USE OF GRANTS.—

(1) IN GENERAL.—States that receive grants under this section shall use amounts provided under such grants to specifically carry out the State application for improving its child care standards, as submitted by the State under subsection (c).

(2) SPECIFIC USES.—In meeting the requirement of paragraph (1), a State may use such amounts for any of the activities described in section 107(c)(5) if such activities are directly related to the State application for improving its child care standards.

(f) ADMINISTRATIVE PROVISIONS.—

(1) TERM OF GRANTS.—Grants made under this section shall be for a 2-year period with no State receiving more than three consecutive grants.

(2) TRANSFER OF FUNDS.—The Secretary may transfer funds made available for grants under this section to the amounts made available for allotments under section 105(b) if the Secretary determines that there is an insufficient number of qualified applications for grants under this section to utilize the entire amount of funds made available for such grants.

(3) TERMINATION.—The grant program established under this section shall terminate 8 years after the date of enactment of this title, or on the date on which funds are no longer appropriated under section 104(a), whichever occurs first.

(g) MATCHING REQUIREMENT.—

(1) IN GENERAL.—Each State that receives a grant under this section shall provide from non-Federal sources the State share of the aggregate amount of the grant.

(2) FEDERAL SHARE.—The Federal share for each fiscal year shall be 80 percent.

(3) STATE SHARE.—The State share equals 100 percent minus the Federal share.

(4) LIMITATION.—A State may not require any private provider of child care services that receives or seeks funds made available under this title to contribute in cash or in kind to the State contribution required by this subsection.

SEC. 120. NATIONAL STUDY ON CHILD CARE STANDARDS.

(a) IN GENERAL.—Not later than 4 years after the date of enactment of this title, the Secretary, in consultation with the Office of Technology Assessment, shall conduct a national study on child care standards that is based on the data collected by the States under section 107(c)(13) and the State reports submitted under section 111, and shall prepare and submit, to the appropriate Committees of Congress a report concerning such study.

(b) CONTENTS.—The report submitted under subsection (a) shall contain—

(1) an assessment of the compliance of the States with the requirement described in section 110 that the States have in place, not later than 3 years after the date of enactment of this title, State standards in each of the categories described in section 118(d);

(2) an assessment of the propriety of the recommendations of the National Advisory Committee on Recommended Child Care Standards and a summary of the level of standards in each State in relation to such recommendations;

(3) an assessment of the progress of the States and the activities undertaken by the States since the date of enactment of this title to meet the recommended child care standards; and

(4) recommendations for Congress concerning efforts that should be undertaken to further improve the access of the public to quality and affordable child care in the United States.

SEC. 121. LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR CERTAIN PURPOSES.

(a) SECTARIAN PURPOSES AND ACTIVITIES.—No financial assistance provided under this title shall be expended for any sectarian purpose or activity, including sectarian worship and instruction, except that this subsection shall not apply to funds received by any eligible provider resulting from the distribution of a child care certificate to a parent under section 108(a)(1)(C). Financial assistance provided under this title shall not be expended in a manner inconsistent with the Constitution.

On page 88 after line 14, add the following new section:

(b) Subsection (a) shall not apply to funds received by an eligible child care provider as defined in section 103(8)(B).

(c) TUITION.—With regard to services provided to students enrolled in grades 1 through 12, no financial assistance provided under this title shall be expended for—

(1) any services provided to such students during the regular school day;

(2) any services for which such students receive academic credit toward graduation; or

(3) any instructional services which supplant or duplicate the academic program of any public or private school.

SEC. 122. NONDISCRIMINATION.

(a) FEDERAL FINANCIAL ASSISTANCE.—Any financial assistance provided under this title, including a loan, grant, or child care certificate, shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), and the regulations issued thereunder.

(b) RELIGIOUS DISCRIMINATION.—

(1) IN GENERAL.—Nothing in this section shall be construed to modify or affect the provisions of any other Federal law or regulation that relates to discrimination in employment on the basis of religion, except that a sectarian organization may require that employees adhere to the religious tenets and teachings of such organization and further, such organization may require that employees adhere to rules forbidding the use of drugs or alcohol.

(2) DISCRIMINATION AGAINST CHILD.—

(A) IN GENERAL.—A child care provider that receives assistance under this title shall not discriminate against any child on the basis of religion in providing child care services.

(B) NON-FUNDED CHILD CARE SLOTS.—Nothing in this section shall prohibit a child care provider from selecting children for child care slots that are not funded directly with assistance provided under this title because such children or their family members participate on a regular basis in other activities of the organization that owns or operates such provider.

(3) EMPLOYMENT IN GENERAL.—

(A) PROHIBITION.—A child care provider that receives assistance under this title shall not discriminate in employment on the basis of the religion of the prospective employee if such employee's primary responsibility is or will be working directly with children in the provision of child care services.

(B) QUALIFIED APPLICANTS.—If two or more prospective employees are qualified for any position with a child care provider receiving assistance under this title, nothing in this section shall prohibit such child care provider from employing a prospective employee who is already participating on a regular basis in other activities of the organization that owns or operates such provider.

(C) PRESENT EMPLOYEES.—This paragraph shall not apply to employees of child care providers receiving assistance under this title if such employees are employed with the provider on the date of enactment of this title.

(4) EMPLOYMENT AND ADMISSION PRACTICES.—Notwithstanding paragraphs (2) and (3), if assistance provided under this title, and any other Federal or State program, amounts to 80 percent or more of the operating budget of a child care provider that receives such assistance, the Secretary shall not permit such provider to receive any further assistance under this title unless the grant or contract relating to the financial assistance, or the employment and admissions policies of the provider, specifically provides that no person with responsibilities in the operation of the child care program, project, or activity of the provider will discriminate against any individual in employment, if such employee's primary responsibility is or will be working directly with children in the provision of child care, or admissions because of the religion of such individual.

(5) SEVERABILITY.—If any provision of this section or the application thereof to any individual or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this title which can be given effect without regard to the invalid provision or application, and to this end the provisions of this section shall be severable.

(c) EFFECT ON STATE LAW.—Nothing in this title shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by sectarian institutions.

SEC. 123. PRESERVATION OF PARENTAL RIGHTS AND RESPONSIBILITIES.

Nothing in this title shall be construed or applied in any manner to infringe upon or usurp the moral and legal rights and responsibilities of parents or legal guardians.

SEC. 124. CHILD CARE LIABILITY RISK RETENTION GROUP.

(a) PURPOSE.—It is the purpose of this section—

(1) to increase the availability of child care by alleviating the serious difficulty faced by child care providers in obtaining affordable liability insurance; and

(2) to provide States with a sufficient capital base for liability insurance purposes that may be increased or maintained through mechanisms developed by the State.

(b) FORMATION OF CHILD CARE LIABILITY RISK RETENTION GROUP.—

(1) ASSISTANCE IN FORMATION AND OPERATION OF GROUP.—Any State may assist in the establishment and operation of a child care liability risk retention group in the manner provided under this section.

(2) CHILD CARE LIABILITY RISK RETENTION GROUP DEFINED.—As used in this section, the term "child care liability risk retention group" means any corporation (or other limited liability association)—

(A) whose members are licensed child care providers pursuant to State and local law and who, not later than 3 years after the date of enactment of this title, comply with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services provided by such members; and

(B) which otherwise satisfies the criteria for a risk retention group under section 2(4) of the Liability Risk Retention Act of 1986 (15 U.S.C. 3901(4)).

(c) STATE APPLICATIONS.—

(1) APPLICATIONS.—To qualify for assistance under this section, a State shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require, including information that meets the requirements of subsection (b) of this section.

(2) CONTENT OF STATE APPLICATION.—

(A) LEAD AGENCY.—The application shall identify the lead agency that has been designated and that is to be responsible for the administration of funds provided under this section.

(B) PARTICIPANTS IN RISK RETENTION GROUP.—The application shall assure that all participants in the child care liability risk retention group are licensed or regulated child care providers pursuant to State and local law who, not later than 3 years after the date of enactment of this title, comply with State child care standards in each of the categories described in section 118(d) that are applicable to the child care services they provide. In addition, the appli-

cant shall provide for maximum membership of family-based child care providers in the group.

(C) USE OF FUNDS.—The application shall provide that the State shall use at least the amount allotted to the State in any fiscal year to establish or operate a child care liability risk retention group.

(D) CONTINUATION OF RISK RETENTION GROUP.—The application shall contain provisions that specify how the child care liability risk retention group will continue to be financed after fiscal year 1992, including financing through contributions by the State or by members of such group.

(d) FEDERAL ENFORCEMENT.—

(1) REVIEW OF APPLICATIONS.—The Secretary shall review and approve State applications submitted in accordance with this section and shall monitor State compliance with the provisions of this section.

(2) FINDING OF NONCOMPLIANCE.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds—

(A) that there has been a failure to comply substantially with any provision or any requirements set forth in the State application of that State; or

(B) that there is a failure to comply substantially with any applicable provision of this section,

the Secretary shall notify such State of the findings and of the fact that no further payments may be made to such State under this section until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

(e) ALLOTMENT TO STATES.—

(1) IN GENERAL.—The Secretary shall make an allotment to each State from the sums appropriated to carry out the provisions of this section using the same allotment formula established under section 105.

(2) STATE ADMINISTRATIVE COSTS.—Of the amount allotted to a State pursuant to paragraph (1), an amount not to exceed 10 percent shall be used by such State to provide for the administrative costs of carrying out such program.

(f) PAYMENTS.—

(1) ENTITLEMENT.—Each State for which an application has been approved by the Secretary under this section shall be entitled to payments under this subsection for each fiscal year in an amount not to exceed its allotment under subsection (e) to be expended by the State in accordance with the terms of the application for the fiscal year for which the grant is to be made.

(2) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(3) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under subsection (e) for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 125. HEAD START ACT AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended by striking "$1,405,000,000" and inserting "$1,552,000,000".

SEC. 126. FAMILY MEMBERS TRAINING OR LICENSING.

Nothing in this Act shall be construed to require, or to mandate the States to require, the training or licensing of individuals to provide child care to members of their families.

SEC. 127. STATE ALLOTMENTS.

(a) If, for any fiscal year for which funds are appropriated to carry out this Act, a State does not seek or receive assistance under this Act, then

(i) for purposes of sections 105, 106, 107, 109, 110, 117, and 119, a reference applicable to such State (other than a reference to State law, including licensing and regulatory requirements) shall be deemed to be a reference to each unit of general purpose local government in the State;

(ii) the Secretary shall allot to such unit the pro rata share of such unit attributable to the amount that is allotted to the State under section 105(b); and

(iii) each such unit is eligible to receive assistance under this Act if such unit complies with the requirements of such sections, other than any of such requirements that is expressly waived by the Secretary because its application to such unit is inappropriate.

(b) For purposes of making the allotment required by subparagraph (A), the number of children in a geographical area that lies in the jurisdiction of more than 1 unit of general purpose local government shall be divided equally among all units of general purpose local government—

(i) in which such area lies; and

(ii) which submit an application under this section.

(c) In order to receive funds under subsection (a), a unit of general purpose local government shall submit to the chief executive officer of the State a copy of the plan otherwise required of the State under section 107, assuring the compliance of the unit of general purpose local government with the requirements of the plan, as appropriate, and shall submit a report to the State consistent with the terms and provisions of the report otherwise required of the State under section 111(g).

SEC. 128. SEVERABILITY.

The provisions of this title are declared to be separable. If any one or more provisions of this title is held to be unconstitutional, the same shall not affect the validity of other provisions of this title.

TITLE II—INTERNAL REVENUE CODE PROVISIONS

SEC. 201. SHORT TITLE.

This title may be cited as the "Child Care and Health Insurance Act of 1989".

Subtitle A—Tax credit for Certain Health Insurance Premiums and Child Care and Supplemental Earned Income Credit for Families With Young Children

SEC. 211. CREDIT FOR HEALTH INSURANCE PREMIUM COSTS

(a) ALLOWANCE OF CREDIT.—Paragraph (1) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual who maintains a household which includes as a member 1 or more qualifying individuals, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the applicable percentage of the employment-related expenses paid by such individual during the taxable year plus

"(B) the credit percentage of the qualified health insurance expenses paid by such individual during the taxable year."

(b) CREDIT PERCENTAGE.—Section 21(a) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) CREDIT PERCENTAGE.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'credit percentage' means 50 percent reduced (but not below zero) by 16.67 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $12,000.

"(B) SPECIAL RULE.—In the case of taxable years beginning before 1994, subparagraph (A) shall be applied by substituting in the case of any taxable year beginning in—

"(i) 1991, '35 percent',

"(ii) 1992, '40 percent', and

"(iii) 1993, '45 percent',

for '50 percent'."

(c) LIMITATIONS.—

(1) DOLLAR LIMITATION.—Section 21(c) of the Internal Revenue Code of 1986 is amended to read as follows:

"(c) LIMITATIONS.—

"(1) DOLLAR LIMIT ON EMPLOYMENT-RELATED EXPENSES.—The amount of the employment-related expenses paid during any taxable year which may be taken into account under subsection (a)(1)(A) shall not exceed—

"(A) $2,400 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(B) $4,800 if there are 2 or more such qualifying individuals.

The amount determined under subparagraph (A) or (B) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 for the taxable year.

"(2) QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed $1,000."

(2) EARNED INCOME LIMITATION.—

(A) IN GENERAL.—Section 21(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed the excess (if any) of—

"(A) the earned income of the taxpayer for the taxable year, over

"(B) the amount of employment-related expenses taken into account under subsection (a)(1)(A)."

(B) CONFORMING AMENDMENT.—Paragraph (1) of section 21(d) of such Code is amended by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(d) DEFINITIONS AND RULES.—

(1) QUALIFIED HEALTH INSURANCE EXPENSES.—Section 21(b) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFIED HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified health insurance expenses' means amounts paid during the taxable year for insurance—

"(i) which constitutes medical care (within the meaning of section 213(d)(1)(C)), and

"(ii) under which coverage includes at least 1 qualifying individual.

For purposes of this paragraph, the rules of section 213(d)(6) shall apply.

"(B) QUALIFYING INDIVIDUAL.—For purposes of this paragraph and subsection (a)(1)(B), the term 'qualifying individual' means an individual described in paragraph

(1)(A), except that such paragraph shall be applied by substituting 'age of 19' for 'age of 13'.

"(C) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in subparagraph (A) not treated as qualified health insurance expenses."

(2) IDENTIFYING INFORMATION REQUIRED.—Section 21(e)(9) of such Code is amended by adding at the end thereof the following new sentence: "In the case of the credit allowable under subsection (a)(1)(B) for qualified health insurance expenses, the Secretary may require an insurance policy number in addition to (or in lieu of) the taxpayer identification number."

(e) COORDINATION WITH DEDUCTION FOR SELF-EMPLOYED INDIVIDUALS.—Section 162(l) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 21."

(f) CONFORMING AMENDMENTS.—

(1) The heading for section 21 of the Internal Revenue Code of 1986 is amended by inserting "; HEALTH INSURANCE EXPENSES" after "EMPLOYMENT".

(2) The item relating to section 21 in the table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting "; health insurance expenses" after "employment".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. DEPENDENT CARE AND HEALTH INSURANCE PREMIUM CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000 ($14,000 in the case of a married individual filing a separate return).

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year.

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)) for the taxable year.

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer.

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect.

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expense and qualified health insurance expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period.

"(B) on the basis of the employee's estimated employment-related expenses and qualified health insurance expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1990.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1991.

(A) 90 percent of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining 10 percent of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATION OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable' percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense or qualifying health insurance expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. SUPPLEMENTAL EARNED INCOME CREDIT FOR FAMILIES WITH YOUNG CHILDREN.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) In general.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) Applicable percentage.—The term 'applicable percentage' means 10 percent (7 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 20 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the lesser of—

"(A) $10,000, as adjusted under subsection (i), or

"(B) $12,000."

(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 4."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such code is amended—

(A) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(B) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) Applicable calendar year.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)(A)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by adding at the end thereof the following new flush sentence:

"A separate advance amount table shall be prescribed for the credit under section 32(a)(2) in the same manner as provided under the preceding sentence, except that the applicable percentage under section 32(a)(2)(B) shall be substituted for 14 percent."

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 215. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A or the Internal Revenue Code of 1986 (as added by section 212(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215A. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury, or the Secretary's delegate, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care and health insurance premiums allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

SEC. 215B. DISCLAIMER.

Notwithstanding any other provision of this act, everything in this act which follows this section and precedes section 216 shall be null and have no force or effect.

SEC. 212. DEPENDENT CARE AND HEALTH INSURANCE PREMIUM CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000 ($14,000 in the case of a married individual filing a separate return).

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses and qualified health insurance expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated employment-related expenses and qualified health insurance expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall

apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) one-third of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining two-thirds of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end there the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense or qualifying health insurance expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 212(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury, or the Secretary's delegate, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care and health insurance premiums allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

SEC. 216. DEMONSTRATION PROJECTS TO EXTEND HEALTH INSURANCE TO CHILDREN NOT COVERED BY PUBLIC OR PRIVATE HEALTH PROGRAMS.

Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by adding at the end thereof the following new subsection:

"(d)(1)(A) The Secretary shall conduct demonstration projects to evaluate and extend the provision of health insurance to—

"(i) children under the age of 19 who are not covered by other public or private health programs, and

"(ii) at the option of the organization described in subparagraph (B), the parents of such children who are not so covered.

"(B) Subject to the provisions of paragraph (2), the Secretary may enter into agreements to provide coverage described in subparagraph (A) through public and private cooperative arrangements sponsored by organizations, including (but not limited to)—

"(i) school based programs;

"(ii) programs operated under the auspices of nonprofit entities offering health insurance; and

"(iii) programs operated by nonprofit hospitals.

"(2) Any agreement entered into between the Secretary and any organization under paragraph (1)(B)(ii) shall provide—

"(A) that such agreement will be in effect for a period of 5 years, except that such agreement shall be terminated for failure to meet the requirements of this paragraph;

"(B) that the portion of the costs of any coverage program under the agreement to be funded from amounts provided by non-Federal sources shall not be less than the greater of—

"(i) the percentage (not less than 50 percent) specified by the Secretary, or

"(ii) if, at the time the agreement is entered into, such organization is conducting a program similar to the program covered by the agreement, the portion of such similar program funded by such non-Federal sources; and

"(C) that the coverage program provided by such organization shall not—

"(i) restrict enrollment in such program on the basis of a child's medical condition, or

"(ii) impose waiting periods or exclusions for preexisting conditions.

"(3) The Secretary in conducting demonstration projects under this subsection shall provide in any agreement that any organization described in paragraph (1)(B) may charge a premium to individuals enrolling in the coverage program provided by such organization.

"(4) The demonstration projects conducted under this subsection shall evaluate the effects of program coverage under any agreement on—

"(A) access to health services,

"(B) availability of insurance coverage to participating children and their families,

"(C) characteristics of participating children and their families, and

"(D) health care costs.

"(5) The Secretary shall publish no later than January 1, 1990, criteria governing the eligibility and participation of organizations in the demonstration projects conducted under this subsection.

"(6) For purposes of carrying out the demonstration projects described in this subsection there are authorized to be appropriated $25,000,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994."

Subtitle B—Employee Benefit Nondiscrimination Rules

SEC. 221. 1-YEAR DELAY IN APPLICATION OF SECTION 89 RULES.

(a) 1-YEAR DELAY.—Paragraph (1) of section 1151(k) of the Tax Reform Act of 1986 is amended to read as follows:

"(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 1989."

(b) CONFORMING AMENDMENT.—Subparagraph (F) of section 1011B(a)(22) of the Technical and Miscellaneous Revenue Act of 1988 is amended by striking "January 1, 1989" and inserting "January 1, 1990".

SEC. 222. REVISION OF ANTIDISCRIMINATION RULES FOR CERTAIN EMPLOYEE BENEFIT PLANS FOR YEARS BEGINNING AFTER 1989.

(a) GENERAL RULE.—Section 89 of the Internal Revenue Code of 1986 is amended to read as follows:

"SEC. 89. HEALTH BENEFITS PROVIDED TO HIGHLY COMPENSATED EMPLOYEES.

"(a) INCLUSION IN INCOME.—

"(1) IN GENERAL.—Notwithstanding any provision of part III of this subchapter, gross income of a highly compensated employee who is a participant in a health plan during any testing year shall include an amount equal to such employee's taxable benefit under such plan for such testing year.

"(2) YEAR OF INCLUSION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)—

"(i) any amount included in gross income under paragraph (1) shall be taken into account for the taxable year of the employee with or within which the testing year ends, and

"(ii) any deduction of the employer attributable to such amount shall be allowable for the taxable year of the employer with or within which the testing year ends.

"(B) ELECTION TO DELAY INCLUSION FOR 1 YEAR.—If an employer maintains a plan with a testing year ending after September 30 and on or before December 31 and elects the application of this subparagraph—

"(i) amounts included in gross income under paragraph (1) with respect to employees of such employer shall be taken into account for the taxable year of the employee following the taxable year determined under subparagraph (A), but

"(ii) any deduction of the employer which is attributable to such amounts shall be allowable for the taxable year with or within which the testing year following the testing year in which the taxable benefits were provided ends.

"(b) TAXABLE BENEFIT.—For purposes of this section—

"(1) TAXABLE BENEFIT UNDER PLANS NOT MEETING ELIGIBILITY REQUIREMENTS.—The taxable benefit of any highly compensated employee under any health plan not meeting the requirements of subsection (c) is the

amount of such employee's employer-provided benefit under such plan.

"(2) TAXABLE BENEFIT UNDER PLANS MEETING ELIGIBILITY REQUIREMENTS.—

"(A) IN GENERAL.—The taxable benefit of any highly compensated employee under health plans meeting the requirements of subsection (c) is the excess (if any) of—

"(i) such employee's aggregate employer-provided benefit under such plans, over

"(ii) 133 percent of the base benefit with respect to such employee.

"(B) BASE BENEFIT.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'base benefit' means, with respect to any employee, the smallest employer-provided benefit for participants with the same number of covered individuals as such employee under any plan which was taken into account in determining whether the requirements of subsection (c)(1)(B) are met with respect to such participants.

"(ii) BASE BENEFIT WHERE MULTIPLE FAMILY OPTIONS AVAILABLE.—If there is no plan meeting the requirements of subsection (c)(1)(B) with respect to participants with the same number of covered individuals as an employee, the base benefit for such employee shall be the smallest employer-provided benefit under the plan which meets such requirements for participants with the next lowest number of covered individuals.

"(iii) BASE BENEFIT ZERO IN CERTAIN CASES.—If—

"(I) no plan of an employer meets the requirements of subsection (c)(1)(B) for participants with self-only coverage, or

"(II) an employer elects the application of this clause for any testing year,

the base benefit for all employees of such employer shall be zero.

"(C) AGGREGATION OF PLANS.—For purposes of subparagraph (A)(ii), an employer may elect to treat any group of 2 or more health plans as 1 plan if—

"(i) each of such plans is available to the same group of employees with the same eligibility requirements, and

"(ii) such plans when so aggregated qualify as a qualified core health plan.

"(c) REQUIREMENTS.—

"(1) IN GENERAL.—For purposes of this section, a health plan meets the requirements of this subsection if—

"(A) such plan does not contain any provision relating to eligibility to participate which (by its terms or otherwise) discriminates in favor of highly compensated employees, and

"(B) the employer maintains 1 or more qualified core health plans and at least 90 percent of all employees are eligible to participate in any of such plans.

"(2) QUALIFIED CORE HEALTH PLAN.—For purposes of this section, the term 'qualified core health plan' means any health plan if—

"(A) the employer-provided benefit under such plan primarily consists of core benefits, and

"(B) such health plan does not require contributions by an employee in excess of the reasonably expected allowable cost of the coverage provided to the employee.

Such term does not include any plan which includes a flexible spending arrangement.

"(3) ALLOWABLE COST.—For purposes of paragraph (2)(B)—

"(A) SELF-ONLY COVERAGE.—In the case of self-only coverage, the allowable cost is 40 percent of the cost of such coverage.

"(B) OTHER COVERAGE.—In the case of coverage other than self-only coverage, the allowable cost is an amount equal to the sum of—

"(i) 40 percent of the cost of such coverage, plus

"(ii) the amount (if any) by which the amount determined under subparagraph (A) exceeds the amount an employee is required to contribute for self-only coverage.

"(C) COST.—For purposes of this paragraph, cost shall be determined under subsection (f)(3)(B)(i) or (f)(3)(C), whichever applies.

"(4) CORE BENEFITS.—For purposes of this section, the term 'core benefits' means—

"(A) comprehensive major medical benefits,

"(B) comprehensive hospitalization benefits, and

"(C) at the election of the employer, other benefits specified by the Secretary.

"(5) SPECIAL RULE FOR SMALL EMPLOYERS.—

"(A) IN GENERAL.—In the case of a plan maintained by a small employer, if the number of employees determined under paragraph (1)(B) is not a whole number, such number shall be rounded to the next lowest whole number (or to 1 if such number is less than 1).

"(B) SMALL EMPLOYER.—For purposes of this paragraph, the term 'small employer' means an employer which normally employs 20 or fewer employees per day during the plan year. All employers treated as 1 employer for purposes of subsection (b), (c), (m), (n), or (o) of section 414 shall be so treated for purposes of the preceding sentence.

"(d) EXCLUDED EMPLOYEES.—

"(1) IN GENERAL.—The following employees shall be excluded from consideration under this section:

"(A) Employees who have not completed 6 months of service. An employee shall be excluded from consideration until the 1st day of the 1st month (or 1st day of a period of less than 31 days specified by the plan) beginning after completion of the period of service required under the preceding sentence.

"(B) Employees who normally work less than 30 hours per week.

"(C) Employees who normally work during not more than 6 months during any year.

"(D) Employees who have not attained age 21.

"(E) Employees who are nonresident aliens and who receive no earned income (within the meaning of section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)).

"(F) Employees who are students if—

"(i) such students are performing services described in section 3121(b)(10), and

"(ii) core benefits are made available to such students by such employer.

"(G) Any of the following:

"(i) Individuals who have attained the age of 55 and—

"(I) who are enrolled in a federally subsidized program under title V of the Older Americans Act, or

"(II) whose employment is funded under a grant or cooperative agreement made pursuant to the Environmental Programs Assistance Act of 1984.

"(ii) Individuals who are students employed under a cooperative education program which is qualified, or would be qualified, under title VIII of the Higher Education Act of 1965.

"(iii) Individuals who perform services at a rehabilitation facility and—

"(I) who are holding a certificate issued pursuant to section 14(c) of the Fair Labor Standards Act of 1938, or

"(II) who are receiving benefits under section 223 or title XVI of the Social Security Act.

"(iv) Individuals who are imprisoned in a correctional facility operated by or for the United States or a State (or political subdivision thereof) and who are performing services under a program operated by or for such facility.

"(v) Individuals who are performing services under any other similar Federal or State subsidized program specified by the Secretary.

"(2) SPECIAL RULES FOR EMPLOYEES EXCLUDED ON BASIS OF PERIOD OF SERVICE.—

"(A) SHORTER PERIOD.—If a plan specifies a shorter period of service than the period specified in paragraph (1)(A), paragraph (1)(A) shall be applied by using such shorter period.

"(B) SEPARATE APPLICATION.—If employees not meeting the service requirements of paragraph (1)(A) (after application of subparagraph (A)) are covered under a health plan of the employer, the requirements of this section shall be applied separately with respect to such employees.

"(3) EXCLUSION OF MEDICALLY UNINSURABLE EMPLOYEES OF SMALL EMPLOYERS.—In the case of a small employer (within the meaning of subsection (c)(5)(B)), there shall be excluded from consideration under this section employees of the employer who are determined to be medically uninsurable by a third party insurer providing coverage under the health plan.

"(e) SPECIAL RULES RELATING TO OTHER CLASSES OF EMPLOYEES.—For purposes of this section—

"(1) TREATMENT OF UNION EMPLOYEES.—

"(A) IN GENERAL.—If an employer has employees included in any qualified bargaining unit, this section shall be applied separately with respect to employees included in each such unit.

"(B) QUALIFIED BARGAINING UNIT.—For purposes of subparagraph (A), the term 'qualified bargaining unit' means any unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers if—

"(i) there is evidence that health benefits were the subject of good faith bargaining between the employee representatives and such employer or employers, and

"(ii) not more than a de minimis number of such employees are professional employees.

"(2) EXCEPTIONS FOR EMPLOYEES OF MULTIEMPLOYER PLANS AND SIMILAR EMPLOYEES.—

"(A) IN GENERAL.—There shall be excluded from consideration under this section—

"(i) employees covered by a collective bargaining agreement pursuant to which a health plan which is a multiemployer plan is maintained, and

"(ii) employees with respect to which employer contributions to a health plan are required under—

"(I) the Act of March 3, 1931, commonly referred to as the Davis-Bacon Act (40 U.S.C. 276a, et seq.), or

"(II) any similar Federal law specified by the Secretary.

"(B) SPECIAL RULES FOR PROFESSIONALS AND NONUNION EMPLOYEES.—

"(i) PROFESSIONAL EMPLOYEES.—Subparagraph (A)(i) shall not apply to any employees covered by a multiemployer plan who are professional employees unless there is

no more than a de minimis number of such employees covered by such plan.

"(ii) NONUNION EMPLOYEES.—Notwithstanding subparagraph (A)(i), if a multiemployer plan covers a de minimis number of individuals—

"(I) who are employees of the plan, and

"(II) who are not covered by any collective bargaining agreement pursuant to which the plan is maintained,

such individuals shall be excluded from consideration under this section.

"(3) TREATMENT OF FORMER EMPLOYEES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), this section shall be applied separately to former employees under requirements similar to the requirements that apply to employees.

"(B) MODIFICATIONS OF REQUIREMENTS.—Except as provided in regulations, in applying this section to former employees—

"(i) subsection (c)(2)(B) shall not apply, and

"(ii) in determining whether the requirements of subsection (c)(1)(B) are met, the employer may take into account reasonable differences in eligibility to participate based on the age or service of the former employee.

"(C) FORMER EMPLOYEES SEPARATING BEFORE 1990.—This section shall not apply to any former employee who was separated from service before January 1, 1990 (and who was not reemployed on or after such date).

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) HEALTH PLAN.—The term 'health plan' means an accident or health plan within the meaning of section 105(e).

"(2) HIGHLY COMPENSATED EMPLOYEE.—

"(A) IN GENERAL.—The term 'highly compensated employee' has the meaning given such term by section 414(q); except that paragraph (5)(B) of such section shall not apply.

"(B) SPECIAL RULE FOR CERTAIN 5-PERCENT OWNERS.—Notwithstanding subparagraph (A), no amount shall be included under subsection (a) in the gross income of a highly compensated employee for any taxable year if such employee is treated as a highly compensated employee by reason of paragraph (1)(A) of section 414(q) and such employee has adjusted gross income for such taxable year of less than $30,000. In the case of years beginning after 1990, the $30,000 amount under the preceding sentence shall be adjusted at the same time and in the same manner as the $75,000 and $50,000 amounts are adjusted under section 414(q)(1).

"(3) EMPLOYER-PROVIDED BENEFIT.—

"(A) IN GENERAL.—An employee's employer-provided benefit under any health plan is the value of the coverage provided during the testing year to or on behalf of such employee to the extent attributable to contributions made by the employer.

"(B) VALUE OF COVERAGE.—

"(i) IN GENERAL.—Except as provided in clause (ii), the value of the coverage provided under any health plan shall be determined in substantially the same manner as costs under a health plan are determined under section 4980B(f)(4).

"(ii) ELECTION BY EMPLOYER.—At the election of the employer, and except as provided in regulations, the value of the coverage shall be determined under any other reasonable method selected by the employer. This clause shall not apply for purposes of subsection (b) or (c)(2)(B).

"(C) SPECIAL RULE FOR SMALL EMPLOYERS.—Except as provided by the Secretary, in the case of a qualified core health plan with respect to which costs are individually rated, such employer may elect to determine the value of the coverage under the plan for all employees on the basis of the average cost for employees with the same coverage.

"(4) SEPARATE LINE OF BUSINESS EXCEPTION.—

"(A) IN GENERAL.—If, under section 414(r), an employer is treated as operating separate lines of business for a year, the employer may apply the provisions of this section separately with respect to employees in each such separate line of business. The preceding sentence shall not apply to any plan unless such plan is available to a group of employees as qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of highly compensated employees.

"(B) OPERATING UNITS.—In applying section 414(r)(7) for purposes of this section, an operating unit shall be treated as in a separate geographic area from another unit if such units are at least 35 miles apart.

"(5) TREATMENT OF SALARY REDUCTION ARRANGEMENTS.—

"(A) IN GENERAL.—Any contribution by reason of a salary reduction arrangement shall be treated as an employer contribution for purposes of determining the employer-provided benefit of a highly compensated employee.

"(B) ALLOWABLE COST TEST.—For purposes of subsection (c)(2)(B)—

"(i) IN GENERAL.—Any contribution by reason of a salary reduction arrangement (other than a qualified cash payment) shall be treated as an employee contribution.

"(ii) TREATMENT OF QUALIFIED CASH PAYMENTS.—Qualified cash payments shall be treated as employer contributions.

"(C) BASE BENEFIT.—For purposes of subsection (b)(2)(A)(ii), the base benefit under a plan shall be determined—

"(i) by treating any qualified cash payment as an employer-provided benefit, and

"(ii) by treating any other contribution by reason of a salary reduction arrangement as an employer-provided benefit only to the extent such contribution is matched dollar for dollar by an employer contribution which is not made by reason of a salary reduction arrangement.

"(D) QUALIFIED CASH PAYMENT.—For purposes of this paragraph, the term 'qualified cash payment' means an amount which is payable in cash to an employee and which is made solely because the employee indicates that he is covered by a health plan providing core benefits maintained by another employer.

"(6) TESTING YEAR.—The term 'testing year' means—

"(A) any 12-month period beginning with the calendar month designated in the plan for purposes of this section, or

"(B) if there is no such designation, the calendar year.

No period may be designated under subparagraph (A) unless the same period is designated with respect to all other health plans of the employer. Any designation under subparagraph (A) may be changed only with the consent of the Secretary.

"(7) TIME FOR TESTING.—

"(A) IN GENERAL.—Except as provided in regulations prescribed by the Secretary, determinations under this section (other than the determination of a highly compensated employee's actual employer-provided benefit) shall be made on the basis of the facts as of the testing day.

"(B) TESTING DAY.—For purposes of this paragraph, the term 'testing day' means—

"(i) the day designated for the plan as the testing day for purposes of this paragraph, or

"(ii) if there is no day so designated, the last day of the testing year.

"(C) LIMITATIONS.—

"(i) DESIGNATION MUST BE CONSISTENT FOR ALL HEALTH PLANS.—No day may be designated under subparagraph (B)(i) with respect to any plan unless the same day is so designated with respect to all other health plans of the employer.

"(ii) DESIGNATION BINDING.—Any designation under subparagraph (B)(i) shall apply to the testing year for which made and all subsequent years unless revoked with the consent of the Secretary.

"(D) SPECIAL RULE FOR MULTIPLE EMPLOYER PLAN.—In the case of a plan maintained by more than 1 employer (other than a multiemployer plan), each employer may, subject to such rules as the Secretary may prescribe, elect its own testing year under paragraph (6) and its own testing date under this paragraph.

"(8) SPECIAL RULES FOR CERTAIN DISPOSITIONS OR ACQUISITIONS.—

"(A) IN GENERAL.—If a person becomes, or ceases to be, a member of a group described in subsection (b), (c), (m), or (o) of section 414, then the requirements of subsection (c) shall be treated as having been met during the transition period with respect to any plan covering employees of such person or any other member of such group if—

"(i) such requirements were met immediately before such change, and

"(ii) either—

"(I) the coverage under such plan is not significantly changed during the transition period (other than by reason of the change in members of such group), or

"(II) such plan meets such other requirements as the Secretary may prescribe by regulation.

"(B) TRANSITION PERIOD.—For purposes of subparagraph (A), the term 'transition period' means the period—

"(i) beginning on the date of the change in members of a group, and

"(ii) ending on the last day of the 1st plan year beginning after such date of change.

"(9) COORDINATION WITH MEDICARE, ETC.—

"(A) IN GENERAL.—If a plan is coordinated with health or disability benefits provided under any Federal, State, or foreign law or under any other health plan covering the employee or family member of the employee, such plan shall not fail to meet the requirements of subsection (c) merely because the amount of benefits provided to an employee or family member are coordinated in a manner which does not discriminate in favor of highly compensated employees.

"(B) CERTAIN DISABILITY PLANS EXEMPT FROM NONDISCRIMINATION RULES.—This section shall not apply to any disability coverage other than disability coverage the benefits of which are excludable from gross income under section 105 (b) or (c).

"(C) ACCIDENTAL DEATH AND DISMEMBERMENT.—In the case of accidental death and dismemberment benefits—

"(i) this section shall not apply, and

"(ii) rules similar to the rules of section 79(d) shall apply to such benefits.

"(10) EMPLOYERS WITH ONLY HIGHLY COMPENSATED EMPLOYEES.—This section shall not apply to any health plan for any year if the only employees of the employer maintaining such plan are highly compensated employees.

"(11) SPECIAL RULES FOR CHURCH EMPLOYEES.—

"(A) IN GENERAL.—There shall be excluded from consideration under this section church employees covered by a church plan.

"(B) DEFINITIONS.—For purposes of subparagraph (A), the terms 'church employee' and 'church plan' have the meanings given such terms by paragraphs (3)(B) and (1) of section 414(e), respectively, except that—

"(i) section 414(e) shall be applied by substituting 'section 501(c)(3)' for 'section 501' each place it appears, and

"(ii) the term 'church employee' shall not include an employee of—

"(I) an organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training),

"(II) an organization described in section 170(b)(1)(A)(iii), and

"(III) an organization described in section 501(c)(3), the basis of the exemption for which is substantially similar to the basis for exemption of an organization described in subclause (II).

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) EXCISE TAX ON PLANS NOT MEETING CERTAIN REQUIREMENTS.—

(1) IN GENERAL.—Chapter 43 of such Code is amended by adding at the end thereof the following new section:

"SEC. 4980C. FAILURE TO SATISFY CERTAIN REQUIREMENTS WITH RESPECT TO EMPLOYEE BENEFITS PLANS.

"(a) IMPOSITION OF TAX.—

"(1) GENERAL RULE.—There is hereby imposed a tax equal to the applicable percentage of the amounts paid or incurred during any taxable year under a specified employee benefit plan which at any time during the taxable year does not meet the requirements of subsection (c).

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'applicable percentage' means—

"(i) 10 percent with respect to amounts paid or incurred which are allocable to the 1st 6 months of the correction period,

"(ii) 20 percent with respect to amounts paid or incurred which are allocable to the 2nd 6 months of the correction period, and

"(iii) 34 percent with respect to any other amounts.

"(B) CORRECTION PERIOD.—The term 'correction period' means, with respect to any failure, the period—

"(i) beginning on the date any of the persons referred to in paragraph (3) knew, or exercising reasonable diligence knew, that such failure existed, and

"(ii) ending on the date such failure is corrected.

"(3) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by paragraph (1):

"(A) In the case of a plan other than a multiemployer plan, the employer.

"(B) In the case of a multiemployer plan, the plan.

"(b) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (a)(3) knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 180 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 180-day period beginning on the 1st date any of the persons referred to in subsection (a)(3) knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY THE SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(c) REQUIREMENTS.—A specified employee benefit plan does not meet the requirements of this subsection unless, except to the extent provided in regulations—

"(1) such plan is in writing,

"(2) the employee's rights under such plan are legally enforceable,

"(3) employees are provided reasonable notification of benefits available in the plan,

"(4) such plan is maintained for the exclusive benefit of employees, and

"(5) such plan was established with the intention of being maintained for an indefinite period of time.

In the case of a plan described in subsection (d)(1) maintained by a small employer (within the meaning of section 89(c)(5)(B)), the requirements of paragraph (1) shall be treated as met if the plan consists of an insurance policy issued by a third party insurer.

"(d) SPECIFIED EMPLOYEE BENEFIT PLAN.—For purposes of this section, the term 'specified employee benefit plan' means—

"(1) an accident or health plan (within the meaning of section 105(e)),

"(2) any plan of an employer for providing group-term life insurance (within the meaning of section 79),

"(3) a qualified tuition reduction program (within the meaning of section 117(d)),

"(4) a cafeteria plan (within the meaning of section 125), and

"(5) a plan to which section 505 applies.

Such term shall not include a church plan (within the meaning of section 414(e)).

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 43 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4980C. Failure to satisfy certain requirements with respect to employee benefits plans."

(c) NONDISCRIMINATION REQUIREMENTS FOR GROUP-TERM LIFE INSURANCE.—

(1) RESTORATION OF PRIOR LAW.—The amendment made by section 1151(c)(1) of the Tax Reform Act of 1986 is hereby repealed and section 79(d) of the Internal Revenue Code of 1986 shall be applied and administered as if the amendment made by such section 1151(c)(1) had not been enacted.

(2) EXCLUSION OF CERTAIN EMPLOYEES.—Subparagraph (B) of section 79(d)(3) of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) is amended to read as follows:

"(B) EXCLUDED EMPLOYEES.—For purposes of subparagraph (A), there shall be excluded from consideration employees—

"(i) who are excluded from consideration under rules similar to the rules under section 89(d), determined—

"(I) by substituting '1 year' for '6 months' in paragraph (1)(A) thereof, and

"(II) without regard to paragraph (3) thereof, and

"(ii) employees not included in the plan who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employees, if the benefits provided under the plan were the subject of good faith bargaining between such representatives and employers."

(d) CONFORMING AMENDMENTS.—

(1)(A) Sections 117(d)(4), 125(b)(3), and 127(b)(2) of such Code are each amended by striking "section 89(h)" and inserting "rules similar to the rules of subsection (d) of section 89 (determined by substituting '1 year' for '6 months' in paragraph (1)(A) and without regard to paragraph (3))".

(B) Paragraph (2) of section 120(c) of such Code is amended to read as follows:

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—The plan shall benefit employees who qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of employees who are described in paragraph (1).

"(B) EXCLUDED EMPLOYEES.—For purposes of subparagraph (A), there shall be excluded from consideration employees—

"(i) who are excluded from consideration under rules similar to the rules of section 89(d), determined—

"(I) by substituting '1 year' for '6 months' in paragraph (1)(A), and

"(II) without regard to paragraph (3), and

"(ii) employees not included in a plan who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers, if there is evidence that group legal services plan benefits were the subject of good faith bargaining between such representatives and employees."

(C) Paragraph (8) of section 129(d) of such Code is amended to read as follows:

"(8) EXCLUDED EMPLOYEES.—For purposes of paragraphs (2), (3), and (7), there shall be excluded from consideration employees—

"(A) who are excluded from consideration under rules similar to the rules of section 89(d), determined—

"(i) by substituting '1 year' for '6 months' in paragraph (1)(A), and

"(ii) without regard to paragraph (3), and

"(B) employees not included in a program who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers, if there is evidence that dependent care benefits were the subject of good faith bargaining between such representatives and employees."

(D) Paragraph (2) of section 505(b) of such Code is amended to read as follows:

"(2) EXCLUDED EMPLOYEES.—For purposes of paragraph (1), there shall be excluded from consideration employees—

"(A) who are excluded from consideration under rules similar to the rules of section 89(d), determined—

"(i) by substituting '1 year' for '6 months' in paragr h (1)(A), and

"(ii) without regard to paragraph (3), and

"(B) employees not included in a program who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and 1 or more employers, if there is evidence that the class of benefits involved were the subject of good faith bargaining between such representatives and employers."

(2) Sections 120(b)(2), 125(c)(1), 127(b)(1)(B), and 129(d)(1)(B) of such Code are each amended by striking "89(k)" and inserting "4980C".

(3) Subparagraph (C) of section 125(c)(2) of such Code is amended by striking the last sentence thereof.

(4) Paragraph (1) of section 125(e) of such Code is amended by striking "section 89(a)" and inserting "sections 79(d) and 89(a)".

(5) Subparagraph (B) of section 162(l)(2) of such Code is amended by inserting "and treating individuals who are employees within the meaning of section 401(c)(1) as employees" before the period at the end thereof.

(6)(A) Subsection (b) of section 4976 of such Code is amended by striking paragraph (5).

(B) Subparagraph (B) of section 4976(c)(1) of such Code is amended to read as follows:

"(B) a health or group-term life insurance plan is part of such fund and benefits under such plan are taxable under chapter 1 by reason of section 79(d) or 89,".

(C) Clause (i) of section 4976(c)(2)(A) of such Code is amended to read as follows:

"(i) the aggregate taxable benefits referred to in paragraph (1)(B), or".

(D) Clause (ii) of section 4976(c)(2)(A) of such Code is amended by striking "such testing year" and inserting "the plan year".

(E) Section 4976(c) is amended by adding at the end thereof the following new paragraph:

"(3) TAX NOT TO APPLY IF AMOUNTS REPORTED ON W-2 FORMS.—No tax shall be imposed under paragraph (1) for any plan year if the employer meets the requirements of section 6051(g) for such year."

(7) Section 6051 of such Code is amended by adding at the end thereof the following new subsection:

"(g) REPORTING REQUIREMENTS FOR CERTAIN TAXABLE FRINGE BENEFITS.—

"(1) IN GENERAL.—If an employee of an employer maintaining any plan is required to include any amount in gross income under section 79(d) or 89 for any year ending with or within a calendar year, the employer shall separately include such amount on the statement which the employer is required to provide the employee under subsection (a) (and any statement required to be furnished under subsection (d)).

"(2) PENALTY.—"For penalty for failure to report, see section 6652(k)."

(8)(A) Paragraph (1) of section 6652(k) of such Code is amended by striking "89(l)" and inserting "6051(g)".

(B) Paragraph (2) of section 6652(k) of such Code is amended by striking subparagraph (B) and inserting the following:

"(B) an amount which bears the same ratio to the employer-provided benefit with respect to the individual to whom such failure relates as the amount required to be but not shown on timely statements under sections 6051(a) and 6051(d) bears to the amount required to be shown.

For purposes of subparagraph (B), the term 'employer-provided benefit' means the employer-provided benefit determined under section 89 in the case of a health benefit and the cost of insurance determined under section 79(c) in case of a plan providing group-term life insurance."

(9) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 89 and inserting the following:

"Sec. 89. Health benefits provided to highly compensated employees."

(10) Paragraphs (1), (2), and (3) of section 3021(c) of the Technical and Miscellaneous Revenue Act of 1988 are hereby repealed.

(11) Section 6070 of the Technical and Miscellaneous Revenue Act of 1988 is hereby repealed.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

(2) SPECIAL RULE FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of the enactment of the Child Care and Health Insurance Act of 1989, the amendments made by subsection (a) shall not apply to any employee covered by such an agreement in years beginning before the earlier of—

(A) the date on which the agreement covering such employee expires (without regard to any extension thereof after such date of enactment), or

(B) January 1, 1993.

(3) ELECTION NOT TO HAVE AMENDMENTS APPLY.—

(A) IN GENERAL.—An employer may elect not to have the amendments made by subsection (a) apply to health plans maintained by the employer for years beginning in 1990 or 1991. Such election shall be made each year and shall apply to all health plans of the employer maintained during such year.

(B) EFFECT OF AN ELECTION.—If an election is made under subparagraph (A), section 89 of the Internal Revenue Code of 1986 (as in effect before the amendments made by subsection (a)) shall apply; except that—

(i) such section shall be treated as if it only applied to health plans,

(ii) section 89(d) of such Code (as in effect after such amendments) shall apply in lieu of section 89(h) of such Code (as in effect before such amendments), and

(iii) paragraphs (2) and (3) of section 89(e) of such Code (as in effect after such amendments) shall apply.

(4) ELECTION NOT TO HAVE AMENDMENTS APPLY TO DEPENDENT CARE ASSISTANCE PROGRAMS.—

(A) IN GENERAL.—An employer maintaining a dependent care assistance program to which section 129 of the Internal Revenue Code of 1986 applies may elect (in the same manner as under paragraph (2)) not to have the amendments made by this section (to the extent such amendments apply to such program) apply for years beginning in 1990 or 1991.

(B) EFFECT.—If an election is made under this paragraph, paragraph (2)(B) shall apply to the program, except that "dependent care assistance programs" shall be substituted for "health plans".

(5) SPECIAL RULES RELATING TO SMALL EMPLOYERS.—

(A) 1-YEAR DELAY.—In the case of a small employer, section 89 of the Internal Revenue Code of 1986 (as added by subsection (a)) and section 4980C of such Code (as added by subsection (b)) shall apply to years beginning after December 31, 1990.

(B) STUDY.—

(i) IN GENERAL.—The Secretary of the Treasury or his delegate shall conduct a study to determine if discrimination in favor of highly compensated employees occurs in the providing of employee benefits by small employers. Such studies shall consider a broad base of small businesses, including businesses of professionals.

(ii) REPORT.—Not later than July 1, 1990, the Secretary of the Treasury or his delegate shall report the results of such study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, including any recommendations. Such committees shall review such report and take appropriate actions with respect to the application of nondiscrimination rules to small employers.

(C) SMALL EMPLOYERS.—For purposes of this subparagraph, the term "small employer" has the meaning given such term by section 89(c)(5)(B) of the Internal Revenue Code of 1986 (as added by subsection (a)).

(6) DELAY IN APPLICATION OF QUALIFICATION RULES.—Section 4980C of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to plan years beginning after the later of—

(A) December 31, 1989, or

(B) the earlier of—

(i) 3 months after the Secretary of the Treasury or his delegate issues regulations for the application of such section which taxpayers may rely upon, or

(ii) December 31, 1990.

Notwithstanding paragraph (5), in the case of a small employer (as defined in paragraph (5)), section 4980C of such Code shall apply to years beginning after the date which is one year after the date determined under the preceding sentence.

(7) GUIDANCE.—Not later than January 1, 1990, the Secretary of the Treasury or his delegate shall issue such guidance as may be necessary to comply with the provisions of section 89 of the Internal Revenue Code of 1986 (as amended by subsection (a)).

SEC. 223. OTHER PROVISIONS RELATING TO NONTAXABLE BENEFITS.

(a) TREATMENT OF LEASED EMPLOYEES.—

(1) REPLACEMENT OF HISTORICAL TEST WITH CONTROL TEST.—Subparagraph (C) of section 414(n)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(C) such services are performed by such person under the control of the recipient."

(2) SERVICES INCIDENTAL TO SALES OR CONSTRUCTION DISREGARDED.—Paragraph (2) of section 414(n) of such Code is amended by adding at the end thereof the following new flush sentence.

"The term 'leased employee' shall not include an individual solely because such individual is performing services incidental to the sale of goods or equipment or incidental to the construction of a facility. Such term shall include the support staff of professional employees."

(b) DEPENDENT CARE ASSISTANCE.—

(1) INCLUSION IN INCOME OF EXCESS BENEFITS.—Paragraph (7) of section 129(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(C) FAILURE TO MEET REQUIREMENTS.—

"(i) IN GENERAL.—If a plan fails to meet the requirements of this paragraph for any plan year—

"(I) such plan shall be treated as a plan which is a dependent care assistance program to which subsection (a) applies, but

"(II) there shall be included in the gross income of each highly compensated employee for the taxable year of such employee with or within which the plan year ends an amount equal to such employee's excess benefit.

"(ii) EXCESS BENEFIT.—For purposes of this subparagraph, the excess benefit of any employee is the excess of the employee's employer-provided benefit under the plan over the highest permitted benefit.

"(iii) HIGHEST PERMITTED BENEFIT.—For purposes of clause (ii), the highest permitted benefit under any plan shall be determined by reducing the nontaxable benefits of highly compensated employees (beginning with employees with the greatest nontaxable benefits) until such plan would be treated as meeting the requirements of subparagraph (A) if such reduced benefits were taken into account."

(2) INFORMATION REPORTING.—Paragraph (9) of section 6051(a) of such Code is amended by inserting "and the amount of such assistance required to be included in gross income by reason of section 129(d)(7)(C)" after "section 129(d)".

(c) GROUP-TERM LIFE INSURANCE.—

(1) HIGHLY COMPENSATED EMPLOYEES.—

(A) Section 79(d) of such Code is amended by striking "key" each place it appears (other than paragraph (6)) and inserting "highly compensated".

(B) Paragraph (6) of section 79(d) of such Code is amended to read as follows:

"(6) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this subsection, the term 'highly compensated employee' has the meaning given such term by section 414(q)."

(2) COMPENSATION LIMIT.—Paragraph (5) of section 79(d) of such Code is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, compensation for any year shall not be taken into account for such year to the extent it exceeds the amount in effect under section 401(a)(17) for such year."

(d) HIGHLY COMPENSATED EMPLOYEES.—

(1) COMPENSATION THRESHOLDS.—Subparagraph (D) of section 414(q)(1) of such Code is amended to read as follows:

"(D) was at any time an officer and received compensation in excess of the amount in effect under subparagraph (C) for such year."

(2) ROUNDING.—Paragraph (1) of section 414(q) of such Code is amended by adding at the end thereof the following new sentence: "If the amount determined under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest $1,000 (other than for purposes of applying the preceding sentence)."

(e) LINE OF BUSINESS TEST.—

(1) APPLICATION FOR PERIOD BEFORE GUIDELINES ISSUED.—In the case of any plan year beginning on or before the date the Secretary of the Treasury or his delegate issues guidelines under section 414(r)(2)(C) of the Internal Revenue Code of 1986 (and begins issuing determination letters with respect to such section), an employer meeting the requirements of section 414(r)(2) (A) and (B) of such Code with respect to a line of business may treat it as a separate line of business if the employer reasonably determines it to be separate.

(2) APPLICATION TO DEPENDENT CARE PROGRAMS.—Paragraph (1) of section 414(r) of such Code is amended by inserting ", 129(d)(7)," after "section 89".

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

(2) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1983.

(3) SUBSECTION (b).—The amendments made by subsection (b) shall apply to years beginning after December 31, 1988.

(4) LINE OF BUSINESS.—The provisions of subsection (e)(1) shall apply to years beginning after December 31, 1986.

SEC. 224. STUDY OF SECTION 89.

The United States Bipartisan Commission on Comprehensive Health Care established under section 401 of the Medicare Catastrophic Coverage Act of 1988 (42 U.S.C. 1395b note) shall study the implementation and effectiveness of section 89 of the Internal Revenue Code of 1986. The Commission shall include in its report under section 406(b) of such Act the results of the study, including recommendations with respect to—

(1) improving the effectiveness of section 89 in making employer-provided health insurance more accessible and affordable to low- and middle-income employees, and

(2) alternative methods for improving accessibility and affordability of health insurance available in the work place.

Subtitle C—Other Revenue Provisions

SEC. 231. PERMANENT EXTENSION OF TELEPHONE EXCISE TAX.

(a) IN GENERAL.—Paragraph (2) of section 4251(b) of the Internal Revenue Code of 1986 is amended by striking "percent;" and all that follows through the period and inserting "percent.".

(b) TIME FOR DEPOSIT OF TELEPHONE EXCISE TAXES.—Section 4251 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(d) TIME FOR DEPOSIT OF TAXES.—If, under regulations prescribed by the Secretary, a person is required to make deposits of any tax imposed by this section with respect to amounts considered collected by such person during any semi-monthly period, such deposits shall be made not later than the third day (not including Saturdays, Sundays, or legal holidays) after the close of the first week of the second semi-monthly period following the period to which such amounts relate."

(c) ONE-TIME FILING OF TELEPHONE EXCISE TAX EXEMPTION CERTIFICATES.—Section 4253 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(k) FILING OF EXEMPTION CERTIFICATES.—

"(1) IN GENERAL.—In order to claim an exemption under subsection (c), (h), (i), or (j), a person shall provide to the provider of communications services a statement (in such form and manner as the Secretary may provide) certifying that such person is entitled to such exemption.

"(2) DURATION OF CERTIFICATE.—Any statement provided under paragraph (1) shall remain in effect until—

"(A) the provider of communications services has actual knowledge that the information provided in such statement is false, or

"(B) such provider is notified by the Secretary that the provider of the statement is no longer entitled to an exemption described in paragraph (1).

If any information provided in such statement is no longer accurate, the person providing such statement shall inform the provider of communications services within 30 days of any change of information."

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall take effect on the date of the enactment of this title.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to the payment of taxes considered collected for semi-monthly periods beginning after June 30, 1990.

(3) SUBSECTION (c).—

(A) IN GENERAL.—The amendment made by subsection (c) shall apply to any claim for exemption made after the date of the enactment of this title.

(B) DURATION OF EXISTING CERTIFICATES.—Any annual certificate of exemption effective on the date of the enactment of this title shall remain effective until the end of the annual period.

SEC. 232. ESTIMATED TAX PAYMENTS REQUIRED FOR S CORPORATIONS.

(a) IN GENERAL.—Section 6655(g) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(4) APPLICATION OF SECTION TO CERTAIN TAXES IMPOSED ON S CORPORATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), this section shall apply to any of the following taxes imposed on an S corporation:

"(i) The tax imposed by section 1374(a) (or corresponding prior provision of law).

"(ii) The tax imposed by section 1375(a).

"(iii) Any tax imposed by reason of section 1371(d)(2).

"(B) SPECIAL RULES.—In applying this section to an S corporation—

"(i) clause (ii) of subsection (d)(1)(B) shall not apply to the taxes described in clauses (i) and (iii) of subparagraph (A), and

"(ii) paragraph (2) of subsection (d) shall not apply."

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendments made by this section shall apply to installments required to be made after the date of the enactment of this title with respect to taxable years ending after such date.

(2) SPECIAL RULES.—

(A) PAYMENTS SPREAD OVER REMAINING INSTALLMENTS.—Notwithstanding section 6655(d)(1)(A) of the Internal Revenue Code of 1986, any estimated payment of any tax relating to an item arising before the date of enactment of this title for any taxable year beginning on or before and ending after such date shall be taken into account ratably among the installments required to be made after such date for such taxable year.

(B) ANNUALIZED INSTALLMENT PAYMENTS.—If subsection (e) of section 6655 of such Code applies with respect to payments described in subparagraph (A), subclauses (II), (III), and (IV) of paragraph (2)(A)(i) of such subsection shall be applied by using the longer time periods prescribed under such subclauses.

(C) NUMBER OF REQUIRED INSTALLMENT.—For purposes of this paragraph, paragraph (1) shall be disregarded in determining the number of any required installment.

TITLE III—SOCIAL SECURITY ACT AMENDMENTS

SEC. . RETIREMENT TEST EXEMPT AMOUNT INCREASED TO $10,560 IN 1990.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42

U.S.C. 403(f)(8)) is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l)) before the close of the taxable year involved shall be $880 for each month of any taxable year ending after 1989 and before 1991.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. 302. REDUCTION FACTOR WITH RESPECT TO CERTAIN EARNINGS LOWERED TO 25 PERCENT.

(a) IN GENERAL.—Paragraph (3) of section 203(f) of the Social Security Act (42 U.S.C. 403(f)) is amended by striking "33⅓ percent" and all that follows through "paragraph (8)" and inserting "equal to the sum of (A) 25 percent of so much of his earnings for such year in excess of the product of the applicable exempt amount as determined under paragraph (8) as does not exceed $5,000, and (B) 33⅓ percent of so much of such earnings in excess of such product as exceeds $5,000,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1989.

SEC. 303. PAYMENT OF RECOMPUTED BENEFITS.

(a) IN GENERAL.—Subparagraph (D) of section 215(f)(2) of the Social Security Act (42 U.S.C. 415(f)(2)) is amended by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) A recomputation under this paragraph with respect to any year shall be effective—

"(i) in the case of an individual who did not die in that year, for the earlier of—

"(I) monthly benefits beginning with benefits for the fifteenth month following the end of such year, or

"(II) monthly benefits beginning with benefits for the month in which the individual submits a written request for such recomputation; or

"(ii) in the case of an individual who died in that year, for monthly benefits beginning with benefits for the month in which he died.

"(E) Under regulations of the Secretary, monthly benefits increased as a result of a recomputation under this paragraph which became effective pursuant to subparagraph (D)(i) shall be further increased on an actuarial basis (taking into account the age of the individual) to include the value of benefits which would have otherwise been paid if the recomputation were effective beginning with benefits for January of the year following the year with respect to which the recomputation is made.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to recomputations made after the date of enactment of this Act.

SEC. 304. PAYMENT OF CERTAIN RETROACTIVE BENEFITS.

(a) IN GENERAL.—Subparagraph (B) of section 202(j)(4) of the Social Security Act (42 U.S.C. 402(j)(4)) is amended—

(1) by redesignating clause (v) as clause (vi), and

(2) by inserting after clause (iv) the following new clause:

"(v) Any retroactive benefits for which an individual is eligible because of clause (i) or (iv) shall be paid to the individual as an increase in the individual's monthly benefit amounts, determined on an actuarial basis pursuant to regulations prescribed by the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to applications for benefits made after the date of enactment of this Act.

SEC. 305. MANDATORY PROVISION OF SOCIAL SECURITY ACCOUNT STATEMENT.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301-1320b-10) is amended by adding at the end thereof the following new section:

"SOCIAL SECURITY ACCOUNT STATEMENTS

"Provision Upon Request

"SEC. 1141. (a)(1) Beginning not later than October 1, 1990, the Secretary shall provide upon the request of an eligible individual a social security account statement (hereinafter referred to as the 'statement').

"(2) Each statement shall contain—

"(A) the amount of wages paid to and self-employment income derived by the eligible individual as shown by the records of the Secretary at the date of the request;

"(B) an estimate of the employee and self-employment, old age, survivors, and disability insurance contributions of the eligible individual as shown by the records of the Secretary at the date of the request;

"(C) a separate estimate of the employee and self-employment hospital insurance contributions of the eligible individual; and

"(D) an estimate of the potential monthly retirement, disability, survivor, and auxiliary benefits payable on the eligible individual's account together with a description of the benefits payable under the medicare program of title XVIII.

"(3) For purposes of this section, the term 'eligible individual' means an individual who—

"(A) has a social security number,

"(B) has attained age 25 or over, and

"(C) has wages or net earnings from self-employment.

"Notice to Eligible Individuals

"(b) The Secretary shall to the maximum extent practicable take such steps as are necessary to assure that eligible individuals are informed of the availability of the statement described in subsection (a).

"Mandatory Provision of Statements

"(c)(1) By not later than September 30, 1994, the Secretary shall provide a statement to each eligible individual who has attained age 60 by October 1, 1993, and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. In fiscal years 1994 through 1999 the Secretary shall provide a statement to each eligible individual who attains age 60 in such fiscal years and who is not receiving benefits under title II and for whom a current mailing address can be determined through such methods as the Secretary deems appropriate. The Secretary shall provide with each statement to an eligible individual notice that such statement is updated annually and is available upon request.

"(2) Beginning not later than October 1, 1999, the Secretary shall provide a statement on a biennial basis to each eligible individual who is not receiving benefits under title II and for whom a mailing address can be determined through such methods as the Secretary deems appropriate. With respect to statements provided to eligible individuals who have not attained age 50 such statements need not include estimates of monthly retirement benefits. However, if such statements provided to eligible individuals who have not attained age 50 do not include estimates of retirement benefit amounts, such statements shall inlcude a description of the benefits (including auxiliary benefits) that are available upon retirement.".

(b) REPORT TO CONGRESS AND STUDY.—Not later than October 1, 1996, the Secretary shall submit to Congress a report on the implementation of the requirements of this Act and on his specific plans for implementing the final requirements contained in such Act, particularly with regard to estimating retirement benefit amounts for individuals who have not attained the age of 60.

(c) DISCLOSURE OF ADDRESS INFORMATION BY INTERNAL REVENUE SERVICE TO SOCIAL SECURITY ADMINISTRATION.—

(1) IN GENERAL.—Section 6103(m) of the Internal Revenue Code of 1986 (relating to disclosure of taxpayer identity information) is amended by adding at the end thereof the following new paragraph:

"(6) SOCIAL SECURITY ACCOUNT STATEMENTS FURNISHED BY SOCIAL SECURITY ADMINISTRATION.—Upon written request by the Commissioner of Social Security, the Secretary may disclose the mailing address of any taxpayer who is entitled to receive a social security account statement pursuant to section 1141(c) of the Social Security Act, for use only by officers, employees, or agents of the Social Security Administration for purposes of mailing such statement to such taxpayer.".

(2) SAFEGUARDS.—The last sentence of section 6103(p)(4) of such Code (relating to safeguards) is amended by striking out "subsection (m)(2) or (4)" and inserting in lieu thereof "paragraphs (2), (4), or (6) of subsection (m)".

(3) UNAUTHORIZED DISCLOSURE PENALTIES.—Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of returns and return information) is amended by striking out "(m)(2) or (4)" and inserting in lieu thereof "(m) (2), (4), or (6)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 306. CHILD CARE EARNINGS EXCLUDED FROM WAGES AND SELF-EMPLOYMENT INCOME FOR EXCESS EARNINGS TEST.

(A) WAGES.—Section 203(f)(5)(C) of the Social Security Act (42 U.S.C. 403(f)(5)(C)) is amended—

(1) by striking out "or" at end of clause (i),

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new clause:

"(iii) the amount of any payment made to an employee who has attained retirement age (as defined in section 216(l)) by an employer for child care services (including indirect services) performed by such employee after the month in which such employee initially becomes entitled to insurance benefits under this title.".

(b) SELF-EMPLOYMENT INCOME.—Section 203(f)(5)(D) of such Act (42 U.S.C. 403(f)(5)(D)) is amended—

(1) by striking out "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii),

(3) by inserting immediately after clause (ii) the following new clause:

"(iii) an individual who has attained retirement age (as defined in section 216(l)) who has become entitled to insurance benefits under this title, any income attributable

VOL 135 PT 10 JE 23 - JL 13 1989 UMI

to child care services (including indirect services) performed after the month in which such individual becomes entitled to such benefits,", and

(4) by striking out "royalties or other income" and inserting in lieu thereof "royalties or income".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to wages or income earned after the date of the enactment of this Act.

TITLE IV—GENERAL PROVISIONS

SEC. 401. SENSE OF CONGRESS REGARDING THE HIGHER EDUCATION ACT.

(a) FINDINGS.—Congress finds that—

(1) postsecondary education is an increasingly important element in enhancing the productivity of the work force;

(2) the enrollment of students in colleges, junior colleges and technical institutes continues to increase rapidly;

(3) the most rapidly growing segment in such institutions consists of those students who are 25 years of age or older;

(4) postsecondary education must expand its services to meet the needs of the changing student population;

(5) a barrier to continuing education is the lack of affordable, accessible and quality child care;

(6) students are often economically disadvantaged and child care costs are an additional financial burden;

(7) postsecondary schools have limited resources for traditional student services and do not have additional funding for child care; and

(8) the one hundredth Congress recognized that such problems exist and authorized, but did not appropriate, $10,000,000 for postsecondary institutions to assist students with child care.

(b) SENSE OF CONGRESS.—It is the sense of Congress that $10,000,000 should be appropriated in fiscal year 1990 to carry out subpart 8 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070f).

SEC. 402. PENALTIES FOR DESECRATING THE FLAG.

Subsection (a) of section 700 of title 18, United States Code, is amended to read as follows:

"(a) Whoever knowingly and publicly mutilates, defaces, burns, displays on the floor or ground, or tramples upon any flag of the United States shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill, as amended, passed.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT BY THE PRESIDING OFFICER

The PRESIDING OFFICER. The Chair announces, pursuant to Public Law 100-480, the designation of the Senator from South Carolina [Mr. THURMOND] to represent the Republican leader on the Commission for the Judiciary Office Building.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business in which Senators may speak therein for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN MEMORIAM: JAN NICHOLS HINKLEY

Mr. CRANSTON. Mr. President, on May 29, the Peace Corps suddenly lost one of its foremost advocates and dedicated workers, Jan Nichols Hinkley. Jan was killed on Memorial Day in a tragic accident along with both her parents. Through her tremendous efforts as Director of Congressional Relations at the Peace Corps, she did more for world peace and understanding in 5 years than most could ever hope to accomplish in a lifetime.

Jan Hinkley joined the Peace Corps staff as Director of Congressional Relations in 1984 after 12 years in the Senate working with my colleague Senator TED STEVENS—for many years as his administrative assistant. Since 1984, Jan worked unceasingly to establish effective working relationships with the Senate Foreign Relations Committee and the House Foreign Affairs Committee and the two Appropriations Committees. She forged bonds of trust and two-way communication that were remarkable. She also worked to bring the Peace Corps' message to many, many Senators and Representatives and their staffs. Her efforts were incredibly successful in gaining and strengthened congressional support for the Peace Corps and advancing legislation and appropriations so important to its vitality.

Her activities and talents lead to many innovations and improvements in Peace Corps programs. Jan was a particularly staunch and effective advocate for the congressionally mandated 10,000-volunteer goal for the Peace Corps. Her enthusiasm, dedication, commitment, and love of volunteer service contributed greatly to a resurgence of interest in the Peace Corps in the Congress and across the Nation.

Over the years, Jan proved herself to be a truly remarkable person with unlimited energy and enormous dedication to the betterment of humankind. She was generous and kind, loving and thoughtful, and was truly thrilled to be working to promote world peace and understanding. She was always a joy to work with and touched the lives of all who had the privilege to call her a friend.

Jan's sudden tragic absence has left a deep void in the hearts of many, including friends, family, colleagues, and admirers. The Peace Corps and the Congress have lost a very good friend indeed; and public service is diminished by her passing.

As sorely as Jan will be missed by so many of us up here, her wish would be for those of us who worked so closely with her to rededicate ourselves to the mission she so ardently believed in, pursued, an promoted. I pledge to continue my best efforts, in her memory and honor, to carry on the tasks she so persistently and effectively asked of us to strengthen, expand, and improve the Peace Corps in the quest for mutual understanding and peace, around the world.

TEST PILOT'S DREAM

Mr. MATSUNAGA. Mr. President, I rise to speak in behalf of a test pilot's dream, one which I share: The X-30 supersonic aircraft which offers the prospect of flying four times faster than any other plane has ever done. It could go from New York to San Francisco in a matter of 1 hour flight time.

As part of a series of future issues and trends published to mark its centennial, the Wall Street Journal on Monday carried a story on this plane of the future as seen through the eyes of Lt. Col. Ted Wierzbanowski, considered one of the Air Force's foremost test pilots. It is an absorbing story of one man's dedication to a goal, the realization of this experimental airplane, which would be capable of taking off from an ordinary airport and achieving Earth orbit. It is a vision, based on known technology, which will be realized one day. How soon and by whom remain to be seen.

Mr. President, if Colonel Wierzbanowski has his way—and he is a resourceful Air Force manager, indeed—it will be sooner rather than later and the aircraft will bear the Stars and Stripes. The Colonel is 43 and his aim is to fly the space plane before his test pilot career is over. Unlike Air Force test pilots of yesteryear, Col. Wierzbanowski is both a project executive and a highly trained specialist with degrees in engineering and management.

The Wall Street Journal article makes clear that the key to the X-30 reaching ultra-high speeds is a new generation of engines, called scramjets, that mix oxygen from the air with liquid hydrogen on board to provide the necessary thrust.

Mr. President, S. 639, a bill which I have introduced for a national hydrogen research and development program, would provide the Colonel with the necessary legislative thrust to realize his dream, a dream of many in aviation circles. This is legislation I have championed since the 97th Congress and have urged passage ever since. Like the Colonel, I am not growing any younger and I share his dream for the realization of liquid hydrogen's promise.

For the benefit of my colleagues and others who may not have read this story of determination and imagination, fighting institutional inertia to achieve flight, I ask unanimous con-

sent that the Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BLUE SKY: PLANE OF THE FUTURE WOULD FLY INTO ORBIT, CROSS U.S. IN AN HOUR—THE X-30 HAS A WAYS TO GO, BUT NASA AND PENTAGON HAVE SOME PLANS FOR IT, A TEST PILOT AND HIS DREAM

(By Bob Davis and Andy Pasztor)

EDWARDS AIR FORCE BASE, Calif.—Lt. Col. Ted Wierzbanowski, one of the Air Force's premier test pilots, looks beyond a stretch of desert shrubs and abandoned buildings here. Someday, this will be the home of the world's hottest airplane, he tells a pack of aerospace contractors competing to build it.

The executives shade their eyes from the midday sun. They check their heels for snakes. They see nothing but trouble. Not enough warehouse space, one mutters. Not much room for fuel, says another. Col. Wierzbanowski is unfazed. Be imaginative, he urges: "Wild ideas sometimes work."

The wildest idea in aerospace these days is the colonel's plan to build a jet that would take off from an ordinary airport and vault into earth orbit. It would fly four times faster than any other plane in history.

The X-30—the X standing for experimental—would have engines as powerful as rockets. It would use exotic materials that could stand 10,000-degree heat. Roughly the size of a Boeing 727, it would be sleek as a missile, its advanced engines arrayed from nose to tail. With a top speed of 17,000 m.p.h.—25 times the speed of sound—it could zoom from California to New York in less than an hour.

If successful, the plane could undertake orbital missions every few days, not needing the army of technicians and extensive preparation that keep the space shuttle idled for months at a time. Its sponsors, the Defense Department and the National Aeronautics and Space Administration, won't say much about what the X-30's mission would be, but a spy-plane version could race to the skies above Russia as fast as a missile and, since it had a pilot on board, inspect far more targets than a satellite can.

Col. Wierzbanowski, linebacker-sized with craggy good looks, wants to do more than build the space plane—he longs to fly it. As a top acquisition official on the project, he hunts avidly for factories to build the plane, exhorts contractors to improve their designs and even plots the routes of the first test flights in 1994. Orbital flights would start two years later.

"The first pilots should be people who wrote the manual, not people who memorize the manual," says the colonel, who is known by his flight-jock moniker of "W-plus-12."

But the test pilot's dream is threatened by budget and technical problems. The cost of the project is as stratospheric as the plane: $4 billion. The Air Force and NASA won't decide until September of 1990 whether to build it. Now, Col. Wierzbanowski's new boss, Defense Secretary Dick Cheney, wants to pull the project out of Air Force to save money and switch it to NASA, which has its own budget squeeze.

Supporters on Capitol Hill and elsewhere contend that the space plane is crucial to U.S. leadership in space and are battling to save the project, however. In a few weeks, the National Space Council, headed by the vice president, is expected to recommend hefty funding for the space plane.

The X-30 started life in 1986 as the "Orient Express"—President Reagan's vision of a plane that could shuttle business travelers to Tokyo in a few hours. But the phrase has become an embarrassment to X-30 officials, who concede the plane would make a lousy airliner. For one thing, the wings would get so hot during atmospheric re-entry that they would look as if they were burning up, hardly a sight to reassure passengers.

The space plane actually is a successor to the X-15, the rocket-powered experimental plane of the 1960s that was dropped from the wing of a B-52 and roared to heights of 67 miles and a velocity of about seven times the speed of sound. The X-15 pioneered the use of rocket thrusters to maneuver in space and of flight simulators to train pilots, among other firsts. But the government's interest in experimental aircraft waned in the 1970s as attention turned to the shuttle.

From 1975 through 1984, the government didn't fly any X-aircraft, killing proposal after proposal to build a plane faster than the X-15. That attitude began to shift, however, as technology advanced. Aerospace engineers designed lightweight blends of metals and plastics able to withstand stresses that would crush conventional airplanes; they theorized that a jet using oxygen in the air for part of its fuel could reach orbital speed.

"We're desperate to raise the U.S. from this mediocrity of aluminum airplanes," says Scott Crossfield, a former X-15 pilot who has championed the X-aircraft renewal as a senior staffer on the House science committee.

Col. Wierzbanowski also was desperate to get into X-planes, to boost what had been a largely undistinguished flying career. During pilot training, he flubbed one of his final test runs and placed just 16th in a graduating class of about 50. He was a states-side flight instructor during the Vietnam war and didnt get to fly fighters until nine years after graduation, patrolling Iceland and trading obscene gestures with Soviet bomber crews.

He finally got picked for the test-pilot training at 35, one of the oldest in the class. He went on to become a top test pilot. Now 43, he worries that if the space plane is delayed much, he'll be considered too old to fly it—and lose a chance to return to his beloved Edwards from his management job at Wright-Patterson Air Force Base in Dayton, Ohio. "I really want to get back to the desert," he says, "I'm a desert rat."

FAST PLANES

At Edwards, the talk is of fast airplanes, daring flight maneuvers and not much else. Here, Col. Wierzbanowski is a star playing Broadway. For six years, he was the sole Air Force test pilot on the X-29, a bizarre-looking plane with its wings pointed forward for greater agility. Now he's in charge of turning the X-30 from an engineer's dream to reality. "Any test pilot who told you he didn't want to fly the X-30 would be blowing smoke," he says.

A test pilot's life now is far different from in the postwar days when Chuck Yeager broke the sound barrier in the bullet-shaped X-1. Mr. Yeager flew as many as 27 different kinds of aricraft in a month, Says Edwards historian James Young; Col. Wierzbanowski has flown three in six years. Mr. Yeager barely made it out of high school; the colonel has engineering and management degrees and spent four years helping design the X-29 before he flew it. Test pilots now are often project managers as well as fly-boys.

As an X-29 manager, Col. Wierzbanowski set up the Air Force office that runs experimental aircraft and traveled the country talking up the project to generals, who approved money to build a second plane. As an X-29 pilot, the cautiously practice each test run three times on a simulator and inspected emergency landing sites by air before strapping himself into the cockpit.

But some things don't change: Test flights are still dangerous and test pilots are still cocky. Col. Wierzbanowski's sidekick at Edwards, NASA test pilot Steve Ishmael, had to parachute from an F-18 that was spinning out of control last year. Mr. Ishmael, who broke his jaw when he landed, dismisses shuttle astronauts as hopelessly behind the times. "The orbiter gives you great views out the window, but it's a 20-year-old system," he says.

LIQUID HYDROGEN

The X-30, though, would push the limits of technology. To reach ultra-high speeds, it would use a new generation of engines, called scramjets, that mix oxygen from the air with liquid hydrogen on board to provide thrust. It would get so hot that nitrogen would have to be pumped through engine surfaces and the plane's skin. Leaks of the explosive hydrogen could cripple the craft.

Designing the space plane taxes even the most sophisticated supercomputers. No wind tunnel can simulate speeds anywhere near the maximum envisioned. Simply figuring out how to track the plane is a formidable task-it would fly so fast it would kick up a gaseous cloud that would block communications.

Though the Air Force won't disclose its ultimate plans for space planes, a National Academy of Sciences report says that if the service wanted to, it could use them to spy on foreign sites more quickly and thoroughly than with satellites, or to shower an enemy with warheads as fast as intercontinental missiles can. Unlike missiles, the plane could be recalled in case of error.

Before any space planes are built, though, Col. Wierzbanowski must prove the technology works. The heat-resistant materials need to be available by the thousands of pounds, not in the mint-sized samples engineers have now. The engines might be unable to capture enough oxygen from the air for fuel to boost the plane into orbit. Then the plane would need a rocket for orbital flights, and if the rocket had to be too big, the plane's advantage over the shuttle would drop sharply.

OVER BUDGET

Budget constraints may prevent engineers from attacking those problems. The project is already a year behind schedule and about $700 million over budget. Using the slogan "Let's get real," Col. Wierzbanowski prods some of the nation's largest aerospace contractors, including McDonnell Douglas Corp. and General Dynamics Corp., to stay on schedule and assign their best designers to the project. The companies already have kicked in half of the $1.5 billion spent on X-30 research and test facilities, but he prods them to do more.

In the California desert, he tries to fire their imagination. He leads a bus packed with aerospace officials to a sprawling military preserve, called Plant 42, where the Stealth bomber and shuttle orbiter are produced, to show off a hangar big enough to manufacture the X-30. Then it's off to nearby Edwards, where he points out miles

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

and miles of dry lake beds, as flat as runways. "If something goes wrong, you'd be able to land anywhere," he says. "That's what we call margin of error."

After the contractors depart, he plunges into the details of the plane with local X-30 managers, who see him as their link to space-plane headquarters at Wright-Patterson. Johnny Armstrong, a wisecracking veteran of the X-15, fills him in on the test plan.

The X-30 would fly so fast, Mr. Armstrong explains later, that it would quickly run out of room at Edwards. All the U.S. would become a test range. In early runs, the plane would head east at six times the speed of sound, turn around over Cape Canaveral in Florida, fly back twice as fast, and then glide in for a landing. To test at higher speeds, it would have to detour north around Chicago. Dozens of controllers at Edwards would monitor X-30 instruments for signs of trouble, including "flutter"—ominous vibrations that could tear the plane apart.

WINDOW FLAP

Even so, Col. Wierzbanowski can't guarantee that in an emergency the plane would land safely on a runway instead of in pieces in someone's den.

He keeps the pilot's safety foremost in mind, though. He pushed through funding for an X-30 simulator that Edwards test pilots can use to help design the cockpit and flight controls. The simulator looks as if it belongs to a video arcade, with a fake leather chair, joystick and video monitor, but it helps the pilots run through mock flights and learn whether they could land the craft without crashing.

Over beers at the Officers' Club, Col. Wierzbanowski's test-pilot buddy, Mr. Ishmael, brings up a sore point about cockpit windows. Space-plane designers don't like them, he says, because they're heavy and hard to cool. Designers would just as soon put the cockpit in the tail, or even in the fuel tank. "They want us to fly by TV," he complains. "They want us to fly by magic."

Windows are a must, Col. Wierzbanowski insists. "We've had astronauts tell us it would be dumber than dirt to build a spacecraft and not be able to see outside," he says.

Besides, if W-plus-12 gets the chance to fly an airplane into earth orbit, he wants to be able to see where he's going.

ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM-52

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I am pleased to transmit to the Congress the annual report of the Council on Environmental Quality, *Environmental Quality 1987-1988*. This report focuses on the Nation's air, land, and water resources that are particularly affected by the urbanization of our population and by other intensive uses. It presents CEQ's analysis of the historical trends, current status, and outlook for urban air quality, developed water resources, and the growing burden of municipal solid waste on the urban landscape. It also offers an assessment of the Federal lands reserved for our national defense installations, which present special environmental challenges.

Americans built great cities that have facilitated commerce and economic growth and prosperity, and provided homes to millions of new citizens from all over the world. Today nearly three-fourths of our people reside in communities classified as "urban," which make up only about 2 percent of this country's total land acreage. As our Nation has generally prospered by intensively developing these urban areas, expectations for human health and quality of the natural environment have also increased.

Hence, for nearly 2 decades, governments at all levels have increased their efforts to address pollution and environmental degradation. Parallel efforts in the private sector have accompanied government programs to protect the human environment. As a result, we can point proudly to improvements on a number of fronts. Some of these are reviewed in this CEQ report. For example, the Federal motor vehicle control program, which sets emissions standards for all new production vehicles, has brought about a clearly demonstrated improvement in the quality of the air in cities throughout the Nation.

But we can do better. That is why we are committed to cleaner air in the Nation's cities, and why we believe that a fresh approach to the Clean Air Act can help the Nation's environmental needs without compromising our record of unprecedented economic growth. It is now clear that different cities have varying climatic conditions, industrial mixes, and automobile use patterns. Cleaner air in our cities will thus require credible commitment, timetables, and strategies for the different regions of the country. Innovative solutions tailored to meet local circumstances will be required. Draconian limits on economic growth and on the use of the automobile should not be necessary in order to give Americans clean air at levels they are willing to pay for, but it will require significant Federal, State, and local leadership and innovative approaches from government and industry.

We must do better. This country must make every effort to stem the rising tide of garbage and industrial waste through a more aggressive use of waste minimization and recycling practices. America as a nation is filling landfills faster than it can establish new ones. The waste problem is not going away, and it can no longer be neglected. Waste minimization must start at home and in the local communities, by reducing household garbage and separating wastes for recycling. In many cases it is in the economic self-interest of industry to recycle its wastes, to minimize waste generation at the source, or to adopt less polluting processes. Innovative techniques that have proven effective in reducing wastes both in industry and in local communities should be widely shared.

We will do better. The development of America's abundant water resources has stimulated economic advancement in nearly all regions of the country and has facilitated growth in interstate commerce generally. Since 1972, a national expenditure of $350 billion for water pollution abatement and control has restored water quality in many places so that today some three-fourths of our rivers, lakes, and estuaries can fully support fishing and swimming. But the pollution that washed ashore on popular beaches last summer has again focused attention on the condition of the Nation's coastal waters. Abuses of the oceans and the Great Lakes must end and will end, and we will work closely with the States to enforce and strengthen the effectiveness of the Ocean Dumping Act and the Clean Water Act. We must also better protect America's wetlands, by working towards a goal of no net loss through a coordinated wetlands policy. We are also committed to protecting the Nation's surface and ground water resources from contamination by fertilizers and pesticides without jeopardizing the economic vitality of U.S. agriculture, and we will work with farmers to adopt environmentally sound production practices, safer chemicals, and biological pest controls.

Doing a better job of cleaning the air will make our cities more healthful. Doing a better job of solid waste management will make our landscapes safer and more attractive. Doing a better job of protecting our water resources will add importantly to the overall opportunities for outdoor recreation within and near our urban communities, closer to where most Americans spend most of their time. Recent studies of outdoor recreation have pointed out the enormous popularity of water-based recreation activities and have stressed the positive relationship between improvements in water quality and the effective use of urban lands available for outdoor recreation.

A better life for all Americans is our great common desire, and I believe that economic growth and a clean environment are both part of what all Americans understand a better life to mean. The protection of the environment and the conservation and wise management of our natural resources must have a high priority on our national agenda. Given sound research, hard work, sufficient public and pri-

vate funds, and—most important—the necessary political will, we can achieve and maintain an environment that protects the public health and enhances the quality of life for us all.

GEORGE BUSH.

THE WHITE HOUSE, *June 23, 1989.*

MESSAGES FROM THE HOUSE

At 11:05 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 694. An act to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1278) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 1, 219(5), 223, 314, and 315 and title I of the House bill, and sections 1, 222(4), 223, that portion of section 301 adding new sections 3(b) and 5 (s) and (t) to the Home Owners' Loan Act of 1933, and 1409, and titles I and XV of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Mr. ANNUNZIO, Mr. NEAL of North Carolina, Ms. OAKAR, Mr. VENTO, Mr. BARNARD, Mr. GARCIA, Mr. SCHUMER, Mr. LEHMAN of California, Mr. MORRISON of Connecticut, Mr. CARPER, Mr. KLECZKA, Mr. PRICE, Mr. WYLIE, Mr. LEACH of Iowa, Mrs. ROUKEMA, Mr. BEREUTER, Mr. ROTH, Mr. SAXTON, Mr. STEARNS, and Mr. GILLMOR.

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 501, 505 through 508, 1203, 1204, 1207, 1208, 1211, and 1212 and titles II (except section 219(5)), III (except sections 314 and 315), IV, VI, and VIII of the House bill, and sections 501, 505, 724, 1402 through 1405, 1410, 1413, and 1414 and titles II (except sections 221(b)(2), 222(4), and 223), III (except that portion of section 301 adding new sections 3(b) and 5 (s) and (t) to the Home Owners' Loan Act of 1933), IV, VI, and VIII of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Mr. ANNUNZIO, Mr. NEAL of North Carolina, Mr. LAFALCE, Ms. OAKAR, Mr. SCHUMER, Mr. FRANK, Mr. LEHMAN of California, Mr. CARPER, Mr. KANJORSKI, Mr. MCMILLEN of Maryland, Mr. MCDERMOTT, Mr. WYLIE, Mr. LEACH of Iowa, Mr. SHUMWAY, Mr. PARRIS, Mr. MCCOLLUM, Mr. DREIER of California, Mr. HILER and Mr. BARTLETT.

From the Committee on Banking, Finance and Urban Affairs, for consideration of titles IX, X, and XI of the House bill, and sections 221(b)(2), 1408 and 1411, and titles IX, X, and XIII of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Mr. ANNUNZIO, Mr. FAUNTROY, Mr. HUBBARD, Mr. BARNARD, Ms. KAPTUR, Mr. ERDREICH, Mr. NELSON of Florida, Mrs. PATTERSON, Mr. FLAKE, Mr. HOAGLAND, Mr. NEAL of Massachusetts, Mr. WYLIE, Mr. LEACH of Iowa, Mr. SHUMWAY, Mr. PARRIS, Mr. MCCOLLUM, Mr. BEREUTER, Mr. RIDGE, and Mr. MCCANDLESS.

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 1201, 1202, 1205, 1206, 1210, 1213 through 1216, and titles VII and XIII of the House bill, and sections 1401, 1406, 1407, and 1415 and titles VII (except section 724), XI and XII of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Mr. ANNUNZIO, Mr. FAUNTROY, Mr. HUBBARD, Ms. OAKAR, Mr. VENTO, Mr. GARCIA, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. TORRES, Mr. KLECZKA, Mr. KENNEDY, Mr. MFUME, Ms. PELOSI, Mr. WYLIE, Mr. LEACH of Iowa, Mrs. ROUKEMA, Mr. DREIER of California, Mr. BARTLETT, Mr. ROTH, Mr. RIDGE, Mrs. SAIKI, and Mr. BUNNING.

From the Committee on Banking, Finance and Urban Affairs, for consideration of sections 502 through 504 of the House bill, and sections 502 through 504 of the Senate amendment, and modifcations committed to conference: Mr. GONZALEZ, Mr. ANNUNZIO, Mr. FAUNTROY, Mr. NEAL of North Carolina, Mr. HUBBARD, Mr. LAFALCE, Mr. VENTO, Mr. SCHUMER, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. TORRES, Mr. KLECZKA, Mr. WYLIE, Mr. LEACH of Iowa, Mr. HILER, Mr. MCCANDLESS, Mr. SAXTON, Mrs. SAIKI, Mr. BAKER, and Mr. PAXON.

From the Committee on Ways and Means, for consideration of title XIV of the House bill, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. ARCHER, Mr. VANDER JAGT, and Mr. CRANE.

From the Committee on Ways and Means, for consideration of section 217, such portions of section 502 adding new subsections 21B (b), (c) (1) and (2), (d)(3), (f)(1) (A) and (B), (g)(2)(B), and (j) to the Federal Home Loan Bank Act, sections 502 (b) and (c), 504 and 1209 of the House bill and that portion of section 501 adding a new subsection 21A(k) to the Federal Home Loan Bank Act, such portions of section 502 adding new subsections 21B(b), (C)(1), (2), (3), (5), (6), and (8), (d) (1), (2) and (3), (f)(1) and (i) to the Federal Home Loan Bank Act, sections 503 and 504 of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. JACOBS, Mr. FORD of Tennessee, Mr. JENKINS, Mr. DOWNEY, Mr. GUARINI, Mr. RUSSO, Mr. PEASE, Mr. ARCHER, Mr. VANDER JAGT, Mr. CRANE, Mr. FRENZEL, Mr. SCHULZE, Mr. GRADISON, Mr. THOMAS of California, and Mr. MCGRATH.

As additional conferees, for consideration of the remaining portions of section 502 of the House bill, and the remaining portions of section 502 of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GUARINI, and Mr. ARCHER.

As an additional conferee, for consideration of sections 1213 through 1215 of the House bill, and modifications committed to conference: Mr. CONYERS.

As an additional conferee, for consideration of section 223 of the House bill, and that portion of section 223 adding a new subsection 28(d) to the Federal Deposit Insurance Act of the Senate amendment, and modifications committed to conference: Mr. DORGAN of North Dakota.

From the Committee on the Judiciary, for consideration of sections 212 and 219 of the House bill, and sections 212, 214, and 222 of the Senate amendment, and modifications committed to conference: Mr. KASTENMEIER, Mr. CONYERS, Mr. HUGHES, Mr. GLICKMAN, Mr. STAGGERS, Mr. SANGMEISTER, Mr. FISH, Mr. HYDE, Mr. GEKAS, and Mr. SMITH of Mississippi.

From the Committee on the Judiciary, for consideration of title IX of the House bill, and sections 913, and 981(c), and title X of the Senate amendment, and modifications committed to conference: Mr. KASTENMEIER, Mr. CONYERS, Mr. HUGHES, Mr. FRANK, Mr. SCHUMER, Mr. SANGMEISTER, Mr. FISH, Mr. HYDE, Mr. GEKAS, and Mr. SMITH of Mississippi.

From the Committee on Government Operations, for consideration of section 502(c) of the House bill, and modifications committed to conference: Mr. CONYERS, Mrs. COLLINS, Mr. ENGLISH, Mr. SYNAR, Mr. WISE, Mr. HORTON, Mr. CLINGER, and Mr. MCCANDLESS.

From the Committee on Rules, for consideration of that portion of section 501 adding a new section 21A(u) to the Federal Home Loan Bank Act, and section 502(c) of the House bill, and modifications committed to conference: Mr. MOAKLEY, Mr. DERRICK, Mr. BEILENSON, Mr. FROST, Mr. BONIOR, Mr. QUILLEN, and Mr. SOLOMON.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

At 12:24 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 2402) making supplemental appropriations for the Department of Veterans' Affairs for the fiscal year ending September 30, 1989, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 50. A concurrent resolution providing for a conditional recess or adjournment of the Senate and a conditional adjournment of the House over the July 4th Holiday.

ENROLLED JOINT RESOLUTION SIGNED

At 1:14 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 111. Joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day."

The enrolled joint resolution was subsequently signed by the Vice President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BENTSEN, from the Committee on Finance without amendment:

S. 1262: An original bill to amend the Trade Act of 1974 to make Poland eligible for the Generalized System of Preferences.

Mr. BENTSEN. Mr. President, Secretary Baker yesterday asked me, on behalf of the administration, to attempt to move a bill making Poland eligible for benefits under the Generalized System of Preferences or GSP. The House passed the measure on Tuesday. The administration is asking us to move the measure this week, in order for the President to be able to tell Polish leaders when he visits there the week of July 10 that he is authorized to extend Poland this benefit.

Under the GSP program, the United States gives preferential tariff treatment to imports from certain developing countries. The law specifically prohibits imports from certain Communist countries and certain developed countries from receiving GSP treatment. Poland is one of those countries.

Under the GSP program, even if a country is eligible for GSP, it does not necessarily receive the benefit. The President may only designate countries for GSP if the criteria set forth in the law are met. For example, no country may receive GSP benefits if it denies its workers internationally recognized workers' rights or is dominated or controlled by international communism. Some countries have actually lost GSP benefits by discretionary action of the President because they were found to no longer meet the statutory criteria.

Finally, no country receives GSP on all the products it exports to the United States. Certain products from certain countries are disqualified automatically by law, others are disqualified because a country becomes a competitive exporter of those products.

So, even if the Congress amends the law to make Poland eligible for GSP, that does not mean that all products imported from Poland will immediately receive the benefit. However, I think it is reasonable for us to expect that the President intends to reward Poland for its advances in democracy and human rights by extending the benefit to at least some products imported from Poland if he can find that it meets the statutory criteria. The administration has not told us what those products would be, but we do know that 1988 imports from Poland of products potentially eligible for GSP were worth $73 million. All of those products are now subject to our regular MFN rate of duty, averaging 4.8 percent ad valorem.

I believe there are reasonable policy objectives for considering GSP treatment for imports from Poland. The purpose of the GSP program is to support economic development in developing countries through the expansion of their exports. Poland's per capita income is around $2,000 per year, about the same as Mexico's, well below the maximum amount set forth in the GSP statute. While most U.S. tariffs are low, giving Poland some tariff preferences may allow it to make some sales that it would not have made with the full duty. Given the relatively small volume of trade involved, I do not see much risk for U.S. producers, but providing these incentives to Poland will hopefully encourage their recent reforms and promote a large role in that economy for market-based decisions. Moreover, I think we have an opportunity here to authorize the President to demonstrate what we support by way of human rights and democracy in the Communist world.

For these reasons, I support moving the original bill at this time.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROTH:

S. 1256. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of flexible individual retirement accounts the interest on which is exempt from tax, to allow a credit for contributions by low-income persons to such account, and for other purposes; to the Committee on Finance.

By Mr. DOLE (by request):

S. 1257. A bill to improve the contribution of libraries to the education of economically disadvantaged or handicapped individuals, to increase access to library materials through resource sharing, to support research and assessment necessary to improve library services, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KENNEDY:

S. 1258. A bill to amend the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SIMON (for himself and Mr. DECONCINI):

S. 1259. A bill to amend section 3143 of title 18, United States Code, to require the detention of any person found guilty of a violent offense pending sentence or appeal, and for other purposes; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. BENTSEN, Mr. HATCH, Mr. GRAHAM, and Mr. SIMON):

S. 1260. A bill to amend the Immigration and Nationality Act to continue to permit, after October 1, 1989, the immigration of certain adopted children; to the Committee on the Judiciary.

By Mr. METZENBAUM (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. ADAMS, Mr. SIMON, Ms. MIKULSKI, Mr. GORE, Mr. LAUTENBERG, Mr. DODD, Mr. HATFIELD, Mr. PELL, and Mr. MATSUNAGA):

S. 1261. A bill to amend the Civil Rights Act of 1964 to clarify the burden of proof for unlawful employment practices in disparate impact cases and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BENTSEN, from the Committee on Finance:

S. 1262. An original bill to amend the Trade Act of 1974 to make Poland eligible for the Generalized System of Preferences; placed on the calendar.

By Mr. SIMON (for himself, Mr. CRANSTON, and Mr. DIXON):

S. 1263. A bill to treat Hong Kong as a separate foreign state for purposes of applying the numerical limitations on immigration; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself, Mr. BENTSEN, Mr. JOHNSTON, Mr. LEAHY, Mr. CONRAD, and Mr. JEFFORDS):

S. 1264. A bill to provide for the phased reduction of approximately 10,000 United States Army personnel stationed in the Republic of Korea; to the Committee on Armed Services.

By Mr. PRYOR (for himself and Mr. BOREN):

S. 1265. A bill to amend title 31, United States Code, to permit the Comptroller General of the United States to review and decide protests of Federal Government employees relating to converting to contractor performance certain functions performed by such employees, and to amend the Federal Property and Administrative Services Act of 1949 to provide for judicial review of certain agency decisions relating to converting to contractor performance of commercial activities performed by Federal Government employees; to the Committee on Governmental Affairs.

By Mr. KASTEN:

S. 1266. A bill to amend the Federal Food, Drug and Cosmetic Act to specify the authority to regulate food products with cheese and meat, to require food containing

imitation or substitute cheese to be labeled to reflect the fact that such cheese is contained in the food, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE:

S. 1267. A bill to require that imports of fresh papaya meet all the requirements imposed on domestic fresh papaya; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. D'AMATO (for himself and Mr. COHEN):

S. 1268. A bill to amend the Immigration and Nationality Act to permit certain nationals of the People's Republic of China to adjust their status to that of aliens lawfully admitted to the United States for temporary residence; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1269. A bill for the relief of Ibrahim Hakki Demircan; to the Committee on the Judiciary.

By Mr. McCAIN (for himself, Mr. MURKOWSKI, and Mr. DECONCINI):

S. 1270. A bill to provide an Indian mental health demonstration grant program; to the Select Committee on Indian Affairs.

By Mr. DECONCINI (by request):

S. 1271. A bill to amend title 17, United States Code, to change the fee schedule of the Copyright Office, and to make certain technical amendments; to the Committee on the Judiciary.

By Mr. DECONCINI (by request):

S. 1272. A bill to amend chapter 8 of title 17, United States Code, to reduce the number of Commissioners on the Copyright Royalty Tribunal, to provide for lapsed terms of such Commissioners, and for other purposes; to the Committee on the Judiciary.

By Mr. BOREN (for himself, Mr. DURENBERGER, Mr. DANFORTH, Mr. PRYOR, Mr. LUGAR, Mr. LEAHY, Mr. DASCHLE, Mr. COCHRAN, Mr. CONRAD, Mr. SYMMS, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. HARKIN, Mr. BURDICK, Mr. BOND, and Mr. NICKLES):

S. 1273. A bill to amend the Internal Revenue Code of 1986 with respect to treatment by cooperatives of gains or losses from sale of certain assets; to the Committee on Finance.

By Mr. HATCH:

S. 1274. A bill to improve health care and health insurance for all Americans and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WIRTH:

S. 1275. A bill to authorize the Secretary of the Interior to construct, operate, and maintain a water treatment plant for the purpose of treating water discharged from the Leadville Mine Drainage Tunnel near Leadville, Colorado, in order to meet water quality standards, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GLENN (for himself, Mr. ROTH, Mr. PRYOR, Mr. STEVENS, and Mr. SASSER):

S. 1276. A bill relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for contract year 1990 or 1991, if no Government-wide indemnity benefit plan participates in that year; to the Committee on Governmental Affairs.

By Mr. FORD (for himself and Mr. McCAIN):

S. 1277. A bill to amend the Federal Aviation Act of 1958 to prohibit the acquisition of a controlling interest in an air carrier unless the Secretary of Transportation has made certain determinations concerning the effect of such acquisition on aviation safety; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI:

S. 1278. A bill to deny the People's Republic of China most-favored-nation trade treatment; to the Committee on Finance.

By Mr. MURKOWSKI:

S. 1279. A bill to amend title 38, United States Code, to revise the eligibility requirements for veterans readjustment employment and to extend the veterans readjustment employment program; to the Committee on Veterans' Affairs.

By Mr. PRYOR (for himself and Mr. BOREN):

S. 1280. A bill to amend title 31, United States Code, to permit the Comptroller General of the United States to review and decide protests of Federal Government employees relating to converting to contractor performance certain functions performed by such employees, and to amend the Federal Property and Administrative Services Act of 1949 to provide for judicial review of certain agency decisions relating to converting to contractor performance of commercial activities performed by the Federal Government employees; to the Committee on Governmental Affairs.

By Mr. GLENN (for himself and Mr. FORD):

S. 1281. A bill to amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain bicycle parts, and for other purposes; to the Committee on Finance.

By Mr. GARN (for himself, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BOND, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DODD, Mr. DOLE, Mr. DOMENICI, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRAMM, Mr. HATCH, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MACK, Mr. MATSUNAGA, Mr. McCLURE, Ms. MIKULSKI, Mr. MITCHELL, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SASSER, Mr. SHELBY, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, and Mr. WILSON):

S.J. Res. 170. Joint resolution to designate July 20, 1989, and July 20, 1990, as "Space Exploration Day"; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S.J. Res. 171. Joint resolution proposing an amendment to the Constitution of the United States relative to the display and care for the flag of the United States of America; to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. LEAHY, and Mr. JEFFORDS):

S.J. Res. 172. Joint resolution to recognize the Bicentennial of the American Morgan Horse and to designate the period commencing October 9, 1989, and ending October 15, 1989, as "National Morgan Horse Week"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mrs. KASSEBAUM, Mr. COCHRAN, Mr. LOTT, Mr. COATS, Mr. NUNN, Mr. SANFORD, Mr. BREAUX, Mr. REID, Mr. PRYOR, Mr. JOHNSTON, Mr. PELL, Mr. BRYAN, Mr. GARN, Mr. CONRAD, Mr. STEVENS, Mr. JEFFORDS, Mr. RUDMAN, Mr. SHELBY, Mr. EXON, Mr. LEVIN, Mr. ROCKEFELLER, Mr. DURENBERGER, Mr. BRADLEY, Mr. LAUTENBERG, Mr. HOLLINGS, Mr. LIEBERMAN, Mr. LUGAR, Mr. DANFORTH, Ms. MIKULSKI, Mr. GLENN, Mr. GORE, Mr. ROBB, Mr. WIRTH, Mr. BENTSEN, Mr. SIMON, Mr. KERRY, Mr. CHAFEE, Mr. COHEN, Mr. McCLURE, Mr. PRESSLER, Mr. GORTON, Mr. PACKWOOD, Mr. HELMS, Mr. KOHL, Mr. HUMPHREY, Mr. WARNER, Mr. INOUYE, Mr. MOYNIHAN, and Mr. GRASSLEY):

S.J. Res. 173. Joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HATFIELD:

S. Con. Res. 51. A concurrent resolution in support of human rights and democracy in Hong Kong; to the Committee on Foreign Relations.

By Mr. HATFIELD (for himself, Mr. GLENN, and Mr. WARNER):

S. Con. Res. 52. A concurrent resolution to express the sense of the Congress that science, mathematics, and technology education should be a national priority; to the Committee on Labor and Human Resources.

By Mr. DODD (for himself, Mr. BOSCHWITZ, Mr. HEINZ, Mr. DIXON, Mr. MITCHELL, Mr. DOLE, Mr. DURENBERGER, Mr. LIEBERMAN, Mr. DASCHLE, Mr. LUGAR, Mr. GORTON, Mr. PELL, Mr. GRAHAM, Mr. SIMON, Mr. INOUYE, Mr. CHAFEE, Mr. JEFFORDS, Mr. PRESSLER, Mr. KENNEDY, Mr. BURDICK, Mr. KERRY, Mr. SARBANES, Mr. COHEN, Mr. GLENN, Mr. EXON, Mr. BIDEN, Mr. DECONCINI, Mr. STEVENS, Mr. D'AMATO, Mr. BUMPERS, Mr. HOLLINGS, Mr. CONRAD, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. McCAIN, Mr. DOMENICI, Mr. CRANSTON, Mr. RIEGLE, Mr. SIMPSON, Mr. MACK, Mr. GORE, Mr. WIRTH, Mr. BRADLEY, Mr. MOYNIHAN, Mr. HATFIELD, Mr. WILSON, Mr. PACKWOOD, Mr. HUMPHREY, and Mrs. KASSEBAUM):

S. Con. Res. 53. A concurrent resolution concerning Iranian persecution of the Baha'is; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 1256. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of flexible individual retirement accounts the interest on which is exempt from tax, allow a credit for contributions by low-income persons to such account, and for other purposes; to the Committee on Finance.

1989 SAVE AMERICA TAX ACT

Mr. ROTH. Mr. President, I've heard it said that there is a growing sentiment in America that regular saving should be ignored—that the Government will take care of the people and give them security when they get beyond a certain age or become old and unable to work, but it must be borne in mind that the people who earn and do save, take care of the Government. Were it not for the thrifty and the willing workers, the Government would be in a very bad way.

Adam Smith simplified this basic economic truth when he said:

> As the capital of an individual can be increased only by what he saves . . . so the capital of a society can be increased only in the same manner.

In this distinguished Chamber, Mr. President, we'd be hard pressed to find someone who disagrees with these two axioms. Ironically, however, it would be just as hard to find recent substantial and successful legislation that encourages Americans to save. Almost everything points in the opposite direction, including the 1986 Tax Reform Act which cut the otherwise successful Individual Retirement Account Program off at the knees.

I can still recall the 2 weeks that surrounded the 1986 vote. My office phone never stopped ringing as Americans—businessmen, families, farmers, teachers, retired folks—called to ask why Congress was wiping out the one program that focused on self-reliance. Letters poured in—as I'm sure they did in the offices of my colleagues—and I understood only too well something I'd known for a long time: Americans are a self-reliant people. Most Americans depend on themselves first, family second, church and community organizations third, and then, if they must, they'll turn to the Government.

Sometimes, however, I think Congress violates this spirit of self-reliance. Sometimes I think Washington becomes all too eager to enslave the hearts and minds of the people, too conscript Americans to policies and programs that fade once they oxidize in the air of reality outside the beltway. And this happens when we fail to focus on the silent majority, the people who run our small businesses and family farms, the people who plan to send their own children to college, the young couples who buy homes, and hardworking, frugal Americans saving for retirement—saving for themselves, for their children, and for their grandchildren.

These are the people to whom Rudyard Kipling referred when he wrote:

> Savings represents much more than mere money value. They are the proof that the saver is worth something in himself. Any fool can waste; any fool can muddle; but it takes something more of a man to save and the more he saves the more of a man he makes of himself. Waste and extravagance unsettle a man's mind for every crisis; thrift, which means some form of self-restraint, steadies it.

This all seems so simple. But if it is, why, then has it been so hard for this distinguished body to enact legislation to promote savings? Why have the policies, some of which are lobbed out of Washington like errant projectiles, turned America into a nation of consumers? Why has Congress allowed the United States to become the lowest savings nation of all our major trade competitors?

You would think that something so fundamental to the well-being of our countrymen, and to the Nation as a whole, would be a top priority for us, especially as we continue to move into the dynamic global economy where competition is stiff and our leadership is anything but assured. Yet Congress has continued to exacerbate the bias against savings, as our own Treasury Department pointed out in 1977. The double taxation of savings, first as income then on interest, increases the price of saving relative to consumption. In recent years our hybrid tax system has moved even further in this unproductive direction, as additional forms of saving have been included in the income tax base.

What's even more ironic is that Congress has moved in the wrong direction even when it's known better—even though it has evidence that tax incentives for saving have been effective. For example, a 1987 study published by the prestigious National Bureau of Economic Research found that most IRA contributions resulting from the tax changes made in 1981 did represent new saving. According to the report, "The data show almost no substitution of IRA's for other saving." What's more, the study noted that IRA's comprised about $45 billion, about one-fourth of personal saving by 1986.

In keeping with what I've said about mainstream America being our savers, this study also found that about 70 percent of the contributors to IRA plans earned less than $50,000 in 1984.

Despite these data, and the need for America to become a savings nation, Congress, unfortunately for many taxpayers, eliminated, or curtailed, the tax deduction. As a matter of public policy it was a serious error as annual contributions declined from $38 billion to $14 billion. As a matter of public policy it was a serious error as millions of Americans had literally banked on the fact that IRA's would allow them to be self-reliant in retirement.

And as a matter of public policy it was a serious error in terms of our Nation's gross national product as economists determine that a simple 2.5-percentage point increase in the personal saving rate annually could add roughly 10 percentage points to our Nation's GNP in 10 years—or an increase in GNP of about $500 billion in current dollars.

Mr. President, it's clear that Congress must do something to promote savings in America. It's clear that the bias against saving must be lifted to help our constituents toward self-reliance and to help our Nation toward a strong competitive posture. And to this end, I introduce today what is fast becoming known as the "Save America" bill—a simple, but comprehensive plan to add a IRA-plus option to the existing IRA Program.

Through the IRA-plus, Americans will once again be attracted toward a savings program for retirement as their earned income will be taken out of double-jeopardy taxation. While the initial income will be taxed, once it is invested in an IRA-plus account, it will remain tax free from interest—or second earning—if used for retirement after age 59½. Consequently, while the program benefits the savers, an added benefit is that it will not dramatically impact the budget as the tax exemption will come upon withdrawal rather than upon deposit. This will not only encourage self-reliance, but other benefits to the IRA-Plus Program will be equally attractive.

For example:

With the increase in national savings, America would realize a dramatic increase in capital—capital that is essential for the future economic well-being of our country. Today we have about $400 billion in IRA accounts, as a result of annual contributions by Americans—contributions that have been cut almost two-thirds since the Tax Reform Act of 1986. This, of course, represents a reduction of badly needed capital for investment, the foundation of our Nation's infrastructure and business expansion, and it would also keep interest rates low to better enable us to compete with our trading partners.

The IRA-Plus Program would turn us in the right direction again. And what's more, as it benefits the Nation, it would begin immediately to benefit the savers as part of the money put away in the account could be used for home purchases, health care, and education. As a matter of fact, under my plan, up to 25 percent of the entire balance could be used, penalty free, to this end. So Americans could begin immediately to benefit from their thrift. And by Americans, I mean all Americans.

Under the IRA-Plus Program, there would be no discrimination against nonworking spouses—as there is in the present system. Under the "Save America" bill, spouses would also be allowed to contribute the maximum allowable amount of $2,000—the same as their working partners. And to encourage savings among lower-income Americans, the IRA-plus would offer a

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

25-percent tax credit for contributors with incomes below $25,000. The present IRA deduction provides only a 15-percent incentive to low-income savers and then recoups the cost when the saver retires.

Although the idea for a new IRA-plus is primarily a retirement account, it's important to mention these other benefits because they encourage our young Americans to begin early to participate in the program. It benefits them as they can save not only for retirement but for their first home as well. Unfortunately, because our young families are often more concerned about buying a house than they are about saving for retirement, the latter tends to be avoided sometimes until it's too late. My bill, however, would allow for both without suffering the tax on savings ordinarily faced by taxpayers.

And it does so by the use of the commonsense approach I've mentioned—allowing withdrawals for a down payment on a house as long as the withdrawal does not exceed 25 percent of the amount in the account.

Clearly, all of these benefits would be very advantageous for our Nation's families and businesses. But perhaps more importantly, the IRA-Plus Program would reestablish the success of the present IRA Program, making existing accounts substantially more attractive—thereby strengthening the economic portfolio of our Nation. Current participants in IRA's could convert to plus accounts to make a tax-free early withdrawal under the conditions I've mentioned—to purchase the home, or send the kids to college, or pay for health care. And all of this could be accomplished with no reduction, whatsoever, to existing IRA benefits. Immediately both Americans and America would see the benefits of increased savings, as we witnessed with the IRA, itself, before the 1986 change.

Let me also say that I believe this bill offers flexibility and simplicity. But then again, commonsense is most often simply. Under my bill, Americans will no longer have to keep track of deductible versus nondeductible contributions for 20 or 30 years, or more. Instead, they will simply rest assured that once tax has been paid on the initial earned income, their IRA-plus savings can be put away to be withdrawn, tax-free on the earned interest, after age 59½. And as American families benefit from the peace of mind this program offers, America itself will benefit from the thrift of its people.

Mr. President, this bill is an important step toward making IRA's serve the needs of all Americans. I hope that my colleagues will join with me in my objective to make the IRA an important means to increase savings in America. I welcome any additional contributions that might add to this end, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "1989 Save America Tax Act".

SEC. 2. ESTABLISHMENT OF FLEXIBLE INDIVIDUAL RETIREMENT ACCOUNTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

"408A. FLEXIBLE INDIVIDUAL RETIREMENT ACCOUNTS.

"(a) GENERAL RULE.—Except as provided in this section, a flexible individual retirement account shall be treated for purposes of this title in the same manner as an individual retirement plan.

"(b) FLEXIBLE INDIVIDUAL RETIREMENT ACCOUNT.—For purposes of this title, the term 'flexible individual retirement account' means an individual retirement plan which is designated at the time of the establishment of the plan as a flexible individual retirement account. Such designation shall be made in such manner as the Secretary may prescribe.

"(c) CONTRIBUTION RULES.—

"(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to a flexible individual retirement account.

"(2) CONTRIBUTION LIMIT.—Except in the case of rollovers, the aggregate amount which may be accepted as contributions to a flexible individual retirement account shall not exceed—

"(A) $2,000 in the case of taxable years beginning before 1995, and

"(B) $3,000 in the case of taxable years beginning after 1994.

"(d) DISTRIBUTION RULES.—For purposes of this title—

"(1) IN GENERAL.—In the case of a qualified distribution from a flexible individual retirement account—

"(A) the amount of such distribution shall not be includible in gross income; and

"(B) section 72(t) shall not apply.

"(2) QUALIFIED DISTRIBUTION.—For purposes of paragraph (1), the term 'qualified distribution' means any distribution—

"(A) made on or after the date on which the individual attains age 59½,

"(B) made to a beneficiary (or to the estate of an individual) on or after the death of the individual,

"(C) attributable to the employee's being disabled (within the meaning of section 72(m)(7)), or

"(D) which is a qualified special purpose distribution (within the meaning of subsection (e)).

"(3) SPECIAL RULES RELATING TO ROLLOVERS FROM REGULAR INDIVIDUAL RETIREMENT ACCOUNTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no amount paid or distributed out of an individual retirement plan shall be included in gross income (and section 72(t) shall not apply to such amount) if the individual receiving such amount transfers, within 60 days of receipt, the entire amount received to a flexible individual retirement account.

"(B) TREATMENT OF TAX-FAVORED AMOUNTS.—Subparagraph (A) shall not apply to the portion of any amount transferred which bears the same ratio to such amount as—

"(i) the aggregate amount of contributions to individual retirement plans with respect to which a deduction was allowable under section 219, bears to

"(ii) the aggregate balance of such plans.

"(4) OTHER DISTRIBUTIONS.—In the case of any amount paid or distributed out of a flexible individual retirement account to which this subsection does not otherwise apply, the following portions of such amount shall be included in gross income (and section 72(t) shall apply to such portion):

"(A) The portion of such amount which does not exceed the aggregate contributions to flexible individual retirement accounts with respect to which a credit was allowable under section 35 (reduced by any amounts to which this subparagraph previously applied).

"(B) The portion of the remainder of such amount which bears the same ratio to the total as—

"(i) the aggregate contributions to flexible individual retirement accounts to which subparagraph (A) does not apply, bears to

"(ii) the aggregate balance in such accounts (without regard to contributions to which subparagraph (A) applied).

"(e) QUALIFIED SPECIAL PURPOSE DISTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified special purpose distribution' means—

"(A) a first-time homebuyer distribution, or

"(B) an applicable medical or educational distribution.

"(2) 25-PERCENT ACCOUNT LIMIT.—A distribution shall not be treated as a qualified special purpose distribution to the extent it exceeds the amount (if any) by which—

"(A) 25 percent of the aggregate balance of flexible individual retirement accounts established on behalf of an individual, exceeds

"(B) the aggregate amounts previously treated as qualified special purpose distributions.

"(3) NO AMOUNTS TREATED AS QUALIFIED SPECIAL PURPOSE DISTRIBUTIONS FOR 5 YEARS.—No distribution shall be treated as a qualified special purpose distribution during the 5-taxable year period beginning with the 1st taxable year in which the individual made a contribution to a flexible individual retirement account.

"(4) DISTRIBUTIONS USED TO PURCHASE A HOME BY FIRST-TIME HOMEBUYER.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'first-time homebuyer distribution' means any payment or distribution received by a first-time homebuyer to the extent such payment or distribution is used by the individual before the close of the 90th day after the day on which such payment or distribution is received in connection with the acquisition during such 90-day period of a principal residence for such individual.

"(B) BASIS REDUCTION.—The basis of any principal residence described in subparagraph (A) shall be reduced by any amount excluded from the gross income of such first-time homebuyer by reason of subparagraph (A).

"(C) RECOGNITION OF GAIN AS ORDINARY INCOME.—

"(i) IN GENERAL.—Notwithstanding any other provision of this subtitle, except as provided in clause (ii)—

"(I) gain (if any) on the sale or exchange of a principal residence to which subparagraph (A) applies shall, to the extent of the amount excluded from gross income under subparagraph (A), be treated as ordinary income by such individual, and

"(II) section 72(t) shall apply to such amount.

"(ii) EXCEPTION.—Clause (i) shall not apply to any taxable year to the extent of any amount which, before the due date (without extensions) for filing the return for such year, the taxpayer contributes to a flexible individual retirement account. Such amount shall not be taken into account for purposes of section 35 or any provision of this title relating to excess contributions.

"(iii) COORDINATION WITH OTHER PROVISIONS.—In the event all or part of the gain referred to in clause (i) is treated as ordinary income under any other provision of this subtitle, such provision shall be applied before clause (i).

"(D) DEFINITIONS.—

"(i) FIRST-TIME HOMEBUYER.—For purposes of this paragraph, the term 'first-time homebuyer' means any individual who (or whose spouse) has had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence described in subparagraph (A).

"(ii) PRINCIPAL RESIDENCE.—For purposes of this paragraph, the term 'principal residence' shall have the same meaning as when used in section 1034.

"(iii) DATE OF ACQUISITION.—For purposes of this paragraph, the term 'date of acquisition' means the date on which a binding contract to buy the principal residence described in subparagraph (A) is entered into.

"(5) APPLICABLE MEDICAL DISTRIBUTIONS.—For purposes of paragraph (1), the term 'applicable medical distributions' means any distributions made to an individual (not otherwise treated as a qualified distribution) to the extent such distributions do not exceed the amount allowable as a deduction under section 213 to the individual for amounts paid during the taxable year for medical care (without regard to whether the individual itemizes deductions for the taxable year.)

"(6) DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR EDUCATIONAL EXPENSES.—

"(A) For purposes of paragraph (1), the term 'applicable educational distributions' means distributions to an individual to the extent that the amount of such distributions (not otherwise treated as qualified distributions, determined after application of paragraph (5)) does not exceed the qualified educational expenses of the individual for the taxable year.

"(B) QUALIFIED EDUCATIONAL EXPENSES.—For purposes of this subparagraph, the term 'qualified educational expenses' means qualified tuition and related expenses (within the meaning of section 117(b)) of the taxpayer, his spouse, or his dependents for attendance at an educational institution described in section 170(b)(1)(A)(ii), including reasonable living expenses while away from home.

"(f) DETERMINATIONS.—For purposes of this section, any determinations with respect to aggregate contributions to, or the balance of, flexible individual retirement accounts shall be made as of the close of the calendar year preceding the calendar year in which the taxable year begins."

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 of such Code is amended by inserting after the item relating to section 408 the following new item:

"Sec. 408A. Flexible individual retirement accounts."

SEC. 3. CREDIT FOR CONTRIBUTIONS TO FLEXIBLE INDIVIDUAL RETIREMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. FLEXIBLE INDIVIDUAL RETIREMENT ACCOUNTS.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 25 percent of any amount paid in cash for the taxable year by or on behalf of such individual to a flexible individual retirement account.

"(b) ELIGIBLE INDIVIDUAL.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible individual' means a taxpayer—

"(A) who has not attained the age of 55 before the close of the taxable year, and

"(B) whose adjusted gross income for the taxable year does not exceed the applicable dollar limit.

"(2) APPLICABLE DOLLAR LIMIT.—For purposes of paragraph (1), the term 'applicable dollar limit' means—

"(A) $25,000 in the case of a married individual filing a joint return,

"(B) $18,000 in the case of any other taxpayer (other than a married individual filing a separate return), and

"(C) zero in the case of a married individual filing a separate return.

For purposes of this paragraph, marital status shall be determined after application of section 219(g)(4).

"(3) ADJUSTED GROSS INCOME.—For purposes of this subsection, adjusted gross income shall be determined—

"(A) after application of sections 86 and 469, and

"(B) without regard to sections 135 and 911.

"(c) MAXIMUM AMOUNT OF CONTRIBUTIONS.—

"(1) IN GENERAL.—The maximum amount of contributions which may be taken into account under subsection (a) with respect to any individual for any taxable year shall not exceed the lesser of—

"(A) $2,000 ($3,000 in the case of taxable years beginning after 1994), or

"(B) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(2) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

"(A) IN GENERAL.—In the case of any individual with respect to whom a credit is otherwise allowable under subsection (a)—

"(i) who files a joint return under section 6013 for a taxable year, and

"(ii) whose spouse—

"(I) has no compensation (determined without regard to section 911) for such taxable year, or

"(II) elects to be treated for purposes of paragraph (1)(B) as having no compensation for the taxable year,

there shall be taken into account in computing the amount of the credit under subsection (a) for any taxable year any amount paid in cash for the taxable year by or on behalf of the individual to a flexible individual retirement plan established for the benefit of the individual's spouse.

"(B) LIMITATION.—The amount taken into account under subparagraph (A) shall not exceed the excess of—

"(i) the lesser of—

"(I) $4,000 ($6,000 in the case of taxable years beginning after 1994), or

"(II) an amount equal to the compensation includible in the individual's gross income for the taxable year, over

"(ii) the amount taken into account under subsection (a) for the taxable year.

In no event shall the amount taken into account under subparagraph (A) exceed $2,000 ($3,000 in the case of taxable years beginning after 1994).

"(d) OTHER LIMITATIONS AND RESTRICTIONS.—

"(1) RECONTRIBUTED AMOUNTS.—No credit shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), 408(d)(3), or 408A(d)(3).

"(2) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408(b), no credit shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which is properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income (as defined in section 401(c)(2)). The term 'compensation' does not include any amount received as a pension or annuity and does not include any amount received as deferred compensation. The term 'compensation' shall include any amount includible in the individual's gross income under section 71 with respect to a divorce or separation instrument described in subparagraph (A) of section 71(b)(2).

"(2) MARRIED INDIVIDUALS.—The maximum amount taken into account under subsection (c) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a flexible individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to a flexible individual retirement account shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income in the taxable year for which the amount was contributed, whether or not a credit for such payment is allowable under this section to the employee.

"(5) EXCESS CONTRIBUTIONS TREATED AS CONTRIBUTION MADE DURING SUBSEQUENT YEAR FOR WHICH THERE IS AN UNUSED LIMITATION.—

"(A) IN GENERAL.—If for the taxable year the maximum amount which may be taken into account in computing the credit allowable under this section for contributions to a flexible individual retirement account exceeds the amount contributed, then the taxpayer shall be treated as having made an additional contribution for the taxable year in an amount equal to the lesser of—

"(i) the amount of such excess, or

"(ii) the amount of the excess contributions (determined under section 4973(b)(2) without regard to subparagraph (C) thereof).

"(B) AMOUNT CONTRIBUTED.—For purposes of this paragraph, the amount contributed—

"(i) shall be determined without regard to this paragraph, and

"(ii) shall not include any rollover contribution.

"(C) SPECIAL RULE WHERE EXCESS CREDIT WAS ALLOWED FOR CLOSED YEAR.—Proper reduction shall be made in the amount allowable as a credit by reason of this paragraph for any amount allowed as a credit under this section for a prior taxable year for which the period for assessing deficiency has expired if the amount so allowed exceeds the amount which should have been allowed for such prior taxable year."

(b) CONFORMING AMENDMENTS.—

(1) Section 86(f)(3) of such Code is amended by inserting "or section 35(d)(1)" after "section 219(f)(1)".

(2) Section 4973(b) of such Code is amended by adding at the end thereof the following new sentence: "In the case of a flexible individual retirement account, excess contributions shall be determined under rules similar to the rules under this subsection.

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following new items:

"Sec. 35. Flexible individual retirement accounts.

"Sec. 36. Overpayments of tax."

SEC. 4. MODIFICATION OF RULES RELATING TO SPOUSES.

(a) SPOUSE WITH NO COMPENSATION MAY MAKE MAXIMUM CONTRIBUTION.—Clause (i) of section 219(c)(2)(A) of the Internal Revenue Code of 1986 is amended by striking "$2,250" and inserting "$4,000".

(b) SPOUSE'S PARTICIPATION NOT TO DISQUALIFY AN INDIVIDUAL.—Paragraph (1) of section 219(g) of such Code is amended by striking "or the individual's spouse".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1989.

By Mr. DOLE (by request):

S. 1257. A bill to improve the contribution of libraries to the education of economically disadvantaged or handicapped individuals, to increase access to library materials through resource sharing, to support research and assessment necessary to improve library services, and for other purposes; to the Committee on Labor and Human Resources.

LIBRARY SERVICES IMPROVEMENT ACT

Mr. DOLE. Mr. President, at the request of the administration, I am introducing today the Library Services Improvement Act of 1989. This proposal is similar to legislation that was introduced on the administration's behalf in the last Congress. The bill would restructure the Library Services and Construction Act [LSCA] and title II of the Higher Education Act.

The Library Services Improvement Act contains three titles. Title I would authorize $91 million to assist the States in supporting local projects to provide new or expanded library services to economically disadvantaged individuals or individuals with disabilities. Such services include literacy training, summer reading programs, the development of library collections in rural States, and the purchase and distribution of large-print books and other materials for people with disabilities.

Title II, authorized at $45 million, is intended to encourage increased access to library books and other materials through new or expanded library resource-sharing networks. The act would allocate $30 million to the States for the development of interstate and intrastate networks or for the expansion of existing ones. The remaining $15 million would be earmarked for discretionary grants for the development or expansion of library networks across State lines.

Title III would support field-initiated research, evaluation, and policy studies. To date, such data and accountability has been lacking. The conduct of research and assessment in the field of library and information science is, however, an appropriate Federal role. This sort of evaluation is needed to ensure that the Federal dollars spent on library programs and services are well targeted and effectively used.

Mr. President, I do not necessarily agree with all the provisions of the administration's bill. In particular, I know that the construction title of LSCA, which the Library Services Improvement Act would eliminate, has been found to be a very worthwhile program by librarians and library users across the country. I believe, however, that the administration should be able to go on record with its views, and I am pleased to introduce this measure on its behalf.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Library Services Improvement Act of 1989".

STATEMENT OF PURPOSE

SEC. 2. (a) The purpose of this Act is to improve the contribution of libraries to education and learning by—

(1) encouraging greater use of library services by economically disadvantaged or handicapped individuals;

(2) increasing access to library materials through support for resource sharing; and

(3) supporting research and assessments needed to improve library services.

(b) Nothing in this Act shall be construed to interfere with State and local authority and responsibility for the conduct of library services, including the administration of libraries, selection of personnel and materials, and, to the extent consistent with the provisions of this Act, the determination of the best uses of funds provided under this Act.

DEFINITIONS

SEC. 3. The following definitions apply to this Act:

(1) The term "handicapped individual" means a person who is mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or learning disabled.

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in, or established pursuant to, the Alaskan Native Claims Settlement Act, which is recognized by the Secretary of the Interior as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(3) The term "library" includes public, school, college and university, research, special, and other libraries.

(4) The term "library service" means the performance of an activity of a library relating to the collection and organization of library materials and information, and to making these materials and information available to a clientele.

(5) The term "network" means any cooperative arrangement among two or more administratively independent libraries for the sharing of books, materials, and services.

(6) The term "Secretary" means the Secretary of Education.

(7) The term "State" means any of the several States of the United States of America, the District of Columbia, or the Commonwealth of Puerto Rico, and, except for section 5 of this Act, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Palau, or the Virgin Islands.

(8) The term "State library administrative agency" means the State agency authorized by law to extend and develop public library services throughout the State.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) There are authorized to be appropriated $91 million for fiscal year 1990, and such sums as may be necessary for each of the four succeeding fiscal years to carry out title I.

(b) There are authorized to be appropriated $45 million for fiscal year 1990, and such sums as may be necessary for each of the four succeeding fiscal years to carry out title II.

(c) There are authorized to be appropriated $1.2 million for fiscal year 1990, and such sums as may be necessary for each of the four succeeding fiscal years to carry out title III.

ALLOTMENTS

SEC. 5. (a)(1) From the amount appropriated to carry out title I for each fiscal year, the Secretary shall reserve one and one-half of one percent for awards to be allotted according to subparagraphs (A) and (B) of this paragraph.

(A) Two-thirds of the amount reserved under this paragraph shall be available for awards to Indian tribes.

(B) One-third of the amount reserved under this paragraph shall be available for awards to American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Palau (only to the extent authorized by section 104(c) of Public Law 99-658 and until the effective date of the Compact of Free Association with the Government of Palau), and the Virgin Islands, and shall be allotted among these recipients on the basis of their relative need for assistance.

(2) From the amount remaining after funds are reserved under paragraph (1), the Secretary shall allot for each fiscal year one-half of that remainder among the States on the basis of their relative population and one-half of that remainder among the States on the basis of their relative population below the poverty level, except that the Secretary shall allot to each State an amount equal to at least one-half of one percent of that remainder.

(b)(1) From the amount appropriated to carry out title II for each fiscal year, the Secretary shall reserve two-thirds for State programs under part A of title II and one-third for grants under part B of title II.

(2) From the amount reserved for State programs under part A of title II for each fiscal year, the Secretary shall reserve one and one-half of one percent for awards to be allotted according to subparagraphs (A) and (B) of this paragraph.

(A) Two-thirds of the amount reserved under this paragraph shall be available for awards to Indian tribes.

(B) One-third of the amount reserved under this paragraph shall be available for awards to American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Palau (only to the extent authorized by section 104(c) of Public Law 99-658 and until the effective date of the Compact of Free Association with the Government of Palau), and the Virgin Islands, and shall be allotted among these recipients on the basis of their relative need for assistance.

(3) From the amount remaining after funds are reserved under paragraph (2), the Secretary shall allot for each fiscal year an amount to each State which bears the same ratio to that remainder as the population of the State bears to the population of all of the States, except that the Secretary shall allot to each State an amount equal to at least one-half of one percent of that remainder.

(c) The Secretary may reallot all or a portion of a State's allotment for any fiscal year if the State does not submit an application to carry out a program under title I or title II, or the Secretary determines that the State does not need or cannot use the full amount of its allotment for that fiscal year. The Secretary may fix one or more dates during a fiscal year upon which to make reallotments.

(d) The population of a State, and the population below the poverty level of a State, and of all of the States, shall be determined by the Secretary on the basis of the most recent satisfactory data available to the Secretary.

STATE APPLICATIONS

SEC. 6. (a) Any State desiring to receive its allotment under title I or title II of this Act shall submit an application at such time, in such manner, and containing such information, as the Secretary may require. The State application shall cover a period of up to five fiscal years, and shall include descriptions of—

(1) the goals, expressed in measurable terms, that the State seeks to achieve with its allotment under title I, title II, or both titles;

(2) the means by which the State plans to achieve those goals; and

(3) the evaluation methods the State will use to determine whether those goals have been met.

(b) Each State application shall contain such assurances as the Secretary determines are necessary to carry out the purposes of this Act, including assurances that—

(1) the State will inform interested parties or potential participants of (A) the availability of funds, (B) the State's priority geographic areas, and (C) the State's procedures for selecting projects to be supported with funds under title I, title II, or both titles;

(2) the State library administrative agency will act as administrative and fiscal agent for the programs under this Act, and will implement such fiscal control and accounting procedures as may be necessary to ensure the proper disbursement of, and accounting for, Federal funds paid to the State under this Act; and

(3) the State will discontinue support under this Act after completion of the first two years of a project if the project does not accomplish, or does not give reasonable promise of accomplishing, the results for which Federal assistance was provided.

GRANTS TO INDIAN TRIBES

SEC. 7. From the funds reserved under sections 5(a)(1)(A) and 5(b)(2)(A), the Secretary shall make grants to eligible Indian tribes to improve library services. Any Indian tribe desiring to receive a grant shall submit an application at such time, in such manner, and containing such information, as the Secretary may require.

TITLE I—LIBRARY SERVICES TO DISADVANTAGED AMERICANS

PROGRAM AUTHORITY

SEC. 101. From the funds allotted in accordance with section 5(a) of this Act, the Secretary shall make grants to States to carry out projects or activities that provide new library services, or expand existing library services, to economically disadvantaged or handicapped individuals in order to enhance their educational opportunities, or to facilitate their greater use of library services.

(b) A State library administrative agency may support projects either directly or through subgrants to, or contracts with, public or private agencies, organizations, or institutions, and Indian tribes. These projects may include joint projects among libraries and other types of institutions, such as schools.

AUTHORIZED ACTIVITIES

SEC. 102. States may use funds allotted under this title to support library projects or activities such as—

(1) adult basic education;

(2) literacy training;

(3) the development of library collections in rural areas;

(4) English instruction;

(5) information and referral centers;

(6) summer reading programs for school children;

(7) after-school homework programs;

(8) services to persons in correctional institutions;

(9) specialized training of library personnel to implement activities related to the purposes of this title;

(10) the purchase and distribution of large-print books and other special materials for handicapped individuals;

(11) services to persons in nursing homes or hospitals; and

(12) the acquisition of equipment or minor structural changes that make libraries more usable for handicapped individuals.

USE OF FUNDS

SEC. 103. (a) A State shall use funds allotted under this title only for the support of new, or the expansion of existing, projects or activities.

(b) A State may not use funds allotted under this title—

(1) to support a new, or expand an existing, project or activity for a period of more than five years;

(2) for acquisition, expansion, or construction of buildings, other than minor remodeling needed to improve access to libraries and library services for handicapped individuals; and

(3) to pay the costs of the State library administrative agency in administering the State's program under this title.

TITLE II—LIBRARY RESOURCE SHARING

PART A—STATE GRANTS

PROGRAM AUTHORITY

SEC. 201. (a) From the funds allotted for this part in accordance with section 5(b) of this Act, the Secretary shall make grants to States to develop new interstate and intrastate library networks and to pay for the expansion of existing networks.

(b) The State library administrative agency may support projects either directly or through subgrants to, or contracts with, public or private organizations, agencies, or institutions, and Indian tribes.

USE OF FUNDS

SEC. 202. (a) A State may not use funds under this part to support a new, or pay for the expansion of an existing, intrastate library network for a period of more than five years.

(b) A State may not use funds under this part to pay the costs of the State library administrative agency in administering the State's program under this part, except that a State may expend up to five percent of its grant for any fiscal year for the planning of interstate library networks.

PART B—DISCRETIONARY AWARDS

PROGRAM AUTHORITY

SEC. 211. From the funds reserved for this part in accordance with section 5(b)(1) of this Act, the Secretary shall, through grants to, or cooperative agreements or contracts with, public or private organizations, agencies, or institutions, and Indian tribes, develop new, or pay for the expansion of existing, interstate library networks.

PART C—GENERAL PROVISIONS

AUTHORIZED ACTIVITIES

SEC. 221. Funds awarded under part A or B of this title may be used for projects or activities such as—

(1) specialized training of library personnel to operate library networks;

(2) acquisition and maintenance of computer hardware, software, and communications lines;

(3) cataloging of materials into electronic data bases;

(4) restoration of rare books, if such preservation is for the purpose of sharing a national resource;

(5) purchase of materials to complete significant collections, if such purchase would create a regional or national resource in a particular subject; and

(6) support of other activities that would lead to the sharing of books, materials, and services among libraries.

TITLE III—LIBRARY RESEARCH AND ASSESSMENT

PROGRAM AUTHORITY

SEC. 301. From the funds appropriated for this title, the Secretary shall, either directly or through grants to, or contracts or cooperative agreements with, public or private organizations, agencies, or institutions, and Indian tribes, support library research and assessment projects and activities needed to improve library services.

AUTHORIZED ACTIVITIES

SEC. 302. (a) Funds made available under this title shall be used to support—

(1) library research and development, including field-initiated research; and

(2) evaluation of Federal library programs supported under this Act as well as assessment of libraries and library conditions, including the regular collection and reporting of data on the condition of the Nation's libraries and library services.

(b) Funds made available under this title may be used for projects or activities such as—

(1) investigation of effective ways to apply new technologies to the provision of library services;

(2) investigation of ways to improve the use of library services by economically disadvantaged or handicapped individuals;

(3) investigation of methods to increase resource sharing and make library services more efficient;

(4) assessment of users' needs; and

(5) assessment of the effectiveness and efficiency of library services.

TITLE IV—REPEALS AND EFFECTIVE DATE

REPEALS

SEC. 401. (a) The Library Services and Construction Act (20 U.S.C. 351 *et seq.*) is repealed.

(b) The Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*) is amended—

(1) by repealing title II; and

(2) in section 356(b)(2), by striking out "II,".

(c) Section 1331 of the Higher Education Amendments of 1986 (20 U.S.C. 1029 note) is repealed.

EFFECTIVE DATE

SEC. 402. This Act shall take effect on October 1, 1989.

By Mr. KENNEDY:

S. 1258. A bill to amend the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

MEDICAL RESIDENTS' STUDENT LOAN AMENDMENTS ACT

Mr. KENNEDY. Mr. President, borrowing to finance postsecondary education has increased considerably in the 1980's. This is especially true for medical students.

In 1980, 77 percent of the medical school graduates used loans to finance their education and incurred an average indebtedness of $16,490. Last year, 83 percent of medical school graduates owed money and the average borrower was $38,489 in debt. Three percent owed more than $100,000.

The problems are even worse for minority medical school graduates. Among these students, the average debt last year was $44,897—17 percent above the average for all graduates. Thirty-seven percent of the medical school graduates had borrowed more than $50,000, more than 10 percentage points above the level for all graduates.

Following medical school, physicians enter a residency program. The residency period can last from 3 to 7 years depending upon the medical specialty. During this period, residents receive a modest salary. The average stipend in 1989 is approximately $23,500.

At the present time, the Stafford Loan Program gives all medical residents a 2-year internship deferment during which interest on the loans is forgiven and repayment of principal is deferred. However, at the start of their third year, residents must begin to repay their loans and interest. Given the low salary they earn, many residents are unable to meet these payments. They can request forbearance, under which loan repayments are suspended with the additional interest added to the principal due.

Some borrowers have difficulty obtaining forbearance. The decision to give a borrower forbearance is made by the lender and some lenders refuse. Indeed, last year a medical resident in Massachusetts with $80,000 in education debts was unable to get forbearance from his lender. His income was $27,000. Obviously, he would not be able to repay his loan, but the lender insisted that he do so. His medical school solved the problem by agreeing to classify him as a student, thereby permitting him to continue to obtain forgiveness of his interest payments and to defer repayment of the principal.

There are other problems under the current system. Some lenders charge borrowers a fee before granting forbearance. In addition, if forbearance is granted, it is reported to credit bureaus and is a negative mark on the borrower's record.

To address this problem, many medical schools now routinely call their residents students. This step gets them an automatic deferment on their student loans beyond the current 2-year period. This practice is both expensive and unwarranted. This practice costs the Federal Government millions of dollars annually and the bill is rising rapidly as more schools adopt this approach.

Today, I am introducing a bill that will help address this problem by requiring lenders to give medical and dental residents forbearance uppon request by the borrower. In addition, it will prohibit lenders from charging borrowers a fee on forbearance requests. Finally, the bill prohibits lenders from reporting forebearances granted to medical and dental residents to credit bureaus. This bill also prohibits medical residents from being classified as students for the purpose of a Federal student loan forgiveness. However, medical students will continue to receive the forgiveness during their first 2 years as interns and residents. The changes will apply only to subsequent years.

I believe that this step will address the problem in the short run. However, in order to give the Congress better information to consider this issue in the future, the bill requires the Advisory Committee on Student Financial Assistance to conduct a study of indebtedness among graduate and professional students. I believe that we will be in a better position to consider this issue when the 101st Congress reauthorizes the Higher Education Act if we have the benefit of a carefully done study by this independent body.

The bill reduces Federal expenditures under the Stafford Loan Program. According to the Congressional Budget Office, ending the use of the "student" deferment for medical residents will save the Federal Government $40 million over the next 3 years. The proposed changes with respect to forbearance do not affect Federal program costs.

My staff has discussed this bill with representatives of the Consumer Bankers Association [CBA] and the Association of American Medical Colleges [AAMC]. Both organizations recognize the nature and extent of the problem and think that this bill is a reasonable way to address this problem in the short run. I appreciate their willingness to work with my office on this matter and I will continue to work with these organizations on this and other issues related to financing higher education.

Mr. President, I ask that the bill be printed in the RECORD.

I hope that my colleagues will join with me in agreeing to pass this bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "Medical Residents' Student Loan Amendments Act of 1989".

SEC. 2. DEFERMENTS.—(a) Section 427(a)(2)(C)(i) of the Higher Education Act of 1965, as amended (hereinafter referred to as the "Act") is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a comma and "provided that no borrower shall be eligible for a deferment under this clause while serving in a medical internship or residency program;".

(b) Section 428(b)(1)(M)(i) of the Act is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a comma and "provided that no borrower shall be eligible for a deferment under this clause while serving in a medical internship or residency program;".

(c) Section 464(c)(2)(A)(i) of the Act is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a comma and "provided that no borrower shall be eligible for a deferment under this clause while serving in a medical internship or residency program;".

(d) The amendments made by this section shall be effective for all loans made, insured, or guaranteed under part B or part E of title IV of the Act, including loans made before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

SEC. 3. FORBEARANCE.—(a) Section 428 of the Act is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (T), by striking out "and" at the end thereof;

(B) in subparagraph (U), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(C) by adding at the end thereof the following new subparagrph:

"(V)(i) provides that, upon written request, a lender shall grant a borrower forbearance renewable at twelve month intervals for a period equal to the length of time remaining in the borrower's medical or dental internship, residency or fellowship program on such terms as are otherwise consistent with the regulations of the Secretary, and agreed upon by the parties to the loan with the approval of the insurer, if the borrower—

"(I) is serving in a medical or dental internship, residency or fellowship program, the successful completion of which is required to begin professional practice or service, or serving in a medical or dental internship, residency or fellowship program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers postgraduate training; and

"(II) has exhausted his or her eligibility for a deferment under section 427(a)(2)(C)(vii) or subparagraph (M)(vii) of this paragraph;

"(ii) provides that no administrative or other fee may be charged in connection with the granting of a forbearance under clause (i), and that no adverse information regarding a borrower may be reported to a credit bureau organization solely because of the granting of a forbearance under clause (i).": and

"(2) by amending subsection (c)(3) to read as follows:

"(3) FORBEARANCE.—A guaranty agreement under this subsection—

"(A) shall contain provisions providing for forbearance in accordance with subsection (b)(1)(V) for the benefit of the student borrower serving in a medical or dental internship or residency program; and

"(B) may, to the extent provided in regulations of the Secretary, contain provisions that permit such forbearance for the benefit of the student borrower as may be agreed upon by the parties to an insured loan and approved by the insurer. Such regulations shall not preclude guaranty agencies from permitting the parties to such a loan from entering into a forbearance agreement solely because the loan is in default.".

"(b) The amendments made by this section shall apply with respect to loans made before, on, or after the date of enactment of this Act.

SEC. 4. STUDY OF INDEBTEDNESS.—(1) The Advisory Committee on Student Financial Assistance shall conduct a study which examines indebtedness among graduate and professional students. Such study shall—

"(A) review previous studies and data concerning loan burden for graduate and professional students;

"(B) assess the extent to which the most recent available data confirm or overturn the findings of previous studies;

"(C) examine the extent to which loan burden varies by type of institution and field of study;

"(D) review and evaluate standards of reasonableness and indices of ability to repay loans; and

"(E) identify and evaluate alternative approaches to alleviating extreme loan burden under appropriate standards.

The Advisory Committee on Student Financial Assistance shall also examine existing data and studies for the extent to which loan burden affects enrollment and persistence decisions of low-income, disadvantaged and minority graduate students.

"(2) The study shall be completed within one year of the date of enactment of this Act.

By Mr. SIMON (for himself and Mr. DECONCINI):

S. 1259. A bill to amend section 3143 of title 18, United States Code, to require the detention of any person found guilty of a violent offense or serious drug offense pending sentence or appeal, and for other purposes; to the Committee on the Judiciary.

MANDATORY DETENTION FOR OFFENDERS CONVICTED OF SERIOUS CRIMES ACT

● Mr. SIMON. Mr. President, today I am introducing along with the Senator from Arizona, Senator DECONCINI, the Mandatory Detention for Defendants Convicted of Serious Crimes Act. The primary purpose of this act is to prevent the release on bond of a convicted defendant who is awaiting sentencing or appeal. There is simply no reason that an individual convicted of a violent crime or serious drug trafficking offense should be back on the street. This legislation would ensure that dangerous individuals are kept where they belong, in prison. It also includes a provision to ensure when the Government requests a 3-day automatic continuance for a detention hearing, that weekends and holidays are included in the calculation.

In 1984 Congress dramatically changed the bail system. Prior to 1984, a defendant could be detained only if there was a risk that he would flee before trial. After the 1984 act, a defendant could be detained if, after a hearing, he was found to pose a danger to the community. The 1984 Bail Reform Act is an improvement from the old law in protecting the community from dangerous individuals and ensuring that defendants are accorded procedural safeguards. Under current law, however, a judge has discretion to release a convicted defendant pending sentencing or appeal. My bill will close that loophole.

In order to study this problem and generally review the implementation of the Bail Reform Act, I chaired an oversight hearing in the Constitution Subcommittee on June 16. At the hearing the U.S. Attorney for the Northern District of Illinois, Anton Valukas, testified on behalf of the Justice Department that mandatory detention would be an improvement. Mr. Valukas specifically cited the impact on the crime victim of having a convicted felon released. He testified that for a victim of crime the criminal act is a traumatic, frightening, and frequently life-threatening experience. The prospect that the event could occur again magnifies the victim's distress over the original act.

To address this problem and better protect victims, I am introducing the Mandatory Detention for Defendants Convicted of Serious Crimes Act. Under my bill, defendants found guilty of violent crimes and serious drug trafficking offenses will not be released while they are awaiting sentencing or appeal. My bill prevents these defendants from reentering the community where they pose a danger and can commit further offenses and is especially important in protecting the victims of these serious crimes.

The second provision of the bill addresses a problem brought to my attention at the bail reform hearing by Judge Becker of the third circuit. Judge Becker testified that under the act the government may request a 3-day automatic continuance for a pretrial detention hearing. The judge noted that there is a split on whether the 3 days should include holidays and weekends. Judge Becker was persuasive in arguing that including holidays and weekends in the calculation would not only provide appropriate procedural safeguards to defendants and ensure that Congress' intentions were met, but might also help relieve some of the tremendous problems with prison overcrowding. The act I introduce today provides that 3 days does include weekends and holidays.

There is no question that fighting crime and violence should be top priorities for Congress. Ensuring that violent criminals are not let back on the street is an important way to fight that battle. I urge my colleagues to join me in this effort by cosponsoring the Mandatory Detention for Defendants Convicted of Serious Crimes Act.●

By Mr. HUMPHREY (for himself, Mr. BENTSEN, Mr. HATCH, Mr. GRAHAM, and Mr. SIMON):

S. 1260. A bill to amend the Immigration and Nationality Act to continue to permit, after October 1, 1989, the immigration of certain adopted chil-

dren; to the Committee on the Judiciary.

FOREIGN ADOPTION LEGISLATION

● Mr. HUMPHREY. Mr. President, today I am introducing on behalf of Senator BENTSEN, Senator HATCH, Senator GRAHAM, Senator SIMON, and in my own behalf, legislation to make permanent a small but important repair to the Immigration and Nationality Act [INA]. Comparable legislation was originally offered by our former colleague, Senator CHILES, to the Commerce, Justice, State appropriations bill last year. That legislation will expire on October 1.

It is important that this provision be made permanent lest we needlessly erect an unwarranted barrier to adoption of foreign children by American families.

The problem was originally created with a 1987 memorandum by the General Counsel of the Immigration and Naturalization Services [INS] interpreting a provision of the Immigration Reform and Control Act of 1986 [IRCA]. The effect of the memo was to apply a provision in the definition of "illegitimate children" to the definition of "orphan."

The author of the provision in question, Congressman BARNEY FRANK, says that it was not his intention to affect the definition of "orphan." He intended to extend the rights enjoyed by American mothers of illegitimate children born overseas to American fathers in similar circumstances. The mothers could bring their illegitimate children into the country; fathers could not. Representative FRANK's amendment gave American fathers of illegitimate children the right to bring their children to America. INS expanded this articulation of the rights of American putative fathers to include foreign putative fathers.

In itself, it is fair to extend consideration in foreign adoptions to the foreign fathers of illegitimate children. This, after all, parallels changes in domestic adoption. Years ago, putative fathers were never considered when a decision was made to put a child up for adoption. But two Supreme Court cases, Stanley versus State of Illinois in 1972 and Caban versus Mohammed in 1979, gave putative fathers sign-off rights on adoption when they had or attempted to have an actual relationship with their children. In light of this, foreign putative fathers should have some right when the issue is their child's adoption by American parents.

The problem comes in the logistics of enforcing a putative father's right in foreign adoptions, and in the perverse result if you succeed. American agencies can neither be expected to track down the fathers of illegitimate children in foreign countries, nor can we realistically require foreign countries to do this for us. INS officers tell my office that such searches are not their aim. They are concerned primarily with the putative fathers' rights when the presence of these fathers is manifest in the documentation that accompanies an application for immigration. This is reasonable. The father's approval should be sought if he is readily available.

Unfortunately, a "catch 22" makes it immaterial whether the father says "yes" or "no." Under INS's ruling, a child may not be brought into this country as an "orphan" without ensuring the rights of the putative fathers. But it is then usually impossible for the child to immigrate if these rights are exercised. This is the glitch: Once a father is acknowledged, if there is also a mother, the child can no longer be classified as an orphan since under the law, an orphan can have no more than one parent. Thus, the child can't immigrate.

The proposed legislation addresses the logistical problems and the catch 22 while preserving the right of the father, who is present, to have a say in whether his child can be adopted by an American family. Under this language, the father need not be tracked down if he has disappeared, or if he has abandoned or deserted the child. Thus, the sign off right is limited to a father whose presence and concern are evident. Then, if the father releases the child for emigration and adoption, the child retains his orphan status and therefore can emigrate to the United States.

Since World War II, American families have made a tradition of adopting needy children from overseas. These adoptions have worked out very well, and we now have thousands of adult citizens who came here as adopted children. Virtually all of these children have come to this country under the "orphan" provisions of the Immigration and Nationality Act. There are now approximately 10,000 foreign adoptions a year: 10,000 American families ecstatic to have a child, and 10,000 fortunate children who are gaining loving families. The agencies that handle foreign adoptions agree that a large portion of these children are illegitimate, although no statistics are available. Foreign adoptions would be severely reduced if quixotic quests for putative fathers were required or if immigration were precluded by the discovery of these fathers.

As I said at the outset, this is a small repair but it is a vital one for the lives and happiness of many thousands of children and families. I ask unanimous consent that this legislation be printed in the RECORD, and I urge my colleagues to hasten its passage.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONTINUING PROVISION PERMITTED IMMIGRATION OF CERTAIN ADOPTED CHILDREN.

(a) IN GENERAL.—Section 101(b)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(2)) is amended by inserting before the period at the end the following: ", except that, for purposes of paragraph (1)(F) in the case of an illegitimate child described in paragraph (1)(D) (and not described in paragraph (1)(C)), the term 'parent' does not include the natural father of the child if the father has disappeared or abandoned or deserted the child or if the father has in writing irrevocably released the child for emigration and adoption".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1989, upon the expiration of the identical amendment made by section 210(a) of the Department of Justice Appropriations Act, 1989 (title II of Public Law 100-459, 102 Stat. 2203).●

By Mr. METZENBAUM (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. ADAMS, Mr. SIMON, Ms. MIKULSKI, Mr. GORE, Mr. LAUTENBERG, Mr. DODD, Mr. HATFIELD, Mr. PELL, and Mr. MATSUNAGA):

S. 1261. A bill to amend the Civil Rights Act of 1964 to clarify the burden of proof for unlawful employment practices in disparate impact cases, and for other purposes; to the Committee on Labor and Human Resources.

FAIR EMPLOYMENT REINSTATEMENT ACT

Mr. METZENBAUM. Mr. President, I rise to introduce the Fair Employment Reinstatement Act. The legislation is a direct response to the Supreme Court's decision announced earlier this month in the case of Wards Cove Packing Co. versus Atonio. Protecting civil rights is not a partisan issue. Democrats and Republicans agree that it is wrong to discriminate against an employee on the basis of race, color, religion, sex, or national origin. That's why I am pleased that Senators JEFFORDS, KENNEDY, ADAMS, SIMON, MIKULSKI, GORE, LAUTENBERG, DODD, HATFIELD, PELL, and MATSUNAGA are original cosponsors of this important civil rights legislation.

While we in Congress can agree to prohibit discrimination against women and minorities, court action is often required to ensure meaningful protection. Since 1954, when the Supreme Court decided the landmark school desegregation cases, the Court has often been a beacon lighting the way toward equal opportunity for all citizens. Since 1964, when title VII of the Civil Rights Act became the law of the land, women and minorities have relied on the Supreme Court to enforce these important protections against employment discrimination.

Employment discrimination comes in many forms. At times it is easy to detect, as when an employer blatantly and intentionally refused to hire female or minority workers. Other times, however, employment discrimination is more difficult to uncover. Facially neutral employment practices may have significant discriminatory consequences even though such consequences may not be intended. For example, the use of so-called general aptitude tests may operate to exclude minorities. Height or weight requirements for certain jobs may effectively deny employment to women or ethnic minorities. In the 1964 civil rights law, Congress made clear its desire to remove artificial, arbitrary, or unnecessary barriers to employment whenever those barriers operate to discriminate on the basis of race or sex.

For 18 years, the congressional desire to root out these subtler forms of discrimination has been supported by the Nation's courts. The landmark case was Griggs versus Duke Power Co., a unanimous 1971 Supreme Court decision authored by Chief Justice Burger. The Court ruled in Griggs that where an employment practice has a disparate impact on minorities or women, the employer must show that the practice is required by business necessity. The Griggs approach has been followed in hundreds of lower court decisions.

Unfortunately, in recent months, a new Supreme Court majority has turned back the clock on civil rights protection. In a number of decisions issued this year, the Court, by the barest of majorities, has shown a disdain for its own precedents interpreting civil rights laws. This new majority has been cavalier and even insensitive in treating claims for equal opportunity. As Justice Blackmun declared in dissenting from the Wards Cove opinion, "[o]ne wonders whether the majority still believes that race discrimination—or, more accurately, race discrimination against nonwhites—is a problem in our society, or even remembers that it ever was."

The Wards Cove decision is a stunning example of the Court's retreat from equal opportunity. The Supreme Court, in a 5 to 4 decision, drastically undermined plaintiffs' ability to prevail in a disparate impact case. Under Wards Cove, a minority or female plaintiff who demonstrates that an employment practice has a disparate impact on minorities or women must bear the additional burden of providing that the employer has no business justification for the employment practice. By shifting this burden to the plaintiff, the Court has made it far more difficult for plaintiffs to secure relief in cases where employment practices have widespread discriminatory consequences. How can we expect a plaintiff—an individual employee or job applicant—to be able to prove there is no business justification for a particular practice? It is the employer, not the individual worker, who knows why the practice was adopted. In addition, anyone who has ever been in a courtroom knows that it is virtually impossible for a party to prove the negative.

But the majority did not stop there. The Wards Cove decision also made it much tougher for civil rights plaintiffs to prove the existence of disparate impact. Where plaintiffs challenge a group of employment practices, the Court now requires the plaintiffs to show which specific practice or practices within the group resulted in a disparate impact. But as a practical matter, an employee selection process often involves multiple practices—such as tests, interviews, and education requirements—that are interrelated. Plaintiffs who prove that the process as a whole excludes minorities or women should not also have to isolate each factor and assess its contribution, particularly because employers have far readier access to the pertinent information.

The Fair Employment Reinstatement Act overturns the Wards Cove decision. The bill reinstates the law relating to disparate impact cases under title VII so that it is once again in line with 18 years of Federal precedent. In particular, the bill reestablishes that: First, when a plaintiff demonstrates disparate impact, as that term has been applied under Griggs and its progeny, it is the employer's burden to prove the affirmative defense of business necessity; and second, a plaintiff may challenge a group of employment practices without having to demonstrate that each specific practice within the group resulted in disparate impact. In addition, the bill makes clear that when demonstrating that a challenged employment practice is "required by business necessity," the employer must show that this practice is essential to effective job performance. Thus, the "business necessity" defense is not established if other, comparably effective employment practices are available that would not result in an undesirable discriminatory effect on minorities or women. The Wards Cove decision raised some doubts on this score, making clarification necessary here.

My legislation will ensure that ordinary principles of fairness govern the conduct of title VII disparate impact litigation. By restoring clarity to this area of civil rights law, the bill also will avoid the uncertainty and confusion that would otherwise result from litigation based on the Wards Cove decision.

The Fair Employment Reinstatement Act already has received support from the NAACP Legal Defense Fund, the Lawyers Committee for Civil Rights Under Law, the National Women's Law Center, and the American Civil Liberties Union. I expect we will be receiving support from a number of other civil rights organizations in the days ahead. I urge all my colleagues to join me in this bipartisan effort to restore civil rights protection for millions of Americans.

Mr. President, I ask unanimous consent that the text of the Fair Employment Reinstatement Act, and a summary of the act, be printed in the RECORD. I also ask unanimous consent that letters and statements of support from the Lawyers Committee for Civil Rights Under Law, the National Women's Law Center, and the American Civil Liberties Union, be inserted in the RECORD following the act and summary.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Employment Reinstatement Act".

SEC. 2. PROOF OF UNLAWFUL EMPLOYMENT PRACTICES IN DISPARATE IMPACT CASES.

Section 703 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2) is amended by adding at the end thereof the following new subsection:

"(k) PROOF OF UNLAWFUL EMPLOYMENT PRACTICES IN DISPARATE IMPACT CASES.—

"(1) IN GENERAL.—In an action or proceeding under this title, an unlawful employment practice is established when—

"(A) a complaining party demonstrates that an employment practice results in a disparate impact on the basis of race, color, religion, sex, or national origin, and the respondent fails to demonstrate that such practice is required by business necessity; or

"(B) a complaining party demonstrates that a group of employment practices results in a disparate impact on the basis of race, color, religion, sex, or national origin, and the respondent fails to demonstrate that such practices are required by business necessity: *Provided*, That—

"(i) if the complaining party demonstrates that a group of employment practices results in a disparate impact, such party shall not be required to demonstrate which specific practice or practices within the group resulted in such disparate impact; and

"(ii) if the respondent demonstrates that a specific employment practice within the group of employment practices does not contribute to the disparate impact, the respondent shall not be required to demonstrate that such practice is required by business necessity.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'complaining party' means a person who may bring an action or proceeding under this title;

"(B) the term 'respondent' means an employer, employment agency, labor organization, or joint labor-management committee;

"(C) the term 'demonstrates' means meets the burdens of production and persuasion;

"(D) the term 'required by business necessity' means essential to effective job performance; and

"(E) the term 'group of employment practices' means a combination of employment practices or an overall employment process.".

SUMMARY OF THE FAIR EMPLOYMENT REINSTATEMENT ACT

The Fair Employment Reinstatement Act is intended to overrule the Supreme Court's recent decision in Wards Cove Packing Company v. Atonio. The bill reinstates the well-settled system of proving unlawful employment practices in disparate impact cases under Title VII of the Civil Rights Act of 1964.

Title VII outlaws not only intentional discrimination but also facially-neutral employment practices that have discriminatory consequences. For example, the use of so-called "general aptitude tests" may operate to exclude minorities. Height or weight requirements for certain jobs may effectively deny employment to women or ethnic minorities. In the 1964 law, Congress made clear its desire to remove artificial, arbitrary or unnecessary barriers to employment whenever those barriers operate to discriminate on the basis of race or sex.

For 18 years, the congressional desire to root out these subtler forms of discrimination has been supported by the nation's courts. The landmark case was Griggs v. Duke Power Company, a unanimous 1971 Supreme Court decision authored by Chief Justice Burger. The Court ruled in Griggs that where an employment practice has a disparate impact on minorities or women, the employer must show that the practice is required by business necessity. The Griggs approach has been followed in hundreds of lower court decisions.

In Wards Cove, the Supreme Court, by a 5 to 4 vote, drastically undermined plaintiffs' ability to prevail in a disparate impact case. Under Wards Cove, a minority or female plaintiff who demonstrates that an employment practice has a disparate impact on minorities or women must bear the additional burden of proving that the employer has no business justification for the employment practice. By shifting this burden to the plaintiff, the Court has made it far more difficult for plaintiffs to secure relief in cases where employment practices have widespread discriminatory consequences.

In addition, the Wards Cove decision made it much tougher for civil rights plaintiffs to prove the existence of disparate impact. Where plaintiffs challenge a group of employment practices, the Court now requires the plaintiffs to show which specific practice or practices within the group resulted in a disparate impact. But as a practical matter, an employee selection process often involves multiple practices (such as tests, interviews and education requirements) that are interrelated. Plaintiffs who prove that the process as a whole excludes minorities or women should not also have to isolate each factor and assess its contribution, particularly because employers have far readier access to the pertinent information.

The Fair Employment Reinstatement Act of 1989 overturns the Wards Cove decision. The bill reinstates the law relating to disparate impact cases under Title VII so that it is once again in line with 18 years of federal precedent. In particular, the bill reestablishes that: (1) when a plaintiff demonstrates disparate impact, as that term has been applied under Griggs and its progeny, it is the employer's burden to prove the affirmative defense of business necessity; and (2) a plaintiff may challenge a group of employment practices without having to demonstrate that each specific practice within the group resulted in disparate impact. In addition, the bill makes clear that when demonstrating that a challenged practice is "required by business necessity," the employer must show that the practice is essential to effective job performance. The Wards Cove decision raised some doubts on this score, making clarification necessary here.

The legislation will ensure that ordinary principles of fairness govern the conduct of Title VII disparate impact litigation. By restoring clarity to this area of civil rights law, the bill also will avoid the uncertainty and confusion that would otherwise result from litigation based on the Wards Cove decision.

If you need further information about the Fair Employment Reinstatement Act of 1989, please contact Jim Brudney or Al Cacozza with the Labor Subcommittee at 224-5546.

LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW,
Washington, DC, June 22, 1989.

Re: The Fair Employment Reinstatement Act

Hon. HOWARD M. METZENBAUM,
Hon. JAMES M. JEFFORDS,
U.S. Senate, Washington, DC.

DEAR SENATORS METZENBAUM AND JEFFORDS: The Lawyers' Committee for Civil Rights Under Law is pleased to support the legislation that you and Senator Jeffords are introducing today. This important legislation will ensure the continued vitality of Title VII's prohibition against unlawful employment practices that operate without justification to exclude individuals from employment opportunities on the basis of race, national origin, or gender.

This legislation is necessary in light of the Supreme Court's recent decision in *Wards Cove Packing Co. vs. Atonio*, S.Ct. (June 6, 1989). That decision threatens to erode the effectiveness of this country's commitment to fair employment by creating confusion in the courts as to the nature of proof in a disparate impact case.

The legislation you are introducing will reinstate the pre-Wards Cove understanding of how disparate impact claims under Title VII operate and will ensure that plaintiffs are not needlessly blocked from pursuing meritorious claims of discrimination due to the onerous burdens of proof that courts may impose based on that decision. The Fair Employment Reinstatement Act is a major step in preventing unwarranted harm and confusion; thus, we welcome and support its adoption.

Very truly yours,

BARBARA R. ARNWINE,
Executive Director.

AMERICAN CIVIL LIBERTIES UNION,
Washington Office, June 23, 1989.

Hon. HOWARD M. METZENBAUM,
U.S. Senate, Washington, DC.

DEAR SENATOR METZENBAUM: I write on behalf of the American Civil Liberties Union to express our strong support for your proposed legislation which would address the confusion left in the wake of the Supreme Court decision in Wards Cove Packing Co. v. Atonio. In deciding Wards Cove, the Supreme Court not only departed significantly from Congress' vision of ensuring equal opportunity in the workplace regardless of race, religion, national origin or gender but from the realities of the workplace itself. Prior to Wards Cove, Title VII served as a useful tool for removing arbitrary barriers to the advancement of those protected by its mandate of nondiscrimination. It created an incentive for employers to examine conventional notions in hiring and promotions to ensure the opportunities were made available to the broadest spectrum of the workforce. The uncertainty left by Wards Cove regarding an employer's obligations in this regard now threatens to stall, if not reverse, the slow and deliberate progress that has been made.

These last several weeks have been difficult ones for those who are committed to civil rights and those who depend on that commitment. In a series of decisions the Supreme Court has demonstrated a pinched view of civil rights that we believe is inconsistent not only with the views of the Congress but the mainstream of the nation as well. We believe that your legislation is the first piece of what must be a comprehensive response. This is not the time to retreat from our national commitment to assuring equal employment opportunity. Unemployment statistics are but one indication that despite improvements in overall unemployment figures, people of color and women remain disproportionately locked out.

On the 25th anniversary of the Civil Rights Act of 1964, we urge you to move swiftly to revitalize Title VII and reaffirm our nation's commitment to equal employment opportunity.

Sincerely,

MORTON HALPERIN.

NATIONAL WOMEN'S LAW CENTER,
Washington, DC, June 23, 1989.

WASHINGTON.—With support from the National Women's Law Center, Senators Metzenbaum, Kennedy and Jeffords today introduced legislation which will overturn the adverse effects of the Supreme Court's decision in Wards Cove v. Atonio.

"The Wards Cove decision created serious impediments for women and minorities challenging employment discrimination," said Marcia Greenberger, Managing Attorney of the National Women's Law Center. "The legislation introduced today will help prevent the Supreme Court's Wards Cove decision from eroding almost two decades of progress in overcoming work place discrimination."

Wards Cove increased the employee's burden of proving a violation of Title VII's prohibition against employment discrimination. The case added to the plaintiff's existing burden of proving that an employer's practice had a discriminatory effect on women or minorities, a new burden previously placed on the employer.

Until Wards Cove, once a discriminatory practice was shown the employer was required to demonstrate that the practice was essential to its business. After Wards Cove, it is the employee who now must prove a negative—that the discriminatory practice is not required by business necessity. The legislation introduced today shifts the burden of proving a discriminatory employment practice meets the "business necessity" test back to the employer.

"Wards Cove made it easier for employers to institute discriminatory practices without providing a business-necessity justification," Greenberger said. "Under the legislation introduced today, employers would once again

bear the burden of defending their discriminatory actions."

"This legislation is an important first step in the effort needed to overturn the series of Supreme Court decisions decided this term in which a slim majority has set back the clock on civil rights which so many in our country fought long and hard to secure," Greenberger concluded.

Mr. JEFFORDS. Mr. President, the Fair Employment Reinstatement Act is a direct response to and partial reversal of the recent Supreme Court decision in Wards Cove Packing Co. versus Atonio. It would amend title VII by the addition of a provision reestablishing that: First, it is the defendant's burden to prove the affirmative defense of business necessity once the plaintiff has established existence of a discriminatory disparate impact; and second, the plaintiff may challenge a group of employment practices without having to demonstrate that each specific practice within the group resulted in a disparate impact. Additionally, the bill would clarify that proof of business necessity requires a showing that the challenged practice is "essential to effective job performance," reaffirming the conceptual underpinning of Griggs versus Duke Power.

With my participation in this bill, it is my intention to make a very clear statement that no wholesale retreat from the civil rights and equal employment commitments made by this Nation is now in order. The legitimate expectations of minorities and women that their equal employment opportunity rights will be protected must continue to be the order of the day. This bill rolls back one distressing inroad to such expectations emanating from this sharply divided and controversial decision by a fragile majority of the Court. Ordinary principles of fairness must govern the conduct of title VII disparate impact litigation. The requirement that a title VII plaintiff must bear the burden of proof on the business necessity affirmative defense asserted against him does not partake of that sense of ordinary fairness. Such has not been the consistent practice in this area and no good reasons exist for instituting such a radical change. It is principally for the purpose of correcting this injustice that I have associated myself with this bill.

Mr. HATFIELD. Mr. President, I rise today in support of the Fair Employment Reinstatement Act. I am pleased to be an original cosponsor of this legislation and also commend my colleagues for their efforts in producing this important initiative.

The Fair Employment Reinstatement Act brings us back to the well-established principles laid down in Griggs versus Duke Power Co., a unanimous 1971 Supreme Court decision that has been the guiding light in title VII disparate impact cases. Specifically, this legislation reinstates the burden of proof allocations that were set out in Griggs by establishing that, once a plaintiff proves disparate impact, the burden of proof then falls upon the employer to prove the affirmative defense of business necessity. Further, this act makes it clear that a plaintiff may challenge a group of employment practices without having to demonstrate that each specific practice within the group resulted in disparate impact.

While I do not disparage the Supreme Court in their role as the ultimate legal arbiter in this country, I believe that their recent Wards Cove Packing Co. versus Atonio decision is contrary to congressional intent as embodied in title VII of the 1964 Civil Rights Act and interpreted by the Burger Court in Griggs. This legislation would overturn Wards Cove and reinstate the doctrine laid down in Griggs and its progeny.

By placing the burden of disproving business necessity upon the plaintiff, the Wards Cove case puts an almost insurmountable burden upon plaintiffs attempting to prove discrimination. The 1964 Civil Rights Act was not intended to place such barriers in the way of those who have chosen legal remedies to combat discrimination. The difficulties of proving or disproving the intent or motive of a person or corporate entity are well known, particularly when access to information bearing upon such proof is limited.

I commend this legislation to my colleagues and urge its swift passage.

Mr. KENNEDY. Mr. President, I am pleased to join Senator METZENBAUM, Senator JEFFORDS, and other distinguished Senators in introducing this legislation to overturn the Supreme Court's decision in Wards Cove versus Atonio. The Court abandoned the rule it unanimously adopted 18 years ago in Griggs versus Duke Power that when employment practices have a disparate impact on minorities or women, employers must prove that those practices are required by business necessity. The Griggs rule was a critically important weapon in ending practices that perpetuated discrimination, and the Fair Employment Reinstatment Act will restore the Griggs rule to the civil rights arsenal.

The Wards Cove decision is part of a disturbing line of recent decisions by the Court cutting back on our country's civil rights laws. Congress must not let these decisions stand. In the coming months, I intend to introduce comprehensive legislation to fill the gaps in the civil rights laws created by the Court's decisions.

I look forward to working with Senator METZENBAUM and other interested Senators on this legislation, and on the omnibus civil rights bill to come.

Mr. ADAMS. Mr. President, I rise to support the legislation introduced by Senators METZENBAUM and KENNEDY to address the problem of discrimination in the workplace.

This bill is necessary to correct the interpretation of title VII of the Civil Rights Act of 1964 after the Supreme Court's decision in the case of Wards Cove versus Atonio. The Wards Cove decision is, unfortunately, one of five key civil rights rulings decided by the Supreme Court this session, in which a narrow conservative majority of the Court weakens our Nation's laws against discimination.

Mr. President, if our country stands for anything, it stands for the principle that equal rights and equal opportunity shall not be denied because of race, color, sex, religion, or national origin. The Supreme Court has always held firm for this principle. It has been, as Justice Black has stated, "a haven against the winds that blow." Now, however, the Court is in full retreat on civil rights; it is weakening the policies that prevent discrimination and eroding the power of individuals harmed by prejudice to redress their wrongs.

The Wards Cove case is a perfect example. In this case involving a Northwest salmon cannery, workers in the low-paying cannery jobs, mostly minority Filipinos and Native Alaskans, challenged the hiring and promotion practices for the skilled and higher paying non-cannery jobs, which were mostly held by whites. Justice Stevens, in the dissent, noted that the industry was so segregated along racial and ethnic lines that it bore "an unsettling resemblance to aspects of a plantation economy."

A 5-to-4 majority of the Court ruled for the defendants. In doing so, it overturned 15 years of decisions regarding how a plaintiff goes about proving an employment discrimination case. The Court, in effect, shifted an important burden of proof from the defendant to the plaintiff, making it that much more difficult for the plaintiff to prove discrimination. The bill we are introducing today restores title VII to its original meaning and puts the law back on solid footing.

One thing we should remember in discussing this bill: The Supreme Court in the Wards Cove case was interpreting a statute written by Congress. The Justices were trying to determine what Congress intended. By correcting their ruling, therefore, we are simply reinstating what we have always believed the law to be and what the courts have relied on for the last 15 years.

Mr. President, I hope that this is only the first of several bills to reaffirm our civil rights laws. Our commitment to equal opportunity and to fairness in the workplace cannot waiver. Instead of moving backward with the Supreme Court, it is time that we redouble our effort to ensure that all

our citizens can truly share in America's wealth and promise.

By Mr. SIMON (for himself, Mr. CRANSTON, and Mr. DIXON):

S. 1263. A bill to treat Hong Kong as a separate foreign state for purposes of applying the numerical limitations on immigration; to the Committee on the Judiciary.

INCREASING THE IMMIGRATION QUOTA

● Mr. SIMON. Mr. President, I rise today to introduce urgently needed legislation to increase the Hong Kong immigration quota. I am pleased to be joined in this important effort by my friends and colleagues Senators ALAN CRANSTON and ALAN DIXON. The legislation I am introducing today is the companion to a measure introduced by Representative NORMAN MINETA in the House.

Mr. President, while this bill is precipitated in large part by the tragic and dangerous events in the People's Republic of China, my concern about immigration from Hong Kong is longstanding. In the 99th Congress, Senator DIXON and I added a provision to the immigration bill to raise the number of visas for all colonial territories from 600 to 5,000 per year.

Prior to the enactment of the Hong Kong quota bill in 1986, Hong Kong received just 3 percent of the visas normally extended to foreign countries. It had a backlog of 32,000 people waiting for visas, some for as long as 12 years. Our bill enabled consular officials to reduce that wait significantly.

Today, it is critical to review the situation with the Hong Kong quota again. The recent turmoil and bloodshed in the People's Republic of China has certainly been felt and roundly condemned around the world. But the people of Hong Kong have particular reason to be in fear. Hong Kong residents have great worry and concern about what will happen when the People's Republic assumes control over the island in 1997.

Last month, the State Department reported that 46,446 Hong Kong residents had registered to leave Hong Kong for the United States. An immigration quota for Hong Kong limited to 5,000 instead of 20,000 would require over 9 years just to accommodate those individuals currently in line. Clearly, the British Commonwealth nations must do their part to ease the situation but we can not afford to stand by at this moment.

Earlier this week, I joined Senator DIXON to introduce legislation on J-1 student visas. That bill will facilitate the adjustment of status of Chinese students in the United States by waiving the 2-year foreign residency requirement of the J student visas and making other changes. Of the 40,000 Chinese students in the United States, approximately 70 percent are here via the J-1 category. With the reports of surveillance of Chinese students in the United States and the real possibility of retaliation against their families as part of the wave of repression in the People's Republic, it is especially important that we obtain quick action on the Dixon bill.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD in full immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF HONG KONG AS A SEPARATE FOREIGN STATE FOR NUMERICAL LIMITATIONS.

The approval referred to in the first sentence of section 202(b) of the Immigration and Nationality Act shall be considered to have been granted, effective beginning with fiscal year 1990, with respect to Hong Kong as a separate foreign state, and not as a colony or other component or dependent area of another foreign state, and section 202(c) of such Act shall not apply to Hong Kong.●

By Mr. BUMPERS (for himself, Mr. BENTSEN, Mr. JOHNSTON, Mr. LEAHY, Mr. CONRAD, and Mr. JEFFORDS):

S. 1264. A bill to provide for the phased reduction of approximately 10,000 United States Army personnel stationed in the Republic of Korea; to the Committee on Armed Services.

UNITED STATES FORCES IN KOREA REALIGNMENT ACT OF 1989

Mr. BUMPERS. Mr. President, I rise to introduce a bill to remove 10,000 American troops from Korea by 1992. Our present status in Korea is that we have 43,000 troops there: roughly 12,000 Air Force; 31,000 Army troops. We have had a presence in Korea since 1950 and for most of those years, the argument was persuasive and compelling that we keep the presence. But the arguments have grown weaker every year and, today, the argument does not even exist any longer.

Mr. President, this bill, which I am introducing today on behalf of myself, Senator JOHNSTON, Senator BENTSEN, Senator LEAHY, Senator CONRAD, and Senator JEFFORDS, in no way diminishes our commitment to the defense of South Korea.

These 43,000 troops in Korea cost us $2.6 billion a year, but the problem is not just cost. If South Korea is not big enough and grown up enough to defend themselves now, I invite my colleagues to listen to these statistics and tell me when they will be.

First, South Korea's gross national product is $154 billion. North Korea's gross national product is $20 billion. So the gross national product, that is the economic measurement, in South Korea is almost eight times as great as that of North Korea.

South Korea has about twice as many people, 41 million to 21 million.

We are an irritant to the embryonic democracy that Korea has been able to establish. Just the downtown golf course at Yongsan San is an irritant; the big military golf course right in downtown Seoul.

It is estimated that the value of that golf course, and the base it is on, is $7 billion. It is an irritant. Students and others demonstrate about us occupying all this land in downtown Seoul. So we have agreed with the Koreans that if you will find us enough space for a base in the suburbs of Seoul, we will give you the downtown golf course. And we have not gotten an offer back yet.

My point is this. The argument that we are helping Korea maintain this new democracy by maintaining 43,000 men there is absolutely perverse. The opposite is the case.

The United States is the focus of hostility of every dissident person in South Korea. We need to let the South Koreans establish their own democracy and not be an irritant to it so that every demonstration that takes place—you talk about flag burning. That is a favorite pastime in South Korea, to burn American flags, stomp on them.

This is not designed to be a South Korea-bashing speech. It is simply that it makes no common sense for us to maintain our presence there any longer. But still, this bill does not take all of our troops out. It simply says take 10,000 out. And it asks the President to give us a report on our continued presence in South Korea.

We save money, we enhance South Korea's democracy by reducing our military presence there.

Finally, Mr. President, last year—and I do not know what it was in the years past, almost as much—last year South Korea's economy is so strong they had a $10.6 billion trade surplus against the United States. And, despite all of that, they still commit a smaller percentage of their GNP to their own defense than we do.

What is going on here? Not to coin a phrase. What is going on when we are maintaining 43,000 troops at a cost of $2.6 billion to maintain the defense of a nation that is twice as big as its neighbors, has an 8 times bigger economy and which has a $10.6 billion trade deficit against Uncle Sam?

It does not make any sense.

Mr. President, I know my time is about up. I hope my colleagues will read these remarks in the RECORD. I hope they will read the justification for it.

Mr. President, I ask unanimous consent that the bill be printed as original

text, immediately following my remarks here.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Forces in Korea Realignment Act of 1989".

SEC. 2. LIMITATION ON USE OF FUNDS.

(a) IN GENERAL.—Funds appropriated to or for the use of the Department of Defense may not be obligated or expended after September 30, 1992, to support or maintain more than 21,000 United States Army personnel in the Republic of Korea.

(b) PHASED REDUCTION.—It is the sense of Congress that the President should achieve the total reduction required as a result of the limitation provided for in subsection (a) in approximately equal annual reductions and that such annual reductions should begin not later than October 1, 1990.

(c) INITIATION OF DISCUSSIONS.—It is further the sense of Congress that the President should, at the earliest practicable date after the date of the enactment of this Act, initiate discussions with the Republic of Korea regarding (1) a phased annual reduction of United States Army personnel stationed in that country, and (2) the kinds and quantities of military equipment and other materiel that will be needed by the Republic of Korea after the reduction in United States Army personnel required as a result of the limitation provided for in subsection (a) has been achieved.

(c) REPORT.—(1) The President shall submit to Congress not later than May 1, 1990, a report on the reduction of United States Army personnel stationed in the Republic of Korea. The President shall include in such report the following:

(A) The feasibility of relocating, on an expedited basis, personnel, equipment, and facilities of the Armed Forces of the United States currently situated in Seoul, Korea, to a more suitable location or locations in the vicinity of Seoul.

(B) A discussion of the feasibility of withdrawing all United States military ground forces from the Republic of Korea.

(C) A discussion of the feasibility of withdrawing all United States military forces stationed in that country.

(D) The feasibility and estimated cost of stationing prepositioned military equipment in the Republic of Korea.

(E) What technical and planning assistance the United States should offer to the Republic of Korea to assist that country in preparing to assume greater responsibility for its own defense.

(2) The President shall submit such report to Congress in both classified and unclassified versions.

(d) REAFFIRMATION OF COMMITMENT.—Congress reaffirms the commitment of the United States to the security and territorial integrity of the Republic of Korea.

By Mr. PRYOR (for himself and Mr. BOREN):

S. 1265. A bill to amend title 31, United States Code, to permit the Comptroller General of the United States to review and decide protests of Federal Government employees relating to converting to contractor performance certain functions performed by such employees, and to amend the Federal Property and Administrative Services Act of 1949 to provide for judicial review of certain agency decisions relating to converting to contract performance of commercial activities performed by Federal Government employees; to the Committee on Governmental Affairs.

CONTRACTING OUT APPEALS REFORM ACT OF 1989

Mr. PRYOR. Mr. President, today I am joined by my colleague Senator BOREN in introducing the Contracting Out Appeals Reform Act of 1989. This legislation amends the Competition in Contracting Act of 1984 to give Federal employees whose jobs are in the process of being contracted out the same appeal rights available to private contractors. The General Accounting Office [GAO] has reviewed similar legislation last year and supported the bill. GAO stated in its letter that the bill "is consistent with our goal of providing an impartial forum for the resolution of bid protests to those who have a legitimate economic interest in the outcome of the award process."

The need for this legislation became very obvious during two hearings that I chaired on the Subcommittee on Federal Services, Post Office and Civil Service the 100th Congress. The hearings reviewed examples of cost overruns, waste, and abuse that negated the hoped for savings from contracting out the Government jobs. In some cases, the private contractor seems to have intentionally set out to undermine the process to increase profits. In others, the A-76 process itself created the problems.

These situations were brought to my attention by Federal contract administrators and employees affected by bad contracts as well as their representatives in Congress, including Senator BOREN, Senator REID, and Senator STEVENS, all of whom have discussed the problems in their States before my subcommittee.

Mr. President, I am all for contracting out when it saves money for the taxpayer and increases Government efficiency. Unfortunately, my investigations show that too often the system allows just the opposite to happen. It is clear that for contracting out to work well, agencies must conduct better oversight of the process. Who better to assist them than the Federal employees most familiar with the jobs that are to be contracted out?

Today when these employees see an improperly written contract, they can only appeal a contracting out decision within their own agency. However, private contractors who believe a contract was unfairly completed can take their case directly to an independent adjudicatory body at the General Accounting Office [GAO] for resolution. The Competition in Contracting Act, which established the appeal process, recognized the value of permitting contractors to police the procurement system.

Currently, employee bid protests can take years to resolve within the agency. A bid protest initiated by Federal employees at Blytheville Air Force Base took over 4 years to settle. The average time to resolve a contractor's bid protest through GAO is 32 days.

A 1986 "Military Law Review" article by a U.S. marine attorney compared the procedures available to employees to contractor appeals to the GAO. He concluded that, "unlike labor arbitrators and the FLRA, the GAO possesses the expertise, experience, and procedural capability to resolve A-76 appeals in a manner that is timely, responsive to sound procurement principles and the interests of all affected parties * * *." My legislation simply gives the Federal employees the same bid protest route that contractors currently enjoy.

The bill also gives Federal employees the route to the courts available to private contractors. This ensures that Federal employees will have the same access to all appeals routes that contractors have.

Mr. President, the bill we are introducing today is about preventing fraud and cost overruns. It is about harnessing the true potential of contracting out to save money and increase efficiency. I hope all of my colleagues will join me in supporting this initiative.

Mr. President, I ask unanimous consent that the text of the bill be printed with my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Contracting Out Appeals Reform Act of 1989".

SEC. 2. APPLICABILITY OF GAO PROCUREMENT PROTEST SYSTEM TO CONVERSION TO CONTRACTOR PERFORMANCE OF FEDERAL GOVERNMENT FUNCTIONS.

(a) DEFINITION OF "PROTEST".—Section 3551(1) of title 31, United States Code, is amended to read as follows:

"(1) 'protest'—

"(A) means a written objection by an interested party to a solicitation by a Federal agency for bids or proposals for a proposed contract or a written objection by an interested party to a proposed award or the award of a contract; and

"(B) in the case of a contract or proposed contract referred to in paragraph (4)(B), includes an objection that a relevant performance work statement is inaccurate or incomplete;".

(b) DEFINITION OF "INTERESTED PARTY".—Section 3551(2) of title 31, United States Code, is amended to read as follows:

"(2) 'interested party', with respect to a contract or proposed contract, means—

"(A) an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract; and

"(B) in the case of a contract referred to in paragraph (4)(B)—

"(i) any labor organization accorded, under section 7111 of title 5, exclusive recognition to represent an appropriate unit (determined under section 7112 of such title) that includes the employees referred to in such paragraph (4)(B); and

"(ii) any representative of a majority of such employees, determined as provided in regulations issued by the Comptroller General;".

(c) DEFINITIONS OF "CONTRACT" AND "REGULATION".—Section 3551 of title 31, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new paragraphs:

"(4) 'contract'—

"(A) means a contract awarded by a Federal agency for the procurement of property or services; and

"(B) includes a contract awarded for the purpose of converting from performance of any commercial activity by employees of the Federal Government to contractor performance of such commercial activity; and

"(5) 'regulation' includes Office of Management and Budget Circular A-76 and any other order or directive issued by the President, the Director of the Office of Management and Budget, or the head of a Federal agency that sets out standards, procedures, or requirements for converting from performance of any commercial activity by employees of the Federal Government to contractor performance of such commercial activity;".

SEC. 3. JUDICIAL REVIEW.

(a) IN GENERAL.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by adding at the end the following new section:

"JUDICIAL REVIEW OF EXECUTIVE AGENCY CONTRACTING FOR PERFORMANCE OF COMMERCIAL ACTIVITIES

"SEC. 311. (a) A determination by an agency head to award a contract for the purpose of converting from performance of any commercial activity by employees of that executive agency to contractor performance of such commercial activity (including any executive agency action in connection with such a determination) is subject to judicial review pursuant to chapter 7 of title 5, United States Code. The reviewing court may conduct a trial de novo in order to determine the facts relevant to such determination, including the accuracy and completeness of a performance work statement relevant to such contract.

"(b) For the purposes of chapter 7 of title 5, United States Code, each of the following parties shall be considered an aggrieved person with respect to a contract or proposed contract referred to in subsection (a):

"(1) Any labor organization accorded, under section 7111 of title 5, United States Code, exclusive recognition to represent an appropriate unit (determined under section 7112 of such title) that includes the employees referred to in such subsection (a).

"(2) Any representative of a majority of such employees.

"(c)(1) This section applies to all executive agencies notwithstanding the exception set out in section 302(a)(2).

"(2) Section 701(a)(2) of title 5, United States Code, does not apply to a determination or executive agency action referred to in subsection (a).".

(b) TECHNICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 311, the following new item:

"311. Judicial review of executive agency contracting for performance of commercial activities".

SEC. 4. EFFECTIVE DATE.

The amendments made by sections 2 and 3 shall take effect with respect to contract solicitations issued on or after the date of the enactment of this Act.

By Mr. KASTEN:

S. 1266. A bill to amend the Federal Food, Drug and Cosmetic Act to specify the authority to regulate food products with cheese and meat, to require food containing imitation or substitute cheese to be labeled to reflect the fact that such cheese is contained in the food, and for other purposes; to the Committee on Labor and Human Resources.

LABELING OF CERTAIN CHEESE PRODUCTS

● Mr. KASTEN. Mr. President, I rise today to introduce legislation of great importance to American consumers—and to the farmers who provide some of their most prized foodstuffs.

For far too long, Americans have been confronted with a deceptive system of pizza labeling. Many have bought frozen pizzas in the expectation of relishing the flavor of 100 percent genuine Wisconsin cheese—only to discover that their pizza is in fact coated with any number of artifical ingredients.

My bill is a simple one. It would require truth in labeling for all frozen pizzas sold in the United States. To accomplish this goal, the bill would transfer authority over this labeling decision from the Department of Agriculture to the Food and Drug Administration.

Current law requires that products containing both meat and cheese be regulated by the Agriculture Department under the Meat Inspection Act. My bill would quite rationally transfer the regulation of cheese-pizza labeling to the agency with general authority over cheese products.

The Agriculture Department commissioned a study of consumer attitudes toward frozen meat and frozen cheese products. This study unearthed the datum that consumers largely consider frozen pizza to be a cheese product as opposed to a meat product—and that's one of the major reasons for my conclusion that Congress ought to enact this transfer of authority.

Once this transfer is accomplished, we can get on with the task of making pizza boxes tell the truth. Americans want cheese on their pizzas, and they want to know when they're really getting it.

My bill would enact this essential change.

Mr. President, I ask unanimous consent that the full text of the bill be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHEESE PRODUCTS WITH MEAT.

Section 701(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371(a)) is amended by adding at the end thereof the following new sentence: "The authority to promulgate regulations for food products with cheese and meat shall be exclusively vested in the Secretary.".

SEC. 2. LABELING REQUIREMENT.

Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end thereof the following new subsection:

"(q) If it is food containing an imitation or substitute cheese, unless the label of the food prominently bears, contiguous to the product name on the principal display panel, the term 'contains imitation cheese' or 'contains substitute cheese'.".●

By Mr. INOUYE:

S. 1267. A bill to require that imports of fresh papaya meet all the requirements imposed on domestic fresh papaya; to the Committee on Agriculture, Nutrition, and Forestry.

REQUIREMENTS FOR IMPORTED FRESH PAPAYA

● Mr. INOUYE. Mr. President, I rise to introduce a bill to amend section 8e of the Agricultural Adjustment Act—hereafter referred to as the "Act"—as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, to require that imports of fresh papaya meet all the requirements imposed on domestic fresh papaya.

Under section 8e, whenever any marketing order issued by the Secretary of Agriculture "contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, raisins, olives—other than Spanish-style green olives—prunes, avocadoes, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, dates, filberts, or eggplants produced in the United States the importation into the United States of any such commodity * * * shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order or comparable restrictions promulgated hereunder * * *." This bill would add "papayas" to this list of imported commodities that must meet minimum quality standards of domestically produced fruits, vegetables, and specialty crops.

Hawaiian papayas are currently marketed under the provisions of marketing order, 7 CFR part 928, as amended,

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

regulating among other things grade, size, quality, and maturity. The purpose of this marketing order, as with other similar orders, is to protect the interests of our domestic consumers and provide them with high quality commodities, whether the product is foreign or domestic. Oftentimes, however, the efforts of the domestic industries to market high quality products are undercut by imports of a like commodity that is of inferior quality.

Since 1972, U.S. papaya growers have been fighting to get the equal treatment they deserve, but have been continually turned back by Congress under the pretext that such a measure would in effect be posing as a trade barrier against papaya exporting countries like the Dominican Republic and Mexico. Mr. President, all my bill does is guarantee equal treatment of both domestic and international producers.

Papaya producers and consumers certainly deserve the benefits of fair market treatment and quality control, respectively, as is currently provided for all those commodities under section 8e of the act.

In closing, Mr. President, I believe that the inclusion of papayas under section 8e of the act would result in higher quality produce for our Nation's consumers. The question here is not one of competition or protectionism, but rather of quality and taste. The bill I am introducing today would ensure that papayas produced in foreign countries and marketed in the United States meet the same minimum quality standards of papayas produced and marketed domestically.

I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by inserting "papayas," between "table grapes," and "or eggplants".●

By Mr. D'AMATO (for himself and Mr. COHEN):

S. 1268. A bill to amend the Immigration and Nationality Act to permit certain nationals of the People's Republic of China to adjust their status to that of aliens lawfully admitted to the United States for temporary residence; to the Committee on the Judiciary.

CHINESE STUDENT RELIEF ACT

● Mr. D'AMATO. Mr. President, each day we witness the calculated slaughter of more innocent Chinese students, as the Chinese Government carries out its misguided notion of justice. Their crime—love of freedom. During the student protests in China, the students had erected in Tiananmen Square a replica of the most powerful symbol of freedom in the world—the Statue of Liberty. On June 5, 1989, in brutal symbolic fashion, the replica was crushed by army tanks, just as sure as was the students' current struggle for freedom.

Over the last several weeks, while we have witnessed this tragic and brutal spectacle, I have been deluged by letters, telegrams, phone calls, and messages from Chinese students and scholars who are presently studying in the United States. These messages beseech Congress to act so they will not be forced to return to China to face brutal repression.

Just yesterday, I received a letter from 105 Chinese students from a major New York university—the students asked to remain anonymous. The letter poignantly describes their dilemma. Let me read some excerpts from this letter:

> As terror is reigning all over China, it has shown signs of spreading overseas as well. Some of the staff of Chinese Diplomatic Missions in the U.S. have been spotted photographing and videotaping demonstrators * * * these could well be used by the Chinese Government as evidence for prosecution * * *.
>
> Not only do most of the students and scholars refuse to serve this regime—China—but also the dictators in China view the students and scholars abroad as direct threats to their regime * * *.

Mr. President, the Chinese students in the United States face a demonstrable threat if they return to China. The United States has a moral duty to heed the calls of these students.

Today I am introducing, along with Senator COHEN, legislation that would waive the 2-year foreign residency requirement for those students who hold "J" visas, and grant temporary resident status to Chinese nationals who hold "F", "J", and "M" visas, who before June 6, 1989, have resided continuously in the United States since such date, except for brief, casual, and innocent departures from the United States.

This legislation is a necessary response to the problems faced by Chinese students and scholars who would be persecuted if they returned to China. This measure is similar to the recent amnesty legislation and the act granting temporary residence status to certain nationals of Poland, Uganda, Ethiopia, and Afghanistan.

The admission of these Chinese nationals would greatly benefit the United States and would respond in a measured, humane, and compassionate way to the needs of those displaced nationals of the People's Republic of China who are now in this country.

I urge my colleagues to join me in quickly passing this important measure.●

By Mr. McCAIN (for himself, Mr. MURKOWSKI, and Mr. DECONCINI):

S. 1270. A bill to provide an Indian mental health demonstration grant program; to the Select Committee on Indian Affairs.

INDIAN MENTAL HEALTH DEMONSTRATION GRANT PROGRAM

● Mr. McCAIN. Mr. President, I rise today to introduce a proposal I believe will ultimately lead to the reform of the mental health delivery system meant to serve the mental health needs of Native Americans. I am pleased to be joined in the offering of this proposal by my distinguished colleagues, Senator MURKOWSKI and Senator DECONCINI.

As many of us know, the Native Americans have the lowest health status of any population group in our country. While the Indian Health Service has certainly had some success in dealing with the threat that common diseases and maladies pose to the lives of native Americans, among the things still posing a serious threat to the health status and lives of native Americans is mental health.

During my 7 years in Congress, I have spent, and continue to spend, a great deal of time focusing on issues relevant to native Americans. One of the issues in the area of health care that arises consistently is the fact that the existing mental health service delivery system is woefully inadequate to meet the needs.

While I certainly recognize the stigma many attach to the issue of mental illness, this is not unique to any segment of our population. The fact that a stigma may exist should not lead us to shy away from addressing this important issue—because the stakes are very high for the individuals affected. Oftentimes, the cost of addressing a mental health need can lead to the loss of life.

Native Americans suffer from the highest rate of suicide, drug abuse, and alcoholism of any population group in this country. While there are certainly other factors that play into this, I would suggest to my colleagues that mental health is often one of the factors. Yet, we do not currently focus much attention or resources in this area. In fact, only 3 percent of the entire IHS budget is dedicated to the area of mental health.

Not only can unaddressed mental health needs be the root cause of one's alcohol or drug abuse problem, it can also cause or lead to the exacerbation of an illness. And, mental health problems themselves may actually be caused by the illness, of the abuse of alcohol or drugs.

As my colleagues know, recently the special investigations subcommittee of the Select Committee on Indian Affairs spent a great deal of time examining the problem of child sexual abuse on Indian reservations. I might say, it was one of the hardest, most heartwrenching issues I have ever dealt with in my time in Congress. The destruction left in the wake of these deviant people's behavior is mindboggling. It has left serious marks on the lives of these children, their families, and the communities in which they live. Left unaddressed, the effects could linger for generations to come.

Two of the cases we examined involved teachers sexually abusing Indian children within the federally operated schools. While we definitely need to determine what steps can be taken to diminish the chance of these kinds of things from ever occurring again, the reality is that the Native American children who have been abused, and in some cases their families and communities, are going to need assistance in dealing with the serious marks left on their mental health. Yet, the existing system is not sufficient to meet this need.

There are two different approaches that could be taken to address the inadequacy of the mental health delivery system for Native Americans. One approach would involve complete and massive reform of the existing mental health delivery system. Another approach would involve taking deliberate, calculated steps to determine what systems work best.

The proposal I am offering today favors the more deliberate approach. It would not dismantle the current service delivery system within the Indian Health Service. Rather, it would add a small number of short-term demonstration projects to the current base of services. The purpose of these demonstration projects is to serve as a tool to assist us in determining the most effective steps to take in expanding mental health services available to the Native American population.

In my opinion, it is essential that we know what policies will work and which ones will not, prior to reforming and expanding the existing mental health program. Thus, this legislation, is only a starting point from which a full reform would be crafted.

The bill provides for at least 10 grants, of no more than $1 million each, which will be competitively awarded to various Indian tribes and tribal communities. The grants will have a life of 3 years and will assist the grantees in meeting the costs of planning, developing, and implementing mental health care programs.

One important aspect of the program is that it will allow each tribe or consortia, awarded a grant, to design a mental health care program they believe would best address the mental health needs of their population. This would permit tribes to combine existing clinical approaches with traditional cultural approaches.

While, again, this is only an admitted first step, I believe it is necessary to approach the problem in this fashion. A great disservice could be done by moving headlong into a full scale reform of the current system, without either the experience of what works and/or the support of the Native American community—support that is most easily built through assisting these communities as they develop real solutions to this problem. The ultimate solution rests with the individuals, families and tribal societies. I believe that the program proposed in this bill will provide us all with the information and experience necessary to develop effective mental health services for Native Americans.

I look forward to working with my colleagues as this proposal moves forward. In particular, I look forward to working with the distinguished chairman of the Select Committee as I know of his long-held interest in this important area.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

GRANT PROGRAM

SECTION 1. Title II of the Indian Health Care Improvement Act (25 U.S.C. 1601, et seq.) is amended by adding at the end thereof the following new section:

"MENTAL HEALTH DEMONSTRATION GRANTS

"SEC. 209. (a)(1) The Secretary, acting through the Service, shall award at least 10 demonstration grants to Indian tribes or inter-tribal consortia to pay 75 percent of the costs of planning developing, and implementing programs provided by the Indian tribes or inter-tribal consortia that deliver mental health services to Indians through innovative and community-based means.

"(2) Any grant awarded under paragraph (1) shall not exceed $1,000,000 for each fiscal year.

"(3) For purposes of this section, the term 'inter-tribal consortium' means a partnership between—

"(A) an Indian tribe or a tribal organization of an Indian tribe, and

"(B) one or more other Indian tribes or tribal organizations of other Indian tribes.

"(b)(1) The term of any grant awarded under subsection (a) shall be 3 years.

"(2) In awarding at least 50 percent of the total number of grants awarded under subsection (a), the Secretary shall provide a preference to inter-tribal consortia.

"(3) The 25 percent of the costs of planning, developing, and implementing a program for which a grant is awarded under subsection (a) that are not to be paid from such grant recipient in cash or through the provision of property or services.

"(4) The mental health services delivered under any program that is funded by a grant awarded under subsection (a) may include alcohol and drug abuse treatment.

"(c)(1) Any Indian tribe or inter-tribal consortium may submit to the area office an application for a grant under subsection (a).

"(2) Any application submitted under paragraph (1)—

"(A) shall be in such form as the Secretary may prescribe,

"(B) shall be submitted to the area office before a date designated by the Secretary,

"(C) shall specify—

"(i) the nature of the program proposed by the applicant,

"(ii) the data and information on which the program is based,

"(iii) the extent to which the program plans to use or incorporate existing service delivery activities,

"(iv) the specific treatment concepts to be used under the program,

"(v) the extent of the planned use under the program of the traditional clinical model, and

"(vi) a schedule (of not more than 3 years) for completion of the program, and

"(D) shall be accompanied by a statement from the various Indian populations and Indian-related service-delivery systems in the vicinity of the applicant that would be affected by the program.

"(3) The area office to which an application is submitted under paragraph (1) shall attach to the application the comments of the area office regarding the application and shall forward the application to the Secretary.

"(d) The Secretary shall award grants under subsection (a) in accordance with regulations the Secretary shall prescribe. Such regulations shall ensure that the Secretary take into account, among other considerations—

"(1) any comments from an area office with respect to an application,

"(2) any comments of the Indian communities that would be affected by the program for which the application is submitted,

"(3) the existing mental health services currently available to the Indians the program proposes to serve,

"(4) the need for mental health services among the Indians the program proposes to serve, as described by the Indian tribe itself and the appropriate area office,

"(5) the extent to which the program would improve the access of Indians to mental health services,

"(6) the extent to which, and the manner in which, the program would improve the effectiveness of mental health service delivery in the area served by the program, and

"(7) the extent to which the program would provide Indians with access to a mental health service delivery system that effectively combines the modern clinical approach with the particular customs or culturally based methods of Indian tribes in treating members of the Indian tribe.

"(e)(1) Each recipient of a grant awarded under subsection (a) shall—

"(A) furnish the Secretary with such information as the Secretary may require to—

"(i) evaluate the program for which the grant is made, and

"(ii) ensure that the grant funds are expended for the purposes for which the grant was made, and

"(B) submit to the Secretary at the close of the term of the grant a final report which, in addition to such other informa-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

tion as the Secretary may require, includes—

"(i) an assessment of the extent of the mental health needs of the Indians served by the program,

"(ii) the details of the program,

"(iii) the problems encountered in establishing the program,

"(iv) the extent to which the program was effective or ineffective in meeting the mental health needs of Indians, and

"(v) any recommendations of the grant recipient.

"(2) On the date that is 18 months after the date on which most of the grants are awarded under subsection (a), the Secretary shall submit to the Congress a preliminary report which shall—

"(A) assess the functioning and status of the grants,

"(B) evaluate the progress made toward achieving the purposes of the grants, and

"(C) include any recommendations the Secretary may deem appropriate with respect to the grants.

In preparing the preliminary report, the Secretary shall solicit and include the comments and recommendations of private and public entities with an interest in the delivery of mental health services to Indians.

"(3) By no later than the date that is 180 days after the close of the term of the last grant awarded under subsection (a), the Secretary shall submit to the Congress a final report on the grants awarded under subsection (a) which shall include conclusions on the grants, as well as comments on the implications of the demonstration grants for possible re-organization of mental health service delivery in Indian country.

"(f) There are authorized to be appropriated to carry out the provisions of this section, $6,000,000 for each of the fiscal years 1990, 1991, 1992, and 1993.".

TECHNICAL ASSISTANCE SECTION

SEC. 2. (a) The Secretary of Health and Human Services shall establish within the Office of Research and Development of the Indian Health Service a technical assistance office on mental health that shall—

(1) act as an information center for Indian tribes and tribal organizations regarding ongoing mental health activities, programs, and services within Indian country,

(2) provide technical assistance to Indian tribes, or inter-tribal consortia, that are working to implement programs under the demonstration grants provided under subsection (a),

(3) facilitate regional meetings to enable Indian tribes and tribal organizations to share information regarding—

(A) the mental health needs of Indian tribes,

(B) activities that are being undertaken to meet those needs, and

(C) programs that have been successful in meeting those needs,

(4) develop strategies that Indian tribes can take to meet the mental health needs of their members, and

(5) disseminate information regarding such strategies among the Indian tribes and tribal organizations.

(b) The Secretary of Health and Human Services shall provide the mental health technical assistance section that is required to be established under subsection (a) with such staff, facilities, and equipment as are necessary to enable the section to carry out the duties of the section.

(c) The mental health technical assistance section that is required to be established under subsection (a) shall terminate on the date that is 30 days after the date on which the final report is submitted to the Congress under section 209(e)(3) of the Indian Health Care Improvement Act.

MENTAL HEALTH DEMONSTRATION PROPOSAL SECTION-BY-SECTION

SECTION 1—GRANT PROGRAM

Provides for an Indian mental health demonstration grant program. The grants will be awarded to Indian tribes, communities, or consortia of Indian tribes to pay costs of planning, developing, and implementing programs that deliver mental health services to Indians.

There will be at least ten grants. No grant shall exceed $1,000,000 annually. Grants will have a life of three years. At least four of the grants will be awarded to communities or consortia of Indian tribes and at least four grants will be awarded to Indian tribes. 25 percent of the costs for a program shall be paid by the grant recipient in cash or by in-kind contributions of property or services.

The services provided under the program may include alcohol and drug abuse treatment.

Any Indian community, Indian tribe, or consortium of Indian tribes may submit an application for a grant. The Area Office of IHS will attach comments regarding the application. The Secretary shall evaluate the programs and award the grants under prescribed regulations.

The Secretary will submit to Congress a preliminary report 18 months after the grant is awarded, with a final report to follow shortly after the completion of the grant cycle.

SECTION 2—TECHNICAL ASSISTANCE PROGRAM

The Secretary of IHS will establish within the Office of Research and Development of the Indian Health Service a technical assistance office on mental health. This office will act as an information center, provide technical assistance, facilitate regional meetings, develop strategies, and disseminate information in conjunction with the grant program and other mental health programs of IHS.●

By Mr. DECONCINI (by request):

S. 1271. A bill to amend title 17, United States Code, to change the fee schedule of the Copyright Office, and to make certain technical amendments; to the Committee on Finance.

S. 1272. A bill to amend chapter 8 of title 17, United States Code, to reduce the number of Commissioners on the Copyright Royalty Tribunal, to provide for lapsed terms of such Commissioners, and for other purposes; to the Committee on Finance.

COPYRIGHT LEGISLATION

● Mr. DECONCINI. Mr. President, today I will introduce two bills by request of agencies under the jurisdiction of the Subcommittee on Patents, Copyrights and Trademarks which I chair. While I believe that both bills are meritorious, I believe that both should be examined closely by the copyright community. I will work with the agencies, the affected parties and my colleagues in considering and, if appropriate, perfecting the legislation.

One of the bills that I will introduce has been requested by the Librarian of Congress and the Copyright Office. This bill will raise the registration fee charged by the Copyright Office from $10 to $20. The Copyright Office believes that a doubling of their fee schedule is justified by inflation in the 10 years since the fee was established. I will place into the RECORD a letter from Dr. James H. Billington, the Librarian of Congress, explaining the need for the fee increase.

The second bill I will introduce has been requested by the Copyright Royalty Tribunal. This bill will, first, reduce the number of Commissioners from five to three; second, would transfer the Commissioners to the Executive Schedule; and third, would allow a Commissioner whose term has expired to remain in office until a successor is confirmed. The CRT faces a situation in September that could threaten to force it to suspend operations. At present it operates with three Commissioners. One of the Commissioner's term expires in September and no successor has been named. Because the CRT is one of the few independent Commissions whose members are not authorized to serve until a successor is named, the CRT could be without a quorum as of September 22.

I hope that the Senate can consider these bills quickly and without controversy. I believe that they are reasonable approaches to problems that these two important Government agencies face. I look forward to working with the copyright community on any changes that it believes are necessary. I ask unanimous consent that the bills, along with a letter from Dr. Billington, appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Copyright Fees and Technical Amendments Act of 1989".

SEC. 2. FEES OF COPYRIGHT OFFICE.

(a) FEE SCHEDULE.—Secton 708(a) of title 17, United States Code, is amended to read as follows:

"(a) The following fees shall be paid to the Register of Copyrights:

"(1) on filing each application under section 408 for registration of a copyright claim or for a supplementary registration, including the issuance of a certificate of registration if registration is made, $20;

"(2) on filing each application for registration of a claim for renewal of a subsisting copyright in its first term under section 304(a), including the issuance of a certificate of registration if registration is made, $12;

"(3) for the issuance of a receipt for a deposit under section 407, $4;

"(4) for the recordation, as provided by section 205, of a transfer of copyright own-

ership or other document covering not more than one title, $20; for additional titles, $10 for each group of not more than 10 titles;

"(5) for the filing, under section 115(b), of a notice of intention to obtain a compulsory license, $12;

"(6) for the recordation, under section 302(c), of a statement revealing the identity of an author of an anonymous or pseudonymous work, or for the recordation, under section 302(d), of a statement relating to the death of an author, $20 for a document covering not more than one title; for each additional title, $2;

"(7) for issuance, under section 706, of an additional certificate of registration, $8;

"(8) for the issuance of any other certification, $20 for each hour or fraction of an hour consumed with respect thereto;

"(9) for the making and reporting of a search as provided by section 705, and for any related services, $20 for each hour or fraction of an hour consumed with respect thereto; and

"(10) for any other special services requiring a substantial amount of time or expense, such fees as the Register of Copyrights may fix on the basis of the cost of providing the service.

The Register of Copyrights is authorized to fix the fees for preparing copies of Copyright Office records, whether or not such copies are certified, on the basis of the cost of such preparation.".

(b) ADJUSTMENT OF FEES.—Section 708 of title 17, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

"(b) In calendar year 1995 and in each subsequent fifth calendar year, the Register of Copyrights, by regulation, may increase the fees specified in subsection (a) by the percent change in the annual average, for the preceding calendar year, of the Consumer Price Index published by the Bureau of Labor Statistics, over the annual average of the Consumer Price Index for the fifth calendar year preceding the calendar year in which such increase is authorized.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect 6 months after the date of the enactment of this Act and shall apply to—

(A) claims to original supplementary, and renewal copyright received for registration, and to items received for recordation in the Copyright Office, on or after such effective date, and

(B) other requests for services received on or after such effective date, or received before such effective date for services not yet rendered as of such date.

(2) PRIOR CLAIMS.—Claims to original, supplementary, and renewal copyright received for registration and items received for recordation in acceptable form in the Copyright Office before the effective date set forth in paragraph (1), and requests for services which are rendered before such effective date shall be governed by section 708 of title 17, United States Code, as in effect before such effective date.

SEC. 3. TECHNICAL AMENDMENTS.

(a) Section 111.—Section 111 of title 17, United States Code is amended—

(1) in subsection (c)(2)(B) by striking out "recorded the notice specified by subsection (d) and"; and

(2) in subsection (d)—

(A) in paragraph (2) by striking out "paragraph (1)" and inserting in lieu thereof "clause (1)";

(B) in paragraph (3) by striking out "clause (5)" and inserting in lieu thereof "clause (4)"; and

(C) in paragraph (3)(B) by striking out "clause (2)(A)" and inserting in lieu thereof "clause (1)(A)".

(b) SECTION 801.—Section 801(b)(2)(D) of title 17, United States Code, is amended by striking out "111(d)(2) (C) and (D)" and inserting in lieu thereof "111(d)(1) (C) and (D)".

(c) SECTION 804.—Section 804(a)(2)(C)(i) of title 17, United States Code, is amended by striking out "115" and inserting in lieu thereof "116".

(d) SECTION 106.—Section 106 of title 17, United States Code, is amended by striking out "118" and inserting in lieu thereof "119".

(e) EFFECTIVE DATE.—(1) The amendments made by subsections (a) and (b) shall be effective as of August 27, 1986.

(2) The amendment made by subsection (c) shall be effective as of October 31, 1988.

(2) The amendment made by subsection (d) shall be effective as of November 16, 1988.

S. 1272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Copyright Royalty Tribunal Reform Act of 1989".

SEC. 2. MEMBERSHIP OF THE COPYRIGHT ROYALTY TRIBUNAL.

Section 802(a) of title 17, United States Code, is amended to read as follows:

"(a) The Tribunal shall be composed of three commissioners appointed by the President, by and with the advice and consent of the Senate. The term of office of any individual appointed as a Commissioner shall be seven years, except that a Commissioner may serve after the expiration of his or her term until a successor has taken office. Each Commissioner shall be compensated at the rate of pay in effect for level V of the Executive Schedule under section 5332 of title 5, United States Code.".

SEC. 3. EFFECTIVE DATE; BUDGET ACT.

(a) EFFECTIVE DATE.—The amendment made by section 2 shall take effect immediately.

(b) BUDGET ACT.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this Act shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriations Acts.

THE LIBRARIAN OF CONGRESS,
Washington, DC, January 18, 1989.

Hon. DENNIS DECONCINI,
Chairman, Subcommittee on Patents, Copyrights and Trademarks, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you know, the current fee schedule for Copyright Office services has been in effect for 10 years. Inflation has cut the real price of the fees by 50 percent.

Unlike some federal agencies, the Copyright Office has no discretion in processing copyright claims. The Office cannot simply decide to do less work; an increased number of applications are submitted as more creative works are produced. Since fiscal year 1979, the Copyright Office workload has increased 42 percent—from 426,000 claims to 605,000 in fiscal year 1987. During this same period the staffing level has decreased 23 percent—form 641 to 495. Because personnel costs account for 90 percent of the Copyright Office budget, the Office simply has no more room to maneuver.

On the recommendation of the Register of Copyrights, I request that you introduce a bill to amend section 708 of the Copyright Act to double the current fee schedule (for example, the basic registration fee would become $20.00). The proposed fees are almost exactly in accordance with the inflation correction using the Consumer Price Index. To cope with future inflationary pressure, I also recommend amendment of section 708 to give the Register of Copyrights regulatory authority to adjust the copyright fee schedule at five year intervals solely to reflect national increases in the cost of living as determined by the Consumer Price Index. Copyright registration gives copyright claimants substantial benefits. Periodic adjustment of the fee schedule in response to inflation ensures that the primary beneficiaries of registration pay their fair share of the costs of administering the system.

If the new fee schedule went into effect in January 1990, the proposed amendment would give the U.S. Treasury about $7 million in additional revenues.

I have attached language that would put this proposal into effect and respectfully request your assistance in introducing the bill, as well as your support in enacting these changes in the copyright law.

Sincerely,

JAMES H. BILLINGTON,
The Librarian of Congress.●

By Mr. BOREN (for himself, Mr. DURENBERGER, Mr. DANFORTH, Mr. PRYOR, Mr. LUGAR, Mr. LEAHY, Mr. DASCHLE, Mr. COCHRAN, Mr. CONRAD, Mr. SYMMS, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. HARKIN, Mr. BURDICK, Mr. BOND, Mr. NICKLES, Mr. CRANSTON, Mr. HEFLIN, Mr. DOLE, and Mr. KERREY):

S. 1273. A bill to amend the Internal Revenue Code of 1986 with respect to treatment by cooperatives of gains or losses from sale of certain assets; to the Committee on Finance.

TREATMENT OF ASSET SALES BY COOPERATIVES

● Mr. BOREN. Mr. President, in recent years there have been an increasing number of disputes between farmer cooperatives and the Internal Revenue Service over the proper Federal income tax treatment of gain or loss resulting from the sale of assets used by the cooperatives in their patronage operations. The issue in controversy is whether gains or losses from such dispositions should be considered to be derived from patronage or nonpatronage sources. This distinction is important because gain from patronage sources is eligible to be distributed to patrons as a patronage dividend which is deductible to a cooperative, and taxable to the patrons. Nonpatronage sourced income is taxable to a nonexempt agricultural cooperative

whether or not it is distributed to the farmer patrons.

Over the years, agricultural cooperatives have taken different approaches toward the classification of gain or loss from the sale of assets used in the patronage operation. Some cooperatives have treated this gain or loss as patronage sourced on the ground that the assets sold were directly related to or actually facilitated the marketing, purchasing, or service activities of the cooperative. Other cooperatives have treated gain or loss from the sale of assets used in the patronage operation as nonpatronage sourced in reliance on a Treasury regulation.

Recent court decisions have consistently applied a directly related-actually facilitated test in distinguishing between patronage and nonpatronage income. Notwithstanding these decisions the IRS has continued to assert deficiencies in such cases based on a Treasury regulation.

Today I join with my colleague from Minnesota, Senator DURENBERGER, as well as Senator DANFORTH, Senator PRYOR, Senator LUGAR, Senator LEAHY, Senator DASCHLE, Senator COCHRAN, Senator CONRAD, Senator SYMMS, Senator PRESSLER, Senator KASSEBAUM, Senator GRASSLEY, Senator BOSCHWITZ, Senator HARKIN, Senator BURDICK, Senator BOND, Senator NICKLES, Senator CRANSTON, Senator HEFLIN, Senator DOLE, and Senator KERREY, in introducing legislation that would permit cooperatives to elect ordinary patronage sourced treatment for gain or loss from the disposition of any asset provided that the asset was used by the organization to facilitate the conduct of business done with or revoked. If revoked, a new election would apply indefinitely, unless revoked. If revoked, a new election could not be made for 3 years. Cooperatives making the election for taxable years beginning prior to 1989 could also elect treatment for all prior taxable years.

The proposed legislation would put an end to this controversy and avoid continuing audit disputes and court proceedings that are burdensome for farmer cooperatives and consume U.S. tax dollars in enforcement activity.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF ASSET SALES BY COOPERATIVES.

(a) IN GENERAL.—Section 1388 of the Internal Revenue of 1986 is amended by redesignating subsection (k) as subsection (l), and by inserting after subsection (j) the following new subsection:

"(k) TREATMENT OF GAINS OR LOSSES ON THE DISPOSITION OF CERTAIN ASSETS.—

"(1) IN GENERAL.—For purposes of this title, if gain or loss from the disposition of any asset by an organization to which part I of this subchapter applies, would (without regard to this subsection) be treated as gain or loss from the sale or exchange of a capital asset, such organization may elect to treat the allocable portion of such gain or loss as ordinary income or loss and to include such gain or loss in net earnings of the organization from business done with or for patrons.

"(2) ALLOCABLE PORTION.—For purposes of paragraph (1), the term 'allocable portion' means the portion which bears the same ratio to the gain or loss from the sale or exchange of an asset as—

"(A) the extent to which the asset was used by an organization to facilitate the conduct of business done with or for patrons, bears to

"(B) the total use of the asset. For purposes of subparagraph (A), the extent of use for such purpose shall be determined on the basis of any reasonable method for making allocations of income or expense between patronage and nonpatronage operations.

"(3) ELECTION.—An election made under this subsection shall be made at such time and in such manner as the Secretary may prescribe. Such election shall apply for the taxable year for which it is made and the 2 succeeding taxable years.".

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Subject to paragraph (2), the amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

(2) APPLICATION TO PRIOR YEARS.—An election filed pursuant to section 1388(k) of the Internal Revenue Code of 1986 with a return for the first taxable year beginning on or before the date of enactment of this Act and ending after such date, shall apply to taxable years beginning before such date.●

By Mr. HATCH:

S. 1274. A bill to improve health care and health insurance for all Americans, and for other purposes; to the Committee on Labor and Human Resources.

COMPREHENSIVE AND UNIFORM REMEDY FOR THE HEALTH CARE SYSTEM ACT

Mr. HATCH. Mr. President, today I am pleased to introduce legislation entitled "The Comprehensive and Uniform Remedy for the Health Care System Act of 1989." This legislation is designed to reduce health care costs; share responsibility for providing access to health care; and, make it easier for businesses of all sizes to offer health care coverage and for providers to extend health care services.

Mr. President, there are two things I have learned about our current health care system. First, America provides the best health care in the world; and second, there are members of our society who cannot afford this excellent care. If we want to continue to think of our health care system as the best in the world, we have to find a way to ensure that all of our citizens share in its quality.

According to the 1988 Census Bureau Report, there are 205.7 million Americans who have health insurance coverage. However, there are 35 million Americans who lack health insurance, and many of these are workers and their dependents. There are many reasons why these workers do not have coverage, and one primary reason is rising health care costs.

Every American should have access to health care. And, we must find solutions to reach this goal. I do not support mandated health insurance because of its impact on American's freedoms. Further, mandating health insurance places the responsibility for expanding access to health care in one place—on the backs of employers and employees at a cost of $30 to $100 billion a year.

The legislation I am introducing today is a complex solution which recognizes that we all have responsibilities in helping all Americans gain access to health care. Employers have responsibilities, employees have responsibilities, health care providers have responsibilities, and local, State, and Federal Governments have responsibilities.

Six months ago, I asked representatives from the business community, health insurers, health care providers, and general health care experts to help me draft legislation to cure our health care malaise. The only restriction was that its cost be closer to $8 billion—the price of our total uncompensated hospital care currently provided. This present and future legislation will embody five principles:

First. Medicaid should be returned to its original purpose—to provide health care access to the economically disadvantaged;

Second, Federal incentives, which help make health insurance affordable, should treat all Americans equally;

Third, an ounce of prevention is worth billions in cures;

Fourth, defensive medicine is costly medicine; and

Fifth, health care providers should not shoulder the costs of uncompensated care alone.

The fundamental key to these proposals is to make health care insurance more affordable. Affordable health care gives us greater access to health care.

Today, I will introduce part one of this legislative package. It contains five titles described as follows:

TITLE I: IMPROVING THE HEALTH OF MOTHERS AND THEIR BABIES

This title places a greater emphasis on prenatal care by providing $5 million to States to coordinate existing prenatal care programs. Existing prenatal care programs are scattered in at least five separate programs and need to be better coordinated.

My home State of Utah has been a model for coordinating such services.

Governor Bangerter and his capable advisors, Dr. Suzanne Dandoy, the director of the Utah Department of health, and Dr. Peter van Dyke, director of Utah's Maternal and Child Health Care programs, have provided Congress with direction on how our Federal and State prenatal care efforts can work better. They have created new initiatives in Utah which combine public and private sector efforts to help mothers have healthy babies, and they deliver services in a coordinated fashion. I thank them for their guidance in developing this portion of the bill because what they are doing in Utah is reducing infant mortality in Utah and should be a model for others.

It is estimated that for every $1 invested in prenatal care, $3 in neonatal care is saved in the child's first year and $11 is saved over the child's lifetime in medical, social, and education costs.

TITLE II: REMOVING BARRIERS TO AFFORDABLE HEALTH INSURANCE

This title contains two parts: preemption of State mandated benefits and the development of State pools for the uninsurable. The language preempts health benefit plans from State insurance laws which currently dictate the content of health insurance purchased in the State. Generally, small employers who do not self-insure can't purchase low-cost health insurance suited to their individual company and worker needs.

So that all people have access to affordable health insurance, there is another group we need to consider—the medically uninsurable. We must provide people who are uninsurable because of a preexisting medical condition the option of purchasing, or having their employer purchase, health insurance from a State-run risk pool. I would propose a block grant to States to help underwrite the costs of such plans.

The State uninsurable pools would be authorized at $50 million for a block grant to States to develop insurance programs for individuals who are "uninsurable." The State must ensure that the funds to underwrite the pools are from the general revenue. Costs to uninsurable individuals for the insurance cannot exceed 150 percent or less than 125 percent of a community rated health insurance plan.

TITLE III: IMPROVING HEALTH CARE QUALITY AND MEDICAL LIABILITY REFORM

The provisions in this title are intended to reduce the cost of defensive medicine in our health care system. First, this title will expand the authorization for patient outcome research by approximately $100 million per year. This research is used to determine which medical treatments are the most effective for treating a given disease. Second, this title establishes a process by which the Assistant Secretary for Health can establish treatment practice guidelines which can be used for reimbursement purposes. Third, this legislation allows health care providers to use those treatment practice guidelines as the standard of care in medical liability cases.

Medical liability is adversely affecting our health care system in three ways. First, we are paying about $4 billion dollars per year, or about 8 percent of our health care dollars, for medical liability costs.

Second, according to Joseph Califano, we are paying another $121 billion in 1987 dollars for defensive medicine. That means that for every dollar we pay in medical liability costs, we are paying another $30 dollars in defensive medicine costs.

The third adverse effect is the loss of access to health care. Because physicians are scared about medical liability, they are abandoning certain areas of their medical practice and reducing access to health care.

Seventy percent of physicians say they are getting more medical consultations, 66 percent say they are ordering more diagnostic tests, and 54 percent say they are scheduling more follow-up visits. In addition, 28 percent of physicians say they are performing more procedures themselves, rather than delegating them to other, less costly, health care professionals.

Seventy-nine percent of our physicians say that they order at least $10,000 of unnecessary medical care each year, 26 percent order $50,000 or more each year, and a shocking 14 percent of our physicians say that they order more than $100,000 worth of unnecessary health care for defensive medicine purposes, each and every year. Interestingly, only 4 percent of our physicians feel they order less than $1,000 of unnecessary tests per year.

I don't think there can be any question in the minds of the members of this body that we are wasting tens of billions of dollars on defensive medicine every year. And, that the most important single step this body could take to reduce health care costs, while maintaining quality, is to do something about the liability crisis.

As I mentioned, defensive medicine is not only affecting health care cost, but it is also affecting availability. The next chart shows how many physicians have eliminated services. In a period from 1982 to 1988, 90 percent of the family physicians eliminated services, 71 percent of the internists eliminated services, and 72 percent of our OB/GYN's eliminated services.

The next chart looks at one specific type of care, obstetrical care. In that same period, 63 percent of all family physicians stopped providing obstetrical care and 36 percent of our OB/GYN's stopped providing obstetrical care.

I know that the members of this body are concerned about infant mortality and the availability of prenatal care in this country. I think this chart, as much as any other information that I have seen, points out why we don't have prenatal care available today. I dare say that even if the taxpayers of this country gave this committee a blank check to expand prenatal care, the problem will not be solved unless we also address the liability crisis. Without providers, there is no prenatal care.

I think this is an important first step for my colleagues to look at. I know that we may need to make changes to further improve the language, but I wanted to start the debate by introducing this today. As many of you know, in the near future I will be introducing additional medical liability reform legislation to further address this problem. That legislation will include additional Federal and State reforms.

TITLE IV: REDUCING HEALTH CARE COSTS THROUGH PREVENTION AND PUBLIC AWARENESS PROGRAMS

This title would clarify that work-based prevention efforts are considered health benefits for purposes of tax treatment. It would also require that the Secretary of Health and Human Services make available a list of workplace prevention efforts that are effective in reducing health care costs. This title would also expand public service announcements on health promotion and disease prevention benefits. It would also require the Secretary of Health and Human Services to develop programs on consumer education on health benefits. Consumers need to understand how such programs work, how cost-sharing, system delivery, and reimbursement methods function and how they, as consumers, can cooperate in these efforts.

Even though Americans spend approximately $500 billion annually for health care, two of every three deaths in this country are premature. Most of these deaths could be prevented through appropriate use of preventive services and behavior changes.

TITLE V: IMPROVING THE TRAUMA CARE SYSTEM

One of the two leading causes of uncompensated care in this country is accidents. In response to this problem, I have worked with the State health department in Utah, and today I am proposing a new $100 million Emergency Medical Services block grant to States.

This block grant will be used to expand accident prevention efforts, to improve the Emergency Medical Services system, and to pay part of the costs of uncompensated trauma care until some of the other proposals in this legislation can be fully implemented.

As many of my colleagues know there are several other pieces of

trauma care legislation which has been introduced in this Congress, and I would like to take a minute and describe some of the differences. First, I allow the funding to be used for accident prevention. First, I allow the funding to be used for accident prevention. We call them accidents because they can be prevented; therefore, the first thing we should do to reduce costs is try to prevent them. Second, my provisions recognize that our EMS (emergency medical service) system in many rural areas lags far behind our urban areas. Therefore, I focus more of the resource on rural areas. Third, my legislation recognizes that the needs of the trauma care of New York City are different than the needs of rural Utah. Therefore, I would leave standard setting to the States, rather than impose one uniform standard on the entire country.

Some of the other proposals would place the regulation of the trauma care system under the control of the American College of Surgeons. My colleagues are well aware that for some time now I have argued that this approach to regulation is unconstitutional, does not provide adequate due process protections for the regulated, and raises a number of antitrust questions. While I am always just as willing as the rest of my colleagues to compromise, one thing I will not compromise is the Constitution. I think, if my colleagues look closely at this issue, they will agree with me that placing regulatory authority in the hands of private entities is a policy this body should reject.

FUTURE LEGISLATION

In order to make this entire package comprehensive, in the near future I will sponsor or cosponsor legislation which will first, expand Medicaid; second, equalize tax treatment for all employers regardless of their size or income; and third, develop broader medical liability reforms.

Together, these comprehensive reforms are designed to reduce health care costs, to share responsibility for providing access to health care, and to make it easier for businesses of all sizes to offer health care coverage and for providers to extend health care services.

There are several organizations who have helped in the development of this package and are supportive of this legislation. I ask unanimous consent that letters or statements supporting the principles of this legislative effort from five of the organizations be included in the RECORD at this time. They include the Association of Private Pension and Welfare Plans, the National Association of Manufacturers, the Chamber of Commerce, the Health Insurance Association of America, and the National Association of Health Underwriters. I also ask unanimous consent that three articles entitled "Developing Good Medical Standards We All Can Live With" by Dr. Mark Chassin, "Medicine's search for 'what works': what it means to employers" by Rhoda Donkin, and "Insurers Refuse to Pay for Work Judged Needless" by Glenn Ruffenach (Wall Street Journal 2/7/89).

I urge my colleagues to review this initiative. Those who propose mandated health are merely treating the symptoms of our burgeoning health care system. This legislation attempts to cure the problems by reducing health care costs, sharing responsibility for expanding care, and leveling the playing field so that all Americans have equal access to care. I ask unanimous consent that the full text of the legislation be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1274

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Comprehensive and Uniform Remedy for the Health Care System Act of 1989".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—IMPROVING THE HEALTH OF MOTHERS AND THEIR BABIES

Sec. 101. Coordination of prenatal care programs.

TITLE II—REMOVING BARRIERS TO AFFORDABLE HEALTH INSURANCE

SUBTITLE A—PREEMPTION OF STATE MANDATED BENEFITS.

Sec. 201. Preemption of State mandated benefits.

SUBTITLE B—STATE UNINSURABLE POOLS

Sec. 211. State uninsurable pools.
Sec. 212. Effective date.

TITLE III—IMPROVING HEALTH CARE QUALITY AND MEDICAL LIABILITY REFORM

Sec. 301. Treatment practice guidelines.
Sec. 302. National Advisory Council on Treatment Practice Guidelines.
Sec. 303. Authorization of appropriations.

TITLE IV—REDUCING HEALTH CARE COSTS THROUGH PREVENTION AND PUBLIC AWARENESS PROGRAMS

SUBTITLE A—TREATMENT OF WORK-BASED PREVENTION EFFORTS

Sec. 401. Program to increase employer awareness that work-based prevention efforts are considered health benefits.

SUBTITLE B—PUBLIC SERVICE ANNOUNCEMENTS ON HEALTH PROMOTION ACTIVITIES

Sec. 411. Public service announcements on health promotion activities.

TITLE V—IMPROVING THE TRAUMA CARE SYSTEM

SUBTITLE A—GENERAL FEDERAL EMERGENCY MEDICAL SERVICES PROGRAMS

Sec. 501. National Clearinghouse on Emergency Medical Services and Trauma Care.
Sec. 502. Federal Communications Commission.

SUBTITLE B—EMERGENCY MEDICAL SERVICES BLOCK GRANT

Sec. 511. Emergency medical services block grant.

SEC. 2. FINDINGS.

Congress finds that—

(1) the health care delivery system of the United States provides most Americans with a level of access and quality of care that is unsurpassed anywhere in the world;

(2) for about 15 percent of Americans, the system works less well because they have no health insurance coverage under either public or private programs;

(3) these individuals represent a diversity of situations for which there is no single solution;

(4) assuring access to quality care for these individuals is a compelling national priority that will require commitments from both the private and public sectors;

(5) the most practical and effective solutions for these access problems are ones that—

(A) preserve the pluralistic base of the health care delivery system of the United States;

(B) emphasize incentives instead of mandates;

(C) share responsibility among employers, employees, insurers, providers, and patients, as well as Federal, State, and local governments; and

(D) recognize that both the complexity of the problem and the existence of fiscal constraints means that incremental efforts are not only necessary but desirable;

(6) Federal efforts need to be closely coordinated with others who share in the responsibility for improving access to health care services;

(7) Federal efforts need to reflect not only the diversity of interested parties but also the diversity of areas where action is appropriate, including public health, State initiatives, medical malpractice laws, Medicaid, and tax incentives; and

(8) improving access requires dealing with many of the most difficult problems in the health care delivery system, including—

(A) the escalating costs, State mandated benefit packages, and other factors that have made health insurance unaffordable for many employers and individuals, especially the poor and near poor who need more creative workplace and public options to be able to obtain health insurance coverage;

(B) the need to provide broader eligibility under Medicaid so that it includes all those who fall below the Federal poverty line, while assuring adequate provider reimbursement levels to retain physician and other provider participation in public programs;

(C) inadequate coordination in prenatal care programs;

(D) the inability of many individuals to protect themselves against catastrophic health care expenses because pre-existing conditions make them "uninsurable";

(E) assuring high quality medical care standards can be maintained, and services consistent with such standards provided at

an affordable cost, in the face of high medical malpractice insurance rates, defensive medical practices, and many unjustified lawsuits against providers;

(F) the bias against health promotion and disease prevention that exists in reimbursement and treatment practices, but that also reflects a lack of commitment on the part of many Americans to take more individual responsibility for their own health; and

(G) the tremendous loss of productive human lives and economic cost, as well as the toll on hospitals in uncompensated care, that result from avoidable traumatic injury and inadequate emergency medical care.

TITLE I—IMPROVING THE HEALTH OF MOTHERS AND THEIR BABIES

SEC. 101. COORDINATION OF PRENATAL CARE PROGRAMS.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1707. COORDINATION OF PRENATAL CARE PROGRAMS.

"(a) IN GENERAL.—The Secretary shall establish a program to make grants to States who establish procedures to coordinate assistance provided through Federal and State prenatal care programs.

"(b) APPLICATIONS.—A State that desires to receive a grant under this section shall submit an application at such time, in such form, and containing such information as the Secretary shall prescribe.

"(c) COORDINATION.—The assistance provided through various programs that shall be coordinated by States that receive grants under this section shall include—

"(1) assistance provided under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

"(2) assistance provided under title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(3) assistance provided under title V of the Social Security Act (42 U.S.C. 701 et seq.);

"(4) assistance provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

"(5) assistance provided under subpart I of part D of title III of this Act; and

"(6) assistance provided through other Federal or State programs that is targeted at reducing infant mortality.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section, $5,000,000 for each of the fiscal years 1990 through 1992.".

TITLE II—REMOVING BARRIERS TO AFFORDABLE HEALTH INSURANCE

Subtitle A—Preemption of State Mandated Benefits

SEC. 201. PREEMPTION OF STATE MANDATED BENEFITS.

Section 514(b)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(2)) is amended—

(1) in subparagraph (A), by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)"; and

(2) by adding at the end thereof the following new subparagraph:

"(C) Nothing in subparagraph (A) shall be construed to exempt from subsection (a) any provision of the law of any State to the extent that such provision mandates or provides any requirement relating to the type or level of benefits that are to be provided under contracts or policies of health insurance issued to or under a plan that constitutes an employee welfare benefit plan (as defined in section 3(1)).".

Subtitle B—State Uninsurable Pools

SEC. 211. STATE UNINSURABLE POOLS.

Title XIX of the Public Health Service Act (42 U.S.C. 1901 et seq.) is amended—

(1) in the heading of part D, by striking out "Part D" and inserting in lieu thereof "Part C"; and

(2) by adding at the end thereof the following new part:

"PART D—STATE UNINSURABLE POOLS

"SEC. 1941. DEFINITIONS.

"As used in this part:

"(1) MEDICALLY UNINSURABLE INDIVIDUAL.—The term 'medically uninsurable individual' means an individual—

"(A) who is a resident of a State;

"(B) who does not have health insurance coverage on the date on which the individual applies for health insurance coverage under a qualified uninsurable pool in the State;

"(C) who has received—

"(i) a notice of rejection from one or more insurance providers for coverage that is substantially similar to the coverage offered by the qualified uninsurable pool in the State, without material underwriting restriction;

"(ii) a notice of a reduction or limitation in health insurance benefits that substantially reduces benefits compared to benefits available to other individuals, such as a rider that excludes or modifies benefits for a condition for a period that is not less than 6 months; or

"(iii) a notice of an increase in premiums because of medical reasons for substantially similar health coverage, either applied for or in force, that exceeds the premium rate for coverage provided by the qualified uninsurable pool in the State; and

"(D) who is not eligible to receive benefits under title XVIII or XIX of the Social Security Act (42 U.S.C. 1396 et seq.)

"(2) QUALIFIED UNINSURABLE POOL.—The term 'qualified uninsurable pool' means any organization that—

"(A) is a nonprofit corporation established pursuant to and regulated by State law;

"(B) has a membership that may include—

"(i) insurers writing expense-incurred health insurance;

"(ii) hospital and medical service plan corporations;

"(iii) health maintenance organizations; and

"(iv) employers;

"(C) makes available (without regard to health conditions) to all medically uninsurable individuals in a State, levels of health insurance that is similar to the levels of coverage provided in the State by other insurers;

"(D) charges a pool premium rate that is not less than 125 percent, nor more than 150 percent, of the average premium rates for individual standard risks in the State for comparable coverage;

"(E) finances the losses of the pool through general revenue sources; and

"(F) at the option of the State and to the extent practicable, constrains costs through the use of appropriately managed care.

"SEC. 1942. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out the activities described in section 1945, there are authorized to be appropriated $50,000,000 in fiscal year 1990, and such sums as may be necessary in each subsequent fiscal year.

"SEC. 1943. ALLOTMENTS.

"(a) IN GENERAL.—From the total amount appropriated under section 1942 for a fiscal year, the Secretary shall allot to each State for such fiscal year an amount that bears the same ratio to the amount appropriated as the population of the State bears to the population of all States, except as provided in subsections (b) and (d).

"(b) LIMITATIONS.—Notwithstanding subsection (a), the allotment of each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands under this section for a fiscal year—

"(1) shall not be less than one-half of 1 percent of the total amount appropriated under section 1942 for such fiscal year; and

"(2) shall not be more than 3 percent of the total amount appropriated under such section for such fiscal year.

"(c) ACTION BY SECRETARY.—If a State does not submit an application or description of activities in accordance with section 1946 for a fiscal year or does not otherwise establish a uninsurable pool as required under this part, the amount of funds allotted to such State shall be used by the Secretary to establish, through grants or contracts, a qualified uninsurable pool within the State that meets the requirements of this part.

"(d) REVERSION OF FUNDS.—To the extent that all of the funds appropriated under section 1942 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(2) some State allotments are offset or repaid under section 1947(b)(3);

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"SEC. 1944. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—

"(1) AMOUNT OF PAYMENT.—Each State that—

"(A) has an application approved by the Secretary under section 1946(a); and

"(B) demonstrates to the satisfaction of the Secretary that it will provide from non-Federal sources the State share of the aggregate amount to be expended by the State under the application submitted by the State for the fiscal year for which it requests funds;

shall receive a payment under this section for such fiscal year in an amount (not to exceed its allotment under section 1943 for such fiscal year) equal to the Federal share of the aggregate amount to be expended by the State under the application submitted by the State for such fiscal year.

"(2) FEDERAL SHARE.—The Federal share for each fiscal year shall be 75 percent.

"(3) STATE SHARE.—The State share equals 100 percent minus the Federal share.

"(b) AVAILABILITY.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(c) REDUCTION OF PAYMENTS.—The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

"(1) the fair market value of any supplies or equipment furnished to the State under this part; and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Federal Government, when detailed to the State, and the amount of any other costs incurred in connection with the detail of such officer or employee;

if the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of, and at the request of, the State and for the purpose of conducting activities described in section 1945. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based. The amount shall be considered to be part of the payment and to have been paid to the State.

"SEC. 1945. USE OF ALLOTMENTS.

"(a) QUALIFIED UNINSURABLE POOLS.—Except as provided in subsection (b), amounts paid to a State under section 1944 shall be used by the State to develop and operate qualified uninsurable pools to provide health insurance for medically uninsurable individuals.

"(b) UNDERWRITING OF COSTS.—If the Secretary determines a qualified uninsurable pool exists in a State during a fiscal year for which the State receives an allotment under section 1943, the State may use any amount paid to the State under section 1944 for such fiscal year to assist in the underwriting of the costs of such pool that may conform with the requirements of this part.

"(c) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this part.

"(d) ADMINISTRATIVE COSTS.—Not more than 10 percent of the total amount paid to a State under section 1944 for a fiscal year shall be used for administering the funds made available under such section.

"(e) USE OF CERTAIN FUNDS.—A State may transfer not to exceed 10 percent of the amounts provided to such State under other parts of this title each fiscal year to carry out the activities described in this section.

"SEC. 1946. APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS.

"(a) APPLICATION.—

"(1) IN GENERAL.—To receive an allotment for a fiscal year under section 1943, a State shall submit an application to the Secretary in such form, by such date, and containing such information as the Secretary shall require.

"(2) REQUIREMENT.—Each application under paragraph (1) for an allotment under section 1943 for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b) ASSURANCES.—As part of the annual application required by subsection (a)(1) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to the State under section 1943 in accordance with this part;

"(2) certify that the State agrees that Federal funds made available under section 1944 for any period will be used to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under such section and will in no event supplant such State, local, and other non-Federal funds;

"(3) certify the aggregate amount that the State intends to spend to carry out this part, including the amount of Federal funds that the State intends to use; and

"(4) provide such other certifications and assurances as the Secretary may require.

"SEC. 1947. REPORTS AND AUDITS.

"(a) REPORTS.—

"(1) ANNUAL REPORT BY STATE.—

"(A) IN GENERAL.—A State that receives funds under this part shall prepare and submit, to the Secretary, at least one report each year concerning its activities under this part.

"(B) FORM AND CONTENTS.—Reports submitted under this paragraph shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary—

"(i) to determine whether funds were expended in accordance with this part and consistent with the insurance needs within the State;

"(ii) to secure a description of the activities of the State under this part, including a summary of the insurance services that were provided, the entities involved in the pool, and the individuals who received such services; and

"(iii) to secure a record of the purposes for which the funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes for which the funds were provided.

"(C) COPIES.—Copies of the report submitted under this paragraph shall be provided, on request, to any interested person (including any public agency).

"(2) BURDENSOME REPORTING REQUIREMENTS.—In determining the information that States must include in the report required by this subsection, the Secretary shall not establish reporting requirements that are burdensome.

"(b) AUDITING PROCEDURES.—

"(1) ESTABLISHMENT OF FISCAL CONTROLS.—Each State shall establish fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under section 1944.

"(2) ANNUAL AUDITS.—

"(A) REQUIREMENT.—Each State shall annually audit its expenditures from payments received under section 1944.

"(B) AUDITING ENTITY.—State audits under this paragraph shall be conducted by an entity independent of any agency administering a program funded under this part and, in so far as practical, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions.

"(C) COPIES.—Not later than 30 days after the date each audit is completed, the chief executive officer of the State shall transmit a copy of such audit to the Secretary.

"(3) REPAYMENTS TO THE UNITED STATES.—Each State shall, after being provided by the Secretary with adequate notice and opportunity for a hearing within the State, repay to the United States amounts found not to have been expended in accordance with the requirements of this part. If such repayment is not made, the Secretary shall, after providing the State with adequate notice and opportunity for a hearing within the State, offset such amounts against the amount of any allotment to which the State is or may become entitled under this part.

"(4) COPIES.—The State shall make copies of the reports and audits required by this subsection available for public inspection within the State.

"(5) EVALUATION OF EXPENDITURES.—The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of payments under this part in order to assure that expenditures are consistent with the provisions of this part.

"(6) REPORT BY SECRETARY.—Not later than October 1, 1991, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report concerning the activities of the States that have received funds under this part and may include in such report any recommendations for appropriate changes in legislation.

"(c) OMNIBUS BUDGET RECONCILIATION ACT OF 1981.—Title XVII of the Omnibus Budget Reconciliation Act of 1981 shall not apply with respect to audits of funds allotted under this part.

"(d) DATA AND INFORMATION.—The Secretary, in consultation with appropriate national organizations, shall develop model criteria and forms for the collection of data and information with respect to services provided under this part to enable States to share uniform data and information with respect to the provision of such services.

"SEC. 1948. WITHHOLDING.

"(a) IN GENERAL.—

"(1) NOTICE AND HEARING.—The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State that does not use its allotment in accordance with the requirements of this part. The Secretary shall withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

"(2) INVESTIGATION.—The Secretary shall not institute proceedings to withhold funds under paragraph (1) unless the Secretary has conducted an investigation concerning whether the State has used its allotment in accordance with the requirements of this part. Investigations required by this paragraph shall be conducted within the affected State by qualified investigators.

"(3) RESPONSE TO COMPLAINTS.—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the requirements of this part.

"(4) MINOR FAILURE.—The Secretary shall not withhold funds under paragraph (1) from a State for a minor failure to comply with the requirements of this part.

"(b) INVESTIGATIONS.—

"(1) BY SECRETARY.—The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this part in order to evaluate compliance with the requirements of this part.

"(2) BY COMPTROLLER GENERAL.—The Comptroller General of the United States may conduct investigations of the use of funds received under this part by a State in order to insure compliance with the requirements of this part.

"(c) AVAILABILITY OF RECORDS.—Each State that has received funds from an allotment made to a State under this part, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States for examination, copying, or mechanical reproduction on or off the premises of

the appropriate entity on a reasonable request therefor.

"(d) UNREASONABLE REQUESTS.—

"(1) IN GENERAL.—In conducting any investigation in a State, the Secretary or the Comptroller General of the United States shall not make a request for any information not readily available to such State or make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

"(2) JUDICIAL EXCEPTION.—Paragraph (1) shall not apply to the collection, compilation, or transmittal of data in the course of a judicial proceeding.

"SEC. 1949. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) CONSTRUCTION.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this part are considered to be programs and activities receiving Federal financial assistance.

"(2) GENDER OR RELIGIOUS DISCRIMINATION.—No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this part.

"(b) FAILURE TO COMPLY.—Whenever the Secretary finds that a State has failed to comply with a provision of law referred to in paragraph (1) or (2) of subsection (a), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request such officer to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable; or

"(3) take such other action as may be provided by law.

"(c) REFERENCE TO ATTORNEY GENERAL.—When a matter is referred to the Attorney General under to subsection (b)(1), or whenever the Attorney General has reason to believe that a State is engaged in a pattern or practice in violation of a provision of law referred to in paragraph (1) or (2) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"SEC. 1950. CRIMINAL PENALTY FOR FALSE STATEMENTS.

"Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this part; or

"(2) having knowledge of the occurrence of any event affecting the initial or continued right of an individual to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized;

shall be fined not more than $25,000 or imprisoned for not more than 5 years, or both.".

SEC. 212. EFFECTIVE DATE.

The amendment made by section 211 shall become effective on October 1, 1990.

TITLE III—TREATMENT PRACTICE GUIDELINES

SEC. 301. TREATMENT PRACTICE GUIDELINES.

Section 304 of the Public Health Service Act (42 U.S.C. 242b) is amended by adding at the end thereof the following new subsection:

"(e)(1) The Assistant Secretary for Health shall, in consultation with the National Advisory Council on Treatment Practice Guidelines established under subsection (f), establish treatment practice guidelines for health care services provided to patients, taking into account available patient outcome research and other available information.

"(2)(A) In carrying out paragraph (1), the Assistant Secretary for Health shall establish guidelines for—

"(i) appropriate evaluation and treatment;

"(ii) inappropriate evaluation and treatment; and

"(iii) permissive evaluation and treatment.

"(B) In establishing such guidelines, the Assistant Secretary for Health shall consider the setting of the evaluation and treatment provided to patients, including whether the evaluation and treatment are provided in an urban or rural setting.

"(3)(A) Except as provided in subparagraph (B) and notwithstanding any other provision of law, guidelines established under paragraph (2)(A) may not be introduced or used in any action brought in a Federal or State court arising from the provision of a health care service to an individual.

"(B) Notwithstanding any other provision of law, in any action brought in a Federal or State court arising from the provision of a health care service to an individual, if the service was provided to the individual in accordance with guidelines established under paragraph (2)(A), such guidelines—

"(i) may be introduced by a provider who is a party to the action; and

"(ii) if so introduced, shall be the appropriate standard of medical care.

"(4) Where followed, guidelines established under paragraph (2)(A) shall be used by the Secretary under section 1154(a)(2) of the Social Security Act (42 U.S.C. 1320c-3(a)(2)).

"(5)(A) The Assistant Secretary for Health shall review each of the guidelines established under this subsection at least once each 2 years.

"(B) If the head of a Federal agency or a private organization requests the Assistant Secretary for Health to establish treatment practice guidelines for an area of health care services for which such guidelines have not been established, the Assistant Secretary for Health shall—

"(i) conduct a review to determine if the establishment of such guidelines is appropriate; and

"(ii) if the Assistant Secretary for Health determines that the establishment of such guidelines is appropriate, establish such guidelines.

"(C) If the head of a Federal agency or a private organization requests the Assistant Secretary for Health to review existing treatment practice guidelines, the Assistant Secretary for Health shall—

"(i) conduct a review of such guidelines; and

"(ii) if the Assistant Secretary for Health determines that modification of such guidelines is appropriate, modify such guidelines.

"(D) In carrying out this paragraph, the Assistant Secretary for Health shall consider standards and views submitted to the Assistant Secretary for Health by the heads of Federal agencies and private organizations.

"(6) The Assistant Secretary for Health shall make guidelines established under this subsection available to the public.".

SEC. 302. NATIONAL ADVISORY COUNCIL ON TREATMENT PRACTICE GUIDELINES.

Section 304 of the Public Health Service Act (42 U.S.C. 242b) (as amended by section 301 of this Act) is further amended by adding at the end thereof the following new subsection:

"(f)(1) There is established the National Advisory Council on Treatment Practice Guidelines (hereinafter in this subsection referred to as the 'Council').

"(2) The Council shall—

"(A) advise the Assistant Secretary for Health with respect to the establishment of treatment practice guidelines prescribed by subsection (e) and the conduct of related areas of research; and

"(B) make recommendations to the Assistant Secretary for Health with respect to the establishment of such guidelines and the conduct of such research.

"(3) The Council shall consist of—

"(A) ex officio members, including—

"(i) the Director of the National Institutes of Health;

"(ii) the Chief Medical Director of the Veterans' Administration;

"(iii) the Assistant Secretary for Health and Environment of the Department of Defense;

"(iv) the head of the Centers for Disease Control;

"(v) the head of the Health Care Financing Administration; and

"(vi) such other Federal officials as the Assistant Secretary for Health may specify; and

"(B) twelve voting members appointed by the Assistant Secretary for Health.

"(4)(A) The Assistant Secretary for Health shall appoint to the Council—

"(i) six individuals distinguished in the fields of medicine, engineering, and science (including social science);

"(ii) four individuals distinguished in the fields of law, ethics, economics, management, and insurance; and

"(iii) two individuals representing the interests of consumers of health care services.

"(B) The Assistant Secretary for Health shall ensure that members of the Council, as a group, are representative of professions and entities concerned with, or affected by, the treatment practice guidelines prescribed by subsection (e).

"(5)(A) Each appointed member of the Council shall be appointed for a term of 3 years, except that—

"(i) any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor of the member was appointed shall be appointed for the remainder of such term; and

"(ii) of the members first appointed after the date of the enactment of this subsection, four shall be appointed for a term of 3 years, four shall be appointed for a term of

2 years, and four shall be appointed for a term of 1 year, as designated by the Assistant Secretary for Health at the time of appointment.

"(B) Appointed members may be appointed for additional terms and may serve after the expiration of their terms until their successors have taken office.

"(6) A member, while so serving away from the home or regular place of business of the member, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for a person in the Government service employed intermittently.

"(7) The Council shall annually elect one of its appointed members to serve as Chairman until the next election.

"(8) The Council shall meet at the call of the Chairman, but not less often than three times a year.

"(9) The Assistant Secretary for Health shall—

"(A) designate a member of the staff of the National Center for Health Services Research and Health Care Technology Assessment to act as Executive Secretary of the Council; and

"(B) make available to the Council such staff, information, and other assistance as it may require to carry out its functions.".

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

Section 308(i) of the Public Health Service Act (42 U.S.C. 242m(i)) is amended—

(1) in the first sentence of paragraph (1)(A)—

(A) by striking out "and" after "1988" and inserting in lieu thereof a comma; and

(B) by striking out "and 1990" and inserting in lieu thereof ", and $140,000,000 for each of the fiscal years 1990 through 1992";

(2) in paragraph (1)(A), by adding at the end thereof the following new sentence: "Not to exceed $1,000,000 of the amount appropriated under the first sentence for each of the fiscal years 1990 through 1992 shall be available for expenses of the National Advisory Council on Treatment Practice Guidelines established under section 304(f).";

(3) in subparagraphs (B) and (C) of paragraph (1), by striking out "1990" each place it appears and inserting in lieu thereof "1992"; and

(4) in paragraph (2), by striking out "and 1990" and inserting in lieu thereof "through 1992".

TITLE IV—REDUCING HEALTH CARE COSTS THROUGH PREVENTION AND PUBLIC AWARENESS PROGRAMS

Subtitle A—Treatment of Work-Based Prevention Efforts

SEC. 401. PROGRAM TO INCREASE EMPLOYER AWARENESS THAT WORK-BASED PREVENTION EFFORTS ARE CONSIDERED HEALTH BENEFITS.

Not later than the first day of the first calendar year following the date of the enactment of this Act, the Secretary of the Treasury, or the Secretary's delegate, shall establish a taxpayer awareness program to inform employers that work-based prevention efforts that are effective are considered health benefits for which deductions are allowed under section 162 of the Internal Revenue Code of 1986. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

Subtitle B—Public Service Announcements on Health Promotion Activities

SEC. 411. PUBLIC SERVICE ANNOUNCEMENTS ON HEALTH PROMOTION ACTIVITIES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 707. PUBLIC SERVICE ANNOUNCEMENTS ON HEALTH PROMOTION ACTIVITIES.

"(a) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary, in cooperation with entities and individuals representing the private sector, shall establish and implement a program designed to provide the public with information concerning health promotion, prenatal care, and health benefits.

"(b) INFORMATION.—The program established under subsection (a) shall include a series of public service announcements targeted to pregnant women who are at an increased risk of suffering complications during pregnancy or having unhealthy babies, that focus on—

"(1) the availability of programs designed to provide prenatal care services;

"(2) the availability of screening programs for pregnant women; and

"(3) the availability of other State or Federal programs designed to ensure the health of pregnant women and their babies.

"(c) HEALTH BENEFITS.—As part of the program required under subsection (a), the Secretary shall establish a program to provide public service announcements on the appropriate and effective use of health benefits.

"(d) REPORT.—The Secretary shall annually prepare and submit, to the appropriate Committees of Congress, a report concerning the program established under this section and any relative changes that take place in the morbidity and mortality rates subsequent to such establishment.

"(e) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $5,000,000 for each of the fiscal years 1990 through 1992.".

TITLE V—IMPROVING THE TRAUMA CARE SYSTEM

Subtitle A—General Federal Emergency Medical Services Programs

SEC. 501. NATIONAL CLEARINGHOUSE ON EMERGENCY MEDICAL SERVICES AND TRAUMA CARE.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by inserting after title XI the following new title:

"TITLE XII—EMERGENCY MEDICAL SERVICES

"PART A—ESTABLISHMENT OF CLEARINGHOUSE

"SEC. 1201. NATIONAL CLEARINGHOUSE ON EMERGENCY MEDICAL SERVICES AND TRAUMA CARE.

"(a) ESTABLISHMENT.—The Secretary shall by contract provide for the establishment and operation of a National Clearinghouse on Emergency Medical Services and Trauma Care (hereinafter referred to in this title as the 'Clearinghouse').

"(b) DUTIES.—The Clearinghouse shall—

"(1) foster the development of appropriate, modern emergency medical services and trauma care through the sharing of information among agencies and individuals involved in planning, furnishing, and studying such services and care;

"(2) collect, compile, and disseminate information on the achievements of, and problems experienced by, State and local agencies and private entities in providing emergency medical services and trauma care and, in so doing, give special consideration of the unique needs of rural areas;

"(3) provide technical assistance relating to emergency medical services and trauma care to State and local agencies; and

"(4) sponsor workshops and conferences on emergency medical services and trauma care.

"(c) FEES.—A contract entered into by the Secretary under this section shall provide that the Clearinghouse may charge fees in order to defray, and beginning with fiscal year 1991, to cover, the costs of operating the Clearinghouse.

"(d) AUTHORITY TO ENTER INTO CONTRACTS.—The authority of the Secretary to enter into contracts under this section shall be to such extent or in such amounts as are provided in Appropriation Acts.

"(e) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $500,000 for the later of fiscal year 1990 or the first fiscal year thereafter for which funds are appropriated under this section, $300,000 for the later of fiscal year 1991 or the second fiscal year after fiscal year 1990 for which funds are so appropriated, and $100,000 for fiscal year 1992 or the third fiscal year after fiscal year 1990 for which funds are so appropriated.

"PART B—DATA COLLECTION

"SEC. 1211. SUBMISSION OF DATA BY STATE.

"Not later than 180 days after the date of enactment of this title, the Secretary, after consultation with the States, shall promulgate regulations that require States that receive grants under part E of title XIX to provide the Secretary with certain data and information concerning the use of such grants.

"PART C—RESEARCH AND DEMONSTRATION PROJECTS

"SEC. 1221. ESTABLISHMENT OF PROGRAMS OF RESEARCH AND DEMONSTRATION PROJECTS.

"(a) IMPROVING RURAL EMERGENCY SERVICES.—The Secretary may make grants for the purpose of carrying out research into and demonstration projects of ways to improve the availability and quality of prehospital emergency medical services in rural areas—

"(1) by developing innovative uses of communications technologies and the use of new communications technology;

"(2) by making continuing education more accessible to emergency medical services personnel through telecommunications, home studies, providing teachers at accessible locations, and other methods;

"(3) by developing and refining training curricula;

"(4) by undertaking outcome studies on the process and content of emergency medical services; and

"(5) by developing innovative financing mechanisms.

"(b) REQUIREMENT OF APPLICATION.—The Secretary may not provide financial assistance under this section unless—

"(1) an application for the assistance is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the assistance is to be provided, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there are authorized to be appropriated $8,000,000 for each of the fiscal years 1990 through 1992.".

SEC. 502. FEDERAL COMMUNICATIONS COMMISSION.

Not later than 1 year after the date of enactment of this Act, the Federal Communications Commission shall—

(1) complete a study of the availability of radio frequency channels for emergency medical services communications (including in such study, to the maximum feasible extent, an analysis of communications between public and private ambulances and public and private hospitals);

(2) establish a plan to ensure that the needs of emergency medical services communications (including effective prehospital communications) shall be adequately provided for in the allocation of frequencies for public safety; and

(3) prepare and submit, to the appropriate Committees of Congress, a report that contains the results of such study and plan relating to emergency medical services communications.

Subtitle B—Emergency Medical Services Block Grant

SEC. 511. EMERGENCY MEDICAL SERVICES BLOCK GRANT.

Title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.) (as amended by section 211 of this Act) is further amended by adding at the end thereof the following new part:

"PART E—EMERGENCY MEDICAL SERVICES BLOCK GRANT

"SEC. 1961. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out this part, there are authorized to be appropriated $100,000,000 for each of the fiscal years 1990 through 1992.

"SEC. 1962. ALLOTMENTS.

"(a) FORMULA.—From amounts appropriated under section 1961 for each of the fiscal years 1990 through 1992, the Secretary shall allot to each State an amount equal to the sum of—

"(1) an amount that bears the same ratio to 70 percent of the amount appropriated under section 1961 as the population of the State bears to the total population of all States; and

"(2) an amount that bears the same ratio to 30 percent of the amount appropriated under section 1961 as the land area of the State (as determined by the Secretary) State bears to the total land area of all States.

"(b) STATE.—The term 'State' means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, or Palau.

"SEC. 1963. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1962 from amounts appropriated for such fiscal year.

"(b) CARRYOVER FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(c) PROHIBITION.—The Secretary may not make payments under this part for a fiscal year unless the State involved identifies any rural area in the State for which—

"(1) there is no system of access to emergency medical services through the telephone number 911;

"(2) there is no basic life-support system; or

"(3) there is no advanced life-support system.

"SEC. 1964. APPLICATION AND DESCRIPTION OF ACTIVITIES.

"(a) APPLICATION.—To receive an allotment for a fiscal year under section 1962, each State shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require. Each such application shall contain assurances that the State will meet the requirements of subsection (b).

"(b) REQUIREMENTS.—As part of the application required by subsection (a), the chief executive officer of each State shall—

"(1) include a State plan that meets the requirements of subsection (c);

"(2) certify that the State agrees to conduct certain data collection activities in accordance with part B of title XII;

"(3) certify that the State agrees to use the funds allotted to the State under section 1962 in accordance with the requirements of this part;

"(4) certify that the principal State agency with respect to emergency medical services will conduct public hearings on the proposed use and distribution of the payments to be received from the allotments under section 1962 for each such fiscal year;

"(5) certify that the State will establish reasonable criteria to evaluate the effectiveness of the performance of entities that receive funds from payments made to the State under section 1963 and will establish procedures for procedural and substantive independent State review of the failure by the State to provide funds for any such entity;

"(6) certify that the State will permit and cooperate with Federal investigations undertaken in accordance with this title;

"(7) certify that the State will maintain State expenditures for services provided pursuant to this part C at a level equal to not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying to receive payments; and

"(8) certify that the State agrees that Federal funds made available under section 1963 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the activities for which funds are provided under such section and will in no event supplant such State, local, and other non-Federal funds.

"(c) STATE PLAN.—The State plan submitted as part of the application required under this section shall contain—

"(1) a description of the intended use of the payments the State will receive under section 1963 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported;

"(2) a description of the general emergency medical service system components that shall receive assistance with a grant provided under this part;

"(3) a description of the trauma care components that shall receive assistance with a grant provided under this part;

"(4) a description of the emergency medical service system and trauma care components in rural areas that shall receive assistance with a grant provided under this part; and

"(5) any other appropriate information that the Secretary shall require through regulations.

"(d) ADMINISTRATION.—Unless inconsistent with this part, section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and sections 1907, 1908, and 1909 shall apply to this part in the same manner as such provisions apply to part A.

"SEC. 1965. USE OF ALLOTMENTS.

"(a) IN GENERAL.—Amounts paid to a State under section 1963 shall be used by the State—

"(1) to improve or establish accident prevention programs;

"(2) to conduct feasibility studies and planning activities for emergency medical services systems;

"(3) to establish, expand, and improve emergency medical services;

"(4) in accordance with the requirement of subsection (b); and

"(5) for any other activities determined appropriate by the Secretary.

"(b) TRAUMA CARE.—

"(1) IN GENERAL.—A State that receives a grant under this part may use not to exceed 25 percent of the amount of such grant to pay the expenses of certain uncompensated trauma care that has been provided.

"(2) UNCOMPENSATED TRAUMA CARE.—The term 'uncompensated trauma care expenditures' means any amount that is expended by a health care facility to provide health care services to a trauma patient and for which such facility does not receive payment or reimbursement.

"(c) PREVENTATIVE HEALTH.—A State may use, not to exceed the amount that such State used in fiscal year 1989 to carry out activities under section 1904(a)(1)(F) (as such section existed prior to the date of enactment of this part), to carry out emergency medical services activities under this part.".

(b) PREVENTATIVE HEALTH BLOCK GRANT.—Section 1904(a)(1) of such Act (42 U.S.C. 300w-3(a)(1)) is amended—

(1) by striking out subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively.

APPWP LAUDS HATCH MEASURE TO EXPAND HEALTH COVERAGE

The Association of Private Pension and Welfare Plans (APPWP) today lauded* important health care legislation sponsored by Sen. Orrin Hatch (R-UT). The bill, "The Comprehensive and Uniform Remedy for the Health Care System Act of 1989," (CURE), includes provisions to expand health care coverage through federal preemption of state mandated benefits without creating new federal mandates for employers. The measure also includes critical cost containment features, including medical malpractice reform which will reduce unnecessary medical services.

---

* Reporter's note: This statement was previously released but has been clarified here to reflect that while the APPWP does support Sen. Hatch's effort and the philosophical approach taken in his legislation, the APPWP cannot yet endorse CURE until its Health Care Issues Committee has had an opportunity to review the measure thoroughly.

APPWP Executive Director, Howard C. Weizmann, today issued the following statement in support of CURE:

"Because the APPWP represents large and medium-size employers who provide generous health benefits to their employees, we want to encourage more employers to extend valuable health coverage to their workers as well. APPWP members either directly provide or maintain health coverage for more than 100 million Americans. We must encourage more companies to follow our members' lead.

"Today, concerns about state and federal mandated benefits, high health care costs and other obstacles to access to coverage are not limited only to small businesses. Large and medium-size firms, which constitute the bulk of our membership, are also wary of government mandated benefits and are wrestling with controlling their health care expenditures. Accordingly, the APPWP is pleased to register our strong support for Senator Hatch's effort to extend access to health coverage to the nation's uninsured population.

"We particularly applaud the fact that Senator Hatch recognizes that there are several different reasons that individuals may not have health coverage—each necessitating a different solution. A one-size-fits-all mandate will not solve the problem of the uninsured without creating new and unnecessary burdens on the nation's employers. Therefore, it is entirely appropriate that Senator Hatch has crafted a bill that addresses the different problems of the uninsurable, of those who have no connection to the workforce, of uncompensated care rendered by health care providers and of flaws in the current health system that pose disincentives to provide affordable, quality health care.

"We also congratulate Senator Hatch for recognizing that skyrocketing health care costs pose the greatest obstacle for many employers in offering health coverage. The Senator's legislative proposal is specifically targeted toward containing those costs while improving the quality of care rendered.

"The APPWP is proud to have assisted in the development of Senator Hatch's proposal and we pledge our continued support to him and others in Congress to achieve the goal we all share—access to health care for all Americans without economic burdens that would increase labor costs and stifle U.S. competitiveness."

The APPWP is the national trade association for companies and individuals concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The APPWP membership of over 400 companies represents the entire spectrum of the private pension and employee benefits community: Fortune 500 companies; banks; insurance companies; law, accounting, consulting, investment and actuarial firms.

Remarks at Senator Hatch's Press Conference

(By Carl J. Schramm, President, Health Insurance Association of America)

THE HEALTH CARE SYSTEM ACT OF 1989

I want to thank Senator Hatch, as well as his colleagues, notably Senators Bentsen, Durenberger, Kennedy, Chafee, and Riegle, for their demonstrated interest in addressing the needs of Americans without health care coverage.

There is now building in this country, and in the halls of Congress, a consensus that we have an unacceptable problem, and we see important and constructive intent to work together to develop a solution. We all agree that every American should have access to quality health care.

Today I am here to endorse Senator Hatch's bill, the Health Care System Act of 1989, because it encompasses many aspects of the comprehensive proposal our own industry has developed. It offers a constructive, affordable approach which focuses on eliminating counterproductive government policies, targeting appropriate government assistance to the most vulnerable populations (such as children and the medically uninsurable), and facilitating private market responses to the problem. We are also pleased that Senator Hatch has expressed a desire to pursue further provisions as they are developed and refined.

The problem of the uninsured cannot be solved without addressing another critical issue: that of health care costs. We commit our industry to work with Congress, the administration, and health care providers to develop a solution.

Remarks of Alexander B. Trowbridge, President, the National Association of Manufacturers

The National Association of Manufacturers is pleased to support the underlying principles of Senator Hatch's legislation to reduce health costs, share responsibility and level the playing field. Senator, we applaud your leadership for introducing today, "The Comprehensive and Uniform Remedy for the Health Care System Act of 1989."

In the area of quality, the legislation would authorize the Assistant Secretary for Health to establish treatment practice guidelines that could be used as a defense in medical malpractice litigation. Given the high cost of medical liability premiums and defensive medicine, there is a potential for significant cost savings. Second, the provision to preempt health benefit plans from state mandated benefit laws would help make health insurance more affordable for small firms.

Senator Hatch's proposal builds on the success of the private employer-sponsored voluntary health care system and existing federal programs and seeks to improve their effectiveness. Rather than mandates, this approach uses incentives, which we strongly support.

We believe this legislation is an important first step in reforming our health system. Much remains to be done, however, particularly to expand access for the uninsured. We want to urge you to support additional legislation that would expand Medicaid on a phased basis to cover more of the poor uninsured. Phased expansion is necessary to permit parallel improvements in both efficiency and better quality and to assure that services are appropriately targeted to those most in need.

Senator, the NAM is very pleased to join you today upon the introduction of this important legislation. We look forward to continuing to work with you as the debate goes forward on this issue.

Health Underwriters Support New Health Care Access Legislation Proposed by Senator Orrin G. Hatch

Washington, DC, June 23, 1989.—The National Association of Health Underwriters (NAHU) has announced its enthusiastic support of "CURE", Comprehensive and Uniform Remedy for the Health Care System Act of 1989, a new health care access bill proposed by Utah Republican Senator Orrin G. Hatch, which was introduced at a national press conference, this date.

NAHU President Michael A. Lillie, RHU, stated that NAHU is encouraged by this new, fiscally responsible legislation, that offers a more complete solution for the nation's uninsured than previous proposals." Senator Hatch clearly recognizes the importance of keeping intact the free enterprise health care system that currently serves over 84 percent of all Americans", said Mr. Lillie.

Senator Hatch's bill provides for federal assistance in the establishment of; state uninsurable pools, medical treatment practice guidelines (to help curb malpractice costs), preemption of certain state requirements by ERISA (Employee Retiree Income Security Act of 1974) pertaining to health insurance contracts and/or policies, cost containment measures to coordinate prenatal care programs and a national emergency medical trauma care services clearinghouse.

Additionally, NAHU strongly supports a tax fairness adjustment that will encourage health insurance purchases, expansion of medicaid for the working and non-working poor, and the review of funding practices for institutional medical providers.

The National Association of Health Underwriters is a federation of state and local associations representing over 9,000 professionals involved in the sale, distribution and service of health care insurance.

Comment on Health Care Improvement Act of 1989

(By Karen B. Brigham, Manager of Health Care, U.S. Chamber of Commerce

Washington, DC, June 23.—The U.S. Chamber of Commerce, the world's largest federation of businesses, applauds Sen. Orrin Hatch, R-Utah, for introducing legislation which would cure many of the fundamental ills of our country's health care system.

We like it because it is a multifaceted approach to a multifaceted problem—not a monolithic mandate. If enacted, the measure would reduce health care costs and make health insurance more affordable for all Americans.

The bill addresses such critical areas as malpractice suits and defensive medicine, expensive and unnecessary state insurance mandates, the lack of attention devoted to preventive medicine and uncompensated care costs.

Sen. Hatch has shown great leadership in proposing this bill and the Chamber looks forward to continuing to work with him to develop and implement legislation to insure that all Americans have access to high quality, cost effective and appropriate health care.

[From the Wall Street Journal, Feb. 7, 1989]

Insurers Refuse To Pay for Work Judged Needless

(By Glenn Ruffenach)

These days some doctors who run test after test on their patients may collect a nice round figure: zero.

As insurers and employers fight rising health costs, excessive medical testing has become an increasingly popular target. Having gained some measure of control over hospital admissions, third-party payers are now puzzling over how to limit outpatients bills. To a large extent, that means figuring

out which of the 40 million medical tests performed in the U.S. every day are really necessary—and denying payment for those that aren't. By some estimates, tests now account for 50 cents of every dollar spent on health care.

"Most medical tests—and by that I mean well over half—do not really contribute to a patient's diagnosis or therapy," says Edward R. Pinckney, an internist in Beverly Hills, Calif., and a former editor of the Journal of the American Medical Association.

In their battle, some insurers have published guidelines for doctors that recommend when selected tests should be used. Others are installing new computer programs that identify physicians who order too many tests or ones that aren't related to symptoms. Seeing the handwriting on the wall, doctors meanwhile are designing their own standards to help determine, say, when screening for breast cancer is appropriate.

A TOUGH TASK AHEAD

Many of the approaches are still too new or too small-scale to tell whether doctors are changing their behavior or whether much money is being saved. What is clear is the difficulty of the insurance industry's task. The sheer volume of medical tests makes then much tougher to control than hospital costs. And many doctors are less than thrilled at the thought of having yet more of their judgments questioned.

"The primary-care physician is going to become a total cynic," warns Philip Alper, a doctor in Burlingame, Calif., and an associate professor of medicine at the University of California in San Francisco. "He's going to be walking through a mine field, hoping he doesn't get bombed because he didn't agree with someone's software package."

Still, the widening search for ways to cut health costs, insurers say, guarantees that more restrictions will be put on medical testing. "It's very much a problem area," says Roger Taylor, a physician and vice president at Equicor Inc., an insurer in Nashville, Tenn. "The number of tests being ordered is going up faster than medical reasons would justify."

Insurers cite several factors behind the growth in testing. First, advances in technology mean more tests exist. Nearly 900 tests can now be performed on blood alone. Second, doctors are increasingly wary of malpractice suits and thus practice more "defense medicine"—administering a blizzard of tests simply to head off allegations of negligence.

Finally, tests can be profitable for doctors. "The perception is that lab tests in a doctor's office are a service for patients," says Lawrence Goelman, president of Cost Care Inc., a Huntington Beach, Calif., consulting firm. "But they're also a great source of income. You can significantly increase your average bill per patient." For instance, blood-cholesterol tests cost a doctor about $2 but are billed at anywhere from $8 to $22.

Insurers are quick to point out that only a small percentage of doctors "test for profit." But those who do often submit staggering charges. Eugene Tominski, a claims consultant at Northwestern National Life Insurance Co. in Minneapolis, cites a $1,074 bill from a doctor who treated a patient for a vaginal infection. That included $400 for a mammogram, a test "totally unrelated to the patient's symptoms," Mr. Tomisnki says. Northwestern denied payment for the mammogram, as well as for several other tests.

ARE GUIDELINES ENOUGH?

Some insurers say doctors must be better educated about when tests are appropriate. "You don't have to do an EKG and blood tests and a urinalysis on every person before outpatient surgery," says David Tennenbaum, director of the medical-necessity program at the Blue Cross & Blue Shield Association in Chicago. Yet, he says, some physicians often run all these tests and more, simply out of habit.

Accordingly, Blue Cross & Blue Shield, in conjunction with the American College of Physicians, has published guidelines on using the 15 most common categories of diagnostic tests. For example, they recommend that routine chest X-rays (which account for more than $2 billion a year in the national medical bill) aren't normally necessary when a patient is admitted to a hospital or before surgery is performed.

Mr. Tennenbaum stresses that the guidelines are "strictly for education" and aren't a basis for denying claims.

But will recommendations alone curb testing? A preliminary study at the University of Pennsylvania indicates the answer is "no." Researchers found that doctors who were aware of the Blue Cross & Blue Shield guidelines on a particular blood test didn't significantly reduce the number of such tests they ordered.

TOO MANY TESTS?

The approximate number and cost of selected medical tests performed in hospitals and doctors' offices in 1987:

Medical Tests	Number of [redacted] performed (in millions)	Total cost (in billions)
Urinalysis	200	$3.0
Blood cholesterol	200	3.0
SMA [1]	100	4.2
Blood count [2]	100	2.0
Chest X-ray	42	2.75
Pap test	40	.8
Electrocardiogram	25	1.5
Ultrasound [3]	25	1.25
Endoscopy [4]	20	10.0
Stress/treadmill test	[redacted]	1.0

[1] Stands for Sequential Multiple Analyzer, a group of 12 to 40 test performed on a single sample of blood.

[2] The number of red blood cells and white blood cells.

[3] Includes all types of ultrasound examinations, for pregnancy, heart, gallbladder, etc.

[4] Includes all examinations of internal organs by inserting a tube into the [redacted]

Sources: National Center for Health Statistics; Robert Wood Johnson Foundation; Blue Cross and Blue Shield Association; Health Care Financing Administration; McGraw-Hill Inc.

TAKING THE OFFENSIVE

Some insurers, therefore, are getting more aggressive. Using new computer programs, they are reviewing the necessity of every test a doctor orders. If the computer doesn't like what it sees, the physician might not be reimbursed for the test.

One such program is produced by Concurrent Review Technology, a health-care management company in Shingle Springs, Calif. The system tells insurers the number and the type of office visits, lab tests and X-rays that are considered appropriate for a given illness. Any claim that exceeds the criteria is flagged for review.

In late 1986, Metropolitan Life Insurance Co. installed the system to review claims in its managed-care plans. Last year, the company saved $4 to $5 for every dollar spent on the program, says David Rinaldo, a director at Corporate Health Strategies, a Westport, Conn., firm that helps Met Life administer the system.

Another review system has been set up by Cost Care, the California consulting firm. That process requires doctors to obtain permission to run tests—but only for procedures that cost $250 or more.

Extending such reviews to all tests and all physicians across the country won't be easy, insurers say. So far, most of the new computer programs have been used in tightly controlled, managed-care settings, where doctors are normally required to provide detailed accountings of their diagnoses and decisions.

"What do we do?" asks Dan Dragalin, a physician and vice president of group medical care at Prudential Insurance Co. of America. "Spend $50 to run down every $15 blood test, or do we let it slide through?"

MEDICINE'S SEARCH FOR "WHAT WORKS": WHAT IT MEANS TO EMPLOYERS

(By Rhoda Donkin)

Right now, we don't buy health care, we pay for it," Robert Hungate, Hewlett-Packard, government affairs-health care manager says, voicing the frustration of corporate America. "Traditionally employers haven't considered value when they make decisions about medical benefits. It was thought we couldn't handle it. Now we're beginning to wonder whether we're getting what we pay for."

At the moment nobody has an answer. "We haven't gathered information about what works," says Paul Ellwood, M.D., head of the Minneapolis think tank InterStudy, which is one of a handful of organizations trying to remedy this monumental problem. "If employers base their buying decisions on dollars instead of value, that isn't their fault—it's medicine's."

How serious is the lack of information about value? "This country spends over $600 billion on health care largely in the dark," estimates Donald Berwick, M.D., vice president of quality control at Harvard Community Health Plan, an HMO in Brookline, Mass.

Robert Brook, M.D., deputy director of the RAND Corp. health programs, Santa Monica, Calif., says, based on that organization's studies of appropriateness, "A whole chunk of what medicine does could be safely eliminated."

Not only is there some evidence that costly medical procedures are overdone, the reasons for doing them may have more to do with physician style and inclination, than sound scientific criteria.

"Half of what the medical profession does is of unverified effectiveness," Ellwood says.

In the not too distant future, however, the gap in knowledge about what works may narrow. Deep in the ranks of the medical profession, physicians are probing the anatomy of their decision-making in search of answers laymen have assumed they already knew. In clear, detailed, and usable terms, physicians are seeking a better understanding of the consequences of their often costly efforts to heal.

They want information to help them be better doctors, and they are taking their questions not to research labs and academic circles, but to where the action is—patients themselves. By studying and documenting the outcome of various procedures, the way both doctors and patients decide about treatment may dramatically change. The theory is that if patients knew all the variables, they might make different, perhaps less riskly and costly decisions. And if doc-

tors knew more about effectiveness, they might also practice differently.

For employers, the impact of this probe may mean that they will someday be able to buy health benefits on the basis of universally understood data on quality medical care or—simply put—what works. Purchasing health care in the dark may become a thing of the past.

In this article we talk with the movers and shakers behind what some are calling the third revolution in medicine. We explore what they are doing and how it will influence the way health care is delivered and paid for in this country.

THE STATE OF THE ART

Medical data to improve everyone's understanding of medical effectiveness is out there already. Major databases exist for cancer, cardiovascular disease, arthritis, stroke, renal dialysis, head injuries, hypertension, hepatitis, glaucoma, and many other disorders.

But as InterStudy's Ellwood points out, without a system that connects it all, "We are held hostage by our tendency to create information repositories independently of each other. This incompatibility in data systems, rooted in history, pride, function, and money creates an added urgency to adopt a uniform subset of health outcomes data."

Ellwood wants to somehow mesh it all together, put it into a huge computer network, and create what he calls technology of collaboration. It would ultimately be a "user friendly" system tying together what medicine already knows, with information that now slips away unrecorded, everyday, after every medical interaction in our vast health network.

Says Doug Peters, senior vice president of the Blue Cross and Blue Shield Association, Chicago, "Weaving it all together with patient perceptions. That's where we should be going. That's the magic."

James Reinertsen, M.D., president of Park Nicollet Medical Center in Minneapolis, describes how the system of the future might work.

A patient comes in for a visit and while she waits to see the doctor, instead of perusing Ladies Home Journal, she is seated at a video screen and keyboard. By pushing a few buttons she answers "patient friendly questions" which have been either specifically coded to her particular problem, or generally relate to her well-being.

The answers she gives are instantly processed around the corner. Grabbing her file, the doctor stops at a computer printer en route to the exam room. Briefed on his patient's most current issues, he enters the meeting.

In this scenario, not only is this doctor armed with a "lab test" he can use to help him ask the right questions, the data provided are automatically added to a database that contains outcomes information from all over the country. (And the patient's bill is automatically taken care of, too.)

In fact, using so-called interactive video is an idea that has already been launched on a small scale by John E. Wennberg, an epidemiologist at Dartmouth Medical School, and his colleagues. They have used the results of their study on prostatectomies (described later in this article) to create a video disk which describes to patients some of the advantages and drawbacks of having the operation.

PATIENT VIDEOS

Using their data and testimonials from patients who decided in favor of and against the operation, the 28-minute-long disk offers unprecedented consumer information.

If video technology like this were installed in physicians' offices, the stage would be set for transforming routine patient data and outcomes information from paper records into the electronic age.

Further, if patients could, for example, be told with accuracy that there is a 4 percent chance of becoming incontinent or a 5 percent possibility of becoming impotent after surgery, as is the case with a prostatectomy, many patients might opt for other alternatives than the most sophisticated treatment money can buy.

"I think if people knew more about the probabilities of specific outcomes, few would say, 'Well, I may as well try it. I've got nothing to lose,'" says internist Albert Mulley, Massachusetts General Hospital, Boston, who is working with Wennberg on creating video disks for a list of other common medical procedures.

But getting from here to there won't be simple or fast. Physicians agree any conscientious medical professional tries in every case to make the right medical decision for each patient, and if they always could, there would be no need for anyone to question the value of medical care. But intriguing studies show that perhaps even the most conscientious physicians may not be responding appropriately to the medical problems they confront.

If your company has offices in several locations, you may have noticed radical differences in the number and kind of claims among your employees. Dartmouth's Wennberg has been researching this phenomenon for many years.

In an article published in Health Affairs and based on his study of physician practice patterns in New England, Wennberg reported, "A resident of new Haven, Conn., is about twice as likely to undergo a coronary bypass operation as is a resident of Boston; for carotid endarterectomy, the risks are the other way around.

"The numbers of knee and hip replacements per capita are much more common among Bostonians, while New Havenites experience substantially higher numbers of hysterectomies and back surgeries.

"The risk of hospitalization for Boston is substantially higher for a host of acute and chronic medical conditions, including back pain, gastroenteritis, pneumonia, chronic bronchitis, and diabetes, even though the residents of the two communities are very similar in demographic characteristics related to the need for hospital care."

Further, Wennberg adds, "We remain ignorant of the consequences for patients of spending vastly different proportions of the gross national product on health care."

Wennberg's work on practice patterns and RAND's appropriateness studies point a collective accusing finger at what Wennberg calls an "intellectual crisis in the scientific basis of clinical practice."

Consider one procedure that has been intensely studied on a small scale. Prostatectomies are frequently done to treat enlarged prostate glands. This procedure costs on average $3,500 and is done ostensibly to reduce the risk of prostate cancer in later life. However, research directed by Wennberg revealed distinctly different results than were expected.

Wennberg's study followed prostatectomy patients postoperatively for four years. It showed the operation doesn't have a major role in extending life, but, more accurately, affects so-called quality-of-life conditions of patients who have problems urinating. While many were relieved of their problems, 8 percent were hospitalized again for complications resulting from the surgery. Another 4 percent became incontinent for the first time as a result of the surgery and 5 percent became impotent. These findings provide unprecedented insight into the outcome of an operation which is done on over 300,000 men a year.

Mulley, Wennberg's co-researcher in the prostatectomy study, says if given this insight about the real consequences of prostatectomies, doctors may suggest patients endure the inconvenience of getting up several times during the night to go to the bathroom, and patients themselves might opt out of surgery.

"The question of choice is important," Mulley maintains. "In the case of prostatectomy, would a patient feel worse if he became a little incontinent and had to wear a pad inside his jockey shorts, or at age 70 if he became impotent, or if he basically had to put up with his present symptoms forever? Which of these health outcomes is important? The obvious answer is that different men are going to respond differently."

MISGUIDED CHOICES

Too often the health profession acts by grasping at threads of experience, says InterStudy's Ellwood. "Medical technology has gotten too complex for this. It results in guesswork too much of the time. The health care system has become an organism guided by misguided choices; it is unstable, confused, and desperately in need of a central nervous system."

Ellwood is blatantly outspoken on the need for more data on medical effectiveness and he has decided to personally ride herd on the profession to get it to organize itself around the issue.

He is perhaps best known as a thoughtful force behind the managed care revolution in this country and for coining the terms "health maintenance organization" and "preferred provider organization." The competitive impact of HMOs and PPOs have promoted tremendous change in how health care is delivered and paid for in this country.

Ellwood calls his new plan "outcomes management." It amounts to a huge nationwide system for gathering and exchanging information on long-term effects of medical care. "Outcomes management is the technology of patient experience designed to help patients, payers, and providers make more rational medical care decision," he says.

Ellwood is the first to admit he didn't create the idea that medical outcomes need to be managed, but he is willing to organize a movement to make it all happen. He is hoping to wrestle the health care community, including physicians, researchers, and academicians into collaborating which is a formidable challenge.

Ellwood wants providers to begin retrieving information about how patients fare, not just whether they live or die, but how they function and how satisfied they are with life after medical treatment. The technology of patient experience would begin at the doctor's office with patients routinely answering specific questions about things like pain levels, social interaction, ability to work, and emotional status.

The insights would be translated into a huge computerized database, ultimately in-

forming doctors about the results of their treatment.

"The crucial link would be the actions and observations of thousands of health professionals with millions of patients in a massive computerized database. We're not expecting a technology that thinks better than human beings. We need a technology that keeps track of more participants and remembers better than we do."

In Ellwood's vision, medical decisions would be driven more by patient input, and less by the authoritative dictates of the medical profession.

"Everybody knows what it means to hurt, or to feel exhausted, or to be unable to carry things up a flight of stairs, or to have to miss work a lot. Quality-of-life scales are important because that's what every one understands."

"We need a common language to communcate hurting, functioning, working, interacting, and living."

Ellwood also believes his idea would provide a common language for payers and employers to understand what they are buying. He thinks employers would be able to design their benefit packages better, more accurately anticipate demand and cost, and more clearly judge the differences between providers.

GATHERING DATA

Ellwood recently circulated a standard form for gathering patient data on so-called quality-of-life information. The form is based on the work of John Ware of New England Medical Center in Boston and his colleagues. Ellwood hopes for widespread participation from Blue Cross and Blue Shield, the Health Care Financing Administration, large group practices, and academic health centers. If a system can be set up to track the data from 115 million people, says, Ellwood, "We're off to a good start."

Already HCFA has contracted with InterStudy to implement Ellwood's outcomes management program in six HMOs in Illinois, Missouri, and Kansas. The program will track patients with three conditions—hypertension, diabetes, and cataract surgery—asking them to evaluate medical outcomes on the basis of such criteria as pain, social interaction, emotional attitude, physical activities, and return to normal role.

Doug Peters of Blue Cross/Blue Shield Association says the organization is enthusiastic about outcomes management: "We've done a lot with managed care, pre-admission review, discharge planning, second opinions, utilization review. But it all begs the central question. What works? We would feel a lot more confident about what we spend if we had some basis for understanding value."

HUGE INVESTMENT REQUIRED

Peters concedes however that installing a system to collect the critical data requires considerable effort and expense and at this point, probably only 11 of the 74 Blues plans would be willing to make the investment of time and money.

Turning a paper system of record keeping into the electronic age is a stumbling block that Paul Lairson, M.D., physician liaison for Kaiser Permanente Medical Groups, envisions. By his estimates it will take five years to set up a computerized data system adequate to accept outcomes information.

"This is an extremely costly proposition. I applaud Paul Ellwood for pursuing it, but unfortunately, he doesn't have the money to pay for the gas."

Ellwood is asking that organizations volunteer to collect both disease-specific and more general data on medical outcomes. He is also suggesting the participants assign a small team of staff members to work part time gathering and analyzing the new patient information. The cost must be assumed by the participant, with Ellwood supplying guidance through Quality Quest, his non-profit affiliate of InterStudy.

"It's going to cost, conservatively speaking, 5 percent above our present operating budget," says James Reinertsen, Park Nicollet Medical Center physician. That translates into an extra $5 million a year to this group of 280 Midwest physicians. But despite the cost, Reinertsen is clearly enthusiastic.

A practicing rheumatologist, Reinertsen says his personal experience using patient questionnaires has changed how he practices. For the past few years, the Park Nicollet, which has 1.6 million patient visits a year, has collected information similar to what Ellwood envisons gathering nationally.

PROBING PAYS OFF

"For example, one of my patients I assumed was doing well because during her visits there was no indication anything was amiss. When I got her [quality-of-life] form back, however, she scored very poorly on questions about her ability to work and her emotional status.

"When I saw her again, and asked her about those areas, this incredible flood of information came tumbling out. The result was that I decided to change her medication and refer her for psychological support. That made a big difference to her health status.

"You could argue that I should have been more perceptive, but I pride myself in being pretty aware of these things. What happens is that sometimes patients put on the best face in conversation which they don't have to on a form."

Reinertsen has a suggestion for funding data collection on patient outcomes. "Call it a lab test. We measure blood counts and all these other things to test health outcomes. What we're really interested in is pain, social, emotional, and physical functioning and all those things can be measured too.

"So why not make it a lab test and it will get into the data system that way and there won't be any funny business about how to pay for it?"

THE CAVEATS

There is a range of opinion in the research community about what qualifies as valid outcomes data—whether asking people how they are doing is really the best test for judging medical effectiveness. There are qualms about how the data should be used, who should get it, and how dissemination of the information should be controlled.

There are fears the information could spawn laymen misunderstandings about medical care and lead payers and employers to make misguided demands. If not handled properly, the data might be hurled between providers vying for patients, in public relations wars that have nothing to do with quality care.

RAND's Robert Brook notes that outcomes research has a long way to go before so-called functional status or well-being tests can be used as practical tools in assessing quality of care.

"There are lots of other tests that can be used as measures of quality . . . vaccination rates, controls on hypertension and diabetes, outcomes that look at preventable deaths. These can be used to tell employers whether they are getting their money's worth or not."

Brook doesn't want enthusiasm for quality-of-life testing to distract people from what he maintains is still the most basic and untapped reservoir of information about quality care.

"Don't bypass the central question because it's so glib and easy to do. We ought to begin by looking at death rates until we know all there is to know about that health outcome." Brook contends. "Then we can look at subtler things like satisfaction levels and some undesirable consequences of treatment.

"If a patient picks up an infection in the hospital and has to be on antibiotics an extra ten days, or even stay in longer, payers shouldn't groan, because what's really important is that patient will walk out of the hospital alive," Brook maintains.

Harvard Health Plan's Don Berwick says outcomes research is an essential ingredient for improving quality, but calls it far from sufficient.

"We have a lot to learn from industry about how to improve any complex system of production and health care is a complex system of production."

The Harvard Health Plan has spent millions of dollars on patient research in the past four years. According to Berwick, the information has been used to help doctors in the health plan, but not as public information for consumers.

"It's naive to think that employers given outcomes information can learn which of several options for health care they should purchase," Berwick says. "I think any employer who would use such information to make choices had better know the quality of the data they're dealing with."

LEARNING FROM INDUSTRY

"The big fallacy," says Berwick, "is if we think that by measuring outcomes correctly, everything else will follow. That is a vast oversimplification of the problem. We can't stop with just measuring outcome and not process.

"As an analogy, think of a manufacturing environment," he says. "Let's say we're making TV sets and we set up an outcomes measurement system. What we'd have is a big data system that measures all kinds of characteristics of TV sets and stores them in some big database and lets people control more and more information about TV sets. That can't help improve them unless somebody, somewhere, understands how things go wrong when they go wrong and how they get better when they do."

Berwick and others maintain that reducing mistakes in production offers a huge area that could be mined for savings, in health care as in industry. Finding out how things go wrong requires not just analyzing how patients feel and whether they live or die, but the intricate course of medical and other events that achieved those outcomes.

Still, for employers, the outcomes research holds promise. As Berwick points out, "Collecting outcomes data clarifies the dialogue between employers and providers. Each can talk about the outcomes they want and what is valuable, what isn't. It's a better informed dialogue."

WHAT ARE YOU PAYING FOR INAPPROPRIATE CARE?

A while ago, researchers from the RAND Corp., Santa Monica, Calif., set out to lay the groundwork for analyzing the "appropriateness" of several common surgical procedures. After an exhaustive review of the medical literature and with a consensus of

experts, researchers uncovered some shocking findings.

Almost a third of the coronary bypass operations done in the early 1980s were not necessary. They concluded that in three out of 10 cases, the highly risky procedure to relieve chest pains was unjustified. There's no research evidence to date showing the situation has changed. Today the surgery and hospital stay cost $37,000.

They also concluded that a third of carotid endarterectomies—removing the fat deposits in neck arteries—are unnecessary. The average cost for this surgery and hospitalization today is $9,000.

Other excesses they identified included 17 percent of all coronary angiographies (costing an average of $3,400), 17 percent of upper gastrointestinal tract endoscopies (averaging $750), and over 30 percent of all pacemakers implanted in heart patients ($9,000).—R.D.

DEVELOPING GOOD MEDICAL STANDARDS WE ALL CAN LIVE WITH

(By Mark Chassin, MD)

Let's clear up some semantic issues first. Whatever you want to call them—practice guidelines, criteria, standards or parameters—they are all here to stay. While it is possible to draw some fine distinctions among all of these various flavors of standards, they all pretty much amount to the same thing. For simplicity, I will use the term "standard of care" in this article. A good working definition of a standard of care is a clear and unambiguous statement about which diagnostic or therapeutic interventions should or should not be performed given a particular set of clinical circumstances.

CREATING STANDARDS

Standards can be well constructed or poorly constructed. Poorly constructed standards will be useless to physicians at best and—if imposed inflexibly—harmful to patient care at worst. Well-constructed standards can be extremely helpful to physicians and improve outcomes for patients. One major problem with many extant standards is that they are often poorly constructed. If either the clinical circumstances or the intervention are described imprecisely and ambiguously, the standard will not work. Contrast the following two standards:

A reasonable diagnostic work-up of a patient with angina pectoris [prior to considering coronary bypass surgery] . . . should be done as efficiently as possible to provide definitive information on which clinical decisions can be based.[1]

Bradycardia, in which the longest R-R interval is less than three seconds and the minimum heart rate above 40 beats per minute, with no symptoms or no correlation of symptoms with arrhythmia, is a diagnosis that does not indicate the implantation of a permanent cardiac pacemaker.[2]

The first statement is vague and ambiguous. The second is a well-constructed standard that provides a clear and objective statement about a particular clinical situation in which a pacemaker is not needed.

The reason physicans need standards is simply that, with the explosion of medical knowledge that has taken place over the past 20 years, it is literally impossible to expect physicians to have in their heads or even at their fingertips all the information necessary to practice high-quality medicine. In an ideal world, every internist would have read the reports of all the randomized trials of coronary artery bypass surgery, critically assessed their strengths and flaws, and assimilated the data objectively into his or her practice.

In reality, a lot of us obtain practical information from reviews of the literature (formal or informal) conducted by others and communicated in unsystematic ways (unreferred journals or hallway consultations). Wouldn't we welcome a source of information that summarized current knowledge about various diagnostic and therapeutic interventions, used systematic and rigorous methods of analysis to produce these summaries and presented them in a usable and easily digestible format?

CAN IT IMPROVE OUTCOMES?

In addition to these purely professional reasons, we must recognize that physicians are under increasing pressure to justify the effectiveness of what we do. Many different sectors of society are genuinely concerned that the value received for the enormous amounts of resources expended on health care is insufficient. The combination of continuing health care cost inflation—combined with the growing realization that most of what physicians do cannot be documented as efficacious based on rigorous scientific data—is a powerful driving force behind this concern.

Research literature and current experience leave little doubt that the use of standards can improve outcomes for patients. Many research studies have documented the positive impact that well-constructed standards can have when communicated to physicians in a well-designed educational program. Witness the recent experience of some Massachusetts anesthesiologists since they adopted guidelines. The frequency of anesthesia complications has plummeted.

WHOSE RESPONSIBILITY?

We have all the tools necessary to create standards, and we need them for a number of reasons. A national effort is required with a coordinated strategy. In its absence, we face the specter of a wide variety of organizations developing standards for narrow purposes, using various methods of varying quality and producing standards of highly variable utility.

What kind of organization should undertake the task? It must be prestigious enough to attract to the task the highest caliber physicians and researchers. It should be politically independent from both government and organized medicine to ensure that the standards that emanate from it will be accepted by the medical profession and viewed as something more than a self-serving exercise by the public and its representatives. It also must possess the necessary administrative skills to manage a project with such a large magnitude and complexity. The recently announced agreement between the American Medical Association and the RAND Corporation may produce an organization that meets these criteria.

Any process that is used to create standards must have two components: a summary of existing research data that bear on the subject addressed by the standard and additional expert clinical judgments that fill in the inevitable gaps left by the data. Each of these tasks can be accomplished by a number of different methods.

The Clinical Efficacy Assessment Project of the American College of Physicians provides one model. In this project, a thorough critical review of the literature is followed by the creation of a standard in the form of a policy statement. In turn, it is then reviewed by a wide variety of individuals and organizations and ultimately adopted by the College's Board of Regents.

The process developed by the RAND Corporation in its study of the appropriateness of medical and surgical procedures provides another method. The RAND process also starts with a complete review of the medical literature and then adds a panel of expert clinicians to render specific judgments about the appropriateness of a particular procedure under a variety of specific clinical circumstances.

BEGINNING THE TASK

While we certainly need additional research directed at discerning the most reliable, valid and efficient ways to create standards, I believe we know enough to begin the immense task of systematically reviewing medical practices and creating usable standards for physicians. Research on refining methods and practical experience on producing standards should proceed together.

Standards can and will be put to a number of uses. First and foremost, physicians will use them for educational purposes, if they find the source and the methods credible. In the future, physicians may have access to a computer data base that stores current standards of care covering a variety of different subjects: the appropriate diagnostic work-up for specific combinations of symptoms and signs, appropriate uses of specific diagnostic and therapeutic procedures under certain clinical circumstances, or alternative treatments for specific conditions. It is not hard to envision that such an automated data base could be interactive, allowing the physician to enter varying clinical data to obtain more information on standards that apply to highly specific clinical circumstances.

LEGAL PROTECTION

I believe that physicians also will be able to use standards to protect themselves against legal liability. Again, if the source is credible and the methods are sound, adherence to well-constructed standards can be a potent defense in a malpractice suit. The converse, however, also applies. A physician who fails to observe widely disseminated and accepted standards and whose patient suffers an adverse event will find defense very difficult.

Standards inevitably will be used by payers. If they are employed with clinical sensitivity, they can have beneficial results for patients and physicians. Many current methods of cost containment are little more than administrative obstacles to obtaining medical care. Some of these include increasing copayments and deductibles, second opinion programs and most preauthorization programs.

Well-constructed standards can help discriminate medically inappropriate health services from necessary and effective care. As part of a clinically intelligent precertification program for elective procedures, a well-trained utilization review nurse can collect clinical data initially from the patient and from the physician's office to determine the medical indication for the procedure.

---

[1] "National Institutes of Health Consensus Development Conference Statement on 'Coronary Artery Bypass Surgery: Scientific and Clinical Aspects,'" *New England Journal of Medicine*, 304:680–684 (1981).

[2] Greenspan A. "Incidence of Unwarranted Implantation of Permanent Cardiac Pacemakers in a Large Medical Population," *NEJM*, 318:158–163 ([illegible]).

This indication then can be compared to the standard of care that defines when the procedure should and should not be performed. Cases that have sufficient clincial justification can be approved immediately. Cases that appear to be inappropriate, however, must not be automatically denied. The proper use of standards in this context requires additional review of the individual case by a physician.

MAINTAINING FLEXIBILITY

Those who use standards to assess individual cases must understand that no matter how clinically detailed the standards are, they can never take into account the almost infinite diversity that patients present. Therefore, additional physician review of cases that appear to represent inappropriate care must take place to ensure that the individual case does not possess some unique or idiosyncratic charactertistics that would make the procedure appropriate despite the fact that it appeared to lack sufficient clinical justification on initial screening. When used in this fashion, standards hold the potential to improve quality of care by sparing patients the risk of unnecessary interventions, while containing costs at the same time.

These advantages will be realized only to the extent that the standards are constructed with reliable and valid methods, produced in a usable form and employed in a clinically sensitive manner. Physicians will benefit educationally by having a reliable and credible source of information about current standards of medical practice. They also will benefit from the use of such standards in the payment process to the extent that payers take account of the issues already discussed. It is easy to see that by using standards this way, payers will be in position to identify those physicians who consistently provide high-quality, appropriate care. To maximize the efficiency of this kind of review process, these physicians can be exempted from routine review altogether, thus sparing them from some of the administrative hassles of practicing medicine.

The other side of the coin is less appealing. Poorly constructed standards used in clinically inflexible ways will produce bad outcomes for patients, physicians and payers. We must strive to prevent this scenario from happening. Physicans must participate at all levels in the process of creating and using standards for them to work properly. We have much to gain for our profession and our patients by the judicious application of well-constructed standards to the practice of medicine.

PPRC COMMENTS ON PRACTICE GUIDELINES AND STANDARDS

In its 1989 report to Congress, the Physician Payment Review Commission (PPRC) proposed that Medicare develop a strategy to control rising costs by reducing unnecessary or inappropriate services. To do this, PPRC recommended that the federal government support clinical effectiveness research (see "IMCARE News & Reviews," page 31) and practice guidelines. PPRC said that "tens of millions of dollars" per year should support "the development, dissemination and evaluation of practice guidelines."

The report noted that the medical profession, though, should "take much of the responsibility for developing guidelines"—especially since these guidelines would be more likely used by physicians in their practices. These guidelines, PPRC says, should be unambiguous and specific enough so physicians can use them, and the clinical rationale for the recommendations should be apparent. They also must take into consideration "clinically relevant differences among patients and respect the role of clinical judgment in determining what is appropriate care."

Noting that there has been little if any evaluation of existing guidelines, PPRC called for the guidelines to be evaluated periodically to assess in part their impact on medical practice and the quality, efficiency and cost of care. They also should be revised when necessary based on new knowledge of effectiveness.

Guidelines used for review and payment of services and procedures "must be applied flexibly" to take into account variations in clinical factors and the local availability of medical resources, PPRC says. Inflexibile application of guidelines in utilization review would result in denial of necessary care to beneficiaries, as well as payment to physicians, the Commission warns.

Finally, guidelines can be used to inform patients or consumers, and thus enable them "to be more effective partners in decisions about their care." Although patients, especially Medicare beneficiaries, may be somewhat reluctant to change their consumer behavior, the potential for patient education to improve the use of services should be explored.

By Mr. GLENN (for himself, Mr. ROTH, Mr. PRYOR, Mr. STEVENS, and Mr. SASSER):

S. 1276. A bill relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for contract year 1990 or 1991, of no Governmentwide indemnity benefit plan participate in that year; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEE HEALTH BENEFITS LEGISLATION

Mr. GLENN. Mr. President. On May 31, 1989, the Aetna Life Insurance Co., which has participated in the Federal Employees Health Benefits Program [FEHBP] for 30 years, announced that beginning January 1, 1990, it would no longer offer its indemnity benefits plan to Federal employees and retirees. Aetna, which covers 187,000 enrollees, explained that it was pulling out of FEHBP because of significant structural defects in the plan.

Under current law, the Federal Government and enrollees share Federal health insurance premium costs. The Government's share is set—by law—at 60 percent of the average cost of six specific plans, known as the Big Six. Because the Aetna plan was one of the Big Six, how the Government will calculate the premium costs for 1990 poses an immediate problem.

The Congressional Research Service has examined the implications of Aetna's withdrawal from FEHBP and has concluded that without Aetna's participation in the program, average enrollee premiums would increase by more than 30 percent. More than $600 million in premium costs would be shifted from the Federal Government over to enrollees. At the same time, the Congressional Research Service reports that Federal employees and retirees are already paying, on average, $1,100 more a year for health insurance than comparable private sector employees.

Therefore, to address this situation, I am introducing a bill today—along with Senator ROTH, Senator PRYOR, and Senator STEVENS—which would create a temporary 2-year proxy premium for the Federal Employee Health Benefits Program. The purpose of this proxy or phantom Aetna premium would be to maintain the current relationship between Federal and enrollee premium shares.

The proxy premium would represent the missing Aetna premium—what that premium would have been had the carrier remained in the FEHBP. For the 1990 contract year, the proxy premium would be determined by taking Aetna's 1989 premium and increasing it by the average cost increase in the other five major health plans. The same formula would be used for the 1991 contract year, except that the base for the proxy premium would be the proxy premium OPM created for 1990, adjusted for the average premium increase for the other five plans for 1991. The Congressional Budget Office has reviewed this proposal and has determined that it would be budget neutral.

I ask my colleagues to support this bill. It provides the Government with a rational solution. It would protect enrollees from precipitous premium increases by maintaining the status quo for 2 years while the Congress considers the broader issues involved in reforming the Federal Employee Health Benefits Program.

The Governmental Affairs Committee plans to undertake a major effort to reform the Federal Employee Health Benefits Program in the 101st Congress, with an eye aimed toward holding down premium costs for both the Government and enrollees. There are many complicated issues involved in this and I—as chairman of the committee—am asking that we have time to study them and plan our actions accordingly.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD following my statement and on behalf of myself, Senator ROTH, Senator PRYOR, and Senator STEVENS, I ask unanimous consent for the Senate's favorable consideration of this bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1276

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) if no contract under chapter 89 of title 5, United States Code, is entered into with an indemnity benefit plan (as referred to in

section 8906(a)(2) of such title) for contract year 1990 or 1991, in order to compute the average subscription charges under section 8906(a) of such title for such contract years, the subscription charges in effect for the indemnity benefit plan on the beginning date of each such contract year shall be deemed to be the subscription charges which—

(A) were in effect for such plan on the beginning date of the preceding contract year as adjusted under paragraph (2); or

(B) if subparagraph (A) does not apply, were deemed under this Act to have been in effect for such plan with respect to the preceding contract year as adjusted under paragraph (2).

(2) The subscription charges under paragraph (1) shall be increased or decreased (as appropriate) by the average percentage by which the respective subscription charges taken into account under paragraphs (1), (3), and (4) of such section 8906(a) for that contract year increased or decreased from the subscription charges taken into account under such paragraphs (1), (3), and (4) for the preceding contract year.

(b) Separate percentages shall be computed under subsection (a)(2) with respect to enrollments for self alone and enrollments for self and family, respectively.

(c) Any reference in this Act to a "contract year" shall be considered to be a reference to a contract year under chapter 89 of title 5, United States Code.

By Mr. FORD (for himself and Mr. McCAIN):

S. 1277. A bill to amend the Federal Aviation Act of 1958 to prohibit the acquisition of a controlling interest in an air carrier unless the Secretary of Transportation has made certain determinations concerning the effect of such acquisition on airline safety; to the Committee on Commerce, Science, and Transportation.

EFFECT OF TAKEOVERS ON AIRLINE SAFETY

● Mr. FORD. Mr. President, it has been my good fortune to serve as chairman of the Aviation Subcommittee for the past 2½ years. During this time, I have learned a great deal about the airline business. I am also, like many of my colleagues, a frequent user of the airlines. Mr. President, I can no longer sit by and watch Wall Street leverage the airlines to the point where the financial health of an entire industry is in jeopardy.

We have watched Wall Street devour the food industries, television networks, and telecommunications companies. Airlines are now the popular target. Mr. President, in reviewing the most recent takeover, there are many questions still to be answered but foremost in my mind is the effect of saddling an airline with a $3.7 billion debt. The financial health of the airline industry is a big economic barometer. At this time, discretionary travel is certainly what is making the industry prosper. Any downturn in the economy is immediately felt throughout the industry. What will happen to an airline with a $3.7 billion debt if there is a recession? Will management dismantle the airline? Sell off assets? Cancel equipment orders? Delay safety improvements? This is an obvious threat to air travelers and I can no longer sit by and watch Wall Street take over another industry.

Gone are the days when airlines were run by aviators. The names of Juan Trippe and Eddie Rickenbacker come to mind. Most airline executives today have spent their entire career in the industry—they are not bankers or Wall Street takeover artists. Last year there was enormous outcry in the Congress regarding delays and poor service on the part of the airlines. At huge costs the problems were corrected. If management were concerned only with the bottom line and saddled with a huge debt, they may not make the effort to correct service problems.

In reviewing the industry, I see four carriers which are ripe for the picking by Wall Street. If any of these carriers are involved in a buyout, I am certain that the debt load could exceed over $4 billion apiece. The airline industry is a national asset. Why should airlines that have competed successfully without amassing a huge debt be the most vulnerable?

Many airlines have orders for new aircraft to replace aging fleet and expand services. We in the Congress and the Department of Transportation have mandated new safety equipment which will be very expensive. For the convenience of travelers, airlines have invested large amounts in building and remodeling airport gates. Will Wall Street takeover artists respond to the needs of safety, maintenance and the convenience of travelers?

By introducing this legislation, I am not making a statement on the recent deal regarding Northwest Airlines. I would like to point out that, although the foreign investors hold only 19.5 percent of the voting stock in Wings Holding, Inc., they are providing 68 percent of the upfront money. Out of $700 million equity, $480 million is being contributed by foreign investors. This is a policy question which will have to be addressed by my friend, the Secretary of Transportation. But, Mr. President, this trend has me worried. I question whether we want a highly leveraged domestic airline industry ripe for exploitation.

Mr. President, I will join my colleague, the ranking minority member, Senator McCAIN, and hold hearings on this matter as soon as the Senate returns from recess. The Congress must send a strong message that highly leveraged buyouts in the airline industry are not tolerable. The Wall Street vultures can take their junk bonds and go elsewhere. The airline industry is a valuable public asset which provides a service critical to millions of Americans.●

By Mr. DeCONCINI:

S. 1278. A bill to deny the People's Republic of China most-favored-nation trade treatment; to the Committee on Finance.

DENIAL OF MOST-FAVORED-NATION TRADE STATUS TO CHINA

● Mr. DeCONCINI. Mr. President, I, along with most Americans, strongly condemn the recent brutal massacre of students in China and the subsequent arrests and executions of prodemocracy demonstrators and activists. The Government of the People's Republic of China has violently discarded all respect for human rights, human dignity, and due process. China is sinking into a situation in which Government officials and army troops are engaging in a reign of terror against the Chinese people.

The violent turmoil which began with the slaying of an estimated several thousand people in Tiananmen Square has continued with the public execution this week of three men convicted of setting fire to a train in Shanghai. In Beijing, at least eight others have been executed, and in a mass trial in Jinan, it is estimated that as many as 17 people face the same fate. The Chinese high court ordered the lower courts to be swift and severe in their rulings. The roundup of prodemocracy workers, students, and others continues with countless arrests daily.

The Government is engaging in a propaganda campaign in which those in power constantly deny the severity of the military's actions in Tiananmen Square. They have called for ideological rectification in colleges and universities. They have established a Stalin-era type hotline for people to call and report the names and actions of prodemocracy advocates. These Orwellian actions extend even to the United States, where Chinese officials make video tapes and note Chinese participants in student protests in this country. The Chinese students protesting here must not be sent home. Their fates in China, should they return, are uncertain at best, and I am pleased that the President has taken appropriate action in this regard.

Mr. President, the United States has historically dedicated its efforts to the pursuit and protection of human rights everywhere. In 1976 the Commission on Security and Cooperation in Europe, the Helsinki Commission, was created to monitor compliance with the Helsinki accords to ensure the protection of human rights in East/West Europe. I'm proud to serve as Chairman of that Commission, and I believe that the protection of human rights is something that must never be sacrificed for the sake of political or economic expediency.

For years we have loudly condemned the Soviet Union for its restrictive emigration policies. We have aided rebels in Nicaragua who are fighting for their basic human rights; we have

condemned the Government of South Africa for denying human rights to a majority of its citizens; we have supported UNITA forces in Angola which has led to the first diplomatic steps toward national reconciliation; we have taken action in Panama, where recent elections were wrought with fraud; and we have condemned terrorists everywhere for their inhumane tactics. In Iran and Iraq, in the Gaza Strip, in South Africa and Central America and Eastern Europe and Afghanistan, the United States has fought for human rights, and we must demonstrate our abhorrence of the latest violations against humanity.

The Bush administration initially took some steps to register its strong objections to recent events in China, but more needs to be done. If it is a truism that "money talks," then the bill I am introducing today should speak with a loud voice. It would deny the People's Republic of China the right of most-favored-nation [MFN] trade status.

As a matter of general policy as well as international compacts, the MFN principle is accepted as one of the basic elements of modern international trade relations. In practice, the most important benefit that a country gets from being treated as an MFN country in its trade with the United States is that the U.S. imports from that country are dutied at substantially lower—concessionary—rates than would otherwise be the case.

Until China observes internationally recognized standards of human rights and civil liberties, I do not believe that China should benefit from MFN trade status.

Enactment of this bill may hurt certain U.S. companies. I recognize this risk, but believe that there are times when the United States must speak strongly and unequivocably of the importance of human rights and human dignity. This is one of those times.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DENIAL OF MOST-FAVORED-NATION TRADE TREATMENT OF THE PEOPLE'S REPUBLIC OF CHINA.

Notwithstanding any other provision of law—

(1) the President shall terminate or withdraw any portion of any trade agreement or treaty that relates to the provision of nondiscriminatory (most-favored-nation) trade treatment to the People's Republic of China,

(2) the People's Republic of China shall be denied nondiscriminatory (most-favored-nation) trade treatment by the United States and the products of the People's Republic of China shall be subject to the rates of duty set forth in column number 2 of the Harmonized Tariff Schedule of the United States, and

(3) the People's Republic of China may not be provided nondiscriminatory (most-favored-nation) trade treatment under any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431, et seq.).

SEC. 2. EFFECTIVE DATE.

The provisions of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.●

By Mr. MURKOWSKI:

S. 1279. A bill to amend title 38, United States Code, to revise the eligibility requirements for veterans readjustment employment and to extend the Veterans' Readjustment Employment Program; to the Committee on Veterans' Affairs.

EXTENSION OF VETERANS' READJUSTMENT EMPLOYMENT PROGRAM

● Mr. MURKOWSKI. Mr. President, I am today introducing legislation which would extend the termination date of Federal hiring authority provided by the Veterans' Readjustment Act [VRA] (38 U.S.C. 2014). This legislation would also improve the benefit by targeting it more closely to those veterans most in need of assistance in their readjustment to civilian life, the disabled and recently separated.

VRA allows Federal agencies to directly hire qualified veterans without going through normal civil service procedures. Appointments may be made at any grade up to GS-9. Veterans with a service-connected disability are not subject to the provision limiting eligibility to veterans with 14 or fewer years of education.

VRA has its origins in Executive Order 11521 signed by President Nixon in 1970 to assist in the readjustment and employment or returning Vietnam-era veterans. The years have shown this program to be a valuable benefit to both veterans, seeking to continue to use their skills and discipline on behalf of the American people, and to Federal agencies who use VRA to quickly and easily hire dedicated and proven workers.

This readjustment benefit has proven its worth. However, the passage of years has diminished its usefulness. Vietnam-era veterans average over 42 years of age. For most, the war will be at least 20 years in the past when VRA expires at the end of this year.

The fact that these veterans are well established in their careers is shown by Bureau of Labor Statistics employment surveys which document their low unemployment rate—3.0 percent in May 1989. This unemployment rate is less than the rate for nonveteran males the same age and far less than the general unemployment rate. Surveys also show Vietnam veterans are less likely than their nonveteran peers to have annual incomes less than $20,000 and more likely to have incomes greater than $30,000.

The success of Vietnam-era veterans in their careers also reduces the value of VRA to Federal agencies since the number of veterans in the labor market available for hire declines as the Vietnam veteran population becomes more settled.

I believe that VRA is too useful and too successful to be allowed to fade away. My legislation would, therefore, redirect the program to reflect the changed environment within which we now live. Disabled veterans would be eligible for VRA appointments without regard to when they served. A disabled veteran's claim for assistance does not fade with time, any more than his or her disability fades with time.

A veteran's readjustment needs are greatest in the years immediately following separation from active duty. It is in those years that a veteran seeks an entry level job that will put to work the skills and maturity provided by military service. It is in those years that the Nation's effectiveness in meeting our commitment to assist those who wore our uniform is most visible. The legislation I introduce today would target readjustment assistance on those veterans in the process of readjustment by providing eligibility for a VRA appointment to nondisabled veterans for a 10-year period following their discharge.

Federal agencies will benefit from enactment of the legislation because it would provide them with direct access to a pool of potential workers who have demonstrated a commitment to the Nation. Workers who have successfully performed arduous and important tasks in a frequently stressful and difficult environment. Workers who have acquired the discipline and maturity unique to those who have taken, and delivered upon, an oath to defend our country, in combat if need be.

Mr. President, I am aware that some object to providing employment benefits such as the VRA to veterans who serve in peacetime. I am unconvinced by these arguments. Only one-third of Vietnam-era veterans served in Southeast Asia. Anyone who served in Vietnam will confirm that most who were there served in noncombat support missions. At the same time service in our current peacetime environment can be both arduous and dangerous. The crew of the U.S.S. *Stark* knows that the line between peace and war is a thin one. The world is filled with men who can, and will, attack us in a manner no different than war. The crewmembers of the U.S.S. *Iowa* know that the tools of war can turn on their masters with deadly effect, even in the absence of an armed enemy.

I am introducing this legislation to ensure that those who serve us today

and who stand ready to be the veterans of the next war will have an effective and efficient benefit for entering their post military career. VRA is such a benefit. At the same time, this legislation recognizes that there is no sunset date for disability by providing permanent eligibility for disabled veterans.

The legislation would provide a 2-year extension of the program to ensure that the Congress will have a chance to examine the effects of the changes it would make and take whatever action is appropriate based on experience and future circumstances.

Mr. President, I close by noting that this legislation has the advantage of being cost free. Rarely does this body have an opportunity to assist veterans, assist the Federal agencies upon whom we rely to implement the programs we enact, and do so without cost to the taxpayers. I urge my colleagues to take advantage of this unique opportunity by joining me in support of this legislation.

I ask unanimous consent that the text of the bill appear in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1279

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIGIBILITY FOR VETERANS READJUSTMENT EMPLOYMENT.

(a) ELIGIBILITY.—Section 2014 of title 38, United States Code, is amended—

(1) in subsection (a), by striking out "qualified disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "qualified veterans";

(2) in subsection (b)(1)—

(A) by striking out "veterans of the Vietnam era" in the matter preceding clause (A) and inserting in lieu thereof "qualified veterans";

(B) by striking out "a veteran of the Vietnam era" in clause (B) and inserting in lieu thereof "subject to subsection (f)(1)(B) of this section, a qualified veteran";

(C) by striking out "veteran of the Vietnam era" in clause (C) and inserting in lieu thereof "qualified veteran";

(D) by striking out "and" at the end of clause (C);

(E) by striking out the period at the end of clause (D) and inserting in lieu thereof "; and"; and

(F) by adding at the end the following:

"(E) service on active duty in the Armed Forces during the Vietnam era is not required for eligibility for such appointments."; and

(3) by striking out subsection (f) and inserting in lieu thereof the following:

"(f)(1) For the purposes of this section, the term 'qualified veteran', with respect to eligibility for appointment to a position of employment in the Federal Government, means a veteran who—

"(A) has a service-connected disability that is compensable (or, except for the receipt of retired or retainer pay, would be compensable) under laws administered by the Department of Veterans Affairs; or

"(B) was discharged or released from active duty not more than 10 years before the date of the appointment or job advancement.

"(2) Nothwithstanding section 2011 of this title, the term 'veteran', as used in subsection (b) of this section, shall have the meaning provided for under generally applicable civil service law and regulations.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect with respect to appointments to positions of employment in the Federal Government, and job advancements within the Federal Government, which are made on or after January 1, 1990.

SEC. 2. EXTENSION OF THE VETERANS READJUSTMENT EMPLOYMENT PROGRAM.

Section 2014(b)(2) of title 38, United States Code, is amended by striking out "1989" and inserting in lieu thereof "1991".●

By Mr. PRYOR (for himself and Mr. BOREN):

S. 1280. A bill to amend title 31, United States Code, to permit the Comptroller General of the United States to review and decide protests of Federal Government employees relating to converting to contractor performance certain functions performed by such employees, and to amend the Federal Property and Administrative Services Act of 1949 to provide for judicial review of certain agency decisions relating to converting to contractor performance of commercial activities performed by Federal Government employees; to the Committee on Governmental Affairs.

CONTRACTING OUT APPEALS REFORM ACT

● Mr. PRYOR. Mr. President, today I am joined by my colleague Senator BOREN in introducing the Contracting Out Appeals Reform Act of 1989. This legislation amends the Competition in Contracting Act of 1984 to give Federal employees whose jobs are in the process of being contracted out the same appeal rights available to private contractors. The General Accounting Office [GAO] has reviewed similar legislation last year and supported the bill. GAO stated in its letter that the bill "is consistent with our goal of providing an impartial forum for the resolution of bid protests to those who have a legitimate economic interest in the outcome of the award process."

The need for this legislation became very obvious during two hearings that I chaired on the Subcommittee on Federal Services, Post Office and Civil Service of the 100th Congress. The hearings reviewed examples of cost overruns, waste, and abuse that negated the hoped-for savings from contracting out the Government jobs. In some cases, the private contractor seemed to have intentionally set out to undermine the process to increase profits. In others, the A-76 process itself created the problems.

These situations were brought to my attention by Federal contract administrators and employees affected by bad contracts, as well as their representatives in Congress, including Senator BOREN, Senator REID, and Senator STEVENS, all of whom have discussed the problems in their States before my subcommittee.

Mr. President, I am all for contracting out when it saves money for the taxpayer and increases Government efficiency. Unfortunately, my investigations show that too often "the system" allows just the opposite to happen. It is clear that for contracting out to work well, agencies must conduct better oversight of the process. Who better to assist them than the Federal employees most familiar with the jobs that are to be contracted out?

Today when these employees see an improperly written contract, they can only appeal a contracting out decision within their own agency. However, private contractors who believe a contract was unfairly competed can take their case directly to an independent adjudicatory body at the General Accounting Office [GAO] for resolution. The Competition in Contracting Act, which established the appeal process, recognized the value of permitting contractors to police the procurement system.

Currently, employee bid protests can take years to resolve within the agency. A bid protest initiated by Federal employees at Blytheville Air Force Base took over 4 years to settle. The average time to resolve a contractor's bid protest through GAO is 32 days.

A 1986 Military Law Review article by a U.S. Marine attorney compared the procedures available to employees to contractor appeals to the GAO. He concluded that, "unlike labor arbitrators and the FLRA, the GAO possesses the expertise, experience, and procedural capability to resolve A-76 appeals in a manner that is timely, responsive to sound procurement principles and the interests of all affected parties * * *." My legislation simply gives to Federal employees the same bid protest route that contractors currently enjoy.

The bill also gives Federal employees the route to the courts available to private contractors. This ensures that Federal employees will have the same access to all appeals routes that contractors have.

Mr. President, the bill we are introducing today is about preventing fraud and cost overruns. It is about harnessing the true potential of contracting out to save money and increase efficiency. I hope all of my colleagues will join me in supporting this initiative.

Mr. President, I ask unanimous consent that the text of the bill be printed with my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1280

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Contracting Out Appeals Reform Act of 1989".

SEC. 2. APPLICABILITY OF GAO PROCUREMENT PROTEST SYSTEM TO CONVERSION TO CONTRACTOR PERFORMANCE OF FEDERAL GOVERNMENT FUNCTIONS.

(a) DEFINITION OF "PROTEST".—Section 3551(1) of title 31, United States Code, is amended to read as follows:

"(1) 'protest'—

"(A) means a written objection by an interested party to a solicitation by a Federal agency for bids or proposals for a proposed contract or a written objection by an interested party to a proposed award or the award of a contract; and

"(B) in the case of a contract or proposed contract referred to in paragraph (4)(B), includes an objection that a relevant performance work statement is inaccurate or incomplete;".

(b) DEFINITION OF "INTERESTED PARTY".—Section 3551(2) of title 31, United States Code, is amended to read as follows:

"(2) 'interested party', with respect to a contract or proposed contract, means—

"(A) an actual or prospective bidder or offeror whose direct economic interest would be affected by the award of the contract or by failure to award the contract; and

"(B) in the case of a contract referred to in paragraph (4)(B)—

"(i) any labor organization accorded, under section 7111 of title 5, exclusive recognition to represent an appropriate unit (determined under section 7112 of such title) that includes the employees referred to in such paragraph (4)(B); and

"(ii) any representative of a majority of such employees, determined as provided in regulations issued by the Comptroller General;".

(c) DEFINITIONS OF "CONTRACT" AND "REGULATIONS".—Section 3551 of title 31, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new paragraphs:

"(4) 'contract'—

"(A) means a contract awarded by a Federal agency for the procurement of property or services; and

"(B) includes a contract awarded for the purpose of converting from performance of any commercial activity by employees of the Federal Government to contractor performance of such commercial activity; and

"(5) 'regulation' includes Office of Management and Budget Circular A-76 and any other order or directive issued by the President, the Director of the Office of Management and Budget, or the head of a Federal agency that sets out standards, procedures, or requirements for converting from performance of any commercial activity by employees of the Federal Government to contractor performance of such commercial activity.".

SEC. 3. JUDICIAL REVIEW.

(a) IN GENERAL.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by adding at the end the following new section:

"JUDICIAL REVIEW OF EXECUTIVE AGENCY CONTRACTING FOR PERFORMANCE OF COMMERCIAL ACTIVITIES

"SEC. 311. (a) A determination by an agency head toward a contract for the purpose of converting from performance of any commercial activity by employees of that executive agency to contractor performance of such commercial activity (including any executive agency action in connection with such a determination) is subject to judicial review pursuant to chapter 7 of title 5, United States Code. The reviewing court may conduct a trial de novo in order to determine the facts relevant to such determination, including the accuracy and completeness of a performance work statement relevant to such contract.

"(b) For the purposes of chapter 7 of title 5, United States Code, each of the following parties shall be considered an aggrieved person with respect to a contract or proposed contract referred to in subsection (a):

"(1) Any labor organization accorded, under section 7111 of title 5, United States Code, exclusive recognition to represent an appropriate unit (determined under section 7112 of such title) that includes the employees referred to in such subsection (a).

"(2) Any representative of a majority of such employees.

"(c)(1) This section applies to all executive agencies notwithstanding the exception set out in section 302(a)(2).

"(2) Section 701(a)(2) of title 5, United States Code, does not apply to a determination or executive agency action referred to in subsection (a).".

(b) TECHNICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 311, the following new item:

"311. Judicial review of executive agency contracting for performance of commercial activities".

SEC. 4. EFFECTIVE DATE.

The amendments made by sections 2 and 3 shall take effect with respect to contract solicitations issued on or after the date of the enactment of this Act.●

By Mr. GLENN (for himself and Mr. FORD):

S. 1281. A bill to amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain bicycle parts, and for other purposes; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN BICYCLE PARTS

● Mr. GLENN. Mr. President, today I am pleased to introduce legislation to amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain bicycle parts until December 31, 1996. The regular customs duties on certain bicycle parts not manufactured in the United States have been suspended since 1971. As in the past, this suspension is critical to the competitive health of U.S. bicycle manufacturers who continue to face intense international competition. Imports have claimed an increasing share of the U.S. market, 17 percent in 1979, 30 percent in 1986, and 55 percent in 1988.

The suspension of the regular customs duties on certain imported bicycle parts is necessary for two basic reasons.

First, the bicycle parts covered by the duty suspension provisions are generally not manufactured in the United States. U.S. bicycle manufacturers must, therefore, purchase these parts abroad. A tariff would only penalize the bicycle manufacturer without protecting a U.S. parts manufacturer.

Second, duty suspension also addresses—in part—an unfair bias against domestic bicycle manufacturers in the tariff schedules of the United States. Many imported bicycles are dutiable at a lower rate than most bicycle parts. Imported lightweight bicycles with wheels over 25 inches in diameter face a duty rate of 5.5 percent while most imported bicycle parts face a duty of 10 percent. This anomaly, if uncorrected by duty suspension legislation, enables foreign bicycle manufacturers to assemble bicycles abroad with foreign bicycle parts and import the complete product into the United States subject to the lower duty rate imposed on bicycles. In contrast, our domestic manufacturers must first import certain components necessary to complete the manufacture of a bicycle—because these parts are not available domestically—and these parts come in at the higher rate imposed on bicycle parts. The higher price our domestic manufacturers must pay for their imported parts places them at an obvious competitive disadvantage vis-a-vis their foreign competitors.

The legislation I am introducing today contains three sections which deal with duty suspensions. One section would renew existing duty suspension provisions for certain bicycle parts. The Omnibus Trade and Competitiveness Act of 1988 suspended the duties on these bicycle parts through December 31, 1990; my bill would extend the expiration date to December 31, 1996. While extensions of bicycle part duty suspensions have in the past generally been limited to 4 years, my bill includes a 6-year extension in order to have the next expiration of these provisions coincide with the expirations of the duty suspension provisions enacted in the 1988 Technical Corrections Act.

A second section of my bill would add additional suspensions for certain machines used in the manufacture of wheels for bicycles and for additional bicycle parts. The machines in question are used in the manufacture of wheels for bicycles, including wheel building, wheel truing, rim punching, tire fitting, and similar machines. While the regular customs duty on these machines is only 3.7 percent, the high cost of these machines and bicycle manufacturers' need to replace them on a regular basis means that suspension of the regular duty will

substantially lower the overhead costs of U.S. bicycle manufacturers. These machines are not available from U.S. sources; hence the duty protects no domestic industry. The two additional bicycle parts for which my bill would propose to suspend duty are "bicycle handlebar stems wholly of aluminum alloy, valued over $2.15" and "bicycle handlebar stem rotar assemblies." According to the Bicycle Manufacturers Association, there is no known domestic production of these two parts.

A third section would clarify that "cantilever brakes" should be treated the same as "caliper brakes" for tariff purposes—including duty suspension, and eliminate the inverted tariff on both types of brakes and parts thereof.

The final section of the bill I am introducing today would extend the statutory prohibition against bicycle-related manufacturing operations in foreign trade zones until December 31, 1996. The original statutory prohibition was enacted in 1984 and continued through December 31, 1992, as a provision of Public Law 100-418. This provision is designed to address the concerns of many within the bicycle and bicycle parts manufacturing industry that the availability of the foreign trade zone option, coupled with the duty suspensions and the difference between the duty rate for bicycles and bicycle parts discussed above, might result in the loss of American jobs in bicycle assembly and bicycle parts manufacture. Congress has linked these two issues together in order to assure expeditious and unanimous approval of the bicycle parts duty suspension so critical to the continuation of our domestic bicycle manufacturing industry.

I urge my colleagues to support this legislation and ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON CERTAIN MACHINES FOR USE IN THE MANUFACTURE OF WHEELS FOR BICYCLES AND ON CERTAIN BICYCLE PARTS.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new headings:

"9902.84.79	Wheelbuilding, wheeltruing, rim punching, trefitting, and similar machines for use in the manufacture of wheels for bicycles (provided for in subheading 8479.89.90)	Free	No change	No change	On or before 12/31/[illegible]
9902.87.15	Bicycle handlebar stems wholly of aluminum alloy, valued over $2.15 (provided for in subheading 8714.99.90)	Free	No change	No change	On or before 12/31/[illegible]
9902.87.16	Bicycle handlebar stem rotar assemblies (provided for in 8714.99.90)	Free	No change	No change	On or before 12/31/[illegible]"

SEC. 2. EXTENSION OF CERTAIN EXISTING DUTY SUSPENSION PROVISIONS.

Headings 9902.40.11, 9902.73.12, 9902.73.15, 9902.85.12, and 9902.87.14 of the Harmonized Tariff Schedule of the United States are each amended by striking out "12/31/90" and inserting in lieu thereof "12/31/96".

SEC. 3. ELIMINATION OF INVERTED TARIFF AND SUSPENSION OF DUTY ON PARTS OF CALIPER AND CANTILEVER BRAKES FOR BICYCLES.

(a) Subheading 8714.94.20 of the Harmonized Tariff Schedule of the United States is amended by striking out "Caliper brakes" and inserting in lieu thereof "Caliper and cantilever brakes, and parts thereof".

(b) Subheading 8714.94.50 of the Harmonized Tariff Schedule of the United States is amended by inserting ", other than parts of caliper and cantilever brakes" after "parts".

(c) Heading 9902.73.12 of the Harmonized Tariff Schedule of the United States is amended by inserting "and cantilever" after "caliper".

(d) Heading 9902.87.14 of the Harmonized Tariff Schedule of the United States is amended by inserting "cantilever brakes," after "Caliper brakes,".

SEC. 4. FOREIGN TRADE ZONES.

Section 3(b) of the Act of June 18, 1934 (19 U.S.C. 81c(b)) is amended by striking out "before January 1, 1991" and inserting in lieu thereof "on or before December 31, 1996".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date that is 15 days after the date of enactment of this Act.●

By Mr. GARN (for himself, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BOND, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DODD, Mr. DOLE, Mr. DOMENICI, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRAMM, Mr. HATCH, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MACK, Mr. MATSUNAGA, Mr. MCCLURE, Ms. MIKULSKI, Mr. MITCHELL, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SASSER, Mr. SHELBY, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, and Mr. WILSON):

S.J. Res. 170. Joint resolution to designate July 20, 1989 and July 20, 1990, as "Space Exploration Day"; to the Committee on the Judiciary.

SPACE EXPLORATION DAY

Mr. GARN. Mr. President, I rise today to introduce a joint resolution to designate July 20, 1989 and July 20, 1990 as "Space Exploration Day". I am joined by 54 of my colleagues as original cosponsors to this measure.

This year marks the 20th anniversary of that moment when the Nation and the world watched in awe as Neil Armstrong took that famous "giant leap for mankind" onto the surface of the moon. For the past several years, we have honored the anniversary of that historic event by proclaiming July 20 as "Space Exploration Day." We do so again this year with a renewed spirit to explore that which lies beyond our frontiers.

Our spirit of exploration has a long tradition. It moved our ancestors to settle in a new country and, later, spawned the exploration and settlement of the West. It was that same spirit which inspired those brave men of Apollo 11 to step beyond the realm of the known to land on and explore the lunar surface. That mission remains an unparalelled triumph of determination and technological genius.

The pioneering work of the United States in the area of space exploration continues to be awe-inspiring and demands our attention. In the 31 years since the inception of the space program, more information has been gathered about the universe than in all the centuries before; we have sent unmanned spacecraft on missions extending to the far reaches of the solar system; we have measured the winds of Mars; we have counted the rings of Saturn; we have landed men on the moon; and we have sent men and women aloft to explore space beyond the Earth's atmosphere, to deploy satellites, and to conduct experiments in the purity of zero gravity and have returned them in the same, reusable spacecraft. More recently we successfully deployed the Magellan space

probe, which launches an aggressive space exploration effort that will take us into the mid-1990's and vastly increase our knowledge of space and open new horizons for the future development of mankind.

We, as a nation, need to revitalize our vision of the limitless possibilities which space offers. We must rekindle our desire to explore our universe and recognize the benefits to be gained from expanding our space exploration efforts. By way of example, space exploration has given us the knowledge with which to invent the pacemaker, to manufacture new prosthetic limbs for the handicapped, to allow geologists searching for minerals and other natural resources to view the Earth's surface—and below—as never before possible, and to assist people throughout the world who suffer with famine and hunger to learn how to stop the hunger and the devastation through a greater understanding of the forces of nature. These, and the countless other benefits gained, far outweigh the investments we must initially make.

While this resolution commemorates the achievements of the past, it also serves to represent our hopes and dreams for the future. I hope that the committee will act quickly in considering and reporting this effort to pay tribute to the adventurous spirit and inquiring mind of the American people. I also hope that this resolution to commemorate the 20th and 21st anniversaries of the moon landing will receive the confirmation and support of my colleagues in the Senate by their early consideration and passage.

By Mr. GRASSLEY:

S.J. Res. 171. Joint resolution proposing an amendment to the Constitution of the United States relative to the display and care for the flag of the United States of America; to the Committees on the Judiciary.

CONSTITUTIONAL AMENDMENT REGARDING THE FLAG OF THE UNITED STATES OF AMERICA

Mr. GRASSLEY. Mr. President, I rise today to introduce an amendment to the Constitution that would allow the Congress to enact laws regarding the display and use of our flag and that would allow the Congress to prohibit public acts of mutilation, defacement, defilement, burning, or trampling upon the flag.

Yesterday, the Supreme Court—by a bare 5 to 4 majority—decided that the flag of the United States of America can be burned as a part of speech protected by the first amendment.

I think it is time that the Congress express to the Supreme Court the American people's desire to protect this unique object of America.

The question that this Congress must address is: Is the physical mistreatment of the flag valid free speech?

I answer that with a resounding "No."

Our Nation—among its many positive traits—has many symbols that represent its values, hopes, and commitment to freedom and readiness to fight to maintain its freedom, both at home and abroad.

I believe that desecration of the flag should not be interpreted as a valid portion of speech, but rather conduct that is not to be given the protection of the first amendment.

Yes, the flag is an object; a thing, if you will. However, it is the manifestation of ideals like freedom and liberty that are intangible and are what many have fought and died for throughout our country's history.

The flag is the unique symbol of the willingness of Americans to take a stand and fight for the ideas contained in the Declaration of Independence and the Constitution.

I am not in any way talking about restricting the legitimate free speech rights of Americans, however unpopular the views they may espouse.

But I also cannot see how freedom of speech is in any way adversely affected by a prohibition on the physical defiling of the flag.

The physical defiling of the flag advances no legitimate free speech interest. The defacing of the flag can only be intended to arouse the passions of members of the community who revere the flag because of its unique position in American life.

Desecration of the flag does not appeal to reason in any debate, as the Founding Fathers intended with passage of the first amendment.

As has been described by scholars of the Constitution, the mutilation of the flag is tantamount to "fighting words"; the kind of words that tend to incite an immediate breach of the peace.

In *Chaplinsky* v. *New Hampshire*, 315 U.S. 568 (1942), the Supreme Court stated:

> "Fighting words" are no essential part of any free exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighted by the social interest in order and morality.

I believe that the same reasoning applies to flag burning and any other form of physical desecration of the flag.

A law that prohibits the desecration of the flag does not inhibit debate or dissent from even the most cherished of American principles.

As Justice Stevens said in his dissent in Texas against Johnson, the Government's interest in protecting important assets, such as the flag or any national monument, justifies the "trivial burden" placed upon free expression when activity such as flag burning is outlawed.

Chief Justice Rehnquist also stated in dissent:

> For more than 200 years, the American flag has occupied a unique position as a symbol of our Nation, a uniqueness that justifies a governmental prohibition against flag burning . . . The flag is not simply another 'idea' or 'point of view' competing for recognition in the marketplace of ideas. Millions and millions of Americans regard it with an almost mystical reverence regardless of what sort of social, political, or philosophical beliefs they may have.

Any idea that runs counter to the American Government, its system, and its policies can just as easily be communicated through other forms of audio and printed communication.

In fact, Justice Stevens stated that alternative forms of communication undercut those who claim that flag desecration statutes inhibit the content of serious speech, in *FCC* v. *Pacifica Foundation*, 438 U.S. 675 (1978).

Civilized discourse does not include allowing conduct that results in inflaming the passions of millions of Americans who have risked their lives—and who in some instances died—in order that this Nation remain independent, whole, and free.

Of course, the regulation of the expression of ideas can be abused to repress free speech.

However, an inability to perceive a distinction between appeals to reason and appeals to emotion in the exercise of speech has only resulted in the demise of democratic governments in the history of the world.

In the Texas case, Chief Justice Rehnquist, who joined the dissenters in the case, referred to the delicate position of democracies in our world when he stated:

> The Court concludes its [majority] opinion with a regettably patronizing civic lecture, presumably addressed to the Members of both houses of Congress, the members of the 48 State legislatures that enacted prohibitions against flag burning, and the troops fighting under that flag in Viet Nam who objected to its being burned.
>
> Surely one of the high purposes of a democratic society is to legislate against conduct that is regarded as evil and profoundly offensive to the majority of people—whether it be murder, embezzlement, pollution, or flag burning.

In his dissent in the Texas case, Justice Stevens stated:

> The ideas of liberty and equality have been an irresistible force in motivating leaders like Patrick Henry, Susan B. Anthony, and Abraham Lincoln; schoolteachers like Nathan Hale and Booker T. Washington; the Philippine scouts who fought at Bataan, and the soldiers who scaled the bluff at Omaha Beach.
>
> If those ideas are worth fighting for—and our history demonstrates that they are—it cannot be true that the flag that uniquely symbolizes their power is not itself worthy of protection from unnecessary desecration.

Earlier in his dissent, Justice Stevens said:

Sanctioning the public desecration of the flag will tarnish its value—both for those who cherish the ideas for which it waves and for those who desire to don the robes of martyrdom by burning it.

Flag desecration statutes only limit appeals to emotion and they should be upheld.

I look forward to working with my colleagues on the Senate Judiciary Committee for prompt hearings on my amendment and I look forward to an early vote on it in the full Senate.

By Mr. ROTH (for himself, Mr. LEAHY, and Mr. JEFFORDS):

S.J. Res. 172. Joint resolution to recognize the bicentennial of the American Morgan Horse and to designate the period commencing October 9, 1989 and ending October 15, 1989, as "National Morgan Horse Week"; to the Committee on the Judiciary.

NATIONAL MORGAN HORSE WEEK

● Mr. ROTH. Mr. President, I am pleased to introduce today a resolution commemorating the bicentennial of the American Morgan horse.

Two hundred years ago, shortly after the birth of our Nation, the first Morgan horse was born in Springfield, MA. This was the beginning of a strong new breed of horses that went on to serve this country as part of the military in every subsequent major American war through the 1940's. The Morgan was found to be an intelligent, hearty, versatile, and easily trained breed, making it well suited for the needs of the military.

The Government continued to raise this horse until the 1940's when the last Government owned and operated breeding farm was closed. The service of the Morgan horse in the civilian sector has also proven to be invaluable. Many Americans have benefited from its labors by means of farming, logging, carriage drawing, as police mounts, and in handicapped riding programs. They are also proudly displayed for their beauty, talent, and dexterity at equestrian shows and exhibitions across the country.

Today, there are approximately 115,000 registered American Morgan horses throughout the United States. In my State of Delaware alone, there are a total of 172 horses. This horse symbolizes the great pride of this country in being a breed of horse characterized by courage, strength, and endurance and is an authentic and important part of our American heritage. I ask you to join me in supporting this resolution.●

● Mr. LEAHY. Mr. President, this year marks the 200th anniversary of the American Morgan horse. This wonderful breed began in West Springfield, MA, in 1789, when a bay colt was born. As you know Mr. President, this is the same year George Washington became the first President of the United States. It was this very same colt that became the sire of the first American breed of horse—the Morgan. If you have ever seen a Morgan horse you can truely appreciate its great beauty. The characteristics to look for are their crested necks, the wide, deep chest, and the powerful muscled hindquarters. They are also a very intelligent looking animal with their short, alert ears and wideset eyes. The Morgan is not only a breed of beauty, but is also a symbol of our history.

Through the years, the Morgan breed has played a very vital role in the development of this Nation. In the beginning, the Morgan was widely used as a cavalry mount. Civil war hero Gen. Phil Sheridan rode a black Morgan on his famous 20-mile dash to organize his troops, and the Vermont Cavalry, generally known as the Green Mountain Boys, always insisted that they would be mounted on Morgan horses. Later, as pioneers began to conquer the West, the Morgan horse was used for the Pony Express.

The Morgan horse showed great uniqueness through its heartiness, stamina, and premier trotting abilities. The Morgan is a breed to fill everyone's needs. The cowboys preferred them because of their strength and agility of working cows, and they were commonly used in trotting races. Today, however, their horizons expand a great deal more. They are used in jumping, western riding, cross country, and trail riding events as well. But most important, they are the foundation of several other great American breeds of horses.

The Morgan breed became so popular that the U.S. Government became involved with its future. For more than 40 years the Government conducted tests of stamina and endurance to distinguish the qualities of this magnificent breed. These tests were directed at the U.S. Morgan Horse Farm which was established in Weybridge, VT, in 1907. From this farm, top stallions were used in the U.S. Department of Agriculture's program to upgrade other frail breeds. The farm still exists today, but is now in the proud hands of the University of Vermont.

On a more personal note, I am very pleased to announce that in 1961, my home state of Vermont established the Morgan horse as the official State animal. More recently, however, the U.S. Bicentennial Commission nominated the Morgan as the Bicentennial Horse in 1976, and in 1981, it captured the title of most versatile breed. To acquire this award the Morgan had to out perform five other breeds in a wide variety of events. This competition took place once a year during a national show and was called, challenge of the breed. It is a great achievement which should never be taken lightly. To this day, the Morgan horse is still holding the reputation it received 200 years ago.

Mr. President, I would like you and my colleagues to join me in saluting the Morgan breed, its current fanciers, and those who had the vision of what is truely a great horse—the Morgan.●

By Mr. RIEGLE (for himself, Mrs. KASSEBAUM, Mr. COCHRAN, Mr. LOTT, Mr. COATS, Mr. NUNN, Mr. SANFORD, Mr. BREAUX, Mr. REID, Mr. PRYOR, Mr. JOHNSTON, Mr. PELL, Mr. BRYAN, Mr. GARN, Mr. CONRAD, Mr. STEVENS, Mr. JEFFORDS, Mr. RUDMAN, Mr. SHELBY, Mr. EXON, Mr. LEVIN, Mr. ROCKEFELLER, Mr. DURENBERGER, Mr. BRADLEY, Mr. LAUTENBERG, Mr. HOLLINGS, Mr. LIEBERMAN, Mr. LUGAR, Mr. DANFORTH, Ms. MIKULSKI, Mr. GLENN, Mr. GORE, Mr. ROBB, Mr. WIRTH, Mr. BENTSEN, Mr. SIMON, Mr. KERRY, Mr. CHAFEE, Mr. COHEN, Mr. MCCLURE, Mr. PRESSLER, Mr. GORTON, Mr. PACKWOOD, Mr. HELMS, Mr. KOHL, Mr. HUMPHREY, Mr. WARNER, Mr. INOUYE, Mr. MOYNIHAN, and Mr. GRASSLEY):

S.J. Res. 173. Joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain"; to the Committee on the Judiciary.

DECADE OF THE BRAIN

● Mr. RIEGLE. Mr. President, I am introducing for myself and 49 of my colleagues a joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain."

Today, we stand on the brink of a decade of discovery. Our opportunity for progress in understanding the mysteries of the mind has never been greater. Teachers, clinicians, and investigators are picking up the pace in a national scientific effort to find treatments and cures for neurological diseases.

Brain disease affects Americans of every age, social status, and race. Approximately one of every five Americans is affected by neurological disorders. It is estimated that neurological disorders costs our economy over $300 billion a year in health care costs and lost income. But this figure is tiny in comparison to the human costs of brain disorders.

By expanding our knowledge of the brain function, researchers offer hope to individuals whose body function has been interrupted by disease or trauma. We may soon be able to isolate a defective gene and through gene therapy treat or cure multiple sclerosis and Alzheimer's disease. Vigorous research has also shown that it is possible to stimulate neurons in animals to regrow and transmit impulses again.

These initiatives may one day help people with spinal cord or head injuries and individuals suffering from Parkinson's disease.

Brain scientists are earnestly increasing our understanding of AIDS, stroke, drug abuse, schizophrenia, Huntington's disease, and autism. Moreover, studies into memory and sleep present fascinating insight into the workings of our minds. There is real excitement in brain research and I am pleased to take this opportunity to recognize the achievements of brain researchers and to call attention to the promise that lies ahead of us.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 173

Whereas it is estimated that 50,000,000 Americans are affected each year by disorders and disabilities that involve the brain, including the major mental illnesses; inherited and degenerative diseases; stroke; epilepsy; addictive disorders; injury resulting from prenatal events, environmental neurotioxins and trauma; and speech, language, hearing, and other cognitive disorders;

Whereas it is estimated that treatment, rehabilitation and related costs of disorders and disabilities that affect the brain represent a total economic burden of $305,000,000,000 annually;

Whereas the people of the Nation should be aware of the exciting research advances that have led to effective treatment of disorders and disabilities that affect the brain;

Whereas a technological revolution occurring in the brain sciences, resulting in such procedures as Positron Emission Tomography and Magnetic Resonance Imaging, permits clinical researchers to observe the living brain noninvasively and in exquisite detail, to defind brain systems that are implicated in specific disorders and disabilities, to study complex neuropeptides and behavior, and to begin to learn about the complex structures underlying memory;

Whereas scientific information on the brain is amassing at an enormous rate, and the field of computer and information sciences has reached a level of sophistication sufficient to handle neuroscience data in a manner that will be maximally useful to both basic researchers and clinicians dealing with brain function and dysfunction;

Whereas advances in mathematics, physics, computational science, and brain imaging technologies have made possible the initiation of significant work in imaging brain function and pathology and in modeling neural networks and simulating their dynamic interactions;

Whereas the effort to comprehend the nervous system is still on the frontier of technological innovation requiring a comprehensive effort to decipher how individual neurons, by their collective action, give rise to human intelligence;

Whereas fundamental discoveries at the molecular and cellular levels of the organization of the brain are clarifying the role of the brain in translating neurophysiologic events into behavior, thought, and emotion;

Whereas molecular biology and molecular genetics have yielded strategies effective in preventing several forms of severe mental retardation and are contributing to promising breakthroughs in the study of inheritable neurological disorders, such as Huntington's disease, and mental disorders, such as affective illnesses;

Whereas the capacity to map the biochemical circuitry of neurotransmitters and neuromodulators will permit the rational design of potent medications having minimal adverse effects that will act on the discrete neurochemical deficits associated with such disorders as Parkinson's disease, schizophrenia, and Alzheimer's disease;

Whereas the incidence of neurologic, psychiatric, psychological, and cognitive disorders and disabilities experienced by older persons will increase in the future as the number of older persons increases;

Whereas studies of the brain and central nervous system will contribute not only to the relief of neurologic, psychiatric, psychological, and cognitive disorders, but also to the management of fertility and infertility, cardiovascular disease, infectious and parasitic diseases, developmental disabilities and immunologic disorders, as well as to an understanding of behavioral factors that underlie the leading preventable causes of death in this Nation;

Whereas the central nervous and immune systems are both signaling systems that serve the entire organism, and there are direct connections between the nervous and immune systems, and whereas studies of the modulatory effects of each system on the other will enhance our understanding of diseases as diverse as the major psychiatric disorders, acquired immunodeficiency syndrome, and autoimmune disorders;

Whereas recent discoveries have led to fundamental insights into why people abuse drugs, how abused drugs affect brain function leading to addiction, and how some drugs cause permanent brain damage;

Whereas studies of the brain will contribute to the development of new treatments that will curtail the craving for drugs, break the addictive effects of drugs, prevent the brain-mediated "high" caused by certain abused drugs, and lessen the damage done to the developing minds of babies, who are the innocent victims of drug abuse;

Whereas treatment for persons with head injury, developmental disabilities, and speech, hearing, and cognitive dysfunctions is increasing in availability and effectiveness;

Whereas the study of the brain involves the multidisciplinary efforts of scientists from such diverse areas as physiology, biochemistry, psychology, psychiatry, molecular biology, anatomy, medicine, genetics, and many others working together toward the common goal of better understanding the structure of the brain and how it affects our development, health, and behavior;

Whereas the Nobel Prizes for Medicine and Physiology have been awarded to 15 neuroscientists within the past 25 years, an achievement that underscores the excitement and productivity of the study of the brain and central nervous system and its potential for contributing to the health of humanity;

Whereas the people of the Nation should be concerned with research into disorders and disabilities that affect the brain, and should recognize prevention and treatment of such disorders and disabilities as a health priority; and

Whereas the declaration of the Decade of the Brain will focus needed governmental attention on research, treatment, and rehabilitation in this area: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the decade beginning January 1, 1990, is designated the "Decade of the Brain", and the President is authorized and required to issue a proclamation calling upon all public officials and the people of the United States to observe that decade with appropriate programs and activities.●

ADDITIONAL COSPONORS

S. 35

At the request of Mr. DANFORTH, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 35, a bill to provide for the establishment of rural enterprise zones, and for other purposes.

S. 58

At the request of Mr. BOSCHWITZ, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 58, a bill to amend the Housing and Community Development Act of 1987 to improve the enterprise zone development program, to amend the Internal Revenue Code of 1986 to provide tax incentives for investments in enterprise zones, and for other purposes.

S. 148

At the request of Mr. PRESSLER, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KERRY], the Senator from Oregon [Mr. PACKWOOD], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alabama [Mr. SHELBY], the Senator from Nevada [Mr. BRYAN], the Senator from Virginia [Mr. WARNER], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

S. 339

At the request of Mr. BRADLEY, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 339, a bill to amend title XIX of the Social Security Act to reduce infant mortality through improvement of coverage of services to pregnant women and infants under the Medicaid Program.

S. 416

At the request of Mr. DOMENICI, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost-of-living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 432

At the request of Mr. ROCKEFELLER, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor

of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 513

At the request of Ms. MIKULSKI, the names of the Senator from Connecticut [Mr. DODD], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 513, a bill to amend chapters 83 and 84 of title 5, United States Code, to extend certain retirement provisions of such chapters which are applicable to law enforcement officers, to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service.

S. 570

At the request of Mr. DANFORTH, the names of the Senator from Delaware [Mr. BIDEN], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 708

At the request of Mr. BRADLEY, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 708, a bill to amend title V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity.

S. 741

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 741, a bill to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes.

S. 828

At the request of Mr. DOMENICI, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to provide incentives for the removal of crude oil and natural gas through enhanced oil recovery techniques so as to add as much as 10 billion barrels to the U.S. reserve base, to extend the production of certain stripper oil and gas wells, and for other purposes.

S. 840

At the request of Mr. BOREN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 840, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for education loan interest incurred by doctors, nurses, and allied health professionals while serving in medically underserved areas.

S. 893

At the request of Mr. LAUTENBERG, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 893, a bill to establish certain categories of Soviet and Vietnamese nationals presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Vietnamese parolees.

S. 933

At the request of Mr. HARKIN, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 933, a bill to establish a clear and comprehensive prohibition of discrimination on the basis of disability.

S. 969

At the request of Mr. MOYNIHAN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 969, a bill to establish the President's Award for Addiction Research.

S. 993

At the request of Mr. KOHL, the names of the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 993, a bill to implement the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxic Weapons and Their Destruction, by prohibiting certain conduct relating to biological weapons, and for other purposes.

S. 1060

At the request of Mr. PRYOR, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1060, a bill to amend the Internal Revenue Code of 1986 to provide refundable income tax credits to primary health services providers who work in rural health manpower shortage areas, and for other purposes.

S. 1215

At the request of Mr. WIRTH, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1215, a bill to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes.

S. 1222

At the request of Mr. DIXON, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1222, a bill to facilitate the adjustment or change of status of Chinese nationals in the United States by waiving the 2-year foreign residence requirement for "J" nonimmigrants and by treating nonimmigrants, whose departure has been deferred by the Attorney General, as remaining in legal nonimmigrant status for purposes of adjustment or change of status.

S. 1254

At the request of Ms. MIKULSKI, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 1254, a bill to authorize the Secretary of Labor to make grants to public housing agencies for the provision of literacy training, training in basic and employment skills, and support services, and to establish the Gateway Task Force.

SENATE JOINT RESOLUTION 28

At the request of Mr. ROTH, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of Senate Joint Resolution 28, joint resolution proposing an amendment to the Constitution of the United States limiting Federal taxation of State and local obligations.

S.J. RES. 47

At the request of Mr. PRESSLER, the name of Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Joint Resolution 47, joint resolution to recognize the 75th Anniversary of the Smith Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

S.J. RES. 81

At the request of Mr. DIXON, the name of Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

S.J. RES. 86

At the request of Mr. RIEGLE, the name of Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

S.J. RES. 103

At the request of Mr. BRADLEY, the names of the Senator from Delaware [Mr. BIDEN], the Senator from California [Mr. CRANSTON], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of Senate Joint Resolution 103, a joint resolution to designate the period commencing February 18, 1990, and ending February 24, 1990, as "National Visiting Nurse Associations Week."

S.J. RES. 132

At the request of Mr. SASSER, the names of the Senator from Wisconsin [Mr. KOHL] and the Senator from Tennessee [Mr. GORE] were added as

cosponsors of Senate Joint Resolution 132, a joint resolution designating September 1 through 30, 1989, as "National Alcohol and Drug Treatment Month."

S.J. RES. 153

At the request of Mr. ROCKEFELLER, the names of the Senator from Washington [Mr. ADAMS], the Senator from Florida [Mr. GRAHAM], the Senator from Indiana [Mr. COATS], the Senator from North Dakota [Mr. CONRAD], the Senator from Utah [Mr. HATCH], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 153, a joint resolution designating the third week in May 1990 as "National Tourism Week."

S.J. RES. 167

At the request of Mr. MOYNIHAN, his name was withdrawn as a cosponsor of Senate Joint Resolution 167, a joint resolution proposing an amendment to the Constitution of the United States to prohibit the desecration of the flag.

SENATE CONCURRENT RESOLUTION 47

At the request of Mr. SIMON, the name of Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Concurrent Resolution 47, a concurrent resolution expressing the sense of the Congress on multilateral sanctions against South Africa.

AMENDMENT NO. 204

At the request of Mr. JOHNSTON, the name of Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of amendment No. 204 intended to be proposed to S. 406, a bill to authorize competitive oil and gas leasing and development on the Coastal Plain of the Arctic National Wildlife Refuge in a manner consistent with protection of the environment, and for other purposes.

SENATE CONCURRENT RESOLUTION 51—IN SUPPORT OF HUMAN RIGHTS AND DEMOCRACY IN CHINA

Mr. HATFIELD submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 51

Whereas the colony of Hong Kong was acquired by Great Britain from China pursuant to the 1942 Treaty of Nanking, the First Convention of Peking in 1860, and the Second Convention of Peking in 1898;

Whereas the Second Convention of Peking, which involved 90 percent of the area that is now Hong Kong, established a 99 year lease that began on July 1, 1898;

Whereas the approach of the 1997 expiration of this lease led to two years of negotiations between the Government of the United Kingdom and the Government of the People's Republic of China which culminated in 1984 in the signing of the Sino-British Joint Declaration on Hong Kong;

Whereas the Joint Declaration provides that the entire area now under British administration will be restored to Chinese sovereignty and administration in 1997;

Whereas following 1997, Hong Kong will become a Special Administrative Region of the People's Republic of China;

Whereas the Joint Declaration states that the People's Republic of China will provide that the Hong Kong Special Administrative Region will retain its capitalist system for 50 years after 1997, have a "high degree of autonomy:, and have executive, legislative, and independent judicial power (including the power of final adjudication);

Whereas the Joint Declaration further provides that the people of Hong Kong will continue to enjoy their existing rights and freedoms under Hong Kong law, which is based on a foundation of equity and common law principles, and that the Special Administrative Region will essentially be "Hong Kong people administering Hong Kong";

Whereas under the Joint Declaration, all basic policies of the People's Republic of China regarding Hong Kong will be stipulated in a Basic Law drafted by a Drafting Committee appointed by the National People's Congress of the People's Republic of China;

Whereas the Basic Law will replace existing constitutional instruments of Hong Kong;

Whereas the second draft of the Basic Law was released on February 27, 1989, and will be submitted to the Standing Committee of the National People's Congress for approval after another round of public consulation;

Whereas the second draft of the Basic Law raises serious doubts about whether the promises of a high degree of autonomy, vested legislative, executive, and independent judicial power (including the power of final adjudication), and a system of government that provides that Hong Kong people will administer Hong Kong, will be honored;

Whereas the proposal in the second draft of the Basic law for the election of the chief executive and the Legislative Council of the Hong Kong Special Administrative Region will prevent direct popular elections until at least 2011;

Whereas the second draft also does not provide adequate human rights safeguards for the citizens of Hong Kong;

Whereas the second draft does not contain the specific provisions of the International Covenant on Civil and Political Rights or the International Covenant on Economic, Social and Cultural Rights;

Whereas in order for the rights guaranteed in these covenants to be provided to Hong Kong citizens after 1997, they must first be implemented through the laws of the Hong Kong Special Administrative Region;

Whereas such laws must pass the Legislative Council and be agreed to by the chief executive; neither of which will be directly elected until at least 2011;

Whereas the Sino-British Joint Declaration on Hong Kong allows the British Government to retain complete sovereignty over Hong Kong until 1997;

Whereas the Foreign Affairs Committee of the British House of Commons is investigating implementation of the Joint Declaration to ensure that its guarantees to the people of Hong Kong are honored;

Whereas the prospect of Chinese interference in Hong Kong's economic system has already had disturbing effects, including the fact that more than 45,000 Hong Kong residents plan to flee the colony in 1989 for Australia, Canada, and the United States and the fact that 20,000 Canadian immigrant visas were reported issued in 1987 to Hong Kong investors, entrepreneurs, and independent skilled migrants;

Whereas almost half of Hong Kong's professionals and executives are planning to leave Hong Kong or have acquired the right of residency overseas; and

Whereas the future of Hong Kong has significant economic ramifications for the United States since United States total investment in Hong Kong was $6.0 billion in 1987, while Hong Kong's exports to the United States totaled $11.1 billion, or 31 percent of its exports, and Hong Kong represents the 15th largest market in the world for United States exports and is in the top three markets for many United States materials and agricultural products: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) believes that it is in the United States national interest that there be strong, freely elected democratic insitutions established in Hong Kong long before 1997, to help ensure that the transfer of sovereignty from the United Kingdom to the People's Republic of China will, for the 50 years after 1997, not endanger the economic and personal freedoms and the human rights now enjoyed by the people of Hong Kong.

(2) urges the British Government to ensure the highest possible degree of direct elections in 1991 and 1994 to the Legislative Council of Hong Kong; and

(3) in light of the provisions of the second draft of the Basic law, calls upon the President to communicate to the People's Republic of China and to the Government of the United Kingdom the high degree of importance the United States attaches to the democratic rights of Hong Kong's citizens, the stability and retention of Hong Kong's capitalist system, and the guarantees of basic and fundamental human rights for Hong Kong's citizens.

Mr. HATFIELD. Mr. President, the horrible scenes of the bloody slaughter in Tiananmen Square will be etched in our minds for many years to come: The men and women killed there will be remembered by history as martyrs to freedom, but even their noble cause provides little comfort to grieving families. In this world which all too often seems immune to violence and suffering, the random and senseless brutality of the Chinese army has shocked even the most complacent among us.

While world attention has been focused on the Chinese Government's brutal response to calls for reform and democracy in Beijing and other cities, nowhere outside China itself are the implications of the unfolding drama as profound as they are in Hong Kong. In 1997—less than a decade from now—the 5.6 million people of Hong Kong and the miraculous slice of land on which they live will be handed over to China.

On behalf of the people of Hong Kong—hundreds of thousands of whom have been pouring into the streets to protest the barbarism of the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Chinese Government—I rise to submit a concurrent resolution expressing the deep interest of the United States in democracy, human rights and the guarantee of personal and economic freedoms in Hong Kong after 1997.

The concurrent resolution, which has been introduced in the House by Congressman JOHN PORTER, urges the British Government to establish the framework for democracy in Hong Kong prior to 1997 and calls on President Bush to communicate to the Chinese and to the British the high degree of importance the United States attaches to Hong Kong's security, freedom, and stability.

The message this concurrent resolution is intended to send is quite simple: The United States cares deeply about Hong Kong, her people and her future.

Mr. President, there is ample reason for this concurrent resolution. In the aftermath of last week's massacre, I am sure that my colleagues share my doubts that China can be relied upon to keep its promise that Hong Kong will be allowed to retain its capitalist system and all the accompanying freedoms for 50 years after 1997. Unfortunately, however, neither the British nor the United States seems particularly concerned.

Make no mistake: The people of Hong Kong are concerned. Those who have the money and the resources have begun to flee already, and thousands more will leave before the year's end. But millions of people do not have the money or the resources to leave, and it is their future about which we must be concerned.

The constitution which will govern Hong Kong after 1997 is being drafted now—and will be finalized in 2 years. Under the present draft, the Chief Executive and Legislative Council will not be directly elected until at least 2011—and only then if the sitting Chief Executive, who will be favorable to Beijing, agrees. The present draft also lacks critical human rights guarantees.

We have an unfortunate habit in this Congress of focusing on issues and policies only when they are making front page headlines. Although few of us will be able to forget the scenes from Tiananmen Square, the media soon will move on to other topics. So will we.

If anything positive can emerge in the aftermath of last week's massacres, Mr. President, it is that we have been forced to focus on the future of Hong Kong. Before we move on to other topics, I hope very much that we will act on behalf of the people of Hong Kong by agreeing to this concurrent resolution and demonstrating our commitment to their future.

SENATE CONCURRENT RESOLUTION 52—ESTABLISHING SCIENCE, MATHEMATICS, AND TECHNOLOGY EDUCATION AS A NATIONAL PRIORITY

Mr. HATFIELD (for himself, Mr. GLENN, and Mr. WARNER) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 52

Whereas there is a strong correlation between the quality of education and both the Nation's ability to compete in an increasingly technology-driven global market and its capacity for responsible, informed citizenship;

Whereas the need for improvement in education is acute in the areas of science, mathematics, and technology;

Whereas a national science education policy must be sensitive to the goals of (1) ensuring that all young persons achieve a level of technological literacy adequate to prepare them for the demands of a scientific and technologically oriented society; and (2) ensuring an adequate supply of talented and highly-trained American scientists, engineers and technicians;

Whereas numerous research reports indicate the Nation is not achieving these goals;

Whereas the most recent assessment of educational progress in the United States reveals that a majority of 17-year-olds are poorly equipped for informed citizenship and productive performance in the workplace; and

Whereas women and minorities, who will comprise 85 percent of the entering workforce by the year 2000, continue to be underserved by science and mathematics, and are underrepresented in scientific and technical fields;

Whereas the percentage of American students in the population-at-large pursuing undergraduate degrees and advanced degrees in the natural sciences, mathematics, and engineering has been declining over the last decade; Now therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) this Nation should dedicate its resources to the development of both a broad pool of citizens who are functionally literate in science, mathematics, and technology and a highly-trained scientific and technical workforce;

(2) a national science education policy in the coming decade should address these critical needs:

(A) serving students who traditionally have been underserved and underexposed to the disciplines of science, mathematics, and technology, including students from remote geographical areas and students from inner city areas;

(B) implementing curriculum that places a strong emphasis on reinforcing science and mathematics concepts at each grade level; and

(C) involving classrooms teachers and school administrators in all aspects of education reform in these areas of need; and preparing teachers adequately for these disciplines; and

(3) this national challenge can be met through the Nation's schools with strong leadership from Federal, State, and local governments and with long-term commitments from the civic, business, and engineering communities.

Mr. HATFIELD. Mr. President, I rise today, with my distinguished colleague from Ohio, Mr. GLENN, and my colleague from Virgina, Mr. WARNER to address this body on a matter of great importance for the future of this country. I have addressed the issue of our Nation's lack of technological literacy before, and I will continue to do so until we as a nation recognize that mathematics, science, and technology education should be a national priority.

In our modern society there are millions of people to whom science, such as physics and chemistry, seem to be part of a foreign language of a distant land. These multitudes do not realize that science and technology are the backbone of this Nation. They do not understand that such important issues as the competitiveness of American industry, the effectiveness of our national security, the advancement of our health as a nation, and the continued viability of our environment depend on science and technology.

The problem is really quite simple: our demand for scientists and engineers is outstripping the supply. In the last 13 years, the demand for scientists and engineers in every sector of the U.S. economy has increased 85 percent. The demand is emanating from several key groups in the United States. In business and industry, for example, over 50 percent of the Hewlitt-Packward products now on the market were created in the last 3 years through research and development. In our national defense establishment, an estimated 150,000 scientists and engineers at the Defense Department, in private industry and in universities, are working on SDI research alone.

And in medical research, funding for AIDS research has quadrupled in the last 4 years from $300 million in fiscal year 1986 to $1.2 billion today.

As the demand for scientists and engineers is growing, the pool of qualified individuals is evaporating. The Office of Technology Assessment predicts a shortfall of 700,000 scientists and engineers by the year 2000. Of the Nation's 24,000 high schools, 7,000 offer no physics courses, 4,000 offer no chemistry courses, and 2,000 offer no biology courses.

Even more striking is the fact that three out of four junior high school science teachers fail to meet the National Science Teachers' Association's minimum certification requirements. And beyond the competency of our youngsters is the greater problem of a general populous which is technologically illiterate. One in seven Americans cannot find the United States on the world map.

This emerging crisis has implications for virtually every national and international challenge we face today, from industrial productivity to energy effi-

ciency and the verification of arms control agreements.

Overall, it has implications for our national security, not just for bombs and bullets, but for health and housing, and the education of our children.

And so it is with a sense of urgency that I come to the floor today to enlist the support of my colleagues. Senator GLENN, Senator WARNER, and I are submitting a concurrent resolution expressing the sense of the Congress that mathematics, science, and technology education be a national priority. This is a symbolic step, which builds upon activities currently underway in our Federal agencies, private initiatives being launched by businesses all around the country—from Upjohn in Kalamazoo to Hewlitt-Packard in San Francisco, and curriculum development projects such as "Project 2061" which is sponsored by the American Association for the Advancement of Science [AAAS]. This concurrent resolution, which has the support of the AAAS, the Triangle Coalition, and the National Science Teachers' Association, will serve to put both the National Science Foundation and the Department of Education on notice that these issues must be a priority beginning in the first grade and reinforced at each successive grade level for every child in this Nation.

We must help our people realize that we all have a stake in the quality of science and technology education in this country. I urge my colleagues to join in this effort as a first step towards translating the foreign language of science and technology into a language we can all understand.

Mr. GLENN. Mr. President, I certainly subscribe to the remarks of my distinguished colleague, Senator HATFIELD, and I rise today as an original cosponsor of this very important concurrent resolution. The concurrent resolution is about science and math education. But it raises important questions about America's future economic prosperity and technological preeminence.

I take a very personal interest in technology. I have spent much of my life working around state-of-the-art innovations. It was technological excellence long ago that carried me and others of this body on combat missions and my space flight—and technological excellence that got us back.

But there are larger, more important issues involved here today than just that. It is technological excellence that has propelled this country's industrial growth and economic prosperity, and it is technological growth that keeps us in global competition, and it is technological excellence that will play an even greater role in driving economic prosperity in the future.

Today, we confront a crisis in education that threatens America's formula for economic prosperity. We might say, "What made this Nation of ours great?" People would say resources and the purple mountain majesties, the rivers flowing to the seas, and the fruited plains that we sing about, and those were a factor.

But more than anything else, it was education in this United States; it was not just from the kid from the castle, or the politically connected, or the rich kids. It was for everybody in our society. We have not done a perfect job, but we have done it better than any other country in this world, up until now, because we are under increasing international competition.

The other one was, we learned the new things first. We plowed more of our gross national product back into basic fundamental Nobel Laureate, breakthrough, seminal-type research. With that little combination of education and research, which other nations have recognized and are now copying, we catapulted ahead of the rest of the world in a tiny little timeframe in history.

If education has been important to our past, it will be critical to our future. Indeed, our schools form the pipeline that produces the Nation's scientists, engineers, and technicians.

We must focus our attention on science and math education for two reasons: For one, the level of science literacy among America's young people is embarrassingly low. And second, we face a potential, if not real, shortage of scientific personnel.

Every new report on American education produces another horror story that has to make you wonder: How did we ever let it get to this.

The same nation that landed a man on the Moon educates fewer than one out of every five high school graduates in the laws of physics—just the basic fundamentals.

The same nation that has produced the most Nobel Laureates in chemistry teaches chemistry to only half of its high school students.

Maybe most disturbing of all is that U.S. students are being outclassed by international competitors. One study of science and math performance in six countries ranked American 13-year-olds near or at the bottom. Our young people are at or near the bottom.

Further, America's challenge is complicated by demographic projections that show a workforce increasingly comprised of minorities and women. These groups have been historically underrepresented in science and engineering. Unless we encourage more of them to enter the science pipeline, serious consequences will result.

The world is becoming increasingly technological. It has been ever thus, but the pace of technological innovation moves faster than our ability to produce technical personnel. No longer do we have a generation just to assimilate new developments and to let them gradually work in. Whole industries come to fruition or go down in a very short period of time, in a very few years, and consider the consequences.

How is this country going to be able to compete with our trading partners if we cannot produce the scientists, engineers, and technicians necessary to make internationally competitive products? And if we can't compete, how are we going to provide good jobs for our citizens? Or clean up the environment, fight crime, provide health care or defend this country?

Apart from that, our schools must do a better job if we are ever to realize the Nation's goals of equal opportunity. In our high-technology economy, a technical education is now, more than ever, a ticket to getting hired or admitted into college. For some, it may be the only way out of poverty.

I believe that national leadership is desperately needed. We need national leadership to focus attention on the quality of science and math education. We need the President fully prepared to press for solutions in the Congress.

As well as in State legislatures, local school boards, schools, and homes.

Everyone with a stake in the education of our young people must get involved.

But if we agree that the current state of science and math education is a national problem, indeed a national crisis, we must have leadership and support from the Federal Government.

This is why I believe the Congress of the United States should express its sentiment that science, math and technology education should be a national priority. I urge my colleagues to cosponsor this resolution.

I yield the floor.

SENATE CONCURRENT RESOLUTION 53—RELATING TO IRANIAN PERSECUTION OF THE BAHA'IS

Mr. DODD (for himself, Mr. BOSCHWITZ, Mr. HEINZ, Mr. DIXON, Mr. MITCHELL, Mr. DOLE, Mr. DURENBERGER, Mr. LIEBERMAN, Mr. DASCHLE, Mr. LUGAR, Mr. GORTON, Mr. PELL, Mr. GRAHAM, Mr. SIMON, Mr. INOUYE, Mr. CHAFEE, Mr. JEFFORDS, Mr. PRESSLER, Mr. KENNEDY, Mr. BURDICK, Mr. KERRY, Mr. SARBANES, Mr. COHEN, Mr. GLENN, Mr. EXON, Mr. BIDEN, Mr. DECONCINI, Mr. STEVENS, Mr. D'AMATO, Mr. BUMPERS, Mr. HOLLINGS, Mr. CONRAD, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. MCCAIN, Mr. DOMENICI, Mr. CRANSTON, Mr. RIEGLE, Mr. SIMPSON, Mr. MACK, Mr. GORE, Mr. WIRTH, Mr. BRADLEY, Mr. MOYNIHAN, Mr. HATFIELD, Mr. WILSON, Mr. PACKWOOD, Mr. HUMPHREY, and Mrs. KASSEBAUM) submitted the following concurrent reso-

lution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 53

Whereas in 1982, 1984, and 1988, the Congress, by concurrent resolution, declared that it holds the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i Faith, Iran's largest religious minority;

Whereas in such resolutions and in numerous other appeals, the Congress condemned the Iranian Government's persecution of Baha'is, including the execution of more than 200 Baha'is and the imprisonment of additional thousands on account of their religious beliefs;

Whereas the Congress has urged the President to work with other governments and with the United Nations in support of the rights of Iranian Baha'is;

Whereas recent reports indicate a decline in the numbers of Baha'is executed or imprisoned in Iran and the restoration of some confiscated business and personal properties; and

Whereas, despite such actions affecting individual Baha'is, the Government of Iran continues to deny the Baha'i community the right to organize, select its leaders, acquire and maintain places of worship or assembly, operate religious schools, and conduct other religious activities: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) continues to hold the Government of Iran responsible for upholding the rights of all its nationals, including Baha'is, in a manner consistent with that Government's obligations under international law which guarantee the civil and political rights of its citizens;

(2) acknowledges reports of recent improvements in the treatment of individual Baha'is, including a decline in the number of executions and the release of many Baha'is imprisoned on religious charges;

(3) expresses concern that the Baha'i community as a whole remains an oppressed minority which is denied legal recognition and internationally recognized rights which would permit Baha'is to organize, hold property, operate religious schools, and conduct the normal activities of a peaceful law-abiding religious community;

(4) urges the Government of Iran to extend to the Baha'i community the rights guaranteed by the Universal Declaration of Human Rights and other relevant human rights accords, including freedom of thought, conscience and religion, education, and equal protection of the law; and

(5) calls upon the President—

(A) to emphasize the need for improvements in the Government of Iran's human rights practices, particularly Iran's treatment of Baha'is and other religious minorities, as an important factor in the development of the United States Government's relations with the Government of Iran;

(B) to encourage other governments to continue to appeal to the Government of Iran concerning the situation of the Baha'is;

(C) to cooperate with other governments and international organizations in joint appeals and to initiate and support actions by the United Nations and its agencies to promote the protection of the religious rights of Baha'is; and

(D) to provide, and to urge others to provide, for refugee and humanitarian assistance for those Baha'is who flee their homelands on account of religious repression.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the European Parliament and to the Commission of the European Community for distribution to the member States of the European Community.

● Mr. BOSCHWITZ. Mr. President, it is an honor for me to introduce, along with my colleague Senator DODD, this resolution once again bringing attention to Iran's persecution of the Baha'is. This will be the fourth such resolution considered by Congress in this decade. I wish it were otherwise, that there was no need for such resolutions. But there is, and I believe that they have had a positive impact on the treatment of the Baha'is in Iran.

Indeed, the situation of the Baha'is has shown some improvement recently. The number of Baha'is executed and imprisoned has been reduced, and some of their property has been returned.

At the same time, however, as this resolution states, the Baha'is remain an oppressed minority. Among other restrictions placed on them by the Government of Iran, they are barred from organizing themselves as they see fit, from operating religious schools, and from enjoying the human rights which Iran committed itself to extend to all of its people when it signed the universal declaration of human rights.

The world is carefully watching the evolution of events in Iran in the wake of Ayatollah Khomeini's death. Many are hoping for a less oppressive regime to emerge, one exhibiting greater moderation and tolerance toward all religious minorities, including the Baha'is. This resoluton keeps these hopes in the spotlight of international concern.

In calling upon the President to emphasize to Iran the need for it to improve its human rights practices if bilateral relations are to improve, this resolution remains true to our own heritage of supporting human rights on a worldwide basis. And by asking the President to use multilateral efforts to promote the protection of the Baha'is religious rights, this resolution sends a clear signal to Iran that the world will closely watch its actions in regard to its own citizens.

Mr. President, many tragedies in the 20th century could have been avoided if people and nations had spoken up and taken action earlier than they did. By passing this resolution, the Senate will speak up once again in expressing its concern over the treatment of the Baha'is and other religious minorities in Iran. We have had an impact in the past. I am committed to making every effort to ensuring that we have one now and in the future.●

AMENDMENTS SUBMITTED

ACT FOR BETTER CHILD CARE

JEFFORDS (AND OTHERS) AMENDMENT NO. 220

Mr. JEFFORDS (for himself, Mr. DODD, and Mr. BOND) proposed an amendment to the bill (S. 5) to provide for a Federal program for the improvement of child care, and for other purposes, as follows:

On page 91, after line 24, add the following new subsection:

(c) EFFECT ON STATE LAW.—Nothing in this title shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by sectarian institutions.

DOMENICI (AND GRASSLEY) AMENDMENT NO. 221

Mr. DOMENICI (for himself and Mr. GRASSLEY) proposed an amendment to the bill S. 5, supra, as follows:

On page 88, after line 14, add the following new section:

"(b) Subsection (a) shall not apply to funds received by an eligible child care provider as defined in section 103(8)(B)."

Renumber as appropriate.

BENTSEN AMENDMENT NO. 222

Mr. BENTSEN proposed an amendment to amendment No. 202 proposed by Mr. DOLE to the bill S. 5, supra, as follows:

Strike all after "SUBTITLE" on page 1 on line 3 of the amendment and insert the following:

A—TAX CREDIT FOR CERTAIN HEALTH INSURANCE PREMIUMS AND CHILD CARE AND SUPPLEMENTAL EARNED INCOME CREDIT FOR FAMILIES WITH YOUNG CHILDREN

SEC. 211. CREDIT FOR HEALTH INSURANCE PREMIUM COSTS

(a) ALLOWANCE OF CREDIT.—Paragraph (1) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual who maintains a household which includes as a member 1 or more qualifying individuals, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the applicable percentage of the employment-related expenses paid by such individual during the taxable year, plus

"(B) the credit percentage of the qualified health insurance expenses paid by such individual during the taxable year."

(b) CREDIT PERCENTAGE.—Section 21(a) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) CREDIT PERCENTAGE.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'credit percentage' means 50 percent reduced (but not below zero) by 16.67 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $12,000.

"(B) SPECIAL RULE.—In the case of taxable years beginning before 1994, subparagraph (A) shall be applied by substituting in the case of any taxable year beginning in—

"(i) 1991, '35 percent',

"(ii) 1992, '40 percent', and

"(iii) 1993, '45 percent', for '50 percent'."

(c) LIMITATIONS.—

(1) DOLLAR LIMITATION.—Section 21(c) of the Internal Revenue Code of 1986 is amended to read as follows:

"(c) LIMITATIONS.—

"(1) DOLLAR LIMIT ON EMPLOYMENT-RELATED EXPENSES.—The amount of the employment-related expenses paid during any taxable year which may be taken into account under subsection (a)(1)(A) shall not exceed—

"(A) $2,400 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(B) $4,800 if there are 2 or more such qualifying individuals.

The amount determined under subparagraph (A) or (B) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 for the taxable year.

"(2) QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed $1,000."

"(2) EARNED INCOME LIMITATION.—

"(A) IN GENERAL.—Section 21(d) of such Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR QUALIFIED HEALTH INSURANCE EXPENSES.—The amount of the qualified health insurance expenses paid during any taxable year which may be taken into account under subsection (a)(1)(B) shall not exceed the excess (if any) of—

"(A) the earned income of the taxpayer for the taxable year, over

"(B) the amount of employment-related expenses taken into account under subsection (a)(1)(A)."

(B) CONFORMING AMENDMENT.—Paragraph (1) of section 21(d) of such Code is amended by striking "subsection (a)" and inserting "subsection (a)(1)(A)".

(d) DEFINITIONS AND RULES.—

(1) QUALIFIED HEALTH INSURANCE EXPENSES.—Section 21(b) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFIED HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified health insurance expenses' means amounts paid during the taxable year for insurance—

"(i) which constitute medical care (within the meaning of section 213(d)(1)(C)), and

"(ii) under which coverage includes at least 1 qualifying individual.

For purposes of this paragraph, the rules of section 213(d)(6) shall apply.

"(B) QUALIFYING INDIVIDUAL.—For purposes of this paragraph and subsection (a)(1)(B), the term 'qualifying individual' means an individual described in paragraph (1)(A), except that such paragraph shall be applied by substituting 'age of 19' for 'age of 13'.

"(C) ELECTION NOT TO TAKE CREDIT.—A taxpayer may elect for any taxable year to have amounts described in subparagraph (A) not treated as qualified health insurance expenses."

(2) IDENTIFYING INFORMATION REQUIRED.—Section 21(e)(9) of such Code is amended by adding at the end thereof the following new sentence: "In the case of the credit allowable under subsection (a)(1)(B) for qualified health insurance expenses, the Secretary may require an insurance policy number in addition to (or in lieu of) the taxpayer identification number."

(e) COORDINATION WITH DEDUCTION FOR SELF-EMPLOYED INDIVIDUALS.—Section 162(1) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (5) and paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) COORDINATION WITH HEALTH INSURANCE PREMIUM CREDIT.—Paragraph (1) shall not apply to any amount taken into account in computing the amount of the credit allowed under section 21."

(f) CONFORMING AMENDMENTS.—

(1) The heading for section 21 of the Internal Revenue Code of 1986 is amended by inserting "; HEALTH INSURANCE EXPENSES" after "EMPLOYMENT".

(2) The item relating to section 21 in the table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting "; health insurance expenses" after "employment".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. DEPENDENT CARE AND HEALTH INSURANCE PREMIUM CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000 ($14,000 in the case of a married individual filing a separate return).

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (withing the meaning of section 21(f)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses and qualified health insurance expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated employment-related expenses and qualified health insurance expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1990.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1991.

(A) 90 percent of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 of such Code, and

(B) the remaining 10 percent of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(A) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of this paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

"(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end there of the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense or qualifying health insurance expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES. The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. SUPPLEMENTAL EARNED INCOME CREDIT FOR FAMILIES WITH YOUNG CHILDREN.

"(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $750 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 10 percent (7 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 20 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the lesser of—

"(A) $10,000, as adjusted under subsection (i), or

"(B) $12,000."

"(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 4."

(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (1) of section 32 of such Code is amended—

(A) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(B) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)(A)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

"(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(E) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by adding at the end thereof the following new flush sentence:

"A separate advance amount table shall be prescribed for the credit under section 32(a)(2) in the same manner as provided under the preceding sentence, except that the applicable percentage under section 32(a)(2)(b) shall be substituted for 14 percent."

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 215 STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 212(b)(1) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comproller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215–B. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury, or the Secretary's delegate, shall establish a taxpayer awareness program to inform the tax paying public of the availability of the credit for dependent care and health insurance premiums allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact and any other appropriate means of communication to carry out the provisions of this section.

SEC. 215–C. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, EVERYTHING IN THIS ACT WHICH FOLLOWS THIS SECTION AND PRECEDES SECTION 216 SHALL BE NULL AND HAVE NO FORCE OR EFFECT.

In lieu of the matter proposed to be stricken on page 104, line 17, insert the following: "and qualified health insurance expenses."

In lieu of the matter proposed to be stricken on page 105, lines 2 and 3, insert the following: "and qualified health insurance expenses."

In lieu of the matter proposed to be stricken on page 107, lines 19 and 20, insert the following: "or qualifying health insurance expenses."

In lieu of the matter proposed to be stricken on page 109, line 2, insert the following: "and health insurance premiums.".

DOLE AMENDMENT NO. 223

Mr. DOLE proposed an amendment to the bill S. 5, supra; as follows:

Beginning on page 97, line 5, strike all through page 109, line 10, and insert the following:

TITLE II—INTERNAL REVENUE CODE PROVISIONS

This Title shall be effective after December 30, 1990.

Subtitle A—Earned Income Credit and Dependent Care Credit

SEC. 211. INCREASE IN EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—There is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the following amounts:

"(1) GENERAL CREDIT.—In the case of an eligible individual, an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed $5,714.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—

"(A) IN GENERAL.—In the case of an eligible individual with 1 or more qualifying children, an amount equal to the lesser of—

"(i) the applicable percentage of so much of the earned income for the taxable year as does not exceed $5,714, or

"(ii) $570 ($500 for an eligible individual with only 1 qualifying child).

"(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means 12 percent (8 percent for an eligible individual with only 1 qualifying child).

"(b) LIMITATIONS.—

"(1) GENERAL CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a)(1) for any taxable year shall be reduced (but not below zero) by 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(2) SUPPLEMENT FOR YOUNG CHILDREN.—The amount of the credit allowable to a taxpayer under subsection (a)(2) for any taxable year shall be reduced (but not below zero) by 15 percent (10 percent for an eligible individual with only 1 qualifying child) of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000."

"(b) QUALIFYING CHILD DEFINED.—Subsection (c) of section 32 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means, for the taxable year, an individual—

"(A) with respect to whom the taxpayer qualifies as an eligible individual, and

"(B) who, as of the end of such taxable year, has not attained the age of 5."

"(c) CONFORMING AMENDMENTS.—

(1) Subsection (f)(1) of section 32 of the Internal Revenue Code of 1986 is amended by inserting "(including separate tables for individuals with qualifying children)" after "Secretary".

(2) Subsection (i) of section 32 of such Code is amended—

(1) by inserting "('calendar year 1990' for 'calendar year 1987' in the case of the dollar amount referred to in clause (iii) of paragraph (2)(B))" before the period at the end of paragraph (1)(B), and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1986 in the case of the dollar amount referred to in clause (i) of subparagraph (B),

"(ii) 1987 in the case of the dollar amount referred to in clause (ii) of subparagraph (B), and

"(iii) 1991 in the case of the dollar amount referred to in clause (iii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in the subparagraph are—

"(i) the $5,714 amount contained in paragraphs (1) and (2)(A)(i) of subsection (a),

"(ii) the $9,000 amount contained in subsection (b)(1), and

"(iii) the $10,000 amount contained in subsection (b)(2)."

(3) Subsection (b) of section 3507 of such Code is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) states the number of qualifying children (as defined in section 32(c)(3)) of the employee for the taxable year.".

(4) Paragraph (1) of section 3507(c) of such Code is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) on the basis of the number of qualifying children (as defined in section 32(c)(3)) of the employee for such period, and".

(5) Paragraph (2) of section 3507(c) of such Code is amended—

(A) by striking "paragraph (1)(B)" and inserting "paragraph (1)(C)", and

(B) by striking "14 percent" in subparagraphs (B)(i) and (C)(i) and inserting "the sum of 14 percent and the applicable percentage".

(6) Section 3507 of such Code is amended by adding at the end thereof the following new subsection:

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

SEC. 212. DEPENDENT CARE CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle and section 6401, in the case of an applicable taxpayer, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,000.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)(2)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses (as defined in section 21(b)(2)) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the number of qualifying individuals (as defined in section 21(b)(1)) in the household maintained by the employee,

"(C) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(D) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply."

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) ADVANCE PAYMENT OF CREDIT.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

(3) ONLY PORTION OF CREDIT REFUNDABLE IN 1990.—In the case of any taxpayer to whom section 21(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies for any taxable year beginning in 1990—

(A) one-third of the amount of the credit allowable under section 21(a) of such Code for such taxable year shall be treated as a credit allowable under subpart C of part IV

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

of subchapter A of chapter 1 of such Code, and

(B) the remaining two-thirds of the amount of such credit shall be treated as a credit allowable under section 21 of such Code.

SEC. 213. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT FOR EXPENSES RELATING TO DEPENDENT CARE.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1)—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000.

"(B) HIGHER PERCENTAGES FOR LOW-INCOME TAXPAYERS.—The term 'applicable percentage' means in the case of any taxpayer with an adjusted gross income for the taxable year of—

"(i) $8,000 or less, 34 percent, and

"(ii) more than $8,000 but less than $10,000, 32 percent."

(b) CERTAIN SUBSIDIZED EXPENSES NOT ELIGIBLE FOR CREDIT.—Section 21(e) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(10) SUBSIDIZED EXPENSES.—No expense shall be treated as an employment-related expense to the extent such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 214. STUDY OF ADVANCE PAYMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall, in consultation with the Secretary of the Treasury, conduct a study of advance payments required by section 3507A of the Internal Revenue Code of 1986 (as added by section 212(b)(1)) to determine—

(1) the effectiveness of the advance payment system, and

(2) the manner in which such system can be implemented to alleviate administrative complexity, if any, for small business.

(c) REPORT.—Not later than 1 year after the date of the enactment of this title, the Comptroller shall report the results of the study conducted under subsection (a), together with any recommendations, to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 215. PROGRAM TO INCREASE PUBLIC AWARENESS.

Not later than the first day of the first calendar year following the date of the enactment of this title, the Secretary of the Treasury and the Secretary of Labor, or the Secretarys' delegates shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the credit for dependent care allowed under section 21 of the Internal Revenue Code of 1986 (as amended by this subtitle). Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures. The Secretary shall use public service and paid commercial advertising, direct-mail contact, and any other appropriate means of communication to carry out the provisions of this section.

DOMENICI (AND OTHERS) AMENDMENT NO. 224

Mr. DOMENICI (for himself, Mr. PACKWOOD, Mr. HELMS, and Mr. GRASSLEY) proposed an amendment to the bill S. 5, supra, as follows:

On page 48, between lines 3 and 4, insert the following new paragraph:

(3) PROVIDE PARENTS WITH CHOICE.—Subject to the limitation described in paragraph (2), each State that receives assistance under this Act shall provide each parent of an eligible child who receives, or whose eligible child is cared for by a child care provider that receives, assistance under this Act with the option of—

(A) enrolling such child with an eligible child care provider that receives assistance through grants or contracts as provided under subparagraphs (A) of (B) of paragraph (1); or

(B) receiving a child care certificate as provided in paragraph (1)(C).

HELMS (AND OTHERS) AMENDMENT NO. 225

Mr. HELMS (for himself, Mr. DOMENICI, and Mr. GRASSLEY) proposed an amendment to the bill S. 5, supra, as follows:

On page 88, after line 24, insert the following new subsection:

"(c) SEVERABILITY.—If any provision of this section or the application thereof to any individual or circumstance is held invalid, the invalidity shall cause the entirety of this Title to be invalid."

On page 97, delete section 126.

HEINZ AMENDMENT NO. 226

Mr. HEINZ proposed an amendment to the bill S. 5, supra, as follows:

Beginning on page 97, line 5, strike all through page 108, line 3, and insert the following:

TITLE II—INTERNAL REVENUE CODE PROVISIONS

This title shall be effective after December 30, 1990.

Subtitle A—Dependent Care Credit

SEC. 211. MODIFICATIONS OF DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT.—Paragraph (2) of section 21(a) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 45 percent reduced (but not below 20 percent) by 3 percentage points for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $12,500."

(b) NO CREDIT FOR EXPENSES SUBSIDIZED BY GOVERNMENT.—Section 21(b)(2) of the Internal Revenue Code of 1986 (defining employment-related expenses) is amended by adding at the end thereof the following new subparagraph:

"(E) EXCEPTION FOR SUBSIDIZED EXPENSES.—Employment-related expenses described in subparagraph (A) shall not be taken into account if such expenses are paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal government, a State or local government, or any agency or instrumentality thereof.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1990.

(2) The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1989.

SEC. 212. DEPENDENT CARE CREDIT MADE REFUNDABLE.

(a) CREDIT MADE REFUNDABLE.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsections (f) and (g) as subsections (g) and (h) and by inserting after subsection (e) the following new subsection:

"(f) CREDIT REFUNDABLE FOR LOW AND MODERATE INCOME TAXPAYERS.—

"(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer—

"(A) the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part, and

"(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer whose adjusted gross income for the taxable year does not exceed $28,500.

"(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies."

(b) ADVANCE PAYMENT OF CREDIT.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer (within the meaning of section 21(f)) for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses for the calendar year.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance

amount means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate,

"(C) on the basis of the percentage of the credit which is refundable under section 21(f), and

"(D) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsection (d) and (e) of section 3507 shall apply."

(2) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of dependent care credit."

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1990.

(2) ADVANCE PAYMENT OF CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1991.

On page 109, line 2, strike "and health insurance premiums".

WILSON (AND BURNS) AMENDMENT NO. 227

Mr. WILSON (for himself and Mr. BURNS) proposed an amendment to the bill S. 5, supra, as follows:

On page 47, line 9, strike out "or".

On page 47, line 14, strike out the period and insert in lieu thereof "; or".

On page 47, between lines 14 and 15, insert the following new subparagraph:

"(D) through the use of tax credits provided by the State to low income working families with children, including two parent families in which one parent cares for the children of such family at home.".

On page 72, between lines 15 and 16, insert the following new paragraph:

(5) STATE TAX CREDITS.—In calculating the Federal share for purposes of making payments to a State that certifies to the Secretary that it will provide child care tax credits as described in section 108(a)(1)(D), the Secretary shall require the State to provide 20 percent matching funds for any amounts that are to be used by the State for such tax credits.

Notwithstanding the adoption of amendment No. 224 a new category D shall be deemed added to that amendment as contained in page 1 line 6 through page 2 line 2.

MITCHELL (AND OTHERS) AMENDMENT NO. 228

Mr. MITCHELL (for himself and Mr. BOSCHWITZ) proposed an amendment to the bill S. 5, supra, as follows:

On page 130, strike lines 3 through 9, and insert: "because the employee indicates that he is covered by a health plan providing core benefits maintained by another employer".

ARCTIC COASTAL PLAIN COMPETITIVE OIL AND GAS LEASING ACT

JOHNSTON (AND BREAUX) AMENDMENT NO. 229

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. JOHNSTON (for himself and Mr. BREAUX) submitted an amendment intended to be proposed by them to the bill (S. 406) to authorize competitive oil and gas leasing and development on the Coastal Plain of the Arctic National Wildlife Refuge in a manner consistent with protection of the environment, and for other purposes, as follows:

Amend S. 406, the "Arctic Coastal Plain Competitive Oil and Gas Leasing Act", by striking all after the enacting clause and substituting therefor the following new language:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gulf of Mexico Oil Spill Prevention and Response Act".

SEC. 2. DEFINITIONS.

As used in this Act, the term—

(a) "Gulf of Mexico and lower Mississippi River" means (1) all waters seaward from the coastline east of 98 degrees west longitude and west of 80 degrees 30 minutes west longitude, extending to the seaward boundary of the exclusive economic zone as established under Presidential Proclamation Numbered 5030, dated March 10, 1983 (2) that portion of the Mississippi River running adjacent to or within the boundaries of the State of Louisiana including its navigable tributaries located adjacent to or within the State of Louisiana and (3) the Gulf Intracoastal Waterway: *Provided*, That the Secretary is directed to publish within one month of the date of enactment of this Act regulations defining the precise boundaries of the area covered by this Act;

(b) "oil" means petroleum, including crude oil or any fraction or residue therefrom;

(c) "public vessel" means a vessel which—

(i) is owned or chartered by demise, and operated by (A) the United States, (B) a State or political subdivision thereof, or (C) a foreign government; and

(ii) is not engaged in commercial service;

(d) "Secretary" means the Secretary of the Department in which the Coast Guard is operating;

(e) "spill" means any emission (other than natural seepage), intentional or unintentional, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping;

(f) "tanker" means a vessel constructed or adapted primarily for the carriage of oil in bulk or in commercial quantities as cargo; and

(g) "vessel" means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water other than a public vessel.

TITLE I—AMENDMENTS TO THE OUTER CONTINENTAL SHELF LANDS ACT

SEC. 101. OFFSHORE OIL POLLUTION COMPENSATION FUND.

(a) INCREASE IN FUND AND ESTABLISHMENT OF ACCOUNTS.—Section 302(a) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(a)) is amended by deleting the subsection in its entirety and inserting in lieu thereof the following:

"(a)(1) There is hereby established in the Treasury of the United States an Offshore Oil Pollution Compensation Fund (the "Fund"). The Fund shall contain an Oil Pollution Account and a Wetlands Protecton, Restoration and Enhancement Account (the "Wetlands Account"). Except as otherwise provided in this subsection, moneys collected pursuant to subsection (d) of this section as a result of the fee imposed on oil obtained from the Outer Continental Shelf shall be deposited into the Oil Pollution Account. Moneys collected pursuant to subsection (d) of this section as a result of the fee imposed on gas obtained from the Outer Continental Shelf shall be deposited into the Wetlands Account.

"(2) The Secretary of the Treasury shall continuously monitor the amount of moneys deposited into the Fund. When the Oil Pollution Account reaches $500,000,000, all additional moneys collected pursuant to subsection (d) of this section as a result of the fee imposed on oil obtained from the Outer Continental Shelf shall be deposited into the Wetlands Account.

"(3) Notwithstanding the previous paragraph, if at any time the Oil Pollution Account falls below $500,000,000, all moneys collected pursuant to subsection (d) as a result of the fee imposed on oil produced from the Outer Continental Shelf shall be deposited into the Oil Pollution Account until such account reaches $500,000,000.

"(4) The Oil Pollution Account shall be maintained at a level of not less than $500,000,000, and not more than $550,000,000 except that such amount shall be increased to the extent necessary to permit any moneys recovered or collected which are referred to in subsection (b)(2) of this section to be paid into the Fund.

"(5) The Oil Pollution Account within the Fund shall be administered by the Secretary and the Secretary of the Treasury as specified in this Act. The Wetlands Account within the Fund shall by administered by the Secretary of the Interior and the Secretary of the Treasury as specified in this Act.".

"(6) The Oil Pollution Account within the Fund may sue and be sued in its own name.".

(b) WETLANDS ACCOUNT.—Section 302 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812) is amended by adding a new subsection (d) as follows and redesignating the remaining subsections (d) through (f) as subsections (e) through (g):

"(d)(1) Funds deposited in the Wetlands Account shall remain available until expended and may be used solely in accordance with the provisions of this section.

"(2)(A) As soon as practicable after the date of enactment of the Gulf of Mexico Oil Spill Prevention and Response Act, the Secretary of the Interior, in conjunction and consultation with the Secretary of the Army acting through the Chief of the Corps of Engineers, the Secretary of Commerce, the Secretary of Agriculture, and the Ad-

ministrator of the Environmental Protection Agency shall initiate a process to identify and prepare a list of high priority projects to preserve, protect, enhance, restore, or create coastal wetlands in the United States.

"(B) To assist in the preparation of the list, the Secretary of the Treasury shall make funds available from the Wetlands Account to the Secretary of the Interior to prepare preliminary assessments; general or site specific inventories; reconnaissance, engineering, or other studies; preliminary design work; and such other studies as may be necessary to identify such projects.

"(C) Such funds as are necessary for these purposes, but not to exceed $10 million annually, shall be allocated by the Secretary of the Interior to the federal agencies identified in paragraph (2)(A) (including the Department of the Interior) based on the need for such funds and such other factors as the Secretary of the Interior, in consultation with the other agencies, deems appropriate to carry out the purposes of this subsection.

"(3)(A) As soon as practicable after funds are made available pursuant to paragraph (2), the Secretary of the Interior shall compile and transmit the list of priority projects to the Congress. Thereafter, the list shall be transmitted to the Congress annually as part of the President's budget submission. Such transmittal shall also include a statement from the Secretary of the Treasury indicating the amount available for expenditure from the Wetlands Account.

"(B) The list shall include, but not be limited to, the following:

(i) identification, by map or other means, of the coastal wetland area to be covered by the project; and

(ii) a detailed description of the proposed project including a justification for including such project on the list, the proposed activities to be carried out pursuant to the project, the benefits to be realized by such project, the identification of a lead agency to undertake the proposed project, an estimated timetable for the completion of project, and the estimated cost of the project.

"(C) Where such a determination if required under applicable law, benefits of projects on the list are deemed to be at least equal to the costs associated with such projects.

"(D) In preparing the list, special consideration shall be given to the inclusion of projects affecting coastal wetland areas having particularly high value as fish and wildlife habitat, for purposes of flood or pollution control and which are, or are likely to be, subject to erosion, conversion or other degradation.

"(4) Except as provided in paragraph (2), funds from the Wetlands Account shall be allocated in accordance with the list submitted pursuant to this section unless such list is modified by law: *Provided*, That funds in the Wetlands Account shall be available for projects within a state in proportion to the amount of production of oil and gas on the Outer Continental Shelf seaward from the submerged lands of such state.

"(5) Unless the list is modified by law, the Secretary of the Treasury is authorized and directed, beginning one year after the list is transmitted pursuant to paragraph (3)(A), to make funds from the Wetlands Account directly available to the head of the appropriate agency for the purpose of carrying out projects as identified on the list and in accordance with paragraph (4). If the list is modified by law, the Secretary shall take action in accordance with such modifications.

"(6) As used in this subsection, the term "project" means a complete project or, where applicable, individual phases, portions, or components thereof.".

(c) FEES.—Section 302(d)(1) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(d)(1)) is amended by striking "not to exceed 3 cents" and inserting "10 cents" and adding at the end of the thereof:

"The Secretary of the Interior shall levy and the Secretary of the Treasury shall collect a fee of 2 cents per thousand cubic feet of gas obtained from the Outer Continental Shelf, which shall be imposed on the owner of the gas when the gas is produced.".

(d) CONFORMING AMENDMENTS.—

(1) Section 302(c) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(c)) is amended by striking the word "Fund" in the first and second sentences and inserting in lieu thereof "Oil Pollution Account of the Fund" in each sentence and by striking paragraph (3) and inserting in lieu thereof:

"(3) subject to such amounts as are provided in appropriation Acts, all administrative and personnel costs of the Federal Government incident to the administration of the Oil Pollution Account of the Fund, including, but not limited to, the claims settlement activities and adjudicatory and judicial proceedings, whether or not such costs are recoverable under section 308 of this Act.".

(2) Section 302(d)(2) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(d)(2)) is amended by deleting paragraph (2) in its entirety and inserting in lieu thereof the following:

"(2) The Secretary of the Treasury, after consulting with the Secretary and the Secretary of the Interior, shall promulgate reasonable regulations relating to the collection of the fees authorized by paragraph (1) of this subsection. No regulation that sets fees, whether or not in effect, may be stayed by any court pending completion of judicial review of such regulation.".

(3) Section 302(e)(1) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(e)(1)) is amended by deleting "Fund" and inserting in lieu thereof "each account within the Fund".

(4) Section 302(e)(2) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812 (e) (2)) is amended by deleting "the Fund" in the first sentence and inserting in lieu thereof "each account within the Fund" and by deleting the last sentence of the paragraph and inserting in lieu thereof the following:

"The interest on, and the proceeds from the sale of, any obligations held in the Fund shall be deposited in and credited to the appropriate account within the Fund.".

(5) Section 302(f) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(f)) is amended by deleting "Fund" at each place where it appears in the subsection and inserting in lieu thereof "Oil Pollution Account of the Fund".

(6) Section 304(f)(1) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1814 (f) (1)) is amended by deleting "Fund" and inserting in lieu thereof "Oil Pollution Account of the Fund".

(7) Section 306(c) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 18169(c)) is amended by deleting "Fund" and inserting in lieu thereof "Oil Pollution Account of the Fund".

(8) Sections 307, 308 and 312 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1817, 1818 and 1822) are amended by deleting "Fund" each place where it appears in those sections and inserting in lieu thereof "Oil Pollution Account of the Fund".

(9) Section 309(b) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1819(b) is amended by inserting "and the Oil Pollution Account within the Fund" after "Fund".

SEC. 102. OIL SPILL RESEARCH AND DEVELOPMENT CENTER.—Section 302 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812) is amended by adding the following new subsection:

"(g)(1) The Secretary of the Department in which the Coast Guard is operating shall establish a Research and Development Center (hereinafter referred to as the 'Center') to be administered by the Commandant of the Coast Guard.

"(2) The Center shall conduct and support, through contracts and grants, research, development, testing, and training in the best available techniques, equipment, and materials to prevent, contain, remove, recover, and clean up oil spills by vessels transporting oil affecting the navigable waters of the United States and those waters extending seaward from the coastline of the United States to the seaward boundary of the exclusive economic zone as established under Presidential Proclamation Numbered 5030, dated March 10, 1983.

"(3) In administering the Center, the Secretary of the Department in which the Coast Guard is operating shall consult regularly with representatives of the Departments of Commerce, the Interior, the Environmental Protection Agency, the Navy, foreign governments, international organizations, and knowledgeable academic, industry, and other persons in order to identify and pursue development of the best available techniques, equipment, and materials.

"(4) There are authorized to be appropriated to the Secretary of the Department in which the Coast Guard is operating, for purposes of carrying out the provisions of this section, $10,000,000 in each of the fiscal years ending September 30, 1990 through September 30, 1995.".

SEC. 103. OIL SPILL CONTINGENCY PLANS.—Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended by adding at the end thereof a new subsection (j) as follows:

"(j) The holder of any oil or gas lease issued or maintained under this Act shall submit an oil spill contingency plan for approval by the Secretary prior to engaging in any exploration, development or production activities on such lease.".

SEC. 104. INSPECTION OF OIL SPILL PREVENTION AND CONTAINMENT EQUIPMENT FOR THE OUTER CONTINENTAL SHELF.—Section 22(c) of the Outer Continental Shelf Lands Act (43 U.S.C. 1348(c)) is amended by deleting the word "and" at the end of paragraph (1), replacing the period at the end of paragraph (2) with "; and" and adding a new paragraph (3) as follows:

"(3) an onsite inspection no less than two times each year without advanced notice to the operator of such facility of all equipment to prevent, ameliorate, or contain oil spillages, including equipment maintained by contractors.".

SEC. 105. DRILLS AND REQUIRED EQUIPMENT.—Section 22 of the Outer Continental Shelf Lands Act (43 U.S.C. 1348) is amended by redesignating subsections (d) through (g)

as subsections (e) through (h) and inserting a new subsection (d) as follows:

"(d) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall individually, or jointly if they so agree, promulgate regulations—

"(1) to provide for drills for familiarization with pollution control equipment and operational procedures when the equipment is placed initially and at least once every six months by the lessee or a contractor serving the lessee, with such drills simulating conditions in the area of operations and including deployment and operation of equipment; and

"(2) to require that equipment which the Secretary and the Secretary of the Department in which the Coast Guard is operating deem to be essential to carry out the oil spill contingency plan and to ensure the prompt containment of spilled oil be maintained at the site of operations.".

TITLE II.—OIL SPILL CONTINGENCY PLANNING

SEC. 201. APPLICABILITY.—This title applies to owners or operators of vessels transporting oil in the Gulf of Mexico or the lower Mississippi River and owners or operators of oil-producing, refining, or transportation facilities that, due to their location, reasonably could be expected to spill oil into or upon the Gulf of Mexico or the lower Mississippi River or adjoining shorelines.

SEC. 202. OIL SPILL CONTINGENCY PLANS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue a final rule requiring persons subject to this section to prepare and submit to the Secretary for approval an oil spill contingency plan for the prevention, containment, and cleanup of oil spills from vessels or facilities described in section 201. At a minimum, such plans must include—

(a) a clear and precise, detailed description of how the individual plan relates to and is integrated into the overall National Contingency Plan;

(b) an analysis of the "maximum probable spill" from the facility or vessel determined in accordance with the guidelines established under section 205 of this Act;

(c) procedures for early detection and timely notification regarding oil spills;

(d) a description of procedures to be used to minimize the damage from a spill and to make immediate repairs if possible;

(e) a description of countermeasures, response and cleanup personnel and equipment and their locations, and the time required to deploy them at the spill site;

(f) procedures to assess the severity of the oil spill, to plan countermeasures, and to begin cleanup efforts; and

(g) provisions for disposal of recovered spill material. Such plans shall not be required for any facility or vessel covered by an oil spill contingency plan required by the Outer Continental Shelf Lands Act. With respect to vessels, such plans shall be required to the maximum extent consistent with international law.

SEC. 203. COOPERATIVE EFFORTS.—In complying with this section, an owner or operator of a vessel or facility may rely on his or her participation in a cooperative effort with other persons subject to this title to develop satisfactory contingency plans.

SEC. 204. APPROVAL OF PLANS.—

(a) In approving the contingency plans required by this title, the Secretary shall consider the adequacy of risk analysis in the determination of maximum probable spill, the estimated response time, and the adequacy of trained personnel and communications equipment, and equipment to prevent, ameliorate and contain oil spillages.

(b) No plan shall be approved unless the Secretary determines that the equipment listed in the plan is sufficient to respond to the maximum probable spill from the vessel or facility in question.

SEC. 205. GUIDELINES FOR MAXIMUM PROBABLE SPILL.—The Secretary shall publish guidelines for the determination of maximum probable spill from a vessel or facility, taking into account the amount of oil being transported, stored, or transferred, weather and other natural conditions, technological capability, and the risk of a spill.

SEC. 206. PUBLIC AWARENESS AND PRACTICE DRILLS.

(a) The Secretary shall annually publish an up-to-date list of the contingency plans prepared for oil spills in the Gulf of Mexico and the lower Mississippi River and an inventory of equipment available for responding to such spills.

(b) The Secretary shall annually conduct practice drills of the contingency plans prepared for oil spills in the Gulf of Mexico and the lower Mississippi River pursuant to this title. The Secretary shall publish a report on such drills including an assessment of actual response time, available equipment as compared to equipment listed in the contingency plans, and requirements, if necessary, for changes in the plans.

SEC. 207. PREPARATION OF REPORT ON ADEQUACY OF OIL SPILL CONTINGENCY PLANS.

(a) Within 180 days of the date of enactment of this Act, the Secretary of Transportation, the Secretary of the Interior and the Administrator of the Environmental Protection Agency shall submit to the Congress a report which shall include their recommendations, based upon an in-depth review of all Federal, State, local and industry contingency or oil spill emergency response plans, for dealing with oil spills in connection with the exploration, development and transportation of oil in the Gulf of Mexico and lower Mississippi River. The review shall include, but not be limited to, all plans dealing with such oil spills required by the Outer Continental Shelf Lands Act (43 U.S.C. 1331, *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. 1251, *et seq.*), and the Deepwater Port Act of 1974 (33 U.S.C. 1501, *et seq.*).

(b) The review and report on contingency plan adequacy shall address, but not be limited to, the following subjects:

(1) The adequacy of the contingency or oils spill emergency response plan for dealing with potential oil spills;

(2) The adequacy and operational capacity of oil spill containment equipment, including, but not limited to, containment booms, oil skimming vessels, barge facilities, work vessels, oil spill dispersants and equipment for their application;

(3) The adequacy training, preparedness and fitness of all personnel assigned to direct and implement the contingency or oil spill emergency response plan;

(4) The adequacy of plans, personnel and pre-positioned equipment for protecting wetlands, critical habitat, environmentally sensitive areas, and fisheries;

(5) The adequacy of on-site availability of chemical dispersants and dispersing systems; and

(6) The adequacy of arrangements for enlisting the use of non-oil industry personnel and calling upon backup assistance from sources such as the national guard or the military.

TITLE III.—VESSEL DESIGN AND SPILL PREVENTION

SEC. 301. REPORT AND RECOMMENDATIONS ON SPILLS AND VESSEL DESIGN.—Within 90 days of the date of enactment of this Act, the Secretary shall submit to the Congress a report which addresses and makes recommendations on the following transportation issues related to the movement of oil through the Gulf of Mexico and the lower Mississippi River:

(a) a review of all recent oil spills in the Gulf of Mexico and the lower Mississippi River involving vessels, and whether any of these spills could have been prevented by requiring double hulls or double bottoms on such vessels, or requiring additional safety lines between towing vessels;

(b) the need or desirability, from a safety point of view, for a requirement that existing vessels engaged in the transport of oil be retrofitted and that new vessels engaged in the transport of oil be constructed to incorporate:

(1) Double bottoms or interior liners to reduce oil spill risks;

(2) An increased number of separated compartments;

(3) Bow thrusters to increase vessel maneuverability; and

(4) Any other design, equipment or operational feature which will achieve the purposes of this section and this Act to reduce the risk of oil discharges from tanker or other vessel accidents, groundings or collisions.

(c) The need or desirability, from a safety point of view, for more frequent and more rigorous Coast Guard safety and structural inspections of all vessels engaged in the transportation of oil in the Gulf of Mexico and lower Mississippi River, including both in-water inspections and dry dock inspections, with special attention directed to older vessels and to vessels over 700 feet in length.

SEC. 302. REGULATIONS ON VESSEL CREW REQUIREMENTS AND TRAINING.—Effective within 90 days of the date of enactment of this Act, the Secretary shall issue regulations which:

(a) Provide that the conditions for a Masters license for any person required to have such license who is engaged in the operation of a vessel transporting oil in the Gulf of Mexico or the lower Mississippi River shall require that the license be renewed every two years and the license holder shall submit a copy of the required physical examination by a licensed physician to the appropriate Federal agency;

(b) Provide that all required certificates of inspection for vessels engaged in the movement and transport of oil in the Gulf of Mexico or the lower Mississippi River direct and require that all watches on board ship be redundantly manned to insure back-up personnel and second opinions on radar monitoring and critical navigation decisions; and

(c) Provide to the maximum extent practicable more stringent recruiting, personnel, and job training standards for all personnel and crew operating or crewing vessels engaged in the movement or transport of oil in the Gulf of Mexico or the lower Mississippi River for the purpose of enhancing safety and reducing future risks of oil spill to the lowest level humanly possible.

SEC. 303. EQUIPMENT STANDARDS.—Not later than one year after the date of enactment of this Act, the Secretary shall issue a final rule listing the equipment that must

be carried by vessels transporting oil in the Gulf of Mexico or the lower Mississippi River to carry out the oil spill contingency plans required by section 202 of this Act.

SEC. 304. INSPECTION AND MAINTENANCE.—The Secretary shall implement regulations providing for inspection of vessels transporting oil in the Gulf of Mexico or the lower Mississippi River to ensure that each vessel is in compliance with the oil spill contingency plan required by section 202 of this Act, and to ensure that the equipment required by section 303 of this Act is on board and in good working order.

TITLE IV.—NO IMPACT ON STATE LAW OR ON LIABILITY UNDER OTHER LAW

SEC. 401. STATE LAWS AND PROGRAMS.—Nothing in this Act shall be construed or interpreted as preempting any State from imposing any liability or other requirements with respect to oil spills or to the discharge of oil within such State.

SEC. 402. LIABILITY FOR OIL SPILLS OR DISCHARGES OF OIL NOT AFFECTED BY THIS ACT.

(a) Nothing in this Act shall affect or modify in any way the obligations or liabilities of any person under other Federal or State law, including common law, with respect to oil spills or the discharges of oil.

(b) Nothing in this Act shall absolve any person of any obligations or liabilities, or reduce the obligations or liabilities of any person, under existing Federal or State law, including common law, with respect to oil spills or discharges of oil occurring prior to the date of enactment of this Act.

TITLE V.—PENALTIES

SEC. 501. (a) CIVIL PENALTIES.—A person violating any provision of titles II and III of this Act or a regulation issued under such titles is liable to the United States for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation.

(b) VESSELS.—Each vessel to which titles II and III apply that is operated in violation of such titles or a regulation issued under such titles is liable in rem for a civil penalty as prescribed in subsection (a) of this section.

(c) CRIMINAL PENALTIES.—A person willfully and knowingly violating any provision of titles II and III of this Act or a regulation issued under such titles shall be fined not more than $100,000, imprisoned for not more than five years, or both.

(d) JURISDICTION.—The district courts of the United States have jurisdiction to restrain a violation of any provision of titles II and III of this Act or a regulation issued under such titles.

TITLE VI—COOPERATIVE DEVELOPMENT OF COMMON HYDROCARBON-BEARING AREAS

SEC. 601. COOPERATIVE DEVELOPMENT OF COMMON HYDROCARBON-BEARING AREAS.—Section 5 of the Outer Continental Shelf Lands Act, as amended (42 U.S.C. 1334), is amended by adding a new subsection (j) as follows:

"(j) COOPERATIVE DEVELOPMENT OF COMMON HYDROCARBON-BEARING AREAS.—

"(1) FINDINGS.—

"(A) The Congress of the United States finds that the unrestrained competitive production of hydrocarbons from a common hydrocarbon-bearing geological area underlying the Federal and State boundary may result in a number of harmful national effects, including:

"(I) the drilling of unnecessary wells, the installation of unnecessary facilities and other imprudent operating practices that result in economic waste, environmental damage and damage to life and property;

"(II) the physical waste of hydrocarbons and an unnecessary reduction in the amounts of hydrocarbons that can be produced from certain hydrocarbon-bearing areas; and

"(III) the loss of correlative rights which can result in the reduced value of national hydrocarbon resources and disorders in the leasing of Federal and State resources.

"(2) The Secretary shall prevent the harmful effects of unrestrained competitive production of hydrocarbons from a common hydrocarbon-bearing area underlying the Federal and State boundary by protecting against drainage through the cooperative development of such area.

"(3) Whenever it shall appear that Federal oil and gas resources on the Outer Continental Shelf are being drained, or are about to be drained, by a State or any lessee, permittee or agent of a State, the Attorney General may institute a civil action in the district court of the United States for the judicial district in which the lease or land involved is located, for a temporary restraining order, injunction, or other appropriate remedy, in order to prevent the drainage of Federal oil and gas resources. Such relief shall be granted if it appears that Federal oil and gas resources on the Outer Continental Shelf are being drained or are about to be drained and the Secretary and the Governor do not agree as to the method of cooperative development of the common hydrocarbon-bearing area, including the fair and equitable apportionment of the oil and gas resources involved. Such temporary, restraining order, injunction, or other appropriate remedy shall remain in full force and effect until such time as the Secretary and the Governor of the State reach agreement on such method of cooperative development and apportionment of resources or until the court enters a final judgment on the merits of the matter.

"(4) Whenever it shall appear that State oil and gas resources on the Outer Continental Shelf are being drained, or are about to be drained, by the United States or any lessee, permittee, or agent of the United States, the State may institute a civil action in the district court of the United States for the judicial district in which the lease or land involved is located, for a temporary restraining order, injunction, or other appropriate remedy, in order to prevent the drainage of State oil and gas resources. Such relief shall be granted if it appears that State oil and gas resources on the Outer Continental Shelf are being drained or are about to be drained and the Secretary and the Governor do not agree as to the method of cooperative development of the common hydrocarbon-bearing area, including the fair and equitable apportionment of the oil and gas resources involved. Such temporary restraining order, injunction, or other appropriate remedy shall remain in full force and effect until such time as the Secretary and the Governor of the State reach agreement on such method of cooperative development and apportionment of resources or until the court enters a final judgment on the merits of the matter.

KASTEN (AND OTHERS) AMENDMENT NO. 230

Mr. KASTEN (for himself, Mr. PRYOR, Mr. DASCHLE, Mr. BUMPERS, Mr. BOREN, Mr. RIEGLE, Mr. DOLE, Mr. PRESSLER, and Mr. BURNS) proposed an amendment to the bill S. 5, supra, as follows:

On page 126, strike lines 18 through 21, and insert:

"(2) HIGHLY COMPENSATED EMPLOYEE.—

"(A) IN GENERAL.—The term 'highly compensated employee' has the meaning given such term by section 414(q); except that paragraph (5)(B) of such section shall not apply.

"(B) SPECIAL RULE FOR CERTAIN 5-PERCENT OWNERS.—Notwithstanding subparagraph (A), no amount shall be included under subsection (a) in the gross income of a highly compensated employee for any taxable year if such employee is treated as a highly compensated employee by reason of paragraph (1)(A) of section 414(q) and such employee has adjusted gross income for such taxable year of less than $30,000. In the case of years beginning after 1990, the $30,000 amount under the preceding sentence shall be adjusted at the same time and in the same manner as the $75,000 and $50,000 amounts are adjusted under section 414(q)(1).

On page 134, beginning with line 22, strike all through page 135, line 9, and insert:

"(a) IMPOSITION OF TAX.—

"(1) GENERAL RULE.—There is hereby imposed a tax equal to the applicable percentage of the amounts paid or incurred during any taxable year under a specified employee benefit plan which at any time during the taxable year does not meet the requirements of subsection (c).

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'applicable percentage' means—

"(i) 10 percent with respect to amounts paid or incurred which are allocable to the 1st 6 months of the correction period,

"(ii) 20 percent with respect to amounts paid or incurred which are allocable to the 2nd 6 months of the correction period, and

"(iii) 34 percent with respect to any other amounts.

"(B) CORRECTION PERIOD.—The term 'correction period' means, with respect to any failure, the period—

"(i) beginning on the date any of the persons referred to in paragraph (3) knew, or exercising reasonable diligence knew, that such failure existed, and

"(ii) ending on the date such failure is corrected.

"(3) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by paragraph (1):

"(A) In the case of a plan other than a multiemployer plan, the employer.

"(B) In the case of multiemployer plan, the plan.

On page 135, line 16, strike "subsection (a)(2)" and insert "subsection (a)(3)".

On page 136, line 1, strike "subsection (a)(2)" and insert "subsection (a)(3)".

On page 148, between lines 2 and 3, insert:

(6) DELAY IN APPLICATION OF QUALIFICATION RULES.—Section 4980C of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to plan years beginning after the later of—

(A) December 31, 1989, or

(B) the earlier of—

(i) 3 months after the Secretary of the Treasury or his delegate issues regulations for the application of such section which taxpayers may rely upon, or

(ii) December 31, 1990.

Notwithstanding paragraph (5), in the case of a small employer (as defined in para-

graph (5)), section 4980C of such Code shall apply to years beginning after the date which is one year after the date determined under the preceding sentence.

(7) GUIDANCE.—Not later than January 1, 1990, the Secretary of the Treasury or his delegate shall issue such guidance as may be necessary to comply with the provisions of section 89 of the Internal Revenue Code of 1986 (as amended by subsection (a)).

KASTEN AMENDMENT NO. 231

Mr. KASTEN proposed an amendment to the bill S. 5, supra, as follows:

Insert in the appropriate place the following: "Nothing in this Act shall be construed to require, or to mandate the States to require, the training or licensing of individuals to provide child care to members of their families."

BIDEN (AND OTHERS) AMENDMENT NO. 232

Mr. BIDEN (for himself, Mr. HATCH, Mr. MITCHELL, Mr. GORTON, Mr. DOLE, Mr. HEFLIN, Mr. BUMPERS, Mr. DECONCINI, and Mr. BREAUX) proposed an amendment to the bill S. 5, supra, as follows:

At the appropriate place insert the following:

SEC. . That subsection (a) of section 700 of title 18, United States Code, is amended to read as follows:

"(a) Whoever knowingly and publicly mutilates, defaces, burns, displays on the floor or ground, or tramples upon any flag of the United States shall be fined not more than $1,000 or imprisoned for not more than one year, or both.".

DODD AMENDMENT NO. 233

Mr. DODD proposed an amendment to the bill S. 5, supra, as follows:

At the appropriate place, insert the following:

(2)(A) If, for any fiscal year for which funds are appropriated to carry out this Act, a State does not seek or receive assistance under this Act, then

(i) for purposes of sections 105, 106, 107, 109, 110, 117, 119, a reference applicable to such State (other than a reference to State law, including licensing and regulatory requirements) shall be deemed to be a reference to each unit of general purpose local government in the State;

(ii) the Secretary shall allot to such unit the pro rata share of such unit attributable to the amount that is allotted to the State under section 105(b); and

(iii) each such unit is eligible to receive assistance under this Act if such unit complies with the requirements of such sections, other than any of such requirements that is expressly waived by the Secretary because its application to such unit is inappropriate.

(B) For purposes of making the allotment required by subparagraph (A), the number of children in a geographical area that lies in the jurisdiction of more than 1 unit of general purpose local government shall be divided equally among all units of general purpose local government—

(i) in which such area lies; and

(ii) which submit an application under this section.

(C) In order to receive funds under subsection (A), a unit of general purpose local government shall submit to the chief executive officer of the state a copy of the plan otherwise required of the state under section 107, assuring the compliance of the unit of general purpose local government with the requirements of the plan, as appropriate, and shall submit a report to the state consistent with the terms and provisions of the report otherwise required of the title under section 111(g).

HATCH AMENDMENT NO. 234

Mr. HATCH proposed an amendment to the bill S. 5, supra, as follows:

In section . added by Amendment 199 strike all matter after subsection (b) and insert the following:

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to wages or income earned after the date of the enactment of this Act.

EXCHANGE OF CERTAIN LANDS

BURDICK AMENDMENT NO. 235

Mr. MITCHELL (for Mr. BURDICK) proposed an amendment to the bill (H.R. 2119) to authorize the exchange of certain Federal public land in Madison County, IL; as follows:

Strike section 1(a) and insert in lieu thereof the following:

"(a) EXCHANGE OF LAND.—Subject to section 2, at such time as the Blue Tee Corporation conveys all right, title, and interest in and to the land described in subsection (b)(1) to the United States of America, the Secretary of the Army (hereinafter "Secretary") shall convey all right, title, and interest in and to the land described in subsection (b)(2) to the Blue Tee Corporation."

At the end of Section 2 add the following new section:

"SEC. 3. VALUE OF PROPERTIES.

"If the appraised fair market value, as determined by the Secretary, of the land conveyed to the Blue Tee Corporation by the Secretary under section 1(a) exceeds the appraised fair market value, as determined by the Secretary, of the land conveyed to the United States by the Blue Tee Corporation under section 1(a), the Blue Tee Corporation shall pay the difference to the United States."

Delete all of Subsection Two (2) and insert in lieu thereof the following:

"(2) REMOVAL OF IMPROVEMENTS.—The Blue Tee Corporation may remove any improvements on the land described in section 1(b)(1). Furthermore, the Secretary, at his discretion, may require the Blue Tee Corporation to remove any improvements on the land described in section 1(b)(1). In either case, the Blue Tee Corporation shall hold the United States harmless from liability, and the United States shall not incur any cost associated with the removal or relocation of such improvements."

STRATEGIC PETROLEUM RESERVE AUTHORIZATION

JOHNSTON AMENDMENT NO. 236

Mr. MITCHELL (for Mr. JOHNSTON) proposed an amendment to the amendment of the House to the bill (S. 694) to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes, as follows:

Strike out the matter proposed to be inserted by the House amendment to S. 694 and insert in lieu thereof the following:

SECTION 1. EXTENSION.

Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended—

(1) in section 171, by striking out "June 30, 1989" each place it appears and inserting in lieu thereof "April 1, 1990"; and

(2) in section 104(b)(1), by striking out "June 30, 1989" and inserting in lieu thereof "April 1, 1990".

SEC. 2. STUDY AND REPORT ON OIL LEASING AND OTHER ARRANGEMENTS TO FILL SPR TO ONE BILLION BARRELS.

(a) IN GENERAL.—The Secretary of Energy shall carry out a study on potential financial arrangements (including long-term leasing of crude oil and storage facilities) that could be used to provide additional, alternative means of financing the filling of the Strategic Petroleum Reserve to 1,000,000,000 barrels. In carrying out such study, the Secretary shall—

(1) assume that the legislation that extends title I of the Energy Policy and Conservation Act beyond April 1, 1990, will require the Secretary to amend, by July 1, 1990, the Strategic Petroleum Reserve Plan to provide plans for completion of storage of 1,000,000,000 barrels of petroleum products in the Reserve at an average fill-rate of at least 75,000 barrels a day;

(2) consider a broad array of such arrangements;

(3) consult with persons in the private sector who might be interested in leasing crude oil or storage facilities;

(4) initiate, in cooperation with the Department of State, to the extent consistent with the interests of the United States discussions with representatives of foreign governments and other entities as to the types of financial arrangements (including crude oil leasing arrangements) that would interest them; and

(5) produce preliminary written solicitations for proposed alternative financial arrangements (including long-term leasing of crude oil and storage facilities) to assist in filling the Strategic Petroleum Reserve to 1,000,000,000 barrels.

(b) REPORTS.—(1) The Secretary shall, no later than October 15, 1989, transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives an interim report containing—

(A) an enumeration of the specific resources (both personnel and funding) committed to the study described in subsection (a);

(B) a description of the progress made toward completing the study; and

(C) any preliminary findings and conclusions made by such date.

(2) The Secretary shall, no later than February 1, 1990, transmit to such Committees a copy of the solicitations described in paragraph (5) of subsection (a) and a final report containing the findings and conclusions of the study carried out under this section, together with a draft of the legislative changes that would be necessary to authorize the most significant alternative financial arrangements studied by the Secretary (including long-term leasing of crude oil and storage facilities and recommendations of

the Secretary with respect to the need for and desirability of such financial arrangements (including long-term leasing of crude oil and storage facilities).

(c) ENFORCEMENT.—Notwithstanding any other provision of law, no portion of the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of pursuant to any contract or other agreement entered into or extended on or after February 1, 1990, other than to the Strategic Petroleum Reserve (either directly or by exchange) until the Secretary of Energy has transmitted the solicitations and the final report described in subsection (b)(2) (including the legislative changes and recommendations described in such subsection) to the Committees described in subsection (b)(1), except for the purposes provided in section 160(d)(2) of the Energy Policy and Conservation Act.

NOTICE OF A HEARING

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce for the benefit of the public that the hearing of the Select Committee on Indian Affairs scheduled for July 14, 1989, on amendments to the Indian Child Welfare Act and the hearing scheduled for July 21, 1989, to establish a Tribal Judicial Resource Center are postponed subject to the future call of the committee

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Friday, June 23, at 9:30 a.m., on the legislation: S. 253, National Nutrition Monitoring Act policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Friday, June 23, 1989, at 10 a.m. to conduct a hearing on basic health benefits.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on June 23, 1989, at 10 a.m. to consider an original bill, identical to section 2 of H.R. 2550, the Democracy in Eastern Europe Act of 1989, to extend eligibility for the generalized system of preferences to Poland.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on June 23, 1989, beginning at 2 p.m., in 485 Russell Senate Office Building, to meet on the administration of Indian programs by the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COLUMBUS, OHIO, DIVISION OF NURSING AND REHABILITATION CELEBRATES 67 YEARS OF SERVICE

● Mr. GLENN. Mr. President, a major issue concerning the Congress is the importance of good home health care for the citizens of our country. Recently the articles, "Birth, Death and Everything In Between," appeared in the March and April 1989 editions of Caring, the magazine of the National Association for Home Care. The articles congratulate the division of nursing and rehabilitation of the Columbus Department of Health for the excellent home health care they have provided the citizens of Columbus, OH, for the past 67 years.

The public health nurses provide essential home care for the young, elderly, poor, and now for patients suffering with AIDS, who would otherwise require prolonged hospitalization resulting in enormous medical bills. These nurses treat not only the patients but also educate the other family members in the area of health care.

In the past I have supported legislation to extend the services of home health agencies and to recognize the importance of these valuable programs and of the contributions of family caregivers. I ask that the articles from Caring be printed in the RECORD so my colleagues can share in my appreciation of the Columbus public health nurses.

The articles follow:

PUBLIC HEALTH NURSING IN COLUMBUS, OH, 1922-89: BIRTH, DEATH AND EVERYTHING IN BETWEEN

(By John Bendekovic and Karen Judson)

In September of 1989 the Division of Nursing and Rehabilitation of the Columbus Department of Health will celebrate 67 years of providing home care services to the citizens of Columbus.

Over the past 67 years the city's public health nurses were on the scene during the polio, measles, whooping cough, and scarlet fever epidemics of the 1920s, 30s, and 40s. They were there for Columbus residents each time the Bottoms flooded, through record-setting blizzards, through the social upheavals of the 1960s and 1970s. The nurses have continued to serve the city's citizens through the 1980s—a decade marked by the special problems created by changing moral values, by increases in the populations of elderly and homeless, and by rising medical costs.

The city of Columbus and the Columbus Department of Health have grown and changed over the 67 years from 1922 to 1989, but one fact remains unchanged—the commitment of the Health Department and the city's public health nurses to providing excellent health care for individuals of all socioeconomic levels and all age groups.

THE FIRST LINE OF DEFENSE

When the Instructive District Nursing Association (IDNA) of Columbus, Ohio celebrated 50 years of service in 1948, Cornelia Powell Spencer, the association's president, quoted "the medical profession" concerning public health nurses: "In the fight against all sickness that menaces community health, public health nurses are the first line of defense."

The first line of defense. Perhaps no other phrase better describes the premise of public health nursing. First out to help after floods, blizzards, tornadoes, and other natural disasters. First to enter homes where communicable disease is present. First in caring for those unable to care for themselves. First—and many times only—to help society's forgotten care for themselves.

"Employees on the front line make better decisions than any central staff," authors Thomas Peters and Robert Waterman observed in their landmark text, In Search of Excellence. Public health nurses, old hands at making decisions "on the front line," know this statement to be true.

Independent decisionmaking, judgment calls, and "a lot of accountability" are characteristic of public health nursing, emphasizes Betsy Houchen, public health nurse, director of the Division of Nursing and Rehabilitation, and assistant health commissioner for the city of Columbus. "Unlike hospital staff nurses, a public health nurse on her own in a patient's home can't call someone down the hall for help."

Public health nurses are "guests in the patient's home," and must deal with the day-to-day reality of that home, says Houchen. "They must be willing and able to work with people from all cultures and all socioeconomic levels—on their terms." They must be creative improvisors in homes without basic resources, such as running water, indoor sanitary facilities, or even adequate food and clothing.

"People in one of my assigned areas were very poor in the early 1940s. Many mothers washed their babies in iron skillets, and some families ate out of old rusty pie tins, because they had no dishes. One time I went into a home where I was ordered by the doctor to look at a woman's leg ulcer. Her leg was wrapped with a rag, and when I opened it, it was moving. I had never seen maggots before, but I knew instantly that these were maggots, hatched from eggs the flies had laid in her wound. I cleaned that wound and dressed it, then I excused myself, went outside, and was sick over the back porch."—Alma Schildknecht, retired public health nurse; St. Louis, 1940-1944, Columbus 1968-1984.

"Lois Booker and I once went to see two sisters who were in their 90s," remembers Sylvia Berg, public health nurse in Columbus from 1941 to 1968. "I hadn't been in public health very long, and the conditions in the home astounded me. There were at least a dozen cats in the house, and some were dead. There was feces on the floor, and I don't know when the two women had last eaten. One woman was blind and the other was unable to look after her. I was just overwhelmed. I didn't know where to start."

THE BEGINNING

In the poor areas of Columbus in 1898 diseases were rampant in the tenement and slum areas, spread by contaminated water, milk, and food. Shacks had no screens and flies crawled over hogs roaming the streets; garbage in the gutters also settled on babies. Appalled by these conditions, Mrs. Samuel Black, wife of the mayor of Columbus, joined with 18 of her friends to begin the Instructive District Nursing Association, a voluntary home health care agency.

Members of the newly formed association distributed "clean bedding, flowers, jelly, and good cheer . . . old shoes, clothing, comforts, and underwear." Each director raised at least $50, and donations from local merchants and the selling of one-dollar memberships finally enabled the association to hire its first nurse, Miss Louis Salter. By the end of 1898 a second nurse had been hired, and according to records kept for 1899, the two nurses cared for 634 patients the second year, visiting 6,353 homes.

THE EARLY 1890'S

There were 37 cases of tuberculosis in Columbus in 1900, and the IDNA annual report for that year included the following statement from head nurse, Margaret Lowrie: "None excite our sympathy more than the consumptive. Few people see them as we see them. How much there is for the district nurse to do!"

The extensive duties of the district nurse were detailed in the 1901 IDNA annual report: "Each nurse shall pledge herself to give two months' service . . . and when desiring to withdraw from the work shall give a month's notice."

The salary was $50 per month, and each nurse was as required to be on duty from 8 am to 6 pm, "with one hour intermission, daily except Sunday."

Other duties were to keep accurate records, take temperature and pulse at the beginning of each visit, bathe chronic patients at least twice each week, and warn consumptive cases to destroy sputa at once and use old rags or tissue paper instead of handkerchiefs and towels.

"Nurses will be held responsible for personal cleanliness of each patient under their charge and for care and cleanliness of the sick room," in addition to giving instructions to family members and other caregivers.

The nurse was instructed to wear her rubber coat and an old hat or bonnet that could be thrown away when transporting infectious patients to the hospital. Patients were wrapped in a clean sheet, with another sheet placed over the carriage seat, and carriage keepers were asked to spray the inside of the carriage with carbolic or bichloride spray, or burn a sulphur candle in it after each patient.

In 1904 visiting nurses employed by IDNA helped Columbus residents through a typhoid epidemic caused by contaminated river water. During the epidemic 196 people died, including US Senator Mark A. Hanna, who drank disease-laden water while in Columbus to attend a governor's inaugural ball.

The Scioto River was also responsible for a flood in the Bottoms area on the West Side of Columbus in 1913, killing 93, flooding over 4,000 homes, and again mobilizing the nurses. Nurses staffed refugee centers and visited flood victims in their damaged homes. The association housed and fed many displaced persons at its headquarters on Rich Street. Jan Tuttle, director of IDNA, and Augustus Condit, associate director, worked from a voting booth on Sandusky Street to dispatch nurses to those in need, establish emergency hospitals, and set up milk stations and a baby dispensary.

Administrative milestones for IDNA in the early 1990s included the first appropriation received from the city of Columbus in 1909; the beginning of hospital affiliations in 1915, with student nurses receiving fieldwork training in public health nursing; and the establishment of an orthopedic nursing service in 1916.

1922–1989: THE PAST 67 YEARS

Columbus attracted national attention in 1922 with the merging of the Instructive District Nursing Association and the Division of Nursing of the City Health Department to form one generalized nursing service—the Columbus Public Health Nursing Service (CHNS)—under the directorship of Jane Tuttle, with Augustus Condit serving as associate director. For the first time since visiting nurse services began in Columbus, private and public sectors united to provide home health care.

"We were one of the first agencies in the country to merge like that, and we were the model," states Sylvia Berg, who retired from public health nursing in 1968, after 27 years of service in Columbus. "Nurses came from other states to see how it worked."

It worked well. Two years after its formation, the association became a member of the Community Chest, and in 1925 made the first survey of crippled children's needs in the city. The five-year demonstration Health Center was established in 1926; parochial school nursing began in 1927; and the emergency consultation service for victims of the depression was begun in 1932.

"I always saw the merging of the two agencies as the best of both worlds and a wonderful way to accomplish what we saw as our mission in the community."—Jane Tschappet, public health nurse in Columbus from 1951 to the present, and a former director of the agency.

December 31, 1979, marked the end of a 58-year collaboration and jointly sponsored community health care services by the Nursing Division of the City Health Department and IDNA. The complexity of working within the regulatory requirements of federal reimbursements for home care services became one of the major obstacles to continuing a joint endeavor.

ANGELS IN BLUE

Through the years of growth and administrative changes, public health nurses in their distinctive blue uniforms continued to serve Columbus residents, teaching maternal and child care and health maintenance, and treating those stricken with tuberculosis, measles, whooping cough, scarlet fever, polio, rheumatic fever, and a myriad of diseases caused by the deprived conditions of poverty. As the nurses moved about the city, the blue uniforms and black bags announced their mission.

The first uniforms sported high white collars, tucked blouses with mutton-leg sleeves, and blue-and-white-striped skirts that swept the floor. Hats were the fashionable straw "boaters" with small crowns, large flat brims, and huge blue bows.

Minutes of one of the early board meetings, recorded in the latter part of 1898, state, "The Nurses' Committee was concerned about the question of a warmer uniform. Upon their recommendation uniforms were lined and storm collars added to the capes." Nurses purchased their own uniforms, at a total cost of $19.

Uniform design followed the popular style of the day (skirts rose and waists dropped in the 20s, and a tie was added to the blouse), but dresses were always blue, and from the 1920s on were tailored in two styles—one for winter and one for summer. Winter uniforms were navy blue, with long sleeves, while summer dresses were of a lighter fabric—usually seersucker or poplin—and had short sleeves. Nurses began wearing the winter uniforms around October 1, switching to summer dress late in May.

Shoes were comfortable oxfords, in black, brown, or navy blue. White for summer was considered "impractical for field work," and was not allowed. Suede shoes became acceptable on duty in the 1960s.

From 1941 to 1946 there were shortages in fabrics used for nurses' uniforms and delays in receiving new uniforms due to World War II. Miss Booker announced at a staff meeting in October of 1942, "we are unable to get the same material for our uniforms from Bruck's any more, and we are having to accept the same shade in poplin."

Also due to war-time shortages, in April of 1946 nurses present at a staff conference debated the problem of obtaining hose. "It was voted by the group," read the minutes of the meeting, "that we could wear leg makeup if we desire. A committee (Hohnston, McGraw, Fast) was appointed to choose the kind and shade of leg makeup we are to wear."

"We had blue gingham dresses in 1927, and the gingham was special, because it came from England. We had a Windsor tie, and blue gabardine coats. For while we wore men's Stetson hats. We'd go right to the men's department of the clothing store and buy those hats, and we thought they looked very sharp. Later we wore the overseas caps."—Lois Booker, retired in 1968 after 40 years as a Columbus public health nurse.

Nurses also dispensed with "all parties and gifts" for the duration of the war, and association dues were reduced to $1.

A 1948 description of the public health nurses uniform listed "as heavy top coat and blue serge overseas cap, a navy blue sweater, a long-sleeved navy blue uniform, a short-sleeved seersucker uniform, and seersucker overseas cap." The entire ensemble could be purchased for $95.65.

When the uniform committee of the Nursing Division met in March of 1951, suggestions made by nurses for changing the uniforms were considered. Coats were reportedly too heavy for the warmth provided, "too small around the hips," and nurses complained that the "material becomes shiny after a few months' wear." Two coats were suggested, one for summer and one for winter; the committee recommended that purchasing two coats should be optional.

Minutes of the 1951 uniform committee meeting also reveal that "several nurses objected to wearing the white collars or jabots," but "the committee decided that since these articles were part of the national uniform [National Organization for Public Health Nurses], they would have to be worn and that with a little extra care in laundering they could be kept white and not gray looking. Also, nurses should have at least 5 or 6 jabots—a fresh one for each day of the week."

In answer to a request from "several staff nurses" to be allowed to wear slacks in extremely cold weather, the committee decreed that slacks "are not professional and should not be worn with the uniform. It was felt that some other method could be used for keeping warm, such as the wearing wool knee warmers, lisle under hose, or two pair

of hose." (Knee socks were permitted "in extreme weather" as of 1963.)

Nurses who had their ears pierced were permitted to wear earrings for the first three to four months, "to prevent holes from growing together," (report from the uniform committee, April 1967), but after that time "it was felt that earrings should not be worn with uniforms."

Hairstyles also came under the regulation of the agency uniform committee; a permissible hairdo was "professional, neat, and easily worn with the cap." Extreme styles were never acceptable, and nurses who persisted in wearing them were subject to reprimand for uniform violation.

"Nurses violating any uniform regulation will receive a written warning from the Uniform Committee," read the committee's annual report for 1958-1959. "If this is not effective, the person is to be called before the committee." The ultimate sanction, of course, was dismissal.

Louise Kanmacher, retired from the Division of Nursing and Rehabilitation since 1974, confesses to having worn "the first slacks that any public health nurse ever wore on duty," during the blizzard of 1951. "A nurse who had been in the service gave me a pair of woolen slacks. I don't think anybody in the office knew I wore those slacks. I didn't much care. It was cold and I had to plow through deep snow."

In the March 19, 1958, issue of *The Columbus Citizen*, an article appeared titled, "Stork Causes City to Spend for New Uniforms," objecting to the use of public funds to purchase maternity uniforms for expectant nurses. Had the reporter been more diligent in checking his facts, he would have discovered that Columbus public health nurses had continued to purchase their own uniforms. The article led to a letter signed by all members of the executive committee, staff council, Columbus Public Health Nursing Service, demanding a retraction of the article, "and that the public be given the true facts."

The truth was, at the time the article was published in 1958, nurses were required to spend $153.75 of their own funds, annually, for, "1 coat with zip-in lining; 1 sweater (cardigan style); 1 cap (wool for winter); 1 cap (dacron cord for summer); 2 uniforms navy for winter; and 2 uniforms dacron cord for summer." Other necessary items not included in the above were at least one pair of regulation shoes and one raincoat.

The hapless reporter was duly informed that "maternity smocks are made by the nurses at their own expense," and that the staff of the Columbus Public Health Nursing Service considered the article "in poor taste."

UNIFORMS A "SHIELD AGAINST HARM"

"That blue uniform was a shield against harm," Mille Avera, public health nurse, says of her early days in uniform. Mille, who began working for the city of Columbus in 1949, took a bus to her territory in the "shoddy" part of downtown Columbus, then walked her beat in regulation black shoes, visiting her patients in crowded apartments over bars and pawn shops.

"Hoods, vandals, the angry, and the hospital knew me on sight because of the blue uniform and the black bag," Mille recalls. Those symbols of the public health nurse, Mille maintains after 40 years in nursing service, protected her from attack as she made her rounds. "When they saw the uniform those people knew we came to help."

"We were easily identified by that uniform. We were respected in many neighborhoods, and never had to be afraid. We were looked upon as helpers, and that made a difference."—Jane Tschappet

The uniform was indeed the "badge" of the public health nurse, until it was abolished in 1974 when nurses requested, and were refused, an allowance for uniforms similar to that granted by the city to firemen and policemen.

THE BLACK BAG

While the blue uniform of the public health nurse was recognized citywide, the black bag she carried was also proof of her calling and her intention to help. The bag has remained a permit to pass in some of the city's rougher neighborhoods, as well as an accurate inventory of treatment methods available through the years.

"People were always good to the nurses, because we wore the uniform and they recognized us as public health nurses. I crawled over sleeping drunks in back alleys to get to my patients, and was unafraid because of that uniform."—Lois Booker.

Standard equipment for nurses' black bags varied little through the 1920s and into the 1940s. Of primary importance was the small pan (emesis basin) used to boil instruments and heat water for other purposes. There were two pairs of forceps in the bag, including hemostats to retrieve items from boiling water, a package of newspapers, scissors with one flat side to cut bandages, a role of sterile gauze, sterile bandages, adhesive tape, six cotton balls, alcohol, rectal and oral thermometers, an apron, soap, paper towels, rubber gloves, a rectal tube and funnel for giving enemas, rubber douche and enema tips, sterile swabs, orange sticks, glass slides, a hammer and a box of tacks for tacking up quarantine signs, quarantine cards, sterile ties for babies' umbilical cords, a small "fish" scale for weighing babies, and any other pieces of equipment the nurse considered necessary for treating patients in her assigned areas.

Contents of the nurses' black bags changed with the medical times, to later include a sphygmomanometer (blood pressure cuff), disposable plastic syringes and needles in sterile packages, prepackaged enemas, plastic aprons, disposable rubber gloves, and other items necessary to care for specific patients assigned to each nurse.

"Our bag had a lot of funny equipment, because the nurses would add little extras that they thought were important in their district. In Fly Town, which was one of my assigned areas, clients always had bowel trouble, so I would bring some detergent, since I didn't alway have much water to work with to get results. I had to get some action with whatever I had!"—Wilma Brannon, public health nurse, 1947 to 1979.

Bags were to be set on a "sterile field" of newspapers, to prevent transporting disease from one household to another, and items were packed in a certain order for easy access and carrying. Instruments were boiled or cleaned with alcohol before and after use, and random laboratory tests performed by the Department of Health were used to check for the use of proper sterile technique. A 1950 staff conference report states, "There was no growth on the media which was planted with six thermometers taken at random from the nurses' bags."

"Everything went in a certain place in that bag, so it was compact if you did what you had been taught. I don't know how much that bag weighed, but it got pretty heavy sometimes in 90° weather."—Sylvia Berg.

CHANGING DUTIES REFLECT CHANGING COMMUNITY

Much of the work of the nurses from 1900 into the 1950s involved maternal and child health care and the treatment and prevention of communicable diseases.

"We went out and put up quarantine signs for whooping cough, chicken pox, mumps, and measles," says Mille Avera. "We not only made the visit, quarantined, and explained the diseases, but we had to go back at the end of the quarantine period and find out if anybody else had caught the disease, then eventually go take down the signs. A lot of people hated to see the public health nurse come, because they did not want those quarantine signs on their house."

When Lois Booker retired from public health nursing in 1968, she painted a vivid picture of the duties of the public health nurse during the 1920s and 1930s for a *Columbus Citizen-Journal* reporter:

"Osteomyletis was a terrible thing. We had to change dressings every day and sometimes even maggots were used. There were no drugs like we now have to cure it. It went on and on with many terrible deformities. Polio also resulted in many deformities. We also dressed swollen, seeping legs of cardiac patients. You don't see that any more with the modern drugs.

"You don't hear much about typhoid these days either, or diptheria, although we did have 106 cases of that as recently as 1946."

"We always sat our bag on clean newspaper, which we carried. We learned to make a trash bag from newspapers, also. We always washed our hands before we went into the bag, with liquid soap we carried, and dried them with paper towels, then we put on an apron. (The first aprons we used were cloth, which had to be laundered—the agency took care of that.) Then we took out the supplies we thought we would need for the particular case we were visiting.—Louise Kanmacher.

"Our procedures for handling communicable diseases were very elaborate," Lois Booker related in 1968. "We used newspaper squares to turn spigots on and off. We always put our coat and hat on newspapers. And we taught people how to sterilize by boiling."

Before disposable plastic items, a public health nurse carried a glass syringe and needles for giving injections, both of which had to be boiled after each use. Needles were to be sharpened, but sometimes got "dull as the dickens," according to Wilma Brannon. "It was just like putting a nail in the patient." Wilma also remembers how difficult it was to preserve the sterile field for bags in some homes. "We were careful, but we still carried home cockroaches in our bags, and sometimes bed bugs."

"We had nose and throat swabs in our bags, because if you went into a home and they said 'My throat is a little sore,' then you must take a nose and throat swab, and take it back to the Health Department to the laboratory. If this occurred after the laboratory was closed, you had to take the specimen in and plant it on a culture yourself."—Sylvia Berg.

Giving enemas was an integral part of nursing care, with no prepackaged enema kits to help until the 1950s. Enema apparatus consisted of the ever-present pan for mixing the enema solution, a rubber tube, and a funnel. One end of the rubber tube was connected to the funnel, the other end was placed in the patient, and the enema so-

lution was poured into the funnel. Usually the solution was a mixture of detergent and water, but according to Louise Kanmacher, Epsom salts was also used, and "the doctor might order a milk and molasses enema for a person who had a lot of gas."

Public health nurses have always been responsible for locating contacts of individuals diagnosed as having a venereal disease, and at one time glass slides were carried in the nurses' black bags to test babies for gonorrhea. "If there was a discharge from a baby's eyes, we put tear samples on the glass slide and took it back to the lab to be tested for gonorrhea," Louise Kanmacher explains.

A 1944 bulletin warned nurses of "an increase of syphilis in babies," and urged that all mothers with a syphilis diagnosis be encouraged to continue treatments. One early method of treatment for syphilis was to rub a pellet of mercury into the skin of the patient's arm.

Notes from a 1948 staff meeting cite remarks made by Dr. Nichols from the Rapid Treatment Center. The problem at that time with venereal disease prevention, according to Dr. Nichols, was "diagnosis and getting the patient to tell the names of contacts."

A 1954 Staff Education Conference summary informed nurses that syphilis and gonorrhea were becoming more widespread, and that in cases where pregnant women have secondary syphilis and receive no treatment, "95% of the babies will get the disease."

Also in 1954, Miss Hortense Hilbert, a lecturer in nursing at the University of Pennsylvania, discussed with the Columbus public health nursing staff "the need of a broadened aspect of hospital nursing to solve the big problem of helping to change human behavior in sexual practices." She defined the functions of the public health nurse in dealing with the problem of venereal disease in the community as "finding the patients to get care. The nurse as a citizen has an obligation to provide the resources needed in the community. There is a need for her to keep abreast of developments. There should be a continuous evaluation of functions and attitudes."

"Our public health nurse's role in venereal disease was to go out and contact the people who had been given as contacts by patients coming into the VD clinic. I remember going to a bar in a very poor part of town to locate a lady named by a male patient. All I knew was her name, but because I was in uniform and carried my bag, people knew my purpose was to help, and I was able to locate her. We didn't scare these people. We told them when to go to a clinic, where the clinic was, what kind of examination would be made, and that there was no charge."—Wilma Brannon.

Tuberculosis remained a community health concern through the 1940s and into the 1950s, and during those years nurses were responsible for giving and reading the tuberculin test to determine exposure to the bacillus. Dr. Markwood from Benjamin Franklin Hospital explained the latest in tuberculin testing to the staff nurses in May of 1949 and cautioned that hystoplasmosis, a fungus found in household or yard dust, "is sometimes confused with tuberculosis." He explained that "patients with primary tuberculosis usually are not very ill although they may carry a mild fever," and asked nurses to read patch tests either positive or negative, and "not to give degrees of positivity." False negatives, warned Dr. Markwood, "may occur when the test is given too early, the test is given subcutaneously instead of intradermally, or the material is not good."

"We had a very difficult time in the 1940s with tuberculosis. I was in charge of that program for the nurses. The regulations that we had to give those homes, after the patient had left the home and gone to the hospital, were strict. For instance, they had to destroy the patient's mattress."—Sylvia Berg.

Millie Avera aptly contrasts past with present: "When I first started in public health in 1949, a lot of people were having to go to tuberculosis sanitariums for months or even years. Then, we isolated the patient. Now, with these wonderful new tuberculosis drugs, we are no longer isolating the patient; we are isolating the germs."

"Tuberculosis was prevalent when I was a health inspector in the 1940s. I transported patients to the old tuberculosis sanitarium, and when a TB patient was moved from his home to the sanitarium I had to go get the mattress and take it down to the city incinerator and burn it, to prevent the spread of the disease."—Fred Johnson, retired health inspector, Columbus Department of Health.

Just as the incidence and treatment of tuberculosis has changed radically over the past forty years, so have public health nursing practices kept pace with medical, technological, and sociological changes. The second installment of "Birth, Death and Everything In Between," which will appear in the April issue of CARING, chronicles these changes, as seen through the experiences of Columbus, Ohio public health nurses, from the 1940s to the present.

PUBLIC HEALTH NURSING IN COLUMBUS, OH, 1922-89: BIRTH, DEATH AND EVERYTHING IN BETWEEN—PART 2

(By John Bendekovic and Karen Judson)

Over the years, some public health nursing practices—the isolation of tuberculosis patients and the use of boric acid in the eyes of newborns in the 1940s, for instance—have been eliminated by medical progress, but many areas of nursing concern, such as communicable disease control and maternal and child health, have continued to the present.

"In the days when I was out with my bag, most babies were born at home," proclaims Lois Booker, who retired from public health nursing in Columbus, Ohio in 1968. "We took care of both mother and infant, and mothers didn't get out of bed for 10 days then."

"We delivered all birth certificates in Columbus. If you ran out of something to do, or were in the neighborhood, or wanted to gain entry into a home, you could deliver a birth certificate. We always gave out a lot of pamphlets when we visited, too, on immunization and other topics, and we encouraged mothers to have their babies checked regularly."—Alma Schildknecht, retired public health nurse, St. Louis, 1940-1944, Columbus, 1968-1984.

Through the 1940s, public health nurses delivered babies' birth certificates and made visits to "newspaper babies," those children born at home whose births were announced in the local newspaper.

Public health nurses also delivered layettes to homes with new babies. Louise Kanmacher remembers delivering "four shirts, four gowns, and a dozen diapers" to the new mother of twins in 1943.

Occasionally nurses delivered the babies. Alma Schildknecht was once asked to visit a pregnant woman who would soon be coming into the hospital in Columbus to deliver. "She was difficult to find because she lived in a rural area and the roads were unmarked," Schildknecht says. "I finally got there in the afternoon and the grandmother, who lived with the woman, said she was in labor. It was the 15th of November, and the woman's doctor was out quail hunting and not expected back until evening. The baby was crowning, so there was no question of getting the woman to the hospital. I didn't have time to boil my scissors—the grandmother and I wiped them with alcohol. The baby was born quickly, with no complications. I got my sterile cord ties out of my bag, tied the cord and cut it, then took care of the mother and baby."

The disease most feared by parents of small children in the years before 1953 was poliomyelitis, or infantile paralysis, as it was first called.

In 1942 the Franklin County Chapter for Infantile Paralysis sent Lois Booker to Minneapolis to study under Sister Kenny. "Sister Kenny was wonderful," Booker recalled for a Columbus newspaper reporter in 1968. "The pain the children had during attacks was awful. The heat [from Sister Kenny's moist hot packs] eased the pain and kept restrictures from forming."

"Polio was the nightmare of most parents, prior to the polio vaccine. People were advised not to let their children go swimming, or to public gatherings—kids couldn't even go to the movies. You could treat the symptoms of the disease, but you couldn't treat the disease itself. And it could do such damage. Nobody ever knew if a child got polio what part of their body would be most damaged.

"We are heading into a new problem with polio with the younger parents, because it doesn't scare them. Polio is just a word to them. They don't have a mental picture in their heads of polio patients. They don't have the fear of it in their hearts."—Millie Avera, public health nurse who began working in Columbus in 1949.

Like polio, rheumatic fever usually struck children. The disease was prevalent in Columbus in 1949, and nurses were cautioned to watch for symptoms—"joint pain, general aching, heart murmur, abdominal pain, and nose bleeds." A systemic disease caused by streptococci bacteria and frequently followed by serious heart or kidney disease, rheumatic fever was treated with penicillin or sulfa, bed rest, and sedation.

Duties of the public health nurse in Columbus in the 1930s and 1940s also included prenatal and postpartum visits to Metropolitan and John Hancock Insurance patients. Fees for policies were 10 to 15 cents per week, which policyholders sometimes found difficult to pay. "I've been in many a home when the insurance agent came and the people said, 'You'll have to come back later. We don't have it today.'" Sylvia Berg recalls.

Teaching prenatal care for expectant mothers, child care for new mothers, family nutrition and how to maintain a healthy lifestyle, and treatment of chronic medical conditions was and is today a staple of public health nursing.

"We emphasized regular medical supervision for pregnant women. So often they would wait until their seventh or eighth month to go in for a medical checkup, and we encouraged them to go earlier in their pregnancy, and to go every month.

"If we were in a home visiting a mother and baby, we didn't stop there with our teaching. If there was a two year old in the

home, for example, we would see if he needed dental care, or if he was wearing shoes that cramped his little toes, and try to teach the mother to do something about that."—Margaret Johnson, public health nurse, Columbus Department of Health, 1942 to 1972.

Louise Kanmacher kept journals of her years as a public health nurse, which provide a day-to-day account of her patient visits from 1943 to 1974, and also illustrate the broad spectrum of duties public health nurses were and are expected to perform.

Writes Kanmacher, "We worked under doctors' orders on all cases. Our hours were from 8:30 to 4:30, with one hour off for lunch. We worked on Saturdays until noon. One nurse was on call every weekend. We did general nursing care—baths, dressings, liver shots, diabetic care, diphtheria swabs, scarlet fever checks. We applied and read patch tests for tuberculosis and referred people to the doctor or clinic as necessary.

"We took care of new mothers and babies. We saw pediculae (head lice) and taught the family how to treat them. We did catheterizations, the collection of sterile specimens, bladder irrigations, and eye smears. We did venereal disease contacts and we worked in parochial schools and held well-baby clinics.

"I drove a little old Chevrolet coupe that I bought in 1937 for $700 to do my visits. I think my salary in the 1940s was around $75 a month."

"We nurses have always promoted healthful living," says Jane Tschappet of her colleagues in public health nursing. "We treat disease, but we have always emphasized teaching nutrition, and we have worked with all the normal conditions—pregnancy, children of all ages, organizations to help parents. Nurses are very good symptom finders, and we help people seek care when necessary. There's not a public health nurse in the world who hasn't at some time recognized early signs and symptoms of cancer."

"I had a patient once with multiple sclerosis. I'll never forget her. I gave her vitamin B-12 shots every two weeks. I went to her home once and she had started to roll out dough to make apple dumplings, but she couldn't finish them. I finished rolling out the dough and making her apple dumplings. You don't just say, 'This is not my job.' You help where you can."—Sue Houston, public health nurse, began her career in 1952, presently retired.

Technological advancement, changes in lifestyle, and population trends had a profound effect on public health nursing in Columbus and in other locations nationwide. Those changes influenced nursing education, as well.

EDUCATIONAL ADVANCES

As early as the 1920s nursing education programs provided some training in public health, though not the extensive community health preparation offered by current baccalaureate programs.

In addition to the educational requirements for becoming a public health nurse, the Columbus Instructive District Nurses Association (IDNA), and, more recently, the Division of Nursing and Rehabilitation, has long required inservice training for staff nurses to keep them informed of new developments in medicine and in home health care.

For example, one 1949 inservice session included a film and lecture on heart surgery, with nursing instructions for preparing families for the operation. At that same staff meeting Judge Florence Adams spoke on the "new birth of freedom," pointing out that women in 1949 had "more choice than ever before in the occupation." Staff nurses were also informed that only 1 out of every 17 high school girls was entering nursing, while 1 out of every 8 was needed to meet demand.

"In the late 1920s when I was a student nurse, we could take our choice of going to the baby camp in the summer for three months, or going into public health. I chose public health, and went to Grant Hospital. Our teacher said that when we left a house they should know someone had been there, and I took her literally. In one house with a new mother and baby I did the breakfast dishes, bathed the mother, bathed and dressed the baby, cleaned the house, and set the table for the noon meal.

"Finally a supervisor realized what I was doing and called me into her office. She told me, 'You are a nurse, not a housekeeper. You are not supposed to do the things I hear you are doing.' I was hurt, because I thought I was doing a good job."—Lois Booker, retired in 1968 after forty years as a Columbus public health nurse.

In 1958–59 inservice training for Columbus public health nurses included civil defense planning, health care plans, accident prevention in the home, rehabilitation of patients with long-term illnesses, followup of patients released from psychiatric hospitals, and an interpretation of public health nursing functions. Public speaking and group dynamics were also suggested as topics worthy of the nurses' attention, and a reference of available courses in those subjects was provided for staff nurses.

"I had an atypical background going into nursing: I had completed college as an English major before I got into nursing, and got into nursing because we were in the middle of World War II when I got out of college, and the hospitals were recruiting people to go into nurses' training. Johns Hopkins Hospital paid tuition and all costs, plus a stipend for nursing students, and the only stipulation was graduation from an accredited college. I had roommates who had been music and biology majors, and there were two who had master's degree in chemistry."—Millie Avera.

Current inservice training for public health nurses incorporates new techniques and treatments of the high-tech nursing age. Baccalaureate degree programs in professional nursing include sophisticated training in community health.

"Since public health nurses now must draw blood in the home, we have added venipuncture classes to our inservice education program," explains Jane Oswald, public health nurses in charge of staff education, Division of Nursing and Rehabilitation, Columbus Department of Health. "Nurses draw blood in the sexually transmitted disease clinic, for example, and if they are not IV-prepared when they come to us, we send them to an IV class in one of the local hospitals. They spend some time on the floors, starting IVs, before they start IVs in home care."

"When you get ready to deal with any disease, the best thing you can do is review the whole disease, especially those chronic diseases that are very devastating, like rheumatoid arthritis or AIDS. What goes on in the minds of these patients? Are they depressed? What helps them the most? Do they feel better in the winter or in the summer? All of these things come into play, to enable you to walk into that house and know what you are doing."—Janeen McAninch, public health nurse, Division of Nursing and Rehabilitation, Columbus Department of Health.

"Our inservice programs are much more high tech now. We have even had people from Ohio State University come and tell us how they want us to handle their real transplants. Inservice before used to deal mostly with chronic diseases; now we're talking more about acute kinds of care."

THE PUBLIC HEALTH NURSE: PAST, PRESENT AND FUTURE

The public health nurse used to be regarded as someone who was an expert in public health areas, but didn't keep up on her nursing skills as much as she did on her people skills," states Jane Oswald. "When I started out in nursing the majority of the high-tech care was done in the hospital. Now we are doing a lot of things in the home that some nurses didn't do in the hospital 20 years ago."

Though educational background may be the same, public health nurses see their duties as vastly different from those of the hospital staff nurse. "In the hospital everything is in a controlled setting and, as a nurse, the patient is in your territory," explains Elizabeth Barbour, a nursing supervisor with the Division of Nursing and Rehabilitation, Columbus Department of Health. "Public health nurses are going into this person's home and trying to change lifestyles, behavior patterns, or living habits. You have to be more tactful, and diplomatic. You can see things that need to be done, but first you have to establish a rapport so the patient will accept you."

"When you put a patient in the hospital, the first thing you do is take their clothes off, which removes their identity," adds Janeen McAninch. "Then you give them a number and a room, and you have dehumanized them. You label them with a diagnosis and they are no longer them. But when we get them at home, they have their own clothes, their own surroundings, and you had better not touch them unless they are ready for you to. You can't forget it is their scene and they are there to direct it."

"You have to be a jack-of-all-trades in public health nursing. You have to know a little about a lot of things. It's not like you are working with one particular kind of patient as you might be in a hospital. You have to have sort of a broad knowledge of everything."—Cindy Michel, nursing assistant supervisor, Columbus Division of Nursing and Rehabilitation.

"I am simply the helper, and they are the ones that are going to be in control of their bodies, as well they should be in control of their bodies. Then you go from there in trying to get them to comply medically, or comply with nursing care, or comply with basic good ADL [activity of daily living]. This is their territory, not mine, and I like that feeling."

"I've had a lot of hospital experience," says Donna Barnhart, regional manager, Division of Nursing and Rehabilitation. "I was a head nurse in a hemotology, medical intensive care step-down unit, and I've worked as a staff nurse in peripheral-vascular surgery, obstetrics, labor and delivery, and psychiatry. I had some sense, then, of never really meeting the needs of the patients in a hospital setting. There was so much to do and so little time. In coming to home care I was tickled to death about the opportunity for teaching, and seeing the client in his own setting, in his own clothing."

Hospital nurses may see a patient briefly and after discharge not have contact with

him or her again, thus they will have little reason to remember that person. Public health nurses, on the other hand, "become almost an honorary family member," according to Karen Jones, assistant director of Nursing and Rehabilitation, Columbus Department of Health. "We learn to interact with people in a different way than in the hospital. We are not dealing with just one person, the patient. We are dealing with the family, the home, the patient's interpersonal relationships, the family's economic situation—everything. We are intervening and making a difference in terms of educating people."

"The hospital is bound to be a different setting than the home. One of the fascinations with home nursing is that so much of the good and worst of things about a patient are self-evident in his home setting. In the hospital most people are wearing their hospital gowns, and you can't see that they love flowers, or that they are owl collectors. As a public health nurse you can just be there, in the home, and see what is important to that person."—Mille Avera.

Though hospitals now recognize the need for discharge planning so that care can be continued in the home for those patients who need it, individuals without a permanent address, typical in the 1980s, are a special challenge for public health nurses. "In one particular case," relates Donna Barnhart, "discharge planning was a real problem, because the patient's address turned out to be a vacant lot. The gentleman lived in a truck, and the address he gave the hospital was where he usually parked the truck. The nurse going out to visit him after discharge did find him at that address. We relied on him to let us know of his travels about town and where he was going to have the truck parked the next time the nurse needed to visit."

After years of seeing patients in their homes, many public health nurses have come to respect a patient's need to stay in his or her home as long as possible. "Twenty years ago I would have said, 'That situation is not safe. That person cannot stay in his home,'" admits Donna Barnhart. "I would have been calling physicians and recommending, 'Put this person in a nursing home.' After spending time with some of these people and realizing the importance of that home setting, I have much more consideration for individual rights. I think people have the right to stay in their homes with supportive home care services. I believe that nursing home placement should be the last resort for most people."

Because of the time spent with patients, and the involvement of seeing them in their own home setting, many patients are remembered long after discharge.

"You can't help but fall in love with some people," says Louise Kanmacher, retired from the Division of Nursing and Rehabilitation since 1974. "In 1948 I had a woman in her first pregnancy. They couldn't stay in their apartment after their baby came, and I was in the process of buying a house at the time, so I stayed in the apartment I was renting and asked them to live in my house. They are still friends of mine."

"A few years ago a local newspaper wanted a picture of a public health nurse with a patient for an article they were going to run. I volunteered to have my picture taken, thinking it would be a small picture on the back page. It turned out to be a half-page picture of me with this favorite patient of mine. The story ran in the fall of one year, and in March of the following year I received a phone call from a gentleman who had seen my picture in the paper and wanted me to go out with him. He said his former wife had died, and she had been a nurse, and the story had interested him, and he thought he would like to ask me out. That's my most unique experience in home care, as I am now married to the man who called me that night."—Donna Barnhart.

Louise Kanmacher remembers Maude, who was nearly immobile with arthritis, yet "swung through her apartment in a walker," and became a dear friend.

Jane Oswald recalls a "little elderly lady with a canary," who, when the bird died, buried it in her basement, then dug up her pet's bones and took them with her when she moved into a senior citizen's complex.

Jane Tschappet suspended the "never eat in a client's home" rule to take tea and cake with a lonely English war bride, and to sample stewed raccoon in the home of a "sweet little Black man."

Margaret Johnson tells of caring for a client with a gunshot wound that wouldn't heal, and of the doctor's order to use maggots to debride the wound. "There was a celluloid cap that was sealed around the wound so they couldn't crawl out. You can imagine how that felt."

Margaret also remembers treating syphilis patients by rubbing an ointment of mercury into the skin on the arm, and mothers who hung bags of asafoetida around the necks of their children. ("It was supposed to keep the child from catching a disease, but if it worked it was because it smelled so bad no one would get close to the child.")

"I had a patient once that weighed 500 pounds," recalls Cindy Michel. "She had a very outgoing personality, and was a delightful person. Because of her size she couldn't get into a bed, sit in a chair, or move around the house. She had to just lie on a blanket on the floor all the time. I had to find a doctor that would make home visits for her. She had all the things around her she needed, even a potty chair."

DAY-TO-DAY COMMITMENT

Seeing the needs of people in trouble and helping in an appropriate manner seems a consistent trait of good public health nurses, and of those who work with them on the home health care team. Marjorie Hargrove, a homemaker-home health aide in Columbus for 13 years, expresses her own helping philosophy: "The job of working with people wears on you, but you learn to like it. You do things that aren't in your job description, simply because those people you are visiting need it. Many times, if we didn't visit them, care about them, and pay attention to them no one would."

Volunteers are also important members of the home health care team and, like public health nurses, often need a sense of humor. "I sent a visitor out once to visit a bedridden preacher," illustrates Alberta Davis, director of the Friendly Visitor Program. "She was a pretty little thing, and I guess he thought so, too, because he got out of his bed and chased her around the room. She came back and told me, and I called him up and told him off for pretending to be sick like that!"

"It's nice to know that you are the doctor's eyes and ears. I was helping a lady recently who was recovering from a broken hip. The home health care aide left me a note telling me that the woman's leg was more swollen, and that it seemed more painful for her to walk, although she wasn't complaining. I was busy that day, but the hair on the back of my neck started to rise, and I knew I had better check on the woman. When I went out to see her she had thrown two blood clots—she had no pulses in her leg. I had no x-ray equipment, nothing to go on but past experience, but the sole of her foot was purple and the top was not. Her foot was cooler, but not much. The leg was a little more swollen, but not much more than it had been before. There wasn't anything, but there was something, and I'm glad I got that lady to the hospital.

"In the hospital you might ignore something like that for a while—somebody will pick it up if it gets worse. But out here in the community, the nurse may not come back for a week, and by then it would have been a big deal."—Linda Taylor, public health nurse, assistant supervisor, Division of Nursing and Rehabilitation, Columbus Department of Health.

"Sometimes doing extra things (like attending wrestling matches with a client's mother) are as important to those people we see in keeping it all together as the nursing skills we perform," observes Jane Oswald. "The key to dealing with some of the situations we see—bed bugs, maggots, stench—is that you don't take time to decide whether or not you like it. The issue is, what needs to be done for that person, or that family? You focus on something else, then when that's done you put it behind you and go on."

Besides the reward of knowing they have helped, public health nurses relate other satisfactions that keep them on the job.

"We are in the homes to teach people to care for themselves," adds Marian Pollock, public health nurse. "But we're also visiting more often now. We're still talking to people, sitting down and having a cup of coffee, talking about their kids, looking at the husband or someone else with a runny nose. We're still seeing the whole family, still concerned about what happens to these people. And we're still teachers, still patient advocates."

Modern circumstances have also made it necessary for nurses like Janeen McAninch to become familiar with the homosexual population in order to adequately meet the needs of many of the persons with AIDS. "I try to make it clear to patients with AIDS by the way I act, that I see them as human beings," says McAninch. "I will touch them and that's very reassuring to them. We had a patient with AIDS who struggled with that, and it was only after the homemaker-home health aides went in and cleaned him totally—cut his hair and trimmed his moustache—that he all of a sudden felt human. He was able to go back to the hospital and accept medical care, because at last someone had treated him like a human being. We made him realize that he was a person first, and had a disease second."

With the inclusion of the hospice program in the Division of Nursing and Rehabilitation, patient advocacy extends to helping individuals die as they choose. "We see patients and families under an incredible amount of stress," says Jennifer Hooks, a public health nurse assigned to the hospice program. "When a patient comes into the program and they are angry, or going through denial, we help them accept—help them talk about it and become peaceful. My feeling about death is that it's a transition from this life to the next life, and it's like making any other major change in your life—you need support during those changes. I firmly believe there are worse things than dying. It's rewarding to know that we can help people through this."

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Most public health nurses, from those who began working in the 1920s, to those who were hired in the 1980s, express a commitment to their profession and excitement over the expanding role of the public health nurse. "Home health care is going to be expanded," professes Jennifer Hooks, "because financially it is a good alternative to hospital care. The trend of early hospital dismissal will continue, and home health care will pick up and follow these patients. We have a continuing role in keeping these people stable."

Nurses agree that home health care is an up-and-coming field, partly because patients discharged from hospitals to recover at home actually do better in their own familiar environment. "I've seen patients come home in terrible condition and get well," claims Linda Taylor. "When one elderly patient of mine came home she had a huge wound, and the room she was in wasn't heated, but she healed in four weeks."

"The home health nurse is the fulcrum on which the whole see-saw balances," Taylor continues. "The hospital is one side, and complete health is on the other, and I think that without the input of the public health nurse there would be more people with terrible hospital bills. We've let people stay home and thrive, where maybe even five years ago, without that emphasis on the public health nurse, they wouldn't have done so well. We are critical to the whole health care continuum."

Undoubtedly, public health nurses have been critical to the health care continuum in Columbus, Ohio. Since the celebrated merger of IDNA and the Division of Nursing of the Columbus Health Department in the 1922, dedicated "visting nurses" have continued to serve the city's families as only they can.

"Not everyone can do this job," affirms Rachel Little, a public health nurse for 20 years. "Not everyone can accept how clients care or don't care for themselves. The public health nurse has a keen perception of what a person needs to have a better life, and I can't imagine doing anything else. Once a public health nurse, always a public health nurse."

Like others who have made public health nursing their life's work, Mille Avera can't imagine any other calling. "Maybe it's been the correlation between real life and drama that I have found as an ongoing interest," she says in retrospect. "When I first got into public health nursing I thought, "My gosh, I'm seeing first hand what I've been reading about in Dickens and all the novels. I was on the front line as a public health nurse. You just think of all the things you have seen—you've seen the entire socioeconomic strata. You can enter the richest homes and the poorest homes in public health. In our line of work you help people deal with all the major episodes in life: birth, death, and everything in between.

"In the book of Proverbs, Solomon said that he had found that there were three things that make life good: something to eat, something to drink, and daily work. I guess I've found daily work that I love."

Residents of Columbus, Ohio and of cities both large and small, nationwide, can be thankful that since the first visting nurse service was begun in the 1800s, countless public health nurse have found community health nursing "daily work" they love.

About the Authors: John Bendekovic is an associate Professor at Ohio State University, Columbus, Ohio. He works closely with the city's community health nurses as a social worker/consultant.

Karen Judson is a freelance writer and a member of the American Society of the American Society who frequently writes about health, fitness, and nursing. The two will soon complete a book about community health nurses in action.●

CLOSED CAPTIONING OF THE SENATE

● Mr. McCAIN. Mr. President, in 1986 the U.S. Senate took a bold step when it decided to televise its proceeding. The U.S. Senate, the greatest deliberative body in the world, rightly opened its proceeding to the television viewing public. One segment of our population was unfortunately not included.

Due to the advent of closed captioning, more than 24 million Americans who are hearing impaired have been able to "watch" our President speak on TV, enjoy most prime time programs, and even watch the commentary on the Super Bowl. Yet they have never been able to listen, or more correctly watch, the U.S. Senate.

In schools for the hearing-impaired across this country, students recite the pledge of allegiance in sign language, they study the history of democracy in this country, and they learn of the Senate and the great debate that have transpired on this floor. Now, due to passage of Senate Resolution 13, hearing impaired and deaf Americans will finally be able to watch democracy in action.

Furthermore, not only will closed captioning of the Senate allow the hearing-impaired to participate more fully in our Government, but it can be used as an important aid in increasing literacy in the population of our country for whom English is a second language. Studies have shown that the use of closed captioning can be a valuable tool to the acquisition of language skills.

I was proud to join the minority leader and the majority leader as an original cosponsor of Senate Resolution 13 which mandates real-time closed captioning of Senate business. I commend the Rules Committee for their quick action on this measure, and thank my colleagues for reaffirming the commitment this body made in 1986 to televise its business to all of segments of society.●

POLISH-AMERICAN HERITAGE MONTH

● Mr. SIMON. Mr. President, I am pleased that the Senate has passed Senate Joint Resolution 93, designating October 1989 as "Polish-American Heritage Month." This is the fifth consecutive year in which Congress will recognize the achievements of Americans of Polish descent.

We are honoring the many contributions Polish-Americans have made in all walks of American life. These contributions are numerous, and they have greatly enriched our society.

With the overwhelming victory of the Solidarity Labor Union in the Polish elections, we are able to show Americans of Polish descent, and Poles everywhere, that we support their long struggle for freedom from oppression and their commitment to regaining a free and independent state. I thank my colleagues for sending this message.●

BILL VINCENT

● Mr. REID. Mr. President, a great many volunteers contribute to the well being of our Nation and receive little recognition. President Bush recognized the importance of their work and achievements by referring to our volunteers as a "thousand points of light." Today, I wish to focus on the achievements of one of those points of light that we find in the "City of Lights"—Las Vegas, NV.

My friend Bill Vincent has spent much of his life working for the preservation of our environment and improvement of people's way of life. His long career in the media signifies the importance that Bill places on an educated public being able to make informed decisions for themselves as well as for this Nation.

Bill Vincent was born October 30, 1914, in Grand Junction, CO. He attended Denver University and Columbia University. At a time when working conditions were far different than they are today, he traveled the South and Northeast organizing workers for the International Ladies Garment Workers Union. Later, he tried gold mining in Colorado and northern Nevada. He also tried farming and logging in Washington State, and today he continues to grow trees on his farm in Washington. Bill's involvement with working men and women in America and his background in mining, farming, and logging have allowed Bill to communicate with a variety of people on a variety of issues. His early years provided Bill with the background to be an effective catalyst for other volunteers in Nevada today.

His career in the news media includes being an editor of the Farmers Union in Colorado, a reporter for United Press International, a news director for a radio station in Fresno, CA, and a reporter and editor for the Las Vegas Review-Journal. He spent 14 years as editor of the Review-Journal's Sunday Nevadan magazine, where he gave great attention to hunting, fishing, recreation, and environmental issues.

It is in the protection of Nevada's environment and our people's way of life where Bill has excelled. He was named Conservation Communicator of the Year by the Nevada Wildlife Fed-

eration in 1971, and in 1980 he received the Governor's Conservationist of the Year Award from the Federation. In June 1987 Friends of the United Nations Environment Programme named him as one of 500 honorees. These are just a few of the notable achievements in his life, but there are more, less publicized, accomplishments as well.

Bill has worked hard to preserve some of Nevada's outstanding forested mountain ranges as wilderness, and he has also worked to preserve some of our few remaining wild areas along the Colorado River. I am hopeful that this 25th anniversary year of the Wilderness Act, Bill will see additional Forest Service areas in Nevada protected as wilderness by this Congress.

Bill worked hard to keep the racetrack based MX missile out of our State. Over time people throughout Nevada and our Nation came to realize that he was right in opposing an expensive, large-scale weapons system that would have dramatically changed the character and environment of Nevada and Utah.

Bill has worked with Citizens Alert in Nevada to oppose the designation of Nevada and Yucca Mountain as this Nation's high-level nuclear waste dump. Many Nevadans share his concerns. Time will tell how many others will recognize what he recognizes—that Yucca Mountain and Nevada are not the solution to this Nation's growing problem with nuclear waste.

These three major issues for Nevada and the Nation are just a few of the issues Bill has addressed during his years in Nevada. I believe his achievements and style will serve as an example for years to come on what an individual can do if only they try. Nevada and the Nation are better today because of the work of this volunteer in the "City of Lights"—Las Vegas.

I will be joining other Nevadans on June 27, 1989, in paying tribute to the work of Bill Vincent through the presentation of a Distinguished Service Award. When one learns of Bill's past efforts, it seems only fitting that the Distinguished Service Award will consist of a planting of trees in a city park. The trees, like Bill, will improve the environment and make the city and State a better place to live.●

INSURANCE INDUSTRY MAKES POLICY CHANGES TO BENEFIT CONSUMERS

● Mr. DIXON. Mr. President, last April, the Insurance Services Office [ISO], a statistical and actuarial service organization, took a significant step to address consumers' concerns about insurance pricing. The office announced that, beginning in 1990, it will no longer provide final advisory rates to the 1,400 insurance companies which use its services. This means that these insurers will have to use their own expense and profit calculations to set final rates.

After that date, insurers using ISO services will only be provided data on potential future loss claims that is based on the appropriate aggregate historical information that has been fully developed and trended. Unlike other businesses, insurers do not know what the cost of their product, an insurance policy, will be when it is sold. Data on costs from anticipated future losses are the minimum the individual insurance companies need to enable them to estimate future claim costs and set rates based on their own calculations.

In view of ISO's action to alleviate policyholder concerns, I think we should give these changes a chance to work. We should see what effect they will have on the insurance industry and consumers, before we attempt to reach a conclusion on the insurance industry's limited antitrust immunity granted under the McCarran-Ferguson Act.●

ELECTIONS IN POLAND

● Mr. LEVIN. Mr. President, we live in remarkable times. We have witnessed a sweep of events recently, with potentially profound effects on the course of history.

The Soviet Empire is undergoing change, and the assumptions and formulas that have dominated East-West relations in our lifetimes are being challenged. There appears to be a remarkable confluence of forces, events, and ideas, and the world awaits the outcome.

In the last few weeks, our attention has been fixed to Tiananmen Square. First with wonder and shared admiration, we were moved as we watched Chinese citizens express an inspired and undeniable yearning for democracy. Then with horror, anger, and revulsion, the world witnessed the discredited leadership of China engage in a convulsive struggle to repress the will of its people. It is a bitter struggle, which wil bear bitter fruit. But the repression will be, as history inevitably demonstrates, futile. The desire of the people will eventually prevail, and the tyranny of repression will fall.

Which is what I want to talk about now, Mr. President. During these past few weeks, many events have vied for our attention. Yet, we should not overlook the profoundly significant events in Poland. The world has witnessed the overwhelming desire of the Polish people to shed the repression of tyranny, and has admired their continuing struggle to do so.

In the rush of events that compete for our attention, and in the crush of demands on our time, I want to pause for a few moments to note and pay tribute to the accomplishments that have been achieved in Poland this year by Solidarity and the Polish people.

As in the Soviet Union, where ethnic minorities are reasserting pride and determination for recognition and rights, and as in Hungary, where the spring winds of change and independence have reemerged after too long a winter, the Polish people have demonstrated to the world, and to themselves, their profound desire for change.

This past Sunday another round of elections was held in Poland. These elections are the result of the April roundtable talks, in which Solidarity and the party negotiated a complicated arrangement to begin a process of governmental and electoral reform. The party and its supporters were guaranteed majority control—this time—with the understanding that the legislative elections in 4 years are to be fully competitive, and the new office of President freely elected.

Mr. President, history will record that 2 weeks ago, in the first round of free elections in Poland since 1947, the people of Poland spoke in a clear and unmistakable voice. The representatives and supporters of Solidarity won 160 of the 161 seats for which they were eligible to compete in the new Assembly. After this past Sunday's elections, Solidarity and its supporters won 99 of the 100 seats in the new Senate.

The Communist Party and the current government were overwhelmingly rejected by the Polish people in these elections.

Poland has embarked on an important and difficult journey, and its ultimate destination is not yet assured. The Polish people deserve our respect and admiration for their determination and persistence, and have earned our support. That is why I have cosponsored S. 1183, the Democracy in Eastern Europe Act. I hope the full Senate has an opportunity soon to consider and pass this legislation, which is intended to encourage the process of democratic reforms in Poland and Hungary, and to provide assistance to help do so.

Mr. President, dramatic and historical change is afoot in Eastern Europe. We are fortunate to bear witness.●

EUGENE T. REVILLE

● Mr. MOYNIHAN. Mr. President, I rise today to honor Eugene T. Reville, the superintendent of the Buffalo public schools, who has announced that he will soon be leaving the post to accept a Federal district court appointment as special "super" superintendent of the three school districts that comprise the greater Little Rock, AR, metropolitan area. Gene thus completes 36 years of service to Buffalo

and its school children as teacher, principal, and chief school administrator. I am pleased, of course, that he has been so honored, but we will certainly be badly missed by the Buffalo community and by our State.

Gene Reville became superintendent of the Buffalo public schools shortly before my first election to this body. Almost immediately he was faced with the challenge of leading his school system in the effort to carry out a court-ordered desegregation plan. That this effort was most successful and that Buffalo was spared the agony and strife that came to many other large city school districts facing similar challenges at this time is a tribute to Gene Reville—to his abilities as an administrator, to his talents as a leader and, most of all, to his total commitment to the children of his city.

Under Gene Reville's leadership, the Buffalo public school system has not only been desegregated but it has also experienced a remarkable increase in the quality of its educational product. Over the past 14 years, children's test scores in reading and mathematics have improved by well over 20 percent, and the number of dropouts and truances have declined, with average daily attendance rising to over 92 percent. In addition, the Buffalo Magnet School Program has become a model for the Nation and more Buffalo public schools have been singled out for national recognition and honors than any other district in the country. I might add that I believe the success of the educational system and the success of the desegregation effort are directly linked: One could not have happened without the other.

I am pleased to have played a part in the Buffalo schools success story. When the Reagan administration forced an end to the Emergency School Assistance Act, the Buffalo schools, along with most other major city school districts across the Nation, faced a major gap in funding its desegregation programs. Working with Gene Reville and with other urban school leaders, we were able to develop, sponsor and see passed the Federal Magnet School Assistance Program that has helped Buffalo to close that budget gap and to establish the system of magnet schools that has brought it such national acclaim.

It was the success of those programs and the expertise he gained in desegregating the Buffalo schools that brought Gene Reville to the attention of the Federal district court in Little Rock and to prompt his appointment to lead its school districts in a desegregation effort that will commence this fall. I have every confidence of his success in this new mission, and I congratulate the people of Little Rock and of Arkansas for their good fortune in securing Gene's services.●

H.R. 2119, TO AUTHORIZE THE EXCHANGE OF CERTAIN FEDERAL PUBLIC LAND IN MADISON COUNTY, IL

● Mr. CHAFEE. Mr. President, H.R. 2119, a bill to exchange lands in Madison County, IL, was introduced in the House of Representatives by Congressman JERRY COSTELLO of Illinois on April 26, 1989, and was approved by voice vote on May 11. Senator SIMON introduced companion legislation, S. 961, on May 10, 1989.

H.R. 2119 would authorize the United States to convey its interest in a parcel of land acquired in connection with the construction of the Melvin Price Lock and Dam on the Mississippi River at Alton, IL, to the Blue Tee Corp. in exchange for the conveyance to the United States of the corporation's interest in another parcel of land in the same locality.

The land swap will allow the city of Alton to relocate the Blue Tee Corp.'s scrap steel operation and facilitate the development of a small boating dock and marina when the pool behind the lock and dam is raised.

I have three amendments to offer. The first would merely provide that the non-Federal land be transferred to the United States of America rather than to the Secretary of the Army. The second amendment would add a new section to the bill and is designed to ensure that the Federal Government receives the full value for the Federal property involved in the transaction. The final amendment underscores the intentions of Congressman COSTELLO and Senator SIMON that the Federal Government incur no costs in the land transaction.

I would like to thank the distinguished chairman of the Committee on Environment and Public Works, Senator BURDICK, and Senator SIMON for helping to move this bill through the Senate and urge its adoption as amended.●

TAX-AIDE

● Mr. PRYOR. Mr. President, as chairman of the Senate Special Committee on Aging, I would like to take this opportunity to recognize the American Association of Retired Persons' Tax-Aide Program which has served older taxpayers effectively and efficiently during its 21 years of existence. I have always supported efforts to educate the public and provide free tax counseling to low-income and elderly Americans.

Tax-Aide began modestly in 1968 with four volunteer tax counselors who assisted or helped to prepare approximately 100 tax returns for elderly taxpayers. The program has grown rapidly and impressively in recent years. During the 1988 tax season alone, more than 1.5 million tax returns were prepared by Tax-Aide counselors. In addition, many other benefits have been gained by older Americans, the Internal Revenue Service, and our Nation as a whole.

Tax-Aide counselors have helped to ensure that older Americans claim all lawful deductions and other benefits under the Internal Revenue Code. Unfortunately, today many older Americans needlessly overpay their taxes each year, for a variety of reasons. Some are confused by the tax form. Others are overwhelmed by the tax law. Numerous elderly persons are simply unaware of available deductions and other tax relief measures. Tax-Aide, though, has provided an effective means to protect older Americans from overpaying their income tax.

The program assists IRS by increasing taxpayer compliance. Tax-Aide counselors enable the IRS to serve more effectively hard-to-reach older taxpayers, particularly those residing in nursing homes, elderly minorities, and the rural aged. Additionally, volunteers serve as instructors for the Tax Counseling for the Elderly Program, which enables IRS personnel to perform other services. Finally, the Tax-Aide Program provides an opportunity for elderly volunteers to engage in purposeful and fulfilling activity by helping others in their communities.

Throughout its history, Tax-Aide has received several awards for the valuable contributions that it has made to our Nation, the IRS, and the communities where the program operates. Among these awards, Tax-Aide has received a Presidential citation and the IRS Commissioner's Award for outstanding and significant volunteer service in the public interest.

Recently, I had an opportunity to attend and speak at a ceremony of the Public Employees Roundtable honoring Tax-Aide for assisting elderly taxpayers in filing accurate and timely returns. I would like to once again offer my commendation and personal thanks to all the Tax-Aide volunteers for their service to older taxpayers.●

DRUG ABUSE: SPORTS FIGURES MUST LEAD THE WAY

● Mr. KERRY. Mr. President, we were saddened this past weekend to hear of the untimely death of former Oakland Raider lineman John Matuzak. My deepest condolences go out to his family and friends.

Matuzak died of heart failure, and although the autopsy failed to reveal the exact cause of death there is some speculation that drug use contributed to his death. While I hope such speculation is wrong, as Raider owner Al Davis pointed out, "John lived life in the fast lane"—Matuzak chronicled his drug use in his autobiography a few years ago.

This event served as a tragic reminder of the death of Len Bias almost 2 years ago. Bias had just been drafted by the Boston Celtics, his lifelong dream, when he unexpectedly died of massive cocaine-induced heart failure.

It saddens us all to witness this deadly courtship between our sports figures and drugs. The undoubtable fact is that we now live in an age where our youth look up more to Dwight Gooden and Michael Jordan than Dwight Eisenhower and Michael Dukakis; it is really a shame that some of our athletes are acting as such poor role models. It is tragic that their poor judgment has undermined the great work of so many athletes on the drug issue.

What kind of a message does it send to our youth when some of our athletes come on television to condemn drug use just as their colleagues are being reported for still more drug infractions.

Unfortunately, these are not just isolated incidents. Ben Johnson's admitted steroid use, Lawrence Taylor's drug problems and Detroit Red Wing Bob Probert's arrest for cocaine trafficking are just a few incidents that come to mind.

But at least these men were caught before they hurt either themselves or others. Often the results of sports drug abuse are much more tragic. Cleveland Browns defensive back Donnie Thompson also died of a cocaine overdose, Philadelphia Flyer goalie Pelle Lindbergh killed himself while driving drunk, and Olympic diving medalist Bruce Kimball was recently convicted on two counts of manslaughter for driving his car into a crowd while intoxicated. Sad to say, the list of such incidents seems almost endless.

Our sports figures are constantly in the spotlight; they are the men and women setting examples for our kids. They should be showing the way with their athletic prowess and not their deviant behavior.

Is this the behavior we want America's children to emulate? Again and again we have said otherwise.

Mr. President, we need to again encourage all of our sports figures to be more accountable for their behavior. Unfortunately the few irresponsible sports figures erode and destroy the great work of the majority. If we are going to win the war against drugs, we have said time and time again, that we must cut consumption. Making certain that the role models of our youth set good standards of behavior is something we must do so we can keep our youth away from the abyss of drugs and prevent needless tragedies like these from happening again.●

MARGARET SHEWMAKE, SUBURBAN HERO

● Mr. MOYNIHAN. Mr. President, I rise with great pride to acquaint my colleagues with a remarkable individual and resident of Hastings-on-Hudson in New York State. Her name is Margaret Shewmake, and she has recently been named one of 20 "Suburban Heroes" by Gannett Newspapers. I should add that she was also identified as the "Spirit of Westchester" by WFAS Radio in that county.

Ms. Shewmake is a person who has not only found her own strength, but has used this strength to help others find theirs. Despite formidable adversity, she has discovered her great worth and her valuable talents and has put these assets to work for the benefit of others.

A diabetic since childhood, she has endured numerous, serious operations and was bedridden for virtually a decade. Although she is now confined to a wheelchair and became completely blind 2 years ago, Ms. Shewmake commits herself to work at a county hotel for the homeless. Here, she assists people in their struggle to find employment and to improve their very lives.

And she has had success in this task. Not only by hard work, but by example she has inspired many to find jobs and to realize their own selfworth. She is an inspiration and, as Hastings-on-Hudson county legislator Paul Feiner has stated, "she's proving the value of life."

Mr. President, Marc Brown of Gannett's Suburban People has written a fine profile of Ms. Shewmake which I want to bring to my colleagues' attention. I am sure that all Members of this body will agree that Margaret Shewmake is a true hero.

I ask that the profile be printed in the RECORD.

The profile follows:

BEATING THE ODDS

Margaret Shewmake has endured more than her share of pain and heartbreak in her 44 years.

A severe diabetic since the age of 10, Shewmake, of Hastings-on-Hudson, has undergone more than two dozen serious operations related to her illness. For nearly 10 years she never left her bed. She was lost there in an addictive haze of prescribed painkillers.

She's suffered stillbirths and miscarriages. She no longer can walk and has only limited use of her arms. Two years ago, she went totally blind.

But she still makes her way four days a week to the Elmsford Motor Lodge, a county homeless hotel, where she gently but firmly prods people on welfare into looking for work. "I try to inspire people to get off welfare, to get control of their lives, to get jobs," She says. "If I've got the energy to go there, blind, handicapped, diabetic and in wheelchair, then they can see they've got the energy to get a job.

"It's working," she adds. "A couple of the men I've talked to have gotten jobs."

Shewmake has been a one-woman cheerleading squad for self-sufficiency since November. She found her calling through County Legislator Paul Feiner (D-Hastings-on-Hudson), whom she met while working on his failed state senate campaign. She also heads his advisory committee on the disabled. She admits that her role in his ad-hoc "Earned Fare" initiative (as opposed to the county's official workfare program) is as emotionally valuable to her as it is to the homeless clients she counsels.

"I was confined to the house for too long," she says. "I was in such a state of depression I didn't know there was world out there. I pushed my husband away. I pushed my daughter away. I was hooked on drugs. I was so wrapped up in my own troubles that I couldn't see anything else.

"I enjoy being out of the house," she adds. "There's a satisfaction I get helping others. It also keeps my mind off my own troubles. It reminds me that there are people worse off than I am."

Shewmake's new zeal for volunteerism has brought her family closer together, she says. Husband Paul, a cook at the Andrus Memorial Home in Hastings, drives her to and from the hotel every day and drives some of her clients to job interviews. Daughter Mary Beth, 17, has become her mother's personal counselor, helping her channel bitterness about her own problems into concern for others. "She's proud of me now," Shewmake says. "She didn't used to be."

Feiner, who nominated Shewmake as a Suburban Hero, says the "new Margaret" is something to behold.

"She rolls down halls in her wheelchair, knocking on doors, reminding people to come out and talk when potential employers show up," he says. "She never forgets a name or the type of job someone is looking for or a reference. She spends hours on the phone trying to line up interviews for some of these people.

"For me, she's a real hero," Feiner adds. "She's proving the value of life. Even though she's disabled, she can still be cheerful. She can still be productive. I've met very few people who are as inspirational as she is."

Feiner says Shewmake's role will not change now that the county has decided to apply its workfare program to homeless-hotel residents in Elmsford. She will encourage them to participate in the program, which requires them to work in return for temporary housing. If she is no longer needed in Elmsford, she will work elsewhere in the county.

There are frustrations in her line of work, Shewmake says, such as employers' reluctance to forgive the pasts of some of her clients. A criminal record is a criminal record, she says, but if people have paid their debt, they should be allowed to get on with their lives.

"I think everyone deserves a second chance," she says. "I know I've had one."●

JOB MARKET CRISIS

● Mr. LAUTENBERG. Mr. President, more and more data are becoming available that point to a coming job market crisis. On the one hand, it is estimated that a shortfall of 23 million American workers will hit our labor markets during the 1990's. On the other hand, those who are available

for work are likely not to have the skills needed by rapidly advancing technologies.

To avoid this crisis, we need to regularly identify those occupations and skills that constitute the labor shortage and skills gap. Then we must find effective ways to educate and train a well-qualified work force to meet employer needs. S. 741, the Labor Shortage Reduction Act of 1989, would begin this vital process.

I ask that a recent article on labor market needs and the challenge our schools face to provide qualified workers be printed in the RECORD.

The article follows:

THE FORGOTTEN HALF

(By David Whitman with Joseph P. Shapiro, Ronald A. Taylor, Amy Saltzman and Bruce B. Auster)

"You don't have to go to college to be a success. . . . We need the people who run the offices, the people who do the hard physical work of our society."—George Bush at Garfield High School, Los Angeles, during the 1988 campaign.

When George Bush told students from the East Los Angeles barrio that a college education was nonessential, pundits and politicians snickered. Jesse Jackson denounced Bush's "gross insensitivity", telling a cheering commencement crowd at Hampton University: "Let *him* caddy. Let *him* shine shoes. *You* keep going to college!"

Bush's comments may have seemed patronizing, but he was right on one vital point: The nation will need millions of workers without baccalaureate degrees in the 1990s. Stereotypes of noncollege-bound youth as janitors or hamburger flippers have fed the notion that Americans who lack a college degree are economically inconsequential. In fact, *half* of all young American workers still do not attend college. And in the upcoming decade, the economy will depend as much on this diverse group of less schooled workers as it will on the nation's software programers and rocket scientists. Unfortunatley, however, few of America's "forgotten half" either possess the basic reading-writing-arithmetic skills or receive the training necessary for the more complicated jobs of the future.

JOBS OF THE FUTURE

As the service sector expands, so does the need for a skilled labor force. With an expected labor shortfall of 23 million workers, it should be a seller's market in the next decade.

Occupations with the largest number of new jobs

[Total jobs added 1988–2000]

Sales clerks (million)	1.2
Waiters, waitresses	752,100
Registered nurses	612,000
Janitors, cleaners, maids	604,000
General managers and top executives	582,000
Cashiers	575,000
Truckdrivers	525,000
General office clerks	462,000
Food-counter workers	449,000
Nursing aides, orderlies, attendants	443,000

USN&WR—Basic data: U.S. Dept. of Labor.

Two fundamental transformations have combined to give the nation's least educated workers an unprecedented role in the American economy. The first is the birth dearth. Since World War II, employers have enjoyed an overabundance of unskilled workers. Yet in many cities, particularly those on the East Coast, openings for electricians, secretaries, security guards, waiters and auto mechanics are going begging because there aren't enough young American workers to fill the jobs. In 1987, up to one third of the nation's hospitals had to limit elective surgery temporarily or close emergency rooms and intensive-care-unit beds because nurses were scarce. Even the Army failed to meet its manpower-recruiting quotas last year for the first time since the early days of the All-Volunteer Force. All told, the business-affiliated Committee for Economic Development estimates that there may be a shortfall of over 23 million American workers in the early 1990s.

At first glance, the forgotten half might seem blessed by the worker deficit, since labor shortages typically force employers to raise wages and expand benefits to attract more workers. The catch lies in the second profound shift in the workplace: Qualifications for today's middle and low-wage jobs are rising even more rapidly than in the past. In 1965, a car mechanic needed to understand 5,000 pages of service manuals to fix any automobile on the road; today, he must be able to decipher 465,000 pages of technical text, the equivalent of 250 big-city telephone books.

The skills hurdle is even more pronounced in the service sector, where virtually all of the nation's job growth will take place for the rest of the century. The secretary who once pecked away at a manual typewriter must now master a word processor, a computer and telecommunications equipment. Even the cashier at the 7-Eleven store has to know how to sell money orders and do minor maintenance jobs on the Slurpee and Big Gulp machines. Former Secretary of Labor Ann McLaughlin warns that the nation's looming skills gap could well block attempts during the next decade to raise sluggish U.S. productivity, forcing employers and taxpayers to "retrain our own workers at huge expense." A report from the Center for Educational Research at Stanford University estimates that each year's class of high-school dropouts alone costs the nation up to $296 billion in lost earnings and forgone taxes over their lifetimes.

Despite this formidable price tag, many employers remain surprisingly complacent about the imminent worker deficit. "A lot of businessmen are accustomed to unskilled-labor surpluses," explains economist Anthony Carnevale of the American Society for Training and Development. "They treat these warnings as future-shock alarmism." Taxpayers from the baby-boom generation, who have faced a seemingly endless competition for job promotions, houses and schools, also have been slow to recognize the sea change in the labor market.

To date, most public debate about future jobs has centered on potential shortages of scientists or engineers, much as the debate did in the 1950's after the launch of Sputnik. Yet Labor Department projections indicate that some of the fastest-growing jobs during the 1990s will be low and midlevel occupations, like home health aides and physical-therapist assistants. In absolute terms, the three occupations with the most new jobs will be retail salespeople, waiters and waitresses and registered nurses. Virtually all these mid and low-wage service jobs require more-flexible workers who can read, reason, learn new tasks on their own and deal graciously with customers and clients.

Will the forgotten half be able to master the more demanding jobs of the future? Probably not. High-school graduates and dropouts fare absymally on standardized achievement tests when matched against their counterparts in other industrialized nations. National surveys show that a large percentage of the forgotten half lacks the reading, math and writing skills needed to handle even the most rudimentary problems in the modern workplace. One out of 3 high-school juniors cannot describe, in a reasonably cogent paragraph, the kind of job he or she would like. And while only a tiny fraction of Americans are illiterate by traditional standards (roughly 5 percent of all young adults read below a fourth-grade level), 21-to-25-year-olds already on the job show a marked lack of general workplace skills. A third of young high-school graduates cannot order two items from a lunch menu and then figure out how much change they are owed after paying a waiter $3.

While the skills shortfall is most graphic among black and Hispanic workers, the problem is by no means confined to poor minorities who live in the inner cities. Almost 80 percent of the forgotten half are white, 12 percent are black, and 9 percent are Hispanic. Roughly a quarter are high-school dropouts, many of whom have had their real earnings plummet in recent years and appear trapped in poverty-wage jobs. On the whole, the forgotten half approximates the new American working class. Its members are not, a 1988 study from the William T. Grant Foundation reports, "overcome by drugs, crime, teenage pregnancy and alienated from adults."

WHY JOHNNY MUST READ

Even in mundane jobs, workers must be ever more literate.

AVERAGE TIME SPENT READING FOR THE JOB

Occupation	Average time (minutes)	Type of material
Secretary	168	Reference books, lists, letters, handbooks.
Account clerk	120	Correspondence, ledgers, lists, tables.
Electrician	120	Technical references, blueprints, schematics.
Practical nurse	78	Charts, tables, card files, reference books.
Auto mechanic	60	Technical references, memos, work orders.
Air conditioning mechanic	45	Manuals, blueprints, memos.

Sources: USN&WR—Basic data: International Reading Association.

Tragically, future members of the forgotten half may be even less prepard for the world of work than their counterparts are today. That is because the 1990s mark the end of the era of the white-male worker, traditionally the nation's best-educated employe. Between now and the year 2000, a stunning 57 percent of all labor-force growth will be black, Hispanic or other minorities, who generally receive less schooling. Add the growing number of white women entering the job market, says former Secretary of Labor Ray Marshall, and "almost all of the increase in our work force will be women and minorities for the next hundred years." Yet, as Arnold Packer, a labor-market expert with the Hudson Institute, points out, it is young, poorly educated minority workers "whose paychecks will pay the taxes, finance Social Security and support private benefit plans" well into the next century.

Despite the obvious economic consequences of ignoring half the work force, businessmen and educators persistently pay scant attention to nonbaccalaureate America. The typical American college student now receives a combined public and private subsidy of about $5,000 for each year in college. By contrast, only about 5 percent of the disadvantaged Americans who qualify for federally supported job training receive *any* assistance from underfunded government programs. Those lucky enough to do so generally receive the equivalent of a one-time $1,800 to $2,300 subsidy. Moreover, recent school reforms such as magnet schools may even widen the skills gap by skewing assistance further toward the most talented and privileged. From corporate-training seminars to high-school typing classes, the members of the forgotten half are just that—forgotten. Here is why, and the tales of some of those left behind.

CORPORATE AMERICA—TEST, NOT INVEST

The abysmal results of the New York Telephone Company's (NYTC) entry-level exam are well publicized, but they conceal an even more telling story of corporate neglect. In 1987, 57,000 applicants took the exam, a simple test measuring basic skills in math, reading and reasoning, and 54,900 flunked. Few news reports, however, mention that NYTC does little to raise the skills of the entry-level employes it does hire. Instead, NYTC follows corporate America's perverse rule of thumb: The more a worker needs training, the less likely an employer is to provide it.

The plight of Vincent Galvin, a 34-year-old telephone operator, is typical. Since he was a teen, Galvin, a father of three, wanted to emulate his own dad. The elder Galvin started off sweeping floors for NYTC and retired 32 years later as a $50,000-a-year phone installer. After high school, Vincent landed a job as an NYTC phone operator in 1979. An exemplary employee, he took pride in handling up to 900 calls each shift, and he later worked temporarily as an acting shift supervisor. But after 10 years, Vincent cannot get the position he wants as a frame attendant monitoring problems in telephone-switch exchanges because he has failed to pass the company's "technical-ability battery" test.

Nor will NYTC help him. The company provides no direct training for workers like Galvin who seek to upgrade their positions. Instead, employes are expected to teach themselves, using simplistic mail-order courses. Andrew Vitiello, a 29-year-old customer representative who took the electricity course explains that "if you know how to plug in a toaster, you pass the course."

Not surprising, 70 percent of employes flunk the technical test. NYTC spokesmen insist that the test screens for minimal technical ability, yet many of the math problems seem abstruse and of limited relevance to a frame atttendant's job. Galvin despairs that he will ever pass the exam and move up as his father did. "For a hundred years," says Galvin, "if you kept your nose clean, the company would take you and say, 'Forget everything. We're going to teach you all you'll need to know.' Those days are over."

It is a different story, however, for NYTC executives. The company readily reimburses managers, technicians and nonunion employes 100 percent for the cost of college-level courses, including seminars at elite think tanks. Such unequal treatment is the rule, not the exception. Nationwide, companies are three to four times more likely to offer workshops in stress management or how to run meetings than to train laborers seeking to upgrade their positions. Historically, this skewed training pattern evolved because few chief executives felt compelled to invest in unskilled workers when the supply of applicants was plentiful. But now that the labor market has changed, corporate America has been slow to adjust. Only 1 percent of the $210 billion currently spent by employers on formal and informal training goes toward raising basic skills.

This miniscule investment is especially worrisome because it is already too late to reach the bulk of the forgotten half through the schools, since roughly 75 percent of the Americans who will compose the work force of the year 2000 have already finished high school. Yet even enlightened corporate leaders spend more time bemoaning the quality of secondary education than investing in their entry-level workers. Take Xerox Corporation CEO David Kearns, who has spoken and written tirelessly about the need to reform the nation's high schools. His message, as he sums up in "Winning the Brain Race," is that the U.S. "can't have a world-class economy without a world-class work force, from senior scientists to stockroom clerks." "I am most concerned," Kearns writes, "about the least among us, the disadvantaged and the dispossessed. . . . They are tomorrow's workers too."

Still, Kearns wants somebody else besides Xerox to pick up the tab for training the dispossessed. For more than a decade, Xerox has taught tens of thousands of management, sales and technical trainees at its lavish international training center in Leesburg, Va. The center includes an outdoor pool and squash courts but lacks a course in remedial math or a developmental seminar for the stockroom clerk cited by Kearns. In fact, Xerox does not offer its clerical workers, laborers and unskilled service help any formal training, even though such low-wage workers constitute nearly a quarter of the company's 67,000-person U.S. work force. "We can still get the people we need," Kearns explains, "We have to test now about four or five times as many people as we used to, but we can still get them."

Outside the "Fortune 500" companies, the training dearth for unskilled and semiskilled workers is even more acute. Small businesses should play a particularly important role in training the forgotten half, since businesses with fewer than 100 employes created roughly half of all new jobs in recent years. Yet only about 13 percent of small firms offer any formal training to workers with less than a high-school degree. In part, this training shortfall reflects a Hobson's choice: The small entrepreneur typically cannot afford to invest in training young employes. Even if the businessman can train them, the workers may soon leave for better paying jobs with bigger firms.

Arkansas travel agent Candi Clarkson, 28, is a case in point. As a trainee in 1985 at Blackwood Travel, a five-person agency in Little Rock, she was taught to use the office computer, but agency owner Chet Blackwood could not afford the variety of "familiarization trips" that travel agents routinely take to fancy resorts where they are likely to book clients. Blackwood would like to send his employes on more such trips because, apart from being an attractive perquisite, the tours keep agents from geting snookered by deceptive travel bargains. But in the only trip on which Blackwood could afford to send Clarkson, she got to tour the empty Fort Worth stockyards, home to the local cattle show. "It wasn't useful or much fun," Clarkson recalls, adding, "You had to watch where you walked."

After a year and a half, Clarkson left Blackwood for a bigger travel agency that raised her salary by 25 percent; she has since become an in-house agent for a major computer firm that pays for all her training and reimburses her for college courses. Chet Blackwood, meanwhile, is still frustrated by the high turnover rate among his agents but doubts he can do much about it. In desperation, he paid an employment agency $1,000 to find a new agent. After Blackwood spent three months training the recruit, she quit to become a salesperson, leaving Blackwood annoyed and $1,000 poorer.

HIGH SCHOOL—INSIDE THE TOOLSHED

Can the nation's high schools successfully elevate the skills of the forgotten half? Not without a radical change in priorities. Many educators measure their success by the number of gifted students they help send to elite colleges, not by what they do for the mediocre or failing students. Survey after survey shows that teachers and guidance counselors rank securing a job for students as their last priority.

This neglect contrasts markedly with the generous assistance that the noncollege bound get in most industrialized nations. In West Germany, Austria and Switzerland, a third to more than half of noncollege-bound 16-to-18-year-olds are in apprenticeship programs, and it is almost impossible to leave school without some vocational training. In the U.S., by contrast, fewer than 5 percent of high-school graduates sign up to be apprentices. Many high schools are unaccustomed to cooperating with employers. Several years ago, Nationwide Insurance, a major employer in Columbus, Ohio, asked local high schools for copies of 1,200 student transcripts. Only 93 transcripts came back.

Instead of receiving useful training and counseling, noncollege-bound youths typically end up in general-education and vocational courses, which too often amount to little more than corrals for handicapped students, minorities and kids with discipline problems. A 1983 National Academy of Sciences study found that automotive classes in one large city consisted of teaching minority students how to wash and wax cars. Even when their classes are not dumping grounds, "vokies" often scrape by with second-rate equipment and underfunded programs. At Stevens High School in Claremont, N.H., classrooms are so cramped that the vocational director calls them an "impediment to learning." In the health-occupation classroom, for instance, there is no room for food preparation, so students who want to be dietitians cannot practice preparing low-cholesterol meals. Nor is there the space or equipment to give nursing students practice in moving a patient into a bath or whirlpool.

Sometimes the problem is more one of attitude than dollars. Few school principals and guidance counselors fuss over outstanding vocational students. After training in Steven's outdated machine shop, Chris Yurek still managed to win the 1988 award for the top high-school machinist in New Hampshire. Yet on class day, school officials never mentioned his achievement, though they announced awards to outstanding seniors in math and science and cited every graduate who would receive a partial or full scholarship to college. One administrator, asked whether Stevens might not also announce the graduates who were taking jobs,

snickered: "Who gives a damn if some kid gets hired by K mart?"

Unfortunately, many leaders of today's education-reform movement also largely ignore the forgotten half. The much bruited 1983 "Nation at Risk" report, which launched the reform movement, does not contain a single recommendation for improving vocational education, even though half of all high school students take at least four vocational courses. Former Secretary of Education William Bennett and other reformers argue that many of the specific skills taught in vocational courses become obsolete after a student has been out of school a few years. What high-school students really need, Bennett contends, are improved attitudes toward work and more grounding in math, English, science and foreign languages.

While no one disputes the need for better basic skills, most schools put little emphasis on using vocational courses to help teach the basics. For instance, a marketing class that teaches students how to read invoices may prove more valuable for the noncollege-bound pupil than algebra or French II. Ironically, the excellence-in-education movement, including several reforms advocated by President Bush, may inadvertently even harm the forgotten half. Recent get-tough retention policies and added graduation requirements appear to have raised the dropout rate in a number of cities, while making it harder for students to find time for vocational courses. Among others, Albert Shanker, president of the American Federation of Teachers, argues that recent reforms failed to help struggling students. "It's ridiculous," he says, "to raise the hurdle for kids who are unable to jump it in the first place."

COMMUNITY COLLEGES—THE REVOLVING DOOR

Unlike the nation's high schools, community colleges devote considerable resources to upgrading the skills of the forgotten half. In the past, most students used two-year colleges to prepare for transferring to four-year schools. But today, the majority of students receive vocational training instead, and the colleges have close ties with local employers. Many even provide "customized" training courses for individual employers. While two-year colleges are generally ignored outside the trade press, they enroll roughly half of all entering freshmen.

At their best, community colleges can offer unique help to students like Annell Lawrence, a 35-year-old mother of three who found that a four-year university provided neither the personal attention from professors nor the vocational courses that she wanted. In 1973, Lawrence dropped out of Howard University and spent much of the next decade working as a $4.40-per-hour home health aide. In 1987, when she tired of "cleaning up the bedpans and the mess that people make in their houses," she enrolled at the Community College of Philadelphia (CCP) to become a $7.50-per-hour medical-records technician. Now, like many students at CCP, she juggles her studies, a part-time secretarial job, caring for her three children, cooking and cleaning. She looks forward to the day she can take the money from her new job, "throw it up in the air, and say, 'This is mine!' "

Even though community college served a s a portal for Annell Lawrence, for millions of others it has proved to be a revolving door. Many of those enrolled at two-year schools, particularly minority students at urban campuses, will never benefit from college-level courses. The three most common course offerings in community colleges are remedial reading, remedial writing and remedial math. These classes are not refresher courses but elementary-level classes. In one CCP course, math Prof. Geoffrey Schultz teaches the multiplication table just to 99 because, he says, "10 times 11 is too high a number for the students." In a CCP remedial English class, the week's assignment is to write a paragraph.

CCP students also often arrive with inchoate and inflated expectations. They take a few courses in scattered disciplines and then drop out before they receive a degree. George Feinstein, a former shift supervisor at Pizza Hut, decided to major in fire science (a curriculum of science and job-skills training for would-be firefighters) at CCP because it "sounded fun." But neither Feinstein nor his adviser knew what classes he needed to take to fulfill his major.

Feinstein spent 18 months at CCP before his adviser realized that the 20-year-old had failed to take any courses in fire science. By that time, the amiable Feinstein was on academic probation; soon, he was dismissed. Today, he works 11-hour shifts at his brother-in-law's pizzeria but dreams of becoming a television actor or cameraman. He talks wistfully of going back to college so that, "on the magical day I get married, I can do the important stuff of life—like figure out my taxes and understand a mortgage."

SOLUTIONS—CLOSING THE SKILLS GAP

Unfortunately, prospects for closing the skills gap in the coming decade appear bleak. Few large-scale programs boast much success in upgrading the reading and writing skills of the forgotten half. Particularly disappointing are initiatives aimed at those who join the work force without finishing high school. Numerous politicians have suggested that an army of volunteers could help eradicate illiteracy, but there is little evidence that even such well-intentioned programs as do exist accomplish much.

Several shortcomings of literacy programs have proved particularly hard to mend. Most similiterate adults inevitably have unhappy memories of school and do not eagerly sign up for further instruction. Even among those who do volunteer, roughly half drop out. For those who stay, notes David Harman of the Institute for Corporate Education in New York, about half "lapse back into illiteracy soon after their graduation."

Programs for forgotten-half members still in high school have been just as ineffectual. George Bush and many corporate leaders have touted the burgeoning school-business "partnership" movement as a way to prepare students for the world of work, but most corporations offer little more than grants to schools to help with maintenance and textbooks, or provide part-time tutors and mentors.

Even the most ambitious partnerships have failed to raise the test scores of mediocre students. The Boston Compact, perhaps the most comprehensive school-business partnership in the country, offers a good illustration. Under the 1982 program, each public school in Boston now has a jobs coach who instructs students on how to seek and land employment. Students learn, for instance, not to wear gym clothes or their Walkman to a job interview. And business participants lived up to their promise to provide jobs to students: Some 1,000 high-school seniors in the class of 1987 obtained jobs through the compact, and over 3,000 students got summer positions.

Boston's public schools, however, failed to fulfill their part of the partnership—raising student achievement. The low test scores of students have barely edged upward in recent years, and the dropout rate has soared. Forty percent of all ninth graders quit school before they graduate, far more than will ever find full-time jobs through the compact. School officials now say that business leaders were naïve, and they react testily to their complaints about the schools. "Business has no strategy for dealing with the problems of housing, drugs and proverty," says former school-board head John Nicci. "When a lot of bank presidents were going to school, acne was the major health concern, not 15-year-olds getting pregnant."

If Boston is a harbinger, neither a strong school-business partnership nor a seemingly tight labor market will do much to help the forgotten half in the upcoming decade. While unemployment in Boston plummeted in the 1980s to 3 percent, the city's high family poverty rate remained essentially steady at around 15 percent. That's because official unemployment statistics include only those looking for work, not the mothers on welfare, those trapped in poorly paid part-time jobs and those who have stopped looking for work. Just as the Boston Compact failed to reach the city's high-school dropouts, so, too, a strong local economy has failed to reach the city's most disadvantaged residents. Despite its good econimic fortune, Boston seems to have missed an opportunity to improve the lot of the unskilled. If that pattern prevails throughout the U.S. in the years ahead, the forgotten half will become an even weightier millstone for the nation.●

1989 NEW JERSEY IRISH FESTIVAL

● Mr. LAUTENBERG. Mr. President, on Sunday, June 25, Irish-Americans of New Jersey and the tristate area will join, as they have for the last 18 years, to celebrate the annual New Jersey Irish Festival. The festival will be held at the Garden State Arts Center.

Paul H. Reilly of Newark and Middletown, general chairman, and Mrs. Gretta (McGrenaghan) McHale, of Ridgefield and Long Beach Island, have all worked hard to make this festival a reality. The Most Reverend John M. Smith, Auxiliary Bishop of the Archidiocese of Newark, will formally open the 1989 program. Fifteen priests and vicars from parishes all over New Jersey will be the co-celebrants. A massed choir, directed by Ray Bober, from all of Bayonne's eight Catholic churches—St. Andrew, St. Henry, St. Joseph, St. Michael, Our Lady of the Assumption, Our Lady of Mt. Carmel, Our Lady Star of the Sea, and St. Vincent De Paul—will furnish the music.

There will be step dancing by the Patricia Murphy School of Irish Dancing of Neptune, and songs by Pat Roper, who is known as the King of Festivals, on the mall; Gaelic football between youth teams, 23 bagpipe bands competing for the festival championship; Irish food of all kinds; an outstanding Irish cultural exhibit,

and a theater stage program featuring two legendary Irish folk rock 'n roll bands from Dublin, the Fureys & Davey Arthur and the Clan.

Mr. President, Irish-Americans have made a lasting contribution to our Nation. At the same time, they have preserved and cherished their heritage. I wish them well as they celebrate the annual New Jersey Irish-American Festival.●

CHANEY, GOODMAN, AND SCHWERNER DAY

● Mr. BIDEN. Mr. President, I was pleased to join with the distinguished majority leader, Senator MITCHELL, as 1 of the 57 cosponsors of Senate Concurrent Resolution 40, which designated June 21, 1989, as Chaney, Goodman, and Schwerner Day. That date is important for all of us to remember.

It was 25 years ago that James Chaney, Andrew Goodman, and Michael Schwerner volunteered to work on the Freedom Summer project, an interracial voter registration campaign. The project took them to Philadelphia, MS, in late June 1964 to ensure that the right to vote—the birthright of every citizen in this country—was extended to black Americans in the Deep South.

It was a worthy effort. It was a noble effort. It also cost these three young men their lives. Many of us can still recall the moment we heard the shocking news of their murders. Their deaths were intended to deter the civil rights movement but they had just the opposite effect: They mobilized hundreds of thousands of Americans to redouble their efforts to end second class citizenship status for any American.

James Chaney, Andrew Goodman, and Michael Schwerner represent an integral part of a national civil rights movement to protest racial discrimination. This movement led to passage of the landmark Civil Rights Act of 1964 and the Voting Rights Act of 1965, two of the most effective civil rights laws ever enacted by Congress.

The lives and deaths of Chaney, Goodman, and Schwerner symbolize the dream of brotherhood among citizens of this Nation from all races, religions, and ethnic backgrounds. Their sacrifice should always encourage all Americans to rededicate themselves to the ideals of justice, equality, and community.

James Chaney, a black American from Meridian, MS. Andrew Goodman and Michael Schwerner, white men from New York. These names are part of our history. But history fades, like so many other memories, and it is easy to forget. But we must not forget: The ideals they lived and died for, the moral courage they demonstrated, and the continuing struggle for racial tolerance and social justice. These things must be rememberd. The cause of racial harmony, of social and economic justice did not die 25 years ago. For our Nation to truly flourish, this commitment must continue to unite and involve men and women of all colors and religions in 1989 as it did in that fateful summer of 1964.●

TRIBUTE TO J.B. FLOYD

● Mr. CHAFEE. Mr. President, today I ask the Senate to join me in warm and heartfelt congrationations to Mr. J.B. Floyd on the occasion of his 80th birthday. In so doiing, we share this remarkable milestone with his proud family, his many friends and the entire community of Aiken (Silver Bluff), SC, in paying tribute to this man, a fine father and an outstanding American.

Mr. Floyd achieved octogenarian stature on June 13, 1989, and his entire family will gather at his home on Sunday, July 2, in celebration. The appropriatrely elaborate and festive event has been organized in Mr. Floyd's honor by his children, Vertell Floyd Simmons of Washington, DC, and Arnold Huey Floyd of Brooklyn, NY. A great many loving relatives and friends will travel far and near to share the joy on Mr. Floyd's day of tribute.

Floyd has been blessed with a good share of personal milestones in recent years. With his beautiful bride, Martha Dunbar Floyd, he celebrated in July 1981 a 50th wedding anniversary. They are blessed with three highly accomplished children and one remarkable grandchild.

Floyd built a livelihood for his family as a self-employed carpenter. Although he has retired some years ago, he is blessed with remarkably good health, probably because he remains quite active, in carpentry and community activities. He continues to contribute to the foundation of his church as well. Floyd is a deacon at Indian Grove Baptist Church in Aiken.

More than most Americans, Mr. Floyd exemplifies the spirit of our President's message of a "kinder and gentler nation." He is widely known by his family, friends, neighbors, and the community at large as a uniquely caring, sharing, and loving person. He is often affectionately accused of giving the shirt off his back.

With great pride and personal admiration, I ask my colleagues to join me in extending our very best wishes for continued health and happiness to J.B. Floyd on the occasion of his 80th birthday.●

FEDERAL FISH INSPECTION ACT

● Mr. LOTT. Mr. President, I rise today to join the distinguished majority leader and others in introducing the Federal Fish Inspection Act. The introduction of this legislation will provide a beginning toward insuring the safety and wholesomeness of our Nation's seafood products.

The bill calls for the U.S. Department of Agriculture to develop a comprehensive plan to coordinate effective inspection of fish and seafood. The bill provides for an active program based upon modern analysis critical control point principles recommended by the National Academy of Sciences.

The program, developed by this bill, should provide for cooperation with existing State programs and agencies. It should contain provisions for an advisory committee to aid the U.S. Department of Agriculture and the various State programs associated with the fish and seafood industry, as these agencies guarantee the wholesomeness of our Nation's seafood products.

A consumer education program to make the public aware of the value of such inspections should be contained in the bill. We are familiar with public awareness of safeguards for food products grown in this country and those that are imported. Public confidence in seafood products can be increased by better inspection programs.

I strongly urge others to join us in the development of this important program. We want to ensure Americans that the fish and seafood products provided by this country as well as the imported products continue to be safe and wholesome.●

SUPREME COURT FLAG DESECRATION RULING

● Mr. D'AMATO. Mr. President, Wednesday the Supreme Court nullified laws that prohibit the desecration of the flag of the United States. The desecration of the flag is not an expression of speech, it is an act that should be a crime. The flag is a shining symbol of this Nation; its desecration is an offense against our veterans who sacrificed their lives and is an offense against all those who love this great country and cherish its freedoms. I have always been a strong supporter of free speech rights, but protecting the integrity and dignity of the flag is not inconsistent with first amendment rights. Any American is free to criticize our government and its policies, but that freedom is not license to desecrate the flag.

Earlier this year, I cosponsored a bill (S. 607) that would have strengthened the Federal law against flag desecration. Although that bill passed the Senate by a vote of 97 to 0, the Supreme Court's decision undermines the Federal law as well as the laws of 48 States that protect the flag. Accordingly, I was proud to cosponsor Senate Resolution 151 to express the Senate's profound disagreement with

the Supreme Court's decision. I am also proud to cosponsor Senate Joint Resolution 165, introduced by Senator WILSON, and Senate Joint Resolution 167, introduced by Senator THURMOND, which are proposed amendments to the constitution necessary to restore our ability to protect the flag against desecration.●

CLOSED-CAPTIONED BROADCASTING OF SENATE FLOOR PROCEEDINGS

● Mr. CHAFEE. Mr. President, I am extremely pleased that the Senate this week approved a change in the rules governing this body that makes broadcasts of our floor proceedings accessible to the hearing impaired. This important rule change clears the way for closed-captioned broadcasting of Senate sessions.

For the benefit of my colleagues who may not be familiar with this technology, closed captioning is the process by which the audio portion of a televised program is converted to written words, which then appear on television in a form similar to subtitles. In addition to enabling hearing-impaired individuals to view an instant transcript of the audio segment of a broadcast, closed captions are used by people learning to read and by those learning a new language.

By implementing closed-captioned broadcasting of its proceedings, the Senate joins a number of institutions already using this wonderful technology. Presently, most major public affairs broadcasts are closed captioned, including network news programs, Presidential debates, speeches, press conferences, and even some Senate committee hearings. A little over 2 years ago when Senate debate began to be televised, we embarked on a venture that ushered in a new era in the history of the Senate. We did so with the underlying belief that our democratic process would be strengthened as a result of a more informed and active citizenry. Now, with the addition of closed-captioned broadcasts, all our citizens can benefit from greater access to the process, regardless of their ability to hear. We all benefit from that.

Events surrounding the recent student demonstrations for democracy in China underscore the critical role played by technology and media in modern politics. To fathom the desire for greater access to democratic institutions, however, one does not have to look nearly as far as China. One only has to think back to just more than a year ago when students from Gallaudet University, a school that is attended primarily by hearing-impaired individuals, marched right by this building to make known their desire for a deaf president of their university.

It is worth noting that the Senate has taken this step in the 25th year of the landmark Civil Rights Act. For too long, however, it has been an unfinished landmark because its provisions do not afford protection to the 36 million Americans who are disabled. Many of us have sponsored the Medicaid Home and Community Quality Services Act, S. 384, and the Americans With Disabilities Act, S. 933. A cornerstone of the philosophy behind those two bills is the ideal of full participation in society by those who are disabled.

Closed-captioned broadcasting of Senate proceedings does involve a small expenditure of money. That cost is negligible, though, when compared to the benefits that will result. It is significant that this body has recognized that we too must make adjustments to accommodate the disabled. What better way for this body to move toward the goal of full participation than to take a step that extends to the disabled greater access to an institution that has the power to affect so directly their quality of life? I look forward to the day when we inaugurate the first closed-captioned broadcast of a Senate session.●

ANGOLA

Mr. DECONCINI. Mr. President, yesterday, the Marxist President of Angola Eduardo dos Santos, and the President of the UNITA rebels Jonas Savimbi shook hands and agreed to end a 14-year civil war. Long and difficult negotiations lie ahead of us. The United States must continue to provide sustained support for a full national reconciliation in Angola leading to free and fair elections.

The actions of UNITA and the MPLA are an important diplomatic first step in which the U.S. Government should take great satisfaction. It was United States support to UNITA that finally convinced the MPLA and their Soviet and Cuban backers that there could be no military solution in Angola. This realization produced the Tripartite agreement signed on December 22, 1988, between Angola, Cuba and South Africa.

After years of denying UNITA's existence as a legitimate nationalist force, the MPLA has agreed to direct negotiations. Again, it was the consistency of U.S. policy that produced this result. Early in his administration, President Bush affirmed that the United States will continue to support UNITA until national reconciliation is achived. The U.S. Congress has repeatedly reinforced the administration's position on Angola. Just last week the Senate and House agreed to my amendment to the fiscal year 1989 dire supplemental appropriations bill which strengthens the Tripartite agreement and restates U.S. policy—that the United States will continue to support UNITA until genuine national reconciliation is achieved.

Our Angola success demonstrates that we can form a strong bipartisan foreign policy. It illustrates the importance of a coherent foreign policy that is reached cooperatively between the administration and the Congress.

The road ahead will be difficult. The United States must continue to strongly support UNITA so that the dual objectives of a government of national unity and free and fair elections are achieved. Once an agreement is reached that is satisfactory to both parties, the U.S. Government should consider how it can help the newly established government rebuild a nation.●

CHARLES MOHR

Mr. MOYNIHAN. Mr. President, I rise to relay to my colleagues what many already know, which is that most exceptional journalist, Charles Mohr, died this past weekend. I would like to take just a moment of the Senate's time in recognition of one of our Nation's finest correspondents.

Charles Mohr was a dedicated correspondent whose work transversed four decades. Employed by the New York Times for a quarter of a century, he was this agency's chief correspondent in Vietnam and their chief correspondent for Southeast Asia. Charles Mohr was indeed most recognized for his reporting on the Vietnam war.

His reporting in this area was critical, descriptive, objective, and honest. Truth was the goal and the guiding force. Charles Mohr, one might say, valued truth more than safety, be it safety in physical well-being or safety of career. As a correspondent covering the Vietnam war, he in a very real sense shared the dangers of battle; his receipt of the Bronze Star certainly attests to this. In his career, his refusal to adapt his reporting to enormous pressures similarly revealed his independence and integrity.

As knowledgeable in the political realm as in foreign affairs, he was a White House correspondent during several Presidential administrations. He most recently reported on military issues and was one of a team of eight journalists which received the 1986 Pulitzer Prize for explanatory journalism in covering the Reagan administration's so-called star wars program.

All this being so, there was yet a greater impact which Charles Mohr had within and on his profession. His was an example of professionalism, of incisiveness, objectivity, and analytical prowess. Colleague Robert McFadden termed Mohr a "consummate correspondent" while Tom Wicker praised him and I.F. Stone—another fine correspondent who died this past week-

end—as being characteristically "clear-eyed".

His was reporting at its best, marked by ability, brilliance, and dedication—qualities for which there is no substance in the field of journalism or any other profession. It was Walter Lippmann who stated: "Without criticism and reliable and intelligent reporting, the government cannot govern." Charles Mohr helped us to better understand world events, to better understand the truth. In this, he not only helped our Government to better govern, but helped us to better understand our world.

I ask that Mr. McFadden's obituary as it appeared in the New York Times and Mr. Wicker's recent, eloquent editorial be printed in the RECORD at this point.

The material follows:

[From the New York Times, June 18, 1989]

CHARLES MOHR, 60, DIES SUDDENLY; PRIZE-WINNING REPORTER OF WARS

(By Robert D. McFadden)

Charles Mohr, a prize-winning correspondent who covered the wars in Vietnam and the Middle East as well as political and military affairs for The New York Times for 25 years, died of heart failure at Suburban Hospital in Bethesda, Md., Friday night on his 60th birthday.

Mr. Mohr, who had a long history of heart problems complicated by diabetes, had suffered a heart attack at his home in Chevy Chase, Md., earlier Friday evening, his family said.

From the jungles of Vietnam and desert battlefields of the Middle East to the halls of power in Washington, Mr. Mohr was regarded by colleagues and knowledgeable readers alike as a consummate correspondent—a bold, tenacious and objective reporter who could write with speed, accuracy and incisiveness.

In a career that spanned nearly four decades, he was a newspaper reporter in Nebraska, an editor and reporter for United Press in Chicago, a correspondent for Time magazine for nine years and a globe-trotting foreign and Washington correspondent for The Times.

3 CONTINENTS, 3 PRESIDENCIES

His assignments included India, Africa and Asia, numerous campaigns for the Presidency and the White House in the Administrations of Dwight D. Eisenhower, Lyndon B. Johnson and Jimmy Carter. In recent years, based in Washington, he covered military affairs and military policy, including procurement scandals and the talks on limitation of strategic arms.

"Charley Mohr was one of the most highly professional reporters I ever met," former President Jimmy Carter said yesterday. "When he wrote an article, you knew it was the truth—even if if was a critical one."

Mr. Mohr was one of the eight reporters and editors who won the 1986 Pulitzer Prize for explanatory journalism for The Times for a series of articles on the Reagan Administration's plans for a space-based missile defense system known as "Star Wars." He was co-author of "The New York Times Complete Guide to the Star Wars Debate," published last year.

But it was as a Vietnam War correspondent in the 1960's, for Time magazine in 1962 and 1963 and for The Times from 1964 to 1970, that Mr. Mohr was best known. He not only took readers into jungle outposts for graphic and moving accounts of life with embattled troops, but also analyzed the strategic conduct of the war with sweep and clarity.

CHALLENGING OFFICIAL FALSEHOODS

He was one of a handful of correspondents including Neil Sheehan, David Halberstam, Peter Arnett, Malcolm Browne, Seymour M. Hersh, R. W. Apple Jr., Homer Bigart and Eugene L. Roberts, Jr. whose reporting challenged false official accounts and presaged the failure of American and South Vietnamese policies in the war.

Presidents Johnson and Richard M. Nixon accused these reporters of courting and even encouraging defeat, but eventually it became clear that much of the official information in Vietnam was misrepresented for propaganda purposes and that it was the reporters who were bringing the facts to the American people.

Mr. Mohr, in a celebrated episode, resigned from Time in the fall of 1963 after the magazine refused to publish his reports. He then joined The Times in 1964 and returned to Vietnam, from which he continued to report until 1970.

He was the first correspondent wounded in the war—by shrapnel in the leg in 1965—and one of three awarded the Bronze Star for trying to rescue a mortally wounded marine under heavy fire during the Tet offensive of 1968. His reporting took him often into the fighting: to besieged outposts, into burning villages and fields raked with machine-gun fire.

From Saigon, his reporting appraised the full sweep of the war and the policies underlying it: misguided attempts at secret bombing, strategic and planning failures, the use of napalm on civilians, flawed efforts to "pacify" the Vietnamese people, and corruption in South Vietnam's political and military leadership.

Peter Arnett, who was in Vietnam for The Associated Press from 1962 to 1971 and won the Pultizer Prize for international reporting in 1966, said: "Charley Mohr was one of a half-dozen outstanding correspondents of the war whose reporting really made a difference. He was brave. He was one of the exceptional journalists of the era."

Charles Henry Mohr was born on June 16, 1929, in Loup City, Neb., where he grew up. He graduated Phi Beta Kappa from the University of Nebraska in 1951. He was a reporter for The Lincoln (Neb.) Star in 1950 and 1951.

After three years with United Press in Chicago, he joined Time magazine in 1954. His assignments for Time included San Francisco, the White House, New Delhi, Hong Kong and Saigon.

As a correspondent for The New York Times, Mr. Mohr covered the Presidential campaigns of Barry Goldwater in 1964 and Jimmy Carter in 1976, reported from Africa for five years in the 1970's and covered a series of wars, including the 1973 and 1967 wars in the Middle East.

Mr. Mohr is survived by his wife, Norma, a senior editor of the Voice of America, whom he married in 1951; three children, Dr. Gretchen Kalonji of Arlington, Mass., Ned Mohr, of Madison, Wis., and Julie Piwonski of Arlington, Va.; a stepson, Hank Lanum, of Clifton Park, N.Y., and five grandchildren.

[From the New York Times, June 18, 1989]

TWO HONORABLE MEN

(By Tom Wicker)

On February 7, 1965, less than a month after Lyndon B. Johnson was sworn in for his own Presidential term, Viet Cong infiltrators breached the South Vietnamese security perimeter around an American special forces camp at Pleiku, blew up several U.S. aircraft, killed 8 Americans and wounded 108 others.

Twelve hours later, 49 American carrier planes bombed staging areas and base camps near Dong Hoi in North Vietnam—"in response," the White House said, "to provocations ordered and directed by the Hanoi regime." The swift U.S. retaliation, however, suggested that the Pleiku attack had been more nearly an excuse that triggered a planned reaction. The U.S. bombing of North Vietnam had begun; by mid-March, it was a daily routine.

On Feb. 16, even before the full bombing campaign developed, I.F. Stone wrote in his four-page weekly that "The most important casualty" at Pleiku as the U.S. hope for counter-guerrilla warfare in South Vietnam. "The decision to bomb North Vietnam confessed that after four years . . . the guerrillas were stronger, better armed, enjoyed more popular support and controlled more territory than when our intervention began in 1961."

Characteristically, Izzy Stone had made a prescient point that was to become of increasing importance as the war in Vietnam wore on for eight more years: bombing North Vietnam was an ineffective substitute for winning the ground war in South Vietnam. Another reporter who understood that just as clearly and who published his analysis even earlier was my admired friend and colleague, Charlie Mohr. In The New York Times of February 8, 1965, he wrote of the Pleiku incident:

"[A] small Viet Cong unit, armed with captured [American] weapons and protected by a lack of field intelligence on the part of the South Vietnamese Army, succeeded in creeping onto the American base and dealing a bloody blow." So the responsibility for Pleiku could be laid "not just to Hanoi but to a failure to prosecute the antiguerrilla war in South Vietnam itself in a more vigorous and successful way."

By sad coincidence, the bell tolled for I.F. Stone, age 81, and Charles Mohr age 60, this past weekend, tolling too for those who cherished them as good friends and great reporters—and diminishing an American journalism that's all too seldom the boldly sounding tocsin its constitutional protection ought to make it. The incisive reporting of these two clear-eyed journalists provided, at the time of the Pleiku incident, a personal moment of truth for me, and—for all those willing to hear it—a clear warning that our country was heading down a road of futility and frustration in Indochina.

The war in Vietnam, more than any other experience in my professional lifetime, validated independent, searching, skeptical journalism unbeholden to official statements by official institutions. Such reporting, bred by the war, later played a major part in disclosing the Watergate scandals. It has been and still is, unfortunately, more nearly the exception than the rule of print and broadcast news in this country.

For years, all through the red-baiting and conformist 50's, I.F. Stone exemplified in his one-man weekly reports that kind of journalism. He made a specialty of the docu-

mentary sources and the experienced personal insights that most reporters, of any era, avoid in the crush for access to official spokesmen. Long before the war in Vietnam became generally unpopular, I.F. Stone's unrelenting search for the reality beneath the official facade made him peerless among those few journalists who questioned, in print or on the air, the Government's inflated claims.

In a more conventional career, from reporting in Lincoln, Neb., to Time magazine, Charlie Mohr learned and practiced the same rare values. When Time failed to publish his reports from Vietnam because they did not observe the Government line, he refused to lie down but resigned in protest. Later in Vietnam, for this newspaper, Charles Mohr became in my judgment the outstanding combat reporter of the war—militarily knowledgeable, unafraid to reach his own conclusions, unflinching under fire, filing stories of sensitivity and compassion that matched their brilliance.

These highly skilled reporters, these warm and generous men, different in many ways but alike in courage and integrity, unfailingly honored their profession. Its practictioners could most truly honor them by emulation.●

PROVIDENCE—A CITY OF OPPORTUNITY

● Mr. PELL. Mr. President, I wish to share with my colleagues a very interesting article which appeared in KPMG Peat Marwick's recent edition of World magazine featuring Providence, RI.

Rhode Island is steeped in a unique and rich history. It was founded in 1636 as a heaven from the religious intolerance of Massachusetts and grew to become a place of boundless opportunity. While Rhode Island did face a period of decline after World War II, new leadership and a willingness to change turned Rhode Island and its capital city around and rekindled the innovative spirit which originally made Rhode Island the cradle of the industrial revolution.

Credit for Rhode Island's renaissance must be given to our public and private leaders who had a vision of a better and more prosperous Rhode Island and who were willing to take risks in the face of adversity. Thanks to the leadership and cooperative efforts of Joseph Paolino, the mayor of Providence, and Edward DiPrete, the Governor of Rhode Island, the city of Providence has become a place of opportunity, of significant growth and change. Together they created a climate which encouraged development and investment. In fact, I would like to draw attention to the fact that Providence was recently named by Newsweek as one of the "best places to work and live in America."

The enterprenuerial spirit, that same spirit which inspired Samuel Slater to build the first cotton mill on the banks of the Blackstone River, is alive and well in Providence today. One of the most recent examples of this spirit and of the favorable business climate that exists in my State is the development of the Capital Center in downtown Providence. As the article states, this project "is testament to a new level of cooperation that has emerged between city and State governments." As the article also points out, we still have a way to go, but I am confident that we can continue to succeed by relying on Rhode Island's heritage of change and progress.

I ask that the text of the article be printed in the RECORD.

The text of the article follows:

A MATCH MADE IN PROVIDENCE

(By David Narsavage and Pam Geraldi Rabin)

Governors and mayors are not necessarily known for joining forces to move mountains, but in Providence, R.I., rivers are another matter. Here, two rivers—the Moshassuck and the Woonasquatucket—have been literally rechanneled as part of a billion-dollar revitalization project known as Capital Center. If successful, the project will link Rhode Island's statehouse with the adjacent and resurging core of its largest city.

Some of the 60-acre project site for the center is not little more than a muddy construction lot, but observers on both sides of the city-state fence say that the Capital Center project involves more than just real estate. The project's very existence, they contend, is testament to a new level of cooperation that has emerged between city and state governments.

While positive city-state equations have long shown their value in economic development efforts elsewhere, such cooperation may be even more vital here because, despite their distinct entities and charters, the city of Providence and the state of Rhode Island are about as close to oneness as the equation gets.

"Little Rhody" is just that—the smallest state in the union, a mere 37 miles across and 48 miles deep. Some 800,000 of its nearly one million residents live in the greater metropolitan area of Providence. Thus, city and state can't help but play a crucial role in each other's destinies. This interdependency prompted the late anthropologist Margaret Mead to observe, "This is the most fascinating state in the country to watch because you can see the whole political process in action within four blocks."

The fate of this city-state is bound not only by the geography but by common concerns that demand shared energies and solutions. It is from such cohesive dynamics, say many of the area's politicians and business leaders, that economic and social momentum has been derived.

The momentum has been considerable of late. Economic tides within the Ocean State have surged recently, accompanied by a wave of media applause that may have crested when Newsweek called Providence one of "the best places to live and work in America." Indeed, Rhode Island boasts one of the nation's lowest unemployment levels at 3.4 percent. Personal income is at an all-time high, and about $1 billion in construction contracts were awarded last year, with new plant construction totaling 1.2 million square feet.

This turnaround may surprise those who recall the derogatory remarks once heaped upon the state. As recently as five years ago, The Wall Street Journal described Rhode Island as being "out of step," "the region's dowdy neighbor," and little more than a "smudge" on Interstate 95. The disparagements were not entirely without warrant. Decline had been the operative word in describing Rhode Island's economy since World War II. Although the state remained popular with tourists drawn by some 400 miles of picturesque bay and oceanfront and the resort jewels of Newport and Block Islands, its industrial base has been rusting away for some time.

Providence was at the center of the decline. The city was gray and dirty, its population was tumbling, and retailers had all but deserted downtown for the suburbs. It was a scene familiar in cities across New England, recalls Richards F. Syron, president of the Federal Reserve Bank of Boston. "Only 15 years ago," he says, "conventional wisdom viewed New England as a long-term basket case, destined to become an Audubon sanctuary."

By the 1970s, the State Manufacturers Association rated Rhode Island's business climate the second worst in the nation. Its unemployment level topped 10 percent as yet another wave of industrial employers pulled up stakes and left, many bound for the Sun Belt. Per capita income fell below the national average. Perhaps the heaviest blow to the state's economy came in 1974 when the Newport Naval Base and the U.S. Naval Air Station at Quonset were closed, eliminating some 10,000 civilian jobs. "The loss of Newport and Quonset was absolutely the bottom for the state," says Henry Fazzano, director of the state's department of economic development.

Rhode Island responded to the economic dilemma with a willingness to take risks that had characterized the state's original settlers. Providence, in fact, was founded in 1636 as a refuge from the religious persecution of neighboring Massachusetts. As a colony, Rhode Island's citizens were at war with the British long before Lexington and Concord saw battle, and, accordingly, it was the first among the 13 colonies to declare its independence.

Like many settlements on the Atlantic coast, Providence first found commerce as a seaport. But its fortune, and those of the entire state, turned far more prosperous upon the wheel of a water-powered cotton mill devised in 1793 on the banks of the Blackstone River in nearby Pawtucket by Samuel Slater, an English immigrant. His invention set in motion the mass production of textiles and established Rhode Island as a cradle of America's industrial revolution. About the same time, another Yankee ingeniously struck gold—or unstruck it—when a Providence jeweler, Nehemiah Dodge, reduced the gold content of his products, thereby launching America's costume jewlery industry.

It was this entrepreneurial spirit that the state government embraced in 1974 as it sought to revive a moribund economy. One result was the formation of a port authority, through which the state acquired the abandoned Quonset Naval Air Base and enticed the General Dynamics Electric Boat Division to open a manufacturing facility there. A key component of the state's offer was an extensive job training program to teach the work force skills, such as welding, required in the manufacture of boats. Today the plant employs some 5,000 workers. Job training programs also convinced Metropolitan Life Insurance Company to build a regional headquarters in suburban Warwick employing some 1,200 people.

The state has continued to develop new programs. In 1985, the Rhode Island Part-

nership for Science and Technology (RIPSAT) was formed to bring together businesses, colleges, universities, and hospitals on projects in science, technology, and research and development. And in 1988, the governor wrote into law the Workforce 2000 initiative, a business-government partnership formed to train workers in a wide range of skills.

The state also successfully wooed investment from overseas. Today there are more than 60 foreign-based companies operating in Rhode Island, employing some 7,000 workers. Credit for the increased presence of the internationals belongs, in part, to the Commodores, a state-sanctioned organization comprising some 300 members of the business, cultural, and academic communities. Receiving no state funds the group's volunteer members serve as ambassadors to potential new businesses. James R. Winoker, a Providence developer and president of B.B. Greenberg Co., one of the state's leading jewelry manufacturers, is "admiral" of the Commodores. "If the governor has a foreign economic development delegation visiting, we'll host a reception for them," comments Winoker. "Or if a domestic company is thinking of locating here, we'll get some of our members together with its representatives."

While Rhode Island's textile industry has declined, the state's jewelry and silversmith industries remain vital components of the economy. In fact, some 70 percent of the costume jewelry made in America originates here. In addition to B.B. Greenberg Co., industry leaders Monet Jewelers Inc., Trifari, and Anson Incorporated call Rhode Island home.

"The costume jewelry industry has been strong in the state for a century because hundreds of suppliers of jewelry components and services such as electroplating are available in the area," explains Matthew A. Runci, executive director of the Manufacturing jewelers and Silversmiths of America. "The industry is growing even stronger as manufacturers focus mure on design and marketing."

The state's favorable business climate is also boosting the industry," says Russell A. Boss, president of A.T. Cross Company, the largest American-owned manufacturer of writing instruments. "The industry has not always been the cleanest of corporate citizens, but that's changed dramatically with the industry's more sophisticated processing methods."

Manufacturers in industries other than jewelry are also a viable presence in the state. In addition to the General Dynamics Electric Boat Division Quonset Point Facility, Rhode Island is home to Nortek Inc., Textron Inc., and the Gilbane Building Company, one of the country's ten largest construction management companies. Today there are more than 3,000 manufacturers in Rhode Island, accounting for more than 120,000 jobs.

While manufacturing has been one the upswing, much of Rhode Island's recent growth has been in the service sector. Rhode Island boats 21 banks, including the Fleet/Norstar Financial Group, Inc., a $29 billion regional bank holding company. The insurance industry, led by Allendale Mutual Insurance Company and The PW Group, has also grown.

This growth has hardly been coincidental. Shortly after taking office, the governor established a blue-ribbon committee to help improve the business climate for the insurance industry. One result of the effort is the State's Open Rating Competitive Law, which mandates that the insurance department act on rate filings within 30 days.

"Changes traditionally have come slowly in New England, so what's happened here is just short of revolutionary," says Joel N. Tobey, president and CEO of Amica Mutual Insurance Company, founded in Providence in 1907 and now the nation's seventh largest mutual insurance company. "Government has become more sensitive to the business community, though it's not at all a captive of business interests. And the maze of bureaucracy usually endemic to a city doesn't exist here because everyone knows everyone else. So our small size is a real advantage to business."

No doubt, Rhode Island's economy has also benefited from the economic "miracle" that rippled across New England in the 1980s, due largely to defense spending by the Reagan administration.

The city and state's cooperative efforts helped bolster that momentum. The city's participation began in force with the election in 1984 of Democrat Joseph R. Paolino, Jr. At 29, he was the youngest mayor in Providence history. He was also the son of a prominent local developer who recognized the need to involve the business community in charting the city's future. Also elected to office in 1984 was Edward D. DiPrete, who became the State's first Republican governor in 16 years. A pragmatic businessman from Cranston, a largely blue-collar city, DiPrete promised to make Rhode Island "the Better Business State."

The two men are largely credited with spearheading a statewide bipartisan alliance that is considered highly unusual in a state that has historically made the crunch and grind of politics its number-one spectator sport. In 1985 the alliance resulted in a legislative package that caught the attention of the business community: Employer-paid unemployment benefits for strikers were abolished, unemployment taxes were restructured in favor of employers, workers' compensation was made more efficient, the corporate net worth tax was repealed, and all Rhode Island's residents enjoyed a 22 percent reduction in personal income taxes. Also, manufacturers were no longer required to pay property or sales taxes on machinery and equipment, nor were their inventories taxed.

To many observers, these actions were nothing short of radical in what had long been considered a labor state. But, according to DiPrete and Paolino, they were necessary to fully restore the health of the economy—as was the cooperation that allowed the changes to occur. "I knew no one would win if I had an antagonistic relationship with either the Democratic State legislature or mayor. I sensed a rebirth in that legislative session," recalls DiPrete. "Members on both sides of the aisle were indeed saying to investors in the business community, 'Look at us again. It's a new ball game here, a new State."

Paolino's support was instrumental in helping the State to develop its aggressive programs. He says that he and DiPrete understand development. "We're businessmen. We know that the needs of the community and business aren't incompatible. The key is in balancing the two—making sure that the economic and social environment is hospitable to both."

The alliance between governor and mayor signaled "a major turnaround in city-state relations," says Henry Fazzano, who also served as an aide to Paolino. "It worked because both men wanted good, clean business. Their relationship is also open and honest, which hasn't always been the case around here. Things changed because the leadership has changed."

Despite rumors that the two men might face each other in the state's 1990 gubernatorial race, both the alliance and its newest project are progressing. Capital Center is the largest single construction project in the state's history. If everything on the drawing board is realized, it will include 3 million to 5 million square feet of commercial, residential, and office space when completed in the early to mid-1990's and more than $1 billion in public and private funds will have been invested in the project, which will also give the city a new hotel and convention center, a shopping mall, and a bi-level walkway system. Well over $40 million of public funds has already gone into relocating the two rivers, as well as removing Amtrak railroad tracks referred to by residents as the Chinese wall because they cut off the statehouse complex from the rest of downtown Providence.

An already existing centerpiece on the project site is the Union Station rail terminal. Once a crumbling remnant from another era, the station is undergoing a $20 million renovation. Soon it will be the new headquarters of Cookson America, the $1 billion subsidiary of the British conglomerate Cookson Group plc, a manufacturer of specialized industrial materials. Richard M. Oster, a managing director of Cookson Group plc and CEO of Cookson America who also serves as chairman of the new Convention Center Authority, says, "It would be dramatically less expensive for the company to move its office to the suburbs rather than to Union Station. But as the grandson of Russian immigrants, I can't forget how well Providence has treated my family, how it's helped my family's business—for one, by attracting employees to the area."

Renovation of the city's landmarks has been the crusade of Antoinette Downing, chairman of the powerful Rhode Island Historical Preservation Commission and a local legend. Paolino is one of her staunchest supporters. "Don't touch a thing or she's down here in a flash," he smiles to a visitor in his office, with its turn-of-the-century splendor. The governor, too, sought her advice on the Capital Center project. Fully active despite her 80-some years, Downing is admired, respected, and a bit feared. "I never realized I could have such an effect," says Downing, laughing at her watchdog image. But she certainly has, spearheading among other projects the highly successful drive to transform Providence's Benefit Street from a badly neglected line of 18th century buildings into what's known today as "a mile of history." "I'm not afraid of progress because I don't think there's any choice," she says. "But we have so much to appreciate in Rhode Island and so much to miss if we lose these resources."

Another place in Providence where the past and future coexist amicably is Brown University, the seventh oldest college in the nation and the best known of the state's nine private and three public colleges and universities. An active member of the community, Brown is working with the University of Rhode Island, the National Science Foundation, state government, and local industry in a research foundation exploring a new coating technology known as thin film, which is potentially less damaging to the environment than current electroplating

techniques, used in the costume jewelry industry, among others. Brown has also undertaken programs to improve secondary education in Rhode Island and nationwide. And Brown University's new medical school has significantly improved the quality and availability of health care in Rhode Island.

Vartan Gregorian recently became Brown's new president, leaving his post as president of the New York Public Library. "New York is a revolutionary city, whereas Providence is an evolutionary city," he says. "It's not a collection of factions, but a true community with the perspective of the centuries."

While developments such as Capital Center are visible proof of Rhode Island's improved economy, other downtown buildings are darkened reminders that the resurgence still has a way to go. The hot economic growth of recent years also shows signs of cooling. While the economy is certainly stable and more diverse than ever, says Gary Ciminero, chief economist at Fleet/Norstar Financial Group, Inc., "1989 could be one of the slowest growth years of this decade because the region's economy is reaching its growth peak. We're running out of people to employ, and housing prices have doubled in the state."

U.S. senator and former Rhode Island governor John H. Chafee also acknowledges the difficulties. "We face the problems of any urban area. The population of Providence remains flat, wages are still relatively low, and we can't expect to sustain our recent growth. But overall, our small size means that difficulties are smaller and more manageable than those of other urban areas. We've become more diversified and, therefore, less vulnerable."

The surging economic tide to date hasn't raised everyone's boat, however: Many low-income and minority residents have been left virtually untouched by the state's economic resurgence. Recent immigrants are among the residents with low incomes, says Alan G. Hassenfeld, president of Pawtucket-based Hasbro, Inc., the world's largest toy maker. As chairman of the Governor's Advisory Council on Refugee Resettlement, he was instrumental in helping Providence cope with an influx of Southeast Asians, the second-highest per capita concentration of its kind in the nation. "We can't just sit back and say, 'We're doing fine now,'" observes Hassenfeld. "As the Boston metropolitan area grows, its population is moving south into Rhode Island tightening the supply of low-cost housing here."

While population spillover from Massachusetts has raised the cost of housing in the past two years, it's still a bargain for most of the state's residents. The same is true of Class A office space in Providence, which goes for about 60 percent of what it would in Massachusetts.

Housing bargains are only one attraction. The relatively low cost of doing business is another of Rhode Island's great draws, when compared to the other industrial states of the Northeast, says J. Terrence Murray, chairman and CEO of Fleet/Norstar. "Rhode Island's greatest growth in the past ten years has been in the defense industry. In fact, most underwater weaponry is designed in the state. Another growth area is the financial services industry. In the past five or six years, Fleet/Norstar, for instance, has gone from a $5 billion to a $29 billion company. We in Rhode Island have underestimated the appeal of what we have here, and we've had a chip on our shoulder because of some of the unfavorable national publicity we've received. Between our rich ethnic mix, beautifully restored historic architectural resources, and the natural beauty of our coastal location, we have a treasure that some Rhode Islanders don't appreciate."

One treasure that virtually everyone agrees on is the quality of life Rhode Island offers. The same attractions that draw thousands of tourists are the very reasons many residents say they wouldn't live anyplace else. In addition to the 300 beaches that dot the coastline, there are countless marinas, yacht clubs, and sailing schools. Sixty percent of the state remains undeveloped, offering what one local advertising executive called "some perks only God can confer." Among the man-made cultural attractions are an acclaimed philharmonic orchestra, the Rhode Island School of Design, the Providence Performing Arts Center, and the Tony Award-winning Trinity Repertory Company, the largest and oldest permanent ensemble in the United States.

As for sports, the Providence College Friars basketball team has helped Rhode Islanders gain national respect in athletic circles. Native Rhode Islander David Gavitt was Providence College's basketball coach for ten years before forming the Big East Conference in 1979. He's now commissioner of the conference, headquartered in Providence. "We could be anywhere within our nine-school conference," says Gavitt. "And I know of cities that would provide significant incentives for us to move there because of the publicity value we offer. But I've never considered moving the conference. This place has a special quality."

This claim is certainly not disputed by third-generation Rhode Islander Joseph M. Cianciolo, KPMG Peat Marwick managing partner in Providence. "Our obstacles are the same kinds of challenges that the country faces as a whole. All things being equal, I think Rhode Island will acquit itself very well in the years to come. I don't anticipate any flash-in-the-pan spurts, but rather steady, consistent progress. The crucial elements of the equation are firmly in place—now we've just got to put them to work." ●

RECENT ACTIONS OF THE INSURANCE SERVICES OFFICE

● Mr. FORD. Mr. President, I wish to call to the attention of my colleagues a recent action taken within the insurance industry which I believe will have a positive impact on competition. In early April, the Insurance Services Office [ISO] announced that it will no longer provide advisory rates to the 1,400 insurance companies across the country which participate in its services.

The insurance industry has come under increasing scrutiny by State and Federal officials over the past several months. Consumers have been, justifiably, concerned about the future affordability and availability of various forms of insurance. And like any other industry, actions taken from within which serve to enhance competition are in the best interests of everyone and should be commended.

ISO provides "loss cost" information in an effort to allow insurers to estimate their costs based on data from across the country. Under the former ISO policy, insurers were provided information relating to marketing and overhead expenses, underwriting profit and contingencies.

Under the proposed policy change, ISO will no longer provide advisory rates based on accumulated data. ISO will not provide data on marketing and overhead expenses. Instead, each participant must determine its own expense and profit needs. ISO will only provide prospective loss costs, including such items as handling and legal expenses.

This policy change means that smaller companies will still have important information available to them. However, ISO will only be involved in estimating costs, not offering any assistance in formulating prices. Many small insurers do not have the resources to conduct this type of actuarial analysis, and would otherwise be deterred from entering new geographic markets or providing new lines of insurance.

I look forward to monitoring the implementation of the new policy to assess the impact it may have on the industry. Before Congress takes any dramatic action on any proposal to modify the structure or operation of the insurance industry, significant weight must be given to such policy changes and other trends which serve to benefit consumers.●

FEDERAL FISH INSPECTION ACT

● Mr. CHAFEE. Mr. President, I am pleased to join the distinguished junior Senator from Maine in introducing legislation to ensure the safety of seafood products. As a Rhode Islander, I am especially aware of the need to reassure consumers about the safety of the seafood that we eat. This legislation, introduced yesterday, will serve as a valuable basis for discussion on this important issue, and I look forward to working closely with Senator MITCHELL and my other colleagues on this matter.

We residents of the "Ocean State" enjoy the full benefits of a beautiful marine environment—boating, swimming, sailing. But it is also a critical economic resource. The fishing industry is central to our economy, providing hundreds of jobs for Rhode Islanders and other New Englanders. And we are well known for our seafood and shellfish. Let me extend an invitation to those Senators who have not yet visited Rhode Island or tasted Rhode Island quahogs: come see what you're missing.

In the past few years, however, there has been increasing concern—sometimes justified, but often not—about the health risks posed by unsafe or contaminated seafood. This fear has been heightened recently by troubling reports about the state of our

marine environment. Last year, stories about medical waste and ocean dumping of sludge appeared regularly in newspapers and news broadcasts. Other scares about the safety of different fruits have also added to the public's hesitation about what is safe to eat and what is not.

That is why a national seafood inspection program is important. Currently, seafood is regulated by the Food and Drug Administration [FDA] and by State agencies. But in order to allay public concerns about seafood consumption, we need a comprehensive inspection system to consolidate and enhance all of the regulatory programs.

Not only would such a program protect consumers, but it would protect fishermen and seafood processors. It is essential that we give the fishing industry a way to assure consumers that seafood products are not only safe to eat, but are of high quality as well. The USDA now inspects our meat products; fish products are of no less importance, and deserve that same stamp of confidence.

The bill that is being introduced today would give the Secretary of Agriculture the authority to establish an inspection program for fish and fish products. The program would cover processing, inspection of both foreign and domestic fish, and registration and inspection of facilities and vessels that process fish. In addition, the Secretary would establish standards for processing conditions, and implement a monitoring and surveillance system to assure compliance with the standards.

To minimize disruption in the fish industry and coordinate inspection efforts, the Secretary would work closely with other Federal agencies. Research on new testing techniques for the presence of contaminants would also be encouraged.

Mr. President, Rhode Island takes pains to ensure the safety of its seafood products. Even so, the Rhode Island fishing industry is adversely affected by negative public perceptions about seafood. Because it will help the industry, Rhode Island fishing industry representatives have endorsed a national inspection program. It is important that they be able to reassure consumers about the wholesomeness of the seafood on their dinner tables. That kind of public confidence would be greatly enhanced by a national inspection system.

I know that this piece of legislation is only a first step. But it is an important one. I look forward to working with Rhode Islanders and my colleagues in the Senate to improve this measure as the Senate continues discussion on this important issue.●

RECENT EVENTS IN CHINA

● Mr. HEINZ. Mr. President, in the weeks ahead, the Bush administration and Congress will consider additional steps to convey America's profound abhorrence of recent events in China. Whatever sanctions are imposed in the near term, there is one fundamental alteration in our bilateral relationship that must occur: the elevation of human rights to a core element of the United States-China diplomatic agenda.

I recall a story once that the Chinese Communists introduced simplified characters in an attempt to make the Chinese language more accessible to the people. At that time, the character for love contained within the character for heart. When the character was simplified, the "heart was taken out of love." Indeed today the character for "love" no longer includes the character for "heart." And now the Chinese leadership has taken the heart out of the United States-China relationship.

Since the June 3-4 massacre of prodemocracy students in Tiananmen Square, we in the United States have gone through a complete cycle of emotions.

First, we were shocked by the assault of the army and tanks on the students as they were sleeping in their tents and shelters. As so many Americans who had developed a fascination for China, I had difficulty believing the cruelty and brutality occuring before my eyes.

Then, profound disappointment as I recalled my own visit to China in 1986, and my meeting with Premier Li Peng, who went to extraordinary lengths to reassure our bi-partisan delegation of China's political and economic stability, and the esteem he held for United States-China relations.

Next, anger at the duplicitous rewriting of history occuring after the massacre, and the public execution of pro-democracy activists.

The cycle of emotion was widely shared by Americans, as was support for the initial package of sanctions implemented by President Bush within days of the massacre at Tiananmen Square.

The President's first steps targeted Chinese-United States military ties, and humanitarian aid for the victims.

The suspension of military sales under review by the Coordinating Committee (COCOM), a multilateral export control system that includes all the NATO countries, Japan and Australia; the suspension of military exchange visits; the extension of visas to the 40,000 students studying in the United States who fear they will be persecuted for supporting the prodemocracy student demonstrators in China; and, the offer of humanitarian aid to those injured during the Tiananmen atrocity.

I would point out to my colleagues that these sanctions have an immediate and high visibility impact. Take the COCOM review suspension.

Currently, the Chinese have ready access to the low-end technologies on the COCOM controlled list. Under discussion, until the events in Tiananmen Square, was a liberalization of the rules that would have led to the Chinese having access to close to 95 percent of all high technology items controlled by COCOM. That review would have been concluded in September.

In addition, last year, the Reagan administration approved two proposed satellite launches by the Chinese after a heated debate which included exchanges of letters at the highest levels of both Governments. These launches were and are extremely high on the Chinese Governments agenda because they establish the credibility of their commercial launch program, putting it on par with the United States and France, the only major commercial launchers. The first launch is planned for April 1990, and the critical period of resolving issues related to the launch is the next 30 days. President Bush has suspended any further cooperation or movement in this high visibility area as well.

Indeed, the credibility of all his other actions to target the Chinese military and political leadership would have been totally undermined and called into question had he acquiesced in continued United States approval of these launchers.

Following the first public executions of Chinese prodemocracy leaders, the President implemented additional sanctions to communicate United States disapproval of those events, again taking actions affecting the Chinese leadership and its military-industrial priorities.

The restrictions of high level contacts with Chinese embassy officials; and, the indefinite postponement in processing nearly $1.3 billion in loans from the World Bank and the Asian Development Bank and halting any steps to move forward on some $4 billion in new loans up until now under negotiations with the PRC.

While I support the President on these actions, the continuation and escalation of government retaliation against the democracy movement calls for additional steps, and I am calling on the President to take three further actions.

Extend the suspension of sales to include dual-use technologies to civilian organizations with known ties to the military; seek Congressional approval of legislation to create a special visa status for Chinese students in the United States that will not expose them to being singled out for punishment once they return home; and suspend consideration of new Export-

Import Bank assistance to United States-China business projects.

The President should also study whether China has imposed immigration restrictions contemplated under Jackson-Vanik. The Chinese Government has closed its borders—indeed may be restricting emigration—in order to ensure that people participating in the democracy movement are caught in the vast web of oppression now underway. Such restrictions would raise serious questions about continuation of the Jackson-Vanik waiver which affords China most favored nation [MFU] status. I call upon the administration to carefully analyze and report to Congress on the affect of these actions as quickly as possible.

I believe those additional steps are consistent with the President's focused response strategy, singling out the Chinese leadership yet sustaining our relationship with the Chinese people.

Necessary as those near term sanctions are, it is our ability to constructively support the aspirations of the Chinese people for freedom that demands a fundamental shift in our policy. Human rights should be an essential part of the United States-China relationship.

For the past 10 years, since the establishment of diplomatic relations between the United States and China, the United States has been as guilty of sweeping Chinese human rights violations under the rug as the Chinese have been guilty of committing them. China's human rights record is deplorable, and it has been since 1949. But the United States has refused to put human rights on the agenda for fear of offending the Chinese.

How can we offend a government that has no genuine or shared conception of freedom and liberty? Indeed, more than people were trampled in Tiananmen. It may surprise Americans to learn that China has a constitution which, on paper, guarantees its citizens freedom of speech, press, assembly, association, and of demonstrations. Article 35 proclaims that freedom of the person of a citizen of the People's Republic of China is inviolable and that no citizen may be arrested without due process, and if arrested under due process, the arrest must be by a public security organ—Article 37. The constitution allows citizens of the People's Republic of China to criticize and to make suggestions to relevant state organs against officials for corruption and other crimes—Article 41. The latter article prohibits retaliation against those bringing charges against Government officials.

This is not the first time that China has blatantly violated the human rights of its citizens. Human rights organizations have brought to our attention Chinese atrocities in Tibet, but we looked the other way. In 1978-79, 6 years after President Nixon's historic opening of China, the Chinese Government quashed another democracy movement, which some of us recall was characterized by wall posters, unofficial journals, and calls for free speech and assembly, and an end to corruption by officials and their offspring. This movement ended with the imprisonment of its leadership, including Wei Jingshen, the Fang Lizhi of 10 years ago. Wei is still imprisoned.

And where were the outcrys against these human rights violations? Did they figure in our assessment of the decision to establish diplomatic relations with China? The record available to us says a resounding no!

We have received year in and year out nothing but sterile human rights reports from the executive branch. I challenge those that would support China's human rights record to read these sterile reports. I will anxiously await this year's report. We have used the desire to normalize relations with China for geopolitical reasons as an excuse to sweep under the rug any impulse to criticize China's human rights violations. The Tiananmen massacre, hopefully, has ended this impulse.

Forty years ago the United States put human rights on the U.S.-Soviet bilateral agenda. Few believed that the inclusion of human rights on the agenda of such a repressive regime would work, but the events of the past few years show the strategy's success. The Soviet Union, to its credit under General Secretary Mikhail Gorbachev, has improved its human rights record. Indeed, in recognition of this progress, President Bush has indicated a willingness to consider waiving temporarily the Jackson-Vanik amendment which links trade with emigration.

Perhaps at this point, it is appropriate to take the same approach to China. I, for one, will insist that human rights be inserted in any prospective talks with Beijing from here on out. If the Chinese refuse to discuss human rights violations, then they will have to pay the price for their repressive actions against the prodemocracy students who were exercising what they thought were rights guaranteed to them by their own constitution.

I do not hold out the hope that the Chinese will change their behavior soon, not perhaps in my lifetime. But, it is time to face squarely what we have turned our back on for too long.●

TRIBUTE TO MAJ. GEN. HUGH R. OVERHOLT

● Mr. THURMOND. Mr. President, I rise today to recognize Maj. Gen. Hugh R. Overholt, the Judge Advocate General of the Army, for his many years of exceptionally meritorious service to our country. General Overholt will retire from active service on July 31, 1989.

General Overholt is widely respected for his visionary leadership of the Judge Advocate General's Corps. As the Judge Advocate General from August 1985 to July 1989, he was the legal advisor to the Chief of Staff of the Army and the Army Staff, as well as the military legal advisor to the Secretary of the Army and the Assistant Secretaries.

His professional legal advice demonstrated his abiding concern for the Army's mission and his sincere concern for the welfare of soldiers and their families. General Overholt's innovative and effective leadership was reflected every day in the superb legal services provided by every attorney, paralegal, and legal specialist of the Judge Advocate General's Corps.

General Overholt was born in Beebe, AR and received his undergraduate and law degrees from the University of Arkansas. He was commissioned as an officer in the U.S. Army on September 25, 1957. During his 32 years of distinguished service, General Overholt served in many positions of great responsibility, including service as an instructor at the Judge Advocate General's School, the Staff Judge Advocate of the 7th Infantry Division, the Staff Judge Advocate of the XVIII Airborne Corps, the Assistant Judge Advocate for Military Law and the Assistant Judge Advocate General.

He served in assignments throughout the United States, in the Republic of Korea, and in the Federal Republic of Germany. General Overholt's professional schooling included the Judge Advocate General's School, the U.S. Army Command and General Staff College, and the Industrial College of the Armed Forces. He reached the top of his profession when he was appointed the Judge Advocate General on August 1, 1985. Major General Overholt is now completing his remarkable military career.

In honor of his retirement, a retirement ceremony will be held at the Judge Advocate General's School at Charlottesville, VA.

I am pleased to salute Maj. Gen. Hugh R. Overholt, the Judge Advocate General of the Army, for his many years of truly outstanding service to the Judge Advocate General's Corps, the U.S. Army, and our country.●

COMPANY'S EFFORTS TO ASSIST FLOOD VICTIMS

● Mr. McCONNELL. Mr. President, I rise today to commend an American company for demonstrating concern for the citizens of Kentucky in a time of crisis. When parts of eastern Kentucky were recently ravaged by severe floods, Chevron Corp. offered many

Kentucky customers extra time to pay their credit card bills.

Whenever disaster strikes we must band together for the good of all. Chevron Corp. has displayed a concern for individuals—a concern too often missing in today's environment. Mr. President, in an effort to show that big business can act compassionately, I ask that a copy of a letter from my constituent in Bowling Green, KY, to Ann Landers, along with her reply, be printed in the RECORD.

The letter follows:

DEAR ANN LANDERS: Have you ever heard of a major corporation writing customers who have been hit by a flood to offer them more time to pay their bills? Well, the Chevron Corp. sent us just such a letter. We couldn't believe it. Since you like to salute goodness wherever you find it, how about a word for Chevron?—Bowling Green, KY.

DEAR BOWLING: Let's hear it for Chevron. A big company with a big heart.●

PROTECTING THE CIVILIAN NATURE OF SPACE EXPLORATION

● Mr. KOHL. Mr. President, we adopted a bill Wednesday, S. 1180, which, in the case of Richard Truly, waives the legal requirement which prohibits military officers from heading our civilian space agency, NASA. Now I believe that Rear Adm. Richard Truly is very well qualified to be Administrator of NASA. I believe his experience in the shuttle program will be a great asset in heading the agency, and I welcome his leadership. Waiving the prohibition on military officials was necessary to allow the rear admiral to assume this post without having to give up the benefits he earned by serving our country in the Navy. Since we asked Richard Truly to assume this post, I think we owed it to him not to ask him to give up his commission. And so we have waived the requirement, and we are going to have a military man head NASA. That is OK with me—this time.

This is a dangerous precedent we have set, and I would ask my colleagues to be aware of it. Under the National Aeronautics and Space Act of 1958, the Act which authorized NASA, we made a clear division between our civilian and military space programs. The wisdom of that decision has become clear over the years, as NASA had great success in the expansion of human knowledge and the exploration of space. Their primary goal has not been and should not be protecting national security. We have the Defense Department for that. Their primary goal has been the expansion of America's frontier into space, and the American people have supported that goal. Space exploration, still in its infancy, carries with it our hope for the future. Space exploration carries with it a hope that maybe, just maybe, we are going to be able to lay aside the divisions that exist on our planet. We need to nurture that hope. We need to give the civilian program room to follow the goals that develop naturally, out of scientific curiosity, out of global environmental need, and out of humanity's desire to push back the frontier. As policy, we need to follow the wisdom of the 1958 Act.

There has been increasing military activity in space over the last decade, and the fact is that our national security requires such work. But I think there is cause for concern in the direction our Space Program is taking. In 1982, the Department of Defense for the first time surpassed the civilian space program in expenditures. In fiscal year 1989, DOD space funding was approximately $15.3 billion, an estimate revised down from $19 billion, which reflects a change in the way DOD categorizes programs. NASA received $10.9 billion. This imbalance in our commitment of resources means that we are encouraging our country's finest minds to work on building newer and better weapons, not to expand our knowledge of the universe. I do not think we should be too comfortable with that.

Of course we cannot completely separate our civilian and military space needs. Wise utilization of scarce resources requires cooperation in some areas, such as developing launch vehicles. But I think it is important to maintain our civilian agency as a civilian agency. I was willing to waive the legal requirement which prohibits military officers from heading NASA in this case, but I want to make it clear that I was not comfortable doing it then—and I do not think I will agree to do it in the future.●

ORDER OF PROCEDURE

Mr. MATSUNAGA. Mr. President, I yield the floor.

JOINT REFERRAL OF NOMINATION OF THOMAS E. COLLINS III

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the nomination of Thomas E. Collins III, of Mississippi, to be Assistant Secretary of Labor for Veterans' Employment and Training, sent to the Senate by the President on June 22, 1989, be referred jointly to the Committees on Labor and Human Resources and Veterans' Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar items numbered 179, 183, 184, 200, 201, and 202. I further ask unanimous consent that the nominations be confirmed en bloc, that any statements appear in the RECORD as if read, and that the motions to reconsider be laid upon the table en bloc, that the President be immediately notified of the Senate's action and that the Senate return to legislative session.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF TRANSPORTATION

James Buchanan Busey IV, of Illinois, to be Administrator of the Federal Aviation Administration.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Richard Harrison Truly, of Texas, to be Administrator of the National Aeronautics and Space Administration.

James R. Thompson, Jr., of Alabama, to be Deputy Administrator of the National Aeronautics and Space Administration.

DEPARTMENT OF THE INTERIOR

Frank A. Bracken, of Indiana, to be Under Secretary of the Interior.

Delos Cy Jamison, of Montana, to be Director of the Bureau of Land Management.

DEPARTMENT OF THE TREASURY

Fred T. Goldberg, Jr., of Maryland, to be Commissioner of Internal Revenue.

STATEMENT ON THE NOMINATION OF J.R. THOMPSON

Mr. HEFLIN. Mr. President, I am pleased to rise in favor of the nomination of my friend and fellow Alabamian, J.R. Thompson, to be Deputy Administrator of NASA. As a Senator with a deep concern for and belief in our Nation's space program, I strongly endorse this nomination and without hesitation recommend J.R. to the Senate.

President George Bush has nominated a great Alabamian and an American hero to the position of Deputy Administrator of the National Aeronautics and Space Administration—J.R. Thompon. J.R. has done an outstanding job in the last 3 years as the Director of NASA's Marshall Space Flight Center in Huntsville, AL. I believe that the President has made an outstanding selection. In my judgment, he and Adm. Richard Truly, who has been selected for the Administrator position, will make an outstanding duo to run our Nation's space program.

Mr. President, J.R. Thompson is a man of vision with the knowledge, experience, and leadership ability to make that vision a reality. J.R.'s tenure as the director of NASA's Marshall Space Flight Center has proven him to be a bold, innovative, and dynamic leader who has restored the can do attitude at the Marshall Center to the level of the glorious days of Apollo.

In the aftermath of the *Challenger* disaster, J.R. was called to serve as vice chairman of the NASA task force inquiring into the accident. In September of that year, Admiral Truly, who has been appointed to the position of associate Administrator for space flight, called his old friend and colleague, J.R. Thompson, back to NASA from a high level position on the faculty of Princeton University to be the Director of Marshall Space Flight Center. At that time, morale at Marshall was at the lowest level in the history of the space program. However, J.R.'s dynamic leadership and hands-on management style has succeeded in restoring morale at Marshall to an all-time high.

J.R.'s number one job was to get the shuttle flying again. He took the job on as a personal challenge because he believed in our Nation's space program, the outstanding men and women of NASA, and Marshall Space Flight Center in particular, and he believed that America could and should lead the world in space research, technology, and exploration.

Two years later, the space shuttle, like the phoenix, was reborn from its ashes. The successful launches of the space shuttle that we have experienced since we have been flying again greatly due to J.R.'s leadership.

Mr. Thompson began his professional career with an Aerospace firm in 1960 as an experimental engineer working with liquid propulsion engines. He joined the research and development team at Marshall Space Flight Center in 1963 as a systems engineer for the Saturn launch vehicles. Since then, he has held management positions on some of the most complex programs at Marshall.

In 1974, at at time when the ability of the space shuttle program to move forward hinged upon the development of new propulsion technology, J.R. was chosen to manage the space shuttle main engine project. When he assumed command, the program was in deep trouble and he brought about a major recovery. The creation of these incredibly complex machines may well be the greatest engineering achievement of our time. For 8 years, J.R. managed the main engine project for NASA, using his technical knowledge and management skills to make what some viewed as an idle dream become a reality.

In 1983, Mr. Thompson accepted an invitation from Princeton University to join the faculty as deputy director of technical operations at the Princeton Plasma Physics Lab, where he directed advances in fusion energy research.

Following the *Challenger* disaster in January 1986, J.R. Thompson returned to NASA on furlough from his university duties, and as vice chairman of the task force and leader of the accident analysis team, he played a prominent role in the ensuing investigation. He then returned to Princeton.

When J.R. served as vice chairman of the NASA task force inquiring into the cause of the *Challenger* accident, collecting and analyzing information from the Rogers Commission, he won the confidence of its members. His frequent testimony before this committee and others in Congress during the last 3 years since returning to NASA full-time has earned him the trust and respect of many Senators and Congressmen. He has installed confidence in them that NASA could get the job done right.

J.R.'s candor, directness, and open honesty have also won him the respect and confidence of the Nation's news media. He speaks for NASA straightforwardly and truthfully. Even the most media resolute critics of our Nation's space program trust and admire J.R. Thompson. He has given hundreds of interviews since he took over the Marshall Space Flight Center. Always, one message comes through loud and clear: here's a man who will make sure that the job gets done right.

Getting the job done right is a major personal commitment of J.R. Thompson. Since taking the position of the Director of the Marshall Center, he has transferred that commitment to every Marshall employee. Shortly after he took the position of Marshall Director, J.R. has a picture of the *Challenger* crew framed and had an inscription placed under it which read, "Do it right for them. And those that follow." The picture hangs next to J.R.'s office door so that everyone who enters may see it. Mr. President, I have an article from the April 10, 1989, issue of the Huntsville Times entitled, "J.R. 'Santa' packing up at Marshall." This article does an outstanding job of explaining J.R.'s personable, confident, and dynamic management style which has brought morale at NASA's Marshall Space Flight Center back to an all-time high. I ask unanimous consent that this article be placed in RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. HEFLIN. J.R. Thompson's greatest asset may be his vision of the future. He wants to see this country lead the world in space research, technology, and exploration. He is a man who wants to open the door to tomorrow and boldly walk through it. J.R. Thompson is a strong, dynamic, and experienced leader who is well-liked and respected by Congress, the administration and the media. In my judgment, this is what our Nation's space program needs.

Mr. President, not since the United States ascended to the role of a world power has our economic and technological prowess been challenged from abroad as it is today. For the past 3 decades, the space program has been a major driving force behind the economic success of our Nation. If we do not take advantage of the enormous benefits that space has to offer, other countries will. This presents a challenge that must be met at the highest levels of NASA. I believe that J.R. Thompson can meet that challenge.

J.R. is a man of action. Action, strong and decisive, by the administration, by the President himself, is badly needed if this country is to have any hope of deploying a space station this century or having a world class space program. It would be a great loss to America if we lose the high ground of space research and exploration. This will be lost if action is not taken. J.R. is a man of action.

Again, I congratulate J.R. Thompson on this nomination. As I have said, I strongly endorse his nomination, and if confirmed, as I believe he will be, I look forward to working with him closely in his new position as Deputy Administrator of NASA.

EXHIBIT 1

[From the Huntsville Times, Apr. 10, 1989]

J.R. SANTA PACKING UP AT MARSHALL

Christmas 1986 at Marshall Space Flight Center. The first Christmas after Challenger. The first Christmas without Christa McAuliffe, Judy Resnik, Dick Scobee, Mike Smith, Ellison Onizuka, Greg Jarvis and Ron McNair. In Marshall's ninth floor administrative offices, morale was about as high as America's landlocked space program. And the spirit of Christmas had just never gotten off the ground.

Until one morning when Marshall's new boss, J.R. Thompson, jaunted through the door.

"Where's the Christmas tree?" Thompson asked abruptly as he strode past his secretary, Evelyn Staples. The next day the tree was up. And so, too, was morale.

But Thompson had other ideas hiding behind his no-nonsense facade. Ideas to bring Marshall together, to infuse a sense of family into the talented, but demoralized professional team he inherited just two months before.

"I want to have a director's office Christmas party," he told Evelyn Staples. "You want the program managers, the people on the ninth floor?" she asked. "No. I want to invite everyone. All Marshall employees. And all on-site contractors." About 500 employees showed up—some who had spent their careers at Marshall, but had never been on the ninth floor of Building 4200.

Last year, when Evelyn Staples couldn't find anyone to play Santa, she asked Thompson, "How about you?" "Me?" he asked. "I'll do it." In a Santa suit, Thompson stood at the elevators, greeting 1,500 Marshall employees.

In his first month as Marshall dirctor, Thompson called Evelyn Staples in. Get a picutre of the Challenger crew, have it framed, and put this inscription under it: "Do it right for them. And those that follow." The picture hangs next to Thompson's door, for all who enter to see.

That door stays open, to everyone. It remains such an important symbol to Thompson, that anytime his secretary partially closes it to reach file cabinets, Thompson asks, "Why is that door closed?" In the last two years, Thompson has opened other doors at Marshall: establishing a day care center, instigating an annual dinner for Marshall retirees and updating employees quarterly on center projects.

When Evelyn Staples walks into her office each morning at 6:30, she's careful not to interrupt Thompson—already at his desk an hour. As she switches on her computer terminal and the Xerox, she hears him in the little kitchen, getting his coffee.

"He's a secretary's dream boss," she says. He gets his own coffee, places his own calls, returns calls promptly, never allows mail to accumulate, and is always on—or ahead of—schedule.

Hers is a stressful, demanding job, scheduling Thompson's appointments, speeches, interviews and travel. But when something goes awry, she never hears from him. If she frets over things she can't control, he will say, "What can you do about it? Just cool it." When she tells him of an employee who's died, he'll look up from his desk and say, "I'm so sorry to hear that." Says Evelyn Staples: "It's genuine. It's from his heart."

Thompson will clean out his desk sometime this month, heading for his new Washington job as the space agency's deputy administrator. For 25 years, Evelyn Staples has watched people come and go at Marshall. But for her, somehow the departure of J.R. Thompson will be different.

"To me," she says, "he really has been our Santa."

STATEMENT ON THE NOMINATION OF DELOS CY JAMISON

Mr. BAUCUS. Mr. President, I am glad to have this opportunity to support the nomination of Cy Jamison to be Director of the Bureau of Land Management.

Cy is a Montanan and his nomination means a great deal to my State. The Federal Government manages a sizable portion of Montana and the other Western States, underscoring the need for knowledgeable leadership at the BLM. Cy Jamison is highly qualified to provide this leadership.

This won't be Cy's first position with the BLM—he fought fires with both the BLM and the Forest Service in summers during college. I'm confident he'll remember these experiences as Director and never forget about the needs of civil servants within the Bureau.

After graduating from Eastern Montana College in Billings, Cy spent over 10 years at the BLM, in positions including fire control technician, public affairs specialist, employment development specialist, youth program manager, and legislative affairs specialist.

Cy also has experience within the Department of the Interior as the House Liaison for the Secretary.

Cy's congressional experience includes work on the staff of the Committee on Interior and Insular Affairs, and as field director for Congressman RON MARLENEE.

And while we haven't always seen eye to eye on issues, I have always respected his convictions, integrity, and intelligence.

I have no doubt Cy will be an asset to the BLM. I ask my colleagues to unanimously confirm his nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ROBERT DOUGLAS WILLIS HYDROPOWER PROJECT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 923, to redesignate a Federal hydropower project in Town Bluff, TX, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so orderd.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 923) to redesignate the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, Texas, as the "Robert Douglas Willis Hydropower Project".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 923) was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF EXCHANGE OF CERTAIN LAND

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 2119, regarding the exchange of certain Federal public land in Madison County, IL, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2119) to authorize the exchange of certain Federal public land in Madison County, Illinois.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 235

Mr. MITCHELL. Mr. President, on behalf of Senators BURDICK and CHAFEE I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for Mr. BURDICK (for himself and Mr. CHAFEE), proposes an amendment numbered 235.

Mr. MITCHELL. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1(a) and insert in lieu thereof the following:

"(a) EXCHANGE OF LAND.—Subject to section 2, at such time as the Blue Tee Corporation conveys all right, title, and interest in and to the land described in subsection (b)(1) to the United States of America, the Secretary of the Army (hereinafter "Secretary") shall convey all right, title, and interest in and to the land described in subsection (b)(2) to the Blue Tee Corporation."

At the end of section 2 add the following new section:

"SEC. 3. VALUE OF PROPERTIES.

"If the appraised fair market value, as determined by the Secretary, of the land conveyed to the Blue Tee Corporation by the Secretary under section 1(a) exceeds the appraised fair market value, as determined by the Secretary, of the land conveyed to the United States by the Blue Tee Corporation under section 1(a), the Blue Tee Corporation shall pay the difference to the United States."

Delete all of subsection (2) and insert in lieu thereof the following:

"(2) REMOVAL OF IMPROVEMENTS.—The Blue Tee Corporation may remove any improvements on the land described in section 1(b)(1). Furthermore, the Secretary, at his discretion, may require the Blue Tee Corporation to remove any improvements on the land described in section 1(b)(1). In either case, the Blue Tee Corporation shall hold the United States harmless from liability, and the United States shall not incur any cost associated with the removal or relocation of such improvements."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 235) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to table the amendment.

The PRESIDING OFFICER. The question is on the engrossment of the

amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, "Shall it Pass?"

So the bill (H.R. 2119), as amended, was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MODERNIZATION OF U.S. CIRCULATING COIN DESIGNS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Banking Committee be discharged from further consideration of S. 428, a bill to modernize U.S. coin designs, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 428) to modernize U.S. circulating coin designs.

Mr. SARBANES. Mr. President, I would like to address a question to my colleague from California, Senator CRANSTON, who is an original cosponsor of S. 428. As I understand it, S. 428 is the bill to modernize U.S. circulating coin designs. Is this the same language that was contained in S. 1776 that the Banking Committee marked up and passed on May 24, 1988?

Mr. CRANSTON. That is correct. S. 428, which Senator WALLOP and I introduced this Congress, incorporates the language agreed upon in committee last year.

Mr. SARBANES. As I understand it, under current law, subsection (d) of section 5112 of title 31, United States Code, the Secretary of the Treasury has the discretion to change the design on either side of a coin after that particular design has been adopted for a period of 25 years. Is that correct?

Mr. CRANSTON. Yes, that is also correct. The Secretary has that discretionary authority. As of 1989, the 1-cent piece, nickel, dime, quarter, and 50-cent pieces may all be redesigned if the Secretary so chooses.

Mr. SARBANES. I am concerned about section 3—design on obverse side of coins—contained in the bill, S. 428. It amends subsection (d) of section 5112, title 31, United States Code, and potentially eliminates the Secretary's discretionary authority. That section of S. 428 says:

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"Subject to paragraph (2), the design on the obverse side of the half dollar, quarter dollar, dime coin, 5-cent coin, and 1-cent coin shall contain the likenesses of those currently displayed and shall be considered for redesign.

It seems to me that locks in the designs on the obverses of the coins in perpetuity.

Mr. CRANSTON. Section 3 of S. 428, to which the Senator refers, was never meant to lock in forever the designs on the obverses or reverses of the coins. Since it says "Subject to paragraph (2)," that refers to paragraph (2) of section 5112 of title 31, United States Code, which explicitly gives the Secretary of the Treasury the discretionary authority to change designs on coins after 25 years. So that section of S. 428 does not take away the Secretary's authority to select and change coin designs according to existing law.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DENOMINATIONS, SPECIFICATIONS, AND DESIGN OF COINS.

Subsection (d)(1) of section 5112 of title 31, United States Code, is amended by striking the fourth sentence.

SEC. 2. DESIGN CHANGES REQUIRED FOR CERTAIN COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(3) The design on the reverse side of the half dollar, quarter dollar, dime coin, 5-cent coin and one-cent coin shall be selected for redesigning. One or more coins may be selected for redesign at the same time, but the first redesigned coin shall have a design commemorating the two hundredth anniversary of the United States Constitution for a period of 2 years after issuance. After that 2-year period, the bicentennial coin shall have its design changed in accordance with the provisions of this subsection. Such selection, and the minting and issuance of the first selected coin shall be made not later than 1 year after the date of the enactment of this paragraph. All such redesigned coins shall conform with the inscription requirements set forth in paragraph (1) of this subsection.".

SEC. 3. DESIGN ON OBVERSE SIDE OF COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) Subject to paragraph (2), the design on the obverse side of the half dollar, quarter dollar, dime coin, 5-cent coin and one-cent coin shall contain the likenesses of those currently displayed and shall be considered for redesign. All such coin obverse redesigns shall conform with the inscription requirements set forth in paragraph (1) of this subsection.".

SEC. 4. SELECTION OF DESIGNS.

The design changes for each coin authorized by the amendments made by this Act shall take place at the discretion of the Secretary and shall be done at the rate of one or more coins per year, to be phased in over 6 years after date of the enactment of this Act. In selecting new designs, the Secretary shall consider, among other factors, thematic representations of the following constitutional concepts: freedom of speech and assembly; freedom of the press; right to due process of law; right to a trial by jury; right to equal protection under the law; right to vote; themes from the Bill of Rights; and separation of powers, including the independence of the judiciary. The designs shall be selected by the Secretary upon consultation with the United States Commission on Fine Arts.

SEC. 5. REDUCTION OF THE NATIONAL DEBT.

Subsection (a)(1) of section 5132 of title 31, United States Code, is amended by inserting after the third sentence the following: "Any profits received from the sale of uncirculated and proof sets of coins shall be deposited by the Secretary in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.".

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Nos. 125 and 126 en bloc, that the bills be deemed read a third time and passed, and that a motion to reconsider the passage of the bills en bloc be in order and it be laid upon the table.

I further ask unanimous consent that the consideration of these items appear individually in the RECORD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RENEWABLE ENERGY/FUEL CELL SYSTEMS INTEGRATION ACT

The bill (S. 633) to promote the development of technologies which will enable fuel cells to use alternative fuel sources, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renewable Energy/Fuel Cell Systems Integration Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that while the Federal Government has invested heavily in fuel cell technology over the past

10 years ($334,700,000 in research and development on fuel cells for electric power production), research on technologies that enable fuel cells to use alternative fuel sources needs to be undertaken in order to fulfill the conservation promise of fuel cells as an engery source.

(b) PURPOSE.—The purpose of this Act is to authorize funds for research on technologies that will enable fuel cells to use alternative fuel sources.

SEC. 3. RESEARCH PROGRAM.

(a) PROGRAM AUTHORIZATION.—The Secretary of Energy shall implement and carry out a research program, pursuant to the Federal Non-Nuclear Energy Research and Development Act of 1974, for the purpose of—

(1) exploring the operation of fuel cells employing methane gas generated from various forms of biomass;

(2) developing technologies to use renewable energy sources, including wind and solar energy, to produce hydrogen for use in fuel cells; and

(3) determining the technical requirements for employing fuel cells for electric power production as backup spinning reserve components to renewable power systems in rural and isolated areas.

(b) GRANTS.—In carrying out the research program authorized in subsection (a), the Secretary of Energy may, subject to appropriations, make grants to, or enter into contracts with, private research laboratories.

SEC. 4. REPORT TO CONGRESS.

The Secretary of Energy shall transmit to the Congress on or before September 30, 1992, a comprehensive report on research carried out pursuant to this Act.

SEC. 5. AUTHORIZATION.

There are hereby authorized to be appropriated $5,000,000 for fiscal year 1990 to the Secretary of Energy to be used to conduct research as provided in this Act.

FUEL CELLS ENERGY UTILIZATION ACT

The bill (S. 634) to develop a national policy for the utilization of fuel cell technology, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fuel Cells Energy Utilization Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) while the Federal Government has invested substantially in fuel cell technology through research and development during the past 10 years, there is no national policy for acting upon the findings of this research and development; and

(2) if such a national policy were developed, the public investment in fuel cell technology would be realized through reduced dependency on imported oil for energy and the consequent improvement in the international trade accounts of the United States.

SEC. 3. INCLUSION OF FUEL CELLS AS A FUEL CONSERVATION TECHNOLOGY UNDER REIDA.

Section 256 of the Energy Policy and Conservation Act is amended by inserting at the end thereof the following:

"(e) For purposes of this section, the term 'domestic renewable energy industry' shall include industries using fuel cell technology.".

SEC. 4. ENVIRONMENTAL PROTECTION AGENCY GUIDELINES FOR USE OF FUEL CELL TECHNOLOGIES.

Within 180 days of the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall prepare Federal guidelines for cities and municipalities specifying environmental and safety standards for the use of fuel cell technology. In the preparation of the guidelines, the Administrator shall utilize the successful experience of the New York City Fire Department in the use of fuel cell technologies.

SEC. 5. DEPARTMENT OF COMMERCE INVESTIGATION OF EXPORT MARKET POTENTIAL FOR INTEGRATED FUEL CELL SYSTEMS.

Within 180 days of the date of enactment of this Act, the Secretary of Commerce shall assess and report to Congress concerning the export market potential for integrated systems of fuel cells with renewable power technologies.

STRATEGIC PETROLEUM RESERVE AUTHORIZATION

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 694.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 694) entitled "An Act to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. EXTENSION.

Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended—

(1) in section 171, by striking out "June 30, 1989" each place it appears and inserting in lieu thereof "February 28, 1990"; and

(2) in section 104(b)(1), by striking out "June 30, 1989" and inserting in lieu thereof "February 28, 1990".

Amend the title so as to read: "An Act to extend title I of the Energy Policy and Conservation Act.".

AMENDMENT NO. 236

MR. MITCHELL. Mr. President, I move the Senate concur in the House amendment with a further Senate amendment, which I now send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MITCHELL) for Mr. JOHNSTON, proposes an amendment numbered 236.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out the matter proposed to be inserted by the House amendment to S. 694 and insert in lieu thereof the following:

SECTION 1. EXTENSION.

Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended—

(1) in section 171, by striking out "June 30, 1989" each place it appears and inserting in lieu thereof "April 1, 1990"; and

(2) in section 104(b)(1), by striking out "June 30, 1989" and inserting in lieu thereof "April 1, 1990".

SEC. 2. STUDY AND REPORT ON OIL LEASING AND OTHER ARRANGEMENTS TO FILL SPR TO ONE BILLION BARRELS.

(a) IN GENERAL.—The Secretary of Energy shall carry out a study on potential financial arrangements (including long-term leasing of crude oil and storage facilities) that could be used to provide additional, alternative means of financing the filling of the Strategic Petroleum Reserve to 1,000,000,000 barrels. In carrying out such study, the Secretary shall—

(1) assume that the legislation that extends title I of the Energy Policy and Conservation Act beyond April 1, 1990, will require the Secretary to amend, by July 1, 1990, the Strategic Petroleum Reserve Plan to provide plans for completion of storage of 1,000,000,000 barrels of petroleum products in the Reserve at an average fill-rate of at least 75,000 barrels per day;

(2) consider a broad array of such arrangements;

(3) consult with persons in the private sector who might be interested in leasing crude oil or storage facilities;

(4) initiate, in cooperation with the Department of State, to the extent consistent with the interests of the United States, discussions with representatives of foreign governments and other entities as to the types of financial arrangements (including crude oil leasing arrangements) that would interest them; and

(5) produce preliminary written solicitations for proposed alternative financial arrangements (including long-term leasing of crude oil and storage facilities) to assist in filling the Strategic Petroleum Reserve to 1,000,000,000 barrels.

(b) REPORTS.—(1) The Secretary shall, not later than October 15, 1989, transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives an interim report containing—

(A) an enumeration of the specific resources (both personnel and funding) committed to the study described in subsection (a);

(B) a description of the progress made toward completing the study; and

(C) any preliminary findings and conclusions made by such date.

(2) The Secretary shall, no later than February 1, 1990, transmit to such Committees a copy of the solicitations described in paragraph (5) of subsection (a) and a final report containing the findings and conclusions of the study carried out under this section, together with a draft of the legislative changes that would be necessary to authorize the most significant alternative financial arrangements studied by the Secretary (including long-term leasing of crude oil and storage facilities) and recommendations of the Secretary with respect to the need for and desirability of such financial arrangements (including long-term leasing of crude oil and storage facilities).

(c) ENFORCEMENT.—Notwithstanding any other provision of law, no portion of the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of pursuant to any contract or other agreement entered into or extended on or after February 1, 1990, other than to the Strategic Petroleum Reserve (either directly or by exchange) until the Secretary of Energy has transmitted the solicitations and the final report described in subsection (b)(2) (including the legislative changes and recommendations described in such subsection) to the Committees described in subsection (b)(1), except for the purposes provided in section 160(d)(2) of the Energy Policy and Conservation Act.

Mr. JOHNSTON. Mr. President, all the authority for the strategic petroleum reserve will expire when title I of the Energy Policy and Conservation Act expires on June 30, 1989. The SPR is our Federal stockpile of crude oil, our country's first line of defense against an oil supply disruption. It currently contains about 570 million barrels of oil. Given the expiration date, time is of the essence.

On May 31, 1989, the Senate passed a bill, S. 694, the Strategic Petroleum Reserve Amendments of 1989, that the committee on Energy and Natural Resources had reported. There was no controversy over this bill in the Senate. S. 694 extended the EPCA authority for 5 years, and the House later passed a substitute bill. I am offering today an amendment in the nature of a substitute that I believe will be acceptable to the House. I have talked informally with members of the House Committee on Energy and Commerce, and staff have met to iron out the differences.

The differences result because while the House passed a clean extension of the EPCA authority, the Senate version included several substantive provisions regarding the SPR. This compromise amendment will extend the EPCA authority until April 1, 1990, whereas the Senate had extended it for 5 years.

The reason for the short extension, until April 1, 1990, is that our committee intends to legislate again on the SPR. It is clear that the House Committee on Energy and Commerce also intends to legislate again in this area. Now what kind of legislation do we still need to accomplish?

First, we need to direct the Secretary of Energy to expand the planned size of the SPR from 750 million barrels to 1 billion barrels. The Senate mandated that expansion in our bill. Both our committee and the Senate adopted the mandate for a billion barrels without the slightest controversy. We thought the subject of whether we should move to a billion barrels had been studied to death and that the right answer is clear. Our committee report summarizes the case for it.

However, the House committee wants to consider the billion barrel mandate later, at the same time they consider several other SPR-related issues. I think once they examine the studies in detail and listen to the experts they will come to the same conclusion we did and agree to a 1 billion barrel SPR. I suspect that the key House Members are convinced now, but they have other SPR legislative proposals they weren't quite ready to address yet.

The second issue we still need to address is we must find an alternative means of financing the strategic petroleum reserve. We simply don't have the funds available to fill at the rate that our national security demands. The Federal budget has no asset side to its ledger, so that the purchase of oil is treated like an expense, rather than as the purchase of an asset.

There are lots of alternative financing proposals that have surfaced. From my vantage point, the most promising is the idea of leasing oil for the SPR and leasing private storage facilities in which to store it. To give an example, a foreign oil producer would agree for a specified period of time to place his oil in storage in the United States, giving the U.S. Government the right to auction the oil in the event of an SPR drawdown. At the end of the lease term the U.S. Government would either give the oil back to the lessor or buy it. In return the U.S. Government would pay an annual lease fee for that control of the oil. In short the SPR would rent the oil rather than purchase it.

My amendment today, as did the Senate passed version, would require the Secretary of Energy to conduct a detailed report on alternative financing options, with particular emphasis on the oil leasing concept. It requires the Secretary of Energy in consultation with the State Department to initiate discussions with foreign governments as to the types of financial arrangements, including oil leasing, they might consider.

Mr. President, this is much more than just a study. It is more of an interactive process of negotiation between DOE, the private sector, and even foreign governments to determine the best alternative financing package for the SPR. As chairman of the Committee on Energy and Natural Resources, I will do my best to focus the attention of the Department of Energy on this matter and to assist them in any way we can. I especially hope that the Department will devote appropriate resources to the study.

The amendment provides that if the final report is not submitted on time, then DOE cannot enter into new contracts for the sale of oil from Naval Petroleum Reserve No. 1 at Elk Hills until that report is submitted. I know of no stronger way we could send a signal to the Department. It is essential for the future of the SPR that we devise an appropriate financing package. However, I should note that the members involved were going to set a much earlier deadline, but reconsidered in the hope that it would spur DOE to produce a more useful product. The amendment also requires DOE to submit an interim report by October 15, 1989, as to progress in the study, the resources devoted to it, and any preliminary conclusions.

I was extremely reluctant to drop the mandate for a billion barrel SPR from this amendment, because I think the case for it is so strong. The House Members insist that they need more time to study the matter, so this amendment extends the EPCA until April 1, 1989, anticipating that we will pass a package of SPR legislation before then.

However, I am confident from my discussions with House Members that they are willing to require DOE in conducting the study to assume that the billion barrel mandate will be enacted soon. Specifically, DOE is to assume that the next legislative extension of EPCA will give the Secretary of Energy only 3 months to finalize his plans for a billion barrel SPR. Clearly, that does not give the DOE much time and they will have to do some advance work. The key point is that DOE is on notice.

Mr. President, this amendment is not all that I wanted to achieve, it is a compromise. But it is a good beginning, a noncontroversial matter, and I urge my colleagues to support it.

STRATEGIC PETROLEUM RESERVE

Mr. McCLURE. Mr. President, I rise in support of the amendment offered by the distinguished chairman of the Energy and Natural Resources Committee, Mr. JOHNSTON. This amendment reflects extensive discussions with the House which, on Tuesday, passed an 8-month extension of the strategic petroleum reserve.

The general authorities to construct, maintain, and draw down the SPR expire on June 30. The amendment before us, which extends these critical authorities until April 1 of next year, is agreeable to the House.

As oil imports continue to rise, all Americans should be concerned about the adequacy of the U.S. energy emergency preparedness. While I believe that the more comprehensive bill passed by the Senate on June 1 is more responsive to trends in international oil markets, the amendment before us is the most the House is prepared to agree to without further hearings.

The measure passed by the Senate extended these critical authorities for an additional 5 years, which the House is not prepared to do. The Senate bill also authorized the fourth 250 million barrels of SPR storage. This would bring the authorized level up to the

full 1 billion barrels originally envisioned by the Congress in 1976. At this time, the House is not prepared to endorse a 1-billion-barrel reserve, either. However, the House has indicated that it is favorably disposed to do so next year after further review of trends in oil imports and alternative SPR financing mechanisms.

Consistent with their concerns, the amendment expands the study provision in the Senate bill and directs the Secretary to report to the Congress by February 1, 1990, on alternative mechanisms to finance a 1-billion-barrel reserve. The study is to include an evaluation of long-term leasing of crude oil and storage facilities. The amendment also requires an interim report on October 15, 1989.

Current trends in oil imports indicate that the United States could, in the near future, fail to meet its own IEA obligations. If this were to occur it would significantly undermine the U.S. credibility and leadership on this vital issue. Between now and April 1 of next year it will be possible for the Congress and the administration to fully address these issues.

Mr. President, I would urge my colleagues to approve this amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. MITCHELL. I move to reconsider the vote by which the motion was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 229

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Johnston-Breaux amendment No. 229 be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

GULF OF MEXICO OIL SPILL PREVENTION AND RESPONSE ACT

Mr. JOHNSTON. Mr. President, today Senator BREAUX and I are introducing the "Gulf of Mexico Oil Spill Prevention and Response Act." The March 24, 1989, oilspill in Prince William Sound, AK, and its ensuing disastrous environmental impacts have made us all more aware of the need for a comprehensive review of oilspill contingency planning, new requirements to ensure that plans are adequate and can be carried out effectively, and tougher provisions aimed at oilspill prevention.

This legislation addresses oilspill prevention and response in an area that is particularly vulnerable to oilspills—the Gulf of Mexico and lower Mississippi River. This region experiences extensive oil tanker and barge traffic and is the site of considerable offshore oil and gas development. It is also the site of the Louisiana Offshore Oil Port, a deepwater port located 19 miles off the Louisiana coast with a design capacity of 1.4 million barrels of throughput per day.

At the same time, the gulf coast contains coastal marshes and wetland areas, which provide critical habitat for a variety of fish and wildlife species as well as providing commercial and recreational benefits to millions of Americans. These coastal wetlands are fragile, and are adversely affected by a variety of activities including the impacts of oil and gas development.

For some time, we in the Louisiana delegation have been pursuing ways to help stem the loss of coastal wetlands in our State where the rate of loss approaches 50 to 60 square miles annually—far and away the highest rate of loss in the Nation. The key element in any program to protect coastal wetlands is the identification of a new and significant funding source—one that can provide funding for specific viable projects in the near term while our long-range planning efforts continue.

The legislation we are introducing would provide approximately $100 million annually to fund specific projects to be identified on a list of priority coastal wetlands projects to be prepared under the direction of the Secretary of the Interior in conjunction with the other affected Federal agencies. A similar mechanism was included in the ANWR legislation reported favorably from the Energy and Natural Resources Committee in March. These projects would be funded from a fee of 2 cents per Mcf of gas produced on the Outer Continental Shelf deposited into the Offshore Oil Pollution Compensation Fund. Funding for projects in a State would be in proportion to the amount of revenue generated from the production of oil and gas off the coast of that State.

Mr. President, the track record with respect to oilspill prevention and response in the Gulf of Mexico has, to date, been mixed. During 1987, 20 spills, totaling 284 barrels, occurred in the gulf as a result of oil and gas development and production on the Outer Continental Shelf. In 1988 there were 16 spills, totaling 15,053 barrels. One of these spills was a pipeline spill of over 14,000 barrels.

In addition, there have been many oilspills from vessels in the gulf. According to the most recently available Coast Guard statistics, the gulf experienced over 20 percent of all vessel spills in the United States during 1984, 1985, and 1986.

Fortunately, none of these spills has risen to anywhere near the level of that in Prince William Sound. But the potential for a serious spill exists, and for that reason we must, first, take sufficient preventive measures and, second, ensure that if a serious spill occurs adequate planning has been done and needed personnel and equipment stand ready to respond promptly.

The amendment makes statutory certain requirements relating to oilspill prevention and response currently imposed by regulation under the Outer Continental Shelf Lands Act. The legislation increases the frequency of inspections and drills, applicable on a nationwide basis. In addition, the amendment imposes certain requirements applicable only to the Gulf of Mexico. These are intended to apply on an interim basis, until comprehensive oilspill prevention and response legislation is enacted.

The legislation we are introducing would achieve the following important objectives with respect to oilspill prevention and response and wetlands protection and enhancement:

First, amends the Outer Continental Shelf Lands Act to increase funds available for oilspill response under the Offshore Oil Pollution Compensation Fund from between $100 million and $200 million to between $500 million and $550 million;

Second, establishes a wetlands protection, restoration, and enhancement account within the Offshore Oil Pollution Compensation Fund, to be funded at a level of approximately $100 million annually through imposition of a 2 cents per Mcf fee on gas produced on the Outer Continental Shelf;

Third, establishes an oilspill research and development center;

Fourth, requires at least two unannounced inspections per year of Outer Continental Shelf oilspill prevention and containment equipment;

Fifth, for oil and gas development and production operations on the Outer Continental Shelf, requires drills every 6 months and the maintenance of essential oilspill cleanup equipment on site;

Sixth, requires oilspill contingency plans for vessels carrying oil in the Gulf of Mexico—extending out 200 miles from the coastline—the lower Mississippi River, and the gulf intracoastal waterway;

Seventh, provides for a report on the adequacy of oilspill contingency plans in the Gulf of Mexico and lower Mississippi River;

Eighth, provides for a report and recommendations on past spills in the Gulf of Mexico and on vessel design;

Ninth, imposes new requirements on vessel crews, vessel inspections and oilspill response equipment to be maintained on vessels operating in the Gulf of Mexico or lower Mississippi River;

Tenth, provides that there will be no impact on State law or liability under other law; and

Eleventh, provides for civil and criminal penalties.

Finally, the legislation contains a title which addresses a serious problem with respect to offshore oil and

gas development that we are currently confronting in the gulf, but which has serious national implications. The issue pertains to the development of common hydrocarbon-bearing areas underlying the Federal-State boundary offshore.

Under the current Federal policy, where a common hydrocarbon-bearing area underlies the Federal-State boundary, the antiquated rule of capture governs; that is, whoever produces the resources first gets to keep them, regardless of whose lands they underlie. This leads to a race to produce oil and gas from the common area, unnecessary drilling in order to prevent drainage of oil and gas resources across the Federal-State boundary, and needless attendant environmental risks.

In one instance in the West Delta Field off the coast of Louisiana, this policy has led to unnecessary drilling and the Federal Government and its lessee draining the State and its lessees of oil and gas valued at $23.5 million. Not only have unnecessary environmental risks been incurred, but the Federal Government refuses to compensate the State and its lessees for this drainage.

This misguided policy has important implications for all coastal States and for all persons concerned about the orderly and environmentally sound development of oil and gas on the OCS. Although I do not believe this policy is consistent with current law, this legislation addresses the problem by providing for the cooperative development of common hydrocarbon-bearing areas by the Federal Government and the coastal States. The legislation is reciprocal in protecting both the Federal Government and the coastal States from unnecessary drilling and drainage of oil and gas resources. The legislation amends the Outer Continental Shelf Lands Act to:

First, make findings regarding the problems inherent in the unrestrained competitive production of hydrocarbons from a State-Federal common hydrocarbon-bearing area;

Second, require the Secretary to prevent harmful effects of such unrestrained competitive production by protecting against drainage through cooperative development; and

Third, provide a right for injunctive or other relief where drainage is occurring or is about to occur to halt drainage until such time as a method of cooperative development can be agreed to by the Secretary and the Governor of the involved State or until a final judgment on the merits is entered by the court.

I am a longstanding supporter of the development of oil and gas resources on the Outer Continental Shelf. The gulf coast has played a key role in supplying our Nation with much-needed energy resources. According to the Minerals Management Service, during fiscal year 1988, over 313 million barrels of oil and over 4.5 billion mcf of gas was produced from the Federal Outer Continental Shelf in the Gulf of Mexico.

The gulf and lower Mississippi River also serve as a vital link in the transportation chain, necessary in making these energy resources readily available. At the same time, we in Louisiana and other coastal States take great pride in our wetlands and coastal resources. I believe that oil and gas development, production and transportation can and should be undertaken in a safe and environmentally sound manner. This legislation will help to ensure that this is the case.

I ask my colleagues to join in cosponsoring this important legislation. Mr. President, I ask unanimous consent that a summary of the amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE GULF OF MEXICO OIL SPILL PREVENTION AND RESPONSE ACT

Applicability—

Legislation covers Gulf of Mexico to the limits of the Exclusive Economic Zone (200 miles out) and the lower Mississippi River (that portion running adjacent to or through Louisiana), and the Gulf Intracoastal Waterway.

Legislation covers vessels, offshore facilities and onshore facilities located such that they could emit spills into the Gulf of Mexico and the lower Mississippi River.

I. Amendments to Outer Continental Shelf Lands Act—

Offshore Oil Pollution Compensation Fund—Establishes an Oil Pollution Account within the Fund and increases oil spill response funds to between $500 million and $550 million from the current required Fund level of between $100 million and $200 million. The Account is to be funded by a 10 cent per barrel fee on offshore oil production.

Wetlands Protection, Restoration, and Enhancement Account—Establishes a Wetlands Account within the existing Offshore Oil Pollution Compensation Fund financed by a 2 cent per mcf fee on offshore gas production. In addition, some moneys from the fee on offshore oil production may be included in the Wetlands Account. The Wetlands Account is to be used for priority projects to preserve, protect, enhance, restore, or create coastal wetlands in the United States. Based on current production, the Account will make approximately $100 million per year available for wetlands projects. Funds will be available for projects in a state in proportion to the amount of federal OCS production off the coast of that state.

Oil Spill Research and Development Center—Establishes center to be administered by Coast Guard. Authorizes appropriations of $10 million per year.

Oil Spill Contingency Plans—Legislation explicitly makes statutory the requirement that lessees must submit plan prior to conducting exploration, development or production activities.

Inspection of Oil Spill Prevention and Containment Equipment for the Outer Continental Shelf—Legislation requires at least two unannounced inspections annually of OCS oil spill prevention and containment equipment.

Drills and Required Equipment—Regulations to require drills every six months and to require essential equipment to be maintained onsite.

II. Oil Spill Contingency Planning—

Oil Spill Contingency Plans—Required for vessels carrying oil in the Gulf of Mexico or the lower Mississippi River, offshore facilities (other than those covered by plans under the Outer Continental Shelf Lands Act) and onshore facilities located where they could reasonably be expected to spill into the Gulf of Mexico or lower Mississippi River.

Public Awareness and Practice Drills—Secretary must publish list of contingency plans and inventory of response equipment. Annual drills to be conducted.

Preparation of Report on Adequacy of Oil Spill Contingency Plans

III. Vessel Design and Spill Prevention—

Report and Recommendations on Spills and Vessel Design—Report on past spills, desirability of double hulls, safety lines, and separated compartments, and need for more frequent vessel inspections.

Vessel Crew Requirements—Masters license requirements, backup personnel, more stringent recruiting and testing.

Vessel Equipment and Inspection—Secretary to issue regulations on what equipment must be on board to ensure vessel in compliance with oil spill contingency inspection plan.

IV. No Impact on State Law or Liability Under Other Law—

V. Penalties—

Civil penalties—Not more than $25,000 per violation; vessels liable in rem.

Criminal penalties—Not more than $100,000 per violation and/or imprisonment for not more than 5 years.

VI. Cooperative Development of Common Hydrocarbon-Bearing Areas—

Findings—Findings that unrestrained competitive production may result in a number of harmful national effects, including drilling of unnecessary wells and installation of unnecessary facilities resulting in environmental damage, economic waste, waste of the resources, loss of correlative rights and disorders in Federal and State leasing programs.

Prevention of drainage—The Secretary shall prevent these harmful effects by preventing drainage through cooperative development of such areas.

Federal Actions for Injunctive Relief—The Attorney General may institute an action for injunctive relief which shall be granted whenever it appears that federal oil and gas resources are being or may be drained by a State. The injunction shall remain in effect until the Secretary and the Governor agree as to the method of cooperative development or the court enters a final judgment on the merits.

State Actions for Injunctive Relief—The State may institute an action for injunctive relief which shall be granted whenever it appears that State oil and gas resources are being or may be drained by the United States. The injunction shall remain in effect until the Secretary and Governor agree as to the method of cooperative development or the court enters a final judgement on the merits.

RECESS UNTIL TUESDAY, JULY 11, 1989, AT 8:30 a.m.

Mr. MITCHELL. Mr. President, if the distinguished acting Republican leader has no further business, and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the provisions of Senate Concurrent Resolution 50 until 8:30 a.m., Tuesday, July 11, 1989.

There being no objection, the Senate, at 6:57 p.m., recessed until Tuesday, July 11, 1989, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 23, 1989:

DEPARTMENT OF STATE

JULIA CHANG BLOCH, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF NEPAL.

SMALL BUSINESS ADMINISTRATION

KYO RYOON JHIN, OF MARYLAND, TO BE CHIEF COUNSEL FOR ADVOCACY, SMALL BUSINESS ADMINISTRATION, VICE FRANK S. SWAIN, RESIGNED.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) JIMMY PAPPAS, 452-48-3572-1110, U.S. NAVY.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 23, 1989:

DEPARTMENT OF TRANSPORTATION

JAMES BUCHANAN BUSEY IV, OF ILLINOIS, TO BE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION.

DEPARTMENT OF THE INTERIOR

FRANK A. BRACKEN, OF INDIANA, TO BE UNDER SECRETARY OF THE INTERIOR.

DELOS CY JAMISON, OF MONTANA, TO BE DIRECTOR OF THE BUREAU OF LAND MANAGEMENT.

DEPARTMENT OF THE TREASURY

FRED T. GOLDBERG, JR., OF MARYLAND, TO BE COMMISSIONER OF INTERNAL REVENUE.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RICHARD HARRISON TRULY, OF TEXAS, TO BE ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

JAMES R. THOMPSON, JR., OF ALABAMA, TO BE DEPUTY ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

ENVIRONMENT, POPULATION AND SUSTAINABLE DEVELOPMENT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. SCHEUER. Mr. Speaker, I would like to submit Barber Conable's excellent speech of June 13 for the RECORD. Mr. Conable is the current president of the World Bank and a former Member of Congress. As guest speaker for the World Resources Institute, he gave an overview of the program that the World Bank has been using in the last few years to assist developing countries with their environmental problems, including the creation of an environmental department at the World Bank. Mr. Conable discussed the importance of collective global responsibility for the environment, with industrialized countries making an effort to accept and act upon environmental shortcomings to promote global cooperation.

Mr. Conable focused on the link between the environment, population growth and poverty in great detail. He explained that with today's birth rates, the ratio of people to productivity is off, causing a strain on the environment. When countries cannot support their populations with natural resources, the poverty level rises. Global good health depends on a balanced ratio between population and environment. He suggested two ways of balancing this ratio, which if used simultaneously, could be effective. These two choices were family planning and the expansion of the environmental capacities of the world. It was Mr. Conable's opinion that governments will have to take the necessary actions swiftly and soon and only in this way will any of the environmental problems facing the world today be solved. I couldn't agree more.

ENVIRONMENT, POPULATION AND SUSTAINABLE DEVELOPMENT

(Address by Barber B. Conable, President of the World Bank)

Thank you, John. Distinguished guests. Ladies and gentlemen. Meeting with this group, on Capitol Hill, is like coming home. I hold many fond memories of the years I spent in Congress and the friendships formed. I feel a special kinship and have a great deal of respect for the World Resources Institute, also, which has a close working relationship with the World Bank.

Just over two years ago, I had the pleasure of speaking to members and supporters of the World Resources Institute about the environmental action agenda of the World Bank. I am pleased to be with you tonight to talk about the progress we've made and the important next steps.

When I took over the Presidency of the World Bank, I started with the premise that the Bank ought to be devoting more staff resources and more financing to help borrowing countries safeguard and improve the environment. My aim was not to turn the World Bank into an environmental agency—for its goal has always been, and will continue to be, development and the reduction of poverty. But I did intend for the Bank to integrate environmental concerns into its day-to-day activities and to put the environment on the front burner in our policy dialogue with Third World countries.

Most of you know the facts and recent developments. The World Bank has:

Created a central Environmental Department as well as Regional environmental units;

Increased staff resources assigned full-time to the environment sevenfold over staffing three years ago (about 65 staff years);

Prepared Environmental Issues Papers for most of its active Borrowers (more than 70 countries will be covered by August);

Set up a $5 million Environmental Technical Assistance Program to speed up preparation of environmental projects.

Initiated a number of regional studies, including a capital cities cleanup project for the Asia region, supported by the UNDP, and an environmental program for the Mediterranean, funded jointly with the European Investment Bank.

INDUSTRIAL NATIONS' RESPONSIBILITIES

Now this raises an awkward question. By man, did the respondents mean Third World man? You would think so, judging by the media focus on Third World issues, such as Brazil's diminishing rain forests.

But this is both inaccurate and short-sighted. Unless and until the industrialized world is prepared to accept and act upon its own environmental shortcomings, it will be difficult to persuade developing nations that there is such a thing as a collective global responsibility for our planet's health.

The reality is that it is the industrialized countries which account for most pollution.

For example:

North America and Western Europe are together responsible for 71 percent of the industrial emission of carbon dioxide into the atmosphere but account for only 8.2 percent of the world's population. The developing world, with 79 percent of the world's population, is responsible for only 7 percent of the industrial emission of carbon dioxide.

Carbon dioxide, as you may know, is the most significant of the gases building up in the atmosphere and accumulating heat from the sun to produce global warming, the so-called Greenhouse Effect.

Take the United States:

It produces five tons of carbon dioxide for every man, woman and child in the country. The world average is under one ton.

The United States continues to permit the export of agricultural chemicals banned in this country as dangerous to human health or the environment.

Fuel consumption is the principal cause of air pollution and global warming. The U.S. continues to lead all industrial nations, except Canada, in the amount of energy used per unit of production of goods and services.

The United States accounts for nearly a third of all use of chlorofluorocarbons escaping into the atmosphere, the most important of chemicals depleting the ozone layer.

And Hawaii has the highest number of endangered species for its size of any area in the world.

What will be the likely impact of this if growth rates remain unchecked?

Population will be too large in relation to the productivity of the resource base;

Larger numbers of people will suffer from poverty, ill-health, and malnutrition;

Increasing population will put added pressure on the environment, causing more degradation of agricultural land, the further destruction of forests, greater shortages of water, and the loss of flora and fauna species; and

There will be mass migration of "ecological refugees" from areas that can no longer sustain them.

In such developments lie the seeds of political instability and international tensions.

Call it a worst-case scenario if you will. But it is still very much in the cards, unless nations are prepared to check high population growth rates within their borders.

What, then, should be done?

If we are agreed that sustainable development is our objective, then the prerequisite is to bring human populations into balance with the natural resources that support them. As the Population Crisis Committee has warned: "We don't know what will happen to the natural resource base at a population of 8, 9, 10, 14 billion."

If not limited by conscious human planning, population growth will surely be limited by natural resource constraints, because populations cannot be sustained beyond the "carrying capacity" of their regions.

There are, therefore, only two viable choices:

Act to lower population growth rates through family planning;

Seek to expand the carrying capacities of the regions in which they live.

SUMMING UP

The linkages between the environment, population, and sustainable development are obvious. We must recognize our collective responsibility to maintain a healthy ecosystem on this planet.

Toward the end of his life, the aviator, Charles Lindbergh, was asked whether he thought civilization could survive the march of progress. After due reflection, he replied:

"The final answer will be given not by our amassing of knowledge, nor by the discoveries of our science, nor by the speed of our aircraft, but by the effect our activities as a whole have upon the quality of our planet's life—the life of plants and animals as well as that of men."

I'm sure all of you here tonight agree with this sentiment.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

VIOLENCE IN EL SALVADOR

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. LELAND. Mr. Speaker, this morning's news brings us a tragic story of violence in El Salvador. Wednesday night a 72-year-old nun, Mary Mackey was shot in the head and critically wounded as she was traveling from El Salvador. Sister Mackey, a member of the Sisters of Charity of the Incarnate Word based in my district in Houston, is a registered nurse and was working at a home for war orphans in Zaragoza, 10 miles from the capital city.

Sister Mackey was responsible for the care of 200 children whose parents have been killed in the 9-year civil war. Now these children have lost their surrogate mother. These children and Sister Mackey are among the countless innocent persons who are victims of the terror in El Salvador. Only when the victim is an elderly American woman who has devoted her life to others does the murder that occurs day after day in this tiny country come to our attention. No one is protected in a situation of violence that feeds on itself.

Sister Mackey was traveling with two other nuns when they were forced off the road by a pickup truck carrying at least six men. No one knows why they shot Sister Mackey. The good news is that she has regained consciousness and will be flown to Houston for treatment today. She suffers from a shattered cheekbone and may lose the sight of an eye. Her survival is miraculous.

The causes of the attack are uncertain but the climate of El Salvador makes such tragedies inevitable. We in Congress must ask questions about the contribution of the United States to these conditions. This tiny nation approximately the size of Connecticut with a population of over 5 million persons has been the recipient of an extraordinary amount of aid from this country. What is our responsibility for the continuing terror? Yesterday, the Select Committee on Hunger viewed photographs of soldiers handing out bags of United States food aid to civilians in El Salvador. There is evidence that the food aid has been abused.

It is almost 10 years since the assassination of Archbishop Romero. Yet, as a June 16 report of the Committee on Foreign Affairs points out, the case remains unsolved. The terror has gone on for almost a decade. As neighbors we have watched El Salvador, its war like a building burning out of control. We have not, unfortunately, brought the water of peace to put out the fire. We have sent armaments. Even humanitarian aid seems to further fuel the fire.

Sister Mackey's brush with death is a grim reminder that compassion alone will not solve the problems in El Salvador. Our policy must be reviewed. In the last 8 years, the United States has spent over $3 billion in aid to El Salvador, with only growing violence to show for it. Guerrilla activity is increasing. Half the population is unemployed or underemployed. There are literally hundreds of children in need of orthopedic medical attention as a result of the injuries of war.

The climate of terror which exists in El Salvador is one in which we are responsible accessories. A first step in policy change would be the enactment next week of the McHugh amendment to the International Cooperation Act of 1989. It is a moderate action that will retain congressional vigilance over our present policy in El Salvador. It would require passage of a resolution of approval next spring to release future military aid funds. It guarantees that a majority in Congress will decide whether or not to provide more military aid.

The violent attack on a woman who has given her entire life to the service of God and helpless little children demands that we pay attention and act to end the pointless, random killing in El Salvador.

TRIBUTE TO MARYLAND'S COMMUNITY COLLEGES AWARD WINNERS

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mrs. BENTLEY. Mr. Speaker, I rise today to congratulate the Maryland State Community College Focus on Excellence Award winners. And I ask that my colleagues join me in congratulating the winners, because community colleges are so special to everyone.

They provide an important service to each of us as they prepare our constituents for the world. They offer education for all ages, from 18 to 40 to 85. Community colleges provide the versatility to people who wish to continue their education but need to care for their families, work, or even do both.

I applaud the community colleges of Maryland and these Focus on Excellence Award winners and wish them continued success.

Also, I would like to present these additional remarks for submission into the CONGRESSIONAL RECORD:

Eileen Sparks was the recipient of this year's student award and the Carl Berkowitz Memorial Award. She is a second-year honors student in the Criminal Justice Program at Allegany Community College. Prior to enrolling at the college, Ms. Sparks drove trucks, owned her own construction company, farmed and trained horses. Then, in the middle of raising four children, she decided to go to college. She plans to transfer to Frostburg State University after graduating from Allegany. After that, she hopes to earn a law degree from the University of Maryland.

Harlow Fullwood was the 1988–89 recipient of the alumnus award. His college years were interrupted when he was drafted by the Baltimore Colts. After professional football, he enrolled at the Community College of Baltimore where he was graduated with high honors and simultaneously completed his bachelor's degree from Virginia State University. Mr. Fullwood served with the Baltimore City Police for 22 years, earning recognition as the "Evening Sun's Policeman of the Year" in 1979. Currently he is a franchise owner of a Kentucky Fried Chicken Restaurant chain. In 1988 he received the State sales award as the franchisee who had the highest sales volume in Maryland. He also distinguished himself last year as one of Maryland's newest philanthropists by awarding charitable gifts of $350,000 to more than 50 organizations.

Dr. Mary Helen Spear is the recipient of this year's faculty award. She has been a member of the Prince Georges Community College psychology department since 1972. During that time she has taught almost every course in the psychology curriculum in every conceivable format. She is not only a superb classroom teacher widely respected for her teaching skills, she is also an extremely energetic and active member of the larger college community. Dr. Spears has pioneered innovative methods such as the personalized system of instruction where self-paced learning is emphasized along with careful testing of learned material. Over a decade ago, she proposed and taught the first weekender course ever offered during the summer for adult learners. The class was and still is a resounding success. More recently, Dr. Spear has taught and promoted television courses with such success that she was featured in a PBS nationally produced program on telecredit classes.

Maureen E. Sullivan is the 1989 winner of the Trustee Award. She has been a trustee at Montgomery College since 1981. She was the first member of the board to serve as vice-chair, and she followed that with service as chair in 1985–86. Ms. Sullivan was a founding member of the Montgomery College Foundation which has been very successful in raising private funds for scholarships and other purposes at the college. She also has a distinguished career in drug abuse prevention programs for the Federal Government. She has provided the leadership for Montgomery College to develop its drug abuse prevention program to the point where it is a model for other colleges.

Bechtel Power Corp. is this year's corporate award winner. Bechtel was cited for its many contributions as a supporter and client of Montgomery College. On the other hand, numerous Bechtel personnel have served as members of the college's curriculum advisory committees over the years. On the other, nearly 1,000 employees have been enrolled in courses offered by the college at Bechtel. More specifically, Bechtel has assisted in revising the Electromechanical Technology Program at the college and in the development of the new Computer-Aided Drafting and Design Program. Bechtel also has donated over $20,000 to Montgomery College for the purchase of equipment for technical training programs. Finally, Ed Moskel, chief engineer of Bechtel Power, has served the college well as a charter member and past chair of the Montgomery College Foundation.

TRIBUTE TO JOHN KELLY

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Ms. KAPTUR. Mr. Speaker, if as President Harry S. Truman stated, politics "is the art of government," the political art world has lost

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

one of its truly great masters. Today, I rise in tribute to John Kelly, a beloved and distinguished monument on the political landscape of Ohio's ninth district for over a half century.

A trusted friend and frequent advisor to Presidents, congressional leaders, and local officials, Mr. Kelly represented what is best in one who dedicates him or herself to public service. With his wife of many years, Elizabeth Grace, by his side, John Kelly held a vast array of party positions on the local, State, and national levels. Whether as a stenographer to the Democratic Party boss in 1916, county commissioner in the 1930's, Democratic county chairman in the 1940's or as Ohio's Democratic Party vice chairman and Democratic National Committee advisory board member until 1976, John Kelly's dedication was characterized by a conviction that his party had the ability to articulate the needs of men and women whose own voice could not be heard. Even as recently as 1984, Mr. Kelly served as a Democratic ward chairman—a post he had held since 1932. His clarity of vision enabled him and others to see public office not as an end in itself, but as a means to a greater end—service to others. A firm believer in party discipline and loyalty, Mr. Kelly was a vital consensus builder between the county, State, and National Democratic Party for over 60 years.

The passing of John Kelly, Mr. Speaker, truly represents the passing of an era in American politics when a simple handshake, a keen memory for a name, and a gesture of gratitude were the tools of the trade. Long before candidates or campaigns entered the telegenic age, John Kelly's wisdom, assurance, warm and friendly manner, served to inspire more than one generation of men and women determined to make a difference through public service.

The State of Ohio and ninth district has been richly blessed by the life and contribution of John Kelly. While unmistakably a Democrat and politician, his vision of responsive and effective government transcended party lines. If his death provides an appropriate occasion to remember his many achievements, his life will, for an even longer time, serve to inspire our efforts to realize the endless opportunities before us when talent and selfless determination are combined and expended for public good.

Statesman, yet friend to truth! of soul sincere,
In action faithful, and in honor clear;
Who broke no promise, serv'd no private end,
Who gain'd no title, and who lost no friend.
Alexander Pope.

TRIBUTE TO WILLIAM "DUR" HORNER, SR.

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. SAXTON. Mr. Speaker, it is my pleasure to proudly honor William "Dur" Horner of Delran Township, NJ. "Dur" Horner has dedicated over 50 years to serve his community.

Dur Horner began volunteering his services in 1936 when he joined the Delran Fire Company No. 2. Three years later, he served on the committee to set up a first aid training program, and he then went on to be a founding member of the first aid division of Delran Fire Company No. 2.

In 1950, the members of the first aid division began the process of establishing their squad as a separate organization in itself. On May 4, 1951, the first aid division of the Delran Fire Department became known as the Delran Emergency Squad, Inc. Dur became a member of the original Board of Ambulance Commissioners. Because of all of the efforts performed by Dur, the squad has grown from an arm of the fire company to a full fleet of four ambulances serving the Delran community.

Dur Horner is an active member of the squad to this date. He has been the only person to hold the position of treasurer within the squad; a position in which he served admirably, throughout these many years. He also served as the cocaptain of the squad in the early 1960's.

Aside from being an important member and contributer to the first aid services on the local level, Dur Horner is also involved on the State level and international level. He is an active delegate to the International First Aid Council and a Delegate to the New Jersey State First Aid Council.

Mr. Speaker, Dur Horner is an individual who has dedicated his life to helping the community by serving through both the Fire Department and the First Aid Squad. His dedication and service to the township of Delran is greatly appreciated by the citizens. Therefore, I ask my colleagues to join me in giving William "Dur" Horner the recognition that he so deserves.

THE TORRICELLI CASH TRANSFER PROVISION

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. TORRICELLI. Mr. Speaker, the House has voted, by decisive margins, to preserve a provision I sponsored on H.R. 2655, the foreign aid authorization bill. This provision revises the cash transfer method of U.S. foreign aid to ensure that the Cash Transfer Program not only benefits the foreign nation recipient of American dollars but also results in the purchase of American agricultural commodities, manufactured goods, and services.

As amended, this provision exempts a number of the poorer recipients of foreign aid, as well as countries that are party to the Camp David accords. It is my understanding that Egypt, as a party to those accords, should enter into the same type of agreement that Israel currently maintains regarding the purchase of United States commodities and their shipment on United States-flag vessels.

The Torricelli provision is designed to ensure that U.S. foreign aid does not have the effect of enabling recipient countries to buy non-U.S. products at the expense of U.S. products.

Countries may use cash transfer funds to buy local products, or to pay debts. But cash transfers—and no other country gives cash as liberally as the United States—should not have the effect of freeing money for the purchase of Canadian wheat or Japanese machines, as has been the case.

In an ideal world, poor countries would be assisted, with no restrictions, by their wealthier friends. But in reality, the foreign aid programs of our agricultural and industrial competitors are highly tied, formally and informally, to procurement in the donor country.

It is also logical that when the purchase of goods is made possible because of foreign aid, those goods should be shipped on U.S.-flag vessels. It is important to recall that the U.S. merchant marine is in serious straits. Forty years ago, there were 2,000 U.S.-flag commercial vessels; today, there are 400. Forty years ago, 65 percent of U.S. waterborne commerce was carried by U.S.-flag ships. Today, the figure is 4 percent.

Again, in an ideal world no one would subsidize shipping. But in the real world, our industrial competitors do just that. The national security implications of allowing the U.S.-flag fleet to contract even further are enormous. The Torricelli cash transfer provision ensures that recipient countries get the aid they need while U.S. agricultural, industrial, and maritime workers benefit too.

CONGRESS' SHAMEFUL WAR ON DRUGS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. LELAND. Mr. Speaker, slashing the $821 million to $75 million for the drug provision in the supplemental appropriations bill is shameful. It is amazing that Members of this House claim to be committed to fighting the drug menace, yet refuse to approve the funding to do so.

Every day there are horror stories of youths murdered in gang drug wars and of police officers murdered by drug traffickers. Still, this Congress offers only rhetoric. Urban America is being overrun by the drug menace.

Major cities across this country—not just Washington, DC—experienced major increases in homicides in 1988. This Nation's murder rate increased by 6 percent and violent crimes increased 5 percent. The citizens, law enforcement authorities, and local and State government all need our assistance to combat drugs.

Crack cocaine alone, has destroyed untold numbers of young lives, turned peaceful neighborhoods into war zones, and contributed to violent gang wars. We here in the Nation's Capital must take an unwavering stand against drugs and the havoc they wreak on society.

The Federal Government must recognize its responsibility for addressing this problem. Unfortunately, this drastic cut in the drug provision is a step in the wrong direction.

LUXEMBOURG NATIONAL DAY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mrs. BENTLEY. Mr. Speaker, I rise today to join the entire nation of Luxembourg in celebrating their national holiday. As a first-generation American I still take great pride in my ethnic heritage and I hope that my fellow Americans, whether first-generation or descendants of the Mayflower voyage, do the same.

Luxembourg National Day is rich in tradition. The night before, there are fireworks and concerts that last late into the night. National Day starts just before noon, as the army marches to the Parliament and escorts the Members to the National Cathedral. There, the other members of the government, the royal family, the diplomatic corps, and the general public have already gathered. After the brief service, known as the Te Deum, the Minister of Foreign Affairs invites the diplomatic corps to the National Theatre for a luncheon. The day then ends with a dinner at the Grand Ducal Palace. During the day, like here in America, there are parades and festivities.

Luxembourg National Day is celebrated on June 23 even though the traditional day, the Grand Duke's birthday, is on January 23. January 23, I have been informed by their embassy, is not the best time of year to hold parades and fireworks in Luxembourg. So His Royal Highness graciously allowed for the date to be moved back 5 months, in order to allow the citizens of Luxembourg more thorough enjoyment of their national holiday.

So I wish them well today, on this their National Day. It will be all the more special since this year is the 150th anniversary of the recognition of Luxembourg's independence by the Great Powers. And I wish great joy and celebration to all those Luxembourginian-Americans who cannot travel across the Atlantic to be there. I say to you, "Ech woenschn iech e sche'nen dag"; may you have a wonderful day.

TRIBUTE TO NEWARK HALL OF FAME INDUCTEES

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. PAYNE of New Jersey. Mr. Speaker, it is with great pride that I call to the attention of my colleagues the accomplishments of outstanding members of the Newark community who have been inducted into the Newark Athletic Hall of Fame.

This honor has been conferred on the late Art Coles, the first black man to be named the director of a Newark Boys' Club, whose involvement in our city's sports and recreation programs has become legendary.

An outstanding basketball player and high jumper during his days at Robert Treat Junior High School, he went on at Central High School to become the city and State champion in the high jump. He also participated in indoor and outdoor track during those years.

To earn money for college during bleak financial times, he worked on the WPA and was also assisted by his mother and "Chappie" Wright. Mr. Coles fulfilled his dream of a higher education by gaining admittance to A&T College in Greensboro, NC. While attending A&T, he dazzled fans with his ball handling and rapid shooting ability. In his freshman year, he helped lead A&T to their first CIAA championship in high jump. During his sophomore year, he was given a full athletic scholarship. Upon graduation, Mr. Coles taught and coached at Albermarle, NC, and also at Sanford.

Mr. Coles returned to Newark where he made enormous contributions through his work with the young people of the community. He worked at Morton Street School playground, where he was instrumental in helping many of the young athletes obtain athletic scholarships to various colleges. He also coached at Cleveland Junior High, winning 59 consecutive games plus the State championship. He established a record for the number of boys sent to the summer boys' club camping program.

Mr. Coles, who was married to the former Alfreda Hunt, was the father of two talented children, Annetta and Art. He was fictionalized in Nathan Heard's book "Howard Street" and was mentioned by name in his book "To Reach a Dream." He has left a lasting mark on the Newark community through his devotion to building a better future for our young people.

Also inducted into the hall of fame was Jerry Izenberg, a nationally syndicated sports columnist who began working at the Newark Star-Ledger newspaper to work his way through Newark Rutgers. He served in the Army in Korea and wrote for several publications, including the Stars and Stripes, Paterson News, and the New York Herald-Tribune before he returned to the Star-Ledger. Mr. Izenberg played a leading role in developing recreational programs in Newark. He was a cofounder and served as president of Project Pride, a program that has raised over $900,000 for disadvantaged youth in Newark.

A talented writer, Mr. Izenberg authored several books, including "The Rivals," "How Many Miles to Camelot? "The All-American Sport Myth," "Great Latin Sports Figures; The Proud People," "Greatest Games Ever Played," and most recently, "The Jerry Izenberg Collection."

Joining Mr. Coles and Mr. Izenberg in the Athletic Hall of Fame is Lloyde S. Glicken, a 1989 recipient of the Frank LaBarca Memorial Clinic Humanitarian Award and a member of the Board of Governors for the New Jersey Sportswriters Association and the executive committees of the Essex County Coaches and Athletic Directors Associations.

Also included in the hall of fame is the late Walt Bakum, an outstanding basketball player at South Side High during the 1930's. He attended George Washington University, and served in the Army during World War II. When basketball was introduced at West Side, he served as the first coach. He was a member of the Clark Board of Education and assisted young people in obtaining scholarships.

Mr. Speaker, I know my colleagues here in the U.S. House of Representatives join me in honoring the contributions of these outstanding citizens.

PERSONAL EXPLANATION

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. HERGER. Mr. Speaker, yesterday, June 22, 1989, I inadvertently pushed the wrong button on rollcall No. 105, voting "yes" instead of "no" on the Kostmayer amendment to Representative CHRIS SMITH's (NJ) amendment.

My intention was, and is, to vote "no" on that amendment.

A TRIBUTE TO THE WILLIAMSTOWN THEATER FESTIVAL CELEBRATING ITS 35TH ANNIVERSARY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. CONTE. Mr. Speaker, I would like to pay tribute to a true institution, the Williamstown Theater Festival, in my district which will be celebrating its 35th anniversary this summer.

In 1974 the drama critic for the New York Times wrote:

> Many of the finest actors and actresses in America have appeared in many of the world's finest plays at the Williamstown Theater Festival.

That was during the festival's 20th year. And this year, in June, July, and August, this extraordinary haven for artists in the Berkshire Hills of western Massachusetts is marking its 35th anniversary season—a "run" virtually unmatched by any theater in America.

This joyous occasion is touched with sadness, for the man who cofounded the theater in 1955 and guided it through 1988, Nikos Psacharopoulos, passed away this past January. He took the festival—known all over this country as WTF—from tentative summer-stock beginnings, nurtured it, brought in the most talented actors, directors, designers, and playwrights even as he sent new good ones into the world. His legacy is the festival's critically praised main stage, its apprentice workshop, its exciting other stage, its cabaret, new play readings, and popular outdoor free theater, all attended by well over 50,000 people every summer.

Now the torch has been passed. "Nikos" took a building and created a great theater, a place where thousands of people wanted to work and to grow, far from commercial pressures. This 35th anniversary season will look back to his achievements and forward to a future of many more. In a region blessed with fine music at Tanglewood, fine dance at Jacob's Pillow, and fine art at a score of museums, the Williamstown Theater Festival has

become a hallmark of fine drama. I speak with pride to the Members of Congress and hope that you will join me in a salute to an extraordinary institution.

TRIBUTE TO THE LATE HON. CLAUDE PEPPER

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. ASPIN. Mr. Speaker, it is a distinct honor to pay tribute to our beloved colleague, the late Congressman Claude Pepper. Claude Pepper was one of those rare Members of Congress who could truly be called a great man. He not only represented his constituents from Florida's 18th District for the past 47 years as a Congressman, and his constituents from the entire State of Florida for 15 years as a Senator, earlier in his career, but he also represented a special constituency which came to be known as his own—senior citizens.

From his early days of public service, Claude Pepper began singling out senior citizens as a group of people for whom he could make a difference. Over the years senior citizens came to rely on Claude Pepper because they knew he could help them and because they knew he would go to the wall for them. And he did, time and time again. He would stand up in the House and make sure that every American heard his message. For the past 47 years his message has been the same. Protect, stand up for, and do not forget our senior citizens. As chairman of the House Select Committee on Aging he fought hard to defend Social Security and Medicare. Not only was Claude Pepper overwhelmingly respected by his constituents and senior citizens, but he also gained the respect and affection of his colleagues in the House as they elected him to the powerful position of chairman of the Rules Committee. He was widely respected even when everyone didn't always agree with him. In 1986, as the oldest Member of Congress, Claude Pepper introduced one of his last pieces of major legislation which became the 1986 law barring mandatory retirement based on age. Two years later, at the age of 88, he was still hard at work. If Claude Pepper was forced to retire at the age of 65, the American people would have lost out on more than two decades of his work. He proved what kind of work senior citizens are capable of that people should not be cut off from their jobs when they turn 65. As Claude Pepper said about the law, "Abolishing age discrimination will offer new hope to older workers who are desperate to maintain their independence and dignity."

Throughout his more than 50 years of public service Claude Pepper remained a strong liberal and consistently championed social causes. During the New Deal and war years, Senator Pepper was a strong and consistent voice in support of President Roosevelt's policies. Throughout his career he defended the poor and the disabled. He once said, "I am and shall remain a liberal. I intend to continue to devote my full energies to helping to free people from fear of dictatorial oppression, from fear of illness and poverty, from fear of discrimination." And Claude Pepper stood by his word until the day he died.

I've served in the U.S. House of Representatives with Claude Pepper for almost 20 years. He was the kind of legislator that Members of Congress endeavor to emulate. Claude Pepper made a difference.

OLD GLORY IS A SYMBOL THAT DESERVES PROTECTION

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, like many Americans I am outraged this morning at the Supreme Court's ruling that our national symbol is free to desecrate as anyone wishes. To say that the symbol for freedom and justice everywhere is no more important than an ordinary piece of cloth is a slap in the face to all Americans, especially those who have fought and died in defense of that symbol. The Supreme Court has lessened that important emblem by legalizing the right to burn, rip, drag through the mud, shred, or even spit on the American flag.

Mr. Speaker, we are not a nation like China that murders those who dissent from our Government. There are ample avenues available to any individual to protest the actions of our Nation. There is no need to trample on the very symbol of our freedom and democracy. The majority of the Court overlooked a salient point: The flag is unique. No other emblem is regarded with such reverence in this Nation or the world.

I don't know if there is a legislative remedy to this travesty of justice, but if there is, I hope we find it. Because I know at the next instance of Old Glory being burned in public, a part of my heart, like many Americans, will be burning with her.

LEADERS AGREE TO CEASE-FIRE

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. SPRATT. Mr. Speaker, I was pleased to learn that President Jose Eduardo dos Santos of Angola and Jonas Savimbi, leader of the UNITA forces, agreed yesterday to a cease-fire in the civil war which has torn apart that African nation for approximately 14 years.

With a public handshake, the two leaders sealed their pact in the presence of 17 fellow African leaders in Gbadolite, Zaire. The cease-fire is to begin at midnight tonight.

"This is a new beginning," Mr. Savimbi declared. Indeed it is, and I am hopeful that it marks an end to the killing that has taken hundreds of thousands of lives and caused countless injuries and incalculable damage to the economy of Angola.

Special commendation goes to Zaire's President Mobutu Sese Seko, as well as his fellow African leaders, who were responsible for bringing together the leaders of the two warring forces in what some press reports have called an "extraordinary gathering."

His fellow African leaders announced yesterday that President Mobutu will serve as mediator for another round of negotiations between the Angola Government and Mr. Savimbi.

President Mobutu, who has long supported American policy in that volatile region and is a friend of the United States, has played a valuable role in the peacemaking process. He and the other African leaders who assisted in promoting this agreement deserve recognition and credit for making a contribution to a peaceful resolution of the tragic Angolan conflict. President Mobutu will be in Washington next week, the first African leader to meet with President Bush since taking office. I hope the President will express American support for the efforts which culminated in yesterday's agreement and convey a continued American willingness to promote an end to the tragic Angolan civil war.

REGARDING OMISSION OF ORIGINAL COSPONSOR OF H.R. 2055, THE MEDICARE CATASTROPHIC COVERAGE REFORM ACT OF 1989

HON. JOHN J. RHODES III

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. RHODES. Mr. Speaker, when I introduced H.R. 2055 on April 18, 1989, with 26 of my colleagues as cosponsors, through an oversight we inadvertently omitted the name of the gentleman from Illinois, Mr. HASTERT, from among the original cosponsors.

Today, I am adding Mr. HASTERT's name as a cosponsor of H.R. 2055, and regret that his name was not included originally as he had requested and as we intended.

OPPOSITION TO THE SUPREME COURT FLAG DESECRATION RULING

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. WYLIE. Mr. Speaker, I adamantly disagree with the Supreme Court's decision that the first amendment protects those who would burn the American flag as a form of political protest. That sweeping 5–4 decision, which overturned the conviction of a protestor at the 1984 Republican convention in Dallas, nullifies flag desecration laws in 48 States.

The American flag is a special symbol of freedom which millions of men and women have defended and for which many have given their lives during our 200 years as a Nation. In the dissenting words of Chief Justice William Rehnquist, this ruling means that—

The Government may conscript men into the armed forces where they must fight and

perhaps die for the flag, but the Government may not prohibit the public burning of the banner under which they fight.

I recall from my own personal experience in combat during World War II how inspiring it was for me to see the American flag flown over ground previously occupied by Hitler's Nazi regime. To allow the flag to be burned or desecrated as a form of protest is a national disgrace and defiles the honor of those who fought and fell to preserve freedom.

Yesterday I introduced a constitutional amendment to authorize Congress and the States to prohibit desecration of the flag and to set criminal penalties for those who do. I urge Congress to act quickly on a proposal to restore the American flag's distinctive place in our national heritage.

PERSONAL EXPLANATION

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, because of official business in my congressional district, I was unable to be present and vote today on motions to approve the Journal (Rollcall Vote 106) and to agree to the Senate amendments to H.R. 2402, Emergency Supplemental Appropriations for Veterans Programs (Rollcall Vote 107). Had I been present, I would have voted "aye" in each instance.

DESECRATING THE FLAG IS A FREEDOM WE DO NOT NEED

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. HOUGHTON. Mr. Speaker, the decision of the Supreme Court on a protestor's right to burn our flag from my standpoint is more than unfortunate. It is wrong.

This obviously is a highly emotional issue. No one, even the majority of distinguished Justices who voted the way they did, wants the flag abused. The problem, then, is one of mind set—one that gives a strict legal interpretation of first amendment rights, as contrasted to a broader approach to the very fundamentals of what this democracy is all about.

Justice Brennan, writing for the majority of the Court, has stated, "We do not consecrate the flag by punishing its desecration, for in doing so we dilute the freedom that this cherished emblem represents." Well, I might add neither do we consecrate freedom by encouraging those to whom freedom means so little, to abuse its sacred symbol.

The strictly technical approach to our Constitution tends to put binders on the greater reach of democracy. It does an injustice to the feelings of those of us who look at the United States and its Constitution in personal and human as well as legal terms.

The essence of freedom is our willingness to give up some of it—meaning the more extreme forms. I happen to feel this is one. Desecrating the flag is a freedom we do not need.

INTERNATIONAL LABOR ORGANIZATION CONVENTION 147—MINIMUM STANDARDS IN MERCHANT SHIPPING

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1989

Mr. JONES of North Carolina. Mr. Speaker, on June 15, 1989, International Labor Organization [ILO] Convention 147—minimum standards in merchant shipping—came into effect as a treaty obligation of the United States.

Convention 147 sets minimum standards for working and living conditions aboard ships, with particular focus on safety, shipboard living arrangements, employment conditions, social security measures and investigations of complaints and casualties. In addition, the convention's standards include workers' fundamental rights of freedom of association and to organize and bargain collectively.

The coming into force of this convention is indeed an historic event. It has been more than 36 years since an international convention dealing with the workplace has been adopted by the United States. It reaffirms this Nation's commitment to workers' rights worldwide. It also reflects enlightened U.S. self-interest in helping promote, through the ILO, better wages and living standards worldwide, especially in the Third World.

The U.S. Coast Guard and the Department of Labor have the principal enforcement responsibilities related to this Convention. Through the able leadership of Capt. J.M. MacDonald, USCG, inspection procedures have been developed and disseminated to all appropriate Coast Guard units across the country. I am confident that similar timely action will be taken by officials at the Department of Labor.

The United States has now completed the necessary steps to enforce compliance with internationally recognized minimum standards affecting all merchant ships entering U.S. ports. Under the port State control doctrine embodied in ILO Convention 147, action can be taken against substandard ships regardless of flag of registry. This includes authority to detain ships on which conditions are "clearly hazardous to safety or health".

Mr. Speaker, I am most encouraged by this Nation's action regarding this ILO Convention. Exploitation of workers should not be permitted as a competitive device in international trade.

HOUSE OF REPRESENTATIVES—*Tuesday, June 27, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We recognize, O gracious God, that You have created us in Your image—with our thoughts, our abilities, our responsibilities, and our gifts. On this day we place before You our motivations and attitudes that govern so much of what we do. We know, O God, that our actions follow our innermost feelings and intentions and so we pray that we may seek to do righteousness, to desire peace with each person, to treat people with respect, particularly those near to us, and always wish for others the good we wish for ourselves. Bless our thoughts and desires, O loving God, and cleanse us of selfishness, so we will truly be able to act with justice, with respect, with love and mercy. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. PAXON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PAXON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 96, not voting 40, as follows:

[Roll No. 108]

YEAS—296

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
Barnard
Bartlett
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bustamante
Byron
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clement
Coleman (TX)
Combest
Conte
Conyers
Cooper
Cox
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Duncan
Durbin
Dymally
Dyson
Early
Erdahl
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Herger
Hochbruckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McDade
McDermott
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Nielson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Portman
Pursell
Quillen
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schulze
Shaw
Shumway
Shuster
Siljander
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spence
Spratt
Stallings
Stark
Stearns
Stenholm
Studds
Swift
Synar
Tallon
Tanner
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Whitten
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—96

Armey
AuCoin
Baker
Ballenger
Barton
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Clay
Clinger
Coble
Coleman (MO)
Coughlin
Craig
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Dornan (CA)
Douglas
Gallegly
Gekas
Goss
Grandy
Hancock
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McGrath
Miller (OH)
Molinari
Murphy
Oxley
Parris
Pashayan
Paxon
Ridge
Roberts
Rogers
Ruokema
Schroeder
Sensenbrenner
Sharp
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sundquist
Tauke
Thomas (CA)
Vucanovich
Walker
Weber
Wheat
Whittaker
Wolf
Young (AK)
Young (FL)

NOT VOTING—40

Bentley
Bilirakis
Bryant
Collins
Costello
Courter
Dwyer
Edwards (OK)
Engel
Fields
Flake
Florio
Garcia
Goodling
Hoagland
Holter
Leach (IA)
McCloskey
Mollohan
Neal (MA)
Neal (NC)
Nelson
Nowak
Patterson
Porter
Price
Rahall
Rhodes
Rohrabacher
Savage
Schaefer
Schuette
Schumer
Staggers
Stokes
Tauzin
Upton
Vander Jagt
Williams
Wright

□ 1226

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentlewoman from Tennessee [Mrs. LLOYD] to lead the house in the Pledge of Allegiance.

Mrs. LLOYD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 923. An act to redesignate the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, Texas, as the "Robert Douglas Willis Hydropower Project."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2119. An act to authorize the exchange of certain Federal public land in Madison County, IL.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 694) "An Act to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes," with an amendment.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 428. An act to modernize United States circulating coin designs, of which one reverse will have a theme of the Bicentennial of the Constitution;

S. 634. An act to develop a national policy for the utilization of fuel cell technology;

S.J. Res. 81. Joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week";

S.J. Res. 93. Joint resolution to designate October 1989 as "Polish American Heritage Month";

S.J. Res. 115. Joint resolution to designate the period commencing on September 9 and ending on September 15, 1989, as "National Nursing Home Residents' Rights Week";

S.J. Res. 127. Joint resolution designating Labor Day weekend, September 2 through 4, 1989, as "National Drive for Life Weekend";

S.J. Res. 134. Joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "National Disability Awareness Week"; and

S.J. Res. 161. Joint resolution to designate the week of October 22, 1989, through October 28, 1989, and the week of October 21, 1990, through October 27, 1990, as "National Adult Immunization Awareness Week."

HOUR OF MEETING ON THURSDAY, JUNE 29, 1989

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, June 28, 1989, it adjourn to meet at 11 a.m. on Thursday, June 29, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I asked for this 1 minute for the purpose of inquiring of the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT], how we are going to proceed for the next day or two.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, I would like to announce that we will have 14 suspensions on the schedule today. The votes on all the suspensions, if there are any called for, will be postponed until after debate on all suspensions.

Members should note that there will be a resolution considered last that has to do with the Supreme Court decision on the flag, and that vote, along with the others, would be postponed until the end of the day.

We then will have H.R. 2136 to limit the length of time an individual may be incarcerated for civil contempt.

We will then be going in at 10 a.m. on Wednesday, and we will be going late on Wednesday to try to make as much progress as we can on the energy and water appropriation and then on the continuation of the foreign aid bill.

Mr. Speaker, if things go well, we hope to be able to be finished on Thursday at a reasonable hour. We are looking to try to finish by around 6 p.m. on Thursday. We will be starting at 11 a.m. on Thursday, and that was the purpose of my unanimous-consent request.

Mr. MICHEL. Mr. Speaker, would the gentleman from Missouri [Mr. GEPHARDT] venture a guess as to how long we will be going then, say, tomorrow, on Wednesday night?

Mr. GEPHARDT. Mr. Speaker, it is hard to exactly predict, but we will be going into the night; about 8 o'clock would be the hoped-for time of ending on Wednesday. We hope to make enough progress to then be able to finish out on Thursday.

□ 1230

CONSTITUTIONAL AMENDMENT PROHIBITING DESECRATION OF FLAG

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, we have scheduled today a resolution expressing the profound concern of this House over the Supreme Court's decision in Texas versus Johnson.

I intend to support the resolution, but it's quite clear to me that we have to do much more.

There are those who feel we can address the issue by statute, but I've talked with constitutional scholars who tell me the issue can only be dealt with by constitutional amendment.

I was pleased to note that President Bush has reached the same conclusion.

For over 32 years in the House, I have had an instinctive conservative's dislike of amending that great document.

But the 5 to 4 decision of the Supreme Court leaves me with no alternative but to propose an amendment to the Constitution authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set civil and criminal penalties for the act.

I agree with Chief Justice Rehnquist who said in dissent:

> The flag is not simply another "idea" or "point of view" competing for recognition in the marketplace of ideas . . .

I view this proposed amendment to the Constitution as not only "pro-flag" but "pro-first amendment".

And in no way is my proposal an attack on the Court. To the contrary, it is the persuasiveness of the dissents written by the Chief Justice and by Justice Stevens that serve as inspiration for my decision. Even Justice Kennedy, who joined the majority, recognizes the troubling aspects of the decision.

As I said, I view this as a serious, even solemn, matter. I ask the support of our fellow Americans, regardless of party, as we work to protect Old Glory.

Unfurl the flag, fly it, flaunt it, argue about it if you want to, but don't desecrate it—that is all we're asking. Surely that view reflects the common sense of the American people.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, JUNE 28, 1989

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may be permitted to sit during the 5-minute rule on Wednesday, June 28, 1989, to complete markup of H.R. 2461, the DOD authorization bill.

Mr. Speaker, this has been cleared with the Republican side.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE NEED FOR CONSTITUTIONAL AMENDMENT PROHIBITING FLAG DESECRATION

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I'm happy to be the first Democrat to publicly agree with the remarks of the distinguished minority leader BOB MICHEL regarding the need to amend our Constitution.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Over the weekend I found my constituents in western Kentucky very upset with the U.S. Supreme Court.

Yes, last Wednesday, in a case that set patriotic symbolism against the rights of those who would spit on and burn the American flag, the Supreme Court, in a 5-to-4 decision, nullified flag desecration laws in 48 States.

Most Americans agree with Chief Justice William Rehnquist's dissent:

> For more than 200 years, the American flag has occupied a unique position as the symbol of our Nation, a uniqueness that justifies a governmental prohibition against flag burning.

The Supreme Court has converted anti-American flag burning into a constitutional right. We need a constitutional amendment.

In Kentucky, burning and desecrating the American flag is thought of as a despicable and dastardly act.

Personally, I'm outraged at the Supreme Court decision and would suggest that Americans who want to burn our flag in contempt should consider moving to Iran, China, or Cuba where burning the American flag is not only legal but is encouraged.

INTRODUCTION OF CONSTITUTIONAL AMENDMENT TO PROTECT THE FLAG

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, this morning the President of the United States threw his weight behind the bipartisan effort of this Congress to correct the terrible decision by the U.S. Supreme Court striking down our laws that protect and respect the American flag. After due consultation with a number of legal scholars and with a number of organizations, today myself and about 100 Members of this Congress from both sides of the aisle will be introducing legislation, a constitutional amendment, to protect the flag. If you would like to be an original sponsor of this legislation with myself and those on both sides of the aisle, we will be dropping the bill in at 3 o'clock this afternoon. We encourage your cosponsorship.

TIME TO PROTECT RIGHTS OF VICTIMS OF CRIME

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in the past the Supreme Court ruled that Communists can work in defense plants, mass murderers must be set free if their rights were violated, demonstrators can even burn the American flag, and last week the Court said Congress had no right—no right to stop dial-a-porn. The court said that even photographers have the right of free speech.

Now, I ask you today, what is next? How about dial-a-crime or dial-a-fix? What will the Supreme Court tolerate next, folks?

Now, yesterday they ruled, and I do agree, that a 16- and 17-year-old subject to the murder penalty could face the death penalty.

I say it is about time that we protect victims' rights; but 1 out of 5 is not that great. A 200 batting average never got anybody into the all star game, let alone the Hall of Fame.

It is time in this Congress to protect the rights of victims.

LAST YEAR A DROUGHT, THIS YEAR A FLOOD

(Mr. DONALD E. "BUZ" LUKENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, last year Mother Nature gave us a drought and this year returned with a flood. Our farmers in Ohio are facing severe economic harm due to serious flooding in southwestern Ohio.

Following a round of meetings with farmers in my district, I discovered that this year could easily be more of a disaster for many farmers than was 1988. Farmers are unable to meet planting deadlines for corn and other crops outlined by the Federal Crop Insurance Corporation [FCIC]—20 to 25 percent of my farmers were unable to plant any crops and thus will not receive any crop insurance that they have paid for.

As of this week, only 70 percent of the corn is planted and very little more will be attempted. Only 30 percent of the soybean crop is planted. Hay is still in the field, but quality is deteriorating. Unless the first cutting can be removed soon, we will not get the second and third cuttings normally expected.

After the losses of last summer's drought, I do not believe our farmers can stand another disaster. The time has come to provide our farmers with real relief from Mother Nature's twists of fate. The drought relief bill of 1988 drained our reserves of corn and seed and provided only short term relief. The bill for that relief is now due.

I urge my colleagues to consider legislation to forgive the deficiency payments that are now due from last year's drought and concentrate our efforts on salvaging this year's crop. Let the Federal Crop Insurance Program provide the protection to our farmers that it was intended to provide and not penalize them for Mother Nature. We simply cannot afford another agricultural disaster.

OUTRAGE OVER SUPREME COURT DECISION ON DESECRATION OF THE FLAG

(Mrs. LLOYD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LLOYD. Mr. Speaker, I rise today to express my outrage over the recent Supreme Court decision which allows the desecration of the American flag. This decision is an insult to our Nation's veterans and it sends the wrong message to our Nation's children. The argument that the flag is only a symbol is the argument of those who have no understanding of what America is about. The strength of that symbol lies in the willingness of many millions of Americans to fight and die for it. Yesterday, my friends at U.S. 101 Radio in Chattanooga, TN, presented me with a petition, signed by literally thousands of my constituents who share this view. My constituents and I do not understand how the Supreme Court failed to recognize that we, as a free people, must bear faith with those that gave their lives to defend this country, and that we bear faith with those people by cherishing and protecting our flag. I would like to urge my colleagues to work toward passage of a constitutional amendment that would put an end to this abomination and restore dignity to the symbol of our great Nation.

□ 1240

THE CLEAN OCEANS ACT

(Mr. PAXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAXON. Mr. Speaker, this weekend there were three more oil spills in the oceans, three more reasons for this House to pass our Clean Oceans Act with my provisions to protect Lake Erie and the Great Lakes from spills.

Yesterday I took an inspection tour of the Buffalo waterfront with the U.S. Coast Guard, and one thing was very, very clear. Western New York could experience an environmentally devastating spill that could affect our fresh drinking water supply. That is why I sponsored the Clean Oceans Act, and that is why I fought for provisions to make this act apply to our Great Lakes and Lake Erie and to put the costs of cleanups on shippers, not on the taxpayers.

My colleagues, in our community in western New York, the fresh waters are our most vital natural resource. Let us pass the Clean Oceans Act now to protect the Great Lakes and our oceans.

SAVINGS AND LOANS MUST BUY RESPONSIBLE ASSETS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, last week the House passed an amendment prohibiting savings and loans from investing in and buying junk bonds.

It makes no sense to me that we would bailout the savings and loans industry in this country and then go ahead and say, "You keep buying junk bonds, high-risk junk bonds. That is just fine. The old American taxpayer will pick up the bill when you are confronted with the losses." It makes no sense to me.

It has been a sweetheart deal in this country. Those who issue junk bonds, the big operators, issue these bonds to get rich and to engage in hostile takeovers and then place them with some of their big-shot friends in the savings and loans. They get rich from the fees. Then when they go sour, the old American taxpayer pays the bill.

Here is a study that was done that shows that the early junk bonds issued have a 34-percent default rate. They are called junk, because they are high risk, and they are junk assets.

It is about time to stop it. This is symbolic of the casino game going on in this country, and the American taxpayer is sick and tired of paying the bill.

The place to start is to say that those institutions whose deposits are guaranteed by the Federal Government shall not buy and shall not hold junk bonds. "If you want to buy junk, open a junkyard. If you want to run a savings and loan, then buy responsible assets so that the American people are not going to pick up the bill for your losses."

LEVERAGE CAN HELP MOVE CHINA AWAY FROM REPRESSION

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, too often the United States speaks with so many voices that its foreign policy becomes a paper tiger.

Last week, the House showed that it was capable of working towards a bipartisan and unified response on events taking place in China. I understand that the pressures for one-upsmanship in this body are great, so great that the consensus on China may be lost.

That would be tragic. We still have a small bit of leverage with the Chinese leadership. We can throw that influence away to register our righteous indignation at China's policies, or we can use that leverage to help move China away from repression.

The Bush administration is doing a good job in a very difficult situation. I urge our leadership on both sides to do what they can to make sure that the administration is given the flexibility to respond quickly to events in China as they develop.

ISSUE DECIDED BY SUPREME COURT NOT WHETHER FLAG-BURNING REPULSIVE AND ABHORRENT

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, as one privileged to have been granted American citizenship and as one who has served in our Armed Forces and as one privileged to have been elected to serve in this body, I take second place to no one in my respect for the flag or the Constitution and the Bill of Rights of the United States.

Desecration of either is equally abhorent to me. But the issue decided by the Supreme Court is not whether or not flag-burning is repulsive and abhorrent. It is.

What makes America different from most other governments, what makes America such a great democracy, is that we do not silence the political expression of even those with views we most fundamentally disagree. That is what the Supreme Court ruled last week in a 5-to-4 majority comprised of two-dyed-in-the-wool liberals, two Reagan conservatives, and one Nixon middle-of-the-roader.

In the 200 years since the adoption of the Bill of Rights, the Constitution has been amended only 16 times, mostly to expand our rights. It will be tragically ironic if, in this year of its celebration, we were to adopt an amendment weakening the Bill of Rights.

Mr. Speaker, I am proud to be an American. I know that we have nothing to fear of the flag-burners. We have a great deal of fear from those who have lost faith in the Constitution.

WASHINGTON POST EDITORIAL POLICY LUDICROUS

(Mr. PARRIS asked and was given permission to address the House for 1 minute.)

Mr. PARRIS. Mr. Speaker, the Washington Post in its editorial policy has gone from liberal to ludicrous.

In this morning's editorials, they suggested that every Member of Congress who opposed the recent Supreme Court decision on flag-burning should leave the country and go to find one where we would be more comfortable with limited freedom of expression.

In a new twist the Post's motto is apparently: "America, hate it or leave it." They suggest that I and my colleagues might go to China, where there is no flag-burning and no dissension at all.

There is a big difference between the American flag and the Chinese flag. Our flag represents the hopes and aspirations of all mankind for freedom, opportunity, and self-determination, and it is a symbol for thousands who died protecting it. The other represents oppression and totalitarianism and it has been dyed red in the blood of its own people.

Members of the Congress who love our flag and have endorsed a constitutional amendment to defend it need not find another country, as the Post suggests, and certainly will not be following, if there is any justice at all, where the editors of the Washington Post ought to go.

FEDERAL EMPLOYEES' ADOPTION REIMBURSEMENT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, society is beginning to recognize that there are different ways to build a family. One option that has always existed is adoption. But high costs prohibit many interested people from adopting children.

Many of the costs incurred by adoption are similar to those involved in biological childbearing. But the big difference is that insurance policies do not cover adoption while they do cover childbearing. The costs of adopting a child can run upward of $10,000, making it a prohibitive expense for many prospective parents.

For many years, the Federal Government has been encouraging private employers to support adoption among their workers. It's time we do the same for Federal employees. Today, I am reintroducing a bill to reimburse Federal employees up to $2,000 for reasonable and necessary adoption expenses.

This bill is very similar to a military adoption program Senator GORDON HUMPHREY and I initiated last Congress. Evidence so far indicates that this program has enabled many service men and women to adopt children. I am certain that a similar program for Federal employees would be as welcome.

CONGRESS CUTS MEDICARE WHILE TREASURY PAYS PHILIPPINE DEBTS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, today the American taxpayer got the short end of the stick from the U.S. Treasury, to the tune of $1 billion. At the very hour this morning when Medicare went under the budget knife in our Ways and Means Committee, a Treasury official told me they want $1 billion in U.S. taxpayer funds to pay the Philippine—not the American—national debt.

This makes no sense, and should outrage every American. Why are we cutting Medicare to pay another country's debts?

Our Ways and Means Committee also should wonder why they are jumping through tough budget hoops, only to see the results of their hard work wasted a half world away in a country which already has a $4 billion foreign aid backlog that they can't spend fast enough.

Common sense always seems to be in short supply in Washington, but this $1 billion ripoff is the most ill-conceived idea I've seen in a long time.

I will have an amendment to the foreign aid bill to fix this problem, and every Member who cares about the American taxpayer, I think, should support it.

THE 1989 WORLD CANOE AND KAYAK CHAMPIONSHIP

(Mrs. BYRON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BYRON. Mr. Speaker, many of my colleagues have talked about the flag this morning, and I, too, want to talk about the flag, but I want to talk about the last 10 days up in western Maryland on the Savage River.

We have had the pleasure of hosting the 1989 World Canoe and Kayak Championship. The Italian president of the International Canoe Federation, Sergio Orsi, said that this was one of the finest international meets he has been able to attend.

NBC is doing a 1-hour airing of a composite of 48 hours of filming they did on July 2.

I am so pleased with the 2 years of planning and the 650 volunteers who have worked so hard to host this event where 26 nations participated. To John Lugbill, who is our outstanding men's canoeist, Dave Hearn, and Jed Prentice, who won a gold medal, to Kathy Hearn, Dave's sister, Dana Chladek, and Jennifer Stone, who won a second in the women's kayaking, to Lecky Haller and Jeff McEwen, constituents of mine who almost won one, but came so close, Erick Jackson and Joe Jacobie, who tried so hard, all of these fine young American athletes have such pride with their flag and representing their country.

□ 1250

But to Bill and Abbie Endicott, our U.S. team coaches who have worked so hard to make sure that this special event will be included in the Olympics in 1992, let me say that it is a job well done.

CONSTITUTIONAL AMENDMENT TO BAN DESECRATION OF THE FLAG

(Mr. SMITH of New Hampshire asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Hampshire. Mr. Speaker, the recent Supreme Court decision declaring unconstitutional a State law prohibiting desecration of the flag has rightfully outraged most Americans. They are furious at a decision that says it is acceptable to destroy the symbol that represents the freedoms and values of the United States of America.

As Jay Leno said last night, "In most communities in America it is against the law to burn leaves, but a bonfire of the American flag is okay."

President Bush has called for the adoption of a constitutional amendment to overturn the Supreme Court's decision, and I commend the President for his initiative. I call upon you, Mr. Speaker, to convene a special session of this House this July 4 for the purpose of adopting a constitutional amendment that makes it unlawful to desecrate the American flag. While I realize such a session would require us to cancel or postpone appearances in our districts, I believe our constituents would be more than willing to have us miss the local parade in order to rectify this misguided decision of the Supreme Court.

Mr. Speaker, a poll in last week's Newsweek indicates that more than 70 percent of the American people support a constitutional amendment to ban the desecration of the flag. The President has called for it; the American people want it. Let us meet on July 4, Mr. Speaker, and pass it. It would be a fitting tribute on our Nation's 213th birthday.

I ask for my colleagues' immediate support on this matter.

CONSTITUTIONAL AMENDMENT ON FLAG BURNING

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I am disgusted, as are the people of my Missouri district.

We are disgusted because in Missouri, unlike at the U.S. Supreme Court, we do not think it is all right to burn our U.S. flag. In Missouri we revere, we honor, we respect the flag. It is beyond our comprehension that Americans anywhere, including those on the Supreme Court, would think it is anything less than criminal to destroy our flag.

I am offering legislation that would, simply put, return Old Glory to its rightful position in our hearts, our minds, and in the law books of our land.

If we can't rely on the Supreme Court to revere our flag then we will change the Constitution to mandate that reverence.

My legislation is simple. It would add to the Constitution the following words: "The Congress and the States shall have the power to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act."

It saddens me that we need to add these 29 words to the Constitution. But if it takes these simple words to return our national flag to its revered glory, then so be it.

EXPENDITURE TARGETS

(Mr. YOUNG of Alaska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, health care is one of the most important issues debated by Congress every year.

In a very subtle way, our health care system is being threatened by a proposal creating health care expenditure targets.

Unfortunately, this proposal would only create health care rationing.

And I do not think any of us want medical care rationed to our families or constituents.

Our friends, the Canadians, have tried this proposal. It has failed miserably.

Residents in Vancouver are waiting 1 to 3 months for surgical and routine consultations.

They are waiting 6 to 18 months for admission to a long-term placement bed.

In Quebec, patients are waiting 8 to 9 months for coronary bypass surgery.

Clearly, this proposal is a failure and people are paying with their lives.

I do not think that we want to force our doctors to withhold necessary medical care because of target expenditures.

I urge my colleagues to reject this unnecessary proposal.

REGARDING DIAL-A-PORN

(Mr. DINGELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, last Friday the Supreme Court found that

the "Dial-A-Porn" provisions passed by the Congress a year ago are unconstitutional. By virtue of the Court's decision, today there is no statutory underpinning for regulations to protect our children from purveyors of smut over the telephone.

This decision should have come as no surprise. As many of us pointed out at the time, there is a constitutional way to curb the access of minors to indecent telephone messages. But ideology triumphed over common sense, and Congress passed a bill that was patently unconstitutional.

While the authors of the law may have scored a couple of political points, they bear full responsibility for the situation they have now created.

Until Congress acts responsibly on this issue, young people will be undeterred if they seek out indecent telephone dial-up-services. Today, I plan to introduce a bill that will deal effectively with the problem, and pass constitutional muster.

I invite my colleagues to put aside ideology and join in a responsible effort to deal with a serious problem, and legislate an effective remedy for Dial-A-Porn service.

CENSUS EQUITY ACT

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, every 10 years, our country redistributes the power of the government to the citizens of our country. We do this through the census and reapportionment. This redistribution is the only constitutionally mandated purpose for the decennial census.

While census figures are of immeasurable assistance to our government for funding and planning, their main purpose is clear—they are the basis for distribution of congressional seats.

Unfortunately, the integrity of these calculations have been jeopardized by an administrative decision of the Census Bureau.

For no apparent reason, the Census Bureau has refused to include service personnel stationed overseas when reapportioning congressional seats. These are citizens of the United States. Citizens who vote, pay taxes, and who are willing to make the ultimate sacrifice for their country. Yet they will not be afforded the full weight of their vote.

In the same arbitrary manner, the Census Bureau has, and will continue to count illegal aliens for purposes of reapportionment. Last week, 25 of my colleagues joined me in introducing the Census Equity Act, which will exclude illegal aliens and include service personnel stationed overseas for the reapportionment count.

Reapportionment is the redistribution of the power of government to the governed. Reapportionment defines the scope of the political community of the United States. As the Supreme Court stated in *Cabell* v *Chavez-Salido*, 454 U.S. 432 (1982), "[s]elf government, whether direct or through representatives, begins by defining the scope of the community of the governed and thus of the governors as well: Aliens are by definition those outside the community." We do not count foreign tourists who, incidentally, enter the United States legally. Yet, the Census Bureau willingly counts those who have entered this country in direct violation of its laws.

Mr. Speaker, I ask my fellow colleagues to join me in correcting this inequity by cosponsoring the Census Equity Act.

BANNING DESECRATION OF THE FLAG

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, this past Saturday, I presented an American flag which had been displayed over the U.S. Capitol to residents of Lourdes Hall, a facility administered by the Housing Authority of Louisville.

In presenting the flag, I had no intention of doing more than describing why all Americans should respect the flag. However, Mr. Speaker, I found myself addressing the Supreme Court's recent and unfortunate decision pronouncing desecration of the flag to be constitutionally protected speech and expression.

I am no constitutional scholar. But, I find the dissenting opinions to be far more persuasive in their reasoning and logic than the majority opinions.

From the comments I received after my remarks, it was clear that the residents of Lourdes Hall agreed with me.

If the Court's decision is constitutionally correct, then the Constitution itself needs to be amended so that expressions of unhappiness or dismay with our Nation can no longer take the form of desecration of our proud flag.

LIMIT THE SCOPE OF THE HATE CRIMES STATISTICS ACTS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute.)

Mr. DANNEMEYER. Mr. Speaker, later today I will ask my colleagues to oppose an item on the Suspension Calender—H.R. 1048, the Hate Crimes Statistics Act. My purpose is to afford my distinguished colleague from Florida, [Mr. JAMES], and I, the opportunity to offer two amendments to the bill.

My amendment would simply restrict the scope of the bill by requiring the Attorney General to collect data on the number of hate crimes which manifest prejudice based on race, color, religion, and national origin—the categories recognized in the 1964 Civil Rights Act.

Why does this Congress want to elevate homosexuality above gender, age, mental capacity, and economic circumstances as a legitimate category of redress under our civil rights laws?

The amendment I intend to offer would require the Attorney General to collect data only on those categories already recognized in the 1964 Civil Rights Act and would give him discretionary authority to collect data on other categories—such as gender, age, mental capacity, and economic circumstances—where he believes it is necessary to do so.

In my opinion, our society should not enshrine homosexuality on a pedestal alongside race and religion as the primary focus of our civil rights laws. This legislation establishes a precedent which I believe very few of my colleagues would want to see put into law, that homosexuality is somehow deserving of special protection under the law.

I urge my colleagues to support my effort to defeat H.R. 1048 on the Suspension Calender so it can be properly amended. Do not let the sexual revolutionaries hijack the freedom train.

□ 1300

LIMIT TERM OF SUPREME COURT JUSTICES

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, I agree with a lot of the Members who got up and talked about a constitutional amendment on burning the flag. I think it is a terrible thing. I am having an amendment prepared myself. I am also glad to hear this morning that the President of the United States came out and he is supporting a constitutional amendment.

However, why do we not take a look at changing the way the Court is appointed? Why do we not give the people in this country a little bit more of an input. I have introduced legislation in years past in the form of a constitutional amendment. Here is what it does, and it is very simple: First of all, it would limit the terms and number of years to 12 years, unless a member comes from a lower Court, and then the member could go from there to the Supreme Court and could be a member for 24 years.

However, after the first 6 years of appointment, members have got to go back to the Senate to be reconfirmed. By going back to the Senate for recon-

firmation, at least the people of the country will have an opportunity to have their voice heard through the U.S. Senate.

I think it is a very good way to go, give the people, we the people of the United States, an opportunity to have a little bit of input into how these U.S. judges are appointed. So I ask Members to join me in this venture.

LEGISLATION TO PREVENT DIAL-A-PORN

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, like every Member of this body, I cherish the first amendment to the Constitution. Like every American, I cherish the first amendment to the Constitution. I was saddened by the decision that was made by the Supreme Court last Friday dealing with this Dial-a-Porn situation. I have to point, however, to our prescient colleague, the gentleman from Michigan [Mr. DINGELL], who stood in this well and said that the bill that we were prepared to pass out last year was unconstitutional. He was absolutely right.

Attempts have been made by the Federal Communications Commission, three times, to try and implement this. They failed every time.

The decision has been made, Mr. Speaker, by the Court. Now we have to pick up the pieces and determine exactly where we go from here to assure that young Americans to not call in to get these indecent messages over the telephone. I am very pleased to join with my colleague, the gentleman from Michigan [Mr. DINGELL], and my colleague, the gentleman from Massachusetts [Mr. MARKEY], in cosponsoring legislation which will address this terrible problem.

U.S. ALTERNATIVE FUELS COUNCIL MEMO NO. 62789: CHEVRON OIL COMMENDED

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, yesterday I visited and reviewed the work of the South Coast Air Quality Management District in the Los Angeles region.

As we know, about 50 percent of the smog and 100 percent of the carbon monoxide in the Los Angeles area comes directly from the tailpipe emissions of gasoline-powered motor vehicles. Yesterday, on Monday, I attended the opening ceremonies of a methanol fuel pump at a Chevron station in Anaheim, CA. Methanol is one of the alternative motor fuels that is offered to lessen the smog problem in southern California.

As a member of the U.S. Alternative Fuels Council, I wish to commend, to congratulate, to applaud the positive actions of Chevron Oil Co. in giving to motorists in the southern California area an alternative motor fuel, a clean air fuel, that will help reduce smog through providing cleaner air. Such actions by industry are to be applauded. I believe the remarks of Kenneth T. Derr, CEO and chairman of the board of Chevron, are important. Mr. Derr said it was the policy of his company to be socially responsible by protecting the environment. He said that Chevron was committed to supporting the cleanest alternate fuel. I congratulate Mr. Derr on this policy. The American people are the winners when a company such as Chevron adopts such an enlightened stance.

Thanks to Chevron, Californians can look forward to a cleaner breath of fresh air.

OVERTURN SUPREME COURT DECISION

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I had the opportunity and the pleasure to address the graduation ceremonies of Buckeye Boys' State at Bowling Green University on Sunday morning. I have done that for the last 5 years, and it is an excellent program. I was thrilled when I got there to find in the wake of the Supreme Court decision on the flag-burning case, that the delegates at Buckeye Boys' State, over 1,200 fine young men throughout Ohio, passed a resolution, unanimously, asking Congress to pass a constitutional amendment to overturn that dreaded decision.

It was a pleasure to me to have an opportunity to speak to those young men and find out how excited they were at the prospect of this House, and the Senate, moving expeditiously.

Then I was also pleased to know that people from my hometown of Findlay, OH, will be organizing a group demonstration, peaceful demonstration, on Thursday of this week that will again protest the flag decision, and asking Congress to pass a constitutional amendment to overturn that decision.

Findlay, by an act of Congress, is Flag City, U.S.A. The President addressed that this morning in his news conference, and nowhere are people more upset than in Findlay, OH, Flag City, U.S.A., about this decision.

I have introduced and will be introducing legislation today that will overturn the Supreme Court decision. It is a constitutional amendment. I ask my colleagues to support me in this effort. I think we owe the people of our district and throughout Ohio and throughout the Nation, our steadfast efforts at overturning this terrible decision.

DIAL-A-PORN PREVENTION AND CORRECTIONS ACT OF 1989

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, today I am joining with Chairman DINGELL in introducing the Dial-a-Porn Prevention and Corrections Act of 1989. It is time for an end to partisan bickering and the beginning of effective action to once and for all protect children from the vile influence of pornographic phone services.

This legislation is a direct response to the Supreme Court's 9 to 0 decision last week striking down the attempt in the last Congress to ban all indecent telephone messages to adults and minors. The Court's decision was no surprise: Chairman DINGELL and I, among others, argued in the last Congress that such a result was likely, and sought to implement a technologically feasible and constitutionally permissible approach to keeping dial-a-porn away from children. At every turn, that alternative was rejected in a sea of rhetoric. But the tide has turned, and now is the time to move forward toward a real-world solution to this problem.

This legislation reflects both the results of the Supreme Court's decision and the same technological approach employed last year in the conference report to H.R. 5, the Elementary and Secondary Education Act. First, the bill would make illegal the provision of any obscene speech. Second, it would mandate that no indecent speech could be provided except when a telephone customer subscribes in advance to receive the product in their home. There would be no permitted unauthorized intrusion of dial-a-porn anywhere. In the last Congress, this technological approach was endorsed by the National Parent Teachers Association, and the United Council of Churches. It was recognized as acceptable by the regional Bell operating companies, by AT&T, by GTE, the Information Industry Association, and the American Civil Liberities Union.

Mr. Speaker, it is time for the mindless shouting to end and the time to wipe out the scourge of the pernicious preying upon innocent children.

AMENDMENT NEEDED TO CONSTITUTION

(Mr. HASTERT asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, contrary to the decision of the U.S. Supreme Court last week to strike down the laws of the various States prohibiting the desecration of the flag of the United States, I think there are three sets of voices that perhaps we should listen to and heed.

First of all, there are the voices of our Founding Fathers, those articulate gentlemen who wrote the Declaration of Independence, the Constitution of the United States, and the Bill of Rights. They talked about basic human rights. They talked specifically about the freedom of speech. They certainly knew what they were talking about. They intentionally did not extend freedom of speech to actions against symbols or acts of sedition.

Also, we should respect those who have gone before us, the haunting voices, Mr. Speaker, of those people who lay in prairie graves, who fought for this country, who died for the flag, their voices haunt Members and say that we need to stand up and be counted.

Last, Mr. Speaker, there are the voices of those not yet born. Those who have not yet learned the proud legacy, the patriotic history, and the stories of freedom that surround our Nation's sacred symbol.

□ 1310

When we start to allow our symbol of freedom, the symbol of this great Nation, to be desecrated, we cheat all Americans of their proud heritage.

Mr. Speaker, it is time for a constitutional amendment protecting the flag of the United States from those who would attempt to defile it, and I think we need to bring that forward as expeditiously as possible.

A PROPOSAL TO AMEND THE HATE CRIME STATISTICS ACT

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, this afternoon we are going to be taking up H.R. 1048, and I would like to urge the House to vote no on taking that bill up under suspension of the rules. That is the Hate Crime Statistics Reporting Act, which I voted for in the Judiciary Committee, as did most of us on that committee.

What we want to do is to enable the suspension to be blocked so that we can have an amendment offered that was not voted upon during that committee session on the bill. That is an amendment that would add union violence to the different categories to be studied by the Attorney General.

The National Institute of Labor Relations Research has documented over 5,000 instances of labor-inspired violence since 1975. If the bill is not voted up on suspension, we can offer again an amendment which was rejected in the Judiciary Committee that would add organized labor violence to that bill.

I think the bill is sufficiently supported by all of us so that whether we are in favor of or against H.R. 1048, it is only fair that we have an opportunity to make it a better bill and more inclusive. A vote for suspension is a vote in favor of union violence, and a vote to not suspend the rules is a vote to enable us to put that amendment on the bill so that we can deal with union violence in addition to crimes involving race, creed, color, and religion.

THE COMMONSENSE SIDE OF THE FLAG-BURNING ISSUE

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, all this rush of patriotism in the well during the last week over the flag-burning issue is not posturing; it is not just patriotism. I believe it is common sense.

It is hard in 1 minute to tell a story that is the antithesis, the exact opposite of desecration of the flag, but there was an incident that happened with our POW's in those horrible hellhole camps in Vietnam. The lack of guts on the part of the 90th, 91st, and 92nd Congresses, in collusion with the worst public servant that has ever existed in the history of this Nation, Robert Strange McNamara, caused some of our men to be held for 7 and 8 years, and one man for 9 years.

During that period some of our heroic POW's got down on their hands and knees and looked for little pieces of blue and red thread. Then they took apart an old dirty white T-shirt and wove an American flag. It was found eventually after months of them pledging to it and saluting it at night, and then it was desecrated and destroyed and the men tortured.

What was their response? To go right back on their sore knees and look for little pieces of thread again, take apart another dirty T-shirt, and make another tiny cloth flag. That one they managed to smuggle out in the spring of 1973, and it is now displayed proudly in one of our military museums.

That respect for that symbol is why it is common sense to tell this story, and to whom? To a dozen or half a dozen insensitive thugs who want to burn our Stars and Stripes that they cannot violate the sensitivities of tens of thousands, maybe several hundred thousand mothers, fathers, brothers, surviving widows, sons, and daughters all across this country who know that somebody from their family died protecting everything that flag symbolizes and in some specific cases even gave their lives to take a torn-apart standard of this country, our national ensign, Old Glory, off the field of battle.

A VOW TO PROTECT THE FLAG

(Mr. STUMP asked and was given permission to address the House for 1 minute.)

Mr. STUMP. Mr. Speaker, as is evident, I am not a very big guy, but as a combat veteran of World War II, I say to those who would choose to desecrate the flag that they had better not try to do it in my presence.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. (Mr. VOLKMER). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, of rule XV.

Such rollcall votes, if postponed, will be taken after debate is concluded on all motions to suspend the rules.

VETERANS' HEALTH-CARE PROGRAMS AMENDMENTS OF 1989

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 901) to amend title 38, United States Code, to improve programs for the recruitment and retention of health-care personnel of the Department of Veterans' Affairs, to extend certain expiring programs of that Department, and for other purposes, as amended.

The Clerk read as follows:

H.R. 901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE; DEFINITION OF SECRETARY.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Health-Care Programs Amendments of 1989".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

(c) SECRETARY DEFINED.—For purposes of this Act, the term "Secretary" means the Secretary of Veterans Affairs.

TITLE I—PERSONNEL PROVISIONS

SEC. 101. PREMIUM PAY FOR LICENSED PRACTICAL OR VOCATIONAL NURSES AND NURSE ASSISTANTS.

(a) IN GENERAL.—Section 4107(e) is amended by adding at the end the following new paragraph:

"(11) For purposes of this subsection, an employee of the Veterans Health Services and Research Administration who is a licensed practical or vocational nurse or a nurse assistant shall be treated in the same manner as a registered nurse.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the later of (1) October 1, 1989, or (2) the date of the enactment of this Act.

SEC. 102. REVISION OF CERTAIN LIMITATIONS ON OUTSIDE EMPLOYMENT FOR CERTAIN EMPLOYEES.

Section 4108 is amended by adding at the end the following new subsection:

"(e) Any provision of this title limiting employment outside of the Department by an employee of the Department shall not apply to an employee described in section 4104(3) of this title.".

SEC. 103. REVISION IN LIMITATION ON COMPENSATION OF HEALTH-CARE PERSONNEL WHO ARE RETIRED MILITARY PERSONNEL.

(a) EXTENSION TO ALL HEALTH-CARE PERSONNEL.—Section 4107(i) is amended—

(1) by inserting ", and registered nurse positions," after "physician positions"; and

(2) by adding at the end the following new sentence: "The authority of the Secretary under the preceding sentence with respect to registered-nurse positions expires on September 30, 1992.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall take effect on the first day of the first pay period beginning on or after the later of (1) October 1, 1989, or (2) the date of the enactment of this Act.

SEC. 104. REVISION IN LIMITATION ON PAY OF CERTAIN PHYSICIAN POSITIONS.

(a) ENHANCED PAY FLEXIBILITY FOR EXTREMELY-DIFFICULT-TO-FILL PHYSICIAN POSITIONS.—Section 4107 is amended by adding at the end the following new subsection:

"(k) In the case of specific physician positions in a specialty which the Secretary has determined to be a specialty in which it is extremely difficult to recruit and retain physicians, the Secretary may waive the applicability to any such position of—

"(1) the limitations in subsection (d)(3) of this section and section 5308 of title 5; and

"(2) paragraphs (2) and (3) of subsection (g) of this section.".

(b) EFFECTIVE DATE.—Subsection (k) of section 4107 of title 38, United States Code, shall take effect on the first day of the first pay period beginning on or after the later of (1) October 1, 1989, or (2) the date of the enactment of this Act.

SEC. 105. APPOINTMENT OF CERTAIN INDIVIDUALS IN HEALTH-CARE POSITIONS.

Section 4106 is amended by adding at the end the following new subsection:

"(h)(1) The Secretary may appoint qualified individuals in the competitive civil service without regard to the provisions of subchapter I of chapter 33 of title 5 (other than sections 3303 and 3328 of such title).

"(2) For purposes of this subsection, an individual shall be considered to be a qualified individual if the individual—

"(A) has a recognized degree or certificate from an accredited institution in a health-care profession or occupation; and

"(B) is appointed to and has successfully completed a clinical education program affiliated with the Department.

"(3) In using the authority provided by this subsection, the Secretary shall apply the principles of preference for the hiring of veterans and other persons established in subchapter I of chapter 33 of title 5.".

SEC. 106. LEAVE-SHARING PROGRAM.

(a) AUTHORITY FOR PROGRAM.—Section 4108 is amended by adding after subsection (e) (as added by section 102) the following new subsection:

"(f)(1) The Secretary may carry out a leave-sharing program for employees subject to this section who face medical emergencies (either for themselves or family members). Any such program shall be consistent with the leave-sharing programs authorized in subchapter III (beginning with section 6331) and subchapter IV (beginning with section 6361) of chapter 63 of title 5 for employees appointed under title 5.

"(2) The authority to carry out such a program shall terminate on September 30, 1994.".

(b) EFFECTIVE DATE.—Subsection (f) of section 4108 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 1989.

TITLE II—HEALTH PROGRAM AMENDMENTS

SEC. 201. EXTENSION OF EXPIRING PROGRAMS.

(a) RESPITE CARE.—Section 620B(c) is repealed.

(b) STATE HOME GRANT AUTHORITY.—Section 5033(a) is amended by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1992".

(c) HOMELESS VETERANS.—Section 115(d) of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 501) is amended by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1992".

(d) ANNUAL REPORT ON MEANS TEST FOR FURNISHING NON-SERVICE-CONNECTED HEALTH CARE.—Section 19011(e)(1) of the Veterans' Health Care Amendments of 1986 (title XIX of Public Law 99-272; 100 Stat. 379) is amended by striking out "and 1988" and inserting in lieu thereof ", 1988, 1989, 1990, and 1991".

(e) ANNUAL REPORT ON PTSD.—Section 110(e)(2) of the Veterans' Health Care Act of 1984 (Public Law 98-528; 98 Stat. 2693) is amended by striking out "three" and inserting in lieu thereof "six".

SEC. 202. HOUSING PROGRAM.

Section 9 of the Veterans' Home Loan Program Improvements and Property Rehabilitation Act of 1987 (38 U.S.C. 1820 note; 101 Stat. 1320) is amended—

(1) in subsection (a)(3)(B)(i), by striking out "solely as a shelter" and inserting in lieu thereof "as a shelter or as transitional housing";

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(3) by inserting after subsection (b) the following new subsection:

"(c) VETERANS PARTICIPATING IN COMPENSATED WORK THERAPY PROGRAM.—(1) To assist veterans who are participants in a compensated work therapy program authorized under section 618 of title 38, United States Code, the Secretary of Veterans Affairs may convey to persons described in paragraph (2) real property and improvements described in subsection (a)(2) for an amount not less than 75 percent of the fair market value of such real property and improvements.

"(2) The Secretary may convey such property to persons who enter into an agreement with the Secretary to employ veterans who are participants in a compensated work therapy program authorized under such section 618.

"(3) The Secretary may include appropriate enforcement provisions in any agreement described in paragraph (2), including provision for reasonable liquidated damages."; and

(4) in subsection (d), as redesignated by paragraph (2), by striking out "subsections (a) and (b)" and inserting in lieu thereof "this section".

SEC. 203. COMPENSATED WORK THERAPY PROGRAM.

(a) AUTHORIZED SOURCES FOR PROVISION OF THERAPEUTIC WORK.—(1) Subsection (b)(1) of section 618 is amended by striking out "contractual arrangements with private industry or other sources outside the Veterans' Administration" and inserting in lieu thereof "a contract or other arrangement with any appropriate source (whether or not an element of the Department of Veterans Affairs or of any other Federal entity)".

(2) Subsection (c)(1) of such section is amended by striking out "carrying out the provisions of" and inserting in lieu thereof "furnishing rehabilitative services authorized in".

(b) AUTHORITY TO ESTABLISH AND OPERATE THERAPEUTIC AND REHABILITATIVE ACTIVITIES TRANSITIONAL HOUSING.—(1) The Secretary may carry out a demonstration program of transitional housing in accordance with this subsection. Under that program, the Secretary may purchase, lease, or otherwise acquire residential housing and may operate each residence acquired under this subsection as transitional housing for veterans described in paragraph (2).

(2) The veterans for whom transitional housing may be provided under this subsection are veterans—

(A) who are furnishing services to the Department of Veterans Affairs under subsection (a) of section 618 of title 38, United States Code; or

(B) who are furnished therapeutic work pursuant to subsection (b) of that section.

(3) The Secretary may use such procurement procedures for the purchase, lease, or other acquisition of residential housing for purposes of this subsection as the Secretary considers appropriate to expedite the opening and operation of transitional housing and to protect the interests of the United States.

(4) A residence may be operated as transitional housing for veterans described in paragraph (2) under the following conditions:

(A) Only veterans described in such paragraph and a house manager may reside in such residence.

(B) Each resident, other than the house manager, shall pay rent for the period of residence in such housing.

(C) In the establishment and operation of housing under this subsection, the Secretary shall consult with appropriate representatives of the community in which the housing is established and shall comply with zoning requirements, building permit requirements, and other similar requirements applicable to other real property used for similar purposes in the community.

(D) The residence shall meet State and community fire and safety requirements applicable to other real property used for similar purposes in the community in which the transitional housing is located, but fire and safety requirements applicable to buildings

of the Federal Government shall not apply to such property.

(5) The Secretary shall prescribe the qualifications for house managers for transitional housing operated under this subsection. The Secretary may provide for free room and subsistence for house managers in addition to or instead of payment of a fee for such services.

(6) The Secretary may operate as transitional housing under this subsection—

(A) any suitable residential property acquired by the Secretary as the result of a default on a loan made, guaranteed, or insured under chapter 37 of title 38, United States Code; and

(B) any other suitable residential property purchased, leased, or otherwise acquired by the Secretary.

(7)(A) In the case of the purchase of any property referred to in paragraph (6)(A), the Secretary shall transfer from the Special Therapeutic and Rehabilitation Activities Fund to the Loan Guaranty Revolving Fund the amount equal to the amount that the Secretary would charge for the sale of such property to a nonprofit organization or a State for use as a shelter for homeless veterans.

(B) In the case of any residential property purchased by the Secretary of Veterans Affairs from the Department of Housing and Urban Development under this section, the amount charged by the Secretary of Housing and Urban Development for that property may not exceed the amount that the Secretary of Housing and Urban Development would charge for the sale of such property to a nonprofit organization or a State for use as a shelter for homeless persons.

(8) Subject to the authority, direction, and control of the Secretary, the Chief Medical Director shall be responsible for the management, maintenance, and disposition of property acquired for the purpose of this subsection.

(9) The Secretary shall prescribe—

(A) a procedure for establishing reasonable rental rates for persons residing in transitional housing; and

(B) appropriate limits on the period for which such persons may reside in transitional housing.

(10) The Secretary may dispose of any property acquired for the purpose of this subsection. The proceeds of any such disposal shall be credited to the Special Therapeutic and Rehabilitation Activities Fund.

(c) AVAILABILITY OF THE SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND FOR COMPENSATED WORK THERAPY COMMUNITIES.—Section 618(c) is amended—

(1) in paragraph (1), by inserting "and for the purpose of carrying out section 203 of the Veterans' Health-Care Programs Amendments of 1989" before the period at the end of the first sentence; and

(2) in paragraph (2)—

(A) by inserting "and all funds received by the Department as rent under section 203 of the Veterans' Health-Care Programs Amendments of 1989" in the first sentence after "paragraph (2) of such subsection,"; and

(B) by adding at the end the following new sentence: "The Secretary may also distribute out of the fund such amounts as may be necessary for the acquisition, management, maintenance, and disposition of real property for the purpose of carrying out such section 203.".

(d) REPORT.—After the program under this subsection has been in effect for three years, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the operation of the program. The Secretary shall include in the report such recommendations for continuation or expansion of the program as the Secretary considers appropriate.

SEC. 204. ELIGIBILITY FOR OUTPATIENT MEDICAL SERVICES.

(a) CONFORMITY WITH ELIGIBILITY FOR INPATIENT CARE.—Section 612(a) is amended—

(1) in paragraph (1), by striking out "determines are needed—" and all that follows in that paragraph and inserting in lieu thereof "determines are needed to any veteran who is eligible for hospital care under section 610(a)(1) of this title, subject to the same limitations as apply under subparagraphs (A) through (I) of that section with respect to eligibility for hospital care under that section.";

(2) by striking out paragraphs (2) and (3);

(3) by redesignating paragraph (4) as paragraph (2) and in that paragraph striking out "paragraph (5)" and inserting in lieu thereof "paragraph (3)";

(4) by redesignating paragraph (5) as paragraph (3) and in that paragraph striking out "paragraph (4)" and inserting in lieu thereof "paragraph (2)"; and

(5) by redesignating paragraph (6) as paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1989.

TITLE III—HEALTH-CARE MANAGEMENT

SEC. 301. PROGRAM FOR IMPROVED SYSTEM FOR COLLECTION OF FEES.

(a) PROGRAM.—(1) The Secretary shall carry out a program for the establishment of an improved system for the administration and collection of fees and other amounts payable to the United States under Department of Veterans Affairs receipts programs.

(2) For purposes of this section, the term "Department of Veterans Affairs receipts programs" means provisions of law administered by the Veterans Health Services and Research Administration under title 38, United States Code, for the collection of fees and other amounts payable to the United States, including the provisions relating to—

(A) fees charged to third parties;

(B) amounts recoverable by the United States under section 629 of title 38, United States Code; and

(C) amounts payable as first-party medical copayments authorized in such title.

(b) AUTOMATED PROGRAM FOR BILLING AND COLLECTION.—(1) As part of the system established under subsection (a), the Secretary shall provide for the development of an automated program to carry out billing and collection of fees and other amounts. The automated program shall have the capability to process each Department of Veterans Affairs receipts program listed in subparagraphs (A) through (C) of subsection (a)(2).

(2) In developing the billing and collection program required by paragraph (1), the Secretary shall use services of the private sector to the maximum extent feasible.

(3) Not later than January 31, 1992, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the operation of this subsection during fiscal years 1990 and 1991. The report shall be based on a study, to be done in consultation with the Comptroller General of the United States, comparing the experience in carrying out this subsection through the use of employees of the Department at not more than 20 medical centers with the experience in carrying out this subsection through the use of contractor services at not more than 20 medical centers.

(c) ALLOCATION OF AMOUNTS COLLECTED.—(1) The Secretary shall defray costs of administering the automated program, including the costs of any contract under the program, from amounts received by the Secretary through the program.

(2) Of amounts collected or recovered by the Secretary for any fiscal year under the Department of Veterans Affairs receipts programs listed in subparagraphs (A) through (C) of subsection (a)(2) that remain after costs are defrayed pursuant to paragraph (1), the Secretary shall cover into the general fund of the Treasury as miscellaneous receipts an amount equal to the amount which was estimated by the Congressional Budget Office in February 1989 to be the total amount which would be recovered or collected for fiscal year 1990 under those receipts programs (assuming this section had not been enacted).

(3) Of amounts collected or recovered by the Secretary for any fiscal year under the Department of Veterans Affairs receipts programs listed in subparagraphs (A) through (C) of subsection (a)(2) that remain after costs are defrayed pursuant to paragraph (1) and the requirement of paragraph (2) has been met, the Secretary shall allocate remaining amounts as follows:

(A) 50 percent shall be credited to the Medical Care Account of the Department of Veterans Affairs.

(B) 50 percent shall be credited to the Nursing Home Revolving Fund of the Department.

(4) The Secretary shall prescribe regulations for the allocation to the medical centers of the Department of amounts credited to the Medical Care Account of the Department under paragraph (3). Those regulations shall be designed to provide incentives to directors of medical centers to increase the recovery and collection of amounts owed to the United States under programs listed in subsection (a)(2) that are attributable to health care and services furnished at their medical centers and, in the case of medical centers at which such recovery and collection has been at above average levels, to maintain and increase such levels.

(d) NURSING HOME REVOLVING FUND.—Section 5016 is amended—

(1) by striking out "realized from a transfer pursuant to" in subsection (a)(1) and inserting in lieu thereof "referred to in section 629 (g)(3) and; and

(2) by striking out "may be made only as" in subsection (b)(1) and inserting in lieu thereof "shall be made subject to such limitations as are".

(e) EFFECTIVE DATE.—This section shall apply with respect to funds collected or recovered after September 30, 1989.

SEC. 302. ELIGIBILITY OF MILITARY DEPENDENTS FOR HEALTH CARE UNDER SHARING AGREEMENTS.

Section 5011(g)(5) is amended by inserting after "title 10" the following: "or a dependent (as defined in section 1072(2) of such title) who is eligible for care under section 1076 of such title".

SEC. 303. CHAMPVA PROGRAM.

(a) LIST OF BENEFICIARIES.—The Secretary shall compile an accurate and complete list of individuals eligible as of October 1, 1989, for benefits under section 613 of title 38, United States Code. Such list shall be compiled not later than October 1, 1989, and shall be maintained and periodically updated thereafter. The Secretary may pay bene-

fits under that section only to persons whose names are included on the list.

(b) PROGRAM REVIEW.—Not later than October 1, 1989, the Secretary shall establish a procedure for the periodic review of the need for, the cost effectiveness of, and the appropriateness of the provision of health care by the Secretary under section 613 of such title.

(c) INSPECTOR GENERAL REVIEW.—Not later than December 1, 1989, the Inspector General of the Department of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the compliance of the Secretary with subsections (a) and (b). If the report indicates that the Secretary is not in compliance with either such subsection, the Secretary shall promptly submit to those committees a report explaining the reason for any such noncompliance and the plans of the Secretary to correct the deficiency.

(d) STUDY OF ALTERNATIVES.—(1) The Secretary shall carry out a study of alternative methods for providing for the costs of health care which are currently provided under section 613 of such title. In carrying out the study, the Secretary shall consider methods which would result in a substantially unchanged cost to the United States while providing improved health benefits at lower costs to beneficiaries.

(2) The Secretary shall submit a report on the results of the study to Congress not later than one year after the date of the enactment of this Act.

(3) There is authorized to be appropriated the sum of $500,000 to carry out the study under this subsection.

SEC. 304. CANTEEN SERVICE.

(a) LIMITATION ON EMPLOYMENT.—Section 4203 is amended by adding at the end the following new subsection:

"(c) A contract or other agreement may not be made by or on behalf of the Service for performance by an individual not directly employed by the United States of any activity otherwise performed by an individual employed by the United States who is compensated with nonappropriated funds.".

(b) INDEPENDENT STATUS WITHIN THE DEPARTMENT OF VETERANS AFFAIRS.—Section 4208 is amended—

(1) by striking out "It is the purpose of this chapter that, under" and inserting in lieu thereof "Under the"; and

(2) by adding at the end the following: "The head of the Service may not be required to report to or be supervised by any official of the Department other than the Secretary and Deputy Secretary.".

SEC. 305. COMMUNITY NURSING HOMES.

(a) RESCISSION OF REGULATION.—The amendment to Veterans' Administration medical regulations relating to the use of community nursing home care facilities that was effective as of May 23, 1988, and which is further described in subsection (b) is hereby rescinded, and the provisions of regulations replaced by such regulations described in subsection (b) are hereby restored.

(b) REGULATION DESCRIBED.—Subsection (a) applies to the amendment to title 38 of the Code of Federal Regulations section 17.51a published in the Federal Register on April 21, 1988 (53 Fed. Reg. 13120).

SEC. 306. PROVISION OF PROSTHETIC APPLIANCES.

Section 5023 is amended—

(1) by inserting "(a)" before "The Administrator"; and

(2) by adding at the end the following:

"(b) The Secretary shall develop standards, based on the number of eligible veterans seeking prosthetic and sensory aids services from the Department at a medical facility, for the staffing of medical facilities of the Department to provide for—

"(1) the assignment of sufficient numbers of qualified disabled prosthetic representatives at each medical center; and

"(2) the operation of prosthetic and sensory aids services at each medical facility with an active prosthetic patient load.

"(c) The Secretary shall carry out a program for the training and continuing education of prosthetic representatives, orthotists, prosthetists, and other health care professionals involved in providing and prescribing prosthetic services.

"(d) Not later than February 1 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the funding and operation of the prosthetics program of the Department. Each such report shall include the following:

"(1) A description and analysis, by medical center, of the duration of time between the date on which each order for prosthetic services was placed by an eligible veteran during the period of time covered by the report and the date on which such service was delivered. Such analysis shall include a statement of the following:

"(A) A list of facilities at which the duration of time exceeded 5 days in any case.

"(B) The number of orders, shown by facility, for which the duration of time was more than five days and the actual amount of time elapsed in filling each such order.

"(C) The total dollar amount of orders for which the duration of time was more than five days.

"(D) The reasons for the duration of time for delivering services in accordance with such orders being in excess of five days.

"(2) A statement of the number of medical facilities at which qualified disabled prosthetic representatives are employed and the number of medical centers operating Prosthetic and Sensory Aids Services.

"(3) A description of the training provided to prosthetic representatives, orthotists, prosthetists, and other health care professionals involved in providing and prescribing prosthetic services.

"(4) A description of the actions taken during the period covered by the report to expedite the purchases of prosthetic appliances.".

The SPEAKER pro tempore. Is a second demanded?

Mr. STUMP. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 901, the bill under consideration, and also on the next four bills to be brought up for consideration, H.R. 1199, H.R. 2557, H.R. 2569, and H.R. 1334.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, H.R. 901, as amended, contains several personnel provisions that would make improvements in certain health care programs of the Department of Veterans' Affairs [DVA]. It was reported out of our committee unanimously by voice vote. Specifically, this bill extends programs that have been evaluated and shown to achieve desirable results and to be cost-effective. This bill also addresses one of the most compelling problems in the DVA medical care system: attracting and keeping the dedicated, well-trained staff that is the foundation of the DVA's Veterans' Health Services and Research Administration. The bill would also make some management changes to improve the delivery of medical services. The various provisions are summarized in a blue sheet summary here at the table.

In general, Mr. Speaker, the provisions of this bill recognize the reality that every dollar available to the DVA must be carefully weighed so that high-quality care is delivered to our Nation's veterans on a timely basis.

The problems with recruitment and retention of medical care staff are well known in American medicine, especially in the area of nursing personnel. The Federal environment makes the challenge even more difficult. The recent survey of DVA medical centers—House Committee Print No. 10, 100th Congress, documented that DVA medical centers are staffed at a much lower level than their community neighbors and that, in addition, they suffer from unfilled vacancies across all of the medical professions. H.R. 901, as amended, would address some of these findings.

First, the bill would authorize Saturday/Sunday premium pay for licensed practical/licensed vocational nurses and nurse assistants in order to recruit and retain these health care professionals. During recent hearings on recruitment and retention of nurses, attention was focused on the serious problems of recruiting and retaining licensed practical and vocational nurses and nurse assistants for DVA employment. The services of persons in these occupations are becoming more critical due to the national shortage of registered nurses.

In the committee's nationwide survey, over 1,200 licensed practical and vocational nurse vacancies were reported to exist within the DVA medical care system. A significant reason for the Department's difficulty in recruiting and retaining these valuable personnel was reported in testimony to the committee as pay or pay related. The lack of premium pay was listed as a disadvantage to DVA em-

ployment by 24.7 percent of the medical center directors responding to the above-mentioned survey. Currently such pay is discretionary for LPN/LVNs, but under this section they, as well as nurse assistants, would be treated in the same manner as a registered nurse for purposes of this provision only. It is imperative that the DVA increase its ability to compete for these necessary medical personnel. An increase in such personnel would help relieve some of the burdens placed on our already overworked registered nurses. This in turn would have a domino effect by helping in the recruitment and retention of RNs and result in our designed goal of providing high-quality care to our Nation's veterans.

Second, H.R. 901 would explicitly authorize outside employment, commonly called moonlighting, for the so-called hybrid employees whose appointment, pay, and other authorities are in both title 5 and title 38 of the United States Code. These include physical therapists, respiratory therapists, LPN/LVNs, pharmacists, and occupational therapists. Public Laws 98-160 and 100-322 contained authorization for the DVA to set rates of pay and qualifications standards for the aforementioned employees. The Congress emphasized, in the report language accompanying the legislation which created the hybrid occupational groups, that the intent was to provide the pay and appointment flexibility that was necessary to ensure that the DVA might continue to compete for these hard-to-recruit personnel.

Mr. Speaker, in order to clarify the intent of the Congress with specific regard to employment outside the DVA and in the interest of improving the ability of the DVA to compete for these employees, section 102 of the reported bill would explicitly authorize outside employment for these personnel to the extent that it does not interfere with their primary obligations within the DVA medical care system.

I would add here, Mr. Speaker, my understanding is that the outside employment is not solely oriented to supplementing the pay of these professional health care employees. Rather, the outside work would likely consist of teaching students in one of these occupations, conducting continuing medical education classes, or giving public health lectures to civic groups for pay. In these difficult times of medical personnel shortages, it is important that the DVA implement such practices in order to better assist with the recruitment and retention of these much needed employees.

Another provision related to nurses is one that would allow retired military nurses to keep their military retirement pay if they choose to work as nurses in the DVA. While there may be only a small pool of such nurses, their experience would be a valuable resource to the DVA. The disincentive to working in the DVA's medical care system under current law is that they would lose part of their retirement pay if they worked at a Federal job. Some people may consider such limits justified in order to prevent so-called double dipping.

Retirement pay, however, is a reward that has been earned through dedicated service and in view of the severe shortage of nurses we should take every opportunity to increase the number of those who want to work for the DVA. In response to expressed concerns, the committee set a limit on the duration of this waiver authority for 3 years. At that time, the extent of the use of the authority will be assessed as will the associated costs and benefits.

Mr. Speaker, another provision in H.R. 901 applies to individuals who have a recognized degree in an allied health profession and who have completed a clinical education program affiliated with the DVA. Such individuals would be able to accept an appointment with the DVA without having to go through the Office of Personnel Management process for civil service employment.

As described in a 1982 report to the Congress, highly motivated allied health-care employees who might consider employment with the DVA become frustrated with the length and complexity of the civil service procedures. The DVA, as part of its statutory mission to develop and carry out a program of education and training of health-care personnel for the Nation, annually trains more than 50,000 allied health professions students through clinical education programs in DVA facilities. Fewer than 6 percent of these students take jobs with the DVA.

We hope that this provision would aid in the recruitment and retention of allied health professionals. Mr. Speaker, I also want to stress that the individuals who are so directly appointed be graduates who meet the DVA's high standards as evidenced by academic credentials and by successful completion of an affiliated DVA clinical education program. Mr. Speaker, this kind of effort is needed in order to address the severe shortages of medical personnel that the DVA is currently facing.

The last provision in H.R. 901 that concerns the recruitment and retention of medical personnel is section 104 which would authorize the Secretary to waive the applicable pay restrictions for physicians in extremely difficult to recruit and retain specialties. During committee hearings and through the use of surveys, the particular difficulty in recruiting certain physician specialties was documented. The main reason given for this difficulty was low Federal pay. Since many medical center directors are having trouble filling these positions, they have been forced to contract out for these services at substantially higher costs. Such contracts totaled $19.6 million in fiscal year 1988.

It is not the intent of the committee to apply this waiver authority to all physicians in the designated scarce medical specialties. Instead, the committee expects that the authority would be used to employ physicians in lieu of contracting for such services. The DVA needs these services Mr. Speaker, but in these times of fiscal constraint a reasonable alternative must be found. It is the belief of the committee that this provision will provide just such an alternative.

H.R. 901 would also authorize the establishment of a 5-year leave-sharing program for DVA health-care employees appointed under title 38. Under current law title 38 employees are covered by a temporary 1-year program which terminates on September 30, 1989. Title 5 employees used to be covered by a temporary program also, but under Public Law 100-566 they were placed under a 5-year program. By extending the 5-year program to title 38 employees, the DVA would be able to avoid possible adverse morale problems associated with having part, but not all of its employees, eligible for participation.

This program would permit the voluntary transfer of annual leave from one employee to another in order to help employees cope with emergency leave situations, such as when an employee is faced with an extended illness and has only a limited amount of personal leave time available. It is the intent of the committee to provide equitable leave-sharing programs for both title 5 and title 38 employees.

Mr. Speaker, as I stated earlier this bill extends programs that have been evaluated and shown to achieve desirable results and to be cost-effective. There are five program extensions addressed by this bill.

First, the bill would provide ongoing authority for the DVA's Respite Care Program, which under current law is scheduled to expire on September 30, 1989. The ultimate goal of respite care is to help veterans with severe chronic illnesses remain at home for as long as medically possible. It is widely agreed that, where medically feasible, allowing a person to remain at home is better for the person's overall health status than institutional care. It is, also, a far more efficient and cost-effective way to meet individuals health-care needs. Under the Respite Care Program, the DVA provides chronically ill veterans who reside at home with brief, planned periods of care in DVA facilities in order to provide the veteran's immediate care givers—usually

family members—with some relief from the physical and emotional rigors of continuous home care. This is a program that has worked very well in the past and the committee expects that it will continue to do so in the future.

Second, H.R. 901 would extend the DVA's State Home Grant Program for 3 years. Under this program the DVA provides grant support to assist States in the construction and acquisition of State home facilities and, also, in the renovation of existing facilities to be used in the State Home Program, with the DVA providing up to 65 percent of these costs.

The State Veterans' Home Program has grown from 11 homes in 11 States in 1888 to 58 DVA recognized homes in 36 States. These homes currently have over 18,000 beds and in fiscal year 1988 provided more than 4.8 million days of care. These facilities make it possible to provide care to many more veterans than can receive care in DVA facilities, while at the same time doing so in a cost-effective manner. The projected increase in the elderly population of the United States is being experienced earlier in the veteran population than in the general population. The number of veterans over the age of 65 was 4.6 million in 1985 and is predicted to increase to 7.2 million by 1991 and to peak at 8.9 million veterans in 1999. In 1999, 60 percent of all males over the age of 65 will be veterans.

Third, H.R. 901 would extend for 3 years the Department's authority to conduct a pilot program, originally authorized under Public Law 100-322, to provide community-based residential care to homeless chronically mentally ill veterans. The pilot program has been implemented and there is evidence of its success; however, the 1-year timeframe originally established under Public Law 100-322 now appears to be insufficient to complete a comprehensive assessment.

Mr. Speaker, there has been considerable hearing testimony, broadcast media reports, and editorials concerning the type and scope of problems relating to homeless persons. Most estimates suggest that many homeless may be eligible for veterans benefits and that a significant proportion are chronically mentally ill. An additional 3 years would be sufficient time to evaluate the scope and impact of the effect of this program on the homeless veteran population.

Fourth, H.R. 901 would extend for 3 years the so-called means test reporting requirement. Under Public Law 99-272, the Congress provided for reform of veterans' eligibility for DVA medical care and authorized third-party recovery from health-care insurers for non-service-connected disabled veterans who obtain health care in DVA facilities. This so-called means test was implemented in response to budget reconciliation instructions to achieve specified cost savings. The law required the Secretary to provide to the Congress a report on the effects of the eligibility reforms contained in the bill.

Mr. Speaker, the current budget situation facing the DVA Medical Care Program represents numerous potential alternative action by the DVA. Fundamental in making these decisions is accurate information regarding the operations of the medical care system. I believe that the report required by Public Law 99-272 contains much important information that the DVA can use in these efforts. Therefore, the reporting requirement should be extended for an additional period of time.

Fifth, H.R. 901 would extend the reporting requirement of the Chief Medical Director's Special Advisory Committee on Post Traumatic Stress Disorder. In 1980, the American Psychiatric Association's diagnostic and statistical manual officially recognized PTSD as a diagnosis and identified combat as a potential stressor. At that time, because of the relatively recent acceptance by the medical community of this disorder, procedures for diagnosing and treating PTSD were not well established. In an effort to address the problems, a special advisory on PTSD was established under Public Law 98-528 to advise the Chief Medical Director on diagnosis, treatment, and a wide range of PTSD related issues.

Recent research suggests that about 15.2 percent of male and 8.5 percent of female Vietnam theater veterans are currently suffering from PTSD. Mr. Speaker, we believe that the special committee has been instrumental in helping the Department develop procedures to evaluate, recognize, and treat those veterans who are suffering from this disorder. Therefore, the reporting requirement should be extended, as the special committee is continually providing advice in this area.

Mr. Speaker, as I discussed before, the problems associated with medical and psychiatric treatment of chronically mentally ill veterans present an enormous challenge to the DVA. During the last 20 years, the Department, in conjunction with a national movement to deinstitutionalize psychiatric inpatients, has closed over 30,000 psychiatric beds. With the advent of deinstitutionalization, patient work became a therapeutic activity which was designed to increase the patient's capability to develop vocational skills necessary for community reentry. H.R. 901 would authorize programs for the further development of these skills as well as offering incentives to people who would help run these programs.

Specifically, the bill would expand the compensated work therapy programs of the Department, which is authorized to operate them under section 618(b) of title 38. The purpose of these programs is to provide a clinical procedure for evaluating the patient's vocational or avocational interests, aptitudes, and skills. It also assesses the patient's physical and mental capacities for work in actual employment situations. These programs encourage the development of good working habits. The programs, however, are faced with limitations.

Current law restricts contracting to private industry or other sources outside the DVA. It is the belief of the Department's general counsel that such language also restricts contracting with other governmental agencies as well. The result of such restrictions is that in some areas of the country, particularly rural ones, the opportunities for establishing CWT programs are foreclosed. Mr. Speaker, in view of the enormous potential and prior success of these programs, it makes sense to allow the CWT programs to contract with an array of private and governmental entities, including the DVA. I believe that such latitude will increase not only the number of CWT programs available to eligible veterans, but also that more veterans, through participation in these programs, will make a successful transition back into the community.

Mr. Speaker, H.R. 901 would offer incentives to people who enter into agreements with the Department to employ patients who are part of the DVA's CWT programs. The bill would authorize the Secretary to convey properties to such persons at not less than 75 percent of the fair market values for such properties. I believe that such incentives will induce more people to participate with the DVA in the operation of such programs.

Work and treatment, however, are not the only problems associated with chronically mentally ill patients in the context of helping them make the transition back into the community. The need for transitional or therapeutic living space is critical to the success of any of these therapeutic programs. This problem is addressed in H.R. 901, which would specifically provide that patients involved in a therapeutic program may also participate in a therapeutic residential living program.

Given the overwhelming success of the existing programs and the enormous potential of additional ones, the committee strongly supports the expansion of these programs authorized in H.R. 901.

H.R. 901 would also require the DVA to provide outpatient care, except dental services, to all category A veterans for whom hospital care is mandated under section 610 of title 38. The reported bill would not change the eligibility for outpatient care for catego-

ry B and C veterans. Under current law, the Department is required to furnish needed outpatient care for the treatment of a service-connected disability of any veteran; for any disability of a veteran who has a service-connected disability rated at 50 percent or more; and for veterans disabled as a result of DVA treatment or vocational rehabilitation. In addition, the Department is required to furnish outpatient care for the pre-hospital care, care to obviate the need for hospital care, and postinstitutional followup care for veterans having disabilities rated at 30 or 40 percent. This same care is required to be provided to veterans who have an income at or below the pension aid-to-attendance income level.

By mandating outpatient care to a limited and defined group, veterans would be able to predict the likelihood of receiving care from the DVA. Similarly, the DVA and the Congress would have a basis for allocation of resources to fund services. The DVA would be authorized to continue providing outpatient care to the extent possible to category B and C veterans where space is available and in certain cases, where the veteran agrees to pay a certain fee in connection with the receipt of care. We believe that the Federal Government should clearly identify those veterans, who as a matter of public policy, should receive health care and then mandate that they be provided such care in DVA facilities.

In a directly related issue, I would emphasize the testimony presented in recent hearings that outpatient services are much less expensive than services provided on an inpatient basis. The committee perceives that a statutory entitlement only for hospital care may provide an incentive for delivering needed care, whether requiring hospitalization or not, on an inpatient basis. The mandate in the reported bill to provide needed outpatient care should neutralize this bias. Some people fear that this would be costly. Let me quote directly from the CBO cost estimate: "According to DVA statistics on the disposition of applications for medical care, only about 0.4 percent of all category A applicants for outpatient care are denied care for reasons that would be eliminated by this bill." There are two other factors that could cause an increase in the demand for care by category A veterans. The fact that these veterans would now be entitled to care and the publicity surrounding the change could draw veterans to DVA facilities who might otherwise have sought non-DVA care. When category A veterans were granted entitlement to inpatient care in Public Law 99-272, an increase of only 1.5 percent resulted in inpatient episodes.

Also, all category A veterans, except those with disabilities rated 50 percent disabling or more, would be entitled to all needed outpatient care under this provision. Under current law, they are eligible only for pre- and posthospital care and care to obviate the need for hospital care. This expansion of eligibility is also expected to result in only a very small increase in outpatient visits. There is very little medically necessary outpatient care that cannot be viewed as obviating the need for inpatient care. This is evidenced by the fact that in fiscal year 1988 only around 1,700 category A veterans were turned away because they were ineligible for such care. These 1,700 denials represent only 0.2 percent of applications for which outpatient care was provided.

Mr. Speaker, the committee anticipates that these provisions will allow the DVA to provide cost-effective services to more veterans.

The third group of provisions in H.R. 901 have to do with management concerns. First, H.R. 901 would require the DVA to carry out a program for the establishment of an improved management system for the administration and collection of fees and other amounts payable to the United States under the DVA receipts program. As part of the proposed system, the Secretary would be required to provide for the development of an automated program to carry out the billing and collection of fees and other amounts. One such program was developed in the Department's medical region 2 and indicated that this one medical center could increase revenue by over $6,000,000 per year.

There is little incentive, however, for the DVA medical centers to incur the costs associated with such a program because under current law all receipts from such programs must be sent to the Treasury. In these times of tight budgets and severe personnel shortages, few medical center directors are willing to commit the needed resources and personnel for this type of program. As a result, it has been estimated that between $500 million and $2 billion go uncollected annually.

H.R. 901 would require the Secretary to establish a program for the billing and collection of fees that utilizes the technology and expertise of the private sector in these matters to the maximum extent feasible. After 2 years, the Secretary would be required to submit a report to the Senate and House Committees on Veterans' Affairs which compares the experience of carrying out this program through the use of employees of the DVA at not more the 20 medical centers with the experience of carrying out the program through the use of contractor services at not more than 20 medical centers. The Secretary would be required to defray the costs of administering the automated program, including the costs of any contracts under this program, from the amounts received through the program. It should be noted that this legislation authorizes contracts for both billing and collection services which the Secretary determines to be in the interest of the Government. Thus, the limitations on authority to contract under the Debt Collection Act of 1982 (Public Law 97-365, as amended) which are set out in a 1985 Comptroller General opinion (64 Comp. Gen. 366) are not for application in this case. Of the amounts that remain after administrative costs are defrayed, the Secretary would be required to transfer into the general fund of the Treasury an amount equal to the amount which was estimated by the Congressional Budget Office in February 1989 to be the amount which would have been collected for fiscal year 1990 had this program not been implemented.

It is important to note, Mr. Speaker, that this program is not designed to take money that has previously gone to the Treasury to help reduce the budget deficit and give it to the DVA. After the administrative costs have been paid and the Treasury has received its specified amount, then the Secretary would allocate the remaining amounts by placing 50 percent of these moneys in the Department's medical care account and 50 percent in the nursing home revolving fund.

The Secretary would prescribe a method to allocate to the medical centers the moneys retained in the medical care account in such a way so as to avoid penalizing those medical centers which, prior to the implementation of this program, were performing the collections process well. Further, the Secretary provides real incentives to the medical center directors to increase recovery of amounts owed and that these funds not be retained by central office for its own purposes. I strongly believe that the opportunity should be taken to learn from the private sector in this matter. The incentives provided in this provision should not only serve to enhance the revenues generated by the recovery authority in law, but should also serve to alleviate some of the fiscal problems currently facing the DVA.

There is also a provision in H.R. 901 that would allow, on a space-available basis, the dependents of active duty military personnel to receive care in a DVA facility through DVA/DOD sharing agreements. Under current law, such dependents cannot be treated in Department facilities. Mr. Speaker, the DVA/DOD sharing agreement program has proven to be a tremendous success. It was authorized under Public Law 97-174 and since that time approximately 250 locally initiated agreements have been signed. These agreements allow the two agencies to share their respective capabilities to deliver medical care.

Bills were introduced in both the House and the Senate in 1986 and again in the House in 1987, which sought to remove the restriction on the DVA treating dependents under DVA/DOD sharing agreements. No action was taken on these bills, but the success of the sharing program encourages us to once again propose this change. I want to be very clear, Mr. Speaker, that an eligible veteran would never be denied care because of a dependent receiving care.

I am very committed to the DVA/DOD sharing program. It has proved its efficiency and effectiveness for both Departments. An example of this can be seen in Albuquerque, NM, where the Air Force occupies the sixth floor of the new DVA hospital and is operating 40 beds. The DVA provides all ancillary support to the in-house Air Force staff. Tertiary care for Air Force beneficiaries is either purchased from the Department or the community. The Air Force manages the emergency room and a new Air Force outpatient clinic has been constructed next to the hospital which will allow further sharing opportunities. Another example is found in Las Vegas, NV, where the DVA has agreed to share in the construction costs and use of a new Nellis Air Force Base Hospital. The joint venture hospital is scheduled for occupancy in fiscal year 1993 and the DVA will have 52 of 129 hospital beds. There will be many opportunities for savings which involve shared equipment purchases, consolidated procurement of supplies, and sharing of scarce clinical specialists. Mr. Speaker, as you can see these sharing agreements are both beneficial and cost-effective and as I have stated before the committee is strongly committed to them.

Third, H.R. 901 would require the Secretary to compile an accurate and complete list of individuals who are eligible for benefits under the Civilian Health and Medical Program of the Veterans Administration. It would also require the Secretary to maintain and periodically revise this list. It is clear that action must be taken promptly by the Department to correct serious deficiencies which have been identified in the administration of CHAMPVA. According to the Department's inspector general, an estimated 15 percent of all CHAMPVA program beneficiaries in 1986 were considered to be ineligible. According to the inspector general, DVA spending for individuals not eligible for CHAMPVA program benefits was projected to be $29.7 million during fiscal years 1987 and 1988.

Fourth, H.R. 901 would prohibit securing by contract or agreement the performance of a veterans canteen service activity by an individual not directly employed by the United States, when such an activity is being performed by an employee of the United States who is compensated with nonappropriated funds. The bill would also require that the head of the canteen service report directly to the Secretary or Deputy Secretary.

Established as an independent entity within the DVA, the veterans canteen service makes available to hospitalized and domiciled veterans merchandise and services which are essential to the comfort and well-being of these veterans. Financially self-sustaining, the Congress provides no funds for the canteen service. The committee has conducted several oversight hearings, with the most recent being on June 23, 1988. During this hearing, witnesses reported that the DVA had ordered a resumption of the process for soliciting bids for contracting out canteen food service activities under the provisions of OMB Circular A-76. To date, no bids have been awarded to be contracted out under this practice.

Mr. Speaker, only 60 percent of the canteens are profitable and the excess revenues generated by them enable the canteen service to continue to operate the 40 percent that are not. By allowing for the potential contracting out of canteen food services, we run the risk of depleting much of that excess revenue. In my view, proposals to contract out such canteen services are based on the false assumptions that Government appropriations could be reduced on the one hand and services improved on the other. As already noted, Congress appropriates no funds for the canteen service; canteen operations pay their own way and therefore, inclusion of such canteen services in the A-76 process will not reduce Federal appropriations.

Fifth, H.R. 901 would rescind the Department regulation setting an arbitrary 45-day limit on the length of extensions for stays in community nursing homes. By law, when a veteran is placed in a community nursing home the maximum length of stay at DVA expense is 6 months, unless an extension is granted. It was never the Congress' intention to place a 45-day limit on the length of these extensions and, therefore, in H.R. 901 we would rescind the DVA initiated regulation.

The last provision contained in H.R. 901 concerns the procurement and delivery of prosthetic services and devices. On April 26, 1989, the Subcommittee on Hospitals and Health Care held a hearing on the status of the DVA's medical care system. The testimony illuminated the severity of the problems associated with the provision of prosthetics for veterans. At the hearing, a growing problem with delays in the provision of prosthetic devices and appliances was identified. The subcommittee heard reports that the delivery of items such as artificial limbs, wheelchairs, and other equipment was being delayed weeks and in some cases months. Applications for prosthetic items were backlogged at many medical centers. There were instances where veterans were being held in the hospital due to an inability of the medical center to discharge the veteran because of shortages of essential items necessary for daily living.

Mr. Speaker, such occurrences are inexcusable. H.R. 901 would require the Secretary to establish staffing standards based on the number of eligible veterans seeking prosthetics and sensory aids services from DVA medical care facilities. In addition, the bill would require the Secretary to carry out a program of training and continuing education of prosthetic representatives and other health care personnel involved in providing prosthetics and sensory aids services. Finally, this section would require the Secretary to provide a report on the funding and the operation of the Department's prosthetics program to the Senate and House Committees on Veterans' Affairs. Specific description and analysis of delays between ordering and receiving prosthetic services and the reasons for the delays would be required to be included in the report.

I expect to use this report to ensure timely, high-quality provision of prosthetic and sensory aids services to the highest priority veterans, those with service-connected disabilities. The reporting requirement authorized in the bill would enable the committee to monitor the actual status of the funding of prosthetics services.

Mr. Speaker, it is our hope and intention that this provision will provide the stimulus to the DVA to assign a higher priority to the provision of prosthetic services to our Nation's veterans.

Mr. Speaker, on Friday, June 23, 1989, the committee was advised by the chairman of the Committee on Ways and Means that he strongly objected to a provision which was contained in H.R. 901 as ordered reported by our committee. There follows a copy of the chairman's letter.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 22, 1989.

Hon. SONNY MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR SONNY: As you know, the Administration has recently suggested that the Veterans' Administration be allowed access to taxpayer information in order to verify beneficiaries' income eligibility for programs administered by the Veterans' Administration. This issue also was discussed last year in connection with H.R. 5114, the Veterans' Health-Care Programs Amendments of 1989.

It has come to my attention that the Committee on Veterans' Affairs is considering inclusion of this provision in H.R. 901, the Veterans' Health-Care Programs Amendments of 1989.

I strongly object to inclusion of this provision in legislation to be reported by your

Committee. As you know, Section 6103 of the Internal Revenue Code prohibits the disclosure of tax returns and return information with exceptions for authorized disclosure in certain specific instances. Thus, access to taxpayer information is a matter clearly within the jurisdiction of the Committee on Ways and Means.

In the past this Committee has attempted to cooperate with other committees regarding the use of taxpayer information. However, this Committee has also reserved its right to determine those specific instances and circumstances in which taxpayer information could be utilized.

In light of this, the Committee on Ways and Means has included an income verification provision in the fiscal year 1990 budget reconciliation measure. I would, therefore, request that the Committee on Veterans' Affairs not include this provision in the bill before you. If this matter is included, I will be forced to request a sequential referral of the bill.

Sincerely,

DAN ROSTENKOWSKI,
Chairman.

In compliance with the wishes of the chairman of the Committee on Ways and Means, we deleted this provision from our bill. The letter from the chairman was a most unusual communication for several reasons. To receive this communication on the day after our committee had met to consider this provision made it very difficult to accommodate the chairman of the Ways and Means Committee. I believe that we had provided adequate notice of our intention to mark up this particular legislation, which I would like to describe for my colleagues.

During the 100th Congress, we worked closely with the Committee on Ways and Means to craft legislation which would give the Secretary of Veterans' Affairs access to certain taxpayer earning information. There are several veterans' benefits which are needs-based, such as non-service-connected disability pension payable to wartime veterans with low incomes and who have permanent and total disabilities not related to their military service. For purposes of this program, a veteran who has attained age 65 is presumed to be totally and permanently disabled. In addition, the eligibility criteria for DVA hospital, nursing home, domiciliary, or outpatient care requires the DVA to obtain income information.

In all of these programs, eligibility determinations are made by the DVA on the basis of income data which have been self-reported by the beneficiary. The DVA inspector general has conducted several matches of beneficiary reported data against other data bases. These efforts revealed material discrepancies between data reported by some beneficiaries and data from other sources. In order to assess the extent of the discrepancies, Senator FRANK MURKOWSKI, the ranking minority member of the Senate Committee on Veterans' Affairs, requested that the General Accounting Office [GAO] conduct a review of the accuracy of self-reported beneficiary income using certain income tax data bases maintained by the Internal Revenue Service [IRS]. GAO's findings indicated that, considering only discrepancies greater than $100, the potential 1984 overpayments totaled $182.5 million paid to nearly 149,000 DVA pension beneficiaries. The GAO further found that only $25.3 million of these overpayments could have been identified by the DVA using existing resources and procedures. Access to the same third-party and self-employment IRS and Social Security Administration [SSA] data available to other Federal agencies for purposes of eligibility determinations would have permitted identification of over $157.2 million in erroneous payments, according to the GAO. GAO recommended that the Congress allow the DVA access to such information to permit verification of self-reported beneficiary income.

As ordered reported H.R. 901 would have required the Secretaries of the Departments of Health and Human Services and Treasury to disclose taxpayer earning information to the DVA for purposes of income verification in connection with its needs-based pension programs under chapter 15 of title 38 or other laws administered by the DVA; parent's dependency and indemnity compensation under section 415 of title 38; compensation based on individual unemployment ratings; and health-care services furnished on the basis of income, incapacitation, or resources under sections 610(a)(1)(I) and (2)(A) (hospital care 610(b) (domiciliary care), and 612(a)(2)(B) (outpatient care) of title 38. The bill would have also amended chapter 53 of title 38, relating to special provisions in connection with DVA benefit programs, to add a new section 3117, which would prohibit the Secretary from using such IRS and SSA information without first independently verifying such data, notifying the individual concerned, and allowing the individual fair opportunity to contest Department findings based on such information. Finally, the provision would have required that the DVA notify benefit recipients and applicants that the income data they provide to the DVA for the purpose of establishing initial or continuing eligibility for benefits would be subject to verification by means of matching against information in reports submitted by employers, financial institutions, and other third parties to the IRS and SSA. The bill ordered reported would have required that the DVA provide this notice within 90 days of the date of enactment and prior to initiating verification and matching of data. Subsequently, the DVA would be required to provide notice of the income-verification program to all new applicants for the benefits involved or for health-care services based on income status and periodically to renotify all recipients.

As I said, it seemed very unusual that the Committee on Ways and Means would object to consideration of this legislation since our committee had notified the committee of our intent to report the measure. The Department of Veterans' Affairs has been seeking access to records of the Internal Revenue Service for a number of years. In most instances, those requests have been rebuffed, although the Committee on Ways and Means has reported legislation to give almost every other means-tested program access to whatever information is needed to insure program integrity. Following the issuance of the GAO report requested by Senator MURKOWSKI, our committee decided to act on the GAO recommendation. H.R. 5114, which our committee ordered reported during the second session of the 100th Congress, included a provision which is almost identical to the provision contained in H.R. 901. We had worked with the Ways and Means Committee in drafting the provision. Unfortunately, due to the press of other legislative business, this provision was not enacted into law.

Earlier this year, I had informal discussions with the Director of the Office of Management and Budget about ways to increase funding to support the veterans' health care system. During the course of these discussions, I mentioned this proposal and our intention to act on it again this year. We felt reasonably confident that despite any noticeable enthusiasm for this measure on the part of the administration in prior years, or the Committee on Ways and Means, the proposal had merit and should be enacted.

In light of this, my colleagues might be led to believe that there were serious reservations about our proposal. In fact, what has happened is that the Committee on Ways and Means has considered the provision which we reported last year and recommended its inclusion in the budget reconciliation measure for fiscal year 1990. Although the Committee on Ways and Means has not provided our committee with a copy of its proposed legislative language, I am very interested in how it will solve a particularly vexing problem with respect to the implementation of this authority. The provision which our committee ordered reported gave access to return information to the Secretary of Veterans' Affairs. However, merely granting access does not save money; the Secretary must review each case individually and resolve any discrepancy between information obtained by the Secretary and information furnished by the beneficiary. This measure does not generate any new revenue or raise taxes; all of

the savings will accrue in the Veterans' Pension Program, which falls within budget function 700. Thus, the concern about implementation is not an academic concern.

According to both CBO and GAO, the estimated implementation cost of this measure is approximately $14 million. In order to assure that sufficient funds would be available to the Secretary of Veterans' Affairs to implement this proposal, our committee proposed to insert language making funds available for this purpose. Without this language, CBO assumed that the Secretary of Veterans' Affairs would decline to utilize this authority, and there would be no savings from the adoption of this legislation.

In light of the recent action by Congress to provide additional funding in the 1989 supplemental appropriations bill just passed for the DVA's general operating expenses account in order to prevent further reductions in the quality and timeliness of service to veterans, I believe it is certain that the Secretary cannot implement this authority without additional funds to employ additional staff in the Veterans' Benefits Administration. What this means is that if the Ways and Means Committee does not come up with a means of providing appropriations to cover the cost of implementation, it will not be implemented, and there will be no savings.

The Committee on Ways and Means has been vigilant in asserting jurisdiction over this matter; I will be just as vigilant with respect to any language reported by the Committee on Ways and Means which may impose new burdens on the Secretary of Veterans' Affairs unless the means of meeting those burdens are also addressed.

Mr. Speaker, I do want to thank the very able ranking member of the full committee, Mr. BOB STUMP of Arizona, and the very able ranking member of the Health Care Subcommittee for their continued hard work and dedication, not only on this bill, but the others we are considering today.

I urge my colleagues to support H.R. 901, as amended.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 901, as amended, revises and extends a variety of Department of Veterans' Affairs health care policies and programs. It also authorizes establishment of priorities for Department of Veterans' Affairs outpatient care.

The members of the Hospitals and Health Care Subcommittee have put together a good package responding to the needs of the Department of Veterans' Affairs health care system. I urge my colleagues to support it.

I also want to express my appreciation to the distinguished ranking minority member of the Subcommittee on Hospitals and Health Care, Mr. HAMMERSCHMIDT, for his efforts on this legislation. His commitment and dedication to veterans throughout the country is well known.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 901, the Veterans' Health-Care Programs Amendments of 1989. This bill represents the collective work of the Subcommittee on Hospitals and Health Care, of which I am the ranking member. It is the result of many hearings and hours of careful deliberation. Like most of the work of the Committee on Veterans' Affairs, H.R. 901 has strong bipartisan support.

H.R. 901 contains health care issues of significant importance to our Nation's veterans. In light of the budget constraints, it has been an extremely difficult year for the subcommittee in terms of identifying legislation which would improve the operations of the Department of Veterans' Affairs health care system.

Mr. Speaker, H.R. 901 does make substantial improvements to programs under the direction of the Veterans' Health and Research Administration. And we do so with very little new spending. When we do authorize new appropriations, it is important to point out that we have identified a cost-recovery provision which will more than cover the cost of enactment.

Specifically, H.R. 901 provides for improvements in the ability of the Department of Veterans' Affairs to recruit and retain certain health care professionals. The bill addresses such improvements in a variety of ways, such as pay improvements as well as the implementation of a no-cost, innovative employee program known as leave-sharing.

H.R. 901 also authorizes a transitional housing demonstration program to combine with an already authorized DVA program known as the Compensated Work Therapy Program. This new authorization would allow the DVA to provide a therapeutic residential living program to aid the discharge and reintegration of psychiatric patients back into the community.

The program is further improved by authorizing discounts on the sale of DVA difficult-to-sell foreclosed properties to nonprofit organizations for use as transitional housing for homeless veterans in addition to use as shelters as provided in current law.

In order to provide therapeutic work for veterans under the DVA's compensated work therapy program, H.R. 901 authorizes the DVA to establish work contracts with Federal agencies, rather than being limited to contracting only with private and nonprofit entities as the law currently requires

A very important section of H.R. 901 pertains to improvements to the DVA prosthetics program. Recent reports to the committee continue to indicate that the DVA health delivery system is in serious financial crisis. Surveys by the committee have confirmed these allegations.

Although not reflected in official DVA statistics, committee staff found a significant reduction in the capacity of the medical centers to deliver medical services to veterans. Official operating beds have been closed due to staff shortages. The stopgap solution to address the shortages of health care personnel was to transfer money from other operating accounts, including prosthetics, to fund personnel costs.

Specifically, the committee survey found that medical center directors were literally raiding other accounts to meet unfunded requirements in recurring operating expenses. It was determined by the survey that over $44 million had been taken from drugs, medical supplies, and prosthetics moneys. That is an average of $411,250 for each individual medical center.

On September 7, 1988, the House Committee on Veterans' Affairs, Subcommittee on Hospitals and Health Care, held a hearing on the status of Department of Medicine and Surgery operating funds. The committee received testimony from representatives of veterans' service organizations as well as DVA medical center directors and DVA central office personnel.

The testimony illuminated the severity of the problems facing the provision of prosthetics to veterans. The hearing identified a growing problem with delays in the provision of prosthetic devices and appliances which are in many instances essential to the veteran. The committee heard reports that items such as artificial limbs, wheelchairs, and other equipment were being delayed weeks and in some instances months.

Applications for prosthetic items were backlogged at many medical centers. There were instances where veterans were being held in the hospital due to an inability of the medical center to discharge the veteran because of shortages of essential items necessary for daily living.

The results of this hearing made it clear that the shifting of funds quarter by quarter during the fiscal year from the prosthetics account was having a detrimental effect on the ability of the DVA to provide needed services to eligible veterans.

On April 26, 1989, the Subcommittee on Hospitals and Health Care held an additional hearing on the matter as a followup. The subcommittee received testimony from Mr. Frederick Downs, Jr., director of the DVA's Prosthetic

and Sensory Aids Service. His testimony verified that the problems identified in 1988 were still occurring.

Mr. Downs in response to questioning by subcommittee members was able to give his recommendations for improvements in the DVA's provision of prosthetic services.

The reporting requirement authorized in H.R. 901 will enable the committee to monitor the actual status of the funding of prosthetic services. In so doing, the committee will be able to carry out its oversight function with regard to the reported delays and reductions in service. In addition, H.R. 901 addresses the need to establish the prosthetic service as a priority.

Specifically, the bill will authorize improvements in the service by requiring the Secretary of Veterans' Affairs to develop staffing standards and a program for the training and continuing education of prosthetic representatives, orthotists, prosthetists, and other health-care professionals involved in prescribing and providing prosthetic equipment to veterans.

Mr. Speaker, I believe that such amendment to section 5023 of title 38 will provide the stimulus to the Department of Veterans' Affairs to assign a higher priority to the provision of prosthetic services to our Nation's veterans. Due to the severity of budget constraints, Members of Congress have been advised of recent reductions in veterans' access to DVA medical care.

I respectfully submit that there are certain aspects of DVA health care that we just cannot afford to reduce. The provision of prosthetics services is one of those. It must be a priority. The area of prosthetics is where the Department of Veterans' Affairs has been the recognized leader, in this country and even worldwide.

H.R. 901 also requires the Secretary of Veterans' Affairs to furnish needed outpatient care to all veterans in category A. This provision will bring eligibility for outpatient care into conformity with the current eligibility for hospital care. The Committee on Veterans' Affairs attempted this change last Congress.

Unfortunately, the provision was dropped in conference with the other body. Congress has already determined that category A veterans are veterans of the highest priority. There are other important provisions contained in H.R. 901. In the interest of time, I will not attempt to overview all of them.

It is notable however that many of these provisions were passed by the entire House in the second session of the 100th Congress. Since we were unable to reach agreement with our counterparts in the other body, we are considering these provisions once again.

Mr. Speaker, I believe the legislation we are moving today is fiscally responsible and at the same time, establishes new and improved directions for health care delivery to our Nation's veterans. I want to thank the distinguished chairman of the Committee on Veterans' Affairs, the Honorable G.V. "SONNY" MONTGOMERY and the ranking minority member, the Honorable BOB STUMP.

Veterans continue to be well served by the strong advocacy of these two gentlemen.

Thank you, Mr. Speaker for this opportunity to state my support for H.R. 901. I urge the support of my colleagues.

Mr. MONTGOMERY. Mr. Speaker, I would like to thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT] for his kind words, as well as the gentleman from Arizona [Mr. STUMP].

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Speaker, I thank the gentleman from Mississippi [Mr. MONTGOMERY], the chairman, for yielding this time to me, and I also thank him for his efforts in the passage of this legislation.

Mr. Speaker, I want to direct myself to section 204 of the bill which deals with the subject of eligibility for outpatient medical services by our Nation's veterans.

I originally introduced this section of the legislation as H.R. 1780 to address a problem which came to my attention earlier this year when I was notified by the Adam Benjamin, Jr., Outpatient Clinic in the Fifth Congressional District of Indiana that they would be turning away some category A veterans from outpatient care. I was very disturbed when I received that report because I was under the impression that in fact the VA had to provide services to category A veterans, and that is true with regard to hospital care.

However, Mr. Speaker, what I learned was that in fact there is a different standard for services for outpatient care, and a number of very deserving category A veterans could legally be turned away. Those could include former POW's, victims of agent orange, veterans of World War I, some service-connected veterans with less than a 50-percent service-connected disability. I do not believe the number of those veterans who are now being turned away is large, and in fact the Congressional Budget Office analyzed the estimated cost of this provision and found that for fiscal year 1989 the cost of the legislation would be $40 million in authorization levels and $34 million in outlays with an increase of about $5 million a year through 1993. But for those veterans who are now being denied care, it certainly is very important that they have access to the VA health care system.

Mr. Speaker, I believe further that by providing care to many of these veterans on an outpatient basis we can avoid the necessity of care on inpatient basis at a future date which might be more expensive.

I encourage the passage of this legislation with the provision of section 204 to conform eligibility for outpatient services with that currently in existence for inpatient care, and I want to thank the gentleman from Mississippi [Mr. MONTGOMERY] again for his work on this legislation and for the inclusion of this particular provision.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from Indiana [Mr. JONTZ].

Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. LANCASTER].

Mr. LANCASTER. Mr. Speaker, I rise in support of H.R. 901, to amend title 38 of the United States Code, to improve the programs for the recruitment and retention of health-care personnel of the Department of Veterans' Affairs, to extend certain expiring programs of that Department, and for other purposes. First, I would like to commend the Committee on Veterans' Affairs for bringing this measure before the House today.

This bill will make important contributions to expand and improve on the commitment to provide adequate health-care to our Nation's veterans. The bill authorizes and extends a variety of health and housing programs. The respite care program would be made permanent and the State Veterans' Home Programs would be reauthorized through fiscal 1992.

Mr. Speaker, this is something of an omnibus bill. It covers many areas of great need. Measures are included to enhance the recruitment and retention of nurses as well as to improve certain Department of Veterans' Affairs programs. For example, premium pay on weekends would be provided for all nurses and nurses assistants. The chairman's statement, and the committee report describe in detail the bill, and the work of the committee. However, I do want to call attention to one area of the bill that I think is especially notable.

Section 204 of the bill would require the Department to furnish outpatient care, except for dental services, to all category A veterans for whom hospital care is already mandated. This would include veterans with service-connected disabilities, former prisoners of war, non-service-connected veterans with salaries of less than $16,466 for singles and $19,759 for veterans with one dependent. The bill would not change the eligibility for outpatient care for category B and C eligible veterans.

Mr. Speaker, under current law, only veterans with service-connected disabilities rated 50 percent disabling or

greater are eligible for all needed outpatient care. Other category A veterans are eligible for pre- and post-hospital care and care that would obviate the need for inpatient care.

Mr. Speaker, as stated in the committee report, by mandating health-care to a defined, limited group, veterans will be able to predict the likelihood of receiving care from the Department, and the Department and Congress will have a basis for allocation of resources. This is certainly a positive step. Outpatient care is much less expensive than inpatient service. The requirement to provide needed outpatient care will improve the system by encouraging health-care decisions to be made on the basis of good medical judgment, without any bias toward inpatient care.

I encourage my colleagues to support this bill. It's a positive step for our veterans.

□ 1330

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 901, the Veterans' Health Care Program Amendments of 1989, and I would like to commend the distinguished chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY] and the ranking minority member, the gentleman from Arizona [Mr. STUMP] for their unceasing efforts to improve veterans health-care.

H.R. 901 addresses a number of veteran health-care issues. specifically, the provisions for health-care personnel include allowing the Department of Veterans' Affairs to exceed maximum salary limitations in order to attract "difficult-to-recruit" physicians. The bill also establishes a 5-year leave-sharing pilot program for employees and extends premium pay to licensed practical or vocational nurses and nurse assistants during overtime and on Saturdays.

In total, these personnel provisions are intended to increase incentives to attract skilled nurses and physicians. Currently, this intention is especially important, since the Department of Veterans' Affairs has recently been plagued with a critical shortage of professional health-care workers.

In regard to health-care programs, H.R. 901 makes permanent the provision of respite care to eligible veterans. The pilot program of contract community-based care for homeless and chronically ill veterans would be extended for 3 years.

H.R. 901 would also require the VA to provide outpatient medical services to eligible veterans. To the extent these resources are available, the VA may furnish such services to veterans with non-service-related disabilities.

Mr. Speaker, the betterment of veterans health-care is of paramount importance at this time. H.R. 901 is directed toward providing improved, and more affordable care to America's veterans. Accordingly, I urge my colleagues to join in support of the Veterans' Health Care Programs Amendments of 1989.

Mr. STUMP. Mr. Speaker, I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. JONTZ). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 901, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

VETERANS' NURSE PAY ACT OF 1989

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1199) to amend title 38, United States Code, to improve recruitment and retention of nurses in the Department of Veterans' Affairs by providing greater flexibility in the pay system for those nurses, as amended.

The Clerk read as follows:

H.R. 1199

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTRUCTURING OF NURSE GRADE LEVELS AND PAY.

(a) NEW GRADES ESTABLISHED.—(1) The Secretary of Veterans Affairs shall restructure the current nurse grades of the Department of Veterans Affairs so as to provide four grade levels for nurses employed by that Department under section 4104(1) of title 38, United States Code. Those grade levels shall be established with the following relationships to the current nurse grades and to pay grades under the General Schedule under title 5, United States Code.

1. Entry grade	*Junior and associate grades*	*GS 6-10*
2. Intermediate grade	*Full and intermediate grades*	*GS 9-12*
3. Senior grade	*Senior and chief grades*	*GS 12-14*
4. Director grade	*Assistant director and director grades*	*GS 14-18*

(2) For purposes of paragraph (1), the term "current nurse grades" means the grades in effect on the effective date of this Act for nurses employed by the Department of Veterans Affairs under section 4104(1) of title 38, United States Code.

(b) PAY STRUCTURE AND ADMINISTRATION FOR NEW NURSE GRADES.—Subchapter I of chapter 73 of title 38, United States Code, is amended by inserting after section 4107 the following new section:

"§ 4107A. Nurses: grades, rates of pay, and administration of pay

"(a) The Secretary shall maintain four grade levels for nurses employed by the Department under section 4104(1) of this title. Those grade levels shall have the following relationships to pay grades under the General Schedule under title 5.

"Nurse Grades	*GS Grades*
Entry grade	*GS 6-10*
Intermediate grade	*GS 9-12*
Senior grade	*GS 12-14*
Director grade	*GS 14-16*

"(b) The rates of basic pay for those nurse grades shall, for each grade, be established pursuant to this section. The minimum and maximum rates of basic pay for each nurse grade shall be the lowest minimum, and the highest maximum, respectively, rate of pay for the General Schedule grades corresponding to that nurse grade.

"(c)(1) The range of basic pay for each nurse grade shall be divided into twenty equal increments, known as 'steps'. Rates of pay within a grade shall be established only as full steps. Any increase within a grade in the rate of basic pay payable to a nurse shall be by one or more of such step increments. The director of each medical center may (subject to this section) determine the standards and criteria for such increases.

"(2) Regulations prescribed under this section shall provide—

"(A) that the rate of basic pay of each nurse of the Department employed under section 4104(1) of this title shall be increased at least one step increment in that nurse's grade not less often than every two years that the nurse holds that grade (unless the Secretary determines that the performance of the nurse during the preceding two years has not been satisfactory); and

"(B) that whenever a nurse is given a new duty assignment which is a promotion, the rate of basic pay of that nurse shall be increased at least one step increment in that nurse's grade.

"(3) A nurse of the Department serving in a head nurse position shall while so serving receive basic pay at a rate two steps above the rate that would otherwise be applicable to the nurse.

"(d) A nurse who is promoted to the next higher nurse grade shall be appointed in that grade at a rate of basic pay that is greater than the rate of basic pay applicable to the nurse in the lower grade.

"(e) Under regulations which the Secretary prescribes for the administration of this section, the director of a medical center of the Department may provide step promotions within a grade, or may pay a cash bonus, to a nurse employed at the medical center who has qualifications, experience, or achievement which the director determines exceed the standards for the nurse's grade. In making such a determination, the director shall consider the following:

"(1) Service with relevant professional committees or groups.

"(2) Service in a responsible office in a professional nursing society.

"(3) Educational attainment (including certification).

"(4) Publication of articles in professional journals.

"(5) Exemplary job performance.

"(6) Other appropriate evidence of professional stature.

"(f)(1) The Secretary shall provide (in regulations prescribed for the administration of this section) that the director of a medical center of the Department, in appointing a person under section 4104(1) of this title as a nurse for employment at that medical center, may appoint that nurse at a rate of basic pay in excess of the minimum rate of basic pay applicable to the grade in which the appointment is made (but not in excess of the maximum rate of basic pay for that grade) without a requirement for prior approval at any higher level of authority within the Department if the director determines that it is necessary to do so in order to obtain the services of nurses employed under section 4104(1) of this title in that nurse grade at that medical center.

"(2) Such a determination may be made by the director of a medical center only in order—

"(A) to provide pay in an amount competitive with the amount of the same type of pay paid to nurses at non-Federal facilities in the same labor market;

"(B) to achieve adequate staffing at the medical center concerned; or

"(C) to recruit nurses with specialized skills, especially nurses with skills which are especially difficult or demanding.

"(3) Whenever the director of a medical center exercises authority under this subsection without prior approval at a higher level of authority within the Department, the director shall—

"(A) document in writing the reasons for employing the nurse concerned at a rate of pay in excess of the minimum rate of basic pay applicable to the grade in which the nurse is appointed (and shall retain that document on file); and

"(B) in the first budget submission of the director prepared after the nurse is employed, include documentation for the need for such increased rates of basic pay.

"(g) A nurse employed under section 4104(1) of this title who (without a break in employment) transfers from one medical center of the Department to another may not be reduced in grade. The rate of basic pay of such a nurse may be established at the new medical center in a manner consistent with the practices at that medical center for a nurse of that grade.".

(c) REPEAL OF LIMITATION ON HOURLY RATE OF OVERTIME PAY.—Section 4107(e)(5) of such title is amended by striking out ", not to exceed" in the first sentence and all that follows through "Nurse Schedule".

(d) CONSOLIDATION OF NURSE PAY PROVISIONS IN NEW NURSE PAY SECTION.—(1) Subsection (e) of section 4107 of such title (as amended by subsection (c)) is—

(A) transferred to the end of section 4107A of such title, as added by subsection (b);

(B) redesignated as subsection (h); and

(C) amended by striking out "the rate of basic pay provided for nurses in subsection (b)(1) of this section" in paragraph (1) and inserting in lieu thereof "basic pay";

(2) Subsection (h) of section 4107 of such title is—

(A) transferred to the end of section 4107A of such title (as amended by paragraph (1));

(B) redesignated as subsection (i); and

(C) amended in paragraph (2)—

(i) by striking out "one thousand two hundred and forty-eight" in subparagraph (B) and inserting in lieu thereof "1,248"; and

(ii) in subparagraph (C)—

(I) by striking out "subsection (e)(5)" both places it appears and inserting in lieu thereof "subsection (h)(5)"; and

(II) by striking out "subsection (e)" and inserting in lieu thereof "subsection (h)".

(e) CONFORMING AND CLERICAL AMENDMENTS.—(1) Section 4107(b) of such title is amended by striking out the items under the heading "NURSE SCHEDULE" and inserting in lieu thereof the following:

"Entry grade.
"Intermediate grade.
"Senior grade.
"Director grade.".

(2) The table of sections at the beginning of chapter 73 of such title is amended by inserting after the item relating to section 4107 the following new item:

"4107A. Nurses: grades, rates of pay, and administration of pay.".

SEC. 2. PROCREATIVE SERVICES FOR MARRIED VETERANS WITH SERVICE-CONNECTED DISABILITIES WHICH IMPAIR THEIR ABILITY TO PROCREATE.

Section 612 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(k) The Secretary may provide to a married veteran (and, if necessary, the veteran's spouse) procreative services to the extent reasonably necessary to overcome the effects of a service-connected disability of the veteran which prevents or impairs the ability of the veteran and the veteran's spouse to conceive a child. Such services may not include—

"(1) procedures to conceive a child using gametes of an individual other than the veteran or the veteran's spouse;

"(2) procedures to conceive a child through in vitro fertilization; or

"(3) the services of a surrogate gestational mother.".

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1989.

The SPEAKER pro tempore (Mr. VOLKMER). Is a second demanded?

Mr. STUMP. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1199, as amended, would provide a solution to the problem of nursing staff shortages which is critical to our efforts to maintain high quality care within the Department of Veterans Affairs [DVA] and to restore services to a level adequate to treat all eligible veterans. The bill would make much needed improvements in the DVA's nurse pay system, one of the most important tools available to recruit registered nurses into the DVA medical system from an already too small pool of nurses nationally. In addition, it would offer certain procreative services to specific and clearly defined group of service-connected disabled veterans. The bill was reported out of our committee unanimously by voice vote. The various provisions of the bill are summarized in a "blue sheet" summary available for Members, and I will discuss them here as well.

For several years, the Committee on Veterans' Affairs has been aware of serious and growing difficulties in the ability of the DVA to attract and retain registered nurses. This problem was highlighted by a survey conducted by the House Veterans' Affairs Committee staff last year. We found that some medical centers have had to shut down wards while others have been unable to open newly constructed ones because they simply do not have the necessary nursing staff to operate them. Mr. Speaker, without the proper amount of nursing personnel, the DVA is hard pressed to meet the growing need for medical care demanded by our Nation's veterans.

This shortage of nurses is not endemic to the DVA, but as the largest single medical care system in this country it is the most adversely affected. It is impossible for the Department to compete with the private sector for these scarce medical personnel without addressing their greatest point of concern—salaries authorized under the DVA's current nurse pay system.

H.R. 1199 condenses the current nurse pay grades from eight to four and divides each new pay grade into 20 equal increments known as steps. The intent of the committee is to provide local hospital directors with the flexibility to meet local conditions with respect to demand and the costs of recruiting and retaining nurses. We expect that the directors will carefully assess local market conditions before establishing the pay rates. This will ensure that while departmental nurse salaries may not be as much as those offered in the private sector, they will at least be more competitive with them. One anticipated benefit will be that the Department will have current information on the costs of nursing personnel when the proposals for annual departmental budgets come to the Congress.

Dividing the grades into 20 equal steps will offer some structure to the system. However, it is not our intention that these steps should allow increased rigidity. Rather, we intend with these changes to provide greater flexibility across the board in the nurse pay system and they should not be misinterpreted as a signal or an opportunity to make the system more rigid.

Mr. Speaker, in another version of a nurse pay bill that came before the committee, language was included that explicitly set out specialties among nurses that were especially difficult to recruit and retain for the DVA. These included intensive care nurses, nurse anesthetists, long-term care nurses

and others. We decided that the rigidity proposed by such a statutory list was inconsistent with the fluid nature of nurse personnel supply and demand across our diverse Nation. Therefore, we opted to give flexibility to local hospital directors to meet the unique circumstances facing the local facility. Nothing in H.R. 1199, as amended, precludes a nurse in one speciality area from receiving higher pay than other nurses of similar seniority at the same facility. Some people might say that would have a deleterious effect on morale. I do not believe that. The nature of a competitive marketplace includes diversity of pay for scarce supplies of personnel. If the result is that nurses enter a more highly paid specialty, then the higher pay will have achieved its goal.

Mr. Speaker, the committee has heard a lot of testimony from the various nursing organizations within the DVA about how overworked and underpaid they are and yet the fact remains that they continue to work for the Department. They do so because they are dedicated, loyal employees. They do so because the DVA, despite its problems, is still a high quality health care delivery system. However, we cannot continue to rely on this dedication and loyalty alone. We must make the DVA a viable option to the private sector for nursing personnel and a more competitive salary structure would go a long way toward accomplishing this goal.

Mr. Speaker, H.R. 1199, as amended, would also authorize the DVA to furnish certain procreative services to those veterans whose eligibility for DVA medical care has always been the highest priority—those disabled in service. Medical science has made great advances over recent years in a large number of disciplines. I am proud to say that the Department of Veterans' Affairs has played a starring role in those advances.

Among these advances is knowledge about reproduction. Much can now be done medically to aid in overcoming infertility. The DVA has suggested that such services may be beyond its authority because the infertility services do not repair, but rather overcome physiological problems. Well, if that were true, wheelchairs which also only help to overcome disabilities, would fall outside the Department's authority as well.

Mr. Speaker, in order to clarify the situation involving a highly emotional subject for veterans and their spouses who are precluded from conceiving a child because of a service-connected condition, our committee included a provision in H.R. 1199, as amended, to authorize procreative services.

Now I hasten to add that these services would be provided only to the extent reasonably necessary to overcome the effects of a service-connected disability of the veteran, which prevents or impairs the ability of the veteran and the veteran's spouse to conceive a child. The inability to conceive, therefore, would be required to be directly linked to a service-connected disability in order to use this authority. There are other restrictions as well. These services would not include in vitro fertilization or the use of donor gametes from an individual other than the veteran or the veteran's spouse. The bill would specifically allow, however, services to the veteran's spouse in the event and to the extent that overcoming the veteran's service-connected procreative disability requires such services.

Mr. Speaker, it is not known exactly how many veterans will participate in this program. The Congressional Budget Office estimates that very few service-connected veterans would use the authority. However, that does not reduce the value or the benefit to those who qualify. I believe that for those veterans who want to have a family and cannot due to service-connected impairments—we should offer help.

Mr. Speaker, I urge my colleagues to support H.R. 1199, as amended.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1199, as amended, the Veterans' Nurse Pay Act of 1989. It makes badly needed revisions in the pay scale for nurses so that the Department of Veterans' Affairs may become more competitive in the health-care professional marketplace.

Before yielding to the ranking minority member to comment on the bill, I want to recognize the leadership and hard work of the distinguished chairman of the full committee, and subcommittee, the gentleman from Mississippi, SONNY MONTGOMERY.

Our veterans are indeed fortunate to have him as their chief advocate in this House. His determination on their behalf is unsurpassed as exemplified by congressional action last week providing urgent supplemental funding for the Department of Veterans' Affairs. As the ranking minority member of the full committee, I want to personally thank him for his consistent bipartisanship and his counsel on issues of importance to our Nation's veterans.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member of the Subcommittee on Hospitals and Health Care of the Veterans' Affairs Committee.

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 1199, as amended, the Veterans' Nurse Pay Act of 1989. The bill provides for increased flexibility on the part of the Department of Veterans' Affairs so that the agency can more effectively respond to the negative effects that the national nursing shortage is having on veterans' access to medical care.

The Subcommittee on Hospitals and Health Care have held many meetings at which the national nursing shortage has been in the forefront. It has become increasingly obvious that the Congress must take rapid action to improve the ability of the Department of Veterans' Affairs to compete for adequate numbers of registered professional nurses.

Through surveys conducted by the committee, we have been able to determine that nursing shortages have resulted in reducing veterans' access to needed medical services. In fact, the committee has reported that up to 30 percent of DVA operating beds have been closed due to funding and staff shortages.

The committee has also substantiated reports that new facility activations have been delayed, and in some instances, remain delayed due to funding and health care personnel shortages. Veterans' access to outpatient care has been critically reduced and in the case of certain category B and C veterans, completely denied.

It also seems clear from committee hearing records, that the capacity of the DVA medical system to deliver care has decreased substantially. The reports and testimony regarding staff, funding and bed levels are consistent in magnitude and direction to support this conclusion.

We have all agreed that the DVA is indeed experiencing difficulties in its ability to recruit and retain professional nurses. The time has come to send legislation to the President. The future of DVA medical centers depend on favorable action.

H.R. 1199 will also address the provision of certain medical services to veterans who are service-connected for disabilities which impair their ability to have children. This provision is supported by the major veterans organizations, and the other body has similar legislation.

The number of veterans, male and female who would qualify for treatment is quite small. Accordingly, the Congressional Budget Office has estimated that the cost of enactment of this provision would be less than $500,000.

Technology in recent years has advanced to the point where it is fairly simple to treat certain fertility impairments. It is important that we allow our service-connected veterans access to such treatment, should they desire to have a family.

Mr. Speaker, my colleagues, Mr. MONTGOMERY and Mr. KENNEDY, have

explained the bill. I simply want to urge my colleagues' support of this measure.

Mr. STUMP. Mr. Speaker, the gentleman from Mississippi [Mr. MONTGOMERY] started off explaining the bill, but a major contributor to our bill was the gentleman from Massachusetts [Mr. KENNEDY], who I know is going into a more comprehensive explanation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Speaker, first I want to thank our distinguished chairman of the Veterans' Affairs Committee, SONNY MONTGOMERY, the ranking minority member, BOB STUMP, and their able staff, for their support and leadership on this legislation. It has been a privilege to serve with both these men on the Veterans' Affairs Committee and I look forward to working with them on many more veterans' issues in the years to come.

The debate over the supplemental appropriations has convinced every single Member in this House, that the VA medical system is facing a crisis of an enormous proportion. We know that VA hospitals have been forced to take beds out of service, deny patient care to war-injured veterans, and cut back on essential patient services. Passing the supplemental was an important step in lessening the crises, but there is much more work that we need to do in order to reestablish the VA's reputation as a quality, medical institution. The next step is the passage of this legislation the Veterans' Nurse Pay Act.

The past years of budget cuts and freezes has caused an immense nursing shortage in the VA. There are over 2,400 RN vacancies which has seriously undermined the VA's ability to deliver quality, timely care. The continuous underfunding of salaries is the principle cause of the nursing shortage and unless we do something to reverse this trend, our veterans will continue to be turned away from VA hospitals because we are just simply running out of nurses to care for sick veterans. VA nursing salaries are grounded in title V of the general schedule which fails to provide the flexibility local hospital directors need to recruit and retain registered nurses. Currently, the GS pay scale for a registered nurse just out of college is $17,542 per year. This may be sufficient for the limited areas of the country where there is no nursing shortage, but for 75 percent of the VA medical centers, this salary is totally inadequate to recruit and retain qualified registered nurses. Nurses in the VA can receive special salary rates, but the problem with special salary rates is by the time a hospital administrator receives the go-ahead from the VA central office to implement the new rates, nursing salaries in the private sector have escalated again, placing the administrator in the constant game of catchup. Another problem with special salary rates is that in areas such as New York, Boston, and San Francisco, labor costs far exceed the limit placed on special salary rates.

H.R. 1199 also provides nurses with the incentive to excel in their practice by rewarding them for assuming head nurse positions, publishing professional articles, and attaining clinical certification. But most importantly, this legislation will reward nurses for choosing to work at the Veterans' Administration by allowing them to receive pay competitive with the private sector.

The other aspect of H.R. 1199 will provide vital medical services to veterans who have a service-connected disability which impair their ability to have a child. These services include widely practiced medical procedures such as artificial insemination, drug therapy, and the GIFT procedure. This bill does not include more controversial measures such as in vitro fertilization, or surrogate mothers. For less than half a million dollars, we may be able to provide some 16,000 men and 1,300 women with the chance to become parents. Access to this medical care may be the best service we can offer these men and women.

I urge my colleagues to vote for H.R. 1199 which includes the nursing provisions and the medical services for childless veterans.

□ 1340

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the former ranking member of the Committee on Veterans' Affairs, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate him taking me out of turn so that I can get up to the Committee on Rules meeting which starts in a few minutes.

I want to take a minute just to commend the chairman of the full committee, the gentleman from Mississippi [Mr. MONTGOMERY], and the gentleman from Arizona [Mr. STUMP], who took my place as the ranking member on the full committee, and the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

This legislation is the most badly needed legislation we have in this Congress today. As the gentleman from Massachusetts has spoken about Boston and New York and Albany, NY, we have serious problems today in replacing nurses who have left to go to the private sector and in attracting those new nurses coming out of nursing schools where there is a real drought of nurses today.

I think the time may come when this committee may want to consider a nurses' reserve officers training program where we can offer scholarships to these nurses, full scholarships, if they will then guarantee so much time, say, 5 years to their country in service of the armed services or in the veterans' hospitals. This is something we ought to work together on, because I think the time will come when we are going to have to go to a program like that.

Mr. Speaker, I take off my hat to the committee. It is good to see they are still out there doing that great job for America's veterans.

Mr. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the gentleman from Massachusetts.

Mr. KENNEDY. Mr. Speaker, first of all, I want to say how delighted I am to see the gentleman from New York [Mr. SOLOMON] speaking in favor of the remarks. He was a tremendous member of the Committee on Veterans' Affairs, and we miss him for the short period of time that he has been away.

I also want to thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT], who has been an inspiration, although he stands on the other side of the aisle. The fact is the gentleman from Arkansas [Mr. HAMMERSCHMIDT] has done a wonderful job in representing the interests of our veterans, and I appreciate the support he has given on this for the nurses involved with the VA who so badly need a helping hand here in the Congress.

Mr. STUMP. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I would like to thank the gentleman from Arizona for allowing me to address the House.

Today I rise in support of the House Veterans' Affairs Committee actions regarding H.R. 1199—the Veterans' Nurse Pay Act of 1989. I am proud to be a cosponsor of this important bill. I commend the Chairman, Mr. MONTGOMERY, and all the members of the committee for moving this bill diligently through the legislative process.

Our great Nation is faced with a serious problem that affects our VA health-care system. As I stand here today, that system is slowly deteriorating. Aside from the fact that the majority of our veterans' population is now aging and requires more specialized care, more money, and better equipment than ever before, veterans' hospitals are also losing nurses. Because the current pay system for VA nurses is so outdated, we are losing a great number of qualified nurses to hospitals outside the VA health-care system.

As freedom-loving Americans, it is our responsibility to care for our veterans' population in the best possible

way. We cannot allow the VA hospital system to crumble. Maintaining the quality of those hospitals is the least we can do for the brave men and women who risked their lives for our Nation.

My district, the 27th of New York, has a large veterans' hospital in Syracuse. The VA facility is not competitive in the local marketplace in the hiring of new nurses. With the passage of H.R. 1199, they will be able to overcome this obstacle.

H.R. 1199 addresses the recent problems our veterans' hospitals have had to face in dealing with the recruitment of a nursing staff. This bill provides greater flexibility in the pay system which helps to attract the nurses into the system. As for the retention of those nurses, there are also pay incentives set up within the bill, giving the directors of local veterans' medical centers the ability to offer these nurses who are dedicated to helping our veterans, wages that are competitive with the private sector.

Therefore, it is for this reason that I strongly support the passage of this legislation.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, this Member wants to commend the gentleman from Massachusetts, [Mr. KENNEDY], for introducing H.R. 1199, the Veterans' Nurse Pay Act of 1989. I would also like to recognize the efforts of the chairman of the Veterans' Affairs Committee, the gentleman from Mississippi [Mr. MONTGOMERY], and the ranking minority member, the gentleman from Arizona [Mr. STUMP], for their energy and leadership in bringing this issue before us in such a timely fashion. As a cosponsor of H.R. 1199, this Member urges my House colleagues to vote in support of this measure.

On March 30 of this year this Member once again visited the Veterans' Medical Center in Lincoln, NE. During my tour of the facility, I met with the nursing staff. The problems noted by this fine VA nursing staff including working under high stress situations, often working 6 to 7 days in a row, and working 2 or 3 weekends a month. Furthermore, the VA nurses noted that the increased care level of the veteran patients resulted in a need for a high level of nursing expertise. As a result, they were fearful that with the present trend of reducing the number of nurses at the Lincoln Veterans' Medical Center they would be unable to continue to provide top quality nursing care to our Nation's veterans. We in the Congress must act to provide the financial incentives that are necessary to recruit and retain nurses in the VA system so as to provide this Nation's veterans with the medical care that they need and deserve.

The passage of H.R. 1199 will assist in achieving the goal of adequate health care for our veterans. The bill provides for a more flexible pay scale for nurses by reducing the number of pay grades from eight to four and by providing a wider salary range within each grade. Local hospital directors are given the authority to use higher starting salaries as a recruitment incentive to attract nursing personnel. However, these salaries would still have to be justified in the next budget process. H.R. 1199 will give VA nurses long overdue incentives for choosing to work within the Department of Veterans' Affairs by allowing them to receive pay that is competitive with the private sector. I ask each Member of the House to vote for our country's veterans by voting for H.R. 1199.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 1199, the Veterans' Nurse Pay Act of 1989, and I thank the gentleman from Massachusetts [Mr. KENNEDY] for his sponsorship. I also commend the distinguished chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY], and the ranking minority member, the gentleman from Arizona [Mr. STUMP] for bringing this measure to the floor at this time.

H.R. 1199 addresses an important health-care issue. The difficulty which the Department of Veterans' Affairs has had in attracting and retaining registered nurses. The current payment provisions have created a critical shortage of registered nurses.

This situation has caused the temporary closure of approximately 13,000 VA hospital beds.

H.R. 1199 would enable the Veterans' Administration to offer salaries which are competitive with private hospitals. This bill creates a new payment schedule for nurses, which will condense the eight current VA nurse pay grades into four, and divide each of the four grades into 20 steps.

The terms under which VA nurses shall be promoted are also outlined in the measure. An increase of at least one pay grade step every 2 years will be granted to all nurses. Furthermore, nurses who receive promotions involving additional duty will receive an automatic one-step salary increase and all head nurses will receive a two-step salary increase.

Finally, this legislation would empower VA hospital directors to adjust salaries in order to attract necessary nurses.

Mr. Speaker, H.R. 1199 provides a much needed remedy. Accordingly, I have cosponsored this measure and I urge my colleagues to join in support of the Veterans' Nurse Pay Act of 1989.

□ 1350

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I do want to congratulate the ranking member of the committee, the gentleman from Massachusetts [Mr. KENNEDY], for sponsoring this bill. As a member of the Appropriations Committee, we find the nursing problem is serious throughout the whole Nation. So I congratulate the Veterans' Affairs Committee today for upgrading at least four levels in pay raises so that we can attract and keep our good nurses in the veterans' program.

I represent Ann Arbor, MI, and we have a VA hospital. In my last trip over there just 3 weeks ago, it was indicated that we are about 24 nurses shy and unable to find them. We find hospitals competing and the private sector competing for nurses all over the Nation, and obviously it is an economic and salary level problem. I congratulate this committee for upgrading and keeping on top of a very serious national problem.

I am going to cosponsor some amendments in the appropriation bill to establish and extend the Nursing Commission which Dr. Bowen, former Secretary, established to look at the other aspects of regional differences, economic differences, as the gentleman from Massachusetts [Mr. KENNEDY] pointed out, and labor problems also, because I really think nurses are getting hurt with the low economic status they receive, and I congratulate this committee for an outstanding piece of legislation and encourage all of my colleagues to vote yes on this bill, H.R. 1199.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the very able gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I would like to take a moment to discuss the budget resolution assumptions for veterans' programs. I think most Members will recall we had an interesting struggle in the Budget Committee and on the floor of this House and in the Conference Committee to allocate enough money to the veterans' function so that we could do all of the things we wanted to do for the veterans. Even so, we still have to stay within the 302(b) allocations.

When we pass bills like this one, we have to know where the money is coming from, and with which other programs it is going to be competitive. Earlier in the year we passed a grave liner bill that will cost about $4 million. This one will be in the same neighborhood, $5 million to $10 million according to CBO, although the Department of Veterans' Affairs really

expects the bill to cost nearly $35 million in the first year.

When one looks at the give in the budget that has already been improved, one wonders where that is coming from, and most expections are that that is going to come out of the COLA increase which many Members of the House are sworn to give in the full amount of 4.9 percent. But that $457 billion which is the 4.9 COLA increase may have to give for administrative costs and, in fact, actual costs of programs like the ones we pass today.

I mention these things so that Members will be apprised of the difficulties and know that these programs are going to be competitive, and we still have battles to wage in the Appropriations Committee.

Mr. Speaker, I believe that this program and the one to follow, which relates to pensions, are meritorious, and I believe the committee has made the correct decision. I intend to vote for them. But I do want Members to know that there may be difficult competitive times in the future.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY], the author of this legislation.

Mr. KENNEDY. Mr. Speaker, basically I wanted to just address some of the concerns that were just articulated by the gentleman from Minnesota [Mr. FRENZEL].

The estimates we have received for the cost of this bill were somewhere between $5 million and $10 million, and that estimate was done by the CBO. As the ranking minority member is well aware, the special salary rates have been fully funded by the budget resolution, and we are well within the 302(b) allocation. So I do not know what the problem is. But I think we are well within the guidelines that we were provided by the Appropriation Committee and the Budget Committee.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I believe the gentleman from Massachusetts is correct on the statement he has just made.

Mr. KENNEDY. I thank the gentleman.

Mr. BRENNAN. Mr. Speaker, I rise today in support of H.R. 1199, the Veterans' Nurse Pay Act. This urgently needed measure will begin to put our veterans' hospitals across the country back in the position of providing the best medical care available to our veterans.

In my State of Maine, State's only VA medical center has suffered continuous losses of talented nursing personnel who are forced to leave not because of a disregard for veterans, indeed, I have met many such nurses and they are among the best advocates for veterans' causes anywhere, no, these nurses are leaving because they simply can no longer rely on their salaries to make a decent living and retain their professional competitiveness.

The need to change the Federal wage structures that have caused this crisis is now an urgent national priority. A 1988 House Veterans' Affairs Committee study detailed 2,400 vacancies in nurse positions at VA hospitals across the country. H.R. 1199 will make salaries more competitive with the private sector, give local hospital directors greater flexibility in assigning competitive wages, grant nurses more incentives to stay at VA hospitals, and provide them with opportunities for career advancement.

Mr. Speaker, our veterans deserve the best medical care we can provide. But they cannot be cared for without a trained and motivated nursing staff. Our veterans' nurses should be given the respect and compensation they deserve. Today, let us pass H.R. 1199 and show our respect and appreciation for two groups in this country who do not receive enough of either, veterans and nurses.

Mr. MILLER of Washington. Mr. Speaker, I rise in support of the Veterans' Nurses Pay Act. Veterans are among this country's most dedicated and decorated servants. Yet, those who care for our mentally and physically ill veterans are leaving hospitals around the country, because the salaries and benefits afforded them are not competitive with others in their profession.

What a sad irony that those who deserve our greatest respect are losing the care they deserve, simply because we aren't paying veterans' nurses enough. What a sad message we are sending to veterans.

In a study last year, the Veterans' Affairs Committee found registered nurse staffing levels for VA medical centers were 29 percent less than their private-sector counterparts. The study also found there were 2,400 vacant nurse positions in veterans' facilities.

I am speaking in favor of H.R. 1199, the Veterans' Nurses Pay Act. This bill allows hospital directors to increase salaries for veterans' nurses without the approval of the Veterans' Affairs Department.

Let's show veterans how much we support them. They've given so much to this country. It's only right we give them the care they deserve.

Mr. BURTON of Indiana. Mr. Speaker, I rise in support of the legislation before us, the Veterans' Nurse Pay Act of 1989. This legislation has been given careful consideration by the Veterans' Affairs Committee and the Hospitals and Health Care Subcommittee.

I commend the author of the bill and my colleague on the committee, JOE KENNEDY of Massachusetts, for his hard work in this area. I also applaud the chairman, SONNY MONTGOMERY; the ranking member of the full committee, BOB STUMP; and the ranking member of the subcommittee, JOHN PAUL HAMMERSCHMIDT.

Mr. Speaker, the nursing shortage in our VA hospital system is a very serious problem on which we must take action. In Indianapolis, the Roudebush VA Medical Center has had an extremely difficult time attracting and retaining qualified nurses because private hospitals are offering higher salaries. As a result, the hospital has been forced to close two wards to patients. This is an intolerable situation.

The Veterans' Nurse Pay Act will give VA hospital directors the flexibility they need to offer competitive salaries to nurses in their communities. This is going to help the veterans in Indiana and across the country because it will help VA hospitals keep all of their wards open and fully staffed.

I am a cosponsor of this bill and I urge its adoption.

Mr. ROWLAND of Connecticut. Mr. Speaker, I rise today to express my support for H.R. 1199, the "Veterans' Nurse Pay Act of 1989."

Across the country, Department of Veterans' Affairs hospital beds have been unavailable as a result of the critical shortage of nurses that threatens the quality of care delivered to our Nation's veterans. In fact, the West Haven DVA Medical Center in my home State of Connecticut reported last year that they had to close off 71 beds because of their nursing shortage.

Last month, I had the pleasure to attend the Veterans' Affairs Subcommittee on Hospitals and Health Care's field hearing at the West Haven Medical Center. Testimony received during this hearing regarding the shortage of health care professionals at DVA hospitals reinforced the dire need for action on this matter.

This important legislation will greatly assist Department of Veterans' Affairs hospital administrators in the recruitment and retention of registered nurses by significantly restructuring the nurse pay system. I believe that the time is now to act on this matter to ensure that our DVA hospitals can reopen closed wards and restore the quality of patient services to deserving veterans.

Mr. LANCASTER. Mr. Speaker, I rise in strong support of H.R. 1199, to improve the recruitment and retention of nurses in the Department of Veterans' Affairs by providing greater flexibility in the pay system for those nurses. This bill, in conjunction with H.R. 901, will help improve the health care system for our Nation's veterans. I commend the Committee on Veterans' Affairs for its work in this area, and urge my colleagues to support this bill.

Mr. Speaker, in its 1988 study, the Committee on Veterans' Affairs found that registered nurse staffing levels for VA medical centers were 29 percent less than their private-sector counterparts. The study also showed that there were 2,400 vacancies in authorized nurse positions in veterans' facilities. The bill address this serious problem by replacing the current eight salary levels for nurses with four broader pay ranges, and gives discretion to directors of local veterans medical centers to offer salaries to new nurses within those ranges. The bill would allow hospital directors to increase salaries without prior approval from the Veterans' Affairs Department in order to recruit and retain nurses, and require annual reports to the Department regarding these increases.

Mr. Speaker there is more to this bill than simply improving the recruitment and retention

of nurses serving in VA medical centers, but this is certainly an important part of the bill. Nurses are in integral part of the VA medical care system. Without recruiting and retaining good nurses, our VA medical system will suffer. This bill takes important steps to address this problem. I urge my colleagues to join the Committee on Veterans' Affairs in supporting H.R. 1199.

Mr. MONTGOMERY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 1199, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read:

"A bill to amend title 38, United States Code, to improve recruitment and retention of nurses in the Department of Veterans' Affairs by providing greater flexibility in the pay system for those nurses and to authorize the Secretary of Veterans' Affairs to provide certain procreative services for married veterans' with service-connected disabilities which impair their ability to procreate.".

A motion to reconsider was laid on the table.

JAMES J. HOWARD VETERANS' OUTPATIENT CLINIC

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2557) to designate the outpatient clinic of the Department of Veterans' Affairs to be located on New Jersey State Route 70 in Brick Township, New Jersey, as the "James J. Howard Veterans' Outpatient Clinic".

The Clerk read as follows:

H.R. 2557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The outpatient clinic of the Department of Veterans' Affairs to be located on New Jersey State Route 70 in Brick Township, New Jersey, shall be known and designated as the "James J. Howard Veterans' Outpatient Clinic".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, map, regulation, document, record, or other paper of the United States to the outpatient clinic referred to in section 1 shall be deemed to be a reference to the "James J. Howard Veterans' Outpatient Clinic".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2557 would name the new Department of Veterans' Affairs outpatient clinic in Brick Township, NJ, for our late colleague, the Honorable James J. Howard.

The bill is cosponsored by the entire New Jersey delegation and supported by the State veterans' organizations, as required by committee procedures.

The gentleman from Arkansas, Mr. JOHN PAUL HAMMERSCHMIDT, ranking minority member of our Subcommittee on Hospitals and Health Care, and the ranking minority member on the Public Works and Transportation Committee worked very closely with Jim Howard on that committee, and he will certainly discuss and explain the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. STUMP. Mr. Speaker, I urge my colleagues to support H.R. 2557.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise to urge your support and the support of my colleagues on H.R. 2557, a bill to designate the veterans' outpatient clinic located in Brick Township, NJ, as the "James J. Howard Veterans' Outpatient Clinic."

As you know, many Members of this body, myself included, were supporters of this bill last Congress. Unfortunately, the measure was deleted in conference.

James J. Howard (Jim—as we knew him) served the Third Congressional District of New Jersey from the 89th through the 100th Congresses and died in office on March 25, 1988. Mr. Howard served as chairman of the Committee on Public Works and Transportation from the 96th Congress until his death.

Many of my colleagues here today remember Mr. Howard as a devoted protector and promoter of the best interests of veterans and their dependents. He was an outspoken advocate of benefits paid to veterans with disabilities incurred while in military service as well as dependency and indemnity compensation paid to their survivors.

Mr. Howard voted consistently for legislation to maintain adequate staffing levels at VA medical facilities. Recognizing the need for greater emphasis on ambulatory treatment, and in particular, the need for a VA medical facility to serve veterans in the central New Jersey region.

He worked closely with our colleagues, CHRISTOPHER H. SMITH and JAMES J. FLORIO, two distinguished members of the Committee on Veterans' Affairs to establish the very clinic we are attempting to name in remembrance of him. The clinic became a reality as a result of Public Law 100-322.

Mr. Howard's unwavering record on behalf of veterans is a legacy of concern and compassion for their well-being. It is a record of a distinguished individual who recognized the importance of veterans' benefits and who worked hard to maintain the Nation's commitment to care for those men and women who have served in its defense.

I believe it is fitting to pay tribute to the memory of Congressman Howard. We have the support of the entire New Jersey delegation on this measure so I recommend that we take favorable action on this bill.

□ 1400

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 30 seconds in closing remarks. I want to commend two members of the committee for their work to establish this outpatient clinic, the members of our committee, JIM FLORIO and CHRIS SMITH. They have been deeply involved in getting a clinic at New Jersey. Now we named it for Jim Howard.

Mr. ANDERSON. Mr. Speaker, I wish to express my support for H.R. 2557, to designate the James J. Howard Veterans' Outpatient Clinic in Brick Township, NJ. As a colleague of Jim Howard's on the Committee on Public Works and Transportation, I know how hard he worked to have this much needed facility located in Brick Township to meet the needs of the many veterans at the New Jersey shore.

The fact that this clinic is located in Brick Township is a tribute to Jim Howard's ability to get things done. As the many members who served with Jim during his 23 years in this Chamber can attest, when he set his mind on something, there was no stopping him.

That was true in this case in which he was determined that there would be a clinic to serve the veterans of northern Ocean County, NJ. There would be no clinic in Brick Township without Jim Howard, therefore it is fitting that the clinic bear his name. It is also fitting that his colleagues in the House pay this tribute to Jim Howard by enacting the name by statute, rather than allowing an administrative agency to make the designation.

I also want to commend my colleague from the Committee on Public Works and Transportation, JOHN PAUL HAMMERSCHMIDT, for following through on this legislation. I know the gentleman from Arkansas, as the ranking Republican member of the committee, worked closely with Jim Howard and fully appreciated his contributions to this Nation in many fields. I also want to commend Mr. MONTGOMERY, the Chairman of the Committee on Veterans' Affairs, for moving this legislation to the floor.

As Jim Howard's colleague on the Committee on Public Works and Transportation Committee, I can easily attest to his work to improve the Nation's infrastructure. He was proud of his work on the Interstate Highway System, on mass transit, on clean water and water resources development.

At the same time, he devoted his tremendous energy to making the Nation's highways safer places for everyone using them. He was intensely passionate about safety legislation such as the 55-mile-per-hour speed limit and the 21-year-old minimum national drinking age, as well as many other safety issues which the committee enacted during his chairmanship.

Jim Howard's achievements extended beyond public works and transportation, however. He also numbered among his achievements, education legislation that resulted in the construction of Ocean County Community College and legislation on the 200-mile fishing limit. The veterans' outpatient clinic is another example of his efforts.

Jim Howard had many plans ambitious programs to upgrade and restore the infrastructure. At the time of his death last year, much of that work remained undone. The Veterans' Outpatient Clinic in Brick Township is one part of his work that was finished. It will be there, serving the veterans.

Mr. Speaker, I am proud to join with my colleague from the Public Works and Transportation Committee, JOHN PAUL HAMMERSCHMIDT, the members of the Committee on Veterans' Affairs, and the New Jersey delegation in supporting H.R. 2557 naming the James J. Howard Veterans' Outpatient Clinic.

Mr. FLORIO. Mr. Speaker, I am pleased to join in expressing support for H.R. 2557, to designate the outpatient clinic in Brick Township, NJ, as the James J. Howard Veterans' Outpatient Clinic. As a cosponsor of this legislation, I am thankful for this timely action on legislation that honors our late colleague and friend.

I am indeed proud to have been a colleague of Jim Howard's and to have served with him in representing New Jersey. As a member of our delegation, Jim Howard worked tirelessly to promote the interests of his constituents and the well-being of both our State and our Nation. During the 23 years that he served the Third Congressional District of New Jersey, Jim Howard demonstrated compassion and understanding, and a love for serving his constituents and his country.

I know that I am joined by many of my colleagues, by Jim Howard's family and by his constituents in saying that we have missed him. But Jim left us a legacy that will be remembered by many generations to come. As chairman of the House Public Works Committee, Jim Howard fought for rebuilding our Nation's infrastructure in a way that made sure that environmental concerns were given top priority. His efforts showed his strength and compassion in dealing with such key issues as environmental protection, funding for mass transit and our Nation's roadways, and airport safety. I welcomed Jim Howard's help in many efforts, including the reauthorization of Superfund. His record of accomplishments is long and he will be remembered as a legislator who cared about his constituents enough to fight for them.

There is another dimension to the life of Jim Howard that we should draw attention to today. Many of you may know that Jim Howard served his country in the Navy during World War II, in the South Pacific, and was a member of the Veterans of Foreign Wars. He dedicated his efforts to making sure that the veterans in his district were treated fairly and with honor. Recognizing the serious health care needs of the veterans in his community, Jim Howard joined me in seeking to authorize an outpatient clinic in Brick Township, NJ. This outpatient clinic, which is scheduled to open for business this coming fall, will serve a number of the needs of the veterans in that area. The need for more facilities in New Jersey is severe. Jim Howard and I recognized that and fought for this facility.

It is therefore only appropriate to dedicate this facility to Jim Howard's memory in the hope that the many generations of veterans who will be served by this clinic will remember the hard work and dedication of our late colleague.

I urge my colleagues to support this legislation.

Mr. UDALL. Mr. Speaker, today the House will vote on H.R. 2557, a bill to name the newly constructed Veterans' Administration Outpatient Clinic in Brick Township, NJ, the James J. Howard Veterans' Clinic. I am proud to support this legislation.

Jim Howard, a respected colleague and close personal friend would have been honored to see the fruits of his labors culminate in this much needed veterans facility. Congressman Howard was a strong supporter of the brave men and women who served this country in the Armed Forces. His voting record on veterans legislation is proof of his unwavering commitment to their needs.

Jim Howard's personal efforts with the Veterans' Administration helped to bring about the clinic that will be named in his honor. This clinic will make the veterans' outpatient services available to the many veterans who now live in northern Ocean County.

As I have previously stated, Jim Howard and I were close friends. I know first hand of his 3-year battle with the White House to secure the needed funds that made this facility possible. Jim was never one to back away from a fight. He knew the facility was critical for the many veterans in his district. As Will Rogers once said "We live in an age of urge. We do nothing till somebody shoves us." Jim provided the shove to get this clinic built.

Marlene Howard and his three daughters can be proud of Jim's many accomplishments. I know they will be honored to have Jim remembered in such a fitting manner.

Mr. PALLONE. Mr. Speaker, it gives me great pleasure to support this bill that will officially designate the Veterans' Outpatient Clinic to be built in Brick Township, NJ, in the memory of my predecessor, the late Jim Howard, who represented the Third District of New Jersey so ably for so many years.

In moving H.R. 2557 in this Congress, the House reinforces the action it took in the 100th Congress, when led by our distinguished ranking member, the gentleman from Arkansas, similar legislation was passed and sent to the Senate.

It would appear that the crush of events in the waning days of that session precluded action by the other body. It is my understanding that the former Director of Veterans' Affairs gave his complete support to the initiative begun in the House and transmitted that assurance to the other body.

Therefore, Mr. Speaker, what we are doing today is to reinforce the overwhelming sentiment expressed last year by the House to name this new medical facility for the man who worked tirelessly with our local officials and medical community to bring it to fruition.

Jim Howard was a veteran of World War II who never forgot the needs of his fellow veterans. While fate struck him down much too soon, the action we take here today will asure that his memory will live on as long as this Clinic stands.

Mr. SHUSTER. Mr. Speaker, I am honored to join my colleagues supporting H.R. 2557, designating the James J. Howard Veterans' Outpatient Clinic in Brick Township, NJ. It is a fitting tribute to the late Jim Howard, and a demonstration of the love and affection felt for him by friends, neighbors and colleagues. He would, I believe, be proud to have his name associated with this clinic.

During his service to the citizens of the country and his district, Jim worked tirelessly to improve our roads and waterways, and today his legacy remains—safer highways and cleaner water. His commitment to the infrastructure of our Nation is demonstrated by such things as his efforts to increase the gasoline tax to fund highway improvements, the establishment of a mass-transit account to serve both urban and rural areas, and passage of clean water bills that funded sweeping improvements to the water systems of communities across America. He championed causes such as national drunk driving laws and safety belt usage, along with the 55 m.p.h. speed limit. And while not always successful, he always fought for the safety of the people on our highways and in our communities.

Jim will be remembered by all for his work in the Congress, and the naming of the veteran's outpatient clinic in his native New Jersey will demonstrate to all the friendship and respect with which he was regarded.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2557.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ALEDA E. LUTZ DEPARTMENT OF VETERANS' AFFAIRS MEDICAL CENTER

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2569) to designate the Department of Veterans' Affairs Medical Center in Saginaw, MI, as the "Aleda E. Lutz Department of Veterans' Affairs Medical Center."

The Clerk read as follows:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

H.R. 2569

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Veterans Affairs medical center in Saginaw, Michigan, shall after the date of the enactment of this Act be known and designated as the "Aleda E. Lutz Department of Veterans Affairs Medical Center". Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall after such date be deemed to be a reference to the Aleda E. Lutz Department of Veterans Affairs Medical Center.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2569 would name the Department of Veterans' Affairs Medical Center in Saginaw, MI, for Aleda E. Lutz.

This bill was introduced by our colleague, BOB TRAXLER, and is sponsored by every Member of the Michigan delegation. The bill has been approved by the chartered veterans' organizations in the State.

Lieutenant Lutz entered service in February 1942 and died on November 1, 1944, in the crash of a C-47 hospital plane in the south of France. She was the first women to receive the Distinguished Flying Cross. She was a highly decorated and courageous service member who helped save the lives of thousands of wounded soldiers during World War II.

Mr. Speaker, Lieutenant Lutz served her country with great honor and she deserves to have this excellent medical facility bear her name.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2569 and urge my colleagues to support the bill.

Mr. MONTGOMERY. Mr. Speaker, I yield such time as he may consume to the sponsor of this legislation, the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Speaker, I rise in support of H.R. 2569, a bill I introduced that would officially designate the Veterans' Affairs Medical Center in Saginaw, MI, in the honor and memory of First Lt. Aleda L. Lutz.

I would like to thank the distinguished chairman of the Veterans' Affairs Committee, Mr. MONTGOMERY from Mississippi, and the committee's distinguished ranking minority member, Mr. STUMP from Arizona, for their help in bringing this legislation before the full committee in such an expedient and efficient manner.

I would also like to note the support of all of my colleagues from the great State of Michigan as well as the support of all the members of the Veterans' Affairs Committee. I feel it is also important to recognize the assistance given to our effort by the organized veterans' groups in Michigan. I appreciate your unanimous approval of this measure.

Ms. Lutz was a true heroine of World War II and a resident of Saginaw, MI. She was an original member of the 802d Medical Air Evacuation Squadron, and while attending the 15 wounded soldier's was killed in a tragic plane crash in southern France on November 1, 1944. She was a leader in her squadron, flying over 190 missions spanning over 800 hours in the air. During that time she evacuated approximately 3,500 patients and her fellow nurses were quoted as saying that no one died under her hand.

Her valiant service earned her the Distinguished Flying Cross for extraordinary achievement. According to news reports from the era, she was the first woman to receive this prestigious award for service in World War II. The official citation issued by the Department of the Army called attention to "her selfless devotion to duty and outstanding proficiency (which) reflected the highest credit upon herself and the Armed Forces of the United States * * * (T)hroughout her long period of service, Lieutenant Lutz distinguished herself through her superior professional skill and courage."

Another honor accorded to Ms. Lutz after her death was the renaming of the captured French luxury liner, *Colombie,* in her honor. After its conversion to a medical facility, the U.S. Army hospital ship *Aleda E. Lutz* carried a compliment of 18 doctors, 44 nurses, and 188 enlisted attendants and was able to provide care for 800 patients at any one time.

In 1949, the Veterans' Administration expressed their desire to dedicate the new hospital in Saginaw to the memory and legacy of Aleda Lutz. Unfortunately, their wish did not come true before the hospital was completed and formally dedicated on September 3, 1950. The Saginaw VAMC, however, has unofficially been known as the "Aleda Lutz Hospital" for nearly 40 years. Today, I am seeking to officially note and commemorate a recognition bestowed upon Ms. Lutz by the Saginaw community.

Perhaps one of the best statements about Aleda Lutz comes from a letter written by Maj. Frederick Holt, the commanding officer of the 802d Squadron, to Helda Lutz, the lieutenant's sister:

> Her outstanding characteristics, however, do not appear on any records but remain in the memories of all who came in contact with her over here. I can say without hesitation that her consistent cheerfulness and kindness under any conditions endeared her to her sister nurses, the flight surgeons of the squadron, our enlisted men, as well as all others with whom she had any contact. In her work as flight nurse she not only gave her patients the best of medical care but also unfailingly created an atmosphere of cheerfulness which enabled her patients to forget their physical and mental distress.

It is my sincere hope that my colleagues will join me in honoring this great heroine by voting for H.R. 2569.

Mr. STUMP. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 2569, a bill to name the Department of Veterans' Affairs Medical Center in Saginaw, MI, in memory of the late Lt. Aleda E. Lutz.

Lieutenant Lutz distinguished herself as a very dedicated and courageous member of the Armed Forces. She died while in service to the Nation. Her service and response to the Nation's call to duty exemplify the reasons why the Nation and the Congress remain strongly committed to providing veterans with the quality health care which they have earned.

The compassion and perseverance under the adversity of war demonstrated by Lieutenant Lutz are deserving of tribute. The Aleda E. Lutz Department of Veterans' Affairs Medical Center would be the first DVA facility to bear the name of a female veteran. Her courage and patriotism deserve to be memorialized for generations to come.

I urge the adoption of H.R. 2569.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

I would like to pass on to you, Mr. Speaker, and the other Members of the body, as I understand it Lieutenant Lutz is one of those exceptional persons. Not only was she a qualified nurse but she was also a qualified pilot in our military services.

We certainly are hopeful for our colleagues' support for this legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill H.R. 2569.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

REMOVING LIMITATION RELATING TO PAYMENT OF PENSION TO CERTAIN VETERANS FURNISHED HOSPITAL CARE

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1334) to amend title 38, United States Code, to remove a limitation relating to the payment of pension to veterans furnished hospital care by the Veterans' Administration on a long-term basis, as amended.

The Clerk read as follows:

H.R. 1334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REMOVAL OF LIMITATION ON PAYMENT OF PENSION TO VETERANS FURNISHED LONG-TERM HOSPITAL CARE BY DEPARTMENT OF VETERANS' AFFAIRS.

Section 3203(a)(1) of title 38, United States Code, is amended by striking out "hospital or" each place it appears in subparagraphs (B) and (D).

SEC. 2. REDUCTION IN PERIOD OF MARRIAGE OF CERTAIN SURVIVING SPOUSES FOR ELIGIBILITY FOR DEPENDENCY AND INDEMNITY COMPENSATION.

Section 418(c)(1) of title 38, United States Code, is amended by striking out "two years" and inserting in lieu thereof "one year".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 1989.

The SPEAKER pro tempore. Is a second demanded?

Mr. STUMP. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1334, as amended, would make certain improvements in pension and indemnity compensation programs administered by the Department of Veterans' Affairs.

Mr. Speaker, I want to commend the gentleman from Ohio [Mr. APPLEGATE], the chairman of the subcommittee, for his continued leadership in insuring that benefits to our Nation's veterans are administered fairly and timely. This subcommittee is one of the most active in conducting oversight visits in the field and oversight hearings on programs under its control.

Again I thank the gentleman, the distinguished chairman of this subcommittee. I also want to commend the ranking minority member, BOB MCEWEN, also from the State of Ohio, for the good work.

To explain the bill at this time, I yield such time as he may consume to the gentleman from Ohio, Mr. DOUG APPLEGATE.

Mr. APPLEGATE. Mr. Speaker, I thank the gentleman from Mississippi, chairman of the committee, for yielding time to me.

Mr. Speaker, H.R. 1334, as amended, would liberalize provisions of law relating to survivors' death benefits and also liberalize provisions affecting nonservice-connected pensions for certain hospitalized veterans.

Section 1 of H.R. 1334 would remove a current provision in the law which limits, to $60, the amount of pension payable per month to a single veteran who is being furnished hospital care by the DVA for any period after the end of the third full calendar month following the month of admission.

This requirement can work a hardship on a veteran if he or she has ongoing obligations such as rent or loan repayments. If the veteran has no saving available, it is quite possible that he could lose his home. Not only is there potential for harm to the veteran, the DVA must also keep tabs on these cases. They must be identified, appropriate action must be taken to reduce the award, and then, upon discharge, further action must be taken to restore the proper benefit. Given the lengthy delays in claims processing we have observed, this change would be beneficial to the veteran as well as the DVA.

Section 2 of the bill would reduce the length of marriage required in order for certain surviving spouses to be eligible for death benefits paid at DIC rates. In general, if a veteran who dies of a non-service-connected cause has been rated totally disabled due to a service-connected disability for at least 10 years prior to his death, his widow is eligible for a death benefit which is paid at DIC rates as if the veteran's death were service connected. Eligibility is conditioned on the veteran and his widow having been married for at least 2 years prior to the veteran's death, or for no set time if a child was born of the marriage.

The general marriage duration requirement under DIC, for service-connected deaths, is only 1 year. This provision simply conforms the two programs by requiring only 1 year of marriage in either situation. It was passed by the House last year as part of the compensation COLA bill but was not accepted by the other body.

Mr. Speaker, I urge favorable consideration of this bill.

□ 1410

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1334, as amended, and also want to thank the ranking minority member of the Subcommittee on Compensation, Pension and Insurance, the gentleman from Ohio [Mr. MCEWEN].

He has become one of our most forceful and outspoken members on behalf of veterans' benefits and adequate funding for those benefits.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Speaker, I rise in support of H.R. 1334, and I subscribe to everything the distinguished chairman has said in outlining the legislation. We agree on the need for finding a remedy for the rules which presently cause great hardship for a small, but not insubstantial, population of veterans.

I suppose the most fundamental point to this legislation is that sick veterans do get better. Medical science continues to advance, finding cures and treatments which we did not previously know were possible. That is a source of hope and encouragement for our veterans. But consider the case of the veteran with a spinal cord injury, who is already receiving a nonservice-connected pension. A skin injury to this individual frequently leads to skin breakdown and damage to adjoining muscles and bone.

Doctors are able to treat these conditions through transplants and grafts. But this healing process can be slow, requiring hospital stays of more than 3 months. Thanks to modern medical procedures, the veteran suffering from conditions like these, stands a good chance of having his health largely restored. But consider the price of recovery.

Under present law, this healed veteran, who may have been hospitalized for, say, 4 or 5 months, will have had this pension cut to $60 per month after the first 90 days. Upon leaving the hospital, our veteran may have a host of new problems of a financial nature. This veteran, who is reliant upon his pension to help him meet his mortgage, rent, property tax, electricity or other regular monthly obligations, has now experienced a 2-month lapse in this urgently needed pension. Mr. Speaker, with plenty of real-life examples to cite as empirical evidence, we can predict with troubling certainty that this veteran may lose his home or worse.

All of which raises this question: What is gained by nursing our veterans back to health if our laws will leave them impoverished and hopeless in this process? How does society profit from saving a few months of pension payments if the society then must assume the burden and associated costs of a newly homeless veteran? Too often this is the result of present law, which is why I urge adoption of H.R. 1334.

In addition, Mr. Speaker, I also wish to support that portion of the bill which amends the eligibility criteria for certain recipients of dependency and indemnity compensation. This provision will standardize eligibility criteria for the survivors of totally disabled service-connected veterans.

I wish to take this opportunity to commend the chairman of our committee, SONNY MONTGOMERY, and our ranking member, the gentleman from Arizona [Mr. STUMP] for their steadfast leadership in behalf of veterans, and to the chairman of the subcommittee, Mr. APPLEGATE, my friend and colleague from Ohio, for his authorship and bringing this bill forward for consideration.

I recommend passage of this legislation and urge my colleagues to support it.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 1334, legislation to remove the limitation relating to the payment of pensions to veterans who are furnished hospital care by the Department of Veterans' Affairs on a long-term basis. I would like to commend the chairman of the Subcommittee on Compensation, Pension and Insurance, the gentleman from Ohio [Mr. APPLEGATE] for introducing this important legislation and the distinguished chairman of the committee, the gentleman from Mississippi [Mr. MONTGOMERY] and the ranking member of the committee, the gentleman from Arizona [Mr. STUMP] for their commitment to bettering the lives of our veterans and active members of the Armed Forces.

H.R. 1334 will remove the limitation on pension payments to veterans without spouses or children who are receiving hospital care for more than 3 months from the Department of Veterans' Affairs.

In removing this restriction, this legislation removes an undue hardship which is placed upon a hospitalized veteran who must meet financial obligations. For a sick veteran who often faces the loss of his home, this bill is of vital importance.

Furthermore, this legislation will reduce the period of time for which a surviving spouse must have been married to a veteran in order to receive dependency and indemnity compensation.

Accordingly, Mr. Speaker, I urge my colleagues to join today in support of this worthy bill.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 1334, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend title 38, United States Code, to remove a limitation relating to the payment of pension of veterans furnished hospital care by the Department of Veterans' Affairs on a long-term basis and to reduce the period of time that a surviving spouse must have been married to a veteran who dies while in receipt of compensation for a service-connected disability in order for the surviving spouse to be eligible for dependency and indemnity compensation.".

A motion to reconsider was laid on the table.

EXTENDING MOST FAVORED NATION STATUS FOR HUNGARY FOR 5 YEARS

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1594) to extend nondiscriminatory treatment to the products of the Peoples' Republic of Hungary for 5 years, as amended.

The Clerk read as follows:

H.R. 1594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF HUNGARY.

Subject to section 2, during the 5-year period beginning on July 4, 1989, nondiscriminatory treatment (most-favored-nation treatment) applies to the products of the Peoples' Republic of Hungary.

SEC. 2. REQUIREMENT FOR BILATERAL COMMERCIAL AGREEMENT.

The nondiscriminatory treatment provided for under section 1 shall apply only during such time within the 5-year period referred to in that section that there is in effect between the United States of America and the Peoples' Republic of Hungary a commercial agreement that meets the requirements set forth in section 405(b) of the Trade Act of 1974 (19 U.S.C. 2435(b)); except that, notwithstanding the provisions of paragraph (1) of such section, the renewal of the commercial agreement after the date of the enactment of this Act shall be for a period ending not sooner than July 4, 1994.

SEC. 3. COORDINATION WITH JACKSON-VANIK AMENDMENT.

During the 5-year period referred to in section 1, the provisions of section 401, 402, 404, 405 (a) and (c), and 407 of the Trade Act of 1974 are suspended with respect to the Peoples' Republic of Hungary except to the extent necessary for the inclusion of that country within the appropriate waiver procedures of section 402(d) for purposes of extending nondiscriminatory treatment (if the President decides to recommend such extension) to Hungarian products after July 3, 1994.

□ 1420

The SPEAKER pro tempore (Mr. PANETTA). Under the rule, a second is not required on this motion.

The genleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of H.R. 1594, a bill to extend most-favored-nation [MFN] status to Hungary for 5 years. Hungary has been granted MFN treatment on an annual basis under the Jackson-Vanik waiver process since 1978. During that time, the Committee on Ways and Means has not received a single complaint about Hungary's record on emigration. The President himself has indicated in a recent message to Congress that "Hungary has continued to take a positive and constructive approach to emigration matters."

Mr. Speaker, I had the privilege of leading a delegation of members of the Committee on Ways and Means to Hungary earlier this year. We met with General Secretary Grosz and a number of other Hungarian Government and business officials. We observed firsthand and were quite impressed by the dramatic steps Hungary has taken toward a more pluralistic political system and market-oriented economy. I believe it is time for the United States to recognize and reward Hungary's behavior as we recently did for Poland with the passage of H.R. 2550. I also believe that Members need only look to Hungary's consistently good performance during these past 11 years that it has enjoyed MFN status, to realize that there is little risk that Hungary will take a sharp turn away from the reforms which it has launched.

H.R. 1594 would remove Hungary from the conditions of the Jackson-Vanik amendment, as contained in the Trade Act of 1974, and grant MFN to Hungary unconditionally for 5 years. This bill is a timely and appropriate response to the bold reforms and

strong emigration record of the People's Republic of Hungary.

I urge my colleagues to support this important bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the distinguished chairman of the Ways and Means Committee in supporting H.R. 1594, a bill extending for 5 years most-favored-nation tariff treatment to the People's Republic of Hungary. Providing nondiscriminatory tariff treatment to Hungary on a more permanent basis is, in my view, a just reward—and a modest one—for that country's ongoing commitment to free emigration and to enhancing fundamental human rights.

Under existing law, Hungary has enjoyed most-favored-nation status for more than 10 years. During this time, that country's emigration laws and practices have been carefully reviewed under the criteria of the Jackson-Vanik amendment, and each year the President has recommended a waiver permitting MFN to be extended to Hungary for another year.

Although emigration is the sole focus of the Jackson-Vanik amendment, fundamental human rights, including religious freedom and worker rights, have alway been scrutinized during consideration of the annual waiver.

Hungary's record in this regard has been excellent, and recent actions by the Government and the Hungarian Parliament have underscored the country's commitment to progressive reforms. However, the 1 year waiver policy lends uncertainty, especially to the business community, as to whether the United States policy toward Hungary will continue to include liberal tariff treatment. Since businesses usually plan for the longer term, the possibility of a change in tariff treatment, however remote, tends to weaken business ventures in that country.

Hungary's progressive position among Eastern-bloc countries is very important to the United States and one which we should encourage whenever possible.

Just last week, the House passed under suspension of the rules a bill to extend OPIC loans to Hungary, as well as promote cultural and educational exchanges, and in doing so praised Hungary's liberal path. This bill we are considering today will also express the appreciation of the United States for Hungary's long-standing record on free emigration and free-market business practices.

I feel obliged to make note of the fact that the administration opposes this legislation, although it is strongly sympathetic to what this bill is trying to do. However, I believe their opposition to be mild, and is based primarily on their desire to have sole discretion to give or take away MFN. The Congress clearly has a role to play in reviewing Hungary's record and in deciding appropriate incentives like the one embodied in this bill. Also, the administration would like to wait until the Hungarian Parliament acts this fall to codify its already liberal emigration practices.

We feel confident that Hungary intends to keep its promises to put in place new emigration laws, and this legislation designed to reward a good 10 years of effective policies need not be delayed.

Mr. Speaker, I believe H.R. 1594 is appropriate and desirable and in the national interest of the United States. I urge my colleagues to vote "Yes" on H.R. 1594 and extend MFN to Hungary for 5 years.

Mr. Speaker, I reserve the balance of my time.

Mr. GIBBONS. Mr. Speaker, we have no further requests for time.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL], a respected member of our committee.

Mr. FRENZEL. Mr. Speaker, the bill before us has been described by the distinguished chairman and the distinguished vice chairman of the committee. I urge all Members to vote positively for the bill.

This is a 5-year extension of MFN to Hungary, which has earned annual extensions for the last decade based on its splendid record on immigration and family reunification.

When MFN was first granted to Hungary, there were nervous Members of this body who wondered if it was a good idea. Since that time, we have renewed MFN about 10 times for Hungary, and it looks to me as though Hungary's record has been spotlessly clean. Hungary has led Eastern Europe and the Comecon group in its dedication to the principles of free immigration and of family reunification.

When the President sent his message to the Congress urging that MFN be extended again this year, he indicated that every person in Hungary who had applied for immigration had had that right granted under the current policy. The fact that Hungary is going to codify that policy into law is really only frosting on the cake, for we ought to look at the record, not the promise.

For Hungary, the record has been excellent.

Mr. Speaker, this legislation is going to allow a 5-year extension, allowing Hungarian companies and American companies to make longer-range plans to improve economic activity between our two countries, to the betterment of the human condition in both countries.

It is also going to serve as a model for our relationships with other nonmarket economies which may want the same privilege under most-favored-nation and now, having seen the success in Hungary and seeing the trade advantages it has been rewarded, may be willing to take the same more liberal attitude toward immigration.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 1594, legislation to provide most-favored-nation status to Hungary for 5 years.

The significant political and economic reforms that have recently occurred in Hungary should not go unnoticed. Just last year, I joined with the majority of my colleagues in supporting the Roth amendment to the fiscal year 1989 miscellaneous international affairs authorization bill in striking Hungary and Romania from OPIC authorizations. However, since that time, substantial and serious reforms have been made in Hungary warranting a change in U.S. policy. Last week, the House, with my support, passed H.R. 2550, extending OPIC coverage to Hungary.

Along those same lines, the liberalizing movement in Hungary also warrants a change in this Eastern European maverick's MFN status. In 1974, title IV of the trade act tied MFN treatment of Communist countries to their emigration policies. The Jackson-Vanik amendment, as it is called, lists specific criteria which Communist countries must meet in order to receive MFN status. The Jackson-Vanik amendment does allow the President to waive the prohibition on MFN status to countries not meeting the criteria if such a waiver would help better promote the amendment's objectives. Hungary, for the past 11 years, has received such a waiver annually.

Today, Hungary is close to approaching total compliance with the provisions of the Jackson-Vanik amendment. For example, many of the restrictions on travel to neighboring western countries, like Austria, have been lifted. The result has been massive weekend traffic jams to Vienna where the shopping is still much better, despite Budapest's economic reforms. Interestingly, unlike in the past, these Hungarians are willing to return home—a sure sign that real changes have been made in Hungary. Another sign of change is Hungary's protest in the Conference on Cooperation and Security in Europe [CSCE] of neighboring Romania's construction of border barricades, Eastern Europe's newest wall. Again, it is telling that Romania's wall is to keep its citizens from fleeing to Hungary. Hungary has

taken positive and exemplary action toward increasing emigration.

Since my eye-opening visit to Hungary in January of this year with H.R. 1594's sponsors, Messrs. FRENZEL, GIBBONS, and LANTOS, additional progress has been realized. Two weeks ago, special tribute was paid to former leader Imre Nagy, who was deposed by the Red army after it brutally crushed the 1956 unprising—a popular revolt spurred in part by Nagy's liberalizing movements. The hard-liners who followed Nagy had branded him a traitor. Last week, the ruling leadership was again shuffled with those favoring greater economic and political reforms gaining additional power.

Our previous carrots to Hungary, in the form of Western economic assistance, have promoted this change. While there are still many internal and external obstacles, the private sector is beginning to flourish. There is genuine and vast support for the free enterprise system—even among those in the ruling Communist Party. They know that Hungary's economic survival depends on the success of this Western style economic reform. The state-controlled Soviet style planned economy has been a dismal failure. Real economic reform naturally prompts political reform. This axiom is true to Hungary. There has been a relaxation of political controls and political pluralism is on the rise. Clearly, more must be done. However, as a further signal of our support for these efforts and to promote continued progress. I believe we should reward Hungary by changing its MFN status. Instead of relying on an annual Presidential waiver, Hungary now will have graduated to receiving a 5-year MFN status.

However, despite all of this encouraging change, Hungary is still a Communist country within the Warsaw Pact Alliance. Economic and political liberalization were crushed by Soviet tanks 33 years ago. Sixty thousand Soviet troops still occupy Hungary today, although some have left and more will. As we have been witnessing in China, a country until just recently we praised for progressive reforms, the repression and brutality of Communism can swifty return. However, our positive incremental actions—like the MFN proposal before us today—provide the flexibility to meet any changes. Just as easily as we grant this new MFN status, we can revoke it.

If there is a possibility of removing the Iron Curtain, or at least drawing it open to let the light of freedom and liberty penetrate, that possibility best exists in Hungary. An important, yet often overlooked benefit of the steady pattern of reform in Hungary is the difficulty that would be incurred in repealing it. Certainly, we can help strengthen the reform movement and further solidify its foundations by providing the aid needed to make it successful, H.R. 1594 does just that. And, the more successful the reform movement is, the more difficult and painful it is to repeal. Of course, greater freedom and continued reform in any Warsaw Pact country benefits our national security and helps diminish the threat against our European NATO allies.

I urge my colleagues to join me in supporting this worthy legislation.

□ 1430

Mr. GIBBONS. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. LANTOS], who knows firsthand why this should be extended.

Mr. LANTOS. Mr. Speaker, I thank the gentleman from Florida [Mr. GIBBONS], my good friend, for yielding this time to me. I want to salute him for his leadership on this issue, as well as the gentleman from Minnesota [Mr. FRENZEL], both of whom have carried the main brunt of this legislation.

Mr. Speaker, anyone keenly attuned to history and its ironies and anyone who is inspired by faith and hope in the irrepressible human spirit could not help but be moved this spring as Hungarian soldiers began to dismantle the Iron Curtain that has painfully divided Europe for four decades. The removal of the barbed wire fence was a symbolic opening of freedom within Hungary and a signal of its reaffiliation with Europe.

Equally remarkable, Mr. Speaker, was the rehabilitation of Imre Nagy, the leader of the 1956 democratic revolution that was crushed by Soviet invasion. Nagy was secretly executed by Soviet troops and buried in an unmarked grave, yet just a few days ago, with government consent, he was reburied. His reinterment was a major historic occasion with participation of Hungary's prime minister, the speaker of its parliament and its political leadership.

The promise held by the dramatic political and economic changes in Hungary pose a profound challenge and an historic opportunity for the United States to encourage and support potentials for freedom and democracy in Eastern Europe.

Mr. Speaker, I do not mean to exaggerate Hungary's march toward liberty, nor to minimize the internal and external obstacles in its path. They are many, and they are great.

Nevertheless, those of us committed to freedom can only welcome the palpable progress and the even more promising trends in Hungary which go well beyond the rest of Eastern Europe and, of course, the Soviet Union.

Mr. Speaker, Hungary is embarking on sweeping reforms that will dismantle one-party rule, a state-run economy and emulate the economic and political models of such neutrals as Sweden, Finland, and Austria. A quiet revolution for economic freedom is occurring slowly, but steadily. New laws to let the private sector blossom and to free capital movement are steps toward a free market and a mixed economy. Individual enterprises and private shareholding companies, aided by eased taxation, will make new ventures more profitable and much less risky. A new law on foreign investments permits foreign firms to buy into domestic companies or to set up wholly owned subsidiaries. By the early 1990's, if the trend persists, half of Hungary's economy could well be in private hands.

Yet without political freedom there is no economic freedom, and political reform is moving at an almost dizzying pace, spurred on by reformers and the democratic opposition. Freedom of association and expression, a free press and free publishing and a multiparty system are already legalized. These reforms, along with citizens' rights, the rule of law, impartial justice, and free trade unions are all to be enshrined and institutionalized in a new constitution, now being drafted, which will be voted on next January.

Mr. Speaker, there are grave risks. All of these incremental reforms could result in a crisis of systemic transition. Already the economic reforms have sparked an inflationary spiral, exacerbated discord between the poor and the newly rich, and increased unemployment and impatient pressures for higher living standards. And yet another omnious note: On a per-capita basis Hungary is the most heavily indebted country in Eastern Europe.

Mr. Speaker, this is all the more reason for the United States and its Western allies to help ease the transition. Hungary presents an important opportunity and an enormous challenge to us.

There is much that Washington can do. Our policies and actions can make an enormous difference by aiding a reform-minded regime to overcome the difficulties during the transition to a market-oriented economy.

I think it is extremely important that we pass this piece of legislation. It will be a symbolic gesture telling the Hungarians that we welcome the economic and political reforms they have already instituted, that we want them to go all the way, and we want to welcome them into the community of free and democratic nations.

Mr. Speaker, I endorse the legislation with all possible emphasis at my command.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I regret to differ with my colleague, the gentleman from California [Mr. LANTOS] and some of my other colleagues, as I

rise in opposition to this measure extending most-favored-nation [MFN] status to Hungary and in support of the administration view which, while sympathetic to the intent of the measure, opposes the bill because the current law provides a preferable way to extend most-favored-nation status to Hungary.

Mr. Speaker, I fully recognize the recent significant progress that has been made in Hungary more than, probably, any other Soviet-bloc nation and that the rising tide of democracy in Eastern Europe is nowhere more apparent than in Hungary. While we congratulate the Hungarian administration for their forward steps in pluralism and undertaking positive, exemplary action in removing obstacles to immigration, I believe that extending MFN status for a 5-year period takes away the President's flexibility.

The Jackson-Vanik amendment to the Trade Act of 1974 allows the President to waive any of the provisions when he deems it appropriate, and I think that Hungary's forward steps in moving toward considering a new immigration law this fall will enable the President to make that determination on his own.

The gentleman from California [Mr. LAGOMARSINO] just a few minutes ago recited for us how the problems in Beijing underscored what can unexpectedly happen to a regime which we thought was moving in the right direction and which could suddenly be overturned.

Accordingly, Mr. Speaker, I urge my colleagues: Let us not proceed too hastily. Allow the President to utilize his flexibility, which I'm certain will be utilized in the event that the proposed immigration laws are adopted this fall by Hungary, and let's not take the unprecedented step of adopting a 5-year ironbound measure that will not allow the President to undertake the kind of steps he may very well be inclined to undertake later on this year.

Mr. Speaker, for these reasons I urge my colleagues to oppose this measure.

Mr. FRENZEL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Speaker, I rise in support of the resolution, and I must say that there is no other person in this body who can speak with more authority than the gentleman from California [Mr. LANTOS].

Mr. Speaker, the gentleman from California [Mr. LANTOS] led our congressional delegation to Hungary this January in which we had an opportunity to visit with the leaders of that country, and I was extremely impressed with the reforms that are going on, the pluralism that is going on, the private sector initiative that is going on, and the real changes that are occurring in this society.

□ 1440

I think we were asked at several of the meetings about our intentions to extend most-favored-nation status and what we might do as a government. I think today we can state very forcefully that we have taken notice of the reforms going on in Hungary, of the exciting possibilities for these people, and that we stand to say on a good-faith effort that we support what you are doing and that we are supplying this support for a 5-year term.

Now, it has been argued that it is taking away flexibility from the administration, who would like to have a 1-year extension. Heaven forbid if something were to happen to change the course of events in Hungary, we, of course, could come back here and eliminate the 5-year extension and we could reduce it or eliminate it entirely. I do not see that as a real problem, but I do see a problem when America has a chance to reward people who are taking considerable risks, both personal, financial, political, and all sorts of risks in their society, to move toward a democratic representative type of government with the freedoms that we enjoy and recognize and human rights that we reward that in some fashion with this type of recognition.

Again, I commend my colleague, the gentleman from California [Mr. LANTOS] who so vigorously and forcefully has stated today why we should support this proposition.

Mr. FRENZEL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I would just say that I have the same kind of reservations and cautions that the gentleman from Maryland was just stating; however, I would lean just the other way slightly, opposing this legislation, on the basis that if we continue to grant 1-year at a time this favored-nation status, we keep the pressure not only on those Hungarians moving in our direction, but also on the Soviet Union; so without disagreeing with the gentleman from Maryland, he is absolutely right.

The gentleman from California [Mr. LANTOS] I think has laid it out clearly, but as the administration says, we can accomplish more and move them more toward democracy by giving them a 1-year extension.

I would call to your attention that this body voted unanimously last Thursday on my amendment which reinstated Hungary as one of those Communist nations that is prohibited by law from receiving foreign aid.

So let us not be contradictory. Let us thank them and move them and urge them to do what is right in moving toward democracy, but let us not take away that encouragement by extending it for 5 years.

I would urge defeat of the bill.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

There is a time in history when we should move, and this is one of those times.

The people of Hungary have demonstrated almost ever since World War II that they seek and yearn for freedom, but it has been impossible for them to obtain it. They are close now. It is time for us to take them off probation and to extend a helping hand. Forty years of ostracism from the West is long enough, too long, in my book.

This is not foreign aid. This is just decent treatment for a very decent people, and we need to do that.

It is unbecoming of the United States to carry a chip on its shoulder when people have tried and strive hard to do what is right.

I hope that this House will practically unanimously support this piece of legislation.

Mr. BEREUTER. Mr. Speaker, today this body considers most-favored-nation status for Hungary. We are able to do this because of the remarkable progress that country is making in free market economic reform, because of its expansion of political liberties, and because of its positive attitude toward emigration matters. This progress is far beyond what any of us could have envisioned just a few short months ago.

It was not long ago that Hungary successfully ousted its long-time dictator, Janos Kadar, and replaced him with more moderate leaders. However, even this change fortunately has not satisfied the forces of reform. Only last week the Communist Party selected an even more reform oriented leadership. The new leadership seeks to establish warm relations with the West, and hopes to win the popular support of the people. Elections have been set for next year, and the Communist Party, with good cause, apparently believes that it will lose control of the government unless it responds to the people.

Mr. Speaker, the Communists in Hungary feel threatened for good reason. Opposition political parties have been formed to challenge them in the upcoming election. Until recently it was impossible to conceive of a Warsaw Pact nation where political parties view for political control in an election where the results have not been rigged. Yet that is exactly where Hungary is heading. Indeed, Communist leaders have recently been consulting with Western Europe political parties for advice on facilitating the formation of counterpart parties in a new pluralistic Hungarian form of government.

Hungary also has been ahead of its East European neighbors in expanding its economy, in establishing joint ventures with Western businesses, and in providing an environment suitable for foreign investment. There are, for example, Western radio stations that have been licensed to begin broadcasts in Budapest.

Mr. Speaker, the situation in Hungary admittedly is far from perfect. But while Hungary has a long way to go before it achieves true political and economic freedom, it has made very substantial progress. And, this progress should be recognized. Granting of MFN on a multi-year basis recognizes Hungary's progress, and it sends a message to nations such as Czechoslovakia and the German Democratic Republic that political reform fostering democratization of their societies does indeed have its rewards.

President George Bush soon will be traveling to Hungary, Mr. Speaker. It would be fitting if the Congress moves speedily to approve this MFN legislation before the President makes his trip. This Member would urge the overwhelming approval of H.R. 1594.

Mr. FRENZEL. Mr. Speaker, I yield back the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HARRIS). The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 1594, as amended.

The question was taken.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 166

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Nevada [Mr. BILBRAY] be stricken as a cosponsor of House Joint Resolution 166.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

1988 DISASTER ASSISTANCE EXTENSION ACT

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2467) entitled the "1988 Disaster Assistance Extension Act", as amended.

The Clerk read as follows:

H.R. 2467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1988 Disaster Assistance Extension Act".

TABLE OF CONTENTS

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

Sec. 101. Payments to program participants for target price commodities.
Sec. 102. Payments to program nonparticipants for target price commodities.
Sec. 103. Peanuts, sugar, and tobacco.
Sec. 104. Soybeans and nonprogram crops.
Sec. 105. Crop quality reduction disaster payments.
Sec. 106. Effect of Federal crop insurance payments.
Sec. 107. Crop insurance coverage for the 1990 crops.
Sec. 108. Crops harvested for forage uses.
Sec. 109. Payment limitations.
Sec. 110. De minimis yields.
Sec. 111. Definitions.

Subtitle B—Forest Crops

Sec. 121. Eligibility.
Sec. 122. Assistance.
Sec. 123. Limitation on assistance.
Sec. 124. Definition.
Sec. 125. Duplicative payments.

Subtitle C—Additional Assistance

Sec. 131. New Conservation measures.
Sec. 132. Assistance for ponds.

Subtitle D—Administrative Provisions

Sec. 141. Ineligibility.
Sec. 142. Timing and manner of assistance.
Sec. 143. Commodity Credit Corporation.
Sec. 144. Limitation on outlays.
Sec. 145. Regulations.

TITLE II—MISCELLANEOUS

Sec. 201. Planting of alternate crops on permitted acreage.
Sec. 202. Livestock water development projects.
Sec. 203. Livestock transportation assistance.
Sec. 204. Animal unit methodology study and report.
Sec. 205. Emergency water assistance program.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

SECTION 101. PAYMENTS TO PROGRAM PARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—(1) Effective only for producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, except as otherwise provided in this subsection, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop, the Secretary shall make a disaster payment available to such producers at a rate equal to—

(A) 65 percent of the established price for the crop for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(B) 90 percent of the established price for the crop for any deficiency in production greater than 75 percent for the crop.

(2)(A) Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

(B) Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(3) The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under the Agricultural Act of 1949 shall be reduced by the quantity on which a payment is made to the producers for the crop under paragraph (1).

(b) ADVANCE DEFICIENCY PAYMENTS.—(1) This subsection shall apply only to producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1989 crop of wheat, feed grains, upland cotton, or rice.

(2)(A) Subject to subparagraph (B), if because of damaging weather or related condition in 1988 or 1989 the total quantity of the 1989 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop (hereinafter referred to as the "qualifying amount"), the producers shall not be required to refund any advance deficiency payment made to the producers for such crop under section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) with respect to that portion of the deficiency in production that does not exceed 34 percent of the qualifying amount.

(B) Producers on a farm shall not be eligible for the forgiveness provided for under subparagraph (A), unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(3) The Secretary shall allow producers on a farm who elected, prior to the date of enactment of this Act, not to receive advance deficiency payments made available for the 1989 crop under section 107C of the Agricultural Act of 1949, to elect (within 30 days after the date of the enactment of this Act) whether to receive such advance deficiency payments.

(4) Effective only for the 1989 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refund shall not be required prior to July 31, 1990, for that portion of the crop for which a disaster payment is made under subsection (a).

SEC. 102. PAYMENTS TO PROGRAM NONPARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—Effective only for producers on a farm who elected not to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, if the Secretary of Agriculture determines that because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 65 percent of the county average yield established by the Secretary for such crop by the sum of acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment

available to such producers. The payment shall be made to the producers at a rate equal to—

(1) 65 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(2) 90 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop.

(b) PREVENTED PLANTING CREDIT.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1989 crop of the commodity for harvest because of damaging weather or related condition in 1988 or 1989, as determined by the Secretary. Such acreage may not exceed the greater of—

(1) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted to the commodity for harvest in 1989; or

(2) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987 minus acreage actually planted to the commodity for harvest in 1989.

The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers.

(c) LIMITATIONS.—The amount of payments made available to producers on a farm for a crop of a commodity under subsection (a) shall be reduced by a factor equivalent to the acreage limitation program percentage established for such crop under the Agricultural Act of 1949.

(2) Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

SEC. 103. PEANUTS, SUGAR, AND TOBACCO.

(a) DISASTER PAYMENTS.—(1) Effective only for the 1989 crops of peanuts, sugar beets, sugarcane, and tobacco, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 65 percent of the county average yield (or program yield, in the case of peanuts) established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers. The payment shall be made to the producers at a rate equal to—

(A) 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop (or in the case of a crop of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 35 percent, but not greater than 75 percent, of the farm's effective marketing quota for 1989); and

(B) 90 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop (or, in the case of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 75 percent of the farm's effective marketing quota for 1989).

(2) For purposes of paragraph (1), the payment level for a commodity shall be equal to—

(A) for peanuts, the price support level for quota peanuts or the price support level for additional peanuts, as applicable;

(B) for tobacco, the national average loan rate for the type of tobacco involved, or (if there is none) the market price, as determined under section 104(a)(2); and

(C) for sugar beets and sugarcane, a level determined by the Secretary to be fair and reasonable in relation to the level of price support established for the 1989 crops of sugar beets and sugarcane, and that, insofar as is practicable, shall reflect no less return to the producer than under the 1989 price support levels.

(b) PREVENTED PLANTING CREDIT.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1989 crop of the commodity for harvest because of damaging weather or related condition in 1988 or 1989, as determined by the Secretary. Such acreage may not exceed the greater of—

(1) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted for harvest in 1989; or

(2) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987 minus acreage actually planted to the commodity for harvest in 1989.

The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers and any change in quotas for the 1989 crops of tobacco.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(d) SPECIAL RULES FOR PEANUTS.—Notwithstanding any other provision of law—

(1) a deficiency in production of quota peanuts from a farm, as otherwise determined under this section, shall be reduced by the quantity of peanut poundage quota that was the basis of such anticipated production that has been transferred from the farm;

(2) payments made under this section shall be taken into account whether the deficiency for which the deficiency in production is claimed was a deficiency in production of quota or additional peanuts and the payment rate shall be established accordingly; and

(3) the amount of undermarketings of quota peanuts from a farm for the 1989 crop that may otherwise be claimed under section 358 of the Agriculture Adjustment Act of 1938 (7 U.S.C. 1358) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such peanuts for which payment has been received under this section.

(e) SPECIAL RULES FOR TOBACCO.—Notwithstanding any other provision of law—

(1) the amount of undermarketings of quota tobacco from a farm for the 1989 crop that may otherwise be claimed under section 317 or 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such tobacco for which payment has been received under this section; and

(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(d)).

(f) SPECIAL RULE FOR SUGAR.—A producer of the 1989 crop of sugarcane or sugar beets that is unable to process the commodity into sugar due to the inability of local processing plants to process sugar as a result of damaging weather or related condition in 1989 shall be eligible for disaster payments in accordance with subsection (a) for any loss in sugar production attributable to such inability. Disaster payments made available under this subsection for such loss of production shall be reduced by an amount equal to any proceeds received by the producer from the disposition of that portion of the crop on which disaster payments are made.

SEC. 104. SOYBEANS AND NONPROGRAM CROPS.

(a) DISASTER PAYMENTS.—(1)(A) Effective only for the 1989 crops of soybeans and nonprogram crops, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 65 percent of—

(i) with respect to soybeans, the State, area, or county yield, adjusted for adverse weather conditions during the 1985, 1986, and 1987 crop years, as determined by the Secretary; or

(ii) with respect to nonprogram crops, the yield established by the Commodity Credit Corporation under subsection (d)(2),

for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(B) The payment shall be made to such producers at a rate equal to—

(i) 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(ii) 90 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop.

(2) For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during

the marketing years for the immediately preceding five crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

(3)(A) The Secretary shall make disaster payments under subsection (a) on a crop by crop basis, with consideration given to markets and uses of the crops, regulations issued by the Secretary.

(B) For purposes of determining the payment levels on a crop by crop basis, the Secretary shall consider as separate crops, and develop separate payment levels insofar as is practicable for, different varieties of the same commodity for which there is a significant difference in the economic value in the market.

(4) For purposes of determining the total quantity of the 1989 nonprogram crop of the commodity that the producers on a farm are able to harvest under paragraph (1), the Secretary shall exclude commodities that cannot be sold in normal commercial channels of trade and shall exclude dockage, including husks and shells, if such dockage is excluded in determining yields under subsection (d)(2).

(b) PREVENTED PLANTING CREDIT.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1989 crop of the commodity for harvest because of damaging weather or related condition in 1988 or 1989, as determined by the Secretary. Such acreage may not exceed the greater of—

(1) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted for harvest in 1989; or

(2) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987 minus acreage actually planted to the commodity for harvest in 1989.

The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(d) SPECIAL RULES FOR NONPROGRAM CROPS.—(1) As used in this section, the term "nonprogram crop" means all crops (including sweet potatoes) for which crop insurance through the Federal Crop Insurance Corporation was available for crop year 1989, and other commercial crops (including sweet potatoes) for which such insurance was not available for crop year 1989, except that such term shall not include a crop covered under section 101, 102, or 103, or soybeans.

(2) The Commodity Credit Corporation shall establish disaster program farm yields for nonprogram crops. The yield for a farm shall be based on proven yields, if the producers on the farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least one of the immediately preceding three crop years. If such data do not exist for any of the three preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity.

(3) It shall be the responsibility of the producers of nonprogram crops to provide satisfactory evidence of 1989 crop losses resulting from damaging weather or related condition in 1988 or 1989 in order for such producers to obtain disaster payments under this section.

SEC. 105. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) IN GENERAL.—To ensure that all producers of 1989 crops covered under the provisions of sections 101 through 104 are treated equitably, the Secretary of Agriculture may make additional disaster payments to producers of such crops who suffer losses resulting from the reduced quality of such crops caused by damaging weather or related condition in 1988 or 1989, as determined by the Secretary.

(b) ELIGIBLE PRODUCERS.—If the Secretary determines to make crop quality disaster payments available to producers under subsection (a), producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if such producers incur a deficiency in production of not less than 35 percent and not more than 75 percent for such crop (as determined under section 101, 102, 103, or 104, as appropriate).

(c) MAXIMUM PAYMENT RATE.—The Secretary shall establish the reduced quality disaster payment rate, but such rate shall not exceed 10 percent, as determined by the Secretary, of—

(1) the established price for the crop, for commodities covered under section 101;

(2) the basic county loan rate for the crop (or a comparable price if there is no current basic county loan rate), for commodities covered under section 102;

(3) the payment level under section 103(a)(2), for commodities covered by section 103; and

(4) the payment level under section 104(a)(2), for commodities covered under section 104.

(d) DETERMINATION OF PAYMENT.—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the producer's farm that is reduced in quality by such natural disaster in 1988 or 1989, as determined by the Secretary.

SEC. 106. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

In the case of producers on a farm who obtained crop insurance for the 1989 crop of a commodity under the Federal Crop Insurance Act, the Secretary of Agriculture shall reduce the amount of payments made available under this subtitle for such crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by such producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this subtitle for such crop exceeds the amount determined by multiplying—

(1) 100 percent of the yield used for the calculation of disaster payments made under this subtitle for such crop, by

(2) the sum of the acreage of such crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary (or, in the case of disaster payments under section 101, the eligible acreage established under sections 101(a)(1) and 101(a)(2)(A)), by

(3)(A) in the case of producers who participated in a production adjustment program for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the established price for the 1989 crop of the commodity;

(B) in the case of producers who did not participate in a production adjustment program for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the basic county loan rate (or a comparable price, as determined by the Secretary, if there is no current basic county loan rate) for the 1989 crop of the commodity;

(C) in the case of producers of sugar beets, sugarcane, peanuts, or tobacco, the payment level for the commodity established under section 103(a)(2); and

(D) in the case of producers of soybeans or a nonprogram crop (as defined in section 104(d)(1)), the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

SEC. 107. CROP INSURANCE COVERAGE FOR THE 1990 CROPS.

(a) REQUIREMENT.—Subject to the limitations under subsection (b), producers on a farm, to be eligible to receive a disaster payment under this subtitle or forgiveness of the repayment of advance deficiency payments under section 101(b), must agree to obtain multiperil crop insurance under the Federal Crop Insurance Act for the 1990 crop of the commodity for which such payments or forgiveness are sought.

(b) LIMITATIONS.—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) unless, with respect to producers of a crop planted in 1988 for harvest in 1989, such producers' deficiency in production, with respect to a crop planted in 1988 for harvest in 1989 for which a disaster payment under this subtitle otherwise may be made, exceeds 65 percent;

(2) where, or if, crop insurance coverage is not available to the producers for the commodity for which the payment or forgiveness is sought;

(3) if the producers' annual premium rate for such crop insurance is an amount greater than 125 percent of the average premium rate for insurance on that commodity for the 1989 crop in the county in which the producers are located;

(4) in any case in which the producers' annual premium for such crop insurance is an amount greater than 25 percent of the amount of the payment or forgiveness sought; or

(5) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)) that the purchase of crop insurance would impose an undue financial hardship on such producers and that a waiver of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted.

(c) IMPLEMENTATION.—(1) The Secretary of Agriculture shall ensure (acting through

the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the assistance programs provided for under sections 101 through 105 are implemented) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) Each producer who is subject to the requirements of this section may comply with such requirements by providing evidence of multiperil crop insurance coverage from sources other than through the county committee office, as approved by the Secretary.

(3) The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into as a result of the requirements of subsection (a) sufficient to reflect that such insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

(d) REPAYMENT OF BENEFITS.—Each producer subject to the requirements of this section shall make immediate repayment to the Secretary of any disaster payment or forgiven advance deficiency payment that the producer otherwise is required to repay at any time (prior to the end of the 1990 crop year for the commodity involved) that the crop insurance coverage required of the producer under this section is cancelled by the producer.

SEC. 108. CROPS HARVESTED FOR FORAGE USES.

Not later than 15 days after the date of the enactment of this Act, the Secretary of Agriculture shall announce the terms and conditions by which producers on a farm may establish 1989 yield with respect to crops that will be harvested for silage and other forage uses.

SEC. 109. PAYMENT LIMITATIONS.

(a) LIMITATION.—Subject to subsections (b) and (c), the total amount of payments that a person shall be entitled to receive under one or more of the programs established under this subtitle may not exceed $100,000.

(b) NO DOUBLE BENEFITS.—No person may receive disaster payments under this subtitle to the extent that such person receives a livestock emergency benefit for lost feed production in 1989 under section 606 of the Agricultural Act of 1949.

(c) COMBINED LIMITATION.—No person may receive any payment under this subtitle or benefit under title VI of the Agricultural Act of 1949 for livestock emergency losses suffered in 1989 if such payment or benefit will cause the combined total amount of such payments and benefits received by such person to exceed $100,000. If a producer is subject to the preceding sentence, the person may elect (subject to the benefits limitations under section 609 of the Agricultural Act of 1949) whether to receive the $100,000 in such payments, or such livestock emergency benefits (not to exceed $50,000), or a combination of payments and benefits specified by the person.

(d) REGULATIONS.The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this section, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 and the Disaster Assistance Act of 1988; and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this section.

SEC. 110. DE MINIMIS YIELDS

(a) DISASTER PAYMENTS.—The Secretary of Agriculture shall determine a de minimis yield for each crop eligible for reduced yield disaster payments under this subtitle. The de minimis yield shall be set at a level that will minimize any incentive provided by the prospect of disaster payments to abandon crops that have a value that exceeds the cost of harvesting. In no case may the de minimis yield be less than the amount of production that, when valued at current market prices, equals the average cost of harvesting the crop, as determined by the Secretary. Any producer whose actual yield for a crop is equal to or less than the de minimis yield for such crop shall be considered as having an actual yield of zero for the purpose of calculating any reduced yield disaster payments for such crop under this subtitle.

(b) CROP INSURANCE.—If the actual yield for a crop on a farm is equal to or less than the de minimis yield for the crop determined by the Secretary pursuant to subsection (a), neither the Federal Crop Insurance Corporation (including its agents and employees), nor companies reinsured by the Federal Crop Insurance Corporation (including their agents and employees) may require the destruction of any portion of that crop as a condition for making a full crop loss indemnity payment to a producer under the terms of a valid contract of insurance on such crop.

SEC. 111. DEFINITIONS.

(a) The term "damaging weather" for purposes of this subtitle includes but is not limited to drought, hail, excessive moisture, freeze, tornado, hurricane, excessive wind, or any combination thereof.

(b) The term "related condition" for purposes of this subtitle includes but is not limited to insect infestations, plant diseases, or other deterioriation of a crop of a commodity either before or after harvest which is accelerated or exacerbated naturally as a result of damaging weather.

Subtitle B—Forest Crops

SEC. 121. ELIGIBILITY.

(a) DROUGHT LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 122, to eligible tree farmers that planted tree seedlings in 1988 or 1989 for commercial purposes but lost such seedlings as a result of drought or related condition in 1989, as determined by the Secretary.

(b) LIMITATION.—An eligible tree farmer shall qualify for assistance under subsection (a) only if such tree farmer's tree seedling mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 122. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible tree farmers for losses described in section 121 shall consist of either—

(1) reimbursement of 65 percent of the cost of replanting seedlings lost due to drought or related conditions in 1989 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

SEC. 123. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $25,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "persón" for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 and the Disaster Assistance Act of 1988; and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 124. DEFINITION.

As used in this subtitle, the term "eligible tree farmer" means a person who produces annual crops from trees for commercial purposes or who grows trees for harvest for commercial purposes, and owns 1,000 acres or less of such trees.

SEC. 125. DUPLICATIVE PAYMENTS

The Secretary of Agriculture shall establish guidelines to ensure that no person receives duplicative payments under this subtitle and the forestry incentives program, agricultural conservation program, or other existing Federal programs.

Subtitle C—Additional Assistance

SEC. 131. NEW CONSERVATION MEASURES.

(a) IN GENERAL.—(1) In the case of an owner or operator of land who has entered into a conservation reserve program contract under subtitle D of title XII of the Food security Act of 1985 (16 U.S.C. 3831 et seq.) and hays or grazes livestock during the 1989 crop year on acreage subject to such contract as authorized by the Secretary of Agriculture, the Secretary may not reduce the amount of rental payments made to such owner or operator as the result of such haying or grazing to the extent that the owner or operator—

(A) carries out additional conservation practices, approved by the Soil Conservation Service in consultation with appropriate Federal and State agencies, to enhance soil, water, and wildlife conservation on or in thje vicinity of lands subject to such contract; and

(B) pays the costs of carrying out such practices.

(2) The amount of the reduction prohibited under paragraph (1) shall equal one-half of the amount paid by the owner or operator to cover the costs of carrying out the conservation practices.

(b) CONSERVATION PRACTICES.—For purposes of subsection (a), the term "conservation practices" includes—

(1) establishment of permanent shelterbelts and windbreaks;

(2) restoration of wetlands;

(3) establishment of wildlife food plots; or

(4) planting of trees.

SEC. 132. ASSISTANCE FOR PONDS.

Section 607(b)(2)(B) of the Agricultural Act of 1949 (7 U.S.C. 1471e) is amended by inserting "or ponds" after the word "wells".

Subtitle D—Administrative Provisions

SEC. 141. INELIGIBILITY.

(a) GENERAL RULE.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary of Agriculture, shall not be eligible to receive any disaster payment or other benefits under this title.

(b) QUALIFYING GROSS REVENUES.—For purposes of this section, the term "qualifying gross revenues" means—

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

(1) if a majority of the person's annual income is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

(2) if less than a majority of the person's annual income is received from farming, ranching, and forestry operations, the person's gross revenue from all sources.

SEC. 142. TIMING AND MANNER OF ASSISTANCE.

(a) TIMING OF ASSISTANCE.—(1)(A) Subject to subparagraph (B), the Secretary of Agriculture shall make full disaster assistance available under this title as soon as practicable after the date of the enactment of this Act.

(B) Notwithstanding any other provision of law, no payment or benefit provided under this title shall be payable or due until such time as a completed application for a crop of a commodity therefor has been approved.

(2) A person eligible to receive payments under subtitle A shall make application for such payments not later than March 31, 1990, or such later date that the Secretary, by regulation, may prescribe.

(b) MANNER.—The Secretary may make payments available under subtitle A in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 143. COMMODITY CREDIT CORPORATION.

(a) USE.—Secretary of Agriculture shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this title.

(b) EXISTING AUTHORITY.—The authority provided by this title is in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 144. LIMITATION ON OUTLAYS.

(a) PURPOSE.—It is the purpose of this section, through the reduction provided under subsection (b), to limit the amount of outlays by the Commodity Credit Corporation for each of the fiscal years ending September 30, 1989 and September 30, 1990 in carrying out this title to an amount equal to any reduction in outlays by the Commodity Credit Corporation for that fiscal year in carrying out the price support and related programs for 1989 crop commodities.

(b) REDUCTION.—(1) Not later than July 31, 1989 or 30 days after the date of enactment of this Act whichever is later, the Secretary of Agriculture shall estimate, based on the economic and technical assumptions used in preparing the supplemental summary of the budget submitted pursuant to section 1106 of title 31, United States Code, the amount of outlays by the Commodity Credit Corporation, including outlays for the conservation reserve program established pursuant to subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), and the Federal Crop Insurance Corporation, for the period consisting of the two fiscal years ending September 30, 1989 and September 30, 1990 that would result, in the absence of this section, from the provisions of this title. This amount is referred to in this section as "paragraph (1) outlays".

(2) The Secretary shall determine for each of the fiscal years ending September 30, 1989 and September 30, 1990 the amount derived by subtracting—

(A) the outlays, other than those outlays to carry out the purposes of this Act and any other Act enacted after January 3, 1989, by the Commodity Credit Corporation for that fiscal year, as estimated in the supplemental summary of the budget submitted pursuant to section 1106 of title 31, United States Code; from

(B) the outlays by the Commodity Credit Corporation for that fiscal year, as estimated in the budget of the United States Government submitted by the President pursuant to section 1105 of title 31, United States Code.

This amount is referred to in this section as "paragraph (2) outlays".

(3) The Secretary shall allocate the paragraph (1) outlays between the fiscal years according to this paragraph. If the paragraph (1) outlays—

(A) do not exceed the sum of the paragraph (2) outlays for the two fiscal years, the Secretary shall allocate the paragraph (1) outlays between the fiscal years in such a manner that the paragraph (1) outlays in each fiscal year do not exceed the paragraph (2) outlays for the fiscal year.

(B) exceed the sum of the paragraph (2) outlays, the Secretary shall, to the extent practicable, allocate the paragraph (1) outlays between the fiscal years in such a manner that the proportion by which the paragraph (1) outlays exceed the paragraph (2) outlays in each fiscal year is equal.

(4) Notwithstanding any other provision of this Act, the Secretary shall make pro rata reductions in all disaster payments, forgiveness of advance deficiency payments, and other assistance provided under this title in a fiscal year by a proportion equal to the proportion by which the paragraph (1) outlays, allocated as provided under paragraph (3), exceed the paragraph (2) outlays for the fiscal year.

SEC. 145. REGULATIONS.

The Secretary of Agriculture or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement the provisions of this title as soon as practicable, without regard to the requirement for notice and public participation in rule making prescribed in section 553 of title 5 United States Code, or in any directive of the Secretary.

TITLE II—MISCELLANEOUS

SEC. 201. PLANTING OF ALTERNATE CROPS ON PERMITTED ACREAGE.

Section 504(b)(2) of the Agricultural Act of 1949 (7 U.S.C. 1464(b)(2) is amended by—

(1) striking out "and" at the end of subparagraph (D);

(2) redesignating subparagraph (E) as subparagraph (F); and

(3) inserting after subparagraph (D) the following new subparagraph:

"(E) in the case of the 1990 crop year, acreage in an amount equal to not to exceed 20 percent of the permitted acreage for a program crop, if—

"(i) the acreage considered to be planted is planted to canola, rapeseed, sunflower, safflower, flaxseed, kenaf, crambe, guaule, milkweed, or meadowfoam;

"(ii) the producers on the farm plant for harvest to the program crop at least 50 percent of the permitted acreage for such crop; and

"(iii) payments are not received by producers under section 107D(c)(1)(C), 105C(c)(1)(B), 103A(c)(1)(B), or 101A(c)(1)(B), as the case may be; and".

SEC. 202. LIVESTOCK WATER DEVELOPMENT PROJECTS.

Section 607 of the Agricultural Act of 1949 (7 U.S.C. 1471e) is amended by adding at the end thereof the following new subsection:

"(e) Nothwithstanding any other provision of law, the Secretary may make available at least $25,000,000 to provide special assistance under subsection (b)(2) for livestock emergencies in 1988 and 1989.".

SEC. 203. LIVESTOCK TRANSPORTATION ASSISTANCE.

Section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d) is amended by adding at the end thereof the following new subsection:

"(f) Nothwithstanding any other provisions of law, the Secretary may make available at least $25,000,000 to provide livestock transportation assistance under subsection (a)(6) for livestock emergencies in 1989.".

SEC. 204. ANIMAL UNIT METHODOLOGY STUDY AND REPORT.

The Secretary of Agriculture shall conduct a study on the methodology and justification of the calculations used to determine the animal unit figure used for purposes of the emergency feed program and the emergency feed assistance program under section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d), and report to Congress the results of such study within 90 days of the date of enactment of this Act.

SEC. 205. EMERGENCY WATER ASSISTANCE PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an emergency water assistance program, to be administered through the Farmers Home Administration, to provide grants to public and private entities that supply water to rural communities to enable such entities' water supply systems to recover from losses and damages to such water supply systems resulting from drought conditions in calendar year 1988 or 1989.

(b) ELIGIBLE RECIPIENTS.—Applicants eligible to receive a grant under this section are public and private entities that supply water primarily to rural areas, rural communities, or cities or towns that have a population not in excess of 15,000 inhabitants.

(c) APPLICATIONS.—To be eligible to receive a grant under this section an applicant shall submit an application to the Secretary, at such time and in such form as the Secretary may prescribe, that contains—

(1) evidence that the applicant suffered from problems related to severe water depletion as a result of drought conditions in calendar year 1988 or 1989;

(2) a certification that, in the absence of a grant under this section, the applicant's water supply system is not, or will not be, able to supply adequate amounts of water as a result of losses or damages resulting from drought conditions in calendar year 1988 or 1989; and

(3) any other information that the Secretary may require.

(d) USE OF GRANT.—Any entity that receives a grant under this section shall use the proceeds of such grant only for purposes of providing for the recovery of that entity's water supply system from any loss or damage resulting from drought conditions in calendar year 1988 or 1989.

(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $75,000,000 to carry out this section.

(g) EXISTING AUTHORITY.—The authority provided by this section is in addition to, and not in place of, any authority granted to the Secretary under any other provision of law.

The SPEAKER pro tempore. Is a second demanded?

Mr. MADIGAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

□ 1450

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2467, the 1988 Disaster Assistance Extension Act, and I urge my colleagues to vote for passage of this important legislation.

The drought of 1988 has not ended in many parts of the United States. Although the east coast has experienced rain for much of the spring--in fact, too much rain—many other parts of the Nation have suffered continuing drought.

In many areas of the Great Plains States, insufficient rainfall since last summer has exacerbated the already deficient topsoil and subsoil from last year's drought. Even though rain has recently fallen over some of these areas, it fell too late to save the winter wheat crop.

Across the major winter wheat-producing States—Kansas, Texas, Colorado, and Oklahoma—the drought continues to be rated by the U.S. Department of Agriculture as severe to extremely severe. As a result of receiving only 20-50 percent of their normal yearly rainfall, and experiencing extreme fluctuations in temperatures, freezes, and wind storms, farmers in these States have seen irreparable damage done to their winter wheat crop and livestock pastures.

According to the USDA, winter wheat production has already declined by almost 10 percent from last year's reduced levels. Private analysts expect that by harvest, an additional decrease of 5-10 percent will occur. The winter wheat harvest normally produces 75 percent of yearly wheat production.

Winter wheat was not the only crop affected by these poor weather conditions. Large sections of the Nation's most productive agricultural areas face severe and widespread subsoil moisture shortfalls. As of late May, 96 percent of the cropland in Iowa was deficient of subsoil moisture, as was 98 percent of the cropland in Nebraska, 71 percent in Minnesota, 84 percent in Kansas, and nearly 60 percent in Missouri.

As a result, Mr. Speaker, the outlook for spring-planted crops remains in doubt as well. Although recent rains have provided spring-planted crops with healthy start, experts warn that these plants, including corn and soybeans, will be highly vulnerable to drought damage this summer, should the rains not to continue.

Added to this, ironically, is the excessive moisture that some regions have experienced. Parts of Texas are today expecting in excess of 10 inches of rain from a tropical storm that landed yesterday.

In other areas, such as Indiana, Michigan, and Ohio, excessive rains have delayed planting of spring crops such as corn. Yet this moisture is deceiving because while it nourishes the shallow-rooted young plants, it remains insufficient at the deeper levels the crops will need later.

Thus we face the prospect of losing some spring-planted crops which are needed for human food and for feed, due to delays in planting and/or inadequate moisture if the rains stop.

Mr. Speaker, while we cannot do anything about the weather, the Congress can do something to aid farmers and farm communities affected by the continuing adverse weather conditions of 1989.

Last year the Congress responded quickly and effectively to the drought by passing the Disaster Assistance Act of 1988. While the drought is no longer making big headlines, the Congress' help is needed again.

H.R. 2467 would simply extend the program of disaster assistance that this body approved and the President signed into law last year. It is a program that provides limited assistance to crop producers who suffer a significant loss in normal crop production during 1989.

Farmers who lost more than 35 percent of their normal production due to damaging weather would be eligible to receive 65 percent of the applicable payment level for the crop they produce. The program, as it did last year, would be available to producers of program and nonprogram crops. Damaging weather would include drought, hail, excessive moisture, freeze, tornado, hurricane or excessive wind.

As we did in 1988, this bill would limit the amount of disaster assistance that a producer could receive to $100,000. No individual would realize more income from disaster payments than he or she would have under normal conditions. Individuals with gross revenues in excess of $2 million would not be entitled to receive disaster assistance under the bill.

The committee considered, and incorporated into the bill a number of new provisions which deviate slightly from the 1988 disaster program or are intended to clarify problems that arose in implementing the 1988 act. Specifically, the bill would:

Include as damaging weather, freeze, tornado, hurricane or excessive wind;

Require the Secretary to establish a de minimis yield for crops eligible for disaster payments and not prohibit requiring the destruction of such residual amount as a precondition for receiving a crop insurance indemnity payment under this amount be destroyed;

Expand provisions for revegetating conservation reserve acres which the Secretary authorizes for haying or grazing;

Clarify that a loss in the marketability of a crop for commercial purposes, despite normal levels of production, would be treated as an equivalent loss in production for disaster assistance purposes;

Extend authority to make payments for quality losses in crop production to all nonprogram crops;

Encourage the Secretary to provide funding for livestock assistance;

Provide added flexibility to farmers who want to plant the alternative crops of canola, rapeseed, sunflower, safflower, flaxseed, kenaf, crambe, guayule, milkweed, or meadowfoam on permitted acres;

Provide for the deepening of farm ponds for livestock water;

Authorize a new program to provide emergency water assistance through grants to private and public entities that provide water to rural communities; and

Direct the Department to conduct a study of the manner in which it determines the animal unit figure used for the purpose of providing emergency assistance to livestock producers.

Mr. Speaker, in a letter to our colleague, Congressman GLICKMAN, regarding an earlier disaster assistance bill, Agriculture Secretary Yeutter wrote that a disaster assistance program would have to meet certain criteria:

First, the bill must be budget neutral;

Second, the bill must apply only to 1989 crops affected by drought; and

Third, the bill must be accompanied by an agreement between Congress and the administration that Federal crop insurance will be the sole vehicle for crop disaster assistance after 1989.

Mr. Speaker, H.R. 2467 meets most of these requirements.

First, as the result of an amendment to the bill offered by Congressman GRANDY, and further refinements that are incorporated into the bill that we are considering today, outlays for the disaster program will not exceed savings that are generated as a result of crop production shortfalls and higher market prices. The amount of money that USDA can provide under this bill is restricted to the amount saved from reduced deficiency payments and other costs that are already included in the budget.

The committee-reported bill is amended with clarifying language to section 144, the limitation on outlays, that has two effects.

It includes the cost of Federal crop insurance and conservation reserve programs in the calculation of title I costs.

In addition, it excludes any legislation enacted since January 3, 1989, from the calculation of the change in Commodity Credit Corporation outlays, which determines the amount of spending available for disaster assistance. This provision will remove from the total disaster assistance outlays available, the $25 million saved by Public Law 101-7, legislation which modified the Government's purchase prices for nonfat dry milk and butter.

Second, as previously noted, the bill only applies to 1989 crops. The administration would like to limit disaster assistance only to those crops affected by drought. But I would point out to my colleagues that the 1988 disaster program, which the previous administration helped draft and heartily endorsed, was not limited to drought.

H.R. 2467 simply clarifies the adverse weather conditions, in addition to drought, that would be covered. This is the only way to ensure that farmers who have been affected by adverse weather, including drought, are given fair and equitable treatment.

Finally, the bill as reported includes a requirement that any producer who accepts a disaster payment or forgiveness of an advanced deficiency payment for 1989 crops, must sign up for multiperil crop insurance for those same crops in 1990. This is similar to a provision that was included in the House bill last year, but was modified in conference with the Senate when we finalized the 1988 bill.

Mr. Speaker, it is our intent in this legislation to ensure that farmers provide their own protection against future adverse weather conditions through the purchase of crop insurance.

I would note that a Commission established by legislation authored by the Committee on Agriculture last year will report to us on July 1 with their recommendations for improvements in the Federal Crop Insurance Program. It is my hope that these recommendations will provide the basis for improving the crop insurance program and allow us to achieve the objective of farmers providing their own protection, an objective which I share with the administration.

Mr. Speaker, I believe that H.R. 2467 is a fair, equitable, and fiscally responsible bill and I ask my colleagues to join me in supporting this important legislation.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2467 and I commend the chairman and my other colleagues on the committee who have worked hard in a bipartisan manner to address the drought crisis that has occurred in the southwest, mainly in the area that embraces parts of Kansas, Nebraska, Oklahoma, New Mexico, Colorado, Texas, and Missouri.

The bill that has been brought to the floor addresses the financial and mental stress problems suffered by many farmers and producers in these States while doing so in a responsible, budget-neutral manner.

The drought that attacked approximately 40 States in 1988 continued its devastating effect in several Southwestern States in the fall of 1988 and the spring of 1989. Some farmers in these areas have had entire crops of wheat, cotton and other commodities destroyed by the drought, hot high winds accompanying the drought, and other disaster related conditions. The severity of the drought is already attested to by the substantial reduction in winter wheat crop production forecast by the U.S. Department of Agriculture for these areas. The winter wheat 1989 crop in Kansas alone is 40 percent below the 1988 crops. Fortunately for consumers, the drought, while devastating in many areas up to this point, is not so severe nationwide as to deny a sufficient supply of wholesome food without large increases in consumer prices. Meanwhile, the substantive provisions of this bill that provide for disaster payments are patterned after the Disaster Assistance Act of 1988 that achieved the effect of extending some help to farmers well within the budget constraints of the fiscal year 1989 Budget Resolution.

Recognizing that the committee could not hope to make up all the financial losses that farmers and producers might incur this year, the committee made this effort to give them some assistance to keep them operating in 1990 inasmuch as many of them are still recovering from the farm credit crisis in farm country that has existed in the 1980's.

However, the committee realized that the budgetary constraints that the Congress is operating under would limit how much assistance could be provided to those affected by weather disasters, and the committee designed this legislation so that it would be budget neutral. Congressman GRANDY's amendment—section 144—was adopted in committee that establishes a method of constraining outlays under this bill, as estimated by the Department of Agriculture, to the difference in estimates for Commodity Credit Corporation [CCC] outlays made by the President in the January 1989 budget and the estimate of CCC outlays for fiscal years 1989 and 1990 made by the administration in the midsession review this summer. In effect, the amendment draws on the reductions in agriculture program spending caused by higher market prices for the farm program crops that the drought—or other disasters—have created. The Congressional Budget Office [CBO] has estimated that reductions in Federal outlays for deficiency payments and price support loans will approximate over $900 million during fiscal years 1989 and 1990. Under the Grandy amendment, outlays for the 1989 crop disaster payments could not exceed that estimated reduction in Federal outlays that might otherwise have been made with favorable crop conditions. The Secretary of Agriculture is also directed to make pro rata reductions in disaster payments if the disaster claims were to exceed the amount that 1989 crop expected outlays would have been without the effect of the drought that caused higher prices—for winter wheat and other commodities—and the resulting reduction in the deficiency payment rate and other price support reductions.

The budget-neutral aspects and language of this bill have been provided to the Congressional Budget Office, the House Budget Committee, the U.S. Department of Agriculture and the Office of Management and Budget. It is my understanding that there is general agreement that the Grandy amendment will work to limit the disaster payments provided for in this bill to the reductions in deficiency payments that will occur for program crops because of the disaster—the drought has increased winter wheat prices to the point where deficiency payments will be reduced by over $900 million.

The limitations provided in section 144—the Grandy amendment—will constrain Federal outlays so as to make this bill budget neutral. Some estimates of the costs of this bill may be somewhat higher than the Congressional Budget Office estimate but such estimates generally estimate larger disaster costs that would still be capped by the Grandy amendment.

There are other provision in the bill such as that inserted by Congressman COLEMAN by an amendment—section 205—that requires the establishment of a new emergency water assistance program to be administered by the Farmers Home Administration, with an authorization level of $75 million. This type of discretionary spending for rural development was specifically contemplated by the Budget Committees and provided for in House Concurrent Resolution 106.

In conclusion, I urge your support for this bill that the Agriculture Committee brings to the floor as a bipartisan, budget-responsible bill that will assist thousands of farmers and producers as well as people in small towns

who depend on farmers and producers for their own welfare.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, June 26, 1989.

Hon. KIKA DE LA GARZA,
Chairman, House Agriculture Committee, Washington, DC.

DEAR MR. CHAIRMAN: The American Farm Bureau Federation (AFBF) is the nation's largest general farm organization representing more than 3.6 million member families in 49 states and Puerto Rico. We support H.R. 2467, the disaster assistance legislation approved by the House Agriculture Committee in late May.

H.R. 2467 will make payments to farmers who experience severe weather related losses in 1989. This bill will provide the same type of disaster assistance used in 1988 for producers suffering similar losses this year. AFBF believes this assistance is warranted based upon the extent of crop losses that have already occurred in 1989 upon the extent of crop losses that have already occurred in 1989 and the fact that in many cases the federal crop insurance program is still unworkable.

AFBF commends you for your leadership in this matter. We urge the House of Representatives to approve H.R. 2467.

Sincerely,

JOHN C. DATT,
Executive Director, Washington Office.

MR. DE LA GARZA. Mr. Speaker, I yield 2 minutes to our colleague, the distinguished chairman of the Committee on the Budget, and a member of our committee, the gentleman from California [Mr. PANETTA].

MR. PANETTA. Mr. Speaker, I rise in support of H.R. 2467, the 1988 Disaster Assistance Extension Act, and request permission to revise and extend my remarks.

THE CONTINUING IMPACT OF THE 1988 DROUGHT

The 1988 drought was the second worst drought in this century in geographic coverage. The 1988 grain harvest was 30 percent less than the 1987 crop, threatening grain and livestock producers with financial ruin. In response to this devastating drought, the Congress and the administration responded quickly to mitigate its financial impact by enacting the Disaster Assistance Act of 1988. Without this assistance many farmers and ranchers would have been driven out of business last year.

Unfortunately, that drought did not end with the 1988 crop year. It continued through the winter, severely affecting the 1989 winter wheat crop in the Southern Great Plains and in parts of the Northwest. The most recent USDA report estimates that the 1989 winter wheat crop will be 10 percent smaller than the 1988 crop because of the drought.

H.R. 2467, THE 1988 DISASTER ASSISTANCE EXTENSION ACT

H.R. 2467 responds to the situation faced by winter crop producers by extending the provisions of the 1988 Disaster Assistance Act to the 1989 crop year. Benefits will be available to livestock producers and to both program and nonprogram crop farmers who suffer a loss of more than 35 percent of their crop. Although this aid will not cover all of the damage to 1989 winter crops, it will provide enough aid to prevent farmers and ranchers from being forced out of business.

It is too early to tell whether the weather will have any effect on 1989 spring-planted crops, but H.R. 2467 would provide flexibility to respond should the adverse impact of the drought continue. There have been substantial rains in parts of the Nation this spring, but subsurface moisture levels are still well below normal in many areas, and drought damage could appear rapidly if new rains are not timely.

BUDGET EFFECT OF H.R. 2467

This 1989 disaster bill is also a responsible bill in budget terms. It contains a provision, the Grandy amendment, which will ensure, with the technical amendment offered by Chairman DE LA GARZA, that the disaster assistance provided by this bill will not exceed the reduction in price support spending resulting from disasters. When disasters affect crop production on a large enough scale, market prices increase rapidly in response to the production of crop supplies. This, in turn, decreases deficiency payments to farmers, including those not affected by the disaster. This is true with the drought affecting 1989 winter crops.

CBO now estimates that under current conditions price support outlays in fiscal year 1990 will be $940 million lower because of the drought than was estimated in the 1990 budget resolution. Because of the Grandy amendment, as revised, aid provided by this bill would be limited to the corresponding estimate made by OMB of the spending reduction caused by the impact of the drought on winter crops.

However, current condition estimates are not used for official scorekeeping purposes. The baseline used in the budget resolution is the benchmark for budget scorekeeping. On that basis, CBO estimates that H.R. 2467, as amended, will not increase 1990 spending, but will save $10 million.

If this bill were not on the floor under a motion to suspend the rules, it would require two waivers of Budget Act provisions—section 302(f) because of the $25 million of estimated new spending causes the Agriculture Committee's allocation to be exceeded, and section 302(c), because the committee has not yet filed its fiscal year 1990 302(b) report. However, Chairman DE LA GARZA's technical amendment corrected the first concern, and it is my understanding that the committee will file its 302(b) report today, if it has not already done so. For these reasons, even if H.R. 2467 were not on the suspension calendar, I would support technical waivers of the Budget Act provisions to allow the bill to come to the floor, because the committee has acted to remove the inconsistencies with the Budget Act and because the bill limits assistance to the amount of spending reduction caused by disasters on a "current conditions" basis. We appreciate the cooperation of the Agriculture Committee in providing very important emergency aid in a manner as consistent as possible with the 1990 budget resolution.

Last year's drought bill faced a similar situation. The Disaster Assistance Act of 1988 was estimated to cost money compared to the baseline in effect at the time it was considered by the House. However, both CBO and OMB had released updated, current condition estimates which showed that the amount of aid triggered by that bill would be less than the reduction in spending caused by the 1988 drought. For that reason, the administration supported the 1988 disaster bill, and, with the Budget Committee's concurrence, the necessary Budget Act waivers were approved to allow the 1988 bill to come to the floor.

CONCLUSION

I urge members to support this bill which provides very important disaster assistance to farmers and ranchers adversely affected by the drought affecting 1989 winter crops—first, because the aid is limited to the amount that price support spending is reduced by the winter drought and, second, because the Agriculture Committee has acted to conform the bill to the requirements of the Budget Act.

MR. MADIGAN. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Massachusetts [Mr. CONTE], the ranking member of the Committee on Appropriations, who I am sure wants to support this bill.

MR. CONTE. Mr. Speaker, we ought to be in the movie business. Just like Columbia, Paramount, and Warner Bros., when a tried and true formula pleases the audience and makes us look good, we have just got to do it again. So here before us is the sequel to last year's "Drought I." The trouble is, this sequel, like so many in the movies, does not come close to the original. "Drought II" may still be a hit at the box office, but that will not make it break even.

This blockbuster suffers from the "bigger is better" mentality. What should have been a small, low-cost bill directed at winter wheat ballooned into a mammoth, catch-all relief bill. Everything is in there: corn, cotton, rice, soybeans, tobacco, peanuts, sugar, and on and on. Those crops have not suffered from disasters this year, and they should not be included.

But where the bill really loses focus is in the jury-rigged financing mechanism which tries to make it look like the bill will not cost us a penny.

That is not the case. CBO estimates it will cost us 90 billion pennies in budget authority and outlays next year. That is $900 million. The Department of Agriculture estimates the costs could approach $1.5 billion.

Why then do we hear that the bill is cost free? Because section 144 limits disaster assistance outlays to the amount of savings which accrue to the Commodity Credit Corporation over the fiscal year, based on OMB's January budget estimate compared with its midsession review. That may technically render it "budget-neutral" relative to the initial budget estimates, but there is a real cost in reduced savings from the Commodity Credit Corporation. And not only that, if those estimates are inaccurate, we may find out at the end of next year that we have spent more than we have saved. That is not my idea of fiscal responsibility.

I am probably about as popular as a skunk at a garden party for saying this, but we ought to send this back to the Agriculture Committee for editing. Let us narrow it down to winter wheat, which is the only crop which needs help right now. And let us limit the expense to the savings from that crop alone, not the entire CCC. Help the farmers who need help, and help the budget at the same time.

□ 1500

Mr. DE LA GARZA. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. GLICKMAN], chairman of the Subcommittee on Wheat, Soybeans, and Feed Grains.

Mr. GLICKMAN. Mr. Speaker, I wanted to say to the gentleman from Massachusetts [Mr. CONTE], that I fought against adding honey into this particular provision. I was the one who saved this bill so that we could get the support of the gentleman from Massachusetts, and we appreciate his support very much.

Mr. Speaker, I just want to make a couple of points.

No. 1 is this bill does not spend more money than is saved by reduced deficiency payments. There is a tremendous drought out there in this country. There is a significantly smaller quantity of wheat that is being produced, which means lower deficiency payments, which means those dollars will be saved. We will spend no more than what is saved as a result of the Grandy amendment, and I think that is important to know.

Second of all, it is important to know that we are suffering extraordinary losses in the Great Plains right now. We have probably had the worst drought localized in one region of the country than any place has had since the Great Depression. We have lost between 60 percent and 75 percent of our winter wheat production in Kansas. I know in places in Nebraska, Colorado, Oklahoma, and Texas, all throughout the Great Plains they are in a similar position, so it is important to recognize that there is a tremendous human tragedy occurring out there in the heartland. That is what we are trying to deal with, that is what we dealt with last year as well.

Third of all, it is important to remember that no crop is eligible for disaster assistance unless it has suffered a 35-percent loss. The previous speaker talked about all of these crops were covered. That is not true. No crop is covered unless it suffers an actual disaster. Then those crops all over this country will potentially be covered, but if there is no disaster, there is no coverage at all.

So for all of those farmers who are suffering an extraordinary loss, let us do the same thing we did last year. Let us show compassion, let us show mercy for those people, and let us pass this bill.

Mr. Speaker, I rise in support of H.R. 2467, the 1988 Disaster Assistance Extension Act.

Last summer, the United States incurred the worst drought it had seen in over 50 years. In the midst of this disaster, Congress passed the Disaster Assistance Act of 1988 to aid those farmers who, without such assistance, would have lost their farms and livestock herds. Fortunately, for most of the country, especially in the Corn Belt, the drought, which ravaged that area last summer is beginning to break. This is good news indeed for American farmers and Americans in general. Rain is finally falling where it has not fallen in months—it is even falling in Kansas again.

Unfortunately, farmers have already incurred extraordinary losses this year due to the continuation of the 1988 drought. Over the Great Plains States of Kansas, northern Texas, Oklahoma, Nebraska, and parts of Colorado, where 75 percent of our yearly wheat production is produced, the 1988 drought continued through the fall and winter, killing over 22 percent of the maturing winter wheat. As a result, total winter wheat production which should have been 1.8 billion bushels, will only be 1.4 billion bushels.

In Kansas alone, where 20 percent of winter wheat and nearly 75 percent of Hard Red Winter Wheat is produced, farmers have lost over one-half of their wheat crop. Based on planting statistics, Kansas farmers had the potential to harvest approximately 450 million bushels of wheat this spring, because of the drought, they will be harvesting less than one-half—202 million bushels to be exact.

However, spring crops are still at risk of failing. If rain fails to fall in a timely manner this summer, subsoil moisture, which is still considerably deficient all over the Midwest, will not be adequate to sustain growing crops. Herein lies the danger for farmers all over America's breadbasket.

We must not forget that grain producers are not the only segment of agriculture affected during a severe drought. Since last year, all over Kansas, Texas, Nebraska, and Oklahoma, brown pastures and dry watering wells have forced cattlemen to find alternative ways to provide water, feed, and grazing pastures for their cattle. During the height of this winter's drought, Kansas cattlemen, alone, were sending six times more cattle to slaughter than normal because adequate pastures and watering holes were nowhere to be found. Luckily, the USDA provided emergency feeding assistance and haying and grazing programs for the counties in emergency conditions. However, due to the untimely and expensive feed costs, cattlemen still incurred extensive economic losses.

Although, Kansas farmers have already lost over $800 million in income due to losses in cattle and crops. However, with respect to Kansas' economy on a whole, less income means fewer dollars to spend for agricultural inputs and other durable and nondurable goods, resulting in a total economic loss of $2 billion or more to the Kansas economy.

In May, my Subcommittee on Wheat, Soybeans, and Feed Grains held field hearings in Amarillo, TX, and Great Bend, KS, to check the drought situation and talk to producers. Every wheat field I saw was dead. According to the farmers, if the drought did not kill those wheat plants, then the early spring freezes and insect infestation did. We all agreed that this situation warranted immediate action by Congress.

As a result, on May 25, 1989, the Committee on Agriculture passed the 1988 Disaster Assistance Extension Act to aid those producers who suffered losses. Just like last summer's bill, this bill provides disaster benefits to those producers who suffered annual commercial crop losses in excess of 35 percent due to damaging weather, such as drought, hail, excessive moisture, and freeze and other related conditions in 1988 and 1989. It provides benefits to participants and nonparticipants of all target price commodities and it also covers producers of soybeans and other nonprogram crops.

For incurred losses between 35 and 75 percent, wheat, feed grains, cotton, and rice program participants may collect disaster payments at a rate of 65 percent of the 1989 target price or 65 percent of the county loan rate for nonparticipants who raise program crops. It also provides disaster payments to soybean and other nonprogram crop producers at a rate of 65 percent of the average producer market price of the last 5 years, excluding the highest and the lowest. The Secretary has the discretion to make an additional payment of up to 10 percent of the applicable payment rate for the reduced quality of the actual harvested program and nonprogram crops due to adverse weather in 1989.

For any losses exceeding 75 percent, producers may collect disaster payments on the production loss at a rate of 90 percent of the applicable payment level.

Similar to last year's drought bill, producers will not be required to repay advance deficiency payments on production losses up to 35 percent. And, producers who lose 35 percent or more of their crop and receive disaster payments, would not be required to repay advance deficiency payments until July 31, 1990.

In order to help regain lost income, the bill would allow farmers to transfer 20 percent of permitted acreage for one program crop to plant industrial crops like canola, rapeseed, sunflower, safflower, and flaxseed.

The only significant deviation from last year's bill is in the Federal Crop Insurance Provision. In fact, it goes beyond last year's bill and makes the requirement more stringent. This bill requires producers to purchase Federal crop insurance if they receive any disaster payment or were allowed to keep any portion of their advance deficiency payments for crops planted in 1989. However, producers who planted crops in 1988 for harvest in 1989 will not be required to purchase crop insurance unless they suffer production losses in excess of 65 percent, which is the same as last year's bill.

Total benefits to an eligible person from programs established by this legislation are limited to $100,000. Also, combined benefits from persons receiving payments under this legislation and current livestock emergency programs is limited to $100,000, as well.

In times of shortfall in production, this year and last, we included a provision which requires the Secretary to establish a de minimis yield for each crop eligible for disaster payments to be set at a level that will minimize any incentive to abandon crops that have a value greater than the cost of harvesting the crop. This allows the producer to harvest any remaining portion of the crop without the threat of losing disaster payments.

Realizing the budget constraints, we included a spending cap which caps total spending under this legislation to the amount of savings generated through reduced commodity spending expected this year. The difference between the Office of Management and Budget's January and August budget estimates will be the amount that the programs established under this bill will be allowed to spend. If necessary, the Secretary will have the authority to prorate benefits to eligible recipients.

In closing, this bill, which is similar to last year's, but significantly dissimilar with respect to crop insurance, is needed to save many Kansas and Texas farmers and throughout areas that have to recover from the drought of 1988.

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. COLEMAN], the ranking minority member of the Subcommittee on Conservation, Credit, and Rural Development.

Mr. COLEMAN of Missouri. Mr. Speaker, I thank the gentleman from Illinois for yielding me 1 minute.

Let me say I rise in support of H.R. 2467, to assist the farmers and communities who are experiencing severe drought.

There is a residual problem, Mr. Speaker, from last year's drought and previous years as well. Even though there may have been some moisture this spring, there are a number of communities, indeed a lot of farms as well and a lot of farmland that underneath the soil does not have sufficient moisture to sustain crops this year or next year, and it is going to be a continuing problem.

But let me say I think it is important that we recognize small towns and communities in many cases are having their water supply dry up. These people are also going to be helped by this bill because it provides an amendment, which I offered in committee, providing emergency water assistance programs to communities of 15,000 or fewer people. I think it is extremely important that we recognize that at a time when many of us are talking about rural development, there can be no rural development in communities where they have sustained a drought unless they have some sort of location for water to supply their communities and for future growth. That is the importance of this amendment, and I feel also the importance for this legislation as well.

Mr. Speaker, I support H.R. 2467 and urge my colleagues to adopt it.

There are two provisions contained in the bill that I offered in the full committee that are beneficial to the citizens of north Missouri who have suffered under severe and long-term drought conditions during the last year and a half. Indeed, the provisions would assist persons throughout the Midwest.

As you know, Mr. Speaker, the Midwest has been fortunate to receive rain this spring, but municipal and rural water supplies still are critically low and in some cases have been exhausted. It will be some time before those water supplies will be replenished.

H.R. 2467 establishes an emergency water assistance program through the Farmers Home Administration that provides grants to public and private entities that supply water to small, rural communities. If the water systems of those communities have been damaged because of the drought during 1988 or 1989, they probably would be eligible to receive assistance. Applicants would be entities serving rural areas including cities and towns with a population of not more than 15,000.

The applicants must submit evidence that the problems are related to the drought and must certify that the water supply system cannot or will not be able to supply adequate water supplies to communities because of the drought. Any grant can be used only for recovery from the drought.

Finally, Mr. Speaker, I should point out that this does not replace any existing program operated by the Farmers Home Administration, and it is designed to deal with the particular emergency conditions caused by the drought of the last 2 years. It is not a permanent program. As the chairman of the Budget Committee noted at the markup of this bill in the Agriculture Committee, there is money available in the budget resolution to fund this emergency program.

The other provision included in this disaster legislation deals with the rehabilitation of farm ponds at a time when many of these ponds are dry. Over the years, many farm ponds have silted or filled in and thus do not have the capacity to hold water they had when they were new. At a time when many of these ponds no longer are water impoundments, farmers could dredge or dig out these ponds so that they could regain or increase their original capacity.

Mr. Speaker, I urge passage of the legislation.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from Oklahoma [Mr. ENGLISH].

Mr. ENGLISH. Mr. Speaker, I think that it must be understood that in all fairness this legislation, H.R. 2467, is a continuation of the drought legislation from last year.

My home State of Oklahoma and my congressional district was hard hit by this drought. In fact, in northwestern Oklahoma we had areas as hard hit as any place else in the country.

It must be understood, as I stated, that this drought started last year. Last September when our farmers planted their crops, the drought was there. There was little moisture that fell through the fall, and it continued on into the winter, and during that particular period that crop had little chance to develop because of a lack of moisture. We found a root system that was inadequate, and lying upon the surface, and when the hard freezes of winter came about, it completely destroyed that crop.

Mr. Speaker, we found also a situation in which farmers in my district were unable to even harvest this particular crop. In fact, they had to plow that crop under before it even approached the time of harvest.

Mr. Speaker, I strongly support H.R. 2467, and in all fairness I urge that it be adopted by this House.

Mr. MADIGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. GOODLING], who is unable to be here today due to surgery, I request the attention of the gentleman from Texas [Mr. DE LA GARZA], chairman of the committee, and the gentleman from Illinois [Mr. MADIGAN], the ranking member, to address an issue involving section 104(a) of the bill and the administration of the 1988 disaster program by the Department of Agriculture under section 204 of the Disaster Assistance Act of 1988.

I note that on page 26 of the report accompanying the bill, the following section-by-section analysis of section 104(a) states what is absolutely in agreement with my understanding of what Congress intended USDA to implement in the 1988 Disaster Program as it relates to section 204 of the Disaster Assistance Act of 1988. Is that correct?

Paragraph (4) of section 104(a) does not have a counterpart in the Disaster Assistance Act of 1988. It has been added here because the Secretary of Agriculture has misinterpreted the provisions of section 204 of the Disaster Assistance Act of 1988, which is the parallel provision to section 104. It was and is the intent of section 204 of

the Disaster Assistance Act of 1988, and it is the intent of section 104 of this bill, that commodities that cannot be sold in normal commercial channels of trade are not to be considered as part of the quantity of harvested commodities. This intent has been recently confirmed in a colloquy between Mr. DE LA GARZA and Mr. WHITTEN (see CONGRESSIONAL RECORD, Apr. 26, 1989, H 1411).

Mr. DE LA GARZA. If the gentleman will yield, yes, that language on page 26 accurately states what was intended under the 1988 act, and is intended under this bill, that is the proper interpretation of these respective sections to the effect that commodities that cannot be sold in normal channels of trade are not to be treated as part of the quantity of harvested commodities. If it is not marketable it is not production. It was not intended to relate to the quality of the production.

Mr. MADIGAN. If the gentleman will yield, I concur with the chairman's statement and state further that the Department treated losses for crops such as peaches and potatoes that the commodities that were harvested but not marketable as involving a quality issue whereas in fact it was the intent of the committee and the Congress that harvested commodities that could not be marketed as such and that were unsalable and nearly worthless involved a reduction in the quantity of production and thus made producers eligible for assistance. This provision in section 104(a) does not broaden the bill viz-a-viz the 1988 act, it merely clarifies it and sets forth the proper interpretation of the act and the bill.

Mr. GUNDERSON. On behalf of Mr. GOODLING, I thank the chairman and the ranking member for the clarification of the interpretation of the pertinent sections of the act and of the bill.

Mr. GOODLING. Mr. Speaker, I want to commend the chairman and ranking minority member of the House Committee on Agriculture for taking steps to provide relief to farmers who did not receive payments under last year's drought bill because the Department considered their losses for nonprogram crops to be quality losses.

When a farmer has a peach or an apple that is greatly reduced in size because of the drought and drilled full of holes from hail or a potato which develops jelly and rot, it is not a quality loss. There is no market for this product. It is, therefore, a question of marketability.

In my 19th Congressional District of Pennsylvania, we have experienced 3, and in many instances 4, years of drought. Some of my farmers are considering leaving farming because they can no longer make ends meet. They are not bad farmers or poor managers. Like all farmers, their success depends, to a large degree, on the weather—and it just hasn't been cooperating these past few years.

My district probably produces more snack foods than any other area in this country. They use a lot of potatoes. But there was little or no market for last year's crop. The chippers refused the potatoes—and if the chippers refuse them, there is no other market.

Similarly, my peach and apple farmers could not even sell their crops to processors. The peaches were too small and too damaged by hail to even be processed into a canned product. Apples weren't even salable for apple juice. And then, to add insult to injury, many of my peach and apple farmers had to pay laborers to remove the unsalable crop from the trees.

But USDA told my farmers their problem was quality. They still had a product and, therefore, were not eligible for benefits under the Disaster Assistance Act.

Mr. Speaker, these farmers do not usually come to the Government for help. There are no Government programs which support them. But they need help now if they are to stay in business.

Last year's drought assistance law was supposed to help them. The report accompanying the 1988 Disaster Assistance Extension Act, on page 26, clearly spells out that it was and is the intention of the Congress that commodities that cannot be sold in normal commercial channels of trade are not to be considered as part of the quantity of harvested commodities. I hope USDA is listening.

Mr. Speaker, I urge the enactment of this legislation and I urge the USDA to make payments to farmers throughout this country who have suffered losses because of the 1988 drought but have been unable to obtain financial relief because USDA did not abide by the wishes of the Congress.

Again, I want to thank my colleagues on the Committee on Agriculture for this legislation. My farmers and I appreciate all of your efforts in their behalf.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I rise in support of H.R. 2467 and commend my friend, the gentleman from Texas, and my colleagues, the gentlemen from Kansas, Mr. GLICKMAN and Mr. ROBERTS, for their work in the committee on this legislation. In doing so, I would state I appreciate that we have some differences to work out with the administration, and I am confident that we can do that as we move through the process.

I would also like to point out that I think a false image was left by our friend, the gentleman from Massachusetts, when he argued that this is going to cost a great deal more than the budget resolution has provided for. The fact of the matter is I think the gentleman from California [Mr. PANETTA] made it very clear that with the Grandy amendment in place, we are capping the cost of this legislation to the amount of savings in commodity programs. With that in mind, I hope that my colleague will feel comfortable in voting for this from a budgetary standpoint.

In closing, I would just observe that Kansas has sustained a loss of probably $1 billion this year, and that is a conservative estimate of the loss of 40 percent of our wheat crop. Mr. Speaker, I think the legislation before us is responsible, and it is legislation that hopefully we can work to obtain the administration's support for as we move through the process.

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 2467, the 1988 Disaster Assistance Extension Act as reported by the House Agriculture Committee, and in opposition to any amendments which could weaken or dilute the committee's position. I thank the distinguished committee chairman, the gentleman from Texas [Mr. DE LA GARZA] and the ranking Republican member [Mr. MADIGAN] for their diligent efforts to bring this legislation before the Congress in an expeditious fashion.

Mr. Speaker, in response to the 1988 drought and other weather-related disasters the 100th Congress passed the Disaster Assistance Act of 1988. The severe drought of 1988 was the worst agriculture disaster since the dustbowl day's of the 1930's Great Depression. This severe 1988 drought that affected much of the Nation has continued to plague regions of the Great Plains, Texas, and the Southwest. In fact, the USDA has continued to rate the drought as extremely severe with regard to the major wheat-producing States of Kansas, Texas, Colorado, and Oklahoma. Furthermore, the lack of adequate subsoil moisture reserves poses a threat to 1989's spring-planted crops.

For this reason, I am a strong supporter of the provision sponsored by the gentleman from Texas [Mr. DE LA GARZA] and approved by the full Agriculture Committee, which will establish programs to benefit producers of wheat, feed grains, upland cotton, extra long cotton, and rice as well as onions, peanuts, sugar, tobacco, and soybeans. This is not a handout, nor an unwarranted Government subsidy. Rather, it is a legitimate attempt to help our Nation's farmers hold the line against drought-induced price increases.

Mr. Speaker, this legislation will provide important relief to America's diligent and hard-working farmers. Furthermore, this legislation is important because as experience demonstrates a healthy agricultural economy coincides with the best interests of consumers and our country as a whole. For these reasons, I urge my colleagues to support H.R. 2467.

□ 1510

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in support of H.R. 2467, the 1988 Disaster Assistance Extension Act. This bill is similar to legislation I introduced, H.R. 2394, for comprehensive disaster assistance based on the Disaster Assistance Act of 1988.

Producers from across the State of Nebraska have been devastated by the dry weather that has severely limited their ability to produce a normal crop, and they desperately need assistance.

H.R. 2467 is not a perfect piece of legislation, but it is a positive step forward in assisting producers who have been affected by weather-related conditions beyond their control. We will not be replacing a normal year's income, only providing just enough assistance to allow producers to continue production for another year.

As my colleagues will remember, the drought of 1988 was the worst drought in our Nation in nearly 50 years. This drought continues to grip the farmers and ranchers in Nebraska and throughout the Midwest.

While some States are only partially affected by this year's drought conditions, the Secretary of Agriculture has approved all 93 counties in Nebraska for emergency haying and/or grazing on set-aside and conservation acres, 48 counties have been approved for the use of Conservation Reserve Program [CRP] acres, and 42 counties have been designated for emergency livestock feed programs.

According to the USDA, in 1987 producers in Nebraska planted 2.2 million acres of wheat and harvested 85.8 million bushels for an average of 44 bushels per acre.

Nebraska producers have lost most of their crop and are expecting the smallest wheat production since 1944. In 1988, Nebraska producers planted almost 2.6 million acres of wheat, but according to USDA estimates they will only harvest 53.3 million bushels for an average of 26 bushels per acre.

Subsoil moisture is 93 percent short and topsoil moisture is 82 percent short. Almost 60 percent of the winter wheat crop is still rated poor to very poor even though many fields have already been destroyed. Pasture and range feed supplies are rated 83 percent short and almost 40 percent of the alfalfa hay crop is rated poor to very poor. Total precipitation for Nebraska is running 65 percent behind normal.

This bill covers more than just drought-related production losses. I am extremely pleased to see that farmers who suffer 1989 crop losses in excess of 35 percent as a result of excessive moisture and other natural disasters will also be covered.

Many producers in my district have experienced total crop losses due to hail damage and tornados. These farmers have hope that they will be able to survive such devastation just as their neighbors who are suffering from drought.

While I do not favor all the provisions of this bill, I believe fair and responsible assistance is generally provided.

H.R. 2467 does not, however, address the need to provide effective crop insurance coverage. Many producers find they cannot purchase adequate coverage at an affordable price. Therefore, they did not participate in the Federal Crop Insurance Program. I believe my colleagues on the Agriculture Committee agree that we must overhaul Federal crop insurance if we are to provide it as an effective replacement to disaster assistance legislation.

I also have reservations with H.R. 2467 because it does not address the sharply increased costs faced by irrigators in my district. When a dryland producer faces inadequate moisture—his crop fails and under this bill he would receive partial compensation for his losses. However, a producer who irrigates his cropland faces increased water application expenses and, without sustaining significant production losses, he will not receive compensation even though market prices will not cover his additional costs and reduced yields.

I was pleased by the timely actions taken by the Secretary of Agriculture to bring assistance to drought counties in Nebraska and across the United States. Despite the Secretary's early efforts, further assistance is needed and should be approved by this Congress. I urge my colleagues to vote for this bill.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Speaker, I thank the chairman for yielding time to me.

Mr. Speaker, as we have heard today, drought has caused severe economic problems for a good portion of the country. For the second year in a row, producers have been stripped of most of their crops and, along with it, their income.

Once again, these weather conditions have not been discriminating. They have been relentless and thorough in wiping out crops throughout our Nation's Farm Belt. Consider the loss in Texas alone. Our 1989 wheat crop is projected at 58.8 million bushes—a full 42 percent below normal.

We are sorely mistaken, though, if we think these problems begin and end with the producers. At a recent hearing in Amarillo, members of the North Panhandle Bankers Association testified that about 25 percent of rural bank customers are producers. All of those producers will suffer some degree of financial loss this year, and at least 10 percent will lose their farms.

If that is not an example of adverse economic impact, then I do not know what is.

Mr. Speaker, in light of the evidence it is clear we must provide producers with some relief from the financial burden this drought has caused.

I want to express my appreciation to Chairman DE LA GARZA and the other members of the Agriculture Committee for their diligence in working to bring to the floor legislation that solves this pressing problem.

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, the distinguished gentleman from Massachusetts [Mr. CONTE] made some interesting observations about this bill. But I think we need to look on the optimistic side and to congratulate the committee for the work that it has done to put its bill into shape so that it would pass budget muster.

The Grandy amendment and others have given it a current CBO rating of a savings of $10 million. That is an outstanding achievement.

The gentleman from Kansas [Mr. SLATTERY] indicated there are other improvements that need to be made along the way. But I think that the work that the Committee on Agriculture has done, and its distinguished chairman and vice chairman have done to try to meet their obligations is a good sign that they are going to continue that and will do so.

Mr. Speaker, I intend to vote for H.R. 2467 because of the outstanding work that they have done to meet their budget obligations.

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Mr. Speaker, I rise in support of the passage of H.R. 2467, the 1988 Disaster Assistance Extension Act, and I strongly urge our colleagues to also lend their assistance to this modest but vital effort. Last year Congress waited until late in the season to enact the 1988 Disaster Assistance Act, and by that time almost every region of the country was suffering from some form of weather disaster that threatened the very existence of tens of thousands of family farmers.

In the bill last year, Congress acknowledged that the current program of Federal crop insurance was totally insufficient to meet even the minimal needs of those producers hard hit by natural disaster. Federal crop insurance was insufficient in 1988, and it remains insufficient in 1989. Even those who have bought policies for this year will not receive indemnity payments

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

large enough to cover their out-of-pocket expenses related to the 1989 crop. This leaves them in jeopardy when it comes time to repay operating loans and to pay the annual mortgage installment on their land.

In last year's bill, we rewarded those producers who had voluntarily tried to cover part of their risk by buying Federal crop insurance by allowing them to also receive a small disaster payment under the legislation. The bill before us today will continue that incentive. Hopefully, within the next year or two Congress will act to reform and improve the Crop Insurance Program so that it will eliminate the necessity of disaster bills such as H.R. 2467. But, until such time, it is only fair that we use the savings generated to USDA when natural disasters reduce overall farm program payments, and use those savings to make disaster payments to adversely affected producers.

Last year Congress "capped" the total benefits under the bill at $4 billion because in late August USDA was already able to identify at least that much in program savings due to drought and weather-related crop yield reductions. To date, only about $3.3 billion in benefits have been paid out under the 1988 act, but USDA estimates that total savings will actually be more on the order of $6 billion. So, even if the $4 billion "cap" had been reached, American taxpayers would still have saved some $2 billion.

The bill before us today contains similar limiting language. Because it is still too early in the season to accurately estimate total savings in dollar figures, this year's bill says that total payments for disaster benefits cannot exceed the total savings for the year which result from weather-related disaster crop yield reductions. So, this bill is not a "budget buster" and should not be looked at as any increase in the costs of the 1989 farm program budget as already approved by this Congress.

In fact, this bill will actually save money for the taxpayers when farm operators use large portions of the assistance to meet their payments which will become due to the Farmers Home Administration or to the Farm Credit System banks later in the year. FmHA defaults cost the taxpayers directly, and less than 2 years ago Congress granted the Farm Credit System a $4 billion line of credit which will also cost the Treasury if they are forced to draw on that line of credit more heavily in the future due to disaster-related defaults this year.

This bill is not premature. Already thousands of farmers have lost their winter wheat crops, hurricanes are pounding the Texas and Louisiana coasts, while excessive moisture has damaged many corn-growing areas in the Midwest and along the eastern shore. Farm producers and their lenders need to know now what they can count on if and when their particular operation is adversely affected by disastrous weather.

Again, Mr. Speaker, I urge our colleagues to approve this measure today. It is timely. It is modest. It is within our budget guidelines for 1989, and it is the right thing to do.

Mr. Speaker, I commend the chairman of the committee, the gentleman from Texas, Mr. DE LA GARZA, and the ranking member, the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I rise today to urge my colleagues' support of legislation to be considered under suspension of the rules today to assist farmers suffering under our Nation's continued drought. The legislation, H.R. 2467, would extend to 1989 crops the disaster assistance provided to 1988 crops under the provisions of the drought relief bill enacted last year.

The bill provides disaster payments to eligible producers of wheat, feed grains, upland cotton, extra-long cotton, rice, peanuts, sugar, tobacco, soybeans, and nonprogram crops. As a condition for receiving payment, producers would be required to obtain crop insurance for the 1990 crop. H.R. 2467 also assists livestock producers by, among other benefits, encouraging the USDA to make at least $25 million available for water and transportation cost-sharing assistance.

My home State of Kansas is in desperate need of this legislation as drought conditions continue to persist in our Nation's No. 1 wheat-producing State. As harvest time begins, wheat farmers are bracing themselves for what is expected to be one of the lowest yields in a decade. Wheat which should now be taller than a farmer's waist is instead only 1 to 2 feet high. The USDA predicts that the 1989 harvest will be down 8 percent nationally from last year's level, but down 37 percent in Kansas, the breadbasket of the world. This situation is expected to cost the Kansas economy $1.61 billion or 3 percent of the State's total annual economic output.

Mr. Speaker, the weather, which is so vital to a successful harvest, was especially mean-spirited on this year's winter wheat crop. In fact, farmers were hit by a triple weather whammy. Last summer's drought depleted soil moisture to the extent that there was little autumn rain to help the seeds get started. This was followed by an unusually warm January, which prompted the plants to emerge from dormancy early, so that they were completely exposed and at the mercy of the arctic cold front that blasted the Nation in February. Finally, the hot, dry spring made it impossible for the wheat to overcome these winter setbacks.

Mr. Speaker, I implore my colleagues to recognize these uncontrollable, adverse weather conditions and to vote their conscience to assist those responsible for making America the largest bread producer in the world.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Missouri [Mr. VOLKMER], chairman of the Subcommittee on Forests, Family Farms and Energy of our full committee.

Mr. VOLKMER. Mr. Speaker, I wish to commend the chairman and ranking minority member for bringing this legislation to the floor and being prepared for a disaster, actually for many of us, maybe, before it occurs, and not waiting until after it has happened and then come forward with legislation.

I know that the people in Kansas and Oklahoma and Texas have already had their disaster but there is a good possibility that many of us will still have parts of our area still subject to disaster, and this legislation by being in place will help our farmers.

I urge all Members to support this legislation and let us get on with it and pass it and make it into law so if we have another disaster this year we will be prepared for it this time and not have to wait for regulations at the end.

Again I thank the chairman and the ranking minority member for their work on this legislation.

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, this Member rises today in support of H.R. 2467 and commends the leadership on both sides of the aisle for the cooperative, bipartisan effort to design a core package of drought legislation that may be needed for those farmers, particularly in the Great Plains States, who, in significant geographical pockets, continue to suffer the prolonged effects of last year's devastating drought.

This Member also commends the Secretary of Agriculture for his favorable cooperation in numerous decisions that were needed by local and State ASCS offices to combat the early effects of the drought. While the Secretary has pledged to continue to use existing authority in these mitigation efforts, there is a need to administer some of the discretionary haying and grazing regulations under the CRP Program with a greater degree of discretion and common sense.

The Secretary has recognized the importance of preserving foundation herds that have taken livestock producers in my State years to build up. Unless valuable forage is released and

the ASCS is more responsive to the immediate forage needs of livestock producers, the costs, in terms of lower herd numbers and reduced quality in breeding stock, will be experienced for years to come.

This Member strongly supports the intent of the committee with respect to H.R. 2467—that relief be based on proven commodity losses and be consistently measured across commodity lines. It is also important that the direct emergency feed programs be aimed at those producers who are unable to grow adequate stocks needed to support their foundation herds and that the program be extended. The USDA should report to Congress on how the animal unit calculations for the level for assistance are determined. This Member has long questioned the data used by the USDA to determine the daily nutritional needs of beef cattle. In addition, fortunately, the legislation includes language to authorize emergency grants for rural community water supplies and to expand opportunities for farmers who wish to plant certain alternative crops on farm program acres.

This Congress, and in particular those who will serve on the conference committee, must now draw the line on those elements that have no place in this drought relief program. While it is my hope that this legislation ultimately will not be needed by the producers in Nebraska, such assistance should be available. However, assistance through H.R. 2467 must be directed only to those who suffer substantial losses due to drought in 1989 and address the impact of drought as it affects producers in 1989. It should not be utilized generally to make major policy changes in basic farm policy.

If properly crafted and administered, the taxpayer should not be exposed to any additional costs because of the passage of this legislation. Because the bill caps total spending at the level of savings generated through reduced costs of commodity programs, no additional outlays should be necessary. Additionally, the legislation enacted should assure that those producers who do not carry Federal crop insurance should not be treated as generously as those who do participate. That would set a bad precedent, thus discouraging the higher levels of participation in the crop insurance program that it is our current national policy to encourage. In closing, I would encourage the Congress to take a very careful look at the recommendations to be made shortly by the Federal Crop Insurance Advisory Board. We will want to pay particularly close attention to any recommendation for encouraging widespread participation and avoiding the use of ineffective and drastic measures often contained in stop-gap agricultural disaster legislation.

Mr. Speaker, this Member urges support for H.R. 2467.

□ 1520

Mr. MADIGAN. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Speaker, I rise in obvious support for H.R. 2467, and as a member in committee who was successful in drafting an amendment to garner the support of possible agricultural critics such as our friend, the gentleman from Minnesota [Mr. FRENZEL], who keeps a close eye on our spending matters in this Congress. The idea of that amendment was to say that we can spend no more in drought relief than we save in program payments, which will not be necessary unless the price of the commodity goes up.

Mr. Speaker, that is in section 144 of this legislation. It is designed as a preemptive mechanism to give Members confidence that we are not trying to spend more than has already been allotted for agriculture this year. Hence, no sequestration.

Now, our chairman of the Committee on Agriculture went further, created a perfecting amendment, and the new language makes sure that the Secretary takes into account the increased outlays for the conservation reserve program and Federal crop insurance estimating the cost of the disaster bill to exclude the outlays needed for "any act enacted after January 3, 1989." The language is designed to make sure that we ascribe those savings toward the payments that we make. The Secretary of Agriculture has the ability to prorate payments, should there not be enough money left, to prorate payments in terms of commodity payments or in terms of disaster payments.

Mr. Speaker, in closing, this is a budget-sensible piece of legislation. I urge my colleagues to support it, whether they are representing drought-strained areas of the country or not.

Mr. MADIGAN. Mr. Speaker, I yield the remaining 3 minutes to the gentleman from Kansas [Mr. ROBERTS] to close the debate on this side.

Mr. ROBERTS. Mr. Speaker, I choose not to associate myself with the remarks of my friend and colleague from Massachusetts, Mr. CONTE, but I do share some of his concerns. I would say in his own prescribed way he is not a skunk in the woodpile so much as a lonely but revered polecat. He never says enough, but we should pay attention to his concern, because we do want to bring this in under budget.

I rise in support of H.R. 2467. Simply put, the highly publicized drought of last year continued in the winter wheat belt to the extent we have had a major crop disaster.

Probably more times than my colleagues would like to be reminded, I have told this House that we grow more wheat in the big First District of Kansas than any other State; that's during normal times. And, while we are used to the vagaries of extreme weather and all of the rest of the problems and challenges that go hand-in-hand with being a wheat producer out on the High Plains, we have not been able to withstand the worst drought since the infamous "Dirty Thirties."

Several months ago, the Wheat Subcommittee held hearings in my district in Great Bend, KS, under the chairmanship of my colleague from Kansas, Mr. GLICKMAN. The subcommittee heard from our Kansas Gov. Mike Hayden, both Senators DOLE and KASSEBAUM, State legislators, our Kansas Secretary of Agriculture Sam Brownback, numerous farm organizations, and experts from Kansas State University as well as others with expertise in weather forecasting and crop conditions. Most important, we heard from beleaguered farmers and ranchers.

These are the same folks who have somehow perservered during the past decade through very difficult times and who, during the past 2 years, have begun the long road back to economic survivial. Some did not make it but for those who have, this drought has been a killing blow.

Mr. Speaker, I will spare the committee and my colleagues my speech: "We did it for corn country last year in the middle of a Presidential election, it is only fair we apply the same assistance for the beleaguered wheat farmer," I made in the House Agriculture Committee. But, let it be said this is a major crop disaster. In Kansas, we have lost one-half of our crop and the practical result on an individual farmer basis and up and down Main Street of rural and smalltown America has been devastating; an estimated economic loss of $1.6 billion to Kansas alone.

Mr. Speaker, while this bill is on the suspension calendar it does not come to the floor without some concern. The Secretary of Agriculture has indicated several:

First, we in no way want this bill to lead to a sequestration under Gramm-Rudman-Hollings and with the Grandy amendment it should be budget neutral.

Second, this bill does provide assistance to all 1989 crops caused by damaging weather or related conditions. That means assistance would be granted to producers of crops who have yet to experience a disaster, regardless of the cause and regardless of the area affected. More to the point, since the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Grandy amendment stipulates we cannot pay out in assistance more than is saved in wheat deficiency payments, it means the wheat producer could see his deficiency payments financing producers of other crops where there has not been a major disaster and his own assistance prorated where there has been a major disaster.

The first drought bill of this session was introduced by this gentleman from Kansas and it was crop specific—only where we could clearly show we have suffered a major crop disaster. I realize that we in agriculture represent a family of sorts, but when a farmer's barn burns down, his neighbors rebuild the barn—they do not fix fences for everyone in the surrounding area. I am hopeful when this bill goes to conference we can limit this assistance to 1988 planted crops; that is, where the major crop loss has occurred, that is where the assistance should go, and that is what we can afford.

Finally, Mr. Speaker, there is the policy question in regard to Federal crop insurance. For over a decade now we have tried to reform, improve, and change Federal crop insurance to be the sole vehicle for crop disaster assistance. Simply put, it has not done the job; better in some regions for some crops, not so good in others. Well, to be sure, if we grant disaster assistance, as we are doing today, producers are not going to purchase crop insurance. I know that and I think I know that argument from many of my colleagues and officials within the USDA and OMB by heart.

That is why we have studied crop insurance yet again, appointed a special commission to do so, and are ready again to hold hearings and try to reform this program all over again. So be it. But, due to the complexity of the Federal Crop Insurance Program and the inequities, and quite frankly the lack of participation on the part of farmers, we will make every effort to jump start this program again. I have mixed emotions about that but the point is the Commission's recommendations are now in the hands of the Secretary of Agriculture and we in the Congress will not take this up until fall. In the meantime, we have had a major disaster in wheat country. We need this assistance now.

Mr. Speaker, I also know the Secretary of Agriculture is concerned about the livestock section of this bill. Since I authored those amendments, let me say I feel very strongly any disaster program must include the livestock sector. When Secretary Yeutter came to Kansas several months ago at the request of Senators DOLE, KASSEBAUM, our Governor, and myself, he knew he would see damaged wheat. What really impressed the Secretary was the sorry condition of our pastures. Needless to say the livestock producer does not have the equivalent of Federal crop insurance.

But, in the interest of budget concerns, taking into account the spotty rains we have had since the drought conditions, we made the water enhancement program and the transportation assistance program discretionary with the Secretary. While the cattleman has been hard hit, some of that assistance may not be needed.

Mr. Speaker, the last concern I wish to stress is in regard to time.

In this regard, I want to thank Chairman DE LA GARZA for expediting this bill on the suspension calendar and my colleague from Kansas, Mr. GLICKMAN for holding hearings and his leadership as well. We have assurance from the chairman of the Senate Agriculture Committee, that they will take up their version of this legislation in mid-July. I am grateful for that.

But, I must say Mr. Speaker, in my estimation if we had kept this bill crop specific or limited to 1988 planted crops and kept the livestock section discretionary, I think we could have moved this legislation on a much faster track. Our wheat farmers deserved and deserve no less.

Ms. LONG. Mr. Speaker, I am pleased that the House has moved quickly to consider H.R. 2467, the 1988 Disaster Assistance Extension Act. As a member of the Agriculture Committee, I know that my colleagues worked hard to move this legislation through the committee in a timely fashion.

If passed, this legislation would put sound mechanisms in place to assist farmers in the event of a natural disaster. The bill would provide assistance to farmers who have a loss of, or are prevented from planting, 35 percent or more of their crop. Last year it was the drought, but in the future any number of natural disasters could take a heavy toll on U.S. agriculture.

I want to take a moment to point out to the membership that in my congressional district of Indiana, farmers have had tremendous difficulty getting into the fields to plant due to excessive moisture. The Indiana State ASCS offices' latest estimates show that in Allen and Jay Counties only 30 percent of the corn and 50 percent of the soybeans have been planted. Much of the corn acreage has been planted with soybeans, but as a farmer myself, I know that these figures could mean real trouble for agriculture and related agribusiness in our area if the rain continues, or if we have an early frost.

I have been visiting farms to inspect the flooding over the past 2 months, but the proportions of the situation became apparent earlier this month when I had the opportunity to take a helicopter tour of some of the areas which have been particularly hard hit by the flooding. I witnessed firsthand the effects that standing water, saturated soil, and unworkable fields were having on area farms. I should mention that it has continued to rain every few days since I took this tour, and it is raining in portions of my district even as I speak.

Mr. Speaker, the legislation that we are considering today will put in place mechanisms which can assist farmers should the rain continue in my congressional district, and it will be in place for other areas of the country should a true disaster occur.

I commend the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Agriculture Committee, and the ranking minority member, Mr. MADIGAN, for bringing this legislation to the floor. It is a good and needed will, and I urge all of my colleagues to support it.

Mr. WEBER. Mr. Speaker, I rise in support of H.R. 2467 the 1988 Disaster Assistance Extension Act. This legislation, if passed, will provide the producers in my district with a solid insurance policy against potential financial disaster if the drought continues. The chairmen and the committee should be commended for their expeditious work on reporting a bill that meets tight budgetary requirements.

Mr. Speaker, during the early 1980's, the farmers in my district suffered through one of the worst depressions since the 1930's. Although the farm economy has rebounded, a continued drought could have the same devastating effect on rural America. This is why we need to take immediate action today and pass this legislation. We need to have this bill in place so we can distribute relief quickly and effectively to those affected by the drought.

I have noticed in recent days that the Department of Agriculture seems to have taken a wait-and-see approach to the drought and the need for this legislation. I'm sure the Department shares our concern about the potential impact of the drought on producers. But I think their position regarding the need for this legislation is penny wise but pound foolish. The Department should recognize, better than most of us, how cumbersome the process is to put a program like this into place. Furthermore, they should also understand that most producers will need to know what type of program is in place by this falls harvest. Therefore, I would encourage my colleagues to support this legislation so that the Department understands how important it is to have a drought relief program in place quickly.

Mrs. LLOYD. Mr. Speaker, I rise in strong support of H.R. 2467, to extend the 1988 Agricultural Disaster Assistance Act to include the 1989 crops.

This bill directs the Agriculture Department [USDA] to provide disaster payments to farmers who lost more than 35 percent of their 1989 crops—or are prevented from planting them—due to damaging weather and related conditions in 1988 or 1989. The specific conditions covered by the measure are drought, hail, excessive moisture, freeze, tornado, hurricane, or excessive wind, and insect infestation, plant disease, or other crop deterioration worsened by damaging weather.

This legislation is essential to farmers in my own State of Tennessee who have recently seen their crops severely damaged by heavy flooding. I had the opportunity to tour some of these sites in my district just several days ago. I found that many farmers are in dire need of Federal assistance because of the severe damage their crops have sustained. Enactment of this proposal is essential toward that end.

Our farmers are the backbone of our Nation and we need to stand firm in our commitment to provide whatever assistance is necessary for them to maintain their viability. This legislation is an appropriate and timely response to the severe weather conditions which have persisted in so many parts of the country. I urge my colleagues to join with me in supporting the passage of the 1989 Agricultural Disaster Assistance Extension Act.

Mr. DE LA GARZA. The Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HARRIS). The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, H.R. 2467, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. The Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 2467, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON POLICY, RESEARCH AND INSURANCE OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT DURING 5-MINUTE RULE ON TOMORROW, WEDNESDAY, JUNE 28, 1989

Mr. ERDREICH. Mr. Speaker, I ask unanimous consent that the Subcommittee on Policy, Research and Insurance of the Committee on Banking, Finance and Urban Affairs be permitted to sit while the House is sitting under the 5-minute rule on Wednesday, June 28, 1989, in order to conduct a hearing on the Crime Insurance Program, followed by a markup of budget reconciliation language.

The ranking minority member of the subcommittee, the gentleman from Nebraska, [Mr. BEREUTER], concurs in this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REMOVAL OF NAME AND MEMBER AS COSPONSOR OF H.R. 2136

Mr. WOLF. Mr. Speaker, due to a clerical error, the name of the gentleman from Connecticut [Mr. MORRISON] was mistakenly added as a cosponsor to my bill, H.R. 2136, and I ask unanimous consent that his name be removed as a cosponsor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

HATE CRIME STATISTICS ACT

Mr. SCHUMER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1048) to provide for the acquisition and publication of data about crimes that manifest prejudice based on race, religion, homosexuality or heterosexuality, or ethnicity, as amended.

The Clerk read as follows:

H.R. 1048

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hate Crime Statistics Act".

SEC. 2. ACQUISITION AND PUBLICATION OF DATA.

(a) IN GENERAL.—Under the authority of section 534 of title 28, United States Code, the Attorney General shall acquire, for calendar year 1991 through calendar year 1995, data on the incidence of criminal acts that manifest prejudice based on race, religion, homosexuality or heterosexuality, ethnicity, or such other characteristic as the Attorney General considers appropriate. The crimes with respect to which such data shall be acquired are as follows: homicide, assault, robbery, burglary, theft, arson, vandalism, trespass, threat, and such other crimes at the Attorney General considers appropriate.

(b) CONSTRUCTION.—Nothing in this Act creates a right for an individual to bring an action complaining of discrimination based on homosexuality.

(c) LIMITATION ON USE AND CONTENT OF DATA.—Data acquired under this Act shall be used only for research or statistical purposes and may not contain any information that may reveal the identity of an individual victim of a crime.

(d) ANNUAL SUMMARY.—The Attorney General shall publish an annual summary of the data acquired under this Act.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act for fiscal year 1991 through fiscal year 1996.

The SPEAKER pro tempore. Is a second demanded?

Mr. DANNEMEYER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. SCHUMER] will be recognized for 20 minutes, and the gentleman from California [Mr. DANNEMEYER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, many Members, in this body have expressed disgust when we hear about crimes based on prejudice. From the murder in Portland, OR, of a black immigrant from Ethiopia to the burning of a synagogue in my district in Brooklyn, we have seen an explosion of attacks based on bias and prejudice. This legislation is an opportunity to begin the counterattack against crimes based on hate.

By voting for this legislation, Congress is saying "We will not tolerate fear and prejudice in America."

There are disturbing signs that the number of hate crimes has skyrocketed in this country.

□ 1530

Mr. Speaker, the New York City Police Department reported, for example, that hate crimes doubled in the last 2 years. Reports of racial violence on college campuses have also increased.

We do not have exact figures, however, on the incidence of hate crimes nationwide. We do not know how often such crimes occur, what particular regions and areas they are committed in, who the main perpetrators are, or what individuals are most susceptible to attack.

H.R. 1048 would provide us with such information. The bill requires that the Department of Justice collect statistics for a period of 5 years on crimes which involve prejudice against a person's race, ethnicity, sexuality, or religion, or other characteristics the Attorney General considers appropriate.

H.R. 1048, as marked up by the subcommittee, also authorizes the Attorney General to collect statistics on other groups if he finds a similar showing of hate violence against that group. Therefore, the collection of data is by no means limited to those groups specifically mentioned in the legislation.

The bill, as amended, has overwhelming bipartisan support. Legislation similar to H.R. 1048 passed the House in both the 99th and 100th Congresses, last year by a vote of 383 to 29.

By enacting H.R. 1048, Congress will improve law enforcement efforts against hate crimes. By enacting H.R. 1048, Congress is also demonstrating that violence is intolerable.

Mr. Speaker. I would like to thank the many Members who spent significant time on this legislation. I extend my thanks to the gentleman from Michigan [Mr. CONYERS], the sponsor, and my predecessor, the gentlewoman from Connecticut [Mrs. KENNELLY], chairman of the subcommittee, who originated the hate crimes legislation, along with many others.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Finally, Mr. Speaker, I would like to acknowledge the work of the gentleman from New York [Mr. FISH] and the gentleman from Pennsylvania [Mr. GEKAS], the ranking members of the Committee on the Judiciary and the Subcommittee on Criminal Justice.

Mr. Speaker, this bill is long overdue, and I urge the Members of the House to vote in its favor.

Mr. Speaker, I am happy to yield 3 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, it is important to articulate a little bit of the history of this legislation, and I direct all my remarks to the gentleman from California because it is important for him to recognize what brought us here today and what the real issues are.

I, too, like the gentleman from California, had felt in the last session of Congress and the previous session that we were wading in dangerous waters when we were attempting to raise the homosexuals to a constitutionally guaranteed or protected class which was not in accord with race, creed, and color, as was already articulated in the Civil Rights Act of 1964. So I attempted at that time to say that if we were going to include the homosexuals, why not include the handicapped, the elderly, the infants, and other classes of people in our society who might be the victims of hate crimes?

The will of the Congress was to supplant my concern with placing another category juxtaposed to homosexuals; namely, heterosexuals, and put them both in the statute as protected classes without violating the age-old concern the gentleman and I have that they are not in effect constitutionally protected classes, although the people within them, of course, are protected as individuals and have all the rights the Constitution accords them.

Given all that and the fact that the will of the Congress was spoken in the last term and now reintroduced in that form in this session, I am constrained to support this legislation, especially since my amendment was adopted which protects the concerns of the gentleman from California and all others who wish to add any kind of classes or other protected groups within the thesis of this bill.

So my amendment adopted in a part of the legislation now says that the Attorney General shall have the right to add to a protected class any other groupings of our fellow American citizens who might be the victims of hate crimes. I would refer to hate crimes like those visited against the handicapped and people in wheelchairs. We have seen hundreds of incidents over the lifetime of civil rights in our country where the handicapped and the blind and others have been the victims of hate crimes. Those who are victims of child abuse, for example, should also be protected. My amendment would protect all these citizens by saying in effect that when the Attorney General detects that there is some hate crime out there which is not covered by this legislation, he has the right to add to it and gather statistics for it as well as for those that are articulated within the statute.

Mr. Speaker, I feel that my amendment, which I will fearlessly protect in conference in front of the Senate, adds a salutary theme to this bill, and I will support the bill as it is and reject or attempt to reject the position of the gentleman from California.

Mr. Speaker, I rise in support of H.R. 1048.

Violent crime against persons solely because of their race, nationality or religion unfortunately appears to be a growing phenomenon in American society. It is an evil that threatens not only the victims, but endangers society itself. This odious hate crime pits nationalities, races and religions against one another thereby tearing at the very fabric of a Nation that can survive only when its citizens harmonize their differences. Hate crime against one is hate crime against all.

That having been stated, I must explain why I support this bill today when I did not support the legislation that passed the House last Congress. Last year's bill, for the first time, added to the identified groups to be protected persons who were victimized because of their homosexuality or heterosexuality. I did not think that singling out a group that was not a constitutionally protected class was appropriate, when other groups such as women, the elderly or the handicapped, just to mention a few, were not so favored. This year during subcommittee markup, I offered an amendment, which was approved, that will permit the Attorney General to add to the list of protected groups whomever he feels it is appropriate to include.

I cannot stress too greatly the importance of this amendment because it gives this legislation a flexibility that it previously lacked. Instead of encouraging us to fight over which specific groups can get themselves included by statute, the amendment will permit the Attorney General to get about the business of finding out what hate crime exists in this country, as well as whether and where it is increasing.

Mr. Speaker, I urge my colleagues to support H.R. 1048.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. NAGLE). The time of the gentleman from Pennsylvania [Mr. GEKAS] has expired.

Mr. GEKAS. I am sorry, but I do not have the time to yield.

Mr. CONYERS. Mr. Speaker, I simply wanted to extend my compliments to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. DANNEMEYER. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, the Hate Crime Statistics Act is an important and laudable piece of legislation. With its adoption, Federal law enforcement officials, for the first time, will have access to statistics which will allow a clear understanding of irrational hate motivated violence in America.

This legislation is long overdue. For too long, segments of our society have been the victims of the heinous acts of cowardly thugs who strike only when they sense a climate of dominance. The statistics provided by this act will allow Federal law enforcement officials to design and craft policies that will eliminate the environment which spawns these hate crimes. I salute my colleagues, Congressmen SCHUMER and GEKAS, for their hard work, guidance and leadership on this important measure. As strong and critical as this legislation is, I believe that it can be strengthened further.

One area which is ignored by this legislation, which I believe is a severe problem, is the thousands of acts of violent crime committed by and against union and nonunion members. At committee markup I offered an amendment, which I had hoped to offer on the floor, which would have required statistics to be kept on crimes committed against union and nonunion members, whether committed by workers, management, or union personnel. Statistics provided by various independent sources indicate that there have been thousands of incidents of union-related violence committed by and against union members.

This violence is not an isolated occurrence, but has occurred nationwide. I think it's a real problem that needs to be addressed. I know there are some here who would have immediately responded—that would have been an antiunion amendment. But just the opposite is true. This amendment would have allowed statistics to be kept on violence against union members, so that we might have an accurate picture of labor-related violence in America. We must know of those instances in which acts of violence by employers or their agents intended to intimidate employees to abandon their bargaining demands are and we also need to know of those instances in which acts of violence are committed by labor union members for the purpose of inducing an employer to pay higher wages or bestow greater benefits. In either scenario, this senseless violence is unacceptable; it must not be tolerated; and we must have the statistical data available to determine if, indeed, there is a serious problem in this area that requires legislative attention. I believe my amendment would have strengthened this legislation and, as I earlier stated, I would have liked to have had the chance to offer it on the floor.

Regardless of my concerns about this flaw in the hate crimes statistics Act, I wholeheartedly support the measure. Thank you.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, let me ask, does this cover brawls in a union meeting or cops trying to protect scabs from crossing a picket line? What does the gentleman have in mind?

Mr. JAMES. It would cover all of the above, and each of the above.

Mr. CONYERS. Mr. Speaker, I want to refer to my labor colleague, the gentleman who chairs the Committee on Education and Labor, because he had a different interpretation of this.

Mr. JAMES. Mr. Speaker, I say to the gentleman it would cover any of them. That was the intention.

□ 1540

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I rise today to express my outrage over ongoing expressions of hate violence and hate vandalism in our country and in my congressional district. I feel strongly about this issue and am an original cosponsor of H.R. 1048.

There have been three times as many reported incidents of hate crime in Montgomery County in the first 5 months of 1989 as there were in the same period in 1988.

This past winter, the Children's Learning Center of Rockville was spray-painted in black with swastikas and such phrases as "Hitler is my friend," "eight million dead, yeah," and "go back to Africa." The Learning Center is an independent Jewish nursery school. We must do all we can to protect our children from hate violence.

The last few months, active members of the Gaithersburg community have been harassed and assaulted because of the color of their skin. A few weeks ago, in Gaithersburg, a member of the Hispanic community needed 64 stitches in his face and chest after being assaulted by a group of juveniles. We must continue to do all that we can to protect our neighbors.

The police are doing an outstanding job of stemming the tide of hatred. On March 3, 1989, 10 Skinheads were arrested by the Maryland-National Capital Area Park Police for an assault on an Asian-American student and three of his friends in Sligo Creek Park. The Skinheads arrested were charged with multiple counts of assault with intent to maim and one count of Maryland's new racial harassment law, which, in this case, could bring a 10-year sentence.

The Congress must assist State and Federal authorities in their fight against bigotry and hatred. This bill, H.R. 1048, requires the Department of Justice to collect and publish annual statistics on crimes motivated by prejudice based on race, religion, ethnicity, and sexual orientation. Nationwide data is a key to fighting hate crimes.

Mr. SCHUMER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. EDWARDS], a distinguished member of the committee.

Mr. EDWARDS of California. Mr. Speaker, I rise in support of H.R. 3193. The Judiciary Committee's Subcommittee on Criminal Justice has developed a compelling case for this legislation and I urge my colleagues to vote for it.

Under this bill, data will be collected nationwide on the incidence of crimes motivated by the race, religion, ethnic origin, or sexual orientation of the victim.

Data of this kind is crucial to help government—at all levels—combat these reprehensible criminal acts based on prejudice and bigotry. Obviously, we must know the scope of the problem before successful means can be found to combat it. A national effort by the Justice Department will bring the resources to bear to provide this necessary information.

H.R. 3193 has widespread support, and I submit for the record a list of the endorsers of the legislation. I would just point out that the support runs the gamut of our society—police organizations, religious organizations, ethnic organizations, civil liberties organizations, medical and health organizations, unions, many of the States attorney generals, and the list goes on.

Mr. Speaker, H.R. 1048 has been carefully crafted by the Subcommittee on Criminal Justice. It was reported overwhelmingly by the Judiciary Committee, and it deserves the wholehearted support of the House of Representatives. I urge an aye vote on the bill.

COALITION—FEDERAL HATE CRIME STATISTICS ACT

American Association of University Women.
American Arab Anti-Discrimination Committee.
American Bar Association.
American Baptist Church, USA.
American Civil Liberties Union.
American Ethical Union.
American Jewish Committee.
American Jewish Congress.
American Medical Student Association.
American Nurses Association.
American Psychiatric Association.
American Psychological Association.
American Public Health Association.
American Sociological Association.
Americans for Democratic Action.
Anti-Defamation League of B'nai B'rith.
Asian Americans for Community Involvement.
Asian Americans for Equality.
Asian American Resource Workshop.
Asian Community Mental Health Services.
Asian Pacific American Coalition, USA.
Center for Constitutional Rights.
Center for Democratic Renewal.
Center for Women's Policy Studies.
Chicago Catholic Women.
Chinese/Affirmative Action.
Church of the Brethren, Washington Office.
Church Women United, Washington Office.
Committee for Children.
Episcopal Church, Washington Office.
Friends Committee on Federal Legislation.
Human Rights Campaign Fund.
Indochina Resource Action Center.
International Association of Human Rights Agencies.
Jesuit Social Ministries?, National Office.
Lambda Legal Defense and Education Fund.
Leadership Conference on Civil Rights.
Endorsing Executive Committee: International Union of United Auto Workers; National Council of Churches; National Council of Senior Citizens; National Catholic Council for Interracial Justice; National Education Association; American Civil Liberties Union; National Council of Negro Women; National Urban League; NAACP Legal Defense and Education Fund; United Steelworkers of America; National Women's Political Caucus; League of Women Voters of the US; People for the American Way; Union of American Hebrew Congregations; National Organization for Women; Disability Rights Education and Defense Fund; AFL-CIO; and National Council of La Raza.
Lutheran Office of Governmental Affairs.
National Association of Social Workers.
National Association for the Advancement of Colored People.
National Black Police Officers Association.
National Coalition of American Nuns.
National Committee Against Repressive Legislation.
National Conference of Black Lawyers.
National Conference of Christians and Jews, Nat'l Capital Area.
National Congress of American Indians.
National Council of Churches.
National Gay and Lesbian Task Force.
National Gay Rights Advocates.
National Institute Against Prejudice and Violence.
National Lawyers Guild.
National Organization for Women.
National Organization of Black Law Enforcement Executives.
National Urban League.
Native American Rights Fund.
NETWORK: A Catholic Social Justice Lobby.
North Carolinians Against Racist and Religious Violance.
Organization for Chinese Americans.
People for the American Way.
Police Executive Research Forum.
Police Foundation.
Religious Action Center of Reform Judaism.
Society for the Psychological Study of Social Issues.
Southern Poverty Law Center.
Sunny von Bulow National Victim Advocacy Center.
Union of American Hebrew Congregations.
United Church of Christ, Office of Church in Society.
United Methodist Church, General Board of Church and Society.
Unitarian/Universalist Association of Churches of North America.
State Attorneys General supporting hate crime data collection: Arizona; Arkansas;

California; Connecticut; Delaware; Florida; Hawaii; Illinois; Indiana; Iowa; Kentucky; Maine; Maryland; Massachusetts; Michigan; Minnesota; Montana; Nebraska; New Hampshire; New York; Ohio; Oklahoma; Rhode Island; South Dakota; Tennessee; Vermont; Washington; West Virginia; and, Wisconsin.

Mr. Speaker, I trust that this bill will be enacted by an overwhelming vote.

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. Mr. Speaker, I urge my colleagues today to vote "no" on suspension of the rules on H.R. 1048, the Hate Crime Statistics Act. Suspension will prevent a vote on an amendment by Congressman JAMES to require Department of Justice record-keeping on hate crimes against workers because of membership or non-membership in unions. I supported Congressman JAMES' amendment in the Judiciary Committee.

For years, union violence reform legislation has languished in the House Judiciary Committee. Opponents claim that violence in labor disputes is not serious enough to warrant Federal action.

Well, let's help prove or disprove their point. Let's have the Department of Justice compile statistics in a neutral fair-handed fashion.

A vote for suspension is a vote against investigating hate crimes in our country's workplaces. Please vote "no" on suspension of the rules on H.R. 1048.

Mr. SCHUMER. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. GLICKMAN], a distinguished member of the committee.

Mr. GLICKMAN. Mr. Speaker, this is an important bill. It creates an inventory to quantify the amount of criminal bigotry in this country.

Mr. Speaker, it is important to determine how many hate crimes are occurring, who is being subjected to these hate crimes, what part of the country they are happening in and whether existing laws are adequate. This bill will give us the raw data to determine the answers to those questions.

Mr. Speaker, last year, with the help of the gentleman from Michigan [Mr. CONYERS], we were responsible for passing a bill to criminalize religious bigotry in this country in terms of damage to religious institutions. That was an important symbol to America that we would not tolerate religious bigotry, particularly if it was caused in some part by a criminal motive.

This bill will give us the information to determine if this and other substantive laws need to be expanded, or if the current laws are adequate, and, Mr. Speaker, I urge its passage.

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, this Member rises in support of H.R. 1048, the Hate Crime Statistics Act. Criminal acts such as homicides, assaults, and threats that are based on prejudice damage the moral foundation upon which our country was built. Hate crimes are not only morally offensive but they stand in defiance of our Nation's creed, "liberty and justice for all." Undoubtedly we cannot fully comprehend the prevalence of hate crimes today without adequate statistics. Therefore, the Justice Department must take the responsibility for collecting and publishing annual statistics on these crimes. By collecting and publishing these statistics we can create a basis for understanding the range and depth of crime prompted by individual and group prejudice. Then and only then can we work effectively toward the elimination of hate crime.

Mr. Speaker, this legislation directly parallels the language of H.R. 3193, as amended by the amendment of the distinguished gentleman from Washington [Mr. MILLER], and passed on May 18, 1988 by the House in the 100th Congress. That amendment replaced the phrase "sexual orientation" with the phrase "homosexuality or heterosexuality." It is also instructive to note given previous comments, that section 2(b) indicates that nothing in this act creates a right for an individual to bring an action complaining of discrimination based on homosexuality.

Mr. Speaker, I urge support for H.R. 1048.

Mr. SCHUMER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], the original author of this legislation.

Mrs. KENNELLY. Mr. Speaker, with the show of support we have here today, I believe that after 4 long years of work on this legislation, 1989 is the year we will see the hate crimes bill enacted into law.

Crimes driven by hatred of a person's race, religion, ethnic background or sexual orientation, can scar not only an individual but a whole community. We just don't know the extent to which these acts are committed because no comprehensive statistics are maintained. But as a society that prides itself on its diversity and tolerance, we need to find out.

Our bill directs the Attorney General of the United States to collect and publish annual statistics about crimes motivated by hatred. Such crimes include homicide, assault, robbery, burglary, theft, arson, vandalism, trespass and threat. These statistics would then be available to Federal, State and local governments; allowing law enforcement officials to measure trends, develop enforcement strategies, and assign manpower to the areas of greatest need.

Hate crimes motivated by political, religious or social intolerance need to be distinguished from other crimes. The death of Michael Griffith in the Howard Beach neighborhood of Queens is not just a hit and run, swastikas spray-painted on a synagogue are not simply the defacement of property, a cross-burning on a front lawn is more than arson. These crimes of prejudice must be recorded as such if we are to come up with informed ways to prevent them in the future.

The basic idea behind hate crime legislation is simple: The more we know about these crimes of hate, the better chance we have to prevent them. Accurate data on when, where and how often these crimes occur will help. Four years of work on hate crime legislation has convinced me more than ever that the hate crime data this bill calls for is urgently needed by the law enforcement officials and public policy makers in this country.

There is prejudice abroad in the land. By ignoring it, we silently condone it. By documenting its existence, incident by incident, we are forced to face its reality, whereby we begin to find a solution. This is important to us as a Nation.

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I rise today in strong support of H.R. 1048, the Hate Crime Statistics Act of 1989. Crimes motivated by racial, ethnic, religious, and antigay hatred are pervasive in our society, and it is unfortunate that there are no comprehensive, up-to-date statistics kept on the incidence of hate crimes. The Hate Crime Statistics Act directs the Department of Justice to compile and publish data about crimes that manifest prejudice based on race, religion, homosexuality, heterosexuality, or ethnicity. This legislation seeks to start to address the alarming problem of crimes which are motivated by prejudice.

Hate motivated crimes are still, tragically, a part of the lives of many Americans. In 1988, 1,281 anti-semitic incidents were reported by the Anti-Defamation League of B'nai B'rith. The National Gay and Lesbian Task Force reported 7,008 incidents of antigay violence in 1987. There have also been numerous documented attacks against Asian-Americans. A Los Angeles County Human Relations Commission report showed that Asians were victims of 24 percent of the hate crimes committed in 1986, up 14 percent from 1985. There is also evidence of growing Klan, neo-Nazi, Skinhead, and other hate group activity throughout the Nation.

Enough is enough, and it is high time that the Federal Government take action to study and remedy crimes motivated by hatred and ignorance. Irrespective of one's views on civil rights protections, it is critical

that Congress take a stand against hate violence. H.R. 1048 requires that statistics be assembled on the magnitude of hate crimes, enabling us to know the geographical extent and numerical frequency of such malicious and sadistic acts. Such a national, anonymous data base will provide an excellent tool for research into the causes and motivations of such attacks. There is clearly a demonstrated need to compile reliable information on this problem in order to formulate effective responses. H.R. 1048 does not endorse or provide special rights to any group of citizens. This legislation simply aims to collect anonymous statistics on acts that are clearly illegal, so that adequate and informed responses can be formulated.

In closing, I urge my colleagues to support H.R. 1048 and to oppose any efforts to defeat the bill under suspension which could lead to amendments that would weaken the scope of the legislation. Let's get a handle on the pervasive hate motivated crimes that continue to trouble our society. Vote yes on H.R. 1048.

□ 1550

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say initially, I support the gathering of statistical data for the categories of crimes that are listed in this bill.

I support the comment of my colleague, the gentleman from Pennsylvania [Mr. GEKAS] who was able to get into this bill in the subcommittee the ability of the Attorney General to add such other crimes in his or her judgment on which statistical data should be obtained. I support that.

I am standing here in the well today asking you to vote no on this matter on suspension for at least two reasons:

One, we are prevented, of course, from offering any amendments when a matter is on suspension. We all understand that is the rule.

This Member from California has an amendment that I would like to offer to this bill for the House to consider. Since it is on suspension, I cannot do that.

My colleague, the gentleman from Florida [Mr. JAMES] also has an amendment for a category of crimes that he would like to add to this bill, an amendment that he cannot offer because it is on suspension.

Last year when this matter was considered, it was on the regular calendar.

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to my colleague, the gentleman from New York.

Mr. SCHUMER. I would just ask, is the amendment the gentleman is referring to the one that was voted down in the full committee 33 to 1, is that the one?

Mr. DANNEMEYER. The gentleman has counted correctly.

Mr. SCHUMER. Mr. Speaker, I thank the gentleman.

Mr. DANNEMEYER. Mr. Speaker, this issue I think needs to be debated on the floor of the House. Last year we had an opportunity to debate this issue on the floor of the House because the bill came up on the regular calendar where amendments could be offered. This year, of course, it is on the Suspension Calendar where amendments are not in order.

You know, early in the 1970's in this country we Americans started down a new road and the course of this new direction was whether or not we are going to affirm standards in human sexuality in our society.

In 1973, the American Psychiatric Association changed its assessment of homosexuality from abnormal to normal. Since that decision was made by the distinguished leaders of the medical profession practicing in the field of psychiatry, the homosexual community in America has used that decision time and time again as a rational basis on which to suggest we should change the laws of the culture of our society so that we will accept and equate homosexuality on a par with heterosexuality.

My State of California in 1975 repealed the law proscribing sodomy in that State, through the leadership of that distinguished member of the State assembly, Willie Brown from San Francisco. About half the States in the Union have done that. We now know what this has done to the medical status of the people of our country. This Nation is in the midst of a venereal disease epidemic. I am not talking just about AIDS, I am talking about curable venereal disease as well.

What we are witnessing today on the floor right now is one of the items on the agenda of the homosexual movement in America to use the power of the legislative arena or the court system to achieve their agenda, to accept homosexuality on a par with a heterosexual lifestyle.

I will remind my colleagues, there are at least three legislative alternatives floating around Washington today to achieve this agenda. One is a sex study buried in the bowels of HHS. It was rejected by the OMB as being inappropriate for the Federal Government to discover that, and as a result it goes back to HHS and they are now attempting to redraft the language, and like Phoenix, it will probably rise again.

Another matter relates to a bill developing a disability act for the country. Included within that definition will be persons with a communicable disease. It just boggles my mind that our society would consider granting antidiscrimination status to persons with a communicable disease in the instance of AIDS, or the virus for AIDS, noncurable, at a time when we have not even adopted the routine steps that historically our society has pursued to control communicable diseases, venereal disease, that is reportability in confidence to public health agencies, and contact tracing.

The third element, of course, is this bill on hate crime. What is involved here is to change the basic definition of the 1964 Civil Rights Act to include a new status that would have the dignity of being within the proscription of that act.

I remind my colleagues that in 1964 our society said that we will not tolerate discrimination based on race, color, religion, or national origin.

This bill before us changes that definition of that 1964 act and says that we will gather data on race, religion, homosexuality or heterosexuality, or ethnicity.

I have no objection—in just a moment I will yield to my friend. I have a few other comments first.

I have no objection, I will say again, to the gathering of statistics based on race, color, religion, or national origin, but I object in a very firm way to an effort here today that will elevate sexual preference, whether you call it heterosexuality or homosexuality, on the same basis as race, color, religion, or natural origin, and that is the very issue that I am talking about today.

One of the things you have to do in this field of politics is sometimes look and read what your opponents are saying. This quotation came from one of the homosexual publications in America, called Guide. Here is what they said:

> Ideally, we would have straights register differences in sexual preferences the way they register different tastes for ice cream or sports games. At least in the beginning, we are seeking public desensitization and nothing more. You can forget about trying to persuade the masses that homosexuality is a good thing. But if only you can get them to think that it is just another thing, then your battle for legal and social rights is virtually won.

Mr. JAMES. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Florida.

Mr. JAMES. Mr. Speaker, while I strongly support this legislation, I have an even stronger belief in the principle of the people's House, and in the people's House the voice of every Member should be heard.

This is an important, much-needed piece of legislation, but we must not sacrifice a Member's ability to offer an amendment on a bill.

I recommend this measure be taken off the Suspension Calendar and placed on the Union Calendar, so that we may protect the sanctity of this

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

body in this principle of representative democracy.

This will do nothing to jeopardize the ultimate and speedy adoption of this measure, but it will do much to further our ability to deliberate on the important issues we face.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend, the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I thank the gentleman very much for yielding to me.

Does the gentleman in the well condone gay bashing, or does he oppose the collecting of statistics around this obscene subject?

Mr. DANNEMEYER. I think physical violence of any nature against another human being is to be condemned, and people who commit it should be prosecuted to the full extent of the law. Whether that physical violence is practiced by or against a heterosexual or a homosexual is in my humble opinion irrelevant to the purposes of this bill.

Sexual preference has no business being elevated to the same status as race, color, religion, or national origin. That is my point.

I have a few other comments I would like to make, and then I will yield to the gentleman if I have time.

Dr. David Pence is a noted physician in the State of Minnesota. He has written eloquently on what our society should do in developing a response to control the AIDS epidemic in this country. He has excellent credentials because he served time in the Federal penitentiary during the Vietnam war era because of his resistance to that war.

□ 1600

He also marched with the civil rights activists in the South prior to the adoption of the Civil Rights Act in 1964.

This is what Dr. Pence says:

> Homosexual behavior is a completely different category of activity which * * * cannot be seriously considered even an analogue of race or gender. The freedom train has been hijacked. The new agenda of the civil rights movement will not be written until the philosophical and social tenets of the sexual revolutionaries are exposed as inimical to the poor. While feminists cry for an end to patriarchy, the poor demand responsible fathers. While homosexuals cry for sexual license, the poor demand sexual discipline. While libertarians extol the victimless crime of drug use, the urban poor demand protection from the violence and social havoc of the drug industry. The civil rights agenda of the next generation will be rooted in a moral consensus that stresses community protection, self-discipline, fatherhood, chastity, work and education. By restoring its moral foundation, the civil rights movement will no longer serve the ideologies of the last 20 years but will fulfill the democratic promise of America's first two centuries.

We will affirm the heterosexual ethic for ourselves and for our kids and for this country by voting against this bill on suspension so that this Member will have an opportunity of offering an amendment to delete the reference to heterosexuality and homosexuality.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I am happy to yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Speaker, I thank the gentleman for yielding.

As the chairman of the subcommittee pointed out, the vote on the amendment in the committee was 33 to 1.

Mr. DANNEMEYER. I will reclaim my time on that point and reply to my colleague that more than one member of that committee, in case my colleague would like to know, came up to me afterwards and regretted they voted the way they did. That was one of the reasons I am standing in this well today.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I am happy to yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Speaker, I appreciate the gentleman offering that statement.

Mr. DANNEMEYER. Did any of the colleagues ask the gentleman about that?

Mr. FRANK. I appreciate the offers of repentance, but in the quotation the gentleman read, he listed among the enemies of the poor, feminism. Is it also his intention to strike sex from this? He read a statement there which denounced feminists as also being antipoor. In his effort to clean this bill up is he also going to strike sex as one of the bases on which we would classify?

Mr. DANNEMEYER. I will ask my colleague: Is the gentleman suggesting we add feminism to the bill?

Mr. FRANK. No. But there is a gender reference there.

Mr. DANNEMEYER. Is that relevant to the discussion?

Mr. FRANK. The reference to sex, I think, the author of that piece the gentleman read would have considered to be an effort to introduce that.

Mr. SCHUMER. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, as a cosponsor of H.R. 1048, I rise today to urge my colleagues to support the Hate Crime Statistics Act. I want to commend my colleague, Congressman SCHUMER, chairman of the Subcommittee on Criminal Justice, for his leadership in bringing this bill to the floor.

Mr. Speaker, the first settlers to what would one day become these great United States, were fleeing from religious persecution. In fact, throughout our Nation's history, the United States has sought to be the land of the free, a nation where people are judged as individuals, not on the basis of characteristics, such as race or religion. Tragically, however, there has been a rising incidence of violent crimes in our Nation which are motivated by prejudice, hatred, and ignorance.

We are all horrified by these hate crimes, but far too many of us can recount instances of hate crimes which occured in our own communities. Last summer, in my congressional district, a cross was burned on a lawn. I cannot begin to imagine the terror the two young children who lived in the home experienced when they were awakened by the sounds and sight of a burning cross.

We must all join the chorus of outrage against these hate crimes, but there is more the Congress and the Federal Government must do. While we know these crimes exist, the Federal Government does not have a clear picture of the national scope of this problem. Presently, there are no comprehensive, accurate, and up-to-date statistics kept on the national incidence of hate crimes. We do not have accurate data as to the geographic patterns of these crimes, who the main perpetrators are or what individuals are most susceptible to attack. Without this vital information, our efforts to end hate crimes are severely limited.

My State of Maryland is one of nine States which currently monitors hate crimes. Maryland law enforcement officials have found this data to be invaluable in their efforts to prevent these ugly crimes, which tear at the very fabric of our Nation.

Mr. Speaker, legislation similar to H.R. 1048 was passed by the House in both the 99th and 100th Congress. I urge my colleagues to join me in once again supporting this vital legislation. It is unconscionable that in our Nation, which was founded on the principle of the tolerance and freedom, these crimes should exist. But in order to stop them, we must know more about them. This bill is a vital step in our efforts to bring an end to violence motivated by prejudice and ignorance. I urge my colleagues to vote for H.R. 1048.

Mr. SCHUMER. Mr. Speaker, I yield 2 minutes to the distinguished ranking member of the full committee, the gentleman from New York [Mr. FISH], who has been a leader in supporting this bill and bringing it this far.

Mr. FISH. Mr. Speaker, I rise in support of H.R. 1048.

This legislation creates an important tool to eliminate the detestable hate crimes from modern America. The burning cross. The swastika painted on a church wall, the desecrated ceme-

tery—all these are examples of hate running rampant and endangering the very fabric of our society.

H.R. 1048 requires the Attorney General to gather data on the incidence of crimes motivated by prejudice based upon race, religion, nationality, sexual preference, or other characteristics that the Attorney General considers appropriate. It thus quantifies and illuminates manifestations of hatred against groups in our society who have been victimized merely for being who they are. The annual publication of this data, as called for by the bill, will permit law enforcement officials to develop strategies and establish priorities which can help eradicate this fearsome evil.

Two important features of the bill will help insure that the reporting requirements of this legislation will not create an unnecessary burden for the Attorney General nor outlive their usefulness. First, there is an authorization provision which will enable funds required to implement this bill to be considered separately from those required by the Attorney General for other functions of the Department of Justice. Second, this authorization extends only through 1996, when the Congress will be forced to revisit this issue and assess the effectiveness of the legislation.

Mr. Speaker, hate crimes such as we identify here deny the American dream not only to their victims but to us all. Our Nation was founded upon racial, religious, and ethnic diversity and to protect that foundation we must prevent the ending influence of hate crime. If the American dream of peace and freedom for all citizens is worth having, it is worth protecting.

We, today, affirm the vision of the founders who gave us the first amendment, freedom of religion; the experience of those who after a long and bloody Civil War, gave us the 13th and 14th amendment; and the promise held high by the statute of liberty.

This bill deserves the support of all, and I urge its adoption.

Mr. SCHUMER. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, when someone burns a cross on a black family's front lawn, is that merely arson? When a swastika is painted on a synagogue, is that simply another incident of vandalism? When a man is beaten to death with baseball bats by youths yelling antigay slogans, is that just random gang violence?

These incidents are, and I quote from the bill, "criminal acts that manifest prejudice." They are hate-crimes, committed against a person solely because he or she happens to be a member of a particular class of people, whether it's a racial class, an ethnic class, a religious class, or a class identified by one's sexual orientation.

The reason such a crime is a particularly heinous thing is that its effects are not felt solely by the individual against whom the crime is perpetrated. When a Jew in Nazi Germany was singled out, Jews around the world were intimidated by that act.

The same thing is true today in this country when a Jewish talk-show host is murdered by neo-Nazis in Denver, or when a black man is run down in Howard Beach, or when a woman is shot dead on the Appalachian Trail by a man who explicitly stated that he shot her because she was gay.

The reason that race, religion and sexual orientation are in the bill is that, so far as we know, these are the principal categories of such acts based on hate. That is what all the testimony before the committee revealed. This bill has the support of all the major national religious groups, all national civil rights organizations, and a majority of the State attorneys general.

It is my belief that none of us, our families, our friends, or neighbors will be safe until the ugly and increasing tide of hate-inspired violence is stopped. Hate-motivated crime is intolerable—but until we have accurate statistics about its commission, we will remain unarmed against it.

Mr. SCHUMER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I rise in strong support of the bill. I think that when we are discussing this issue we have to remember we are all God's children.

Mr. SCHUMER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in strong support of H.R. 1048, the Hate Crime Statistics Act of 1989. I would like to commend the gentleman from Michigan [Mr. CONYERS]; the gentleman from New York, my good friend, the ranking minority member [Mr. FISH]; the distinguished chairman of the Subcommittee on Criminal Justice, the gentleman from New York [Mr. SCHUMER]; the subcommittee ranking minority member, the gentleman from Pennsylvania [Mr. GEKAS]; the gentlewoman from Connecticut [Mrs. KENNELLY]; and the gentlewoman from Maryland [Mrs. MORELLA], for the bipartisan effort to eliminate racial violence.

In 1987, the Department of Justice conducted a study of hate crimes and concluded that "there is plenty of documentation to show that the problem (of hate violence) is widespread, and considerable evidence that it is increasing."

The Hate Crime Statistics Act provides for the acquisition and publication of data about crimes based on race, religion, homosexuality, heterosexuality, or ethnicity. Furthermore, the Attorney General will be required to publish an annual summary of the data acquired under this act. As you may know, Connecticut and Maryland already monitor hate crimes. It has been shown that the data on hate crimes has been helpful in our efforts to eradicate hate crime activity.

Mr. Speaker, Congress must send a clear signal to all people that crimes based on race, religion, or sexuality will not be tolerated. H.R. 1048 is an important step toward achieving that goal. Accordingly, I urge my colleagues to join today in support of this bill.

□ 1610

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from New York for his remarks.

Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I want to thank my colleague, the gentleman from New York, for yielding time to me, and I congratulate him, the gentleman from Pennsylvania [Mr. GEKAS] and the gentleman from Michigan [Mr. CONYERS] for their hard work in bringing this very important bill to the floor of the House.

Mr. Speaker, I rise in support of the Hate Crime Statistics Act. This legislation received the overwhelming support of the Judiciary Committee and deserves the support from the entire House.

The National Institute Against Prejudice and Violence, based in Maryland, conservatively estimates that 1 out of every 5 minority persons experiences some form of victimization based on prejudice every year. Despite some recent Supreme Court decisions on civil rights and assertions of conservative commentators, racism still exists in our society. African-Americans are now able to drink from the same water fountains as whites, use the same lavatories as whites, eat at the same lunch counters as whites, and ride at the front of buses. We have made political progress. Racism still exists and it exists in its most despicable form—violence.

It is our job as legislators to provide law enforcement officials with as many tools as possible to counter hate crimes. Maryland was the first State in the Nation to pass a data collection law. The data collected has enabled us to target where and what kinds of hate crimes are occuring. The data collected by the Baltimore County Police Department has been a vital part of their ethnic, racial, and religious violence program. It has also enabled us to educate communities about prejudice and hate. We now have resources that can help us create the most effective public policies to fight hate crimes.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

During the 100th Congress this bill was approved by the House 383 to 29. We are witnessing a growth in hate crimes nationwide. It is essential for our law enforcement community to fully understand the depth and scope of this activity if it is to effectively combat it. I urge my colleagues in both bodies to expeditiously approve this legislation so the law enforcement community can get to work now.

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Maryland for his remarks.

Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding time to me and commend the gentleman from New York [Mr. SCHUMER], the gentlewoman from Connecticut [Mrs. KENNELLY], the gentleman from Michigan [Mr. CONYERS], and the gentleman from New York [Mr. FISH] for their leadership in bringing this legislation to the floor.

Mr. Speaker, I rise today in strong support of H.R. 1048, the Hate Crime Statistics Act. This bill would require the Justice Department to collect and publish annually statistics on crimes which are based on race, religion, sexual orientation, or ethnicity. The need for such statistics has already been well documented. Similar legislation was passed by the House in both the 99th and 100th Congresses.

According to the Anti-Defamation League of B'nai B'rith, more hate crimes were committed in the last 2 years than in the previous two decades. This fact is even more disturbing when we consider that most of these incidents are never reported for fear of retribution. Increased activity by hate-motivated extremist groups has made the need for this legislation all the more vital.

The tremendous rise in criminal activity directed toward minorities is widespread and extremely serious. Throughout the 1980's, hundreds of acts of prejudice-motivated violence have been documented nationwide. Yet, currently there is no system of collection of statistics on these crimes at the Federal level.

The nationwide collection of hate crime statistics will provide information, that will enable the law enforcement community to better predict and prevent prejudicial violence. This type of program will also help police target limited resources into successful anti-hate violence programs. The Department of Justice has the ability, through existing technology, to enact a national process for compiling hate crime statistics.

I support this measure in its present form. Any effort to remove or limit the range of groups who could be singled out for violence would defeat the purpose of this legislation. I would also like to add threats. Hate crimes against women are just as serious and seem to be increasing in frequency. According to the National Coalition Against Domestic Violence, battering is the single biggest cause of injury to women—more frequent than auto accidents and muggings combined. It is imperative that we let women know that they are not alone by including the crimes committed against them in the statistics on hate crimes. The Federal Government must act to protect innocent victims by encouraging them to speak out and receive assistance. We will not accept crimes manifested through racial or religious hatred nor will we ever accept crimes based on sex.

Hate crimes are a national problem. In order to establish effective law enforcement strategy, reliable data on hate crimes must be available. H.R. 1048, the Hate Crime Statistics Act would provide for a comprehensive and cooperative State and Federal law enforcement effort to correct the current situation. Congress has the responsibility to ensure that all citizens are equally protected from violence and intimidation, irrespective of their race, religion, sexual orientation, or ethnic origin. I urge my colleagues to support H.R. 1048, the Hate Crime Statistics Act.

Mr. SCHUMER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, I rise in support of H.R. 1048, the Hate Crime Statistics Act. This legislation is extremely important, and I commend the sponsors of the bill for taking this initiative. I am proud to be a cosponsor of this bill.

It is time for the Justice Department to begin collecting data on hate crimes. Although this is 1989, one might have thought that data collection on hate motivated crimes would already be a part of the Federal Government's routine statistical gathering endeavors. All evidence indicates that hate crimes are, in fact, on the rise and the documentation mandated by this bill is an important step forward in confronting these insidious crimes.

Mr. Speaker, as a new Member, I am amazed at some of the arguments put forward by some of my colleagues in opposing this bill. This bill is not sanctioning any particular life style. It is simply saying that violence against any human being for any reason ought not be tolerated.

I would like to take a few minutes to relate some facts about hate crimes which I find extremely disturbing. These facts should convince any decent American of the need to maintain these records, and to take the information we acquire as a result of the legislation's implementation, to fight back against those whose hatred results in violence against citizens of our country.

According to a report from the Anti-Defamation League of B'nai B'rith, there were 823 episodes of vandalism and desecration and 458 acts of harassment of an anti-Semitic nature in 1988. This represents a 18.5 percent increase over 1987. This marks the second straight year of substantial increases in anti-Semitic vandalism after a 4-year downward trend. This report bears witness to the importance of tracking acts of violence in this country based on such characteristics as religion, race, ethnicity and sexual orientation.

One important aspect of the B'nai B'rith report is the increased activities of the neo-Nazi skinheads. Skinheads have perpetrated their crimes against blacks, Hispanics, Jews, Asians and homosexuals in a wanton, brutal fashion.

The National Gay and Lesbian Task Force has also highlighted the serious problem of skinhead violence against gays and lesbians in their most recent report. Included in the 7,248 acts of violence against gays and lesbians this past year, crimes ranging from harassment to homicide was the beating of a gay man by pipe wielding skinheads in California. Violent acts against blacks, Asians and other minorities also continues unabated. Despite the civil rights laws which are on the books, racism continues to be a serious problem in our society. All too often racism has been the motivating factor for unprovoked attacks which do physical and emotional harm to American citizens.

Mr. Speaker, senseless, bias-related crime has become a daily activity in this country. We must put an end to it and it is not one day too soon for this Congress to act. H.R. 1408 is an important first step in constructing a record of how irrational hate manifests itself in unthinkable crimes which do harm to the fabric of our society. I urge the adoption of this legislation.

Mr. SCHUMER. Mr. Speaker, to conclude, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS], the lead sponsor of this legislation, the gentleman has shepherded it through three Congresses, and hopefully we will see it signed into law with broad bipartisan support.

Mr. CONYERS. Mr. Speaker, I rise at the close of debate to acknowledge the heartfelt gratitude of the leaders of the civil rights movements who are perfectly aware of the enormous importance and significance of this piece of legislation.

When the gentlewoman from Connecticut [Mrs. BARBARA KENNELLY], brought this to our attention in 1985, we thought hate crimes were on the rise. We are now positive of it.

This measure is going to send a strong signal out to everybody in the

land that this Nation, its Congress, and its Department of Justice are going to move on this by keeping a close account of the commission of these crimes. So I say to my successor, the gentleman from New York [Mr. SCHUMER] I am very pleased that he would choose this legislation to be the first that would move out of his subcommittee. To all of my friends on the other side of the aisle, the gentleman from Pennsylvania [Mr. GEKAS], who has been the ranking minority leader of the Subcommittee on Criminal Justice for many years, the gentleman from New York [Mr. FISH], and all of our colleagues, this is a bipartisan matter because this subject matter is bipartisan. We are moving out of the past. When we announced that we were going to keep statistics on this ugly subject, we were saying that we are going to be able to deal with hate crimes more meaningfully than ever before.

So, on behalf of the family in Temperance, MI, a few miles from Detroit, who had a cross burned on their lawn only a few months ago, I want to express to you their thanks. To Vincent Chin and his family in Detroit, a young Chinese man brutally murdered, I know his family will be grateful for this legislation.

Mr Speaker, I am pleased that the Committee on the Judiciary has moved quickly to bring the Hate Crime Statistics Act to the floor. I have introduced this measure in each of the last two Congresses, seen it pass the House each time with overwhelming bipartisan support, only to see the bill fail to clear the Senate. I believe, however, that this time out, the prospects for enactment are much better. The companion legislation introduced by Senator PAUL SIMON (S. 419) has already been favorably reported by the Senate Judiciary Committee March 9. It has 46 cosponsors, and floor action is expected later this summer. The bill before this committee, H.R. 1048, now has 129 cosponsors. The Department of Justice recently expressed support for the concept the bill embodies. I do recognize, however, that the Department, and a few Members would like to see some minor modifications made, but I strongly urge passage of this bill in its persent form.

H.R. 1048 simply requires the Department of Justice to collect and publish statistics on the nationwide incidence of hate crimes—those crimes motivated by prejudice based on race, religion, homosexuality or heterosexuality, or ethnicity. The bill was amended by the Subcommittee on Criminal Justice on May 18, to allow the Attorney General to include any additional category of victims he deems appropriate. I thank the gentleman from Pennsylvania, the ranking minority member on the subcommittee, GEORGE GEKAS, for bringing this particular amendment forward which seeks to make the legislation more inclusive. I am aware that interest has been expressed in having crimes against women and the elderly included in the bill, and perhaps through further congressional hearings on hate crimes, a record can be created to support action in that regard by the Attorney General.

At the recent Judiciary Committee markup of this bill, one member argued that hate crimes against gays and lesbians should not be included because they were not historically recognized in civil rights law. An amendment to accomplish that objective was soundly defeated, 33 to 1, as it was on the floor of the House when this bill was considered last year, 384 to 30. A report released earlier this month on antigay violence and victimization indicated that there were 7,248 incidents in 1988—an increase of 3 percent over 1987—ranging from verbal harassment to homicide. Clearly to leave hate crimes against gays and lesbians out of this bill, given this record, would be like leaving African Americans out of the civil rights legislation of the 1960's.

During my term as chairman of the Subcommittee on Criminal Justice, my staff and I received information from a variety of sources which indicated that there has been a constant increase in physical and psychological attacks on persons targeted simply because of their race, religion, sexual orientation, or ethnicity. We conducted a series of five hearings from 1985 through 1988 that document the need for this legislation in its present form. Testimony was received that hate crimes are both the spontaneous acts of nonaffiliated individuals, as well as being actions planned and carried out by organized groups like the Skinheads, the Aryan Nation, and The Order.

These attacks have the effect of intimidating not just their victims, but of spreading fear throughout an entire community of people. The fact that these offenses still continue to happen at all in America is an indication that the democratic values that we take great pride in, and which distinguish our society among the community of nations, are not yet shared by all of our citizens. Clearly we must do more to promote greater understanding and tolerance, and gathering information about crimes of bigotry is an important first step.

In my own State of Michigan, we still see such things as cross burnings occurring. This past March, a 6-foot cross was burned in the back yard of Charles Wilder, a resident of Temperance—located about 55 miles southwest of Detroit. Crosses were also burned on the lawn of a family in Jones, MI during December 1988, and in Redford Township and Livonia in August 1987. These incidents are not at all fading images of our segregationist past.

There have also been an increasing number of racial incidents on our State's college campuses this year. These are particularly disturbing because they indicate that many of our youth are still growing up afflicted with the scourge of bigotry. This past February, racial threats were reported against African American students at Michigan State University, Eastern Michigan University, and Albion College. Unless we are able to get a handle on this problem, it will continue to plague us well into the future.

At present, nine States—Maryland, Pennsylvania, Illinois, Connecticut, Oklahoma, Minnesota, Virginia, Maine, and Idaho—and a few local governments monitor the incidence of hate crimes. As the result, there is still much about the nature and scope of this problem that we do not know such as: whether some parts of the country experiencing more hate crimes than others, or are there patterns evident in the background of the perpetrators and victims? I believe that such information would be of great value to law enforcement personnel and legislators concerned about the eradication of this problem. With the enactment of hate crimes statistics legislation, the answers to these questions can easily be obtained.

Hate crimes are extraordinary in nature and require a special governmental response. By passing this measure to devote Federal resources to the collection of information about this problem, this Congress will demonstrate that it is concerned about the threat that racism and bigotry pose to the peace and harmony of our communities, and is willing to take effective steps to eliminate it.

Mr. Speaker, the Hate Crime Statistics Act has been endorsed by over 100 national organizations and 30 State attorneys general. Among them are law enforcement organizations such as the Police Executive Research Forum, International Association of Chiefs of Police, the Police Foundation, and the Criminal Justice Statistics Association. This is in addition to civil and human rights organizations, professional associations, and religious groups. It is a modest measure that deserves our support, and I urge all of my colleagues to vote for it.

Mr. MILLER of Washington. Mr. Speaker, I rise in support of the Hate Crime Statistics Act. This legislation would require the Justice Department to collect data on frequency of crimes based on race, religion, sexual orientation, and ethnic background.

Mr. Speaker, we need this information. Obviously, the information will help local jurisdictions solve these crimes. But, more subtlely, we need this information so we can know more. Remember, these are crimes targeted against the very foundation of this country. These are crimes that are committed because people are different.

Mr. Speaker, this is such a dangerous trend. We can reverse it though, with more knowledge. The first step is to lift the rock, to shine the light in the corner, and to expose these awful crimes that lay underneath the rock.

Mr. Speaker, as Americans, we can't afford not to approve this act.

Mr. SCHEUER. Mr. Speaker, I am deeply disturbed by reports that crimes of hate—motivated by ethnic, racial, and sexual bigotry—are increasing. The Hate Crime Statistics Act, H.R. 1048, brings much-needed attention to religious defamation which is often construed as pranks or ordinary vandalism.

The Anti-Defamation League [ADL] has been closely tracking one type of hate crime, antisemitic vandalism, since 1960.

According to the ADL, antisemitic incidents have increased by 21 percent since 1987. In 1988 there were more crimes of hate against Jews than in any of the last 5 years with a particularly large increase in the number of such incidents on college campuses.

In addition, since the fall of 1988, neo-Nazi skinhead activities have expanded from 21 to 31 States.

At present there are no comprehensive and up-to-date statistics on these types of crimes.

Last year, by a margin of 383–29 the House of Representatives passed the Hate Crime Statistics Act. In doing so, this body expressed its repulsion for all crimes of hatred and its commitment to take action. Unfortunately, this important piece of legislation died in the Senate.

I am pleased to report that this legislation currently has earned support from over 30 State Attorneys General, 75 civil rights and religious organizations, and a variety of associations representing police officials.

Law enforcement and government officials will be in a position to confront bias-related crimes in the most effective fashion only when the scope of the problem is known. To date, both local and national responses to hate crimes have been impeded by a lack of comprehensive, comparative statistical data concerning the number, location, and types of such crimes.

In the long-term, education on the values of tolerance and diversity is the only solution to unseating the unseemly roots of hate crimes. A Federal commitment and accurate statistics are essential components of this effort.

Mr. MACHTLEY. Mr. Speaker, I would like to express my support for the Hate Crime Statistics Act we are considering today.

This legislation makes a crucial statement to the perpetrators of bigotry in our country. This legislation makes clear that malignant acts of hatred against individuals and groups will be accounted for, that we will have an accurate sense of where these incidents occur, and of how often they occur. This bill calls these criminals to task by making it clear that the U.S. Government considers acts of prejudice and bigotry crimes that merit our full and collective reproach.

We live in the best nation in the world. We live in a nation where people of all races, religions, and ethnic groups have gathered to live freely, democratically, and peaceably. It offends my sense of America's beauty that some 67 odd organizations, some 4,500–5,500 Klan members, some tiny and twisted groupings in the United States that could never even be called a minority—could sully the character of the United States with acts of cruel and misplaced hatred.

I ask my colleagues today to call to conscience these sinister symbols of hate, and to permit the calculation and identification of pernicious hate crimes which affront the integrity of the great American melting pot.

Mr. VENTO. Mr. Speaker, I rise in strong support of H.R. 1048, the Hate Crime Statistics Act, which I am also cosponsoring.

H.R. 1048 would require the Department of Justice to collect data on a variety of crimes aimed at victims based on their race, religion, sexual orientation and ethnicity. These crimes would include homicide, assault, robbery, burglary, theft, arson, vandalism, and threats. Data would be collected over a 6-year period from 1991 to 1996 for research and statistical purposes. Law enforcement agencies, as well as Congress and State and local legislative bodies will have access to this data which should prove to be helpful in focusing law enforcement resources on protecting victims' rights.

Mr. Speaker, in recent months we have seen an alarming increase in crimes directed at individuals because of their race, religion, sexual orientation, and ethnicity. In Portland, OR last February, a young black Ethiopian man was beaten to death by two youths who were members of a neo-Nazi group known as the skinheads. Across the Nation, police have reported increased acts of vandalism and desecration at Jewish synagogues, which have been spray-painted with antisemitic graffiti and swastikas. Violent attacks directed against gay men and women are also on the increase. All of these crimes are especially reprehensible because they involve premeditation. Their victims are not totally random, but rather specifically targeted because of their race, religion, ethnicity, or sexual orientation.

Last year, the Minnesota Legislature overwhelmingly passed similar legislation, which was signed into law by Minnesota Governor Rudy Perpich. The Minnesota law, like H.R. 1048, does not confer any new special privilege or rights to any particular group. Instead, it simply gives the government the means of gathering information which is necessary to effectively respond to hate crimes. We must send the strongest possible message that we will be intolerant of the mindless intolerance of hate crimes directed against any group in our society. I urge my colleagues to join me in voting for H.R. 1048.

Mr. BRENNAN. Mr. Speaker, today the House will consider under suspension of the rules the Hate Crime Statistics Act. I stand convinced of the need for this measure.

We in this Nation are fortunate in that the quality of life here is the best the world has to offer. Because the freedoms we enjoy directly contribute to that quality, we must fiercely protect these freedoms for one and all.

When it appears that, due to discrimination by some, certain individuals enjoy lesser freedoms, it is our responsibility to restore equity. We now are being called upon to do so.

In past years, it has become evident that some segments of our society are being singled out as the object of violence and criminal activity simply because of their race, religion, ethnicity, or sexual orientation. It is imperative that we determine where and why these types of crimes are occurring. Because the Hate Crime Statistics Act will provide for the collection of data regarding crimes of hate and prejudice, it will allow us to eliminate this discrimination by targeting our resources against it.

In a broader sense, it will allow us to protect the freedoms that define this great Nation. I strongly urge my colleagues to join me in support of the Hate Crime Statistics Act.

Mr. MATSUI. Mr. Speaker, this Nation is facing an emerging pattern of violence motivated by racial hatred. A rising number of our constituents are being brutally victimized for no other reason than their race, religious heritage, or sexual preference.

Our daily newspapers have become dotted over recent months with stories documenting the growth of these hate crimes. The New York Times, the Los Angeles Times, the Wall Street Journal, and the Philadelphia Enquirer are but a few papers that have featured such stories.

Recent incidents include a couple that was seriously beaten as they came out of a convenience store by skinheads who mistakenly thought they were Jewish, and a cross-burning at a Tennessee high school for children of Japanese businessmen.

Mr. Speaker, clearly this bill will not immediately stop any crimes based on prejudice. But it will provide the statistical data needed by our law enforcement organizations to combat these types of activities. Hate crimes, motivated by political and social intolerance, must be distinguished from crimes motivated by other factors.

In looking for an appropriate response to this rising problem, we can begin by approving H.R. 1048 on this floor today. As a nation, we must have comprehensive, accurate, and up-to-date statistics on the number of hate crimes committed in this country. We must know more about this despicable form of violence if we are to effectively deal with this tragedy. This bill is a responsible first step.

Mr. Speaker, no longer can we turn our heads to the growing number of hate crimes occurring on our streets by calling them isolated incidents.

I urge my colleagues to support this bill that has the strong endorsements of organizations including the Fraternal Order of Police, the National Association of Police Organizations, the American Jewish Committee, and the Japanese American Citizens League, and I strongly encourage my colleagues to oppose any amendments that may weaken its scope.

Mr. McCANDLESS. Mr. Speaker, I abhor crime and acts of violence. Regardless of the motivation, a violent and criminal attack is, at the very minimum, in violation of basic human and civil rights of the victim.

The legislation before us, H.R. 1048, the Hate Crime Statistics Act, requires the Department of Justice to compile and publish data annually on the incidence of hate crimes. Hate crimes are crimes that manifest a prejudice against a category of victims. While this information may be of statistical interest, H.R. 1048 does nothing to stop crime of any nature; does nothing to help the victims of crime; and it does nothing to punish those who are guilty of crimes. This legislation only provides statistics.

The legislation authorizes "such sums as may be necessary," which the Congressional Budget Office estimates to be from $1 million to $10 million per year. At a time when we are undertaking a major war on drugs, at a time when the District of Columbia has come to Congress and asked that we foot the bill for more local police officers, at a time when we must begin to rebuild the prison system in the United States, I must question the propriety of spending up to $10 million a year to keep statistics. That money is desperately needed, and could be much more effectively used, in other anticrime programs.

In our efforts to reduce the Federal budget deficit, we must carefully set our spending priorities. While Federal anticrime efforts must be a high priority, statistics, no matter how noble the cause, should be far down on the list.

If H.R. 1048 would put an end to hate crimes, help the victims of hate crimes, or punish those who commit such crimes, I most

certainly would support it. But since it does none of those things, I must oppose it.

Mr. BROOKS. Mr. Speaker, I rise in support of H.R. 1048, the Hate Crime Statistics Act. H.R. 1048 would require the Department of Justice to collect statistics every year for a 5-year period on crimes that manifest prejudice either on specified bases or on other characteristics that the Attorney General would consider appropriate. Similar legislation passed the House in the past two Congresses.

Currently, no national statistics are collected on the crimes. As a result, it is impossible to determine important factors, such as where these crimes are occurring and the frequency with which they are occurring, and who the perpetrators and victims are, that would be useful in attempting to combat crimes that result from prejudice against various groups in our society.

The U.S. Commission on Civil Rights has urged the Congress to enact hate crimes legislation, and a large number of groups involved in criminal justice and civil rights activities have urged the passage of this legislation. I join them in this and urge a positive vote on H.R. 1048.

The SPEAKER pro tempore. (Mr. Bosco). All time has expired.

The question is on the motion offered by the gentleman from New York [Mr. SCHUMER] that the House suspend the rules and pass the bill, H.R. 1048, as amended.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SCHUMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1048, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RELATING TO GOVERNMENT CONTRIBUTIONS TO FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM FOR 1990 OR 1991

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2705) relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for 1990 or 1991 if no Governmentwide indemnity benefit plan participates in that year, as amended.

The Clerk read as follows:

H.R. 2705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) if no contract under chapter 89 of title 5, United States Code, is entered into with an indemnity benefit plan (as referred to in section 8906(a)(2) of such title) for contract year 1990 or 1991, in order to compute the average subscription, charges under section 8906(a) of such title for that contract year, the subscription charges in effect for the indemnity benefit plan on the beginning date of that contract year shall be deemed to be—

(A) the subscription charges which were in effect for such plan on the beginning date of the preceding contract year, as adjusted by paragraph (2); or

(B) if subparagraph (A) does not apply, the subscription charges which were deemed under this Act to have been in effect for such plan with respect to the preceding contract year, as adjusted by paragraph (2).

(2) The subscription charges under paragraph (1)(A) or (1)(B), as applicable with respect to the contract year involved, shall be increased or decreased (as appropriate) by the average percentage by which the respective subscription charges taken into account under paragraphs (1), (3), and (4) of section 8906(a) of title 5, United States Code, for such contract year increased or decreased from the subscription charges taken into account under such paragraphs (1), (3), and (4) for the preceding contract year.

(b) Separate percentages shall be computed under subsection (a)(2) with respect to enrollments for self alone and enrollments for self and family, respectively.

(c) Any reference in this Act to a "contract year" shall be considered to be a reference to a contract year under chapter 89 of title 5, United States Code.

The SPEAKER pro tempore. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. FORD] will be recognized for 20 minutes, and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2705, a measure which addresses an unforseen emergency situation in the Federal Employees Health Benefits Program [FEHBP].

On May 30, 1989, Aetna Life Insurance Co. notified the Office of Personnel Management that effective January 1, 1990, it will no longer offer its indemnity benefit plan to Federal employees and retirees. That notice signalled the end of a 30-year relationship with the health benefits program and means that 187,000 enrollees will have to enroll in another health insurance plan.

The impact of Aetna's decision, however, reaches far beyond those enrolled in the indemnity benefit plan. This is because Aetna's premium is used as part of the statutory formula for calculating the Federal Government's share of health premiums.

Since Aetna has dropped out of FEHBP, the Office of Personnel Management finds itself without the six premiums it needs to calculate the Government contribution to health premiums. Absent a legislative remedy to the Aetna situation, enrollee premiums could rise by more than 30 percent in 1990.

H.R. 2705 is intended to provide such a remedy to this emergency situation. The bill maintains the status quo and, according to a cost estimate prepared by the Congressional Budget Office, would have no budgetary impact. I submit the CBO correspondence to be printed in the RECORD at this point:

ANALYSIS OF H.R. 2705

Relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for 1990 and 1991 if no Governmentwide indemnity benefit plan participates in that year.

Introduced on June 21, 1989 by Chairman William D. Ford of the Committee on Post Office & Civil Service (for himself, Mr. Ackerman, Mr. Gilman, and Mr. Myers of Indiana).

BACKGROUND

In order to determine the Federal Government's (employer's) share of FEHBP premiums each year, the Office of Personnel Management (OPM) is directed to determine the average total premium for six health plans. The Government's share is then a dollar amount equal to 60% of that six-plan premium average.

The six plans are:

1. Service Benefit Plan (Blue Cross/Blue Shield high option).

2. Indemnity Benefit Plan (Aetna high option).

3/4. The two largest enrollment employee organization plans.

5/6. The two largest HMOs.

Since Aetna has dropped out of FEHBP, OPM finds itself without the six premiums it needs to calculate the Government's premium share (#2 above is missing). Even without the Aetna issue, FEHBP premiums are expected to rise by approximately 15 percent. Absent a legislative remedy to the Aetna situation, enrollee premiums could rise by more than 30 percent.

PROPOSAL—A PROXY PREMIUM

In order to avoid a calculation based upon the "Big Five" instead of Big Six premiums, and a shift of $600 million in premium costs to enrollees, the proposal would direct OPM to create a "proxy premium" for the next two years to permit a Big Six calculation. The proposal maintains the status quo and does not affect the budget deficit.

The proxy premium would reflect what Aetna's premium would otherwise be had the carrier remained in the FEHBP and the government share of FEHBP premiums would be approximately the same as if Aetna had remained in the program.

For the 1990 contract year, the proxy premium would be determined by taking Aetna's 1989 premium and increasing that premium by the average increase in the

VOL 135 PT 10 23 JL 13 1989 JE UMI

other five plans which remain part of the Big Six.

The same formula would be used for the 1991 contract year, except that the base for the 1991 proxy premium would be the proxy premium OPM created for 1990 adjusted for the average premium increase for the other five plans for 1991.

Under the proposal, the Big Six calculation would be based upon the following:

1. Service Benefit Plan (Blue Cross/Blue Shield high option).

2. Proxy Premium (for Indemnity Benefit Plan)

3/4. The two largest enrollment employee organization plans.

5/6. The two largest HMOs.

Note that the proxy premium would be utilized only if OPM is unable to contract with another carrier for a governmentwide Indemnity Benefit Plan.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, June 27, 1989.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: At the request of your staff, CBO has reviewed H.R. 2705, as introduced and referred to the Committee on Post Office and Civil Service. The bill would set the method by which government contributions to the federal employees health benefits program (FEHB) would be computed for contract year 1990 or 1991 if no government-wide indemnity plan participates in that year. The bill addresses a problem created by the withdrawal of Aetna from the FEHB program effective at the end of this calendar year.

According to the method for calculating the government share of premiums (the so-called "Big Six" formula specified in Sections 8906(a) and 8906(b) of title 5, chapter 89, of the United States Code), the government share is set at the lesser of: (A) the dollar amount equal to 60% of the average of subscription charges set by the highest level of benefits offered by (1) the indemnity benefits plan (currently Aetna, high option), (2) the service benefit plan (Blue Cross/Blue Shield, high option), (3) the two largest employee organization plans, and (4) the two largest comprehensive plans (HMOs); or (B) 75% of the actual subscription charges of the plan.

The proposal mandates a method for creating a proxy for Aetna's subscription charges if the Office of Personnel Management does not contract with an indemnity plan to replace Aetna for contract (calendar) years 1990 or 1991. That method would be to calculate an average by which the subscription charges of the other five plans in the "Big Six" change (from 1989 to 1990), and to change Aetna's 1989 subscription charges by that average change. The result would be considered a proxy for Aetna's 1990 subscription charges for use in the "Big Six" formula. The government share of FEHB premiums would then be calculated as specified in current law. The same method would be used in similar fashion to calculate the government share for 1991, using the average change in the "Big Five" subscription charges from 1990 to 1991 and applying it to Aetna's subscription charges "deemed" in effect for 1990.

CBO's baseline budget projections for government payments of FEHB premiums are based on data provided by the Office of Personnel Management. The baseline assumed continuation of the "Big Six" formula for calculating the federal government's share of FEHB premiums. The method mandated by H.R. 2705 for calculating that share in the absence of an indemnity plan would closely approximate the result that is assumed in the baseline. Use of the mandated method thus is consistent with CBO's baseline projections of government payments of FEHB premium for FY 1990 through FY 1994. The proposal as drafted would therefore have no budgetary impact when measured against the CBO February baseline.

We will be pleased to answer further questions about this estimate. The CBO contact is Alan Fairbank (226-2820).

Sincerely,

ROBERT D. REISCHAUER.

To solve the dilemma facing the health benefits program, H.R. 2705 mandates a method for creating a proxy for Aetna's subscription charges. The method would be used only in the event the Office of Personnel Management does not contract with an indemnity benefit plan in place of Aetna for contract years 1990 or 1991.

The proxy premium would replicate the Aetna premium that would have been in existence had the carrier remained in the health program.

Mr. Speaker, H.R. 2705 is cosponsored by the ranking minority member of the full committee [Mr. GILMAN] and the Subcommittee on Compensation and Employee Benefits [Mr. MYERS], as well as the chairman of that subcommittee [Mr. ACKERMAN]. This bipartisan support is indicative of the bipartisan concern we share for an already ailing program. With program reform in progress, this is not the time for fiscal opportunists to take advantage of a critical situation.

As I, along with Representative ACKERMAN and Senators GLENN and PRYOR of the Senate Committee on Governmental Affairs, wrote to OPM on June 2, 1989, "The absence of Aetna from the FEHBP must, by necessity, precipi-tate action which safeguards enrollees from both any further erosion of plan benefits or unanticipated increases in enrollee premiums." H.R. 2705 is the appropriate action.

I urge adoption of H.R. 2705 as a means to ensure that all Federal enrollees will have uninterrupted access to high quality medical care at fair and reasonable rates.

□ 1620

Mr. Speaker, I reserve the balance of my time.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2705, the bill presently under consideration.

The SPEAKER pro tempore (Mr. Bosco). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of H.R. 2705, emergency legislation relating to the unexpected withdrawal of Aetna Insurance Co. from the Federal Employees Health Benefits Program. Earlier this month, Aetna Insurance Co. announced that it was no longer offering its traditional health insurance coverage to Federal Government employees. Aetna's plan was one of two systemwide plans offering both standard and high option insurance coverage for tens of thousands of Federal employees. Aetna's pullout impacts the Federal Health Benefits Program with serious problems in terms of plan structure and contract negotiations. The legislation before us (H.R. 2705) alleviates these problems on a temporary basis by creating a proxy for Aetna's subscription charges if the Office of Personnel Management does not contract with an indemnity plan to replace Aetna for the contract years 1990 or 1991.

Mr. Speaker, the committee is presently reviewing several options for reform of the current health benefits program. Last year, we requested the Congressional Research Service to devise several strategies for FEHBP reform. CRS issued the report last month and the committee subsequently held hearings on the myriad issues it presented. The legislation before us today merely retains the status quo until the committee has had ample time to develop legislation for total program reform.

I understand the administration has begun work on their own proposal addressing the problems presented by Aetna's withdrawal from the health benefits program. I believe that we all share the same goals of stabilizing health benefit premium costs while ensuring the best health protection for Federal employees. The pending legislation was drafted with these goals in mind and our committee looks forward to entering into discussions with the administration in order to solve any problems which may currently exist in the health benefits program.

Because of the timing of Aetna's decision to withdraw coupled with pending contract negotiations, a timely legislative response is needed to ensure a smoothly run and effective health benefits open season. Time delays could hamper OPM in its contract negotiations with the insurance carriers while adversely impacting on the scheduled open season.

Mr. Speaker, health insurance is of primary concern to all Federal employees and is an important tool in recruiting and retaining a qualified and motivated workforce. The CRS report points out that Federal employees al-

ready pay more for health insurance coverage than their comparable private sector counterparts. Now is not the time to consider alternatives that would further increase enrollee costs while damaging the Federal Government's competitiveness in the workplace. The Congressional Budget Office has indicated that the proposed legislation is budget neutral and is consistent with its baseline projections. Accordingly, I urge all of our colleagues to support passage of H.R. 2705.

□ 1630

Mr. FORD of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Speaker, I rise in strong support of H.R. 2705. This measure provides relief to the Federal Employees Health Benefits Program enrollees from an unanticipated premium increase due to the Aetna Life Insurance Co.'s decision to withdraw from the health program.

Last month, the Aetna Life Insurance Co. notified the Office of Personnel Management that, effective January 1, 1990, it will no longer participate in the FEHBP. Aetna was once the second largest carrier participating in the FEHBP. However, over the past decade, the Aetna plan has lost its younger and healthier enrollees to other plans.

As a result, Aetna was left with older, and more expensive enrollees, a fact which drove up its premium to such a level that Aetna decided it was no longer prudent to continue its participation in the program.

Aetna's decision has created substantial uncertainty with regard to the allocation of premiums between enrollees and the Federal Government because the Aetna plan was one of the six FEHBP plans used to determine the Government contribution. Enrollee costs would increase by as much as 18 percent simply as a result of Aetna's departure. This premium increase is based upon a projected recalculation of the formula used to determine the Government's contribution to each enrollee's health plan. This increase is apart from any escalation attributable to medical inflation or increased utilization of health care services.

H.R. 2705 provides that the Government contribution be calculated as if Aetna still participated in the FEHBP. The bill does not authorize the appropriation of any additional amount to the health program. It simply provides protection for Federal employees, annuitants and their dependents against a significant and unanticipated premium increase.

For those reasons, Mr. Speaker, I urge my colleagues to vote in favor of H.R. 2705.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I join with my colleagues, Mr. FORD, Mr. ACKERMAN, and Mr. GILMAN, in support of H.R. 2705, the FEHBP "fix" proposal. I thank the chairman and ranking member for taking this action so quickly—for time is critical.

We are forced to bring this legislation to the House floor because the current carrier of the Federal employees health benefit plan's indemnity plan, Aetna Life Insurance Co., has notified the Office of Personnel Management [OPM] that it would no longer participate in the Federal Employees Health Insurance Program. Some 187,000 enrollees and their families, mostly retirees, will be left without health care coverage. These people will be forced to select a new health care insurance carrier.

The problem created by the pullout is that the Indemnity plan, administered by Aetna since 1959, is part of the "Big Six" formula which is used to determine the premiums paid by federal employees.

Unfortunately, for the past several years Federal employees have been hit with huge health care premium increases. As a result of the high level of uncertainty, OPM commissioned a study of the entire FEHB plan which called for a complete overhaul of the world's largest group insurance program. The FEHB plan covers more than 9 million employees, annuitants, and dependents.

The administration has informed us that it will soon present its own premium stabilization legislation. H.R. 2705 meets the same goal that the administration is pursuing: stabilize premiums for Federal employees. Until we get more information on that proposal, I support the FEHBP fix legislation which is contained in H.R. 2705. This proposal maintains the status quo and does not affect the budget deficit. The Congressional Budget Office reported that H.R. 2705 is consistent with its baseline projections and would have no budgetary impact.

I hope all my colleagues will support this urgently needed legislation. We must act quickly because the Government is currently negotiating with the carriers toward establishing the 1990 rates. If we fail to act on this legislation, the Office of Personnel Management could be forced to delay the Federal employees health benefit plan annual open season for those wishing to change plans and avoids a potential shift of $600 million in premium costs to Federal employees covered under the FEHBP.

I urge prompt consideration and passage of this important legislation.

Mr. GILLMAN. Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. MORELLA] for her supporting arguments.

Mr. Speaker, I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR], a member of the subcommittee which is wrestling with the permanent solution to this problem.

Ms. OAKAR. Mr. Speaker, I want to thank my distinguished chairman and thank the ranking member, along with the gentleman from New York [Mr. ACKERMAN] and others for their say on this matter and for a quick reaction to the implications of the big 6 provider, Aetna's decision to withdraw from the Federal Employment Health Policy Program.

Mr. Speaker, I rise in strong support of H.R. 2705 which will bring no additional costs to this year's deficit calculations. However, if we fail to act in support of this legislation, Federal employees could see as much as 30 percent increase in their own health contributions. This is in addition to the 20-percent increase they suffered last year.

I think at this point, it is interesting to take a look at what the Federal Employment Health Program really is. There are about 400 programs from which Federal employees and most of the retirees can choose, and it could be said that is wonderful to have all these options. The fact is that Federal employees, unlike the private sector, particularly the larger corporations, pay 40 percent of these premiums. I, personally, have always felt that that benefit ought to be provided for as part of the Federal employment pay package. For while they have this opportunity, they have seen in the last 8 or 9 years a problem with respect to the quality and quantity of health care delivery, and they have seen repeated actions in an attempt to eliminate this system and replace it with the voucher system, et cetera.

If we do not act in this way, because we are dealing with a very, very wide spectrum type program, we really have to act expeditiously and deal with this problem of having one of the major providers withdraw from the Federal Health Employment Program.

□ 1640

I think time is of the essence. I know that some will say that we should have a chance to take a look at it and deal with it conscientiously. I wish there were more time. I am afraid that even though this is a fine program and even though it still needs improvement, many would be very, very upset if we do not expeditiously pass this bill, H.R. 2705. I think that if we were to be faced with any kind of a stalemate in this regard, the Federal workers, who are always the brunt of our

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

budget cuts, and the Federal retirees and career public servants, who are the easy targets, will again bear the brunt of our inability to act.

So until we can adequately address the flaws within the Federal Health Benefits Program, let us have a unanimous vote for this legislation and spare any apprehension or anxiety on the part of our Government workers, some of whom we are having a hard time retaining because they are underpaid and undervalued. If we do not pass this legislation, this would just be another blow that we would strike at those kinds of career people in particular.

So, Mr. Speaker, I urge the support of this bill by the Members. I think it is a very, very important bill. I congratulate the chairman of the committee, the subcommittee chairman, and the ranking members for their cooperation, and I hope that we can overwhelmingly support this bill and send the right signal to the Senate and to the administration that we had better act quickly.

Mr. FRENZEL. Mr. Speaker, H.R. 2705 concerns the calculation of the Federal Government's contribution to the Federal Employees Health Benefits Program. This bill retains the status quo by creating a phantom health plan to replace Aetna in the premium calculations now that Aetna has announced its withdrawal from FEHB.

Mr. Speaker, the FEHB seems to have enough cost problems already without creating a phantom plan to perpetuate those problems. I recognize that this bill is a stopgap measure designed to approximate this year's Government contribution toward employee health costs while OPM seeks to replace Aetna. The employees and the tax payers would be better served if Aetna's departure from the plan forces a long, hard look at rising health care costs both to the Government and its employees.

Instead of maintaining the high "big 6" average with this phantom plan, a "big 5" average would save the Government millions of dollars by reducing its contribution to FEHB. While this bill does not violate the Budget Act, I regret that a chance to effect budget savings is being ignored by continuing to calculate a big 6 average instead of using the big 5 that are left.

The gimmick of using a phantom plan may not violate the Budget Act, but it does violate commonsense budgeting.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the bill, H.R. 2705, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and bill, as amended, was passed.

A motion to reconsider was laid on the table.

APPROVING DESIGNATION OF THE CORDELL BANK NATIONAL MARINE SANCTUARY

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 281) to approve the designation of the Cordell Bank National Marine Sanctuary, to disapprove a term of that designation, to prohibit the exploration for, or the development or production of, oil, gas, or minerals in any area of that sanctuary, and for other purposes, as amended.

The Clerk read as follows:

H.J. RES. 281

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress approves the national marine sanctuary designation entitled "Designation Document for Cordell Bank National Marine Sanctuary" that was submitted to Congress by the Secretary of Commerce on May 24, 1989, but disapproves the following terms of such designation: Designation of hydrocarbon (oil and gas) activities as activities which may be regulated within the Sanctuary and adjacent waters under article 4, section 1.c. of the final designation document for the Sanctuary.

SEC. 2. PROHIBITION OF EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OIL, NATURAL GAS, OR MINERALS IN SANCTUARY.

(a) PROHIBITION.—Notwithstanding any other provision of law, the exploration for, or the development or production of, oil, gas, or minerals in any area of the Cordell Bank National Marine Sanctuary established by the designation referred to in the first section is prohibited.

(b) ISSUANCE OF REGULATIONS.—Not later than 120 days after the date on which this joint resolution becomes law, the Secretary of Commerce shall revise the regulations issued by the Secretary governing prohibited activities in the Cordell Bank National Marine Sanctuary (15 CFR 942.6) to implement the prohibition established by subsection (a).

SEC. 3. ENVIRONMENTAL IMPACT STATEMENT REQUIREMENT.

(a) REQUIREMENT.—The Secretary of the Interior shall not approve any exploration plan, or any activities described in any exploration plan (including any application for a permit to drill), pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) in connection with a lease in effect on the date of enactment of this Act for block numbered 204, 246, 247, 290, 291, 334, 335, 378, 379, 422, 423, 466, 467, 510, 511, 553, 554, 555, 597, 598, 599, 640, 641, or 642 on protraction diagram NI 18-2 of the Universal Transverse Mercator Grid System, until a final environmental impact statement is issued with respect to such exploration plan.

(b) SUSPENSION OF OPERATIONS.—The Secretary of the Interior shall, pursuant to section 5(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1334(a)(1)), suspend operations under a lease in effect on the date of enactment of this Act on any block referred to in subsection (a), and extend any lease affected by such suspension, for the period between—

(1) the submission of an exploration plan pertaining to such block; or

(2) the date of enactment of this Act,

whichever occurs later, and the issuance of a final environmental impact statement as required under subsection (a). Nothing in this section affects the authority of the Secretary of the Interior under such section 5(a)(1) with respect to any period after the issuance of such final environmental impact statement.

The SPEAKER pro tempore. Is a second demanded?

Mr. SHUMWAY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. JONES] will be recognized for 20 minutes, and the gentleman from California [Mr. SHUMWAY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolinia [Mr. JONES].

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 281 concerns two of this Nation's most sensitive coastal areas. Sections 1 and 2 deal with the proposed Cordell Bank National Marine Sanctuary, offshore California.

Section 3 deals with the possibility of oil and gas exploration offshore Cape Hatteras, NC.

In a moment, I will recognize my colleague from California, DOUG BOSCO, to explain sections 1 and 2. First, however, I would like to discuss section 3, which deals with an area adjacent to my district.

Section 3 of the resolution calls for the Interior Department to prepare an environmental impact statement before approving an exploration plan covering 24 OCS tracts offshore the First Congressional District of North Carolina.

Most of these tracts were leased in 1981 and a few were leased in 1982 and 1983. The State of North Carolina is convinced that the environmental impact statements prepared back then are inadequate.

Each EIS covered an entire OCS planning area from North Carolina to Rhode Island. As a result, North Carolina officials believe that a new EIS is needed to evaluate the environmental consequences of exploring in a smaller, more specific offshore area.

Numerous meetings among the parties involved have occurred this spring. I have met with the Director of the Minerals Management Service in the Interior Department and with officials of the Mobil Oil Corp.—the company with the most direct interest in the

first exploration plan likely to come in from that area.

I have also had conversations with Gov. Jim Martin to try to reach some accommodation on the information necessary to satisfy the State before the Interior Department approves an exploration plan.

Despite the efforts of all the parties concerned, no solution has been found. Therefore, at the direct request of North Carolina's Governor—who is a distinguished Republican and one our former colleagues here in the House—and at the request of the State's attorney general—who is a distinguished democrat.

I have attached this clearly bipartisan provision to House Joint Resolution 281 to resolve the issue. I hope that it enjoys equally bipartisan support from the House.

I feel that this amendment is necessary to move the process along, and perhaps, bring the parties together.

I would like to make it clear that I am willing to withdraw this provision before congressional passage if, in the meantime, all the parties can reach an understanding on necessary environmental documentation.

I urge my colleagues to support this amendment.

Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. Bosco], the sponsor of this joint resolution]

Mr. BOSCO. Mr. Speaker, I rise in support of House Joint Resolution 281, a resolution to ban oil and gas development in the Cordell Bank National Marine Sanctuary in northern California. I am very grateful for the assistance and support this legislation has received from the distinguished chairman of the Merchant Marine and Fisheries Committee, Mr. JONES, and from the chairmen of the Fish and Wildlife and Oceanography Subcommittees, Mr. STUDDS and Mr. HERTEL.

I am joined today by my colleagues BARBARA BOXER and NANCY PELOSI, who not only have offered invaluable help with this legislation, but who have been consistent, active protectors of the California coast for many years.

The resolution before us sets forth the approval by Congress of the designation of the Cordell Bank National Marine Sanctuary, signed by the Secretary of Commerce May 19, 1989. Unlike the original designation, however, the resolution would prohibit the exploration, development, and production of oil, gas, or minerals in any part of the almost 400 square miles of the sanctuary.

Mr. Speaker, as Americans react with disbelief, frustration, and anger over the environmental damage wrought in Prince William Sound in Alaska and just this last weekend in coastal areas in Texas, Rhode Island, and Delaware, it would probably come as a shock to most to learn that development of oil and gas can still occur in the most sensitive of all offshore areas—our national marine sanctuaries.

These areas are the underwater equivalent of Yosemite and Yellowstone Parks, yet unlike national parks they may still be explored for oil development. This legislation will protect the Cordell Bank Sanctuary from such development, and hopefully set a precedent so that future sanctuaries are explicitly made off limits to the dangers that commercial exploration can bring.

Mr. Speaker, the Merchant Marine Committee drafted and Congress enacted legislation in the last Congress designating the 400-square-mile Cordell Bank region as a national marine sanctuary. This marked only the eighth time since the Marine Protection, Research, and Sanctuaries Act of 1972 that Congress and the administration have seen fit to create a marine sanctuary.

We do not create a national marine sanctuary lightly or for frivolous reasons. The act requires the Government to identify marine areas of special national significance which contain highly productive and unusual ecological, research, educational, aesthetic, historical, and recreational resources as candidates for Federal protection.

The legislative record of the last Congress demonstrates convincingly that Cordell Bank fulfills these requirements. The bank itself is a unique underwater island, and the surrounding waters are populated by large numbers of rare marine animals, plants, and corals. Twelve endangered and two threatened species inhabit the region, including the California brown pelican, the blue, humpback, and sperm whales, the short-tailed albatross, and the green sea turtle.

House Joint Resolution 281 addresses whether the regulations which will protect this pristine sanctuary should explicitly prohibit hydrocarbon operations—oil and gas drilling—within the region. There is no serious debate between experts or within the Government on this matter—all parties agree that hydrocarbon operations within the Cordell Bank Sanctuary should be banned. The administration fully supports prohibiting oil and gas drilling within Cordell Bank, even though the sanctuary lies within the prospective lease sale 119 region.

Still, the official document designating the sanctuary contained an outright drilling ban for only 5 percent of the total sanctuary area. The administration contends that it did not possess sufficient authority and environmental impact data at the time to ban drilling in the entire sanctuary.

On May 19, the Acting Administrator of NOAA, Dr. William Evans, announced the beginning of a rulemaking process intended to culminate in a total drilling ban. I welcomed this constructive and important step, and I commend Dr. Evans for his approach to this matter and his stalwart support of our efforts.

Cordell Bank, though, is too important a region to be left to the vicissitudes and uncertainties of the bureaucratic rulemaking process. The permanent protection of Cordell Bank's unique resources requires legislation which will lock in protection of the environment and lock out the oil companies. That is exactly what this legislation will accomplish.

I might also say, Mr. Speaker, that most of us from California view this legislation as only a small step toward much more comprehensive protection of our coast as a whole. Our delegation in Congress has worked tirelessly to preserve the natural scenic grandeur of the coast, not just because it is one of the last pristine areas untouched by exploitation, but also because it supports marine life vital to our economy. While Cordell Bank is indeed unique, we can and will make the case to the American people that our entire northern coast is a national treasure that should be preserved and protected. It is expected that over 70 percent of the American people will live in coastal areas within the next 5 years.

As population pressures make the need for solitude and communication with Mother Nature more and more important, future generations will view with deep gratitude our actions today in setting aside these important coastal resources.

□ 1650

Mr. JONES of North Carolina. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I am here today to voice my strong support for House Joint Resolution 281 which calls for the prohibition of oil and gas development within the Cordell Bank National Marine Sanctuary.

Mr. Speaker, this is really a day of celebration for many of us, and it could not have been possible without the help of two people on our Committee on Merchant Marine and Fisheries, the gentleman from California [Mr. Bosco], who I will speak of later, and the chairman of that committee, the gentleman from North Carolina [Mr. JONES].

Mr. Speaker, Cordell Bank lies directly off my district's coast, and I can personally assure each and every Member of Congress that this proposed sanctuary, which has its incredibly diverse population of marine habitat, which the gentleman from California [Mr. Bosco] described, is absolutely deserving of this protection that will be afforded under this resolution.

Offshore oil drilling involves the use of many toxic materials, particularly drilling muds laden with heavy metals and toxics, and this toxic pollution which, added to the risk of small chronic oilspills and tanker accidents, could very well smother and poison the marine life of this fragile area. It is really, Mr. Speaker, an underground park that is as worthy of protection as any of our great national parks.

Mr. Speaker, it seem inconceivable that oil and mineral development could even be considered for such an environmentally sensitive area, and thus I am so proud to be a cosponsor of this legislation, and I urge my colleagues to vote in its favor.

I believe that I can safely speak for my entire district by extending my thanks to the Committee on Merchant Marine and Fisheries, of which I was a former member, and its wonderful chairman, the gentleman from North Carolina [Mr. JONES] because without his support and his work we would not even be here with this bill, and he moved this bill expeditiously, believe me.

In addition, Mr. Speaker, I want to express my deepest appreciation to the gentleman from California [Mr. BOSCO], my congressional neighbor to the north. I have the privilege of sharing the representation of Sonoma County with him, and we have been working on issues of this nature for a long time, but I can say today to my colleague, the gentleman from California [Mr. BOSCO] that with his work and that of the chairman, the gentleman from North Carolina [Mr. JONES], we have something of lasting significance, something that will remain for future generations, and to be able to do that even once in this Congress is a real treasure and a joy.

Mr. Speaker, the gentleman from California [Mr. BOSCO] was part of all the meetings that we had with NOAA when we tried to resolve this issue short of legislation, and so was the gentlewoman from California [Ms. PELOSI] there, and I thank her, and I am grateful for her support.

We tried to resolve this issue without legislation, but we could not. NOAA declined to exercise its authority under the Marine Protection Research and Sanctuaries Act to prohibit this type of oil development and gas development within the sanctuary, and instead they did ban oil development, but only in 5 percent of the sanctuary area leaving 379 square miles unprotected and available for this oil development. This legislation remedies that mistake.

Mr. Speaker, I would argue that wherever we have in this great Nation chosen to protect these sanctuaries that we should not just designate something a marine sanctuary and then allow oil and gas drilling within it. That is a contradiction in terms. How can it be said, on the one hand, that we have a sanctuary and, on the other hand, we can drill for oil and gas? It is destructive.

So, Mr. Speaker, I would hope that we will now move, after we do this bill, to look at a more comprehensive approach where from now on when the President designates, or NOAA designates a marine sanctuary, or we designate a marine sanctuary, it automatically carries the caveat that there could never be any oil or gas drilling within that particular sanctuary.

Mr. Speaker, in closing I again want to extend my heartfelt thanks to the gentleman from California [Mr. BOSCO], the gentleman from North Carolina [Mr. JONES] and to the entire Committee on Merchant Marine and Fisheries for their work. Had I sat on this committee, I could not have added to the wonderful work that they did, and I thank them very much.

Mr. SHUMWAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Title III of the Marine Protection, Research, and Sanctuaries Act [MPRSA] authorizes the Secretary of Commerce to designate certain marine areas of national importance as National Marine Sanctuaries. On May 24, 1989, the Secretary officially designated the Cordell Banks National Marine Sanctuary off the coast of California about 50 miles northwest of San Francisco.

Under the statutory provisions of the Marine Protection, Research, and Sanctuaries Act, the Congress has 45 days of continuous session in which to act to either deny the designation or change any of the terms of the designation. If the Congress fails to act in this time period, the designation, as proposed by the Secretary takes effect automatically.

NOAA in its designation document for the Cordell Banks National Marine Sanctuary, has proposed to prohibit oil and gas activities within the 18-square-mile center or core area of the sanctuary. NOAA's regulations further propose that until updated regulations can be issued, oil and gas activities should be carefully regulated by the Secretary to ensure protection of the Cordell Bank's conservation, recreational, ecological, historical, research, educational, and aesthetic values. NOAA has already stated its intention to continue its rulemaking process after the sanctuary designation legally takes place to ban all oil and gas activities within the entire 400-square-mile sanctuary.

NOAA has not, at this point, proposed this comprehensive ban in the designation document it recently issued, citing legal and administrative requirements to issue a more comprehensive supplemental environmental impact statement before doing so. House Joint Resolution 281 uses the statutory Congressional review process to make this proposed regulatory change for NOAA, thus avoiding the need for the supplemental environmental impact statement, and the delay and cost associated with preparing such a study.

Mr. Speaker, since NOAA has already proposed this more comprehensive ban on oil and gas activities within the entire National Marine Sanctuary, I believe Mr. Bosco's bill, House Joint Resolution 281, is within the proper Congressional review procedure as we envisioned it in 1984 during the amendment to Title III of the Marine Protection, Research, and Sanctuaries Act. However, I am concerned that opponents of the OCS oil and gas program will begin to view the National Marine Sanctuary Program as a convenient and effective tool to block OCS leasing in potential future sanctuary areas or designated sites. Mr. Speaker, the program is not designed for such a purpose and to do so would be an abuse of the sanctuary law. The statute specifically allows for activities such as OCS operations to be regulated and permitted so long as the purpose of the sanctuary is compatible with such activities, and indeed no such ban of oil and gas activities exists for the majority of National Marine Sanctuaries already designated and in existence today.

I am also somewhat concerned with the precedent regarding the provision Chairman Jones added to the bill during committee consideration to require an environmental impact statement for exploration activities off the coast of North Carolina.

The Outer Continental Shelf Lands Act clearly does not envision the need for an environmental impact statement at the exploration stage. Environmental impact statements are required prior to lease sales earlier in the process. Courts have ruled to this effect and my concern is that this provision may be viewed as a precedent which could further harm the OCS program, a program which is vital to the national energy security of this Nation and which has repeatedly come under unwarranted attacks by its opponents.

I know, Mr. Speaker, that Chairman Jones has been a supporter of this program in the past and has worked diligently to avoid congressional appropriations moratoria which have undermined this program. It is my understanding that negotiations are underway between the Minerals Management Service at the Interior Department and the State of North Carolina and that some accommodations may be made to alleviate the State's concerns. While I do have concerns about the precedent of this provision, I do support the chairman's efforts to alleviate his State's concerns. In this con-

text, this environmental impact statement provision may be the preferred course of action to take at this time.

□ 1700

Mr. SHUMWAY. Mr. Speaker, I know of no other speakers on my side of the aisle, and therefore, I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, first I want to commend the gentleman from California for supporting this bill, with some slight reservations, and also I appreciate the fact that the Interior and Insular Affairs Committee, represented by its able chairman, looked at the bill and let it go.

Ms. PELOSI. Mr. Speaker, I rise in support of House Joint Resolution 281.

The saying oil and water do not mix, could never be more true. The recent *Valdez* oilspill is a tragic example of how oil and water resources do not mix. No marine sanctuary is a true sanctuary if the possibility of energy exploration exists within its borders.

Cordell Bank is now a national marine sanctuary, but our work is not done. A sanctuary, in the truest sense, is a refuge that allows protection. Cordell Bank's resources will never be protected unless we pursue a complete ban on oil drilling in the entire sanctuary. House Joint Resolution 281 would accomplish this goal.

As a cosponsor of the Bosco bill, and as an immediate neighbor to Cordell Bank, I am committed to full protection of its resources. Federal policy that creates a marine sanctuary is inconsistent with Federal policy that allows oil drilling.

Cordell Bank's marine resources should be inviolate, protected from the threat of an oil disaster.

Mr. Speaker, I urge my colleagues to vote in favor of House Joint Resolution 281. Thank you.

Mr. MILLER of California. Mr. Speaker, I rise in strong support of House Joint Resolution 281, a joint resolution to approve the designation of the Cordell Bank National Marine Sanctuary and prohibit the exploration and development of oil, gas, or minerals in the sanctuary. Cordell Bank is an extremely rich marine ecosystem on the Pacific Outer Continental Shelf [OCS] about 20 miles west of Point Reyes, CA. House Joint Resolution 281 would provide permanent protection for the Cordell Bank area and protect against oil and gas development.

I commend my colleagues Representatives BOSCO, BOXER, and PELOSI for their work on this legislation. I also commend the Chairman of the Merchant Marine and Fisheries Committee, WALTER JONES, for his fine work.

The Cordell Bank OCS area was designated as a National Marine sanctuary by the Commerce Department on May 19, 1989. The area protected by the Sanctuary is approximately 400 square miles in size. Unfortunately, the Commerce Department designation only bans oil and gas drilling in an 18-mile area in the center off the Cordell Bank. This is unacceptable. A comprehensive drilling ban for the entire Cordell Bank is absolutely necessary to protect the area. House Joint Resolution 281 would provide that protection.

House Joint Resolution 281 also contains a provision authored by Chairman JONES which bars the Secretary of the Interior from approving any oil or natural gas exploration plan in connection with certain leases on the OCS off the North Carolina coast prior to the issuance of an environmental impact statement [EIS]. This provision is needed because existing environmental data on these lease sales are inadequate and out-of-date. I strongly support this provision. It sends a strong message to the Department of the Interior that the Congress will not permit OCS oil and gas drilling to proceed when the Department has not fully studied environmental impacts associated with drilling.

The Cordell Bank oil and gas drilling ban and the North Carolina OCS lease sale EIS requirement both fall under the jurisdiction of the Interior Committee, and specifically the Subcommittee on Water, Power and Offshore Energy Resources, which I chair. The Interior Committee requested, and received, a sequential referral of House Joint Resolution 281. I am pleased we can join our colleagues on the Merchant Marine and Fisheries Committee in support of this important legislation.

Mr. Speaker, House Joint Resolution 281 is vital legislation. It is needed to protect the environmentally valuable Cordell Bank area from hazardous drilling and mining. I strongly urge my colleagues to join me in support of this legislation.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. JONES] that the House suspend the rules and pass the joint resolution, House Joint Resolution 281, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The title of the joint resolution was amended so as to read:

Joint resolution to approve the designation of the Cordell Bank National Marine Sanctuary, to disapprove a term of that designation, to prohibit the exploration for, or the development or production of, oil, gas, or minerals in any area of that sanctuary, and for other purposes.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 281, the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PALAU COMPACT OF FREE ASSOCIATION IMPLEMENTATION ACT

Mr. DE LUGO. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 175) to authorize entry into force of the Compact of Free Association between the United States and the Government of Palau, and for other purposes, as amended.

The Clerk read as follows:

H.J. RES. 175

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—IMPLEMENTATION OF COMPACT OF FREE ASSOCIATION WITH PALAU

SEC. 101. SHORT TITLE.

This title may be cited as the "Palau Compact of Free Association Implementation Act".

SEC. 102. ENTRY INTO FORCE OF COMPACT.

Entry into force of the Compact of Free Association between the United States and Palau (set forth in title II of Public Law 99-658 and hereafter in this joint resolution referred to as the "Compact") in accordance with subsections (a) and (d) of section 101 of Public Law 99-658 (100 Stat. 3673) is hereby authorized—

(1) subject to the condition that the Compact, as approved by the Congress in Public Law 99-658, is approved by the requisite percentage of the votes cast in a referendum conducted pursuant to the Constitution of Palau, and

(2) upon expiration of 30 days after the President notifies the Committees on Interior and Insular Affairs and Foreign Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of the effective date of the Compact.

SEC. 103. FISCAL PROCEDURES ASSISTANCE.

(a) PROCEDURES ON EXPENDING FUNDS.—Upon request of the Government of Palau, the Secretary of the Interior shall provide assistance to the Government of Palau to develop and promulgate regulations for the effective expenditure of funds received pursuant to this joint resolution, Public Laws 99-658 and 99-239, or any other Act of Congress.

(b) IMPLEMENTATION OF AUDIT RECOMMENDATIONS.—

(1) The President is authorized to negotiate an agreement with the Government of Palau under which the Government of Palau agrees to develop a plan within 120 days after an audit is submitted to that Government (or any entity or instrumentality thereof) by the Comptroller General of the United States (or his duly authorized representatives), or the Inspector General of the Department of the Interior, to—

(A) implement the recommendations made by such audit, or

(B) inform the Secretary of the Interior of that Government's objections to implementing such recommendations.

(2) Under such agreement the President may agree that the Secretary of the Interior shall provide assistance to the Government of Palau to implement such audit recommendations.

SEC. 104. ANTIDRUG PROGRAM.

(a) PLAN.—The National Drug Policy Board shall develop, in cooperation with the Government of Palau, a plan for an anti-

drug program in Palau. The plan shall be submitted to the Committees on Interior and Insular Affairs, Foreign Affairs, and Appropriations of the House of Representatives and the Committees on Energy and Natural Resources and Appropriations of the Senate by April 1, 1989. The plan shall identify the specific needs and costs of such an antidrug program. It shall identify all existing resources to be allocated for its implementation by the Government of the United States and the Government of Palau, and it shall recommend priority use for additional resources, assuming such resources are made available.

(b) AGREEMENT.—Following completion of the plan, the President and the Government of Palau shall negotiate an agreement to facilitate implementation of the plan. Such agreement may include—

(1) that the Government of Palau may request, on a long-term or case-by-case basis, that the officers of United States law enforcement agencies may conduct investigations consistent with implementation of the plan in cooperation with the law enforcement agencies of the Government of Palau;

(2) that the Government of Palau or the Government of the United States may agree to provide specific resources, on a one-time or a multiyear basis, to strengthen the antidrug program; and

(3) a specific description of the technical assistance, training, and equipment to be provided to Palau by the United States necessary to implement the plan.

(c) AUTHORIZATION.—To the extent that funds are not otherwise available to appropriate agencies of the United States to implement any agreement entered into pursuant to this section, there is hereby authorized to be appropriated such sums as may be necessary.

SEC. 106. PUBLIC AUDITOR AND SPECIAL PROSECUTOR.

(a) AGREEMENT.—The President shall, upon the formal request of the Government of Palau, negotiate an agreement with the Government of Palau in accordance with section 224 of the Compact which may provide that—

(1) the Government of the United States agrees to provide the Government of Palau with assistance, subject to appropriation, under section 222 of the Compact for maintaining offices of public auditor and special prosecutor;

(2) the Government of Palau agrees to maintain and staff the independent offices of public auditor and special prosecutor established in accordance with the authority of its constitution and laws;

(3) the Government of Palau agrees to provide funding levels adequate for the effective operation of each of the offices of public auditor and special prosecutor during the period the Compact is in effect in addition to the assistance provided by the Government of the United States pursuant to this subsection;

(4) upon request of the Government of Palau the President shall provide, on a nonreimbursable basis, appropriate technical assistance to the public auditor or special prosecutor. The assistance provided pursuant to this subsection for the first five years after the effective date of the Compact shall, upon the request of the Government of Palau, and to the extent personnel are available, include (but not be limited to) the full time services of—

(A) an auditor or accountant, as determined by the public auditor, for the office of public auditor; and

(B) an attorney or investigator, as determined by the special prosecutor, for the office of special prosecutor; and

(5) the Government of the United States shall, subject to appropriation, provide the Government of Palau with such sums as are agreed to under this section, for each of the offices of public auditor and special prosecutor for the first five years after the effective date of the Compact.

(b) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

SEC. 106. POWER GENERATION.

Section 104(e) of Public Law 99-658 is amended to read as follows:

"(e) Neither the Secretary of the Treasury nor any other officer or agent of the United States shall pay or transfer any portion of the sum and amounts payable to the Government of Palau pursuant to this joint resolution to any party other than the Government of Palau, except under the procedures established by the Compact and its related agreements. No funds appropriated pursuant to the Compact, this Act, or any other Act for grants or other assistance to Palau may be used to satisfy any obligation or expense incurred by Palau prior to November 14, 1986, with respect to any contract or debt related to any electrical generating plant or related facilities entered into or incurred by Palau which has not been specifically authorized by Congress in advance, except that the Government of Palau may use any portion of the annual grant under section 211(b) not required to be devoted to the energy needs of those parts of Palau not served by its central power generating facilities and any portion of the funds under section 212(b) of the Compact for such purposes.".

SEC. 107. DEVELOPMENT PLAN FOR PALAU.

The President shall negotiate an agreement with the Government of Palau under which the Government of Palau agrees to provide current information regarding the National Development Plan proposed pursuant to section 231 of the Compact and submitted pursuant to section 101(d)(1)(C) of Public Law 99-658, including information adapting the existing plan to the first 5-year period following the effective date of the Compact, and to list all capital infrastructure projects to be financed with United States assistance.

SEC. 108. MEDICAL SYSTEM.

(a) REPORT.—The Secretary of the Interior, in cooperation with the Public Health Service, shall submit a report, including the views of the Government of Palau, to the Committees on Interior and Insular Affairs, Foreign Affairs, and Appropriations of the House of Representatives and the Committees on Energy and Natural Resources and Appropriations of the Senate by April 1, 1989. The report shall present the range of options, and the cost of such options, for the upgrading of the Koror hospital.

(b) FINANCIAL ASSISTANCE REQUEST.—The Government of the United States will sympathetically consider the request of Palau for additional financial assistance to meet the need for medical facility construction based on the report made under this section, and the United States encourages Palauan financial assistance to this project in addition to funds made available by the United States.

(c) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary to upgrade the Koror hospital.

SEC. 109. AUDIT CERTIFICATION.

The chief officer of any agency conducting an audit pursuant to paragraph (1) of sections 102(c) and 103(m) of the Compact of Free Association Act of 1985 (Public Law 99-239) and section 101(d)(1)(C) of Public Law 99-658 shall certify that audit.

SEC. 110. ACQUISITION OF DEFENSE SITES.

The provisions of title III of the Compact relating to future use by the United States of defense sites in Palau do not restrict the authority of the President of the United States to—

(1) request additional funding, subject to appropriation, related to the use of privately owned land in Palau pursuant to article II of title III of the Compact as may be appropriate in light of actual land use requirements, independent appraisals of such privately owned land accepted by both governments, and other appropriate documentation of actual land use costs; and

(2) consent to an extension of the time set forth in a subsidiary agreement to such article in which the Government of Palau is required to make such land available to the United States.

SEC. 111. CAPITAL IMPROVEMENTS.

(a) REPORT.—The Secretary of the Interior, in cooperation with the Government of Palau, shall submit a report to the Committees on Interior and Insular Affairs, Foreign Affairs, and Appropriations of the House of Representatives and the Committees on Energy and Natural Resources and Appropriations of the Senate by April 1, 1989 on the condition of the Palau prison. The report shall present a range of options for upgrading the prison, including replacement of the facility; the cost of these options; and alternatives for funding these options.

(b) FINANCIAL ASSISTANCE REQUEST.—The Government of the United States will sympathetically consider the request of Palau for additional financial assistance to meet the need for prison construction based on the report made under this section.

(c) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary to upgrade the Palau prison.

SEC. 112. FEDERAL PROGRAMS COORDINATION PERSONNEL.

(a) ASSIGNMENT.—The Secretary of the Interior shall station at least one professional staff person in each of the Offices of the United States Representatives in the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Island to provide Federal program coordination and technical assistance to such governments as authorized under Public Laws 99-239 and 99-658. In meeting the purposes of this section the Secretary shall select qualified persons following consultations with the Interagency Group of Freely Associated State Affairs.

(b) AUTHORIZATION.—There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 113. REFERENDUM COSTS.

The Secretary of the Interior shall provide such sums as may be necessary for a further referendum on approval of the Compact, if one is required, or other appropriate costs associated with the approval process in Palau. There is authorized to be appropriated not to exceed $200,000 to carry out the purpose of this section.

SEC. 114. AGREEMENTS.

(a) APPROVAL.—Pursuant to section 101(d) of Public Law 99-239, the following agree-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ments are approved and shall enter into force in accordance with their terms:

(1) "Agreement Between the Government of the United States and the Government of the Republic of the Marshall Islands to Amend the Governmental Representation Provisions of the Compact of Free Association Pursuant to section 432 of the Compact" signed on March 18, 1988; and

(2) "Agreement Between the Government of the United States and the Government of the Federated States of Micronesia to Amend the Governmental Representation Provisions of the Compact of Free Association Pursuant to section 432 of the Compact" signed on March 9, 1988.

(b) EFFECTIVE DATE ON CERTAIN AGREEMENTS.—An agreement between the United States and the Government of the Republic of Palau identical to the agreements referred to in subsection (a) of this section shall take effect upon submission to Congress of such an agreement and entry into force of such an agreement in the manner provided in section 101(d)(5) of Public Law 99-658.

(c) EXTENSIONS.—The provisions of article IX, paragraph 5(a) of the Agreement referred to in section 462(e) of the Compact of Free Association as approved by Public Law 99-239, and article IX, paragraph 5(a) of the agreement referred to in section 462(f) of the Compact of Free Association for Palau as approved by Public Law 99-658, are extended, in accordance with the terms thereof, until October 1, 1998, unless earlier terminated or further extended by the laws of the United States.

SEC. 115. STATUS OF FUNDS.

(a) OBLIGATION OF FUNDS.—In any year that funds made available by the United States for that year pursuant to this joint resolution, Public Law 99-658 or Public Law 99-239, or any other Act of Congress are not completely obligated by the Government of Palau, the unobligated balances of such funds shall remain available in addition to the funds to be provided in subsequent years.

(b) PAYMENT PROCEDURES.—The President is authorized to negotiate and conclude an agreement, including the obligation of United States funds, with the Government of Palau which shall provide the following:

(1) The sum of $28,000,000, adjusted by section 215 of the Compact at the time of its availability to Palau, shall be provided to Palau pursuant to section 211(b) of the Compact in fiscal year 1989.

(2) Palau shall pay to the United States, on or before the 15th anniversary of the effective date of the Compact, an amount equal to the net economic cost to the United States of making available the section 211(b) funds in the manner specified in this subsection rather than as provided in section 211(b).

(3) Such economic cost shall reflect the time value of money and be determined using the rate determined for an equivalent loan by the Federal Financing Bank as of the date these funds are advanced, and using an inflation rate consistent with the determinations made under the provisions of section 215 of the Compact.

(4) If the Government of Palau has not paid such net economic costs to the United States by the 15th anniversary of the effective date of the Compact, then the United States shall be automatically paid such sums from the fund established under section 211(f) of the Compact.

(5) The provision of section 211(b) funds, as appropriated by Public Law 99-349 and pursuant to this subsection, shall be in fulfillment of all United States obligations under such section 211(b) of the Compact and shall be subject to section 236 of the Compact.

SEC. 116. SUBMISSION OF AGREEMENTS.

(a) SUBMISSION.—Any agreement concluded with the Government of Palau pursuant to this joint resolution and any agreement which would amend, change, or terminate any such agreement, or portion thereof, shall be submitted to the Congress and may not take effect until after 30 days after the date on which such agreement is so submitted. An amendment or agreement substituting or in addition to the subsidiary agreement negotiated under section 212(a) of the Compact or its annex shall take effect only when approved by an Act of Congress.

(b) EFFECTIVE DATE.—The authority under section 102 of this joint resolution for the Compact to enter into force shall not be effective until the agreements set forth in sections 103 and 107 between the Governments of the United States and Palau have been concluded.

SEC. 117. TRANSITION FUNDING.

Section 104(c) of Public Law 99-658 (100 Stat. 3676) is amended to read as follows—

"(c) AUTHORIZATION FOR TRANSITION PURPOSES.—For the purposes of applying section 105(c)(2) of the Compact of Free Association Act of 1985 (99 Stat. 1792) to Palau, the terms 'fiscal year 1987', 'fiscal year 1988', and 'fiscal year 1989' shall be deemed to be the first, second, and third fiscal years, respectively, beginning after the effective date of the Compact."

TITLE II—INSULAR AREAS MATTERS

SEC. 201. SHORT TITLE.

This title may be cited as the "Omnibus Insular Areas Act".

SEC. 202. JUDICIAL ASSISTANCE.

(a) IN GENERAL.—The Ninth Judicial Circuit of the United States may provide assistance to the courts of the freely associated states. The Chief Justice of the United States or the Chief Judge of the Ninth Circuit may, upon the request of a duly authorized official of a freely associated state, authorize any circuit judge of, or district court judge within, the Ninth Circuit to serve temporarily as a judge of any court of a freely associated state.

(b) CONSENT.—The Congress hereby consents to the acceptance and retention of reimbursement or allowances for expenses related to service on a freely associated state court authorized by this section. All such reimbursement or allowances shall be reported by the judge concerned to the Administrative Office of the United States Courts.

(c) ADDITIONAL AGREEMENTS.—The President is authorized to enter into agreements with the freely associated states that are necessary or appropriate to facilitate implementation of this section.

SEC. 203. CONTROLLED SUBSTANCES IN THE FREELY ASSOCIATED STATES.

(a) IN GENERAL.—The President is authorized to negotiate agreements which provide—

(1) that the United States shall carry out the provisions of part C of the Controlled Substances Act (21 U.S.C. 821 et seq.) as necessary to provide for the lawful distribution of controlled substances in the freely associated states; and

(2) that a freely associated state which institutes and maintains a voluntary system to report annual estimates of narcotics needs to the International Narcotics Control Board, and which imposes controls on imports of narcotic drugs consistent with the Single Convention on Narcotic Drugs, 1961, shall be eligible for exports of narcotic drugs from the United States in the same manner as a country meeting the requirements of subsection (a) of section 1003 of the Controlled Substances Act (21 U.S.C. 953).

(b) EFFECTIVE DATE.—Agreements concluded pursuant to this section shall become effective pursuant to section 101(f)(5) of Public Law 99-239 or section 101(d)(5) of Public Law 99-658, as may be applicable.

SEC. 204. NORTHERN MARIANAS COLLEGE.

The Northern Marianas College is hereby constituted a depository to receive Government publications, and the Superintendent of Documents shall supply to the Northern Marianas College one copy of each such publication in the same form as supplied to other designated depositories.

SEC. 205. MATCHING FUND REQUIREMENT.

The last sentence of section 501(d) of Public Law 95-134, as amended by Public Law 96-205, as amended (48 U.S.C. 1469a(d)), as amended—

(1) by inserting "any Federal program as it applies in" before "American Samoa"; and

(2) by inserting "or other expenditures" after "funds".

SEC. 206. VIRGIN ISLANDS.

The Revised Organic Act of the Virgin Islands is amended by striking out the second sentence of section 25 (48 U.S.C. 1615).

SEC. 207. CABRAS ISLAND.

Section 818(b)(2) of Public Law 96-418 (94 Stat. 1782) (as amended by section 504 of Public Law 98-454 (98 Stat. 1736)) is amended by striking "30 percent" and inserting "50 percent".

SEC. 208. PONAPE HYDROPOWER DIVERSION.

Section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended, is amended by inserting "for design and construction of the Nanpil River hydropower diversion project;" after "Ponape;".

SEC. 209. SPECIAL PROGRAMS AGREEMENT.

Section 101(c)(2)(D) of Public Law 99-658 (100 Stat. 3673) is amended—

(1) by striking "and" at the end of clause (v);

(2) by striking the period at the end of clause (vi) and inserting "; and"; and

(3) by adding at the end thereof the following:

"(vii) the agreement entitled 'Agreement Concerning Special Programs related to the Entry into Force of the Compact of Free Association Between the Government of the United States and the Government of the Republic of Palau', signed on May 26, 1989.".

SEC. 210. POLITICAL STATUS OF PUERTO RICO

(a) GRANTS TO POLITICAL PARTIES.—There is hereby authorized to be appropriated to the President for grants to the Popular Democratic Party, the New Progressive Party, and the Puerto Rican Independence Party of the Commonwealth of Puerto Rico $1,500,000, which is authorized to remain available until the sine die adjournment of the One Hundred First Congress. Grants shall be made to each such party in equal amounts, not to exceed $500,000 each. Such funds shall be made available for necessary expenses incurred after March 1, 1989, to each such party to participate in the legislative process involving the future political status of Puerto Rico, including the travel and transportation of persons, services as authorized by section 3109 of title 5, United States Code, communications, utilities,

29-059 O-90-11 (Pt. 10)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

printing and reproduction, and supplies and materials and other related services, and for administrative costs.

(b) AUDITS.—Under such regulations as the Comptroller General of the United States may prescribe, the Comptroller General shall perform a financial audit of the financial transactions made by each such party with such funds.

(c) PROHIBITION OF USE OF FUNDS.—Such funds may not be used directly or indirectly to finance the campaign of candidates for public office.

SEC. 211. CLARIFICATION WITH RESPECT TO ALLOTMENTS FOR TERRITORIES.

Section 1912A(c) of the Public Health Service Act, as added by section 2022(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as follows:

"(c)(1) Subject to paragraph (2), the allotment under this subpart for a territory of the United States shall be the product of—

"(A) an amount equal to the amounts reserved under paragraph (3); and

"(B) a percentage equal to the quotient of—

"(i) the population of the territory, as indicated by the most recently available data; divided by

"(ii) the aggregate population of the territories of the United States, as indicated by such data.

"(2) Each territory of the United States shall receive a minimum allotment under this subpart of the greater of—

"(A) $100,000; and

"(B) an amount equal to 105 percent of the sum of—

"(i) the amount the territory received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

"(ii) the amount the territory received under part C for fiscal year 1988 (as such part was in effect for such fiscal year).

"(3) The Secretary shall reserve for the territories of the United States 1.5 percent of the amounts appropriated pursuant to section 1911 for allotments under this subpart for each fiscal year.".

SEC. 212. VIRGIN ISLANDS PRISON EXPANSION AND RENOVATION.

There is authorized to be appropriated $5,000,000 to the Secretary of the Interior for construction of a 127-bed prison barracks at the Golden Grove Prison on St. Croix, United States Virgin Islands, and for renovation of and improvements to existing prison facilities.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from the Virgin Islands [Mr. DE LUGO] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from the Virgin Island [Mr. DE LUGO].

GENERAL LEAVE

Mr. DE LUGO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 175, the joint resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from the Virgin Islands?

There was no objection.

Mr. DE LUGO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, during the last Congress, the Subcommittee on Insular and International Affairs, which I am privileged to chair, dedicated most of its efforts to the smallest of the eight insular areas: the western Pacific islands of Palau.

These efforts were focused on a proposed Compact of Free Association with Palau. They led the House to pass legislation to authorize the compact to be put into effect last October 6 with 406 votes.

In the closing hours of the 100th Congress, a compromise was reached on this legislation. Under it, the Reagan administration committed to fulfill the requirements of the House legislation without being required to do so by statute if the House would pass the Senate version with one mutually agreed upon amendment.

Unfortunately, the commitments that made the compromise possible were delivered literally minutes too late to get it enacted last year.

Also unfortunately, the Reagan administration didn't follow through on the compromise. The ranking Republican of the Insular and International Affairs Subcommittee, BOB LAGOMARSINO, promised, though, that the Bush administration would.

So, in March, 65 Members joined me in sponsoring House Joint Resolution 175, the legislation that the compromise requires regarding Palau.

I said then I would seek action when the Bush administration did what it could to implement the compromise. I suggested an addition to the compact be agreed to with Palau that would commit the United States to fulfill the requirements of the last Congress' House legislation.

After the Bush administration decided to honor the compromise, the State Department officer who had agreed to it in the first place, James Berg, began negotiating the needed subsidiary agreement to the compact with a Palauan commission headed by the islands' new Vice President, Kuniwo Nakamura.

Two administration proposals were made but fell short of the compromise. Meanwhile, some in Palau became concerned that the necessary consensus on the compromise would erode. Some in Washington felt that time for the compromise had run out.

Finally, after Palau's leaders spoke out in the U.N. Trusteeship Council, Mr. Berg agreed to the commitments that made agreement possible. A subsidiary agreement for this purpose was signed on May 26.

The Insular and International Affairs Subcommittee conducted a hearing June 8 to determine whether the agreement signed May 26 met the requirements of the compromise.

I am pleased to report that our hearing confirmed that the agreement generally lives up to the compromise. The differences we found between the agreement and the compromise are minor and are fair to both the United States and Palau. For the most part, the agreement commits the executive branch to take action which would have been required by the House legislation in the last Congress.

This makes it incumbent upon us to pass the legislation that the compromise requires. From conversations with the chairman of the committee of jurisdiction on the other side of the Capitol, I expect the Senate to also approve it.

A substitute for House Joint Resolution 175, as it was introduced, that I proposed was approved by the Interior and Insular Affairs Committee last week by a vote of 24 to 2.

The differences between the introduced resolution and the substitute are the following:

First, the substitute would approve the May 26 agreement, effectively making it a part of the compact and this legislation.

Second, the substitute includes a number of miscellaneous other insular measures that were included in the compromise but were not included in House Joint Resolution 175, as it was introduced.

Third, it includes a few other miscellaneous insular measures that need to be enacted soon which the administration either supports or to which it has no objection and which the chairman of the Senate committee and I have agreed to have added by the House.

We, in Washington entered into this compromise last October with the concurrence of leaders of Palau. Their support for it is important because the free association relationship that the compact would bring about would be a mutual one. Palau, after all, must also approve the compact for it to become effective.

Palau's leaders felt strongly that the original legislation we introduced on this matter a year ago offered the best chance for getting their people—who have failed to approve the compact in six referendums—to finally approve it. This was because the legislation addressed problems which had hindered approval of the compact in the past.

They agreed with us, though, to the compromise between leaders of the Interior and Insular Affairs and Foreign Affairs Committees that made overwhelming House passage possible because they recognized the need for compromise.

June 27, 198
They also w
compromise
reached in th
Congress, be
that it provi
ments to the
get through
tion.
The agree
these improve
expands upon
agreed. So, I
to understand
agreement we
implementati
I know tha
nouncements
have these i
these improv
in part thro
other member
sular Affairs
for and my
cannot now w
ready.
I also want
know, though
ted to workin
improvements
tween the U
under the con
So, I would
mise will res
final approv
final approva
Palauan ap
be presumed
sured than i
year and ear
cause of the
administratio
ments that w
Still, from
Palau's leade
their people's
The need
one of the r
tiously appro
needs to kno
tion on this
its own de
should fram
United States
Palau's lea
carefully juc
people's fina
package does
proval of th
no way to eve
If the con
this legislati
and theirs to
able to fairly
facilities deb
referral debt
and correct
combat drug
hospital and
structure, an
pact will no
lauan consti
just compen
needed for p
begin to bear

June 27, 19

They also went along with the final compromise on this legislation, reached in the last hours of the last Congress, because they recognized that it provided the best improvements to the compact that we could get through implementation legislation.

The agreement fairly represents these improvements to the compact. It expands upon them as much as can be agreed. So, I want the people of Palau to understand that this still is the best agreement we can now get on compact implementation legislation.

I know that they have heard pronouncements like this before only to have these improvements made. But these improvements have been made in part through efforts that I, and other members of the Interior and Insular Affairs Committee, have fought for and my message to them is: We cannot now win more than we have already.

I also want my friends in Palau to know, though, that I remain committed to working for any other needed improvements in free association between the United States and Palau under the compact.

So, I would hope that this compromise will result not only in Congress' final approval of the compact, but final approval by Palau as well.

Palauan approval, of course, cannot be presumed. And it may be less assured than it seemed to be late last year and early this year. This is because of the long time it took for the administration to make the commitments that were needed.

Still, from what I have heard from Palau's leaders, they will try to obtain their people's approval.

The need for Palauan approval is one of the reasons we should expeditiously approve this legislation. Palau needs to know the United States position on this matter to be able to make its own decision. This legislation should frame the necessary final United States position.

Palau's leaders will then have to carefully judge how to obtain their people's final approval. For if this package does not result in Palau's approval of the compact, there may be no way to ever get it approved.

If the compact is approved under this legislation, though, our efforts and theirs to get help for Palau to be able to fairly settle its crippling power facilities debt and relieve its medical referral debts, to root out corruption and correct fiscal mismanagement, to combat drug abuse, to build a decent hospital and jail, to fix deficient infrastructure, and to assure that the Compact will not interfere with the Palauan constitutional requirement for just compensation for private lands needed for public purposes, will soon begin to bear fruit.

We would, thus, finally achieve our mutual goal of ensuring that the United States meets its essential obligations under the trusteeship. We would be able to bring trusteeship responsibility to an end as soon as possible and do it with honor.

EXPLANATION OF SUBSTITUTE

Let me now explain the substitute in some detail.

TITLE I

Title I would be the "Palau Compact of Free Association Implementation Act."

More than the language of the resolution must be read to understand title I. The legislative provisions can only be understood when read in the context of the compromise. They must be read together with the agreement signed May 26 because the agreement effectively amends the legislation.

The administration assures that the agreement, which would become a part of the legislation under title II, will constitute an international legal obligation of the United States. It must be complied with if the United States is not to face challenge for a breach of compact obligations.

The intent of title I, therefore, is as follows:

ENTRY INTO FORCE

The compact would be authorized to be put into effect: First, if it is approved by the vote required by Palau's constitution—75 percent—or a lesser percentage if Palau's constitution is amended to lower the requirement—and second, 30 days after the President has notified the Committees on Interior and Insular Affairs and Foreign Affairs of the House and the Committee on Energy and Natural Resources of the Senate of his intent to implement the compact.

FISCAL PROCEDURES ASSISTANCE

The Secretary of the Interior would be required to assist Palau in developing regulations for spending compact assistance.

Palau would be required to develop plans to implement United States audit recommendations, or in the alternative, inform the United States of its objections to implementing the recommendations within 120 days of when recommendations are made. The Secretary of the Interior would be required to provide Palau with assistance to implement recommendations.

ANTI-DRUG AND LAW ENFORCEMENT PROGRAM

The United States would be committed to provide Palau with assistance for enforcement of its narcotics and other laws and prevention and treatment of narcotics and other substance abuse.

Palau would be committed to submit a plan for an anti-substance abuse program to the United States for agency approval. The National Drug Abuse Policy Board would be required to submit a plan on this matter to congressional committees. The United States would be committed to provide Palau $400,000 a year for 5 years beginning by fiscal year 1991 as well as technical assistance for implementing the plan and for law enforcement. It is intended that the United States will provide further assistance to Palau for these purposes after the 5-year period if needed and justified by Palau. These sums would be authorized.

Palau would be committed to authorize United States law enforcement officers to conduct investigations related to enforcement of United States laws in Palau in cooperation with Palauan law enforcement agencies.

The United States would be committed to: having Federal law enforcement officers assist in enforcing substantial abuse laws in Palau and provide training and equipment for Palauan substance abuse law enforcement.

Palau would be committed to employ additional customs officers trained to detect smuggling of prohibited substances, and conduct substance abuse education and treatment efforts.

PUBLIC AUDITOR AND SPECIAL PROSECUTOR

Palau would be committed to maintain and staff the special prosecutor and public auditor offices established by its law and dedicate the necessary amount of its own funds—but not less than $100,000 a year—for each of the offices for at least 5 years.

The United States would be committed to provide the public auditor and special prosecutor with technical assistance on a nonreimbursable basis. Requests for the assistance could come from either the Government of Palau or the auditor or the prosecutor.

The assistance must include the services of an auditor or accountant for the office of public auditor and an attorney or investigator for the office of special prosecutor for at least the first 5 years after the effective date of the compact. The type of personnel required would be determined by the public auditor and special prosecutor.

The United States would also be committed to provide Palau at least $300,000 annually for the public auditor and special prosecutor offices for at least the first 5 years of the compact. $100,000 of these amounts would be required to be spent annually for each office. The additional $100,000 per year would be required to be divided between the two offices by the Government of Palau. These sums would be authorized.

In the event that Palau does not maintain public auditor and special prosecutor offices, the President would initially have to take the conference and dispute resolution steps outlined in the compact. These involve: the two Governments conferring; referral to arbitration if the dispute is not resolved within 90 days;

the naming of three arbitrators within a total of 45 days; and an arbitration decision within 30 days, unless a longer period is mutually agreed upon.

Palau would be considered in material breach of the compact if it did not comply with an arbitration decision on this matter within 180 days. In this event, the President would be required to withhold funds that this legislation, the compact, and any other law would provide Palau and take such other actions as may be appropriate. These would continue until Palau again began to maintain, staff, and adequately fund its special prosecutor and public auditor offices.

POWER GENERATION SYSTEM DEBT

Section 104(e) of Public Law 99-658, the law which approved the compact subject to the condition that another law be enacted to approve its effectiveness, would be amended to prohibit Federal officials from paying compact legislation funding to parties other than the Government of Palau except as compact agreements might provide.

This law would also be amended to prohibit Federal assistance from being used by Palau to satisfy power facilities debts incurred prior to November 14, 1986, except for funds specifically authorized by Congress to be used for this purpose.

Two funds would be authorized to settle the debt. One consists of the energy development funds provided under compact section 211(b) other than those required to be devoted to parts of Palau not served by Palau's central power facilities—$1.5 million per year, adjusted for inflation, in years 2 through 15 of the compact. The other consists of the capital development funds provided under compact section 212(b), $28 million adjusted for inflation.

DEVELOPMENT PLAN

Palau would be committed to adapt its development plan to the first 5 years of the compact; list public infrastructure and private sector projects to be financed with compact assistance in priority order; and outline how existing capital improvement debts would be paid.

MEDICAL FACILITY

Palau would be required to submit a plan for hospital construction and operation to the Departments of Interior and Health and Human Services. The Secretary of the Interior would be required to submit a report on the options for improving the current hospital facilities, prepared in cooperation with the Public Health Service, to congressional committees.

Palau would be committed to dedicate at least $5 million to hospital needs during the first 15 years of the compact. The United States would be committed to provide Palau at least $5 million for the hospital and such other amounts as provided by United States law not later than fiscal year 1991. These sums would be in addition to any provided through the end of this fiscal year and would be authorized.

The total of $10 million referenced in the agreement was based on an estimate of $9.3 million needed for the hospital in addition to funds previously granted. The most current estimate is that an additional $14 million is needed.

Our intent is that the United States will provide the amount necessary to have a decent hospital built. We support providing at least half of this—$7 million—for this project this year.

This amount is included in the fiscal year 1990 Interior appropriations bill as reported by the subcommittee. I appreciate the cooperation I have received from Interior Appropriations Subcommittee Chairman SID YATES in trying to obtain funding for this important need.

AUDIT CERTIFICATION

The head of any Federal agency which audits funds pursuant to the laws approving the compacts with Palau, the Federated States of Micronesia, and the Marshall Islands would be required to certify that the audits meet the requirements of those laws. The intent of this requirement is to ensure that a Federal official is fully responsible for determining whether compact assistance has been spent properly.

ACQUISITION OF DEFENSE SITES

The United States would recognize that: The Government of Palau will be bound by its constitution to provide fair payment for private land that the United States might require Palau to provide it for military purposes under the compact; that land is scarce and has a special importance in Palau; and that Palau wants to prevent foreign ownership of its land.

The United States would also recognize that Palauans with interests in land used by the United States for military purposes under the compact in ways that prevent private development may be entitled to compensation as if their entire interest had been taken.

The United States would be committed to request only the minimum amount of and interest in land needed for military purposes and attempt to request public, rather than private, land, if possible, for its military needs.

The Government of Palau would be committed to obtain rights to land at the Airai Airfield and Malakal Harbor for United States military use as necessary to meet United States needs for the sites. The United States would be committed to enter into agreements for financial assistance if requested by Palau to acquire land, other than at the airfield and harbor, that the United States requires Palau to provide under the compact. Palau would not be obligated to make such land available until such agreements are reached. Assistance would be required to be based on fair value of land.

The United States would be committed to extend the 60-day period that Palau has to make private land available to the United States under the compact if Palau justifies such an extension.

PRISON IMPROVEMENTS

Palau would be committed to submit a plan to the Departments of the Interior and Justice for prison construction and operation. The Secretary of the Interior would be required to report options for improving Palau's prison to congressional committees.

The United States would be committed to provide Palau $800,000 for prison improvements not later than fiscal year 1991.

These sums would be in addition to any provided through the end of this fiscal year and would be authorized.

FEDERAL PROGRAMS COORDINATION PERSONNEL

The Interior Department would be required to assign at least one professional each to the United States Representative's offices in Palau, the Federated States of Micronesia, and the Marshall Islands.

The intent is that these officers—hopefully augmented by other staff if needed—would coordinate all Federal programs in and assistance to the freely associated states. They would be selected in consultation with other agencies concerned with the freely associated states.

Their expenses would be authorized; but the intent is that stationing of the officers is required whether or not specific, separate appropriations are made for this purpose. The compromise is based on the understanding that the Interior Department has and will use existing personnel slots and funding if needed to satisfy this requirement of the compromise.

REFERENDUM COSTS

The Secretary of the Interior would be required to provide Palau funds for a seventh referendum on the compact and other appropriate costs related to the change in the political relationship between the United States and Palau. The sum of $200,000 would be authorized to be spent for these purposes; but the funds are required to be made available whether or not specific appropriations are made for this purpose. The understanding that funds exist which may be used for this purpose if needed is an important part of the compromise.

AGREEMENTS

Agreements between the United States and the Federated States of Micronesia and the Marshall Islands which would effectively amend the Compact of Free Association Act of 1985 would be approved. The agreements would enable the U.S. Repre-

sentatives in the freely associated states and the states' representatives in the United States to be called "ambassadors". An identical agreement with Palau would become effective when submitted to Congress.

Agreements with the Federated States of Micronesia, the Marshall Islands, and Palau concerning their continued eligibility under the compact for the Essential Air Services Program would be approved. The agreements would extend their eligibility through fiscal year 1998.

STATUS OF FUNDS

Palau would be authorized to spend assistance provided it by the United States for use in one year in a subsequent year.

The United States would be committed to provide Palau with the $28 million, adjusted for inflation, that the compact requires the United States to pay Palau from year 2 to year 15 of the compact for energy development in fiscal year 1989, if Palau settles its debt for the IPSECO power facilities. This debt now exceeds some $48 million but agreement has been reached to settle it for $32 million—a fair price for the facilities—under this legislation.

Palau would be required to pay the United States $3 million for costs of this advancement of funds within the first 10 years and 30 days of the compact. If Palau does not, it would be deducted from the $70 million investment fund that the United States is required to provide Palau under section 211(f) of the compact.

The Government of Palau would be committed to spend at least $7 million for the energy needs of the areas of Palau not served by the IPSECO power facilities within 15 years of compact implementation. It would also be committed not to use Federal funds other than those provided for energy and capital development under the compact to pay the IPSECO debt.

SUBMISSION OF AGREEMENTS

Agreements between the United States and Palau pursuant to this resolution, including any agreements which would in any way change such agreements, would not take effect until 30 days after being submitted to Congress.

This delayed effectiveness is intended to give Congress time to ensure that the agreements are consistent with the intent of this resolution. It would enable Congress to take action if any requirements of this legislation were not being met.

Additionally, congressional approval would be required for any change to the agreement entered into under the compact which would require the United States to construct a 53-mile road on Babelthaup Island in Palau.

TRANSITION FUNDING

Public Law 99-658 would be amended to delay the 3-year, 25-percent-per-year, phase-down of the Federal programs that would be discontinued under free association. The delay would be from fiscal year 1987 to the first fiscal year after the compact is implemented.

POWER FACILITY ASSISTANCE

It is intended that the United States would provide Palau with grant or loan assistance for operating the IPSECO power facilities as may be provided under United States law if justified by Palau.

CAPITAL INFRASTRUCTURE ASSISTANCE

It is intended that the United States would provide Palau with Department of the Interior and Corps of Engineers assistance for operating and improving United States-built infrastructure in Palau, including infrastructure which has been identified as being deficient. The infrastructure was built in fulfillment of U.S. trusteeship responsibilities. The necessary improvements have been estimated to cost $6.3 million by a Federal study, although Palauan estimates are higher.

All of the improvements identified in the study done for the Interior Department are intended to be made to the extent necessary. Improvements are to be made on a priority basis. Palau and the United States would cooperate to force any contractors responsible for deficiencies to help correct them. This effort could not be used to delay priority improvements.

Also, $8.3 million is included in the subcommittee report on the fiscal year 1990 Interior appropriations bill for the necessary repairs in Palau as well as in the Federated States of Micronesia and the Marshall Islands, which have also been parts of the Trust Territory. The cooperation of Interior Appropriations Subcommittee Chairman SID YATES is appreciated in this regard.

MEDICAL REFERRAL OBLIGATIONS

The United States would be committed to assume all existing Palauan medical debts to the United States public and private sectors, which we understand to be approximately $2 million. Debts to Federal institutions would be canceled. The United States would pay, or provide Palau with the money to pay, private health care providers for all existing Palauan medical debts.

The Government of Palau would be committed to promptly pay for all future services to its citizens at United States military medical institutions. The United States would be committed to consider providing Palau with funds to pay for future services at United States military medical institutions if justified by Palau.

TAXATION MATTERS

The United States and Palau would be committed to negotiate agreements on tax treatment—including tax exemption—of income earned by residents of the United States in Palau and vice-versa. Any agreement would, of course, be submitted to Congress.

CIVIL AIR TRANSPORT

The United States would be committed to recognize that Palau has authority to regulate civil air carrier landings within its borders except for rights already guaranteed United States carriers under a subsidiary agreement to the compact.

LAND SURVEY ASSISTANCE

The United States would be committed to providing Palau with assistance for surveying its land justified by Palau.

TRADE AND TARIFF MATTERS

The United States would be committed to negotiate agreements to ensure that Palauan textile and apparel products receive no less favorable tariff treatment than that provided to Caribbean Basin Initiative countries to the extent not prohibited by other agreements that the United States has already signed. The United States would also be committed to negotiate agreements to ensure that other Palauan products continue to receive tariff preferences no less advantageous in comparison to treatment of similar products of other countries.

MARITIME JURISDICTION

The United States would be committed to recognize that Palau has full authority to regulate submerged lands or the waters off its borders.

FEDERAL PROGRAMS

The United States would be committed to negotiate an agreement within 1 year of compact implementation on continuation of Federal programs in Palau not provided for under the compact so that Palau will not face hardship because of the phase-out of Federal programs. The United States would be committed to consider any further Palauan requests for other Federal programs as justified.

DISPUTES

The United States and Palau would be committed to try to resolve any disputes under the May 26 agreement and to submit disputes not resolved within 90 days to arbitration under the compact.

AUTHORIZATION

All United States financial assistance to Palau provided by the May 26 agreement would be authorized by the legislation.

TITLE II

Title II would be the "Omnibus Insular Areas Act."

It includes the seven provisions that were passed by both Houses of the last Congress as the "Omnibus Insular

Areas Act of 1988" but not enacted because of disputes regarding the Palau compact legislation. Enactment of these provisions is a part of the compromise on the Palau compact legislation.

As I indicated earlier, title II also includes three additional provisions which need to be enacted soon which Chairman JOHNSTON of the Senate committee and I have agreed to have the House add. They have bipartisan support and are either supported or not objected to by the administration.

SECTION 202

Section 202 would authorize the temporary assignment of judges of the ninth judicial circuit to freely associated state courts upon the request of those states.

It is assumed that such assignments will be arranged in a manner consistent with constitutional requirements of both the United States and the associated state involved.

In the case of the United States, this assumption does not require that the arrangements be made by the executive branch because of the foreign policy powers of the President. Requiring executive branch involvement could encroach upon the independence of the judiciary.

The government-to-government contacts required can be satisfied by agreements between Federal and insular judiciaries. It may be helpful, however, for there to be executive-to-executive understandings reached concerning this assistance. The language provides for such arrangements.

The work of Supreme Court Associate Justice Anthony Kennedy on this matter is appreciated.

SECTION 203

Section 203(a) would authorize the President to agree with the freely associated states regarding the distribution of legal drugs. It would permit the United States to continue to regulate the distribution of drugs to the states or to treat the states as foreign countries for the purposes of such distribution if the states agree to international conventions on distribution.

Section 203(b) provides for submission to Congress of agreements reached under this section.

SECTION 204

Section 204 would make the Northern Marianas College a Federal depository so that it will be eligible to receive all Federal publications.

SECTION 205

The intend of omnibus insular areas acts in 1980, 1983, and 1984 was to waive all requirements for insular governments to spend funds in order to have any Federal program or project apply to or take place in American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.

Current law requires the waiver of contribution requirements of the first $200,000 per project or program by every Federal agency in each instance where such a requirement could be applied.

The intent of this section is to clarify this requirement. Thus, any requirements for insular spending under all Federal programs or projects are required to be waived to the extent of $200,000 annually, regardless of cost or any other factor. This should include, for example, projects done by Federal agencies for insular governments, such as Corps of Engineers assistance projects as well as Interior Department infrastructure operations and maintenance aid.

SECTION 206

Section 206 would amend the Revised Organic Act of the Virgin Islands. It would authorize the U.S. District Court for the Virgin Islands to sit anywhere in the territory.

SECTION 207

Section 207 would amend the limitation in existing law on the amount of the proceeds from the sale or lease of 927 acres at Guam's main port that Guam may use to develop the property to increase the percentage from 30 to 50 percent.

This property was transferred to the territory under a 1980 law. The 1984 Omnibus Insular Areas Act amended the 1980 law's requirement that all proceeds from any private use of the land be paid to the Federal Government to permit 30 percent of the proceeds to be used for development costs.

This amendment further liberalizes the original requirement. It would still, however, provide that half of the proceeds from private use of the property would be paid to the Federal Government.

SECTION 208

Section 208 would authorize such sums as may be necessary for the design and construction of the Nanpil River hydropower diversion project in the Federated States of Micronesia. It is intended that the project will proceed as described in the March 1988 Army Corps of Engineers Report entitled: "Pohnepi Island Surface Water Resources Study: A planning for Hydropower Addition to the Nanpil River Project." The project is estimated by the Senate sponsors to cost $4 million, although the insular government is expected to pay design costs for the project. It will divert additional water flows to a hydropower facility already built with U.S. funds. Additional U.S. funds would go toward construction which should increase capacity from 25 to 40 percent of the island's needs.

SECTION 209

Section 209 would require congressional approval for any change to the agreement required by the compromise on the Palau Compact legislation. It would incorporate the "Agreement Concerning Special Programs Related to the Entry Into Force of the Compact of Free Association Between the Government of the United States and the Government of Palau" signed on May 26 into the compact and this legislation.

It would do this by amending Public Law 99-658 to add the agreement to the list of subsidiary agreements to the compact which can only be amended or ended by the United States by an act of Congress.

This section is intended to ensure that the United States lives up to commitments under the agreement and this legislation unless Congress specifically agrees to any executive branch agreement with Palau or other action that would in any way change these requirements.

SECTION 210

Section 210(a) would authorize $1.5 million to be appropriated to the executive office of the President for grants in equal amounts to the Popular Democratic, New Progressive, and Independence parties of Puerto Rico. The grants could be used to defray expenses related to participation of the parties in development of legislation to authorize a referendum between enhancing the current commonwealth relationship between the United States and Puerto Rico, and statehood or independence and implementation of the preferred political status. Eligible expenses would be those incurred during this Congress after March 1 of this year. They would include: Transportation; communications; printing; materials; administrative costs; and professional services.

It is intended that grants will only be allocated to the parties as long as they participate in the process for bringing about the referendum.

Section 210(b) would require the General Accounting Office to audit the parties' use of these grants.

Section 210(c) would prohibit the parties from using these grants to in any way finance compaigns for public, including party, office.

These funds would be appropriated by the dire emergency supplemental appropriations bill for fiscal year 1989. This authorization is a part of an understanding with House conferees on the legislation.

Initially, House conferees objected to the amendment, which was sponsored by the chairman of the Senate authorizing committee, for several reasons.

One reason was that the appropriation has not yet been authorized. I promised House conferees to sponsor this provision to take care of this problem.

A second reason for objection is a concern that the appropriation would be used to lobby Congress. I have assured House conferees that the intent of this assistance is that it not be used

to subsidize lobbying by the three parties.

Instead, the funds are to be used to enable the parties, which represent the three status options, to work with the Committees on Interior and Insular Affairs and on Energy and Natural Resources of the Senate and any other appropriate committees on the necessary mutual definition of the future status options of substantial interest to the people of Puerto Rico. This would help end a stalemate on this issue which has effectively prevented action on many of the needs of our 3.3 million fellow Americans of Puerto Rico for many years.

During these years, the Federal Government has been open to resolving Puerto Rico's political status dilemma; but it has been unable to take action because the people of Puerto Rico have not decided on a change to the existing relationship. The people of Puerto Rico, conversely, have not made such a decision, in spite of a clear interest in doing so, because the specific options for change are not clear to them.

These options are much more complicated than when other areas for which the United States was responsible decided to seek statehood or independence in the past. Proposals to enhance commonwealth would also be very complicated.

Neither Congress nor the leaders of Puerto Rico can unilaterally determine the options for the future of the United States-Puerto Rico relationship. Mutual and careful definition is required. This is why the parties must participate in the development of the legislation which will set forth the options to be presented to the people of Puerto Rico and provide for implementation of the preferred option.

Safeguards are written into the legislation to ensure that these grants are only used for purposes related to the status choice and enabling Congress to live up to its responsibilities in framing them. The funds are not to be used for lobbying and are not to be used for partisan or individual political gain. So, the concerns regarding these issues should be satisfied.

The referendum proposal has its roots in a bill sponsored by the gentleman from California [Mr. LAGOMARSINO] in the last Congress which would have authorized a referendum on and implementation of statehood. It also has its roots in amendments to that bill that I developed in consultation with the Resident Commissioner from Puerto Rico, JAMIE FUSTER. They would have expanded the choice to include enhancing commonwealth and independence.

After consulting with Chairman JOHNSTON and me as well as now Deputy to the White House Chief of Staff Andy Card, the Governor of the Commonwealth, Rafael Hernandez Colon, boldly and formally proposed the referendum in his inaugural address.

The initiative of the governor, who heads the commonwealth party, was agreed to by the heads of the statehood and independence parties in a historic and patriotic agreement. The status choice was then given a boost by the President in his February 9 address to the Joint Session.

It has been the leadership of Chairman JOHNSTON that has really moved this process so far forward so fast, however. He has introduced the legislation; already conducted hearings in both Washington and San Juan; and planned markup of the bill.

He has been consulting with me and others concerned in a concerted effort to obtain the necessary authorization in this Congress. The Nation owes him thanks for his dedication to resolving Puerto Rico's status problem.

I, too, have been working on this matter and plan an intensive effort on it in the House. This authorization will help that effort.

I appreciate the cooperation that I received from the distinguished chairman of the Appropriations Subcommittee on Treasury, Postal Service, and General Government, ED ROYBAL, in working out the problems with this appropriation.

SECTION 211

Section 211 would make a technical correction to the Anti-Drug Abuse Act of 1988 needed to allot the intended funding for mental health and substance abuse block grants to Guam and the Virgin Islands.

This technical correction has already passed the House twice and the Senate once this year. It is not assured of being enacted through that other legislation, however, because of differences between the House and Senate unrelated to this issue.

This provision is included in the legislation with the approval of the Energy and Commerce Committee. The cooperation of chairman JOHN DINGELL in this regard is appreciated.

Although the Anti-Drug Abuse Act intended to increase the size of the insular grants from the Alcohol, Mental Health, and Drug Abuse Administration by 5 percent, the language actually provides for them to be substantially decreased. For example, the Virgin Islands grant, which should increase from approximately $1.1 to $1.2 million, would decrease to about $400,000.

Even though it is late in the fiscal year, the intent of this legislation is that there be no loss of funds to Guam and the Virgin Islands.

I appreciate the leadership of the distinguished Chairman of the Subcommittee on Health and the Environment, HENRY WAXMAN, in correcting this problem. I also appreciate the willingness of the Chairman of the Senate committee, EDWARD KENNEDY, to correct it.

The Virgin Islands, in particular, has a serious drug abuse problem. In part, it is a by-product of the territory, being a transshipment point for international smuggling into the large and lucrative market in the States.

There are substantial treatment needs which my territory does not have the resources to meet that the assistance authorized by this provision would help it to meet.

SECTION 212

Section 212 would authorize appropriations of $5 million to the Department of the Interior for grants to expand the Virgin Islands prison on St. Croix.

This project was proposed by the Bush administration in its budget for fiscal year 1990 at the request of Governor Alexander A. Farrelly. It is needed because of overcrowding in the territory's prisons so serious that requests for detention of Federal prisoners must routinely be denied.

Conditions at the territory's primary prison at Golden Grove, St. Croix, are so inadequate that the territory has been forced to agree that they violate prisoners' rights and promise that safety-threatening conditions will be corrected.

The project would expand the capacity of the prison as well as make other improvements. The only differences between this provision and the administration's proposal are that this provision would authorize $5 million for the project rather than $2 million and increase capacity by 127 prisoners rather than 100 prisoners.

Let me now explain some of the background of the Palau Compact legislation.

TRUSTEESHIP AUTHORITY

Our Nation got its first authority in Palau in some of the bloodiest battles of World War II. The United States has been fully responsible for the islands since it entered into an agreement with the U.N. Security Council in 1947 for the trusteeship administration of the former Japanese administered islands of Micronesia.

The trusteeship agreement gave the United States full powers in the Trust Territory of the Pacific Islands in an arrangement approved by the joint resolution of July 18, 1947.

This responsibility was delegated to the President by the Act of June 30, 1954. Pursuant to law, it was redelegated by executive order to the Secretary of the Interior.

CONSTITUTIONAL GOVERNMENT

The Secretary has authorized a locally determined Government of Palau to exercise the authority vested in the Department of the Interior. Of course, this delegation has not absolved the department of its full responsibility for the governing of Palau.

Palau's Government was established according to a constitution approved in 1980. The intent at that time was that Palau would exercise powers of local self-government, with the Interior Department continuing to exercise national responsibilities.

This intent changed within a couple of years. A desire to save money and avoid difficult situations, as well as a misplaced confidence that the compact was always just about to come into effect, led to an abdication of the exercise of Federal responsibilities in Palau.

A number of the most serious problems now faced by Palau resulted from this neglect. The problems require that the United States take the actions that the compromise would require so that our Nation's trusteeship obligations can finally be met.

THE COMPACT

The compact would provide Palau with self-governing authority in all matters other than those affecting security. The United States would retain full military rights in Palau.

United States rights include the authority to deny military access to any other country in perpetuity. They also include the requirement that Palau make land dsignated by the United States available for military bases for 50 years.

In combination with bases in Guam and base rights in the Northern Mariana Islands, these base rights figure into almost any scenario for alternatives to our important bases in the Philippines, which are some 500 miles from Palau.

The compact would also provide Palau with substantial assistance over 15 years. An estimate values the financial assistance at $460 million, adjusted for inflation. This does not include the value of Federal programs and technical assistance which will also be provided. It also does not include the additional assistance that this legislation would provide that I have already described.

Another benefit of the compact is that it will grant the 15,000 Palauans the right to enter and work in the United States.

OTHER AREAS

Palau is the only part of the trust territory of the Pacific Islands which has not determined its future political status. The Northern Mariana Islands entered into a commonwealth union with the United States through a covenant approved by Public Law 94-241. A compact to establish free association between the United States and the Federated States of Micronesia and the Marshall Islands was approved by Public Law 99-239.

Implementation of this compact will hopefully, therefore, enable the trusteeship agreement to be finally terminated. Termination would also mean the end of the U.N. trusteeship system since this is the last trusteeship of the 11 that the United Nations established.

THIRD COMPACT LAW

If this resolution is enacted, it will be the third law regarding the compact.

The first, passed at the end of 1985, was an "approval in principle" of the compact with Palau. Public Law 99-239 did not include an actual approval of the compact with Palau because Palau hadn't approved the compact—in spite of two referenda on it.

These votes resulted in majority support for the compact; but they did not approve it by the 75-percent majority required by Palau's Constitution. The Constitution requires 75 percent approval because the compact would grant the United States nuclear rights that the Constitution otherwise prohibits.

Members of the Interior and Insular Affairs Committee were concerned about the approval in principle since the issues had not been thoroughly reviewed. But we agreed to it to show our willingness for the United States to enter into free association with Palau.

In early 1986, the President asked Congress for a real approval of the compact, asserting that a third referendum in Palau had approved it. The compact hadn't received 75 percent support; but the administration claimed that a slight rewording of the U.S. nuclear rights in the compact avoided the 75-percent approval requirement.

Members of the Interior and Insular Affairs Committee doubted, however, that the President was right about this. Our doubts were proven well-placed by a ruling of Palau's Supreme Court which held that Palau had not approved the compact.

We agreed, though, to the second law on the Palau compact. Public Law 99-658 was a conditional approval of the compact; the significant condition being that Congress pass yet another resolution authorizing implementation.

Members of this committee were concerned about the conditional approval, particularly because a review of the issues indicated that there were problems preventing Palau's approval of the compact which had not been addressed. But we agreed to it to show again that the United States was willing to enter into free association with Palau.

In a statement on the House passage of Public Law 99-658, Chairman UDALL recognized some of the problems which had prevented Palau's approval of the compact. He said that the resolution was an offer to Palau that should be revised if it did not finally result in Palau's approval of the compact.

PALAU DIDN'T APPROVE

Well, Palau didn't approve the compact in the fourth referendum on it. But the last administration declined to follow Chairman UDALL's advice and try to resolve the problems which had prevented Palau's approval.

I led a visit to Palau shortly after the fourth referendum. I said then that if Palau approved the compact in a planned fifth referendum, the Insular and International Affairs Subcommittee would address the problems which had prevented approval, once the compact was approved.

I said that we would consider these problems afterward because of the administration's opposition to doing so beforehand and because of the plans for the fifth referendum.

HEARING

But that fifth referendum also didn't result in Palau's approval. So, the subcommittee conducted a hearing to see what plans there were for further consideration of the compact and addressing Palau's problems.

There was a lot said in that hearing about Palau's problems by compact critics, including then Palau House Speaker Olikong. Because of assurances by both United States and Palauan administration officials that the charges were groundless and politically motivated, however, we really didn't believe most of what we were told. But we did promise to look into the allegations of corruption, drug trafficking, and political intimidation.

Some of Palau's needs did become clear at the time of that hearing, though. Two-thirds of the Government work force had been laid off, meals at the hospital were canceled, and power and water service had been curtailed by the then President of Palau, Lazarus Salii.

Amazingly, the Interior Department had no plans to deal with the problems. Officials made it clear at the hearing that they didn't intend to develop any either.

PRESSURE FOR APPROVAL

The reason for the cutbacks was supposedly a lack of funds. Lack of money was a problem; but Salii also wanted to make clear to his people that the compact would be the solution to Palau's continuing financial problems.

An originator of the free association concept, he hoped that the crisis would justify a controversial move to amend Palau's Constitution to eliminate the 75 percent approval requirement.

Substantial—and we know now illegal—pressure was used to get a constitutional amendment referendum scheduled.

After a referendum was held to approve the constitutional amendment, a sixth referendum was held on the compact. Both resulted in majority votes.

APPROVAL CLAIMED

President Salii claimed that the compact had been approved by this method, even though the approval fell short of the 75 percent requirement. But a lawsuit was filed challenging the approval. The suit was withdrawn, though, when Salii and Palau's highest ranking chief reached an agreement on one of the main reasons for opposition to the compact: the requirement for Palau to make land available to the United States for military purposes without compensation for 50 years.

Compact critics were afraid that land would be taken without an owner's consent and without fair compensation. Salii had pledged that this would not happen.

I was happy when Salii told me in August 1987 that the agreement had ended the controversy. I thought then that we would soon be able to take the final action on this matter.

APPROVAL CHALLENGED

But the agreement did not settle the controversy. The suit was refiled by courageous, traditional women leaders of the islands within a couple of days.

These leaders disagreed that the purported approval was constitutional. They also thought that Salii's agreement was an inadequate assurance of protection for landowners' rights.

The reaction to the suit was even more serious—and violent—pressure on compact challengers. Finally, after shootings, a bombing, a murder and direct threats to the plaintiffs, the suit was withdrawn.

Salii told me that the plaintiffs withdrew the suit for the good of Palau. But the judge in the case, the courageous Robert Hefner, said that it appeared that intimidation through the use of violence was the reason.

INVESTIGATION

I then directed the staff to find out the truth. What they found initially, as well as what they were finding out from investigating the allegations made at the hearing I mentioned, convinced Chairman UDALL and our colleague, GEORGE MILLER, to join me in asking the General Accounting Office for a major investigation of the compact approval process and other problems in Palau.

The GAO will soon issue its final report on this investigation.

We—and others—took the position that the Interior and Insular Affairs Committee would not approve compact implementation legislation until compact challengers were allowed to exercise their constitutional rights to challenge the compact's approval. The intimidation that they were subjected to at the time will be clear from the GAO's report and is well-cataloged in a report by the International Commission of Jurists.

PRESIDENT'S REQUEST

President Reagan, however, accepted President Salii's assertion that the compact had been approved by Palau. In November 1987, he once again asked Congress to approve the compact.

Members of the Interior and Insular Affairs Committee once again doubted that the President was right about Palau's approval of the compact—the condition agreed upon in 1986 for final United States approval.

Chairman UDALL and I were also concerned about what the subcommittee's investigation was turning up about problems in Palau. We decided we must insist that there be assurance that these problems would be addressed if the United States was to relinquish its governing responsibilities in the islands.

A majority of Palau's Congress also took this position. So did Governors of the Palauan states with a majority of Palau's population.

PROBLEMS IN PALAU

One of these problems was high-level corruption. Our investigation found a number of questionable situations in Palau. In the most troublesome, about $1 million in unsubstantiated payments were made to Palauan and other officials by IPSECO, the British company that built the islands overpriced, new power facilities.

President Salii received $200,000 of these payments. Hundreds of thousands more were received by close associates of his. Salii and these associates played key roles in getting Palau into the IPSECO debt.

The people of Palau now face debt approaching $50 million for power facilities only worth about $22 million at the time—although their leaders agreed then to pay $28 million plus interest. Like many of the other problems Palau faces, this situation directly relates to United States failures to live up to trusteeship responsibilities.

Even Palauans who weren't paid for their support were vulnerable to the scam proposed by IPSECO, a fly-by-night company, because Palau had not been able to get the United States to help electrify their islands 35 years after the trusteeship began. Requests for even a few million dollars were being turned down by the executive branch when the much larger IPSECO project was proposed. Half of Palau is still without electricity today.

Salii was also a party to a number of other questionable contracts, many of which involve serious allegations, questionable procedures, or serious questions of judgement. Many also relate to the use of U.S. funds.

One, for example, concerned the 53-mile road that the United States is committed to build on Babelthaup Island under the compact. The road was of interest to the United States because it could be used in connection with military activity under the compact. It is an important feature of the compact in the view of many Palauans because it is essential for Babelthaup's development.

Impatient for the road, the Salii administration rigged a contract for a 22-mile section of the road for a favored contractor even though Palau did not have the money to pay for the road without the compact. The $29 million price-tag was a third or so more than the road should have cost and engineering concerns were ignored.

The plan was to try to force the United States to pay for the road after it was built to help satisfy the United States 53-mile-road obligation. The contract promised payment only when the compact went into effect. At first, the contract set the price at $2 million more if the United States paid for the road than if Palau did.

A top aide to Salli has been quoted as saying that the contractor for the road had "financially secured" his position with the then President of Palau.

I described many of the questionable actions taken by Palau's Government without adequate Federal guidance when the House considered this legislation in the last Congress. These and other problems will be further described in the GAO report.

Palau has some good laws on its books to attack corruption. But Palau's special prosecutor law was being frustrated and its public auditor law was not really being implemented. Corruption in Palau was so serious, though, that Palau's first President may have been assassinated and Salii may have committed suicide because of it.

I am pleased to report that Palau's Congress and its new administration now appear intent on enforcing Palau's anticorruption laws.

Yet another of Palau's problems has ben crippling debt. Much of it was created by the shady power facilities deal. As I have noted, Palau owes over $48 million for the facilities, according to a Federal court ruling. The debt is over twice Palau's annual budget—and twice the value of the plant.

President Salii was prepared to pay even more than this under a settlement of the debt that he worked out. This legislation would make a $32 million settlement—a fair price for the facilities—possible.

GAO investigators tell us that other deals—many of them questionable—had pushed Palau's total debt to near $100 million. It is encouraging to learn that some of these debts are being canceled.

Another of Palau's problems was drug trafficking. The DEA and the World Health Organization said in 1987 that hundreds of Palauans had

used heroin, which first appeared in Palau just over 5 years ago.

Many heroin arrests in Guam have been Palau-related. Marijuana is Palau's largest cash crop.

I am pleased that the scrutiny our investigation has brought to this problem seems to have substantially reduced Palauan drug trafficking.

Still other problems exist which are related to other trusteeship responsibilities that the United States clearly has not met. Like the other problems I have mentioned, these basic needs imperil the chances Palau has for facing the future with confidence.

A major need relates to Palau's hospital. It is in abysmal condition and Palau is the only one of the six original districts of the trust territory without a decent hospital.

Another problem is that, even though the Interior Department hasn't provided Palau with enough assistance to build a decent new hospital, it has let Palau accumulate millions of dollars worth of debts for essential off-island medical care for its people. This failure to live up to our trusteeship responsibility for the health of the inhabitants of Palau is a grave embarrassment to our Nation.

Palau's jail is in even worse condition than its hospital. It has been declared unfit by the courts.

Much of the infrastructure built by the United States in Palau is deficient. Yet, promises to correct these deficiencies by the executive branch have gone unfulfilled.

Another major problem has been financial management. And, as in the other areas of problems in Palau, the Interior Department has not adequately carried out its responsibilities to help.

According to GAO investigators, Palau's future financial stability will be affected not only by the debts it has incurred and the financial commitments it has already made, but also by its ability to manage the funds it will receive from the United States upon compact implementation.

GAO investigators have found numerous financial management weaknesses including:

Palau consistently has been unable to comply with the terms of Federal assistance and has only made nominal efforts to comply;

Palauan procedures for expending Federal assistance will not ensure that compact funds will be used as intended;

Numerous instances of noncompetitive and unfunded purchases;

The compact does not provide for resolution of audit recommendations; and

Palau lacks adequate tax and utility revenue assessment and collection systems.

I am pleased that the new leadership in Palau seems to want to correct these deficiencies.

COMMITTEE OFFER

Our insistence that it be made safe for those who had tried to challenge the compact's approval in 1987 to reinstate their suit resulted in the suit being refiled last year. Our doubts about whether Palau had really approved the compact were then proven well-placed once again by yet another Palau Supreme Court ruling that the compact has not been approved.

As I have explained, the serious problems facing Palau hindered Palau's approval of the compact. So, Chairman UDALL and I offered the administration a deal: We would support legislation to authorize the compact to be put into effect—when it was clear that it had been approved by Palau—if the administration would agree to assurance that these problems would be addressed.

We developed the necessary legislation in consultation with Palau's leaders, and introduced it as House Joint Resolution 597 a year ago.

A substantial majority of Palau's leaders supported House Joint Resolution 597. But a minority—including then President Salii—balked at one provision: an assurance that Palau would implement its special prosecutor and public auditor laws. They, like the Reagan administration, wanted approval of the compact as it was negotiated.

FUNDAMENTAL PROVISIONS

Chairman UDALL and I, however, reiterated our position that the committee would only report legislation that included the fundamental provisions of House Joint Resolution 597.

There are two reasons we took this position.

First, that it would have been futile to pass legislation that did not include these provisions. As I have explained, Palauan leaders believed that the only chance of their people approving the compact was if the implementing legislation included the fundamental provisions of House Joint Resolution 597.

The other reason is that our consciences wouldn't allow us to ignore the very serious problems in Palau and the pleas of the majority of Palauans for the help they needed to tackle them.

In spite of this, administration officials opposed our resolution. One of their excuses was that they could not support something Palau's President opposed. But objection to cost and a stubborn determination to defend their proposal—whatever its deficiencies—were also factors.

PRESSURE ON SALII

As last summer wore on, pressure mounted on President Salii.

There was a final Supreme Court ruling that Palau had not approved the compact as he had claimed.

The Federal court ruling that Palau owed a now-estimated $48 million for the power facilities made it clear that he knew at the time the deal was made that the facilities would not be self-financing as had been claimed. This was particularly embarrassing in light of his involvement in the deal and the $200,000 he took.

Salii's Vice President and his Minister of State broke with him to support House Joint Resolution 597. They questioned why anyone would not want to commit to enforcing Palau's own special prosecutor and public auditor laws.

Finally—and tragically—President Salii took his own life last August.

UNITY IN PALAU

In the wake of his death, Palau's leaders were able to be unified for the first time in the compact. Palau's new President joined the Congress in saying that the best chance for getting the compact approved was if it was authorized by the United States as House Joint Resolution 597 would have authorized it.

AMENDMENT

Members of the Interior and Insular Affairs and Foreign Affairs Committees then agreed upon an amended version of House Joint Resolution 597. It represented substantial compromises; but it also preserved the resolution's fundamental provisions. After pressure on our part, this initial compromise received the support of the Reagan administration.

It was passed by the House last October 6 by a vote of 406 to 11.

The day after the House acted, the other body amended House Joint Resolution 597. This amendment did not guarantee the assistance that the House legislation would have provided Palau.

Curiously, the Reagan administration supported both versions. Their unwillingness to take sides impeded reaching the necessary compromise between the Houses.

Several compromise proposals were made by the House but rejected by representatives of the other body. Finally, the compromise I described at the outset was reached due to the efforts of all involved. What made the final compromise possible were assurances from the last administration that the executive branch would implement the requirements of the House version of the legislation if the House would pass the Senate version with one mutually agreed-upon amendment.

Unfortunately, as I have said, these assurances were delivered just minutes too late to get the compromise enacted last year. They were only delivered after the House had begun to vote on

what then Speaker WRIGHT had announced would be the last legislation of the 100th Congress.

Two of our colleagues from the other side of the aisle understandably objected when we proposed approval of the compromise in spite of what Speaker WRIGHT had said. Our new Speaker, then the majority leader, understandably, however, refused to ignore the Republican objections. So, the legislation was not to be considered in the closing hours of the 100th Congress.

DEMOCRACY IN PALAU

Although the people of Palau must make their own decision about the compact, it is clear that this is a timely moment for this determination. In spite of circumstances which would have threatened or brought down many governmental systems, the people of Palau have remained steadfast in their support of democracy and their alliance with the United States.

The last few years have seen the tragic death in office of two Presidents and the endurance of significant hardships, financial and otherwise. Yet, at the same time, we have seen the orderly succession to office of Vice President Remengesau last year and the orderly, but highly contested democratic election this year of a new President, Vice President and Congress. The Government of Palau has begun to put its financial house in order with strict fiscal controls and outstanding management. Although the Government of Palau has had differences with the United States executive branch over the compact, the Government of Palau has continued to assert its desire for stronger relationship with the United States. The organized and businesslike way in which Palau has negotiated resolution of its major differences with the executive branch during the past several months has been most impressive.

The stability of the Paluan political system in these circumstances, the manner in which Palau has conducted its governmental business in these last several months, and the unity of the Government of Palau is a tribute to both the leadership and the people of Palau. This speaks well for Palau's future and is one reason why we should move promptly on this legislation in order that Palau can make its determination on the compact.

REQUESTS

Mr. Speaker, I ask the House pass the substitute.

I also ask unanimous consent to include in the RECORD:

The agreement required by the compromise, which is incorporated into the compact and is a fundamental part of this legislation;

A statement of administration support for House Joint Resolution 175 and the compromise with supporting letters;

The recommendations, conclusions, and the explanation of improvements to the compact resulting from the subsidiary agreement contained in the report of Palau's Commission on Future Palau/United States Relations; and

A list of the requirements of the compromise not contained in the text of House Joint Resolution 175 itself and addressed in large part by the agreement.

AGREEMENT CONCERNING SPECIAL PROGRAMS RELATED TO THE ENTRY INTO FORCE OF THE COMPACT OF FREE ASSOCIATION BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF THE REPUBLIC OF PALAU

This Agreement is entered into by the Government of the United States and the Government of Palau in recognition of their desire to record their agreements and intended undertakings with respect to the implementation of certain aspects of agreements subsidiary to the Compact of Free Association and with respect to the continuation of certain programs and assistance commenced prior to the entry into force of the Compact of Free Association. The Government of the United States and the Government of Palau note that these continuing programs and elements of assistance are intended to allow for an expeditious and productive transition to their relationship under the Compact and that authority for them is set forth in United States Public Laws 99-239 and 99-658, the United States law authorizing entry into force of the Compact enacted pursuant to Section 101(d)(1)(B) of United States Public Law 99-658 and the relevant laws of the Republic of Palau. The Government of the United States and the Government of Palau intend that this Agreement be construed and implemented in a manner consistent with the Compact.

ARTICLE I—DEFINITION OF TERMS

1. Except as otherwise provided in this Agreement, the Definition of Terms set forth in Section 461 of the Compact is incorporated in full in this Agreement.

2. Except as otherwise provided in this Agreement, the Definition of Terms set forth in the subsidiary agreements between the Government of the United States and the Government of Palau referred to in Section 462 of the Compact are incorporated in full in this Agreement.

3. Except as otherwise provided in this Agreement, the Definition of Terms set forth in the following agreements between the Government of the United States and the Government of Palau pursuant to the Compact are incorporated in full in this Agreement:

(a) The Agreement Concerning Procedures for the Implementation of United States Economic Assistance, Programs and Services Provided in the Compact of Free Association Between the Government of the United States and the Government of the Republic of Palau (the Fiscal Procedures Agreement), done at Washington, D.C. on December 2, 1987; and

(b) The Agreement between the Government of the United States and the Government of Palau Regarding Mutual Assistance in Law Enforcement Matters, done at Washington, D.C. on December 2, 1987.

ARTICLE II—CONSTRUCTION PROJECTS

1. Completion of the Central Health Care Facility in Palau

(a) The Government of Palau shall prepare and submit a plan to the Government of the United States for completion of the central health care facility of Palau, the construction of which commenced during Fiscal Year 1989. The plan shall specify the amount necessary to complete an operational facility, the funds to be provided by the Government of Palau for that purpose, and the manner in which the central health care facility, once completed, will be operated and maintained. The Government of Palau shall dedicate, prior to the fifteenth anniversary of the effective date of the Compact, the sum of $5 million to the construction of the central health care facility or its operation and maintenance.

(b) The review and approval of the plan by the Government of the United States shall include review by the United States Departments of Health and Human Services and Interior. After review of the plan, the Government of the United States shall provide to the Government of Palau an amount, as provided by the laws of the United States and not later than during fiscal year 1991, of not less than $5 million and such additional funds as shall be provided under the laws of the United States to complete construction to the central health care facility pursuant to such plan. Funds provided by the Government of the United States pursuant to this paragraph shall be used by the Government of Palau exclusively for completion, operation and maintenance of the central health care facility of Palau and shall be in addition to the funds already provided by the Government of the United States for the Palau central health care facility prior to the end of fiscal year 1989.

2. Prison Facility Improvements

(a) The Government of Palau shall prepare and submit a plan to the Government of the United States for the improvement of the Palau national prison facility. The plan shall address in a comprehensive manner the purpose and placement of the prison facility in the context of an overall criminal justice policy and specify the amount necessary to complete an operational and improved prison facility and the manner in which the prison facility shall be operated and maintained.

(b) The review of the plan by the Government of the United States shall include review by the United States Departments of Justice and Interior. After review of the plan, the Government of the United States shall provide to the Government of Palau the sum of $800,000, as provided by the laws of the United States and not later than during fiscal year 1991, to be used exclusively for improvements to the Palau national prison facility in accordance with the plan, and such sum shall be in addition to the funds already provided by the Government of the United States for the same purpose prior to the end of fiscal year 1989.

3. Central Power Generating Facility

The Government of Palau may prepare a plan for the operation and maintenance of the Palau central power generating facility and its related power distribution system. The Government of the United States shall sympathetically consider providing assistance to the Government of Palau, in accordance with Sections 222 and 224 of the Compact, for the purposes set forth in such op-

erations and maintenance plan and upon the request of the Government of Palau. Such assistance may include the extension of grants and loans to the Government of Palau, as authorized and provided by the laws of the United States.

4. Capital Infrastructure

The Government of the United States and the Government of Palau shall continue to cooperate in the implementation of the program addressing operations, maintenance, deficiency identification and correction, and training under the sponsorship of the Government of the United States through the Departments of the Interior and Army Corps of Engineers. The Government of Palau shall assist the Government of the United States in obtaining legal redress, where appropriate, against responsible parties with respect to any identified deficiencies in the capital infrastructure built in Palau, during which time the Government of the United States and the Government of Palau shall give priority attention to infrastructure in need of immediate repair.

ARTICLE III—DRUG ENFORCEMENT, TREATMENT AND EDUCATION PROGRAMS

1. The Government of the United States and the Government of Palau declare that it is their policy that the enforcement of narcotics and other laws and the prevention and treatment of narcotics and other substance abuse in Palau benefits both Palau and the United States. The Government of Palau, in cooperation with the Government of the United States, shall develop a plan for the enforcement of narcotics and other laws and for the prevention and treatment of narcotics and other substance abuse in Palau. The plan, which shall be submitted to the Government of the United States for approval, shall identify the specific needs and costs of such a program, identify all existing resources available to the Government of Palau to be allocated to the implementation of the plan and shall recommend priority use for additional resources, if any, for plan implementation. Review and approval of the plan by the Government of the United States shall include review by the United States Office of National Drug Policy, and the United States Departments of Justice, Education, Health and Human Services and Interior. The plan shall be consistent with the provisions of this Article, the Compact and its subsidiary agreements, the laws of the United States applicable to Palau pursuant to the Compact, and the laws of Palau.

2. After review of the plan referred to in paragraph 1 of this Article, the Government of the United States shall provide to the Government of Palau an annual amount not to exceed $400,000, as provided by the laws of the United States and during the five successive years commencing not later than during fiscal year 1991, for the purpose of implementing the plan and for the purposes set forth in this Article. If consistent with the plan, funds provided pursuant to this paragraph may be used by the Government of Palau to construct a rehabilitation center for narcotic and other substance abuse victims.

3. If, prior to the sixth anniversary of the effective date of the Compact, the Government of Palau has prepared a review of the effectiveness of the plan referred to in this Article and if that review identifies and justifies the application of additional assistance from the Government of the United States for the purposes to which the original plan was dedicated, the Government of the United States shall sympathetically consider providing such additional assistance. Technical assistance from the Government of the United States to assist the Government of Palau in carrying out the plan and for the purposes referred to in this Article shall be provided in accordance with Section 222 of the Compact.

4. The Government of Palau authorizes officers of the law enforcement agencies of the Government of the United States, including the Drug Enforcement Agency, the Federal Bureau of Investigation and the United States Secret Service and Customs Service and Immigration and Naturalization Service, to conduct investigations, in accordance with the applicable laws of Palau and in cooperation with the law enforcement agencies of the Government of Palau, related to the enforcement of the laws of the United States applicable in Palau.

5. The Government of Palau may request, on a long-term or case-by-case basis, the assistance of United States law enforcement officers to conduct investigations consistent with the implementation of the plan referred to in paragraph 1 of this Article and in cooperation with the law enforcement agencies of the Government of Palau. In this connection, the Government of the United States will make available to the Government of Palau, in accordance with Section 222 of the Compact, training courses in narcotics investigations, narcotics identification and search techniques, and the rules of evidence for successful prosecutions.

6. The Government of Palau may procure from the Government of the United States narcotics test kits, communications equipment and investigative aids consistent with the purposes of the plan referred to in paragraph 1 of this Article.

7. The Government of Palau, in the implementation of the plan referred to in paragraph 1 of this Article, shall employ additional customs officers who will be trained and equipped to detect narcotics in sea and air shipments of goods destined for Palau and shall continue its narcotics awareness and education efforts, especially those directed toward young people, and for the treatment and rehabilitation of persons already addicted to narcotics substances.

ARTICLE IV—ASSISTANCE FOR PROSECUTION AND AUDIT PROGRAMS

1. The Government of Palau shall maintain and staff the offices of public auditor and special prosecutor established under the authority of and pursuant to its constitution and laws during the period specified in paragraph 2 of this Article and thereafter as it determines necessary. The individuals appointed by the Government of Palau to head the offices of public auditor and special prosecutor shall be resident in Palau during the periods of their incumbencies. The Government of Palau shall dedicate not less than $100,000 annually to the maintenance and staffing of each of the offices of public auditor and special prosecutor during the period and in addition to the amounts specified in paragraph 2 of this Article.

2. The Government of the United States shall provide assistance to the Government of Palau, pursuant to Sections 222 and 224 of the Compact and as provided by the laws of the United States, in furtherance of the maintenance and staffing of the offices of public auditor and special prosecutor as follows for the first five fiscal years after the effective date of the Compact:

(a) upon the request of the Government of Palau, an auditor or accountant, as determined by the Government of Palau, to serve in the office of the public auditor but who shall not serve as the public auditor and an attorney or investigator, as determined by the Government of Palau, who shall serve in the office of the special prosecutor but who shall not serve as the special prosecutor; and

(b) annual amounts not to exceed $300,000, which amounts shall be used by the Government of Palau for the commencement, staffing, operation and maintenance of the offices of public auditor and special prosecutor, provided that in each year not less than $100,000 of these amounts shall be dedicated by the Government of Palau to each of the offices of public auditor and special prosecutor with the remainder to be allocated as between the two offices as the Government of Palau determines.

3. The Government of Palau may at any time request, and the Government of the United States may agree to provide, pursuant to Sections 222 and 224 of the Compact, technical and other assistance additional to that specified in paragraph 2 of this Article to the Government of Palau for the operation, maintenance and staffing of the offices of public auditor and special prosecutor.

4. Disputes arising under this Article shall be resolved in accordance with the conference and dispute resolution provisions of Article II of Title Four of the Compact. In the case that the Government of Palau does not comply with the provisions of paragraph 1 of this Article while receiving assistance from the Government of the United States pursuant to paragraph 2(b) of this Article, the Government of the United States shall have recourse to the conference and dispute resolution provisions referred to in this paragraph. If a determination of material nonconformance on the part of the Government of Palau is made and if, within 180 days after such determination, the Government of Palau takes no steps effectively to rectify such nonconformance, then the Government of Palau shall be considered to be in material breach of its undertakings. The Government of the United States, in response to this consideration, shall take the steps it considers appropriate, including, but not limited to, the withholding of funds to be provided pursuant to this Agreement, to the Compact and to other applicable laws of the United States until the Government of Palau conforms its actions to the determinations referred to in this paragraph.

ARTICLE V—FISCAL PROCEDURES

1. Implementation of Audit Recommendations

(a) Within 120 days after an audit conducted by the Government of the United States pursuant to Section 233 of the Compact and the Fiscal Procedures Agreement is submitted to the Goverment of Palau, the Goverment of Palau shall:

(i) develop a plan to implement the recommendations made by such audit, or

(ii) inform the United States audit officials, as that term is defined in Article IV of the Fiscal Procedures Agreement, of its objections to implementing such recommendations.

(b) The Government of the United States, in accordance with Section 222 of the Compact, shall provide assistance to the Government of Palau, upon its request, to implement such audit recommendations.

2. Palau National Development Plan

(a) In respect of the National Development Plans promulgated by the Government of Palau pursuant to Section 321 of the Compact and paragraph 3 of Article III of the Fiscal Procedures Agreement, the Government of Palau shall ensure the inclusion in such development plans of the following information:

1(i) current information, including such information adapting the existing plan to the first 5-year period following the effective date of the Compact; and

(ii) a list, in priority order, of all capital infrastructure projects, both for the public and the private sectors, intended by the Government of Palau to be financed with United States assistance, including all capital infrastructure projects for which obligations were in existence at the commencement of the plan period covered by the first National Development Plan.

3. Financing and reimbursement arrangements related to Section 211(b) of the Compact

(a) If the conditions of paragraph 3(b) of this Article are satisfied, the Government of the United States shall provide to the Government of Palau, on a grant basis and together with the funds provided to Palau upon entry into force of the Compact, the sum of $28 million. Such sum shall be adjusted by Section 215 of the Compact and the resulting funds in the adjustment account shall be provided together with the funds provided upon entry into force of the Compact. The payment of the sum of $28 million referred to in this paragraph constitutes fulfillment of the obligations of the Government of the United States under Section 211(b) of the Compact. The payment of the adjustment account amount referred to in this paragraph constitutes fulfillment of the obligations of the Government of the United States under Section 215 of the Compact as it relates to Section 211(b) of the Compact through the date of such payment.

(b) The Government of Palau shall have entered into an agreement with its creditors for the full discharge of its obligations with respect to the central power generating facility in Palau.

(c) The Government of Palau shall dedicate at least $7 million to the energy needs of those parts of Palau not served by the central power generating facility prior to the fifteenth anniversary of the effective date of the Compact. If funds additional to those provided pursuant to this Article and Section 211(b) of the Compact are used by the Government of Palau to satisfy its payment obligations with respect to the central power generating facility, only funds provided pursuant to Section 212(b) of the Compact shall be so used, in addition to funds otherwise available to the Government of Palau from sources other than the Government of the United States.

(d) The Government of Palau shall pay to the Government of the United States an amount equal to the net economic cost to the United States of making available funds pursuant to Section 211(b) of the Compact in the manner specified in paragraph 3(a) of this Article rather than as provided in Section 211(b) of the Compact. The Government of the United States and the Government of Palau have determined that the net economic cost to be paid to the Government of the United States equals the sum of $3 million and have further determined that this sum shall be paid to the Government of the United States by the Government of Palau not later than the tenth anniversary of the effective date of the Compact. In order to accomplish the payment of the amount referred to in this paragraph, the Government of Palau may authorize the Government of the United States to deduct such amount from any funds that otherwise would have been paid to the Government of Palau pursuant to the Compact and its related agreements prior to the tenth anniversary of the effective date of the Compact.

(e) Notwithstanding Section 211(f) or the agreement concluded pursuant to Section 211(f) of the Compact, the Government of Palau shall pay to the Government of the United States, from the fund created pursuant to Section 211(f) of the Compact, the amount that would be due to the Government of the United States pursuant to paragraph 3(d) of this Article as of the tenth anniversary of the effective date of the Compact. Such payment shall be made within thirty days of the tenth anniversary of the effective date of the Compact unless the payment conditions of paragraph 3(d) have already been fulfilled by the Government of Palau. The payment obligations set forth in this paragraph shall continue as a condition on the ownership of the fund created pursuant to Section 211(f) of the Compact until the payment obligation of the Government of Palau set forth in this Article is satisfied.

ARTICLE VI—ACQUISITION OF DEFENSE SITES

1. In accordance with section 352 of the Compact, the Government of the United States recognizes that the Government of Palau, in meeting its obligations under Title Three of the Compact, is obligated by its constitution to provide just compensation to the owners of any private land which may be used for that purpose. The Government of the United States recognizes and respects the scarcity and special importance of land in Palau. In making any designation of land pursuant to Section 322 of the Compact, the Government of the United States shall follow the policy of requesting the minimum area necessary to accomplish the required security and defense purpose, of requesting only the minimum interest in real property necessary to support such purpose, and of requesting first to satisfy the requirement through public real property, where available, rather than through private property. The Government of the United States acknowledges that the Government of Palau desires that ownership of land in Palau be maintained for people indigenous to Palau. The Government of the United States further recognizes that in the event of any taking of a partial interest in real property by the Government of Palau, in meeting its obligations under Title Three of the Compact, rendering the remaining interest economically unusable for the purposes for which the real property in question was being used, the interest holders may be entitled to compensation from the Government of Palau as if the entire real property interest had been taken.

2. The Government of Palau, in light of any actual United States land use requirements in Palau which impact upon privately owned land, exclusive of the Airai airfield and Malakal harbor exclusive-use and joint-use defense sites specifically identified in paragraphs 1(a), 1(b), 2(a) and 2(b) and Tabs 1, 2 and 3 of Annex A of the agreement referred to in Section 462(h) of the Compact, may request United States financial assistance in addition to that provided in Title Two of the Compact. The Government of Palau shall acquire and retain such rights to those Airai airfield and Malakal harbor defense sites as to be able to fulfill its obligations under Title Three of the Compact. Upon the request of either, the Government of the United States and the Government of Palau shall enter into an appropriate agreement for such financial assistance, and such agreement shall be subject to approval in accordance with their respective constitutional processes. As to any designation of any defense site pursuant to Section 322(b) of the Compact, the Government of Palau shall not be obligated to make available to the Government of the United States the use rights pertaining to such designation unless such an agreement has been so approved as to such designation, provided however, that if such an agreement has not been entered into and approved within a time period specified by the Government of the United States at the time of the initial designation, the Government of the United States and the Government of Palau may continue to seek the prompt conclusion of such an agreement or either of them may resolve the matter as provided for in paragraph 5 of this Article.

3. Any agreement concluded pursuant to paragraph 2 of this Article shall be based upon independently verified land appraisals and other appropriate documentation of actual land use costs, and be consistent with the mutual undertakings and interests of the Government of the United States and the Government of Palau under Title Three of the Compact, and the absence of such agreement shall not derogate from the obligations and authorities of the Government of Palau and the Government of the United States under that Title.

4. Should the Government of Palau be required pursuant to Title Three of the Compact to acquire privately owned land in Palau for United States use, the Government of Palau may request extension of the time limit set forth pursuant to Title Three of the Compact and the Government of the United States shall sympathetically and expeditiously consider such request.

5. Disputes arising between the Government of the United States and the Government of Palau under the terms of this Article shall be resolved in accordance with the provisions of Title Three of the Compact.

ARTICLE VII—OUTSTANDING MEDICAL REFERRAL OBLIGATIONS

1. The Government of the United States shall take the appropriate steps necessary to settle, or shall provide the Government of Palau the necessary funds to pay, as provided by the laws of the United States, any properly verified unliquidated medical obligations owed to United States citizens or to non-governmental medical facilities in the United States, including its territories and Commonwealths, for services rendered prior to the effective date of the Compact to citizens of Palau at the request of the Government of Palau.

2. The Government of the United States hereby cancels, as provided by the laws of the United States, any obligations incurred by the Government of Palau for treatment in United States Government medical facilities prior to the effective date of the Compact.

3. Pursuant to Article XVII of the agreement subsidiary to Section 323 of the Compact which provides for continued access by citizens of Palau referred by the Government of Palau to United States military medical facilities, such access shall be subject to expeditious reimbursement, pursuant

to the terms and conditions agreed upon pursuant to such agreement, of the Government of the United States by the Government of Palau for medical services rendered. The Government of the United States and the Government of Palau may develop additional terms and conditions under which such services shall be provided, including the availability of funds for the provision of such services.

ARTICLE VIII—CONSULTATION AND TRANSITION PROVISIONS

1. Discussions on taxation matters

The Government of the United States and the Government of Palau shall discuss agreements concerning the taxation and exemption from taxation by each of them of source income earned by residents of the other. Any such agreements would be subject to approval pursuant to the constitutional processes of the Government of the United States and the Government of Palau.

2. Economic regulation of civil air transport

Except for the rights, so long as they continue, of United States air carriers as provided in paragraph 6 of Article IX of the Federal Programs and Services Agreement Concluded Pursuant to Article II of Title Two of the Compact, the Government of Palau has the exclusive authority, exercised in a manner consistent with the Compact, to grant or deny landing rights in Palau to civil air carriers.

3. Assistance in Land Survey Activities

The Government of Palau shall develop a plan and submit the same to the Government of the United States which shall consider sympathetically requests by the Government of Palau for financial and technical assistance to complete the surveying of the land in Palau pursuant to such plan. Any such assistance shall be provided in accordance with Sections 222 and 224 of the Compact.

4. Discussions on Trade and Tariff Matters

The Government of the United States and the Government of Palau shall discuss agreements to ensure that the export of textile and apparel items not subject to textile agreements as to which the Government of the United States is a party, from Palau to the United States shall be eligible to receive tariff treatment no less favorable than that afforded like products exported to the United States from Caribbean Basin Initiative countries and to ensure that the export of other products from Palau to the United States shall retain the same relative beneficial tariff treatment in regard to exports to the United States from other countries as is provided in the Compact of Free Association and the laws of the United States. Any such agreements would be subject to approval pursuant to the constitutional processes of the Government of the United States and the Government of Palau.

5. Maritime Space Jurisdiction

The Government of the United States and the Government of Palau interpret the provisions of the Agreement Regarding the Jurisdiction and Sovereignty of the Republic of Palau over its Territory and the Living and Non-Living Resources of the Sea and referred to in Section 462(j) of the Compact as in no way preventing the Government of Palau from exercising its rights as to its continental shelf or from declaring an exclusive economic zone, in manners consistent with the Third United Nations Convention on the Law of the Sea and with the principles of international law.

6. Discussions on Federal Programs Matters

The Government of the United States and the Government of Palau, prior to the first anniversary of the effective date of the Compact, shall enter into an agreement identifying whether and what federal program assistance shall be continued to offset any anticipated, economically adverse circumstances. The Government of Palau shall include any requests for continuation of federal programs in the reports referred to in Section 231(b) of the Compact. Any continuation or commencement of federal program application arising purusant to this paragraph shall be in accordance with Section 224 of the Compact.

ARTICLE IX—EFFECTIVE DATE, AMENDMENT AND DURATION

1. This Agreement shall come into effect simultaneously with the Compact.

2. This Agreement may be amended at any time by the mutual consent of the Government of the United States and the Government of Palau.

3. Except as otherwise provided in this Agreement, disputes arising between the Government of the United States and the Government of Palau under the terms of this Agreement shall be resolved in accordance with the procedures set forth in Article II of Title Four of the Compact.

4. This Agreement shall remain in full force and effect until terminated by mutual consent, or until the termination of the Compact, whichever occurs first.

5. This Agreement may be accepted, by signature or otherwise, by the Government of the United States and the Government of Palau. Each Government shall possess an original English language version.

In witness whereof, the undersigned, duly authorized, have signed this Agreement Concerning Special Programs Related to the Entry into Force of the Compact of Free Association between the Government of the United States and the Government of the Republic of Palau which shall come into effect in accordance with its terms between the Government of the United States and the Government of Palau.

STATEMENT OF JAMES D. BERG, DIRECTOR OF THE OFFICE OF FREELY ASSOCIATED STATE AFFAIRS, UNITED STATES DEPARTMENT OF STATE

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to appear here today on behalf of the administration and in response to your letter of June 2 to Secretary Baker. I am also pleased to be accompanied by Mr. David Heggestad of the Office of Territorial and International Affairs of the Department of the Interior.

The administration supports the earliest possible passage by the House and Senate of House Joint Resolution 175, as introduced into the House on March 8 of this year. I believe that the subcommittee is well aware of this Administration position so I will not review the legislation on a section by section basis in this statement. However, to complete the record, I have attached to this statement a letter to the Chairmen of the two House Committees with jurisdiction from Assistant Secretary of State Janet Mullins dated March 31, 1989. That letter sets out in full the Administration's position on House Joint Resolution 175, and emphasizes the reasons why we see the need for expedited action on the measure. Also attached is a September 26, 1988 letter, signed on behalf of the last administration by then-Deputy Secretary of State John Whitehead, which remains the foundation for our support of both the legislation that is now before Congress in the form of H.J. Res. 175 and the substance of the Compact subsidiary agreement that was signed on May 26 of this year with Palau.

The legislation of the United States that approved the Compact of Free Association for Palau—PL 99-658—requires that before the Compact can enter into force, the Congress must so authorize by another joint resolution and the people of Palau must approve the Compact in accordance with their constitutional processes. The Administration has been seeking passage of a joint resolution by Congress authorizing the Compact's entry into force since legislation to that effect was first submitted by the Reagan Administration on November 1, 1987. From the United States point of view, there is no reason for any delay in passing authorizing legislation for the Compact. Funds for the Compact have been appropriated and are ready to be obligated this fiscal year. The administrative system for managing our participation in a free association relationship with Palau is in place. Our experience with the Compact, and with United States participation in free association relationships with other former parts of the Trust Territory of the Pacific Islands has been wholly positive and has reaffirmed our view that free association is the most workable political status and relationship for Palau. Of course, the Compact will not enter into force until it has been approved by the people of Palau and until we have entered into an effective date agreement with Palau.

The newly inaugurated Government of Palau has stated its commitment to the Compact and its early entry into force. In that connection, the Palau Government is expected soon to call a plebiscite on the Compact and its subsidiary agreements. Included among those agreements is one signed just a few weeks ago on May 26. This new subsidiary agreement addresses certain current needs that the Palauan Government has identified and that, although arising out of the trusteeship period, will, pursuant to this subsidiary agreement to the Compact, be able to be addressed after the Compact enters into force. In other words, this subsidiary agreement contemplates a transitional arrangement under which Palau and the United States will be able to complete the addressal of trusteeship era matters without delaying the entry into force of the Compact.

The subsidiary agreement signed with Palau on May 26 does not amend the Compact or any of its existing subsidiary agreements. Nor does it violate, in the view of the Administration, the fundamental philosophy of the free association relationship which is, at its existence, a relationship between two sovereign governments. These two features are critical to the integrity of the future American-Palauan relationship, as it is enshrined in the Compact signed on January 10, 1986.

Under the terms of the new subsidiary agreement, the United States will provide $9.3 million, spread out over six years after the Compact enters into force, to finance projects in Palau. These projects include construction activities related to the new hospital that Palau is now building with a grant of $10 million already provided by the United States, funding and technical assistance for Palau government programs in drug law enforcement and treatment, audit,

and prosecution, and funds for the construction and improvement of prison facilities. The Administration intends to request funds for these purposes in the years and for the amounts specified in the subsidiary agreement.

The subsidiary agreement also provides that the United States will advance certain funds already included in the Compact to Palau at a date earlier than the Compact provides so that Palau can liquidate its power plant debt. Palau must have reached an agreement with its creditors prior to the effective date of the Compact for this provision to have effect, and we believe that the agreement near completion is fair to both Palau and its creditors.

The May 26 subsidiary agreement also contains provisions, such as the one regarding medical referral debts, which, with the above mentioned provisions, made it an accurate reflection of the compromise reached last October 22, between representatives of the House, the Senate and the Administration regarding the Palau Compact authorizing legislation. Under that compromise, the House was to have passed the Senate version of last year's Palau Compact authorizing legislation—H.J. Res. 597—and the Administration would implement the provisions of the House version of that legislation. Translated into this year, H.J. Res. 175 is the same as the version of H.J. Res. 597 passed by the Senate on October 7, 1988. The new subsidiary agreement signed on May 26 provides the vehicle under which the Administration will implement the provisions of the last year's House passed version of the legislation. It is important to note that Congressional passage of H.J. Res. 175 is necessary not only to allow the Compact to enter into force but also to provide legislative authorization for the undertakings in the May 26 subsidiary agreement.

Mr. Chairman, we would be pleased to answer questions with respect to H.J. Res. 175, the Compact or the subsidiary agreement just signed with Palau. We hope that this subsidiary agreement will allow the House to move forward with final passage of H.J. Res. 175 in the form it was introduced within the next few days and look forward to working with the Subcommittee to accomplish that end.

Thank you.

U.S. DEPARTMENT OF STATE,
Washington, DC, March 31, 1989.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives.

DEAR MR. CHAIRMAN: The Administration believes Congress should pass legislation authorizing implementation of the Palau Compact of Free Association at the earliest possible date. In this regard, we support passage by the House and the Senate of H.J. Res. 175 which was introduced on March 8. This bill is similar to legislation passed by the Senate last October 7 but differs in two ways: one is a date change from March to April regarding submissions of Palau's drug intervention plan, and the other would adjust the payment stream of Compact funding to Palau to accommodate a resolution agreed to by Palau of its power plant debt.

While more than two-thirds of the people of Palau have successively demonstrated in past plebiscites their desire for a free association relationship with the United States, Palau has yet to approve the Compact of Free Association in accordance with the requirements of its constitution. It is the Administration's judgment that the Palauan people can make an informed judgment on the Compact only once the terms of its implementation are defined by enactment of United States legislation authorizing its entry into force. Since many of the elements of Compact implementation, including the arrangements to facilitate resolution by Palau of its power plant debt, are linked to actions this fiscal year, a plebiscite in Palau on the Compact and its subsidiary agreements needs to occur by early summer. Early House and Senate action approving H.J. Res. 175 is thus all the more imperative.

Last year, the House and Senate passed differing versions of legislation authorizing entry into force of the Palau Compact, and the Reagan Administration supported both versions. In the closing hours of the One-Hundredth Congress, a compromise between the two versions was developed, but not enacted, under which the Administration would implement, through appropriations requests and other administrative actions, the provisions of the House-passed version (October 6) if Congress would approve the Senate-passed version October 7). While final Congressional action did not occur, that same compromise is now available in the form of H.J. Res. 175. In urging passage of H.J. Res. 175, the Administration is prepared to take steps that will give effect to that compromise, in addition to actions already taken to address the specific issues. The steps we intend to commence during the process of Congressional consideration and passage of H.J. Res. 175 include the negotiation and conclusion of Compact subsidiary agreements with Palau, the completion of the reports to Congress that are mentioned in H.J. Res. 175 and in the House-passed version, and, ultimately, administrative actions or requests for the appropriation of funds, totalling up to $9.3. million spread over the first six years of Compact effectiveness, that are authorized in H.J. Res. 175 and detailed specifically in the House-passed version.

The House-passed version contemplated the availability to Palau of the $9.3 million in addition to the funding Palau will otherwise receive pursuant to the terms of the Compact. On the assumption that H.J. Res. 175 is enacted and the Compact can enter into force before the end of the current fiscal year, the Administration would seek, through pending and future appropriations requests or through funds already appropriated, to make these additional amounts available to Palau starting in FY 1990, the first full year of Compact effectiveness. These funds would be provided in a manner consistent with the reports and recommendations referred to above, the relevant provisions of Compact subsidiary agreements, and, in the case of appropriations requests, in accordance with United States laws.

The Administration's approach outlined in this letter is designed to facilitate House and Senate passage of H.J. Res. 175, and the commencement and completion of Administration undertakings related to H.J. Res. 175 and last year's House-passed version, on an expeditious basis.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely.

JANET G. MULLINS,
Assistant Secretary, Legislative Affairs.

THE DEPUTY SECRETARY OF STATE,
Washington, DC, September 26, 1988.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives.

DEAR MR. CHAIRMAN: The Administration believes Congress should pass legislation authorizing implementation of the Palau Compact of Free Association at the earliest possible date. We support efforts to fashion legislation in the House of Representatives accomplishing this result before Congress' early October adjournment.

The President submitted draft legislation on November 30, 1987 authorizing implementation of the Compact. Since that time, the Senate has passed a version of the legislation that was, with one minor alteration, acceptable to the Administration. The House Foreign Affairs Committee, last April, reported HJR 479 that was also acceptable to the Administration. An alternate version of implementing legislation—HJR 597—was later considered by the House Interior Committee, but has never been reported. Additionally, on August 29, 1988, the Palau Supreme Court determined that there is inconsistency between the Compact and the Palau Constitution. This decision requires Palau to complete its internal Compact approval process through a vote on the Compact, whether directly or through a constitutional amendment procedure.

Therefore, because Palau must put the Compact before the Palauan electorate by one or the other of these methods, we believe it imperative that the United States position on implementation of the Compact be made clear now so that the Palauan people can participate in an informed act of self-determination. Thus, I urge that the House pass implementing legislation as soon as possible.

The Administration is aware of the provisions of legislation that emerged from recent meetings between members of the House Foreign Affairs and Interior Committees. To date, we have not had the opportunity to review a final text of these provisions.

However, based on our understanding of the legislation and given the imperative to clarify the United States position on implementation of the Palau Compact, we support passage of this new compromise legislation but deem it essential that objectionable provisions and limitations in the compromise relating to Palau's use of Compact funds to liquidate its power plant debt be revised in the process of final Senate and House action. On this matter, we would oppose any United States Government loan, guarantee or other subsidization of the debt. With respect to the funding authorized in the new bill, a full faith and credit provision attaches to a maximum of $9.3 million of these funds. The Administration intends to ensure that appropriate planning, needs analyses and justifications are associated with provision of this funding in a manner consistent with the legislation.

Sincerely,

JOHN C. WHITEHEAD.

A REPORT TO THE THIRD OLBIIL ERA KELULAU AND THE REPUBLIC OF PALAU PRESIDENT

(By the Commission on Future Palau/United States Relations)

V. RECOMMENDATIONS

The Commission is fully aware that, despite political education programs which had preceded each of the referenda on the COMPACT many people in Palau continue

to have certain misgivings about approving the COMPACT and its subsidiary agreements. Many are concerned about the nuclear provisions of the COMPACT; This Commission was not able to and could not re-negotiate possible changes to the Compact language on nuclear and harmful substances, but it made note of the fact that any approval of the Compact and its subsidiary agreements by 75 percent votes will overcome any constitutional impediments to the use of harmful substances and nuclear material within the Republic of Palau. Any argument, therefore, against the approval of the Compact and the subsidiary agreements based upon the provisions of the Palau Constitution prohibiting the use of harmful substances will be moot. Others contend that the economic and financial assistance being offered by the United States will not be sufficient to allow orderly economic development for Palau; some maintain that the options given the United States to use Palau lands for defense sites and military purposes will deprive Palau as to the use of such lands, the money to pay for the use of such lands would not allow just and fair compensation to land owners, and that the period of the COMPACT is onerous. Still many others disfavor the COMPACT because they prefer other political status alternatives such as independence, or commonwealth.

While this Commission does not want to be drawn into a debate on the merits or demerits of the COMPACT and its subsidiary agreements, it is constrained to make an observation regarding the need to resolve the Political Status with the approval of the COMPACT and its subsidiary agreements as the only alternative available. In the long run, it is not the amount of money proposed to be provided in any political status alternative, such as that provided for under this Compact with its subsidiary agreements, that should induce Palau voters either to accept or reject it. Even if that were the only yardstick to assess the merits of the Compact, the funding level set by the Compact and the subsidiary agreements, together with financial and technical assistance under H.J. Res 175 and its subsidiary agreement, compares well with similar levels of financial assistance extended other political entities in the Micronesian areas.

It is the stability of the government associated with the resolution of the political status through the approval of the Compact which is paramount. Once the stability of the government is assured, Palau can expect an accelerated development in the private sector of the economy. This in turn will bring about the kind of economic progress and social development in step with the general effort of nation building.

Both the United States and the Republic of Palau will need to take the following steps to bring about the approval of the COMPACT and its subsidiary agreements and to ensure its implementation.

A. Actions to be taken by the United States to allow Compact to take effect:

(1) Enactment by the U.S. Congress of H.J. Res. 175 authorizing the entry into force of the Compact and its subsidiary agreements.

(2) Approval by U.S. Department of the Interior for the allotment of funds to Palau for the political education program and for the holding of the Seventh Referendum on the Compact of Free Association.

(3) United States to request the UN Trusteeship Council to dispatch a Visiting Mission to observe the 7th Referendum on the COMPACT.

B. Actions to be taken by Palau Government relative to the approval of the COMPACT:

(1) Enactment by the OEK of an enabling legislation to set the date of the referendum sometime in July, 1989 and to provide for an impartial and fair political education program on the COMPACT and its subsidiary agreements.

(2) Carrying out a political education program on the COMPACT and its subsidiary agreements and on H.J. Res. 175 and its subsidiary agreement. (See Exhibits 12 and 13)

(3) Holding of a clean and properly conducted Referendum on the COMPACT and its subsidiary agreements.

(4) Creation of the Transition Committee to provide for smooth transition, in the event the COMPACT is approved.

(5) Identification of plans, reports, and studies required to be prepared including the formulation of the Palau National Development Plan pursuant to the COMPACT and its subsidiary agreements and pursuant to H.J. Res. 175 and its subsidiary agreements and assigning these tasks to the committee on transition so as to ensure their completion within the time frame specified.

(6) Public Political Education Committee on the Compact.

VI. CONCLUSIONS

The greatest involvement of the people of Palau in the status question will come in a referendum in which the Palauan voters accept or reject the COMPACT. The outcome of such a referendum will determine the future relations between the United States and Palau after the Trusteeship system governing Palau comes to an end. The future well-being of this generation of Palauan people requires that a firm and strong consensus be established on the matter of status. Conducting plebiscites and referenda involving political status issues inevitably creates social conflict, diverts much energies, time, and public funds that could otherwise be expended for more constructive ends. Thus, if the majority of the Palau voters should reject the COMPACT in any referendum to be held, the Commission strongly recommends that such a referendum be the last one held on the 1986 COMPACT and its subsidiaries. At least, the present Administration should not even consider holding any more referendums on the same COMPACT during its term.

E. Improvements to the Compact Resulting from the Subsidiary Agreement

Inasmuch as the mandate of the Commission is to improve the terms of any future relationship between the United States and Palau when the Trusteeship system governing Palau terminates, the Commission has decided to give in this part of the Report an overview of the improvements in the Compact resulting from the Subsidiary Agreement. The list that follows does not itemize every improvement in the implementing legislation and the Subsidiary Agreement, but is designed rather to highlight the most significant changes from the COMPACT as negotiated.

1. Use of Land in Palau for Defense Purposes:

Compact as Negotiated. Under the Compact as negotiated (together with separate subsidiary agreements), the United States was entitled to designate a site at Malakal Harbor, at Airai Airfield including equivalent site in Angaur, a site for non-exclusive use in Melekeok State, and *any* other land in Palau for defense purposes and was not obligated to pay compensation to Palau for the land designated. Upon notice by the U.S. of designation, Palau has 60 days to provide such lands. The financial benefits in Title Two of the Compact, including an impact payment of $5.5 million, were regarded as full compensation for any land that might be taken. There was no specific recognition by the U.S. of Palau's obligation under its Constitution to provide just compensation to holders of private land taken by the government.

Implementing Legislation and Subsidiary Agreement. Except for two specific sites, Palau has no obligation to provide private land to the United States for defense sites unless the United States has first agreed to provide compensation for the land to be used. If there is a dispute on compensation, Palau is still not obligated to act until the dispute is resolved. The sites where the United States can designate land without a prior agreement are at Airai Airfield—exclusive use of an aircraft parking area and joint use of the airfield—and in Malakal Harbor—exclusive use of a wharf in a designated area if one is ever built by the United States and joint use of the anchorage area. In effect, the United States has reduced its defense sites to two specific areas and has agreed that it must first execute separate agreements with Palau as to any other sites. The United States also specifically recognizes the constitutional obligations of the Government of Palau to provide just compensation for the use of private lands.

(While H.J. Res. 597 as introduced and passed by the House in 1988 recognized Palau's obligation to compensate for the use of private lands and provided for an agreement as to compensation from the United States, these provisions did not state that Palau did not have to provide land without an agreement, nor did they limit United States defense sites to two specific locations.)

2. Settlement of IPSECO Debt:

Compact as Negotiated. The Compact as negotiated does not specifically address the IPSECO debt. It does, however, leave the financial benefits under the Compact vulnerable to attachment by the creditors should they prevail in the pending lawsuit. The Compact leaves the litigation pending, with a judgment against Palau now estimated at approximately $50 million.

Implementing Legislation and Subsidiary Agreement. The Subsidiary Agreement and H.J. Res. 175 provide that, if there is a settlement with the creditors, $28 million in energy funds payable over 14 years under Section 211(b) of the Compact will be accelerated into the first year, without discount, and made available with the related inflation adjustment to pay the settlement. In return for this non-discounted acceleration, H.J. Res. 175 provides that Palau will pay the United States at the end of 15 years for the net economic cost of the nondiscounted acceleration of energy funds. The United States estimated this amount to be between $7 and $8 million, but the Subsidiary Agreement provides for payment of $3 million in ten years as full payment of net economic cost.

The Subsidiary Agreement also provides that Palau can meet out-island energy needs from any funds, rather than just Section 211(b) funds, provided at least $7 million is dedicated for this purpose prior to the 15th year of the Compact. It further provides that Palau may request further assistance from the United States with respect to electric power generation, including applicable grants and loans.

3. Medical Referral Debts:

Compact as Negotiated. No provision.

Implementing Legislation and Subsidiary Agreement. The United States will act to settle all outstanding medical referral debts so long as those referrals are documented. Moreover, the United States agrees to cancel all debts arising out of referrals to United States military hospitals.

4. Central Health Care Facility:

Compact as Negotiated. No provision.

Implementing Legislation and Subsidiary Agreement. The Subsidiary Agreement commits the United States to support the provision of at least $5 million, and perhaps more, in fiscal year 1990 or fiscal year 1991 to Palau for construction of its central health care facility. Palau must devote at least $5 million over the next fifteen (15) years to the hospital, including operations and maintenance, instead of matching any United States funding as was provided in H.J. Res. 597 as introduced and passed in the House in 1988.

5. National Prison Facility:

Compact as Negotiated. No provision.

Implementing Legislation and Subsidiary Agreement. The Subsidiary Agreement commits the United States to support the provision of $800,000 during fiscal year 1990 or fiscal year 1991, for improvement of the Palau national prison facility.

6. Deficiencies in Capital Infrastructure Projects:

Compact as Negotiated. No provision. Deficiencies in previous CIP projects are not acknowledged.

Implementing Legislation and Subsidiary Agreement. The United States and Palau agree to continue to cooperate to correct infrastructure deficiencies under the program sponsored by the United States through the Department of the Interior and the Army Corps of Engineers and to cooperate in seeking legal redress from negligent contractors, while repairing infrastructure in need of immediate repair.

7. Anti-Drug Program:

Compact as Negotiated. No provision.

Implementing Legislation and Subsidiary Agreement. The Subsidiary Agreement commits the United States to support the provision of $400,000 annually to Palau during fiscal years 1991 through 1995 for an anti-drug program which can include a rehabilitation center if desired. The United States acknowledges that it is in its interest as well as Palau's that such a program be institued. United States law enforcement officials in Palau are required to comply with the laws of Palau. Further requests for assistance are to be viewed sympathetically by the United States.

8. Special Prosecutor and Public Auditor:

Compact as Negotiated. No provision.

Implementing Legislation and Subsidiary Agreement. The Subsidiary Agreement commits the United States to support the provision of $300,000 annually to Palau and to provide one staff person for each office during the first five years after implementation of the Compact for the offices of special prosecutor and public auditor.

Palau must fund the offices at $100,000 annually each for the five year period, but the penalties for Palau's failure to maintain these offices that would have been provided by H.J. Res. 597 as passed by the House in 1988 are reduced and made applicable only if the United States provides financial assistance as stated above.

9. Continuation of Federal Programs:

Compact as Negotiated. Apart from certain federal programs for which the Compact explicitly states that Palau will remain eligible, existing federal programs will be phased out over a three-year period.

Implementing Legislation and Subsidiary Agreement. The United States and Palau will enter into an agreement (during the first year of the Compact) to determine which federal programs in addition to those specifically continued by operation of the Compact will be continued, to ensure that Palau does not suffer anticipated adverse economic consequences as a result of the phasing out of federal programs and in spite of the assistance under Title Two of the Compact.

10. Miscellaneous Provisions:

Compact as Negotiated. None of the following issues are treated.

Implementing Legislation and Subsidiary Agreement. The Subsidiary Agreement provides:

The Government of Palau retains exclusive authority to grant or deny landing rights in Palau to civil air carriers, except for rights held by United States air carriers as provided in The Federal Programs and Services Agreement concluded pursuant to the Compact.

The United States and Palau will discuss agreements to ensure that Palau does not receive less favorable tariff treatment than Caribbean Basin Initiative countries with respect to textile and apparel items and other exports.

The United States will sympathetically consider requests from Palau for assistance to complete land surveying in Palau.

The United States and Palau confirm that the separate Agreement Regarding the Jurisdiction and Sovereignty of the Republic of Palau over its Territory and the Living and Non-Living Resources of the Sea preserves Palau's rights under international law as to its continental shelf and as to its declaration of an exclusive economic zone.

REQUIREMENTS OF THE COMPROMISE ON H.J. RES. 597

(In addition to requirements specified in the Senate amendment)

The Compact will be implemented when (a) it is approved by the percentage of votes in Palau required by Palau's constitution and (b) the President has negotiated agreements with Palau in consultation with the Congress that will provide for required assistance for law enforcement, Palau's special prosecutor and public auditor, medical and prison facilities, and a referendum on the Compact.

The President will negotiate an agreement which will commit the U.S. to provide Palau in FY '90 with the amount up to $5 million matched by Palau for improvement of medical facilities to be spent according to a plan approved by the Secretary of the Interior in consultation with the Secretary of Health and Human Services.

The President will negotiate an agreement which will commit the U.S. to settle the outstanding debts of Palau, the Federal States of Micronesia, and the Marshall Islands to U.S. medical institutions incurred during the trusteeship.

The U.S. will recognize that Palau is required to provide fair payment for private land the U.S. might require Palau to provide for military purposes under the Compact.

The President will enter into agreements regarding financial assistance for this purpose based on fair value if Palau determines it needs such assistance.

The U.S. will recognize that the President may extend the 60 days Palau has to make land available to the U.S. if an extension is needed to acquire privately-held land.

The President will negotiate an agreement which will commit the U.S. to assist Palau in enforcing narcotics and other laws and in preventing and treating narcotics and other substance abuse.

The agreement will specifically describe the assistance to be provided for law enforcement.

It will also commit the U.S. to provide Palau with $400,000 annually in years two through six of the Compact for these purposes.

Finally, it will provide that Palau authorizes U.S. law enforcement officers to investigate U.S. laws applying in Palau in cooperation with Palauan officials.

The President will negotiate an agreement with Palau in consultation with the Congress which will commit the U.S. to provide Palau with $800,000 for prison facilities.

The President will negotiate an agreement which will provide that the U.S. will assist Palau in implementing its special prosecutor and public auditor laws.

The agreement will provide that Palau will spend not less than $100,000 annually for each of the offices in years one through five of the Compact.

It will also commit the U.S. to providing nonreimbursable technical assistance to the two offices, including an attorney or investigator and an auditor or accountant, in years one through five of the Compact at the request of the government of Palau or the prosecutor or auditor.

Additionally, it will commit the U.S. to provide Palau with $300,000 annually in years one through five of the Compact for the offices.

If Palau does not maintain the offices, the President will take the matter up under the conference and dispute resolution procedures of the Compact. If Palau does not comply with an arbitration decision under these procedures within 180 days, the President will either withhold assistance to Palau or suspend the guarantee of assistance the Compact would provide Palau.

The President will consult with the Congress in negotiating the required agreement on implementation of U.S. audit recommendations. The agreement will provide that the Secretary of the Interior will assist Palau in implementing such recommendations.

The President will negotiate an agreement which will provide that Palau will provide information describing private sector projects to be financed with Compact assistance and outlining how current Palauan national and state capital project debts will be paid.

□ 1710

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Arizona [Mr. UDALL] chairman of the full committee, without whose help we would not be here today. It has been this great chairman who supplied the advice, counsel, and inspiration to develop this legislation.

Mr. UDALL. Mr. Speaker, today, I join my colleagues in bringing to the floor House Joint Resolution 175, to authorize the implementation of the Compact of Free Association Between the United States and the Government of Palau.

The road which we, and especially the people of Palau, have traveled to reach this point has been a most difficult and painful one. Along that road we have seen the assassination of the first President of Palau, a crime which remains unsolved; a period of unchecked threats, intimidation, violence, and governmental corruption; the life of Palau's second President end tragically; the misappropriation of hundreds of thousands of dollars of Palauan funds, and a general breakdown in the rule of law in Palau.

On the positive side, we have witnessed remarkable examples of personal and political courage on the part of many Palauan citizens and leaders. We have witnessed the strength, resolve, and wisdom of the Palauan judicial system when it was given the opportunity to make reasoned judgments. We have witnessed the accelerated progress of the Palau National Congress, the Olbiil Era Kelulau, in its movement toward assumption and utilization of its full authority to oversee matters of government in Palau. And, we have seen a most welcome spirit of cooperation and commitment to principles of democratic government by the executive branch of Palau.

This past February, I had the great pleasure of leading a bipartisan congressional delegation of 12 members of the Interior and Insular Affairs Committee and our former ranking Republican member of the committee, the new Secretary of the Interior, the Honorable Manuel Lujan, to a number of Pacific insular areas, including Palau.

Those Members who joined me on that journey, by their participation in the trip and their interest in the problems facing Palau, have helped to bring the House to its consideration of this legislative proposal today. Those Members of Congress to whom I owe a special debt of gratitude for their cooperation and assistance are: Congressman BRUCE VENTO, and RON DE LUGO; Congresswoman BARBARA VUCANOVICH; and Congressmen BOB LAGOMARSINO, JAMES PUSTER, BEN BLAZ, JAMIE CLARKE, JAY RHODES, ELTON GALLEGLY, JIM LIGHTFOOT, and ENI HUNKIN FALEOMAVAEGA.

During our visit to Palau, I was impressed by the incredible beauty and the remarkable history of the island and by the warmth, humor, hospitality, and dedication of the Palauan people. I left Palau after our brief stay with a renewed commitment to seek for Palauans the best opportunity that we in the Congress can provide them to fulfill their self-determination goals.

Those who traveled with me on that historic visit to Palau and I will be forever indebted to President Ngiratkel Etpison, Vice President Kuniwo Nakamura, Senate President Joshau Koshiba, House of Delegates Speaker Shiro Kyota, members of the Commission on Future Palau/United States Relations, and so many other leaders and citizens of Palau who helped make our stay so productive and memorable.

We bring to the House today a legislative package which includes the provisions of House Joint Resolution 175—along with the language of the Agreement Concerning Special Programs Relating to the Entry into Force of the Compact of Free Association with Palau dated May 26, 1989.

It is our intent that the executive branch of the United States should carry out fully the legislative intent underpinning the agreement—amd the legislative vehicle, House Joint Resolution 175, to adopt that agreement—which is based upon the legislation which passed the House on this matter October 6, 1988.

The unique legislative history of this measure has required a unique approach to resolving differences between various positions with respect to implementing the compact of free association. Although I hold some reservations about this approach, I believe that it can work if the administration and the Congress do their part to assist Palau in its transition to free association with the United States assuming that is what the Palauan people ultimately approve.

The agreement was to have been a bona fide effort to reflect the principles and provisions of House Joint Resolution 597, as passed by the House of Representatives last Congress. In many cases the agreement does just that. In a few cases its language falls short of that objective. It is, therefore, important to my decision to support this legislative package to know that key Members of the House and Senate, as well as of the administration, have made commitments to ensure that the administration lives up to the commitment to implement all of the requirements of House Joint Resolution 597 as passed by the House last year.

Particularly relevant on the point is that members of the Interior Committee agreed to change the language of House Joint Resolution 597 from the 100th Congress, requiring the backing by the full faith and credit of the United States of funding provided in the legislation, to language which simply authorized this funding. This change was agreed to only after receiving commitments by Members of the House and Senate as well as the administration to seek and to obtain the necessary appropriations for this legislative package.

The statement of the gentleman from the Virgin Islands, Mr. DE LUGO, today, includes our analysis of, and intent regarding, this legislative package. My colleagues will remember the compact from debate in the last Congress which involved some $460 million in aid of one type or another being provided to Palau over a 15-year period and certain defense rights being provided to the United States over a 50-year period.

In this legislative package before you today, the House would authorize the implementation of the compact, which was previously approved by Congress, after the people of Palau constitutionally approve the compact.

This package also contains approximately $9.3 million in direct grants and other assistance, which would provide millions of dollars' worth of other aid which will help correct some of the deep-seated problems which have become clear in Palau and will help fulfill the U.S. obligation under the U.N. trusteeship agreement regarding Palau.

In addition, it will also provide for advancing money from compact funding to be paid over 15 years of the compact to help Palau settle a staggering $48 million debt which it faces and which could jeopardize its future if not alleviated in some way. The debt would be able to be settled for $32 million, and Palau would repay the United States $3 million for advancing such funds.

Regardless of what we do in this package containing the legislation and the subsidiary agreement, the key to success for the people of Palau regarding the direction for their islands in the years ahead lies—where it should lie in a democracy—in the hands of the people themselves. Such provisions in the agreement as those dealing with the public auditor and special prosecutor and others regarding audit recommendations are extremely important to helping ensure that the Palauan people, first, know what is going on with respect to their government, and second, have a vigorous and effective system of checks and balances operating within the government as provided for in their constitution and laws to facilitate remedial action being taken when needed.

I would like to take this opportuntity to commend especially my colleague, the chairman of the Subcommittee on Insular and International Affairs of the Interior Committee, Congressman RON DE LUGO, for his tireless efforts and leadership in overseeing the problems in Palau and for his creativity and good judgment in our work to address those problems.

Also deserving of praise for their steadfast commitment to taking the proper and more difficult course with respect to Palau, are the ranking member of the Interior and Insular Affairs Committee, the gentleman from California, GEORGE MILLER, and the ranking Republican member of our committee, the gentleman from Alaska, DON YOUNG.

Key among others who have contributed to the effort to resolve differences and bring us to consideration of the legislative package before the House today are Representative BOB LAGOMARSINO, the ranking Republican member of the Subcommittee on Insular and International Affairs, my good and longtime friend and colleague, Chairman DANTE FASCELL, Representative STEVE SOLARZ, and Representative JIM LEACH of the Foreign Affairs Committee.

In addition, I would like to express my appreciation to the dedicated staff of the Subcommittee on Insular and International Affairs and the full Interior Committee who worked so long and diligently to help us to detect, investigate, and seek solutions to problems facing Palau.

I wish the people of Palau success in their efforts to explain and later to consider the compact and this legislative package. If they choose not to approve the compact in this, the seventh attempt at such approval, they will continue to have my support and resolve to help them achieve their self-determination goals be it through the compact of free association and a legislative package or through some other means. If the compact is approved, I wish them the greatest economic and political success in their new relationship with the United States in the years ahead.

I urge my colleagues to support the legislative package before the House today.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 175, a measure to authorize the entry into force of the Compact of Free Association with Palau. It has literally been decades since the process of political self determination began for the people of Palau.

Palau is part of the Micronesian Islands which were the first Pacific Islands to be sighted by European explorers in the 16th century. Various countries have controlled Palau's external relations and economic development over the years. Palau was first administered by Spain, then Germany, Japan, and the United States. Events of World Wars I and II led to American involvement in Palauan affairs.

Japan had gained administrative control of Palau from Germany under a League of Nations mandate following World War I. The administrative center for all of the Micronesian Islands under Japan's control was established in Palau. Their primary responsibility was the economic, social, and political development of the islands. However, rather than fulfilling the aspirations of the people and their responsibility under the mandate, Japan used the island for defensive and strategic purposes.

The intense battles at Peleliu and Angaur in Palau are legendary. Thousands of lives were lost in the conflict. Even today, the haunting remains of that fierce era can been seen: Rusting gun turrets, intact Zero's, and sunken ships. Only recently a United States fighter plane was found in the dense jungle of one of the myriad islands of Palau. Another chapter of that war closed as confirmation was made of the men lost.

Another pilot was also shot down north of those islands in World War II. Fortunately, he survived and we have benefited from his knowledge and experience in the Pacific. The pilot I am referring to is President George Bush, who has maintained a continuous interest and involvement in the issues affecting these islands. No doubt that experience was helpful at the United Nations, where as the United States Ambassador, he was responsible for the report of activities in the United States-administered Trust Territory of the Pacific Islands. As Vice President, George Bush made a number of trips across the Pacific, including a visit to Saipan, the United States Administrative Headquarters for the island under trusteeship. His influence as Vice President of United States Pacific policy is reflected in many of the Reagan administration's efforts in the island.

The political status negotiating process with Micronesia began in the 1960's to conclude an agreement encompassing the island of the trust territory. A number of successive administrations were unable to reach closure on a new relationship with the islands of Micronesia. However, the Ford administration successfully concluded a separate agreement with one part of the trust territory, the Northern Mariana Islands. The agreement or covenant provided the framework of the new relationship in which the United States exercised sovereignty, the people were authorized local self-government, U.S. citizenship and the protection of most of the U.S. Constitution.

The rest of the trust territory coalesced into three groups, along cultural and linguistic lines. The Marshall Islands, the Caroline Islands, and the Western Caroline Islands. Within the Caroline Islands four distinct island clusters joined as the Federated States of Micronesia to negotiate a bilateral relationship with the United States. The Marshall Islands and Palau of the Western Caroline Islands also negotiated individual compacts of free association.

In 1977, the Carter administration announced its intention to complete the negotiating process for the compacts of free association and terminate the trusteeship by 1981. The staff of the trust territory was reduced in preparation for the implementation of the compact of free association for Palau and the other islands of the trusteeship. To further the presumed imminent self-government, the Carter administration began to turn control of health facilities, schools, power generation plants, water distribution, and road maintenance and all other public works and social services to the local island government, While many have argued that the people were inadequately prepared for a transfer of responsibility of that magnitude, it was an inevitable part of the self-government process and self-determination aspirations of the people. The announced completion of the negotiations was premature as no compact of free association was agreed to by the Micronesia States and the United States by the start of 1981.

At the outset of the Reagan administration, I joined with a number of my colleagues in the House to request a complete review by the new Reagan administration of United States policy in Micronesia. At that time, the Trust Territory of the Pacific Islands remained as the last of the 11 United Nations trusteeships established after World War II. It appeared that something needed to be done to conclude the languishing self-determination process in Micronesia.

After an intensive review by the new Reagan administration, it was decided that a free association relationship with the United States represented the majority opinion of the people of the trust territory. A relationship preserving specific strategic and defense rights of the United States while providing domestic and external sovereignty to the islands with developmental assistance and enunciated in a compact, would be in the mutual interest of all parties.

The administration then tapped an individual with years of experience in the islands and a proven ability to lead and negotiate. President Reagan appointed Fred M. Zeder II, as the President's personal representative to Micronesian status negotiations. Ambassador Zeder came well equipped to take on the assigned task given. As a World War II fighter pilot, Zeder understood the strategic importance of the Pacific Islands to the United States. He had succeeded in business enterprises in the Caribbean and the Pacific from the 1950's through to the 1980's and knew the challenges and understood the importance of economic development to the island people. Zeder served as Director of Territories during the Ford administration and became well acquainted with many of the leaders of the Pacific Islands. Under Ambassador Zeder's leadership and skillful negotiating, compacts of free association were finally concluded

with each of the three aspiring island states.

With an equal amount of tenacity and creativity, Ambassador Zeder worked with the Congress to develop enabling legislation to provide for the approval and implementation of the free association relationships. In December 1985, President Reagan signed Public Law 99-239, approving the Compacts of Free Association for the Marshall Islands and the Federated States of Micronesia. Nearly a year later, the President set effective dates for the implementation of the compact for the Marshalls and FSM in October and November respectively, as those governments had subsequently ratified the compact terms as contained in Public Law 99-239.

In November 1986, President Reagan signed legislation in which the Congress approved the Compact of Free Association with Palau. Since that date, up to 73 percent of the people of Palau have approved the compact in official referenda. However, this super majority did not meet the 75 percent margin required by the Palau Constitution. It remains for the people of Palau to determine if they want to have a free association relationship with the United States as defined in the compact and subsidiary agreements.

In enacting the Palau compact, the Congress provided the people of Palau with the full details of the free association relationship, thus affording them the information to make an informed choice of self-determination. The United States also demonstrated a serious commitment to the fulfillment of the terms of the compact by the appropriation of the funding for the first year of the compact, approximately $150 million. I might note that the Marshalls and the FSM ratified their compact prior to the appropriation of any funds.

The people of Palau have also had the benefit of observing the new free association relationship between the United States and the Marshalls and the FSM. They have seen programs and assistance extended to the people of the freely associated states which were not in the compact. Included in this legislation are a number of other provisions which modify or add to the compact of free association. One post-compact provision, section 202, judicial assistance, has been included due to the work and recommendation of Justice Anthony Kennedy of the Supreme Court. Justice Kennedy is the chairman of the Pacific Territories Committee of the Judicial Conference of the United States. The Judicial Conference has recommended that the chief justice or the chief judge of the ninth circuit be allowed to temporarily assign judges to the freely associated states upon their request. Currently, judges from Third World countries are assisting the freely associated states. The United States has a vested interest to allow U.S. judges to assist the freely associated states as decisions could affect U.S. interests. This dynamic free association relationship is mutually beneficial to all parties involved and is consistent with the relationship which I had envisioned under the compact.

Just as the Reagan administration and the Congress agreed to changes in the relationship with the free associated states, sympathetic consideration has been given to requests by Palau for post-compact assistance. In fact, the Reagan administration was willing to provide extra-compact assistance to a greater degree than that which the Congress agreed to. The administration was consistently working with both Houses of Congress to develop acceptable extra-compact provisions throughout the last Congress and literally up to the final hours. In the evening of the last day of the 100th Congress, the administration responded immediately to the initiative of JIM LEACH, vice chairman of the Foreign Affairs Subcommittee on Asian and Pacific Affairs, and myself to resolve the Palau compact implementing legislation deadlock. In a meeting which we convened in the Capitol, the administration met with the two of us and staff from the committees of the Senate and House. The administration was represented by James Berg, Director of the Office of Freely Associated Affairs of the Department of State, and Howard Hills, OFASA legal advisor. Within a couple of hours we were able to develop a compromise to satisfy each specific reservation raised. The administration agreed in writing to address each of the concerns through specific action as part of the compromise reached that evening on the basis that the legislation would be enacted that night. The House was to accept the Senate passed bill with one amendment providing for the funding of money from the compact energy accounts.

The written agreements and the legislation requiring enactment were taken to the House floor for action. Unfortunately, in spite of the cooperative efforts of the administration, the initiative we undertook was in vain as time ran out before all the principals involved acted.

I had no illusions after the Congress adjourned that the administration had committed itself to fulfill the compromise provisions in the absence of implementing legislation. The administration made commitments that night which were to be executed after the passage of the Palau compact implementing bill. However, in spite of the failure of the Congress to pass legislation in the 100th Congress, the administration communicated a desire to save the process in a manner acceptable to the incoming Congress. The Reagan administration remained open and responsive to a consensus solution through its last days.

It was with the knowledge of the administration's ernest desire to implement the Palau compact in a manner acceptable to the Congress, that I renewed our initiative by giving a newly drafted bill to the chairman, RON DE LUGO, of the Subcommittee on Insular and International Affairs, on January 3, the opening day of the 101st Congress. I believed it was crucial to promptly enact the compact to provide adequate time for the people of Palau to finally approve the compact. At no time did I expect the administration to complete the agreements prior to the enactment of the implementing legislation.

However, the administration has met and exceeded the expectations of the compromise. Each of the concerns of the Palauans have been provided for in a lengthy subsidiary agreement which was concluded in Guam on May 26, 1989. Vice President Namamura of Palau and Mr. James Berg of the State Department signed the agreement which has been referenced in the legislation before the House today. The new subsidiary agreement clarifies how the United States and Palau will interact to specific projects programs and needs to the mutual benefit of both parties. Funding for the provisions of the subsidiary agreement is subject to the appropriation process. For that reason, the provisions of the agreement requires Palau to submit plans justifying the level and type of need for a health care, correctional center assistance, drug abuse and rehabilitation and the correction of infrastructure deficiencies. We owe a large debt of gratitude to Jim Berg and Howard Hills for their hard, dedicated and constructive work.

The Palauan Legislature is in the process of scheduling a plebiscite for next month. I believe this bill, the prior legislation which approved the Palau compact (99-658), and the new May 26, 1989, subsidiary agreement providing for post-compact assistance should provide the people of Palau to make an informed choice regarding the future relationship with the United States. However, the leaders of Palau should not believe that the United States will provide assistance beyond that which has been detailed in law before the people approve the compact. As I mentioned earlier, the United States has been responsive to requests for post-compact assistance or changes from the freely associated states and will continue to be. However, due to our own budget constraints, no further assistance will be offered until after the compact is in effect.

The legislation also contains a provision unrelated to the free association

relationship for Palau. Section 210 provides $1,500,000 to the Executive Office of the President for activities related to a referendum in Puerto Rico regarding the future United States-Puerto Rico relationship. The Executive Office of the President may disburse up to $500,000 to each of the three political parties in Puerto Rico to enable them to participate in the legislative process with the Congress involving the future political status of Puerto Rico. President George Bush, in his February 9, 1989, address to the joint session of Congress, expressed his strong personal support of Puerto Rico statehood and asked the Congress to authorize a referendum in order for the people of Puerto Rico to decide on their future relationship within the United States.

Puerto Rico has the closest relationship within the United States of all the territories. The people have been U.S. citizens for over 71 years. Puerto Rico alone among the territories lies within United States customs zone. The U.S. Constitution applies in part. Puerto Rico has set the pace among United States territories in the development of democratic self-government like that of the United States. Puerto Rico was authorized a representative in Washington at the beginning of this century. It wasn't until 1980 that three other territories were represented in Congress. The newest member of the American family, the Commonwealth of the Northern Marianas, do not yet have a delegate in Congress although the residents gained United States citizenship in 1986.

Puerto Rico was the first territory to be authorized to elect their own Governor after World War II in the late 1940's. In fact, the territories of Alaska and Hawaii were not authorized to elect their own Governors until they became States in 1959.

In 1950, the Congress enacted the Puerto Rico Federal Relations Act authorizing the people to formulate a local constitution. Congress approved the developed constitution with certain required changes in 1952. With the Puerto Rico Consitution in effect, the local legislative and executive branches lead by popular vote, and an elected representative in Congress, albeit a nonvoting, Puerto Rico enjoyed unprecedented local self-government among United States territories.

Puerto Rico's advanced local self-government was often examined as a possible model for Alaska and Hawaii. However, the people of those areas chose to wait for full integration into the United States. Through statehood the people of Alaska and Hawaii would gain full participation in the American system, the right to vote for President and Vice President and full voting representation in the House and Senate. There were uncertainties regarding the economic impact of the responsibilities of statehood. However, the determination to fully participate and faith in the American system lead the people to seek statehood. Their desires and faith proved correct as evidenced by the strong economies of both States.

Puerto Rico's economy has developed over the years and the per capita income has risen to a point nearly unparalleled among the islands of the Caribbean. The people are now faced with the choice of their future relationship with the United States. Should they go it alone through independence? Should they be satisfied with the unincorporated commonwealth/territory relationship with the United States which could be improved but would leave them disenfranchised and without voting representation? Or should they pursue the inevitable culmination of integration with the United States through statehood to achieve a full endowment of their constitutional rights?

I believe the people of Puerto Rico will choose the best relationship with the United States. It is critical that they make a well-informed choice, so that there are no misconceptions or allusions regarding any of the three relationships.

The administration supports the Senate initiative to provide $500,000 to each of the three political parties through the Executive Office of the President to allow participation in our legislative process. It is essential to have the involvement of the political parties as Congress develops the referendum legislation. However, the voter education regarding the different relationship options should be provided in a nonpartisan manner. Although each of the political parties supports a particular future relationship with the United States, the people should make their choice according to the merits of a relationship, not for partisan reasons.

I want to thank my good colleagues from the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs for their years of effort on the Compact of Free Association. While the Palau compact was approved separately from the compact legislation for the Marshall Islands and the Federated States of Micronesia, the Palau compact legislation was based largely on the prior work for the other freely associated states.

□ 1720

Mr. Speaker, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. CLARKE], one of the most valuable members of the subcommittee, and a gentleman who has worked with me for over 2 years on the Palau issue, and traveled with us to Palau.

Mr. CLARKE. Mr. Speaker, I congratulate and commend the gentleman from the Virgin Islands, Mr. DE LUGO, chairman of the Subcommittee on Insular and International Affairs, and the gentleman from California [Mr. LAGOMARSINO], the ranking Republican on the subcommittee, for their long and effective work on this legislation.

This spring our subcommittee visited the jail, the hospital, the powerplant in Palau, all of which are substantially affected by this legislation. The situation on Palau has been a complicated one, and we hope that this bill will now bring the long negotiations to a successful conclusion, and that more than 75 percent of the people of Palau will now ratify the compact.

We understand that Palau is the last trusteeship left in the world, and with this bill and the approval of it by the people of Palau, they will become a member of the Compact of Free Association and be independent, except for defense by the United States.

This bill deserves our support.

Mr. DE LUGO. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLARZ] the distinguished chairman of the Subcommittee on Asian and Pacific Affairs who has worked so hard on this issue and is so knowledgeable in this area, and one of the leaders.

Mr. SOLARZ. Mr. Speaker, I thank the gentleman for yielding time to me. He also has played a very important role in bringing this legislation before the House. I want to pay tribute to Members on both sides of the aisle who have devoted enormous amounts of effort and energy to this issue which has very little political resonance back home in our constituencies, but which is of considerable importance to the people of Palau, and to larger American interests in the South Pacific.

Hopefully the enactment of this legislation, which enjoys bipartisan support and the endorsement of the administration, will facilitate at long last the constitutional approval by the people of Palau of the Compact of Free Association in a manner which is compatible with our own security interests and responsibilities with respect to Palau, at which point the President would be able to sign the necessary certifications and Palau could change its status from that of a trust territory to a free associated state. It would have the effect of, in effect, divesting the United States of its last colony, and I think that would be in the best interests of the people of Palau, and it would be also in the best interests of the United States.

This legislation fully protects our interest. I think it is in the interests of the people of Palau. The ball is now clearly in their court. I suspect some of the Palauans will read the tran-

script of this debate, and probably it will have a larger audience there than it will back in Brooklyn.

So let me take this opportunity to say to my friends on Palau that this is the best, ladies and gentlemen, which you are going to get. The patience of many of the Members of the House has been sorely tried over this prolonged process. We want to do what is best for Palau, but we negotiated an agreement over 13 or 14 years. Your negotiator signed off on it. The overwhelming majority of the people of Palau voted for it in six referendums. Unfortunately, because of the provision in the Constitution which required a three-quarters vote on any matter involving an antinuclear arrangement, it meant that because they did not have 75 percent but only had 71 or 72 percent, it was not considered constitutionally appropriate, and it was not approved.

I know a lot of Members of the House would be delighted to get elected with 73 percent of the vote or 71 percent of the vote, but on Palau apparently one needs 75 percent of the vote.

One of the reasons they have not gotten 75 percent is there are always some people on Palau who claim that they can get more, and that if the referendum results in a rejection there will be another negotiation, and they will end up with more money. If anybody believes that, let me disabuse them of the notion. I think this is a very generous proposal. Indeed, it is an extraordinarily generous proposal. I am not sure all of our colleagues fully appreciate how generous it is.

So I hope my friends on Palau will find this acceptable, because if not, then, like an old married couple that lives together many years after the flames of romance and affection have died down, we will be stuck with our present arrangement.

Now we have the opportunity to move on to a whole new level where they will have the dignity of free association, total autonomy, functional independence. We will maintain our role in providing for their security, and we have joint consultations on foreign policy.

So let me pay tribute to my colleagues on the Interior and Insular Affairs Committee who managed to squeeze the last available cent out of the Congress for those on Palau whose interests they seek to protect. I now hope, having done this, that this is the last time that we visit this issue, and we can go onward and upward to bigger and better things in the future, and all return in friendship, holding hands for the ceremonies on Palau when they establish their new status as a freely associated state.

Again, I thank the gentleman for yielding the time, and I compliment him on his good work in bringing this to a successful conclusion.

Mr. LAGOMARSINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, I rise in support of this bill.

Mr. Speaker, with the passage of House Joint Resolution 175, we are approaching the end of a long process to implement the "Compact of Free Association" with Palau, and to finally end the trusteeship responsibilities of the United States over the Micronesian islands.

The resolution before us is the result of the driving force of Congressmen JIM LEACH and BOB LAGOMARSINO and compromises among Members of the Senate, the House Interior and Insular Affairs Committee, the House Foreign Affairs Committee, and the administration. Together with agreements that were subsequently developed between the administration and the Government of Palau, House Joint Resolution 175 speaks to the many concerns of the Palauans as they approach independence. Hopefully this resolution will be acceptable to the Senate, and will provide assurances to the people of Palau so that they can finally approve the Compact of Free Association between our two nations.

Certainly this effort to bring forth a new nation into the community of nations has been a long and difficult process in both Palau and the United States. A case-in-point has been the process by which this resolution has come before us today. The bill was not reported out of any of the committees to which it was referred. Ultimately, however, we must examine the basic product, and in doing so, I believe we can all find that it is sound and should be supported.

In that sense, Mr. Speaker, I support the resolution and encourage my colleagues to support it also.

Mr. LAGOMARSINO. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise today in opposition to House Joint Resolution 175, a resolution that authorizes entry into force of the Compact of Free Association with Palau.

The Congressional Budget Office estimates $186 million in direct spending triggered by passage of this joint resolution. The compact is not yet in effect because of four conditions that needed to be met: Presidential certification that the compact has been approved; Presidential agreement with Palau regarding law enforcement and auditing; a congressional joint resolution authorizing the entry into force of the compact; and finally, a referendum of approval by the people of Palau. The first two conditions have been met. This joint resolution would fulfill the third of these stipulations, and resolution of Palau's referendum question would fulfill the last condition.

Upon clearing this last hurdle, then, House Joint Resolution 175 allows $186 million in direct spending, reflecting the full faith and credit of the United States for various capital projects, operating expenses, and trust funds. While the direct spending is not in this resolution, this is the resolution that would clear the way for direct spending as authorized in previous legislation concerning Palau.

If the spending is triggered in fiscal year 1990, this resolution, from the Interior and Foreign Affairs Committees, violates section 302(f)(1) of the Budget Act by creating new budget authority in excess of the committee's allocation of new budget authority for fiscal year 1990.

If the spending takes place this year, the resolution violates the budget resolution of fiscal year 1989 and the outlay ceilings of the 1987 summit.

Members will recall the difficulty we had in creating room in the budget resolution for urgent spending needs and various program priorities. To create direct spending and to violate the Budget Act are affronts to the fiscal restraint we were forced to employ.

Despite strong support from the administration for this measure, the amount of direct spending in this resolution—$186 million—is far too high to be considered in a suspension bill. The CBO did not assume these expenditures in fiscal year 1989, though it is entirely possible that the funds will be obligated by then.

I do not oppose this resolution per se, but I must draw the line at clear disregard for fiscal prudence. In the interest of retaining some semblance of fiscal responsibility, I rise in opposition to this resolution and the direct spending it creates.

Mr. FALEOMAVAEGA. Mr. Speaker, I appreciate the opportunity to appear here today and I rise in strong support of House Joint Resolution 175, as amended.

Mr. Speaker, at the heart of the bill, of course, is title I, the implementation of the Compact of Free Association with Palau. This important piece of legislation is the culmination of well over two decades' worth of hard work and negotiation between the Governments of the United States and Palau. If passed, House Joint Resolution 175 shall allow Palau, if she so chooses, to join her sister states in the Trust Territory of the Pacific Islands—the freely associated states of Micronesia and the Marshall Island—in determination of her political status. In addition to defining Palau's relationship to the United States, this measure shall also address several major financial and social concerns that presently confront the local government.

Mr. Speaker, I wish to commend the efforts of the distinguished chairmen that have led the struggle for this vital piece of legislation, the Honora-

ble Subcommittee Chairman RON DE LUGO and BOB LAGOMARSINO of the House Interior Subcommittee on Insular and International Affairs and the Honorable Subcommittee Chairman, STEPHEN SOLARZ and JIM LEACH of the House Foreign Affairs Subcommittee on Asian and Pacific Affairs. I would also like to recognize our distinguished colleagues in the Senate, the Honorable BENNETT JOHNSTON and the Honorable JAMES MCCLURE, for their invaluable support and contribution to the process. Additionally, the administration should be applauded for its continuing, earnest effort to finalize the negotiations with Palau.

The measure that is before us today, Mr. Speaker, has strong bipartisan support in both Houses, as well as the blessings of the administration. I believe that this is reflective of the fact that the legislation provides exceedingly well for the economic, social and political interests of the people of Palau as well as for the strategic and military concerns of the United States.

This unique relationship of free association shall guarantee Palau self-government in virtually all areas outside of security matters, and provide the people close to half-a-billion Federal dollars for development over the next decade and a half. On the other hand, with the increasing instability in the South Pacific and South Asia regions—as witnessed by the Anzus Pact deterioration and the uncertainty of the base rights negotiation in the Philippines—it is clear that the United States must secure alternative military base sites for the defense of freedom in the Pacific. Whereas the measure before us addresses both the needs of Palau as well as the concerns of our Nation, I would strongly urge my colleagues to support passage of this legislation.

In reviewing the situation with Palau, it brings to mind the increasing importance, both economically and strategically, of the Asia-Pacific region to the United States. As the President declared early in his administration, America, too, is a Pacific nation and we must renew our determination to strengthen ties and relationships with our allies and partners in the Pacific. Vice-President QUALYE underscored the President's message by stating that his recent trip to the South Pacific was tangible proof of our country's commitment to remain a strong and visible power in the Pacific Region.

All of this renewed focus on the Pacific reminds me of the prophetic observations made early in this decade by former Prime Minister Nakasone of Japan. He noted:

> History teaches us that civilizations shift gradually toward the periphery, creating new civilizations as they move. Flourishing civilizations have constantly moved towards the frontier; from Greece to Rome, from Rome to England, France and Germany, and from Europe to the American colonies. Even within America itself, the torch of civilization advanced westward from the Atlantic to the shores of the Pacific Ocean. The compass needle of history has swung from the Mediterranean to Atlantic civilizations. Now it is pointing to the Pacific. Today, there cannot be doubt that we are on the verge of a new economic and cultural sphere, that, while centered on Japan and the United States, will encompass the Pacific shores on both the Northern and Southern Hemispheres. The Pacific Ocean is becoming the new and historic stage for the drama of human interaction and development.

As envisioned by Mr. Nakasone, in the upcoming decade and into the next century, the governments of the Pacific shall play a greater role in the economic, political and military affairs of the United States and the world. With the passage of the legislation on the table, the Palau Compact shall ensure that our ties to this Pacific government shall always remain strong, positive and of mutual benefit.

Although I urge my colleagues to pass the entirety of House Joint Resolution 175, I would note my special support for section 210 of the bill. This provision is of historic importance to the people of the Commonwealth of Puerto Rico. Under the provision, $1.5 million is authorized in grants to the three major political parties of Puerto Rico to assist them in participating in the legislative process for determination of the future political relationship between Puerto Rico and the United States.

With the grant funds, the legislative work necessary to holding a referendum shall be accomplished, whereby the people of Puerto Rico shall be given an opportunity to choose between maintenance or enhancement of its present commonwealth status, statehood or independence. Whereas this is a lengthy and costly process, and the issue is of paramount importance to the destiny of Puerto Rico, this measure is clearly meritorious and I strongly urge my fellow colleagues to support it.

Mr. Speaker, thank you once again for allowing me to express my support for the passage of House Joint Resolution 175.

Mr. LAGOMARSINO. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. LEACH], the ranking member of the committee.

Mr. LEACH of Iowa. I thank the gentleman for yielding.

Mr. Speaker, let me make it clear that Palau is a small but a very important symbol to our own historic commitment to self-determination. Colonialism, after all, is an idea whose time on this historical clock has passed.

To be legitimate, colonies should be temporary, and this is precisely what the United States of America has made clear in this particular agreement.

Mr. Speaker, I would like to buttress to some extent the comments of the gentleman from New York [Mr. SOLARZ]. I personally was a bit distraught that we did not arrive at a resolution last fall of this issue. But the fact of the matter is this is a good agreement for all parties concerned. And if anyone has any doubts about Palau's capacity to operate in a democratic framework, all one has to look at is their capacity to deal with this body. They have done it very effectively and very well.

I think this is a time to be upbeat, congratulatory of the Members of Congress who have played such a significant role in all of this legislation such as Mr. DE LUGO and Mr. LAGOMARSINO, but most of all because I think it is a time to suggest to the people of Palau that we wish them well and we wish them godspeed.

Mr. LAGOMARSINO. Mr. Speaker, I yield 3 minutes to the delegate from Guam, [Mr. BLAZ].

Mr. BLAZ. Mr. Speaker, at the outset I would like to take this opportunity, which I always seek to take, to recognize and to commend the great chairman of our committee, MO UDALL.

I just do not know what the people of the territories would have done all these years had there not been a MO UDALL in this House. I also would like to commend the efforts of RON DE LUGO, BOB LAGOMARSINO, and a host of other people. But I would also like to say that since many things have been covered from the technical standpoint let me share with you something from a different perspective.

Over 40 years ago I was in attendance at an American school with people of my generation from Palau. Always at recess time our discussions centered on political self-determination. It was our No. 1 dream, it was our No. 1 aspiration.

In the ensuing years since those school days we on Guam have enjoyed a measure of it. We have become a territory. We now have a bill to become a commonwealth.

In the meantime my friends down at Palau have remained essentially unchanged as if nothing has happened.

When we emerged from World War II there were about 11 or so trusteeships. We had one of them. I do not know how many years ago it was when we got rid of 10, and the last remaining trusteeship of all the countries of the world is still being administered by the true champion of freedom, the United States of America.

In that trusteeship one last remaining entity, that is Palau.

I am going to ask my colleagues to consider passing this bill for the sake of the United States, and for its belief as a champion of freedom and its desire to grant political self-determi-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

nation to people everywhere, why not the people right in our own backyard?

□ 1740

But for the people of Palau, I want to say that they, too, have a cross to bear, and the cross to bear is to look at this, seriously consider it and pass it, and pass it because this Congress has done all that it could possibly do plus more. I do not think we will go down this road any more.

Mr. Speaker, once again the House of Representatives meets to resolve the longstanding issue of Palau, the last remaining district of the Trust Territory of the Pacific Islands. Congress has striven for several years to enact and implement the Compact of Free Association Between the United States and Palau. Now I believe we have before us the document which will bring this new relationship into effect, House Joint Resolution 175, the Palau Compact Implementation-Omnibus Territories Resolution.

It is a great honor for me to serve in this House as the Member from Guam. For it was in Guam on May 26, 1989, that the representatives of Palau and the United States signed the agreement concerning special programs relating to the entry into force of the compact between the United States and Palau.

House Joint Resolution 175 is principally the legislative vehicle necessary to implement the Compact of Free Association Between Palau and the United States. It is a valiant, final attempt to bring the Palau issue to a close. I am pleased that both the majority and the minority in Congress are heading toward agreement on the terms for the coming into effect of Palau's status as a freely associated state of the United States. I hope that at least three quarters of Palau's voters going to the polls to vote on this implementation resolution will vote in its favor.

This resolution is very reasonable for the United States. To continue Palau's status as a district of the Trust Territory of the Pacific Islands would cost the United States more than under this legislation. I anticipate that our country will do all possible to assure the voters of Palau of the wisdom of accepting this legislation wholeheartedly.

With great enthusiasm I praise the chairman and ranking minority member of the Subcommittee on Insular and International Affairs, the Honorable RON DE LUGO and the Honorable ROBERT LAGOMARSINO, for their outstanding leadership over the last 5 years in both this Compact of Free Association and the one between the United States and the Federated States of Micronesia and the Marshall Islands. As I said at the hearing which Mr. DE LUGO held on Thursday, June 8, 1989, on this resolution, these two gentlemen have worked above and beyond the call of duty to bring about this implementation legislation.

I would like to touch on the resolution's three sections which affect Guam. The first, section 205, will benefit not only Guam but also the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands. It is not a new provision. What it does is to make manifestly explicit that the Governments of Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands do not have to match any Federal grants-in-aid under $200,000. This is not a change or improvement. It merely clarifies what the U.S.-flag territories have known all along. Many in the Federal Government have not wanted to acknowledge this arrangement.

Section 207 is the second. It will amend for Cabras Island in Guam the fixed standard percentage which the Government of Guam remits to the Federal Government for Cabras Island's reasonable development costs. It will replace the old formula, by which Guam would have kept 30 percent and the Federal Government 70 percent. The split will now be 50 percent for each.

The third, section 211, is a provision for mental health in Guam and the Virgin Islands. It would correct an error in the mental health authorization section of the Anti-Drug Abuse Act of 1988, which substantially decreased grants for these two U.S.-flag territories.

I urge my colleagues to consider House Joint Resolution 175 favorably.

Mr. LAGOMARSINO. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH], who traveled with members to Palau.

Mrs. VUCANOVICH. Mr. Speaker, I rise today in support of House Joint Resolution 175—the Palau Compact of Free Association Implementation Act. My esteemed colleagues on the Interior and Insular Affairs Committee, Mr. DE LUGO and Mr. LAGOMARSINO, are to be commended for their hard work in this matter. As chairman and ranking minority member, respectively, of the Subcommittee on Insular and International Affairs, they have had to overcome many obstacles in order to bring this bill to the floor for consideration. Their subcommittee, the full Interior Committee and the House as a whole have passed Palau legislation many times and I look forward to their efforts coming to fruition. In addition, the compact is the result of extensive efforts by the Reagan and Bush administrations.

Palau is the last trusteeship in the world and implementation of the compact would appropriately and fully meet the responsibilities of the United States as the administrative authority of the trusteeship. Input was sought from a wide range of sources in order to achieve a compact that is responsive to the needs of all interested parties. I believe House Joint Resolution 175 would establish a mutually beneficial relationship between the United States and Palau and would address all of the concerns voiced during the development of the compact.

As a member of the congressional delegation that visited Palau in February of this year, I saw firsthand the deplorable conditions of the hospital and the prison in Palau and I am especially gratified that House Joint Resolution 175 includes funding to help correct this situation. I feel very confident that, with the postimplementation assistance provisions in general and the hospital and prison assistance provisions in particular, the United States has fulfilled its obligations as trustee for Palau.

House Joint Resolution 175 is similar to legislation passed by the House and Senate in separate measures last year. A compromise was reached but the agreement fell victim to the time constraints imposed at the end of the 100th Congress. Mr. Speaker, the Palau Compact is a good plan and I urge my colleagues to vote for House Joint Resolution 175.

Mr. LAGOMARSINO. Mr. Speaker, I yield 1 minute to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Speaker, reaching this compromise required the dedication and cooperation of a number of Members. As one who has dedicated a tremendous amount of effort to the cause of meeting the needs of Palau, I appreciate the involvement of Members who have helped make this compromise possible.

In particular, I would like to recognize the contributions of the distinguished chairmen of the Interior and Insular Affairs Committee, MO UDALL, and the Foreign Affairs Committee, DANTE FASCELL; and the ranking Democrat on the Interior and Insular Affairs Committee, GEORGE MILLER; in addition to the gentleman from California, BOB LAGOMARSINO.

I would also like to recognize the efforts of the chairman and ranking Republican of the Asian and Pacific Affairs Subcommittee, STEVEN SOLARZ and JIM LEACH; the ranking Republicans of the Interior and Insular Affairs and Foreign Affairs Committees, DON YOUNG and BILL BROOMFIELD; and other Members such as DOUG BEREUTER, JAMIE CLARKE, BEN BLAZ, JOHN LEWIS, and BARBARA VUCANOVICH.

Of course, the support of other cosponsors of this legislation is very much appreciated including: DANNY AKAKA, DOUG BARNARD, CHARLES BENNETT, HOWARD BERMAN, SHERWOOD BOEHLERT, DAVE BONIOR, DOUG BOSCO, GEORGE BROWN, ALBERT BUSTAMANTE, CARDISS COLLINS, LARRY CRAIG, BUDDY DARDEN, PETER DEFAZIO, RON DELLUMS, BUTLER DERRICK, JULIAN DIXON, BYRON DORGAN, MERVYN DYMALLY, DON EDWARDS, BILL EMERSON, MIKE ESPY, ENI FALEOMAVAEGA, VIC FAZIO, TOM FOGLIETTA, BILL FORD, JAIME FUSTER, ELTON GALLEGLY, JIM HANSEN, CHARLES HAYES, MARCY KAPTUR, BOB KASTENMEIER, DALE KILDEE, RICH LEHMAN, MEL LEVINE, JIM LIGHTFOOT, ED MARKEY, MATTHEW MARTINEZ, BOB MATSUI, JOE MCDADE, MATT MCHUGH, BOB MRAZEK, AUSTIN MURPHY, HOWARD NIELSON, MARY ROSE OAKAR, MAJOR OWENS, WAYNE OWENS, CHIP PASHAYAN, NANCY PELOSI, JOHN RHODES, BILL RICHARDSON, MARTY SABO, RICHARD STALLINGS, ESTEBAN

TORRES, BOB TRAXLER, BRUCE VENTO, and PAT WILLIAMS.

STAFF

I also want to express my gratitude to the House staff members who have dedicated themselves to bringing this legislation this far. My subcommittee staff director, Jeffrey Farrow, has worked with devotion and tireless energy to keep the compact process moving and to produce legislation that will benefit both Palau and the United States.

Staff Assistant Gail Mukaihata has contributed to this bill through her many contacts with Palauan leaders and her trip to represent the committee in Palau at a particularly critical moment. Pat Krause has provided invaluable help, based on her years of knowledge of and love for the people of Micronesia. Roy Jones, associate staff director of the Interior and Insular Affairs Committee, has contributed his expertise and dedication at every step of the way.

Manase Mansur, consultant to the minority of the Insular and International Affairs Subcommittee, devoted countless hours to this legislation.

I also want to thank Lee McElvain, Linda Stevens, Dan Beard, and Stan Sloss of the committee's majority staff.

Just as the Members worked in a bipartisan spirit on this matter, all the committee staff dedicated themselves to its success. So, I additionally want to commend Rick Agnew and Dan Kish from the minority staff.

Finally, Tom Dunmire represented the committee on special trips to Palau during a very sensitive period and advised us well on this matter. And Daisy Minter has helped keep the subcommittee running smoothly throughout this busy final period of work on this legislation.

PHIL BURTON AND JOHN SEIBERLING

Additionally, I want to thank two predecessor chairmen of the subcommittee with jurisdiction over Palau: John Seiberling and our late colleague Phil Burton.

SENATORS

I also want to recognize the cooperation on and interest in this matter of two Members of the other body, the chairman and ranking Republican on the Energy and Natural Resources Committee, BENNETT JOHNSTON and JIM MCCLURE. Their willingness to compromise with us will enable this matter to finally be resolved.

ADMINISTRATION OFFICIALS

Administration officials have also made this compromise possible, including: our former colleague, Secretary of the Interior Manuel Lujan and his Counselor Tim Glidden; Office of Territorial and International Affairs officials; Office of Management and Budget Interior Branch Chief Ron Cogswell; and State Department Freely Associated State Affairs Director Jim Berg and his staff.

PALAU LEADERS

But no one will be more responsible than several leaders of Palau if this legislation enables problems worsened by years of U.S. neglect to be addressed. Chief among these leaders are the President of the Senate, Joshua Koshiba, and the Vice President of Palau, Kuniwo Nakamura. They have shown unequaled courage, dedication, integrity, and judgment in fighting for the interests of their people, as has the former Speaker of Palau's House, Santos Olikong.

Palau's new President, Ngiratkel Etpison, and his predecessor, Thomas Remengesau, have provided a great service to their people by their courageous support of this legislation. Other members of Palau's Congress, including the Speaker of the House Shiro Kyota, Senators Lucius Malsol, Tommy Remengesau, Jr., and Peter Sugiyama and Delegates Ignacio Anastacio and Hideo Tell, to name a few, have helped make it possible for us to accomplish as much as we have.

Leaders of Palau's judicial branch, including Supreme Court Chief Justice Mamoru Nakamura and Associate Justice Robert Hefner, have also made major contributions to Palau's political development by their courage and wise handling of compact litigation. Palau has also been advised well on these matters by its Washington counsel, including Stuart Eizenstat, Michael Chanin, and Clyde Spillinger. And it has been well represented here by Steve Kanai and Noriwo Ubedei. All of these representatives have been very helpful to us.

Last, in this regard, but not least, I want to mention the members of Palua's commission on U.S. relations chaired by Vice President Nakamura. Their hard work really made the critical May 26 agreement possible. They are: John Rechucher; Roman Bedor; Johnson Toribiong; Hokkons Baules; Kathy Kesolei; Carlos Salii; Yukiwo P. Dengokl; Mengirarou Ngiratechekii; Governor Nemicio Andrew; Eos Ruluked; Santos Olikong; Moses Mekoll; Antonio Bells; Victor Rehuher; Masami Elbelau; Masa-Aki N. Emesiochel; Gov. Moses Uludong; Gov. Elia Tulop; Joe Nestor; Fumio Rengiil; and Sadang Silmai.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to join the gentleman from the Virgin Islands [Mr. DE LUGO] in thanking the staff members, and if I may be permitted to do so, I will, especially to thank Manase Mansur, who was with me all the way on this thing and provided a great deal of very, very effective assistance which is being shown here today.

When the Reagan administration came into office in 1980 or 1981, I was very skeptical about the negotiations that had gone forward under the Compact of Free Association for the Freely Associated States of the Marshall Islands and Palau. I asked the President at that time to review it. They did. They went into it at great length and conducted very lengthy investigations and came back and essentially confirmed all the work that had gone into it to that point.

Since that time I have seen the results of what has happened in the Marshall Islands and in the Federated States of Micronesia, and while the activities and the progress there has not been perfect, I think they are well on their way. I think one of the reasons is because they are now standing on their own with our assistance. They know that anything they do is going to be a plus, not going to be deducted from what they met and what they achieved. I think the thing will happen in Palau, too, once we get this thing behind members, and once they approve it.

With respect to the comments of my good friend from Minnesota [Mr. FRENZEL], I would only point out that most of the money that is in this bill has already been appropriated, the bulk of it has been appropriated. Most of the rest of it comes in the form of forward funding, forward funding, which means we will not spend it later. As a matter of fact, Palau has agreed to pay the United States the sum of $3 million to make up the costs of forward funding of the IPSECO Power Co. I think this is a very good piece of legislation, not only for Palau but for the United States and for that entire section of the world. I think it is going to do members as well as them, a lot of good.

Mr. DELLUMS. Mr. Speaker, today we are being asked to vote in favor of legislation approving the implementation of the Compact of Free Association with the Republic of Palau. The Congress is asked to take this action despite the fact that the compact, which provides military and land use rights to service nuclear ship visits, has not yet been ratified by the people of Palau. In fact, there have been six failed attempts by the U.S. Government to get people of Palau to ignore their constitutional prohibition on nuclear materials and substances—and approve the compact. The financial and political pressure which has been brought to bear on the self-determination process in Palau violates all the principles this Nation was founded on.

Nearly 10 years ago to the month—July 9, 1979—the people of Palau stunned the world by assuming the classic "David and Goliath" posture with the United States and adopted the world's first completely Nuclear Free Constitution by an impressive 92-percent majority. The intent of the framers is unambiguous and has been upheld in the Palauan Supreme Court time and time again—the people of Palau's overwhelming desires are reflected in their Constitution which establishes that Pa-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Iauan land and waters are to be nuclear free; and Palauan land and waters are to be utilized as they see fit and not how the U.S. military sees fit. A vote to implement the Compact of Free Association as it now stands may serve to continue the conflict between the compact and the Palauan Constitution, and perpetuate the self-determination process in Palau.

Mr. PANETTA. Mr. Chairman, I would like to point out for the RECORD the Budget Act violation with regard to House Joint Resolution 175, Palau Compact of Free Association Implementation Act, on the Suspension Calendar.

First of all, the resolution violates section 302(F)(1) of the Budget Act. Section 302(F)(1) of the Budget Act prohibits consideration of any measure providing new budget authority, new entitlement authority, or new credit authority for a fiscal year which would cause a committee's appropriate allocation made pursuant to section 302(B) to be exceeded. The Foreign Affairs Committee and the Interior and Insular Affairs Committee, the committees of jurisdiction, have no allocation for new budget authority for fiscal year 1990.

Second, the caucus rules for the 101st Congress prohibit consideration on the Suspension Calendar of any bill costing over $100 million. House Joint Resolution 175 would result in new spending of $185 million in fiscal year 1990. This clearly violates the caucus rules.

As a result, when this resolution was originally scheduled for floor consideration last week, I asked that it be removed from the schedule. However, the caucus rules and provide that bills with budget issues can be placed on suspension if approved by a majority of the Democratic Steering and Policy Committee. The leadership obtained the necessary majority to place this bill back on the calendar. In general, I oppose placing bills with direct spending above de minimus amount, or authorizations of over $100 million, on the calendar; however, an expedited process based on caucus rules has been followed in this case.

Mrs. SAIKI. Mr. Speaker, I want to express my strong support for House Joint Resolution 175, the Palau Compact of Free Association Implementation Act.

This measure is a message of United States support for the independence of the people of Palau. The effort to transform Palau from a trustee relationship with the United States, to one of free association, has been a long and sometimes difficult process. This compact is the result of two decades of negotiation, and will allow the people of Palau to determine their political status.

The bill before us today adequately balances our desire to see the people of Palau exercise self-determination, while also protecting American interests in the Pacific. I am hopeful that the people of Palau will take the enactment of this legislation as an opportunity to move forward into a state of free association.

Chairman DE LUGO and Congressman LAGOMARSINO are to be commended for their efforts on behalf of this legislation, and I urge all Members of the House to vote in favor of House Joint Resolution 175.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

Mr. DE LUGO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from the Virgin Islands [Mr. DE LUGO] that the House suspend the rules and pass the joint resolution (H.J. Res. 175), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

RATIFYING CERTAIN AGREEMENTS RELATING TO THE VIENNA CONVENTION ON DIPLOMATIC RELATIONS

Mr. SOLARZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2214), to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations.

The Clerk read as follows:

H.R. 2214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to section 101(d) of Public Law 99-239, the following agreements are approved and shall enter into force in accordance with their terms:

(1) "Agreement Between the Government of the United States and the Government of the Republic of the Marshall Islands to Amend the Governmental Representation Provisions of the Compact of Free Association Pursuant to section 432 of the Compact", signed on March 18, 1988; and

(2) "Agreement Between the Government of the United States and the Government of the Federated States of Micronesia to Amend the Governmental Representation Provisions of the Compact of Free Association Pursuant to section 432 of the Compact", signed on March 9, 1988.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. SOLARZ] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to pay tribute to my very good friend, the gentleman from California [Mr. LAGOMARSINO], for bringing this legislation before the House.

Very simply, what it would do is to upgrade the level of our diplomatic relations with the Marshall Islands and the Federated States of Micronesia. A number of other countries have already established full diplomatic relations with both the Marshall Islands and the Federated States of Micronesia. The time has now come for the United States to do, as well.

These two entities, which previously were trust territories of the United States, embarked on a new relationship with the United States a few years ago when they became freely associated states.

□ 1750

At the time that we approved the Compact of Free Association with the Marshall Islands and the Federated States of Micronesia, we provided for resident representatives of the United States in these entities rather than fully accredited diplomatic representatives, but I believe that the feeling of my good friend, the gentleman from California [Mr. LAGOMARSINO], which I entirely share, was that the dignity and the status of two entities required us to upgrade the level of our diplomatic relationship with them and to have full-fledged ambassadors over there.

I hope I am not being naive or overly optimistic in expressing the hope that whoever is appointed to these ambassadorial positions will have the credentials and the professionalism which one generally expects in diplomatic representatives of the United States, and that these two posts will not be awarded to minor fundraisers or doorbell ringers who are being rewarded for their services to one of our two great political parties. I think the citizens of the FSM and the Marshall Islands deserve better. We do have many qualified professional foreign service officers, I think, would relish having the opportunity to have the post of ambassador in their curriculum vitae.

In any case, Mr. Speaker, the bill does have the support of the administration, it has support on both sides of the aisle, and I very much hope that our colleagues will join with us in supporting this most meritorious measure.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in rising in support of H.R. 2214, a bill to ratify certain agreements, relating to the Vienna Convention on Diplomatic Relations, I want to first thank Chairman DANTE FASCELL and Vice Chairman BILL BROOMFIELD of the Committee on Foreign Affairs for their support of this legislation. I also want to thank Chairman STEVE SOLARZ and Vice Chairman JIM LEACH of the Foreign Affairs Subcommittee on Asian and Pacific Affairs for yielding the lead on this matter of diplomatic representation in the Pacific.

For a number of years, I have been concerned with the lag in establishing adequate United States diplomatic representation among the many new independent Pacific Island nations.

That void provided an opportunity for those not traditionally friendly with the United States or in agreement with United States strategic interests to unduly influence these new Pacific countries. In a relatively short period of time, new independent archipelagic states emerged in the Pacific with extended economic zones covering most of the Pacific

I am pleased to note that by last year, the United States had established diplomatic posts in each of three major spheres of influence of the Pacific: Melanesia, Polynesia and Micronesia. Some further fine tuning of our diplomatic representation in the Pacific may be in order, which the provisions of H.R. 2214 proposes to do.

H.R. 2214 addresses the type of diplomatic relations with the new freely associated states of the Republic of the Marshall Islands and the Federated States of Micronesia. These two states became fully sovereign and responsible for domestic and external affairs upon the effective dates of their respective compacts of free association with the United States in 1986.

Since then, the freely associated states have established diplomatic relations with a number of major countries throughout the world. Both the Marshalls and the Federated States of Micronesia have been formally admitted to the South Pacific forum, the major political organization in the Pacific for independent states, exclusive of Pacific Rim countries and European powers. The administration and the Governments of the Marshalls and the Federated States of Micronesia determined it was in the mutual interest of all parties to conduct relations as do other countries in the international community. In March 1988, our Government and the governments of the freely associated states agreed to a change in diplomatic relations according to the procedures in Public Law 99-239, the Compact of Free Association. The compact requires changes in the compact be by mutual consent and with the approval of the Congress. Last year, the Committee on Foreign Affairs favorably reported ratifying legislation, which was subsequently passed by the House on two different occasion.

In the last Congress, the subcommittee and full Foreign Affairs Committee reported these provisions and the House subsequently passed legislation containing the identical language in the new bill on two different occasions. First with the passage of House Joint Resolution 597 and later with House Resolution 5550. Unfortunately, due to time and other constraints, they were not enacted into law.

This legislation ratifies the agreement between the Government of the United States and the Government of the Federated States of Micronesia and the agreement between the Government of the United States and the Marshall Islands which were entered into on March 9 and March 18, 1988, respectively. The agreements extend diplomatic status to the signatory governments' representatives according to the Vienna Convention on Diplomatic Relations.

I believe it is in the best interest of the United States to have diplomatic relations with the Federated States of Micronesia and the Marshall Islands according to the internationally recognized Vienna Convention on Diplomatic Relations. While the relationship between the United States and these former United Nations' islands is special and unique, they choose to have sovereignty and authority over foreign relations and their own citizenship. In contrast, the people of the Northern Mariana Islands yielded sovereignty and authority regarding foreign affairs to the United States and are today U.S. citizens. By conforming our diplomatic relations with the Marshalls and the Federated States of Micronesia to the internationally recognized standard, our relationship to U.S. affiliated island areas not covered by the territorial clause of the Constitution will be clearer and better understood both within the United States and among the international community.

Let me also thank my good friend from Guam, a cosponsor of this legislation, and the only Member of Congress from Micronesia, Gen. BEN BLAZ, for working with me on this issue which I recognized affects his neighbors. He has provided many constructive suggestions during the past 5 years on legislation we have enacted. My thanks also to the new delegate from American Samoa, ENI FALEOMAVAEGA, for also cosponsoring this bill which will affect the relations among the Pacific Island community.

In closing, it is also appropriate to express my appreciation to the President of the Marshall Islands, Amata Kabua, and the President of the Federated States of Micronesia, John Haglelgam, for their cooperation and patience with the United States in effectuating this change. The chiefs of mission of the freely associated states in Washington, the honorable Wilfred Kendall, representating the Marshall Islands and the Honorable Jessie Marehalau, representing the Federated States of Micronesia, are also due recognition for their diligent and cooperative efforts with both the executive and legislative branches of the United States.

U.S. DEPARTMENT OF STATE,
Washington, DC, May 23, 1989.

Hon. JIM WRIGHT,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This letter addresses H.R. 2214, a bill "to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations". This bill would approve agreements of March 1988 between the United States and the Marshall Islands and the Federated States of Micronesia enabling us to conduct our diplomatic relations with the Freely Associated States in accordance with the Vienna Convention on Diplomatic Relations. Since these agreements would amend the Compact of Free Association (PL 99-239), they must be ratified by Congress. Passage of H.R. 2214 would accomplish this purpose; hence the Administration endorses the bill.

Since the Compact of Free Association entered into force in late 1986 our diplomatic relations with the Freely Associated States have been governed by its Sections 151 and 152. Amendment of these Compact provisions is believed necessary because of anomalies which have arisen with respect to areas where our diplomatic relations are not in conformance with the Vienna Convention.

First, our diplomatic representatives presently do not enjoy appropriate levels of inviolability and immunity from local civil and criminal process in the Freely Associated States. Specifically, there can be considerably legal ambiguity associated with the assertion of "official acts" immunity by diplomatic representatives under Section 152 of the Compact. Unnecessary taxpayer expense may be incurred where the need arises to retain counsel to travel to the Freely Associated States for purposes of representing United States diplomats who must plead "official acts" immunity in court because they do not enjoy traditional diplomatic immunity.

Moreover, our practice of exchanging diplomatic Chiefs of Mission, but giving them the title of "Representative" with limited immunities has resulted in confusion internationally regarding the legal and political status of the governments of the Freely Associated States. Conversion to full Vienna Convention treatment for the diplomatic envoys of the United States and the Freely Associated States will promote better international understanding of the sovereign and self-governing status of the Freely Associated States. In this manner, the proposed bill will advance the foreign policy objectives embodied in the Compact.

In our view, implementation of the agreements, specifically converting our present missions to embassies, will entail no additional costs. We intend no increase in personnel levels as a result of the implementation of the agreements. We are leasing office space and housing in both locations that suit our present purposes and intend no alterations in these arrangements to accommodate their conversion to embassies.

Therefore the Administration requests expeditious passage of H.R. 2214.

Sincerely,

JANET G. MULLINS,
Assistant Secretary, Legislative Affairs.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I am pleased to support H.R. 2214, which would give full diplomatic status to the representatives in the United States of the two fully independent Micronesian states—the Marshall Islands and the Federated States of Micronesia.

I wish to commend Mr. LAGOMARSINO for his role in sponsoring this legislation. I also thank Chairman FASCELL and Congressman SOLARZ, the chairman of the Asia/Pacific Sub-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

committee, and Mr. LEACH, the ranking Republican member of the subcommittee, for giving it speedy consideration.

Since they were established under the Compact of Free Association, the Micronesian states have been fully independent sovereign countries. They have made great strides in building national governments to administer their internal affairs and conduct foreign relations.

Up to now, the representatives of these Micronesian states have had a special status under the Compact of Free Association. The time has come for them to be granted full diplomatic rights and privileges under the Vienna Convention on Diplomatic Relations.

This legislation will give full diplomatic status to the representatives of these Micronesian governments. I give it my warm support as yet another indication of the growing maturity of these states and their admission into the council of the world's governments.

Mr. SOLARZ. Mr. Speaker, I yield such time as he may consume to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Speaker, I thank the gentleman from New York for yielding me this time, and I rise in strong support of the legislation. I congratulate the gentleman from California [Mr. LAGOMARSINO] for his leadership in this matter.

Mr. Speaker, I support H.R. 2214, a bill which would effectively amend the Compact of Free Association Act of 1985 to make a minor change in Federal representation in two of the insular areas, the Federated States of Micronesia and the Marshall Islands.

The Compact Act included a compromise between the Interior and Insular Affairs and Foreign Affairs Committees—and the Interior and State Departments—on the issue of Federal relations with the freely associated states. The Committee on Energy and Natural Resources of the other body was also a major factor in this compromise, advocating the position supported by the Interior and Insular Affairs Committee and the Interior Department.

Under the compromise, the Interior Department provides all Federal assistance to and coordinates all Federal programs in the freely associated states. The State Department handles government-to-government contacts.

U.S. representation in the freely associated states is supervised by a representative, who is a State Department employee. It is supposed to include a representative of the Interior Department, to supervise Federal assistance and programs under the representative.

H.R. 2214 would alter the compromise on the Compact Act of 1985 by enabling the Federal representative in the freely associated states to carry the title of Ambassador.

This proposal was not included in the compromise on the Compact Act of 1985 so as not to suggest that the Compact Act would make the Federated States and the Marshall Islands independent countries.

Instead of independence, these insular areas had chosen free association, a status different from independence which the Compact Act approved. Under free association, these insular areas have full powers of self-government in all matters not affecting security, for which the United States remains responsible; are largely supported by Federal assistance, including many domestic programs; and enjoy free access for their citizens to the United States, and other preferences.

Because this relationship is unprecedented for the United States, it required us to decide how Federal relations with the freely associated states should be conducted, among other things.

To prevent confusion, we decided in 1985 against full diplomatic relations, as I have indicated. Since U.S. responsibilities in the freely associated states would go far beyond diplomatic responsibilities, including security and providing most of the insular governments' revenue, we felt that diplomatic relations would not be adequate.

We did not think it would be preferable to have ambassadors in insular areas for which our Nation retains such special responsibilities of a domestic nature. Instead, we felt we should be represented in them by a new kind of representative, officers whose position and mission would recognize both the autonomy and sovereignty possessed by the freely associated states and continuing U.S. responsibilities.

Why, then, do we now support a bill that would have relations conducted on a diplomatic basis?

The reason is not that the Federated States and the Marshall Islands have moved from free association to independence or that the nature of Federal responsibilities regarding them have changed. They have not.

The reason is that we have compromised on legislation to authorize the Compact of Free Association with Palau to be put into effect. This compromise includes a provision proposed on the other side of the Capitol to approve agreements signed by a State Department official in March 1988—but only formally endorsed to Congress by the executive branch last month—to conduct relations with the Federated States and the Marshall Islands according to the Vienna Convention on Diplomatic Relations.

We can agree to this provision of the compromise because it would in no way actually change the fundamentals of the status of the Federated States and the Marshall Islands, although it may cause some confusion about it, although it changes the compromise on the Compact Act, and although there are some concerns about its advisability.

As a provision of the compromise, the provisions of this bill are part of the legislation authorizing the compact with Palau to be put into effect which has just passed the House.

Why, then, is this bill being considered separately?

Separate consideration was also agreed to out of deference to the gentleman from California, our colleague BOB LAGOMARSINO. The ranking Republican of the Insular and International Affairs Subcommittee, which I am privileged to chair, he has been the principal proponent of this legislation.

Separate consideration was also agreed to out of respect for the Chairman of the Committee on Foreign Affairs, my valued friend DANTE FASCELL, who has supported the gentleman from California's request.

On behalf of the chairman of the Committee on Interior and Insular Affairs, MO UDALL, our ranking Democrat, GEORGE MILLER, objected to consideration of this bill a month ago. He now agrees to consideration with me.

There were a number of reasons that the leadership of the Interior and Insular Affairs Committee objected to consideration of this bill last month.

One was that the bill had not been considered by our committee, which has always had jurisdiction over matters concerning these insular areas, has jurisdiction over the Compact Act, and specifically wrote this provision of the Compact Act with the Foreign Affairs Committee in the compromise in 1985 that I described.

This jurisdiction was recognized when a bill containing similar provisions—but no others within our committee's jurisdiction—was referred to the Interior and Insular Affairs Committee in the last Congress. Of course, it was also recognized when the Palau Compact legislation just before the House was referred to our committee.

Another reason for objection was that separate consideration last month would have come ahead of consideration of the Palau Compact legislation. At that point, the Palau Compact legislation was still uncertain to be considered because the administration had not followed through on commitments made in the compromise on it.

As I have indicated, we agreed to the provisions of this bill as part of the compromise in spite of reservations about these provisions. The reason for our agreement was to reach the compromise. The compromise did not eliminate our reservations to the extent that we would agree to go ahead with a Senate provision of the compromise without certainty that House provisions would be acted upon.

In addition to the reservations related to the unique status of the freely associated states and Federal responsibilities in them that are distinct from responsibilities in independent countries, there are reservations related to the continuation of the Pacific Islands Trusteeship.

Our Nation was assigned full responsibility for the Federated States and the Marshall Islands—as well as Palau and the Northern Mariana Islands—under a 1947 agreement with the United Nations Security Council. The United States long maintained that Security Council action was required for termination of this agreement. According to the American Law Division of the Congressional Research Service, this remains the position of most legal commentators.

The Compact Act did not purport to terminate the trusteeship for the Federated States and the Marshall Islands and the Security Council has not acted to terminate it. Federal courts have recognized that it remains in legal effect even though President Reagan proclaimed it ended.

A primary reason that termination of the trusteeship has not been proposed in the Security Council is that the United States also long took the position that the trusteeship cannot be terminated piecemeal. This is why the trusteeship continued to apply to the Northern Mariana Islands for a decade after the covenant to establish the Commonwealth

of the Northe
union with the
The relevan
enant and the
enant Act ass
mation that th
the Northern M
viewable and
similar authori
mation.
One of the
cil agreement
the unquesti
States trustee
Hopefully, the
Palau Compac
tween the adm
which made it
mentation of F
Although th
States and the
Congress inte
may, therefore
national lega
worth.
This raises
United States
trust territory
tion of whethe
sociated stat
dors.
There is,
issue that I
some represe
and the Mars
the United S
tions with the
vention will h
other countrie
This factor
very much we
pact provides
be recognize
more, I want
way I can.
So, I attach
favor of the
something to
Finally, I w
ducting relat
states accor
cannot—and
actually cha
status, or ou
in them, inc
Federal repre
For the re
ing to supp
that it will no
Mr. SOL
minutes to
tleman fro
LEOMAVAEG
Mr. FAI
er, I am
H.R. 2214
assembly.
this meas
passed by
H.R. 22
esteemed
GOMARSINO
providing
relations
and the F

of the Northern Mariana Islands in political union with the United States was approved.

The relevant difference between the Covenant and the Compact Acts is that the Covenant Act asserted that a Presidential proclamation that the trusteeship was terminated for the Northern Mariana Islands would not be reviewable and the Compact Act contained no similar authorization for a Presidential proclamation.

One of the factors impeding Security Council agreement to terminate the trusteeship—is the unquestioned continuation of United States trusteeship responsibility for Palau. Hopefully, the legislation just passed on the Palau Compact, including the agreement between the administration and leaders of Palau which made it possible, will lead to the implementation of Palau's future political status.

Although the compact with the Federated States and the Marshall Islands is in effect, as Congress intended, the trusteeship agreement may, therefore, still be applicable in an international legal sense—for whatever that is worth.

This raises the question of whether the United States should have Ambassadors in trust territory entities in addition to the question of whether its representatives in freely associated states should be called Ambassadors.

There is, though, another aspect of this issue that I would like to mention. It is that some representatives of the Federated States and the Marshall Islands believe that having the United States agree to conduct its relations with them according to the Vienna Convention will help them obtain recognition from other countries and help their development.

This factor is a very important one to me. I very much want the sovereign status the compact provides the freely associated states to be recognized throughout the world. Even more, I want to help them to develop in any way I can.

So, I attach great weight to this argument in favor of the bill and hope that there is really something to it.

Finally, I want to reiterate that simply conducting relations with the freely associated states according to the Vienna Convention cannot—and it not in any way intended to—actually change either their unique political status, or our Nation's unique responsibilities in them, including the unique nature of the Federal representative's mission in them.

For the reasons I have explained, I am willing to support this legislation. I am hopeful that it will not be misunderstood.

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from American Samoa [Mr. FALEOMAVAEGA].

Mr. FALEOMAVAEGA. Mr. Speaker, I am proud to be a cosponsor of H.R. 2214, the legislation before the assembly. I rise in strong support of this measure and request that it be passed by my colleagues.

H.R. 2214, a bill introduced by our esteemed colleague, Hon. ROBERT LAGOMARSINO, would ratify agreements providing that future governmental relations between the United States and the Republic of the Marshall Islands and the Federated States of Micronesia [FSM] be conducted in accordance with the Vienna Convention Standards on Diplomatic Relations.

I would like to acknowledge the long years of hard work put into the negotiations underlying this measure by Hon. Wilfred Kendall, representative of the government of the Marshall Islands, and Hon. Jesse Marehalau, representative of the Government of the Federated States of Micronesia. H.R. 2214, which has broadbased bipartisan support in both the House and the Senate, is strongly advocated for passage by the administration.

This vital piece of legislation shall remedy the existing, untenable situation created under Public Law 99-239, the compacts of free association, wherein an aberrant relationship of diplomatic representation has been devised between the governments of our country, the Marshall Islands, and the FSM. Under section 151 of the compact, rather than having an exchange of fullfledged ambassadors representing each countries' interests, we have an interchange of resident representatives. Pursuant to section 152, rather than having full diplomatic embassies established in each country, we have created resident offices. This makeshift system of diplomacy clearly does not meet internationally recognized protocols on diplomatic relations.

Although the compacts were designed in great part to give the Marshalls and the FSM a greater sense of self-government and autonomy, the existing provisions in the compacts establish governmental relations with the United States that are clearly deficient from the standard of diplomatic relations we accord other nations. Whereas this shortfall in diplomatic recognition of the Marshalls and the FSM has not gone unnoticed, this has had negative ramifications for the unconditional acceptance of these two governments into the International Community of Nations.

In order to facilitate the progression from trusteeship to self-government, it is necessary that our country extend full diplomatic relations in accordance with the Vienna convention standards to the Marshals and the FSM. I would strongly urge my colleagues to support this measure, which shall assist in bring to fruition full recognition for these island nations.

Mr. SOLARZ. Mr. Speaker, for the purpose of concluding debate on our side of the aisle, I yield myself 30 seconds, and I will take this time simply to pay tribute to the gentleman from California [Mr. LAGOMARSINO].

Mr. Speaker, the gentleman from California has done as much, if not more so, than any other Member of this body to shepherd this legislation through the Congress. He has played an enormously constructed role in protecting our vital interests in the South Pacific, and he has acted over the last several years as a member of both the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs with great responsibility. He has been our ambassador to the Committee on Interior and Insular Affairs, he has been the resident representative of the Interior Committee on the Foreign Affairs Committee, and he has managed to emerge unscathed from that experience, enjoying the affection and the esteem of the membership of both committees.

Mr. Speaker, I urge adoption of the legislation.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume, and I take this time to thank the gentleman from New York [Mr. SOLARZ] for his kind words, although I am not sure about the word, "unscathed."

Mr. Speaker, I urge my colleagues to adopt this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. SOLARZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from New York [Mr. SOLARZ] that the House suspend the rules and pass the bill, H.R. 2214.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ALLOWING CERTAIN CLAIMS ARISING FROM MEDICAL CARE PROVIDED MEMBERS OF THE ARMED FORCES

Mr. FRANK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 536) to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces, as amended.

The Clerk read as follows:

H.R. 536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLAIMS FOR NEGLIGENT MEDICAL CARE.

(a) COGNIZABLE CLAIMS.—Chapter 171 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 2681. Certain claims arising out of medical care provided members of the Armed Forces

"(a) CLAIMS AUTHORIZED.—Subject to the provisions of this chapter, claims may be brought under this chapter for damages against the United States for personal injury or death of a member of the Armed Forces serving on active duty (as defined in section 101(22) of title 10) or on full-time

National Guard duty (as defined in section 101(42) of title 10), under the conditions prescribed in this section.

"(b) LIMITATION TO MEDICAL CARE IN FIXED FACILITIES.—The personal injury or death referred to in subsection (a) must have arisen out of noncombatant medical or dental care furnished the member of the Armed Forces in a medical facility operated by the Secretary of a military department or any other medical facility operated by the United States.

"(c) OFFSET OF OTHER GOVERNMENT BENEFITS BY AMOUNT OF AWARDS OF JUDGMENTS.—If an award or judgment on a claim under this section for personal injury or death of a member of the Armed Forces is paid, then no monetary benefits under title 10, title 37, or chapter 11 or 13 of title 38 that are attributable to the personal injury or death from which the claim arose shall be paid to the member or the member's estate, survivors, or beneficiaries, for any month beginning after the date on which the award or judgment becomes final, until the aggregate amount of benefits that would be paid but for this sentence equals that amount of the award or judgment which the agency making the award, or the court entering the judgment, as the case may be, determines is equal to compensatory damages, less any amount of the award or judgment paid for attorneys fees or costs incurred in connection with the claim.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'medical facility' means a medical center, hospital, or clinic that is located in a building or structure; and

"(2) the term 'personal injury' does not include mental or emotional disability unless it is the direct result of a physical injury.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 171 of title 28, United States Code, is amended by adding at the end the following new item:

"2681. Certain claims arising out of medical care provided members of the Armed Forces."

SEC. 2. EFFECTIVE DATE.

Section 2681 of title 28, United States Code, as added by section 1 of this Act, shall apply only with respect to personal injuries or deaths occurring on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second is considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I am delighted to note that our versatile friend, the gentleman from California [Mr. LAGOMARSINO], having demonstrated his mastery of the Interior Committee and the Foreign Affairs Committee, is now picking up the duties of the Judiciary Committee as a sideline, and I am sure he will perform them well.

This is a bill that has passed this House several times before. It first came forward when the chairman of the Subcommittee on Administrative Law was the gentleman from Kansas [Mr. GLICKMAN], and it says something very simple. At present, anybody in the United States may sue the Federal Government for medical malpractice except people who are on active duty in the armed services. If you are an inmate in a Federal correctional institution and you are the victim of malpractice from a federally employed physician, you are allowed, as you should be, to sue for malpractice. If you are a veteran and you go to a veterans' hospital or you go to a base hospital, as your right may be, and you are operated on by a military physician, you may sue for malpractice. If you are the dependent of an active duty member of the armed services and you are the victim of malpractice, you can sue for it. But if you are a marine or sailor or a soldier or a member of the Air Force, you cannot, and we think that is inequitable.

I want to emphasize that this is not an effort to indict military medicine. We do not believe that military medicine is somehow inferior to medicine of a general sort. The argument would have to be the reverse. You would have to believe that military medicine is somehow infinitely superior to regular medicine to be against this bill, because all this bill says is that—and we have an example of this—if you are a woman in the Air Force who, as a result of malpractice, has lost her right to have children, you can sue for that, and if you are severely damaged, you can sue for it.

□ 1800

People have said, "Well, we don't like this whole tort business."

The Federal Tort Claims Act is the law under which people would be allowed to sue for malpractice, and it is a much more restricted right of suit than the average citizen has in the course of our land and in the States because we, the Federal Government being sovereign, determine the terms under which we can be sued. There are no jury trials. There are no punitive damages. It is a far more limited right. Many of the things that people have found to be negative in tort practice in general, and I do not mean at this point to endorse those criticisms or not, but simply to note them, but they do not apply here.

Mr. Speaker, it is also not an effort to sue Hawkeye. This would not apply to Army or Navy hospitals overseas. What we do is amend the Federal Tort Claims Act, which in its terms is limited to actions that take place within the continental United States.

This bill came unanimously out of subcommittee, and indeed it was strengthened by amendments offered by the ranking member, the gentleman from Florida [Mr. JAMES] and the gentleman from New Hampshire [Mr. DOUGLAS], a former member of the New Hampshire Supreme Court. It came unanimously out of the Committee on the Judiciary. It passed the House by the requisite two-thirds or more on several occasions.

We made one change this year from last year, which is why we necessitated a second here. The gentleman from Mississippi, the great defender of the veterans, pointed out to us that the way we had the bill written, we had it written so there would be an offset so that we would not be collecting twice, both in veterans' benefits and in a malpractice settlement. We had it written so, first, they would get their veterans' benefits. That drew down the budget of the Veterans' Administration. We have reversed this, and, under this bill, first one would get their settlement, which comes, by the way, not out of the Defense Department budget, but out of the judgment fund of the Federal Government.

It is Federal money; I do not pretend that it is not, but it is not VA money, and it is not DOD money. Only after one has gotten their full settlement would they then go to the VA.

The one argument we have heard against this is that it would be subversive of discipline because enlisted personnel would be allowed to sue officers. I do not favor giving a private or a sergeant the right to defy an order from a captain, but the argument that we have somehow undermined discipline, if after emerging from an anesthetic and being diagnosed as having been the victim of a malpractice a private is allowed in an orderly process to bring a lawsuit against the captain or major who performed the operation, I do not for the life of me see how discipline is undermined.

If the argument is that the enlisted personnel will somehow infer that their officers are not infallible, I say to those who worry about it, "It is to late. They already know that."

There is no right here for any enlisted personnel to defy a superior officer, to confront a superior officer in an unbecoming manner. It simply allows this legal process.

Mr. Speaker, I notice at this point that we have been joined by the ranking minority member who made some important contributions, and one last minute contribution of his that I should note is that we had drafted this bill in a somewhat loose fashion at one point, and there was a possibility that one could have won their lawsuit, had a recovery, and the fees one would have had to pay their lawyer would have obviously not gone to them, but

it could have cost them veterans' benefits. The gentleman from Florida [Mr. JAMES] correctly pointed out that was not our intention. It is a better bill because of his work.

Mr. Speaker, I am delighted at this point to reserve the balance of my time so the gentleman from Florida [Mr. JAMES] may proceed.

Mr. LAGOMARSINO. Mr. Speaker, I ask unanimous consent that I be able to yield my time under the second to the gentleman from Florida [Mr. JAMES].

The SPEAKER pro tempore (Mr. VOLKMER). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JAMES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 536 and would urge my colleagues to vote in favor of the bill. Although the Administrative Law Subcommittee did not hold hearings on this issue in this Congress, I have reviewed the hearing record from the prior Congress and had the opportunity to participate in debate during committee consideration of this bill wherein amendments were adopted which I believe improve the legislation.

H.R. 536, as has been stated, would amend the Federal Tort Claims Act to provide that active duty military personnel may sue the Federal Government for negligent medical care. This legislation does, in effect, overturn the longstanding Feres doctrine which was created pursuant to the Supreme Court's ruling in the case of Feres versus United States. In the Feres case, the Supreme Court determined that while the Federal Tort Claims Act does make the Government amenable to suit "in the same manner and to the same extent as a private individual in like circumstances" it went on to conclude that the circumstances surrounding the relationship between active duty military personnel and the Federal Government is not analogous to that of a private individual to the Federal Government. Consequently, the Feres decision held that active duty military personnel would not be able to sue the Federal Government and that prohibition currently includes a suit by military personnel for medical malpractice.

The hearing record regarding this issue is replete with examples of blatant malpractice by military doctors against military personnel, examples which have left some of our military people virtually crippled for life with no legal recourse to address their grievances. While it is true that our military service people are entitled to certain disability claims pursuant to title 10 and title 38 of our code, these entitlements in my opinion, come nowhere near placing military personnel on a level playing field with private individuals when it comes to redressing the negligence of medical malpractice. I think this legislation addresses that inequity head on by providing under limited circumstances the right to our military people to sue our Government when they have been wronged due to negligent medical care.

It is important to keep in mind that, the Federal Tort Claims Act, through which a person must sue pursuant to this bill, limits those suits so as not to include claims arising out of combatant activities during a time of war or any claim arising in a foreign country, and does not provide for jury trials or claims for punitive damages. The bill further explicitly excludes a claim arising from an injury from services rendered in a field hospital or on a ship and I think it is important to note that personal injury under this legislation is defined not to include mental or emotional disability unless it is a direct result of a physical injury.

The bill was amended—as has been stated by the chairman—after full committee markup to clarify that there will not be double payment by the Federal Government to a claimant injured by negligent medical care. This was done by requiring that should a claimant be entitled to payments pursuant to his military service and sue for medical malpractice that any reward that he should be granted in our court system would postpone any disability payment he would be entitled to under current law until such time as those entitlements would equal the judgment rendered in his favor. I specifically amended that "anti-double dipping provision" to ensure that the basis of any court award rendered on behalf of a claimant for purposes of this provision would be offset by any attorneys' fees which the claimant may have to pay for having obtained that judgment. I think it only fair that if a veteran is going to have his disability payments suspended based upon the award of a court, that that award only reflect the payment which will eventually make it to the claimant's pocket.

I understand that the administration is opposed to this legislation and I also understand the administration's concerns. However, I believe if anybody deserves the right to sue in our court system for negligent medical care, it is our military men and women who risk their lives for this country. I further believe, based on the vote last year on this same bill, which passed overwhelmingly by a vote of 312 to 61, that a majority of this body obviously believes that the potential downside in allowing our military personnel to sue for negligent medical care substantially outweighs the concerns of the Supreme Court in the Feres decision as well as the concerns of the administration.

I commend the subcommittee chairman for expeditiously moving this bill through the committee process and to the floor of the House and urge my colleagues to vote in favor of this bill.

It is further my understanding, after discussion with the chairman, the gentleman from Massachusetts [Mr. FRANK] that it says "from the time of judgment."

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. JAMES. I yield to the gentleman from Massachusetts.

Mr. FRANK. The gentleman from Florida [Mr. JAMES], as I said before he was able to get here, correctly pointed out that the way we had it drafted, a successful claimant in the first place might find the lawyer's fee not being compensated and, second, might find that he was losing fees for money that had not yet been awarded. That is the gentleman raised the issue as to when the money actually was being paid, and what we decided, on page 3, as an insert to page 1 in line 24 we put in explicitly the words "is paid."

Mr. JAMES. Very good.

Mr. FRANK. So, Mr. Speaker, we changed "made" to "paid." So the offset would only begin when the dollars were actually in hand, and I thank the gentleman from Florida [Mr. JAMES] for pointing that out to us.

Mr. JAMES. Before it said "final judgment," and now it does say "paid." I thank the gentleman from Massachusetts [Mr. FRANK].

Then, Mr. Speaker, I fully endorse the bill, and I thank the gentleman from Massachusetts [Mr. FRANK] for his care in changing that language that makes it clear that someone is not waiting on their final judgment on an appeal to receive the funds and at the same time have their benefits terminated.

That solves the problem. I fully endorse the bill, and I thank the gentleman from Massachusetts [Mr. FRANK], the chairman, for his efforts on it. I thank him so very much.

□ 1810

Mr. FRANK. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. ROWLAND].

Mr. ROWLAND of Georgia. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in opposition to H.R. 536, a bill that will allow active duty military personnel to engage in litigation to sue the Government in the case of possible malpractice litigation.

I think all of us want the very best quality of care for our people who are in the military service, and they deserve that, but I do not believe there is anything in this legislation that would improve the quality of care for the

people who are now serving us in the military. In fact, if you look at the amount of problems that we have had in the prviate sector when it comes to malpractice litigation, one realizes that the increasing cost of health insurance, the fact that many doctors are leaving rural areas, are not participating in obstetrical practice and many different things, that litigation has been at least a contributing factor to, one wonders really why we would want to allow military personnel who are on active duty to sue.

Also, these people already have in place a system of compensation. They can be compensated for injuries that they receive through the Veterans' Administration. They can get their medical care through the Veterans' Administration or they can get disability benefits, they can receive disability benefits through the military or receive medical care in military facilities.

So many times it is the lawyer who has the fastest gun really who is able to get his client the best awards that are available. In many instances those people who sue who really have a legitimate case are not able to win because they are being represented by an individual who is not really as astute as the one who is on the other side.

So it seems to me that if we do have a problem in the military, we should look at a system of arbitration. If there are problems with military personnel being able to recover when, in fact, they do have a legitimate complaint, then it seems to me that we should work out a system of arbitration and really not provide the Federal Treasury to them.

Mr. JAMES. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. Mr. Speaker, first I would like to thank the gentleman for yielding time to me, because the gentleman has been advised that although I usually agree with him, I do not agree with him on this bill.

Mr. Speaker, I rise to oppose H.R. 536. I acknowledge that there is indeed a difference between what would happen legally between a member of the military who suffers from malpractice and a civilian dependent, let us say, who suffers the same malpractice at a military hospital. As far as I know, there are differences between a military member and a civilian in any situation that might involve injury through some military responsibility. That is because there are two systems.

We have one system that applies to the military and a civil court system that applies to civilians. Sometimes a civilian claimant frankly can do better financially. That has been the case indeed in certain malpractice claims. A civilian person injured has gotten a judgment higher than a military member receives in disability benefits.

At the same time, Mr. Speaker, there are times when the military member receives more in compensation that the civilian would. If the civilian fails to prove medical malpractice, the civilian may receive nothing, but if the military member fails or could not prove medical malpractice, the military member can still receive the appropriate military disability payment.

The point is that the Government is already paying an amount to those people in the military who are injured through malpractice.

Mr. Speaker, if the military system is inadequate, then let us work with and better fund the military system of paying compensation. I believe despite the fact that I acknowledge there are some cases where military members do not receive as much compensation as civilians would in the same circumstances, nevertheless the worst thing for good order and discipline in the military is to have members of the military being able to sue each other in the civilian courts.

Mr. Speaker, I believe that we ought to keep the civilian courts out of the operation of our military as much as I can, and this is why I oppose H.R. 536.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume to make just a couple points.

First, the gentleman from Georgia, who as an M.D. knows the profession, pointed out that in some cases we have a problem because malpractice suits drive people out of the profession. That is, of course, not at all a factor here. These are not suits against the individual doctor. They are suits against the U.S. Government.

This will not, and no one alleges that it will in any way, shape or form, damage our ability to employ medical personnel, because they will not be held personally liable.

Second, while it is true that there are disability schedules, there is no disability allowed for the loss of ability to bear a child. There are things that can happen to you as the result of malpractice that are not necessarily going to be compensated. So we regard this as a supplemental.

Finally, people say, well, there are better ways to do it. Those who have been critical of this approach, and this is the third time this bill has come to the floor, to my knowledge none of them have come forward with that alternative. The Defense Department says there may be a better way, but they do not come forward.

In fact, if you believe as my friend, the gentleman from Georgia believes, he should not be here opposing this bill. He should be here repealing the malpractice section of the Federal Tort Claims Act, because with all these arguments you are left with this fact. Everybody in America can sue the Federal Government for medical malpractice, except the brave young people who put their lives on the line for it. It is that inequity and that alone that this bill addresses.

Mr. JAMES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is a big difference in this bill on the civilian side of the ledger. There is no jury award here. That is the biggest distinction.

Now, the criticism that has been invoked and brought forward against the private sector is mainly directed because of the verdicts that are rendered by juries, and that is where the criticism basically is found. Here you have no jury trial.

Likewise, this bill, if the malpractice kills a man, let us say, in the military, there is no wrongful death, and correct me if I am wrong on this, I say to the gentleman from Massachusetts [Mr. FRANK]. There is no wrongful death action and no compensation that is otherwise paid to military personnel. That is unfair.

Additionally, if you look at the benefits awarded to a military person, there is not normally the same comparable loss of wages or loss of estate values that occur on the civilian side of the ledger.

In other words, the worst possible place where you could be injured by malpractice would be if you were a military service member. It is very tough on your family. They already take the risk of death because of war or because of the danger of their activities. Why should they indeed also take the risk of death, dismemberment, or permanent injury at the hands of the negligence of another person and be in a totally different position than a civilian would be when operated on by a civilian doctor?

So you have your built-in protections that are spelled out in the bill. Furthermore, there is a dollar-for-dollar reduction, a specific dollar-for-dollar reduction against the disability that otherwise would be awarded. That is significant. That is net benefits received.

So there seem to be compelling reasons to treat the military personnel in a similar way that you would a civilian claimant. To do otherwise, is simply unconscionable.

Mr. Speaker, I yield back the balance of my time.

Mr. FRANK. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. GLICKMAN] who was the chairman when this bill first came to the floor.

Mr. GLICKMAN. Mr. Speaker, the gentleman from Massachusetts who has spearheaded this bill from the beginning has explained all the reasons for it, but the prime reason is a matter of equity. In ordinary noncombatant care situations where you have a situation where a member of the Armed

Forces is negligently treated and is not able to get judicial compensation, it is not fair. His child or her child, his or her spouse, can get compensation in the courts, but that person cannot. That is not fair.

More to the point. If you are a Federal prisoner in one of the Federal prisons in this country and you are injured by reason of negligent health care by a physician who works for the Federal Government, you being the Federal prisoner can sue the United States of America, but if you are an active duty member of the Armed Forces, you cannot. That is not fair. There is no reason that an active duty member should be held to be a second-class citizen, less than a Federal prisoner is in terms of his or her rights.

Therefore, this bill is reasonable, it is responsible, it is a matter of equity, and it ought to be passed.

□ 1820

Mr. FRANK. Mr. Speaker, I yield 3 minutes to the gentlewomen from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Speaker, as chairman of the Subcommittee on Military Personnel and Compensation, I rise in opposition to H.R. 536. I fully share the desire of the gentleman from Massachusetts [Mr. FRANK] to ensure that our young men and women in uniform receive only the highest quality medical care, but I do not believe his bill will make a significant contribution toward achieving that goal.

Let me say at the outset that the issue before us is not whether victims of military medical malpractice should be compensated. Rather, the question before us today is whether the existing system to compensate military members injured on active duty is fair and adequate for those injured by medical malpractice and what alternatives to the current system exist.

Currently, under the Federal Tort Claims Act, dependents of active duty personnel, retirees, their dependents, and survivors may sue the Government for malpractice at military medical facilities in the United States. If malpractice occurs overseas, the Military Claims Act provides an administrative process for malpractice settlements. Active duty personnel are bared from suing the Government because of the Supreme Court's decision in the case of Feres versus United States. Active duty victims of medical malpractice, like other service members injured or disabled in the line of duty, receive either military disability retired pay or disability compensation from the Veterans' Administration.

Critics argue that compensation under this system is inadequate, primarily because civilian courts are now making large malpractice awards. H.R. 536 is an attempt to bring active duty military members into the civilian court system by authorizing suits against the Government for medical malpractice.

If I thought that passage of H.R. 536 would guarantee that no active duty service member would ever again suffer medical malpractice, I would vote for it. I do not believe the bill will achieve this result. There appears to be little correlation between large malpractice awards and settlements in the civilian sector and improvements in the quality of care provided. I am sure we are all aware that the malpractice crisis is one of the major dilemmas facing American medicine today, with malpractice insurance premiums continuing to skyrocket. The primary beneficiaries of this crisis appear to be the trial lawyers who take home large contingency fees. H.R. 536 will only lead to more of the same.

In the 100th Congress, the Subcommittee on Military Personnel and Compensation held a hearing to look at alternative ways to compensate active duty military members who are victims of medical malpractice. The conclusion we came to was that extending to active duty personnel the administrative settlement procedures which now apply to those injured by medical malpractice overseas under the Military Claims Act makes more sense than authorizing suits in civilian courts. This would not be a perfect solution. But in my view H.R. 536 has more drawbacks than the Military Claims Act alternative. H.R. 536 would create a distinction between active duty personnel who are victims of negligence on the operating table and those injured by some other type of negligence. In other words, an active duty person injured by medical malpractice in a military hospital could sue the Government to recover, but someone who was struck by a Government employee driving a vehicle on the street right outside the same hospital could not. In addition, by allowing active duty personnel to sue, injured service members and the military system will be placed at opposite ends of an adversarial process in civilian courts and controlled by civilian judges and attorneys. Such a result would pit witnesses from the same service against one another and would disrupt the military assignment process because the civilian court system would be controlling the availability of military personnel. All in all, H.R. 536 is not the best way to ensure better quality medical care in the military or adequate compensation for those injured by medical malpractice.

In conclusion, let me say that in the past few years I have visited many military hospitals and have talked with many physicians and patients. I firmly believe that the vast majority of military doctors are capable and competent. They deserve our appreciation for a job well-done under often difficult and extraordinary circumstances. This bill will only make the recruitment and retention of health care providers more difficult. It will not create a more equitable compensation scheme for those injured by medical malpractice, and it will not lead to better quality health care. For these reasons, I intend to vote against the bill, and I urge my colleagues to do the same.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just close by saying that I agree, and I am glad that the gentlewoman from Maryland closed as she did, by lauding the hard-working people who provide medical care. I disagree with her that this would discourage them, but I think it is important that we end on the note of common praise for their hard work. I appreciate her for saying that.

Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Speaker, I had not intended to speak on this matter, but I was sitting in my office watching, and I was persuaded by my conviction to come down in support of the bill.

Let me tell the Members that I was operated on in one of the military hospitals some 5 years ago, and during that period of time there were other people who were operated on, and I simply say now there but for the grace of God go I. Because in that situation of those operations, four were wrongful deaths. The operation was conducted by a person who was not even qualified to hold that post of chief cardiac surgeon. He was later prosecuted and convicted and was sentenced.

If the Army or anybody else is going to be responsible, then it takes an act like this. People are responsible when they are held accountable. When they are not held accountable, they are not responsible.

Of those deaths, two were able to sue because they were spouses of retired personnel. In other instances, I think fairly unjustly, the others were not allowed to sue.

Mr. JAMES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to respond to a couple of comments made.

First, under the Tort Claims Act, the attorneys' fees are limited to 25 percent. Second, I am sure there are many doctors out there especially since there is no premium paid and it will not injure them one iota, who would morally want a claimant to have the right to pursue this in this manner, especially when there is no jury trial, if he made a mistake and knew he made a mistake. There is now no way to compensate a person even if the doctor knew he made a mistake. There is no way to do it. I would hope

29-059 O-90-12 (Pt. 10)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

that many of them would feel that way.

Mr. Speaker, I yield back the balance of my time.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply want to close by saying that we have been acknowledging staff, and we have been very well served by staff here. This is the last bill on which Jen Ihlo has worked. She is leaving. She has done enormously good work on several pieces of legislation, and I regret her loss, and I thought it was appropriate that we should note it on this bill. I thank our coworkers for reminding me of that.

Mr. FRENZEL. Mr. Speaker, I rise today in opposition to H.R. 536, a bill which allows members of the Armed Forces to sue the United States for damages for medical malpractice for care provided at Armed Forces medical facilities.

The Congressional Budget Office estimates that this new cause of action would cost the Government about $30 million per year. Under current law military personnel may not sue for medical malpractice but dependents and retirees may. From fiscal year 1984 through 1988, the Government paid about $60 million per year in malpractice settlements to dependents and retirees. The CBO estimate of this bill is based on the assumption that military personnel will generate claims and receive awards at the same rate per hospital admission as dependent and retired users of the system.

Judgments against the United States under this legislation would be paid out of the claims and judgments account within the Treasury Department which is funded by a permanent indefinite appropriation. This means that the bill creates spending by the Federal Government every time an award is won against the Government on the basis of this new cause of action.

Although it has been determined by the Parliamentarian that this bill does not create new budget authority or new entitlement authority in violation of the Budget Act, I would like to express a concern that the bill will most certainly result in new outlays in fiscal year 1990 and beyond.

Mr. Speaker, these new outlays will make our job of deficit reduction more difficult in the future and will add to the possibility of a fiscal year 1990 sequester. It is time to draw the line on spending increases. Once a budget resolution is adopted for a fiscal year, it should not be whittled away with spending increases here and there.

Mr. PANETTA. I would like to make clear that I support H.R. 536, which would allow active duty military personnel to bring suit against the United States for injuries arising from medical malpractice in military medical facilities. I have seen first hand the pain and suffering inflicted by negligent medical care in military medical facilities, where the injured military service man or woman was prohibited from pursuing legal redress. I urge my colleagues to vote in favor of the bill.

However, my role as chairman of the Budget Committee compels me to point out that the bill contains direct spending, as defined by CBO, and violates several sections of the Budget Act. These issues were not raised when the bill came to the floor last year and therefore the Judiciary Committee did not include the measure in its February 25 report.

The proper procedure for any committee planning to report a bill creating direct spending is to state its intent to report such legislation in its February 25 report to the Budget Committee and to work with the Budget Committee to ensure that such authority or spending is included in the budget resolution.

Mr. BROOKS. Mr. Speaker, I rise in support of H.R. 536, which would amend the Federal Tort Claims Act to allow active duty military personnel to sue for damages that arise from medical malpractice. This bill was approved by the Committee on the Judiciary on April 25, 1989, by a voice vote.

A 1950 Supreme Court decision held that the Federal Tort Claims Act bars active duty military personnel from suing the Federal Government for damages arising from Government action or inaction. It has applied this principle, which is known as the Feres doctrine, to claims for medical malpractice. Because nonactive duty personnel, who comprise two-thirds of the individuals treated in medical facilities, have the right to sue for medical malpractice, the only individuals who are disadvantaged by the application of this doctrine are active duty personnel.

The Subcommittee on Administrative Law and Governmental Relations, chaired by the gentleman from Massachusetts, Mr. FRANK, has documented in detail the cases of members of the Armed Forces who have suffered from medical malpractice and who have been unable to recover damages which they otherwise might receive, due to the operation of the Feres doctrine.

I believe that passage of H.R. 536, which constitutes a carefully drawn and limited waiver to the Feres doctrine, is amply justified by the record compiled by that subcommittee. Passage of this bill is a matter of justice and equity and I urge an affirmative vote for H.R. 536.

Mr. FRANK. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the motion offered by the gentleman from Massachusetts [Mr. FRANK] that the House suspend the rules and pass the bill, H.R. 536, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend therein remarks on H.R. 536, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES REGARDING THE FLAG OF THE UNITED STATES

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 186) expressing the sense of the House of Representatives regarding the flag of the United States.

The Clerk read as follows:

H. RES. 186

Whereas for more than 2 centuries the flag of the United States has stood as the paramount symbol of unity for the Nation by transcending political and geographical divisions;

Whereas millions of men and women have served under the flag of the United States in the Armed Forces since the beginning of the Republic, through 2 world wars and in Korea and Vietnam, and many thousands sacrificed their lives in defense of freedom;

Whereas the Congress has commemorated the unique status of the flag through the enactment of detailed legislation prescribing its proper display and treatment;

Whereas desecration of the flag is an act so offensive to individuals in the United States that it may be considered an incitement to violence;

Whereas the United States Supreme Court has held in the case of Texas v. Johnson that the Texas statute prohibiting desecration of the flag is unconstitutional; and

Whereas the decision of the Court calls into question the validity of section 700(a) of title 18, United States Code, prescribing criminal penalties for desecration of the flag, as well as statutes enacted by 48 of the 50 States prohibiting the burning of the flag: Now, therefore, be it

Resolved, That the House of Representatives hereby—

(1) expresses its profound concern over the Supreme Court's decision in Texas v. Johnson;

(2) expresses its continued commitment to preserving the honor and integrity of the flag as a living symbol of our Nation and its aspirations and ideals;

(3) condemns all actions intended to desecrate the American flag; and

(4) urges the American people to continue to display proudly the flag of the United States as a symbol of our Nation and the values for which it stands.

The SPEAKER pro tempore. Is a second demanded?

Mr. FISH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that debate be extended to 1 hour, to be divided equally between the majority and the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. WEISS. Mr. Speaker, reserving the right to object, inasmuch as I may be one of the few true opponents of this resolution and I have discussed with my friend and colleague, the gen-

tleman from
the appropria
tain balance
debate from t
appreciate an
of the minori
Mr. FISH. I
tleman yield?
Mr. WEISS
the gentleman
Mr. FISH. I
this conversat
at that time
would be allo
view of the n
for time, coul
fied with 6 mi
Mr. WEISS
pleased to acc
Mr. Speake
tion of object
The SPEA
there objecti
gentleman fr
There was n
The SPEA
gentleman fr
will be recog
the gentlema
FISH] will be
utes.
The Chair
from Texas [
Mr. BROO
myself such t
Mr. Speake
the Speaker
and the maj
HARDT, I hav
tion to assu
that we here
sentatives do
disrespect an
flag of the U
My colleague
TON FISH, th
the Committe
me in sponso
Mr. Speake
symbol of ou
over 200 yea
and geograph
in war and in
ration to the
in defense of
The flag is
it is our mos
identity as a
for which we
accorded a u
in our Nation
Detailed l
proper displa
eight States
ment have pa
desecration o
Last week,
held unconst
prohibiting t
That decision
many laws er
and to punis
crate it. I am
can people sh
flag must no

tleman from New York [Mr. FISH], the appropriateness of reserving a certain balance of time for myself in the debate from the minority side, I would appreciate an allocation of 7 minutes of the minority's time.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I am happy to yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, we did have this conversation, but we did not know at that time exactly how much time would be allocated to this measure. In view of the number of requests I have for time, could the gentleman be satisfied with 6 minutes?

Mr. WEISS. Mr. Speaker, I would be pleased to accept 6 minutes.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. BROOKS] will be recognized for 30 minutes, and the gentleman from New York [Mr. FISH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the suggestion of the Speaker of the House, TOM FOLEY, and the majority leader, DICK GEPHARDT, I have introduced this resolution to assure the American people that we here in the House of Representatives do not condone actions of disrespect and desecration against the flag of the United States of America. My colleague from New York, HAMILTON FISH, the ranking Republican on the Committee on the Judiciary, joins me in sponsoring this resolution.

Mr. Speaker, the flag has been a symbol of our unity as a Nation for over 200 years. It transcends political and geographic divisions. It unites us in war and in peace. It has given inspiration to the millions who have served in defense of our freedoms.

The flag is not just a piece of cloth—it is our most revered symbol of our identity as a Nation—and the freedom for which we stand. The flag has been accorded a unique position of respect in our Nation's life.

Detailed legislation prescribes its proper display and treatment. Forty-eight States and the Federal Government have passed laws prohibiting the desecration of the flag.

Last week, a Supreme Court decision held unconstitutional a Texas statute prohibiting the burning of the flag. That decision puts in jeopardy those many laws enacted to protect our flag and to punish those who would desecrate it. I am certain that the American people share my concern that the flag must not be subjected to unfettered scorn and physical abuse. Attacks on the flag do pose the likelihood of public unrest and an incitement to violence that can easily result in a breakdown in law and order.

As a Texan proud of my Nation's heritage that is symbolized by the flag, as a marine who fought under that flag, and as a Congressman who has worked in the shadow of that flag of me for the past 35 years, I personally disagree strongly with the Supreme Court's decision in Texas versus Johnson. However, I am mindful of the role of the Supreme Court in interpreting the Constitution and respectful of the doctrine of separation of powers. In light of those considerations, I believe it is appropriate for us as a body to express our concern about that decision and to resolve to fashion ways to ensure, consistent with our constitutional freedoms, that this symbol of our Nation is protected from harm.

I believe there is room in this country for free expression of one's beliefs without sacrificing the very symbol of our Nation's dedication to the protection of those freedoms. I believe that free speech and the flag are compatible and both can be fully protected without undue infringement on the other.

I want to take this opportunity to confirm an announcement that the Speaker made at his noon news conference, that the Committee on the Judiciary intends to move forward on this issue as quickly as possible. As soon as we return from the Independence Day district work period, we will begin hearings to explore thoroughly what the Congress and the Federal Government must do to protect the flag from desecration. We will examine the matter from the standpoint of the need for a constitutional amendment or possible statutory remedies, including the amendment to section 700(a) of title 18 of the United States Code that the Senate passed last week.

In the meantime, the pending resolution expresses the House's deep concern about the effect of the Supreme Court's decision and reaffirms our commitment to preserving the honor and integrity of the flag as a living symbol of our Nation and its aspirations and ideals. My resolution condemns all actions intended to desecrate the American flag.

This resolution will assure the American people that we stand with them in defending the sanctity of our flag and that we do not intend to let those who would destroy and desecrate it to go unpunished.

□ 1830

I would add that we have at the desk signup sheets for coauthorship for Members who would like to be coauthors of this resolution, and the sheet will remain there prior to the passage of this resolution by a vote.

Mr. FISH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this resolution concerns a matter that has both angered and saddened citizens all across America—persons in virtually every region, every State, and every community. I speak, of course, of last week's Supreme Court decision in the case of Texas versus Johnson. By a slim 5-4 majority, the Court held that the burning of the American flag was an exercise of symbolic free speech, protected by the first amendment, and not subject to criminal sanction.

There are many Members of this House that have already expressed their dismay and outrage over the Court's decision. Veterans' organizations, in particular, are urging the Congress to take prompt legislative action to overturn the Court's ruling.

The language of the resolution we consider today is somewhat muted and cautious. It is not intended to be, nor should it be, considered a substitute for congressional hearings and an eventual Federal statute or, if necessary, a superseding constitutional amendment. The Judiciary Committee will begin hearings upon our return from the Independence Day district work period. This resolution, then, is just the beginning and not the end of this matter in the House of Representatives.

As I read the Supreme Court's decision, a number of questions occurred to me—the first of these being a practical, prosecutorial one. Why was Gregory Lee Johnson prosecuted only under the Texas flag desecration statute? He could have just as easily been prosecuted for receiving stolen property or vandalism, as well. It is worth noting, in this connection, that the flag that Johnson burned was not a flag that he owned. The Court's majority opinion takes cognizance of the fact that the flag he burned was taken by a fellow protester from in front of a nearby public building. It was, then, clearly, the destruction of government-owned property. While this may seem a bit legalistic, the fact that the prosecutors confined their case to the flag desecration count limited the ability of the Supreme Court to make a decision on more narrow grounds—that is, on grounds other than the first amendment.

But given the fact that the Court's decision is confined to a first amendment symbolic free speech holding, I would like to make some observations on that specific point. One may seriously doubt that symbolic speech of the type protected by this decision was the type of free expression that our Founding Fathers intended to protect under the first amendment.

To me, it is an unfortunate development in American constitutional law that symbolic gestures and physical

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

manifestations have been given the legal credibility and equivalent protections of the written word or the spoken word. Burning an American flag is certainly no newspaper editorial, no scholarly book, no television documentary, no public address. Should a symbolic, nonverbal act—undertaken to communicate a particular political belief or political view—receive the same automatic first amendment protections as do the more traditional modes of free speech? Aren't there countervailing societal and ethical values that deserve legal consideration? Should there be a more restrictive balancing test than the one currently applied in these symbolic free speech cases?

The Texas statute deemed to be unconstitutional by the Court did not prohibit Gregory Lee Johnson from saying or writing anything he wanted. Furthermore, that statute did not compel any particular type of conduct, nor did it require an individual to submit to any particular type of belief, idea or symbol. Johnson was free to make a public, political statement—and he did so, highly critical of President Reagan and the Republican Party at the very scene of the 1984 Republican Convention. The Texas statute did not impose any form of censorship. Johnson did not need to burn the American flag to communicate his views about the Reagan administration and the Republican Party. The facts of the case show that he clearly had communicated those views before the flag was burned. Furthermore, he could have said or written anything he wanted about the flag itself.

Mr. Speaker, it is indeed ironic and odd legal logic that considers protection of an individual's symbolic right to desecrate superior to what is for most of us a unique and treasured national symbol.

The Court's decision seems to say that symbolic free speech can only be limited if there is a threat of physical injury to someone nearby, or if there is a genuine possibility that a riot or breach of the peace may occur. Why should these be the only justifications for a criminal statute to protect the dignity of our flag?

Again, I have to come back to my earlier point that there is no legal necessity that symbolic actions receive the same protections under the first amendment as writing and speaking. If emotional expression is to be protected under the first amendment, it should be balanced against the emotional injury to our societal values brought about by a legal sanction for Johnson's type of behavior.

While I am not absolutely certain at this point, it appears likely that the only way to reverse this decision would be through the enactment and ratification of a new constitutional amendment. But, I will defer a final judgment until we have had an opportunity to further analyze the details of the Supreme Court's language and to hear expert testimony on that point.

Finally, I would again stress that this resolution should be viewed as the beginning—and not the end—of this matter in the House of Representatives. I strongly urge my colleagues to adopt this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. BROOKS. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Speaker, I thank the gentleman from Texas, chairman of the committee, for yielding time to me.

Mr. Speaker, the Supreme Court has ruled and will rule later this week on a number of highly controversial areas—civil rights, child pornography, capital punishment, desecration of the American flag, and abortion—which have and will presumably offend many Americans and the values they hold. Many of these court decisions will cause people to call for changes in our statutes or for new constitutional amendments.

In Texas versus Johnson, the flag burning case, we had a conservative court, seven out of the nine members of the Court having been appointed by Republican administrations, presumably looked hard and long at this issue. Their decision came to me, as it did to most Americans, as a surprise. It has provoked public outrage, and understandably so, for the Court ruling was seen as dealing with respect for the flag and what the flag represents.

What was the decision reached by the Court? It was a juxtaposition of values. As the Court saw it, it was reverence for the first amendment, freedom of speech, and in this particular case, freedom of expression in terms of a political statement, no matter how offensive that expression may be. On the other hand, it was reverence for the flag and its symbolic representation of our country. The Court sided with the constitutional provision and the first amendment prevailed, in a self-admittedly difficult decision.

The role of the Congress, however, in this issue is different from that of the Supreme Court and the Federal judiciary. The Congress frequently reflects popular opinion, even outrage at various provocative events. This case is no exception, and in that context the resolution before us, while I may have worded it somewhat differently, is supportable.

What, if anything else, should the Congress further do on this issue. We must exercise very great care. There are various bills, resolutions and proposed amendments to the Constitution that have been referred to the Judiciary Committee, and it is appropriate that the Judiciary Committee should carefully consider these proposals. Even today, we have a recommendation by the President for an amendment to the Constitution as a way to proceed. Others, including certain congressional leaders, believe that the statutory route is the best way to deal with this issue. Still others hold that no congressional action is required, believing, as do the majority of the Court, that Old Glory is strong enough even to endure insults in the name of freedom.

The initiative to amend the Constitution must be weighed with extraordinary caution. Some Americans have a list of matters requiring constitutional amendments, particularly to the first amendment, and if we yield on this point without careful deliberation, we may see a number of changes to the Constitution that are equally well argued.

Mr. Speaker, in conclusion, while today the House will overwhelmingly vote for this resolution, I trust that the House will regard other initiatives with great respect to the deliberative process for which this institution is historically responsible.

□ 1840

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. I thank my colleague for yielding.

Mr. Speaker, I wanted to speak to the House on this important issue and bring to their attention and to yours, Mr. Speaker, the court cases on desecration of our flag which are fairly old.

Let us look back at history to two cases, one here in Congress and one in the U. S. Supreme Court itself which tackled this issue many years ago. Here is what they said in the past.

In 1968 Congress passed an act setting penalties for casting contempt on the flag:

The Federal law declared that a person may be imprisoned for up to a year and/or fined up to $1,000 for intentionally casting contempt upon the U.S. flag, a piece of one, a picture of one or publicly mutilating, defacing, defiling, burning, or trampling on.

Mr. Speaker, that was this body in the year of 1968.

Mr. Speaker, I have the opinion of Supreme Court Justice John Marshall Harlan in 1907 in the case of *Halter and Haywood v. State of Nebraska*, 205 U.S.34, where he said.

> No American, nor any foreign-born person who enjoys the privileges of American citizenship, ever looks upon it without taking pride in the fact that he lives under this free Government. Hence, it has often occurred that insults to a flag in the presence of those who revere it, has been resented and, sometimes punished on the spot. So a State may exert its power to strengthen the bounds of the Union and patriotism and

love of country among its people. When, by its legislation, the State encourages a feeling of patriotism towards a Nation, it necessarily encourages a like feeling towards the State.

He goes on to explain the reverence we have for our flag, Mr. Speaker, and then further it concludes that:

Each State, when they come into the Union, assumed certain obligations respecting the symbol of the Union, the United States flag, and enacted adequate laws for the protection of the United States flag and to provide penalties for its desecration.

Mr. Speaker, to the Members, to my colleagues and to you, I say there is adequate evidence in the past, both here in the Congress, in the Supreme Court, to protect our flag.

So it was with that reasoning that I put into the House the House Resolution 185, the sense of Congress, that the Supreme Court had erred in its decision.

Let me conclude by saying a constitutional amendment and several resolutions to this effect have been presented; I support those and look forward to passing them in the House.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. SYNAR], a distinguished member of the Committee on the Judiciary.

Mr. SYNAR. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, any act, including burning of the flag, which is an outright attack on an American symbol is particularly disturbing to the vast majority of Americans.

The burning of the flag conjures up extremely painful images for all of us because it has been an often repeated action by citizens of other countries who disagree with our chosen way of government.

The thought that an American citizen, within our own boundaries, and who is the beneficiary of all the freedoms that our country offers, could burn the symbol of those freedoms and beliefs is abhorrent to us all and somewhat incomprehensible.

I do not approve of any actions which are contemptuous of the flag. I believe it is a national symbol and embodies all that is unique about our democratic principles.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, the Supreme Court decision striking down flag desecration laws is outrageous. Our flag is the living symbol of all our freedoms.

Tens of thousands of American men and women have died in defense of freedom and the principles of democracy that our flag represents. For the Court to say that the vulgar destruction of our flag by a crazed protester is an expression of free speech is a repudiation of every life lost in defense of freedom and every ounce of blood shed in protection of liberty.

Neither I nor most of my colleagues will stand idly by without dissent and allow the Supreme Court to condone the desecration of the symbol of the very essence of our Nation. I am proud to say that I am an original cosponsor of an amendment to the Constitution which will correct this grievous and inexplicable mistake by the Court and once again make the heinous desecration of our beloved flag against the law.

I am also proud to support the resolution offered by the distinguished chairman and ranking member of the Judiciary Committee. I urge support of the resolution.

Mr. Speaker, I hope that ultimately we will take the next step and that is to amend the Constitution so as to bring honor to both the first amendment and to the flag.

Mr. WEISS. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, let me start out by commending the distinguished gentleman from Texas [Mr. BROOKS] and my distinguished colleague from New York, the gentleman from New York [Mr. FISH], for the tenor of the discussion and the debate which they have generated.

I think that they have indeed cast this discussion in the kind of serious and respectful mode that it deserves.

Mr. Speaker, I have had three occasions for circumstances in which I have sworn fealty to the U.S. Constitution.

The first time was when I was granted citizenship by this country. The second, when I entered military service. And the third, in a series every 2 years since then, when I entered this body as a Member of the U.S. House of Representatives.

I take second place to no one in my respect for the flag or for the Constitution and the Bill of Rights. But, Mr. Speaker, what makes America great, what makes us different from most other countries is that we in fact recognize that difference on the most fundamental issues is permitted by our Constitution.

And so this resolution that is before us, although it is cautiously and carefully drafted, I find difficult to support. I can support three out of the four resolved clauses. I will read those. I support that provision which says that, "The House of Representatives hereby expresses its continued commitment to preserving the honor and integrity of the flag as a living symbol of our Nation and its aspirations and ideals."

□ 1850

I support that provision which says, "that the House condemns all actions intended to desecrate the American flag," and I support that which urges the American people to continue to display proudly the flag of the United States as a symbol of our Nation and the values for which it stands.

The one single provision which I cannot support, because I think it flies in the face of our Constitution, is that which says that it expresses profound concern over the Supreme Court provision in Texas against Johnson.

Mr. Speaker, for the Republic, for our democracy, I exult in the decision of the Supreme Court of the United States, because the Supreme Court has, in fact, validated, once again, the Constitution and the Bill of Rights. I think it should be pointed out too, Mr. Speaker, that the Supreme Court was not acting on their own ab initio, the Supreme Court was confirming the decision of the highest court of criminal jurisdiction in the State of Texas. It is Texas' highest court which said that Texas' statute was constitutional, and the Supreme Court said, "Right on."

Now, the State of Texas itself admitted in the course of their argument that the conduct which it was objecting to was, in fact, expressive; that in essence it was equivalent to speech itself. The Supreme Court has held repeatedly in a long range of decisions that, in fact, expressive conduct is protected by the first amendment of the Constitution.

We have had in the 200 years since the adoption of the Bill of Rights only 16 amendments to the Constitution. We should be very careful about going down the path of a reckless tampering with the Constitution. We have just witnessed in the last month what happended to Chinese students in Tianenmen Square. Those are students who sat in, who burned their flag of oppression, and we were revolted as Americans, indeed, as citizens around the globe, at the Chinese Government's brutal suppression and murder and slaughter of those innocent civilians. We cannot allow that kind of thing to happen in our country, and we will not, so long as we respect the Constitution. We have little to fear from the flag burners. We have a lot to fear from those who lose faith in our Constitution.

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Speaker, I rise today in support of the resolution offered by the gentleman from Texas.

The Supreme Court ruling is a disgrace to all of us who dearly love America and our symbol of liberty. It wounded the Nation's pride.

Burning the Stars and Stripes is not what our Founding Fathers had in mind when they guaranteed freedom of expression. That action—unthinkable to most Americans—goes too far, and is undeserving of any constitutional protection. Instead it should be a punishable offense.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

What bothers me most about the ruling is the impact it has had on veterans and those now serving in our Armed Forces. What kind of message has the Supreme Court sent those who've given life and limb to see our flag wave proudly atop this very building—our Capitol.

I urge my colleagues to join me in expressing their support for the resolution. It will help restore the flag's patriotic luster which sadly faded before the eyes of our Supreme Court last week.

Mr. FISH. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. YOUNG].

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong support of House Resolution 186, which expresses in no uncertain terms the belief of the House that desecration and disrespect of the American flag is wrong.

Anger, sadness, and disbelief best describe my immediate reaction to the Supreme Court's decision to prohibit the prosecution of anyone who burns or desecrates the American flag. This decision clearly does not represent my views or the views of the people of Pinellas County, FL. I know, because I have listened to their angry calls and read their letters of disbelief.

The American flag stands as a symbol of freedom and democracy for our Nation and flies over all three branches of our Federal Government. The Supreme Court is but one of these three branches and we cannot allow its decision to cast asunder the pride and respect the American people have for the Stars and Stripes.

President Bush, the House with the adoption of this resolution, and the Senate with passage of a similar resolution last week, have indicated the intention of the executive and legislative branches of our Government to take matters regarding the desecration of the flag out of the hands of the Supreme Court. Legislation I have sponsored would amend the Constitution of the United States to permit the Congress to enact laws to protect the integrity and dignity of this symbol of our Nation's history and heritage.

In addition to reestablishing that it is a Federal crime, and a crime in 48 States, to desecrate the flag, I also have reintroduced legislation to punish anyone who casts contempt upon any flag of the United States by publicly mutilating defacing, defiling, burning, or trampling upon it.

The American flag is a worldwide symbol of freedom, hope, and peace and anyone who destroys this symbol of American democracy should be punished to the fullest extent of the law. It is my hope that we will expedite consideration of legislation to put before the American people a constitutional amendment to take this matter out of the Supreme Court's hands and to reaffirm our intent to preserve the sanctity of the American flag.

Mr. Speaker, the American flag means more to us than just liberty, justice, and freedom. It stands for more than the pain and suffering of those Americans who followed the American flag into battle and fought in the gas filled trenches of France, on the frozen battlefield of Europe, in the hot deserts of Africa, and in the steamy jungles of the South Pacific and Southeast Asia or wherever in the world Americans have fought and died in the name of freedom. It means more than the feeling of pride it evokes everytime it passes on parade, every time we sing the national anthem, and every time we stand before the Tomb of the Unknown Soldier.

The American flag is also a commitment to the young people of America that they will have a future filled with peace, justice, honor, and duty. It means that our children and grandchildren will be able to raise their families under the same freedoms and liberties that we have and that they will have all the opportunities we enjoy to work in the job of our choice and worship in the church of our choice.

It also means that the commitment to maintain our freedom is not without cost. We all know the closing lines of the Star Spangled Banner—that great tribute to the flag:

> Oh say does that star-spangled banner yet wave
> O'er the land of the free and the home of the brave?

Mr. Speaker, let us never forget that the American flag stands for all that is good and right about our Nation and that to continue to be the land of the free, America must always be the home of the brave.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Speaker, I rise in support of the resolution. Like many Americans, I was dismayed by the Court's decision. Recent events in China have reminded Members in a most tragic and dramatic and important way how important freedom and free speech is. That right is given to Americans, as many of my colleagues have pointed out, in the Constitution. So I know the decision was a difficult one.

Yet I believe that even this resolution is not enough. We should move to a constitutional amendment, and I believe it can be delicately and deliberately drawn so that it involves only the flag. Yes, it is the flag that is special.

We do not put a speech, no matter how noble it is, on the coffins of those that die for this Nation. We do not fly the Declaration of Independence, no matter how wonderful it reads, from the mast, to say that the Government is here. We do not move on the Island of Iwo Jima to raise a speech of any Member of Congress, no matter how noble it is intentioned. It is only the flag, and therefore, it deserves the constitutional amendment.

Mr. Speaker I rise in support of the resolution. Like many Americans around our Nation I received with dismay news of the Supreme Court's recent decision stating, in effect, that the guarantees of free speech and expression provided under the first amendment of the Constitution extended to those who would purposefully desecrate the flag of the United States.

Recent events in China have reminded us in a most tragic and dramatic fashion of the preciousness of the freedoms of free speech and assembly which our Constitution grants us. The rights and protections granted us under the first amendment are fundamental to our democracy. For this reason I believe the decision which the Court confronted was an especially difficult one. Yet, I believe that in this particular case in Court, reflecting its profound and well placed respect for the first amendment, erred on the side of caution.

The court, in its ruling, went beyond protecting the right of free speech, just as Gregory Johnson and the demonstrators whom he led went beyond the exercise of free speech when they poured kerosene on an American flag and set it afire. Gregory Johnson was not punished for what he said—though most Americans would find his words offensive. He was punished for what he did.

Justice Stevens, in his dissenting opinion, said that "The case has nothing to do with disagreeable ideas, * * * it involved disagreeable conduct." The dissent aptly points out that "had (Johnson) chosen to spray paint his message of dissatisfaction on the fascade of the Lincoln Memorial, there would be no doubt about the power of the government to prohibit his means of expression." I believe Justice Stevens is correct in the analogy he suggests. In the actual case as in the hypothetical, the expression of an idea or a belief gave way to actions which lay beyond the expression of thought and beyond the protections afforded by the first amendment.

The American flag stands through much of the world as a preeminent symbol of freedom and of Government's respect for human dignity. Through respect for our flag we express respect for the Constitution and for the democracy which it represents. I urge all of my colleagues to support the resolution before us and to thereby affirm our responsibility to protect this most prized symbol of our Nation and our democracy.

Mr. BROOKS. Mr. Speaker, I yield 2 minutes to the distinguished Member from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank the distinguished chairman of the Committee on the Judiciary, the gentlemen from Texas, for offering this resolution.

Mr. Speaker, I believe the Supreme Court is somewhat schizophrenic. In three recent decisions they have diminished the rights of women and minorities, but not, in this so-called conservative Court, they rescind laws which provide for penalties for those who maliciously desecrate the American flag.

I think they are wrong. I think the American flag is a symbol of our country, our country's freedom. Freedom is not just doing what a person wants to do, it is doing what a person should do.

Mr. Speaker, this decision had a personal effect on me, because my father was born on the Fourth of July. We were taught to respect the American flag, and what it symbolized. He believed we lived in the greatest country in the world. So on the first day after that decision, I introduced a resolution opposing the Supreme Court decision, in his memory.

Mr. Speaker, no one embraces the Constitution more than I do. No one embraces the absolute guarantee of the rights of free expression than I do. However, no one embraces respect for the traditional values more than I do, and what are we to tell the families of the thousands upon thousands of American patriots who gave up their lives to defend the symbol of the sacred cloth? What are we to tell the thousands upon thousands of young Americans who look upon Members for moral instruction, regarding respect for tradition? What are we to tell ourselves in our morning mirrors when we call upon our reserves to resist the daily encroachment on the ideas and traditions that we have carefully and patiently woven into the fabric of our national conscience?

Mr. Speaker, the fabric of our American flag, the symbol of America's freedom and sacrifice, is so interwoven with the fabric of our distinctly American sense of values that we cannot allow the symbol to be damaged without allowing damage to those values themselves.

Mr. FISH. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in strong support of the resolution expressing the sense of Congress regarding the issue of flag burning and I commend the distinguished chairman of the Judiciary Committee the gentleman from Texas [Mr. BROOKS] and the ranking minority member the gentleman from New York [Mr. FISH] for expeditiously bringing this measure to the floor at this time. It is possible that no Supreme Court decision since the infamous Dred Scott decision of 1857 has caused the spontaneous outpouring of indignation that the Supreme Court's Texas versus Johnson decision evoked.

We all understand that freedom of speech and political expression is one of our Nation's most cherished rights. However, just as the late Supreme Court Justice Oliver Wendell Holmes, Jr., once stated that "Freedom of speech does not give anyone the right to cry fire in a crowded theater," likewise, freedom of political expression should not give anyone the right to incite our Nation by slapping the face of millions of our veterans, both living and dead, who sacrificed on battlefields at home and abroad so that our Nation may be made and kept free.

The American flag—"Old Glory," is unique among the flags of the world. Unlike most European flags, its colors and design do not harken back to the days of kings and nobility.

It was 212 years ago this month that the Continental Congress adopted our flag as the official banner of our newly independent Republic. The colors and design were chosen uniquely to symbolize our new Nation. No family crest or heraldic imagery has ever appeared on our flag.

The red is considered by most Americans to be the symbol of the blood that was shed by many to establish and maintain our liberties. The white symbolized the purity of purpose which guided our Founding Fathers. The blue is symbolic of both the seas—across which all Americans came—and the Heavens which look down upon our undertakings and which have blessed us for over two centuries.

The original 13 stars were symbolic of a new constellation which appeared in the galaxy of nations in 1776. Since then, a new star has been added for each State admitted to the Union. And, each State, was admitted as coequal with the original 13. Unlike other nations, we had no intent to colonize other lands and to capitalize upon their people. Instead, we welcomed our new territories into the Nation as States, equal in every way to the States that preceeded them.

The Texas versus Johnson Supreme Court decision is an affront to our Nation, but far more than that, it was an insult to the brave Americans who sacrificed their lives in our 200-year history to win and preserve our freedoms. The Americans of the War of 1812 and the Mexican War, and to those who died during those sad years when brother fought brother to preserve our Union.

Years from now, as historians look back on 1989, this decision will long be remembered as well as the eloquent dissent penned by Chief Justice William Rehnquist, who was joined by Justices Byron White and Sandra Day O'Connor in stating:

> Throughout more than 200 years of our history, our flag has come to be the visible symbol embodying our Nation. Millions and millions of Americans regard it with an almost mystical reverence regardless of what sort of social, political or philosophical beliefs they may have. I cannot agree that the first amendment invalidates the federal law and the laws of 48 of the 50 States, which make criminal the public burning of the flag.

Mr. Speaker, my offices in Washington and in my 22d Congressional District in New York have received hundreds of calls and letters from our constituents, who called and wrote to express their indignation, their frustration, and most of all, their sadness regarding this decision.

Robert J. Spanogle, national adjutant of the American Legion, stated:

> I think of Iwo Jima Memorial—those Marines that raised that flag while their fellow Marines were dying at their feet so that we could have our freedom. That flag is the living symbol of all our freedoms.

Mr. Speaker, I urge our colleagues to join in approving this resolution, which expresses our profound concern and commitment to preserving the honor and integrity of our flag and will let the American people know that we in the Congress share their reverence for our "grand old flag."

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I thank the distinguished gentleman for yielding this time to me, and I rise in support of the resolution.

Mr. Speaker, I submit for the RECORD a partial text of my newsletter which is sent to my district every week.

> Old Glory. The Supreme Court is wrong, wrong, wrong. We are deeply disturbed that our high court would carry freedom of speech to an extreme degree and offer First Amendment protections to those who burn or desecrate our flag.
>
> This Congressman has joined with other Members of Congress from both political parties in all areas of the country to begin a legislative process to countermand the Supreme Court ruling.
>
> The individual's freedom to speak his mind is paramount in our basic law, but this cannot extend to such a reprehensible act as desecration of our flag—the very symbol of that which protects freedom of speech. Extreme abuse of the flag should be considered a criminal act and dealt with accordingly.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, I rise in support of the resolution being offered by the gentleman from Texas, and want to commend him for his extremely judicious handling of this very sensitive issue.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. Speaker, the burning of the American flag—any desecration of the flag—is simply wrong. It is offensive no matter what the circumstances.

I believe Congress can—and must—act to ensure that proper and respectful treatment be given to what is our most powerful and revered national symbol. I will support the efforts of my colleagues, from both parties and both Houses of Congress, to find a judicious solution. And I intend to vote for whatever remedy is required to prohibit the desecration of the flag.

We, in Congress, have a responsibility to write laws consistent not only with overriding national sentiment but also with the Constitution we are sworn to uphold. We must, therefore, be careful that in our determination to quickly reaffirm the very special meaning the flag has for Americans everywhere, we not inadvertently tamper with the integrity of the Constitution for which the flag itself stands.

Mr. FISH. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, I am an original cosponsor of Congressman BOB MICHEL's constitutional amendment to attach criminal penalties to the act of burning the American flag, and I'd like to say a few words on this important initiative.

I have been in Congress since 1956, and I don't ever recall seeing such a high degree of unity in this body on an issue that has such a potential to divide.

The Supreme Court may have divided 5 to 4 on the issue of burning the American flag, but there has been a virtually unanimous opinion in both Houses, that this act is not only repugnant, but should be prohibited.

I like the way Chief Justice Rehnquist put it. Flag burning is not a form of self-expression; it's just an inarticulate grunt. People burn flags not to express an idea, but just to antagonize other people. It's not the beginning of a debate, but the beginning of a fight.

Who do flag burners antagonize? They antagonize all those brave Americans who took up arms so that all Americans, including flag burners, could live free.

The American flag has flown over Iwo Jima; it has crossed the rivers of Europe. It entered Paris to the cheers of millions of French men and women who had been liberated from the bondage of fascism. Burning the American flag is an insult to all those brave Americans who have fought in America's wars.

The American flag is more than a symbol of America's willingness to defend itself and other nations. It is a symbol of America's dreams as well.

Look down the hallways of this building, and you'll see interns carrying around American flags that have been requested by our constituents. For many Americans, the flag symbolizes the freedoms and opportunities that they work hard everyday to earn and to maintain.

The American flag is large enough to shelter Americans of all political beliefs, rich and poor, black and white, North and South.

It flies over our heads right here in the Capitol. It represents Congressmen from the left as well as those from the right. There are plenty of symbols that can and do divide us. The American flag is a symbol that unites us.

I would hope that this debate on the Supreme Court's decision will send a message that America is a country that is willing to tolerate an awful lot of antisocial behavior, but that burning the American flag is something that we consider totally out of bounds.

I strongly support the idea of a resolution to prohibit burning the American flag. But I don't believe that a resolution will go far enough.

Congress needs to do something that makes it crystal clear that both the State and Federal Governments have a right to pass laws that makes flag burning a criminal act.

For that reason I support the introduction by the distinguished minority leader for a constitutional amendment to deal with this problem. I will support the amendment and I urge the House to act expeditiously to report it to the floor.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, let me just say that I think the Supreme Court erred in its decision. Free speech does not require destruction of the American flag or anything else. Free speech is our America substitute for destruction.

Mr. Speaker, I commend the gentleman from Michigan [Mr. BROOMFIELD], and I urge passage of this resolution.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, the action of the Supreme Court in permitting desecration of the flag has made combat veterans cry. I talked today to Col. Glenn Bennett of Calico Rock, AR, who served as a combat veteran in both World War II and the Korean war, and he said it in his own words better than I could. Let me quote what he said.

> The action of the Supreme Court is so un-American that it makes me cry. It is very difficult for me to discuss it without becoming emotional. I fought in two wars to defend free speech, and I cannot see where the destruction of the flag can have anything to do with free speech. I don't see it as free speech. I see it as arson and destruction perpetrated on the symbol of our nation.
>
> There are rules concerning the handling of the flag, rules which prohibit its touching the ground, but now we are told that it can be burned or mutilated in the name of free speech. I just don't understand such thinking.

Mr. Speaker, I rise in support of the resolution.

The SPEAKER pro tempore (Mr. VOLKMER). The Chair will announce that the gentleman from Texas [Mr. BROOKS] has 15 minutes remaining, the gentleman from New York [Mr. FISH] has 8 minutes remaining, and the gentleman from New York [Mr. WEISS] has 2 minutes remaining.

The Chair recognizes the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield 2 minutes to my friend and colleague, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, in rising in support of the Brooks-Fish resolution, I would like to read an excerpt from a letter I just received from Maj. Richard M. Gordon of Clifton Park, NY. The letter reads, in part, as follows:

> I was a prisoner of war of the Japanese for three and a half years. During that period of captivity—from Bataan until Liberation Day in Japan—most of my fellow prisoners never saw the flag of their country. That privilege, and honor, was denied them. Yet in several prison camps, American prisoners made flags, American flags, from various material available, and that flag had to remain secreted. A piece of such a flag carried throughout the war now rests in the museum at West Point.
>
> To those of us denied all freedoms, the flag of the United States took on an even greater meaning than to non-prisoners of war. That flag meant that we "belonged" to a country; a nation who would not forget us. I saw an American prisoner of war, found in possession of a piece of cloth, so severely beaten that he eventually died from that beating.
>
> Upon our liberation by naval forces at Hommamatsu, Japan, we boarded landing craft to be taken to hospital ships at anchor. Seeing the flag of this country flying from the stern of those craft for the first time in years brought tears to the eyes of every prisoner on board. There was living proof that our faith in that flag was not in vain, and so believing we came back.
>
> If a flag, "a piece of cloth" can provide such hope and support in the most trying in our lives, surely it deserves better treatment and respect than what was offered by an avowed communist who "spits on America".
>
> The flag of the United States will one day be given to my widow. I would hate to have her think of it as "only a piece of cloth", and not as a symbol of our country for which thousands and thousands gave their lives in defending its flag.
>
> I urge you to take action to prohibit desecration of the flag.

Mr. Speaker, when we finish this debate, the gentleman from Michigan [Mr. SCHUETTE] and I will drop in a constitutional amendment requiring an act of respect for that flag.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. SCHUETTE].

□ 1910

Mr. SCHUETTE. My colleagues, I have high regard for the gentleman from Texas [Mr. BROOKS] and the gentleman from New York [Mr. FISH]. But this resolution of profound concern and condemnation does not go far enough. The issue is broader and deeper, and I say to my colleagues, "If you're a veteran or those who have given your lives to secure and protect our liberties, they're more than profoundly concerned. They're outraged, and they should be."

Mr. Speaker, I say to my colleagues, "If you are parents who take your kids to Girl Scout meetings or Boy Scout meetings, well, you learn American values." They are more than profoundly concerned. They are insensed, and they ought to be.

As my colleagues know, the Gregory Lee Johnson's of the world, the defendant in the Texas case, can express freely, "America, red, white and blue, we spit on you," or, "Great to see the symbol of international plunder and murder go up in flames."

Mr. Speaker, that is his right under our laws, but the Gregory Lee Johnson's of the world should not be able to flaunt American values by burning the American flag and then getting away scot-free. That is wrong.

I would urge my colleagues to support the Solomon-Schuette amendment to the Constitution that would prohibit the desecration of the American flag.

Mr. FISH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I rise in strong support of House Resolution 186 and the American flag. Like many of my colleagues, I was outraged by the Supreme Court's decision providing first amendment protection for those who desecrate our national flag.

Free speech is one thing, free burning of the flag is something else again.

I am very pleased that President Bush this morning stated his personal support for a constitutional amendment making such unpatriotic attacks on this special national symbol unlawful. I strongly endorse President Bush's decision. In fact, the morning after the ill-fated Supreme Court decision, I cosponsored such a constitutional amendment resolution right here on the floor.

While I also support House Resolution 186 and agree with its provisions and proclamations, I do not believe that it is strong enough. Congress must go further.

Our flag is a symbol of our freedom, liberty, and our sacrifices to protect these rights. To veterans and the families of those who died or were wounded defending our Nation, the Stars and Stripes holds special meaning. To those overseas yearning for the freedoms we enjoy and they do not, our flag is a symbol of hope and real liberty—just ask the students in Tiananmen Square.

An attack against the American flag is an attack against our Nation and the principles upon which it was built. For these reasons, our flag deserves special respect and protection.

House Resolution 186 is a good step toward this protection. It is, most certainly, not a last one.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, I rise in very strong support of House Resolution 186. I join with the millions of Americans in our country who are discouraged and appalled by the unfortunate ruling of the Supreme Court on the treatment of our American flag.

The American flag is a symbol recognized world over, as an inspiration of hope and freedom. As a veteran, I share the love of those veterans from the American Revolution to the war in Vietnam, in every battlefield where American values have been attacked the flag has been the shining eternal spirit of liberty. The ruling of the U.S. Supreme Court is contradictory to the morals and beliefs of a great majority of the American people. To allow anyone to defile and desecrate such a revered symbol is not only foolish, but morally wrong.

I am currently cosponsoring four pieces of legislation with fellow colleagues, Mr. FISH, Mr. HUTTO, Mr. WALKER, and Mr. WOLF, to preserve the honor of our great flag. As Members of Congress, we must act quickly and decisively to protect our national symbol, and do so in a wise manner.

As President Wilson once said:

> This flag, which we honor and under which we serve, is the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation.

Ladies and gentlemen, I ask you to make the right choice. Let us join in preventing the unwanted and vile treatment of our flag. Let's restore the dignity and honor of our American flag.

Mr. WEISS. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, the issue decided by the Supreme Court is not whether or not the flag burning is repulsive and abhorrent. It is. But we do not silence the political expression of even those with whose views we most fundamentally disagree. That is what the Supreme Court ruled last week in a 5-to-4 majority comprised of two dyed-in-the-wool liberals, two Reagan conservatives and one Nixon middle-of-the-roader.

I would like to close by quoting from the concurring opinion of Justice Kennedy. He said:

> I agree that the flag holds a lonley place of honor in an age when absolutes are distrusted and simple truths are burdened by unneeded apologetics.
>
> With all respect to those views, I do not believe the Constitution gives us the right to rule as the dissenting members of the Court urge, however painful this judgement is to announce. Though symbols often are what we ourselves make of them, the flag is constant is expressing beliefs Americans share, beliefs in law and peace and that freedom which sustains the human spirit. The case here today forces recognition of the costs to which those beliefs commit us. It is poignant but fundamental that the flag protects those who hold it in contempt.

Mr. Speaker, I yield back the balance of my time.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Speaker, like my colleagues and my countrymen, I loathe the desecration of the American flag. It is a vile and repugnant act. I urge the Congress to move slowly and carefully as we proceed in the coming months in considering a proposed amendment to the Constitution which may alter in any way the first amendment.

Let us recall the words of former Justice Robert Jackson when he wrote:

> If there is any fixed star in our constitutional constellation, it is that no official, high or low, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion, or force citizens to confess by word or act their faith therein.

Mr. Speaker, as a Member of Congress from the State in which the Constitution was written, I join my colleagues in supporting the resolution.

Mr. FISH. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I do not think this is an easy case at all. I think the Supreme Court decision is a very close call, and I think the difficulties that people had with it are shown by the lineups of the philosophies of the various Justices on either side of this case.

Mr. Speaker, free speech is very important. It is one of the most important gifts or bequests that our ancestors have given us in this country.

I only wish those who are offended by any limitation to free speech, even criminalizing the burning of the flag, were as outspoken with someone like Adolfo Calero or Jeane Kirkpatrick who tries to speak at some prominent

university, a citadel of learning and liberality, and they are forbidden by circumstances to give their speech. But, nonetheless, free speech is very important.

My colleagues, flag burning has been called an exercise of symbolic speech. There are limitations to free speech. We have libel laws, we have slander laws, and we all know what Justice Holmes once said, "That you can't yell 'fire' in a crowded theater," so free speech is not absolute.

Mr. Speaker, what we need in this situation is not nearly this resolution, good as it is, and we should support it. We do need a constitutional amendment which will be an expression by the American people, two-thirds of their Congress in both Houses, and three-quarters of the States, 38 States, making a statement to their fellow Americans that the flag is indeed sacred, not merely as a symbol, but as the embodiment of those ideals: freedom, opportunity, equality, which generation after generation have died for, have come home in their caskets with the flag on top of it, and this is not a piece of cloth susceptible to mere symbolic speech, but it is the embodiment of all that America stands for.

□ 1920

It is like the sacrament in the Catholic Church. It is like the holy book in other places or religion. We have standards in this country of decency and there are some things you do not do. So long as free speech is available in its pristine form as free speech, so long as you can speak and write what you want, this act, more than a provocation, this act of desecration is beyond the pale.

Now, we accomplish that by an amendment which will involve all of America, two-thirds of Congress, three-quarters of the States, saying to our fellow Americans, "You don't do this. This is sacred. This is beyond the pale."

So we need that. I look forward to the amendment. I think it will pass overwhelmingly. I congratulate the gentleman from Texas [Mr. BROOKS] and the gentleman from New York [Mr. FISH] for this very useful resolution.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Speaker, I strongly endorse the Brooks/Fish resolution and urge my colleagues to vote for it.

I congratulate my friends Mr. BROOKS and Mr. FISH for bringing this resolution before us. I'm proud to be a cosponsor of this resolution.

Over the weekend I found my constituents in western Kentucky very upset with the U.S. Supreme Court.

Yes, last Wednesday, in a case that set patriotic symbolism against the rights of those who would spit on and burn the American flag, the Supreme Court, in a 5-to-4 decision, nullified flag desecration laws in 48 States.

Most Americans agree with Chief Justice William Rehnquist's dissent:

> For more than 200 years, the American flag has occupied a unique position as the symbol of our Nation, a uniqueness that justifies a governmental prohibition against flag burning.

The Supreme Court has converted anti-American flag burning into a constitutional right. We need a constitutional amendment. But now we need this resolution.

In Kentucky, burning and desecrating the American flag is thought of as a despicable and dastardly act.

Personally, I'm outraged at the Supreme Court decision and would suggest that Americans who want to burn our flag in contempt should consider moving to Iran, China, or Cuba where burning the American flag is not only legal but is encouraged.

Again I urge my colleagues to vote for this resolution. Let's approve it by an overwhelming majority. Let's show the U.S. Supreme Court that the great majority of American people are expressing themselves through the U.S. House of Representatives in opposition to those burning our American flag as "a right of free speech."

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. Mr. Speaker, we have had some very good debate here. Let me see if I can summarize this in just a few seconds.

The American flag is not a piece of cloth. It is an idea. It is a concept. It is a monument. Certainly the U.S. Congress has the right, has the constitutional right to pass laws to oppose the desecration of monuments.

So in the passing of this legislation, I think we would have the legal authority; but should that be struck down by the courts in the future, I think we ought to move on a dual track and express ourselves by proposing a constitutional amendment as well, and then either way, in the legal consideration by the Court the will of the people to keep the American flag from being desecrated will prevail.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, I thank the distinguished chairman of the full Judiciary Committee for yielding this minute to me.

I rise in very strong support of House Resolution 186.

Mr. Speaker, the decision of the Supreme Court of the United States in the matter of Johnson versus Texas was deeply troubling to me. The American flag belongs to all Americans as a symbol of our national identity. I just cannot believe that we are unable to protect our flag from the conduct, not speech, but conduct of those who would debase or desecrate it for whatever reason.

While we must move very, very slowly in any amending of the Constitution, looking for other ways to deal with the problem, I have no question but that we do need surely to move ahead with hearings and with dispatch and with some deliberation to craft the very best way that we can in dealing with what I think is a wrong-headed decision.

So I commend the gentleman from Texas for offering this resolution and urge my colleagues to support it.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Speaker, there is perhaps no right that is more important to the American people than the first amendment right, the right of free speech; however, there is nothing more important than having a symbol of our democracy in which we believe.

In this country which permits unlimited verbal displeasure or disagreement, it is important that we maintain this symbol. In a world which is turning to democracy where people are willing to die for democracy, we must stand as a beacon for the democracy.

When I took the oath to be a Congressman and when I took the oath to be a naval officer, I agreed to not only defend this country, but to defend all the liberties and rights that go with it.

I must ask my colleagues to support this amendment to the Constitution and this resolution to show the world that not only do we care about democracy, but we care about the symbol that represents that democracy.

Mr. BROOKS. Mr. Speaker, I yield myself 30 seconds to remind the Members that the cosponsors list is available both on the Republican side and on the Democratic side. We will be open until the vote is taken on this bill.

Mr. YATES. Mr. Speaker, I support wholeheartedly the last three of the four resolutions in this bill. I disagree with resolution No. 1. I support the decision of the Supreme Court of the United States in sustaining the right of free speech protected by the Constitution. A free society must allow true expression even of beliefs and ideas which would be unpopular to most people.

I would not support a constitutional amendment which in the name of protecting the flag jeopardized the rights and freedoms guaranteed by the first amendment to the Constitution.

I find most repugnant the desecration of the American flag by protesters. The American flag is a symbol of reverence for me, to be flown proudly because it stands for the freedoms for which our Nation proudly stands.

I shall support this resolution noting the reservations I have about the expression of con-

cern with the decision of the Supreme Court in the case of Texas versus Johnson, protecting American freedom.

Mr. McGRATH. Mr. Speaker, the U.S. Supreme Court said that the deliberate destruction of the American flag is a form of free speech protected by the first amendment. This decision denigrates the service of every Armed Forces veteran who has risked his or her life in battle fighting for the very rights the Court's majority claims to protect. It is also a slap in the face to every American citizen who loves this country and who, if they had a grievance with the Government would find methods of redress other than wanton destruction of our sacred symbol.

Freedom of speech has rightfully received the highest level of protection by our courts. Literally thousands of options exist to express outrage and discontent with Federal policies. The trampling of our national emblem goes beyond speech and, well into the category of lawless conduct. I fail to see the censorship or suppression of ideas in a law which prohibits the burning, destruction, or desecration of the symbol of the most successful form of democracy in the history of mankind. The willful, malicious destruction of an American flag in a public place is the type of conduct which can lead to more violent actions toward Federal policies and institutions. It is also certain to infuriate and incite an intemperate response among those who hold dear the freedoms and liberty Americans have fought and died for in our 200-year history. The reverence which Americans apply to our flag brings with it a special protection richly deserved. Those who disgrace our Nation by destroying its symbol deserve to be punished.

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of this resolution and urge its overwhelming approval. Just like the rest of the country, I was shocked at the unbelievable Supreme Court decision that said it was OK in some cases to burn the American flag. Burning of our Nation's most important symbol is not a matter of free speech. Rather it is descreation of the flag, pure and simple.

I feel very strongly about this flag issue. The American flag is a symbol of what this country represents to our people and to the rest of the world. It stands for freedom and democracy and more than 1 million Americans who have died in our major wars over the 200 years to make sure those principles were protected.

There are a thousand ways to legitimately protest the actions of our Government without burning or otherwise desecrating our flag. When someone takes that kind of action, they have gone too far, in my opinion. I think that view is shared by 99 percent of the American public and I dare say by almost 100 percent of the good Mississippians I represent.

We are proposing to send a strong message to the Supreme Court on this issue. I urge the support of my colleagues.

We need really a constitutional amendment to straighten this matter out and I am strongly pushing an amendment.

Mr. MICHEL. Mr. Speaker, while I join with our colleagues in supporting this resolution, I must say that in my view it is only a symbolic step.

As President Bush pointed out this morning, a resolution or plain statute simply will not undo the damage done by the Supreme Court's decision. I have been talking to scholars and they tell me the same thing.

So I am going to introduce a proposed constitutional amendment to protect Old Glory.

I do so recognizing the gravity of the step I will take.

I have an instinctive conservative's dislike of amending or tampering with the Constitution.

But I did not defend this flag against the Nazis 45 years ago just so it could be desecrated with impunity today.

There are many learned and complex arguments offered on both sides of this issue. I am certain we will be debating them, holding hearings and learning what the constitutional experts believe.

But before we get lost in the complexities, let's remember one thing: If you go up to an average American and ask him if he believes that desecrating the flag is a legitimate form of expression, what you'll get in reply will be the cold, clear, sane, cleansing sound of uproarious laughter.

Listen to the word of former Justice Hugo Black, well-known as an absolutist where first amendment rights are concerned. Justice Rehnquist quoted Black as saying:

> It passes my belief that anything in the Federal Constitution bars a State from making the deliberate burning of the American flag an offense.

Desecrating the flag is an action against a revered, unique symbol, not a form of expression protected by the first amendment.

This is not a fight between those who wish to protect the first amendment and those who don't. I believe that protecting the flag actually strengthens the Constitution because it rescues the first amendment from the absurdity in which the majority decision has placed it.

It is not a fight between those who honor the Court and those who don't. It was precisely Chief Justice Rehnquist and Justice Stevens's dissents that demonstrated to me the need to offer an amendment. I revere the Court so much that I believe arguments in dissent can sometimes contain more wisdom than the arguments of the majority.

The real question is: Are we going to protect Old Glory or not?

So, while I join this symbolic resolution, I do so realizing that only a constitutional amendment will do the job. I hope I can have our colleagues' support as we move forward.

Mr. SAXTON. Mr. Speaker, throughout history, the Stars and Stripes have been exalted as the embodiment of the liberty and freedom upon which the United States of America was founded. The Stars and Stripes have stood by this land and its people through more than two centuries of struggle for the liberty and freedom that we are enjoying today. The comradery between the American flag and American men and women throughout these 200 years has established a priceless blueprint for freedom that is admired and desired throughout the world.

Our love and pride in our flag, Mr. Speaker, was undisputed until last week. The Supreme Court, the highest court of the land, illegitimized our reverence for the Old Glory when they nullified our flag-desecration laws. The Supreme Court has illegitimized the lives and courage of the men and women that have fought for this country, and has minimized the efforts of our military veterans, particularly the Iwo Jima battle during World War II. I hope that members of the Supreme Court have not forgotten that it took 6,000 American lives to raise that flag on that island. These courageous marines risked death to raise the flag of the United States of America, while their fellow marines were dying at their feet so that we could maintain our freedom today. Throughout our proud American history, American dying and sacrifice have been done in the name of freedom. The Stars and Stripes is the living, revered, and timeless symbol of all of our freedoms.

With the greatest of disappointments, I rise today in disagreement with the Supreme Court's toleration of the burning of the American flag. I believe that this action by the Supreme Court requires an act of Congress to add to the Constitution of our Nation. To this end, I will do whatever is necessary to explicitly declare that the majority of the men and women in this country do not condone desecration of the American flag be upheld.

Mr. DELLUMS. Mr. Speaker, I rise to associate myself with the remarks of my esteemed colleague from New York [Mr. WEISS].

Mr. Speaker, the Supreme Court has discharged its responsibility of protecting individual rights in this matter. While I eschew the desecration of any symbol of freedom and liberty, as these principles are under attack today more than in recent memory, I feel compelled to observe that the Court has dealth with a controversial and divisive issue and has adopted a position in support of individual freedom and in support of the Bill of Rights.

The Supreme Court, is intended to be guardian of the rights of citizens, immune from day-to-day sentiments that, while they may for an instant be popular, may also work in the long-term against the prerogatives of the individual. Freedom must be cherished, even in the face of seemingly overwhelming patriotic reasons for its curtailment. The Court acted prudently in the case of Texas versus Johnson, choosing to disregard the nationalist reasoning of the State in favor of the overwhelming interest of the individual.

Disquieting as it may be, it is a poignant irony that the right to express oneself by burning the flag is protected by the flag itself; that those who died for the flag died to preserve that right.

Mr. BROOKS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and agree to the resolution, House Resolution 186.

The question was taken.

Mr. BROOKS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further

proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 186, the resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. VOLKMER). Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 5, rule I, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained on which further proceedings were postponed earlier today, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 1594, by the yeas and nays;

H.R. 1048, by the yeas and nays; and

H. Res. 186, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

EXTENDING MOST FAVORED NATION STATUS FOR HUNGARY FOR 5 YEARS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1594, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 1594, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 172, not voting 18, as follows:

[Roll No. 109]

YEAS—242

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Conte
Conyers
Cooper
Coughlin
Coyne
Crockett
de la Garza
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Grandy
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Houghton
Hoyer
Hubbard
Jacobs
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken, Thomas
Machtley
Madigan
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McEwen
McHugh
McMillen (MD)
Meyers
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morrison (CT)
Mrazek
Murtha
Nagle
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Pallone
Panetta
Parris
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Pickett
Porter
Pushard
Price
Pursell
Rahall
Ravenel
Ray
Richardson
Ridge
Roe
Rogers
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Slattery
Slaughter (NY)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spratt
Stallings
Stangeland
Stark
Stokes
Studds
Swift
Synar
Tanner
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Udall
Unsoeld
Vander Jagt
Vento
Visclosky
Waxman
Weber
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—172

Applegate
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bilirakis
Bliley
Boehlert
Broomfield
Browder
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Coble
Combest
Cox
Craig
Crane
Dannemeyer
Darden
Davis
DeLay
Derrick
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Dyson
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Gallegly
Gekas
Gillmor
Gilman
Gingrich
Goss
Grant
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Kanjorski
Kasich
Kolbe
Kyl
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Lukens, Donald
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McCurdy
McDade
McGrath
McMillan (NC)
McNulty
Michel
Miller (OH)
Molinari
Montgomery
Moorhead
Morella
Morrison (WA)
Murphy
Myers
Natcher
Nelson
Nielson
Ortiz
Oxley
Packard
Parker
Pashayan
Patterson
Paxon
Penny
Petri
Pickle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rohrabacher
Roth
Roukema
Rowland (CT)
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Skeen
Skelton
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Tallon
Tauke
Tauzin
Thomas (WY)
Traficant
Upton
Valentine
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Weldon
Whittaker
Whitten
Wolf
Wylie
Young (AK)
Young (FL)

NOT VOTING—18

Archer
Bentley
Boggs
Bryant
Collins
Costello
Courter
Flake
Florio
Goodling
Hefley
Laughlin
Miller (WA)
Nesl (MA)
Rangel
Smith (IA)
Staggers
Wright

□ 1948

Messrs. ROBINSON, VOLKMER, MICHEL, SKELTON, PASHAYAN, EMERSON, and HUGHES changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

□ 1950

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. GEPHARDT was allowed to speak out of order.)

Mr. GEPHARDT. Mr. Speaker, I would like to announce to the House the plans for the rest of the evening. We have one vote on H.R. 1048, the Hate Crime Statistics Act. That will be a 5-minute vote. Then we have a vote on House Resolution 186, having to do with the Supreme Court decision on the flag. That will also be a 5-minute vote. That will be the last vote for today.

The District bill be brought up this evening but there will be no votes on it. If there are votes required, they will take place tomorrow morning.

ANNOUNCEMENT BY THE SPEAKER

Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each of the additional motions to suspend the rules on which the Chair has postponed further proceedings.

HATE CRIME STATISTICS ACT

The SPEAKER. The pending business is the question of suspending the rules and passing the bill, H.R. 1048, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. SCHUMER] that the House suspend the rules and pass the bill, H.R. 1048, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 368, nays 47, not voting 17, as follows:

[Roll No. 110]

YEAS—368

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bartlett
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Buechner
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Conte
Conyers
Cooper
Coughlin
Cox
Coyne
Craig
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hiler
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Poshard
Price
Pursell
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Rohrabacher
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Solomon
Spence
Spratt
Stallings
Stangeland
Stark
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—47

Armey
Baker
Ballenger
Barton
Bunning
Burton
Byron
Callahan
Coble
Combest
Crane
Dannemeyer
DeLay
Dornan (CA)
Douglas
Emerson
Fields
Goss
Hammerschmidt
Hancock
Hansen
Herger
Holloway
Hopkins
Hunter
Hutto
Kyl
Marlenee
McCandless
Nielson
Petri
Quillen
Robinson
Rogers
Roth
Shumway
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Stearns
Stump
Thomas (WY)
Volkmer
Whittaker
Young (AK)

NOT VOTING—17

Archer
Bentley
Boggs
Bryant
Collins
Costello
Courter
Flake
Florio
Goodling
Hefley
Laughlin
Neal (MA)
Rangel
Smith (IA)
Staggers
Wright

□ 2001

Mr. STEARNS changed his vote from "yea" to "nay."

Mr. LIVINGSTON changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to provide for the acquisition and publication of data about crimes that manifest prejudice based on certain group characteristics."

A motion to reconsider was laid on the table.

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES REGARDING THE FLAG OF THE UNITED STATES

The SPEAKER. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 186.

The Clerk read the title of the resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and agree to the resolution, House Resolution 186, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 411, nays 5, not voting 16, as follows:

[Roll No. 111]

YEAS—411

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Cox
Coyne
Craig
Crane
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)

Jontz	Murtha	Shuster
Kanjorski	Myers	Sikorski
Kaptur	Nagle	Sisisky
Kasich	Natcher	Skaggs
Kastenmeier	Neal (NC)	Skeen
Kennedy	Nelson	Skelton
Kennelly	Nielson	Slattery
Kildee	Nowak	Slaughter (NY)
Kleczka	Oakar	Slaughter (VA)
Kolbe	Oberstar	Smith (FL)
Kolter	Obey	Smith (MS)
Kostmayer	Olin	Smith (NE)
Kyl	Ortiz	Smith (NJ)
LaFalce	Owens (NY)	Smith (TX)
Lagomarsino	Owens (UT)	Smith (VT)
Lancaster	Oxley	Smith, Denny (OR)
Lantos	Packard	Smith, Robert (NH)
Leach (IA)	Pallone	Smith, Robert (OR)
Leath (TX)	Panetta	Snowe
Lehman (CA)	Parker	Solarz
Lehman (FL)	Parris	Solomon
Leland	Pashayan	Spence
Lent	Patterson	Spratt
Levin (MI)	Paxon	Stallings
Levine (CA)	Payne (NJ)	Stangeland
Lewis (CA)	Payne (VA)	Stark
Lewis (FL)	Pease	Stearns
Lewis (GA)	Pelosi	Stenholm
Lightfoot	Penny	Stokes
Lipinski	Perkins	Studds
Livingston	Petri	Stump
Lloyd	Pickett	Sundquist
Long	Pickle	Swift
Lowery (CA)	Porter	Synar
Lowey (NY)	Poshard	Tallon
Luken, Thomas	Price	Tanner
Lukens, Donald	Pursell	Tauke
Machtley	Quillen	Tauzin
Madigan	Rahall	Thomas (CA)
Manton	Ravenel	Thomas (GA)
Markey	Ray	Thomas (WY)
Martinez	Regula	Torres
Martin (IL)	Rhodes	Torricelli
Martin (NY)	Richardson	Towns
Martinez	Ridge	Traficant
Matsui	Rinaldo	Traxler
Mavroules	Ritter	Udall
Mazzoli	Roberts	Unsoeld
McCandless	Robinson	Upton
McCloskey	Roe	Valentine
McCollum	Rogers	Vander Jagt
McCrery	Rohrabacher	Vento
McCurdy	Rose	Visclosky
McDade	Rostenkowski	Volkmer
McDermott	Roth	Vucanovich
McEwen	Roukema	Walgren
McGrath	Rowland (CT)	Walker
McHugh	Rowland (GA)	Walsh
McMillan (NC)	Roybal	Watkins
McMillen (MD)	Russo	Waxman
McNulty	Sabo	Weber
Meyers	Saiki	Weldon
Mfume	Sangmeister	Wheat
Michel	Sarpalius	Whittaker
Miller (CA)	Sawyer	Whitten
Miller (OH)	Saxton	Williams
Miller (WA)	Schaefer	Wilson
Mineta	Scheuer	Wise
Moakley	Schiff	Wolf
Molinari	Schneider	Wolpe
Mollohan	Schroeder	Wyden
Montgomery	Schuette	Wylie
Moody	Schulze	Yates
Moorhead	Schumer	Yatron
Morella	Sensenbrenner	Young (AK)
Morrison (CT)	Sharp	Young (FL)
Morrison (WA)	Shaw	
Mrazek	Shays	
Murphy	Shumway	

NAYS—5

Clay	Dellums	Weiss
Crockett	Savage	

NOT VOTING—16

Archer	Flake	Rangel
Bentley	Florio	Smith (IA)
Boggs	Gonzalez	Staggers
Bryant	Hefley	Wright
Collins	Laughlin	
Courter	Neal (MA)	

□ 2010

Mr. SMITH of Texas and Mr. LEWIS of Georgia changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2696, ENERGY AND WATER DEVELOPMENT APPROPRIATION, 1990

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-115) on the resolution (H. Res. 187) waiving certain points of order against consideration of the bill (H.R. 2696) making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia Day.

The Chair recognizes the gentleman from the District of Columbia [Mr. FAUNTROY].

LIMITING THE LENGTH OF TIME AN INDIVIDUAL MAY BE INCARCERATED FOR CIVIL CONTEMPT IN A CHILD CUSTODY CASE IN THE DISTRICT OF COLUMBIA SUPERIOR COURT

Mr. FAUNTROY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 2136) to amend the District of Columbia Code to limit the length of time for which an individual may be incarcerated for civil contempt in a child custody case in the Superior Court of the District of Columbia and to provide for expedited appeal procedures to the District of Columbia Court of Appeals for individuals found in civil contempt in such a case, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATION ON TERM OF INCARCERATION IMPOSED FOR CONTEMPT IN CHILD CUSTODY CASES.

(a) SUPERIOR COURT. Section 11-944 of the District of Columbia Code is amended—

(1) by striking "In addition" and inserting "(a) Subject to the limitation described in subsection (b), and in addition"; and

(2) by adding at the end the following new subsection:

"(b) In any proceeding for custody of a minor child conducted in the Family Division of the Superior Court under section 11-1101(1), no individual may be imprisoned for more than 18 months pursuant to the contempt power described in subsection (a) for disobedience of an order or for contempt committed in the presence of the court.".

(b) DISTRICT OF COLUMBIA COURT OF APPEALS. Section 11-741 of the District of Columbia Code is amended—

(1) by striking "In addition" and inserting "(a) Subject to the limitation described in subsection (b), and in addition"; and

(2) by adding at the end the following new subsection:

"(b) In the hearing of an appeal from an order of the Superior Court of the District of Columbia regarding the custody of a minor child, no individual may be imprisoned for more than 18 months for disobedience of an order or for contempt committed in the presence of the court pursuant to the contempt power described in subsection (a).".

SEC. 2. EXPEDITED APPEALS PROCESS FOR INDIVIDUALS INCARCERATED FOR CONTEMPT IN CHILD CUSTODY CASES.

Section 11-721 of the District of Columbia Code is amended by adding at the end the following new subsection:

"(f) The District of Columbia Court of Appeals shall hear an appeal from an order of the Superior Court of the District of Columbia holding an individual in contempt and imposing the sanction of imprisonment on such individual in the course of a case for custody of a minor child not later than 60 days after such individual requests that an appeal be taken from that order.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to individuals imprisoned for disobedience of an order or for contempt committed in the presence of the Superior Court of the District of Columbia or the District of Columbia Court of Appeals in the course of a case for custody of a minor child on or after January 1, 1987.

Mr. FAUNTROY (during the reading). Mr. Speaker, I ask unanimous consent that the bill be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute:

Strike out all after the resolving clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "District of Columbia Civil Contempt Imprisonment Limitation Act of 1989".

SEC. 2. LIMITATION ON TERM OF INCARCERATION IMPOSED FOR CIVIL CONTEMPT.

(a) SUPERIOR COURT OF THE DISTRICT OF COLUMBIA.—Section 11-944 of the District of Columbia Code is amended—

(1) by striking "In addition" and inserting "(a) In addition"; and

(2) by adding at the end the following new subsections:

(b)(1) Except as provided in paragraph (2), no individual may be imprisoned for more than 12 consecutive months for civil contempt pursuant to the contempt power described in subsection (a) for disobedience of an order or for contempt committed in the presence of the court.

"(2) Notwithstanding the provisions of paragraph (1), an individual who is charged with criminal contempt pursuant to subsection (c) may be imprisoned until the completion of such individual's trial for criminal contempt, except that in no case may such an individual be imprisoned for more than 18 consecutive months for civil contempt pursuant to the contempt power described in subsection (a).

"(c)(1) An individual imprisoned for 6 consecutive months for civil contempt for disobedience of an order pursuant to subsection (a) who continues to disobey such order may be prosecuted for criminal contempt for disobedience of such order at any time before the expiration of the 12-month period that begins on the first day of such individual's imprisonment, except that an individual so imprisoned as of the date of the enactment of this subsection may be prosecuted under this subsection at any time during the 90-day period that begins on the date of the enactment of this subsection.

"(2) The trial of an individual prosecuted for criminal contempt pursuant to this subsection—

"(A) shall begin not later than 90 days after the date on which such individual is charged with criminal contempt;

"(B) shall, upon the request of the individual, be a trial by jury; and

"(C) may not be conducted before the judge who imprisoned the individual for disobedience of an order pursuant to subsection (a).".

(b) DISTRICT OF COLUMBIA COURT OF APPEALS.—Section 11-741 of the District of Columbia Code is amended—

(1) by striking "In addition" and inserting "(a) In addition"; and

(2) by adding at the end the following new subsections:

"(b)(1) Except as provided in paragraph (2), no individual may be imprisoned for more than 12 consecutive months for civil contempt pursuant to the contempt power described in subsection (a) for disobedience of an order or for contempt committed in the presence of the court.

"(2) Notwithstanding the provisions of paragraph (1), an individual who is charged with criminal contempt pursuant to subsection (c) may be imprisoned until the completion of such individual's trial for criminal contempt, except that in no case may such an individual be imprisoned for more than 18 consecutive months for civil contempt pursuant to the contempt power described in subsection (a).

"(c)(1) An individual imprisoned for 6 consecutive months for civil contempt for disobedience of an order pursuant to subsection (a) who continues to disobey such order may be prosecuted for criminal contempt for disobedience of such order at any time before the expiration of the 12-month period that begins on the first day of such individual's imprisonment, except that an individual so imprisoned as of the date of the enactment of this subsection may be prosecuted under this subsection at any time during the 90-day period that begins on the date of the enactment of this subsection.

"(2) The trial of an individual prosecuted for criminal contempt pursuant to this subsection—

"(A) shall begin no later than 90 days after the date on which such individual is charged with criminal contempt;

"(B) shall, upon the request of the individual, be a trial by jury; and

"(C) may not be conducted before the judge who imprisoned the individual for disobedience of an order pursuant to subsection (a).".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act.

Mr. FAUNTROY (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

Mr. FAUNTROY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, H.R. 2136 as amended will statutorily limit incarceration for civil contempt in the District of Columbia to 12 months unless a charge of criminal contempt is filed against the individual. It was fashioned after similar legislation in California and Wisconsin. H.R. 2136 also states that an individual imprisoned for 6 consecutive months for civil contempt for disobedience of an order and who continues to disobey the court's order may be prosecuted for criminal contempt at any time before the expiration of the 12-month period that begins on the first day of that individual's imprisonment. In that case, Mr. Speaker, the individual may be held in jail until the completion of the criminal contempt trial, but not longer than 18 months.

Mr. Speaker, it is important to point out that H.R. 2136 does not seek to place a limitation on the amount of time an individual can be sentenced to serve if convicted of criminal contempt. That is not the aim of H.R. 2136—it is simply to preserve the basic rights of individuals to due process under the law.

H.R. 2136 strikes a balance that gives the individual the option of a trial by a jury of his peers after a reasonable period of time has been allowed for the court to exercise its coercive powers.

Mr. Speaker, section 2(a) of the bill amends section 11-944 of the District of Columbia Code regarding the contempt power of District of Columbia Superior Court judges and inserts the following new subsections thereto:

(b)(1). This subsection limits imprisonment for civil contempt to twelve (12) consecutive months, except when a trial is pending on the issue of criminal contempt.

(b)(2). This subsection provides that a person held in civil contempt may be imprisoned until the completion of that individual's trial for criminal contempt, but in no case longer than eighteen (18) months for civil contempt.

Subsection (c)(1) provides that an individual who has been imprisoned for six (6) consecutive months for civil contempt for disobedience of a court order and who continues to disobey that court order may be prosecuted for criminal contempt for that conduct within twelve (12) months of that person's incarceration.

Subsection (c)(2) provides that individuals incarcerated for civil contempt on the date of the bill's enactment may be prosecuted for criminal contempt at any time during the ninety (90) day period immediately following the effective date.

Subsection (c)(2) also requires that trials for criminal contempt "begin not later than ninety (90) days" after criminal contempt charges are filed. The person charged with criminal contempt would be entitled to a trial by jury. The trial could not be conducted by the same judge who ordered the individual incarcerated for civil contempt.

Mr. Speaker, section 2(b) amends section 11-741 of the District of Columbia Code in the same way regarding the contempt power of the District of Columbia Court of Appeals.

Further, Mr. Speaker, section 3 provides that amendments made by this act shall become effective on the date of the enactment of the Act.

SUBCOMMITTEE HEARING

Mr. Speaker, the Subcommittee on Judiciary and Education held a hearing on this bill on Tuesday, May 23, 1989. Witnesses included Congressman FRANK R. WOLF; Congresswomen CONSTANCE A. MORELLA; District councilmember James E. Nathanson (Ward 3); Ronald Goldfarb, Esq., of Goldfarb, Kaufman & O'Toole; Doug Rendleman, Esq., of the Washington and Lee Law School; Prof. Charles Ogletree of the Harvard Law School; and Prof. Robert J. Martineau of the University of Cincinnati College of Law.

The hearing record also includes written testimony and statements submitted by Congressman THOMAS J. BLILEY, Mary Anne Largen, of the National Network for Victims of Sexual Assault [NNBSA], and Mary Jane Defrank of the American Civil Liberties Union [ACLU].

SUBCOMMITTEE AND FULL COMMITTEE CONSIDERATION OF H.R. 2136

Mr. Speaker, on June 20, 1989, the Subcommittee on Judiciary and Education considered H.R. 2136. At markup, Congressman DANA ROHRABACHER introduced an amendment in the nature of a substitute, which was approved by a voice vote. The subcommittee then favorably reported the bill, as amended, to the full committee by a voice vote. Also on June 20, 1989, the full committee favorably reported

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

H.R. 2136, as amended, by a vote of 9 to 1.

It is evident, Mr. Speaker, that H.R. 2136 raises some questions regarding the Dr. Morgan child custody case presently pending before the superior court in the District of Columbia, certain questions which in fairness to my colleagues should be answered.

The major question is whether this legislation applies retroactively. The answer is yes. It does in a case where a person is incarcerated and has already served more then the 18 months on the date of the legislation's enactment. He or she will be entitled to be released. In such a case, however, the bill allows charges for criminal contempt to be brought within 90 days of enactment of the bill. Nonetheless, this is not a bill designed simply to address the Dr. Morgan case and her incarceration. It is intended to remedy an inequity in the law and encourage due process.

Mr. Speaker, H.R. 2136 has the full support of the ranking Republican, STAN PARRIS, as well as this gentleman. I urge my colleagues on both sides of the aisle to vote for passage of H.R. 2136.

Mr. PARRIS. Mr. Speaker, I move to strike the last word.

I rise in support of H.R. 2136 as amended by the committee amendment in the nature of a substitute.

This bill and its amendment are the result of a cooperative and fully bipartisan effort to address a deficiency noted within the D.C. Code. Enactment of this legislation will ensure that the due process rights of individuals in our Nation's capital city are not unfairly abridged while, at the same time, effectively preserving the civil contempt statute as a valuable coercive tool for use by the court in enforcing its orders.

H.R. 2136, as amended, would statutorily limit incarceration for civil contempt to 12 months unless a charge of criminal contempt is filed against the individual and criminal court proceedings are begun between the 6th and 12th months of incarceration. In that case, the individual may be held in jail until the completion of the trial, but not longer than 18 months. Language is also included which would require that criminal charges would be heard by a different judge than the one who had incarcerated the individual for civil contempt.

Conversely, if criminal contempt charges are not filed and criminal court action is not initiated before the end of the 12th month of incarceration for civil contempt, that individual may not be held in jail beyond the end of that 12th month.

I believe it is important to point out that we do not seek to place a limitation on the amount of time an individual can be sentenced to serve if convicted of criminal contempt—that was not our place. Our aim was to preserve the basic rights of individuals to due process under the law. I believe we have successfully met that goal in striking a balance that gives the individual the option of a trial by jury of his peers; but only after a reasonable period of time has been allowed for the court to exercise its coersive powers.

The case of Dr. Elizabeth Morgan is responsible for bringing to our attention the deficiencies of the D.C. Code with respect to civil contempt incarceration. The provisions of this legislation would apply retroactively to that case where Dr. Morgan has already served 4 months more than the 18 month cap. The only exception would be that the bill provides the court 90 days after date of enactment within which criminal contempt charges against Dr. Morgan could be brought. Of course, under what I like to think of as the clean slate provision, a criminal contempt case against Dr. Morgan, if any, would be heard by a judge other than Judge Dixon, who has held her in civil contempt for more than 22 months.

At the beginning of our May 21 hearings on this legislation before the D.C. Subcommittee on Judiciary and Education, I set out to answer two very important questions:

First: At what point does civil contempt incarceration for purposes of coercion become, instead, punishment—thereby constituting a direct infringement on an individual's due process rights; and

Second: At what point on the incarceration calendar should civil contempt automatically become criminal contempt, entitling the individual to a speedy trial by a jury of his peers.

Since those hearings, members of the committee have collectively worked in an effort to finally establish some statutory guidelines for the incarceration of individuals in contempt of court and to, at the same time, protect those individual's due process rights under the Constitution, as well as maintaining contempt proceedings as a tool of the court to bring about the proper administration of justice.

Mr. Speaker, H.R. 2136 as amended represents the answer to my two questions, and represents the success of our efforts and, therefore, has my unqualifed support.

□ 2020

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, the gentleman from Virginia [Mr. PARRIS] stated in his opening remarks that one of the reasons for supporting this legislation was what the gentleman termed to be a deficiency in the D.C. Code.

In other words, I do not want to put words in the mouth of the gentleman from Virginia [Mr. PARRIS], but is he suggesting that the D.C. Code, not having an absolute limit to incarcertion for civil contempt, he feel is deficient?

Mr. PARRIS. The gentleman from Illinois [Mr. DURBIN] is correct.

Mr. DURBIN. Could the gentleman from Virginia [Mr. PARRIS] tell me what the law is in his home State of Virginia on the same question?

Mr. PARRIS. Mr. Speaker, that is not the question we are addressing, I would say to the gentleman from Illinois [Mr. DURBIN]. We are addressing the D.C. Code right here. Right now we are about to fix it, I hope.

Mr. DYMALLY. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the measure before us today is a bill which was considered by the Subcommittee on Education and Judiciary, which I chaired over a long period of time, and with much consultation with Members on both sides of the aisle, from very expert witnesses, and it corrects a deficiency in the D.C. Code.

However, Mr. Speaker, there are some other implications of this measure which trouble me, and that is that this bill was introduced for one individual, and in its original introduction it has a retroactive clause which was taken out to make it somewhat more objective. But in its present form it applies to one individual in the District who is now incarcerated because of contempt of court.

Mr. Speaker, I have been troubled by the nature of this legislation which was designed for a special interest, but I became more disturbed over the weekend when this particular person went on national television and said in effect that, if the court ordered her to have supervised visits with the father of her child, she will defy the court.

So what we have here, Mr. Speaker, is a case of defiance of the court. This is not a situation in where we are trying to help a persecuted or a prosecuted woman. This is a situation in which this has become the cause celebre among many people in the country, and what troubles me is the advocates of this bill are strong law and order people. They are people who on this floor urge Members of Congress to obey the law, to be tough on crime, to hang people for drug transactions. These are the proponents of this piece of measure, and this particular individual is no longer saying, "I am sacrificing my freedom in the interests of my child." She is saying in effect, "I'm going to defy the court. I don't care what the court says. I am not going to produce this child even under court supervision with a witness."

Furthermore, Mr. Speaker, her brother, I am told, was suspended or

had to take leave because of his defiance of this court order, and this was an officer of the court in his employ with the Department of Justice.

So, Mr. Speaker, here we have an entire family, one of whom by virtue of his admittance to the bar is an officer of the court and an employee directly of the Department of Justice, defying the court. This is not trying to help some woman who is incarcerated in the jail because of some inadequacy in the District Code. That is one point.

The other point, Mr. Speaker, is that the Committee on the District of Columbia has historically taken the position that we ought not to interfere with the District of Columbia. We ought not to interfere with the courts, and here it is, this committee, with one exception. It is saying to the court: We're going to change the system to help this one person, and I ask the question, Mr. Speaker, were this some poor woman on welfare in the ghetto, would we have come to her defense as we are now? Would we have waged a national campaign to get her out of jail and pass special legislation?

Mr. Speaker, I just leave that for the thoughts of the Members overnight when they vote tomorrow.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. DYMALLY. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, let me say that I certainly agree with many of the sentiments expressed by the gentleman from California [Mr. DYMALLY].

I do want to make two statements, however, that I think enlighten other Members on the dimension of this measure.

The first is, of course, that under the D.C. Code and under title XI of the Home Rule Act the Congress retains the authority to enact legislation with respect to the judiciary, and I would have joined the gentleman from California [Mr. DYMALLY] in protesting this as a local matter, did the law permit that. However, we are acting within our rights and responsibilities on this question.

Second, I am sure the gentleman from California [Mr. DYMALLY] will agree that no matter who or what the circumstances of an individual, that person is entitled to due process, and I want to assure the gentleman that, if Dr. Morgan does defy a court order such as might follow the passage of this measure, that she would be subject to due process on the question of criminal contempt, in which case she could be incarcerated, not indefinitely, but incarcerated as a result.

□ 2030

Mr. DYMALLY. If I may reclaim my time, Mr. Speaker.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

(By unanimous consent, Mr. DYMALLY was allowed to proceed for 1 additional minute.)

Mr. DYMALLY. Mr. Speaker, let me pose this question to the sponsors of this bill. This bill corrects a deficiency in the court system, as stated by my good friend, the gentleman from the District of Columbia. There is another deficiency in the court system, the supreme court. This is the only State in the Union without a supreme court. Are those Members going to rush to correct that deficiency?

Mr. FAUNTROY. Mr. Speaker, if the gentleman will yield further, I will certainly be calling upon them to rush to do that, and I see a smile on the face of the gentleman from Virginia [Mr. PARRIS]. He may well want to join me in that effort.

Mr. PARRIS. Mr. Speaker, will the gentleman yield?

Mr. DYMALLY. I yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Speaker, I thank the gentleman for yielding to me.

I just want to publicly acknowledge, Mr. Speaker, that the chairman of this subcommittee, the gentleman from California [Mr. DYMALLY], has been a model of fairness and even-handedness in this entire matter. He scheduled hearings in a timely fashion, even though he opposes this bill. It is in the finest traditions of the Congress to permit the majority of this body to make the decision, and I thank the gentleman for his actions in this regard.

Mr. DYMALLY. Mr. Speaker, I thank the gentleman for that small consolation. I shall take it to the district.

Mr. ROHRABACHER. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the bill before us contains the language of the substitute which I offered during subcommittee markup. I believe that this language provides a means of balancing the competing interests involved in civil contempt law for the District of Columbia.

No one contests that, if we are to have an orderly society based on law, judges must have reasonable and effective means to see that their orders are obeyed. Yet, too much power can be placed in the hands of judges. This is evident when one examines our system and sees that a judge, under current D.C. law, can effectively sentence someone without a trial to life imprisonment for continuing civil contempt.

H.R. 2136 as amended does two things. First, it sets a cap on the amount of time someone can be imprisoned for civil contempt in the District of Columbia. This cap is generally 12 months. I believe that the possibility of spending 1 year in jail is sufficient to cause compliance with court orders in almost all cases. This belief is supported by testimony we received in subcommittee hearings on this bill. Setting an even shorter limit on civil contempt confinement in Wisconsin did not result in more people disobeying court orders.

Second, H.R. 2136 as amended allows a 6-month period to charge with criminal contempt anyone continuing to disobey a court order once they have been imprisoned for at least 6 months. Someone charged with criminal contempt may remain in prison for civil contempt for up to a total of 18 months. Trial for criminal contempt must begin no later than 90 days after charges are brought, must be by jury trial if requested by the defendant, and must be before a different judge than the one who imprisoned the defendant for civil contempt. The ability of a new judge to hold a defendant without bail for trial on criminal contempt charges is not affected by this legislation.

In the case of someone who is already imprisoned for civil contempt when this bill is enacted, a seperate period of 90 days, beginning with the date of enactment, is allowed for bringing criminal contempt charges.

Judges can be stubborn and protective of their authority just as a mother is stubborn and protective of her child.

But our current system is not intended as a vehicle to protect judges' authority. It is a system to find the truth and promote justice.

Mr. Speaker, it is not just that anyone should be incarcerated indefinitely without the right to a jury trial. Judges are not meant to be all powerful. In this country the people still hold the power; in our judicial system, that means the jury, not the judge, should make decisions such as we are addressing today.

In summary, I believe that H.R. 2136, as amended, strikes the proper balance between ensuring due process for those charged with civil contempt, and making sure that judges have effective means of enforcing their orders. I ask my colleagues for their support of this bill.

Now, we have heard tonight that this bill may have been introduced, or supposedly was introduced to help one individual. I can testify that I have not studied the case of any individual that is in question. I look at the principle. The principle is what we are talking about and the principle is that someone who is being incarcerated for a long period of time should not be incarcerated unless they have a jury trial.

I would suggest that law and order people do believe that the State

should be strong, but in dealing with criminals. We are talking about a civil matter where you have an honest disagreement between two basically honest people when you are talking about a civil issue. In cases like that, it is proper, very proper, to demand that there be certain restrictions on State power, especially on the arbitrary power of a judge.

So I would suggest that what this bill is all about is not one particular case. This bill is about the fundamental principle that if someone is going to be incarcerated for long periods of time, that he or she has the right to a jury trial.

Mr. WOLF. Mr. Speaker, I move to strike the last word.

Mr. Speaker, let me just comment on the one question that was asked by the gentleman from California. This bill would protect anyone who is in this situation, a welfare mother or anyone. I think it ought to, and I think that is absolutely important. I think it was a fair question, but I think the answer is that it would.

Mr. Speaker, I rise today in support of H.R. 2136. As the sponsor of this legislation, I want to thank Chairmen DYMALLY and DELLUMS for moving this legislation through the District of Columbia Committee so quickly.

There are several points I want to make about this legislation.

First, the bill represents a compromise. My original bill provided for an absolute 18-month cap on civil contempt imprisonments. The legislation was modeled after statutes in effect in California and Wisconsin and a Federal statute which places an 18-month cap on imprisonment for civil contempt in the case of a recalcitrant grand jury witness.

After thorough hearings in the District of Columbia Subcommittee on Judiciary and Education, we amended the bill. The amendment was designed to answer the criticism that an 18-month cap would provide an incentive for individuals to merely "wait out" the 18-month period without complying.

The amendment that was added in committee still provides for a cap on imprisonment for civil contempt of 12 months, but allows the prosecutor to charge an individual so imprisoned with criminal contempt.

Therefore, if the circumstances merit, an individual can be kept in prison, but only with the benefit of a jury trial and other due process protections afforded any criminal defendant. This prevents a person from avoiding compliance by "waiting out" the contempt period. The threat of criminal prosecution also provides an additional incentive for the individual to comply with the judge's order.

This is a good compromise which corrects the problem we are trying to address while at the same time preserving judicial authority to coerce compliance in the courtroom.

Second, while the problem in the law of civil contempt was brought to my attention by the case of Dr. Elizabeth Morgan, this bill is neutral in the Morgan case controversy. It neither supports nor opposes her case with her former husband, Dr. Eric Foretich.

Their controversy is not the issue we are addressing with this legislation. Rather, the issue is the flaw in current law that allows an individual to be imprisoned indefinitely—longer than many drug dealers and burglars—for civil contempt without any of the protections afforded to any criminal defendant.

Third, the problem inherent in the current law is aptly illustrated in the Morgan-Foretich case where a 6-year-old girl named Hilary has been caught in the process.

District of Columbia Court of Appeals Judge John Steadman summed up the situation perfectly in reviewing the case last year. Quoting a proverb from the Kikuyu tribe of Kenya, he said:

> When elephants fight, it is the grass that suffers. Here, the grass is a little girl. . . . For almost a year, she has been denied the company of both father and mother. She is the principal figure in a drama of appalling proportions, no matter the outcome.

For nearly 2 years, the process has been stalled.

This has only harmed Hilary. The legislation before us will move the process forward in Hilary's case and will prevent similar problems from occurring in other cases. It provides the best hope for finding Hilary and it addresses the flaw in the current system that allowed this situation to arise.

The law needs to be corrected and the legislation before us does that in a fair manner that balances the rights of individuals involved with the rights of a judge to enforce his lawful order.

I encourage my colleagues to support this bill, and I include the following article from Roll Call:

[From Roll Call, May 29–June 4, 1989]

ELIZABETH MORGAN CASE: WHAT CAN CONGRESS DO?

(By Representative Frank Wolf)

One of the most painful aspects of the American judicial system is child custody proceedings. While their purpose is to protect the interests of the child, the child is sometimes lost in the process.

Such is the case of a six-year-old named Hilary. For more than 20 months Hilary's mother, Dr. Elizabeth Morgan, has been imprisoned in the DC Jail for failing to produce Hilary pursuant to an order of District of Columbia Superior Court Judge Herbert Dixon.

Hilary's case involves alleged child abuse. Dr. Morgan was jailed for civil contempt in August 1987 after she refused to give Hilary up for a two-week unsupervised visit with her father, Dr. Eric Foretich.

Hilary's whereabouts and condition have remained unknown.

For nearly two years, one organization after another refused to become involved in the case and governmental agencies, for a variety of reasons, refused to look for Hilary.

For nearly two years, news stories appeared which focused on the controversy between Dr. Morgan and Dr. Foretich.

No one, however, seemed to be focusing on Hilary, a six-year-old child who must have lived through more pain and controversy than many adults face in a lifetime.

I believe that in cases such as this the interests of the child are paramount. We must think of the child first.

I do not believe that a child who is denied the care of either of her parents is being well served, and I do not believe it is appropriate that we not know where Hilary is or whether she is being cared for. This is not in the best interest of the child.

DC Court of Appeals Judge John Steadman summed up the situation perfectly in reviewing the case last year. Quoting a proverb from the Kikuyu tribe of Kenya he said: "When elephants fight, it is the grass that suffers. Here, the grass is a little girl. . . . For almost a year, she has been denied the company of both father and mother. She is the principal figure in a drama of appalling proportions, no matter the outcome."

Today, it is apparent to me that keeping Dr. Morgan in jail longer would not produce the desired result: Keeping her in jail would not produce Hilary. It is apparent that if an individual has not complied with an order of the court after 18 months, it is unlikely that the individual is going to comply.

Legislation I introduced in the House of Representatives (H.R. 2136) would limit to 18 months the length of time an individual could be incarcerated for civil contempt in child custody cases in the courts of the District of Columbia.

It is patterned after legislation enacted in California and Wisconsin. Those laws limit the length an individual can be imprisoned in the case of civil contempt in any circumstance. California provides for a 12-month limitation. Wisconsin provides for a six-month cap.

It is also patterned after current federal law, which limits the length of time a recalcitrant grand jury witness may be imprisoned to 18 months.

My bill recognizes that further incarceration of Dr. Morgan will only continue to penalize Hilary. It does not, however, take the case out of Judge Dixon's hands, but rather, it encourages the process to move forward.

My bill may not be the only solution to Hilary's situation. Nonetheless, testimony from hearings held in the District of Columbia subcommittee on judiciary and education last week indicated that there is a great deal of support among the states and in the legal community for my approach.

However, if the sole result of my bill is that it sparks the discussion which produces another responsible solution to the controversy, I will have considered my effort a success.

A system which punishes a child by allowing a parent who has been convicted of no crime to be imprisoned indefinitely—longer than many drug dealers, burglars, and armed robbers—without producing compliance, does not serve the interests of the child involved or of the parents involved. The law needs to be corrected and my legislation is a solid starting point.

H.R. 2136 Has Broad Bipartisan Support

Facts about H.R. 2136:

applies to all individuals imprisoned for civil contempt in the District of Columbia;

balances the interests of individuals with the interest of the judicial system;

has gained broad, bipartisan support including:

National Network for Victims of Sexual Assault;

Family Research Council (a division of Focus on the Family);

The National Organization for Women;

Prison Fellowship;

The Baltimore Sun; and

The Journal Newspapers.

H.R. 2136 has bipartisan support in the House.

At hearings in the District of Columbia Committee subcommittee on Judiciary and Education, expert legal witnesses from across the country have testified in support of the concept advanced in H.R. 2136.

□ 2040

Mr. Speaker, in closing, let me just say this bill is broad-based, has strong support, is supported by the National Network for Victims of Sexual Assault, it is supported by the Family Research Council focused on the family, the National Organization for Women, the Prison Fellowship, and many newspapers, the Baltimore Sun, the Journal newspapers.

I want to again thank the chairman, the gentleman from California [Mr. DYMALLY], and the chairman, the gentleman from California [Mr. DELLUMS], and the other members of the committee. I think they have fashioned a fair and reasonable compromise, and I would urge the Member to support the bill.

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I am happy to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, I would like to ask the gentleman at the outset: When the Clerk read the bill, reference was made in the title of the bill to the fact that this bill or resolution supposedly applies to the incarceration for civil contempt in child-custody cases. As I review the bill, it seems to me that it goes beyond child-custody cases. Is that not true?

Mr. WOLF. It goes to all civil cases where an individual is held in civil contempt.

Mr. DURBIN. So that any civil action brought in the District of Columbia which results in a contempt citation regardless of the nature of the case, whether it is a personal-injury case, whether it has to do with child-support payments as opposed to child custody, it would be covered by this amendment to the United States Code, and this change in the law limiting the period of incarceration?

Mr. WOLF. The person involved in that case, I would say to my friend from Illinois, after a period of 12 months, would have the opportunity to have a jury trial whereby a jury of his or her peers could make that decision.

The SPEAKER pro tempore (Mr. MFUME). The time of the gentleman from Virginia [Mr. WOLF] has expired.

(At the request of Mr. DURBIN and by unanimous consent, Mr. WOLF was allowed to proceed for 5 additional minutes.)

Mr. DURBIN. Mr. Speaker, will the gentleman yield further?

Mr. WOLF. I am happy to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, could the gentleman tell me how many incidents we have had of incarceration of more than 12 months for civil contempt in the District of Columbia?

Mr. WOLF. There have been numerous cases of incarceration around the country. I do not know how many have been in the District of Columbia. This a very common problem in many, many parts of the country. As a result of that, that is why the State of Wisconsin passed its law limiting to 6 months, and that is why California limited theirs to 12.

Mr. DURBIN. If the gentleman will yield further, it is my understanding that this is the only case where someone has been incarcerated in the District of Columbia for more than 12 months under a civil contempt citation. My information may not be accurate, and if the gentleman has any additional information to suggest otherwise, I would appreciate it.

Mr. WOLF. I really do not. I think that I would answer the gentleman by saying this: We are the only body that has the ability to deal with this and the right of one individual or two individuals, whoever they are, in a circumstance like this anywhere in the country, and I think that we have in a case like this an individual who has been held in prison longer than many drug dealers and criminals with armed robbery, so even if it is just one, and even more to come, it would cover them.

Mr. DURBIN. If the gentleman will yield further for another question, the gentleman has stated in his statement to the body here that this resolution, this law, would be neutral on the Morgan case and, yet, if I am not mistaken, I believe that the Delegate from the District of Columbia suggested otherwise in his statement, that this legislation would, in fact, be retroactive as of the date of its effective date and would affect then the future course of action on the court in reference to Dr. Morgan.

Which is the case?

Mr. WOLF. What I said is while the problem in the law of civil contempt was brought to my attention with respect to the case of Dr. Elizabeth Morgan, this bill is neutral with regard to Elizabeth Morgan. It neither supports nor opposes her case. What would happen, I would tell the gentleman, is the district attorney in the District of Columbia would have the opportunity in 90 days to bring a criminal contempt and to try Dr. Morgan with a jury trial.

Mr. PARRIS. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I am happy to yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Speaker, if I understand the gentleman's intent of his statement, it was that in no way is this bill intended to deal with the question of the custody of the young person involved here, to adjudicate the rights between the parents, in other words?

Mr. WOLF. The gentleman is correct.

Mr. PARRIS. There is no attempt to determine which of the parents is the more worthy of the custody and that sort of thing?

Mr. WOLF. That is correct.

Mr. PARRIS. We in no way address those questions? Is that correct?

Mr. WOLF. That is correct.

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I am happy to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, is the gentleman then suggesting that though it would not resolve the merits of the issue, it would in fact resolve any future contempt citations which might be handed down against Dr. Morgan?

Mr. WOLF. What I think would happen, or what would happen under this, there would be an opportunity for the District of Columbia judicial system to bring Dr. Morgan to trial and to charge her for criminal contempt. At that time she would have an opportunity for a jury trial.

Mr. DURBIN. But they would be stopped by this legislation from any further civil contempt after it takes effect against Dr. Morgan?

Mr. WOLF. Civil. They would have criminal action, and clearly, as the gentleman knows, a criminal offense is a much stiffer penalty, a much stiffer action in a criminal.

Like I said earlier, it is like a caterpiller turning into a butterfly. It transforms, and it would be a much more difficult problem.

Mr. DURBIN. If the gentleman would yield for just one more question, and I thank him for yielding for this series of questions, so that I understand this, at the end of the limitation on the period of incarceration for civil contempt, if a respondent or a defendant in one of these cases still refuses to cooperate with the court and to divulge information, the court would then be powerless on the civil side to impose any kind of contempt citation, and the recourse would then be for criminal prosecution for criminal contempt? Is that correct?

Mr. WOLF. Yes. It would move into criminal contempt.

Mr. BATEMAN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I reluctantly rise in opposition to this legislation, and given the fact that the distinguished chairman of the committee and the distinguished ranking member of the committee are in agreement, I guess I should have gone home and applauded and said that the millenium has arisen. But, unfortunately, I must voice my opposition to enactment of this bill.

It is a better bill than that which was originally introduced. Certainly that much can clearly be said for it. What cannot be said for this bill is that it is not a direct and specific intrusion of the legislative process into the very vital aspect of an ongoing, pending litigation. That is not valid, sound public policy.

In all my years now of legislative experience, and that is some 21 now, going on 22 years, of experience, it has always been offensive in the legislative bodies in which I have previously served for legislative action to be applied retroactively to cases then pending prior to the effective date of the bill.

It is said here repeatedly that the purpose of this bill is not to do anything with respect to the ongoing Morgan child-custody case. If that is the case, then why is the bill written with a retroactive provision in it? Why is that retroactive provision stated in terms where only one person alive fits the condition for it being applied to them retroactively? And that is the Morgan case.

One can say until we are all blue in the face and expiring for breath that this has nothing to do with the Morgan case, that it is merely a matter of good, sound public policy, but it is not, frankly, credible to this Member at least. This is a Dr. Morgan-inspired bill to be applied to an ongoing case.

That is wrong for us to do. If we are so imbued with the sound public policy of this legislation, then strike the retroactive provisions or put in it that this bill shall not affect any pending litigation or parties to any litigation pending prior to the date of its enactment. That would make it fine, and that would let us address ourselves to the public-policy merits of the bill, which I am not sure it does not have public-policy merits, but it has no merit to take this bill and to apply it to pending litigation, because that litigation has inspired a great deal of headlines and where we, in effect, are intruding ourselves, however innocently, unknowingly, and unintentionally, into affecting the outcome of that litigation.

Mr. PARRIS. Mr. Speaker, will the gentleman yield?

Mr. BATEMAN. I am happy to yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Speaker, let me see if I can summarize at least my feelings or my position as one Member of this body and of this committee in regard to this matter as it relates to Dr. Morgan's case.

I clearly intend to permit Dr. Morgan to have a hearing as soon as possible under a criminal contempt proceeding which I assume Judge Dixon will now bring. That is his right, and it is her right to have that hearing.

□ 2050

Mr. BATEMAN. Reclaiming my time, the gentleman is simply pointing out further and further that this is a bill that directs itself to the outcome of pending litigation and parties to that litigation. The gentleman is talking about giving rights to someone to do something, and to have them amenable to a criminal prosecution and the availability of a jury trial when that is not a right, that is not the circumstances in which this person, a party to this pending litigation presently is exposed. We are changing the nature of that litigation and what the judge may or may not do. Whether rightly or wrongly, we are affecting the litigation and parties to it after the fact. And that in principle I believe to be wrong.

Mr. PARRIS. Will the gentleman yield to me further?

Mr. BATEMAN. I yield to the gentleman from Virginia.

Mr. PARRIS. I would say to the gentleman, if I had never heard of Dr. Morgan, and if there was no Dr. Morgan, if I had known of the circumstances in the District of Columbia Code as it relates to civil contempt, I would have taken the same position.

Mr. BATEMAN. Reclaiming my time, let me ask the gentleman a question. If he is so concerned about the public policy merits of the proposition, why has this bill directed itself to the District of Columbia? Why is it not addressed to the United States Code where all of the people of the United States would have the benefit of this remarkable transcending superior public policy position with regard to punishment for civil contempt?

Mr. PARRIS. I would say to my friend from Virginia, we are having enough trouble with the District of Columbia Code without attacking each State legislature in this matter around the Nation.

The SPEAKER pro tempore (Mr. MFUME). The time of the gentleman from Virginia [Mr. BATEMAN] has expired.

(On request of Mr. PARRIS and by unanimous consent, Mr. BATEMAN was allowed to proceed for 2 additional minutes.)

Mr. BATEMAN. Mr. Speaker, let me reclaim the time only long enough to say that my objection here, my comments, nothing goes to us doing anything as to State law. We are talking about Federal law under the Federal system and the United States Code, not the code of 50 States, most of which do not contain a provision such as this, but which we are now going to say, because of the appeal the gentleman from Virginia apparently finds in this case applicable to Dr. Morgan, this should be done in the District of Columbia, when if it is such a good idea it should have been done for all of the people of the United States.

Let me also respond to the chairman of the committee, the gentleman from the District of Columbia. This would not apply to all welfare mothers throughout the United States, because it does not apply to anything except those people under the D.C. judicial system. So it is not something that applies to everybody generically, it applies only in the District of Columbia, and it is only being offered for the District of Columbia because of one case, and it affects that case, and the litigants to it, and I think that is wrong in principle.

Mr. PARRIS. If the gentleman will yield further, let me just state to him that if the principle which he believes very strongly in in terms of incarceration turning into punishment at some point, if the principle is good for future defendants, for future similarly situated persons, then it is also good for Dr. Morgan. And if we make the legislation only prospective, then we say to this particular individual in this case, you sit there for 25 years, if that is what it takes for the judge to change his mind. I think that is what is wrong.

Mr. BATEMAN. Reclaiming my time, the gentleman very clearly demonstrates the accuracy of my statement that what he is doing is not future, prospective public policy, but to get at what he perceives to be an injustice under the present law as applied to present, pending litigation.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. BATEMAN. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Speaker, we are the only body that has the authority to amend the D.C. Code. The D.C. City Council does not have the authority. We are the only body who can do this.

Second, this is a very common occurrence, in Texas, in Judy Mann's column, Washington State, Baltimore is going through the very same thing, the New York case. This is a very common occurrence whereby people have been driven underground. We do not have the authority, I would tell the gentleman from Virginia, to pass laws for all of the States, but this is the appropriate place and the only place who has the authority to do it.

The SPEAKER pro tempore. The time of the gentleman from Virginia [Mr. BATEMAN] has again expired.

(By unanimous consent, Mr. BATEMAN was allowed to proceed for 30 additional seconds.)

Mr. BATEMAN. Mr. Speaker, I would only remind the gentleman from Virginia and all of the Members that this Congress does have the authority to enact generic laws governing all courts in the Federal system, of which the D.C. courts are only a small part. It could do that if it chose to do that.

Yet, we have clearly chosen to do it here, and to do it here because of its effect on a pending case, and to make it absolutely certain, we have made it retroactive in order to guarantee it.

Mrs. MORELLA. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I am pleased to be an original cosponsor of H.R. 2136, and I rise in support of this bill.

H.R. 2136 is designed to remedy, as an example, the troubling child custody and visitation dilemmas of parents, in the District of Columbia, who are faced with the agonizing decision of whether to either surrender their child to a spouse they fear may abuse the child, or to disobey a court order.

If the parent does not turn over the child, as directed by the court, then he or she risks contempt of court. Currently, in the District of Columbia, an individual can be imprisoned for civil contempt for an indefinite period of time.

While a number of my constituents have shared with me their tragic stories of the abuse of their children by their spouses, perhaps the need for H.R. 2136 is best exemplified by the situation of Dr. Elizabeth Morgan. I believe that bad cases make good laws.

Dr. Morgan has been incarcerated for civil contempt of court in the D.C. Jail for the past 22 months. She has not been convicted of any crime, yet she has been imprisoned for noncompliance with a court order which would permit her ex-husband to resume unsupervised visitations with her daughter, Hilary.

She has refused to obey that order because she contends that her ex-husband has sexually assaulted their child, and may continue to do so in future visitations. As a result, Dr. Morgan has indicated her willingness to remain incarcerated to protect her daughter's well-being, and, if necessary, until Hilary is 18 years old and out of the court's jurisdiction in the year 2000. Currently, there is no recourse in the D.C. legal system to address this situation other than to lock up Elizabeth Morgan indefinitely.

Civil contempt incarceration is designed to coerce compliance with a court order. However, there comes a point when the remedial intent of civil contempt of the court ceases, and the remedy then becomes punitive. Indeed, the incarceration of Dr. Morgan has now crossed that point—and the child suffers.

H.R. 2136 specifies that after 12 months, the coercive effect of civil contempt may be lost. The bill would offer a remedy to such a situation by limiting the length of incarceration for civil contempt. In addition, as a safeguard to prevent any possibility of the obstruction of justice by a parent in a child custody case, H.R. 2136 would allow for criminal contempt charges, if necessary, to be brought upon the expiration of any civil contempt jail term for the failure to comply with a court order. Any criminal contempt charges would require a jury trial within 90 days.

The power to determine the jurisdiction of the D.C. courts lies with Congress. This power must at all times be tempered by conscience. Presently, the States of Wisconsin and California have statutes which limit civil contempt incarceration. I am contacting the Maryland State Legislature to urge them to also enact a similar bill to H.R. 2136.

I urge my colleagues to support H.R. 2136.

Mr. PARRIS. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Yes indeed, I yield to the gentleman from Virginia.

Mr. PARRIS. The gentlewoman said in her statement that Dr. Morgan has not been convicted of any crime, and I would add that she has not been accused of any crime. All she has ever done has been held in contempt of this individual judge, and for 22 months now she has languished in a prison with no change of circumstance, no change of position on anybody's part. The question is whether that is likely to result in some improvement of the circumstance of this individual case, and I submit that it is not.

One further thing, if the gentlewoman will yield further, it is reported in a recent edition of a national magazine that the judge may well be ready to up the ante in this war of attrition by raising the possibility of jailing the brother of Dr. Morgan as a result of a hearing that was held on June 9, and it has been suggested in this article that this is like medieval torture where they put someone in jail, and they grab a member of the family and put his feet to the fire.

How far do we go with this? Should there not be some opportunity under the process of law at some place in time? This or any other individual is entitled to a hearing by a jury of his peers.

□ 2100

That is what this bill is all about. It is not intended in any way to interfere with the enforcement proceeding of this or any other judge or this or any other court. It is not intended to determine the legitimacy of the allegations of fact.

It is simply a question of due process. And when you have the fire spreading to other members of the family, I think that is going just a little too far.

I thank the gentlewoman for yielding.

Mr. BATEMAN. Mr. Speaker, will the gentlewoman yield to me?

Mrs. MORELLA. I yield to the gentleman from Virginia.

Mr. BATEMAN. I thank the gentlewoman for yielding.

Mr. Speaker, I would like to have been able to do this procedurally by addressing the comments or question to my colleague from Virginia, but my problem is the gentlewoman is talking about Dr. Morgan's brother.

The SPEAKER pro tempore (Mr. MFUME). The time of the gentlewoman from Maryland [Mrs. MORELLA] has expired.

(On request of Mr. BATEMAN and by unanimous consent Mrs. MORELLA was allowed to proceed for 2 additional minutes).

Mr. BATEMAN. Mr. Speaker, will the gentlewoman continue to yield.

Mrs. MORELLA. I yield to the gentleman from Virginia.

Mr. BATEMAN. I thank the gentlewoman for continuing to yield.

Dr. Morgan's brother is not under threat by anyone of incarceration except to the extent that he refuses to give information he is believed to have with regard to the whereabouts of the child. If he gives the information, no one is thinking of throwing him in jail just because he happens to be the brother of Dr. Morgan. He would be going to jail because he is withholding the very same information, if he has any, that Dr. Morgan is in jail for withholding. He is as much in contempt of the court under those circumstances as she.

To intimate that we are going out and grabbing members of Dr. Morgan's family or that someone is, just because she will not do something, is a totally, I think, erroneous impression that is being left.

Mrs. MORELLA. The concept is to force compliance. But in the case in point that brings this about, obviously you are not going to force compliance and therefore it becomes a punitive situation. And therefore a law is necessary to remedy it.

Mr. ROHRABACHER. Mr. Speaker, will the gentlewoman yield to me?

Mrs. MORELLA. Mr. Speaker, I yield to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. I thank the gentlewoman for yielding.

Mr. Speaker, again I am the author of this substitute and I have not studied this particular case. I looked spe-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

cifically at the principle that was involved and I do not believe that people should be incarcerated for long periods of time without the right to go to a jury. And that is what this case is all about. Should an individual have a right to go to a jury once he or she has been incarcerated for a given period of time? We cannot leave that to stubborn judges. That is what freedom is all about. People have a right to a jury trial if they are going to be incarcerated.

Mr. DURBIN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I thank the Speaker and my colleagues in this debate for yielding to questions earlier. At the outset I am opposed to H.R. 2136.

Mr. Speaker, I have listened closely to this debate, and I have tried to follow not only the committee report but the press reports and all the information involving this issue.

It strikes me there are several things we should clear up at the beginning.

On the question of criminal contempt, it is truly different than civil contempt. There is a higher burden. The burden is beyond a reasonable doubt in the cases involved in criminal law. There is a right to due process which an individual can have, the right of course to trial by jury.

The penalties, of course, in criminal contempt are usually higher.

In contrast, in civil contempt proceedings there is much more court discretion. But, please, I hope no one will leave this debate with the understanding or belief that in cases involving civil contempt there is no hearing.

Ladies and gentlemen of the House, I can tell you after years of practice in matrimonial law there are more hearings than you could ever stand.

The court will call you in at the drop of a hat for a hearing for a rule to show cause as to why a person should be held in contempt or not held in contempt.

But in a civil contempt proceeding, in a civil proceeding, believe me, before you can get any contempt citation you have a day in court.

You stand before a judge, you are represented by counsel; you have a hearing, you state your case; that judge then makes the decision.

To say there is no jury present is probably true. I will readily concede that fact.

Few juries are called in in that instance.

But let me tell you the important distinction as I see it between civil contempt and criminal contempt.

When a person is locked up in criminal contempt they can rest assured that the next morning they will wake up in the same cell facing their sentence. When a person is jailed for civil contempt, that person is virtually jailed with the key to the cell in his or her hand. As soon as that person is willing to comply with the court order, that person is released.

To suggest that they are sent off to some desert island never to be heard from again is just not accurate.

A hearing is held. A person who is willing to purge themselves of contempt in a civil proceeding can find their own release instantly before the court.

Now we cannot escape the fact whether or not we want to that this law that comes before us or this bill comes before us to become law primarily because of one case; an exceptional case, an extraordinary case.

From what I am told, possibly a historic, landmark case, the longest incarceration for civil contempt in the history of the District of Columbia. It certainly merits our consideration.

But less us also not try to delude ourselves into believing that a lot of feeling and strength of feeling about this case has to do with what we have read about Dr. Morgan. This law that is presented to the House of Representatives goes far beyond Dr. Morgan's case. It is retroactive in one respect, as I discussed with my colleague from Virginia earlier, and would have had an impact on Dr. Morgan. But ladies and gentlemen of the House, this law affects in future every civil case brought in the District of Columbia; every defendant and every respondent in every circumstance will be bound by this law.

So please test it beyond the situation of Dr. Morgan. Test it in other conditions to see whether it stands up.

Having said earlier that I have been involved in hundreds of these cases, child custody, child support, all of the myriad issues involved in matrimonial law, I will readily concede to you it brings out the worst in people, the absolute worst. People become ruthless, vicious, you find them turning on one another and caring little about what is going to happen, many times, to the small child affected by the decision.

Now in this case some would argue that Dr. Morgan is in jail as a matter of conscience. I cannot stand here in judgment of whether she is right or wrong. But to sit incarcerated for 21 months, to give up a practice of medicine, is clearly a matter of conscience.

But is that what guides us now to make this decision? Because tomorrow's case may not be conscience, tomorrow's case may be greed or it may be malice.

Let me tell you what I am talking about.

I have certainly represented fathers who have said to me, "I won't pay another nickel in child support. I don't care what the court says. Let them haul me into jail. I will sit there unemployed, I will show them." Totally unreasonable, totally unjustified, motivated by greed, certainly, and subject to a civil contempt citation.

Do you have the same level of mercy and charity, the same feeling of compassion about the father who will not pay the child support?

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. DURBIN] has expired.

(By unanimous consent, Mr. DURBIN was allowed to proceed for 5 additional minutes.)

Mr. DURBIN. Do you have the same feeling of compassion then about the father sitting in that jail cell? The father who will not go to work, who may not disclose where his assets are? That happens. How about the court decree in a court case that says, "You shall sign over the marital property, the home of the wife so that she can use the proceeds to raise the kid?" He says, "I would rather sit in jail." Now do you have the same level of compassion?

Of course there are some who are just malicious, those who will not pay the medical bills for their children.

Sometimes children can be denied medical care because an estranged father angered by the court system says, "I would rather sit in jail than pay that bill." And there sits the mother in tears and the child in need of medical care; do you have the same level of compassion for the father, found in civil contempt?

Ladies and gentleman of the House, some say, it has been mentioned in debate, this is a woman's issue. Certainly it is a women's issue. It is a man's issue. It is a children's issue. Believe me, all women are not right in these cases and all men are not wrong. These poor judges that are burdened with the responsibility of matrimonial law have to make these decisions day in and day out and it is not an easy lot in life.

But for some group to stand back and say that we are certain in passing this law is going to help the women of America, I am sorry, because tomorrow the woman of America can be the petitioner in this case saying to her former husband, "You are going to pay child support." And he will say, "I would rather sit in jail than sign over the deed to that house." That is not protecting the woman or the child.

Let me say this can be turned on people; it can be a sword tomorrow, a shield today.

I am asking the Members of this House to please look beyond Dr. Morgan's case, as compelling as it may be, to say: Do we want to apply this in every instance?

□ 2110

Let me take another example: a personal injury case, someone that was harmed by a company of the District of Columbia files the necessary documents for discovery to find out, perhaps we will consider a set of facts to

find out what chemicals were being used at some concern that may have poisoned someone, and the company says, "I will not release that information." The officers say, "Regardless of the order of the court, I won't release the information in a civil case," and is prepared to be held in contempt.

Now, does the gentleman have the same level of compassion for that person that will not release that information?

Let me close by saying some people believe it will solve Dr. Morgan's problems. I do not know if it will or not. I will say if I represented the other side I would file a petition in the District of Columbia the next day, asking her to disclose again where that child is, and if she fails to do so, she may find herself back in the cell again for another 12 months. Then what have we accomplished?

I ask the gentleman further to consider the fact that we have a situation that, in fact, is unusual, extraordinary, but do we want to turn this into permanent law of the District of Columbia, when only two other States of the Union have followed our example?

I commend all the sponsors of this legislation. I earnestly commend the sponsors, my colleague from Virginia, my colleague from California, and my colleague from the District of Columbia. I earnestly commend the Members for their sensitivity to a case that is very compelling. I rise not in opposition to the compelling circumstances of this case, but in the hopes it will reflect on what this might mean to so many other cases.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. I want to thank the gentleman for pointing out that this bill does not relate solely to the Morgan case, and pointing out that it will apply to any cases. Indeed, the gentleman indicated that never in the history of this city has a person been confined for 12 months on a civil contempt charge or order. The gentleman kept asking the question, would we have compassion in a number of possible circumstances.

I want to say to the gentleman that I would have compassion for the persons injured in any of the cases to which the gentleman makes reference, but I also would have concern, one, that any person who is confined, incarcerated on a civil contempt order be afforded an opportunity to go before a jury of his or her peers and have them to make a judgment as to whether or not they should be punished for their contempt, one; and two, under our system of jurisprudence, I believe a person to be sentenced for life for criminal contempt, and if the father, whose behavior the gentleman described there, would be egregious, were to go before a jury of his peers and judged guilty of criminal contempt, they could decide an appropriate punishment for that person, and it is the compassion that we have for all citizens, whatever their circumstances be, that they at least have the right to due process.

The SPEAKER pro tempore (Mr. MFUME). The time of the gentleman from Illionis [Mr. DURBIN] has again expired.

(By unanimous consent, Mr. DURBIN was allowed to proceed for 5 additional minutes.)

Mr. DURBIN. Mr. Speaker, I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, I agree this goes far beyond the question of Dr. Morgan's case. The fact is that I do have compassion, that even if this bill passed, and I hope that it will, she will have spent 22 months incarcerated, without due process, and that should happen to no one in the country, in my view. Second, should it pass, there is the prospect that she could spend another 18 months before coming to resolution on a question of criminal intent, which would entitle her, as every American, whoever that person happens to be, to due process.

Mr. DURBIN. Mr. Speaker, if the gentleman would engage in dialog with me, I think there are two possibilities, two possible conclusions to what we are saying here.

The first possibility, and we will assume this is enacted into law, and we will assume it is the day after, the petitioner in this case, the former husband, is still seeking custody of the child, files a new action, files a new petition in the existing action in the District of Columbia, and the judge, whoever it might be, the sitting judge or a new judge, asks the same basic question: Where is the minor child? In that case, for the same reason, I would assume the respondent, Dr. Morgan, would say the same thing, "I won't tell this court."

Does the gentleman suggest under the terms of this legislation that the respondent might then be found in civil contempt again and placed in custody for another 12 months?

I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, I think in all honesty that hypothetical does suggest ambiguity. I think, at this point, however, it is clear from our hearings, from our discussion of debate on the substitute which was offered by the gentleman from California [Mr. ROHRABACHER], that it is our intent that should the process which the law now provides for in the present case for Dr. Morgan to have an opportunity to go before a jury of her peers in a criminal contempt case, that should a jury of her peers judge her to be guilty of contempt, that she would have, and that she serve out the sentence that they recommend, and the judge approves, the justice will have been served.

Mr. DURBIN. My question is more specific. The facts that I described to the gentleman, could the respondent be called and be subject to civil contempt for refusing to disclose the same information?

Mr. FAUNTROY. If the gentleman will yield, I think the answer is that if she were charged and prosecuted.

Mr. DURBIN. A strictly civil question, strictly civil. Can she be charged with civil contempt if she continues to refuse, after being released under the terms of this legislation, continues to refuse to divulge the information ordered by the court?

Mr. FAUNTROY. If the gentleman will yield, we do not intend that, one. Two, I suspect that what the gentleman is saying or suggesting is that the husband in this case would reenter a charge which the judge would then judge.

Mr. DURBIN. The gentleman from the District of Columbia, if I understand his response, it is not your intent that the person would then be held subject again to further civil contempt citation?

Mr. FAUNTROY. After she went through criminal intent process.

Mr. DURBIN. There is nothing in the law which requires criminal contempt proceedings. There is a right to bring criminal intent proceedings between the 6th and 12th month. There is no requirement. Should the District of Columbia not bring a criminal contempt citation, the gentleman is suggesting, once having served 12 months of criminal contempt, it is over? I suggest to the ladies and gentlemen of the House if that is the same conclusion you reach, "take it away, Dr. Morgan," and think of the case of the person who will not sign the deed on the marital home to provide the assets to raise the children. Twelve months in jail, for free? Twelve months in jail?

Mr. WOLF. If the gentleman will yield, the answer is, if it were a new order she could be put back in jail.

What we are talking about are individuals. They have, as the gentleman from the District of Columbia has said, the right to have a jury trial. We ought not to be afraid of a jury trial.

So, yes, if it were a new order, she could be put in, but she is given an opportunity for a jury trial of her peers that anyone would want.

Mr. DURBIN. I am not sure of the procedure in the District of Columbia, but in most States of the Nation in the case of dissolution or divorce, questions of child custody and support, it might be subject to jury trial in the first instance. I do not think the jury trial in and of itself is a determining factor here.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from California.

Mr. ROHRABACHER. The gentleman does not believe that 12 honest people on a jury can make decisions, proper decisions in all of the cases that the gentleman was suggesting, in terms of child custody of payments?

Mr. DURBIN. I certainly did not say that. I am, in my other life, a practicing lawyer and officer of the court. If I did not believe in jury process, I have no business practicing in this country.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. DURBIN] has again expired.

(On request of Mr. ROHRABACHER and by unanimous-consent request, Mr. DURBIN was allowed to proceed for 5 additional minutes.)

Mr. DURBIN. Mr. Speaker, I yield to the gentleman from California.

Mr. ROHRABACHER. Not being a lawyer myself, sometimes I have more faith in the common sense of an average citizen, in 12 members of a jury, than I do in a judge that might be stubborn. Is that something I am off base on?

Mr. DURBIN. I believe if the gentleman were sitting on the side of the table where the judge found in his favor, he would applaud the stubborness. If the judge ruled against the gentleman, of course, the gentleman would think the whole system is flawed.

Mr. ROHRABACHER. If the gentleman will yield, if we are to put our faith in a judicial system, is not our judicial system based on the fact that we have a right to 12 jurors, to make a decision if we so choose?

□ 2120

Mr. DURBIN. Mr. Speaker, there is no question about that, but in this case involving civil contempt understand, if my colleagues will, that we have got to step aside from the case here involving child custody and ask whether we want this to apply to an officer of a company who will not disclose the chemicals that have in fact, allegedly, let us say, poisoned the plaintiff in the case.

Now I would say to the gentleman from California [Mr. ROHRABACHER] that in that case the court is saying, "You have a duty and an obligation to disclose this for the purposes of justice," and the gentleman is saying, "Well, let's start a new trial at that point."

Mr. ROHRABACHER. Mr. Speaker, let me ask my colleague, the gentleman from Illinois [Mr. DURBIN] whether he has any faith that a jury will make the right decision.

Mr. DURBIN. Mr. Speaker, the gentleman from California [Mr. ROHRABACHER] has asked the same question twice. I will respond to him the second time as well by saying that I have faith in the jury system, I have faith in the system of justice.

Mr. Speaker, I am happy that the gentleman's State now has addressed this question, but honestly, some 49 other States have not.

Mr. ROHRABACHER. Mr. Speaker, is the gentleman from Illinois [Mr. DURBIN] aware that California and Wisconsin have already dealt with this issue?

Mr. DURBIN. Yes, I am.

Mr. ROHRABACHER. In addition, Mr. Speaker, is the gentleman from Illinois aware of caps such as this?

Mr. DURBIN. Yes, I am.

Mr. ROHRABACHER. And they are working fine, that we have heard testimony in our committee that the caps placed on this type of confinement have worked very well in Wisconsin and California.

Mr. DURBIN. I am aware that 48 other States have not.

Mr. ROHRABACHER. It has worked.

Mr. DURBIN. However, Mr. Speaker, what is interesting to me is that the gentleman from California [Mr. ROHRABACHER] now would like to suggest that the wisdom of the residents of the District of Columbia should be tested and tried in this case and that we would come to ultimate truth, and yet I find so many of my colleagues reluctant to give these same residents of the District of Columbia the right to make a decision as to who will represent them as a voting Member of the House or U.S. Senate.

Mr. ROHRABACHER. Mr. Speaker, perhaps, not being a lawyer, I do not know about bringing in other types of issues to make a point, but the fact is that the jury trial, a jury trial is still someone's right in this country, and we have seen that work in California and Wisconsin when they placed this type of restriction on a judge's stubborness in that State.

Mr. DURBIN. I thank the gentleman from California [Mr. ROHRABACHER].

Mr. PARRIS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I will not trespass at length on the time of the House. It is getting late in the evening, but I would say to the gentleman from Illinois [Mr. DURBIN] regarding his comments about the vagaries of human nature, those of us who have practiced law, and I did for almost 20 years, understand something about that.

Mr. Speaker, I was twice involved with a child custody case between a blind natural mother and sighted grandparents of a natural healthy sighted child. I say to my colleagues that is a matter of some compassion, and I would say to the gentleman from Illinois [Mr. DURBIN], would the gentleman from Illinois think it is also compassionate, is it right for this mother, as she has threatened to do, to spend her life in jail without a hearing or a determination of any kind, except by one judge, until the child reaches adulthood, presumably at which point she could then bring the child from behind the bars; hopefully she would bring the child to the courtroom and say, "OK, Judge. Here is now my child," and she can determine her own custody, what parent she wants to have serve as her custodial person at that point, as an adult?

What happened to her childhood? Is that fair to this child forever to have this judge solely in his discretion, without any other proceeding, for presumably the 18 years? I say to the gentleman from Illinois [Mr. DURBIN], my friend, that's not very compassionate in my——

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, the gentleman from Virginia [Mr. PARRIS], having practiced law in family court, knows it happens every day across the United States of America. Judges reach decisions on custody that are heart-rending decisions which leave people in tears in a courtroom and surely believing that they have been wronged, and it happens every day. These cases are so compelling.

(By unanimous consent, Mr. PARRIS was allowed to proceed for 30 additional seconds.)

Mr. PARRIS. Mr. Speaker, I yield to the gentleman from the District of Columbia [Mr. FAUNTROY], my friend.

Mr. FAUNTROY. Mr. Speaker, I thank the gentleman from Virginia [Mr. PARRIS] for yielding.

Mr. Speaker, I would just like to again address the gentleman from Illinois [Mr. DURBIN] by saying, "I'm sure you do not believe that any citizen, however egregious his behavior, should be incarcerated indefinitely as a result of a civil contempt judgment by a judge. Would you not agree that even that gentleman who poisoned someone has a right to trial by jury to determine what his punishment ought to be?"

Mr. Speaker, that is, I think, the essential here in this bill and in the case which stimulated it generation by this committee.

Mr. WOLF. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I do not want to prolong this.

Mr. Speaker, in the Bloom Supreme Court case; this is Supreme Court law, it says that in any case where an individual can be punished or sentenced for more than 6 months that they are guaranteed a jury trial, and this is the only place that they are not. I would say that whether it be in Texas, or Illinois, or the District of Columbia, no

matter who the individual is, in a case like this there ought to be the right for a jury trial.

Mr. BATEMAN. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Virginia.

Mr. BATEMAN. Mr. Speaker, I just think that I need to remind my colleagues that we are talking here about punishment for a civil contempt of a judge's order committed in the presence of the court. From the Magna Carta forward until now I think I am correct that no person subject to punishment for such contempt has been entitled to a jury trial except apparently in California and Wisconsin, and, if this passes, in the District of Columbia. It is not the norm that people being punished for civil contempt of court committed in the presence of the court can be discharged even by a jury. If we are going to permit that, we are simply going to disrupt, to completely wipe out, the authority that a judge must have in enforcing the edicts of the court upon those who personally appear before them and are in contempt of that court. It is not for the sake of the judge, but for the sake of the judicial system, that that must be vindicated and protected, and it cannot be allowed to be disrupted because someone happens to convince a jury that, well, we really do not think the judge ought to be able to punish this person for contempt or to continue to punish him. As to Dr. Morgan and all others in violation of a court order and in contempt for not obeying it, all they need to do to be out of duress vile is to comply with the order of the court.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, I would say to the gentleman from Virginia [Mr. BATEMAN] that the essential point of the committee in strongly recommending passage of this measure is that it is not the intent or the purpose of civil contempt citations to punish, and for that reason we are suggesting that there be a process by which, if we go beyond the coercive purpose of civil contempt, those who feel that punishment should be meted out for contempt will have an avenue for achieving that.

Mr. BATEMAN. Mr. Speaker, what this is all about is not some notion of translating this into a jury trial proceeding and a criminal contempt proceeding. We are dealing here with someone in civil contempt of court. They are not incarcerated to punish them. They are incarcerated to coerce their compliance with the order of the court, and I see nothing particularly egregious about being able to do that. They can be freed of custody by compliance with a valid court order.

Mr. Speaker, I am not real offended if, in fact, they remain in custody until they have complied.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, that is the difference that the gentleman from Virginia [Mr. BATEMAN] has with the rest of us on the question, those that are supporting the measure. The fact is that the case here has to do with one person who has been incarcerated longer than anyone in the history of this city on the basis of a civil contempt order, and we are simply saying that no person should be denied freedom on the basis of that indefinitely.

□ 2130

Mr. FAUNTROY. Mr. Speaker, I move the previous question on the bill and on the committee amendment in the nature of a substitute.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the speaker announced that the ayes appeared to have it.

Mr. DURBIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this motion will be postponed until tomorrow.

GENERAL LEAVE

Mr. FAUNTROY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2136, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. PARRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. PARRIS. Mr. Speaker, I wonder if the Chair could tell us, if it is within its prerogative to do so, the House will recess until 10 o'clock in the morning, if memory serve me correctly. Is it the intention of the Speaker to take this vote as matter of the first order of business of the House tomorrow or can the Speaker share with us what the sequence of events will be in that regard?

The SPEAKER pro tempore (Mr. MFUME). The Chair assumes that the unfinished business will be taken up after 1-minute speeches tomorrow.

Mr. PARRIS. Mr. Speaker, I thank the Chair.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 23, 1989.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 2:35 p.m. on Friday, June 23, 1989 and said to contain a message from the President whereby he transmits the annual report of the Council on Environmental Quality, entitled Environmental Quality 1987-1988.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

ANNUAL REPORT OF COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries.

(For message, see proceedings of the Senate of Friday, June 23, 1989, at page S 7501.)

SECRETARY OF DEFENSE REAFFIRMS IMPORTANCE OF B-2

(Mr. DICKS asked and was given permission to address the House for 1 minute and revise and extend his remarks and include extraneous matter.)

Mr. DICKS. Mr. Speaker, as the Congress considers the Defense authorization and appropriations bills in the coming weeks, there will no doubt be considerable debate with respect to the B-2 Stealth bomber. Given the importance of this program this is wholly appropriate.

But it is important for Members to remember that the B-2 is a longstanding program, begun in the Carter administration and fully supported by

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

President Reagan and now President Bush. Over $20 billion has already been invested in this aircraft. The technological breakthroughs included in this program will assure the viability of the air-breathing leg of our strategic triad well into the next century.

I know many Members are troubled by the cost of the program. And others are concerned whether we are procuring the aircraft prematurely. I would only note that when the inflation factors are discounted, the cost of this aircraft is not out of line with others, especially in light of its revolutionary capabilities. It is also important to remember that no aircraft program has been subject to comparable preflight testing both on computer and in the wind tunnel.

Secretary Cheney had these same concerns when he undertook the helm at the Defense Department. Since that time he has examined the program closely and inspected the manufacturing facilities personally. This review has convinced him that the B-2 remains an essential program that has the full support of the Department.

As part of the revised budget request, this program was delayed by 1 year in order to uphold the Secretary's policy of proceeding slowly in the early stages of very high technology programs. Many Members have viewed this program as a source to make available funds for programs deleted by the Secretary. The perception seems to be that the program is fat, and that it can serve as a free bill payer.

Nothing could be further from the truth. Additional delays or stretches of this program will produce a self-fulfilling prophecy for those who are concerned about cost growth and affordability.

In order for Members to have the benefit of Secretary Cheney's thoughts on the B-2 I am submitting his letter to me on this subject.

The letter follows:

THE SECRETARY OF DEFENSE,
Washington, DC, June 23, 1989.

Hon. NORMAN D. DICKS,
Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. DICKS: Several months ago in testimony to the Congress, I said I would examine the total program cost and the technical status of the B-2. Since then I have taken a very close look at the program including a visit to Northrop's engineering and manufacturing and aircraft final assembly plants to see firsthand the progress that has been made, as well as the remaining hurdles that still need to be overcome. In addition to the visit, I have received the results of the Defense Acquisition Board review of the program, an updated report by the Defense Science Board, and a considerable amount of other information on cost and technical risk.

Now that I have had time to review all these inputs carefully, I would like to give you my views on why we need the B-2, how much it will cost, and what further risks remain.

The manned bomber force is the most versatile element of the strategic Triad. Strategic bombers are capable of being recalled or redirected while enroute to their targets. They are able to attack fixed strategic targets, and they can perform damage-assessment missions following earlier strikes by U.S. forces, and reconstitute for follow-on missions. They can also hold at risk mobile military targets that are critical to Soviet wartime objectives. Manned bombers are capable of real-time reaction to the threats posed by air defenses; they can alter their routes to avoid defenses or use appropriate electronic countermeasures to reduce defense effectiveness. Because of their versatility, long time-of-flight, and inherent retaliatory mission, strategic bombers are regarded as stabilizing forces. In addition to their primary strategic deterrent mission, long-range bombers can be used to support conventional ground and naval operations worldwide.

Although modernization of the U.S. bomber force with the ALCM-B cruise missile and the B-1B bomber has significantly improved our air-breathing strategic forces when compared to the early 1980's, we will begin to find it increasingly more difficult to penetrate Soviet air defenses over the next ten to twenty years with the systems we now have in place. The B-2 is required to maintain the effectiveness of our penetration bomber force as Soviet air defenses continue to improve. Its enhanced penetration ability, due to its revolutionary stealth characteristics, will allow it to attack heavily defended targets that other assets may be unable to strike in the future. The B-2 also provides our most promising means for holding at risk relocatable targets. We must also recognize the B-2 has superior capability as a long range combat aircraft in a conventional role, which is particularly important considering the declining availability of overseas bases.

Let me turn now to the closely related subjects of program cost and technical risk. We now estimate the total acquisition cost of the B-2 program at $43.8 billion in 1981 dollars (the program's base year), or $70.2 billion in then year dollars. The difference between these figures and the corresponding figures for the initial FY 1990 budget submission primarily reflects a one-year delay in the full rate production program, which I directed according to my general policy of proceeding slowly in the early stages of very high technology programs. The $70.2 billion program cost equates to a total flyaway cost of $315 million per aircraft. Total flyaway cost is the cost to put an aircraft on the flight line ready to be fueled, armed, and flown. It does not include support costs nor the research and development costs, most of which are behind us.

The $70.2 billion program cost estimate is based on key assumptions in three areas: protecting existing fixed price options for certain subsystems, a multi-year procurement starting in FY 1993, and achieving planned cost-reduction initiatives. We carefully examined all the assumptions and believe they are realistic. However, we will need your support on some items such as the multiyear funding. The cost estimate we have now for the B-2 program is based largely on costs actually realized so far on the 11 aircraft (six research, development, test, and evaluation aircraft and five production aircraft) now in various stages of manufacture. This does not mean we know a great deal more about B-2 costs than we did one or two years ago, particularly since these aircraft are being built on actual production-line tooling. However, program risk and cost risk remain. And of course, actually executing the program for $70.2 billion depends to a large extent on the rate at which the B-2 is procured.

While cost risk underlies much of our mutual concern, I was also concerned about the risk associated with the advanced technology applications. These technical considerations, like those in all development programs that challenge the state of the art, must be put in perspective. First, we have done much more in the way of risk reduction activities, including extensive wind tunnel and avionics testing, than is normally done prior to flight testing. Second, the Defense Acquisition Board recently completed an in-depth review of the B-2 program and concluded that the remaining technical risks are reasonable for a development program at this stage. I must emphasize that this is a critical time in this program. During the coming year, our understanding of both cost and risk will increase immensely. This was the reason, not any major technical difficulty, that led us to hold the production rate steady for another year. I recognize the delayed first flight and cost increases have heightened your concerns about the program's technical health and affordability. Those of us who recently visited and toured the contractor's facility are led to a different conclusion. The components we have seen, the major subassemblies, and the assembled aircraft itself, all attest to a dedicated work force producing a quality product.

I firmly believe that both the cost and technical risks have been fully assessed, and that it is prudent for us to proceed. Given the lessons learned in other programs, the current and projected fiscal climate, and the degree to which the B-2 is pushing the state of technology, I believe we have reached a balance of both risk and cost which puts us in the correct position to move forward with this very important program.

I will not mislead you by guaranteeing there will be no future cost increases, but I will do everything I can to avoid them. There are still some risks in this program, but I believe they have been reduced to a prudent level. It is time that we move this debate from the question of simple cost to one of strategic value. I fully support this program because the country needs it. The B-2 will be a cornerstone in our overall strategic deterrence well into the next century. The program has made great progress and the Department is ready to proceed as proposed. I look forward to your support and cooperation in helping me achieve the goals of this vitally important program.

Sincerely,

DICK CHENEY.

THE RIGHT HONORABLE BRIAN MULRONEY, PRIME MINISTER OF CANADA: WISE WORDS FROM A VALUED FRIEND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. BOEHLERT] is recognized for 5 minutes.

Mr. BOEHLERT. Mr. Speaker, on April 27, 1988, while addressing a joint meeting of Congress, the Prime Minister of Canada, the Honorable Brian Mulroney, posed to us and the Ameri-

can people a most penetrating question:

What would be said of a generation of North Americans that found a way to explore the stars, but allowed its lakes and forests to languish and die?

Our valued friend and trusted ally was speaking, of course, about the problem of acid rain.

It was not the first time that the Prime Minister focused international attention on what has properly been labeled a "cancer in the sky." He had done it many, many times before and repeatedly since. He, perhaps more than any other public official in the world community, is responsible for mobilizing to action people and governments to get on with a plan to combat acid rain.

For too long, the Prime Minister was a virtual Lone Ranger on the subject when leadership councils convened. On some occasions, he was a teacher.

I remember well the first so-called Shamrock summit involving then President Reagan and Prime Minister Mulroney. It took place on March 17, 1985—St. Patrick's Day—in historic Quebec City. The big news of that day was not, as some expected, about mutual trade or mutual defense, although much was said about both; no, the big news of that day involved a determined effort on the part of one Chief of State to convince another that the subject of acid rain was critically important and demanded the collective best effort of their respective nations in order to solve rather than be a passive perpetuator of the myriad problems it created.

That was a turning point in the United States' approach to the reality of acid rain.

□ 2140

There has been progress, but it has been painfully slow until April 27, 1988, when Prime Minister Mulroney came to town. From that date forward, the pace of progress has accelerated significantly, culminated by President George Bush's dramatic revelations of his comprehensive package of amendments to the Clean Air Act with special emphasis on an action plan to combat acid rain.

President Bush deserves the near universal acclaim he is receiving for his bold leadership to make clean air an American birthright. Environmentalists, many of whom were doubters in the past when speculating on a Bush plan on acid rain, have been among those cheering the loudest and rightly so, for our President has done what no previous occupant of the Oval Office would do. He had gone beyond the let-us-study-it stage. He says it is time for action, and he is right.

How encouraging it is to have the President of the United States and the Prime Minister of Canada on the same wavelength.

What did the Prime Minister say when he addressed that joint meeting of Congress back in April of 1988? Let me quote just two excerpts from his speech. He said as he stood here in this Chamber:

We are doing everything we can to clean up our own act. We have concluded agreements with our provinces to reduce acid rain emissions in eastern Canada to half their 1980 levels by the year 1994, but, you know, that is only half of the solution. Acid rain comes across the border directly from the United States falling upon our forests, killing our lakes, and soiling our cities. The one thing acid rain does not do is discriminate. It is despoiling your environment as inexorably as it is ours.

Then the Prime Minister went on to say:

We acknowledge responsibility for some of the acid rain that falls in the United States, and by the time our program reaches projected targets, our export of acid rain to the United States will have been cut by an amount in excess of 50 percent. We ask nothing more than this from you.

Mr. Prime Minister, our President has responded, and I am confident that shortly so, too, will the Congress. We will, working together, develop, approve, and begin implementation of an action plan to combat acid rain, and when this occurs, there will be many people to share the credit, and many people deserving of our praise and thanks. The Right Honorable Brian Mulroney will be right up there with George Bush at the top of my list.

INTRODUCTION OF AN AMENDMENT TO THE McKINNEY ACT

The SPEAKER pro tempore. Under a previous order of the House the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY. Mr. Speaker, today I rise to introduce a bill to amend the McKinney Homeless Assistance Act of 1988 to establish a priority for the provision of child care in transitional housing.

The need for child care among the homeless is indisputable. A 1988 study conducted in California found that 35 percent of that State's homeless are under 18 years of age. The National Academy of Sciences estimated that in the same year 100,000 American children were homeless.

Under the provisions of my bill, the Secretary of Housing and Urban Development would be directed to give priority to funding transitional housing programs that include child care services for their residents. Studies indicate that currently three types of child care services are available to residents of transitional housing—on site care in transitional housing, additional child care slots set aside for the homeless in mainstream programs, or child care centers established to serve multiple local shelters. A transitional housing program providing any one of these three types of child care services would qualify for priority treatment making them eligible to seek a 75-percent grant for the provision of the child care services.

Homeless families are under extreme stress. There are parents raising their families in homelessness and spending their days searching for housing, employment, and a means to sustain and keep their families together. All too often the stress of trying to meet all of these needs, complicated by the persistent cry for attention on the part of small children, leads to child abuse or neglect. Responding to this basic need is also critical to break the cycle of homelessness by making it possible for the people to seek meaningful employment. One child care program director noted, "There is no way homeless families can make it without child care."

Mr. Speaker, we must assist in providing for this critical need. My bill reinforces the commitment of the Federal Government to ending the scourge of homelessness in a very meaningful way. By providing for child care to help homeless children develop intellectually and emotionally, we accomplish the dual goal of allowing homeless parents to seek permanent housing and employment. Making child care a priority in transitional housing is critical.

COLUMBUS QUINCENTENARY COIN BILL INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on August 3, 1492, three small ships raised anchor and hoisted sail in the Spanish port of Palos. The 90 men on board were setting out on the most important sea voyage in history. Seventy days later, sailing under the command of Christopher Columbus, they would discover the New World. Their discovery would not only change fifteenth century maps, but would change the course of history.

To commemorate Columbus' discovery, I am today introducing the Christopher Columbus Coin and Fellowship Act. This legislation will authorize the minting of gold, silver and copper-nickel coins in 1991 and 1992 to commemorate the discovery of the New World by Christopher Columbus. The profits from the sale of these coins will be used to fund the Christopher Columbus Fellowship Foundation. This foundation will make awards to Columbus Scholars, to encourage new discovery in all fields of endeavor for the benefit of mankind.

There have been many arguments over whether Columbus was the first to reach the New world or whether Etruscans, Phoenicians, Norsemen, or others were the first to come and even settle. Similarly, there are arguments over where Columbus first stepped ashore in the New World.

All these arguments miss what made Columbus' discovery so momentous. It was Columbus' discovery alone, which led others to follow in his footsteps. He changed the focuses of Europe from East to West.

European interest in discovering the riches of the East turned to discovering the riches of the West. Columbus' voyage changed Europeans' outlook like no other voyage before or since. It changed the course of world history and created the Western Hemisphere as it is today.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The legislation commemorates Columbus not only through the issuance of coins but more importantly, through the Christopher Columbus Fellowship Foundation, which will be set up to fund Columbus Scholars. These Scholars will be individuals working to find new discoveries in all fields of endeavor for the benefit of mankind.

The Columbus Scholars will follow in the spirit of Columbus, in trying to make discoveries that benefit mankind. For that is what Coumbus was, a discoverer who found a New World and planted the seeds for a better one. Columbus Scholars will be selected from all fields of endeavor, but will be united in spirit as they search to make discoveries that open up new worlds and enrich us all.

The first commemorative coin in American history was issued in 1892 in commemoration of Columbus' discovery of America. While the proceeds from the sale of those coins were used to help fund the World Columbian Exposition in Chicago, the funds from the sale of quincentenary coins will benefit a far greater good.

If all 1 million gold coins, 4 million silver coins and 6 million copper-nickel half dollar coins were sold, it would raise $69 million to fund fellowships to encourage more great discoveries for the benefit of mankind.

Mr. Speaker, Columbus could not have made his discoveries without the financial assistance of the Spanish government. It is only fitting that coins commemorating the resulting discovery help the U.S. Government fund endeavors that may lead to future discoveries benefitting mankind.

I have included a section-by-section summary of the legislation so that all Members have an opportunity to see a complete description of the legislation.

SECTION-BY-SECTION ANALYSIS OF THE CHRISTOPHER COLUMBUS COIN AND FELLOWSHIP ACT

Section 1—The Act may be cited as the "Christopher Columbus Coin and Fellowship Act".

TITLE I—CHRISTOPHER COLUMBUS QUINCENTENARY COINS

Section 101—Title I may be cited as the "Christopher Columbus Quincentenary Coin Act.

Section 102—The section authorizes the minting of one million $5 gold coins containing .24 ounce of gold, four million $1 silver coins containing .77 ounce of silver and six million copper-nickel half dollars. The gold coins would portray Christopher Columbus. The one dollar and half dollar coins would commemorate the quincentenary of the discovery of America. Different designs of the coins would be issued in 1991 and 1992.

Section 103—Gold for the coins would be obtained under existing law. Silver for the coins would come from the National Defense Stockpile.

Section 104—The Secretary of the Treasury would select the designs of the coins after consultation with the Christopher Columbus Fellowship Foundation and the Commission of Fine Arts.

Section 105—The coins may be issued in uncirculated and proof qualities. all gold coins would be minted at the West Point Mint. The one dollar and half dollar coins could be minted at any facility of the United States Mint, so long as no more than one facility was used to strike any particular combination of denomination and quality. The coins would be issued beginning January 1, 1991. No coins could be minted after January 30, 1993.

Section 106—The coins would be sold to the public by the United States Mint. Discounts would be available for bulk orders and for pre-issue orders. The coins would carry a surcharge of $35 per coins for the gold coins $7 per coin for the silver dollars and $1 per coin for the half dollars.

Section 107—The Secretary of the Treasury would have to assure that the minting of the coins would not result in any net cost to the United States.

Section 108—The surcharges on the coins would be deposited in the Christopher Columbus Fellowship Fund.

Section 109—The United States Mint would be exempt from all procurement laws, othen than those relating to equal employment opportunity, in carrying out the provisions of this Act.

TITLE II—CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

Section 201—Title II may be cited as the "Christopher Columbia Fellowship Act".

Section 202—The Christopher Columbus Fellowship Program would be established to support research, study and labor, designed to produce new discoveries for the benefit of mankind.

Section 203—The Christopher Columbus Fellowship Foundation would be established. It would be governed by a Board composed of four members appointed by the President Pro tempore of the Senate, four members appointed by the Speaker of the House of Representatives, and five members appointed by the President. Members of the Board would serve for six-year terms. The Chairman and Vice Chairman are designated by the President. Members of the Foundation serve without pay, but are reimbursed for their Foundation-related travel and expenses.

Section 204—The Foundation is authorized to award fellowships for up to two years to individuals to encourage new discoveries in all fields of endeavor for the benefit of mankind. Fellowship recipients shall be known as "Columbus Scholars".

Section 205—The Foundation shall determine the amount of the stipend awarded to Columbus Scholars.

Section 206—The Christopher Columbus Fellowship Fund, consisting of surcharges from the sale of quincentenary coins and contributions received by the Foundation, would be established in the Treasury. The Secretary of the Treasury is required to invest the fund in interest-earning United States government securities. Disbursements from the Fund shall be made on vouchers approved by the Foundation.

Section 207—The General Accounting Office is authorized to audit the activities of the Foundation.

Section 208—An Executive Secretary would be the chief executive officer of the Foundation.

Section 209—The Foundation is authorized to hire necessary personnel, enter into contracts, conduct programs, and make other necessary expenditures relating to its operation. The Foundation is also required to submit an annual report to the President and to Congress.

CHARLIE GRIFFIN: A GREAT PUBLIC SERVANT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I rise today to pay tribute to a former colleague of ours from the State of Mississippi, Charlie Griffin. Charlie retired from the House of Representatives in 1972 after serving 5 years. He succeeded his former boss, John Bell Williams. Charlie has now announced he plans to retire from his second career in public service, as Secretary of the Mississippi Senate, at the end of July.

Before being elected to Congress, Charlie was administrative assistant to Representative Williams. He began working for John Bell Williams in 1949, soon after graduation from Mississippi State University. He was with him until Williams left the House to become Governor of Mississippi in 1968.

Charlie won election to fill that unexpired term and then was reelected to two more terms, but he surprised his fourth district constitutents in 1972 by announcing plans to return to Mississippi.

His second career as Secretary of the Mississippi Senate began in 1980. In that job, he was in charge of 36 full-time employees and had responsibility for a $2 million budget to pay salaries, purchase equipment and otherwise see that the Mississippi Senate was in good working order.

But in addition to the administrative work, Charlie has been an adviser and counselor to lawmakers in our State, young and old. He knows politics and the political process and I know he will be greatly missed in the halls of the State Capitol in Jackson.

In addition to being a great public servant and administrator, Charlie Griffin has been a friend to many, including myself. I have known him for more than 25 years and I can say that he has given his best in Jackson and in Washington to try to make things better for those he has served.

I wish Charlie and his wife, Angie, well in retirement and I salute him on a job very well done.

TROPICAL REFORESTATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, deforestation of the world's tropical rain forests is perhaps the most pressing environmental problem of our time. If it continues, it will decide the fate not only of the developing countries where these forests are disappearing, but that of the world as a whole.

The vast billows of smoke which rise every year from the tropical forests of the world are explained, even justified, in the name of development. In fact, what is happening is not development, but destruction. And what is being destroyed is one of the Earth's greatest natural treasures, the home of fully half of the world's plant and animal species.

Certainly no one can blame developing countries for wanting to use their own natural resources to bring their citizens out of poverty. The Amazon and other tropical forests are great and wonderful resources which can and should be used to help the people of these nations. However, what is happening in these countries is not really use, but rather misuse and abuse of what have been called the lungs of the world.

Typical "use" of tropically forested land means its destruction. Misguided government policies have tended to favor forest exploitation for economic gain in the short term, without consideration of long-term benefits for that country's economy, much less the ecological balance of the forest. An example is the logging industry. Logging itself is not particularly destructive, if it is done efficiently. Unfortunately, it almost never is. Moreover, logging in previously untouched areas often requires that roads be built deep into the forest. These roads bring new settlers, often desperate farmers who indiscriminately slash and burn the forest to plant their crops. Analysis of data gathered by the United Nations Environment Program shows that 55 percent of forest land that is logged eventually becomes deforested, and nearly double the area of the land logged is deforested due to the influx of settlers.

Clearly this is not good for the future of the logging industries or the economies of developing countries. Indeed, Haiti, the poorest country in the Western Hemisphere, can attribute much of its economic and ecological decline to deforestation.

The great loss of the natural resources for these developing nations, however, pales in comparison to the loss for humanity if the rainforests are destroyed. Fifty percent of the world's species of plants and animals live in tropical rainforests. The wild species of plants are the origin of 25 percent of our prescription drugs. Over 1,400 plants with anticancer properties have been found there. If we lose these precious resources, we lose our chances to find a possible cure for cancer and other diseases from this vast and diverse pool of living organisms.

Deforestation also contributes significantly to the greenhouse effect. Smoke from the burning of huge patches of forest land dumps tons of carbon dioxide into the atmosphere each year. Last year 170,000 fires were set in the Amazon alone. The loss of the trees is all the worse since they are the very things that absorb CO_2. In order to save our atmosphere, we should be planting trees, not burning them.

For all of these reasons, CLAUDINE SCHNEIDER and I are reintroducing H.R. 5390 of the 100th Congress, which would deny GSP tariff waivers on wood and wood products being imported into the United States, unless the exporting nation provides for the reforestation of land cleared for these exports with no net loss of forest diversity or biodiversity. A second section of the bill urges the USTR to make the encouragement of reforestation and regeneration programs part of the United States agenda in the Uruguay round of multilateral trade negotiations.

The United States imports over $650 million of wood products from these countries each year. By pushing up the cost of destructive forestry, we are serving many purposes: We are providing encouragement for the implementation of sensible forestry policies. We are making a statement that we care about how the wood products we buy are harvested. And we are providing leadership for other wood-importing nations such as Japan and the European countries to take some action on this critical problem.

While taking this step to show we are serious about the management of these resources, we are also committed to working together with the governments of developing nations and other nongovernmental organizations to bring an end to tropical deforestation. We are open to any and all suggestions on how we can best achieve this goal and bring about sustainable development where people can benefit from the forest without causing its destruction.

The forest can be used sensibly and intelligently. It is our responsibility to encourge this kind of use, and not hasten the forests' destruction by unthinkingly buying whatever wood products these countries can put out. We have to do our part to ensure that the tropical rainforests do not disappear, for all our sakes. I ask the Congress to support environmental responsibility and support the tropical reforestation bill.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF GSP TREATMENT.

(a) IN GENERAL.—Section 503 of the Trade Act of 1974 (19 U.S.C. 2463) is amended by adding at the end thereof the following new subsection:

"(d)(1) Subject to paragraph (3), the President shall suspend the designation as an eligible article under subsection (a) of any wood article that is a product of a beneficiary country unless that country, during each calendar year—

"(A) commences a reforestation program within the country for the equivalent forest area for such year; and

"(B) satisfactorily continues or completes each reforestation program that was commenced under this subsection by the country in any previous calendar year.

"(2)(A) As soon as practicable after the close of each calendar year, the Secretary of Agriculture (hereinafter in this subsection referred to as the 'Secretary') shall—

"(i) after consultation with the Secretary of the Interior, determine whether each beneficiary country that is subject to this subsection is in compliance with subparagraphs (A) and (B) of paragraph (1) with respect to that calendar year; and

"(ii) promptly advise the President of the identification of each beneficiary country regarding which a negative determination is made under either or both of such subparagraphs (A) and (B).

"(B) The Secretary may—

"(i) carry out such intraannual monitoring as may be necessary for the administration of this subsection; and

"(ii) on the basis of such monitoring, provide beneficiary countries with estimates of the equivalent forest areas for the year and preliminary evaluations of the status of existing reforestation programs.

"(3) Paragraph (1)(A) does not apply to any beneficiary country with respect to any calendar year in which the aggregate United States customs valuation of the wood articles produced in that country that were entered during such year was less than $10,000.

"(4)(A) Except as provided in subparagraph (C), any person may commence a civil suit on his own behalf against the Secretary if there is alleged a failure of the Secretary to perform any act or duty under this subsection which is not discretionary under this subsection.

"(B) The district courts have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the Secretary to perform any such act or duty.

"(C) No action may be commenced under subparagraph (A) sooner than the 60th day after the day on which written notice of the alleged failure of the Secretary to perform an act or duty is given to the Secretary.

"(D)(i) Any suit under this subsection may be brought in the judicial district in which the plaintiff resides or has a place of business.

"(ii) In any suit under this subsection in which the United States is not a party, the Attorney General, at the request of the Secretary, may intervene on behalf of the United States as a matter of right.

"(iii) The court, in issuing any final order in any suit brought pursuant to subparagraph (A), may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate.

"(5) For purposes of this subsection—

"(A) The term 'entered' means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

"(B) The term 'equivalent forest area' means, with respect to any calendar year, the area of forest within a beneficiary country required to provide the board feet of timber utilized in the production of the wood articles in that country that were entered during such year.

"(C) The term 'reforestation program' means a program of agricultural practices designed to reforest areas without a net loss in forest diversity and biodiversity.

"(D) The term 'wood article' means any article provided for under chapter 44 of the Harmonized Tariff Schedule of the United States if the article is wholly or in chief value of wood that is the growth of the beneficiary country that produced the article.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 1990. The Secretary of Agriculture shall make the annual determinations required under section 503(d)(2)(A)(i) commencing with calendar year 1990.

SEC. 2. UNITED STATES AGENDA ON REFORESTATION IN THE URUGUAY ROUND.

The United States Trade Representative shall use the opportunity presented by the Uruguay Round of Multilateral Trade Negotiations to promote the replenishment of the forest resources that are utilized in developing countries for wood and wood product exports. The United States Trade Representative shall seek to carry out this section through international arrangements providing for appropriate inducements or sanctions, or both, including—

(1) the provision of financial and technical assistance to developing countries for purposes of reforestation;

(2) the extension of additional GSP or other trade benefits to those developing countries that implement appropriate reforestation programs;

(3) the suspension or withdrawal of benefits under the GSP with respect to those developing countries that do not implement appropriate reforestation programs; and

(4) the imposition of tariffs on the wood and wood products of developing countries that do not implement appropriate reforestation programs.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HOAGLAND (at the request of Mr. GEPHARDT), for today until 12:30 p.m., on account of official business.

Mr. GOODLING (at the request of Mr. MICHEL), for today and tomorrow, on account of medical reasons.

Mrs. BENTLEY (at the request of Mr. MICHEL), for today and the balance of the week, on account of attending the commemorations of the 600th anniversary of the Battle of Kosovo Serbia, Yugoslavia.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BOEHLERT) to revise and extend their remarks and include extraneous material:)

Mr. BOEHLERT, for 5 minutes, today.

(The following Members (at the request of Mr. VISCLOSKY) to revise and extend their remarks and include extraneous material:)

Ms. LOWEY of New York, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. HOAGLAND, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. KLECZKA, for 5 minutes, on June 28.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, on House Resolution 186, immediately prior to the vote on passage.

(The following Members (at the request of Mr. BOEHLERT) and to include extraneous matter:)

Mrs. MARTIN of Illinois.
Mr. BROOMFIELD.
Mr. GRANT.
Mr. CRANE.
Mr. DUNCAN.
Mr. MACHTLEY.
Mr. GEKAS.
Mr. CONTE in two instances.
Mr. KASICH.
Mr. DANNEMEYER.
Mr. LEWIS of California.
Mr. ROWLAND of Connecticut in two instances.
Mr. BILIRAKIS.
Mr. WEBER.
Mr. FISH.
Mr. LAGOMARSINO in two instances.
Mr. BEREUTER.
Mr. SHUSTER.
Mr. MCCANDLESS.
Mr. SAXTON.
Mr. MOORHEAD in two instances.
Mr. COURTER.
Mr. DORNAN of California in two instances.
Mr. SKEEN.
Mr. YOUNG of Alaska.
Mr. ROTH.
Mr. SOLOMON.
Mr. DONALD E. "BUZ" LUKENS.
Mr. GILMAN.

(The following Members (at the request of Mr. VISCLOSKY) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALES in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. LEHMAN of Florida.
Mr. SKELTON.
Mr. MAZZOLI.
Mr. GUARINI.
Mrs. BOXER.
Mr. LAUGHLIN.
Mr. UDALL.
Mr. KANJORSKI.
Mr. GAYDOS.
Mr. FLORIO in two instances.
Mr. MARTINEZ.
Mr. RAY.
Mr. LAFALCE in two instances.
Mr. SOLARZ.
Mr. MCMILLEN of Maryland.
Mr. HUBBARD.
Mr. RANGEL.
Mr. CLAY.
Mr. WYDEN.
Mr. STARK in three instances.
Mr. FEIGHAN.
Mr. BERMAN.
Mr. DIXON.
Mr. MURPHY.
Mr. OBERSTAR.
Ms. LOWEY of New York.
Mr. ROWLAND of Georgia.
Mr. ATKINS.
Ms. OAKAR.
Mr. ORTIZ.
Mr. CROCKETT.
Mr. GEPHARDT.
Mr. DARDEN in two instances.
Mr. SMITH of Iowa.
Mr. STALLINGS.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 428. An act to modernize United States circulating coin designs, of which one reverse will have a theme of the Bicentennial of the Constitution; to the Committee on Banking and Finance.

S. 634. An act to develop a national policy for the utilization of fuel cell technology; to the Committee on Energy and Commerce.

S.J. Res. 81. Joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 93. Joint resolution to designate October 1989 as "Polish American Heritage Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 115. Joint resolution to designate the period commencing on September 9 and ending on September 15, 1989, as "National Nursing Home Residents' Rights Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 127. Joint resolution designating Labor Day weekend, September 2 through 4, 1989, as "National Drive for Life Weekend"; to the Committee on Post Office and Civil Service.

S.J. Res. 134. Joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "National Disability Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 161. Joint resolution to designate the week of October 22, 1989, through October 28, 1989, and the week of October 21, 1990, through October 27, 1990, as "National Adult Immunization Awareness Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that the committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 923. An act to redesignate the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, Texas, as the "Robert Douglas Willis Hydropower Project";

H.R. 2402. An act making supplemental appropriations for the Department of Veterans Affairs for the fiscal year ending September 30, 1989, and for other purposes;

H.J. Res. 132. Joint resolution to designate the second Sunday in October of 1989 as "National Children's Day";

H.J. Res. 276. Joint resolution designating September 14, 1989, as "National D.A.R.E. Day"; and

H.J. Res. 298. Joint resolution designating July 14, 1989, as "National Day to Commemorate the Bastille Day Bicentennial."

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following title:

S. 1077. An act to authorize the President to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration, and

S. 1180. An act to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that the committee did on the following date present to the President, for his approval, a joint resolution of the House of the following title:

On June 23, 1989:

H.J. Res. 111. Joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day".

ADJOURNMENT

Mr. BOEHLERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 44 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 28, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communciations were taken from the Speaker's table and referred as follows:

1382. A communication from the President of the United States, transmitting amendments to the requests for appropriations for his initiative to combat violent crime that was announced on May 15, 1989, pursuant to 31 U.S.C. 1107 (H. Doc. No. 101-76); to the Committee on Appropriations and ordered to be printed.

1383. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-46, "District of Columbia Abandoned and Junk Vehicle Removal Amendment Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1384. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the 37th report on the extent and disposition of U.S. contributions to international organizations, pursuant to 22 U.S.C. 262a; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee on Foreign Affairs. H.R. 2214. A bill to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations; (Rept. 101-111). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. Report on allocation of budget totals for fiscal year 1989 submitted pursuant to section 302 of the Congressional Budget Act of 1974 (Rept. 101-112). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 2087. A bill to transfer a certain program with respect to child abuse from title IV of Public Law 98-473 to the Child Abuse Prevention and Treatment Act, and for other purposes; with an amendment (Rept. 101-113). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 2088. A bill to revise and extend the programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (Rept. 101-114). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 187. Resolution waiving certain points of order against consideration of H.R. 2696, a bill making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes (Rept. 101-115). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEILENSON:

H.R. 2748. A bill to authorize appropriations for fiscal year 1990 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on the Permanent Select Committee on Intelligence.

By Mr. BARTON of Texas:

H.R. 2749. A bill to authorize the conveyance of a parcel of land in Whitney Lake, TX; to the Committee on Public Works and Transportation.

By Mr. UPTON:

H.R. 2750. A bill to amend the Federal Election Campaign Act of 1971 to restrict the amount of money spent on congressional compaigns, to prohibit certain Members of Congress from converting excess campaign funds to personal use, and for other purposes; to the Committee on House Administration.

H.R. 2751. A bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction of up to $250 for contributions made to candidates for public office; to the Committee on Ways and Means.

By Mr. DORNAN of California (for himself, Mr. HYDE, Mr. SMITH of New Jersey, Mr. HUNTER, Mr. HOLLOWAY, Mr. SENSENBRENNER, Mr. DANNEMEYER, Mr. SHUMWAY, and Mr. BERGER):

H.R. 2752. A bill to make the performance of an abortion in the District of Columbia a criminal offense; to the Committee on the District of Columbia.

By Mr. ACKERMAN:

H.R. 2753. A bill to amend the Urban Mass Transportation Act of 1964 to allow certain recipients of mass transit assistance to continue to use mass transit vehicles for providing school bus transportation; to the Committee on Public Works and Transportation.

By Mr. ANNUNZIO:

H.R. 2754. A bill to require the Secretary of the Treasury to mint coins in commemoration of the quincentenary of the discovery of America by Christopher Columbus and to establish the Christopher Columbus Fellowship Foundation; jointly, to the Committees on Banking, Finance and Urban Affairs; Science, Space, and Technology; and Education and Labor.

By Mr. DINGELL (for himself, Mr. MARKEY, and Mr. DREIER of California):

H.R. 2755. A bill to require that the access of minors to indecent communications by telephone be appropriately restricted, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DOWNEY:

H.R. 2756. A bill to amend section 311 of the Older Americans Act of 1965 to require the Secretary of Agriculture to provide assistance for two meals served daily per person; to the Committee on Education and Labor.

By Mr. FAUNTROY:

H.R. 2757. A bill to amend the International Lending Supervision Act of 1983 and the Internal Revenue Code of 1986 to encourage commercial banks to participate in reducing the debt of highly indebted countries; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. GOSS (for himself, Mr. JAMES, Mr. JOHNSTON of Florida, and Mr. STEARNS):

H.R. 2758. A bill to amend the Internal Revenue Code of 1986 to provide a more equitable treatment under the supplemental Medicare premium for married individuals filing separate returns; to the Committee on Ways and Means.

By Mrs. LOWEY of New York:

H.R. 2759. A bill to amend the Stewart B. McKinney Homeless Assistance Act to authorize the Secretary of Housing and Urban Development to provide assistance for child care services programs for the residents of transitional housing; jointly, to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

By Mr. MARTINEZ (for himself, Mr. FLORIO, and Mr. GUARINI):

H.R. 2760. A bill to amend the Job Training Partnership Act to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes; to the Committee on Education and Labor.

By Mr. RIDGE (for himself, Mr. MONTGOMERY, Mr. STUMP, Mr. EVANS, Mr. MURTHA, Mr. BONIOR, Mr. ACKERMAN, Mr. APPLEGATE, Mr. BENNETT, Mr. BEVILL, Mr. COSTELLO, Mr. DINGELL, Mr. HORTON, Mr. LANCASTER, Mr. PAXON, and Mr. WILSON):

H.R. 2761. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United Services Organization; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RINALDO:

H.R. 2762. A bill to amend National Foundation on the Arts and the Humanities Act of 1965 to prohibit the use of certain grants for a project which desecrates or denigrates a religious or national symbol; to the Committee on Education and Labor.

By Mr. ROWLAND of Connecticut:

H.R. 2763. A bill to assess the suitability and feasibility of including the Weir Farm in the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER (for herself, Mr. MATSUI, Mr. MILLER of California, Mr. MCGRATH, Mr. OWENS of New York, Mr. ATKINS, Mrs. COLLINS, Mr. HYDE, Mrs. UNSOELD, Mr. CROCKETT, Mr. BUSTAMANTE, Mr. FLORIO, Ms. PELOSI, Mr. ROE, Mr.

DWYER of New Jersey, Mr. MAZZOLI, Mrs. BOXER, Mr. MORRISON of Connecticut, and Mr. EVANS):

H.R. 2764. A bill to amend title 5, United States Code, to provide for the reimbursement of expenses incurred by a Federal employee in the adoption of a child; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Jersey (for himself, Mr. HALL of Ohio, and Mr. WOLF):

H.R. 2765. A bill to prohibit any wine, cheese, meat, or any other edible agricultural commodity or product thereof, that is the growth, product, or manufacture of the Socialist Republic of Romania, from entry, or withdrawal from warehouse for consumption, in the customs territory of the United States; to the Committee on Ways and Means.

By Mr. TOWNS (for himself, Mr. SWIFT, Mr. OWENS of New York, Mr. LIPINSKI, Mr. JACOBS, Mr. LAGOMARSINO, Mr. ROE, Mr. RINALDO, Mr. ACKERMAN, and Mr. FROST):

H.R. 2766. A bill to amend the Animal Welfare Act to include mice, rats, and birds within the definition of animals protected under the act; to the Committee on Agriculture.

By Mr. APPLEGATE:

H.J. Res. 328. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. GRANT:

H.J. Res. 329. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. HUTTO (for himself, Mr. ENGLISH, Mr. BARNARD, Mr. LOWERY of California, Mr. PACKARD, Mr. DORNAN of California, Mr. RANGEL, Mr. LEATH of Texas, Mr. BILIRAKIS, Mr. FIELDS, Mr. SCHAEFER, Mr. RHODES, Mr. SKEEN, Mr. WILSON, Mr. SCHUETTE, Mr. MAVROULES, Mr. TANNER, Mr. SKELTON, Mr. DONALD E. LUKENS, and Mr. SHUMWAY):

H.J. Res. 330. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the desecration, misuse, and improper display of the flag of the United States; to the Committee on the Judiciary.

By Mr. McEWEN:

H.J. Res. 331. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration to the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. MURPHY:

H.J. Res. 332. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration to the flag of the United States; to the Committee on the Judiciary.

By Mr. OXLEY:

H.J. Res. 333. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the misuse and improper display of the flag of the United States; to the Committee on the Judiciary.

By Mr. PAXON:

H.J. Res. 334. Joint resolution proposing an amendment to the Constitution of the United States prohibiting the desecration of the flag; to the Committee on the Judiciary.

By Mr. RITTER:

H.J. Res. 335. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the United States to prohibit the act of desecration to the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself and Mr. WOLF):

H.J. Res. 336. Joint resolution proposing an amendment to the Constitution of the United States relative to the protection of the flag of the United States; to the Committee on the Judiciary.

By Mr. SOLOMON (for himself, Mr. SCHUETTE, Mr. SUNDQUIST, Mr. McGRATH, Mr. GILMAN, Mr. MOLINARI, Mr. HASTERT, Mr. MARTIN of New York, Mr. BURTON of Indiana, Mr. MOORHEAD, Mr. SMITH of New Jersey, Mr. IRELAND, Mr. YOUNG of Florida, Mr. GALLEGLY, Mr. SCHULZE, Mr. WYLIE, Mr. McMILLAN of North Carolina, Mr. SMITH of Mississippi, Mr. WELDON, Mr. McEWEN, Mr. RAVENEL, Mr. GRANT, Mr. MILLER of Ohio, Mr. COMBEST, Mr. INHOFE, Mr. McDADE, Mr. HAMMERSCHMIDT, Mr. SLAUGHTER of Virginia, Mr. DOUGLAS, Mr. SPENCE, Mr. BEREUTER, Mr. DONALD E. LUKENS, Mr. APPLEGATE, Mr. HOPKINS, Mr. COBLE, Mrs. BENTLEY, Mr. BARTON of Texas, Mr. MYERS of Indiana, Mr. ROGERS, Mr. BAKER, Mr. HYDE, Mr. BUNNING, Mr. ROTH, Mr. SMITH of New Hampshire, Mr. BOEHLERT, Mr. WOLF, Mrs. SAIKI, Mr. STEARNS, Mr. McCREERY, Mr. HOLLOWAY, Mr. LAGOMARSINO, Mr. HANCOCK, Mrs. SMITH, of Nebraska, Mr. DORNAN of California, Mr. MARLENEE, Mr. LEWIS of California, Mr. DREIER of California, Mr. GOSS, Mr. BROOMFIELD, Mr. SENSENBRENNER, Mr. RHODES, Mr. QUILLEN, Mr. JAMES, Mr. PAXON, Mr. MAZZOLI, Mr. RIDGE, Mr. OXLEY, Mr. VOLKMER, Mr. MURPHY, Mr. MORRISON of Washington, Mr. WILSON, Mr. CRAIG, Mr. LEATH of Texas, Mr. YOUNG of Alaska, Mr. DANNEMEYER, Mr. MONTGOMERY, Mr. WALSH, Mr. HANSEN, Mr. EMERSON, Mr. PACKARD, Mr. SKEEN, Mr. VANDER JAGT, Mr. SAXTON, Mr. GUNDERSON, Mr. PARRIS, Mr. HUBBARD, Mr. UPTON, Mr. ROBERT F. SMITH, Mr. ROBERTS, and Mr. DELAY):

H.J. Res. 337. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. LEWIS of Georgia, Mr. GREEN, and Ms. SCHNEIDER):

H.J. Res. 338. Joint resolution designating April 22, 1990, as "Earth Day" to promote the preservation of the global environment; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ:

H. Con. Res. 160. Concurrent resolution expressing the sense of the Congress relating to the human rights condition of Jews in Ethiopia; to the Committee on Foreign Affairs.

By Mr. BROOKS (for himself, Mr. FISH, Mr. GEPHARDT, Mr. GLICKMAN, Mr. HUGHES, Mrs. SCHROEDER, Mr. SYNAR, Mr. DOUGLAS, Mr. ROSTENKOWSKI, Mr. PANETTA, Mr. ANNUNZIO, Mr. MOAKLEY, Mr. BONIOR, Mr. DE LA GARZA, Mr. DERRICK, Ms. OAKAR, Mr. ALEXANDER, Mr. MURTHA, Mr. WOLPE, Mr. VOLKMER, Mr. McGRATH, Mr. FASCELL, Mr. LIVINGSTON, Mr. EARLY, Mr. HOYER, Mr. ANDREWS, Mr. BENNETT, Mr. NELSON of Florida, Mr. HUBBARD, Mr. CARDIN, Mr. VENTO, Mr. FLIPPO, Mr. HARRIS, Mr. AKAKA, Mr. LANCASTER, Mr. POSHARD, Mrs. LOWEY of New York, Mr. BILBRAY, Mr. TRAFICANT, Mr. DURBIN, Mr. BROWN of California, Mr. VALENTINE, Mr. BORSKI, Mr. PRICE, Mr. DELAY, Mr. UPTON, Mr. SCHAEFER, Mr. ATKINS, Mr. GALLEGLY, Mrs. LLOYD, Mrs. PATTERSON, Mr. ESPY, Mr. BEVILL, Mr. MONTGOMERY, Mr. MARTIN of New York, Mr. NEAL of North Carolina, Mr. WISE, Mr. MORRISON of Washington, Mr. SHARP, Mr. McCURDY, Mr. JOHNSTON of Florida, Mr. PAYNE of Virginia, Mr. WILSON, Mr. HERTEL, Mr. SMITH of Florida, Mrs. BOXER, Mr. JONTZ, Mr. SCHUMER, Mr. COOPER, Mr. GONZALEZ, Mr. GOSS, Mr. ENGLISH, Mr. ROWLAND of Georgia, Mr. BARNARD, Mr. TALLON, Mr. ERDREICH, Mr. BROWDER, Mr. McHUGH, Mr. McNULTY, Mr. JENKINS, Mr. HAYES of Louisiana, Mr. PETRI, Mr. CHANDLER, Mr. SHAYS, Mrs. ROUKEMA, Mr. SKEEN, Mr. RHODES, Mr. JAMES, Mr. LAGOMARSINO, Mr. GILMAN, Mr. McEWEN, Mr. SOLOMON, Mr. PORTER, Mrs. MARTIN of Illinois, Mr. HORTON, Mr. BROOMFIELD, Mr. PAXON, Mr. STEARNS, Mr. MACHTLEY, Mr. EMERSON, Mr. MILLER of Ohio, Mr. HYDE, Mrs. VUCANOVICH, Mr. BUNNING, Mr. MOORHEAD, Mr. McCOLLUM, Mr. McMILLAN of North Carolina, Mr. SMITH of Mississippi, Mr. MOLINARI, Mr. BROWN of Colorado, Mr. CRAIG, Mr. GALLO, Mr. THOMAS of Wyoming, Mr. BAKER, Mr. SENSENBRENNER, Mr. COMBEST, Mr. HANSEN, Ms. SCHNEIDER, Mr. DUNCAN, Mrs. SMITH of Nebraska, Mr. NIELSON of Utah, Mr. SMITH of New Hampshire, Mr. WALSH, Mr. McDADE, Mr. SHUSTER, Mr. KOLBE, Ms. SNOWE, Mr. CAMPBELL of California, Mr. HOUGHTON, Mr. RITTER, Mr. GUNDERSON, Mr. SHAW, Mr. EDWARDS of Oklahoma, Mr. DONALD E. LUKENS, Mr. WYLIE, Mr. SMITH of Texas, Mr. CLINGER, Mr. INHOFE, Mr. WEBER, Mr. RINALDO, Mr. ECKART, Mr. REGULA, Mr. KYL, Mr. MFUME, and Mr. JOHNSON of South Dakota):

H. Res. 186. Resolution expressing the sense of the House of Representatives regarding the flag of the United States; to the Committee on the Judiciary.

By Mr. HUBBARD:

H. Res. 188. Resolution expressing the sense of the House of Representatives regarding the flag of the United States; to the Committee on the Judiciary.

By Mr. SKEEN (for himself, Mr. ANDERSON, Mr. BAKER, Mr. BARTON of Texas, Mr. BATEMAN, Mrs. BENTLEY, Mr. BENNETT, Mr. BEVILL, Mr. BILIRAKIS, Mr. BLILEY, Mr. BUNNING, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CAMPBELL of California, Mr. CHANDLER, Mr. CLINGER, Mr. COBLE,

Mr. CONTE, Mr. COX, Mr. CRAIG, Mr. DORNAN of California, Mr. DOUGLAS, Mr. DREIER of California, Mr. EMERSON, Mr. FIELDS, Mr. FRENZEL, Mr. GALLO, Mr. GILMAN, Mr. GINGRICH, Mr. GRANT, Mr. GREEN, Mr. GUNDERSON, Mr. HANCOCK, Mr. HASTERT, Mr. HEFLEY, Mr. HOLLOWAY, Mr. HOUGHTON, Mr. HUTTO, Mr. IRELAND, Mr. JACOBS, Mr. JONTZ, Ms. KAPTUR, Mr. KASICH, Mr. LEATH of Texas, Mr. LEWIS of California, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. LOWERY of California, Mr. MARLENEE, Mr. MARTIN of New York, Mr. MCEWEN, Mr. MILLER of Ohio, Mr. MILLER of Washington, Mr. MONTGOMERY, Mr. MORRISON of Washington, Mr. MYERS of Indiana, Mr. NIELSON of Utah, Mr. OXLEY, Mr. OWENS of Utah, Mr. PARKER, Mr. PAXON, Mr. PORTER, Mr. PURSELL, Mr. RHODES, Mr. RICHARDSON, Mr. ROBERTS, Mr. ROGERS, Mrs. ROUKEMA, Mr. SCHAEFER, Mr. SCHIFF, Mr. SCHUETTE, Mr. SHAW, Mr. SLAUGHTER of Virginia, Mr. SMITH of Mississippi, Mr. SMITH of Vermont, Ms. SNOWE, Mr. SOLOMON, Mr. SPENCE, Mr. STENHOLM, Mr. THOMAS of Wyoming, Mr. TRAFICANT, Mr. UPTON, Mrs. VUCANOVICH, Mr. WALKER, Mr. WALSH, Mr. WATKINS, Mr. WEBER, Mr. WHITTAKER, Mr. WOLF, and Mr. BUSTAMANTE):

H. Res. 189. Resolution expressing the sense of the House of Representatives that individuals throughout the United States should observe Independence Day, July 4, 1989, as "Take Pride in the Flag Day"; to the Committee on Post Office and Civil Service.

By Mr. UPTON:

H. Res. 190. Resolution amending the Rules of the House of Representatives to restrict the use of the franking privilege in order to reduce the advantages of the privilege to a Representative running for reelection; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

157. By the SPEAKER: A memorial of the Legislature of the State of Louisiana, relative to a National Silver-Haired Congress; to the Commttee on Education and Labor.

158. Also, memorial of the Legislature of the State of Minnesota, relative to the increase in compensation for Member of Congress; to the Committee on the Judiciary.

159. Also, memorial of the Legislature of the State of Louisiana, relative to the Medicare income tax surcharge imposed by the Medicare Catastrophic Coverage Act of 1988; to the Committee on Ways and Means.

160. Also, memorial of the General Assembly of the State of Nebraska, relative to the Medicare Catastrophic Coverage Act of 1988; jointly, to the Committees on Ways and Means and Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McMILLEN of Maryland:

H.R. 2767. A bill to authorize issuance of a certificate of documentation for employment in the coastwise trade for the vessel M/V *Harbor Exec*; to the Committee on Merchant Marine and Fisheries.

By Mr. SHAW:

H.R. 2768. A bill to authorize issuance of a certificate of documentation for employment in the coastwise trade of the United States for the submersible vessel PC-1501; to the Committee on Merchant Marine and Fisheries.

By Mr. WISE:

H.R. 2769. A bill for the relief of Miguel Lapuz; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mrs. PATTERSON.

H.R. 41: Mr. ANDREWS, Mr. JOHNSON of South Dakota, Mr. SKEEN, and Mr. CARPER.

H.R. 81: Mr. WEISS and Mr. WISE.

H.R. 82: Mr. NEAL of North Carolina, Mr. BILIRAKIS, Mr. MCEWEN, Mr. ASPIN, Mr. MARTINEZ, Mr. BATEMAN, Mr. ALEXANDER, Mr. KASICH, Mr. SCHAEFER, Mr. COURTER, and Mr. VANDER JAGT.

H.R. 109: Mrs. PATTERSON, Mr. BURTON of Indiana, and Mr. FROST.

H.R. 110: Mr. ACKERMAN, Mr. SLATTERY, and Mr. FROST.

H.R. 118: Mr. SCHAEFER, Mr. GALLO, and Mr. JAMES.

H.R. 132: Mr. SHAYS and Mr. PANETTA.

H.R. 212: Mr. JONTZ.

H.R. 213: Mr. MAZZOLI.

H.R. 215: Mrs. BOXER, Mr. KLECZKA, and Mr. KOLTER.

H.R. 242: Mr. TOWNS, Mr. SPENCE, Mr. CLAY, Mr. HYDE, Mr. MRAZEK, and Mr. DE LUGO.

H.R. 267: Mr. HOLLOWAY.

H.R. 290: Mr. SCHUMER, Mr. ANDREWS, Mr. BILBRAY, Mrs. SCHROEDER, Mr. VENTO, and Mr. EVANS.

H.R. 332: Mr. HOLLOWAY.

H.R. 425: Mr. ROBINSON and Mr. VALENTINE.

H.R. 529: Mr. KLECZKA, Mr. GREEN, and Mr. TAUZIN.

H.R. 530: Mr. KLECZKA, Mr. GREEN, and Mr. TAUZIN.

H.R. 539: Mr. MILLER of Washington and Mr. OBEY.

H.R. 560: Mr. FLAKE, Mr. MILLER of Ohio, Mr. ANDERSON, and Mr. GIBBONS.

H.R. 567: Mr. BUNNING, Mr. BILBRAY, Mr. FORD of Tennessee, and Mr. KOSTMAYER.

H.R. 578: Mr. FAWELL.

H.R. 586: Mr. MRAZEK.

H.R. 590: Mr. SMITH of Florida.

H.R. 624: Mr. COMBEST and Mr. PAXON.

H.R. 660: Mr. WISE.

H.R. 777: Mr. BATEMAN, Mr. BENNETT, Mr. BLAZ, Mr. BROOMFIELD, Mr. COLEMAN of Missouri, Mr. JENKINS, Mr. KOLTER, Mr. MURTHA, Mr. OWENS of Utah, Mr. VANDER JAGT, and Mr. WALSH.

H.R. 812: Mrs. SAIKI.

H.R. 866: Mr. ENGEL and Mr. PALLONE.

H.R. 867: Mr. PALLONE.

H.R. 868: Mr. PALLONE.

H.R. 875: Mr. VALENTINE.

H.R. 876: Mr. ASPIN, Mr. THOMAS A. LUKEN, and Mr. MARKEY.

H.R. 911: Mr. ACKERMAN, Mr. APPLEGATE, Mr. BILIRAKIS, Mr. BROWN of California, Mr. CALLAHAN, Mr. CAMPBELL of Colorado, Mr. CLARKE, Mr. DEWINE, Mr. DURBIN, Mr. DYSON, Mr. EDWARDS of Oklahoma, Mr. EVANS, Mr. GINGRICH, Mr. GRANDY, Mr. HAYES of Louisiana, Mrs. KENNELLY, Mr. KOLTER, Mr. LEVINE of California, Mr. MCDERMOTT, Mrs. MEYERS of Kansas, Mr. NAGLE, Mr. OLIN, Mrs. ROUKEMA, Mr. ROWLAND of Connecticut, Mr. SAVAGE, Mr. SCHUETTE, Mr. SHUSTER, Mr. SKAGGS, Mr. SMITH of New Jersey, Mr. STARK, and Mr. TORRES.

H.R. 995: Mr. HUTTO and Mr. BOUCHER.

H.R. 1046: Mr. COURTER, Mr. MORRISON of Washington, and Mr. SMITH of New Hampshire.

H.R. 1055: Mr. SOLARZ, Mr. MARTINEZ, Mrs. COLLINS, Mr. LEWIS of Georgia, Mr. HAMMERSCHMIDT, and Mr. BORSKI.

H.R. 1056: Mr. RICHARDSON, Mr. PALLONE, and Mr. SCHAEFER.

H.R. 1074: Mr. SARPALIUS, Mr. MOODY, Mr. GRANT, Mr. COMBEST, and Mr. NATCHER.

H.R. 1080: Mr. INHOFE.

H.R. 1109: Mr. STALLINGS and Mrs. BOXER.

H.R. 1165: Mr. BLILEY, Mr. BATEMAN, Mr. HOLLOWAY, and Mr. MACHTLEY.

H.R. 1181: Mr. SUNDQUIST.

H.R. 1243: Mr. RIDGE.

H.R. 1387: Mr. ACKERMAN, Mrs. COLLINS, Mr. FUSTER, Mr. LEWIS of Georgia, Mr. RINALDO, and Mr. ROE.

H.R. 1416: Mr. WOLPE, Mr. LEATH of Texas, Mr. CLARKE, Mr. ROSE, Mr. MCDERMOTT, Mr. PENNY, Mr. COURTER, Mr. BAKER, Mr. CLEMENT, Mr. PURSELL, Mr. CARPER, Mr. SMITH of New Jersey, Mr. TOWNS, Mr. EDWARDS of California, and Mr. DERRICK.

H.R. 1436: Mr. SAXTON, Mr. SOLARZ, Mr. PARKER, Mr. LANTOS, Mr. SENSENBRENNER, and Mr. SMITH of Mississippi.

H.R. 1457: Mr. NELSON of Florida, Mr. ANDERSON, and Mr. KOSTMAYER.

H.R. 1470: Mr. SPRATT.

H.R. 1526: Mr. RAY and Mr. STAGGERS.

H.R. 1561: Mr. FROST.

H.R. 1574: Mr. MCEWEN.

H.R. 1582: Mr. BATES.

H.R. 1590: Mr. SHUMWAY.

H.R. 1632: Mr. ROSE and Mr. MOAKLEY.

H.R. 1660: Mr. STARK, Mr. SCHEUER, Mr. RANGEL, Mr. HAYES of Illinois, Mr. BERMAN, Mrs. BOXER, and Mr. CROCKETT.

H.R. 1664: Mr. HOLLOWAY.

H.R. 1676: Mr. SMITH of Florida and Mr. RANGEL.

H.R. 1710: Mr. CLARKE, Mr. GONZALEZ, Mr. BONIOR, and Mr. VALENTINE.

H.R. 1762: Mr. WEISS and Mr. PALLONE.

H.R. 1809: Mr. HOLLOWAY.

H.R. 1845: Mr. RANGEL, Mr. WEISS, and Mr. BATES.

H.R. 2008: Mr. DEWINE and Mr. BUECHNER.

H.R. 2022: Mr. COYNE, Mr. KOSTMAYER, and Mr. FROST.

H.R. 2121: Mr. ROHRABACHER, Mr. FIELDS, Mr. BORSKI, Mr. GARCIA, Mr. GRANDY, Mr. SARPALIUS, Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. LEATH of Texas, Mr. WHITTAKER, Mr. ANDREWS, Mr. PACKARD, Ms. KAPTUR, Mr. MATSUI, Mrs. KENNELLY, and Mr. ANTHONY.

H.R. 2132: Mr. HOLLOWAY, Mr. SENSENBRENNER, and Mrs. MEYERS of Kansas.

H.R. 2133: Mrs. MEYERS of Kansas, Mr. HOLLOWAY, and Mr. SENSENBRENNER.

H.R. 2162: Mr. FISH.

H.R. 2185: Mr. KOLTER and Mr. FRANK.

H.R. 2201: Ms. PELOSI.

H.R. 2222: Mr. WEBER.

H.R. 2228: Mrs. COLLINS, Mr. ECKART, and Mr. JONTZ.

H.R. 2238: Mr. JONTZ and Mr. ENGEL.

H.R. 2243: Mr. DYMALLY, Mr. MOLLOHAN, Mrs. COLLINS, Ms. KAPTUR, Mr. FRANK, Mr. STAGGERS, Mr. EVANS, Mr. SAWYER, Mr. SKAGGS, Mr. FAZIO, Mr. MCDERMOTT, Mr. KILDEE, Mr. ERDREICH, Mr. LELAND, Mr. TRAXLER, Mr. GORDON, Mrs. SCHROEDER, Mr. WOLPE, Mr. OWENS of New York, Mr.

TALLON, Mr. CARPER, Mr. LAGOMARSINO, Mr. CLEMENT, and Mr. OWENS of Utah.

H.R. 2265: Mr. SKAGGS, Mr. LAGOMARSINO, Mr. ROWLAND of Connecticut, and Mr. BROWN of California.

H.R. 2269: Mr. DORGAN of North Dakota and Mr. PALLONE.

H.R. 2312: Mr. ACKERMAN, Mr. DELLUMS, Mr. ENGEL, and Mrs. MARTIN of Illinois.

H.R. 2330: Mr. FROST.

H.R. 2345: Mr. ACKERMAN, Mr. DELLUMS, and Mr. KOSTMAYER.

H.R. 2361: Mrs. BOXER, Mr. COURTER, and Mr. SENSENBRENNER.

H.R. 2362: Mrs. BOXER, Mr. COURTER, and Mr. SENSENBRENNER.

H.R. 2406: Mr. ANDREWS.

H.R. 2445: Mr. MCHUGH.

H.R. 2456: Mr. DELLUMS.

H.R. 2504: Mr. ECKART.

H.R. 2514: Mrs. MORELLA.

H.R. 2522: Mr. FAZIO, Mr. LEHMAN of California, and Mr. DEFAZIO.

H.R. 2548: Mr. PALLONE.

H.R. 2561: Mr. LIPINSKI, Mr. LAFALCE, and Mr. NOWAK.

H.R. 2584: Mr. RIDGE.

H.R. 2654: Mrs. LLOYD, Mr. FAWELL, Mr. DANNEMEYER, Mr. HALL of Texas, and Mrs. JOHNSON of Connecticut.

H.R. 2674: Mr. DONALD E. LUKENS and Mr. DELLUMS.

H.R. 2699: Mr. BOEHLERT, Mr. WILLIAMS, Mr. BOUCHER, Mr. NIELSON of Utah, and Mr. SANGMEISTER.

H.R. 2712: Mr. HALL of Ohio, Mr. POSHARD, Mr. PACKARD, Mr. CAMPBELL of Colorado, Mr. GINGRICH, Mr. NEAL of North Carolina, Mr. VOLKMER, Mr. HASTERT, Mr. HAYES of Louisiana, Mrs. UNSOELD, Mr. BOEHLERT, Mr. STUDDS, Mr. ANDREWS, Mr. PORTER, Mr. KASTENMEIER, Mr. WALSH, Mr. FROST, Mr. COURTER, Mr. JONES of North Carolina, Mr. YATES, Mr. UDALL, Mr. FAZIO, Mr. MCDERMOTT, Mr. RITTER, Mr. FEIGHAN, Mr. WOLF, Mr. HAYES of Illinois, Mr. MONTGOMERY, Mr. CHAPMAN, Mr. GEJDENSON, Mr. THOMAS A. LUKEN, Mr. RUSSO, and Mr. SAXTON.

H.R. 2732: Mr. JACOBS, Mr. GOODLING, Mr. PETRI, Mr. STALLINGS, and Mr. FRANK.

H.J. Res. 44: Mr. HOLLOWAY.

H.J. Res. 82: Mr. COSTELLO, Mr. CLARKE, Mr. FRANK, Mr. VALENTINE, and Mr. DE LA GARZA.

H.J. Res. 104: Mr. SKEEN, Mr. MFUME, Mr. BONIOR, Mr. JACOBS, Mr. COYNE, Mr. FOGLIETTA, Mr. STEARNS, Mr. SHUSTER, Mr. ACKERMAN, Mr. ATKINS, Mr. CONYERS, Mr. DYMALLY, Mr. BURTON of Indiana, Mr. BROOMFIELD, Mr. FLORIO, Mr. GOODLING, Mr. DE LA GARZA, Mr. MOAKLEY, Ms. OAKAR, Mr. PACKARD, Mr. PASHAYAN, Mr. PAXON, Mr. ROBERTS, Mr. RAVENEL, Mr. MCNULTY, Mr. DELLUMS, Mr. DONNELLY, Mr. TRAFICANT, and Mr. SMITH of Texas.

H.J. Res. 183: Mrs. MEYERS of Kansas.

H.J. Res. 188: Mr. MAZZOLI.

H.J. Res. 195: Mr. PICKETT, Mr. HUNTER, Mr. GUNDERSON, Mr. COURTER, Mr. STOKES, Mr. MAVROULES, Mr. THOMAS A. LUKEN, Mr. BILBRAY, Mr. VENTO, Mr. SMITH of Florida, Mr. SAVAGE, Ms. LONG, Mr. SAWYER, Mr. SOLOMON, Mr. AKAKA, Mr. BATES, Mr. CARPER, Mr. CLAY, Mr. CONTE, Mr. DE LA GARZA, Mr. FISH, Mr. FLAKE, Mr. HENRY, Mr. JONTZ, Mr. POSHARD, Mr. WALGREN, and Mr. WYDEN.

H.J. Res. 227: Mr. RUSSO.

H.J. Res. 248: Mr. FISH, Mr. MORRISON of Connecticut, and Mrs. PATTERSON.

H.J. Res. 253: Mr. LENT, Mr. BEVILL, Mr. BLILEY, Mr. PACKARD, Mr. DORNAN of California, Mr. EMERSON, Mr. RAVENEL, Mr. WALSH, Mr. HANCOCK, and Mr. KOLTER.

H.J. Res. 255: Mr. EARLY, Mr. TRAXLER, Ms. SLAUGHTER of New York, Mr. LOWERY of California, Mr. SOLARZ, and Mr. JACOBS.

H.J. Res. 257: Mrs. MORELLA, Mr. MATSUI, and Mr. SAXTON.

H.J. Res. 265: Mr. COUGHLIN and Mr. BILBRAY.

H.J. Res. 273: Mr. TALLON, Mr. UDALL, Mrs. MORELLA, Mr. SHAW, Mr. LAFALCE, Mr. HILER, Mr. SCHUMER, Mr. SANGMEISTER, Mrs. JOHNSON of Connecticut, Mr. ROTH, and Mr. BRUCE.

H.J. Res. 277: Mr. BOSCO, Mr. RAY, Mr. WALGREN, Mr. PICKETT, Mr. HUBBARD, Mrs. MORELLA, Mr. FALEOMAVAEGA, Mr. DONNELLY, Mr. FLIPPO, Mr. FISH, Mr. GORDON, Mr. PERKINS, and Mr. GILLMOR.

H.J. Res. 305: Mr. MAZZOLI, Mr. MARTIN of New York, Mr. DICKINSON, Mr. JONES of North Carolina, Mr. BROWDER, Mr. LENT, Mr. WHITTAKER, Mr. TANNER, Mr. WATKINS, Mr. STENHOLM, Mr. OLIN, Mr. REGULA, Mr. STALLINGS, Mr. STUMP, Mrs. MEYERS of Kansas, Mr. LOWERY of California, Mr. SPENCE, Mr. CALLAHAN, Mr. FLIPPO, Mr. ERDREICH, Mr. HARRIS, Mr. PACKARD, Mr. JOHNSON of South Dakota, Mr. DORNAN of California, Mr. RAVENEL, Mr. COSTELLO, Mr. FROST, Mr. BILIRAKIS, Mr. JENKINS, Mr. HEFNER, Mr. TRAXLER, Mr. NIELSON of Utah, Mr. SKEEN, Mr. BARNARD, Mr. DE LA GARZA, Mr. MAVROULES, Mr. SAXTON, Mr. RHODES, Mr. SHUMWAY, Mr. KOLTER, Mrs. LLOYD, Mr. MURTHA, Mr. MONTGOMERY, Mr. PARKER, and Mr. THOMAS of Georgia.

H.J. Res. 308: Mr. GINGRICH, Mr. DANNEMEYER, Mr. LOWERY of California, Mr. DEWINE, Mr. HORTON, Mr. PACKARD, Mr. WOLF, Mr. BEVILL, Mr. HUTTO, and Mr. LEATH of Texas.

H.J. Res. 319: Mr. DORNAN of California, Mr. SKEEN, Mrs. BENTLEY, Mr. SOLOMON, Mr. HUTTO, Mr. BILIRAKIS, Mr. SCHAEFER, and Mr. RHODES.

H. Con. Res. 35: Mr. EDWARDS of Oklahoma, and Mr. BILIRAKIS.

H. Con. Res. 128: Mr. FROST.

H. Con. Res. 130: Mr. SKAGGS.

H. Con. Res. 149: Mr. STOKES, Mr. BOEHLERT, Mr. MORRISON of Connecticut, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. NELSON of Florida, Mr. VENTO, Ms. OAKAR, Mr. BILIRAKIS, Mr. ENGLISH, Mr. HORTON, Mr. IRELAND, Mr. JACOBS, and Mr. EVANS.

H. Res. 41: Mr. BROWDER, Mr. ENGEL, Mr. ESPY, Mr. FLAKE, Mr. LEATH of Texas, and Mrs. LOWEY of New York.

H. Res. 128: Mr. RHODES, Mr. KANJORSKI, Mr. MCDADE, Mr. DIXON, Mr. SMITH of New Jersey, and Mr. WOLPE.

H. Res. 164: Mr. SHAYS.

H. Res. 170: Mr. DYMALLY, Mr. TOWNS, Mr. ESPY, Mr. JONTZ, Mr. KOLTER, Mrs. COLLINS, Mrs. SAIKI, Mr. ACKERMAN, and Mr. ATKINS.

H. Res. 176: Mr. BUECHNER and Mr. SKEEN.

H. Res. 184: Mr. PACKARD, Mr. HUTTO, Mr. RHODES, Mr. NIELSON of Utah, Mr. SKEEN, Mr. WILSON, Mr. SCHUETTE, Mr. RAVENEL, Mr. SAXTON, Mr. LEATH of Texas, Mr. COURTER, Mr. FROST, and Mrs. BENTLEY.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.J. Res. 166: Mr. BILBRAY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2655

By Mr. DYMALLY:

—Page 582, line 7, strike out "made available to" and insert in lieu thereof "of".

H.R. 2696

By Mr. ECKART

—Page 41, line 5, strike "$1,062,431,000," and insert "$952,431,000,".

EXTENSIONS OF REMARKS

WISE INSIGHT FROM PRESIDENT NIXON ON EVENTS IN CHINA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LAGOMARSINO. Mr. Speaker, 17 years ago history was made when President Richard Nixon traveled to the People's Republic of China and opened the door to relations with this Asian giant. Since that time, Mr. Nixon has closely monitored China's development and its relationship with both the United States and the Soviet Union. Today, as we focus on the aftermath of the brutal repression of China's prodemocracy movement and formulate policy to address this very serious and emotional issue, I bring the very insightful commentary by President Nixon to my colleagues' attention.

I believe we should carefully consider the broader issues and implications of our actions as particularly advanced by Mr. Nixon. While there have been many commentaries and analyses on the situation in China and on future Sino-American relations, Mr. Nixon's article is the best and most intelligent I have seen. I strongly urge my colleagues to carefully study the following insight from President Nixon—someone who knows, firsthand, the realities of China and American national interests.

[From the Los Angeles Times, June 25, 1989]

CHINA POLICY: REVULSION REAL, REPRISAL WRONG

(By Richard M. Nixon)

NEW YORK.—China's brutal repression of its pro-democracy movement has shocked the Western World. The Tian An Men Square crackdown was shockingly cruel and incredibly stupid. Last week's executions of activists and workers deepened our revulsion, leading even China's friends to question the rationality of a regime that would go forward with such brutality in spite of the protests of Western governments, whose future good will China needs to continue its economic reforms.

For now, China seems to have reverted to its old fanatical communist hard line. In the light of this development, it is difficult to contemplate how continued normal relations with China would be in our interests, at least in the short term. But before adopting policies of reprisal that would again virtually isolate the Chinese regime from the West, the Bush Administration must consider long-term stakes, for the United States and the people of China.

Lashing back with punitive policies would be politically popular and emotionally satisfying for the great majority of the American people. Such policies would make us feel better. But they would have no effect whatsoever on China's hard-line leadership. Instead, they could dash the Chinese people's chances for further economic progress and eventual political reform. They would not be in the interests of the hundreds of thousands of Chinese in China and all over the world who have demonstrated for political reform. And they would not be in the interests of the United States. If, in anger, we drive China back into the shadows of the Soviet Union and the oppressive economic system Deng Xiaoping has tried to reform, those who have died for freedom in China will truly have died in vain.

To see where we should go in our policy toward China, we should first look back to see where we have been.

When I went to China in 1972, I was criticized by the far right and praised by the far left, both for the wrong reasons. The far right believed I had betrayed my anti-communist principles; the far left rejoiced because it thought I had outgrown them. In fact, my decision had nothing to do with my attitude toward communism.

The first reason I went to China was the Soviet threat. Both the Soviet Union and China had communist governments. Both were supporting our enemies in North Vietnam. But there was a crucial difference. The Soviet Union, as a nuclear superpower, was a potential threat to the United States. China was not. China had broken away from the Soviets and was in the position to play a more constructive, international role. It made both moral and strategic sense for the United States to have relations with any nation that did not threaten our fundamental interests.

The second reason I went to China had nothing to do with the Soviet Union. Even if there had been no Soviet threat, it was essential that we have relations with a government that was a member of the nuclear club. And today, how can we launch a worldwide attack on the environmental crisis without the cooperation of a government ruling more than one-fourth of all people on Earth?

Today, a strong, stable China is as vital as ever to the security interests of the United States and to peace in the Pacific. A weak, fractured China would leave the Soviet Union as the dominant military power in Asia and Japan as the dominant economic power.

Whatever happens in the future, it is imperative that Chinese-American relations remain strong so the United States can help maintain the balance among China, Japan and the Soviet Union.

President Bush will be pressured to take harsher action by a strange coalition of China-bashers. Those on the far right who oppose any relations with China will demand economic and diplomatic sanctions. So will the human-rights lobby, which calls for punishing every regime that does not live up to our standards, regardless of our interests or those of the millions living under those regimes whom sanctions would hurt the most. The Bush Administration should continue to ignore these extremist voices and stay the prudent course it has already set.

Many who criticized the President's measured response to the Beijing crackdown were strangely quiet about the deafening silence from Mikhail S. Gorbachev. He may have refrained from condemning the Chinese leaders because he fears that he, too, will continue to face pro-democracy and anti-Moscow regional movements, such as the one in Georgia this spring where troops used shovels and poison gas against the people. In stark contrast to the massive coverage of tragedy in Tian An Men Square, American television cameras and reporters were not present when 20 or more Georgians died, which is one reason Gorbachev's popularity rating in the West remains high while Deng's is plunging. But the Soviet leader cannot push his luck by condemning Deng for taking steps he has already taken and may have to take again.

Gorbachev also knows a freeze between Washington and Beijing will hasten the thaw between Moscow and Beijing. Nearly forgotten in the aftermath of Tian An Men Square is an equally important event that occurred there just days before: the normalization of relations between Moscow and Beijing. Hard-line communist leaders in Beijing, some of whom have been suspicious of Americans to begin with, are probably saying today that if the United States adopts further sanctions—in effect closing the door to China that we opened in 1972—the Kremlin gates now stand open.

China's leaders want to continue economic progress, and they know the best way to achieve that is through continued access to Western technology and investment. They neither like nor trust the Russians, and the Russians have little to offer them compared with the West.

But political factors can override economic realities. The Chinese got along without the West for a quarter-century, and they could do so again. If we force them back into their angry isolation from the West, we risk prompting a potentially disastrous entente between the two great communist powers that would be in nobody's interests but Gorbachev's.

Despite the fundamental national self-interest behind our rapprochement with China, many Americans have gone overboard and turned it into a romance. China has a limitless capacity to fascinate. But it is not Disneyland. It is, as it has been since 1949, a communist dictatorship held together by brute force.

No one who knows China should be surprised when its leaders turn to violence in pursuing their political goals.

They have done far worse before Tiananmen Square. One overly excited journalist wrote last week that the crackdown transformed "the Woodstock-like encampment of young students . . . into the bloodiest killing ground in communist China's history." He apparently was not aware that many times more people died—hundreds of thousands, some Chinese claim millions—in Mao Tse-tung's Cultural Revolution. Twenty million died in the wake of the brutal forced collectivization known as the Great Leap Forward. Attacks on unarmed civilians are never justified. But in condemning them, we should not pretend that we did not know

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

that China's leaders were capable of using violence for political purposes.

Since Tiananmen Square, some pundits have noted with irony that the Deng who beguiled millions during his state visit to the United States in 1979 is the same man who ordered the crackdown. What is more ironic is that many of the same pundits were willing to believe that the dedicated communist who had fought his way through the Long March and the bloody Chinese civil war was just a cuddly teddy bear with a cute smile. Those who insist on romanticizing relations between nations will always be disappointed when the realities of national interest and survival inevitably intrude.

But while we should be realistic about China, its leaders and the strategic reasons our relationship must continue, we should not lose sight of the benefits the Chinese people have derived from that relationship, particularly the economic progress that has come along with it. If we can restore a close relationship with China, the greatest beneficiaries will be the people of China themselves.

Some Beijing demonstrators carried banners reading, "In the Soviet Union they have Gorbachev—who do we have?" They have leaders who have made life better for hundreds of millions of Chinese.

In the 10 years since Deng instituted his economic reforms and an intensive campaign to attract Western investment, the income of the average Chinese has doubled. In the five years since Gorbachev came to power in the Soviet Union, despite the rave reviews for his political reforms, the income of the average Russian has stagnated or even gone down.

In 1972 there were no Chinese students from the People's Republic studying in the United States. Since that time, 62,500 have gone to school here. In that same period only a few hundred Soviet students have studied here. Gorbachev's *glasnost* notwithstanding, television and press coverage of the events in Tiananmen Square has been far greater than that of comparable events in the Soviet Union.

On June 2, two days before the crackdown, a Chinese student studying in New York City mailed a letter to my office. "Please tell President Nixon," he wrote, "that we young people from China really appreciate what he has done to open up China to the outside world. Just look at the Statue of Liberty that the Chinese students carried when demonstrating on the streets for democracy. It would be impossible without his courageous visit to China."

As events later unfolded, I took little comfort from his message. China's new fascination with the West and the dramatic economic reforms Deng adopted were both welcome developments. But they also entailed great dangers. By giving their people a better life economically and permitting their brightest young people to study in the West, China's leaders ran a risk—that the people's rising expectations would eventually lead to demands for political reforms challenging the authority of the Communist Party.

The further tragedy is that the suppression of the pro-democracy challenge has dealt a massive setback to Deng's economic policies. A fundamental goal of U.S. policy toward China should be to influence its leaders to get the economic reforms back on track and also to go forward with peaceful political reforms. Our influence will be squandered if we make pious pronouncements in public about what the Chinese leaders should or should not do. It would be far better to urge them, through private channels, to show restraint in dealing with pro-democracy activists and eventually find a way to accommodate dissent within the system.

In 1972 I met with a group of congressmen and senators who opposed our new relationship with the Soviet Union because of its policies against Jewish immigration. I said, "The walls of the Kremlin are very thick. It is difficult to be heard even when you are inside the walls. It is impossible to be heard when you are outside." When we opened lines of communication to the Kremlin and made our views known privately, the number of Jews allowed to leave the Soviet Union increased, from 600 the year before I came to office in 1969, to 37,000 in 1973.

We face a similar dilemma today. The Great Wall of China is very thick. We may not always be heard when we are inside. If we withdraw outside the wall again, we will not be heard at all, and the Chinese people's dreams of more democracy and a better life will almost certainly die.

INTRODUCTION OF THE FOREIGN DEBT SAFETY AND SOUNDNESS ACT OF 1989

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LAFALCE. Mr. Speaker, on Friday, I introduced the "Foreign Debt Safety and Soundness Act of 1989," H.R. 2747. This bill should greatly strengthen the financial soundness of our banking system by requiring increased reserves on risky Third World debt portfolios.

Bank safety and soundness must be a paramount concern to all Members of the House, especially in view of the harsh measures we are being forced to take to deal with the savings and loan crisis.

Mr. Speaker, if an ounce of prevention is worth a pound of cure, I believe my bill offers a pound of prevention.

We are all familiar with the problem. After years of heavy lending to Mexico and other Third World countries, banks found themselves holding many billions of dollars of shaky loans. For example, loans to Latin America by the nine largest United States banks totaled 175 percent of the banks' combined capital in 1982.

When it turned out that these debtors were unable to pay, these U.S. banks faced bankruptcy. In response to this threat, the Congress passed the International Lending Supervision Act of 1983 [ILSA].

ILSA requires regulators to direct banks to reserve against these risky Third World loans. Unfortunately, reserves have not been built up adequately.

A May 1988 GAO study requested by our colleague Mr. LEACH showed that regulators were requiring reserves on very small portions of risky loans. An update to that study that I requested and released on June 6 of this year shows, in fact, that over $70 billion of foreign loans held by U.S. banks are either not complying with their present debt-service obligations, or noncompliance appears imminent.

Yet the Federal Reserve and other regulators have required the banks to reserve against only 3 percent of this total.

While there has been some progress over the last 7 years, some banks are still dangerously overexposed. For several money center banks, Third World loans still comprise over 100 percent of equity. Mexican debt alone accounts for over 50 percent of equity of some of the major banks in this country.

If there is one lesson we have learned from the savings and loan crisis, it is that we must require adequate regulation and reserves on high risk loans.

My bill would help to confront the reality of the deteriorating economic conditions in the developing countries, conditions that continue to put at risk Third World loans. The bill's premise is simple: risky loans require adequate reserves.

The bill essentially does three things:

First, reserves are required on loans to sovereign borrowers whenever payment of interest or principal is more than 90 days in arrears. Reserves are further required on loans that have previously been rescheduled because the borrower could not meet the original terms.

This step implements a recommendation of the GAO that the financial system needs to be better protected against defaults by debtors with an ongoing history of delinquency, that is, the highest risk debtors.

Second, the amount of reserves would vary on a country-by-country basis. Loans to Mexico, in many ways a model debtor, would require fewer reserves than some of its neighbors who have failed to implement economic reforms.

While I understand that the current secondary market may be too thin to precisely value Third World loans, and thereby provide a strict "market-to-market" mechanism, it can act as a useful guidepost. Therefore, the bill sets reserve levels at no less than 70 percent of the discount reflected by secondary market prices.

Given current circumstances, this means that reserves on Mexican debt would be approximately 40 percent, while reserves on Argentine debt would be closer to 60 percent.

Third, because safety and soundness is the guiding light of this bill, the bill accommodates the principles of the "Brady proposals."

I have long advocated the position that U.S. banks with large exposures to developing nations would be on safer ground if those nations would have the opportunity to grow and develop. However, this cannot happen as long as the debt burdens drain those countries of the resources they need for economic development.

The Brady proposal reflects the understanding that meaningful debt relief is a prerequisite to economic growth in the Third World. And economic growth is the best antidote to these threats to our financial system.

Therefore, my bill allows regulators to reduce reserve requirements for banks that have participated in negotiating a meaningful debt reduction and restructuring package that includes the exchange of existing debts for

new instruments that are credit-enhanced by the IMF, the World Bank, or other MDB's in accordance with the Brady plan.

This increases the creditworthiness of outstanding loans in two ways. First, it reduces the debt burden of the borrowing country and adds to the capitial inflows, thereby increasing the resources available for investment in economic growth. Second, it exchanges unsecured, highly risky debt for new, secured debt.

Mr. Speaker, these are prudent steps. They are preventative medicine. I hope that we can act on my bill with dispatch so that we can shore up our financial institutions for the long term.

The text of the bill follows:

FOREIGN DEBT SAFETY AND SOUNDNESS ACT OF 1989

Section 905(a) of the International Lending Supervision Act of 1983 is amended by inserting:

"Section 905(a)(1) Each appropriate Federal banking agency shall require a banking institution to establish and maintain a special reserve against possible future losses on any loan to a sovereign borrower if—

"A. The loan has been rescheduled at the request of the borrower as a result of difficulties in making payments due under the terms of the loan; or

"B. The borrower is more than 90 days in arrears in the payment of interest or principal under such loan;

"(2) The reserve to be required under paragraph (1) to any loan shall be determined by each appropriate Federal banking agency, on a semi-annual basis, in light of the particular circumstances of the borrower, except that the amount shall not be less than 70 percent of the discount on loans made to such borrower as established by loans to such borrower on similar terms traded on the open market.".

The International Lending Supervision Act of 1983 is amended by inserting after Section 905, the following:

"Section 905(A): The reserving requirements provided for in Section 905 may be waived by an appropriate Federal banking agency if the agency determines, in a finding transmitted to the Committee on Banking, Finance, and Urban Affairs of the House of Representative, and the Committee on Banking, Housing and Urban Affairs of the Senate, that—

"(1) A sovereign borrower whose loans would otherwise be subject to Section 905(a) has:

"(A) Secured the approval of the International Monetary Fund or the International Bank for Reconstruction and Development an economic program designed to produce adequate rates of growth to support timely repayment of external loan obligations; and

"(B) Negotiated with all of its creditors a schedule of future repayment obligations the debtor is able to maintain without the need for future rescheduling of debt; and

"(2) The banking institution has received credit enhancements on existing debts in exchange for debt or debt service reduction, or swapped existing debts for new credit-enhanced debt carrying lower principal or interest burdens pursuant to agreements negotiated among the banking institution, the sovereign borrower, the International Monetary Fund, and the International Bank for Reconstruction and Development. Additional loans made as part of a package including debt or debt service reduction shall be considered enhanced for the purposes of this Act."

"(3) This Act takes effect 6 months from date of enactment.".

SERBIAN-AMERICANS REMEMBER KOSOVO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. FLORIO. Mr. Speaker, June 28, 1989, Serbian-Americans from all over the United States will gather in Greyslake, IL, to commemorate the 600th anniversary of the historic Battle of Kosovo. This battle for independence showed the determination of the Serbian people to remain free of imperialistic rule. Although the Serbian Army was defeated by the Ottoman Empire, the soul and spirit of the Serbian people was not diminished. Their struggle for liberty and freedom showed the same determination which was so vital to the founding and protection of our own United States.

After 500 years of alien control, the Serbs' persistence finally prevailed in 1870, when a sovereign kingdom of Serbia was reestablished. However, some of the Serbian lands still remained under imperialistic control. Only after World War I, when the central powers were defeated, did the people in all the lands inhabited by Serbians achieve unity and sovereignty. This dedication to reunite their culture and beliefs is expressed best in the Serbian motto, "Better the Grave Than Be a Slave."

Mr. Speaker, June 28 will be a day to celebrate. A day to celebrate not only freedom, but also the quest for freedom. To celebrate the ability of an entire people to overcome oppression and demand democracy. To celebrate the astonishing plea for human rights that is being heard today all over the world, and to celebrate the accomplishments of the Serbian people.

As this anniversary approaches, we realize that 600 years ago people cherished the same ideals that we so dearly value today. This creates hope that in the future resistance to oppression and dedication to freedom will still persist. So on this day of celebration, all the people of America can learn from their Serbian-American fellow citizens. By congratulating them on the 600th anniversary of the Battle of Kosovo, perhaps we all can better understand the principles which created these United States.

IN HONOR OF CHANEY, SCHWERNER, AND GOODMAN

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SCHEUER. Mr. Speaker, 25 years ago many of us in the Northeast were caught up in the excitement of breaking through a new frontier in civil rights.

Few of us, however, were aware of the serious dangers facing those who were actually fighting to provide equal opportunity and hope to blacks in Mississippi.

Andrew Goodman, James Chaney, and Michael Schwerner gave their lives to that noble cause. The tragedy of their deaths sent shock waves across America.

Our country was in a state of sorrow and disbelief. The contribution these three brave men made went far beyond what any of them could have imagined.

They galvanized the conscience of the Nation and brought a taste of the pain and suffering incurred by blacks in the South to many American homes across the Nation.

Twenty-five years later, they cast an everlasting light, symbolizing hope for all Americans who strive to rid America of hatred, guarantee equal rights under the law, and provide hope to those who have been denied it.

THE RETIREMENT OF MR. JAMES J. MOONEY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CONTE. Mr. Speaker, I would like to take this opportunity to extend my heartfelt congratulations to a good friend and a community leader, James J. Mooney, who is retiring at the end of this year after 18 memorable years as executive director and 22 more on the staff of the Boys Club of Pittsfield, MA.

For 40 years, the youth of western Massachusetts have benefited from the endless labors of Jim Mooney. He is a man who never shirks responsibility and is always glad to get involved. Jim has always displayed great respect for every individual with whom he has come into contact. Jim has always addressed and been sensitive to the needs of everyone, from the youngest child to the troubled adolescent to the respected businessperson. Jim has made the Boys Club into a special place. His keen sense of organization and ability to coordinate activities down to the most minute detail are certainly characteristics which Jim has sharpened and utilized to the advantages of thousands of children. However, it is his strength of character and understanding nature which has been the base for his success and the reason that people that have been involved with the Boys Club come back and give back to it.

Always sensitive but demanding and tough when necessary, Jim has built an environment and institution which will survive after him. He has taken an environment largely based upon the competition of sports, and has made it a place of bonding and character building for children of all ages. Jim has made the Boys Club a resource and an outlet for those who desperately need a guiding hand. He has added programs for mentally and physically handicapped youngsters and has turned the Boys Club from an all-male organization into one meeting the needs of a coed young community. The Boys Club has always been there to help children in need and to provide comprehensive programs and activities for their enjoyment. Under Jim's leadership, the Pittsfield Boys Club has come to be widely recog-

nized as one of the finest Boys Clubs in the Nation.

His concern for others and inherent feeling for the community has led Jim to be an active participant in a variety of organizations, working diligently and rising to the top in practically every task he selflessly undertakes. His community involvement does not end at the walls of the Boys Club but pervades the community in many ways. Still a young man at 58, Jim Mooney will remain thoroughly ingrained in the community which bore him.

My connection to Jim Mooney is special because as a youngster, I belonged to the Pittsfield Boys Club. Every day I walked the railroad tracks from my home in Lakewood to what we called "The Club." It is where I learned my manual training and made many close friends. I still remember the many hours that went into the bookcase and coat rack I built under the instruction of Mr. Victorine. In fact, I still have them today. The experiences I had at the Boys Club truly helped me through my childhood. The Boys Club was there for me when I needed guidance and structure, just as it is there for those who need it today.

The Boys Club I remember was similar to the Boys Club of today because of one main ingredient, leadership. The directors of the Boys Club of yesteryear, men like P.A. Jordan, James E. Keegan, and Fred S. Fahey, were fantastic leaders. Following in their footsteps is Jim Mooney, a born leader who cares dearly about the community in which he has spent his entire life. Following Jim, no easy task, will be Greg Crosier, another exceptional man. All of these leaders exemplify the work ethic and the idea of service for one's fellow man. Heading into the 21st century, the Boys Club is in good hands.

I cannot say enough about my friend Jim, Mr. Speaker. Literally thousands of children have been touched by Jim Mooney's presence at the Pittsfield Boys Club. Nevertheless, he takes his retirement in stride just as he has taken any problem or issue throughout his career. Pittsfield knows its champion will retire gracefully, not making his retirement an end, but making it a beginning of a new life. Still a young man at 58, Jim Mooney will remain thoroughly ingrained in the community which bore him. Jim is a strong, caring, and devoted man as well as a tireless worker and I am truly honored to pay tribute to him today. I wish him the best in his retirement and am confident he will continue giving to the community in the generous way he always has.

LOOSE MARBLES • • • INDEED

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. STARK. Mr. Speaker, I would like to submit for the record an insightful editorial written by my good friend and colleague from Florida, Congressman CHARLES BENNETT. Mr. BENNETT's article exposes with great clarity how certain notable weapons scientists have, with incredibly optomistic claims, lead the U.S. military into the world of abeolute fantasy on SDI.

Lawrence Livermore National Laboratory, in my congressional district, is home to these scientists and receives a large amount of the research funding for SDI. Lawrence Livermore is particularly prominent as a developer of the "brilliant pebbles" concept.

Clearly, I have a good reason to support SDI. But, I don't. The SDI Program has an outrageous history of spending huge amounts of money on unrealistic expectations.

Congratulations to Mr. BENNETT for his excellent work.

[From the New York Times, June 17, 1989]

"BRILLIANT PEBBLES"? NO, LOOSE MARBLES

(By Charles Bennett)

WASHINGTON.—With "brilliant pebbles," proponents of the Strategic Defense Initiative may finally have gone off the deep end.

After six years and $17.5 billion of research, the "Star Wars" program has produced lots of exciting ideas. Every time one of them gets shot down, the scientists invent another. This time it's a doozie.

After a year of lobbying, Lowell Wood and Edward Teller of Lawrence Livermore National Laboratory have convinced the Bush Administration to embrace brilliant pebbles. The idea is to encircle the globe with tens of thousands of rockets packed with so much advanced technology that they could shoot down about 30 percent of the first wave of a Soviet nuclear missile strike.

We should not reject this idea out of hand. But for something swallowed uncritically by educated adults who should know better, this proposal has a remarkable number of problems.

To start with, brilliant pebbles is the brainchild of the same two scientists who hatched the idea of shooting down missiles in space with an X-ray laser. Mr. Teller's briefings to President Ronald Reagan about this weapons concept are widely credited with inspiring the S.D.I. program. Mr. Teller claimed the laser was close to reality, writing that "a single X-ray laser module the size of an executive desk could potentially shoot down the entire Soviet land-based missile force." The problem was that this claim wasn't true.

While Mr. Reagan believed Mr. Teller, other S.D.I. scientists were less optimistic, to put it mildly. George Maenchen, the senior scientist in charge of the X-ray laser program at Lawrence-Livermore, said: "All these claims are totally false. They lie in the realm of pure fantasy." Indeed, the X-ray laser program that launched S.D.I. was soon put on the backburner as "long-term research."

Mr. Wood and Mr. Teller also championed ground-based lasers, and then space-based interceptors—hundreds of satellites, each carrying a dozen rockets. Unfortunately, brilliant pebbles looks no more promising than its predecessors.

The system requires technological breakthroughs in dozens of areas. No "brilliant pebble" has been built yet. Mr. Wood talked last year of deploying 100,000 rockets, each weighing five pounds and costing $10,000. Last month, Vice President Quayle said each would weight 100 pounds and cost $500,000.

Even if the technology does work, we still haven't solved the basic problem of strategic defense: All defensive systems can be defeated by countermeasures that cost far less. The reason for that is simple. It's a lot easier to hit an orbiting satellite than a warhead moving at a vast rate of speed. Moreover, it's also easy to build enough new missiles to numerically overwhelm a defense, or to develop missiles that get into space before interceptors can target them.

In any event, we would be locked into a spiraling offensive and defensive arms race with no winner, no stability and no security. Funds would be drained from more urgent defense needs.

Recently, the Joint Chiefs of Staff proposed that the Administration drop its insistence, in the Geneva talks on strategic arms reductions, on the right to deploy strategic defenses. This note of skepticism follows their call, in April, for the lowest of the funding options presented during an official review of Star Wars.

Research, however, is a prudent hedge against unpleasent technological surprises. Respected experts have told Congress repeatedly that a vigorous research program could be supported at $2 billion to $3 billion a year. We are spending more than that now because we have a program geared to deployment, not research.

If the Bush Administration wants to spend some of that money on brilliant pebbles research, fine. Administration officials may, in fact, know the idea is crazy but be using it to divert attention while they cut $1 billion from S.D.I. Since there has been little outcry at the cuts from the true believers, perhaps we should concede the brilliance of their strategy.

But for Congress to appropriate $4 billion or $5 billion for this scheme would look less like brilliant pebbles than like loose marbles.

TRIBUTE TO ELEANOR "ELLY" ROBBINS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. RANGEL. Mr. Speaker, it is with great honor that I stand today to salute a truly outstanding, committed, and dedicated humanitarian, Mrs. Eleanor "Elly" Robbins.

Mrs. Robbins was recently honored with the 1989 Harriman Award for 50 years of "exemplary" service to the American Red Cross, and the League of Red Cross Societies. I would like to share with you and my colleagues an article from the New York Daily News, which speaks of Mrs. Robbins' committed and dedicated service. I commend this article to you, and ask that it be entered into the CONGRESSIONAL RECORD.

[From the New York Daily News, June 14, 1989]

GRAVEL VOICE BEHIND RED CROSS GETS IN A FEW PRIVATE WORDS

(By D.J. Saunders)

"Why am I doing this? I do public relations for the Red Cross. People in public relations aren't supposed to be subject of news—it is against all my principles," say Eleanor ("call my 'Elly' ") Robbins as she sits in her fifth floor office at the American Red Cross in New York.

She is being interviewed because she was recently honored with the 1989 Harriman Award for "exemplary" volunteer service—50 years of it—with the American Red Cross and the League of Red Cross Societies throughout the world.

"I don't play bridge, I don't like to shop, and I certainly don't want to have lunch with the girls—I would go bananas," she says in her trademark gravelly voice ("I've had it since I was a teenager, I can't tell you how many times people call me 'sir' ").

She adjusts her smart black dress with a brown printed top as she prepares to go to "some very fancy luncheon," as she puts it. She keeps her co-workers in stitches with her good humor, and with one-liners that would give Auntie Mame rough competition.

"How old am I? You do have your nerve. Seventy-two," she answers quickly. "I'm an old bag, you know."

"I guess I could get paid," she responds to a question. "But why would they hire me? They've got me for free. And this is a large corner office, beautiful, with a view of the Hudson River on one side and Lincoln Center."

Any thoughts of author Patrick Dennis' Legendary Mame vanish as she casually mentions that she spent last Christmas on the Thailand-Kampuchea border "or as we Americans still say, 'Cambodia,' bringing good wishes to an American medical team stationed at a refugee camp. I was very impressed at what they were doing under the most difficult situations."

Like Mame she has travelled extensively. But unlike Mame, she worked as a volunteer.

As the Harriman Award plaque puts it "brilliantly promoting the American Red Cross and the League of Red Cross Societies."

"I hope you are duly impressed," she jokes. "I was. I had no idea that I was that brilliant. But I had to give a speech, which I loved because I am the biggest ham in the world."

Her tone turns serious as she explains, "That is the league of 148 societies in 148 countries. I worked for them in Geneva. And I went to 17 countries getting public relations programs to promote the Red Cross."

The citation is named after E. Roland and Gladys Harriman (of the Union Pacific Railroad Harrimans), who were longtime volunteers and large financial contributors to the Red Cross. Elly is cited for enhancing "the image and traditions of the American Red Cross on a truly global basis . . . (demonstrating) extraordinary volunteer leadership to the American Red Cross on all levels from local to national to international."

"Let's get this correct, now," she insists. "It is not what I have done for the Red Cross. It is what it has done for me. I'll read from my speech, 'I want to thank the American Red Cross for the opportunities it has given me' ", she emphasizes. " 'These opportunities broadened my perspectives, widened my contacts and helped me to achieve personal growth and the development of abilities.' "

She sets the speech aside and changing her tone, tells this story. "I really started as a teenager, you know, sitting in the foyer of the Stork Club with a cannister collecting money. They sent me a drink. I was 15. I couldn't drink but here I was sitting with all these VIPs and I said, 'This is for me.' It sure broadened my perspective. Sitting in the Stork Club would broaden anyone's perspective."

UNITED STATES SECURITY RELATIONSHIP WITH SOUTH KOREA

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. GUARINI. Thank you, Mr. Speaker. Today I would like to bring to the attention of the House of Representatives the remarks made by Dr. Hyun-Uk Kim at the luncheon meeting held by the Committee on Foreign Affairs on June 21, 1989. Dr. Kim is chairman of the Foreign Affairs Committee of the Korean National Assembly.

In his statement, Dr. Kim observed that while global tensions between East and West now appear to be easing, the continual threat of military aggression by North Korea remains a reality on the Korean Peninsula. As a consequence, Dr. Kim strongly advised against premature withdrawal of American troops from South Korea. American troops cannot remain in Korea indefinitely—but to withdraw them in the near future, Dr. Kim believes, would only invite further aggression.

During the years that United States troops have been stationed in Korea, the Korean people have been making strides toward building a steady economy and a peaceful society, free from the ravages of war and underdevelopment. I believe we must have no illusions about the potency and effectiveness of the American military deterrent in allowing this gradual social transformation to take place. To withdraw United States troops now, when there has been no progress in dialog between North and South Korea and no reduction in tensions on the peninsula, would be to abandon our commitment to helping the Korean people continue to build a democratic society.

History has shown that the security relationship between our Nation and South Korea has enabled the Korean people to move ahead toward greater economic prosperity and political freedom. With these thoughts in mind, I am pleased to submit to the House of Representatives the June 21, 1989, remarks of Dr. Hyun-Uk Kim of the Korean National Assembly.

REMARKS BY DR. HYUN-UK KIM, CHAIRMAN, FOREIGN AFFAIRS COMMITTEE

Chairman Fascell, Ranking Member Broomfield, and distinguished Congressmen; I am highly honored to be with you at this luncheon meeting and on behalf of my delegation, would like to express our appreciation to you for your kind invitation.

Today, I would like to make a few observations on the security relationship between our two countries and concern over anti-American sentiment in Korea.

During the last four decades, the strong security ties between Korea and the United States have contributed to peace and stability not only on the Korean peninsula, but in all of Northeast Asia—a region in which the United States has much at stake. By helping deter North Korean military adventurism, American troops stationed in South Korea have provided a stable environment for my country to move forward economically and politically. It is undeniable that Korea has been a success story for U.S. foreign assistance policy.

These days, many people say that the Cold War is over. It would seem to be true given the process of change and reform in the Soviet Union and in some East European countries. As a result, the United States together with its NATO allies and the Soviet Union are tossing back and forth some proposals for possible force reductions in Europe. General trends in Europe and across the Atlantic are moving toward the thawing of East-West confrontation.

Unfortunately, however, it is not the case on the Korean peninsula. We don't see any sign of change or reform in North Korea which continues to focus on achieving Kim Il Sung's lifelong ambition of communizing South Korea. It is a fact of life that military threats from the North perpetuate the volatile situation on the Korean peninsula.

Nonetheless, lately we have heard some sporadic talk in the U.S. Congress and in academia about possible reductions or phased withdrawal of American troops from Korea. Given the budget constraints and thawing trends in East-West relations, it is somewhat understandable. And I agree that the American troops will not remain indefinitely in Korea.

However, I think that it is premature to begin talk about a reduction or withdrawal of U.S. troops from Korea before there has been any progress in the South-North dialogue or any tension reduction on the peninsula. And given that the Soviets have recently been seeking positive engagement in Asia, it is not the time for the United States to retreat from its forward deployment strategy. Any unwarranted talk about disengagement holds some dangers of undermining our sound alliance in this time of uncertainty.

Moreover, military experts say that 40,000 American troops (one ground division and its supporting forces) is the minimum level required to constitute an effective combat force. The American commitment to the defense of Korea that these troops represent is a proven deterrent to North Korean aggression. Due to the symbolic significance of the troops and their already relatively small number, conditions for a reduction of troops in Korea are much different from those of the U.S. troops serving in Europe.

As President Bush said in his speech to the Korean National Assembly on Feb. 27 this year, "American troops should remain in Korea as long as they are needed and as long as it is in the interest of peace." And let me emphasize that both our governments will continue to review the prospects for peace and the conditions for possible troop reductions from Korea through close consultation.

Now I would like to comment on anti-Americanism in Korea which some say is a growing problem in Korean-American relations. I think the problem is not too serious because the majority of Koreans value the traditional friendship between Korea and the United States. It is true that as democracy becomes more entrenched in Korea, the voice of the public will increase in importance. But most of the anti-American sentiment is expressed by a relatively small group of radical students and leftists. They blame the United States for forcing the division of the Korean peninsula in 1945 and for complicity in the evils of past regimes such as the Kwangju incident in 1980. And they call for the United States to remove its troops from Korea because foreign troops are seen as a hindrance to reunification.

In many cases, by upholding North Korean arguments, the radicals have

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

become more sympathetic to the communist North than they are to their own government. It seems that they are using their demands and attacks on America to weaken President Roh's government and to alienate the United States from the legislative government of Korea. Due to their high level of organization, radical students' violent demonstrations have enjoyed great media attention, but even so have not won any broad public support in Korea.

I believe these violent demonstrators will soon learn that there is no future to their movement when President Roh goes ahead with further democratizations and establishes a constructive working relationship with the opposition parties. A lack of support and legitimacy will result in their disappearance from center stage in the near future.

In spite of many noisy and often violent scenes viewed by the American public through newspapers and television, Korean society is moving ahead steadfastly toward democratization and modernization. The driving force behind this process is the growing number of sound middle-class people who want a gradual, non-violent process of social transformation.

There are surely some criticisms of certain aspects of Korea-U.S. relations to be heard among the middle class, but such criticism is not synonymous with anti-Americanism. They may have voiced opposition to U.S. trade pressure toward Korea. They may be increasingly sensitive to displays of Korea's subordinate status in relation to the United States, such as the highly visible Yongsan base, the relocation of which both governments are discussing at the moment.

However, most Koreans know that in reality such images are mere reflections of the past. I think they cherish their friendship with the United States who helped a friend in need. I am sure that when we work together with more sensitivity and carefully adjust policy through close consultation between both nations' policy makers, we can solve any difficulties in our relationship and further strengthen this traditional friendship.

Mr. Speaker, I am pleased to have had the opportunity to present Dr. Kim's comments to the House of Representatives today, and I believe they provide a clear and cogent analysis of the current situation in Korea. I hope that you and all Members of the Congress will join me in extending the hand of friendship and solidarity to the people of South Korea.

AN EXEMPLARY CONGRESSMAN

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DANNEMEYER. Mr. Speaker, the following article by syndicated columnist, Louis Rukeyser, helped me to remember the example of a former Member of Congress, Representative Davy Crockett (circa. 1800). This is the same Davy Crockett of Alamo fame.

As the story goes, one day on the House floor Members were asked to consider a relief bill. Mind you, in those days American polity still held charity inviolate and the tool of taxation limited to legitimate public functions.

There was great clamor to help the widow of a recently deceased Member and, eventually, a bill was introduced to provide financial assistance to the widow after a tragic fire to her home in Georgetown added to her misery. Right before passage of the relief bill Davy Crockett made his way to the podium and sought recognition.

This noble Member of, even then, great fame made his colleagues a proposition. He offered to give this widow a week's salary and asked his colleagues to join him in this act of pure charity in lieu of the relief bill. You see, Mr. Crockett thought the relief bill set a bad precedent, notwithstanding its noble intent. But far nobler, in his mind, was the principle that tax dollars should not take the place of charity. It was not wise public policy, nor did it make fiscal sense taken to the extreme.

Mr. Speaker, Davy Crockett lost this battle and the widow received public relief. The legacy of this, and other early precedents, have been taken to their extreme—a nation $3 trillion in debt. We are no longer a welfare state. We have graduated to the status of a subservient state. All life in America must pass the muster of minds inside the beltway. This is a disgrace. Mr. Rukeyser's commentary, appearing in the Orange County Register on June 14, is a deserved poke at all of us who have the privilege of serving in this institution.

Mr. Speaker, I recommend the following for Members' consideration:

NO SHORTAGE OF CHUTZPA FOR MEAN CONGRESSMEN

How sweet it is. Some of the very congressmen who have so successfully practiced the politics of envy in American economic life now weep copious tears when its viciousness is turned, for a change, against them.

Whence comes this "meanspiritedness," this "mindless cannibalism"? they demanded, as they embark on a forced march to the congressional exits. Well, guys, the answer can be found with a swift glance in the shaving mirror.

The truth behind the maudlin rantings is that such congressmen for years have been among the nation's most shameless hypocrites: simultaneously feathering their own nests, with everything from ludicrous perks to meaningless junkets, while leading a "populist" charge against anyone who managed to outearn them in private life.

Congress has used every tax bill since 1982 to vent its outrage on those Americans who were getting ahead. Our noble legislators cut back on the dentists' pension plans—and thereby cut back on the nation's overall savings and investments. They vastly increased the paperwork and the costs for small businesses. They changed the rules in midstream on those who had invested in good faith under the tax rules of earlier Congresses. They paused while flying off to Rio to tell the traveling salesman he could no longer fully deduct his business lunch.

Long forgotten was the wisdom of Abraham Lincoln ("you cannot build your own home by tearing down another man's house") or even Jack Kennedy ("a rising tide lifts all boats"). This Congress for years has focused instead on (1) nonstop revenue raising (to reduce its own gaping deficits without having to reduce the spending that helps it get elected), and (2) nastily, demagogically exploiting the politics of envy.

There is a word for all this, and it is not any of the self-serving syllables being used by disgraced politicians. The word is chutzpa.

Chutzpa is an old Yiddish word that has become as American as pizza and chow mein. It means, of course, unmitigated effrontery—which often, itself, seems like a perfect definition of Congress. (An illustrative story tells of a woman bitten by a dog who, when advised that the dog is mad, replies: "Chutzpa! The dog should be mad?")

And so the mad dogs of Congress, have stirred the frenzy of envy in American society, now thrash about in indignation when this "unaccountable meanspiritness" is turned on them.

Not so, I fear. "Ethics" and "greed" have lately become the hardy perennials of American pseudo-thought.

"Greed" should never be confused (as it usually is in Congress) with the legitimate desire to improve one's lot in private life and to keep more of one's earnings. That desire is the keystone of all economic progress. It is what built this country, provided its pool of savings for future growth and kept us competitive. Honestly to desire a better life for oneself and one's family is not "greed"—even though it often plays well on the hustings to denounce as "greedy" any of our neighbors who has had the impudence legally to outearn us.

Similarly, the genuine "ethics" issue in Washington is not whether some conniver twisted the House rules for personal gain. Those who did should be prosecuted; that's what courts are for. (Leaving Congress—and keeping your lavish pension—may not suffice, despite the orgy of crocodile tears.) The genuine "ethics" issue concerns a Congress that survives by stealing from others, that habitually bribes groups of voters with other people's money—and then has the nerve to call itself "generous" and "compassionate." No wonder these, the theoretically "ethical" incumbent congressmen who have preyed so successfully on our meanest and most envious instincts, get re-elected more than 98 percent of the time—a higher percentage, incidentally, than currently prevails in the Supreme Soviet.

COMMUNITY ACTION CELEBRATES 25TH ANNIVERSARY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LEWIS of California. Mr. Speaker, I would like to take this opportunity to remember an important day in our Nation's efforts to aid low-income Americans. On August 20, 1989, the "Community Action Movement" will celebrate a quarter of a century of service to America's low-income population.

The Community Services Department [CSD] for San Bernardino County, originally the Dependency Prevention Commission [DPC], is part of a national network of community action agencies that have served the poor with commitment and distinction for 25 years.

I would like to take this opportunity to recognize the original board of directors who incorporated the local "War on Poverty" Agency on January 8, 1965. They include Chairman Harry C. Smith, Ruben S. Ayala, Dr. C. Weynard Bailey, Fred Lopez, Mrs. Anne Shirrells, Robert E. Bell, Jim Vezie, Paul J. Young, O.E. Brown, Mrs Judy Ismach, Earl W. Bandy, Donald L. Morgan, Henry L. Lucas,

Rev. Murphy Beck, W.R. Holcomb, Dr. Robert G. Fisk, Earl Wilson, and Allen F. Sterling, M.D.

I would also like to recognize the current Community Action Board which includes Chairwoman Belva Holder, Dorothy Grant, Nancy Ruth White, Cindy Lobo-Jaurequi, Venny Newman, Johanna Olson, Mary Louise Cogswell, Charles McGroarty, Beverly Sauers, John Williams, Dolores Kossman, Carlene Henriques, and Armine Hogate.

In celebration of the 25th anniversary of Community Action, I would like to share with my colleagues an article that appeared in the San Bernardino Sun on August 25, 1964, discussing the origins of the local antipoverty agency in my district.

HOW WILL POVERTY BILL AFFECT COUNTY?

Supervisor Daniel D. Mikesell asked a question yesterday that may be in the minds of quite a few people: How is the new anti-poverty bill going to affect the county and its operations?

Mikesell didn't get an immediate answer.

"I don't think anyone is too sure how it will work," said Supervisors' Chairman Nancy E. Smith.

Mrs. Smith said there has been thinking that provisions of the bill will be carried out by a specially formed local group, by an organization such as the United Fund or by government, or a combination of all three.

County Administrative Officer Robert A. Covington noted that a number of administrative interpretations are usually handed out with a bill of this type.

Mikesell said he wanted to know the fundamentals of the bill, how it will be administered and how the county can participate.

Mikesell's interest apparently was heightened by the recent formation of a steering committee to form a county "Dependency Commission." The steering committee is the result of efforts by the County Council of Community Services.

William F. Nicholas, executive director of the group, said the idea of a committee to coordinate efforts in meeting a range of community problems originated last fall.

The pattern which the citizens group was following happens to coincide with the type of program encouraged in the antipoverty bill, Nicholas said.

AN AGENDA FOR CHANGE IN COMPETITIVENESS POLICY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LAFALCE. Mr. Speaker, I would like to insert in the RECORD an article from Business Week's special issue "Innovation in America." The article entitled "Agenda for Change," succinctly summarizes what I believe is an emerging consensus in this country that we need an active, coordinated policy to regain U.S. competitiveness. That is the view of Commerce Secretary Mosbacher, who on May 8 called for an active and explicit industry-led business-government partnership to enhance American competitiveness. And it is the view of many Democrats who, like myself, have been alarmed at the decline in U.S. productivity growth and the ability of U.S. industry to compete, and have been pressing for a coordinated competitiveness policy for many years now.

The elements of that emerging consensus, as described in the Business Week article, include:

First, forming a partnership among industry, governnment, and academia, as called for by Secretary Mosbacher and U.S. Trade Representative Carla Hills, to speed commercialization of new technologies. Such public-private partnerships have been phenomenally successful in the past—in improving agricultural productivity and in the development of the computer, semiconductor, and commercial aircraft industries.

Second, removing barriers that prevent firms from engaging in collaborative research and production, such as overly restrictive antitrust laws.

Third, creating incentives for increased savings, investment, and industrial research and development. One important way to do this is by reducing the size of the Federal deficit.

Mr. Speaker, the full text of the article follows:

After three decades of ebbing quality in education, four decades of neglecting the factory, five decades of stoking consumption at the expense of savings, and seven decades of a parochial business outlook, America is now paying the piper. It no longer produces enough wealth to sustain its standard of living, depending instead on the thrift of the Japanese and other nations to pay for its extravagances. And it covers its debts by pawning the labors of future generations and selling off its hard-won assets.

The malaise is now so deeply rooted in American customs, habits, and legislation that righting things could take the rest of this century—even with a concerted, coordinated effort. Without forceful leadership at the top levels of Washington, there is a risk it may not get done in time to preserve U.S. control of the U.S. economy.

"The technological colonization of the U.S." is already under way, says the president of a major California company. (He asks not to be identified because his company relies on imported Japanese parts.) More and more, he says, U.S. companies are being reduced to providing services—marketing, distribution, and field support—to foreign manufacturers that rake off the bulk of the profits. Japanese holdings in the U.S. are now growing four times as fast as the U.S. economy, and Japan's rate of direct investment is accelerating.

There's no easy way out. Simplistic solutions such as walling off the country behind high trade barriers would only aggravate matters. "There's a whole litany" of things that need changing, says Stephen S. Cohen, co-director of the Berkeley Roundtable on the International Economy. "We need changes in investment policies, education, foreign trade, political attitudes, and labor relations."

A big order, indeed. Tackling them one by one would take forever—and simply perpetuate the patchwork approach that got the country into this predicament in the first place. So it's becoming clear to more and more industry leaders and government officials that a coordinated effort to salvage U.S. industry is essential. Call it industrial policy if you must, but that tends to conjure up visions of politicians deciding the fate of industries by choosing which ones will or won't get government subsidies.

That's not what advocates have in mind, though. Commerce Secretary Robert A. Mosbacher, U.S. Trade Representative Carla A. Hills, and others are pushing a concept they call "industry-led policy." They envision a new partnership among industry, government, and academia that would break down the barriers to innovation and share the costs of developing the new technologies that are essential to industrial competitiveness.

Not even the Japanese subscribe to a "pick the winning industry" approach, though many believe that's just what the Ministry of International Trade & Industry does. It doesn't—not any more, at least. Now that Japan is running neck-and-neck with the U.S., or even out in front in some technologies, MITI no longer has the U.S. as a lighthouse for guidance. So, these days, it serves more as a clearinghouse for ideas. MITI's primary tool for spurring innovation is a list of technologies, not industries, that qualify for special tax breaks—another idea Japan borrowed from the U.S. and refined. Published every other year, the list currently cites some 150 technologies, from steel processing to genetic engineering to supercomputers. But MITI doesn't dream up the list—industry does. MITI just solicits and compiles the ideas.

A good starting point for the U.S. would be to make the tax credit for research and development permanent. Even at deep-pocket companies such as IBM, the R&D credit is a major factor in investment decisions. "I can tell you that for sure," says Erich Bloch, who was an IBM vice-president before taking over the National Science Foundation. The credit allows a company to reduce its tax bill by 20% of any increase in R&D spending.

Next, the Administration should devise some method of enlisting industry's help in compiling a list of key-to-the-future technologies. Tax credits over and above the general R&D credit would be offered to spur progress in these emerging areas. Perhaps companies that take the extra credit would pay a small royalty to Uncle Sam on future sales of applications of that particular technology. Over time, the program might even become self-financing. In effect, Washington would serve as a research venture capitalist, funding work on technologies that are 5 to 10 years from marketability—too long for most private-sector venture capitalists.

It works in Japan. MITI reports that the costs attributable to its tax-credit list are modest: about $680 million in the fiscal year that ended March, 1989. MITI has never tried to estimate the benefits that have accrued from the program. "Our idea is that if some business has extra cash and is about to invest in a Picasso or a condominium in Honolulu, this tax credit may entice them to spend the money on a new clean room for making microchips instead," says Midori Tani, MITI's assistant director for technology promotion.

It's also critically important to dissipate the financial community's fixation with short-term returns. For starters, Congress should create a new tax category for truly long-term capital gains: After being held for six or seven years, the bite should be snipped to some token amount, even less than the 15% rate on three-year investments proposed by President Bush. Gains from personal savings held for that length of time would also earn a much lower rate. "If we're ever going to do anything about capital formation and investment," says

Robert M. Solow, a Nobel laureate economist at Massachusetts Institute of Technology, "incentives for the long term are the way to go."

That could have enough impact on investment strategies to persuade financial analysts to begin recalculating the way they evalute companies. In turn, that would encourage CEOs to stress longer-term planning to curry Wall Street's favor. It would also help offset America's high cost of capital—now two to three times Europe's and Japan's—while Washington struggles to reduce the federal deficit, a major contributor to high interest rates.

Clearly, tax revenues would take a hit. But it might be temporary. "I'd be willing to bet that you'd stimulate enough new domestic manufacturing and jobs that taxes [from those sources] would make up the difference—maybe more than make up the difference," says Romesh T. Wadhwani, chairman of Pittsburgh's Cimflex Teknowledge Corp.

Some economists won't be pleased, though. "Basically, you'd freeze a lot of money for a long time," notes Christopher N. Caton, director of long-term studies at DRI/McGraw-Hill. "You'd make the flow of capital more sticky" and introduce inefficiencies that might make matters worse. Others, however, believe that would be an advantage. "This business of bouncing financial instruments from one mirror to another is not effective," says Michael L. Dertouzos, chairman of the MIT Commission on Industrial Productivity and director of its Computer Science Laboratory. "It just doesn't enrich the country's wealth."

While the antitrust laws have been modified to permit collaborative research, they should be further softened to permit joint production as well—but without the government footing the bill. Some lawmakers still fret about cartel monopolies, but that only betrays a lack of understanding of today's global marketplace. U.S. markets are too attractive for just about any U.S. company or group to control prices. That would only invite foreign competitors to swoop in with lower-cost goods. Today, even if General Motors owned Ford Motor and Chrysler, there's no way that GM could dictate prices.

Other measures that ought to be explored as part of a comprehensive industrial policy:

Tax breaks for debt incurred to increase productivity, especially in manufacturing.

Restructuring unemployment taxes to boost penalties paid by companies that frequently lay off workers and provide tax credits to those that retrain displaced workers.

Curbing state aid to foreign companies that want to set up U.S. plants. "Job creation through foreign ownership is unsustainable," says Arden L. Bement Jr., TRW Inc.'s vice-president for technical resources. "It barters away our long-term future" because design and other high-value-added functions remain close to the home office.

Finally, it may be possible to throw some disincentives in front of managers who cling to short-term thinking. U.S. managers are usually rewarded on the basis of their company's near-term profitability, so they are understandably prone to sacrifice long-term considerations if these conflict with short-range profits. One way to persuade management to bite that bullet, says Roy H. Pollack, former executive vice-president of electronics technology at RCA Corp., would be to offer tax benefits to companies that defer at least 25% of executive pay for five or more years—until the results of long-range plans can be assessed. "Obviously, this would be very painful at first," says Pollack. "But there'd be enough pain to go around for everybody."

Sums up TRW's Bement: "Most problems having to do with innovation are outside innovation"—the high cost of capital, outdated policies and laws, and the lack of cohesive economic planning. It's a hodge-podge, yet "it's all connected." Getting it together will be America's major challenge in the years ahead.

(By Otis Port in New York, with bureau reports.)

ATV DEATH TOLL CONTINUES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. FLORIO. Mr. Speaker, the death toll from all-terrain vehicles [ATV's] continues. There have been over 1,300 deaths associated with these vehicles since 1982. Following is a news report of a recent tragedy in Salem County, NJ:

ATV CRASH KILLS SALEM COUNTY BOY

PILESGROVE TWP.—A 13-year-old Tansboro boy was killed Tuesday after he lost control of the all-terrain vehicle that he was driving on private property off Lincoln Road, state police said.

Two juveniles, who were believed to be related, were riding an unregistered, heavy-duty vehicle when the Winslow Township boy lost control of the vehicle. The ATV, which was a type that is used in farming, landed on his chest, police said.

Police refused to identify the juvenile but said that he was rushed to Cooper Medical Center, Camden where he was pronounced dead on arrival.

The other boy, whose age or name was not available, was thrown from the vehicle and sustained minor injuries, police said.

The state police are continuing the investigation.

TWENTY-FIVE EXEMPLARY YEARS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SCHEUER. Mr. Speaker, I would like to submit for the RECORD a history of the Broadway-Flushing Homeowner's Association [BFHA] located in the Eighth Congressional District of New York. This model organization is currently celebrating 25 years of dedicated assistance to households in one of the most stable and lovely residential areas in the city of New York.

In its 25 years, the association has sponsored many successful projects, such as working with the parks department to arrange tree pruning. It keeps in touch with the members of its community by sending out a newsletter and holding leadership as well as membership meetings. The area which the association has jurisdiction over includes 1,300 households. Membership includes 505 of these 1,300. Membership also includes PTA members, community board members and active members of both churches and synagogues.

The purposes for which the Broadway-Flushing Homeowners Association was founded are listed below:

(1) To conserve the Association area as a single-family, detached residence district.

(2) To unite and encourage all homeowners and residents to maintain and improve the community of Broadway-Flushing.

(3) To further the advancement of the community by appropriate representation and other courses of action before the various governmental agencies of the city and State of New York.

(4) To keep the community informed with respect to zoning and related contemplated changes, and to alert the community regarding apparent violations of current zoning laws.

(5) To cooperate with other similar organizations in the furtherance of the above purposes.

Throughout its 25 years, the Broadway-Flushing Homeowners Association has diligently upheld its mandate through the concerted effort of many devoted officers and members. I commend this organization for its devotion and help the Broadway-Flushing community. Happy 25th anniversary.

THE 225TH BIRTHDAY OF THE TOWN OF WINCHENDON

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to a great town in my district, Winchendon, MA. Nestled in the hills of central Massachusetts and bordering on New Hampshire, the town of Winchendon stands tall in its own right.

No one exemplifies the town of Winchendon more than Martin E. Converse. A man with a deep desire to serve his community by keeping its youngsters entertained and happy, Martin E. Converse's Toy Company built the original Toy Town horse for Winchendon's 150th anniversary parade. That horse later was adopted by Winchendon as their town symbol and Winchendon is still referred to as "Toy Town" today.

Although June 14, 1764 is the official date for the incorporation of Winchendon into the Commonwealth of Massachusetts, its past stretches back much further than 225 years. Formerly the plantation of Ipswich-Canada, it was renamed by Governor Bernard to honor his family who came from Upper Winchendon, England. Governor Bernard named Winchendon to honor the family of which he was an heir. Because he did so, Winchendon remains the only town in America to be named after an area in England where the person naming the colonial town had a personal interest.

Mr. Speaker, this is no ordinary 225th anniversary celebration. Winchendon has been celebrating since June 14, and will continue celebrating through July 4. Their enthusiasm springs from a pride in their history. They have much to be proud of. Their consistent effort

over the past 225 years has been an inspiration and challenge to us all.

Since that time, Winchendon has grown and prospered through the hard work and the undying optimism of its residents. From a small frontier town, it has grown and changed to meet the needs of all who call it home. It is home to historic landmarks such as the Mellen Farm, the Ephraim Murdock, Jr., Estate, the Highlands, Marchmont, Mapleview, and many others. Winchendon has also been a gathering point for distinguished people. Over the years, basketball players Jerry West and Jerry Lucas have stopped at the beautiful Toy Town Tavern Golf Course, and among others the late great John F. Kennedy made sure to come to Winchendon in 1958 when campaigning for reelection to the U.S. Senate. Today, the prestigious Winchendon School remains a learning facility for children of famous parents. To name a few, the son of Victor Borge, Jorge Batista, and Gordon McRae have enjoyed picturesque Winchendon.

Winchendon is not an average small town but one rich with glory past and present. I am indeed honored to share in their celebration, to thank them for their efforts, and to wish the town of Winchendon great success in the years, decades, and centuries ahead. It has been a distinct pleasure to have the opportunity to serve such a wonderful community.

LAURIE SHIELDS, "AN INDOMITABLE WOMAN"

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. STARK. Mr. Speaker, I'd like to include in the RECORD a newspaper excerpt highlighting Laurie Shields, the cofounder of the Older Women's League [OWL]. Mrs. Shields, a woman of considerable personal strength, died this year. The article, which comes from the OWL-CA News for spring 1989, reads as follows:

Laurie Shields . . . died March 3, of cancer. She was at her home at 3800 Harrison Street in Oakland, which also served as the first OWL headquarters.

"Laurie was an indomitable woman who was fired by concern for displaced homemakers and older women—women confronted by widowhood, divorce and sex and age discrimination," said Lou Glasse, national OWL president.

"Women all across the country have lost a powerful force," Glasse said. "She will be missed."

Laurie and Tish Sommers, who died in 1985, founded the Alliance for Displaced Homemakers in 1975, and the Displaced Homemaker's Network. OWL, which currently has some 17,000 members and 120 chapters nationwide, was founded in 1980.

A native of Chicago, Laurie graduated from the University of Wisconsin and had a career in the merchandising and advertising for Lever Brothers and the Dancer-Fitzgerald-Sample advertising agency before her marriage to actor Arthur Shields. Laurie knew first-hand the problems experienced by older women in this country. After her husband died in 1970, she found herself unable to get a job because of age discrimination.

During that time, Laurie said, "We're in our middle years and caught in an era of rising expectations for women that we're not prepared for. What we need is help in that transition period between dependency and self-sufficiency."

During the 1970s, she worked with NOW as coordinator for displaced homemaker organizations.

In 1980 she was an organizer of the White House Mini-Conference on Older Women.

Laurie was the author of "Displaced Homemakers: Organizing for a New Life," published in 1981, and co-author of "Women Take Care," a book about caregivers, published in 1987.

She is survived by her daughter, Christine Shields, of Oakland, and a sister, June McVeigh, of Sarasota, Florida.

THE BASIC QUESTION ON ABORTION: WHO DECIDES?

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. WYDEN. Mr. Speaker, the Supreme Court will soon be deciding whether it is within the States' powers to restrict abortion, or if women's rights to abortion will continue to be protected from the whims of politics.

In the final analysis, the abortion debate can be summed up with one basic, simple question: Who decides?

Justice O'Connor reiterated this question herself during the oral arguments of Webster versus Reproductive Health Services of Missouri when she asked whether procreation is a right protected by the Constitution.

My constituents who have once decided, at various times in their lives, to have abortions have been writing to me. They are concerned, as I am, that the Supreme Court will ignore Justice O'Connor's basic question and decide that it is within the purview of the government to make decisions on procreation. And I agree. The fear of the dark days of illegal abortions returning as a result are not unfounded: Rights granted to the State usually limits rights of individuals. That the rights under scrutiny are so fundamental is particularly disturbing.

For the record, here is the text of a letter from one of my constituents who wrote to express her belief in the basic right to decide whether to have children. I stand with her in that belief.

LETTER FROM A THIRD DISTRICT WOMAN (PORTLAND, OR)

I am a 33-year-old woman and have been married for fifteen years. I have one child, age 10. I have had two "miscarriages", (spontaneous abortions). In March of 1980, at age 24, I had a therapeutic abortion.

In March [of that year] I had 2 separate sinus surgeries, both under a general anesthetic. Over a two week period, I received "IV" antibiotics and steroids, "IM" [intramuscular] narcotic analgesics and had topical cocaine applied several times. I was using an IUD at that time for birth control.

No one can imagine my despair in late April, 1980 when I discovered I was accidentally 6 to 8 weeks pregnant. My husband and I had tried to have more children; I had a miscarriage in October 1979. Given the circumstance of this pregnancy, we were extremely concerned.

Working in the medical profession, I was fully aware of the effects of drugs, especially anesthetics, on a developing fetus in the first trimester. I consulted with my obstetrician, who strongly advised me terminating my pregnancy. This was a difficult decision for my husband and I to make, but we were fearful, given all the medication that I had received. In May of 1980, I had an abortion.

For the record, we were responsible people using preventative measures that failed. We were not using abortion for birth control purposes. I am a married, educated and professional woman thankful that the option of a safe and legal abortion was available when I found myself in such a dilemma.

I'd like to add that I worked as a nurses' aide in an Intensive Care Unit in 1972 in Virginia, prior to Roe v. Wade. I can remember caring for women with overwhelming and lifethreatening infections (sepsis or septic shock) because of botched illegal or self-abortions. This will be the situation we will find ourselves in again if women are denied the right to safe and legal abortion.

ABBA COHEN: THE AGUDATH ISRAEL'S NEW MAVEN IN WASHINGTON

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SOLARZ. Mr. Speaker, I rise today to welcome Mr. Abba Cohen, the new director of the Washington office of the Agudath Israel of America, to the Nation's Capital. I know that my colleagues in the House share my eagerness to begin working with Abba on the many important issues of concern to the Orthodox Jewish community.

I have long enjoyed the benefit of the Agudath's wise counsel and insightful policy recommendations. At this time, I would like to pay particular tribute to the Agudath's beloved president, Rabbi Morris Sherer, and its esteemed general counsel, Mr. David Zweibel. I am confident that Abba Cohen's presence in Washington will only enhance the work of these two outstanding Jewish leaders and of their organization.

Mr. Speaker, I would like to commend to my colleagues an article concerning Abba's arrival in Washington that was published in the Jewish Press.

[From the Jewish Press, June 23, 1989]

COHEN NAMED TO AGUDATH ISRAEL D.C. POST

WASHINGTON, DC.—Abba Cohen, a rabbinical *musmach* and an attorney with a background in both international relations and Jewish communal affairs, has been named the new director of the Agudath Israel of America Washington Office.

Cohen replaces Rabbi Nesanel Kasnett, who launched the Agudath Israel office as the first full-time Orthodox Jewish bureau in the nation's capital last year, and is returning to private pursuits.

A native of Washington, Cohen attended yeshivos in the local area, and pursued advanced Talmudic studies at Ner Israel Yeshiva in Baltimore. At Ner Israel, he received *semicha* from its revered late *rosh hayeshiva* Rabbi Yaakov Yitzchok Ruder-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

man. A graduate of John Hopkins University, Cohen received his masters degree in International Political Economy at the prestigious Columbia University School of International Affairs in New York, and earned his law degree from the Georgetown University Law Center in Washington, D.C., where he was a member of the Georgetown Immigration Law Journal.

Cohen brings to his position valuable experience as a former assistant director of the Department of Middle Eastern Affairs of the Anti-Defamation League, where he worked on behalf of endangered Jewish communities overseas and also served in the bureau for Latin American affairs. His legal experience includes a brief stint at the U.S. Court of International Trade in New York City, and two years experience with the Washington, D.C., law firm of Miller, Cassidy, Larroca & Lewin, where he worked closely with prominent constitutional attorney Nathan Lewin on several legal issues touching on the rights and interests of Orthodox Jews.

In announcing the new appointment, Rabbi Moshe Sherer, national president of Agudath Israel of America, commented as follows: "Agudath Israel's Washington Office, under the directorship of Nesanel Kasnett, has already in the span of one short year, shattered many of the stereotypes that so many persons in positions of prominence have had about Orthodox Jews. We all owe Rabbi Kasnett a debt of gratitude for his pioneering work in the nation's capital.

"At the same time, we are fortunate indeed, as is the entire Jewish community, that an individual of the experience, talent, and caliber of Abba Cohen will now be representing us day-in and day-out in the seat of American governmental power. The structure we are creating is being built upon the foundation laid by Agudath Israel over the course of the last half century in its *shtadlonus* activities in Washington, and is supported by the talents of Agudath Israel's staff at our national headquarters. With Abba Cohen at the helm of our Washington Office, this structure promises to be a magnificent edifice of accomplishment and strength."

IMPROVING MATH AND SCIENCE EDUCATION FOR MINORITIES A VALUABLE PROGRAM IN EAST LOS ANGELES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. BROWN of California. Mr. Speaker, I rise today to call attention to, and to commend, the announcement of a new program, funded by the National Science Foundation, to improve the skills of teachers of science and mathematics, and the performance of students in these fields, in the largely Hispanic area of east Los Angeles. I consider this program, described in an article in Sunday's Washington Post, to be significant for several reasons.

First, almost everyone knowledgeable about the U.S. technology-based economy and its future progress has identified the improvement of science and mathematics teaching and learning at all levels in our education system as a major priority. I will not recite the many surveys and analyses which lead to this conclusion, but they are extensive. This program focuses directly on that high priority need.

Second, most of these studies conclude that the growing need in the next generation for capable scientists, engineers, mathematicians, and teachers in these fields, will come largely from currently underrepresented groups such as minorities and women. Again, this program recognizes that fact and meets the need head on.

Third, the program does not represent an effort to mandate a federally conceived plan on a benighted local education system unable to solve its own problem. Instead it offers a Federal helping hand, a partnership in the national interest, to a school system which has already demonstrated its ability to support an outstanding program with local leadership of the highest quality. I am of course referring to the nationally recognized work of Jaime Escalante, a teacher of mathematics of Garfield High School in east Los Angeles. In this partnership in the national interest, the Federal Government, acting through the National Science Foundation, is actually the junior partner, providing only one-third of the necessary funding. The other two-thirds comes from the Los Angeles Community College District and the ARCO Foundation.

Fourth, I consider the role of the Community College District, which has a major campus in the east Los Angeles area, to be a major factor in this partnership. The East Los Angeles Community College campus, located close to the high schools on which the program is focused, and with superior faculty and other resources, can provide a demonstration of the important role in which community colleges with their close ties to the students' own communities, can play in the total effort to improve the quality of education, and science and mathematics education in particular. I would hope that the nearby California State University campus, which is a major teacher training resource with a large minority enrollment, could become a significant part of this program, also.

Fifth, this National Science Foundation initiative indicates the significance of continued support for the funding of science and engineering education in the National Science Foundation [NSF] budget. NSF, with the level of funding available to it, can never be more than a catalyst in support of excellence in science education. The major effort must continue to be at the State and local levels. But we would be derelict if we did not recognize that at the national level we can and must provide leadership, set priority guidelines, recognize and reward innovation and excellence, and chart progress toward national goals. The Director of NSF, Eric Bloch has shown a discriminating wisdom in performing this role, not only for science education, but for new patterns of advanced technology development, as well as for the primary mandate of NSF: supporting the most promising areas of fundamental research in science and engineering.

Mr. Speaker, I look forward to the success of this program. I once served east Los Angeles, as well as Garfield High School and the East Los Angeles Community College, as their representative in the State legislature, and in the Congress. I am proud of that community and the many contributions which its citizens have made. This program will continue to focus national attention on what one community, poor in material resources but rich in human resources and leadership skills, can do to help and inspire the Nation.

I include the Washington Post article at this point:

INNER-CITY SCHOOL PROGRAM WINS FEDERAL SUPPORT

(By Jay Mathews)

LOS ANGELES, June 24.—The National Science Foundation (NSF) has approved a major grant for the expansion of a mathematics and science program headed by Jaime Escalante, the teacher made famous in the film "Stand and Deliver."

The three-year, $457,033 grant is expected to allow about 560 predominantly Hispanic students from low-income families to attend accelerated mathematics, science and English classes this summer at East Los Angeles College and to provide for training secondary and elementary school teachers in Escalante's methods. It is the first federal support in three years for what is considered one of the nation's most successful inner-city school projects.

Bassam Z. Shakhashiri, assistant NSF director for science and engineering education, said he hopes the Escalante program will be a model for improving minority opportunities. "The East Los Angeles area is typical of fertile ground that must be cultivated if the United States is to continue at the forefront of science and technology," he said. "By the year 2000—only 11 years from now—85 percent of the new hires in U.S. industry will be women and minorities."

Escalante, who teaches calculus at Garfield High School, said he is delighted to see the program grow. "In three years we're going to change the whole system and have 40 [percent] to 50 percent of the kids academically oriented," he said.

Escalante's summer school program lost a federal Health Careers Opportunity Program grant three years ago for failure to follow program guidelines, even though Garfield was about to produce more calculus students than all but four public schools in the nation.

Since then Escalante has developed a friendship with President Bush, who visited Garfield during the 1988 campaign and received Escalante's endorsement. NSF officials said the White House was not involved in the grant decision.

The expanded summer program is one of several efforts to spread the 58-year-old Bolivian American's techniques. Escalante is working on two video projects in which he discusses the links between mathematics and careers and presents several full-length calculus lessons.

This May about 140 Garfield students took advanced-placement calculus tests, a school and city record, even though most of the students prepared by Escalante and Garfield colleague Ben Jimenez are from poverty-level families in which neither parent has a high school diploma.

George Madrid, director of the Escalante program, said at least 13 instructors will be teaching students from Garfield, neighboring Roosevelt High School and some junior high schools in calculus, computer science, chemistry, physics, English and algebra. Elementary school teachers will observe some classes, and Escalante will conduct a daily seminar on teaching techniques. During the

regular school year, the same teachers will hold Saturday morning refresher classes, as Escalante has done for five years.

The program will cost $1.5 million over three years, with the Los Angeles Community College District providing $900,720 and the ARCO Foundation $150,000.

FEDERAL JUDGE WALTER NIXON

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues in the U.S. House of Representatives a letter I received from Mr. Rick Johnson, a prominent attorney in my hometown of Mayfield, KY.

As my colleagues can see, Mr. Johnson is adamant about the delay in removing Federal Judge Walter Nixon from office while still receiving his $89,500 annual salary after his conviction for perjury. I share Mr. Johnson's view.

I encourage my colleagues to read Mr. Johnson's letter.

June 25, 1989.

Hon. CARROLL HUBBARD,
Rayburn House Office Building, Washington, DC.

DEAR CARROLL: The delay in removing Federal Judge Walter Nixon from office and the government payroll is ridiculous. I am outraged that he has continued to receive his $89,500 annual salary and has received more than $286,000 in salary since his conviction for perjury. Maybe all 535 House and Senate members should chip in about $535 each to repay the Treasury for this rip-off.

You can be sure that if some widow had been overpaid by Social Security that they would have extracted their blood from her without such delay. Whose political buddy is Judge Nixon anyway? It looks to me like there should be an investigation as to why he received this cream puff treatment. Is there a campaign contribution being made from some of Judge Nixon's friends to some members of Congress who have delayed this matter?

Congress shouldn't wonder why the American people are disenchanted, disillusioned, and cynical about our government when things like this are taking place right under its nose. Perhaps all of you were too busy designating such important events as National Asparagus Day or National Duckling Week that cost us an additional $500 million a year to take care of the business with Judge Nixon.

Sincerely,

RICK JOHNSON,
Attorney at Law.

THE 25TH WEDDING ANNIVERSARY OF PAT AND TONY PLAZA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CONTE. Mr. Speaker, I rise today to give recognition to Mr. and Mrs. Tony Plaza of Florence, MA, as they prepare to celebrate their 25th wedding anniversary. Tony and Pat are dear friends of mine.

Tony and Pat are special people, and their silver anniversary is a special occasion for their family and all their friends. I have been fortunate to know Tony and Pat for many years. Tony has attended my fishing derbies and has generously brought with him many Polish delicacies that were almost as popular as the derbies themselves.

Throughout my career, Tony and Pat have stood by me and extended their support and selflessly given a large portion of their time to organizing and assisting with my campaigns. I will always be grateful for their friendship and support.

Tony and Pat have generated joy and happiness for so many people around them. They are the proud parents of two exceptional children, Kristen and Kimberly, whom I have watched grow and mature. A family full of love, the Plazas have always been a tight unit supportive of each other and the people around them. The Plazas know that material possessions may come and go, but the family is a part of their lives forever.

On July 1, Tony and Pat's family and friends are gathering at a surprise party to congratulate this exceptional couple on their 25th wedding anniversary. Twenty-five years of marriage is truly a milestone and something that Tony and Pat should be very proud of. It calls for generous amounts of love and loyalty, mixed thoroughly with faith. Tony and Pat's commitment to each other has kept their relationship strong through these past 25 years.

Mr. Speaker, I want to extend all of my best wishes and warmest regards to Tony and Pat on this wonderful occasion, and wish them continued happiness and success for at least another 25 years.

AMNESTY INTERNATIONAL DOCUMENTS INCREASED HUMAN RIGHTS VIOLATIONS IN GUATEMALA

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. FEIGHAN. Mr. Speaker, again, we are receiving news of increasing brutality and violence in Guatemala, a country that has had a long history of military dictatorships and severe repression. In 1986, a civilian government took power in that troubled country. At that time, both the Congress and the administration expressed their hopes that this fledgling democratic movement would take hold and foster a new respect for human and political rights. Unfortunately, this appears not to have happened, and after a brief decrease in the number of human rights violations in Guatemala, government-sponsored terror is again on the rise. We are increasingly hearing reports of continued torture, disappearances, and extrajudicial killings.

This is a critical time for us to remain vigilant with regard to Guatemala's human rights record. The House of Representatives is now working on the foreign aid legislation which will address the issue of aid to Guatemala. It is critical that we match our words with deeds and tie any aid to Guatemala to progress toward respect for human and political rights.

Amnesty International USA has just released a report entitled "Guatemala: Human Rights Violations Under the Civilian Government," which details the increasing pace of human rights violations against trade unionists, academics and students, clergy, lay church workers, and peasants. This report provides the sickening detail that, unfortunately, is necessary to credibly document the recurring horror. The report does not ignore the fact that antigovernment elements have undoubtedly had a hand in the violence, but it concludes that the evidence points to a far greater role in the killings on the part of the Guatemalan Government.

I have included with this statement, a copy of the press release that Amnesty International put out to announce the report. I believe that the report is an important and timely contribution to our assessment of the ongoing situation in Guatemala, and I hope that each one of my colleagues takes the opportunity to read it.

HUMAN RIGHTS VIOLATIONS CONTINUE UNDER CIVILIAN GOVERNMENT IN GUATEMALA, AMNESTY INTERNATIONAL SAYS

WASHINGTON, DC.—Hopes that the accession of civilian government in Guatemala more than three years ago signalled an end to human rights violations there have not been fulfilled, Amnesty International said today (Wednesday, June 14, 1989).

The human rights organization said that although the number of abuses decreased initially, there has been a resurgence of abductions, "disappearances," and extrajudicial executions in the past 18 months.

In a new report, "Guatemala: Human Rights Violations Under the Civilian Government," Amnesty International says it has reports of hundreds of cases of human rights violations carried out by official police and military forces, acting both in uniform and in plainclothes in the guise of "death squads."

Men and women from all sectors of Guatemalan society have been targeted because they were suspected of being government opponents. Peasants and members of peasant organizations, trade unionists, clergy, academics and students seem to have been singled out particularly.

Amnesty International cites the case of Ana Paniagua, a former economics student who was politically active and who was abducted in February 1988 by armed men in plainclothes. According to eye-witnesses, she was beaten and forced into a white van with darkened windows. Her body was found two-days later with stab wounds and her throat slashed. A similar white van reportedly appeared at her funeral, and days later her family was visited by men they believed to be security agents who threatened her brother and sister.

Amnesty International says these white vans—"death vans" as they became known locally—have been implicated frequently in "disappearance" cases. Antonio Calan, a student leader, went into exile abroad after escaping an attempt on his life. He had been persistently followed and threatened by men in a "death van." An agronomist, Jose Albino Grijalva Estevez, was abducted at a bus stop, also by men in a "death van." His tortured body was found a day later.

Agents of the treasury police were rounded up in March 1988 and the national police compiled comprehensive information linking them with the "death van murders." However, the judge in charge of the case was kidnapped and held hostage for 52 hours by unknown assailants. Those arrested in connection with the murders were later released for "lack of evidence."

Amnesty International says it is cases like these, coupled with the failure of the authorities to carry out full and impartial investigations, which call into question the government's stated commitment to the rule of law. The organization says urgent and decisive measures should be taken to protect human rights and prevent a return to the gross human rights violations which occurred in Guatemala in the past.

It says it has a list of more than 200 unresolved cases of "disappearance" between January 1986, when president Vinicio Cereso came to power, and January 1989, in which the available evidence suggests official complicity.

Amnesty International says it was disturbed by reports that peasants who have signed petitions asking to withdraw from the supposedly voluntary civilian militias have been accused of being guerrillas and threatened and harassed. Others who have accused local patrols of human rights abuses have also been threatened, beaten, "disappeared," or killed.

Amilcar Mendez Urizar, a 39-year-old school teacher from El Quiche Department and a member of the union of Guatemala education workers, has been repeatedly threatened with death for his human rights work. In July 1988, he set up the Council of Indigenous Communities to help peasants file petitions against the civil defence patrols. In August 1988, he received a death threat warning that it was only "a matter of time and opportunity." In January 1989 he received further death threats after the armed forces accused him of having links with the armed opposition.

Also threatened have been peasants who have mounted a campaign for the exhumation of some of the bodies of civilians killed during the counter-insurgency campaigns of the early 1980s, when thousands of victims—many of them peasants—were clandestinely buried in secret graves. In April 1988 the minister of defense, General Hector Alejandro Gramajo, is reported to have labeled publicly as "subversives" all those who claimed that clandestine cemeteries existed. He said they knew where the bodies were because they had killed and buried the victims.

Amnesty International says that despite an initial improvement after the present government took office in January 1986, Guatemala is now experiencing a steady escalation in human rights violations. It says that various bodies appointed by the government to inquire into human rights violations appear not to have carried out genuine investigations. It says that the regular police and the judiciary seem similarly unwilling or unable to carry out exhaustive investigations and bring the perpetrators of human rights abuses to justice.

Amnesty International is calling for prompt and impartial investigations into all reported cases of abductions, death threats, unlawful killings, and other human rights violations. It says the judiciary should be allowed to function independently of the security forces and that security forces personnel should be told that human rights violations will be investigated fully and those responsible prosecuted.

Amnesty International's report is based on a visit the organization made to Guatemala in 1988 and a subsequent memorandum it submitted to the Guatemalan authorities in 1989 outlining its concerns. It has not received a reply from the government.

MARIE BODACK WINS ORATORICAL CONTEST

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mrs. LOWEY of New York. Mr. Speaker, I rise today to acknowledge the success of a young woman in my district. Marie Bodack, a senior at New Rochelle High School, was recently named the Westchester County American Legion Oratorical Winner. She subsequently placed third in the State finals. Last year she reached the regional finals in Baltimore.

In her speech for the oratorical contest, Marie spoke about some of the heroes of our Nation's history, whose careers and commitment have best exemplified the idea of public service. I found her piece to be inspirational, and I hope that as Marie begins to plan her own career path and her future, she will consider the rewards of a commitment to public service. Our Nation needs young talent with the kind of vision and understanding that Marie has expressed in her piece. I would like to share her work with my colleagues today.

I insert the text of her oration at this point in the RECORD:

Many of us can remember perhaps the most famous words spoken by John F. Kennedy, "Ask not what your country can do for you. Ask what you can do for your country." He spoke these as a sincere demand to make America a better place in which to live, a better place for democracy. Today, over twenty years later, we ask ourselves how many of us have followed his advice with respect to our country, our freedom, our constitution.

In reality, as reflected in daily life, the constitution gives our country the power to do numerous things for us. In addition to allowing us to elect our leaders, the Constitution also protects numerous civil rights and liberties.

However, our Constitution also gives us the power to do something through it, for our country. This power is one of the most unique and enduring qualities of our federal constitution: Article V. In Article V the framers of the constitution specified that amendments could be ratified. Thomas Jefferson explained the benefits of the amending process:

"When we find our constitution defective and insufficient to secure the happiness of our people, we can assemble . . . and set it to rights, while every other nation . . . must have resources to arms to amend or to restore their constitution."

To illustrate the effectiveness of Article V, we can look to the fact that only 26 amendments out of over 10,000 proposed have been passed in 200 years. Mary Francis Berry explained that the Constitutional Framers produced a constitution that would be "open to change—but not open to change without great effort." For if it could be altered easily, the Constitution would be mere temporary law, not a document for the ages.

Throughout history, many individuals have tried to change the Constitution for what they believed was the better. Although at times, they were ridiculed, harassed, and publically ostracized for their beliefs, they were not discouraged or embittered and they continued to plead their cases.

In 1872, the Rochester "Democrat and Chronical" printed an article which urged everyone to vote. One woman followed this advice and led a group of females to register and vote. After doing so, she was arrested and tried because under New York State law, women were not yet granted the vote. At her trial, Susan B. Anthony, spoke these words:

"The Preamble of the Federal Constitution says "We the people of the United States * * * It was we, the people; not we the white male citizens, nor yet we, the male citizens; but we the people who formed this Union. And, she concluded, it is a downright mockery to talk to women of their enjoyment of the blessings of liberty while they are denied the use of the only means of securing them provided by this democratic government, the ballot.

Although she was found guilty at her trial, she continued to work for the enfranchisement of women, until her death in 1906. However, her work lived on. Several thousand women continued to fight for Susan B. Anthony's dream. As a result, in 1920, the 19th Amendment was ratified, and women throughout the country could legally vote.

Because amending the constitution can be a long and difficult process, many individuals decide to take their cases to the Supreme Court, which has the power of interpretation. The court decisions do not change the Constitution with the same magnitude as do amendments. However, they work to ensure a "more perfect union."

In 1961, a fifty-one year old Florida man who could not afford a lawyer was arrested for robbery. In court, he asked for counsel but under Florida laws counsel was granted for only capital offenses. Nevertheless, this man attempted to argue his case, but he lost. While in jail, he researched Constitutional law and then wrote to the Supreme Court to ask that he be given counsel. Clarence Earl Gideon was unlike the hundreds of others who had previously written the court with the same request. Because he cited cases and based his arguments on pertinent amendments, the Court responded by appointing Abe Fortas to represent him in Supreme Court. In a letter to Mr. Fortas, the accused wrote, "I have no illusions about law and courts or the people who are involved in them. I believe that each era finds an improvement in law that each year brings something new for the benefit of mankind. Maybe this will be one of those small steps."

In 1963, that small step was climbed. The Supreme Court ruled that all accused are entitled to legal counsel. As a result, this man left jail to be tried again, this time with a lawyer. And this time Clarence Earl Gideon was found not guilty.

Furthermore, we have seen that although the amendments have been ratified, their meaning is only worth their interpretation by the Supreme Court, or their enforcement by the states. For example, after the Civil War a series of 3 amendments was ratified with the purpose of giving greater legal rights to the newly freed blacks. The fourteenth was one such amendment which

guaranteed to all persons "equal protection of the laws." In the case of *Plessy* v. *Ferguson* (1896), the Supreme Court ruled that segregation of the races was justified, provided that these separate facilities were equal.

For many, it was evident that the facilities for the blacks were inferior to the facilities for whites. Although many protested locally and nationally, little was done to rectify the situation. However, many continued their protests into the 1950s. At that time, in Topeka, Kansas, one family was beginning their struggle for racial equality. Linda Brown was forced to attend an all black school blocks away, while closer to her home was an all white school. In the 1954 Supreme Court decision, the Warren Court ruled that education is "the most important function of a state and local government." Based on this, the judges ruled that "separate educational facilities are inherently unequal." In this case, a section of the Constitution was interpreted for a second time, based not on racism, but justice. And now, Linda Brown and thousands of others were able to attend desegregated schools.

So as we are here today, we see that many people, in all ages of American history, have shared Kennedy's hopes in making America a better place in which to live. Susan B. Anthony and the suffragettes did for their country in guaranteeing the right to vote for women. Clarence Earl Gideon, who would not be intimidated to fight for his rights because of his age did for his country in gaining legal counsel for all accused. The Brown family of Topeka did for their country in securing equal educational opportunities for all persons. And each one of us can do for our country something that will help to form a "more perfect Union."

When we do this, we will be understanding what Kennedy meant when he said, "The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it—and the glow from that fire can truly light the world.

FOREIGN AID SHOULDN'T BE A HANDOUT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. GAYDOS. Mr. Speaker, while I have always had concerns about America's foreign aid programs, this year's bill, H.R. 2655, the Foreign Aid Authorization for Fiscal Years 1990 and 1991, has some new requirements that benefit our own country for a change.

The most important benefit for America, especially in light of our trade picture during the past several years, is that countries receiving U.S. cash assistance must spend the same amount on U.S. goods and services, and must transport 50 percent of those goods on U.S.-flag vessels.

As someone who has watched our maritime industry, and that includes shipbuilding as well as our merchant marine, go steadily downhill, I welcome these modest efforts to require "Buy American" provisions, and I applaud my colleagues, for defeating those amendments offered to strip those modest "Buy American" proposals from the bill.

The decline of our maritime industry threatens our national defense, and we cannot afford to lose what little we have left.

Since 1970, the U.S. has lost half of its maritime capacity, and U.S. vessels now carry only about 4 percent of U.S. waterborne foreign commerce. The American maritime force has shrunk from more than 400 ships to under 150. Not one major cargo ship has been built in an American yard in almost 2 years, and only half of our 14,000 active seamen trained in deep sea shipping are employed.

We are dealing with unfair foreign shipping competition because of heavily subsidized merchant fleets and their restrictions are hurting our shipping industry. It's only fair that we take action to protect our own industry. A recent report from the President's Commission on Merchant Marine and Defense also said that our sealift capacity is in a dangerously inadequate state.

Not too long before his death, Frank Drozak, former president of the American Seafarers Union, warned us about the state of the U.S. Merchant Marine. He told us if we had a national emergency today, we would not be able to provide the manpower and the American-made cargo ships to keep our military forces overseas supplied.

If we lived in an ideal world of free trade and enterprise, there wouldn't be a need to provide assistance to the U.S. fleet, but we don't.

In years past and in more prosperous times, we were financially able to assist other nations with no guarantee of a return on our investment. Today, this is no longer possible. The world economy is much more competitive.

Under current law, there is no guarantee that countries receiving cash assistance from the U.S. have to be used to purchase U.S. goods or services. It should, and this bill requires it under some circumstances.

And if U.S. aid is to be used to purchase U.S. goods, it is also logical to require that a fair portion of these goods be carried on U.S. vessels. We have set a 50 percent limit, a modest one at best.

This requirement is a reasonable way of increasing the vitality and protecting the future of our shipping industry. Our exports to developing countries have been expanding more rapidly than exports to the developed world. Their markets now account for about 40 percent of U.S. exports, thus creating roughly 2 million jobs.

Other major aid donors, including Japan, usually tie their foreign aid to subsequent purchases of their goods and services and also require that goods be shipped in vessels carrying their flags. In order to remain competitive, we should follow the practices of our competitors and establish a similar link between aid and exports.

We already have made provisions for countries, including Israel, receiving less than $10 million a year in U.S. aid, to be exempt from this requirement. Further, the bill gives the President authority to waive the requirements for other recipient countries.

I think that we should be able to see that this bill simply requires a guarantee that future U.S. foreign aid will now benefit the economy of the U.S. as well as the economies of nations we are assisting. The hard-working, taxpaying citizens of this country gain absolutely nothing if these U.S. funds are used by foreign nations to buy wheat from Canada or Argentina, trucks from Japan, or tractors from Poland.

Foreign aid doesn't have to be a handout. This country has to stop giving out freebies because American taxpayers deserve more than that. We're our worst enemy if we think that we can keep giving to other countries and not expect any of their markets in return.

DECISION ON THE AMERICAN FLAG SHOULD BE REVERSED

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MURPHY. Mr. Speaker, today I am introducing a joint resolution that would add an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecrating of the flag of the United States.

I do so in response to the Supreme Court's recent decision which allows the burning of the flag as an act of free speech.

The U.S. flag is not simply a piece of cloth. It is a symbol of the ideas on which this country is based. When you destroy the flag, then you are condemning the ideas of life, liberty, and the pursuit of happiness.

How do our young schoolchildren begin their day? By reciting the Pledge of Allegiance. How are our sporting events started in this country? By singing the National Anthem while we face the flag. How do we symbolically honor the great Americans who pass before us? By lowering the flag at half staff. What do our servicemen do the first thing in the morning at military bases both here and around the world? They raise the American flag? What one item do you find standing tall on all Federal Government office buildings everywhere? The American flag. Do these acts show the tremendous value the flag has to the patriotism of our country?

The American flag should be revered by all U.S. citizens, and any good American would not use the American flag as a protest symbol. If the gentleman in Dallas felt that the Republican Party was ruining America, then why didn't he burn a picture or a model of an elephant? There are other items to use that will just as equally get the point across.

By simply stating that the burning of the flag is all right, even if it may offend someone, is not justification enough. When you burn the flag, you insult any serviceman who has fought to keep our flag flying, any naturalized citizen who came to this country for the love of freedom and independence, and every American who appreciates the opportunity to live in the United States.

I am hopeful that my colleagues will enthusiastically support me in this endeavor. Forty-eight States and the Federal Government already have laws already in the books prohibiting the desecration of the American flag.

Justice Stevens was right when he said that sanctioning the public destruction of the flag

may tarnish its value for all Americans. Hopefully, we can indeed pass a law preventing this erosion of value from occurring.

VOICE OF DEMOCRACY: STATE OF NEBRASKA WINNER

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. BEREUTER. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Auxiliary conduct the Voice of Democracy broadcast scriptwriting contest. This year more than 250,000 secondary school students participated in the contest. The theme for this year's competition was "Preparing for America's Future."

The winning contestant from the State of Nebraska is from the First Congressional District, Miss Lynn D. Lu of Lincoln, NE. Lynn's parents are Paul and Janet Lu. Lynn is a National Merit Semifinalist, a member of the National Honor Society, and a recent graduate of Lincoln East High School. This Member invites the attention of his colleagues to the excellent entry prepared by Lynn Lu for the Voice of Democracy competition.

PREPARING FOR AMERICA'S FUTURE

(By Lynn Lu)

Even the best artists have humble beginnings. A master painter's very first medium is often fingerpaint. Brilliant, vibrant colors in the hands of a child's imagination are swirled and smeared into clouds with a meaning as clear as the muddy mixture itself. With practice and encouragement, though, that artistic talent can be developed into the ability to create masterpieces.

The United States was born out of an unintelligible smear of confusion. Then a group of creative, innovative minds turned that random splattering of paint into a work of art with the brushstrokes of genius. In order to put the finishing touches on the ideal portrait of America, we must continue to improve our nation. We must prepare for America's future by making the most of our creative potential. Only then will the painting be fully appreciated.

Creative potential includes originality, a unique perspective on life, the ability to see new paths to success and new methods of solving problems. Often, it also embodies divergent thinking and unconventional ideas. We must develop these attributes and take advantage of them, for change can come only from experimentation. Our nation was founded on this principle. Nonconformist concepts produced a revolutionary new government, a constitutional democracy; a brilliant idea became a lasting reality. Americans have painted a history of innovation and creativity. Most recently, our space program has boldly ventured into newer and more ambitious flights. But we cannot dwell on our successes. We must continually learn from our experiences and build upon them. If we are creative, then we will always be able to find some way of improving ourselves.

Although the United States is making considerable contribution to the world, we are still lacking in creative talent. Few world-class artists, writers, and thinkers have been produced. Today's Americans live in an unimaginative society. Television has taught us to think the same, dress the same, and expect the same from everyone else. We are stagnating the world of observation rather than participation. TV thinks for us. It creates for us. Instead of allowing our view of the world to expand, we force it to fit on one TV screen. But everyone has talents. We must make the most of them we must make our future a time in which everyone's creative gifts are magnified and enhanced, in which everyone can put creativity to use.

To prepare for this future, we must begin with the youth of the nation. We must encourage them to think critically, to think creatively, to think differently. In schools fine arts and humanities studies must be improved so that students will be exposed to the talents of others; and will develop their own artistic gifts. Students must be taught different ways to approach problems so that solutions can be reached faster and more efficiently. Students must be taught to use logic and instinct together to achieve results. They must be challenged to be creative. In this way when they become leaders, they will be better able to face the real challenges of life.

We must also encourage creativity through tolerance. Independent thought and divergence from the norm must be nurtured, not quilled. Creativity means willingness to take risks and to diverge from the accepted norms. But the results are worth it. We cannot risk losing our most human quality imagination to be content with what we have.

The future will present more difficult problems and we must be prepared to face them. Fresh ideas and perspectives will give us a new outlook on this nation, and as it changes and grows, we will be able to make those changes benefit us all.

By developing and encouraging creativity in today's youth, and by preserving it in today's generation, we can be sure that America's future is in good hands and that it will continue to improve. Creativity is an art that must be practiced and used. We have already seen the results in our history. The final product will be a priceless piece of art created by the citizens of this country who imagined a vision, sketched it out, and colored it with inspiration and imagination. It will be the masterpiece our forefathers began, entitled "America the Beautiful."

CONGRATULATIONS TO JOSHUA MAYESH

HON. MEL LEVINE

OF CALIFORNIA

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LEVINE of California. Mr. Speaker, we wish to congratulate Joshua Mayesh on being named valedictorian of his high school class at Yeshiva University of Los Angeles.

Joshua is richly deserving of this great honor. As the following article from the Jewish Journal describes in greater detail, he has widely varied interests, and has excelled in many areas. Although he has not yet decided what he will study in college, we know he will continue his record of excellence. We ask our colleagues to join us in congratulating Joshua Mayesh on his success in high school, and in wishing him the best of luck in his future endeavors.

The article follows:

[From the Jewish Journal, June 9-15, 1989]

TRIBUTE TO JOSHUA MAYESH

Joshua Mayesh, who is the valedictorian for his graduating class at the boy's high school of Yeshiva University of Los Angeles, is a sports fan who roots for every Los Angeles team except the Clippers. ("I didn't like them when they were in San Diego and that hasn't changed.") But his collegiate interests lie elsewhere, in politics, law and English.

But Mayesh is putting all of that behind him for a year of study at Yeshiva Bet Israel in Jerusalem. He doesn't see that as a break in his education since he says that studying in a yeshiva teaches one a sense of responsibility which will be useful whether he goes to UCLA (which has accepted him) or to Columbia University (to which he is considering applying.) Asked if such a diversion might lead to aliyah, he shrugs his shoulders and says that anything is possible.

Looking back at his years at YULA High School, Mayesh says that they were particularly valuable for the education he received in religion, Jewish history and tradition and that its faculty and leadership are adept at solving student's problems. Of great interest to him was a senior year program which enabled him to take courses at UCLA in astronomy, political history, Greek and English Literature.

Mayesh credits his broad range of interests to his parents, Maurice Jack and Suzanne. The Mayesh's, according to their son, do not attend any synagogue exclusively but spend more time at Chabad of Hancock Park than at others. Mayesh's politics, he says, are Democratic, his religious home is Orthodoxy, and his academic interests are catholic, but with a small "c". It is an interesting combination to find a student, and the community will be hearing more of him in years to come.—Y.L.

TRIBUTE TO SOLOMON WOODRUFF, FIRST SETTLER OF LIVONIA

HON. BILL PAXON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. PAXON. Mr. Speaker, I rise today to honor and pay tribute to the town of Livonia which is celebrating the bicentennial of the arrival of its first settler, Solomon Woodruff.

In 1789, Solomon Woodruff traveled to Livonia from Litchfield, CT. After building a log cabin on a plot of land south of Livonia Center, Mr. Woodruff returned to Connecticut to gather his belongings, his wife Susannah, their 2-year-old son Austin and his infant brother.

During the long winter journey across the Northeast, the Woodruffs' infant son died in his mother's arms. The grieving couple buried their little boy atop a nearby hill, quietly prayed for him, and then moved on. Arriving in Livonia many days later, the Woodruffs found

their new home burned to the ground by Indians. While Solomon built a second home, Susannah and Austin stayed with the family of Gideon Pitts in the nearby town of Honeoye.

Even for the heartiest souls, pioneer life in 1789 was not easy, and the Woodruff family still had much to do. Solomon soon began to log the forest around his new home. As there was no access for a wagon, he dragged the logs through the woods to a clearing. From there he carried logs by ox yoke to the nearest lumber mill 7 miles east of Canandaigua.

Solomon's son Philip was born February 19, 1794. Philip grew up to become a well-respected lawyer in Livonia and went on to serve in the New York State Assembly for two terms in 1849 and 1850.

After Philip's birth, Solomon and Susannah opened Livonia's first tavern in their log cabin. They welcomed visitors and esteemed guests such as the exiled King of France, Louis Phillipe, who traveled with Duke de Liancourt, and the reputable Rev. Dr. Joel Parker. These weary travelers were greeted with a comfortable place to rest, a home-cooked meal and a glorious view of the Livonia Valley at the Woodruff's home.

Many of these visitors loved Livonia so much that they settled in the area and the community began to grow. Other community settlers were relatives of Solomon Woodruff and many of their descendants still live in the area today. Also, Livonia's first one-room schoolhouse was built on the original Woodruff land.

It is hard for us to imagine the great courage and skill it took for Solomon Woodruff and his family to survive as pioneers. Constant dangers such as sickness, fire, and injury made life in the early days of our Nation a daily struggle. Still, through foresight and hard work Solomon Woodruff and his neighbors built Livonia from nothing but the land they lived on. This is the story of countless other communities throughout our great Nation. And my friends, it is the story of who we are.

Today the town of Livonia includes the village of Livonia, and the hamlets of Livonia Center, Lakeville, Hemlock, South Lima, and South Livonia. Parts of Conesus Lake and Hemlock Lake are also within the township. This area of upstate New York is famous for its natural beauty and hospitality, and I am proud to represent Livonia in the House of Representatives. I am also most proud to honor Solomon Woodruff, the brave pioneer and first settler of Livonia 200 years ago.

STARTING SMARTER: INTRODUCTION OF THE LABOR SHORTAGE REDUCTION ACT

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MARTINEZ. Mr. Speaker, in this country we are drowning in press releases with numbers that promote a particular point of view, but students, employees, educators, employers, and public policymakers are suffering because we don't have the systematic information we need to provide appropriate education and job training. Meeting international competitive challenges and strengthening the American community at home demand better information about education, job training, and employment opportunities in order to eliminate the serious mismatch between our changing work force and the evolving workplace.

If America attempts to compete against low-wage workers world wide, we will lose that battle, because they can always pay less. America can only compete by competing smarter. If America does not begin producing better educated workers with the skills needed by our rapidly evolving economy, the fact is that the jobs will go elsewhere. It is ironic that just when our economy is producing a surplus of jobs in some areas, jobs that would pay people enough to lift them out of poverty, the school system and the job-training system is not producing students that can handle those jobs. Too often we have treated the private sector and the public sector as enemies. The fact is that they each have strengths, and we need effective policies that allow them to complement each others efforts. The information provided by this program would strengthen our schools, public and private training programs, and strengthen the foundations for sustainable growth.

America's students and employees must be trained not for the sake of altruism, but frankly to make the economy work. The greying of the baby-boomers signals major changes in our work force and is making the issue of labor shortages and changing demands for skills even more important for employers and educators across America. A recent report issued by the UCLA points out that southern California—like many parts of our Nation—faces a dilemma. The area is at once a booming manufacturing, financial, trade, and cultural center thirsty for qualified workers and a magnet for those who are educated only for blue-collar and unskilled jobs. Unless changes are made, our cities will be flooded with underachievers who cannot supply the skills American employers need—and the Nation could face a generation of economic decline and societal polarization.

Timely identification of labor shortages and of emerging shortages is a basic element in building schools and training that is flexible and able to respond rapidly to the needs of our rapidly changing economy. Job markets, like other markets, don't work well without quality information. Information builds and moves markets. And public policymaking does not work well if we don't have the facts we need. The reauthorization of the Perkins Vocational Education Act (H.R. 7) takes important steps in upgrading information about training in technical skills. A demonstration program to be established by that legislation will examine the medium and long-term impacts of vocational and technical training on employment and careers to help assess the impact of such training. But this is only one component of a larger effort to eliminate the mismatch between the skills taught by our schools and the needs of America's employers. Our Nation needs higher quality information that allows public and private sectors to identify and deal with labor shortages.

Today, I am introducing legislation that will mandate that the Department of Labor, in cooperation with the Department of Education and other agencies, utilize and augment existing data resources to identify labor shortages. This is a basic input in any effort to have modern education and training which meets the needs of the Nation.

I urge my colleagues to support this important legislation.

THE SAN FRANCISCO FESTIVAL OF THE HORSE

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mrs. BOXER. Mr. Speaker, I rise today to bring to the attention of my colleagues an event about to take place in the city of San Francisco. It is the Sixth Annual Festival of the Horse and Polo in the Park sponsored by the San Francisco Grandprix Association. The event, scheduled to take place on July 23, 1989, in the Golden Gate Park Polo Field, will benefit the Student League of San Francisco Charitables Programs, especially the James S. Brady Riding Program for the Handicapped.

The proceeds of the Festival of the House will enable the James S. Brady Riding Program for the Handicapped to provide brain-injured, paraplegic, cerebral-palsied, and sight-impaired young people with a rare opportunity to enjoy the thrill and medical benefits of horseback riding.

The San Francisco Festival of the Horse has been fashioned after the Royal Windsor Horse Show held each May at the Queen's residence of Windsor Castle, Windsor, England. Like the Royal Windsor Horse Show, having a rich tradition of excellence providing competition that prepares the military and their horses, nationwide show jumpers, and British children and their ponies, the San Francisco Festival of the Horse and Polo in the Park provides spectators with a varied and elegant horse show.

Mr. Speaker, this event benefits a truly noble and necessary cause; the less-fortunate children of our country. It fills me with a great sense of pride to rise today to honor this respected and appreciated event.

JUST PLAIN SPEAKING

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CLAY. Mr. Speaker, at the risk of expulsion from this honorable body, I intend to engage in the old-fashioned, outdated but much-needed custom of speaking plainly. I know it is a profanity, a desecration to inject logic and reason into the highly emotional atmosphere prevailing just 1 week after the Supreme Court committed high treason by ruling that the Constitution does not prohibit the burning of our flag. I am quite aware that many zealous souls who would not hesitate to

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

burn at the stake anyone accused of burning an American flag, are chomping-at-the-bit to crucify anyone hailing the court decision as important to the maintenance of a free society. So, in this perilous climate, for fear of my life, I refuse to exercise my right of free speech by discussing the subject of the Supreme Court or flag burning.

Mr. Speaker, I am also apprehensive about mentioning the dial-a-porn decision issued by the Supreme Court last week. I don't know what got into those ultraconservative, strict-constructionist judges appointed by President Reagan. The only purpose for their appointments was to nullify all laws enacted to guarantee equality and justice for blacks, women, and the poor. But I suppose the job of a Supreme Court Justice is full time. After recklessly and callously returning black people, women, and other minorities to the status of involuntary servitude, there is still much time left to dabble into the pet projects of the least intelligent amongst us, the Neanderthals who thrive on intellectual and moral dishonesty.

When I first came to Congress, the conservatives, as now, were incensed with the Supreme Court. They had launched a nationwide campaign to impeach Chief Justice Earl Warren and Justice William O. Douglas. But under the chaotic circumstances we find ourselves after this far-reaching dial-a-porn decision, they dare not call for the impeachment of their ideological brethren, Supreme Court Justices, Antonin Scalia and Anthony M. Kennedy. And I dare not suggest that they do.

But, Mr. Speaker, regardless of the consequences, I intend to speak plainly about what is happening today in China and the hypocrisy inherent in the public statements of many American leaders claiming to be indignant. I too am shocked, appalled, dismayed at the barbaric behavior of Chinese officials in the killing of students and citizens who were demonstrating for a more equitable voice in the affairs of government. But my reaction, unlike that of many in this body, is consistent with my reaction to many other obscene and atrocious assaults by government operatives on helpless citizens around the world.

Mr. Speaker, I was outraged at the actions taken in Poland to put down the Solidarity movement and that of Idi Amin in the ruthless slaughter of thousands of Ugandans. I joined with my colleagues in expressing that outrage. But I am also outraged by the crimes against humanity being committed in South Africa. More so, I am traumatized by the eerie silence of those who close their eyes to mass murder when committed by fascists governments, but emerge in high-pitched, shrilled voices to protest the same brutal acts when inflicted by Communist governments.

Mr. Speaker, while speaking plainly, I would like to discuss a related matter taking place in China and the seeming hyprocrisy of many American leaders. The contradiction is all too apparent. Many of those condemning the Court decisions in the dial-a-porn case and the flag burning case, joyously hailed the Supreme Court decision yesterday which ruled that execution of juveniles and retarded individuals is constitutional. Those gleeful expressions are but outward manifestations of our inward moral depravity.

National polls reveal that 75 percent of the American people believe in capital punishment. They also believe that the right of appeal in capital cases is frivolous, time consuming and an unnecessary waste of the taxpayers money. Further, they contend that immediate execution is the most salient way to deal with those committing serious crimes.

But, Mr. Speaker, how can we in this body who have repeatedly voted to show how tough we are on crime by enacting the death penalty into law for various and sundry offenses, protest the Chinese Government's use of such dastardly force. Yet, each day, I hear my colleagues who support capital punishment and its swift enactment, wail in astonishment when a foreign government, condoning this barbaric practice convicts its citizens, sentences them to death, and then executes them forthwith.

Mr. Speaker, I am torn in sorrow and racked with pain by the violence taking place in all parts of the world. And I often publicly express the opinion that violence breeds more violence. I will continue to be consistent in my words and deeds. I hope my fellow colleagues will join me in decrying violence everywhere, including the violent acts of 110 executions in the United States in the last 10 years.

TRIBUTE TO FATHER JOSEPH A. SELLINGER, S.J.

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to pay tribute to a man who exemplifies the meaning of service, Father Joseph A. Sellinger, S.J. In celebration of 25 years as president of Loyola College, I want to express my sincere admiration for his unselfish love and dedication to Loyola College, the city of Baltimore, and the State of Maryland.

Ordained as a Jesuit in 1951, Father Sellinger became the dean of the College of Arts and Sciences at Georgetown University in 1954. In 1964, Father Sellinger became president and rector of Loyola College in Maryland. Through his interactions with corporations, religious and civic groups, Loyola College evolved from a commuter school to a highly respected institution.

During his illustrious tenure, enrollment has tripled in undergraduate and graduate divisions. Several satellite centers have been established in the surrounding areas of Baltimore. Also, the Masters of Business Program which began in 1967 has galvanized the economic development of the city of Baltimore and the State of Maryland. In recognition of his many achievements and community service, Father Sellinger has received numerous honorary degrees and public service awards.

It is with great honor that I offer my congratulations to Father Joseph A. Sellinger, S.J. on his many achievements and extend best wishes for his continued success. I know that my colleagues will be pleased to join me in this well-deserved tribute.

IN RECOGNITION OF THE ACHIEVEMENTS OF THE DEBATE TEAMS AT CHESTERTON HIGH SCHOOL AND MUNSTER HIGH SCHOOL IN INDIANA

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. VISCLOSKY. Mr. Speaker, it is a special honor when a Member of the House of Representatives can note with pride that a high school in his or her congressional district has won a national debate tournament sponsored by the National Forensic League. I am proud to inform my colleagues that Chesterton High School in Chesterton, IN, has won a truly distinguished contest and earned the title: 1989 National Debate Champions.

This occasion is especially gratifying for myself and the residents of northwest Indiana because a second high school in the First District, Munster High School in Munster, IN, placed third in the very same national contest.

Mr. Speaker, as a former debater who never progressed past regional competition, I am extremely proud of the northwest Indiana students who participated in the contest. Their achievements are a credit to their dedication, hard work and abilities. Additionally, the students' parents and teachers deserve praise for their encouragement and guidance.

I am elated by the students' achievements because they prove to the entire country that northwest Indiana is a very special place to live, work, and learn. Their achievements are examples that success will come from the values and traditions we in northwest Indiana hold dear. These values include hard work, a commitment to quality education and dedication to our tasks.

Special recognition should go to Michael Gotch of Chesterton High School and Eric Pardell of Munster High School who placed first and second, respectively, in the original oratory competition. Also, northwest Indiana had 2 top-10 finishers in the Lincoln-Douglas debate category: Adam Anderson of Chesterton High School placed second and Jill Uylaki of Munster High School placed ninth.

These students make me excited and optimistic about the future of our country because someday they and others of their generation will be leading our country. I am confident they will be very capable.

Each student should be proud of their accomplishments as I am proud of each and every one of them.

The Chesterton High School students are Gotch, Anderson, Michelle Petty, Dan Pennell, Amanda Hess, Greg Lanter, Heather Ransford, and Andy Beckett. Their coaches are Jim Cavallo, Barbara Funke, Carol Biel, and Bob Kelly.

The Munster High School students are Pardell, Uylaki, Kathi Vaughn, Ravi Patil, Andrea Foltz, Sonali Balajee, Jennifer Gust, Stephen Hess, and Dan Holloway. Their coaches are Mary York, Don Fortner, Linda Horn, Rhonda Pool, and Douglas Fix.

I would also like to recognize the head coaches for both schools whose leadership played a significant role in their teams' success: Mr. Joseph Wycoff at Chesterton High School and Mrs. Helen Engstrom at Munster High School.

SOCIAL SECURITY BENEFITS FOR WIDOWS/WIDOWERS AND SPOUSES

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. OBERSTAR. Mr. Speaker, in virtually all respects, the Social Security Act, on its face, no longer discriminates on the basis of gender. Yet, in application, many provisions of the law result in lower benefits to women, not only because of fewer years in the work force and lower wages, but also because provisions placed in the law years ago have not been reviewed and updated. To correct some of these inequities, I introduced three bills on Thursday, June 22, 1989.

The first bill (H.R. 2731), the Social Security Disabled Widow's and Widower's Equity Act of 1989, calls for equal social security disability insurance [SSDI] eligibility criteria and benefits for disabled widows and widowers. H.R. 2731 has three main components.

When disabled widows or widowers were initially authorized survivor benefits in 1967, no reliable estimate could be made of the numbers of widows/widowers who might become eligible. Until such experience could be gained, it was considered prudent to protect the Old Age and Survivors Insurance Trust Fund from excessive outlays by imposing several limitations which were not applicable to wage earners who become disabled. The restrictions imposed on disabled widows/widowers included a separate, more stringent definition of disability, a 7-year limit on qualification following the death of the worker or cessation of mother's benefits, and a requirement that the applicant be at least 50 years of age. In addition, a widow/widower who met all of these requirements also suffered a reduction in their benefit for each month she was under 65.

The first component addresses the first of these unfair restrictions: The separate definition of disability which is now applicable only to widows and widowers. Women would be the primary beneficiaries of this change since most widowers would be entitled to greater benefits on their own work records. The Social Security Act stipulates two different standards for determining disability. Wage earners and supplemental security income [SSI] applicants, on one hand, must establish that medically determinable impairments are so severe as to preclude any gainful activity. If disabilities are severe, but do not meet the listings, these applicants are entitled to a second evaluation step which takes into consideration age, education, and previous work history. Widows and widowers—hereinafter referred to as "widows"—on the other hand, are evaluated on the basis of disabilities alone; claims are not considered with reference to age, education, and experience.

This double standard must be reformed. Since the Reagan administration began conducting continuing disability investigations in the early 1980's, we have all become painfully aware of the stringency of the definition of disability as it applies to wage earners and SSI applicants. I do not believe that we can ask that these harsh standards be ameliorated and, at the same time, continue to impose an even harsher standard of disability on widows.

The second component of the bill addresses two other double standards: Unlike wage earners, disabled widows under age 65 receive a reduced benefit and widows under age 50 do not qualify for disability benefits.

How can Congress justify a different disability standard for disabled widows? No actuarial reduction has ever been imposed on disabled workers. Congress has judged that severe impairments combined with vocational imitations make it impossible for the worker to continue in the work force. In order to compensate for the cut in earning power, benefits for a disabled worker are calculated as if the worker had attained age 65. Disabled widows lack earning power but they are unable to receive any benefits before age 50 and, once they attain age 50, they receive a reduced benefit. This inequity contributes largely to the impoverishment of disabled widows throughout the country.

The third component of the bill addresses another disability restriction for widows: Under current law, a widow remains eligible for widow disability benefits for only 7 years after the death of the worker or cessation of mother's benefits. This law leaves many widows without adequate disability coverage.

The presumption underlying current law is that a widow who is neither caring for young children nor disabled is capable of self-support. In other words, if a widow accepts the responsibility of self-support and enters the work force, she will qualify for her own disabled worker's benefit before her protection as a widow expires. Benefits, however, can be totally inadequate if the widow has only a few years in the work force.

Under H.R. 2731, a widow who enters into and remains in the work force will never lose the protection of survivor's benefits although the amount payable on the basis of the deceased husband's wage record would continually decline as her own personal entitlement increased due to her own work efforts.

The second bill (H.R. 2729), the Social Security Working Widow Equity Act of 1989, calls for opportunities for widows to improve Social Security widow benefits by continuing in the work force. H.R. 2729 addresses two more double standards which separate widows from wage earners.

The first inequity caps widow benefits at the level of the deceased husband's benefits. For example, if a worker retires at age 62, his widow will never receive more than his age 62 benefit—plus COLA's—even if she works until age 70. My bill calls for a limitation on the reduction of widow's benefits in the case of early retirement of the deceased spouse. In other words, widow benefits would remain as if the deceased husband retired at age 65 unless the widow herself received, or had received, early retirement benefits.

The second inequity relates to the delayed retirement credit program: Unlike wage earners, widows are denied access to the program.

Workers who remain in the work force past age 65 are entitled to a delayed retirement credit for each month a Social Security retirement benefit is not payable due to excess wages. Though the credit is not actuarially determined, it partially compensates the worker for continuing to work past normal retirement age.

The credit does not apply to widow benefits. Though many widows are eligible for benefits on their own records, their widow benefits are often larger; only the larger of the two entitlements is paid. In other words, most widows do not benefit from working after age 65. My bill calls for correction of this inequity by granting working widows who forego benefits after age 65 a credit on the highest benefit which they are entitled to receive.

My third bill (H.R. 2730), the Social Security Spouse Act of 1989, calls for benefits to caregiver spouses—spouses of disabled primary beneficiaries in need of continuous care—and disabled spouses of annuitants. Under current law, spouses who fall under these categories receive no benefits despite the likelihood of resulting financial hardship.

When a worker becomes disabled or reaches retirement age, his retirement-age spouse is also eligible for a benefit. For each, full benefits are not payable until age 65, but actuarially reduced benefits can be paid as early as age 62. A spouse less than retirement age, who does not have a child under age 16 or an adult disabled child in her care, is presumed to be capable of entering the work force until retirement age is attained. Evidently, this presumption is flawed in the case of a disabled spouse. But, unlike wage earners, disabled spouses under age 62 are not eligible to receive any benefits.

My bill corrects this inequity by authorizing a spouse benefit—half of the wage-earner benefit—to disabled spouses or disabled divorced spouses of annuitants subject to the same definition of disability applicable to disabled workers.

When a disabled Social Security annuitant is in need of constant care, a spouse who is less than retirement age often provides that care. As a result, he or she is prohibited from entering the work force, even if the worker's benefit alone may be inadequate for the support of both husband and wife. The resulting marginal income is often the principal cause of nursing home placement and the primary factor in divorce entered into to relieve the nondisabled spouse of financial responsibility for the cost of institutional care. Payment of a spouse benefit in such cases could make home care possible.

The Spouse Equity Act authorizes the payment of a full spouse benefit when an annuitant is so disabled as to require full-time care. This provision is similar to present law which authorizes a mother's benefit—or parent's benefit—to be paid when there is an adult disabled child in need of care.

I urge my colleagues to consider these bills in light of the many impoverished widows and families who suffer from the inequities ad-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

dressed in these three bills. I have introduced similar bills in each of the last four Congresses.

SUPPORT OF ROE VERSUS WADE

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DIXON. Mr. Speaker, I would like to add my voice to the nationwide chorus urging the Supreme Court to reaffirm its 16-year-old Roe versus Wade decision upholding the individual right of privacy.

I recently received a letter written by a 74-year-old constituent from my district. In it, she recounted the painful memories of how own abortion, and the circumstances—a failing marriage, several other children—that lead to her making that decision. Her experience was one that was all too common in the days before Roe. A botched abortion by a shady doctor led to her near death, and lifetime medical complications. She wrote that the thought of returning to such times made her very glad she is now 74 years old. She was sad that women have had to fight so hard to maintain the rights Roe guaranteed.

My constituent told her story in the hope that it would help ensure that other young women would not be forced to go through the same painful and traumatic experience. The amount of human suffering that would result from a weakening or repeal of Roe versus Wade would indeed be high.

Mr. Speaker, if Roe were weakened or overturned, the personal crisis my constituent went through half a century ago would be magnified many times throughout our society. It would disrupt our entire political and social system. It would cause great pain and division. The integrity of our legal system depends on not disturbing settled points of law. Upholding Roe will preserve public confidence and send a message that the privacy rights of American citizens will not be jeopardized.

Americans hold strong and differing opinions over the right to choose an abortion. While I respect the deep convictions of those who want to eliminate this right, I strongly believe in a woman's constitutional right of privacy and am committed to upholding it. During this week, when the High Court is expected to hand down its decision on the Webster case, I join my colleague in the House of Representatives in urging the Court to protect the privacy rights of our fellow citizens.

CONGRATULATIONS TO INDONESIA ON THEIR SUCCESSFUL FAMILY PLANNING PROGRAM

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MOODY. Mr. Speaker, earlier this month President Soeharto of Indonesia received the United Nation's 1989 Population Award from U.N. Secretary General Javier Perez de Cuellar. The award honors President Soeharto's support for what has become one of the developing world's most successful family planning programs.

An examination of just a few statistics will demonstrate the magnitude of Indonesia's achievement. In 1972, there were 400,000 Indonesian couples practicing birth control. By 1988, the equivalent figure was 16 million, with 15,000 new participants every day. The crude birth rate was 44 per thousand in 1971, while today it is 29 per thousand and falling rapidly. The fertility rate has dropped from 5.5 to 3.3 children per family.

With fewer births, Indonesian officials can concentrate more resources on improving the health of their citizenry. The mortality rate has dropped from 22 to 8 per thousand in two decades. The infant mortality rate—at 142 per thousand when the program started—is now 56 per thousand, a 60-percent decline.

Today Indonesia, with 178 million people, is the world's fifth most populous nation, so that each percentage drop in the birth rate means a tremendous amount in actual numbers. The United States Census Bureau projects that by the year 2050 Indonesia will drop to seventh in population—behind India, China, Nigeria, Pakistan, the U.S.S.R., and Brazil.

Indonesia's success is nothing short of a revolution in attitudes. As with many agricultural societies, every Indonesian child was considered a source of prosperity—providing help to fathers in the fields and mothers in the home. Where infant mortality is high, there is a great fear of vulnerability of children, and parents respond by having a large number of children. Many must be born to ensure a few will survive.

The challenge to Indonesian officials was to alter this basic societal norm. Under President Soeharto's leadership, a basic strategy to institutionalize and popularize the small family as the happy and prosperous one was created. This has clearly been achieved, and in a society where abortion is illegal and sterilization is not encouraged.

The U.S. AID Program has played a part in this success. Indonesia's family planning program has received funding regularly since 1968. Total aid in that period is just over $182 million.

Mr. Speaker, I recently had the privilege of meeting with Dr. Haryono Suyono, director of Indonesia's program, and the Indonesian Ambassador to the United States, His Excellency Abdul Rachman Ramly. Dr. Haryono, who was educated at the University of Chicago, had headed the program since 1983. On behalf of the Congressional Population Coalition, which I chair, I want to express my sincere congratulations to President Soeharto for the 1989 Population Award, and to Dr. Haryono for his leadership of this program. Indonesia's example is proof that one of the world's gravest dangers—unchecked population explosion—can be avoided with enlightened leadership and political and moral support from the highest levels.

IN RECOGNITION OF THE CREATION OF THE OXFORD LAW DICTIONARY, A JOINT EFFORT OF THE UNIVERSITY OF TEXAS AT AUSTIN SCHOOL OF LAW AND THE OXFORD UNIVERSITY PRESS

HON. GREG H. LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LAUGHLIN. Mr. Speaker, I rise today to recognize a most unique venture of truly historic consequence. The University of Texas at Austin School of Law and the Oxford University Press have jointly undertaken a scholarly legal project of major proportions—the creation of the Oxford Law Dictionary.

The University of Texas/Oxford Center for Legal Lexicography unites the Oxford University Press, and editor in chief Bryan A. Garner, with the exceptional resources of the Tarlton Law Library. This marshaling of talent and resources heralds the Oxford Law Dictionary as one of the great contributions to legal scholarship of the 20th century.

This project will mark the first time that the entire English-language legal vocabulary will be collected and defined. Scholars at the University of Texas/Oxford Center will work some 7 years to produce the multi-volume work, which will contain nearly 6 million words and will span 30,000 entries. The entries will trace legal words from the time when English was first used in law reports and treatises through law, the Oxford Law Dictionary will cover terminology from all English-speaking jurisdictions. Combining traditional uses of original source material with the resources available through computer, the dictionary will give a comprehensive and historically accurate view of the development of legal words and phrases.

A distinguished editorial advisory board, comprised of academicians, judges, and practitioners from the United States, the United Kingdom, and other English-speaking jurisdictions, will provide guidance on stylistic and substantive matters.

Unprecedented in the history of Anglo-American legal scholarship, the Oxford Law Dictionary will be the ultimate resource for questions concerning the meaning or usage of any legal term, whether modern or historical, and will contribute significantly to the understanding of our legal heritage.

TRIBUTE TO A GEORGIA BALLERINA

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DARDEN. Mr. Speaker, it was with great pride last week that those of us in her hometown of Marietta, GA, saw Caroline Cavallo take part in the prestigious Moscow International Ballet competition. And, although she returns home to Georgia without a medal, we

congratulate Caroline on successfully establishing herself as one of the rising stars of ballet.

As we all saw on various broadcast features about the competition, Caroline captured the imagination of audiences and critics with her performances. She was, by the way, one of the only two Americans among the 24 finalists in the competition at Moscow's historic Bolshoi Theatre.

And, as further evidence of the new spirit of friendship between her home country and the nation hosting this great event, Caroline's dancing partner was a young Soviet man.

By the way, Caroline's parents, Rick and Jackie Cavallo, are friends of mine. I know how proud they are of her accomplishments, just as they rejoiced recently in the achievement of her brother Danny, who attended the rank of Eagle Scout.

Mr. Speaker, Caroline Cavallo speaks to people around the world in a language understood by all, even though their native tongue may be Spanish, or Italian, or Japanese, or Russian or English. She speaks eloquently and artfully in the language of dance, and we are certain to hear more from Caroline as her career grows in skill and stature over the coming years.

RACIAL UNREST IN MAURITANIA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DYMALLY. Mr. Speaker, I rise today to draw attention to a grave and potentially disastrous racial revolution in the Islamic Republic of Mauritania.

In late April of this year, Mauritanians of white/Arab descent waged a vicious campaign of murder and mutilation against black Mauritanians and Senegalese inhabitants in Mauritania. Though this particular tragedy has long departed the news media in this country, there is a greater injustice unfolding.

On both a national and international scale, the Mauritanian Government has set out to completely eliminate—by death or expulsion—the black population within its rank.

The Mauritanian Government alleges that black Mauritanians obtained their citizenship fraudulently and therefore must be expelled to Senegal. Unfortunately, this conflict has historical underpinnings. Mauritania is literally, racially, and geographically between black and Arab Africa. As a former French Colony, without clearly defined southern borders, Mauritania was considered an appendage of Senegal, administered from the former Senegalese capital city of St. Louis. The French then charged the Senegalese ethnic blacks—[Halpuiaars]—to set up a government administration in Mauritania. Upon independence in 1960, the Arab "Maures" returned to power. This set the stage for serious conflict between the learned, and politically, socially and economically established Senegalese and the aspiring Maures.

The Mauritanian Government has expelled Presidential secretaries, high level civil servants, police officers, national guardsmen, and a range of United States aid trained officials. The government's computerized electricity system nearly came to a grinding halt because the only maintenance person qualified to work on the machinery was a Senegalese—expelled earlier.

The official declaration suggests the if you are black and residing in Mauritania, you were either there illegally before independence and thus could not legitimately be a Mauritanian, or if you came after independence your citizenship is invalid. The government seems to have forgotten that in either case, the criteria for citizenship was set by an Arab-Mauritanian government.

The government has even adopted the policy of recalling diplomats of African descent, stripping them of their status and land holdings, and demanding that they relocate to Senegal. Families are threatened, business completely wiped out and international relations seriously endangered.

Mr. Speaker, the Mauritanian Government receives 50 percent of all its food aid through United States aid; they sit alongside the United States in a multitude of international organizations, including the UN, WHO, ITU, INTELSAT, FAO, GATT, IBRD, ICAO, ILO, IDA, IDB, and I could go on.

Mauritania is currently working on the final stages of a $37-million agriculture section loan.

Mr. Speaker, let me be real clear. I am not advocating that we target these arrangements or Mauritanian membership in the international organizations arena. However, I believe that we cannot sit idly by and witness a new system of apartheid develop before our very eyes.

We must register our deep concerns and let the Mauritanian Government know that this racial purge of a nation is unacceptable to the international palate. The fact that some nations have reputedly aligned themselves with Mauritania "in the event of war with Senegal over the race issue" is nothing short of outrageous. It demonstrates a gross misappropriation of international alliances and a misuse of the scarce resources available to the developing world.

Mr. Speaker, I call on my colleagues to join me in sending a concerted message to the Government of Mauritania that if there is to be a place for them in the international arena there is no place for racial eradication. This reckless aggression must come to an end.

CONGRATULATIONS TO HARRY BEY AND PROJECT GANGS

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MOORHEAD. Mr. Speaker, Harry Wayne Bey is a unique man with a unique mission. He grew up in southern California in a theatrical family. He was forthright, extroverted, and courageous. He was also a thoughtful man with a strong sense of country and Christianity. Because of his character and commitment, the evolution and growth of gangs in the area alarmed him. He could see that the gangs in Los Angeles would grow in size and strength; that they would become more violent and more cruel; that they would become more destructive to themselves and their communities.

He could also see that the normal approach to controlling the gangs was not stopping their growth or destructive nature. So he founded Project GANGS [Gang actors needing group support]. He then wrote an acclaimed four-act play called "Gangs," which he subsequently came to produce and direct. To find his players, he reached into the gangs of Los Angeles.

The goals Harry Bey has established for the members of Project GANGS are straightforward. He wants his kids to develop and maintain a belief that full potential can be realized only through a belief in God; to develop self-confidence, self-esteem and self-respect in themselves and to appreciate the value and worth of other individuals and society; to appreciate physical and mental health; to grow to be responsible and productive citizens; and to develop leadership qualities.

In August, Project GANGS will begin a 10-city tour of California. In September, the troupe will begin a 30-stop tour throughout the United States. Widely acclaimed and well received by the public, the play and the players call for an end to the "madness, the drugs, the weapons, the mindless shootings."

Mr. Speaker, Harry Bey and his troupe deserve credit and recognition for their efforts to solve a problem that threatens all our cities and communities. In the grand tradition of the theater: "Harry. Kids. Break a leg."

END DISCRIMINATION AGAINST THE MILITARY SUPPORT H.R. 572, H.R. 2277, AND H.R. 2300

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DORNAN of California. Mr. Speaker, as I stated in the June 15, 1989 CONGRESSIONAL RECORD I introduced three key pieces of legislation which will restore fairness and equitable treatment to members of the U.S. Armed Forces.

H.R. 572, H.R. 2277, and H.R. 2300 would amend the Spouse Protection Act to make it more consistent with the existing pension plans, which Congress has established for members of the Foreign Service, the Central Intelligence Agency, and portions of the civil service retirement/survivors benefits.

It is important to note that all three bills follow congressional precedents and common State divorce provisions. Further, note that in all cases, although the legislation is retroactive, savings provisions are incorporated requiring no repayment of previous awards, and no further payments shall ensue after enactment. None of the changes affect spousal or child support provisions—just retirement.

As I stated, I believe these changes are long overdue to provide the Armed Forces members the protection afforded the other Government employees upon retirement. Retired pay is perhaps the No. 1 incentive for re-

tention of our Armed Forces. Shouldn't they receive equal treatment with other Federal retirees?

Between now and the time the Defense authorization bill is debated on the House floor, I will be sharing with my colleagues some of the many letters I received, both pro and con, concerning this issue. Please take the time and review these letters and join with me in restoring fair and equitable treatment for our military retirees.

DEAR SENATORS ALAN CRANSTON, PETE WILSON AND REP. DUNCAN HUNTER: Hello. My name is Dorothy Cook and I am 71 years old. I have been married to my second husband 23 years.

Last month he was served with a lawsuit by his ex-wife of 24 years ago. She wants half of his $920 a month military retired pay; she wants half of everything he has collected from the time he retired in 1967; she wants future payments until he dies. She does receive her own retirement pension plus an annuity from her own retirement pension plus an annuity from her deceased second husband amounting to about $1,500 a month.

I was also married before. My first husband was a Navy man, too; he died of cancer 35 years ago. He provided for me by buying a private insurance policy which over the years I have prudently saved for emergencies; home repairs, maintenance and medical bills. My present husband signed an agreement before we were married that the insurance money was mine. However, it has always been there for both of us. He didn't have anything of his own since he was paying alimony and child support out of his $350 a month military pay; the ex-wife got the house and furniture and the best car.

My husband is partially blind and deaf; has high blood pressure and I think he has had a stroke, and I am afraid that all this business will cause him great harm. We have always been very careful with our money, trying to plan ahead in the event of nursing home care, etc. but I have already paid out $3,750 of my account for legal fees for my husband. The lawyer wanted $3,500 before he would even take our case, at $175.00 an hour, and there's more to come. I don't know where we will get the money.

I do most of the driving in our family and am afraid of driving on the freeways; consequently all our business with the lawyer must be done on the telephone and through the mails. I am very bewildered and overwhelmed by all of this. I don't think my husband fully understands it all and the burden must fall on me to take care of it. It looks like we will lose our home, most of our emergency money is gone and we will end up on welfare. I told the lawyer that I did not think that any court would do this to us but he said it is the law and the courts, particularly in California automatically give it to her since it is now called property without regard to what it will do to us.

Your law is very unfair. My husband paid his alimony, child support, give her their home and all the furniture and the best car. He took his clothes and an old Studebaker. He had very little to live on from what was left of his $350 a month pay check. He has paid enough.

I am sorry that she lost her second husband but I cannot understand why she is able to come back to the first husband of so many years ago. Are the military men always responsible for the rest of their lives to an ex-wife and even if she remarries. Your law is very unfair.

I am not well myself and I resent not only the injustice of this law but it is taking valuable time away from taking care of my husband and myself and just to get through the day. We are much too old to deal with this extra and expensive burden and the possibility of ending up with nothing after all these years.

I am very scared and don't know where to turn. I am hoping you can help me.

I have always been proud to be a military wife but am now ashamed of what our government is doing to us. I am sad for all of us.

I am pleading with you to do something. Please stop it now. We simply do not have the stamina to deal with the lawyers, getting all the papers together for the lawyer, the courts (and we can't even drive that far), and waking up in the morning with the depressing thought of "where we will be when this is all finished." My husband and I would like to enjoy as much as we can of our remaining years in peace and quiet. The law needs changing now. Will you help?

If you need any more information, I will be happy to reply. Please write me.

Thank you.

Hon. ROBERT K. DORNAN,
U.S. House of Representatives, Washington, DC.

SIR: I am writing in regards to your bill providing that a court-ordered allocation of a portion of military retirement pay to a former spouse of a military retiree shall terminate upon the re-marriage of the former spouse.

I am a retired Marine and am currently paying child support and 27% of my retirement to my former spouse, who was remarried 7 months after the divorce. She remarried another Marine who is also a career Marine.

Sir, I am grateful that you have taken the initiative to correct a terrible injustice to the military retirees. It is one thing to support a former spouse when she is single and on her own, but to support her new family is unjust especially when she brags that in two years she can divorce him and draw another 25% for a total of 52%. Now I ask you is this FAIR?

I would like you to know that I wholeheartedly support your actions and I'm sure I can speak for all of the retirees. If there is anything I can do to help this cause, please let me know.

JOHN D. KITE.

March 27, 1989.

Hon. ROBERT DORNAN,
U.S. House of Representatives, Washington, DC.

DEAR HON. ROBERT DORNAN: Please cosponsor representative Dornan's no-cost H.R. 572 and companion Senate Bill. Relieve USFSPA retroactivity, remarriage, age and time inequities suffered by military members and innocent second families. Include in FY-90 DOD authorization bill. Supportive reply respectfully requested.

Our family is one of the innocent victims of the California Civil Code 5124 which made USFSPA retroactive. Particulars:

My current wife and I have been married for eight years. I retired from the United States Air Force on 1 Dec 88. My ex-wife left me and took our only child in July 1979 after twelve years of marriage. The divorce judgment reference support and division of property was filed 5 Jan 1982. She remarried a Physician (Colonel) stationed at Letterman Army Hospital, lives in General's quarters at Fort Baker, Sausalito, CA. She also works as a certified Anesthetist who has earning capacity superior to my own. The judgment provided that she receive half of the community property, I pay her attorney's fees and child support. My military retirement was considered by the court at that time. The following quote is from the judgment, "The Court has determined that it has no jurisdiction over the subject matter of military retirement under the decision of the United States Supreme Court on 26 June 1981, in McCarty v. McCarty, precluding the application of state community property laws to Military Retirement Pay".

Based on the California Civil Code 5124 which made USFSPA retroactive to 25 June 1981, my ex-wife obtained a judgment on 21 March 1985, "Petitioner is entitled to a modification of the judgment re: Division of property filed 5 Jan 1982 to include a Division of respondent's disposable military retirement benefits payable on or after Feb 1983."

In Dec 88 I retired from the U.S. Air Force after 28 years of honorable service. My daughter was 18 years of age in Dec 88 and will graduate from high school in June 89. I have been paying $350 per month for my daughter. Now I must pay part of my retirement to my ex-wife who is living a very high life style in Marin County.

My present wife had to retire in July 1988 due to poor health at age 60. My present wife's health has been severely degraded due to stress generated by this ordeal of payment of attorneys fees, loss of a portion of my retirement pay and now to find out that the little retirement she will receive will almost eliminate any Social Security, since this is considered double dipping.

Please consider the fact that when an ex-spouse remarries a member of the military and he also receives retirement pay that this is double dipping?

When my present wife and I married the laws changed retroactively and now we are just about living in poverty. My ex-wife served me with divorce papers, moved to San Francisco, presently married to a Colonel (Physician), living in a General's House at Fort Baker with no financial problems. I have lost all of my financial resources supporting attorneys and my ex-wife. Now I must pay her part of my retirement and this is putting us further and further in debt.

This is not fair. There are so many who have exhausted all of their financial resources fighting this unfair decision.

We are facing a bleak future, please do everything that you can to correct this injustice by passing H.R. 572 and The Companion Senate bill.

Thank you kindly,

ROSALIE A. CURTIS,
RICHARD R. CURTIS,
Lt. Col. USAF (ret'd.)

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent on Friday, June 23, 1989. Had I been present, I would have voted:

"Yea" on roll No. 106, approving the Journal of Thursday, June 22, 1989; and

"Yea" on roll No. 107, approving the Senate amendment to H.R. 2042, the fiscal year 1989 Department of Veterans' Affairs supplemental appropriations bill.

TRIBUTE TO DAVID A. BRODY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. STOKES. Mr. Speaker, I rise today to pay tribute to a longtime friend, David A. Brody, who is retiring as the director of the Washington office of the Anti-Defamation League of B'nai B'rith [ADL] having served since 1949.

There are few people in Washington who do not know Dave Brody personally or know that he has been one of the most influential lobbyists on Capitol Hill for over 40 years. I met Dave when I first came to Washington to represent the 21st Congressional District of Ohio. Since then, I have come to admire and respect Dave's professionalism, commitment, and dedication to the ADL.

I am not alone in these sentiments. After 40 years of lobbying on the Hill, Dave has earned the title "the 101st Senator" from the people with whom he has worked on behalf of the ADL. I think that this is one of the highest compliments anyone can receive.

Dave Brody has earned the reputation of being a tough advocate for the civil rights of all Americans. He is one of those special and unique individuals who has the respect of the establishment and whose judgment is sought after in areas of Jewish concern, such as Israel and Soviet Jewry, civil rights, civil liberties, and social welfare issues.

Dave Brody played a key role in the passage of many of the civil rights laws from which all Americans benefit. Through his work with the ADL, he has been instrumental in working to translate this country's heritage of democratic ideals into a way of life for all Americans. The success he has attained at the ADL—first as a lobbyist and second as its director—is clearly attributable to Dave's outstanding leadership and dedication.

Mr. Speaker, although Dave is retiring as director of the Washington office, he plans to stay active in the new position of special counsel. I hope that all of my colleagues join me in wishing Dave Brody the best of luck in his new job. I am confident that as special counsel, Dave will make the same impact that he did as director.

And finally, Mr. Speaker, I would like to extend to my friend, Dave Brody, best wishes for a future blessed with good health and good fortune.

CONGRATULATIONS TO CURTIS STRANGE

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. BATEMAN. Mr. Speaker, last year I rose with great pride to extol one of my constituents for an outstanding accomplishment. The accomplishment was the winning of the U.S. Open Golf Tournament. The constituent was Curtis Strange. Little did I expect that a year later I would have the occasion to rise and commend the same constituent—Curtis Strange—for repeating as the winner of the U.S. Open Golf Tournament.

No one has won the U.S. Open back to back since Ben Hogan did so almost 40 years ago.

Curtis Strange has demonstrated that he is among the most talented and successful golfers of this era. He is also one of the best examples for the young people of our country. Curtis Strange's character and demeanor are outstanding. His commitment to his family, his steadiness and coolness under pressure are especially admirable.

Congratulations to Curtis Strange. You won your second U.S. Open the old fashioned way—the best way—you earned it.

BILL FLEWELLEN'S LEGACY

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SMITH of Iowa. Mr. Speaker, I rise to recognize the contribution both to education and also to the small business community by Dr. William Crawford Flewellen, Jr. Dean Flewellen has announced his retirement from a unique career which combined participation in the academic community and also struggling small businesses in the real world. Too often these two sectors have been regarded by participants in each as similar to oil and water, that is, they do not mix. Bill believed to the contrary and, more importantly, he demonstrated and put his beliefs into practice.

I met Bill some 10 years ago when I was serving as chairman of the House Small Business Committee. At that time, he was the dean of the School of Business Administration at the University of Georgia, Athens. He arrived in my office, leading a delegation of schools which were participating in a pilot program sponsored by the Small Business Administration. This pilot program, called the University Business Development Center Program, was operating on the proverbial shoe string. In return for a few thousand dollars of SBA grant money which was supplemented with local money and the contribution of services, these UBDC's were providing management and technical assistance to small businesses.

Dean Flewellen's purpose in coming to see me was to support expansion of the program.

In 1980, Bill Flewellen saw that pilot program become a national program: The Small Business Development Center Program was born. A partnership was established through legislation which provided a statutory framework and guidance to the centers and to SBA.

Mr. Speaker, the Georgia program, which opened in 1977 as an experiment, initially received $40,000 from SBA. It now receives $3.6 million in State and Federal funding in addition to in-kind contributions. Initially it counseled 1,000 small businesses, but in 1988 it provided counseling to almost 6,400. This, of course, is in addition to thousands more who annually attend seminars, workshops, and conferences.

Mr. Speaker, this activity directly translates into benefits to our economy. Recent data from Georgia shows that the sales of SBDC clients have increased at a rate of 2½ times that of other businesses in Georgia and that employment at their clients has increased at a rate of five times that of other Georgia businesses. In addition, impact studies show an increase in tax revenues of anywhere from $2 to $10 for each dollar spent at the SBDC.

Mr. Speaker, the Georgia SBDC is not simply an isolated instance of what can happen. It has been duplicated elsewhere, including in my State, Iowa. The SBDC Program now exists in 46 States and provides counseling at more than 500 locations. The Federal Government now invests approximately $45 million per year in this program which is matched by State and local government and others by another $65 million.

Mr. Speaker, I believe that this program is making a critical contribution. We realize the terrific beneficial impact which small business has on our economy. We now know that small business is the Nation's job creator. Study after study is showing this. To cite just one, we know that during the decade of 1976 to 1986, large manufacturers lost 100,000 jobs; on the other hand, the net employment by small manufacturers increased by 1.3 million employees.

Mr. Speaker, I also compliment Dean Flewellen on his dedication to servicing the truly mom and pop type of small business. It is very easy for those who are involved with small businesses to want to limit their activities "to the big league" and deal in high-technology problems. Of course, this is part of the small business community, but millions and millions of small businesses will never fall into this category. Most of them are the mom and pop type operations, but they can survive and they can grow and they can prosper if someone will show them the way to overcome basic and mundane problems. Their problem may be the need for an accounting system; it may be a review of their cost and price structure; or it may be the proper way to advertise their product. These are the types of problems that confront most of our small businesses today. Bill Flewellen has recognized the needs of this large segment of the small business community and has tended to them. For this he is to be complimented as even this mundane work contributes to our economy; it simply takes more success stories to yield the same contribution made by a larger firm.

Mr. Speaker, I believe that the past creation of jobs is indicative of what the small business community can do. In no small part is the success of small business due to the SBDC Program which now provides counseling to some 125,000 businesses annually and provides training to another 250,000.

It was through the foresight and the dedication of individuals such as Bill Flewellen that this program not only was started but has carried on to become the success that it is. Bill should be very proud of what he has done.

Mr. Speaker, I wish Bill and his wife, Tommie Sue, every success and happiness in their future years.

TRIBUTE TO THE LATE DAVE SELLERS

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DARDEN. Mr. Speaker, I am saddened to inform my House colleagues of the unexpected and untimely death of Dave Sellers, a man who—but for the margin of a few thousand votes—might have served with you over the past 5½ years in the seat I occupy today.

Dave Sellers and I were among a field of 19 candidates vying for the Seventh District of Georgia's congressional seat in the fall of 1983, following the tragic death of Congressman Larry McDonald. Dave was a Republican with high name recognition in northwest Georgia; he had run against Congressman McDonald the year before. Many people expected him to finish first or second in the nonpartisan special election, and then be the favorite in a runoff.

Dave ran a spirited race in those few weeks allotted to us for the campaign. He was eloquent and thoughtful in his handling of the major issues. He was courteous and fair to all of us who competed against him for the seat.

In the end, Mrs. Kathy McDonald and I were the leading vote-getters, and we went on to compete in the runoff 2 weeks later. Dave returned to his successful law practice in Marietta.

Mr. Speaker, I urge my colleagues from both parties to join me in sending our condolences and best wishes to Dave's family, including his children—David, Temple and Erica.

PEACE IN ANGOLA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DYMALLY. Mr. Speaker, I am happy to report an epochal event that, in the opinion of many, has significant implications for peace in Africa and, I dare to say, the entire international community.

I am referring to the formal cease-fire agreement that is destined to end the 14-year civil war in Angola. The agreement, which is being dubbed as the beginning of a new era for Africa, was signed by President Jose Eduardo dos Santos and Mr. Jonas Savimbi on June 22, 1989. The nation is now ready for peace talks that will, hopefully, set the stage for a national reconciliation.

This development represents a concrete step toward the culmination of a peace process in southern Africa. Moreover, it attests to the importance of communicating with allies of the United States as well as those with whom we have sharp differences.

Throughout my tenure in Congress, I have espoused a philosophy of diplomatic contact with leaders abroad. Because of my position, I have endured the slings and arrows of my critics, who espouse a less direct, noncommunicative approach.

The efficacy of contact rather than noncommunication is reflected in the current peace talks in Angola. President Mobutu, who, I have been criticized for having a dialog, orchestrated the peace signing agreement. President Mobutu was also successful in getting President Moussa Traore of Mali, the current chairman of the Organization of African Unity (OAU) and President Kuanda of Zambia, past chairman of the OAU to participate in the summit conference. Other African leaders who participated in this summit included President Ibrahim Babangida of Nigeria and the heads of state of Burundi, Chad, Central African Republic, Rwanda, Botswana, Mozambique, Gabon, Cape Verde, Guinea-Bissau, Cameroon, Sao Tome and Principe, Congo and Zimbabwe.

These monumental events and the possibility of peace in southern Africa would not have been possible without ongoing contact and dialog.

COMMEMORATION OF A GREAT AMERICAN STATESMAN, GEN. WILLIAM A. PILE

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MOORHEAD. Mr. Speaker, I take great pleasure in bringing to the attention of my colleagues in the U. S. House of Representatives a memorial celebration in honor of Gen. William A. Pile, a man who stood for truth, freedom, and equality for all.

On July 4, 1989, residents of the city of Monrovia, CA, will gather together to remember General Pile. He was born in 1829 in Indianapolis, IN, and although he came from an agricultural family that possessed minimal economic resources, Pile succeeded in educating himself. He later became a teacher and ordained minister in his hometown.

Pile's career blossomed when he joined the U.S. Army during the Civil War. Known by his fellow soldiers as The Fighting Parson, Pile earned the rank of major-general. Following the war, he was elected to the U.S. Congress as the representative from the First Congressional District of Missouri. He further served our Nation as Governor of New Mexico, as appointed by Ulysses S. Grant in 1865.

Toward the twilight of his career the general dedicated himself to serving as a foreign diplomat. In 1871, he was asked to represent the United States as Minister Resident to Venezuela. General Pile ended his career as mayor of Monrovia, a city in my Congressional District.

Because of his contributions to our Nation, both at the local and national levels, General Pile has contributed much to our heritage. When one considers the difficult circumstances and lack of economic resources that General Pile faced in his early life, his accomplishments become even more remarkable. He realized the American Dream, so dear to all of us. General Pile stands not only as a prominent figure in American history, but also as the epitome of the self-made man—the person who overcomes formidable obstacles in the pursuit of success.

Mr. Speaker, as demonstrated through his achievements, General Pile lived as a man dedicated to serving others and our great Nation. I appreciate this opportunity to pay tribute to this man and to recognize him as a model of service that can inspire all Americans.

POST-ABORTION SYNDROME: AN INTRODUCTION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DORNAN of California. Mr. Speaker, I would like to call your attention to an excellent article published in the May 1989 A.L.L. About Issues magazine. In the article, Dr. Bob Markovitch reveals an aspect of abortion that many doctors and psychologists are confronting more and more today as a result of the millions of women who have undergone abortions. Numerous studies of the physical, emotional and psychological effects women experience after having abortions illustrate what health professionals have termed "P.A.S."—"Post-Abortion Syndrome".

Dr. Markovitch explains what P.A.S. is, who get it, when it occurs, what the signs and symptoms are and why it's not getting the attention it deserves. This heart-wrenching aspect of abortion demonstrates further that abortion is an American tragedy, a tragedy of two victims—the preborn child and the woman herself.

POST-ABORTION SYNDROME: AN INTRODUCTION

(By Bob Markovitch, M.D.)

Years ago, when the abortion controversy was only beginning in our nation, a prominent legal scholar was asked whether opposition to abortion would stop when enough women have had abortions. "Yes", he conceded, bowing his head, "and that will be the saddest day in the history of this country." Twenty years later in the slow march of time, it seems that this professor's despair may have come too early. The best laid plans of mice and men (and social planners) sometimes do go awry—in very painful ways.

We now know that many women have suffered from an inability or damaged ability to cope with life after experiencing abortion—what the average person would call a "nervous breakdown". These episodes of suffering are diverse and sometimes delayed, but patterns have emerged. Health professionals have named this group of symptoms "P.A.S."—"Post-Abortion Syndrome".

What is PAS? First, it is important to note that PAS is not the same as regret over one's abortion, or the belief that one's past decision to abort was a clear mistake. Women who regret their abortions often do suffer from PAS—but women who hold that their abortion was the right choice for them at the time are also numbered among the victims of this affliction. Secondly, while the basic definition of PAS is a damaged ability to cope due to the abortion experi-

ence, this syndrome may begin without the victim realizing that her current and past suffering originated in the abortion.

Who gets PAS? During the past two decades, some fifteen million women have experienced over twenty-five million abortions. A conservative estimate based on the medical literature is that five to ten percent of these women have suffered PAS at some time in their lives. This would calculate to roughly one million victims.

Certain women appear to be at a higher risk for this condition, or for particularly severe forms of it. Women who experience multiple abortions often get more severe forms of PAS. Women who have coping problems before the beginning of the aborted pregnancy have a higher risk of PAS, as do women who undergo immense stress during the time of the abortion decision. Additionally, abortions may be more damaging to a woman's health when performed late in a pregnancy; and physical health problems and infertility following an abortion may also complicate the mental health picture.

When does this condition occur? The timing varies from immediately following the abortion to very late in life, but a large percentage of the victims begin to suffer within the first several years after the abortion. Half of the victims will have time-specific symptom patterns. Some of these are termed "anniversary reactions" and occur each subsequent year around the baby's due date (had it lived till birth), or around the date of the abortion procedure itself. Less frequently, the victims suffer with each menstruation or with a future pregnancy. Other women suffer without a detectable time pattern.

What are the signs and symptoms of PAS? Anniversary reactions are common, as described above. The "atonement child" phenomenon is also frequently seen: a woman becomes pregnant again shortly after an abortion, but this time she carries the child to a peaceful birth—to makeup for her previous decision. "Phantom Child" phenomenon is also observed—recurrent disturbing images of the aborted child in a victim's dreams or fantasies. Unpleasant reactions to certain triggering phenomena are also noted—these "triggers" may be the sound of a vacuum cleaner, a certain color of automobile similar to the one used on the day of the abortion, or the accidental coincidence of a housewife who picks up five forks to set a table for her family of four.

Many women begin to suffer in response to a stimuli or events which break down or neutralize psychological denial of their abortion, thereby robbing them of the "protection" of their inaccurate, idealized view of the abortion experience. Suicidal thoughts and actions, and uncontrollable emotional states which lead to child and spouse abuse, are frequently seen. Abortion may also lead to other recognized illnesses in a victim: Depression, anxiety disorders and drug and alcohol abuse are among the more frequent problems; psychotic breakdowns are much more rare, but do occur.

Medicine, through research, consensus meetings and specialty committees, recognizes a specific set of mental health disorders. PAS is not yet among them. But many researchers now agree that PAS is markedly similar to an already recognized condition, Post-traumatic Stress Disorder; and, significantly, authoritative sources point out that this disorder may be caused by serious harm to one's children, or by experiencing the killing of another person through physical violence! Why is PAS not recognized?

The complete answer involves a number of factors. First of all, a victim's denial and avoidance prevent others from learning about her problem. This natural response to pain and suffering prevents a PAS victim from talking about her condition—especially to those involved in causing it: members of the medical profession. Secondly, most of the investigation into post-abortion psychology has been done by abortionists, or by those who cooperate in providing abortion or making it available. Such people are naturally inclined to investigate the positive results of the abortion experience, and their subjects naturally do not want to face the painful aspects of their ordeal in front of an involved authority figure.

In addition, abortion enjoys a privileged position in contemporary "medical ethics." It is an "elective procedure" to an extreme degree—the mother decides that the abortion is medically indicated, and the physician is required to cooperate. This includes the ethical duty of a family doctor to offer abortion as a reasonable alternative and to refer for abortion, as well as the duty of a gynecologist to perform an abortion. The physician is ethically "free" from the "burden" of acting in the best interests of the patients (for both of them), and free from responsibility for the turmoil that follows. Let the mother decide—and let her bear the consequences! The ethical abandonment and neglect by the medical profession of their preborn patients has now come full circle to victimize the women as well! In this brave new world there is no duty to heal, or even to research, a woman's suffering.

Finally, all of us, including health care professionals, are influenced by the cultural and societal beliefs of our generation. Many people view abortion from a broad historical perspective. Abortion is seen as a prize fought for, a right defended in two decades of political battle, the key to equal career opportunity, equality between the sexes and full citizenship for every woman. Can such a great gift possibly cause a mental disorder?

Still, abortion has been a mass phenomenon in this country for only twenty years—a very short time in the history of medicine—and still will surely reveal its true nature. Indeed, Post-traumatic Stress Disorder (the diagnosis so similar to PAS), was itself recognized as a genuine medical condition only as recently as 1980, though many began to discern its presence in survivors of the last world war.

Yes, time will reveal, and tomorrow's victims of PAS will be the beneficiaries of a more sensitive, humane and informed healing. For today's victims this day cannot arrive too soon, and those of us who have observed this tragic affliction can work to help this vision of healing become reality. For the victims who have gone before us, we can only pray to God that He will grant His mercy to those whose psyches were offered up in sacrifice on the altar of "choice."

TRIBUTE TO VICE ADM. ED MARTIN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SKELTON. Mr. Speaker, I stand today to pay tribute to a good friend and a great American, Vice Adm. Ed Martin, who recently retired after a distinguished career in the U.S. Navy.

The people of Savannah, GA, have reason to be proud of their native son, who in 1950 went off to the U.S. Naval Academy in Annapolis. He became a naval aviator, and was a combat flight instructor until 1961. In 1965 he graduated from the Naval War College. Shortly thereafter he received a master's degree in international affairs.

After serving in Vietnam, where he was a prisoner of war from 1967 to 1973, Admiral Martin returned to the States to become a student again, this time at the National War College, where he graduated in 1974. In 1987, Edward Holmes Martin was designated Vice Admiral of the U.S. Navy and appointed Commander of the Sixth Fleet. He also spent time in London as Deputy Commander and Chief of the U.S. Naval Forces in Europe. He most recently served at the Pentagon as the special assistant to the Chief of Naval Operations.

It is an honor to pay tribute to Vice Admiral Martin. I extend my sincere wish that Ed and his wife Sherry find comfort and enjoyment in his retirement.

WHAT IT MEANS TO BE HISPANIC

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ORTIZ. Mr. Speaker, I rise to once again commend Marisa Perales, an outstanding young woman from my hometown, Robstown, TX. Marisa recently won a scholarship through a national essay contest on "What It Means To Be Hispanic." Marisa, age 17, is a junior at Robstown High School and hopes to attend law school. I encourage each of my colleagues to take a moment and read the following winning essay. I believe it truly represents what it means to be Hispanic.

WHAT IT MEANS TO BE HISPANIC

As I walk up the sidewalk to the small, wooden house surrounded by beautiful, colorful flowers, my grandparents are already waiting for my family and me on the front porch. "Hi, Huelo and Huela," I say as I embrace my grandmother first, then my grandfather, giving each of them a peck on the cheek. "Hi, mija!" they respond. My grandmother, a pleasantly plump woman in her mid-sixties with short gray hair, gently pats my behind as she hurries me along inside the house.

The interior of the house is decorated with pictures of grandchildren everywhere. While sitting on the worn couch covered with crocheted furniture covers, I spot the large picture of myself in a quinceanera dress on the opposite wall. The picture brings back many pleasant memories of that special day when I turned fifteen. It represented the day that I entered maturity and womanhood. I remember the traditional mass and the beautiful Spanish music sung by the choir. Afterwards, my friends, my family, and I celebrated at a festively decorated dance hall. We danced to the Spanish music of a live band. It was such a memorable evening!

"Food's ready!" My grandmother's loud voice brings me back to the present. As I ap-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

proach the kitchen, a pleasant aroma greets me. "Mmm," I say, "what did you make for lunch, Huela?" "Arros con pollo y tortillas," she replies. "Oh, I just love chicken and rice." We all gather around the kitchen table with the vinyl table cover to say a customary prayer before we eat. My father recites a short prayer in Spanish that I do not completely understand. We then sit down to eat off of the plastic plates that do not all match and drink tea from glasses of different sizes. The picture of "The Last Supper" adorns the main wall of the eating area. My parents and grandparents make casual conversation entirely in Spanish while we eat. My grandfather asks how I'm doing in school and I see his face beam with pride as I tell him I made the honor role. He pulls a dollar bill out of his pocket and hands it to me as a small reward. I first refuse telling him, "No, really, I can't accept it." However, after enough persuasion, I gratefully accept it and give him an affectionate hug in return. Although a dollar may not seem like much, I know it comes from the heart.

My parents have returned to the living area where my grandfather has turned on the old radio to a Spanish station. My grandmother has put on her floral-print apron over her loose fitting dress and has begun to wash the dishes while I just stand and stare out the backdoor window. I giggle softly to myself as I see the striped boxer shorts hanging out on the clothesline. When I think about it, I realize if my mother hung out underwear and clothes outside, I'd be terribly embarrassed. I also realize we hardly ever listen to Spanish music at home and I would be thoroughly humiliated if my mother placed covers over our furniture. However, it doesn't seem unusual to see it here at my grandparents' house.

Although the traditional Hispanic customs are disappearing in today's society, the values and the morals that my grandparents and parents have taught me will continue to live through my children. My parents, who are both successful, have raised me in a home where Spanish is seldom spoken, but it is always appreciated and respected. Both my parents were brought up in a home where not much more was offered than food to eat and a warm place to sleep, but there was always an abundance of love. It was a home in which religion and education were highly regarded. All of these Hispanic customs and morals that I value so much represent what being Hispanic means to me. These are the things that make me a truly unique individual.

"Honey, are you ready to leave?" I hear my mother ask. "Oh, yes, I am," I respond as I drift back to reality. While standing in the front doorway ready to leave, I feel the love pour out of each of my grandparents when we embrace. Again I kiss each of them and say, "Adios! Te amo Huelo y Huela. I love you!" as I slowly head toward the car.

THE REPUBLIC OF ZAIRE'S EFFORTS TO PRESERVE THE AFRICAN ELEPHANT

HON. JOHN R. KASICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. KASICH. Mr. Speaker, I have become increasingly concerned about the plight of the African elephant and I have recently introduced legislation designed to stop the slaughter of these magnificent beasts by poachers. Although the Bush administration has recently announced a domestic import ban on ivory products as a means to protect the elephant, international cooperation to stop ivory trading must be made if the trend toward extinction is to be reversed. I would like to share with my colleagues what one African country, the Republic of Zaire, is doing to help end the illegal poaching that is devastating African elephant populations throughout the continent.

With one of the largest elephant populations in the world, the Republic of Zaire considers these creatures and their ivory to be one of the greatest natural resources. Considered to be a progressive force in the field of nature conservation in Africa, Zaire has declared war on illegal poaching within its borders. Although Zaire is a poor country, President Mobutu is doing all within his power to guarantee the security of these majestic animals.

Under the direction of Mr. Mankoto ma Mbaelele, the Zairian Institute for Nature Conservation has administered the Garamba National Park in northeast Zaire which provides safety for 10,000 elephants. A paramilitary force patrols the park in order to combat well-armed poachers that are as dangerous to park rangers as they are to the elephants they indiscriminately kill.

In addition, Zaire has recently joined several other African states in calling for an end to the international ivory trade. This courageous action by a legal ivory producing nation has clearly shown that the people of Zaire are committed to preserving an important part of their heritage.

Although the actions of Zaire are highly commendable, far more international cooperation is needed between Western, Asian, and African governments in order to stem the flow of elephant tusks out of Africa. Since the early 1980's, the price of ivory on the world market has risen from $25 to $100 per pound. The price will continue to rise as poached ivory becomes more valuable due to dwindling herds becoming better protected. Therefore, more efforts must be made to control the trade of ivory from the demand side as well as the supply side. Educational campaigns must be started to equate ivory bracelets and figurines with the death of one of the most extraordinary animals on Earth.

Zaire cherishes its elephant population. Now other nations must show the same determination. The assistance of the United States and all other nations of the world is needed in order to save the African elephant from extinction.

THE PLO'S ELECTION PLAN

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CROCKETT. Mr. Speaker, I would like to share with my colleagues an article entitled, "The PLO's Election Plan," which appeared in the Washington Post on May 21, 1989. In that article, Bassam AbuSharif, a special adviser to PLO Chairman Yasser Arafat, outlines his organization's support for free and fair elections in the occupied territories.

As we continue our consideration of the foreign assistance authorization bill, I would hope that my colleagues would keep the views expressed in this article in mind. I, therefore, ask that it be included in today's CONGRESSIONAL RECORD.

[From the Washington Post, May 21, 1989]

THE PLO'S ELECTION PLAN—ARAFAT'S TOP AIDE RESPONDS TO SHAMIR'S PROPOSAL

(By Bassam AbuSharif)

The Palestine Liberation Organization supports the holding of elections in the West Bank and Gaza to choose representatives freely and democratically. But we Palestinians are in favor of a truly democratic choice—not a sham democracy.

We think the election plan proposed by Israeli Prime Minister Yitzhak Shamir is an example of sham democracy. It is a trick aimed at ending the intifada and a legitimizing Israeli occupation. And as long as Israeli election proposals remain vague and separate from the final objective of the right of Palesinians to self-determination, they will be nothing but a device for perpetuating Israeli occupation.

The only genuine form of democracy is that practiced freely without restrictions, threats or any form of intimidation. That is not possible today in the West Bank and Gaza, where any gathering, even of only five people, can be broken up with bullets. Nor is it possible at a time when Palestinians who try to practice their right to freedom of expression are liable to prosecution. Under the rules of occupation, as enforced by the Israeli army, it is illegal for Palestinians to engage in political activity, to campaigns, or even to express their national feelings and beliefs.

Another condition for free democratic choice is a set of rules that safeguards those elected. History shows many tragic examples when the results of democratic elections have been eradicated by army intervention. The most recent case is Panama, where the army brutally annihilated the election result and democracy itself.

In occupied Palestine, past experience with elections has been even more tragic. In 1976, the PLO agreed to elections for the West Bank municipal councils. Of the 116 candidates elected by the Palestinians, 96 were PLO supporters. Israelis tried to assassinate three mayors: Bassam Shaka's, Karim Khalaf and Ibrahim Attawil. Shaka's legs were amputated after attackers planted a bomb in his car. Khalaf lost his foot when a bomb exploded in the car he was driving and he later died of gangrene. Attawil escaped death when he discovered an explosive device in his car.

Two other mayors, Mohammed Milhem and Fahd Kawasmeh, were deported to Jordan. Israeli occupation forces then removed most of the elected mayors, including all the PLO supporters who had been elected by the people.

Now the situation is even more dangerous. Israeli soldiers have been deployed in the streets of cities in the West Bank and Gaza for 18 months—using live ammunition against men, women and children demanding freedom and democracy. These events demonstrate that unless a neutral force is present, the Israeli army may repeat the same behavior.

Our worries are supported by the words of Yitzhak Shamir, the prime minister of Israel, and Yitzhak Rabin, the defense minister of Israel and military governor of the West Bank and Gaza.

Rabin told the daily Ha'aretz on April 21: "We will send to prison any elected Palestinian who declares loyalty or affiliation to the PLO." Shamir informed Yediot Aharonot: "We don't need America's help to carry out the elections. We can control the whole process. We will not talk to the PLO. We have nothing to talk about with the PLO. And if the elected Palestinians will not abide by the rules of the game, we will cancel everything and return to the previous situation."

Shamir is not denying Palestinians their right to vote; he is just announcing that if they make the wrong choice, it will not be respected.

The intifada has shown that the Palestinians of the West Bank and Gaza are not "pro-PLO"—they are the PLO. This has been demonstrated as well to Dennis Ross, Secretary of State James Baker's envoy, by the group of Palestinians who met him in Jerusalem recently. This is why the PLO is not afraid of the results of free and democratic elections. And it is why the Israelis are afraid of those same results.

What Shamir is proposing clearly contradicts not only the principles of democracy and freedom upheld by the free world, but also the democratic principles of Israel itself. I do not believe that is what President Bush had in mind when he called for elections in the West Bank and in Gaza.

We believe that a package deal in the Middle East is the only path to lasting peace in the region. The Palestinians seek a settlement that will put an end to bloodshed in the area. They seek a comprehensive peace, not a truce. They are seriously committed to this goal, while Shamir and his government still cling to the same old expansionist dreams.

President Bush asked the PLO and Israel to reach a mutually acceptable formula on the issue of elections. This is important if we wish to keep the peace process moving forward in the Middle East. But the crucial point is this: President Bush repeated and emphasized that the Israeli occupation of Gaza and the West Bank must come to an end.

Here lies the key issues. It is only on this basis—of Israeli withdrawal—that steps toward peace can be negotiable and the final status of the West Bank and Gaza be clarified. The end of Israeli occupation is what the Palestinians are struggling for. Israeli withdrawal from these areas should be required by the rules of civilized human society.

Is Israel ready to withdraw from the West Bank and Gaza? Does Israel accept United Nations resolutions 242 and 338 calling for withdrawal from territories occupied in the 1967 war? Is Israel ready to cease resorting to the forms of state terrorism it uses against the Palestinians, including air raids on refugee camps in Lebanon?

These are basic questions, and the United States should attempt to get answers to them.

The Palestinians do not trust Shamir and his government. The casualties and sufferings inflicted on them by the Israeli occupation forces give them excellent reasons not to. But the Palestinians are ready to give the Israeli government the benefit of the doubt and to seek a package deal in the Middle East based on the principles of the initiative put forward by Yasser Arafat to the U.N. General Assembly on Dec. 13.

The substance of this package is the two-state solution. The state of Israel will live in peace side-by-side with the state of Palestine, which will be confederated with Jordan. An internationally guaranteed peace agreement will protect the interests of all parties including the Palestinians and the Israelis.

The process should comprise four interrelated steps:

A beginning of the withdrawal of Israeli forces and their replacement by international or multinational forces, according to an internationally assured timetable.

Election of representatives from the West Bank and Gaza to a legislative body of Palestinian people. The Israeli withdrawal need not be complete before elections are held, but Israeli soldiers and armed settlers should not be in any position to hinder or endanger voters. The elections should be monitored and observed internationally to guarantee freedom of choice and protection of those elected—so that they do not suffer the same fate as did those elected in 1976.

An interim period under international or multinational auspices. During this transitional period, the Palestinian legislative assembly will elect an executive body. That executive body will select a team to negotiate with Israel. The negotiations can begin on internal issues but must also consider substantive matters involved in a comprehensive settlement, such as borders and water.

Preparations for the convocation of an active, well-constructed international peace conference that will be convened on the basis of U.N. resolutions 242 and 338 and the Palestinian right to self-determination. The international peace conference should be convened within an agreed period of time that takes into consideration the deplorable conditions being endured by the Palestinians in the West Bank and Gaza. At this conference, all parties in the Middle East conflict can raise any question for discussion or negotiation.

The PLO wants a comprehensive peace that will safeguard future generations, both Palestinian and Israeli. The PLO will continue its efforts to establish such a peace in cooperation with all parties concerned.

CONSTITUTIONAL AMENDMENT TO PROHIBIT DESECRATION OF OLD GLORY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ROTH. Mr. Speaker, I, like many Americans, am outraged that the Supreme Court issued an opinion which allows the destruction of the American flag as a form of protest.

The 5-to-4 vote by the Supreme Court is an affront to every American. Since our proud Nation was founded, our flag has served as a symbol of freedom and democracy. Respect for our flag signifies the loyalty, respect, and commitment of the American people to our country and our way of life.

As a cosponsor of legislation to prohibit desecration of the flag, I applaud President Bush's call for an amendment to the Constitution to accomplish this goal. I look forward to working with the President to move swiftly to constitutionally ban actions which desecrate the flag.

The American flag, Old Glory, stands throughout the world as a shining symbol of freedom. Thousands of Americans have died on the battlefields around the world for the freedom that the flag embodies. Let's not cheapen the sacrifices of our veterans and the ideals of our forefathers by allowing the Supreme Court decision to stand.

We must protect the symbol of what this free country stands for. I strongly urge my colleagues to support an amendment to the Constitution which will accord the flag the respect and dignity it deserves.

LET'S DEDICATE THIS FOURTH OF JULY TO OLD GLORY!

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SKEEN. Mr. Speaker, today, I am introducing a resolution expressing the sense of the House of Representatives that next Tuesday, Independence Day 1989, be observed as "take pride in the flag day."

I—like many of my colleagues and fellow Americans—was deeply disappointed with the announcement last week by the Supreme Court of flag desecration. While our efforts to amend the U.S. Constitution to protect Old Glory are certainly worthwhile and commendable, I believe an overwhelming majority of Americans want to take action now to demonstrate their support and pride for the flag.

The American flag has carried the message of freedom to many parts of the world in our several battles for freedom over the past 2 centuries. The flag is the symbol of freedom and liberty throughout the free world.

My resolution encourages all Americans to display the flag on Independence Day at public celebrations, parades, fireworks shows, in their homes and during family outings. These activities will be in recognition of and in celebration of the great liberties and freedoms of our Nation for which generations of Americans have fought so hard.

Let's take pride in the flag by dedication this July 4 to Old Glory!

DIAL-A-PORN PREVENTION AND CORRECTIONS ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MARKEY. Mr. Speaker, today I am joining with Chairman DINGELL in introducing the Dial-a-Porn Prevention and Corrections Act of 1989. It is time for an end to partisan bickering and the beginning of effective action to once and for all protect children from the vile influence of pornographic phone services.

This legislation is a direct response to the Supreme Court's 9-to-0 decision last week in Sable Communications versus FCC, in which the Court struck down the attempt in the last

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Congress to ban all indecent telephone messages to adults and minors. The Court's decision was no surprise: Chairman DINGELL and I, among others, argued in the last Congress that the Court was likely to hold the legislation unconstitutional, and instead, we sought to implement a technologically feasible and constitutionally permissible approach to keeping dial-a-porn away from children. At every turn, the alternative was rejected in a sea of rhetoric. But the tide has turned, and now is the time to move forward toward a real-world solution to this problem.

Mr. Speaker, the lessons of the last Congress on this issue should by now have taught that empty symbolism is no substitute for effective, constitutional action. In fact, one member of the minority predicted on February 17, 1988, that if Congress adopted the total ban on obscene and indecent telephone speech, "we would still not be closer to a solution of the problem, because immediately the purveyors of these [dial-a-porn] messages would go into court and get a restraining order, and then it would be litigated for not days or months but years before we got a solution, and maybe we would get the one we sought and maybe we would not." Despite those warnings and others, such a total ban was enacted, and now we find ourselves here more than 1 year later with no effective approach to protecting minors.

Mr. Speaker, this legislation reflects both the results of the Supreme Court's decision and the same technological approach employed last year in the conference report to H.R. 5, the Elementary and Secondary Education Act. First, the bill would maintain the current prohibition against the provision of any obscene speech. This is consistent with the Supreme Court majority's view that the Constitution does not protect obscene speech and that banning such speech over the telephone does not create an impermissible national obscenity standard.

The second element of the legislation would prohibit the provision of indecent communications to minors and would require that any indecent speech be provided only when a telephone customer subscribes in advance to receive the product in their home. In other words, if you want smut to come into your home over the telephone, you have to beg for it. There would be no permitted unauthorized intrusion of dial-a-porn anywhere. In the last Congress, this technological approach was endorsed by the National Parent Teachers Association, and the United Council of Churches. It was recognized as acceptable by the regional Bell Operating Companies, by AT&T, by GTE, the Information Industry Association, and the American Civil Liberties Union.

The legislation reflects the input received from testimony in the 100th Congress before the Subcommittee on Telecommunications and Finance that there are in fact feasible, technical solutions to the dial-a-porn problem which can quite effectively restrict access to these services by children. This was the view expressed by representatives of NYNEX, the Federal Communications Commission, the Department of Justice, and the American Civil Liberties Union. According to the Supreme Court's Stable decision, the absence of any factual record indicating that technology could not solve the dial-a-porn problem was a critical factor in invalidating the total ban. Such a ban oh indecent speech was not narrowly crafted to protect first amendment rights of adults.

Mr. Speaker, it is time for the mindless shouting to end and the time to wipe out the scourge of the pernicious preying upon innocent children. With this legislative approach, Congress can finally and effectively provide a resolution of this obnoxious problem. I urge my colleagues to support this legislation.

LAKEWOOD, OHIO, CELEBRATES ITS CENTENNIAL

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Ms. OAKAR. Mr. Speaker, throughout 1989, the citizens of Lakewood, OH, are celebrating the centennial of their community. In 1805, the area that is now Lakewood, the first suburb to the west of Cleveland, was designated "Township 7, Range 14" of the Western Reserve of the Connecticut Land Co. James Nicholson, the first permanent settler, built a log cabin there along the Detroit trail on 300 acres of land, not far from the Rocky River. Others, attracted by plentiful water, woods, and game, built similar cabins along the same trail that became known as Detroit Road. The early settlers farmed the land, built schools and churches, and soon replaced the log cabins with stone houses, establishing a growing community they called Rockport. A toll road, made of planks, was constructed to ease transportation from Cleveland to the Rocky River and more families came. By 1870, there were more than 90 families living in the community.

The plank road attracted customers to the inns and taverns that were established along Detroit Road, while the Rocky River and Lake Erie attracted summer residents to the western sections. At the eastern edge of town, the National Carbon Co.—now the Union Carbide Co.—built a factory and established a housing allotment to build homes for workers. By 1889, streetcars from Cleveland helped to transform the farmland community of Rockport into a suburb. The area was renamed the Hamlet of Lakewood, with its own police department. In 1902, a fire department was established and in 1907, a hospital was opened. By 1911, the population had gro m to 3,500 and Lakewood became a city, "the City of Homes," a name that has characterized the community for the past 100 years.

The Lakewood of 1989 is a friendly, family oriented city of 62,000 with a wide range of services and amenities, including 35 churches serving 16 denominations, 2 public libraries, 14 public and 8 private schools, more than 50 cultural organizations, a distinctive cultural arts center, a full range of sports facilities, and a modern medical complex.

To commemorate its centennial, Lakewood has an exciting calendar of events that began with a centennial ball that was held in the Lakewood Armory on January 28 and will culminate with events throughout the summer, including a 3-day Hometown Pride Weekend, July 28 through July 30. The weekend will feature a big parade, picnic, hometown band concert, and fireworks. In August, the city will host the Lakewood Arts Festival and in September the Lakewood Community Festival.

I would like to congratulate Lakewood and its fine citizens on their centennial and commend Mayor Anthony Sinagra, the Lakewood City Council, and other elected officials for the fine job they have done to make Lakewood one of the finest communities in America.

TRIBUTE TO NEW JERSEY STATE ASSOCIATION OF CHIEFS OF POLICE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. COURTER. Mr. Speaker, I rise today to commend the fine work being done in my home State of New Jersey by the New Jersey State Association of Chiefs of Police. The association has done much over the years to improve the quality of life for the citizens of New Jersey and ensure them the best possible law enforcement.

The association provides the law enforcement community with an organization whereby valuable enforcement innovations can be shared all across the State by every police force. The association has become an essential bridge between our chiefs, who are struggling to fight crime in our neighborhoods and the sale of drugs on our streets. I applaud the efforts of the association and take this opportunity to thank its membership, on behalf of all New Jerseyians, for their dedicated service.

Mr. Speaker, I would like to specially recognize this year's outgoing president, Chief R. Bruce Phillips of Holmdel, NJ. Chief Phillips has certainly done much to further the association's mission during his service as president. I would also like to offer our best wishes to our new president, Chief Anthony Parenti of Fanwood, NJ, as he takes over at the association. The residents of New Jersey can be thankful that when such a distinguished man as Chief Phillips steps down, we can call on another colleague with Chief Parenti's competence and dedication to duty.

A CONSTITUTIONAL AMENDMENT TO PROTECT THE FLAG

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. BILIRAKIS. Mr. Speaker, last week's Supreme Court decision permitting the U.S. flag to be burned in political protest is not a free speech issue—not at all.

Are we expected to believe that if we don't allow our national symbol to be burned, we are against free speech? Well, why don't we just open up the National Archives and tear up the Constitution and Declaration of Independence?

If the ideals and not the evidence are all that matters, why has this court decision raised such a cry of outrage from citizens throughout our Nation?

What kind of a message does it send when we are willing to stand by while our flag is burned in desecration? What does it say about us as a nation if we are content to watch the bright stars of democracy and the bold stripes of freedom defiled?

By protecting our flag we deny no one the right of agree speech or of peaceful political protest. To suggest that we do is to stretch belief to a bizarre length. On the contrary, by defending the flag we ensure that those rights never will be denied. All we ask is that the flag be accorded the same respect we accord to those who protest under the freedoms it symbolizes.

Generations of Americans have placed their lives on the line to keep old glory flying—many of them have fought and died to ensure that democracy and freedom would live on. To reduce the flag to a few yards of cloth—which I believe the Supreme Court's recent decision did—is to break faith with America's veterans and all those who made the ultimate sacrifice in its defense.

Last week, I introduced legislation proposing a constitutional amendment giving the Congress and the States the power to declare the desecration of the flag illegal and to set applicable criminal penalties.

Sixty-nine percent of Americans recently polled by "USA Today" support a constitutional amendment to protect the flag. Another poll by Newsweek magazine found that 63 percent of Americans polled disagreed with the Supreme Court decision.

This 101st Congress should waste no time in restating for history that the American flag is more than just a few yards of cloth without greater meaning.

PERSONAL EXPLANATION

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ROWLAND of Georgia. Mr. Speaker, on Friday, June 23, 1988, I was unavoidably absent, missing two rollcall votes, due to a previous speaking engagement before the Kiwanis Club in Waycross, GA. Had I been present, I would have voted "yea" on rollcall 106, the passage of the Journal, and "yea" on rollcall 107, on H.R. 2402, to concur in the Senate amendments to Emergency Supplemental Appropriations for Veterans' Programs for fiscal year 1989.

TRIBUTE TO SAMUEL LAWSON

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. GEPHARDT. Mr. Speaker, it is with the greatest respect and admiration that I rise today to honor a man who has given tirelessly to the cause of education in my State and district for the past 42 years.

I speak of Mr. Samuel G. Lawson, who has served as treasurer of the St. Louis Board of Education since 1965. Under his auspices, funds for my city's youth and future have been well-cared for. With gratitude, Missouri and St. Louis must bid a fond farewell as he retires from the education field.

Mr. Lawson holds an associate's degree from Harris Junior College and a bachelor's degree in science from the University of Missouri, as well as a master's in education from that institution. In addition to these, Sam received his doctorate degree in education from Harvard University in 1960.

Upon graduation, he took his first position as instructor at Francis Howell High School in St. Charles, MO in 1947. He continued his distinguished career as principal of Montgomery City High School in 1949 and as counselor at McKinley High School of St. Louis in 1952. It was with great respect that the board of education welcomed him as budget analyst in 1955 and as director of education in 1960. It was in 1965 that he took his current position with the board, as treasurer.

Mr. Speaker, in addition to this excellent service to his profession he has donated countless hours to youth groups and to service organizations is his community. Sam has served as a trustee for the YWCA and as a retreat captain for St. Raphael's Church. As well as having the strengths of his work he has a loving family of four. Sam and his wife, Dorothy, have two sons, Craig and Mark, and a daughter, Joan.

Mr. Speaker, I appreciate this opportunity to thank Mr. Lawson for giving his all to the field of education. With his help, direction has been given to many of our youth and strength for the future has been given to America. It is with great pride that I invite you and our colleagues to join me in saluting Samuel Lawson, who through his efforts has made our Nation a better, more educated place in which to live.

TRIBUTE TO REV. HERBERT DANIEL DAUGHTRY, SR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. TOWNS. Mr. Speaker, It is a distinct honor to pay tribute to a man who has spent 30 years in tireless service to his church and community. Rev. Herbert Daniel Daughtry has devoted over half of his life to the cause of improving the spiritual and economic well-being of all people and promoting religious tolerance and understanding between people of all creeds around the world. His quest has led him to meet with the Pope and to address the United Nations on two separate occasions. Reverend Daughtry maintains his active record of service while pastoring at the House of the Lord pentecostal Church in the 11th Congressional District of New York.

Reverend Daughtry is a religious scholar and lecturer who has spoken and studied in Africa, Asia, the Middle East, Europe, and the Caribbean. In addition to lecturing abroad, Reverend Daughtry has spoken extensively at college and university campuses in this country including the sesquicentennel celebration of the Virginia Theological Seminary. He has also received numerous citations and awards from educational institutions including a doctor of humane letters degree from Seton Hall University.

In addition to his teaching and speaking in academic circles, Reverend Daughtry has been actively involved in his community through activities designed to assist those individuals traditionally forgotten by society. In his mission to work among the "least of these" he has worked with and held leadership positions in such diverse organizations as the Brooklyn Congress of Racial Equality, Operation Breadbasket, Welfare Rights Mothers, Ministers Against Narcotics, and Bedford-Stuyvesant Youth-In-Action.

Realizing that the solution to entrenched urban problems often require political solutions, Reverend Daughtry played a key role in organizing the National Black United Front and serves on the board of directors of the Rainbow Coalition.

Moreover, recognizing the need to expand his ministerial outreach, he has been the principal speaker on a weekly radio program serving the New York area for over 14 years while simultaneously fulfilling his pastoral duties at the House of the Lord Pentecostal Church.

It was a recognition of his diverse and multifaceted activities and devotion to the community that the Honorable Percy Sutton, then Manhattan Borough President, proclaimed November 19, 1977, as "Reverend Herbert Daughtry Day" in the borough of Manhattan.

I take great joy in adding my voice to the many others who have saluted Reverend Daughtry on his years of unselfish and unwavering service to the Brooklyn community over the past three decades.

THE SUGAR PROGRAM AND U.S. FARMERS

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mrs. MARTIN of Illinois. Mr. Speaker, opponents commonly claim that the U.S. sugar program only serves a few thousand large-scale beet and cane farmers. That ignores the program's most important benefit—the defense it provides against heavily subsidized foreign sugar exports—which is vitally important to the U.S. corn economy.

It's no secret that in recent years, corn prices have been desperately low, and corn farmers have been hard-pressed to turn a profit. It's less well known that studies show the demand for corn sweeteners contributing 25 cents per bushel to the price of corn. That boost affects all corn farmers, not just those whose corn goes directly into corn sweeteners.

For a typical corn farmer, planting 350 acres and producing 120 bushels per acre, the price boost from corn sweetener demand increases farm income by $10,500 per year. In

a lean year, that can be the difference between making a profit or taking a loss.

In the 239 counties that harvest at least 10 million bushels of corn or more per year, the price boost from corn sweetener demand pumps an additional $2.5 million to as much as $13 million into the county economy.

Without the sugar program for defense, abusive foreign subsidies and sugar dumping would undermine the U.S. sugar producers and the U.S. corn sweetener industry. As corn sweetener use declined, farmers would lose a critical market. At the same time cane and beet acreage would shift to corn and soybeans, further depressing prices for feed grains and costing the United States. Depressed corn prices would also cost the U.S. Treasury more for feed grain prices supports. One study has shown that U.S. corn producers and the U.S. Treasury would have lost $11.5 billion from 1982 to 1985 in the absence of the U.S. sugar program.

The sugar program is vitally important to 1.3 million corn producers and to rural economies across the Corn Belt. Until we get international sugar policy reforms, we must maintain the U.S. sugar program.

A TRIBUTE TO THE WILLIAMSTOWN THEATER FESTIVAL CELEBRATING ITS 35TH ANNIVERSARY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CONTE. Mr. Speaker, I would like to pay tribute to a true institution, the Williamstown Theater Festival in my district, which will be celebrating its 35th anniversary this summer.

In 1974 the drama critic for the New York Times wrote: "Many of the finest actors and actresses in America have appeared in many of the world's finest plays at the Williamstown Theater Festival." That was during the festival's 20th year. And this year, in June, July, and August, this extraordinary haven for artists in the Berkshire Hills of western Massachusetts is marking its 35th anniversary season—a run virtually unmatched by any theater in America.

This joyous occasion is touched with sadness, for the man who cofounded the theater in 1955 and guided it through 1988, Nikos Psacharopoulos, passed away this past January. He took the festival—known all over this country as WTF—from tentative summer stock beginnings; nurtured it; brought in the most talented actors, directors, designers, and playwrights even as he sent new good ones into the world. His legacy is the festival's critically praised main stage, its apprentice workshop, its exciting other stage, its cabaret, new play readings, and popular outdoor free theater, all attended by well over 50,000 people every summer.

Now the torch has been passed. Nikos took a building and created a great theater, a place where thousands of people wanted to work and to grow far from commercial pressures. This 35th anniversary season will look back to his achievements and forward to a future of many more. In a region blessed with fine music at Tanglewood, fine dance at Jacob's Pillow, and fine art at a score of museums, the Williamstown Theater Festival has become a hallmark of fine drama. I speak with pride to the Members of Congress and hope that you will join me in a salute to an extraordinary institution.

WILDERNESS LOSES POPULARITY AS BABY BOOMERS HAVE KIDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. YOUNG of Alaska. Mr. Speaker, this year marks the 25th anniversary of the 1964 Wilderness Act, and many are celebrating its passage. However, the system may be a victim of its own success. Originally set up for a system of less than 20 million acres, it now exceeds 90 million acres. Now visitation is going down quickly as baby boomers grow up, take gainful employment and have children. As a result, many wilderness areas throughout the country cannot be enjoyed by the public, which is turning to motorized camping, rather than backpacking. Under law, the only way to get into a wilderness area is to walk or paddle. No cars, campers, bicycles, or even wheelchairs are allowed. That is tough to do for those with children. A recent article in the Los Angeles Times illustrates this emerging trend in recreation, and I ask that it be inserted in the RECORD.

[From the Los Angeles Times, May 31, 1989]

CALL OF WILD FADES FOR BABY BOOM

(By Kevin Roderick)

YOSEMITE NATIONAL PARK.—It's a chilly, drizzly Friday in May, yet Yosemite Valley is packed. Station wagons and RVs block the one-way road in, the occupants craning to see Bridalveil Fall spill toward the Merced River. Every campground is full, and tourist mobs tromp over meadows and surround hapless chipmunks.

This is spring in Yosemite, 75 years after John Muir's death. Come summer, when most of the park's 3.2 million yearly visitors will motor in, the sense of Yosemite as paradise lost will loom even stronger.

But 10 miles away by trail, in the High Sierra backcountry where Yosemite's famous falls begin as icy creeks, hikers who know where to go will escape the summer onslaught, and without encountering the crowds that streamed into the wilderness in the 1980s.

PATH LESS TRAVELED

Backpacking into mountain wilderness is losing popularity throughout the Sierras and the West, leaving many high-country areas less traveled than at any time since the baby boomers left college.

Permits and the irritant of many packpackers—reservations—are still required on popular trails. But aficionados say there is less chance of lugging 40 pounds of food, water and equipment through black bear habitat for a week, only to share a pristine meadow and trout stream with loud radios and beer guzzlers.

More people than ever are visiting the West's mountain national parks, but they are staying in motel rooms and campgrounds reachable by car. It's the American pastime of roughing it that has lost its allure for thousands who purchased lightweight tents and down sleeping bags and slogged up to the tree line in the 1970s.

"That is the case not only in the Sierras, but throughout the Pacific Northwest and the Rockies as well," said Doug Morris, chief ranger at Sequoia-Kings Canyon National Park. "There's just fewer backpackers."

SEVEN PEOPLE IN A WEEK

Two summers ago, Morris strode out of Kings Canyon and walked for a week along the John Muir Trail, a remote but highly publicized, well-worn route that snakes through the High Sierra. "I only saw about seven people," he said.

In the late 1970s, he might have heard the footfalls and jangling camp stoves of dozens of backpackers in a week on the trail. But the National Park Service says backcountry use peaked in the 1970s, and the favorite theory to explain the drop in wilderness use points to the cultural force behind so many recent changes in American life.

"We don't have any hard statistics, but we think it's the aging of the baby boom," said John Poimoroo, who keeps track of changing wilderness use for the Yosemite Park & Curry Co., which operates lodging and high-country camps in Yosemite.

Wilderness camping has always been savored by a small, loyal subculture. But backpacking's surge came when it was taken up, in college and after, by a fair slice of the 76 million Americans born between 1946 and 1964. Now they are moving on to less demanding recreations that better accommodate careers and families.

In 1979, about 2.4 million people slept out in National Park wilderness areas, compared to 1.6 million last year. In Yosemite, backcountry use peaked in 1975 at 79,000. Since 1980 no more than 60,000 have trekked into the wilderness except for last year, when a mild winter and warm spring permitted an unusually long high-country season.

At other Western parks, the drop has continued, even as overall visits increase. In Lassen National Park, there was a 4 percent increase in visitors last year, but a 12 percent drop in backcountry camping despite dry, warm weather. At Rocky Mountain National Park in Colorado, the backcountry was visited by only about 32,000 people in 1987, fewer than half the number who packed in at the peak.

BACKPACKER TIED DOWN

Steve Harder, manager of the REI mountaineering store in Carson, used to backpack regularly, but now is an example of a wilderness hiker who cannot get away as he did before.

"Now I have a 1-year-old and a 5-year-old, and my camping is rather limited," Harder said.

Some disappearing backpackers may also be choosing their wilderness experiences with more care. Instead of spending two weeks hiking familiar trails in the High Sierra, many are heading off to Nepal and Thailand for more exotic trekking.

"You get all the extraordinary views—you think the Sierras are big until you see the Annapurna range," said Donna Bojarsky of Los Angeles, who recently returned from trekking in the Himalayas. "The other advantage is you get to see a different culture. You see people farming the same way they have for thousands of years. It's just an amazing cultural experience."

At alpine elevations in the High Sierra, the plants are fragile and the growing seasons short, so nature is slow to repair human damage. But with fewer people passing through, some meadows and the ponds formed by glacial moraines are reverting to something like the state Muir may have seen when he hiked the High Sierra in the early 1900s.

In the Yosemite backcountry, away from the valley and the trans-Sierra highway that lets motorist campers drive to Tuolumne Meadows at 8,600 feet, true solitude may still be elusive, but there are fewer annoyances to spoil the days.

You don't have as many people doing something irritating like washing their hair in a stream," Yosemite ranger Mallory Smith said.

Even so, trails that have been longtime favorites remain too crowded for purists. "People say the John Muir is more of a freeway than ever," said Sandy Sans, an outfitter and guide with Sierra Adventures in Mountain View.

"I get complaints all the time," said Larry Cash of Eugene, Ore., who has hiked for many years along the Pacific Crest Trail, which follows a 2,400-mile route from Canada to Mexico, much of it in the Sierra and Cascade ranges.

The Mt. Whitney Trail up the east face of the Sierra from Owens Valley is limited to 50 overnight campers a day, and reaches its quota most days from May into October, U.S. Forest Service ranger Charlie Robinson said.

At Grand Canyon National Park, the number of campers packing down into the canyon has begun to rise again in the last two years, perhaps because the park has become immensely popular. The park's yearly visitor count has grown by 1.4 million since 1985, ranger Chuck Lundy said.

NEW GENERATION?

"We don't know if a new generation has discovered the Grand Canyon or what," Lundy said.

But magazines and outfitters that enjoyed the benefits of the backpacking boom are adapting to the shrinking hunger for wilderness trips.

Backpacker magazine is carrying more articles about family activities and short camping trips, close to cities, that can be accomplished in a few days. Managing Editor Tom Shealey said fewer readers have the time for 10-day treks into the deep wilderness.

"Back in the 1970s there were more college kids," Shealey said. "It seems like most of the people reading our magazine are older. They have family obligations, they have grass to cut, cars to wash."

Fewer retailers are stocking backpacking tents, sleeping bags and packs, leaving the equipment market to specialized outfitters such as REI, the membership co-op based in Kent, Wash., with 20 stores in 10 states.

Even REI has seen its customers change. They are growing older, and taking up new sports. About 75 percent of the bicycles sold at the Carson REI store are mountain bikes, Harder said. The store still carries hiking boots, he said, but "we also sell a lot of walking shoes."

Those who still venture into the wilderness are also demanding more services to make outings less strenuous. Guides and horse packers in the Sierras say they are getting more business from hikers, many of them longtime backpackers, who no longer want to lug full packs up into the high country.

"So many hikers want us to carry their stuff up for them," said Jody Winchester at Cottonwood Pack Station in Lone Pine, below the steep east face of the Sierra.

The ultimate in soft "roughing it" might be the chain of high-country camps in Yosemite, spaced about a day's walk from each other. The camps provide meals, showers and beds, so hikers do not need to carry heavy packs. They sell out in January every year for the coming summer.

"The High Sierra camps are as popular as ever," said Poimoroo of the Yosemite Park & Curry Co.

SUPREME COURT GIVES AMERICA BITTER BIRTHDAY PRESENT

HON. BILL GRANT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. GRANT. Mr. Speaker, today I'm angry, shocked, and disappointed that the highest court in the land, the U.S. Supreme Court, would incredibly stretch the Constitution to protect people who burn or desecrate the American flag in political demonstrations.

The justices, in voting 5 to 4 in the case of Texas versus Johnson, overturned the anti-desecration laws of Congress and 48 States. I believe this decision is an insult to the millions of Americans who have given their lives to protect freedom and liberty, the very ideals our flag symbolizes.

When people deface and burn the American flag, they also desecrate the memory of the marines who raised the flag at Iwo Jima and the soldiers who scaled the bluffs at Omaha Beach. Soldiers have died simply trying to prevent the colors from touching the ground, so fervently did they revere and worship the symbol of our Nation's honor and sovereignty.

If the ideals of liberty and equality are worth defending, and I believe they are, then so is the sacred honor of the American flag.

Previously, the Supreme Court has ruled that not every form of free speech warrants constitutional protection. For example, the first amendment guarantee of free speech does not permit a person to yell "fire" in a crowded theater. But now, you can burn and trample the American flag as a political statement. I say the desecration of the flag is done simply to inflame and anger patriotic Americans and has no other purposes.

The Supreme Court has spoken and their words are a bitter birthday present to our Nation. Now is the time for the American people to speak, through their elected representatives. My colleagues and I will immediately take steps to correct this highest form of American injustice and reaffirm the status our flag so richly deserves.

A CONGRESSIONAL SALUTE TO MARYLYN GINSBURG

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted many years of her life to the San Pedro community. On June 29, 1989, the San Pedro Peninsula Chamber of Commerce will be holding its 84th annual installation dinner. This occasion gives me the opportunity to express my sincere appreciation to outgoing chamber president Marylyn Ginsburg for her many years of hard work and unending commitment.

It would be hard to find a person more capable or knowledgable of San Pedro commerce than Marylyn Ginsburg. Her impressive educational background, coupled with her ownership of several San Pedro businesses, provided the San Pedro Chamber of Commerce with an outstanding leader over the past year.

Born in Schenectady, NY, Marylyn attended Syracuse University for both undergraduate and graduate school. She graduated with a B.F.A. in art education, magna cum laude, in 1956, and received her master's, also in art education, in 1957. As if a bachelor's and master's were not enough, she later attended Northrop University, school of law, and received her juris doctorate in 1981.

Marylyn began her career as an art teacher. She spent the years from 1956 to 1964 teaching art in New York, New Jersey, and then in California. She decided in 1964 to forgo her full-time teaching responsibilities to raise a family. She spent the next 16 years as a part-time art instructor and a full-time mother to her sons, Jeffrey, Daniel, and Gregory. In 1980, she launched a successful business career with her founding of Grand House Management Co. Her early business success led to the opening of two fine San Pedro restaurants, the Grand House, and the Whale and Ale.

While it would seem that Marylyn's restaurants would occupy all her time, this is clearly not the case. Aside from her business interests and active membership in the San Pedro Peninsula Chamber of Commerce, she is also involved in numerous other social and civic organizations. Among these are the Palos Verdes Chamber of Commerce, the British American Chamber of Commerce, the San Pedro Revitalization Corporation, the Soroptimist International, the Rotary, the South Bay Women Lawyers, as well as many support memberships for civic, music, art, theater, horticultural, and environmental organizations.

My wife, Lee, joins me in extending our congratulations to this caring and giving individual on a job well done. Marylyn is a remarkable individual who has devoted her talents and energies to enriching the lives of so many other people. We wish Marylyn Ginsburg, her children, Jeffrey, Daniel, and Gregory, all the best in the years to come.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

IN MEMORY OF A MAN OF RECONCILIATION: JEAN-MARIE TJIBAOU OF NEW CALEDONIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LAGOMARSINO. Mr. Speaker, I was saddened to hear of the assassination of Jean-Marie Tjibaou of New Caledonia on May 4, 1989. A former priest, Tjibaou was the key leader who advanced the resolution of the decades old self-determination struggle of the people of New Caledonia by signing a peace agreement last year with French Prime Minister Michel Rocard. While violence was advocated by militant separatists as a means to achieve independence from France, Mr. Tjibaou used diplomacy, dialog, and the political process to gain recognition of the political aspirations of his followers. He was considered to be the only leader who could reconcile the often strident and divergent views of the pro-independence factions.

New Caledonia is a French overseas territory comprising a large island group to the east of Australia and populated by two principal groups: The Kanaks or indigenous people and settlers from France, Asia, and other Pacific islands. The Kanaks comprise less than 50 percent of the population and are divided according to political status preference. A majority of the indigenous people want some form of sovereignty while the rest favor continued association with Metropolitan France.

Jean-Marie Tjibaou was the most respected and well-known separatist leader in New Caledonia who sought change by engaging in the political process, while others openly urged war with France. In spite of the status-related death of his brothers some years ago, Tjibaou continued his peaceful activism and tolerance of militant separatists and anti-independence radicals. Tjibaou recognized but did not agree with the preference of those of his fellow islanders who advocated for continued association with Metropolitan France. Both he and pro-French Kanak leaders acknowledged the importance of openly discussing their views if a solution to the self-determination problem were to be realized.

On September 30, 1986, I hosted a conference at the Capitol entitled, "Oceania at a Crossroad: Strategic Consideration for the Western Alliance." The speakers included Jean-Marie Tjibaou, President of the Kanak Liberation Front, Dick Ukeiwe, President of the Territory Assembly and leader of the pro-France coalition and Gaston Flosse, President of French Polynesia and Secretary of State for South Pacific Affairs. I believe this may have been the first time that these South Pacific leaders, who were proponents of different status relations with France, spoke together in an international forum relating to this emotionally and politically charged issue.

At the time, I questioned the effectiveness of a conference which would likely involve the volatile issue of French Pacific territories. However, I believe a real benefit existed in having these prominent Pacific leaders air their different political philosophies in a neutral forum.

The highlight of the conference was the powerful oratory of the French Pacific territorial speakers. They were eloquent and emphatic of their views, yet in a most respectful way. Perhaps in part, because they were speaking here, at the world's foremost democratic institution.

I was most pleased last year to hear of the signing of the peace agreement, or Matignon accords, between the French Government, Jean-Marie Tjibaou, and pro-French leader Jacque Lafleur. The accords provided for increased self-government for the people of New Caledonia during a 10-year transitional period. France also agreed to a referendum on indpendence at the end of the transition. It appeared that the consummation of a self-determination process would end the often violent struggle for New Caledonia's political identity.

Tjibaou knew that resolving New Caledonia's political status through an agreement which reflected the consensus views of all Kanaks and actually provided for measurable progress would best serve the welfare of the people. His signing of the peace accords with the anti-independence leader and the Prime Minister of France marks the most important event in the islands' self-determination evolution.

What a shame that Jean-Marie Tjibaou lost his life at the hand of a militant separatist who shared the same ultimate political status objective but disagreed as to the means. Unfortunately, many would not accept that peace and reconciliation could deliver what war and belligerence had not.

Prime Minister Rocard of France, upon hearing of Tjibaou's death stated, "the Kanak community loses a generous leader, New Caledonia a man of reconciliation, and I lose a friend." I believe the entire Pacific Community, of which the United States is part, has suffered a great loss. However, it is my hope that we remember Jean-Marie Tjibaou's achievements through reconciliation and his active peaceful engagement in the democratic political process.

I join with those who hope that all factions in New Caledonia will move forward with the Matignon plan as a fitting tribute and memorial to the vision of Jean-Marie Tjibaou.

GEORGE C. FROST: OUTSTANDING ENGINEER AND SCOUT LEADER

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. SOLOMON. Mr. Speaker, among my heroes are those citizens who quietly contribute their time and leadership skills to their community. I would like to bring your attention to George C. Frost of Glens Falls, NY, a man whose contribution has been enormous.

George C. Frost would be an outstanding citizen even if he limited his activities to being one of the most respected engineers in the Northeast. But he has taken the extra step of giving nearly 50 years of Scouting at every level, as well as to many other civic and community organizations.

He earned an engineering degree with honors in 1950 from Northeastern University, where he was elected to Tau Beta Pi, the national engineering honor society. He interrupted his career to serve 2 years with the U.S. Army Signal Corps during the Korean war. After resuming that career with the former Imperial Paper and Color Corp. in Glens Falls, he joined fellow engineer Harold E. Rist to form one of the most respected consulting engineering firms in New York and New England. The two men saw the firm grow to include 125 employees with offices in Glens Falls, NY and Laconia, NH, offering diversified engineering and architectural design services to industrial, commerical, institutional, and government clients.

Mr. Frost is a registered professional engineer in several States and an active member of the National Society of Professional Engineers, the American Consulting Engineers Council, and several engineering technical societies. He will be the next president of the New York State Consulting Engineers Council. He is past president of the local chapter of the Illuminating Engineers Society and of the local council of the American Society of Heating, Refrigeration and Air Conditioning.

In 1969 he was honored with the American Society of Engineers' Engineering Excellence Award.

Mr. Frost joined the Boy Scouts in 1940 at the age of 12. He was a Scoutmaster from 1947 to 1952 and a district commissioner from 1955 to 1963. He has served on the Mohican Council's executive board since 1963 and has been vice president of training since 1986. He is a recipient of Scouting's prestigious Silver Beaver award.

On July 7, he will receive the Mohican Council's Distinguished Citizens Award at a dinner in his honor.

Mr. Speaker, it is my pleasure to ask you and other Members of Congress to join me in saluting George C. Frost, a good friend, a respected engineer, a dedicated Scout, and a great American.

PROHIBIT DESECRATION OF THE FLAG

HON. ELIZABETH J. PATTERSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mrs. PATTERSON. Mr. Speaker, I rise today in amazement at the decision of the U.S. Supreme Court in the case of Johnson versus Texas. It is incredible that the majority decided that both Houses of the Congress and the duly elected legislatures of 48 States were wrong and acted unconstitutionally when they enacted laws against the desecration of the American flag.

As Justice Stevens pointed out in his dissent, we would not allow someone to spray paint a message across the facade of the Lincoln Memorial. Why can't we protect the flag against desecration? The reasoning of the majority is simply not persuasive.

Mr. Speaker, symbols are important in our society—some more so than others. But, there is no more potent symbol in this Nation than our flag. It deserves our reverence and our protection.

That is why I am a cosponsor of House Joint Resolution 107, a joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act.

IN HONOR OF FRAMINGHAM STATE COLLEGE

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ATKINS. Mr. Speaker, I rise today to honor a great institution in my district on a very important day in its history. July 3 marks the 150th anniversary of Framingham State College, the first State-supported normal school for the education and training of teachers in the United States of America. From the day it opened on July 3, 1839, it met the challenge of educating excellent teachers who were in great demand for the common schools of Massachusetts and throughout the Nation.

Born of the ideals and practical needs of the citizens of Massachusetts, the college was founded under the leadership of the noted educational reformer, Horace Mann, who had served the Commonwealth of Massachusetts as senate president and as the first secretary of education.

Guided by its initial motto, "Live the Truth," its graduates have been in high demand for their distinguished contributions to the town of Framingham, the Commonwealth of Massachusetts and the entire Nation. To name but a few distinguished pioneers: Rebecca Pennell Dean, a member of the first graduating class, became the first woman professor in the United States—Antioch, 1853. Lucretia Crocker, who graduated in 1850, was the first woman elected to the Boston School Committee.

Mary Chase Walker, class of 1861, served as the first public elementary schoolteacher in southern California when she was hired in 1865 to teach at the Mason Street School in San Diego. Marion P. Shadd, class of 1875, went to Washington, DC, where she served as principal of the Lincoln School and rose to the position of assistant superintendent for elementary instruction. An elementary school located at 56th and East Capitol, SE, is named in her honor.

One of the college's more prominent recent graduates was Christa Corrigan McAuliffe, the Nation's first teacher astronaut, who lost her life in the tragic explosion of the *Challenger*.

The college has continually responded to the changing needs and demands of the Commonwealth and its role has changed from Normal School to Teachers College to comprehensive State College. Today, Framingham State College offers bachelor of science and bachelor of arts degrees in 28 undergraduate and 15 master's degree programs to more than 6,000 women and men. The college maintains a distinguished reputation for the excellence of its academic programs, for its dedicated faculty and staff, and its comprehensive support services which enhance the lives of its students and the life of the local metro west area.

The more than 18,000 living alumni give testimony to the quality of a Framingham State College education by making significant contributions in the fields of human services, education, government, and business. Framingham State College is justly proud of its 150 years of rich history as a public college that offers a foundation of liberal arts and preparation for careers in public, professional, and business life in keeping with its historical mission of serving others with integrity and generosity as demonstrated by the quality of the people associated with the college.

Mr. Speaker, from its early days in 1839 under the guidance of Rev. Cyrus Peirce, the first principal, to the college of 1989 under the leadership of President Paul F. Weller, Framingham State College has exemplified Horace Mann's ideals of high quality educational programs. It is with great honor and pride that I submit these remarks—honoring 150 years of service at Framingham State College—for the record. Happy 150th to Framingham State with many more to follow.

A CONGRESSIONAL TRIBUTE TO JACK D. COX

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to bring to my colleagues' attention the long and distinguished career of an outstanding citizen in my district, Mr. Jack D. Cox. Jack, who currently is secretary-treasurer of Teamsters Union Local 572 and vice president of the International Brotherhood of Teamsters, will be honored by his brethren for his outstanding work while associated with the Teamsters.

Jack is well known to the western Teamsters. He began his Teamsters career as a full-time representative for Teamsters Local 572 back in 1962. He has served as secretary-treasurer of that Carson California local union since 1966.

Since local 572's jurisdiction covers both the Long Beach and Los Angeles harbor areas and includes sales drivers, warehousemen, and major industrial companies, he has developed considerable and widespread expertise in negotiating for and representing members with a number of nationally known firms.

Jack Cox is a World War II veteran who served in the U.S. Navy. He's also a onetime merchant seaman. He has lived and worked in the Long Beach, CA area since 1958, having also attended the Industrial Relations Institute of the University of California from 1958 to 1962, receiving his certificate in industrial relations from UCLA in 1962.

In addition to his union work, Jack has been active in local and State Democratic Party activities and has served on both county and State party committees. He has served on the annual dinner committees for both myself and State Assemblyman Dave Elder.

Jack is a member of the Veterans of Foreign Wars and a 26-year member of the Benevolent and Protective Order of the Elk's Lodge No. 888 in Long Beach, CA.

My wife, Lee, joins me in extending our congratulations to Jack D. Cox today. He is a remarkable individual who has contributed greatly to Long Beach and the surrounding community. On behalf of the entire community, we wish Jack, his four sons, David, John, George, and James, and daughter, Judy, all the best in the years to come.

DEREK BASS: TOP PHYSICS STUDENT IN THE UNITED STATES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. LEHMAN of Florida. Mr. Speaker, Derek Bass, a sophomore at North Miami Beach Senior High School in our 17th Congressional District, has a remarkable talent that is making a lot of people feel better about this Nation's prospects for developing the scientific and technical abilities of its young people.

Derek placed No. 1 in a national competition of 800 of the best and brightest physics students in the country. Next month, he will head a team of five outstanding high school physics students in representing the United States at the International Physical Olympiad in Warsaw, Poland. Although the United States has received bronze and silver medals and an honorable mention in this competition, it has never won a gold medal. Many feel this will be the year.

I want to extend my heartiest congratulations to Derek Bass for the distinction he has achieved at such an early age. I know that the best wishes of his fellow students, his teachers, particularly Dr. Rena Roychowdhury for physics and Dr. Martin Franklin in chemistry, and of our entire community, go with him.

DAUGHTERS OF THE AMERICAN REVOLUTION ESSAY CONTEST WINNERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. CRANE. Mr. Speaker, for almost 4 years, it has been my honor to serve as a member of the Commission on the Bicentennial of the United States Constitution. During this time, the Commission has sponsored many contests on the bicentennial, offering to young people of all ages the opportunity to learn more about our Constitution, and to put that knowledge to work.

Recently, the Commission joined with the Daughters of the American Revolution [DAR] and the Department of Defense Overseas School System to sponsor a national essay

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

contest on the Constitution. Winners were selected in nine regions, and from those, a national winner chosen.

The national winner was Michael Rather, a senior at Nottaway High School, Blackstone, VA. His essay, titled "Our Responsibilities as 'We the People'" included this statement, "Our responsibilities as 'We The People' include being aware of current events, acting as law-abiding citizens, assembling peacefully and voting." He wrote that citizens must influence government "because their decisions influence us." The DAR honored Mr. Rather at its National Convention in Constitution Hall.

Regional winners were: Olga Itkin, Brookline, MA, Duane J. Corpis, Columbia, SC, Paula E. Edelenbos, Portsmouth, OH, Denise Kay Drudik, Grand Island, NE, Ellen Frett, Friendswood, TX, Franz X. Wuerfmannedobler, Salida, CO, Luke Wilson, Bozeman, MT, and Emily Roberts, a student at a Department of Defense school in Heidelberg, West Germany.

The winners, and their teachers, were awarded a trip to New York City April 29–30 as guests of the Bicentennial Commission to attend the celebration at Federal Hall of the 200th anniversary of George Washington's inauguration as the first President of the United States.

I met with these students in New York, and as a former teacher of American history, I was gratified to learn how well informed these young people are about our history and institutions. I know my colleagues join me in offering congratulations to all of the winners of today, destined to be the leaders of tomorrow.

TRIBUTE TO HAPS BOYER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. GEKAS. Mr. Speaker, it is fitting that in the year of the 50th anniversary of Little League Baseball, I call the attention of my colleagues to the East League Midget Baseball Team of Harrisburg, PA. And when central Pennsylvania residents think of this little league team, they think of a man whose dedication to children has been evidenced for nearly as long as there has been little league—Haps Boyer.

Haps Boyer was raised in a tradition of dedication to children and sport. Many of my constituents can remember his father, also Haps, attending every football game played at the John Harris field. But this colorful character did not just watch the game—he participated. Right before the kickoff, Haps Boyer, Sr., would run down to the field and throw a rabbit's foot over the goal post. Even into his eighties, Haps would be seen trotting down to that football field. A football game just was not a football game without Haps, Sr.

And the East League Midget Baseball Team will not be the same with the retirement of Haps Boyer, Jr. For 40 years, Haps has helped instill in area children the values of teamwork, sportsmanship, discipline, and responsibility. He has lovingly and selflessly overseen the mental and physical development of literally thousands of children during their most formative years.

Mr. Speaker, the capital of Little League Baseball is located in Williamsport, PA. Haps Boyer, and all of us who love the State realize the importance of having that capital within our borders, for the prestige of this outstanding program is matched only by the benefits that have been reaped by its participants throughout the past 50 years.

I am grateful to Haps Boyer for sharing with our children the attributes of fair play, teamwork, good sportsmanship, and an understanding of the meaning of friendly competition. As those youngsters grew, he can be sure they remembered the values they learned on the playing field under his loving guidance. Our society is in need of citizens who possess these values: who seek fairness, who place the interests of a group above their own, who can admit defeat with a grin.

Central Pennsylvania boys and girls have had the finest role model in Haps Boyer. I join countless others when I say I am proud to call him a friend.

IN SUPPORT OF VETERANS' SUPPLEMENTAL APPROPRIATION

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. BRYANT. Mr. Speaker, last Friday, June 23, the House voted on final passage of H.R. 2402, the veterans' supplemental appropriations bill, making supplementary appropriations for the Department of Veterans' Affairs for the fiscal year ending September 30, 1989.

Unfortunately, I was called out of town last Friday and was unable to make the voto—Roll No. 107. I would like now to go on record in support of the legislation which was cleared for the President's signature.

As a member of the House Budget Committee on leave from the House Veterans' Affairs Committee, I was deeply involved in each stage of the budget process. I am proud that the budget approved by the Congress earlier this year included a $1 billion increase for veterans' medical care above the inflationary baseline—the funding level necessary to keep peace with inflation.

I am proud to have been named "Legislator of the Year" in 1988 by the Texas State Council of the Vietnam Veterans of America for my staunch advocacy of veterans' issues and concerns. This statement declares my continued support for the veterans of America through the consistent support for both veterans' supplemental bills—H.R. 2402 and H.R. 2072.

TRIBUTE TO SHERMAN D. LONDON

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. ROWLAND of Connecticut. Mr. Speaker, Thursday, June 29, marks an end of an era in journalism in Connecticut. For over 40 years, Sherman D. London has been reporting on the people and the events that have shaped the city of Waterbury. I would like to summarize for my colleagues his career and his achievements.

He was born in Waterbury on February 17, 1922, the son of Mr. and Mrs. Harry London. He was graduated from Driggs Grammar School, Crosby High School, and Rider College in Trenton, NJ, where he majored in journalism.

After graduation in 1942, he joined the staff of the Waterbury Democrat. War interrupted his journalism career when he joined the field artillery and served in Hawaii and with the Army of Occupation in Japan. He was honorably discharged in 1946 with the rank of technical sergeant. He rejoined the Democrat and worked there until it folded in December of that year. He went to the Evening News in Southbridge, MA.

He quickly returned to newspaper reporting in Waterbury on February 17, 1947, and has remained on the staff ever since, serving as general assignments reporter, police reporter, and political reporter. He covered the general assembly for many years before becoming director of the editorial pages of the Republican and the American in 1968.

In 1981 he received the Community Service Award from Mattatuck Community College for work he did on committees at the college and as a member of the Higher Education Center blue ribbon task force. He is a past president of the Connecticut chapter, Society of Professional Journalists, and has received awards from that society. In 1961, he won the national first prize of the American Trucking Associations for a series of articles on the need to build Route 8 through the Naugatuck Valley and in 1976 he won a first place editorial writing award from the New England United Press International for an analysis of the Waterbury school system's problems.

For many years he has managed election news coverage for the newspapers and served as broadcast announcer for radio coverage. For about 20 years, he has been a regular panel member of Connecticut Public Television's "Fourth Estate Show."

He was named as a founding member of the board of directors of Crime Stoppers of Connecticut, is the head of the Waterbury campership fund and has served in several capacities with the United Way appeals.

He married Arlene Freedman in 1948 and they have two sons, Michael and Steve, and three grandchildren.

I know that my colleagues will join me in congratulating Sherman London upon his retirement from professional journalism and wishing he and his family the very best in all their future endeavors. Today, more than any other day, proves that there is life after journalism.

A TRIBUTE TO DAVID SULLINS, JR.

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. DUNCAN. Mr. Speaker, I would like to pay tribute to a family friend and fellow volunteer from Athens, TN, Dr. W. David Sullins, Jr., who this week will assume the presidency of the American Optometric Association.

For over 20 years, David Sullins has compiled a remarkable record of service to his country, his community, his profession, and his patients. Shortly after graduation from Southern College of Optometry in 1965 David volunteered for service in the U.S. Navy and Marine Corps. Upon his departure from active duty in 1969, David began a career in the Reserves and currently serves as a captain in the Medical Service Corps of the Naval Reserve.

At the same time, David rejoined his father in the practice of optometry in Athens and plunged into community service, serving for 4 years on the Athens City Council and as mayor for 2 years. Somehow David also found time to devote to his profession. He has served as president of his local, State, and regional optometric associations and has also been active in the national association for many years. David Sullins has rightfully earned the reputation as the volunteer's volunteer and I am pleased his colleagues have shown the wisdom and foresight to choose him to lead them in the coming year.

THE MOUNTING LOSSES IN THE WAR AGAINST DRUGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. GILMAN. Mr. Speaker, we recently read of another tragic drug-related murder in Colombia. This time it was a reputable television editor, Jorge Leon Vallejo, who was kidnapped by gunmen and found shot dead outside Medellin, home base of the drug cartel of the same name. He is the fourth journalist to be killed in Colombia since April 6, 1989.

Of course, it is not only journalists who have been killed in Colombia because of their antidrug efforts. Over 50 judges, including half of the Supreme Court, have been assassinated by the drug traffickers. The Colombian attorney general as well as scores of other law enforcment personnel, government officials and private citizens also have lost their lives in Colombia. The drug traffickers offer those who stand in there way either silver or lead, a bribe or a death sentence. For the drug kingpins, murder is just another form of doing business.

Still, the governments of Colombia, Bolivia, Ecador and Peru continue to try to combat drug production and trafficking. The Drug Enforcement Administration through Operation Snowcaps is working closely with the Bolivians and Peruvians to disrupt drug production efforts by destroying coca processing labs and clandestine airstrips used by the traffickers in the major coca growing areas. More than 40 members of Peru's Civil Guard have been killed thus far during the course of antinarcotics activities. Last month a State Department plane carrying the head of Peru's coca eradication program as well as a DEA agent and 7 others crashed. There were no survivors.

Unfortunately, that is not the end of the death toll. We must also count our losses at home: New York Patrolman Edward Byrne was shot in the head while he was guarding a witness in a drug case and DEA Agent Kiki Camarena who was tortured and killed for his efforts at combating drug trafficking and corruption in Mexico. There have been others, including Federal, State and local law enforcement officers, who have been slain in the line of duty, casualties in the war against drugs.

We must also include the thousands who have lost thier lives or lost control of their lives because of drug abuse. Both, throughout our country with the spread of crack cocaine, and in Latin America with the increased use of cocaine and cocaine products, the losses continue to add up.

Mr. Speaker, too many Americans in the North and in the South, have already died because of illicit narcotics. Drug trafficking and drug abuse is a plague upon our modern world. There is no easy cure for this disease, but we must continue to combat it in every way we know how. That means fighting this scourge on our societies in the streets of New York and Los Angeles and in the jungles of Peru and Bolivia. It means dedicating our limited national resources toward educating our youth to reject drugs and in treating and rehabilitating those who have already become addicted. We need a national and international crusade against drugs. Nothing less would appropriately honor the memory of the hundreds who have already sacrificed their lives in the war against drugs.

THE MACBETH DIVISION OF KOLLMORGEN INSTRUMENTS OF NEWBURGH, NY, WINS, E-STAR AWARD

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to commend the Kollmorgen Instruments Corp. of Newburgh, NY, in my district for winning the U.S. Department of Commerce's prestigious E-Star Award. This award is given in recognition of outstanding contributions to the increase of U.S. exports.

This award will be presented to Kollmorgen's Macbeth Division for its color measurement and management systems in a public ceremony to be announced in Washington.

The E-Star Award goes to only a very few firms annually. To qualify, a firm must have been cited previously by the U.S. Commerce Department for excellence in exporting U.S. products and services. In 1986, Kollmorgen's Macbeth Division was given the E Award for excellence in exporting.

The E-Star Award recognizes continued superior performance by E Award recipients in expanding a company's export share, in opening new product lines, and in entering new regional markets.

CONGRATULATIONS AMBASSADOR SHIRLEY TEMPLE BLACK

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. BROOMFIELD. Mr. Speaker, President Bush recenty announced the appointment of one of America's most distinguished citizens to be the new Ambassador to the Czechoslovak Socialist Republic.

Mrs. Shirley Temple Black is the only living Republican I know who has been a figure of great national prominence since the days before Franklin Roosevelt was elected President.

A business reporter might say that Mrs. Black was on a career fast track. She made her first movie, "Stand Up and Cheer," when she was 3½ years old.

As Ronald Reagan found out, achieving such recognition at a young age can be a mixed blessing. When Mr. Reagan ran for the Presidency in 1980, some people still considered him a film star, even though he had a solid background in labor affairs, most notably as president of the Screen Actors Guild for 6 years, and a long and prominent career in public affairs, as a two-term Governor of California and as a leading spokesman for the Republican Party.

Like President Reagan, Mrs. Black followed her film career with a distinguished career in public service. For more than 20 years, she has given her time and talents to public service. She has served in such positions as Delegate to the U.N. General Assembly, Ambassador to the Republic of Ghana, and cochair of the State Department's ambassadorial seminars.

But most important, like everyone in this Chamber, she has run as a candidate for Congress.

I know that Mrs. Black's experience in so many areas of American life will make her an effective advocate for the ideals we all share, and that her good judgment and graciousness will appeal to people throughout Czechoslovakia.

COMMENDING URI'S GREEK ORGANIZATIONS

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. MACHTLEY. Mr. Speaker, today it is my distinct pleasure to honor Jeff Britt, president of the Interfraternity Council at the University of Rhode Island. I would like to recognize Jeff for his positive contributions to Rhode Island and to communities outside of Rhode Island.

As president of the Interfraternity Council, Jeff played an instrumental role in raising a total of $114,000 for charities. A portion of this money was given to assist an important development project for the community of La Union, Guatemala. In addition, members of the fraternities and sororities performed 7,700 hours of community service, delivered 25,000 pounds of food to the homeless, and donated 600 pints of blood.

I am proud to commend Jeff, and his fraternity and sorority colleagues, for their selfless actions which have positively affected the lives of thousands of human beings. The work of these young people will doubtlessly have a profound impact even beyond our national borders. The compassion demonstrated by these students not only improves the life of others, but also sets an admirable example of human understanding and international cooperation.

THE GREAT MYTH OF SUBSIDIZED WATER

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. STALLINGS. Mr. Speaker, I want to correct some of the misunderstanding which currently exists regarding western reclamation projects. Recently, my colleague, Mr. GEJDENSON, introduced legislation which perpetuates a tragic misconception—that western farmers who receive water from Bureau of Reclamation projects are the principal contributors to surplus agriculture commodities. The bill, in simple terms, would mandate that a western farmer who receives reclamation water make a choice between that water and Federal farm program participation.

Unfortunately, I see that some of my fellow members of the Agriculture Committee are now cosponsors of this legislation. I would urge them, and all my colleagues, to consider the following facts and reassess what appears to be a red herring issue, floated to divert attention from other problems associated with Federal farm program costs.

Let me start by reminding my colleagues that in 1987, more than 61 percent of all Federal farm program payments went to corn growers, a crop grown in the Corn Belt, not the western reclamation States. The single largest contributor to increasing Federal farm program payments is corn. I don't want to get in a divisive argument over a diminishing farm budget; but I do want to be clear that it is not the western reclamation States that are costing the most money, or even a significant amount.

There is very little corn grown in western reclamation States. Of the 7 billion bushels of corn grown in 1987, a mere 22 percent was grown in the 17 western reclamation States. Of the 1.5 billion bushels grown in the reclamation States, more than 90 percent was grown on nonirrigated farms. Additionally, of all irrigated farms in the West, more than 60 percent of irrigation water sources are from onfarm wells or surface supplies. As is evident, reclamation irrigated corn production is probably less than 2 percent of the entire 1987 crop. This is hardly a factor in the budget and should not be reason for such legislation as is being proposed.

The more pertinent factors in Federal outlays for corn payments is the level of the target price and loan rate for corn. Several studies document that corn target prices and target rates are far out of line with production costs and other commodity target levels.

Laying that aside, let's look at the specifics.

According to the U.S. Department of Agriculture, there are 277,713 irrigated farms comprising 48,647,729 acres in the United States. This amounts to only 11 percent of the 421 million acres of cropland in production in this country. Of the 48.6 million acres of irrigated land, 84 percent is in the 17 western reclamation States. More than a third of the irrigated farming units are livestock operations, 21 percent are cash grain operations, and approximately 19 percent are fruit and tree nut farms.

Less than one-third of reclamation State irrigated farms receive water from an off-farm source, for example, reclamation or other water delivery systems. Even if all off-farm water sources are lumped into reclamation project sources, and livestock operations, fruit and nut farms and other nonprogram crop farms are subtracted out, we end up with a figure of about 11 percent of all irrigated farms in the West with reclamation water and program crops. As earlier mentioned, few of these operations grown corn. The principal farm program crops are winter wheat, spring wheat, barley, oats, and in the case of southern California and Texas, rice.

Of these crops, the bulk is grown in the Central Plains States. Even though these States are classified among the 17 western reclamation States, most of their crops are not irrigated. Nebraska, Kansas, Texas, Oklahoma, Montana, North and South Dakota, to my knowledge, do not use extensive irrigation practices on winter or spring wheats. These seven States account for about 75 percent of winter wheat production and 65 percent of spring wheat production. What we typically think of as irrigated reclamation States raise only about 20 percent of winter wheat grown in the United States and less than 10 percent of spring wheat.

Again, remembering that even with this amount of production in reclamation States, some of it is grown under nonirrigated farming operations, some receives irrigation water from on-farm sources, and only about one-third of the irrigated production comes from off-farm sources, most of which is probably reclamation derived.

Because barley and oats are not in surplus production and contribute little to farm program outlays, we will not treat them in this discussion, although they are important crops to my State of Idaho and many other reclamation and nonreclamation States.

Given the evidence of these statistics, I think it reasonable to conclude that the contribution of program crop production attributable to reclamation project irrigation is negligible on the entire picture. It simply cannot be shown that reclamation projects are producing any significant amount of surplus program crops. In fact, more than 98 percent of farm program payments can be attributed to other regions of the country or nonirrigated practices.

These are incidences where reclamation water recipients grow Federal program crops. However, the 1982 Reclamation Reform Act applied strict acreage control to reclamation recipients. With these restrictions, and the evidence I have cited above regarding the comparably minimal amount of program crops grown under reclamation irrigation, I urge my colleagues to reassess their interest in this issue and consider the facts.

PROTECT THE SOCIAL SECURITY TRUST FUND

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. RAY. Mr. Speaker, Mr. Morton A. Harris of the Third District of Georgia recently sent me a copy of the "Special Supplement" on the Social Security trust fund prepared by the Employee Benefit Research Institute. This report explains the state of the Social Security trust fund and projects its status for the future. I want to submit a copy of this statement for the benefit of my colleagues.

Mr. Speaker, I have long supported legislation aimed at keeping this, and other trust funds, out of the Federal budget. Continuing to do business as usual threatens these trust funds and masks fiscal irresponsibility. We must take the trust fund moneys out of the budget equation, and face up to the true annual deficit and national debt.

The report follows:

SUMMARY OF THE 1989 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND DISABILITY INSURANCE TRUST FUNDS

HIGHLIGHTS

As shown in the 1989 Annual Report, the assets of the Old-Age and Survivors Insurance (OASI) Trust Fund increased by $40.7 billion in calendar year 1988, reflecting, in part, the continuing growth in the economy. Including the increase of $0.2 billion in the Disability Insurance (DI) Trust Fund, the growth in the combined trust funds, at $41.0 billion, was about the same as the increase estimated in the 1988 Annual Report on the basis of the intermediate alternative II-A assumptions.

The trust funds are expected to continue growing for many years into the future. Based on intermediate assumptions, the combined trust funds are estimated to reach a level of about 5 or 6 times annual outgo in the next 20 to 30 years. Even if future experience is very adverse, the combined funds are estimated to increase to about 2½ times annual outgo during the next 20 to 25 years. However, under such adverse conditions, the assets of the DI Trust Fund could decline to such a low level that financial problems with that fund would occur within the next 10 years.

The long-range 75-year estimates indicate that, under the intermediate assumptions, the OASDI program will experience about 3 decades of positive annual balances, with

Charts subsequently referred to are not printed in the RECORD.

continuing annual deficits thereafter. Based on the intermediate alternative II-A assumptions, the positive balances in the first part of the 75-year projection period nearly offset the later deficits, so that the program, as a whole, has an actuarial deficit of 0.10 percent of taxable payroll. Based on the intermediate alternative II-B assumptions, the OASDI program has larger future deficits that yield an actuarial deficit of 0.70 percent of taxable payroll, which is 0.12 percent larger than in the 1988 report. However, the expected accumulation of the trust funds during the next 20 to 30 years provides ample time to monitor the financial status of the program and to take corrective action at some time in the future if it still appears to be warranted at that time.

During the first part of the long-range projection period, the combined OASI and DI Trust Funds are expected to accumulate rapidly to a peak fund ratio of 547 percent of annual outgo in the year 2014, based on the alternative II-B assumptions. Thereafter, the fund ratio is estimated to decline until the funds are exhausted in 2046, 2 years earlier than in last year's report. Thus, according to the alternative II-B projections, the OASDI program will have enough funds to cover expenditures for about 57 years into the future.

For OASI and DI, separately, the long-range actuarial balances, based on the alternative II-A assumptions, are +0.03 percent and −0.13 percent of taxable payroll, respectively. Based on the alternative II-B assumptions, both programs have actuarial deficits, which are 0.53 percent and 0.17 percent of taxable payroll, respectively. Because of the size of the DI deficit, relative to its cost rate, the DI program needs careful monitoring in both the short-range and the long-range periods.

1. PROGRAM DESCRIPTION

The OASDI program consists of two separate parts which pay monthly benefits to workers and their families:

(1) Old-Age and Survivors Insurance (OASI) pays benefits after a worker retires and to survivors after a worker dies.

(2) Disability Insurance (DI) pays benefits after a worker becomes disabled.

The Board of Trustees of the trust funds is required by law to report annually to the Congress on the financial condition of the funds and on estimated future results. The Board has five members, three of whom serve in an ex officio capacity: the Secretaries of the Treasury, Labor, and Health and Human Services. The Board also has two members of the public, who are nominated by the President and confirmed by the Senate for 4-year terms. The terms of the present public members, Mary Falvey Fuller and Suzanne Denbo Jaffe, began on September 28, 1984. They are currently serving under recess appointments, which the Senate received on January 3, 1989, after the adjournment of the 100th Congress.

Most OASDI revenue consists of contributions paid by employees, their employers, and the self-employed. (Additional contributions are paid into a separate trust fund for the Hospital Insurance part of Medicare. This summary focuses on OASDI and does not discuss Medicare.) The contribution rates are established by law. Contributions are paid on earnings not exceeding the earnings base—$48,000 in 1989. The earnings base will rise in the future as average wages increase. The current and future OASDI contribution rates for employees and employers, each, are shown below (as percentages):

Year	OASI	DI	Total
1989	5.53	0.53	6.06
1990–91	5.60	.60	6.20
1992 and later	5.49	.71	6.20

Since 1984, a portion (not more than one-half) of OASDI benefits received by higher income beneficiaries is subject to Federal income taxation. The revenues collected as a result of this provision are transferred from the general fund of the Treasury to the trust funds.

The outgo of the OASI and DI Trust Funds consists of benefit payments and administrative expenses. Trust fund assets may not be used for any other purposes.

During periods when outgo temporarily exceeds income, trust fund assets are used to meet the shortfall. In the event of recurring shortfalls, the trust funds can allow time for legislation to be enacted to restore balance to the program. The assets of the trust funds are invested in U.S. Government securities bearing rates of interest similar to those for long-term securities issued to the general public.

2. RECENT RESULTS

During 1988, about 128 million workers made contributions to the OASDI program. At the end of September 1988, 38.5 million persons were receiving monthly benefits under the OASDI program. Administrative expenses represented about 1.2 percent of benefit payments in fiscal year 1988.

Income to the OASI and DI Trust Funds in fiscal year 1988 was $258.1 billion, while outgo was $219.3 billion. Thus, the assets of the combined funds increased by $38.8 billion during the fiscal year. A summary of the OASDI financial operations in fiscal year 1988 is shown below (in billions):

Trust fund assets at end of fiscal year 1987	$65.4
Income during year:	
Contributions	248.1
Revenue from taxation of benefits	3.4
Payments from general fund	.1
Net interest	6.5
Total income	258.1
Outgo during year:	
Benefit payments	213.9
Administrative expenses	2.5
Transfer to Railroad Retirement program	2.9
Total outgo	219.3
Trust fund assets at end of fiscal year 1988	104.2

NOTE.—Totals may not equal sums of components, due to rounding.

3. ACTUARIAL ESTIMATES

The annual report contains 75-year estimates of each fund's financial operations and status. Because precise prediction of the future is impossible, alternative sets of assumptions, representing a reasonable range of possible future experience, are used to make short- and long-range estimates. Future experience could, however, fall outside the range indicated by these assumptions.

Future OASDI income and outgo will depend on a variety of economic and demographic factors, including economic growth, inflation, unemployment, fertility, and mortality. These factors affect the levels of workers' earnings and OASDI benefits, as well as the numbers of people making contributions and receiving benefits.

The estimates in this report were prepared using four alternative sets of assumptions. Two sets—alternatives II-A and II-B—are designated "intermediate." Both intermediate sets share the same demographic assumptions, but differ with respect to economic assumptions; somewhat more robust economic growth is assumed for alternative II-A than for alternative II-B. One set—alternative I—is designated "optimistic," and another—alternative III—is "pessimistic."

No single measure is used to assess the acturial status of the OASDI funds. Short-range measures usually focus on the adequacy of reserves available to pay benefits. Long-range measures usually focus on the balance between income and outgo during the projection period as well as the adequacy of the reserves.

The *contingency fund ratio* is the usual measure of the OASDI program's ability to pay benefits on time in the near future. This ratio is the amount in the trust funds at the beginning of the year, including advance tax transfers for January, divided by that year's expenditures. Thus, if the trust fund ratio is 50 percent, the amount in the fund represents about 6 months' outgo. A ratio of at least 8 to 9 percent is required to pay benefits at the beginning of each month. At the beginning of 1989, the fund ratio for OASDI was about 57 percent.

In analyzing the actuarial status of OASDI for the next 75 years, several different measures are commonly used. The *income rate* is the combined OASDI employee-employer contribution rate scheduled in the law, plus the income from taxation of benefits, expressed as a percentage of taxable payroll. The *cost rate* is the annual outgo expressed as a percentage of taxable payroll. The annual balance, which is the difference between the annual income rate and the annual cost rate, measures the adequacy of funding in each year of the long-range projection period. If the difference is negative, the annual balance is a deficit. The level and pattern of annual positive balances and annual deficits during the various periods of time within the next 75 years measure the financial strength of the program over such periods.

If a trust fund becomes exhausted during the projection period, the year in which the exhaustion occurs is an important measure of the financial condition of the fund.

Summarized income and cost rates over the 75-year projection period can be compared directly to measure the adequacy of the program's overall level of financing during the entire long-range period. The summarized income and cost rates reflect the full effect of interest. In addition, the trust fund balance at the beginning of the projection period, expressed as a percentage of taxable payroll, is included in the summarized income rate for the 75-year period.

The *actuarial balance* for the 75-year long-range projection period, is the difference between the summarized estimated income rate and the summarized estimated cost rate. If this actuarial balance is negative, the program is said to have an actuarial deficit. Such a deficit is a warning that future changes may be needed in the program's financing or benefit provisions, although it does not present a complete picture without the other measures of financing discussed here.

4. SHORT-RANGE FINANCING (1989–93)

Estimates for the next 5 years are used to assess the adequacy of OASDI financing in the short range. In this period, the numbers

of persons receiving OASDI benefits can be estimated fairly accurately. Changes in the national economy, however, which are difficult to predict, can have major effects on income and outgo.

The actuarial estimates shown in the 1989 report indicate that the combined assets of the OASI and DI Trust Funds will be sufficient to pay OASDI benefits on time throughout the 5-year period and for many years thereafter, based on all four sets of assumptions. In addition, the estimates based on alternatives I, II-A, and II-B indicate that the OASI and DI programs, separately, can operate satisfactorily for many years. During the next 10 years, however, if experience is very adverse, the assets of the DI Trust Fund could decline to such a low level that financial problems would occur.

Chart A shows the OASDI contingency fund ratio for 1989, 57 percent, and the projected OASDI ratios for 1990-93, on the basis of all four sets of assumptions. The fund ratios for the combined trust funds are estimated to increase each year.

5. LONG-RANGE FINANCING (1989-2063)

Long-range 75-year estimates for OASDI, although sensitive to variations in the assumptions, indicate the trend and general range of the program's future financial status. During this long-range period, income and outgo are greatly affected by demographic, as well as economic, conditions. Most of the beneficiaries during the next 75 years have already been born, so that their numbers are projected mainly from the present population. The numbers of workers involved in these projections, however, depend largely on future birth rates, which are subject to more variability.

Several important demographic trends are anticipated, which will raise the proportion of the aged in the population during the next 75 years. First, because of the large number of persons born in the two decades after World War II, rapid growth is expected in the aged population after the turn of the century. Second, assumed declines in death rates also would increase the numbers of aged persons. At the same time, birth rates, which began to decline in the 1960s and are assumed to remain relatively low in the future, would hold down the numbers of young people.

Chart B shows the long-range trend in the number of covered workers per OASDI beneficiary. (The term "beneficiary" includes not only retired workers, but also disabled workers, spouses, children, and survivor beneficiaries.) Based on the intermediate assumptions, this ratio is estimated to decline gradually from 3.3 in 1988 to 3.0 in 2010. From 2010 to 2030, the estimated ratio falls rapidly to 2.0 as the number of beneficiaries increases more rapidly than the number of covered workers. After 2030, the ratio is estimated to decline gradually.

Chart C shows the estimated OASDI income and cost rates for the long-range projection period, based on the intermediate II-B assumptions. During the first three decades of this period, the estimates indicate that the income rate will generally exceed the cost rate, resulting in substantial positive balances each year. Beginning about 2020, the reverse is true, with the cost rate exceeding the income rate, thus resulting in substantial deficits. These positive balances and deficits do not reflect interest earnings, which result in trust fund growth continuing for about 10 years after the first actuarial deficits occur. The cost rate is estimated to increase rapidly after the first half of the 75-year projection period, primarily because the number of beneficiaries is projected to increase more rapidly than the number of covered workers.

Chart D shows the projected OASDI contingency fund ratios for the 75-year period, based on the intermediate alternative II-B assumptions. The ratio rises steadily and reaches 547 percent in 2014. After 2014, the ratio declines until the combined funds are exhausted in 2046. The importance of the trust fund accumulating reserves is emphasized by Chart D. As the chart shows, the build-up in the reserves will be needed later on to pay benefits to the increasing numbers of retired persons who were born in the high bith-rate years from the mid-1940s to the mid-1960s.

The table below presents a comparison of the annual income and cost rates for the 75-year long-range projection period, based on the four sets of assumptions. The figures are expressed as percentages of taxable payroll.

Assumptions	Income rate	Cost rate	Actuarial balance
Optimistic	12.90	11.16	1.74
Intermediate II-A	12.98	13.08	−.10
Intermediate II-B	13.02	13.72	−.70
Pessimistic	13.15	16.78	−3.63

Note.—Income rate, cost rate, and actuarial balance are defined in the text.

The long-range OASDI actuarial deficit of 0.70 percent of taxable payroll, based on the intermediate II-B assumptions, results from an income rate of 13.02 percent of taxable payroll over the 75-year period (including beginning trust fund balances) and a cost rate of 13.72 percent over the period. In the absence of other changes, the long-range actuarial balance will tend to worsen slowly in future annual reports, as the valuation period moves forward and additional distant years of deficit are included in the valuation. The actuarial deficits in the later years of the 75-year projection period are caused primarily by the demographic trends described above, in combination with a flat contribution rate schedule.

SUPREME COURT HAS ALLOWED DESTRUCTION OF OUR GREATEST AMERICAN SYMBOL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1989

Mr. APPLEGATE. Mr. Speaker, I am mad as hell. We have witnessed the greatest travesty in the annals of jurisprudence when the U.S. Supreme Court allowed the destruction of American symbols. What in God's name is going on?

One and a quarter million of our American veterans fought and died throughout our history to defend this flag and what is stands for.

The flag right here in this Chamber that we pledge to, we can take it down, throw it on the floor, step on it, defecate on it, do anything we want, burn it, as long as we have a message, and the Court is going to say it is all right.

The Court has humiliated the flag and allowed its desecration in the Chicago court case also. America should be outraged.

Are there any limitations? Are they going to allow fornication in Times Square at high noon? If one has a political and social message to make, why not go ahead and do it? I am sure the Supreme Court will probably uphold it.

If we change the Court, we change the decision. What we need is a constitutional amendment.

In addition, Mr. Speaker, I wish to draw attention to the fact that when I made the above statement on the floor of the House of Representatives on Thursday, June 22, 1989, my exact words were not printed in total and were misrepresented by the House stenographer. Specifically, the word "heck" was printed in place of the word "hell." I do not believe that substituting even a single word of a Member of Congress should be the prerogative of the stenographers. That is a right that I believe should be reserved for the Speaker of the House.

HOUSE OF REPRESENTATIVES—*Wednesday, June 28, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to speak our words with sincerity of heart and to hear the words of another with the same sincerity. As our thoughts and admonitions flow from our hearts, may they not be used in pretense to cover the pressure of any moment, but freely express our common aspirations and our shared humanity, so that what we say will reflect the good will that is nurtured always by Your loving spirit. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 299, nays 100, not voting 33, as follows:

[Roll No. 112]

YEAS—299

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
AuCoin
Barnard
Bartlett
Bateman
Bedell
Bennett
Bereuter
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bustamante
Byron
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chapman
Clarke
Clement
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coyne
Craig
Crockett
Darden
Davis
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Gallo
Garcia
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (LA)
Henry
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nelson
Newak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Roe
Rohrabacher
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Whitten
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron

NAYS—100

Armey
Baker
Ballenger
Barton
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Clay
Clinger
Coble
Coughlin
Courter
Cox
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Dornan (CA)
Douglas
Duncan
Fields
Gallegly
Gekas
Goss
Grandy
Hancock
Hansen
Hastert
Hayes (IL)
Hefley
Herger
Hiler
Holloway
Hopkins
Hyde
Inhofe
Ireland
Jacobs
James
Kolbe
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
McCandless
McGrath
McMillan (NC)
Miller (OH)
Molinari
Moorhead
Murphy
Oxley
Parris
Pashayan
Paxon
Rhodes
Ridge
Roberts
Rogers
Roukema
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stearns
Stump
Sundquist
Taukc
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Wheat
Whittaker
Wolf
Young (AK)
Young (FL)

NOT VOTING—33

Atkins
Bates
Bentley
Berman
Boucher
Bryant
Carr
Collins
DeFazio
Fawell
Flake
Florio
Frenzel
Frost
Gaydos
Gejdenson
Goodling
Hall (OH)
Hefner
Hunter
Jenkins
Kyl
Leland
Lowery (CA)
Mfume
Neal (NC)
Nielson
Smith (IA)
Studds
Towns
Weber
Williams
Wilson

□ 1025

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. DELAY] lead the House in the Pledge of Allegiance?

Mr. DELAY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 633. An act to promote the development of technologies which will enable fuel cells to use alternative fuel sources;

S.J. Res. 19. Joint resolution to designate November 8, 1989, as "Montana Centennial Day"; and

S.J. Res. 155. Joint resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day."

The message also announced that pursuant to Public Law 100-480, the Chair announces the designation of Mr. THURMOND to represent the Republican leader on the Commission for the Judiciary Office Building.

PERSONAL EXPLANATION

Mr. ARCHER. Mr. Speaker, on rollcall No. 111 last night I was not present and I missed the vote on House Resolution 186 expressing the sense of the House in concern over the Supreme Court decision on the flag.

Mr. Speaker, I was at the time with the President in the White House. Had I been here, I would have voted "aye."

Mr. Speaker, I ask unanimous consent that my remarks appear immediately following the rollcall in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LIMITING THE LENGTH OF TIME AN INDIVIDUAL MAY BE INCARCERATED FOR CIVIL CONTEMPT IN A CHILD CUSTODY CASE IN THE DISTRICT OF COLUMBIA SUPERIOR COURT

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of the passage of the bill, H.R. 2136, on which further proceedings were postponed on Tuesday, June 27, 1989.

The Clerk read the title of the bill.

The SPEAKER. The question is on the passage of the bill, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 376, nays 34, not voting 22, as follows:

[Roll No. 113]

YEAS—376

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Bateman
Bennett
Bereuter
Bevill
Bilbray
Bilirakis
Billey
Boehlert
Boggs
Boner
Borski
Bosco
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chandler
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan (CA)
Douglas
Downey
Dreier
Dwyer
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flippo
Foglietta
Ford (TN)
Frank
Frenzel
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Peloso
Pelosi
Penny
Petri
Pickett
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Ross
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spratt
Staggers
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swift
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Vucanovich
Walgren
Walker
Walsh
Watkins
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

NAYS—34

Carr
Chapman
Dorgan (ND)
Duncan
Durbin
Dymally
Early
Ford (MI)
Hertel
Hoyer
Johnson (SD)
Kastenmeier
Laughlin
Mazzoli
McCandless
McCurdy
McGrath
Myers
Perkins
Porter
Sangmeister
Sarpalius
Sawyer
Spence
Stallings
Stump
Synar
Traxler
Udall
Visclosky
Volkmer
Waxman
Yates

NOT VOTING—22

Bentley
Berman
Boucher
Bryant
Collins
Fawell
Flake
Florio
Frost
Goodling
Hall (OH)
Hefner
Hunter
Leath (TX)
Martinez
Neal (NC)
Owens (UT)
Smith (IA)
Torricelli
Towns
Wilson
Wright

□ 1044

Mr. PORTER changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE EXCHANGE OF CERTAIN FEDERAL PUBLIC LAND IN MADISON COUNTY, IL

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2119) to authorize the exchange of certain Federal public land in Madison County, IL, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 1, strike out lines 4 to 9, and insert:

(a) EXCHANGE OF LAND.—Subject to section 2, at such time as the Blue Tee Corporation conveys all rights, title, and interest in and to the land described in subsection (b)(1) to the United States of America, the Secretary of the Army (hereinafter "Secretary") shall convey all rights, title, and interest in and to the land described in subsection (b)(2) to the Blue Tee Corporation.

Page 3, strike out lines 3 to 11, and insert:

(2) REMOVAL OF IMPROVEMENTS.—The Blue Tee Corporation may remove any improvements on the land described in section 1(b)(1). Furthermore, the Secretary, at his discretion, may require the Blue Tee Corporation to remove any improvements on the land described in section 1(b)(1). In either case, the Blue Tee Corporation shall hold the United States harmless from liability, and the United States shall not incur any cost associated with the removal or relocation of such improvements.

Page 3, after line 18, insert:

SEC. 3. VALUE OF PROPERTIES.

If the appraised fair market value, as determined by the Secretary, of the land conveyed to the Blue Tee Corporation by the Secretary under section 1(a) exceeds the appraised fair market value, as determined by the Secretary, of the land conveyed to the

United States by the Blue Tee Corporation under section 1(a), the Blue Tee Corporation shall pay the difference to the United States.

Mr. ANDERSON (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from California?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, and under my reservation, I yield to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. ANDERSON], to explain his request.

Mr. ANDERSON. Mr. Speaker, H.R. 2119 would authorize the United States to convey its interest in a parcel of land in Madison County, IL, to the Blue Tee Corp. in exchange for the conveyance to the United States of the corporation's interest in another parcel of land in that county.

The land owned by the United States was acquired in connection with the construction of the Melvin Price Locks and Dam project on the Mississippi River at Alton, IL. The land will be under water when the pool behind the locks and dam is raised. This is expected to happen in September.

Local interests wish to develop a boating dock and marina in the area, and have determined that the land scheduled to be inundated would be the best location for the boating facilities if its elevation is raised by the placement of fill material.

The bill, as amended by the Senate, provides that if the fair market value, as determined by the Secretary, conveyed to the Blue Tee Corp. exceeds the fair market value of the land to be conveyed to the United States, the Blue Tee Corp. shall pay the difference to the United States.

Enactment of this legislation at an early date is necessary so that the land to be used for boating facilities can be raised prior to its inundation. I urge enactment of the bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Illinois [Mr. COSTELLO], the author of the bill.

Mr. COSTELLO. Mr. Speaker, I thank the ranking minority member of the Committee on Public Works and Transportation, and I thank the chairman of the Committee on Public Works and Transportation. The gentleman from California [Mr. ANDERSON], the chairman of the committee, and the ranking minority member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], have been very supportive of this legislation, which passed the House May 11 with no objection under a unanimous-consent order.

The amendment, as the distinguished chairman of the Committee on Public Works and Transportation stated, calls for no cost to the Federal Government. All costs involved will be handled by the Blue Tee Corp. This is an enormous benefit to the people of my congressional district, and I thank the chairman of the committee and the ranking minority member for their support.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, let me just state that we support the bill in question and we have no objection to the amendments of the Senate.

The bill would allow an exchange of two adjoining parcels of land near the Melvin Price Lock in Alton, IL, and is supported by all parties concerned. The amendments adopted by the Senate are primarily technical in nature and ensure that the exchange would be on terms which fully protect the interests of the United States. The bill, as amended, has our full support on this side of the aisle.

Mr. NOWAK. Mr. Speaker, I rise in support of the bill, H.R. 2119, a bill to authorize an exchange of lands between the United States and the Azcon Scrap Co. of Alton, IL, a subsidiary of Blue Tee Corp.

The parcel of land presently owned by the United States was acquired in connection with the Melvin Price Lock and Dam and will be under water when the pool behind the dam is raised. This land, if elevated to a height above the pool level, would be a desirable site for a boat dock and marina. Local interests wish to develop the land in this manner and are seeking the exchange of lands for the purpose. There is a need for early passage of this legislation so that the parcel now owned by the Government can be filled to the required level before it is inundated by the pool this September.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING THE CONVEYANCE OF A PARCEL OF LAND IN WHITNEY LAKE, TX

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 2749) to authorize the conveyance of a parcel of land in Whitney Lake, TX, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

□ 1050

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I yield to the gentleman from California [Mr. ANDERSON] to explain his request.

Mr. ANDERSON. Mr. Speaker, H.R. 2749 would authorize the Secretary of the Army to convey to the city of Whitney, TX, approximately 45 acres of land located at Whitney Lake, TX. This land is needed for the construction of a new wastewater treatment facility, which must be located at this site because of the topography and the location of existing sewage mains. The need for early passage of the necessary authorizing legislation results from the city's impending fines for failure to comply with Federal treatment requirements.

The city must pay fair market value for the land, and the conveyance is subject to the condition that the property be used for the construction of a treatment plant.

Mr. Speaker, I urge passage of this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, we have reviewed the bill on this side of the aisle and found it to be very meritorious. As Chairman ANDERSON has described, the bill would allow the Corps of Engineers to sell approximately 45 acres of land to the city of Whitney, TX, at fair market value. The land would be used by the city to construct a wastewater treatment facility consisting primarily of an artificially constructed wetland. The wetland would provide a low cost, effective treatment alternative to a small community of 2,000 which is under an EPA enforcement order to expand their currently inadequate wastewater treatment facility.

The EPA and the State of Texas have looked at this technology and are very supportive. The proposal, which has been employed elsewhere in the country with great success, would be the first artificial wetland used for municipal wastewater treatment in the State of Texas. The Corps of Engineers has also reviewed the legislation. Their recommendations have been incorporated into the bill and they have advised us that they have no objection to the sale of this land as provided for in this bill. In closing, let me commend the gentleman from Texas [Mr. BARTON] for his hard work and cooperation in bringing this to the attention of the committee.

Mr. HAMMERSCHMIDT. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Texas [Mr. BARTON], the author of the bill.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. BARTON of Texas. Mr. Speaker, I would like to thank the chairman of the Public Works and Transportation Committee, Mr. ANDERSON, and the vice chairman, Mr. HAMMERSCHMIDT, for their diligent efforts in expediting House consideration of H.R. 2749, legislation which will greatly benefit the city of Whitney, TX. The city of Whitney, which is in Hill County, TX, in my congressional district, is caught between a rock and a hard place. They were ordered by the Environmental Protection Agency [EPA] on May 5, 1989, to build a new wastewater treatment facility as soon as possible. The current wastewater treatment plant is adjacent to land which is owned by the U.S. Army Corps of Engineers for flood control on Lake Whitney. The corps originally purchased land right up to the city limits, and up to the boundary of the current wastewater treatment facility. The city needs to build the new facility next to the old one because of the layout of the sewer mains and the gravitational flow. There is no other feasible alternative.

When the city approached the corps about the possibility of selling the land, the city was informed that the corps did not have the authority to do so because by law the corps is allowed to use this land for flood control, water conservation, development of hydroelectric power, and public recreation purposes only. The corps stated in a May 22 letter to me that they also could not lease the land for the same reasons.

This legislation will authorize the Secretary of the Army to sell 45 acres of land currently owned by the Corps of Engineers to the city of Whitney for the purpose of building a new sewage treatment plant. The land is on the highest part of the 100 year flood plain, and it is unlikely that it would ever be needed for flood control.

My bill will result in no outlays of funds, and will actually bring in revenue from the land that is sold. I have received assurance from Col. John Schaufelberger, the commanding district engineer, that he would support this sale if he had authorization to do so. This sale is also supported by the city government of Whitney.

The city has proposed to build a new rock-reed filter type facility, which will be the first of its kind in the State of Texas. Both the city and the EPA are very excited about this proposed facility, as it utilizes a new generation of environmentally compatible technology by combining modern treatment techniques with age-old waste treatment processes found in nature. It is envisioned that this facility will become a model for future waste treatment facilities in Texas and throughout the world. The House Public Works and Transportation Committee has also expressed great interest in this promising new technology as an economically and environmentally sound alternative to standard wastewater treatment facilities in rural areas.

The city could be fined up to $25,000 per day for the condition of their current facility, but have not been to this point. This legislation will eliminate the bureaucratic barrier which is keeping the city of Whitney from complying with Federal environmental law.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, let me commend the gentleman from Texas [Mr. BARTON], for his hard work and his cooperation in bringing this to the attention of the committee.

Mr. NOWAK. Mr. Speaker, I rise in support of the bill H.R. 2749. This bill will authorize the Secretary of the Army to convey land acquired for a Corps of Engineers' flood control project to the city of Whitney, TX. The city needs this particular parcel of land for construction of a wastewater treatment plant. If the plant is not constructed, the city will face large fines for not complying with the requirements of the Federal Water Pollution Control Act.

The interests of the United States are protected through a number of conditions that must be met. The city must pay fair market value for the land. If the land is not used for a treatment plant, title reverts to the United States. Also, the Secretary of the Army may require such other terms and conditions as the Secretary considers appropriate to protect the interest of the United States. Under this requirement, for example, excavation of an area to provide flood control storage to replace that lost to the treatment plant may be required so that there is no reduction in the effectiveness of the flood control project.

Mr. Speaker, I urge passage of the bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LAND CONVEYANCE, WHITNEY LAKE, TEXAS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized and encouraged to sell and convey to the city of Whitney, Texas, all right, title, and interest of the United States in and to approximately 45 acres of land located at Whitney Lake, Texas.

(b) CONDITIONS.—(1) In consideration for the sale and conveyance, the city of Whitney shall pay to the United States the fair market value, as determined by the Secretary, of the property to be conveyed by the United States under subsection (a).

(2) The conveyance authorized by subsection (a) shall be subject to the condition that the property conveyed by the Secretary be used by the city for the purposes of a water treatment plant.

(3) If the property conveyed pursuant to subsection (a) is not used for the purposes described in paragraph (2), all right, title, and interest in and to such property shall revert at no cost to the United States, which shall have the right of immediate entry thereon.

(4) The conveyance authorized by subsection (a) shall be made only if the Secretary determines that the Secretary does not need fee simple title to such real property for the flood control project on Lake Whitney.

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the city of Whitney.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such other terms and conditions with respect to the conveyance as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANDERSON

Mr. ANDERSON. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ANDERSON: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. LAND CONVEYANCE, WHITNEY LAKE, TEXAS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to sell and convey to the city of Whitney, Texas, all right, title, and interest of the United States in and to approximately 45 acres of land located at Whitney Lake, Texas.

(b) CONDITIONS.—(1) In consideration for the sale and conveyance, the city of Whitney shall pay to the United States the fair market value, as determined by the Secretary, of the property to be conveyed by the United States under subsection (a).

(2) The conveyance authorized by subsection (a) shall be subject to the condition that the property conveyed by the Secretary be used by the city for the purposes of a wastewater treatment plant.

(3) The conveyance authorized by subsection (a) shall be made only if the Secretary determines that the Secretary does not need fee simple title to such real property for the flood control project on Lake Whitney.

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the city of Whitney.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such other terms and conditions (including any limitation relating to the operation of the Lake Whitney flood control project) with respect to the conveyance as the Secretary considers appropriate to protect the interests of the United States.

Mr. HAMMERSCHMIDT (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be consid-

ered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. ANDERSON].

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELBERT P. TUTTLE COURT OF APPEALS BUILDING

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 801) to designate the U.S. Court of Appeals Building at 56 Forsyth Street in Atlanta, GA, as the "Elbert P. Tuttle Court of Appeals Building."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I yield to our distinguished chairman, the gentleman from California [Mr. ANDERSON] to explain his request.

Mr. ANDERSON. Mr. Speaker, I thank the gentleman for yielding, and also thank him for his cooperation on this bill.

Mr. Speaker, there are few judges who have had the impact on the law that Judge Tuttle has had and continues to have.

Judge Elbert P. Tuttle, now 92, was born on July 17, 1897, in Pasadena, CA. His family lived in Hawaii from 1906 to 1914. He graduated there from Punahou Academy in 1914. He then attended college at Cornell University, graduating in 1918 with an A.B. degree. He served as a second lieutenant in World War I. After the war, he returned to Cornell and earned his law degree there in 1923.

Judge Tuttle then moved to Atlanta, GA, and went into private practice as a tax lawyer. This legal career was interrupted by World War II. He served as commander of the 304th Field Artillery, 77th Infantry Division and saw action in Guam, Okinawa, Leyte, and Ryukyus. He won several medals for his war service, including the Purple Heart with Oak Leaf Cluster and the Bronze Star. Following the war, he returned to private practice until 1953. From 1953 to 1954, he served as general counsel to the Treasury Department.

President Eisenhower appointed Judge Tuttle to the Fifth Circuit U.S. Court of Appeals in 1954. The fifth circuit then had jurisdiction over appeals from Federal courts in Florida, Georgia, Alabama, Mississippi, Louisiana, Texas, and the Canal Zone.

Judge Tuttle became chief justice of the court in 1961 and served in that capacity until 1967. During his tenure, the court put itself in the forefront of the civil rights movement during a very turbulent time. That this was done by a southern court had a significant positive impact on improving civil rights in the South. This was because it allowed an outsider, the Supreme Court, to affirm southern court decisions that expanded civil rights, instead of the Supreme Court imposing new civil rights decisions on the South.

Judge Tuttle's leadership as chief justice and his opinions have had a significant impact on ending racial discrimination in voting, jury selection, and education. He has also issued decisions that resulted in improvement of education at all levels in the South. The Tuttle court was a leader in the use of injunctions to persuade State and Federal courts to act more expeditiously to provide individuals with their constitutional rights.

Throughout Judge Tuttle's career, both on and off the bench, he has stood for a humane approach to law, one that focuses on the parties involved and the human issues they represent, for Judge Tuttle, the law is the complex embodiment of human attempts to resolve human problems. It is his focus on the human dimensions of a case that explains why in some instances, he believes the law must change. It is also his focus on the human dimensions of a case that explains why cases do not linger in Judge Tuttle's office. His decisions are rendered with care and dispatch. They are clear, logical, and sensitive.

Judge Tuttle retired as chief judge in 1967 when he reached the mandatory retirement age of 70. However, he remained on the court in senior status until 1981. At that time he was assigned to the eleventh circuit, where he continues to serve.

In tribute to Judge Tuttle's important contributions to Georgia, the South, and the Nation, it is appropriate to honor Elbert P. Tuttle by naming the U.S. Court of Appeals Building located at 56 Forsyth Street in Atlanta, GA, as the "Elbert P. Tuttle United States Court of Appeals Building."

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I commend the gentleman from Georgia [Mr. LEWIS] for introducing this legislation which recognizes the contributions of Judge Tuttle to the country.

Mr. Speaker, H.R. 801 would name the court of appeals building in Atlanta, GA, in honor of Judge Elbert P. Tuttle.

Judge Tuttle has had a long and distinguished career serving on the Federal bench, including serving as chief judge of the fifth circuit from 1960 to 1967. During that time, Judge Tuttle became known for his court's decisions and opinions on cases concerning such civil rights issues as voting rights and equal education.

I commend Congressman JOHN LEWIS for introducing this legislation which will recognize the contributions Judge Tuttle has made to this country by designating the Atlanta Court of Appeals Building as the "Elbert P. Tuttle United States Court of Appeals Building."

Mr. Speaker, I yield to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I thank the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking member for yielding, and thank him for helping with the chairman and the subcommittee chairman and the ranking minority member to move this legislation with dispatch.

Mr. Speaker. I rise to urge my colleagues to support H.R. 801, legislation to designate the U.S. Court of Appeals Building at 56 Forsyth Street in Atlanta, GA as the "Elbert P. Tuttle United States Court of Appeals Building." I cannot think of a more fitting tribute to this 92-year-old American hero than to name this building after him. I cannot think of a more fitting tribute to the important work of the Fifth Circuit of the U.S. Court of Appeals than to name this building after him.

Judge Elbert P. Tuttle was key to weaving a new and more durable legal and social fabric for our nation. As Chief Judge of the U.S. Court of Appeals for the Fifth Circuit from 1960 to 1967, Judge Tuttle boldly led the South's Federal appellate court through the most turbulent times of our Nation's history, the Civil Rights Movement.

Most of the major civil and constitutional rights cases—particularly those involving African-Americans—came out of the South. They were decided by the Tuttle court.

Judge Tuttle's decisions were not popular. But, they were right, just, fair and sound. They led to progress—not only in the South, but throughout our Nation . . . not only for African-Americans, but for all Americans. They changed the social and legal landscape of our country. They helped to make our Nation great.

Mr. Speaker, it is not often that we have an opportunity to honor those men and women who have created legacies during their lifetimes. This is one such opportunity.

Judge Tuttle set the course for social change in America in the 60's, in the decades that followed and in many years to come. For that, America shall be forever thankful.

Again, I urge my colleagues to support H.R. 801. Thank you, Mr. Speaker.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

H.R. 801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States Court of Appeals Building at 56 Forsyth Street in Atlanta, Georgia, shall be known and designated as the "Elbert P. Tuttle Court of Appeals Building".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Elbert P. Tuttle Court of Appeals Building".

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: Strike out all after the enacting clause and insert:

SECTION 1. DESIGNATION.

The United States Court of Appeals Building at 56 Forsyth Street in Atlanta, Georgia, shall be known and designated as the "Elbert P. Tuttle United States Court of Appeals Building".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Elbert P. Tuttle United States Court of Appeals Building".

The SPEAKER. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill to designate the United States Court of Appeals Building at 56 Forsyth Street in Atlanta, Georgia, as the 'Elbert P. Tuttle United States Court of Appeals Building'.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2749 and H.R. 801, the two bills just passed, and on the Senate amendments to H.R. 2119 just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CORRECTION IN APPOINTMENT OF CONFEREES ON H.R. 1278, FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989.

The SPEAKER. The Chair, under the authority granted by the House on June 22, 1989, makes the following corrections in the appointment of conferees on H.R. 1278, Financial Institutions Reform, Recovery and Enforcement Act of 1989:

First. For the second panel from the Committee on Banking, Finance, and Urban Affairs, delete section 223 of the House bill from the sections under consideration.

Second. For the first panel from the Committee on Ways and Means, add section 1412 of the Senate amendment as a section for consideration.

Third. For the second panel from the Committee on Ways and Means, delete section 503 of the Senate amendment from the sections under consideration.

The Clerk will notify the Senate of the change in conferees.

TRANSFER OF OBSOLETE DESTROYER U.S. SHIP "EDSON" TO INTREPID SEA-AIR-SPACE MUSEUM IN NEW YORK

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of the Senate bill (S. 1184) to allow the obsolete destroyer U.S. ship *Edson* (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable 60-day congressional review period, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. SPENCE. Mr. Speaker, reserving the right to object, I yield to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, S. 1184 would waive the 60-day waiting period incident to transfer of the obsolete destroyer *Edson* to the Intrepid Sea-Air-Space Museum in New York City. Navy has no need for the ship and has requested the transfer.

Mr. Speaker, this has been considered in the subcommittee and in the full committee and approved by both.

Mr. SPENCE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clauses (2) and (3) of section 7308(c) of title 10, United States Code, shall not apply with respect to the transfer by the Secretary of the Navy under section 7308(a) of such title of the obsolete destroyer United States ship Edson (DD 946) to the Intrepid Sea-Air-Space Museum, a nonprofit corporation organized under the laws of the State of New York.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1184, the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2696, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1990

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 187 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 187

Resolved, That during the consideration of the bill (H.R. 2696) making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, line 10 through page 16, line 22; beginning on page 17, line 19 through page 20, line 23; beginning on page 21, line 15 through page 22, line 3; beginning on page 27, line 11 through page 32, line 16; beginning on page 34, lines 13 through 24; beginning on page 39, line 4 through page 52, line 3; beginning on page 53, line 1 through page 55, line 9; beginning on page 55, line 20 through page 57, line 6; beginning on page 57, line 15 through page 58, line 2; beginning on page 58, line 6 through page 59, line 24; and all points of order against the following provisions in the bill for failure to comply with the provisions of clause 6 or rule XXI are hereby waived: beginning on page 2, line 10 through page 15, line 5; beginning on page 17, line 19 through page 20, line 23; beginning on page 21, line 15 through page 22, line 3; beginning on page 28, line 5 through page 32, line 16; beginning on page 34, lines 13 through 24; beginning on page 46, line 10 through page 47, line 15; and beginning on page 49, line 20 through page 50, line 10. It shall be

in order to consider the following amendments printed in the report of the Committee on Rules accompanying this resolution: (1) the amendment, if offered by Representative Mrazek of New York and (2) the amendment, if offered by Representative Owens of Utah, and all points of order against said amendments for failure to comply with the provisions of clause 7 of rule XVI and with clause 2 of rule XXI are hereby waived; (3) the amendment, if offered by Representative Martin of Illinois, and all points of order against said amendment for failure to comply with the provisions of clause 2 of rule XXI are hereby waived; and (4) the amendments, if offered by Representative Roe of New Jersey, or his designee, said amendments may be considered en bloc and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

□ 1100

The SPEAKER pro tempore (Mr. LEWIS of Georgia). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 187 waives points of order against certain provisions of H.R. 2696, the energy and water development appropriations bill for fiscal year 1990. This rule does not provide for the bill's consideration since general appropriation bills are privileged under the rules of the House. The rule also does not contain any provisions relating to time for general debate. Customarily, general debate will be limited by a unanimous-consent request by the floor manager when the bill is considered.

House Resolution 187 waives clause 2, rule XXI against specified provisions in H.R. 2696. This clause prohibits unauthorized appropriations or legislative provisions in general appropriations bills. This rule also waives clause 6 of rule XXI against specified provisions, a clause prohibiting reappropriations or transfers in general appropriations bills.

The provisions for which these waivers are provided are detailed in the rule by reference to page and line in the energy and water appropriations bill. Generally, certain provisions in titles I, II, and III have been granted waivers for clauses 2 and/or 6 of rule XXI, and specific provisions in titles IV and V have been granted waivers against clause 2 of rule XXI.

Finally, Mr. Speaker, this rule makes in order the amendments printed in Report No. 101-115 accompanying this resolution and waives certain points of order against three of these amendments. Provisions against clause 2 of rule XXI, and clause 7 of rule XVI, for germaneness, are waived against amendments to be introduced by Representatives MRAZEK of New York and OWENS of Utah. All points of order against clause 2 of rule XXI are waived for an amendment to be introduced by Representative MARTIN of Illinois. Amendments offered by Representative ROE of New Jersey or his designee may be considered en bloc and are not subject to a demand for a division of the question in the House or in the Committee of the Whole.

Mr. Speaker, H.R. 2696 appropriates $18.5 billion in new budget authority for the Army Corps of Engineers, the Bureau of Reclamation, the Department of Energy, and several independent agencies. Approximately one-half of the appropriations in this bill are allocated to the Department of Energy's defense nuclear programs and another one-fifth is provided for planning, construction, and maintenance of water projects.

H.R. 2696 is an important bill. Some of the programs provided for in this bill are literally vital for our Nation and I commend the appropriations committee for a job well done. I am especially delighted that this bill provides $304 million for the building of new tritium production facilities and provides a substantial increase in funding for the cleanup of our Nation's nuclear materials production complex. It is absolutely essential that we move ahead with these projects; the health, safety, and security of our Nation depend on it.

I believe this rule will allow for expeditious consideration of H.R. 2696. I urge its adoption.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend the subcommittee chairman, the gentleman from Alabama [Mr. BEVILL], and the subcommittee ranking Republican, the gentleman from Indiana [Mr. MYERS], for their hard work in putting together this piece of legislation. As we found in the Rules Committee hearing on this bill yesterday, it is not possible to please everyone with the limited resources available. But the gentleman from Alabama and the gentleman from Indiana have done an excellent job in carrying out a difficult assignment.

This is the first of the 13 general appropriation bills to come to the floor in the first session of the 101st Congress. I would like to remind my colleagues that general appropriations bills are privileged on the floor where they are considered in the Committee of the Whole under an open amending process. The reason they come to the Rules Committee is for waivers of points of order. In this case waivers are required because some of the appropriations in the bill have not been authorized, there is legislation on this appropriation, and the bill reappropriates some previously appropriated funds. In addition, the rule provides waivers to protect several amendments which would otherwise be subject to a point of order.

Mr. Speaker, this bill provides funding for important projects across the Nation. The administration has expressed its support for provisions to fund the initial construction of the superconducting super collider. The bill provides funding for items of interest in my own region as well, such as the Tennessee Valley Authority, the Appalachian Regional Commission, and operation and maintenance of Corps of Engineers' projects.

I support this rule so that the House may get down to the business of debating and amending this important legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed out of order for 2 minutes and to revise and extend his remarks.)

CRIME ON CAPITOL HILL

Mr. BURTON of Indiana. Mr. Speaker, I take this 2-minute special to bring to the attention of the body a terrible tragedy that happened just a couple of nights ago. We all think that we are safe on Capitol Hill and that the crime problem we have in Washington, DC, occurs just off the Hill, so we are safe up here.

A couple of days ago, a young lady outside the Hart Building had a gun stuck to her at 8:45 in the morning on the way to work, and was mugged. Four of my colleagues on the other side of the aisle that room together, somebody broke into their apartment and stole a television set half a block from Anton's, just recently. Night before last, one of my staff members was working in her kitchen in the evening, and a fellow broke into her apartment, put a 4-inch knife through her hand, bit her severely several times in a violent struggle. She struggled, fell down a flight of stairs and got a door open and the fellow fled. But he was about to kill her, two blocks from my office at the Cannon Building.

We are not safe on Capitol Hill. It took 30 minutes for the D.C. police to get there, even though an ambulance was there in 3 to 5 minutes. It took several hours before an investigator got there because he was on the other side of the town dealing with other problems. I do not know why they do not have more investigators. Nevertheless, it took several hours. The next morning my staff person, who was injured, found three articles that the assailant left during the struggle. The policeman did not even find that.

The reason I bring this up is because we have a terrible problem here in Washington, DC. There are 1,300 uniformed policemen, I understand, and they are not able to cope with the situ-

ation. Now, if the city of Washington cannot deal with the crime problem, then we are going to have to do something about it, because it is not just the people off the Hill at risk, it is Members and our staff people. It is happening time and again. I submit to members on the Committee on the District of Columbia should deal with this, and if they cannot we as a body should deal with it. If we cannot protect the people in this city, how are we going to protect them across the country? The drug problem and the murder problem is terrible, we all know that. We must come to grips with it.

Mr. Speaker, I thank the gentleman for yielding time to me.

□ 1110

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, with regard to the budget issues involved with this appropriation bill, we have provided a "Dear Colleague" to all Members. There are no Budget Act waivers that are required under this rule, and the prinicipal reason for that is that the bill meets and actually provides additional savings below the targets that were established under the 302 subdivision that was assigned to this subcommittee of the Committee on Appropriations.

Under the 302(b), approximately $18.979 billion in budget authority was provided. The bill contains $18.584 billion in budget authority, which is a savings of $395 million below the 302(b) target.

With regard to outlays, the outlay figure that was in the 302(b) was $17.905 billion. The bill actually reflects an outlay number of $17.867 billion, which is a savings of $38 million. The bill, therefore, is well within the requirements, not only of the budget resolution but of the budget agreement worked out with the White House. For those reasons, there are no budget problems.

This subcommittee, the first subcommittee reporting an appropriations bill to the floor, has, I think, done an outstanding job in meeting the targets that were established under the budget resolution. We congratulate them, and we are pleased to bring the information to the attention of the Members.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, June 28, 1989.

DEAR COLLEAGUE: Attached is a fact sheet on H.R. 2696, Energy and Water Development Appropriations bill for Fiscal Year 1990. This bill is scheduled for floor consideration on Wednesday, June 28, subject to a rule being adopted.

This is the first appropriations bill for fiscal year 1990 and is below the Appropriations Committee 302(b) subdivision for this subcommittee.

I hope this information will be helpful to you.

Sincerely,

LEON E. PANETTA,
Chairman.

[Fact Sheet]

H.R. 2696, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL, FISCAL YEAR 1990 (H. REPT. 101-96)

The House Appropriations Committee reported the Energy and Water Development Appropriations bill for fiscal year 1990 on Tuesday, June 20, 1989. This bill is scheduled for floor action on Wednesday, June 28, subject to a rule being adopted.

COMPARISON TO THE 302(b) SUBDIVISION

The bill provides $18,584 million of discretionary budget authority, $395 million less than the appropriations subdivision for this subcommittee. The bill is under the estimated discretionary outlay subdivision by $38 million. A detailed comparison of the bill to the spending and credit subdivisions follows:

COMPARISON TO SPENDING ALLOCATION

[In millions of dollars]

	Energy and water development appropriations bill		Appropriations Committee 302(b) subdivision		Bill over (+)/under (−) 302(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	18,584	17,867	18,979	17,905	−395	−38
Mandatory [1]						
Total	18,584	17,867	18,979	17,905	−395	−38

[1] Conforms to budget resolution estimates of existing law.

Note.—BA, new budget authority; O, estimated outlays.

The direct loan levels in the bill equal the discretionary subdivision for this subcommittee. A detailed comparison follows:

COMPARISON TO CREDIT ALLOCATION

[In millions of dollars]

	Energy and water development appropriations bill		Appropriations Committee 302(b) subdivision		Bill over (+)/under (−) 302(b) subdivision	
	DL	LG	DL	LG	DL	LG
Discretionary	32		32			
Mandatory	32		32			
Total	32		32			

Note.—DL, new direct loan obligations; LG, new loan guarantee commitments.

Pursuant to Section 302(b) of the 1974 Budget Act as amended by P.L. 99-177 (Gramm-Rudman-Hollings), the Committees of the House are required to subdivide the spending authority and credit authority allocated to them in the Budget Resolution for Fiscal Year 1990 (shown in H. Rept. 101-50). The Appropriations Committee reported its 302(b) subdivisions on June 21, 1989 (H. Rept 101-97). These subdivisions are the official scorekeeping targets for appropriations subcommittees.

The following are the major program highlights for the Energy and Water Development Appropriations Bill for FY 1990, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget Authority	New Outlays
Atomic energy defense programs [1]	8,687	6,909
Army Corps of Engineers	3,172	2,172
Bureau of Reclamation	873	797
DOE general science	1,062	752
(Superconducting super collider—SSC)	(200)	(142)
Energy supply R&D	2,115	1,858
Uranium enrichment (gross)	1,445	1,257
Nuclear waste fund (civilian)	450	225
Appalachian Regional Commission (ARC)	110	31
Nuclear Regulatory Commission (gross)	442	332
Tennessee Valley Authority (TVA)	121	10

[1] The atomic energy defense program funds are part of function 050, national defense, and count against the bipartisan budget agreement defense target. The other accounts shown above count against the domestic discretionary target.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Speaker, I rise in support of this rule and the $200 million provided by the fiscal year 1990 energy and water appropriations bill to begin construction of the superconducting super collider.

The SSC represents an unparalleled opportunity for the United States to lead the way in advancing mankind's knowledge of matter and energy at its most fundamental level. Our Nation has always been at the forefront of scientific discovery, and the SSC offers the prospect of continued leadership in this area.

Of course, while it's difficult to predict now where the SSC will lead us, we do know that past scientific and technological breakthroughs have had enormous impact on our daily lives. Major advances in medicine, agriculture, computers, and lasers have come about because of our Nation's commitment to basic scientific research. It's reasonable to believe that the SSC will also lead to now unforeseen discoveries that will profoundly affect the way we live.

Twenty years ago, man set foot upon the Moon for the first time, realizing the dreams of a generation of Americans dedicated to leading the way in scientific research, exploration, and technical innnovation. Today, we can embark on a new journey with the SSC, continuing the American tradition of exploring new frontiers and making discoveries benefiting our Nation and all mankind.

I urge my colleagues to support the $200 million appropriation for construction of the SSC.

Mr. QUILLEN. Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LEWIS of Georgia). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 47, not voting 21, as follows:

[Roll No. 114]

YEAS—364

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Armey
Aspin
AuCoin
Baker
Barnard
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Bustamante
Byron
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Coyne
Crockett
Darden
Davis
DePazio
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Goss
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Henry
Herger
Hertel
Hoagland
Hochbrueckner
Holloway
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (SD)
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Traficant
Traxler
Udall
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—47

Archer
Ballenger
Buechner
Bunning
Burton
Callahan
Coble
Cox
Craig
Crane
Dannemeyer
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Frenzel
Gekas
Grandy
Hastert
Hefley
Hiler
Hopkins
Hunter
Hyde
Kyl
Leach (IA)
Lightfoot
Livingston
Marlenee
McCandless
McCollum
Nielson
Paxon
Petri
Porter
Ritter
Sensenbrenner
Shumway
Smith, Denny (OR)
Smith, Robert (NH)
Stump
Upton
Vucanovich
Walker

NOT VOTING—21

Atkins
Bentley
Berman
Bosco
Clarke
Collins
de la Garza
Flake
Florio
Gingrich
Goodling
Hall (OH)
Hefner
Jacobs
Johnston
Miller (CA)
Neal (NC)
Slaughter (VA)
Smith (IA)
Towns
Weber

□ 1133

Mr. GRANDY and Mr. COX changed their vote from "yea" to "nay."

Mr. PACKARD changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2696, and that I be permitted to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1990

Mr. BEVILL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2696) making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Indiana [Mr. MYERS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

□ 1136

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2696, with Mr. PEASE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Alabama [Mr. BEVILL] will be recognized for 30 minutes, and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

PARLIAMENTARY INQUIRY

Mr. HAMMERSCHMIDT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAMMERSCHMIDT. Mr. Chairman, would this be the proper time to raise a point of order on section 110 and section 112 of the bill?

The CHAIRMAN. It would not be the proper time. The proper time would be when those sections are read under the 5-minute rule.

Mr. BEVILL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring to you today for your favorable consideration the energy and water development appropriation bill for 1990. I am joined in this effort by my colleagues on the Energy and Water Development Subcommittee who have worked long and hard to bring this legislation to the floor. Let me express my special appreciation to our ranking minority member, the gentleman from Indiana [Mr. MYERS]. As in years past, he and I have worked together with the subcommittee without any trace of partisanship to fashion a bill that meets the present and future needs of our entire country. I also want to express my appreciation and thanks to the members of the subcommittee, the gentlelady from Louisiana [Mrs. BOGGS], the gentleman from California [Mr. FAZIO], the gentleman from Oklahoma [Mr. WATKINS], the gentleman from Georgia [Mr. THOMAS], the gentleman from Texas [Mr. CHAPMAN], the gentlelady from Nebraska [Mrs. SMITH], the gentleman from Michigan [Mr. PURSELL]. This is Mr. CHAPMAN's first year on the subcommittee, and he has proven to be a valuable addition to the subcommittee. I want to also thank Mr. WHITTEN, a member of the subcommittee, and Mr. CONTE for their assistance.

Mr. Chairman, at the outset, I want to point out to Members of the House that this bill is within the section 302(b) allocation for both new budget authority and outlays. The bill is also within the summit agreement for domestic and defense program levels. I caution Members that any amendments offered to increase appropriations for the domestic programs in this bill will put it over our allocation amount as it applies to outlays.

Mr. Chairman, the bill before the committee today would provide $18,527,710,000 in new budget authority to the Army Corps of Engineers, the Bureau of Reclamation, the Department of Energy, and nine independent agencies and commissions. The bill includes $9,687,000,000 for defense activities and $8,840,710,000 for domestic programs. The amount for defense is $300 million greater than the budget request, and the amount for domestic programs is $150,663,000 less than the administration's request.

TITLES I AND II—WATER RESOURCE DEVELOPMENT

Mr. Chairman, the committee is committed to a policy of development of the vital water supply, navigation, flood control, irrigation, and hydroelectric projects that are necessary to the well-being and economic growth of the entire Nation. No part of this country is immune from the problems of water—too little or too much—and all States of the Union must join together to cooperatively foster a truly national water policy which responds to the unique needs of each State and region.

Title I includes $3,172,218,000 for the Corps of Engineers which provides for 546 water resource projects in the planning or construction phases.

Title II includes $976,130,000 for the Bureau of Reclamation which provides for 122 water resources projects in the planning or construction phases.

Titles I and II also provide for studies and projects in the operation and maintenance category. Within the available funds, the subcommittee has attempted to accommodate the most critical needs, within budget constraints, identified through the extensive hearings conducted with administration witnesses, the public, State and local officials, and Members of Congress.

In spite of budget outlay constraints, the committee has provided for new construction starts for both the Corps of Engineers and the Bureau of Reclamation.

TITLE III—DEPARTMENT OF ENERGY

In title III, for the Department of Energy, the recommendation provides a total of $13,835,077,000. In this title, we are recommending $9,677,000,000 for the national security programs, $290 million above the budget request, and $4,158,077,000 for all other energy programs, $274,749,000 below the budget request. The amount recommended for energy research programs maintains a balanced energy research program and a healthy scientific research effort. The recommendations include numerous changes in the request which are summarized in the report. I will mention a few.

In the energy programs of the Department of Energy, several changes are worth mentioning:

For solar and renewable energy programs, we are recommending $94,996,000 compared to the budget request of $71,156,000.

For magnetic fusion, the recommendation provides $280,450,000, a decrease of $68,800,000 below the requested level of $349,250,000. The decrease reflects the severe budget constraints imposed on the committee.

The committee continues to support the program activities included in the nuclear waste disposal fund. The bill includes $450 million, a reduction of $50 million. This reduction does not withdraw support but is a response to severe funding restraints.

For general science and research, the committee recommendation provides a total of $1,062,431,000. The recommendation includes funds to initiate construction of the superconducting super collider. The committee included $200 million for this project, of which $110 million is for construction. This is a $50 million reduction from the budget request, but an increase of $100 million over last year's amount. The administration is pushing hard for this project. While the committee is very supportive of the project because of the new knowledge and understanding that will be brought about by constructing it, construction funding in future years will be a challenge. Hopefully, cost sharing from Texas and from foreign countries will enable this project to move forward.

The recommendation for defense programs of $9,677 million is $1,577 million above the current appropriations and is $290 million above the budget request. The recommended level includes increased funds for defense waste cleanup and is generally consistent with the expected defense authorization bill soon to be brought to the floor.

TITLE IV—INDEPENDENT AGENCIES

Title IV of the bill includes $544,285,000 for nine independent agencies. This is $98,284,000 above last year's level.

We have provided $110 million for the Appalachian Regional Commission; $121 million for the Tennessee Valley Authority; and $1,135,000 for three river basin commissions.

The committee recommendation provides $445 million for the Nuclear Regulatory Commission, an increase of $25 million from last year's level. In addition, the bill includes language which would permit NRC to use up to $146,850,000 in revenues from licensing and other activities to offset part of the appropriations.

The committee recommendation includes three new agencies for 1990. The committee provides $10 million for the Defense Nuclear Facilities Safety Board, $2 million for the Nuclear Waste Technical Review Board, and $2 million for the Office of the Nuclear Waste Negotiator.

GENERAL PROVISIONS

The bill contains the customary general provisions carried in prior years to permit the agencies funded in this bill certain flexibility and to limit other activities.

COMMITTEE REPORT

The report accompanying the bill provides a good explanation of the recommendations reflected in the bill. I would encourage the Members to look through it.

This is a good bill. I recommend its adoption.

□ 1140

Mr. Chairman, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and colleagues and Committee of the Whole today, I join my chairman in, first, endorsing this bill as a very good bill. This one is mean and lean, particularly lean.

□ 1150

I join my chairman in complimenting and thanking the other members of the subcommittee who have done an excellent job spending hours, weeks, and months in listening to witnesses. We have over 12,000 pages of testimony involving about 100 Members of Congress who testified in person. Over half of the Members of this House of Representatives did appear before this subcommittee either in person or in written statements to support certain items. We heard a number of Governors, State legislators, and a great many concerned citizens around the country.

So I do thank the members of the committee for sitting through those hearings, and also the staff who once again did an excellent job. I join my chairman in thanking all of the individuals who contributed to bringing this bill to the floor today.

Back years ago when the chairman and I came to this subcommittee, when this particular bill from this subcommittee was then known as the Public Works Subcommittee on Appropriations, it was frequently called the all-American bill. Some people who were critics of our bill were critical of the "all-American" because they thought that there was something in the bill for every Member of Congress and every area of the country, particularly those Members who said this is pork barrel legislation. I have learned since then what pork barrel really is. Pork barrel is a program or project that does not affect my district.

But this bill does help a great many people. I think it is called all-American because it touches everyone of us. It supports more than 25,000 miles of inland waterways, and the ports of our country, making them navigable so that the products of industry and American agriculture can be exported around the world at competitive prices. The things that make this possible are in the bill.

Then in recent years we have come into a new area of research and development of new sources of energy, things that we take for granted like electric energy. This morning when we woke up to the alarm clock that probably was electric, and go out and open the garage door electronically, had toast, had coffee using electricity, all of these things which most of us in recent years take for granted. But it is because we have research that those things have been created and developed. This committee has had the insight through the years to make many of these things possible. That work continues to be very, very necessary.

So yes, I still think this is the all-American bill. It may not be the largest appropriation bill to come before this House this year, but it does have an impact on every one of us as Members and our constituency back home, regardless of whether they come from one of the most metropolitan areas of the country or they come from one of the most rural areas. The things that we create in this bill and provide for serve our constituencies.

Again, years ago I thought by the time we had been here this many years that we would be able to take care of all of the requests from Members of Congress around the country. Because of the budget impact, however, it has become more difficult through the years for this committee to help the Members of this House who have some very high priorities. So it was necessary for us to hold down some of the spending. I know I have heard some complaints from Members who say we either did not put their program or project in or we cut it too low.

But every appropriation subcommittee will share this year with the tightening down. I certainly support it. It was necessary to cut many of the programs, and even not include some of the very high-priority programs.

But for the first time in the years that I have been on this subcommittee, defense programs within the Department of Energy will have more money provided than the domestic programs. Again, back years ago defense was not part of this bill. But our research into new weapons systems, in new reactors in the Defense Department, and new technology that is provided through the Department of Energy is in this bill. That particular part exceeds our domestic spending for the first time since I have been on this committee. It is the first time ever that this committee has come to the floor with a defense section larger than the domestic.

As has already been stated, we have some waivers in the bill that are necessary. The important thing is to remember we have not waived the Budget Act. We are not over the budget. We are slightly over the President's request. We were over last year. But we have not waived the Budget Act, and that is very important.

But some of the waivers that were necessary are legislative in nature. There are amendments, modifications of programs and projects that have to be made where the authorizing committees have not had the opportunity to pass these amendments. Some that the House has already acted upon and the Senate has not acted upon yet. These legislative refinements are absolutely necessary. If we are to meet our requirements by the rules of this House to come forth with our appropriation bills, I think we are going to hear this same argument from almost every appropriation subcommittee on their bill. That it is not because the Appropriation Committee likes to legislate, but if we are to move forward in a timely fashion. If we are to modify the programs as they are needed to be modified, it is necessary to do it through this route.

So the legislative modifications that are required in this bill are minor in nature. There are no major unauthorized new programs started in this bill.

The administration is uncertain about their support. We have heard from the Office of Management and Budget, as we always have in the years I have been on the committee, about the new starts we have put in. The administration requested 11 new starts in the Corps of Engineers. We have included those 11, and in prioritizing, we have added 19 others that this body decided are very important. There are no very large ones, but we have included 19 plus the administration's 11.

Naturally the administration, both Democrat and Republican, always oppose our new starts. They support their 11. If we were to surrender, however, and say only the administration has the right to decide which new starts, then we might as well not have the Appropriations Committee, or even this body, for that matter. We could call all get a rubber stamp and approve it.

So I do not think the adminstration is going to be opposed to it, but they do question the new starts.

This is good bill and I hope it will get the support of every Member here. There will be a few minor amendments offered today some the committee will support and some we will not be able to support, but it is a good bill. It is the best bill I believe we have ever come to the floor with. It is lean, even more lean than we would like to see it, but it is one that I hope each Member can support.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] has consumed 8 minutes.

Mr. BEVILL. Mr. Chairman, I yield 2½ minutes to our colleague and friend, the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I rise in support of the energy and water appropriations bill, and urge my colleagues to vote for the bill.

This bill provides funding for a wide variety of projects and services that are important to our Nation. I want to mention just one of these that is particularly important to me and to the State of Colorado—funds to cleanup our Nation's nuclear weapons plants.

I am very heartened that the bill provides a significant increase in the Department of Energy's [DOE] waste management and cleanup program. The bill would literally quadruple current-year funding for cleanup activities at DOE nuclear weapons plants. In addition, the bill almost doubles the resources for waste research and development, that is, it doubles the money the Department will have to

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

find better and cheaper solutions to waste problems at weapons sites.

These increases are absolutely necessary to restoring some credibility to the management of our Nation's weapons complex. I believe strongly that if we do not attack these waste issues aggressively, the future of our entire weapons complex and our nuclear deterrent could be cast into doubt. The truth of the matter is that Americans today will no longer tolerate threats to their safety and health from our nuclear weapons plants in order to ward off the threat posed by Mr. Gorbachev.

I want to commend and thank Chairman BEVILL and his subcommittee for their leadership on this very difficult issue. It was very troubling to me that President Bush's budget recommended we spend more than three times as much on weapons plant modernization as on cleanup in 1990—even though cleanup will cost us more in the long run. Mr. BEVILL's bill does a far better job of balancing our national needs.

People in my State of Colorado understand the importance of this cleanup because of the situation at Rocky Flats. The Department of Energy has called ground water contamination at Rocky Flats the number one potential health hazard at any of its plants nationwide. And there are other potential hazards at the plant—such as plutonium in the soil and poisonous chemicals in old evaporation ponds—that in the near future could become immediate threats to our health in Colorado if cleanup work is not carried out quickly and thoroughly.

Funds in this bill will accelerate cleanup at the Rocky Flats plant, and help the Department meet its cleanup obligations under the agreement it recently signed with the State of Colorado.

At this point, I would greatly appreciate the opportunity to engage the distinguished chairman from Alabama in a colloquy.

As the chairman is aware, the Department of Defense authorization bill being prepared by the Armed Services Committee includes a section that would authorize and earmark funding for the Department of Energy to carry out its responsibilities under the June 16, 1989, agreement it signed with the State of Colorado.

The section would also authorize and earmark funding for the DOE to help the State of Colorado assist those Colorado communities whose water supply is affected by the Rocky Flats plant to ensure the safety of their drinking water. Because of recent events at the Rocky Flats plant, these communities have had to undertake extraordinary water testing and related activities, and this section is to alleviate these extraordinary costs.

As I understand it, Mr. Chairman, nothing in this bill would keep the DOE from using funds in the Defense Waste and Environmental Restoration Program for the purpose of carrying out either of the activities of the section in the DOD authorization bill I have described. I would appreciate the chairman's view on whether this understanding is correct.

Also, the appropriations bill before us today includes an increase of $661 million over current year funding for DOE's Defense Waste and Environmental Restoration Program. Does the chairman agree there are sufficient funds for the activities in the DOD authorization bill I have described?

Mr. BEVILL. If the gentleman will yield, Mr. Chairman, the gentleman from Colorado is correct in his understanding of the bill. DOE would be able to use funds in the Defense Waste and Environmental Restoration Program to carry out the activities he has described. Sufficient funds have been included for these activities.

Mr. SKAGGS. I thank the chairman for engaging in this colloquy with me. And I again want to express the great thanks of the people of Colorado for the chairman's and his committee's leadership in moving aggressively to provide the substantial increase in funding so desperately needed to expedite cleanup at the country's nuclear weapons facilities.

□ 1200

Mr. MYERS of Indiana. Mr. Chairman, I yield 5 minutes to a very valuable member of the subcommittee, the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I will be brief today because I know we are going to have a long evening.

Mr. Chairman, I want to congratulate the gentleman from Alabama [Mr. BEVILL], and the gentleman from Indiana [Mr. MYERS], for an outstanding bill, and I congratulate the staff, working in a very bipartisan spirit for, I think, the best interests of the country.

I put it that way, Mr. Chairman, because I think that we did look at all the projects in the Nation and made decisions that sometimes were unpopular but, I think, correct in the long term.

The programs funded by this legislation represent a major component of this country's science and technology effort. The United States is the world leader in science and in the application of that science to commercial use. To maintain that preeminence, however, the Federal Government must continue to nurture and stimulate knowledge in biomedical research, biotechnology, superconductivity, and other emerging technologies. That is what this legislation and other appropriations bills supporting basic and applied science aim to do.

I commend the committee for the continuing support of the University Research Program in Robotics for Advanced Reactors and University Nuclear Engineering Programs. In fiscal year 1987 the Department of Energy initiated an innovative, long-range program to develop advanced robotic systems capable of performing tasks that are hazardous to humans or more appropriately performed by automated systems. I feel that continued support is justified based upon the significant long-term economic, technical, and human safety benefits.

In order to preserve the Nation's energy options, nuclear engineering must continue to attract a reasonable number of outstanding graduate students. I am glad the committee recommended that moneys be made available for graduate fellowships, direct research support, and educational support programs in the field of nuclear engineering.

I would like to thank the committee for including funding for the superconducting super collider.

The proposed superconducting super collider provides America the opportunity to build a premier research facility and retain preeminence in the world's scientific community.

Like the Apollo Moon landing project, the super collider will inspire and encourage many young people to point their lives toward careers in science and engineering. Those who do meet the challenges of this unprecedented search for scientific knowledge will become our future leaders in universities, industry, and government.

Also, I want to commend the subcommittee for their work with the Corps of Engineers. Of special interest to me, is the St. Lawrence Seaway, the fourth seacoast. There are now serious constraints to efficient use of the St. Lawrence Seaway system. Because the international fleet has undergone profound changes in total capacity, size, character, organization, and cost of transport, modernization of the St. Lawrence Seaway is paramount.

Accordingly, the committee has directed the Secretary of Army to initiate and complete a study to identify alternative financing methods and cost recovery options and potential local sponsors for constructing major navigational improvements.

Again, I commend our subcommittee and staff for the expert job done in writing this bill. I strongly support it and urge my colleagues to vote for it.

Mr. Chairman, I would like to tell you of the superconducting super collider's importance to education and how universities across the country will benefit from this investment in science.

The super collider will be managed and operated by the prestigious Universities Research Association [URA], an organization comprising 73 of our Nation's universities. The Southeastern Universities Research Association [SURA], which has a membership of 39 universities, has endorsed the super collider as an important educational research facility. These groups share my interest in seeing our finest scientists and students conduct advanced scientific research here, instead of overseas.

Over 100 universities eventually could participate in research at the facility. This would inspire our youth to pursue careers in science, engineering, computers, and related fields. Building the super collider will send a strong signal to our children that America believes in and supports education, science, and technology. It will give American students the opportunity to participate in experiments working side by side with some of the world's brightest physicists.

While the super collider promises numerous future benefits to our students, many universities are already conducting research and development on this project. This year, $8 million has been allocated to 28 universities for research and development on the detectors, the heart of the machine which will record the particle collisions. Over $110 million is being spent at 82 universities across the country in fiscal year 1989 to conduct further research in this area of high-energy physics. Such "cutting edge" research is not only educationally valuable, but could help form the foundation for new industries and technologies.

With European countries and the Soviet Union building accelerators that soon will surpass our current facilities, timely construction of the super collider is vital to our maintaining the lead in this important scientific area and in helping keep new American industry and education competitive well into the 21st century. The super collider is a top priority for this administration and I urge your support for construction funding for the superconducting super collider.

Mr. BEVILL. Mr. Chairman, I yield 1 minute to our friend and colleague, the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the committee has strongly supported the flood control project at Salyersville, KY, known as the cut-thru project. As I understand the situation, the gentleman from Alabama did not include actual funding for this project in the fiscal year 1990 bill because the Corps of Engineers has assured the gentleman that they have more than sufficient funds to continue this project during fiscal year 1990, and it is my further understanding that the committee strongly supports this much-needed project and my efforts to get it under construction at the earliest possible date.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Alabama.

Mr. BEVILL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is correct.

Mr. PERKINS. Mr. Chairman, I thank the gentleman.

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. ROGERS], another member of the Committee on Appropriations.

Mr. ROGERS. I thank the gentleman for yielding this time.

Mr. Chairman, I take this time to congratulate the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL], and the ranking member, the gentleman from Indiana [Mr. MYERS], and all the subcommittee members for an extremely well-crafted bill.

The subcommittee as a whole this year is faced with very tight fiscal restraints, and the bill before the House lives within these very strict parameters, while providing, I think for many of the Nation's needs. This subcommittee has one of the most difficult jobs in the Congress. It has to decide which projects go forward and which ones do not given the very, very limited amount of money allocated for energy and water development in the country.

And these members must act with the wisdom of Solomon, and I believe that this bill is in that spirit.

This is a fiscally responsible bill. It is below the 302(b) allocation in both budget authority and outlays.

At the same time it adequately addresses a number of major areas, including funding for the Appalachian Regional Commission, our extremely serious nuclear production waste problems, initial construction funding for the superconducting super collider, and flood control projects, all of them vital. Flood control projects save lives, save homes, churches, communities, even ways of life. I am very grateful to the subcommittee for including vital flood control work on the Cumberland River in my district and State. This flood-ravaged area in Harlan, Bell, and Knox Counties and other counties even today is drying out from another flood of a couple of weekends ago. This area welcomes this bill, as you can never know.

I want to thank the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] for hearing our pleas on the matter of the recreational area closings.

I want to especially commend the subcommittee for rejecting the proposed closure of our numerous recreational areas managed by the corps across the country. Among the 600 sites proposed for partial or complete closure were several in my district and throughout the State of Kentucky; top-grade camp sites, boat ramps, picnic areas, all of which draw hundreds of thousands of tourists to our areas would have been closed and the investment lost. Neither the State nor local governments could have picked up the tab for these operating expenses.

These closures would have dealt a severe blow to my tourist-dependent State and would have deprived tourists, as well as local residents, of some of the finest recreational opportunities in the country.

This bill provides the funds necessary to operate these recreational areas next year and I thank the subcommittee deeply for its action.

Again, Mr. Chairman, to the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] our deep appreciation for, I think, a good bill.

Mr. BEVILL. Mr. Chairman, I yield 1½ minutes to our good friend and colleague, the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, I would like clarification on one point regarding the maintenance dredging of a recreational harbor which is essential to the economy of the village of Mamaroneck in my district. The harbor in question was scheduled for dredging this year, fiscal year 1989.

Unfortunately, the Army Corps of Engineers was unable to proceed with the dredging because the county, in compliance with the Clean Water Act, is constructing a sewer pipe through the harbor. The construction hindered the Army corps' ability both to accurately assess the work that needed to be done and to begin the dredging. The dredging operation was further confounded by the closing of the usual dump site, in response to a court order. An alternative site was found. However, no dumping was permitted from May 15 through October 1. All of this precluded dredging the harbor during fiscal year 1989.

Mr. Chairman, when a recreational harbor of great economic importance to a town is unable to access dredging funds that had been reserved for their use, but were subsequently reprogrammed when the work couldn't be completed, do you agree that that harbor should receive high priority for reprogramming of funds back into the project the following fiscal year?

Mr. BEVILL. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY of New York. I yield to the gentleman from Alabama, the chairman of the subcommittee.

Mr. BEVILL. I thank the gentlewoman for yielding.

Mr. Chairman, yes, I agree with the gentlewoman from New York. Certainly funds should be made available for projects such as the one she has described.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. MORRISON] with whom we work very closely in this subcommittee.

□ 1210

Mr. MORRISON of Washington. Mr. Chairman, I want to take this opportunity to applaud Chairman BEVILL, my friend JOHN MYERS, the Appropriations Subcommittee on Energy and Water Development and the entire Appropriations Committee for a job well done.

Crafting an appropriations bill is not an easy chore. With limited dollars and a wide range of competing interests, the pressure to piece together something that is acceptable to everyone—or least a sizable majority—is formidable. Chairman BEVILL and his team rise to the occasion annually, and I want to thank them particularly for agreeing to administration-requested funding for the many important programs at the Department of Energy Hanford Reservation.

A centerpiece of the reservation is the fast flux test facility, a multipurpose machine that is DOE's most modern, versatile, and reliable reactor. Full funding for this reactor in fiscal year 1990 is critical to preserving the long-term mission it so desperately deserves: production of the nonweapon isotope plutonium-238 for use in our Nation's space program. DOE has yet to name a site for the Pu-237 mission, but Hanford is considered the frontrunner, and less than the $100.4 million needed to meet full FFTF funding in 1990 would result in technical and personnel problems that would undermine our space and defense future.

In addition, the bill includes funding for a host of other programs and projects of tremendous importance to Hanford and, indeed, the entire Nation. Among them:

Defense waste cleanup;

Tritium target development for the 63-percent complete Washington Public Power Supply System Plant No. 1;

Construction of the Hanford Waste Vitrification Plant;

Contined work on the SP-100 space-reactor program; and

Development of the Environmental Center of Excellence and the Molecular Science Research Center.

The bill also contains funding for several other projects that are important to my central Washington district. They include:

An evaluation of the 21st century requirements for the levees separating the Columbia River from the Tri-Cities;

Continued modernization of the Oroville-Tonasket irrigation system;

Study of water enhancement possibilities in the Yakima River Basin;

Completion of the Columbia Basin project environmental impact statement; and

Implementation of the Lower Snake River fish and wildlife compensation plan.

Mr. BEVILL. Mr. Chairman, I yield 4 minutes to our good friend and colleague, the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 2696 and I commend Chairman BEVILL and his subcommittee for their work on this bill.

The energy and water development appropriations bill represents to me the essence of why we are here. It provides money for the infrastructure that is necessary to improve and maintain America's quality of life such as the West Memphis flood control target and the Helena Harbor in Arkansas, and such wonderful projects as the committee has in its great wisdom decided to support. It also provides funds for both research and development initiatives that will improve the quality of life for the future.

There are two items in the bill on which I would particularly like to comment.

First of all, I am pleased that the committee has recommended a $4 million increase for biofuels research and development. The Federal Government does not come close to spending what it should on alternative motor fuels research. However, after 8 years of neglect by an administration that just wasn't interested in the subject, it is refreshing to see an increase.

This increase will allow researchers at the Solar Energy Research Institute in Colorado to go forward with efforts to develop a new ethanol production process that could lead to 60-cent-per-gallon ethanol by the turn of the century.

It will also allow scientists at the Oak Ridge National Laboratory in Tennessee to proceed with efforts to develop new, genetically engineered biotech energy crops that, if all goes well, will someday be grown by farmers and foresters in Arkansas and around the Nation as feedstock for that cheap ethanol.

President Bush has set the Nation on the path to cleaner air through clean auto fuels. For consumers to accept and even demand clean fuels, the fuels must be cost-competitive with gasoline; and to realize the full air quality potential of clean fuels, production of ethanol, methanol, and compressed natural gas must be greatly expanded.

To achieve these goals, both industry and Government must make a strong commitment to alternative fuels research and development, and I expect this to occur over the next decade. This year's energy and water appropriations bill marks that first step toward this commitment, but we should also commend Mr. Roger Smith, of General Motors, for his commitment, and Mr. Kenneth T. Derr, chief executive officer and chairman of the board, of Chevron Oil Co., for their commitment to clean air fuels. For the first time in the long 20-year fight for energy independence in industry, the captains of industry have made a commitment to cheaper energy.

The enlightened leadership of Mr. Smith and Mr. Derr will certainly serve as encouragement to those of us who have fought the fight for cleaner fuels, cleaner air, and more secure energy sources.

I welcome them. We need them.

Mr. Chairman, I applaud Admiral Watkins. The Washington Post reported this morning that Admiral Watkins, commenting on the problems at the nuclear weapons production facilities, blasted a "culture" of mismanagement and ineptitude in the DOE.

I would submit that the same sentiments are applicable to the management of the Department's civilian programs in recent years, as evidenced in the lack of an energy policy other than the three words "burn more oil."

Admiral Watkins and his able deputy, our former colleague, Henson Moore, have served notice that the much-heralded "new breeze" is blowing through the Department of Energy. That is a welcome development.

Recently, I was appointed to the U.S. Alternatives Fuels Council, which the Congress created last year in the Alternative Motor Fuels Act to help the administration develop a national alternative fuels policy by 1992.

So far, Senator ROCKEFELLER of West Virginia and I are the only appointees to the Council. The law requires the Secretary of Energy to appoint 16 members from the private sector or State and local government who are knowledgeable about alternative fuels issues.

I realize that Secretary Watkins and Deputy Secretary Moore have been preoccupied with the crisis at the nuclear weapons production plants and other issues. However, I hope they will move rapidly to fill the Council's membership and get it up and running.

I take this opportunity to inform the Department that we are ready to proceed. I look forward with great anticipation to working with the aggressive new management of the Department of Energy to create an alternative fuels policy that will benefit the entire Nation.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in support of provisions of this bill appropriating funds for construction

of the Ramapo and Mahwah Rivers flood control project in my district in Mahwah, NJ.

I wish to commend the distinguished chairman of the subcommittee, Mr. BEVILL, and the ranking minority member, Mr. MYERS, for approving $330,000 in construction funds for this project in the next fiscal year. As they both know, I have been an ardent supporter of this project. And, while last year the subcommittee was compelled to institute a "no new construction starts" policy for this and other projects, Chairman BEVILL did promise to assist in pursuing construction funds for the Mahwah project in fiscal year 1990. Indeed, today, the subcommittee is keeping that promise and in so doing is helping to spare my district the economic and environmental catastrophe which would inevitably result from another tragic flood.

Mr. Chairman, it must be stressed that this area of the country is environmentally sensitive and extremely prone to flooding. Between 1968 and 1984 alone, the Mahwah area experienced eight devastating floods. The worst flood in November 1977 caused an estimated $4.4 million in damage. The Army Corps of Engineers has estimated that the damage from a new flood would cause—at the very least—as much destruction. I would submit that this would simply overwhelm local businesses and homeowners.

In conclusion, I am sure my colleagues will agree with me that the money appropriated for this project will indeed be well spent. This project has been in the planning stage for approximately 20 years, and, the administration is in full agreement that we must now move to the construction phase. We simply cannot afford to gamble with Mother Nature. We must build this project immediately.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to our friend and colleague, the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I rise in support of H.R. 2696, the Energy and Water Development Fiscal Year 1990 Appropriations Act and to commend Chairman BEVILL and my colleague from Indiana JOHN MYERS, for their fine work on this measure.

The subcommittee conducted extensive hearings on the programs and projects provided for in this legislation. The record of the hearings are contained in 8 volumes totaling over 12,000 pages. In addition to over 100 Members of Congress, the subcommittee heard testimony from numerous outside witnesses, officials from the executive branch, several Governors and other State and local governmental officials. Clearly, an exhaustive effort was conducted to consider all viewpoints. For this, subcommittee members and staff deserve our commendation.

This body is continually confronted with the challenge of providing for vital programs and services in an era of fiscal austerity and frugality. The legislation we now consider demonstrates that such a balance is possible. In fact, the committee approved budget outlay for fiscal year 1990 is $25 million less that the final budget outlay figure for fiscal year 1989 signed into law last year. Furthermore, this legislation is $395 million less than the target set by the Appropriations Committee for discretionary budget authority pursuant to the fiscal year 1990 resolution and $18 million less than the outlay target.

In meeting this year's targets, the subcommittee has intelligently provided for important public works projects that will benefit the communities and States in which they are located. This bill contains $4.2 billion for planning, construction and maintenance of water resource development projects. These projects will provide for stable supplies of water at lower costs than would be incurred under alternative arrangements. Included projects will also lower the input costs of industrial production and encouraging large-scale cost industrial production.

Another feature of this legislation concerns flood control project. Our Nation's first line of defense against flooding is the Army Corps of Engineers' program of flood control and prevention. The effectiveness of this program was demonstrated during the flood seasons in fiscal years 1983 and 1984 when corps' projects prevented $40 billion in damages. I am particularly sensitive to this issue because the district I represent recently experienced extremely heavy rains in a very short period of time. As a result, there was flooding that directly resulted in the loss of a life and millions of dollars in estimated damage to homes, businesses, and roads. I am pleased that the subcommittee has tried to meet this serious responsibility.

The flood situation previously cited in my district will be addressed by $2.4 million for initial construction for the Little Calumet River flood control project which the subcommittee has included in this measure. When completed, this project will provide comprehensive flood control for northwest Indiana, improve the quality of life for residents and open new land for economic development. Additionally, the subcommittee granted my request for a restoration project at Lake George in Hobard. Originally authorized in the 99th Congress, this important project had not been funded. With this appropriation, the Army corps may begin the initial phase of the restoration process required to remove silt and other sediments from the watershed.

In conclusion, I urge my colleagues to join me in support of H.R. 2696.

□ 1220

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in support of the fiscal year 1990 energy and water appropriation. The chairman of the committee, Mr. BEVILL, and the ranking member, Mr. MYERS, have done an outstanding job of bringing this bill, the first appropriations bill, to the floor.

The subcommittee has done an excellent job of assuring that extremely important ongoing public works projects will continue. In addition, within tough fiscal and time constraints, the committee was able to include funding for 32 new projects starts.

I thank the chairman and ranking member of the committee, and Dave Zook of the committee staff for their excellent work, and I urge passage of H.R. 2696.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I appreciate the gentleman yielding me this time.

Mr. Chairman, in December 1987 the Nuclear Waste Policy Act of 1982 was amended by House and Senate conferees to the budget reconciliation bill, which was signed into law. The law specifically designates Yucca Mountain in Nevada to be the only site to be studied for the high level nuclear waste repository. In accordance with the act, the nuclear waste disposal fund was established to license, construct, and operate the repository.

I would like to quote from the Appropriations Committee report on the energy and water development appropriations bill. In the section on the nuclear waste disposal fund, the report states:

> The committee directs the department [of energy] to submit a report within 60 days of enactment of this bill which describes in detail how the department plans to respond to the committees concerns dealing with endemic schedule slips, problems in management structure, and lack of integrated contractor efforts.

These concerns are only a few of the concerns I have had with the entire site characterization process from the beginning. I can only hope that the committee's recognition and expression of concerns is at least a realization on the part of my colleagues that, at the very least, the process bears close scrutiny to ensure public safety. I further hope that the report language is an indication that site characterization will be an objective and scientific process. I remain adamantly opposed to the designation of Yucca Mountain and will continue to work for a proper designation procedure.

I do wish to extend my thanks to the Appropriations Committee, especially Chairman BEVILL and Chairman

MYERS, for the inclusion of funding for the Office of Nuclear Waste negotiator and the Nuclear Waste Technical Review Board. These are two provisions whose inclusion enhance the openness and scientific credibility of site characterization. My main goal in the nulcear waste program has been—and will continue to be—that the repository be located in the safest place possible.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to my good friend and colleague, the gentleman from Texas [Mr. CHAPMAN], a member of the subcommittee.

Mr. CHAPMAN. Mr. Chairman, I would like to take this opportunity to commend the Committee on Appropriations on accomplishing in its bill today something that we have worked for, for over 35 years to accomplish back in my home district in Texas.

In Texas there is a project called the Coopers Lake and Channels project. It was authorized in Congress in 1955. That project has met delay after delay. In fact, initially funds to initiate construction of that badly needed water resource and flood control project were appropriated in 1958, but a court injunction and other things stopped the project and the project lay in Federal court for over 15 years. After lengthy delays, with critical needs, after communities were rationing water and having to truck water in, after tens of thousands of acres were lost to floods in the Sulphur River Basin, we were finally in 1986 able to get the project out of court and resume construction.

This year the Subcommittee on Energy and Water and the full Committee on Appropriations have funded the President's request of $31 million, which will be the largest appropriation ever for the project and which will complete most of the dam embankment.

A part of this project also involves recreation facilities, facilities that were in 1955 authorized at full Federal expense, not just to construct the recreation facilities but to operate and maintain them as well.

The committee bill today enhances those recreation facilities within the project's budget and is going to allow the construction of recreation facilities as originally authorized and as has been approved by OMB. I understand that there may be some attempt today on this project and perhaps others to subject it to cost sharing, and I would urge the Members of the House to consider not only the law and the authorization but the equities of the project that is over 35 years old, a project which, without any additional cost, we can fund, a project which the State of Texas has now agreed it will operate in all facilities of recreation, an agreement the State made which under the authorization it did not have to make.

I would just like to commend the committee for righting an injustice that had been done before in funding this project and in providing the people in my congressional district and all of northeast Texas a water resource and flood control project that has been a dream for a generation.

Mr. Chairman, I commend the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL] and the ranking minority member, the gentleman from Indiana [Mr. MYERS]. I thank them for their leadership in this effort and say that the people in my congressional district and in fact 38 counties of Texas thank them and will thank this House for this vital boost for this much needed project.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. NIELSON], with whom we have worked very closely in this committee.

Mr. NIELSON of Utah. Mr. Chairman, I would like to commend the chairman of the subcommittee and the ranking minority member of the subcommittee for a very fine bill. They have been very fair with their work with the Central Utah projects.

We do have a problem on the appropriation as far as section 8 is concerned, because there are two specific aspects in the authorization bill passed in the last Congress which apparently are in conflict with each other. The gentleman from Utah [Mr. OWENS] is going to attempt to change that at this time. I would vigorously oppose his amendment, and I will do so in more detail later, because what we have done there is to say that we want to transfer land from the Bureau of Reclamation to the Forest Service for better management. The sportsmen, the Forest Service, the Bureau of Reclamation, the Fish and Wildlife Commission of the State of Utah and the Strawberry Water users have come to an agreement after months of negotiation. That agreement was incorporated into the bill of the gentleman from Utah [Mr. OWENS] last year. It was deleted in the Interior Committee, but it was added back in the Senate. When the Senate added that amendment back, both the gentleman from California [Mr. MILLER] chairman of the subcommittee, and the gentleman from Utah [Mr. OWENS] praised the amendment and asked for its favorable consideration, as did I. It did pass as part of the bill. The Appropriations Committee has not said how they want the $28 million they have appropriated for section 8 divided as between the projects. The total of the project authorization was $34 million, so the appropriation is $6 million less than the authorization. If we follow the law, the first $15 million should go to make this transfer which has been standing for a long time, and then we would have to cut back on some of the other requests, and gentleman from Utah [Mr. OWENS] does not want to do that.

That is the gist of the concern. We will discuss it in more detail. The Appropriations Committee has done a good job. I wish they could have gone with the full $34 million so we would not have this internal fight over the priority of projects.

I might add just one thing. The bill which made the transfer was passed in 1986 unanimously in the House on the consent calendar, in fact. It has been simmering for several years.

Mr. Chairman, if we want good management of the lands, then we need to defeat the Owens amendment.

Mr. BEVILL. Mr. Chairman, I yield one minute to our good friend and colleague, the gentleman from Colorado [Mr. CAMPBELL].

Mr. CAMPBELL of Colorado. Mr. Chairman, I would like to thank my good friend, the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL], and the ranking minority member, the gentleman from Indiana [Mr. MYERS], as well as the rest of the subcommittee for being sensitive to the water needs of the West. We appreciate having friends who share our concern about funding important water projects.

The Bureau of Reclamation play a vital role in the economic development of communities within my congressional district. I would like the record to reflect my support for the additional Bureau of Reclamation funds contained in the bill for a variety of projects the administration did not want to begin to construct next year, including the Animas-La Plata project.

The subcommittee's work is especially commendable in light of the fact that the Bureau's expenditures will be less than last year.

The members of the subcommittee are to be congratulated for wisely funding programs, while still being mindful of the budget deficit. The people of western Colorado appreciate them, and their past visits to our State.

The bill reflects the Congress' commitment to responsible water resource development and use. Water is the lifeblood of the West and without the understanding of the subcommittee, our culture and economy would be vastly different, and I believe far less prosperous.

Their interest and their always-open door make it a pleasure to work with them, and I urge my colleagues to support the bill.

The CHAIRMAN. The Chair wishes to announce that the gentleman from Alabama [Mr. BEVILL] has 4 minutes remaining and the gentleman from In-

diana [Mr. MYERS] has 10 minutes remaining.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. RHODES], whose father, when I came to this committee, was the ranking member of this subcommittee and a very important Member of the House.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to join the rest of my colleagues in commending the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL], and the ranking minority member, the gentleman from Indiana [Mr. MYERS], for the work they have done on this entire bill.

I would add to that on behalf of the people of Arizona our heartfelt thanks to the gentleman from Alabama and the gentleman from Indiana for their continuing support of the central Arizona project.

□ 1230

Mr. Chairman, not only is the central Arizona project a priority for the people of Arizona, but it is a priority project to the Bureau of Reclamation, and the members of the subcommittee have recognized the necessity of pushing this project forward to completion, and because of this support and because of this assistance I am proud and pleased to report to my colleagues that we actually are approaching the day when we can see water at the end of the ditch, although I hesitate to call this engineering miracle a ditch. Anything that costs this much deserves the name "aqueduct" rather than "ditch."

Mr. Chairman, we all do sincerely appreciate what this subcommittee has done and the dedication to this project that the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL] have shown over the years, and we just want to say to them how much we do appreciate it and thank all of them very much for all their help.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the ranking Republican member of the Committee on Appropriations, the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, once again, the energy and water bill is the first horse out of the gate, and I congratulate the subcommittee for completing its work so promptly. My good friend, the distinguished gentleman from Alabama, Chairman BEVILL, has done an outstanding job, as always. The ranking member, the Honorable JOHN MYERS, has done his usual job of discharging his duties with distinction, wisdom, and dignity.

Every year, the work of our Appropriations subcommittees becomes more and more like an episode of television's "Mission Impossible." As we watch entitlements eat up a larger share of the Federal budget; as we watch the interest on the national debt consume a growing amount of taxpayer dollars; and as we continue to operate without relief in the form of new revenues, it becomes harder and harder for our subcommittees to provide enough funds just to achieve current services levels; it becomes nearly impossible to embark upon bold new initiatives.

This is the backdrop against which our subcommittees must labor. The Subcommittee on Energy and Water Development is to be commended for bearing its pain gracefully and for completing its job under very confining circumstances. The subcommittee has had to make some very difficult choices. It has been unable to say "yes" to all 100 Members of Congress who testified before the subcommittee and to the 100 more who submitted written requests.

But on balance, I believe that the Subcommittee on Energy and Water Development has done its job well. The subcommittee has provided funding for priority projects, while spreading out the pain of necessary cuts as evenly as possible. The overall recommendations for the Corps of Engineers, the Bureau of Reclamation, and several independent agencies are less than last year's appropriation. A number of programs within the Department of Energy have also heard the budget ax fall.

The bill does contain $18.5 billion in new budget authority, nearly $2 billion more than last year's bill. A $1.6 billion increase in the atomic energy defense activities of the Department of Energy accounts for most of this increase. At $9.7 billion, appropriations for these defense activities represent more than half of the new spending in the bill. Budget authority and outlays are both under the 302(b) allocations in force for fiscal year 1990.

The bill makes some important progress on issues of vital national concern. The appropriation for solar and renewable energy programs, for example, is $95 million, compared with a budget request of $71 million. I applaud the subcommittee's leadership in exploring clean alternative energy supplies to reduce our reliance on foreign oil, which now represents over 40 percent of our national energy consumption.

The bill also restores operation and maintenance funding for the Corps of Engineers so that hundreds and hundreds of recreational facilities and harbors across the country will not have to face closure in fiscal year 1990.

The bill includes construction funds for the superconducting super collider, funds for the cleanup of our nuclear weapons production complex and funds for a host of other critical national activities.

Once again, Mr. Chairman, I would like to commend my colleagues on the subcommittee for their fine work on this bill. I urge my colleagues in the House to support H.R. 2696.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Chairman, I would like to engage in a colloquy with the chairman.

Mr. Chairman, Public Law 97-128, authorized the lower Meramec flood damage prevention project which will protect the city of Valley Park, MO, from annual flooding through the construction of a 3-mile-long levee providing a 100-year protection. The project has progressed through the planning and design stages and is currently ready to begin construction. Although the city of Valley Park has financing in place to provide its local cost share for construction, operation, and maintenance, funding has not been forthcoming to begin this very badly needed project.

The distinguished majority leader and I have spent a great deal of time reviewing the site and discussing the Valley Park flood control project with local officials. Based on our review, we would like to stress how very badly this project is needed. Since 1945, about half a dozen major floods have inundated substantial parts of Valley Park. Although one of the worst occurred in 1982 when a flood caused between $25 million to $30 million in physical damage, Valley Park spends between $2.5 million and $3 million annually in flood damage. In fact, a recent flood closed area schools, from grades 1 to 12, for over 4 months.

As you can imagine Mr. Chairman, the constant flooding has caused a severe financial hardship for Valley Park, and its economic outlook will not improve until a flood control project is built. I understand that your budget is very limited, but this project meets the administration's cost/benefit criteria and is being pushed strongly by Senators DANFORTH and BOND. Accordingly, any assistance that can be provided in the conference with the other body in securing the needed funds for this project would be greatly appreciated by the Missouri delegation and most importantly, the citizens of Valley Park.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. BUECHNER. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I thank the gentleman from Missouri [Mr. BUECHNER] for yielding.

Mr. Chairman, I certainly agree with the gentleman from Missouri that this flood control project is very badly needed, and I will make every effort to

obtain the needed funding in conference, if the Senate adds it.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I thank the gentleman from Indiana [Mr. MYERS] for giving me the short time here to rise in support of H.R. 2696 and commend its sponsors for taking an important step down the long, difficult, and expensive trail toward environmental restoration at our Federal facilities.

As a member of the Energy and Commerce Committee, I understand the magnitude of the problem. Estimates of the cost of cleaning up our Federal facilities range from $50 to $150 billion. Taking our strict fiscal constraints into account, it is easy to see that cleaning up these sites is a challenge of monumental proportion.

But it is challenge which we must undertake. Within our weapons complex there are currently more than 3,000 waste sites—many of which are significantly contaminated. Included in this list is the Rocky Flats Plant just outside my district, which DOE rated as the "unit of most concern from a potential public hazard perspective." From my constituents' standpoint, a "we'll get to it" approach to cleanup just isn't good enough.

That's why I am pleased that the bill before us today recognizes the inadequacy of our current commitment to environmental restoration. H.R. 2696 not only increases the funding level for this purpose, but exceeds last year's appropriation by nearly 300 percent. Compared to the scope of the problem, it still isn't enough. But passage of this bill will demonstrate that our promises to improve the environment were a good deal more than empty campaign rhetoric.

Mr. Chairman, while I am at it, I will mention another piece of legislation that is closely going to come to this floor, H.R. 1056, that was drafted by the gentleman from Ohio [Mr. ECKART], my colleague, that I had the privilege of working with, and that bill is finally going to treat Federal facilities, insofar as compliance and cleanup, the same as private facilities, and it is a companion piece of legislation.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I rise today in strong support of H.R. 2696, the energy and water appropriations bill for fiscal year 1990.

Mr. Chairman, I want to commend the gentleman from Alabama [Mr. BEVILL], the chairman, for his leadership. I want to commend the gentleman from Indiana [Mr. MYERS], the ranking Republican, for his fine leadership.

Mr. Chairman, I specifically want to point out that this meets the section 302(b) requirement of Gramm-Rudman, as the gentleman from California [Mr. PANETTA], the budget chairman, pointed out in the opening remarks. No budget waivers are requested for this bill. That is a tremendous accomplishment.

Mr. Chairman, I also want to commend the committee for including funding for the superconductor super collider project, a high energy physics research project, that will be located in my congressional district. This project has been researched since 1981. The bill does include a construction commitment of $110 million this year. I will point out that every committee that has had jurisdiction over the SSC in the years it has been under consideration has voted yes to support it, including last year when the full House voted to authorize the funding.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong support of H.R. 2696, the energy and water appropriations bill for fiscal year 1990, and to thank the chairman TOM BEVILL and the ranking member JOHN MYERS and VIC FAZIO for their diligence and consideration in putting together a balanced and well-crafted bill within the limits set by the Budget Committee and the administration. We have come to expect first-rate work from this committee, and that is a tribute to the chairman and ranking member as well as to the other members of the committee and to the staff, once again, the energy and water appropriation is the first appropriations bill to reach the floor of the House, even though it must deal with difficult and contentious issues, the committee has done an admirable job of balancing the need to maintain our Nation's infrastructure of waterways, harbors, and other public works projects against the competing necessity of staying within the budget, and I urge that the bill be supported by my colleagues on the floor.

In particular, I want to thank the committee for funding important and necessary projects in the 19th Congressional District of California, for example, Freeman diversion project harbor dredging, coast protection, stream protection, many of which have proven their value and worth over the years. I also commend the committee for resisting the arbitrary and damaging proposal to limit dredging of smaller harbors. These harbors may not handle vast amounts of commercial cargo, but in many cases, such as in Ventura and Santa Barbara Counties, they provide essential services for the Coast Guard, National Park Service, and other Federal agencies as well as being harbors of refuge for smaller craft and sheltering commercial fishing fleets and oilspill cleanup craft.

In conclusion, Mr. Chairman, I think this is an important bill, a necessary bill, and I thank the committee for its work and urge my colleagues to support it.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of H.R. 2696, the Energy and Water Appropriation Act for fiscal year 1990.

I want to thank the chairman, the committee, TOM BEVILL, JOHN MYERS, ranking Republicans and as well as Mr. FAZIO from California for their hard work and fairness. I would also like to address one particular part of the bill that is of utmost importance for the citizens that live in southern California.

This bill finally provides for the funding necessary to begin construction of the Santa Ana mainstream project which effects millions of people in southern Los Angeles and Orange County.

The lives of over 3 million people are at risk everyday in Orange County, CA. The Santa Ana River is a disaster waiting to happen. In fact, the Army Corps of Engineers has described the river as the most serious flood threat west of the Mississippi River.

When the flood does come, and we know that it will, the direct economic loss to the community is estimated at between $12 and $18 billion. Clearly the economic effects would be felt not only in Orange County or California, but by the Nation as well.

The loss of life would run into the thousands. H.R. 2696, at last, puts us to work preventing this tragedy before it happens.

Once again, I thank the chairman and I urge my colleagues to support this measure.

Mr. BRYANT. Mr. Chairman, America's predominant role in the world scientific community is threatened.

As American science is threatened, so is American industry and technology, American jobs and workers, American teachers and students, American families and children—in short, the future of our country.

The superconducting super collider—the SSC—is an example of how to keep America first. It can be, should be, and, I believe, will be the showcase project of our Nation's science program.

Today, Japan and many other nations are buying up America's productive assets—our farms, banks, factories, businesses, buildings, and even Government securities—at a record pace. Foreign investment here has tripled to more than $1.7 trillion in just 7 years.

At the same time, American industry and technology are threatened by foreign imports in a wide range of fields. Our trade deficit has skyrocketed to over $170 billion.

To address these vexing problems requires commitment to our future today. The SSC offers us that opportunity.

Doctors and scientists expect important medical and technological spinoffs from the project. Educational leaders foresee large gains in high-energy physics research and renewed student interest in the field as SSC benefits.

Building the collider will help preserve America's technological lead in these areas.

Presently, two overseas accelerators with capacities greater than America's current largest, Fermilab, are in the planning stages—one in the Soviet Union and one in Switzerland. SSC would be stronger than both. Should the Soviets or Europeans build their accelerators and the United States decide not to build the SSC, the United States will lose many of the world's top scientists.

In addition to this "brain drain," America's high technology industries would lose the lead to foreign competitors in yet another field, and benefits of any spinoff technologies would be lost to the Soviets and Europeans.

We have already received so much from SSC research—gains in x-ray and CAT scan technologies, improved satellite communications, and enhanced computer capabilities.

And the promise for this project is limitless. The next cancer treatment, for example, may well be within our grasp with the assistance of the SSC and other research tools.

In other words, it would be a false economy to sacrifice our commitment in Government or in private business to research and development and high technology. If we fail to put America first in those areas, we will fall behind in trade and economic prosperity and national security.

To disapprove funding for the SSC today would be to trample on the American spirit of competitiveness and ingenuity.

I don't believe that scenario is one that Members of either party, from any region, or of any background would care to see played out.

It only takes a little common sense to help put America first. Let's make a commitment to America's future today.

Mr. RAHALL. Mr. Chairman, I am in strong support of H.R. 2696, energy and water development appropriations for fiscal year 1990. Of great importance to my home State of West Virginia is funding contained in the bill for the Appalachian Regional Commission and for the Army Corps of Engineers water development projects.

H.R. 2696 appropriates $110 million for the Appalachian Regional Commission, a program that has been, and continues to be, of critical importance to West Virginia and other areas of Appalachia. While I am disappointed that the appropriation is not closer to the level contained in legislation I have introduced, H.R. 1166, which reauthorizes the Commission at $185 million per year for 5 years, I am encouraged that the amount is slightly up from last year's level.

There is no question in my mind as to the importance of maintaining the ARC at an adequate funding level. Since 1965, this program has had an enormous, positive impact on Appalachia, and I believe that the continuation of the Commission is crucial to the economic revitalization of this region. While much has been accomplished in the region with the assistance of the ARC, much remains to be done. Many in Appalachia continue to struggle against lingering poverty and high unemployment. The high school dropout rate remains unacceptably high, and many of the area's unemployed are functionally illiterate. There are grave shortages of health care services and the infant mortality rate is frightening, especially in rural areas such as those in southern West Virginia.

Additionally, the Appalachian corridor system, a network of approximately 3,000 miles of roads throughout Appalachia, is at present only two-thirds complete. It is unfortunate that at current funding levels completion of the entire system will not be accomplished until at least the year 2065, especially as the system has been designated as a Federal priority for 25 years. I will continue to work toward enactment of legislation which I have introduced, H.R. 1167, which will ensure that these roads are finished up by the year 2000. As we all know, a decent network of roads is crucial to the economic development of an area, and this holds especially true for Appalachia.

One only has to travel in my home State of West Virginia to realize the importance of the timely completion of these highways. Corridor G, which runs from Charleston to the state line at Williamson, will eventually be 80 miles in length. Two segments of the road, totaling 19 miles, remain incomplete and at current levels of funding will not be finished for another 25 years. These two segments are needed to link Corridor G with Logan and Williamson, two vital communities in the southern part of the State.

Also of importance to West Virginia is the water development funding contained in H.R. 2696 which, among other things, will help to modernize the antiquated waterways which are so vital to the shipment of West Virginia's coal. The bill provides $78.9 million for continued construction of new locks at Gallipolis on the Ohio River about 30 miles upstream from Huntington, WV. The original locks and dam were completed in 1937 and are badly deteriorated and in urgent need of replacement. It is my understanding that the early construction work at Gallipolis is going well; the funds contained in this bill are needed to continue this job.

Also appropriated in the bill is $20.8 million for construction at Winfield Lock and Dam on the Kanawha River. I sponsored this much needed project in the Public Works and Transportation Committee's authorizing legislation to provide for more efficient movement of metallurgical coal from southern West Virginia to markets throughout the Nation. The original structure at Winfield was completed in the mid-1930's and now handles more than five times its original freight. Obviously the modernization of this facility is long overdue and much needed.

Also of significance to southern West Virginia is the $56 million included in the bill for flood control projects on the Levisa and Tug Forks and upper Cumberland River. These projects, such as the floodwalls at Williamson and the flood proofing of homes in that area, are crucial to the future well being of the Tug Valley communities that have been ravaged time and again by severe flooding.

H.R. 2696 contains $250,000 for a waterfront development study on the West Virginia side of the Ohio River. This study was authorized in a resolution which I, with the help of my good friend ALAN MOLLOHAN, introduced in the Public Works and Transportation Committee last Congress. The resolution, which was approved by the committee, directs the Corps of Engineers to implement a study which is to include consideration of the needs and opportunities for enhancing the urban waterfront areas of communities along the Ohio River, as well as flooding and other water resource problems of the area. Special consideration is to be given to improving existing local flood control projects, drought management plans, general recreation, fishing, boating, fish and wildlife enhancement, and preservation and interpretation of archeological, historical and cultural resources. The findings of the study would be used to enhance environmental and economic resource development in the urban river areas, as well as to increase the use and enjoyment of them.

Another area of funding in H.R. 2696 covers the operation and maintenance of existing Corps of Engineers projects throughout West Virginia. Included is funding for operation and maintenance at the following areas:

Beech Fork Lake	$632,000
Bluestone Lake	1,043,000
Burnsville Lake	1,124,000
East Lynn Lake	999,000
Elkins	12,000
Kanawha River Locks and Dams	7,765,000
R.D. Bailey Lake	1,364,000
Stonewall Jackson Lake	682,000
Summersville Lake	1,063,000
Sutton Lake	1,269,000
Tygart Lake	641,000

Again, I strongly support H.R. 2696 and urge my colleagues to support its adoption.

Mr. DORGAN of North Dakota, Mr. Chairman, I rise in support of H.R. 2696, the energy and water appropriations bill for fiscal year 1990. The bill makes numerous investments in water development for rural America and also provides funding for critical energy projects and the cleanup and management of nuclear wastes at weapons facilities.

May I first commend the chairman, Mr. BEVILL, and the ranking member, Mr. MYERS, for their unstinting efforts and leadership in bringing a carefully crafted bill to the floor. As usual, they and their fine staffs, have been presented with a series of perplexing choices. The administration wanted to make nuclear waste management a higher priority but did not request adequate resources to do the job. The administration championed work on the superconducting super collider high energy physics project, but failed to meet its commitment to North Dakota, Nebraska, Colorado, and other States to proceed with critical water development projects.

The subcommittee has confronted these and many other tough choices and drafted a bill which should enjoy the wide support of my colleagues. I would like to illustrate why I believe this to be the case with respect to several critical projects.

BROKEN PROMISES TO NORTH DAKOTA

About 40 years ago, the people of North Dakota agreed to accept a massive flood control project in the State in exchange for which we were promised a major water development project. In a nutshell, flood control protection and hydropower for downstream and adjoining States was to be provided by building the massive Garrison Dam and Reservoir, which flooded some 500,000 acres of prime farm land, in return for which North Dakota was to receive the capability to irrigate 1 million acres.

The Garrison Diversion Reformulation Act of 1986 recast North Dakota's major water development project in order to allay certain concerns of the environmental community and our Canadian neighbors. As a result, stringent environmental safeguards and wildlife enhancement features were built into the project. Further, it was reformulated by reducing the allowable irrigation to only 135,000 acres—or one-eighth the original size—and by increasing the use of project water for rural, industrial, and municipal water development.

Notably, the reformulated project resulted in a savings of some $800 million. This, too, was a sacrifice by the people of my State.

Notwithstanding these painful concessions and compromises, the executive branch has repeatedly sent up budgets which broke faith with the people of North Dakota and which would have undercut North Dakota's main hope for economic development in the face of a decade of slumping farm and energy prices.

For example, the administration's fiscal year 1987 budget proposed only $2.5 million. Congress maintained the Federal commitment by restoring $35 million to the Garrison project. Subsequently, the administration asked North Dakota to be patient while other major projects were completed. We waited. But now again the administration sent up a broken promises budget of only $7 million which would pay for the mothballing of Garrison diversion and actually sound its death knell.

Fortunately, the subcommittee has seen fit to reaffirm the Federal commitment to the people of North Dakota by funding fiscal year 1990 project activities at $25 million. This is a major step forward from the administration's budget. However, I must report to my colleagues that even this level of funding will result in layoffs of some 40 percent of project staff and prevent the State from making significant progress in delivering reliable water supplies to drought-prone and water-short areas of the State. It would provide scant funds for any features related to irrigation activities, recreation, or Indian water supplies. The project actually requires $48 million to keep it on track.

Let me, nevertheless, commend the subcommittee for the report language which accompanies this bill:

> The Committee is aware of the commitment by the Federal Government to provide municipal, industrial, and irrigation water supply in return for the completed flood control project for the Missouri River. The Committee is also aware of the concessions and compromises made between the state and the Administration in the Garrison Reformulation Act. The Committee considers the Administration's budget request for the Garrison project to represent a broken promise to the people of North Dakota. Accordingly, the Committee has included $25,000,000 in the bill to continue construction.

SHEYENNE FLOOD CONTROL

I also want to thank the subcommittee for restoring $5 million to begin construction of a direly needed flood control project in eastern North Dakota, the Sheyenne diversion project. The relevant committees agreed last year not to undertake any new construction starts for the Army Corps of Engineers in view of tough budget constraints. This bill puts many of those projects back on course, including the vital flood protection for West Fargo, ND, an area threatened again this spring by rising flood waters.

The bill also provides for ongoing flood control, recreation, and dam maintenance activities for the Souris River Basin, Lake Ashtabula and Baldhill Dam, Bowman Haley Lake, Garrison Dam, Homme Lake and Dam, and Pipestem Lake.

I commend the committee for rejecting the administration's request to significantly cut funding in the Army Corps of Engineer's recreation budget. The committee action will keep open recreation sites on Lake Sakakawea.

In conclusion, the subcommittee and full committee have wrestled with some tough issues and brought to the floor a bill which meets budget requirements, addresses key energy and water development concerns, and recognizes the Federal commitment to the people of North Dakota and other rural States.

I sincerely hope that Congress will see fit to keep faith with the people of North Dakota this year and in future years. We have accepted a permanent flood of prime farmland and realized almost no benefits from the Garrison project. We have agreed to compromises which saved the Federal Government some $800 million, broadened the focus of project activities, and strengthened enivronmental safeguards.

It's now time for the Federal Government to deliver on its solemn pledge to North Dakota by providing the resources for full-scale and immediate development of the Garrison diversion water development project.

Mr. KOLBE. Mr. Chairman, I support this measure as put forward by the Energy and Water Subcommittee. The chairman of the subcommittee, Mr. BEVILL, deserves a great deal of credit for accomplishing his work on this bill, and for bringing it forward so quickly for our consideration. I would also like to compliment Mr. MYERS who, despite significant duties that kept him from participating in much of the subcommittee's deliberations, nonetheless kept close tabs on the bill's progress. A final commendation must also go to Representative VIRGINIA SMITH, who recently announced her retirement from the House of Representatives at the conclusion of the 101st Congress. Knowing Mrs. SMITH, with her energy and drive, retirement for her will be a full-time and productive occupation.

The energy and water bill is particularly important to my home State of Arizona. In the desert southwest, management of water resources has always been a tricky business. My Arizona colleagues and I spend a great deal of time working to ensure that water is available to our thirsty citizenry. But when it rains, we need to make sure we don't get washed away. The Bureau of Reclamation is most supportive of our efforts when we have too little, and the Army Corps of Engineers is critical to public safety when we occasionally get too much.

I support the appropriation of $218 million for the Central Arizona Project—the system of canals and pumps which will deliver Colorado River water over 200 miles of desert to Tucson by 1991. Meeting that 1991 deadline is critical, because the Southern Arizona Water Rights Settlement Act invokes significant economic penalties on the Federal Government if the water is not available to the Tohono O'odham Indian Reservation by that date.

I also support the appropriation of $1.4 million for safety of dams improvements at Coolidge Dam. The Department of the Interior recently identified Coolidge Dam as one of the most dangerous in the country in terms of threat to downstream residents. Secretary Lujan has approved funds for work to begin immediately on addressing the safety problems at the dam, and this money for fiscal year 1990 will expedite efforts to eliminate this problem. I have expressed my concern that attention needs to be paid immediately to the question of a downstream flood warning system. The Bureau of Reclamation has undertaken a complex and comprehensive effort to provide flood warning protection. They, and the Bureau of Indian Affairs should also work on a short-term, low-technology solution which will help alleviate the anxiety of those citizens who lie directly downstream of the dam.

I am also encouraged by the work being undertaken by the Corps of Engineers to reduce flood damage resulting from the kind of violent flash flooding we get too often in Arizona. I am particularly encouraged by the approval of design funds for the Rillito River streambank protection project. This project has been approved at all levels of the Corps of Engineers, but has been held up by OMB. This is unfortunate because the Rillito River has been the sight of three presidentially declared flood disasters in the last 15 years. Cementation of the stream banks will prevent massive bank migration which can wipe out millions of dollars' worth of property, including bridges, schools, and parks.

Overall, I think the committee deserves a great deal of credit with the scope of accomplishment this bill includes, in an ever tightening budget environment. The committee has respected the budget limits placed upon it, and has set responsible priorities based on merit and need. I applaud the work of the committee, and I support this bill.

Mr. FAZIO. Mr. Chairman, I rise in strong support of the energy and water development appropriations bill for fiscal 1990. The bill, H.R. 2696, is a good bill; it is a balanced bill. I urge my colleagues to support it.

Mr. Chairman, I would also like to take this opportunity to commend the good work of Mr. BEVILL, the chairman of the Energy and Water Development Subcommittee; Mr. MYERS, the ranking minority member; and, the subcommittee's dedicated staff. They have done an admirable job throughout the years, and this year is no different.

The bill provides $18.5 billion for energy and water programs in fiscal 1990, including a threefold increase in funds for cleanup contamination at Energy Department nuclear weapons plants.

Mr. Chairman, the bill is under the 302(b) allocation for budget authority and outlays. The bill is a full $395 million below the 302(b) allocation in budget authority and $38 million below the allocation in outlays. In addition, the direct loan levels in the bill equal the 302(b) allocation to the subcommittee for the direct loans.

Mr. Chairman, the bill provides the funding for a number of key water development projects in California, even though the total budget for water projects and programs in the bill is actually below the 1989 level.

Specifically, the bill provides $3 million to initiate repair work on 32 miles of levees along the Sacramento River in an effort to provide Sacramento with greater flood protection.

By getting started on this project in fiscal 1990, we can provide a large number of homeowners with 100-year flood protection and insulate them from high flood insurance requirements as well as accelerate our drive for greater flood protection for the entire community.

When combined with the lowering of the water level behind Folsom Dam, these levee repairs will provide approximately 70-year protection for the Natomas area, 90-year protection for much of downtown Sacramento as well as more than 100-year protection for portions of Sacramento south of the American River.

The bill also includes $5.5 million to launch construction on the Cache Creek project, which is another important project which will enhance the level of flood protection available to Sacramento.

When functioning properly, the settling basin prevents roughly 1.1 million cubic yards of Cache Creek sediment from flowing to the adjacent Yolo Bypass, the waterway that steers Sacramento River floods away from the city of Sacramento. Sediment reaching the bypass decreases the waterway's flood-carrying capacity, thus putting Sacramento at greater risk.

This project is critical to raising the level of flood protection available to the residents of Sacramento, and I am very appreciative of Mr. BEVILL and Mr. MYERS for their willingness to work with us to see that this project was funded.

And, Mr. Chairman, the bill includes the final $2.945 million necessary to complete work on the $35.4 million Fairfield Vicinity Streams flood control project. This project is key to providing the cities of Fairfield and Suisun with additional flood protection.

Mr. Chairman, for the Department of Energy, I am also very pleased to point out that the bill increases funding for environmental restoration at DOE facilities to $636 million—a 59 percent increase over the administration's fiscal 1990 budget request and a 299 percent rise above spending on the program for fiscal 1989. The cleanup of these facilities is a problem of monumental proportions, and with the passage of this bill, the subcommittee has taken a significant step forward in accelerating the cleanup of these DOE sites.

I am particularly pleased, Mr. Chairman, that the bill rejects most of the administration's recommendations to cut funding for solar and other renewable energy research programs.

The bill provides $95 million solar and other renewable energy programs, $24 million more than the administration requested and slightly above the level appropriated in fiscal 1989.

In particular, the bill rejects the administration's recommendation to cut research and development into photovoltaic technology back to $25 million. Instead, the bill provides $36.5 million for continued R&D into this vital, emerging technology.

Again, Mr. Chairman, I thank Mr. BEVILL and Mr. MYERS for their cooperation and support, and their sensitivity to the many water development and energy-related problems facing the Nation and the State of California, in particular. I urge my colleagues to support the bill.

Mr. STANGELAND. Mr. Chairman, I rise to address provisions in H.R. 2696, the fiscal year 1990 energy and water development appropriations bill which provides funds for, among other things, the Corps of Engineers' water resources programs.

First, let me thank the House Appropriations Committee for their hard work and leadership, particularly subcommittee chairman, TOM BEVILL; ranking Republican, JOHN MYERS; full Committee Chairman JAMIE WHITTEN; and ranking Republican SILVIO CONTE. The House Public Works and Transportation Committee appreciates the cooperation of the Rules Committee. We have worked well together over the years and will continue to do so.

But, Mr. Chairman, I did want to address a problem with the appropriations process, Generally, and some of the particular provisions in the bill. House rule 21, clause 2 prohibits unauthorized appropriations and authorizations in general appropriations bills. The rule is meant to protect the important role of this House's authorizing committees. The public works committee is concerned about violations of the rule generally and in this bill, specifically. Our analysis of H.R. 2696 indicates many provisions are authorizations or policymaking provisions in violation of rule 21.

In response, we held a full day of hearings last Thursday to emphasize our procedural concerns and to learn more about the substance of the various proposals. We heard testimony from the Corps of Engineers and Members of Congress promoting various projects in the bill. On the basis of that extensive hearing record, we are in a position to make some specific recommendations at the appropriate time involving the merits of each proposal. At this point, though, we want to emphasize our procedural concerns and have the opportunity to make points of order when the bill is to be debated on the floor later today.

On that note, let me also thank the Rules Committee for its willingness to withhold from granting a blanket waiver of rule 21, clause 2. Our committee appreciates their cooperation.

All of us on the committee realize water resources emergencies and noncontroversial requests arise from time to time. Recognizing that, we fought long and hard to get away from the huge, multiyear bills and back on track with 2-year bills. Mr. Chairman, the purpose of that whole effort is defeated if we allow every authorization to be tacked onto a more convenient, but inappropriate vehicle in this case, H.R. 2696.

We do not intend to object to every single authorization in the appropriations bill because of various considerations involving time sensitivity and the mere clarification of already authorized projects. By not objecting to these provisions, we are not sanctioning violations of rule 21 or in any way setting precedent for certain types of projects to proceed through the appropriations process. Instead, it is an effort on our part to accommodate some urgent or unique needs.

Let me also make clear that projects to be stricken from the bill for procedural reasons will be subject to further review and potential action. In keeping with the 2-year authorization process, we plan to begin holding hearings this session and move a small corps authorization bill either this session or the next. Obviously we would be willing to give serious consideration to various projects and policymaking provisions contained in H.R. 2696.

Mr. Chairman, let me also briefly address some important water resources projects and provisions for northwest Minnesota.

H.R. 2696 includes $50,000 from the operations and maintenance account to allow the corps to continue with plans and specifications to clean up Sauk Lake. The project could be used as a model in Federal, State, and local cooperation in removing sediment and weeds and reducing runoff pollution.

The bill also includes $200,000 to begin construction of a levee along the Roseau River in Duxby, MN and $100,000 to restudy a flood control project for Breckenridge, MN and Wahpeton, ND.

In addition, H.R. 2996 appropriates $150,000 to study flood control measures in Crookston, $50,000 for flood control along the Red Lake and Clearwater Rivers, and $75,000 for work along Red Lake River.

The bill also includes my request that Minnesota receive $300,000 under the "Planning Assistance to States Program" for the development of technical assistance and flood plain management services. Minnesota needs the technical expertise of this program since flooding still causes an average of over $60 million in damages each year. These funds would be particularly helpful in the Red River Basin and along the Red River of the north, where recent flooding prompted the President to declare the area a major disaster.

Mr. Chairman, I urge my colleagues to support the Corps of Engineers funding provisions in this bill. They will help keep the Nation's largest water resources program on track.

Mr. BEREUTER. Mr. Chairman, this Member wants to commend the chairman of the Appropriations Subcommittee on Energy and Water Development, the gentleman from Alabama [Mr. BEVILL] and the ranking minority member, the gentleman from Indiana [Mr. MYERS] for their leadership in bringing to the floor the first appropriations bill for fiscal year 1990. I would also like to recognize the efforts of the chairman of the Appropriations Committee, the gentleman from Mississippi [Mr. Whit-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ten] and the ranking minority member, the gentleman from Massachusetts [Mr. CONTE] for their energy and leadership in bringing this bill before us in such a timely fashion. And, of course, a special word of appreciation to my distinguished colleague from Nebraska, [Mr. SMITH] who has worked diligently and aggressively on behalf of those projects that are so important to our own State.

Mr. Chairman, this Member takes great pleasure in using this opportunity to offer my endorsement for H.R. 2696. Furthermore, I would like to express my support for several programs of key interest to my constituents that are contained in the Energy and Water Development appropriations. These include the Missouri National Recreation project, continued funding for the Groundwater Recharge Demonstration Act and several other projects that affect the people of the State of Nebraska.

The Missouri National Recreation River project has had a long history of broken promises. The severe erosion problems along the Missouri River downstream from the Gavins Point Dam are directly attributable to the construction and operation of the Gavins Point Dam. Although it has no intention of admitting it, the Federal Government in reality is largely responsible for the continued damage caused downstream on the stretch of river identified by this project.

Therefore, this Member enthusiastically support the Missouri River Bank Stabilization and Recreation project appropriation for fiscal year 1990 at $100,000 for operation and maintenance of the works already completed along the 59-mile stretch of river and $1,000,000 for construction. This Member also pledges to work aggressively with this committee and the key authorizing committees to find a way to permit construction to begin on this project that overcomes the Office of Management and Budget's and Army Corps of Engineers' unfortunate insistence that cost-sharing rules be applied retroactively to what was always intended to be a Federal project.

To continue the list of key Nebraska projects, under section 601 of Public Law 99-662, the Water Resources Development Act of 1986, $51.9 million was authorized for Missouri River mitigation. The mitigation project includes the four States of Iowa, Nebraska, Kansas, and Missouri and, among other things, attempts to restore fish and wildlife habitat loss due to the federally constructed channelization and stabilization projects of the Pick-Sloan era. For every year we wait, however, reclamation costs escalate and the project moves another year closer to the deauthorization date of 1991.

Recognizing budgetary restraints facing this Nation, I support the initial appropriation for 1990 of $150,000 for remediation activities for fiscal 1990 that will permit implementation of key features of the mitigation project and most important, keeps the authorization alive. D

Third, I also strongly support the fiscal year 1990 appropriation of $7,300,000 for the High Plains States Ground Water Demonstration Program which I originally authored in 1984. The Bureau of Reclamation has selected one project in my district near York, NE, which I would particularly like to endorse. The project is sponsored by the Upper Big Blue Natural Resource District and will capture surface water runoff for eventual recharge into the ground water acquifer.

Additionally, I lend my strong support for the Salt Creek Tributaries and Lakes Program, and the House budget request of $737,000 in fiscal year 1990 for operation and maintenance by the Corps of Engineers.

I support the continuation of the Antelope Creek Flood Survey carried out by the Corps of Engineers at the appropriation of $100,000 to comply with the next phase of the project, the Corps of Engineers feasibility study. The Section 202 Flood Plain Management Program continues to be another successful cooperative tool in assisting States on flood plain matters. This is especially important given the trend of fewer structural flood control projects being built in the future, which intensifies the need for continuation and development of strong flood plain management programs with communities. I urge the adoption of the recommended $265,000 for assisting Nebraska communities in fiscal year 1990.

Many of the Platte River demonstration projects will be complete at the end of this year. These projects include streambank stabilization on the North and South Platte Rivers. I encourage the Corps of Engineers to continue the development of plans and specifications for the final designs and the aquisition of land easements. I also support the Gavins Point Dam-Lewis and Clark Lake fiscal year 1990 request for operation and maintenance funds in the amount of $4,125,000. Additionally, I commend the Corps of Engineers on the drought contingency plans set in motion when reduced Missouri River flows on the operation of Gavins Point Dam became apparent.

Thank you for this opportunity to speak on behalf of these Nebraska projects. My compliments again to the committee for its diligence in bringing this bill to the floor in a timely fashion. I urge my colleagues to vote in support of H.R. 2696

Mr. HOCHBRUECKNER. Mr. Chairman, I rise in strong support of the energy and water development appropriations bill for fiscal year 1990 (H.R. 2696). I commend the able gentleman from Alabama [Mr. BEVILL] for his hard work in bringing to the floor a bill that meets our budget commitments for fiscal year 1990 while responding to pressing national needs.

There is one particular provision in the report accompanying H.R. 2696 that I want to call to the attention of the House. On page 22 under New York State, an appropriation of $5.3 million is included for the Shinnecock Inlet. That funding is necessary to begin construction of an extremely important navigation project along the south shore of Long Island. The timely completion of this project is quite literally a matter of life and death for fishermen and boaters in my district. Its inclusion in this bill is necessary to confront the very serious threat to human life, property, and the fishing economy of eastern Long Island posed by continued shoaling in the inlet.

Shinnecock Inlet is a vital passageway for fishermen on Long Island. The value of the fishing interests directly dependent upon Shinnecock Inlet is between $75–$88 million per year. If the inlet were not cleared, this industry could be destroyed.

Fishing boat accidents caused by shoaling in the inlet have recently resulted in several deaths. The Coast Guard is very concerned about the safety of boaters using Shinnecock Inlet. Without the program planned by the Corps of Engineers and funded under this bill, the Coast Guard fears it would be necessary to severely restrict marine vessel traffic in the inlet. Were this action to be taken by the Coast Guard, the effect on eastern Long Island's economy would be devastating.

The Shinnecock Inlet project will provide for the following critical improvements: Dredging the entrance channel connecting the Atlantic Ocean and Shinnecock Bay; dredging an inner bay channel to the Long Island Intracoastal Waterway; rehabilitating existing jetties; and constructing a facility for transferring sand from the east side of the inlet to the west side to minimize future shoaling.

Congress authorized the Shinnecock Inlet project nearly 30 years ago, as a part of the River and Harbor Act of 1960. The Corps of Engineers has already spent $1 million to complete the project's design and specifications. Furthermore, Suffolk County spent $700,000 on an emergency dredging of the inlet this past winter.

The State of New York strongly supports the Shinnecock Inlet project. Despite the current State budget deficit, Gov. Mario Cuomo is committed to providing the full $1.5 million State share of the funding, as well as up-front funding of Suffolk County's $670,000 share, which together will meet the required non-Federal funding commitment of $2.2 million for the project.

In addition, New York State's senators are very actively supporting this project in the other body.

Thanks are due to number of Long Islanders who worked diligently to support the Shinnecock Inlet project. In particular I want to recognize Suffolk County Executive Patrick Halpin, Suffolk County Legislator Fred Theile, and Southampton Township Supervisor Mardythe DiPirro; Donna Soleau, Linda Kozofsky, and the members of the Concerned Wives of Shinnecock Fishermen; Richard Lofstadt and the members of the Shinnecock Fishermen's Cooperative; William Pell of Pell's Dock; and Floyd Carrington and the members of the Shinnecock Marlin and Tuan Club. There are many more individuals and groups that have lent their support to this effort and should be proud of their contribution.

Mr. Chairman, the people of eastern Long Island will long remember the gentleman from Alabama [Mr. BEVILL] for his recognition of the emergency in my district. With our need to restrain spending in all accounts in this and other bills, his decision was not an easy one. I thank the gentleman and all the members of the House who will support funding for the Shinnecock Inlet project.

I ask all my colleagues to support H.R. 2696 as adopted by the Committee on Appropriations.

Mr. FIELDS. Mr. Chairman, I rise in strong support of H.R. 2696, the energy and water appropriations bill for fiscal year 1990. I would also like to compliment Chairman BEVILL and

the ranking minority member of the subcommittee, Congressman JOHN T. MYERS, for their outstanding leadership in expediting consideration of this most important measure.

While there are a number of vital provisions contained within this legislation, I would like to highlight the Cypress Creek Flood Control Project which I am pleased to say is included within H.R. 2696.

This project, which is located in both my district and that of our colleagues, BILL ARCHER and GREG LAUGHLIN, will provide positive flood control benefits for nearly 200,000 of our constituents. It was authorized by the Congress last year during consideration of S. 2100, the Water Resources Development Act of 1988 (Public Law 100-676).

It is the product of many years of careful study and analysis by the Corps of Engineers. As recommended and approved by the Congress, the Corps' flood control plan for the Cypress Creek watershed consists of three major elements. These are:

A 29.4 mile channel to be constructed from the mouth of Cypress Creek upstream to U.S. 290. Work will involve widening, deepening, and straightening the existing channel and constructing a channel about 20 feet deep and two or three feet above the existing ground. Bottom widths of the channel will vary from about 200 feet downstream to 30 feet near U.S. 290 and top widths will vary from 150 to 300 feet. In order to accommodate the improvements, six highway bridges will be replaced, one bridge will be extended, 28 pipelines will be relocated, and 25 single-family homes will be removed;

Fish and Wildlife habitat improvements will be made to approximately 1,250 acres of Harris County parklands and private lands located along Cypress Creek in order to lessen adverse environmental effects associated with the loss of wooded areas along the Creek called for under the Corps of Engineers' plan; and

Eleven and one-half miles of lighted hiking-biking trails with six-foot bridges will be developed at seven existing Harris County parks. Other facilities to be constructed include seven parking and public access areas and two canoe launching ramps

While the Federal share of this project is $84,900,000, H.R. 2696 appropriates $250,000 in fiscal year 1990 so that the Corps can begin essential preconstruction, engineering, and design work.

Mr. Chairman, upon completion the project will provide $1.20 worth in benefits for every dollar it costs to implement the flood control and recreational improvements. In addition, it will remove 4,200 acres of land and 1,300 structures from the 100-year floodplain, it will reduce average annual flood damage by 93 percent, and it will provide just under $17 million each year in various benefits to those living on the Cypress Creek watershed. In short, this is a vital project for many Texas residents.

Mr. Chairman, the people who live along the Cypress Creek watershed have made every effort at the local level to protect their homes and businesses from the ravages of flooding. We should now do our part by helping them to accomplish what they are unable to do themselves.

While we are living in an age of severe budget constraints, the Federal Government has an inherent responsibility to protect its citizens who live in constant fear of flooding. There are few things in this world more terrifying than the prospect of waking up in the middle of the night to find that your home is floating down a river of flooding water—with you still in it.

It is also important to note that the Federal Government will end up saving millions of dollars by providing this flood protection rather than continue the endless cycle of rebuilding our communities with Federal flood insurance money.

Mr. Chairman, the Cypress Creek flood control project is sound. It is an investment in our Nation's future. It will save taxpayers money. It will create jobs. And, it will provide flood relief to thousands of citizens who are now suffering from the personal and economic hardships of persistent flooding.

Mr. Chairman, the Houston metropolitan area has been ravaged by repeated flooding during the past few months. In fact, just this past weekend, Houston received an additional 13 inches of unwanted rain which has caused another round of massive flooding for those people who live along the Cypress creek watershed.

With this legislation, which is so vital, we will take the first critical step towards providing these people with the flood protection which they so desperately need.

Again, I would like to express my appreciation to the members of the House Appropriations Committee and, in particular, to Chairman BEVILL and Congressman MYERS, for their untiring efforts on behalf of the people of this Nation. I urge my colleagues to vote aye on H.R. 2696.

Mrs. LLOYD. Mr. Chairman, I rise in support of a provision in the energy and water appropriations providing an additional $335 million for a total of more than $1.6 billion for the Department of Energy's environmental restoration and waste cleanup at its weapons facilities.

It has long been the policy of the Congress to direct the Department of Energy to abide by the environmental law of this Nation without giving the Department the adequate funding to do so.

In my own third district of Tennessee, the DOE facilities received considerable attention in the 1982-83 timeframe for environmental contamination. Having provided them with proper funding, which has increased every year since the original discovery. The Oak Ridge operations office has instituted major changes at those DOE facilities in environmental work, environmental technology development, and employee/contractor attitudes.

I am very proud of the accomplishments at Oak Ridge and the dedication of DOE to correct the environmental problems there. I sincerely hope the Department utilizes the lessons learned at Oak Ridge and exports its programs to all other DOE facilities.

Mr. BLILEY. Mr. Chairman, I rise in strong support for H.R. 2696, the energy and water development appropriations bill for 1990. I want to applaud the members of the subcommittee for their discipline in remaining within the subcommittee's section 302(B) allocations for both budget authority and outlays in accordance to the budget summit agreement. I also want to applaud the foresight of the subcommittee, especially its chairman, Mr. BEVILL, its ranking minority member, Mr. MEYERS, and my friend from Georgia, Mr. THOMAS, by investing in two very worthwhile projects in my hometown of Richmond, VA.

I am pleased to report that our continued commitment to the Richmond floodwall project is already paying big dividends. Though construction of the floodwall is only partially completed, confidence in the project has spurred great economic activity in the Shockoe Bottom area that only a few short years ago was an urban wasteland due to constant ravaging by flood waters. Property values have increased in some cases by almost 200 percent and property tax assessments have been quick to follow. I want to stress that the moneys included in this bill for floodwall construction is not a giveaway or a gift. It is a wise investment that recognizes that funding a project to keep back the waters now will lead to a flood of economic development that will produce a larger stream of tax revenues in the years to come.

I am also pleased that the subcommittee has used this same wisdom to give seed money to a U.S. Army Corps of Engineers project to widen the James River channel from 200 feet to 300 feet. This widening will allow a greater number of cargo ships to use the port of Richmond. The increase in cargo will more than offset the cost of construction. Studies have indicated a favorable cost benefit ratio ranging from 5.4-1 to 9.9-1. Though the size of the initial grant is not large, the strong commitment to the project that it represents is very gratifying.

Finally, I do want to note that both of these projects are cost-sharing endeavors. I want to thank both the city of Richmond and the U.S. Army Corps of Engineers for their hard work on these matters. Their successes show that partnerships between local and Federal Governments are in the best interest of the local community and the taxpayers.

Mr. HUGHES. Mr. Chairman, I rise today in support of H.R. 2696, the energy and water development appropriations bill for fiscal year 1990.

I wish to commend Chairman TOM BEVILL and ranking member JOHN MYERS for their outstanding work in developing this legislation and moving it to the floor. With so many worthwhile energy and water projects eligible for funding around the country, the subcommittee has a difficult task identifying those projects which are critical and those which can reasonably be deferred until we get a better handle on the Federal budget deficit. As always, the subcommittee has done an excellent job of developing a bill which is fair and balanced and, just as importantly, stays in line without budget recommendations.

This legislation can be summed up in one word—jobs. All around the country energy and water development projects play a vital role in the State and local economies. In my own district of southern New Jersey, tourism, fishing, boating, and shipping are multi-billion dollar industries which depend upon clean beaches and navigable waterways. It is important for

the Federal Government to remain an active partner in the effort to maintain and protect these resources and the tens of thousands of jobs which depend upon them. I appreciate the support which the subcommittee has provided for some 12 projects in my district which are vital to both the economy and the way of life which we cherish in south Jersey.

I wish we could fund every authorized project in my district and elsewhere around the country this year, but we obviously don't have the resources to do that. This legislation funds the highest priority projects without breaking the budget. It's a good bill and I urge my colleagues to support it.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself the remaining time.

I take this time in behalf of the staff and the members of the committee who have put in so many hours, and I thank those who have testified today. The compliments, and they are deserving, we accept.

It is increasingly difficult with the spending restrictions to meet the needs of the country. It certainly has not become any easier. The committee has done the best job it can in trying to put those items of either the projects or programs in the right priority. We believe we have done a good job. We think we have, and we urge all Members to support this subcommittee. We believe it has done an excellent job.

Mr. BEVILL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1990, for energy and water development, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, miscellaneous investigations, and when authorized by laws, surveys and detailed studies and plans and specifications of projects prior to construction, $123,312,000, to remain available until expended: *Provided*, That with funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake the following items under General Investigations in fiscal year 1990 in the amounts specified: Rillito River, Arizona, $350,000; Hillsboro Inlet, Broward County, Florida, $50,000; Monroe County, Florida, $96,000; Jeffersonville, Indiana, $125,000; Missouri River Fish and Wildlife Mitigation, Iowa, Nebraska, Kansas, and Missouri, $150,000; Newport, Kentucky, $50,000; Red River Waterway, Shreveport, Louisiana, to Dangerfield, Texas, $1,500,000; Sainte Genevieve, Missouri, $50,000; Antelope Creek, Lincoln, Nebraska, $100,000; Elm Creek, Nebraska, $75,000; West Virginia Waterfront Development Study, West Virginia, $250,000; Sacramento River Flood Control Project, Glenn Colusa Irrigation District, California, $180,000; Lake George, Hobart, Indiana, $100,000: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to continue preconstruction engineering and design for the Caliente Creek, California, project and is further directed to undertake any reformulation of the plan recommended in the feasibility study completed by the Corps of Engineers South Pacific Division Engineer on December 23, 1988, as part of preconstruction engineering and design: *Provided further*, That $110,000 of the funds herein appropriated shall be used by the Secretary of the Army, acting through the Chief of Engineers, to initiate and complete a reconnaissance phase study of roadway access problems at Fishtrap Lake, Kentucky, and the purchase of property from willing sellers and relocation of owners of property so purchased: *Provided further*, That with funds appropriated in the Energy and Water Development Appropriations Act, 1989, Public Law 100-371, the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate preconstruction engineering and design for construction of a bridge at Floyd's Fork, on Routt Road at Taylorsville Lake, Kentucky: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use, immediately upon enactment of this Act, $125,000 of the funds appropriated herein to accomplish detailed planning of the Wabash Valley Scenic Corridor at Lafayette, Indiana, under the authorized Wabash River Basin Comprehensive Study: *Provided further*, That within available funds, the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate and complete a reconnaissance level study for the Saint Lawrence Seaway and Great Lakes-Financing Navigational Improvements Study, as authorized in section 47(d) of Public Law 100-676, at full Federal expense: *Provided further*, That $150,000 of the funds herein appropriated for the Eastern North Carolina above Cape Lookout, North Carolina, study, shall be used by the Secretary of the Army, acting through the Chief of Engineers, to conduct basic hydrologic, water quality, and land use studies of the Albemarle and Pamlico Sounds in support of the Albemarle-Pamlico Estuarine study under the National Estuarine Study Program: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, using $100,000 of the funds herein appropriated, is directed to complete preconstruction engineering and design necessary to prepare the Big and Little Sallisaw Creeks, Oklahoma, project, authorized by the Water Resources Development Act of 1976, for construction: *Provided further*, That with funds appropriated in the Energy and Water Development Appropriations Act, 1989, Public Law 100-371, the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate and complete a study to determine the feasibility of the Winton Woods, Mill Creek Lake, Ohio, project under authority of section 1135 of the Water Resources Development Act of 1986: *Provided further*, That $300,000 of the funds herein appropriated for section 22 planning assistance to the States shall be used to assist the State of Nebraska in seeking solutions to water resources problems, including investigating and resolving problems of streambank erosion and environmental concerns along the Platte and Missouri Rivers: *Provided further*, That $300,000 of the funds herein appropriated for section 22 planning assistance to the States shall be used to assist the State of Minnesota in seeking solutions to water resources problems: *Provided further*, That $300,000 of the funds herein appropriated for section 22 planning assistance to the States shall be used to assist the State of Alabama in seeking solutions to water resources problems: *Provided further*, That $45,000 of the funds herein appropriated shall be used by the Army Corps of Engineers to complete a comprehensive reconnaissance study of coastal erosion controls for the Portuguese Bend landslide in the immediate, urban Los Angeles, California, area: *Provided further*, That in fiscal year 1990 the Corps of Engineers shall utilize funds previously appropriated for engineering and design, in addition to $605,000 provided herein, for engineering and design work on the Miami Harbor. The engineering and design work shall be completed by March 30, 1990.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, alteration and removal of obstructive bridges, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,026,112,000, of which such sums as are necessary pursuant to Public Law 99-662 shall be derived from the Inland Waterways Trust Fund, to remain available until expended: *Provided*, That with funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake the following projects in fiscal year 1990 in the amounts specified: Beaver Lake, Arkansas (Water Quality Enhancement), $1,100,000; Red River Emergency Bank Protection, Arkansas and Louisiana, $4,000,000; Guadalupe River, California, $1,100,000; Redondo Beach, (King Harbor), California, $250,000; Fort Pierce Harbor, Florida, $4,524,000; Kissimmee River, Florida, $6,000,000; Manatee County, Florida, $5,000,000; Sarasota County, Florida, $4,067,000; Maalaea Small Boat Harbor, Hawaii, $600,000; Little Calumet River, Indiana, $2,400,000; Ouachita River Levees, Arkansas and Louisiana, $400,000; Roseau River (Duxby Levee), Minnesota, $200,000; Cape Girardeau-Jackson, Missouri, $1,000,000; Trimble Wildlife Area, Smithville Lake, Little Platte River, Missouri, $1,570,000; Great Egg Harbor Inlet and Peck Beach, New Jersey, $250,000; Acequias Irrigation System, New Mexico, $2,000,000; Shinnecock Inlet, New York, $5,300,000; Grays Harbor, Washington, $13,000,000; Roanoke River Upper Basin, Virginia, $200,000; Red River Chloride Control, Texas and

Oklahoma, $2,500,000; Papillion Creek and Tributaries Lakes, Nebraska, $2,500,000; Missouri National Recreation River, Nebraska and South Dakota, $1,000,000; Buffalo Harbor Drift Removal, New York, $1,100,000; Small Boat Harbor, Buffalo Harbor, New York, $1,000,000; Atlantic Coast of Maryland, Maryland, $8,200,000: *Provided further*, That with $6,000,000 of the funds herein appropriated to remain available until expended, the Secretary of the Army, acting through the Chief of Engineers, is directed to award a continuing contract for levee/floodwall construction and to continue, by continuing contracts, other structural and nonstructural work associated with the Barbourville, Kentucky, element of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project authorized by section 202 of Public Law 96-367: *Provided further*, That with $20,000,000 of the funds herein appropriated to remain available until expended, the Secretary of the Army, acting through the Chief of Engineers, is directed to continue the work for the river diversion tunnels and to undertake other structural and nonstuctural work associated with the Harlan, Kentucky, element of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project authorized by section 202 of Public Law 96-367 using continuing contracts: *Provided further*, That no fully allocated funding policy shall apply to construction of the Barbourville, Kentucky, and Harlan, Kentucky, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project: *Provided further*, That with $1,000,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed, notwithstanding section 903(a) of the Water Resources Development Act of 1986, to construct the Mound State Park, Moundville, Alabama, project, authorized by section 608(a) of the Water Resources Development Act of 1986, in accordance with the General Design Memorandum Number 1 (April 1988) of the Mobile District Engineer, and the non-Federal share of this project shall be 25 percent: *Provided further*, That with $1,000,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed, notwithstanding section 903(a) of the Water Resources Development Act of 1986, to construct the Fort Toulouse, Elmore County, Alabama, project, authorized by section 608(b) of the Water Resources Development Act of 1986, in accordance with the General Design Memorandum Number 1 (April 1988) of the Mobile District Engineer, and the non-Federal share of this project shall be 25 percent: *Provided further*, That, notwithstanding section 903(a) of the Water Resources Development Act of 1986, $9,000,000 of the funds herein appropriated shall be used by the Secretary of the Army, acting through the Chief of Engineers, for construction of the Miami River Sediments, Florida, project, authorized by section 1162 of Public Law 99-662: *Provided further*, That, notwithstanding section 903(a) of the Water Resources Development Act of 1986, $500,000 of the funds herein appropriated shall be used by the Secretary of the Army, acting through the Chief of Engineers, for construction of the Satilla River Basin, Georgia, project, authorized by section 1151 of Public Law 99-662: *Provided further*, That using $415,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed, immediately upon enactment of this Act, to initiate a program of applied research, in cooperation with the Tennessee Valley Authority, to help resolve the aquatic plant problem in Guntersville Lake, Tennessee River, Alabama, in accordance with the research provisions of the aquatic plant control program authorized in section 302 of Public Law 89-298: *Provided further*, That using $1,500,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate construction of the O'Hare Reservoir, Elk Grove Township, Illinois, as authorized in section 401(a) of Public Law 99-662 with cost sharing in accordance with the percentages specified in section 103(a) of the Water Resources Development Act of 1986: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate remedial work on the Sacramento River Flood Control Project levees in the Sacramento Metropolitan Area with $3,000,000 herein appropriated for that purpose: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate design and construction of the Waterloo Bridges in Waterloo, Iowa, in accordance with section 835 of the Water Resources Development Act of 1986 using funds appropriated in the Energy and Water Development Appropriations Act, 1989, Public Law 100-371: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate and complete construction of the Maumee Bay State Park, Ohio, Shoreline Protection and Beach Restoration project, using funds appropriated in the Energy and Water Development Appropriations Act, 1989, Public Law 100-371, and the non-Federal sponsor shall share the cost of the project in accordance with the cost sharing requirements of the Water Resources Development Act of 1986, Public Law 99-662: *Provided further*, That using funds appropriated in the Energy and Water Development Appropriation Act, 1988, Public Law 100-202, the Secretary of the Army, acting through the Chief of Engineers, shall make $150,000 available to the Kankakee River project in Illinois to acquire an icebreaking boat and equipment to be loaned to the city of Wilmington, Illinois, for a period of at least three years in accordance with section 1101(b) of the Public Law 99-662 (100 Stat. 4224): *Provided further*, That, notwithstanding section 903(a) of the Water Resources Development Act of 1986, the Secretary of the Army, acting through the Chief of Engineers, is directed to construct the Hamlet City Lake, Hamlet, North Carolina, project using $3,200,000 of the funds herein appropriated: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake the Kanawha River, Charleston, West Virginia, and Kanawha River, Saint Albans, West Virginia, projects using funds appropriated in the Energy and Water Development Appropriations Act, 1988, Public Law 100-202: *Provided further*, That using funds previously appropriated and $13,000,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed to construct Highway 415, Segment "C" at the Saylorville Lake, Iowa, project in accordance with terms of the relocations contract executed on June 21, 1985, between the United States Army Corps of Engineers Rock Island District Engineer and the State of Iowa: *Provided further*, That with $1,000,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate and continue the repair and rehabilitation of the Maeystown Creek gravity drainage structure through the project levee of the Harrisonville and Ivy Landing Drainage and Levee District, Number 2, Illinois, subject to the-cost sharing provisions of section 103 of Public Law 99-662: *Provided further*, That with $4,000,000 of the funds herein appropriated the Secretary of the Army, acting through the Chief of Engineers, is directed to resume construction on the Wallisville Lake project in Texas, and to award continuing contracts until construction is complete under the cost-sharing terms and conditions signed in 1967 between the Trinity River Authority of Texas, the city of Houston, the Chambers-Liberty Counties Navigation District, and the Corps of Engineers, and as provided for in Public Law 98-63: *Provided further*, That with $10,000,000 heretofore or herein appropriated for the Cooper Lake and Channels project in Texas, the Secretary of the Army, acting through the Chief of Engineers, is directed to award continuing contracts in fiscal year 1990 at full Federal expense for additional recreation facilities at an estimated cost of $22,000,000 not exclusive to South Sulphur and Doctors Creek Parks, as is acceptable to the State of Texas; and, in addition, $101,800,000, to remain available until expended, is hereby appropriated for construction of the Red River Waterway, Mississippi River to Shreveport, Louisiana, project, of which, $2,500,000 shall be used to acquire up to five thousand acres of land in the vicinity of the Stumpy Lake/Swan Lake/Loggy Bayou Wildlife Management area as part of the wildlife mitigation lands for the Red River Waterway project: *Provided further*, That the Secretary of the Army is authorized and directed to immediately begin a reconnaissance study of the Cuyahoga River. The Reconnaissance Study shall be conducted at 100 percent Federal cost pursuant to the provisions of section 905(b) of Public Law 99-662, using funds already appropriated in Public Law 100-202.

PARLIAMENTARY INQUIRY

Mr. HAMMERSCHMIDT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAMMERSCHMIDT. Mr. Chairman, is this the proper time to raise my point of order against sections 110 and 112?

The CHAIRMAN. Not quite.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 13, line 7, strike "at Full federal expense."

Mr. CONTE. Mr. Chairman, I rise in support of the amendment. Mr. Chairman, the Water Resources Development Act of 1986 was landmark legislation that established specific criteria for the determination of local cost-sharing responsibilities. The act required an extraordinary amount of work, and it resulted in a remarkable compromise.

Moreover, the law is working. It has saved the Federal Government hundreds of millions of dollars, and it has operated as a device to separate truly worthy projects from those that have little merit. Communities are rarely willing to commit the type of money required under a local cost share agreement for a project that they do not really need or want.

The provision in this bill permitting 100 percent Federal funding of recreational areas at Cooper Lake in Texas violates both the letter and spirit of the 1986 act. OMB and the Army Corps of Engineers have assured me that the the additional features of the Cooper Lake project funded by this bill are entirely recreational in nature and that they are "separable elements" of the Cooper Lake and Channels project. In fact, the bill specifically acknowledges that these features are additional recreational facilities. Under these conditions, the law requires that a project be cost shared with a locality at 50 percent. Besides, the Federal Government has spent tens of millions of dollars at Cooperville at no cost to the local government. Now we are being asked to shell out another $10 million for recreational improvements without one cent of local contribution.

This sets a bad precedent. It is a fundamental departure from the cost sharing principals that this body worked so hard to enact.

I urge my colleagues to support this amendment and to protect the integrity of our cost share requirements.

Mr CHAPMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had spoken earlier on the floor of the House about this project and talked in terms of the generation-long dream of the people of northeast Texas.

I am surprised and disappointed that the gentleman from Massachusetts would after 35 years of hard work by the Congress and the Corps of Engineers and a couple million Texans try now to tear down what the Congress has authorized, and I quite frankly am offended by the suggestion that this is illegal.

Let me say, to the contrary. In 1955, the Congress of the United States authorized this project and President Eisenhower signed it, a lake project in northeast Texas, authorized and funded the project at full Federal expense for water supply, flood control and recreation. After that, construction began at full Federal expense as authorized legally by the Congress, but because of a number of delays, including a court injunction, disagreements over the application of an environmental impact statement and other problems, this project fell between the cracks and for 20 years lay dormant, not really started, but yet still fully authorized.

In 1986, Congress again renewed the construction of the Cooper Lake and Channel project, a project authorized by Congress at full Federal expense over 30 years ago.

When the question came up about the recreation provisions, since the policy of the administration had changed at that time, not the law, but the policy that recreation facilities should be cost shared, an agreement was reached between the Army Corps of Engineers, OMB and the local sponsors of the lake, that the recreation facilities if built at full Federal expense would then be operated and maintained forever by the local sponsors.

In furtherance of that agreement, the local sponsors sought and acquired an agreement and contract from the State of Texas to operate these recreation facilities from now on. This bill today does nothing more than complete the commitment, the legal commitment, of the U.S. Congress of 1955.

I am sadly disappointed that the gentleman from Massachusetts in the last 30 minutes would try to destroy the work of the Congress and the dreams of the people of east Texas for the last 35 years in furtherance of an agreement of the U.S. Corps of Engineers.

Mr. Chairman, I urge my colleagues to reject this amendment, to support the committee, support this project as authorized legally by the Congress, and defeat the Conte amendment.

□ 1250

Mr. BEVILL. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, the Congress authorized the project, authorized it to be completed at full Federal cost. The recreation areas will be operated by the State. This is a one-time expense, that is actually completing a project that was started and authorized by Congress back in 1955.

I urge a "no" vote on this amendment.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, the gentleman from Texas only gave us part of the story. This has all been changed as a result of the 1986 law.

Here is what the Office of Management and Budget says;

> Cooper Lake and Channels, Texas, and Saylorville Lake Recreation Roads: The Federal Government has already spent hundreds of millions of dollars at Cooper Lake without local cost-sharing. The committee's provision for Saylorville involves creational access roads, and that for Cooper Lake involves recreational facilities. Both are separable features from the existing project and both are recreation, low-priority. Moreover, excepting these new separable elements from cost-sharing sets an extremely expensive precedent for all separable elements in the future.

The gentleman then talks about an agreement that was made with the Corps of Engineers. Here is a letter from the Corps of Engineers from Robert Dawson, Assistant Secretary of the Army, to Senator PHIL GRAMM, the author of the Gramm-Rudman Hollings:

> DEAR SENATOR GRAMM: Construction, as well as operation and maintenance, of five additional recreational sites identified on the project master plan.

Which is in this bill—

> is to be a non-Federal responsibility in accord with a previous agreement between the Corps and the local sponsor.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Texas.

Mr. CHAPMAN. Mr. Chairman, I would like to ask the gentleman in the well if he is aware that it was the junior Senator from Texas, Senator GRAMM, who negotiated the agreement with OMB for full Federal funding of the parks? Is he aware of that?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, all I know is that the Department of the Army wrote to Senator GRAMM and said that this is part of the agreement: No money for the recreational purposes for which the gentleman is asking here today.

And here is what the committee said in its report on this bill:

> The committee is also aware that construction of recreational facilities were reduced by the administration in agreement with the State of Texas. The committee has included the language in the bill to revise the limitation imposed by the administration and direct the Secretary of the Army to use $10 million to construct recreational facilities in addition to those facilities contained in the existing agreement.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Texas.

Mr. CHAPMAN. Mr. Chairman, I would like to point out that the $10 million is within the project budget. It is not any extra money. I would also like to advise the gentleman that, as is shown by the committee report, it is not a multi-hundred-million-dollar project, and, in fact, the total cost is about $130 million, of which $51 million will be recovered by the Federal Government.

All of this suggestion of a free ride, all of this suggestion that OMB has somehow been offended by this is absolutely incorrect.

Mr. CONTE. Will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I only am reading from the OMB's memo to me. I am only reading from Assistant Secretary Dawson's letter to Senator GRAMM, and I am only reading from the committee report saying they are going ahead even though there is an agreement here; they are going ahead with $10 million. You folks out there watching the boob tube, how much are you getting in this bill? About $10 million for nothing. How greedy is Texas going to get? They have the supercollider superconductor—$200 million—and now they want $10 million more for picnic areas, benches, tents, walkways. This is crazy.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Texas.

Mr. CHAPMAN. Mr. Chairman, may I take that as a commitment from the gentleman from Massachusetts for the supercollider?

Mr. WALKER. Reclaiming my time, I am not sure the gentleman got that exactly.

Let me say that I do rise in favor of the amendment of the gentleman from Massachusetts. It seems to me that we made a commitment with regard to having shared funding in consideration of the public-works bill, and it seems to me we ought to stick with that.

Mr. KANJORSKI. Mr. Chairman, I rise today in strong support of the energy and water development appropriations for fiscal year 1990 and wish to commend the Appropriations Committee and Subcommittee Chairman TOM BEVILL for their timely and thoughtful efforts on this important legislation. I wish to highlight two provisions of H.R. 2696 that hold special significance for my constituents in northeastern Pennsylvania.

Mr. Chairman, northeastern Pennsylvania is especially fortunate that Congress recognizes the pressing needs we face in our region regarding flood control protection along the Susquehanna River. In a vital provision to ensure that our region receives the flood control protection we need and deserve, the bill we have before us today strengthens the Wyoming Valley levee raising project.

In particular, the bill clarifies the original intent of Congress to design and construct the Wyoming Valley levee raising project to protect against flood conditions which would occur as a result of the recurrence of tropical storm Agnes of 1972. Once enacted, this bill gives unequivocal direction to the Army Corps of Engineers that this project should not be scaled down. The bill also reaffirms the Federal Government's critical financial commitment to the project.

As you know, the Wyoming Valley levee raising project was originally authorized in Public Law 99-662 with the recognition that tropical storm Agnes severely damaged our area in 1972. When that grave storm hit northeastern Pennsylvania—and triggered the overflow of the Susquehanna River into several communities—all of us in the area turned our attention to rebuilding the economy and to protecting against the possibility of future storms.

I am pleased that the Congress shares my firm conviction that it would be shortsighted to cut corners on this project today when a recurrence of a flood the magnitude of tropical storm Agnes would cause in excess of $1 billion in damages and would threaten many lives.

This flood control project is far too important to the long-term prosperity and welfare of northeastern Pennsylvania to be left to the discretion of those who merely care about this year's accounting sheet.

The fiscal year 1990 energy and water development measure also provides the first phase of funding for the design of a flexible, inflatable dam on the Susquehanna River in the Wyoming Valley. This funding for a new and innovative recreation component of the dike project follows the authorization we received in Public Law 100-676, the Omnibus Water Resources Development Act of 1988.

With this funding, design work, planning and feasibility studies will now be completed and the inflatable dam will become an integral part of the overall flood control project. The dam will provide area residents with seasonal boating, swimming, and fishing, and will enhance our long-term ability to control water flow along the Susquehanna River. It will be a boon for recreation and it will further enhance the quality of living and the image of northeastern Pennsylvania.

Mr. Chairman, I first approached the Army Corps of Engineers in February 1988 with the idea that an inflatable dam should be included in the overall dike project and they told me we needed specific congressional authorization and funding. So, I offered an authorizing provision in the 1988 Water Resources Development Act last fall and, with enactment of this spending bill, we will have funds in place to move forward.

I urge my colleagues to support H.R. 2696 and look forward to expeditious action by the other body in the upcoming weeks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 179, noes 238, not voting 15, as follows:

[Roll No. 115]

AYES—179

Applegate
Archer
Ballenger
Bateman
Bates
Bellenson
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Callahan
Campbell (CA)
Campbell (CO)
Chandler
Clinger
Coble
Coleman (MO)
Conte
Coughlin
Cox
Craig
Crane
Crockett
Dannemeyer
DeWine
Dickinson
Donnelly
Dornan (CA)
Douglas
Dreier
Duncan
Early
Edwards (OK)
Fawell
Fish
Frank
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Goss
Gradison
Grandy
Grant
Green
Gunderson
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Hoagland
Hopkins
Horton
Houghton
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Kasich
Kennedy
Kolbe
Kyl
LaFalce
Lagomarsino
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Long
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
McCollum
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Mfume
Michel
Miller (OH)
Miller (WA)
Molinari
Moody
Moorhead
Morella
Murphy
Neal (MA)
Neal (NC)
Nowak
Oxley
Packard
Panetta
Patterson
Paxon
Penny
Petri
Porter
Ravenel
Ray
Rhodes
Ridge
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skeen
Slattery
Slaughter (VA)
Smith (NJ)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stearns
Sundquist
Tallon
Tauke
Thomas (CA)
Thomas (WY)
Torricelli
Upton
Valentine
Vander Jagt
Vento
Vucanovich
Walker
Weber
Weiss
Weldon
Whittaker
Wolf
Wyden
Wylie
Yatron
Young (FL)

NOES—238

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Armey
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Barton
Bennett
Bereuter
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Coleman (TX)
Combest
Conyers
Cooper
Costello
Courter
Coyne
Darden
de la Garza
DeFazio
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Gray
Guarini
Hall (TX)
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hertel
Hochbrueckner
Holloway
Hoyer
Hubbard
Huckaby
Hughes
Jenkins
Johnson (SD)
Jones (GA)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCrery
McCurdy
McDermott

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

McHugh	Pickle	Stangeland
McMillen (MD)	Poshard	Stark
McNulty	Price	Stenholm
Miller (CA)	Pursell	Stokes
Mineta	Quillen	Studds
Moakley	Rahall	Stump
Mollohan	Rangel	Swift
Montgomery	Regula	Synar
Morrison (CT)	Richardson	Tauke
Morrison (WA)	Rinaldo	Tauzin
Mrazek	Roe	Thomas (GA)
Murtha	Roe	Torres
Myers	Rostenkowski	Traficant
Nagle	Roukema	Traxler
Natcher	Rowland (GA)	Udall
Nelson	Roybal	Unsoeld
Nielson	Russo	Vander Jagt
Oakar	Sabo	Vento
Oberstar	Sangmeister	Volkmer
Obey	Sarpalius	Walgren
Olin	Savage	Walsh
Ortiz	Sawyer	Watkins
Owens (NY)	Scheuer	Waxman
Owens (UT)	Sikorski	Weber
Pallone	Skaggs	Whitten
Panetta	Skelton	Williams
Parker	Slaughter (NY)	Wilson
Pashayan	Smith (FL)	Wise
Payne (NJ)	Smith (IA)	Wolpe
Payne (VA)	Smith (NE)	Wright
Pease	Smith (TX)	Yates
Pelosi	Solarz	Young (AK)
Perkins	Staggers	
Pickett	Stallings	

NOT VOTING—15

Bentley	Gaydos	Martin (NY)
Collins	Hall (OH)	McCloskey
Davis	Hefner	Parris
Florio	Jenkins	Smith (IL)
Glickman	Jones (NC)	Towns

□ 1316

Messrs. KLECZKA, CARDIN, SMITH of Florida, DERRICK, TRAXLER, CONYERS, CARR, HAWKINS, KOLTER, and ESPY changed their vote from "aye" to "no".

Messrs. BATEMAN, OXLEY, and SCHUMER changed their vote from "no" to "aye".

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. MARTIN OF ILLINOIS

Mrs. MARTIN of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MARTIN of Illinois: Page 13, line 24, strike the period and insert the following: ": *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, shall use $600,000 of the funds appropriated under this heading for a flood control project on Loves Park Creek, Loves Park and vicinity, Illinois, as authorized by Public Law 99-662, sec. 401.".

PARLIAMENTARY INQUIRY

The CHAIRMAN. For what purpose does the gentleman from Texas [Mr. COLEMAN] rise?

Mr. COLEMAN of Texas. I have parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. COLEMAN of Texas. I understand, am I correct, that this amendment is in violation of clause 2 of rule XXIII, that it was granted a waiver, is that correct, under the rule?

The CHAIRMAN. The rules waive that point of order against the amendment.

Mr. COLEMAN of Texas. So any point of order against this amendment is waived because the rule make it that way, is that correct?

The CHAIRMAN. That is correct under clause 2, rule XXI.

Mr. COLEMAN of Texas. And those Members on the other side of the aisle that object to rules that waive points of order would not do so in this particular instance, is that correct?

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry.

Mr. COLEMAN of Texas. I thank the Chairman.

□ 1320

Mrs. MARTIN of Illinois. This is an amendment that I know was supported by the chairman and the ranking member of the committee. It was kindly, I might add, very kindly, moved by the chairman of the Committee on Rules, the gentleman from Massachusetts [Mr. MOAKLEY] to correct an error. I have appreciated the bipartisan nature of this.

This is a small amendment that would make $600,000 available to a project. There has already been money spent on the project, and to my knowledge, there is no objection about correcting the error that occurred.

I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentlewoman for yielding. This is an ongoing program. It was left out of the bill inadvertently. We found the mistake and the rule provides we can correct it.

Mrs. MARTIN of Illinois. I yield to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. I thank the gentlewoman for yielding.

We support this amendment. We are delighted to be in a position to provide for this project.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois [Mrs. MARTIN].

The amendment was agreed to.

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the remainder of title I is as follows:

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g-1), $342,186,000, to remain available until expended: *Provided*, That not less than $250,000 shall be available for bank stabilization measures as determined by the Chief of Engineers to be advisable for the control of bank erosion of streams in the Yazoo Basin, including the foothill area, and where necessary such measures shall complement similar works planned and constructed by the Soil Conservation Service and be limited to the areas of responsibility mutually agreeable to the District Engineer and the State Conservationist: *Provided further*, That the Secretary of the Army is directed to provide $1,000,000 from funds appropriated by Public Law 100-371 (102 Stat. 859) for Flood Control, Mississippi River and Tributaries, to the United States Department of Agriculture, Soil Conservation Service, to be expended for engineering and design of the Johns Creek project, as authorized by section 401(a) of Public Law 99-662 (100 Stat. 4124): *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with design and construction of a replacement for the Motor Vessel MISSISSIPPI using funds available under this appropriation in order to complete construction of the replacement vessel by the end of calendar year 1991.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, $1,382,081,000, to remain available until expended, of which such sums as become available in the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662, may be derived from that fund, and of which $20,000,000 shall be for construction, operation, and maintenance of outdoor recreation facilities, to be derived from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601): *Provided*, That $100,000 of funds herein appropriated shall be used by the Secretary of the Army, acting through the Chief of Engineers for operation and maintenance of existing structures and facilities of the Missouri National Recreation River, Nebraska and South Dakota: *Provided further*, That not to exceed $8,000,000 shall be available for obligation for national emergency preparedness programs: *Provided further*, That $750,000 of the funds herein appropriated shall be used by the Secretary of the Army, acting through the Chief of Engineers, for maintenance dredging of the Los Angeles River portion of the Los Angeles-Long Beach Harbors project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, may use not more than $500,000 of the funds herein appropriated for payments to parties adversely affected by the closing of the Cape Cod Canal Railroad Bridge for repairs by the Secretary of the Army: *Provided further*, That $50,000 of the funds herein appropriated shall be used by the Secretary of the Army, acting through the Chief of Engineers, to continue the Sauk Lake, Minnesota, project.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable

waters, including bridges, and wetlands, $69,427,000, to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors, the Coastal Engineering Research Board, the Engineer Automation Support Activity, and the Water Resources Support Center, $127,300,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance by military personnel at meetings in the manner authorized by section 4110 of title 5, United States Code, uniforms, and allowances therefor, as authorized by law (5 U.S.C. 5901-5902), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed 150 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. The project for flood control, Wyoming Valley, Pennsylvania, authorized by section 401(a) of the Water Resources Development Act of 1986, is modified to direct the Secretary of the Army to design and construct the project to provide flood protection to the area protected by the existing projects from flood conditions which would occur as a result of the recurrence of tropical storm Agnes of 1972, with cost sharing in accordance with the percentages specified in section 103(a) of the Water Resources Development Act of 1986, at a total cost of $169,000,000 with an estimated Federal cost of $127,000,000 and an estimated non-Federal cost of $42,000,000.

SEC. 102. The Sacramento River Flood Control Project, California, as authorized by the Flood Control Act of 1917, as amended, is further modified to direct the Secretary of the Army, acting through the Chief of Engineers, to proceed in fiscal year 1990 and in subsequent years as necessary with construction of riverbed gradient restoration structures in the vicinity of River Mile 205, Sacramento River, California, at an additional estimated cost of $6,000,000, generally in accordance with the plan contained in a report prepared by the Glenn Colusa Irrigation District and the California Department of Fish and Game, dated December 1988. Local cost-sharing is to be obtained in accordance with the flood control requirements of the Water Resources Development Act of 1986.

SEC. 103. The undesignated paragraph entitled "Sims Bayou, Texas" in section 401(a) of Public Law 99-662 (100 Stat. 4110) is amended by striking out "$126,000,000" and inserting in lieu thereof "$244,000,000", by striking out "$94,700,000" and inserting in lieu thereof "$164,000,000", and by striking out "$31,300,000" and inserting in lieu thereof "$80,000,000".

SEC. 104. The project for shoreline protection for the Atlantic Coast of Maryland (Ocean City), authorized by section 501(a) of the Water Resources Development Act of 1986 (Public Law 99-662; 100 Stat. 4135), is modified to authorize the Secretary to construct hurricane and storm protection measures based on the District Engineer's Post Authorization Change Notification Report dated May 1989, at a total initial cost of $71,000,000, with an estimated Federal cost of $37,000,000 and an estimated non-Federal cost of $34,000,000, and an annual cost of $2,700,000 for periodic beach nourishment over the life of the project, with an estimated annual Federal cost of $1,755,000 and an estimated annual non-Federal cost of $945,000.

SEC. 105. Notwithstanding section 110 of the Energy and Water Development Appropriation Act, 1988, Public Law 100-202, the Secretary of the Army is authorized to transfer and reassign property accountability for the headquarters aircraft of the Corps of Engineers, Serial Number 045, from the assets of the civil works revolving fund, to the military activity of the Army that the Secretary determines is appropriate, except that the aircraft shall be made available on a priority basis as necessary for activities in support of the Army's civil works mission.

SEC. 106. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to assume operation of the Sledge Bayou Drainage District's structure located in Quitman County, Mississippi.

SEC. 107. Section 803 of the Water Resources Development Act of 1986 (100 Stat. 4166) is amended by adding at the end thereof the following new sentence: "Notwithstanding section 215 of the Flood Control Act of 1968 (42 U.S.C. 1962d-5a), if, before the date of the enactment of this Act, non-Federal interests complete construction and repair of the Cherry Street bridge, the Secretary shall credit toward the non-Federal share of the cost of construction of the Walnut Street bridge an amount equal to the Federal share of the cost incurred for construction and repair of the Cherry Street bridge.".

SEC. 108. Cost sharing requirements for the study of the Lake Erie-Ohio River Canal, Ohio and Pennsylvania, authorized by resolution of the Committee on Public Works and Transportation on October 1, 1986, shall be in accordance with section 105(a)(2) of the Water Resources Development Act of 1986.

SEC. 109. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to perform maintenance dredging and related activities to maintain Pump Slough from its confluence with the West Pearl River to the boat ramps in the vicinity of Interstate 59 and Crawford and Davis landings.

SEC. 110. A project for flood control along the Santa Ana River in the vicinity of the city of Norco is authorized for construction as part of the Santa Ana River Mainstem, including the Santiago Creek project, in accordance with plans described in the Reconnaissance Assessment Report for Norco Bluffs, dated October 18, 1988, prepared by the United States Army Corps of Engineers Los Angeles District. The total project cost for the Santa Ana Mainstem, including the Santiago Creek project, is raised by $6,120,000.

SEC. 111. The project for mitigation of fish and wildlife losses at the Canaveral Harbor West Basin and Approach Channel project, Florida, authorized by section 601(a) of the Water Resources Development Act of 1986 under the heading "PORT CANAVERAL HARBOR, FLORIDA" (100 Stat. 4140), is modified to authorize the Secretary to construct that part of the project consisting of reshaping of four spoil islands located in the Banana River, installation of culverts along the existing levee of the south mosquito control impoundment of Merritt Island, and rehabilitation of the existing pump station located at the southern tip of the south mosquito control impoundment, at a total cost of $838,000, with an estimated first Federal cost of $825,000 and an estimated non-Federal cost of $13,000.

SEC. 112. (a) The Secretary of the Army, acting through the Tulsa District Engineer, Corps of Engineers, is authorized and directed to design, construct, operate, and maintain Federal hydroelectric generating facilities at the Broken Bow Reregulation Dam on the Mountain Fork River in Oklahoma generally in accordance with the report of the District Engineer, dated July 1988, and in accordance with the following subsections of this section.

(b) The RedArk Development Authority, a public trust of the State of Oklahoma, is designated as the non-Federal sponsor of the hydroelectric generating facilities described in subsection (a) of this section. Construction of said hydroelectric generating facilities shall be contingent upon the RedArk Development Authority providing 100 percent of the costs to finance, design, and construct said facilities. Further, the RedArk Development Authority may enter into arrangements with other non-Federal entities to cofinance and cosponsor the design and construction of such facilities. Operation and maintenance of the facilities shall not be a financial responsibility of the RedArk Development Authority or its cofinanciers.

(c) Using $100,000 of the General Investigations funds previously appropriated by Public Law 100-371 and $150,000 of the funds appropriated in this Act under General Investigations the Secretary of the Army is directed to initiate preconstruction engineering and design for the addition of the hydroelectric generating facilities described in subsection (a) of this section immediately upon enactment of this section. These funds, together with any other preconstruction engineering and design expenses associated with this undertaking, shall be reimbursed by the RedArk Development Authority prior to the initiation of physical construction of the facilities.

(d) The Secretary of the Army, acting through the Tulsa District Engineer, Corps of Engineers, and the Secretary of Energy, acting through the Administrator, Southwestern Power Administration, shall—

(1) within ninety days of the enactment of this section provide to the RedArk Development Authority and other non-Federal entities as described in subsection (b) of this section the following for the facilities described in subsection (a) of this section:

(A) the estimated costs for design and construction of the facilities,

(B) the estimated schedule of quarterly expenditure of such funds,

(C) the method of payments,

(D) the management of such funds, and

(E) the management and rights to any interest accruing to the deposit of such funds; and

(2) upon provision of the agreement described in subpart (1) of subsection (d) of this section enter into negotiations with the RedArk Development Authority and other non-Federal entities as provided in subsection (b) of this section to execute such construction, escrow, and power sales agree-

ments as necessary to design, construct, and market the power from the hydroelectric generations facilities described in subsection (a) of this section.

(e) Notwithstanding the provisions of section 5 of the Flood Control Act of 1944 (58 Stat. 890; 16 U.S.C. 825), the Secretary of Energy, acting through the Administrator, Southwestern Power Administration, is authorized and directed, with the concurrence of the RedArk Development Authority, to construct such transmission facilities as necessary to market the power produced at the generating facilities described in subsection (a) of this section.

(f) Within five years of the date of enactment of this section, the Tulsa District Engineer, Corps of Engineers, shall complete construction of the hydroelectric generation facilities described in subsection (a) of this section and make power and energy available to the Southwestern Power Administration and the Southwestern Power Administration shall complete construction of necessary transmission facilities.

(g) Pursuant to the agreements described in subsection (d) of this section, the Secretary of Energy, acting through the Administrator, Southwestern Power Administration, shall market the excess power produced by the generating facilities described in subsection (a) of this section in accordance with section 5 of the Flood Control Act of 1944.

(h) Notwithstanding any other provision of law, the Secretary of Energy, acting through the Administrator, Southwestern Power Administration, shall allocate to the cosponsor described in subsection (b) of this section who meets the qualifications of a preference customer of the Southwestern Power Administration such power and energy as required, but not in excess of that available from the generating facilities described in subsection (a) of this section, from the interconnected system of reservoirs operated by the Corps of Engineers and marketed by the Southwestern Power Administration in accordance with such rates and power and energy allocation guidelines as apply to the interconnected system.

(i) Notwithstanding the provisions of section 5 of the Flood Control Act of 1944, the Secretary of Energy, acting through the Administrator, Southwestern Power Administration, is authorized and directed, in accordance with the provision of the agreements described in subsection (c) of this section from revenues from the sale of power produced by the generating facilities of the interconnected system of reservoirs operated by the Secretary of Energy and marketed by the Southwestern Power Administration, to—

(1) repay the RedArk Development Authority and other cofinanciers as described in subsection (b) of this section such funds, including financing and interest costs, as may be provided by the RedArk Development Authority and its cofinanciers for the design and construction of the hydroelectric generation facilities described in subsection (a) of this section; and

(2) contribute funds, in such amounts and at such times as may be deemed appropriate by Southwestern Power Administration for the payment of construction work in progress (CWIP) or interest during construction (IDC) during the construction of the hydroelectric generating facilities, described in subsection (a) of this section.

(j) Development of hydropower facilities under the foregoing provision will not proceed prior to completion of an environmental review. The level of review will be the same as that required for new hydropower licenses under Federal Energy Regulatory Commission guidelines and will be conducted under the auspices of the appropriate Federal agency.

POINTS OF ORDER

The CHAIRMAN. Are there any points of order against the remainder of title I?

Mr. ANDERSON. Mr. Chairman, I make a point of order against section 112 of the bill. This section directs the Corps of Engineers to carry out a project not previously authorized by law and therefore violates rule XXI, clause 2, of the Rules of the House, which prohibits legislation in an appropriations bill.

In making this point of order, let me emphasize the following:

The provision in question is legislation in an appropriations bill. This is a matter which goes to the core of our jurisdiction, our authority and our effectiveness.

Last week our Subcommittee on Water Resources held a hearing on all authorizing provisions included in this bill so that we could determine the need for action on them now rather than waiting for the next water resources bill. This provision does not, in our opinion, meet the test of being time sensitive; and

There will be a water resources bill next year. We are committed to having one every 2 years. This will ensure that provisions like this one can be handled in a timely fashion through the normal legislative process.

It is for these reasons that I must object.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. WATKINS. Mr. Chairman, I rise, deeply concerned about this point of order because he is correct about it being authorizing or legislating language.

However, that is done quite often as the gentleman well knows, and this has been selected as one of three to drive a point of order against. We have authorized this piece of legislation in the past and it has been knocked out in conference. I have worked trying to put together financing, private financing, like H.R. 6 states. The law that we passed and all we are doing is in an economically depressed area of Oklahoma and we are knocking out a project that would help stimulate jobs, development, and help try to build the community in that area.

I know the chairman of the committee has that prerogative to do that, but I tried to abide by the law over and over again. I am not in a position, not on the Committee on Rules, not being the chairman of any of the committees, and so I am quite sure that the chairman is going to have his way in knocking this out. I wish, though, he would take into consideration some of the needs. We followed the law. We followed the spirit of the law. I have gone out and tried to get private financing lined up to get the project done, but this does not mean anything I do not guess, to the chairman, because we are going to knock it out, delay, delay it. I will lose the investors and we will see it go down the drain.

I deeply regret the chairman of the authorizing committee having singled this one out. I have seen other projects, literally, Mr. Chairman, be continued there, and their act of points of order, but they have singled this one to knock it out. I guess if that is what the Member plans on doing, the Member will do it to me. However, I appreciate, Mr. Chairman, your consideration, but under the circumstances, I know there must be some reason the gentleman feels strongly about my project and letting all the others go. I want to make that point.

The CHAIRMAN (Mr. PEASE). Does any other Member wish to be heard on this point of order? If not, the Chair is prepared to rule.

For the reasons stated by the gentleman from California, the Chair finds section 112 constitutes legislation on an appropriation bill. The point of order is sustained. Section 112 is stricken from the bill.

Are there other points of order against this title of the bill?

Mr. HAMMERSCHMIDT. Mr. Chairman, I make a point of order against section 110 of the bill. This section directs the Corps of Engineers to carry out a project not previously authorized by law and therefore violates rule XXI, clause 2 of the rules of the House, which prohibits legislation in the appropriations bill.

The CHAIRMAN (Mr. PEASE). Are there any other Members who wish to be heard on this point of order?

If not, the Chair is prepared to rule.

For the reasons stated by the gentleman from Arkansas, the Chair sustains the point of order. Section 110 is stricken from the bill.

Mr. CARPER. Mr. Chairman, I move to strike the requisite number of words.

I would like to thank my distinguished colleague from Alabama, Mr. BEVILL, and also my distinguished colleague from Indiana, Mr. MYERS, for their kind attention to a unique problem in the State of Delaware—the need for a new bridge over the Chesapeake and Delaware Canal. The C&D Canal is a federal project that cuts my State completely in two. As I have pointed out to my two colleagues, the State law chartering the original canal company to build the C&D Canal required the company to build and maintain good and sufficient bridges for public highways over the canal. The Federal Government, in taking over

the canal company franchise in 1919 to vastly enlarge the canal for national defense and commercial purposes, assumed the legal responsibility for providing bridges, and has met that responsibility to date by providing needed bridges in both Delaware and Maryland.

The Federal St. Georges Bridge carries 60 percent of the traffic over the canal from northern Delaware and the rest of the northeast corridor to the three-State Delmarva Peninsula. The bridge is barely capable of handling today's traffic, and studies indicate it will fall far short of meeting our transportation needs 5 years from now.

Delaware is building a new $400 million highway to carry the ever-increasing traffic of the U.S. Route 13 corridor, and needs the Federal Government to provide a new bridge near St. George's to carry this traffic across the canal.

Though there is nothing in this bill for the new bridge, I thank my colleagues for their attention to the needs of my State, and for their willingness to work with me to address those needs in the future.

□ 1330

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. CARPER. I yield to the chairman of the subcommittee.

Mr. BEVILL. Mr. Chairman, there is indeed a unique problem here, and though we were unable to consider it in the context of this appropriation bill, we will give attention to it in the future.

Mr. CARPER. Mr. Chairman, I thank the subcommittee chairman, and I thank the distinguished ranking minority member as well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, to remain available until expended, $11,230,000: *Provided*, That, of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That all costs of an advance planning study of a proposed project shall be considered to be construction costs and to be reimbursable in accordance with the allocation of construction costs if the project is authorized for construction: *Provided further*, That funds contributed by non-Federal entities for purposes similar to this appropriation shall be available for expenditure for the purposes for which contributed as though specifically appropriated for said purposes, and such amounts shall remain available until expended.

CONSTRUCTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For construction and rehabilitation of projects and parts thereof (including power transmission facilities for Bureau of Reclamation use) and for other related activities as authorized by law, to remain available until expended, $661,008,000, of which $164,866,000 shall be available for transfers to the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d), and $188,823,000 shall be available for transfers to the Lower Colorado River Basin Development Fund authorized by section 403 of the Act of September 30, 1968 (43 U.S.C. 1543), and such amounts as may be necessary shall be considered as though advanced to the Colorado River Dam Fund for the Boulder Canyon Project as authorized by the Act of December 21, 1928, as amended: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That transfers to the Upper Colorado River Basin Fund and Lower Colorado River Basin Development Fund may be increased or decreased by transfers within the overall appropriation under this heading: *Provided further*, That funds contributed by non-Federal entities for purposes similar to this appropriation shall be available for expenditure for the purposes for which contributed as though specifically appropriated for said purposes, and such funds shall remain available until expended: *Provided further*, That the final point of discharge for the interceptor drain for the San Luis Unit shall not be determined until development by the Secretary of the Interior and the State of California of a plan, which shall conform with the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters: *Provided further*, That no part of the funds herein approved shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any national monument: *Provided further*, That of the amount herein appropriated, such amounts as may be necessary shall be available to enable the Secretary of the Interior to continue work on rehabilitating the Velarde Community Ditch Project, New Mexico, in accordance with the Federal Reclamation Laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) for the purposes of diverting and conveying water to irrigated project lands. The cost of the rehabilitation will be nonreimbursable and constructed features will be turned over to the appropriate entity for operation and maintenance: *Provided further*, That the funds contained in this Act for the Garrison Diversion Unit, North Dakota, shall be expended only in accordance with the provisions of the Garrison Diversion Unit Reformulation Act of 1986 (Public Law 99-294): *Provided further*, That none of the funds appropriated in this Act shall be used to study or construct the Cliff Dam feature of the Central Arizona Project: *Provided further*, That Plan 6 features of the Central Arizona Project other than Cliff Dam, including (1) water rights and associated lands within the State of Arizona acquired by the Secretary of the Interior through purchase, lease, or exchange, for municipal and industrial purposes, not to exceed 30,000 acre feet; and, (2) such increments of flood control that may be found to be feasible by the Secretary of the Interior at Horseshoe and Bartlett Dams, in consultation and cooperation with the Secretary of the Army and using Corps of Engineers evaluation criteria, developed in conjunction with dam safety modifications and consistent with applicable environmental law, are hereby deemed to constitute a suitable alternative to Orme Dam within the meaning of the Colorado River Basin Project Act (82 Stat. 885; 43 U.S.C. 1501 et seq.): *Provided further*, That $17,000,000 of the funds herein appropriated shall be available for use for construction on the Davis Creek Dam, North Loup Division, Nebraska, and related facilities in addition to the amount requested by the Secretary of the Interior for continuing work on the North Loup Division, which funds shall remain available until expended.

OPERATION AND MAINTENANCE

(INCLUDING TRANSFER OF FUNDS)

For operation and maintenance of reclamation projects or parts thereof and other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, to remain available until expended, $212,287,000: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund, and the amount for program activities which can be derived from the special fee account established pursuant to the Act of December 22, 1987 (16 U.S.C. 4601-6a, as amended), may be derived from that fund: *Provided further*, That of the total appropriated, such amounts as may be required for replacement work on the Boulder Canyon Project which would require readvances to the Colorado River Dam Fund shall be readvanced to the Colorado River Dam Fund pursuant to section 5 of the Boulder Canyon Project Adjustment Act of July 19, 1940 (43 U.S.C. 618d), and such readvances since October 1, 1984, and in the future shall bear interest at the rate determined pursuant to section 104(a)(5) of Public Law 98-381: *Provided further*, That funds advanced by water users for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and such advances shall remain available until expended: *Provided further*, That revenues in the Upper Colorado River Basin Fund shall be available for performing examination of existing structures on participating projects of the Colorado River Storage Project, the costs of which shall be nonreimbursable: *Provided further*, That none of the funds appropriated in this Act shall be used to execute new long-term contracts for water supply from the Central Valley Project, California, prior to October 1, 1990.

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of

projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-421d), and August 6, 1956, as amended (43 U.S.C. 422a-422l), including expenses necessary for carrying out the program, $34,122,000, to remain available until expended: *Provided*, That of the total sums appropriated, the amount of program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That during fiscal year 1990 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $31,922,000: *Provided further*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

GENERAL ADMINISTRATIVE EXPENSES

For necessary expenses of general administration and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, $47,983,000, of which $1,000,000 shall remain available until expended, the total amount to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

EMERGENCY FUND

For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), as amended, to remain available until expended for the purposes specified in said Act, $1,000,000, to be derived from the reclamation fund.

WORKING CAPITAL FUND

For acquisition of computer capacity for the Business System Acquisition project, and other capital equipment, $8,500,000, to remain available until expended, as authorized in section 1472 of title 43, United States Code (99 Stat. 571).

SPECIAL FUNDS

(TRANSFER OF FUNDS)

Sums herein referred to as being derived from the reclamation fund or special fee account are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391) or the Act of December 27, 1987 (16 U.S.C. 460l-6a, as amended), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the head "General Administrative Expenses" shall revert and be credited to the reclamation fund.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 28 passenger motor vehicles for replacement only; acquisition of one aircraft by transfer of title without the use of appropriated funds; payment of claims for damages to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expenses of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiations and administration of interstate compacts without reimbursement or return under the reclamation laws; for service as authorized by section 3109 of title 5, United States Code, in total not to exceed $500,000; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriations Act 1948; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Acts of August 21, 1935 (16 U.S.C. 461-467), and June 27, 1960 (16 U.S.C. 469): *Provided*, That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses", amounts provided for plan formulation and advance planning investigations under the head "General Investigations", and amounts provided for applied engineering under the head "Construction Program".

Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided*, That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 1341).

No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefits of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, or (c) of any individual when such district, organization, or individual is in arrears for more than twelve months in the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

None of the funds made available by this or any other Act shall be used by the Bureau of Reclamation for contracts for surveying and mapping services unless such contracts for which a solicitation is issued after the date of this Act are awarded in accordance with title IX of the Federal Property and Administrative Service Act of 1949 (40 U.S.C. 541 et seq.). Notwithstanding the provisions of 5 U.S.C. 5901(a), as amended, the uniform allowance for each uniformed employee of the Bureau of Reclamation, Department of the Interior, shall not exceed $400 annually.

GENERAL PROVISIONS

DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency, or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 1535 and 1536): *Provided*, That reimbursements for costs of supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 204. Appropriations in this title shall be available for hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchases of reprints; payment for telephone services in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

Mr. BEVILL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. Are there any points of order against title II?

Are there any amendments to title II?

AMENDMENT OFFERED BY MR. OWENS OF UTAH

Mr. OWENS of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OWENS of Utah: Page 39, after line 2 insert:

SEC. 205. In Public Law 100-563, sec. 4(e)(2), delete the sentence that reads "Of the amounts appropriated hereafter under section 8 of such Act, the first $15,000,000 shall be paid to the Association."

Mr. OWENS of Utah. Mr. Chairman, this amendment is critically important because it will permit Congress to keep faith with a commitment we made last year, a commitment which stands as the foundation for a much larger negotiation we are now working on in Congress to complete the Central Utah project.

The controlling authorization passed by the House last year, after a lengthy and complicated negotiation, was

amended in the Senate, resulting in an inconsistency which was overlooked during final passage. This amendment would resolve that inconsistency and restore the intent and effect of the House-passed authorization bill.

My amendment has the strong support of the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL], and the chairman of the Water and Power Subcommittee of the Committee on Interior and Insular Affairs, the gentleman from California [Mr. MILLER]. The CUP is a 25-year-old reclamation project designed to bring Utah's negotiated share of the Colorado River to its growing population centers. The project is three-quarters done. We must have additional funding authorization to complete it. It is critically important to the growth and future of the State of Utah.

We are in the middle of an enormous legislative undertaking to reform this project and develop a CUP completion plan which would meet both the needs of the State of Utah and, at the same time, conform to Congress' current fiscal and environmental realities.

To date, well over $1 billion has been invested in the project's water development, yet only $10 million out of that $1 billion has been spent on environmental mitigation. The project's environmental impacts have been enormous, long overlooked, and are a serious obstacle to congressional approval to complete the project.

The inconsistency I am resolving with this amendment will permit the $23 million mitigation package that was carefully negotiated and earmarked in the House authorizing process to be implemented. It will authorize all these amounts to be expended in a manner that comports with the promises made to many Utah and national sportsmen and conservation groups, whose continued constructive support is key if we are to arrive at a comprehensive legislative plan which will complete the CUP.

Only $10 million of the over $1 billion has been spent on environmental mitigation, and during the authorizing process at the subcommittee and committee levels of the Interior Committee, we made commitments that we would start the environmental mitigation in fiscal year 1990. We also made the commitment, and it is in the statute, that we would spend $23 million doing that.

There is an inconsistency in the Senate language, and we have changed that inconsistency, or I would change it by the amendment which I offer today. We cannot break those commitments which we made or we lose the possibility of their support in the completing of the CUP this year by other legislation. We must begin to seriously repair and mitigate the extensive damage of that extensive water development, which is the largest transbasin transfer of water in the history of this country.

It does not harm to delay for 1 year the payment to the Strawberry Water Users Association. I support that payment. I have never supported its being made at the cost of environmental mitigation this year.

Mr. Chairman, let us put that back and let us agree to this amendment, which will permit us to keep our commitment to move to begin the environmental repairs of that great project.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. OWENS of Utah. I yield to the chairman of the subcommittee.

Mr. BEVILL. Mr. Chairman, I have no objection to the amendment.

Mr. NIELSON of Utah. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by my colleague, the gentleman from Utah [Mr. OWENS].

Mr. Chairman, the gentleman from Utah [Mr. OWENS] made several statements in his presentation. First of all, he said that we need to meet the commitments we made and not break them. I agree with that fully.

It is interesting to note that the bill has two seemingly conflicting statements. According to the language of section 4, it says the first $15 million of section 8 funds, which is environmental, by the way, shall be paid to the Strawberry Water Users Association in order to transfer 57,000 acres of land from the Bureau of Reclamation to the Forest Service.

That land has been badly abused. The sportsmen, the environmentalists, the Bureau of Reclamation, the Forest Service, the U.S. Department of Fish and Game and the Strawberry Water Users Association, plus the entire delegation after 6 months of negotiation came to a settlement of that item. The gentleman from Utah [Mr. OWENS] included that in the bill he presented last year for the central Utah project.

The committee stripped that portion of the bill and in fact every portion of the bill except an amount to raise the ceiling in order to keep the project alive, but the Senate added that language back.

The gentleman from Utah [Mr. OWENS] would now have us believe we should go back to the House language, but let me read some of the statements made on this floor when the Senate amendments came back to us. The Senate amendment was praised by the gentleman from California [Mr. MILLER], chairman of the Water and Power Subcommittee, and it was praised by the gentleman from Utah [Mr. OWENS]. Both suggested that we agree with the Senate. Both suggested the property transfer should be part of the bill. The Senate amendment was accepted by the entire House by voice vote with no opposition. This was an agreement among the five members of the Utah delegation on this issue since the gentleman from Arizona [Mr. UDALL] insisted we be together on everything we wanted or we would not have the project at all. I concurred in that. But let me point out what the gentleman from Utah [Mr. OWENS] said when that Senate amendment was made. This is from the CONGRESSIONAL RECORD, page H 16140 from last year, and he said this:

> Mr. Speaker, the Utah delegation, the Interior Committee, local water users, environmentalists, sportsmen's organizations, and many others have worked long and hard toward enactment of a comprehensive reauthorization bill for the Central Utah project.

Then after that he said this:

> The current Senate amendments to H.R. 3408 which are now before us are acceptable to the chairman of the Subcommittee on Water and Power Resources, the gentleman from California [Mr. Miller], and to me.

The gentleman from California [Mr. MILLER] then said his committee had intended to include the Senate language in the original bill, and then added:

> However, in the interests of securing an interim cost ceiling increase for the project, we are willing to accept the language offered by the Senate.

So both the gentleman from Utah [Mr. OWENS] and the gentleman from California [Mr. MILLER] accepted the language at that time. It is part of the law that the first amount be given to the Strawberry Water Users. Now the gentleman from Utah suggests that maybe the various groups can wait another year. I remind the Members that this problem has been festering for many years.

The House in 1986 passed my bill under suspension of the rules unanimously, and it went to the Senate. Unfortunately, it was not acted on by the Senate. In 1987, Senator GARN and I each had bills to solve the problem. The gentleman from Utah [Mr. OWENS] had his choice of which of those bills he would incorporate into his central Utah project authorization bill and he chose the Garn bill which contained the $15 million. My bill did not specify the amount but set the compensation based on independent appraisals of the property. The gentleman from Utah [Mr. OWENS] made that choice freely. He agreed to include his bill and the entire Utah delegation approved.

Mr. Chairman, if we talk about breaking commitments, I think this is a very good example of doing exactly that. The agreement was in the Owens bill initially and it was also accepted by the House on the recommendation of myself, of Representative OWENS and of Representative MILLER. So it is not only longer standing but also more recent and more specific than the other requests.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

□ 1340

Mr. Chairman, this had the support of the Bureau of Reclamation, the Forest Service, sportsmen, the Strawberry Water Users; and more importantly, the entire Utah delegation until about 3 days ago.

I believe that we need to look at some other aspects of this bill. Where we are talking about deferring things, we asked for some $15 million for the Strawberry Water Users, and $19 million for the other projects, a total of $34 million. The Committee on Appropriations approved $28 million, some $6 million short of our request.

When I met before the Committee on Appropriations subcommittee, I stressed over and over again, ad nauseam almost, the fact that the first $15 million was earmarked to complete the Strawberry Water Users transfer to solve the problem which has been a major concern for so many years. I had the impression that the committee would do that. However, the committee report is silent as to how they intend the $28 million to be divided between the two projects.

(By unanimous consent, Mr. NIELSON of Utah was allowed to proceed for 2 additional minutes.)

Mr. NIELSON of Utah. Mr. Chairman, let me indicate that of the $19 million requested in addition to the $15 million for the property transfer mitigation, $3,706,000 in recreation and fish and wildlife is in the Jordanelle Reservoir area. This money cannot be spent until the reservoir is completed. The reservoir will not be completed until 1991, so that money can easily be deferred without harm to anyone. The Diamond Fork mitigation of over $1 million also could be deferred very easily because that project is not completed and the tunnels are still being put through the mountain. Even the mitigation of Strawberry Reservoir itself, $8,646,000 could be more effectively spent if the land surrounding the reservoir is rehabilitated at the same time.

I do not think we could go back and change the $15 million. You had 25 people who worked for 6 months before coming to that agreement including many organizations. It would break faith with every one of those organizations and break faith with what we, as a delegation, tried to do and which the gentleman from Utah [Mr. OWENS] and the gentleman from California [Mr. MILLER] and the entire Committee on Interior and Insular Affairs accepted when the Senate amendment was made.

Mr. OWENS of Utah. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Utah.

Mr. OWENS of Utah. Mr. Chairman, I would say to my colleague, the gentleman from Utah [Mr. NIELSON] that, if he would look at pages 5 and 6 of the committee report which accompanied the passage of this subject legislation last fall, he would see in there a listing of $23,885,000 worth of environmental mitigation projects, some in Colorado, and some in Wyoming, $19 million of it in Utah which the legislative language mandated be spent in fiscal year 1990.

Mr. NIELSON of Utah. Mr. Chairman, reclaiming my time, I agree it says, "You're going to have $19 million and also $15 million." They are both in that bill. That is $34 million. We only got a $28 million authorization. We are $6 million short.

I say, "Let's meet the original commitment."

(By unanimous consent, Mr. NIELSON of Utah was allowed to proceed for 1 additional minute.)

Mr. OWENS of Utah. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Utah.

Mr. OWENS of Utah. Mr. Chairman, this was a very significant decision that we made last year. The gentleman from Utah [Mr. NIELSON] was not in those committee meetings. He is not a member of that committee, but in working with the environmental, and conservation and sportsmen's organizations whose support was critical to getting the 1-year extension and, more importantly, today whose support will be critical for getting the legislation completed this year, we absolutely make the commitment that, though we had spent almost $1.2 billion on the CUP, and no money, save $10 million of that $1.2 billion on environmental mitigation, we made the absolute commitment that we would begin in fiscal year 1990 the environmental repairs and earmark $23 million, which the chairman of the committee and subcommittee support.

Mr. NIELSON of Utah. Mr. Chairman, reclaiming my time, Mr. Chairman, I agree with the environmental desires. The $15 million for rehabilitating the Strawberry lands is also environmental. It was asked for by the sportsmen. It was asked for by environmentalists.

(By unanimous consent, Mr. NIELSON of Utah was allowed to proceed for 2 additional minutes.)

Mr. NIELSON of Utah. Mr. Chairman, I would remind the gentleman from Utah [Mr. OWENS], the Members of this House, both the $15 million project and all of the $19 million projects are in my district. I have worked with the county officials of Utah and Wasatch Counties. I know they stand in favor of getting that problem solved that has been brewing for a long time, and to make them wait in order to find more recent and in some cases premature projects is totally unfair. Some portion of these other projects could be deferred to another year because at least $8 million of the $19 million could easily be deferred and in fact could not be done at all. I urge rejection of the Owens amendment and yield back the balance of my time.

Mr. THOMAS of Wyoming. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise very briefly to oppose the amendment. I was involved last year, before being in this body, in some rather significant changes that have been suggested in the Colorado River storage project, and they are somewhat distressing and disturbing, and it does seem to me, although I am not familiar with the rules of this body, that to change an authorization by an appropriation does seem appropriate, and I rise to oppose the amendment.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the last word.

The gentleman from Utah [Mr. HANSEN] has sent word that he would like to speak on the floor in opposition to the amendment, however he is presently detained in committee and asks that his remarks be inserted in the RECORD at this point.

Mr. HANSEN. Mr. Chairman, I rise in opposition to this unreasonable and unilateral amendment by Mr. OWENS. The $15 million he seeks to delete results from a complex negotiation last year between the Forest Service, the Strawberry Water Users Association, the Central Utah Water Conservancy District, Utah sporting, fishing, and conservation groups, the Utah congressional delegation including Mr. OWENS, and the Subcommittee on Water and Power including Chairman MILLER.

This expenditure is the prerequisite to further rehabilitation of streams and associated wildlife/fish values in this area. Once this compensation occurs, the Forest Service will take title to these lands and begin a long-term rehabilitation of the area. Mr. OWENS is well aware of this, and yet without consultation, and in direct violation of the agreement he openly supported last year, he has unilaterally launched off on an effort that defeats the environmental values we sought to protect and promote last October.

But effort by Mr. OWENS does not achieve protection of fish and wildlife—it subverts and precludes a $3 million Forest Service effort to promote those values cited by Mr. MILLER in discussion on the floor last year—CONGRESSIONAL RECORD October 12, 1988. It represents a breach of faith with all those people and entities who worked so diligently to craft an understanding and agreement. By this action Mr. OWENS represents only the narrowest range of his constituents views and interests. If this amendment succeeds the Forest Service will be prevented from taking management control of approximately 57,000 prime acres for hunting, fishing, and associated ecological values.

I ask you to join me in defeating this effort by Mr. OWENS to renege on a commitment he supported just 8 months ago.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. OWENS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. NIELSON of Utah. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 116]

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Billey
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frenzel
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

□ 1405

The CHAIRMAN. Four hundred fifteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Utah [Mr. OWENS] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 243, noes 174, not voting 15, as follows:

[Roll No. 117]

AYES—243

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clarke
Clay
Clement
Coleman (TX)
Conyers
Cooper
Costello
Coyne
Crockett
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Gray
Green
Guarini
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Richardson
Robinson
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Solarz
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOES—174

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Billey
Boehlert
Bosco
Broomfield
Brown (CO)
Buechner

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Banning
Burton
Callahan
Chandler
Clinger
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Cox
Craig
Crane
Dannemeyer
Davis
DeLay
DeWine
Dickinson
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Goss
Gradison
Grandy
Grant
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hyde
Inhofe
Ireland
James
Johnson (CT)
Kasich
Kolbe
Kyl
Lagomarsino
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Lukens, Thomas
Lukens, Donald
Machtley
Madigan
Martinez
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parris
Pashayan
Paxon
Petri
Porter
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schiff
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tauke
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Whittaker
Wolf
Wylie
Young (AK)
Young (FL)

NOT VOTING—15

Barnard
Bates
Bentley
Collins
Dorman (CA)
Floria
Glickman
Goodling
Hall (OH)
Hefner
Hunter
Smith (IA)
Towns
Wilson
Wright

□ 1412

Mr. KASICH changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WATKINS

Mr. WATKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WATKINS: On page 39, after line 2, insert the following new section:

"SEC. 205. Sec. 210 of the Energy and Water Development Appropriations Act of 1988 is hereby deleted in its entirety."

Mr. WATKINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WATKINS. Mr. Chairman, I have cleared this amendment with the chairman of the subcommittee and also the ranking minority member, and I do not think they have any objections.

Mr. BEVILL. Mr. Chairman, if the gentleman will yield, we have no objection to the amendment.

Mr. MYERS of Indiana. Mr. Chairman, if the gentleman will yield, the minority offers no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. WATKINS].

The amendment was agreed to.

Mr. PASHAYAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to ask the manager of the bill, the distinguished Chairman of the Subcommittee on Energy and Water Development Appropriations, the gentleman from Alabama [Mr. BEVILL], a question regarding the legislative intent of a particular provision of H.R. 2696.

Mr. Chairman, a provision on page 32 of the bill states that none of the funds appropriated in this act shall be used to execute new long-term contracts for water supply from the Central Valley project, California, prior to October 1, 1990.

The committee report states that you do not intend by this language to prohibit the renewal of existing water supply contracts consistent with Federal reclamation law and other applicable regulatory and procedural requirements.

As you know, renewal of existing water contracts is a matter of vital importance to thousands of growers in the Central Valley and I want to make sure there is no mistake here.

Is this provision intended to prohibit the Secretary of Interior from executing any new, long-term water supply contracts from the Central Valley project prior to October 1, 1990?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I am glad to yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, yes, the gentleman is correct in his statement.

Mr. PASHAYAN. Is it also true that this provision does not prohibit the renewal of existing water supply contracts consistent with Federal reclamation law and the applicable regulatory and procedural requirements.

Mr. BEVILL. The gentleman is correct.

Mr. PASHAYAN. Since this provision does not prohibit the renewal of existing water supply contracts, is it also true that those contract renewals can go forward under existing law and that the renewal process will not be affected by this Act?

Mr. BEVILL. The gentleman is correct.

Mr. PASHAYAN. I thank the distinguished chairman, and I yield back the balance of my time.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for energy supply, research and development activities, and other activities in carrying out the purposes of the Department of Energy Orgnanization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 21 for replacement only), $2,115,516,000, to remain available until expended: *Provided*, That of the amount appropriated herein, $2,500,000 shall be provided to the Midwest Superconductivity Consortium at Purdue University.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to ask a question of the distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL].

With regard to the prefinancing language contained in the subcommittee's report, is it the gentleman's understanding that existing contracts entered into by DOE and the National Laboratories require the Department to reimburse the contractors for any severance or termination costs incurred by the laboratories in accordance with the terms of their contract?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Alabama.

Mr. BEVILL. The answer to my friend and colleague is, that is my understanding.

Mr. YATES. Is it also the gentleman's understanding that the Department of Energy would be expected to honor these contract terms in the event that such costs are incurred by the laboratories?

Mr. BEVILL. Yes, it would be expected that the Department would honor its contractual agreements.

Mr. YATES. I thank the gentleman for that clarification and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For expenses of the Department of Energy in connection with operating expenses; the purchase, construction, and acquisition of plant and capital equipment and other expenses incidental thereto necessary for uranium supply and enrichment activi-

ties in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 25 for replacement only), $1,445,000,000, to remain available until expended: *Provided*, That revenues received by the Department for the enrichment of uranium and estimated to total $1,500,900,000 in fiscal year 1990, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302(b) of title 31, United States Code: *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1990 so as to result in a fiscal year 1990 appropriation estimated at not more than $0.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for general science and research activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquistion or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 13, of which 10 are for replacement only and one is a police-type vehicle), $1,062,431,000, to remain available until expended.

EN BLOC AMENDMENTS OFFERED BY MR. ROE

Mr. ROE. Mr. Chairman, I offer en bloc amendments made in order under the rule.

The CHAIRMAN. The Clerk will report the en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. ROE: On page 41, line 10, strike "$450,000,000" and insert $424,700,000" and on page 39, line 17, strike "2,115,516,000" and insert "2,140,816,000".

Mr. ROE (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROE. Mr. Chairman, I rise in support of my amendment which has been agreed to by the chairman and ranking member of the Energy and Water Appropriations Subcommittee. This amendment restores $5.3 million to initiate construction of the Compact Ignition Tokamak (CIT) (88-R-92) in fiscal year 1990; and in addition the amendment provides $20 million in operating expenses at the Princeton Plasma Physics Laboratory for continuation of work toward a better understanding of confinement physics, scientific concepts of controlled fusion and related activities which can be applied to the CIT design and development efforts.

In preparing this amendment I have worked closely with the Appropriations Committee which had already reduced the substantial increase requested for the funding of the nuclear waste disposal fund. If my amendment is adopted, it still provides a 15-percent increase over last year in the appropriation for this program.

I urge the adoption of the amendment.

Mr. BEVILL. Mr. Chairman, if the gentleman will yield, we agree with his amendment and accept it.

□ 1420

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment offered by the gentleman from New Jersey [Mr. ROE].

Mr. Chairman, I rise today in strong support for the amendment offered by Mr. ROE, the chairman of the Science, Space, and Technology Committee. I would like to commend Mr. ROE for his outstanding leadership in the area of fusion research programs.

Mr. Chairman, recently I was made aware of a change in departmental policy toward the direction of fusion research. The Secretary of Energy announced that he was going to delay for 10 years the construction of the Compact Ignition Tokamak, or CIT, the most promising line of magnetic fusion research. Accordingly, the Appropriations Committee redirected $68 million from this effort in order to allow the Secretary to complete a rethinking of the magnetic fusion program. However, Mr. Chairman, this will not just postpone the CIT experiments, it will kill them.

Mr. Chairman, the leading magnetic fusion research center, the Princeton Plasma Physics Laboratory, which is located in my district, would be devastated if this cut in funding were to become law, as would the other laboratories and universities conducting research. Cancellation of the CIT will prevent the construction of the proposed $450 million machine at the Princeton Plasma Physics Laboratory.

Since 1974, the Federal Government has spent more than $5.3 billion on the magnetic fusion program. Of that amount, approximately $1.4 billion has been spent on research at the Princeton Plasma Physics Laboratory. Each year, the PPPL budget has averaged $100 million and the lab has employed approximately 800-900 employees, down from a high of over 1,000. However, a cut of funding of the magnitude proposed by the committee would result in layoffs on the magnitude of about 300 personnel at Princeton. These are highly skilled and trained specialists who would be lost to the program permanently.

This decision would contradict the recommendation of the scientific community. Only last week, the department's own group, the Magnetic Fusion Energy Advisory Committee, urged the Secretary and the Director of the Office of Fusion Energy to proceed with the plans for building CIT. In his letter to the Department of Energy, the chairman of the Advisory Committee, Mr. Fred Rihe, strongly reiterated the panel's support for the CIT.

Mr. Chairman, the success of the magnetic fusion program is based on the Tokamak program, which has already surpassed the performance requirements set in 1976 when the Tokamak Fusion Test Reactor was designed. The Compact Ignition Tokamak, or CIT, is now ready to move on to the next phase, ignition, which is the point where the fusion reaction no longer requires outside energy to sustain it. Every scientific group that has formally reviewed the plans for the CIT believes that the machine as currently conceived in phases I and II will achieve ignition. Mr. Ribe, chairman of the Advisory Committee, said that, "By all accounts, including that of MFAC panel 22, the CIT facility as represented by its full capability has a high probability of achieving its ignition goal."

Mr. Chairman, at a time when we are searching for new sources of energy, fusion energy promises a clean, non-polluting and abundantly available source of energy. It is imperative that we continue to press forward with those lines of research which have shown promise, such as the Compact Ignition Tokamak program. However, the cut in funding contained in the committee report would absolutely devastate the magnetic fusion research program, surrendering our world leadership in this area.

Mr. Chairman, I would urge all of my colleagues to support this amendment in order to continue the critically important research into the possibility of fusion energy.

Mr. MYERS of Indiana. Mr. Chairman, the minority has no objection and accepts the amendment.

Mr. RICHARDSON. Mr. Chairman, I rise in support of this amendment to increase the appropriation for energy supply, research, and development by $25.3 million. As you know, the provision contains funding for the magnetic fusion project. The Federal Government must take the initiative to provide support for the development of new energy sources. Magnetic fusion is a major candidate for an environmentally acceptable, long-term, inexhaustible energy source. The National Research Council strongly supports this project and, after a year-long study, has recommended a 20 percent increase for magnetic fusion.

Over the last few years, the magnetic fusion program has been remarkably successful. It has made systematic progress in the ability to produce the plasma conditions required for fusion power. Progress has also been made in the ability to predict many aspects of the complex behavior of magnetically confined plasma. Nevertheless, important work remains in the areas of understanding plasma heat loss, developing fusion materials technology, and improving the prospects for an economically attractive reactor. A cut in funding proposed could seriously jeopardize moving ahead on all fronts necessary for the development of fusion power.

While I support the amendment at hand, and the magnetic fusion project as a whole, I am especially concerned about the removal of the Confinement Physics Research Facility [CPRF], currently under construction at the Los Alamos National Laboratory, from the

budget. We cannot afford to remove a project that is already under construction. The CPRF appeared as a line item for the first time in the fiscal year 1990 Presidential budget but was actually started in fiscal year 1986. At the end of April, more than 57 percent of its total estimated cost was either spent or committed. Thus, the removal of the CPRF from the budget represents the discontinuance of a project well underway, whereas the expenditure of $13.3 million in fiscal year 1990 and decreasing amounts in the following 3 years would capitalize on the investment on $40 million already made. Furthermore, this cut was not requested in the letter from Secretary Watkins to the Senate Subcommittee on Energy Research and Development, which requested the delay of the Tokamak Next-Step CIT experiment.

The fusion concept to be studied in the CPRF is called the reversed field pinch, or RFP. Although less developed than the Tokamak, important features of the RFP are that it sustains its configuration by a self-healing "dynamo" action, it could be chemically heated to ignition (requiring no complicated, expensive auxiliary heating equipment), and offers the possibility of inexpensive, low-frequency current drive. These features could lead to a compact, simpler, less expensive fusion reactor. The CPRF experiment to be built as part of the CPRF project would place the United States in the forefront of RFP research internationally and would allow important physics to be studied at reactor-relevant plasma parameters.

Furthermore, the CPRF is being built so that, in the case of favorable physics results, it can be efficiently upgraded to provide a definitive test of the RFP as a magnetic fusion concept. If the RFP physics turns out to be less favorable than anticipated, the CPRF would still provide an important national facility for testing other concepts having the potential for compact fusion reactors.

The CPRF is a critical component of the magnetic fusion program. I look forward to working with the Chairman and my Senate colleagues to restore funding for the CPRF and developing magnetic fusion as a viable energy source for the Nation.

The CHAIRMAN. Is there further debate on this amendment? If not, the question is on the en bloc amendments offered by the gentleman from New Jersey [Mr. ROE].

The en bloc amendments were agreed to.

AMENDMENT OFFERED BY MR. ECKART

Mr. ECKART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKART: Page 41, line 5, strike "$1,062,431,000," and insert "$952,431,000,".

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that the debate on this amendment and all amendments thereto be limited to 1 hour and 20 minutes, the time to be equally divided between proponents and opponents.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. ECKART. Mr. Chairman, reserving the right to object, I would advise the Committee of the Whole that we find this arrangement to be agreeable. It is my understanding that time will be equally divided between the proponents of the amendment and the opponents to the amendment.

Mr. BEVILL. Yes.

Mr. ECKART. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. WALKER. Mr. Chairman, reserving the right to object, and I shall not object, but has there been an arrangement made to divide the time also between Republicans and Democrats?

Mr. BEVILL. Mr. Chairman, I would say yes to the gentleman.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair declares that the debate time on the Eckart amendment will be 1 hour and 20 minutes pursuant to the unanimous consent request. It is the understanding of the Chair that the gentleman from Ohio [Mr. ECKART] will control 40 minutes and the gentleman from Texas [Mr. CHAPMAN] will control 40 minutes.

Mr. ECKART. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the slogan of a very famous, now defunct, television show was: To boldly go where no man has gone before. The proponents of the super collider program want us to believe that the enactment of this peculiar science project, targeted by the Department of Energy for a cost of more than $4 billion, but which we are told by the Congressional Budget Office is in excess of $6 billion, will lead us to heretofore unknown horizons and opportunities in science research. But just as canceling Star Trek sent chills down the spines of its fans, talk about going slower in the pursuit of superconducting super collider sends chills down the backs of the proponents of the SSC.

Basically, building the super collider would be a super mistake. It is proposed that we put all of our research eggs in one 53-mile research basket as large as the Capital Beltway that surrounds this Nation's Capital.

Mr. Chairman, in today's Washington Post, Secretary of Energy Watkins said "I find the Energy Department a culture of mismanagement and ineptitude."

Mr. Chairman, it is this same culture of mismanagement and ineptitude to which we now want to turn over the expenditures of between $4 billion and $6 billion of taxpayers' money in a program that may leave this Federal Government with yet another white elephant.

Joined by my colleagues, the gentleman from Wisconsin [Mr. OBEY], the gentleman from New York [Mr. BOEHLERT], and the gentleman from Michigan [Mr. WOLPE], we want to underscore for our colleagues that this is the first vote in what will probably be a series of votes on determining the science priorities of this Nation.

Currently we appropriate a little more than $1 billion in general sciences, $200 million of which will be taken by this project.

Our amendment urges the continuation of research and development on the super collider but cuts the $110 million scheduled to initiate construction. For, as the committee tells us, this small $200 million down payment to build the Texas super collider grows to $900 million next year on a science budget only slightly bigger than that. Something has to give.

A fudge factor that DOE tells us can cost this project more than 21 percent in cost overruns leaves us with the question of how will we fund other important science projects. And after we are through building the super collider, it becomes a gift that keeps on giving, costing between $400 million and $550 million a year to operate.

Over its lifetime, the superconducting supercollider could cost as much as $12 billion. At a time of $150 billion budget deficits and a $150 billion savings and loan bailout and $100 billion Department of Energy environmental cleanup, where does this dollar drain end?

We were told, and this House voted just about 1 year ago, that a third of the funding for the SSC should come from foreign governments. Yet in 6 years of advancing this project, we have not a single written commitment for a single foreign dollar to participate in it. In fact, the country of India has only made a verbal commitment for a paltry sum, most of which they would like to see in in-kind services.

Yes, the State of Texas has committed a billion dollars, and for that we should be greatful.

But would they not rather see us invest this money in enhanced energy recovery resources to directly stimulate their economy and not indirectly create more pork for the plains of Texas?

The absence of substantial foreign commitments dooms this project to failure, for the foreigners will want to purchase only the best technology, not the least construction. A preoccupation with big science over little science will prevent the funding of 10,000 National Science Foundation grants covering a wide variety of investments in the science and education infrastructure of this Nation.

Mr. Chairman, there are significant technical problems here. The 55-foot prototype magnets have self-destructed because the energy they create is beyond their physical ability to sustain themselves. This will result in having to construct 10,000 of these magnets using a superconductivity technology that may be obsolete before this ring is built.

The economics, the trickle-down effect of this program is one that should not be lost on us all. The super collider, as a super mistake, will deny the ability to fund those projects which make a difference.

We were told in testimony and public commentary: "We will squeeze out important investments in biomedical research, superconductivity, photonics, high-density semiconductor integration and interconnection, structural composites, fossil fuel recovery, alternative energy resources, factory automation. We will cut back ultimately on National Institutes of Health grants, nuclear medicine, artificial intelligence, and applied science that can, if we are willing to make that much smaller investment in the science infrastructure of this Nation, bring greater investment and opportunities than some pie-in-the-sky opportunity that will allow a few physicists the opportunity to elbow each other after spending $12 billion of your dollars and say, 'See, I told you so.' "

Mr. Chairman, the ability of this Congress to choose its priorities is not lost on us all. Other of my colleagues will speak upon the priorities of this Nation that should be significantly different.

My colleague from Wisconsin will talk at length about the ability of this Congress to stand up and say, "If you want these expensive new toys, let's pay for them."

□ 1430

Just a few weeks ago this House took an important vote on the transfer of important technology to Japan and the sale and the codevelopment of the FSX fighter. A majority of Members agree that important technology ought to stay here. Our allies ought not to be given it. We ought to develop this American program for America, using American taxpayers' dollars. Yet we get no help, much in the same way our foreign allies rob Americans every single day by not paying their fair share of their defense burden, they refuse to come forward and participate in this program, hoping, once again, that Uncle Sam will be Uncle Sucker.

If this project is so good, why are they not doing it? Because the fact of the matter remains that the development of the superconducting super collider will have America eating its science seed corn. When we should be planting it and investing in alternative science programs, we will be putting all our eggs in a 53-mile circular basket, a basket of obsolete technology, a bottomless pit that will take from this House and from the taxpayers of America an unlimited amount of resources, and will give 3 percent of America's scientists 90 percent of America's science budget. That is wrong.

Captain Kirk and Mr. Spock could not save the Starship Enterprise. I do not think this House should save the superconducting super collider. Building it would be a super mistake. I urge my colleagues to go forward with research and development. Let Members look at the opportunity that may come from this. However, let Members reserve judgment until the Department of Energy demonstrates some common sense: Commitment to cost management, and a willingness and an understanding of the complex interrelationship between these kinds of projects and the environment they have so cavalierly trampled upon the last 10 years.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Chairman, I am a member of the subcommittee which has been a part of the national priority that I have fully supported, regardless of which State. This is not a Texas project. This is a national project. Universities throughout America are going to contribute in sharing our students of our Nation who will participate in the research of the future. We are on the cutting edge of technology, and we criticize and hear great speeches in this room about how Japan and other countries are ahead of the United States in technology. We hear speeches that we are short of engineers and mathematicians. This is an opportunity, I think, for all our universities, our young people of this Nation, to participate in the cutting edge of a research project that not only produces jobs and helps a particular region in the country, but more importantly, gives the United States the research advantage for the world.

I think it is a great project. The President has committed very strongly his personal support for this project. The committee on both sides of the aisle has supported this project very heavily. We have come within the 302(b) allocations. So I think on behalf of the project and this Nation we can do nothing less than to give this a start today and help the United States along in being on the cutting edge of research for tomorrow. America needs this project. I think the House should stand up and make a major decision today on behalf of the super collider.

Mr. CHAPMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. There is probably no one in the House more parochial than me. I have lost an awful lot of jobs, and I do not come down here trying to fight for your jobs. I do what I have to to try and help my district.

However, I hear people today saying this is a white elephant, it is a mistake. In fact, it is a super mistake. Now, if it is such a super mistake, why do we want to leave $90 million in such a turkey? The truth of the matter is, this gives the United States an opportunity of competitiveness around the world. I am very parochial on the floor today. I am parochial for America. Any Member in this country that had this project scheduled for their district would be screaming for the appropriation.

Now, later today, we will resume debate on the foreign aid bill. I will be supporting the gentleman from Wisconsin [Mr. ROTH's] amendment, because he is very concerned about a billion dollars. That is a "B," a billion dollars, over 2 years, to the Philippines. I will not see too many people up here hollering about deficits. They will vote $23 billion the next 2 years to go all over the world in the International Cooperation Act of 1989. It cooperates, all right, with everybody except the American taxpayer.

I am for the superconductor. I hoped to God it could be in my district. It is in our country, and it is going to help our country. Now, for those who are calling it a turkey, a white elephant, and a super mistake, those Members should have had a little bit more anatomy today. If it is that bad, the Members should have tried to cut it off. The truth of the matter is, everybody in this House recognizes the value. No Member knows what that will be, but the potential commercial trickle down and the advancement of research and technology is evident here today.

However, more important, Congress wants to put an umbrella in the sky called star wars, and for all the Members who can vote for star wars, take a look at job wars right here in America. This is part of that process, something that is needed. I tell Members, I am proud to stand today for Texas. For those people saying, "My God, Texas is getting everything," Texas deserves some help. I remind Members, Texas is in the good old U.S.A. Let Members vote this amendment down, and let Members go forward with the superconductor super collider.

Mr. CHAPMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in support of the funding for the superconducting super collider. I know, as one from Illinois, I very frankly would have liked to have seen this in Illinois, but whether in Illinois or in Texas, I think it is something good for this country. I think we cannot afford not to build the SSC. There is no other sector of the economy that can basically support a project like this. I think it is a high priority project. There is little doubt in my mind that the SSC will make an important contribution to our national economic health and our industrial competitiveness.

History, I think, assures Members of this.

The technologies that will be developed from the SSC or any other basic scientific researches are, of course, always difficult to be able to predict. There is no guarantee that can be given here, and that is one reason why I suppose people can speak against it because they can not say what actually is coming forth from something like this. However, construction of the SSC will enable America to continue our quest to understand the universe, from the smallest constituent parts to how the world actually began. From the knowledge of physical material developed through the SSC, will come numerous technological advances.

Indeed, the experience of simply building the SSC will become a part of U.S. industry's store of experience and a base of information and techniques to be drawn on for other projects totally unrelated to high energy physics.

For example, the component part and processes needed for the SSC challenge our manufacturing know-how. U.S. industry will have to deal with constructing a 52-mile ring, possibly several hundred feet below the ground, and our manufacturing industry will learn techniques to manufacture thousands of superconducting magnets to tolerances and specifications not previously required, and our computer industry will be required to come up with designs and the ability to process vast amounts of information in time frames not previously demanded. Advances in many areas of technology such as superconducting magnets, cryogenics, ceramics, computers, cutting tools, super alloys, high-speed data processing, electronic imagery, medical technology, manufacturing technology, and quality control have been the return of our past investments and accelerator facilities at Fermi Lab and Brookhaven and Stanford.

□ 1440

The technology developed at these facilities is available to industry to adapt and apply to its specific needs in many unrelated products and processes. We can, of course, expect the same from the SSC project itself. My friend, Dr. Leon Letterman, the former director at Fermi Lab, has suggested some possible byproducts of the superconducting technology—magnetically levitated trains using superconducting magnets to support the train and serve as a propulsion source. Fusion energy experiments using superconducting magnets are already underway at Oak Ridge and Livermore Labs. Superconducting transmission facilities could help in locating power facilities away from densely populated areas. Critics of the SSC, of course, argue that we do not have sufficient commitments from other nations to go ahead with the project.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. FAWELL] has expired.

Mr. CHAPMAN. Mr. Chairman, I yield 30 additional seconds to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, no commitments will be forthcoming from these foreign countries, though, until the United States makes its own commitment to the SSC project, and we have flirted around with this for a long time. The high energy physics community needs a clear signal from this body of Congress.

I understand very much the budget constraints and what they are, but the SSC is a bold and innovative project on a grand scale, and the rewards to fundamental science and to our Nation will be commensurate. The price of not building the SSC would be too high. It would mean turning our backs on the fundamental scientific field in which the United States has traditionally held a position of leadership, and it would mean becoming watchers instead of doers.

Mr. Chairman, I do not believe we should do that.

Mr. ECKART. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I point out to my colleague that in his litany of success stories he failed to tell us about the horrendous experience we have enjoyed with the Department of Energy. The Isabelle accelerator at Brookhaven National Laboratory was scrapped after investing 160 million taxpayer dollars for a program that went absolutely nowhere, building upon the same technology in which we want to invest now, going 150 feet in the ground. And it was the same Secretary of Energy who just told us yesterday that he found an agency besieged by insufficient scientific information, sloppy contracts, serious flaws in discipline, and an underlying operating philosophy in the Department of Energy that adequate safeguards cannot be built in.

Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Michigan [Mr. WOLPE], a cosponsor of the amendment.

Mr. WOLPE. Mr. Chairman, I rise as a cosponsor in strong support of the Eckart amendment to eliminate construction funds for the super collider project.

We have already heard some of the key reasons why this House should proceed very cautiously before giving the go-ahead to construction. First, no consensus whatsoever exists within the scientific community itself that this project should receive the kind of attention and focus that is being proposed, especially at a time of squeezed budgets and many competing research projects and other domestic priorities.

Second, there is clearly no certainty either about the ultimate cost of this project or how and by whom it will ultimately be funded. Serious questions remain about the process itself that was used to identify the site for its location. It was troubling indeed to find in hearings before the Science and Technology Committee that in the site selection committee utilized by the Department of Energy there was not a single geologist among its members.

But I want to focus on another issue that is at stake here, and that is the regional implication of siting the $6 billion-plus project in the Southwest. For the last several years I have been privileged to co-chair the Bipartisan Northeast-Midwest Congressional coalition. Over that period I have insisted that it was possible to meet the needs of our region without harming other parts of our country, and our coalition in fact has promoted many initiatives such as our hazardous waste bill which would benefit the entire nation. The coalition in short has worked very hard to make regionalism a positive force and not a source of division within this Congress and this country.

However, we cannot remain blind any longer to what has been happening in the allocation of Federal budget dollars. The simple fact is that from a regional standpoint we have a real crisis on our hands. We are seeing a massive outflow of Federal dollars from our region that is tremendously compounding what was already an extraordinary imbalance in the flow of Federal dollars. The situation, I might say, has been particularly severe in midwestern States. The recent Census Bureau report revealed that four of the bottom five States in per capita distribution of Federal funds are located in the Midwest.

Nondefense discretionary spending was one area of Federal spending where our region had done reasonably well. We had benefited from urban development action grants, low income energy assistance, and EPA construction grants, to name a few. However, in recent years all this has changed. The UDAG program has been eliminated, EPA construction grants are

being phased out, and the funding level of LIHEAP has steadily eroded.

This squeeze on nondefense discretionary spending will only get worse as we try to meet the Gramm-Rudman requirement of a balance budget in fiscal year 1993.

It is important to remember that this squeeze is going to be greatly exacerbated by the $157 billion savings and loan bailout bill which recently passed this body. That bailout bill was largely the result of gross irresponsibility in just a couple of States. States in the Northeast-Midwest region were responsible for only 2 percent of the costs resulting from FSLIC's actions to close or merge insolvent State-chartered thrifts in 1988. But the taxpayers in our States would be required to pay 47 percent of the cost of that bailout. Unfortunately, the House was not given the opportunity to discuss this inequity during consideration of the savings and loan bailout bill.

Mr. Chairman, let us not beat around the bush. We have just asked the taxpayer's of the Nation to spend tens of billions of dollars to bailout thrifts in the Southwest that are insolvent largely due to greed and fraud on a monumental scale. Are we now going to ask those same taxpayers to spend $6 billion on a project of very questionable value in the same region? Funding this project in the wake of the S&L bill is one-two punch to the taxpayers of our region. Add the space station, with a price tag of $30 billion, 90 percent of which will be spent in the Sunbelt, and we have a regional knock-out punch.

Mr. Chairman, in light of the existing squeeze on nondefense discretionary spending due to the Gramm-Rudman targets, I see no reason to exacerbate that squeeze by launching a new $6 billion program, particularly given the outstanding questions that are yet to be answered.

Mr. Chairman, I urge my colleagues to support the Eckart amendment.

Mr. CHAPMAN. Mr. Chairman, may I inquire of the Chair as to the time remaining?

The CHAIRMAN. The gentleman from Ohio [Mr. ECKART] has 24½ minutes remaining, and the gentleman from Texas [Mr. CHAPMAN] has 31½ minutes remaining.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Chairman, we have seen in the past several years that the Japanese have slowly taken away the high technology from this country. We now have an opportunity to gain that high technology back.

We can let our imaginations wander as to what the success of the superconducting super collider will be and what it can do. I can recall when I was a kid reading the Dick Tracy stories in the comic books that they had a watch that had a TV in it and a telephone they could talk on. The Japanese have now developed that technology, but they cannot develop a battery to compress the energy to put it on the market. We now have an opportunity to take technology like that away.

Can we imagine a car battery about this size that would develop enough energy to operate an automobile? A battery a little bit larger than that could develop enough energy to provide fuel for our homes, an x-ray machine that one could stand in front of and find tumors and cancers in the body without ever using a knife. And can we imagine a razor blade that can be used to shave a hundred times and that never gets dull?

□ 1450

Mr. Chairman, it is an opportunity for us to take a step forward on developing high technology by developing jobs and bringing some of that industry back into this country and, once again, letting this country take a step forward by developing tremendous opportunities in the next generation.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Republican Conference, the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague, the gentleman from Texas [Mr. CHAPMAN] yielding this time to me.

Mr. Chairman, when early competition arose on the super collider superconductor, California was in the running, and, as I took a look at this project, I wanted to find myself in a position on justifying my support based upon the potential of the expenditure in terms of American interests rather than just regionalism alone, and that caused me to take a hard look at this technology and, perhaps, find some examples of where similar technology had worked and might give us a hint of the future.

It turned out that Loma Linda University was involved in an experiment with the Fermilab, and that led to a project which will build a minisuper collider in a hospital setting in Loma Linda, CA.

The project essentially produces this: They took the proton atom, and they ran around a small circle, a super collider process, and when the proton, the atoms, smashed against each other, the proton broke off, and, as I understand it, as a layman, such a proton is an excellent recipient of maximum levels of radiation. They concentrate that radiation, and then they rifle that radiation at cancer tissues.

Mr. Chairman, I think most people know as lay people that currently, when treating many patients who have cancer problems with radiation, the heat that comes out of that radiation of tissue often destroys other cells and organs, and the people die. Apparently, as a result of this process, concentrated radiation in that portion of the atom, which is the proton, can be rifled at such tissue. The heat experience does not take place, and about 90 percent of those people will be cured of cancer, a fantastic breakthrough, only an indication of the kind of potential of this super collider project.

Mr. Chairman, this takes us beyond the horizon in terms of technology in many a field. It is the kind of future that is America's future. We cannot afford to walk away from it now.

Mr. ECKART. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, all this amendment asks is that this country stop making spending promises that cannot be paid for.

Mr. Chairman, this bill contains $200 million for the super collider. The amendment eliminates $110 million, which represents the amount that would move this country from the research stage to the construction stage on one of the largest public works projects in the history of the country.

Why are we offering the amendment? Mr. Chairman, the gentleman from Michigan [Mr. WOLPE] has already explained some of the regional concerns that drive some of us to take a close look at this project. I would like to discuss some larger concerns.

Mr. Chairman, the fact is we are talking about building the largest machine ever constructed in this country, a machine 54 miles in circumference, approximately the size of the highway that surrounds Washington, DC. We have never had a vote on it in this House. It is time we had one.

There are scientific and budgetary reasons for refusing to proceed at this time, and I emphasize "at this time." There are scientific and budgetary reasons for refusing to proceed at this time to the construction phase.

First, Mr. Chairman, the budget reasons: This is one of four dollar-gobbling, high-tech programs which is being pushed by the President of the United States, programs which have lots of technical pizzazz, programs which have lots of political pizzazz, but programs about which the White House and this Congress have absolutely no idea how they are going to pay for.

We have been told this afternoon that this is a "bold and imaginative" program. Mr. Chairman, it represents "bold and imaginative" spending. I would like to see some "bold and imaginative" proposals to pay for the project.

We have been told by the White House and others that there is no

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

room in the budget for health care coverage for 37 million people who do not have it today. We have been told that there is no room in the budget to help first-time home buyers. However, Mr. Chairman, the President is asking us simultaneously, to spend $6 to $9 billion—if we take a look at the conservative estimates over the life of this project—is asking us to spend $6 to $9 billion on the super collider project. He is asking us to spend $16 billion on the space station. We are asked to spend $4 billion on a program which I strongly support, the program to map the human genome so that we can unlock the genetic answers to a dozen diseases including cancer and many others. We are also being asked to support star wars. That is a huge project, a multi-billion-dollar project, well upwards of a hundred-billion-dollar, high-tech project.

Mr. Chairman, these are all exciting, high-tech projects, new age programs. The problem is that the White House, and I would say the Congress as well, has no idea whatever how these programs are going to be paid for.

So, Mr. Chairman, we have all kinds of politicians running around the country taking credit for this bold, imaginative, technologically forward project, but nobody knows how we are going to pay for it.

What does that mean? The committee itself indicates that this is going to cost $200 million this year, it is going to cost $900 million a year afterwards. That is a huge commitment, and, absent new revenues, and I underline those words "absent new revenues," this and the space station will destroy the rest of our science budget in this country.

I serve on the appropriations subcommittee that deals with virtually all of the medical research in this country, whether one is talking about cancer, whether one is talking about Alzheimer's arthritis, just name it. The fact is that we have seen the budget for NIH squeezed by the AIDS crisis, and we are going to see it squeezed even more if projects like this are created. The National Cancer Institute, for instance, cannot even afford right now to purchase another supercomputer to run its tests to develop new drugs to attack cancer. They are already at the supercomputer capacity, and the budget this year that the President is asking us for does not have enough room in the budget to pay for something like that.

Mr. Chairman, we have terrible needs to pursue high-temperature superconductor research. That is critical. The NOAA agency has already reached their maximum computer capacity. Those NOAA computers are critically important to studying the patterns of global warming, probably the greatest ecological and environmental disaster to hit this world in the history of the world. But the fact is they do not have enough money in their budget to buy those new supercomputers either.

We need to have more research on renewable energy sources. That portion of our science budget has been decimated since 1981 with the first Reagan budget.

We have a critical need to rebuild and reequip scientific laboratories in virtually every major university in this country, and we do not have the money to pay for it.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, the gentleman from Wisconsin [Mr. OBEY] is talking about all these medical benefits. I know the gentleman is aware of the fact that these benefits have come about because for over 10 years we have been operating Fermilab in Chicago. I am sure he is aware that the same argument he is making on these is the same one made approximately 20 years ago when we started funding Fermilab.

□ 1500

Out of Fermilab research has come Positron Emission Tomography scans and CAT scans. Now we are trying to build the SSC which is a more advanced accelerator.

Mr. OBEY. I understand, but I would appreciate if the gentleman, since I am offering him my time, I would appreciate if the gentleman would yield me some additional time.

Mr. CHAPMAN. Mr. Chairman, I yield 1 additional minute of my time to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I am happy to yield to the gentleman from Alabama.

Mr. BEVILL. I just want to point out, Mr. Chairman, the health benefits that have come from the Fermilab. These benefits have been very important. These arguments for not building SSC were made 20 years ago against the Fermilab. It was very successful and now we are just building a more advanced Fermilab with the superconductor super collider.

Also, we have had the benefit of proton accelerators, one of which is at the Loma Linda Medical Center that the gentleman knows about, which is used to treat cancer. This is a great advance in cancer treatment.

We have had the magnetic resonance imaging, which is now widely used in medical diagnostic procedure, which is a great improvement.

I do not think the gentleman is aware of all the benefits that have come out of the Fermilab, which has been very successful, a good investment. We have invested approximately $1 billion in that project. Now we are just saying let us get together with these other countries and build even a bigger Fermilab.

Mr. OBEY. I have supported those appropriations, and I certainly recognize them, but I would point out the key difference is that the proposals the gentleman is talking about dealt with the question of how to deal with cancer after it has occurred.

What we are talking about in mapping the human genome is how to prevent cancer before it ever occurs. That is the critical difference. It is a critical difference which can save a lot of misery and a lot of dollars.

I would like to proceed to finish my statement and then I would be happy to answer any additional comments the gentleman might have.

I would simply like to make the point that in addition there are many technical and technological problems facing this super collider. We have, as has been mentioned, a problem with the magnets. We have the fact that the committee itself has indicated that it is unsure about the cost estimates. The committee itself has indicated that the design assumptions need to be refined and updated so that the cost estimates can be refined and updated. The cost estimates for this program have not been adjusted since the program began, and that certainly does not make much sense, as the committee itself has indicated.

It is also very clear that there is great debate in the scientific community about whether or not this is the proper technology with which to proceed in moving ahead with projects for particle acceleration. There are other technology questions.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ECKART. Mr. Chairman, I yield 1 additional minute to my colleague, the gentleman from Wisconsin.

Mr. OBEY. I would simply say that what we have here is a case of competing scientific needs, competing medical needs, competing energy needs. All of them are probably justifiable.

I am not asserting for one moment that this may not be a very good project. What I am saying is that as policymakers, starting with the guy in the big White House down at the other end of Pennsylvania Avenue, we have an obligation if we are going to be pushing these huge multibillion-dollar projects to find some way to pay for them, other than squeezing out other portions of the science budget which are critical to the health science and energy needs of this country.

High energy physics is not the only scientific field that ought to command our dollars and our attention.

I warn you, we are going to be squeezing out vital areas of the science budget unless the President comes up

with revenue initiatives to match his initiatives for incredibly high levels of new spending.

Mr. CHAPMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey [Mr. ROE], the chairman of the Committee on Science, Space, and Technology.

Mr. ROE. Mr. Chairman, I thank the gentleman from Texas for yielding me this time.

I would like to commend the previous speaker, who is a dear and longstanding friend of mine, because the gentleman has added the excitement that I have been trying to add unsuccessfully to this whole issue of science, space and technology education in this Nation and where the priorities really should lie.

Here we find ourselves, how are we going to pay for it? I remember this debate just recently. You made the point and I make the point, "For all sad words of tongue or pen, the saddest are these, 'it might have been.' More sad are these, 'but it hadn't to be.'"

One other point on the technology involved, looking at the gentleman's bottom line, "more mistakes are made from lack of facts than from poor judgment."

I did not want the gentleman to miss that point, that more mistakes are made from lack of facts than from poor judgment.

We did vote on this bill and we voted almost unanimously.

Mr. OBEY. Mr. Chairman, will the gentleman yield on that point?

Mr. ROE. I yield to the gentleman from Wisconsin.

Mr. OBEY. We did not vote on the super collider, Mr. Chairman. We voted on a bill which contained it, but we have never had a vote in this House on the specific issue of whether we ought to actually go ahead with the super collider. We certainly never voted to go to construction.

Mr. ROE. We are just kind of nitpicking on words. That was debated strongly and it was voted on. It was voted on almost unanimously.

The House knows about this. We worked on this bill since 1983 and we spent the money on it.

Let me just make a couple quick points so we understand where we are coming from. Science, space and technology education—if we are not willing to invest in those areas, we are not going to create the new wealth of tomorrow.

The gentleman mentioned the point of super computers, that we are going to run out of time and space on super computers. We are going to turn it all over to Japan because we refuse to go ahead on the work that should be done.

As chairman of the Science, Space and Technology Committee, I can tell everybody in this House and everybody that is here today, this issue has been debated ad nauseam. We know what the specifics are. We know what it is about. It is being done in other places in the world.

The question is do we want to keep up in the United States and do we want to get ahead in this technology.

Let me say this. Do not pit one section of the country against the other. If I could have this superconductor super collider, built in New Jersey under the Hudson River in New York and it was possible to do it, I would be fighting as hard as the people in Texas are.

What is important is what is important to the country, not to regionalize it.

I resent the issue that was brought up today on the Northeast-Midwest Congressional Coalition, assuming that area is in favor of turning this particular issue down. That is not true. As one of the members of the board of directors, we were not asked about this issue at all and nobody had the right to use the nomenclature or the name of that organization and that coalition to come and say that they were opposed, that the Northwest-Midwest Coalition was opposed to this program. That is categorically untrue, and it is just as important what we do in Texas as what we do in New Jersey, and it is important what we do in the United States, as important as what we do throughout the rest of the world.

I have heard nothing but negativism. Try this one on for size. A letter comes around and it talks about basic physics on the atom bomb was determined in Germany, and therefore we only were capable enough in the United States to put the technology together, and therefore we succeeded in building the atom bomb and won World War II.

Balderdash, that is not true. The U.S. engineers, the U.S. scientists were the ones who perfected atom power to be able to make this country free in World War II. Do not use that balderdash to try to shoot something down.

More mistakes are made from lack of facts than from poor judgment.

We came aboard and we talked about another item, stretching the boundaries of man's knowledge. Should we not be doing that? If we can be successful in the super conductor, super collider, we will revolutionalize knowledge in the world. We will revolutionalize technology in the world and we will get the leadership that this country demands and needs. Are you going to throw it away because we do not have the money?

The question is, we should be able to make the resources to be able to do the things that are right in this country, No. 1, and be able to create the resources that we need.

We talked about magnets. More mistakes are made from lack of facts than from poor judgment. Of the last tests made, five of the last six 55-foot magnets performed to specification. As a matter of fact, we are very rapidly achieving the knowledge and we will beat out the rest of the world on that knowledge alone. If we shut the project off, we do not even continue on with that particular work.

What kind of sense does that make in the priorities of America?

I say to you, this is the time for us to say to every Member, including the Appropriations Committee, as we try to allocate the resources of this country and we talk about the needs for the American people and we talk about the needs of human beings, per se, we have got to be in a position to make the investment in the area where it is going to make a difference.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CHAPMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from New Jersey.

□ 1510

Mr. ROE. It is going to make a difference in science, space, and technology, and education. That is where the new jobs are going to come from. That is where our competition is going to be in the world. That is how we are going to fight in the global economy. That is where it is going to make a difference whether we succeed or not.

Let me conclude with one more point for half a second. Let us not divide the Nation. This is no time for divisiveness as to what happens in my State or other Members' States. What is important for the country is the issue that is before us today, and I hope this House will resoundingly vote down this amendment offered against this.

Mr. ECKART. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ROE].

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROE. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I say to the gentleman that there is not a whole lot that I disagree with in the gentleman's statement.

Let me simply point out one thing: The gentleman said that we ought to be making the resources available to provide for these things. I totally agree with that. The problem is that the President of the United States is not. His budgets are not. The committee, in its very thoughtful report, has made clear that they have doubts about how they are going to be able to maintain the level of spending required for this, absent new revenues in future years.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

I would also suggest that it is my understanding that a certain member of the Texas delegation from the other body engaged in a ribbon-cutting ceremony. I was told by a member of the press, engaged in a ribbon-cutting ceremony for this facility yesterday in Texas. I have not seen that Member suggest that we ought to be providing the revenues to pay for this.

I agree with the gentleman's call for moving ahead with these projects. The problem is, as he well knows, we have not been given those added resources. The President says, "Read my lips," so we are going to kill off other science programs.

Mr. CHAPMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. The gentleman and I have not been in discord at all. What the gentleman is focusing on is the willingness of this administration to provide the resources or work with Congress to provide the resources to do the things we ought to do. I do not fault that. I agree with the gentleman. But I am not going to throw away the baby with the bath water. I am not going to kill a program critical to this country and then give up on the point because I want to argue with the President.

Let me respond one more time: Is it not also time that the Congress of the United States, both in the House of Representatives and the Senate, and I am not supposed to mention the other body, but I mentioned it, and let them do what they will with it, but is it not time they helped to govern? What about Gramm-Rudman and the whole bit? It is not going to work. This budget process is a farce, and the Members know it. I admire the gentleman for fighting back.

I am not going to sit back because people are being nitwits trying to run the country and give up what ought to be done for the people.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROE. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the gentleman is not going to throw this baby out, but he is going to throw out other babies because of the size of this program.

Mr. ROE. No. I am not going to. But I would hope that this Congress will get some backbone and help to raise the resources they need for the people of this country.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the ranking member of the authorizing committee, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, the question really before us is how many times are we going to talk about how much science means to us and yet attack science, because if we look at the amendment that we have before us and if we listen to the debate thus far, what we have had is attacks on the Department of Energy, and this amendment is an attack on science itself.

This amendment is simply an amendment to eliminate $110 million within the category within the bill known as general science and research activities. That is what it does. The amendment does not even mention the superconductor super collider. It simply cuts money out of science.

Make no mistake about it: This is a simple cut in science, because there is no redirection of the money back toward other activities. There is nothing in this amendment that goes back to the previous section of the bill and puts some money in for hydrogen research or does something for the SP-100, which is the nuclear reactor we are developing for space, or it does not put any money in for cold fusion, which could have been done in this bill. None of this money goes back into science. It is a simple cut of science money. It is an attempt to attack science directly, and it is a part of a litany of attacks on science we have had since the opening days of this session.

Mr. Chairman, thus far we have had science attacked when the budget was put together. We took $1 billion out of the science account. Then when we got to the 302 allocation, again, science made out poorly, when it came to 302 allocations. When it came to this bill coming to the floor, did we go after water projects or things like that? No. The main attack on the bill is to take $110 million out of science, and when we get to the HUD-Independent Agencies appropriation, I am sure we are going to find that we have some attacks on science.

How long are we going to go on kidding ourselves that we can take money out of science and not have a very bad impact for the country? This is not an issue before us to big science versus small science. The issue before us right now is antiscience.

Back in this 19th century, there was a group running around England known as the Luddites, and this is a Luddite measure.

Mr. ECKART. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I would simply like to respond to the absurd statement that I just heard from the gentleman from Pennsylvania.

This is not an attack on science. This is an attempt to save it. Under the legislative processes in this House, we did not want to get into the parliamentarily illegal position of legislating in an appropriations bill, but we have made quite clear the purpose of the amendment is to eliminate the funding for the super collider. Under the budget processes of this House, that money will remain available to this subcommittee.

Under the 302 allocation, the subcommittee can provide that money for whatever area it wants within its jurisdiction, either in conference or at another time.

Everybody knows that, no matter how badly the gentleman from Pennsylvania tries to skew the facts.

Mr. CHAPMAN. Mr. Chairman, I yield 2½ minutes to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I rise in opposition to the amendment. Let me address several of the points raised by my friends who want to cut the funds provided for the super collider in this bill.

In one of the Dear Colleague letters circulated in opposition to the super collider, it is alleged that "10,000 equally important science research projects could be funded for the cost of the SSC." I hope that this argument is not taken seriously. If we are talking about the $200 million in construction and R&D money contained in this bill, then the idea that the Federal Government could get for $20,000 what it stands to get for the SSC is absurd.

Second, those who want to gut this project say that the United States will be left holding the bag when all of the foreign governments that have expressed an interest in this project withdraw. They are suspicious of our efforts as a nation to get out front and then pull other countries along on the SSC. If Members want to see foreign governments back down from their pledges, then vote for this amendment: The issue here is whether we are going to take the lead and put up the money to match our rhetoric, or whether we are going to pull back and take second place to the Japanese and the Europeans once again.

This is a big project, make no mistake. President Bush wants this project, that is true. Admiral Watkins supports the SSC. Secretary Baker and Commerce Secretary Mosbacher have said they will negotiate commitments from foreign governments. But what kind of hand will they have if we fail to provide construction money?

This is not some budgetary gimmick. The administration asked for this money and the Budget Committee and the Appropriations Committee, after a full debate, have provided this money. To walk away from the super collider now would simply amount to throwing away the work of those committees. I ask the Members to think about that and to vote down this amendment.

□ 1520

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Louisiana [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, next spring man may launch one of the most important tools for investigation of space. Known to NASA as the Hubble telescope, this instrument will maintain a low Earth orbit to escape the atmospheric aberrations which affect the clarity of vision of earthbound instruments. Why is this so important? Looking into deep space, we will in effect be looking back into time. We will be able to capture light emitted by stellar sources billions of years ago. We will, for the first time in human existence, have a view of the forces at work during the formation of the universe. The impact of this effort is beyond our ability to fully comprehend, but it will clearly give the best hope of understanding the forces at work that direct the stars and our galaxy.

At the same time, those engaged in the pursuit of understanding particle physics, hope to come to an understanding of those forces at work within the smallest realm of our material existence. Whether the unification theory can be verified is not clearly guaranteed. In my opinion, if the superconducting super collider does nothing more than to confirm the current understanding of the four basic dynamic forces, the effort is justified and fully worth our commitment. I recognize, however, that explanations beyond that of scientific introspection, will be necessary for some.

In a world where educational excellence is the standard for future economic success, no one can legitimately question the long-term value of full funding of scientific inquiry. Projects of the impact of the SSC or the Hubble telescope are beyond the ability of private enterprise and can only be realized with Federal resources. In the lifetime of most Members of Congress we have seen unprecedented scientific achievement. Some have seen the first television. Others watched the first steps on the Moon. All have seen the effect of miracle drugs and complex surgical skills. Recitation of scientific progress is not a revelation to anyone, but it is appropriate to reflect on what has occurred in history to appreciate the potential for the future.

These projects are the key to our economic survival, not for a State, not for a region, but for our Nation. There is not anyone alive who will not benefit directly from the pursuit of scientific inquiry. Our children will be challenged to fight for the education necessary to become an astronaut or physicist. Industry will wait anxiously for the next research discovery to bring fascinating new products to the marketplace. The scope of these activities are difficult for anyone to accurately predict. It is sufficient to say, our future will be determined by the policies of this Congress. To strike this funding is more than the elimination of dollars, it may well be the elimination of our hope for a future of prosperity and peace. I do believe that anyone faced with these alternatives would step boldly into the future, not for ourselves but for our posterity.

Mr. ECKART. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. BOEHLERT], a member of the Committee on Science, Space and Technology, and a Member who has invested a great deal of his career in the development of and promotion of science.

Mr. BOEHLERT. Mr. Chairman I rise in strong support of the Eckart-Obey-Boehlert amendment to eliminate construction funding for the superconducting super collider [SSC].

I think it's important that everyone understand what the issue is here. The debate over the SSC has sometimes degenerated into a dispute over whether the SSC is good science, with the presumption that anything that is good science merits immediate funding.

That's not the issue at all. Of course, the SSC is good science. But the growing number of proposals in the approved, but unfunded category at the National Institutes of Health are also good science. The burgeoning number of proposals that the National Science Foundation must turn away for lack of funds are also good science. The proposals for research to help industry, proposals that are eliminated every year from the budget of the National Institute of Standards and Technology are also good science. The list goes on and on.

The point is this: There's more good science out there than we can fund. So the question becomes is the SSC the kind of good science we most need right now?

Do we want to commit ourselves to spending at least $6 billion right now on one of the most esoteric fields of science when we are in a constricted budget environment and other science projects are left wanting?

To assuage such concerns the advocates for the SSC are beginning to present their project as one with immediate benefits for the rest of science and industry. But funding the SSC for these purposes is really trickle down science policy—we can fund programs that serve those purposes more directly if we delay funding for the SSC.

Let me stress that what we're talking about is delay. This amendment would not spell the end of the SSC. Research would continue, and much more research is needed before the project can become operational. We have not yet learned how to perfect the magnets that are the engine of the SSC.

The success or failure of the SSC will be directly dependent on the success or failure of the program of magnet research. The SSC will require nearly 10,000 specialty magnets to function—we don't even have an operational prototype yet.

Indeed, even leaving aside the question of competing priorities, there are good reasons to delay site work. The New York Times reported recently that unexpected successes at the Stanford accelerator have "raised doubts among some scientists about the need for the superconducting super collider. Many scientists believe the innovative Stanford design may eventually prove better than the traditional configuration planned for the super collider."

What do we lose by delaying site work? Nothing. The science moves forward, research continues, no irrevocable decisions are made.

What do we gain by delaying? We allow other fields of science to prosper. We ensure that we are not building an obsolete instrument. We allow outyear budgets to get sorted out so we do not end up—as we have in the past—with accelerators that are never completed or that never have the funds to operate when they are completed.

Finally, delay will give us additional time to solicit foreign funding for the SSC. All nations will share in the benefits of the SSC; they should help pay for it. If they want to share in the benefits, they should also be willing to share the burden. The European collider is a multinational project; big science is multinational science.

In the past, I have proposed amendments to prohibit construction from beginning until we have commitments from foreign nations to pay for 25 percent of the construction costs. We can't offer such an amendment on an appropriations bill. But at the very least we need more time to ascertain whether this project has the international support needed to bring it to fruition. And we need to ensure that the Department of Energy is taking this responsibility seriously.

The purpose of the SSC is to force basic particles to collide so we can better understand the four basic forces of the universe—the weak force, the strong force, gravity, and electromagnetism.

The debate over the SSC serves a similar function. Our funding priorities collide and that serves to show up the forces at work in the Congress—the analogs to the forces of matter.

We have the weak force—apathy, ignorance. It says the SSC is a big, complex project—too much to really understand; let's just go with it. Then we have the strong force—interested constituents and lobbyists—groups that stand to benefit from the SSC calling Members to advance their own special

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

interests through support of a science project. I urge my colleagues to resist that force, and let me ensure them that the beneficiaries of delay are far more numerous. Then we have gravity, the arguments that pull us back to Earth, make us realize there are serious policy questions at stake here. I believe that force argues against putting money into site work when there are still open questions about the project and more urgent science priorities. And finally, there's the equivalent of the electromagnetic force—that's the force that sees science as a single unit, not as a series of programs scattered throughout appropriations and budget accounts. And I think, when we look at science as a whole, the SSC does not jump out as the most urgent item. Congress has been unwilling—wrongly, I think—to fund many of the administration's other science priorities. This is the last one that should receive special treatment.

If we fund site work now, we run the serious possibility of impoverishing the rest of science to build what could turn out to be an empty, unused tunnel—the science equivalent of New York's Second Avenue subway. If we wait, we gain knowledge of benefit to both the SSC and the rest of science. To me, the choice seems obvious. I hope the right forces move my colleagues.

Two final observations.

First, we are not—I repeat not—eliminating all funding for the SSC with this amendment as is suggested by the Republican whip note. We are continuing the important $90 million for research, and that is as it should be, but we are deferring the $110 million for construction work.

Second, the scientific community at large, the very people working so diligently to assure our international competitive pre-eminence in the fast approaching 21st century—just 126 months away—are with us as we seek to bring about more realistic priorities in our science spending.

Mr. CHAPMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. MYERS], the ranking member of the Energy and Water Subcommittee of the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague for yielding to me and I rise in opposition to the pending amendment.

Mr. Chairman, throughout most of this century, the United States has been on the leading edge in development, research, new ideas, and new inventions. In recent years, however, we have slipped. We have been slipping behind gradually.

Millions of people are observing the proceedings here and throughout the world. Millions of people watch this today because of research developments in the past.

□ 1530

Many of us who are past 50 years of age are alive thanks to science, research, and development. Many of us might be dead by now but we are here because somebody made an investment in our future.

So our task today is to make an investment in our future.

A year ago this committee was faced with the same situation when we marked up the bill. The administration had made a recommendation for construction funds. The committee met with then-Vice President Bush. Mr. Bush asked for funds before it was even sited in Texas. He thought it was a good idea. We discussed it with him. We came to the conclusion we were not quite ready to go to construction.

Some of the arguments here as to why we should support this amendment were made last year by the committee. We decided to delay construction money while we did more research to make sure we were heading in the right direction.

A few weeks ago Chairman BEVILL and I met with President Bush and he once again restated his interest and his concern about the development for our future. That is one of the reasons we included funding for the SSC in this bill.

No one knows exactly what is going to be developed here. We know some of the ideas that we hope this superconducting super collider will develop. While we do not know exactly what this will do, maybe it will help find how to control cancer or heart disease, some of the diseases that are so devastating to our society.

It was not too many years ago, Mr. Chairman, that you and I were on this floor and some of the same arguments were made against the Fermi Lab.

I remember Members saying, "Building this mammoth circle that we don't know what it is going to do out in the swamp west of Chicago is ridiculous." But think what Fermi has done for us.

Some of the same arguments about building Fermi back then have been made here today against the SSC.

So I say today that we do not know exactly what the SSC will bring. We know this is going to be very expensive. We do not know exactly where we are going. But it is time today for us to make an investment in our future, this Nation's future.

Are we going to recapture our leadership position in the world that we had for most of this century and have been losing recently? It takes courage. We have become one of the most studious countries in the world. When we have a problem, instead of trying to solve the problem we go out and conduct a study.

Now this amendment is asking us to study further something we should be doing. It is time for us to move into the 21st century. Are we going to look forward or look backward as we move into the 21st century?

Move forward with us by refusing this amendment.

The CHAIRMAN. The Chair would advise the Committee that the gentleman from Ohio [Mr. ECKART] has 7½ minutes remaining and the gentleman from Texas [Mr. CHAPMAN] has 10 minutes remaining.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Chairman, I of course rise in opposition to the Obey amendment. We have heard speeches here today about scare tactics, of coalition fears, competing needs, small science, even fire ants and even ribbon cuttings in Texas.

I would just observe that we need more ribbon cuttings and not fewer, based on pride and based on achievement. That is what this amendment is all about today.

You know, the long and the short of this vote, just the hard, cold fact is this: Today we have an opportunity to see the United States of America, not Texas but the United States of America, regain that position of economic superiority and even geopolitical strength that atrophied away in the late forties and early fifties in this country.

This project is an important national priority and should be constructed and operated without delay.

The advances in science that can occur through this project are not limited to merely advances in particle physics. There will be spinoffs in other areas of science. There is the long-term promise of applications of what we learn from the SSC to the areas that will result in products and services that will enhance our standard of living.

I am thinking most particularly about the potential of medical applications. But there will be others such as satellite communications, advances in supercomputers and in storage devices for electric power.

I am certain we are not going to be in this thing alone. As chairman of the Committee on International Scientific Cooperation, working with Chairman BOB ROE, I have held a number of hearings over the past 2 years and discussions with foreign governments. We have been overseas. We have seen CERN, we have talked with people at DESI. There is excitement there about this pursuit.

Japan, I am convinced, is ready to engage with this country in the building and the operation of this facility.

I think there is no question that there is interest in foreign participation in the SSC, and I am convinced there is a genuine and substantial interest in participation in this project.

However, no foreign government is willing to make any kind of a commitment before the U.S. Government has made a firm commitment.

Mr. Chairman, I urge the defeat of the Obey amendment.

Mr. ECKART. Mr. Chairman, I yield 3½ minutes to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, some have suggested that we are here in a discussion of pork-barrel politics. I suggest that perhaps the discussion is about quark-barrel politics.

The gentleman from Pennsylvania has said this is a Luddite amendment. I take particular offense at that kind of description. Long before I ran for Congress, long before I became an attorney, I studied chemistry, was trained as a chemist, and engaged in basic research.

I look at this amendment as unfortunate but absolutely necessary. It is a statement that we must choose our investments carefully and that our scientific investment must be in the broadest and most effective research program possible.

We do not have all the money that we would like, and we certainly do not have all the money that we could spend. It does seem to me that the Eckart amendment makes a particularly wise decision to draw the line between research and development and construction. While what we learn from research and development will continue to have broad application, what we spend on construction this year will begin a process of appropriations from which it will be difficult to retreat.

The subcommittee itself, in its report to this House, has been quite clear about the indefinite nature of the costs that lie ahead. They report the potential need for up to $900 million a year for 5 to 7 years to come. Five percent of the entire energy and water appropriations bill might be taken up by this one project.

Is this the right step at this time? Do we really have the resources to go down this road? Or will the amount we spend this year on construction in the end turn out to have been wasted? This is a time to take a step back and to delay this decision. Others have spoken about other considerations. Do we really have the guarantee that we need of financing from private sources and other governments around the world? This is still a question. And where are the resources to operate the superconducting super collider going to come from once it is built? Under current assumptions we could see a very, very high percentage of the research budget of DOE consumed for this one project.

Last year, I had a visit from some physicists from Yale University. They talked to me about the superconducting super collider. I put to them the question that is before the House today. That question is not "Is this a good idea or not?," or, "Could we learn about basic energy physics, high-energy physics, and other physical matter that might be useful to us if we did this?" Of course, the answer to those is "yes." The question was, "Would you, as a high-energy physicist, choose this project in preference, for instance, to additional training funds for physicists or other research funds for physicists? Would you make that choice?"

The answer I received was instructive: "I really can't make that choice. I can't make a recommendation on that to you. I think we should do both."

Everyone thinks we should do it all, but we know we cannot do it all. We must choose. If the physicists lobbying us on this matter cannot make the choice to do it at the cost of other science, are we really ready to make that choice?

Vote "yes" on the amendment.

Mr. CHAPMAN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BARTON].

□ 1540

Mr. BARTON of Texas. Mr. Chairman, there have been many Members come to the well today to speak on the SSC and say they wished it were in their congressional district. This is the Member whose district it is in. So obviously, I am for the project.

I would like to point out, though, that I was for the project in 1985 when I asked to be put on the Committee on Science, Space, and Technology, and we were not sure there would be a project. I was for the project in 1986, when the Central Design Group magnet was chosen instead of the Texas design that was designed in my congressional district at the Texas Accelerator Center. I was for the SSC in 1987 when the Department of Energy sent out solicitations for proposals and over 30 States chose to submit a proposal I was for it in 1988 when six of the States, including Texas, were chosen to be in the national finals.

I would like to point out that this project has been thoroughly researched by the authorizing committees. It has been included in the budget of the Committee on the Budget. It has been approved by the Subcommittee on Energy and Water Development of the Appropriations Committee, and also approved by the full Committee on Appropriations. I would also like to point out in the last Congress in the authorization bill, H.R. 4505, which was voted on 290 to 27 in favor on June 3, 1988, the SSC was part of that authorization bill.

Many other speakers have told Members why this project should be built in this country. I would like to quote one scientist from Scotland, a Mr. Neal Calder, who works at the CERN facility in Switzerland. He says, "The United States might not build the SSC. If they do not, they can forget about being a world force in particle physics, which is the basic science." Either Members say they want to be a world leader, or say, "OK, let the Europeans have it, and we will send our boys over there."

Mr. Chairman, we are asking to spend $5.9 billion in 1989 dollars on this project over 10 years; 4.4 billion Federal dollars; $1 billion from the State of Texas. We think we will get half a billion dollars in foreign participation once this Congress makes a commitment to build the project. The total Federal research budget annually is $90 billion, "B" as in boy, billion dollars; $60 billion is defense related, $30 billion is civil related. We are asking to spend $200 million this year for the SSC. That is 2 hours' worth of Federal expenditures for the superconducting super collider.

The SSC meets the Gramm-Rudman target under the 302(b) budget allocation. It is in President Bush's budget. I would also like to point out this is not a regional issue. We have had Congressmen from Illinois, Michigan, Pennsylvania, Alabama, Louisiana, California, and Indiana speaking in favor of it. When the time comes to vote on the Eckart-Obey amendment, vote no on the Eckart-Obey amendment. Vote yes for America's future.

Mr. PACKARD. Mr. Chairman, the superconducting super collider will explore the heart of matter, unlocking secrets of the atom that no man has yet seen.

Research in this area has led to advancements in medical diagnosis, computers, communications, radar, and lasers.

Continued exploration in this area will keep these vital technologies moving ahead in the 21st century.

Long-term science and technology investments are critical to ensuring U.S. leadership in science and to our Nation's subsequent economic growth.

However, we in Congress understand the riskiness of making substantial long-term investments with the taxpayers' money.

Past unwise or unsuccessful investments have made us extremely cautious to commit billions of dollars to big science projects. And we should be cautious.

Yet we must take the responsibility of sufficiently understanding each individual issue to make a prudent decision. This is the only way in which Congress can hope to wisely set priorities.

After considerable investigations, I have decided to fully support the super collider. It is one of those rare projects that can stimulate our entire Nation and the world.

It offers American industry the opportunity to build and operate a world-class, high-technology research facility.

It will be an international symbol of excellence in education and science, proving that

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

America has the courage and foresight to invest in its future.

And it will help keep our best scientists here, maintaining America's leadership in particle physics.

However, some who have decided against the super collider are offering amendments to totally cut the $110 million of construction funds, yet allow for the $90 million of R&D funds to be appropriated.

Each year of delayed construction drives the cost of the super collider up hundreds of millions of dollars.

At incredible expense to taxpayer, we too often choose to stay on the fence. We throw insufficient yet substantial amounts of U.S. dollars at projects rather than make a hard decision, which I propose must be made about the super collider.

Mr. Chairman, this is the time for us to make one of those hard decisions. This is the time for commitment to the super collider or against it.

Either we build it now, or we kill it now.

Mr. ECKART. Mr. Chairman, I yield myself such time as I may consume to close debate for our side.

First, let me thank the committee and my worthy adversary from Texas [Mr. CHAPMAN]. The gentleman from Wisconsin [Mr. OBEY] and I and others who have spoken on this amendment know the difficulties Members have been under in trying to reconcile competing demands upon Members. Sometimes I am reminded that we are like persons who have locked themselves into their own straitjacket. The straitjacket called Gramm-Rudman, which many Members voted for, and now come to Members, hat in hand, Mr. Chairman, asking for dollars that are growing increasingly scarce, having locked themselves into that straitjacket.

We realize the difficult constraints Members have had, and we understand full well the commitments that Members have embarked upon reflected in the committee report about long-term funding difficulties, and the assurances given to Members by the Department of Energy and the President, as one of his priorities. So we are grateful for the job Members have done, and we are cognizant of the difficulties which Members face. That is the purpose of this debate.

For 3 percent of the scientists in the United States to, at this point next year, be entitled to spend under the portions of this committee's jurisdiction, almost 90 percent of its budget's science expenditures just is not fair. Given the constraints of this committee, self-imposed by a President who says "Read my lips," and close my pocketbook, has left this committee and this Congress having to choose among their own children.

My colleague from New Jersey said do not throw the baby out with the bath water. The fact of the matter is that yes, this is a baby, it is a baby gorilla. Eight hundred pounds in weight, and it will crowd all the rest of the children out of that crib, a crib that we have imposed upon ourselves and now say, "By gosh, it is not my fault."

We cannot allow this kind of misspending of priorities to dominate the science agenda. Unless you think that we are the only ones who feel this way, the president-elect of the American Physical Society said that, "A deficit economy, we have to decide what will yield the Nation's most national benefits. The SSC does not have immediate relevance to our technological or economic competitiveness." "This is a super toy for a tiny faction of the scientists," says Rustin Roy, director of science. "I felt the SSC should be delayed until we sort out our priorities," says Dr. John Dempsey.

Mr. Chairman, the list goes on of eminent scientists, all of whose science credentials are above question or reproach, who are simply telling the public policymakers, the Congress of the United States, choose your priorities better. Placing all of our science eggs in the hands of 3 percent of the Nation's scientists in a 53-mile circular science egg basket, dooms us to a colossal mistake, when technology that will derive from this will leap beyond our ability to pay for it.

Mr. Chairman, how we will pay for this is a question that will be left for future generations. The decision to embark on this path will be our legacy. Whether we are on the leading edge of science or on the trailing edge of physical responsibility will be determined at the conclusion of the debate on the Eckart-Obey amendment today. We are looking for new forces in the universe, but the new forces of the universe will not repeal the economic forces of constraint that have Members choosing among our children. Reject the super collider. It is a super mistake.

Mr. CHAPMAN. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, let me first correct the numbers concerning the science budget of the United States of America. Of our total nondefense research and development in the science budget, the super collider will consume less than 2 percent. Of the items in the appropriations bill, it is true, it is a big number. We make no bones about that. However, I can only go back to those who have said that in the past 50 years, as we have explored the atom, as we have conducted high energy physics research, as we have made discoveries, first of the atom and then of the nucleus, and then the components of the nucleus, including the neutron, proton and electron, as the spin-off of knowledge in medicine, technology, electronics have come from these discoveries, and recently, the discovery of the core, and now we are at the lip, the very lip of determining, the very nature of matter itself. Will we abandon that enterprise? Will we stop now?

□ 1550

Will we give this opportunity over to the Europeans and the Japanese at the point in time when we are on the threshold of making the most important discoveries of mankind? Let this not be the day that Congress makes that decision.

Mr. Chairman, I ask the Members to reject the Eckart amendment. Let us vote for the future of America.

Mr. Chairman, I yield the balance of our time to the chairman of the Subcommittee on Energy and Water, the gentleman from Alabama [Mr. BEVILL].

The CHAIRMAN. The gentleman from Alabama [Mr. BEVILL] is recognized for 3 minutes.

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to this amendment. We have heard a lot of discussion about medical benefits. These benefits spun off from continuing a program that this Congress has supported—the Fermi National Laboratory in the Chicago area. Now, we are talking about moving to a second phase by building the superconducting super collider. At the Fermi Laboratory we have a tunnel 4 miles around, and we are now talking about a tunnel 53 miles around.

I want to see our scientists, the greatest scientists in the world, stay right here in the United States and work on this project. I want to see this project built in the United States. My good friend, the gentleman from Wisconsin [Mr. OBEY]—and he is my very good friend—is talking about how this money is needed for this and that. But he manages the foreign aid bill. That bill would spend money all over the world building projects. I want to see this money spent in the United States. I want to see this project built here. I believe this project is going to be built. It is just a question of whether it is going to be built in the United States.

Mr. Chairman, let me quote the Secretary of Energy in a letter dated yesterday. He is, as we know, Admiral Watkins, who has a tremendous record in the United States Navy. He is a four-star retired admiral. He was taught by Admiral Rickover, one of the greatest. Here is what he says about it. He says that in the building of the super collider, America would not only maintain its leadership in the important area of physics research but also reap significant benefits.

He is talking about economic benefits. He is talking about over 100 universities in this country participating. He is talking about keeping our best scientific minds here that would inspire more of our young people.

We know that significant benefits have accrued already. We know that from the small 4-mile tunnel at Fermi Laboratory with the approximately $1 billion we have already invested, we have the Magnetic Renaissance Imaging known as MRI. I could go on with more examples, but let us talk about what MRI means.

This means now, thanks to the Fermi Lab, that we can now build a three-dimensional x ray. Think of the surgery that will be eliminated thanks to this technology. Think of the cost and the pain and suffering that is eliminated simply by having a three-dimensional photograph and not having to perform exploratory surgery.

This is just one of the benefits, and other benefits will be coming on. With a proton accelerator, they can treat cancer. Actually Fermi Lab is now building the proton accelerator for the Loma Londa Medical Center to treat cancer.

This is an advancement that has already been made. I think that this $1 billion was a good investment. Now, we are talking here about the SSC that costs more. It is an expensive project.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. BEVILL] has expired.

All time has expired.

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BEVILL. Mr. Chairman, I just want to point out that we are not talking about funding this project all by ourselves.

I have a letter from the Governor of Texas dated yesterday. He says that the State of Texas will contribute $1 billion and deliver all the land necessary for the project without cost to the Federal Government. I want to point out also all the countries that the Secretary of Energy has already been in touch with, along with the State Department—Japan, Taiwan, Canada, and India. We have about 15 to 20 countries that have already—and I am using the words of the Secretary of Energy—strongly indicated that they are going to participate in this project. Japan says they are anxious to participate and will contribute between $500 million and $1 billion. India has already signed the papers to contribute to this project.

So we are well over $1 billion in commitments already, and by this time next year the Secretary of Energy says we will have more commitments if we go ahead and approve funding for this project today.

Mr. Chairman, let us vote this amendment down now and vote for science.

Mr. PENNY. Mr. Chairman, "something this big just has to be good," doesn't necessarily apply to the superconducting super collider [SSC] project. What's "big" in this case is the $6.4 billion which CBO estimates taxpayers stand to lose in a project of untested, questionable scientific benefit.

In the committee report on this legislation, the Appropriations Committee itself admits its concern "about being able to continue to finance this project through completion," and states that: "In order to complete the SSC, non-Federal participation will be necessary." While it's true that the State of Texas has committed $1 billion to the SSC, no foreign government or other financier has been willing to back the project. Just last year, this House voted overwhelmingly to direct the Department of Energy to obtain commitments for foreign participation in the SSC to cover between one-fourth and one-third of the project's estimated total costs. Shouldn't we be able to see the color of some of this money beefore we proceed to borrow $110 million to begin construction?

Eliminating construction funds at this point does not amount to turning our backs on scientific advancement. Instead it is a sound management decision not to commit scarce resources to a project which has been strongly questioned by the scientific community. I rise in support of the Eckart/Obey/Boehlert amendment which would eliminate all construction funds from this bill and urge its adoption.

Mr. PICKLE. Mr. Chairman, if the United States wants to remain a leader in the scientific world, we must move forward with the superconducting super collider project. The bill before us here today, appropriates funding for this important project. The amount is not as much as the administration had hoped for, or as much as many of us hoped for, but it is a start in our efforts to construct the largest, most advanced scientific instrument ever built.

The benefits the superconducting super collider will provide the United States are numerous. This instrument will be the largest particle accelerator in the world and will provide us with the basic knowledge of the nature of matter. I believe we have a responsibility to future generations to provide them with the knowledge and technology they will need to be competitive.

Currently, the United States sets the standard for scientific research. If we lose our leadership, this may no longer be the case. While it is impossible to prove to you today what we will reap from this super collider experiment in the future, we all know that scientific curiosity ultimately leads to enormous advances in technology and scientific discovery.

The superconducting super collider project will be one of basic research which will ultimately provide us with new technologies, new industries and new jobs.

I urge my colleagues to oppose efforts to reduce the funding provided in this bill for the superconducting super collider.

Mr. LENT. Mr. Chairman, I rise in support of H.R. 2696—the energy and water development appropriations bill—which includes much needed funding for many important navigation improvement projects including the dredging of the sand-clogged Jones Inlet by the U.S. Corps of Engineers.

The Jones Inlet is a heavily traveled waterway serving many of my constituents on Long Island. In fact, over 25,000 vessel trips—both commercial and recreational—are made in and out of this inlet each year.

A jetty constructed in 1959 at the inlet's eastern mouth is no longer effective. Originally built to prevent shoaling, this jetty has outlived its 20-year useful life and, as a result, the inlet is shoaling four times faster than it did some years ago. Channel markers have to be relocated constantly to maintain an open, safe waterway.

This situation presents a grave danger to boaters trying to navigate the inlet which has been labeled "precarious for shallow draft boats and dangerous for deep draft boats." I fear for the safety and well-being of my constituents who use this treacherous inlet. Several years ago, two people drowned and their boat was destroyed because of these channel problems. This tragedy could have been averted, and I am here today to make sure that no more lives are needlessly lost on this waterway.

The measure before us includes $900,000 for the dredging of Jones Inlet in fiscal 1990. These moneys are desperately needed to ensure the safe passage of the many boaters who navigate this inlet. I thank the distinguished chairman and ranking member of the subcommittee, the gentleman from Alabama and the gentleman from Indiana, for their support and I urge my colleagues' favorable vote on H.R. 2696.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. ECKART).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ECKART. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 93, noes 330, not voting 9, as follows:

[Roll No. 118]

AYES—93

Bates	Eckart	Leach (IA)
Beilenson	Evans	Levin (MI)
Bereuter	Feighan	Long
Berman	Ford (MI)	Luken, Thomas
Boehlert	Frank	Markey
Brennan	Gradison	Martin (NY)
Broomfield	Gunderson	Martinez
Buechner	Hamilton	McDermott
Campbell (CA)	Hancock	Miller (CA)
Carper	Hastert	Moody
Clarke	Hayes (IL)	Morrison (CT)
Clement	Hefley	Neal (MA)
Coble	Hertel	Neal (NC)
Conyers	Jacobs	Oberstar
Coughlin	Johnston	Obey
Craig	Jontz	Owens (NY)
Crockett	Kasich	Patterson
DeFazio	Kastenmeier	Penny
Dellums	Kennedy	Petri
Derrick	Kildee	Ridge
Dingell	LaFalce	Ritter
Douglas	Lancaster	Rohrabacher
Early	Lantos	Roukema

Rabo
Rangel
Schneider
Schroeder
Schulze
Schumer
Sharp
Shays
Sikorski
Slaughter (NY)
Smith, Robert (NH)
Snowe
Stark
Studds
Swift
Synar
Unsoeld
Vento
Visclosky
Weiss
Weldon
Wheat
Williams
Wolpe

NOES—336

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bennett
Bevill
Bilbray
Bilirakis
Billey
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brooks
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CO)
Cardin
Carr
Chandler
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Costello
Cox
Coyne
Crane
Dannemeyer
Darden
Davis
de la Garza
DeLay
DeWine
Dickinson
Dicks
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Fazio
Fawell
Fields
Fish
Flake
Flippo
Foglietta
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Geidenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Gonzalez
Gordon
Goss
Grandy
Grant
Gray
Green
Guarini
Hall (TX)
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (LA)
Henry
Herger
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (SD)
Jones (GA)
Jones (NC)
Kanjorski
Kaptur
Kennelly
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
Lagomarsino
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nelson
Nielson
Nowak
Oakar
Olin
Ortiz
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Paxon
Payne (NJ)
Payne (VA)
Penny
Pelosi
Perkins
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Saiki
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schuette
Sensenbrenner
Sisisky
Shumway
Shuster
Skaggs
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (FL)
Smith (ME)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (OR)
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Stokes
Stump
Sundquist
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Whittaker
Whitten
Wilson
Wise
Wolf
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—9

Bentley
Collins
Courter
Florio
Glickman
Goodling
Hall (OH)
Hefner
Smith (IA)

□1617

The Clerk announced the following pair:

On this vote:

Mr. Glickman for, with Mrs. Collins against.

Messrs. ASPIN, KLECZKA, HOAGLAND, and CARDIN changed their vote from "aye" to "no."

Messrs. CRAIG, KENNEDY, STARK, and HAYES of Illinois changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the remainder of the bill is as follows:

NUCLEAR WASTE DISPOSAL FUND

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $450,000,000, to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise his authority pursuant to section 302(e)(5) to issue obligations to the Secretary of the Treasury: *Provided*, That any proceeds resulting from the sale of assets purchased from the Nuclear Waste Fund shall be returned to the Nuclear Waste Fund.

ISOTOPE PRODUCTION AND DISTRIBUTION PROGRAM FUND

For necessary expenses of activities related to the production, distribution, and sale of isotopes and related services, $16,243,000, to remain available until expended: *Provided*, That this amount and, notwithstanding 31 U.S.C. 3302, revenues received from the disposition of isotopes and related services shall be credited to this account to be available for carrying out these purposes without further appropriation: *Provided further*, That all unexpended balances of previous appropriations made for the purpose of carrying out activities related to the production, distribution, and sale of isotopes and related services may be transferred to this fund and merged with other balances in the fund and be available under the same conditions and for the same period of time: *Provided further*, That fees shall be set by the Secretary of Energy in such a manner as to provide full cost recovery, including administrative expenses, depreciation of equipment, accrued leave, and probable losses: *Provided further*, That all expenses of this activity shall be paid only from funds available in this fund: *Provided further*, That at any time the Secretary of Energy determines that moneys in the fund exceed the anticipated requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

ATOMIC ENERGY DEFENSE ACTIVITIES

For expenses of the Department of Energy activities, $9,677,000,000, to remain available until expended, including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for atomic energy defense activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 208 for replacement only including 19 police-type vehicles).

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for Departmental Administration and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000) $358,734,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): *Provided*, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further*, That moneys received by the Department for miscellaneous revenues estimated to total $150,000,000 in fiscal year 1990 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302 of title 31, United States Code: *Provided further*, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1990 so as to result in a final fiscal year 1990 appropriation estimated at not more than $208,734,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $22,959,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

OPERATION AND MAINTENANCE, ALASKA POWER ADMINISTRATION

For necessary expenses of operation and maintenance of projects in Alaska and of marketing electric power and energy, $3,145,000, to remain available until expended.

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for expenses of the Northeast Oregon Spring Chinook Facility and Galbraith Springs/Sherman Creek Hatcheries; and for official reception and representation expenses in an amount not to exceed $2,500.

During fiscal year 1990, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $18,469,000, to remain available until expended.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $25,172,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed $11,723,000 in reimbursements, to remain available until expended: *Provided*, That the continuing fund established by the Act of October 12, 1949, c. 680, title I, section 101, as amended, shall also be available on an ongoing basis for paying for purchased power and wheeling expenses when the Administrator determines that such expenditures are necessary to meet contractual obligations for the sale and delivery of power during periods of below-average hydropower generation. Payments from the continuing fund shall be limited to the amount required to replace the generation deficiency, and only for the project where the deficiency occurred. Replenishment of the fund shall occur within twelve months of the month in which the funds were first expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (Public Law 95-91), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, the purchase, maintenance, and operation of one helicopter for replacement only, $291,233,000, to remain available until expended, of which $264,457,000 shall be derived from the Department of the Interior Reclamation fund; in addition, the Secretary of the Treasury is authorized to transfer from the Colorado River Dam Fund to the Western Area Power Administration $3,564,000, to carry out the power marketing and transmission activities of the Boulder Canyon project as provided in section 104(a)(4) of the Hoover Power Plant Act of 1984, to remain available until expended: *Provided*, That, the continuing fund established in Public Law 98-50 shall also be available on an ongoing basis for paying for purchase power and wheeling expenses when the Administrator determines that such expenditures are necessary to meet contractual obligations for the sale and delivery of power during periods of below-normal hydropower generation. Payments from the continuing fund shall be limited to the amount required to replace the generation deficiency, and only for the project where the deficiency occurred. Replenishment of the continuing fund shall occur within twelve months of the month in which the funds were first expended.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (Public Law 95-91), including services as authorized by 5 U.S.C. 3109, including the hire of passenger motor vehicles; official reception and representation expenses (not to exceed $2,000); $116,550,000, of which $11,000,000 shall remain available until expended and be available only for contractual activities: *Provided*, That hereafter and notwithstanding any other provision of law, not to exceed $116,550,000 of revenues from licensing fees, inspection services, and other services and collections in fiscal year 1990, shall be retained and used for necessary expenses in this account, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as revenues are received during fiscal year 1990, so as to result in a final fiscal year 1990 appropriation estimated at not more than $0: *Provided further*, That revenues collected under the authority of section 3401 of the Omnibus Budget Reconciliation Act that have been held in suspense pending the final outcome of litigation, will be immediately credited to the general fund of the Treasury.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

For carrying out the Loan Guarantee and Interest Assistance Program as authorized by the Geothermal Energy Research, Development and Demonstration Act of 1974, as amended, $75,000, to remain available until expended: *Provided*, That the indebtedness guaranteed or committed to be guaranteed through funds provided by this or any other appropriation Act shall not exceed the aggregate of $500,000,000.

GENERAL PROVISIONS—DEPARTMENT OF ENERGY

SEC. 301. Appropriations for the Department of Energy under this title for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance and operation of aircraft; purchase, repair and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services. From these appropriations, transfers of sums may be made to other agencies of the United States Government for the performance of work for which this appropriation is made. None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriation Act. The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 302. Not to exceed 5 per centum of any appropriation made available for the current fiscal year for Department of Energy activities funded in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise provided, shall be increased or decreased by more than 5 per centum by any such transfers, and any such proposed transfers shall be submitted promptly to the Committees on Appropriations of the House and Senate.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 303. The unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

MINORITY PARTICIPATION IN THE SUPERCONDUCTING SUPER COLLIDER

SEC. 304. (a) FEDERAL FUNDING.—The Secretary of Energy shall, to the fullest extent possible, ensure that at least 10 per centum of Federal funding for the development, construction, and operation of the Superconducting Super Collider be made available to business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6))), including historically black colleges and universities and minority educational institutions (as defined by the Secretary of Education pursuant to the General Education Provisions Act (20 U.S.C. 1221 et seq.)).

(b) OTHER PARTICIPATION.—The Secretary of Energy shall, to the fullest extent possible, ensure significant participation, in addition to that described in subsection (a), in the development, construction, and operation of the Superconducting Super Collider by socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act (15 U.S.C. 637(a) (5) and (6))) and economically disadvantaged women.

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, notwithstanding section 405 of said Act, and for necessary expenses for the Federal Cochairman and the alternate on the Appalachian Regional Commission and for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by section 3109 of title 5, United States Code, and hire of passenger motor vehicles, to remain available until expended, $110,000,000.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100-56, section 1441, $10,000,000, to remain available until expended.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), $214,000.

CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), $345,000.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), as amended by the Act of September 25, 1970 (Public Law 91-407), $100,000.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act, as amended, including the employment of aliens; services authorized by section 3109 of title 5, United States Code; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms, official representation expenses (not to exceed $20,000); reimbursements to the General Services Administration for security guard services; hire of passenger motor vehicles and aircraft, $442,100,000, to remain available until expended, of which $23,195,000 shall be derived from the Nuclear Waste Fund: *Provided*, That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That moneys received by the Commission for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs including criminal history checks under section 149 of the Atomic Energy Act, as amended, may be retained and used for salaries and expenses associated with those activities, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections estimated at $148,550,000 in fiscal year 1990 shall be retained and used for necessary salaries and expenses in this account, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1990 from licensing fees, inspection services and other services and collections, and from the Nuclear Waste Fund, excluding those moneys received for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs, so as to result in a final fiscal year 1990 appropriation estimated at not more than $295,250,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, including services authorized by 5 U.S.C. 3109, $2,900,000, to remain available until expended; and in addition, not to exceed 5 percent of this sum may be transferred from Salaries and Expenses, Nuclear Regulatory Commission: *Provided*, That notice of such transfer shall be given to the Committees on Appropriations of the House and Senate: *Provided further*, That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

SUSQUEHANNA RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Susquehanna River Basin Commission as authorized by law (84 Stat. 1541), $200,000.

CONTRIBUTION TO SUSQUEHANNA RIVER BASIN COMMISSION

For payment of the United States share of the current expense of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1530, 1531), $276,000.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. ch. 12A), including purchase, hire, maintenance, and operation of aircraft, and purchase and hire of passenger motor vehicles, and for entering into contracts and making payments under section 11 of the National Trails System Act, as amended, $121,000,000, to remain available until expended: *Provided*, That this appropriation and other moneys available to the Tennessee Valley Authority may be used hereafter for payment of the allowances authorized by section 5948 of title 5, United States Code: *Provided further*, That the Tennessee Valley Authority may hereafter accept the services of volunteers and, from any funds available to it, provide for their incidental expenses to carry out any activity of the Tennessee Valley Authority except policymaking or law or regulatory enforcement. Such volunteers shall not be deemed employees of the United States Government, except for the purposes of chapter 81 of title 5 of the United States Code relating to compensation for work injuries, and shall not be deemed employees of the Tennessee Valley Authority except for the purposes of tort claims to the same extent as a regular employee of the Tennessee Valley Authority would be under identical circumstances.

OFFICE OF THE NUCLEAR WASTE NEGOTIATOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Nuclear Waste Negotiator, as authorized by Public Law 100-203, section 411, $2,000,000, to be derived from the Nuclear Waste Fund and to remain available until expended.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100-203, section 509, $2,000,000, to be derived from the Nuclear Waste Fund and to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 503. None of the programs, projects or activities as defined in the report accompanying this Act, may be eliminated or disproportionately reduced due to the application of "Savings and Slippage", "general reduction", or the provision of Public Law 99-177 or Public Law 100-119.

SEC. 504. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 505. None of the funds appropriated in this Act shall be used to implement a program of retention contracts for senior employees of the Tennessee Valley Authority.

SEC. 506. Notwithstanding any other provision of this Act or any other provision of law, none of the funds made available under this Act or any other law shall be used for the purposes of conducting any studies relating or leading to the possibility of changing from the currently required "at cost" to a "market rate" or any other noncost-based method for the pricing of hydroelectric power by the six Federal public power authorities, or other agencies or authorities of the Federal Government, except as may be specifically authorized by Act of Congress hereafter enacted.

SEC. 507. None of the funds appropriated in this Act for Power Marketing Administrations or the Tennessee Valley Authority, and none of the funds authorized to be expended by this or any previous Act from the Bonneville Power Administration Fund or the Tennessee Valley Authority Fund, may be used to pay the costs of procuring extra high voltage (EHV) power equipment unless contract awards are made for EHV equipment manufactured in the United States when such agencies determine that there are one or more manufacturers of domestic end product offering a product that meets the technical requirements of such agencies at a price not exceeding 130 per centum of the bid or offering price of the most competitive foreign bidder: *Provided*, That such agencies shall determine the incremental costs associated with implementing this section and defer or offset such incremental

costs against otherwise existing repayment obligations: *Provided further*, That this section shall not apply to any procurement initiated prior to October 1, 1985, or to the acquisition of spare parts or accessory equipment necessary for the efficient operation and maintenance of existing equipment and available only from the manufacturer of the original equipment: *Provided further*, That this section shall not apply to procurement of domestic end product as defined in 48 C.F.R. sec. 25.101: *Provided further*, That this section shall not apply to EHV power equipment produced or manufactured in a country whose government has completed negotiations with the United States to extend the GATT Government Procurement Code, or a bilateral equivalent, to EHV power equipment, or which otherwise offers fair competitive opportunities in public procurements to United States manufacturers of such equipment.

SEC. 509. Such sums as may be necessary for fiscal year 1990 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

This Act may be cited as the "Energy and Water Development Appropriations Act, 1990".

The CHAIRMAN. Are there any points of order against the remainder of the bill?

If not, are there any amendments?

AMENDMENT OFFERED BY MR. HORTON

Mr. HORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows

Amendment offered by Mr. HORTON: Page 42, line 20, strike "$9,677,000,000" and insert "$9,692,300,000".

Mr. HORTON. Mr. Chairman, I would like to commend the distinguished gentleman from Alabama [Mr. BEVILL], the chairman of the subcommittee, and the ranking member, the gentleman from Indiana [Mr. MYERS] for crafting this bill. They have done an outstanding job.

Mr. Chairman, I rise to speak in favor of my amendment. My amendment would increase the level of funding available under H.R. 2696 for the atomic energy defense activities by $15.3 million, well within the relevant 302(b) allocation. This is the amount which was recently authorized by the Armed Services Subcommittee on Procurement and Military Nuclear Systems for the upgrade of the Omega laser at the University of Rochester. In making this authorization, members of the Procurement Subcommittee were following the sound recommendations of the National Academy of Science and the special panel on the Department of Energy's defense nuclear facilities headed by chairman JOHN SPRATT of South Carolina.

Physicists at the University of Rochester firmly believe that, with this upgrade, they can achieve nuclear fusion ignition. The benefits to be derived from this event are countless—from providing clean, safe energy to an effective means of testing our nuclear arsenals without having to explode them.

In short, there are no losers with this amendment. The project has been authorized by the Armed Services Procurement Subcommittee, the funds are available, and America will benefit greatly from the physics carried out at Rochester. I urge my colleagues to support this amendment!

□ 1620

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I am happy to yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, we are familiar with that amendment. We have no objection to it, and accept it.

Mr. HORTON. Mr. Chairman, I thank the gentleman very much.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I am happy to yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, we worked very closely with the gentleman from New York [Mr. HORTON], and this was left out because the Department of Energy had some question about the ability of the university to conduct this improvement. It is inertial confinement fusion. It is upgrading the Omega, and so we support it.

Mr. HORTON. I thank the gentleman from Indiana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HORTON].

The amendment was agreed to.

Mr. BEVILL. Mr. Chairman, there being no further amendments, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PEASE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2696) making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes; had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2696, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1990

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill (H.R. 2696) making appropriations for energy and water development for the fiscal year ending September 30, 1990, and for other purposes, the Clerk shall be authorized to make any necessary technical corrections.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AUTHORIZING GERMANE MODIFICATIONS TO EN BLOC AMENDMENT AND SPECIFYING DEBATE TIME FOR FURTHER EN BLOC AMENDMENTS TO H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that an en bloc amendment to H.R. 2655 offered pursuant to the authority granted by House Resolution 179 and the previous order of the House of June 21, 1989, may include germane modifications of the amendment printed in the RECORD of June 23, 1989.

Further, I ask unanimous consent that time for debate on any amendment en bloc to H.R. 2655 may be extended on demand of Representative BROOMFIELD of Michigan or myself to not more than 1 hour, equally divided and controlled.

Further, I ask unanimous consent that debate on all amendments en bloc to H.R. 2655 be subject to the 8-hour limit provided in House Resolution 179.

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I am in support of the chairman's request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANTICIPATED SCHEDULE FOR CONSIDERATION OF H.R. 2461 DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1990, 1991

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise today to inform the House of the anticipated schedule for consideration of H.R. 2461, the Department of Defense Authorization Act for fiscal years 1990 and 1991.

Mr. Speaker, the Committee on Armed Services is currently involved in markup of the legislation. It is anticipated that the committee will complete its action on the bill in time to file its report in the House by June 30, that is, by this Friday.

By next Wednesday, July 5, the Union Calendar print of the version of the bill reported from the committee should be available to all Members. Amendments for floor consideration should be drafted to the reported version of the bill.

The Rules Committee is likely to meet to consider a rule for the consideration of the bill during the week of July 17 and it is anticipated that the Rules Committee will not consider making in order any amendments which are received at the Rules Committee after 3 o'clock p.m. on Thursday, July 13, 1989.

To reiterate, any Member who wishes to offer one or more amendments during floor consideration of the Defense authorization bill for fiscal years 1990 and 1991 should have 35 copies of any amendment, together with explanatory materials, delivered to the offices of the Committee on Rules by 3 o'clock p.m. on Thursday, July 13. The Rules Committee is located in room H-312 in the Capitol.

Floor consideration of H.R. 2641 is expected to occur during the weeks of July 17 and July 24 and is to be concluded by no later than Saturday, July 29.

Mr. Speaker, I am having delivered today to Members offices a "Dear Colleague" letter which fully describes the procedures the Rules Committee is expected to follow in its deliberations on a rule for the Defense Authorization bill.

Mr. Speaker, I also wish to take this opportunity to remind my colleagues of a letter sent by the chairman and the ranking minority member of the Rules Committee to all Members on May 16 of this year. In the letter, Members were encouraged to consider presenting any amendments which they hoped to offer to the Armed Services Committee for consideration during its markup of the bill. It is our belief that full committee examination of the many amendments which Members wish to offer to the bill will not only improve the bill's final composition but will help in expediting floor consideration of a bill which has consumed increasing amounts of floor time in recent years.

Mr. Speaker, I thank my colleagues for their attention to this announcement and for their cooperation in the weeks ahead.

□ 1630

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I am glad to yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I thank my friend, the gentleman from Massachusetts, and would ask this, because I think it is important to emphasize for our colleagues and for their staffs: When Members come back on July 10 or 11, they will have at most 3 days in order to get amendments in. I do not object to this procedure; I just want to make sure, because often Members arrive and wonder the week a bill comes up why their amendments cannot be included. So I think it is very important to emphasize for Members on both sides of the aisle that when we come back from the district work period, they will have only in effect Tuesday, Wednesday, and up until 3 o'clock on Thursday, I believe.

Mr. MOAKLEY. The gentleman is correct.

Mr. GINGRICH. Therefore, Members should have their staffs working on any amendments they want put in during the district work period.

EXTENSION OF TITLE I OF ENERGY POLICY AND CONSERVATION ACT

Mr. SHARP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 694) to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes, with a Senate amendment to the House amendments thereto, and concur in the Senate amendment to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendments, as follows:

Senate amendment to House Amendments:

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. EXTENSION.

Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended—

(1) in section 171, by striking out "June 30, 1989" each place it appears and inserting in lieu thereof "April 1, 1990"; and

(2) in section 104(b)(1), by striking out "June 30, 1989" and inserting in lieu thereof "April 1, 1990".

SEC. 2. STUDY AND REPORT ON OIL LEASING AND OTHER ARRANGEMENTS TO FILL SPR TO ONE BILLION BARRELS.

(a) IN GENERAL.—The Secretary of Energy shall carry out a study on potential financial arrangements (including long-term leasing of crude oil and storage facilities) that could be used to provide additional, alternative means of financing the filling of the Strategic Petroleum Reserve to one billion barrels. In carrying out such study, the Secretary shall—

(1) assume that the legislation that extends title I of the Energy Policy and Conservation Act beyond April 1, 1990, will require the Secretary to amend, by July 1, 1990, the Strategic Petroleum Reserve Plan to provide plans for completion of storage of one billion barrels of petroleum products in the Reserve at an average fill-rate of at least seventy-five thousand barrels per day;

(2) consider a broad array of such arrangements;

(3) consult with persons in the private sector who might be interested in leasing crude oil or storage facilities;

(4) initiate, in cooperation with the Department of State, to the extent consistent with the interests of the United States, discussions with representatives of foreign governments and other entities as to the types of financial arrangements (including crude oil leasing arrangements) that would interest them; and

(5) produce preliminary written solicitations for proposed alternative financial arrangements (including long-term leasing of crude oil and storage facilities) to assist in filling the Strategic Petroleum Reserve to one billion barrels.

(b) REPORTS.—(1) The Secretary shall, no later than October 15, 1989, transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives an interim report containing—

(A) an enumeration of the specific resources (both personnel and funding) committed to the study described in subsection (a);

(B) a description of the progress made toward completing the study; and

(C) any preliminary findings and conclusions made by such date.

(2) The Secretary shall, no later than February 1, 1990, transmit to such committees a copy of the solicitations described in paragraph (5) of subsection (a) and a final report containing the findings and conclusions of the study carried out under this section, together with a draft of the legislative changes that would be necessary to authorize the most significant alternative financial arrangements studied by the Secretary (including long-term leasing of crude oil and storage facilities) and recommendations of the Secretary with respect to the need for and desirability of such financial arrangement (including long-term leasing of crude oil and storage facilities).

(c) ENFORCEMENT.—Notwithstanding any other provision of law, no portion of the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of pursuant to any contract or other agreement entered into or extended on or after February 1, 1990, other than to the Strategic Petroleum Reserve (either directly or by exchange) until the Secretary of Energy has transmitted the solicitations and the final report described in subsection (b)(2) (including the legislative changes and recommendations described in such subsection) to the committees described in subsection (b)(1), except for the purposes provided in section 160(d)(2) of the Energy Policy and Conservation Act.

Mr. SHARP (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment to the House amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I yield to the gentleman from Indiana [Mr. SHARP] to explain what he is doing by this request.

Mr. SHARP. Mr. Speaker, this bill S. 694, represents a compromise over how to deal with the extension of title I of the Energy Policy and Conservation Act [EPCA]. Unless EPCA is extended before June 30, 1989, the Department of Energy may not have sufficient authority to drawdown the SPR in response to an oil shortage.

This bill is a 9-month extension of title I, until April 1, 1990. This extension is 1 month longer than the extension that had previously passed the House in H.R. 2539.

The compromise bill now contains a study of alternative means of financing oil acquisition for the SPR. This study is required to be finished no later than February 1, 1990. This will give the Congress 2 months to act on any changes before the new April 1 deadline.

This bill has been worked out on a bipartisan basis in close consultation with the administration. The primary reason for a short extension is to allow the Department of Energy and the committee to consider a number of unresolved issues relating to the SPR. In addition to alternative financing methods, these issues include: increased flexibility in Presidential drawdown authority; the desirability of some refined product storage, as well as crude oil, use of SPR to respond to domestic oil shortage as well as shortages of foreign crude oil, test drawdown authority; and the need and method of expanding the SPR to 1 billion barrels or more in size.

The Subcommittee on Energy and Power intends to hold additional hearings to assist in resolving these issues. I urge my colleagues to support passage of the bill.

Mr. MOORHEAD. Mr. Speaker, further reserving the right to object, the minority approves of the action being taken, and we stongly support the strategic petroleum reserve.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Indiana?

There was no objection.

A motion to reconsider was laid on the table.

INTERNATIONAL COOPERATION ACT OF 1989

The SPEAKER. Pursuant to House Resolution 179 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2655.

□ 1635

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal year 1990 and 1991, and for other purposes, with Mr. AUCOIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, June 22, 1989, title V was open for amendment at any point.

There are 5 hours and 44 minutes of deabte remaining on all amendments.

Are there any amendments to title V?

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 402, after line 2, insert the following:

"SEC. 5509. DRUG TESTING.

"The President shall require random drug testing of officers and employees of Federal Agencies assigned to carry out any assistance program funded under this Act.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I just take this moment to explain where we are and where we think we are going.

As the Chair has just announced, there are 5 hours and 44 minutes left under the rule for the debate on all amendments, except the specifically designated amendments that have time which are included in the rule.

One amendment is the McHugh amendment in title VII. The other time allocated by the rule is the substitute, if offered, by the gentleman from Michigan [Mr. BROOMFIELD]. All other debate will be within the time limit of 5 hours and 44 minutes that are left to us.

We would like to proceed tonight to get as far as we can so that if we come in reasonably early tomorrow, Mr. Chairman, we might get through at a reasonable time tomorrow. But we are going to need some cooperation.

I might say we have had excellent cooperation in working with amendments. There are a lot of amendments. We are doing our best to reach accommodation where that is possible so that we may offer amendments en bloc where that is appropriate and where we can, of course, the House will then have to work its will on those amendments.

We think we have plenty of time left to debate all of the important amendments before us, but in order to get through tomorrow we would have to work to a reasonably late hour tonight.

I thank the gentleman for yielding.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Chairman, because we have a definite, specific period of time to debate this particular legislation, is the gentleman going to make sure that we have time for the titles coming later on like say title IX, X, and XI so that not all of the time is used up on the earlier titles?

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I will say to the gentleman from Wisconsin that I have no idea whether that is possible, but maybe with the cooperation of all Members it might be.

Mr. ROTH. If I can just get 30 more seconds, I would say I hope we have some time for later titles. Otherwise, it is not fair to Members who have amendments on the later titles if everything is going to be used up in titles V, VI, and VII.

I thank the gentleman for yielding.

Mr. SOLOMON. Mr. Chairman, today I am offering the first of a series of amendments designed to change the emphasis in the war on drugs. In my view, current policy puts too much emphasis on supply when we should be concentrating on demand. It is the drug users in this country who keep the market going, and we'll never win this war unless we win the battle against user demand.

My amendment requires random testing of the officers and employees of Federal agencies assigned to carry out any assistant program funded under this act.

Three years ago, President Reagan signed an executive order, establishing the goal of a drug-free Federal work place. The order made it a condition of employment for all Federal employees to refrain from using illegal drugs on- or off-duty.

At that time, the President recognized that illegal drug use is seriously imparing the national work force, re-

sulting in the loss of billions of dollars each year. As the largest employer in the Nation, the Federal Government has compelling interest in establishing reasonable conditions of employment. And it has an obligation to set standards for the private sector, and prohibiting drug use is one of them.

This amendment offers a helping hand to those who need it, while sending a clear message that illegal drug use is uncompatible with service in the Federal Government.

Mr. Chairman, for the remainder of this 101st Congress, I will be attaching this amendment to all authorizing bills for our Federal agencies and departments, and offering floor amendments which toughen existing law denying Federal benefits to drug users. I'll be offering amendments to deny Federal benefits, including higher education assistance and Federal job training to offenders who test positive. And at the first opportunity, I will also offer an amendment to deny Federal highway funds to States which fail to test driver's license applicants for the illegal use of controlled substances.

Mr. Speaker, we could kill every drug lord in the world today, and new ones would pop up tomorrow, allured by the enormous profits in this death trade. What we have to do is eliminate the market—eliminate the demand.

And the solution of throwing more money at this problem is not enough. We have already tried this, and rather than create drug-free work places, all this has done is create work-free drug places.

Mr. Chairman, this Congress has to summon the courage to attack the root cause of the drug crisis.

This amendment covers all officers and employees of the Federal agencies assigned to carry out any assistance program funded under this Act. More specifically, all State Department personnel.

If State Department personnel are using illegal drugs, we have a right to know about it.

Let's face the facts, marijuana and cocaine impair the judgment of the people who use them. If you are undecided about this amendment, just ask yourself these three questions.

Can we afford to have the people who negotiate our treaties using illegal drugs?—their minds and judgment temporarily impaired?

Can we afford to have our officials who are exposed to Soviet personnel on a daily basis using illegal drugs?

And, can we afford to have people with access to classified intelligence information using illegal drugs?

Mr. Chairman, this legislation is long overdue. The demand for illegal drugs must be ended—and you can help end it by supporting this amendment today—go back to your Districts this 4th of July and proudly say the Congress took a first step in declaring war on their drug use.

□ 1640

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I understand the concern that the gentleman from New York has. I share his concern on many of the issues that in fact come before the Committee on Foreign Affairs and come before this body in terms of drug testing, use of drugs by Federal employees and the consequences that might arise as a result thereof.

As the chairman of the International Narcotics Task Force, however, and as a member of the Subcommittee on International Operations, chaired by the gentleman from California [Mr. DYMALLY], I am afraid I have to stand and oppose this amendment on a number of grounds. First of all the administration also opposes this amendment. While I do not always agree with the administration, I think their opposition to this amendment is correct because the amendment is unnecessary. The Department of State and AID are already complying with Executive Order 12564 establishing the rules for a drug-free workplace which was issued by President Reagan. They are complying with section 503 of the Supplemental Appropriations Act of 1987 establishing uniformity among Federal agency drug-testing plan; section 628 of P.S. 100-440, the fiscal 1989 Treasury appropriation bills and other relevant legislative and regulatory requirements.

In addition, this amendment would set a new precedent in applying different standards for specified agencies instead of a governmentwide uniform policy worked out with great effort.

State has already demonstrated its commitment to mandatory random testing. I do not believe that State ought to be singled out for treatment far different from other Federal agencies that already are in fact doing the kinds of drug testing that needs to be done.

In addition, the Supreme Court of this country, although we can disagree from time to time with their rulings, has already ruled and they have said that right now mandatory testing is not something that we can require but that testing of employees on a mandatory basis who are involved with dangerous instrumentalities, in fact, can be employed.

Now we know the Federal motormen and airline pilots and a number of other Federal workers who are concerned with the safety of the average American person, people who use the trains and the planes and all the other things that the Federal Government runs that inherently are dangerous, that are operated by people who work for the Federal Government, in fact are now subject to mandatory testing.

But I ask you, Mr. Chairman and my colleagues, of what danger, what inherent dangerous instrumentality is one of the striped-pants people over at the State Department? Oh, yes, they might run off at the mouth occasionally, they might say something wrong. But to make drug testing mandatory for them when more, more dangerous jobs where other Americans' lives are at stake do not have mandatory testing does not make sense.

We are all here in this body and have spoken before very seriously about our antidrug commitment. I chair that part of the Committee on Foreign Affairs that deals with the international narcotics scourge. This is not going to cure anything. This is a punitive amendment. And I really do not understand why State is being singled out for this.

I believe I speak for the chairman of the Subcommittee on International Operations when I say that he opposes this amendment as well. The administration opposes it. I do not believe that until a governmentwide, legitimately valid, constitutionally muster-passing test and set of regulations is developed that State ought to be singled out for some punitive punishment that ultimately is not going to support the work of the Department of State.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding.

I think the most important thing it seems to me—and I agree with the gentleman—this amendment is not necessary. We want a rational program. The State Department has already submitted a proposal which has been approved which would subject 90 percent of their personnel to a random testing program. So I think the administration is proceeding properly. We want a rational program affecting the agencies and not legislate it amendment by amendment.

□ 1650

I would hope this amendment would be voted down.

Mr. SMITH of Florida. Mr. Chairman, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, would the gentleman support a governmentwide testing program? The gentleman indicated he might.

Mr. SMITH of Florida. I support a program and approach that would yield for this program.

Mr. GILMAN. Mr. Chairman, I move to strike the last word and yield to the

gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, first of all, let me just respond by saying that the State Department is not being singled out individually. This same argument was used against the Solomon amendments back in 1983 when we said we were singling out students who refused to register for the draft. Same old argument.

Let me quote from the U.S. Supreme Court decision on custom drug testing. My friends, just listen:

> There is a national crisis of law enforcement caused by the smuggling of illicit narcotic drugs. Reasonable drug testing is not unconstitutional.

That is what it says here, Supreme Court Justices said it.

Thirdly, the administration does not support this amendment. Here is Secretary Bennett's statement, the drug czar's proposal aims to punish users. That means Federal employees.

Now, as far as the plan that the State Department intends to implement, they have no plan to implement random testing for anybody but preemployment employees. What about all the employees that are overseas right now in our embassies that are smoking marijuana and sniffing cocaine with classified information? Do Members mean to tell me we should not test those people randomly? Now, let me tell Members one compelling piece of evidence, why everybody should vote for this legislation. In 1982, 27 percent of our entire armed forces from the PFC's to the generals were on drugs by their own admission. In 1988, thanks to Ronald Reagan when he implemented drug testing randomly selected in the armed forces, it dropped to 4.5 percent from 27 percent. That is an 82 percent drop. If Members want to do something about the demand for drugs in this country, enact this amendment and we will enact it to every single piece of legislation affecting every single department and every single Federal employee from now until the end of the 101st Congress, then Members will have done something about the illegal drug users in this country.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

We run along the edges of the drug problem all the time, and when something concrete comes up, we make all kinds of reasons why we cannot pass it. I hope my colleagues will listen to me on the other side of the aisle. This is very important. I want to make a point.

The day before yesterday, a member of my staff was attacked in her apartment, and the guy ran a 4-inch knife through her hand. This is the murder capital of America, one of the drug capitals of America. We know that, and we cannot deal with that problem here on Capitol Hill. The injury to that staff person of mine occurred two blocks from the Capitol, and we cannot deal with the problem. We know drugs are prevalent all over the place and we need to set an example. The Solomon amendment is a step in the right direction. For Members to continue to make reasons why we cannot pass drug testing legislation is ludicrous. It is a major problem facing this country.

My more liberal colleagues, whom I have a great deal of respect for, the problem affects those Members, as well as those on our side of the aisle. I would hope, instead of tuning me out as many of the Members are doing right now, I wish the Members would listen. We need to take steps to come to grips with this problem. This is a good first step.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 212, not voting 16, as follows:

[Roll No. 119]

AYES—204

Andrews
Applegate
Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bennett
Bevill
Bilirakis
Bliley
Broyder
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell (CO)
Chapman
Clarke
Clement
Coble
Coleman (MO)
Combest
Cooper
Costello
Coughlin
Cox
Craig
Crane
Dannemeyer
Darden
Davis
DeLay
Derrick
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Dyson
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Flippo
Gallegly
Gaydos
Gekas
Gilman
Gingrich
Gordon
Goss
Gradison
Grandy
Grant
Guarini
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Herger
Hiler
Holloway
Hopkins
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Jones (GA)
Kasich
Kolbe
Kyl
Lagomarsino
Laughlin
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Luken, Thomas
Lukens, Donald
Madigan
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
McNulty
Meyers
Michel
Miller (OH)
Molinari
Montgomery
Moorhead
Murphy
Neal (MA)
Nelson
Nielson
Ortiz
Packard
Pallone
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Petri
Poshard
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Roth
Rowland (GA)
Sangmeister
Sarpalius
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Skelton
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Spratt
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Traficant
Traxler
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Watkins
Weldon
Whittaker
Wylie
Yatron
Young (FL)

NOES—212

Ackerman
Akaka
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bates
Beilenson
Bereuter
Berman
Bilbray
Boehlert
Boggs
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Campbell (CA)
Cardin
Carper
Carr
Chandler
Clay
Clinger
Coleman (TX)
Conte
Conyers
Crockett
de la Garza
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gejdenson
Gephardt
Gibbons
Gillmor
Gonzalez
Gray
Green
Hamilton
Hawkins
Hayes (IL)
Henry
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hughes
Jacobs
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Machtley
Manton
Markey
Matsui
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Oxley
Panetta
Payne (NJ)
Pease
Peloso
Penny
Perkins
Pickett
Pickle
Porter
Price
Rahall
Rangel
Richardson
Ridge
Rinaldo
Rose
Rostenkowski
Roukema
Rowland (CT)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schumer
Sharp
Shumway
Sikorski
Sisisky
Skaggs
Slattery
Slaughter (NY)
Smith (FL)
Smith (VT)
Snowe
Solarz
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Torres
Torricelli
Towns
Udall
Unsoeld
Vento
Visclosky
Walgren
Waxman
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Yates

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

NOT VOTING—16

Alexander	Florio	Kolter
Bentley	Glickman	Smith (IA)
Bonior	Goodling	Wright
Collins	Hall (OH)	Young (AK)
Courter	Hefner	
Coyne	Johnson (CT)	

□ 1715

Mr. CARR changed his vote from "aye" to "no."

Mr. CAMPBELL of Colorado and Mr. HANCOCK changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STALLINGS

Mr. STALLINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STALLINGS: Page 377, line 14, after "housing," insert "engineering, surveying, mapping".

Mr. STALLINGS. Mr. Chairman, I commend the committee for including language in this bill which specifies that when providing professional and technical assistance to foreign countries, goods and services from the private sector be used to the fullest extent practicable. The bill states that Federal agencies may provide services in fields such as education, health, housing, or agriculture, if, among other things, they do not compete with private enterprise. The amendment I offer today would add engineering, surveying, and mapping services to the list of services covered by these provisions.

Last year, I offered an amendment to the Small Business Administration reauthorization bill which required a study of Federal agency competition with U.S. firms in the international marketplace, with emphasis on small professional and technical services businesses.

The SBA study particularly noted the impact of Government competition on surveying and mapping services. For example, the study found that the U.S. Geological Survey alone anticipates providing $22.250 million in surveying and mapping services for the Agency for International Development in 19 foreign countries in fiscal year 1989. USGS activity in the international market is equal to 54 percent of the domestic Federal Government contracting total for these services.

This fiscal year, the Government will spend $1 billion on mapping and surveying, however only $22.4 million or 5.8 percent will be subcontracted out to the private sector.

This competition represents a major barrier for U.S. firms attempting to export their services. They must compete against their own Government, and are elbowed out of markets by Federal agencies. This amendment will help open doors to U.S. firms, give them the foreign trade experience they need to expand their international marketing activities.

Again, Mr. Chairman, the committee has done an excellent job of addressing the issues I raised in my SBA amendment last year. My amendment simply clarifies section 5401 to include those professional and technical services which the private sector or SBA have considered most affected by Government competition.

I urge adoption of this amendment and I thank my colleagues from Florida [Mr. FASCELL] and from Indiana [Mr. HAMILTON], and all the members of the committee for their efforts and cooperation.

□ 1720

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, we have examined this amendment. We think it is a good amendment and are happy to accept it.

AMENDMENT OFFERED BY MR. STALLINGS TO THE AMENDMENT OFFERED BY MR. CRAIG

Mr. CRAIG. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAIG to the amendment offered by Mr. STALLINGS: On page 113, line 1, after the word "housing," insert the word "construction".

Mr. CRAIG. Mr. Chairman, I have discussed this amendment with my colleague, the gentleman from Idaho. I totally agree with the effort the gentleman has put forth to add the additional services of surveying and mapping and those types of things to this section of the bill.

In our effort to encourage and facilitate the participation of the purposes of this Act, I would ask that the word "construction" become a part of it immediately following the word "housing." I believe it fits the total format of the legislation in attempting to encourage those in private enterprise in this particular section and in this important legislation.

I have discussed this with my colleague, the gentleman from Ohio. He finds no objection to it. I believe it is consistent and compatible with this section.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I am happy to yield to my colleague, the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I agree with the gentleman's observations. I believe that the proponent of the original amendment feels the same way.

Mr. STALLINGS. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I am happy to yield to my colleague, the gentleman from Idaho.

Mr. STALLINGS. Mr. Chairman, I have no objection to the amendment. In fact, I think it helps strengthen what I am trying to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. CRAIG] to the amendment offered by the gentleman form Idaho [Mr. STALLINGS].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. STALLINGS], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 369, after line 16, insert the following:

(h) ACQUISITION OF MOTOR VEHICLES.—

"(1) UNITED STATES VEHICLES.—Funds made available to carry out this Act may not be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of any motor vehicle that is not manufactured in the United States.

"(2) WAIVER.—Where special circumstances exist, the President may waive paragraph (1).

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, on behalf of the gentleman from Michigan [Mr. BROOMFIELD], this amendment would prohibit the use of funds made available by this act for the financing, purchase, sale, long-term lease, exchange or guarantee of sale of any motor vehicle that is not manufactured in the United States. The amendment also includes a provision whereby the President may waive this requirement under special circumstances.

Although American automobile manufacturers have improved their competitiveness in the global market, U.S. sales overseas have not reflected this change. Much of the reason lies in the fact that U.S. automakers are shut out of foreign markets. This amendment demonstrates the United States' resolve to oppose protectionist measures employed by other nations. Providing representatives of the United States in foreign countries with American-made automobiles is a small but important form of market penetration.

My amendment retains provisions in existing law which have long had the support of the Congress and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title V?

Mr. PARRIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to engage in a colloquy with the gentleman from New York [Mr. GILMAN] at this point.

The CHAIRMAN. The Chair would observe that the gentleman from New York [Mr. GILMAN] is not in the Chamber.

Mr. PARRIS. Mr. Chairman, I wonder if it would be appropriate to ask unanimous consent that the colloquy that should have taken place in regard to title V be included at a later time in the RECORD?

The CHAIRMAN. The Chair regrets to state to the gentleman that under the rules, colloquy cannot be inserted into the RECORD.

Are there further amendments to title V?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—TECHNICAL AND CONFORMING PROVISIONS

SEC. 601. EFFECTIVE DATE OF REVISIONS.

Titles I through VI of this Act, and amendments to the Foreign Assistance Act of 1961 made by subsequent provisions of this Act, shall take effect on October 1, 1989, except as otherwise provided in this Act.

SEC. 602. SAVINGS PROVISIONS.

(a) IN GENERAL.—All actions taken under the authority of any provision of law repealed or modified by titles I through VI of this Act shall continue in full force and effect until modified by appropriate authority.

(b) CERTAIN PRESIDENTIAL APPOINTEES.—The repeal by this Act of section 624(a), section 624(e), section 624(f), or any other provision of the Foreign Assistance Act of 1961 providing for the appointment of an individual to a position by the President, by and with the advice and consent of the Senate, and the reenactment by this Act of that provision in substantively identical form does not require the reappointment of the individual holding that position on the effective date specified in section 601.

(c) SECTION 124(c) AUTHORITY.—For purposes of section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461), section 124(c) of the Foreign Assistance Act of 1961, as in effect before the effective date specified in section 601 of this Act, shall be deemed to remain in effect on and after that date.

SEC. 603. RETENTION OF CERTAIN PROVISIONS FORMERLY IN THE FOREIGN ASSISTANCE ACT.

(a) ESTABLISHMENT OF ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS IN STATE DEPARTMENT ACT.—The Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949, is amended by adding at the end the following:

"SEC. 4. ASSISTANT SECRETARY FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS.

"(a) ESTABLISHMENT OF POSITION.—There shall be in the Department of State an Assistant Secretary of State for Human Rights and Humanitarian Affairs who shall be responsible to the Secretary of State for matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, civilians and noncombatants in situations of armed conflict, prisoners of war, and members of the United States Armed Forces missing in action) in the conduct of foreign policy.

"(b) RESPONSIBILITIES.—The Assistant Secretary of State for Human Rights and Humanitarian Affairs shall maintain continuous observation and review of all matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, civilians and noncombatants in situations of armed conflict, prisoners of war, and members of the United States Armed Forces missing in action) in the conduct of foreign policy including—

"(1) gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each foreign country;

"(2) preparing the reports required by section 4302 of the Foreign Assistance Act of 1961;

"(3) making recommendations to the Secretary of State and the Administrator of the administering agency for title I of the Foreign Assistance Act of 1961 regarding compliance with section 4201(a)(2) of that Act;

"(4) as part of the Assistant Secretary's overall policy responsibility for the creation of United States Government human rights policy, advising the Administrator on the policy framework under which assistance under section 1221 of that Act will be developed and consulting with the Administrator on the selection and implementation of programs and activities assisted under that section; and

"(5) performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.".

(b) FEDERAL ACT OF STATE DOCTRINE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, no court in the United States shall decline on the ground of the federal act of state doctrine to make a determination on the merits giving effect to the principles of international law in a case in which claim of title or other right to property is asserted by any party, including a foreign state (or a party claiming through such state), based upon (or traced through) a confiscation or other taking after January 1, 1959, by an act of that state in violation of the principles of international law, including the principles of compensation and the other standards set out in section 620(e)(1) of the Foreign Assistance Act of 1961 as in effect before the effective date of this section.

(2) EXCEPTIONS.—This subsection shall not be applicable—

(A) in any case in which an act of a foreign state is not contrary to international law or with respect to a claim of title or other right to property acquired pursuant to an irrevocable letter of credit of not more than 180 days duration issued in good faith prior to the time of the confiscation or other taking; or

(B) in any case with respect to which the President determines that application of the act of state doctrine is required in that particular case by the foreign policy interests of the United States and a suggestion to this effect is filed on his behalf in that case with the court.

(c) ECONOMIC SANCTIONS AGAINST CUBA.—Title V of the Foreign Assistance Act of 1961 (as enacted by section 501 of this Act) is amended by adding at the end a new section 5604 as follows:

(1) After section 5603 insert the following:

"SEC. 5604. ECONOMIC SANCTIONS AGAINST CUBA.".

(2) After the amendment made by paragraph (1), insert the second sentence of section 620(a)(1) of the Foreign Assistance Act of 1961 (as in effect immediately prior to the effective date specified in section 601 of this Act), with the following amendment: strike out "the preceding sentence" and insert in lieu thereof "section 4210".

(3) After the amendment made by paragraph (2), insert the text of section 620(a)(2) of the Foreign Assistance Act of 1961 (as in effect immediately prior to the effective date specified in section 601 of this Act), with the following amendments: strike out "no" and all that follows through "nor shall Cuba" and insert in lieu thereof "Cuba shall not"; and strike out "per centum" and insert in lieu thereof "percent".

(d) ACCOUNTING AND VALUATION OF FOREIGN CURRENCIES.—

(1) AMENDMENT TO UNITED STATES CODE.—Subchapter V of chapter 51 of title 31, United States Code, is amended by inserting at the end the following:

"§ 5156. Accounting and valuation of foreign currencies

"(a) Under the direction of the President, the Secretary of the Treasury shall have responsibility for valuation and central accounting with respect to foreign credits (including currencies) owed to or owned by the United States. In order to carry out such responsibility, the Secretary shall issue regulations binding upon all agencies of the United States Government.

"(b) The Secretary of the Treasury shall have sole authority to establish for all foreign currencies or credits the exchange rates at which such currencies are to be reported by all agencies of the Government.".

(2) CONFORMING AMENDMENT.—The table of sections for subtitle IV of such title is amended by inserting after the item relating to section 5155 the following:

"5156. Accounting and valuation of foreign currencies.".

SEC. 604. RENAMING OF TRADE AND DEVELOPMENT PROGRAM; CONFORMING CHANGES.

(a) RENAMING OF TRADE AND DEVELOPMENT PROGRAM.—The Trade and Development Program shall, on or after the effective date specified in section 601, be known as the Trade and Development Agency.

(b) APPOINTMENT OF PRESENT DIRECTOR NOT AFFECTED.—The enactment of this Act shall not affect the appointment of the individual who is the Director of the Trade and Development Program on the effective date specified in section 601.

(c) TRADE AND DEVELOPMENT ENHANCEMENT ACT OF 1983.—Sections 644 and 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635q and 635r) are each amended by striking out "Trade and Development Program" each place it appears and inserting in lieu thereof "Trade and Development Agency".

(d) TITLE 5.—Section 5314 of title 5, United States Code, is amended by striking out

"Director, Trade and Development Program"

and inserting in lieu thereof

"Director, Trade and Development Agency".

(e) REFERENCE IN OTHER LAWS.—Any reference in any law to the Trade and Develop-

ment Program shall be deemed to be a reference to the Trade and Development Agency.

SEC. 605. CONFORMING AMENDMENTS.

(a) ANGLO-IRISH AGREEMENT SUPPORT ACT.—The Anglo-Irish Agreement Support Act of 1986 is amended—

(1) in section 4(a)(1), by striking out "108" and inserting in lieu thereof "1224";

(2) in section 4(a)(2), by striking out "221" and all that follows through "Guaranty" and inserting in lieu thereof "1722 of that Act (relating to the Housing and Urban Development Guarantee";

(3) in section 4(a)(3)—

(A) by striking out "Title IV of chapter 2 of part" and inserting in lieu thereof "subchapter A of chapter 5 of title"; and

(B) by striking out "paragraph (2) of the second undesignated paragraph of section 231" and inserting in lieu thereof "section 1501(b)(2)";

(4) in section 4(a)(4)—

(A) by striking out "Section 661" and inserting in lieu thereof "Subchapter B of chapter 5 of title I"; and

(B) by striking out "Program" and inserting in lieu thereof "Agency"; and

(5) in section 5(a), by striking out "531(e) and 660(a)" and inserting in lieu thereof "1246 and 4202".

(b) 1988 INTERNATIONAL NARCOTICS CONTROL ACT.—The International Narcotics Control Act of 1988 is amended—

(1) in section 4003, by striking out "481(i)(3)" and inserting in lieu thereof "3282(4)";

(2) in section 4306, by striking out "481(h)(2)(A)(i)" and inserting in lieu thereof "3262(b)(1)(A)";

(3) in section 4309(b), by striking out "481(e)" and inserting in lieu thereof "3261(a)";

(4) in section 4501—

(A) by striking out "634A" in subsection (a) and inserting in lieu thereof "4304"; and

(B) by striking out "4601 of this title" and inserting in lieu thereof "3202 of the Foreign Assistance Act of 1961"; and

(5) by repealing section 4601.

(c) 1986 INTERNATIONAL NARCOTICS CONTROL ACT.—The International Narcotics Control Act of 1986 is amended—

(1) in section 2013—

(A) in subsection (a), by striking out "481(b)(2)" and inserting in lieu thereof "3261(b)";

(B) in subsection (c), by striking out "481(h)" and inserting in lieu thereof "3262"; and

(C) in subsection (d), by striking out "481(i)" and inserting in lieu thereof "3282"; and

(2) in section 2018(d), by striking out "481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 229(i)(2))" and inserting in lieu thereof "3282(2) of the Foreign Assistance Act of 1961".

(d) NARCOTICS CONTROL TRADE ACT.—The Narcotics Control Trade Act (which is title VIII of the Trade Act of 1974) is amended—

(1) in section 802(b)(1)(A), by striking out "481(e)" and inserting in lieu thereof "3261(a)";

(2) in section 802(b)(1)(B)(v), by inserting "essential" before "precursor";

(3) in section 802(b)(2)(A), by striking out "481(e)(4)" and inserting in lieu thereof "3261(a)(2)(D)"; and

(4) in section 804, by striking out "481(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(1))" and inserting in lieu thereof "3261(a) of the Foreign Assistance Act of 1961".

(e) INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985.—Section 132 of the International Security and Development Cooperation Act of 1985 is amended by striking out "Arms" each place it appears in subsections (b), (c), and (d) and inserting in lieu thereof "Defense Trade and".

(f) INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981.—Section 726(b) of the International Security and Development Cooperation Act of 1981 is amended—

(1) in paragraph (1), by striking out "chapter 2, 4, 5, or 6 of part II" and inserting in lieu thereof "subchapter C of chapter 2 of title I or chapter 2, 5, or 6 of title II";

(2) in paragraphs (2) and (4), by striking out "Arms" and inserting in lieu thereof "Defense Trade and"; and

(3) by striking out paragraph (3), by inserting "and" after the semicolon at the end of paragraph (2), and by redesignating paragraph (4) as paragraph (3).

(g) PUBLIC LAW 480.—The Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in section 106(a)—

(A) in the second sentence of paragraph (1), by striking out "but not less than the minimum rate required by section 122(b) of the Foreign Assistance Act of 1961 for loans made under that section"; and

(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2);

(2) in section 106(b)(2), by striking out "the policy objectives of sections 103 and 104" and inserting in lieu thereof "four basic objectives set forth in section 1102";

(3) in section 206(a)(3)(A), by striking out "the purposes and policies specified in section 103" and inserting in lieu thereof "section 1102";

(4) in section 301(b), by striking out "policy objectives of sections 103 and 104" in the second sentence and inserting in lieu thereof "four basic objectives set forth in section 1102";

(5) in section 303(b), by striking out ", including" and all that follows through "this Act"; and

(6) in section 410, by striking out "section 620(e)" and all that follows through "expropriation," and inserting in lieu thereof "sections 4201(a)(3) and (b) of the Foreign Assistance Act of 1961 (relating to expropriation".

(h) EXPORT ADMINISTRATION ACT.—The Export Administration Act of 1979 is amended—

(1) in section 5(b), by striking out "set forth in section 620(f)" and inserting in lieu thereof "on the list established pursuant to section 4201(d)"; and

(2) in section 6(k)(2), by striking out "section 502B" and inserting in lieu thereof "sections 4201(a)(2) and (e)(2) and section 4302(a)".

(i) TITLE 5, UNITED STATES CODE.—Subchapter II of chapter 53 of title 5, United States Code, is amended—

(1) in section 5314, by striking out "Director, Institute for Scientific and Technological Cooperation.";

(2) in section 5315, by striking out "Deputy Director, Institute for Scientific and Technological Cooperation."; and

(3) in section 5316, by striking out "Additional officers, Institute for Scientific and Technological Cooperation (2).".

(j) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended—

(1) in section 114(c), by striking out "Arms" and inserting in lieu thereof "Defense Trade and";

(2) in section 130(a), by striking out "Arms" and inserting in lieu thereof "Defense Trade and";

(3) in section 2208(i)(3), by striking out "Arms" and inserting in lieu thereof "Defense Trade and";

(4) in section 2213(a)(4), by striking out "Arms" each place it appears and inserting in lieu thereof "Defense Trade and";

(5) in section 2344(b)(2)(B), by striking out "Arms" and inserting in lieu thereof "Defense Trade and";

(6) in section 2407, by striking out "Arms" each place it appears in subsections (a)(1), (b), (c)(1), and (d)(3) and inserting in lieu thereof "Defense Trade and";

(7) in section 4542(d)(2)(A), by striking out "Arms" and inserting in lieu thereof "Defense Trade and"; and

(8) in section 7307(b)(1)—

(A) by striking out "Arms" and inserting in lieu thereof "Defense Trade and"; and

(B) by striking out "or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.)".

(k) DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1987.—Section 1102(e) of the Department of Defense Authorization Act, 1987, is amended—

(1) in the subsection caption by striking out "ARMS" and inserting in lieu thereof "DEFENSE TRADE AND"; and

(2) in the text, by striking out "Arms" and inserting in lieu thereof "Defense Trade and".

(l) CONFORMING REFERENCES.—Except to the extent that the context requires otherwise any reference in any provision of law enacted before the effective date specified in section 601—

(1) to credits under section 23 of the Arms Export Control Act shall be deemed to be a reference to assistance on credit terms under chapter 2 of title II of the Foreign Assistance Act of 1961;

(2) to chapter 1 of part I of the Foreign Assistance Act of 1961 shall be deemed to be a reference to subchapter B of chapter 2 of title I of that Act;

(3) to chapter 8 of part I of the Foreign Assistance Act of 1961 shall be deemed to be a reference to chapter 2 of title III of that Act;

(4) to chapter 2 of part II of the Foreign Assistance Act of 1961 shall be deemed to be a reference to chapter 2 of title II of that Act;

(5) to chapter 4 of part II of the Foreign Assistance Act of 1961 shall be deemed to be a reference to subchapter C of chapter 2 of title I of that Act;

(6) to chapter 5 of part II of the Foreign Assistance Act of 1961 shall be deemed to be a reference to chapter 5 of title II of that Act;

(7) to chapter 8 of part II of the Foreign Assistance Act of 1961 shall be deemed to be a reference to chapter 1 of title III of that Act; and

(8) to any other provision of the Foreign Assistance Act of 1961 shall be deemed to be a reference to the corresponding provision of that Act as amended by this Act.

SEC. 606. REPEAL OF OBSOLETE PROVISIONS.

(a) 1988 OPIC ACT.—The Overseas Private Investment Corporation Amendments Act of 1988 (as enacted by reference by section 555 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989) is repealed.

(b) 1986 DRUG ACT.—The International Narcotics Control Act of 1986 (which is title II of the Anti-Drug Abuse Act of 1986) is re-

pealed except for sections 2001, 2010, 2015, 2018, and 2029.

(c) 1986 ASSISTANCE ACT.—The Special Foreign Assistance Act of 1986 is repealed except for section 1 and section 204.

(d) 1985 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1985 is repealed except for section 1, section 131, section 132, section 202(c), section 504, section 505, part B of title V (other than section 558 and section 559), section 1302, section 1303, and section 1304.

(e) 1985 JORDAN SUPPLEMENTAL ACT.—The Jordan Supplemental Economic Assistance Authorization Act of 1985 is repealed.

(f) 1985 AFRICAN FAMINE ACT.—The African Famine Relief and Recovery Act of 1985 is repealed.

(g) 1983 ASSISTANCE ACT.—The International Security and Development Assistance Authorization Act of 1983 is repealed.

(h) 1983 LEBANON ASSISTANCE ACT.—The Lebanon Emergency Assistance Act of 1983 is repealed.

(i) 1981 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1981 is repealed except for section 1, section 709, section 714, and section 720.

(j) 1980 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1980 is repealed except for section 1, section 110, section 315, and title V.

(k) 1979 DEVELOPMENT ASSISTANCE ACT.—The International Development Cooperation Act of 1979 is repealed.

(l) 1979 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1979 is repealed.

(m) 1979 SPECIAL SECURITY ASSISTANCE ACT.—The Special International Security Assistance Act of 1979 is repealed.

(n) 1978 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1978 is repealed, except for section 1, title IV, and section 603(a)(2).

(o) 1978 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1978 is repealed.

(p) 1977 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1977 is repealed except for section 1, section 132(b), and section 133.

(q) 1977 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1977 is repealed.

(r) 1976 SECURITY ASSISTANCE ACT.—The International Security Assistance and Arms Export Control Act is repealed except for section 1, section 201(b), section 212(b), section 601, and section 608.

(s) 1975 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1975 is repealed.

(t) 1975 BIB ACT.—Public Law 94-104 is repealed.

(u) 1974 ASSISTANCE ACT.—The Foreign Assistance Act of 1974 is repealed.

(v) 1973 EMERGENCY ASSISTANCE ACT.—The Emergency Security Assistance Act of 1973 is repealed.

(w) 1973 ASSISTANCE ACT.—The Foreign Assistance Act of 1973 is repealed.

(x) 1971 ASSISTANCE ACT.—The Foreign Assistance Act of 1971 is repealed.

(y) 1971 SPECIAL ASSISTANCE ACT.—The Special Foreign Assistance Act of 1971 is repealed.

(z) 1971 FMS ACT.—The Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (Public Law 91-672), is repealed.

(aa) 1969 ASSISTANCE ACT.—The Foreign Assistance Act of 1969 is repealed except for the first section and part IV.

(bb) 1968 ASSISTANCE ACT.—The Foreign Assistance Act of 1968 is repealed.

(cc) 1964 ASSISTANCE ACT.—The Foreign Assistance Act of 1964 is repealed.

(dd) LATIN AMERICAN DEVELOPMENT ACT.—The Latin American Development Act is repealed.

(ee) 1959 MUTUAL SECURITY ACT.—The Mutual Security Act of 1959 is repealed.

(ff) 1954 MUTUAL SECURITY ACT.—Section 402 and section 417 of the Mutual Security Act of 1954 are repealed.

The CHAIRMAN. Are there amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—LATIN AMERICA AND THE CARIBBEAN

CHAPTER 1—CENTRAL AMERICA

SEC. 701. PROMOTING CENTRAL AMERICAN RECOVERY AND DEVELOPMENT AND REGIONAL COOPERATION.

(a) INTERNATIONAL COMMISSION FOR CENTRAL AMERICAN RECOVERY AND DEVELOPMENT.—It is the sense of Congress that—

(1) the governments of the countries of Central America should adopt a regional plan consistent with the recommendations of the International Commission for Central American Recovery and Development;

(2) the United States should consider giving assistance for the implementation of such a plan at the levels recommended by the Commission, if presented with a request by the Central American governments for such assistance;

(3) pending the completion of the plan referred to in paragraph (1) and receipt of the request referred to in paragraph (2), United States economic assistance for Central America should be used insofar as possible in accordance with the recommendations of the Commission; and

(4) multidonor assistance for Central America should be channeled through regional mechanisms to ensure adequate coordination.

(b) CENTRAL AMERICAN RECOVERY AND DEVELOPMENT PROGRAM.—It is further the sense of the Congress that, in order to support the Central American Recovery and Development Program recommended by the International Commission for Central American Recovery and Development, the United States should, insofar as possible, assist in the implementation of the recommendations of the Commission, including its proposals—

(1) to provide additional economic assistance to the countries of Central America to promote sustainable economic development, assist with relocation and resettlement of refugees in the region, expand educational opportunity and access to health care, foster progress in human rights, bolster democratic institutions, and strengthen institutions of justice;

(2) to facilitate the ability of the individual Central American economies to grow through the development of their infrastructure, expansion of exports, and increased investment opportunities, goals which would be enhanced by enactment of the Caribbean Basin Economic Recovery Act Amendments of 1989;

(3) to provide a more realistic plan to assist Central American countries in managing their foreign debt; and

(4) to develop those initiatives in concert with the governments of Central America, Western Europe, Japan, and other democratic allies.

(c) UNDP SPECIAL PLAN OF ECONOMIC COOPERATION FOR CENTRAL AMERICA.—Funds available for fiscal years 1990 and 1991 for economic support assistance may be used for a United States contribution to the United Nations Development Program for its Special Plan of Economic Cooperation for Central America, which is designed to reintegrate the displaced refugee populations, create employment opportunities, and establish an infrastructure to ensure adequate food supplies and health facilities for the poor in Central America.

(d) COORDINATION MECHANISM.—The President shall provide appropriate support and assistance to the governments of the countries of Central America in their efforts to establish a regional mechanism to coordinate donor assistance. If such a mechanism is established, funds made available for fiscal years 1990 and 1991 for economic support assistance may be used to assist implementation of such mechanism.

(e) ORGANIZATION OF AMERICAN STATES.—It is further the sense of the Congress that there should be closer cooperation between the United States and the Organization of American States, including payment by the United States of its assessed contributions to the Organization of American States.

SEC. 702. MILITARY AIRCRAFT TRANSFERS.

(a) NOTIFICATION OF TRANSFERS BY THE UNITED STATES.—During fiscal years 1990 and 1991—

(1) the authorities of title II of the Foreign Assistance Act of 1961 and the Defense Trade and Export Control Act may not be used to make available any helicopters or other aircraft for military use, and

(2) licenses may not be issued under section 38 of the Defense Trade and Export Control Act for the export of any such aircraft,

to any country in Central America unless the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified in writing at least 15 days in advance.

(b) NOTIFICATION OF TRANSFERS BY OTHER COUNTRIES.—During fiscal years 1990 and 1991, the Secretary of State shall promptly notify the committees specified in subsection (a) whenever any helicopters or other aircraft for military use are provided to any country in Central America by any foreign country.

SEC. 703. ASSISTANCE FOR EL SALVADOR.

(a) SUPPORT FOR POLICY LINKING ASSISTANCE WITH CERTAIN DEVELOPMENTS IN EL SALVADOR.—The Congress supports the Administration's policy of linking United States assistance for El Salvador to promotion of a political settlement of the conflict, an end to human rights abuses, and respect for democracy and the rule of law.

(b) FOREIGN MILITARY FINANCING.—

(1) CEILING.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not more than $85,000,000 for each of the fiscal years 1990 and 1991 may be made available for El Salvador.

(2) TRANCHING OF ASSISTANCE.—Subject to paragraph (3), up to 60 percent of the amount allocated for foreign military financing for El Salvador for fiscal year 1990

or 1991, as the case may be, may be obligated after each of the following dates:

(A) October 1, 1989.

(B) April 1, 1990.

(C) October 1, 1990.

(D) April 1, 1991.

(3) PRESIDENTIAL DETERMINATION.—(A) Funds shall be available for obligation after each of the dates specified in paragraph (2) only if, on or after that date, the President determines and reports to the Congress that, during the preceding six months, the Government and armed forces of El Salvador—

(i) were willing, and were actively seeking, to achieve an equitable political settlement of the conflict in El Salvador, including free and fair elections, through a mutual cease fire and a dialogue with the armed opposition forces;

(ii) made demonstrated progress in protecting internationally recognized human rights, and particularly in—

(I) ending, through prosecution or other means, the involvement of members of the military and security forces in political violence and abuses of internationally recognized human rights,

(II) vigorously prosecuting persons engaged in political violence who are not connected with the government, and

(III) bringing to justice those responsible for the abduction, torture, and murder of citizens of El Salvador, the United States, and other countries; and

(iii) made demonstrated progress in its respect for and protection of the rights of freedom of the press, speech, assembly, and association (including the right to organize for political purposes), internationally recognized worker rights, and other attributes of political pluralism and democracy.

(B) The President shall include in each report pursuant to subparagraph (A) a detailed statement with respect to each of the conditions specified in clauses (i) through (iii) of that subparagraph.

(4) CONSULTATIONS.—The President shall begin consultations with the Congress regarding the conditions specified in paragraph (3)(A) not less than 15 days before making a determination under that paragraph.

(5) CONGRESSIONAL REVIEW.—Funds obligated, or available for obligation, under paragraphs (2) and (3) may not be expended during the 30-day period beginning on the date on which the President submits the report required by paragraph (3). Expenditures after that 30-day period shall be subject to any joint resolution with respect to those expenditures that is enacted by the Congress under subsection (d).

(6) RESOLUTION OF HUMAN RIGHTS CASES.—(A) Of the amount which may be made available for assistance for El Salvador under paragraphs (2)(A), (3), and (5), $5,000,000 shall be withheld from expenditure until the Government of El Salvador—

(i) has pursued all legal avenues to bring to trial those who ordered and carried out the September 1988 massacre of 10 peasants near the town of San Franscisco, El Salvador, and to obtain a verdict; and

(ii) has satisfied its obligations under the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons Including Diplomatic Agents (New York, December 14, 1973) with respect to the prosecution or extradition of those responsible for the murder of Mark Pearlman in January 1981.

(B) Funds withheld pursuant to subparagraph (A) may be expended only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance of the expenditure of those funds in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(c) ECONOMIC AND FOOD ASSISTANCE.—

(1) ACCESS TO CONFLICT AREAS.—Economic and food assistance for El Salvador for fiscal year 1990 or 1991 may not be obligated until the President determines and reports to the Congress that the Government and armed forces of El Salvador are adhering to their stated policy of allowing international humanitarian organizations and religious relief agencies free access to conflict areas, except to the extent that—

(A) the lives of relief personnel would be endangered by military operations, or

(B) the United States Government has firm evidence demonstrating that such access must be restricted with respect to certain shipments or particular organizations or agencies in order to prevent the diversion of assistance from its intended recipients.

(2) CONARA.—In addition to the requirement of paragraph (1), economic and food assistance for El Salvador for fiscal year 1990 or 1991 may not be used for any program administered by the National Commission on the Restoration of Areas (CONARA) unless the President determines and reports to the Congress that that program meets the requirements of paragraphs (5)(A) and (B). Any such report shall include a description of the means by which compliance of that program with those paragraphs will be monitored and ensured.

(3) CONSULTATION WITH CONGRESS.—Not less than 15 days before making a determination under paragraph (1) or (2), the President shall begin consultations with the Congress regarding the conditions specified in that paragraph.

(4) CONGRESSIONAL REVIEW.—Funds may not be expended and agricultural commodities may not be delivered pursuant to a determination under paragraph (1) or (2) during the 30-day period beginning on the date on which the President submits the report required by that paragraph. Expenditures and deliveries after that 30-day period shall be subject to any joint resolution with respect to those expenditures and deliveries that is enacted by the Congress under subsection (d).

(5) USES OF ASSISTANCE.—Economic and food assistance for El Salvador for fiscal year 1990 or 1991—

(A) may not be used for the forced relocation of the civilian population, to coerce or be a condition for participation in civil defense patrols, as a means of attracting suspects sought by the authorities, or as a reward or punishment for political activities or affiliation;

(B) shall be used only for programs and projects which are controlled, planned, and implemented by civilian agencies or organizations and which are independent of military operations, except to the extent that military provision of transportation or security for supplies and civilian personnel is required; and

(C) shall, to the maximum extent practicable, be channeled through private voluntary organizations with a proven record of providing assistance for basic human needs.

(6) DISTRIBUTION OF TITLE II COMMODITIES BY PRIVATE VOLUNTARY ORGANIZATIONS.—Not less than one-third of the agricultural commodities made available for El Salvador for each of the fiscal years 1990 and 1991 under title II of the Agricultural Trade Development and Assistance Act of 1954 shall be provided to private voluntary organizations.

(7) ASSISTANCE FOR JUDICIAL REFORM.—Funds made available for fiscal years 1990 and 1991 may be obligated for assistance for judicial reform in El Salvador under section 1221 of the Foreign Assistance Act of 1961 (relating to human rights and democratic initiatives) only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance of each obligation of funds for that purpose in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(8) DEFINITION OF ECONOMIC AND FOOD ASSISTANCE.—As used in this subsection, the term "economic and food assistance" means any development assistance under the Foreign Assistance Act of 1961, any economic support assistance under that Act, and any agricultural commodities made available under the Agricultural Trade Development and Assistance Act of 1954.

(d) CONGRESSIONAL REVIEW PROCEDURES.—

(1) DEFINITION OF PRIVILEGED JOINT RESOLUTION.—As used in this subsection, the term "privileged joint resolution" means a joint resolution—

(A) which—

(i) in the case of the House of Representatives, is reported by the Committee on Foreign Affairs, and

(ii) in the case of the Senate, is reported by the Committee on Foreign Relations, during the 30-day period described in subsection (b)(5) or (c)(4), as the case may be;

(B) which would place conditions or limitations or both—

(i) on expenditures of funds for foreign military financing for El Salvador pursuant to a Presidential determination under subsection (b)(3); or

(ii) on expenditures of funds or deliveries of agricultural commodities, or both, for economic and food assistance for El Salvador pursuant to a Presidential determination under subsection (c)(1) or (c)(2);

(C) which does not contain any provision which is not germane to the conditions and limitations provided for in the joint resolution; and

(D) the title of which is as follows: "Joint resolution relating to assistance for El Salvador pursuant to the President's determination of under subsection of section 703 of the International Cooperation Act of 1989", with the date on which the determination is reported to the Congress inserted in the first blank and the appropriate subsection inserted in the second blank.

(2) MOTION FOR FLOOR CONSIDERATION.—On or after the third calendar day (excluding Saturdays, Sundays, and legal holidays) after the day on which a privileged joint resolution is reported by the Committee on Foreign Affairs or the Committee on Foreign Relations (as the case may be), it shall be in order (even though a previous motion to the same effect has been disagreed to) for the chairman of that committee (or his designee) to move to proceed to the consideration of that joint resolution. In the House of Representatives the motion shall be that the House resolve itself into the Committee of the Whole House on the State of the

Union for the consideration of the joint resolution. The motion may be made in the Senate notwithstanding any rule or precedent of the Senate, including Rule 22. All points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed to the consideration of the joint resolution is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to by a House, that House shall immediately proceed to the consideration of the joint resolution without intervening motion, order, or other business, and that joint resolution shall remain the unfinished business of the respective House until disposed of.

(3) DEBATE TIME.—Debate on a privileged joint resolution, and on all debatable motions and appeals in connection therewith (other than amendments made in order in the House of Representatives under paragraph (4) and a motion to recommit in the House under paragraph (7)), shall be limited to not more than 4 hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion further to limit debate is in order and not debatable.

(4) AMENDMENTS IN THE HOUSE OF REPRESENTATIVES.—Amendments to a privileged joint resolution shall be in order, and shall be debatable, in the House of Representatives to the extent ordered by the House.

(5) AMENDMENTS IN THE SENATE.—Amendments to a privileged joint resolution are not in order in the Senate.

(6) CERTAIN MOTIONS NOT IN ORDER.—A motion to postpone or to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which a privileged joint resolution is agreed to or disagreed to is not in order.

(7) FINAL PASSAGE IN THE HOUSE OF REPRESENTATIVES.—In the House of Representatives, at the conclusion of debate on a privileged joint resolution and consideration of any amendments made in order to the joint resolution, the Committee of the Whole shall rise and report the resolution back to the House, and the previous question shall be considered as ordered on the joint resolution, with any amendments adopted in the Committee of the Whole, to final passage without intervening motion except one motion to recommit.

(8) FINAL PASSAGE IN THE SENATE.—In the Senate, immediately following the conclusion of the debate on a privileged joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

(9) APPEALS FROM DECISION OF THE CHAIR NOT DEBATABLE IN THE SENATE.—Appeals in the Senate from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a privileged joint resolution shall be decided without debate.

(10) CONGRESSIONAL RULEMAKING POWERS.—This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a privileged joint resolution, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change its rules at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 704. ASSISTANCE FOR GUATEMALA.

(a) CEILING ON MILITARY ASSISTANCE.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not more than $9,000,000 may be made available for Guatemala for each of the fiscal years 1990 and 1991.

(b) CONDITIONS ON MILITARY ASSISTANCE.—The funds for Guatemala referred to in subsection (a) may not be obligated unless during the preceding fiscal year—

(1) the civilian government gained authority in relation to the military, and there was progress in separating the military and the civilian police forces for the purpose of creating an independent and professional police system;

(2) there was increased respect for the rights of freedom of the press, speech, assembly, and association and other attributes of political pluralism;

(3) progress has been made in reducing political killings, disappearances, and other human rights violations, in undertaking investigations of such activities, and in removing any officer found responsible for such violations from the military;

(4) people were not, by law or in fact, forced to participate in civil defense patrols (otherwise known as self-defense associations) or required to live in model villages;

(5) the Guatemalan military did not attempt to intimidate or harass Guatemalan human rights organizations; and

(6) the office of the human rights ombudsman provided for in Guatemalan law was adequately funded and functioned actively and effectively.

(c) CONGRESSIONAL REVIEW.—Funds may be obligated under subsection (b) only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance of the obligation of those funds in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(d) PROHIBITIONS RELATING TO WEAPONS, AMMUNITION, AND ARMED AIRCRAFT.—

(1) ASSISTANCE.—For fiscal years 1990 and 1991, funds made available for foreign military financing under the Foreign Assistance Act of 1961 may not be used for the procurement by the Government of Guatemala of—

(A) any weapons or ammunition; or

(B) any aircraft, unless those aircraft are unarmed and the Government of Guatemala has agreed that those aircraft will not be armed.

(2) FMS AND COMMERCIAL SALES.—During fiscal years 1990 and 1991, the authority of the Defense Trade and Export Control Act may not be used to sell or lease to the Government of Guatemala, and licenses may not be issued under section 38 of that Act for the export to Guatemala of—

(A) any weapons or ammunition; or

(B) any aircraft, unless those aircraft are unarmed and the Government of Guatemala has agreed that those aircraft will not be armed.

(3) EXCEPTION.—Notwithstanding paragraph (2)(A), licenses may be issued under section 38 of the Defense Trade and Export Control Act for the export to Guatemala of M-16 rifles to replace rifles being retired from the inventory of the Guatemalan armed forces if the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified in writing at least 15 days in advance.

(e) ECONOMIC AND FOOD ASSISTANCE.—

(1) CONDITIONS.—Economic and food assistance for Guatemala for fiscal years 1990 and 1991—

(A) may not be used for the forced relocation of the civilian population, to coerce or be a condition for participation in civil defense patrols, as a means of attracting suspects sought by the authorities, or as a reward or punishment for political activities or affiliation;

(B) shall be used only for programs and projects which are controlled, planned, and implemented by civilian agencies or organizations and as independent of military operations, except to the extent that military provision of transportation or security for supplies and civilian personnel is required; and

(C) shall, to the maximum extent practicable, be channeled through private voluntary organizations with a proven record of providing assistance for basic human needs.

(2) DEFINITION.—As used in this subsection, the term "economic and food assistance" means any development assistance under the Foreign Assistance Act of 1961, any economic support assistance under that Act, and any agricultural commodities made available under the Agricultural Trade Development and Assistance Act of 1954.

(f) GUATEMALAN MILITARY JUSTICE SYSTEM.—

(1) STUDY.—The Secretary of State shall conduct a study of the Guatemalan system of military justice for the investigation of offenses by military personnel, with particular emphasis on violent offenses, and the prosecution of those found to be responsible.

(2) PARTICIPATION OF DEFENSE AND JUSTICE DEPARTMENTS.—The Secretary of State shall conduct the study required by paragraph (1) in cooperation with the Secretary of Defense and the Attorney General.

(3) FUNDING.—Of the amounts allocated for Guatemala for fiscal year 1990 for foreign military financing under the Foreign Assistance Act of 1961, such sums as may be necessary shall be made available to the Secretary of State for the expenses of the study conducted pursuant to paragraph (1).

(4) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the Secretary of State shall report the conclusions of the study conducted pursuant to paragraph (1) to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, together with specific recommendations for techniques to strengthen the military justice system in Guatemala.

(g) HUMAN RIGHTS AND DEMOCRATIC INITIATIVES PROGRAM.—Assistance provided for Guatemala under section 1221 of the Foreign Assistance Act of 1961 for each of the fiscal years 1990 and 1991 may include assistance for the office of the human rights

ombudsman appointed by the Guatemalan Congress.

SEC. 706. RESTRICTIONS ON ASSISTANCE TO POLICE IN EL SALVADOR, GUATEMALA, AND HONDURAS.

(a) PROHIBITION.—During fiscal years 1990 and 1991, foreign military financing and international military education and training may not be provided under the Foreign Assistance Act of 1961 to police forces and prison authorities in El Salvador, Guatemala, and Honduras.

(b) DEFINITION.—As used in this section, the term "police forces"—

(1) includes all members of security forces other than the regular uniformed armed forces; and

(2) in the case of El Salvador, specifically includes all members of the National Police, the Treasury Police, the National Guard, and the civil defense organizations.

SEC. 708. ASSISTANCE FOR COSTA RICA.

Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $90,000,000 for fiscal year 1990 shall be available only for assistance for Costa Rica.

SEC. 707. NICARAGUA.

(a) LIMITATION ON USE OF FOREIGN ASSISTANCE FUNDS.—Notwithstanding any other provision of law, funds made available to carry out the Foreign Assistance Act of 1961 shall not be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

(b) RESTRICTION ON AGREEMENTS AND UNDERSTANDINGS.—The United States shall make no agreement, either direct or indirect, and shall enter into no understanding, either formal or informal, under which a recipient of United States economic or military assistance or a purchaser of United States military equipment shall provide assistance of any kind to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

(c) MONITORING 1990 ELECTIONS.—The United States—

(1) shall encourage monitoring of the 1990 elections in Nicaragua by the United Nations and by the Organization of American States; and

(2) shall pay an appropriate share of the costs of such monitoring by those organizations.

SEC. 708. MONITORING COMPLIANCE WITH CENTRAL AMERICAN PEACE ACCORDS.

The United States should encourage the establishment, and should pay an appropriate share of the costs, of United Nations verification units to monitor compliance with the peace accord agreed to by the governments of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua on February 14, 1989, and subsequent agreements reached by those governments in furtherance of that accord, provided such action is consistent with the terms of the Bipartisan Accord on Central America (Public Law 101-14).

CHAPTER 2—THE CARIBBEAN

SEC. 711. CARIBBEAN REGIONAL DEVELOPMENT ACT OF 1989.

The Foreign Assistance Act of 1961, as amended by the preceding titles of this Act, is further amended by adding at the end the following:

"TITLE VI—REGION AND COUNTRY SPECIFIC PROVISIONS

"CHAPTER 1—CARIBBEAN REGIONAL DEVELOPMENT

"SEC. 6101. SHORT TITLE.

"This chapter may be cited as the 'Caribbean Regional Development Act of 1989'.

"SEC. 6102. UNITED STATES POLICIES.

"(a) IN GENERAL.—It shall be the policy of the United States in providing development and other economic assistance to the Caribbean—

"(1) to help the poor (including women, the landless, subsistence food producers, urban workers, the unemployed, and indigenous populations) to participate in the development of their societies through a process of equitable economic growth that enables them to increase their incomes and their access to productive resources and services, to protect and advance their rights, and to influence decisions that affect their lives;

"(2) to support development that is environmentally sustainable;

"(3) to promote Caribbean self-reliance by providing assistance to indigenous national and regional governmental and nongovernmental institutions that have the capacity or potential to carry out development programs effectively;

"(4) to support food production for national and regional consumption;

"(5) to promote the diversification of industrial and agricultural production, the development of new products, and the integration of agricultural production with the development of industry and tourism;

"(6) to help advance the process of regional economic integration by channeling assistance through regional organizations to the maximum extent possible;

"(7) to support those national programs of economic adjustment that promote the policies enumerated in this section in order to help ensure that the burdens created by adjustment are not borne by the poor;

"(8) to support employment generation while avoiding the displacement of traditional lines of small-scale production; and

"(9) to preserve and reinforce traditional Caribbean culture and social values.

"(b) DEVELOPMENT ASSISTANCE.—

"(1) SUPPORTING INDIGENOUS DEMOCRATIC INSTITUTIONS.—In furtherance of the four basic objectives set forth in section 1102, priority in providing development assistance to the Caribbean shall be given to supporting indigenous democratic Caribbean institutions (including farmers' unions, cooperatives, trade unions and other labor organizations, women's groups, and community organizations) that represent, work with, and benefit the poor, and through which the poor participate in making the decisions that affect their lives and their development. Such assistance shall be channeled to the maximum extent possible through United States institutions and Caribbean regional and national institutions that directly fund such democratic Caribbean institutions.

"(2) PER CAPITA INCOME ELIGIBILITY CRITERIA.—In determining the eligibility of any country in the Caribbean for development assistance, the per capita income of that country shall be deemed to be no greater than the per capita income for the Caribbean as a whole.

"(c) ECONOMIC SUPPORT ASSISTANCE.—To the extent that economic support assistance made available for the Caribbean is used to promote national economic policy reforms, such reforms shall be consistent with the policies enumerated in sections 6103 through 6106.

"SEC. 6103. PRIORITY AREAS FOR ASSISTANCE.

"To implement the policies set forth in section 6102, priority in the allocation of funds for development assistance and economic support assistance for the Caribbean, and in the allocation of the local currencies accruing as a result of the use of those funds, shall be given to the following:

"(1) FOOD SELF-SUFFICIENCY.—Support to national ministries of agriculture, the appropriate specialized agencies of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States, the Caribbean Development Bank, and indigenous nongovernmental organizations for efforts to achieve greater food self-sufficiency through increased staple food production for domestic consumption, including support for—

"(A) the gathering of agricultural data;

"(B) the coordination of agricultural research;

"(C) the improvement of marketing, storage, and transportation systems;

"(D) the provision of credit to agricultural producers; and

"(E) improved coordination of regional planning for food self-sufficiency.

"(2) RURAL DEVELOPMENT.—Support, principally through regional institutions, for rural development efforts designed to increase rural employment opportunities, enhance the quality of rural life, and retard rural-to-urban migration, including programs that provide access to land and necessary assistance to small producers and cooperatives.

"(3) COMMUNITY-BASED AGRO-INDUSTRIES.—Support for locally owned cooperative and other small- and medium-scale industries engaged in the processing of indigenous resources, including support for the establishment of a marketing network to facilitate intraregional trade in food through programs that incorporate or serve small producers.

"(4) FINANCIAL RESOURCES FOR SMALL- AND MEDIUM-SIZED FARM AND MANUFACTURING ENTERPRISES.—Provision of financial resources to small- and medium-sized farm and manufacturing enterprises through—

"(A) the creation and capitalization of appropriate financial mechanisms; and

"(B) measures to encourage Caribbean commercial banks and credit unions to provide risk capital to such enterprises.

"(5) EXPANSION OF TOURISM.—Support for the expansion of tourism in the Caribbean through its fuller integration into the local economy, by providing assistance—

"(A) to appropriate governmental and nongovernmental regional organizations for the design and coordination of programs for—

"(i) the expansion of the use of local goods and services;

"(ii) the development and implementation of a marketing strategy for tourism in the Caribbean; and

"(iii) the promotion of investments in tourism integrated with the local economy; and

"(B) for training and utilizing local expertise in hotel and restaurant management and other necessary skills.

"(6) REGIONAL INTEGRATION.—Support for regional integration and institutions, including seeking the cooperation of other donor countries in promoting regional development in the Caribbean and including support for—

"(A) efforts to regionalize and coordinate activities and prevent the proliferation and duplication of regional bureaucracies;

"(B) the efforts of governmental and nongovernmental regional institutions to strengthen the infrastructure necessary to promote regional commercial activity and economic and social development;

"(C) regional research institutes; and

"(D) inter-island transportation and communication links, roads, and port facilities.

"(7) UPGRADING TECHNICAL AND MANAGERIAL SKILLS.—Support for efforts of the countries of the Caribbean to upgrade the technical and managerial skills of their people, through—

"(A) the increased utilization of local personnel, knowledge, technologies, and expertise in all development-related activities;

"(B) support, including scholarships, for training in appropriate technical fields, including administration, finance, marketing, science, technology, environmental protection, and tourism; and

"(C) support for increasing the capacity of Caribbean institutions to provide training in such fields.

"(8) NATURAL RESOURCE BASE.—Promoting those small-scale, affordable, agricultural and industrial methods suited to local environmental, resource, and climatic conditions, and supporting such actions as the establishment of protected areas, the development of environmental curricula, and programs of public education and dialogue designed to sustain and enhance the renewable natural resource base of the Caribbean.

"(9) PRIVATE SECTOR DEVELOPMENT.—Support for the diversification and promotion of Caribbean exports, for investments in the Caribbean that are appropriate to the needs of the region, and for the strengthening of private sector institutions, that would further the policy set forth in section 6102(a)(5), and particularly that would strengthen the sector referred to in paragraph (3) of this section.

"(10) DEMOCRATIC DEVELOPMENT AND THE ADMINISTRATION OF JUSTICE.—Support to broaden and deepen democratic institutions and values in the Caribbean and to assist countries in areas such as the administration of justice where requested by the recipient governments.

"(11) ACCESS TO HUMAN SERVICES AND ASSISTANCE FOR HUMAN RESOURCES DEVELOPMENT.—Support for the provision of basic services to the citizens of the Caribbean using, as appropriate, governmental and non-governmental entities, with emphasis on sustainability of service delivery in areas such as basic education, primary health care, child survival, family planning, and prevention and control of acquired immune deficiency syndrome (AIDS).

"SEC. 6104. PROTECTION OF WORKER RIGHTS.

"(a) DENIAL OF ASSISTANCE.—

"(1) IN GENERAL.—Assistance under this Act—

"(A) may not be provided to the government of any country in the Caribbean if that government does not extend, protect, and enforce internationally recognized worker rights for workers in that country (including workers within any designated zone); and

"(B) may not otherwise be provided for a country in the Caribbean if the provision of that assistance would be inconsistent with promoting respect for internationally recognized worker rights.

"(2) ASSISTANCE IF CERTAIN STEPS TAKEN.—Assistance may be provided to a government notwithstanding paragraph (1)(A) if that government is taking steps to adopt and implement laws that demonstrate significant, tangible, and measurable overall advancement in providing internationally recognized worker rights throughout the country (including in any designated zone).

"(3) EXEMPTIONS.—Paragraph (1) does not apply with respect to development assistance or narcotics control assistance provided under this Act.

"(b) ANNUAL REPORTS.—Each human rights report required by section 4302(d) shall address how the provisions of this section were implemented during the preceding fiscal year.

"(c) DEFINITIONS.—As used in this section—

"(1) the term 'designated zone' has the same meaning it has for purposes of the Trade Act of 1974; and

"(2) the term 'internationally recognized worker rights' has the same meaning as is given that term by section 502(a)(4) of the Trade Act of 1974.

"SEC. 6105. PROTECTION OF PUBLIC HEALTH.

"The administering agency for title I shall not provide any assistance, directly or indirectly, for the use of any chemical or other substance in a country in the Caribbean if—

"(1) that use is not permitted under laws of that country relating to protection of public health, or

"(2) that use would not be permitted in the United States under laws of the United States relating to protection of public health.

"SEC. 6106. SUPPORT FOR WOMEN'S ROLE IN DEVELOPMENT.

"In providing assistance to the Caribbean, the administering agency for title I shall place emphasis on ensuring the active participation of Caribbean women in the development process, particularly through—

"(1) the promotion of greater access by women to productive resources and services, such as land, credit, and markets, thereby increasing the economic security of women and their dependents;

"(2) programs that respond to and support women's domestic needs and activities, including the strengthening of community-based education, health, and childcare programs and other critical social services identified by poor women; and

"(3) the involvement of Caribbean women in research on the factors that contribute to their economically vulnerable situation, in programs that address these factors, and in the design and implementation of development projects.

"SEC. 6107. CONSULTATION, MONITORING, EVALUATION, AND REPORTING.

"(a) CONSULTATION.—In all stages of the design and implementation of assistance policies, programs, and projects in the Caribbean, the administering agency for title I shall take into account the perspectives of the rural and urban poor through close and regular consultation with Caribbean organizations that work with the poor and that have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development in the Caribbean, as described in section 6102(a). The agency shall reflect the results of such consultations in its annual planning documents.

"(b) MONITORING.—The administering agency for title I shall monitor socioeconomic conditions in the Caribbean and the effect of United States economic assistance programs and policies on those conditions. The agency shall involve Caribbean governments, and Caribbean nongovernmental organizations that work at the grassroots level, in such monitoring.

"(c) EVALUATION.—Not later than 3 years after the date of enactment of this chapter, the Office of Technology Assessment—

"(1) shall conduct an evaluation of the performance of the administering agency for title I in carrying out this chapter; and

"(2) shall report the result of that evaluation to the Congress.

"(d) ANNUAL REPORTS TO CONGRESS.—Each report required by section 1921(d) shall include an analysis of—

"(1) the effectiveness of the programs conducted under this chapter in furthering the polices set forth in section 6102 and in carrying out each of the priorities of section 6103, including the amounts expended on each such program;

"(2) the nature and results of consultations under subsection (a), and the impact of such consultations on the programs undertaken to carry out this chapter; and

"(3) the results of the monitoring under subsection (b).

"SEC. 6108. FUNDING.

"(a) ECONOMIC SUPPORT ASSISTANCE.—Of the amounts made available for each of the fiscal years 1990 and 1991 for economic support assistance, not less than $60,000,000 shall be available only for assistance for the Caribbean in accordance with this chapter.

"(b) DEVELOPMENT ASSISTANCE.—

"(1) CARIBBEAN GENERALLY.—Of the amounts made available for each of the fiscal years 1990 and 1991 for development assistance, not less than $93,605,000 shall be available only for assistance for the Caribbean in accordance with this chapter.

"(2) EASTERN CARIBBEAN.—Of the amounts specified in paragraph (1), not less than $33,250,000 each fiscal year shall be available only for the Eastern Caribbean and Belize.

"SEC. 6109. DEFINITION.

"As used in this chapter, the term 'Caribbean' includes Anguilla, Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guayana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Cayman Islands, Montserrat, Netherlands Antilles, Saint Christopher-Nevis, Turks and Caicos Islands, and the British Virgin Islands.".

SEC. 722. ASSISTANCE FOR HAITI.

(a) FRAMEWORK FOR ASSISTANCE.—The Congress declares that the following policies should govern United States assistance for Haiti:

(1) Unless a credible transition to democracy is underway in Haiti, United States assistance should be withheld from Haiti (except for the assistance described in subsection (c)).

(2) While a credible transition to democracy is in progress in Haiti, United States assistance should be provided only on a step-by-step basis, in response to specific actions by the Government of Haiti to implement the transition and to foster a free and democratic society in which the Haitian people can prosper. These specific actions should include steps to—

(A) implement the transition to democracy as described in subsection (b)(1);

(B) disarm and restrain the remnants of Duvalier's private army, the Tonton Macoutes;

(C) reform the Haitian armed forces, especially with regard to the system of rural section chiefs;

(D) improve the observance of internationally recognized human rights, and institute a judicial process whereby human rights violations will be vigorously prosecuted and violators brought to justice;

(E) reform the bureaucracy to reduce corruption; and

(F) promote economic development that will benefit the Haitian people and provide the security and freedom of association necessary for grassroots development.

(3) Regularized and sustained assistance to the Government of Haiti should not be resumed, as part of a normalization of relations, until—

(A) a civilian government, elected in free, fair, and open elections in accordance with the 1987 Constitution and under international observation, is in power in Haiti; and

(B) the armed forces have demonstrated a willingness to submit to legally constituted civilian authority and to abide by the Constitution.

(b) RESTRICTION ON ASSISTANCE.—

(1) TRANSITION TO DEMOCRACY.—In furtherance of the policy expressed in subsection (a), the United States may not furnish any assistance of any kind for Haiti for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961 or any other provision of law (other than the assistance described in subsection (c)) unless the Government of Haiti has embarked upon a credible transition to democracy—

(A) by restoring the 1987 Constitution;

(B) by appointing a genuinely independent electoral commission to conduct free, fair, and open elections as soon as possible at all levels, and by giving that commission adequate support; and

(C) by taking adequate steps to provide electoral security.

(2) CONGRESSIONAL REVIEW.—At least 15 days before each obligation of funds for assistance for Haiti (other than assistance described in subsection (c)), the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(c) ASSISTANCE EXEMPTED FROM RESTRICTIONS.—Subsections (a)(1) and (b) do not apply with respect to—

(1) assistance, provided through private voluntary organizations or other nongovernmental organizations, to meet humanitarian and developmental needs or to promote respect for human rights and the transition to democracy;

(2) assistance provided by or through the Inter-American Foundation, the Overseas Private Investment Corporation, or the Peace Corps;

(3) assistance provided to enable the continuation of migrant and narcotics interdiction operations;

(4) assistance necessary for the financing of education for Haitians in the United States; and

(5) assistance to a genuinely independent electoral commission that is responsible for the holding of elections consistent with the 1987 Constitution.

(d) ECONOMIC SUPPORT ASSISTANCE.—

(1) CONDITIONAL EARMARKING.—Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $20,000,000 for fiscal year 1990 and not less than $40,000,000 for fiscal year 1991, shall be available only for Haiti if—

(A) the conditions of subsection (b)(1) are met;

(B) a civilian government is in power in Haiti, and that government was elected in free, fair, and open elections that were consistent with the 1987 Constitution and that were held under international supervision; and

(C) the armed forces have demonstrated a willingness to submit to legally constituted civilian authority and to abide by the Constitution.

(2) RELATION TO FUNDS FOR CARIBBEAN REGIONAL DEVELOPMENT.—The funds provided for in this subsection are in addition to the funds provided for Caribbean regional development pursuant to section 6108(a) of the Foreign Assistance Act of 1961.

CHAPTER 3—SOUTH AMERICA

SEC. 741. MILITARY EDUCATION AND TRAINING FOR CHILE.

(a) OBJECTIVES.—The Congress supports the democratic transition underway in Chile, and intends to assist the new democratically elected government, following its inauguration in March of 1990, with assistance to—

(1) strengthen democratic institutions; and

(2) establish a new relationship with the Chilean armed forces appropriate to a democratic system of government.

(b) INTERNATIONAL MILITARY EDUCATION AND TRAINING.—

(1) AMOUNT AVAILABLE.—Of the funds made available for international military education and training under the Foreign Assistance Act of 1961, up to $50,000 may be made available for Chile for each of fiscal years 1990 and 1991, subject to paragraph (2).

(2) CONDITIONS.—Funds may not be obligated under paragraph (1) until—

(A) a civilian, democratically elected president is in power in Chile and has requested such funds;

(B) internationally recognized human rights are being respected and the civilian government is exercising independent and effective authority; and

(C) the Government of Chile is making good faith efforts in attempting to resolve the murders of Orlando Letelier and Ronni Moffitt.

(3) RESTRICTION NOT APPLICABLE.—Assistance may be provided under paragraph (1) without regard to the requirements of section 726(b) of the International Security and Development Cooperation Act of 1981.

(4) CONGRESSIONAL REVIEW.—Funds may be obligated under paragraph (1) only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance of the obligation of those funds in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(c) SAFETY OF FLIGHT ITEM FOR CHILE.—Section 726(c) of the International Security and Development Cooperation Act of 1981 is amended—

(1) by inserting "(1)" after "export, of"

(2) by inserting before the period at the end ", or (2) components, parts, tools, technical manuals, technical changes to technical orders (TCTOs), TCTO retrofits, or related repair services for C-130 E/H aircraft owned by the Chilean Air Force to enhance the safety of the aircraft and its crew and passengers".

SEC. 742. MILITARY ASSISTANCE FOR PARAGUAY.

(a) CONDITIONS.—Funds made available for fiscal years 1990 and 1991 for foreign military financing under the Foreign Assistance Act of 1961 may not be used for assistance for Paraguay until—

(1) a democratic government is in power in Paraguay as a result of a free and fair election;

(2) the practice of torture and abuse of individuals held in detention by the military and security forces of Paraguay has ended;

(3) procedures have been instituted by the Government of Paraguay to ensure that those arrested are promptly charged and brought to trial;

(4) the political rights necessary for democracy, including freedom of speech and freedom of the press, have been restored in Paraguay; and

(5) steps toward internal reconciliation and a pluralistic democratic system have been taken by the Government of Paraguay.

(b) CONGRESSIONAL REVIEW.—Funds may be obligated under subsection (a) only if the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified at least 15 days in advance of the obligation of those funds in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

SEC. 743. ASSISTANCE FOR PERU.

(a) AUTHORITY TO FURNISH CERTAIN ASSISTANCE NOTWITHSTANDING CERTAIN RESTRICTIONS.—

(1) IN GENERAL.—For fiscal years 1990 and 1991, the assistance described in paragraph (2) may be furnished for Peru notwithstanding the provisions of law specified in paragraph (3).

(2) ASSISTANCE MUST BE PART OF NARCOTICS CONTROL EFFORT.—The assistance authorized by paragraph (1) is development assistance and economic support assistance under the Foreign Assistance Act of 1961 that is furnished as part of an effort to combat illicit narcotics production, trafficking, and use in Peru, such as assistance for crop or income substitution programs and narcotics awareness programs.

(3) RESTRICTIONS MADE INAPPLICABLE.—The provisions that are made inapplicable by paragraph (1) are section 4209 of the Foreign Assistance Act of 1961 and any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriations Act that restricts or prohibits the furnishing of assistance to a country that is in arrears or default in payment to the United States of principal or interest on a loan made to that country under any program for which funds are appropriated by that Act.

(b) HUMAN RIGHTS AND DEMOCRATIC INITIATIVES PROGRAM.—Assistance provided for Peru under section 1221 of the Foreign Assistance Act of 1961 for each of the fiscal years 1990 and 1991 shall include not less than $100,000 to fund the re-opening and expansion of the Office of the Special Prosecutor to Investigate Disappearances, under the jurisdiction of the Attorney General.

CHAPTER 4—OTHER PROVISIONS RELATING TO THE REGION

SEC. 761. INTER-AMERICAN FOUNDATION.

The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $17,000,000 for fiscal year 1990 and $20,000,000 for fiscal year 1991 to carry out this section.".

SEC. 762. SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.

All assistance under the Foreign Assistance Act of 1961 that is allocated for fiscal years 1990 and 1991 for any country in Latin America or the Caribbean that has an elected president shall be suspended if that elected president is deposed by military coup or decree.

SEC. 763. HUMAN RIGHTS UNDER CIVILIAN REGIMES.

(a) CONGRESSIONAL CONCERNS.—The Congress is concerned about continuing patterns of gross violations of internationally recognized human rights by the authorities in countries of Latin America and the Caribbean that have well-established civilian regimes or that have recently undergone transitions to civilian rule, including Brazil, Colombia, El Salvador, Guatemala, and Peru. The Congress finds that the institutions and processes associated with civilian, democratic government that are normally expected to protect citizens from abuses by their government, and to provide redress in the case of such abuses, do not function adequately in such countries, leading to abuses such as political killings, disappearances, torture and abuse of prisoners, extrajudicial executions of criminal suspects, and persecution of human rights monitors.

(b) SPECIAL ANALYSIS OF HUMAN RIGHTS SITUATION.—At the time of submission of the Country Reports on Human Rights Practices for 1989 pursuant to section 4302 of the Foreign Assistance Act of 1961, the Assistant Secretary of State for Human Rights and Humanitarian Affairs shall submit to the Congress the following:

(1) SPECIAL ANALYSIS.—A special analysis of the human rights situation under civilian regimes in those countries of Latin America and the Caribbean where significant human rights abuses occur, including the countries specified in subsection (a). This analysis shall include a description of the nature of such abuses, the reasons for their occurrence, and the reasons for the failure of the appropriate authorities to prevent or punish such abuses.

(2) RECOMMENDATIONS.—Such recommendations as the Assistant Secretary considers appropriate for steps to make United States policy more effective in combatting such abuses.

SEC. 764. ASSISTANCE FOR LAW ENFORCEMENT.

(a) GENERAL AUTHORITY.—Assistance under this section shall be provided for countries in Latin America and the Caribbean with democratically elected governments—

(1) to promote respect for the rule of law and internationally recognized human rights by all elements of society;

(2) to improve the professionalism and effectiveness of law enforcement agencies in the Western Hemisphere based upon the traditional role of civilian law enforcement agencies within a democratic system;

(3) to improve the capacity of law enforcement officials and the courts to render independent, fair, timely, and accessible justice and to punish all who abuse human life and dignity;

(4) to enhance the interaction among courts, prosecutors, and police in the investigation of crime.

(b) TYPES OF ASSISTANCE AUTHORIZED.—Funds made available to carry out section 1221 of the Foreign Assistance Act of 1961 shall be available for countries in Latin America and the Caribbean that have a democratically elected government to support programs and activities, without regard to section 4202 of that Act—

(1) to enhance professional capabilities to carry out investigative and forensic functions conducted under judicial and prosecutorial control;

(2) to assist in the development of academic instruction and curricula for training law enforcement personnel;

(3) to improve the administrative and management capabilities of law enforcement agencies, especially their capabilities relating to career development, personnel evaluation, and internal discipline procedures; and

(4) to enhance protection of participants in judicial cases.

(c) ASSISTANCE SUBJECT TO NOTIFICATION REQUIREMENT.—Assistance under this section may be provided for El Salvador, Guatemala, and Honduras only if at least 15 days before each obligation of funds the President notifies the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(d) PROHIBITION ON LETHAL EQUIPMENT.—Funds made available to carry out this section may not be used to provide any lethal equipment.

(e) LIMITATION ON USE OF MILITARY PERSONNEL.—Personnel of the Department of Defense and members of the Armed Forces may not participate in the provision of training under this section.

(f) LIMITATION ON ASSISTANCE FOR LAW ENFORCEMENT.—Not more than 25 percent of the funds made available each fiscal year to carry out section 1221 with respect to Latin America and the Caribbean may be made available for programs and activities described in subsection (b) of this section.

EN BLOC AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FASCELL: Page 435, line 14, after "conflict" insert "in accordance with the Constitution of El Salvador"; and page 436, line 15, after "Salvador" insert "in accordance with the Constitution of El Salvador".

Page 437, after line 14, insert the following:

(B) In making the determination required by subparagraph (A), the President should take into consideration that—

(i) the current democratically elected government in El Salvador is at war with elements which advocate and actively pursue the violent overthrow of the existing government,

(ii) these elements, primarily the communist Farabundo Marti National Liberation Front (FMLN), refuse to participate in the democratic process in accordance with the Constitution of El Salvador, and

(iii) these elements have been responsible for countless terrorist attacks killing innocent civilians and democratically elected government officials.

Page 437, line 15, strike out "(B)" and insert in lieu thereof "(C)".

Page 454, after line 24, insert the following:

(d) COMPLIANCE WITH 1979 OAS RESOLUTION.—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall submit to the Congress a report on compliance by the Government of Nicaragua with the resolution adopted on June 23, 1979, by the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which calls for, among other things, "respect for human rights of all Nicaraguans without exception" and "the holding of free elections as soon as possible".

Page 454, after line 24, insert the following:

(e) SOVIET BLOC MILITARY ASSISTANCE FOR NICARAGUA.—

(1) FINDINGS.—The Congress finds that—

(A) the Soviet Union and its allies have provided a cumulative total of over $2,745,000,000 in direct military assistance, and between $350,000,000 and $500,000,000 in assistance for military infrastructure development, to the Republic of Nicaragua since 1979;

(B) military assistance to the Republic of Nicaragua from the Soviet Union and its allies exceeds $590,000,000 since the signing of the Esquipulas II Accords on August 7, 1987, which are designed to foster regional peace and national reconciliation in Nicaragua;

(C) all authority for the United States Government to provide or deliver military assistance to the Nicaraguan Resistance expired on February 29, 1988;

(D) the February 14, 1989, Joint Declaration of the five Central American Presidents envisions a total demobilization of the Nicaraguan Resistance, a force which has failed to present any credible threat to the Nicaraguan Government for over one year;

(E) Soviet bloc military assistance to the Republic of Nicaragua includes at least 152 light and medium tanks, 237 additional armored vehicles, 961 heavy guns/howitzers/surface-to-surface rocket launchers, at least 36 122mm multiple rocket launchers, 549 SA-7/SA-14/SA-16 surface-to-air missile launchers (SAMs), 772 air defense guns, 12 Mi-25 Hind D helicopter gunships, and 45 Mi-8 and Mi-17 medium-lift helicopters and 20 fixed wing aircraft including AN-22 and AN-26 transports, as well as sophisticated radars and communications equipment servicing an active-duty military force in excess of 80,000 troops;

(F) the Soviet Union, Cuba, and East European nations currently have between 1,100 and 1,600 military and security advisors in Nicaragua, as well as an unknown number of support personnel for the internal security apparatus in Nicaragua;

(G) the Republic of Nicaragua now has the largest and most sophisticated armed force in Central American history, with an active duty military force more than double that of the next largest active duty military force, which is that of El Salvador;

(H) the military forces of the Republic of Nicaragua are the armed element of a partisan political party known as the Sandinista National Liberation Front or the FSLN;

(I) the military equipment provided by the Soviet Union and its allies enables the Republic of Nicaragua to maintain an overwhelming military advantage over all of its neighbors; and

(J) military assistance provided to the Republic of Nicaragua by the Soviet Union and its allies is inconsistent with the goals of the Esquipulas II Accords and the February 14, 1989, Joint Declaration by the Central American Presidents.

(2) STATEMENTS OF POLICY.—In the interest of regional peace and stability, the Congress—

(A) calls on the Soviet Union, other Warsaw Pact nations, and other Soviet allies, including Cuba, Vietnam, Libya, and Algeria, to withhold further military assistance to the Republic of Nicaragua;

(B) calls on the Republic of Nicaragua to reverse significantly the growth of its armed forces, in both manpower and material;

(C) calls on the Republic of Nicaragua to work toward a stabilization of the regional military balance and to prevent the introduction of advanced weapon systems that would qualitatively upgrade current capabilities;

(D) calls on the Soviet Union, Cuba, and East European nations to immediately remove from Nicaragua their military and security advisors, as well as their support personnel for the Nicaraguan internal security apparatus; and

(E) calls on the Republic of Nicaragua to separate the armed forces from the Sandinista political party, the Sandinista National Liberation Front.

Page 454, after line 24, add the following:

(f) HUMANITARIAN ASSISTANCE TO NICARAGUA.—Section 2(b)(3) of the Act entitled "An Act to Implement the Bipartisan Accord on Central America of March 24, 1989" (Public Law 101-14) is amended by inserting before the semicolon at the end thereof "and related monitoring, investigations, and prosecutorial activities."

Page 477, after line 25, insert the following:

SEC. 714. ASSISTANCE FOR ECUADOR.

The Congress urges the Secretary of State to use every means at his disposal to persuade the Government of Ecuador to remove from the mural in Ecuador's Plenary Wall of Congress any reference to the United States Government or any of its agencies or personnel. If the Government of Ecuador fails to accede to the Secretary's diplomatic approach, the Secretary should consider invoking appropriate measures against that government, including the withholding of funds allocated for Ecuador for fiscal year 1990 for development assistance, economic support assistance, foreign military financing, and international military education and training.

Page 482, after line 8, insert the following:

SEC. 765. ECONOMIC REFORM AND DEBT REDUCTION.

It is the sense of the Congress that—

(1) the Government of Mexico should be commended for its recent economic reforms; and

(2) those commercial banks that are creditors of Mexico and other developing countries that adopt responsible economic austerity programs should negotiate debt reduction packages to reflect the discounting of their loans on the world's financial markets, provided those countries continue those austerity programs.

Page 482, after line 8, insert the following:

SEC. 766. SUPPORT FOR A MULTILATERAL ANTINARCOTICS STRIKE FORCE.

(a) FINDINGS.—The Congress finds that—

(1) the Congress has, in the past, indicated its support for a multilateral, regional approach to antinarcotics control efforts;

(2) a proposal to create a multilateral, international antinarcotics force for the Western Hemisphere, is a plan worthy of praise and strong United States support;

(3) the development of a greater capability to assist the governments of Latin America and the Caribbean, including the Caribbean Basin nations, is an essential component of efforts to interdict the flow of narcotics to the United States; and

(4) regional leadership in the promotion of a multilateral, paramilitary force to combat the drug cartels is welcomed and encouraged.

(b) SENSE OF CONGRESS.—It is therefore the sense of the Congress that—

(1) the proposal for the promotion of a regional multilateral antinarcotics force for the Western Hemisphere should be endorsed; and

(2) the United States should work through the United Nations, the Organization of American States, and other multilateral organizations to determine the feasibility of such a force and assist in the establishment of this force, if it is found to be feasible.

Page 455, after line 11, insert the following new section:

SEC. 700. UNITED STATES POLICY REGARDING REFORMS WHICH SHOULD BE TAKEN BY THE GOVERNMENT OF NICARAGUA IN ORDER TO BRING ABOUT LASTING PEACE, PLURALISM, AND DEMOCRACY IN NICARAGUA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The bipartisan accord between Congress and the President of March 24, 1989, states that "to be successful, the Central American peace process cannot be based on promises alone. It must be based on credible standards of compliance, strict timetables for enforcement, and effective on-going means to verify both the democratic and security requirements of those agreements".

(2) In signing the Central American peace accord on August 7, 1987, entitled "Procedure for the Establishment of a Strong and Lasting Peace in Central America", the Government of Nicaragua pledged "to promote an authentic democratic, pluralist and participatory process that includes the promotion of social justice and respect for human rights".

(3) Under that accord, the Government of Nicaragua is specifically required to establish "complete freedom of press, television and radio" "for all ideological groups" "without prior censorship", to grant political groupings "broad access to communications media" and permit full exercise of the rights of association, free speech, and movement, to decree an amnesty guaranteeing "freedom in all its forms", and to terminate state of emergency laws while reestablishing "the full exercise of all constitutional guarantees".

(4) In signing the Joint Declaration of Presidents in San Jose, Costa Rica, on January 16, 1988, the Government of Nicaragua acknowledged that "the commitments of Esquipulas II have not been entirely fulfilled", "above all, democratization".

(5) The 5 Central American Presidents who signed that Joint Declaration pledged to fulfill these commitments, which they "view as irrevocable and inalterable", "unhesitatingly and unequivocally, aware that their peoples and the international community will judge their compliance with obligations undertaken in good faith".

(6) In signing the cease-fire agreement in Sapoa, Nicaragua, on March 21, 1988, known as the Sapoa Accord, the Government of Nicaragua established a verification commission which included Cardinal Miguel Obando y Bravo, and again promised to "guarantee freedom of speech without limitations as provided for in the Esquipulas II Agreement".

(7) The Government of Nicaragua further "guaranteed that all of the peope who have left the country for political reasons or other reasons may return to Nicaragua, regardless of their economic or social status, and join the political, economic, and social processes without any conditions beyond those stipulated in the Republic's laws" and without being "tried, penalized, or persecuted for any political or military activities in which they may have engaged".

(8) In signing the Joint Declaration at El Tesoro, El Salvador, on February 14, 1989, known as the Tesoro Beach Accord, the Government of Nicaragua acknowledged "that the commitments assumed under the Esquipulas II and Alajuela Declaration constitute a harmonious and indivisible whole".

(9) The Government of Nicaragua has pledged to hold elections for President, Vice President, and representatives to the National Assembly, municipalities, and the Central American Parliament no later than February 25, 1990.

(10) The Government of Nicaragua has pledged to "form a Supreme Electoral Council with a balanced participation of representatives from the opposition political parties".

(11) The Government of Nicaragua has pledged that during the 6 months prior to the date set for elections a "period of political activity will begin" no later than August 25, 1989.

(12) The Government of Nicaragua has pledged that immediately preceding that 6-month period, there will be "an initial 4-month period for the preparation, organization, and mobilization of the parties", which will begin no later than April 25, 1989.

(13) The Government of Nicaragua has pledged that reforms will be made prior to April 25, 1989, in "electoral legislation and in laws regulating the expression of ideas, information, and the structure of public opinion in such a way as to guarantee political organization and action in the broadest sense for political parties".

(14) The Government of Nicaragua has pledged to "guarantee the free functioning of the communications media by reviewing and modifying the law on the media" and to "guarantee equal access in terms of broadcasting schedules and air time on the state television and radio stations for all parties".

(15) The Government of Nicaragua has pledged to authorize "all communications media to supply themselves from within the country or abroad, at their convenience, with all materials, instruments and equipment necessary to fully perform their functions".

(b) ACTIONS WHICH SHOULD BE TAKEN BY NICARAGUA TO COMPLY WITH THE COMMITMENTS IT HAS MADE IN THE ESQUIPULAS II, ALAJUELA, SAPOA, AND TESORO BEACH ACCORDS.—It is the policy of the United States that the Government of Nicaragua should undertake the reforms described in subsection (c) in order to—

(1) bring about lasting peace, pluralism, and democracy in Nicaragua, and

(2) guarantee that the February 1990 elections in Nicaragua are completely free and fair.

(c) REFORMS.—The reforms referred to in subsection (b) to be undertaken by the Government of Nicaragua are as follows:

(1) IN GENERAL.—

(A) Separate the police, military, and security forces from any identification or link with any political party.

(B) Ensure freedoms of expression, association, assembly, movement, religion, and education.

(C) Restore the rights of security of person and home and the right of freedom from unjustified arrest.

(D) Stop coercive pressure to join the Sandinista Party or Sandinista Party directed or controlled groups.

(E) Stop officially incited, organized, or condoned harassment of persons or groups opposed to the ruling party or policies of the Government.

(F) Stop discriminatory and punitive application of military conscription.

(G) Allow all citizens, including refugees and exiles, to return to Nicaragua with full restitution of all civil and political rights.

(H) Reinstate due process protections, ensure fair trials, and release individuals imprisoned without charge, trial, or due process, including campesinos and East Coast residents.

(I) Guarantee the independence and neutrality of the judiciary, the police, and armed forces.

(J) Abolish the power of police forces to administratively sentence individuals to prison terms and decide appeals.

(K) End all forms of torture and conditions of confinement which constitute torture, end the practice of holding prisoners incomunicado, and permit unrestricted access to all detention facilities by international human rights groups.

(2) POLITICAL PROCESS REFORMS.—

(A) Allow political parties and the democratic opposition to meet and march publicly, publicize meetings, and meet with and utilize the media, without reprisals or harassment incited, organized, or condoned by the ruling party.

(B) Abolish the law known as the Law for the Maintenance of Public Order and Security.

(C) End the jailing of opposition party activists and the drafting of opposition party activists and their children in reprisal for nonviolent political activity.

(D) Abolish the role of the Committees for the Defense of Sandinismo's and other party organizations in dispensing rationing cards and government services.

(E) Repeal the suspension provisions of the Nicaraguan constitution.

(3) ELECTORAL REFORMS.—

(A) Institute the electoral procedures proposed by the broad-based 15 party opposition coalition.

(B) Permit independent polling by domestic and international entities and unrestricted publication of results.

(C) Establish a definitive interval of time between an election and the succession of winning candidates.

(D) Repeal current electoral laws that require legal recognition of political parties by the Government.

(4) PRESS AND MEDIA RIGHTS.—

(A) Allow an uncensored, free press, without prior restraint.

(B) End legal and administrative restrictions on the purchase of needed materials and equipment for the production and distribution of radio, television, and print news, and allow private newsprint sales.

(C) Grant licenses for the full spectrum of private television and radio broadcasting.

(5) LABOR RIGHTS.—

(A) Ensure the right to bargain collectively, to strike, and to publish by independent unions.

(B) Immediately release those imprisoned because of nonviolent union activities.

(6) RELIGIOUS FREEDOMS.—

(A) Allow the Catholic Church to reopen its human rights and publication offices.

(B) Allow Cardinal Miguel Obando y Bravo to resume his televised Sunday mass.

(C) Allow the return of all expelled Catholic priests.

(D) Allow religion courses to be taught in private schools.

(E) Allow Protestant evangelicals to preach and conduct meetings.

(7) CAMPESINO RIGHTS.—

(A) End preventive detention and the policy of forcible resettlement of campesinos and allow campesinos who have been displaced to return.

(B) End pressure to join Sandinista farming cooperatives.

(8) INDIAN AND CREOLE RIGHTS.—

(A) Permit Indian and Creole residents to freely travel, assemble, speak, publish, broadcast, and maintain cultural beliefs and practices.

(B) End preventive detention and the policy of forcible resettlement of East Coast residents, and allow Indians and Creoles who have been displaced to return to their home communities.

(C) Guarantee the rights of Indians and Creoles to engage in traditional farming, fishing, hunting, and necessary subsistence activities.

(9) VERIFICATION OF PEACE AND DEMOCRACY ACCORDS.—Permit independent, international, and non-governmental human rights observers, both international and domestic, including the Sapoa Verifying Commission, the Nicaraguan Independent Permanent Commission for Human Rights, the International Committee of the Red Cross, and representatives of the Organization of American States and the General Secretary of the United Nations, to meet and travel freely to all areas of the country and to visit all detainees, prisoners, prisons, and tribunals without harassment.

(d) ACHIEVEMENT OF DEMOCRATIC PRINCIPLES AND PROCESSES IN CENTRAL AMERICA.—The United States urges all countries in Central America to continue to work toward achieving the democratic principles and processes specified in the Central American peace accord of August 7, 1987, entitled "Procedure for the Establishment of a Strong and Lasting Peace in Central America".

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. FASCELL] is recognized for 10 minutes.

Mr. FASCELL. Mr. Chairman, I will just simply state that under the rule we have offered these en bloc amendments where the majority and the minority have reached agreement.

I will tell my colleagues that this covers eight amendments on which we have reached an agreement and I urge support for the en bloc amendments.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield to me?

Mr. FASCELL. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, we have examined the en bloc amendments also and we support them and urge the House to approve them.

I might say that I was especially appreciative that we were able to work out the Inhofe amendment on Ecuador.

Mr. FASCELL. Mr. Chairman, I thank the gentleman.

I really appreciate the tremendous effort that has been made by both staff and Members to allow us to expeditiously consider this bill, and this is one way we are able to do it.

I urge the adoption of the amendments.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, these en bloc amendments contain a provision expressing strong support for a multilateral antinarcotics strike force and encouraging the administration to study the feasibility of such a force, and if possible, to implement it through the United Nations.

On June 9, Prime Minister Michael Manley of Jamaica announced his support for an international antinarcotics strike force to combat the drug problem plaguing his country, our country, and indeed, the hemisphere.

This is the first time a leader in the Western Hemisphere has publicly announced his support for such a force, and I hope other Latin American leaders will soon follow his lead.

We in the Congress and those in the executive branch have already endorsed the idea of an international antidrug force, but the support of other governments in this hemisphere is absolutely vital for any successful enactment of the plan.

As Prime Minister Manley said:

> The more we look at this, the more we are convinced you are dealing with a level of international criminal organization that is probably without precedent. Those who manipulate production, transportation, distribution, and marketing operate in a global framework * * *. They can target whatever country they want.

With countries such as Colombia held in the grip of international drug cartels, multilateral action may well be the only way to control these international narcotics networks. The statement of Mr. Manley only underscores the urgent need to explore the multinational idea.

Drugs are an international problem. We need an international solution.

Mr. FASCELL. Mr. Chairman, I agree with the gentleman from Pennsylvania. I think it is a very important initiative that we must undertake. There is no way that any one country unilaterally can begin to solve this problem.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words and I ask to be recognized for the purpose of a colloquy with the gentleman from Virginia [Mr. PARRIS], and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FASCELL. Mr. Chairman, I object, because there is a way of doing this without going in violation of the rules. It is a very simple process, so please, let us try to do it.

The CHAIRMAN. The Chair will state that the regular order is that the gentleman from California [Mr. LAGOMARSINO] has 10 minutes of his own time on the pending amendments.

The gentleman from New York [Mr. GILMAN] could have the gentleman from California yield to him.

Mr. LAGOMARSINO. Mr. Chairman, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I ask unanimous consent to proceed out of order.

The CHAIRMAN. The gentleman does not have to have unanimous consent to proceed. He has been yielded to, if the gentleman from California will remain on his feet.

Mr. GILMAN. Mr. Chairman, I yield to the gentleman from Virginia [Mr. PARRIS].

The CHAIRMAN. Would the gentleman from California, the ranking minority member, listen and will the manager of the bill listen.

The situation is that the gentleman from Florida [Mr. FASCELL] has offered en bloc amendments. He has been recognized for 10 minutes.

The gentleman from California [Mr. LAGOMARSINO] will be recognized for 10 minutes. If the gentleman from California wishes to yield time, he may do so. No speaking out of order is required.

The gentleman from New York [Mr. GILMAN] is recognized.

□ 1730

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I am happy to yield to the gentleman from Virginia.

Mr. PARRIS. Would the gentleman from New York [Mr. GILMAN] be so kind as to clarify the committee's intent in including section 3202, entitled "Coordination of All United States Anti-Narcotics Assistance to Foreign Countries." Specifically, I would hope that this provision would not undermine or dilute the authority granted by Congress to the Director of the Office of Drug Control Policy to coordinate and establish policy on domestic and international illicit narcotics trafficking. This clarification is of particularly critical importance now, as Secretary Bennett is drawing up his national strategy to fight the war on drugs, which is due to be released in September.

Mr. GILMAN. If the gentleman will yield, the gentleman from Virginia raises an important point on the coordination of our Nation's international efforts to combat illicit narcotics production and trafficking. Section 3202 would authorize the Secretary of State to be responsible for coordinating all assistance provided by the U.S. Government to support international efforts to combat illicit narcotics production or trafficking. Nonetheless, the Director of National Drug Control Policy, pursuant to the Anti-Drug Abuse Act of 1988, is responsible for establishing policies, objectives, and priorities for the National Drug Control Program and for promulgating a national drug control strategy, including efforts at international drug control.

In short, the National Drug Control Policy Director, Secretary William Bennett, is responsible for formulating, coordinating, and implementing our Nation's drug strategy, and as I interpret section 3202, the Secretary of State would be responsible for coordinating the operational, day-to-day details of our international narcotics assistance program.

Mr. LAGOMARSINO. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, June 23, 1989, this past Friday, was the 10-year anniversary of the resolution by the Organization of American States calling for:

First, "immediate and definitive replacement of the Somoza regime."

Second, "installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza regime and which reflects the will of the people of Nicaragua."

Third, "guarantee of the respect for human rights of all Nicaraguans without exception."

Fourth, "the holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom and justice."

On July 12, 1979, 5 days before the collapse of the Somoza regime, the Sandinistas-dominated junta sent a letter to the Secretary General of the OAS. Attached to the letter were two other documents: A "plan to achieve peace" and a formal "program of the Nicaraguan national reconstruction junta." These documents constituted a formal pledge to establish democracy in Nicaragua.

The letter states that the "plan to achieve peace" was developed "on the basis of the—June 23, OAS—resolution" which "backs the installation of a broad-based, democratic government of the kind we ourselves are establishing." The letter also talks about "our firm intention to establish respect for human rights * * *." "Our decision to enforce civil justice * * *." "The plan to call Nicaraguans to the first free elections that our country will have in this century * * *." The letter ends by asking the governments of the Western Hemisphere "to bring democracy and justice to Nicaragua."

The "program of the Nicaraguan national reconstruction junta" promised "freedom of organization by unions, trades, and other popular movements," "independent foreign policy," "mixed economy," and many other fundamental liberties.

These promises, later violated one after another, helped the Sandinistas achieve power. On the basis of these promises the Carter administration and the OAS approved final transfer of power to the Sandinistas. The U.S. State Department, at the time, noted "a caretaker government is in place to begin the process of national reconciliation * * *. It has pledged to avoid reprisals, to provide sanctuary for those in fear * * *, and to respect human rights and hold elections."

The Sandinistas have achieved and kept power over the past 10 years by skillfully exploiting the enormous capacity for self-deception inherent in Western democracies. My amendment simply calls upon the Secretary of State to submit a report to Congress on the Government of Nicaragua's compliance with the now infamous 1979 OAS resolution. I believe this report will demonstrate another example of a Communist power failing to live up to promises made to the West. Yalta, the Korean armistice, the Paris peace accords, the Helsinki Accords, the list of Communist lies and deception is endless.

We continually stress in this body how important it is for our children to study and learn from history. I think we would have a greater impact on our children if we practiced what we preached. It has been 10 long years since the Communists promised freedom and democracy in Nicaragua. Is it really that hard to see what Communist intentions are? Mr. Chairman, how much longer do the people of Nicaragua have to rot under a godless tyrannical regime before this body will wake up and see the Sandinistas for what they really are?

Mr. Chairman, that is the first amendment that has been proposed that has been accepted. I have additional information being included in the RECORD.

Amendment to H.R. 2655, as reported offered by Mr. BURTON of Indiana: Page 437, after line 14, insert the following:

(B) In making the determination required by subparagraph (A), the President should take into consideration that—

(i) the current, democratically elected government, in El Salvador is at war with elements which advocate and actively pursue the violent overthrow of the existing government,

(ii) these elements, primarily the communist Farabundo Marti National Liberation Front (FMLM), refuse to participate in the democratic process in accordance with the Constitution of El Salvador, and

(iii) these elements have been responsible for countless terrorist attacks killing innocent civilians and democratically elected government officials.

Page 437, line 15, strike out "(B)" and insert in lieu thereof "(C)".

NICARAGUA AND THE U.S. CONGRESS: NINE YEARS OF PROMISES, PEACE PLANS, AND SELF-DELUSION

PROMISE

That the lives of National Guard officers and soldiers would be respected, that they would not be subject to revenge or indiscriminate reprisals. Those guilty of crimes will be dealt with within the legal framework. [From the July 12 GRN promises to the OAS]

PERFORMANCE

"After the 1979 revolutionary victory hundreds of prisoners, mostly members of the National Guard or supporters of the former regime, disappeared after capture and were later found dead. Of the dead, many were found in mass graves, as in the case of the prisoners in La Polvora * * * the former headquarters of the National Guard in the town of Granada * * * [O]n October 3, 1979, José Esteban Gonzalez of the CPDH (the independent Permanent Commission on Human Rights), traveled with several witnesses to the site and discovered human bones and remnants of clothing in a covered-over ditch.

"Similar reports led to the discovery of another site in La Arrocera, near Lake Nicaragua, where several more bodies were found. At the bottom of the crater of the Santiago volcano, near Managua, ten to fifteen bodies were sighted. Thirteen more were discovered in a mass grave in Catarine, a small town near Masaya. Approximately two hundred were found in a deep well near Leon.

"How many people were killed in this manner? Estimates based on names of prisoners who were captured and then declared missing or dead vary. The CPDH has documented the disappearance and most likely death of 785 persons who were captured by Sandinista authorities from July 1979 through September 1980 * * *" [Humberto Belli, "Breaking Faith," The Puebla Institute, 1985, p. 120]

PROMISE

After the replacement of the Somoza regime, remnants of the National Guard and of the Sandinista armed forces would be formed into a new, non-political national army. This army would maintain a "minimum" permanent establishment. [From the July 12 GRN promises to the OAS]

PERFORMANCE

The new national army was never formed. The Sandinista army continued to function as a Party armed force and in September 1979 was officially named the Popular Sandinista Army (EPS). In the so-called "72 Hour Document" of September 1979, a long term program of the top FSLN leadership, the determination was made to create "an army politicized to an unprecedented degree." [From the document text quote in Shirley Christian, "Nicaragua, Revolution in the Family," p. 151] Already in October 1979, Interior Minister Comandante Tomas Borge stated the Sandinistas' intention to arm a militia of 300,000 men (other descriptions of Sandinista intentions refer to 200,000). This compares to a July 1979 force of no more than 7,500; Somoza's National Guard had fewer than 15,000, including support troops. During this period there were no Contras, and the United States, under the Carter Administration, was the Sandinistas' biggest aid donor. By the end of 1987, regular Sandinista army forces numbered 80,000, plus some 40,000 militia. According to the revelations of Major Roger Miranda (confirmed by Defense Minister Comandante Humberto Ortega), the Sandinistas planned a total military and para-military force of 600,000 by the mid-1990s.

PROMISE

"An independent, non-aligned foreign policy will be followed which will link our country with all nations that respect self-determination and fair mutually-beneficial economic relations." [From the July 12 GRN promises to the OAS]

PERFORMANCE

The first Cuban military and security advisers entered Managua within a week of July 19, the day Sandinista forces entered the capital, possibly as early as the first day; by November there were two hundred of them. Assistance from Panama, which had provided major help to the Sandinistas in overthrowing Somoza, were rejected.

On July 21, the day after the GRN was installed, representatives from two Salvadoran communist guerrilla factions were in Managua to discuss military cooperation and assistance; these two factions joined with three others in May 1980, under Cuban and Sandinista auspices, in what became the Farabundo Marti National Liberation Front (FMLN).

On July 25, prominent junta members traveled to Havana to help Castro celebrate the anniversary of the beginning of his revolutionary movement. On July 27, Nicaragua and Cuba reestablished diplomatic relations, and within weeks relations were established with other Soviet bloc countries.

In early August, Comandante Henry Ruiz travelled to the U.S.S.R., Bulgaria, Libya, and Algeria to conclude and agreements.

By the end of August, hundreds of Nicaraguan children were being sent to Cuba for political indoctrination.

In September 1979, at a speech in Havana, Commandante Daniel Ortega gave a speech condemning U.S. "imperialism" and joining the Soviet Union in support for Vietnam, the Vietnamese puppet regime in Cambodia, other Marxist countries and political movements, and the Palestine Liberation Organization (PLO).

In early 1980, Nicaragua abstained from a United Nations General Assembly vote condemning the Soviet invasion of Afghanistan, even though the vast majority of officially "non-aligned" nations voted for the resolution.

In March 1980, the Sandinistas established Party-to-Party ties with the Communist Party of the Soviet Union. In mid-1981, Defense Minister Comandante Humberto Ortega declared "Marxism-Leninism" the "scientific doctrine" that guides the Sandinista revolution; as of 1984, eight of the nine Sandinista comandantes had directly acknowledged their Marxist-Leninist convictions (the ninth, Henry Ruiz, was sent, on a Cuban passport, to Moscow's Patrice Lumumba University as a youth cadre of the Moscow-line Nicaraguan Socialist Party in 1966 but was obliged to leave due to his excessive views in favor of guerrilla warfare in Latin America).

In late 1981, Sandinista-controlled media were told to take a line against the "counter-revolutionary" Solidarity movement in Poland and only to report "facts" confirmed by the Soviet and Cuban press agencies.

When Leonid Brezhnez died in 1982, Sandinista media praised him and the Soviet Union for their "peace" policies.

The Sandinistas abstained from a U.N. vote in 1982 demanding Soviet withdrawal from Afghanistan and abstained from a 1983 vote condemning the shooting down of Korean Airlines 007 by the Soviets. By 1986, the Sandinistas' voting record in the United Nations was more anti-American than the voting records of Iran, the U.S.S.R., and all of the East European countries with the sole exception of Albania. Judged by U.N. voting record, the Warsaw Pact is more pro-American than Nicaragua is.

PROMISE

The legislative Council of State established by the GRN would have 33 members representing the broad spectrum of Nicaraguan society, such as political parties (including the Sandinistas), labor unions, business groups, the national university, and the national clergymens' association. [From the July 9 Program of the GRN]

PERFORMANCE

In mid-April 1980, the Sandinistas issued a decree enlarging the Council of State from 33 to 47 members, with a structure guaranteeing the FSLN and FSLN-controlled organizations a majority. The two non-communist members of the GRN, Violeta Chamorro and Alfonso Robelo, resigned in protest.

PROMISE

Guarantees of free expression, religion, association, unions, press, private enterprise, etc. [from July 12 GRN promises to the OAS]

PERFORMANCE

Within a week of taking power, the Sandinistas nationalized banking and foreign trade; this meant that producers of major export commodities like coffee, sugar, cotton, etc. would have to sell to the government, giving the Sandinistas great control over hard currency and reinvestment in Nicaragua. Insurance and mining were nationalized in October and November 1979.

Businesses labeled "Somocista" were widely confiscated in the first weeks after July 19 with loose regard to whether the former owners had been close to Somoza or not; this included about one-fourth of cultivated land, about 130 industries and businesses, houses, estates, and vehicles.

A new Sandinista-controlled labor federation was created, which also seized many businesses; the Sandinista labor federation also attacked the non-Marxist unions as "counterrevolutionaries, thieves, and imperialists" and attacked their organizers. Strikes were banned throughout the country on September 9, 1981.

In late July 1979 the Sandinistas confiscated one of the country's two daily newspapers (the other being La Prensa; a pro-Sandinista third newspaper began operation later) plus all television stations and most radio stations.

In December 1979 a private entrepreneur with a strong anti-Somoza record was re-

fused permission to open a new, independent television station by Daniel Ortega, who stated that television in Nicaragua would belong to the people, not to "millionaires of the bourgeoisie."

In April 1980, a radio newsman was sentenced to six months imprisonment for broadcasts "detrimental to the revolution," though no law making this a crime yet existed.

After anti-Cuban and anti-Sandinista demonstrations in the Atlantic Coast region in September 1980, La Prensa was ordered to not print any news from that region without government approval.

On September 10, 1980, the Sandinistas issued Decrees 511 and 512 making it a crime to publish any information that (in the opinion of Comandante Tomas Borge's Interior Ministry) "jeopardizes the internal security of the country," including information on shortages in staple products or information which might bring about price speculation. Temporary closings of La Prensa begain on July 8, 1981; full prior censorship was instituted in March 1982.

On July 31, 1979, the Nicaraguan Catholic bishops issued a pastoral letter welcoming the overthrow of Somoza and praising the new "spirit of freedom." Another pastoral letter on November 17 commented favorably on socialism if it were to be "an economic system planned with national interests in mind that is in solidarity with and provides for increased participation of the people." [Belli, "*Breaking Faith*," pp. 149-150] Despite the positive attitude of religious leaders, however, in mid-1980 the Sandinistas, under the leadership of Interior Minister Tomas Borge, began to attack the bishops as "the church of the rich." "The campaign escalated from initially mild criticism ('the bishops are too conservative, too fearful of opening themselves up to collaboration with Marxism') to a full-fledged attack ('the bishops are the voice of the bourgeoisie, have fallen into the hands of Reagan's policies, are vain, authoritarian, and counterrevolutionaries: enemies of the people')." [Belli, "*Christians Under Fire*," p. 40]

Meanwhile, the Sandinistas promoted the Liberation Theology-oriented "Peoples Church," giving it a virtual monopoly of religious programming on the increasingly Sandinista-controlled media.

Overt repression began in July 1981, when the Sandinistas banned broadcast of the mass of the Archbishop of Managua. Restrictions were placed on broadcasting by the Church's "Radio Catolica" and on *La Prensa*'s coverage of Church activities. Physical attacks on churchmen began in November 1981 with an attack on Bishop Pablo Vega by a Sandinista mob.

Concurrent with the suppression of independent social activity, the Sandinistas began to build their party-controlled social apparatus. In July and August 1979, the Sandinistas created the Sandinista Defense Committees (CDS's), modelled on Cuba's "Block Committees," as a means of social surveillance and control.

The CDS's work closely with the Interior Ministry's security police, which began to function in late 1979 with unofficial detention centers.

The FSLN also founded new women's, peasants, and youth organizations, and even an organization for small children called the "Carlitos" (after FSLN founder Carlos Fonseca) patterned after the Soviet Union's "Young Pioneers"; other FSLN politicized associations were founded for artists and writers, teachers, newsmen, etc.

Finally, in February 1981, the first Sandinista-controlled mobs (*turbas divinas*, "divine mobs"), used by the Interior Ministry to attack Sandinista opponents, made their appearance.

PROMISES

The July 12 GRN promises to the OAS included a pledge to hold democratic elections. The OAS resolution on June 23, 1979 specifies that these be held "as soon as possible."

PERFORMANCE

For over a year the Sandinistas stalled democratic elements in the GRN with the excuse that elections were not a "priority" compared to the literacy campaign, housing, health care, etc. Finally, in August 1980 Defense Minister *Comandante* Humberto Ortega announced that elections would be held in 1985, with the electoral process not to begin before January 1984. In addition, Ortega pointed out that in the FSLN's view "elections shall be to strengthen revolutionary power, not to raffle it off, for power is in the hands of the people through its vanguard, the Sandinista National Liberation Front and its national directorate [i.e., the nine *comandantes*]."

"Elections" were finally held in November 1984 (earlier than the announced 1985 date), with most democratic parties boycotting rigged procedures and campaign restrictions. Of the seven parties participating in the elections, four, including the FSLN, were Marxist-Leninist; of the other three, one tried to withdraw but was not permitted to get its name off the ballot; the other two represented pro-Sandinista splinters of parties boycotting the elections. Fidel Castro was the only head of state to attend Daniel Ortega's inauguration in early 1985.

That the Sandinistas failed to live up to their initial round of promises should come as little surprise, with some Congressmen even in August 1979, warning of the Sandinistas' communist orientation. But most in Congress seemed willing to close their eyes and hope for the best, while approving the first installment of aid ($75 million requested in November 1979, in addition to the $24.6 million already in the pipeline). And throughout this early period while the Sandinistas were busily abandoning their July 1979 promise, they were also making new ones, promising the same rights and freedoms.

MORE PROMISES

On August 21, 1979, the Sandinistas formally enacted (Decree 52) their Statute on the Rights and Guarantees of Nicaraguans, a "Bill of Rights," covering the standard internationally-accepted individual, civil, political, economic, cultural, social, and other rights.

On September 25, 1979, the Sandinistas ratified the American Convention on Human Rights.

SELF-DELUSION IN CONGRESS

At least one House member found the Sandinistas' adoption of the American Convention on Human Rights especially convincing:

A House Member, September 1979: "(I)n a ceremony September 25 at the headquarters of the Organization of American States here in Washington, the new Government of Nicaragua formally deposited its ratification of the American Convention of Human Rights, also known as the Pact of San Jose. By this act the new Government of Nicaragua undertook a solemn international commitment to respect all fundamental human rights common to the democratic nations of our hemisphere: freedom of the individual, of the press, of religion, and of all others. Equally important, Nicaragua's ratification of the American Human Rights Convention appears in keeping with other actions of the new Government. For a regime that came to power after prolonged and violent revolution, its treatment of former opponents has been unusually humane. There has been no policy of generalized revenge or retribution against the officials of the former regime, such as we have seen in other countries. The Nicaraguan Government has also issued a decree guaranteeing individual rights and has allowed an independent press and radio. As the Miami Herald stated in a recent editorial: 'So far, the new provisional government seems to be stepping carefully toward a more open society than many observers thought possible in that war-torn nation.' The direction Nicaragua's new Government will take over the long run in its domestic and foreign policy is not yet clear. But I believe the commitment to respect human rights that Nicaragua has shown deserves our recognition and support." [Congressional Record, page H-26881, September 28, 1979]

AMERICAN AID SENT TO MANAGUA

American aid ON: By the end of 1979, a total of $48 million in U.S. aid had been provided to the Sandinistas, who rejected offers of U.S. teachers, military trainers, and a large-scale Peace Corps contingent. Before the final aid suspension in April 1981, the U.S. had obligated $129 million in aid to the Sandinistas, of which $94.3 million was delivered. The United States also supported $1.6 billion in loans from other governments and international lending institutions.

MORE PROMISES

On March 12, 1980, the Sandinistas ratified the United Nations International Convenant on Civil and Political Rights, along with it Optional Protocol.

MORE SELF-DELUSION IN CONGRESS

Congressmen wanted to believe the Sandinistas' promises:

A House Member, June 1980: "First, we find that the direction of the new Government in Nicaragua is still to be determined. Most of the leaders are young and groping for direction and while there are Marxist elements present, there also are strong democratic elements which emphatically have not given up their effort to create a free society in Nicaragua. Our second conclusion was that we clearly have done the right thing in approving financial loans to Nicaragua. Every element of Nicaraguan society—including spokesmen for the church, the press, businessmen, and the political parties which oppose the Sandinistas—told us that the $75 million loan from the United States is the single most important contribution which anyone can make toward the establishment of political liberty in Nicaragua and toward improving relations between Nicaragua and the United States. Finally, we would like to report the conclusion that most people in Nicaragua do not want to be dependent upon Cuba. They do want to live in a free society, and we are convinced that—in spite of unfortunate incidents in this history of the bilateral relations between our two countries—there still exists an underlying friendship for the United States." [Congressional Record, page H-14609, June 13, 1980]

Mr. Chairman, this amendment should cause no problems for anyone

who is interested in an honest and fair foreign assistance bill. If you read the foreign aid bill as it stands, and did not understand the situation in El Salvador, you would think Joseph Stalin was alive and running El Salvador as if it were the Soviet Union in the 1930's.

My friends, in case you missed it, United States policy has promoted the consolidation of the democratic political process in El Salvador. With United States encouragement, El Salvador has held six free and fair elections since 1982, all of which were closely scrutinized by hundreds of observers from around the world, including the press. These elections were uniformly judged to have been free and honest. El Salvador reached another milestone in its democratic evolution on June 1 when, for the first time in recent history, power transferred peacefully from one democratically elected President to another. Unfortunately, the foreign assistance bill's El Salvador section fails to mention any of these most encouraging developments.

The foreign aid bill also fails to mention that this young fledgling democracy is at war with a small minority of folks in El Salvador who refuse to join in the democratic process in accordance with the Constitution of El Salvador. Instead, this relatively small group of Marxists, the FMLN, currently is following a policy which seeks to attain the violent overthrow of the democratically elected Government.

The FMLN has embarked on a campaign of threatening and killing democratically elected government officials, not to mention innocent civilians. Mayors, justices of the peace, governors of departments and municipal councils are threatened with death by the guerrillas for allegedly being part of the Government's counterinsurgency plan. For example: From March 1988 to March 1989, the FMLN threatened with death 214 of the 262 mayors in El Salvador. The Communists actually produced a form letter for death threats on FMLN letterhead. It had a blank to fill in with the name of the government official to be threatened. More than 90 mayors resigned rather than submit to revolutionary justice; leftwing death squads killed 10 mayors for failing to resign. All my amendment tries to do is lay some groundwork for the President when he makes his determination on assistance to El Salvador. Please listen carefully to each point in my amendment before making your decision:

First, the current, democratically elected Government in El Salvador is at war with elements which advocate and actively pursue the violent overthrow of the existing Government;

Second, these elements, primarily the Communist FMLN, refuse to participate in the democratic process in accordance with the Constitution of El Salvador, and

Third, these elements have been responsible for countless terrorist attacks killing innocent civilians and democratically elected government officials. Believe it or not, none of this is mentioned in the foreign aid bill. If the American people read this bill as it currently is written, they will understand all the problems that many Members of Congress currently have with the Government of El Salvador. I just hope those same Members do not object to having the whole story told.

Amendment to H.R. 2655, as reported offered by Mr. BURTON of Indiana: Page 454, after line 24, insert the following:

(d) COMPLIANCE WITH 1979 OAS RESOLUTION.—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall submit to the Congress a report on compliance by the Government of Nicaragua with the resolution adopted on June 23, 1979, by the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which calls for, among other things, "respect for human rights of all Nicaraguans without exception" and "the holding of free elections as soon as possible".

Amendment to H.R. 2655, as reported offered by Mr. BURTON of Indiana: Page 435, line 14, after "conflict" insert "in accordance with the Constitution of El Salvador"; and page 436, line 15, after "Salvador" insert "in accordance with the Constitution of El Salvador".

Mr. Chairman, do you remember the oath we all took at the start of the 101st Congress? "I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic. * * *" I can't imagine that any of my colleagues would expect the democratically elected members of the Salvadoran Legislative Assembly to do any less.

All my amendment does is add to the language of the foreign aid bill, which currently reads: The President is to determine that the Government and Armed Forces of El Salvador are willing and actively seeking to achieve an equitable political settlement of the conflict in El Salvador, my amendment just adds "in accordance with the Constitution of El Salvador." That's all my amendment says.

Since the Constitution was ratified in 1983, by a popularly elected assembly, it has helped to facilitate six free and fair elections. I don't think anyone in this body would encourage the Government of El Salvador to negotiate a political settlement which would subvert or suspend the Constitution which the people of El Salvador have worked so hard to achieve. Imagine, a third country telling the United States that it must negotiate with its enemies and be willing to toss out our Constitution of 200 years in the process.

Many people in El Salvador have given their lives to defend the rights and freedoms contained in their Constitution.

Again, my amendment just points out that the United States encourages an equitable political settlement of the conflict in accordance with the Constitution of El Salvador. This body would never accept any thing less for the United States, so I hope my colleagues will be consistent and vote for my amendment in support of the Constitution of El Salvador.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the en bloc amendments to title VII of the foreign assistance bill.

Specifically, I urge support for my amendment, which expresses the sense of Congress that the proposal for a regional multilateral antinarcotics force be endorsed and that the United States should work through the U.N., the Organization of American States, and other multilateral organizations to determine the feasibility of such a force, and if feasible, to help establish the strike force.

The concept of a multilateral antidrug military force is not new. Support for such an effort was included in the Anti-Drug Abuse Act of 1988, which was signed into law by President Reagan last November.

However, the recent endorsement by the Prime Minister of Jamaica, Michael Manley, of an international antinarcotics force that could interdict drugs, and mount paramilitary-style attacks against traffickers, has energized the effort to bring together a hemispheric force. Prime Minister Manley is to be commended for his efforts and hopefully, under his leadership and that of other leaders from the Americas, such a multilateral strike force will be created to effectively combat the international drug syndicates.

Mr. Chairman, if we want to win this war against the drug traffickers we must escalate our efforts. A multilateral drug force would provide the kind of capabilities that are desperately needed in the struggle against the illicit production and trafficking of dangerous drugs. The traffickers are highly organized, have virtually limitless resources, and have consistently demonstrated an ability to bribe, threaten, or kill anyone who stands in their way of conducting their deadly drug activities.

Accordingly, I urge my colleagues to support this amendment.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

□ 1740

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL].

The en bloc amendments were agreed to.

EN BLOC AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments en bloc.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FASCELL: Page 502, after line 9, insert the following:

SEC. 839. ASSISTANCE FOR LEBANON.

Of the amounts made available for development assistance or economic support assistance under the Foreign Assistance Act of 1961, not less than $7,500,000 for fiscal year 1990 and not less than $7,500,000 for fiscal year 1991 shall be available only for Lebanon.

Page 508, after line 21, insert the following:

SEC. 845. RETURN OF REFUGEES TO NEW FAMAGUSTA (VAROSHA).

(a) FINDINGS.—The Congress makes the following findings:

(1) The 1974 invasion of Cyprus resulted in the displacement of over 150,000 Greek Cypriots from the north of the island, 35,000 of whom were refugees from the city of New Famagusta (Varosha). That city is now empty and is falling into disrepair with the resultant loss of billions of dollars in property and city services.

(2) In 1984, New Famagusta was placed under United Nations administration by Security Council Resolution 550, which forbids any attempt to settle any part of the city by people other than its former inhabitants. That resolution has yet to be implemented.

(3) Past proposals by both Cypriot communities regarding the return of the refugees to the city of New Famagusta represent a positive step which should be pursued by appropriate officials in the context of current United Nations-sponsored talks.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the United States should, as a matter of priority, undertake a new initiative in the United Nations designed to promote the resettlement of New Famagusta by its former inhabitants;

(2) the United States should encourage the Secretary General of the United Nations to work with the international community to bring about the effective implementation of United Nations Security Council Resolution 550; and

(3) the United States should express its deep concern to the Secretary General about the presence in New Famagusta of people other than its former inhabitants.

Page 509, strike out line 11 and all that follows through line 5 on page 510; page 510, line 6, strike out "(d)" and insert in lieu thereof "(b)"; beginning in line 11, strike out "Not late than February 1 each year," and insert in lieu thereof "At the end of each fiscl year in which the United States Government makes any contribution to the International Fund (but not later than December 31),"; and page 511, strike out lines 11 through 25 and insert in lieu thereof the following:

"(b) INDEPENDENT REVIEW OF THE FUND.—The reports submitted pursuant to subsection (a) shall discuss the results of any independent reviews that have been conducted of the programs and projects supported by the International Fund, with particular regard to the achievement of the objectives specified in paragraphs (1) through (5) of subsection (a).".

Page 511, after line 25, add the following:

SEC. 862. HUMAN RIGHTS IN YUGOSLAVIA.

(a) FINDINGS.—The Congress finds that—

(1) the United States continues to support the independence, unity, and territorial integrity of Yugoslavia;

(2) the Department of State's 1988 Country Report on Human Rights Practices cites many human rights practices in Yugoslavia that violate internationally accepted human rights standards, including infringment upon and abrogation of the rights of assembly and fair trial, freedom of speech, and freedom of the press.

(3) the Country Report also indicates that these human rights violations are targeted at certain ethnic groups and regions, most particularly against the ethnic Albanians in the Socialist Autonomous Province of Kosovo;

(4) the human rights of all ethnic groups in Kosovo must be preserved;

(5) those human rights violations, in addition to recent actions taken to limit the social and political autonomy of Kosovo, have precipitated a crisis in that region;

(6) the response of the Government of Yugoslavia to that crisis was a police crackdown that led to the deaths of many civilians and police officers, the wounding of hundreds more, and the imprisonment of additional hundreds;

(7) these human rights abuses violate the high ideals of mutual equality, dignity, and brotherhood among all of the nations and nationalities in Yugoslavia, which have been the guiding principles of Yugoslavia since 1945; and

(8) the European Parliament of the European Community has condemned these actions by the Government of Yugoslavia.

(b) STATEMENT BY THE CONGRESS.—The Congress—

(1) expresses concern regarding human rights violations by the Government of Yugoslavia and its repressive handling of the crisis in the Socialist Autonomous Province of Kosovo;

(2) urges the Government of Yugoslavia to take all necessary steps to assure that further violence and bloodshed do not occur in Kosovo;

(3) urges the Government of Yugoslavia to observe fully its obligations under the Universal Declaration of Human Rights and the Helsinki Final Act to assure full protection of the rights of the Albanian ethnic minority and all other national groups in Yugoslavia;

(4) requests the President and the Department of State to continue to monitor closely human rights conditions in Yugoslavia; and

(5) calls upon the President to express these concerns of the Congess through appropriate channels to representatives of Yugoslavia.

Page 511, after line 25, add the following:

SEC. 863. USE OF FORCE IN SOVIET GEORGIA.

(a) FINDINGS.—The Congress finds that—

(1) the roots of Georgian national identity date back 2000 years;

(2) the people of the Georgian Soviet Socialist Republic continue to demand self-determination, as evidenced by the creation of the National Democratic Party of Georgia;

(3) the expression of these demands over the past 2 years by the people of Georgia has caused the expulsion of popular leaders from the Soviet Union, such as Tengiz Gudava;

(4) the people of Georgia expressed their continuing desire for self-determination through demonstrations in Tbilisi, in which thousands participated on April 9, 1989;

(5) these peaceful demonstrations were met by Soviet troops, supported by tanks and armored personnel carriers, which swept into the crowds of demonstrators and, using clubs and spades, caused 20 fatalities and over 200 injuries; and

(6) officials of the Georgian Health Ministry are reported to have said that the Soviet troops also used a poisonous gas that causes nerve paralysis, delirium, and heart failure against the peaceful demonstrators in the Tbilisi demonstrations.

(b) STATEMENT OF THE CONGRESS.—The Congress—

(1) condemns the use of excessive and lethal force by Soviet troops in responding to the peaceful demonstrations of April 9, 1989, in Tbilisi, Georgian Soviet Socialist Republic;

(2) urges the Soviet Union—

(A) to investigate allegations of the use of toxic chemical agents against the demonstrators in Tbilisi; and

(B) if the allegations are found to be true, to take steps to prevent the recurrence of such use of toxic chemical agents;

(3) supports the demands of the people of Georgia for human rights, as guaranteed by the Universal Declaration of Human Rights and the Helsinki Final Act (to which the Soviet Union is a party); and

(4) urges the Soviet Union to heed the demands of the people of Georgia and to guarantee the Georgian people their right to human rights and fundamental freedoms.

Page 511, after line 25, add the following:

SEC. 864. IMPORTATION OF CERTAIN DEFENSE ARTICLES FROM POLAND AND HUNGARY.

(a) PERMISSIBLE IMPORTS.—The authorities of section 38 of the Defense Trade and Export Control Act may not be used to prohibit the importation into the United States, by a museum or educational institution described in subsection (b), of any defense article from Hungary or Poland if it—

(1) was manufactured at least 25 years before its importation into the United States;

(2) was imported into the United States before June 30, 1989;

(3) has been disabled so that no weapon or weapons system is functional; and

(4) is used only for display to the public, by the museum or educational institution, for educational purposes.

(b) QUALIFIED MUSEUMS AND EDUCATIONAL INSTITUTIONS.—Subsection (a) applies only to a museum or educational institution that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code.

(c) DEFINITION.—For purposes of this section, the term "defense article" means a defense article designated under section 38(a) of the Defense Trade and Export Control Act.

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 10 minutes, and the gentleman from New York [Mr. GILMAN] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, this en bloc amendment pursuant to the rule includes six amendments that have been worked out. One is the Oakar amendment on Lebanon; one is the Broomfield amendment and Lantos-Broomfield amendment on violations of human rights, one is the McEwen amendment condemning use of force and poison gas by Soviet troops; another is the Dornan proposal for removal of the prohibitions on importations from Poland and Hungary, and the other is on an independent review of programs and projects supported by the International Fund for Ireland.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I thank the gentleman for yielding and thank the distinguished subcommittee chairman, the gentleman from Indiana [Mr. HAMILTON], and the members of the minority and others for including this amendment related to humanitarian aid for people in Lebanon which provides for $7.5 million in fiscal year 1990 and $7.5 million in fiscal year 1991.

Mr. Chairman, I know of no other country that has been invaded or occupied and has a third of its population as refugees than Lebanon. It has been exploited with movements in arms and, Mr. Chairman, the people themselves, the people of Lebanon really want peace. They want harmony and they want to be a sovereign, independent, unified country. They want their leaders to put down their arms. They want all of the countries and movements to quit exploiting them, so it is important to have this amount for those needs.

Mr. Chairman, I could go on into the details related to the number of deaths and the number of wounds and so on, but I think more importantly, it is an important symbol that our country go on record as supporting these people and saying that our country supports the people of Lebanon themselves in their quest for independence, peace, and improvement in their human condition.

So I urge support for this en bloc amendment, and I want to urge our country to continue efforts to bring about stability to these deleaguered people and this beleaguered country.

Again I thank the distinguished chairman and members of the subcommittee on both sides for their kind work and also their staff and my staff.

I thank the chairman again for yielding and know that this is an important symbol for those poor people in that great country.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, I am pleased to rise to express my support for these en bloc amendments to title VIII of H.R. 2655, and I commend the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL]; the distinguished ranking Republican of the committee, the gentleman from Michigan [Mr. BROOMFIELD]; and the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana [Mr. HAMILTON] for their work in preparing these amendments.

Let me begin by voicing support for $7,500,000 in Economic Support Assistance for Lebanon. Syrian intransigence in that nation has resulted in the needless loss of life of thousands of individuals caught in the midst of the tumult and misery that has proceeded for far too long.

The next important issue in the en bloc calls for the implementation of the 1984 United Nations Security Council Resolution 550, which forbids any attempt to settle any part of the city of New Famagusta by people other than the city's original inhabitants.

The 1974 invasion of Cyprus resulted in the displacement of over 150,000 Greek Cypriots from the north of the island. Thirty-five thousand of these individuals were refugees from the city of New Famagusta (Varosha). That city is now empty and falling into disrepair with the resultant loss of billions of dollars in property and city services.

The United Nations resolution is a positive step which should be enacted immediately. I would like to commend the distinguished ranking minority Member [Mr. BROOMFIELD] for his leadership on this issue. I can only say that I share his sentiments.

The Other amendments are significant as well. I have long been an advocate of the oppressed ethnic Albanians in the Kosovo province of Yugoslavia, and I support the language regarding that issue in the these en bloc amendments.

I would like to conclude by sharing with the distinguished Speaker of the House my sentiments about the International Fund for Ireland.

First, let me say that I have followed this issue most closely in my dual capacity as ranking Republican on the Europe and Middle East Subcommittee and as co-chairman of the ad-hoc committee on Irish Affairs.

Our committee has been disturbed by allegations that the fund was not being implemented as it was originally intended—that is to provide funds to develop the poorest areas in Northern Ireland. For that reason, I offered an amendment to provide an independent audit provision for the fund. After a great deal of work, I was under the impression that we has reached compromise language that was acceptable to everyone. Obviously, I was mistaken.

I would just like to note that I will be pleased and willing to support any initiatives which will to help bring peace and tranquility to a land plagued for too long hate, mistrust, antipathy, and violence.

Mr. Chairman, I am pleased to support these amendments.

Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan, [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, I want to compliment my friend, the gentleman from New York, [Mr. GILMAN] and also the gentleman from Indiana [Mr. HAMILTON] for their work in putting the New Famagusta amendment in the en bloc amendments.

Mr. Chairman, the sense of Congress amendment included in the en bloc amendment we are considering is simple and to the point. It calls upon the administration to launch a new initiative at the United Nations to urge the resettlement of the abandoned city of New Famagusta—Varosha—in northern Cyprus.

Now is the time for the administration to put the refugee issue on the front burner. We must call for the implementation of the United Nation's Security Council resolution, which would allow the United Nations to control New Famagusta, to administer that city and to protect its inhabitants, before it is too late.

Time is a critical factor in resolving the New Famagusta question. Recent events prove my point. Although the leader of the Turkish community on Cyprus was never enthusiastic about resettling Greek Cypriots in that city, he recently showed great interest in the Turkish refugee issue. He proposed that some of the 65,000 Turkish refugees who were driven out of Bulgaria settle in New Famagusta for a period of time. This ill-timed proposal clearly highlights the importance of this amendment and the need to quickly resolve this issue.

One of the lingering tragedies of the invasion of Cyprus is the abandoned city of New Famagusta. Those military operations displaced over 150,000 Greek Cypriots who are now refugees in this own land—35,000 people were forced out of New Famagusta. They have not been allowed to return to their homes since that time.

New Famagusta was once a lovely seaside town. It is now empty and its hotels and homes are crumbling. A number of Turkish Cypriot students occupy a few of the hotels. Both Greek and Turkish Cypriots have expressed a desire to return to their birthplace.

The United Nations Security Council responded to threats that New Famagusta would be settled by outsiders by

passing resolution 550. That resolution forbids the settlement of the city by people other than its original inhabitants, and calls for the transfer of the area to the administration of the United Nations. The U.N.'s call for resettlement has, however, been ignored.

My amendment calls upon our Government to begin a new initiative at the United Nations to promote the resettlement of that city. The successful return of refugees to New Famagusta would be a small, but an important first step along the road to peace in Cyprus.

I urge you to support my amendment.

Mr. GILMAN. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I thank the gentleman from New York for yielding time to me.

I rise first of all in support of this en bloc amendment, but I wish to congratulate the chairman of the committee who has been very fair and very considerate of all of the members of the committee in allowing us a part of the action, and of course the ranking minority member.

Having visited the camps in Cypress as well as Southeast Asia from Thailand on the border of Laos, and having taken supplies down to Central America for the refugee camps there for the last 4 years on my own time and money with supplies collected, over $2.5 million from the people of the United States, I would like to say that this is one of the rare moments of pleasure I gain on this floor and in this body in being able to help those people who are far less fortunate than we, the citizens of America.

□ 1750

And it was with great pleasure that I support the en bloc concept that allows us to address refugees around the world. My only regret, Mr. Chairman and Members of the Congress, is that we do not yet do enough to resettle those refugees waiting to gain entrance to the United States from all around the world. We have a tremendous responsibility, I think, specifically for the Southeast Asiatics, the Amerasians, the young people born out of the war in Vietnam. We have not yet addressed that. I hope we can do so.

Mr. GILMAN. Mr. Chairman, I have no further requests for time.

Mr. BROOMFIELD. Mr. Chairman, as an original cosponsor of this amendment, I want to salute Congressman LANTOS for his leadership on the issue of human rights.

The plight of the ethnic Albanian community in Yugoslavia deserves the attention of all of us here today. Recent violence in the Province of Kosovo has left scores dead, hundreds injured and thousands in detention. I am fed up with the unwillingness of Yugoslav officials to stop the human rights violations in Kosovo. It is time for the American Congress to stand up and be heard on the issue of basic human freedoms in Yugoslavia. This amendment is a good vehicle for expressing our deep concerns about the tragedy of the Albanian community in that country.

This resolution urges the Yugoslav Government to stop the ethnic strife and violence in Kosovo and observe that nation's obligations under international human rights accords. It is time for the Government of Yugoslavia to find a solution to its current problems that respects the rights of all groups in that multiethnic nation. Although our Government officially documented recent clashes in Kosovo and protested the deaths of scores of innocent Albanians there, much more must be done by America. We must strongly protest the systematic violation of the rights of the ethnic Albanian community in that country.

America cannot and will not turn its back on violations of fundamental human freedoms anywhere in the world. I encourage my colleagues to support this timely amendment.

Mr. YATRON. Mr. Chairman, I rise in support of the Broomfield amendment concerning New Famagusta which is contained in the en bloc amendment. I want to commend the gentleman from Michigan for his unwavering commitment to promoting a settlement on Cyprus.

Mr. Chairman, as we consider this amendment, the President of the Republic of Cyprus, George Vassiliou and the leader of the Turkish Cypriot community, Mr. Denktash are meeting with U.N. Secretary General Perez de Cuellar in New York. These talks, sponsored by the United Nations, are designed to establish a framework in which both communities on Cyprus can negotiate a political settlement which will unite this divided nation.

The gentleman's amendment in no way prejudges the U.N.-sponsored talks. Moreover, the issue of transferring New Famagusta to U.N. control is consistent with the 1979 high-level agreement of principles on Cyprus as well as U.N. Security Council 550.

Mr. Chairman, Congress needs to continue to focus international attention on the Cyprus dispute. In light of the fact that protracted disputes around the globe are moving toward peaceful settlements, there is no reason why the United States should not promote a settlement on Cyprus which will result in the withdrawal of Turkish forces.

Mr. CHANDLER. Mr. Chairman, today I join the gentlelady from Maryland, Mrs. BYRON, in offering the democracy in Nicaragua amendment and thank the chairman for including it in the en bloc amendment.

With the signing of the Tesoro Beach accord by the Central American Presidents and passage of the bipartisan accord on Central America, we in Congress need to clearly state the reforms needed to ensure free and fair elections in Nicaragua next year.

Summary executions of suspected Contra supporters in the countryside, and summary rejection of opposition demands in the capitol are not what we had in mind when we negotiated the bipartisan agreement with the administration.

Since April 25, the first deadline under the Tesoro Beach accord, the Sandinistas have not complied with the promises they made.

Our amendment establishes several important standards for evaluating democratization in Nicaragua under the Guatemala peace accord. Among them are: separation of the party from the state security forces and army; the rights of opposition parties to meet and organize; full freedom of the press; and equal rights for Atlantic Coast and Indian peoples.

These principles and others, the amendment states, should be adopted by all countries in the region. But in the case of Nicaragua, they are essential for fully free and fair elections next February.

We need a clear, definitive scorecard for Sandinista compliance with the promises they have made. As the bipartisan accord makes clear: "to be successful, the Central American peace process cannot be based on promises alone. It must be based on credible standards of compliance [and] strict timetables for enforcement."

Unfortunately, Sandinista actions over the past few months have demonstrated a total contempt for the agreements they have signed.

President Ortega and the Sandinista legislature have passed an electoral law that is a cruel joke. It forces the opposition to compete on an uneven playing field and rigs the Supreme Electoral Council with a majority of Sandinista loyalists and lackeys.

The new media law is even worse. It codifies more restrictions on free speech than the law it was supposed to reform.

When Ortega was criticized by the opposition for not negotiating in good faith, his response was simple. "I want to state here that we are not willing to continue participating in senseless discussions with the opposition parties," he said. "The opposition parties must understand that this little game is over."

Well Mr. Ortega, this little game is not over. The Nicaraguan people and the Members of this body are not so easily intimidated, nor are we so easily fooled.

In December 1987, our amendment was attached to the foreign aid authorization bill for fiscal year 1988. Our overwhelming victory of 346–58 sent a clear message to the Sandinistas that the House of Representatives will not accept a facade of democracy to cover the infrastructure of dictatorship. Unfortunately, that bill was not enacted into law.

The amendment was introduced in the last Congress and had over 80 cosponsors, including 39 Democrats and 9 chairmen.

It is clear that a specific list of reforms the Government of Nicaragua must undertake is needed now more than ever.

Mr. FEIGHAN. Mr. Chairman, I rise in strong support of the Broomfield amendment and I commend the gentleman from Michigan for offering this important and timely amendment.

Fifteen years ago, 150,000 Greek-Cypriot inhabitants of the seaside town of Varosha were forced to flee following the Turkish invasion of the northern third of Cyprus. For years, the town remained uninhabited. It soon became a symbol of the unresolved conflict that continues on that island republic.

In 1984, the U.N. Security Council passed Resolution 550 calling for the city to be placed under U.N. auspices for the purpose of resettlement by its original Greek-Cypriot in-

habitants. The amendment before us expresses the sense of Congress that the United States should take steps at the United Nations to see that this resolution is implemented.

Not too long ago, we heard reports of dependents of Turkish troops living in several buildings in Varosha. At that time, I joined Mr. BROOMFIELD and Chairman FASCELL and a number of other colleagues in writing to then-Secretary George Shultz regarding this violation of Security Council Resolution 550.

The amendment before us amplifies that concern. It also becomes timely in view of remarks made by the Turkish-Cypriot leader, Rauf Denktas, regarding the settlement of Turkish refugees now fleeing repression in Bulgaria. Late last week, Mr. Denktas offered to resettle Turkish refugees on Cyprus. While one may understand Mr. Denktas' humanitarian concern for the Bulgarian Turks, his offer interjects a canard into the Cyprus equation on the eve of a key meeting between Denktas and President Vassiliou of Cyprus.

For his past, Prime Minister Olzal of Turkey, apparently realized the danger in Denktas' offer and indicated that mainland Turkey will absorb these new refugees and that there are no plans to use the north of Cyprus for this purpose.

Many Members of Congress have viewed the bicommunal talks that have occurred over the last year as the most promising avenue for achieving a lasting solution on Cyprus. The Broomfield amendment speaks to an important element of that process. But, I think it is the hope of the sponsor and the supporters of this amendment that progress on the Varosha issue could be the stepping stone to a broader agreement on a range of issues that have kept the island divided for 15 years.

I think the amendment sends that message and I commend the gentleman for offering it. I urge my colleagues to support it.

Mr. BONIOR. Mr. Chairman, I rise in strong support of the Oakar amendment. For the past 15 years, Lebanon has been battered by both foreign intervention and internal strife. Many people have been reduced to a survival existence. The violence gripping Lebanon has claimed over 390 lives since March of this year alone. In addition to the killings, over 1,200 people have been injured by indiscriminate shellfire and shooting. Most of these casualties and fatalities are innocent civilians. I believe that the United States must not turn its back on the people of Lebanon who so desperately need our help.

There is an enormous need for emergency and rehabilitative medical care in Lebanon. Medical supplies have reached dangerously low levels. In addition, the fighting has devastated all aspects of that country's economic infrastructure. It will take years to rebuild Lebanon to the prosperous nation it once was.

This amendment would earmark $7.5 million in humanitarian aid to Lebanon for both fiscal years 1990 and 1991. The aid would go to private voluntary organizations that can best deliver the assistance. These organizations include Catholic Relief Services, Save the Children, and the World Rehabilitation Fund. This money would also go to the American University Hospital in Beirut.

Until peace can be achieved, we must, at the very least, try to alleviate the suffering of the Lebanese people. Mr. Chairman, let us extend a helping hand to a fellow democratic nation in its hour of darkness. Let us show, in this House, the traditional compassion of the American people in the face of human suffering. And let us demonstrate our commitment to peace in that deeply troubled country. I urge my colleagues to vote for the Oakar amendment.

Mr. RAHALL. Mr. Chairman, I rise in strong support for the amendment offered by my good friend from Ohio, Congresswoman OAKAR, and commend her for bringing this important matter to the attention of the House. The amendment earmarks $7.5 million for economic support assistance for humanitarian aid to the people of Lebanon for both fiscal year 1990 and fiscal year 1991. This amendment will improve the bill, which currently only addresses the tragic situation in Lebanon with report language merely recommending $2 million for economic assistance in fiscal year 1990 and $4 million in fiscal year 1991.

Since mid-March of this year, the people of Lebanon have been subjected to a reign of suffering and destruction of horrifying proportions, even within the context of Lebanon's 15-year-old period of unrest and upheaval. The United States can no longer ignore this tragic situation. Too many civilians have died and too many continue to exist under unbelievable circumstances, living in bomb shelters with limited, inadequate supplies of food, water, fuel, and electricity. Medical supplies are seriously depleted and many hospitals in Beirut have sustained critical damage since the shelling began more than 3 months ago. Life for the Lebanese is extremely difficult and very dangerous.

We in this country pride ourselves on our fine record of humanitarian assistance, and our reputation for helping innocent civilians suffering under forces beyond their control. The United States must now continue its traditional humanitarian efforts by providng these funds for economic support assistance for humanitarian aid. This aid would be administered by AID through appropriate international organizations and private voluntary organizations.

Beyond the compelling humanitarian reasons to assist the Lebanese during this current period of crisis, we must keep in mind that Lebanon has historically been a good friend of the United States and it is in our best interest to do all we can to help the Lebanese people help themselves end these hostilities and resolve their political conflicts.

I urge the adoption of this reasonable but critical amendment.

Mr. HALL of Ohio. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey [Mr. SMITH]. I am pleased to join with him and with the gentleman from Virginia [Mr. WOLF] in bringing this bipartisan amendment to the floor.

Since 1985, these colleagues of mine and I have been following human rights conditions in Romania under the rule of the Ceausescu regime. We joined with colleagues in the other body to offer bipartisan, bicameral initiatives to call attention to the various forms of repression carried out by the Government of Romania against its people. One of these initiatives was legislation to suspend for 6 months the most-favored-nation [MFN] trade status for Romania. Both the House and Senate adopted by large margins our amendments to suspend MFN temporarily until human rights conditions improved. However, our efforts were superseded by the decision of the Ceausescu government itself not to seek a continuation of MFN trade benefits. When this action occurred last year, it was becoming increasingly evident that both the Congress and the administration were moving toward a united policy of rejection of MFN for Romania.

Despite the glasnost movement in the Soviet Union and the promising developments occurring in Eastern bloc nations like Hungary and Poland, the Romanian people continue to suffer under a brutal and insensitive government. Years ago, the Ceausescu regime sought to portray itself as the Eastern bloc government that was independent-thinking, progressive, and open to the West. Today, this image-building effort has failed, and Romania is regarded as the most oppressive and economically backward Communist nation in Eastern Europe.

For Romanians, the reality of daily life includes harassment by the secret police, curtailment of religious freedom, destruction of ethnic identities, bulldozing of rural villages and houses of worship, food shortages, lack of heat and light, difficulties in seeking to emigrate, and the ever-present Ceausescu cult of personality.

The bulldozing of ethnic Hungarian villages in Transylvania and the campaign to destroy the cultural identity of the Hungarian minority have forced thousands to flee to neighboring Hungary. It has been an amazing and unprecedented spectacle: Citizens from one Eastern bloc nation fleeing to another in search of more freedom. Yet this spectacle now has been compounded by Romanian efforts to seal the border with Hungary. According to Hungarian reports, a 7-foot fence has been erected along 90 percent of the border. While our President calls for the hated and discredited Berlin wall to be torn down, a new "Berlin wall" is being erected between two Communist nations.

Last year, the House of Representatives passed House Resolution 505, a resolution condemning the systematic violation of internationally recognized human rights by the Government of Romania. It is clear that conditions have worsened in Romania since the passage of this resolution last October, requiring further responses from the United States and allied nations.

The amendment before us expresses the sense of Congress that the United States should impose sanctions against all Romanian food and agricultural products. This food should remain for the Romanian people, who face food lines and shortages.

The amendment further calls upon the President to consult with allied countries to develop a coordinated policy to impose sanctions against Romania, particularly sanctions against food and agricultural products.

I believe this amendment provides an excellent opportunity for a renewed expression of concern by the Congress about deteriorating human rights and economic conditions in Ro-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

mania. Although the amendment by itself cannot create the sanctions, it serves to put the Congress firmly on record behind an escalated response to the ongoing abuses of the Ceausescu regime. Such a response is urgently needed from the United States and from all nations that cherish freedom.

I urge my colleagues to vote in favor of this amendment.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there further amendments to title VII?

AMENDMENT OFFERED BY MR. TORRICELLI

Mr. TORRICELLI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TORRICELLI: Page 454, after line 24, insert the following:

(d) REPORTS ON ASSISTANCE TO INFLUENCE ELECTIONS.—Not less than 15 days after the end of each month, the head of any agency of the United States Government which expended any funds during that month in order to influence, directly or indirectly, the 1990 elections in Nicaragua shall submit an unclassified report describing those expenditures to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

Mr. TORRICELLI. Mr. Chairman, my amendment is not an attempt to prohibit democratic nations from assisting the opposition in Nicaragua. It is certainly not an attempt to prohibit help in conducting those elections. We believe in them.

We believe they should be conducted fairly and we support them.

What my amendment seeks to do is to recognize that the United States support for democratic elections and secret campaign funding are a contradiction in terms.

This Congress established the National Endowment for Democracy for these very purposes. In fiscal year 1990 we will approve over $2 million for these very purposes. Those sums will go to support La Prensa, civic education and training, an independent radio station, women and youth groups, get-out-the-vote training programs, and voter registration.

Additionally the Center for Democracy has approved $250,000. An additional $500,000 has been appropriated by Capital for Other Electoral Purposes.

Mr. Chairman, this Congress and this country is an important part of democratic elections in Nicaragua. But to add to these funds the prospect of secret campaign contributions would damage all that we seek to do by the endowment. Perhaps, Mr. Chairman, La Prensa has said it best. In a recent editorial they noted:

What more could Daniel Ortega want than to cry out to the world that the CIA is helping the opposition and that the democratic opposition is a kind of civilian contras, that it sold itself to imperialism.

La Prensa said it right. America should promote democracy in Nicaragua by example.

I urge my colleagues to support my amendment. Vote "Yes;" do not contradict all the Endowment seeks to do by providing for the prospects for secret funding for elections. We would not tolerate that in American electoral campaigns; Nicaragua would not tolerate it either. By allowing for the possibility no less the prospect of secret campaign funding for the opposition in Nicaragua we do great harm to those who will have joined the elections that are now scheduled.

Support this amendment, support those who are in the opposition. Do not give Daniel Ortega something to run his campaign on.

Oppose this amendment and defeat it and you have given the Sandinistas the opening platform in their campaign.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment by the gentleman from New Jersey [Mr. TORRICELLI]. I would suggest it contravenes if not the letter, the spirit of the bipartisan accord. It is contradictory to require unclassified reports on intelligence activities which rightly should be confined to the intelligence committees themselves.

Critics of military aid to the Contras should be encouraging efforts to promote elections in Nicaragua and should be seeking ways to ensure that funding for opposition parties and non-Government media are received. Under Sandinista laws and regulations, uncensored media news and political party operations are severely limited.

If we are truly interested in seeing free and fair elections in Nicaragua as we all say we are, we should not be helping the Sandinistas to stack the deck against the opposition as the Torricelli amendment would do.

AMENDMENT OFFERED BY MR. HYDE TO THE AMENDMENT OFFERED BY MR. TORRICELLI

Mr. HYDE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HYDE to the amendment offered by Mr. TORRICELLI: In the text of the amendment, strike out the word "unclassified", and strike out "Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate" and in lieu thereof insert "appropriate committees of the Congress".

Mr. HYDE. Mr. Chairman, this is a very mischievous amendment. I am really surprised to see it offered to this bill because it is an expression of no confidence in the House Permanent Select Committee on Intelligence, which I would remind the Members is composed of 12 Democrats and 7 Republicans. The Democrats are indeed an eclectic group, hardly hardline conservatives, and a very fair balance. But this amendment offered by the gentleman from New Jersey says that the head of any agency of the Unite States Government which expends any funds during that month, in order to influence directly or indirectly the 1990 elections in Nicaragua shall submit an unclassified report describing those expenditures to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

Well, the problem with that is, of course, it would foreclose any assistance at all to the up to 14 political parties in Nicaragua that are not under the thumb of the Sandino Communists.

Now the National Endowment for Democracy gave aid in Chile to the anti-Pinochet forces and, what do you know? The anti-Pinochet forces won an election and that country is going forward toward democracy.

Why the protection, why the special consideration for the Sandino Communists? I do not know. The only country in the world where effectively, de facto, we are not going to be permitted to assist in helping obtain free and fair elections? Do not deceive yourselves about free and fair elections. It is already one of the most rigged elections in history. The electoral commission is stacked for the Sandinistas.

Any money that comes in from the outside, if they permit any, 50 percent of it goes to the Sandinistas. So any funds that go in to assist these poor people trying to fight for decency and democracy, half of it goes to the Sandinistas.

The propaganda issued by the Sandinistas paints the National Endowment for Democracy as a CIA front. So this is absurd.

Now I would remind my colleagues that this country, America, has given aid to freedom fighters and forces of democracy in history before and very successfully.

In Italy, I might mention, during the Truman administration; that country would be Communist today if we had not attempted to offset the funds that the Soviets were pouring in to support the Communist Party.

If Mr. TORRICELLI's amendment is adopted, the Communists will continue to shovel it into the Sandinistas as they are doing, as we speak, but we will be effectively prohibited because what person in Nicaragua would take money overtly to influence an election and be hounded and intimidated and labeled as a CIA operative?

□ 1800

So it is just foolish.

Now, if there is a covert program in Nicaragua, and we do not know that there is, and we do not say that there is, but if there is, it is the business of the Permanent Select Committee on Intelligence, not the Committee on Foreign Affairs, not the Committee on Foreign Relations. It is the Select Committee on Intelligence, which is well balanced, which is dominated by the majority party, and which can be trusted by the Members of this House. Not the far left, I will grant that. They will never trust anything that they are not driving and controlling, but I am suggesting to people who are reasonable that this amendment of Mr. TORRICELLI's is unreasonable, and I know it is hard to reason people out of an opinion that they have not been reasoned into in the first place.

I suggest to Members that my amendment corrects the fatal defect in the amendment by the gentleman from New Jersey, Mr. TORRICELLI. My amendment strikes out the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. It does say we will not make these reports, but it says they should be made to the appropriate committees of the Congress. That reinstates, that revives, that resuscitates the Permanent Select Committee on Intelligence, both in the House and the Senate, to receive these reports which ought to be classified.

Now I suggest to Members we had a bipartisan accord. We are trying to work in a bipartisan fashion to support democracy and freedom and human dignity in Central America. The gentleman's amendment torpedoes and guts any effort to even up the balance down there. The Soviets have a free hand.

I hope Members will support my substitute.

Mr. FASCELL. Mr. Chairman, I strike the requisite number of words.

I want to be sure what the amendment to the amendment does. I would ask the gentleman from Illinois, I think as I start out, that his amendment is OK, as far as I am personally concerned in the report, going to the appropriate committees of the Congress, so I will frame my question in this kind of fashion, by saying I think it is wise for the United States to do whatever it is going to do politically in an open fashion. I think that is very important. I think it is also a good idea if we are going to do that, that the appropriate committee of the Congress in this case, as I see it, probably the Permanent Select Committee on Intelligence, the Committee on Foreign Affairs, probably the Committee on Appropriations, since they want to follow the dollar, would be good committees at the very least, might be others, but no limitation.

Your amendment, as far as the committee is concerned?

Mr. HYDE. If the gentleman will yield, that is right.

Mr. FASCELL. There is nothing to be read in your amendment except providing the information to the appropriate committees. It is not an effort for covert action; it is not an effort to declassify material. It is simply to say whatever the report is, should be made available to the appropriate committees, am I correct?

Mr. HYDE. If the gentleman will yield, the gentleman is absolutely correct.

Mr. FASCELL. As the gentleman knows, there is a prohibition, and I wanted to call it to the gentleman's attention just as part of the legislative discussion. On page 44, it is very short, "Assistance under this section may not be used to influence the outcome of any legislation in any country." So we have a direct prohibition.

If there is appropriate assistance given under some other provision of law, then the gentleman's amendment would cover it by making the information available to the appropriate committees?

Mr. HYDE. The gentleman is absolutely right.

Mr. FASCELL. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. I thank the gentleman for yielding. He would delete the words "unclassified"? It was my impression that would result from the fact that a report might have to be submitted to the Committee on Foreign Affairs and other appropriate committees as the gentleman provided, but it could be a classified report. Therefore, this gentleman's intention that any involvement that the United States Government has in the Nicaraguan elections, we stand up for, be proud of, and publicly disclose, would be thwarted; is that a correct interpretation of the gentleman's amendment, it would allow for a classified report of American involvement in Nicaraguan elections?

Mr. HYDE. If the gentleman will yield, the appropriate committees get the appropriate report. Certainly, Members would not want the Committee on Foreign Affairs to get a classified report, if the Select Committee on Intelligence is the appropriate jurisdictional committee. Unclassified reports, I daresay, are available.

Mr. FASCELL. Mr. Chairman, let me reclaim my own time to help in this discussion. I do not know that Members can legislate a requirement on the administration with respect to classification.

If the administration wants to submit a classified report, I daresay they will submit one. Now, I am not interested in the jurisdiction, except I do not want any Member to take any jurisdiction away from the Committee on Foreign Affairs. I am perfectly willing to allow the Permanent Select Committee on Intelligence to have availability of information, and I hope they allow other Members the same courtesy.

The way I read the amendment is that all the appropriate committees would have the availability of information. I agree with the gentleman from New Jersey, I would not want legislative history to indicate that if the administration sought to classify a report, it would only go to the Permanent Select Committee on Intelligence and not to the Committee on Foreign Affairs, but if they submitted an unclassified report, it would go to both committees.

Mr. TORRICELLI. If the gentleman will yield, it is my impression, and I am prepared to stand corrected if the author of the amendment would speak to it, under this provision, nothing would change from the current circumstances. Intelligence agencies of the country can secretly provide money to political forces in Nicaragua, thereby thwarting the purposes of free elections in Nicaragua. As classified reports come to the Congress, neither the Nicaraguan people or the people of the United States or the Congress will know about. If we accept the gentleman's amendment, things will stay as they are today.

Mr. FASCELL. Mr. Chairman, I yield to the gentleman from New York.

Mr. WEISS. I think I am reassured by the gentleman's statement referring to legislation itself which prohibits any of these funds from being used to interfere in the elections in Nicaragua because that clarifies what was a distortion of the fact, that the gentleman was engaging in from Illinois when he suggested, in fact, that the intelligence agencies would have the power to do that. They simply do not have the power to do that. I am reassured by the gentleman's statement.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I would like to try to clarify something. Under the bill that we are debating and going to vote on, the language is clear: Funds in this bill may not go to influence elections. We know that.

I am simply suggesting that the intelligence committees of both Chambers have a function and a responsibility. That function is oversight. While the gentleman from New Jersey thinks that things are in disarray, and somehow if things are not changed that that oversight is not going to occur, he is quite wrong. We have a fine Permanent Select Committee on Intelligence with excellent membership, very sensi-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

tive to all the cares and concerns of the gentleman from New Jersey. I do not want you to make a sham or a shell out of these very useful, important committees that are just as high minded and just as intent on accomplishing the ends of democracy for our country and for the rest of the world as any other committee in this House.

My amendment simply takes out "unclassified" and says these reports may be classified, they may be unclassified. It depends on the nature of the information, and to which committee they go to. Again, it depends on the nature of the information.

It is an effort to broaden the scope of information available and to include the intelligence committees in the gentleman's requirements. I urge support for my amendment.

Mr. TORRICELLI. Mr. Chairman, I strike the requisite number of words.

Mr. Chairman, it has been stated that under the provisions of my original amendment, and unless we vote for the gentleman from Illinois, Mr. HYDE's provision of it, there will be no help for the opposition or electoral process in Nicaragua, nothing could be further from the truth. Thousands and thousands of dollars will be helped, will be spent to help the opposition in Nicaragua. However, with one difference: We will be proud of it. We will say this is what the United States is doing to help the process and those we might believe in.

□ 1810

That is the only difference—simple disclosure. Under the gentleman's amendment to what I have proposed, the U.S. Government would be permitted to have secret offices, to provide funds with no disclosure. Not only do I believe that brings shame upon us but something more fundamental. I quoted a few moments ago from La Prensa, the leading and most credible voice in Nicaragua. They spoke in opposition to what the gentleman from Illinois [Mr. HYDE] would do because they say it is bringing great harm to democratic forces in Nicaragua.

Who is it that is using the prospect of secrecy in moving for elections in Nicaragua? Daniel Ortega is using it by saying that the opposition is being funded by intelligence agencies.

Who would vote for such opposition? We would not in our country, and neither would the Nicaraguans in their country.

Mr. Chairman, I have provided this amendment for inclusion in this bill and not in the intelligence bill for a reason. Our funds, our good money in support of democratic elections belongs in a foreign assistance bill, not in an intelligence bill. Intelligence funding, secret funding and democratic elections are a contradiction in terms.

Mr. Chairman, defeating the amendment offered by the gentleman from Illinois [Mr. HYDE] is critical in order to stop that funding. Let us defeat the Hyde amendment and agree to my amendment. Let us be proud of what we are doing. Let us disclose what we are doing.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just to return very briefly to the basic question which we have been discussing in the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI], the opposition in Nicaragua does not want this money. They regard it as very damaging to their chances to defeat the Sandinistas, and I for one hope that the democratic opposition will triumph next February in the elections in Nicaragua.

A few days ago the New York Times reported, and I quote:

> Stung by word that the Bush administration is now considering efforts to influence the elections here, Nicaraguan opposition leaders have spoken out against such aid calling suggestions that it is on the way a potentially fatal blow to their electoral hopes.

The last thing we ought to do is to allow the CIA to involve itself in covert activity in the hopefully democratic elections scheduled in Nicaragua next February.

For 9 years two administrations have told the American people and the Congress that they want fair and free elections in Nicaragua. Now we have the opportunity to have those elections.

I am as mistrustful as the minority that they will be free. That is why we have the opportunity to provide the aid in an open and aboveboard way. But nothing could be more damaging to the cause of democracy in Nicaragua than to provide secret funds to the opposition. That is why the opposition does not want these funds.

If we are going to provide funds—and I think we should—to the democratic opposition, to La Prensa or to the free labor unions, let us provide them through the National Endowment for Democracy. That is all this amendment does.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I think the gentleman from Pennsylvania makes a very wise and profound statement, especially in his focus on the National Endowment for Democracy.

The gentleman from Illinois suggested before in his comments that when NED, the National Endowment for Democracy, aided the elections in Chile, it was doing it secretly and underhandedly. Indeed the triumph of the National Endowment for Democracy was that it did it openly, above board, and it provided assistance in registration activity and gave technical assistance. That is what ought to be done in Nicaragua.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Hyde amendment.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Illinois in order that he may respond to the last three speakers.

Mr. HYDE. Mr. Chairman, let us get something straight. If we want to give help to the forces of freedom and the anti-Sandinista groups down there, we want to do it, as the gentleman from Pennsylvania said, through the National Endowment for Democracy.

If we stay current with what the Sandinistas are saying, as reported by the Foreign Broadcast Information Service, they say the NED is a CIA front. It goes on and on labeling and castigating venomously the National Endowment for Democracy as a CIA front. What do you think they will call anyone who accepts help from the National Endowment?

In addition, they have changed their laws in Sandinistaland. Any money that comes in from the outside, half of it goes to the Sandinistas. So if the National Endowment for Democracy sends any money to anybody overtly, half of it goes to the Communists. I do not suppose that is a great idea.

Another problem with overtly taking assistance from the hated United States is that intimidation is working overtime down in Nicaragua. May I quote to the Members from a press conference on June 22 by Lenin Cerna. I admire his first name. At least he is right up front. What you see is what you get. This is Lenin Cerna, and he is Vice Minister of the Interior. Listen to what he said about the political opposition that we are told can stand up and accept money from the United States.

Lenin Cerna:

> Those meetings will bring death into our country. They will and are already creating an internal, critical situation. We are warning the Nicaraguan people about this. You can be sure that, if demonstrators hold a rally with the expressed intention of attacking the police—

And we must not think they will not read that into any and every rally—

> the authorities, and the revolutionary people, we will not be able to predict what will happen in such a situation. We cannot guarantee that people will not be killed or injured.

Let us not give such mindless criticism to helping freedom fighters covertly in certain situations.

I had a fascinating dialog with Clark Clifford, one of the senior members of the Democratic Party's pantheon of heros, back in March 1988, and I said this to him:

Let me ask you, I take it when you were in the Truman administration, you opposed the covert activity that helped save Italy in the post-war years from being taken over by the Communists who were pouring millions of dollars in there? Your distaste for covert activity, I take it, was expressed in the Truman administration?

Mr. CLIFFORD. No. I heartily supported it.

Mr. HYDE. That is one covert activity you supported?

Mr. CLIFFORD. I sure did. And it was very successful.

Mr. HYDE. Then you support the successful ones, but not the unsuccessful ones?

Mr. CLIFFORD. No. That is not the point. Here was a carefully structured plan to meet the Communist menace in Italy. They were making an all-out plan to get a Communist government in Italy. Careful, lengthy study indicated to us that the proper, intelligent use of funds in Italy might prevent that from occurring.

So we did it. We did it successfully. I would do it today. That is a very useful covert activity.

Mr. Chairman, if it was good enough for Clark Clifford back in the late 1940's under Harry Truman why is it suddenly verboten in Central America today?

The Intelligence Committee will be a good watchdog. I can assure the Members that we will watch very carefully that nothing improper or un-American will happen, or that something we would not be proud of would happen. I can assure the Members we are all proud people, we are proud of our country, and I ask the Members not to gut the possibility of a decent, fair election in Nicaragua.

Mr. SOLOMON. Mr. Chairman, let me say that the gentleman's arguments are so compelling that I move to support him, and I hope that everyone else in this Chamber does also. I only wish that we had the wisdom of HYDE on the U.S. Supreme Court a few weeks ago; we would still have the flag waving today.

Mr. Chairman, I urge support of the amendment.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I simply want again to keep NED, the National Endowment for Democracy, from having its record and its activities distorted and misstated by the gentleman from Illinois. The fact is that the provision about 50 percent going to the Sandinistas applies only if there is assistance given directly to political parties.

The National Endowment for Democracy has made it absolutely clear that it does not intend to give moneys directly to political parties, so that none of these moneys will go to the Sandinista government. On that score, the gentleman from Illinois ought to sit reassured.

Mr. BEILENSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI] and in support of the substitute offered by the gentleman from Illinois [Mr. HYDE].

I must say that I do so with some misgivings, because I understand and share with the gentleman from New Jersey the concern that underlies his amendment. My own personal position on the issue, if I may say so, is very much the same as his, I believe. Nonetheless, as chairman of the Permanent Select Committee on Intelligence, I feel constrained to object to the way in which the House is being asked to address a very significant issue.

□ 1820

Based on what I know about the sentiments of Members of this Chamber, it is inevitable that this matter will be debated and voted upon by the House. But, it seems to me very important how we address such a question. My own strong feeling is that matters of this sort ought to be considered in the context of the fiscal year 1990 Intelligence Authorization Act, not the Foreign Assistance Act. They ought to be considered first by the Intelligence Committee, which ought to make recommendations to the House. That is, after all, why we have an Intelligence Committee.

Further, and whatever our disagreements on policy issues, we ought to make every effort to protect the confidentiality of intelligence matters and to consider carefully the precedent-setting significance of legislative prohibitions affecting covert actions.

Mr. Chairman, let me say that the Intelligence Committee is well aware of this issue. We have entered into a dialog with the administration concerning its attitude toward this question. We are at the moment unable to make any sort of prediction on how they will turn out. It would therefore seem to me both the responsible and the sensible thing to defer amendments such as this until the Intelligence Committee is in the position to make its own recommendation. When the Intelligence bill comes to the floor, the House will then have an opportunity to work its will, but it will do so in the context of, first, well-informed debate; second, the recommendation of the committee charged with such matters; and hopefully, it will have reference to a recommendation from the committee which can be accepted by the House.

In closing, Mr. Chairman, I stress that the argument that I make today goes not to the merits of any actual or proposed intelligence activity, rather, it is an argument of process. This House ought not to act on matters of such potential sensitivity without the advice of its Committee on Intelligence.

Mr. BERMAN. Mr. Chairman, will the gentlemen yield?

Mr. BEILENSON. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I thank the gentleman from California [Mr. BEILENSON] for yielding to me.

Mr. Chairman, one of the concerns that have motivated the amendment, to which the gentleman from Illinois [Mr. HYDE] is responding with his amendment, is the fact that at this particular point no one knows what the Permanent Select Committee on Intelligence will do on the issue of covert aid. Should the Permanent Select Committee on Intelligence decide not to address that issue in the fashion that the gentleman from California [Mr. BEILENSON] and the gentleman from New Jersey [Mr. TORRICELLI] have expressed as preferable, would the House have an opportunity to address that issue through an amendment on the floor?

Mr. BEILENSON. Mr. Chairman, the answer to the question of the gentleman from California [Mr. BERMAN] is yes. The Permanent Select Committee on Intelligence authorization bill will be on the floor, and the gentleman, or some other gentleman, will, yes, have an opportunity to present this or some other similar amendment at that time. Presumably by that time his committee will have had a chance to consider and discuss the matter and will have a recommendation of one sort or another for the House.

Mr. BERMAN. Mr. Chairman, I thank the gentleman from California [Mr. BEILENSON] for yielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. HYDE] to the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TORRICELLI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 299, noes 118, not voting 15, as follows:

[Roll No. 120]

AYES—299

Anderson	Boggs	Coleman (MO)
Andrews	Brooks	Combest
Annunzio	Broomfield	Conte
Applegate	Browder	Cooper
Archer	Brown (CA)	Costello
Armey	Brown (CO)	Coughlin
Aspin	Buechner	Cox
Baker	Bunning	Coyne
Ballenger	Burton	Craig
Barnard	Bustamante	Crane
Bartlett	Byron	Dannemeyer
Barton	Callahan	Darden
Bateman	Campbell (CA)	Davis
Beilenson	Campbell (CO)	de la Garza
Bennett	Carper	DeLay
Bereuter	Carr	DeWine
Bevill	Chandler	Dickinson
Bilbray	Chapman	Dicks
Bilirakis	Clement	Dixon
Billey	Clinger	Donnelly
Boehlert	Coble	Dornan (CA)

Douglas
Dreier
Duncan
Dwyer
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Flippo
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gekas
Gibbons
Gillmor
Gilman
Gingrich
Gordon
Goss
Gradison
Grandy
Grant
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Kanjorski
Kasich
Kennelly
Kleczka
Kolbe
Kolter
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nelson
Nielson
Nowak
Ortiz
Owens (NY)
Oxley
Packard
Pallone
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Pease
Petri
Pickett
Pickle
Porter
Price
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sangmeister
Sarpalius
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Swift
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Traficant
Traxler
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Whitten
Wilson
Wolf
Wylie
Yatron
Young (AK)
Young (FL)

NOES—118

Ackerman
Akaka
Alexander
Atkins
AuCoin
Bates
Berman
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Bruce
Cardin
Clarke
Clay
Coleman (TX)
Conyers
Crockett
DeFazio
Dellums
Derrick
Dingell
Dorgan (ND)
Downey
Durbin
Dymally
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Fiske
Foglietta
Ford (MI)
Frank
Gejdenson
Gephardt
Gonzalez
Gray
Hawkins
Hayes (IL)
Hertel
Hoyer
Jacobs
Jones (GA)
Jontz
Kaptur
Kastenmeier
Kennedy
Kildee
Kostmayer
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lowey (NY)
Luken, Thomas
Markey
Martinez
Matsui
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Moody
Morrison (CT)
Murphy
Neal (MA)
Oakar
Oberstar
Obey
Olin
Owens (UT)
Panetta
Payne (NJ)
Pelosi
Penny
Perkins
Peterson
Rahall
Rangel
Roe
Rose
Roybal
Sabo
Savage
Sawyer
Scheuer
Schumer
Sikorski
Smith (FL)
Solarz
Staggers
Stark
Stokes
Studds
Synar
Torres
Torricelli
Towns
Udall
Unsoeld
Vento
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates

NOT VOTING—15

Anthony
Bentley
Bryant
Collins
Courter
Florio
Ford (TN)
Glickman
Goodling
Hefner
Horton
Sharp
Smith (IA)
Waxman
Wright

□ 1843

The Clerk announced the following pair:

On this vote:

Mr. Courter for, with Mrs. Collins against.

Messrs. AuCOIN, LEHMAN of California, SABO, McDERMOTT, COLEMAN of Texas, and TORRES changed their vote from "aye" to "no."

Messrs. CAMPBELL of Colorado, LAUGHLIN, NAGLE, YATRON, and DONNELLY changed their vote from "no" to "aye."

So the amendment to the amendment was agreed to.

The CHAIRMAN pro tempore (Mr. SANGMEISTER). The question is on the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI], as amended.

The amendment, as amended, was agreed to.

□ 1840

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 454, after line 24, add the following subsection:

"(d) ELECTORAL REFORM.—It is the sense of the Congress that the electoral reform laws and media laws regulating political broadcasts adopted by the Sandinista Government as well as the appointment of members of the supreme electoral council fail to fulfill the minimum standards required by the Tesoro Beach agreement to ensure free and fair elections in Nicaragua in February 1990.

Mr. GOSS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GOSS. Mr. Chairman, I rise to offer this sense-of-Congress amendment for a simple reason. If the Sandinista government of Nicaragua thinks for 1 minute that the minor tinkering that they have done with the election reform laws and the alleged fair access they have provided for political broadcasts lives up to the standards set by the Tesoro Beach accords—they are sadly mistaken—and we should say so.

In February, at Tesoro Beach, the Central American Presidents and President Daniel Ortega endorsed the Arias Peace Plan and established specific steps to implement reform. Mr. Ortega signed this agreement and he agreed that his government would make reforms "in electoral legislation and laws regulating expression information and public opinion—in such a way as to guarantee political organization and action in the broadest sense for political parties."

The Tesoro Beach agreements also stipulated that the Nicaraguan Government would form a supreme electoral council with balanced participation of representatives from the opposition political parties.

President Ortega agreed that the Nicaraguan Government would guarantee the free functioning of the communications media. The agreement called for equal access to transmission schedules and broadcast time on television and state radio stations for all political parties.

These are reasonable goals. But Mr. Chairman, we are still waiting. We have witnessed some cosmetic changes. Yet Mr. Ortega has not implemented broad reforms, and the election coming up will apparently not serve the democratic interests of the people of Nicaragua.

These are not my convictions alone. Costa Rican President Oscar Arias, during Vice President QUAYLE's recent visit, attacked the new electoral laws of Nicaragua as restrictive and said, "I feel that with the present legislation, having fair elections is impossible."

President Arias also said he believes the election rigging by Mr. Ortega has doomed his historic plan, the Arias Peace Plan for which he won the Nobel Prize.

Honduran President José Azcona, speaking about President Ortega, said in May that he did not believe Ortega has complied faithfully with what was promised.

The problems are numerous. Nicaragua's new election law gives the Sandinistas control over the electoral council by allowing President Ortega to select all five of the council's members.

Only one of the five can truly be considered an opposition party representative. And it is particularly alarming that the chairman of the council is the same person who served as chairman of the council for the discredited 1984 elections.

The new media laws allow the Minister of Interior to suspend broadcasts and limit the print media—for a short time. He can act if he finds the stories, and I quote, "contrary to state security, national integrity—peace or public order." Mr. Chairman, that sounds alarmingly similar to what we saw in China.

In addition, the opposition parties, and there are many of them, have to divide up the 45 minutes a day of radio air time and 30 minutes of TV time allocated to them. That does not leave much time for each opposition candidate to get out his message. Meanwhile the government party can use the full 45 minutes to state their single case.

I have one more example. Mrs. Violetta Chamorro, general director of La Prensa newspaper, wrote to the leadership in this Congress earlier this year and described the problems she faces as manager of a prodemocracy newspaper. The Government does not need to shut down La Prensa to make life difficult. The Government is the sole importer of news printing paper. Mrs. Chamorro was writing to us because she was running out of paper.

Mr. Chairman, the Tesoro Beach accords state that President Ortega will support electoral reforms in the broadest sense for all political parties.

What I have described does not sound very broad to me. And I believe the signatories to the Tesoro Beach accords should demand reforms in the real sense of the word.

The opposition parties should be guaranteed fair and frequent access to the media. If Nicaragua is to have democratic elections, all parties have a right to state their views again and again, whether Mr. Ortega likes it or not.

Mr. Ortega should select respected representatives from various parties to serve on the supreme electoral council, and he should choose an impartial representative to head the supreme council.

Mr. Chairman, the Presidents of the other Central American countries are labeling the alleged Sandinista electoral reforms a sham. Can we do less? I urge my colleagues to join me so the people of Nicaragua have a better chance at free and fair elections.

I believe we should send a clear signal to Mr. Ortega and to the other signatories of the Tesoro Beach accords that we fully support the intent of the agreement—and that we expect Mr. Ortega to live up to them. I urge my colleagues to join me in support of my amendment.

□ 1850

Mr. CROCKETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

I do so with reluctance, because I have a great deal of respect for the gentleman for Florida, who has been a welcome addition to our subcommittee this year. Unfortunately, this is yet another amendment that has nothing to do with foreign aid, that pertains to a country that does not receive foreign aid.

Knowing that the Nicaraguan election issue would be politicized in this country, I asked the Congressional Research Service to do an unbiased study of Nicaragua's electoral arrangements. That study was sent to each subcommittee member's office.

The study concludes that the new Nicaraguan electoral law improves the conditions for the development of a pluralistic political system that has multiple parties and that guarantees the right of the opposition parties to operate.

Among the findings of the study are:

The requirements for organizing and legalizing political parties have been made easier;

The opposition will have access to the media;

Public financing of campaigning is provided, and foreign contributions are permitted;

The system of proportional representation will benefit minority parties and could eventually lead to alteration in control of the Government; and

The provisions on poll watchers allow the close monitoring of ballot counting by the opposition.

This is not to say that Nicaragua's electoral system is everything it should be. As the CRS study points out, laws are not the sole determinant of free elections. The Sandinistas could still distort the electoral process through the sheet exercise of their power. It is also the case that the opposition could fail to take full advantage of the electoral law and the political space that it creates.

But the point is this amendment's blanket condemnation of the law is not warranted by the facts.

The amendment says that the composition of the supreme electoral council does not fulfill the standards of the Tesoro Beach agreement. That statement is also not in accord with the facts. The agreement calls for "balanced participation of representatives from opposition political parties." The supreme electoral council has precisely that: two Sandinista representatives, two representatives of anti-Sandinista parties, and one so-called "notable" who is a member of the conservative party and was a supreme court justice under Somoza. So there is actually a non-Sandinista majority on the electoral council.

The fact is, Mr. Chairman, Nicaragua's current electoral laws and arrangements, whatever faults they may have, do not compare unfavorably with those of other Latin American countries. The facts do not support this amendment. I think it would be better if we preached a little less. I urge the defeat of the amendment.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Florida [Mr. Goss].

It is a plain fact that the actions taken by the Sandinista government to implement the requirements and commitments of Tesoro Beach fall far short of the standard required to ensure a fair electoral process.

As my colleague from Florida pointed out, Costa Rican President, Oscar Arias, who used to be quoted every time we had a debate on this issue here, but I guess when he says something that is not in accord with other views, he is not quoted anymore, Costa Rican President Oscar Arias, during the recent visit of Vice President Quayle, attacked the new electoral laws in Nicaragua as restrictive and said, "I feel that with the present legislation, having fair elections is impossible."

President Arias also said that he believes the election rigging by Nicaraguan leader Daniel Ortega has doomed his historic plan, the Arias Peace Plan for which he won the Nobel Prize.

In mid-May, Honduran President Jose Azcona, talking about Daniel Ortega's promises at Tesoro Beach said, "I do not believe he has complied faithfully with what he promised."

Just a few days ago, President Vinicio Cerezo of Guatemala revealed that he sent a letter to Nicaraguan President Daniel Ortega telling him that he is not complying with the peace agreements signed in El Salvador.

The appointment of the supreme electoral council was characterized by the human rights organization, Freedom House, as not providing the balanced participation promised by the Tesoro Beach accord.

1900

Only one of the five members can truly be considered an opposition party representative, while three others are completely dominated by the Sandinista Government. It is particularly alarming that the chairman of the council is the same person who served as chairman of the council for the discredited 1984 elections in Nicaragua.

The new laws regulating political broadcasts give final authority to the Ministry of the Interior, headed by Thomas Borge, whose reputation for fairness for the opposition rivals that

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

of General Noriega in Panama. The new media laws allow the Ministry of Interior to suspend broadcasts for 3 or 4 days and newspapers and magazines for three editions if their stories are deemed "contrary to state security, national integrity, peace or public order."

The elections may be scheduled for February 1990, but Sandinista leader Ortega announced that the inauguration of the new president would not take place until January 1991.

The Sandinista organization responsible for giving formal recognition to political parties formally recognized four new parties in mid-May, but disallowed five, including two that were generally considered to be the best-organized opposition parties: the Conservative National Unity Party, led by Silviano Matamoros and the Christian Democratic Party, led by Agustin Jarquin, who appeared before our subcommittee in April at the request of the chairman.

Following his trip to Europe to seek additional economic aid for Nicaragua, Daniel Ortega made a speech including comments about the electoral reform laws. Ortega said, "There will be no new concessions! The Somozist Guard's newspaper "LaPrensa" and parties that want to participate in the elections—should clearly understand that. There will be no further concessions. The reforms to the laws have already been made—and that is that!"

The test for a fair electoral process is determined not only by what happens on election day but also by what precedes it. The Goss amendment expresses the sense of the Congress of the clear failure of the Sandinista regime to fulfill its promises to ensure free and fair elections in February 1990 because it has failed to provide a fair environment leading up to the elections.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Goss amendment.

Mr. Chairman, the gentleman from Michigan indicated that this amendment has little to do with foreign aid. I submit to my colleagues that much of the bill before us today has little to do with actual foreign aid. Much of it is sense-of-the-Congress resolutions that we put in there to let the world know how we feel about various issues.

We do that every year.

At issue here is whether or not there is going to be free and fair elections in Nicaragua come next February. The Sandinistas have a very poor track record. They violated the agreement they made with the OAS in 1979 again and again and again, they violated the Esquipulas agreements, 1 and 2, they violated the Sapoa election, and now they are violating the election agreement that they made.

As a matter of fact you have just heard from my colleague from California that they disallowed five parties from even participating in the electoral process. Is that free and fair elections? I submit to you that it is not.

I think it bears repeating that President Oscar Arias, whom you have quoted many times on this floor when it suits you, said when Vice President QUAYLE met with him, and I quote once again, "I feel that with the present legislation having fair elections is impossible in Nicaragua."

Now I think the Goss amendment is very meritorious. We should support it if we are really in favor of free and fair elections in Nicaragua and we should support it unanimously.

I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in examining this amendment I cannot understand why there would be any opposition to it at all. First of all it is simply a sense of the Congress. And it says what the international community has said over and over again, that we have some reason to be suspicious of the electoral process that is being put in place in Nicaragua.

Now if I understood the dissenting opinion to this amendment, it was that we simply ought to accept that which the Sandinistas have already done. So that in order to be against this amendment what you have to do is accept what they have put in place as being the standard that we are willing to accept for an election in Nicaragua.

Now, I think that the House would be on very dangerous ground, given what the international community has had to say about the situation in Nicaragua, to endorse the Sandinista package. That is something which we have heard over and over again on this floor is unacceptable. We have heard people saying they do not particularly like what is going on in Nicaragua and, "Don't ever put me in the camp of being pro-Sandinista but also I don't think we ought to be pro-Contra." And they voted time and time again against the opposition within Nicaragua based upon the fact that they are not pro-Sandinista either.

Well, in this particular case in order to be against this amendment, if I understood the opposition correctly, you have got to be for the Sandinistas package; you have got to be pro-Sandinista in order to vote against this amendment. And I would suggest that that is a very dangerous position for this House to adopt, given what the Latin American nations have come down. To a man, the democratic states in Central America have said that the Sandinista plan is unacceptable.

For this House to go on record as saying it is acceptable would be, I think, a travesty to democracy. I would hope we would approve the Goss amendment. It is a small way of saying that we are not satisfied with the internal conditions within Nicaragua leading toward free elections.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. DORNAN of California. I thank the gentleman for yielding.

Mr. Chairman, I wanted to bring up another quote that comes out of Nicaragua just in the last few days by Lenin Cerna, but I think it is important enough that I am going to ask for my own time.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I think the gentleman makes a good point. If this House were to go on record in opposition to this amendment, we would find ourselves contrary to the position and the opinions of Oscar Arias, the President of Costa Rica, Azcona, the President of Honduras, and Cerezo, the President of Guatemala.

Mr. WALKER. I thank the gentleman, because it is important to understand that for months we have talked about the Arias peace and the need to go ahead and implement those things which were a part of the leadership decision within Central America. To now undermine the Presidents who have spoken out on this matter by suggesting that this House is willing to abide by what Nicaragua has put in the form of a Sandinista plan, I just do not think is an appropriate way for this country to proceed at this moment.

Mr. Chairman, I yield back the balance of my time.

Mr. DORNAN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would hope that we would pass this amendment. What is happening down in Nicaragua as we get closer to the date they claim they are going to have an election is setting all sorts of historical precedents. The strangest one of all is that Daniel Ortega announced that no President elected would be sworn in except on the old election cycle, which is January 1991. So even if there were to be a fair election, this would be the longest interregnum, the longest period between an election and inauguration in the entire history of democracy in this hemisphere. And that may also count for the world, who knows.

It is almost a year. But this quote that I wanted to bring up from Lenin Cerna; Lenin, as in the founder of the Communist Party and the Bolshevik Party in the Soviet Union, hardly your

average Hispanic name, Lenin Cerna is the second in command of the secret police in Nicaragua, which functions more and more like a classic Gestapo operation every day. This week he made a speech where he said anyone who votes against the current Government, against Daniel Ortega as el Presidente, is committing an act of treason.

Now imagine that statement when the No. 2 man, the Minister of the Interior, the man who is head of the secret police, said if you vote on next February 25 against the Ortega brothers and the other seven comandantes you are committing an act of treason. What a line of terror.

To refresh your memory who Lenin Cerna is: Msgr. Bismarck Caballo, who was and still is head of the Radio Catolica and is a key aide to Cardinal Obando y Bravo, if you will recall about 2 years ago, was called by a woman with an emergency that she was going to commit suicide.

□ 1910

He went to her house. She tried to compromise him. She was in a state of undress. He backed away from her. Before he could leave the house he was jumped by people in hiding. They stripped him stark naked and then at gunpoint forced this Catholic monsignor down the middle of the street where the Sandinista camera crews filmed him. Lenin Cerna ran that operation. He was sitting in a car. He called the monsignor, Father Carballo, over to the car and he said, "Father, let me tell you something. I am going to kill you myself. I am going to personally shoot you someday." That is a No. 2 man in the secret police who says if you vote in the election in February against Ortega, you are committing an act of treason.

I suggest we pass this amendment and that some more codel's start going down to Central America and we have the courage of our convictions under the so-called Bipartisan Accord on Central America worked out by our President and our Secretary of State, with people on both sides of the aisle, that we start tracking this election process in Nicaragua.

Mr. CARPER. Mr. Chairman, I rise to strike the requisite number of words.

I have several questions I would like to address to the author of the amendment, the gentleman from Florida [Mr. Goss]. The gentleman's amendment notes and expresses dissatisfaction with the appointment of members of the Supreme Electoral Council, noting that they fail to meet the minimum standards required by the Tesoro Beach agreement. I wondered if the gentleman from Florida [Mr. Goss] could tell me something about the selection process. I understand there are five members to the Supreme Electoral Council. Could the gentleman tell Members about the selection of the two opposition members of that council? How were the names arrived at?

I yield to the gentleman from Florida.

Mr. GOSS. I would be happy to try and respond. I have a considerable amount of background material which I would be very happy to afford to the gentleman, but basically my understanding is that the people on the council were nominated by President Ortega of the Sandinista Party rubberstamped, and that the conclusion of the outcome of the predilections of those people, as I have stated, and stated in my testimony, that we have one who might be regarded as a possible neutral, but the others who are clearly of their positions and their sense of authority to Sandinistas.

I have a report here dated June 8, 1989, concerns raised on chances for Nicaraguan Electoral Council oppositions, urged to continue campaign, which I will be happy to share with the gentleman.

Mr. CARPER. Reclaiming my time, is it correct that both opposition members of the council were suggested by a block of 14 opposition parties?

Mr. GOSS. If the gentleman will yield, my understanding is that the opposition parties, in fact, did have some participation in the process, however, that their desires were not fully realized by any means.

Mr. CARPER. Could the gentleman tell us something about the independent "eminent person," the third of the five members, who is this individual? What is that person's background?

Mr. GOSS. If the gentleman will yield, the belief I have on that subject is, I have been reported by a colleague, the gentleman from California [Mr. LAGOMARSINO]. Again, I have reported on that. We had testimony before our committee on that subject. They came to Washington and we asked questions of the gentlemen who were involved. We had discussions with them, and again, that is a matter of public record. I believe the testimony is available.

Mr. CARPER. I believe the name of third member, the so-called independent eminent person, is Dr. Rodolfo Sandino Arguello. I understand he is a lifelong conservative, that he formerly was Supreme Court President during the Somoza regime and is not currently active in a political party. I further understand that the newspaper La Prensa characterized him as an "honorable man." I wonder if the gentleman would say whether this description coincides with his understanding of Dr. Arguello's background?

Mr. GOSS. If the gentleman will yield, that is not my understanding.

Mr. CARPER. How would the gentleman characterize his background? What we are saying is with your amendment is that we are not satisfied with the selection process or the people they have put forward. This particular person, the eminent person is perhaps the critical person in how these elections will be conducted. I think this is not a small or unimportant question.

Mr. GOSS. Well, I would characterize both Dr. Mariano Fiallos, who is the president of the council, and Dr. Leonel Arguello as leaders of the Sandinista Front.

Mr. CARPER. I am asking about the eminent third person. I am asking about the credentials of the two opposition members and the independent eminent person.

The Sandinistas are entitled to name two of their own to the council, and they have. What do you know of the other three?

Mr. GOSS. We are having trouble with our definitions of who are acceptable or not.

Mr. CARPER. I yield to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, I thank the gentleman for yielding. There are five members on this Supreme Entity. Two are clearly Sandinistas; and two are clearly with the opposition; the fifth is a former member of the Conservative Party and was on the Somoza Supreme Court and was endorsed and supported and characterized as a man of great honor by La Prensa, the leading opposition press in Latin America.

Now, that looks like 3 to 2, and I am puzzled how my friend from Florida can characterize this group as stacked on behalf of the Sandinistas when there are two Sandinistas, two opposition members, and a fifth member who is a member of the Conservative Party, and served on the Somoza Supreme Court and was endorsed by La Prensa. I wonder if my friend from Florida can respond to the inquiries which I made and which the gentleman from the State of Delaware made?

Mr. CARPER. Mr. Chairman, I yield to the gentleman from Florida.

Mr. GOSS. Is the gentleman referring to Dr. Aman Sandino? I think we need to pin this down.

The CHAIRMAN pro tempore (Mr. SANGMEISTER). The question is on the amendment offered by the gentleman from Florida [Mr. Goss].

The question was taken; and on a division (demanded by Mr. Goss) there were—ayes 20, noes 22.

RECORDED VOTE

Mr. GOSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 293, noes 119, not voting 20 as follows:

[Roll No. 121]

AYES—283

Andrews
Anthony
Applegate
Archer
Armey
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bennett
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boucher
Broomfield
Browder
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Chandler
Chapman
Clarke
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Costello
Coughlin
Cox
Craig
Crane
Dannemeyer
Darden
Davis
de la Garza
DeLay
Derrick
DeWine
Dickinson
Dicks
Donnelly
Dornan (CA)
Douglas
Dreier
Duncan
Dwyer
Dyson
Eckart
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Flippo
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gekas
Gibbons
Gillmor
Gilman
Gingrich
Gordon
Goss
Gradison
Grandy
Grant
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hiler
Hoagland
Holloway
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnston
Jones (GA)
Kanjorski
Kaptur
Kasich
Kolbe
Kolter
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Mavroules
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Murphy
Murtha
Myers
Nagle
Neal (NC)
Nelson
Nielson
Ortiz
Oxley
Packard
Pallone
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Pease
Penny
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Rogers
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sarpalius
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schulze
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Sikorski
Slaughter (NY)
Smith (FL)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Sundquist
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torricelli
Traficant
Traxler
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Wilson
Wise
Wolf
Wylie
Yatron
Young (AK)
Young (FL)

NOES—119

Akaka
Alexander
Anderson
Annunzio
Atkins
Bates
Beilenson
Berman
Bevill
Bonior
Borski
Boxer
Brennan
Brooks
Brown (CA)
Cardin
Carper
Carr
Clay
Conyers
Coyne
Crockett
DeFazio
Dellums
Dingell
Dixon
Downey
Durbin
Dymally
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank
Garcia
Gejdenson
Gephardt
Gonzalez
Gray
Hayes (IL)
Hochbrueckner
Johnson (SD)
Jontz
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kostmayer
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lowey (NY)
Markey
Martinez
Matsui
Mazzoli
McDermott
McHugh
Mfume
Miller (CA)
Mineta
Moakley
Morrison (CT)
Mrazek
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Panetta
Payne (NJ)
Pelosi
Perkins
Rangel
Rose
Roybal
Sabo
Sangmeister
Savage
Sawyer
Scheuer
Slaughter (NY)
Solarz
Stark
Stokes
Studds
Swift
Synar
Torres
Towns
Udall
Unsoeld
Vento
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wolpe
Wright
Wyden
Yates

NOT VOTING—20

Ackerman
Aspin
Bentley
Bryant
Collins
Courter
Dorgan (ND)
Early
Florio
Glickman
Goodling
Hawkins
Hefner
Hopkins
Houghton
Jones (NC)
Roberts
Sharp
Smith (IA)
Stump

□ 1937

The Clerk announced the following pair:

On this vote:

Mr. Courter for, with Mrs. Collins against.

Messrs. PANETTA, WAXMAN, and NOWAK changed their vote from "aye" to "no."

Messrs. CLARKE, RAHALL, and MURPHY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MC HUGH

Mr. McHUGH. Mr. Chairman, I offer an amendment.

The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. McHUGH: Page 435, line 23, after "(3)" insert "and paragraph (5)(B)"; and page 437, strike out line 24 and all that follows through line 6 on page 438 and insert in lieu thereof the following:

(5) CONGRESSIONAL REVIEW.—(A) Funds obligated, or available for obligation, under paragraph (2)(A), (2)(C), or (2)(D) pursuant to a determination under paragraph (3) may not be expended during the 30-day period beginning on the date on which the President submits the report required by paragraph (3). Expenditures of those funds after that 30-day period shall be subject to any joint resolution with respect to those expenditures that is enacted by the Congress under subsection (d).

(B) Funds under paragraph (2)(B) may be obligated pursuant to a determination under paragraph (3) only if the Congress enacts a joint resolution under subsection (d) authorizing the obligation and expenditure of those funds. Use of funds pursuant to such an authorization shall be subject to such conditions and limitations as may be provided in that joint resolution.

Page 443, strike out lines 10 through 25 and insert in lieu thereof the following:

except that a joint resolution described in subparagraph (B)(i) or (iii) shall be considered a privileged joint resolution for purposes of this subsection only if it is reported by that committee during the 30-day period described in subsection (b)(5)(A) or (c)(4), as the case may be;

(B) which—

(i) in the case of funds subject to subsection (b)(5)(A), would place conditions or limitations (or both) on the expenditure of those funds;

(ii) in the case of funds subject to subsection (b)(5)(B), would authorize the obligation and expenditure of those funds, subject to such conditions and limitations as are specified in the joint resolution; and

(iii) in the case of funds and agricultural commodities subject to subsection (c)(4), would place conditions or limitations (or both) on the expenditure of those funds, the delivery of those commodities, or both;

(C) which—

(i) in the case of a joint resolution described in subparagraph (B)(i) or (iii), does not contain any provision which is not germane to the conditions and limitations provided for in the joint resolution; and

(ii) in the case of a joint resolution described in subparagraph (B)(ii), does not contain any provision which is not germane to the authority, and the conditions and limitations (if any), provided in the joint resolution; and

The CHAIRMAN. Pursuant to the rule the gentleman from New York [Mr. McHUGH] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. McHUGH].

Mr. McHUGH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I am offering will determine whether Congress has any opportunity over the next 2 year to assess events in El Salvador and effectively determine whether continuing military assistance to the new government there serves American interests.

This amendment does not cut military aid to El Salvador. This amendment does nothing more than reserve to the authorizing committees and to Congress the right to determine 9 months from now whether the second

installment of military aid scheduled for El Salvador next year will flow, depending upon what happens in that country between now and then.

To understand my amendment, the Members must understand how the bill treats military assistance to El Salvador. The bill authorizes $170 million of military aid over the next 2 fiscal years. Under the bill the President must certify to Congress every 6 months that the government there is actively seeking to end the war through political negotiation and is making progress in protecting human rights. These are very important conditions, and I applaud the committee for including them in the bill.

However, if the committee determines that the conditions are not being met despite the President's certification to the contrary, the committee's only recourse under the bill is to report a resolution of disapproval with respect to the next 6 months of military aid. Such a resolution, even if adopted by the House and Senate, can be vetoed by the President.

Everyone recognizes that the President would veto such a resolution from Congress authorizing any effective control over military aid for the next 2 years, regardless of what happens in El Salvador. We know that, the administration knows that, and most importantly, the Government of El Salvador knows that.

If we are serious about the conditions in the bill, it is imperative that we modify the procedures so that the authorizing committees and Congress retain the power to reauthorize military assistance until we know what the government there is actually going to do about human rights and about trying to negotiate an end to the war.

My amendment would enable us to retain that power. It is a simple amendment, a modest amendment, but a critically important amendment.

In specific terms, my amendment would simply require that before the second installment of military aid is delivered to El Salvador next year the Congress must affirmatively vote to authorize such aid.

Why is this important? It's important because at this point we don't know what the new government in El Salvador is going to do about ending the war and protecting human rights. This is a government that is totally controlled by the right wing ARENA party, a party that has a sordid history on human rights, a party that has called for unrestricted war in El Salvador.

Since 1980, the United States has pumped $3.5 billion in aid into El Salvador. Tens of thousands of people have died, and people continue to die. Today, human rights continue to be violated. Today, there is still no functioning system of justice that can hold accountable members of the military who kill innocent people indiscriminately.

It's clear to me that the American people do not want their tax dollars spent to support a Salvadoran Government unless that government is truly committed to ending the war in an equitable fashion and is committed to respecting human rights. But at this point we have no idea what the government is committed to.

It would be tragically wrong, therefore, to give that government a blank check for another 2 years. But unfortunately, that is what the bill would do in its current form.

As I said at the outset, my amendment does not cut or eliminate military aid. It simply gives us the opportunity to judge the commitment of that government to the goals established in the bill. It would simply give the authorizing committees and the Congress the opportunity to make that judgment next April with respect to about half the military aid that would otherwise go to the government in the second half of next year.

In April of next year the new government will have been in power 10 months. At that time we will know what its real commitment is to human rights and to seeking a peace agreement. If its commitment is genuine, I'm sure we will continue military aid. If not, we will have the chance to reassess our policy.

I would note that if this were not a 2-year authorization bill, we would have the opportunity in the normal course to reauthorize military assistance next year. My amendment does nothing more than preserve that option for us.

If we are truly serious about the goals of our policy set forth in the bill, if we truly expect the Government of El Salvador to take our professions of concern to heart, we will adopt this amendment. I strongly urge my colleagues to support it.

□ 1940

Mr. LAGOMARSINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would point out that if you would read the bill, you would see some very tough conditions of military assistance to El Salvador. The President must determine that these conditions have been met. He must in addition consult with the Congress 2 weeks before he makes the determination final and the aid, if he determines it will go forward, is held up for 30 days, during which time Congress can pass an expedited resolution of disapproval.

The Bush administration and, in particular, Secretary of State Baker have gone out of their way to try to demonstrate they want to be cooperative with and responsive to the Congress in our mutual concerns about the thrust of United States foreign policy in El Salvador. The administration deserves the chance to demonstrate that commitment. The McHugh amendment ties the hands of the administration even before it has the chance to demonstrate its good faith.

Making it more difficult to provide aid to El Salvador does not improve the United States ability to influence the Cristiani government or to help the Cristiani government demonstrate it is maintaining effective control over the military forces of El Salvador.

Restricting aid in a way that makes the Government of El Salvador appear to be subservient to the United States undermines the authority of President Cristiani and undermines his ability to exercise authority over the military and reduces his ability to command the respect of the Armed Forces.

Those of us who met with President Cristiani when he was in Washington were impressed with his sincerity in emphasizing the importance of protecting human rights and bringing to justice those responsible for human rights abuses. It is fair to give him a chance to demonstrate his commitment before enacting the legislation proposed by the McHugh amendment.

The McHugh amendment will require another divisive partisan debate on aid to El Salvador 6 months after enactment of this legislation, which will come in an already tense election year and will follow on the events in Nicaragua after their elections in February of next year.

The McHugh amendment would change this foreign aid bill and the language of title VII in ways making it more restrictive and more onerous than current law. If we had examples of bad faith on the part of the new Bush administration in our foreign policy toward El Salvador and other Latin American countries, then I could understand the motivation of the McHugh amendment. If the experience with the Bush administration were to be seen as nothing but frustrating and misleading policies, then 2 years from now I would expect the kind of provisions contained in this amendment. But I believe this amendment unnecessarily ties the hands of the State Department with restrictive provisions before the Bush administration has had the opportunity to demonstrate its good faith in carrying out a foreign policy that reflects the concerns of both sides in Congress.

Many of the problems in this title result from the impression that the majority members on the subcommittee are trying to restrict the new administration because of mistrust attributable to the previous administration. This administration deserves the chance to demonstrate that the bipartisan accord on Central America really meant what it said when it was agreed

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

that: "The Congress recognizes the need for consistency and continuity in policy and the responsibility of the executive to administer and carry out that policy, the programs based upon it, and to conduct American diplomacy in the region."

□ 1950

Mr. Chairman, I reserve the balance of my time.

Mr. McHUGH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER of New York. Mr. Chairman, I rise in strong support of the McHugh amendment.

Mr. Chairman, as the foreign aid authorization bill now stands, we are giving 2 years of support to the ARENA government without appropriate congressional oversight. In the past ARENA has been the party of the death squad, political assassination, and intimidation. One of its leaders, Roberto D'Aubuisson, was implicated in the assassination of Archbishop Oscar Romero, who was murdered in church while performing Mass. Later that year, three American nuns were raped and killed by a death squad. Lutheran Bishop Medardo Gomez has been warned repeatedly to end his humanitarian work with the poor and the sick or be killed. Last winter his church was bombed. Just a few days ago Sister Mary Mackey, an American citizen, who runs a clinic for war orphans, was shot and seriously injured. The United States has been poring money into El Salvador for years and all we have to show for it is a stalemated civil war and thousands of human rights violations linked to the Salvadoran military.

A few days ago this body overwhelmingly passed a resolution condemning the Chinese Government for its brutal repression of its people. In El Salvador such repression has been going on for 8 years, but instead of a resolution to condemn that violence we are considering a bill which will contribute another $170 million to the Salvadoran military and the ARENA party.

Mr. McHUGH's amendment offers us an opportunity to effectively condition aid to El Salvador. It will send a signal to ARENA and the military that they cannot assume American aid will be available if they ignore the rights of Salvadorans. The amendment will require a vote of Congress in April 1990 to continue aid. Only when ARENA and the military end the torture, the political murders, and the intimidation of judges by death squads should we consider allocating additional funds.

Mr. McHUGH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I rise today to express my strong support of the amendment offered by my colleague from New York [Mr. McHUGH], which provides an important mechanism for Congress to seriously debate and review our Nation's military assistance to El Salvador.

With a population of fewer than 6 million people, El Salvador is the fifth largest recipient of United States aid. In the past, I, like a majority of my colleagues, have supported aid for El Salvador as a means of strengthening former President Duarte's position and his efforts to reduce human rights violations. However, with the success of the ARENA party, first in last year's legislative elections and now in the Presidential election, many of us fear that the Duarte policies will be repudiated by the new government, given the past ARENA history on human rights.

The McHugh amendment seeks to make a modest but necessary adjustment to United States military assistance provided to the Government of El Salvador. It would require an affirmative vote of Congress in April, 1990 to release the balance of next year's military funds for that country. That compares with the Foreign Affairs Committee approach, which would require a two-thirds vote of each House of Congress to release the same balance once the President proposed to release it. The McHugh amendment neither cuts nor reduces military aid. It simply retains Congress' ability to review the progress of the Cristiani government in promoting democratic reforms, protecting human rights, and ending the civil war.

I am deeply committed to encouraging the democratic process in El Salvador, which, I believe, continues to represent the best hope for an end to human rights abuses in that country. In that context, the Presidential election which took place in March represented an important commitment by the people of El Salvador to bring democracy to their country.

However, the election of President Cristiani now brings the executive, legislative, and judicial branches in El Salvador under the control of the ARENA party. Many here in Congress, including me, have strong concerns regarding that situation. We are torn between a commitment to support a President who won his country's elections with a strong mandate, and our fears that extremist elements of ARENA will take control. And while it is too early to assess the performance of President Cristiani, we must not forget the history of the ARENA party, which has been linked to death squad activities in the early 1980's.

Presistent and tragic charges of human rights abuses by all parties involved in the war continue. Just as we must insist that the Salvadoran military forces stand accountable for violence committed against the population they are meant to protect, so, too, must the FMLN's campaign to assassinate civilian leaders stop.

In the past decade, the American people have invested more than $3 billion in El Salvador. Congress does not have the luxury of turning its back on this issue. We have a responsibility to the people of both countries to ensure that Congress maintains the strongest role possible in monitoring events in El Salvador, and the McHugh amendment provides us with that opportunity.

The McHugh amendment does not change the amount of money authorized for El Salvador. The McHugh amendment does not change the $34 million that the Foreign Affairs Committee has fenced off. The McHugh amendment does not change the criteria under which the $34 million that has been fenced off may be released. All it does is to determine whether the Congress will exercise the basic power that legislatures have in democratic societies, the power of the purse, to participate in this Nation's decision as to whether the new Salvadoran Government deserves our effort. I urge my colleagues to support the McHugh amendment.

Mr. LAGOMARSINO. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I just think the amendment offered by the gentleman from New York [Mr. McHUGH] is really ill-advised. We have been trying to work in a bipartisan way to fashion a program that has some consistency and some continuity, and if the gentleman's amendment is adopted, we will have this whole issue before us again in 8 short months. The pressures from the left and from the right and the message that we are sending to the people of El Salvador is a message of instability and inconstancy.

Of all times to do something that reassures the FMLN that they get another crack at withdrawing American aid from the duly elected Government of El Salvador, now seems especially inauspicious. The FMLN has never been more brutal in its tactics. It is murdering people, murdered the Attorney General, bombed the house of the Vice President, murdered the deputy to the new President Cristiani, and some 19 mayors have been executed.

Why in the world would we want to coddle these people? Why would we want to give them reassurance that their case is not a bad one and that we do not fully support democracy?

Some of our friends may not like the fact that Mr. Cristiani won the presidency. Some of them did not like Napoleon Duarte because they thought he was insufficiently to the left. But if we support democracy, we ought to be able to accept the fruits of democracy, and as far as I am concerned, Mr. Cristiani and his government are entitled to support as a democratically elected government, and not this on-again, off-again, unsure, yes-and-no-and-maybe that the McHugh amendment inserts into this bill.

Either we get along in a bipartisan way with the President, and we try to work together on common goals and common purposes to common ends, or we are going to reject bipartisanship and we are going to have to battle these things out again and again.

I think El Salvador is one of the most carefully watched places in the world. I think this administration and this Congress will watch it, but I think El Salvador deserves our support as a freely elected, democratically elected government, and they are entitled to be able to count on our support at least for a year without having Congress to have to revisit these arguments and the pressures on and on and on.

Well intentioned as the gentleman from New York [Mr. McHugh] is and his amendment is, it is a mistake. It is against the bipartisan agreement that has been worked out.

The bill's formula is a good one. We do have enough control over what goes on down there, but, for goodness sake, let us make this the year of freedom and democracy, not the year of assisting the FMLN.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. Obey].

Mr. OBEY. Mr. Chairman, I have this peculiar habit that if the House tells the American people we are doing something, I like it to be real.

The committee version pretends that we have a process to review the conduct of the new Arena government in El Salvador before deciding whether they deserve to get the final $34 million that they are scheduled to get under this bill. There is no real way under the committee proposal that that aid could be stopped even if the emerging government proceeded to engage in wholesale butchery of their citizens or American citizens.

The McHugh amendment simply gives us a real chance in April to review that aid and to review their conduct at that time. If the new government proves to be untrustworthy, then we can shut it off. If it does not, we can provide it. It does not prejudge. It does give meaning to President Reagan's suggestion that we "trust but verify." I know I do not trust the FMLN. I think I do trust Mr. Cristiani.

The question is not Mr. Cristiani. The question is, will he be the power, or will he be the front for some people who have even in the past threatened the lives and safety of American diplomats? We need an opportunity to see whether Presidential certification is baloney or on the money, and the McHugh amendment does that.

□ 2000

Mr. LAGOMARSINO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. Michel], the Republican leader.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

M. MICHEL. I am happy to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I want to indicate my strong opposition to the amendment which is being offered by my good friend, the gentleman from New York [Mr. McHugh]. This amendment guts the agreement reached in the committee by the gentleman from Florida, [Mr. Fascell] and myself on El Salvador.

Accordingly, I hope my colleagues will join with the gentleman from Florida [Mr. Fascell], the gentleman from Michigan [Mr. Crockett], the gentleman from California [Mr. Lagomarsino], and myself in opposing the McHugh amendment.

I thank the gentleman for yielding.

Mr. MICHEL. Mr. Chairman, I thank the gentleman from Michigan and of course his remarks will perfectly coincide with what this gentleman from Illinois would propose to say to members of the committee.

Mr. Chairman, this amendment, in my view, is against the spirit of the bipartisan accord on Central America that Speaker Foley and I signed along with other members of the bipartisan, bicameral leadership with the President back on March 24.

Let me quote from that document:

> The United States is committed to working in good faith with the democratic leaders of Central America and Latin America to translate the bright promises of Esquipulas II into concrete realities on the ground.

That is the solemn, pledged word of the President and the bipartisan, bicameral leadership, and in my view "working in good faith" with the democratically elected Government of El Salvador does not mean telling President Cristiani that we do not trust him.

The Communists in El Salvador are assassinating mayors. In recent weeks they murdered the attorney general, the minister of the Presidency, and anyone else they could terrorize. Terrorism from the FMLN has become so atrocious and so pervasive in El Salvador that media accounts tell us of widespread disapproval of the left among part of the populace that used to support it.

Instead of giving a long list of the reasons why this amendment should be defeated, let me just tell a personal story.

Six years ago when our first debates on El Salvador were taking place, then Speaker Tip O'Neill asked our good friend, the gentleman from Pennsylvania, Mr. Jack Murtha, to go to El Salvador and find out what was going on there.

At that time we were being told by some that El Salvador needed a coalition government with the Communists, and we were told that the military government down there was hopeless. We were told we should abandon them and not send the aid.

But Jack Murtha went down there and asked questions, and talked to people, and when he came back we had a meeting over in room H-227, just down the hall from my office. At that meeting there was a good constituent of mine, Dr. Ira Gallaway, a revered Methodist minister of some renown who himself had just returned from El Salvador as part of a blue ribbon group of Americans on a fact-finding tour.

And Representative Murtha and Dr. Gallaway had independently come to the same conclusion: The people of El Salvador want and need democracy, and we should help them, and so we did help them.

Because we helped, they were able to hold democratic elections. José Napoleon Duarte was elected and everyone in the House cheered. The Democrats here in the House saw Duarte as someone whom they could trust, and we Republicans agreed. We had some very fine conversations with him on several occasions when he come to this country. We believed in him, and working together against the cynics who said El Salvador needs a coalition government, the Congress, with President Reagan and Vice President Bush, helped to save that country. It is one of the major foreign policy triumphs in my 32 years in this body.

And because we helped save it, the people of El Salvador had free, open, democratic elections recently and elected Alfredo Cristiani, a member of the ARENA party, as President.

If we support this amendment offered by the gentleman from New York, we are telling the people of El Salvador and of the region that when they elect someone we like, they get our aid; when they freely elect someone whose party we may not like, their reward is our distrust or our skepticism, which is at the very heart of the amendment offered by the gentleman from New York.

Mr. Chairman, we once helped to save El Salvador and the gentleman from Pennsylvania [Mr. Murtha], and some other Members on the other side of the aisle played a role in that fight, and to his credit, so did our former Speaker, Jim Wright, in that very agreement.

Let us keep up that tradition of bipartisanship and reject this amendment. Let us give the people of El Salvador a sign that we do trust them enough to have them guide their own destiny, with all of the help we can give a democratic ally. I would just like to see this body live up to the spirit of the accord which the distinguished Speaker, Mr. Foley, myself, the majority and minority leaders in the Senate, along with the President signed our names to earlier this year.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

That would be the right thing to do today by defeating this amendment.

Mr. McHUGH. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Chairman, I rise in strong support of the McHugh amendment.

Mr. Chairman, the late Archibald MacLeish once observed that "we are deluged with facts, but we have lost, or are losing, our human ability to feel them." I am often reminded of this quotation when the issue of El Salvador is discussed.

The facts and figures on the numbers of Salvadorans who have disappeared; who have been threatened, tortured, and murdered are staggering. They are so staggering that many of us have allowed ourselves to be numbed by the enormity of it all.

In the last 9 years, over 70,000 Salvadorans have been killed; at least one out of every 10 people has been forced from their homes; thousands have been tortured; and hundreds of thousands of Salvadorans have fled their country out of fear.

Mr. Chairman, we have heard these statistics so many times that I worry that they have begun to lose their urgency. I worry too, that the war doesn't seem real to many in this chamber. We often discuss the war in El Salvador as if it were some abstraction—relevant only in terms of funding levels and political posturing.

There are some who even describe the current death rate in El Salvador as having reached a tolerable level; as if it's somehow OK that hundreds of civilians are being killed versus thousands. But, murder is murder; torture is torture; fear is fear—and lives are still at risk in El Salvador.

During the last few years, I have been visited by countless numbers of Salvadorans who have told me one story after another of torture and repression. These are real people, who have suffered real pain, at the hands of both the government and the FMLN. And for the record, let me emphasize that I condemn all acts of violence against civilians—no matter which side is responsible.

I fear that if we continue with business as usual, there will be no negotiated settlement and the war with all of its devastation to human life will go on for another 10 years. And I wonder how many more Salvadorans will come to my office telling me more horror stories?

Mr. Chairman, last Friday, the ARENA government introduced harsh new reforms to the current Salvadoran legal code that could have chilling consequences for human rights workers, organized labor, church workers, and so many others.

A deputy with José Napoleon Duarte's Christian Democratic party responded: "Under this new law as it is presently written nobody will be able to attend a meeting, nobody will be able to dance, blow your nose, or go from one place to another. Everything is punished under this law and people won't have the liberty to do anything."

The new ARENA sanctions would mean: 1 to 4 years in prison for passing out materials considered subversive, up to 2 years in prison for spray painting a slogan on a wall, 10 to 20 years for damaging a public building or blocking traffic. The law would also punish anyone for encouraging foreign countries to intervene in El Salvador's own affairs, with 5 to 10 years in jail—which means that those human rights workers who encourage United States officials to investigate human rights abuses, or to condition aid, are subject to these penalties.

In short this law would represent a major step backward—and it demonstrates that our current policies are flawed.

Mr. Chairman, the war in El Salvador has gone on too long. The Congress needs now to make it clear to the warring parties that we want to see this conflict resolved in a peaceful manner. And I, for one do not want to see another decade stained with the blood of innocent Salvadorans.

The McHugh amendment provides us an opportunity to review progress toward ending the war and bettering human rights in 10 months. It should be approved.

Mr. LAGOMARSINO. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman, I respect the author of this amendment, and I know that his intent is benign. But it is my opinion, having traveled down to this troubled area of our hemisphere 15 times, that if this amendment passes it will have the exact opposite effect. It will give succor to the Communist Farabundo Marti terrorists, and it will make suckers again out of this House.

It is a fact, not an opinion, but an established fact that the Farabundo Marti guerrilleros are controlled out of Managua. There has been shooting after shooting after assassination down there, and if any Member can give me the evidence that is being discussed tonight on human rights abuses by the democratically elected government, I will make phone calls, I will try to stop these, if they are correct.

□ 2010

But where are the phone calls from decent Members of this body on both sides of the aisle, from both the ideologies that dominate most of the debate in this House, when an American citizen, Francisco Peccorini, 74 years of age, a former Jesuit priest who did not go over the wall but was layicized the right way, the loyal way in his church, was an instructor at Long Beach State College, was one of the world's leading authorities against the corruption of religion by what is called liberation theology, when this man is gunned down in the street at high noon on March 15, 4 days before the election? The American press all but ignored it except for some conservative newspapers and there were no calls except from conservatives going down expressing outrage at this murder of a man who held both joint Salvadoran and American citizenship.

A 74-year-old man, the chief of staff to the newly elected president murdered a few days ago; the young vice president, Vice President Merino, bombs thrown over the wall into his house while his children were on the premises; the retired former head of the National Security School gunned down by his car just yesterday, or the day before yesterday.

They have turned to the most brutal type of urban terror which Communists always do when they are losing the countryside. They come in and they start shooting the people at random.

A 74-year-old nun was shot once in the head. They did not take credit for that. That has not been openly blamed on any right-wing forces.

How better to turn public opinion in this House than to compound the excesses of December 1980 when four nuns were killed by drunken, disorderly soldiers; most of them had been in prison and their officers escaped justice. That is outrageous.

Both sides of the aisle condemned that.

But that is now 9 years ago in December. But this 74-year-old sister, she was not killed but is probably dying lying on a bed in a hospital right now, where are all the cries that this was somebody on the right? The cries are not there because it has the stench of what the radical Communists do down there in their assassination campaign.

Listen to some of these other abuses of human rights. They have been extremely escalated just in the last 8 months.

The FMLN has embarked on a campaign of killing democratically elected Government officials, conservative intellectuals like Father Peccorini and members of the armed forces. Mayors, justices of the peace, governors of departments and municipal councils are threatened with death by the guerrillas, shot at or killed.

In the year just ended, March 1989, a few weeks after the bipartisan accord was worked out by the leaders of this House with President Bush and our Secretary of State, in the year ended March 1989 the FMLN threatened with death 214 of the 262 mayors throughout all of El Salvador.

They actually produced a form letter, a form letter for death threats, that is how broad the trail was extending. They had a blank to fill in the name of a Government official to be threatened. More than 90 mayors resigned instantly rather than to submit to what is called in Communist Cubanistic language, revolutionary justice of the people.

The death squads actually killed 10 mayors for failing to resign. That is just in a year's period.

The Governor of the Department of Usulutan, which I believe the former majority whip Tony Coelho visited during the election and came back somewhat chastened about things he had said about El Salvador, agreeing that with a few flaws throughout the country Mr. Coelho admitted that he was watching a democratic election.

The beat goes on. Please do not pass that amendment.

Mr. McHUGH. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. OLIN].

Mr. OLIN. Mr. Chairman, I rise in support of the McHugh amendment.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman and members of the committee, I would hope that you would support the McHugh amendment.

In 1987 Senator HATFIELD, JIM LEACH, and myself issued a report on the use of aid in El Salvador and the finding is very simple, that we put some $3 billion of aid into El Salvador and the results that we have received are nil, are none. None of the things that we have said we wanted to do to reconstruct this country in fact have taken place. None of these facts have been refuted by the State Department or the previous administration.

We have spent $1 billion since 1985, with no results except documented corruption, corruption by the Duarte government, which eventually drove them from power within their own country.

In 1987, the year of the earthquake, this Government committed more aid to El Salvador than the Government of El Salvador. We committed 105 percent of the budget of El Salvador in aid from this Congress.

Now we all have high hopes for Mr. Cristiani. Many of the speeches that we have heard already here this evening are the same speeches we heard when Mr. Duarte was elected. But you know what, Mr. Duarte did not have the power of the conditions or sanctions on the aid. He could not refute the power of the military.

Finally, he had to resort to corruption. That was a corruption that engulfed his government. The McHugh amendment is simply nothing more than an insurance policy for your taxpayer dollars, $3 billion of aid to date and another $800 million on the way.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New York.

Mr. Chairman, I do so because, without this amendment, we will face at least 2 more years of business as usual in El Salvador.

The committee bill does place conditions on military aid to El Salvador, but those conditions may—and if past is prologue, they will—be ignored; and neither we, nor the American people, will have any practical recourse.

The McHugh amendment would not cut off military aid to El Salvador; but it would give us a real chance, not just a theoretical chance, to review the terms and conditions of that aid next spring.

None of us knows what the situation will be like in El Salvador 10 months from now.

Neither you, nor I, know all the answers.

But we do know that El Salvador is now the second largest per capita recipient of United States aid.

We know that billions of dollars of that aid have been wasted because of the sabotage of those seeking power and the corruption of those holding it.

We know that the vast majority of the Salvadoran people yearn desperately for peace, but that neither bullets nor ballots nor our billions have brought them closer to peace.

And we know that representatives of a political party that only a few years ago was a terrorist front, led by criminals, and deeply hostile both to American diplomats and American ideals has now taken power in El Salvador.

The McHugh amendment does not prejudge the new ARENA government. President Cristiani will have 10 months to define the course his government will take.

Just as important, we will have 10 months. Ten months to make it clear that we will continue writing checks to El Salvador only if we are sure that our tax dollars will be used to promote democracy, not to abuse power. To extend land reform, not to repeal it. To end the war, not through terrorism, but through negotiation. And to defend the principle that every Salvadoran, no matter how poor, no matter how desperate, no matter how outspoken, is entitled to certain basic human rights and to a chance for a better life.

The approach taken by the McHugh amendment is not micromanaging. It's not meddling. It's not naive. It's our job. It's our responsibility: To our taxpayers; to the Salvadoran people; to those, Salvadoran and American, who have been murdered in that war; and the ourselves.

The real question we face today has nothing to do with legislative tactics or bipartisan rhetoric. The real question is whether we, as a coequal branch of government, have the guts to say "no" to policies we oppose; and to recommend clear alternatives to those policies that we can support.

I regret to say that, with respect to El Salvador, the committee bill doesn't say "no" or "yes" to anything. It says "maybe" to everything. For Congress, that may be business as usual. But for El Salvador, with its tragic past and uncertain future, business as usual just isn't good enough.

Mr. WEISS. Mr. Chairman, I take second place to no one in condemning assassinations either from the right or the left in El Salvador. But it seems to me that our concern has to be with the Government of El Salvador to which we have contributed over $3 billion over the course of these past 10 years. We do not provide any funding at all to the guerrillas.

If you want to know where the Cristiani government, really the D'Aubisson government is going, look at their so-called antiterrorism act, just introduced last week. It makes criminal the most basic expressions of freedom and association.

Mr. Chairman, the most sweepingly offensive sections of that antiterrorism act would make criminals out of those who "by means of visits to foreign countries, by means of messages, or by any other means, promote declarations or programs in which other states or international organisms are motivated to intervene in the internal affairs of El Salvador." That is the reason to put the reins on this funding.

This provision would criminalize such activities as phone calls to the OAS, the U.N., the United States and other countries to denounce human rights violations in El Salvador. It would also outlaw lobbying in Geneva at the U.N. Commission on Human Rights by nongovernmental groups. Such crimes would be punishable by 5 to 10 years in prison.

The proposed law also provides that anyone in a leadership or employee position in an organization that spreads doctrines that subvert the public order, undefined including university professors and leaders of political organizations would be subject to 3 to 5 years imprisonment.

Dissemination of information that subverts the public order would be punishable with 1 to 4 years in jail. Possession of such subversive material is punishable by 6 months to 1 year in jail.

The form of labor protest most commonly in use in El Salvador—a sitdown strike—would be deemed a terrorist act; as would other acts that cause serious disturbance to the public tranquility or that affect international relations. These crimes would be punishable by 10 to 20 years in jail.

Mr. Chairman, in order to keep the Salvadoran military and the ARENA government accountable. I urge my

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

colleagues to vote for the McCurdy amendment.

The CHAIRMAN. The gentleman from New York [Mr. McHUGH] has 7 minutes remaining and the gentleman from California [Mr. LAGOMARSINO] has 3 minutes remaining.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I think we have a very important opportunity to speak with a clear, strong voice tonight against political violence and human rights violations. If there were ever a time to speak with one strong voice it is now

There is political ferment and violence throughout the world, from China to Poland to the Soviet Union to El Salvador. We cannot turn from our outrage at brutal repression in China to speak to our neighbors in Latin America with a different voice. And it is not enough simply to speak to these acts of violence. We have seen conditions attached in the past. Conditions without teeth are not conditions at all.

This is not an issue of right versus left. It is not an issue of the administration versus the Congress. It is an issue of whether we, as a nation, decide to speak with one strong voice against violence against peasants who are wantonly killed, against nuns who become the targets of attacks, against violence as a way to do business.

□ 2020

The signal we send tonight is not just to tell El Salvador, it is to tell the entire world. The McHugh amendment sends the right signal.

Mr. PANETTA. Mr. Chairman, I rise to share my own thoughts on the meaning of our work today to fashion United States aid to El Salvador in a careful, meaningful, and reasonable manner.

I do not need to remind my collegues of the recent rise in political violence and human rights violations in El Salvador. In these times of political ferment in nations from China to Poland to El Salvador, we in the United States Congress must send a clear message, a message to the leaders of El Salvador as well as to those in China and the Soviet Union. Most certainly we have to send the same signal to each nation. Let us not turn from our outrage at the brutal repression in China to speak to our own neighbors of the Western Hemisphere with a different voice. And let us not simply condemn acts of repression and human rights violations. We have got to take actions, Mr. Chairman, to back our democratic declarations.

What we must do, with respect to El Salvador, is attach a simple proviso: That the Congress will not continue blindly to approve military aid to El Salvador for years at a time without the ability just once to reconsider that aid in light of changed conditions.

This signal goes to every nation with which the United States has relations, Mr. Chairman. Every action we take is read by governments in every capital of the Western Hemisphere, every capital the world over. It is time to do just that. It is time to act on our beliefs, consistent with our declarations on China, on Romania, and, yes, on El Salvador.

Mr. LAGOMARSINO. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. FASCELL], chairman of the Committee on Foreign Affairs.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment. I tell my distinguished friend, the gentleman from New York, that I am supporting the compromise that we have in the bill. I thought it was a fair compromise.

I think the debate on his amendment, however, is a very healthy debate and an important one. However, let me state the proposition here: We have two tranches. The committee did a fine job in financing this money and this assistance. The committee provides, however, that the tranche to go forward, a resolution of disapproval under expedited procedure would stop it.

What happens under the amendment is, when Members get to the second tranche, if the Congress does not act, everything comes to an end. That forces an affirmative vote. In most cases, I would say that that would be ideal, but not when Members have two tranches in the fiscal year. It makes it impossible. If the situation is, and I daresay it might very well be as bad as previous speakers have pointed out, then it becomes incumbent upon the Congress to act anyway, and that action would be by an expedited resolution of disapproval.

I think that what the gentleman seeks there, I think the difference is that the program would continue unless things are so bad that the Congress is so repulsed that it takes the action to stop it.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, the gentleman from New York [Mr. McHUGH] is a very sensible person, and this is a very sensible amendment. It does not do anything to this program of aid except it says in April of 1990, this Congress, this Congress which spends taxpayers' dollars, will have another opportunity to look at whether or not this aid is being spent wisely. I think it is eminently sensible by a very sensible person. There is a new President in El Salvador. Many of the Members have some fears and worries on both sides of the aisle. All the Members condemn violence from both sides, and this amendment merely gives Members a chance to take another look in April at whether we have done the right thing.

Mr. OBERSTAR. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentlewoman for yielding. Those Members who followed events in El Salvador have seen violence erupt time and again from the right wing. This amendment simply says: Stop, take stock, assess what is happening in El Salvador before we go forward with the next increment of aid.

Mr. McHUGH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I rise in strong support of the McHugh amendment. I commend and thank the gentleman from New York [Mr. McHUGH] for drafting this compromise.

Mr. Chairman, I rise today in support of the McHugh amendment to H.R. 2655, the foreign aid bill.

The McHugh amendment would require an affirmative vote in April, 1990, for the release of the final 40 percent of military aid to El Salvador. The amendment is not extreme. In fact, it does not curtail aid, which I believe should be done. The McHugh amendment does not cut aid to El Salvador, nor does it reduce it—it does give us the opportunity to review the military and political situation in El Salvador 10 months after President Cristiani took office.

I believe that it is important for Congress to retain the right to review United States policy in El Salvador. The Reagan policy toward El Salvador was a dismal failure. Since 1980, the United States has spent over $3½ billion in that tiny, war-torn country. The war there is at a stalemate, the economy is crumbling and living conditions are deteriorating. Over 60,000 civilians have died as a result of the war conditions.

The right-wing ARENA party is now in control of all branches of the Government of El Salvador. There are still serious questions about the level of influence Roberto D'Aubuisson will have in the new Salvadoran Government. President Cristiani was sworn in less than a month ago—the only thing we really know about him is the unsavory history of his political party. Given this sordid history, we should not grant 2 years of funding without allowing ourselves a chance to review Cristiani's performance.

Over 150 Members of this body are cosponsors of House Concurrent Resolution 48, my resolution calling for a negotiated political settlement to the war in El Salvador. The McHugh amendment, by providing for a congressional vote in April 1990 on the balance of the military aid will facilitate our efforts to encourage a negotiated political settlement to the tragic and bloody war. April 1990 is 10 months into the ARENA administration. By then, we will have a better idea of Roberto D'Aubuisson's influence, of President Cristiani's intent, and of the progress made toward negotiations on a settlement to the war.

Passage of the McHugh amendment would send a strong signal to El Salvador that we are serious when we talk about achieving progress on human rights abuses and the

need for a negotiated settlement to the war. I urge my colleagues to support the McHugh amendment.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I rise in support of the McHugh amendment. The question for me this evening is not whether we trust Secretary of State Baker or Under Secretary Aaronson. I trust both of these men. The question is not whether we support President Cristiani. I support President Cristiani, and I hope and pray that he succeeds.

The real question is whether President Cristiani can control Mr. D'Aubuisson and the right wing death squads in El Salvador that have been operating there for many years.

Mr. Chairman, I do not believe there is a Member in this body this evening that can answer that question with certainty. I have supported aid to El Salvador since President Duarte was elected. I am glad that I did, and I want to continue to do so. With my vote here this evening, I am merely saying I will vote for more aid to El Salvador, next April if Mr. Cristiani demonstrates that as President of El Salvador he can control Mr. D'Aubuisson and the death squads. That is all I am asking him to do with my vote here this evening.

The CHAIRMAN pro tempore (Mr. SANGMEISTER). The gentleman from New York [Mr. McHUGH] has 4 minutes remaining, and the gentleman from California [Mr. LAGOMARSINO] has 1½ minutes remaining.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Chairman, I rise in support of the McHugh amendment. Fact No. 1: The United States has given $3.5 billion of aid to El Salvador since 1981.

Fact No. 2: Unfortunately, the civil war in that country continues unabated.

I support the continued aid to El Salvador as a means to help achieve an end to that war. This amendment simply gives Members in the Congress and the American people control over the disbursement of that military aid to El Salvador. This amendment will give Members an opportunity to assess the performance of President Cristiani's ARENA government in the spring of next year.

It is my hope that this amendment will ensure that the Government in El Salvador is making that serious effort that we all hope, and in both ending the war and in ensuring the democratic freedoms of all Salvadorans.

Mr. McHUGH. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, 6 years ago when the House voted for aid to El Salvador, without conditionality, I voted for aid, and it passed by the thinnest of margins. I have voted for aid to El Salvador ever since, but not without misgiving, because Salvadoran aid is running into billions, and I do not think anyone here would try to argue that all has been spent well.

I do not believe many here would say they are totally comfortable with the ARENA party. After all, the honorable President for life is Roberto D'Aubuisson.

I met Mr. Cristiani on his last trip here and he is cut from a different bolt of cloth. With this aid bill, we send Cristiani our encouragement, support, and we ought to send his government and his party a warning, simple warning, that a small part of the package hinges on their conduct in office. Let Members not prejudge Cristiani and his government, but let Members not send him a blank check until we have seen his performance in office. Support the McHugh amendment.

Mr. LAGOMARSINO. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio, Mr. DONALD E. "BUZ" LUKENS.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I rise in strong opposition to the McHugh amendment.

Mr. LAGOMARSINO. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding.

My colleagues, I love this institution and I respect every Member of this body. However, sometimes I am downright embarrassed at the hypocrisy in this institution. This Congress, less than 24 hours ago, voted to extend most-favored-nation status to a Communist country, Hungary, for 5 years instead of the normal 1-year extension. As I look at the parade of sponsors, including the sponsor of the amendment, first vote to expand favored nation status to a Communist country barely moving to improve human rights, and at the same time want to cut the aid to a legitimate democracy, a direct democracy that Members and I all worked for to bring about, I wonder where our priorities are.

Five years ago in 1983, all we saw on the front pages of the papers, were the words "El Salvador." Today, Members hardly ever see them. Why? Because there is a legitimate democracy there that we all worked for. Why are Members being hypocritical? Why do they try to undermine a free democracy while supporting a Communist nation?

I hope we come to our senses and defeat this amendment.

□ 2030

The CHAIRMAN. The gentleman from New York [Mr. McHUGH] has 2 minutes remaining.

Mr. McHUGH. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I would hope that the Members in considering this amendment will consider the real issues involved with the amendment. I have heard a number of red herrings thrown around during the debate, and I trust they will not mislead Members on what the very modest but, I think, very important purpose of this amendment is.

I will say what I said earlier, and that is that this amendment does not in any sense cut military aid to El Salvador. Moreover, it does not prejudge the Cristiani government, which has only taken office on June 1. We all hope and we all pray that that government will pursue the goals which the committee has very effectively set out in the legislation, goals of pursuing peace and goals of protecting human rights.

Moreover, I want to emphasize that we have made progress with the support of the United States and the foreign aid program in El Salvador under Duarte. There are still serious problems, and it is because of the continuance of those problems that we are anxious to take another look at this policy, at least once in a meaningful way next year.

All my amendment does is preserve to the authorizing committees and to the Congress the opportunity to review this policy in April of next year and to cast a meaningful vote as to whether continuing military assistance serves our interest. At that time we will have had 10 months of experience with the new government in El Salvador. If that government has performed credibly, if, as we all hope, it has pursued peace and human rights, if the guerrillas have not on their side of the conflict been responsible, I am confident that on a bipartisan basis we will consider military aid to El Salvador, but we should have the opportunity to make that judgment on the basis of the facts and on the basis of experience. To do otherwise is to simply surrender our responsibilities and our rights in this form of government in which we all serve.

So in that context, Mr. Chairman, I urge my colleagues to vote "yes" on this amendment, a modest one but a very important one.

Mr. FEIGHAN. Mr. Chairman, I rise in support of the McHugh amendment. This amendment must be passed in order to give substance to Congress' stated policy that foreign assistance should be tied to the human rights records of recipient governments. The current form of the bill virtually ensures that funds will flow to the government of El Salvador even if that government utterly fails to address its involvement in a dramatically increasing rate of political abduction and murder. This amendment will provide a responsible mechanism for

ensuring that United States policy toward El Salvador is responsive to the existing realities.

Over the past decade, the United States has provided over $3.5 billion in economic and military aid to El Salvador, yet a recent report by four U.S. Army lieutenant colonels has concluded that an end to the war appears nowhere in sight, and that the FMLN has the capacity to sustain combat at the present level indefinitely. At the same time, the human rights situation is getting worse, not better, with death squad killings up 150 percent from 1987 to 1988.

Next year is the 10th anniversary of the assassination of Salvadoran Archbishop Oscar Romero, the human rights activist who was shot to death in 1980 while leading a mass in his church. One month before his assassination, Archbishop Romero wrote to President Carter to describe how United States aid would be used to violently repress Salvadoran citizens. His words, now almost 10 years old, remain just as true today: The armed forces and security forces have unfortunately not demonstrated their capacity to resolve in practice the nation's serious political and structural problems. For the most part they have resorted to repressive violence.

One month later Archbishop Romero was assassinated and since that time, his case has become a symbol of the unwillingness of the Salvadoran military to punish human rights violators. In the past several months the Salvadoran Government has taken several actions which may signal the virtual end of any further investigation into the Romero case.

While it may be inaccurate to say that there has been no progress in El Salvador, it is also inaccurate to suggest that democracy in El Salvador has more than a tenuous foothold. At its most basic, democracy is a system of government designed to give fullest expression to the will of the people. In El Salvador, the demand of the people is that this war end. Yet, that very basic demand is held hostage by an increasingly violent insurgent movement and recalcitrant military and paramilitary hardline elements.

At a time when El Salvador is heading down an uncharted road and at a time when no one knows what will be happening in 6 months, much less in a year, this amendment will send the message that the violation of basic human rights must be addressed by the Salvadoran Government before our relationship can go forward. At the same time, it will say to the FMLN that the United States is not washing its hands of El Salvador in the wake of continued political assassination and that we remain committed to seeing this fledgling democracy function to bring Salvadorans the peace they yearn for. I urge passage of the McHugh amendment.

Mr. KASTENMEIER. Mr. Chairman, the committee report relating to military assistance for El Salvador mentions that United States assistance to El Salvador is linked to the promotion of a political settlement to the civil war, an end to human rights abuses, and respect for democracy and the rule of law, and that the purpose of certain provisions of H.R. 2655 is to increase the pressure on the Government of El Salvador to pursue a political settlement of the conflict, respect human rights, continue progress toward democratization, and to enhance congressional oversight of United States policy toward El Salvador.

I do not believe that the committee bill, as presently written, can accomplish these purposes. H.R. 2655 authorizes $85 million in military assistance for each of the fiscal years 1990 and 1991. These funds will be released in semiannual installments after the President certifies to the Congress that the Salvadoran Government and armed forces are meeting the goals called for by the Congress. If Congress disagrees with the President's findings, it may consider a resolution of disapproval for the release of military funds. The resolution of disapproval, however, would be subject to a Presidential veto.

Mr. Chairman, we have gone through this route once before. In the early 1980's, the Congress conditioned military aid to El Salvador on a determination by the President that the Government of El Salvador was making a concerted effort to comply with internationally recognized human rights and was bringing to an end the indiscriminate torture and murder of Salvadoran citizens by the armed forces. President Reagan would regularly certify that conditions imposed by the Congress were being fulfilled.

Here we are in 1989, debating the same issues. The tragic facts of El Salvador have not changed. I do not believe that military assistance for El Salvador is warranted.

Our colleague, Representative MCHUGH of New York, has proposed an amendment to H.R., 2655 which will require passage of a resolution of approval by Congress in April of next year to release future military aid funds for El Salvador. This amendment is an improvement over the committee provision, and I believe it offers a better opportunity for the Congress to convince the Government of El Salvador that it is serious in seeking compliance with the goals set by the Foreign Affairs Committee than would be the case with the committee language.

Mr. Chairman, I am voting for the McHugh amendment, and I urge my colleagues to support it.

Mr. KENNEDY. Mr. Chairman, the city of Cambridge, in my congressional district, has a sister city in El Salvador called San Jose las Flores. On May 29th, Salvadoran Army troops—the same people we are giving 170 million United States dollars to—attacked San Jose las Flores. Villagers were confined to the church—prevented from working in the fields—while soldiers fired machine guns and helicopters fired rockets around the community, destroying homes and property. Troops terrorized the civilian community, accusing villagers and nuns of being members of the FMLN.

During the same week of the attack on San Jose las Flores, the military also occupied the towns of Arcatao and Las Vueltas, in an apparent sweep of Chalatenango province. Before we send millions of dollars to troops which spend their time terrorizing nuns and peasants, Congress should seriously consider the actions of these troops.

On April 22, six humanitarian aid workers were captured, severely beaten, and denied medical treatment. They remain imprisoned today, yet they never received a trial. Given the already significant deterioration in the human rights situation since the ARENA government took power several months ago, Congress has a moral obligation to review ARENA's human rights behavior and progress towarda political solution to the civil war next April. The McHugh amendment allows us to do that. Without the McHugh amendment, the foreign aid authorization bill will be taken as a green light for ARENA's repression of the Salvadoran people.

Democracy means majority rule, and that is exactly what the McHugh amendment is about. The amendment does not cut any economic or development aid to El Salvador; it does not cut any military aid either. All the McHugh amendment does is require congressional review and approval of the second tranche of 1990 military aid—it only affects $34 million of the $170 million authorized for the next 2 years. The McHugh amendment is moderate and just: It allows the majority to decide.

The CHAIRMAN. Under the rule, all time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. MCHUGH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McHUGH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 185, noes 233, not voting 14, as follows:

[Roll No. 122]

AYES—185

Ackerman	Early	Leland
Akaka	Eckart	Levin (MI)
Alexander	Edwards (CA)	Levine (CA)
Anderson	Engel	Lewis (GA)
Annunzio	Espy	Long
Applegate	Evans	Lowey (NY)
Atkins	Fazio	Luken, Thomas
AuCoin	Feighan	Manton
Bates	Flake	Markey
Beilenson	Foglietta	Martinez
Bennett	Ford (MI)	Matsui
Berman	Ford (TN)	Mavroules
Boehlert	Frank	McCloskey
Boggs	Frost	McDermott
Bonior	Garcia	McHugh
Borski	Gejdenson	McMillen (MD)
Bosco	Gephardt	McNulty
Boucher	Gibbons	Mfume
Boxer	Glickman	Miller (CA)
Brennan	Gonzalez	Mineta
Brooks	Gordon	Moakley
Brown (CA)	Gray	Moody
Bruce	Green	Morella
Bustamante	Guarini	Morrison (CT)
Cardin	Hall (OH)	Mrazek
Carper	Hayes (IL)	Murphy
Carr	Hertel	Neal (MA)
Clarke	Hoagland	Neal (NC)
Clay	Hochbrueckner	Nowak
Clement	Hoyer	Oakar
Coleman (TX)	Hughes	Oberstar
Conte	Jacobs	Obey
Conyers	Johnson (SD)	Olin
Costello	Jontz	Owens (NY)
Coyne	Kaptur	Owens (UT)
de la Garza	Kastenmeier	Panetta
DeFazio	Kennedy	Payne (NJ)
Dellums	Kennelly	Pease
Dicks	Kildee	Pelosi
Dingell	Klecska	Penny
Dixon	Kostmayer	Perkins
Dorgan (ND)	LaFalce	Poshard
Downey	Lantos	Price
Durbin	Leach (IA)	Rahall
Dwyer	Lehman (CA)	Rangel
Dymally	Lehman (FL)	Richardson

Roe	Skaggs	Traficant
Rose	Slattery	Traxler
Rostenkowski	Slaughter (NY)	Udall
Roybal	Solarz	Unsoeld
Russo	Spratt	Vento
Sabo	Staggers	Visclosky
Sangmeister	Stallings	Walgren
Savage	Stark	Waxman
Sawyer	Stokes	Weiss
Scheuer	Studds	Wheat
Schneider	Swift	Williams
Schroeder	Synar	Wise
Schumer	Tanner	Wolpe
Sharp	Torres	Wyden
Shays	Torricelli	Yates
Sikorski	Towns	

NOES—233

Andrews	Hayes (LA)	Pickle
Archer	Hefley	Porter
Armey	Henry	Pursell
Aspin	Herger	Quillen
Baker	Hiler	Ravenel
Ballenger	Holloway	Ray
Barnard	Hopkins	Regula
Bartlett	Horton	Rhodes
Barton	Houghton	Ridge
Bateman	Hubbard	Rinaldo
Bereuter	Huckaby	Ritter
Bevill	Hunter	Roberts
Bilbray	Hutto	Robinson
Bilirakis	Hyde	Rogers
Bliley	Inhofe	Rohrabacher
Broomfield	Ireland	Roth
Browder	James	Roukema
Brown (CO)	Johnson (CT)	Rowland (CT)
Buechner	Johnston	Rowland (GA)
Bunning	Jones (GA)	Saiki
Burton	Kanjorski	Sarpalius
Byron	Kasich	Saxton
Callahan	Kolbe	Schaefer
Campbell (CA)	Kolter	Schiff
Campbell (CO)	Kyl	Schuette
Chandler	Lagomarsino	Schulze
Chapman	Lancaster	Sensenbrenner
Clinger	Laughlin	Shaw
Coble	Leath (TX)	Shumway
Coleman (MO)	Lent	Shuster
Combest	Lewis (CA)	Sisisky
Cooper	Lewis (FL)	Skeen
Coughlin	Lightfoot	Skelton
Cox	Lipinski	Slaughter (VA)
Craig	Livingston	Smith (FL)
Crane	Lloyd	Smith (MS)
Crockett	Lowery (CA)	Smith (NE)
Dannemeyer	Lukens, Donald	Smith (NJ)
Darden	Machtley	Smith (TX)
Davis	Madigan	Smith (VT)
DeLay	Marlenee	Smith, Denny (OR)
Derrick	Martin (IL)	Smith, Robert (NH)
DeWine	Martin (NY)	Smith, Robert (OR)
Dickinson	Mazzoli	Snowe
Donnelly	McCandless	Solomon
Dornan (CA)	McCollum	Spence
Douglas	McCrery	Stangeland
Dreier	McCurdy	Stearns
Duncan	McDade	Stenholm
Dyson	McEwen	Stump
Edwards (OK)	McGrath	Sundquist
Emerson	McMillan (NC)	Tallon
English	Meyers	Tauke
Erdreich	Michel	Tauzin
Fascell	Miller (OH)	Thomas (CA)
Fawell	Miller (WA)	Thomas (GA)
Fields	Molinari	Thomas (WY)
Fish	Mollohan	Upton
Frenzel	Montgomery	Valentine
Gallegly	Moorhead	Vander Jagt
Gallo	Morrison (WA)	Volkmer
Gaydos	Murtha	Vucanovich
Gekas	Myers	Walker
Gillmor	Nagle	Walsh
Gilman	Natcher	Watkins
Gingrich	Nelson	Weber
Goss	Nielson	Weldon
Gradison	Ortiz	Whittaker
Grandy	Oxley	Whitten
Grant	Packard	Wilson
Gunderson	Pallone	Wolf
Hall (TX)	Parker	Wylie
Hamilton	Parris	Yatron
Hammerschmidt	Pashayan	Young (AK)
Hancock	Patterson	Young (FL)
Hansen	Paxon	
Harris	Payne (VA)	
Hastert	Petri	
Hatcher	Pickett	

NOT VOTING—14

Anthony	Flippo	Jenkins
Bentley	Florio	Jones (NC)
Bryant	Goodling	Smith (IA)
Collins	Hawkins	Wright
Courter	Hefner	

□ 2051

The Clerk announced the following pair:

On this vote:

Mrs. Collins for, with Mr. Courter against.

Messrs. PASHAYAN, LEWIS of California, ROWLAND of Georgia, and NAGLE changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to title VII?

AMENDMENT OFFERED BY MR. MC COLLUM

Mr. McCOLLUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCOLLUM: Page 447, add the following after line 24:

(e) POLICE TRAINING FOR EL SALVADOR.—Notwithstanding the prohibition contained in section 4202 of the Foreign Assistance Act of 1961, and without regard to any requirement or limitation contained in subsection (b) of this section, assistance otherwise prohibited by section 4202 of the Foreign Assistance Act of 1961 may be provided to El Salvador for fiscal years 1990 and 1991 if, at least 30 days before providing such assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made significant progress, during the preceding 6 months, in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without a trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.

Page 453, lines 5 and 6, strike out "EL SALVADOR, GUATEMALA," and insert in lieu thereof "GUATEMALA".

Page 453, lines 10 and 11, strike out "El Salvador, Guatemala," and insert in lieu thereof "Guatemala".

Page 453, strike out lines 12 through 19 and insert in lieu thereof the following:

(b) DEFINITION.—As used in this section, the term "police forces" includes all members of security forces other than the regular uniformed armed forces.

Mr. McCOLLUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore (Mr. CARDIN). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. McCOLLUM. Mr. Chairman, for quite a number of years there has been a worldwide prohibition in law that we have held that says that the United States shall not train the police forces domestically in any other nation.

In 1985, there were four United States Marines killed, almost 4 years ago last week to the day in El Salvador. As a result of those deaths and the request that we had from our State Department and our Embassy, this Congress enacted a special waiver for El Salvador on the police training prohibition, and for 3 years after that we managed to train through our military police and military advisors in the San Salvador area the police forces, the city forces of that country. During this intervening period of time when that training was going on, there was great success to that program, that training program we had, the equipping program. We provided radios and cars to the police. We taught them human rights. We taught them how to do criminal investigations. We taught them a lot of things. Since that time there have been no deaths of American officials down there, no assassinations of them, although we have lost recently due to increased urban terrorism of the Communist FMLN a number of major officials of the Salvadoran Government, including the Attorney General, the Chief of Staff to President Cristiani, and most recently, just this week, assassinated was the general who was in charge of the police.

As a result of this effort, as I was saying, a great deal of good has come in El Salvador. We have a much more professional police force and so forth.

My amendment basically does one simple thing. It just renews that which has expired. It reauthorizes the waiver allowing for us in the United States and our forces to train those police and to equip them as we have been doing for 3 years until that program ran out.

Let me explain how important that program is and why it is the top priority with the Embassy there of all the things they say that should be done to help El Salvador right now, why President Cristiani wants it so badly and why I think that we in all good conscience need to do it to protect lives down there.

I guess the best way to describe it is to tell you what has happened already in that country during that time. Sixteen thousand, actually more than 16,000 police in the cities of San Salvador and San Miguel and the urban areas of El Salvador have been trained since the beginning of that program. This is something incountry. No other country does it, and in no place else in the world is it done like this.

Our State Department has reported to us that as a result of the training that we have done, we have had major breakthroughs in El Salvador in murder and kidnaping cases of the most notorious type.

I thought it was interesting and I would like to quote from a couple reports that have come out here lately on some of the things that have happened down there. Just this past month in May, there was the largest arms cache in the history of El Salvador unearthed in the city of San Salvador. It was done by the national police, who are the police that we have been training. A cable from our Embassy there to us explained in detail what all was in that. Later on you are going to see some photographs of the large size of that cache and there will be more discussion about it.

I think the important point in that cable is the quote that I am going to read from our Ambassador:

The outstanding quality of the police work that went into this bust is testimony to the growing professionalism of the Salvadoran security forces in large part due to U.S. assistance made possible until now by FAA 660 waiver. The police are emerging as a competent investigative force, and their importance in the urban war against the FMLN cannot be overstated.

Another report that I think is of a great importance out of our State Department describes the way they have helped in the humanitarian area to restrain the police, to train them in good quality techniques, and it says:

Since we began providing assistance to the police, not a single demonstrator has been killed in the numerous riots provoked by the FMLN-front groups. Ten violent demonstrations were investigated between March and September of 1988. The best example of improvements of the police can be seen in their behavior in the September 13, 1988, demonstration in San Salvador. Despite the fact the demonstration turned violent, five policemen were shot, one killed, and numerous handguns and hand grenades and Molotov cocktails, nail-studded clubs were confiscated from the demonstrators, the police behaved precisely according to the book. A review of a videotape of the incident showed restraint and professional police behavior in the face of the most severe provocation including the murder of one of their colleagues.

This is the type of training we need to have. We want to civilize the police, and they have been in that country. We want to combat urban terrorism, and we want to protect American lives.

Here is a list of all the violations of human rights in the last year reported by our State Department by the FMLN in the urban centers in that country. I am not going to read all of it, but I am including it in the RECORD.

At any rate, there is a whole long litany of these things that go on and on and on. The bottom line is that we have serious problems of security in those cities where bombings occur regularly, where assassinations occur regularly, where we now have for the first time a pretty good police force, but we do not have the power to continue training them. That is all we are asking for is the training and to save American lives, and I urge that the McCollum amendment be adopted to continue the waiver.

FMLN HUMAN RIGHTS ABUSES

Abuses of human rights by the Farabundo Marti National Liberation Front (FMLN) in El Salvador have escalated dramatically over the last eight months. Increasingly unable to confront the Salvadoran armed forces in the field, the FMLN has resorted to assassinations, urban terrorism, and destruction of infrastructure in its effort to destablized Salvadoran democracy. Another goal of the guerrillas' killing and destruction is to provoke a violent, extrajudicial reaction from the Salvadoran right and military, in the hopes that such a response would jeopardize continued U.S. assistance.

ASSASSINATIONS

The FMLN has embarked on a campaign of threatening and killing democratically-elected government officials, conservative intellectuals, and members of the armed forces. Mayors, justices of the peace, governors of departments and municipal councils are threatened with death by the guerrillas for being part of the government's counter-insurgency plan. For example:

In the year ended March 1989, the FMLN threatened with death 214 of the 262 mayors in El Salvador. The FMLN actually produced a form letter for death threats on an FMLN letterhead. It had a blank to fill in with the name of the government official to be threatened. More than 90 resigned rather than submit to "revolutionary justice;" FMLN death squads killed 10 for failing to resign.

The governor of the department of Usulutan was taken from his house before dawn in January and executed.

The FMLN threatened with death all electoral workers who participated in the March presidential election.

There have been more than 20 assassination attempts against members of the armed forces. Air force pilots are particularly targeted. The FMLN bombed the house of the 75-year-old mother of the Minister of Defense in January, wounding her.

Attorney General Garcia was assassinated on April 12 by unknown assailants. Garcia was staunchly anti-communist and often appeared on television and radio to condemn FMLN violence; he was in turn reviled in guerrilla radio broadcasts.

Unknown assailants also bombed the house of Vice President-elect Chico Merino on April 14. Merino and his wife were in the United States, but a visiting playmate of his children was injured. Merino has been an outspoken opponent of FMLN violence.

Miguel Castellantos, a former guerrilla who renounced violence in 1985, was gunned down in the street by the FMLN on February 16. Castellanos wrote and debated frequently on the need for an end to the violence. An FMLN radio broadcast praised his killing and called him a "traitor" consigned to "the garbarge dump of history."

Francisco Peccorini, a 75-year-old American citizen of Salvadoran descent who wrote and spoke against the FMLN, was killed by unkown gunmen on March 15. Peccorini was almost certainly killed for his advocacy of conservative democratic causes, particularly his attempts to promote non-ideological approaches to higher learing. Despite the fact that he was an American, little notice was paid his killing.

Carlos Ernesto Mendoza, editor of a conservative intellecutal journal, lost his arm while trying to remove a bomb from his home on April 5.

Minister of the Presidency (the equivalent of White House Chief of Staff) Jose Rodriguez Porth, 73, was killed by unkown assailants outside his house on June 9. The FMLN has denied killing Rodriguez Porth, but President Cristiani has stated his belief that the FMLN was behind the crime. Rodriguez Porth was strongly conservative and regularly denounced FMLN violence.

URBAN BOMBINGS

The FMLN has increased its use of crude homemade mortars in the city. These devices, called "rampas" by the insurgents, use one explosion— often a car bomb—to launch a projectile (usually another bomb) into a target area. In ten such uses of rampas in the city recently, little damage has been done to the targeted military installations while devastating civilian casualties have been caused. For example.

A rampa targeted at a military garrison in December was placed in front of a busy health clinic. Dozens were injured, and a passing motorist lost both legs. The garrision was untouched.

A February rampa explosion killed two elderly bystanders and wounded many others while again failing to accomplish any military purpose.

The guerrillas have also adopted the tactic of exploding bombs designed to maximize civilian casualties.

A November blast at a hamburger stand wounded dozens, four seriously.

The guerrillas shot rocket-propelled grenades at the Sheraton hotel and the U.S. AID building, also in November.

In a February attack on the Usulutan town of Berlin, the FMLN insurgents left behind apparently "dud" ammunition with anti-handling devices. Three explosive ordinance technicians were killed trying to clean up. The guerrillas fired three M-79 grenades into the town's kindergarten, destroying it.

INDISCRIMINATE USE OF WEAPONS

Guerrilla landmines planted on paths and in fields killed 42 and wounded more than a hundred people in 1988. The FMLN's indiscriminate use of landmines in rural areas have killed six so far this year.

On May 4, a booby-trapped FMLN poster on a guerrilla-sabotaged power pole killed five, including an 18-year-old mother and her two-month-old baby, and wounded 20, according to the Red Cross.

On May 13, a 10-year-old girl was killed in a guerrilla crossfire in Berlin, Usulutan. While the guerrillas probably were not aiming at her, it is worth noting that she was in church when she was shot.

On May 22, a civilian microbus was ambushed by the FMLN resulting in the deaths of seven civilians and the wounding of eight others. The FLMN later apologized for these killings.

DESTRUCTION OF INFRASTRUCTURE

One key guerrilla tactic has been to disrupt the economic infrastructure of the country through sabotage, direct attacks, and transportation stoppages. Their goal is to make normal commercial activities impossible, thereby raising tensions in society. For example:

The FMLN has declared two nationwide traffic bans—enforced with tire-puncturing devices strewn on roadways and roadblocks—in the last eight months. The FMLN burns vehicles found to be operating in defiance of their ban. These bans prevent citizens from going to work and in the case of the March traffic ban, from voting.

FMLN sabotage kept the city of San Salvador without power for two weeks prior to the March election.

The FMLN targets coffee and cotton factories for destruction. In one attack in Usulutan in February the guerrillas burned thousands of pounds of export quality coffee, a disaster in a country where coffee is the number-one foreign exchange earner.

SALVADORAN REACTIONS

There are increasing indications that the Salvadoran people are fed up with FMLN provocations and senseless violence.

Reni Roldan, vice presidential candidate for the leftist Democratic Convergence (CD), lambasted the FMLN after the February rampa explosion which killed two elderly civilians. He said that FMLN violence was hurting his party's chances in the election and was losing the FMLN support of the people. The FMLN subsequently suspended use of rampas, citing "technical difficulties." It has since resumed using these indiscriminate bombs.

Following less-than-expected electoral support for the CD in the March election, CD presidential candidate Guillermo Ungo blamed FMLN violence for the fact that he won only 3.8 percent of the vote.

Some 2,000 residents of the provincial town of San Miguel declared a strike and march against FMLN violence in February. The marchers called on the mayor, who had been threatened by an FMLN death squad, not to resign.

Archibishop Rivera Y Damas, who has repeatedly called on both sides to end the conflict, strongly denounced FMLN violence on February 5.

Mr. KOSTMAYER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we waived this in 1985. We agreed to the McCollum amendment in 1985, and since then we have provided $17 million in police training.

Do the Members know how much of that $17 million was used for training and how much was used for equipment? $16.5 million out of the $17 million was used for equipment, and a half million dollars was used for training. What kind of a training program is it that spends $17 million and uses $16.5 million to buy guns and bullets and ammunition and a lousy half million bucks for training? That is not a training program. That is an arming program. Who did it arm? It armed the National Police, the Treasury Policy, the National Guard.

We have given this country $3 billion to date, $1.5 million a day of American taxpayers' money. Do the Members know what this amendment does tonight, ladies and gentlemen, which the gentleman from Florida did not mention? It lifts the cap on military aid to El Salvador. It lifts the cap on military aid to El Salvador.

Mr. Chairman, we give them $85 million in the bill. This will allow the Bush administration to give them another $85 million.

How much military assistance are we going to give? They are already getting police training for the antiterrorism assistance program, the administration of justice, program, the anti-narcotics program, and this mixes the armed forces with civilian police forces.

This is a terrible, terrible idea. It is going to increase the money that is going to the death squads.

If we vote for this amendment, we are voting to provide at least another $20 million which is what we think the administration will ask for military equipment to a country that is already getting $1.5 million a day.

Enough is enough.

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I am happy to yield to the gentleman from Florida.

Mr. McCOLLUM. Mr. Chairman, there is no more money being asked here in this program. It is all to come out of MAP's money that is already down there.

When the gentleman from Oklahoma [Mr. McCURDY] finishes with his amendment coming up, that will be signed, sealed and delivered, but that is not what our amendment does.

I beg to differ with the gentleman, in all due respect.

Mr. KOSTMAYER. Reclaiming my time, this allows the administration to request additional funds. There is a cap of $85 million. This lifts the cap. This provides more money for ammunition.

The last thing we need is more guns, more ammunition. How long will it take until we learn the lesson? We are not going to reach a military solution. We do not need more guns. We do not need more ammunition. We do not need more bullets. We need to reach a political settlement.

If we provide these paramilitary police forces with the additional arms, we are removing and decreasing, I think, the chance that we will reach a negotiated settlement.

AMENDMENT OFFERED BY MR. MC CURDY TO THE AMENDMENT OFFERED BY MR. MC COLLUM

Mr. McCURDY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. McCURDY to the amendment offered by Mr. McCOLLUM: In the text proposed to be inserted as subsection (e) by the amendment, strike out "Notwithstanding" and all that follows through the end of the subsection and insert in lieu thereof the following:

In order to promote the professional development of the security forces of El Salvador and to encourage the separation of the law enforcement forces from the armed forces of El Salvador, assistance made available under subsection (b) may, notwithstanding section 4202 of the Foreign Assistance Act of 1961, be provided to El Salvador for fiscal years 1990 and 1991 for purposes otherwise prohibited by section 4202 of the Act, if the following conditions are met:

(1) The training provided with such assistance is provided by United States civilian law enforcement personnel.

(2)(A) The assistance is to be used for the purposes of professional development and training of the security forces of El Salvador in such areas as human rights, civil law, investigative and civilian law enforcement techniques, and urban anti-terrorist training.

(B) Any such assistance that is made available for equipment for these forces is intended to be used for the purchase of such equipment as communication devices, transportation equipment, forensic equipment, crime control and detection equipment, and personal protection gear. No such assistance may be used for the purchase of firearms.

(C) Subparagraph (B) does not preclude the provision of consumables and spare parts for existing inventories of firearms.

(3) At least 30 days before obligating such assistance in each such fiscal year, the President certifies to the Committees on Foreign Affairs and Appropriations of the House of Representatives and the Committees on Foreign Relations and Appropriations of the Senate, that the Government of El Salvador has made significant progress during the preceding 6 months in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without trial. Any such certification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.

For purposes of this subsection, the term "civilian law enforcement personnel" means law enforcement personnel who are not members of the United States Armed Forces.

Page 453, lines 5 and 6, strike out "EL SALVADOR, GUATEMALA," and insert in lieu thereof "GUATEMALA".

Page 453, lines 10 and 11, strike out "El Salvador, Guatemala," and insert in lieu thereof "Guatemala".

Page 453, strike out lines 12 through 19 and insert in lieu thereof the following:

(b) DEFINITION.—As used in this section, the term "police forces" includes all members of security forces other than the regular uniformed armed forces.

Mr. McCURDY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCURDY. Mr. Chairman, I rise today to offer an amendment to the amendment submitted by the gentleman from Florida [Mr. McCOLLUM].

Mr. Chairman, it appears that El Salvador has replaced Nicaragua as the focus of our attention in Central America. Human rights and the conduct of the civil war in El Salvador are rapidly becoming the subject of partisan debate in this body. This threatens the bipartisanship which characterized our policy toward El Salvador during the Duarte years, and risks plunging us into the chaos we experienced over our policy toward Nicaragua.

Today we are addressing an issue that is particularly sensitive to many

Members who care about our policy toward the new government in El Salvador, and it concerns the question of United States participation in the training of Salvadoran security forces.

Mr. Chairman, as most Members know, Congress passed in 1985 a waiver to section 660(D) of the Foreign Assistance Act which permitted the United States to train and equip members of the Salvadoran police. I have spoken at length about the effects of this program with the former Ambassador to El Salvador, Ed Corr, representatives of the Departments of State and Defense, and President Alfredo Cristiani himself last week. They all have argued that the section 660 program made a number of very important improvements in the performance of the Salvadoran security forces.

Among these improvements is a dramatic reduction in the numbers of human rights abuses attributed to the security forces. The security forces have also demonstrated improvements in their investigative skills most recently by uncovering the largest cache of FMLN weapons in the history of the civil war. Finally, they have exercised maximum restraint in their handling of recent urban demonstrations by FMLN supporters, as well as the assassinations of the attorney general and the minister of the presidency.

I do not, however, mean to imply that incidents of human rights abuses do not take place in El Salvador. They do. But this does not mean we should walk away from the problem and refuse to provide the training the Salvadoran security forces badly need. I believe we should build on the positive trends we have seen since the enactment of the first waiver.

Mr. Chairman, my amendment would perfect the McCollum amendment in several important ways.

First, it would require that funding for the training of the Salvadoran security forces come from the $85 million that the foreign assistance bill provides for El Salvador in military aid. It would not exceed the $85 million cap set by the Foreign Affairs Committee.

Second, it would require that the Department of Defense contract out to us civilian law enforcement personnel to conduct training programs for Salvadoran personnel who would then train Salvadoran police recruits. My amendment would, in effect, demilitarize the training of the Salvadoran police and emphasize civilian law enforcement techniques.

Third, my amendment would prohibit the purchase of additional firearms for the Salvadoran security forces. It would permit the purchase of communications equipment, transportation equipment, forensic equipment, personal protection gear, and ammunition for existing inventories of firearms.

Finally, before obligating this assistance, my amendment would require the President to certify to Congress that the Government of El Salvador has made progress in eliminating human rights abuses, including torture, incommunicado detention, and detention of persons solely for the nonviolent expression of their political views. The administration also must include a full description of how this assistance will be used.

Mr. Chairman, I believe this approach to a section 660 waiver program will allow the United States to play a positive role in the further development of a professional police force in El Salvador and, in the long run, encourage an eventual separation of the security forces from the ministry of defense as it now exists.

Some of my colleagues argue that the United States already provides training for the Salvadoran security forces through several other programs. These include the International Criminal Investigative Training Assistance Program [ICITAP], Anti-Terrorism Assistance [ATA], and the International Narcotics Assistance programs [INM]. These programs have indeed been quite successful, but their mandates are very strict and their budgets very limited. ICITAP has a worldwide budget of only $7 million, of which only about $320,000 would go to El Salvador in fiscal year 1990. In addition, ICITAP is a regional program, not bilateral, and concentrates its efforts on criminal investigative techniques and the administration of justice.

The anti-terrorism assistance programs can only be conducted outside the United States for 30 days at a time, and the ATA budget for El Salvador in fiscal year 1989 is only $485,000.

Finally, the training provided under ICITAP and ATA is directed more toward senior and midlevel supervisors.

As I hope my colleagues can see, the ICITAP and ATA programs can only scratch the surface of what needs to be done in training the Salvadoran security forces. Under a 660 waiver using civilian instructors, many more Salvadoran policemen could be trained to act in a professional manner when carrying out their duties.

□ 2110

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. McCURDY] has expired.

Mr. McCURDY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. FASCELL. Mr. Chairman, I hate to object, but I said in the beginning of this debate that I would do that because of the limitation on time and in fairness, unless some other Member will take the time and yield to the gentleman.

The CHAIRMAN. Objection is heard.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. McCURDY].

Mr. McCURDY. Mr. Chairman, I thank the gentleman for yielding.

My amendment is intended to complement the types of training provided under ICITAP, ATA, and INM. It also would stipulate that Salvadorans be trained in civilian law enforcement techniques that many of our own police forces receive. These would include human rights, prisoner handling, site security, map reading, drivers training, radio procedures, first aid, crowd control, explosive identification and render-safe techniques, vehicle maintenance, road blocks, safe entry of buildings, and urban antiterrorist measures.

Finally, I have been assured by officials at the Departments of Defense and State that, in order to make the best use of these funds, the various programs will be coordinated to avoid any duplication of efforts. I believe it would be worthwhile for the Department of Defense to explore the possibility of contracting out some of these training programs to ICITAP, ATA, and INM.

Mr. Chairman, a waiver of section 660 (D), as proposed by the Gentleman from Florida, is an important part of our policy to prevent a return to the dark days of the early 1980's when the security forces in El Salvador participated in serious human rights abuses. But with my amendment, we can place a new emphasis on the program. We can move the Salvadoran security forces in the direction of an independent, professional, and civilian law enforcement agency.

We should not delude ourselves about the difficulty that both we and the Government of El Salvador face. The FMLN has given clear indication that it intends to provoke a violent reaction by the security forces in order to cause the Cristiani government problems here in Washington. The FMLN took responsibility for the murder on Monday of the Director of the Salvadoran Police Academy; it has been implicated in the assassinations of the attorney general and minister of the presidency.

I believe President Cristiani is genuinely interested in professionalizing the security forces to respond to these provocations with maximum restraint. A number of recent press reports have claimed that the Cristiani is preparing to introduce a set of draconian antiterrorism laws to deal with recent acts

of terror in El Salvador. I have been assured that President Cristiani is opposed to these measures and that they are no longer up for discussion. This is a clear reflection of President Cristiani's intention to resist those in his own party who would overreact.

For the new government in El Salvador to accomplish its goal of a professional security force, it is essential that we here in Washington look at the situation in El Salvador with realism and foresight.

I urge my colleagues to support my amendment to the McCollum amendment.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank my friend for yielding.

Mr. Chairman, I would like to commend the gentleman from Oklahoma for focusing on some very serious problems which exist here today. I would like to say that I believe that he has worked to fashion a compromise which may be acceptable, but I would like to raise one concern and see if the gentleman would care to address it.

I am looking in the well at some photographs which I brought back, having on May 30 stood over the 283 Soviet AK-47's which had been seized in what the gentleman correctly described as the largest weapons seizure in the history of the civil war there, and I would say that to underscore the fact that I do not know if civilian law enforcement agents in the United States are capable to deal with this kind of a thing when we juxtapose that to the ability which the military has. I would like to ask the gentleman if he would be amenable to in some way modifying this so that we could see a phase-in of civilian training, because we have had tremendous success with the military training which has taken place. As was underscored by my friend, the gentleman from Florida [Mr. MCCOLLUM] not one demonstrator has been killed since this training has gone into effect, and we have seen a dramatic enhancement of human rights on the part of the government forces there.

So what I believe we need to do, instead of jumping immediately to civilian training, I think we ought to consider a kind of phase-in. Would the gentleman from Oklahoma be amenable to that?

Mr. MCCURDY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from Oklahoma.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. BROOMFIELD] has expired.

Mr. YATRON. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, proponents of this amendment contend that renewing the blanket waiver of section 660 will bolster the Salvadoran Government's ability to combat the Marxist FMLN, and to deter acts of terrorism. If that were the case it would receive strong bipartisan support. This amendment is not about fighting the guerrillas. It will, regardless of the intent, enable antidemocratic elements in the security forces who consistently disregard the judicial system to receive U.S. equipment and training. Moreover, current law waives section 660 for specific and carefully monitored programs which equip and train the Salvadoran security forces.

Presently, members of the Salvadoran National Police, National Guard and treasury police are receiving training and equipment under the administration's antiterrorism program. This program includes explosive incident countermeasures, training in VIP protection, arson investigation and bomb deactivation kits as well as other services. In a bipartisan manner, the Congress has approved funds for this program and will continue to do so.

Currently under our International Narcotics Assistance Program, the Salvadoran Treasury Police are receiving communications and other equipment. Once again, Congress has approved funds for this program and will continue to do so.

Also the Salvadoran security forces are receiving training under the administration's International Criminal Investigative Training Assistance Program. Congress has supported this program and will continue to do so.

Mr. Chairman, this information underscores congressional flexibility and support for police programs in El Salvador which have specific mandates and objectives. But even the administration's own assessment of the security forces' total lack of respect for the law weighs heavily against approving a blanket waiver.

According to the Department of State's human rights report released by the Bush administration and I quote,

> Historically, civilian judicial authority has not extended to the military officer corps. Although low-ranking military and police officers have been discharged and turned over to the civilian courts for trial of criminal offenses, the officers of the armed and security forces are treated differently from other citizens before the law. Judges are frequently reluctant to bring charges against them, and colleagues often fail to cooperate in the prosecution of crimes imputed to a fellow officer. No military officer has been convicted of human rights violations or any other crime in recent years.

Mr. Chairman, the sad fact is that the judiciary does not function effectively because the security forces have nothing to fear from their superiors. Without a functioning judicial system in which police authorities respect judges, democracy will falter.

The present recommendations in the committee print are designed to strengthen our commitment to democracy and to prevent a Marxist guerrilla victory and I urge my colleagues to vote against both amendments.

□ 2120

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the McCurdy amendment to the McCollum amendment. Indeed I offer it as a cointroducer. I think it is a very important provision. It is one that seeks to forge a bipartisan consensus on a controversial but absolutely crucial issue of law enforcement training for police forces in El Salvador.

I would also say that I am not quite sure which of the amendments the arguments of the gentleman from Pennsylvania addressed. He said both amendments, at the end of his statement. But as the ranking member of the Subcommittee on Human Rights of the Committee on Foreign Affairs, I respectfully disagree with the comments that the gentleman has offered with respect to the McCurdy-Bereuter amendment. They could apply, I would suggest, under the arrangements proposed by the gentleman from Florida, although I am certain that is not his intent.

Now let me review very carefully but briefly again what the provisions of the McCollum-Bereuter amendment to the amendment provide for.

It provides for assistance to law enforcement forces in El Salvador for 2 fiscal years if the following conditions are met, and there are three: That training is provided by United States civilian law enforcement personnel; second, that there is professional development and training of the security force in El Salvador in such areas as human rights, civil law, investigative and civil law enforcement techniques, and urban antiterrorist programs.

I think those are essential characteristics of the training that law enforcement personnel in El Salvador ought to receive. And they go beyond antiterrorists and antinarcotics kinds of training now received.

Third, it is important to indicate that any assistance that is provided is to be for equipment and for training, but it specifically precludes the purchase of firearms.

Now the kind of equipment that is necessary, I think, can be provided: communication devices, forensic equipment; but clearly the intent is to provide for training, for education for law enforcement personnel.

VOL 135 PT 10 JE 23 JL 13 1989 UMI

The President is required to provide certification after 6 months that there has been substantial progress in eliminating to human rights violations, including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without trial.

Mr. Chairman, we cannot let a year go by without increasing the quality of training available to law enforcement in El Salvador. It absolutely will deteriorate if we do not act to provide the kind of assistance that is needed.

El Salvador needs help in its law enforcement forces if they are ever to incorporate traditional democratic notions of due process and respect for human rights. That is what programs such as this attempt to do, this and antiterrorist assistance programs are designed for. This will complement it. They are designed to train police officers in nations such as El Salvador to behave in capable, efficient, legal, and humane manner. These programs are required to educate police officers so that they know how to perform, so that they perform in an acceptable fashion.

I want to suggest to my colleagues that we simply cannot ignore the necessity to have this kind of training.

We will have security forces, armed forces personnel, performing as police, and that is wrong. We will have continued intimidation by the armed services on the police unless they receive the kind of training necessary.

Now I would like to suggest to you there has been a recent example of how it ought to proceed. Recently, in the case of Honduran civilian law enforcement forces, officials from the State of New Mexico in the United States, Hispanic officers, speaking Spanish, have provided the kind of assistance to Honduran police that is essential. They provided a role model. They provided them with an indication of professional techniques that ought to be used by police officers. That is the kind of expertise that we can bring to bear, not just from the FBI, but from a variety of law enforcement civilian personnel in this country. That is what the amendment of the gentleman form Oklahoma provides.

This is a compromise amendment, and I am pleased to suggest to you that it is acceptable and it is the kind of step we ought to take.

Mr. Chairman, the amendment of the gentleman from Oklahoma does not require that the Presidential certification be subject to reprogramming procedures under which the appropriate committees be notified. The four appropriate committees are the House Committee on Foreign Affairs, the Senate Foreign Relations Committee, and Appropriations Committees of the House and Senate.

This decision was not taken lightly. The reason is simple. We are operating under a new administration, Mr. Chairman, and President Bush and Secretary of State Baker have repeatedly demonstrated their willingness to work closely with the Congress to achieve a bipartisan policy.

The administration has given this body no reason to believe it will not be forthcoming and cooperative in responding to congressional concerns. Indeed, the administration had given every evidence of its willingness to comply with congressional reporting requirements.

This body should take the administration at its word when it says it will faithfully comply with the certification and consultation process established in this amendment.

If reprogramming language were added into this amendment, the possibility exists of having the entire policy training program held up if only a few Members have concerns regarding a certification. Indeed, if only one Member of any of the four appropriate subcommittees were to voice reservations, the law enforcement education program would be held up.

It was the judgment of the Member from Oklahoma and myself that such a prospect would unduly jeopardize the flow of much needed law enforcement assistance. Because it is important that whatever assistance we decide upon not be subjected to repeated fits and starts, this amendment relies upon Presidential certification without reprogramming.

This Member would strongly urge the adoption of the McCurdy-Bereuter amendment to the McCollum amendment.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. BALLENGER. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from North Carolina.

Mr. BALLENGER. I thank the gentleman for yielding.

Mr. Chairman, I would like to say a few words if I may about the reason to support this amendment. I have listened to the debate today and understood that I really never realized that people in this body here would recognize that we should not support, somehow, the people in El Salvador.

My wife and I have been involved in El Salvador for 17 years. We have built two hospitals in El Salvador, we built an orphanage in Honduras, we have been involved over and over again. I cannot realize that somebody in this whole organization here would feel that we should not support the Government of El Salvador.

I have been there, I was there 15 years ago when somebody dropped, what do you call it, a hand grenade and the hand grenade was the revolution. The revolution was all over immediately after the hand grenade.

In those days because nobody from Cuba or Russia or the United States supported the revolution, nothing happened.

But now all of a sudden because Russia and Cuba and the United States support the different interests, we have this problem.

Stop and think momentarily: We did not help in Panama. The Panamanian election came along and we did not do anything. We in the United States said, "Oh, let's leave it alone. The world is going to change. We are going to do the nice thing there."

Mr. Noriega said it is not going to happen, and it did not happen because we in Congress would not allow our Government to be involved. To my way of thinking, somewhere along this line I cannot believe, and I will be frank with you, I really was not going to plan on talking to this whole thing except I cannot believe that somebody in this whole organization here has decided we will not help any kind of political organization in El Salvador to exist. Now we are saying "you cannot train your police, you cannot do this because this would be dirty deals" and all kinds of other stuff. Those of you here sitting here arguing against the darned thing have never been there before. I have been there 17 years off and on. We have tried our best. Honest to goodness, my wife and I have an organization there. We have spent time building hospitals, built fire departments, done all this kind of stuff to try to help the democratic organization there. But I somehow get the idea this organization here, this great and wonderful House we live in, is not terribly interested in democratic organizations.

What we need to do is protect the horrible, the unbelievable, terrible thing that we might take the rights away from the Communist Party there.

□ 2150

Members know and I know that the FMLN is not interested in making peace.

Ladies and gentlemen, I am not one of these people that have been up here a whole bunch of times talking about it, but this body right here is screwing up the whole damn world as far as Central America is concerned, and I would like to say I would greatly appreciate if someone would show some interest in democracy. I think I am speaking to the Committee on Foreign Affairs, some interest in democracy in Central America. I do not think they are doing it.

Mr. HYDE. Mr. Chairman, reclaiming my time, I want to associate myself with the remarks of the gentleman

from North Carolina. He has shown great insight and he is exactly right. I want to congratulate the gentleman from Oklahoma [Mr. McCURDY], the gentleman from Nebraska [Mr. BEREUTER], the gentleman from Florida [Mr. McCOLLUM], for a sensible, moderate attempt that recognizes the elementary fact that of every kid who ever went to school and dealt with a bully in the school year, the fact that a person does not talk these people out of terrorism, and urban assaults and assassination and destruction of infrastructure. Members have to have a police force that has more than the New York Times and the Philadelphia Inquirer to defend themselves with and defend law and order with.

We are only asking that they be trained, sensitively, with reference to human rights and how to conduct themselves and how to defend themselves against very hard-core professional terrorists. How any Member can do anything that helps the FMLN boggles the mind.

I congratulate the gentleman from Oklahoma [Mr. McCURDY]. I congratulate the gentleman from Nebraska [Mr. BEREUTER]. I surely congratulate the gentleman from Florida [Mr. McCOLLUM] and hope we have the support.

Mr. BERMAN. Mr. Chairman, I move to strike the last word.

I have listened to the passionate pleas and the well-reasoned pleas of the supporters of the amendment, I only ask them to consider one fact. Despite the fact that the United States has given $17 million since 1986 to Salvadoran police forces, not one officer in the security forces of El Salvador has ever been tried and convicted for human rights abuse. It would be very nice to paint this as an issue of "Are you for or against the FMLN."

That is not the case. What we are trying to do, I heard the the minority leader a while ago congratulate both parties in both Houses of this Congress for saving the country of El Salvador, not destroying the country of El Salvador, but saving the country of El Salvador as we try to build it and move it in a democratic fashion.

The problem is, and notwithstanding the claims of the author and supporters of the amendment, a police system can only function as well as the system of justice of which it is merely the instrument.

I do not care how much police training and how much police dollars we give in this bill or in any other bill. To the extent there are laws in El Salvador, they become, and they are rendered virtually meaningless by the absence of courts willing and able to prosecute on the basis of the law.

The military's role in creating this paralysis is clear. Military officers accused of human rights abuses are protected by their colleagues and by friends in the government and by right wing death squads. El Salvador's judicial system is ruled by fear, beset by intimidation and political meddling. Judges and lawyers are regularly subjected to bribery attempts and threats of violence. Several courageous judges and lawyers who sought to advance justice in sensitive cases have resigned in the past year, fearful of the consequences of pursuing the truth.

The link between the police force and the system of justice is absolutely essential, and without that system of justice, people are not going to be able to develop a police academy.

One final point, a particular case has come to my attention involves the issue of Jose Mazariego, a prominent labor leader in El Salvador. The case of Jose Mazariego and what happened to him in the past week and a half, I think demonstrates in a situation where I have personal knowledge of the situation, the futility of what the proponents of this amendment are trying to do here. This is what we are dealing with with the treasury police.

Hours after he received a visa to visit the United States to meet with Members of Congress and American labor leaders, he was abducted by plainclothesmen from the same treasury police that the proponents would have Members believe can serve and protect the Salvadoran people.

The same treasury police that proponents of this amendment want Members to spend money on to train in the exercise of deadly force and provide with police equipment.

As it turns out, Mr. Mazariego was lucky. He got out alive. However, the fact remains that after he was picked up by the treasury police he was held without charge, tortured until the maximum 72-hour period the government could legally hold him had expired. He is not a criminal. While no charges have been preferred against him, no evidence has been submitted about his activities, either in committing violence or inciting violence or in advocating violence. While he was in custody of the treasury police, a plastic hood was placed over his head and he was forced to inhale lime until he lost consciousness. Acid was poured on his legs, and he was beaten on his legs, chest and face.

This is exactly the type of behavior that Congress' prohibition on police aid was designed to curtail. We do not want to reward the torturers. This is not a matter of training, or knowing what to do. This is a matter of oppression and persecution and violence committed by people in the name of the law.

I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I do not disagree that there is a massive failure in the justice system and the treasury police are indeed brutal, frequently. This gentleman gave the graduation speech in Spanish at an FBI course for a team of investigators for President Duarte, and we sent them back there and they were soon intimidated by the military forces and the treasury police.

What we have to have is a comprehensive program from the Costa Rican international effort, from the United States, to beef up, to strengthen the judicial system, and we need to have police training from civilians in this country that can provide some assistance. We cannot simply lament the past. We have to work at a comprehensive approach.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to both the McCollum and the McCurdy amendments. I want to call the attention of my colleagues to the fact that between 1975 and 1985, all this training was prohibited by the Congress, police training of security forces of other countries because of what it did to the reputation of the United States. In countries around the globe, in Iran, in Chile, in Uruguay. Just name it. American people went in, military people and civilians, and training the security forces, which then ended up torturing their own citizens.

Who got the black eye for it? The people in the Government of the United States. So Congress, finally, in 1975 said, "Enough, no more of this." We will not have our reputations besmirched because of this kind of so-called upgrading of police activity, by making them more professional.

Now, we did have a waiver for some 3 years for El Salvador, and we spent, as the gentleman from Pennsylvania had said, some $17 million for that program, only a half a million of which went for training. Indeed, most, $16½ million, was used for equipment.

So this whole thing has been a sham. I was telling the gentleman from North Carolina, I was in El Salvador in January of 1984. We had, for the first time, provided funding for the administration of justice program.

□ 2240

There was great euphoria in El Salvador among those people who wanted most to be concerned about upgrading their judicial system, and for 5 years we have poured money into the administration of justice system in El Salvador, some $14 million, and I want the Members to tell me if the administration of justice has improved one iota in El Salvador. It has not.

The fact is that the death squad activities and activities of a similar nature by the army and security forces of the Government of El Salvador have in fact increased over the course of these past 2 years. In 1987 the total

of civilian deaths was 72, as caused by the Government forces of El Salvador. In 1988 that number had gone up to 92. Death squad activities rose from 24 to 60 from 1987 to 1988. This year again the indications are that it is going up.

I remind the Members of the incident the gentleman from California [Mr. BERMAN] cited with the Mazariego case. Even while the Vice President of the United States was in El Salvador that incident took place. They abducted a man on the streets whom the U.S. Embassy had granted a visa. The treasury police took him into custody without any identification, tortured him over a period of 72 hours, and released him without charge. Only because a member of the American Embassy happened to go to the treasury police quarters is that man alive today. I think the U.S. Government saved Mazariego's life.

I do not think we ought to be providing assistance for so-called police training to the treasury police and the national police and the other so-called quasi-military and civilian police forces in El Salvador. All this will do is to encourage them. At the very time we are considering military and economic assistance to El Salvador, they engage in that kind of activity. What will they do after we adopt this legislation?

Mr. Chairman, I urge my colleagues to vote down both the McCurdy amendment and the McCollum amendment and strike a blow for democracy.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to both amendments.

Mr. Chairman, I do think that we need a narrowly focused and disciplined police training in El Salvador. I think the committee in its bill provides a way for us to do that, but I think, before we jump off the trolley and support either of these amendments, we ought to recall a little history.

Between 1962 and 1974 this country spent about $800 million worldwide to train over 500,000 police. In 1974, after we had accusations of torture and suppression of democratic activities and murder, Congress banned foreign police training. One of the key sponsors of that ban was Hubert Humphrey, a tough anti-Communist.

In El Salvador, between 1961 and 1973, we trained 300 high-level police officers and thousands of low-level officers. In 1972, AID told the Congress that this police training program was a "model program." Shortly after they did that, police who were trained under that program kidnaped President Duarte, tortured him, and denied him office the first time he was elected. That is one reason that we banned police training in El Salvador in the first place.

A lot has happened since then. I think we ought to look at who was trained under the program. One unit receiving police aid, the treasury police, later became the base for death squads that killed some 10,000 Salvadorans, without a single prosecution of an officer in the security forces.

A number of the most notorious leaders of death squads were trained under U.S. police aid programs: Gen. Jose Alberto Medrano who founded the Orden paramilitary network, called by Duarte "the father of the death squads," was trained under that program, and Roberto D'Aubuisson was trained under that police training program. Jose Antonio Castillo, head of the National Guard section of special investigations, was trained under this program. All three of those organizations sponsored death squads. That is why that program came to an end.

The question we faced tonight, however, is not what happened 10 or 12 years ago. The question is, What do we face now? I suggest to the Members that we face a new Government in El Salvador which deserves an opportunity to have its conduct carefully reviewed before we decide what to do on this issue.

This bill has a very disciplined approach to dealing with the question of police training. We should not send the wrong signal to the government now by taking the lid off, as the McCollum amendment would do, or taking the lid partially off, as the McCurdy amendment would do. What we ought to do is evaluate the conduct of this new government over the next year and year and half to see whether or not it justifies our supplying that kind of training. I say that based on past experience, it does not.

We need to know whether in fact Mr. Cristiani is the government or whether in fact he is the "front" for people like Mr. D'Aubisson and others who have gone so far as to threaten the life and security of American diplomats. That is the least we can do to protect the security of our own people. It is the least we can do to see to it that our own country is not tarred with the bad conduct of persons trained under that program.

I might very well a year from now be in the well supporting an expanded police training program, but we have no track record on which to judge this government, and based on the past activity of the ARENA party, we ought not to just walk blindly into the situation suggested by the adoption of either the McCollum or the McCurdy.

Mr. Chairman, I urge Members to stick with the committee.

Mr. McEWEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I remember having a discussion with a member of the Human Rights Commission in Nicaragua in which he was explaining about the funds being cut off from an ally of the World Council of Churches. He said after the Sandinistas had taken control, the international press did not recognize the human rights violations that were brought to the world's attention, that the Members of Congress were no longer interested, and that funding had been cut off.

So he went to the World Council of Churches and asked, "Why was our funding cut off when under Samoza it was so strongly supported internationally?" And they explain it to him and said, "Human rights violations in Nicaragua are no longer our concern. El Salvador is now our target."

Mr. Chairman, some reference was made a little while ago about Mr. Mazariego, who was taken into custody and was mistreated. He happened to be, a day before the arrival of the Vice President of the United States, under the very close network that exists between El Salvador and the United States. Our American adviser was advised within 1 hour of the time he was taken into custody. The information had been relayed back to Washington, back to the United States. The State Department was contacted. They relayed it back to the American Embassy, and he turned to the person with whom he was having dinner, who happened to be a member of the Salvadoran police force, and said "Is it true that you have Mr. Mazariego in custody?"

He looked at him and said, "I don't know. I'll check."

He got up, went to the phone, came back, and said, "Yes, we do."

He said, "I want to go and see him."

Within 90 minutes of the time he was taken into custody, the Americans and the Salvadorans knew that we knew they had him. We interviewed him. He was kept there for the prerequisite 72 hours, and then he was released. Our colleague, the gentleman from California [Mr. DREIER], will present the form that was signed by the Human Rights Commission, to which he was turned over when he was released.

He was in perfect condition. During the time of his incarceration he took the handcuffs and he banged them against his knees in an attempt to somehow or other establish that he was injured.

□ 2150

He was recognized from when we went in. We knew when he was there. We knew when he was released, and he was in perfect condition at all times. He was then flown to Washington to give the various interviews which we have been able to enjoy the last few days.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. Very simply, very simply, it is apparent—I will be glad to yield to my colleague, the gentleman from California [Mr. BERMAN] in just a moment.

Mr. Chairman, it is vitally, vitally important that we do everything in our power to support democratic forces in the preservation of human rights. We have made tremendous progress in encouraging the use of human rights and respect for human rights among the police forces. To discontinue that encouragement would be precisely the wrong direction to take, and periodically there are those who know how to get our Congress to respond.

Mr. Chairman, I am very familiar with the use of the death squads in which they were able to, leftwing forces, murder anyone, tag their throat, throw them in the two square and call the international media, and the next morning this front row would line up with 1-minute speeches attacking the death squads in El Salvador.

Mr. Chairman, they know how to work this. They know how to trudge in the money so that it comes up periodically and shortly before the money comes up for consideration in the Congress. Then immediately we have this explosion in, quote, human rights violations.

They know how to work this thing, and it is important that we understand how they are doing it. We should support democracy. We should support human rights. We should reward our friends and our allies in their efforts to preserve human rights, and I believe the McCollum-Bereuter amendment is the proper direction to go, and I urge the Members to support it.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, the gentleman from Ohio [Mr. McEWEN] made certain statements with respect to Mr. Mazariego, which my understanding is he personally has not met or discused this issue with the gentleman.

Mr. Chairman, I met with the Deputy Assistant Secretary of State and three people who met with him in the State Department Monday night. All three of them said they have absolutely no reason to doubt his story.

I am aware from the gentleman from California [Mr. DREIER] of the statement that was prepared for him to sign after he had been released or at the time he was being released from prison after 3 days of being incarcerated in prison and that he had signed a statement that he had no awareness of what it meant.

Mr. Chairman, I would suggest that I would take the credibility of that gentleman and the State Department over——

Mr. McEWEN. Mr. Chairman, reclaiming my time——

Mr. BERMAN. Made after the fact——

Mr. McEWEN. Mr. Chairman, if I may reclaim my time, very simply the suggestion that a human right——

Mr. BERMAN. That this——

The CHAIRMAN. The gentleman from Ohio [Mr. McEWEN] has the time.

Mr. McEWEN. I would suggest that the human rights official to which he was presented, who signed the document in this presence, should be getting at least as much credence as someone who has been recognized as a strong supporter and a strong advocate of the violent overthrow in support of the Marxist revolution in El Salvador.

Mr. DREIER of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just this past weekend had the opportunity to talk with two relatively young Salvadoran women, and these women are in their late twenties, and the early part of this decade they lived under very difficult times in their country. The message that they gave to me was the fact that we have seen a dramatic improvement in the treatment of Salvadoran citizens by the police during this very difficult civil war.

In fact, Mr. Chairman, during the war itself we have seen an increase in human rights recognition by the security forces there, and I think, Mr. Chairman, that it is very important for us to look at some of the cases which have come to the forefront. However we must also recognize one of the most important aspects of this training is in the area of human rights.

Now, Mr. Chairman, we have had many cases here outlined by a wide range of people who are talking about Mr. Mazariego and the horrible, reprehensible treatment which he received. Well, I have to say that I have not talked to Mr. Mazariego; I have been here. I would love to have him come by and visit me, but I will say, as the gentleman from Ohio [Mr. McEWEN], my friend, just pointed out, that it is very clear. His signature is on this form right next to that of a member of the Human Rights Commission and an independent witness.

Now I would challenge, Mr. Chairman, a number of my colleagues to look at the signature. I reckon that a number of the signatures on dear colleagues which circulate this place are not as firm and strong as this signature from Mr. Mazariego. It doesn't appear that he was coerced into saying that he was treated well.

There is no reason in the world that, when we were getting ready to put together this bill, that members of the domestic police force would want to embark on any kind of torture, any kind of human rights violations. I believe that the best way in the world for us to maintain the kinds of human rights success which we have seen is for us to proceed with this amendment.

I would like to see full military training, Mr. Chairman, because, unlike the situation in Honduras, El Salvador is faced with a very serious civil war, and I believe that the military is best trained to bring about this kind of training.

I would like to bring about a phase-in of civilian forces, as I mentioned that in the colloquy I had earlier with the gentleman from Oklahoma [Mr. McCURDY]. Sure, I would like to see us ultimately bring it about, but we have had such great success with military training itself that, I believe, it is important for us to proceed with that.

Now, Mr. Chairman, a lot of people have talked about this weapons cache. Well, I have right here a whole stack of photographs, and I am not going to go all through them, Mr. Chairman, because I know we are anxious to proceed and have a vote on this amendment, but I will say to my colleagues that I stood over these 283 Soviet-made AK-47's, the Hungarian pistols, the timers which are used for bombs which are exploding the infrastructure of El Salvador. This would not have been seized, Mr. Chairman, had it not been for the fact that many of these officials have been successfully trained, not only in human rights, which of course is of paramount importance, but ensuring the safety of Salvadoran citizens. Had the weapons not been seized it might have jeopardized the inauguration.

Mr. Chairman, this was seized the day before the inauguration, and let us remember what has just taken place in El Salvador: a tremendous historic achievement, the first transition from one democratically elected government to another, Mr. Chairman, in the history of the country.

So, let us recognize that our training is critically important. We have seen these forces tested. There are a great many people who are in the police forces who were part of President Duarte's government. We have to continue to pursue this as diligently as we can, and, Mr. Chairman, I believe very strongly that, if we are going to take this fragile democracy and continue to maintain human rights, to increase security and obliterate the kind of terrorism which we are seeing in urban areas by the FMLN, we have got to proceed with a very balanced approach.

The thing that disturbs me, Mr. Chairman, is that while everyone on this side of the aisle likes, or most ev-

eryone on this side of the aisle likes, to talk about the case of Mr. Mazariego, we do not hear people talking, other than my friend, the gentleman from Oklahoma [Mr. McCURDY], about the case of Mr. Rivera, Mr. Rodriguez, Mr. Garcia, these government leaders who have been shot down in the streets. If we have a chance, a chance to prevent more of those assassinations, we have got to go back and once again renew the opportunity for this very important military training of police to take place.

I have talked, Mr. Chairman, to the two people who are responsible for this training, Bruce Hazelwood and Billy Zumwalt. They had a battle over determining whether or not we were going to potentially sacrifice a Salvadoran police officer so that no protester is killed? We know the answer, Mr. Chairman. Not one rioter has been killed since the waiver went into place. The police have bent over backward to ensure human rights. Tragically, Salvadoran law enforcement officers have been killed. There is no better testimony to the sacrifice that the Salvadoran Government is making in behalf of their goal of peace, stability, and economic recovery.

Mr. KASICH. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. DREIER] be given an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. FASCELL. Mr. Chairman, I object. The gentleman can just get some time and yield to him.

The CHAIRMAN. Objection is heard.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from California [Mr. DREIER] who previously spoke in the well just prior to my taking the well I think said for all of us what needed to be said in the most graphic way, that what we have been doing in El Salvador up until this point actually works, and we have continued it in this bill. It does not need to be changed.

The gentleman from California [Mr. DREIER] pointed out 200-some-odd AK-47's which were in fact captured by Salvadoran security forces prior to the Cristiani presidency taking place. The swearing-in ceremony of Cristiani was at risk. It is not or was not because the security forces trained by the United States in antiterrorism capability were able to seize those weapons.

Mr. Chairman, that is the best argument that can be imagined for not changing the substance of the crafted piece of legislation which is the section in the foreign aid bill dealing with El Salvador.

Mr. DREIER of California. Mr. Chairman, will the gentleman from Florida [Mr. SMITH] yield on that point?

Mr. SMITH of Florida. Mr. Chairman, the gentleman from California [Mr. DREIER] has had ample time to speak. I have not spoken at all on this issue.

Mr. Chairman, I urge my colleagues to think very carefully before they vote for either of these amendments. Voting for either one would be wrong, and it would be a step backward in what we have attempted to do over the last few years for El Salvador.

□ 2200

The McCollum amendment would move the civilian law enforcement and replace it with military training. We do not want to do that. We have rejected that previously. That is a step in the wrong direction. Even the gentleman from Oklahoma [Mr. McCURDY] admits that.

I urge you for that reason alone, without getting into the balance of it, and there is much more, including the provisioning of weapons and firearms and everything else which we have rejected previously, I urge you for those reasons to reject the McCollum amendment.

Some of you may believe that the McCurdy amendment is somewhat of a better approach, and while over the years I have regularly been a very strong supporter and have helped the gentleman from Oklahoma [Mr. McCURDY] in fashioning different compromises, in which frankly he is a very able person in doing, the reality is that the McCurdy amendment goes much too far as well.

First of all, in the law he provides for civilian law enforcement training. We already provide that. It is done. It is there.

He says it is providing for the training of security forces in the area of human rights, civil law and the like. We already do that.

In addition, he has got a certification by the President of the United States before obligating assistance that shows that there has been progress in eliminating human rights violations and other items. Those human rights certifications and progress in other areas are already in the bill. Before assurances on foreign assistance can be given, the President has to certify to those items, so the gentleman from Oklahoma [Mr. McCURDY] has not added anything in that sense, either; but let us examine what he has added.

He says that assistance which is provided under his amendment may be used for transportation equipment, crime control and protection equipment and protection gear. Some of us realize that is equipment which can be used in an offensive way. We have shied away from giving that kind of equipment previously, including "transportation equiment", which includes helicopters.

In addition, he allows for the provisioning of consumables and spare parts for existing firearms. That means ammunition. We do not provide ammunition to the police now. This is a new and very different departure in the wrong direction from where we have been in the last few years and where we have been successful.

The reality is that in addition there is no balance in his amendment in terms of how the money is spent. There is no way that we can monitor whether there would be 50, 60, or 70 percent of the available provisioning of equipment and only 20 or 30 percent of training out of the total amount of money spent. There is no balance.

I urge my colleagues not to adopt the McCurdy amendment, either.

There is in the foreign aid bill a well-crafted compromise which was reached with both sides on the Foreign Affairs Committee at the time the bill was drafted. Moving in either of these directions by the McCollum or McCurdy amendment upsets that balance and, frankly, moves us to a place where the House has previously rejected going. There is no reason to go now to that place, especially since just a few months ago we were complaining about the human rights violations of the very party that is now in power in El Salvador, the ARENA party, the D'Aubuisson group, which Mr. Cristiani represents, although I do not say he is with D'Aubuisson. I do not want anybody to misinterpret. They are now in control of this country.

We have no track record at all. I would urge my colleagues before we get a track record not to do that.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Pennsylvania [Mr. MURTHA] was sent with a group of us by the President to observe the elections in El Salvador the night when the ARENA party was elected. We went throughout the country in helicopters and in trucks and we had a great opportunity to be able to observe people literally risking their lives to participate in the democratic process.

The reason why, in my judgment, and I think in the judgment of people like Senator LUGAR and the gentleman from Pennsylvania [Mr. MURTHA], the reason that ARENA won that election was that the people in El Salvador were so frustrated by the acts of terrorism within the country that they felt the Duarte government was losing control of the situation. The Duarte government felt very insecure in an effort to try to handle the problems of terrorism, because any time they took

any action whatsoever, people would scream and shout that the police were engaged in human rights abuses, and that is really essentially why ARENA won the election, because the ARENA party came out and they said that we are going to begin to deal with the problems of urban terrorism, and they won a decisive victory in those elections, as we all know. People with great alarm said that if ARENA won the election, this will return us to the days of D'Aubuisson and human rights violations and death squads. It was just the opposite. What the people of El Salvador were saying is, "We want our streets to be safe. We want our children to stop being blown up by land mines in all the fields that are being planted by the Communist terrorists in El Salvador."

Now we find ourselves in a very critical situation with the ARENA party in power and they are going to make every effort they can to regain control of the urban areas in El Salvador. If there is any point in time when we ought to be working carefully with the security forces of El Salvador to allow them to effectively combat terrorism, while at the same time respecting human rights, now is the time.

I mean, to turn our backs on the Government of El Salvador would be a disaster, and not to give these people the aid and support they need to deal professionally and in regard to human rights, not to do that at this point in time would be a horrible, horrible mistake. That is why ARENA won, because Duarte was unable to deal with the acts of terrorism in El Salvador.

So what I suggest is that we go along with the gentleman from Oklahoma [Mr. McCURDY], we go along with the gentleman from Florida [Mr. McCOLLUM], that we give the government aid and support that they need to deal toughly and firmly with the problems of terrorism without committing human rights violations.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I thank my friend for yielding to me.

We are not turning our back on the country of El Salvador. We are providing $1.5 million per day, without this assistance, $1.5 million per day, $85 million in military assistance proposed, $3 billion in the last 4 years. We have not turned our back on El Salvador.

Mr. KASICH. I appreciate the gentleman's comments, but let me say that the newly elected President of El Salvador is begging for this kind of assistance. He is the one that has to walk the fine line between restoring order and respecting human rights. That is the critical element that we have in El Salvador right now.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I am glad to yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, I wanted to respond very quickly to a statement made by the gentleman from Florida. I think he overstated in his zeal to defend the committee's position what the committee bill actually has in it. He said that they have police training in it. Quite frankly, we are talking about less than $320,000 for fiscal year 1989 and 1990 for the ICITAP program, also for the ATA program, the antiterrorism program, we are talking about $300,000 in fiscal year 1990.

The moneys that would be allowed under my amendment to the amendment of the gentleman from Florida could be up to 10 percent of the $85 million within the cap, which is about $8.5 million. That will provide real training.

The goal of this amendment is to try to encourage the government to separate the police from the military in order to professionalize and therefore improve the interface between that government and the people. Someone mentioned serving the people.

□ 2210

They do not serve the people. When they have third-grade-educated people carrying M-16's, with no training, they are not serving the people. This program would allow that.

Mr. KASICH. Reclaiming my time, the people in El Salvador in the election which put Mr. Cristiani in power say one thing: "We want order restored to the streets of El Salvador. We will not tolerate ignoring terrorist acts throughout this country," and to not accept this amendment would be a very big mistake and would be really giving a backhanded slap in the face of Mr. Cristiani, who I think at this point we all support.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the hour is late, but I do wish to speak in favor of the McCurdy amendment to the McCollum amendment.

I am not sure what the great argument is. We have, as our goal, to have human rights respected, to have law enforcement properly enforced within El Salvador. We have, under the McCurdy amendment, the opportunity to properly train their law enforcement personnel with our American civilian law enforcement people. The assistance that we provide is to be used for the purposes of professional development, training in human rights, in civil law and civilian law enforcement techniques, and all that go with it.

I think that this amendment makes a great deal of sense, and if we were to rely on the bill itself, we would see that there is just not that much money involved, and what we need to do is to look to the McCurdy amendment for guidance which really puts us on the right track.

The recent election and inauguration of Mr. Cristiani is hopefully a step in the right direction toward being a country that does respect human rights and civil law, and if we give them the civilian law enforcement personnel to train their people, I think that will make a great step in that direction.

Mr. Chairman, thus, I strongly support the McCurdy amendment to the McCollum amendment.

Mr. BALLENGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Members do not have to worry. I will not be here long.

As a person who has worked in El Salvador for 17 years, I think somebody somewhere should recognize the fact that it is not a one-way street. My friends there whom I have helped many times over have been kidnaped and been mistreated by the FMLN. Everybody here seems to treat the FMLN as everybody's buddy, and that is not true. They are trying to destroy the Government of El Salvador, and yet everyone acts like if we will cut out Freddy Cristiani, then the rest of the world will turn out all right. It is not true. Cristiani has basically tried to work with the FMLN, and my friends have been at one time or another, several of them, have been kidnaped, have been held for 6 months.

This was several years ago, I must admit, but the money that was produced by that kidnaping was to produce the FMLN some additional funds.

I just would like to say here and now that I think somebody somewhere should pay some attention to training these people.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. BALLENGER. I am happy to yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, first of all, I would submit to the gentleman, and I appreciate his time and his experience in the region, but I would submit that each of us in this House are seeking a common goal, that is for peace in El Salvador, a stable, democratic government that respects its people.

The greatest assistance that we in the United States can provide to the people of El Salvador and to the Government of El Salvador is training assistance for that government to respect its own people, and I believe that Democrats in this House and Republicans in this House want to achieve that goal. The difference which has occurred, and obviously those who are

opposing my amendment believe that this is not the proper vehicle.

I believe, as do my colleagues and friends on the Republican side of the aisle, that rather than walking away from the problem and having this problem just exacerbate and just boil and continue that the only proper way to do it is to address it front on, head on, and to provide assistance and training in those basic law enforcement techniques to professionalize the police, to separate them from the army as best as possible.

With that, then, we can arrive at that goal which I think we all share, and I certainly appreciate the support of the gentleman from North Carolina and recognize his expertise and appreciate him yielding.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. BALLENGER. I am happy to yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I would just like to say very briefly that I believe that the gentleman in the well has probably made a greater commitment and sacrifice in behalf of the cause of peace, stability, and economic recovery which the people are seeking in El Salvador than anyone. I believe that he has made, without a doubt, the most eloquent and heartfelt statements on this issue this evening.

Mr. BALLENGER. Mr. Chairman, I thank the gentleman for his statement.

Mr. McCOLLUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise at this point to talk about the McCurdy amendment, because it is time to wrap this debate up.

Mr. Chairman, I think to set the record straight a little bit, the gentleman from Oklahoma and I have worked long and hard to get something we could agree on together about this whole process, because we shared a common concern about what is happening in El Salvador to our Americans as well as to the El Salvadoran people in the cities down there.

There have been some assertions tonight that are just simply misunderstandings, I am sure, but they need to be corrected. One of the uppermost was about money to begin with. This program we are talking about is not going to cost another dollar.

Mr. Chairman, I have a statement here that apparently was made in the committee originally, and the State Department has written on this subject to me that the assertion that the training would be above and beyond the $85 million ceiling proposed in the appropriation bill is likewise simply wrong. The funds for police training and equipment under a renewed waiver would, as during the fiscal 1986-87 waiver, come from the MAP fund. I do not think there is any question about that, but I do not want there to be any misunderstanding.

Second, I think there is really a misunderstanding. The gentleman from Florida [Mr. SMITH] was talking about the importance of the training we have been having all along and why should we change that training. That is why we got this cache of arms found. That is why the police did so well in El Salvador. I think he misses the boat.

Our program is to renew the training programs that have been existent down there, not to do anything new.

We authorized this waiver in 1985, and it ran for nearly 3 years and just ended last year in 1988. It is that training of those 16,000 police in the city of San Salvador that resulted in all these good things I have heard some Members praise tonight. Some of them have taken us back all the way to 1974. For gosh sakes, we are talking about 1988, 1989, 1985 or whatever. We are talking about a generation where changes occurred, where last year the human rights violations were down dramatically as they are this year in the whole country of El Salvador, where the report last year said that 85 percent of the human rights violations occur because of the FMLN, 8 percent the cause of the army, and the police, and the others unaccounted for, a dramatic change.

Mr. Chairman, we do not want to create havoc or change anything. We want to continue a basically fundamentally sound, good training and equipping program. Up to this point, it had been run very well without complaint with a lot of success of our military police.

The gentleman from Oklahoma wants to make that civilian training. I was very reluctant to do that, but he has improved his amendment a great deal, I happen to think. I have become convinced we can work it that way tonight. I am willing to accept the amendment of the gentleman from Oklahoma to my amendment, and I hope we can get together on a bipartisan result here and go ahead to protect American lives and the lives of those down there.

We lost four Marines in 1985 because there was no radio, no police cars, no equipment, and no ability to go out and protect those Marines. We have not lost one American official since then, but when I was down there on the Presidential election task force last time to observe the election, I was called aside by somebody at the Embassy who said to me, "Mr. McCOLLUM, whatever else you do, get the training program renewed, because that saved American lives. That saves Americans in our Embassy. We need that program."

□ 2220

We need to renew it, and I am most willing to accept a very, very finely crafted amendment by the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Chairman, I appreciate the statement of the gentleman from Florida, and I appreciate the opportunity to work with him. I again thank him for accepting this amendment to his amendment.

Also, may I commend very quickly the gentleman from Nebraska [Mr. BEREUTER], for his input and support and effort in crafting this amendment.

Mr. McCOLLUM. If I may make an inquiry, in civil law enforcement, that includes the FBI, am I correct? Civil law enforcement would include the FBI and also civil law enforcement, not uniformed, is that correct? Some Members over here have asked me that question.

Mr. McCURDY. It is the understanding of this gentleman that in speaking with the State Department, ICITAP, and other officials that it is their interpretation that the FBI could be one of those agencies.

Mr. McCOLLUM. Members were concerned because of their counterterrorism abilities, and that is all. I am pleased with the gentleman, and I want to thank also the gentleman from California [Mr. DREIER], for cosponsoring this, as well as the gentleman from Oklahoma [Mr. McCURDY], the gentleman from Nebraska [Mr. BEREUTER], and others, and I do accept the amendment of the gentleman from Oklahoma, and I urge an "aye" vote.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have not had an opportunity to speak on this, and I would like to take a minute or two. I rise in opposition to both amendments. I am glad the two gentlemen who have spoken have agreed on the amendment. I just want to be sure that Members understand that I had not agreed to the amendment.

I want to make it quite clear that not only did I not agree or accept the amendment, I am strongly opposed to both of them. We worked very hard to get what we thought was a sensible and reasonable compromise in the committee language that is now before this committee, and I would urge my colleagues before they jump off the reservation to consider the fact that this is not a case of no police training as against some police training. We in the bill recognize that there is a need for police training. But the Foreign Affairs Committee, over a long period of time, has been very, very cautious

about granting police training, particularly under those circumstances that exist in a country where they have just gotten democratic rule, and we admit it is difficult, but that does not mean that we should go wide open in a case like El Salvador. We need to be very cautious.

The constraints that are in the committee bill are sensible. I will give one example, and that is that police training that we envision in the committee bill is envisioned as part of a comprehensive judicial reform package. We do not think it is wise to take police training out as a separate part of the system and focus only on that and let the rest of the system go. If Members adopt the pending amendment, that is in effect what they would be doing.

We also feel that there needs to be right now and until we get some demonstration here a restraint on lethal equipment. We are not ready, it seems to me, despite whatever credibility Members want to give to the existing government, and I am certainly willing to do that, but they need some time to get their own ability and their own house in order, and we in the committee bill provide that opportunity, whereas if Members authorize it the other way with respect to lethal aid, no cap on equipment or training so that the money could be spent just like it was in the past, all on equipment and a little bit on training, then we really are not making progress.

The committee bill seeks to do what everybody wants to do, and that is to provide police training in a poor country that is struggling for the democratic process, to walk that balanced line between repression and sensibility. We suggest that in all fairness the training for police work that is envisioned in the committee bill is adequate to do the job until such time as we have a better understanding on the facts and the new government down there has an opportunity to demonstrate their capability.

Mr. FEIGHAN. Mr. Chairman, I rise in opposition to the McCollum amendment which would allow United States aid to be used for military training and equipment for the police forces of Central America. This amendment would severely undercut our effort to separate the civilian police from the military, and in the case of El Salvador, would create an enormous loophole in the provisions of the current bill governing military aid.

I am sure that everyone here supports the goals of police training. By weaning police forces from reliance on coerced confessions, by developing credible alternatives to intimidation and death squad activity, and by teaching the techniques of proper investigation and evidence collection, police training seeks to develop faith in the legal process.

Our most difficult task has been to institutionalize the different roles of the military and the police in Central American society. A military force seeks to attack and kill its enemy. A police force makes arrests, collects evidence and enforces civil law. Unfortunately, our decades-long attempt at police training has failed to change police practices to reflect this distinction. Too often, police practices in Central America have involved torturing and killing government opponents, and as a result, police training has associated the United States with some of the most brutal regimes and police forces in the hemisphere. In El Salvador just a few days ago, despite a proliferation of police training programs in that country, the treasury police abducted Jose Mazariego, a leader of El Salvador's main opposition labor federation, only hours before he was due to leave for the United States to meet Members of Congress. He was tortured with acid and beaten. He was released only after the urgent calls by Members of Congress instituted action on the part of the U.S. Embassy.

Given the apparent lack of political will to control human rights abuses on the part of many Central American nations and a seriously deteriorating human rights situation, the provision of military equipment and training for Central American police forces will only further reinforce the propensity for killing and the lack of commitment to civilian law enforcement. Military equipment and training would result in the increased indentification of the United States with human rights abuse.

Finally, the McCollum amendment would create a loophole in the provisions of the bill capping and tranching military aid to El Salvador. Such a loophole would allow "police forces," upon receipt of military training and equipment, to assume a paramilitary role in order to skirt the controls on military aid. In effect, the amendment uncaps the $85 million cap on military aid to El Salvador.

Let's give military training to the military, let us teach the police to fulfill their proper role in support of civil law, and let's abide by the bipartisan provisions governing military aid to El Salvador. I ask my colleagues to defeat the McCollum amendment.

Ms. PELOSI. Mr. Chairman, I rise in strong opposition to the McCollum amendment to H.R. 2655, the foreign aid bill. The McCollum amendment would lift completely the ban on police aid for El Salvador. I believe that this action would be disastrous.

The McCollum amendment would remove all restrictions on police training for El Salvador. By removing the $85 million cap on military assistance contained in the committee language, this amendment would give carte blanche approval for expenditures of United States taxpayers' dollars on military training and equipment for the Salvadoran national guard, the national police and the treasury police, known and feared for their torture and death squad activities.

Congress first voted in 1974 to prohibit police training worldwide because we found that this kind of training intimately linked us to human rights abuses by the very same forces we were purportedly training. While we would all like to believe that police training would improve the notorious records of human rights abuses on the part of the police forces of other countries, that has unfortunately not proven to be the case. The people of El Salvador live in fear of their police, who regularly engage in extrajudicial activities including arrests without warrants, kidnapings by gunmen dressed in civilian clothing, and physical and psychological torture—we do not need to contribute to that fear by providing unlimited additional funding to those police forces.

Last week, a number of Members of Congress had the opportunity to visit with Jose Mazariego, a leading Salvadoran labor leader, and hear first hand of his experiences at the hands of the Salvadoran police. Mr. Mazariego was picked up by gunmen dressed in civilian clothing only hours after he had received a visa to visit the United States. He was picked up only blocks away from the U.S. Embassy and disappeared for a number of hours. To no one's surprise, when he surfaced, he was being interrogated and tortured by the treasury police. Anyone who heard him talk and saw the acid burns on his legs that were done while he was held and tortured by the treasury police—anyone who is seriously concerned about human rights abuses—would know that the McCollum amendment must be defeated.

The United States taxpayer is already paying to train and equip the Salvadoran police through the Department of Justice's International Criminal Investigative Training Assistance Program, through narcotics control initiatives and through the Anti-Terrorism Assistance Program. In fact, the United States has spent $17 million over the past 4 years on training of the Salvadoran police forces, with no results. According to the Human Rights Commission of El Salvador [CDHES], 559 cases of arbitrary arrests were reported in the first 4½ months of 1989.

The rightwing ARENA Party now controls all of the branches of the Salvadoran Government. We have reason to fear that under the ARENA Party, police force abuses will only get worse. Robert White, former United States Ambassador to El Salvador has stated that "ARENA is a violent Fascist Party modeled after the Nazis" and Roberto D'Aubuisson, the proverbial "dean" of the ARENA Party is on record as having stated "you Germans were very intelligent. You realized that the Jews were responsible for the spread of communism, and you began to kill them." Combining this mentality with an attitude that anyone who disagrees with the Government is a Communist or is being used by Communists makes an explosive situation. Now is definitely not the time to lift the prohibition on police training.

One of the strengths of democracy is the separation between the military and civilian police forces. It is a tragedy that this distinction is not already clear in several of the struggling democracies in Central America. The McCollum amendment blurs this distinction in El Salvador even more. I urge my colleagues to oppose this amendment—it is dangerous, it is unnecessary, and it will only hurt the people of El Salvador.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. McCURDY] to the amendment offered by the gentleman from Florida [Mr. McCOLLUM].

The question was taken; and the Chairman announced that the ayes appeared to have it.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The CHAIRMAN. The amendment is agreed to.

PARLIAMENTARY INQUIRIES

Mr. SMITH of Florida. Mr. Chairman, I was on my feet.

I have a parliamentary inquiry, Mr. Chairman. What was the vote which was just announced by the Chair? I was on my feet at the microphone to request a recorded vote.

The CHAIRMAN. The Chair announced the McCurdy amendment had prevailed and was about to put the vote on the McCollum amendment, as amended. Does the gentleman from Florida request a recorded vote on the McCurdy amendment to the McCollum amendment?

Mr. SMITH of Florida. Yes, Mr. Chairman. Pending that, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. The Chair counts 150 Members present, a quorum.

Mr. SMITH of Florida. Mr. Chairman, I withdraw my request for a recorded vote.

Mr. McCOLLUM. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCOLLUM. Mr. Chairman, I believe I heard the Chairman correctly. When the amendment was first called, the Chair said it passed, and then there was some question about the gentleman from Florida [Mr. SMITH], as to whether it failed. I heard the Chair rule.

The CHAIRMAN. The Chair will answer the gentleman's question.

Mr. McCOLLUM. Yes, Mr. Chairman, I would like a clarification, please.

The CHAIRMAN. The McCurdy amendment has passed, and the question is now on the McCollum amendment, as amended.

The question is on the amendment offered by the gentleman from Florida [Mr. McCOLLUM], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEREUTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 198, not voting 14, as follows:

[Roll No. 123]

AYES—220

Andrews
Anthony
Archer
Armey
Aspin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Billey
Boggs
Broomfield
Browder
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell (CA)
Carper
Chandler
Chapman
Clarke
Clinger
Coble
Coleman (MO)
Combest
Cooper
Coughlin
Cox
Craig
Crane
Dannemeyer
Darden
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Dyson
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gilman
Gingrich
Glickman
Goss
Gradison
Grandy
Grant
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hiler
Hoagland
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Kasich
Kolbe
Kyl
Lagomarsino
Lancaster
Laughlin
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Myers
Nagle
Nielson
Ortiz
Oxley
Packard
Pallone
Parker
Parris
Pashayan
Paxon
Payne (VA)
Penny
Petri
Porter
Pursell
Quillen
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Rowland (GA)
Sarpalius
Saxton
Schaefer
Schiff
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sisisky
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Wolf
Wylie
Young (AK)
Young (FL)

NOES—198

Ackerman
Akaka
Alexander
Anderson
Annunzio
Applegate
Atkins
AuCoin
Bates
Bedell
Bennett
Berman
Bilbray
Bonior
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bustamante
Campbell (CO)
Cardin
Carr
Clay
Clement
Coleman (TX)
Conte
Conyers
Costello
Coyne
Crockett
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Fiske
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Gray
Green
Guarini
Hall (OH)
Hamilton
Hayes (IL)
Hertel
Hochbrueckner
Hoyer
Jacobs
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Panetta
Patterson
Payne (NJ)
Pease
Pelosi
Perkins
Pickett
Pickle
Pashard
Price
Rahall
Rangel
Ray
Richardson
Roe
Ross
Rostenkowski
Roybal
Russo
Sabo
Saiki
Sangmeister
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Sharp
Shays
Sikorski
Skaggs
Slaughter (NY)
Smith (FL)
Smith (VT)
Solarz
Spratt
Staggers
Stark
Studds
Swift
Synar
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Valentine
Vento
Visclosky
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yatron

NOT VOTING—14

Bentley
Bryant
Collins
Courter
Florio
Goodling
Hawkins
Hefner
Jones (NC)
Martinez
Owens (UT)
Smith (IA)
Wright
Yates

□ 2246

Messrs. BARNARD, NAGLE, and HUGHES changed their vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 482, after line 8, add the following new section:

"SEC. 765. THE PANAMA CANAL COMMISSION.

(a) FINDINGS.—The Congress finds that—

(1) there has been a continual erosion of the democratic freedoms of Panamanian citizens and a consolidation of dictatorial power by the government of Panama led by General Manuel Noriega;

(2) the United States has not recognized the government of Panama led by General Manuel Noriega since his refusal to accept the resignation orders from President Eric Arturo Delvalle;

(3) there has been an increasing number of incidents of harassment and intimidation of American citizens in Panama by members of the Panamanian Defense Forces;

(4) on May 7, 1989, the Panamanian people participated in an election in which the government led by General Manuel Noriega engaged in systemic and massive electoral fraud;

(5) under the terms of the Panama Canal Treaty, the President of the United States must appoint, by January 1, 1990, a Panamanian national to serve as Administrator of the Panama Canal Commission;

(6) the Administrator of the Panama Canal Commission will have a significant

degree of control over the operations and maintenance of the Panama Canal; and

(7) the transference of control over the operations and maintenance of the Panama Canal to the government of Panama controlled by General Manuel Noriega would permit even greater economic, political, and military oppression of the Panamanian people.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should not appoint a new Administrator of the Panama Canal Commission unless and until he certifies to Congress that the ruling government of Panama is democratically-elected according to procedures specified in the Constitution of Panama providing for a civilian government in control of all Panamanian military and paramilitary forces.".

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I take this time to advise our colleagues what we are up to. I just wanted to say that on the consideration of this amendment on which we do not expect a vote, that would complete the work on title VII of the bill. Title VIII, we would expect to take up, as far as I know, there are no amendments. We would then be able to move to title IX, and once it is designated, we would then rise to complete the bill on tomorrow. I understand the House is coming in at 11 o'clock and we would try to conclude our business with the help of the Members as early as possible tomorrow. We have done remarkably well so far.

I want to express my appreciation to the gentleman from New York for yielding.

Mr. SOLOMON. Mr. Chairman, this amendment has to do with the fact that the President is required, under the terms of the Panama Canal Treaty, to appoint a new Administrator of the Panama Canal Commission. This appointment is to be made by January 1, 1990, and the appointee must, under the terms of the treaty, be a Panamanian national.

The operative language in the amendment I am now offering expresses the sense of Congress that the President should not make this appointment until he certifies to Congress that Panama has a democratically-elected government, according to the procedures in the Constitution of Panama which provide for a civilian government.

This operative language is exactly the same as what passed in the other body by a vote of 63 to 31 earlier this month. I might add that this operative language was also included in H.R. 2402, the dire supplemental appropriations bill we passed last Friday. I am offering it now in order to give the House the opportunity to express itself directly on this issue.

I would just conclude, Mr. Chairman, by saying that the ongoing events in Panama are making the Panama Canal treaties look just about as ill-advised as the British agreement to hand over Hong Kong to the tender mercies of the PRC. It is my belief that we had better start facing this issue sooner rather than later.

And so I urge adoption of the amendment.

Mr. FIELDS. Mr. Chairman, as the author of House Concurrent Resolution 148, I am pleased to rise in strong support of this amendment offered by our distinguished colleague from New York, Congressman JERRY SOLOMON.

The language of this amendment is virtually identical to the proposal I introduced, along with several of our colleagues, in the House of Representatives several weeks ago.

It is a "Sense of Congress" amendment which states unambiguously that the President should not appoint a new administrator of the Panama Canal Commission until he certifies that a democratically elected government is in place in the Republic of Panama.

Mr. Chairman, this amendment does not have the force of law. Nevertheless, it will send a clear and strong message of support for the democratic process in Panama.

While world attention has shifted from Noriega's brutality to the mindless repression of democracy in China, we must not forget that last month, the people of Panama went to the polls and overwhelmingly rejected the continued tyranny of Noriega. Despite massive voting fraud, they elected Guillermo Endare as their next President.

Unfortunately, we all know, that the will of the Panamanian people was not only thwarted but their duly elected representatives were savagely beaten by Noriega and his henchmen.

Mr. Chairman, we must not let Noriega steal the hopes of 3 million Panamanians. Democracy and the rule of law cannot exist in Panama so long as this despot, international drug dealer, and thug remains in power. I am convinced that this amendment will help Panamanians to rid themselves of the Noriega cancer which threatens democracy throughout Central America.

Let me emphasize, Mr. Chairman, that this amendment does not, in any way, abrogate or affect the Panama Canal Treaties or the Panama Canal Act of 1979 which implemented those agreements.

While the Panama Canal Treaties were a terrible idea founded on the naive notion that by giving away the Panama Canal we would ensure a friendly democratic government in Panama, this is not the appropriate time to discuss abrogation.

Nevertheless, Panamanians should look at this amendment as a "yellow light" on the road to a full turnover of the canal. By taking action to remove Noriega now, they can ensure the continuation of a smooth transfer of authority over the Panama Canal.

I am afraid, however, that if the Panamanian people and more importantly Noriega miss this signal, then additional efforts will be proposed to stop or freeze the transfer of the Panama Canal.

While I am confident that President Bush would never submit the nomination of any individual selected by Noriega, this amendment will further strengthen the determination of those who are working to remove Noriega.

Mr. Chairman, to reiterate, this amendment does not abrogate the treaty. It does not alter or change the implementing statute. What it does is to send a strong signal to the Panamanian people that Noriega must go and that his continued presence is contrary to the goals of the Panama Canal Treaties.

I urge my colleagues to join with me, in sending this message, by overwhelmingly adopting this "Sense of Congress" amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

□ 2250

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that amendments to section 707 that are otherwise in order under House Resolution 179 and the previous order of the House of June 21, 1989, may be offered after title VII has been passed in the reading of the bill for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Mr. Chairman, reserving the right to object. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I am happy to assure the gentleman that we will share whatever time is agreed upon equally between the majority and minority in the consideration of that amendment.

Mr. SOLOMON. Mr. Chairman, continuing my reservation of objection, I thank the chairman of the Committee on Foreign Affairs for doing that.

I understand that what the gentleman has said is that we are going to bypass title VII in the bill dealing with Nicaragua and come back to it tomorrow morning.

Mr. FASCELL. Yes; just this one section.

Mr. SOLOMON. Just this one section. And if there is no agreement reached by tomorrow morning, then the minority is going to take the gentleman and that side of the aisle at their word, that when we rise in the House tonight, there will be additional time allowed under unanimous consent, for 20 minutes on each side, should there not be disagreement.

Mr. FASCELL. Mr. Chairman, the gentleman is correct. I will make that request when we rise and go into the House.

Mr. SOLOMON. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there further amendments to title VII?

If not, the Clerk will designate title VIII.

The text of title VIII is as follows:

TITLE VIII—EUROPE AND THE MIDDLE EAST

CHAPTER 1—ASSISTANCE TO FURTHER MIDDLE EAST PEACE

SEC. 801. MIDDLE EAST FUNDS.

(a) FOREIGN MILITARY FINANCING.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not less than $3,148,000,000 for fiscal year 1990 and not less than $3,148,000,000 for fiscal year 1991 shall be available only for assistance on a grant basis in accordance with the allocations specified in this chapter.

(b) ECONOMIC SUPPORT ASSISTANCE.—Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $1,538,000,000 for fiscal year 1990 and not less than $1,533,000,000 for fiscal year 1991 shall be available only in accordance with the allocations specified in this chapter.

(c) DEVELOPMENT ASSISTANCE.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $536,000,000 for fiscal year 1990 and not less than $539,000,000 for fiscal year 1991 shall be available only in accordance with the allocations specified in this chapter.

SEC. 802. ASSISTANCE FOR ISRAEL.

(a) FOREIGN MILITARY FINANCING.—

(1) AMOUNTS.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not less than $1,800,000,000 for fiscal year 1990 and not less than $1,800,000,000 for fiscal year 1991 shall be available only for Israel.

(2) ADVANCED WEAPONS SYSTEMS.—To the extent that the Government of Israel requests that funds be used for such purposes, amounts allocated for Israel pursuant to paragraph (1) shall, as agreed by the Government of Israel and the Government of the United States, be available for advanced weapons systems as follows:

(A) Up to $150,000,000 shall be available for research and development in the United States.

(B) Not less than $400,000,000 shall be available for research, development, and procurement in Israel with respect to defense articles and defense services.

(b) ECONOMIC SUPPORT ASSISTANCE.—

(1) AMOUNTS.—Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $1,200,000,000 for fiscal year 1990 and not less than $1,200,000,000 for fiscal year 1991 shall be available only for Israel.

(2) TERMS.—The total amounts of funds allocated for Israel pursuant to paragraph (1) shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

SEC. 803. ASSISTANCE FOR EGYPT.

(a) FOREIGN MILITARY FINANCING.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not less than $1,300,000,000 for fiscal year 1990 and not less than $1,300,000,000 for fiscal year 1991 shall be available only for Egypt.

(b) ECONOMIC SUPPORT ASSISTANCE.—Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $315,000,000 for fiscal year 1990 and not less than $315,000,000 for fiscal year 1991 shall be available only for Egypt.

(c) DEVELOPMENT ASSISTANCE.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $500,000,000 for fiscal year 1990 and not less than $500,000,000 for fiscal year 1991 shall be available only for Egypt.

(d) CASH TRANSFERS.—

(1) CONDITIONS.—Subject to the requirements of paragraphs (2) and (3), of the amounts provided for Egypt for each of the fiscal years 1990 and 1991 for economic support assistance under the Foreign Assistance Act of 1961—

(A) $115,000,000 may be provided as a cash transfer with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years; but

(B) amounts in excess of $115,000,000 may be provided as a cash transfer only if significant progress is being made by Egypt in implementing a comprehensive economic reform program.

(2) MAINTAINING THE LEVEL OF UNITED STATES EXPORTS.—In exercising the authority of paragraph (1), the President shall ensure that the level of cash transfer made to Egypt does not cause an adverse impact on the total level of nonmilitary exports from the United States to Egypt.

(3) NOTICE TO CONGRESS.—Not less than 15 days before making any cash transfer to Egypt under subparagraph (A) or (B) of paragraph (1), the President shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

SEC. 804. ASSISTANCE FOR JORDAN.

(a) FOREIGN MILITARY FINANCING.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not less than $48,000,000 for fiscal year 1990 and not less than $48,000,000 for fiscal year 1991 shall be available only for Jordan.

(b) ECONOMIC SUPPORT ASSISTANCE.—Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, not less than $18,000,000 for fiscal year 1990 and not less than $18,000,000 for fiscal year 1991 shall be available only for Jordan.

(c) DEVELOPMENT ASSISTANCE.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $17,000,000 for fiscal year 1990 and not less than $17,000,000 for fiscal year 1991 shall be available only for Jordan.

SEC. 805. ASSISTANCE FOR THE WEST BANK AND GAZA.

Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $12,000,000 for fiscal year 1990 and not less than $15,000,000 for fiscal year 1991 shall be available only for the West Bank/Gaza direct program.

SEC. 806. ASSISTANCE FOR MIDDLE EAST COOPERATIVE PROJECTS.

Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $7,000,000 for fiscal year 1990 and not less than $7,000,000 for fiscal year 1991 shall be available only for regional cooperative projects in the Middle East in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985.

SEC. 807. SCHOLARSHIP PROGRAM FOR ISRAELI ARABS.

(a) FUNDING FOR ENDOWMENT.—Subject to subsection (b), $5,000,000 of the amounts made available for fiscal year 1990 for economic support assistance under the Foreign Assistance Act of 1961 shall be available only for a grant to assist in capitalizing an endowment whose income will be used for scholarships to enable Israeli Arabs to attend institutions of higher education in the United States. The endowment and the scholarship program assisted pursuant to this section must be administered by an organization located in the United States.

(b) REQUIREMENT FOR MATCHING PRIVATE SECTOR CONTRIBUTIONS.—A grant may be made pursuant to subsection (a) only if private sector contributions of at least $5,000,000 have been made by September 30, 1990, to assist in capitalizing the endowment described in subsection (a). If the requirement of this subsection is not met, the funds described in subsection (a) shall be available for other uses without regard to section 801.

CHAPTER 2—OTHER PROVISIONS RELATING TO THE MIDDLE EAST

SEC. 821. CONVENTIONAL ARMS TRANSFERS TO THE MIDDLE EAST.

(a) FINDINGS.—The Congress finds as follows:

(1) The Middle East has become an increasingly dangerous repository of the world's most sophisticated weaponry.

(2) The introduction of an entire range of sophisticated arms into the Middle East has had serious consequences for the regional balance and will erode the qualitative edge of countries whose superiority the United States is committed to maintaining.

(3) The executive branch has inadequately delineated to the Congress how United States policy goals in the Middle East are advanced, and how the balance of power is affected, by significant arms transfers to the region.

(b) INFORMATION REGARDING CERTAIN ARMS TRANSFERS.—

(1) WHEN SUBMITTED.—The President shall provide to the Congress the information specified in paragraph (2)—

(A) concurrent with each submission to the Congress of a certification for purposes of section 3(d), section 36(b), section 36(c), or section 63 of the Defense Trade and Export Control Act with respect to—

(i) a proposed transfer to a country in the Middle East of any fighter aircraft, air defense system, tank, antitank weapon, artillery, or command, communications, and control system; or

(ii) an enhancement or upgrade of the sensitivity of the technology or the capability of any defense article described in clause (i) that was previously delivered or is to be delivered to a country in the Middle East; and

(B) not less than 30 days before approving any sale, lease, export license, or third country transfer under that Act, or any assistance under title II of the Foreign Assistance Act of 1961, involving the transfer to any country in the Middle East of air-to-ground, ground-to-air, or air-to-air missiles or associ-

ated launchers (without regard to the dollar amount involved in the transfer).

(2) INFORMATION TO BE PROVIDED.—The information required by paragraph (1) is a detailed justification of the impact of the proposed transfer, especially—

(A) the effect of the transfer on regional stability and security;

(B) a specific assessment of the threat this transfer is required to offset, and the extent to which an actual military need exists for the transfer;

(C) the extent to which the transfer will stimulate a regional arms race; and

(D) the ability of the recipient country to operate, maintain, secure, and bear the cost of the defense articles proposed to be transferred.

(c) ANNUAL REPORT ON CUMULATIVE IMPACT OF CONVENTIONAL ARMS TRANSFERS TO THE MIDDLE EAST.—Not later than January 31 each year, the President shall submit to the Congress a report analyzing—

(1) the Middle East arms balance based upon the cumulative impact of the aggregate United States transfers of defense articles to the region;

(2) how United States policy goals are advanced by those transfers; and

(3) what type of military or economic compensation is required, as a result of those transfers, to countries whose qualitative edge the United States is committed to maintaining, and how such compensation is to be funded.

In this analysis, the President shall utilize the factors listed in subsection (b)(2). In this report, the President shall include an analysis of weapons obtained by Middle East countries from sources other than the United States.

(d) MULTILATERAL ARMS RESTRAINT.—The Congress expresses its deep concern over the proliferation of increasingly sophisticated and deadly weapons in the Middle East because this proliferation undermines regional stability and threatens United States interests. The Congress therefore urges the President to—

(1) call immediately for multilateral talks among the world's major arms suppliers to draw up guidelines to govern transfers of weapons to the Middle East, such talks to be structured to avoid the pitfalls which aborted similar discussions in the 1970s;

(2) in the strongest possible terms, urge our allies, especially in Western Europe (such as France, the United Kingdom, the Federal Republic of Germany, and Italy), the Pacific Rim, and South America to cease or slow their transfers of sophisticated and destabilizing weapons to the Middle East and, in the absence of an appropriate response, publicly call attention to their involvement in such transfers and their unwillingness to take steps to address the problem;

(3) place the problem of Middle East arms proliferation high on the agenda of United States-Soviet talks in the next 12 months, and encourage the Soviet Union to restrain its allies on the issue of Middle East arms proliferation;

(4) raise the issue of arms transfers to the Middle East in the strongest possible terms with the Government of the People's Republic of China to encourage a more responsible policy by that Government; and

(5) initiate bilateral talks with friendly potential arms recipients in the Middle East to stimulate thinking about possible initiatives to restrain the transfer of arms.

(e) REPORT ON MULTILATERAL ARMS RESTRAINT.—The President shall report to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on progress made in achieving the goals described in subsection (d). This report shall be submitted one year after the date of enactment of this Act.

SEC. 822. FOREIGN MILITARY SALES FOR JORDAN.

(a) MIDDLE EAST PEACE.—The foreign military financing authorized by this Act for Jordan is provided in the recognition of progress Jordan has made in the search for a just and lasting peace in the Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct and meaningful negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

(b) CONDITION ON SALES OF ADVANCED WEAPONS.—The President may make a submission to the Congress pursuant to section 36(b) of the Defense Trade and Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, only if that submission includes a statement by the President that Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(c) FINANCING FOR SALES OF ADVANCED WEAPONS.—The Congress finds and declares that—

(1) the use of the foreign military financing authorized by this Act to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, would constitute the use of that financing for a significantly different purpose than was justified to the Congress; and

(2) therefore, any proposal to use that financing for such procurement would be subject to the notification requirements of section 4304(b) of the Foreign Assistance Act of 1961 and the reprogramming procedures applicable under that section.

SEC. 823. STINGERS IN THE PERSIAN GULF REGION.

Except as provided in section 824 and section 825, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Defense Trade and Export Control Act or title II of the Foreign Assistance Act of 1961.

SEC. 824. STINGERS FOR BAHRAIN.

(a) PREVIOUSLY TRANSFERRED STINGERS.—Notwithstanding section 823, section 573(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and section 566(b)(4) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, shall cease to apply with respect to Stingers made available to Bahrain under those sections if the President determines, and notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, that—

(1) the Stingers are needed by Bahrain to counter an immediate air threat or to contribute to the protection of United States personnel, facilities, equipment, or operations;

(2) no other appropriate system is available from the United States;

(3) Bahrain has agreed, in writing, to such safeguards to protect against diversion of the Stingers as may be required by the United States; and

(4) Bahrain has agreed in writing to return to the possession and control of the United States all Stingers made available under those sections and subsection (b) of this section, other than Stingers which have been fired or otherwise destroyed, at any time the United States determines, subject to subsection (c).

(b) REPLACEMENT STINGERS.—Notwithstanding section 823, Stingers may be made available to Bahrain under the Defense Trade and Export Control Act or title II of the Foreign Assistance Act of 1961 after September 30, 1989, in order to replace, on a one-for-one basis, Stingers previously made available under this subsection, section 573 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, or section 566 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, that have been fired or otherwise destroyed, subject to the following conditions:

(1) DETERMINATIONS.—Replacement Stingers may be made available to Bahrain pursuant to this subsection only if the President makes the determinations specified in paragraphs (1) through (4) of subsection (a).

(2) NOTICE TO CONGRESS BEFORE STINGERS TRANSFERRED.—At least 30 days before making any replacement Stingers available to Bahrain pursuant to this subsection, the President shall notify the committees designated in subsection (a) that he has made the determinations required by paragraph (1). Any such notification shall include the information required in a certification under section 36(b) of the Defense Trade and Export Control Act. This paragraph applies without regard to the value of the Stingers to be made available.

(c) RETURN OF STINGERS TO UNITED STATES.—All Stingers made available to Bahrain pursuant to subsections (a) and (b), other than those fired or otherwise destroyed, shall be returned to the possession and control of the United States not later than September 30, 1991, unless the President—

(1) determines that each of the conditions specified in subsection (a) continues to apply; and

(2) notifies the committees designated in subsection (a) not later than September 15, 1991, in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961, that the United States intends to waive the requirement that the Stingers be returned to the United States by the date specified in this subsection.

SEC. 825. STINGERS FOR OMAN.

(a) CONDITIONS ON TRANSFERS.—Because Oman has publicly supported the Camp David Accords and the Treaty of Peace between Israel and Egypt, Stingers may be made available to Oman under the Defense Trade and Export Control Act or title II of the Foreign Assistance Act of 1961 after September 30, 1989, notwithstanding section 823, subject to the following conditions:

(1) LIMITATION ON NUMBER.—The number of Stingers in the possession or control of Oman at any one time pursuant to this section may not exceed 10.

(2) NOTICE TO CONGRESS BEFORE STINGERS TRANSFERRED.—At least 30 days before making any Stingers available to Oman pur-

suant to this section, the President shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that he has made the determinations required by paragraph (3). Any such notification shall include the information required in a certification under section 36(b) of the Defense Trade and Export Control Act. This paragraph applies without regard to the value of the Stingers to be made available.

(3) DETERMINATIONS.—Stingers may be made available to Oman pursuant to this section only if the President determines that—

(A) the Stingers are needed by Oman to counter an immediate air threat or to contribute to the protection of United States personnel, facilities, equipment, or operations;

(B) no other appropriate system is available from the United States;

(C) Oman has agreed, in writing, to such safeguards to protect against diversion of the Stingers as may be required by the United States; and

(D) Oman has agreed in writing to return to the possession and control of the United States all Stingers made available under this section, other than those which have been fired or otherwise destroyed, at any time the United States determines, subject to subsection (b).

(b) RETURN OF STINGERS TO UNITED STATES.—The Stingers made available to Oman pursuant to this section, other than those which have been fired or otherwise destroyed, shall be returned to the possession and control of the United States not later than September 30, 1991, unless the President—

(1) determines that each of the conditions specified in subsection (a)(3) continues to apply; and

(2) notifies the committees designated in subsection (a)(2) not later than September 15, 1991, in accordance with the procedures applicable to reprogramming notifications under section 6304 of the Foreign Assistance Act of 1961, that the United States intends to waive the requirement that the Stingers be returned to the United States by the date specified in this subsection.

SEC. 838. ANNUAL REPORTS ON STINGERS PROVIDED TO BAHRAIN AND OMAN.

Not later than February 1 of each year, the President shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate an accounting for all Stingers made available to Bahrain and Oman by the United States, including a description of the security procedures applicable to those Stingers.

SEC. 837. ILLEGAL ACQUISITION OF STINGERS BY QATAR.

The President may not sell any defense articles or defense services to Qatar under the Defense Trade and Export Control Act until the President has notified the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that Qatar has returned to the United States all Stingers that Qatar has obtained illegally.

SEC. 838. COOPERATIVE DEVELOPMENT PROJECTS.

(a) COOPERATIVE DEVELOPMENT PROGRAM.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $5,000,000 for fiscal year 1990 and not less than $5,000,000 for fiscal year 1991 shall be used to finance projects among the United States, Israel, and developing countries under the Cooperative Development Program.

(b) COOPERATIVE DEVELOPMENT RESEARCH.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $2,500,000 for fiscal year 1990 and not less than $2,500,000 for fiscal year 1991 shall be used to finance cooperative development research projects among the United States, Israel, and developing countries.

SEC. 839. SALES TO CERTAIN COUNTRIES IN THE MIDDLE EAST.

(a) CONDITION ON CERTAIN SALES.—During fiscal years 1990 and 1991, the President may make a submission to the Congress pursuant to section 36(b) of the Defense Trade and Export Control Act with respect to a proposed sale to a country in the Middle East which has acquired intermediate-range ballistic missiles made by the People's Republic of China only if that submission includes a determination by the President that such country does not have chemical, biological, or nuclear warheads for intermediate-range ballistic missiles.

(b) NOTICE TO CONGRESS OF SUBSEQUENT EVIDENCE.—If the President makes a determination under subsection (a) with respect to a country described in that subsection, the President shall notify Congress promptly of any evidence that such country after the date of that determination, has acquired chemical, biological, or nuclear warheads for intermediate-range ballistic missiles.

CHAPTER 3—EASTERN MEDITERRANEAN

SEC. 841. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.

(a) CONGRESSIONAL FINDINGS REGARDING CYPRUS SETTLEMENT.—The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress finds that—

(1) a just settlement on Cyprus must provide reasonable guarantees that the rights of all the people of Cyprus, including displaced persons, are fully protected;

(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

(3) serious negotiations, under United Nations auspices, will be necessary to achieve agreement on, and implementation of, constitutional and territorial arrangements critical to a just settlement on Cyprus; and

(4) the continued deployment of a United Nations peacekeeping force is essential to reducing tensions and maintaining the ceasefire on Cyprus.

(b) PRINCIPLES GOVERNING UNITED STATES POLICY.—United States policy regarding Cyprus, Greece, and Turkey shall be directed toward maintaining a stable and peaceful atmosphere in the Eastern Mediterranean region and shall therefore be governed by the following principles:

(1) The United States shall actively support the resolution of differences through negotiations, shall encourage all parties to avoid provocative actions, and shall strongly oppose any attempt to resolve disputes through force or threat of force.

(2) The United States will accord full support and high priority to efforts, including those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

(3) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of the Foreign Assistance Act of 1961, the Defense Trade and Export Control Act, and the agreements under which those defense articles were furnished.

(4) The United States will furnish military assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and shall be designed to ensure that the present balance of military strength between Greece and Turkey is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece or Turkey for legitimate self defense or to enable Greece or Turkey to fulfill their North Atlantic Treaty Organization obligations.

(5) Any agreement entered into by the United States for the sale or other provision of any defense article on the United States Munitions List (established pursuant to section 38 of the Defense Trade and Export Control Act) shall expressly state that the article is being provided by the United States only with the understanding that the article will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus. The President shall report to the Congress any substantial evidence that equipment provided under any such agreement has been used in a manner inconsistent with the purposes of this paragraph.

(6) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

(c) REVIEW AND REPORTS REGARDING PROGRESS TOWARD A SETTLEMENT.—

(1) CONTINUAL REVIEW.—Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly.

(2) PERIODIC REPORTS.—To facilitate such a review, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, every 120 days, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such reports shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

SEC. 842. ASSISTANCE FOR CYPRUS.

(a) FUNDING LEVEL.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $15,000,000 for each of the fiscal years 1990 and 1991 shall be available only for Cyprus.

(b) BICOMMUNAL DEVELOPMENT PROJECTS.—Of the funds allocated for Cyprus pursuant to this section each fiscal year, $5,000,000 shall be available only for bicommunal development projects.

SEC. 843. EXTRADITION OF MOHAMMED RASHID.

(a) FINDINGS.—The Congress finds that—

(1) international terrorism undermines the security, strength, and stability of all nations;

(2) the Government of Greece is a member of numerous multinational organizations, including the United Nations and the North Atlantic Assembly, which have condemned terrorism in all its forms;

(3) on December 6, 1988, the Government of Greece overturned a decision by the Greek Supreme Court and denied the re-

quest of the Government of Italy to extradite Abdel al-Zomar, an alleged Palestinian terrorist charged with the bombing of a Rome synagogue on October 9, 1982, in which a two-year-old child died and over 30 people were wounded;

(4) the Government of Greece then allowed Abdel al-Zomar to leave Greece for a country of his own choosing;

(5) the Government of the United States and the Government of Greece have been parties to a bilateral extradition treaty since 1932;

(6) Mohammed Rashid, another alleged Palestinian terrorist, is currently completing a seven month prison sentence in Greece for violating Greek immigration laws;

(7) the United States has officially requested the Government of Greece to extradite Mohammed Rashid to the United States to stand trial for the August 11, 1982, bombing of a Pan American airline in which one person was killed and more than a dozen were injured;

(8) a lower court in Greece has held that Mohammed Rashid can be extradited to the United States and the Greek Supreme Court is currently reviewing that decision; and

(9) the Government of Greece's denial of the United States extradition request would allow Mohammed Rashid to leave Greece, escaping justice and further undermining efforts to combat terrorism.

(b) MOHAMMED RASHID.—It is the sense of the Congress that—

(1) the Government of Greece should adhere to the United States-Greek extradition treaty by granting the request of the United States for the extradition of Mohammed Rashid; and

(2) a failure of the Government of Greece to extradite Mohammed Rashid would be regarded as a breach of the United States-Greek extradition treaty and would cause grave concern in the United States regarding the Government of Greece's stated commitment to combat international terrorism.

(c) ABDEL AL-ZOMAR.—The Congress deplores the decision of the Government of Greece to permit Abdel al-Zomar to leave Greece and to deny the extradition request of the Government of Italy.

SEC. 841. FOREIGN MILITARY FINANCING FOR GREECE AND TURKEY.

Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961 for each of the fiscal years 1990 and 1991, $350,000,000 shall be available only for Greece and not more than $500,000,000 shall be available for Turkey.

CHAPTER 4—OTHER PROVISIONS

SEC. 861. CONTRIBUTIONS TO ANGLO-IRISH INTERNATIONAL FUND.

(a) FUNDING LEVEL.—Of the amounts made available for each of the fiscal years 1990 and 1991 for economic support assistance under the Foreign Assistance Act of 1961, not less than $20,000,000 shall be used for a United States contribution to the International Fund in accordance with the Anglo-Irish Agreement Support Act of 1986, subject to subsection (b).

(b) AUDIT OF FUND.—Funds may be contributed to the International Fund pursuant to subsection (a) only if the International Fund agrees to an audit of the International Fund by the Comptroller General of the United States, or by a recognized auditing organization that would be capable of applying audit and evaluation standards comparable to those used by the General Accounting Office, to determine whether funds contributed to the International Fund—

(1) are being distributed in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation, and

(2) are addressing the needs of both communities in Northern Ireland.

(c) CREATION OF PERMANENT, FULL-TIME JOBS.—It is the sense of the Congress that the Board of the International Fund should give great weight in the allocation of the funds contributed to the International Fund by the United States to projects which will create permanent, full-time jobs in the areas that have suffered most severely from the consequences of the instability of recent years.

(d) ANNUAL REPORT AND CERTIFICATION.—The Anglo-Irish Agreement Support Act of 1986 is amended—

(1) by striking out section 5(c); and

(2) by amending section 6 to read as follows:

"SEC. 6. ANNUAL REPORTS.

"(a) REQUIREMENT FOR REPORTS.—Not later than February 1 each year, the President shall report to the Congress on the degree to which—

"(1) the International Fund has contributed to reconciliation between the communities in Northern Ireland;

"(2) United States contributions to the International Fund are meeting their objectives of encouraging new investment, job creation, and economic reconstruction on the basis of strict equality of opportunity;

"(3) the International Fund has increased respect for the human rights and fundamental freedoms of all people in Northern Ireland;

"(4) the Board of the International Fund, as a whole, is broadly representative of the interests of the communities in Ireland and Northern Ireland; and

"(5) disbursements from the International Fund—

"(A) are distributed in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation; and

"(B) address the needs of both communities in Northern Ireland.

"(b) WITHHOLDING OF CONTRIBUTION UNTIL REPORT SUBMITTED.—Funds made available for economic support assistance under the Foreign Assistance Act of 1961 may not be used for a contribution to the International Fund for a fiscal year until at least 15 days after the report required by subsection (a) has been submitted during that fiscal year.".

(e) DEFINITIONS.—As used in this section—

(1) the term "areas that have suffered most severely from the consequences of the instability of recent years" means those areas that have high rates of unemployment; and

(2) the term "International Fund" has the meaning given that term by section 8(2) of the Anglo-Irish Agreement Support Act of 1986.

The CHAIRMAN. Are the amendments to title VIII?

If not, the Clerk will designate title IX.

The text of title IX is as follows:

TITLE IX—ASIA AND THE PACIFIC

CHAPTER 1—EAST ASIA AND THE PACIFIC

SEC. 901. BURMA.

(a) CONSIDERATIONS IN FURNISHING ASSISTANCE AND MAKING MILITARY SALES.—During fiscal years 1990 and 1991, in determining whether to furnish assistance to Burma under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954 (other than emergency humanitarian assistance under either such Act) and whether to make any sales of defense articles or defense services to Burma under the Defense Trade and Export Control Act, the President shall take into account—

(1) whether the Government of Burma has held free and fair elections, and pursuant to such elections, a civilian government has assumed power, including—

(A) whether the Government of Burma has implemented its election laws in an unbiased manner, so as to allow all opposition parties and candidates that are committed to peaceful and democratic change to run for office;

(B) whether the internationally recognized rights of freedom of speech, the press, and assembly were respected during the electoral campaign, thereby enabling opposition candidates to compete fairly against government party candidates, and whether those rights continue to be respected;

(C) whether the elections were conducted in the presence of international observers who were free to monitor the elections, and the assessments of those international observers of whether the elections were conducted fairly and without intimidation and whether the ballots were counted honestly; and

(D) whether there is an independent judiciary; and

(2) whether the Government of Burma has implemented or is committed to implementing fundamental economic reforms in order to ensure that United States economic assistance is being used or can be used effectively.

(b) NOTIFICATION REQUIREMENT.—During fiscal years 1990 and 1991, the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate, in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961, at least 15 days before—

(1) obligating funds for any assistance for Burma under the Foreign Assistance Act of 1961 (other than emergency humanitarian assistance), or

(2) issuing a letter of offer to sell any defense articles or defense services to Burma under the Defense Trade and Export Control Act.

SEC. 902. CAMBODIA.

(a) ASSISTANCE FOR THE CAMBODIAN PEOPLE.—Notwithstanding any other provision of law, the President may make available to the non-Communist resistance forces in Cambodia funds made available for foreign military financing and economic support assistance for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961.

(b) PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE.—Notwithstanding any other provision of law, none of the funds made available to carry out this section may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Cambodia or elsewhere in Indochina.

(c) TRAINING OF NON-COMMUNIST CAMBODIANS.—Notwithstanding any other provision of law, the President may use such funds as may be necessary from funds made available for development assistance and economic support assistance for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961 to provide for the nonmilitary training of non-Communist Cambodians who are outside of Cambodia, including Cambodians in the United States, in appropriate skills that would be used by them, in support of the non-Communist movements in Cambodia, upon returning to Cambodia in the context of an internationally acceptable political settlement in that country.

(d) INTERNATIONAL RELIEF PROGRAM FOR CAMBODIA.—Notwithstanding any other provision of law, the President may use such funds as may be necessary from funds made available under the Foreign Assistance Act of 1961 for fiscal years 1990 and 1991 for contributions by the United States to an international program of relief and reconstruction in Cambodia in the context of an internationally acceptable political settlement in that country.

SEC. 903. PROHIBITION ON MILITARY ASSISTANCE TO FIJI.

No foreign military financing and no international military education and training under the Foreign Assistance Act of 1961 which is made available for fiscal year 1990 or fiscal year 1991 may be provided to Fiji unless the President certifies to the Congress that Fiji has returned to a freely elected democratic government under a constitution acceptable to all communities in Fiji.

SEC. 904. UNCOMMITTED FMS CREDITS FOR THE PHILIPPINES.

Uncommitted balances of loans made since October 1, 1984, to the Philippines pursuant to the former authority of section 23 of the Arms Export Control Act may be disbursed without requirement for repayment of principal or interest, except that the new budget authority provided by this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 905. MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES.

Title VI of the Foreign Assistance Act of 1961, as amended by the title VII of this Act, is further amended by adding at the end the following:

"CHAPTER 2—MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES

"SEC. 6201. FINDINGS AND STATEMENT OF POLICY.

"(a) FINDINGS.—The Congress makes the following findings:

"(1) The people of the Philippines and the people of the United States continue to enjoy a longstanding relationship of mutual respect and cooperation.

"(2) The return of democracy to the Philippines under the leadership of President Corazon Aquino has brought the Philippines and the United States closer together and offers an opportunity to the Philippines to again become an economic, social, and political leader in Southeast Asia.

"(3) The Philippines is currently facing a domestic insurgency which threatens the efforts of the Government of the Philippines to broaden the participation of the people of the Philippines in the development of their country.

"(4) It is in the mutual interest of our two peoples that the Philippines be provided all possible assistance, including voluntary debt reduction programs under appropriate circumstances, in its efforts to redress the problems caused by economic deterioration and social inequity which have fueled the domestic insurgency.

"(5) The promotion of democracy and achievement of sustainable economic growth require a partnership among the Philippines, multilateral institutions, bilateral donors, and the private sector to help the Philippines restructure its economy and alleviate its debt service in order to achieve broadly based, self-sustaining growth and to improve the quality of life of the people of the Philippines.

"(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

"(1) the United States should participate with the multilateral financial institutions and other bilateral donors in a coordinated economic reform and development program, including voluntary debt reduction programs, in the Philippines; and

"(2) a multiyear commitment of resources by the United States, other bilateral donors, and the multilateral financial institutions with a continued reform effort and leadership role by the Government of the Philippines will be necessary in order to ensure continued economic growth in the Philippines and enhanced participation of the people of the Philippines in the democratic process.

"SEC. 6202. ASSISTANCE.

"(a) AUTHORITY.—The President is authorized to provide assistance to carry out this chapter in order to promote the four basic objectives set forth in section 1102. Such assistance shall have as its ultimate objective, in conjunction with assistance provided by other donors, support of the newly reestablished democracy in the Philippines, promotion of sustained economic growth led by the private sector, and improvement of living conditions for the people of the Philippines, and shall build upon the progress that the Government of the Philippines has made in the development and implementation of economic, structural, judicial, and administrative reforms.

"(b) PROGRESS OF REFORMS NECESSARY FOR PROVISION OF ASSISTANCE.—The provision of assistance under this chapter shall be linked to progress by the Government of the Philippines in the implementation of its economic, structural, judicial, and administrative reform program.

"(c) USES OF ASSISTANCE.—Assistance under this chapter may include support for—

"(1) economic, structural, and administrative reforms, and voluntary debt reduction programs, that are necessary to stimulate growth led by the private sector, import liberalization, export growth and diversification, and the privatization of enterprises owned or controlled by the government;

"(2) infrastructure needed by the private sector, particularly in rural areas;

"(3) strengthening the private sector, including promoting greater participation of the United States private sector in the development of the Philippines; and

"(4) such other programs as are consistent with the purposes of this chapter.

"SEC. 6203. REPORT TO CONGRESS.

"As soon as possible after the transmittal by the President of the Budget of the United States for each fiscal year beginning with fiscal year 1991, the Secretary of State and the Administrator for title I shall submit a report to the Congress on the progress made in carrying out this chapter. Such report shall include a review of—

"(1) the actions of the Government of the Philippines to achieve the objectives for which assistance under this chapter has been provided, including implementation of economic, structural, judicial, and administrative reforms;

"(2) the participation of other bilateral donors and multilateral financial institutions in the multilateral assistance program for which assistance under this chapter is authorized, including the level of their assistance, and the effectiveness of efforts to coordinate assistance activities;

"(3) the progress being made toward the achievement of the objectives of this chapter and the obstacles to such achievement; and

"(4) the budget request for the relevant fiscal year.

"SEC. 6204. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATION.—There are authorized to be appropriated to the President to carry out this chapter, in addition to amounts otherwise available for such purposes, $1,000,000,000, of which not more than $200,000,000 may be appropriated under this section for fiscal year 1990.

"(b) TRANSFER AUTHORITY.—The President may exercise the authority of section 4101 of this Act to transfer funds available to carry out any other provision of this Act for use under this chapter without regard to the 20-percent increase limitation contained in such section, except that—

"(1) the total amount so transferred in fiscal year 1990, when added to the amount of funds appropriated under subsection (a) for that fiscal year, may not exceed $200,000,000; and

"(2) the total amount so transferred in any subsequent fiscal year, when added to the amount of funds appropriated under subsection (a) for that fiscal year, may not exceed the amount of funds requested to carry out this chapter for that fiscal year in the congressional presentation documents transmitted under section 4301.

"SEC. 6205. LIMITATIONS ON USE OF FUNDS.

"(a) FRAMEWORK FOR REFORMS.—None of the funds made available under section 6204 for fiscal year 1990 may be made available for the Philippines until the President has received a document, developed by the Government of the Philippines and acceptable to the major bilateral donors and appropriate representatives of multilateral financial institutions participating in the multilateral assistance program for which assistance under this chapter is authorized, which sets forth the overall framework and specific objectives of macroeconomic, administrative, and structural reforms, and voluntary debt reduction programs, which the multilateral assistance program is designed to support. The reforms which the Government of the Philippines undertakes pursuant to the framework document shall include specific measures to enhance debt exchange programs, to facilitate other market-oriented debt reduction programs and additional debt-equity exchanges, and to encourage greater foreign investment, particularly by simplifying licensing and registration requirements for such investment.

"(b) REQUIREMENT OF PARTICIPATION BY OTHER DONORS.—Funds made available under section 6204 may not be obligated unless the President has determined and reported to the Congress that a substantial majority of the assistance to be provided to the Philippines under the multilateral assistance program for which assistance under this chapter is authorized will be provided

by other bilateral donors and multilateral financial institutions.

"(c) PRIOR NOTIFICATION OF CONGRESS.—Funds made available under section 6204 may be obligated in a fiscal year only if the President, at least 15 days in advance of obligating such funds, submits a notification with respect to that obligation in accordance with the procedures applicable to reprogramming notifications under section 4304.

"(d) SENSE OF CONGRESS REGARDING APPROPRIATIONS AFTER FISCAL YEAR 1990.—It is the sense of the Congress that, before requesting the appropriation of additional amounts to carry out this chapter, the President should take into account the progress being made by the Government of the Philippines toward achieving the reform objectives of this chapter, the extent of financial and other participation of other bilateral donors and multilateral financial institutions, and efforts to coordinate the multilateral assistance program for which assistance under this chapter is authorized. Such considerations will be primary factors in decisions by the Congress to provide additional appropriations to carry out this chapter.

"SEC. 6206. DONOR COORDINATION.

"It is the sense of the Congress that critical to the success of the multilateral assistance program for which assistance under this chapter is authorized will be the ability of the bilateral donors, the multilateral financial institutions, and the Government of the Philippines to coordinate effectively their objectives and programs. It is further the sense of the Congress that all bilateral donors to this multilateral assistance program should take steps to simplify procurement and disbursement procedures and to ensure that any conditions on the provision or use of assistance are complementary, and that the Government of the Philippines should establish such internal procedures and processes as will ensure the most effective use of the resources provided by the bilateral donors and the multilateral financial institutions.

"SEC. 6207. ADMINISTRATIVE AUTHORITIES.

"Except where expressly provided to the contrary, any reference in any law to title I of this Act shall be deemed to include reference to this chapter.".

SEC. 906. SCHOLARSHIPS UNDER SOUTH PACIFIC REGIONAL PROGRAM.

Of the amounts allocated for the South Pacific regional program under the Foreign Assistance Act of 1961, the following amounts shall be available only for scholarships for study at postsecondary institutions of education in the United States:

(1) For fiscal year 1990, not less than $2,000,000, of which not less than $1,200,000 shall be economic support assistance funds and the remainder shall be development assistance funds.

(2) For fiscal year 1991, not less than $2,000,000, all of which shall be economic support assistance funds.

SEC. 907. TRANSFER OF FUNDS FOR ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.

(a) TRANSFER OF FUNDS.—For each of the fiscal years 1990 and 1991, the President shall transfer up to $2,250,000 of the funds described in subsection (b) to the "SALARIES AND EXPENSES" account of the Department of State, and shall use those funds for expenses incurred in the performance of functions of the Assistant Secretary of State for South Asian Affairs.

(b) SOURCE OF FUNDS.—The funds to be transferred under subsection (a) are any funds made available for fiscal years 1990 and 1991 for development assistance and for economic support assistance under the Foreign Assistance Act of 1961 which are allocated for Asia and Near East Regional Programs (excluding programs for the Near East).

SEC. 908. COOPERATION ON POW/MIA ISSUE.

It is the sense of the Congress that, consistent with the provisions of sections 3216 and 3218(5) of the Foreign Assistance Act of 1961, the President should use available authority and appropriations to provide up to $200,000 in the fiscal year 1990 and up to $200,000 in the fiscal year 1991 for support of humanitarian projects in Laos directly associated with joint United States-Laotian cooperative efforts to resolve questions concerning Vietnam era prisoners of war or those missing in action.

SEC. 909. ADMISSION OF ASIAN COUNTRIES INTO THE OECD.

(a) FINDINGS.—The Congress finds that—

(1) South Korea, Taiwan, Hong Kong, and Singapore all now have gross national products at per capita levels that exceed those of some of the least developed members of the Organization for Economic Cooperation and Development (hereafter in the section referred to as the "OECD");

(2) these Asian countries and territories have a substantial interest in furthering the health of the world economy and should assume a more prominent role in managing regional and global economic affairs; and

(3) the ideals of the OECD, namely liberalized trade and investment flows, assistance to the developing countries, and better coordination of national economic policies, are goals that should be strongly embraced and promoted by the newly industrialized countries and territories in Asia.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should encourage the OECD to actively undertake the process of study and consultation appropriate to consider for membership in the OECD the Governments of South Korea, Taiwan, Hong Kong, and Singapore.

CHAPTER 2—SOUTH ASIA

SEC. 921. ASSISTANCE FOR AFGHANISTAN.

The President may make available funds authorized to be appropriated for development assistance and economic support assistance under the Foreign Assistance Act of 1961 for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

SEC. 922. UNITED STATES POLICY TOWARD BANGLADESH.

(a) PRIMARY OBJECTIVES OF UNITED STATES ASSISTANCE.—The primary purpose of United States economic assistance for Bangladesh is to foster economic development and political pluralism, recognizing the relationship between these two goals. Accordingly, in assessing whether to provide economic assistance to Bangladesh for fiscal years 1990 and 1991 and in determining how much of such assistance to provide, the President shall take into account—

(1) whether—

(A) the Government of Bangladesh has held parliamentary elections under the supervision of an independent electoral commission, which were witnessed by international observers and were conducted in a manner that was free and fair, including with fair and guaranteed access to the media for all parties, thus ensuring that the outcome of the elections reflected the popular will; or

(B) the Government of Bangladesh has credibly declared its willingness to hold such elections in a timely fashion, and to establish arrangements, including an independent electoral commission and fair and guaranteed access to the media for all parties, in order to ensure that the outcome of the elections will reflect the popular will;

(2) whether, in the event that elections have been held in accordance with paragraph (1)(A), there is a functioning parliament which fulfills its constitutional duties and which includes a meaningful role for the minority as well as the majority;

(3) whether the press is allowed to operate freely, and all points of view can be expressed in the press;

(4) whether there is effective elected government at the local and regional levels; and

(5) whether there is an independent judiciary.

(b) REQUESTS FOR ASSISTANCE.—Whenever requesting economic assistance for Bangladesh, the President shall report to the Congress with respect to each of the issues described in paragraphs (1) through (5) of subsection (a).

(c) DEFINITION.—For purposes of this section, the term "economic assistance" means assistance under title I of the Foreign Assistance Act of 1961 and assistance under the Agricultural Trade Development and Assistance Act of 1954.

SEC. 923. INDIA AND NEPAL.

(a) FINDINGS.—The Congress makes the following findings:

(1) The people of the United States enjoy friendly relations with the people of India and Nepal.

(2) Harmonious trade relations, economic growth, and development, as well as a bilateral relationship between India and Nepal characterized by comity and mutual respect, are consistent with United States interests in South Asia.

(3) India and Nepal have historically enjoyed a special and mutually beneficial relationship, reflected in the Treaty of Peace and Friendship (signed by the two countries in 1950) and treaties governing trade and transit between the two countries.

(4) The treaties governing trade and transit between India and Nepal, as well as agreements between the two countries concerning coal and petroleum exports from India to Nepal, lapsed in March 1989 because of unresolved differences between the two countries.

(5) The absence of trade and transit agreements between India and Nepal and resulting shortages of important commodities has had an adverse impact on Nepal, such as an acceleration to deforestation, as the Nepalese substitute wood for kerosene, and a virtual halt in important development projects, many of which are supported and administered by the administering agency for title I of the Foreign Assistance Act of 1961.

(6) The Government of India has expressed its willingness to negotiate on trade, transit, and other bilateral issues, and the Government of Nepal has proposed a venue, timeframe, and agenda for talks with the Government of India.

(7) The United States has a strong interest in seeing an improved relationship between India and Nepal, in view of the fact that a continued impasse will further disrupt economic development and possibly

impose significant hardship and human suffering.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) India and Nepal should begin meaningful talks to resolve, on an urgent basis, issues relating to trade and transit between the two countries, recognizing that an expeditious and amicable resolution is in their mutual self-interest and consistent with regional harmony and stability;

(2) leaders of both countries should exercise statesmanship and good will in working promptly to resolve the differences in their relationship, taking into account the humanitarian consequences of the continued impasse; and

(3) the Secretary of State, or his designee, should provide regular briefings to the Congress regarding the effects of the Indian-Nepalese dispute on the two countries and on the interests of the United States with respect to both countries and in South Asia in general.

SEC. 224. ASSISTANCE TO PAKISTAN.

(a) FINDINGS.—The Congress finds that—

(1) the preservation of democracy in Pakistan is essential for the maintenance of political stability in Pakistan and for close, long lasting ties between Pakistan and the United States;

(2) the President, the military, the judiciary, and the other sectors of Pakistani society responded to the tragic events of August 17, 1988, with admirable responsibility and statesmanship;

(3) the Pakistani elections of November 1988 were carried out in a peaceful and responsible manner that won new respect for Pakistan around the world;

(4) the transition of power from the caretaker government to the newly elected government in the aftermath of the national elections went smoothly and in accordance with the Pakistani constitution;

(5) the human rights situation in Pakistan has improved markedly in the months since a democratic government assumed power in Pakistan;

(6) the restoration of democracy in Pakistan is an achievement deserving the high praise of the United States; and

(7) the meeting in December 1988 between the Prime Ministers of India and Pakistan has encouraged hopes for an improvement in relations between those two countries.

(b) STATEMENT OF POLICY.—The primary purpose of United States assistance for Pakistan is to support and sustain democracy. Therefore, the maintenance of a democratic government in Pakistan, in which the military forces are properly subordinate to the appropriate civilian authorities, is an essential precondition for a continuation of United States assistance to Pakistan.

(c) 1959 BILATERAL AGREEMENT WITH PAKISTAN.—The United States reaffirms the commitment made in its 1959 bilateral agreement with Pakistan relating to aggression from a Communist or Communist-dominated state.

(d) PROVISION OF DEFENSE ARTICLES.—The United States shall continue to take appropriate steps to ensure that defense articles provided by the United States to Pakistan are used solely for defensive purposes or for the other nonaggressive purposes specified in paragraph (5) of section 3(c) of the Defense Trade and Export Control Act, as amended by section 221 of this Act.

(e) WAIVERS.—

(1) AUTHORITY.—The President may waive the prohibitions of section 4205 of the Foreign Assistance Act of 1961 at any time to provide assistance to Pakistan if he determines that to do so is in the national interest of the United States. A waiver under this subsection shall be effective—

(A) until April 1, 1990, and

(B) thereafter until October 1, 1993, during such periods that a certification under section 4211 of the Foreign Assistance Act of 1961 is in effect.

(2) EXISTING WAIVER.—The waiver done under the previous authority of section 620E(d) of the Foreign Assistance Act of 1961 which is in effect on the day before the effective date set forth in section 601 of this Act shall, as of such effective date, be deemed to be a waiver made under this subsection with respect to section 4205 of the Foreign Assistance Act of 1961.

(f) CERTIFICATION.—Chapter 2 of title IV of the Foreign Assistance Act of 1961, as amended by the preceding titles of this Act, is further amended by adding at the end the following:

"SEC. 4211. ASSISTANCE TO PAKISTAN.

"No assistance may be furnished to Pakistan and no defense articles or defense services may be sold or transferred to Pakistan, pursuant to the authorities contained in this or any other Act, unless the President has certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or defense articles or defense services are to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.".

(g) MINIMUM ASSISTANCE LEVELS.—

(1) ASSISTANCE TO BE NOT LESS THAN CURRENT LEVEL.—For each of the fiscal years 1990 and 1991, the aggregate amount of assistance made available for Pakistan under the Foreign Assistance Act of 1961 and the Agricultural Trade Development and Assistance Act of 1954 may not be less than the aggregate amount of assistance made available for Pakistan under those Acts for fiscal year 1989.

(2) LITERACY PROGRAMS FOR FEMALES.—In addition to the assistance provided for Pakistan pursuant to paragraph (1), not less than $5,000,000 of the funds made available for development assistance for each of the fiscal years 1990 and 1991 shall be available only for Pakistan for literacy programs for females.

(3) RELATION TO OTHER REQUIREMENTS.—This subsection does not apply if the certification required by section 4211 of the Foreign Assistance Act of 1961 is not submitted to the Congress.

The CHAIRMAN. Are there amendments to title IX?

Mr. SCHEUER. Mr. Chairman, I would like to commend the Foreign Affairs Committee and its distinguished chairman for bringing to the floor a foreign aid bill which continues our strong support to Israel and Egypt, and improves our development assistance program.

By authorizing $3 billion in aid to Israel—$1.2 billion in economic aid and $1.8 billion in military aid—this bill continues our historic and vital support to Israel, our only democratic ally in the Middle East. The bill provides Egypt with $2.1 billion in aid.

In addition to continuing vital economic and military assistance to Israel and Egypt, this bill initiates new efforts to fight terrorism and continues funding for programs which offer hope for peace and cooperation in the Middle East.

In prohibiting United States funds from going to the PLO, through international organizations, the Congress recognizes that the PLO has not changed its fundamental policy of terrorism which continues to call for violence in the West Bank and Gaza and the destruction of Israel. To bolster global antiterrorism efforts the bill states that the United States shall not provide any assistance to countries which grant sanctuary to terrorists.

Joint development programs to be funded include the Middle East cooperation projects, which I had the privilege of seeing first hand last summer, and a program providing financing for cooperative research programs between the United States, Israel, and Third World developing countries.

The foreign aid authorization bill also includes some welcome changes in population and development program funding. Ten percent of the African Development Fund has been allocated for population. This would provide an additional $58 million to African family planning projects. The bill also allocates $408 million over the next 2 fiscal years for international voluntary family planning programs. While these amounts are not enough to restore the United States' leadership role in the field of population assistance, they are a step in the right direction.

The legislation outlines a new "mini-Marshall plan" that has been developed for the Philippines. The United States, Japan, and the European Community, along with other governments, development banks and the private sector would work together to strengthen the Philippines. New investments, debt relief and development aid are the primary goals for this multilateral assistance initiative.

Overall, the bill redirects $1 billion from military and related assistance to development assistance, reflecting a more intelligent approach to securing our national interests abroad. I would like to commend the Foreign Affairs Committee and Chairman FASCELL for providing the House with this comprehensive bill.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. GEPHARDT) having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, had come to no resolution thereon.

THE PENALTY FOR DESECRATION OF A MAILBOX

(Mr. RITTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I point out to my colleagues that I hold in my hands a mailbox certified by the U.S. Postal Service, and I hold here "Old Glory."

It turns out that to willfully or maliciously damage or destroy this mailbox is punishable under Federal law by up to 3 years in prison and a $1,000 fine. We all know the protection that "Old Glory" has under Federal law or State law these days after the recent Supreme Court decision.

Something is really out of kilter when a mailbox receives protection under the law but our flag does not. To protect the American flag against desecration, must we stuff all of our flags in mailboxes so that desecrators of the flag would be deterred from the act of desecration?

Mr. Speaker, a constitutional change is in order. President Bush is right. Many Members of the House are right when they call for a constitutional amendment, and I personally have my own that I urge my colleagues to support.

MAKING PROVISION FOR FURTHER DEBATE TIME IN CONSIDERATION OF H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that subject to clause 6 of rule XXIII, time for debate on all amendments to section 707 and amendments thereto be limited to 30 minutes, equally divided and controlled by myself and Representative BROOMFIELD, and that this time be in addition to the 8 hours permitted under House Resolution 179 to the extent that those 8 hours have expired.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I will not object. I just want a clarification. As I understand it, if there is an agreement, then the six amendments pending on this side will not be offered, but we will have 15 minutes on each side to debate the agreement?

Mr. FASCELL. Mr. Speaker, if the gentleman will yield, let me state that the gentleman is correct.

Mr. SOLOMON. If there is no agreement, then we would go ahead and be allowed to debate the six amendments, if so offered, under the regular rules of the House?

Mr. FASCELL. The gentleman is correct.

Mr. SOLOMON. Mr. Speaker, that is more than fair, and we have no objection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 2300

ANOTHER HISTORICAL POINT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, the distinguished gentleman from Pennsylvania [Mr. RITTER] just got up and reminded us of a U.S. Government law that we all either take for granted or forget, that post office boxes are protected by the Federal Government by a law of a Congress a long time ago.

Mr. Speaker, here is something else that is interesting:

This is a dollar bill. Handsome picture of the "Father of Our Country" on there, George Washington. There is no American flag on there, but there is the beautiful Great Seal on the back with a red, white, and blue crest, if it were in color other than that greenback green.

Mr. Speaker, if someone wanted to destroy this, guess what? They would be breaking the law.

Mr. Speaker, I am going to take, or, I guess, do live the "Phil Donohue Show" on Friday, and this pathetic moron that burned the flag in Dallas at our Republican Convention of 1984 is also going to be on there, the young Leninist with the beard, revolutionary of the Communist Party. I am going to ask him if he would like to rip up a dollar bill on the air to show his contempt for the United States of America, and then he will be subject to arrest.

Mr. Speaker, how is it that this dollar; most of us have one in our pocket right now; we think it is ours, that we cannot rip up a dollar of our own money? It is protected, but this beautiful Old Glory is not.

Mr. Speaker, there will be 1 hour after another tonight of special orders, and I have the honor of reciting for my colleagues and whoever through national technical means is watching the floor proceedings all through the night; I have the honor of reciting for the first time since the third grade Barbara Fritchie, that great poem by one of America's great poets, Mr. Whittier.

My colleagues, please watch later tonight between 3 and 4.

THE 600TH ANNIVERSARY OF THE BATTLE OF KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, I take this opportunity to inform my colleagues that 600 years ago today, the legendary Battle of Kosovo took place between the Serbs and the Ottoman Turks.

On June 28, 1389, Prince Lazar of Serbia martyred himself fighting for Serbian freedom and his Orthodox Christian beliefs against a much larger contingent of invading Turkish troops. Although defeated in battle, Prince Lazar set an example of courage, devotion, and patriotism that has inspired the Serbian people for six centuries. To this very day, Prince Lazar remains a great Serbian national hero and a canonized saint of the Serbian Orthodox Church.

I am placing in the RECORD an article on this event by my constituent, the Very Reverend Father Milan P. Markovina, pastor of the St. Sava Serbian Orthodox Cathedral in Milwaukee, WI. I urge my colleagues to read the following account of this most historic event.

THE 600TH ANNIVERSARY OF THE BATTLE OF KOSOVO, VIDOVDAN—JUNE 28, 1389-1989

On January 26, 1913, a large oak and silver coffin was lowered into a sarcophagus of black and white marble in a crypt beneath the rotunda of the Cathedral of the Navy at Annapolis, Md. The remains of John Paul Jones, great naval hero of the American Revolution known as the "Father of the American Navy", were brought home to be laid to rest at the United States Naval Academy.

John Paul Jones died July, 1792, in Paris, France. In 1905, one hundred and thirteen years later, his body was recovered and President Theodore Roosevelt ordered a squadron of 8 naval war and convoy ships to go to France and bring America's hero home. On July 8, 1905, after a full French military funeral procession through the streets of Paris, the coffin was lowered aboard the SS *Brooklyn* in Cherbourg, France. On arrival at Annapolis, commemorative ceremonies were held and the body kept under Marine guard until the construction of the crypt was completed.

John Paul Jones was brought to the naval academy because his presence would add honor, and tradition would be preserved. Generations of naval cadets and officers and American citizens from all walks of life would have the opportunity, as General Horace Porter would say at the commemorative ceremonies, to "pay homage to the leading figure in the early annals of the American Navy and to give assurance that the transfer of his remains to the land upon whose arms he shed much luster is not lacking in distinction by reason of the long delay."

Ladies and gentlemen, today, an event similar in nature is taking place in Kosovo, the Republic of Serbia, Yugoslavia. The relics of a great Serbian national hero, in this case a canonized saint and martyr of the Serbian Orthodox Church, Prince Lazar Hreblyanovich, are being returned to the place of his martyred death, Kosovo. Here, in 1389 as the leader of his nation and with an army of 35,000 men, he met the Ottoman Turkish host of 100,000 cavalrymen and lost

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

a fiercely contested battle. In the beginning, his right flank threw back the Turkish left flank and caused the center of the Sultan's army to abandon its plan of attack to aid its left flank. In the confusion, a Serbian hero, Milos Obilic made his way through the Turkish lines and assassinated the Sultan Amurath in his tent and was himself immediately killed. Bajazit, the Sultan's son, led his superior number to victory and captured and beheaded Prince Lazar. The Turks displayed his head as a trophy of victory.

Serbian monks took his body and buried it in the church of the Ascension in Pristina. A year later, he was removed to his foundation church of Ravanica, Kosovo. Some 300 years later, after an unsuccessful attempt at arms to overthrow the Turks, and in order to escape terrible revenge, the first great migration of Serbs from Kosovo took place. Patriarch Arsenius led some 15,000 families northward to St. Andrej, Hungary and finally to Srem in Vojvodina. They brought the undecayed relics of St. Lazar with them and laid them to rest in the New Ravanica Monastery. There they stayed until WW II, when on April 14, 1942, during the Ustasi-fascist razing of Serbian Monasteries, they were removed to the Patriarchal cathedral in Belgrade.

Now, in the 600th anniversary year of his martyrdom at the battle of Kosovo, his relics have been transferred in a circuitous procession from Belgrade, home to old Serbia and Kosovo, to once again be laid to rest in his foundation church Ravanica.

Today, over a million Serbs have gathered on Kosovo to pay homage to this great national hero, and to commemorate the epic battle that took place there 600 years ago this day. The eyes of all Europe were turned to Kosovo in 1389, and when Amurath's death caused the premature announcement of a Sebian victory, the bells of Notre Dame rang forth in celebration, for such a victory would have stayed the hand of the Ottoman invaders and stopped their march into Christian Europe. It was a military defeat but a moral and spiritual victory for the Prince and his valiant army. Theirs was a eucharistic sacrifice given voluntarily on the altar of freedom. On the eve of battle, the prince and his entire army received the Holy Communion of the Orthodox Church, knowing well that they would all perhaps drink of Christ's cup of suffering, according to their battle cry: "For the Honored Cross and Golden Liberty".

Their resoluteness to die for Christianity and for freedom is captured in Serbian epic poetry. Pondering the imminent battle and speaking to his valiant knights and noblemen, the bard has Lazar say:

To which Kingdom shall I aspire,
The earthly or heavenly?
If to the earthly, it is only temporal.
If to the heavenly, it is forever.

He chose an honorable death in Christ over life as an Ottoman slave.

And when the battle was lost, the poet blesses the prince's choice with the words:

All was holy and honorable
And well-pleasing unto dear God.

As this commemoration goes forth in spite of some present day unrest in the Province of Kosovo, it is well to remember several facts:

Kosovo is the cradle of the Serbian state and nation which became an independent Kingdom in 1219.

Serbia became an empire with the coronation of Dusan the Mighty in 1352 in his capitol city Prizren, Kosovo.

The ancient Patriarchal seat of the Serbian Orthodox Church is in Pec, in Kosovo.

More than 1200 major Serbian shrines, churches and monasteries are found in Kosovo and many more lesser ones dot its landscape.

I urge you to join in the commemoration of the 600th anniversary of the Battle of Kosovo by denouncing all terror and violence in Yugoslavia and calling on the Yugoslav government to guarantee the human rights of all its citizens in Kosovo. This is essential to the preservation of the integrity of the Yugoslav state as a stabilizing influence in the Balkans.

SOMETHING HAS TO BE DONE ABOUT THIS

The SPEAKER pro tempore (Mr. VALENTINE). Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, when I was first elected to Congress I got off a plane, and a taxicab driver drove me down to the Capitol, and he was telling me about the crime problem in my city, and I said, "Well, you know, maybe I should get my gun permit which I had in Indiana renewed so I can carry a weapon in Washington to protect myself."

He said, Mr. Speaker, "Oh, no, you can't have a gun in Washington, DC. It's illegal. But, if you want one, I'll get you one in 5 minutes," and he reached under the seat and got a .38, and he told me where I could get a .38 if I wanted one.

Mr. Speaker, the D.C. statute which was enacted in 1975 says that all handguns registered in the District prior to September 23, 1976, were required to have been reregistered by February 5, 1977. After that date no more handguns could be registered. Thus, it is unlawful to possess, acquire or bring into D.C. any handgun which was not registered as of February 5, 1977.

Do my colleagues know what this means? That means the only people who can have guns beside law enforcement officers in this city are the crooks, the drug pushers, the muggers.

Mr. Speaker, I want to tell my colleagues a story I told earlier today. One of my staffers the night before last had a man break into her apartment and attack her. He took a 4-inch knife, and ran it through her hand, and beat her up and bit her during the struggle several times. I hope he did not have AIDS. And during the altercation which took place they fell down a flight of stairs. She was able to open a door, and the neighbor, saw it.

Mr. Speaker, this woman was almost killed, but she could not have a handgun according to the laws of this city in order to protect herself. I think this is ludicrous. I think the Members of this body ought to look into that. People ought to have the right to protect themselves in their own homes against intruders who will do them bodily harm.

Mr. Speaker, 70 percent of all crimes in this country are committed by people involved with drugs. Seventy percent of all crimes are drug related, and those people are running this town, and they are threatening women.

A woman was accosted outside the Hart Building about 3 days ago at 8:45 in the morning. He put a gun to her head, and accosted her and mugged her, and yet one cannot even have a gun in their own home to protect themselves.

So I would like to say to my colleagues tonight that I think we ought to do something about that in this body so women in this town, in their own homes at least, have the right to protect their persons because many of them are being accosted and hurt like the woman on my staff, and some of them are even being killed.

THE 600TH ANNIVERSARY OF THE BATTLE OF KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today, June 28, 1989, marks the 600th anniversary of the Battle of Kosovo. Occurring on St. Vitus Day, June 15, 1389, on the Julian calendar, the Battle of Kosovo represents a valiant attempt by the Serbian people to preserve their culture, religion, and nation against invasion by the Ottoman Turks.

To Serbs everywhere, Kosovo is holy ground, the heart of Serbian nationhood. It was the center of Serbia's empire in the Middle Ages. At one time, it was the strongest empire in the Balkans. Serbia first emerged as an independent state, and eventually as an empire in 1204.

It was on this fateful day 600 years ago, on the Kosovo "Field of Blackbirds," that the Serbs lost their empire to the Turks. This day is remembered by Serbians throughout the world as a symbol of tremendous courage, sacrifice, and dedication, in preserving their beloved homeland.

The Battle of Kosovo has lived in popular imagination, songs, folklore, and epic poetry. Today is observed as a day of mourning for all Serbs. An annual pilgrimage is made to the tomb of Prince Lazar, the czar of Serbia, who led his people in their gallant effort to maintain their homeland.

Most of the Serbian leaders and nobility were killed in this battle or beheaded immediately thereafter. Prince Lazar was one of those captured and beheaded by the Turks. However, the Sultan of Turkey, Murad I, third ruler of the Ottoman empire, was also killed by the courageous Serbian knight, Milosh Obilich, who is regarded as one of Serbia's greatest national heroes and is honored by Serbs throughout the world.

Although the Serbs experienced the suppression of their language, civilization, nation-

ality, and religion, they did not lose their loyalty, strength, or determination to reestablish their homeland. Prince Lazar and his people were considered the brave defenders of Christian civilization. Because the Turkish Ottomans were viewed alien barbarians with a religion totally different from the Serbs, the effect of Kosovo on the Serbs was especially devastating.

Inspired by this struggle, the Serbs produced beautiful testimonies of this battle, expressed in Serbian literary and oral traditions. According to Serbian folklore, Lazar received a message from the holy St. Elijah asking him to choose between the Kingdom of God and the empire of the world. Before the battle, Lazar made the famous statement, "The earthly kingdom is short lived, but the Heavenly One is forever." In choosing the heavenly kingdom, Lazar and his army honorably died in battle.

Although the Battle of Kosovo marked the end of an independent Serbian nation, this historic date remains alive in the hearts of Serbs everywhere and serves as a tribute to their incredible dedication and perseverance. The battle represents the courage and endurance of the Serbs to preserve their culture, their sense of community, and their desire for nationhood, despite the tremendous obstacles they encountered.

I am proud to join in commemorating the 600th anniversary of the Battle of Kosovo with the Serbian-Americans in the 11th Congressional District of Illinois and throughout our country. Kosovo symbolizes a great moral victory. It represents the steadfast struggle of a people for independence and liberty, and inspires us all to remain dedicated to the principles of freedom and self-determination.

Mr. Speaker, at this point in the CONGRESSIONAL RECORD I would like to include an article which appeared in the June 23 edition of the Chicago Sun-Times describing the events scheduled in Illinois, the United States, and Canada, to mark this special 600th anniversary observance. The text of the article follows:

[From the Chicago (IL) Sun-Times, June 23, 1989]

SERBS HERE TO MARK 600-YEAR-OLD "VICTORY"

(By Gary Wisby)

Some 20,000 Serbians are expected to gather in north suburban Third Lake this weekend to celebrate the 600th anniversary of a crushing military defeat.

That loss, at the Battle of Koslov in what is now Yugoslavia, is viewed not with shame but as a moral victory by members of the Free Serbian Orthodox Church.

"Kosovo is the heart of our people," says the church's primate, His Eminence Metropolitan Iriney. "Without that, we would be nothing."

The denomination's U.S.-Canada diocese is headquartered in this hamlet north of Grayslake. A 60-acre park is the setting for a monastery complex and a striking, multi-domed church built in 1984, which is an enlarged copy of one erected in Kosovo province in 1321.

Tradition has it that before the Battle of Kosovo, a gray falcon flew from Jerusalem to Tsar Lazar, rule of the Serbs, and dropped into his lap a book from the Virgin Mary. The book spoke, asking Lazar to choose between the kingdom of heaven and an earthly kingdom.

If he chose an earthly domain, Lazar was to lead his troops immediately into battle against the Turks, to be rewarded with victory. If he chose heaven, the ruler was to build a church at Kosovo, give his soldiers communion, and lead them into a battle in which they all would perish.

"The earthly kingdom is only for a short time, but the heavenly kingdom is forever," Iriney said. So Lazar and his army died at the hands of the Moslem invaders.

Today, Kosovo symbolizes the choice that all faithful are called upon to make.

"The Serbs endured 500 years of Turkish occupation and did not leave that idea," Iriney said.

The bishop has ordered that all 52 churches in this country and 17 in Canada be closed to mark the Battle of Kosovo observance. The diocese contains 24,000 families.

At the monastery, a three-day celebration ending Sunday will include religious services, folklore, picnics, poetry readings and lectures. Serbian dishes such as roast lamb and chevapchichi, a grilled mixture of ground lamb, beef and pork, will be served.

Guest of honor will be Prince Andrej Karadjordjevich, 59, a businessman and a director of Lloyd's of London. The prince, in exile from Yugoslavia, is 66th in line to the British throne.

Married to Princess Eve Marie, he lives in Palm Springs, Calif.

OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois [Mr. LIPINSKI] is recognized for 60 munutes.

Mr. LIPINSKI. Mr. Speaker, tonight the special order that we are taking, myself, the gentleman from Illinois [Mr. SANGMEISTER] and the gentleman from Illinois [Mr. COSTELLO], is on the flag controversy that we have heard a great deal about in the past few days, and to start off our special order tonight I am going to yield to the gentleman from Illinois [Mr. SANGMEISTER] for as much time as he might consume. I thank him very much for joining me here this evening.

Mr. SANGMEISTER. Mr. Speaker, I thank the gentleman from Illinois [Mr. LIPINSKI] for yielding.

Mr. Speaker, there has been a lot of rhetoric over the flag controversy since the U.S. Supreme Court decision, and from what I understand from the gentleman from California [Mr. DORNAN] we are going to hear an awful lot more before maybe even the evening is over.

Mr. Speaker, this is not without good reason. The desecration of the flag apparently now will become the rule of the land, and there are a lot of people in this country that are certainly disturbed about it.

In my opinion, Mr. Speaker, the Supreme Court has certainly opened the door. Not only have they opened the door for desecration of the flag, but they have opened a lot of heartaches up for Americans and, particularly, for a lot of our veterans.

I see the chairman of our Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY] up there now, and I know what this has meant to him and to all the members of our committee, and we all feel that something does have to be done.

I think all one has to do is go across the river here in town and take a look at the Iwo Jima Memorial over there, and if that does not signify what the U.S. flag is all about, nothing ever will.

Mr. Speaker, this all got started because of a gentleman down in Texas; and I would say that, when we use the word "gentleman", that that is using it very lightly; decided that at the 1984 Republican Convention he was going to burn a flag as a symbol against what he felt was our Government. I think it is interesting to note that that gentleman did not produce that flag or buy that flag anywhere. He stole that flag, and he decided to burn it.

Also back in the State of Illinois the flag received a lot of attention this past summer, and I think most of my colleagues know about the incident. It promoted a lot of legislation at the State level in Illinois, and of course it did here at the Federal level as well, and the gentleman from Mississippi [Mr. MONTGOMERY] introduced a bill, which I was the cosponsor of, and that was to prohibit people from laying the flag on the floor, on the ground, and in the case of Illinois, those of my colleagues that know it well, of course it was not only that, but the young artist that displayed it at the Chicago Art Institute felt that it would be interesting to have people walk back and forth across it, and then he had a book there that one could sign and say what their thoughts were as they walked across the American flag. As a result of that incident a flood of legislation, of course, was introduced in Illinois. I remember attending a rally at the Art Institute that was put on by the veterans, and I want to tell my colleagues that was a pretty moving sight to see all the people there who were tremendously offended by that incident.

So, the question is: Where are we going to go now? In my opinion anyway I think the Federal statutes on proper display of the flag are certainly all gone. Federal statutes that we have on desecration of the flag, they are all gone. Any State statutes that we have concerning the flag are all gone.

I cannot help but remember that, as a young person, one of the first things that I was taught in the home and in the school was respect for the flag. I can remember being told that the flag must never touch the ground, it should not be displayed in a torn or soiled condition, it must never be displayed in the dark, it must always have a light on it, it should not be

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

worn as apparel. All of these things we held very dear and very sacred.

□ 2310

I can even remember one time when it was my assignment in grade school to run the flag up to the top of the mast and I did not secure it well enough. We went inside to continue with school and the rope slipped and the flag came down and landed on the ground. I felt like I had just committed a crime. The admonition I got from my teacher and the admonition I got from my fellow students about not knowing how to tie a knot to hold the flag up there was something to behold as well, but that is the kind of impressions we had. That is what we have grown up with.

I think that it is important for us to remember here, too, that this is a 5 to 4 decision. Apparently we are going to get a lot of them out of the U.S. Supreme Court; but in my opinion, Justice Stevens who dissented really said it all when he said these words:

> The value of the flag as a symbol cannot be measured.

I repeat that:

> The value of the flag as a symbol cannot be measured.

Of course, he was referring to the ideas of the liberty, equality, and particularly to President Lincoln and Patrick Henry and Susan B. Anthony and a lot of others.

Justice Stevens said:

> If those ideas are worth fighting for, and our history demonstrates that they are, it cannot be true that the flag that uniquely symbolizes their power is not itself worthy of protection from unnecessary desecration.

No one can say it any better than that.

As I read the decision, of course, the majority decision, you can now do anything to the flag you want because it is protected as freedom of speech or expression.

I see there were some examples given just recently here that it is a crime to do damage to a mailbox or to tear up currency. Well, I would say to those individuals, I do not think that is going to be a good example because obviously if you can burn the flag, why can you not burn currency or why can you not blow up a mailbox as an expression that you are unhappy with the U.S. Government? That is going to be a symbol of freedom. That is going to be protected under the first amendment. So I do not think any law that we have regarding destruction of currency or that we have regarding destruction of mailboxes is going to be a reasonable alternative.

Therein, Mr. Speaker, lies the danger, I think, of what this decision is going to open up, the old proverbial Pandora's box is probably there.

I really do not think that the founders of this country intended that kind of an interpretation, because it is an anniversary desecration that we are talking about.

Now, if Mr. Johnson did not like our Government, and he obviously does not, then there are a number of things he could have done. No. 1, of course, he could have carried a placard or a sign. He could have had on it whatever he wanted to that he was unhappy with in our Government. In fact, he probably could have had obscenities on there, under the decisions that I have read from the U.S. Supreme Court. There is not very much that is obscene anymore. So Mr. Johnson had a wide latitude as to how to handle his protest.

He could have under that same amendment gathered a lot of other people together under that freedom of assembly and they could have done the same thing. They could have carried the same placards.

And of course, above all, he could have used the protection that the Founding Fathers really wanted him to have, and that is he could have spoke out for his beliefs. He could have used a megaphone if he wanted to. He could have gathered all the other people together and marched up and down the streets and defied our Government if he wanted to. Those are the freedoms that I certainly agree he could do; but to take the flag and burn it in indescribable desecration, proves nothing in addition.

So why do five Justices feel otherwise? I must say, I was rather surprised, as I am sure many were, to see Justice Scalia and Justice Kennedy, with the other Justices to form that majority, I know it almost shocked me to hear it. In talking to some of my colleagues across the aisle, they not only were shocked, they were absolutely appalled.

From the rhetoric, and rightfully so that we heard from President Reagan and from President Bush concerning the flag, and you know, as a Democrat, there were not a lot of things I used to agree with as far as President Reagan was concerned, but one thing I always gave him credit for is he did I think reinstill in this country a feeling of patriotism and what this country was all about. Of course, what else would you rally around to do that, but to have strong feelings as he did for the flag.

And of course, as Mr. Bush also, I should say President Bush at this point during the campaign; but I think we have to be a little careful that the rhetoric that we hear, and I do not want to be a part of that, is going to bring back memories of a rather bitter campaign in which the flag played a prominent part. Nevertheless, it is still there.

Anyway, I have yet to read anywhere an editorial by any newspaper, there may be some, but I have not seen them, that say anything but that they are very pleased with this 5-to-4 decision of the U.S. Supreme Court. That is to be expected, because obviously the editorial writers, whether they be for the written media or for video or the oral media of any kind, are very concerned about that first amendment and freedom of speech. I suppose they are not more biased in their feelings on that than we are in support of the flag.

I want us to understand, Mr. Speaker, that I do not take the first amendment lightly. As a practicing lawyer and as a former prosecutor, I understand what is involved. It is probably the most important amendment in the Bill of Rights when you talk about freedom of the press and freedom of speech and freedom of religion and freedom of assembly. We do not take those things lightly, and I do not think we should, either.

The point that I want to make is that I do not see why we could not protect all those same rights without saying that you are now protected to burn the flag or to walk on the flag. That is not speech that is to be protected under the first amendment, or expression. It is just plain desecration of that one symbol that unites this country.

So at this point, what are we going to do about it? I do not think we have many alternatives. I know part of the program here is going to be to try to devise a statute or a law within the scope of the majority opinion that will again make the burning of the flag or walking on it or any other desecration of the flag unlawful.

I am not a constitutional expert and would not propose to anyone that I am, but I can say this much in reading that opinion. I do not see much room. As I indicated to you, it has opened the door. So we can try a statute, and I am all in favor of trying to do all we can in that area, but I think sooner or later the only conclusion we are going to come to here is probably the only way we are ever going to get the job done, and that is with a constitutional amendment. That gives lots of people in this body much pain, because what has there been? I believe about 26 amendments since the document was originated 200 years ago. So we do not amend the Constitution, although hundreds and hundreds are proposed, very few are ever adopted. Obviously the procedure of getting it passed here with a two-thirds vote I believe and getting it ratified by a sufficient number of States is a big project, a difficult one, and it should be difficult to amend the Constitution; but as I see it, that probably will be our only alternative.

Although as I indicated, I think we are all willing to work on both sides of the aisle to try to go another route, that is going to be the bottom line. If it is, all I can say, as much as I am

going to find it difficult to do that because I do not think we should be fooling around with the first amendment, but at the same time, the U.S. Supreme Court has put us in a position where there is no place else for us to go; so as a result, regrettably, we may have to do that.

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman from Illinois [Mr. SANGMEISTER] very much for those very insightful, significant, and important words pertaining to this problem that everyone in this country now faces because of the Supreme Court ruling of last week.

Mr. Speaker, I yield to my good friend, the gentleman from Mississippi [Mr. MONTGOMERY] to speak on this burning issue of the day.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from Illinois [Mr. LIPINSKI] for giving me this time. My remarks will be about 2 or 3 minutes, and I appreciate very much being able to talk about the flag and what the Supreme Court has done.

May I say also to the gentleman from Illinois [Mr. SANGMEISTER], I appreciate what the gentleman has said. We did cosponsor legislation when we had the problem in the museum in Chicago, where knowingly people were standing on the American flag.

□ 2320

We sent that bill to the Committee on the Judiciary, and I am sorry to say that they have taken no action on that legislation. It has a lot of merit to it, and I was disappointed.

Mr. SANGMEISTER. If the gentleman would yield for just 1 moment, in my opinion at this point that legislation need not be pushed any further, because under the Supreme Court decision that bill is dead.

Mr. MONTGOMERY. I certainly agree with the gentleman. It looks like it would have to be a constitutional amendment.

I would also like to thank my colleague on this side of the aisle, the gentleman from Texas [Mr. WILSON], who is a leader here, and also the gentleman from Kentucky [Mr. HUBBARD].

I will be brief, but as I understand it, the minority leader, the gentleman from Illinois [Mr. MICHEL], is waiting in the wings to talk about an amendment to the Constitution. That will straighten out this flag situation. I want to commend the gentleman from California [Mr. HUNTER] also for lining up the Members who will be speaking most of the night. I thank him for pointing this out to the American people. We will be surprised that there will be a lot of them out there watching, because they are concerned about what is taking place here in Washington.

I join my colleagues in expressing my disappointment with this Court decision. It is unbelievable that the Supreme Court would rule in some cases that it is OK to burn the American flag. I am very proud that I was a combat veteran in World War II. I served during the Korean war. I now have the privilege of being the chairman of the Committee on Veterans' Affairs.

Mr. Speaker, the veterans do not like this at all. They have been up in arms and concerned that their comrades, over 1 million veterans, 1 million young people who have lost their lives since we have had a nation fighting for this flag, the symbol, and everywhere we go we have the symbol of the flag, and I want to point out that millions of other Americans have been seriously wounded serving the flag of this country, and that there has been a ruling as to these brave Americans that, in some cases, this flag could be burned or destroyed.

I think that Members will see that the veterans' organizations across the Nation will take some action. It will all be legal, but it will express their strong feelings that something has to be done either by legislation or by a constitutional amendment, which I believe, I hope, that we can move out of this House of Representatives.

What worries me, and I have watched what happened out in Texas as this person, as I understand it, that burned the flag, also spit on the flag and said that the reason why he was doing this is because that individual hated this country. To hate the country, they ought to leave, but we will not see them leaving. They will stay around and cause problems for us who truly believe in and love this country.

Mr. Speaker, I thank the gentleman for yielding. I think it is certainly appropriate that we talk about Old Glory. We have to get respect in some of the agencies up here in the Government and see that we can get a constitutional amendment passed and that we can stop all of this terrible situation as far as our flag is concerned.

Mr. LIPINSKI. Mr. Speaker, I am very thankful for the gentleman from Mississippi joining us in this special order tonight on the flag controversy that we have.

Mr. Speaker, I yield to the gentleman from Texas [Mr. WILSON].

Mr. WILSON. Mr. Speaker, I thank the gentleman very much for yielding this time. I thank the gentleman from California for inspiring this special order and to give us this opportunity tonight.

Mr. Speaker, I think we are going to say the same things over and over, because the same things are obvious to us all.

I just cannot imagine a great country, and certainly there is no other country in the world that cannot defend its flag, but I cannot imagine a country allowing its flag to be desecreated any more than we would allow any other great shrines and great symbols to be desecrated, any more than we would protect those who would paint a swastika on a synagogue or desecrate the grave of Martin Luther King or any other things that we hold dear.

I quote from Charles Evan Hughes:

> This flag means more than association and reward. It is the symbol of our national unity, our national endeavor, our national aspiration. It tells you of the struggle for independence, of union preserved, of liberty and union one and inseparable, of the sacrifices of brave men and women to whom the ideals and honor of this Nation have been dearer than life.
>
> It means America first; it means an undivided allegiance. It means that you cannot be saved by the valor and devotion of your ancestors; that to each generation comes its patriotic duty; and that upon your willingness to sacrifice and endure as those before you have sacrificed and endured rests the national hope.
>
> It speaks of equal rights; of the inspiration of free institutions exemplified and vindicated; of liberty under law intelligently conceived and impartially administered. There is not a thread in it but scorns self-indulgence, weakness, and rapacity. It is eloquent of our common destiny.
>
> —*Charles Evan Hughes.*

There must be no doubt; there must be no quibbling. As the gentleman before me said, if there is doubt, then the constitutional amendment must be worked through this House. The constitutional amendment will surely be worked through this House, and I have no doubt whatsoever that three-fourths of the States will quickly ratify the constitutional amendment.

Somehow this is a product of some kind of convoluted thinking on the part of a bare majority of our Supreme Court, and I must say a bit of muddle-headed libertarianism.

The founders of the Constitution provided that we in Congress and the people in the various legislatures of the 50 States can correct a mistake as vivid and as obvious as this one, and I believe we should get on with it.

I have sympathy for those who feel that somehow this in some way might violate the first amendment, but I reject that totally and completely. The flag represents everything we believe in. It represents freedom of religion. It represents the right to a trial by jury of our peers. It represents everything that is precious, and it represents certainly an imperfect but, nevertheless, the absolute best government that has ever been founded on the face of this Earth.

I commend all of my colleagues, and I look forward to our votes on this constitutional amendment and its rapid passage.

Mr. Speaker, I thank the gentleman very much.

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman from Texas for joining in this special order tonight on the flag.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. LIPINSKI. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I have a question for the gentleman from Texas.

When the gentleman was a young midshipman at the U.S. Naval Academy at Annapolis, not just his first year but his last year, every time he was on parade and the colors passed in review, did he ever, ever get bored with seeing Old Glory go by?

Mr. WILSON. Never.

Mr. DORNAN of California. I did not think so, and that is why his words are so ringingly clear tonight.

Mr. WILSON. I would say something to my friend, and I said this on a television program over the weekend, but Supreme Court or not, anybody who burns that flag around me had better have his fighting clothes on.

Mr. DORNAN of California. If he is 6 foot 7 and has a black belt in karate, the gentleman will take a lot of pain, but I am sure he will get in some good shots first. Save those for me.

Mr. WILSON. You bet.

Mr. LIPINSKI. Mr. Speaker, I rise today to honor the flag of the United States of America. As a veteran and an American, I cannot begin to describe my disgust at the despicable act of Mr. Gregory Lee Johnson. In burning our American flag, Mr. Johnson has displayed his utter lack of understanding of what our flag represents and what our Constitution means. I join my colleagues on both sides of the aisle in condemning this insult to the great Republic in which we live. Furthermore, I join in agreement with the dissenting justices in this landmark decision.

Despite my outrage at this decision of the Supreme Court, I must agree with President Bush in his assertion that, as Americans, we must respect the integrity of the Supreme Court as well as the Justices who wrote the opinion. For, what would the flag mean if we ignored the right of the courts to interpret our laws. I have no doubt that Justice Brennan and his colleagues are as patriotic as anyone in this Chamber. I will continue to respect them, even if I do not agree with their opinion.

And, like Justice Brennan and his fellow jurists, I too am committed to the guarantees in the Bill of Rights. The right to express oneself is preeminent in our national character, and I fully support the right to political dissent. But, this Nation is based upon the sanctity of certain institutions, and the flag is just such an institution.

What I have difficulty respecting is the notion of my Republican colleagues that the flag has somehow become the symbol of their party and not of all Americans. I am a proud American and a proud Democrat. For too long, the Republicans have claimed our national symbol as their own, and I, for one, have had enough! Mine is the party of Thomas Jefferson and Andrew Jackson, the party of Franklin Delano Roosevelt and the party of John Fitzgerald Kennedy. The Democrats are the party of the little man, and it is the little men who carry their lunchpails to work and who have carried our flag in to battle. The flag certainly belongs to Republicans but not to them exclusively. I respectfully request that they stop treating it as such.

There has been much talk in the Congress this week of a constitutional amendment outlawing the desecration of the flag. While this is noble, I believe that this course of action should be used only as a last resort. The Supreme Court did not overturn the anti-desecration law. It simply said that the law did not apply in Mr. Johnson's case. I suggest that those of us who love the flag may still have hope through the judicial system. Free speech is not unlimited, and I do not believe that our courts are willing, in the words of Justice Jackson, "to convert the constitutional Bill of Rights into a suicide pact." I have faith that a new court case, under different circumstances, will give our Justices a chance to reinterpret their recent opinion. "Eloquence may set fire to reason," and the scales of justice may tip in favor of our beloved flag.

I want to see the flag protected. It is the symbol of our Nation, and it deserves a special consideration under our laws. But, I ask my colleagues to stop and consider what makes our flag so special. Is it because we revere the flag, or is it because we revere the ideas for which our flag stands? We are the greatest Nation on this planet. We are great, not because of our flag, but because we, the people, choose our Government to protect our God-given rights and to help us make our lives worth living. Our Government cannot do this, however, unless it uses its time and resources wisely. In other words, we must spend time, not debating on what we all agree to be a despicable act, but in getting on with the business of Government. I will not hesitate to deplore the desecration of the flag. But I was elected to serve the people, and I can do this best by using my time and talents for passing needed legislation.

There are hungry people in this Nation. There are drugs on our streets, and there is oil on our beaches. While we spend time on this floor agreeing about something we all know to be deplorable, we could be engaged in honest debate about how to educate our children or how to aid our Chinese friends who have died so that they may have a taste of the freedoms so many of us take for granted. I ask you, my fellow Representatives, to lead the way in honoring the flag by doing the job we were put here to do. If you do this, when you raise the flag next week in honor of our Nation's independence, you will all be able to look at its colors and know that you have done your best to help your fellow Americans.

Just so there is no misunderstanding, I want to reiterate my disgreement with the Supreme Court in its opinion in the case of Texas versus Johnson. I love the flag and the things for which it stands. But, I believe that the best interests of this country would be served by attacking this problem through the judicial system. With new litigators and different circumstances, I believe our jurists will come to the right decision. I understand the desire to enact legislation, but I also know that, as Congress comes to a close, we must give the courts another chance and we must finish the urgent business at hand. If the courts fail, we must then begin remedial legislation and a constitutional amendment. But we should not allow the blindness of passion to cloud our judgment in the waning hours of this session.

□ 2330

THE FLAG

The SPEAKER pro tempore (Mr. VALENTINE). Under a previous order of the House, the gentleman from Kentucky [Mr. HUBBARD] is recognized for 60 minutes.

Mr. HUBBARD. Mr. Speaker, I plan to speak, as other colleagues have, about the flag of our United States, and to indicate my outrage at the Supreme Court decision of 1 week ago today. But I would like to bring my time to a conclusion. I want to participate with our minority leader, the gentleman from Illinois, Mr. BOB MICHEL, who also has 60 minutes, and in order to make this session a truly bipartisan effort by Republicans and Democrats, I yield back the balance of my time and will look forward to participating in the 60 minutes reserved for our minority leader, the gentleman from Illinois, the Honorable BOB MICHEL.

□ 2340

ORDER OF BUSINESS

Mr. HUNTER. Mr. Speaker, I ask unanimous consent that Mr. MICHEL's special order be taken out of order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, may I first thank my friend, the distinguished gentleman from Kentucky [Mr. HUBBARD], my profound thanks for his graciousness here yielding to me and also to my distinguished colleague from California for his courtesy.

Mr. Speaker, we apologize to you for we have had a very lengthy, arduous day with the foreign aid authorization bill. It is nearly midnight.

But we have a problem in the sense that tomorrow is the getaway day for the Congress as we leave for the Fourth of July recess and obviously impossible for us to carry on any extended discussion of the subject matter which has been our choice for this evening to do tomorrow.

May I compliment the gentleman from California [Mr. HUNTER] for his initiative.

Some time ago, and I forget exactly when it was, he planned an overnight special order on one of the other great issues of the day that proved to be very successful in highlighting to the American public what we wanted to say and had to say at that particular time.

Mr. Speaker, he and I happen to be what one might call old infantry slobs, I guess, from different wars, using somewhat different weapons when I think the very fact that we are both combat veterans also says something about the deep, especially deep feeling that we have with respect to the subject matter we are going to be talking about this evening.

Mr. Speaker, I am really glad that we are going to have so many of our colleagues to participate in this special order. I compliment my colleagues from Illinois [Mr. LIPINSKI and Mr. SANGMEISTER], who likewise devoted their special order this evening to the flag; likewise the distinguished gentleman from Mississippi [Mr. MONTGOMERY], who participated in one of those special orders. And, yes, again, my thanks and appreciation to the distinguished gentleman from Kentucky [Mr. HUBBARD] for also participating in the special order.

Mr. Speaker, I am glad to join with so many of our colleagues in paying tribute to the flag as we approach the Fourth of July.

The flag has a special meaning for all of us and the recent Supreme Court decision has focused attention on the symbolic value of the flag and its place in our national life.

That is why tomorrow I will introduce a proposed amendment to the Constitution that will protect the flag from desecration.

Perhaps the Court's decision is one of those events that teach us the uses of adversity. Few of us, to judge by the vote on the resolution yesterday, applaud the majority's views in Texas versus Johnson.

But that decision shocked most Americans, and it's good now and then to get a shock that galvanizes you, that wakes you up, that reminds you of things you may have taken for granted.

So, in that sense, the majority decision in Texas versus Johnson is the means through which a lot of Americans awakened and began to think about the meaning of the flag.

And the more you think about the depth and mystery of what the flag symbolizes, the more complicated the issue becomes. There just isn't any other aspect of our national life that holds the same position in our hearts as the flag.

Any symbol that has such a powerful effect on the memory and the imagination is, by definition, too deep and mysterious in its meaning to lend itself to easy slogans or cliches—and too sacred to desecrate.

If we don't think about the flag, if we take it for granted, it gradually over time moves away from the foreground of our thoughts and begins to disappear before our eyes. We look at it, but we don't see it.

So perhaps in one of those curious ironies of history, Mr. Johnson, unintendedly, woke us up to the meaning of the flag in our national life.

Maybe now that we have begun to once again think about it—rather than just praise it or take it for granted—maybe we can once again capture the true meaning of this unique symbol.

Please don't misunderstand me. I wish with all my heart that the court had voted 9-to-0 that desecration of the flag is illegal—as it should be. But, as in the old story of the muleskinner who hit his mule on the head with a 2x4 to get its attention, the Court has hit us with a decision that gets our attention.

That's the point I want to make as we begin this special order.

We will hear eloquent and stirring stories about the flag as the night goes on. But what to me is important is that this Court decision should force us to reconsider our view toward a symbol we may have taken all to much for granted.

Let me just make one comment about an aspect of the majority decision that caught my attention. I refer to the final words written by Justice Brennan in his majority opinion. This is what he said:

> We can imagine no more appropriate response to burning the flag than waving one's own, no better way to counter a flag-burner's message than by saluting the flag that burns, no surer means of perserving the dignity even of the flag that burned than by—as one witness here did—according its remains a respectful burial. We do not consecrate the flag by punishing its desecration for in doing so we dilute the freedom that this cherished emblem represents.

Chief Justice Rehnquist calls this passage "a regrettably patronizing civics lecture" directed toward Members of Congress.

I agree with the Chief Justice. With all due respect for Justice Brennan, the logic of his arguments escapes me.

If we applied the same logic to other areas of law, we would have to say that the appropriate response to robbery is to be honest and that there is no better way to deal with a mugger than to hand out leaflets against violence as he pursues his ghastly trade.

It is at the very heart of our system of law that some acts are so despicable and so injurious to the common good that we punish those who commit those acts as well as practice opposite virtues ourselves.

Justice Brennan's view that we do not consecrate the flag by punishing its desecration is not to the point. We do not seek to consecrate the flag through our amendment. The flag already is consecrated through our 200 years of love and reverence of a special, almost sacred kind. We seek only to protect it, just as you'd protect any loved one.

We do not dilute freedom by punishing those who desecrate the symbol of freedom. To the contrary—in punishing those who desecrate the flag we show that the flag—and here I quote Chief Justice Rehnquist:

> * * * is not simply another "idea" or "point of view" competing for recognition in the marketplace of ideas. Millions and millions of Americans regard it with an almost mystical reverence regardless of what sort of social, political, or philosophical beliefs they may have.

This is a difficult subject, filled with all kinds of questions. But at the heart of the subject is the flag. That's what we should keep in mind.

□ 2350

I am happy to yield to the distinguished colleague from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Speaker, I thank the distinguished minority leader of our U.S. House of Representatives for yielding to me, and compliment him for taking this 1 hour to honor and respect our flag. I'm happy to be the first Democrat to publicly agree with the remarks of the distinguished minority leader BOB MICHEL regarding the need to amend our Constitution.

Over the weekend I found my constituents in western Kentucky very upset with the U.S. Supreme Court.

Yes, last Wednesday, in a case that set patriotic symbolism against the rights of those who would spit on and burn the American flag, the Supreme

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Court, in a 5-to-4 decision, nullified flag desecration laws in 48 States.

Most Americans agree with Chief Justice William Rehnquist's dissent:

> For more than 200 years, the American flag has occupied a unique position as the symbol of our Nation, a uniqueness that justifies a governmental prohibition against flag burning.

The Supreme Court has converted anti-American flag burning into a constitutional right. We need a constitutional amendment.

In Kentucky, burning and desecrating the American flag is thought of as a despicable and dastardly act.

Personally, I'm outraged at the Supreme Court decision and would suggest that Americans who want to burn our flag in contempt should consider moving to Iran, China, or Cuba where burning the American flag is not only legal but is encouraged.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Kentucky for his time, and I am happy to yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, just this afternoon, Mr. Leader, I was talking to a liberal journalist who is rather fair, Michael Barone, one of the editors of the American Almanac of Politics, and we were talking about the Members and change in leadership, and a few words about the leadership that stayed. He brought your name up. He said, "You know, a fascinating thing about Mr. MICHEL. He is so humble about his combat experience that it is almost painful for him to be questioned about it or to speak about it." I did not tell you I was going to do this tonight, but I was sitting here thinking of the gentleman from Illinois carrying a Browning automatic rifle across Europe, and I went with a codel to the Normandy beaches a few days after the anniversary this year, and out in front of this beautiful new museum at Cannes which was virtually destroyed, and the first city of any size liberated by the Allied Forces, I saw Eisenhower's words, and it said, "The whole world is watching you, the hopes and dreams of liberty-loving people everywhere march with you." He did not mean that just for the young people hitting the beach that day, but for everybody, from that June 6th day until May of 1945. So he was speaking about Mr. MICHEL, and I wonder if there is any experience from your experience as a combat infantryman working in your way, in what was called a great crusade across Europe to liberate that country, and if there are any experiences the gentleman remembers of a young kid who carried a flag, or when the shooting was over, because there are not many parades or passing of the colors in the mud of a winter going across Europe, and it was a tough winter in 1944–45; do you have any experiences with the flag that you might recall to Members tonight from your youth as a young BAR rifeman?

Mr. MICHEL. Face it, wearing the patch of the flag at the time we were in Normandy and early on in that particular war to have for example, the French people, although I may be a bit prejudiced in that sense, being the son of a French immigrant, and the correct pronunciation of the name being "Michel," which is what I used in the service, the French pronunciation. No one knew me by the name of MICHEL, but rather by "Michel," to recognize, really for the first time with an appreciation of a foreign government for our flag, what it symbolized to those people that, boy, they were going to be rescued from Nazi tyranny.

Then, there were any number of times I guess whenever a person is moving to any community or city. Unfortunately, most of them were quite desecrated and desolated by the time by the carpet bombing, before an infantry assault, but where there were those occasions, and there was still a civilian population around, to have that outward manifestation of joy and appreciation, yes, I guess for the uniform of the American soldier, but also the little flags that we wore at that particular time. Something extraordinarily special and here on the floor of this House on Flag Day, we, from time to time, had a special commemoration of the flag, too. It has been a very impressive kind of ceremony, one that we did not have this year, and brings to mind why I earlier mentioned our inclination sometimes to take all too much for granted, knowing what that flag really means to citizens.

□ 2400

And now we have had it brought home so forcefully to us through this Supreme Court decision that I think we all, as manifested by this special order, are taking a renewed interest in what it means to us.

Mr. FROST. Mr. Speaker, will the gentleman yield to me?

Mr. MICHEL. I am happy to yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, I will be in the chair shortly, and I would like to make one statement.

Unfortunately and regretably, this flag-burning incident occurred in my hometown of Dallas, TX, and I want everyone who is watching to know that the vast majority of the people in Dallas, TX do not approve of what happened in our city, do not approve of burning the American flag. We have a very patriotic city, and I for one feel very strongly about this subject also and hope that a remedy will be found by this Congress very shortly to prevent this from ever happening again.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MICHEL. Mr. Speaker, I think it is quite obvious to all Americans throughout the land, knowing of the patriotism manifested by the gentleman's hometown and the great State of Texas, that this again was one of those isolated cases that can happen any place in the country, and has happened. But to have it culminate in the kind of decision that we had, a very split decision, 5-to-4—we cannot have it any more split than that—suggest that there was serious division of thought within the minds of those nine jurists who carry such an awesome responsibility as the highest court of the land.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. I just thought, because you jogged my memory with your first-hand experience of wearing the American flag on the shoulder, that that was, I believe, in a general way unique, starting with that Normandy invasion, and I recall one of the most dramatic pictures of the war was Eisenhower in the tradition of all great commanders going to meet with the first assault wave, which would be the 82nd and the 101st Airborne, with General Maxwell Taylor, the young brigadier, and General John Gavin, another young brigadier, and he met with those men by their C-47 aircraft. Some of them had Mohawk haircuts, and they all had that American flag sewn on their shirt or their combat fatigue jacket so that at night they could easily identify one another. And that means that the first American flags to fly from a standard over occupied Europe were the young airborne men that came down in the trees around Ste-Mere-Eglise. They were machinegunned in the trees and left hanging there throughout the night hours and the early morning hours until the town was liberated.

I visited that town in 1982 with the youngest of my five, my daughter, and we found a lady in a little cafe named after Pvt. John Steele, who came down with a parachute on the steeple with his flag flying, and he pretended he was dead. This middle-aged French lady took us out on the street. She showed my daughter and me the exact spots where this young infantry man had been killed, and she started to cry on the spot 38 years later. I realize now that she was looking at the American flag flying in the streets of France. She pointed to these beautifully pruned trees that the men were hanging in, and she showed me where the men were hanging, and there was that American flag flying on their shoulders as they swung in the morning wind, having given their lives in occupied France.

So I can understand why you combat veterans who have seen friends lying on the battlefield in those early years of the European crusade with that American flag on your shoulders, could not possibly conceive of someone burning that flag and desecrating it to make a political, rhetorical statement.

Mr. BURTON of Indiana. Mr. Speaker will the gentleman yield?

Mr. MICHEL. I am happy to yield to my friend, the gentleman from Indiana.

Mr. BURTON of Indiana. First of all, Mr. Speaker, I appreciate my leader's taking this special order tonight.

Those who have fought and died in combat know the value of the American flag. Many of those who survived World War II and World War I—and some are still alive—and Korea and Vietnam have expressed their outrage to many of us in Congress regarding the Supreme Court decision. But the gentleman from California [Mr. DORNAN] asked the question, "When you were going through Europe during World War I, do you recall any incidents where people were concerned about the flag? And that brought to mind one of our colleagues.

I was elected in the 98th Congress with JOHN MCCAIN. JOHN MCCAIN was the president of our class, and we all know him well. He is now Senator MCCAIN. He is doing a very good job in the other body.

Many of us may or may not know that Senator MCCAIN, during the waning days of the Vietnam War, was shot down over Hanoi, and he suffered severe injuries and spent 5½ years in a Vietnamese prison camp. During that time many of the people with whom he was incarcerated lost hope. They wore very course uniforms, kind of like Karate gis, white, and they wore parts of American tires as thongs on their feet. They were mistreated time and time again. He said many of them lost hope.

But one fellows with whom he roomed in their barracks or in their bamboo prison never did lose hope, and every night this guy would lead them in singing patriotic songs, "God Bless America" and other songs, and they said the Pledge of Allegiance to the flag. They did not have a flag, but nevertheless they would say the Pledge of Allegiance.

This fellow got the bright idea that he would manufacture an American flag, and I guess he found an old broken needle or manufactured a needle out of piece of bamboo, and when he found a piece of red yarn or blue yarn, he would sew it on the inside of this gi and gradually the outline of an American flag started to take shape. And they would hang that up on the wall at night and they would use it as the American flag. They would say the Pledge of Allegiance to it, like we do here everyday in the body.

Finally, one of the guards found out about it, and they dragged him out and they beat the man until they thought he was dead. JOHN said that he and his comrades tried to take care of their friend as best they could, but they were pretty sure he was not going to make it through the night. JOHN said that out of sheer exhaustion they fell asleep. They had a bulb that hung down from the ceiling in this bamboo prison, and he said for some reason he woke up about 3 o'clock in the morning, and he saw a sight that he will never forget. He said that this fellow, through eyes almost completely swollen shut from that beating, was sewing another piece of red thread inside another Karate gi jacket.

That ought to tell everybody in this body and everybody in America that that flag means something. It means something to men who are incarcerated in prison camps around the world, men who fought for this country. We ought to do everything in our power to make sure that flag is held in the highest esteem. That is why this constitutional amendment is so important.

Mr. Speaker, I thank the gentleman for taking this special order.

Mr. MICHEL. Mr. Speaker, I remember the revelation of that very gripping story by JOHN MCCAIN, too. Maybe I heard it at the same time the gentleman from Indiana was told the story. It was a very moving one, and it is probably more descriptive than any other of how deep-seated a feeling one can have, particularly under those dire circumstances, incarcerated for years as they were and penned up like animals, to still have that reverance and the last vestige of hope residing in the flag or at least in as good a facsimile of a flag as you could get under those circumstances.

Mr. HUNTER. Mr. Speaker, I would ask the gentleman to yield, if he would.

Mr. MICHEL. I yield to the distinguished gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding. The gentleman has made us all reflect on why he is our leader, and we appreciate him more than we ever have before for his great fairness and loyalty to his country and a real sense of duty.

Let me just say to the gentlemen who have spoken on the other side of the aisle that I appreciate them especially, General SONNY MONTGOMERY and CHARLIE WILSON, great patriots, and also CARROLL HUBBARD, who said so many moving things. I want to assure people in Paducah, KY and in Mayfield and Hopkinsville and Madisonville and Murray and Henderson that they are very well represented in CARROLL HUBBARD.

Let me say also to the people who are spending their time here tonight that we realize that the hour is late. We have many staff people who are sacrificing their time, and I just want to assure them that we would never do this if we did not feel so deeply about this subject.

□ 0010

Mr. Speaker, I think the leader made it pretty clear when he mentioned the fact that he has been reluctant to ever request a constitutional amendment until this came up, and this may be the one, the one issue that would really move, galvanize, this House and move us to support unanimously, or by a great majority, a constitutional amendment.

Mr. Speaker, the leader touched on this, and the gentleman from California [Mr. DORNAN] talked about how a flag is something other than a symbol, and I reflected on this a little bit today, too. I thought about the President's speech in 1981, when President Reagan stood on west steps of the Capitol, and he gestured out toward the Washington Monument, and he said:

> To the west you can see the Washington Monument dedicated to the Father of Our Country, and to the south of that is the Jefferson Memorial dedicated to the man who penned those great words in our founding documents. Further west is the Lincoln Memorial, dedicated to the founder of our party and the man who saved the Union,

But he said,

> If you go across the Potomac River, you will see thousands of markers, Stars of David and crosses, at the Arlington Cemetery, and each one of those markers reflects the presence of a person who gave that same measure of devotion to his country our Founding Fathers did.

And he reflected that so many veterans who have served their country are sent to their final resting place having been covered in their last ceremony with the American flag, on the meaning, the intense meaning, that that flag and its presence had to those people, and to their families and to our countrymen because of that, and how it has to be something more than what one of the majority Justices referred to as a symbol, and perhaps nothing more, and to which Justice Rehnquist gave such a wonderful rebuttal.

I say to my colleagues, "You know property is protected in the United States, and maybe an American flag, when you arrange those threads in such a way as Mike Christian did, who, I think, the gentleman from Indiana [Mr. BURTON] was referring to, JOHN MCCAIN's friend who sewed that little American flag inside his GI, when you arrange red, white, and blue threads in such a way that they form the American flag, perhaps they form a piece of American property that is owned by

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

all the people in the same sense that, if you go out and arrange words in a certain order so that you copy somebody else's book, that book may have been written by you, maybe physically published by you, but it belongs to the person who first authored those words. And maybe that flag is copyrighted as a piece of property, of American property uniquely owned by all the people of the United States and, therefore, should not be subject to desecration."

Mr. Speaker, I appreciate the gentleman from Illinois [Mr. MICHEL], who truly is our leader, and he leads us with the same great loyalty, and good faith and faithfulness to our Nation that he showed as a BAR man in World War II, the war that was in all the papers. I appreciate him for taking out this special order and leading us off, starting us off.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from California [Mr. HUNTER].

Mr. Speaker, I am reminded, too, of when we lost so many Marines over in Lebanon and in the recent explosion aboard the battleship *Iowa*, and sailors were brought home, when we have had an Ambassador assassinated abroad, and bringing them back to this country in a flag-draped coffin. A lot of symbolism attaches to that flag at that particular time, and how very meticulously we fold that flag at the end of the funeral service, as my colleagues know, for preservation by the family. The family who has lost a loved one looks at that triangular-folded flag as something extra special, and it again symbolizes the reverence with which we look upon that flag.

Mr. Speaker, when we see one who feels inclined to do what this fellow, Johnson, did, well, we are just revolted inside.

Mr. Speaker, I yield to the gentleman from New York [Mr. SOLOMON] who has served for so many years as our ranking Republican on the Committee on Veterans' Affairs, and he always has an intense interest in these activities.

Mr. SOLOMON. Mr. Speaker, I certainly thank our Republican leader for yielding, and, as my colleagues know, I lost my dad when I was 2 years old, and, I guess, because of that, as a young boy growing up and even as a young man, I have always been a hero worshipper. I have always looked out for people who sacrificed themselves for their country, and the gentleman from Illinois [Mr. MICHEL] knows that in my book he is a hero because he personifies what I think America is all about. He is a brave American who served his country as a young man, and he never stopped. He has been serving it all this time, and that to me is what really this country is all about. It is pride and patriotism.

Mr. Speaker, I often tell a story about the time I led a delegation to a place called Vietnam, in a place called Hanoi, a few years ago, and we visited that place that JOHN MCCAIN was incarcerated for almost 7 years in this little hut, this little two-by-four area. And I did something I thought I would never do, and that is to sit across the table from people who were Communists, people who had no respect for human life, for decency, and people who had a philosophy which did not even have the courtesy or the decency to return a fallen dead soldier or, perhaps, even live ones.

However, Mr. Speaker, I think the point I am making is that, when we were there, we had an opportunity to walk the streets and to look in the eyes of those people, those Vietnamese people. Some were Communist, and some were shackled under communism, but those people had no hope in their faces; and hope, I think, is what America is all about, what that flag is all about up there. I think the gentleman from California [Mr. DORNAN] was there with us.

Mr. DREIER of California. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I would just like to compliment the gentleman [Mr. SOLOMON] for pointing this out, and I point to our colleagues, the gentleman from California [Mr. DORNAN] and also our friend, the gentleman from New York [Mr. GILMAN] who had been a chairman of that. In fact, a large part of that delegation, we are all here talking about the flag, and I think that one of the most important points that needs to be made is that, while there are a great many Americans who look to the Stars and Stripes, the Red, White, and Blue, as a symbol of hope and opportunity, people throughout the world are looking for it.

Mr. Speaker, I made the comment the other day during a 1-minute speech about an experience that our colleague from Orange County, the gentleman from California [Mr. DORNAN], and I had when we were in Managua, a very difficult time there. In fact, it was exactly 1 month to the day following our meeting in Hanoi. We were there, as the gentleman from California [Mr. DORNAN] recalls very well, on Valentine's Day in Hanoi, and then March 17 we went to Managua, and that was my first trip to Central America. What we found was that in this cable that had come back from an employee, one of the assistants in the Embassy, was that this young Nicaraguan proudly stood there as the Stars and Stripes on our Air Force jet took off, and that young man, with guards standing over him, stood at attention and saluted the Stars and Stripes. He was a proud Nicaraguan, but that flag is a symbol, too, as we all well know, to the young students in Tiananmen Square, to those people in Vietnam who desperately want to have this same type of opportunity which we do, and that is why I could not help, but I am sorry for it, interrupting the gentleman from New York [Mr. SOLOMON]. I just could not help but remember that very moving experience I had.

Mr. Speaker, our colleague, the gentleman from California [Mr. HUNTER] here, a very proud veteran of the Vietnam War, and I regularly say, and the gentleman from California [Mr. DORNAN] knows it, that I will never have any problem with fabricating my military record because I have got none. But I do often say that I feel as if I had 18 years of combat duty because my father had been a drill instructor in the Marine Corps and made me do Marine pushups, and I know my friend from New York is very respectful of that. For the first 18 years he still makes me do pushups, but I do not have to clap my hands any longer to hit the deck, but there are people throughout this world who are looking to the Stars and Stripes as the real example for hope and freedom. That is why we have an obligation, not just to Americans, but to freedom-loving peoples throughout the world.

Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding.

Mr. SOLOMON. Mr. Speaker, the gentleman from California [Mr. DREIER] touched upon a point I was about to make when I said, and which he saw, and the gentleman from New York [Mr. GILMAN] and the gentleman from California [Mr. DORNAN] saw, when we said there was no hope in those faces of the Vietnamese people, but, if the gentleman will recall, we left there, and on our way home we stopped in a place called Thailand, and, as the gentleman will recall, we flew into the refugee camp on the border of Cambodia, and remember when we went in by truck and we drove for miles and miles, and soon on the dirt road in the middle of nowhere there began to be people on both sides of the road in the middle of nowhere?

□ 0020

And soon there were hundreds of people, and remember, soon there were thousands on both sides of this road. And what do you think those people were doing? Those people had little homemade American flags, little children in the middle of nowhere by the thousands. As we drove down that road, they had signs in their hands. Those signs were not like the signs you see on television sometimes that say, "Yankee dogs, American pigs. Americans go home."

Those signs, I say to the gentleman from California [Mr. DORNAN], said, "America, you're number one. America, we love you."

And the big long sign, almost as long as this wall said, "America, please take us home."

If these gentleman here recall, we all got out of the truck and shook hands with those people by the hundreds. We stepped back and said to ourselves, "My God, how proud we are to be an American and how much we love the U.S.A."

Those signs did not mean, "Take us home to America." Remember what they said, "Please make it possible for us to go back to our homes."

We Americans were their only hope. That flag in their hands, that red, white, and blue flag, that little bitty thing, was their hope. It is the hope of the free world.

So can we let that be trampled? We have to keep that as a symbol up there for all the freedom that everyone cherishes so much; so I say again to the gentleman from California [Mr. DORNAN], we thank the gentleman for all his efforts.

I introduced an amendment yesterday, a constitutional amendment with the gentleman from Mississippi [Mr. MONTGOMERY] and the gentleman from Michigan [Mr. SCHUETTE] and all our Republican colleagues, Democrats from the other side of the aisle, the gentleman from Kentucky [Mr. HUBBARD] was here. We are going to get behind the amendment of the gentleman from Illinois and we are going to pass that constitutional amendment and give the people of the United States of America that opportunity to express their will, to get 38 States to ratify the Constitution, which will bring respect and honor back to the flag.

I thank the gentleman very much, and God bless you.

Mr. MICHEL. Mr. Speaker, I thank the gentleman and I hope the gentleman's prophecy comes true.

You know, one other place on the globe that is very much in the news these days, and that is China. I am reminded of how the President related to us when we were discussing that subject at the time of the student demonstrations how Ambassador Lilley's car with the little American flag designated on his limousine, pulling into a campus there in Beijing and having the students there rally around, knowing full well that there was a representative of the United States, a very heartening kind of thing for him. Of course, that came prior to the advent of the military moving in with all the repression and all the things that have followed.

We talk about the Capitol dome as being a symbol for freedom and liberty around the face of the globe. That is true. There is the Statue of Liberty and how it was replicated in Tiananmen Square as one of those symbols, but they are rather stationary. We can only pictorially present them, generally speaking. The flag is one, however, with portability. As has been indicated before, wherever we can carry that flag around the face of the globe and plant it, yet; even on the face of the Moon when we took a trip to the Moon.

Mr. SOLOMON. Mr. Speaker, if the gentleman will yield, it is still there.

Mr. MICHEL. Oh, it is still there.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

I was just going to make the point that the leader had reminded me a few minutes ago, that the flag really does embody the entire American experience. I was going to point out that it was 20 years ago at this time that we were headed for the Moon. We were about to plant that flag on the Moon. It was an important part of the entire mission. In fact, they spent a lot of time figuring out how to plant a flag on the Moon, because it was something that was very much a part of that great triumph of American technology and all that America is about.

I also reflected as I was thinking about it that those flags also draped the coffins of our astronauts that we lost at the time of the *Challenger* accident. So in just one program, like the space program, you see that the flag has symbolized our triumphs and our tragedies. That has been true throughout the entire span of American history. That is the reason why it means so much to the American people, because all we are and all that we have experienced is embodied in the flag. It has always been a coherent part of all this.

I think the gentleman from Illinois has helped bring that together for a number of us here this evening, and I thank the gentleman.

I am sure that some of what we are doing here is going to be important in terms of moving forward the gentleman's amendment, because the American people certainly have expressed their desire to see that kind of thing happen.

Mr. MICHEL. And of course, the flag has changed. It had an evolutionary period over the history of the country. As a matter of fact, when we had the inauguration of the President in January, I do not know how many people were aware of it, because we were honoring the 200th anniversary of the Congress, that today's flag was there unfurled, the one we used 100 years ago, and the one from the days of the Founding Fathers of the country. Of course, as we have added States, we have added stars. When I first came to the Congress, to use an analogy, there were only 48 stars in that flag. During the tenure here in the Congress, we have added 2 States, so we now have 50, so it is a living thing. It means so much to us.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. DORNAN of California. May I say to the gentleman from Illinois, that I do not mean to interrupt, but I want to remind the gentleman from California [Mr. DREIER] of something. I think the gentleman is going to stay for later in the night, but he forgot a moving flag story involving himself in Hanoi. I just want to tell the gentleman who is our ranking Republican on Space and Technology, to carry his flag story further with the seven astronauts who died serving their country and all mankind. Every one of them was wearing an American flag, from Christa McAuliffe to the Air Force veterans who flew so many combat missions in Vietnam. They all had American flags.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, in fact every mission that we fly, we take a number of flags with us and bring them back. It is one of the proud possessions that a number of us have, having those flags from the various missions.

Mr. DORNAN of California. But on that trip that the gentleman from New York [Mr. SOLOMON] led to Vietnam almost 2½ years ago, the gentleman from California [Mr. DREIER] and I were curious about visiting the so-called war museum. On all this planet, I believe, unless I am forgetting something, there are only two countries where American battle flags repose in a disgraceful position. One is in Korea, not that they overran any units of ours that we did not retake the ground and retake our battle flags——

Mr. SOLOMON. North Korea.

Mr. DORNAN of California. North Korea. They may have taken some into Manchuria, and they certainly have our ship, the *Pueblo*, which we had to decommission, the first ship we have ever done that with, that was a fleet ship and it sits in Wonsan Harbor as a museum with the American flag in disgrace on that ship. I always thought it should have been dispatched to the bottom with a SMART bomb; but in the Hanoi war museum, the Communist war museum, the gentleman from California [Mr. DREIER] and I were looking at pictures of POW's. We knew they had been photographed by our people in that museum carefully by our State Department people and traced against the records, so it was not anything revealing to us except the sight of Americans pitifully held in captivity being led around at bayonet point. Then I

saw a very tragic sight, the American flag, two of them, upside down in a trophy case with some other flags in a position of disgrace and defeat.

I said to the gentleman from California [Mr. DREIER], "I can't stand to look at that sight."

He said, "Well, I'm going to do something about it," and he moved around behind the flag case. I had mentioned that I could not stand to see the stars there. He moved around behind the case. I went to the door and busied the guards at the door in a false conversation, pretending they could speak English. I doubletalked to them in a very strong manner to distract them.

The gentleman from California [Mr. DREIER] went around behind the case, took the poles and rolled them, tightening up the flags until the stars disappeared and all you could see was a red and white bit of cloth against the pole.

I appreciated the gentleman from California doing that. I do not know how long it was before they discovered it. Maybe they still have not, but at least it was not recognizable any longer as an American flag upside down.

Mr. DREIER of California. Mr. Speaker, if the gentleman will yield, the point that I think is of concern to us, and this may be a case where the wonderful development of satellite technology may cause those in the war museum in Hanoi to now go—this is the first time it has been said publicly—and unfurl the Stars and Stripes.

I was hoping to keep that a secret, even though I do have a picture hanging in my office before and after.

Mr. DORNAN of California. We know that.

Mr. DREIER of California. What we did to the American flag there.

Mr. DORNAN of California. The gentleman is to be commended. We have seen the flag flying in glory and also as a symbol held in disrepute by a Communist country, and you do not ever expect to stand around and see somebody spit on it, or worse, burn it.

□ 0030

Mr. DREIER of California. We do love broadcasting this voice of freedom, although we do not talk about the technology which is utilized. We are speaking to the Speaker, of course through other parts of the world, but we hope very much that this message did not get through to the Communist dictators in Hanoi so that they will get into that war museum and in any way tamper with our handiwork.

Mr. DORNAN of California. For a price, I am sure they will return those flags someday.

Mr. LIGHTFOOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Speaker, I appreciate the gentleman yielding.

I would like to speak for a just a moment or two about maybe a little different perspective than we are discussing here this evening as it pertains to the military aspect of it.

Being one who the good Lord decided to deposit on this Earth who became of an age to enlist and Korea was just over, Vietnam had not cranked up yet, so the biggest combat I saw was a whale of a fight up in PX No. 13, so my combat experience is quite limited.

As all of us do as Members of Congress, we receive invitations to speak at Memorial Day services, and at least it is quite common in the Midwest. I view those as an opportunity to say thank you to those of you who did fight in World Wars I, II, Korea, and Vietnam and provided us with a country that I can enjoy and raise my family in.

I would like to take this opportunity really to say thank you to all of the veterans for that, and I cannot help but, when I heard the Supreme Court's decision the other day, reflect upon this past Memorial Day. We were there in a very small Iowa community shortly after dawn. The birds were singing and the breeze was rustling through the trees. The American Legion color guard was in place and, of course, the firing squad fired their rounds, and then the bugler trumpeted Taps, and another bugler was off over to the other side of the hill with the Taps in echo, and at that point in time, of course, Old Glory went up the pole, and I cannot help but feel that if the members of the Supreme Court would have been there in that small Iowa town that morning and witnessed that, I just do not see how they could have come down with the ruling that they did.

It is not a piece of cloth. It is much more than that, and we will talk more about that later.

I thank the gentleman for yielding.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman, our minority leader, for arranging this hour for us after midnight after a hard day to come and reflect on the flag, and the gentleman from California [Mr. HUNTER] for taking the additional time for us this evening.

As my colleagues were reciting some of the incidents that they recalled that were so moving with regard to the flag, I could not help but recall a very moving moment that I had when I had to present the flag that had adorned the casket of a young captain who had cut down the tree north of the Panmunjom line and had been killed by the North Koreans. That family lived in my district, and the President asked me to make the presentation of the flag to the family. That was a very moving time for me as I saw the tears well up on the eyes of the widow, and reading the President's message to that family brought back to my mind all of the incidents that have been behind this symbol of ours that we are so proud of.

Another incident that I recall is when we traveled to Hanoi with the gentleman from Mississippi [Mr. MONTGOMERY] on the first mission to receive the repatriation of some of our missing in action, and they brought out the few caskets. I think it was Congressman McCLOSKEY and Congressman Ottinger, the gentleman from Mississippi [Mr. MONTGOMERY], and myself who were there to receive these remains, and we had the honor of draping them with our American flag. That, too, will long stand in my memory as a very moving incident that associates the flag with what we stand for and the sacrifices that this flag symbolizes, and then the recent Memorial Day celebration I visited a veterans' cemetery in my area, and it was a windy day, and the folks had placed small flags on each of the graves. There must have been a thousand of these small flags fluttering in the breeze, and that, I think, was enough to strain the heart of any of us who had the opportunity to see that sight of these waving flags on the veterans' cemetery, reminding us again of the sacrifice that goes beyond our flag whenever we see it.

Mr. Speaker, there is no doubt that some substantive action on the part of Congress regarding the desecration of our American flag is warranted. I am pleased to know that hearings are expected to be held in the immediate future. Although it remains to be determined if the most appropriate action should be by statute or by constitutional amendment, there is little doubt that some early action is called for.

In my remarks on the floor of the House earlier this week, I noted that probably no Supreme Court decision in our history ever since the infamous Dred Scott decision of 1857 has elicited such a spontaneous outburst of rage, anger, and sadness on the part of the American people as has this recent Texas versus Johnson decision declaring antidesecration laws to be unconstitutional.

One of our colleagues appropriately remarked that the Supreme Court erred on the side of caution. No one in this Chamber, Mr. Speaker, disputes the sacredness of freedom of speech as guaranteed in our first amendment. Back in the 1940's, Supreme Court Justice William O. Douglas stated that it is easy to defend freedom of speech when the things being said are trivial

and no one cares about them. It is far more difficult—and necessary—for our Government to be prepared to defend freedom of speech when the things being said are unpopular and offend a large segment of the population.

The question before the Nation now, Mr. Speaker, is not the sacredness of freedom of speech. The question is whether the act of burning or desecrating our flag does indeed fall into the category of free speech. Does such an act add to the political debate in this Nation? Can such an act stimulate intellectual discussion? Does such an act cause Americans to think?

Sadly, I believe the answer to these questions is "no."

The act of desecrating the flag is by no stretch of definition an example of freedom of speech. Burning the flag of the United States does not inspire debate or stimulate the intellect. It is calculated to end debate to incite emotions and begin fights. It does not appeal to the mind, but wrenches at the heart. It is an act which not only does not instigate intellectual discussion, but actually discourages it, because it so basely appeals to the emotions.

Chief Justice Rehnquist noted in his dissent that certain acts would unquestionably be prohibited by the Government although some could consider them examples of freedom of speech. Among these are spray painting political slogans on the Lincoln Memorial.

The flag is, in the hearts and minds of most Americans, just as potent a symbol as is the Lincoln Memorial or any of the other memorials to great men and great events in our Nation's history.

I find it extremely ironic and bitter that a man who could exhibit his contempt for this country by burning the flag could appeal to the courts of our Nation to set him free without punishment. I wonder if the fact that this could not have happened in any country in all of history with the exception of ours has escaped him?

I believe that the Supreme Court, in its efforts to preserve freedom of speech, erred by underestimating the emotional impact their decision would have. Along with many of my colleagues, I look forward to this body taking appropriate action to remove the unfortunate effect, of this decision, and to restore Old Glory to its rightful place as a sacred symbol in the hearts and minds of all Americans.

Mr. RINALDO. Mr. Speaker, when the U.S. Supreme Court ruled that flag burning is a constitutionally protected form of free speech, it succeeded in punishing the majority of people in this country who would defend the flag against those who would desecrate it.

This decision by the court has confused freedom of speech with freedom of conduct. An individual who desecrates the American flag is not making a political speech; he or she is committing an act that breaks the law in 48 States.

I believe that States may properly prohibit personal conduct that goes beyond an individual's right to free speech and personal expression. Let us not confuse words with deeds. In my view, that is precisely the confusion that afflicts a majority of the Supreme Court.

In the case the court considered, the defendant in Texas was not charged by the police for what he said, but for what he did. He performed a prohibited act. As everyone but the Supreme Court knows, actions are not the same as words.

The court majority failed to exercise basic common sense in this decision. The simple difference between words and deeds is apparent to most people, but it is a distinction that seems to have been lost on the court.

I think the majority of Americans disagree with the court on this issue. The court majority not only is defying common sense on this matter, but it is out of step with the rest of America.

Mr. MICHEL. I thank the distinguished gentleman.

This might be an appropriate time at this juncture for me maybe to ask a question that I am sure I will be asked, and a number of us who subscribe to the route of amending the Constitution: "Why offer the amendment?"

□ 0040

Some have suggested the Supreme Court's decision can be corrected by statute, thereby making the constitutional amendment unnecessary. But a statute could not possibly solve the problem. The Supreme Court is the final interpreter of the Constitution, and once the Court held that the flag desecration was a form of expression protected by the first amendment, that was the final constitutional word.

Since the Court's constitutional interpretation overrides any proflag statute, there seems little point in following what I would call a losing proposition. The Founding Fathers, while giving the Court the power to be the final interpreter of the Constitution, did not make the power absolute. There are two ways to overrule the Court's antiflag decision.

First, as vacancies on the Court occur, the President, with the advice and consent of the Senate, can select new justices that reflect American beliefs. Second is the mechanism included in the Constitution itself for amending the Constitution, and this avenue was purposely designed to be difficult enough to ensure that we should dearly want the change we propose and be willing to work in support of that change. I believe that our proflag amendment is worthy of this special constitutional amendment process, and then for a little bit of a lesson out there to our listeners, the House and Senate have got to approve identical language for a constitutional amendment by a two-thirds majority, and three-fourths of the States then must approve, also approve the language.

I have also required that the 38 States must ratify the constitutional amendment within 7 years after it has been approved by the Congress. This time limit will ensure that the issue is resolved within a reasonable amount of time. I would like to think that in this case, however, that on as sensitive, emotional, and timely subject that the State legislatures would not require what has by tradition been that amount of time prescribed in the proposed constitutional amendment for having three-fourths of the States ratify it.

ORDER OF BUSINESS

Mr. HUNTER. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. LIGHTFOOT] be recognized for 60 minutes and given precedence over my special order, and be recognized out of order.

The SPEAKER pro tempore (Mr. FROST). Is there objection to the request of the gentleman from California?

There was no objection.

OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. LIGHTFOOT] is recognized for 60 minutes.

Mr. LIGHTFOOT. Mr. Speaker, I thank the gentleman from California, and to continue with our discussion I yield to the gentleman from Illinois [Mr. MICHEL], our leader, to respond to our colleague from Ohio [Mr. MCEWEN].

Mr. MICHEL. I will be happy to respond to the distinguished gentleman from Ohio.

Mr. MCEWEN. I thank the gentleman for yielding and wish to express again my appreciation, as has been mentioned earlier, for the leadership efforts of the gentleman from Illinois. I especially appreciate his directing our attention to the Supreme Court, which is the reason we are here tonight.

Justice Douglas has said that we are not final as a Supreme Court, we are not final because we are infallible. The Supreme Court is infallible because it is final, it is the last resort, and because of what they have done in recent days it has caused all of us to reflect on the importance of our symbols and our institutions.

The flag embodies all of the emotions that have been expressed here tonight, and we as a people have a right to protect them. Those who are involved in leadership understand what symbols mean, and throughout history we have had those who appreciated it.

Mr. Speaker, I deeply regret there have been those who serve on the Supreme Court who did not understand the significance of what they were doing. This, indeed, in my judgment, is not an expression of free speech. Desecrating the flag is not free speech. As columnist George Wills said this past week, it is not even an inarticulate grunt. It is merely an act of desecration of a symbol of our country which I believe cannot be and should not be tolerated.

Therefore, the suggestion by the distinguished minority leader, a dedicated patriot who has dedicated his life to public service to this country, is absolutely correct in expressing the desire of the legislative branch, that provision that was included in the Constitution as the free expression of the will of the people to say that in a time such as this we can make it abundantly clear by writing into the Constitution a superior expression to the infallibility of the Supreme Court to say this is what we want to be governed by, this is what we want our Constitution to say, and that is what we would have expected of our justices. That is what anyone I think who would have been stopped on the street would have said if this act of desecration of the symbol of the freedom for the world, that which we use to cover our slain and fallen patriots, do we have the right to protect it, the natural response, the overwhelming, inherent response of the American people would be we have the right.

Since the Supreme Court has misunderstood that desire, then it is incumbent upon us, it is our responsibility to allow that expression to be included in the Constitution by the amendment that the gentleman has suggested. I commend him, and I thank all Members here assembled for making this effort, because I think it is very beneficial to the American people to be able to see here that they are the supreme arbiters. This is where the people rule. This is a government of the people, and their will, will be expressed in the Constitution.

I have many other examples, as have been mentioned here tonight, of times in my life when the flag meant something very, very special to me. But I think particularly of a time that moved me to choose public service as my life's vocation. I was 9 years old. I was in the fourth grade. I heard a man by the name of John Noble speak where he talked about being trapped in Dresden, Germany as an American citizen during the time of the bombing of Germany, and shortly thereafter, as the Soviet soldiers marched through Dresden at the fall of Germany, he and his father and his mother sewed the red, white, and blue together to hang out of the window to say that this is where Americans are staying, and for about 7 days they were protected.

Finally the Soviet soldiers walked in, ripped the stars and stripes first, walked down the stairs, captured them, and he was sent off then to spend the next several years in a Soviet gulag. His name was John Noble, and he was able to write a little note under another person's writing privileges to say to his uncle, "Your noble nephew requests," and he got that word in a letter, of course, with another pseudonym written to the United States. It was presented to President Eisenhower, and President Eisenhower in 1953, as a personal request, asked that he be extricated.

He tells about the times that he was moved from Russian gulag to gulag until finally he moved into West Berlin, and he walked into the room where for the first time in many years he saw the Stars and Stripes there on a pole, and he says his knees buckled, and of course, he was under 90 pounds, a man who had been over 200 pounds, but the whole time he was in the Soviet slave labor camps, as were thousands of other Americans, but we could not prove it. But as he said, he walked in, he saw the Stars and Stripes, and he was hit with a flood of emotion that so overwhelmed him, he knew he was now free, and his knees buckled, and the tears that were pent up over the years gushed forward.

I was recently at Operation Quick Look in Germany where they invited for dinner some people to explain their impression of Americans and what their defenses mean. They told similar stories.

There was one woman there in her sixties who told that she was just a young girl, and that they were traveling and they slept in their car for many nights because they were not sure exactly where the lines were, and they would wake up in the morning and they wanted to make sure that the Stars and Stripes could be seen, and on some mornings they would wake up and they would find themselves behind the Soviet lines. One time they had to use all of their possessions, their rings, and diamonds, to bribe the Soviet soldiers to let them go down the road so that when the Iron Curtain fell they would be on the side where the Stars and Stripes were able to fly.

There are those individuals who are willing to crawl on cut glass, those who are willing to get into leaky boats, or to sacrifice everything that they have just for the hope of standing in the shadow of perhaps where that flag flies. And those who understand leadership, and government, and those who understand nationalism, those who understand what drives a people to work as a unit have a full appreciation of that. One must have a goal, one must have a symbol, one must have a common cause.

I repeat, I leave off as I began, I am deeply disappointed that we would have had people in such a position of responsibility as justices of the U.S. Supreme Court who could not appreciate that and would strike down, would outlaw, would say it is a violation for us to protect that symbol of our freedom. I believe they were in error. I believe that it can and should be corrected. For those who are willing to lead that fight, the gentleman from New York [Mr. SOLOMON], and certainly the leader of our Republican cause, a man for whom there is none other for whom I have greater admiration or affection than our Representative, BOB MICHEL, who is the minority leader, the Republican leader, the man who could be and should be Speaker of this House, I thank him for his leadership here tonight.

□ 0050

Mr. MICHEL. If the gentleman will yield for just a moment or two, I might say how beautifully the gentleman from Ohio has expressed himself again in his appreciation of what we are attempting to do.

His mention of the fallible judges that serve on the Supreme Court I think during the course of our discussions that will ensue we will want to be very careful about not condemning the institution of the Court. We condemn the decision but not the institution.

It is just as important as this institution is. We, as a continuing body of differing individuals, make decisions from time to time; we argue with one another as we did earlier today, men of goodwill, but of diametrically opposed views. We will find those views expressed on the Court by the individuals who are privileged to serve from time to time.

So, yes, we object and we are critical of decisions but not of the institution which should be revered, yes, just as much as a legislative body and the executive body as represented by the President of the United States. But we will argue, surely, before the Committee on the Judiciary on the niceties of the language and I will be the last to say that what we are going to be proposing finitely tomorrow—you know, eventually you have got to come down to language. What is it? And you cannot argue any more. And as I indicated, we are trying to keep it as simple as we possibly can with a limited number of words. We will argue over those words, with the constitutional scholars, the if's, the and's and the but's, and it will go on and on. But hopefully the process will be there for us to do that because we have every right to do it and, as I said, I have been very reluctant to introduce any constitutional amendments. This is a

first one for me. While others have felt inclined to do that for other issues and then be denied even a hearing when there has been a large body of thought supporting whatever amendment was proposed, that stifles the process here. It inhibits the process.

So I will hope, and I have been given encouragement from the new leadership in the House of Representatives, that there will be a change and that we will have that opportunity for a hearing not only as I indicated earlier on those who would approach the subject by statute, those of us who think that a constitutional amendment is the much preferable way to go.

I thank the gentleman very much for yielding.

Mr. LIGHTFOOT. I thank our leader.

I know it may seem strange to my colleagues to be here this evening because I very seldom speak on the House floor, which may be a rather strange phenomenon for someone who made his living for about 18 years talking on the radio every day.

One of the lessons that I did learn in that job, somewhat like the little boy who cries "wolf," if you talk all the time, when you have something important to say no one listens. That is the reason we are here at 5 minutes until 1 in the morning.

The only other time I stay this late is when I am the last guy out of the stadium because I forgot where I parked my car and I waited for everybody else to leave so that I can find it.

I would like to take our discussion off on a little different approach as far as the flag is concerned and talk a minute about what is the flag? We all, I guess, are introduced to it as soon as our eyes open, when we start to see, when we go through school, learn the Pledge of Allegiance and what that means.

Many of us go on to spend some time in the military. Then as adults, of course, all of our parades are always headed off with a color guard with Old Glory. In many cases you will see four or five American flags together. Then on the special occasions, the 4th of July, Memorial Day, which I talked about earlier.

But I think if we look at it for a moment, is it a piece of cloth? Sure, I guess in the final analysis we are talking about a piece of fabric which is dyed red, white and blue. But quite frankly it is much more than that.

I think when you look at the flag it is really a portrait of America. If you will study it and look at it closely you can see George Washington at Valley Forge, you can see the Union and the Confederate Armies fighting in the Battle between the States. And if you look closer still you will be able to see it flying over the battlefields in World Wars I and II and Korea and Vietnam and from the snowy mountains of Europe to the hot steamy islands in the Pacific. It also is what inspired Francis Scott Key to write the Star Spangled Banner, which we sing at the start of all of our events.

As one little boy was once asked about the Star Spangled Banner, he thought that the last two words of it were, "Play ball."

But it is good that we hear that often.

It also, I think, is the beacon for freedom around the world. We talk about the Statue of Liberty, that people come to our shores because of her open arms and beckoning the downtrodden and the fallen who want to find freedom.

But there is only one Statue of Liberty and she sits out on Ellis Island in New York Harbor. I have only seen her once. I am sure many Americans have never seen her and probably never will.

But they do see the flag someplace every day.

It is also, I think, what America is today. If you look at the flag and study it for a minute or two, the things you can see in there are the bustling cities of the east coast, you can see the cotton fields and the peanut fields of the South, you can see the oilfields in Texas and the deserts of Arizona, the corn and the soybeans in Iowa, Illinois, Indiana and through the Midwest and the wheat fields in Kansas, Colorado and Montana, backed up against the majestic Rocky Mountains that we all love so much.

Then on the other side of those mountains, if you look at the flag, you will see the forests of the Northwest and the beautiful coastlines of the State of California.

And if you look more closely, you will see the people that make up this great country of ours.

I had a group of Japanese students here about 3 or 4 years ago, and we were taking a tour through the White House. One of the interpreters with the group made the comment that they were so surprised at what they saw in the White House. They said, "Nothing here is from America. The rugs are from France, the pictures from Italy," and so on.

And the only response that I could give at the moment, and as I thought about it in the time since, I think it was correct, because the response was simply this: because that is what America is. Because you can describe most nationalities around the world. If you ask someone for a description of the Japanese, for example, you get black hair, the certain stature, and so on. If you ask for a description of a German, Swede, you name it, also. But you ask for a description of an American, and we are all of those things, black, white, brown, mixed, working together, as the leader said, sometimes against each other but nevertheless we are working in a society here.

To me that is part of the portrait that you see in the flag. But most important to me, what I see in it is really the promise for tomorrow. And when I look at that image and when I see that image, it is really the reflection of the flag that I see in the eyes of my 12-year-old son and what it means to him. It means the opportunity to succeed as well as the opportunity to fail. You cannot have one without the other.

It is the opportunity to dream and achieve those dreams basically limited only by your natural talents and how much commitment you are willing to put into any particular project.

□ 0100

Why would a farm kid from Iowa be here tonight if that were not true?

It is also, I think, the opportunity to live free, but also to accept the awesome responsibilities that go with freedom. That is really what I see in the flag. As I say, it is that flag that is reflected in the eyes of that young man and what his hopes are for the future and his dreams. I guess in response to the ruling that came down from the Supreme Court, as the founders of our country put our system together, our basic function here in the Congress is to make laws and the basic function of the Supreme Court is to interpret those laws. So therefore, a constitutional amendment that has been offered by our leader, I think is most appropriate because our response has to be one of simply making a law that they can interpret in a proper way. I think that is what this is all about.

So I would ask my colleagues should we take a look at the flag, and maybe look a little bit, we have looked at yesterday, let Members look a little bit at tomorrow. What will it mean to the next generation that comes down the line? We heard our Speaker earlier, our leader rather, who should be the Speaker, a Freudian slip there, we heard the gentleman from Illinois [Mr. MICHEL] talk about his experiences in World War II, and the gentleman from New York [Mr. SOLOMON] is still here, and the gentleman from Guam [Mr. BLAZ] is in the Chamber this evening or this morning, depending on what time zone viewers are in. But as we look to those people and the experiences that they have had, and particularly the military, the gentleman from Guam [Mr. BLAZ] was a career military man. One of my favorite stories, I have told it many, many times, not nearly as well as the first time that I heard it, and I do not know if we can coax the gentleman from Guam into telling Members tonight, we will have to clean it up because we are on TV, his story of a young man who was liberated on the island of Guam, who, under most circum-

stances, one would not see that as a very bright future. However, eventually he came to the United States and graduated from Notre Dame and retired as a brigadier general out of the U.S. Marine Corps, and now is serving his country here in the Congress of the United States. Where else in the world can a person do that? That is as red, white and blue a story as I have ever heard.

I am not trying to talk the gentleman from Guam into something, but I think it is something that people would enjoy having you tell.

Mr. HUNTER. Mr. Speaker, if the gentleman will yield, I think the gentleman has asked enough interesting questions that I think we should compel the gentleman from Guam to stand up and tell Members why the gentleman from Illinois [Mr. MICHEL] mentioned the 50 States, the 50 stars, the 48 stars representing 48 States when he came to Congress. Here is a gentleman who represents a nation that is not a State of the United States, and I would be interested in his perspective on the flag.

Mr. LIGHTFOOT. Mr. Speaker, I thank the gentleman for his comments, and only say I had an opportunity in February to visit the beautiful island of Guam and stood on the beach where our troops landed in World War II, and when we were in a museum there, the gentleman from Guam [Mr. BLAZ] spotted a photograph. I do not think he had seen it before, taken shortly after they were liberated, and he found himself in the photograph. It was a touching moment for me.

I would be happy to yield to my friend from Guam.

Mr. BLAZ. Mr. Speaker, I was going to sit here and wait until 5 o'clock in the morning, because if that is what I have to do to have an opportunity to speak, I would do that. The reason I would do that is because I feel so strongly about this issue that I regret that I have not the words or the wit or the wisdom to dramatically emphasize the pain that I feel in my heart for what has happened in the last few days.

When I came here, the leader asked me, he said, why had he not seen me lately. He had not seen me lately here because I am one of those Members of Congress, and I have no right to vote in this body. I cannot even vote for President, but alas, I can still fight for my country. All afternoon I looked at the bio of every Member of the House and the Senate, and I am the only one who was actively involved in one way or another in the last three wars we have fought in the memory of anyone that is serving here.

There are only three stripes to be earned in battle in the last 50 years. I am wearing those three stripes. So if there is anyone who feels that he has a right to stand here and make this statement, I feel that I do. However, as disappointed as I am at being unable to vote for President, or here, except in committees, it pales, it pales in comparison to the pain that I suffer at this betrayal, and because my accent sometimes betrays me, I will say the word again: It is a betrayal. After the Korean war or during the Korean war, the Vietnam war, for almost 400 times I folded the American flag and I presented it to survivors, and in each instance a survivor would grab it and cling on to it tightly as the last link to a loved one. By this action, that link has been served because the flag, offending the flag, incredibly, is not an offense in America. Unbelievable.

In World War II, 45 years ago, I bought a picture, during the years we spent on occupied Guam, and in the concentration camps, at the risk of being executed, we made American flags, miniature American flags. At the time of liberation, a prominent artist wanted to paint something that would embody the sentiment of the liberator and the liberatee, and he produced a fantastic photograph or painting which I had reproduced, and here is this painting. The painting shows three American marines and two remaining Chamarro children, and guess what they are holding? A miniature American flag. It shows that it defies gravity because it is sticking up. We made it out of everything: Cardboard, thread, needles, sticks, whatever a person could find. After the war, marines were to tell me that the most beautiful sight they ever saw were men, women and children, emaciated from months in the pen, emerged from the caves and valleys and the jungles, carrying American flags.

I know the gentleman yielded only a few minutes to me, and I hope he will forgive me for being a little expansive, but I just wanted to show the sentiment that I have, because for 30 years I served this marvelous country of ours. Up in Philadelphia a couple of years ago, totally unexpectedly, our leader asked me to address a thousand folks that were gathered in black tie in Philadelphia. I assume, because somebody failed to show up at the last minute, but nevertheless he asked me and I accepted.

□ 0110

Mr. Speaker, I remember saying these words. I said that I was prepared as an officer to be burdened with the guilt all my life, that at one time during the war in which I was involved I might have given an order to men in battle that might not have been the right order, and they were assaulted and killed in action and wounded in action. But I was prepared. I was prepared to suffer that burden until I got to heaven so that I could explain to the men why I had to do what I did.

Mr. Speaker, I told them that when I came to this body, and in the 30 seconds that it took to administer the oath, that 30 years of my life flashed before me as a marine officer, and then, as I watched the majesty of this great body unfold before me, our form of government and that flag behind the Speaker, I said that I was not rid of this sense of guilt, for indeed, if this is what we were fighting to preserve, that flag and this country, then the only lament that I have left in life is that I cannot spare 30 more to the United States defending this flag and this country.

Finally, I want to say that since I am a soldier that I am very partial to soldiering, and I say that I paraphrase a popular thing we saw in a C-ration box in Vietnam, and it goes something like this. For those who have worn the uniform and have fought in defense of that flag and this country, life has a special flavor. Those who have never done what we have done will never ever know.

So, Mr. Speaker, quite possibly the feeling that I have may not be shared by some, but my constituency is not only the people of Guam, but every man and woman who has ever worn the uniform of this great country of ours, the Army, the Navy, and Air Force, and Coast Guard and, of course, my beloved U.S. Marines.

I mentioned earlier that I do not have a vote here. Maybe someday this aging warrior might be admitted so that, when I push my little card in that little slot there, it will not crash the place; huh? I am a very, very troubled person because of that.

So, for those who are vacillating on whether or not we should have an amendment to the Constitution, if they do not want to do it for themselves, for the sake of all my comrades, for me, do it for those of us who cannot vote, the ones whose flags I folded.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I just want to say to my fellow Congressman, the gentleman from Guam [Mr. BLAZ] that 30 years ago the Marine Corps was looking for a few good men, and they found one in BEN BLAZ, and he is also one of the finest Congressmen, whether he has a vote or not, that this body has.

I say to the gentleman from Guam [Mr. BLAZ], "We all admire and respect you, BEN."

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I think this gentleman from Guam [Mr. BLAZ] exemplifies what we are talking about. Here is a man that in his mind is treated like a second-class citizen because he does not have a vote on this floor. However, Mr. Speaker, he is a man that has given his entire life fighting, not only for this flag, but for this Constitution and this country, trying to fight for what it all symbolizes and means, that freedom that he wants for his children and his grandchildren, for the people he represents in Guam.

Mr. Speaker, no people that I know of in this whole world have more feeling and more experiences about the loss of freedom than those on Guam, than the ancestors of Guam and what has happened in World War II in Guam, all through the Pacific Rim. This gentleman, in what he has just said, exemplifies why we are here tonight, and why we are so outraged by the decision of the Supreme Court, and why we talked about that symbol of the Stars and Stripes and what it means to, not only us, but people that do not even have a vote. They know what it means probably more than some of the citizens that are here in these United States because they, having gone through every day the struggle for freedom that we take for granted, the struggle for freedom that we take for granted so much that we spit on that flag; not we, but some do, that some choose to burn that flag. To some people even such a slight misuse of the flag as to fly it at night without a light on it or to fly it in bad weather, they have to take it down. I have seen it time and time again; they pull it down from that pole and just kind of throw it over on the bush.

Mr. Speaker, I drive through my district, and a lot of car dealerships seem to fly flags, for whatever reason, in Houston, TX, and they leave them up at night, and, as I drive through my district doing my duties at night, I write down the addresses of whoever is flying that flag in less than respectful situations.

People take for granted what that flag means, so much for granted that they would dare go out, and burn it and defile what this gentleman from Guam [Mr. BLAZ] stands for, defile what the young men that served under this man stand for and died for, to take all that for granted and exemplify it in what, I think, is the decision of the Supreme Court. I think they lightly take what is so important to everyone in this world and just make a simple little thing out of it, but I think the American people have stood up and are saying all over this country ever since that decision, they are demanding that this be turned around through some sort of action of this House.

Mr. Speaker, I hope we are not playing games here in this House that would diminish and defile what the gentleman from Guam [Mr. BLAZ] means to so many of us, and I thank the gentleman from Iowa [Mr. LIGHTFOOT] for yielding.

Mr. LIGHTFOOT. Mr. Speaker, having visited Guam and having met the Governor and many of the constituents of the gentleman from Guam [Mr. BLAZ], I think the thing that we see there is they want him to have that vote, too, but I think what it underscores is that people that do not have the freedoms that we just take for granted are fiercely seeking to get those freedoms.

Unfortunately there are too many who take it for granted and do not respect it as they should, and I think that is probably one of the big fallacies we have in our Government policies because, if something does not have a little value to it, people take it for granted, and they throw it away.

Unfortunately, Mr. Speaker, we approach so many problems around here by just throwing money at situations. Look at the drug problem that we have. Basically it is centered in public housing areas, and, if my colleagues were to analyze those types of areas, they could argue about the quality of it, but, No. 1, we have given them a place to live, we have given them food, we have given them medical care, we have given them everything but responsibility.

Mr. Speaker, I think that is something that we see in this desecration tonight. The people in Guam are fiercely patriotic, and they want to have the right to vote. Personally I think they should have it.

Mr. MARTIN of New York. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. I yield to the gentleman from New York.

Mr. MARTIN of New York. Mr. Speaker, I thank the gentleman from Iowa for yielding to me. Indeed, it is a humbling experience to be here this evening speaking on this subject and to find yourself following the gentleman from Guam [Mr. BLAZ], my friend who said so much in such a short period of time.

It occurred to me that there is a story I wanted to share with my friend, the gentleman from Guam [Mr. BLAZ], because he and I share some common experiences. We served in the Marine Corps at different times together. We went to a small Catholic school in South Bend, IN, at different times together, namely, the University of Notre Dame. I wanted to share this with the gentleman from Guam, because this evening I was privileged to have dinner here in Washington with a very special person to me, a judge in the southern district of Florida, a Federal district judge by the name of Bill Zloch. You may recall Bill. He was a quarterback for the Notre Dame football team back in 1965; not that I was upset with the Judiciary, but during the course of the dinner I was discussing the decision and Bill pointed out that, you know, it is not just recently that I was sensitive to the desecration or abuse of the colors.

I want to share this with you, because it is the opportunity I had at Notre Dame out of those 5,000 students to meet Father Hesburgh. One evening a friend of mine and I were headed for the library and there in the main quad was the flagpole with the American colors. During the course of a rather nasty and miserable sleet storm, I stopped and I said, "This is awful." We went over and took the colors down and were in the process of folding them, and I know I will get in trouble probably with the gentleman from Indiana [Mr. HILER] and others for pointing out that the rent-a-cops were working there at the time, and they came over and caught us taking the colors down and were folding them. They asked what we were doing.

I said that I was taking the colors down.

When we finished folding it, he reached for the colors, and I said:

> No, you don't deserve to have those because you have obviously abused them. I'm going to take them up to Father Hesburgh.

I was kidding, and I looked up and Father Hesburgh's office was open. His light was on at least. With the police officer right behind me, I said, "Come with me and we will explain this to Father Hesburgh."

My heart was pounding about a thousand beats a minute, because I did not know what Father Hesburgh was going to have to say, and you know, with this police officer right behind me. We went all the way up to the top floor of the dome, banged on the door, and who opened but Father Hesburgh.

He said, "What can I do for you?"

And I said, "My name is DAVE MARTIN from northern New York. This officer—" and the officer disappeared. I mean, he was gone.

I said:

> Well, Father, I want to explain, the colors were flying in this miserable weather and I thought it was most disrespectful and I thought maybe if the officer had to confront you, perhaps they would be taken better care of.

He said, "Come on in." We were in there for 2 hours and I received an education that was well worth the tuition that evening. I am sure you know Father Hesburgh.

I recall him saying:

> Dave, tell you what. Until I can get this thing resolved, why don't you take it back to your room and you take care of it properly and we will get back in touch with you.

Two days later, frantically I get a call from the ROTC to go down and see Major Fisher. He saw me and he said, "Dave, where are the colors?"

I said, "They are on the flagpole."

He said, "I know they are on the flagpole. Where are they when they are not on the flagpole?"

I said, "They are in my quarters."

He said:

Dave, we have a problem. I appreciate your respect for the flag. You are to be saluted for what you have done, but I want you to take them back to that grad student. Explain to him—

that is not the term he used, but he said:

Explain to him how to take care of the colors, because if you keep them in your quarters, we are going to have to call out an honor guard every single morning in the ROTC to take proper care of the colors.

I do not know whether it was my father or whether it was my mother or whether it was the people in the community that I was brought up in, privileged to be brought up in, to pay proper respect to the American colors. I was incensed and outraged when I first heard on the radio and later read in the newspaper the decision by the Supreme Court. I try to back off when I get very uptight in those sets of circumstances and say that I have got to look at it from their point of view. I try and it is difficult.

We all believe in the separation of powers. The decision has been made. We dislike it intensely. I think it is ridiculous, but that is my personal opinion.

It is not just for us as Members of Congress and it is not just for the wonderful people who have taken the opportunity to speak out tonight. It is for all Americans to make a decision and do it quickly, that there has to be a limit to how far you can go in the interest of free speech or whatever. There must be something sacred or sacrosanct, some symbol of America that we say:

No, no. We aren't going to buy this free speech argument when we desecrate the flag. It means too much to too many people.

I am not an artist. I probably do not have the most innovative mind in the world, but even I can think of admirable substitutes, if you want to come up with them to make your point. There is something about those American colors, the freedoms of America that have been properly inculcated in one that bring to you a certain emotion when you see those colors desecrated.

I do not know how many coffins I have had to escort either home to parents or loved ones or to funeral grounds or whatever of people who have fought under that flag. I think it is a desecration to the memory of all those who fought under it if we allow that to be some type of vehicle for free speech.

So as dispassionate as I try to be as my blood pressure rises, I would like not to yell, but I would like to talk and I would like to speak out to my friends and colleagues on both sides of the aisle and to salute the President who is leading the charge to insure that soon, and very soon, we have a proper and needed amendment to the Constitution to protect the flag and also protect the interests of the people who think so much, as a matter of fact who think with their lives of those colors.

Mr. Speaker, I want to thank everyone who has participated in this special order this evening. It is an inconvenience, to say the very least, to the Members who will be here all night long, but it is an important vigil and I think something that hopefully promptly will be ratified by the various States and will become the next amendment to the Constitution.

I salute the gentleman from Iowa for all he has done and thank him from the bottom of my heart for his sincerity and for his interest in trying to rectify what I think was a grievous error by the Supreme Court.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. LIGHTFOOT. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I just want to ask the general and this marine aviator a question.

I did what the gentleman from New York [Mr. MARTIN] did. I thought to myself, wait a minute. There are two good men that we were very proud to see confirmed to the Supreme Court, Justice Scalia and Justice Kennedy. I thought what, without reading their decision, could possibly have gone through their minds? I tried as hard as I could to figure out some rationale, and as I heard it on the radio I was actually called and asked if I would go on a 24-hour news program. I could not belive the words that I was being told as the decision came down. I thought we had a conservative court that understood tradition.

When I got the newspapers and started to read little excerpts and snippets from the decision, I still could not figure out how they could cause such pain to so many people, all those families that these two gentlemen have presented flags to, that knew that a loved one, not just men either, but some women, had died defending what that flag represents and the tremendous heartfelt symbolism in that flag, how they could hurt so many people for a handful.

□ 0130

I started thinking how many people want to burn the flag, the American flag, in a year—100? 60? 6? 3? I realized this guy's case, Johnson's case, is 5 years old in August, and then I realized that there is a practical part of this decision, and Judge Bork was just discussing it with us today.

I will ask and go by rank here and ask the general first. Could he possibly be walking down a street, my friend with that great Biblical name, Benjamin, could he walk down the street and see someone burning the flag where he would not be moved physically to intervene? Could he imagine just standing there and watching?

Mr. BLAZ. The gentleman knows the answer.

Mr. DORNAN of California. I do.

Mr. BLAZ. And the only problem I would have is that of how to keep myself from doing or going beyond the threshold of prudence to respond to that. It would be such an insult to me, but there again, I have to qualify it.

As the gentleman has pointed out, it is possibly because I am denied full citizenship that makes me so protective of what little I have and, consequently, since the only thing that I have really is that flag, and since I do not have the other things that you all enjoy like voting and so on and so forth, and that is all I have, and it is a three-legged stool, and the only leg, one, that is left for me, so I do not know. Maybe at this stage of my life I might be a little bit more gentle than I might have been when I was still in uniform, but I would not enjoy being the other guy.

Mr. DORNAN of California. But the act compels you to act. I will ask my friend, the gentleman from New York [Mr. MARTIN], could he see himself walking down a street, a back alley or Fifth Avenue in New York City where he would come upon a scene where Old Glory is in the street on the ground, and that is enough to move some people to start toward the flag, and then see someone playing with matches getting ready to torch the flag? I ask the gentleman the same question: Could he imagine himself not taking some action?

Mr. MARTIN of New York. I appreciate the spirit in which the gentleman asks the question. I would have to defer responding, if the gentleman really needed an answer, and I would check out what the statutes of limitations are from the last time I had such an experience.

The argument has been made that there is something about the flag that so touches the emotions of most Americans that the use of this as a "vehicle of free speech" is almost guaranteed to cause alarm within the community and trouble and divisiveness and injury and the like.

It is very difficult to control these emotions, because many people, most people, thank God, have not been in the situation of that intense spirit that derives from, for instance, military action, fought under that flag, and when one has had that experience, it is difficult to see those people who can think they can stand back and objectively say, "Well, this is just a demonstration of how I feel on a particular issue that relates to the Government represented by that flag or the country." It is very difficult,

indeed, and unless one has had that experience of finding oneself in a situation that people by their outrageous conduct, looking for the most important symbol of America, looking for that symbol that is likely to arouse the most passionate defenses of people who feel strongly about the flag, use it intentionally to cause disruption. That is a stong argument, because I am not sure at all times I could control my emotions in that instance.

Mr. DORNAN of California. I realize I am speaking to two marines here. Let me ask the son of a marine D.I. who, like my sons, found themselves in an age category where the military had more volunteers than they knew what to do with, and there was not a draft board breathing down their neck that sometimes motivated one to do the best thing in their life—sign up. But, DAVID DREIER, my colleague from California, could the gentleman picture himself walking down a street in West Covina and there is an American flag on the sidewalk and some cretin has matches in his hand and is going to set fire to it? Could the gentleman walk away or not be moved to some action?

Mr. DREIER of California. Let me respond to my colleague by saying that with the colloquy which has just taken place, including our great friend from New York [Mr. MARTIN], our distinguished friend, the gentleman from Guam [Mr. BLAZ], and I look at this great marine, the gentleman from New York [Mr. SOLOMON], and so many other people, and I am in awe, not only just because I am also standing in front of the Stars and Stripes but because I am also standing on the floor of the greatest, most powerful deliberative body ever known to man, but also because I am standing here with so many people who have fought, fought diligently to give me the opportunity to know peace in my lifetime and to give me the opportunity to serve here, and so when I think of the sacrifice which has been made by so many of my colleagues to give me this opportunity, again as I said a few minutes ago, I was not in the military, and I do not apologize for the fact that I was not in the military, but that in no way has prevented me from loving and respecting Old Glory, the single symbol which clearly is the cause of freedom, as I said, throughout the world.

I will tell the gentleman that I remember very well in grade school occasionally seeing the flag, even when it was marching by, possibly get at a lower level than another flag or even dip, and my heart would skip, because this is what I was taught from childhood. I know that every night my family takes it in. I know my friend from Houston, who mentioned his concern about people not taking the flag in at night, the gentleman from Texas [Mr. DELAY], but my father takes that flag in before dark and puts it up every morning.

As one who since we went in rank from General BLAZ to these marines, and we came to the absolute bottom level with me, I have to tell you that the sentiment is just as strong, because I am grateful for the sacrifice which has been made by so many, and it is because of my respect for that sacrifice that I could never stand by and walk along as someone sets fire to the Red, White, and Blue.

Mr. DORNAN of California. Here is the point, and I do not have to ask the gentleman, and I am afraid to ask the gentleman from New York [Mr. SOLOMON], for fear he would think that I actually would question for an instant that action would be immediately taken.

Mr. LIGHTFOOT. It is only 8 hours to dawn.

Mr. DORNAN of California. Right. My conclusion is that this Supreme Court decision violates common sense, because it is unfair to put so many citizens, and because I think we represent hundreds of thousands of people, put them in the position of saying to a person, "I do not care who told you that is your constitutional right, the fight is on," and as I get older and less able, I guess, to defend myself or to exercise direct action, and I know that my dad covered my back in a miniriot in Los Angeles once when he was 82 years old, and if he had ever seen the flag burned in front of him, and he had three Purple Hearts, wound chevrons from World War I, he would have gone into action. He was a welterweight boxer.

It is not right to have a law on the books that inspires good, simple people to have to engage in force to defend something that should not need that kind of defense without the force of law behind it.

We all know that a police officer in a crowd situation can turn to any citizen and assume that is a law-abiding citizen and deputize him on the spot, and that is what officers used to be able to do to save the colors, to defend the flag. We are now put in this limbo situation until we get this constitutional amendment passed, where good citizens are forced to break the law to defend something they love because it symbolizes so much of their lives and so much of the sacrifices that they have made.

I do not want to see those of us who are grandpas who are put in this situation of having to engage in direct action because two good men, and I know they are good men, on the Supreme Court got carried away with what Judge Bork called individualism, and came up dancing on the head of a pin with a decision that flies in the face of common sense.

I do not think our friends Scalia and Kennedy realized the position that they were putting a lot of people in, not just veterans, but everybody. My mother would be in a fight instantly. She has passed away 22 years now, but she loved the American flag. Not by any stretch of the imagination would she have stood around and watched someone defile it or disgrace it.

□ 0140

So it is a bad, bad decision, and we are going to have to pass a good law to cover people who have that natural and I think wonderful impulse to respond to what has been a military cry on the battlefield for at least a thousand years: save the colors.

Mr. LIGHTFOOT. Two quick observations. I think from what our friend, the gentleman from New York, [Mr. MARTIN], had to say a moment ago, and if we are trying to come up with a scale to gauge the gravity of the situation, most of us have certain historical events that when they occurred we will never forget where we were when we heard the news, such as when President Kennedy was assassinated. I remember exactly where I was. Or when Neal Armstrong first stepped on the face of the Moon. This ranks right along with those events. I will never forget when I first heard what they said, and I think that has been demonstrated by what has been said here this evening as well.

The second point, and I think perhaps the gentleman from California [Mr. DREIER] and I probably are maybe a little bit better qualified in this area, but on this whole thing of patriotism, it tends to be tied so much to the military experience. I know of high schools where there is not one single teacher or administrator who has ever served in the military. We ran into that trying to get applications to go to the various military academies.

We see people in places like Guam and other parts of the world who are so patriotic, and we wish that we could just take one-tenth of their enthusiasm and instill it in our youngsters. The question that I think facing us now, in a time of peace, without a military experience is how do we spark that fire in young people so that they will get up and do the kinds of things that Members have talked about here tonight? I think it is a big problem for us.

I am happy to yield to the gentleman from California.

Mr. DREIER of California. I thank my friend for yielding and would like to associate myself with his remarks.

Mr. Speaker, I would to extend congratulations to my good friend, the gentleman from Iowa [Mr. LIGHTFOOT], for standing on his feet for these 60 minutes in the well and yielding time around to all of us

Mr. Speaker, I would like to say that I am gratified that many of my colleagues have stepped to the back of the Chamber, for what I am about to say may be considered rather controversial, and I do not want to be pelted by anyone. And I have to say, Mr. Speaker, I am slightly nervous that the gentleman from New York [Mr. SOLOMON], is here as I am about to say this.

But just a few moments ago I took the opportunity to read amendment No. 1 of the Bill of Rights. And it says.

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

Mr. Speaker, our distinguished Republican leader, probably 1 hour or 1½ hours ago, stood in the well and said that one of the things we should not do is criticize the institution, the judicial branch of our Government.

Sure, we criticized the decision, we did not like the decision that was made, but we should not criticze the institution itself because, as we had a very vigorous debate just a few hours ago here on the issue of providing training for the police forces in El Salvador, obviously in this 5 to 4 decision on the Court there was a disagreement, it was a very tough call to make.

But what I would like to say, Mr. Speaker, is that now that this decision has been made I believe that we may have seen a very, very positive step taken by the Court. Why? Because their decision in interpreting this amendment has given us the opportunity to establish an amendment to the Constitution, placing this great symbol at an even higher level than it is today. I think that for that reason we may end up seeing a silver lining in this dark cloud. In fact, many of us believe that we should continue to try and take an optimistic approach, and I happen to think that we may be able to have a real benefit coming from what initially looked like a very sad decision.

I thank my friend for yielding and again congratulate him for standing here for this full hour, and thank the Speaker for allowing me to extend this time slightly beyond the 1 hour.

Mr. LIGHTFOOT. I thank the gentleman and the Speaker, and it was no task at all. It was very important that we do this.

ORDER OF BUSINESS

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that I may take my 1-hour special order out of turn at this time.

The SPEAKER pro tempore (Mr. FROST). Is there objection to the request of the gentleman from Illinois?

There was no objection.

OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. HASTERT] is recognized for 60 minutes.

Mr. HASTERT. Mr. Speaker, I am grateful for the opportunity of taking this time, and certainly want to thank the gentleman from Iowa [Mr. LIGHTFOOT], my colleague who just left the well, certainly for his ability and for spending some time, in his great old Midwestern way, just to tell what this flag and what this procedure is about. And I certainly appreciate the great testimony that we have had from the generals and the persons who served in the Marines, DAVE MARTIN and JERRY SOLOMON and General BLAZ. It has been a great experience. And certainly I also want to extend my appreciation to the gentleman from southern California [Mr. HUNTER] who has put together this time and certainly this effort this evening.

I was just thinking as we were talking, and the gentleman from California was talking about kids in school that the flag sometimes is the only symbol that they have, and sometimes in schools we take the flag for granted. Very seldom anymore do we actually stand up and give the pledge of allegiance before a class or at the beginning of the day.

When we take this symbol of this country for granted, and then we allow people to take the symbol for their own purposes for granted, we certainly are causing a great disservice not only to ourselves and this Nation, but certainly the generations that have gone before.

I think of an experience that I had not too long ago, a couple of weeks ago in a little town in my district called Warrenville, IL. The VFW there has been trying for almost 35 years to get a World War II vintage tank to dedicate as a symbol to put in front of their little VFW post, as a symbol of one of the first men who died in the Pacific in World War II. He was certainly a hero who stood off a whole Japanese Marine battalion with one machine gun so that an invasion of this island could not take place, and he died in his tank.

That tank was finally put in place, and we presented a flag that had flown over the Capitol of the United States. The thought occurs to me that every child that goes by that very VFW and sees that tank and sees the flag, that will be their only opportunity to touch, to feel, to see, and on some days to hear snapping in the wind the medium that links them with those people who certainly gave a great sacrifice, those people who gave their lives for their country, those people who served and fought and carried the flag in the far corners of this Earth.

On that day it was a very sweet situation, and very sad, because we commemorated those people who fell before, but we also that day had to commemorate the death of a young marine who had just died a couple of weeks ago in the service of this country from that very same town, and had he survived, and had he gone on, he certainly probably would have been a member of that VFW post. But he died, and it was peacetime, and those types of death are even sadder. But yet, he came home in a coffin, and that coffin was covered with the United States flag as it came from the South Pacific, and I had the obligation of passing that flag on that same day to the mother of that son.

□ 0150

And that flag was important. Even though it was not a time of war. Remember, we have to be alert, yes, sometimes we must give up that precious life, those youth who are certainly the lifeblood of this country. In peacetime it is even tougher to do that. But the symbol of that young man's death, the symbol of what he died for, the symbol of what that tank dedication that day at that VFW was the flag of the United States. I think as I go back to my previous profession as a teacher and I think of the many days in history class talking about the Constitution, talking about the history of this country, and I would have probably 20, 30, 35 half-sleepy teenagers before me, and we start to talk about what the Constitution is really about. As I reflect back on that time now, I think of the guys, our forefathers who framed that Constitution.

In that Bill of Rights, which was so ably read a few minutes ago, it talks about freedom of speech, the ability for us to use words, to stand up in a free manner in this body or any other legislative body in this country, city council, county board or school, and express ourselves about what this country means, how we should be one, how we should pick leaders, how we should set our agenda. We do have that freedom of expression.

You know our forefathers, the founders of our Constitution, were very articulate people. They said specifically "freedom of speech;" words, written and spoken words. And when the Constitution was looked at, and I think erroneously by this court, and it said, "No, that means symbolism or art of desecration of the flag, that is a different type of speech," I do not think that is what our forefathers were thinking about. That is not what those very learned and articulate people talked about as speech, words written and spoken. You know this is not the first time this issue has come before this House.

I remember this spring in my home State of Illinois in the city of Chicago some student believed that he could display the flag on the floor to force people to walk upon and trample the flag. We had a piece of legislation before this Congress at that time, that that was freedom of expression, freedom of speech, that we could force people to walk on the flag.

I think we lose our perspective about what freedom of speech is really about and what it really is. I think maybe symbolically, more than symbolically, we need to look and we need to listen, listen to the past; two groups of people, one in the past and one in the future.

The people in the past are those people who died for that flag. I can think of the poem and the poetry of an Illinois poet by the name of Carl Sandburg, in one of his poems he talks about listening to the voices of the dead, those people who lie in prairie graves but yet their messages reach out.

I think of the prairie graves that I visit on Memorial Day as we do with the American Legion, the VFW Honor Guard. In some places there are graves of men who fought in Mexico in 1848, in the Civil War under two flags in 1860, again in the Spanish-American War of 1898, and the famous exploits of Teddy Roosevelt. And certainly in the Fields of Flanders in France in World War I, and in 1943 places like Tarawa, Cassino, North Africa, and in 1951 places like Pork Chop Hill in Korea and, yes, more recently in the jungles of Vietnam. But those voices say something to us. They say something about the sacrifice that we made to keep this country free. They say something to us about what that flag means. And it is more than symbolism, it is something very real and it is certainly, to the members of that Supreme Court, not to be desecrated. And then I think too as probably an old school teacher about those generations yet unborn. If we cannot hand to them the future generations of America—and God help us, I hope they can grow up and live in peace and not have to go to war, that is a sincere hope—but unless we can hand to them the legacy of what that flag means and what people have to give up to make it hang right in this Chamber today, then we do not have a gift to give to the future generations, those generations yet unborn. What pride do we have to pass on if we let that symbol, if we let that flag be desecrated?

I yield to the gentleman from Missouri.

Mr. BUECHNER. I thank the gentleman for yielding.

Mr. Speaker, I certainly would like to join in the gentleman's remarks. He really did touch a note inside my heart when he said something about the people who had gone before us. What we are doing here tonight basically is a vigil. I was wondering would it not be a better place to have this vigil at the Tomb of the Unknown Soldier and where the only gravestone that that soldier has is a flame and a flag, and also think that the Supreme Court has taken away the gravestone of that soldier. If he were buried anywhere in the United States and had a simple tombstone with his name etched on it, with a cross or a Star of David or no denomination, that if the same man that had burned the flag and had spit upon it, had turned over that tombstone, he could be placed in prison. And yet for that unknown soldier, regardless of the war, he does not receive the same amount of care and concern, the same amount of respect as though a person had died with their name etched.

I think that is a bitter irony. If we were to walk down there to that tomb, on the way we might pass some of the other memorials. I have to say that I thought about the wall of Vietnam, the veterans' names etched there, those who died, those that are missing.

A few weeks ago, I went down again and saw the names of some of my friends, including the best friend, probably, that I ever had, male friend, somebody that in college I worked with and we told stories about each other and lied a little bit, drank a little bit, laughed a little bit. And when Buck went to Vietnam I knew that Buck would not come back.

Buck was a little bit different. He reminded me of George Patton when he talked about being reincarnated. He was a warrior. He went to West Point as the oldest student there after having completed 3 years of college. He then decided to go to West Point.

He graduated, I might add, with the most demerits that anyone had had since George Custer. He had been an all-American in high school, football player, an all-American high school track and field, shotput and discus. He was courted by universities throughout this country. He played college football at Kansas University. He did not like the coach, he dropped out and went into the paratroopers. He came out, went into the reserves. He came up to a small college in Atchison, KS, played a little ball with me, worked at a flour mill with me, and a little bit later then one day he said, "You know I am going to take the Reserve test for West Point."

□ 0200

So, Richard S. Thompson, blond, cocky, went to West Point, and then he went to Vietnam. But before he left, he told me that the most important thing for a man to do was to take care of his family and take care of his country. He received the Distinguished Service Cross. He went back three times to bring in his company commander, then his first sergeant, and an enlisted man. On the third trip he was killed by friendly fire.

When I walk to the wall and I put my finger in his initials, I always look down below that, and I see the little American flags that mothers and daughters and sons, brothers and sisters, and wives have left there. Sometimes they leave pictures, teddy bears, baby shoes, but most often they leave flags. To them, those flags are a communication, they are a contact, they are an extension, a way of reaching out of the soul of their loved one who died for this country. I wonder if those people, after leaving that flag there would see someone come by and spit on that flag, or break the little thin stem or burn it, what would they think? If that person was protected by the law for doing it, I cannot help but believe that those people, those gentle, kind, those caring people that had lost someone they loved, I cannot help but believe that they would feel this country had done something very, very, very wrong. They had already given up the life of their loved one, and now the respect that they wanted to share in the death of that loved one would be defiled, would be defamed, would be denigrated.

The flag is not just a symbol, it is not just red, white and blue. It is not something to bring on in a political campaign. It is not something for people who stayed home and did not go to war in whatever generation, can wave and forget about the sacrifice that others have given so that that flag could be waved. The flag is part of the people. It is as much of this Nation as the Constitution, of the words of Abraham Lincoln and Benjamin Franklin or George Washington or John F. Kennedy or of any Member that served in this body, that flag is as much a part of this Nation's soul as the wagon wheels that went across this great Nation on the Conestogas, as a part of the tears that were shed when children died of starvation as we settled this great Nation.

I would hope that what we do here tonight is something that we can share with our children and with our friends as we say to this Nation, to this great Nation that loves its flag, that we want to do something to change what the Supreme Court did. We want to make a difference. We want to answer not just the complaints, but the outrage of Americans.

I want to thank the gentleman from Illinois for taking this time, and also the gentleman from California [Mr. HUNTER] for organizing this. I know that for my friend, wherever he is, probably Valhalla, as he looks down, I know he wishes that the Supreme Court had never rendered that decision. However, we have a chance as Members of this body to rectify it, a

unique situation. We have a chance to say the flag is important, not just in the word of a decision, but by changing the Constitution.

Now, maybe every Member of the Continental Congress would not agree. Of course, they did not agree on a lot of things, but I think that every one of them would say that freedom of speech as they interpreted it then would not have included the burning of the flag.

Mr. HASTERT. Mr. Speaker, I certainly thank the gentleman from Missouri, and think he brings out a good point.

One of the great things about that Constitution that we talk about and we have sworn to defend here, is that we can change it. When the time comes and it needs to be changed and the consensus is there for change, we have the ability to do it. Members talk about people, people criticize and say, "Well, you don't want to mess with the freedom of speech." We are not changing the freedom of speech. We are saying that there is a symbol that represents one symbol that represents this country, and through the process that that Constitution lays out, that we can change it, that we can make that decision here on a timely basis, and then we can move that decision out of this Chamber and out of this Congress to the States and very measured and without any limit on debate and have that decision be a people's decision. That is the great thing about this Constitution. That is the great thing about this flag. It is a symbol that we hold so dear.

I appreciate the comments of the gentleman from Missouri [Mr. BUECHNER]. I think they are very appropriate and very heartfelt. I appreciate him sharing those comments here tonight.

I would like to yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding, and I thank him and the gentleman from Missouri [Mr. BUECHNER] for their very articulate, very poignant statements. I think the gentleman hit the nail on the head, and I think the gentleman from Missouri [Mr. BUECHNER] touched on it very strongly also. Freedom of speech does not require destruction. Freedom of speech is an alternative to destruction. Our uniquely American alternative to destruction. There are thousands of ways and thousands of phrases and word that people can use to manifest almost any position that they have with regard to any subject. They do not have to destroy something.

Mr. HASTERT. Mr. Speaker, I yield to the gentleman from Missouri.

Mr. BUECHNER. Is it not an amazing irony that in Tiananmen Square where the students that brought out their Goddess of Liberty, which was their symbol of democracy, that one of the first things that the Communists totalitarian government did was to destroy that symbol?

Mr. HASTERT. Mr. Speaker, I yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I think the gentleman has hit the nail on the head. In destroying the symbol, they crushed the motivation and the morale of those students, and they probably knew that they were doing that. I think in the same way when a person burns an American flag, and there are so many in this country who last saw their loved ones with that body covered by the flag, as the gentleman has stated, you crush them. That is precisely the reason why we should have this constitutional amendment.

Mr. HASTERT. The memory of the gentleman from Missouri strikes a like memory that I have. My very dear friend, somebody who I played ball with all the way through college, through two colleges, as a matter of fact, was a young man from Hopkins, MI, a fellow named Jim Palmlee. When I went to school, everything was mandatory ROTC, and wore the Army green, except Jim decided to be a marine. As I remember, we lined up on graduation day, many of the students in our ROTC uniforms, but Jim in his white Marine dress uniform, standing side by side, and as the flag and the colors were presented in that small Midwestern college, stood at attention, and as everybody kind of drifted away after that ceremony, Jim saluted me.

□ 0210

We were all kind of jealous of that outstanding Marine in his whites. That is the last time I saw him. He went to Vietnam and never came back. His name is certainly on that wall we talk about. But the symbol of what he believed in and the symbol of his sacrifice was that flag. And I can think of his parents who probably are still living up on the farm there in Hopkins, MI, and I wonder what their reaction is when we allow people to desecrate that flag under the decision of the Supreme Court. That is the symbol of their son, their ultimate sacrifice; that is what this country believes in and stands for. I think that was very appropriate, and it certainly brought back memories to me of those thoughts and those people. All of us have those memories.

All of us have those memories.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Calfornia.

Mr. HUNTER. Mr. Speaker, just reflecting further on this idea that sometimes that flag so symbolizes the existence of a person who serves his country for his loved ones, sometimes that is all there is, and we have with us the gentleman from New York [Mr. SOLOMON] who has been involved in the past in the situations involving American remains being brought back to the United States as men missing in action have been located in Vietnam following the Vietnam conflict.

I just wondered about this, because I guess in some of those situations there is not much left. There may be just a few bones. Yet I would presume that when given a burial, those remnants of what was once an American fighting man are still covered with the American flag, and somehow that flag makes that departed one whole in the minds and in the hearts of the people who loved him.

Mr. HASTERT. Mr. Speaker, the flag is kind of the soul of this country. The soul and the spirit of this country is embodied in it.

Going back to the experience in west Chicago, in the VFW, that is not only the thing that covers the casket, but that is the symbol of the fighting man, whether he comes back in one piece of whether he or she does not come back in one piece, because that flag is what symbolizes what he stood for and what he fought for and what this country stands for. It is just something that we do not tear asunder, because it is sacred. It is as sacred as the soil we stand on.

Mr. BUECHNER. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Missouri.

Mr. BUECHNER. Mr. Speaker, I am listening to this and I am thinking about the people throughout this world who were in chains in World War II. What would they think today if that flag were defiled by us? When it first came into their village or their town, whether the flag was on the arm of an American serviceman or on the front of a jeep or painted on a tank or flying from an antenna or on the underside of an airplane when they first saw that, I wonder what they would think if they knew that the country that produced that flag would defile it. It probably would boggle their minds.

But I am sure that some of our Supreme Court judges would say that that is all right, this country is great, and it is good that you can do those sorts of things. But a perversion of freedom of the speech does not mean that it is good for this Nation, because freedom of speech is the ability to express one's self. They did not have that opportunity in the towns of Poland, in the towns of France, in the towns of Germany, in the towns of Belgium, or in places in Finland, Estonia, or Latvia. They did not have that opportunity. But Mr. Johnson, who is a celebrity now, had the opportunity to say whatever he wanted. He could have handed out pamphlets. He did

not really have to tear down part of our heritage to have freedom of speech.

I think that that is what rings throughout the dissenting opinion, that it is not as though an amendment would deny somebody the freedom of speech, because Mr. Johnson and any of his ilk could say whatever they would like. They may get punched in the nose, but they could say whatever they like, and the person who punches him would have to take his lumps under the law.

But there is something that is just intrinsically weird about saying we do not have to respect the flag, and that people can do whatever they want. Then what is the next step? Can we do it to a Crucifix or to the Star of David? I do not think so. I hope not. But if we read the logic that tries to find some threat of legal intelligence that says that the flag is just a piece of cloth, then I think maybe the whole world has gone crazy. In a small way, we have a chance to bring a little bit of normalcy back, something that on a day-to-day basis this House does not always do.

I am certainly glad that we are all here tonight talking about this.

Somebody who was talking to me before I came over here asked, "Who in the world knows what you are doing?" We do know that there is a camera that shoots these images out. About the only people out there may be "old Joe 6-pack" or "James 6-pack," people coming off the night shift, sitting down and saying, "What in the world could those people be doing? What could they be talking about? Let me turn up the volume."

That is the same people who have written you and have written me, the people that write the letters to the editor in newspapers throughout this country in the little towns, the once-a-month newspapers as well as the big city dailies. I do not care how many sick op-ed pieces the New York Times writes saying, "Isn't this a great country? You can do anything you want with the flag." I like the letters from the Margaret Whites, the Mary Egans, and the Joe Schwanns, the people who are saying, "You know, what we ought to burn is the Supreme Court Justices' robes, because they don't know what is going on in this country. They don't understand the Constitution."

I do not want to go over there and burn their robes, but I hope they know how mad Americans are about this.

Mr. HASTERT. Mr. Speaker, I can tell the gentleman that people are listening. As a matter of fact, I just got a note that we had a few telephone calls. I said that we heard from the VFW in Illinois, in west Chicago. We got about 10 phone calls, so I know that somebody is listening out there. But the gentleman does bring in a great point.

Mr. RIDGE. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Pennsylvania.

Mr. RIDGE. Mr. Speaker, I thank the gentleman very much for yielding.

Mr. Speaker, I want to recognize the effort of all my colleagues who are participating in this special order. I also again want to thank, on behalf of all of us engaging in the special orders, the staff of the House who are with us throughout this entire evening. We very much appreciate their indulgence and their thoughtful support of our effort.

Do we in Congress or do State legislators have the power or do we have the legislative authority to prohibit the desecration of the flag? I have concluded that we do and we should.

My purpose tonight is not to discuss the origin of that legislative authority or the particulars of the prohibition but, rather to share a few personal thoughts as to why we as a country should prohibit its desecration. I think we all have our own stories, and I intend to relate a few. I hope that those who succeed me in the well will share with the rest of us some personal anecdotes involving the flag.

We all have in our own minds certain qualities or values or traditions that are embodied in that flag to lead us to the conclusion that we do have the legislative authority, and we already exercise it. We know the circumstances involved in the Supreme Court's decision, and I think we have highlighted the distinction of the dissent, and obviously the dissent is more appealing to us.

But the flag and the burning of the flag was not from my point of view an expression of dissent, but it was a prop used during a series of events or protests during the Republican Convention in 1984. I do not think that any right thinking person—and there will be honest men and women who will disagree with this—who would limit the right of dissent. If we think about it, we are not going to limit that man or anybody of his ilk in his right mind to continue to dissent, to continue to challenge policy, or to continue to challenge individuals, but we do think we have the right to limit, restrict, or prohibit the use of the flag as a prop in that expression of dissent directed toward that policy or toward an individual.

□ 0220

It is our uniform symbol. It reflects a history, a unity, a diversity that is unique and important to us as Americans, and I think everyone has spoken to that tonight as well.

However, Mr. Speaker, I do not think we should forget that it is probably the most visible, the most uniformly recognized international symbol that is respected and regarded as reflective of what this country is all about. Our friends and, perhaps more importantly, our enemies understand what the flag means to us and what it represents. I think our friends and our enemies may neither recognize, nor understand, what the White House might symbolize or mean, or what the Washington Monument might mean, or the Lincoln Memorial, or the words of the Gettysburg Address, or the Constitution or all those other things that are part of our history, part of our destiny, part of our tradition. There may be some confusion out there in the rest of the world as to how they all relate to us, but I do not think there is any confusion about the flag.

Mr. Speaker, everybody knows that the flag is very special, and it means something to all of us, and I guess it is, when one thinks about it, it really means something to our enemies, and I think we lose sight of that. Everything that we stand for, our values, this very process, this ability to come to the floor of this deliberative body to express these very words, the access that we give the body politic to agree or disagree with us, everything that the flag stands for, many of those who do not share our system of government find it anathema and inimical to their system. They know what it means.

Mr. Speaker, they know what it means, and, although I am a veteran, I have to say to my colleagues that my first thoughts, and I listened to the eloquent words of our colleague and friend, the gentleman from Guam [Mr. BLAZ], my first thoughts when I heard of this decision was of the Iwo Jima Memorial, and I noted that in the dissent that some of the facts surrounding that incredible day were recited, and the gentleman from Guam [Mr. BLAZ] knows it better than I, there was incredible hand-to-hand combat between the Americans and the Japanese in ascending that mountain. Almost 6,000 Americans lost their lives during that ascent.

Mr. Speaker, we go from that incident, which is memorialized in hundreds and thousands of incidents throughout all the conflicts in wars in which America has been engaged since the War of Independence, and there are literally hundreds and thousands of personal stories that are not reported, are not memorialized, of soliders going back onto the battlefield to retrieve fallen comrades who were wounded, dying or already dead.

The more recent conflicts were again unrecognized except by the families, perhaps the survivors of those who died in conflicts in the air, those who went down with the ships at sea, and that is woven into that flag, into those

stars, and into those stripes, and into those memories, and into that tradition and into those values that the flag reflects.

Mr. Speaker, I do not think one needs to be a veteran to understand the freedoms that we enjoy, but, as the gentleman from Guam [Mr. BLAZ] alluded to, I think that, if one is a veteran, they may appreciate them just a little bit more.

We are not a militaristic country. We are a proud country. We are a proud country, and we derive our strength, and we have protected ourselves and our friends over the years, from basically volunteer armies. We maintain a standing army, varying in sizes throughout the history of this country, but, when push comes to shove and we get involved in a conflict, there are the professional soldiers that we have to rely upon for leadership and direction.

Mr. Speaker, this is embodied in the service of our colleagues, many of whom serve in this body, but we end up getting volunteers from big cities, and small towns and off from farms to come in and serve. I saw that experience myself during the 2 years I served in the Army. I am thinking of three specific individuals I met during that period of time. I can remember one in particular, a young man, not a terribly athletic fellow, very affable, light-hearted, from a New England community, and he was one of those fellows that, whenever everyone was marching, he would be the only one that was out of step. He was not consciously trying to play games with the sergeant. He just had a tough time marching in step, and whenever we had an inspection of the barracks, his hospital corners were not quite right, and he might get a demerit or two. He never could quite put it together. And I think he admitted more publicly than most that he was fearful of combat, he did not want to go, but he was called, he was an American, and he was going to serve.

Mr. Speaker, there was another fellow that served with me in Vietnam from another part of the country. He was from out West, tall, strapping, good looking, athletic. To him service was both duty and responsibility. There was a bit of the war in him, a bit of the adventurer in him. Whatever motivated him, he was a good soldier, and serve he did.

And there was another young man I ran through a noncommissioned officer school when I was doing some on-the-job training after I completed the school before I went to Vietnam who was our top cadet in that particular training class. He was from a southern family with a proud military tradition. This man was the soldier's soldier, expert in every possible weapon, never a hair out of place, perfectly starched uniform, spit-shined boots, but he just was not all appearance. In his heart and soul he was a soldier. He was where he wanted to be, and he was prepared to serve, willing to serve, accepted it as a responsibility of citizenship, and away he went.

Those three different men, different physiques physically which meant they have different abilities physically, different ethnic backgrounds, from different parts of the country, looking at military service from slightly different eyes; I think this reflects the diversity of the men and women we call and have called upon to represent us in every conflict, in every war, every time we have been challenged by those who find our system of government a challenge to them by those who have sought to inhibit or control our friends, to dominate our friends, those who share values, and share heritage and share those freedoms, and these three men, like the million-plus that have served and died since the Revolutionary War, their lives are somewhere in that tapestry along with the million other lives that have been lost defending this country and protecting friends who share values. They are in that tapestry somewhere. I cannot point to where they are.

However, Mr. Speaker, something about that flag says something about these people, and their sacrifices and their heritage as well as the million men and women who have served and died with them, and it says something in that flag about those who come back from battle bearing permanent psychological scars or physical scars, without a limb or two, or mutilated limbs, hearing impaired, sight impaired. That is in there somewhere. One cannot point it out, but to them and to those of us who truly believe that the flag is much more than a symbol there is comfort to know that that sacrifice is reflected in that flag.

□ 0230

One other story I would share, because I think we emphasize the role of our veterans in our country in the preservation of its freedoms, and we can never ever forget that and we do not during the course of the year. On Memorial Day we think about them, July 4 we think about them, Flag Day we think about them, Veterans' Day we think about them, and every day you look at the flag you should think about the veterans; but it is also woven in that fabric, we have to think about the living as well and about the freedoms and opportunities that the living enjoy in this country because of the veterans and because of the values that flag embodies.

A couple years ago I went to visit a Vietnamese refugee camp in Hong Kong. About an hour outside the harbor on another small island, there are many of them outside of Hong Kong, they had a couple refugee camps where Vietnamese boat people had finally found a place to dock most of them their rickety old boats which they managed to sail with incredible skill and very limited equipment from the South China Sea to Hong Kong. We ran into an old fisherman who had come in the day before. He was not unlike the fishermen that many of us had seen that had worked along the South China Sea during our tour in Vietnam. His face was parched by the salt and the sun. He had hopeful, but rather uncertain eyes. What teeth he had remaining were heavily stained. His hands were kind of knarled, probably a little bit arthritic. He had brought most of his family with him and many, many friends.

He had taken everything he had, which most Americans probably would not find had enough value to donate or to pass on to somebody else, but he had taken everything he had, all his worldly possessions, the most important of which were his family, into a rickety old boat and gone out into the South China Sea. I am not talking about sophisticated navigational equipment, he flew by the stars and the seat of his pants and a hope and a prayer and he managed to get to this island. They gave him a couple options. They said, "We can refurbish you. We can give you some food. We can give you some water, or you can stay here, but if you stay here the chances of you getting anywhere beyond this island are very, very remote, very limited, minuscule." I would say his chances are not real good. He may end up spending the rest of his life on that island, unless we do something here, and I think we should, but he may very well end up on that island because he wanted to get away from Vietnam.

So I asked an interpreter to go over to him and inquire, "Why did you leave everything that you had, take with you most of your family, get in that rickety old boat and make that trip?"

He reached into his pocket and he pulled out an old discolored piece of plastic. He removed from it a tattered letter that he had received years ago from a son who had made his way somehow from Vietnam to the United States. His son had written him and said basically, "Father, you will never understand the freedoms that Americans enjoy or the opportunities that people have. You will never quite be able to understand it, but let me tell you, it is worth risking your life and the lives of others who look for that freedom and the opportunity to try to get here."

We as American citizens, many of our forefathers were refugees, so that is woven into the fabric of that flag as well. You do not have to be a refugee

and you do not have to be a veteran to appreciate what the flag stands for.

I think as legislators we are powerless to consecrate the flag. We cannot do that. America has been doing it for 200 years and Americans do it every day.

Today we had in the Post Office and Civil Service Committee several witnesses from the Federal Government, and they are in that flag someplace as well. We have a doctor from the National Institutes of Health who has given up a very lucrative career in the private sector to spend a lifetime doing research for the National Institutes of Health, looking right now for a remedy and antidote to the scourge of AIDS.

There was a woman who was a Foreign Service officer, who has traveled all around the world. Her children have gone to 20 or 30 different schools in their 12 years, but she did it to serve her country, to serve you and me, and she did it proudly and I am sure in service of the values that the flag represents.

There was an air traffic controller who has been guiding planes through difficult hazardous weather, or even on a clear day when you are around O'Hare Airport and you have 3,000 of them coming in, even on a clear day it is a very difficult job, let alone a bad day.

There was a customs pilot, a man who goes about his job every day on behalf of the Federal Government, who had seen and had two or three of his friends killed during his lifetime of service to the rest of America during a lifetime of service, and most recently trying to interdict and diminish somewhat the scourge of drugs.

You go beyond those who are in public service, and they are in that flag, somewhere, too. You think about all the health care professionals we have.

Think about the nurses tonight in emergency rooms and doctors there, those on the third shift tending to those with wounds and broken limbs and horrible and painful diseases, you think about the medical professionals.

You think about the men and women who go to work every day trying to be as productive as they possibly can, maybe working a second job so their sons and daughters have a chance to go to college or go to graduate school. Maybe it is not something they had, an opportunity they had. They go to work every day and sometimes twice a day to create that opportunity for those sons and daughters. They are in that flag someplace.

And think about people leaving their churches or their synagogues. You cannot see them, but as you and I and many of our colleagues have said, that flag embodies the spirit and the soul of the country, and there is nothing more that reflects the spirit and the soul as the diversity and the opportunity of worship, and that is in that flag someplace.

When you think of the flag, sometimes you think of the Olympians and how proud it is for that one American to walk in every 4 years to represent this country in competition, athletic competition with the rest of the world.

But somehow it is equally as important to think of those kids who participate every year in the Special Olympics, because we as a country hope that we have designed a society that has enough empathy and enough opportunity so that every man and woman, every child, will have the opportunity to reach their full potential, whatever that potential might be. It might have some limits, but whether you are going to represent us in the Olympics every 4 years in international competition, or it is the neighborhood Special Olympics, we hope those children or those adults reach the fullest athletic potential that they have. They consecrate the flag every day as well.

So I congratulate the gentleman and thank him for letting me share part of this hour on this special order.

□ 0240

As I said before, it is not for us to consecrate the flag. As politicians, elected officials, we cannot do it. We are part of that a little bit. We are up there somewhere, too, because we are the most accessible form of government known to man, we continue to be. We are the model to the rest of the world. We are the beacon; but even the Statue of Liberty, as prominent as it is in our minds, I am sure if you ask people around the rest of the world, the flag will probably have greater recognition and probably greater symbolism to them than even the Statue of Liberty. Americans consecrate that flag every day. They consecrate it through their efforts. It involves and embodies our hopes, our aspirations, our successes, our failures, our strengths, our weaknesses, our unity, our diversity. It is all there. It is all there. That is why it is so important to Americans. That is why it is so important for us since we do not have the power to consecrate it, to exercise our legislative authority and make sure that it is not desecrated.

I thank the gentleman.

Mr. HASTERT. Mr. Speaker, I thank the gentleman from Pennsylvania for certainly a very apt and moving tribute.

When we talk about it, and certainly the flag is special to those people who served in uniform and certainly carried that flag into battle, but when we look at the youth of this country, the youth that looks for direction, looks for a symbol, searching for what they are about, what their country is about, what their direction is, we do them a disservice if we do not hold that flag up as something special, and if we allow people to desecrate that flag and what the flag stands for in the history of this country.

The gentleman really has touched on some great points, and I appreciate his participation this evening.

When the gentleman from Missouri was talking about what is a flag, it is more than a piece of cloth. And it reminded me, as one stands here in the well and we go through the great stories and remembrances people have, I remember going through a small family-owned business in my district that makes flags, a good enterprise, freedom, that started with a ma-and-pa operation, but to go into that and to see huge rolls of red cloth and white cloth and blue cloth come in, and little ladies sitting there cutting that cloth into strips or into fields and all of a sudden there is magic that happens in that factory, a pride that those people have, because when those strips get sewn together and when that field of blue and those stars get woven into that flag, it is something special, and it is treated special. It is not cloth anymore. It is a symbol of this country, and I had to take my hat off to those people in St. Charles, IL, who were making those flags day in and day out, hundreds of them a day, some of them were huge, I mean, bigger flags than I ever saw, and they must fly them in Texas or someplace, but bigger than I ever saw, 150 feet by 100 feet, huge flags. When that cloth came together and when that star field became part of that, that was something special. Those people treated that, and it was not a big huge hunk of cloth anymore. It was a symbol of this country. Those people treated it special, and they consecrated that flag as part of this Nation.

Mr. BUECHNER. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I am happy to yield to the gentleman from Missouri.

Mr. BUECHNER. Mr. Speaker, I just think that maybe the last note before we conclude is that if one of those great big flags was burned, it would probably be enough to pollute the air, and this Government would allow, and that Supreme Court would permit, the arresting of those people.

It is a little strange that we would care more about the air than we do about our heritage.

Mr. HASTERT. That is why we are here. We are here, and maybe one of the problems with the Supreme Court is they do not go home every weekend. Maybe they live inside this Beltway, and how we construe the laws and words and feelings and editorials, that all of a sudden we think make this place work, but when one goes home and deals with people and that great network that the gentleman talked

about and how people are woven into that tapestry and see what they believe in and what they work for and what their aspirations are and what they hope for their children and the things they hold reverent, that flag is there. I think maybe those Supreme Court Justices probably in their own minds and academia and studying the law for years and years, probably they thought they made a good decision, but they did not go home. They lost touch with what the people really stood for.

I think that is something that we need to keep in mind here, and really that is our purpose here. It is our purpose, and we are elected to stand up and uphold that Constitution, but our purpose is to reflect what people in this country believe in, to reflect what this country stands for, and certainly to make that constitutional change is timely and important, not just for the actions that happened in 1984 or at the Art Institute in Chicago, IL, when the flag was desecrated on the floor, but for the future for those people who are our children today and will be our adults and leaders, and certainly those generations that are yet unborn to the country.

I want to, first of all, before we yield our time here, thank the gentleman from California, and certainly this great staff and the Speaker who has been standing here and tolerating this and giving us this time. We appreciate your efforts.

Mr. BUECHNER. Will the gentleman yield?

Mr. HASTERT. I am happy to yield to the gentleman from Missouri.

Mr. BUECHNER. To quote George M. Cohan, "It's a grand Old Flag," gentleman.

ORDER OF BUSINESS

Mr. RIDGE. Mr. Speaker, I ask unanimous consent that my special order be taken out of order, and that I be allowed to proceed at this time.

The SPEAKER pro tempore (Mr. COSTELLO). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE TAPESTRY OF AMERICA WHICH WE CALL OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RIDGE] is recognized for 60 minutes.

Mr. RIDGE. Mr. Speaker, I think that with few exceptions each and every one of my colleagues will probably spend part of their Fourth of July participating or observing in at least one parade, and if not that, many, many more, and if it is like the parades we have attended in the past or certainly will attend in the future, merely observing those at the parade or along the parade route will give one certainly some indication and some barometer of what the men and women we represent feel or how they feel about the flag.

If Members have ever watched it, watched the flag going down a parade route, there will be some people who will stand, there will be some people who salute, there will be some people who put their hand over their heart, and many will do some combination. The point being that in that tapestry of America which we call our flag, different people look at it and within those stars and within those stripes, they see different things. It may have been an opportunity afforded an individual member of that family because they were here in America; it may be the memory of a loved one, a relative, who served in conflict or who just served in peacetime service. It may be a political event of some significance, but the point being that that flag, that piece of fabric, that some of the judges alluded to was just a symbol, means different things to different people, and the beauty of the flag is that it catches all of us in our own experiences within its tapestry, and when we look at it, although it is an expression of our unity, it is also an expression of our diversity, our oneness and our pluralism. It evokes, it elicits, all kinds of feelings from us.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman.

Let me just say that it is 3 o'clock in the morning, but some of the words I have heard have been absolutely profound including the gentleman's, and as he was reciting in his colloquy with the gentleman from Illinois, the reason why the Vietnamese went through all types of hardships and persevered to try to get to this country that we still do not understand completely, and how he was motivated, it occurred to me that this flag had a different meaning for a lot of people.

Somehow one can be an American and can be brand new in this country and be perhaps as good an American or a better American than people who have been here for hundreds of years.

□ 0250

I reflected on what Ronald Reagan said in one of the last speeches I heard him make as President of the United States. He said you can go to France, but you cannot become a Frenchman. You can go to Japan, but you cannot become a Japanese. You can go to Italy, but you cannot become an Italian. But you can go to America and you can become an American. Maybe that is why the flag is so important to us, because we are not people who are bound or trademarked by our ancestry, by the fact that we have been attached to the land for thousands of years, because none of us have, except native Americans.

There is a certain inner property that is given to Americans upon simply entering this country and being involved in defending our freedoms and exercising our best abilities in this free marketplace, and it is almost something that is undefinable.

But as the gentleman was talking about that, I was reflecting that I just read a news article the other day that said that of the seven valedictorians in the high schools in the Boston area, 13 of them were foreign born, and it mentioned that most of them had come to this country only a few years ago. Some of them did not even speak the language a few years ago, and one of them was deaf. When the school administrators were asked how these kids could achieve so much when they apparently started with such a disadvantage, their only answer was that somehow they had a motivation that had been given to them by their parents, and that was extraordinary, and much more than that, that was given to the children of the general communities, these new Americans, these new immigrants and the children of the immigrants.

There is indeed a specialness about being in this country that seems to be more achieved by people who have just arrived, because they see the contrast between that which they see now in this flag and all of the freedoms and opportunities embodied in this flag, and that which they left behind, whether it is Vietnam or North Korea or some other place where a totalitarian system is in charge.

So we do not have pedigrees in this country, and we do not have thousand-year attachments with our farms and our land as such, as they have in other places. Maybe that is why the flag is so important, because it is the last thing that we see in many cases covering the bodies of our loved ones. It is something that people from a dozen different lands follow into battle, and many of our battles have been fought by immigrants, by people who are brand new. If we look at every war from the Revolutionary War onward, and look at World War I, it was fought by all of the people that came in and were part of the Teddy Roosevelt melting pot, who ended up bearing arms in Europe to protect the rights and achieve freedom for our brethren in Europe, and for the other Western democracies, people who had been brought together by this unique, compelling magnet called America.

So the flag is a piece of uniquely American property. It is not just a symbol, and for some people it is all they have.

My father was here when the Iwo Jima Memorial was put up, and he was a marine. Once a marine always a marine, as many Members here who were marines will tell us, including General BLAZ.

Mr. RIDGE. And General BLAZ will not only remind you, but he will remind you again and again and again.

Mr. HUNTER. The gentleman is correct. And one of my father's proudest possessions was that he had Ira Hayes' autograph. Ira Hayes was a Pima Indian who helped raise the flag at Mount Suribachi, and he was here when they dedicated the Iwo Jima Memorial and that flag, and that is one reason why I was a Vietnam veteran, and perhaps the gentleman from Pennsylvania, he and I have talked about this and worked to some degree, wanted to see an uplifting symbol at the Vietnam Memorial for Vietnam veterans. I think the gentleman in the well was very much an advocate of putting that flag up. Somehow he wanted to have something other than two dark walls with a lot of names on them, walls that incidentally seem to be lower than ground level, somewhat dismal I thought. But the one thing we thought that would be uplifting would be to have an American flag. And one thing that really bothered me was when he tried to get that flag right in the middle of that memorial, because I wanted it to be right there in the center of the memorial where it would be flying almost over the name, one member of the Fine Arts Commission in rejecting that said that the American flag is a long, stringy obstacle that is incompatible with the shape and the symmetry of this memorial, and so they approved it a little bit outside. But still that flag flies very close to that Vietnam Veterans' Memorial. I like to think that that is one uplifting aspect of that memorial that makes it worthwhile.

Mr. RIDGE. I certainly appreciate the gentleman's comments, and also his energy and enthusiasm today in arranging this series of special orders this evening in support of our minority leader, BOB MICHEL, and the President, in elevating this issue, and it will become a debate on a level that I think it certainly deserves. With many pressing problems, it seems that in this body we are finally going to get around to addressing some of them. But clearly on that agenda, at the top of the list, of which there can at least be none more significant or of greater importance than this one, I thank the gentleman for his interest, and particularly his leadership in arranging this evening.

Mr. HUNTER. Let me just say frankly that it has been very worthwhile just to be here for this Member, just to listen to gentlemen like my friend, the gentleman from Pennsylvania [Mr. RIDGE] and others who made some very profound statements. I was very, very impressed with many of the Members tonight. I think this has been an important meeting.

Mr. RIDGE. It has been easy to stay.

I yield to my friend and colleague, the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I thank my good friend from Pennsylvania, a fellow member of the Committee on Banking, Finance and Urban Affairs, and of the Subcommittee on Housing.

Mr. RIDGE. We are not going to talk about supervisory goodwill tonight.

Mr. DREIER of California. Within a very few hours we are going to begin a markup on a bill and have hearings in the Housing Subcommittee. I am also pleased to see my other colleagues from the Committe on Banking, Finance and Urban Affairs, a new Member, the gentleman from New York [Mr. PAXON].

I was just informed probably 2 hours ago by our very able, crack staff member, Mr. Ron Phillips, who is here, of something that I just personally witnessed. As I was walking through here, I heard my friend from Pennsylvania talking about the important symbolism of July 4 and the fact that Members will be participating in so many events on that Independence Day. He talked about the important signification that the American flag would have next to the Vietnam Memorial.

I found that our mere presence here, Mr. Speaker, being led by the gentleman from California [Mr. HUNTER], and others, is creating another important signal which I doubt any of my colleagues are aware of. I just this moment went outside and witnessed this. In fact, we have a very cool evening outside here in the District of Columbia, and I recommend that when we have a little break my colleagues go out and see this same thing.

Mr. Speaker, do my colleagues know that when a House of the Congress is in session that the stars and stripes stay flying above that House? If one were to walk out on the East Front of the Capitol, as I just did 5 minutes ago, they could look over to the other body, which we are now permitted by a change in the rules here to call the Senate, we can look at the Senate Chamber and the staff is there without the flag hanging above it. Yet when one looks back above this Chamber, by being here in session, talking about the American flag, we are creating that symbol which at this moment is flying well lit above this Chamber. I think that we have got just one other little demonstration here of what it is that we are doing and how it is represented very well.

Again I appreciate the eloquence of my friend from Pennsylvania and appreciate being able to participate during his hour and to carry out what I think is an important message to my colleagues.

Again, Mr. Speaker, I thank the gentleman for yielding.

Mr. PAXON. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I am very pleased to yield to my friend and neighbor, the gentleman from New York [Mr. PAXON].

Mr. PAXON. Mr. Speaker, it is, as my friend from California has just said, a great privilege to join in the gentleman from Pennsylvania's hour here on the floor.

□ 0300

It is certainly a pleasure to serve with you in this House. We are just a couple of miles from each other, Erie County, PA, and Erie County, NY.

There are few people that I have greater respect for in this Chamber. So it is great to be here.

You know, we were sitting in back waiting to come down, and someone said, "Gee, you know, is it really worth this staying up all night? So many Members coming down here?" You have to wonder sometimes if the message is getting through, but I believe it is, I think it is. For those who are back in their districts this weekend the message came through loud and clear. I think you would have to agree. The people in our communities understand better than all the legal scholars in Washington, all those learned men and women on the Supreme Court, I think the people in our districts understand what this issue is all about, why we are here tonight.

And it is important, I think you would agree, that we are here tonight because unfortunately there are some in this Chamber, as I heard my friend and colleague, Mr. HASTERT from Illinois say earlier, that do not get outside the beltway very often, do not get outside their districts, and they are not listening. For those who are listening, I hope the public will understand why we are here. We need them to send a message back here, a message loud and clear. I do not think this should be a close vote. I do not think the vote on a constitutional amendment, as it comes down the road and, hopefully, soon, should be a vote that is decided by a couple of Members. It should be an overwhelming vote. As a matter of fact, I am hoping every Member in this House will support our initiatives to move this constitutional amendment forward. But that is why we are here tonight, to encourage every single citizen in this country to take pen to paper, to pick up the phone, to stop down at the offices of their Representatives and to say to

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

them, "We want to know how you stand. We want you to go back and make this a top priority because that flag is central to this country."

My friends, I am just amazed at this Chamber. The first time I walked in here, it seems like a couple of days ago, for the first time, and I looked around, it is not an overwhelming Chamber in terms of grand beauty. It does not just overwhelm you. It sort of creeps up on you, the majesty of this room.

But the one thing that stands out in an otherwise very subdued room, no matter where you stand in the Chambers of the Congress of the United States, is that flag. No matter where you stand, it is the colors that stand out so vividly in this room. More people, I have brought so many people, my parents, my friends and relatives down here since taking office. And no matter where you stand the one thing that just jumps right out of the center of this Chamber is the flag of the United States.

There in only one thing above that flag, "In God We Trust," is the only thing more important in this room, that flag. And I just hope that all our constituents back home will take the time over the next few days—I know their Representatives are going to be home. If they do not get home often, they are going to be home on the Fourth of July marching in those parades behind all those flags. Tell that Congressman and Congresswoman how you feel. I think, my friends, we will get a strong, clear message and our colleagues in this Chamber will get a strong, clear message that as central as this flag is in this Chamber, it is to our constitutents, it should be to our fellow Members even if the Supreme Court does not think so. We will then get that amendment passed.

Mr. RIDGE. I appreciate the gentleman's comments, particularly the suggestion that in a participatory democracy not only do you have the opportunity to express your views, I think it is also the responsibility of citizenship that if you feel strongly about a particular issue, and hopefully there are strong feelings out there about this particular issue, that they are communicated in one form or another. It is that first amendment, that freedom of speech, we want it there for you to avail yourselves of it. But there are times when it not only presents an opportunity but also perhaps a responsibility.

I yield to my neighbor.

Mr. PAXON. Earlier our colleague, Mr. DREIER, mentioned that he did not have the privilege of serving in the military service. I did not either.

In 1972 I was a high school student. It was the end of the draft in this country. Like most students, the draft was over and our lives went on. Unfortunately or fortunately, however you look at it, for you, Mr. HUNTER, and many others, you took up the cause for this country. I hope that in some small way, some very small way tonight, those of us who did not have the chance to serve will listen to you, will listen to what many had to go through to fight for this country, as my parents did. My father served overseas in World War II. My mother served in the service during World War II. I hope we listen to what you have to say, to the type of feelings that you have felt about this flag and all it has stood for over the years to you as veterans; but that we can now in some small way return something, in some small measure, by standing up for that flag with you in this very noble effort.

I cannot help but remember the many times back in my community in western New York and across this country during those years of Vietnam when the flag was held in very low respect by a very, very few people in this country who abused, misused this flag. Thank God that is not occurring very widely today.

But I was so disheartened to see the day after the Supreme Court ruling a return to what we saw during those years when I was growing up watching television in Buffalo, the flag burnings, the desecration of the flag by a few during the war, the Vietnam war, and now it is happening again following the Supreme Court decision. Hopefully, we will see a good result in spite of the poor decision of the Supreme Court, my friend. And that result will be, when this is all over, a greater respect for this flag because this process either here in these Chambers today or across the country will cause people to stop and reflect on the value of that flag, the symbolism of that flag, on the values of this Nation that the gentlemen fought for, that many in this room have fought for over the years in many different wars and conflicts and that will, as a result of this awful Supreme Court decision, we will all have a better appreciation of the flag and what it means to this country.

Mr. RIDGE. I thank the gentleman for his contribution.

The gentleman reminds me that during that particular period of our history, in addition to burning the flag which was, unfortunately, a frequent expression of protest, and as I think my colleague from California pointed out, there are ways and devices that you can protest that can be as meaningful and potentially as productive but it does not include spitting upon, burning or ripping the flag asunder, that very flag which gives you that opportunity and protects your freedom to dissent.

But there was another symbol that disturbed me during that particular period of time and perhaps even more so thereafter, particularly when we listened to the debate from time to time on the floor here, that it was the peace symbol. I do not know of a man or woman in this Chamber or in America who would not wish and hope and pray for peace for all mankind. But the uniqueness of this country and the sacrifice of the veterans who have fought to preserve the peace is that there is an element that politicians often miss, and that is peace without freedom is not part of our heritage and not part of our values, not part of our tradition. It is something that we cannot accept for ourselves and for others who try to promote internal democratic reform.

So it is not just peace that we are about and as represented by that flag, but certainly that flag represents peace with freedoms, freedoms and opportunities.

I have to say that during a trip that I made a couple of years ago to Vietnam, the influence of America was still very profound and observable. When you traveled, and admittedly there were some other Western influences in the southern part of Vietnam as well, but when you traveled in North Vietnam there was still a sense that I got from my brief travels there and that there was a melancholy, there was a despair, there was not much hope. It was an economic and social and educational and political condition that had been endured for decades, if not centuries, and people were basically inclined to continue to endure it.

But in Saigon, there was still some life, still some hope, there was still, albeit private discussion, there was still the discussion among those in some of the shops, some of the people were able to meet with, among those Vietnamese with whom Americans had come into contact, there was still that hope that maybe there would be a better day for Vietnamese in Vietnam. And in the alternative maybe, somehow, some day they could get to this country to enjoy not only the peace they enjoy now—they are at peace by and large now if you exclude the excursion into Cambodia and some of the others—but a people by and large had peace, but peace certainly without freedom and without any prospects for freedom in the future.

□ 0310

When Members talk about the Chamber, it brings to mind my first, my most vivid recollection of the Chamber in 1981, actually before I was sworn in, when our Leader hosted a dinner in the Hall of Statues, and Members could look down the long corridor, and it truly is a majestic Chamber and an incredible sight. Members look down the corridor and look across the Speaker's chair and right behind the Speaker's chair is the

American Flag. My first recollection, my first memory as a potential Member of the House of Representatives is not so much the Chamber, but the Flag above the Speaker's chair. I will never forget that.

When Members think of this House, there are some traditions that I also think reflects the respect and the sensitivity that all Americans have to the Flag. It is traditional when the President walks down the aisle to give his State of the Union address, for Members of the Senate and Members of the House and members of the Supreme Court and everybody else, and everybody practically in this Chamber, to stand up; but for their own reasons, and based on their own reasons, and based on their own tradition or whatever it is, members of the media choose not to. That is regardless of whether the President is Republican or Democrat. It makes no difference. They remain seated during the entrance of the President of the United States.

It is heartening to note, and I think important to note that those same men and women who occupy that space above the Chamber when we recite the Pledge of Allegiance in the morning, stand up with the rest of the body and join the Members. So clearly, the Flag is more important than any single legislature, than any single President. It embraces and embodies all Members, and I think that is recognized by the fact that above Members in this Chamber, at least it seems to me on those occasions when I have been privileged to be on the floor when we have had that recitation in the morning, everybody, regardless of who they are or what their profession or what their interests or what they may do under other circumstances, stand up and represent and recite the Pledge of Allegiance.

I notice my friend from Guam was making some notes, and he has been intently and not endured, because I know he would not want me to use that to describe what he has done, but having sat here for a couple of hours with other Members, and very much a part of the group, and having made some notes, I wonder if he had any additional observations he cared to share with the Members that may have been elicited by comments of colleagues?

Mr. BLAZ. Mr. Speaker, I thank the gentleman for additional time here. I have observations about this subject. We just do not have enough time to accommodate me.

Mr. RIDGE. I might interrupt my colleague after listening to the eloquent and emotional remarks earlier this evening, I mentioned to the gentleman from California [Mr. HUNTER] that in your observation about the burden of having cared with regard to whether or not you gave the wrong order or a bad order in the heat of combat, he and I were absolutely convinced that none of your soldiers and the men whom the gentleman commanded ever thought that the gentleman did anything wrong, certainly not in the heat of battle, and we are pleased to be here on the floor tonight and give an opportunity as fellow veterans to share that with the gentleman.

I yield to the gentleman from Guam.

Mr. BLAZ. Mr. Speaker, as the gentleman was talking and others were talking about your own experiences, it occurred to me that the gentleman from New York [Mr. SOLOMON] who traditionally wears his flag when he goes out, every day, and even when we go overseas, so I checked up on that. The problem that I had was I stopped doing it when we went overseas because it got very expensive. I went down to the supply store in the House. They are a dollar, $2 each, and the minute a person goes about in a foreign country, people start pointing at it. Naturally being in love with my flag, I want to share it, share that love with other people, and my wife reminded me that this was getting to be a very expensive proposition. However, it was one of those things that a person could not possibly, the sentiment could not possibly convey to others who do not experience it. A person just cannot convey that feeling that a person goes through, and others were mentioning that we hoped that people back home may see what we are doing.

The truth of the matter is, it really should not make any difference if they see this. There is a purpose for me, a purpose for you, a purpose for all us being here, and just being here ought to be good enough, just to be here in this effort to try to call attention to this. In my case, I guess I feel that way because it is already tomorrow. I should mention that when I go home at 7 o'clock in the evening, my Fax at home is percolating because it is already tomorrow. I am reading tomorrow's paper today. We are 1,600 miles closer to Moscow than we are to my own capital.

We raise the flag before anyone else does. When America was feeling bad because of December 7 being Pearl Harbor Day, we were feeling bad because it was on the Feast of the Immaculate Conception of December 8 in Guam, so our own recollection of Pearl Harbor is different from everybody else's.

When I talk about the flag, we are a step ahead simply because there is no other community in America, no other community in America that has been subjected to the kind of tribulations that we have defending the flag. My community where we are, way out in the Pacific Ocean, has been occupied by Spain, has been occupied by the Japanese, has been occupied, of course, now by America, and we speak all the languages. That is why I have such a very unusual name. I look like Norman Edwards' brother, but I speak like the gentleman from Texas [Mr. BUSTAMANTE], but I am from Guam. I am in the Hispanic Rights Caucus, Human Rights Caucus. I am so thrilled because no one challenges my being an American, despite looking the way I do. So I have strong sentiments about this subject. They are corny to a lot of people, but it is good corn. It is good corn because I know that I feel sorry for those who have never felt how I have felt for this country. I feel sorry for those who have never loved as I love this country, and that flag that is a symbol of our country.

So asking me to say a few words is unfair, because a few is a few thousand words on the subject. I go back to my earlier statement about what we did during the war. It never occurred to anyone making a little American flag in a concentration camp and being caught, that it was not worth doing it because the penalty was death. It was worth doing it because it kept you alive knowing that that is the flag. It kept you alive.

So to those who say it does not have any meaning, I can pity them if it does not have meaning to them. The gentleman mentioned earlier about my being in the Marines, or words to that effect, kind of hinting like a needle.

Dick Cheney said the other day in a meeting, he said he discovered in the first few days that he was in the Department of Defense, that no one ever leaves the Marine Corps. The reason I am bringing that up is because maybe those Members who are in the Marines are just a little bit gung-ho for the flag, at least demonstrably so. Why do we do that? I think it has to do with the way that we were trained and the way that the flag at Iwo Jima has imbued so much in Members, an enormous amount of sense of purpose, sense of urgency, sense of loyalty.

□ 0320

Mr. Speaker, I was in Iwo Jima. I, despite what I look like today, I was too young to be in Iwo Jima, but the men who went to Iwo Jima were launched from my territory after we were captured, and we were launched from there. So, as soon as I became an officer, I saw an opportunity to go to Iwo Jima, and I went up to Mount Suribachi, it is many years later, but I could still almost smell the stench of gun powder, and I walked the sands of Iwo Jima.

However, Mr. Speaker, what impressed me the most at Mount Suribachi was that flag. It was still flying even then years later when we reverted to Japan. The Japanese and the Americans got together, and they made a metal replica of our flag, and

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Admiral Nimitz's words are still there to this day, and the words are, among those Americans who fought on Iwo Jima, that uncommon valor was a common virtue, uncommon valor.

Mr. Speaker, what spurred these men to such uncommon valor? What spurred these men to make uncommon valor such a common virtue? It was the flag that they were carrying with them. It was the flag of their country.

So, as I mentioned earlier, it is possible that some do not share the sentiments that the gentleman from Pennsylvania [Mr. RITTER] and I share. He has been very modest tonight. I know his record. I know that he has been where a lot of people have never been. So, I noticed that, as he spoke tonight, I was listening, and indeed very attentively, but he has not mentioned too much about his combat record, and perhaps it is not necessary.

Mr. Speaker, I want to correct some impression, some misimpression, that was made by me. One does not need to be a soldier to be an American. One does not need to be a soldier to appreciate what we have. I was only saying that I do not expect others, however, being a soldier all my life, to have the same enthusiasm because I see the flag from a different perspective than most people have seen it.

A Senator from New Mexico, whom my colleagues may know, Harrison Smith, was an astronaut. He attended the beloved school up there by that little place in Massachusetts, and he was telling me that, before he went to the Moon, he was a geology professor and was an expert in lunar geology. And he said before he went to the Moon that he knew so much about the Moon surface that, when he got to the Moon, he had no difficulty placing names and what not because he had seen so many photographs.

However, Mr. Speaker, on his way back from the Moon he said that he finally realized that he could never again teach what he taught at Harvard with any degree of confidence akin to what he had before because of having seen the Moon, and, having been up there, he came to the realization that he may be able to teach the technical aspects of what he saw, but he could not convey the dimension of having been there in words.

Mr. Speaker, that is the problem that many of our people may have. They cannot appreciate perhaps, and I am talking even of our friends in the Supreme Court; it is possible that they look at it strictly from the black and white letters that are before them. It was a painful decision, but they did not convey in their decision any indication that it would have the impact that it had across this great country of ours.

So, Mr. Speaker, I would hope that those who may indeed be listening to us may be stirred into some kind of action because, as was pointed out earlier, there are very few things that lure this aging warrior out of his lair in Longworth, very few things. I like it there. I listen to my staff, I work with my constituents, almost on a 24-hour basis, and since I still do not have the right ticket to come and vote here, I come here ever so infrequently. However, when I do, I try to make a point, and, boy, this point today is that I want to urge for the sake of our country, for the sake of our children and for the sake of us, those of us from non-States on the periphery of the Republic, that we are never embraced because we were never part of the Union, but we are still here.

Mr. Speaker, the irony of this whole thing that we are talking about tonight is that my territory processed a quarter of a million Vietnamese through the territory of Guam, welcomed them to America, and every one of them that came to America now at this point enjoys more privileges of this great Nation than those of us who greeted them to America in the first place.

In addition, Mr. Speaker, we love the country as much, if not more, if not more.

Someone mentioned earlier also the international symbol that this flag has. When I was going to Vietnam, my 6-year-old son named Tom, good name, Irish name, he gave me a flag that was made out of a piece of cloth, and it was done in school, and he had volunteered to make this flag, and, as I was leaving, boarding the train that was to take me to where I was going, he said, Tom, "Dad, I got a present for you." He said, "I want you to wear this flag so the enemy will know you're an American."

Mr. Speaker, that was 20 years ago, and I have been trying to figure out just what this young boy of mine really meant. The ambiguity could have not been calculated because he was not old enough to design something like that. But I think he was so sure that, if I were wearing an American flag, it would have such an impact on those who do not, they they will have second thoughts about doing anything.

Mr. Speaker, he was so sure that, when I came back he said, "Do you still have the flag?"

Not only do I still have the flag; the flag is in my office, one of my prize possessions.

Finally, and this is a personal story, but, by golly, this feeling that I have is so personal. One of the great joys that anyone has in life is to return to a scene of battle where he had fought. I have done that many times, but to show my colleagues the great American democracy that we have, when my concentration camp was liberated in 1944, I looked at the Marines. I said in my broken English, "What outfit, Mister?"

Two Marines said, "Ninth Marines."

Now that is the Marines meant regiment, Ninth Marines. It did not mean much to me. In the course of time, in the natural order of things a la democracy Amercian style I was able to be a marine. I was to be a colonel and, unbelievably when I reported overseas as a colonel, the general said to me, "You will proceed to the next camp. You are now the commander of the Ninth Marines."

Mr. Speaker, I say that for those people who do not have an American story to tell. I cannot imagine any other country that would permit its citizens, particularly from the way that I started in law, to enter into the Corps, to rise, and in the natural order of things command the very regiment that liberated him.

But guess what? That was not the most beautiful part of the story.

□ 0330

The most beautiful part of the story was when I was being relieved. The officers on their own had a little ceremony. I was watching it, 5,000 men in my regiment before me, and all of a sudden they were changing flags and then a general officer came to me, senior to me, and he said, "This flag of the regiment, flown in combat in Vietnam, is presented to you by the officers and the men of this regiment."

I looked at the general, knowing that he was the commander of the regiment when that flag was flown. I was his successor. I knew in my heart that he would have loved that flag, but he was giving it to me.

So you see, I am not a good witness. I am an outstanding witness for the United States. I am defense exhibit A for America. I have been to where no one has been. I have stood in line for citizenship. I have studied English. I may even be close to mastering English, but I have not changed my love, my love for the flag, and for my friends who may be listening to me and may not feel as I do, I feel sorry for you, because you do not know how to love. You do not know how to love.

I appreciate the gentleman from Pennsylvania giving me time. For those who do not know the gentleman from Pennsylvania, there stands an American soldier. I am proud of him.

I am even proud of you, DUNCAN.

Mr. HUNTER. Mr. Speaker, if the gentleman will yield, I am just another private in General BLAZ' army.

Mr. RIDGE. That is exactly right, and the Congressman from California and I will follow the general anywhere, absolutely.

I thank the gentleman again for sharing part of himself with us. I guess it is those kinds of experiences that the gentleman shared with us

and that are now shared with many other people in this country that are woven into the tapestry of that flag that elicits such warm inspiring response and thought from you about the flag.

It is special, and we as a country are fortunate to have a symbol, in a sense. You cannot get away from using the word, but it is so much more than that. Not only are we fortunate to have one, but I think we are entitled to have something that we revere, that we truly hold sacrosanct, that reflects all of us.

Like any other monument, like any other memorial, any other thing that we could point to in our long and proud tradition that truly represents all of us, as I said, there has probably been no more moving and personal tribute to the flag, to our country, to its freedoms and, most importantly, to its opportunities, than the witness of General BLAZ. He is a star witness. He is exhibit A and we are proud to be associated with such a good man, I say to the gentleman from Guam [Mr. BLAZ].

Mr. DREIER of California. Mr. Speaker, will the gentleman yield to me?

Mr. RIDGE. I am happy to yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I thank my friend for yielding to me.

I want to join in paying tribute to our distinguished colleague from Guam and, of course, once again to my good friend, the gentleman from Pennsylvania. I do not want to repeat the same speech which I have over and over again, but I continue to be in awe of all of you.

I stand here once again, Mr. Speaker, as the nonveteran here who still loves the flag and loves the United States of America.

Now, I know I went up in the eyes of our friend, the gentleman from Guam [Mr. BLAZ] when he heard that my father had been a drill instructor in the Marine Corps and forced me through those very, very trying Marine pushups where I had to clap my hands for 18 years; but I do want to say that as someone who did not fight for the country, I turned 18 as the Vietnam war was winding down, coming to an end, so I did not go into the military. I have to say once again as a nonveteran here, thank you to those of you who did make the sacrifice for me to stand here as a Member of Congress and to those all the way back to the Revolutionary War.

As I stand here looking at my friend, the gentleman from Pennsylvania, directly over his left shoulder I look at the portrait of the one person who is not an American who has his picture hanging in the U.S. Capitol, and that is General Lafayette, who made the initial sacrifice with financial resources for the struggle for freedom in this country.

As my friend knows, I had visited many of the same trouble spots around the world as he has. As he knows, I have had the opportunity to go to Vietnam, it was just 3 years ago, dealing with our POW-MIA crisis, which continues to be one that is very near and dear to the hearts of all of us in this Congress.

I just want to say once again, Mr. Speaker, as the guy who is the nonveteran here, thank you, that there are a great many of us who even if we did not sacrifice militarily for our country, we do believe very strongly in the Stars and Stripes which we proudly look at and now almost daily pledge when the Congress is in session.

I should also say again to my friend that I just walked over to my office and that great symbol which we by our mere presence here are keeping on top of the Capitol is still there because we are are in session. The Stars and Stripes are waving above the most powerful deliberative body ever known to man.

Mr. RIDGE. Mr. Speaker, I appreciate the gentleman's contribution, and I reiterate what I mentioned before. We are often referred to as a powerful deliberative body, and it remains to be seen, history will judge whether we have exercised that power in a prudent, just, and proper manner, but we are virtually powerless to consecrate the flag because America has been doing it for 200 years and Americans do it every day; but we do have, hopefully, the authority to make sure that you cannot desecrate it. That is obviously one of the reasons we are out here tonight.

We appreciate the contribution of the gentleman from California [Mr. DREIER].

The gentleman did bring up one other matter that I would like to refer to very briefly. The gentleman mentioned the POW-MIA issue. It has been mentioned a couple times this evening, particularly with reference to Vietnam. We know we still have 2,200 men missing from that war. We would be remiss in the course of discussing and memorializing the sacrifices of those who have gone before us, the 8,100 men who are still missing from Korea, and I am told there are over 50,000 still unaccounted for from World War II. Somewhere and somehow when their families, close relatives and distant relatives and friends and perhaps would-be friends take a look at that flag, they seen in that flag perhaps the faces of those men, if not the face perhaps it reminds them of their sacrifice and their pain, but it means something very, very special to them, something not to be spat upon, ripped apart or burned.

□ 0340

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I just wanted to tell the gentleman that as he was speaking and having the dialog with the very articulate gentleman from Guam [Mr. BLAZ], the phones in the cloakroom have been lighting up. We have some people who think that what the gentleman has been saying is very, very important, and some offers to wake up America and make sure that they hear it at 3:40 a.m. eastern daylight time of all the benefits of the gentleman's words, so I wanted to thank the gentleman for what he said, and apparently he is having a great impact on this country.

Mr. RIDGE. I appreciate the gentleman's comments.

Mr. PAXON. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I am happy to yield to the gentleman from New York [Mr. PAXON], my friend and neighbor.

Mr. PAXON. I just could not help as I was sitting over here as the gentleman was speaking. I want to commend the gentleman for his eloquence today, and certainly the gentleman is lending a tremendous honor to the flag he so well has served both in the military and in this Congress.

As I was sitting over here listening to the gentleman's words, I had a sense of deja vu. It was not too long ago that I served in the New York State Legislature, the New York State Assembly. In the 6 years that I served in that house, we carried on a fight much similar to this, and I had forgotten about it and was reminded about it, just hearing someone mention the pledge. I served in a State assembly where it was not allowed to start our sessions every day as we do here with the Pledge of Allegiance. The leadership of the New York State Assembly refused to allow the Pledge of Allegiance to be said, and it took a band of us similar to the group here today to stand up and to say that we are not going to tolerate this body starting its session and not taking just a moment to honor the pledge and all that it stands for, and just that sense of deja vu just overwhelmed me, because it was a tough fight. It took us 5 or 6 years to get that State assembly finally to pass a resolution to institute the Pledge of Allegiance at the beginning of our sessions.

My friend, I cannot help but recount this story, because I used to go around and talk to grade school classes and try to encourage support for our effort to get the assembly to move. Young children in elementary schools, their eyes wide, said, "We just don't understand that. We start our classes every day with the pledge. Why can't the

New York State Legislature do the same?"

We finally prevailed upon them. The reason there is a sense of deja vu is I see a headline in the paper that says our Speaker raises questions about whether we should pass the constitutional amendment on the flag, and I just hope that we can have not a 6-year struggle or a 5-year struggle or a 5-month struggle to have this House act as we had to, unfortunately, in the State legislature, to build up public support over many years and make it a very controversial and unfortunately partisan issue. We cannot afford to do that here. I think that would do a disservice to this flag. We want people on both sides of the aisle, Republicans, Democrats, liberals, conservatives, people from all parts of this country joined together to ensure that this constitutional amendment is passed swiftly, that the decision of the Supreme Court is an unpleasant memory very quickly. If we do that, we will not have to go back to our constituents and tell them that we failed, and that with their support and their guidance, we will succeed as we succeeded in New York. We can prevail.

If I may just add one other thought: This has not been an easy year to serve in the Congress. There have been many problems of this House, and as we go back and hold town meetings, I know we all get back to our district people who come to us and say, "What can we do about the Congress? How can we make them responsive?"

This is a rare opportunity for this Congress to show how responsive it is, to act quickly, to act swiftly, to act responsibly to deal with an unfortunate decision of the Supreme Court, and I think we can restore much credibility to this House by acting in that way and to uphold the feelings of the people of this country and our committee.

Mr. RIDGE. I thank the gentleman, and I congratulate him on his success in the New York State Legislature and look forward to his leadership to a similar success in this Chamber.

In conclusion, I remind my colleagues that in the Constitution that was sent to all of us and that many of us sent to our constituents that was provided by the Bicentennial Commission on the Congress of the United States, the introduction says that the Declaration of Independence offered the promise of this country, and the Constitution gave it its fulfillment. I would suggest to all of the Members that the flag of this country is an affirmation of those. It is a reminder of a proud past, of the individual and collective efforts of a great country and a great people, and also a confirmation that in the future the freedoms and opportunities that we have inherited because of the sacrifices of previous generations are our responsibility to pass on to those generations to succeed us.

I thank my colleagues for sharing this hour and spending most of their time on the floor this evening with me.

ORDER OF BUSINESS

Mr. FIELDS. Mr. Speaker, I ask unanimous consent to go out of order.

The SPEAKER pro tempore (Mr. COSTELLO). Is there objection to the request of the gentleman from Texas?

There was no objection.

EXPERIENCES WITH OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. FIELDS] is recognized for 60 minutes.

Mr. FIELDS. Mr. Speaker, it is quite an honor to follow the gentleman from Pennsylvania [Mr. RIDGE] and his eloquent presentation tonight. It is now 3:45, and I would have to say that the remarks I have just heard not only from the gentleman from Pennsylvania [Mr. RIDGE] but my good friend, the gentleman from California [Mr. DREIER], and the gentleman from Guam [Mr. BLAZ], the gentleman from New York [Mr. PAXON], and the gentleman from California [Mr. HUNTER] certainly are titillating and invigorating at this late hour.

I have to say to my good friends, the gentleman from California [Mr. DREIER], and the gentleman from California [Mr. HUNTER], some people whom I entered Congress with in 1981, and in fact I guess I first met the gentleman from California [Mr. DREIER] and the gentleman from California [Mr. HUNTER] in December of 1980 when we were first elected, and we came up for a school, some instruction, and I have to say that I was quite impressed with them at that time, and that impression continues. I have to say that they literally have untiring energy for putting a special order together tonight.

Mr. DREIER of California. Mr. Speaker, will the gentleman yield?

Mr. FIELDS. I am happy to yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I want to say that we are especially privileged, and I am speaking in behalf of my California colleague, the gentleman from California [Mr. HUNTER] and I to be a member of the same class which brought this great Texan, the gentleman from Texas [Mr. FIELDS] here, a real patriot, a guy who is here in the spirit of Sam Houston, and also a proud flag-waving American.

I think that it is important, since my colleague just mentioned the fact that we came in in that really famous class of 1980, we saw what was clearly the greatest class.

Mr. FIELDS. Reclaiming my time, I just wanted to point out to the gentleman that we came in 1980 filled with a spirit to change America, and in the last 8½ years, I think there have been quite a few changes. Tonight we are here to protect a very valuable American symbol.

Mr. DREIER of California. Absolutely.

Mr. FIELDS. We have that same spirit, the spirit of change.

I yield back to the gentleman from California.

Mr. DREIER of California. And I just wanted to say that the gentleman was absolutely right in underscoring the change which has taken place in the past 8½ years since we have been here, because we came in following the leadership of Ronald Reagan, that great President who talked about change at the time, and then during the last campaign in December, in November, of last year, who underscored the fact that when our opponents were saying that they were calling for change, President Reagan said, "We are the change," and so my friend is absolutely right that as we stand here tonight, it is to protect the tremendous accomplishments which we have attained over the past 8½ years, and I know that my friend is very well prepared to fill this hour with eloquence.

I am going to sit back and listen to his tremendous insight. I thank the gentleman for yielding.

Mr. FIELDS. I appreciate the gentleman's kind remarks.

As I was beginning to say just a moment ago, literally, my friends, the gentleman from California [Mr. HUNTER], the gentleman from California [Mr. DREIER], and others have untiring energy, and as I was coming over here from my apartment tonight, I felt tired, and I was thinking, "You know, this is something that is quite unusual. The last time I did this was with the gentleman from California [Mr. HUNTER] and the gentleman from California [Mr. DREIER] when we were talking about the voluntary prayer constitutional amendment, and we stayed up all night talking about that very important constitutional amendment." Then I began to feel very guilty, because I was thinking about the millions of Americans, people like the gentleman from Guam [Mr. BLAZ], who has served this country with such distinction and how could I feel tired taking a little bit of the early morning hours to come over and discuss something that is so very important.

Mr. Speaker, I am here tonight to talk about the constitutional amendment of the gentleman from Illinois [Mr. MICHEL] and some of the experiences I have had with our flag.

□ 0350

The amendment of the gentleman from Illinois [Mr. MICHEL], the leader of the Republican Party here in the House of Representatives is very simple. It is an amendment to the Constitution, and it says the Congress and the States shall have the power to prohibit the physical desecration of the flag of the United States. In fact, BOB MICHEL's constitutional amendment is very similar to my constitutional amendment that I introduced last week.

I have to say as someone from Houston, TX, I was embarrassed that the person who brought the suit that literally went to the Supreme Court and resulted in the decision was from Houston, and I must point out to my colleagues that that person is not representative of people from Houston, TX, nor is that person representative of Texans, and I personally do not believe that that person is representative of all Americans.

I am quite disturbed at the Supreme Court's decision. But what is new? I have been disturbed at Federal judges for many, many years. In fact, this being my fifth Congress, I have introduced for the fifth time an amendment to the Constitution that would limit Federal judges to 10 years. When our forefathers created this great country and drafted our Constitution, I think they were inspired by divine wisdom. I think they created the greatest country and Government that has ever been created, and it was the intention of our forefathers to give people like myself, elected representatives, the opportunity to pass laws, and then we would have a separate branch of Government who would intellectually sit back and make sure that what I do as a Congressman and what Senators do, or even what the President of the United States does in the executive branch, that those actions comport with the Constitution, that they are in line with the Constitution, and that is why the people in the judiciary, our Federal judges, were given lifetime appointments, so that they could sit back and interpret what people like myself do. That system worked very well until about 40 years ago, and then instead of interpreters, we had a group of Federal legislators, people who did not have to be responsive and responsible to the American people, people who were not elected, who could basically sit back and render decisions that affected the lives of Americans.

That is I think why we have decisions rendered by our Federal court system like the flag case. I do not believe that this particular decision is representative of the American people. But it is important for the American people to understand that our only remedy with this particular decision is through the constitutional amendment process. It is a very difficult process, and it is the reason that the American people must rise up and support our efforts in the U.S. Congress, because we have to have a two-thirds vote here in the House of Representatives. There must be two-thirds vote in the U.S. Senate. And then, if we are fortunate and we are able to get a constitutional amendment through the House and the Senate, it must then go to the States, and three-fourths of those States must ratify it.

I am convinced that if we get BOB MICHEL's proposed constitutional amendment to the floor of the House, we will get the two-thirds majority. I am convinced the same thing will happen in the Senate. I am convinced that three-quarters of the States will ratify this constitutional amendment.

But the real problem at this point is getting this constitutional amendment out of the Judiciary Committee and getting that brought to the floor of the House of Representatives. That is where the American people must play a role. They must target their efforts at the Judiciary Committee here in the House of Representatives, and do what is their right in our constitutional democracy: Make their views known, ask their representatives to be responsive, and then we have representative government.

Andrew Jackson said one person with courage makes a majority. Once we deal with this constitutional amendment in regard to flag desecration, I would hope that the American people would rise up and say we must have reform in our Federal judiciary, we must return to the intent of our forefathers and have Federal interpreters instead of having Federal judicial legislators, because there is absolutely no response that a citizen can make to a Federal judge. That is why we have to go through this extraordinary process of a constitutional amendment.

When I think back to people in my district, people who like the gentleman from Texas, General BLAZ, who have served their country with distinction, I think about a very distinguished black man who works at the Veterans' Hospital named Clarence Sasser. Clarence is a Medal of Honor winner. He did some very heroic things as a medic in Vietnam and was wounded countless numbers of times. I think about another Medal of Honor winner from Texas, Roy Benevidos, or I think of a constituent of mine named Freddie Rios who was in Vietnam and should have been a Medal of Honor winner when one looks at all the acts of valor that Freddie participated in as a soldier in Vietnam. And I think about how those people not only talked about patriotism, they went out and practiced patriotism in defending this country, fighting for this country.

I think about my father, and I think about a story that he has told my brother and myself for many, many years about World War II. We have heard people talk about the Marines, and I am here to talk a little bit about the Air Force.

My dad was straight out of Humble High School in Texas, had never been outside of Texas, and he joined the Air Force, and he was a second lieutenant. He was a bombadier on a B-24 Liberator. In fact, the gentleman from Texas, Congressman BLAZ, might be interested to know that he was in the Pacific theater. I am not sure exactly all of the island groups and all of the campaigns he participated in. But he was a young, 19-, 20-year-old Texan who was flying in this plane. My father could not even swim, and whenever he was not on a bombing mission, he was down in the turret with a 50-caliber machinegun.

He tells the story about one day being sent out on a lone reconnaissance mission to look at the target for the coming days, and they were the only plane out. They were attacked by nine Japanese zeroes. I can just imagine the fear of my father, being young at the time, not being able to swim, all of these zeroes coming at him, and he said he prayed, and he asked God to be with him. And in the process of that particular fight, three zeroes were downed, and the plane was able to come back to base and literally covered with holes from the enemy planes. He tells me the first thing that he saw when the plane was making its initial pass over the field was the American flag waving in the breeze, and for him it meant that he was safe, that he was home, that he was back within the arms of his countrymen.

I have never forgotten that story. I think that experience, coupled with everything else that my father experienced in World War II, and having been brought up with great reverence for the flag, influenced by our business. We own a cemetery and a couple of funeral homes in Texas, and I remember when I was a young boy my father on Veterans Day and Memorial Day always gave my brother and I the job of putting out the flags in our cemetery.

□ 0400

And we would literally have 50, 60, 100 American flags. My brother and I would be given these boxes that we would put on the back of the tractor and we were told, "Do not ever let a flag fall our of that box. Never let soil touch that sacred fabric."

And we would drill the little holes, we would put the pipes in, put the flags up and we would always do so with great reverence.

Then after we were finished, we would take the tractor, drive through

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

the entire cemetery looking at what we had done. I will never forget that we had some vandalism, some people would go and steal "Old Glory."

I will never forget the night that we sat out in the cemetery late into the morning hours just to stay there to protect that flag.

That has left an indelible impression on me, and it was something that my father passed on to my brother and me. That has not been the only experience, however.

When I was elected to Congress, I was given an opportunity to go to West Germany to see how prepared we are in the event that there was some terrible war in Europe. I went on a regularly scheduled C5. It was not a junket. But we flew, and I saw literally 10 bases in 48 hours.

One of the bases that I saw was a base called the Alpha base that literally sits on the border between East and West Germany in the traditional invasion route from East to West, called the Fulda Gap. As we came to that particular base, I noticed that there was a fence, a fence that stretched in two directions to the horizon. The fence was, I would say, 10 to 15 feet tall. There were explosive charges every 50 yards.

The fence was set about 100 yards inside of East Germany. So the East Germans could come on the western side of the fence and mow the grass so that they would have a clear shooting path of anyone who was able to get through the fence. On the eastern side of the fence there were concrete bunkers, guard towers every quarter of a mile, attack German shepherds on the eastern side of the fence.

That fence was meant to keep people inside Germany, not to keep people on the outside from going into East Germany. And when I arrived, I was taken to an observation tower that literally sat on the border between East and West Germany.

If I had fallen out of that particular observation tower, I would have fallen into Communist East Germany. I looked to my left, and I saw two little wooden crosses. I asked the commander who was standing beside me what those two little crosses represented. When he told me that they represented an older gentleman and his daughter who had somehow snaked their way through the fence and were running for freedom when they were machinegunned at the last moment, at that point I understood what freedom and liberty and self-determination meant.

I looked over the fence with just total revulsion, and I saw this little village, and I asked the commander what village was that? And he said, "Well, Congressman, it is really not a village. It is just buildings because the East Germans have moved people out of that proximity to the border and they only allow those people to come in during the day when they can be watched." He said further, "You know, Congressman, that is why I want to have the largest American flag that I can have because I want people to realize that we are here and that the American flag is flying and that that flag represents freedom and all the aspirations for the people who live behind the Iron Curtain; that that flag represents hope."

Sometimes I think that as Americans we take this country for granted and we do not realize that the flag of this great country is not only something that we salute, something that we feel good about, but it is the beacon for countless millions of people around the world. To me that is one reason that this flag has got to be protected.

The only way we can do that is with a constitutional amendment.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. DELAY. I thank the gentleman for yielding.

It is great to see my neighbor from Texas be here tonight and help us with this special order on the flag. The gentleman is a great American, the gentleman who represents that flag in Houston, TX, and around the world and does such a great job in representing his constituents from Houston.

Mr. FIELDS. Let me reclaim my time for just a moment, since the gentleman is a fellow Houstonian, I would ask him if he felt the same embarrassment that I felt that the person who brought the case that went all the way to the Supreme Court claims Houston as his home? I have to believe that that is not a native Houstonian.

Mr. DELAY. No, he is not even a native Texan.

Mr. FIELDS. I am glad to hear that. I was afraid somebody would say he was a Texan. It would be embarrassing.

Mr. DELAY. Maybe he was born in Texas, but he certainly does not represent nor have the Texas spirit.

Mr. FIELDS. That is absolutely correct.

Mr. DELAY. On the other hand, I was very proud of my State.

Mr. FIELDS. If I could reclaim my time for a moment, let us assume he is not a Texan and let us also hope that he moves some place else, hopefully out of the country, because he has that freedom.

Mr. DELAY. Yes, he certainly would have that freedom. And there are plenty of ships that we could urge him to get on, even Soviet ships every now and then pull into the ports of Houston. And I think maybe that would be a good way to practice his freedom that is protected by the American flag.

But I will tell you something, on the other hand I am very proud of my State as being the State that put him in jail, arrested him, and it is the State that had a law against desecration of the flag when he went up to Dallas for that great convention of the grand old party, the Republican Party, and felt like that in order to get attention he had to burn the flag, because I think the Republican Party represents the best of what that flag has to offer.

Mr. FIELDS. Reclaiming my time, it is my understanding, and the gentleman can correct me if I am wrong, but that individual not only burned the flag, but in the process he was chanting about how he wanted to spit on the American flag.

Now to me I think that his freedom to make that statement is very important. That to me is freedom of speech, and that should be protected. Even if I find it repulsive, he has the right to make that statement. And I would come to this floor for a special order to protect his right to make whatever verbal statement that he wants to make about the flag or about this country or about me or even the gentleman from Texas. But I do not think he has the right to burn America's symbol. In fact, if you look at laws that we currently have in this country, free speech does have parameters.

First of all, a person cannot threaten the life of a President. That is an offense.

Second, if someone stands up and makes a slanderous or libelous statement, that person can be taken into court and there can be an adjudication and that person could pay money damages.

And third, there are certain types of pornographic expressions that can be regulated and controlled by State jurisdictions.

So that is the limit. When we talk about free speech and free expression in this country, we need to understand there have been recognized parameters.

Mr. Speaker, I yield back.

Mr. FIELDS. I will tell you, I like the way Pat Buchanan put it in a column just a few days ago where certainly the gentleman, Mr. Johnson, has the freedom in this country to say whatever he likes, no matter how abhorrent and obnoxious and disgusting, whatever he may be saying, as long as it does not offend me and people around me. And I think Mr. Buchanan put it best, "He can say whatever he likes, but if he is going to spit in my mother's face, he is going to meet with a fist." It is sort of the same thing.

□ 0410

The gentleman from Texas and I would defend to the death his right to say what Mr. Johnson's right to say whatever he likes. He goes too far when he desecrates everything we believe in and everything that we stand

for. He is not desecrating a piece of cloth. He is desecrating everything that America is and lives for and fights for and dies for. That flag draped around those coffins of those men that died for the freedom, and Mr. Johnson's right to express himself is the Nation, and its fingers and hands, caressing that coffin, thanking that person and forever being indebted to that person for giving up his life for the freedoms that we enjoy.

It is not just something that a person can spit on or that a person can burn or even allow to touch the ground. The way that we even display our flag is so important and so sacred and so meaningful to so many people. I am very disappointed at times how people have little or no regard for that flag or that Pledge of Allegiance. I can remember just last week a Member of this House participating in this special order, the gentleman from New York [Mr. SOLOMON] was incensed that in this gallery, in these hallowed halls of freedom where we have a new custom of reciting the Pledge of Allegiance every day, one morning we were having a ceremony reciting the Pledge of Allegiance and everyone rose, and everyone rose in the gallery, but there was a couple in the press that did not stand up, and the gentleman from New York [Mr. SOLOMON] was outraged at that and made sure that those two in the Press Gallery stood up for the Pledge of Allegiance.

We just take everything so much for granted. We have become so lazy and lackadaisical in our approach to our flag and at the same time to old traditions that we hold so dear. We ought to be so cognizant of the fact that the flag means so much to so many people, that so many people died for that flag that we ought to revere how we display it. The rules by which many people follow the displaying of our flag, it is the universal custom to display the flag only from sunrise to sunset on buildings and on stationary flag staffs in the open. When a patriotic effect is desired, the flag may be displayed 24 hours a day if properly illuminated during the hours of darkness.

I am sorry to say in a lot of cases in Houston, TX, where I am driving through I see people have become too lazy to even take their flags down at night and do not have them properly illuminated and show such disrespect for the flag. Even here in Washington, DC, I was driving just to the east of here and the service station had a flag up on the staff that I know they had not taken down in what probably was months, because the flag was dirty and faded and misused and abused. We just treat things so cavalierly. It is a shame, now, and because we have treated the flag so cavalierly and with little or no regard for the tradition of the flag, we have allowed a lot of what we do in our society to take a back seat to importance. I think it is unfortunate that we are treating our flag in our society and our traditions and long-held traditions with little or no regard.

Mr. FIELDS. Mr. Speaker, if I could reclaim for just a moment, because I think the gentleman is making an excellent point.

I had the opportunity to share with my good friend from Texas that my wife and I are expecting a child in December. I just found out yesterday that there is going to be a little girl, so my whole perspective on life has begun to change, and I know the gentleman has probably experienced this, having children of his own, but I was thinking about this when I was preparing for these remarks tonight, what the flag meant to me.

From kindergarten on up what an honor it was to be asked to stand up and lead the Pledge each day. At our school, it was something that you work for. In other words, if you made good grades, if you had good conduct, then you were asked to be the leader. I think about all the little school functions we had, when I was a freshman football player, played on Thursday nights, and the varsity played on Friday. My freshman year in high school I was given the responsibility of raising the flag for the football game. What a tradition that is in Texas. What an honor it was for me to go down in front of everybody in the stands and be responsible for raising that flag.

So now in my mind I am thinking what does this mean to the future of my little girl? Is she going to grow up with that same reverential feeling that I have for the flag? What does the Supreme Court decision do to her as she matures and grows older? I know I will do my best to do what my father did in instilling patriotism and respect, but I also think society has a responsibility. How can other people in the world respect our flag if we do not? Where does this all lead? Eventually, will people be writing slogans on public buildings like the Capitol? Will people go to Mount Rushmore and decide they want to chisel in their name, or they want to do something else? Where does this really lead, Members? I think the time for action is now.

I do not know if the gentleman from Texas agrees with me, but people have got to realize that this is important. The American people have got to stand up in unision and demand a constitutional amendment. It is our only remedy.

Mr. DELAY. Mr. Speaker, if the gentleman will yield, I think the American people are starting to speak in great numbers across this country. If I may take the gentleman's time, and I looked up a wonderful passage entitled "So Proudly We Hail: The History of the United States," by William Furlong and Byron McCandless, and I think it so appropriately states what we are talking about here tonight. It goes like this:

On Sunday, July 20, 1969, Col. Neil A. Armstrong and Col. Edwin E. Aldrin, Jr. mounted the 50-star flag on the Moon. In 1976, the year of our country's bicentennial of its independence, an unmanned American space craft, marked with the U.S. flag, made a successful landing on Mars. Thus, in the course of its 200-year history, the flag that was to represent a new constellation among the nations of the world was carried not only to the far corners of the globe, but also out into the universe.

On Earth, another type of probing has been going on; this is the effort to determine the limits of free speech and the relationship of the flag to symbolic acts. During the 1950's and 1960's, a number of public actions and demonstrations in support of civil rights occurred. In the trials that followed the arrests of participants in such activities, symbolic expressions were recognized as legal. The Supreme Court stated that the 1st and 14th amendments to the Constitution protected those individuals who were communicating ideas by marching, picketing, and patrolling on streets and highways.

On July 5, 1968, Congress passed a law "to prohibit desecration of the flag, and for other purposes," which became the major Federal legislation on the subject. The law states that: "Whoever knowingly casts contempt upon any flag of the United States by publicly mutilating, defacing, defiling, burning, or trampling upon it shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both."

The constitutionality of this law has been challenged; however, due to several instances of disrespectful treatments to the flag. On January 20, 1969, while waiting for the start of the Inaugural Parade in Washington, DC, Thomas Wayne Joyce tore the fabric of a flag which he carried, tied it to his index finger and waved it above his head with his fingers in the "V" sign. On May 6, 1970, a group of students assembled in the ROTC building at the University of Arizona as a part of protest against the war in Vietnam. Sharon K. Crosson and another woman carried a 50-star U.S. flag into the gathering and set the flag on fire. In both cases the U.S. Court of Appeals struck down any arguments concerning symbolic speech, and found both parties accused of disrespectful treatment of the flag guilty.

Since the end of the Vietnam war in 1975 public protests by Americans involving act of disrespect to the flag have become rare. Further, the bicentennial provided Americans a new feeling of pride in their heritage and on the ideas and symbols that united them. Displaying the flag in public over individual, business, and local government properties became very important following the seizure of the United States Embassy in Teheran, Iran, in 1979. Americans showed their concern for their fellow country men by displaying the flag. (And Iranians their contempt by burning it.)

What does the flag symbolize? Over the years statesmen, legislators, judges, and citizens have given various definitions. To Justice Felix Frankfurter of the U.S. Supreme Court it was "the symbol of our national unity, transcending all internal differences, however large, within the framework of the Constitution." Robert G. Ingersoll required

a paragraph to define what the flag symbolized. For him, it was among other things, "the emblem of equal rights. It means free hands, free lips, self-government, and the sovereignty of the individual. . . " During a 1967 debate in the House of Representatives over the flag profanation law, it also took a Congressman a full paragraph to define the symbolism of the flag. These difficulties suggest that perhaps Woodrow Wilson was closest to the mark when in 1917 he defined the flag as "the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation."

□ 0420

Mr. Speaker, it means so much to so many Americans, and for the Supreme Court to take the action that they did, not that I deny that institution the right to take that action, but I think those five individuals that took the action to defend someone and reverse the decision and defend someone who burns the flag, I think that was categorically wrong and a huge mistake, but it is one that we have to change by the use of the power that is vested in this institution and the power vested in us as Representatives of the people, and I think the people are going to speak through this body.

Mr. FIELDS. Mr. Speaker, I thank the gentleman from Texas [Mr. DELAY] very much for his eloquent remarks and his dedication here on the floor.

Just a moment ago when the gentleman from Texas [Mr. DELAY] was talking about the flag as a symbol, I was thinking back to a trip that the gentleman from California [Mr. HUNTER] and I took several years ago when we were asked to go to El Salvador and to meet with President Duarte, then President Duarte, to communicate how important democratic reform was in El Salvador, and I will never forget when we landed, we were put in some vans, and the vans in San Salvador had bulletproof plating on both sides, and one immediately became aware that one was in an area where there had been hostile action. We were taken from place to place there in El Salvador in those bulletproof vans, and each night we went to a hotel that had security forces just to protect us while we were there. It is about a 40-minute drive from the center of San Salvador to the airport through jungle where there had been some communist guerilla raids, and I do not know if the gentleman from California [Mr. HUNTER] feels the way that I did, but I remember driving up to that airport when we were ready to depart and seeing the American flag on the plane and feeling that finally we are safe, that we do not have to worry anymore because now we are back to America because that flag represents something very special.

Mr. Speaker, I yield to the gentleman from California [Mr. HUNTER], my friend.

Mr. HUNTER. Mr. Speaker, I thank the gentleman from Texas [Mr. FIELDS] for yielding, and, when he talked about that scene, that American flag on that plane as we drove to the airport, my memory was sparked, and I had to come out and just say a few things about it.

Mr. Speaker, I am reminded by the gentleman mentioning that, and I felt the same way he did, that here is our ticket back home to America, that beautiful, wonderful country where people do not shoot other people for exercising free speech, and for talking and living free and worshipping free.

I thought about something that the Speaker said, the former Speaker, the gentleman from Texas [Mr. WRIGHT] in a conversation with the President about how other people feel about America and the flag. He said that he was in Central America one time, and he said on a wall somebody had written, "Yankee, go home," and he said someone came back the next day and in somebody else's handwriting under it in Spanish it said, "And take me with you," and I think that reflects to some degree the enormous awe that not only we have for this country, but for that flag, and I have heard so many people speak so profoundly tonight.

Mr. Speaker, I mean this has been a wonderful special order about what the flag means. I think it has an almost mystical meaning for other people because so many of them know that their relatives and their friends have gone to that country known as America with nothing and have enjoyed wonderful, wonderful lives because of this tremendous freedom that we have.

Mr. FIELDS. Mr. Speaker, if I can reclaim my time, because the gentleman from California [Mr. HUNTER] has just sparked a memory in me. He mentioned the gentleman from Texas [Mr. WRIGHT], our former Speaker.

Well, like my father; I used my father as an example earlier, a 19-20-year-old Texan volunteered for the Air Force during World War II. I related this to Speaker WRIGHT one time, and he told me about his experience as a B-24 pilot in the Pacific theater. In fact he told me, and, TOM, this is just demonstrative of the service of young people for our country defending that flag, but he told me about the first time they were flying to Hawaii, and the navigational system was not what it is today on those old B-24 Liberators, and he said that he kept seeing the gas gauge go a little bit further down, a little bit further down, and they did not know exactly whether they were going to make Hawaii or whether they were going to actually find Hawaii, and he talked about what a good feeling it was when they finally broke into the daylight in the early morning hours, and there were those islands and the American flag on the bases, and what it meant to him as a young man.

Mr. Speaker, I have the feeling that that experience can be repeated tens, if not hundreds of millions of times, by people who have served this country.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. FIELDS. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, as the gentleman from Texas [Mr. FIELDS] and the gentleman from California [Mr. HUNTER] were talking, I was just thinking that, "Wouldn't it be nice if we could take Mr. Johnson with us, you know, on the different occasions that Congressmen go all over the world and witness the lack of freedoms that are all over the world?"

Mr. Speaker, I also experienced the sort of same experience that the gentleman from Texas [Mr. FIELDS] did in seeing the American flag when being in a country with little or no freedom. My wife and I went to the Soviet Union and spent a long time there, not as a guest of the state, but as a guest of the Soviet Jewry going all through Moscow and Leningrad hiding and sneaking around so that we would not be caught, or at least the Soviet Jews would not be caught or be seen by the Soviet police. Seeing how other people in the world live, especially in the Soviet Union, and the things that are done to people just for being a Jew or for believing a certain way where everything is taken away from these people, and they live in terrible conditions, but even as we were there I saw a very dull city of no color, so sad and melancholy, hardly a smile on people's faces, and the same in Leningrad. We spent almost 2 weeks there in that country, and I know when my wife and I got to the airport in Leningrad waiting to board the plane to come back to America, the plane was a PanAm, and my wife stood at the window looking out onto the tarmac waiting for that plane to arrive, and she stood at that window for an hour and a half. She would not move from the window, scared to death that that plane would not come and that she would not be allowed to get on that plane to come back to America.

Mr. Speaker, when that plane touched down, and she saw the American flag on the tail of that plane, she felt incredible relief by just seeing the good old Stars and Stripes knowing that she was going to go back to freedom, the freedom that Mr. Johnson in Texas just throws away and flicks it away as he did back when he burned our flag.

□ 0430

It raises a fire in your belly about why would someone just want to

flaunt that freedom in front of those who worked so hard to protect that freedom.

I can remember being down in Nicaragua, and as luck would have it, I was invited to go out and witness a demonstration by those who want freedom in Nicaragua. We went out to Nam Dinh. We saw free speech there, Sandinista style. We drove up and we saw the demonstrators starting to stage their demonstration and hundreds of interior police were all around the demonstration area and the demonstration route and this was a "legal demonstration." They came in and started beating people, throwing them into trucks and whisked them away and then the demonstration started again and went on for, oh, an hour or so and gathered again at the end. The troops came in and beat up the people, picked up their leaders and whisked them off to put them in prision, the kind of freedom of speech that I think Mr. Johnson was calling for. Maybe he ought to go into other countries and see the other styles of freedom of speech, but it is not freedom of speech to desecrate everything we stand for and love and believe in.

Mr. FIELDS. Mr. Speaker, I appreciate again the gentleman's eloquent remarks.

I see my good friend, the gentleman from New York [Mr. PAXON], standing.

I have to say, it is very inspirational to see someone in their first term come out and participate in an all night special order like this. I want to commend the gentleman for doing this, and I yield to the gentleman from New York.

Mr. PAXON. Mr. Speaker, I thank my good friend, my new friend from Texas. It is a pleasure to be here, particularly to spend some time on the gentleman's time on this floor tonight.

This is just a great experience to sit here this evening and listen to men and women come down to this floor to talk about their personal experiences. Our good friend, the gentleman from California [Mr. HUNTER] was just here and we were talking about the fact this is what the Founding Fathers had in mind, not 1-minute speeches for the TV cameras every day, but rather an in-depth discussion of the real issues facing this country.

Maybe the Supreme Court did us a favor. I do not agree with their decision. The vast majority of Americans do not agree with the decision.

Mr. FIELDS. Mr. Speaker, if I could reclaim my time for just a moment, the gentleman mentioned Congressman HUNTER. Normally he is very modest, but Congressman HUNTER served his country with distinction in Vietnam, in fact was involved in some of the hotter fire fights that people in our country experienced and did so with great valor and great courage. Of course, he was much smaller at that particular time. He could run a lot faster, but anyway, he is a great hero. I know sometimes he is very modest.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. FIELDS. I am very happy to yield to Mr. Modesty.

Mr. HUNTER. Mr. Speaker, in the interest of truth in advertising, I have to protest and say that I simply showed up for work in Vietnam. There are a number of Members of Congress here, including the gentleman from Guam [Mr. BLAZ] and the gentleman from Pennsylvania [Mr. RIDGE] who did participate in heavy, heavy combat.

Then, of course, the gentleman from California [Mr. DREIER] has told us many times that he comes from the other side, the absolute civilian side, and still is every bit as patriotic as we are, and in fact he is.

Let me say that I was just a person who showed up for work and I am simply an infantryman in General BLAZ's battalion.

Mr. FIELDS. Mr. Speaker, I appreciate the gentleman's comments and his extreme modesty.

I just want to point out that we have someone who really fits the title of hero, someone who really fought for the flag.

I yield to the gentleman from New York [Mr. PAXON].

Mr. PAXON. Well, the gentleman from California [Mr. HUNTER] is the inspiration for this event this evening. When Congressman DUNCAN HUNTER comes around and grabs you by the lapels and says, "We're going to go out there tonight, we're going to spend this evening talking about this very important issue," you cannot turn him down. He is an enthusiastic man. He has been up in my district and when he left it took about a week for all that enthusiasm to leave our community.

Mr. HUNTER. You went back up in the polls.

Mr. PAXON. I just cannot help but reflect again, maybe that Supreme Court did us all a favor. We are going to spend some time talking about this issue. We are going to spend some time talking about our values.

Congressman DAVE DREIER and I were reflecting on the fact that we were in high school at the time of the last conflict this country was involved in, the Vietnam War. There is a whole generation in this country, 20 to 25 years old and younger, whose memories are only of a nation at peace, only of this country during a time of peace. This is not to say that we have not had in the past few years times when we have had to send young men and women to places of potential unrest or unrest in this world, but generally this country has known peace for almost a generation. People 20 to 25 years old in this country, their memories are of peace.

Sometimes we need to sit down and reflect on the sacrifices that have to be made. You know, those young men and women in China are making sacrifices to have what we have today, this right to stand here and talk like this. They are losing their lives to do that. In Poland, behind the Iron Curtain, in the Soviet Union and in many of the Baltic Republics, they look at this flag, many of them look at this flag as a symbol of what they want, what they are willing to fight and die for.

So I think this type of event this evening, as unfortunate as that Supreme Court decision was, does cause us to reflect on the values behind that great flag that hangs behind our distingished speaker this evening.

You know, if we spend a little time doing that over this Fourth of July weekend, maybe it will be so much better for this country. I hope the men and women of this Congress go back home and we all will have a chance to talk to our constituents, not only to take some time to reflect on the sacrifices that my family made. My dad served in North Africa and in Italy during World War II.

□ 0440

My mother served in the service during World War II, and I have a 102-year-old grandmother this year who, during the war, gave up her job, went every night to work in a defense plant in Buffalo, NY, and countless millions of Americans gave those kinds of sacrifices during that war, during Korea, during Vietnam.

We need to reflect on that, because that is what this debate is all about. This debate is not about a piece of cloth. It is not about even one gentleman's protest from Texas, unfortunately, and it could have been any State that brought forth this person, brought forth this conflict. It is not about that. It is about the values we see in that flag. That is why the gentleman's comments this evening are so appropriate. It is so very, very appropriate that we spend this time and, again, as I said earlier, many Americans will wonder as they read their morning papers over coffee and sit there this morning wondering, "What are those men and women up to in Congress? Why are they taking this time?" I hope in the coming days, the next few days as we lead up to July 4, a very, very important time in our country, that their evening has benefited as we look to the values symbolized by that flag.

Mr. FIELDS. Reclaiming my time, I appreciate the gentleman's very eloquent remarks. I think that he is very insightful in finding the positive, that there is a very good purpose in what

the Supreme Court has done. It can be a very positive product.

The question, I have always believed that God has a purpose in everything that happens, and here I can see a purpose, because it is making Americans not take our flag for granted, realizing that it is more than just cotton or nylon fabric, that the flag represents the traditions, it represents words like freedom and patriotism and self-determination, that that is what we are here saying tonight, that that is a symbol.

I have just a few minutes remaining, and, again, I want to quote Andrew Jackson, who said, "One person with courage makes a majority." For there to be any movement on this particular issue, for there to be a constitutional amendment that would prohibit desecration, it is going to take the American people rising up en masse and not asking Congress, the House and the Senate, to take action, but demanding that the House and the Senate take action, and also I think we are fortunate in that the Supreme Court rendered their decision prior to July 4, because we have a time to rally.

I know in my congressional district in Houston, TX, I am going to do everything possible to get on TV, to get on the radio and make people aware that they have a remedy. The remedy is a democratic remedy through Congress, and then we have the remedy of voting upon this constitutional amendment, two-thirds of us passing it both in the House and the Senate, and then it goes to the States for ratification. I am convinced we can be successful if we have that ground swell of support. That is democracy in action.

Mr. PAXON. Mr. Speaker, will the gentleman yield?

Mr. FIELDS. I am happy to yield to the gentleman from New York.

Mr. PAXON. The gentleman has just hit the nail on the head. This can be a unifying force bringing all parts of our country together in a cause.

I just wanted to mention one thing this morning. People may be watching this when they get up this morning and they are wondering what they can do. Make sure not only they contact their Congressman or Congresswoman, or they can circulate a petition. All they have to do is write on the top of it: "We want the Congress to reverse that Supreme Court decision. We want them to do that." And they can circulate that in their workplace, circulate that in their families, send it down to their local Congressman or send it here to the Congress of the United States, and they will get the message.

Mr. FIELDS. Again, I think a very important point, unifying force in America, and we are not trying to limit anyone's freedom. We are trying to protect an American symbol.

I have just 1 minute. I will be glad to yield to my friend from California, but before I yield, let me again compliment the gentleman for being the inspirational, intellectual force behind this special order.

I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for his kind remarks. Let me just say that I thank him and his fellow Texan [Mr. DELAY], for the very articulate statements and very profound statements that they have made.

Let me thank also our staff people, who have been running this thing with us all night, Maureen Mingey and Ron Philips of the House Republican Research Committee, who have really been working giving us background information on the flag and what it means to this country, and we appreciate that.

I thank the gentleman very much for what he has contributed.

ORDER OF BUSINESS

Mr. DREIER of California. Mr. Speaker, I ask unanimous consent to proceed out of order with my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE SILVER LINING IN THE DARK CLOUD OF THE SUPREME COURT DECISION CONCERNING OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

Mr. DREIER of California. Mr. Speaker, I very much appreciate the fact that we are taking this time to let our colleagues who might be seeking this in their offices here, and it is apparent that we have a rather empty Chamber, but I have to say, Mr. Speaker, that we certainly do have a great deal of quality here in the House of Representatives to focus attention on the Supreme Court decision which many people over the past several days have said was a horrible one.

I am happy so say that my friend from Texas [Mr. FIELDS], who just preceded me, and my friend from New York [Mr. PAXON], talked about the fact that there truly is a silver lining in the dark cloud of this decision.

A little while ago now, several hours ago, Mr. Speaker, I read the first amendment to the Constitution. I am going to read it once again. The first amendment reads, "The Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof or abridging the freedom of speech or of the press or the right of the people peaceably to assemble and to petition the Government for redress of grievances."

Mr. Speaker, I have a great deal of respect for the Supreme Court, but I was, of course, one of those who was saddened by the decision of the Supreme Court that we would tolerate the burning of the American flag, which we all know is that great symbol which is right behind us here in this Chamber, in fact, the focal point of this Chamber which truly is the spot which represents the greatest deliberative body on the face of the Earth.

Mr. Speaker, I do believe that there is a silver lining in this dark cloud of the decision, and that silver lining is the fact that we now have the opportunity to amend the U.S. Constitution.

Our great Republican leader, the gentleman from Illinois [Mr. MICHEL], stood here and said that in the 30-some-odd years he has served as a Member of the House of Representatives, he has never supported, never introduced an amendment to the Constitution, and this issue was of such great importance to him that he chose to offer a very carefully worded amendment to the Constitution.

Mr. Speaker, I hope that we will proceed with the two-thirds vote which we need, and then the process will begin.

We will send it to the States for ratification, and I am confident that since 48 States now have laws which prohibit the desecration of the American flag, that at least 38 of those 48 States that have those laws will, in fact, ratify this amendment, and when we reach the magic number of 38 State legislatures which choose to support this constitutional amendment, there is no doubt about the fact that we will have another great celebration as we bring about this amendment.

I guess what I am saying again is that the silver lining in the dark cloud is the fact that we do not get to sleep this evening, that the wonderful people who have made the sacrifice to be here with us including our distinguished new Speaker pro tempore, the gentleman from Mississippi [Mr. PARKER], who has joined us, another real patriot, and I have just had the opportunity to speak with him. We are here, and we are really celebrating the American flag as we get ready to move toward the Fourth of July, and we have got a lot of things to talk about in the next several hours.

I would like to begin by yielding to my very distinguished friend and colleague from Houston, TX, the gentleman from Texas [Mr. DELAY].

Mr. DELAY. I thank the gentleman for yielding. It is a real pleasure to be on the floor of this House with the gentleman from California [Mr. DREIER], whom I know and I have traveled with. I know him to be a man who truly believes in those freedoms

that we hold so dear that we know are guaranteed in that Constitution, especially the freedom of speech.

The gentleman from California has a real drive to bring freedom to others around this world and has sacrificed personal time and energies to travel all over this world in the cause of freedom.

□ 0450

I hope the gentleman will allow me, I am not known around this country for my eloquence, to read an article by George Will a couple of days ago on this subject. I think George Will expresses what I feel at this moment about this issue, and if the gentleman will permit me I would like to read that into the RECORD.

Mr. DREIER of California. Mr. Speaker, I look forward to hearing it.

Mr. DELAY. Mr. Speaker, the material follows:

[From the Washington Post, June 23, 1989]

FAR OUT WITH THE FIRST AMENDMENT

Gregory Lee Johnson has achieved about as much as he is apt to. He has become a minor footnote in the ongoing story of the reduction of the First Amendment to mashed potatoes.

At the 1984 Republican National Convention in Dallas, Johnson was among those demonstrators whose varied activities included burning the American flag while chanting, "America, the red, white and blue, we spit on you." Convicted under a Texas statute forbidding flag desecration, Johnson stopped spitting and started calling for protection under the Constitution of the Republic he execrates. An appeals court overturned his conviction, holding that the flag-burning was "symbolic speech," a freedom to be preferred over Texas' interests in preserving the flag as a symbol and preventing breaches of the peace. So far, so very boring. It is not reasonable, but neither is it new.

In the Supreme Court on Wednesday, Justice Brennan barely had to break a sweat in arguing (joined by liberals Marshall and Blackmun and conservatives Scalia and Kennedy) that the appeals court had a peck of precedents on its side. That is, alas, too true.

But Brennan was on thin ice in arguing that flag burning is not equivalent to "fighting words" that can be punished because they are "likely to provoke the average person to retaliation." Homer nods and Brennan does not know Dallas. However, Brennan finished with a flourish of libertarian boilerplate (". . . a reaffirmation of the principle of freedom and inclusiveness that the flag best reflects . . . it is the nation's resilience, not its rigidity. . . .") of the sort stored in quantity in the word processors of First Amendment fetishists.

Then the dissenters were heard from.

Chief Justice Rehnquist (joined by White and O'Connor; Stevens dissented separately) cleared his throat with a dollop of Emerson ("By the rude bridge that arched the flood . . .") and a dash of Whittier on Barbara Frietchie ("Up from the meadows rich with corn . . ."). Rehnquist's point was that the flag is not just another of what Brennan blandly calls "designated symbols." The flag Rehnquist, is not simply another "idea" or "point of view."

Indeed, Justice Blackmun once wrote that "The flag is a national property and the nation may regulate those who would make, imitate, sell, possess or use it. . . . There would seem to be little question about the power of Congress to forbid the mutilation of the Lincoln Memorial. . . . The flag is itself a monument, subject to similar protection."

Rehnquist said that democracies legislate against conduct considered evil and profoundly offensive to the majority, be that conduct murder, embezzlement, pollution or flag-burning. The Constitution limits the ability of majorities to impose their preferences, but democratic values require respect for the majority in close calls.

What is close about this call? The federal government and 48 states have—had, until this week—laws forbidding flag-burning. Chief Justice Warren believed government has "the power to protect the flag from acts of desecration." Justice Hugo Black, often called a First Amendment "absolutist," said: "It passes my belief that anything in the federal Constitution bars a state from making the deliberate burning of the American flag an offense."

The First Amendment is an amendment to a political document. It is not the whole document. Those who framed the amendment believed in freedom for all speech not injurious to the health of the republican form of government. Such a government is a constitutionally guaranteed right. Laws against flag desecrations express the community's legitimate concern with cultivating and husbanding that health.

Brennan, who probably can pump libertarian orthodoxy while he's answering his mail or doing crossword puzzles, said that banning flag-burning would be tantamount to allowing government to "prescribe what shall be orthodox." Rehnquist replied that flag-burning is no essential part of any exposition of ideas. Johnson was free to say anything about a flag. But flag-burning is "the equivalent of an inarticulate grunt or roar that, it seems fair to say, is most likely to be indulged in not to express any particular idea, but to antagonize others."

Rehnquist would have done well to add that the First Amendment protects not "expression" but speech, meaning language addressed to others for the purpose of communicating and persuading. Speech, unlike an "expression" such as flag-burning, is intrinsically connected with the distinctive human capacity, reason, by which individuals govern themselves and communities achieve self-government.

Unfortunately, it is too late for reason to insinuate itself back into First Amendment law.

I think that so graphically explains what we are talking about here tonight.

Mr. DREIER of California. There is no doubt about the fact that it underscores the message very clearly, and I thank my friend for his fine contribution.

One of the most important points that was made in that article by Mr. Will is the fact that there are certain items which cannot in any way be desecrated. For example, it is clearly a violation of law for someone to spray graffiti on the Washington Monument. We have not heard a hue and cry for people to be allowed the ability to deface one of these monuments. I think that we need to recognize that this symbol is more important than any of those monuments, because this is a symbol which is looked to throughout the world, and that is why while many believe this decision was incorrect, we do now have this opportunity to bring about this amendment to the Constitution.

Those of us here in Washington who have been here for a number of years may have a tendency to have a rather blase view toward this beautiful sea of monuments from Arlington Cemetery, the Washington Monument, the Jefferson Memorial, the Lincoln Memorial, the Vietnam Memorial, and of course this great and beautiful U.S. Capitol, and the American flag is another very important one. But it is one, Mr. Speaker, which circulates not just throughout this country, as we have been saying, but throughout the entire world.

My good friend from New York [Mr. PAXON] looks as though he is anxious to make a contribution, and I am happy to yield to him.

Mr. PAXON. Mr. Speaker, my friend from California, with whom I serve on the Committee on Banking, Finance and Urban Affairs, has spent so much time this year, and it is a pleasure to be here because the gentleman is truly a patriot and a great freedom fighter in the best sense of the word, carrying on the struggle of all parts of this world for freedom. The gentleman has spoken out eloquently over the years, and I do not think there is a harder working Member of this House than the gentleman from California [DAVE DREIER] and so it is a pleasure to be here.

The gentleman from California mentioned the 38 States, and we are going to be looking to those States, we are going to be looking to the State legislators to act on this constitutional amendment.

Mr. Speaker, I think it would be insightful to read if I could this brief amendment. A lot of people certainly will think it is one of those typical laws we are always passing, a big volume of new laws, but this is eloquent in its simplicity, I think the gentleman would agree. This is the Bob Michel amendment on the Constitution.

□ 0500

Let me read it briefly:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"ARTICLE—

"The Congress and the States shall have power to prohibit the physical desecration of the flag of the United States."

Let me repeat that: "The Congress and the States shall have power to prohibit the physical desecration of the flag of the United States."

Of course, we are going to be looking, once we pass this, and I think you know and I know and the Speaker pro tempore, the gentleman from Mississippi [Mr. PARKER], and our friends here this evening believe this Congress is going to act quickly. And once it does, we are going to turn to those States.

So tonight we appeal to our constituents to contact their Members of Congress, and when the Sun comes up, so that they will know where to get a hold of their Congressman or Congresswoman, back in their offices, but if they do not we will give them a number so that they can contact their Congressman or Congresswoman. They should tell their Representatives, "Let us get this passed." Then they have to do a second thing, they have to pick up a phone or a pen and write to the local State legislator or representative, State senator, and urge them to have passed in their State legislature this amendment and to do so quickly.

If I could also impose upon the gentleman's time to read from an editorial that appeared in the June 23d edition of the Washington Times entitled "Under Which Flag?" let me read as follows:

In 22 pages of the tedious pedantry that has come to substitute for judicial wisdom, the U.S. Supreme Court has pitched out the statutes of 48 states and a 1967 federal law. By extending the protection of the First Amendment to the burning of the American flag, the five justices who constituted the majority in the case of Texas vs. Johnson seem to think they have struck a blow for freedom of speech and constitutional integrity. In fact, they have helped weaken the psychic and emotional substratum on which American freedom rests.

During demonstrations at the Republican National Convention in 1984, Gregory Johnson a member of the Revolutionary Community Youth Brigade was observed ripping down Old Glory from a local bank. While Mr. Johnson poured lighter fluid on the banner and set it afire, his comrades chanted "America, the red, white and blue, we spit on you." Appealing his subsequent conviction under Texas law for desecrating a venerated object, Mr. Johnson was quick to seek the protection of the political system on which he spat and whose symbol he torched.

Five years later, the opinion delivered for the majority of the court by Justice William Brennan is to constitutional law as the chant of Mr. Johnson's comrades was to poetry. "If we were to hold that a state may forbid flag-burning wherever it is likely to endanger the flag's symbolic role but allow it wherever burning a flag promotes that role—as where, for example, a person ceremoniously burns a dirty flag—we would be saying that when it comes to impairing the flag's physical integrity, the flag itself may be used as a symbol—as a substitute for the written or spoken word or a 'short cut from mind to mind'—only in one direction. We would be permitting a state to 'prescribe what shall be orthodox' by saying that one may burn the flag to convey one's attitude toward it and its referents only if one does not endanger the flag's representation of nationhood and national unity." Had Jefferson and Madison used prose and logic like this, we'd still be bowing to the descendants of George III.

Mr. Brennan held that "The way to preserve the flag's special role is not to punish those who feel differently about these matters. It is to persuade them that they are wrong." But what he and his colleagues in the majority miss is the truth that persuasion operates only when interlocutors share a set of common facts, ideas, values and symbols. Mr. Johnson and others who militantly reject and scorn the basic symbols of national identity have deliberately withdrawn from and rejected the common ground that makes politics by persuasion possible.

Ultimately, Americans do not revere the principles of the U.S. Constitution because they have studied them in graduate seminars or law schools. They revere them because these principles are intimately enveloped in images and symbols that every school child learns and loves: The national anthem, the Pledge of Allegiance, the history and folklore of the founding, and the flag itself as the preeminent emblem of the nation's experience and aspirations.

This is what Justice John Paul Stevens, in his dissent, tried to express in his insight that "a country's flag . . . also signifies the ideas that characterize the society that has chosen that emblem as well as the special history that has animated the growth and power of those ideas." In stripping both the states and the federal government of the authority to protect that emblem from the moral proletariat that despises it, the court has merely facilitated the further subversion of our nation's characteristic ideas through calculated insults to their symbols.

I thank the gentleman for yielding.

Mr. DREIER of California. Mr. Speaker, I thank my friend for his fine contribution.

Mr. Speaker, I would like to specifically ask unanimous consent that my distinguished colleague from New York have the opportunity to very carefully revise and extend his remarks.

The SPEAKER pro tempore (Mr. PARKER). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DREIER of California. Mr. Speaker, one of the things that we have been talking about is the fact that the American flag is a symbol to all Americans of freedom, hope, and opportunity. But one of the things that we mentioned earlier and I would like to point to specifically is that the stars and stripes behind us here clearly are that beacon of hope to peoples around the world.

Mr. Speaker, just a few hours ago I stood here when we were offering an amendment which I am pleased to say narrowly carried, an amendment which will allow us to provide training to law enforcement officials in El Salvador. During that debate we talked about what it is that some others might want to do to prevent us from the opportunity to place our hands over our hearts and look to the red, white and blue and pledge allegiance.

I would like to share with my colleagues, Mr. Speaker, some photographs, something that I witnessed just a few weeks ago. We were talking in debate about El Salvador. We referred to the fact that for the first time in the history of this tiny country, on the Ishthmus of Central America, we saw the transition from one democratically elected government to another.

The cause of democracy is clearly on the move. Throughout this decade we have seen elections held in 13 countries which had not been held for years, in some cases, or decades before that. But there are forces out there, Mr. Speaker, which would very much like to prevent us from being able to pledge allegiance to this flag and exercise the kind of freedom that we enjoy.

Well, just before that transition in El Salvador, in fact about 36 hours before that transition, we saw the local law enforcement officials in El Salvador, right outside of San Salvador, seize the largest cache of weapons which had ever been seized throughout the history of the very tragic war which has been going on for a decade in El Salvador.

I would like to share with our colleagues here briefly, Mr. Speaker, a couple of these pictures.

We have in this photograph here, Mr. Speaker, the chairman of the joint chief of staffs, who happens to be here in Washington, has been here the last couple of days. In fact, I know he is just getting ready to return to El Salvador. I refer to Colonel Ponce. He is standing over part of this cache of weapons. It included 283 Soviet-made AK47's.

□ 0510

It can be seen, Mr. Speaker, this lineup is very lengthy with these weapons. It included Hungarian-made pistols, North Korean-made weapons, Romanian-made weapons, and a wide range of items which had been produced by Soviet bloc countries. I have a big pile of them.

I point to this, Mr. Speaker, as we are talking about the American Flag so that we can recognize that there are forces throughout the world that desperately want to prevent the United States from having the opportunity to exercise those first amendment rights which I just read from a few minutes ago.

While many of our colleagues have been talking about their personal experiences as they relate to the American flag, I spoke a few moments ago about the fact that we are making history as was pointed out by our very qualified staff member, Ron Phillips, who asked me to go outside and look at the Capitol from the east front, and I chose to do that.

Mr. Speaker, as I have said awhile ago, we are making history because there is a symbolism that is taking place with this special order which we have been talking about throughout the night, this group of special orders and by the mere fact that that body is in session. If one were to go out on this beautiful, crisp, reasonably clear, reasonably low humidity, they would see, looking back at the Capitol the view.

I yield to the gentleman from California [Mr. Cox].

Mr. COX. Mr. Speaker, it is dawn outside right now, and it is beautiful with the Moon and the blue sky now with the Capitol dome in the background.

Mr. DREIER of California. Mr. Speaker, I thank my friend from Orange County for his contribution. I know that the sunrise on the east coast is a great one here. He likes to often watch it in his district in southern California. I have been inside, but when I was last outside it was dark. I looked back at the Capitol from the east front and saw that over at the other body, we now call it the U.S. Senate, since we had a change of rules here. We used to, in the last Congress, have to refer to it as the other body. Now we call it the Senate. There is no flag waving over the Senate because they are not in session. The mere fact that we have been in session all night has kept the Stars and Stripes waving above this Chamber.

There is another experience which I had which I would like to share with our colleagues, Mr. Speaker, and that is the one that I had on February 14, 1986—I was in Hanoi, Vietnam. This was referred to several hours ago. In fact, one of our colleagues reminded me of this particular experience, and I was reminded of that happening. Over the desk of one of the legislative assistants in my office, Roberta Meyers, is a picture I brought down, actually two pictures, Mr. Speaker, and maybe I should give the explanation before I actually show this.

I had a moving experience when I went into what is known as the War Museum in Hanoi, Vietnam. A very dreadful place. There we saw the very famous tank that many people will remember having seen knock down the palace gate in Saigon. We saw the photographs of prisoners of war. We saw the remnants of aircraft that they proudly pointed to. One of the other displays in the War Museum in Communist North Vietnam in Hanoi was a case in which they had the flags of the nations which they claim to have defeated. There were several flags there, including the orange and black flag of South Vietnam. One of the most dreadful of the things, Mr. Speaker, was to see the Stars and Stripes we have hanging right behind the Members here, pointed down in this case. It literally made my stomach turn, to see for the first time in my life a nation proudly claiming to have defeated the United States of America.

Mr. Speaker, I found that we had the ability, because there were several Members in this group, to distract one of the Communist guards who had been following Members around Hanoi, monitoring our every move. We successfully distracted this guard for just a few moments, because we observed that in these very dusty, covered cases were the flags of the nations that they had defeated, pointing downward, the little bit of the staff was sticking out of the back. So what we did, Mr. Speaker, is we were able to get behind that and very carefully and gingerly roll up the staff of the red, white, and blue, so that we could only see the stripes and, in fact, one could easily surmise from looking at it, that it was the flag of another country. Mr. Speaker, I would like to share with my colleagues this photograph, and if I could explain it, we have this case here, and we can see the flag of South Vietnam which is pointed downward along with the rest of the flags here, and Members have to imagine this, Mr. Speaker, the greatest Nation on the face of the Earth, to have anyone claim that they have successfully defeated this Nation was a gut-wrenching experience. So when I walked in and saw this, we then, as I said, Mr. Speaker, were successfully able to distract one of those guards. Here, Mr. Speaker, is the finished product and one can see looking at this case that while there are some red stripes there, one could not totally conclude that it was the flag of the United States of America.

As I said earlier, with all the proud veterans around here talking, I still considered myself a real patriot, even though, as my friends from Orange County and I turned 18 as the Vietnam war was coming to an end, so I was not in the military. When I went to Hanoi, Vietnam, 3 years ago, Valentine's Day, February 14, and saw the American flag in that condition, it was, needless to say, distressing. However, all of the Members there got this sense of exhilaration, Mr. Speaker, when we were able to take that flag and at least in some way cover up the fact that they were able to proudly claim to have defeated the United States of America.

I know a number of my colleagues are here and they have some very eloquent statements they would like to provide, and would like to first call on our very able colleague who arrived from New York, succeeding a very good friend of mine, the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I congratulate the gentleman from California [Mr. DREIER] on his eloquence and on the beautiful story he just told of his experience with our flag in a foreign land.

As my distinguished colleague from California pointed out, I am a new Member of Congress. I join a number of new Members from California here, along with the gentleman who just spoke from California, and I think it is interesting to note we are here this evening, actually this morning now, to talk about the Supreme Court decision that has raised such a furror throughout the country. It is fitting, I think, that we have Representatives from California and New York on the floor at the same time because indeed we have a strong voice, united voice, from sea to shining sea.

I would like to, if I might, make a few remarks, and these remarks are quotes from our most recent past President, the great President Ronald Reagan.

□ 0520

Mr. Reagan was a true patriot. Mr. Reagan rallied this country around the flag and around the principles of democracy and indeed began what I think is the march of democracy around the world.

Mr. Reagan proudly on many occasions pointed to the flag and to the principles represented by our flag and our Nation to inspire not only the citizens of this great country but citizens all around the world. And if I might, this is a quote that Mr. Reagan made on Memorial Day, May 31, 1982, at Arlington National Cemetery:

> In America's cities and towns today, flags will be placed on graves in cemeteries; public officials will speak of the sacrifice and the valor of those whose memory we honor. . . . We must try to honor them—not for their sakes alone, but for our own. And if words cannot repay the debt we owe these men, surely with our actions we must strive to keep faith with them and with the vision that led them to battle and to final sacrifice.
>
> Our first obligation to them and ourselves is plain enough: The United States and the freedom for which it stands, the freedom for which they died, must endure and prosper. Their lives remind us that freedom is not bought cheaply. It has a cost; it imposes a burden. And just as they who we commemorate were willing to sacrifice, so too must we—in a less final, less heroic way—be willing to give of ourselves.

These words are just as true today as they were then. They were just as true 200 years ago as they are today. Throughout our history men and women of America have pledged them-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

selves by their valor, their courage, their free spirit, and their efforts to protect free speech around the world, through the wars that this Nation has fought.

President Reagan time and time again brought us back to those basic values that the Nation has held so dearly. We have talked about free speech, and indeed the Supreme Court decision presented a very unusual concept of free speech, one that I think is out of tune certainly with America. Earlier in the evening one of our distinguished colleagues held up a post office box. There is a law in this country against the damaging or desecration of Government property. Another of our colleagues held up a dollar bill and challenged the individual who burned our flag to do the same to that dollar bill. If indeed that individual did, he would be in violation of our laws. How in God's name can we allow the burning of our flag and yet have laws that would make it illegal to tear up or burn a dollar bill or to damage a post office box? What sort of logic does that represent, Mr. Speaker? The logic certainly defies me and my constituents from whom I have heard on a regular basis since this decision. They are outraged by it.

From my own personal experience, my father, who is a former Member, has decided to lower his own personal flag at home at halfstaff in silent protest over this decision, and he has received many, many comments about that silent protest of his. He feels very strongly, my neighbors feel very strongly, my constituents feel very strongly, and I would like to congratulate this distinguished gentleman from California [Mr. DREIER], our task force chairman of our party, who put this special order together and who gave me the privilege of joining my distinguished colleagues here on the floor from sea to shining sea to raise these points.

To continue, Mr. Speaker, I would like to ask my colleague, the gentleman from California, what the people of California think about this decision.

Mr. DREIER of California. Mr. Speaker, I would be happy to yield to my friend from Orange County, my fellow Californian, and as I yield to him for what I know will be a very eloquent response, I would like to say to my friend, the gentleman fron New York, that I share the great concern, but I have made an attempt over the past several hours to make this evening sort of a celebration. It is a celebration of the fact that we are going to be amending the U.S. Constitution.

Of course, it is a very dark cloud that this decision has offered us, but I would like to think that this is a silver lining within the dark cloud of this decision, and while I congratulate our former colleague, the gentleman's father, for placing the flag at halfstaff, I hope very much that we will be able to have this celebration of the beginning of our move toward a constitutional amendment, and then we will continue to talk about it as we wait for the 38 States to ratify.

Mr. Speaker, I, too, look forward to hearing from our new colleague, the gentleman from Orange County, California [Mr. Cox] about what our fellow Californians have to say about this decision. I am happy to yield to the gentleman from California.

Mr. COX. Mr. Speaker, I thank the gentleman very much. I thank my distinguished colleague from nearby parts of California, which arguably are as pretty or perhaps prettier than mine in Orange County or those of the gentleman from New York.

There is no question that this is not a regional issue. If ever there were an issue that bound our country together, it is this one. I think the sentiment in New York, the sentiment in California and everywhere in between, in Alaska and Hawaii, is exactly the same.

Mr. DREIER of California. And even in Utah, I suspect.

Mr. COX. And even in Utah.

Mr. Speaker, this is a bittersweet occasion. It is a time for lowering our flags to halfstaff for some, it is a time for rejoicing at the prospect of using article V of the Constitution for others, but there is still another reason for rejoicing. We are about to have our Nation's birthday, and while it is a dubious birthday present to be here discussing the legalization of flag burning, the exercise may very well be worthwhile. It has caused me, I know, to reflect on the real meaning of the founding of our country and to think back to 1776 and what it must have been like for those freshmen Members back in those days. Of course, I am a new Member of Congress myself.

Mr. DREIER of California. And the gentleman is doing an extraordinarily able job, I should underscore, as a new Member, because of the great experience he has brought with him here to this job.

Mr. COX. Mr. Speaker, I appreciate the gentleman's saying so.

Certainly serving as a new Member of Congress has given me a new perspective of what the job was of those Members of the spanking-new Continental Congress in 1776. Think of what they faced. Put yourself as a legislator in their shoes. The King had just decided in the early part of 1776 to rule out any political concessions, and Great Britain had opted instead for all-out war to put down the rebellion. And it was a hot summer here, a hot summer on the eastern seaboard, when the Members of the Continental Congress met and decided at great length what they were going to do, and on July 4 they passed a resolution that was drafted by Thomas Jefferson of Virginia, Benjamin Franklin of Pennsylvania, Roger Sherman of Connecticut, and Robert Livingston of New York. That declaration, of course, was our Declaration of Independence that said that the United States was once and for all a free and independent nation.

While that must have been an exhilarating feeling, they were responding to an all-out declaration of war by the strongest power on Earth, and any feeling of exhilaration they had must have faded mighty quickly, because the troops that assembled under George Washington just 2 days later were the first of many to die for their country. And one of the first acts of that Continental Congress was to adopt a new flag for the purpose of protecting the soldier and seaman who were captured by the British, because once captured, under the flag, they were entitled to be treated as prisoners of war rather than summarily hanged.

So in that way I think it is clear that the birth of our Nation and the adoption of our flag as our national symbol are very much interwoven, and it is very appropriate that on the eve of our Nation's birthday we are talking about those two things right now.

Mr. Speaker, I have obviously got much to say on that subject, but I would be happy to hear the views of my colleagues.

Mr. DREIER of California. Mr. Speaker, I thank my friend for his excellent contribution. It is very appropriate.

We have been talking over the past several hours about what July 4 means to us and what Members of Congress will be doing on the Fourth of July. We will certainly be celebrating our Nation's birthday, the birth of our independence, and it is appropriate that as we look toward that day we talk about the American flag.

Throughout the evening we have been talking about individual experiences, from those of my friend, the gentleman from Texas [Mr. FIELDS] who talked about his great ability to lead the Pledge of Allegiance in his kindergarten classroom, to the very, very sad experience when at a military funeral the American flag was handed to the mother of a fallen soldier. So I think it is an important opportunity for us, and I thank the gentleman for his very able contribution.

Mr. Speaker, I would like very much now to yield to my classmate and my friend, the gentleman from Utah [Mr. HANSEN], who came here in 1980, at the same time, coming here with that great Reagan revolution to the U.S. Congress.

□ 0530

Mr. HANSEN. Mr. Speaker, I appreciate my friend, the gentleman from California [Mr. DREIER] yielding.

Mr. Speaker, I have been in this political game now for almost 30 years and from a city councilman in a small town, in Farmington, UT, to the State legislature in Utah, to speaker of the house in Utah, and then to the U.S. Congress. Over that period of 30 years it has been a great privilege for me to stand and put my hand over my heart and pledge allegiance to the flag.

I remember as a young man in Farmington, UT, I had the privilege of working in with some fear and trepidation to the city council with all those old gentleman with beards who used to run that town; they were all in their sixties and seventies. And I remember a very good friend of mine by the name of Hess, and I remember very distinctly that his son was an officer, a pilot, and was flying in Vietnam. And I remember walking into a city council meeting one night, and I could see the distress on his face and how he felt about things, and I said, "What seems to be the problem here?"

He said, "I just want to tell the members of the council that my son, Jay, Maj. Jay Hess, was shot down. He was flying the old thud at the time," and we did not hear anything about Jay.

The whole town was worried about it. There were prayer meetings in the local churches. Everyone was concerned about what happened to Jay Hess. For almost 24 months none of us knew or had any idea at all what happened to that man who was serving this country over there in Southeast Asia.

And then apparently we found out that he was in the Hanoi Hilton, that he was in jail, and so they allowed him 27 words, and they said, "Major, you can send 27 words out. We're going to audit it. We're going to look at it. We're not sure your family will know you're here."

And so he wrote down some words to his wife, his father, his mother, his children; he had five children, as to where he was and what he was going, but he wanted these people to know where Jay Hess was and that it was truly him, and so he wrote words that went like this.

He said, "These things are important." He started out, and he said, "Country." He talked to his young sons about scouting, he called upon them to be active in their church. He told them to keep records, to take pictures and that he would see them, and he ended it this way, "Press on."

They knew that this was colonel, later colonel, then Maj. Jay Hess.

I still remember distinctly when they let those young fellows out. We all went to the Salt Lake City airport, and the Air Force plane came in. There probably was not a dry eye in the place. The flag was flying. People were very patriotic. We went to the local courthouse. The place was packed. There was literally hundreds of people there as he stood and saluted the flag, and he said how he thanked God that he got out of that Hanoi Hilton.

Later on, as I went with Jay around Utah, we talked together, I listened to him, and he often talked about what they did as prisoners. One of the things that they did, and keep in mind that they were in absolute terrible conditions, is they found some red thread, they found some blue thread, and they took an old white T-shirt, and they put on the symbol of the flag of the United States of America.

Now take into consideration some of America's finest in this demeaning situation, and every morning they would stand, they would pledge allegiance to the flag of the United States of America, and they kept that hidden, and they would develop ways to talk to one another, communicate. They would tap on the walls; they started their own way of communication, and later how grateful they were to the President of the United States, to Congress and the good Americans who stood by them as they went through that literal hell in Hanoi.

This kind of reminds me of myself, not that I have any great experience such as that, but, as a young boy, I read a very patriotic story about a bird, and I was amazed that in the First World War we used homing pigeons. I did not realize that we did that, and in this thing I was so taken with this that I went to my parents and asked could I have that opportunity to buy some, and they said, "Oh, my goodness, we couldn't let you do that."

We lived by the University of Utah. My sisters thought it was a terrible idea, but I finally prevailed upon them to do it. They said if I cleaned out a place behind the garage I could do this.

I did it. I built the pan. I later bought the birds. Everything I did for years was on me.

I still recall those pigeons being taken all the way to Barstow, CA, how they would come home, and I had a record at one time of a pigeon doing 80 miles an hour. It must have had a whale of a tailwind.

From a young boy doing all these things, taking care of them, feeding them the proper things, even keeping genealogy on them, I remember coming home one day and every bird was gone. I do not know what happened to them. I guess they were stolen.

Later, or after a year of working in Idaho, I came home, and my mother and father were standing there, and they said, "We've got a present for you."

I went out there, and the whole backyard area they put in rabbits. Over a period of time I would say I am very grateful. I went out there. The hutches were done. The rabbits were there, the food was there, and, as I took care of them in a very shabby way, it was within 6 months they were all gone.

Now, as I look at the difference and what is the difference between the pigeons that I took care of and the rabbits is that I did it. I did everything with the pigeons. I won the record. I took care of them, and then I look back and say that the rabbits were all given to me.

I use that analogy to say, "What's the difference?" The difference is in America the things that we believe in, the things that we fight for, the things that we love, mean a lot to us, and those things that are given to us and we receive very freely do not mean as much.

Now go back to the story of the Hanoi Hilton. These guys were over there giving their all. Many of them did give their all. We are still wondering where a lot of them are. We look at some of the people, friends I know during the Second World War who were in submarines tell these chilling stories that, as depth charges were coming along, they could hear two clicks before a depth charge went off, and then does that mean that he has got you or not?

How about these people who were in those B-17's and B-24's flying over Europe? How about the people in Vietnam? How about those of us?

I still remember as a young sailor in the United States Navy, I was 18 years old and involuntarily drafted into the Navy and thinking at the time of all my friends who were in Korea. I think of the time of flying in distant airplanes, the old BP-4Y. I think of all of our good young people that we put out on the field and say, "What do they do?"

Well now everybody in America has something that they feel strong about, the flag of the United States. It is like those of us who went through a lot for something, and those of us who worked our way through college, those of us who did something we are proud of, a business we started, something we did. We tie that to the flag of the United States. Americans all over say that when they look at the flag, it is more than just a piece of silk with colors on it. It is a symbol of what they believe in, what they love, what they would die for, and so when someone comes up and says, "Red, white and blue, spit on you," we are offended. We are totally offended at that.

Mr. Speaker, we do not believe that anyone has that right. I guess we cannot do much about what happens in Iran and a number of other different areas, but we are totally offended when someone in our own Nation does it. It is one of those things that in

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

America we say, "O.K., take all the great legal minds, and there are dozens of them on this floor. Let them all pool together, but that means nothing to us and they try to interpret the first amendment."

Mr. Speaker, what means things to us is this is a symbol that since the time of George Washington to George Bush we believe strongly in these things, and so like Jay Hess who said, "These things are important," Mr. Speaker, there is 250 million Americans out there that are echoing the words of Maj. Jay Hess who was locked in the Hanoi Hilton. "These things are important."

We do not care much about these folks over in the Supreme Court. They can do their thing. I personally feel like Thomas Jefferson, that they made a gross mistake in this particular area.

I applaud the actions of President George Bush when he said that we should now have the 28th amendment; I guess it would be the 28th, Mr. Speaker, that would become an amendment to the Constitution that we could not burn the flag and we could not desecrate the flag. I look at how this would come about.

My colleagues realize that this would pass by two-thirds of both Houses, and then it would take 28 States to ratify it. People have said that would take a long time.

Go back to the time that the vote was given to the 18-year-olds. That did not take much time at all. Go back to the time of the equal rights amendment which never did pass, and I say, "Thank the Lord for that."

But this one would pass in a hurry. As one of the past panel members of the National Conference of State Legislators, I can feel and prophesy, and I do not think I would be a false prophet, that this would go through 50 States very rapidly, and then Americans, which is the vast, vast majority of us, who are offended by this desecration of something that means so much to us would feel we have made a dramatic step forward.

□ 0540

It takes a lot for us as Americans to get excited about something. We are kind of a sleeping giant. We go to work, we go to church, we do our own thing. It takes a lot to get us excited; but Mr. Speaker, I want you to know and the American public to know that we are upset. We now believe there has been a mistake made. We now want to rectify it. We now want a change and that change will be the amendment to the Constitution.

I respectfully say and urge State legislators in all 50 States to seriously consider the actions of President George Bush when he has called upon us to make this dramatic change and the House should go forward and be the leader.

I compliment those who have taken the time for this special order on something that is near and dear and very, very close to the hearts of all good Americans.

I thank my friend, the gentleman from California, with whom I have served these past 9 years and appreciate the great leadership that he always takes in these areas, and also my good friend, the gentleman from California Mr. DUNCAN HUNTER, who has done such a good job and all those who have participated.

Mr. DREIER of California. Mr. Speaker, I thank my friend for his very able contribution and appreciate the focus on the issue which has been near and dear to so many of us, and that is the plight of those classified as prisoners of war and mission in action. There is a very direct correlation when we look at this issue of the American flag and the POW/MIA issue.

Mr. Speaker, I am particularly pleased that we now are able once again to make this bipartisan special order. I am especially happy to welcome our new colleague, and I yield to the gentleman from Mississippi [Mr. PARKER].

Mr. PARKER. Mr. Speaker, I thank my friend, the gentleman from California, for yielding to me. This truly is a bipartisan effort. I think the evening started with the gentleman from Mississippi Mr. SONNY MONTGOMERY.

The entire situation is really sad whenever our country gets to the point when we have to face a problem like this. There is a lot of reaction out in the country of anger, but I think as much as anything else, most people are just disappointed.

Two weekends ago before the end of school, my children were up here before I took them back home to Mississippi to spend the summer: my wife and my 3 children. I have a 15-year-old son and an 8-year-old daughter, and a 4-year-old son. We went to New York City. They had never been to New York. One of the things they wanted to do was to go and see the Statue of Liberty. It was my privilege to take them there.

The Statue of Liberty means a lot to many people. It means a lot to us here in this country. Evidently it means a lot to people all over the world.

In Tiananmen Square, we saw the Chinese students build a replica of that statue. I think when we saw the armored personnel carriers hit the statue and knock it down, everybody felt a little odd.

That statue was not something that originated here. It was a gift to our country from the people of France.

Everybody remembers a couple years ago when we had the 100th anniversary of that statue. That statue means a lot to this country. It is a symbol and symbolism is important.

I do not think anybody would argue with the fact that if someone were to express their freedom of speech by attacking that statue and harming that statue in any way, that we have laws that are available to us to incarcerate those individuals, to punish them for harming that statue but we are talking about something much more important than just the Statue of Liberty. We are talking about a symbol that has been with us since the beginning of our country. We are talking about something that means much more than a gift from the French people. We are talking about our flag.

Now, I could sit up and say, well, everybody has a right to do pretty much anything they want as far as free speech or whatever, and I think they pretty much do in this country. I think we as a government have a right, too, to require certain things of individuals.

I come from people in the Deep South who believe strongly that for every right an individual has, there is a corresponding responsibility and that responsibility is something that you have to uphold and you have to followthrough with.

Over 7,000 times we in this country have tried to amend the Constitution, over 7,000 times. Not many people realize that. We have only amended it 26 times. One time we amended it and took it back. So our track record as far as the Constitution is pretty steady. We do not take changes lightly. I do not take this change lightly, either.

I personally feel, and I am not a lawyer, and I might say that I am not ashamed of that fact, but I am not a lawyer. I am not an expert on the Constitution, but from the people that I have talked to and those individuals who have discussed the implications of this Supreme Court ruling, really the only thing that we can do, I think, is amend the Constitution.

This issue is so important, it is so vital, not only is it vital I think to our country from the standpoint of correcting a wrong, but I think as a symbolic gesture on the part of our country in reaffirming our faith in this land.

I really do not think we have a choice. We have to support that strongly. I believe it will go through the Congress about as fast as it possibly could go through, and when it is introduced, and I understand that the minority leader is going to be introducing a bill and I might say the first cosponsor on that bill is my colleague, the gentleman from Mississippi, Mr. SONNY MONTGOMERY, it will go through quickly, and I urge my colleagues to support it.

Mr. DREIER of California. Mr. Speaker, I thank my friend for his

very able contribution. I appreciate the contribution of all my colleagues in this particular hour. We of course are going to be continuing here.

Just in closing, I would like to express my appreciation to Chris Heil, who is sitting here, his colleagues, Judi Mazur, Charles Gustafson, Susan Hanback, Tony Tartaro, Aubrey Redling, Katie Teel, Ed White, and Dick Creeger, and all the people here who have stayed up all night, and the gang downstairs. They are going to be staying with us, I am told, throughout this entire day as we continue with the Foreign Assistance Act, without any rest at all, so I think we owe a tribute to them on the spur of the moment making this sacrifice to be with us. We greatly appreciate it.

I thank all my friends here who have very ably contributed to this, and I am pleased to say there is going to be time for more, Mr. Speaker. I will be turning the reins over to my distinguished freshman colleague, the gentleman from New York [Mr. WALSH].

ORDER OF BUSINESS

Mr. DREIER of California. Mr. Speaker, I ask unanimous consent that we now proceed with the special order by the gentleman from New York [Mr. WALSH].

The SPEAKER pro tempore (Mr. BROWDER). Is there objection to the request of the gentleman from California?

There was no objection.

OUR GREAT STARS AND STRIPES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. WALSH] is recognized for 60 minutes.

Mr. WALSH. Mr. Speaker, I thank the gentleman from California for that hour in which he presented and joined with other colleagues on both sides of the aisle to discuss this very timely matter.

I think what really makes these statements poignant are the personal comments that the individual Members have made.

I know my colleague, the gentleman from California, talked about the very first flag. I can remember as a school child in 1960 taking part in I believe it was a nationwide effort to determine what the new flag would look like as we added the States of Alaska and Hawaii to the Stars and Stripes. I can remember with a pencil and paper trying to figure out what would be the best possible design and looking at the designs that had been offered. There were some fairly major changes that were proposed and there were some not so major, but all of my classmates were so excited that there was to be a change in the flag. Some people wondered whether indeed we should change the flag, but as we have added States, we have always accommodated those new States as stars in the blue field, along with the red and white stripes.

□ 0550

I was reminded again of that discussion when I came to Washington as a new Member of Congress. On the roof of this august body, just above my colleague from Buffalo and my colleague from California, in the center of the ceiling, all of the stars of the 48 States are represented circling our Great Seal, and I was informed by one of the Members from Hawaii who at that time was a Delegate to the Congress about to become a Member of Congress that the stars from Hawaii and Alaska were not represented on the ceiling, and they, working with the new Representative from Alaska, figured out a way to add those two additional flags to the ceiling just as we in America accommodated the States of Hawaii and Alaska on the flag. Those show the continuum of the great tradition and the great history of our flag from its very beginning. It changed and grew with our country, and many have pointed out that it is a monument, and it is a monument but it is a living monument, a monument that has grown and shared the experiences of this still rather young Nation and all of its trials and tribulations throughout that 200-year period.

I would like to ask my distinguished colleague from Buffalo, a member of the great New York State delegation, to maybe make some of his own personal comments about his own experiences.

Mr. PAXON. I thank the gentleman very much.

It is just a great honor to share this new morning. We have been here all evening, and as my distinguished colleague, the gentleman from California [Mr. COX] mentioned, he took a step outside, and I did a few minutes ago, and it is a beautiful morning coming up here, the sun just starting to rise, dusk breaking over the Capitol, and the flag flying all night as our friend, the gentleman from California [Mr. DREIER] said, when we are in session, the flag is up there, and the light is on the flag. It is just an incredibly beautiful sight with the Capitol dome in the background. This building is full of symbols and meaning much like the flag. I think the gentleman would agree.

The gentleman noted the ceiling and talked about the stars around that great eagle. Also around the ceiling are the seals of all of the 50 States, and it is very appropriate tonight, this morning, that we make reference to that, because what we are undertaking here is not just going to involve this Chamber or this Government at the Federal level, but it is an effort of the Federal Government and the States, because we are going to need our colleagues in the New York State Legislature, in the California Legislature, and in those State legislatures from coast to coast, all 50 of them, to join with us in this.

It is, I think, an exciting moment. There are not many opportunities, as our friend, the gentleman from Mississippi [Mr. PARKER], has said; there are very, very few times in the history of this country that we are going to have the chance to amend that Constitution. We do not do it lightly, but as I said earlier this morning, the Supreme Court handed us a decision we do not agree with, but it may well be the opportunity of a lifetime to bring this country together on this issue, to reflect on the values symbolized in the flag and in the symbols of this Chamber in the ceiling and in the seals of these great States, and reflect on all that we have been given and all that we have to continue to fight for as Americans.

Mr. WALSH. It is so true that we are so fortunate to have the freedoms that we have in this country, but those freedoms, as the gentleman from Mississippi pointed out, are certainly our rights but, with those rights go responsibilities, and I think we, as a Congress and as a nation, have a responsibility to give our flag the protection that it deserves.

My distinguished colleague, the gentleman from California [Mr. COX], has noted that earlier in the evening, and as we move into the morning, I am sure he could expand upon those earlier thoughts.

Mr. COX. The gentleman was making some personal observations, and two personal observations have occurred to me about this flag-burning decision and about July 4 and about how we have come to this pass and the historic opportunity to do a great thing for our country, and yet a troubling circumstance for the time being.

I, of course, had the opportunity to work in the White House with Ronald Reagan. The gentleman alluded earlier to the spirit that Ronald Reagan developed in this country. He brought America back. It was morning in America. There was a renewed sense of patriotism.

If we remember back in 1984, we were hosting the Olympics, and it was perhaps the high water mark of patriotism in America for years, and that was the year, 1984, that the Republicans met in Dallas for their national convention.

I was there at the Dallas Republican National Convention, and it was just outside that the protesters were spray-painting buildings and turning over potted plants, about 100 of them, who were moving down the streets. This

was their way of really staging, of course, an antidemocratic event to state their objection to this American patriotism, which is protected by our very system, our first amendment.

None of those people were charged with any crime, but one of them, passing in front of a public building, an office building in Dallas, saw a flagpole with a flag on it, hauled down the flag, literally stole the flag, handed it off to Gregory Johnson. Gregory Johnson unfurled it in front of the city hall in Dallas and poured kerosene on it and lit it on fire, and they all stood around and watched it burn up. That was the circumstance that led to his arrest. They stood around and they chanted, of course, "America, red, white, and blue, we spit on you." None of them were arrested for this. This is all legal protest.

One man out of the 100 was arrested for defiling the national flag.

Five years of lawyers' arguments then took place, and now this past week the Supreme Court finally ruled in his case after great expense by one vote that his conviction would be overturned.

Interestingly, two Reagan appointees to the U.S. Supreme Court were part of that 5-to-4 majority narrow one-vote victory. The first Justice, Antonin Scalia, the second Justice, Tony Kennedy, and shortly after I began work in the White House, someone slipped me a confidential note and said that the Chief Justice of the United States had determined to retire, to spend full time on the bicentennial of the Constitution, but that he was not going to make public the news of his retirement until President Reagan announced his selection for a successor.

It came to me secretly to prepare dossiers for the President's review of a dozen candidates to replace Chief Justice Burger, and eventually the President narrowed it down to two men, Antonin Scalia and Robert Bork. As the President later said, it was so close those two that one could have thrown a dart to pick one or the other. Of course, he ended up picking Antonin Scalia.

Very soon thereafter another appointment came to President Reagan, and this time he right away picked Judge Bork. I worked very hard for Judge Bork's confirmation, but that was not to be, and shortly thereafter President Reagan nominated Justice Kennedy, and Justice Kennedy's nomination I worked also very hard for, and he was successfully confirmed.

Today I had the chance to meet with Judge Bork and talk with him for over an hour about the flag-burning case, and he said that he would have voted with Chief Justice Rehnquist and the four-person minority on the Court, which would have made it a 5-to-4 decision the other way. That is the way history works in our country. It is that close.

What he said is that we are not talking about amending the Constitution. We are talking about changing a one person, 5-to-4 vote on that Court, and that is what America is up to right now.

The amendments that we are considering would do nothing more than restate the law that has been in place in 48 States for years and years in this country. They would do nothing new. They would simply preserve the status quo. I think that is very appropriate.

Judge Bork echoed the dissenters on the Supreme Court when he said, "Isn't it ironic that this Government can conscript its citizens, force them, force them to fight, perhaps die, for their flag, but this same Government does not have the power to protect the national symbol, the banner under which they fight?"

□ 0600

That is wrong. That is wrong and we ought to fix it.

Mr. WALSH. The interesting thing, and our distinguished colleague from California made the point earlier on, is that this is really a truly great opportunity for this Nation. This Supreme Court has done more probably to crystallize what the flag stands for than any other, and I think we as a nation perhaps in our youth more than at any other time take for granted what that flag stands for, and as this effort continues to grow across the country from the Congress into the 50 States and into the legislatures and into the neighborhoods and into the main streets of certainly Syracuse but also of the great towns and cities throughout the Nation, I have a feeling that this is going to be a very positive, exciting effort.

I am again reminded of a personal experience that took me outside of this country when I was a young man as a member of the U.S. Peace Corps. I remember leaving the country for the first time in my life, getting on a plane at an airport in San Francisco, CA, and leaving behind the Nation that I have known and loved my entire life for a period of 2 years. I did so with a great deal of trepidation, going out to see what the rest of the world looks like. I was reminded throughout that 2-year period on a daily basis from my own personal experiences that I gained and from my own reflections of what a great Nation this is that it would provide us with the freedoms that we have.

I remember going to the Philippines and landing in Manila and spending some time there undergoing some training, and doing a little sightseeing while we were there. I remember going past the American Embassy in a taxicab with some of my friends and colleagues and seeing that flag high above that large white building, and seeing a line of people out at the front of the Embassy and down the street. I said to the taxi driver, "What are they doing?" He said to me, "They want to go to America. They are standing in line to be processed to become American citizens."

As I looked at that line and I looked at that building and the flag above them, it reminded me once again that countries throughout the world are striving for the freedom that we were born to have. It is an amazing feeling.

I was reminded again when I reached the nation where I was going to serve those 2 years, and it was in the early summer, and this was an experience that I repeated two more times while I was there, on the Fourth of July we were all invited to the Embassy for an American picnic with hotdogs and Coca-Cola and the American flag, and English, and the ability to discuss our Nation's politics, and philosophies, and our own individual ones. And everything in that country was completely foreign to me, the language, the religion, the culture, the people. But it was an interesting thing. As all of us Americans gathered on the Fourth of July, those several summers in Nepal, the people who worked at the Embassy, the people in the streets of Nepal whom we met coming and going would point to the flag and they would say, "You have what the rest of the world wants." The more I saw that and the more I heard that, the more I as an individual appreciated those freedoms, because I think we take them for granted in this country. I really think we do.

But the men and women over the years who have struggled to defend our Nation against its enemies have that appreciation.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding. The account he just gave is a very touching account, and it poignantly points out what we have been talking about here all night long, about our desire to protect that symbol of freedom.

I had to come back to the microphone because I walked back into the Cloakroom and happened to sit down next to what was lying in the chair next to me. I picked it up and it was the New York Times from yesterday, and in the New York Times I happened to notice that there was an oped piece there by Ira Glasser who happens to be the executive director of the American Civil Liberties Union, more affectionately known in the last election as the ACLU. Once again they proved to be out of step with the mainstream of America, because Mr. Glasser made some comments in his

editorial piece that once again inflamed my passion about what is going on and what has happened to this flag.

He points out that the first amendment is indivisible and that what the flag stands for includes the freedom to defile it. He talks about others who have burned the flag, including James Meredith who burned the flag on a street corner in Harlem. Mr. Glasser points out that by burning the flag he symbolically increased the visibility of his protest, and because he burned the flag his protest was covered by television cameras and his message reached millions.

I assume that if Mr. Meredith came over here and put a torch to this Capitol Building, I imagine the television cameras would also show up, and his act would reach millions. Mr. Glasser points out that the President of the United States, President Bush, in calling for the constitutional amendment protecting our most precious symbol of this country, Mr. Glasser says the President has abdicated his responsibility.

It just boggles my mind that an American citizen thinks that that wonderful symbol of freedom, that wonderful symbol that we all hold dear, the American flag, is just something that you can take out and burn so that television cameras will turn on, and it is just a simple expression of speech.

It is not an expression of speech. As I said earlier in the evening, speech is just what it is, it is speaking from the mouth and not defiling something people hold dear, like this building or the monuments around this town.

How can the ACLU and people who give money to Mr. Glasser continue this kind of diatribe against the principles of this country, against what we hold dear? How can people continue to support this kind of action, this kind of organization like the ACLU that just spits in the face of freedoms of this country? It spits in the face of the values that we hold so dear in this country.

Mr. COX. Mr. Speaker, if the gentleman will yield, I could not agree more. The critical distinction here is between on the one hand respecting the right to exercise freedom of speech, and defiling the flag of the United States of America, which is the very source of that right.

I mentioned two Reagan appointees for whom I worked for their confirmation who were in the majority. Reasonable men can differ about the scope of the first amendment, but here the critical distinction is that while I have not spoken with them, I am absolutely certain that Justice Scalia and Justice Kennedy who wrote a separate concurrence with the majority opinion, saying while he joined in Justice Brennan's decision, nothing is more personally distasteful to me, and it pains me to hear, I could not believe these justices could not, would not in an instant support the right of the American people, and the people in the State legislatures in the 50 States to adopt a constitutional amendment to preserve the status quo.

This is a very narrow and easily-understood circumstance, a unique circumstance. It is our national symbol, and it will do great justice to us in this country very promptly to act on this amendment. I think that is where Ira Glasser and Justices Kennedy and Scalia who voted with the majority of the Court would part company on this one.

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Ohio.

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, I thank the gentleman for yielding and for his very thoughtful remarks on the flag just now.

It occurred to me also we have a real problem here in that in every other instance of freedom of speech there are limitations, or you do not go beyond the pale of certain activities and certain comments. For example, we have libel laws to protect our people from being libeled, and we have slander laws for the print and media, and there are limits to what individuals can say about others. There are limits about what one can say about corporations. Everyone has protection ala the Supreme Court, except the flag.

There are also limits on shouting "fire" in a crowded theater. There are limits to all of the great freedoms we have in this Nation. But specifically, the greatest freedom I think we do enjoy is the freedom of speech.

Now we come up with the idea that the concept in its broadest definition, the freedom of speech, could cover the desecration of the symbol of our flag, and I have been taken by the comments all night long. But one that does stand in my mind is when a President, who is a Democrat, Woodrow Wilson, continued to say that the character of our flag is given to the world generation by generation.

□ 0610

This is how each generation accepts that change, accepts that responsibility and defines the honor, the prestige and the glory of the flag, determines how it is accepted around the world. It is ironic to me, standing in the United States of America, in Washington, DC, our Nation's Capital, with other fellow Members of Congress equally concerned about this true crisis, and it is a crisis of the spirit, crisis of the heart, crisis of the soul for America, that we stand here guarding in our small way tonight the precious freedom that other people die for and strive for.

I would like to relate one story if I might very briefly.

In making 17 trips to Central America with refugee supplies, clothing, et cetera, for the refugees primarily in Nicaragua, from the Communist regime there, I was being served dinner one night prior to returning back to the United States by the young lady, about 21, I assume, who was practicing her English. I said during the conservation, "I know you probably would like to come to the United States." She said, "My greatest dream is to come to the United States. I feel as much allegiance for your flag as I do my own." And I asked her why she felt that way. And when she was finished, she said, "I can't come." We forget about the freedoms that we have.

Now Costa Rica is probably the freest, the most liberal and certainly the most progressive State in all of Central America, if not all Latin America. It has a history of freedom, democratically speaking, democratic organizations as long as our own, or over 125 years. She says, "I can't come, because I am young, unmarried, and I have no property," which is very interesting. Translated, it means simply so many young people around the world, even in countries as free as our own, dream of coming to this country, but they cannot because they do not have a family to go back to, they do not have property which makes them leave something of value in their own country, and they are young so that they go where the most opportunity present itself. That young lady, and thousands like her around the world, thousands like her in her own country of Costa Rica, longs to come to the United States and knows that four out of five people who come here under protection of this beautiful flag, Old Glory, will not go back to their own country. We have freedoms represented by this flag, we have freedoms that are symbolized by this beautiful flag that go beyond the imagination of most Americans.

I thank the gentleman for yielding.

Mr. WALSH. I thank the gentleman from Ohio for his comments. They are very appropriate, very much to the point which has been made over and again. We have laws in this country, as has been stated, that they are making it a violation of the law to damage a post office box, a dollar bill. The gentleman from Texas pointed out that if someone came and desecrated the Capitol, that certainly the TV cameras would show up. But I would add that the police would also show up because that is a violation of the law.

Mr. COX. I should add that there are statutes on the books still valid after this recent Supreme Court decision that make it unlawful to use the flag on a commercial product. We cannot crassly commercialize the flag, but we can burn it up and defile it.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. WALSH. Is it not amazing that we have a law stating that, not allowing it to be commercialized, but yet allowing it to be desecrated. There is something wrong with the very fiber of that decision. I think the American people sense it. We certainly sense it and the President senses it, and that is why you have a process in this country whereby the Supreme Court indeed is not supreme. The people are.

If the people of this country want a law, there is a way to put that into the Constitution, and it is through a constitutional amendment. Our great President, President Bush, has asked us to begin the proceedings to do that. I think this special order certainly shows the concern and the sincerity and the forthrightness of the Congress to begin that effort.

I yield to the gentleman from Buffalo, NY.

Mr. PAXON. I thank the gentleman from New York.

Mr. SPEAKER, listening to he gentleman's words, it strikes me how much history there is in his involvement in this House. His father served in these Chambers and now he is here.

Mr. COX. It is true, as the gentleman from Ohio said, in Woodrow Wilson's words, "Passing America down from generation to generation."

Mr. PAXON. Exactly. Maybe someday one of our children can serve in this House also. but the fact of the matter is that we come and we go. The Members of this House come and go. We have had a 50-percent turnover in these Chambers since 1980. We are here for a few terms, some more, but eventually we move on. That flag stays over this building, stays hanging in the most prominent place in these Chambers. The only thing above the flag, "In God We Trust," the flag though occupying a center role in these Chambers down through history.

As we talk about that Supreme Court decision, I hope that we will reflect on the permanence of that flag. It changes because of the number of States we have added. But the flag stays. What it means and symbolizes as it stays, though we come and go, is that our job is to protect all that flag stands for and all it symbolizes, regardless of who we are individually.

The Chambers are empty now. In a matter of about 4 hours we will be in session, this room will be filled again. But it is so very important that we all do our job to protect that flag so that when your children serve here and our children down the road, that they look up to that flag as a symbol of strength and the values of this country for years to come.

If I may, if our friend from California would yield, because of his background at the White House as one of the counsels to one of the greatest Presidents in the history of this country, Ronald Reagan: Many times in the past weeks since this decision has come down, many of my constituents who are not lawyers, I am not one and most are not, they say to me, "We don't understand it. It was always the law of the land that you couldn't defile the flag. What happened? Are all the laws thrown out?" That is the question asked of me time and time again.

Maybe the gentleman can elaborate and clarify it for my constituents and his, and for all the Members of this Chamber, exactly what has happened.

Mr. COX. Well, that is a very good question, and the answer is as difficult to give as it was for the nine Justices of the Supreme Court to agree upon themselves. They split 5 to 4. They asked the same questions, really, only in much more complicated lawyer-like, justice-like fashion.

What happened is that decisions of the Court concerning symbolic speech were pushed just a little bit further and, I think, to the commonsense viewpoint of most Americans, pushed just that little bit too far where no longer did the original logic hold true. The gentleman mentioned that we have within us, within our system the power to amend the Constitution and that makes the people supreme, our colleague from New York made this point just a few minutes ago. And I think that is another silver lining, if you will, to this decision.

Article 5 of the Constitution is just as surely an essential part as Article 1 which creates this Congress, as any other part of the Constitution.

□ 0620

Article V is the amendment article. In the view of some, and certainly the view of Thomas Jefferson, who wanted to see the Constitution as an organic thing that the people had control of, we do not use article V often enough. Today the Wall Street Journal ran an editorial and said all of this Flag stuff is fine, and you can blow a lot of hot air, but we have real problems. We have a budget deficit running out of control. If we are going to amend the Constitution, for God's sake, why do we not have a balanced budget?

I think this exercise is getting all the State legislators involved and the President of the United States and this Congress in using article V and hopefully adopting in relatively rapid fashion within a year will prove that the Constitution is a living document that we can amend. Article V is real, and as a result we might get a balanced budget amendment, we might get some of the amendments we need in order to make some sense out of our sometimes chaotic system here in Washington.

With all due apologies for the lawyer-like meanderings of each of our wise Justices of the Supreme Court, there is some good in this decision, and on the eve of the Fourth of July, I think it is terrific we have the greatest constitutional mind in America kick off a debate that will go on across the dinner tables at home across America the Fourth of July weekend.

Mr. WALSH. Mr. Speaker, I yield to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. The comments by our mutual friend and gentleman from California are very interesting and call for a great deal of introspection, and cause me to think back to the building of the strength of our Nation, which is on the backs of the people and hearts and the soul and the loyalties of the people. I am particularly impressed, today standing here, by going through some of the Flag material I had in my office, and I wanted to read this and share this with my friend on the floor and with our country. It is a simple piece entitled "I Am Your Flag," written by James R. Howerton. Now, James Howerton is from Pendleton, OH, and was police chief for that community of about 55,000 to 60,000 people for a couple of decades. Jim, about 12 years ago, on "I Am a Loyal American Day," now "All American Day," July 1 through July 4, he wrote a tribute to the flag, and I thought it would be interesting to share this with Members, written by a man serving in World War II and now passed away, a good friend of mine, and a friend of everybody's. It says, "I am your Flag:

I have never transgressed upon foreign soil, except to defend the dignity of man
I have never flown over concentration camps, except when they were free
I have never flown over a grave except in humble thankfulness
I have left my shores with your men eager for battle and returned saddened by death
I have fallen in battle—been grabbed up by eager hands and carried on
I have gone into battle with young boys and returned with battle-hardened men
I have draped the caskets of a million fallen warriors—been folded gently and handed to a weeping mother
I have been carried in victory; but never in defeat
I have looked down upon kings and all the great men of my time
I have been burned, cursed, and spat upon
Yes, you may be disgraced; but I have lived in so much glory that I can never be disgraced.
I belong to no one and yet I belong to everyone.
For I am a symbol of your heritage of freedom.
And so I shall be as long as there is an America.

I think all of the legal speak notwithstanding, that there is no greater tribute to a nation than just one ordinary American citizen who cared to call upon to fight for his country, did so, and came back, cared enough to write to me one of the nicest tributes,

meaningful tributes to the symbol of our country I have ever heard. I think it is fitting at this moment that we realize what we are here for all night. To me, it is for the purpose of expressing to people of the United States that we do care, and that their flag which this generation loves and cares so much about will not be torn asunder by a wrong verdict, nine very well-meaning people, but a mistake. I think it is important to realize we are here for the people of the United States who overwhelmingly care about the respect that the average citizen around the world should show to a flag that stands for so much freedom and so much sacrifice and so much opportunity.

Mr. WALSH. Mr. Speaker, I thank the gentleman for his comments. It has been noted that the flag hangs over in the center of our body. Indeed, it hangs, it flies in the center of every American city and county of any size, and all the county squares and town halls throughout the country. That flag is the centerpiece. We all know it. We all love it from the youngest to the oldest citizen of this country, even know what it stands for.

I was reminded of that as I came, and of our own "Star Spangled Banner," as I walked down to the Capitol grounds this morning, I looked up at that light that sits at the top of the rotunda of the Capitol, and that light is always on when Congress is in session, and as I looked at that light, and I looked at the flag flying next to it, I was reminded of the words of the "Star Spangled Banner" that said, "Bombs bursting in air," and our flag stood amidst the battle of that great War of 1812, and the light that shines above the Capitol tonight as the day grows brighter, that light does not diminish, and the effort that was begun at the end of the day yesterday goes through the night and begins a new day today.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding to me once again. I had to get up one more time. We have been up here talking about this flag, this piece of cloth, and what it means to so many Members, the Members here, some being veterans, some not being veterans, all being great freedom lovers and lovers of the flag, trying to express what it really means to me.

I was walking along, coming back onto the floor and passed by George Russell, one of the recording clerks here, and I wanted to also thank again, as we have all night, the employees of the House, the clerks that are always staying up here, and George said something about, this is one of the all-nighters, and there have only been three that we know of, that he really enjoys being part of because of what the flag means to him. I said to George that when Americans see the burning of their flag, and we have all talked about it being symbols, but maybe it is a symbol, more importantly, Americans see themselves being burned. I think that says it probably better than any that have said it tonight. We see ourselves being defiled. We see ourselves being desecrated, because we see everything that we believe in being burned and defiled and desecrated, and it goes against the very grain of what America is.

I appreciate the gentleman for taking this time and being up all night to participate in this all-night special order.

Mr. WALSH. Mr. Speaker, I thank the gentleman from Texas. This is certainly an honor and a privilege for me to take part in a small way in this special order. It is truly a privilege, and as a Member of this body, I consider it one of my highest privileges yet as a Member of Congress. We all treasure our experiences here, and this is one that I will treasure, for many, many years to come.

As a candidate for this office, I came to Washington and met with the gentleman that I replaced here, Congressman Wortley, several times, and one of those times was a very, very hot July day, and as we came into the Capitol, we met with him, and we immediately left and drove up to Arlington National Cemetery where a former prisoner of war, MIA, was being laid to rest. I will never forget that day as long as I live. I had never been to Arlington before, and standing there with Congressman Wortley, and following as we did the caisson, with the riderless horse, and the full military honor guard, was a stirring experience for me.

□ 0630

That man's heritage stood next to his grave, his wife, his children, and his children's children, and the flag that was draped over that casket went with him to his grave. The children, his wife, and his brother were so proud, so proud of that man, so proud of his contribution to this country. Those sorts of feelings go deep, very deep, in all of us, and that is what the flag is all about in this country.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I think the gentleman makes an excellent point. The gentleman from Texas just a few minutes ago pointed out that the American people certainly feel that the flag is the embodiment of all that we hold most dear as a nation. It is a great unifying force for this Nation.

Just to build off the point the gentleman just made, there are a couple of things from history that we ought to reflect on, because I think they say precisely what the American people feel about the flag.

Woodrow Wilson back in 1915 said:

> The flag is the embodiment, not of sentiment, but of history. It represents the experiences made by men and women, the experiences of those who do and live under that flag.

In other words, everything we are and everything we want to be is embodied in the flag.

Henry Ward Beecher also made a point about the flag. He said this:

> A thoughtful mind, when it sees a nation's flag, sees not the flag only, but the nation itself; and whatever may be its symbols, its insignia, he reads chiefly in the flag the government, the principles, the truths, the history which belongs to the nation that sets it forth.

That is emblematic of the rest of the world, but in the American democracy the flag is even more important than it is in other nations because we have few unifying symbols in a democracy. We have no kings, we have no things that unify us in the way of personalities. We have a flag, and it has become extremely important to the American people to have that unifying symbol. That has been true throughout our history.

It seems to me that when we hear the great revulsion of the American people, with all of us experiencing contacts, and receiving hundreds of letters in our offices, when we hear the American people speak out, with 71 percent of them believing that a constitutional amendment should be passed, what they are really saying is that which really unifies us as a nation needs to be protected, and that somehow we have gone badly astray here when we think we can destroy our unifying symbols and not have it make a great impact on the Nation as a whole.

I think that is what we are hearing here. I think that is what we have spent the night trying to remind ourselves of and remind the nation of, that indeed what has been done here has to be corrected. It is clear that a constitutional amendment is going to be necessary to correct the damage that has been done by the Court's decision.

I certainly appreciate the efforts of the gentleman and the rest of our colleagues who have come in and spent the night to help focus the attention of the Congress and to help focus the attention of the Nation on that which is most important to us as a democracy, and that is the flag which unifies us and makes the American people one and whole.

Mr. WALSH. Mr. Speaker, the gentleman's remarks are absolutely right on, and I think it is worthy of noting that we have throughout the night and into the morning had the Representatives of the House, we represent-

atives of the people, representing people from every State, from sea to shining sea, across the country—Ohio, California, Pennsylvania, Texas, and New York. The people of the United States are speaking, and their representatives are addressing this very, very timely and important issue.

The gentleman from California [Mr. DREIER] said again and again that this is a unique opportunity for this Nation. It has made us face an issue that the Supreme Court has put before us. Is this freedom of speech? We think not. Freedom of speech is the spoken word. The flag is central to the focus certainly of this body, as we can see at the front of this Hall, and central to the focus of this Nation. In every State, every city, and every town, the flag is at the center, and this flag has inspired Presidents and poets and individual citizens to put to words and phrases some thoughts that inspire us as perhaps only our flag can inspire.

If I may, I would like to read a statement given by our great President, President Reagan, 6 years ago, on July 3d, regarding our flag. The President said this about the flag:

I am whatever you make me, nothing more.
I am your belief in yourself, your dream of what a people may become
I am a day's work of the weakest man and the largest dream of the most daring.
I am the clutch of an idea and the reasoned purpose of resolution.
I am no more than you believe me to be, and I and all that you believe I can be.
I am whatever you make me, nothing more.

The flag has stirred us in word and deed throughout our entire 200 years of history.

Mr. Chairman, if the gentleman wishes me to yield at this time, I would yield to the gentleman from California [Mr. DORNAN], who, if my memory serves me, began this special order tribute many, many hours ago.

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman for yielding.

To keep the chronology straight, may I ask the Chair how much time is left on this special order?

The SPEAKER pro tempore (Mr. BROWDER). The gentleman from New York [Mr. WALSH] has about 10 minutes remaining.

Mr. WALSH. Mr. Speaker, I yield back the balance of my time.

A FURTHER TRIBUTE TO THE AMERICAN FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California is recognized for 60 minutes.

Mr. DORNAN of California. Mr. Speaker, it is presently in the early morning, about 6:30 on the east coast, and in California it is 3:30, so that would make it 1:30 in Hawaii, our newest State. And across the international date line, this day is just ending in the United States' territory of Guam. That is where America's day begins, at daybreak. When "Old Glory" goes up in Guam, the day begins for America.

This is the day, as they used to say on the television shows, and through the mouth of Walter Cronkite, a day like any other day that illuminates our times.

I believe we started off on a wonderful bipartisan note here last night with special orders by some Members of the Democratic majority, including CHARLIE WILSON of Texas, an Annapolis graduate. In his special order there were stirring words about the flag.

I had not known that CBS last night, starting with Dan Rather, throwing the ball to Lesley Stahl, completely misinterpreted what we were doing here and actually put out some disinformation and said that a partisan fight was developing here in Congress, and that our friends and colleagues across the aisle were worried that somehow the Republican Party, the party that has taken the White House four out of the last five elections, was running away with the flag and making it a partisan issue. What a lot of baloney that is.

We will be glad to yield any Member of the majority in the U.S. House of Representatives. I do not know of one Member who has participated in special orders all night long in this vigil of respect to "Old Glory" who is doing it for any partisan advantage or who is not willing to welcome any American aboard, anyone of any political persuasion, to pay honor to our national symbol.

The phones have been ringing all night long in the Cloakroom. The rules of the House say we must direct all remarks through the Speaker to our fellow colleagues. If anybody is following the proceedings of the House, they are doing it by visiting with us, they are in the very few seats that are in the gallery, or they are doing it through national technical means, that is, television, watching in congressional offices, staff or Members themselves, or anybody else across the country. They are watching where I watch the floor proceedings in the House, and even in the Foreign Ministry at Moscow. I walked in the Foreign Ministry last August with my 28-year-old son, I opened the door of the conference room, and good heavens above, there were Russian Communists watching "Money Line" on CNN.

□ 0640

They were waiting to turn on the proceedings of the House floor, and I stood there, and I said, "Moneyline? Why that comes ahead of Crossfire. If they run one of my old tapes, you'll be watching that on Crossfire while I sit in Moscow itself," and they smiled and said; this was Gorbachev's main translator, Victor, who was on his way to a high assignment in the United Nations. He said, "Oh, Congressman, we watch you all the time, but only on serious matters." He said, "We have cable television here in the Foreign Ministry of the Soviet Union and your own embassy. Not even at the ambassador's home can you get American television. This was a gift from Ted Turner during the Good Will Games."

So, Mr. Speaker for all I know they are in Moscow at this very moment. Let's see, in Moscow, why it is the shank of the morning. It is coming up on 1 o'clock, 2 o'clock in the afternoon in Moscow.

So, to our friends in the Foreign Ministry in Moscow I say, "As you look across the city, at the American embassy and see Old Glory flying over the center of communism, know that this is a bipartisan vigil paying respect to 'Old Glory'."

I have had a love affair with the American flag my whole life, and I do not know where it began, but, as other Members said last night, DAVID O'BRIEN MARTIN who said, maybe it was his mother, maybe it was his father. I know my mother was born in Jersey City. Her first home was on Hamilton Street, and one can look down the street, and there is the Statue of Liberty looming so large that it makes one realize how close to the Jersey coast Bedloe's Island, renamed Liberty Island, is.

My mother dropped out of school at an early age because her father was ill. She went back into the convent and then came back to join the Zigfield Follies with her younger sister to help feed the family. She met a stagedoor Johnnie; he was a young businessman back from World War I. My father received three wound chevrons; that is what they called Purple Hearts in World War I, and he had carried a little tiny American flag next to the Cross of Jesus with him all through combat in World War I. I still have the cross. I still have the cross; we have lost the flag, but I can remember all during my youth that an American flag flew over the small desk next to my bed.

My first automobile, I put an American flag on the back next to the license plate. My second car was an MG. Most people in those days, when they wear the little sportscar hat, they put two British cloisonne flags on either side of their MG. I put two little American flags on my car as I had two American flags on the side of my red, white, and blue bicentennial van that was stolen a few years ago and at this moment is still running, illegal people desiring to be American, or at least work here back and forth through the

district of the gentleman from California [Mr. HUNTER] probably at this very moment.

Ford Broncos that I own, there are American flags on either side of the Bronco. Do my colleagues know where those flags come from?

The very first check I ever wrote in a campaign was my bicentennial campaign for Congress in 1976. People said I was crazy to spend so much for bumper stickers, but they were vinyl bumper stickers, the ones that last for years and years, and I lifted the idea from a great U.S. Senator, Jim Buckley. My bumper sticker began with an American flag, and I used to tell people, "If you're taking a bumper sticker to be courteous, go ahead and cut off my humble name, but save that flag because they sell for a dollar fifty, but you're getting it for free," and some people took that idea. I used to see my American flags on cars, but not my bumper sticker.

I have taken a leaf from the Presidency of the United States. When the flag flies directly over the White House, it means the President is in residency, and, when I am home in my home in Gardena Grove, CA, my wife puts out the American flag. It stays lighted all through the night, and it means the Congressman is in residency. When the house was shot up in some sort of a lover's quarrel across the street, my wife said, "Are you sure they meant to shoot up the house across the street? Our flag was out showing you were in residency."

I said on the floor last night to three American Marines, "You are never a former Marine. You're a Marine all your life," that would they ever pass a flag being burned on the street without having to get directly involved, and of course the question begged the answer. All three of them said of course not, and that is one of the things I find offensive about this decision is that it puts people into the position of having to take direct action against something that is now legal, and that is an offense to decency in this country.

Mr. Speaker, we got our first negative call in the cloakroom about 20 minutes ago, and let me also join my colleagues in thanking the staff here. I say to them, "You people look marvelous, a little better than we do, but I know that you don't look forward to working here all night long or even going late with special orders, but you're always good spirited about it. Even if you don't totally believe it, you always compliment us for our special hours," and I think that the unsung heroes of the House of Representatives and the U.S. Senate are our great staffs who work so hard, and that includes our police officers. That includes our great Capitol Hill Police force who occasionally don their Sunday best to mingle with the crowds in the gallery and observe their Congressmen at closer quarters than just stopping traffic in the streets and saying, "One more for the procrastinators as we weight into a late debate."

Here was one of the first calls we got last night. I know they are asleep, and I feel badly, so I will send them the RECORD.

A proud mother called, an angel she is, Angela Devito. She wanted to talk to the Speaker of the House. I believe that politics is not as important to these people as respecting the flag. This mother wanted to tell a story about her son. Kenneth Louis Devito, named after his dad, Kenneth Joseph Devito. They live in Peekskill, NY. This young 13-year-old American lad heard over the radio that it was legal to burn the American flag, and he was shocked, and he went to his mother and said, "Mom, I'm going to do something about this."

She said, "Sure you are, Ken. What are you going to do to change the Supreme Court?"

He said, "I'm going to help get a law passed to turn this around."

She said, "All right, Ken, see what you can do."

That day he visited people on the city council. He then went to see the mayor of Peekskill, Richard Jackson, who let him speak to the town council. The idea came up for a poster contest which the town is sponsoring.

Mr. Speaker, he has been unflagging over the last week in his devotion by going around talking to every person he could at this school. He is a freshman in high school at Franciscan High. He is in the ninth grade.

He called his Congressman and spoke personally on the phone to the gentleman from New York [Mr. FISH].

His mother made him a T-shirt that says, "Help Kenneth save the flag," and Kenneth Louis Devito told his mother the other day that he thinks someday he would like to sit on that town council, and then run for the mayor's job in Peekskill, NY, and then go to the assembly, as did one of our speakers here this morning from the State of New York, and then he wants to come to Congress.

Mr. Speaker, I think Kenneth Louis Devito is off to a great start, and one of these days that young man will probably sit in this Chamber and put his right hand over his heart and pledge to that beautiful flag that is displayed behind our Speaker and look back to when he was 13 years of age. The spirit of public service got to him because he heard those unbelievable words that it was a constitutional right to burn Old Glory.

There was some talks in the Cloakroom a few days ago about a poem on Barbara Fritchie that we all remember from school. As with most of the poetry that I was asked to remember in school, that came because either I was being prejudiced against because I had bright red hair and it stood out in class, so I was always nailed or I was shooting off my mouth, and the nuns were giving me a punishment, but I remember this one, and I went to our great staff over there at the Library of Congress and found out that two or three Members were doing the exact same thing at the moment, and we got the poem delivered to us, "Barbara Fritchie," by John Greenleaf Whittier. I went downstairs to look up the years of birth and death for John Greenleaf Whittier to try and figure out the date of the poem, and I see that he died the year my father was born, 1892. He lived a long life, as artist, and poets and sculptors sometimes do because of their tranquil pursuits, and he lived to be 85 years of age. He probably wrote this shortly after the Civil War.

□ 0650

It is based on some fact, the story of Robert E. Lee's invasion, the people would have called it in the North, in one of the border States in Maryland, the town of Frederick.

I would like to recall my early years at De La Salle Grammar School on the Island of Manhattan when I first encountered this poem and read it for you, through my sleepy voice on this early June 29.

Barbara Fritchie, by John Greenleaf Whittier:

BARBARA FRITCHIE

Up from the meadows rich with corn,
Clear in the cool September morn,

The clustered spires of Frederick stand
Green-walled by the hills of Maryland.

Round about them orchards sweep,
Apple and peach tree fruited deep,

Fair as the garden of the Lord
To the eyes of the famished rebel horde,

On that pleasant morn of the early fall
When Lee marched over the mountain-wall;

Over the mountains winding down,
Horse and foot, into Frederick town.

Forty flags with their silver stars,
Forty flags with their crimson bars,

Flapped in the morning wind; the sun
Of noon looked down and saw not one.

Up rose old Barbara Fritchie then,
Bowed with her fourscore years and tens;

Bravest of all in Frederick town,
She took up the flag the men hauled down;

In her attic window the staff she set,
To show that one heart was loyal yet.

Up the street came the rebel tread,
Stonewall Jackson riding ahead.

Under his slouched hat left and right
He glanced; the old flag met his sight.

"Halt!"—the dust-brown ranks stood fast.
"Fire!"—out blazed the rifle-blast.

It shivered the window, pane and sash;
It rent the banner with seam and gash.

Quick, as it fell, from the broken staff
Dame Barbara snatched the silken scarf.

She leaned far out on the window-sill,
And shook it forth with a royal will.

"Shoot, if you must, this old gray head,
But spare your country's flag," she said.

A shade of sadness, a blush of shame,
Over the face of the leader came;
The nobler nature within him stirred
To life at that woman's deed and word;
"Who touches a hair of yon gray head
Dies like a dog! March on!" he said.
All day long through Frederick street
Sounded the tread of marching feet:
All day long that free flag tossed
Over the heads of the rebel host.
Ever its torn folds rose and fell
On the loyal winds that loved it well;
And through the hill-gaps sunset light
Shone over it with a warm good-night.
Barbara Fritchie's work is o'er,
And the Rebel rides on his raids no more.
Honor to her! and let a tear
Fall, for her sake, on Stonewall's bier.
Over Barbara Fritchie's grave,
Flag of Freedom and Union, wave!
Peace and order and beauty draw
Round thy symbol of light and law;
And ever the stars above look down
On thy stars below in Frederick town!

—*John Greenleaf Whittier.*

Well, when schoolgirls and schoolboys, if they still study that poem following the Civil War, learn about Stonewall Jackson, one of the greatest heroes to the South during the Civil War, West Point graduate if he had lived, not been killed accidentally by one of his own young southern sentries, would have been the greatest general of the war on either side, wherever he chose to fight. It is a nice mixing of the agony of that conflict that put brother against brother to honor both Barbara Fritchie of Maryland and the great southern Gen. Stonewall Jackson.

Another poem followed this one in the book. They Xeroxed it in the Library of Congress for me. It is one that I remember just as well and it is cut in the middle of the poem, so maybe in a 1-minute at the beginning of our day after the Library of Congress has been opened for an hour, I will get the second half of this poem and recite this one, because I love this, and I remember it well, "The Flag Goes By."

This will stir some memories of school days. It is by Henry Holcom Bennett. I am not that familiar with Mr. Bennett.

How many remember this one, when America was still enjoying the great hat industry. Most males wore hats. I remember that. My dad must have owned 50 hats. This poem really meant something. The flag did not pass where an American male did not take his hat off and hold his hat over his heart. Now I am sometimes saddened at great American sports events where you see some of the younger men and women standing there, not knowing what to do with their hands. They look around and see that some people have their hands on their hearts. They see this look on their faces. "I wonder why they are doing that?"

It is just such a simple little gesture. It is actually the civilian salute. If you are in military uniform, you come to attention. Your left hand thumb goes along the seam of your trousers. You bring your heels together, toes at a 45-degree angle, and you salute smartly as straight as you can make your arm and hand, but if you are a civilian the salute to the flag is to put it over your heart.

When BOB MICHEL, combat veteran of World War II, opened up our vigil last night on our side of the aisle, he recalled the respect with which the flag is handled at funerals. I have been over to Arlington more times than I choose to for American heroes that I did not know, and for too many that I did know personally, the last time being just a few weeks ago when a friend that I came to know on my television show, after he had escaped with God's good luck from 5 years of Communist captivity, Col. Nicholas Rowe, one of our early Green Berets, just beloved because he commanded the John F. Kennedy Special Forces Center they have in Georgia.

I watched again how beautifully our third army regiment, the Old Guard from Fort Meyers out there in those beautiful hills at Arlington Cemetery, how slowly and beautifully they fold the flag with their white gloves, smoothing out each seam and then coming to incredible precision attention, turning it and giving it to the commanding officer of the honor guard and then he would gently go over and present the flag, in this case to Nick Rowe's wife, with his daughter sitting there and all of them shedding tears, and how the mother and the commander of the honor guard would for a moment both hold Old Glory. The commander always traditionally whispers something of how the fallen hero will be missed, the great sacrifice he made for his country. It is a moving sight.

I watched it when two of my friends that had flown with me in the Air Force in peacetime, who later gave their lives in Vietnam, were buried. I went over there for the burial of the remains that came back from Hanoi, 15, 20 years later, with wives that I had come to know and work with during the POW/missing in action struggle over the years.

I remember being in this well once talking about an American who went back to Saigon to get friends out, Tucker Grooverman. He served in the Marine Corps, worked in the CIA.

One gentleman tragically took the well on the other side and indicated he deserved to die because he had gone back to Vietnam when he should not have, that he had been in a covert program or something.

Tucker Grooverman could be heard screaming as he was being tortured in one of the Saigon Communist prisons shortly after Saigon was overrun by the Communists on April 30, 1975.

I went to Tucker Grooverman's funeral.

I went to the funeral of a man who died in a helicopter watching Los Angeles freeway traffic, but who had been shot down in a U-2 over the Soviet Union in Sverdlovsk, May 1, 1960, Francis Gary Powers. He served his country well in the Air Force, was a farm boy from West Virginia.

□ 0700

I remember his sad funeral over there as they handed the flag to his wife. The reverence that we show this flag in times of national loss, I think I have found out that most of my colleagues who have passed on with their boots on serving in this Chamber by driving to work and noticing suddenly that the flags are at half mast around Washington, DC, and if I had been daydreaming that morning and driving in, turned the radio on, and learned that a great American like Claude Pepper, 88 years of age, passed on, still serving in the House.

I remember when young Bill Steiger died. He was only 40 years of age. He has already been here 12 years. He had just had the greatest glory of his carreer, the Steiger amendment, which has become law without even a House floor vote, because it was an idea whose time had come to cut the capital-gains tax. We were coming into caucus shortly after an election. The House was in recess, and the Republican Conference came back to meet in the Cannon Building, and there was the flag over the Cannon Building at half mast. Young Bill Steiger had died at such an early age.

When we bring that flag down to half mast and people all across the country honor a hero, how incongruous that we would assume that somebody who did not like that person or their politics could then go out on the street and burn flags in the street while other flags are flying at half mast.

The gentleman from Illinois [Mr. MICHEL] reminded me of ceremonies around here, and I thought of one that he and I were at for about the fifth time this year where in the rotunda they called for presenting the colors, and Old Glory comes in, and it is followed by the division flags of the 16 American divisions that liberated the concentration camps, the Nazi death camps, on the western front of the Second World War, six armored divisions, the Thunderbird Division, the Rainbow Division, which was formed out of National Guard units in World War I that my dad served in for a while that has that beautiful rainbow symbol. All of these flags passed slowly in front of the assembled crowd, some of them survivors, Jewish

survivors of the Nazi horror, other survivors of different faiths, and to see the respect paid to our colors in that rotunda chamber during a ceremony so fraught with deep agony because of the survivors that were there and the glory of the American kids that kicked in the gates under General Patton and other commanders to see this hell on Earth, display before them of these walking skeletons reaching out their hand at the vision of the Stars and Stripes flying.

I remember reading a story once about an American fighter pilot in a Mustang flying over a camp, and he was about to strafe it. He thought it was a German military camp. There the prisoners had created an American flag out in the courtyard, and it was July 4, 1944, and most of those prisoners probably went on to die, but somehow or other out of cans or cloth or pieces of wood they made an American flag out, so the Mustang pilot rocked his wings and proceeded to strafe the gun towers only, because he knew that was a prison camp.

I am going to ask tonight that every body who has tracked this vigil find a flag story, something in their family's past, something personal to them, something they read about that has stuck in their mind, some beautiful story about reverence to the American flag. Please, do not send it to me unless you are my constituent; send it to your Congressman and ask your Congressman or woman to came down in this well, both sides of the aisle, and during a 1-minute or short special order at the end of the day, and after all one does not have to ask for a 5-minute special order. A Member can get a 1- or 2-minute special order or 5 or 10 or 15 or 20 if it is a longer story. Ask your Member to relate that story on the floor of the House to share it with all America. I just hope people will send in as many flag stories as they possibly can.

I am happy to yield to the gentleman from New York [Mr. SOLOMON]

Mr. SOLOMON. I just want to thank the gentleman from California. He is one of the Members of this Congress I deeply admire and respect for what he believes in and for the way he goes about expressing it.

He has talked about the expression and the flag, and I am very troubled about what is going to happen in this country when we talk about the Supreme Court decision on the flag and the ramifications of that, because standing on the public corner in a public place in a neighborhood at 3 a.m. in the morning in a residential neighborhood, shouting obscenities; is that freedom of expression?

Mr. DORNAN of California. No.

Mr. SOLOMON. Standing in a theater and shouting "fire"; is that constitutionally protected? Is that a right under the Constitution, or is that inciting to riot and endangering human life? Is burning the American flag, desecrating the American flag, is that a constitutional right, or is that a slap in the face to every patriotic American citizen?

The truth is now it is a constitutional right, and something has got to be done about it. Why? The gentleman was with me as we mentioned before in Hanoi, and we talked about the hope of the people, and that hope being America symbolized by that American flag.

The entire world is looking at us today to see what we Americans are going to do about this Supreme Court decision. I hate to think what will happen to this great country of ours if we do not reinstate constitutionally the protection and honor of that flag, because if we do not, let me tell the gentleman that there are going to be innocent Americans, well-meaning Americans, patriotic Americans, who will end up in jail, who will end up maimed or injured, some old disabled American veteran who is going to be on the street when there is a mob out there desecrating the American flag, a mob of the Communist Youth Brigade that is desecrating our flag; what does this gentleman think is going to happen? What is that disabled American veteran going to do who served in World War II and perhaps is living out the remainder of his life and now he is going to jump into that fray? He is going to go to jail. We cannot allow that to happen. That is why this Congress in a bipartisan way, and I hope before, as the Sun has now risen, I hope before we finish that we can read off the names of all of those Members who have participated on both sides of the aisle, not like Dan Rather likes to stir things up and say it is a political fray brewing. We were Americans. We were Republicans and Democrats who stayed here all this night. We are into the ninth hour, I think, now, as I understand, since we adjourned the regular business. We have to act on this constitutional amendment. We have to do it immediately and put it out to the States to be ratified, because if we do not, that is what is going to happen to God-loving, well-meaning, loyal American citizens. We cannot let that happen.

I admire the gentleman and respect him for taking this part of the special order here tonight.

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I am happy to yield to the gentleman from Ohio.

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, I just wanted to add a small comment in my own way.

The gentleman from California [Mr. DORNAN] has been most eloquent as usual in describing his feelings about the flag and to hear him when he participates in that deep emotion.

When the gentleman mentioned that Nick Rowe was a friend of his whose funeral the gentleman attended, my first association with Nick Rowe goes back to the first appearance in Congress when he escaped from Vietnam, and I had the privilege of serving here 22 years ago. We did a TV show together. Actually he did one for me. I did one with Nick Rowe. We did not do it together.

Mr. DORNAN of California. He came to Capitol Hill then?

Mr. DONALD E. "BUZ" LUKENS. Yes. And I saw Nick at home in my district in Ohio. I thought Nick Rowe was a genuine, great American hero, but in mentioning that marvelous person and the ultimate sacrifice he made for our country and his country, it reminded me of a story he told. I am not sure, but I think it was on camera here on Capitol Hill where we had the TV studio, and we went down and made the tape. He spoke about the efforts he and other POW's extended in making miniature American flags and how they made those miniature American flags because they represented freedom out of that captivity and the prison camps that the Viet Cong and actually the North Vietnamese Army maintained for Americans, and told how that symbol helped crystallize the love and the desire to be free and kept him sane and kept him really as far as he was concerned, he said, kept him motivated to escape after 4 years in captivity, and he still had the desire to get out of there.

He said that flag he hid on his person others could have been killed, and he could have been killed for just possessing of that flag, and how far we have come in this country, I think, in diluting, in deference to the Supreme Court, in diluting the meaningfulness and beauty and the purity of that symbol of freedom around the world. I just wanted to share that with the gentleman.

Mr. DORNAN of California. I just went off on one of my infamous tangents there after talking about "The Flag Goes By" by Henry Holcomb Bennett. It is a 32-line poem. It is beautiful. I only have the first 16 lines, so by way of a teaser, I will recite that and get the rest in a 1-minute the rest of the day:

THE FLAG GOES BY

(By Henry Holcomb Bennett)

Hats off!
Along the street there comes
A blare of bugles, a ruffle of drums,
A flash of color beneath the sky:
Hats off!
The flag is passing by!
Blue and crimson and white it shines,
Over the steel-tipped, ordered lines.
Hats off!
The colors before us fly;

But more than the flag is passing by:
Sea-fights and land-fights, grim and great,
Fought to make and to save the State;
Weary marches and sinking ships;
Cheers of victory on dying lips;

□ 0710

I would like to tell a story. In September of 1968 I had an opportunity to go to Vietnam for the third of my eight trips during the course of our struggle which President Reagan called a noble struggle, and I still believe it was, to keep liberty alive in half of the war-torn nation of Vietnam, as 33,629 Americans gave their lives, and many are still in wheelchairs today, as the gentleman from New York [Mr. SOLOMON] said, to keep half of another Asian country free, the northern country being Korea.

Who knows if we had succeeded in Vietnam if I might not have a dealership in my hometown of Garden Grove for an automobile produced in Vietnam, as the Hyundai dealership for all of America is headquartered in Garden Grove, CA? Who can say with any certainty that the Olympics might not have taken place in Saigon City in the year 2000 or 2004 or 2008? Who would have believed on Heartbreak Ridge and in Korea on Pork Chop Hill where men were in hand-to-hand combat with Communist forces outnumbering them 2 to 1, who would have believed in the heroic Marine withdrawal at Chosen Reservoir in the freezing winter of 1950? Who would have believed that 38 years later after that deadly struggle at Chosen that the Olympics would be celebrated, setting a record for the number of nations to participate, that they would be celebrated just a few miles to the south in Seoul, Korea? Nobody. That was a noble cause in Vietnam.

I have been there twice since my 9th and 10th trip, and it is hard to believe that North Vietnam won the war, it is such a God-forsaken place. Only Managua on this planet, and that includes Haiti, and Ethiopia, and other poor countries who are struggling, Bangladesh, I have never visited any place that is as distressed as Managua, Nicaragua or Hanoi, Vietnam. They are literally on their back, and if they were not still brutal, oppressive regimes, American aid would be flowing there like it flows from our Treasury and with young people there to follow the money and dispense it with love and care, and by AID or volunteer groups, they would be the beneficiaries of America's success with free enterprise.

But on this trip to Vietnam in September of 1968 during and just after what was called mini-Tet, the major Tet offensive for the Communists being the Tet so-called religious holiday during which they attacked on January 30 through the first 2 weeks of February early that year in 1968, and that was the highest fatality period for Americans. I remember in one 10-day stretch, the first 10 days of Tet, 1,111 Americans were reported dead. But at the end of that year I came back and spent time in all four corp areas, and I was traveling with unusual company, Gary Crosby, Bing Crosby's older son who was asked to go to Vietnam. I had appeared for awhile as a copilot on a TV series called "12 O'Clock High," a tiny little moment in the sun there in Hollywood terms, and the two of us went on what the USO calls a hand-shaker tour.

The advantage of a hand-shaker tour over Bob Hope, for example, and a greater American never walked on the stage in this or any other country, Bob Hope tours played to thousands upon thousands of people, but for security reasons could not get right up in the frontlines where the fighting had taken place just maybe a few hours before, and in one case we were there mintues after a firefight. And Gary Crosby and I made it a policy to visit not only the men in the field, but to visit those hospitals and yes, visit the morgues.

I remember we traveled for 1 day and rode on some of the armored personnel carriers following the tanks of the 11th Infantry Regiment, Armored Cavalry Regiment, and it was commanded at that time by the son of Gen. George S. Patton, and we went into one of the hospitals in the Third Corps area near where the regimental headquarters was for the 11th Cavalry Regiment. And we were going through talking to the various troopers, and one of the heroic young American nurses came up and said, "Gary and Bob, would you please come over and talk to this trooper. He's been in the hospital about a week. He is the most terribly injured man I have ever taken care of here, and he heard that Gary Crosby was coming to visit the hospital, and he wants to talk to you."

I said, "Sure, let's go."

When we approached his bed, Gary pulled up short and his eyes filled with tears, and I looked at Gary, and then I looked at the bed, and I will describe this scene to my colleagues as accurately as I can.

This young man had been in one of the M-113's of the 11th Cavalry, and he had taken a direct hit from a Chinese-supplied rocket supplied to the Viet Cong forces in that area of Vietnam, and it had killed most of the young troopers in the APC. And this young trooper had lost both his legs, both his arms, one of them just above the wrist, the other one almost completely. He was lying on his stomach on the bed with his face over the top of the bed in a net so that his face was pointing down. His head was completely shaved, and I had never seen metal or stainless steel stitches before holding his skull together actually. It was a terrible wound on his head.

Gary went down on one knee and then realized that he could not talk, and he motioned to me to kneel down next to him, and he whispered through a choking voice, "I can't I can't speak to him. You talk to him."

So I knelt down, and I saw that this trooper was missing most of his face on one side, and was drooling freely from the wounds to his throat and his mouth into a bowl that was under his face, his face down in this net.

You always wonder what to say to a wounded man in a hospital bed, and it usually comes out something like, "How are you doing, trooper?" And he said, "Fine, Gary," assuming that he's talking to Gary Crosby. And he said "How you guys doing?" And I nodded, and I found that I could hardly speak myself.

Then he said the following words to me, calling me Gary, he said, "Gary, we have been getting magazines from America." It took him much longer to say this because it was painful and his voice was very gutteral because of his wounds. He said, "We have been getting magazines from the Democratic convention in Chicago last month, and I see that in America they are flying enemy flags in the parks in Chicago and that people are burning our flag." And I said, "Well, just a few weirdos and creeps do that, and most people respect what you are doing, trooper." And he said, "Gary, can you make me a promise?" And I said, "Yes." And he said, "Will you promise to never allow anyone to fly an enemy flag in front of you or to tear down our flag?"

□ 0720

And in Gary's name and for myself I told this young 11th Cavalry trooper that I would never ever watch an enemy flag fly in our country as long as the war was going on, and I kept that promise, and that I would never again and never have, that I would never watch the flag of our country disgraced. I am going to keep that promise to that 11th Cavalry Regiment trooper. And I expect most Members in this Chamber will intervene if they see the flag being burned.

As JERRY SOLOMON said a few moments ago, no American citizen should be put in the position of having to use force to defend the flag, and not have the force of law on his side.

Mr. Speaker, I yield to the distinguished colleague from the Committee on Armed Services, the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. I thank the gentleman for yielding.

Mr. Speaker, I extend my congratulations for this ongoing effort for some of the very poignant stories that the gentleman has provided for us, someone who I think is probably one of the most experienced Members of Congress and who I think is one of the

most vocal supporters of not just our flag and what it means but our country and the greatness of our democracy around the world.

Perhaps later on we can relate one of the stories that I have heard so well. For instance, when the gentleman went into the hall of the great assembly in Moscow and shouted out as loud as he could in front of our American colleagues as well as some Soviet officials, the virtues of democracy and all the fine things our country stands for.

Mr. DORNAN of California. I knew it would be my one opportunity to speak to the Soviet Congress, even though there were only Americans in the chamber.

Mr. WELDON. The gentleman shouted out the ideals which the flag stands for around the world, and I commend him for that.

I also want to thank everyone who has participated in this special order and let the people of America who are now awakening into a new day know that this ongoing sentiment being expressed here in Washington really comes from the hearts of representatives from all over America. The gentleman is from California, I am from Pennsylvania. It crosses our great land. It crosses all ideological lines.

We have Members of both parties here, Members who represent rural areas and our urban areas. Each Member has related specific instances in their lives that have impacted them relative to the flag and what the flag means in terms of symbolism in relation to our great Nation.

It was a despicable act that occurred in Texas in relation to the flag, and I have had a tremendous outpouring of feelings from my constituents, not just my veterans but from all walks of life, from school children, from teachers, from professionals, and housewives.

Mr. Speaker, I want to relate, if I might, with the gentleman a few of the incidents that have touched my life and the meaning that the flag has had as I developed in my career and ultimately here in the Congress.

The flag has been a symbol of what America stands for. It really has been a bridge to our past and it will be a bridge to our future. It is the one symbol that we all can relate to.

In years gone by, past generations have been able to relate to the flag and to the symbolism in terms of what it means in terms of our democracy here in this country.

I will relate to you the experiences I had as a teacher in one of the poorer communities in southeastern Pennsylvania, directly adjacent to the city of Philadelphia. The young children I would deal with on a day-to-day basis, oftentimes would come to school without a decent meal, oftentimes would have family problems at home or only have one parent in the household; yet young children who had a reverence for the flag and for this country that you could see in their eyes.

As a teacher for 7 years in Darby Borough, oftentimes the community would rally around events that centered around the flag and the appropriate celebration of the flag. As a mayor in my home town, as a local official, the flag has been a rallying point for communities all across America. There is no better example of what America stands for than the typical Fourth of July parade, Memorial Day parade, or the Flag Day celebration.

I take great honor in representing a district that includes the borough of Yeadon in Pennsylvania. The borough of Yeadon is the founding home of Flag Day. The gentleman who started Flag Day, Mr. Thomas Kerr, his grandson taught school with me in Darby for 6 years and came up with the idea that we as a nation should have 1 day a year that we set aside to honor the flag and all that it means to our country and to all those people who had served under that flag in defense of freedom around the world.

Each year the borough of Yeadon has a major celebration that brings together people from all over the tristate area around Philadelphia. People come to celebrate the flag and what it means and to relate their personal stories that the flag has had a tremendous impact on their lives in one way or another.

I think that is typical of communities all over America, not just in the birthplace of Flag Day but in small town USA and in our larger cities. The flag has been a rallying point for people who want to talk about the freedoms and the ideals upon which our country is founded.

I relate to my experience as a Member of this body, prior to coming here, having the ability to travel around the world, being over in Europe and the Middle East and in the Persian Gulf area right after the U.S.S. *Stark* was attacked. But I think of two specific trips that I took that bring back special memories of the flag and what it means to other nations.

One was to Managua, Nicaragua, during a very difficult period a little over a year and a half ago. Arriving in Managua and traveling through the city, listening to different people talk about the very real problems they were experiencing, I was touched by some of the mothers of political prisoners, one of whom had a flag she had kept as kind of a personal symbol of what we have in this country, that she hoped one day her loved ones would have. That was simply the freedom to live their lives and the freedom that we oftentimes times take for granted here in America.

I think back to that very tender moment that we had in discussing the unbelievable situation that occurred with both her father and her brother as they were carted away by the Communists in Managua, and the fact that she had not heard from them for a period of 9 months.

I think of my trip to the Soviet Union, and having an advantage of being able to speak the language and understanding the culture of the Soviet Union. I have been to that country on two specific occasions.

One time I recall visiting in December 1984, spending 3 weeks in the Soviet Union. As most people do when they travel to the Soviet Union, they like to take little trinkets or gifts that they can leave with the citizens of that country.

In 1984 I was trying to establish a feeling among the Soviet people that I met that the American people deeply wanted to have better relations but that we had some problems with the way that their Government and the way the Communist Party in fact was persecuting people.

The one thing that I had taken with me on that trip that became almost like a piece of gold was a series of small American flags that I had. Every place I went in Moscow, Leningrad, Minsk, when I traveled down to the Soviet Republic of Georgia, which in recent times has been in a terrible state of turmoil, and visited with people and stayed in homes in Tublizi, Bitumi and Kobleti, the one thing that these families asked me for, and when they saw it they all wanted to have one for themselves to hang on their wall, was the American flag. They wanted the American flag because it was something that they could symbolically identify with our country. And these people that I met even in the Soviet Union, these average citizens, farmers, housewives and engineers, wanted to be able to relate to us. And they could do that through the symbolism of that flag.

I left about 45 flags throughout the Soviet Union on that visit. I still communicate with some of those individuals. As a matter of fact, just last year one of them had the fortune of being able to travel to the United States. And along with their travels they brought out this flag that they had carried from the Soviet Union as a symbol of wanting to have better relations with our country and also as a remembrance of the special time that we had had together during my visit to the Soviet Union.

I think of an experience that I try to take advantage of at least twice a year that I think every American should have the opportunity to participate in. That is a naturalization ceremony.

Before coming to Congress, I was the chairman of my county council in the

county that I represented of 600,000 people. It has a broad diversity of socioeconomic background.

As chairman of the county council, we developed a tradition of the naturalization ceremony that would really be fitting for those people who are renouncing their allegiance to the country of their birth and taking up allegiance to America.

If you ever want to get a feel for what America is all about and what the flag means, not just to us but to foreigners who want to become Americans, attend a local naturalization ceremony.

I have spoken at probably 8 or 10 of them in my own area, and I can relate to you that there is no more moving experience than to sit in a room with 120 or 150 individuals from all the nations of the world, from Great Britain, from South America and Central America, from the Far East, from Canada, and to listen to these very personal stories of what it means to be able to give up the allegiance to the country where they were born and to be able to become an American citizen.

□ 0730

The one symbol that we use repeatedly in that ceremony in that process is the American flag. On numerous occasions, as the flag is presented to those people who in fact are becoming American citizens, there are tears rolling down their eyes because of what it means to them to be able to say that they are now an American citizen and they will proudly uphold and defend not just our Constitution but will proudly take care of and honor that flag which represents in a symbolic way all that our country stands for.

Mr. DORNAN of California. If I may reclaim my time, I agree with the gentleman, this is the most moving ceremony we can participate in. This is Boy Scout ceremonies and going to one of the service academies to watch some of the young cadets that we have appointed in passing in review behind the colors.

Does the gentleman know where he will be this coming Fourth of July, in 6 more days?

Mr. WELDON. Mr. Speaker, in seven different parades in seven communities starting at 9 o'clock in the morning and ending probably at 7 o'clock at night.

Mr. DORNAN of California. Mr. Speaker, I bet one of the nighttime ceremonies at the conclusion of a fireworks display there will be burst of fireworks that displays the American flag, glowing in three different colors. Whenever that happens, is it your experience that the crowd comes up with a very special "oooh," "aaah" sigh when they see "Old Glory" there in fireworks? I think as moving as some of these ceremonies have been, the one that most got to me was one that I did not attend but watched on television as part of the bicentennial celebration, and they were the lucky foreigners about to become American citizens on the Fourth of July 1976. They began the third century of the country, the first day of the rest of their lives as American citizens. That was a beautiful ceremony that took place all across the United States.

Mr. WELDON. The gentleman is right, as July 4 approaches there will be hundreds and thousands of ceremonies at that time.

Let me relate another example I had with the Soviets. In 1986 I hosted a delegation of 14 Soviet political leaders in my district and in America. Having them in my district, I wanted to give them a feel for what America was like. I felt that in coming to Washington and New York, they go into lectures and there are debates and discussions. I wanted to give these political leaders, these dedicated hardcore Communists a feel for what we are like as a people, and to be able to try to get inside their heads, if you will, to let them be able to relate to Americans. The experience that I think gave that impression the best happened on a Friday evening in my district. We have a summer concert series, we bring in musical groups from around the country. This one particular night we had the U.S. Navy Band playing before 15,000 people in this outdoor amphitheater. We had the Soviets to a dinner, hosted by our local Lions Club at a local restaurant, and we were trying to explain the context of what Lionism means in America to the relationship to our service clubs, and how they do not have anything similar in the Soviet Union. We went to this concert almost in the middle of the program by the Navy Band. The Navy Band knew in advance that we were going to be bringing the Soviets in. The Soviets felt that everything we were doing up until that point in time had been kind of prearranged for them, that everything they were seeing was not really necessarily true, but a case that we were showing them the best of what our country and my own particular county had to offer.

As we walked them into that outdoor amphitheater with 15,000 people there, and sat them down, the Navy Band played a rendition from a Soviet musician, then they played the "Star Spangled Banner," and then finally, John Phillip Sousa's famous composition, ending with the fireworks. As the 15,000 people in that amphitheater began to sing the "Star Spangled Banner," there was an unbelievable electricity in the air that overwhelmed the Soviets. There were no words that had to be spoken to them about our country, about the flag, about the symbolism and about all these thousands of people from all walks of life, rich and poor, who stood there together, showing their pride in their country in the way that they sung that song.

Mr. DORNAN of California. Mr. Speaker, if the gentleman can hold his thoughts one second, he is on a roll. I want the gentleman to go into the next special order. I want to ask the Chair how much time I have left, and if he has recorded who is the next special order, because the gentleman from Arizona [Mr. KYL] is here, stayed up all night for our vigil, one of our great freshman Members, the gentleman from Florida [Mr. GOSS] is here, the gentleman from California [Mr. DREIER] wanted to be recognized for a minute for commenting.

The SPEAKER pro tempore [Mr. BROWDER]. The Chair is not certain.

Mr. DORNAN of California. Mr. Speaker, take Mr. KYL, and can Mr. KYL at the beginning recognize the gentleman from Pennsylvania [Mr. WELDON] to wrap up and I will take 30 seconds and give my last minute and a half to the gentleman from California [Mr. DREIER], who courageously unfurled the colors in a war museum in Hanoi as I kept a guard active, so we would not have to see the stars.

Let me say why I love this vigil, because I can still remember the thugs in Tehran carrying out the garbage in an American Flag, the formal flag from the Embassy lobby with the gold braid, they carried out the garbage. I was 9 years of age when the colors came down on Corregidor on the forces of Japan and took it down and making Skinny Wainwright witness it and put it on the ground and walk on it. When a boy is raised with parents who teach him to love the flag, he cannot stand this sight. I wish we had House rules that allowed the cameras to zoom in around here, look at this first Flag case. There is Old Glory in disgrace, upside down, other American battle flags, not because we lost the war in Vietnam, because we packed up and left our allies to the untender mercies of the Communists. I looked at this and I said to the gentleman from California [Mr. DREIER], "Oh, God, Dave, at a prayer, look at our flag upside down, because we walked off the battleground with total air-naval supremacy and never having lost an inch of ground for more than a few minutes." I said, "I cannot stand to see that." DAVE DREIER cased the joint, walked around the back side, says, "Keep the guards busy," I went to the front and double talked the guard pretending I knew he spoke English and was stonewalling him and pointed to the sky in an imaginary SR-71 flying over photographing. DAVE moved behind the case, grabbed the pole, and began to furl the colors until they were wrapped up tightly in the upper left-hand corner of our ensign where the beautiful stars representing each

State are displayed were hidden beneath the red which symbolizes the blood of every American fighting man who died in Vietnam, 58,156. Some may still be alive, missing in action, and the white for the purity of our country, that was all that was left. We did not have to see the full colors. The blue for faith. Thank you, DAVID, a courageous act. If they took you prisoner, believe me, JERRY SOLOMON and I would be on the floor making special orders every day until Congressman DREIER was released from Hanoi.

On that note, I close with a promise, the gentleman from New York [Mr. SOLOMON], more than anyone on either side has faithfully worn an American Flag on his lapel since the gentleman first came here. Today I raise my right hand and pledge that I will secure one of these flags today. I will wear it on the Phil Donohue Show tomorrow, and I will wear an American Flag at least regularly until the Court decision is overturned. Let us, all of us on the floor at this moment, people give us this things, let us collect as many flags as we can and start wearing them, even in place of our badge, our congressional badges. Our faces are known to the guards because they sit in our galleries to protect us. Let us start wearing those flags at least until this is overturned.

PATRIOTISM FOR THE FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. KYL] is recognized for 60 minutes.

Mr. KYL. Mr. Speaker, I would like to begin by yielding to my colleague, the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I will finish up the comments I have. Once again, I want to congratulate and commend my good friend and colleague, the gentleman from California [Mr. DORNAN] for an outstanding job.

Another incident involving the flag I think all Members can relate to is the very touching time when a flag is used to drape the coffin of a deceased hero. As a Member of Congress for 3 years, one of the most difficult tasks I had was to accompany the family, the relatives, the two young children of sailor Tom McMillan on board the U.S.S. *Stark* when she was attacked. I had to try to explain to their two young children what it meant to lose their dad in defense of our Nation and freedom over in the Persian Gulf. Anyone who says they have the right to desecrate the flag when it symbolically represents things like what Tom McMillan had done for the country and the sacrifice he made in giving up his life, I cannot agree with.

□ 0740

I think that hits at the very soul of what America is all about. But I think the thing the flag really symbolizes is that it represents the hope that everyone has for a better life because they live in this free America.

I think of my experiences in my hometown, a town that suffered at the hands of a national motorcycle gang, the Pagans, a town that in the mid-1970's had a tremendous problem. People had lost pride in themselves, but the one thing people never lost sight of was the fact that this is America and they had a chance to change their quality of life, and that under this flag and this democracy they can change the situation they are experiencing. That flag gave the people of my hometown hope, and even during my most depressing years, when we had murders and robberies and economic stagnation, people still had hope, and twice a year we still had those massive celebrations of pride in our Nation and pride in our community, and symbolically that was represented by a proud display of the flag in front of everyone's home.

Today that community has turned itself around, because they believe in what our country is all about—being able to change and deal with some of the problems we have locally, as well as nationally.

As a person who grew up in a large family, the youngest of nine children in a rather poor community, with neither parent having the ability to go through high school because of their own family pressures, the one thing we were taught is that in this great land you have a responsiblity to put back, and you also have a responsibility to protect those symbols that represent freedom and democracy, one of which is the flag.

I can recall as a youngster growing up with my 6 brothers and 2 sisters that the one feeling we had above all else was that the flag was to be revered, and that it was an object that represented what America was all about. Each of my 6 brothers served in the military. I had a brother in the Navy during World War II, a brother in the Air Force during the Korean War, 2 brothers in the Army during the Vietnam conflict, one in the Coast Guard and one in the Marine Corps, a brother-in-law who was a retired Air Force lieutenant colonel, and it was a family that is steeped in the pride of this country. And the one symbol we have related to since the first memory I have as a youngster growing up is what the flag meant, not just to our Nation but what it meant to us as a family.

I think that is true of most families in America. The flag is really a symbol of what they have contended with, the problems and the struggles that America has gone through. For anyone as an individual to be able to think that they can desecrate this symbol, I think that has to be changed, and it has to be changed through legislation and, if necessary, through a constitutional amendment.

I would hope that all of us here today, in calling attention to this despicable incident that occurred and this terrible ruling that was put forth by the Supreme Court, will join in working to make real change.

Mr. Speaker, I know that my colleague, the gentleman from Arizona [Mr. KYL] is a true patriot in this body, and that he will be leading that fight. I thank him also for his leadership in this special order.

Mr. KYL. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. WELDON] for his series of eloquent statements. I think it is interesting that we have a special order on the flag, when anyone even begins to talk about the flag, it brings out stories in all of us. We all, as Americans, have emotional stories to tell about the flag, personal experiences and things that we have witnessed.

And does that not say something to us? It evokes this feeling in us that is almost indescribable. It is hard to put in words, but it means so much to all of us.

Mr. Speaker, I know that the gentleman from Florida [Mr. GOSS] wanted to speak for a moment, and I am happy to yield to him.

Mr. GOSS. Mr. Speaker, I thank my esteemed colleague, the gentleman from Arizona [Mr. KYL], for the opportunity to speak.

Following up on this, when I was walking around this morning, I went outside to take a look. Some of the things we see around here we take for granted, there is just no question about that. Maybe we are guilty of being a little too complacent and too comfortable about some of the things we see everyday. We see the American flag here at the Capitol. This morning, walking around outside this magnificent building, I looked up and I saw the flag on the Russell Building standing up there in the silent dawn flapping in the breeze, and then I look over and saw the flag on this building and I looked over and saw the flag on our Rayburn Building standing out against the sky. It is a sight we all see, and I think it probably thrills us all, but in the rush of business perhaps we forget. I think that every American and probably every lover of democracy anywhere in the world has somewhere in their mind's eye some special recollection, some memory that stands out that pictures our great flag at some moment in their life that meant something. I was trying to recall just in the short time that the 101st Congress has been in session these past 6 months or so some spectacular things where the

flag has been an important part of the ceremony or such an important part of the event that it gave meaning to what we were doing and to what the event was about.

Sadly, I traveled to Norfolk to the Naval base with many of our colleagues for the very touching service there to commemorate the loss of life on the U.S.S. *Iowa*. The flag was an intricate, interwoven part of that ceremony. We could not help but have great pride in the Nation and great gratitude in our hearts for the people who are defending us out there under that flag, and even in those saddened moments, when accidents happen and we have disability and death on behalf of our country, somehow there is comfort in looking up and seeing the flag and knowing that the Nation goes on despite the great sacrifices that have been made.

Just a few weeks ago many of us were in Tallahassee, FL and Miami for the interment of Claude Pepper, our great colleague from this body, and for me I will never forget in my mind Claude's final scene, with the folding of the flag and the presentation of the flag to the family. It was an intensely touching moment. With us standing on that hilltop, with the thunderstorm in the background and the peal of thunder as the flag was handed to the family, it was just something that any of us who were there, I am sure, will never forget.

I remember the inauguration, and that was a happier moment. What an incredible ceremony that was, and what an important part of the ceremony it was to remind us of what democracy is about and what the flag is about.

I remember speaking on Memorial Day in my district at Memorial Cemetery and looking out across the great expanse and seeing all the little flags marking the gravesites and all the people there who had come to remember and how important the flag was to them.

Just recently I came back from Panama. That is a troubled nation, as we all know, at this time, and as I was going about my business down there and making my rounds, thinking that this may be a little uncomfortable, I came to a place where I looked up at the administration building of the canal, and there was "Old Glory" flying. That gave me the sense that there were friends nearby.

I think that any of us who have served overseas in one capacity or another or who have been involved in the well-being of our Nation feel very strongly. But I certainly feel that patriots and patriotism are what makes America great. It is the spirit of America. We may come up with the most logical decisions, but if those decisions do not have the spirit of America, they are not American decisions in my view.

I think what has happened is a terrible slap in the face to us and to our veterans and to all American citizens. I think it will be misunderstood despite the logic of the court decision. I know it will never be accepted in my heart or in the hearts of most Americans. But I think that after anger comes sadness, and perhaps some of the thoughts I have had about this, thinking about these things through these hours and listening to the magnificent stories and the brilliant oratory of people like our colleague, the gentleman from California [Mr. DORNAN], and many others who have had so many more experiences and perhaps have been in such greater peril than some of us, are shown in our feelings, and my feeling is that our hat has got to be taken off, as the gentleman from California [Mr. DORNAN] said, for the flag, and we can stand for nothing less.

□ 0750

Mr. Speaker, I appreciate being given the opportunity to say that this morning. It really comes from the heart, and I know that all of us, I believe every Member of this body, has the same thought, whether we are all here to say it in one way or another, and that is a very good feeling, and that is certainly going to sustain me through the day despite that very poor decision.

Mr. KYL. Mr. Speaker, I thank the gentleman from Florida [Mr. GOSS] for his eloquent testimony as to the reason we are here today.

I yield to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Arizona [Mr. KYL] for yielding, and I would like to say that I feel slightly invigorated. I feel as if I have just gotten off the red eye from Los Angeles, which is often the case. I have an opportunity, like a number of my colleagues, to take a shower and shave, and I just did that. I walked home and did that, which I always do when I get off the red eye, but I come with the sense of reinvigoration, not because I feel like I got off the red eye, but because I really look at what we have been doing for the past 8 to 9 hours as really a celebration because we have been bemoaning the fact that this horrible Supreme Court decision was made, and while I do not agree with it, I do not think there is anyone here who agrees with the decision and thinks it was a right one, but I do know that the gentleman from Illinois [Mr. MICHEL] stood in the well several hours ago and underscored the fact that it is important for us to continue to maintain that great reverence, not just for "Old Glory," but for the judicial branch of our Government and for the institution of the Supreme Court.

So the reason I am saying, Mr. Speaker, that this is a celebration is that we have spent a longer period of time than certainly has ever been spent here talking about the American flag, and we are embarking here on an amendment to the U.S. Constitution.

Now we may not like exactly what brought about the fact that we are doing this, but, nevertheless, this is a celebration that we begin with this special order planned by our distinguished friend, the gentleman from California [Mr. HUNTER] and his able assistant, Mr. Phillips, and I hope very much that we can move forward, pass this with a two-thirds vote here in the House, send it to those 38 States and look forward to ratification. Once again those State legislatures, as 48 of them have in the past, passing laws to make it a crime to desecrate the flag, they are going to have an opportunity to pass this constitutional amendment, and I believe it is a great opportunity, and I just would like to make one other point that I have been making throughout.

Mr. Speaker, I am still standing here looking at the poster which at about 9 o'clock last night I was holding up during the debate on our amendment dealing with police training in El Salvador, and so many people have been talking about the fact that in the United States of America the American flag is so revered.

However, Mr. Speaker, I cannot help but think as I look at part of the cache of 283 Soviet-made AK-47's how they would very much love to be able to prevent us from having the opportunity to do that, so we still face some very serious challenges; one of them is directly to our South.

So, we have to be very vigilant as we deal with this issue, and the people throughout the world who are seeking freedom look to the stars and stripes as their real beacon of hope, and we have got to with this constitutional amendment continue to expand that. I am convinced that we are going to do that, Mr. Speaker.

I thank the gentleman from Arizona [Mr. KYL], my friend, very much for offering me the opportunity to participate during his time. I have been here all evening, and I have to say I hope that I am providing the representation that his son, who is a constituent of mine, is a student at Pomona College, would want.

Mr. KYL. Mr. Speaker, I appreciate the comments of the gentleman from California [Mr. DREIER] about the future, the youth of our country and about what we are here today doing. Mr. Speaker, I would like to reiterate and to remind our colleagues why we are doing this and why our colleague, the gentleman from California [Mr. HUNTER] suggested yesterday that it would be a good idea for us to have a

special order. It is not simply to vent our feelings and our emotions about the flag. We will certainly have a lot of opportunity to do that over the Fourth of July, and many of us do it every day in different ways.

But the purpose of this special order of course is to commence a process, to begin something, to start something new, as the gentleman from California [Mr. DREIER] just said, to begin the process of amending the Constitution of the United States of America, and there is something beautiful about that process, about the fact that we have the ability to do that in this country, to change things when they are not exactly the way we would like to see them, and I particularly would like to follow up on a point that my colleague, the gentleman from California [Mr. DREIER] made.

Mr. Speaker, I practiced law for 20 years, much of it constitutional law. I have appeared before the U.S. Supreme Court. I have the highest regard, not only for the Court as an institution, for a coequal branch of Government, but also for the individual members of the Court, the Justices on the Supreme Court. They are all highly motivated, patriotic, very erudite Americans, and the opinion that was rendered with respect to the American flag did not come easily to the members of that Court, those who were in the majority, in the very close 5 to 4 decision.

As a matter of fact, in a couple of the opinions the authors went to great pains to say that it pained them deeply to rule the way they ruled. They did not really want to rule the way that they ruled, and I think that is an important point, Mr. Speaker, for us, for our colleagues, to appreciate here.

Americans can have difference of opinion. We can disagree with the most fundamental things to Americans, and yet, unlike the Communists, unlike the Chinese, for example, who simply declare an end to a day of freedom and gather in around them the thugs and the forces, the military, that control thought and opinion in that country and stifle all further debate, say that the discussion has ended. We permit the discussion to go forward in a system of law because we live under law rather than under the rule of men, and it is the genius of our system created by our Founding Fathers that, when we believe the Constitution needs to be amended, we have the ability to do that. That is something which is unique to the people of this country and also specifically to the Members of our body, the legislative branch of our Government, and that is why, Mr. Speaker, we are having this special order, to commence the process of amending the Constitution.

I want to make a point here to my colleagues. We need to do this quickly because the American people want the Constitution to allow the flag to have a special place in our country, a place which will protect it from desecration. Our Supreme Court has now spoken in a very closely divided decision, has said we cannot rule that the Constitution prohibits the desecration of the flag, to which we are all saying, "All right then. We will make it possible to protect the flag by amending the Constitution, and we have it within our authority to do that."

So we, Mr. Speaker, will engage in the process of hearings, and I hope very quickly bring to the floor of this House an amendment to the U.S. Constitution which prohibits the desecration of the flag, and we will do that by enabling the States and the U.S. Congress to pass laws prohibiting the desecration of the flag. We will then turn that constitutional amendment over to the States, and I think all of us hope that in a matter of just a very few months that the requisite number of States, three-fourths of them, will have adopted this constitutional amendment so that it will become a part of our Constitution.

Then, Mr. Speaker, there is something else that I think would be appropriate for this body to do and for the Senate to do, and that is to pass a law implementing this constitutional provision, doing what the Constitution permits the U.S. Congress to do, to pass a law that relates to the jurisdiction of this Congress over the various Federal facilities and Federal land and other areas of Federal jurisdiction where it would be appropriate for a Federal law, as opposed to individual State laws, to make it a criminal offense to desecrate the flag, thus showing to all of the States what a model piece of legislation would be.

I hope, Mr. Speaker, that this could be done very quickly to demonstrate to the American people that we care because they are frustrated right now. They really want us to do something.

Let me just as a matter of parochial interest read to you something that came from my home State, the State of Arizona, from the State Department of Arizona, Department of Legionnaires, some 30,000 members strong who passed the following resolution very shortly after the Supreme Court's decision.

The State Department of Arizona, the American Legion, does strongly implore the Congress of the United States to immediately initiate the process for amending the Constitution in order to protect the flag of our country from desecration by irreverent persons.

Now that says it all, Mr. Speaker. Every State, groups from throughout this country, want us to act, and we know that we must act to amend the Constitution, and then, when that process is completed, we can pass a statute which makes it a criminal offense to desecrate our flag.

□ 0800

Mr. MONTGOMERY. Mr. Speaker will the gentleman yield?

Mr. KYL. I am happy to yield to my great colleague, the gentleman from Mississippi.

Mr. MONTGOMERY. Well, Mr. Speaker, I say to my fine friend from Arizona that I thank him very much.

As has been mentioned, most of the states are participating. I would like to point out to the gentleman in the well that this is bipartisan. We certainly want to thank our colleagues on the other side of the aisle for helping to set up this all night special order about our great flag, the desecration and the burning of the flag, but I still want to make this point.

This is nonpartisan. We are all participating, Democrat, Republican, whatever you are.

I say 99 percent of the people of this country did not support what the Supreme Court did and that ruling should be overturned by an amendment, or by legislative action.

Mr. KYL. Mr. Speaker, I thank the gentleman for offering his comments.

As a matter of fact, I think the gentleman from the other party on which I sit was one of the very first speakers last night to rise in this special order and to make a special point of it.

Everybody in this body knows that when it comes to patriotism and standing up for the things that need to be done in this country to preserve that which our flag stands for, no one takes a better seat than the gentleman from Mississippi [Mr. MONTGOMERY], and everyone on this side of the aisle certainly respects that.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman.

Mr. KYL. Mr. Speaker, the gentleman from California [Mr. DORNAN] made the point when he spoke that this is a purely bipartisan effort. This is not a partisan matter. After all, Americans believe in this country and the flag is what symbolizes what we believe in. It knows no bounds in terms of religion or political party or geographical location, so it would be totally improper for anyone to believe that.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield again?

Mr. KYL. Certainly, I am happy to yield again to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, to follow up on that, as the gentleman knows, we have a congressional prayer breakfast this morning. I hope after the gentleman finishes his remarks that he will come down to the prayer breakfast.

Mr. KYL. I thank the gentleman for reminding me, Mr. Speaker, and as I leave this podium and turn it over to someone else, I would like to make the point that the Supreme Court has grappled with a lot of tough decisions over the years. One area it has had trouble with is this matter of religion and Government and the intertwining of the two. The Court naturally has wanted to try to prevent the Government from imposing a religion on the people and to permit the free exercise of religion, the two aspects of our religious clause in the Constitution, so it has tried to keep religion out of public life to the degree that it thinks it is important to do so, but I think all of us sometimes believe that the Court will sometimes wink at some of the precedents because it knows full well that the American people overwhelmingly believe in doing certain things. That includes, for example, speaking of God in this public institution, in this very Chamber, in this room.

The Supreme Court references God every day when it begins its deliberations, and as the gentleman from Mississippi said, we are about to leave, some of us, to engage in a breakfast in which we engage in prayer and we talk about things that are very important to all of us, God, our country. We do that in this very building.

I do not think that the Supreme Court or anyone in this building would believe that that is an improper use of a public institution.

It goes to show that there are some things that are so transcendent, that mean so much to all of us, that you can have all the words on paper you want to, but they do not detract from the fact that we want to do these things. We will do these things and nobody is going to take those rights away from us. That is what we are all about here, Mr. Speaker, insuring that in the future our Constitution will permit bodies all around this country to prohibit the desecration of that flag, which is the symbol of liberty and everything that the people in this country believe is so fervently.

Mr. JAMES. Mr. Speaker, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Florida.

Mr. JAMES. Mr. Speaker, it is said that sometimes the darkest hour is before the dawn. Indeed, I think this may well be the case in this instance.

The Supreme Court in its decision has been in some media presentations applauded, I think wrongfully so, for their decision in upholding the first amendment.

We understand the academic arguments that make an analogy between an act and speech. I am sure our forefathers did not appreciate the nicety of that connection. In fact, burning the flag, as the dissenters pointed out in the opinion, had nothing to do with freedom of speech.

What is most alarming about this decision and concerns me the most is that the Supreme Court actually reversed itself, and this has not been written about or discussed.

Mr. KYL. Mr. Speaker, may I reclaim my time for just a moment so that I can turn the podium over to my colleague, the gentleman from New York [Mr. SOLOMON].

Mr. Speaker, I yield back the balance of my time so that the gentleman from New York [Mr. SOLOMON] can begin his special order.

ORDER OF BUSINESS

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent to have my special order taken out of order at the present time.

The SPEAKER pro tempore (Mr. BROWDER). Is there objection to the request of the gentleman from New York?

There was no objection.

THE WRONGFUL SUPREME COURT FLAG DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 60 minutes.

Mr. SOLOMON. Mr. Speaker, in order not to interfere with the flow, I yield to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, I am concerned about the opinion that the Supreme Court has written, for the same identical reasons that have been expressed by all the Congressmen during the night.

I am concerned also for additional reasons, for academic and legal reasons and for reasons that relate specifically to the law and the rulings of the dissent.

The decision that was made is outrageous for all the reasons that have been stated, but it is outrageous as a matter of law also.

I am concerned, because whether the Supreme Court liked the rulings of the prior court, it was totally unnecessary to reach the decision they did as a matter of case law and their own court rulings.

Now, 80 years ago in Halter versus Nebraska, as was pointed out in the dissent, the court upheld the constitutionality of the Nebraska statute that forbad the use of representations of the American flag for advertising purposes upon articles of merchandise. That to some may not immediately alert them that that is a case in point. It clearly is. Burning of the flag is far more of an issue than using the flag in advertising, so it is case in point, as lawyers say.

So the court has ruled very clearly. You cannot desecrate the flag even to the extent of using it in advertising. That has been the law of the land for at least 80 years, and in fact it was the law of the land as understood by our forefathers and constitutional lawyers prior to that decision.

So while the court, a slim majority, felt that they had to further rule on that, is a great surprise to me, quite frankly. I suppose they are asserting their independence from the will of the people and that is a flexing of their muscle. I do not think that is a valid reason for a ruling, nor do I think it is acceptable to reverse a clear ruling of that very court, especially when you have to go through the contrived exercise of saying that an act is synonymous with speech.

Though there is some logic in the application of the major opinion, certainly it is not strong enough logic to overturn their own decision.

So it is amazing that this even occurred. However, as I said in the beginning at my presentation, it is darkest just before the dawn. They may well have done us a favor because now we will have a constitutional amendment, I am convinced of that, which will honor both freedom of speech and the flag. The exception will solidify the rule, meaning by that you will have a very specialized symbol mentioned specifically in the Constitution and because of that exception you will further establish the fact of freedom of speech, freedom of speech in very necessary and real causes and ways.

□ 0810

So good can come from bad, and the emotional feelings of the public, and so it will solidify that symbol, and I applaud the President of the United States and I applaud the Congressman. I am convinced that there will be a proper amendment in a very short period of time.

Mr. Speaker, I am further convinced that it will serve the purposes of our Constitution by having that amendment both in regard to the flag and the other rights that are so clearly expressed there.

Remember, this was not the entire Court. It was a slim majority, and the Court, thank goodness for our Constitution, does have the final word on our Constitution, but we have the final word as to what amendments go in that Constitution, "we" meaning the Congress and the people of these United States. So the process has worked, will and can work, and it only symbolizes what we are all about and what the flag is all about, and the process that will follow from this.

We may not be able to always balance our budget, but we can certainly, because of our Constitution and because of our system of checks and bal-

ances, be able to solve in a peaceful way these types of problems involving laws that the public wants changed. So it really purifies and justifies and explains the beauty of the approach that our forefathers took and further defines and exemplifies what that flag stands for.

Mr. SOLOMON. I certainly want to thank the gentleman for the compelling and eloquent statement.

Mr. Speaker, let me first of all thank the Doorkeeper, Jim Molloy, for bearing with us for this 9-hour vigil that has taken place. It is now 10 after 8 o'clock in the morning. This special order started at 11 o'clock last night. My good friend, the Republican whip, the gentleman from Georgia [Mr. GINGRICH], will be thanking the staff later, but let me first yield to a new Member and an outstanding Member of the House, the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Speaker, I thank the gentleman from New York for yielding.

In looking at the flag-burning issue, I looked at this week's issue of Newsweek magazine and an article entitled "Burning the Flag: What Are the Free Limits of Speech?" It talks about Gregory L. Johnson, the protestor at the 1984 Republican National Convention whose arrest brought about this recent case by the U.S. Supreme Court on the burning of the flag.

Mr. Johnson, according to Newsweek's article, is an avowed Communist, committed to world revolution. Further, Mr. Johnson himself added, and I quote, "It is a sham to talk about freedom of expression in the United States. This is still an oppressive Supreme Court and an oppressive Constitution." Obviously by those remarks, Mr. Johnson has no regard for this country or its flag, and I just have a hard time understanding, with the history of the American flag and what was said in the dissenting opinion of the Supreme Court by Justice Rehnquist, Justice White, and Justice O'Connor, how the majority of the Court could find in Mr. Johnson's favor and allow him to burn the U.S. flag.

At the time many years ago of the American Revolution, the flag served to unify the 13 colonies here at home while obtaining recognition of national sovereignty abroad, and I am now looking and reading from the dissenting opinon by Justice Rehnquist, Justice White, and Justice O'Connor on their thoughts on the history and the thoughts about the U.S. flag.

Ralph Waldo Emerson's Concord Hymn describes the first skirmishes of the Revolutionary War in these lines:

"By the rude bridge that arched the flood
Their flag to April's breeze unfurled,
"Here once the embattled farmers stood
And fired that shot heard round the world."

For many, many years beginning with the Revolutionary War, we have a history of the U.S. flag that the dissenting opinion of this Court was based on. I think we have a right, as Americans and as a Congress, to have a law that speaks to the desecration of the flag of the United States of America.

During that time, there were many colonial and regimental flags, adorned with such sumbols as pine trees, beavers, anchors, and rattle snakes, bearing slogans such as "Liberty or Death," "Hope," "An Appeal to Heaven," and "Don't Tread on Me." The first distinctive flag of the Colonies was the "Grand Union Flag"—with 13 stripes and a British flag in the left corner—which was flown for the first time on January 2, 1776, by troops of the Continental Army around Boston. By June 14, 1777, after we declared our independence from England, the Continental Congress resolved:

"That the flag of the thirteen United States be thirteen stripes, alternate red and white: that the union be thirteen stars, white in a blue field, representing a new constellation." 8 Journal of the Continental Congress 1774-1789, p. 464 (Ford Ed. 1907).

One immediate result of the flag's adoption was that American vessels harassing British shipping sailed under an authorized national flag. Without such a flag, the British could treat captured seamen as pirates and hang them summarily; with a national flag, such seamen were treated as prisoners of war.

During the War of 1812, British navel forces sailed up Chesapeake Bay and marched overland to sack and burn the city of Washington. They then sailed up the Patapsco River to invest the city of Baltimore, but to do so it was first necessary to reduce Fort McHenry in Baltimore Harbor. Francis Scott Key, a Washington Lawyer, had been granted permission by the British to board one of their warships to negotiate the release of an American who had been taken prisoner. That night, waiting anxiously on the British ship, Key watched the British fleet firing on Fort McHenry. Finally, at daybreak, he way the fort's American flag still flying; the British attack had failed. Intensely moved, he began to scribble on the back of an envelope the poem that became our national anthem:

"Oh! say can you see by the dawn's early light,
What so proudly we hailed at the twilight's last gleaming?
Whose broad stripes and bright stars, thro' the perilous fight,
O'er the ramparts we watched were so gallantly streaming?
And the rockets' red glare, the bombs bursting in air,
Gave proof thro' the night that our flag was still there.
Oh! say does that star-spangled banner yet wave
O'er the land of the free and the home of the brave?"

The American flag played a central role in our Nation's most tragic conflict, when the North fought against the South. The lowering of the American flag at Fort Sumter was viewed as the start of the war. G. Preble, History of the Flag of the United States of America 453 (1880). The Southern States, to formalize their separation from the Union, adopted the "Stars and Bars" of the Confederacy. The Union troops marched to the sound of "Yes We'll Rally Round The Flag Boys, We'll Rally Once Again." President Abraham Lincoln refused proposals to remove from the American flag the stars representing the rebel States, because he considered the conflict not a war between two nations but an attack by 11 States against the National Government. Id., at 411. By war's end, the American flag again flew over "an indestructible union, composed of indestructible states." *Texas* v. *White*, 7 Wall. 700, 725 (1869).

One of the great stories of the Civil War is told in John Greenleaf Whittier's poem, Barbara Fritchie:

"Up from the meadows rich with corn,
Clear in the cool September morn,
"The clustered spires of Frederick stand
Green-walled by the hills of Maryland.
"Round about them orchards sweep,
Apple and pear tree fruited deep,
"Fair as the garden of the Lord
To the eyes of the famished rebel horde,
"On that pleasant morn of the early fall
When Lee marched over the mountain wall;
"Over the mountains winding down,
Horse and foot, into Frederick town.
"Forty flags with their silver stars,
Forty flags with their crimson bars,
"Flapped in the morning wind: the sun
Of noon looked down, and saw not one.
"Up rose old Barbara Fritchie then,
Bowed with her fourscore years and ten;
'Bravest of all in Frederick town,
She took up the flag the men hauled down,
"In her attic-window the staff she set,
To show that one heart was loyal yet.
"Up the street came the rebel tread,
Stonewall Jackson riding ahead.
"Under his slouched hat left and right
He glanced; the old flag met his sight.
" 'Halt!'—the dust-brown ranks stood fast.
'Fire!'—out blazed the rifle-blast.
"It shivered the window, pane and sash;
It rent the banner with seam and gash.
"Quick, as it fell, from the broken staff
Dame Barbara snatched the silken scarf.
"She leaned far out on the window-sill,
And shook it forth with a royal will.
" 'Shoot if you must, this old grey head,
But spare your country's flag,' she said.
"A shade of sadness, a blush of shame,
Over the face of the leader came;
"The nobler nature within him stirred
To life at that woman's deed and word;
" 'Who touches a hair of yon grey head
Dies like a dog! March on! he said.
"All day long through Frederick street
Sounded the tread of marching feet:
"All day long that free flag tost
Over the heads of the rebel host.
"Ever its torn folds rose and fell
On the loyal winds that loved it well;
"And through the hill-gaps sunset light
Shone over it with a warm good-night.
"Barbara Fritchie's work is o'er,
And the rebel rides on his raids no more.
"Honor to her! and let a tear
Fall, for her sake, on Stonewall's bier.
"Over Barbara Fritchie's grave,
Flag of Freedom and Union, wave!
"Peace and order and beauty draw
Round thy symbol of light and law;
"And ever the stars above look down
On thy stars below in Frederick town!"

□ 0820

Mr. Speaker, I appreciate the opportunity to spend a few minutes this morning talking about the history of the flag of the United States.

Looking at the dissenting opinion, as we continue on through it and see through the First World War, the Second World War and the great history, and the people who have given of their lives, the prisoners of war, the missing in action that have served this country in battle, one wonders how a majority of the U.S. Supreme Court could ever come up with a ruling as they made recently on the desecration of the U.S. flag.

I thank the gentleman for yielding.

Mr. SPENCE. Mr. Speaker, few decisions in the 200-year history of the U.S. Constitution have engendered more negative response from the American people than the 5-to-4 decision by the Supreme Court regarding the burning of the American flag.

Like most Americans, I am deeply saddened by this decision. In my judgment, the decision represented not only a bad legal precedent, but it sent the wrong signal to patriotic Americans as well as to people all over the world that the most democratic and free Nation on Earth has no regard for the very symbol of its liberty.

Every American schoolchild knows about Francis Scott Key. Every schoolchild knows about the Battle of Iwo Jima. Throughout our history, young Americans have died, from the Revolution to the Vietnam war, in defense of the flag. How can we so unceremoniously disregard our history and the memory of millions of Americans who have fought under that banner by now saying that it is no longer in vogue?

We are told by some misguided people that desecration of the flag is nothing more than an expression of free speech. This is nonsense—pure and simple. It is also a step toward anarchy and the destruction of our laws and symbols. No nation can long exist that takes such a flippant attitude toward its history and the symbols which represent that history.

If we fail to reverse this tragic, unnecessary, and legally questionable decision, we will have failed the sacred memory of those who went before us to die for our freedom. We will have failed ourselves and we will have failed future generations of Americans who will be called upon the defend our beloved country in time of peril.

Mr. SOLOMON. Mr. Speaker, I certainly thank the gentleman from Mississippi for that most eloquent statement.

Let me say to those other speakers here this morning that we do have to vacate this Chamber in a very few minutes. But first I would like to yield to one of the outstanding new Members from the State of Louisiana, Mr. CLYDE HOLLOWAY.

Mr. HOLLOWAY. Mr. Speaker, I thank the gentleman for yielding.

I just want to say a few words. I am sure there is not very much I can say that has not been said here during the night. I guess about all I can do is give a little testimony of my own as to what the flag means to me as an individual, this country that we live in and what it means, and what I feel it means to the people who are out there in the rank and file of our country.

First of all, I would say that when I go into my district to speak to children, the first thing that I always like to tell them is the loyalty that they should pay and the honor that they should pay to the flag. That is kind of hard to do after the Supreme Court decision. To think that one of our schoolchildren could see one of these very radical people who probably do not belong in this country out burning one of our flags that we are speaking about that means so much to us, and to the veterans, and to the people who have died, but not only the people who have fought and died but to the people who have served this country from here at home during wartime, the people who have served in this Congress, the people who have served the Government, who have been public servants for all of these years, it means a great deal to all of us. I guess I have to go back to my upbringing which was as a very poor southern boy.

There are very few countries in this world where a person could rise to this height. I guess that is the basis of my testimony, how many countries have some of the rights and the first amendment rights that we have in this country?

I think the Supreme Court has gone far, far too far with this decision to say that a person has under the first amendment the right to destroy our flag. Sometimes I get very hostile when I think of it and say that people should take it in their own hands when they see someone burning the flag. I think I heard the gentleman from California [Mr. DORNAN] say one time that maybe this provision allowed us to create a riot, and then maybe there could be something done to prosecute that person who started it. In my opinion, that is what a person is trying to do in a country like this when they burn a flag, and maybe that is all they are trying to do, I do now know. But it is very tough for me to take it, and it is very tough for me as an individual who I feel could not be here in any other country.

So in saying what the flag means to me, it is very close to my heart. I think it is very close to the heart of the people in my district.

So it is quite and honor for me to be here and to be able to just say a few words here on the floor on the flag.

I hope this constitutional amendment will move forward. There are many on this floor, and the President says he is going to send one down too, maybe as early as tomorrow. I hope we can move, because I think the time is right now. I was saddened to see a poll say that only 69 percent of the people in this country favored an amendment. I do not believe that. I cannot believe only 69 percent of the people, I have to believe that 99 percent of the people in this country favor us passing an amendment to preserve the flag, and if there is one thing that means something to us in this country, it is the flag. So I have to believe that if there is 1 percent, and I cannot believe there is even 1 percent, but if there is 1 percent, we must go forward, we must do whatever it takes to move this legislation through here, to get this amendment passed and get it out to the States, the 50 of them who will overturn their Constitution.

So hopefully we can move forward. I appreciate the service of the gentleman from New York to this country, because he has been to my district before, and been with some of my veterans groups, and I appreciate that very much.

Mr. SOLOMON. Mr. Speaker, I certainly thank the gentleman from Louisiana for that compelling and most sincere statement.

Mr. Speaker, I yield briefly to the gentleman from California [Mr. DORNAN], a great American who has been with us every single hour of the night.

Mr. DORNAN of California. Mr. Speaker, I would say to the gentleman from New York I believe wanting to burn the flag is an unnatural act. For unnatural acts in one category we have these blow-up balloons that you can take home, these female figures you blow up, and who cares what you do with those things?

But I have a solution for those that have this urge to commit this heinous crime, this unnatural act of burning the flag. On the Fourth of July ask the fireworks man who at the conclusion of the fireworks is going to set off the display of the American flag where the crowd goes, "Oooh," and we see Old Glory. If he gets to light the torch to that beautiful, fantastic, fantasmagoric, red, white, and blue when the flag goes off, then maybe he can hold back that unnatural urge until the next Fourth of July.

I would say to the gentleman from New York Mrs. DeVito called. You will recall that in the shank of the night here I mentioned Kenneth DeVito, this 13-year-old freshman from Francisca High, and how his mom had made him a T-shirt that said, "Help Kenneth Save the Flag," and he visited the city council and the mayor, and that inspired him to run for the Congress, and I cannot say much more about it because I did 15 minutes on it, and on Ken senior, and Ken junior. But he called his Congressman, HAMILTON FISH. Kenneth DeVito is devot-

ed to this cause and it is happening all over the country.

A quick flag story. Back in 1962 I had a new Buick convertible, five kids under seven. I took them to the beach. I had the American flag on the aerial on my new Buick convertible. We spent some time in the Will Rogers State Park, which we have, and we came climbing up to the bluff and the car is gone; 6-year-old, 5, 4, 3, 2, and one about 6 months old, standing, shaking, shivers as the Sun goes down and no car. I called the police and called my dad or my brother to come out and pick me up. We get home and a police call is waiting.

"We found your car, Mr. DORNAN, and it is out here in the San Fernando Valley." Do you know what the car thieves did? They left Old Glory flying from the aerial. I guess that is honor among thieves.

□ 0830

I will be on "Phil Donohue" with our colleague, the gentleman from California [Mr. EDWARDS], who does not want to do anything on the flag issue. Also appearing is Joey Johnson, the young creep who burned the flag in Dallas. Yes, I will suggest to Joey that he has had a great effect on the free enterprise system. I predict, I bet we all agree, that more flags will be flying this weekend through the Fourth of July holiday than have flown since the great Fourth of July between victory in Europe and victory in Japan in 1945. I bet that every hardware store in this country sells out their American flags.

Folks, wear them on your lapel. Put them on your hats. Get the expensive sticker put on the side of the camper, on the side of your Cadillac El Dorado. Let Americans fly the flag over these holidays and remember that battle cry, on battlefields for history, "Save the colors." Men have died doing that. Congress should do no less. God bless JERRY SOLOMON and Kenneth DeVito.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for the inspiring speech, and thank so much my colleagues.

Mr. Speaker, let met, before yielding to the Republican Whip, let me first of all say how grateful I am to have the last hour of this special session which was called today to pay respect to that flag, in this third longest in the history of this House of Representatives.

DUNCAN HUNTER, would you stand up, please, from California. I want to personally pay tribute to DUNCAN HUNTER, a Member from California, who organized this entire special order, on both sides of the aisle. Let me say that I think you can sum up this whole special order here this evening that has lasted for 9-plus hours, by the hundreds of phone calls we have received across this Nation. I think the 40-some Members who have stayed here all night to sell those heart-rending stories of their constituents, and what that flag means to them. One phone call which came about 15 minutes ago came from a disabled American veteran who was in the Bataan Death March, who was a prisoner of war for 3½ years in Japan. He kept himself alive by every single night drawing a picture of the American flag, in the sand, which was the floor of his 2×4 cubicle. He was imprisoned for 3½ years. Falsely puts his hand on that flag, drawn in the sand. He posed a question to me because he had just realized, he said, "JERRY, what happens if I am walking down the street and I see this Communist youth brigade that BOB DORNAN and you will be sitting next to that creep on "Phil Donohue" next week, what happens if I see him desecrating that American flag?" He says, "I won't be able to stop myself. I will have to jump into that fray. What happens? Will I go to jail?"

Ladies and gentlemen, that is why we must change that Constitution. We must do it now and put it out to the States as the gentleman from Louisiana has said, and DUNCAN, I want to thank you from the bottom of my heart, because I think we need to mention those Members of this country representing all of those people across this Nation on both sides of the aisle, both political parties, starting with our great leader, BOB MICHEL, who spoke so eloquently at 11 o'clock last night, followed by DUNCAN HUNTER, followed by NEWT GINGRICH and BOB WALKER, and a great American Democrat on that side of the aisle, SONNY MONTGOMERY, who I served with on the Committee on Veterans' Affairs for 10 long years, to BEN BLAZ from Guam, a Marine Corps general and now a Congressman of the United States of America. DAVE MARTIN, from New York, LARKIN SMITH, who just spoke so eloquently a few minutes ago, from Mississippi, TOM RIDGE from Pennsylvania, BOB DORNAN, and we will never forget him and the eloquent speeches he has made from California. DAVE DREIER from California, BEN GILMAN from New York, DENNY HASTERT from Illinois, TOM DELAY from Texas, BOB MCEWEN from Ohio, JIM HANSEN from Idaho, DAN BURTON from Indiana, JIM LIGHTFOOT from Iowa, DON RITTER from Pennsylvania, JACK FIELDS from Texas, MIKE PARKER from Mississippi. We could go on down the line on the other side of the aisle to people like CHARLIE WILSON from Texas, CARROLL HUBBARD from Kentucky, GEORGE SANGMEISTER and BILL LIPINSKI from Illinois, CURT WELDON from Pennsylvania, JOHN KYL from Arizona. CRAIG JAMES spoke a few minutes ago from Florida, CLYDE HOLLOWAY, who just spoke a few minutes ago. I know we missed some, but those people from across this Nation stayed up all night to try to focus on this issue that means so much to the American people.

So in yielding to the Republican Whip, I want to thank all of those, but first I yield to the gentleman from California, so responsible for this.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding, because I think we all owe a great debt of gratitude to the gentleman from New York [Mr. SOLOMON] who worked this thing all night long, a great veteran, Marine Corps veteran, and leader in veterans' affairs. Thank you for everything you have done to make this special order a very special order. If we had no cameras, no publicity, whatever, the in-depth discussions that we had about the flag and its meaning to us have really forced us to analyze what this country means to us. I think it was a very profound and moving experience.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for all he has done for America and does in this Congress.

I yield to the gentleman from Louisiana.

Mr. HOLLOWAY. Mr. Speaker, I want to say thanks to Congressman HUNTER, but I want to say there may not be that many more flags flying, but we will all see those flags out there, and they will mean more to us, I think to each and every one of us because we usually fight, and when we are down, we come back up fighting, and thanks for the opportunity to be here.

Mr. SOLOMON. Mr. Speaker, I will at this time yield to our great whip from Georgia, NEWT GINGRICH.

Mr. GINGRICH. Mr. Speaker, I thank my friend from New York for yielding. First of all, we are very grateful to everyone on a bipartisan basis who made this possible and to the staff who made this possible. I want to thank the Democratic Congressmen who presided all through the night: Congressman VALENTINE, Congressman FROST, Congressman COSTELLO, Congressman PARKER, Congressman BROWDER, and now, Congressman TANNER, for providing and making it possible to have this series of special orders.

In addition, as everyone who watches C-SPAN knows, there are reporters who take down our words and who have been here all night and will be here today, showing extraordinary commitment to make the function. They include Charles Gustafson, Susan Hanback, Tab Redling, Tony Tartaro, Katie Jane Teel, Judi Mazur, and Chris Heil.

In addition, transcribers, people you never see, but they have been typing the special orders all night long, and they will continue to serve the House today. Those transcribers who are

downstairs who are taking the words of the reporters and again to transcribe them include Tony Jackubosky, Pat Vasselo, Karen Ilsemann, John Ulmer, Mary Wood, Barbara Wilmoth, Marion van den Berg.

And the RECORD clerks, Ed White, George Russell, Dick Creeger, Heather Mapes, and people throughout the building who have made this possible.

Thank you to everybody who serve above and beyond the call.

Finally, we need to thank Congressman MICHEL, the Republican leader in the House, and Congressman MONTGOMERY, one of the leading Democrats in the House, for their bipartisan efforts. They have introduced a very simple amendment. The operative passage, and this is how simple it would be, would say,

The Congress and the States will have the power to prohibit the physical desecration of the Flag of the United States.

In closing, I want to make two quick points. Many, particularly in the press, seem to misunderstand why this is an important issue. Let me suggest to them it would serve them well to read the dissent by Justice Rehnquist and Justice Stevens. In those two dissents, those able and learned men, each on the Supreme Court, outlined why the flag is an unusually important symbol, why the Government has the right to restrict certain action, even under the free speech clause and they make the case that just as in the name of freedom of speech, you could not desecrate the Lincoln Memorial, you could not desecrate the Jefferson Memorial, you could not desecrate the Washington Monument, similarly, we do have the right to allow extraordinary freedom of speech without giving up the single most powerful symbol which binds together this extraordinarily diverse Nation.

Last, it would seem to me it is precisely the right to amend the Constitution which should be pursued in this case, the right to amend the Constitution is itself written into the Constitution. Ironically, those who say we should not amend the Constitution on this occasion do so in the name of the first amendment to the Constitution, that the right of free speech protected by the Supreme Court the other day is a right granted only because the Congress initially amended the Constitution.

I go back and remind our listeners and remind our colleagues, surely an amendment which say specifically and directly as the Michel amendment does say,

The Congress and the States shall have the power to prohibit the physical desecration of the Flag of the United States.

Surely such a simple and correct protection can hardly be a threat to freedom of speech in any reasonable way.

□ 0840

Last, I have been asked as people called in all night, as our colleague pointed out, what can individual citizens do over the Fourth of July? In addition to flying the flag and wearing the flag on your lapel and otherwise speaking out, let me suggest that every citizen in America who cares about this issue can act by contacting their Congressman and their Senator and by making clear that they want to see an amendment brought to the floor and passed in the next few weeks. Every citizen has a chance over this Fourth of July to turn our national holiday, our celebration of national unity, into a time of effective action to in fact protect the flag of the United States.

Mr. Speaker, I thank the gentleman from California [Mr. HUNTER] for having organized these special orders, and I thank the gentleman from New York [Mr. SOLOMON] for yielding to me.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Georgia [Mr. GINGRICH] for that very compelling speech. I want to say just this: In carrying out what NEWT GINGRICH just said and what BOB DORNAN said about displaying the flag, one of the oldest newspapers in America, the Troy Times-Record, which incidentally is the home of Uncle Sam in upstate New York during the battles of the Revolutionary War, suggested in an editorial this morning that all Americans in my congressional district fly the American flag from now until the day that the 38th State ratifies the Constitution, putting back in respect for the flag of the United States of America.

I would suggest perhaps to all of us from all of the constituencies across America that we urge our constituents to do the same thing. Let us fly "Old Glory" from now until the 38th State ratifies that constitutional amendment, and I predict it will happen within a year from now.

Thank you all so much for participating in this third longest session of the U.S. House of Representatives. God bless you and God bless America.

Would you all join me in the Pledge of Allegiance?

Mr. SOLOMON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HALL of Ohio (at the request of Mr. GEPHARDT), for today until 7 p.m., on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STEARNS) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.
Mr. HUNTER, for 60 minutes, today.
Mr. ARMEY, for 60 minutes, today.
Mr. FIELDS, for 60 minutes, today.
Mr. PORTER, for 60 minutes, today.
Mr. HANSEN, for 60 minutes, today.
Mr. RIDGE, for 60 minutes, today.
Mr. HASTERT, for 60 minutes, today.
Mr. GINGRICH, for 60 minutes, today.
Mr. SMITH of Mississippi, for 60 minutes, today.
Mr. MICHEL, for 60 minutes, today.
Mr. DORNAN of California, for 60 minutes, today.
Mr. WALKER, for 60 minutes, today.
Mr. DREIER of California, for 60 minutes, today.
Mr. KYL, for 60 minutes, today.
Mr. WALSH, for 60 minutes, today.
Mr. HYDE, for 60 minutes, today.
Mr. HOLLOWAY, for 60 minutes, today.
Mr. BLAZ, for 60 minutes, today.

(The following Members (at the request of Mr. JONES of Georgia) to revise and extend their remarks and to include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. HUBBARD, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:z

Mr. BEREUTER, during general debate on H.R. 2696, in the Committee of the Whole today.

Mr. KANJORSKI to revise and extend immediately prior to the Conte amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. STEARNS) and to include extraneous matter:)

Mr. HORTON.
Mr. PORTER.
Mr. GREEN.
Mr. BROOMFIELD.
Mr. SCHAEFER in two instances.
Ms. SNOWE.
Mr. WALSH.
Mr. BAKER.
Mr. CLINGER.
Mr. CONTE.
Mr. YOUNG of Florida.
Mr. COURTER.

Mr. DONALD E. "BUZ" LUKENS in two instances.
Mr. RIDGE.
Mr. GEKAS in two instances.
Mr. DORNAN of California.
Mr. WELDON.
Mr. SOLOMON.

(The following Members (at the request of Mr. JONES of Georgia) and to include extraneous matter:)

Mr. LIPINSKI.
Mr. GLICKMAN.
Mr. HAMILTON.
Mr. DOWNEY.
Mr. UDALL.
Mr. TORRES.
Mr. TRAFICANT in two instances.
Mr. FORD of Michigan.
Mr. MAZZOLI.
Mr. KILDEE.
Mr. BRYANT.
Mr. LAFALCE.
Mr. NEAL of Massachusetts.
Mr. LANTOS.
Mr. SMITH of Florida.
Mr. CARDIN.
Mr. FUSTER.
Mrs. BOXER.
Mr. MATSUI.
Mr. BONIOR.
Mr. OBERSTAR.
Mr. DARDEN in two instances.

SENATE BILL AND JOINT RESOLUTIONS REFERRED

A Bill and Joint Resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 633. An act to promote the development of technologies which will enable fuel cells to use alternative fuel sources; to the Committee on Science, Space, and Technology.

S.J. Res. 19. Joint resolution to designate November 8, 1989 as "Montana Centennial Day," to the Committee on Post Office and Civil Service.

S.J. Res. 155. Joint Resolution designating June 23, 1989, as "United States Coast Guard Auxiliary Day," to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1184. An act to allow the obsolete destroyer U.S.S. *Edson* (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable 60-day congressional review period.

ADJOURNMENT

Mr. SOLOMON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 43 minutes a.m.), under its previous order, the House adjourned until today, Thursday, June 29, 1989 at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees and delegations traveling under authorization from the Speaker concerning the foreign currencies and U.S. dollars utilized by them during the second and third quarters of 1987 and the second, third, and fourth quarters of 1988 in connection with foreign travel are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
A. Mario Castillo	3/29	3/31	Austria		570.00						570.00
	3/31	4/2	Czechoslovakia		302.00						302.00
	4/2	4/4	Berlin		549.00						549.00
Commerical transportation							2,868.00				2,868.00
Chairman E de la Garza	4/11	4/13	Italy		332.50						332.50
Codel	4/13	4/16	[illegible]		453.00						453.00
	4/16	4/20	Germany		754.00						754.00
Military transportation							8,197.00				8,197.00
Hon. Charles W. Stenholm	4/11	4/13	Italy		332.50						332.50
	4/13	4/16	Czechoslovakia		453.00						453.00
	4/16	4/20	Germany		754.00						754.00
Military transportation							8,197.00				8,197.00
Hon. Robert F. Smith	4/11	4/13	Italy		332.50						332.50
	4/13	4/16	Czechoslovakia		453.00						453.00
	4/16	4/20	Germany		754.00						754.00
Military transportation							8,197.00				8,197.00
Hon. Steve Gunderson	4/11	4/13	Italy		332.50						332.50
	4/13	4/16	Czechoslovakia		453.00						453.00
	4/16	4/20	Germany		754.00						754.00
Military transportation							8,197.00				8,197.00
A. Mario Castillo	4/11	4/13	Italy		332.50						332.50
	4/13	4/16	Czechoslovakia		453.00						453.00
	4/16	4/20	Germany		754.00						754.00
Military transportation							8,197.00				8,197.00
Charles Rawls	4/11	4/13	Italy		332.50						332.50
	4/13	4/16	[illegible]		453.00						453.00
	4/16	4/20	Germany		754.00						754.00
Military transportation							8,197.00				8,197.00
Other expenditures:											
Representation function, Bonn, Germany									884.97		884.97
Local transportation, Bonn, Germany									506.66		506.66
Representation function, Verona, Italy									1,208.06		1,208.06
A. Mario Castillo	5/26	5/27	Mexico		152.00						152.00
Commercial transportation							378.00				378.00
Committee total					10,810.00		52,428.00		2,599.69		65,837.69

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, July 30, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Curtin L. Marshall	10/19	10/21	U.S.S.R.		[3] 550.00		2,853.00				3,403.00
	11/13	11/17	British Columbia		521.33		[4] 306.00				827.33
James R. McCollum	10/29	11/5	Japan		1,069.00		2,350.00		126.63		4,485.63
	11/13	11/18	Spain		1,060.00		2,447.00				3,507.00
Rodney H. Moore	10/30	11/6	Japan		2,009.00		2,678.00		96.61		4,783.61
Earl R. Oxley	10/15	[illegible]	United Kingdom		1,182.00		2,633.00				3,815.00
Jeffrey R. Pike	10/29	11/4	Japan		1,009.00		2,420.00		96.62		4,525.62
	11/12	11/21	Spain		1,060.00		2,555.00				3,615.00
Gerald Seifert	10/27	[illegible]	United Kingdom		([5])						
	10/30	11/8	Switzerland		2,050.00		2,824.00				4,874.00
Committee total					12,450.33		21,066.00		319.86		33,836.19

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent, if U.S. currency is used, enter amount expended.
[3] Cash advance from Department of State; traveler returned $185.
[4] State Department issued reimbursement to traveler after trip.
[5] No per diem allowance in London, guest speaker at University of Wales.

WALTER B. JONES, Chairman, July 12, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE OF VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. G.V. Montgomery	4/14	4/17	Philippines		300.00		[3] 5,933.10 [4] 50.00		648.33		6,931.43
Hon. Claude Harris	4/14	4/17	Philippines		300.00		[3] 5,933.10 [4] 50.00		648.33		6,931.43
Hon. J. Roy Rowland	4/14	4/17	Philippines		300.00		[3] 5,933.10 [4] 50.00		648.33		6,931.43
Hon. G. Fleming	4/14	4/17	Philippines		300.00		[3] 5,933.10 [4] 50.00		648.33		6,931.43
Hon. H. Wilson	4/14	4/17	Philippines		300.00		[3] 5,933.10 [4] 50.00		648.33		6,931.43
Hon. D. Medin	4/14	4/17	Philippines		300.00		[3] 5,933.10 [4] 50.00		648.33		6,931.43
Committee total					1,800.00	35,898.60	3,889.98	41,588.58			

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent, if U.S. currency is used, enter amount expended.
[3] Military.
[4] Local.

G.V. MONTGOMERY, Chairman, July 31, 1987

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Harris			Ecuador		250.00						250.00
							[3] 662.89				662.89
Hon. Bob McEwen			Panama		194.00		([4])				194.00
			Honduras		92.00						92.00
Committee total					536.00		662.89				1,198.89

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent, if U.S. currency is used, enter amount expended.
[3] Military transportation.
[4] T-43 training mission flight.

G.V. MONTGOMERY, Chairman, Sept. 28, 1987

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Marcy Kaptur	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97
Hon. Don Bailey	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97
Hon. Michael Bilirakis	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97
Hon. Jack Davis	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1988—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Ms. Gloria Royce	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97
Ms. Susan Short	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97
Mr. Kingston Smith	6/4	6/8	France		814.00		[3] 1,456.97				2,270.97
Committee total					5,698.00		10,198.79				15,896.79

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] [redacted].

G.V. MONTGOMERY, Chairman, July 31, 1988

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Charles B. Rangel	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						460.00
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						582.00
Military transportation							12,474.09				12,474.09
Benjamin A. Gilman	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						582.00
Military transportation							12,474.09				12,474.09
Frank J. Guarini	8/9	8/11	Netherlands		332.00						322.00
	8/11	8/13	France		[redacted]						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						582.00
Military transportation							12,474.09				12,474.09
William J. Hughes	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						582.00
Military transportation							12,474.09				12,474.09
Edolphus Towns	8/9	8/11	Netherlands		332.00						322.00
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria								144.00
	8/19	8/22	Italy		388.00						[redacted]
Military transportation							12,474.09				12,474.09
Larry Coughlin	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		[redacted]						[redacted]
Military transportation							8,575.99				8,575.99
John T. Cusack	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						460.00
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						[redacted]
Military transportation							12,474.09				12,474.09
Elliott A. Brown	8/9	8/11	Netherlands		332.00						[redacted]
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						[redacted]
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						[redacted]
Military transportation							12,474.09				12,474.09
George W. Gilbert	8/9	8/11	Netherlands		332.00						322.00
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						[redacted]
Military transportation							12,474.09				12,474.09
[redacted] L. Hedlund	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						[redacted]
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						[redacted]
Military transportation							12,474.09				12,474.09
Committee total					21,916.00		120,842.80				42,758.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHARLES B. RANGEL, Chairman, Oct. 28, 1987

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER-AUTHORIZED DELEGATION TO NETHERLANDS, FRANCE, PORTUGAL, MOROCCO, NIGERIA, AND ITALY, EXPENDED BETWEEN AUG. 8 AND AUG. 22, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Don Pressler	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						460.00
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						582.00
Military transportation							12,474.09				12,474.09
Hayden Gregory	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						460.00
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/18	Morocco		375.00						375.00
	8/18	8/19	Nigeria		144.00						144.00
	8/19	8/22	Italy		582.00						582.00
Military transportation							12,474.09				12,474.09
Committee total					4,422.00		24,948.18				29,370.18

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHARLES B. RANGEL, Sept. 15, 1987

EXECUTIVE COMMUNICATIONS, ETC.

1385. Under clause 2 of rule XXIV, a letter from the Chairman, Merit Systems Protection Board, transmitting the Board's report, titled "First-Line Supervisory Selection in the Federal Government", pursuant to 5 U.S.C. 1205(a)(3), was taken from the Speaker's table, referred to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on Education and Labor. H.R. 1312. A bill to amend the Domestic Volunteer Service Act to extend through the fiscal year 1992 certain authorities contained in such act relating to national volunteer antipoverty programs; with amendments (Rept. 101-116). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PAWELL (for himself, Mr. GOSS, Mr. SAXTON, Mr. LAGOMARSINO, Mr. MADIGAN, Mr. DANNEMEYER, Mr. RITTER, Mr. RHODES, Mr. GRANT, Mrs. BENTLEY, Mr. HUNTER, Mr. GINGRICH, Mr. STEARNS, Mr. HASTERT, Mr. KOLBE, Mrs. SAIKI, Mr. SLAUGHTER of Virginia, Mr. LEWIS of Florida, Mr. MILLER of Ohio, Mr. BAKER, Ms. SCHNEIDER, Mr. SCHAEFER, Mr. SMITH of Mississippi, Mr. WOLF, Mr. TAUKE, and Mr. DREIER of California):

H.R. 2770. A bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal impoverishment benefit; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ERDREICH (for himself, Mr. BERRUTER, Mr. GARCIA, and Mr. PAXON):

H.R. 2771. A bill to reauthorize the National Flood Insurance Program and the Federal Crime Insurance Program through September 30, 1991; to the Committee on Banking, Finance and Urban Affairs.

By Ms. KAPTUR:

H.R. 2772. A bill to require that certain information relating to nursing home aides and home health care aides be collected by the National Center for Health Statistics and the Bureau of Labor Statistics; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. KLECZKA (for himself and Mr. WISE):

H.R. 2773. A bill to amend the Freedom of Information Act, and for other purposes; to the Committee on Government Operations.

By Mr. MOODY:

H.R. 2774. A bill to amend the Public Health Service Act to provide for the establishment of a National Institute on Population and Human Reproduction to be coordinated with the National Institute of Child Health and Human Development by a National Science Policy Committee for Research on Human Development, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MORRISON of Connecticut:

H.R. 2775. A bill to designate the park located across from the Embassy of the People's Republic of China in the District of Columbia, as "Tiananmen Square Memorial Park"; to the Committee on Interior and Insular Affairs.

By Mr. PALLONE:

H.R. 2776. A bill to designate "The Most Beautiful Lady in the World," by Helmut Christopher Calabrese and Paul L. Calabrese, as the official anthem of the Statue of Liberty; to the Committee on Post Office and Civil Service.

By Ms. PELOSI (for herself, Mr. CARPER, Mr. BERRUTER, Mr. SPRATT, Mr. BENNETT, Mr. DERRICK, Mr. PALLONE, Mr. TORRICELLI, Mr. MORRISON of Connecticut, Mr. BOSCO, Mr. HUGHES, Mr. HOCHBRUECKNER, Mr. TALLON, Mrs. COLLINS, Mr. OWENS of New York, Mr. NEAL of North Carolina, Mr. JONTZ, Mr. RAVENEL, Mrs. LOWEY of New York, Mrs. BOXER, Mr. HAWKINS, Mr. PANETTA, Mr. KASTENMEIER, Mr. WELDON, Mr. LEWIS of Georgia, Mr. ATKINS, Mr. FLORIO, Mr. SAXTON, Mr. WEISS, Mr. LANTOS, Mr. FEIGHAN, Mr. WOLPE, and Mr. HILLIS):

H.R. 2777. A bill to establish a national environmental policy on the participation of the United States in the multilateral development banks; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PETRI:

H.R. 2778. A bill amending section 700 of title 18, United States Code, to set criminal penalties for desecrating the flag of the United States; to the Committee on the Judiciary.

By Mr. RIDGE (for himself, Mr. GONZALEZ, Mr. MCDADE, Mr. WYLIE, Mr. FRANK, Mrs. ROUKEMA, Mr. GAYDOS, Mr. BOEHLERT, Mr. BARNARD, Mr. CLINGER, Ms. KAPTUR, Mr. LEWIS of Florida, Mr. ERDREICH, Mr. RITTER, Mr. MFUME, Mr. COUGHLIN, Mr. CARPER, Mr. MCDERMOTT, Mr. KANJORSKI, Mr. COSTELLO, Mr. HATCHER, Mr. KOLTER, Mr. ECKART, Mr. MURPHY, Mr. VENTO, and Mrs. PATTERSON):

H.R. 2779. A bill to amend the Housing and Community Development Act of 1974 to

revise and improve the Community Development Loan Guarantee Program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RINALDO (by request) (for himself, Mr. LENT, Mr. DINGELL, and Mr. MARKEY):

H.R. 2780. A bill to improve the communication between registrants of investment company securities and their beneficial shareholders by requiring nominee shareholders to deliver proxy materials and information statements to such beneficial shareholders, and for other purposes; to the Committee on Energy and Commerce.

By Ms. SNOWE:

H.R. 2781. A bill to provide better services for individuals with Alzheimer's disease and related dementias through improved biomedical research, health services research, and training of health care personnel, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STARK (for himself, Ms. SCHNEIDER, Mr. LEWIS of Georgia, Mr. BATES, Mr. LIPINSKI, and Mr. RANGEL):

H.R. 2782. A bill to authorize the suspension of duty-free treatment to wood products under the Generalized System of Preferences to beneficiary countries that do not implement appropriate reforestation programs, and for other purposes; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. FRENZEL, Mr. OBERSTAR, Mr. STANGELAND, Mr. SABO, Mr. WEBER, Mr. PENNY, and Mr. SIKORSKI):

H.R. 2783. A bill to improve the management of certain public lands in the State of Minnesota; to the Committee on Interior and Insular Affairs.

By Mr. WISE:

H.R. 2784. A bill to require that buses purchased with Federal funds be alcohol fueled, natural gas fueled, or LP-gas fueled, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. JAMES:

H.R. 2785. A bill to amend the Federal Election Campaign Act of 1971 to adjust certain contribution and expenditure limitations, and for other purposes; to the Committee on House Administration.

By Mr. OWENS of Utah (for himself, Ms. SCHNEIDER, Mr. FUSTER, Mr. BATES, Mr. SOLOMON, Mr. KASICH, Mr. FISH, Mr. NEAL of North Carolina, Mr. FORD of Tennessee, Mr. DEFAZIO, Mr. EVANS, Mr. LEWIS of Georgia, Mr. FORD of Michigan, Mr. ANDERSON, Mr. MINETA, Mr. RAVENEL, Mr. HENRY, Mr. BENNETT, Mr. LEVINE of California, Mr. OWENS of New York, Mr. PALLONE, Mr. TORRES, Mr. DOWNEY, Ms. PELOSI, Mr. BOUCHER, Mrs. BOXER, Mr. SCHEUER, Mr. GREEN, Mr. KASTENMEIER, Mr. DIXON, Mr. SMITH of Florida, Mr. MILLER of California, Mr. BOEHLERT, Mr. LEHMAN of California, Mr. MCHUGH, Mr. WELDON, Mr. EDWARDS of California, Mr. KLECZKA, Mr. BROWN of California, Mr. CROCKETT, Mr. TOWNS, Mr. LIPINSKI, Mr. CLEMENT, Mr. DELLUMS, Mr. WEISS, Mr. BUECHNER, Mr. KOSTMAYER, Mr. WOLPE, Mr. DE LUGO, Mr. LELAND, Mr. HUGHES, Mr. HAMILTON, Mrs. SCHROEDER, and Mr. SKAGGS):

H.R. 2786. A bill to provide for a timely analysis of all factors relating to the restoration of gray wolves to Yellowstone National Park and surrounding public lands, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries, Interior and Insular Affairs.

By Mr. WELDON (for himself, Mr. FRANK, Mr. KOLTER, Mr. DANNEMEYER, Mr. BLILEY, Mr. CHAPMAN, Mr. LAGOMARSINO, and Mr. JAMES):

H.R. 2787. A bill to amend the Comprehensive Environmental Response, Compensation and Liability Act of 1980 to provide specific definition of the requirement that a purchaser of real property make all appropriate inquiry into the previous ownership and uses of the real property in order to qualify for the "innocent landowner" defense; to the Committee on Energy and Commerce.

By Mr. ALEXANDER (for himself and Mr. ANTHONY):

H.J. Res. 339. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the physical abuse, misuse, and improper display of the flag of the United States; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.J. Res. 340. Joint resolution proposing an amendment to the Constitution of the United States with respect to burning the flag of the United States; to the Committee on the Judiciary.

By Mr. SMITH of Florida:

H.J. Res. 341. Joint resolution designating November 1989 as "An End to Hunger Education Month"; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.J. Res. 342. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the acts of physical abuse, destruction, and desecration of the flag of the United States; to the Committee on the Judiciary.

By Mr. HERGER:

H.J. Res. 343. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the acts of physical abuse, destruction, and desecration of the flag of the United States; to the Committee on the Judiciary.

By Mrs. PATTERSON:

H.J. Res. 344. Joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect congressional, Presidential, State, and local elections; to the Committee on the Judiciary.

By Mr. SARPALIUS:

H.J. Res. 345. Joint resolution designating the week of March 1 through 7, 1990, as "National Quarter Horse Week"; to the Committee on Post Office and Civil Service.

By Mr. WALGREN (for himself, Mr. WELDON, Mr. BOEHLERT, Mr. COSTELLO, Mr. BUECHNER, and Mr. CLAY):

H.J. Res. 346. Joint resolution to designate October 29, 1989, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery"; to the Committee on Post Office and Civil Service.

By Mr. BRYANT:

H. Con. Res. 161. Concurrent resolution expressing the sense of the Congress that the States should retain authority to regulate alcohol beverages; to the Committee on the Judiciary.

By Mr. CLINGER (for himself, Mr. GLICKMAN, Mr. ATKINS, Mr. BALLENGER, Mr. BARNARD, Mrs. BENTLEY, Mr. BOEHLERT, Mrs. BYRON, Mr. CAMPBELL of California, Mr. CARR, Mr. CHANDLER, Mr. CHAPMAN, Mr. CLEMENT, Mrs. COLLINS, Mr. COUGHLIN, Mr. CRAIG, Mr. DEFAZIO, Mr. DELAY, Mr. DURBIN, Mr. DYMALLY, Mr. EMERSON, Mr. FALEOMAVAEGA, Mr. GINGRICH, Mr. HANCOCK, Mr. HANSEN, Mr. HASTERT, Mr. HENRY, Mr. HOCHBRUECKNER, Mr. INHOFE, Mr. KYL, Mr. LAGOMARSINO, Mr. LEHMAN of Florida, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. MCCRERY, Mr. MCEWEN, Mr. MARLENEE, Mrs. MARTIN of Illinois, Mr. MAVROULES, Mrs. MEYERS of Kansas, Mrs. MORELLA, Mr. MRAZEK, Mr. PACKARD, Mr. PARKER, Mr. PARRIS, Mr. PAXON, Mr. PETRI, Mr. RINALDO, Mr. ROWLAND of Connecticut, Mr. SABO, Mr. SHAYS, Mr. SKAGGS, Mr. SKEEN, Mr. SMITH of Florida, Mr. ROBERT F. SMITH, Mr. SPRATT, Mr. STANGELAND, Mr. TALLON, Mrs. UNSOELD, Mr. VALENTINE, Mrs. VUCANOVICH, Mr. WALSH, Mr. WELDON, Mr. WHITTAKER, and Mr. WISE):

H. Con. Res. 162. Concurrent resolution relating to the establishment of a new comprehensive national aviation policy for the United States; to the Committee on Public Works and Transportation.

By Mr. FAWELL (for himself, Mr. GOSS, Mr. SAXTON, Mr. LAGOMARSINO, Mr. MADIGAN, Mr. DANNEMEYER, Mr. RITTER, Mr. RHODES, Mr. GRANT, Mrs. BENTLEY, Mr. HUNTER, Mr. GINGRICH, Mr. STEARNS, Mr. HASTERT, Mr. KOLBE, Mrs. SAIKI, Mr. SLAUGHTER of Virginia, Mr. LEWIS of Florida, Mr. MILLER of Ohio, Mr. BAKER, Ms. SCHNEIDER, Mr. SCHAEFER, Mr. SMITH of Mississippi, Mr. WOLF, Mr. TAUKE, and Mr. DREIER of California):

H. Res. 191. Resolution providing for the consideration of the bill (H.R. 2770) to amend title XVIII of the Social Security Act; to the Committee on Rules.

By Mr. BROWN of Colorado:

H. Res. 192. Resolution amending rule XLVI of the Rules of the House of Representatives with respect to the number of mass mailings which a Member may make in any calendar year using the franking privilege; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

161. By the Speaker: Memorial of the House of Representatives of the State of Illinois, relative to legislation to correct the "notch" in Social Security benefits; to the Committee on Ways and Means.

162. Also, memorial of the House of Representatives of the State of Illinois, relative to restrictions on the use of tax-exempt bonds; to the Committee on Ways and Means.

163. Also, memorial of the House of Representatives of the State of Illinois, relative to a fair and balanced trade policy regarding the importation of foreign steel; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Mr. JOHNSON of South Dakota.
H.R. 140: Mr. FORD of Tennessee.
H.R. 145: Mr. EVANS, Mr. HEFNER, and Mr. PARKER.
H.R. 239: Mr. HAYES of Illinois and Mr. CAMPBELL of Colorado.
H.R. 292: Mr. WOLPE.
H.R. 332: Mr. SUNDQUIST.
H.R. 401: Mr. LONG.
H.R. 496: Mr. WOLPE, Mr. PERKINS, Mr. APPLEGATE, Mr. FRANK, and Mr. MANTON.
H.R. 499: Mr. WALSH.
H.R. 504: Mr. WALSH.
H.R. 505: Mr. SKELTON, Mr. MCNULTY, Mr. RITTER, Mr. PALLONE, Mr. SOLOMON, Mr. GORDON, Mr. EDWARDS of Oklahoma, Mr. WALGREN, Mr. SMITH of Texas, and Mr. MILLER of Washington.
H.R. 570: Mr. BONIOR.
H.R. 572: Mr. BURTON of Indiana.
H.R. 574: Mr. ROHRABACHER, Mr. MCEWEN, Mr. GINGRICH, Mr. COX, Mr. HOLLOWAY, and Mr. WEBER.
H.R. 638: Ms. PELOSI, Mr. HOYER, and Mr. BUECHNER.
H.R. 665: Mr. DORGAN of North Dakota and Mr. YOUNG of Florida.
H.R. 697: Mr. HOLLOWAY.
H.R. 746: Mr. THOMAS of California, Mr. PRICE, Mr. BUECHNER, Mr. LAUGHLIN, and Mr. FISH.
H.R. 747: Mr. WATKINS, Mr. GILLMOR, Mr. HERTEL, Mr. SHUSTER, Mr. SIKORSKI, Mr. MCNULTY, Mr. SMITH of Mississippi Mr. PAYNE of Virginia, Mr. WHEAT, Mr. PALLONE, Mr. WALSH, and Mr. WYLIE.
H.R. 796: Mr. SISISKY, Mr. EVANS, Mr. HENRY, Mr. ROSE, Mr. SIKORSKI, Mr. BURTON of Indiana, Ms. KAPTUR, Mr. GRANT, and Mr. STOKES.
H.R. 875: Mr. PARRIS.
H.R. 885: Mr. MARTINEZ.
H.R. 919: Mr. BRYANT.
H.R. 930: Mr. HOUGHTON and Mr. BRENNAN.
H.R. 993: Mr. HAWKINS, Mr. HAYES of Illinois, and Mr. CROCKETT.
H.R. 995: Mr. OXLEY and Mr. ECKART.
H.R. 1025: Mr. FAUNTROY.
H.R. 1044: Mr. DELLUMS.
H.R. 1068: Mr. BUECHNER.
H.R. 1079: Mr. EDWARDS of Oklahoma and Ms. KAPTUR.
H.R. 1085: Mr. HAYES of Louisiana and Mr. ERDREICH.
H.R. 1095: Mr. BEVILL, Mrs. BOXER, Mr. BRYANT, Mrs. COLLINS, Mr. KANJORSKI, and Mr. PENNY.
H.R. 1136: Mr. ROBERTS, Mr. BARTON of Texas, Mr. DOUGLAS, Mr. BROWDER, Mr. STALLINGS, Ms. PELOSI, Mr. SOLOMON, Mr. STUMP, Mr. MILLER of Washington, and Mr. DURBIN.
H.R. 1165: Mr. OWENS of Utah and Mr. SOLOMON.
H.R. 1236: Mr. WOLPE, Mr. LIPINSKI, Mr. TORRICELLI, Mr. FROST, Mr. RICHARDSON, and Mr. MRAZEK.
H.R. 1286: Mr. EMERSON, Mr. SKELTON, Mr. CAMPBELL of California, Mr. BILBRAY, Mr. MARTINEZ, Mr. LANCASTER, Mr. SISISKY, Mr. ANDERSON, Mr. STARK, Mr. LAGOMARSINO, and Mr. LEHMAN of California.
H.R. 1287: Mr. LANTOS and Mr. SHUMWAY.
H.R. 1295: Mr. ROTH.
H.R. 1306: Mr. FLORIO and Mr. FUSTER.
H.R. 1317: Mr. MADIGAN and Mr. MFUME.
H.R. 1398: Mr. ACKERMAN, Mr. BERMAN, Mr. BUSTAMANTE, Mrs. COLLINS, Mr. CONYERS, Mr. DELLUMS, Mr. DYMALLY, Mr. EVANS, Mr. ESPY, Mr. FAUNTROY, Mr. FRANK, Mr. GARCIA, Mr. KILDEE, Mr. LELAND, Mr. MOODY, Mr. OWENS of New York, Mr. RANGEL, Mr. STOKES, and Mr. WISE.
H.R. 1432: Mr. FASCELL, Mr. CROCKETT, Ms. OAKAR, Mr. BILBRAY, Mr. WISE, and Mr. EVANS.
H.R. 1582: Mr. ROYBAL.
H.R. 1612: Mr. DELLUMS, Mr. DYMALLY, Mr. HAYES of Illinois, and Mrs. COLLINS.
H.R. 1617: Ms. OAKAR, Mrs. MEYERS of Kansas, and Mr. NATCHER.
H.R. 1643: Mr. ACKERMAN.
H.R. 1648: Ms. OAKAR.
H.R. 1704: Mr. PRICE, Mr. TOWNS, Mr. WEISS, Mr. HOCHBRUECKNER, Mr. LIPINSKI, Mr. PANETTA, Mr. SAXTON, and Mr. FAUNTROY.
H.R. 1760: Mr. WYDEN.
H.R. 1762: Mr. EDWARDS of Oklahoma and Mr. GEJDENSON.
H.R. 1955: Mr. PARRIS and Mr. ROBINSON.
H.R. 2002: Mr. WEISS, Mr. SMITH of New Jersey, and Mr. COX.
H.R. 2051: Mr. FRANK.
H.R. 2055: Mr. SCHUETTE.
H.R. 2069: Mr. HOLLOWAY.
H.R. 2096: Mr. RICHARDSON.
H.R. 2098: Mr. OWENS of New York, Mr. GEJDENSON, Mr. MYERS of Indiana, Mr. DE LA GARZA, Mr. DERRICK, Mrs. MARTIN of Illinois, Mr. THOMAS A. LUKEN, Mr. DARDEN, Mr. SIKORSKI, and Mr. MCMILLAN of North Carolina.
H.R. 2131: Mr. FISH, Mr. DONNELLY, and Mr. KANJORSKI.
H.R. 2142: Mr. STENHOLM and Mr. EDWARDS of Oklahoma.
H.R. 2165: Mr. BATEMAN.
H.R. 2186: Mr. FAWELL, Mr. MCEWEN, Mr. SHAYS, Mr. PARKER, Mr. COBLE, Mr. LAGOMARSINO, and Mr. FUSTER.
H.R. 2192: Mr. WISE.
H.R. 2217: Mr. ECKART and Mr. GEJDENSON.
H.R. 2228: Mr. OBEY.
H.R. 2290: Mr. ATKINS, Mr. PARRIS, Mr. KOLTER, and Mr. WALSH.
H.R. 2319: Mr. WHEAT, Mr. OWENS of New York, Mr. FROST, Mr. TORRES, Mr. PALLONE, Mr. SKAGGS, Mr. PERKINS, Mr. WYLIE, Mr. DYMALLY, Mr. ROGERS, Mr. KLECZKA, Mr. OXLEY, and Mr. STANGELAND.
H.R. 2323: Mr. OBERSTAR, Mr. PENNY, Mr. OWENS of Utah, Mr. DONNELLY, Mr. KENNEDY, Mr. MAVROULES, Mr. FASCELL, Mr. DE LUGO, Mr. CAMPBELL of California, Mr. ENGEL, and Mr. MOLINARI.
H.R. 2336: Mr. PARRIS.
H.R. 2373: Mr. ROE and Mr. LEWIS of Georgia.
H.R. 2386: Mr. ECKART, Mr. SHAYS, Mr. KANJORSKI, and Mr. BOEHLERT.
H.R. 2395: Mr. SUNDQUIST, Mrs. SAIKI, and Mr. FISH.
H.R. 2426: Mr. GEJDENSON, Mr. COUGHLIN, and Mr. COURTER.
H.R. 2507: Mr. DARDEN and Mr. GREEN.
H.R. 2529: Mr. ACKERMAN, Mr. NIELSON of Utah, and Mr. PENNY.
H.R. 2545: Mr. FAUNTROY, Mr. FROST, Mr. FUSTER, and Mr. ACKERMAN.
H.R. 2584: Mr. MOODY.
H.R. 2611: Ms. SNOWE, Mr. PANETTA, Mr. MILLER of Washington, Mr. COX, Mr. LEWIS of California, Mr. COURTER, Mr. FAUNTROY, and Mr. LAFALCE.
H.R. 2625: Mr. ATKINS, Mr. BATES, Mrs. COLLINS, Mr. DEFAZIO, Mr. GLICKMAN, Mr. JONTZ, Ms. KAPTUR, Mr. KENNEDY, Mr. LEHMAN of California, Mr. LEWIS of Georgia, Ms. PELOSI, Mr. PENNY, Mr. SMITH of Florida, Mr. VOLKMER, and Mr. WEISS.
H.R. 2629: Mr. SKELTON.
H.R. 2654: Mr. SMITH of Mississippi, Mr. BALLENGER, Mr. KYL, Mr. GINGRICH, Mr. WALKER, Mr. ROTH, Mr. IRELAND, and Mr. HANCOCK.
H.R. 2694: Mr. ECKART, Mr. ROBINSON, and Mr. HAMMERSCHMIDT.
H.R. 2700: Mr. RICHARDSON.
H.R. 2706: Mr. JOHNSON of South Dakota.
H.J. Res. 31: Mr. BOSCO and Mr. SAVAGE.
H.J. Res. 47: Mr. AKAKA, Mr. BUECHNER, Mr. CARPER, Mr. CONTE, Mr. FEIGHAN, Mr. FROST, Mr. FUSTER, Mr. GORDON, Mr. GUNDERSON, Mr. HOUGHTON, Mr. LEACH of Iowa, Mr. LEVIN of Michigan, Mr. LIVINGSTON, Mr. MARTIN of New York, Mr. MCHUGH, Mr. MILLER of California, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. PANETTA, Mr. REGULA, Mr. SABO, Mr. SIKORSKI, Mr. SISISKY, Mr. SOLOMON, Mr. STARK, Mr. TALLON, Mr. VANDER JAGT, and Mr. WALGREN.
H.J. Res. 149: Mr. ASPIN, Mr. GALLEGLY, Mr. LELAND, Mr. ROHRABACHER, Mr. ANDREWS, Mr. ARMEY, Mr. AUCOIN, Mr. ORTIZ, Mr. BERMAN, Mr. BEVILL, Mr. BONIOR, Mr. BRUCE, Mr. BUNNING, Mrs. BYRON, Mr. CARR, Mr. DEFAZIO, Mr. FLAKE, Mr. DICKS, Mr. DIXON, Mrs. UNSOELD, Mr. EARLY, Mr. EDWARDS of California, Mr. FORD of Michigan, Mr. FRANK, Mr. GARCIA, Mr. GEKAS, Mr. GEJDENSON, Mr. HAWKINS, Mr. HAYES of Louisiana, Mr. HOCHBRUECKNER, Mr. HUCKABY, Mr. JONES of North Carolina, Mr. JONTZ, Mr. KASICH, Mr. KENNEDY, Mr. KOSTMAYER, Mr. THOMAS A. LUKEN, Mr. MCCANDLESS, Mr. MCCLOSKEY, Mr. TAUZIN, Mr. AKAKA, Mr. BILBRAY, Mr. BROWN of California, Mr. CARDIN, Mr. CLARKE, Mr. COOPER, Mr. DELLUMS, Mr. DINGELL, Mr. DYSON, Mr. FALEOMAVAEGA, Mr. BATES, Mr. HOAGLAND, Mr. MARTINEZ, Mr. SOLARZ, Mr. RAY, Mr. ESPY, Mr. GONZALEZ, Mr. HARRIS, Mrs. KENNELLY, Mr. ATKINS, Mr. BEILENSON, Mr. BORSKI, Mr. BRYANT, Mr. CHAPMAN, Mr. CLAY, Mr. DE LA GARZA, Mr. DE LUGO, Mr. DOWNEY, Mr. TANNER, Mr. NEAL of Massachusetts, Mr. HEFNER, Mr. PALLONE, Mr. MCDERMOTT, Mr. ENGEL, Mr. GAYDOS, Mr. HALL of Texas, Ms. KAPTUR, Mr. LAFALCE, Mr. MARKEY, Mr. MILLER of California, Mr. MONTGOMERY, Mr. MRAZEK, Mr. PANETTA, Mr. PERKINS, Mr. PRICE, Mr. ROBINSON, Mr. SABO, Mr. SARPALIUS, Mr. SAWYER, Mr. SHARP, Mr. SISISKY, Mr. SMITH of Florida, Mr. SMITH of Iowa, Mr. SYNAR, Mr. THOMAS of Georgia, Mr. TORRICELLI, Mr. YOUNG of Alaska, Mr. TRAFICANT, Mr. MAVROULES, Mr. MINETA, Mr. MOODY, Mr. OLIN, Mr. PAYNE of Virginia, Mr. PICKLE, Mr. RICHARDSON, Mrs. ROUKEMA, Mr. SAVAGE, Mr. SANGMEISTER, Mr. SCHUMER, Mr. SIKORSKI, Mr. SKELTON, Mrs. SMITH of Nebraska, Mr. SKEEN, Mr. THOMAS of California, Mr. VALENTINE, Ms. LONG, Mr. MCEWEN, Mr. LANTOS, Mr. LEVINE of California, Mr. CONYERS, Mr. BROOKS Mr. CLEMENT, Mr. STARK, Mr. SCHEUER, Mr. STENHOLM, Mr. TALLON, Mr. WAXMAN, Mr. WOLPE, Mrs. LOWEY of New York, Mr. POSHARD, Mr. YATRON, Mr. WILSON, Mr. WALGREN, Mr. LEATH of Texas, Mr. MICHEL, Mr. COSTELLO, Mr. FAUNTROY, Mr. RANGEL, Mr. UDALL, Mr. HUBBARD, Mrs. BOGGS, Mr. MURPHY, Mr. STAGGERS and Mr. STOKES.
H.J. Res. 163: Mr. SCHUMER, Mr. MARKEY, Mr. SCHIFF, Mr. OLIN, Mrs. UNSOELD, Mr. MAVROULES, Mr. SAWYER, Mr. BUECHNER, Mrs. KENNELLY, Ms. OAKAR, Mr. LEHMAN of California, Mr. BRENNAN, Mr. DELLUMS, Mr. BORSKI, Mr. BERMAN, Mr. DWYER of New Jersey, Mr. DIXON, Mr. ROSE, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. ANDREWS, Mr. NEAL of North Carolina, Mr. BARTLETT, Mr. WALSH, Mr. CAMPBELL of Colorado, Mr. SHARP, and Mr. DURBIN.
H.J. Res. 164: Mr. SMITH of Mississippi, Mr. HEFNER, Mr. SAWYER, Mr. ENGLISH, Mr. KANJORSKI, Mr. GORDON, Mrs. KENNELLY, Mr. BATEMAN, Mr. TANNER, Mr. COURTER, Mr. SOLARZ, and Mr. STEARNS.

H.J. Res. 171: Mr. AKAKA, Mr. ANDERSON, Mr. AUCOIN, Mr. BATES, Mrs. BENTLEY, Mr. BEVILL, Mr. BLAZ, Mrs. BOXER, Mr. CAMPBELL of Colorado, Mrs. COLLINS, Mr. CONYERS, Mr. COSTELLO, Mr. DEFAZIO, Mr. DE LA GARZA, Mr. DE LUGO, Mr. DONNELLY, Mr. DURBIN, Mr. DYMALLY, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FAUNTROY, Mr. FAZIO, Mr. FUSTER, Mr. GREEN, Mr. HAMMERSCHMIDT, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HORTON, Mr. HOYER, Mr. KASICH, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LANCASTER, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. MCEWEN, Mr. MCNULTY, Mr. MANTON, Mr. MATSUI, Mrs. MEYERS of Kansas, Mr. MOAKLEY, Mr. MOORHEAD, Mrs. MORELLA, Mr. MURPHY, Mr. NEAL of Massachusetts, Ms. OAKAR, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PANETTA, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PERKINS, Mr. PORTER, Mr. RANGEL, Mr. RAVENEL, Mr. ROE, Mr. ROGERS, Mrs. ROUKEMA, Mr. SABO, Mrs. SAIKI, Mr. SAVAGE, Mr. SKEEN, Mr. SMITH of Mississippi, Mr. TALLON, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. UPTON, Mr. VALENTINE, Mr. WAXMAN, Mr. WILSON, Mr. WOLF, Mr. WOLPE, Mr. ATKINS, Mr. GORDON, and Mr. JONTZ.

H.J. Res. 174: Mr. FISH and Mr. STEARNS.

H.J. Res. 199: Mr. BEVILL and Mr. MONTGOMERY.

H.J. Res. 200: Mr. OWENS of Utah, Mr. NIELSON of Utah, Mr. BARTLETT, Mr. PRICE, Mr. KOSTMAYER, Mr. FUSTER, Mr. RANGEL, and Ms. KAPTUR.

H.J. Res. 220: Mr. CROCKETT, Mr. COSTELLO, Mr. TOWNS, Mr. HORTON, Mr. TALLON, Ms. KAPTUR, Mr. HAYES of Illinois, Mr. RANGEL, Mr. FAUNTROY, Mrs. COLLINS, Mr. WALSH, Mr. TRAXLER, Mr. MURPHY, Mr. MILLER of California, Mr. MATSUI, Mr. BENNETT, Mr. STOKES, Mr. SABO, Mr. PAYNE of Virginia, Mr. GORDON, Mr. FROST, Mr. FAZIO, Mr. DWYER of New Jersey, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DYMALLY, Mr. ESPY, Mr. EVANS, Mr. FUSTER, Mr. GARCIA, Mr. GRAY, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. OWENS of Utah, Mr. PALLONE, Mr. ROE, and Ms. OAKAR.

H.J. Res. 221: Mr. ANNUNZIO, Mr. AUCOIN, Mr. CRANE, Mr. FISH, Mr. FROST, Mr. GEJDENSON, Mr. GREEN, Mr. SHAW, and Mr. WOLPE.

H.J. Res. 227: Mr. SCHAEFER and Mr. UPTON.

H.J. Res. 230: Mr. KASICH, Mr. SHAYS, Mrs. COLLINS, Mrs. BOXER, Mr. PETRI, Mr. CLAY, Mr. SCHUETTE, Mr. SKAGGS, Mr. LENT, Mr. FRANK, Mr. HAMMERSCHMIDT, Mr. DIXON, Mr. BARTLETT, Mr. MAZZOLI, Mr. DARDEN, Mr. GEJDENSON, and Mr. FISH.

H.J. Res. 231: Mr. HALL of Ohio, Mr. COUGHLIN, Mr. DE LUGO, Mr. ASPIN, Mr. HALL of Texas, and Mr. DWYER of New Jersey.

H.J. Res. 271: Mr. JONTZ, Mr. FUSTER, Mr. FAZIO, Mr. LIPINSKI, Mr. SMITH of Vermont, Mrs. SAIKI, Mr. SMITH of Florida, Mr. DELLUMS, Mr. LAGOMARSINO, and Mr. OWENS of New York.

H.J. Res. 273: Mr. DEWINE, Mr. SCHIFF, Mr. GEJDENSON, and Mr. HUGHES.

H.J. Res. 294: Mr. SENSENBRENNER and Mr. SMITH of Mississippi.

H.J. Res. 303: Mr. HOLLOWAY, Mr. EMERSON, Mr. DORNAN of California, and Mr. BILIRAKIS.

H.J. Res. 307: Mr. SPENCE, Mr. HOLLOWAY, and Mr. EMERSON.

H.J. Res. 308: Mr. BILIRAKIS, Mr. RHODES, Mr. SCHUETTE, Mr. GRANT, Mr. WILSON, Mr. HUNTER, Mr. SKEEN, Mr. SHUMWAY, Mr. HANSEN, Mr. ROBINSON, Mr. HUCKABY, Mr. BARNARD, Mr. HOLLOWAY, Mr. WYLIE, and Mr. TAUZIN.

H.J. Res. 309: Mr. DORNAN of California, Mr. PACKARD, Mr. HUTTO, Mr. NIELSON of Utah, Mr. SCHUETTE, Mr. RAVENEL, Mr. SAXTON, Mr. LEATH of Texas, Mr. KOLTER, Mr. ROBERTS, Mr. WILSON, Mr. HANSEN, Mr. SPENCE, Mr. BARNARD, Mr. DANNEMEYER, Mr. BILIRAKIS, Mr. RHODES, Mr. BOEHLERT, Mr. HUCKABY, Mr. HOLLOWAY, Mr. HUBBARD, Mr. LOWERY of California, Mr. EMERSON, Mr. PAXON, and Mr. TAUZIN.

H.J. Res. 317: Mr. LANCASTER, Mr. DYSON, Mr. BLILEY, Mr. PERKINS, Mr. HEFNER, Mr. PACKARD, and Mr. DORNAN of California.

H.J. Res. 318: Mr. STUMP, Mr. DORNAN of California, Mr. PACKARD, Mr. HUTTO, Mr. SKEEN, Mr. SCHAEFER, Mr. NIELSON of Utah, Mr. WILSON, Mr. LEATH of Texas, Mr. SAXTON, Mr. BALLENGER, Mrs. BENTLEY, Mr. BILIRAKIS, Mr. BEVILL, Mr. SCHUETTE, Mr. KOLTER, Mr. HANSEN, Mr. EMERSON, Mr. SPENCE, Mr. FIELDS, Mr. BOEHLERT, Mr. GUNDERSON, Mr. CAMPBELL of California, and Mr. BARNARD.

H.J. Res. 319: Mr. GALLO and Mr. HOLLOWAY.

H.J. Res. 322: Mr. PACKARD, Mr. WHITTAKER, Mr. ARCHER, Mr. SMITH of New Hampshire, Mr. LOWERY of California, Mr. SPENCE, Mr. GEKAS, Mr. BURTON of Indiana, Mr. DORNAN of California, Mr. RAVENEL, Mr. SKEEN, Mr. NIELSON of Utah, Mr. SCHAEFER, Mr. KYL, Mr. BARNARD, Mr. ROGERS, Mr. SAXTON, Mr. SHUMWAY, Mr. COURTER, Mrs. JOHNSON of Connecticut, Mr. BUNNING, and Mr. QUILLEN.

H.J. Res. 324: Mr. ROBERT F. SMITH, Mr. SKELTON, Mr. RHODES, Mr. MCGRATH, Mr. ROBINSON, Mr. PACKARD, Mr. WATKINS, Mr. SOLOMON, Mr. SHUMWAY, Mr. HUNTER, Mr. HANSEN, Mr. HOLLOWAY, Mr. BUECHNER, Mr. WYLIE, Mr. DERRICK, Mr. FIELDS, Mr. HUTTO, Mr. BEVILL, Mrs. BENTLEY, Mr. RITTER, Mr. APPLEGATE, and Mr. PAXON.

H.J. Res. 331: Mr. HOLLOWAY and Mr. PAXON.

H.J. Res. 335: Mr. HOLLOWAY and Mr. EMERSON.

H. Con. Res. 35: Mr. HOLLOWAY.

H. Con. Res. 79: Mr. COURTER, Mr. BUSTAMANTE, Mr. FROST, Mr. MORRISON of Connecticut, Mrs. BOXER, and Mr. DONNELLY.

H. Con. Res. 92: Mr. EVANS, Mr. SLAUGHTER of Virginia, Mr. COURTER, Mr. SUNDQUIST, Mr. SCHULZE, Mr. UPTON, Mr. WOLF, and Mr. HOLLOWAY.

H. Con. Res. 124: Mr. DANNEMEYER, Mr. JACOBS, Mr. LELAND, Mr. DINGELL, Mr. HAWKINS, and Mr. APPLEGATE.

H. Con. Res. 156: Mr. HOLLOWAY, Mr. JONES of Georgia, Mr. UPTON, Mr. MONTGOMERY, Mr. PARKER, Mr. EDWARDS of Oklahoma, and Mr. GRANT.

H. Res. 116: Mr. OWENS of Utah, Mr. SPRATT, Mrs. COLLINS, Mr. MRAZEK, Mr. GARCIA, Mr. FROST, Mr. DYMALLY, and Mr. LEWIS of Georgia.

H. Res. 130: Mrs. LLOYD, Mr. BUECHNER, Mr. ROYBAL, Mrs. BOXER, and Mr. FORD of Michigan.

H. Res. 184: Mr. SPENCE, Mr. BARNARD, Mr. DANNEMEYER, Mr. BOEHLERT, and Mr. HUCKABY.

H. Res. 189: Mr. AKAKA, Mr. APPLEGATE, Mr. ARMEY, Mr. BALLENGER, Mr. BARTLETT, Mr. BEREUTER, Mr. BOEHLERT, Mrs. BOGGS, Mr. BROOMFIELD, Mr. BROWDER, Mr. BROWN of Colorado, Mr. BUECHNER, Mrs. BYRON, Mr. CAMPBELL of Colorado, Mr. CARR, Mr. CHAPMAN, Mr. COLEMAN of Missouri, Mr. COLEMAN of Texas, Mr. COMBEST, Mr. COUGHLIN, Mr. COURTER, Mr. CRANE, Mr. DANNEMEYER, Mr. DARDEN, Mr. DAVIS, Mr. DE LA GARZA, Mr. DELAY, Mr. DEWINE, Mr. DICKINSON, Mr. DICKS, Mr. DIXON, Mr. DUNCAN, Mr. DURBIN, Mr. DYSON, Mr. EDWARDS of Oklahoma, Mr. FAWELL, Mr. FAZIO, Mr. FISH, Mr. GALLEGLY, Mr. GEKAS, Mr. GIBBONS, Mr. GILLMOR, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GRADISON, Mr. GRANDY, Mr. HALL of Texas, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HARRIS, Mr. HENRY, Mr. HERGER, Mr. HILER, Mr. HOPKINS, Mr. HORTON, Mr. HOYER, Mr. HUBBARD, Mr. HUCKABY, Mr. HUNTER, Mr. HYDE, Mr. INHOFE, Mr. JAMES, Mrs. JOHNSON of Connecticut, Mr. JONES of North Carolina, Mr. KOLBE, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LENT, Mr. LEWIS of Florida, Mr. DONALD E. LUKENS, Mr. MCCANDLESS, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCDADE, Mr. MCHUGH, Mr. MADIGAN, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MAZZOLI, Mr. MCGRATH, Mrs. MEYERS of Kansas, Mr. MICHEL, Mr. MINETA, Mr. MOLINARI, Mr. MOORHEAD, Mrs. MORELLA, Mr. MURTHA, Mr. NATCHER, Mr. OLIN, Mr. PACKARD, Mr. PARRIS, Mr. PASHAYAN, Mr. PAYNE of Virginia, Mr. PERKINS, Mr. PETRI, Mr. PICKLE, Mr. QUILLEN, Mr. RAVENEL, Mr. REGULA, Mr. RIDGE, Mr. RITTER, Mr. ROBINSON, Mr. ROHRABACHER, Mr. ROTH, Mr. ROWLAND of Georgia, Mrs. SAIKI, Mr. SAXTON, Mr. SHAYS, Mr. SKELTON, Mrs. SMITH of Nebraska, Mr. SMITH of New Jersey, Mr. ROBERT F. SMITH, Mr. SMITH of Texas, Mr. STAGGERS, Mr. STALLINGS, Mr. STANGELAND, Mr. STUMP, Mr. SUNDQUIST, Mr. SWIFT, Mr. TAUZIN, Mr. THOMAS of California, Mr. VALENTINE, Mr. VANDER JAGT, Mr. VOLKMER, Mr. WELDON, Mr. WHITTEN, Mr. WILSON, Mr. YATES, Mr. YOUNG of Alaska, and Mr. YOUNG of Florida.

29-099 O-90-20 (Pt. 10)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

EXTENSIONS OF REMARKS

SUPREME COURT CIVIL RIGHTS DECISIONS JEOPARDIZE THE PRINCIPLE OF EQUAL OPPORTUNITY FOR ALL AMERICANS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. HAWKINS. Mr. Speaker, I read with interest the comments made by President Bush regarding the impact of the Supreme Court's recent civil rights decisions on equal opportunity. The President is quoted as having said that he would not support remedial legislation in the wake of recent Supreme Court decisions making it more difficult for minorities to prove discrimination. President Bush went on to say, "I am strongly committed to equal opportunity for all Americans, 'but that' nothing in these decisions jeopardizes the principle or calls into question affirmative action or minority outreach efforts." He dismissed these devastating decisions as mere interpretations of "technical subjects."

Mr. Speaker, we in the Congress are also strongly committed to equal opportunity for all Americans. That is why the Civil Rights Acts of 1866 and 1964 were passed—to make clear that all Americans have the right to be given access to jobs that they are qualified for, and that discrimination on the basis of race, color, religion, sex, or national origin contravenes the principles underlying the Constitution. That is also why the Congress passed the Civil Rights Restoration Act, over a Presidential veto, in 1988.

The damaging civil rights decisions of the Supreme Court's term include: City of Richmond versus J.A. Croson, which overturned the minority business set-aside program and seriously jeopardized hundreds of others throughout the United States; Wards Cove Packing Co., Inc. versus Atonio, which, by imposing technical changes involving the burdens of proof, made it virtually impossible for victims to prevail against employers engaging in discriminatory practices; Patterson versus McLean Credit Union, in which the Court graciously reaffirmed the applicability of 42 U.S.C., section 1981 to private conduct, but then severely limited its scope to actions related to the formation of a contract, thereby excluding such conduct as racial harassment; Martin versus Wilks, which held that persons who were not parties to a consent decree resolving years of litigation regarding discrimination in hiring and promotions, could challenge the decree as "reverse discrimination" years after the decree was agreed to; Lorance versus AT&T, which denied the right of women, victims of a dicriminatory seniority system, the right to challenge the system when they were demoted; and other decisions which have severely limited the scope and effectiveness of civil rights statutes.

In considering the task before us to work in a bipartisan fashion to correct these decisions, where necessary, I encourage my colleagues to read the insightful article written by Harvard law professor, Christopher Edley, Jr., and Gene B. Sperling entitled, "Have We Done Enough for Civil Rights?" This Washington Post article, from June 25, 1989, notes that we must have strong leadership by the Congress and the executive branch in order to sustain the second reconstruction and to frame the civil rights debate in an atmosphere of "healing and conciliation"—or face the spectre of "something quite different." A copy of the article follows:

HAVE WE REALLY DONE ENOUGH FOR CIVIL RIGHTS?

(By Christopher Edley, Jr. and Gene B. Sperling)

Has the civil rights consensus in America dissolved? Is the only choice now for civil rights activists between capitulation or an angry return to the streets?

Since the start of this year, Supreme Court decisions have hobbled a century-old statute against discrimination in private contracts; undermined Congress' effort to encourage voluntary settlements in discrimination suits; imposed uncertain but surely great burdens on governments that seek voluntarily to use race-conscious remedies such as contract set-asides; and blunted the strongest tool against subtle job discrimination, implicitly overruling a unanimous 1971 Supreme Court holding.

We seem to be at the end of America's Second Reconstruction. A civil rights consensus, barely 15 years in the making, was fragile but functioning when Ronald Reagan took office. There was a broad acceptance of the laws that sought to remedy historic racial injustice, of most remedial strategies and of the underlying norms. But Reagan's administration doggedly sought to undermine that acceptance. Now the real force of the Reagan-era policies is being felt in the decisions of the appointees who define the Supreme Court's position on civil rights issues.

The original period of Reconstruction that gave blacks in this country their first opportunity to seek equal status ended after a similarly brief period, and on a similar note.

"When a man has emerged from slavery, and by the aid of beneficent legislation has shaken off the inseparable concomitants of the state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the law."

So wrote Justice Joseph P. Bradley for the majority in striking down the 1875 Civil Rights Act thereby dealing a death blow to the post-Civil War Reconstruction. It was 1883, a mere 20 years after the Emancipation Proclamation. Thirteen years later, the Supreme Court gave constitutional blessing in *Plessy v. Ferguson* to policies of "separate but equal," and the people Justice Bradley feared were becoming "the special favorites of the law" were instead subjected to more than a half-century of legalized discrimination.

The Second Reconstruction, launched nationally in the 1960s, has always been haunted by Justice Bradley's voice: "We've done enough." The voice turned to a chorus in the Reagan years, and in a series of decisions beginning last January, the Supreme Court's new majority has stepped out to lead that chorus. With gusto.

Three things are needed to renew this generation's effort at Reconstruction: reaffirmation, pragmatism and another way of doing the business of civil rights.

Unless President Bush makes astonishing appointments to unexpected vacancies, the immediate prospect is for a continued judicial assault not just on the controversial edges of doctrine, but even the broadly accepted core of the civil rights consensus.

Even before the Reagan challenge, the question of appropriate remedies for discrimination was far from settled. The very success of widespread racial exclusion—lasting until just one generation ago—left everyone and no one responsible at the same time. With overt discrimination mostly out of the picture, employers could blame an absence of black workers on educational disadvantage; educators could shrug and point to housing; housing officials and real estate brokers could point to low incomes; and so on. It is fatuous to pretend that the debilitating effects of centuries of servitude—persisting in the sharecropper culture of the South and the jampacked ghettos of the North well into the post-World War II period—can be reversed in a brief period of lukewarm tolerance. Sensible remedies to our great national conundrum are not easy to come by, but a country that cares about its integrity must try.

The first step in reaffirming our commitment to the ideals of racial justice is to make another attempt at an honest discussion of our differences on how to achieve it. The Second Reconstruction is imperiled in part because ideological blinders keep each side from seeing the undeniable kernel of truth clenched in the opponent's fist.

The most obvious example of such dogged misunderstanding is affirmative action. Some advocates give scant weight to the problem of innocent bystanders whose jobs, or chances of a job, may be at stake. Some opponents are even more strident in their unbending insistence on "color-blind" remedies. According to the Reagan administration's Justice Department, even the most well-intentioned use of race to remedy past discrimination is morally and legally unsound. No exceptions. Period.

When proponents of tough remedies go too far, as with set-asides for Connecticut Eskimos or promotion freezes for white males, there are real costs. The political costs are obvious. As remedies to historic racism grow more wide-ranging, they alienate first the closet bigots, and then the morally inert. But eventually they come to offend the ordinary person who simply says, "Hey, my life's tough, too."

Of course, making major changes in the social and economic scene, however necessary, is bound to cause discomfort. Though

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

sometimes you can only bend history by running hard against the wind—monks engulfed in flames, Martin Luther King in Birmingham's jail, Chinese students under tanks—the tactic is most effective as a dramatic and short-term gesture. In the long term, the silent majority may be more alienated than convinced.

There is a second cost. If we seize, too quickly on discrimination as the explanation for individual disadvantage or injury, we may lose sight of some innocent and more important cause. People of any color should be fired if incompetent. And to be practical, even when discrimination is truly at play, there may be other factors worth addressing—such as encouraging people to fend for themselves in the face of the disappointments and setbacks that affect us all. Whatever their faults, Malcolm X and the Black Muslims combined their fervent support for black rights with emphasis on responsibility for self-discipline and ambition. The best black leaders, from Frederick Douglass to Jesse Jackson, have struck a similar theme.

There are similar costs on the other side of the question. We know the ugliness of racial politics, and we know the problem of blind denials of discrimination. But insensitivity to the realities of discrimination can easily go beyond disingenuousness. A senior Reagan Justice Department official, Charles Cooper, once argued to an appellate court that plaintiffs in a school desegregation suit must prove individual victimization and injury. The judge was shocked by the novel suggestion that school children should somehow have to prove that they personally were targets of unconstitutional school policy. He said that, as a conservative Republican, appointed by a conservative president, he found the suggestion offensive and shameful. Right.

Imagine that the police department of a major city with a 30-percent minority population has purposefully excluded all minorities from their police force. (They admit it, or a court makes a finding.) According to opponents of affirmative action, the proper remedy is to stop such bigotry immediately and then implement purely colorblind hiring policies. Any individual who can show that he or she has been an identifiable victim of such bigotry would be entitled to the appropriate relief.

Supporters of more aggressive forms of affirmative action, however, claim that such a remedy does not address the true nature of the harm. The goal of the racial exclusion was not simply to deny unknown and random individual jobs, but to exclude the entire minority community. Colorblind hiring, therefore, not only doesn't address this group-directed harm, it actually perpetuates the effectiveness of past bigotry. A community whose partial discrimination allowed at least a small number of minority members to be hired may have fair representation through colorblind hiring within a few years, depending on such problems as seniority, budgets, white-white cronyism or word-of-mouth recruiting. The community that completely excluded minorities will suffer the intended racial underinclusion for a substantially longer period of time.

The problem with such a justification for race-conscious remedies is that, for the innocent white bystander, it doesn't answer the age-old question: Why should I pay for my grandfather's sins?

When blacks as a group are excluded from teaching jobs or the police force, the harm is serious and real, but usually diffuse. When an Alan Bakke or a Wendy Wygant, however, loses a job or is denied admission to a medical school because of an affirmative action program, we see a real live injured person before our eyes, family by his or her side, providing sound bites and film at 11.

But virtually all policy decisions upset the expectations of some "innocent" parties. When a new highway is built, a few people get compensation for land that is taken, but many more suffer because there is pollution and congestion, or because business and land appreciation occurs for someone else instead of them—and all these people bear the injury as part of the overhead of living in a society that wants progress.

When shall we hold the pursuit of broad social policy hostage to the just claims of such bystanders. It is an inescapable and difficult question. Perhaps the answer lies in Justice Powell's suggestion, in the 1986 case of *Wygant v. Jackson Board of Education*, that the "innocence" of a third party should depend on the degree that remedial burdens fall not on a generalized class—such as all white job hunters—but on a particularized few who have a long-vested interest—such as a job tenure—at stake.

If we are pragmatic in our commitment to Reconstruction, we can't do without carefully constructed race-conscious remedies to reach the most entrenched forms of discrimination. Fairness, flexibility and pragmatism may be key for those who wish to convince the courts, Congress and the public about how we can move forward.

What we need is a new way of doing civil rights policy business, one that is not only better suited to the spirit of the times but to the fact that changing circumstances call for policy tune-ups. Guerrilla warfare between the Supreme Court and Congress is not going to accomplish much. But neither can we count on making the Civil Rights Restoration Act of 1988 an annual ritual. That was a measure with only a smattering of vocal opponents on Capitol Hill. Still, it took four years plus a party swing in the Senate to pass the act, in which Congress reversed the *Grove City* case—which endorsed the nonsense of allowing a university, which receives federal funds in its science department, to discriminate in its nonsubsidized history or athletic department.

But Congress does have an indispensable leadership role in renewing the Reconstruction. Courts are the right place for balancing equities in individual cases. But they are not the right place to establish policy and build consensus. Civil rights must be on the congressional agenda constantly. The highly touted new Democratic leaders, George Mitchell in the Senate, Thomas Foley, Richard Gephardt and William Gray in the House, must find a way to make frequent and detailed debate over the design of remedies an important order of business. We can't expect civil rights to be revisited every year like the tax code amendments, because the lobbying costs would bankrupt the civil rights movement. But Congress cannot leave the hard choices to judges, and expect sensitivity to changing circumstances or effective explanations to the public.

And while Congress and the courts powerfully affect the rights and the values of our nation, there is no substitute for the moral and legislative leadership that the executive—and specifically the president—can provide. Prior to 1980, even where a president sought to challenge a civil rights development—as Nixon did school busing—every president at least sought to accommodate the development of a consensus on civil rights. Strong but tempered and pragmatic forms of affirmative action were permissible. Discrimination was defined to include some subtle forms of prejudice and entrenched discrimination as well as the most overt racial ugliness. Most elements of the business community were settled on a reformed perspective on personnel practices and community responsibility. Civil rights advocates increasingly turned their attention to broader questions of economic and social policy.

The Reagan years have shattered this consensus, uneasy as it may have been. To the Reagan administration there was no settlement that couldn't be reopened, no remedies addressing systematic discrimination that couldn't be disrupted, and no positive civil rights precedent that couldn't be called into question. At times it even seemed that civil rights policy had been ceded to a radical faction, as if it were some political plum. A minor ambassadorship, perhaps; or a HUD contract. In case after case, bill after bill, the Reagan administration stirred up rancor and division: tax deductions for racist schools; efforts to weaken the Voting Rights Act; taxpayer money to institutions that discriminated in at least some programs; attempts to reopen more than 50 voluntary employment settlements and continual efforts to reopen voluntary desegregation consent decrees.

In this field as in others, Bush must decide what to do with the Reagan legacy. He is by all accounts a decent, fair-minded and caring person, but a president must be judged by the facts of his public leadership. The president may utter kind words, and GOP Chairman Lee Atwater may protest that he really does want to attract black support. But as long as divisive racial tactics are used any time a point in the polls is at stake; as long as the president and his attorney general are more intent on using the bully pulpit to press the issue of innocent white bystanders—and not the national tragedy of housing discrimination and ghettoization—a signal will be sent to the nation that it can forget any lingering national commitment to tear down racial barriers.

Yet the president will have ample opportunity to send other signals. He can choose federal judges—and even some day a Supreme Court justice—with a strong civil rights commitment. He can vigorously enforce the Fair Housing Act of 1988. And in doing so, he can send a message that conciliation and pragmatism, and not ideological extremism, are the marching orders for his administration's civil rights policy.

And when obvious and blatant forms of racial violence and bigotry do occur on our college campuses or in our neighborhoods, President Bush can tell America that we will not turn back the clock, that we will not destroy the Second Reconstruction. Only George Bush will be able to decide whether the spirit of civil rights debate in the years ahead will be one of healing and conciliation or something quite different.

TRIBUTE TO BOB CEBULA

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Bob Cebula for his 25 years

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

of dedicated service to the Trumbull County, Ohio, Fair Board and on his outstanding agricultural achievements.

While on the Trumbull County Fair Board, Bob had served as president and vice president for 3 and 4 years respectively. During his terms in office, Bob brought about many changes and improvements to all aspects of the fair. These range from the construction of buildings such as three new horse barns to the introduction of exciting events like the first tractor pull. Bob also served as chairman of the advertising committee for 10 years and as chairman of the entertainment committee for 13 years.

In the field of agriculture, Bob has frequently been recognized for his excellent achievements. One of the many awards he has received is the National Dairy Efficiency Award, the third highest agricultural award in the Nation. Bob was president of the Trumbull County Jersey Cattle Club for 2 years and was honored by the American Jersey Cattle Club for outstanding production. He has also been an active member and supporter of 4-H in my 17th Congressional District of Ohio.

Mr. Speaker, Bob Cebula is to be commended and honored on his exceptional achievements and contributions to his community, State, and this Nation. His example of hard work and dedication to his goals can provide inspiration to all of us. It is a privilege to represent such a fine individual. I wish him all the best in the future.

MEETING INFRASTRUCTURE NEEDS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 28, 1989, into the CONGRESSIONAL RECORD.

MEETING INFRASTRUCTURE NEEDS

Most Americans take infrastructure for granted. It is usually noticed only when something goes wrong—when a bridge collapses, a sewer overflows, an airport becomes congested, or a power plant cuts voltage to meet peak demand. Yet infrastructure provides the links that hold our economy together. Without sound roads, bridges, airports, waterways, water and sewer systems, and electrical power, the nation's commerce and safety would suffer.

It is increasingly obvious that investment in our infrastructure is failing to keep pace with the demands we place on it. Although government spending for infrastructure has increased faster than inflation in the 1980's, the need is so substantial that these increases have barely begun to scratch the surface. More importantly, outlays as a share of gross national product and as a share of the total federal budget have fallen. The current level of U.S. capital investment is barely enough to offset annual depreciation, let alone meet growing demands.

Local governments are bearing an increasingly larger share of the cost. While the federal share of public works expenditures fell from 31% in 1960 to 27% in 1985 and the state share fell from 29% to 24%, the share paid by local governments rose from 40% to 49%. Because aging structures and roadways require greater maintenance, the burden on local governments is compounded.

Failure to keep up our investment in infrastructure has contributed to a slowing of U.S. productivity increases. Between 1948 and 1973, our investment in infrastructure grew at a 4.0% annual rate. At the same time, U.S. productivity rose by 2.9% a year. But investment in public capital slowed in the 1980s, rising only 2.2% from 1980 to 1987. One consequence was slower productivity growth of 1.6%. A recent study examining public investment policies in the seven major industrialized countries found a clear correlation between infrastructure investment and productivity growth. The U.S. ranked last in the ratio of public investment to gross domestic product and, correspondingly, last in productivity growth.

While there is a clear need for more investment in infrastructure, our ability to provide it faces significant constraints. The federal government and many state and local governments face major shortfalls between them.

Our way to meet our infrastructure needs is to try to find new government funds for investment. Local governments are seeing increased voter willingness to support special taxes for infrastructure improvements. A similar argument could be made for the federal government's earmarking a new tax for this narrow purpose. We should develop innovative financing tools, such as pooled loans for small cities and development banks to fund major public works investments. Another source of revenue is the airport and highway trust funds, which have a combined surplus of $26 billion. The Congress has been reluctant to spend this money because it would increase the federal budget deficit. This money ought to be used for its intended purpose. We should also consider establishing separate federal capital budget to address our infrastructure needs. We must distinguish between government outlays that build our productive base and those that merely go for current consumption.

One way of controlling demand for a service while raising revenue is a system of user fees. These fees can occur in the form of water meters, airport landing fees, connection charges for sewer lines, and other mechanisms which shift at least part of the cost of infrastructure to a pay-as-you-go basis. Yet it is important to recognize the limits of user charges. For example, if direct charges for garbage collection lead people to dump their trash on the side of the road, little has been accomplished. Moreover, low-income individuals and communities would have to be protected from an excessive burden from user fees.

The role of the private sector in meeting infrastructure needs can be expanded. We must find creative ways to coordinate the activities of builders and developers to ensure that the stock of public infrastructure keeps up with the demands placed on it by new private investment. The private sector should pay its fair share, whether in the form of user fees, development costs, or requiring that public works improvements be made to receive building permits and zoning approval. Private provision of infrastructure, such as private toll roads, could result in lower costs and more timely supply than public provision.

We can lessen obstacles to infrastructure investment by getting our nation's fiscal house in order. As long as we rely on a policy of high interest rates to control the inflationary pressure brought on by the federal budget deficit, we penalize investments in infrastructure. Investments that make sense if the cost of borrowing is 5% or 6% cannot be justified if money costs 12% or 13%. In addition, reducing federal mandates and program requirements would give states more flexibility to respond to infrastructure needs.

Finally, we have to make sure we spend infrastructure dollars wisely. Responsibilities of the various levels of government must be more clearly defined and better coordinated. Communities must set priorities for development and schedule their spending to make best use of available dollars. The existing stock of infrastructure must be wisely used. Maintenance should be timely and done in such a way to preserve our investment, such as non-corrosive techniques of melting snow and ice on roads and bridges. Government should also encourage innovation in infrastructure design, such as more durable street surfaces and more efficient electrical transmission lines.

While a sound infrastructure does not guarantee future prosperity, long-term economic growth is unlikely to be achieved without it. If America is to remain strong, we must adequately support construction and maintenance of the public and private facilities that provide essential services to citizens and businesses.

THE 50TH ANNIVERSARY OF THE ORDINATION OF FATHER ADOLPH A. FERRARI

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. CONTE. Mr. Speaker, I want to call to the attention of my colleagues the great honor of one of my constituents, Father Adolph A. Ferrari of Pittsfield, MA, who on July 9 will be celebrating the 50th anniversary of his ordination to the priesthood.

Ordained on July 9, 1939, at the Cathedral of Verona, Italy, Father Ferrari has proudly and steadfastly devoted his life to selfless help and love for his fellow man. Now, as the director of the All Soul's Church in Pittsfield of which I am proud to be a member, Father Ferrari has surpassed all lofty expectations we had for him. He has graced our congregation with his strong leadership and gentle presence. The expectations were high because Father Ferrari follows a long line of well-respected leaders from the All Soul's Church on Fenn Street, Pittsfield. We have not been disappointed. Father Ferrari has lent his low-key spiritual strength to our chapel and has been integral to its continued success.

Prior to his position as director of our All Soul's Mission Church, Father Ferrari had served many parts of Massachusetts as an associate pastor. Father Ferrari was an associate pastor of the Holy Family Parish in Lynn, Our Lady of Mount Carmel in Pittsfield and Springfield, and of the Sacred Heart Church in Waltham. In addition, Father Ferrari used his talents as the rector of various missions in the Northeast. He has shown great leadership

over the years as the rector of St. Mary's Church in Ludlow, St. Joseph's Church in East Longmeadow, St. Ann's Church in West Springfield, and as rector of the Assumption Church in White Plains, NY.

Father Ferrari emanates an aura of respect which attracts people to him. Always willing to "go the extra mile" to help the All Soul's Church, Father Ferrari raised funds for a badly needed new roof, a resurfaced parking area, and he helped the All Soul's Church become one of the few chapels in western Massachusetts with air-conditioning. These accomplishments may appear minor at first hearing. However, our congregation is relatively small, and Father Ferrari's success pays testimony to how he was able to inspire congregants to donate to the good of their church and of all its members.

It gives me a great deal of pleasure and satisfaction to know that a man so dedicated to the concept of helping mankind lives in the First District of Massachusetts and is celebrating 50 years of service to God, to his fellow man, and to the church. For 50 years, Father Ferrari has been helping all of his brothers of the world, following the teachings of a man who said, "Whatsoever you do to the least of my brothers you have done unto me." Always listening and feeling the joys and pains of our congregation, Father Ferrari truly exemplifies being a Christian.

Behind the visage of a quiet, kind, and low-key individual lies a man of unbreakable faith and inner strength. His satisfaction comes from a much deeper source than material possessions. Father Ferrari's satisfaction is derived from making people strong from the inside out, from the heart first. Whether it is celebrating the Sunday mass, comforting the grieving family of a deceased loved one, feeding the hungry, or doing good deeds that only God may notice, Father Ferrari is deeply concerned and involved.

Mr. Speaker, Father Ferrari's many years of hard work have touched the lives of thousands who will never forget his selflessness and caring. I want to offer my congratulations and thanks for Father Ferrari's last 50 years and best wishes for his future service to our Lord. I salute a man dedicated to others who has truly kept the faith sacred. He deserves all of the recognition given to him. I can only hope that he will remain with the All Soul's Church as its director for many years to come.

EXPRESSING CONCERN OVER THE SUPREME COURT DECISION ALLOWING PROTESTERS TO BURN THE AMERICAN FLAG

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. LENT. Mr. Speaker, the recent Supreme Court decision that political protesters cannot be prohibited from burning the American flag has struck a nerve embedded deep in the consciousness of our citizenry. For many, the issue is very personal and strikes at the center of the individual concept of patriotism and the very foundation of our democratic Government.

An overwhelming number of my constituents, many of them veterans, have contacted me to express their outrage over the Supreme Court decision. I, too, am deeply offended and object to this ruling for a number of reasons, many of which were cited by the dissenting Justices.

The 5–4 decision had the effect of nullifying 48 State laws and a Federal statute as well. In its opinion, the majority argued that burning Old Glory constitutes an expression of free speech, and as such, is protected by the first amendment. In my opinion, preventing the desecration of the flag in no way inhibits our constitutional right to criticize our democratic Government or the principles upon which it was founded.

We're headed down a slippery slope on this issue, and I think we've crossed over the line between that which is acceptable and that which is, as Chief Justice Rehnquist wrote, "profoundly offensive to the majority of people—whether it be murder, embezzlement, pollution, or flag burning." Similarly, writing graffiti on the U.S. Capitol Building, for example, a national monument and symbol of our democratic Government, might also be considered free speech. But I think most Americans would agree that this is an abhorrent act that warrants punishment.

Throughout our history, thousands of our countrymen have died protecting the American flag and the noble principles it stands for. The flag is a unique symbol of our country's heritage of liberty, equality, and democracy, and I think it's a sad, sad day when loyal, patriotic service men and women are asked to lay down their lives for their country and their flag just so some ingrate can burn it.

If our flag is worth fighting for, dying for, then it should be protected. I was gratified with the overwhelming approval in the House last evening of House Resolution 186, which I supported, expressing serious concern with the Supreme Court decision. I've also cosponsored three resolutions in Congress (H.J. Res. 305, 322, and 323) calling for a constitutional amendment making it illegal to burn the American flag or defile it in any way.

If any one of these resolutions passes both Houses of Congress, and is approved by three-quarters of the States, it would overturn the Supreme Court decision. These efforts have tremendous bipartisan support, and I'm hopeful that Congress will lend its approval without delay.

Next week, our Nation will celebrate 213 years of independence on July 4. I hope all Americans will demonstrate their patriotism by honoring that most beloved symbol of American freedom and democracy, the U.S. flag.

NUTRITION FOR THE ELDERLY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. DOWNEY. Mr. Speaker, as the chairman of the Select Committee on Aging's Subcommittee on Human Services, I am happy to announce that yesterday, I introduced a bill, H.R. 2756, which would provide first-time Federal reimbursement under the Older Americans Act to senior nutrition providers who offer two meals per day, each one meeting one-third the minimum dietary allowance required by law.

I believe that this is a very important bill to the thousands of seniors who participate in nutrition programs across the country. Eligibility for USDA commodities or cash in lieu of commodities is authorized in the Older Americans Act which most recently was reauthorized in 1987. The Older Americans Act also establishes the meals requirements as stated in title III C (1) and (2).

Section 331 states:

"The Commissioner shall carry out a program for making grants to states under State plans approved under Section 307 for the establishment and operation of nutrition projects * * * (1) which, 5 or more days per week provide at least one hot or other appropriate meal per day and any additional meals which the recipient of a grant or contract under this subpart may elect to provide, each of which assures a minimum of one-third of the daily recommended allowances as established by the Food and Nutrition Board of the National Academy of Sciences National Research Council."

The reality, however is that nutrition directors are finding it extremely difficult to obtain reimbursement for a second meal despite its obvious importance to their clients.

My bill seeks to correct this.

This legislation is consistent with the revisions made in the USDA Elderly Feeding Program in the 1987 Amendments—Public Law 100–175. Prior to 1987, the program was forced to reduce its rate of reimbursement because meal demands exceeded available funds. This problem was resolved in 1987 when Congress agreed to set the reimbursement rate at an average of 56.76 cents per meal no matter how many meals were served. My bill would build on this more secure funding base by allowing for second meal reimbursement.

The elderly we will help by passing this bill are among our neediest and most vulnerable. The typical meal served at a nutrition site project or in a home delivered situation usually far exceeds the minimum requirement, consisting of 3 ounces of meat, one-half cup vegetable, one-half cup fruit or juice, a starch, 8 ounces of milk, a serving of butter and one-half cup of dessert. Two such meals would be excessive for an older person to eat. It is the intention of the Older Americans Act to provide safe, nutritious, and appetizing meals to our needy senior population. This can be accomplished by allowing two meals that meet a combined nutritional quality of two-thirds the required dietary allowance. What would be reimbursed under this bill would be snacks of food packages for weekends and holidays which are not presently taken care of under the existing program.

It is an established fact that providing adequate nutrition to elderly people can keep them out of nursing homes. We have a responsibility to continue to allow seniors to remain independent for as long as possible.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

LOS ANGELES ADULT READING PROGRAM COMBATS ILLITERACY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. HAWKINS. Mr. Speaker, the statistics regarding adult illiteracy in the United States are staggering. Twenty percent of all adults are functionally illiterate; one-fifth of our population cannot read well enough to meet the needs of daily life. Adult illiteracy costs the United States in terms of increased social transfer payments: welfare dependency; unemployment; etc. More importantly, as recent studies show, adult illiteracy may negatively reflect upon our youth; illiterate parents can not successfully encourage literate children.

In response to these statistics, more exemplary programs to combat adult illiteracy are needed, such as the one in Los Angeles. The Los Angeles Public Library sponsors a program called LARP (Library Adult Reading Program). LARP conducts instruction for illiterate adults designed to raise reading levels as well as self-esteem. One-to-one tutoring is the cornerstone of LARP. The tutors work on a volunteer basis; each tutor receives 12 hours of training in the Labeuch method which is specialized for adults. The volunteers, as well as the students, must commit for a 6-month period. The individual tutoring, as well as all of the materials, are provided free of charge to any adult aged 16 or older.

Suzanne Johnson, the current director of LARP, trains and directs more than 600 volunteer tutors. She also spends a few hours a week tutoring many of the students served by the 13 reading centers. There are currently close to 650 adults served by LARP and 400 more are waiting for openings. Johnson targets a negative view toward reading as a possible catalyst of illiteracy. Children, she says, begin to associate reading with a homework task rather than a recreational activity. This attitude, which grows over time, is reinforced by the sometimes less than adequate education system. Johnson says: "often people are pushed through schools and they do not get the bare essentials."

LARP also sponsors a program which reaches beyond the adult illiteracy problem, into the family. "Families for Reading" attempts to develop a love for books and a positive attitude toward reading and learning in preschool age children. Parents with children aged 5 years and younger receive five complementary children's books while, in turn, they are taught the picture-book method of storytelling. This program serves two purposes at once; while fostering in children a respect and love of books through storytelling and positive parental reinforcement, the parents themselves are furthering their own education.

LARP has expanded to other areas of need within Los Angeles. Today there is a one-to-one tutoring program at the Federal prison, Terminal Island. In addition, the first subcenter in a substance abuse recovery center has been established. Johnson's future concerns are to improve the transition of LARP students into local Adult Base Education [ABE] programs as well as to continue to improve their present program.

The patchwork of literacy programs in America are varied. We need to not only coordinate these programs, but we must give them the additional resources they require to be effective. LARP is an exemplary model of success and is to be commended for their efforts in fighting illiteracy.

TRIBUTE TO DR. J. NICHOLAS GORDON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Dr. J. Nicholas Gordon on his efforts in publishing a brochure to inform and familiarize individuals about the AIDS virus.

Dr. Gordon is presently the director of student health services at the Georgia Institute of Technology in Atlanta, GA. The purpose of his brochure "Information About AIDS" is to present in a straightforward manner the current facts about the AIDS disease. The brochure covers areas from the methods of transmission through testing and prevention.

Nicholas was the team physician for Cardinal Mooney High School in Youngstown, OH, and was one of the men upon which the foundation of the school was built. The school suffered a great loss after his departure and will forever be indebted to him for his many contributions. Today, Nicholas is making outstanding progress to the betterment of the Georgia Institute of Technology.

Mr. Speaker, without the benefit of publications such as this brochure the general public would remain misinformed and unsure about issues of national and world concern. I have included a copy of the text of this superbly written and informative brochure for the RECORD and would like to congratulate Dr. Nicholas Gordon and his staff on their outstanding efforts. I wish them the best of luck in their future endeavors.

The text from the brochure follows:

INFORMATION ABOUT AIDS

(By J. Nicholas Gordon, M.D., Director, Student Health Services, Georgia Institute of Technology, Atlanta, GA, July 1988)

"We recognize, of course, that AIDS is a devastating disease and even a slight chance of exposure is not acceptable."—Paul Volberding, M.D., San Francisco General Hospital.

AIDS (ACQUIRED IMMUNE DEFICIENCY SYNDROME)

AIDS is described by Dr. June Osborn, Dean of Students at the School of Public Health at the University of Michigan as "A New, Transmissible, Universally, Fatal and Thus far Uncontrollable Disease."

For six years, the public has been deluged with contradicting facts, figures, truths, half-truths, biased opinions and propaganda about AIDS. This has led to a high degree of confusion and bewilderment of not only the general public but also of many practicing physicians.

The purpose of this brochure is to present in a simple, straight-forward, understandable manner the facts about the disease AIDS. The characteristics of the virus, the demographics of the disease, the methods of transmission, the course of the disease, antibody tests, and what you, the student, can do to prevent the transmission of this universally fatal disease will be discussed.

METHODS OF TRANSMISSION

The AIDS virus is found within T4 lymphocytes, in the blood stream, in all of the organs, and in all of the secretions of the infected body including semen, tears, saliva, sputum, vaginal secretions, sweat, etc. In 1985, Peterman, Drotman, and Curran of CDC stated, "The exchange of any of these fluids should be considered capable of transmitting the virus." At the present time, the most common method of transmission of AIDS is by sexual contact. During the sex act, the semen containing the AIDS virus is deposited in the rectum, mouth-throat, or vagina of the sexual partner. The virus then passes through the mucous membranes or through small lacerations in the mucous membranes of the mouth-throat, vagina or rectum and enters the blood stream. In the blood stream, the virus attaches to and then invades the T4 lymphocytes. The T4 lymphocyte is a white blood cell that is essential in the human defense or immune system. Within the lymphocyte, the virus produces an amazing change. It reprograms the lymphocyte and changes it from an essential body defender to a factory that manufactures thousands of AIDS virions (individual viruses). These virions escape through the cell wall, or the cell literally explodes releasing thousands of AIDS virions to attack and destroy other T4 cells. When a sufficient number of T4 lymphocytes are destroyed, the body defense mechanism is compromised and viruses, fungi, bacteria, and protozoans that usually cause no trouble in the normal person invade the body and sooner or later cause the death of the individual. The AIDS virus is also associated with the development of Kaposi's Sarcoma. Kaposi's Sarcoma is a malignant disorder characterized by purple and brown spots on the skin and mucous membranes of the infected individual.

In female-to-male sexual transmission, the AIDS virus, which is found in the vaginal secretions and in the saliva of the woman, enters the male body either through the mucous membranes of the male's mouth or through the mucous membrane of the penis, gets into the blood stream and attacks and destroys the T4 lymphocytes.

Since the AIDS virus passes through the mucous membranes of the mouth-throat, vagina, and rectum, and furthermore, since all other viruses such as measles, mumps, polio, rubella, hepatitis, cold viruses, influenza viruses, etc. all pass through normal mucous membranes, it is logical to assume that the AIDS virus can also pass through all mucous membranes. (Mucous membranes are the slippery smooth shiny epithelium that lines the eye, the mouth-throat, nose, entire respiratory tract, the gastronintestinal tract including the rectum, the genito-urinary tract including the penis, vagina, urethra and bladder). If blood or body fluids from an infected individual come in contact with the mucous membranes of another person, there is a possibility of transmitting the AIDS virus. This was documented in 1987 when a health care worker developed a positive AIDS antibody test after a small amount of infected blood splattered into her mouth.

According to the Center for Disease Control (CDC), forty to fifty percent of the

prostitutes in some areas are infected with the AIDS virus and can transmit AIDS. Prostitutes are an important factor in the transmission of AIDS in the heterosexual population.

The second most common method of transmission of this universally fatal disease is by sharing needles with intravenous drug users. An infected individual uses the needle, infected blood clings to the needle and when this needle is shared by another, the virus enters the body of the user. Needle sticks from needles used on AIDS patients can also transmit AIDS to health care workers in a similar manner.

The infusion of infected blood by transfusion or blood by-products (plasma, clotting factors, etc.) deposits the virus directly into the blood stream where it attacks and destroys the T4 lymphocytes.

It is believed that the AIDS virus cannot penetrate intact skin. Any defect in the skin such as a scratch, abrasion or laceration, however, opens a pathway for the virus to enter the body. Virus-laden blood, saliva, tears, sweat, sputum or any body fluid of an infected individual that finds its way into these skin defects then enters the blood stream can cause AIDS. In contact sports and in many occupations in mills, shops, etc., cuts and scraps on hands, arms and the body of participants and workers are commonplace. When physical contact occurs with an infected individual, blood or other virus-laden fluids can enter these skin defects and cause AIDS. This was also documented in 1987 when two health care workers developed positive AIDS antibody tests after infected blood came in contact with irritated skin. Whether the contact be casual or physical, whenever infected blood or body fluids come into contact with mucous membranes or skin defects there is possibility of transmitting the AIDS virus.

DEMOGRAPHICS RISK GROUPS

At the present time (June 1988), in the United States, about 73 percent of the AIDS victims are homosexuals, about 17 percent are intravenous drug users or abusers who have shared needles with an infected person, 2 percent are people who have been transfused with AIDS virus contaminated blood, 1 percent are hemophiliacs who have received transfusions or blood clotting factors, 1 percent are heterosexual contacts of a person with AIDS virus infection and 6 percent are people who report none of the above risk factors. It is believed that over 2.0 million people are now infected with the AIDS virus.

GEOGRAPHIC DISTRIBUTION OF AIDS

All 50 states and over 100 countries have reported cases of AIDS. New York, California and the major metropolitan areas still have the highest percentage of cases in the United States.

FRAGILITY OF THE VIRUS

Although the virus is killed quickly by a 10% sodium hypochlorite solution (household bleach), studies done by Dr. Lionel Resnik at Mt. Sinai Hospital in Miami, Florida, have shown that the AIDS virus remains alive and capable of producing AIDS for at least three days in a dry atmosphere at room temperature, and it remains alive and infectious for at least 15 days in a damp or wet atmosphere at room temperature.

French scientists at the Pasteur Institute have also found that the AIDS virus can live for several days at room temperature in a dry atmosphere.

Clotting factors for hemophiliacs are stored in a dry condition in a refrigerator for days, weeks or months and apparently can still cause AIDS. It is reported that for the past 1-2 years clotting factors have been treated in such a way that they rarely transmit the AIDS virus to hemophiliacs.

AIDS—THE COURSE OF THE DISEASE

After a person is infected with the AIDS virus he/she usually has no symptoms or signs of the disease for an average of two or three years. This is called the incubation period (the incubation period can vary from six months to six years or longer).

As the disease progresses, signs of the inability of the body to fight infections become more apparent. Common, ordinary infections, colds, influenza, etc., can be serious health problems for a person with an immune deficiency.

Some people develop enlarged lymph glands, fever, night sweats, diarrhea, marked weakness and progressive weight loss. These people are said to have AIDS Related Complex or ARC. Many of the people who have ARC gradually develop AIDS.

The disease is not called AIDS until a person harboring the AIDS virus develops Kaposi's Sarcoma, which is a cancerous-like disease, or develops a severe opportunistic infection. These opportunistic infections are infections caused by bacteria, protozoans, viruses or fungi that cause no trouble in a person with a normal immune system. The most common opportunistic infection is caused by a protozoan and is called Pneumocystis Pneumonia.

Death in AIDS cases usually occurs from recurrent resistant infections. It is important to remember that people with AIDS, people with ARC, and people with AIDS virus infection who may be asymptomatic can all transmit the fatal disease AIDS.

The AIDS virus can also invade the brain causing a myriad of neurological signs and symptoms and also a condition similar to Alzheimer's Disease.

In order to make the disease, "Acquired Immune Deficiency Syndrome" more understandable, the term AIDS should be re-defined to encompass all facets of this disease including the incubation period, ARC, the central nervous system manifestations, and what is now called AIDS.

ANTIBODY TESTS

When the AIDS virus gets into the bloodstream it is identified by the immune system and antibodies are developed by the body against this organism. It takes 2-6 months before there are a sufficient number of antibodies to be identified by antibody tests. This means that a person can be infected and can be transmitting the disease for 2-6 months before the antibody tests become positive. If a person donates blood during the 2-6 months period when the virus is present, yet antibody tests are negative, this blood could transmit AIDS. Unfortunately, these antibodies do not destroy the AIDS virus as antibodies do in other diseases.

Since AIDS antibodies are produced by the body as a direct response to the AIDS virus infection, a positive antibody test is indicative of an on-going AIDS virus infection.

The accuracy and specificity of the AIDS antibody tests, confirmatory tests, repeated if necessary and a good honest history approaches 100 percent.

SCREENING

In an article in the Journal of the American Medical Association, March 13, 1987, entitled "The Prevention of Acquired Immune Deficiency in the United States," Drs. Francis and Chin stated that "The combined use of education/motivation/skill building, serologic screening and contact treacing/notification could eliminate or substantially reduce transmission." This means that they believe follow-up with screening and counseling of sexual contacts of AIDS infected people would eliminate or substantially reduce the spread of the "universally" fatal disease AIDS.

Historically Syphilis ravaged the earth for more than 450 years and was not controlled until Dr. Thomas Parran, Surgeon General of the United States, advocated and implemented a program for mandatory follow up and mandatory screening of all sexual contacts of people infected with Syphilis in the 1930's.

Furthermore, it is a fact that many, if not all, of the sexual contacts of people with AIDS, people with ARC, and people that are AIDS antibody positive are also infected with the AIDS virus. By not being followed up, screened and counseled many of the contacts are unknowingly infecting others with the "universally" fatal disease AIDS.

The authors stated further that it would be advantageous for infected people to be screened for the following reasons:

1. They could be counseled on ways to prevent further transmission.
2. Infected women could be advised to avoid pregnancy.
3. Knowledge of the presence of the AIDS infection could lead to earlier diagnosis and treatment of life threatening infections.
4. Infected people who also are tuberculosis positive could be treated to prevent a fatal reactivation of tuberculosis.
5. AIDS positive children could avoid taking live vaccines (immunizations) which could prove fatal to AIDS infected children.
6. In case effective treatment is discovered, the known infected individuals could be treated immediately.

The authors further believe that susceptible people and couples would also benefit from screening and counseling.

INCIDENCE OF AIDS

Since 1979 the number of AIDS cases has increased over 700,000 percent. As of June 1988 the number of reported AIDS cases in the United States is over 64,000 and there have been over 36,000 deaths. The number of AIDS cases is still doubling every 12-14 months and it is estimated that there are now over 2.0 million people infected with the AIDS virus in the United States.

PREVENTION OF AIDS

In general, since at the present time about 90 percent of the cases of AIDS are transmitted by sexual contact or by the sharing of needles with drug users, common sense dictates that abstinence from these two activities would eliminate about 90 percent of the transmission of this universally fatal disease.

Promiscuity greatly increases the chances of becoming infected with the AIDS virus. It is well to remember that when you have sex with someone you are being exposed to all of the people that had sex with that person for the previous 10 years. In other words, if you have sex with a person who has had 10 contacts and each of those had 10 contacts and each of those contacts had 10 contacts you are being exposed to 1000 partners.

Sexual or intimate contact with an AIDS infected partner is always risky. Limiting your sexual contact to a person who has recently had a negative AIDS antibody test would be significantly safer. Abstinence and

mutually monogamous sex are the best methods of preventing sexually transmitted AIDS.

PREVENTION OF AIDS FOR NONINFECTED PERSONS

1. Do not have sexual or intimate contact with:

a. Persons who have AIDS or are suspected of having AIDS.

b. Prostitutes (40-50 percent of New York prostitutes tested now have AIDS antibodies).

c. Persons who have multiple sexual contacts.

d. People who use IV drugs.

e. Multiple partners.

f. People who have the AIDS virus infection.

2. Blood transfusions should be ordered and given only when they are absolutely necessary. In many elective procedures, autologous blood transfusion (your own blood donated before the procedure) can be used.

3. Health care workers should be very careful in handling secretions from AIDS patients and needles used on AIDS patients.

4. Do not share equipment with IV drug users.

5. Do not exchange fluids with a patient with AIDS or anyone in the risk group.

6. Do not participate in contact sports with an AIDS virus infected person.

7. Dr. C. Everett Koop, Surgeon General of the United States, stated recently that the correct use of latex condoms "from start to finish" lessens the chance of transmission of the AIDS virus. It is well to remember however, that family planning groups have reported that the failure rate of condoms in preventing pregnancy is 10-15% per year. Since the AIDS virus is 1/6000th as large as the sperm and can get through smaller defects in a condom and a woman can get pregnant only on about 24 days per year and can get AIDS 365 days a year the failure rate of condoms in preventing AIDS would be significantly higher than 10-15% per year. Condoms make sex safer—not safe. Only abstinence is foolproof.

8. Question your sexual partner about his/her sexual history. Your life may depend on it.

9. Do not engage in anal sex with anyone.

10. Sexual or intimate contact with a person infected with AIDS virus is extremely dangerous. Limiting your contact to a person with a recent negative antibody test would be significantly safer.

GUIDELINES FOR INFECTED PERSONS

All people with AIDS, people with ARC, and people who are AIDS antibody positive should follow the guidelines below:

1. Notify all health care workers (physicians, nurses, dentists, nurses aides, etc.) that you are AIDS virus infected before examination or treatment is begun.

2. Regular medical evaluations, follow-up and education should be advised for persons with positive antibody tests and all of their contacts.

3. Persons with positive antibody tests, ARC, and AIDS can transmit the disease to others and should not donate blood, plasma, body organs, skin, other tissues, or sperm. They should take precautions against exchanging body fluids with another person.

4. There is a risk of infecting others by sexual intercourse, sharing of needles, and exposure of others to saliva through oral-genital contact or intimate kissing. The effectiveness of condoms in preventing infection with the AIDS virus was discussed in 7. above. The consistent use of condoms, however, should reduce transmission since exchange of body fluids is known to increase the risk of transmission. As stated above condoms make sex safer not safe. Only abstinence is foolproof.

5. Toothbrushes, razors, or other implements that could become contaminated with blood should not be shared.

6. Women whose sexual partners are antibody positive are themselves at great risk of acquiring AIDS. If they become pregnant, their children are also at great risk of acquiring AIDS.

7. Until guidelines are made by CDC for contact sports, AIDS virus infected people should not participate in contact sports or altercations.

8. All sexual contacts should be notified.

9. Do not engage in anal sex.

10. Do all you can to prevent transmission.

RECOMMENDATIONS REGARDING AIDS AT GEORGIA TECH (GEORGIA TECH POLICY)

I. In accordance with the recommendations of CDC and the U.S. Public Health Service, the Georgia Tech Student Health Service encourages testing and screening for AIDS antibodies for the following students:

1. Students who have received blood transfusions, clotting factors (hemophiliacs) or blood by-products, plasma, platelets, etc. since 1977.

2. Students from Central Africa or Haiti.

3. Students who have had one or more sexual contacts with a male homosexual or bisexual since 1977.

4. Students who have had sexual contact with even one prostitute or with anyone who has a positive AIDS antibody test since 1977.

5. Students who have shared needles with a drug user or abuser since 1977.

II. The Georgia Tech Student Health Center also encourages testing and screening for AIDS antibodies for the following students:

1. Students who participate in contact sports.

2. Students who are sexually active or who have been treated for sexually transmitted diseases.

3. Anyone who is worried about having AIDS.

If it has been more than six months since the last exposure, a negative test virtually eliminates the possibility of being infected with the AIDS virus.

Confidential screening and counseling can be done at the Student Health Center or at an alternative test site. Alternate site locations can be obtained from the Student Health Center or local health departments.

III. Also, in accordance with the guidelines and recommendations of the U.S. Public Health Service, all students who are infected or probably infected with the AIDS virus are directed to report this fact to the Director of Health Services as soon as they arrive on campus. Strict confidentiality will be maintained.

IV. In order to protect the AIDS virus infected students from common campus illnesses spread by classmates and to protect the non-infected roommate from accidental transmission of the AIDS virus, the Health Service recommends that infected students live in a private room.

V. Since the required immunizations at Georgia Tech may be harmful to immune compromised (AIDS infected) individuals, infected students should report this fact to the Director of Health Services so that this requirement can be waive for these individuals.

VI. Since all students at Georgia Tech are screened for tuberculosis, students with AIDS virus infection that have a positive tuberculosis skin test can be given medication to prevent reactivation of tuberculosis which could be fatal in an immune compromised individual.

VII. CDC and the American College Health Association are studying the possibility of transmission of AIDS in contact sports are associated with injuries that cause bleeding and accidental toothbites that could possibly transmit AIDS, we strongly recommend that AIDS infected individuals not participate in any contact sports until this area is studied and recommendations made.

INGLEWOOD, CA: AN ALL AMERICAN CITY

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to congratulate the city of Inglewood for receiving the All-America City Award from the National Civic League. Inglewood was selected to receive this prestigious award for its increasing efforts to combat the scourge of drugs and gang warfare.

This award has been presented to cities across the Nation for the past 40 years in recognition of their efforts at creating a working partnership among citizens, business, and local government to solve community problems. The National Civic League, founded by Theodore Roosevelt, has been a leading institution for the advancement of civic cooperation and problem solving.

The drug and gang warfare which has plagued the Greater Los Angeles area has been a particularly acute problem in Inglewood. Recently, however, members of the community, government, and business leaders have joined forces to begin to turn the city around. Their efforts have focused on improving the schools, the police force, and drug education for their children.

Last year, the voters of Inglewood overwhelmingly passed a referendum to increase their own taxes in order to create a 20-member crime suppression unit of the police department. The Inglewood Coalition for Police Support spearheaded the effort which was one of the first of its kind in southern California. This coalition was comprised of neighborhood block club captains, educators, business leaders, hospital administrators, physicians, ministers, attorneys, judges, police officers, nonprofit organization leaders, and other committed and concerned residents. Very seldom does such a broad-based group of professionals and citizens come together for any cause. Of course, not many causes are as great as those which fight for the lives and safety of ourselves, our neighbors, and our children.

Special recognition should be given to those who played such a key role in making Inglewood a model city: Mayor Edward Vincent, Juvenile Court Judge Roosevelt Dorn, Lt. Larry Carter, head of the police depart-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ment's narcotics unit, community activist and block club Capt. Roosevelt Douglas, and Patricia Martel, executive assistant to the city manager. They played key roles not only in Inglewood's efforts to win the award, but also in the community's strong efforts against crime and drugs.

The second prong of the attack on drugs and other street crime was the expansion of the Laker/DARE [drug abuse resistance education] Program in the public and private schools throughout the city. The Los Angeles Lakers sponsored a walk-a-thon which raised the $30,000 needed to implement the Laker/DARE Program in the schools. It also gained the participation of over 4,000 people. The Laker/DARE curriculum has now been implemented in all sixth grade classes in the city. The curriculum teaches the students values which will aid them in resisting the temptation to use drugs, becoming gang members or participating in other criminal activity.

The success of this program demonstrates the strong community spirit in Inglewood and the commitment of its citizens to make it a better place in which to live and raise a family. This commitment demonstrates why Inglewood deserves the recognition it has received. It is truly an all-American city which I am proud to represent in the Congress of the United States.

I ask my colleagues to join with me in congratulating Inglewood for this great honor.

SUPREME COURT DECISION ON FLAG BURNING

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. SCHAEFER. Mr. Speaker, I was shocked and outraged as I read the recent Supreme Court decision that flag burning is constitutionally protected speech. I find the Court's judgment to be a shameful travesty.

The Supreme Court could have, and should have, based its decision on any number of constitutionally valid grounds.

First, I question whether flag burning is speech as the framers contemplated that word when formulating the first amendment. But even if one were to construe it as speech, I question whether it is protected speech any more than is defacement of our national monuments.

Would the Supreme Court legitimize the conduct of protesters who draw a knife across the face of the Vietnam Memorial, spray paint graffitti over the Washington Monument, or scar the face of Mount Rushmore as protected forms of political expression? I pray not.

I cannot articulate any underlying value served by encouraging this kind of wanton and reckless conduct. But even if it exists, constitutional legal analysis requires it to be balanced against government interests. The citizens of the United States have always had a compelling interest in preserving the integrity of national treasures that embody our traditions and our heritage. There is no question in my mind, nor is there in most Americans' minds, that the flag is one of those treasures.

The U.S. flag is more than a mere banner; it is a symbol of those basic truths that our Founding Fathers held to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

Throughout history our flag has symbolized the challenges that our Nation has faced. The first flags adopted by our colonial forefathers were symbolic of their struggles with the wilderness of a new land. Likenesses of the rattlesnake and insignias such as "Don't Tread on Me" were often placed on the flag to symbolize the peoples' rugged determination.

Following the War of 1812 Henry Ward Beecher emphasized the importance of our flag when he said:

> A thoughtful mind when it sees a Nation's flag, sees not the flag, but the Nation itself. And whatever may be its symbols, its insignia, he reads chiefly in the flag, the government, the principles, the truths, the history that belong to the Nation that sets it forth.

In 1941, when the Japanese attacked Pearl Harbor, our flag again symbolized yet another struggle facing our Nation. The flag that flew here over our Nation's Capital on December 7, 1941 was raised on December 8 when war was declared on Japan, and again 3 days later as Congress declared war against Germany and Italy.

The flag also symbolizes our Nation's triumphs. At Iwo Jima, 6,000 marines gave their lives so that 6 of their fellow countrymen could raise our flag on the heights of Mount Suribachi. When the crew of *Apollo 11* landed on the Moon we all shared in the pride as our flag was planted on the Moon's surface. These are all momentous events in our Nation's history, and one common thread among them is the presence of the flag as a symbol of unified strength and nationalism.

The story of our flag parallels the story of our country. I believe we, as U.S. citizens, have a duty to protect our country and its flag. As President Wilson once said, "The flag has no other character than that which we give it from generation to generation."

That is why, in the wake of this most recent attack on our flag, I have introduced House Resolution 184, a sense of the House resolution which condemns the Supreme Court decision, and am a cosponsor of the resolution introduced by the ranking members of the Judiciary Committee that passed the House last night. Of course, while I am expressing my outrage of this particular decision, it is important to stress that protecting our flag from desecration in no way hinders the art of democratic expression.

Let's join together to protect the flag, the symbol which embodies the very liberties that protesters so mindlessly trample upon when they choose to desecrate it. Let's heed the words spoken by Abraham Lincoln when he advised with respect to another Supreme Court decision which was met with universal disapproval:

> If the policy of the Government upon vital questions effecting the whole people is to be irrevocably fixed by the decisions of the Supreme Court, the people will have ceased to be their own rulers, * * * it is time we the people—through our chosen representatives, delivered to "that eminent tribunal" the national rebuke it has so richly earned.

INTRODUCTION OF THE SHAREHOLDER COMMUNICATIONS IMPROVEMENT ACT OF 1989

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. RINALDO. Mr. Speaker, today I am pleased to introduce the Shareholder Communications Improvement Act of 1989, by request of the Securities and Exchange Commission. This legislation makes several important changes to the securities laws to improve shareholder communications.

First, the bill would require banks and brokers to forward proxy materials to beneficial owners of investment company securities held in nominee name. This change also would permit investment companies to send annual reports and voluntary communications directly to beneficial owners of investment company securities held in nominee name.

Second, the bill would require banks and brokers to transmit information statements to the beneficial owners of securities.

Third, the bill would ensure that investment company security holders of record will receive information statements when a security holder vote is held, but when proxies are not solicited.

This legislation would ensure that owners of mutual funds will be informed and able to vote their shares on important matters, even though those shares are held on their behalf by a bank or a broker. The amendments are intended to further shareholder democracy by improving the flow of information to shareholders in other circumstances.

I believe this bill merits careful consideration by the Members and would fill several gaps in the current law. I commend the SEC for bringing these changes to our attention and believe we should examine them carefully.

THE OIL SPILL TAX ACT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. LIPINSKI. Mr. Speaker, since the tragic *Valdez* oilspill in Prince William Sound, AK, this body, Federal agencies, State governments, environmental groups, and private businesses have turned their attention to preventing these types of accidents or to controlling the damage. Yet, despite all of the lip-service paid to this constant problem, oilspills and their destructive effects have recently reappeared on our national headlines. I, personally, had hoped that by this time our headlines would tell of technological advances in tanker ship design or streamlined procedures for quickly and effectively cleaning up spills. Instead, the weekend papers told of three separate oilspills, in Texas, Pennsylvania, and Rhode Island.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The only knowledge we gained by this weekends activities is that the ability to spill oil in American waters transcends national affiliations. It was a Greek tanker that leaked highly toxic oil into the Narragansett Bay. A Uruguayan tanker put thick fuel oil into the Delaware River. And finally a Panamanian-registered motor vessel ran into a tanker spiling heavy crude oil into Galveston Bay.

We need to ask ourselves one question: "Is the past weekend an example of the environmental costs we are willing to pay for the benefit of cheap energy?" Of course the fuels that have been spilled into our waters are important to the economy of this country. And, of course, we should not consider banning the transporting of these fuels by tanker. But I do believe that we can ensure an atmosphere that protects our environment while continuing the flow of inexpensive energy fuels. I believe that my bill, H.R. 2532, the Oil Spill Tax Act, begins to create such an atmosphere.

For too long we have allowed national and international companies to transport fuels over our previous waterways without enough emphasis placed on preventing spills or establishing procedures for cleaning up such spills. Instead these companies have bought expensive insurance policies so that in the case of a spill their profits will not be harmed. In fact, in the case of the Uruguayan spill in Pennsylvania, the lawyer representing the insurance agency insuring the ship said that it will cover all costs of the cleanup. He represents the insurance company based in Luxembourg which is owned by the oil shippers it insures.

Why don't these same shippers join together and develop safer methods for transporting fuel? Why don't they join together and train captains to safely operate in American waters? Why don't they join together and develop proven procedures and technologies aimed at quick and efficient cleanup? No, instead they join together and financially protect their bottom—their bottom line.

Unfortunately they do this because U.S. laws and regulations create an atmosphere that rewards financial preparation, and not prevention. Not only do we need to create laws that demonstrate our commitment to ensuring cheap energy sources but also our commitment to protecting our water industries and the environment. The Rhode Island spill exemplifies how current law was not enough of an incentive for the captain to act safely. Under Rhode Island law the captain should have waited until a licensed pilot came aboard to steer the ship in. However, in an act of an individual disregard for such laws, many Rhode Island beaches had to be closed. Laws such as those requiring trained pilots makes good sense, but disregarding them seems to save dollars. It is at this bottom line level that we must demonstrate our concern for protecting our waters and environment.

If we do not begin to rethink the message we send to energy companies, they will continue to place their profit margins above our twin domestic concerns of clean water and cheap energy. My legislation, H.R. 2532, sends the clear message that businesses, if they want to protect their profits, must not just pay for cleanup, but must do it correctly and do it quickly. Passage of this legislation will give companies incentives to prepare plans for quick and effective cleanups. And it will give companies incentives to ship fuels in safer vessels, steered by sober, well-trained pilots.

On Monday, June 26, the New York Times began a story on the Rhode Island spill by saying, "A combination of lucky circumstances has apparently spared the environment of Narragansett Bay from disastrous damage that was feared after Friday's oil spill." It went on to describe good weather and a forgiving sea. However, I am not comfortable having luck as the center piece of our policy in protecting our waters. I hope my colleagues don't either. The next time there is a spill in American water I hope to see a different story, one that begins more along the line, "A combination of safer ships and established plans apparently spared the water ways of America from environmental ruin."

TRIBUTE TO COL. JAMES C. PETERSON

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. GREEN. Mr. Speaker, I rise to honor an outstanding American who, I am proud to state, both lives and works in Manhattan's 15th District, which I represent. Tonight a testimonial farewell dinner is being held for Col. James C. Peterson, retiring after 27 years of brilliant military service. I know my colleagues join with me in saluting this outstanding officer, teacher, and gentleman.

Colonel Peterson's career has taken him all over the globe and country, in peace and in war, with excellence following him everywhere. He commanded artillery batteries in Germany and Vietnam, earning a host of decorations, including the Bronze Star for Valor, the Purple Heart, and the Humanitarian Service Medal. He then went on to become an educator of some note, returning to teach literature and philosophy at West Point, his alma mater, as well as directing strategic appraisal studies at the Army War College at Carlisle, PA. For the last 12 years, he has served as public affairs officer, in Korea—for a division of 15,000 men—at Fort Bragg, the Pentagon, and finally, here in New York, where he steps down as chief PAO after 5 most distinguished years.

I am happy to congratulate the colonel on his array of accomplishments, and his contribution to his country and community. He is an examplar of military service at its finest, and I wish him well in all future endeavors.

TRIBUTE TO TONY POUCH

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. FORD of Michigan. Mr. Speaker, I rise today to pay tribute to a constitutent of mine, from my home town of Taylor. Tony Pouch is to be commended for his achievement on the General Education Development [GED] test. Mr. Pouch was Michigan's highest scorer on the 1988 version of this test. Almost 27,000 people took the test in Michigan last year.

As my colleagues know, the GED test was developed to provide an opportunity for those who did not complete high school to prove that they have mastered the general requirements for high school graduation. This test has five parts: Writing skill, social studies, science, reading skills, and mathematics, testing a wide range of high school subjects and skills.

Mr. Pouch had dropped out of high school after completing 10th grade to work in the automotive industry. Last spring, he enrolled in a computer class offered to employees of the General Motors hydramatic plant in Ypsilanti. His instructor was impressed with his potential and referred him to the Ypsilanti Adult Education Program for their High School Completion Program. Mr. Pouch will have completed his high school graduation requirements by the end of the summer.

Tony Pouch is an inspiration to thousands of men and women, who 15 or 20 years ago, dropped out of high school to find a good paying job in industry. However, our industrial technology is rapidly advancing and workers are being asked to possess high level skills, many of which require postsecondary education.

I commend General Motors for offering on-site employee education. This training expands the potential of our current workforce. I also commend the Ypsilanti Adult Education Program for allowing Mr. Pouch a second chance at his educational goals and for encouraging him to advance his education.

Tony Pouch plans to continue his education at a local community college, while possibly pursuing a para-legal career upon retirement from General Motors. His wife and 4 children have been very supportive of his efforts. I urge my colleagues to join with me in congratulating Tony Pouch on his achievement, and in wishing him continued success in furthering his education and achieving his goals.

ALZHEIMER'S DISEASE RESEARCH AND TRAINING ACT OF 1989

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Ms. SNOWE. Mr. Speaker, today I am introducing a bill, the Alzheimer's Disease Research and Training Act of 1989. This bill would provide better services for individuals with Alzheimer's disease and related dementias through improved biomedical research, health services research, and training of health care personnel.

The tragedy of Alzheimer's disease and related dementias is becoming of even greater concern as we move toward the 21st century. This progressive and irreversible degenerative brain disease is the fourth-leading killer in the United States, affecting an estimated 3 to 4 million persons at an annual cost of about $80 billion. For the most rapidly expanding segment of the elderly population, those over 85,

the chance of developing Alzheimer's disease or a related dementia may be as high as 40 percent. Most often, the burden of caring for Alzheimer's patients falls upon family caregivers who can be devastated not only by the deterioration of their loved ones but by the enormous demands and stress of their caregiving responsibilities.

The bill which I am introducing today is based upon the recommendations of the first report of the Advisory Panel on Alzheimer's Disease, which was established through legislation that I introduced, the Alzheimer's Disease and Related Dementias Services Act. This blue ribbon panel of experts serves from 1988 to 1991 and was charged to address biomedical research, health services research, health care and social services for Alzheimer's disease and related dementias and their families. The only real hope for preventing, treating, and curing Alzheimer's disease and related dementias is through biomedical research. Researchers on Alzheimer's disease are now making rapid advances and are on the edge of possible breakthroughs. However, funding is currently available for only 1 of 4 investigator-initiated proposals approved by the National Institutes of Health. Therefore, the bill which I am introducing would authorize an increase of 50 percent for funding scientifically meritorious grant applications and would also attract and train new researchers, particularly women and underrepresented groups from underserved States and regions.

In addition, the bill would authorize the expansion of the number of Alzheimer's disease research centers from 12 to 15 for conducting longitudinal, multidisciplinary studies and clinical trials, tissue banks, and patient registries. Satellite facilities would be linked to the centers to expand diagnostic and treatment services.

I have a long time been concerned about the caregiving families of Alzheimer's victims. A study published by the Subcommittee on Human Services of the Select Committee on Aging, of which I am the ranking minority member, concluded that families today provide about 80 percent of the care needed for chronically ill elderly family members. Support services to help family caregivers continue to cope with their burden are vital but often limited and fragmented. For the victims of Alzheimer's disease and their families, very little is known about the services they need, which ones they know about and use, how much they spend on them, and how different services should be organized to be accessible, provide effective results and combine with informal caregiver services. This bill increases attention and authorizes funding for Alzheimer's disease services research and evaluation, including design, delivery, and financing of clinical care and family services. It also authorizes the establishment of 10 health services research centers on Alzheimer's disease which would coordinate closely with the Alzheimer's disease research centers.

Specialized training about the loss of cognitive abilities and the unique behavioral patterns of dementia patients is essential for professionals, paraprofessionals, and support personnel working with Alzheimer's and related disease patients and their families. This bill provides authorization for this specific training which is to be coordinated with ongoing established training programs.

Unless the cause, cure, and treatment is found, the human and fiscal costs of Alzheimer's and related disease will accelerate precipitously as our older population rapidly expands in the coming decades. If we are to conquer this tragic disease, a national commitment must be established. Concerted research and training should be the cornerstone of that commitment.

THE APPROPRIATIONS SLUMP: ZERO FOR 1989

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. PORTER. Mr. Speaker, last year, for the first time since 1954, we managed to meet our self-imposed budgeting schedule by passing the last of the 13 appropriations bills moments before the October 1 deadline. A number of factors, including the looming elections, the budget summit agreement and a strong desire to avoid wasteful continuing resolutions fueled this success.

Unfortunately, we have forgotten our resolve, and we are back on track to another continuing resolution this year.

By this time last year, eight appropriations bills had already been brought to the floor in the House and three had been considered in the Senate. Although the leadership promised the President that he would be sent 13 appropriations bills separately and on time this year, it appears that this promise will go unfulfilled.

There are only 7 working weeks left between July 4 and October 1, the deadline to send appropriations bills to the President. Another bloated, wasteful continuing resolution is the last thing this country needs and the last thing we should allow.

CONGRESS SHOULD HEAR FROM LECH WALESA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. BROOMFIELD. Mr. Speaker, last Friday, three colleagues and I sent a letter to the Speaker of the House urging him to invite Lech Walesa to address a joint meeting of Congress.

Joining me in this bipartisan initiative were the distinguished chairman of the Foreign Affairs Committee, DANTE FASCELL, and the equally distinguished leadership of the Ways and Means Committee, Chairman DAN ROSTENKOWSKI, and ranking Republican BILL ARCHER. This request is also supported by Congressman DENNIS HERTEL, and I am sure by many other colleagues.

Lech Walesa and Solidarity are in the forefront of those who are conducting one of the great experiments of the 20th century. They are attempting the peaceful transition from a Communist dictatorship to a democratic republic.

We have seen in China what can happen when an entrenched Communist Party is fearful of surrendering its power to the people. Let's hear Mr. Walesa himself describe his plans for a new Poland. And let's learn what Congress can do to help him realize a transition that is both peaceful and permanent.

ESTABLISH AN INSTITUTE ON POPULATION AND HUMAN REPRODUCTION AT NIH

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. MOODY. Mr. Speaker, over 3.3 million unintended pregnancies occur in America each year. About half of these unplanned pregnancies end in abortion. The total human and social cost of 3.3 million unintended pregnancies is truly staggering.

Often the women who make a conscious decision not to use contraceptives do so for fear of potential side effects. The plain fact is that safer, more effective, and more acceptable contraceptives are still needed, and not only in our own country. Political and social upheaval is caused in part by the imbalance between population and basic resources, with the result that the United States spends billions of dollars to feed hungry people throughout the world. Furthermore, the underdeveloped world depends predominantly on the United States to lead in fertility research.

Perhaps the most important reason for investing more on population and fertility research has to do with the long-term cost of entitlements and the social safety-net programs. The phrase, "demography is destiny" should be replaced with "demography is fiscal destiny." In the long run, the fiscal condition of social insurance programs—retirement, Medicare—and need-based programs—AFDC, food stamps, and Medicaid—will depend primarily on our birth rates—in the Nation as a whole, and by different income and social strata.

Despite all of these facts, we invest relatively little in basic biomedical research on fertility and reproduction. NIH spends only $9 million per year for contraceptive development—a mere 0.14 percent of its budget.

Although the U.S. Government also provides funding for contraceptive research through the U.S. Agency for International Development, the National Institute of Child Health and Human Development [NICHD] is the key player in supporting population research and contraceptive development worldwide. Today I am introducing a bill to spark greater attention to both the adequacy of NICHD support for such research and the institutional obstacles inherent in the organization of the National Institutes of Health [NIH] that stand in the way of a stronger investment in the field.

I believe we need to give higher priority to contraceptive research. This bill is organized to highlight several goals that need to be considered:

First, greater visibility should be given to population research in general as an area of support provided by NIH.

Second, greater visibility and prority specifically should be given to support for contraceptive development.

Third, continued strong support for and coordination with research for mothers and children, which now receives the majority of NICHD's annual funding. Historically, approximately 60 percent of NICHD's funding has been devoted to research on mothers and children, as distinct from population research.

Fourth, increased attention to long-range goals and priorities for population research in connection with research on mothers and children. The issue is not simply a question of funding but also of NIH priorities for different fields of research as well as the balance maintained between basic research, which is NIH's top priority, and applied research, which invariably suffers in the budget-making process regardless of its specific merit.

The specifics of my legislation:

The goals I have listed must be the focus of any discussion about improving our commitment to contraceptive research in a meaningful way. This bill contains several elements that have been designed specifically to call attention to these goals:

First, the creation of a new Institute on Population and Human Reproduction.

Second, a detailed authorization, including specific provision for the Institute on Population and Human Reproduction, and increased funding for the remaining work of NICHD, which specifically earmarks 25 percent of the budget of the Population Institute to be devoted to contraceptive development and evaluation.

Third, the creation of a National Science Policy Committee on Human Development with special coordinating responsibilities for the budgets and planning for the work of the Population Institute and NICHD.

I urge my colleagues to join me in supporting the establishment of an Institute on Population and Human Reproduction at the National Institutes of Health. We must take responsible actions to ensure that there is adequate emphasis on population and contraceptive research.

INTRODUCTION OF NATIONAL AVIATION POLICY RESOLUTION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. CLINGER. Mr. Speaker, today I am introducing on behalf of myself and Mr. GLICKMAN, a resolution calling for the development of a new and comprehensive national aviation policy. We are joined by 65 of our colleagues in the House who are cosponsors of the resolution.

It is time for the United States to reevaluate the Nation's air transportation system and develop, as part of Secretary Skinner's unified national transportation policy, a comprehensive, integrated, and unambiguous national aviation policy to guide America's air transportation future. Too often, the FAA's national airspace system plan, a nuts and bolts program put forth in 1981 to modernize the air traffic control system, is characterized as an overall agenda for updating our entire air transportation system. Modernized equipment procured under the NAS plan, however, is just one element of a broader objective. This objective for future air travel must be defined by a comprehensive and well-articulated national aviation policy.

The resolution I am introducing will bring together before the administration all segments of the aviation community, as well as other interested and essential parties, to discuss ideas for a national aviation policy. The administration would have 1 year from enactment to develop and submit to Congress a detailed policy and plan for implementation.

The national aviation policy resolution is supported by a broad coalition of business and community interests. The coalition consists of the major aviation groups, including the Aircraft Owners and Pilots Association, as well as four former FAA Administrators. Just as important, the coalition includes nonaviation groups such as the U.S. Chamber of Commerce, Conference of Consumer Organizations, and the National Association of Manufacturers. These groups recognize that a national aviation policy will benefit all of America's citizens.

Mr. Speaker, we need to evaluate and focus the debate on aviation issues. We need a new blueprint against which our progress can be accurately measured. That is what I intend and hope will result from the national aviation policy resolution.

My special thanks go to Mr. GLICKMAN, who is the founder and cochairman of the House aviation forum. His help developing support for the national aviation policy resolution has been essential and makes this a truly bipartisan effort.

DR. DEBRA HULL

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. MOLLOHAN. Mr. Speaker, our educational system is our future and it is appropriate for us to take the time to recognize exemplary educators and citizens like Dr. Debra Hull of Wheeling Jesuit College in Wheeling, WV.

Doctor Hull, an associate professor of psychology, was honored recently by West Virginia Gov. Gaston Caperton and the West Virginia Legislative Subcommittee on Higher Education for her excellence and dedication as an outstanding instructor contributing to the educational betterment of West Virginia.

For the past 9 years, Doctor Hull has set an example for others to follow in higher education and in her community. A clinical psychologist, she was formerly on the staff at the Northern Panhandle Mental Health Center in Wheeling. In addition, she was an adjunct faculty member at West Virginia University in Morgantown. She is also an elder at the Bethany (West Virginia) Memorial Church.

Doctor Hull has written numerous articles and book reviews for professional journals. With former Wheeling Jesuit College Assistant Professor of Theology Dr. Rosemary Curran, now at Smith College, Doctor Hull completed a study of "The Experiences of Professional Women in West Virginia." The study will soon be published in book form.

Those in the education field often receive little financial reward for their efforts to teach our youth the skills needed for satisfactory employment and meaningful lifestyles, so it is appropriate for the Congress, State governments, and other entities to pay tribute to our outstanding educators as often as possible. Today, I would like to salute Dr. Debra Hull.

THE BICENTENNIAL OF THE TOWN OF GENOA

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. HORTON. Mr. Speaker, I rise today to pay tribute to the town of Genoa, NY, as it celebrates its bicentennial. This historic moment will be celebrated this Saturday, July 1, 1989 in the hamlet of King Ferry.

Genoa is located in southern Cayuga County in my congressional district. I am proud to have been asked to participate in the festivities by the residents.

For those of you who have never traveled in this region, Genoa is your typical small American town where everybody knows each other and everybody is friendly. It is the same type of town which Norman Rockwell brought to life with his pictures for so many years. It is located in the heart of the beautiful Finger Lakes region of upstate New York.

Mr. Speaker, much has changed during the last 200 years, both in Washington and Genoa. But while Washington is struggling to come to grips with an ever increasing violent society, Genoa remains quiet and peaceful. I am looking forward to attending the celebration there this weekend. It should prove to be an enjoyable event for everyone involved.

OUR FLAG: A CHERISHED PIECE OF OUR HISTORY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. WALSH. Mr. Speaker, I disagree with the recent Supreme Court decision to allow the burning of the American flag as an act of political dissent. We are a nation of people who demand respect for our institutions. And just as the Supreme Court is one of those institutions, so, too, is our flag.

Pure and simple; we should not allow that flag, which stands for freedom and equality, to be desecrated for political reasons. When we consider arguments for or against any idea, it is always wise to rely ultimately on common sense.

On an emotional level, the Supreme Court ruling is upsetting. The flag is a cherished piece of our history.

The American people want instinctively to protect the flag, as we would any element of our way of life, from those who want to destroy that way of life.

Let's remember the case that prompted this decision. A man at the 1984 Republican National Convention burned a flag while chanting, "America, the red, white, and blue, we spit on you." He can say those words, because our country protects free speech. But, in my opinion, he can't burn the flag. Then he has gone too far. It's the ultimate insult to every American who has died defending free speech.

PERSONAL EXPLANATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business during rollcall votes No. 96 through No. 107 on June 21, 22, and 23, 1989. Had I been present on the House floor, I would have cast my votes in the following manner:

Roll No. 96: "Yea" on approval of the Journal.

Roll No. 97: "Yea" on House Resolution 179, the rule on the foreign aid bill.

Roll No. 98: "Yea" on the conference report on the urgent supplemental appropriations bill.

Roll No. 99: "Yea" on approval of the Journal.

Roll No. 100: "Yea" on House Resolution 182, clemency for Chinese prodemocracy demonstrators.

Roll No. 101: "No" on the Bereuter amendment to the foreign aid bill.

Roll No. 102: "No" on the Bereuter amendment to the foreign aid bill.

Roll No. 104: "No" on the Lewis amendment to the foreign aid bill.

Roll No. 105: "Aye" on the Kostmayer amendment to the foreign aid bill.

Roll No. 106: "Yea" on approval of the Journal.

Roll No. 107: "Yea" on H.R. 2402, supplemental appropriations for the Department of Veterans' Affairs.

H.R. 2696

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. SMITH of Texas. Mr. Speaker, today this House has an opportunity to greatly advance our research capabilities and re-establish this Nation's leadership role in science as we enter the next century. We are poised to take a giant step forward toward a better understanding of our physical world.

I am referring, to provisions in H.R. 2696, the Energy and Water Appropriations bill, which provide funds for continued work, including the start of construction, on the superconducting super collider. This project will solidify America's lead in high energy physics and reward society with new discoveries and technological advances, some of which are predictable, and others that are unforeseen.

The importance of this project is truly national in scope, as demonstrated by the fact that businesses, scientists and universities throughout the country are gearing up to participate in the construction and operation of the SSC. Under the current budget, for instance, more than $90 million has been earmarked for SSC related research at 35 institutions in 18 States. Additionally, at least 250 companies located in more than 40 States have expressed interest in participating in the project.

This facility will benefit the entire country and ensure that America is not left behind as the world moves further into the science-based, high technology economy of the future.

I appreciate the leadership of the Appropriations Committee on this issue, and I urge all of my colleagues to support the SSC and the energy and water bill.

TRIBUTE TO BAKER, LOUISIANA'S 1988 WINNER OF THE TAKE PRIDE IN AMERICA NATIONAL AWARD

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. BAKER. Mr. Speaker, I am proud to announce that the Charles A. Heine Memorial Park in Baker, LA, recently became a winner in the third annual Take Pride in America national awards program. The national awards program seeks to increase awareness of the need for wise use of the Nation's natural and cultural resources, encourage an attitude of stewardship and responsibility toward our natural resources, and promote voluntarism.

The beautification award was the direct result of the hard work of Betty Fontana, Billeann Riddle, and a host of others who took a strip of unsightly land and made it into a beautiful park complete with trees, flowers, sidewalks, and grass. This beautification project took over 7 years to complete. Clearly, the success of Betty Fontana's efforts demonstrates that private initiative can work in Louisiana and she should be strongly commended for her creativity, organizational ability, and steadfastness.

LIMITING THE LENGTH OF TIME AN INDIVIDUAL MAY BE INCARCERATED FOR CIVIL CONTEMPT IN A CHILD CUSTODY CASE IN THE DISTRICT OF COLUMBIA SUPERIOR COURT

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. McCANDLESS. Mr. Speaker, the legislation before us, H.R. 2136, amends the District of Columbia Code to limit to 12 months the amount of time an individual may be incarcerated for civil contempt of the District of Columbia courts. Incarceration for contempt of court is a method used by courts to force someone to comply with a judicial order. When the person complies with the court order, he or she is set free. Consequently, it is often said that a person in jail for contempt holds the key to the cell in his or her hand.

I am troubled by this legislation. It should be made clear that Congress is acting in response to a specific instance, in a specific case, and on behalf of a specific individual. H.R. 2136 was introduced for the benefit of Dr. Elizabeth Morgan. Dr. Morgan is currently incarcerated as a means of coercing her to comply with a court order to reveal the whereabouts of her daughter. To date, Dr. Morgan has refused, citing her belief that the child's father has sexually abused her. However, Dr. Morgan's allegations have neither been found to be true nor false.

The emotions surrounding Dr. Morgan's case are high, the issues are complex, and the facts are in dispute. The role of the court is to analyze the situation and separate fact from fiction in a fair and objective manner. An error in that process may be appealed to a higher court. As such, I am very reluctant to impose politics into a judicial process, as H.R. 2136 will do.

I have not taken a position on Dr. Morgan's case. I do not know if her allegations against her former husband have merit. I do not know if incarceration will coerce Dr. Morgan into complying with the court order and revealing the whereabouts of her daughter. I do not know if the court will release Dr. Morgan without her compliance with its order. But I do know that these are judicial matters that should be left to our system of justice and to our courts. Consequently, I must oppose H.R. 2136.

TRIBUTE TO ARNOLD MAYER, INTERNATIONAL VICE PRESIDENT AND DIRECTOR OF PUBLIC AFFAIRS, UNITED FOOD AND COMMERCIAL WORKERS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Ms. KAPTUR. Mr. Speaker, I rise to pay tribute to a trusted friend and advocate on behalf of the United Food and Commercial Workers for over 35 years. Since coming to Congress in 1983, I have never hesitated to look to Arnold Mayer for his valuable insight on legislation affecting food and commercial workers in Ohio's Ninth District and throughout our Nation.

Through his courageous leadership spanning three decades, Arnold has been on the front lines of legislative battles for social justice to empower those who previously had no voice or impact at the highest levels of government. Whether for civil rights, farm labor, or boosting the minimum wage, Arnold has never shied from the challenge of speaking out on behalf of those who could not. As such, he has clearly defined himself as his team's most valuable player.

VOL 135 PT 10 JE 23 JL 13 1989 UMI

Surely his friends in labor and Congress will miss his forthright contribution and opinion on the vast array of issues affecting our Nation's work force. While he will now begin to more fully enjoy the fruits of his many years of labor with family and friends, his voice on behalf of so many will continue to echo in the Halls of Congress for many years to come.

FREEDOM OF INFORMATION PUBLIC IMPROVEMENTS ACT OF 1989 INCREASES PUBLIC ACCESS TO GOVERNMENT INFORMATION

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. KLECZKA. Mr. Speaker, I am introducing today the Freedom of Information Public Improvements Act of 1989. This legislation sets a clear agenda for strengthening the Freedom of Information Act [FOIA] by increasing public access to government information.

This measure is similar to the FOIA reform bill (H.R. 3885) I introduced in the 100th Congress with the exception of its clarification of the FOIA status of computer and other electronic records. For the first time in the legislative history of FOIA, government agencies would be directed to treat FOIA requests for records stored in computers and on other electronic media in the same way as those printed on paper.

Up until now, there has been no uniform governmentwide policy on information found on computer disks, tapes or other electronic media. As a result of this lack of standard guidelines, government agencies have responded to these requests with a great deal of latitude, with some agencies rejecting them outright while others provide them in full.

Thus, my legislation breaks new ground in FOIA's New Electronic Frontier by redefining Government records to include "computerized, digitized, and electronic information" and by defining a records search to include "a reasonable amount of computer programming necessary to identify records."

First enacted in 1966 and amended in 1974, FOIA was a landmark in the struggle for a more open government. Over the past 23 years, the public has benefited from FOIA in countless ways, including exposures of wasteful government spending, consumer health risks, and abuses of power by the Central Intelligence Agency and the Federal Bureau of Investigation. The bulk of the requests, though less spectacular, have enabled journalists, scholars and others to build a solid public accounting of government's activities.

Now that FOIA has been in force for over two decades, it seems only appropriate that we evaluate the current law's effectiveness, and devise changes which will make it work better. Overall, I believe that FOIA has fulfilled many of the public information goals Congress intended when it first approved this legislation. However, certain problems of substance and procedure have cropped up.

Most troubling is the fact that many agencies use vaguely worded exemptions in the law to shield data which deserves to be released. The last administration was particularly adept at misusing exemptions; these loopholes must be corrected before they can be further abused.

Procedurally, we have seen serious problems in delays, unfair fees, and confusing and inconsistent regulations. While many agencies make a good faith effort to meet the statutory ten-day deadline, most cases take considerably longer. Fee waivers are not always granted to requesters who deserve them, and, on occasion, billing practices have been used to intimidate those seeking information. Finally, inconsistent FOIA practices among the various agencies have created a unnecessary shroud of confusion around the law, and no doubt many potential requesters are discouraged from using the law at all.

The bill I am introducing today addresses these problems in a number of ways:

Electronic records: The bill requires that electronic records be treated identically to paper records for FOIA purposes by explicitly defining Government records to include "computerized, digitized, and electronic information, regardless of the medium by which it is stored" and by defining a records search to include "a reasonable amount of computer programming necessary to identify records."

Exemptions: The bill revises exemptions to FOIA for national security, internal personnel, and financial institution records. The national security exemption would be revised to express a balance between the security need to protect information and the public need to disclose it. The internal personnel exemption would be eliminated, except for law enforcement manuals that may allow criminals to elude justice. The financial institution exemption, a recent focus of attention by the Government Operations Committee on which I serve, would be sharply tightened to protect only the release of information that would directly injure the financial stability of such an institution.

Standardization and openness in the FOIA process: The bill requires that agencies maintain logs of FOIA requests and responses, organize their recordkeeping systems to promote inexpensive and easy access, and make public any special queueing procedures in processing requests. Also, the bill vests FOIA oversight powers within the Archivist of the United States. This position is the one most likely to provide independent and impartial supervision.

Time delays: The bill establishes a system of financial penalties against agencies failing to comply with legal deadlines, and broadens disciplinary sanctions against employees who deliberately obstruct requests. In addition, the bill would require expedited access procedures when circumstances demand urgent disclosures.

Fee waivers: This bill makes it easier for requesters to qualify for reduced fees by clarifying fee waiver language enacted into law as part of the 1986 Omnibus Anti-Drug bill. It also broadens the categories of those eligible for the reduced fees to include individuals and nonprofit organizations.

I am pleased that my bill enjoys the cosponsorship of Congressman ROBERT E. WISE, JR., chairman of the Government Operations Subcommittee on Information. Under his able leadership, the subcommittee has already held several excellent hearings on government information policy; I look forward to testifying on this legislation before the subcommittee at their FOIA reform hearing on July 11, 1989.

I request unanimous consent to submit for the RECORD the text of the Freedom of Information Public Improvements Act of 1989 and a New York Times article of June 27, 1989 entitled "Computers Challenge Freedom of Information Act" which addresses the need for my new legislation.

[The material follows:]

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom of Information Public Improvements Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Freedom of Information Act has served an essential role in informing the public on the activities of the Federal Government; identifying and deterring Government waste, abuse, wrongdoing, and mismanagement; and disclosing significant information regarding public health and safety, and the environment;

(2) the cost to the Federal Government of compliance with the Freedom of Information Act has been far outweighed by the public benefits resulting from the Act;

(3) executive actions unreasonably limiting the public disclosure of information generated, collected, and maintained by the Federal Government have increased the need for a strong and effective Freedom of Information Act; and

(4) amendments are needed to make the Freedom of Information Act simpler and less expensive for noncommercial interests and news organizations to use, to provide for more meaningful sanctions for its violation, to minimize delays in processing requests under the Act, to discourage misuse of the Act's exemptions by agencies and agency personnel, to eliminate exemptions from the Act that serve no legitimate governmental purpose, to provide for more effective Congressional review of proposed exemptions to the Act, and otherwise to ensure and enhance the effectiveness of the Act.

TITLE I—AMENDMENTS TO THE FREEDOM OF INFORMATION ACT

SEC. 101. RECORDKEEPING REQUIREMENTS.

(a) LOG OF REQUESTS AND RESPONSES.—Section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(7) Each agency shall maintain for public inspection (A) a log of requests received; (B) a current list of pending requests showing the status of progress made toward compliance; and (C) an index of all records disclosed pursuant to this section.".

(b) ACCESS AND RETRIEVAL OF RECORDS.—Section 552 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) Each agency shall organize and maintain its records in a manner which will—

"(1) make records easily accessible for convenient use under this section; and

"(2) minimize the cost and difficulty of identifying and retrieving records under this section.".

SEC. 102. FEES AND WAIVERS.

Section 552(a)(4)(A) of title 5, United States Code, is amended—

(1) in clause (ii)(II), by striking out "or a representative of the news media;" and inserting the following: "a representative of the news media; or a nonprofit organization that intends to make the information available to the news media, to any branch or agency of Federal, State, or local government, or to the public;";

(2) in clause (iii)—

(A) by inserting "(I)" after "if"; and

(B) by inserting before the period at the end thereof the following: "; (II) the information relates to a violation of law, inefficiency, or administrative error by an agency; or (III) the waiver or reduction of the fee is in the public interest because furnishing the information primarily benefits the general public";

(3) by redesignating clause (vii) as clause (viii); and

(4) by inserting after clause (vi) the following:

"(vii) For purposes of clauses (ii) and (iii), the publication, reproduction, resale, or other dissemination of information obtained by any person under this section from an agency is not a commercial use.".

SEC. 103. PENALTIES FOR AGENCY DELAY OR AGENCY FAILURE TO COMPLY.

(a) PAYMENT OF REQUESTER'S EXPENSES.—Section 552(a)(4)(E) of title 5, United States Code is amended by adding at the end thereof the following new sentence: "The court may assess against the United States all out-of-pocket expenses incurred by the requester, and reasonable attorney fees incurred in the administrative process, subsequent to the failure of any agency to comply with the applicable time limit provisions of paragraph (6) of this subsection.".

(b) CIVIL PENALTY FOR DELAY.—Such section is further amended—

(1) by inserting "(i)" after "(E)"; and

(2) by adding at the end thereof the following:

"(ii) An agency not in compliance with the time limits set forth in this subsection shall demonstrate to a court upon motion by a requester in the venue of the requester of the information that the delay is warranted under the circumstances. The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this section in which the Government fails to sustain this burden. In addition, it shall be within the discretion of the court to award the requester an amount not to exceed twenty-five dollars for each day that the agency's response to his request exceeded the time limits set forth in paragraph (6) of this section.".

SEC. 104. SANCTIONS FOR AGENCY FAILURE TO COMPLY.

Paragraph (4)(F) of section 552(a) of title 5, United States Code, is amended to read as follows:

"(F) Whenever the court issues a written finding that circumstances raise questions whether agency personnel acted arbitrarily or capriciously with respect to (i) the withholding, destruction, removal, or alteration of a record that was requested under this section, (ii) an estimate or amount of a fee or the denial of a fee waiver or reduction, or (iii) the denial of a request for expedited access, the Special Counsel shall promptly initiate a proceeding to determine whether disciplinary action is warranted against the officer or employee who was primarily responsible. After investigation and consideration of the evidence submitted, the Special Counsel shall, within six months, submit his findings and recommendations to the head administrative authority of the agency concerned and shall send copies of the findings and recommendations to the officer or employee or his representative, the court, the requester, the Committee on Government Operations of the House of Representatives, and the Committee on the Judiciary of the Senate. The administrative authority shall promptly take the corrective action that the Special Counsel recommends and file a report with each such Committee.".

SEC. 105. EXPEDITED ACCESS.

Paragraph (6) of section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(D) Each agency shall promulgate regulations, pursuant to notice and receipt of public comment, providing that upon receipt of a request for expedited access to records and upon demonstration by the requester of a compelling need for expedited access to records, the agency shall determine within five days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of such a request for expedited access whether to comply with such request and shall immediately notify the person making such request of such determination and the reasons therefor, and of the right of such person to appeal to the head of the agency any adverse determination. A requester whose request for expedited access has not been decided within five days of its receipt by the agency or has been denied shall not be required to exhaust administrative remedies. An agency failing to comply with this time limitation shall be subject to the provisions of section 552(a)(4)(E)(ii).".

SEC. 106. SEPARATE QUEUES FOR PROCESSING REQUESTS.

Paragraph (6) of section 552(a) of title 5, United States Code, is further amended by adding at the end thereof the following new subparagraph:

"(E) Each agency shall include, as part of the regulations implementing this section, pursuant to notice and receipt of public comment, a detailed description of the procedures used in the processing of requests under this section. If a separate queue or a special procedure is used in the processing of some categories of requests, the description shall identify the queue or procedure and shall specify the criteria used for differentiating between requests.".

SEC. 107. REVISION OF EXEMPTIONS.

(a) REVISION OF CLASSIFIED INFORMATION EXEMPTION.—Paragraph (1) of section 552(b) of title 5, United States Code, is amended to read as follows:

"(1) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are—

"(A) in fact properly classified pursuant to such Executive order,

"(B) matters the disclosure of which could reasonably be expected to cause identifiable damage to the national defense or foreign policy interests of the United States, and

"(C) matters in which the need to protect the information outweighs the public interest in disclosure.".

(b) REVISION OF EXEMPTION FOR INTERNAL PERSONNEL RULES AND PRACTICES.—Paragraph (2) of such section is amended to read as follows:

"(2) law enforcement manuals that are predominantly internal in nature to the extent that disclosure significantly risks circumvention of an agency investigation, a regulation or a statute;".

(c) REVISION OF FINANCIAL REPORTS EXEMPTION.—Paragraph (8) of such section is amended to read as follows:

"(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions if disclosure would directly injure the financial stability of an institution; or".

(d) REPORTING ON USE OF STATUTORY EXEMPTIONS UNDER SUBSECTION (b)(3).—Paragraph (1) of section 552(a) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and "; and

"(3) by adding at the end thereof the following new subparagraph:

"(F) a complete list of all statutes that the agency head or general counsel has determined authorize the agency to withhold information under subsection (b)(3) of this section, together with a specific description of the scope of the information covered.".

"(e) REPORTING ON PROPOSED STATUTORY EXEMPTIONS.—Section 552 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) An agency, upon receipt of notification of the introduction of any bill or resolution into the Senate or House of Representatives constituting authority for that agency to withhold information under subsection (b)(3) of this section shall promptly notify the Committee on Government Operations of the House of Representatives and the Committee on the Judiciary of the Senate, unless the agency determines that written notice has otherwise been given to each such Committee.".

SEC. 108. PROHIBITION ON USE OF ACT TO WITHHOLD INFORMATION TO CONCEAL VIOLATIONS OF LAW, INEFFICIENCY, OR ADMINISTRATIVE ERROR.

Section 552(d) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "This section is not authority to withhold information in order to conceal violations of law, inefficiency, or administrative error by an agency.".

SEC. 109. OVERSIGHT OF AGENCY COMPLIANCE.

"(a) IN GENERAL.—Subsection (e) of section 552 of title 5, United States Code, is amended to read as follows:

"(e)(1) The Archivist of the United States shall supervise agency compliance with this section. The Archivist may issue interpretations binding on other agencies pursuant to this section and provide advisory opinions to agencies and requesters.

"(2) On or before December 1 of each calendar year, each agency shall, in accordance with standards promulgated by the Archivist, submit a report covering the preceding fiscal year to the Speaker of the House of Representatives and the President of the Senate for referral to the appropriate committees of the Congress. The report shall include—

"(A) the number of determinations made by such agency not to comply with requests for records made to such agency under subsection (a) and the reasons for each such determination;

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"(B) the number of appeals made by persons under subsection (a)(6), the result of such appeals, and the reason for the action upon each appeal that results in denial of information;

"(C) the names and titles or positions of each person responsible for the denial of records requested under this section, and the number of instances of participation for each;

"(D) the results of each proceeding conducted pursuant to subsection (a)(4)(E), including a report of the disciplinary action taken, or an explanation of why disciplinary action was not taken;

"(E) a copy of every change in any rule made by such agency regarding this section;

"(F) the total amount of fees collected by the agency for making records available under this section;

"(G) the number of fee waivers requested and the number of fee waiver requests granted;

"(H) the number of requests received, processed, and pending at the end of the year;

"(I) the average length of time to comply with a request and with an appeal;

"(J) the number of requests and appeals that were responded to within the time limits specified in this section and the number that were not;

"(K) other information required by the Archivist;

"(L) any other information indicating efforts to administer fully this section; and

"(M) if an agency maintains a separate queue for some categories of requests, a separate statement of the information required by subparagraphs (H), (I), (J), and (K) of this paragraph shall be included with respect to each such queue.

"(3) The Archivist shall submit an annual report on or before December 1 of each calendar year which shall include, for the prior fiscal year, a listing of the number of cases arising under this section, the exemption involved in each case, the disposition of such case, and the cost, fees, and penalties assessed under subsections (a)(4)(E) and (F). Such report shall also include an explanation of the interpretation issued during the preceding year pursuant to paragraph (1) of this subsection and a description of the effort undertaken by the National Archives and Records Administration to encourage agency compliance with this section.".

(b) TIME FOR SUBMISSION OF REPORTS.—Notwithstanding the amendmemt made by subsection (a) of this section, the reports required by section 552(e) of title 5, United States Code—

(1) shall be submitted on March 1, 1990, and shall cover the preceding calendar year; and

(2) shall be submitted on December 1, 1990, and shall cover the period from January 1, 1990, through September 30, 1990.

SEC. 110. DEFINITIONS.

Subsection (f) of section 552 of title 5, United States Code, is amended to read as follows:

"(f) For purposes of this section—

"(1) the term 'agency' includes any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), any independent regulatory agency and includes the Smithsonian Institution, the Council of Economic Advisors, and Administrative Office of the United States Courts;

"(2) the term 'record' includes—

"(A) computerized, digitized, and electronic information, regardless of the medium by which it is stored; and

"(B) an appointment calendar and a telephone log of an officer or employee of an agency unless such calendar or such log is personally maintained by the officer or employee solely for his own use; and

"(3) the term 'search' includes a reasonable amount of computer programming necessary to identify records.".

TITLE II—RECOVERY OF WRONGFULLY REMOVED AGENCY FILES

SEC. 201. PRIVATE CIVIL ACTIONS TO RECOVER AGENCY RECORDS REMOVED IN VIOLATION OF CHAPTER 29 OF TITLE 44, UNITED STATES CODE.

Section 2905 of title 44, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Except as provided in paragraphs (2) and (3), any person may commence a civil action on his own behalf against any person (including the United States and any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in possession of any records removed from an agency in violation of the provisions of this chapter or of standards, procedures, or guidelines promulgated pursuant to such provisions. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the return of any such records or to issue any other orders necessary to obtain compliance with such provisions, standards, procedures, or guidelines.

"(2) No action may be commenced under paragraph (1) prior to sixty days after the plaintiff has given notice of the alleged violation (A) to the Archivist, (B) to the head of the agency from which such records are alleged to have been removed, (C) to the Attorney General, and (D) to the person who is alleged to have custody of such records.

"(3) No action may be commenced under paragraph (1) if, within sixty days after receipt of the notice required by paragraph (2), the Attorney General commences and is diligently prosecuting an action for the recovery of the records to which such notice pertains, but if such an action is instituted the person giving such notice may intervene as a matter of right in such action.

"(4) In any action under this subsection, the Archivist, if not a party, may intervene as a matter of right.

"(5) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney fees) to any party, whenever the court determines such award is appropriate.".

SEC. 202. PRIVATE CIVIL ACTIONS TO RECOVER AGENCY RECORDS REMOVED IN VIOLATION OF CHAPTER 31 OF TITLE 44, UNITED STATES CODE.

Section 3106 of title 44, United States Code, is amended by designating the existing paragraph as subsection (a) and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraphs (2) and (3), any person may commence a civil action on his own behalf against any person (including the United States and any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in possession of any records removed from an agency in violation of the provisions of this chapter or of standards, procedures, or guidelines promulgated pursuant to such provisions. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the return of any such records or to issue any other orders necessary to obtain compliance with such provisions, standards, procedures, or guidelines.

"(2) No action may be commenced under paragraph (1) prior to sixty days after the plaintiff has given notice of the alleged violation (A) to the Archivist, (B) to the head of the agency from which such records are alleged to have been removed, (C) to the Attorney General, and (D) to the person who is alleged to have custody of such records.

"(3) No action may be commenced under paragraph (1) if, within sixty days after receipt of the notice required by paragraph (2), the Attorney General commences and is diligently prosecuting an action for the recovery of the records to which such notice pertains, but if such an action is instituted the person giving such notice may intervene as a matter of right in such action.

"(4) In any action under this subsection, the Archivist, if not a party, may intervene as a matter of right.

"(5) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney fees) to any party, whenever the court determines such award is appropriate.".

[From the New York Times, June 18, 1989]

COMPUTERS CHALLENGE FREEDOM OF INFORMATION ACT

(By John Markoff)

With the Government's continuing shift to storing information in computers, the public faces new obstacles when seeking access to Federal documents, a growing number of legal scholars and lawyers say.

These experts and some public interest groups say the creation of vast storehouses of electronic data is undermining the original intent of the Freedom of Information Act, which does not mention computer records. Their main argument is that a lack of adequate guidelines about computerized information allows Government officials too much latitude in responding to requests for information.

Computerization has even raised disputes about what constitutes a Federal record. That is an issue in a lawsuit three public interest groups brought under the Freedom of Information Act in January. The groups obtained a temporary restraining order that prevented the Bush White House from erasing the Reagan Administration's electronic messages on the computerized mail system used by the White House and the National Security Council. Government attorneys argued that those messages "do not rise" to the level of being Government records.

"NO MAN'S LAND" OF INFORMATION

Alan Westin, a computer expert at Columbia University, says the problem is that the Government's expanded use of computers in the last two decades has leapfrogged laws intended for a world in which all Federal records were on paper. Now with data bases, electronically stored information can be instantaneously sorted and retrieved, or even destroyed, with just a few strokes on a computer keyboard.

"It's as if you've created a great no man's land of information," said Mr. Westin, who has studied whether computer technology has thwarted the information act. "Traditionally, thinking has been in terms of paper environments and without any sophistication about electronic information."

Since the information act became law in 1966, it has been extensively used by reporters, public interest groups and corporations to obtain a wide range of information, including data on polluters, arms sales to foreign governments and the activities of business competitors. A Congressional committee estimates that as many as 500,000 requests are filed each year under the act.

The Freedom of Information Act was last revised significantly in 1974, before agencies moved strongly toward computerization. The Government is now spending an estimated $15 billion a year on computer equipment.

NO EXPLICIT GUIDELINES

There are no explicit legal guidelines that agencies must follow when programming their computers to extract information asked for under the act. Nor are there guidelines on the form in which agencies must release the data. Some legal experts argue that unless issues involving computerized records can be resolved by the courts or by new laws, the lack of guidelines will become a common way for agencies to deny requests.

Several agencies have become concerned about electronic records issues. In May the Department of Justice's Office of Information and Privacy noted in a survey sent to Federal agencies that questions about records on computers "stand as largely unresolved questions of law."

Richard L. Huff, a director of the agency, which sets Government policy on Freedom of Information and privacy issues, said: "The interesting questions deal with whether you have to do computer programming to search for information. The concern is how much the Federal Government should spend on programmers."

ACTION IN CONGRESS

Congress, meanwhile, is beginning to act on issues involving computerized information. Last month, Representative Bob Wise, Democrat of West Virginia, introduced a bill that would extend the Freedom of Information Act into electronic areas and create a more uniform Federal policy.

The gray area of computer information has raised thorny questions in several recent cases, including the one involving the White House's computerized mail system.

The system helped Congressional investigators to reconstruct the events that led to the Iran-contra scandal. But the White House decided not to save the messages, stored on computer tapes, either for the Reagan Presidential library or as records at the National Archives.

The White House took the position that executive staff members must print out any significant documents and that only those paper documents were to be considered records. The case is still before a Federal District Court in Washington.

5,000-PAGE C.I.A. PRINTOUT

Another concern is that officials might undermine the intent of the information act by releasing huge volumes of paper records, effectively hiding information that could be instantly found if the records were released in the form of computer files.

Last year, for example, the National Security Archives, a Washington research library, requested an index of previously released records of the Central Intelligence Agency. In complying with the request, the agency gave the archives a 3-and-a-half-foot-high, 5,000-page computer printout with the records arranged by date of release.

The library filed an appeal, arguing that the information was less useful than if it had been made available on computer tape or disk. But last July a Federal judge supported the C.I.A.'s position that the information was in "reasonably accessible form."

In another recent case, an academic researcher filed a request with the Federal Reserve Board to obtain the software it uses to monitor the nation's money supply, aiding in decisions on when to inject money into the economy. The request was denied on the ground that the software represents the board's internal deliberative process and is thus exempt from disclosure. An appeal has been filed.

NEED FOR CHANGE DEBATED

Whether the Freedom of Information Act must be overhauled has become the subject of growing debate among lawyers and public interest groups.

Many people with experience in litigation under the act argue that it was written so broadly that it does not require revision. These people contend that courts have generally supported liberal interpretations of the law in the face of attempts by Federal agencies to restrict access. And they express concern that tampering with the original act will reduce access.

But a growing number of lawyers and public interest representatives say the shift to computers has created challenges never considered by those who wrote the act and revised it.

"The original F.O.I.A. statute was not drafted with new technologies in mind," said David Johnson, a Washington attorney who specializes in computer law at Wilner, Cutler, Pickering. "This is true with a large number of statutes. Developing technology places pressure on unexpected portions of the law and requires that the courts interpret the statutes."

Mr. Johnson noted that advances in the technology used in wiretapping and electronic surveillance created a similar situation and ultimately led to the Electronic Communications Privacy Act of 1986, which extended the scope of previous privacy statutes.

The information act requires Federal agencies to make a "reasonable effort" to comply with the public's requests for information, except in areas that might compromise national security or infringe on individuals' privacy. At the heart of the dispute is how the computerization of records may have subtly changed the definition of what is a reasonable search.

It is now possible to do with several keystrokes what would have once taken months or years of manual sorting and searching through files. Current case law as applied to paper information, however, establishes that it is not necessary for agencies to create new records in meeting requests.

ROLE OF PROGRAMMING

In responding to requests for information, some agencies have held that if computer programming is required, the result constitutes a new record. Since the creation of new records is not required under the law, programming would not be either, if this position is upheld.

The Congressional Office of Technology Assessment, in a study on Government dissemination of information in the computer age, stated that electronic information had raised a number of fundamental questions about the basic purposes of the act.

Jerry Berman, director of the American Civil Liberties Union's information technology project, has suggested that an "electronic freedom of information act" may be needed.

"We have to make the Government focus on this," Mr. Berman said. "A policy is needed where electronic information is mandated as part of the dissemination of information, and we need to view technology in general as a means for making Government more accessible to citizens."

KILDEE PAYS TRIBUTE TO VIRGIL SMITH

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to Mr. Virgil Smith, the oldest member of the Smith family, and its strongest link to its honorable past. Born to Lucenda and William Yancy Smith in Wesson, MS, on November 5, 1900, Mr. Smith has led an active and productive life.

He has been employed by a wide range of businesses, from an iron foundry to a railroad, until his retirement in 1966 from the Liberty Cash Wholesale Company of Memphis, TN. Leading a religious life as dedicated as his working career is diverse, Mr. Smith joined St. Paul AME at an early age. He is currently a member in good standing with Shilow Missionary Baptist Church in Memphis, TN.

As members of the Smith family gather in the approaching days for a family reunion, they will be celebrating the love and devotion that has held their family together for years. Nowhere is that love more evident than in Mr. Virgil Smith's own life. His love spans lines of heritage to include not only his wife Mary and son Rivers Mangum, but also his foster son Walter Gordon.

The Smith family will honor Virgil Smith on July 2 at a dinner at Vernon Chapel AME in Flint, MI. Mr. Speaker, I ask that we join in that tribute to Mr. Smith who, for his relatives as well as for each of us, represents 89 years of a boundless family spirit. It is my honor today to draw our Nation's attention to Mr. Smith's long life, so that we may take note on his achievements and be strengthened by them.

H.R. 536—TO ALLOW CLAIMS AGAINST THE UNITED STATES FOR DAMAGES ARISING FROM CERTAIN NEGLIGENT MEDICAL CARE PROVIDED MEMBERS OF THE ARMED SERVICES

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. BLILEY. Mr. Speaker, I stand today in support of H.R. 536, legislation which is long

overdue. This bill allows American servicemen and women and their families to enjoy the same privileges enjoyed by all U.S. citizens, the right to take part in our judicial system in medical malpractice. This will restore justice yet maintain military discipline.

Unfortunately, this legislation will not protect those who have already been subjected to the pain and frustration of injury to themselves or the tragic death of a family member. My constituents, Mr. and Mrs. James B. Friend, have experienced this kind of anguish as their son, Seaman James B. Friend III, died 2 years ago while in Navy training.

James Friend had answered the call to duty in the U.S. Navy as a proud and energetic example of the commitment of the American youth. While he was stationed in San Diego, he received a citation as the most outstanding of his company. He was an exemplary recruit. He would have made this Nation proud yet he never had an opportunity to receive this award, nor did he have a chance to prove his commitment to this country. Tragically, 2 days before his graduation, while completing his last run, he suffered a heat-exertion injury. Only 7 days later, he had died.

A serious complication to a heat-exertion injury is the sickle cell trait which James Friend carried. This condition was noted in his medical profile yet his training was not altered or modified in any way to compensate. The emergency room corpsman was not notified of the condition. While James Friend was in the hospital struggling to survive, his family was given a nonprocedural oral briefing on his medical status. In noncompliance with Naval medical policy, James' doctors interpreted the Friends' remarks as a "do not resuscitate" order. The attending physician, without the expressed consent of the family, made the decision to discontinue all lab work and the use of blood products. Under these circumstances, this simply leads a patient to bleed to death.

This legislation will prevent further needless deaths. Let us not allow others to experience the grief and anxiety that has so agonized Mr. and Mrs. Friend. It is our Nation's armed service men and women who are committed to protect our soil and interests and provide for our national defense. We must not deprive them of the ability to pursue the same judicial process in the face of medical malpractice that is enjoyed by the United States. Mr. Speaker, I urge support of this sensible legislation.

MINIMUM WAGE PROPOSAL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. MAZZOLI. Mr. Speaker, the Federal minimum wage has been at $3.35 per hour since 1981. The purchasing power of the minimum wage has eroded over these years. This unfortunate situation needs to be corrected. The minimum wage needs to be raised.

Because recent efforts to raise the minimum wage collapsed in partisanship and vetoes, it will take a bipartisan, administration-congressional effort to succeed in raising the minimum wage.

To start this process, I have sponsored legislation to raise the minimum wage to $4.25 over 2 years and to establish a temporary training wage for new hires. Another measure I have cosponsored, H.R. 2543, would increase the minimum wage to $4.25 over a 3-year period and expand and increase the earned income tax credit [EITC].

I have every hope that a compromise, bipartisan minimum wage proposal will be passed into law before the year's end.

Congress should also move on other fronts to help the working poor. For example, the targeted jobs tax credit [TJTC], which expires December 31, 1989, should be extended. The TJTC is a cost-effective method of providing jobs to the unemployed, especially the young person lacking experience and job skills and the older displaced worker who needs to be trained for a new job. A measure I have sponsored would extend the TJTC for 3 years.

Finally, any comprehensive approach to assisting the working people of America must address the need for quality, affordable day care services. I am pleased that the House Education and Labor Committee is now working on legislation in response to that need.

Mr. Speaker, my colleagues in the House and Senate have an opportunity we cannot, in conscience, reject to develop an effective legislative package to address the problems of America's working poor.

PINE BEETLE INFESTATION—A REASON FOR RESTRAINT, NOT EXCUSE FOR CLEARCUTTING

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. BRYANT. Mr. Speaker, an alarming increase of southern pine beetle infestations in east Texas points up the need for restraining the practice of clearcutting and the consequent establishment of pine plantations in our National Forests—restraint that would be imposed by enactment of the Clearcutting Restraint Act of 1989. The legislation is now cosponsored by 13 of my colleagues.

One of the disadvantages that follows clearcutting and other forms of even aged management, which lead to planting of a single variety of tree, is the susceptibility of the new trees to insects.

Yet the U.S. Forest Service actually uses such infestations as an excuse to clearcut and plant in the single variety that is most susceptible to infestation.

A general rule of ecology is that when plants or animals of one species are crowded more closely together, as in a tree plantation, they become more susceptible to insects and disease. And today, insects and disease are plaguing many of our National Forests from coast to coast in the wake of the clearcutting and monoculture planting practices that have been in effect since 1964.

H.R. 2406 would help lessen the incidence of pine beetle epidemics and other damages to our forests. The bill would not only limit clearcutting, but also require the Forest Service to maintain the mixture of species that naturally existed without the influence of humans.

My bill would allow the Forest Service to continue logging commercial timber, but the agency would be compelled to shift from even age to selection management—the felling of trees here and there throughout the areas where logging is allowed. This system keeps the forest diverse and thinned and therefore more resistant to beetles.

Selection management leaves a perpetual canopy of tall trees, as well as younger, smaller ones.

In contrast, the ongoing even age management system allows the cutting of all commercial trees in a stand, levels all remaining vegetation of all species in the area, and replaces diversity with only one species.

These one species, even aged stands then are easy targets for the diseases and insects—like the pine beetle in east Texas—that pray upon them.

Under the existing system, the Forest Service response to a pine beetle infestation, as noted in a recent article from the Dallas Times Herald, is clearcutting the infested area and selling the logs. Healthy pines as well as infested ones are cut and sold, thereby flooding the market with cheap timber.

The result is not just an endless cycle of infestation, but also a glut on the market which substantially reduces the price of trees raised by small landowners.

To await a better price, private, nonindustrial timber growers often are compelled to delay their own timber sales. Private growers, who, for financial or other reasons, must proceed with a sale during a beetle epidemic, may suffer a price drop of 50 percent or more.

Southern pine beetles are killing our forests from the Carolinas to Texas in ever worsening epidemics. They particularly ravage even age stands with a density of 100 square feet of basal area per acre, as in loblolly and shortleaf pine plantations.

In 1966, a core team of Forest Service experts recommended a change in management methods to lower densities of pine and leave more hardwoods in the largely pine stands, as would be the case in selection management—"Long Term-Strategies and Research Needs for Managing Southern Forests to Reduce Southern Pine Beetle Impacts, USFS, 1986." The selection system maintains 60 to 90 square feet of basal area, far more resistant to southern pine beetles.

The Forest Service, however, is so entrenched in its even age system that it has ignored the recommendations of its own experts, thereby inviting and intensifying more costly epidemics of southern pine beetles.

If Congress enacts H.R. 2406, the Forest Service will have to reduce its clearcuts and single species monocultures in favor of more regeneration of diverse and healthy natural stands.

I urge my colleagues to consider this matter and join me in the effort to preserve what we can of our National Forests.

[From the Dallas Times Herald, June 26, 1989]

EAST TEXAS BRACES FOR BEETLE EPIDEMIC

(By Jim Morris)

DAVY CROCKETT NATIONAL FOREST.—The Southern pine beetle is on a rampage again,

chewing its way through the East Texas forests.

By late last week, the voracious black flying insects, no larger than grains of rice, had infested more than 1,200 sites in Texas' four national forests and were spreading rapidly.

U.S. Forest Service officials are bracing for a possible epidemic, perhaps as serious as the last one, in 1982-85. Twenty-five thousand acres of timber had to be cut during that outbreak, which affected more than 6,000 sites.

"What we have right now is a very intense building of beetle populations," said Mike Lannan, national forest supervisor in Lufkin. "It looks like it will be a very serious, long-range infestation."

Besides killing stately pines, the infestation has driven down the price of timber in East Texas and prompted increased cutting of healthy trees, a practice that angers environmentalists but that the forest service defends as necessary.

The Davy Crockett, west of Lufkin, is the hardest-hit of the national forests. Officials have found about 600 beetle spots here, from one to five acres each. They hope that cutting diseased trees and others near them will keep the bugs from advancing.

But unless there is a stretch of hot, dry weather, which the beetles don't like, they probably will continue their wholesale killing of loblolly and shortleaf pines, some of which are 100 years old and at lest 100 feet tall. Officials are especially worried about a 4,200-acres section of the Davy Crockett struck by a tornado June 7. Southern pine beetles thrive on older, weakened trees, and there are plenty in the storm-damaged area.

The beetles are always present in Southern forests but periodically go on a feeding frenzy. They kill more trees in the South than forest fires do.

Females lay eggs in a tree's inner bark, the eggs hatch and the larvae feed on the bark, ultimately killing the tree. In the summer, the pine needles turn from dark green to light green to yellow to brown, and the tree dies. Trees attacked in the winter may retain their normal color, but the outcome is no less deadly.

Orland Olsen Jr., chief ranger for the Davy Crockett's Neches district, traces this year's outbreak to the East Texas droughts of 1987 and 1988. The forests near Lufkin had a rainfall deficit of 32 inches during those years, Olsen said, and the trees were badly weakened.

Apart from the trees killed by beetles, healthy trees in the infested areas are being felled by the forest service, creating buffer zones designed to keep the bugs from spreading. The cut trees are either removed and sold or left on the ground.

Officials are testing a promising but experimental control technique at some sites. Verbenone, a synthetic liquid similar to a substance the male beetle excretes to let other males know a tree is "occupied," is being applied to some trees. But it's too soon to tell whether this method will reduce the need for cutting.

Clear-cutting—the leveling of stands of trees—because of the beetle outbreak already has depressed timber prices and probably will continue to do so as the summer wears on. Lower prices reduce forest service revenue and hurt the 12 East Texas counties that receive 25 percent of the proceeds from timber cut in the national forests and use the money for schools, roads and bridges. Private sellers of timber in the region may suffer as well if the market becomes flooded with trees and prices plunge.

Clear-cutting, a technique used to regenerate forests even when there are no serious infestations, also infuriates environmentalists. They favor what is known as selection management—the practice of culling individual trees from a stand based on the tree's age, size, condition and spacing.

Advocates say selection management preserves the forest's diversity of plant species, making it more resistant to insects and disease, more accommodating to wildlife and more attractive to hikers and campers. The forest service, however, maintains that clear-cutting is the most cost-effective and least intrusive method of ensuring an ample timber supply.

Dave Oates, of the forest service in Lufkin, concedes that clear-cut areas "don't necessarily look like rose gardens," but said selection management is more expensive and time-consuming.

"People have not been willing to spend the money and accept all the other tradeoffs" associated with selection management, Oates said.

But Dan Clair, a pest management specialist with the Texas Department of Agriculture, said that while selection management may be more expensive and bothersome initially, it more than pays for itself when a beetle outbreak occurs.

"If you're talking about these other problems down the road, you've got to consider that, too, as a cost," Clair said. "They're not adding all this beetle control as a cost of clear-cut management."

Clair likens the selective harvesting of trees to rotating crops—say, growing corn one year and beans the next—and says that clear-cutting is like growing the same crop year after year. Crop rotation—or selection management—keeps a particular species of pest, like the Southern pine beetle, from proliferating because the food source keeps changing, Clair said.

The selection-management forces persuaded a Tyler federal judge last year to stop the forest service from clear-cutting stands of old pines that serve as habitat for the endangered red-cockaded woodpecker. Now, says Ned Fritz, a Dallas environmentalist involved in the lawsuit, the forest service is using the pine beetle as an excuse to resume widespread clear-cutting in the state's national forests.

KILDEE HONORS CHIEF SAMUEL DIXON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. KILDEE. Mr. Speaker, I rise today to urge my colleagues in the U.S. House of Representatives to join me in honoring an outstanding public servant, a man who has tirelessly given of himself, the retiring Fire Chief of Flint, MI, Samuel Dixon. Chief Dixon will be honored at a testimonial dinner on June 30, 1989.

Chief Dixon is retiring after serving the Detroit and Flint communities 38 years in various firefighting positions. Chief Dixon began his career in 1951 as a Detroit firefighter after graduating from Detroit's Miller High School. The chief distinguished himself by his actions in the line of duty as well as his pursuit of an education. Chief Dixon completed an associate degree in accounting from the Detroit Institute of Commerce. From there he pursued, and received a bachelor of science degree in management from the Detroit College of Business. Chief Dixon further distinguished himself by receiving a fellowship from the National Fire Academy as well as graduating from the executive officer program at the same institution.

While pursuing his education, Chief Dixon became active in professional firefighting organizations. As a member of the International Association of Fire Chiefs, Chief Dixon served on a study committee of the executive officer members which studied firefighting services in Japan, China, and Korea. Chief Dixon also traveled to Europe in 1987 to study European firefighting methods.

Another indication of Chief Dixon's commitment to his community has been his involvement in civic and charitable organizations in my hometown of Flint. The combination of professional excellence and civic commitment have made Chief Dixon a truly remarkable individual. He has shown exemplary leadership in guiding the Flint Fire Department on its mission to provide fire prevention and protection services to the citizens of Flint.

Mr. Speaker, it is indeed an honor and a pleasure for me to recognize Chief Samuel Dixon for his efforts on behalf of the citizens of Flint. While Chief Dixon is retiring, I know he is now entering a new phase of his life, a new set of challenges to conquer and new horizons. I have no doubt that Chief Dixon will meet those challenges and will excel in whatever he pursues. His dedication to protecting the public he served will be a lasting legacy in his honor. I know the entire U.S. House of Representatives joins me in paying tribute to this dedicated public servant and wishing him continued success in his retirement.

TRIBUTE TO MR. JOSEPH L. STATUM

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, today I would like to congratulate an honorable man from Oxford, OH. This man who deserves such recognition is Mr. Joseph L. Statum. Mr. Statum has served as Oxford's chief of police for 25 years and on this day, June 30, 1989, Mr. Statum is retiring from his service.

Joseph Statum outstandingly has served his community and country. He is typical of today's local police force, who has given life and limb in the front line of today's society to insure the physical safety and the peaceful assurance of a safe community.

Joseph Statum in his dedicated and unselfish service to the community of Oxford, OH, deserves to be highly commended and admired. Throughout the years, he has served his profession in a distinguished and honorable manner. He has used his time and expertise to the betterment of Oxford and for the protection of the people and preservation of law and order.

Oxford, OH, has been a safer place with Joseph Statum as her chief of police. His leadership has been recognized among all community members and is highly respected. I join today along with his family, associates and the community of Oxford to congratulate and honor my friend Joseph Statum for 25 yeas of dedicated service.

EXPENDITURE TARGETS ARE A RISK TO THE ELDERLY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mrs. MORELLA. Mr. Speaker, I rise to express my concern about the proposal to establish expenditure targets for payments to physicians under Medicare. The goal of these targets would be to restrict the volume of services provided by physicians by capping the total Medicare payments to physicians.

This expenditure target proposal may seem sound when viewed only as a deficit reduction measure. However, we cannot afford to overlook the human impact of this provision. If enacted, expendiure targets could endanger the health of the elderly who may be denied proper and thorough medical treatment due to the economic restraints placed on our Nation's physicians. These targets have been tried in other countries and have led to long waits for necessary consultations with specialists and painful delays for necessary surgery. The Congress has a commitment to ensure adequate medical treatment for this vulnerable group, our Medicare beneficiaries. The enactment of expenditure targets appears to conflict with this commitment.

The physician payment review commission has made several suggestions for reducing the costs of medical care without imposing expenditure targets. Some of these suggestions include effectiveness research, practice parameters, more comprehensive utilization and quality review. These measures can play a significant role in limiting the volume of medical services that Medicare must reimburse. Educational programs aimed at the target population and reform of the tort system will also play a vital role in reducing demand for, and costs of, medical care. I believe that these options should be further explored before we impose rigid budget restrictions on the medical community.

We must not walk away from the commitments which we have made to the elderly. It is not health care itself, but rather the rationing of care, that this country cannot afford. This is a nation that can, and should, provide quality health care for its citizens.

A TRIBUTE TO CAPT. HARRY MASTERSON

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. COURTER. Mr. Speaker, today I would like to recognize the outstanding achievements, strong commitment, and esteemed leadership of Capt. Harry Masterson. Captain Masterson will soon be retiring from the township of Ewing Police Department after serving as a distinguished member for over three decades.

Captain Masterson, a model citizen and a community leader, founded the Ewing Lou Gehrig Baseball League; served as president of the Fraternal Order of Police; chairman of the Ewing Patriotic Committee; and is currently the president of the Mercer County Chapter of the Sunshine Foundation.

Captain Masterson has not only served his township and State, but his country as well. He served in the U.S. Army from 1943 to 1946 in the European theater.

I wish to extend my sincere wishes to Captain Masterson for a rewarding, healthy, and enjoyable retirement.

HONORING ALICE PRICE FOR HER 37 YEARS OF CARE AND COMPASSION

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. YOUNG of Florida. Mr. Speaker, I take this time today to honor Alice Price, a member of my staff, who in 37 years of service to the Congress has helped solve the problems of thousands of individuals.

Serving as a caseworker can be a difficult job because often people come to their Congressman when they have exhausted all other avenues available to them. It is also one of the most satisfying jobs because everyday a caseworker helps solve someone's problem.

There is no better caseworker in the Congress than Alice Price and I am proud to say that we have worked together the entire 19 years that I have served in the House. No challenge was ever too great for Alice and in many cases, she helped people out when Government agencies or other officials said there was nothing that could be done for them.

Alice brought to work everyday the essential qualities of compassion and understanding. She was able to console the family of a soldier who died in training, she helped a little girl from Mexico came to the United States for surgery to save her eyesight, she was able to replace the lost or destroyed medals of a proud veteran, and she located an American student studying in China during the terrible events of the last few weeks. Every call or letter requesting help was a personal challenge to Alice.

Although I am sad that Alice will be retiring at the end of this week, I am happy that she leaves us with so many happy memories of the people she has helped over the years. As Members elected to serve the people in the House of Representatives, we receive the credit when someone has been helped. Today, however, I want to represent the thousands of people of Pinellas County, FL, Alice Price has helped by saying thank you for your care and understanding of their needs and problems.

Mr. Speaker, Alice Price can take pride in her dedication to a lifelong career of helping people and we could no doubt fill this Chamber many times over with individuals and families whose lives were made just a little bit better or easier with her assistance. Although we will miss Alice, we want to wish her all the happiness in her retirement years and hope that in between spending more time with her children, grandchildren, and friends that she is able to reflect with satisfaction on a job well done.

BATTLE OF KOSOVO REMEMBERED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. GEKAS. Mr. Speaker, today marks the 600th anniversary of the Battle of Kosovo where the Turks overpowered and defeated the Serbian Army in 1389. Although this great loss resulted in 500 years of Turkish rule over the Serbian nation, Americans of Serbian descent annually celebrate this occasion not because their ancestors were defeated and their homeland pillaged by the Turks, but because the Serbian people endured this time of hardship without losing their religious faith of their heritage and traditions.

The Turkish drive to conquer Europe began in the early 1300's. By 1371, their campaign led them to the banks of the Maritsa River where they soundly defeated the Serbians led by King Mrnyavchevick. Despite this disastrous setback, the Serbians continued to resist their aggressors until the Battle of Kosovo in 1389. The defeat of the Serbians at Kosovo led to their incorporation into the Ottoman Empire for nearly 500 years.

Subjected to the cruel and brutal treatment of the Ottoman Turks throughout this long period of time, the Serbians endured these hardships and remained united generation after generation with the memory of their defeat at Kosovo. The memory of this defeat inspired the Serbian people to face and overcome these tremendous odds in the name of freedom. As the Ottoman Empire gradually faded away in the late 1800's, the Serbs were given the opportunity to regain their autonomy and eventually their independence in 1882. With the end of World War I, the Serbians led the way to establishing a nation state which would incorporate themselves, the Croatians and the Slovenians. This newly created state would become the kingdom of Yugoslavia.

With the Communist invasion of Yugoslavia in 1945, the newly empowered regime banned the celebration of the Battle of Kosovo in an attempt to destroy the heritage and unity of the Serbian people. Over the course of their amazing history, the Serbian people have certainly demonstrated their capacity to cope with extreme hardship and adversity. Their celebration of this defeat and the subsequent brutality of the Turks embodies the very endurance and determination of the Serbian people. Therefore, it is with pride, Mr. Speaker, that I invite my colleagues in the U.S. House of Representatives to join me and the

Serbian people of my district as well as the entire Nation in commemorating this great battle and the ongoing struggle of the Serbian people.

SWEDENIZATION OF AMERICA

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, with the Senate having passed the act for better child care last week and the House poised to pass similar legislation, I feel it is important that we look at the example of Sweden.

Columnist Pat Buchanan, in today's Washington Times, points out that because of Sweden's high tax, Government-planned economy, which includes a state-run child care system, they are depopulating the country at a very high rate. Buchanan attributes this loss of population directly to the inner workings of the Swedish child care system. He also points out something that all Members of the House ought to be contemplating as we debate this legislation: We must realize that although the price tag of the ABC bill is relatively modest now, it is nonetheless a new Government entitlement program. We should all realize that these programs eventually always turn into huge spending monsters that rear their ugly head out of spending control.

Mr. Speaker, I urge my colleagues to read the Buchanan article. The lesson of Sweden is one that we should all take to heart.

The article follows:

SWEDENIZATION OF AMERICA

(By Patrick Buchanan)

When the income of a man or a woman in Sweden reaches $46,000, the state takes 80 percent of the rest. Taxes now consume 56 percent of gross national product, making Sweden the most highly taxed society on earth.

Behind these horrendous rates lies ideology. Socialist Sweden wants to make it impossible for a man to support a large family through his own labor. If Swedes want to become middle class, the mother is forced to work. Hence, 90 percent of Swedish mothers are working, consistent with feminist ideology and the "corporate family" strategy of the Swedish state. In Stockholm, the ideal is for all children to be reared in day-care centers, along guidelines crafted by the social planners.

"Leftist American intellectuals," writes Elizabeth Ruppert, a former journalist and educator who used to be one, "have been fascinated by the Swedish social model. Sweden is the home of a kinder, gentler socialism—no gulag, no KGB, no nomenklatura, no purges; just happy Nordic workers busily building a brave new centrally planned, state-managed Great Society."

But all is not well in the Brave New World. Because of the "difficulties with child care," writes social critic Monica Boethius, "young Swedish families are . . . having fewer and fewer children. The birth rate has been dropping. . . . [T]he last 10 years, Sweden has been the country in the West with the lowest birth rate of them all; only 1.3 children per fertile woman (2.1 would be necessary to sustain zero population growth). . . . It is simply too complciated and too expensive to have children or at least to have more than one!"

Socialist Sweden is depopulating herself; in two generations, she will be a shadow of the nation she once was.

"All of this seems fine to certain American academcis and social scientists with a bias against capitalism and nuclear families," writes Mrs. Ruppert, who worked in the Great Society. "It is what they would like America to look like, and they are at work to produce that kind of social structure, through a whole agenda of 'work and family' legislative proposals. The keystone to this edifice is the Act For Better Child Care Services."

The "ABC bill," which passed the Senate last week, is the thin edge of the wedge to bring about the Swedenization of America.

It "starts small at $1.7 billion," notes The Wall Street Journal, but, it "gets the camel's nose under the tent by funding the interest groups, the bureaucracies and the voting constituencies that will clamor for ever-higher spending. It will grow like Medicare . . . an eternal entitlement will have been born."

What is wrong with ABC?

First, we cannot afford it. A government running a $130 billion deficit has no business launching new social programs.

Second, ABC points America in the wrong direction, the Swedish direction. We have already had our domestic Vietnam, the Great Society. Why, after the "povertician," social planners, consultants and bureaucrats made a shambles of America's cities, creating a permanent underclass of America's black poor, would we entrust this crowd with the next generation of American children?

The nuclear family remains America's bedrock institution. While it has taken a battering, government should not write it off, nor join the socialist assault. Ambition and need may have taken half of American mothers into the work force, but the best decisions, and the final decision, as to how and where children should be reared, should be left with parents themselves.

Government should support, not direct, that decision. Tax credits and vouchers, which sustain freedom of choice, are the way to go.

Let Sweden force women to work. In the United States, we should support a woman's free decision, even if, and especially if, it is to stay home. As President Richard M. Nixon wrote in his veto of the Child Development Bill of 1971, "the vast authority of the national government" ought not be put on "the side of communal approaches to childrearing over against the family-centered approach."

After that defeat, the social planners did not retire, they went back to the drawing board, determined to use local models to convince Congress, one day, to get all America's children into day care, and parents and churches out. In one plan, by the 21st century, pregnant mothers, in the third trimester, would register unborn children with a day-care center, which would then have "visitation rights" for three years. At 3, the child would enter day care full time; and, at 6, public school, followed by after-school care. Parents would be displaced, become superfluous.

The Fairfax County (Va.) School-age Child Care Program, an experimental model, is already operating, Mrs. Ruppert writes. "Children's Defense Fund, federal, state and local government agencies, industry and government unions as well as corporations are linked into one monopolistic structure." It is a veritable shadow government, with coercive power and public funds, answerable to no one—a replica of what is to come.

A century ago, Alexis de Tocqueville said that if America's freedoms were ever lost, it would be to a "servitude of the regular, quiet and gentle kind," a final Swedish whimper for the Home of the Brave.

If a conservative blocking force will form up in both houses, to sustain Mr. Bush's veto, we can keep the bureaucrats' hands off the children, and prevent the Swedenization of America for another generation.

WORKING FOR PEACE

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. SMITH of Florida. Mr. Speaker, a cease-fire has taken hold in the Angolan civil war, promising an end to 14 years of bloodshed and violence that has resulted in untold suffering.

Now is the time for talking peace between the Government of Angola and the National Union for the Total Independence of Angola [UNITA]. Presiding over those talks will be President Mobutu Sese Seko of Zaire, who has been selected for that responsibility by his fellow African leaders because of his role in bringing together the two factions.

President Mobutu convened a summit late last week of 18 African leaders at Gbadolite, Zaire, to deal with the Angolan war. He also was able to bring together President Jose Eduardo dos Santos of Angola and Jonas Savimibi, leader of the UNITA for their first face-to-face meeting. With a handshake, the two antagonists sealed the cease-fire agreement, which Savimibi called a new beginning.

President Mobutu, who is one of America's oldest and most reliable friends in Africa, arrives today in Washington for the first official visit to President Bush by an African head of state.

Long a supporter of United States policies opposing the Cuban-backed Marxists in neighboring Angola, President Mobutu is to be commended for his leadership in ending the bloody civil war.

He has also been helpful in supporting other U.S. policy goals. Earlier this year he worked effectively behind the scenes to lobby other African leaders to oppose PLO membership in the World Health Organization. He showed courage in being the first African leader to reestablish formal diplomatic relations with Israel in 1982, and enjoys close ties with Israel in the fields of development, health care, and agriculture despite pressure from the Arab states.

Mr. Speaker, I rise to welcome President Mobutu to Washington and commend him for his leadership in ending the civil war in Angola and for being a friend of the United States.

TALL TALES IN THE CITY OF SKYSCRAPERS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. LAFALCE. Mr. Speaker, after 8 years of voodoo economics, all the data points to what a lot of Democrats and others were saying in the first place—supply side economics just cannot work.

The Journal of Commerce, Tuesday, in an insightful editorial explains the fallacies of economic data cited in the editorial pages of the Wall Street Journal.

Unfortunately, the Wall Street Journal committed itself to the philosophy of supply side economics in a rush of support for lower taxes no matter what the effect on the economy. Now, that influential newspaper has been unable to admit it was wrong in the face of irrefutable economic data.

I insert the text of this valuable Journal of Commerce analysis into the RECORD at this point.

[From the Journal of Commerce, June 27, 1989]

TALES OF INVESTMENT

The Wall Street Journal has a problem. After a decade of preaching that lower taxes are the key to inducing higher private investment, the evangel of supplyside economic policy can't allow poor results to shake its faith. In a remarkable editorial last Friday, it finally offered the offical supply-side explanation of why the statistics on investment were so unimpressive through the Reagan years: The statistics are incorrect.

The newspaper's argument deserves close analysis, because it is the first chapter in the revisionist history of the 1980s. If the Wall Street Journal is right, the "doom and gloom oracles" who warn that budget deficits are diverting savings from productive investment, endangering future living standards, must be wrong. The Reagan administration's policy of cutting taxes without cutting spending becomes benign, or even beneficial. Higher taxes would be harmful. Worries that future generations will live more poorly than their parents are just so much hot air.

The puzzle supply siders must solve is this: If supply-side policies have been so successful, why does private domestic investment account for a smaller proportion of the nation's total output in the 1980s than it did in the troubled and turbulent high-tax 1970s?

The first reason, The Wall Street Journal contends, is that the government's statistics are "slapdash" in defining investment. The data collectors label education as a consumption expenditure while calling a corporate airplane investment; a privately owned car is "consumption" no matter how much it is used for business, while a corporate car is "investment." The objection is true, but hardly enlightening. The government's definitions of "investment" and "consumption" haven't changed much over the years, so the definitional problems have always been around. They don't explain why net private domestic investment tumbled from 8.3% in 1978 to 5.3% in 1988.

The second supply-side explanation is that net investment is the wrong number to look at. The net investment figures, we are told, are way off base because of difficulties in figuring out how much of the new investment simply replaces worn out capital and how much represents an addition to the capital stock. Gross investment, by this reckoning, is a more accurate way of evaluating investment performance.

The argument about the superiority of gross to net investment figures was discussed earlier this year in the final report of President Reagan's Council of Economic Advisers. Mr. Reagan's economists, after examining the statisticians' procedures for measuring the decay of existing capital stock in great detail, were able to conclude only that "part of the trend in net investment may be related to problems in measuring depreciation." Even if that guess proves to be correct, focusing on gross rather than net investment offers little comfort to the adherents of supply-side doctrine. Gross private domestic investment was 15.6% of the Gross National Product in 1976, 17.2% in 1977, 18% in 1978. The figures of a decade later—15.7% in 1986 and 1987, 17% in 1988—reveal no sign of an investment boom.

Then there is the question of investment *quality*. Inflation and high tax rates in the 1970s, the supply siders claim, led to the wrong kind of investment. Rather than building factories and replacing machinery, investors were putting their money into hotels, shopping centers and other non-productive projects of value principally as tax shelters. Supply-side policies, The Wall Street Journal would have us believe, have moved the nation towards more productive investment, creating "a reverse Marshall Plan, with spending to replace depleted capital, a rebounding manufacturing center and high foreign investment."

Here, too, the facts belie the supply-side analysis. Investments to increase production actually have fallen since the supply siders took Washington by storm in 1981. From 1975 to 1979, net private investment in producers' durable equipment—the computers, machines and vehicles with which business produces wealth—averaged 1.9% of GNP. From 1985 through 1988, it was only 1.2% of GNP. Nor can supply siders rightly claim credit for the drop in "low-quality" investments: Net investment in non-residential structures such as hotels and shopping centers was strong during the early Reagan years, except for 1983; it has fallen sharply only since 1986, when the tax reform bill took the fun out of tax shelters.

Perhaps supply-side true believers can find a silver lining somewhere amid this disheartening date. Try as they might, even President Reagan's economic advisers were unable to identify a supply-side investment boom that would support higher levels of personal consumption in the years ahead. "It may be time," they concluded in their annual report, "to take steps to reallocate the investment mix and raise the level of U.S. non-residential business investment or accept a lower rate of growth in the standard of living than in competing countries."

THE COMMUNITY ENTERPRISE REVITALIZATION ACT OF 1989

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. RIDGE. Mr. Speaker, today I am introducing legislation to stimulate a true partnership for community development between private enterprise, private investment and all three levels of government. Recognizing the constraints of our budget deficit, this legislation will better enable government, Federal, State, and local, to facilitate private investment in distressed communities without traditional deep Federal subsidies.

The legislation has the support of 25 of my colleagues including the distinguished chairman of the Banking Committee and Housing and Community Development Subcommittee, Mr. GONZALEZ, as well as Mr. WYLIE and Mrs. ROUKEMA, the respective ranking members of the committee and subcommittee. Additionally, it has the support of the National League of Cities, the National Community Development Association, the National Congress of Community Development Organizations, and the International Downtown Association.

The Members of Congress and the organizations that support this legislation know that, with the demise of General Revenue Sharing and the Urban Development Action Grant Programs there is a massive unmet need for distressed communities to finance economic development opportunities, to rebuild infrastructure and to construct affordable housing.

This Congress and this President, however, are not about to reverse course and restore old programs or produce new subsidies for troubled communities. Those days, however sweet, are gone. What the Federal Government can and should do is to use its ability to access low cost funds from national financial markets for worthy community projects. And, it can do just that without being left holding a bag of project defaults costing millions of dollars.

The Federal Government and HUD have such a program, albeit limited, already on the books. This legislation expands on that program, makes it viable and makes it accessible for more communities.

Specifically, this legislation builds on the tested, successful Section 108 Loan Guarantee Program. The program works as follows: CDBG entitlement communities identify viable economic development and infrastructure projects in their communities and make application to HUD under the section 108 program. HUD approves the application, but HUD does not make the loan. What HUD does is guarantee the notes that are issued by the Metropolitan Cities and Counties and purchased by private investors. HUD, however, is protected from loss resulting from the guarantee because the community must pledge its CDBG grant is security. This security is the reason why no defaults have occurred in the 14-year history of the program. Simply put, this program enables communities with confidence in their future to borrow from private investors at the Federal Government guaranteed rate but still be disciplined by the CDBG Program. With private investors and local government security, the program requires no appropriation and no budget authority. The Federal Government facilitates the public-private partnership with little risk to itself.

Several drawbacks, however, have limited the use and the attractiveness of the section 108 program. This legislation would make the program more workable by: First, enabling

small cities and rural communities to access the program for the first time; second, giving preference to applications from enterprise zone communities; third, expanding the repayment period from 6 to up to 20 years providing fixed rate financing for longer range projects that are not possible under the current program; fourth, increasing the amount that can be financed from 3 to 5 times a community's CDBG allotment; and fifth, increasing community flexibility by adding housing construction as an eligible activity. Anticipating the increased demand that would accompany an improved program, we increase credit authority limits from $150 million in fiscal year 1990 to $300 million in fiscal year 1991 to $700 million in fiscal year 1992.

This legislation would divide the credit pool into two pools with 70 percent of the total being available to the larger cities and urban counties and 30 percent available to small cities and rural communities. State government would play a key role in assisting with applications from small cities and with providing security for their applications. In fact, this legislation would not preclude States from running their own Section 108 Loan Guarantee Program following HUD guidelines much like they run CDBG for small cities. Projects would be limited in size to $25 million for metro cities/urban counties and $5 million for small cities to prevent a concentration in Federal guarantees in one area. All projects would be required to meet the current HUD established low and moderate income test.

For cities with a critical shortage of affordable low- and moderate-income housing, they will be able to use section 108 to construct as well as to rehabilitate housing. It is illogical that we now limit the options of these communities who are willing to bear risk of default to finance housing that will reduce the number of homeless individuals and families on their streets. The needs will vary from city to city. The program must be flexible to address a city's unique needs.

Finally, this program should be viewed as a complement to the enterprise zone legislation authored by then Congressman, now Secretary Kemp. I am an original cosponsor of that legislation and, as a member of the Housing and Community Development Subcommittee, supported authorization language for enterprise zones that is already in place. But, without the Federal tax incentives, enterprise zones will not work. This legislation will give more communities a nudge to establish enterprise zones by giving preference to applications from communities with established enterprise zones. Additionally, this will ensure that communities most in need and with a plan for resurgence, get a lion's share of the section 108 program.

My colleagues, this legislation should be perceived as a first step in a more intelligent public-private partnership. Private investors from around the Nation will be investing in projects undertaken in distressed communities that cannot attract sufficient new investment. The Government doesn't subsidize projects. It facilitates projects that might otherwise be lost due to the lack of financing. It is not a transfer of Federal dollars. Instead, it is a transfer of low cost Federal borrowing rates and a method by which local communities access investors from across the Nation. This legislation deserves the support of the House and should become law during the 101st Congress. The communities in need cannot afford delay.

PERSONAL EXPLANATION

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. NEAL of Massachusetts. Mr. Speaker, when the House of Representatives voted on House Resolution 186 on June 27, 1989, I was not on the floor.

I have publicly expressed my concern over the recent Supreme Court decision in Texas versus Johnson which legitimized the burning of the American flag as a form of political protest. In my view, the flag is the single most revered symbol of our country, and any act to desecrate it dishonors those whose sacrifices have maintained our freedom. The condemnation of acts of desecration contained in House Resolution 186, as well as the measure's affirmation of the intention of the House to preserve the honor of the flag, have my full support. Had I been on the floor when the vote was taken on House Resolution 186, I would have voted "aye."

END DISCRIMINATION AGAINST THE MILITARY—SUPPORT H.R. 572, H.R. 2277, AND H.R. 2300

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. DORNAN of California. Mr. Speaker, as I stated in the June 15, 1989, and the June 27, 1989, CONGRESSIONAL RECORD, I introduced three key pieces of legislation which will restore fairness and equitable treatment to members of the U.S. Armed Forces.

H.R. 572, H.R. 2277, and H.R. 2300 would amend the Spouse Protection Act to make it more consistent with the existing pension plans, which Congress has established for members of the Foreign Service, the Central Intelligence Agency, and portions of the Civil Service retirement/survivors benefits.

As I stated, I believe these changes are long overdue to provide the Armed Forces members the protection afforded the other Government employees upon retirement. Retired pay is perhaps the No. 1 incentive for retention of our Armed Forces. Shouldn't they receive equal treatment with other Federal retirees?

Mr. Speaker, I would again like to share with my colleagues some of the many letters I received concerning this issue. Please take the time and review these letters and join with me in restoring fair and equitable treatment for our military retirees.

JUNE 8, 1989.

ROBERT K. DORNAN,
Washington, DC.

I'm contacting you because thousands of military personnel are being deprived of their civil rights because of the current treatment of laws on the shared retirement benefits by ex-spouses of military personnel. I will give you a few situations and then explain my problems with the laws.

1. A retired member that lives in a non-community property state and has never been to California was deprived of half of his disability pay when his wife moved to California and filed for divorce and then remarried.

2. A disabled retired member that lives in California but was a resident of a non-community property state during his military service is trying to live on half his disability pay because he is unable to work and his ex-wife (employed at $30,000 a year) has remarried and enjoys half of her-husbands disability pay plus her new husband's income.

3. A POW for many years returned to the United States to be divorced by his wife who had been living with another man for four years. During this period of time the wife was receiving 100% of his active duty pay. The court then awarded her 50% of his retirement pay.

4. A retiree's wife ran off with another man and in the divorce was awarded 50% of his retirement pay. When she died 2 years later, the California courts gave the new husband her 50% of the retiree's pay. This was later corrected by Federal legislation.

The list goes on and on. I feel that the Federal Government has a responsibility to protect the civil rights of these people, when the states are violating our rights as they have over the past 100 years. Because of expensive court costs, we are kept down by states such as California with their constantly changing decisions that require costly legal fees each time a Judge rules differently on a case. I realize that being a retired military member is not popular at this time. We are treated as second class citizens both in the communities and the courts. I don't feel that military retirement pay should be subject to state laws because it is paid to individuals who fought for their country, lived in the field, risked their lives, and endured hardships for their family and country. This is a very personal thing and a matter of pride with most ex-service members and should be for the Federal Government. We fought for this country and should be treated equally.

The rights of all service members' should be the same and not changed from week to week by the courts of our land. When I entered the service over 30 years ago, we were all treated the same and were guaranteed the same things. Now, after serving my time, I realize that my ex-spouse gets 45% of my disability pay and my 17 year old daughter gets 1/3 of what is left. They are both healthy and the ex-spouse is employed. Now they are trying to go back to court to get the 45% of the past 10 years disability pay, that they didn't get when they were receiving alimony and child support. This would give them over 100% of the disability pay. Do you realize that in the State of California they will probably get it. When can we have the same faith in our government they had in us to lay our lives on the line for them. Since my separation from the service, my entitlements were cut 12 times before I stopped counting.

I am appealing to you to assist me in setting aside the 1989 California court award giving 45% of my disability pay to my ex-spouse. The grounds for this are as follows:

Public law 97-252 does not permit a state court to order that a serviceman's disability

VOL 135 PT 10 23 — JL 13 1989 JE UMI

pay be split evenly between the husband and wife. The California Law is pre-empted by Federal Law in this case since FUSFSPA did not provide for an award of disability pay as community property. The State of California confused the terms "retired pay" or "retainer pay" with "disability pay" in past cases. However the Federal Register went to great length to define the terms in Vol. 48, No. 20, dated Friday, Jan. 28, 1983. The Federal Register defined retired pay as follows:

Retired pay: The gross entitlement due a member based on conditions of the retirement law, pay grade, years of service for basic pay, years of service for percentage multiplier, if applicable and date of retirement [transfer to the Fleet Reserve or Fleet Marine Corps Reserve]; also known as retainer pay. It does not include benefits paid to a member for disability under 10 U.S.C. Chapter 61.

In order to protect the serviceman's civil rights, Congress passed the Soldiers' and Sailors' Civil Relief Act (50 U.S.C.) of 1940 (SSCRA). The duration of protection of civil rights are from date of entering active service to date of discharge (50 U.S.C. app. Section 511). SSCRA protects servicemans' domicile and they don't lose it by virtue of entering the military service. It includes the following:

A. Federal protection of domicile: The service member neither gains or loses domicile solely by being assigned some place pursuant to military orders.

B. Nature of military compensation: Military income is deemed to be earned in the state of domicile.

C. Situs of personal property: Service member's personal property is deemed to be located in state of domicile.

On March 20, 1973, any and all pension benefits, disability pay and entitlements from the military were considered separate personal property of the military member and protected by law. Indiana's treatment of military pensions were that the pensions were not divisible as community property. Hiscox v. Hiscox, 385 N.E. 2d (Ind app. 1979): Mater v. Harter, 10B. Rptr. 272: and, Loenes v. Koenes. 478 N.E. 2d 1241 (Ind app. 1985).

I entered the military service as a resident of the State of Indiana Feb. 18, 1953 and remained a resident of that State. During the 50's I worked with nuclear materials and developed an extreme parathyroid condition. During the 60's and 70's I worked with nuclear testing and nuclear accidents. During this time I was overexposed to nuclear radiation many times and in the late 60's after working at a nuclear accident site for 30 days, I was not allowed to return to the states until I "cooled down". This caused many medical problems such as idiopathic hyper parathyroidism, kidney disorder, heart disease, degenerative bone disease and radiation sickness. Before my enlistment was up and because of extreme medical problems during the prior 15 months, the Air Force found me unfit for active duty because of physical disability of a permanent nature based upon accepted medical principles and was directed by the Secretary of the Air Force to discharge me from the service.

I was discharged from the service for medical reasons at the direction of the Secretary of the Air Force. I am being paid benefits for disability under 10 U.S.C. chapter 61. I do not consent to California's court jurisdiction over my disability benefits that were vested in my domicile state of Indiana. I consider it a violation of my civil rights for the State of California to have jurisdiction over my disability benefits. Also the reclassification of separate personal property into community property because of a change of domicile is unconstitutional because it is a deprivation of vested property rights.

When you consider future legislation please consider that there are means already in effect that take care of ex-spouses, such as spousal support, alimony etc. Keep your faith with the military and make sure that all new laws and amendments are plain and clear that the Federal Government will not allow the retirement benefits of military members to be considered community property, also that the retirement benefits are the separate property of the military member and is not subject to state courts jurisdiction. I pray that you realize what unfair and unjust actions have taken place in the past and that you will actively participate in legislation to stop these atrocities in the future. I thank you for your consideration and efforts to correct the unjustices of the past.

Thank you,

R.C. SCHERER,
Major U.S.A.F. Retired.

MAY 31, 1989.

Dr. JEROME P. GIDEON,
Senior Legislative Assistant, Office of the Hon. Robert K. Dornan, House of Representatives, Washington, DC.

DEAR JERRY: I enjoyed our telephone conversation last week regarding changes to the USFSPA and have enclosed a copy of the letter I sent to each member of the Armed Services Committees. The one to the House members differs only in that I ask for their support of Congressman Dornan's bills.

Please pass on to the Congressman our gratitude for his guts in taking up the issue for us—it's nice to know that somebody there actually supports our rights.

I also want to compliment you on your letter to the editor that appeared in the Times—very insightful. If there is anything I can do other than encourage others to join in the letter writing campaign, please let me know. Personnaly I feel the Mansell victory in the Supreme Court is a step in the right direction.

Sincerely,

KIMBERLEY K. POWER,
Captain, USAF, MSC.

MEMORIAL DAY 1989.

Hon. DAN COATS,
U.S. Senate, Washington, DC.

DEAR SENATOR COATS: After reading some of the Memorial Day tributes entered into the Congressional Record reflecting on the great sacrifices that military men and women have made for their country I decided to write to you to find out why nothing has been done to correct the egregious act of discrimination that is currently aimed at the military and military retirees.

In September of 1982 our Congress voted on and passed the Department of Defense Authorization Act of 1983. As a last miniute tie-on a rider which has since become known as the US Former Spouses Protective Act, was added to the bill without full approval of the Armed Services Committee and without benefit of any discussion on the floor. When the Authorization Act was passed this rider then became Public Law 97-252 and gave former spouses the rights to our future military retirements even though they may remarry, they may seek the divorce or they may act in ways that would be grounds for divorce. This retirement is in addition to any alimony they receive in community property states. Because of the wording of the law, this is not given on a case by case basis but unilaterally. For instance, a military person married to a working non-military person in many instances would lose half their retirement and gain none of the spouse's. Those of us with military spouses could conceivably spend the same number of years married to one another, but a different number of years in the service and end up with different percentages of the other's retirement. These are just a few of the inequities in the law as it currently stands. As an active duty woman I see this ruling as discriminatory against the military. In addition, as a supporter of equal rights I see it as a violation of the rights of service people and military retirees everywhere, both men and women. It is so unjust that our retirements are so callously given away without regard to the conduct of our spouses.

Without a doubt each case should be judged on its own merits. Had we chosen careers in the corporate world, rather than the military, our spouses would be subjected to relocations, etc. Yet corporate retirements are not treated as community property and subject to future division like our retirements are. Why should my husband be allowed to leave me to marry a younger woman and I be forced to pay him to do this (incidentally, my husband has not).

There are thousands of horror stories that have resulted from this. However, as an example I will show you in just one way how this law has had devastating results. I call to your attention the case of a former commander of mine, Colonel Darrold A. Stoebner.

He is being forced out of the military because of this ruling and the Air Force is losing an excellent physician and a fine commander. He was married for 23 years to a woman who was a mental patient for the entire marriage (this condition existed prior to their marriage but she had concealed it from him). She was absent from the home for several years. He alone was left to raise three small children during her absences. Because of her mental health problems he was unable to accept a residency in specialized medicine that would have increased his income and future earning potential. In addition he was forced to turn down assignments that could have led to promotion. A former general who had been his boss told me that the only thing that had held him back had been his wife. His wife asked him to retire for the sake of her mental health and he did try to preserve his marriage. While many others in his situation would have divorced long ago, he is the sort of person who truly believed in his wedding vows and stayed in a miserable situation because he believed it was the right thing to do. The day after his retirement she filed for divorce since she would get that guaranteed income. Within a week of the divorce she had remarried a man with whom she had a long term relationship. He is a government official making more money than the colonel and they own a home in Georgetown and one at the beach in North Carolina.

Without any help from his former wife and her current husband, he put all three of their children through top universities and one of his sons through medical school. He returned to active duty a year after his divorce because he was happy in his military career. Since he was no longer retired the

government stopped sending retirement checks to his ex-wife. She successfully sued him in Texas and the court has ordered him to pay her the $70,000 she would have gotten had he stayed retired and to continue to pay her even though he is on active duty and she has another husband to support her. As a result, he must now leave active duty since he cannot afford to continue serving his country. By the way, on several occasions she had already cleared out their bank accounts but this court ruling just managed to remove everything he had saved since the divorce. Some reward for being a good husband and a military member for all these years. I think this illustrates just how unfair the results of the law are. Surely, full consideration as to the effects on our military was not given when this law was rushed into passage. I wish to believe that our lawmakers who voted for the law as it is currently written were merely ignorant of the consequences down the road, and did not do it to be malicious or to erode our morale in the military.

It is a fact that over 50% of the marriages in this country end in divorce, a traumatic experience for all those involved. Yet the military is being singled out for extra punishment that is truly undeserving. I'm well aware of many of the horror stories of some of the former wives and many of these women do deserve to be taken care of. Again it must be done on a case by case basis so that those of us who actually dedicate our lives to the service of our countries are not unfairly penalized, while a good home life is important for every person, whether military or civilian, there is no place in our performance or promotion reports to rate our spouses just as civilian corporations do not have such ratings. I certainly agree that those assets earned while the couple lived together should be shared but not the future earnings that we will receive after the divorce. Was your intent to reward military spouses, allow them to remarry and benefit from two husbands or wives while some of us end up in abject poverty? I think not, yet that is happening today because the states are liberally interpreting your law.

Congressman Dornan is trying to remedy this by his bills H.R. 572, 2277 and 2300 which would stop these payments at remarriage of the former spouse and prohibit states from dividing the military retirement when the former spouse was not eligible. In addition it would make 20 years the baseline for division, so that every year over that would be money in the member's pocket. While it doesn't fix the whole situation, at least it is a start. Please start similar legislation in the Senate—if any of you have done anything to rectify this outrageous oversight, I'm not aware of it.

Such blatant discrimination against the military and military retirees is obscene and a violation of our equal rights. If you truly believe the law is fair as it stands today, then you should immediately start legislation to divide all pensions and retirements, including yours, the same way. If you do see the flaws in this legislation, then please support H.R. 572, 2277 and 2300 with concurrent legislation from the Senate.

Respectfully,

KIMBERLEY K. POWER,
Captain, USAF, MSC.

HONORING WALDO GIACOMINI

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mrs. BOXER. Mr. Speaker, I am here today to honor one of my constituents, Waldo Giacomini, who has served his community as the president of the Marin County Resource Conservation District Board for 30 years. He has always been dedicated to preserving agriculture in Marin County.

Waldo and his wife Rita have raised their four children on the largest dairy in Marin County. He coordinated with his neighbors and the USDA Soil Conservation Service to establish the Marin County Resource Conservation District which oversees the preservation of our beautiful coastal farmlands in Marin County.

While serving as the first and longest president of this organization he achieved outstanding accomplishments. He promoted and encouraged good management practices for soil erosion, and developed and aided the Marin County dairymen with plans and installation of dairy waste control systems to meet State guidelines.

In addition, he was instrumental in the publishing of the Marin County Soils Survey by the Soil Conservation Service, the Farmlands Mapping Program by the Department of Conservation, and the erosion control handbook "Groundwork."

He worked successfully and diligently to obtain State grants for the completion of soil erosion projects. Some of his primary successes were the Lagunitas Watershed project, the Walker Creek Watershed project, and the Stafford Lake project. Further, he negotiated and entered into a joint powers agreement with Southern Sonoma Resource Conservation District to do an overview of the Stemple Creek Watershed.

Waldo Giacomini has been an outstanding member of his community and has also served as a member in the Point Reyes Business Association, Sonoma Marin Dairymen Association, Knights of Columbus, Elks, Western United Dairymen, Marin Property Owners Association, Marin County Farm Bureau, Marin Agricultural Land Trust, Nicasio Native Sons, and SIRS.

On the occasion of his retirement as president of the Marin County Resource Conservation District, I am pleased ot honor Waldo Giacomini for his long record of public service.

SUPPORT FOR H.R. 145

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. LANTOS. Mr. Speaker, the House Public Works and Transportation Subcommittee on Aviation, under the fine leadership of our colleague, Chairman JAMES OBERSTAR of Minnesota, held hearings yesterday on legislation to repeal Federal Aviation Administration regulations which permit expanded use of foreign repair stations by U.S. carriers. I had the privilege to address the subcommittee on this issue and to introduce two experts on this subject from the San Francisco Peninsula, the area which I represent, who testifed in support of this legislation (H.R. 145). I would like to place in the official RECORD of the House of Representatives the statement which I made before the aviation subcommittee.

STATEMENT AND INTRODUCTION, PUBLIC WORKS SUBCOMMITTEE ON AVIATION, CONGRESSMAN TOM LANTOS, JUNE 27, 1989

Mr. Chairman, I congratulate you on being named chairman of this subcommittee, and I look forward to working with you in the future on this and other important issues affecting the aviation community. In addition, I commend you for scheduling today's hearing.

I would also like to commend my good friend and colleague from California, NORM MINETA, for his longstanding leadership in the House and commitment to issues affecting the aviation community. I strongly support his legislation (H.R. 145) which will terminate FAA amendments to the foreign repair station rules which permit expanded use of foreign repair stations. H.R. 145 would also prohibit foreign maintenance and repair of U.S. aircraft. I hope the Congress will move swiftly in enacting this bill. The FAA's decision (FAR 145) to permit expanded use of foreign repair stations raises serious questions of air passenger safety and the loss of American jobs.

Undoubtedly, the Government's primary responsibility to assure that maintenance standards are being met is best accomplished when the U.S. Government retains oversight over a domestic maintenance program as opposed to a system which is international. But in December of 1988, new Federal Aviation Administration regulations took effect that permit repairs and maintenance on U.S. airline aircraft to be conducted overseas. The new regulations now permit U.S. aircraft operated domestically to be completely maintained at foreign repair stations. The FAA's unilateral decision to permit U.S. aircraft to be routinely maintained abroad puts the jobs of thousands of trained American machinsts and mechanics at risk without any conceivable safety benefit to the American public. The Congress must oppose the FAA's effort to loosen airline maintenance practices by permitting wholesale maintenance of U.S. aircraft abroad. Clearly, a liberalization of these rules will have an adverse impact on safety and would be unfair to U.S. businesses and American workers.

Mr. Chairman, you will be hearing testimony today from a wide range of groups and people from around the country, all experts in their fields, with unique backgrounds and perspectives on a very important topic—the use of foreign repair stations by U.S. carriers. I would like to introduce two of these people, who have come to Washington from the San Francisco Peninsula, the area which I represent.

Mr. Chairman, I take great pride in introducing to you and the other Members of the Aviation Subcommittee, Mr. Wayne Gallimore and Dr. Peter Donohue. Wayne Gallimore is chairman of the flight safety committee of the International Association of Machinsts and Aerospace Workers District 141, Local Lodge 1781 in Burlingame, CA. Wayne has been a great asset to the IAMM. In addition, I would like to introduce Dr. Peter Donohue, director of labor studies

and a professor of economics at San Francisco State University, where I also taught economics.

Wayne Gallimore has extensive experience as a machinist and will testify on how the implementation of FAR 145 will affect those most individually affected—the machinists and workers who stand to lose their jobs and livelihood. Wayne will also address the safety consequences and implications of the FAA's ill-conceived rulemaking. Professor Peter Donohue has recently completed a report on the economic impact of the FAR 145 rule change and will present his findings to us. I applaud Professor Donahue on his report and I fully concur with its findings.

Mr. Chairman, let me express again my gratitude to you for scheduling today's hearing. We in Congress can best perform our duties only when we have all the facts. What better testimony can we receive than from those who are most intimately involved in the day-to-day safe operation of our nation's airlines?

Mr. Chairman, I look forward to hearing all of today's witnesses. After all the facts are in, clearly, the Congress will conclude that the FAR 145 must be repealed.

HONORING THE AMERICAN LEGION, MARYLAND DEPARTMENT

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. CARDIN. Mr. Speaker, on July 12, 1989, the Maryland Department of the American Legion 71st Annual Convention will be held in Ocean City, MD. Formed in 1919, the American Legion has nearly 3 million members.

The American Legion helps us preserve the memories of the sacrifices that American soldiers have made in the duty of serving their country.

The American Legion helps us remember our history and appreciate the sacrifices and heroism of those who fought. It has been 14 years since the fall of Saigon; almost 36 years since the cease-fire was agreed to in Korea; more than 43 years since the end of World War II; and 71 years since World War I. The American soldiers who answered the call to arms during these wars were not looking to be heroes. But they became heroes.

They did not go to war to conquer other lands, or vanquish other peoples. They went because they loved their country. They loved their country enough to risk their lives to defend it and keep it free.

I urge my colleagues to join me in honoring the Maryland Department of the American Legion on the occasion of their 71st annual convention.

ARTURO MORALES-CARRION OF PUERTO RICO HONOR

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. FUSTER. Mr. Speaker, I rise today to pay tribute to a most distinguished son of Puerto Rico and a man who is no stranger to official Washington. I refer to Dr. Arturo Morales-Carrión, who died today. He was the executive director of the Puerto Rico Endowment for the Humanities and was honored last November by the Governor of Puerto Rico in recognition for his contributions as a historian, writer, educator, and public servant.

The Governor gave Dr. Morales-Carrión the Medal of the Order of the Quincentennial of the Discovery of the Americas-Encounter of Two Worlds. The medal was established by Executive order in 1985 to commemorate the discovery of the Americas and Puerto Rico (1493–1993). This is the first time a Puerto Rican has received the medal; previous winners have included King Juan Carlos of Spain and Costa Rican President Oscar Arias.

It was certainly an appropriate honor both to Dr. Morales-Carrión and to the Puerto Rico Endowment for the Humanities. The Endowment provides a number of valuable services to Puerto Rico, and through its efforts has come a greater understanding and appreciation of the Commonwealth and the Caribbean, its history and its culture.

Dr. Morales-Carrión himself had an impressive background, and I would like to share it with you some highlights of his exemplary life.

Arturo Morales-Carrión held a bachelor of arts degree in history and political science from the University of Puerto Rico (1935); a master of arts degree in Latin American affairs and government from the University of Texas (1936); and a doctoral degree in history and government from Columbia University (1950). Dr. Morales-Carrión served as Under Secretary of State of the Commonwealth of Puerto Rico under the administration of the late Gov. Luis Muñoz-Marin from 1953 to 1961; Deputy Assistant Secretary of State for Inter-American Affairs under the administration of the late President John F. Kennedy from 1961 to 1964; Director for the Center for Puerto Rican Historical Research of the University of Puerto Rico from 1969 to 1973; president of the University of Puerto Rico from 1973 to 1977; chairman of the board of directors for the Center of Advanced Studies on Puerto Rico and the Caribbean and Executive Director of the Puerto Rico Endowment for the Humanities from 1977 to the present.

Dr. Morales-Carrión published several books and articles, among them, "Puerto Rico: A Political and Cultural History," "Auge y Decadencia de la Trata Negrera," "Testimonios de Una Gestión Universitaria." He received many honors and awards, among them, an honorary degree, doctor of law from the InterAmerican University of Puerto Rico in 1983; guest scholar, Wilson Center, Smithsonian Institution, Washington, DC in 1981; Order of Isabel la Católica from the Government of Spain in 1978; honorary degree, doctor of law, Temple University, Philadelphia in 1976; Institute of Puerto Rican Culture Literary Award for the book "Historia del Pueblo de Puerto Rico," in 1969; and the Hostos Medal from the Friends of Puerto Rico in New York in 1962. Dr. Morales-Carrión has taught and lectured at the University of Miami in Florida; the University of Puerto Rico, where he served as director of the history department; George Washington University in Washington, DC; Columbia University in New York City; and Harvard University in Boston, MA.

Arturo Morales-Carrión was truly a distinguished man of the Americas.

In closing I would like to quote what he said 2 years ago and which sums up better than anything I could say why we should honor this man of the Americas.

My life has been long, busy and rewarding. I have ranged far and wide in this world and my roots are deep in Puerto Rico. I descend from farmers who settled in the interior valley of Caguas at the end of the 18th century. One of my great grandfathers was one of the founders of Gurabo. All of them had a profound love of the land, a love I inherited. This land is my patria-pueblo, but as a humanist I have another patria, what Cicero called Humanitas.

I have learned from the Old Mediterranean World that nothing human should be alien to us. We all belong now to the global village and when my time is up I want to be remembered as a good villager from Puerto Rico free from the foul winds of racial hatred and prejudice."

STATE AUTHORITY TO REGULATE ALCOHOL BEVERAGES

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. BRYANT. Mr. Speaker, in the course of considering the many bills that come before it in every session, Congress occasionally needs a reminder that ours is a federal system of government, and that many powers are reserved or explicitly vested by the Constitution in the States.

That is why today I introduce a House concurrent resolution which reaffirms congressional faith and belief in the 21st Amendment to the Constitution which reserves to the States the responsibility for the importation and sale of alcohol beverages within that State's borders.

The above power derives from section 2 of the 21st amendment giving the State authority over such questions as whether there shall be prohibition in all or part of the State, Sunday sales, hours during which drinking establishments may operate, and other regulatory authority.

These powers of the State are, of course, subject to the constitutional powers of the Federal Government such as the power to regulate interstate commerce, to attach conditions to the spending of Federal moneys, and to assure equal protection of the laws.

In no way does this resolution seek to alter the legal and judicial consensus of the amendment. It merely restates and reaffirms State's authority and Congress' commitment to the principles of federalism.

BLM LANDS TRANSFER TO THE STATE OF MINNESOTA

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. OBERSTAR. Mr. Speaker, I am pleased to join my Minnesota colleague, BRUCE VENTO, chairman of the National Parks and Public Lands Subcommittee, and other members of the Minnesota congressional delegation, in sponsoring legislation to allow the Bureau of Land Management to transfer small parcels of land to the State of Minnesota. If this legislation is enacted, the BLM plans to transfer approximately 850 parcels to the Minnesota Department of Natural Resources. These small parcels, primarily islands, are currently owned by the Federal Government. Federal land management agencies are not able to effectively manage these small, widely dispersed parcels. The Minnesota Department of Natural Resources, county, and local agencies have better resources to manage these lands effectively.

I support this legislation for two primary reasons: First, the Minnesota Department of Natural Resources is better suited to properly manage the small, widely scattered parcels of land than the Bureau of Land Management and other Federal agencies. Equally important, this legislation grants BLM greater administrative authority to resolve land title disputes equitably and to assist Minnesota landholders who find their title to lands clouded by Federal interests, surveying errors, and other oversights and misunderstandings.

The second major provision of the bill, enhancing the BLM's authority to resolve land title disputes, requires further explanation. This provision is of particular importance to landholders in my congressional district. Several landholders in my district have occupied parcels of land for many years, believing they hold title to those lands. Some have erected homes and cabins on those lands. Some had paid property taxes on those lands. These same property owners now find, much to their surprise, that the land they believed they owned is actually owned by the Federal Government, under the administration of the Bureau of Land Management.

Under current law, such landholders' only recourse is to seek remedy under the very complex and stringent process required by the Color of Title Act. Unfortunately, many landholders who have a reasonable claim are unable to qualify for transfer of title or other equitable resolution of title disputes under the stringent, time consuming and often expensive color of title process. Therefore, under current law, landholders who have occupied a parcel of land for many years, erected structures on that land and paid property taxes on that land may find themselves forced to vacate the land without compensation for their investments of time and money.

The bill I am cosponsoring today will grant the Bureau of Land Management broad flexibility to resolve legitimate claims of landholders in an equitable and expeditious manner. The bill grants BLM authority to sell land under its jurisdiction in Minnesota to holders of legitimate claims to that land, and to consider such factors as longevity of occupation of the land, payment of property taxes and value of structures erected on the land in discounting the price of sale of the land. This process would be far superior to the procedure in place under current law—more effective, more expeditious, and more equitable.

This new procedure to settle land title disputes will work properly only if affected landholders are aware of the clouded title and their options to resolve the problem. When I first reviewed this legislation, I was concerned that landholders with legitimate claims in remote areas might not be notified of their options in time to take advantage of the new title review process. Careful review of the bill and discussions with the Bureau of Land Management, the Minnesota Department of Natural Resources and the Parks and Public Lands Subcommittee have persuaded me that all parties involved are committed to making every possible effort to ensure that landholders with legitimate claims are aware of their land title situation and their options under the new legislation.

If the bill is enacted into law, affected landholders will have 6 months from the date of enactment to make their claim known to BLM. The transfer of the lands to Minnesota will be made at the end of the 6-month period. The BLM and the Minnesota DNR already know the occupation or landholder status of the vast majority of the parcels to be transferred to the State and have attempted to contact all affected landholders to notify them of their options. As a further safeguard against omission of legitimate claims from consideraton prior to the transfer, the bill requires that BLM make aggressive efforts to notify Minnesota residents of the status of the lands, of the intent to transfer those lands to the State, and of the options of landholders occupying those lands. The Bureau of Land Management plans to advertise in local and regional papers in Minnesota and make other efforts to ensure that landholders are properly notified of the impending transfer and are aware of the options of claimholders.

Officials of the Minnesota Department of Natural Resources have assured me they will not accept transfer of any lands whose title remains in dispute, clouded or unclear. Further, BLM is committed to resolving title disputes fairly and equitably before transferring lands to the State. This bill provides both impetus to discover and resolve title disputes and a mechanism to facilitate fair resolution of those disputes.

Despite all of the above safeguards, there remains a remote possibility that a landholder with a legitimate claim, acting in good faith, would somehow be unaware of clouded title to the land he or she occupies or would otherwise be unable to apply for fair resolution of a land title dispute before the land is transferred. Painful past experience has shown that, when dealing with land ownership issues, unanticipated claims may arise. Like any legislation, this bill cannot possibly anticipate all situations which may arise. Both the Bureau of Land Management and the Minnesota Department of Natural Resources have assured me that they will work together to attempt to resolve any legitimate land title claims which may arise after the transfer of lands to the State of Minnesota.

Based on my understanding of the bill as expressed above, and the cooperative attitude and assurances of the agencies involved, I am pleased to support this bill. I commend Chairman VENTO for crafting this bill to ensure better management of our public lands while facilitating equitable resolution of clouded land title disputes.

THE ABORTION ISSUE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. MATSUI. Mr. Speaker, in the next few days the Supreme Court is expected to hand down its decision in the Webster versus Reproductive Health Services case. The abortion issue is on the forefront of our Nation's agenda. The country is torn over this issue, but a majority of people are in favor of protecting a woman's right to an abortion. A recent poll reports that Californians are increasingly prochoice, and I support the position of my constituents on this issue. As a firm advocate of the prochoice position, I feel that if the Supreme Court's decision weakens the right to abortion as guaranteed in the 1973 landmark Roe versus Wade ruling, it will be an intolerable and unconstitutional infringement of fundamental rights. The States cannot be given the power to control the most personal decision any woman faces in her life.

Those in favor of the prolife position contend that the Supreme Court has the power to stop abortions. The reality is that if abortions are made illegal it will not eliminate the procedure, but will only worsen the conditions under which abortions are performed. According to an article which appeared on April 4 in the Sacramento Bee, in the decade prior to the legalization of abortion there were between 1.5 and 2 million illegal abortions in the United States per year. After the legalization of abortion, women did not suddenly embrace a new free sexual lifestyle or abandon other forms of birth control. Quite to the contrary, the per capita number of abortions per year went down after legalization. Regardless of whether the practice of abortion is made illegal, women will continue to be burdened by unwanted pregnancies. If abortions are illegal women will be forced to obtain abortions under unregulated conditions, without assurance of safety and often at risk of death.

Opponents of abortion label their position prolife. This rhetoric masks the opponents' total disregard for the quality of the life of the mother and the potential child she carries. A large number of women who seek an abortion do so because they are too poor to feed, clothe, and shelter themselves. These women realize that they cannot provide a healthy, happy home for a young child. The opponents of abortion suggest adoption as an alternative for abortion. Like abortion, it should be an alternative that women can choose if they feel it is appropriate. Planned Parenthood of Sacramento reports that less than 1 percent of teens who carry their pregnancy to term give

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

their child up for adoption because many young mothers feel that it is morally incorrect to give up for adoption. By preventing the expecting mother from being able to obtain an abortion if that is her personal choice, she may be forced into a situation which makes her life worse instead of enhancing it as parenthood should. The prochoice position looks to protect the quality of the human life by ensuring that women can choose to wait and bring children into loving and stable families ready for parenthood.

As a supporter of the prochoice position, I feel that public funding for abortions must be protected. Although an abortion is less expensive than raising a child, many women who want to terminate their pregnancy cannot afford the procedure. In Sacramento County government funding paid for 5,026 deliveries and 4,119 abortions in 1985. If Medi-Cal funding is eliminated it will deny a large proportion of our society what is rightfully guaranteed to them by the Constitution. Low-income women will become second class citizens who do not have the same constitutionally protected options available to other women.

Ultimately our goal should be to eliminate the tragedy of unwanted pregnancy. Therefore, I am a firm supporter of increasing the quality and quantity of sex education for both teens and adults. Unfortunately many teenagers are sexually active. These young people are often ignorant about birth control. In 1986 in Sacramento County there were 1,872 girls ages 10 to 19 who had babies. Planned Parenthood estimates that in 1986 there were close to 1,300 girls ages 10 to 19 who had abortions. We must promote abstinence as positive decision for our young people and work harder to develop better sex education curriculums in our schools. However, better education and contraceptives are not 100 percent effective, and therefore while abortion should not be considered a means of birth control, it should be an option available to all women facing unwanted pregnancies.

I would like to share two letters from my constituents expressing their views on abortion. It is in the spirit of these letters that I signed an Amicus brief in late February of this year for the Webster case supporting the maintenance of a woman's right to abortion. We cannot afford to take a step backward in history and force women to remain barefoot and pregnant. I urge my colleagues in Congress to stand behind the 1973 decision in Roe versus Wade which guarantees women the right to an abortion.

February 15, 1989.

U.S. Supreme Court, Washington, DC.

To The Honorable Justices of the U.S. Supreme Court: As a woman who faced the decision of an abortion, let me assure you that my decision was neither easy nor cavalier. I pondered this decision for 3 days (and nights; I walked the floor; I cried; I consulted a friend who is a priest (and I am not Catholic). Based on my situation—there was only one choice.

I was 24 years old, living with a man I intended to marry (we had been living together for 3 years), when I found out I was pregnant. (My birth control pills had failed me.) I was a full-time student; no job; and because the relationship was disentegrating—was also battered. When I found myself pregnant these issues had to be considered. How could I raise a child when I was not working (and no money of my own); it would have meant dropping out of school (and I had waited 4 years before going to college; and how could I bring a child into a household that was violent? Oh yes—why not put the child up for adoption? How could I endure 9 months of pregnancy being battered—no where to go—and hope that the fetus survived? Hoped that I would survive? And he had made it very clear that I was pregnant—I'd better take care of the situation.

So you see—the answer to why women choose abortion is never easy. And I don't believe I'm any different than the majority of women who make this choice. But that is the real issue—the right of choice. Not only the right to choose abortion—but the right to choose when or if to bear children; the right to choose adoption; the right to control over one's own body.

Don't force women to go backwards—back to the days of back alley abortions; back to the days of butchers; back to the days of dying because of their choice.

The opposition states that if Roe vs. Wade were overturned; if life were defined as beginning at conception—women would not suffer. Tell that to all the families who lost wives, daughters, sisters to back alley abortions. You will stop abortion—but have the decency to let us not only make our own choice—but let us (if we choose) have safe and legal abortions.

Sincerely

——— ———.

P.S.—I have no regrets over my choice—it only served to show me that no one has the right to criticize because unless they are the ones going through the situation, you can not possibly know why or how they arrived at their decision; but we must accept that they made the choice they felt was right for them.

———

February 6, 1989

To Whom It Concerns:

I had a legal abortion in 1981 when I was single and jobless. I went through the Planned Parenthood organization and felt they were very thorough with information regarding choices and followup prevention. The abortion was not physically or emotionally damaging to my life in any way. I am now a professional therapist and productive member of society which would have been quite impossible for me to achieve as a single parent.

I believe in legalized abortion because:

1. We are not able to take care of the lives which are already here.

2. There is no evidence that making something illegal for which there is evident need (healthy or not, i.e. drugs or alcohol) has ever really demonstrated a positive beneficial result.

3. All women should have the right to control their reproductive lives. The population against this are found to be very religious (many of them). They have no right to impose their religious views on anyone else.

I am glad to voice my opinion and participate in this effort.

THE INNOCENT LANDOWNER DEFENSE AMENDMENTS

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. WELDON. Mr. Speaker, today I am introducing the Innocent Landowners Defense Amendments of 1989, legislation that will address a substantial deficiency in the Comprehensive Environmental Response Compensation and Liability Act [CERCLA], 42 U.S.C. 9601, et. seq. The legislation is designed to clarify an ambiguity in CERCLA which has had the real estate and environmental communities in a state of confusion since 1986 and, more importantly, has undermined an essential goal of the Superfund Act.

Under the current law, a purchaser of real estate is strictly, jointly and severally liable for the cleanup costs of contamination found on his property, unless he can establish, by a preponderance of the evidence, a third party defense under 42 U.S.C. 9607. In order to qualify for that defense, the purchaser must show that he was not in a contractual relationship with the party responsible for the contamination. Section 9601(35) defines the term contractual relationship and provides that in order to be excluded from that term, and thus eligible for the defense, one must conduct "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability."

This provision was intended to provide a narrow exemption from strict liability to innocent landowners as an incentive for them to investigate the environmental condition of real property prior to acquisition. The problem, however, is that there was no commercial or customary practice for conducting these investigations at the time this provision was enacted and even today no one in the real estate or environmental consulting industries knows exactly what is meant by all appropriate inquiry. The net result is that environmental investigations of real estate today lack any consistency, and in some cases, they are not completed at all.

An example of this deficiency is reflected in the guidelines recently published by the Federal Home Loan Bank Board for its members who loan funds on commercial real estate. One of the discoveries made by the Board was that many of the institutions lending funds on commercial real estate were not requiring or receiving a proper investigation of the environmental condition of the property prior to making loans. A similar phenomenon is found in the real estate lending industry in general. Many commercial banks, particularly on a regional basis, fail to require appropriate environmental investigations of real estate on which they loan money because of the lack of guidance on what constitutes all appropriate inquiry.

Unfortunately, it is not likely that this problem will resolve itself or that the industry will have the benefit of guidance on this legislation from other sources. The Environmental Protection Agency reviewed this issue in con-

nection with its long-awaited Guidance on Landowner Liability, which was published on June 6, 1989. However, the guidance document provides the industry with no assistance in this area and demonstrates a reluctance on the part of the EPA to provide guidance through regulation on this issue.

Allowing time for establishment of an industry standard has not been the answer either. The very nature of a broad based investigation of potential environmental hazards associated with real property requires varied professional expertise and experience. The industry that provides this service is an evolving hybrid of engineers and other earth science disciplines, attorneys and documents investigators and related consultants. Although this industry is changing to meet the need for this service, the varied nature of required skills has hindered the establishment of effective industry guidelines.

More importantly, the environment cannot afford to wait for the emergence of a clear standard that will encourage parties to investigate in each case. The solution to this difficult problem is an amendment to 42 U.S.C. 9601(35) which clarifies what is required by "all appropriate inquiry into the previous ownership and uses of the property," and provides the real estate and the environmental consulting communities with guidance as to how they can fulfill this important goal of Superfund.

The Innocent Landowner Defense Amendments of 1989 would amend 42 U.S.C. 9601(35) by clarifying what a real estate purchaser can do to meet the investigation requirement of that provision, and the bill would create a rebuttable presumption that a purchaser who follows the guidelines has satisfied this particular requirement of the defense. Since the Innocent Landowner Defense was enacted, many commentators in Government and the private sector have discussed an acceptable scope of environmental investigation in commercial real estate transactions. In an article written by two administrators of the EPA, one of whom coauthored the recent Guidance on Landowner Liability, the authors identified three areas which are essential to an environmental investigation and which are common to the observations of commentators in the private sector. These steps include:

Conduct a thorough review of the history of the site;

Review Federal, State, and local government records concerning the site; and

Based on these inquiries, conduct an environmental investigation of the property.

This bill sets out a similar scope of investigation and follows the current language of the Innocent Landowner Defense. The bill would require an investigation into three general areas regarding the environmental condition of real estate: (1) historical research into previous ownership and uses; (2) a comprehensive government records review at the Federal, State, and local level; and (3) a site investigation of the property and its improvements. Each of these elements has direct bearing on the environmental condition of the real estate and can be performed in the context of a commercial real estate transaction at a reasonable cost.

We have learned valuable lessons during this period of uncertainty under the current law. The few cases that address liability for those landowners who did not contribute to the contamination prior to the acquisition of the property make clear that researching previous ownership and uses of the property is essential to discovering potential environmental problems on the site. In that regard, the bill recommends a review of title records and a review of aerial photographs available from State and local government agencies. Title records are important because they are the only public record available everywhere and the only record that consistently documents ownership and certain uses from the earliest development of real estate. Historical aerial photographs can be of obvious use when available because they provide the proverbial picture in time of prior uses of the property.

The second area of inquiry recommended by the bill is reviewing government records at the Federal, State, and local level. As an example, EPA has spent a substantial amount of time, money, and resources investigating and documenting environmentally hazardous sites and activities that affect our health, well-being and the environment. Similarly, many States have instituted programs for public information regarding environmental hazards on real estate. These agencies maintain records on these sites and activities which may reveal problems that affect the environmental integrity of a property to be acquired. Federal and State agencies should be encouraged to make these records available and the real estate industry should be encouraged to take advantage of this resource when investigating properties.

The bill also recommends a site investigation of the property and its improvements, including any use, storage, treatment, and disposal of any hazardous materials on the property. This site investigation should be conducted by an environmental professional who is experienced at identifying obvious signs of environmental hazards on real property.

Consistent with the EPA Guidance on Landowner Liability, this bill would also require that parties document their investigations and maintain that documentation as proof that they satisfied all appropriate inquiry. If a purchaser looks at title, aerial photographs, government records and the like, he must maintain a compilation of these records together with a record of the site investigation. Without this compilation of information, the presumption of all appropriate inquiry is lost.

The foregoing scope of investigation is referred to as a phase I investigation because it assumes that the purchaser is not aware of any specific environmental hazard affecting the property prior to the investigation. This bill recommends a general, commonsense review of reasonably available information about previous ownership and uses, public records information and what can be discovered through a visual inspection. In this context, the bill would not require a more invasive investigation such as testing unless some indication of a release or threatened release is revealed through the phase I audit. However, if as a result of the forgoing investigation, evidence of a release of hazardous materials is discovered, the party must take prudent steps to confirm the absence of such a release or lose the presumption of all appropriate inquiry with respect to that problem.

The congressional intent regarding the current legislation clearly distinguishes between commercial transactions and private, residential transactions. The EPA Guidance on Landowner Liability and the case law addressing this issue have also realized that commercial transactions are held to a higher standard and that it is appropriate that parties to commercial transactions look before they buy or lend on commercial properties. Consistent with these authorities, the bill would create a recommended scope of investigation applicable only to commercial real estate transactions.

The bill also recognizes that commercial real estate purchasers may employ other forms of investigation based on the circumstances of the transaction and the property. The bill is not intended to be the exclusive means by which a person can establish that he made all appropriate inquiry. Rather, it is one means of satisfying that requirement, particularly for commercial transactions that might not include an investigation today because purchasers and lenders doubt the defense works when they use it. Similarly, since the standard of inquiry is not mandatory, but optional, it will not have retroactive effect or bind prior transactions that relied on another form of investigation.

The bill refers to environmental professionals as the persons who must conduct the investigation. The purpose of this language is simply to state the desire that the required tasks are conducted by professionals who are qualified according to industry standards. However, this provision is not intended to definitively identify characteristics or skills one must have to qualify as such a professional.

The bill refers to environmental professionals as the persons who must conduct the investigation. The purpose of this language is simply to state the desire that the required tasks are conducted by professionals who are qualified according to industry standards. However, this provision is not intended to definitively identify characteristics or skills one must have to qualify as such a professional.

Although the primary purpose of this legislation is to promote the goals of Superfund by encouraging parties to investigate the environmental condition of real estate, the bill will also provide the real estate industry with more certainty about environmental risks. Banks and other financial institutions that lend on or invest in real estate are subject to liability under Superfund. If a property they lend money on is contaminated, both the borrower and the collateral are subject to claims for the cleanup. If a lender forecloses, he also runs the risk of becoming an owner and thereby having legal liability for the cleanup.

By providing commercial real estate lenders with guidance as to what satisfies the investigation requirement of the innocent landowner defense, they will require these investigations in all real estate transactions, not just some of them. In return, the benefits of the innocent landowner defense will flow to lenders because it protects the lenders' primary sources of security: the borrowers repayment ability and the collateral. By clarifying the scope of

inquiry under the defense, lenders will have greater confidence in the financial security of their real estate transactions and the public will benefit from their vigilance toward environmentally sound properties.

Recent events demonstrate the need to strengthen our resolve under the environmental laws. Moreover, the well-publicized difficulties with enforcement efforts under Superfund demonstrate the need for the private sector to assume a greater role in these efforts. One of the major goals of the Superfund Act is to discourage the unabated transfer of contaminated real estate and promote cleanup of those properties before they are returned to commerce. My bill will advance that goal by encouraging the commercial real estate industry to look before they buy or finance on all properties, not just those with obvious problems.

Mr. Speaker, I am confident that the legislation offers a balanced approach to a very difficult problem. My bill creates no new exemption to Superfund, yet it very clearly spells out the rules of the game for the real estate and lending community. This is a technical correction to a complex law and it is good environmental legislation because it encourages the private sector to thoroughly examine property before buying it and thus helps discourage the transfer of contaminated properties.

UNION HIGH SCHOOL GIRLS STATE SOFTBALL CHAMPS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. RINALDO. Mr. Speaker, I rise today to congratulate the players, coaches, and managers of the Union, NJ, Girls High School softball team, which was recently crowned the Group IV State Champions.

It was a well-deserved and hard-earned title. Union's team beat the best in New Jersey in the regional and statewide playoffs, and finished its season with an outstanding record of 22 wins and only 3 losses against top-flight competition.

This is a team that practiced hard and played together with a winning spirit and attitude that has marked Union High School's remarkable record of success in sports. Their school and community are proud of their accomplishments. It was a championship season that they will remember with pride for the rest of their lives.

Members of the championship varsity team are Tricia Barber, Carrie Collins, Dina Cutrino, Sue Detjen, Andrea Labonia, Donna Milia, Karen Mollach, Anne Marie Morreale, Danielle Petkov, Pam Saunderson, Danielle Shanley, Andrea Stroz, and Laura Willoughby. Their managers are Kim Brandyberry and Jennifer Huether.

The Junior Varsity team members of this State championship squad are Maria Berrios, Marcie Blank, Margie Blank, Cindy Bregman, Dana Carlo, Jennifer Collins, Melody Collins, Kristen Costa, Stephanie Gatto, Allison Heady, Michele Karabin, Christine Kastner, Kelly Padden, Nicole Petkov, Shannon Schmidt, and Christine Vega.

Behind every winning team is a good coaching staff, and Union's Girls High School team has an outstanding coaching staff in George Hopkins, Chris Flinn, Mike Riley, Steve Petela, and Dave Arminio.

Union Township salutes the 1989 New Jersey Group IV Girls High School champions. They are part of a proud tradition at Union High School.

DEFENDING OUR FLAG

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. DARDEN. Mr. Speaker, all of us are distressed that the sanctity of our Nation's flag as a symbol of freedom and opportunity is today endangered by the U.S. Supreme Court's ruling that people who burn or otherwise desecrate that flag may be protected as simply demonstrating their right to free speech.

I am honored to be among those Members of this body who support the enactment of a constitutional amendment outlawing flag desecration, and I look forward to the day when our flag will once again be secure from those who would dishonor it with physical abuse.

Mr. Speaker, millions of Americans have fought to defend our flag and the principles for which it stands. One of them was the father of Lewis Grizzard, the fine columnist for the Atlanta Journal-Constitution.

Recently, Mr. Grizzard—who is best known for the humor of his writing—took a decidedly serious turn in describing what that flag, and his father's sacrifices to defend it, mean to him.

I would like to include in the CONGRESSIONAL RECORD Lewis Grizzard's column from June 23, so that we will all be reminded once again of the great personal feeling that so many of our people have for the flag of the United States of America.

[From the Atlanta Journal, June 23, 1989]

MY FATHER FOUGHT FOR HIS COUNTRY, INTEGRITY OF FLAG

(By Lewis Grizzard)

My father died in 1970 at the age of 58. He was a veteran of World War II and Korea.

His army service record included a battlefield commission, the Bronze Star for valor and three Purple Hearts.

He had reached the rank of captain when the army deemed him unfit for further duty and denied him any benefits.

The years of combat left him a human wreckage. Some men can cope with fear, death and dying. Others can't. My father was in the latter category.

When he returned from Korea, he began to drink heavily. He cried a lot. He couldn't sleep for his nightmares. He lost his wife and son in 1953.

When he died 17 years later, penniless, I had to make all the funeral arrangements. An elderly brother and sister and I were all the family he had left.

What I wanted more than anything else was an American flag to drape over his coffin. I figured he deserved at least that.

He had fought under that flag, and he had fought for it.

HIS COUNTRY NEGLECTED HIM

I had to go out and buy a flag. I forget how or where I got it or how much it cost, but I got myself a flag.

I buried my father in his hometown of Snellville. The local chapter of the Veterans of Foreign Wars included a few of my dad's old friends and probably a few of his drinking buddies.

The VFW sent over a honor guard of sorts to the funeral. They all wore their VFW caps.

I held up pretty well during the first part of the funeral. I loved my father and was, and forever will be, proud of what he did for his country despite my opinion that his country didn't do all it could have for him.

At the funeral a man sang a song. The preacher said some words. At the grave site there was another prayer. When it was over, a couple of the guys from the VFW took the flag off my dad's coffin, folded it with great care, and then handed it to me.

Ninety percent of the tears I cried over my father's death came gushing out in the next three minutes.

A SYMBOL OF FREEDOM'S PRICE

I have a number of photographs of my father on the walls of my house. I have his Bronze Star and his Purple Hearts framed, and they hang on the wall, too.

I keep the flag that draped his coffin in the corner of the room I use for my office.

I can't explain the feeling I have for that flag. It symbolizes all that was good and great about my father, and it is a reminder that freedom can demand a harsh tariff.

Now, the Supreme Court of the United States has ruled it is not unlawful to burn the American flag. It says, by a 5-4 vote, the right to burn American flags comes under the right of free speech.

"People must be as free to burn the flag as they are to wave it," said some liberal fool from the Center of Constitutional Rights.

Why are we constantly bending to satisfy the pukeheads, in this country? If they want to burn a flag, let them go burn the Chinese flag, which is a symbol of oppression, the denial of basic human rights, and a government that spills the blood of its own people.

When somebody burns an American flag, he or she is also burning and desecrating the flag that sits in the corner of my office.

All I have left now is the right to hate trash like that kind of person.

My consolation is even the Supreme Court can't touch that.

FIRE SAFETY AT HOME DAY—CHANGE YOUR CLOCK, CHANGE YOUR BATTERIES

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. WALGREN. Mr. Speaker, today, I am introducing with my colleagues Representatives WELDON, BOEHLERT, BUECHNER, COSTELLO and CLAY, the "Fire Safety at Home Day—Change Your Clock Change Your Battery" resolution.

Last year, 234 House and 55 Senate Members joined in cosponsoring this simple but potentially life-saving piece of legislation. As a result of this support, President Reagan pro-

claimed October 30, 1988, as the first "Fire Safety at Home Day."

This autumn Americans, in jurisdictions on daylight savings time, will turn their clocks back 1 hour to standard time on Sunday, October 29, 1989. This resolution seeks to use this date and practice to remind Americans to take a minute to replace the old batteries in their smoke detectors with new batteries and assure they are functioning properly.

Despite the recognized effectiveness of smoke detectors in saving lives and property, many Americans distracted by their daily concerns become complacent and allow their smoke detectors to become inoperable. Statistics indicate that three out of four homes currently have at least one smoke detector. However, only 50 percent of these detectors are working. Fire safety experts tell us that had these detectors been properly working many of the 6,000 Americans who perished in home fires last year might still be alive.

I urge all my colleagues to join me in sponsoring this resolution. Let's make the inspection of our homes' smoke detectors and other fire safety devices a part of the fall ritual of returning to standard time.

THE INTEGRITY IN CAMPAIGN FINANCING ACT OF 1989

HON. CRAIG T. JAMES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. JAMES. Mr. Speaker, I was elected to Congress because the people of the Fourth Congressional District believed that it was time for change—a time for reform. I've come to Washington committed to crafting, introducing, and passing bold reform legislation. I believe that I have already addressed two critical reform needs. House Concurrent Resolution 239 would bring new and innovative ideas and policies to Congress by limiting the length of terms Members may serve. H.R. 2143 is a sweeping ethics reform measure which would close the revolving door between Government and the private sector and help alleviate influence peddling, it would ban honoraria, and it would terminate the practice of members transferring unused campaign funds to private retirement accounts when they leave Congress. With the legislation I am introducing today, the integrity in Campaign Financing Reform Act of 1989, I am moving to reform the entire mechanism which drives the machine that perpetuates a permanent and unresponsive Congress.

Simply, this legislation will prohibit direct political action committee contributions to individual candidates campaigns. There is a perception in this country that PAC's are able to purchase the best Congress money can buy. This belief has contributed greatly to the American people's loss of faith in Congress. We must restore the people's belief in the Federal legislature. We can go a long way towards doing that by severing the connection between candidates and PAC's. It is not my desire to ban political action committees. In 1974, the last time campaign finance laws were overhauled, PAC's were established as a way to do away with kingmakers and get the grassroots more involved in the financial aspect of the political process. It's a solid concept that might have spun a little bit out of control. Under my legislation, PACs, which are legally described as a collection of individuals with shared political views and goals, would be prohibited from contributing to individual candidates, but would be allowed to contribute $62,500 annually to any political party of their choice. Political parties provide a clear delineation of political philosophies. The American people understand where the Republicans are coming from and they understand where the Democrats are coming from. The parties already have a great responsibility in selecting Presidential candidates; this measure would simply add an additional fiscal responsibility. To put in real dollar terms, PAC's can currently contribute $10,000 per candidate in each congressional race. If they maxed out on every incumbent in an election cycle, they could spend nearly $5 million. My legislation would cap them $125,000 per election cycle. Additionally, it gets the PAC's out of individual campaigns, it severs the perception that PAC's are buying elected officials, and it ensures a more equitable distribution of campaign monies. You certainly don't have to be told that PAC's spend almost every penny on incumbents. This has perpetuated the election for life aspect of Congress. My legislation will go a long way toward ending that.

The other major aspect of this legislation is the application of a consumer price indexing factor to the individual contribution levels proscribed by Federal law. In 1974, Congress established a $1,000 limit on individual contributions. Using inflation figures since that time, we've increased the limit to $2,500.

Under the specifics of this proposal foreign corporations would be prohibited from contributing to candidates or parties.

I also address, from an FEC standpoint, the outlawing of honoraria, including book royalties, and the closing of the loophole which allows members elected prior to 1980 to walk away with unused campaign funds.

Additionally, section 6 of this measure prohibits the use of compulsory union dues for political purposes. Unions should not be allowed to take dues required as a condition for employment and use that money for political purposes union members do not endorse. Thomas Jefferson said, and I couldn't agree more, "To compel a man to furnish contributions for the propagation of opinions which he disbelieves is sinful and tyrannical."

We must close that loophole.

There are other adjustments in contribution levels in this bill that are outlined in the handout I've given you.

Early in my tenure, I mailed questionnaires into my district. One of the questions was, "Do you think the system needs to be reformed to reduce the influence of PAC's and prohibit foreign nationals or corporations from contributing to campaigns?" Ninety-seven percent answered "yes." That is clear indication to me that this legislation is critically needed.

The intent of this legislation is simple. To eliminate the link between PAC's and candidates, to restore equity to the campaign financing mechanism, and to restore the American people's faith in the electoral process, and in Congress.

THE RESTORATION OF UKRAINIAN INDEPENDENCE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. BONIOR. Mr. Speaker, June 30 represents an extremely important day in the hearts and minds of Ukrainians across the world. It represents the reestablishment of Ukrainian Independence on that day in 1941. In a larger sense, it represents the struggle of the Ukrainian people to assert their own cultural identity through centuries of repression.

Perhaps no other country suffered from the ravages of World War II more the Ukraine. Both the Soviets and the Nazis occupied and brutally repressed the Ukrainian people during this period.

The treacherous Molotov-Ribbentrop Pact between Nazi Germany and the Soviet Union place over 4 million Western Ukrainians under Soviet rule. In return, the Soviets helped supply the Nazi war effort. During the Soviet occupation, an estimated 400,000 Ukrainians were either jailed, deported or executed in Galicia.

The cruelty of the Soviets reached a peak during the Nazi invasion. An estimated 10,000 Ukrainian prisoners were systematically tortured and executed by the Soviets during the last week of their occupation.

Shortly after operation Barbarossa, the Nazi invasion of Soviet Russia and Ukraine, underground forces led by Stepan Bandera captured a radio station in Lviv and proclaimed Ukrainian independece over the airwaves. A provisional government was established with Yaroslav Stetzko as it Prime Minister. The Nazi response was both brutal and quick. Bandera and Stetzko were deported to the infamous Sachsenhausen Nazi concentration camp. Countless other Ukranian nationalists were either summarily executed or imprisoned.

Although the ensuing Nazi-Ukrainian war cost the lives of millions of Ukrainians, it was a key factor in the defeat of Hitler and the demise of the Third Reich. Freedom-loving people everywhere owe a tremendous debt to the heroism of the Ukrainian people and their sacrifice.

Sadly, the totalitarian oppression of the Ukrainian people did not end with the fall of Hitler. After years of armed resistance to Soviet occupation, Ukraine was forcible reincorporated into the Soviet Empire.

The Ukrainian people have suffered ever since under Soviet oppression. We cannot allow Glasnost to distract us from the fact that the Catholic church remains outlawed in Ukraine. Mr. Speaker, it is imperative that we do not let a few symbolic gestures overshadow the centuries-old struggle of the Ukrainian people for a national identity. I would to commend the Ukrainian-American community of southeastern Michigan for observing this important event. The continuing celebration of this event reaffirms the struggle.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

RABBI CHARLES KROLOFF JUDAIC HERITAGE AWARD

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. RINALDO. Mr. Speaker, today I wish to pay a special tribute to one of New Jersey's most outstanding and dedicated religious leaders, Rabbi Charles Kroloff of Temple Emanu-El in Westfield, NJ. He recently was honored with the Judaic Heritage Award and the Community and Volunteer Service Award from B'nai B'rith International.

As president of the Association of Reform Zionists of America, Rabbi Kroloff has worked to promote the full acceptance of religious pluralism in Israel. It reflects Rabbi Kroloff's lifelong commitment to the Jewish religion and culture and to democratic institutions in this country and in Israel.

Rabbi Kroloff has promoted the idea and goals of religious pluralism through his teaching, education program, and in working with reformed American Hebrew congregations. He is an inspiring speaker and intellect as well as a Hebrew scholar. Rabbi Kroloff has extended the influence of his congregation in many ways, and has served as president of the Westfield Ministerium which includes members of different faiths.

Before receiving the Volunteer Service Award of B'nai B'rith International, Rabbi Kroloff demonstrated a strong commitment to its purpose of fostering racial and religious understanding and tolerance in American life.

He has won allies and friends for Israel and the cause of Amencan Jews from a wider community—from the churches, women, labor, civil rights, education, urban affairs, and many other groups in society by demonstrating the interest of the Jewish community in the broader agenda of our Nation.

Rabbi Kroloff has been supportive of a secure Israel and of the right of Soviet Jews to emigrate or to live as proud Jews in the Soviet Union.

He was an advocate of family and religious values long before others began focusing public attention on the loss of those traditions that bind us together as Americans. He has resisted attempts to breach the wall of separation between church and state, not for the sake of Jews alone, but for a pluralism that serves the needs of all Americans.

In paying tribute to Rabbi Kroloff, it is appropriate to cite a recent statement by Hyman Bookbinder, who is considered a living legend of American Jewry.

Speaking at the Founders Day Service of the Hebrew Union College, Hyman Bookbinder said these words that apply to Rabbi Kroloff:

I am proud that over the years we have defined our Jewishness, our Judaism, as a commitment to justice for all people, to peace for all people. Such a commitment to universal justice does not shortchange our Jewish interest; it is, in fact, the only way to protect such interest. There is no conflict between our great love and great hope for this blessed land and our deep feelings for Israel and for our Jewishness; not only are such feelings compatible, they are mutually reinforcing.

Rabbi Kroloff is a graduate of the Hebrew Union College of New York, as well as Yale University. His distinguished record includes serving as vice chairman of the Reformed Judaism Social Action Commission and chairman of the Joint National Task Force on Leadership Development. Rabbi Kroloff served on the Ethics Committee of the Central Conference of American Rabbis and is a director of the United Jewish Appeal.

He is a remarkable man who has touched the lives of many. Rabbi Kroloff's life has been devoted to spreading God's love and strengthening the ties of friendship between America and Israel. It is a life filled with hope, compassion, faith and justice, and I am proud to be able to call him my good friend.

HERITAGE OF THE PAST MUST BE SAVED

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1989

Mr. DARDEN. Mr. Speaker, every community in the United States has buildings and historic sites which give testimony to the social, industrial, and political fabric of our past. Sadly, in our rush to build an ever stronger and more prosperous Nation, we have often destroyed or greatly altered many such landmarks, sacrificing them to what we assure ourselves is necessary "progress."

Today, I am heartened by a new awareness among Americans of the need to preserve our past, and to encourage new generations to treasure these historic places for their role in the development of our communities and nation. My home community—Cobb County, GA—is among the most vibrant and fast-growing areas of the United States and, yet, people there also are more aware than ever of the need to protect and preserve the great homes, churches, and commercial structures of the past.

We are privileged to have as our Cobb County Commission chairman, Dr. Philip L. Secrist, a former history professor at Southern Tech with a keen interest in historic preservation. As the chief legislative officer of local government, he has made it his special mission to promote historic preservation efforts in Cobb.

Dr. Secrist recently outlined his views on this subject in an article he wrote for the Marietta Daily Journal. I would like to include that article in the CONGRESSIONAL RECORD, and encourage my colleagues to join Dr. Secrist in strongly supporting the historic preservation movement.

HERITAGE OF THE PAST MUST BE SAVED

(By Dr. Philip L. Secrist)

This summer we commemorate the 125th anniversary of the Battle of Kennesaw Mountain. We have in our community a 3,000 acre national park dedicated to the memory of that occasion and the sacrifices associated with it. Out of this, and scores of battles like it, that generation of Americans who experienced the Civil War forged a more perfect union.

Conflict is often the product of competing beliefs and convictions, sometimes destructive, always controversial, occasionally productive of new strengths. A stronger national union of states and the end to the institution of chattel slavery in this country was achieved as a direct result of the American Civil War.

Many conflicting forces are at work in our country today, and these forces will alter the physical face of our community and determine the course of its history. In Cobb County, change comes so quickly we seem to have little time to reflect on the extended impact it will exert on our personal lives and well being.

For instance, we are told to expect great population increases in Cobb County in the next few years. What price must we pay for absorbing double our present population in such a short span of time? Is the county to be substantially deforested to make room for this population growth? What hills will be leveled and lakes drained, or new lakes created? What skylines will change? What roads will have lanes added, curves straightened, grades reduced or new roads built, to improve, we're told, the flow of traffic.

We say this is progress, but at what price "progress?" What must we lose to make these gains that are said to go with urban growth? Is it really possible to enjoy a healthy economic growth experience and yet retain a measure of the poetry and grace of a life-pace rich in the substance and fullness of pleasant surroundings? Surroundings that reflect the enduring strengths of basic human values which have stood the test of time.

Each generation is the product of cumulative social and cultural forces producing specific historic experiences, which, past and present, have shaped each generation, and which are at work even now in our own. In short, we are substantially the product of past circumstances and present forces and pressures. How do we deal with this?

In a storm, we seek anchors to hold to—enduring and tested anchors. Certainly our religious faith is important. We also achieve a sense of inner peace and comfort in the certain and familiar—in a wooded hill or valley which convey a sense of peace and beauty or serves as a personal reminder of some perceived happier time.

A historic house or the ruins or remains of a long-ago military fort or grist mill convey the comfort of knowing the certainty of the outcome of past events, while at the same time, in our own lives, we cannot now know the conclusion to our daily experiences.

The lesson of history is "perspective"—the long vision. Thus we learn patience in dealing with our daily encounters; the lesson that today, or someday, "this too will pass!"

The tangible evidence of a historic event is important. As a wise man once said, each generation will not be judged so much by what it builds, but rather by what it does not destroy.

So we now find ourselves at a crossroads in Cobb County. What is the useful past? Which and what of the natural beauty of our hills and streams should be preserved? Cobb County was a battleground for nearly six weeks of military activities 125 years ago—a national experience, the American Civil War.

The events of the summer of 1864 seem remote in 1989, but what of the consequence of the human experiences at Fort Hood, Gilgal Church, Latimores Farm, Mannings Mill, the Green plantation, Pine Knob, Ruff's Mill—and Kennesaw Mountain? Why

should we be concerned about preserving the Cheney House on Powder Springs Road, where General Sherman planned the battle of Kennesaw Mountain, or marking the spot near Due West community where the Indiana brigate of future President Benjamin Harrison fought hard at Gilgal Church, or setting aside some ruins of military fortifications on the Kennesaw-Due West Road where Arthur MacArthur, the father of Douglas MacArthur, led his Wisconsin regiment in combat?

What purpose is served with such concerns? Why not forget it all! Is there usefulness in preserving tangible evidence of past events? I think so.

I know we must be concerned if we hope to preserve our identity as a united people consciously sharing the bond of our common historical past. It is a uniting and strengthening experience for a community to share in a sense of heritage. But while we share this common bond, we have the responsibility not to judge events of the historical past romantically, or judge by the values of the present. To do so is to deal ignorantly, unfairly, and arrogantly, with the past; to foolishly set aside the lessons to be learned, and to misjudge and misuse history and its symbols.

Case in point is the misuse of the symbol of the Confederate battle flag by lunatic fringe groups. The St. Andrews cross with its 13 stars became the best known of the confederate battle flags—it became a symbol of great human courage and sacrifice in a "Lost Cause." The popular inspiration of the times that produced this flag was concerned more with the constitutional question of the nature of the union than with the perpetuation of slavery.

All this has been forgotten by the bigots who display the flag at their public occasions and by those who in justified outrage have come to despise the Confederate battle flag as the symbol of racism. This is all so foolishly wrong! And it is a misuse and misunderstanding of our historical experience.

How sad it was the other day to see the small crowd and the absence of media interest on the occasion of the burial in Marietta of a Civil War soldier whose remains lay in their 1864 battlefield burial site until discovered by accident. It would appear that somehow the fate of this 19-year-old unknown Confederate soldier, honored in this recent graveside ceremony by so few people and the battle flag that draped his simple pine coffin, had become an embarrassment to the community in which he had given his last full measure of devotion.

Whether we like it or not, that historical event did happen. And whether we like it or not, the process of history and change is at work with us today.

Cobb County will complete its cycle of urban transition—this is certain, and there will be ample opportunity in the immediate years ahead for economic gain by the sensitive developer who is committed to quality work. Our county will confront the issues of urban land use alternatives, of development, of density, of transportation needs, of waste disposal and water supply—and at the same time consider the retention and preservation of the most desirable characteristics of our county's landscape and historical heritage.

As we seek in this critical time the necessary balance, we shall as individuals and as a community be required to make the difficult decisions that will record forever the historical statement of our personal and community values for future generations to see—and for history to judge.

29-069 O-90-21 (Pt. 10)

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 29, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 6

10:00 a.m.
Joint Economic
To hold hearings to examine prospects for the upcoming Paris Economic Summit, July 14-16.
2322 Rayburn Building

JULY 7

9:30 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for June.
2359 Rayburn Building

JULY 10

9:30 a.m.
Special on Special Impeachment Committee
To hold evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:00 p.m.
Armed Services
Manpower and Personnel Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on manpower and personnel programs.
SR-232A

3:00 p.m.
Armed Services
Readiness, Sustainability and Support Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on readiness, sustainability and support programs.
SR-222

5:00
Armed Services
Defense Industry and Technology Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on defense industry and technology programs.
SR-232A

JULY 11

8:30 a.m.
Armed Services
Conventional Force and Alliance Defense Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on conventional forces and alliance defense programs.
SR-222

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-366

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

10:00 a.m.
Finance
To hold hearings to review proposals to address duplicate coverage under the Medicare Catastrophic Coverage Program
SD-215

Foreign Relations
Business meeting, to resume mark up of proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.
SD-419

10:30 a.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on projection forces and regional defense programs.
SR-232A

2:00 p.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on strategic forces and nuclear deterrence programs.
SR-232A

Foreign Relations
Business meeting, to continue mark up of proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.
SD-419

Conferees
On H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit in-

surance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.

2129 Rayburn Building

2:30 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, and on fossil energy research and development and the clean coal technology program.

SD-366

JULY 12

9:00 a.m.
Armed Services
Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

Commerce, Science, and Transportation
To hold hearings on the nomination of Janice Obuchowski, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

SR-253

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

9:30 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Superfund, Ocean and Water Protection Subcommittee
To hold joint hearings on proposals to improve the environmental quality of marine and coastal waters, including S. 587, S. 588, S. 1178, and S. 1179.

SD-406

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 707, to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience.

SR-253

Foreign Relations
Business meeting, to continue mark up of proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.

SD-419

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

Environment and Public Works
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 106, setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, and other pending business.

SD-406

JULY 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the current drought situation in the midwest.

SR-332

Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on capabilities and concerns of the national sealift policy.

SR-253

Governmental Affairs
Business meeting, to consider pending calendar business.

SD-342

Veterans' Affairs
Business meeting, to consider pending calendar business.

SR-418

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.

SD-366

Judiciary
Business meeting, to consider pending calendar business.

SD-226

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

Special Impeachment Committee
To hold hearings on pretrial issues in matters relating to the impeachment of Judge Walter L. Nixon, Jr.

SD-628

JULY 14

9:00 a.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

10:00 a.m.
Agriculture, Nutrition, and Forestry
Domestic and Foreign Marketing and Product Promotion Subcommittee
To hold hearings to review agricultural research and foreign marketing promotion.

SR-332

Energy and Natural Resources
To continue hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.

SD-366

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

JULY 17

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

2:00 p.m.
Environment and Public Works
To hold hearings on the nomination of Thomas D. Larson, of Pennsylvania, to be Administrator of the Federal Highway Administration, Department of Transportation.

SD-406

JULY 18

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on tuna management.

SR-253

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

9:30 a.m.
Governmental Affairs
To hold hearings on S. 244, to provide for the development and use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies.

SD-342

JULY 19

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, relating to the broadcasting of certain material regarding candidates for Federal elective office.

SR-253

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.

SD-342

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 866, to establish the Calumet Copper Country National Historical Park in the State of Michigan, S. 931, to protect a segment of the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Genesee River in New York, H.R. 419, to provide for the addition of certain parcels to the Harry S. Truman National Historic Site in the State of Missouri, and H.R. 1529, to provide for the establishment of the White Haven National Historic Site in the State of Missouri.

SD-366

JULY 20

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

9:30 a.m.
Governmental Affairs
To hold hearings on provisions of S. 135, Hatch Act Reform Amendments of 1989.

SD-342

Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.

SR-418

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.

SD-430

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 371, to designate certain National Forest System lands in the State of Idaho for inclusion in the National Wilderness Preservation System, to prescribe certain management formulae for certain National Forest System lands, and to release other forest lands for multiple-use management.

SD-366

JULY 21

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

JULY 25

9:30 a.m.
Governmental Affairs
To hold hearings to review U.S. trade and technology issues.

SD-342

JULY 26

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1009, relating to the purchase of broadcasting time by candidates for public office.

SR-253

10:00 a.m.
Governmental Affairs
Business meeting, to consider pending calendar business.

SD-342

JULY 27

9:30 a.m.
Governmental Affairs
To hold hearings on S. 1165, to provide for fair employment practices in the U.S. Senate and U.S. House of Representatives.

SD-342

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.

SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.

SD-430

POSTPONEMENTS

JULY 14

9:30 a.m.
Select Indian Affairs
To hold hearings on proposed amendments to the Indian Child Welfare Act (P.L. 95-608).

SD-485

JULY 18

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.

SD-366

JULY 20

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.

SD-366

JULY 21

9:30 a.m.
Select on Indian Affairs
To hold hearings to establish a Tribal Judicial Resource Center.

SR-485

HOUSE OF REPRESENTATIVES—*Thursday, June 29, 1989*

The House met at 11 a.m.

The Chaplain, Rev. James Ford, D.D., offered the following prayer:

And we know that all things work together for good to them that love God, to them who are the called according to his purpose.—Romans 8:28.

We thank You, gracious God, for all Your promises, especially for the promise that in everything Your will can be accomplished and work together for our good and the good of those we seek to serve. We pray, O God, for the faith to believe, the hope to sense Your purpose, and the love that casts out fear. Bless all those, O God, who act for Your purposes by doing justice, loving mercy, and by walking humbly with You. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Indiana [Ms. LONG] lead the House in the Pledge of Allegiance.

Ms. LONG led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESIGNATION AS CONFEREE AND APPOINTMENT OF CONFEREE ON H.R. 1278, FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

The SPEAKER laid before the House the following resignation as a conferee:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 29, 1989.

The SPEAKER,
House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I wish to be excused as a conferee on the "Financial Institutions Reform, Recovery, and Enforcement Act of 1989" (H.R. 1278).

Thank you for your courtesy and consideration on this matter.

Sincerely,

HENRY J. HYDE,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Florida [Mr. JAMES] as an additional conferee on the bill, H.R. 1278, to fill the vacancy resulting from the resignation of the gentleman from Illinois [Mr. HYDE].

The Clerk will notify the Senate of the change in conferees.

APPOINTMENT AS MEMBER OF THE NATIONAL WOMEN'S BUSINESS COUNCIL

The SPEAKER laid before the House the following appointment as a member of the National Women's Business Council:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 5, 1989.

Hon. JIM WRIGHT,
Speaker of the House,
House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to Section 403(a)(3) of Public Law 100-533, I hereby appoint Ms. Marilu Meyer of Chicago, Illinois, to serve as a member of the National Women's Business Council.

Sincerely yours,

ROBERT H. MICHEL,
Republican Leader.

FURTHER APPOINTMENT AS MEMBERS OF THE NATIONAL WOMEN'S BUSINESS COUNCIL

The SPEAKER. Pursuant to section 403(a)(3) of Public Law 100-533, the Chair appoints the following individuals to the National Women's Business Council, on the part of the House:

Mrs. Esther Shapiro, Los Angeles, CA; and Ms. Gilliam Rudd, Washington, DC.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT, SATURDAY, JULY 1, 1989, TO FILE REPORT ON H.R. 2461, DEFENSE AUTHORIZATION BILL, 1990

Mr. SKELTON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight Saturday, July 1, to file its report on H.R. 2461, the fiscal year 1990 defense authorization bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

INTERNATIONAL COOPERATION ACT OF 1989

The SPEAKER. Pursuant to House Resolution 179 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2655.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, with Mr. SKELTON of Missouri (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, June 28, 1989, title IX was open for amendment at any point.

Pursuant to the order of the House of Wednesday, June 28, 1989, amendments offered to section 707 that are otherwise in order pursuant to House Resolution 179 and the previous order of the House of Wednesday, June 21, 1989, may be offered notwithstanding that title VII has been passed in the reading of the bill for amendment.

Pursuant to the order of the House of Wednesday, June 28, 1989, debate on amendments offered to section 707 and all amendments thereto will be limited to 30 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

Subject to clause 6, rule XXIII, and the additional 30 minutes provided for section 707 amendments, there are 2 hours and 31 minutes of debate remaining on all amendments.

Are there any amendments to title IX?

PARLIAMENTARY INQUIRY

Mr. DORNAN of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. DORNAN of California. Mr. Chairman, just to make a parliamenta-

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ry inquiry so I am sure that we are protected later this afternoon, we are taking a break for the 213th anniversary of the Declaration of Independence and Fourth of July. Will we be able to make 1 minutes at the end of business today before we break on this long district work period?

The CHAIRMAN pro tempore. The Speaker advises that 1-minute speeches will be in order after the conclusion of this bill.

Mr. DORNAN of California. I thank the Chair.

□ 1110

EN BLOC AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN pro tempore (Mr. SKELTON). The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FASCELL:

Page 515, after line 16, insert the following:

(e) CLARIFICATION OF AUTHORITIES GRANTED.—

(1) EARMARKINGS OF FUNDS NOT AFFECTED.—Nothing in this section supersedes any provision of this Act or the annual Foreign Operations, Export Financing, and Related Programs Appropriation Act that earmarks funds for a specific country, region, organization, or purpose.

(2) APPROPRIATION ACT LIMITATIONS NOT AFFECTED.—Nothing in this section supersedes any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriation Act that specifically refers to the assistance authorized by this section and establishes limitations with respect to such assistance.

(3) REPROGRAMMING REQUIREMENTS NOT AFFECTED.—Nothing in this section supersedes the requirements of section 4304 of the Foreign Assistance Act of 1961 or any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriation Act that requires prior notification to congressional committees of proposed reprogrammings of funds.

Page 515, after line 16, insert the following:

(f) LINKAGE OF TECHNOLOGY TRANSFERS TO PEOPLE'S REPUBLIC OF CHINA AND ITS LETHAL ASSISTANCE FOR THE KHMER ROUGE.—

(1) CONDEMNATION OF CHINESE ASSISTANCE TO KHMER ROUGE.—The United States condemns assistance provided by People's Republic of China to the National Army of Democratic Kampuchea.

(2) LINKAGE.—When considering requests for transfers of high technology to the People's Republic of China, the United States shall take into account the degree to which the People's Republic of China has reduced its assistance to the Khmer Rouge.

(3) SUPPORT FOR PUBLIC LAW 100-502.—The President should reiterate his support for Public Law 100-502, which calls for blocking the return to power of the Khmer Rouge.

(4) REPORT.—The President shall report to the Congress within 90 days after the date of enactment of this Act regarding the degree to which the People's Republic of China is decreasing its assistance to the Khmer Rouge.

Page 520, line 25, strike out "(a) AUTHORIZATION.—"; and page 521, strike out lines 4 through 19 (including paragraph (3) as added by the amendments offered en bloc by Mr. Fascell of Florida on June 21, 1989).

Page 525, after line 16, insert the following:

(a) FINDINGS.—The Congress finds that—

(1) there are still over 2,300 Americans unaccounted for in Southeast Asia;

(2) by not knowing the fates of their loved ones, the families of those unaccounted for in Southeast Asia have suffered tremendous hardship;

(3) the United States made a commitment that resolving the fates of Americans unaccounted for in Southeast Asia was a matter of the highest national priority; and

(4) the United States must reaffirm that commitment and fulfill its promise to the families of our missing Americans.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should—

(1) continue to give the highest national priority to accounting as fully as possible for Americans still missing in Southeast Asia and to negotiating the return of any Americans still held captive in Southeast Asia; and

(2) heighten public awareness of the Americans still missing in Southeast Asia through the dissemination of factual data, including access to records to primary next of kin concerning reported live sightings of Americans missing in Southeast Asia, to the extent that the disclosure of such records does not reveal sources and methods of intelligence collection.

Page 525, line 17, strike out "It is the" and insert in lieu thereof "(c) SUPPORT OF HUMANITARIAN PROJECTS IN LAOS.—It is the further".

Page 526, after line 24, insert the following:

SEC. 910. UNITED STATES POLICY TOWARD THE ONE-CHILD-PER-FAMILY PROGRAM AND FORCED ABORTION POLICIES OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—The Congress finds that—

(1) in 1979 the People's Republic of China adopted a one-child-per-family policy that purports to protect voluntary decisions by couples on matters relating to family planning but in reality relies on coercion, economic penalties, and forced abortions (often late in pregnancy) for refusal to comply;

(2) this one-child-per-family policy, implemented by the use of forced abortions and involuntary sterilizations, has been used against ethnic minorities and peoples, such as the Tibetans, by Chinese authorities in Tibet;

(3) as a direct result of this one-child-per-family policy, the incidence of female infanticide in the People's Republic of China has escalated, particularly among those living in rural areas who regard a male as vital to their economic well being and a source of financial security in retirement;

(4) the one-child-per-family policy of the People's Republic of China makes use of a repressive "birth quota" system that empowers family planning workers to dictate to couples if and when they may have the one child permitted under the policy;

(5) the People's Republic of China's family planning workers violate a woman's right to privacy by monitoring private details of a woman's life, including the onset of menstruation in order to track compliance with the one-child-per-family policy;

(6) numerous reports by social scientists and by journalists associated with the Washington Post, the New York Times, the Wall Street Journal, the Public Broadcasting System "Nova" series, the Columbia Broadcasting System's "Sixty Minutes" and other media, have documented pervasive reliance by local People's Republic of China officials on forced or coerced abortion in order to achieve birth quotas for specified areas;

(7) reports indicate that, as a result of the one-child-per-family policy, tens of millions of unborn children have been killed by abortion in the People's Republic of China;

(8) the policy of the Department of State for the 1984 International Conference on Population stated that, "Attempts to use abortion, involuntary sterilization, or other coercive measures in family planning must be shunned, whether exercised against families within a society or against nations within the family of man", and the United Nations Declaration of the Rights of the Child issued in 1959 calls for the legal protection of children before birth as well as after birth;

(9) at the Nuremberg war crimes trials, forced abortion was regarded as a "crime against humanity"; and

(10) while "official" People's Republic of China policy forbids infanticide, prosecution has been virtually nonexistent except in a few token cases.

(b) STATEMENT OF POLICY.—The Congress—

(1) strongly condemns the continued violations of internationally recognized human rights by the Government of the People's Republic of China, including—

(A) the one-child-per-family policy adopted in 1979 that relies on coercion, economic penalties, and forced abortions (often late in pregnancy) as a means of enforcing compliance;

(B) the continued use of a repressive "birth quota" system that empowers the authorities to dictate to couples if and when they may have a child; and

(C) the use of forced abortions and involuntary sterilizations of Tibetans by Chinese authorities in Tibet;

(2) affirms internationally recognized basic human rights, such as—

(A) the conclusion made by the 1981 United Nations Symposium on Population and Human Rights that compulsory abortion is a violation of human rights; and

(B) the declaration made at the Nuremberg war crimes trials that forced abortion be regarded as a "crime against humanity"; and

(3) asks that the President and the Department of State—

(A) raise the concerns expressed in this section with the Government of the People's Republic of China, and

(B) calls upon that Government to cease immediately this repressive policy.

Page 526, after line 24, insert the following:

SEC. 911. ASSISTANCE TO DISPLACED BURMESE STUDENTS ALONG THE THAI-BURMA BORDER.

(a) AUTHORITY TO USE FUNDS.—Notwithstanding any other provision of law, $2,000,000 of the funds described in subsection (b) shall be used for humanitarian assistance for displaced Burmese students on both sides of the Thai-Burma border. Such assistance may include the provision of food, medicine, medical supplies, medical training, and clothing.

(b) FUNDS WHICH MAY BE USED.—The funds which are to be used pursuant to subsection (a) are any funds that are made available for fiscal year 1990—

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

(1) for development assistance, economic support assistance, or international disaster assistance under the Foreign Assistance Act of 1961, excluding funds that are earmarked for a specific country, region, organization, or purpose;

(2) to carry out title II of the Agricultural Trade Development and Assistance Act of 1961; or

(3) to carry out the Migration and Refugee Assistance Act of 1962.

(c) CERTAIN RESTRICTIONS NOT APPLICABLE.—Section 3262 of the Foreign Assistance Act of 1961 shall not apply with respect to the humanitarian assistance for displaced Burmese students provided for in this section.

(d) REPROGRAMMING REQUIREMENTS NOT AFFECTED.—Nothing in this section supersedes the requirements of section 4304 of the Foreign Assistance Act of 1961 or any provision of the annual Foreign Operations, Export Financing, and Related Programs Appropriation Act that requires prior notification to congressional committees of proposed reprogrammings of funds.

Page 526, after line 24, insert the following:

SEC. 912. ANNUAL CERTIFICATION REGARDING ARMS TRANSFERS BY THE PEOPLE'S REPUBLIC OF CHINA TO IRAN, IRAQ, LIBYA, AND SYRIA.

In any calendar year, sales may not be made to the People's Republic of China under the Defense Trade and Export Control Act, and licenses may not be issued under section 38 of that Act for the export to the People's Republic of China, of any item on the United States Munitions List unless the President has certified to the Congress that—

(1) no United States defense article or technology (including United States licensed technology) was used in—

(A) any cruise missile or ballistic missile,

(B) any advanced fighter aircraft, or

(C) any major component or technology for any such missile or aircraft,

that was transferred, directly or indirectly, to Iran, Iraq, Syria, or Libya by the People's Republic of China in the previous calendar year in contravention of the Arms Export Control Act or regulations issued under section 38 of that Act; and

(2) no chemical weapons, and no materials, equipment, or technology intended for use in a nuclear program, was transferred, directly or indirectly, to Iran, Iraq, Syria, or Libya by the People's Republic of China in the previous calendar year.

Page 527, line 7, immediately before the comma insert the following: "and for the development and implementation of long-range bilateral and multilateral reconstruction efforts for Afghanistan and the establishment of a broad-based freely-elected Afghan government".

Page 530, strike out line 15 and all that follows through line 7 on page 531 and insert in lieu thereof the following:

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) India and Nepal, building on the offer of negotiations that the Government of Nepal has made and India has apparently accepted, should schedule without delay a time and place for talks by the two governments to resolve, on an urgent basis, issues relating to trade and transit between the two countries, recognizing that an expeditious and amicable resolution is in their mutual self-interest;

(2) India, as a gesture of good will befitting a responsible regional power, should consider resuming the sale of petroleum products to Nepal and encourage the normal passage of people and goods into and out of Nepal; and

(3) the Secretary of State, or his designee, should provide regular briefings to the Congress regarding the effects of the Indian-Nepalese dispute on the two countries and on the interests of the United States with respect to both countries and in South Asia in general.

Page 535, after line 10, insert the following:

SEC. 925. REMOVAL OF MINES IN AFGHANISTAN.

(a) FINDINGS.—The Congress makes the following findings:

(1) Soviet military forces engaged in armed hostilities against the people of Afghanistan for over 9 years.

(2) The hostilities in Afghanistan have resulted in extensive loss of life and property and economic dislocation for large numbers of the Afghan people.

(3) During the course of the conflict in Afghanistan millions of explosive mines, made of both plastic and metal, where planted or scattered throughout the Afghanistan countryside, and those mines have injured or killed thousands of men, women, and children.

(4) Many of the mines the Soviet Union and the Afghan regime deployed in Afghanistan will remain active for many years, creating extreme obstacles for refugees in returning to Afghanistan and making use of their land.

(5) The millions of refugees now living in Pakistan burden that country's young democracy.

(6) One of the terms of the agreement governing the withdrawal of Soviet military forces from Afghanistan guarantees the safe passage and return of Afghan refugees to their homeland.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Soviet Union should continue to agree to abide by the letter and spirit of the agreement governing the withdrawal of its military forces from Afghanistan;

(2) the Soviet Union should make available all information regarding the location of all minefields as well as information regarding areas in which mines were scattered by means of artillery or aircraft, or other means, and this information should be widely disseminated by all available methods to the Afghan people both in Afghanistan and in refugee camps outside the country;

(3) the Soviet Union should provide generous support to the efforts of the United Nations to remove mines in Afghanistan and to continue to do so until such time as it has been established that all reasonable steps for the identification, location, and removal of mines have been taken;

(4) the Soviet Union should also provide generous and long-term support for United Nations efforts toward the reconstruction in Afghanistan including medical care and assistance to those Afghan people injured as a result of Soviet and Afghan Government placement of mines; and

(5) consistent with United States efforts to provide humanitarian assistance to civilians who have suffered as a result of the Soviet invasion of Afghanistan, the President should continue to provide assistance as he deems necessary in support of the international mine clearing effort.

Page 535, after line 10, insert the following:

SEC. 926. REGIONAL ACTIVITIES BY INDIA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Soviet Union remains the main external supplier of military equipment to India, and India has obtained sophisticated Soviet weaponry such as MiG-29 fighter bombers, Mi-29 Halo heavy lift helicopters, and Soviet built nuclear submarines. India and the Soviet Union also coproduce T-72 tanks and MiG-21 and MiG-27 fighters.

(2) India recently tested a medium-range missile that could be capable of carrying either conventional or nuclear warheads.

(3) India has not agreed to submit to international safeguard inspections on its nuclear activities.

(4) India continues to recognize and support the Communist Government of Afghanistan, despite that government's abysmal record on human rights and its complete lack of legitimacy among its own people.

(b) STATEMENT OF POLICY.—The Congress urges the Government of India—

(1) to end its support for the Communist Government of Afghanistan; and

(2) to agree to submit to international safeguard inspections of its nuclear activities and to become a party to the Treaty on the Non-Proliferation of Nuclear Weapons.

Page 535, after line 10, insert the following:

SEC. 927. UNITED STATES POLICY ON THE WAR IN AFGHANISTAN.

(a) FINDINGS.—The Congress finds that—

(1) nearly 10 years after the Soviet invasion of Afghanistan, and despite the February 1989 withdrawal of Soviet troops, a Soviet-installed regime that is unrepresentative of the Afghan people is still in place in Kabul; and

(2) the Soviets continue to provide massive quantities of military supplies to the Kabul regime, and have increased their arms shipments through a major airlift in recent months.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the United States should continue to encourage a political settlement that will bring an end to the fighting in Afghanistan without sacrificing the objectives of genuine Afghan self-determination, return of refugees, and the reemergence of an independent Afghanistan; and

(2) the United States should continue to provide effective military support to the Afghan resistance in order to enable them to respond to the massive Soviet resupply effort and to negotiate from a position of strength, thereby helping to ensure a political solution that meets the desires of a majority of the Afghan people.

The CHAIRMAN pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. FASCELL] is recognized for 10 minutes.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to offer, jointly with my colleague Mr. BROOMFIELD, an en bloc amendment concerning U.S. policy toward various Asian nations. The amendment includes:

First, language suggested by Mr. MRAZEK requiring congressional notification for any assistance provided to the Cambodian resistance;

Second, provisions offered by Mr. DORNAN of California linking United States technology transfer to China to a decrease in assistance from China to the Khmer Rouge forces and requiring certification of People's Republic of China arms transfers to Iran, Iraq, Libya, and Syria;

Third, Mr. SOLARZ' amendment deleting the transfer authority for funding for the multilateral assistance initiative for the Philippines;

Fourth, Mr. BROWN of Colorado's amendment maintaining full accounting for POW/MIA's as the highest national priority;

Fifth, Mr. SMITH of New Jersey's provision condemning Chinese family planning policies;

Sixth, a provision based on the amendment offered by Mr. ROHRABACHER which earmarks $2 million for fiscal year 1990 for assistance to displaced Burmese students on the Thai-Burmese border;

Seventh, language proposed by Mr. PORTER clarifying that assistance available for Afghanistan may be used for bilateral and multilateral reconstructions efforts and for the establishment of a broad-based freely elected Afghan Government;

Eighth, a sense of Congress provision offered by Mr. DURBIN calling on India and Nepal to begin urgent negotiations to resolve their serious trade and transit dispute;

Ninth, language derived from provisions offered by Mr. BUECHNER and Mr. RITTER calling on the Soviet Union to facilitate the removal of mines from Afghanistan and to provide medical assistance to those injured by mines and urging increased United States assistance as necessary for the international mine clearing effort;

Tenth, a sense of Congress provision proposed by Mr. HERGER calling on India to end its support of the current government in Afghanistan and urging India to sign the Nuclear Non-proliferation Treaty and comply with international safeguard provisions;

Eleventh, a provision derived from the amendment offered by Mr. GINGRICH and Mr. RITTER stating United States support for a political settlement which provides for self-determination for the Afghan people and for the return of refugees and urging continued effective United States military assistance to the Afghan resistance;

I would like to thank the chairman and ranking member of the Subcommittee on Asian and Pacific Affairs, Mr. SOLARZ and Mr. LEACH, as well as the authors of these various provisions, for their assistance in working out this en bloc amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Michigan [Mr. BROOMFIELD] is recognized for 10 minutes.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to indicate that I strongly support these en bloc amendments described by the chairman of the committee.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I wish to express my strong support for the en bloc amendments.

Mr. Chairman, as a founding member in 1977 and now as the chairman of the House POW/MIA Task Force, I rise in strong support of the amendment offered by Mr. BROWN of Colorado expressing the sense of Congress that the United States should continue to provide the highest national priority to achieving the fullest possible accounting of the 2,348 American servicemen still missing from the Vietnam war.

During his inauguration speech and at various times since then, President Bush has reaffirmed his commitment and priority to this important issue. Just last week at a Heritage Foundation conference Vice President QUAYLE reconfirmed this commitment. I believe it is very appropriate and important for Congress to do the same.

While it is true that following our withdrawal from Vietnam and throughout the 1970's, when we should have been doing the most about the POW/MIA issue, we were doing very little, that is emphatically not the case today. Since the beginning of the Reagan administration, the POW/MIA issue has received the full attention and priority it deserves. President Bush has continued with this responsible policy.

Although we have thus far been unable to prove with concrete, credible evidence that Americans are still detained against their will, the information available to us very much precludes ruling out that possibility. Actions to investigate live-sighting reports receive and will continue to receive the necessary priority and resources based on the assumption that at least some Americans are still held captive. Should any report prove true, we will take the action necessary to ensure the return of those involved.

The real obstacles to fullest possible accounting and the real answers to the numerous unresolved questions we still have about the fate of these Americans lie not in Washington, but in Hanoi. However, I believe further progress can be made so long as we provide the same solid determination and support we have already demonstrated.

I also support the amendment's provision calling for increased public awareness. A well-informed public armed with the facts is an important ally.

Mr. BROWN of California's amendment also reaffirms our support for current policy and law—which we enacted last year as part of the intelligence bill—providing primary next of kin with access to records concerning reported live sightings of Americans listed as MIA. The POW/MIA families have long suffered not knowing what happened to their loved one. We should continue to provide as much information as possible to them. We must continue to support these special families and remain steadfast with them.

I urge my colleagues to join me in strongly supporting the Brown amendment.

Mr. Chairman, I rise in support of the amendment offered by my California colleague Mr. HERGER expressing Congress' serious concern about India's continued procurement of increasingly sophisticated Soviet weapons.

Quietly, but assuredly, India has significantly increased its military might over the past decade. Today, India is one of the most powerful countries militarily outside of the NATO-Warsaw Pact Community, with over 1 million men under arms. Much of the buildup, which I contend goes beyond adequate defensive needs, is based on the procurement of top-line Soviet equipment.

Over the past few years, India has procured from the Soviet Union.

A nuclear-powered submarine—the first time the Soviets have released a nuke to a navy other than its own!

Six Soviet Kilo attack submarines—the Soviets have provided this to no other navy.

Three Soviet Kaskin destroyers, with 3 more on order;

Three Soviet Nanuchka missile corvettes, with eight more of this or similar vessels on order

Bear TU-142 long-range patrol bombers

Over 200 MIG-23/27 fighter-bombers

One reconnaissance squadron of MIG-25's

Some 40 MIG-29's delivered or on order—this is the Soviet's new front-line fighter. India may license produce this jet.

Indian pilots have flown and evaluated the new MIG-35 and India will probably procure a substantial number of these aircraft.

Too little time to note the hundreds of tanks, missiles, other jet fighters, other aircraft and frigates India procured from the Soviets.

While India is quick to point out that it has reduced its military budget this year, we should be aware that it has risen in massive proportions in years previous. Within the past 5 years

Indian defense spending has risen 150 percent—approaching 20 percent of the Nation's total budget.

Yet, poverty, disease and hunger are still serious problems in India. I support development assistance to India to help alleviate the suffering and raise the standard of living for these poor. Yet, I must ask, is it fair to the American taxpayer to provide this help when the Indian Government is using its resources to buy Soviet weapons beyond what is needed for an adequate legitimate defense?

I am also very concerned about the prospects for a conventional arms race in the region stimulated by India's military buildup, especially when the development needs of India and its neighbors are so great. From my review of arms purchases in the region, I have found that India, more often than not, is responsible for continuing regional military competition.

Yes, India also procures weapons from the West. That is of great concern to me, too for similar reasons. Why does India, for example, need 2 aircraft carriers? However, I find it most disturbing for the world's largest democracy to closely cooperate militarily and provide financial payments to the world's greatest and most dangerous police state—the Soviet Union.

Indo-American relations have recently improved as marked by the signing of a new high-technology transfer agreement. However, there are still issues of serious concern to us like India's military buildup and weapons procurement policy. As our super 301 determinations address the trade concerns we have with India, I believe this sense of Congress amendment sends an appropriate and measured signal to India about some of our other serious concerns.

I urge my colleagues to support this Herger amendment.

Mr. Chairman, I rise in strong support of Mr. BUECHNER's amendment and urge my colleagues to do the same. While many in the United States believe the war in Afghanistan is over, the fact is that the Afghan people continue to struggle to obtain their freedom. Even after the Soviet withdrawal, the Afghans are still being victimized, on a daily basis, by the Soviet Union, and its puppet, the Kabul regime. As this amendment so clearly points out, the Soviets continue to insist that Afghans die because of the countless mines the Red army left behind. Thousands of Afghans are unable to return to their homeland because of the mines which litter their country. Those who do are often killed or maimed by the mines.

Despite the assurances given to us by Soviet Foreign Minister Shevardnadze that most of the mines exploded within days of being planted and the promises of Soviet Foreign Ministry spokesman Gerasimov that the Soviet Union was not engaged in a mine war on the Afghan people, the fact is that the countryside of Afghanistan is still littered with mines. Furthermore, U.S. intelligence information reports that the Soviets planted more mines as they withdrew from the war-torn nation of Afghanistan. Moreover, the Soviets continue to refuse to provide the United Nations or the Afghans with maps of their mine fields so that the clean up can begin. This is not only tragic for the people of Afghanistan, but it is outrageous that the Soviet Government would refuse to provide even the most minimal assistance to this country which continues to suffer because of the cruelty of the self-proclaimed moderate Soviet "Peristroika" regime. This amendment calls on the Soviets to provide "generous support" to the efforts by the U.N. to facilitate the removal of the mines. I agree with the amendment that the U.S.S.R. should pay for the rebuilding of this ravaged nation. In light of the suffering of the Afghans, this is the very least the Soviets could do.

Mine warfare in Afghanistan is not the result of a well planned military tactic. These mines were scattered in militarily insignificant regions of the countryside of Afghanistan to wage war on civilians and to kill or maim anyone—even children—who would happen to be so unfortunate as to walk where the Soviets indiscriminately planted their terror. This amendment places the responsibility for the suffering children who no longer have arms and legs, and the dead parents who were obliterated by a mine where the blame properly lies, with the Soviet Union. The amendment expresses the belief of this Congress that the Soviets are responsible for cleaning up the fields of Afghanistan which they polluted with mines which kill and maim. The Soviets should stand responsible in every way for the desecration they continue to bring to the Afghan people. As this amendment stands, they should take every appropriate step to return the country they so tragically spoiled to a place where farmers can plow their fields to feed their families without fear of death or dismemberment, where children can walk in a field without fear of losing a limb, and where refugees can return without the horror of the explosion of a Soviet mine to welcome them.

I urge my colleagues to support this amendment and to put the U.S. Congress on record as placing the blame for the tragedy of mine warfare in Afghanistan squarely where it belongs—on the Kremlin. Furthermore, I urge my colleagues to support this amendment to call on the Soviet Union, which has promised moderation and peacefulness, to take this opportunity to place actions with its words and to make right what they have so tragically done wrong—pay to clean up the mine fields its army laid in Afghanistan.

Mr. FASCELL. Mr. Chairman, I yield back the balance of my time.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the chairman of the committee for yielding this time to me.

Mr. Chairman, I rise in strong support of this en bloc amendment, and I congratulate those members, especially chairman FASCELL and Mr. BROOMFIELD, for their diligent work in putting this package together.

As we consider the entire issue of sanctions against China, we really are placed on the horns of a dilemma. On the one hand, all Members from both sides of the aisle are united expressing our indignation and revulsion at the brutality and repression in China. We have to make clear to the leaders of that government that China cannot be considered a member in good standing of the international community. We cannot have business as usual.

On the other hand, we don't want to do something that hurts the Chinese people. They do not like their government any more than we like it. We have to be careful to make sure that the Chinese people know we share their aspirations and we support them in their struggle.

This en bloc package strikes a balance, as much as is humanly possible, between these two concerns.

The bulk of the sanctions contained in this package are aimed at the high profile, prestige—making projects that are dear to the Chinese Government, but which have a less immediate impact on the lives of the Chinese people.

I believe that this en bloc amendment, coupled with the actions already announced by the administration, represents a reasonable and appropriate response to the appalling repression in China.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH], a member of the Committee on Foreign Affairs.

Mr. SMITH of New Jersey. Mr. Chairman, today I am offering an amendment to state unequivocally that the United States Congress deplores the continuing use of coercion in the People's Republic of China's [PRC] population control program. My amendment also calls on the President and the State Department to raise our concerns about this repressive policy with the Government of the PRC and it urges that Government to cease these practices immediately.

It should be abundantly clear to all that the People's Republic of China, through its one child per family

policy, continues to employ systematic coercion and brutality in achieving population control. The same iron fist that brought the prodemocracy students to their knees in Tiananmen Square has, since 1979, been using forced abortion, coercive sterilization, and mandatory IUD insertion to control the masses. The simple fact of the matter is the people of China have no rights whatsoever concerning family planning matters.

The result of this cruel and inhumane assault on the family has been approximately 110 million children aborted since 1979—a number equal to the combined population of England and France—and most through coercion. The result has been millions of women and men sterilized under Government duress, compulsion or threat of punishment and still millions more women who have undergone mandatory IUD insertions.

In this exhaustive 1988 study on population trends in China, Judith Banister and Karen Hardee-Cleveland of the U.S. Bureau of the Census conclude: "Today, Chinese couples still are not given a choice about whether they practice family planning, how many children they have, when they have the allowed birth or births, whether or not to sign family planning contracts, or what form of birth control they will use."

And let's not kid ourselves that things are easing up in China as some apologists contend. The evidence suggests coercion is actually on the rise. Of course, the Communists in Beijing deny all of this. Just as they denied the massacre in Tiananmen Square and the killings and purges in Tibet. The big lie repeated often enough persuades the gullible and provides plausible cover for the apologist. We should not be fooled, however, nor can we be an accessory to these crimes.

The evidence is overwhelming that the Chinese Government is continuing to use forced abortion and other coercive measures to implement their restrictive "one child per couple" policy. On June 7, the United States Agency for International Development once again determined that the PRC's ongoing use of coercion rendered the United Nations Population Fund [UNFPA] ineligible for United States assistance. The UNFPA is heavily involved in supporting China's population program. AID has made such a determination every year now since 1985.

In a March 29, 1985 report to AID Administrator M. Peter McPherson, Assistant Administrator Richard Derham wrote:

> Based on the evidence available * * * there is "probable cause" to believe that coercion, sponsored by the Government, is prevalent in the PRC's family planning program * * * I further conclude that the UNFPA program cannot be disentangled from the pervasive coercion of the system and that even if it could, the shadow on the PRC program would pose difficulties. Hence, I conclude that the U.S. should take strong action to dissociate itself from the China program.—("Information Memorandum for the Administrator," March 29, 1985.)

On August 28, 1986, Administrator McPherson announced his determination that the UNFPA's involvement in China was in violation of the Kemp-Kasten amendment. This legislation states that no U.S. population assistance funds can be made available to any organization or program which supports or participates in the management of a program of coercive abortion or involuntary sterilization.

On August 13, 1987, AID officially declared that there had been no significant changes in the China/UNFPA Program to change the adverse judgments reached in 1985 and 1986. AID Assistant Administrator Richard E. Bissell said in an August 10, 1987, memo to Acting Administrator Jay Morris:

> The Chinese program remains systematically coercive . . . Chinese spokesmen at recent family planning conferences have stated that *births not covered by the plan must be strictly banned* and *prescribed penalties should be applied firmly and promptly until pregnancies outside the plan are terminated* * * * There is *no basis for changing the program* * * * Official statements clearly say that abortion and/or sterilization not freely chosen by couples is a publicly approved remedy for births outside the state plan. [All italic in the original.]

Mr. Bissell attached a memo titled, "Coercion in the Chinese Family Planning Program: June 1987 Update," which stated that AID's findings—

> * * * were derived from review of FBIS [Foreign Broadcast Information Service] reports and from a large number of cables, reports, memoranda, and other documents provided by the China desk, covering the period November 1986 through May 1987. This report avoids the citation of sources in most cases in order to protect sensitive materials. Additional information describing severe penalties is not included in this report because the sources are classified. China experts Judith Banister (Bureau of the Census) and Susan Greenhalgh (Population Council) informally reviewed the information and conclusions presented above and independently verified the accuracy of the information and conclusions in the report.

On May 27, 1988, AID Administrator Alan Woods announced that the boycott of UNFPA would be continued for fiscal year 1988, because a review of the China/UNFPA Program, conducted by the United States Census Bureau's Center for International Research, indicate that "significant changes that would warrant resumption of support have not occurred."

Mr. Chairman, in at least four cases within the past year, PRC nationals have been granted political asylum in the United States after they or their spouses were placed under duress to submit to abortions. The February 5, 1989, edition of the Washington Post reported on a decision by U.S. Immigration Judge Bernard J. Hornbach to grant political asylum to Yun Pan Lee. The Post reported that Lee was granted political asylum because "he would be persecuted by China's strict population-control policies if he were forced to return home."

On April 10, 1988, the Washington Post published an exposé by anthropologist Steven Mosher which revealed the length to which some Chinese Government officials will go to enforce the birth quota policy. Ping Hong, a Chinese woman who joined her husband in Phoenix 3 years ago, became pregnant with her second child in May 1987. She was warned to obtain an abortion in the United States immediately or return to China without delay to undergo an abortion.

When Ping Hong failed to respond to the abortion directive, she received a very blunt letter from the population control office at her place of employment in China. The letter read as follows:

> COMRADE PING HONG: Have you received our last express mail letter? Have you taken any action as a result?
>
> The factory officials are anxious to know whether or not you have done as ordered, since your actions affect the benefits of all employees in the factory as well as the factory's future. The punishment for this kind of violation (having a second child) is very severe.
>
> If you cannot have this abortion done abroad, then the factory director orders you to return to China immediately. Any further delays, and you will be punished according to the law.
>
> There is nothing ambiguous about our order! Make up your mind immediately!
>
> To your health.

Mr. Chairman, about 2 months ago I had the privilege of meeting Ping Hong and her young daughter. Fortunately, this was one case where a determined woman was able to evade the long arm of the totalitarian Chinese regime. Tragically, millions of others are unable to withstand the brutal tactics that are employed to enforce their compliance with a repressive and immoral policy.

The January 27, 1989, edition, of the Washington China Post carried a very disturbing report by Ge Hua, a mainland scholar. This article has been cited in a February 8, 1989, report by Tao-tai Hsia, chief of the Far Eastern Law Division of the Library of Congress. The author of the Washington China Post article says that "Killing live babies and wanton use of fetal organs for laboratory research are prevalent on the mainland." He states that in China, "all second pregnancies or above are considered as illegal and excessive pregnancies. They must be aborted." Pointing to the prevalence of late-term or full-term abortions, he writes that "many gynecologists and nurses on the mainland are forced to

kill the babies against their conscience. Sometimes they have to kill several tens of them in a day," he reports.

At the 1984 International Conference on Population, the U.S. Government stated that: "Attempts to use abortion, involuntary sterilization, or other coercive measures in family planning must be shunned, whether exercised against families within a society or against nations within the family of man." It is also important to remember that at the Nuremberg war crimes trials, forced abortion was regarded as a "crime against humanity."

Mr. Chairman, today the U.S. Congress has the opportunity to state unequivocally that forced abortion is indeed a "crime against humanity." We should make it clear that we strongly condemn the continued violations of internationally recognized human rights by the Government of the People's Republic of China.

History will not be kind to those who, in the midst of evil, stood by silently. Lincoln once said: "to sin by silence when they should protest makes cowards of men." The women of China and their babies desperately need our support. By adopting this amendment, we are making it clear that respect for fundamental human rights is an important element of international relations. If the Chinese Government wants to earn the respect of the American people, they can begin by demonstrating respect for the rights of their own people. Mr. Chairman, I urge support for my amendment.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman, I thank my Republican leader on the Foreign Affairs Committee, and I congratulate him for all his good work. I also want to thank my former chairman for 6 of the best years I have spent in this House under his helmsmanship as a member of the Foreign Affairs Committee.

Some of the best work in this House on Foreign Affairs goes into these noncontroversial amendments that are accepted rashly by both sides and introduced en bloc, and very little time is spent speaking on them.

The amendment offered by the gentleman from New Jersey [Mr. SMITH] is so important. All of these amendments on both sides of the aisle are important. Two of mine were accepted, and I want to spend about 10 seconds on each.

There is a new section to require annual certification of Communist China's arms transfers—they are not only sales—to Iran and Iraq. They have killed one another for almost a decade. Libya, one of the leading terrorist nations, and Syria, which has done more evil work in terrorism than probably even Colonel Qadhafi's Libya, are the subject of these amendments. That certification is going to be very important to free people around the world.

My second amendment links United States technology transfers to communism, to their lethal aid to the Khmer Rhouge, the perpetrators of a genocide of 2 to 3 million people.

Mr. Chairman, I thank the gentleman for accepting them, and I thank the gentleman from Michigan [Mr. BROOMFIELD] for his good work.

Mr. BROOMFIELD. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Florida [Mr. FASCELL] has already relinquished his time.

Mr. BROOMFIELD. Then I yield back the balance of my time, Mr. Chairman.

Mr. FASCELL. Mr. Chairman, I ask the indulgence of the chair for a second. At the time I yielded back my time, I did not realize there were other speakers.

The CHAIRMAN pro tempore. Without objection, the gentleman from Florida [Mr. FASCELL] may reinstate his time.

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Florida [Mr. FASCELL] has 8 minutes remaining.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, I would like to engage in a colloquy with the distinguished gentleman from New York [Mr. SOLARZ], the chairman of the Subcommittee on Asian and Pacific Affairs.

Before engaging in this colloquy, let me mention that the gentlewoman from California [Mrs. BOXER] and I have noticed an amendment on Cambodia that we had intended to introduce before making a final decision about whether to go ahead with that amendment on Cambodia.

□ 1120

Mr. Chairman, I would like to ask the gentleman from New York [Mr. SOLARZ] if he could explain to me and to the other Members of the body procedurally the context of his language in the legislation as it now stands in the following respect:

Is there a dollar limit on the amount of money that can be authorized pursuant to this legislation to the noncommunist resistance in Cambodia, and what will the procedural framework be for the administration, if it wanted to exceed any particular limit or any particular level?

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. LEVINE of California. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman from California [Mr. LEVINE] for his inquiry, and I thank him even more for the interest which he has shown in the fate and future of the Cambodian people.

The answer to the question of the gentleman from California [Mr. LEVINE] is that there is no precise limitation in the legislation, but there is a precise limitation in the law.

We have authorized in this legislation aid to the non-Communist resistance forces in response to an administration request in the congressional presentation document which indicated that the administration wanted to provide the non-Communist resistance forces with $7 million for the next fiscal year.

Under the well-established procedures by which funds are provided in the foreign aid bill to countries, or organizations, or programs or movements requested by the administration, if the administration should decide that it wants to spend a single cent above and beyond the $7 million it has requested for the non-Communist resistance forces within the framework of the Foreign Assistance Act, it would be obligated to notify the Committee on Foreign Affairs and the Committee on Appropriations of its desire to reprogram moneys from other programs for the purpose of providing those additional funds to the NCR, and at that point, under well-established procedures written into law which have always been faithfully respected by the administration, the Committee on Foreign Affairs and the Committee on Appropriations would both have to affirmatively approve this request for any increase whatsoever in funding above the $7 million which has been requested.

As a consequence, Mr. Chairman, I can safely, and fairly and reliably report to the gentleman from California [Mr. LEVINE] and to the other Members of the House that this is not an open-ended authorization. This administration is not free to spend unlimited amounts of money on this program. It would have to notify the Committee on Appropriations and the Committee on Foreign Affairs, if it wanted to spend anything above the $7 million requested, and, if either committee objected to it, either committee, not the House as a whole, but either committee objected to it, then it could not go forward, and of course, if both committees approved, but, if the gentlewoman from California [Mrs. BOXER] or anybody else felt it should not go forward, legislation could be introduced, and it could be prevented.

Mr. LEVINE of California. Mr. Chairman, I am grateful to the gentleman from New York [Mr. SOLARZ] for those assurances which are very important as an assurance to summarize

and restate that, if a penny more than the $7 million is spent, either the Committee on Foreign Affairs, or the Committee on Appropriations or the House could ensure that that additional money is not spent.

Mr. SOLARZ. Mr. Chairman, will the gentleman from California [Mr. LEVINE] just yield on that point?

Mr. LEVINE of California. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I want to give the Members one other assurance, that if and when such a notification is received, and it may not be, I want to assure the Members that this will not be quietly approved in the still of the night without other Members knowing about it. I guarantee the Members that they will be notified. The gentlewoman from California [Mrs. BOXER] will be notified, every other Member who has expressed an interest, and we will have a hearing on it in order to obligate them to justify any such requests, if it should be forthcoming.

Mr. LEVINE of California. Mr. Chairman, these assurances are very helpful. Obviously the goal of all of us is to ensure that there be a non-Communist regime in Cambodia and that it not include the Khmer Rouge, and the reason that the gentlewoman from California [Mrs. BOXER] and I have intended to offer the amendment that we have before us today is because of our deep concern about this issue which we know is shared by the chairman of the subcommittee and the full committee that the United States do nothing inadvertently or not inadvertently to enhance the ability of the Khmer Rouge, that brutal, outrageous group of thugs, to return to power in Cambodia.

However, based on the assurances I have received today from the gentleman from New York, I will not offer my amendment.

Mr. FASCELL. Mr. Chairman, how much time do we have remaining on this amendment?

The CHAIRMAN. The gentleman from California [Mr. FASCELL] has 2 minutes remaining.

Mr. FASCELL. Mr. Chairman, I yield that time to the distinguished gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman from Florida [Mr. FASCELL].

Mr. Chairman, I want to take this time to thank my friend and colleague, the gentleman from California [Mr. LEVINE], and I would like to engage my colleague, the gentleman from New York [Mr. SOLARZ] in a colloquy here.

First, Mr. Chairman, I want to thank the gentleman from New York [Mr. SOLARZ] for his reassurances which have been given to us on this floor which make me feel a lot better. I do not just speak for myself, nor does the gentleman from California [Mr. LEVINE], in our concern.

Mr. Chairman, within about 15 minutes we had about 25 signatures on our dear colleague on this particular issue. I think the gentleman is aware of that.

Many of us came to this body, having lived through years when we got involved in Southeast Asia in a way that no one really ever debated, and the gentleman from California [Mr. LEVINE] and I want to make sure that these issues get debated, and, frankly, to have 2 minutes to discuss it is unfortunate, but I am delighted even to have that much opportunity.

Mr. Chairman, our concern revolved around two things, the blank check, of which we were informed of today, certainly will not apply if the administration wishes to go beyond $7 million, and we will be watching that.

Second, our fear is that some of this aid could go to the very people who were probably the worst murderers in recent years, the Khmer Rouge, and I would like to ask the gentleman from New York [Mr. SOLARZ] on that point what assurances he can make to us that none of the $7 million could wind up in the hands of the Khmer Rouge.

Mr. SOLARZ. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, this is a very good question. I share the concerns of the gentlewoman from California [Mrs. BOXER] entirely.

The response is that there is explicit language in the bill which prohibits any of our assistance, directly or indirectly, from going to the Khmer Rouge. We have assurances from the leadership of the NCR. They will do everything to make sure it does not happen. The administration plans to establish and implement procedures to make sure it does not happen. It has not happened for 10 years, but——

The CHAIRMAN. The time of the gentleman from Florida [Mr. FASCELL] has expired.

Mrs. BOXER. Mr. Chairman, I ask unanimous consent for 1 additional minute, 30 seconds, if I might.

The CHAIRMAN. The gentleman from Florida [Mr. FASCELL] has no time remaining.

Mrs. BOXER. Mr. Chairman, I asked unanimous consent for 30 seconds, if I might.

Mr. FASCELL. Mr. Chairman, I will have to object because I made that statement.

The CHAIRMAN. Objection is heard.

Mr. FASCELL. Mr. Chairman, if the gentlewoman from California [Mrs. BOXER] will stay right there until I get the next amendment up, I will try to give her the additional time.

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent to regain the 3 minutes I yielded back, and I have a request for time.

The CHAIRMAN. The gentleman from Michigan [Mr. BROOMFIELD] reserved the 3 minutes.

Mr. FASCELL. Mr. Chairman, would the gentleman yield for a second?

If the gentleman from Michigan [Mr. BROOMFIELD] has no further requests for time, would he be kind enough to let the gentlewoman from California [Mrs. BOXER] complete her statement?

Mr. BROOMFIELD. Mr. Chairman, I yield 1 of my 3 remaining minutes to my good friend, the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman from Michigan [Mr. BROOMFIELD] kindly.

Let me make the point to my colleagues, and then I will yield back whatever I have left, that we have seen photographs, we have seen photographs of Prince Sihanouk standing side by side with the leader of the Khmer Rouge, and that gives this gentlewoman, and the gentleman from California [Mr. LEVINE] and many Members in this House pause. We are concerned. They are a part of one coalition, and I would say to the gentleman that this is not going to be the end of this issue, as he knows. The gentleman from California [Mr. LEVINE] and I may very well introduce a separate bill stating that, until such time as Prince Sihanouk and his faction breaks off with the Khmer Rouge, no lethal aid should go to Prince Sihanouk, and I just want to put this House on notice that we will not be going away.

□ 1130

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Chairman, I rise today to support the amendment within the en bloc amendment expressing the sense of the Congress on the subject of the removal of millions of deadly unexploded mines which remain in Afghanistan. Although the tragedy of the war in Afghanistan no longer commands headlines it is far from over. Nor will it be even after the last shot fired and the last battle is fought. Scattered across the rugged Afghanistan countryside millions of unexploded mines continue to exact a toll in human pain and suffering. An estimated 30 million mines were deployed during this conflict—enough to kill every man, woman, and child 3 or 4 times over.

One must question the motivations of those who planted these mines. The Soviet Union has portrayed them as a consequence of the struggle against armed insurrection, a legitimate action in a conflict against insurgency. However, this is hardly the case. Rather it

is an example of terroristic tactics used by a nation intent on subjugating the Afghan people by means of war against innocents. Focusing the brunt of the attack not on legitimate combatants, they instead unleased their policies of terror on the children of Afghanistan. And make no mistake about it, a large portion of these mines were in fact directed at children as evidenced by their having been manufactured to look like toys—toys from the devils' playground designed to maim or kill innocent kids. With the estimated 4 million refugees already returning home, the problem will only get worse. The United Nations is assisting this effort but much remains to be done—and I believe my amendment is a good place to start.

My amendment expresses the sense of the Congress that the Soviet Union should accept its humanitarian responsibilities to the people of Afghanistan and immediately provide the aid and assistance necessary to help alleviate this serious problem. Absent this assistance the United Nations should continue its mine removal efforts and then take steps to recover the costs from the Soviet Union. Its intent is relatively straightforward, in effect saying, "You created this mess, you clean it up."

Please join me in supporting this amendment with the hope that pressure from the United States Congress will be instrumental in ending this nightmare for the Afghan people.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. BUECHNER. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, there is nothing more noble than America's commitment to helping brave people who are fighting for their freedom in desperate circumstances. This piece of legislation contains 2 million dollars' worth of humanitarian aid for young people who were students in Burma a year ago who rose up against the dictatorship in Rangoon and who just in very similar circumstances to what happened to the students in China faced tyranny and faced oppression and are now offering a democratic resistance. We can be very proud that we are helping these students with humanitarian aid.

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong opposition to the Levine-Boxer amendment on Cambodia, proposed to be offered. None of us want to see the Khmer Rouge come to power nor do we want any American aid to fall into the Khmer Rouge's hands. To claim otherwise is absolutely false. Furthermore, the provisions in H.R. 2655, as currently written, will help prevent the Khmer Rouge from returning to power much better than the Levine-Boxer amendment. In fact, the Levine-Boxer amendment will weaken the non-Communist resistance thereby increasing the power and capabilities of the Khmer Rouge.

The bill, as written: First, continues the President's authority to provide lethal and nonlethal assistance to the non-Communist resistance; second, grants the President the authority to furnish funds to provide nonmilitary training for Cambodians who might return to their country after a political settlement; third, grants the President the authority to provide assistance for the relief, rehabilitation, and reconstruction of Cambodia in the context of an internationally acceptable political settlement; and fourth, reinstates the statutory prohibition against United States assistance for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge of any of its members to conduct military or paramilitary operations. Clearly, this language prevents assistance that directly or indirectly helps the Khmer Rouge—contrary to misleading Dear Colleagues on the issue that have been circulated.

The bill as written does not provide lethal assistance to the non-Communist resistance. Supporters of the Levine-Boxer amendment are trying to make it appear that the bill does. The bill does provide the President with the option of providing such assistance. This is a responsible measure because it gives the administration the flexibility it needs to best meet the challenges presented by the Cambodian situation. For example, this option will give the non-Communist resistance additional leverage in negotiations on the future of Cambodia. Why unnecessarily take away an option like this one? To rule out the possibility of lethal assistance, we are signalling to the non-Communist resistance, the Khmer Rouge, and the Vietnamese that we really don't care about the fate of Cambodia.

While the non-Communist resistance is part of the coalition government which includes the Khmer Rouge, those with even a minimum knowledge of the situation know that this is a coalition on paper only created for the purposes of international public diplomacy and occupying a U.N. seat. And, the bill as written, does reiterate the current statutory prohibition against assistance that would benefit the Khmer Rouge.

The Khmer Rouge and its genocidal policies are a serious threat to the future of Cambodia. I believe that if the Khmer Rouge were to return to power, we would witness another barbaric killing fields. There is an alternative to the Khmer Rouge—the non-Communist resistance [NCR]. However, today the Khmer Rouge is significantly stronger than the NCR. Because the Vietnamese appear to be withdrawing, without additional support, the NCR will be unable to block a Khmer Rouge takeover. Is this what the Levine-Boxer amendment is meant to do?

It is significant to recognize that the current Cambodia provisions are the result of the hard work of our colleague, the chairman of the Asia-Pacific subcommittee, STEVE SOLARZ. Chairman SOLARZ is our resident-expert on Cambodia. I know, as a member of his subcommittee, that he would never approve of any provisions that could, in even the most remote way, benefit the Khmer Rouge. Yet, understanding the realities of the situation, Chairman SOLARZ recognizes that the option for lethal assistance must be left open if we are to really help bring democracy to Cambodia and keep the Khmer Rouge out of power. The administration also strongly supports the Cambodia language as written—it has wide bipartisan support.

Unfortunately, 20 years ago some of the same attitudes on providing lethal assistance to non-Communist forces in Cambodia prevailed. The same demand that we severely limit our options in light of progress being made toward a political settlement in Cambodia was raised. The result? A Khmer Rouge dictatorship and the butchering of millions of innocent Cambodians. We should learn from history and leave every option open. We must not allow the Khmer Rouge to rule again.

Again, the bill as written does not provide lethal aid, it provides the President with the option of providing it. He does not have to use that option. But, having the option is an important negotiating tool itself. The Levine-Boxer amendment would eliminate that option and that negotiating tool. That hurts and weakens the NCR and strengthens the Khmer Rouge.

I urge my colleagues to join me in opposing the Levine-Boxer amendment.

Mr. PORTER. Mr. Chairman, this amendment clarifies existing law and the authority of the President to expend funds already authorized to be appropriated toward the development and implementation of long-range bilateral and multilateral reconstruction efforts for Afghanistan and the establishment of a broad-based freely elected Afghan government.

Withdrawn Soviet troops left behind a country ravaged by 9 years of bloody and destructive war. The Kremlin's military strategy of bombing villages and burning farms has changed the face of Afghanistan's landscape.

Today, 50 percent of all farm and most of the critical irrigation system has been destroyed. Of the 22,000 villages existing in 1979, only 5,000 remain unscathed. In addition, Afghanistan faces the repatriation of close to half its prewar population, 7 million people, requiring extensive health and education efforts to prevent disease and starvation upon their return.

However, none of the refugees will return to their homes as long as the fighting continues inside Afghanistan. Only when the guns fall silent and the landmines are found and removed, and when there is a freely established, broad-based democratic government will these tragically displaced people go home.

And when that happens, Mr. Chairman, the United States, together with the rest of the developed world, must be ready to assist the Government and people of Afghanistan with the enormous task of putting their country and lives back together. United States military and humanitarian assistance to the Afghan freedom fighters helped pave the way for the withdrawal of Soviet troops. The development of a long-range bilateral and multilateral reconstruction plan will reassert the United States' dedication to the integrity of a free Afghanistan and the well-being of its people.

I urge Members to support this amendment.

Mr. DURBIN. Mr. Chairman, I rise on behalf of my amendment, now included in the en bloc amendment to title IX, regarding the current dispute between India and Nepal.

It has been nearly 3 months since treaties governing trade and transit between India and Nepal expired, and India closed 19 of 21 border crossings into Nepal, contributing to a disruption of trade between the two countries.

This virtual economic blockade has had a devastating impact of the tiny nation of Nepal. Since Nepal is a landlocked country that depends on India for 33 percent of her trade, the blockade has created widespread shortages of critical items such as fuel and medicine. News accounts have reported diabetes patients unable to obtain insulin. Residents of Kathmandu are limiting themselves to one meal a day to conserve fuel, and many cannot purchase basic commodities such as salt and sugar. Schools and factories have been forced to close, and electricity is being rationed.

The long-term damage to Nepal will be even worse. The Nepalese government now predicts that economic growth will drop from 5 to 1.5 percent for this year, and that inflation will rise from 8 to 20 percent. Development projects run by the World Bank, USAID, and private voluntary organizations such as CARE and Save the Children have been curtailed. Most disturbing of all is the rapid acceleration of deforestation as the Nepalese substitute wood fuel for kerosene—five times as much wood is being cut now as before the blockade.

The United States has a strong interest in seeing this situation reversed. We have 138 Peace Corps volunteers in Nepal whose well-being has been put at risk by the growing shortages and difficulties in transportation. The $12 million we will invest in development in Nepal this year is being wasted, as our projects grind to a health because of the lack of fuel and supplies.

Several colleagues and I introduced House Concurrent Resolution 115, which calls on India to end its economic blockade of Nepal and instead sit down to negotiate with Nepal. This resolution has attracted a bipartisan group of 60 cosponsors, and some of its language was incorporated in the bill we are now considering.

In part because of these efforts, India appears to have responded to Nepal's offer to negotiate. This report, if true, is welcome progress and hopefully will lead to a quick resolution of the differences between India and Nepal.

It is important, however, for the Congress to express its continuing concern over the situation in Nepal. My amendment updates and strengthens the language already adopted by the Foreign Affairs Committee. Specifically, my amendment urges India and Nepal to schedule without delay the time and place for talks to begin between the two governments. It also asks India, as a gesture of good will befitting a responsible regional power, to resume the sale of petroleum products to Nepal and encourage the normal passage of people and goods into and out of Nepal.

Mr. Chairman, the time has come to speak out on behalf of the Nepalese people, whose very future is at stake. I hope my fellow colleagues will vote for the en bloc amendment as a way of showing support for Nepal in this difficult time.

Mr. RITTER. Mr. Chairman, many of my colleagues may be aware that this month marks the 40th anniversary of the Allied airlift to Berlin. The Berlin airlift was an airlift to life—of food and provisions. But, at this very moment—in Kabul, Afghanistan—an equally massive Soviet airlift is occurring—an airlift of death, where 10,000 tons— weekly—of guns, mines, tanks, artillery, and armored personnel carriers dwarf the meager amount of food and supplies being sent.

Mr. Chairman, I think that most of my colleagues remember the recent visit by Prime Minister Benazir Bhutto of Pakistan to our Chamber here. I hope that my colleagues will recall and realize that the fledgling democracy, that Benazir Bhutto has thus far been able to foster, is strained by the millions of Afghan refugees that have not been able to return to their homeland.

Mr. Chairman, I would urge my colleagues to support Prime Minister Bhutto and the people of Pakistan and Afghanistan by supporting these amendments which my colleagues and I have worked together to offer on the Afghanistan situation.

Among other things these amendments would urge effective American support for the Afghan resistance in order to enable them to curtail the massive Soviet airlift of military equipment to the Kabul puppet regime. Further these amendments address the problem of the 30 million mines in Afghanistan by urging the Soviet Union to provide maps of the mine fields and support the U.N. mine clearing effort. In consistence with U.S. humanitarian efforts, it further urges the President of the United States to provide assistance, as he deems necessary, for the purpose of clearing mines in Afghanistan.

Mr. Chairman, these amendments are directly related to our foreign aid goals for the Afghan people. The millions of Soviet mines in Afghanistan and the massive Soviet airlift of military equipment will continue to render United States foreign assistance objectives to the Afghan people ineffective. These Soviet weapons and mines are paralyzing the return of the Afghan people to their homes, and rendering useless the agriculturally based economy of Afghanistan. The effect of assisting the Afghan people in stopping this airlift and in clearing up the mines in Afghanistan will be to expedite a peaceful, political settlement in Afghanistan, and to provide a safety valve to help relieve the great internal pressure the Afghan refugees are placing on Pakistan.

Mr. Chairman, the present regime in Afghanistan is not supported by the Afghan people. Najibullah, as chief of the secret police and as leader of the Afghan puppet-regime, is supported by a massive Soviet military and economic umbilical cord that allows him to impose his power on the Afghan people.

The United States should continue to encourage a political settlement that will bring an end to the fighting in Afghanistan, but the government of the Najibullah regime is an illegal construct that the majority of the Afghan people fear and detest.

Mr. Chairman, I think its important that we realize that although the Afghan people have defended their own country and freedoms, in many ways it can be said that they fought for America—denying a domination or cutoff of the vital oil routes of this volatile region.

Mr. Chairman, I urge my colleagues to support the people of Afghanistan and Pakistan by voting for these important amendments.

Mr. LANTOS. Mr. Chairman, I rise in strong support of the amendments which our distinguished chairman of the Foreign Affairs Committee, Mr. FASCELL, is proposing for inclusion in the foreign assistance legislation. One of the amendments which he proposes to include in this bill is an amendment that I introduced with our distinguished colleague, the ranking minority member of the Foreign Affairs Committee, Mr. BROOMFIELD of Michigan. Our amendment expresses the concern of the Congress regarding human rights violations against ethnic Albanians in Yugoslavia, and it is essentially the same language as House Concurent Resolution 152, which I introduced with Mr. BROOMFIELD.

It is highly significant that we are considering this legislaiton today—on June 28. According to estimates of Yugoslav news agencies, today more than 1 million Serbs will converge in the Yugoslav autonomous Province of Kosovo to commemorate the 600th anniversary of the Battle of Kosovo Polje of 1389, in which the Ottoman Turks sealed their rule over the Balkans.

Mr. Chairman, it is important that on this occasion, which has generated an outpouring of Serbian nationalism, that we remember the rights of ethnic Albanians, who constitute the vast majority of the population of the Province of Kosovo. Our amendment deals with the serious problems that have been taking place in Kosovo in recent months.

The Department of State's 1988 Country Report on Human Rights Practices cites many human rights practices in Yugoslavia that violate internationally accepted human rights standards, including infringement upon and abrogation of the rights of assembly and fair trial, freedom of speech, and freedom of the press. The report indicates that these human rights violations tend to be targeted against certain ethnic groups and regions, most particularly against the ethnic Albanians in Kosovo.

Mr. Chairman, those human rights violations, in addition to recent Yugoslav Government actions to limit the social and political autonomy of the Province of Kosovo, precipitated a crisis in that region which resulted in a brutal police crackdown that led to the deaths of many civilians and police officers, the wounding of hundreds more, and the imprisonment of many others. These tragic events in Kosovo violate the high ideals of mutual equality, dignity, and brotherhood among Yugoslavia's nationalities which have been a guiding principle of Yugoslavia since 1945.

It is important that we in the Congress express our very serious concern regarding the actions of the Yugoslav Government for these repeated human rights violations and the brutal handling of the crisis in Kosovo. Yugoslavia should take steps to assure that further violence and bloodshed do not occur in Kosovo and that the provisions of the Helsinki Final Act be observed to assure full protection of the rights of the Albanian ethnic minority in Yugoslavia.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. Chairman, it is important that we in the Congress speak out on these important human rights issues. I urge my colleagues to join us in supporting the inclusion of this amendment in the legislation we are now considering.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL].

The en bloc amendments were agreed to.

EN BLOC AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, on behalf of the gentleman from Michigan [Mr. BROOMFIELD] and myself, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FASCELL: Page 526, add the following after line 24:

SEC. 910. PEOPLE'S REPUBLIC OF CHINA.

(a) FINDINGS.—The Congress finds that—

(1) on June 4, 1989, the Government of the People's Republic of China ordered unprovoked, brutal, and indiscriminate assault on thousands of peaceful and unarmed demonstrators and onlookers in and around Tiananmen Square by units of the People's Liberation Army, which resulted in at least 700 deaths and massive injuries;

(2) the Chinese Government has executed at least 27 individuals who participated in prodemocracy demonstrations or who protested the brutal military assault against peaceful demonstrators;

(3) the Government of the People's Republic of China is engaging in widespread mass arrests in the aftermath of the June 4, 1989, military assault in Tiananmen Square, which have resulted in the arrests of thousands of students, workers, and other civilians so far;

(4) independent international human rights organizations, such as Amnesty International and Asia Watch, have documented daily incidences of arbitrary arrests, torture, and beating by police and military forces in the People's Republic of China;

(5) the Chinese Government has established telephone hotlines and other local communications networks for the express purpose of identifying and imprisoning prodemocracy supporters and political dissidents throughout the country;

(6) officials of the Chinese Government have grossly distorted the government's actions to suppress the prodemocracy movement, including by clandestinely disposing of the bodies of demonstrators without informing their families, and have consistently denied that the massacre in and around Tiananmen Square took place or that abuses of human rights have occurred;

(7) in an effort to conceal the truth about the Chinese Government's brutal suppression of the prodemocracy movement, foreign journalists have been expelled and Voice of America broadcasts are being jammed;

(8) in view of the widespread and continuing repression, noted Chinese intellectuals and advocates of peaceful democratic reform, Fang Lizhi and Li Shuxian, sought refuge at the United States Embassy in Beijing on June 3, 1989, and the United States exercised its prerogatives under long-standing practices of diplomatic missions by granting them refuge; and

(9) the President has condemned the actions of the leaders of the People's Republic of China against participants in the prodemocracy movement in China and has taken several concrete steps to respond to the repression of the movement, including—

(A) suspending all exports of items on the United States Munitions List, including arms and defense related equipment, to the People's Republic of China;

(B) suspending high level government-to-government contract between the United States and the People's Republic of China;

(C) extending the visas of nationals of the People's Republic of China currently in the United States;

(D) offering humanitarian and medical assistance to the injured through the Red Cross;

(E) instructing United States representatives to international financial institutions to seek delay in the consideration of loan requests that are made to those financial institutions and would benefit the People's Republic of China.

(F) suspending action on applications for the issuance by the Overseas Private Investment Corporation of new insurance and financing of investments in the People's Republic of China by United States investors;

(G) opposing the further liberalization of the guidelines of the group known as the Coordinating Committee regarding trade with the People's Republic of China;

(H) taking no further action to implement the agreement for cooperation between the United States and the People's Republic of China relating to the uses of nuclear energy, thereby foreclosing the issuance of new licenses; and

(I) suspending the license for the export of any United States manufactured satellites for launch on launch vehicles owned by the People's Republic of China, including the two Aussat satellites and the Asiasat satellite.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President is to be commended for his clear articulation of United States condemnation of the actions of the Government of the People's Republic of China in the killing and persecution of the participants of the prodemocracy movement in the People's Republic of China, and for the responses and measures by the President against the People's Republic of China, which the Congress supports;

(2) the consultative approach that the President has used in coordinating with other countries the United States response to the atrocities committed by the leaders of the People's Republic of China should be supported;

(3) it is essential for the United States to speak in a bipartisan and unified voice in response to the events in the People's Republic of China, and that the President be given the necessary flexibility to respond to rapidly changing situations so that the long-term interests of the United States are not damaged;

(4) in this vein, the President should continue to emphasize to the leaders of the Government of the People's Republic of China that resumption of normal diplomatic and military relations between the United States and the People's Republic of China will depend directly on the Chinese Government's halting of executions of prodemocracy movement supporters, releasing those imprisoned for their political beliefs, and increasing respect for internationally recognized human rights;

(5) because human rights violations in a country as populous as the People's Republic of China may have serious implications for the stability of the Asia-Pacific region, the United Nations should, in order to further regional security and peace, condemn the violent repression, mass arrests, and executions of peaceful demonstrators by the Government of the People's Republic of China and urge the Chinese Government to enter into negotiations with representatives of the prodemocracy movement;

(6) United States policy toward the People's Republic of China should be explicitly linked with the situation in Tibet as well as elsewhere in that country, specifically as to whether—

(A) martial law is lifted in Lhasa and other parts of Tibet;

(B) Tibet is open to foreigners, including representatives of the international press and of international human rights organizations;

(c) Tibetan political prisoners are released; and

(D) the Government of the People's Republic of China is entering into negotiations with representatives of the Dalai Lama on a settlement of the Tibetan question;

(7) the guarantee of the People's Republic of China for "one country, two systems" in Hong Kong has little credibility in light of the ongoing brutal crackdown on prodemocratic forces in the People's Republic of China, and the President and the Secretary of State should convey to the People's Republic of China and the United Kingdom the strong reservations of the United States with respect to the absence of guarantees of free direct elections and human rights in the bilateral agreement which provides for the reversion of the administration of Hong Kong to the People's Republic of China in 1997;

(8) the United States should offer admission to the United States to any national of the People's Republic of China who is under threat of severe penalty as a result of participating in prodemocracy demonstrations; and

(9) the President should be commended for his courageous and appropriate action, in accordance with the Vienna Convention on Diplomatic Practices and customary international law, in swiftly providing temporary refuge to Fang Lizhi and Li Shuxian at the United States Embassy in Beijing, and the President should continue to provide refuge to those individuals to ensure their personal safety.

(c) SUSPENSIONS.—

(1) OVERSEAS PRIVATE INVESTMENT CORPORATION.—The Overseas Private Investment Corporation shall continue to suspend the issuance of any new insurance, reinsurance, guarantees, financing, or other financial support with respect to the People's Republic of China, unless the President makes a report under subsection (d) of this section.

(2) TRADE AND DEVELOPMENT AGENCY.—The President shall suspend the use of any funds made available to carry out the Foreign Assistance Act of 1961, for activities of the Trade and Development Agency with respect to the People's Republic of China, unless the President makes a report under subsection (d) of this section.

(3) MUNITIONS EXPORT LICENSES.—The issuance of licenses under section 38 of the Defense Trade and Export Control Act for the export to the People's Republic of China of any defense article on the United

States Munitions List, including helicopters and helicopter parts, shall, subject to subsection (e), continue to be suspended unless the President makes a report under subsection (d) of this section.

(4) CRIME CONTROL AND DETECTION INSTRUMENTS AND EQUIPMENT.—The issuance of any license under section 6(k) of the Export Administration Act of 1979 for the export to the People's Republic of China of any crime control or detection instruments or equipment shall be suspended, unless the President makes a report under subsection (d) of this section.

(5) EXPORT OF SATELLITES FOR LAUNCH BY THE PEOPLE'S REPUBLIC OF CHINA.—Any license for the export of a satellite of United States origin that is intended for launch from a launch vehicle owned by the People's Republic of China (specifically including the Hughes Aircraft Model HS-601 Spacecraft (commercial communications satellites) whose export is described in the certification transmitted to the Congress pursuant to section 36(c) of the Arms Export Control Act of September 12, 1988) shall continue to be suspended unless the President makes a report under subsection (d) of this section. Any license for such an export that was issued before the enactment of this Act shall also continue to be suspended unless the President makes a report under subsection (d) of this section.

(6) NUCLEAR COOPERATION WITH THE PEOPLE'S REPUBLIC OF CHINA.—(A) Any—

(i) application for a license under the Export Administration Act of 1979 for the export to the People's Republic of China for use in a nuclear production or utilization facility of any goods or technology which, as determined under section 309(c) of the Nuclear Non-Proliferation Act of 1978, could be of significance for nuclear explosive purposes, or which, in the judgment of the President, is likely to be diverted for use in such a facility, for any nuclear explosive device, or for research on or development of any nuclear explosive device, shall be suspended,

(ii) application for a license for the export to the People's Republic of China of any nuclear material, facilities, or components subject to the Agreement shall be suspended,

(iii) approval for the transfer or retransfer to the People's Republic of China of any nuclear material, facilities, or components subject to the Agreement shall not be given, and

(iv) specific authorization for assistance in any activities with respect to the People's Republic of China relating to the use of nuclear energy under section 57 b.(2) of the Atomic Energy Act of 1954 shall not be given,

until—

(I) the President has certified to the Congress that the People's Republic of China has provided clear and unequivocal assurances to the United States that it is not assisting and will not assist any non-nuclear weapons state, either directly or indirectly, in acquiring nuclear explosive devices or the materials and components for such devices;

(II) the President has made the certifications and submitted the report required by Public Law 99-183; and

(III) the President makes a report under subsection (d) of this section.

(B) For purposes of this paragraph, the term "Agreement" means the Agreement for Cooperation Between the Government of the United States of America and the Government of the People's Republic of China Concerning Peaceful Uses of Nuclear Energy, done on June 23, 1985.

(7) LIBERALIZATION OF EXPORT CONTROLS.—The President shall negotiate with the governments participating in the group known as the Coordinating Committee to suspend, on a multilateral basis, any liberalization by the Coordinating Committee of controls on exports of goods and technology to the People's Republic of China under section 5 of the Export Administration Act of 1979, including—

(A) the implementation of bulk licenses for exports to the People's Republic of China; and

(B) the raising of the performance levels of goods or technology below which no authority or permission to export to the People's Republic of China would be required.

The President shall oppose any liberalization by the Coordinating Committee of controls which are described in subparagraph (B), until the end of the 6-month period beginning on the date of enactment of this Act, or until the President makes a report under subsection (d) of this section, whichever occurs first.

(d) TERMINATION OF SUSPENSIONS.—A report referred to in subsection (c) is a report by the President to the Congress—

(1) that the Government of the People's Republic of China has made progress on a program of political reform throughout the country, including Tibet, which includes—

(A) lifting of martial law;

(B) halting of executions and other reprisals against individuals for the nonviolent expression of their political beliefs;

(C) release of political prisoners;

(D) increased respect for internationally recognized human rights, including freedom of expression, the press, assembly, and association; and

(E) permitting a freer flow of information, including an end to the jamming of Voice of America and greater access for foreign journalists; or

(2) that it is in the national security interest of the United States to terminate a suspension under paragraph (1), (2), (3), (4), or (5), to terminate a suspension or disapproval under paragraph (6), or to terminate the opposition required by paragraph (7), as the case may be.

(e) APPLICABILITY OF SUBSECTION (c)(3).—The suspension set forth in subsection (c)(3) shall not apply to systems and components designed specifically for inclusion in civil products and controlled as defense articles only for purposes of export to a controlled country, unless the President determines that the intended recipient of such items is the military or security forces of the People's Republic of China.

(f) TASK FORCE ON STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA IN THE UNITED STATES.—

(1) ESTABLISHMENT.—There is established a task force to be known as the Task Force on Certain Nationals of the People's Republic of China in the United States (hereafter in this section referred to as the "Task Force"). The Task Force shall be composed of the Secretary of State (or his designee), who shall be the chair of the Task Force, and representatives of other relevant agencies, as determined by the Secretary of State.

(2) DUTIES AND RESPONSIBILITIES.—The Task Force shall carry out the following duties and responsibilities:

(A) Taking into consideration the situation in the People's Republic of China, the Task Force shall assess the specific needs and status of citizens of the People's Republic of China who were admitted under nonimmigrant visas to the United States.

(B) The Task Force shall formulate and recommend to the Congress and the President policies and programs to address the needs determined under subparagraph (A).

(C) The Task Force shall establish, directly or indirectly, a clearinghouse to provide those Chinese citizens described in subparagraph (A) and United States institutions of higher education with appropriate information, including—

(i) public and private sources of financial assistance available to such citizens;

(ii) information and assistance regarding visas and immigration status; and

(iii) such other information as the Task Force considers feasible and appropriate.

(3) REPORTS.—(A) Not later than 60 days after the date of enactment of this Act, the President shall submit to the Congress a report on the status and work of the Task Force.

(B) Not later than May 1, 1990, and every 90 days thereafter, the President shall submit to the appropriate committees of the Congress a report prepared by the Task Force, which shall include—

(i) recommendations under paragraph (2)(B); and

(ii) a comprehensive summary of the programs and activities of the Task Force.

(4) TERMINATION.—The Task Force shall cease to exist 2 years after the date of enactment of this Act.

Mr. FASCELL. Mr. Chairman, pursuant to the previous order of the House, the gentleman from Michigan [Mr. BROOMFIELD] and I have agreed to extend debate on the en bloc amendments now pending before us to 1 hour, to be equally divided between the gentleman from Michigan [Mr. BROOMFIELD] and myself.

The CHAIRMAN. The gentleman from Florida [Mr. FASCELL] will be recognized for 30 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, let me extend my appreciation to the distinguished gentleman from New York [Mr. SOLARZ], who is the chairman of the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, and who has worked so diligently along with the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD], and many others who are sponsors of a variety of amendments. We have all been shocked by the heartless and brutal attack on the unarmed students in Tiananmen Square. The American fascination with China, and the hope engendered by China's opening to the West, has been dashed by the horror of the so-called People's Liberation Army turning against the Chinese people. These events have demanded a concerted, unified, and bipartisan response.

In putting these en bloc amendments together, without their good will, their sincere and dedicated ef-

forts, it would not have been possible to speak with one voice. There was such a strong diversity of opinion, such a feeling of outrage with regard to the events of China, that we do not know where the end of a discussion with differences of opinion might have taken us.

What we have done here is a better course of action. It is wisdom for the United States to proceed in this manner, and I am delighted, therefore, to yield 10 minutes to the distinguished gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Chairman, I want to thank the distinguished chairman of the Foreign Affairs Committee very much for yielding this time to me.

The en bloc amendments we now have before us on China are in my judgment a tribute to the American legislative process at its best. It is the result of serious, detailed and arduous negotiations which has taken place over the course of the last week between Members on both sides of the aisle in an effort to forge a common position with respect to the ongoing developments in China. This amendment will enable the Congress of the United States, speaking with one voice and with the support of Members on both sides of the aisle, to make it very clear to the Chinese that if they want to resume a cooperative relationship with our country, there will have to be significant improvement in the human rights situation in China.

This en bloc amendment would not have been possible, Mr. Chairman, without the very strong encouragement and support of the chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL]. It clearly would not have been possible without the cooperation of the Arthur Vandenberg of this generation, the gentleman from Michigan [Mr. BROOMFIELD] who was, of course, in a rather difficult position, trying to reconcile the concerns of the White House on the one hand with those of our colleagues on the other. I want to commend the gentleman, not only for his legislative creativity, but for his political courage in terms of his willingness to support this legislation.

It also enjoyed the support of Members on both sides of the aisle who played a key role: my very good friend, the gentleman from Pennsylvania [Mr. YATRON], who is the chairman of the Subcommittee on Human Rights and International Organizations; the gentleman from Connecticut [Mr. GEJDENSON], the chairman of the Subcommittee on International Economic Policy and Trade, who also played a critical role in formulating this en bloc amendment; and my good friend, the gentleman from Nebraska [Mr. BEREUTER], as well.

Inspection of the amendment will reveal the truth of the old Chinese proverb, "Victory has a thousand fathers, but defeat is an only child." This amendment clearly has a thousand fathers.

The gentleman from New York [Mr. GILMAN] contributed language on Tibet and the munitions control list.

The gentleman from New York [Mr. SOLOMON] contributed language on the sale of satellites, nuclear cooperation, and human rights.

The gentlewoman from Maine [Ms. SNOWE] gave us language on Fang Lizhi.

The gentleman from Illinois [Mr. PORTER] contributed language on Hong Kong.

My very good friend, the gentleman from New York [Mr. WEISS] spearheaded the effort to include language on the Overseas Private Investment Corp.

The gentleman from California [Mr. LANTOS] gave us language, as did the gentleman from New York [Mr. GILMAN], on Tibet.

The gentleman from Massachusetts [Mr. MARKEY] insisted quite effectively on the inclusion of language with respect to the Nuclear Cooperation Agreement with Tibet.

The gentleman from Connecticut [Mr. GEJDENSON], ably assisted by the gentleman from California [Mr. LEVINE], successfully sought the inclusion of language in here which will have the effect of freezing any further liberalization of technology exports to China, not just by the United States, but by every country in Cocom for the next 6 months.

So, Mr. Chairman, I think it is a very important amendment. It codifies into law a series of measures already announced by the President of the United States over the course of the last 2 weeks. It makes the lifting of those sanctions or suspensions contingent on a report by the President that the People's Republic of China has embarked on a program of political reform that would include a cessation of the executions which are now underway, the release of political prisoners arrested because of their involvement in the prodemocracy demonstrations, the cessation of jamming of the broadcast of the Voice of America on which hundreds of millions of Chinese are dependent for whatever objective information they receive, and greater freedom of the press and freedom of expression in China itself, as well as the lifting of martial law.

□ 1140

It also includes, at the request of the gentleman from Michigan [Mr. BROOMFIELD] and our Republican friends, language which gives the President the right, if the national-security interests of the Nation compel it, to lift any of these suspensions. It is clearly the hope of the Congress that that will not be used or be necessary, and that the primary reliance will be put on the degree to which China has complied with the needed improvements in human rights which are called for in this legislation.

Mr. Chairman, I believe that our Nation is always most effective abroad when we are united at home, and I very much hope, even at this late date, that the President of the United States will find it possible to endorse this legislation. He has, in effect, assumed the position of the desk officer for China in the administration. He has characterized himself as the leading Sinologist in the administration. He spent time there. He knows China well. We respect his knowledge of that country. We respect his constitutional prerogatives as President. But we have responsibilities as well. Some of us have been to China also, and I think I speak for Members on both sides of the aisle when I say that it is the view of the House and of the American people that our relationship with China will necessarily be significantly influenced by the respect which they are prepared to show for some of the fundamental human rights of their own people.

There are some who have said that there is nothing we can do to affect the course of events in China. It may be true that, in the short term, there is not much we can do to affect the course of events in China, but over the near term and the long run, we may have an opportunity to exert some limited influence on the future of China.

Once the gerontocracy which has seized power in China passes from the scene, as they inevitably will in the next few years, a struggle for power will inevitably emerge in China between hard liners and moderates. It is essential for us to deprive the hard liners of the argument that they can engage in the massive repression of their own people without paying any price whatsoever for it in term of their relationship with the West.

It is equally important for us to strengthen the hand of moderates within the ruling circles in China who will be arguing that in order for China to advance into the modern age they need the trade and technology and assistance of the West, but unless they back off from the repressive actions on which they have embarked, they will not be able to get the kind of cooperation they need.

I think this amendment, in addition to expressing the outrage of the American people over the repression of the democracy movement in China, can also play a limited but constructive role in influencing in a positive direction the future course of events in China. I hope, therefore, that it will enjoy the overwhelming support of Members on both sides of the aisle as

a very important reaffirmation of fundamental American values.

The CHAIRMAN. The Committee will rise informally.

ENROLLED BILLS SIGNED

The SPEAKER pro tempore (Mr. JACOBS) assumed the chair.

The SPEAKER pro tempore. The Chair lays before the House the following enrolled bill:

S. 694. An act to extend title I of the Energy Policy and Conservation Act.

The SPEAKER pro tempore. The Committee will resume its sitting.

INTERNATIONAL COOPERATION ACT OF 1989

The Committee resumed its sitting.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset I want to compliment my good friend, the gentleman from Florida [Mr. FASCELL], the gentleman from New York [Mr. SOLARZ], the gentleman from Iowa [Mr. LEACH], and the gentleman from New York [Mr. GILMAN], and others who have worked on this en bloc amendment. I have to say that the gentleman from New York [Mr. SOLARZ] is right that this is an important piece of legislation, and I wholeheartedly support the amendment.

Mr. Chairman, I regret we were unable to get the backing of the administration on this en bloc amendment. We came very close to putting together a product they would not oppose.

However, I understand their position. I met with Secretary Baker this morning. He stated his reservations, and I respect his position.

The administration feels that this is a very delicate situation. I myself cannot remember a situation that was as volatile as this one. There is good reason to believe that the basic causes of the recent unrest will continue to have an impact on the domestic situation on China.

The President needs some flexibility in coming years as events in China play themselves out.

The prodemocracy movement is not dead, and the United States still retains some influence within the Chinese Government. President Bush knows a wide range of top level officials in China, and I would have to agree that he is as well placed as any American to influence the outcome of this difficult situation.

At the same time he had made it clear to the Chinese leadership by word and deed that America does not share their lack of respect for basic human rights.

Consider the actions he has taken: he has condemned the tactics of the Chinese leadership; he has suspended arms exports and high level government-to-government contacts; he has imposed restrictions on OPIC insurance; and he has extended the visas of Chinese nationals in the United States.

But the President has also kept the diplomatic door open. By keeping our Ambassador in Beijing, he's still able to exert influence within the Chinese Government.

It's a fast moving situation and President Bush has chosen wisely among his options.

The amendment recognizes that fact. It commends him for his condemnation of the killings and for his sanctions. It also recognizes the importance of giving the administration the ability to manage a flexible response to changing events.

And it recognizes the importance of speaking with one voice. When this Nation is unified, it succeeds. When it is divided, it fails.

As we all know, the President is responsible for the conduct of America's foreign policy. This amendment is not an attempt to undercut that responsibility. It simply recognizes that Congress has a role in stating broad policy directions.

The China situation is an inviting issue to demagogue. The fact that we haven't done so shows that Congress is capable of managing a bipartisan foreign policy not only on the easy issues, but on the difficult ones as well.

But the Chinese leadership should be aware that there is a very deep-seated revulsion in Congress about the barbarian tactics they have employed. And that there is not one person in this House who believes China's big lies about what happened in Beijing.

There's such a thing as decent human behavior. Acting like a decent human being is something incumbent on all of us—in every era, in every nation, in every culture, in every political system.

The amendment sends a strong message of China: America is not going to give you all kinds of economic benefits as long as you are slaughtering your young. If you want a share of economic prosperity, show us that you also share a commitment to basic human rights.

This is a balanced amendment. It commends the President and supports his policies. It does not tie the President's hands. It gives the President the flexibility he needs. But it also makes it clear that the Chinese cannot continue to terrorize their own people and hope to escape any consequences. This legislation ties progress on human rights to improved relations with the United States.

The alternative to this en bloc amendment would be a sting of individual amendments that would satisfy neither the administration's desire for a free hand nor the Congress desire to have some real affect on the outcome in China. We need a unified foreign policy, not a chaotic foreign policy.

□ 1150

I want to commend most sincerely my very good friend, the gentleman from Florida [Mr. FASCELL], chairman of the Foreign Affairs Committee; the gentleman from New York [Mr. SOLARZ], who has worked so hard on this, for their willingness to compromise and their work on shaping this amendment.

I would be remiss if I did not pay special tribute to the gentleman from Iowa [Mr. LEACH], the ranking member of the Subcommittee on Asian and Pacific Affairs, and the gentleman from New York [Mr. GILMAN], for their important work in drafting this amendment. This is an important piece of legislation, and I want to emphasize what the gentleman from New York, Mr. STEVE SOLARZ said, that I hope this amendment passes, and I hope we have a strong vote on both sides of the aisle.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am glad to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding. I want to associate myself with the very fine remarks of the ranking member of the Foreign Affairs Committee. They are right in line, of course, and we all should be supporting this en bloc package.

I commend the committee chairman, the gentleman from Florida [Mr. FASCELL], for the excellent job the committee has done on this. It contains two of my amendments dealing with suspending all exports of satellite sales to China, and very strong language concerning the atrocious human rights violations that the gentleman from Michigan has spoken so eloquently about.

I hope that both sides of the aisle will unanimously adopt these en bloc amendments. It will send exactly the kind of message we need.

Again I thank the gentleman for yielding.

Mr. BROOMFIELD. I thank the gentleman from New York for his comments.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding and also want to commend the gentleman from Florida [Mr. FASCELL], the gentleman from Michigan [Mr. BROOMFIELD], the gentleman from New York [Mr. SOLARZ], the gentleman from Iowa [Mr. LEACH], and all others who worked so hard on this compro-

mise. I know it has not been easy for the gentleman from Michigan [Mr. BROOMFIELD], or many of us, but I think it is a very balanced, strong, good resolution and I hope it will be unanimously supported.

Mr. Chairman, I join my colleagues in supporting this amendment praising the President and in expressing my outrage about the situation in the People's Republic of China and in condemning the Communist Chinese Government's brutal suppression of the prodemocracy movement. Sadly, this is not the first time the Communists in China have used violence and bloodshed to enforce their will. Since seizing power in 1949, hundreds of thousands—some say millions—of innocent Chinese have been murdered by the Communists. I fully agree with you that the overwhelmingly brutal force used by the Chinese Army to squash the peaceful democratic movement is abhorrent. The false charges and sham tribunals used to convict student leaders and sentence them to death by firing squad are cruel and outrageous.

Congress, through resolutions I cosponsored and we passed, has joined the President and the rest of the Nation in condemning the Chinese Government's actions. The next step was taken by President Bush through invoking a set of targeted military, high technology, and financial sanctions. Our goal remains to pressure the Chinese Government, not hurt the Chinese people.

Despite these sanctions and other actions, like providing extensions to the visas of Chinese students here in the United States, the Communist Beijing government continues its bloody crackdown. Those involved in the prodemocracy movement are being sought out and severely punished. Some have been executed. These actions remind us of the mayhem and terror of earlier years, like the cultural revolution period.

Events in China do affect our national security and global stability. I inserted into Tuesday's—June 27—CONGRESSIONAL RECORD a very insightful commentary by former President Nixon—someone who knows both strategic issues and China well. I strongly urge my colleagues to review this article. The situation in China is a very emotional one crying out for action. It is also a very complex one that has ramifications beyond the Great Wall. While action against the PRC Government is warranted and needed, we must be cognizant of other strategic and national security factors and make sure that our actions compliment our strategic policy, not jeopardize it. I strongly believe there are additional measures—punitive sanctions—which are both responsible and responsive. Clearly, should the situation fail to improve or worsen, even more comprehensive sanctions should be seriously considered.

I am very encouraged that the key congressional leaders on this legislation—the elected party leadership, Chairmen FASCELL and SOLARZ, and Vice Chairman BROOMFIELD have been working very closely with the administration to come up with responsible and responsive measures to include in this foreign aid bill. It is critical for the United States to "speak loudly with one voice." I look forward to supporting bold bipartisan actions that will help make the price of continued repression by the Communist authorities too high to bear.

Mr. BROOMFIELD. I thank the gentleman from California for his comments.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the distinguished gentleman from Illinois [Mr. MICHEL], the minority leader.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman yielding and apologize for not having heard the earlier part of his dissertation here on the floor. I assume from the earlier conversations that we had over the last several days that his position would be consistent with my position of applauding the President for what he has done up to this point, and quite frankly being rather reluctant to go beyond that since I do have the utmost confidence in the President.

But I also recognize full well that in this House, as deliberative a body as it is, with men of different minds and feelings from time to time, it is very important that in foreign policy we do forge a bipartisan foreign policy. Yes, with the President's leadership, but certainly it has to have the support of a good body of Congress.

I would also join the gentleman in his accolades to those on the Democratic side of the aisle who have been so instrumental in helping forge the kind of language upon which we can all agree. That is the way it ought to be, and it does not come easy. To those of my colleagues who have been working behind closed doors with candles at night and all of the rest, arguing over a couple of words or a little phrase here or there, we applaud you for hanging in and sticking with it and coming to the floor with something that all of us can support with good conscience.

I thank the gentleman for yielding.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in strong support of the en bloc amendments and I commend the gentleman from Michigan [Mr. BROOMFIELD], our ranking minority member, and the gentleman from New York [Mr. SOLARZ], the chairman of the Asia and Pacific Subcommittee for working so hard together to bring before us this well balanced China sanction legislation.

In essence our omnibus China measure strongly states that: the United States continues to hold in high regard the ideals of nonviolent protest and political change; that Americans were shocked, saddened, and sickened by the barbaric slaughter in Tiananmen Square and Tibet; and, that we strongly support the efforts of those who are willing to risk their lives for the ideals of liberty, democracy, and human rights that we hold so dear.

A significant sanction in this measure in response to the violations of human rights calls for the cancellation and prohibition of arms sales to the PRC. We were in the process of selling avionics packages for their F-8's fighter jets, artillery radar, and naval missiles. Obviously the events in China necessitate a cancellation of these special contracts. These en bloc amendments codify what President Bush has called for.

For me and many of my colleagues here who have worked so hard on the Tibet issue this legislation it extremely important. It represents a welcome recognition of the central role Tibet must play in that our policy toward the PRC. The nonviolent human rights movement there must be supported just as strongly as the one by the Chinese themselves. A Chinese student who is a leader in the movement here in the United States very recently said that if the students do not recognize that the Tibetans are their brothers in this struggle then right from the start the effort to create a democracy in China will fail.

Most importantly this legislation reflects our belief that human rights and democracy, U.S. national security interests won't somehow magically follow economic reforms. And economic investments by Western private sector interests will never flourish in an atmosphere of oppression. If we want so badly the market that China represents, if we want her to be a positive force in the global community, if we have reason to depend on China in military terms and geopolitical strategies, then we must strongly condemn and act unequivocally against the repression.

The only China that will emerge from the continuation of the world's policy of turning its back on nonviolent protesters in China and Tibet is the ugly dinosaur we see now. It squashed thousands of Tibetan human rights protestors and now consumed its own offspring. The leaders in the PRC serve little value to the Western World's foreign policy goals or the noble call of the ancient Chinese culture.

China at present is at ground zero. Her best and brightest have been killed, arrested, or are in hiding. Her future hope depends on the education that we and other Western nations give to the thousands of students that are being harbored in the West. That education will begin with how our democracy, their temporary home, responds to the crisis in their country. These en bloc amendments will serve as a good first lesson and I urge our colleagues to support it.

Mr. BROOMFIELD. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Michigan [Mr. BROOMFIELD] has consumed 15 minutes.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. YATRON], chairman of the Subcommittee on Human Rights and International Organizations.

□ 1200

Mr. YATRON. Mr. Chairman, as a coauthor of this legislation I rise in strong support of the en bloc amendment. I would first like to commend Mr. FASCELL and Mr. BROOMFIELD for their bipartisan efforts in constructing this amendment. I also commend Mr. SOLARZ, Mr. LEACH, and Mr. WEISS for their contributions in crafting this legislation, as well as the other principle sponsors.

This en bloc takes into account the many concerns raised by Members regarding the killings that took place in the PRC and the stepped up repression against the Chinese people. The sanctions contained in this amendment will be repealed when the Chinese Government takes concrete steps to reverse the repressive measures imposed over the last few weeks.

Those concrete steps include suspending martial law, ending reprisals against prodemocracy participants, and releasing political prisoners.

Mr. Chairman, the rapprochement between Beijing and Washington initiated in the early seventies is commonly known as the process of normalization. Beijing's definition of normalization seems to exclude progress on human rights. However, U.S. relations with the international community are predicated on respect for human rights and individual liberties. That is how we define normalizing relations with other countries.

We must send a clear message to Beijing that the loss of private capital, skills, and technological know-how is the price it must pay for its disregard for human life. It is my hope that other governments will join the United States in using military and economic sanctions as a tool to influence change in China.

Mr. Chairman, this amendment appropriately commends President Bush for his leadership. His expertise with respect to China has enormously strengthened our policy response during this trying period in our bilateral relationship.

I urge my colleagues to vote for this amendment.

MODIFICATION OFFERED BY MR. DYMALLY TO THE EN BLOC AMENDMENT OFFERED BY MR. FASCELL

Mr. DYMALLY. Mr. Chairman, I ask unanimous consent that on line 6 of page 6 of the current amendment, after the word "arrests" there be inserted the words, "abuse of African students,".

Mr. BROOMFIELD. Mr. Chairman, reserving the right to object, we have no objection, and we certainly support the gentleman's efforts.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. Chairman, I thank the gentleman from Florida [Mr. FASCELL], the gentleman from New York [Mr. SOLARZ], and the gentleman from Michigan [Mr. BROOMFIELD] for their cooperation in permitting me to offer this modification.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I would like to extend my sincere appreciation to my distinguished chairman, the gentleman from Florida [Mr. FASCELL], indeed to the leadership on both sides of the aisle, the entire Committee on Foreign Affairs, for their efforts to fashion this bipartisan approach, the important United States policy toward the People's Republic of China.

I am also grateful for the leadership and cooperation of the distinguished chairman of the Subcommittee on Asian and Pacific Affairs, the gentleman from New York [Mr. SOLARZ].

I am pleased that the amendment which I have offered, cosponsored by Mr. SOLARZ and Mr. YATRON to suspend new OPIC coverage in China, has been incorporated in the en bloc amendment offered by the chairman.

The Overseas Private Investment Corporation, or OPIC, is a U.S. Government entity created by the Congress in 1969 to promote two important goals of American foreign policy: First, to encourage American investment in developing countries by offering U.S. Government insurance against the risk of political violence and expropriation; and second, to provide an economic benefit to those developing countries by promoting foreign investment there.

The amendment now under consideration recognizes that, with respect to both of these goals, new OPIC coverage in the People's Republic of China cannot be justified.

The events we have witnessed over the last few weeks—the brutal massacre in Tiananmen Square of students and other civilians engaged in peaceful assembly, presentation of petitions, hunger strikes, and the burning of Chinese flags, the audacity of the official government lies about this slaughter, and the systematic pattern of arrests and executions which followed—clearly make it impossible for the United States to provide guarantees against the risk of political violence in China.

Furthermore, OPIC insurance is intended to provide assistance to countries that are moving toward economic and political liberalization; not, as in the case with China, to countries that slaughter hundreds, perhaps thousands, of unarmed demonstrators in a public square. The current, hard-line Government of China does not deserve to be the beneficiary of our Nation's foreign assistance programs, and thus, OPIC activities in China should be suspended until the Chinese Government has embarked on a program of significant political reforms.

It should be pointed out to the Chinese leaders as well, that no matter what they say, business from this country and probaby from elsewhere in the world will not go into their country until, in fact, it is assured that the kind of acts by the Chinese Government which we have witnessed the past 6 weeks will not recur.

What we have provided in this en bloc amendment are clear guidelines of steps they must take in order to be dealt with as respectable members of the international community.

I urge its adoption.

Mr. LEACH of Iowa. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, no one in this country or abroad can harbor any illusions about the depth of outrage and concern of the people and Government of the United States at the brutal repression now under way in the People's Republic of China.

The success of American diplomacy has historically depended, and must continue to depend, on what George Kennan has trenchantly characterized as its "inherent honesty and openness of purpose and on the forthrightness with which it is carried out." Deprive us of these traits and we are deprived of our strongest armor and our most effective weapon.

In this context, the Chinese people must be made aware that Americans are unanimously supportive of the movement for democracy, for emancipation, for human freedom in the world's largest country.

Whereas the executive branch is primarily responsible for government-to-government relations, it is the Con-

gress that symbolizes people-to-people concerns and values. It is, therefore, altogether fitting and proper that the people's body of America should make it unequivocally clear to the people of China, our great distress about the butchery in Beijing and the brutal reimposition of Stalinist totalitarian control in China.

There are times in the history of all nation states when their fundamental character is revealed either by demonstrations of clemency and compassion or by dogmatic firmness and resolve. Given the unrefutable truth in the pictures being brought by televisions into every living room in the free world, no one can conceivably buy the "Goebbels" like assertion that it was the People's Liberation Army and the Communist authorities who were attacked by unarmed students. An army of the people does not turn on the people. Communist hard liners now ruling the Peoples' Republic of China must understand that the history of civilization teaches that killing by tyrants makes martyrs, and martyrdom cannot be slain.

Guns and bullets in the hands of an oppressive army can delay the fulfillment of aspirations, but they cannot kill the human dream.

In the strongest possible terms, this body has the responsibility to proclaim to our own citizens, to the world and in particular, to the Chinese leadership that students should not be executed for having the courage to peacefully express the values and philosophies they have learned. Hard-toiling workers should not be summarily arrested and shot for having the courage to express their rights. A legitimate People's Republic must be of, by and for the people, not of, by and for a narrow political gerontocracy.

This amendment that we have before us is the least we can do to express American values in the wake of one of the most tragic events of this decade.

I urge that the leadership of the gentleman from Florida [Mr. FASCELL], the gentleman from Michigan [Mr. BROOMFIELD], and the gentleman from New York [Mr. SOLARZ], be followed and this amendment adopted and supported at this time.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, I would like to join with my colleagues in commending the gentleman from Florida, Chairman FASCELL, for his leadership in pulling the various Members and interests in this Congress together on a resolution that unifies our position and unifies the great strength of the American character.

It is clear there are economic opportunities in China and there are profits that can be made in China, but there are no profits so large and no markets so immense that we set aside the values that hold Americans together as a nation.

□ 1210

We have seen in these last weeks the Congress being the real leader in the American response to the Chinese massacre of its own students. The Members of the Congress and our colleagues in the Senate are leading the struggle for democracy, as we have so often in the past.

The Chinese people have gone through a watershed. The brave students in China, having given their lives, have earned for the Chinese people a new standard for democracy and freedom, a new standard by which their Government must treat them.

We have to recognize that there is no silver bullet. What we have before us today will not alter the Chinese Government's behavior overnight. There is no one simple act that will put an end to the bloodshed, the massacre, and the mock trials of the Chinese citizens, but this is the beginning of a long struggle.

In 1974, the Jackson-Vanik amendments passed the House and the Senate. The President signed into law, and through the dark days, when barely a thousand Jews were let out of the Soviet Union and Uzbeks and others were kept behind bars, this Congress remained steadfast in fighting for freedom.

I am heartened to see the European Community joining with us in objecting to multilateral assistance to the Chinese Government for economic programs. The subcommittee that I chair has moved and has incorporated in this bill legislation that will stop an increase in the technology transfer to China, not just for American corporations but for all corporations that come from countries in the Cocom organization. We will stop an increase in the level of technology in a multilateral manner, and I would call on the President to take leadership from the Congress and run with it.

We have had economic summits to strengthen the economic security of the West. We held military summits with our NATO allies to strengthen our military posture. It is time for the leaders of these great Western nations to hold summits on democracy, to bring the various leaders of our democratic friends and neighbors together to help foster democracy across the globe, to have not simply the United States or the Europeans or the Japanese make their individual statements for freedom and in support of the students of China and the people of China, but to do this as a Western world, to do it as westerners who have stood up economically and militarily to fight for freedom, to do so now to fight for freedom in its very essence as the Chinese people have struggled for their own freedom.

Our challenge will be to understand that this is not simply a 1-day activity, that what we do here today begins the struggle to fight for freedom, to help the Chinese people, to help the Chinese people in their own struggle, where they obviously are the key to success. This is a long struggle that we in the Congress are entering, with the great work of the subcommittee chairman, the gentleman from New York [Mr. SOLARZ], the chairman of the committee, the gentleman from Florida [Mr. FASCELL], and the gentleman from Michigan [Mr. BROOMFIELD]. We have engaged in this struggle, and I hope that we have the character and the strength of character to continue that struggle to its conclusion.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, many have believed that Chinese politics over the past few years have been mellowing vis-a-vis human rights and freedom, but many of us remember the 30 million people who were killed under Chairman Mao during the Cultural Revolution in the 1950's.

This is still a Communist regime, and Communist regimes around the world, when necessary, use the iron fist to maintain control. This regime is no different. They are ready, willing and able to crush anyone who wants freedom in that country. Its tyrannical control, and they are using it not only in China but in Tibet as well.

I do not know if many of our Members saw those pictures of the remains of a Chinese student who had been run over by a tank, but that is the way they treat their people when they want freedom. We as a Congress and as a nation must send a very strong signal to China that we are not going to stand idly by and watch these atrocities and tortures and human rights violations take place. I personally believe that we should do a lot more. But this is at least a step in the right direction, and I commend my colleagues on both sides of the aisle for this en bloc amendment.

As my colleague, the gentleman from Connecticut [Mr. GEJDENSON], just said, this should not be a 1-day event. We should keep the pressure on and let the Chinese Communists and all Communists around the world know that we are not going to close our eyes to their tyranny, to the way they treat their people, and to the human rights violations and tragedies that have befallen these people. We should push for freedom.

John F. Kennedy, when he was President, talked about this. He said

that we should go any place in the world and pay any price to help people get freedom. We should do that in China as well.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to compliment the chairman of the full committee, the chairman of the various subcommittees, especially the chairman of the subcommittee on Asian and Pacific Affairs, the distinguished gentleman from New York [Mr. SOLARZ], and the chairman of the Trade Subcommittee, the distinguished gentleman from Connecticut, as well as the ranking members, for their work in crafting this en bloc amendment.

Mr. Chairman, the savagery of the Chinese Government's attack against Chinese students and workers who were calling for democratic reform has clearly outraged the world and the American people. I think it is important to reflect on this tragedy and to remind the Chinese Government and our friends among the Chinese population that before the Tiananmen Square massacre Americans had for the most part come to think of China as a country that was on the path of reform, as a nation that was intent on increasing economic and political freedom for its people, and as a friend with which we would continue to develop business, political, and cultural ties.

But the butchery in Beijing, the swift executions, and the mass arrests and imprisonment of protestors have dealt a profound blow to the affection with which the American people had come to view the Government of the People's Republic of China.

As this affection has turned to horror, we have heard a very cautious response from our own Government which unfortunately, Mr. Chairman, might not have impressed adequately upon the Chinese Government the seriousness with which the American people view the behavior of the Chinese Government.

Yet I ask my colleagues and the American people have asked us, how is it possible to turn the other cheek when the Chinese Government is executing people simply because they want democracy, because they stood up for the very principles that are the heart of our own society and our own Government?

I frankly do not see how we can equivocate about a matter so central to our own fundamental beliefs and ideals.

I have an amendment to this bill, Mr. Chairman, which would suspend export licenses to the People's Republic of China for 6 months. It would prevent the Chinese from getting from us what they want the most—our technology. I believe this would be an appropriate step for the United States to take in view of the gravity of the Chinese regime's crimes.

Yet in light of the very strong action of the committee, I will strongly support the effforts of our committee's en bloc amendments to increase the cost to the Chinese of their gross human rights violations, and I particular applaud the sections of the en bloc amendments which restrict munitions export licenses, which limit nuclear cooperation with the People's Republic, and which suspend any liberization of export controls.

The CHAIRMAN. The time of the gentleman from California [Mr. LEVINE] has expired.

Mr. FASCELL. Mr. Chairman, I yield 1 additional minute to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, the restrictions in the en bloc amendment to which I am referring incorporate several aspects of my own, and I am very pleased that they received the full bipartisan support of the committee. I am also pleased that the Foreign Affairs Committee will soon take an in-depth look at the situation and recent events in China, and will review present and future United States options in response to the Chinese crisis.

Mr. Chairman, I strongly urge the committee to consider the sanctions in my amendment as an additional step if conditions do not improve in the People's Republic.

Mr. Chairman, in light of the strong en bloc amendments offered by the leadership of this committee, I will not offer the amendment that I had intended to offer at this time, and I stand in strong support of the en bloc amendments.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, let me join with those who have commended the committee chairman, the gentleman from Florida [Mr. FASCELL], the subcommittee chairman, the gentleman from New York [Mr. SOLARZ], and our ranking member, the gentleman from Michigan [Mr. BROOMFIELD], for all of their acts of support on these particular en bloc amendments.

We all marveled and warmed at the scenes of the young prodemocratic students in China raising the statue of liberty as their symbol. I hope we also recognize and warm to our responsibilities to now stand with these students in their time of trial and need.

□ 1230

As we witnessed the horror of China, I quickly recognized the need that we step forth and try to respond to those students, and I am delighted that section (f) of the amendment in front of us responds to those needs. There are some 39,000 Chinese students and scholars here in the United States today. Approximately 29,000 students are studying at accredited American colleges and universities, another 10,000 are visiting scholars and students at unaccredited universities. Many of them are J-1 visas, some are here on F-1 visas, but the reality is, if we only temporarily extend their visa, we give them no certainty of whether we will be there to help them in time of need financially, workwise, or otherwise. We give them no signal that this is going to be a long-term commitment, and none of us, and certainly can we expect none of them, are going to risk the possibilities of the torture and consequences that could be placed upon them if we changed our minds later on. They are not going to come forth and ask for that extension of their visas unless we send them some signal that we stand ready to permanently help them to stay here until real change occurs in China.

Mr. Chairman, that means a lot of things. As we contacted different Government agencies, frankly no one today can tell us what those things are going to be in American policy to give them the assistance financially, workwise, immigrationwise, or otherwise.

So, we have created in section (f) a task force headed up by the Secretary of State with the other governmental agencies to really look into and assess these specific needs and the status of the citizens that are here to recommend both to the Congress and to the President the programs and policy changes that are necessary to create, directly or indirectly, a clearinghouse that can work with our universities and to report back to us within 60 days so that we might move forward.

Mr. Speaker, I rise today in support of the en bloc amendment to title IX of H.R. 2655. Twenty-four days after the soldiers brutally massacred thousands of students and citizens in Beijing who were peacefully demonstrating to demand democracy, the fear that has swept across China is spreading to Chinese students attending schools in the United States.

As reports tell us of reprisals by the Chinese authorities against those who have called for democracy, many students studying here are unsure whether they can ever go home. The organizations that handle direct exchange programs and the college offices that deal with thousands of Chinese students who come here on their own seem uncertain and confused. According to a New York Times report, there are 29,000 Chinese students studying at accredited American colleges and universities—and more than 10,000 Chinese who are visiting scholars or students at unaccredited universities.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

As the author of section 910, subsection (e) Task Force on Students From the People's Republic of China in the United States, I feel that the United States must provide an appropriate outlet to assist Chinese nationals in the United States. I feel that this task force will achieve this goal.

This task force will be chaired by the Secretary of State—or his designee—and representatives of other relevant agencies to be determined by the Secretary of State. The task force shall assess the specific needs and status of citizens of the PRC who were admitted under nonimmigrant visas to the United States and recommend to the Congress and President policies and programs to address these needs.

In addition the task force shall establish, directly or indirectly, a clearinghouse to provide such Chinese nationals and United States institutions of higher education with appropriate information, including—

First, public and private sources of financial assistance available to such nationals;

Second, information and assistance regarding visas and immigration status;

Third, other information the task force considers feasible and appropriate.

Not later than 60 days after the date of enactment of this act, the President shall submit to the Congress a report on the status and work of the task force. Beginning May 1, 1990, and every 90 days thereafter, the President shall submit to the appropriate committees of the Congress a report prepared by the task force that will include a comprehensive summary of the programs and activities of the task force.

We must continue to express our outrage at the bloody assaults on the student protesters, but also lend assistance to those Chinese students and exchange visitors in the United States whose futures here are in limbo. I encourage my colleagues to support this amendment.

Mr. PASCELL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Chairman, I thank the gentleman from Florida [Mr. PASCELL] for yielding.

Mr. Chairman, as we approach the end of this debate on the en bloc amendment, I do want to put what we are about to do in its proper perspective. This amendment steers a very careful course between two extremes. It steers a course between those who, on the one hand, would like us to entirely sever our diplomatic and commercial relationship with China and those who, on the other hand, do not want us to take any action whatsoever with respect to China lest we disturb the sleep of Deng Xiaoping and perhaps drive the Chinese into the arms of the Soviet Union.

This amendment, in addition to codifying into law those measures already adopted by the President and establishing a standard of human rights which will have to be met if the sanctions embodied in the legislations are going to be lifted, also goes beyond the steps already taken by the President in five respects.

First, it suspended any additional Trade and Development Agency funding for the People's Republic of China, on the grounds that we should not be using taxpayers' money in light of the repression in China to facilitate increased American investment in that country.

Second, Mr. Chairman, it also prohibited the export to China of gray area nuclear equipment and technology. Third, it establishes a task force for the purpose of finding out ways to facilitate the ability of Chinese students whose visas expire to remain in the United States. Fourth, it establishes a 6-month freeze on any increase in the level of technology exports to China, not just by the United States, but by all of our Cocom partners. We have the ability to do this, given Cocom regulations which enable any one country to veto an increase in the level of technology which can be exported. Finally, it already goes beyond the steps taken by the President by prohibiting the exports to China, not just the munitions control equipment, but also of any crime control items on the grounds that we do not want to assist the Chinese secret police in their efforts to apprehend or incarcerate those involved in the democracy movement.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I now yield to the gentleman from Massachusetts [Mr. MARKEY], my good friend.

Mr. MARKEY. Mr. Chairman, my original amendment expresses a requirement that the President report to the Congress that he has received a commitment from China that it will not help another country develop nuclear explosive devices. The en bloc amendment refers only to an assurance in this regard.

Can the gentleman from New York [Mr. SOLARZ] explain to me the difference between these two terms?

Mr. SOLARZ. The gentleman from Massachusetts [Mr. MARKEY] poses an important question, and I can tell him there is no practical difference between an assurance and a commitment. What we seek in this amendment is a clear and unequivocal indication from China that it will not and does not support the proliferation of nuclear explosives, and we should be perfectly clear that United States law prohibits any nuclear trade with China if that country assists any other in developing nuclear explosives.

The Committee on Foreign Affairs wrote the bill which contains this restriction, and the committee continues its commitment to uphold the law and U.S. nonproliferation policy, and I want to pay tribute to the gentleman from Massachusetts [Mr. MARKEY] for pushing this to the front of our concern.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, I rise in support of the en bloc amendment which expresses the American people's strong sense of outrage over the Chinese Government's suppression and execution of the prodemocracy demonstrators. It imposes economic sanctions which I strongly support because it is the right thing to do and we cannot and should not do any less. At the same time, it gives the President flexibility in modifying them if conditions improve in China, or if he determines that it is in the national security interest to do so. This amendment is the product of close cooperation among Republicans and Democrats, and we have worked to incorporate the concerns of the administration to the extent possible.

This en bloc amendment includes a provision I drafted supporting the President's decision to grant temporary refuge to the noted Chinese intellectuals Fang Lizhi and Li Shuxian at the U.S. Embassy in Beijing. My provision also urges the President to continue to provide such refuge as long as necessary to protect their personal safety.

There is a long tradition within the international community of providing temporary refuge at diplomatic missions in compelling humanitarian cases. The practice is based on the inviolability of embassies guaranteed under international law. Article 22 of the Vienna Convention on Diplomatic Relations clearly states, "The premises of the mission shall be inviolable. The agents of the receiving State may not enter them, except with the consent of the head of the mission."

In the days after the Chinese Government's brutal crackdown on unarmed prodemocracy demonstrators, events moved swiftly. In the 3 weeks since the massacre on Tiananmen Square hundreds of demonstrators and dissidents have been arrested, and at least 27 have been executed. This leaves no doubt about the personal danger Fang Lizhi would have faced if the President had not responded quickly to his request for sanctuary at the U.S. Embassy.

Only the diplomatic inviolability of our Embassy protects Fang Lizhi and Li Shuxian from similar arrest and possible execution on charges of treason and counterrevolutionary activity. The "treasonous crime" that Fang has been accused of is speaking out over the years in support of democracy and human rights and stating that others had the right to speak their own minds as well.

For three decades Fang Lizhi, a renowned Chinese scientist and intellec-

tual, has spoken out courageously for human dignity, democracy, and the rights of the individual. His support for democratization and peaceful change in China has sometimes brought him internal exile and sometimes prison.

However, during China's occasional periods of openness since 1949, particularly the period most recently and brutally ended by the Chinese Government, Fang rose to prominence in China. He has been respected around the world and within his own country for his advocacy of a modern China based on democratic principles and the rights of the governed.

Ultimately, the Government of China will have to accede to the demands of its own people who demonstrated so courageously their aspirations for democratic reforms and respect for fundamental human rights.

When the Chinese Government overcomes its present madness and returns to the path of reform, Fang Lizhi and Li Shuxian will be ready to resume their role in helping to build a modern, more democratic China. The President's swift humanitarian action to protect the safety of Fang Lizhi and Li Shuxian at this critical moment will help to make that possible.

I urge my colleagues to support the amendment.

□ 1230

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend for yielding me this time.

Mr. Chairman, this is an amendment that we can all applaud. I commend all the people who put so much time and energy and effort into this amendment.

What is happening in China is not only important for China, but it is also very important for us. The world's largest country, China, and ourselves have many things in common. Our people are industrious. They are hard working and family oriented, so this binds our countries together and will bid us in the future also.

These are dark days for China, but I am optimistic that out of the turmoil China will one day emerge, one of the strongest democracies in the world.

Arnold Toynbee, the great historian, wrote that if you want to find what a nation is going to be like in 20 years, take a look at their young people—especially at their dreams, their hopes, their aspirations—and in 20 years that is what their country will be like. There are people no more committed to democratic ideals and none more active in politics than are the young people of China today. So I think the future for China, although it may look very dark today, will turn out very well.

It is appropriate for us to speak out. It is appropriate for us to make our views known, and that is what this amendment does. That is why I feel it is a good amendment.

This democracy growing in China is not something transplanted. It is indigenous to those people. It is like a tree that grows from a seed, an indigenous not a transplanted tree, which is always the healthiest and the strongest. That is why I feel democracy will come to China, is coming, and will be one of the strongest in the world.

Mr. Chairman, I think this is a good amendment and I hope everyone will support it.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I rise in support of this amendment. It is a good amendment. It is something that needs to be done.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I thank the chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL], and the gentleman from New York [Mr. SOLARZ], the chairman of the Subcommittee on Asian and Pacific Affairs, for including my amendment in their en bloc amendments. The committee has done an excellent job crafting an amendment that sends a clear signal to the Government in China that we are willing to take concrete punitive steps in response to their unconscionable brutality.

My amendment deals with Hong Kong. That British Crown Colony is scheduled to revert to Chinese sovereignty in 1997. Since the 1984 bilateral agreement was signed between Great Britain and the PRC that provided for the transfer, the Chinese Government has systematically reneged on most guarantees for Hong Kong's future freedoms.

The massacre in Beijing and the ongoing arrests and assassinations of innocent people, continues to undermine all of the guarantees given to Hong Kong and Great Britain.

The people of Hong Kong are nervous. Millions demonstrated before and following the Tiananmen murders. The stock market fell more than 25 percent, and this year alone over 45,000 Hong Kong citizens will leave the territory.

My part of the en bloc amendment expresses the sense of Congress that China's guarantee to Hong Kong for a high degree of autonomy has no credibility and the United States must initiate an international effort to guarantee human rights and the development of democratic institutions in Hong Kong. It directs the President and the Secretary of State to tell the PRC and the United Kingdom our strong reservations with respect to the absence of guarantees of free direct elections and human rights in the proposed basic law now being drafted.

Hong Kong needs our help, Mr. Chairman, and the United States should stand firmly behind its 5.7 million people as they struggle to protect their future economic and personal freedoms.

Mr. BROOMFIELD. Mr. Chairman, I yield 30 seconds to the gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I just wanted to add my comment that in these en bloc amendments is an amendment proposed by the gentleman from New York [Mr. SOLOMON] having to do with exporting licenses to take American satellite technology and allow it to be placed on the Chinese Long March rocket at the very time that we are trying to encourage an infant industry of commercial expendable launch vehicles. That is clearly not in the interest of the United States and I applaud the gentleman for including the amendment of the gentleman from New York [Mr. SOLOMON] in these en bloc amendments.

Mr. BROOMFIELD. Mr. Chairman, I yield myself the remaining time to pay tribute to our new majority leader, the gentleman from Missouri [Mr. GEPHARDT]. He did a great deal to bring all the Members together to fashion this bipartisan compromise that we are considering. I want the gentleman from Missouri [Mr. GEPHARDT] to know we appreciate his hard work.

I am also very grateful to the gentleman from New York [Mr. SOLARZ] for all his work to make this successful.

Mr. FASCELL. Mr. Chairman, I yield the balance of the time to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I rise to speak in support of this set of amendments, which I feel have been well crafted and well put together on behalf of the entire House.

I want to commend the gentleman from New York [Mr. SOLARZ], the gentleman from Florida [Mr. FASCELL], the gentleman from Michigan [Mr. BROOMFIELD], and the members on both sides in the committee and off the committee who have worked so well together in the past few days to make a strong statement about the situation in China, not only in words, but in legislation.

A few days ago we took a march to the Embassy of the People's Republic of China here in Washington. It was a bipartisan march. We met with the Ambassador. We expressed our feelings and while we did not get a great

VOL 135 PT 10 JE 23 – JL 13 1989 UMI

deal of satisfaction, at least we were able to say what we thought on behalf of the American people.

I am delighted today that we are sending a clear, undivided message to the leaders in China about what we hope will happen in China in the days ahead. I think it is important that the House lead on this issue.

I understand that the President and Secretary Baker may have a little different view of how to proceed. I respect their decision. I respect what they believe is the right way to go. But I think some part of this Government—and today it is the House—has to speak clearly on behalf of the American people and take more forceful action than the President and the Secretary of State have been willing to make to date.

I understand the feeling of some people that doing this, passing these amendments, may not change things. But I would urge Members to remember that that is what was said with regard to South Africa many, many times in the past few years. That is what has been said about Poland since 1981. That is what was said about the Philippines when they began to experience unrest. People said, "Don't act. Don't do anything."

That is what was said about Vietnam when they were sending refugees out to the sea.

The truth is that the action that America took in the cases, along with other nations around the world, did bring change. These amendments can bring change, and that is why this statement is so important.

We say today through these actions to the Government of China, "The whole world is watching you. Don't try to rewrite history. Return to the community of nations by ceasing the brutal repression of your own people. Stop the killing now."

A young Chinese American student from the University of Missouri wrote me last weekend and said that the blood of the Chinese students is fertilizing the tree of democracy. We endorse these words by our actions today.

□ 1240

I am proud that we stand in an undivided way and that we send a clear, unequivocal message to the Government of China, "Stop the killing now."

Mr. MARKEY. Mr. Chairman, I rise in support of the en bloc amendment on China, and in particular, in support of section (c)(6) of the amendment, which suspends all peaceful nuclear energy cooperation between the United States and the People's Republic of China.

This section is derived from a floor amendment which the distinguished gentleman from New York [Mr. SOLOMON] and I had originally prepared to offer to the bill. In discussions with the distinguished chairman of the Asia Subcommittee [Mr. SOLARZ] and the chairman of the full committee [Mr. FASCELL], we have worked out a compromise which I feel sends an important signal to China that it cannot expect peaceful nuclear energy cooperation to continue until China's crackdown on the prodemocracy movement ends and China provides the United States with stronger nuclear nonproliferation assurances.

I think that we are taking an important step here today in both reaffirming our Nation's commitment to democracy and human rights, but also in reaffirming our commitment to halting the spread of nuclear weapons. As the author of the original language from which section (c)(6) is derived, I would like to take a few minutes to explain the significance of the amendment's provisions on nuclear technology exports.

What this section of the en bloc amendment does is suspend all peaceful nuclear energy cooperation between the United States and the People's Republic of China. The section suspends all export licenses for nuclear technologies, nuclear materials, and nuclear components subject to the 1985 United States-China Nuclear Cooperation Agreement. It suspends any nuclear technology transfers outside of the agreement using the authority provided by section 57(b) of the Atomic Energy Act. It suspends exports of all so-called dual use nuclear-related equipment under section 309(c) of the Nuclear Nonproliferation Act.

These nuclear exports are suspended until three basic conditions are met.

First, the President would have to make the certification regarding ending martial law, halting executions, and other reprisals against the prodemocracy movement, releasing political prisoners, and increasing respect for human rights.

Second, the President would have to make the certifications regarding nonproliferation safeguards and Chinese nonproliferation policies and activities required under the 1985 congressional resolution approving the United States-China Nuclear Cooperation Agreement.

Third, the President has to certify that the People's Republic of China has provided clear and unequivocal assurances to the United States that it is not assisting and will not assist any nonnuclear weapons state, either directly or indirectly, in acquiring nuclear explosive devices or the materials and components for such devices.

I believe that making each of these three certifications is vitally important before the United States permits peaceful nuclear cooperation with China to resume. Given the recent events in China, there is no justification for our Nation to continue to provide sensitive nuclear technologies to China, a country that has never signed the Nuclear Nonproliferation Act of 1968 and has repeatedly expressed its disdain for that agreement in both word and deed.

As many of you will recall, in 1985 the United States signed a Nuclear Cooperation Agreement with China. The agreement was controversial because it didn't contain a guaranty that safeguards would be maintained for all United States nuclear materials and equipment transferred to China and it did not give the United States a guaranty of prior approval of reprocessing, enrichment, or alteration of nuclear material, as required by law.

As my colleagues may know, for years there have been press reports, citing intelligence sources, indicating that China has been providing assistance to the Pakistani nuclear program. There have been reports that Pakistani officials traveled to China in 1983 to witness a nuclear test and receive weapons design information from China. Just 1 month ago, the press reported that China has been making arrangements for a Pakistani nuclear test at its Lop Nur testing ground. There have also been reports that China has shared nuclear technology with Iran, South Africa, Brazil, and Argentina—nations poised right on the nuclear threshold.

In addition, according to testimony earlier this year by CIA Director William Webster, "China is actively promoting the export of shorter-range ballistic missiles" and that China is a willing supplier of missile technology to countries like Iran.

That is the proliferation record of the country that we are talking about here. I think that record suggests we can no more trust a wink and a nod from the Chinese leadership on nuclear proliferation than we can trust their claims that a massacre never took place in Tiananmen Square. What we need are clear and unequivocal assurances from China that it is not and will not assist any other state in acquiring nuclear explosive devices or materials. In addition we need continued close monitoring by the United States intelligence community to see that China is living up to these commitments.

Back in 1985, Congress was concerned enough about China's nonproliferation record that we put conditions on the resolution approving the agreement. Ironically, these certifications were far weaker than those which we have traditionally required for nuclear exports to friendly Western countries like Great Britain and Sweden.

We did not demand international safeguards at all civilian nuclear facilities. We did not require a public, written statement of Chinese nonproliferation policy. We did not ask for an official Chinese interpretation of the agreement's language on consent rights. We did not ask for the Chinese interpretation of the agreement's language on the future applicability of United States export laws and regulations, but simply restated the United States position.

Nevertheless, in the 3½ years that have elapsed since Congress passed the approval resolution, neither President Reagan nor President Bush have been willing to make the required certifications or submit the report required under the law. Why do you think that is?

Could it be because we haven't received the nonproliferation assurances that we were seeking from Li Peng and his cronies in Beijing?

Could it be because the Chinese have continued their reckless proliferation policies?

Could it be because we still don't have agreement on the verification measures that would be needed to assure that U.S. supplied nuclear technology and nuclear materials are not diverted from peaceful to military purposes?

I think the likely answer to each of these questions is a resounding yes, and it is the lack of verification, the lack of clear and unequivocal nonproliferation commitments from China, the continuing evidence that China has not halted its nuclear cooperation with the Pakistanis, explains why those certifications haven't been made allowing nuclear exports to go forward.

Despite the lack of Presidential certifications, however, some very significant nuclear cooperation has taken place during the last 3½ years. The approval resolution we passed back in 1985 had some big loopholes: It affected only nuclear export licenses, and transfers of nuclear material, facilities, and components, which Reagan administration officials have testified the Chinese would have difficulty affording. It didn't affect transfers of nuclear technologies and assistance, such as technology transfers under CFR 810, and it didn't affect sensitive nuclear-related technologies on the Commerce Department's commodity control list.

More than a dozen technology transfers have been approved in the last 4 years and two are pending right now. In addition, it appears that exports of nuclear-sensitive dual use technologies have also been approved with the agreement itself formally going into effect. Those are loopholes big enough to fire a nuclear warhead through.

Section (c)(6) of the en bloc amendment closes the loopholes and assures that all significant forms of nuclear cooperation between the United States and China would be suspended until the political situation in China significantly improves and until the United States receives clear and unequivocal assurances that the Chinese Government has a commitment not to help Pakistan or any other nonweapons state in acquiring nuclear weapons.

In addition to the human rights and martial law certificates required in the en bloc amendment, section (c)(6) contains some important new nonproliferation language.

In place of the previous requirement in P.L. 99-183, which called on China to provide "additional information concerning its nuclear non-proliferation policies," section (c)(6) requires the President to certify to Congress that the People's Republic of China has provided:

clear and unequivocal assurances to the United States that it is not assisting and will not assist any non-nuclear weapons state, either directly or indirectly, in acquiring nuclear explosive devices or the materials and components for such devices.

In other words, what we are asking for is more than just information from the Chinese about their nonproliferation policies, what we are asking for are clear assurances that indicate that China has committed itself not to provide assistance to nonweapons states like Pakistan in acquiring nuclear weapons capabilities. That is what we are looking for.

We are not offering this language in the naive belief that those assurances can be trusted. Everyone should know now—if they didn't already—that the mere word of the Chinese leadership cannot be trusted by itself. So what we need to do is assure that United States intelligence sources continue to closely monitor those assurances to verify whether the Chinese are in fact not proliferating. If Chinese Government assurances prove to be no more reliable than claims by the Chinese leadership that no massacre ever occurred in Tiananmen Square, the amendment reaffirms that United States would suspend nuclear cooperation with China under the provisions of section 129 of the Atomic Energy Act.

It is time for us to take a stand. We can either stand on the side of the pro-democracy students who faced down the tanks on Tiananmen Square, or we can stand with those who ordered those tanks in to crush the Chinese people's aspirations for freedom and democracy.

Now is the time for us to make our voices heard. Now is the time for us to show some leadership and send a message to the people of China and the old men in control in Beijing. Now is the time to pass this amendment to halt all nuclear cooperation with China.

I urge support for the en bloc amendment.

Mr. BUSTAMANTE. Mr. Chairman, I rise today to speak in favor of en bloc amendment to title IX of H.R. 2655.

On June 4, 1989, the Government of the People's Republic of China massacred over 700 unarmed Chinese citizens in Tiananmen Square. Since then, more than 20 citizens have been executed and hundreds have been incarcerated for participating in the pro-democracy movement.

As the leader of the free world, I feel it is vital that we, the people of the United States, take a stand against such heinous acts. We must let the Chinese Government know that such brutality will not be tolerated by the world community.

Many words have been spoken to condemn the Chinese Government for what it did and for what it continues to do, but I believe more substantive measures must be taken. Therefore, I support the sanction provisions in this bill.

Mr. RITTER. Mr. Chairman, I urge my colleagues to support these amendments, en bloc, which address the current crisis in China. The situation in China today is very grave and disturbing. With passage of these amendments we will send a clear message of condemnation to the Chinese Government for its brutal actions.

Mr. Chairman, I urge my colleagues to join me in condemning China's recent acts of violence by supporting these amendments—particularly the provisions urging the U.N. General Assembly and the U.N. Security Council to condemn China for its recent actions.

Mr. Chairman, the propaganda, violent suppression, mass arrests, and brutal executions we see now in China have another, less apparent dimension—regional stability.

Regional peace in Asia, and world peace are threatened by the recent human rights violations in China. One-fifth of the world's population lies within the borders of the People's Republic of China. When the leaders of a powerful nation trample on the human rights of their people during times of international peace, these leaders are also more likely to provoke international hostilities. The recent brutal human rights violations in China have national security implications for countries of that region such as Korea, Tibet, Hong Kong, Vietnam, and Taiwan.

Because human rights in a country as populous as China may have serious implications for the stability of the Asia-Pacific region, the U.N. should act in condemning China and in urging the Chinese Government to enter into negotiations with the representatives of the pro-democratic movement.

Mr. Chairman, regional security and stability in East Asia are important U.S. concerns. The United States Government cannot shy away from being tough on the Chinese Government for their continued massive violation of human rights.

I urge my colleagues to support these amendments.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL], as modified.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 418, noes 0, not voting 14, as follows:

[Roll No. 124]

AYES—418

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Cox
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins

Horton	Molinari	Sensenbrenner
Houghton	Mollohan	Sharp
Hoyer	Montgomery	Shaw
Hubbard	Moody	Shays
Huckaby	Moorhead	Shumway
Hughes	Morella	Shuster
Hunter	Morrison (CT)	Sikorski
Hutto	Morrison (WA)	Sisisky
Hyde	Mrazek	Skaggs
Inhofe	Murphy	Skeen
Ireland	Murtha	Skelton
Jacobs	Myers	Slattery
James	Nagle	Slaughter (NY)
Jenkins	Natcher	Slaughter (VA)
Johnson (CT)	Neal (MA)	Smith (FL)
Johnson (SD)	Neal (NC)	Smith (MS)
Johnston	Nelson	Smith (NE)
Jones (GA)	Nielson	Smith (NJ)
Jones (NC)	Nowak	Smith (TX)
Jontz	Oakar	Smith (VT)
Kanjorski	Oberstar	Smith, Denny (OR)
Kasich	Obey	Smith, Robert (NH)
Kastenmeier	Olin	Smith, Robert (OR)
Kennedy	Ortiz	Snowe
Kennelly	Owens (NY)	Solarz
Kildee	Owens (UT)	Solomon
Kleczka	Packard	Spence
Kolbe	Pallone	Spratt
Kolter	Panetta	Staggers
Kostmayer	Parker	Stallings
Kyl	Parris	Stangeland
LaFalce	Pashayan	Stark
Lagomarsino	Patterson	Stearns
Lancaster	Paxon	Stenholm
Lantos	Payne (NJ)	Stokes
Laughlin	Payne (VA)	Studds
Leach (IA)	Pease	Stump
Leath (TX)	Pelosi	Sundquist
Lehman (CA)	Penny	Swift
Lehman (FL)	Perkins	Synar
Leland	Petri	Tallon
Lent	Pickett	Tanner
Levin (MI)	Pickle	Tauke
Levine (CA)	Porter	Tauzin
Lewis (CA)	Poshard	Thomas (CA)
Lewis (FL)	Price	Thomas (GA)
Lewis (GA)	Pursell	Thomas (WY)
Lightfoot	Quillen	Torres
Lipinski	Rahall	Torricelli
Livingston	Rangel	Towns
Lloyd	Ravenel	Traficant
Long	Ray	Traxler
Lowery (CA)	Regula	Udall
Lowey (NY)	Rhodes	Unsoeld
Luken, Thomas	Richardson	Upton
Lukens, Donald	Ridge	Valentine
Machtley	Rinaldo	Vander Jagt
Madigan	Ritter	Vento
Manton	Roberts	Visclosky
Markey	Robinson	Volkmer
Marlenee	Roe	Vucanovich
Martin (IL)	Rogers	Walgren
Martin (NY)	Rohrabacher	Walker
Martinez	Ros	Walsh
Matsui	Roukema	Waxman
Mavroules	Rowland (CT)	Weber
Mazzoli	Rowland (GA)	Weiss
McCandless	Roybal	Weldon
McCloskey	Russo	Wheat
McCollum	Sabo	Whittaker
McCrery	Saiki	Whitten
McCurdy	Sangmeister	Williams
McEwen	Sarpalius	Wise
McGrath	Savage	Wolf
McHugh	Sawyer	Wolpe
McMillan (NC)	Saxton	Wyden
McMillen (MD)	Schaefer	Wylie
McNulty	Scheuer	Yates
Meyers	Schiff	Yatron
Mfume	Schneider	Young (AK)
Michel	Schroeder	Young (FL)
Miller (CA)	Schuette	
Miller (OH)	Schulze	
Miller (WA)	Schumer	
Mineta		
Moakley		

NOES—0

NOT VOTING—14

Bentley	Florio	Smith (IA)
Bryant	Kaptur	Watkins
Chapman	McDade	Wilson
Collins	McDermott	Wright
Courter	Oxley	

□ 1259

Mr. HEFLEY changed his vote from "no" to "aye."

So the en bloc amendments, as modified, were agreed to.

The result of the vote was announced as above recorded.

□ 1300

The CHAIRMAN pro tempore (Mr. NAGLE). Are there other amendments to title IX?

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROTH: Page 517, beginning in line 10, strike out ", including voluntary debt reduction programs under appropriate circumstances,"; beginning in line 19, strike out "and alleviate its debt service"; page 518, beginning in line 4, strike out ", including voluntary debt reduction programs,"; page 519, line 11, strike out ", and voluntary debt reduction programs,"; beginning in line 13, strike out "export growth and diversification,"; beginning in line 18, strike out "including promoting greater participation of the United States private sector in the development of the Philippines"; line 23, before the period insert ", except that assistance under this chapter may not include support for voluntary debt reduction programs"; and page 522, beginning in line 5, strike out ", and voluntary debt reduction programs,".

Page 521, strike out lines 2 through 19 and insert in lieu thereof the following:

$200,000,000 for fiscal year 1990 and $200,000,000 for fiscal year 1991.

"(b) USE OF SPECIAL AUTHORITIES PROHIBITED.—The authorities of sections 4101, 4102, and 4103 may not be used to make funds available for use under this chapter. The references to this chapter in sections 4102 and 4103 shall not be construed to supersede the limitation contained in the preceding sentence.

Mr. ROTH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ROTH. Mr. Chairman, today I am asking you to vote for the people who voted for you, the American taxpayer.

My amendment promotes democracy in the Philippines, and it leaves intact all the millions and millions and millions of dollars that this Congress is determined to give to the Philippines. But when you look at this bill, you will find chapter 2 of title 9 provides for something called the multilateral assistance initiative, and this would give more money to the Philippines than I believe is prudent or right.

Now this is not a frivolous amendment. The amendment deals with $1 billion, and if the Members of this body are concerned about waste and excessive burdens on our taxpayers, ask them to review this MAI legislation.

I must admit that the chairman, who drafted this legislation, my good friend from New York, is a master at legislative drafting. This thing has four tripwires before you get to the heart of it. But when you get there, what you find is that above and beyond all the money we are already giving, we are going to give an additional $1 billion. Now that is too much, I would think, for most Members of this body to swallow.

It should be enough, even for the dedicated foreign aid enthusiasts who want to give more and more.

The existing legislation authorizes $200 million for the first year of the MAI Program and $800 million for the following 4 years. My amendment cuts back the authorization to $200 million this year and $200 million next year, saving the American taxpayer $600 million. At the same time, the Philippines will still receive the administration's requested AID levels for fiscal years 1990–91.

Between 1983 and 1989 we have given over $2 billion to the Philippines. And next year we are doubling, over this year, what we are giving to the Philippines. This Congress is shoveling more money out of the back door than the hard-working taxpayer can bring in the front door. What my amendment is basically saying is let us save the taxpayers some $600 million.

The Philippine people are a nice people, and we want to be their friends and we are. But the American taxpayer has to be considered at some point too.

Now what I find a little amazing are the reasons some people are voting against this amendment.

Although the MAI will cost taxpayers an additional $1 billion over everything else we are giving, I heard one of the Members say, "Well, I have a lot of Filipinos in my district." Filipinos are nice people, but do you not have a lot of taxpayers too? And aren't the Filipinos in his district taxpayers as well?

Here's another reason, which appears in a crib sheet that is being sent around. It says, "Secretary Baker is going to personally go to the Far East on July 4," and needs this $1 billion authorization to be effective.

Now all of us here are concerned about junkets, but the Secretary of State has to have $1 billion to go to the Far East? Come on.

The Secretary of the Treasury says the MAI is important because it is going to help the Philippines pay off their national debt. Well, how about our own debt? We have got a national debt of $2.8 trillion. We are wringing our hands and our shirts to try to get our deficit this year down to $100 billion. Should we then turn right

around and add another billion dollars in foreign aid?

Here is another reason to vote against my amendment according to the cribsheet that's making the rounds: The Administration is now seeking a top-flight experienced statesman as a U.S. special representative to insure that the MAI works.

Think about it. This is a reason to vote against my amendment? Because we are trying to find somebody who is going to do a good job with this program? Well, there are a few people down at HUD who might take this job, because it will probably turn out to be the same kind of a program.

Under the existing legislation the Philippines will become the third largest recipient of foreign aid from the United States. And did you know that apart from our aid, the U.S. military presence in the Philippines contributes $500 million every year to the Philippine economy?

The U.S. Government employs some 68,000 Filipinos, the second largest employer in the Philippines. I mean how much more can we do?

The Philippines are awash in U.S. taxpayer dollars. There are $238 million in United States foreign aid committed to the Philippines that Manila cannot spend fast enough.

And listen to this: There is $4 billion in the pipeline from worldwide sources of foreign aid that has not yet been spent. Yet some of us are going to come in here and milk the taxpayer the way a dairy farmer in Wisconsin milks a dairy cow. It is just not fair.

This Congress is going to borrow another billion dollars and ship it overseas at the same time that we are cutting back on Medicare, we are cutting back on veterans health care, we are cutting back on farmers.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word, and I will yield the gentleman additional time. But before I do that, I want to say that in all honesty I oppose the amendment, although many of the points the gentleman from Wisconsin makes are valid and very compelling, that at this stage in the process to adopt this amendment probably would have an adverse effect on the negotiations going on.

Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. ROTH. I thank the gentleman for yielding.

Mr. Chairman, at the same time we are going to transfer an additional $1 billion overseas we are cutting back on Medicare. Yesterday they cut back by $2 billion, for our own people.

Today we are going to add an additional $1 billion that we are shipping overseas.

Veterans health care is cut back, SDI is cut back, farmers are cut back, the drug program is cut back; everything domestically is being cut back. It is just not fair, it is not right. It is not fair to the American people for us to be doing that to them.

The Philippines are getting a ton of money, more money than they can utilize, and at the same time we are facing unprecedented national deficits.

You all know we are fighting to get this deficit down to $100 billion. We have an unbelievable national debt of $2.8 trillion.

□ 1310

Every one of the Members I bet will go back home and say we have to balance the budget. Well, how can Members do that? How can they go back home and tell their people we have huge deficits, and then come in here and spend an extra billion dollars in addition to the high levels in bilateral aid we're already giving. It is not fair to the people the Members represent. It is just not fair for Members to throw more taxpayer dollars to governments that, quite frankly, are ungrateful. The day will come when we rue this action.

I think it is about time we made some changes. I ask Members to take a look at this amendment. Do not spend a billion dollars. We should be cutting all of it out. My amendment is a reasonable compromise. It says $200 million this year, $200 million next year. Let Members see how this program moves along.

Mr. LAGOMARSINO. I yield to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Chairman, I, too, want to voice my same concerns as my friend from California did about the negotiating process, about the fact that the Philippines certainly is another extraordinarily fragile democracy, and we have a tremendous vested interest in that entire part of the world, and specifically, the Philippines. However, nevertheless, it seems that the amendment that the gentleman is offering is extraordinarily balanced and that it simply says that rather than having a full 5-year package of $1 billion, what we are doing is we are having an opportunity to relook at the issue, after 2 years, and $400 million is expended.

I think in light of that, it is a very reasonable compromise as we deal with a very delicate issue. I support the gentleman in his amendment.

Mr. ROTH. Mr. Speaker, I thank the gentleman for his contribution very much, and I want to reiterate again that we are not touching the millions and millions and millions of dollars going to the Philippines. In fact, this aid is going to be double next year. We are not touching it. However, there is a provision in this bill that says we are going to get $1 billion of new money, and I am saying that is just too much. That is why I am cutting it back.

Mr. LAGOMARSINO. Mr. Chairman, reclaiming the balance of my time, I would like to repeat, in spite of my great respect and admiration for the gentleman from Wisconsin [Mr. ROTH], I oppose his amendment.

I think with the debate we had about what is happening in China and what is going on in that part of the world, now is not the time to be interfering with this arrangement that has been made and reached with other countries in the region.

Mr. Chairman, I rise in support of the Philippines multilateral aid initiative [MAI] as presently written in H.R. 2655 and in opposition to the amendments offered by Mr. ROTH of Wisconsin which will seriously undermine the benefits of the MAI and diminish its chances of success.

I strongly believe that the multilateral aid initiative is a creative and constructive program that will signficantly help shore up the Philippines' economy and thereby its democracy all at a relatively modest cost to the United States.

One of the most serious problems facing democracy in the Philippines today is inadequate economic growth and continuing poverty. Economic problems and the great disparity between rich and poor provide fertile breeding ground for Communist propaganda and inroads. The benefits from the MAI will certainly counter the appeals from the antidemocratic Communists, like the new people's army.

The Philippines is a very important strategic ally of the United States. The ties between the Filipino and American people are long and strong. We have fought together and died together for freedom and liberty. If democracy were to fail in the Philippines, it would have major negative repercussions throughout Asia's other fledgling democracies and the world. The future of our bases at Subic Bay and Clark Air Force Base would be jeopardized. These strategically located bases are a critical part of our national defense strategy and security in the Western Pacific and Indian Oceans. They would be extremely difficult to replace and only at great cost and loss of some present capabilities. I agree with my colleagues that our aid program to the Philippines is one of the largest. However, the Philippines is also one of our most important allies and closest friends.

The MAI is a multiyear, multinational public and private aid plan for the Philippines that would provide the capital, investment, and infrastructure necessary to bolster the Philippines economy. Directly linked to MAI assistance is economic policy reform in the Philippines such as deregulation of interisland shipping and strengthening of rural financial markets. In fact, the MAI has already paid divi-

dends by provoking bureaucratic shake-ups in the Philippines and instituting policies more supportive of private sector and free market growth.

Other uses of the MAI will be for: First, infrastructure—today, inadequate infrastructure—roads, communication facilities, energy resources—is a major obstacle to private sector growth; second, natural resource management to ensure environmentally and ecologically sound development; and third, support for investment in key economic development zones like southern Mindanao. This would include infrastructure and local market improvements.

As currently envisioned, the Philippines would receive $2 billion a year for the next 5 years in additional resources under the MAI. This would be in addition to the aid it is presently receiving from the international donor community including the United States. At least one-half of the $10 billion, at the rate of $1 billion per year, would be provided by the public sector—foreign governments including Japan, numerous European nations, ASEAN countries, and the multilateral development banks. The private sector will contribute the other $5 billion in the form of new investments, debt equity swaps, and other initiatives.

The U.S. Government, through our foreign aid appropriations, will contribute $1 billion over the next 5 years. Only $200 million is authorized to be spent in fiscal year 1990. This is special MAI funding above and beyond the regular $481 million requested for fiscal year 1990 and fiscal year 1991. Before any MAI funds can actually be obligated, the congressional committees of jurisdiction must be notified in advance and can block any amount or use of funds by invoking reprogramming type procedures set forth in this authorizing legislation. Clearly, there are tight controls on the program to ensure that American tax dollars are being properly and efficiently used.

It is important to note that nine-tenths of the MAI's funding does not come from U.S. foreign aid. Other economic powers like Japan, Europe, and ASEAN nations must share the burden. In fact, this legislation specifically prevents the release of the $200 million until the President determines that a "substantial majority" of the resources for the program have been provided by other countries.

As detailed in the "Dear Colleague" letter I signed along with Chairmen FASCELL and SOLARZ, and the ranking Republican Member of the Asia Subcommittee JIM LEACH, many of the arguments against the MAI are either misleading or better categorized as arguments against any major foreign aid program. The Roth amendments limit the U.S. commitment to the MAI to 2 years, raising legitimate concerns among Filipinos and the international donor community about the seriousness of our commitment. While other foreign donors will contribute four times more official assistance than we will, they look to the United States for leadership. A significant cut in our participation, as Mr. ROTH's proposal to slash $600 million does, undermines the incentive for others to increase their own assistance levels to the Philippines.

The Roth amendments would preclude using MAI funds for promoting greater United States private sector participation in the development of the Philippines. This is self-defeating as it undermines the opportunities for U.S. businesses and instead directs the growing Filipino market toward non-American investments and non-American goods and services. It is known that when we promote development in the Third World, these countries in turn become markets for U.S. products providing us with far greater returns on our investments. That helps, not hurts, American jobs and prosperity.

The bottom line is the Philippines needs substantial economic help today. The Communist threat taking advantage of current economic difficulties is real and will continue to grow. The price of ignoring this need is too high. The MAI is an innovative, cost-effective way to provide the Philippines with the infusion of economic resources and reforms it needs to build a sound economic foundation upon which democracy, positive social change, and growth can flourish.

The MAI is strongly endorsed by President Bush and has wide bipartisan support in both Houses of Congress. The MAI can work and can become a model of success if it is provided with the resources and flexibility needed to meet the many challenges of the Filipino economic environment. The present version of the MAI provides such ability, the Roth amendments do not.

I strongly urge my colleagues to join me in supporting the positive, worthy MAI program as presented in H.R. 2655 and oppose the Roth amendments.

Mr. TRAFICANT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to start out by commending the tenacity and the effort of the gentleman from Wisconsin [Mr. ROTH]. I believe he is right.

In fact, I am sitting here, I am really frosted! We have been talking for weeks now about more and more money and how we are going to send it overseas, and the strategic importance of that money. I am not going to question the brilliance and wisdom of our committee. We have a great chairman, Mr. FASCELL. Although when we talk about foreign aid, Members part ways with me.

Now we know in 1986, Corazon Aquino came over here, and most of the Members in the House wore something yellow. They had jackets, some even had pants, some had flowers of yellow and everybody was so excited about Corazon Aquino. I think she is a great lady and God bless her, but she had already received a half a billion dollars, $500 million from the taxpayers of Uncle Sam that year, and she was back to meet with President Reagan, she needed another supplemental appropriation of $200 million.

Now, Mr. Chairman, she made a speech here that now must be a record in American history, in the history of Congress. She got the biggest honorarium in the history of the United States of America. She got, I do not know, was it $200 million for a 30-minute speech or was it $100 million, when it was finally settled?

The point I am trying to make is we have water lines falling apart in New York. We have kids graduating from high school that cannot read. We have bridges in Pennsylvania and Ohio collapsing, killing people. We have people without jobs. We have factories moving overseas. America is in trouble. No one wants to listen. Well, I was one of the few in 1986 that said, "Mrs. Aquino, I think you got too much money then," and I tell you what, Mr. ROTH, you are right on. I think it is time somebody gets a hold of Congress and starts talking about a dire emergency program for America.

Now I am against this turkey. They have already received billions of dollars from America, and this would provide one more billion. Let me tell the Members the facts of it. Where is the commitment on the two bases? There is no agreement. The foreign minister over there, Mr. Manglapus, let me tell you what he said. In March 1988, he said, "America will have to pay billions of dollars if they want to keep those bases, because they are nothing more than a colonial power in our own homeland." Their foreign minister said if they "did not come up with the bucks, throw them out. We do not really want them anyway."

Now, we are going to finance their export of products to America? My people are being laid off. Hey, someone said yesterday, I believe it was the gentleman from Indiana [Mr. BURTON] said, "Enough is enough." And I will say to Members, he is right. Mr. ROTH is right. When are we going to stop this giveaway? My people need some help.

Who is listening about the people in Youngstown, OH? Who really cares? Who is talking about people in Brooklyn, Philadelphia? Los Angeles? Go ahead and smile, we are beginning to take a fly in our face and make it big enough where it is becoming an elephant that will eat the assets of Congress.

I am for the Roth amendment. I commend him and later on in this great debate Members will have an opportunity to help with the deficit of the United States of America to cut $1.12 billion from this giveaway program. If no one is listening, they should be. Support the Roth amendment.

Mr. SOLARZ. Mr. Chairman, I strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment. Let me try to put this in perspective for the Members of the House. We do, after all, have before us an amendment which would effectively gut one of the most important foreign policy initiatives of the Bush administration be reducing by 60 percent the authorized and requested level funding for the multilateral aid initiative for the Philippines.

The gentleman from Wisconsin, my very good friend [Mr. ROTH], the author of the amendment, has complained about the extent to which we would be providing a billion additional dollars to the Philippines. What he neglects to mention is the fact that this is a 5-year authorization in which we would be providing $200 million a year in additional assistance to the Philippines for 5 years rather than $1 billion in 1 year, all at once.

The gentleman from Wisconsin [Mr. ROTH] has also neglected to point out the fact that the overall level of funding in this bill before Members, which includes the full authorization for the MAI is within the budget resolution, and the President's foreign aid request. Furthermore, may I say to my very good friend from Wisconsin who appears concerned about what we might do a few years from now, that all we have before Members now is an authorization. It does not provide for an appropriation. The Committee on Appropriations and then the Congress as a whole is going to have to appropriate the money. If we come to the conclusion that it is not being wisely spent, or it is not being well spent, or it is not being productively spent, we do not have to appropriate the money. There will be hearings by the Committee on Appropriations and the Committee on Foreign Affairs, but the Congress could really retain control over this.

Furthermore, we have provided in the authorizing legislation that before any of the money can be spent, we have to be precisely notified what it will be spent for, so we have some additional control over it.

However, most importantly, what I think needs to be said is that this is not a unilateral American initiative. We are not just putting 1 billion additional dollars in the Philippines over 5 years by ourselves. This is part of a multilateral aid initiative which will include the participation of the European countries, of Japan, of several other Asian countries as well, in addition to the Asian Development Bank and other international financial institutions. My friend from Wisconsin and other Members of the House frequently complain very bitterly, about the unwillingness of third countries to share their proper part of the burden of our collective security. This multilateral initiative is a response to those concerns on burden sharing.

□ 1320

It is premised on the notion that while we have a significant stake in the survival of democracy in the Philippines and in preventing the triumph of Communist guerrillas in that country, we are not the only ones. So do other countries. Consequently, a limited amount of American assistance will be used to leverage a much greater amount of assistance from Japan, from the European countries, from the international financial institutions, and from other Asian countries as well.

If this amendment were to be adopted, cutting by 60 percent the authorized level of aid for the Philippines and the multilateral aid initiative for the next 5 years, it would pull the rug out from under our efforts to get other countries to increase their contributions to the Philippines. And indeed there could not be a worse time for this amendment to be considered and adopted than right now.

Next week Secretary of State Baker is making a special trip to Tokyo to represent the United States in a pledging conference designed to get the multilateral aid initiative to the Philippines off the ground. At that time all these other countries and international financial institutions will be asked to significantly increase the level of their aid to the Philippines. If the House of Representatives votes for the Roth amendment, cutting by 60 percent the level of aid requested by the administration, Secretary of State Baker will be humiliated before all the other countries that are there.

The CHAIRMAN. The time of the gentleman from New York [Mr. SOLARZ] has expired.

Mr. GEJDENSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank my friend, the gentleman from Connecticut, very much for yielding.

So, Mr. Chairman, if this amendment is adopted now, it will embarrass and humiliate the Secretary of State and probably result in a dramatic reduction in the level of contributions made by the other countries who will say to Secretary Baker: "Why should we give more when the Congress is voting to give less?"

Finally, Mr. Chairman, we have just voted unanimously to condemn the suppression of democracy in China and to impose sanctions on the People's Republic of China because of the crackdown on the pro-democracy movement in that country. We now have an opportunity to decide whether we are going to support or walk away from democracy in the Philippines.

A lot of progress has been made by Mrs. Aquino in the last few years, ever since the triumph of people power in the Philippines.

But they face enormous problems. They have a $28 billion foreign debt, and they have a population where 60 percent of the people live below the poverty line. They have an entrenched Communist insurgency which still has the capacity to one day seize power in the Philippines. And if democracy were to fail in that country, it would be a serious strategic setback to the United States and a blow to the hopes and aspirations of hundreds of millions of people around the world who are encrouaged by the peaceful emergence of democracy in the Philippines.

In the final analysis, the survival of democracy in the Philippines will depend on Mrs. Aquino's ability to translate the promise of pluralism into a better life for the Filipino people. And this is given our enormous stake in the survival of democracy in the Philippines and the spread of democracy elsewhere. And may I say that if democracy fails in the Philippines, the chances are that our bases will go out there, because I rather doubt under those circumstances that we would be able to maintain our most important military facilities anywhere in the world outside of the continental United States.

So, Mr. Chairman, for all those reasons, if Members believe in demcoracy, if Members believe that we have a responsibility to support democracy, if Members believe in burden-sharing, if Members believe in supporting one of the most important foreign policy initiatives of the administration, I urge them to vote against the amendment that is now before us.

Mr. GEJDENSON. Mr. Chairman, I would say that the gentleman from New York [Mr. SOLARZ] has laid out the evidence as to why the well-intentioned amendment offered by my friend, the gentleman from Wisconsin [Mr. ROTH], makes no sense. But I think if we just look back at the loss of life by American servicemen and women in our attempt to establish democracy in Southeast Asia, we would realize that the cost here is a pittance compared to the tens of thousands of Americans who fell in an attempt to have democracy exist in Vietnam. But

here the Filipino people on their own are fighting for democracy.

I think the most important point the gentleman from New York [Mr. SOLARZ] made is that there is a direct link with the economic situation of the people and the viability of a democratic government. If we pull the rug out from the Philippines as we know it since Mrs. Acquino took power, a country that is striving for democracy at a time when democratic institutions are so fragile, let us hope that we are not the ones here on the floor trying to put the pieces together if the Philippines fall apart.

So I would hope that while this seems to be an easy vote over the long-term, it is a very dangerous vote and a very costly vote. The Philippines buy close to $2 billion of products from the United States, and when we add services to that, the figure will clearly exceed several billions of dollars. It is an important market for the United States. If the economy of the Philippines improves, it will be a greater market for American goods.

So I would hope that the chairman of the Subcommittee on Asian and Pacific Affairs would be listened to, and that my friends on the other side of this issue—and this is not a partisan issue—would rethink their position, because we ought not be in a position where we have to send troops to defend democracy in the Philippines. This is a far less expensive approach.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from New York [Mr. SOLARZ] a couple of questions, but before I do, I want to preface my question by stating that I do not think the Philippine Islands have any better friends in the world than the United States. A lot of Americans died in the Philippine Islands to preserve democracy and freedom. A lot of Americans lost their limbs over there and fought over there.

While I have not been wounded, I was one who made the invasion at Lingayen Gulf against the Japanese on January 5, 1945. I spent a year and a half there. I have a great and abiding affection for the Filipino people.

But I am concerned that we must pay $435 million a year for those bases that we occupy there, and they want even more money. Those bases not only protect the Philippines, which we have a history of protecting with our blood, but they provide work and employment for thousands of Filipinos who otherwise might be trying to cut sugarcane while they have no place to export it.

So I do not think we as Americans have anything to apologize about in our relationship with and our support of the Philippines and democracy in the Philippines. And I must say that it is more than a little reassuring to hear the solicitude for democracy in the abstract argued for and advanced by some of the most articulate and liberal spokesmen in this body. The argument is for democracy in the Philippines and democracy in a lot of other places. I only wish their solicitude was not quite as selective, because I would like to hear the same commitment to democracy in Nicaragua, which is not very far from the Texas border.

Nonetheless, I do have some questions, and I would like to ask my friend, the gentleman from New York [Mr. SOLARZ], who has supplanted General MacArthur in terms of being a national hero to the Philippines, a few questions.

But I will ask the gentleman from New York [Mr. SOLARZ] does he believe that the best way to protect democracy and to keep the friendship of the Philippine people, is to send more billions over there? And I mean billions, because when we add it all up we are talking billions.

How do we get a commitment from them to reciprocate and say:

> Hey, we're your friends, too. We like your bases. We like Clark Field. It protects us. It protects Western civilization. We like Subic Bay. We like the base there. It provides employment for our people.

How do we elicit some gratitude? I know that is a naive hope in the world of diplomacy, because everyone asks: "What have you done for me lately?" But we have done a lot for the Philippines.

Mr. Chairman, I am sorely tempted to support the gentleman from Wisconsin [Mr. ROTH] simply because perhaps a move in the other direction will get a little more sympathetic understanding for us from the Philippines.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from New York.

□ 1330

Mr. SOLARZ. Mr. Chairman, I thank the gentleman from Illinois [Mr. HYDE] for asking the question. It is a serious question. It is an entirely legitimate question.

I might begin by saying that in general one catches more flies with honey than with vinegar. I can say to the gentleman from Illinois [Mr. HYDE], my friend, that I was in the Philippines in April. I met with President Aquino. She made it clear that she hopes negotiations on the renewal of the base agreement will commence before the end of the year. I am very hopeful that we will be able to successfully conclude a new base agreement with the Philippines.

Mr. HYDE. I ask the gentleman from New York [Mr. SOLARZ], "Don't we pay enough? Should we pay more millions?"

Mr. SOLARZ. Mr. Chairman, I would hope that we could avoid having to pay any more than we are now. I believe, as does the gentleman from Illinois [Mr. HYDE] that the bases serve the interests of both of our countries.

However, Mr. Chairman, let me assure the gentleman from Illinois [Mr. HYDE] of one thing. There is enormous good will for the United States and the Philippines. There are some noisy people who make a profession of criticizing our country. We know they are there, as there are elsewhere in the world. But when one goes out into the countryside, the great majority of the people are friendly to the United States.

I have been told by no less authority than His Eminence, Cardinal Sin; that, if they had a referendum in the Philippines on whether or not to continue the bases, 85 percent of the people would probably vote to continue having the bases there—precisely for the reasons mentioned by the gentleman, that they do contribute to the security and the economic well-being of the Philippines.

Mr. BURTON of Indiana. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, the gentleman from New York [Mr. SOLARZ] indicated that he will get more flies with honey than he will with vinegar. Well, that is true most of the time, but I do not believe it is true in the area of foreign aid because, if my colleagues look at the foreign aid figures around the world, the countries we give an awful lot of money to seem to vote against us about 95 percent of the time at the United Nations, so I am not so sure that one really will get more flies with honey than they do with vinegar. So, maybe we need to send a message.

Mr. Chairman, I would like to go through some of the remarks the gentleman from New York [Mr. SOLARZ] made and try to answer them. He said this money is going to be spread over 5 years. The fact of the matter is it is $200 billion the first year, and $800 billion the second year, which can be spread over 4 years, and I submit to my colleagues that it is likely to be all spent the second year. Yes, this must be appropriated, but we want to kick it off track now before it gets to the appropriation process. We are cutting foreign aid all over the world, and yet right now we are going to give an additional $1 billion to the Philippines?

Mr. Chairman, this amendment will not affect military aid we are giving to the Philippines or any other economic aid. But it will cut the additional $1 billion down to $400 million.

My colleagues, one of the things that should be brought up in this debate is the attitude the Philippine Government has toward the United States. Do my colleagues know that they are not even taking care of our military cemeteries over there, or our monuments? That shows a disrespect

for this country at a time we are trying to help them, and I think that message needs to get through to the Philippine Government loud and clear.

Now let us take a look at the amendment of the gentleman from Wisconsin [Mr. ROTH] really quickly. It is going to be used, $1 billion in United States taxpayer funds will go for payments of Philippine debts at a time when we have a huge debt in this country. I would like to read just a little bit from the statement of the gentleman from Wisconsin [Mr. ROTH]. He says:

> But, if you agree with me that it is wrong for us to ship another billion dollars to the Philippines while we cut Medicare, SDI and the super collider, underfund veterans health care and the antidrug program, and then sneak through more taxes, then vote for the Roth amendment.

Mr. Chairman, I think most people would agree. It is wrong to cut those programs and send a billion dollars to another country so that can pay their debts. We have debts of our own.

He also says in this statement:

> But did they tell you that the Philippines have a $4 billion backlog of aid from sources around the world?

Now get that, a $4 billion backlog in aid from around the world including $200 million from us? It is just sitting there.

The truth is they have so much aid in the pipeline that it will take them 14 years to draw it down according to our own Government estimates.

Mr. Chairman, I think the amendment of the gentleman from Wisconsin [Mr. ROTH] makes a lot of sense. I think we ought to support it. We are trying to cut spending in this country. Here is a perfect area in which to do it, and the American taxpayers, I believe, will go right along with it.

Mr. SOLOMON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was not even going to speak on this amendment until our good friend, the gentleman from Connecticut [Mr. GEJDENSON] took the well and started again pontificating the way he does when he blocks all of our amendments, on this side of the aisle, concerning Nicaragua. So, maybe he needs a taste of his own medicine.

So, let me just say that 40 years ago, Everett Dirksen used to say on this floor: "You know, a million dollars here, a million there. Soon you're talking about real money."

When I came to this Congress over a decade ago, we had other people over here saying, "A hundred million dollars here, a hundred million dollars there; we're talking real money."

Now today: "A billion dollars here, a billion dollars there; now we're talking real money."

Mr. Chairman, I never saw money go out the window so fast in all my life.

The gentleman from New York [Mr. SOLARZ], our acting Secretary of State, took the floor and gave the best argument I have heard all day for the amendment of the gentleman from Wisconsin [Mr. ROTH], because he said, "Mr. ROTH, we're not talking about a billion dollars this year. We're talking about a billion dollars over 5 years." Yes, and it all can be spent in 2 years.

The gentleman from Florida [Mr. FASCELL], my good friend, and all of those good people know that therein lies the problem. We have turned this foreign aid bill into an entitlement program, and God knows we have enough problems now with entitlement programs in this country which are bankrupting the coffers.

Mr. Chairman, it would not be so bad if Mrs. Aquino and the Philippine Government were at least taking care of our monuments in the Philippines. Has anybody been there and seen where MacArthur landed when he saved the bacon of those Philippine people? These sites are going down the drain, and we are having to spend our own taxpayers' dollars to repair and maintain the monuments.

Mr. Chairman, this world is upside down. We should not be giving anybody 2 years' worth of aid.

Let us have 1-year foreign aid bills so we can hold people accountable. That is what we need to do in this Congress, and then we would be successful. Then we would have bilateral agreements with these countries. When they come hat in hand, at least they would not be bad-mouthing us at the United Nations every day and having their hand out here to take our money.

Mr. Chairman, I think we ought to pass the amendment of the gentleman from Wisconsin [Mr. ROTH]. It is the smartest thing we can do today.

Mr. COX. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my friend, the gentleman from Wisconsin.

The fact is, Mr. Chairman, that the multi-lateral assistance initiative, as reported by the Committee, sends an additional $1 billion to the Philippines when there is already $4 billion allocated to this country which has not been spent. In fact, there is so much Philippine foreign aid already in the pipeline, our own A.I.D. mission estimates that it may take as many as 14 years to use it up. That estimate comes from our own A.I.D. mission.

President Reagan, whom I served in the White House, can count it as one of his proudest accomplishments that America assisted in the democratic transfer of power in the Philippines. And President Bush is absolutely right to count the Philippines among our most important strategic allies. The bases at Subic and Clark are vital to American power in the Pacific. That's why I support 100 percent of the provisions of military aid to the Philippines—and the Roth amendment leaves all such vital assistance intact.

What we must oppose, Mr. Chairman, is the outright government subsidy of Philippine business and Philippine debts contained in the foreign aid bill. It would make no sense for the American taxpayer to spread around government largesse of this kind to American business; it makes even less sense to put foreign business on the dole. We have a national debt of over $2 trillion. We will have a budget deficit for the upcoming fiscal year of almost $100 billion more—that is, if we're lucky.

I'm one who believes that if governments would just get out of the way, American industry can be competitive with industry anywhere in the world. That's why I oppose government subsidies at home, and protectionist trade barriers abroad. Certainly, Mr. Chairman, we can all agree it makes no sense to subsidize our foreign competition—but that is exactly what we would be doing with this foreign assistance bill, unless we pass the Roth amendment.

Mr. Chairman, over the years, the United States has generously provided its friends—and sometimes those who we can only hope might become our friends—hundreds of billions of dollars in foreign aid. And yet, if we look at the results, there is anything but a 1-to-1 correspondence between foreign aid recipients, and countries which have managed to improve their economy and become self-sufficient. Instead, it is those countries that have relied to a large extent on encouraging private investment who have succeeded in turning around their economies.

When it comes to foreign assistance, Mr. Chairman, we have got to consider the possibility that countries receiving U.S. aid in abundance may in fact be less likely to reach economic self-sufficiency—and that our foreign aid may be keeping such countries in a state of dependency.

In fact, as I read the Hamilton Report, prepared by the Foreign Affairs Committee, and the Woods Report, prepared by the Agency for International Development, that is exactly what I find likely to be the case with this proposed $1 billion of additional foreign aid to the Philippines.

A few years ago, I traveled to the Philippines with my father—who fought side-by-side with the Filipinos in World War II—and revisited with him the battle ruins on Corregidor where the cries of brave, dying American and allied soldiers still echo in the barracks. I learned there that there is a profound bond between the American people and the Filipinos. We ought to be proud to count the people of the Philippines as friends. We must

be steadfast in our support for their democracy.

But Mr. Chairman, we musn't confuse friendship and support for democracy with wasteful government subsidies of Philippine debts, exports, and business investments. This extra $1 billion for the Philippines is one of the best examples why we have a huge budget deficit in this country. And that, Mr. Chairman, is why I support the Roth amendment.

I urge my colleagues to support his amendment, to reduce this $1 billion to $400 million, and to deliver on the promise we have all made to our constituents—to work to cut our own massive budget deficit.

□ 1340

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in the strongest opposition to the amendment.

First of all, this is an administration request. I know that does not mean too much to some of the people over there, but it is an important request.

Second, it is part of, as the chairman of the subcommittee has pointed out, an international effort to help preserve an ally that is important to us in a national security sense, an economic sense and a political sense.

We have made this commitment over a long period of time and it should not be disbanded lightly.

Now, the argument I have heard sounds something like this: The United States really has no need for the Philippines. I mean, after all, the bases are just as much for them as they are for us, so if we lose them, we will do something else. I said the argument sounds like this to me. Maybe I do not hear too good.

Also, it sounded to me like, well, the United States has not really much place here with regard to this because we are spending too much money, anyway.

I just want to remind my colleagues that aside from the fact that this is an administration request within an overall policy concept as they see it, with which our committee agreed when we brought this bill to the floor, it is also within the budget agreement.

So I can understand, having been raised on a farm, having been a farm boy and also a city boy, I understand exactly how the gentleman from Wisconsin feels about his farmers and how the gentleman from Ohio feels about his urban people, because I have had the experience of representing both. I know the feeling, but that is not to say that the United States and the people in the United States do not likewise have real national security interests which are vital to farmers and city people and other people in this country.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. Not now, I say to the gentleman, later. As soon as I get a chance to finish the statement, I will be glad to have the gentleman ask me whatever he wants to ask me.

I know that the feeling is strong about trying to knockout these 2 years on this particular amount of money for the Philippines on the theory that we have so many domestic needs that perhaps something else ought to be done. That discussion is a valid discussion. It can be made on every bill on this floor, and I dare say I heard somebody in the debate say that that is exactly what they plan to do, and I suppose we will go through that.

It would seem to me after all the struggle we have had in this Congress with regard to an overall approach to the budget with the administration that once we got that agreement, we should do our best to sustain it.

So here we have legitimate international interests, national security, economic and political. Despite all our needs in this country, we cannot walk away from our responsibility in the world. We just cannot get off the planet and act like the rest of the world does not exist or that the United States does not have problems in this world and that what happens out there in the rest of the world affects every single American citizen.

The total amount of money that is spent on the American taxpayer's bill for the entire foreign aid program relative to the entire Federal budget might as well be less than 4 cents a person. You cannot even buy a single cigarette for that much money, and we are buying economic improvement, national security, humanitarian aid, political assistance, all around the world for our country, and yet we find people who simply want to because they have real needs here that need to be addressed, want to take it out of this package, when we have an overall balance which the Congress and this administration have agreed to and we have brought the House the administration's request.

Mr. Chairman, I would urge my colleagues not to vent their wrath on this amendment, and that was not intended to be a pun.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FASCELL] has expired.

Mr. BURTON of Indiana. That is what I was afraid of.

Mr. FASCELL. We will get some more time.

Mr. STEARNS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I came into this debate and was listening to it, and I had several questions. The gentleman from Wisconsin [Mr. ROTH] has supplied me with the answers to these questions.

Looking at this, I rise in support of the Roth amendment. It appears to me that in 1989 we supplied $311 million of aid to the Philippines under the budget. In 1990, what is proposed even under the Roth amendment is $481 million, plus $200 million in multilateral aid, so that brings it to $681 million.

So I say to my colleagues here in the House that we are increasing it from the 1989 budget of $311 million with the multilateral aid up to $681 million; so by anyone's calculation, we are increasing it twice. It is an awful lot of money increase, even with the Roth amendment.

So I think at this point it is clear that we are being very aggressive under this proposal.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to my colleague, the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding to me.

I just want to make a couple points to the distinguished chairman of the Foreign Affairs Committee, for whom I have the highest respect.

If you put 4 cents per person for everybody in this country, you sure do not come up with $11 billion, so I do not know where the gentleman came up with that figure, but I have great respect for the chairman of the committee.

The other thing I would like to point out is that the gentleman talked about national security interests, and I agree that the Philippines play a very important role in our national security program. That is why I wanted to ask, have they given any commitment that they are going to let us keep Clark Air Base or Subic Bay? Because nobody in this body knows if we can keep those bases there.

□ 1350

They keep using those bases to get more money out of us, and it is in our national-security interest, but there has been no commitment, and we need to get that commitment from them posthaste.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I will just comment that I think the gentleman has been sending his message for the last 30 minutes. I think the message was received. I hope it is helpful.

Mr. RICHARDSON. Mr. Chairman, the multilateral assistance initiative [MAI] is an American-initiated international effort to provide the government of Corazon Aquino and the people of the Philippines sufficient resources to address their dire economic problems.

While the U.S. commitment of $200 million a year to the MAI will be only one-fifth the project total and not the largest contribution, American leadership on this matter is basic to its success and of critical importance.

We should seriously consider the timing of this important matter. The major donor nations to the MAI will be meeting from July 3 through 5 in Tokyo to coordinate their effort and to pledge their support to the Philippines and the MAI. A reduction in the American commitment from the $200 million level or a 5-year assessment would be interpreted by the world as U.S. repudiation of the MAI. Such a signal at this time could likely undermine the entire initiative.

The Aquino government is saddled with a $29 billion debt and an annual debt service of approximately $3.1 billion. In each year since 1986, the Philippines has paid over $1 billion in debt service to foreign creditors than it receives in assistance.

In a country where nearly 70 percent of the population lives in poverty and per capita income is less than $2 a day, the net transfer of capital out of the country is a significant impediment to sustained economic recovery.

The Roth amendment limits the U.S. commitment to the MAI to 2 years, instead of 5, and thus would raise serious concerns within the international donor community. Before sending such a signal, it should be considered that the international donor community will contribute four times more official assistance than will the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 185, noes 233, not voting 14, as follows:

[Roll No. 125]

AYES—185

Andrews
Applegate
Archer
Armey
Baker
Ballenger
Barnard
Barton
Bateman
Bereuter
Bevill
Bilbray
Bliley
Browder
Brown (CO)
Buechner
Bunning
Burton
Callahan
Campbell (CO)
Clement
Coble
Coleman (MO)
Combest
Conyers
Cox
Craig
Crane
Crockett
Dannemeyer
Darden
Davis
DeLay
Derrick
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Early
Emerson
English
Erdreich
Fawell
Fields
Flippo
Ford (MI)
Frenzel
Gallegly
Gaydos
Gekas
Gibbons
Gingrich
Glickman
Goodling
Grandy
Hall (TX)
Hammerschmidt
Hancock
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Hubbard
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kasich
Kleczka
Kyl
Lent
Lewis (FL)
Lightfoot
Lloyd
Lukens, Donald
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mazzoli
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
McNulty
Montgomery
Moorhead
Murphy
Myers
Neal (NC)
Nelson
Nielson
Obey
Ortiz
Oxley
Packard
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Perkins
Petri
Quillen
Ravenel
Rhodes
Ridge
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Schaefer
Schiff
Schroeder
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stallings
Stearns
Stenholm
Stump
Tallon
Tanner
Tauke
Tauzin
Thomas (GA)
Thomas (WY)
Traficant
Traxler
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Watkins
Weldon
Whittaker
Wylie
Yatron
Young (AK)
Young (FL)

NOES—233

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bartlett
Bates
Beilenson
Bennett
Berman
Bilbray
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bustamante
Byron
Campbell (CA)
Cardin
Carper
Carr
Chandler
Clarke
Clay
Clinger
Coleman (TX)
Conte
Cooper
Costello
Coughlin
Coyne
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (TN)
Frank
Frost
Gallo
Garcia
Gejdenson
Gephardt
Gillmor
Gilman
Gonzalez
Gordon
Goss
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hawkins
Hertel
Hoagland
Hochbrueckner
Houghton
Hoyer
Huckaby
Hunter
Johnson (CT)
Johnston
Jones (GA)
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Madigan
Manton
Markey
Matsui
Mavroules
McCloskey
McCurdy
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Olin
Owens (NY)
Owens (UT)
Pallone
Panetta
Payne (NJ)
Pease
Pelosi
Penny
Pickett
Pickle
Porter
Poshard
Price
Pursell
Rahall
Rangel
Ray
Regula
Richardson
Rinaldo
Roe
Rose
Rostenkowski
Roybal
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Scheuer
Schneider
Schuette
Schumer
Shays
Sikorski
Sisisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spratt
Staggers
Stangeland
Stark
Stokes
Studds
Sundquist
Swift
Synar
Thomas (CA)
Torres
Torricelli
Towns
Udall
Unsoeld
Vento
Visclosky
Walgren
Walsh
Waxman
Weber
Weiss
Wheat
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Yates

NOT VOTING—14

Bentley
Bryant
Chapman
Collins
Courter
de la Garza
Florio
McDermott
Sabo
Savage
Smith (IA)
Smith (TX)
Wilson
Wright

□ 1409

Messrs. GOSS, KASTENMEIER, ROSE, HUCKABY, and DWYER of New Jersey changed their votes from "aye" to "no."

Mr. ORTIZ and Mr. MARLENEE changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1410

AMENDMENT OFFERED BY MR. PORTER

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER:

Page 526, after line 24, insert the following new section:

SEC. 910. CONCERNING HONG KONG.

It is the sense of the Congress that the President should take such actions as may be necessary under the Immigration and Nationality Act to permit increased immigration from Hong Kong to the United States.

Mr. MORRISON of Connecticut. Mr. Chairman, I reserve a point of order on the amendment.

Mr. PORTER. Mr. Chairman, this amendment seeks the increase of the United States immigration quota for Hong Kong. When Li Peng and Deng Xiaoing turned tanks and guns against their own people, they did irreparable harm to Hong Kong. In 1997 Hong Kong will come under the control of the People's Republic of China.

Before Great Britain agreed to relinquish sovereignty, it got from Deng a litany of guarantees, Mr. Chairman: the guarantee that capitalist Hong Kong will be free to exist in Communist China; the guarantee that Hong Kong people would administer Hong Kong; that Hong Kong would retain a high degree of autonomy; and that Hong Kong's legislative and judicial branches would be independent of the National People's Congress.

In drafting Hong Kong's post-1997 constitution, Deng and his cronies

VOL 135 PT 10 23 JL 13 1989 JE UMI

have one by one reneged on these guarantees.

As it stands now, that constitution will not allow full direct election of a chief executive until at least 1997 and then only if Beijing okays it. It provides that all Hong Kong laws can be vetoed by the People's Republic of China and does not retain any true human rights guarantees.

The Beijing massacre laid bare, if they had not been already, all of the guarantees given to Hong Kong. Confidence in Hong Kong is at an all-time low in the future. The stock market dropped down 25 percent in 1 day. Forty-five thousand people left in 1987 and more are expected to leave this year, Mr. Chairman. Sixty thousand was the estimate before Tiananmen Square and probably it is twice that number after.

A total of 3.4 million of Hong Kong's nationals were born in Hong Kong, Mr. Chairman, and yet they cannot go to Great Britain.

This is how the United States can help Hong Kong: We can insure that unless China lives up to its guarantees, the people of Hong Kong will have not only the right but the ability to leave. If Deng's brand of government continues, he will have had nothing more than an empty purse.

Hopefully, of course, Hong Kong, the people of Hong Kong will be able to stay. But if they must leave, the United States should welcome them.

Hong Kong is an economic miracle, Mr. Chairman. The per capita earning is 29 times greater than that of the People's Republic of China. The people of Hong Kong are people of talent, people of great entrepreneurial skill.

They understand as perhaps no others can on Earth the difference between totalitatianism and freedom. Many of them are, in fact, refugees from the People's Republic of China. They are, in sum, the very kind of people we need in the United States.

This amendment asks the President to do all in his power under the law to increase Hong Kong's immigration quota to the United States.

My legislation, H.R. 2657, would raise the quota from 5,000 to 50,000 per year.

Mr. Chairman, the students of Beijing did their best; the butchers of Beijing crushed their aspirations.

Insofar as we can, our country should work to insure that their brethren in Hong Kong have the right to live in freedom.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I understand that the gentleman is willing to withdraw his amendment, and therefore I will not have to press my point of order regarding the germaneness of this amendment, but I certainly understand the gentleman's concern and as chairman of the Subcommittee on Immigration it is my intention that we will work with the gentleman's legislation in a prompt and expeditious manner, as well as other legislation in the immigration area relating to China as well as Hong Kong, in particular the legislation introduced by the gentlewoman from California which asks that we expand upon and improve the program that the President has announced for the People's Republic of China nationals who are here.

I would just caution all of us to recognize that in Hong Kong and in China itself and in Southeast Asia and in Latin America and in the Soviet Union there are literally millions of people around the world would like to live in the freedom that exists here in the United States. Balancing that desire against our ability to absorb refugees and immigrants is a difficult one. The committee is charged with that responsibility, the Committee on the Judiciary. Our Subcommittee on Immigration will do the very best we can by the gentleman's legislation. I think his raising the issue here today is an important part of the debate over the situation in China. Mr. Chairman, I thank the gentleman for it, and I hope that he will work with our subcommittee in resolving these issues.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the last word and I rise in order to engage in a colloquy with the chairman of the committee, the gentleman from Florida [Mr. FASCELL].

Mr. Chairman, I would like to clarify for the record that the earmark for child survival and health activities in H.R. 2655 establishes a floor on spending for these vital programs. It should also be clarified that funds for AIDS prevention and control may, and hopefully will, be used from sources of funding in the bill other than the earmarked funds for child survival and health.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Florida, the chairman of the full committee.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is correct. AID has authority to support all health activities over and above the amount earmarked in H.R. 2655 for such purposes.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for that clarification and yield back the balance of my time.

Mr. PORTER. Mr. Chairman, if there are no other Members seeking recognition on my amendment, I would ask unanimous consent to withdraw the amendment based upon the assurances of the gentleman from Connecticut [Mr. MORRISON].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there further amendments to title IX?

AMENDMENT OFFERED BY MR. HERGER

Mr. HERGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERGER: Page 535, after line 10, insert the following new section:

SEC. 925. SUSPENSION OF FOREIGN ASSISTANCE TO INDIA.

(a) FINDINGS.—The Congress makes the following findings:

(1) Amnesty International has confirmed that in April 1989 a teenage Sikh girl was arrested by police in Laharka, held for three days, and repeatedly raped by a number of police officers.

(2) Such findings have been confirmed by the London Sunday Times and a local doctor, and were even acknowledged by the head of the Punjab Police.

(3) The Government of India has not taken any action against the officers suspected in this incident.

(4) Several Indian newspapers and magazines have reported on similar treatment of other women, including an incident in mid-April where an aged widow and her two daughters were beaten up and tortured by a police party headed by officers of the Beas police station in Butala Village.

(5) The Government of India has refused to allow Amnesty International to investigate such allegations.

(6) No other democratic nation refuses to allow Amnesty International access within its borders; even Nicaragua and Cuba have allowed Amnesty International to investigate human rights abuses.

(b) SENSE OF CONGRESS.—The Congress condemns the inaction by the Government of India relating to the incidents described in subsection (a).

(c) LIMITATION ON DEVELOPMENT ASSISTANCE.—Notwithstanding any other provision of law, none of the funds made available for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961 for development assistance which are allocated for India may be obligated or expended unless the President certifies to the Congress that—

(1) the individuals responsible for the incidents described in subsection (a) are identified, charged with the appropriate offenses, and imprisoned for their crimes;

(2) Amnesty International is allowed access to the Punjab to investigate the incidents described in subsection (a) and other charges of human rights abuses by the government; and

(3) the economic blockade of Nepal is lifted.

Mr. HERGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1420

Mr. FASCELL. Mr. Chairman, how much time do we have remaining under the rule?

The CHAIRMAN. Under the rule, there are 17 minutes remaining.

Mr. FASCELL. I would say I believe this is the last amendment to this title. It would be our purpose to go to the next title, where I believe that all questions there have been resolved, and we could go to the next title that would be designated. We would then return, Mr. Chairman, to the reservation that we had with regard to section 707 of title VII. That would then move Members into the rest of the bill. I just wanted to remind my colleagues when the time expires.

Mr. BROOMFIELD. Except for the unanimous-consent request on the title VII matter, unless the amendments are printed in the RECORD: Members would then have 5 minutes, and we would be out of general debate time, am I correct, in 17 minutes?

The CHAIRMAN. The gentleman is correct.

Mr. FASCELL. I do not want to use up all of the gentleman's time on his own amendment.

Mr. HERGER. Mr. Chairman, I would like to reclaim my time.

Mr. Chairman, the proposed level of United States economic assistance to India for fiscal year 1990 is $110.4 million. The amendment I am offering would reduce that amount by just $25 million, striking the developmental assistance portion of the proposed aid. But yet it would not make reductions in the $85 million worth of Public Law 480 food aid programs.

Mr. Chairman, the reason I am offering this amendment is quite simple. India has a serious problem of officially tolerating human rights abuses against religious and ethnic minorities, and the Indian Government is presently doing nothing to correct this problem.

According to Amnesty International, thousands of Indian citizens from these minority groups, have been arrested and detained for up to 2 years without being charged with any criminal offense.

Furthermore, Amnesty International and the London Sunday Times allege female detainees have been raped by law enforcement personnel, with no action being taken against those who have committed these atrocities.

In one Indian province, according to Amnesty International, over a 16-year period, more than one women per week was raped in police custody.

Perhaps that is why India is the only democracy that has repeatedly refused to allow representatives of Amnesty International to investigate charges of human rights violations within their country.

In an era of high Federal deficits and restraints on Federal spending, I question whether sending an additional $25 million for development assistance to the Indian Government is an effective use of our tax dollars.

Moreover, the Indian Government has not shown itself to be a friend of the United States. For example, at the United Nations, India voted against the United States position 93 percent of the time in 1988, more so than either Cuba or the Soviet Union. At the United Nations, India refused to condemn the brutal Soviet invasion of Afghanistan, or the downing of Korean Air Lines flight 007, in which a Member of our own House of Representatives was killed.

Currently, India has an active nuclear weapons program, and is leasing a nuclear submarine from the Soviet Union. They have developed a missile capable of carrying nuclear warheads and have also provided financial assistance to the Communist government in Afghanistan.

India has been a bully to its neighbors as well—imposing a crippling economic blockade on Nepal—landing some 45,000 troops in Sri Lanka, and now refusing to remove them at the request of that nation's government.

Mr. Chairman, AID's 1990 congressional presentation notes that, and I quote "India's economy is thriving," and "India is on a new threshold of development" end quote. As the self-proclaimed world largest democracy, the Indian Government should be expected to eliminate the pattern of human rights abuses cited by Amnesty International in its August 1988 report. My amendment merely suggests that if it does not do so, the Indian Government should spend its own money, perhaps from the funds it now devotes to its nuclear weapons program, on the development projects under discussion today.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment. I rise in strong opposition to the amendment.

It is based on factual inaccuracies. If it were adopted, it would have a chilling effect on our relationship with the world's most populous democracy. In addition, if this amendment were adopted, it would entirely eliminate 100 percent of our development assistance program in a country in which one-third of all the poor people of the world actually reside.

It would eliminate $6 million for child survival activities. It would eliminate $1 million for a vaccination program. It would eliminate forestry programs. It would eliminate irrigation programs.

Now, what is the justification for taking $25 million away from development assistance, in a country which is the most populous democracy in the world, with over 250 million people living below the poverty level? We are told it is because, according to this amendment, some woman was raped in Punjab and not until the authorities identify, incarcerate and imprison those responsible, they do not get any development assistance. What about due process, What if they cannot prove a case against the people? This is virtually unheard of.

The amendment would make our whole development assistance program to India contingent on what happened in one incident in Punjab? There are human rights abuses in the Punjab, but I did not hear the author of the amendment say 90 to 95 percent of them are due to Sikh extremists murdering not only Hindus, but Sikhs, as well.

I would like to defend a country that identifies with the democratic values. I will be happy to yield when my time expires to the gentleman. The amendment says our development assistance to India should be eliminated if they cease to blockade. There is no blockade. There are border crossings still open with Nepal through which 90 percent of the commerce between India and Nepal passed prior to the dispute. There is no comprehensive total embargo or blockage which is imposed by India against Nepal. In the last few years, first the Reagan administration and then the Bush administration has brought about a quiet but significant improvement in our relations with India. If this amendment is adopted, it is a slap in the face against India and it will have a chilling impact on our relationship. The author of the amendment says that India votes against the United States 93 percent of the time at the United Nations, so, therefore, we should cut out the development assistance program.

□ 1430

Let me warn my friends on the other side of the aisle who might be inclined to support this amendment that if that is the basis on which to cut off development assistance to India, what about Pakistan, which gets six times as much aid as India but which votes against us at the United Nations 88 percent of the time? We are giving $600 million a year to Pakistan. They vote against us 88 percent of the time.

I do not hear any of my friends on the other side of the aisle saying that, therefore, we should cut out our aid to Pakistan, which is one of the largest recipients of aid from the United States. And I agree with them, that we should not cut aid to Pakistan. It is an important country. But so is India, the most populous democracy in the world and it is beginning to work with us in a number of areas. Finally, the amendment says that because they do not

VOL 135 PT 10 JE 23 JL 13 1989 UMI

permit Amnesty International into the Punjab, they should not get our development assistance. The fact of the matter is that they do permit representatives of Indian human rights organizations to go to the Punjab. They have been to the Punjab, and they have reported on the Punjab. In fact, in the last few months there has been a significant improvement. The Government of India has released political prisoners. It has acceded to a number of Sikh requests. It is moving in the right direction. If in spite of that this amendment is adopted, the chances are that it will bring the progress in the Punjab to an end.

So, Mr. Chairman, I strongly urge the Members to vote against this strongly misguided amendment.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, they are friends of the United States of America? They are our friends, right Mr. SOLARZ?

They are one of the few nations that did not condemn them, the shooting down of 007, the Korean airline on which one of our colleagues was killed. Friends of ours, Mr. SOLARZ?

They did not condemn the Russian invasion of Afghanistan. I think they were one of the two or three countries in the world that did not. Our friends, Mr. SOLARZ?

They vote with us 6.7 percent of the time at the United Nations. That means that 92.3 percent of the time they do not vote with us. They are good friends of ours, Mr. SOLARZ?

They took $10.4 million of our money, Mr. SOLARZ, and gave it to Daniel Ortega when he went to India, and they support that nation. They support the government in Kabul.

Friends of ours, Mr. SOLARZ? I do not know what you have been reading.

The fact of the matter is that there have been atrocities in the Punjab perpetrated on the people up there by the Indian Government. In addition to that, they are helping build Mig-29 fighter planes in India in conjunction with the Soviet Union. They are building tanks with the Soviet Union in India. They are in bed with the Soviet Union up here Mr. SOLARZ. So when you say they are good friends of the United States, I think we should take that with a grain of salt, maybe with a whole box full of salt.

Mr. Chairman, let me just say very quickly that women have been raped and mistreated in the Punjab. People have been tortured in the Punjab. Sikhs have been tortured by the police authorities, by the government authorities in India. So there is a reason for this amendment.

Let us read what this amendment says. It says that we are going to hold off that aid until the individuals responsible for these incidents are brought to justice. What is wrong with that?

It says we are going to hold off this aid until Amnesty International can go in and investigate these alleged atrocities and human rights violations. What is wrong with that?

And it says we will hold off until the economic blockade of Nepal is lifted. What is wrong with that?

I think this is a very well thought out amendment. I think it is a good amendment, one that we should all embrace and support. I think we should set the record straight, and I believe we have done a little bit of that just now. India is a very close friend of the Soviet Union, and they are friends of ours only when they need our money.

Mr. WALSH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of the Herger amendment. Having lived as a Peace Corps volunteer in Nepal for 2 years, I feel a special need to join in the voices who call for India to end the blockade of Nepal.

I was an agricultural extension agent and got a chance to travel throughout Nepal and India. The former is a tiny, landlocked nation. The latter a world power. While I was in India, visiting everywhere from Banares to Bombay, from Siliguiry to Srinagar, I grew to love and respect the language and culture that make India the vast and, to us sometimes, mysterious collection of people that it is.

In this case, though, there is no mystery. India is dead wrong. I ask that the government stop the blockade that is hurting their neighbor, Nepal, because I love and respect the Nepalese people and their culture, too.

There are few things I would claim to know better than others in this House. But when it comes to that part of the world, I must tell you I know perhaps as well as anyone here the hardship the Nepalese are experiencing because of this blockade.

Trucks carrying vital petroleum supplies are stopped at the border. The Nepalese are forced to use wood for basic fuel, and as a result their tropical rain forests are for the first time threatened. The people of Nepal exist at the mercy of the Indian Government. Schools are closed. Businesses are closed.

This is not only a regional issue. It is crucial to the rest of the world that India lift the blockade and resume the free flow of goods, to keep harmony in that part of the world and to show its good faith in dealing not only with Nepal, but with the United States as well.

The Treaty of Trade and Transit, which has expired after 29 years, was of mutual benefit to these countries.

I hope the roadways will be opened again soon.

Support the mission of Amnesty International, support the tropical rain forests, support the rights of the Nepalese to exist in harmony with a large, powerful neighbor—support the Herger amendment.

The CHAIRMAN pro tempore (Mr. JACOBS). The Chair will announce that of the 8-hour agreement, 2 whole minutes remain.

For what purpose does the gentleman from Ohio (Mr. DONALD E. "BUZ" LUKENS) rise?

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN pro tempore. The gentleman from Ohio is recognized for 2 minutes.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, very briefly, I rise in strong support of the amendment offered by the gentleman from California [Mr. HERGER].

There are enough real problems that have risen now and that have been addressed now in India to raise very real questions about their sincerity in solving their human rights problems. We know that a human rights situation does exist. If there is any way to get the attention of the Indian Government, I think that is the quickest and most effective way.

I am not comfortable voting against our friends from India and that government. They have made great strides in many directions, but they have refused to allow internationally recognized organizations in to investigate the serious allegations against them in the areas of their treatment of ethnic groups.

So I rise in support of the efforts of the gentleman from California [Mr. HERGER] to bring the attention of the world to this serious question, and I hope that the Members of this body will rise in support of the amendment also.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California [Mr. HERGER].

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLARZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 212, not voting 16, as follows:

[Roll No. 126]

AYES—204

Andrews	Hartlett	Bliley
Applegate	Hatton	Browder
Archer	Hateman	Brown (CO)
Armey	Bennett	Bunning
Baker	Bevill	Burton
Ballenger	Bilbray	Byron
Barnard	Bilirakis	Callahan

Campbell (CO)
Chandler
Clement
Coble
Coleman (MO)
Combest
Coughlin
Cox
Craig
Crane
Dannemeyer
Darden
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fazio
Fields
Flippo
Ford (MI)
Gallegly
Gaydos
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Hall (TX)
Hammerschmid
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bates
Beilenson
Bereuter
Berman
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Buechner
Bustamante
Campbell (CA
Cardin
Carper
Carr

Campbell (CO)
Chandler
Clement
Cobin
Coleman (MO)
Combest
Coughlin
Cox
Craig
Crane
Dannemeyer
Darden
Davis
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fazio
Fields
Flippo
Ford (MI)
Gallegly
Gaydos
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (SD)
Jones (GA)
Jontz
Kasich
Kolbe
Kyl
Lagomarsino
Lancaster
Laughlin
Leath (TX)
Lehman (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
McNulty
Miller (OH)
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Myers
Natcher
Neal (NC)
Nelson
Nielson
Oxley
Packard
Parker
Parris
Pashayan
Patterson
Paxon
Perkins
Pickle
Price
Pursell
Ravenel
Ray
Rhodes
Ritter
Roberts
Robinson
Roe
Rogers
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sarpalius
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Sisisky
Skeen
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Staggers
Stallings
Stargeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Traficant
Traxler
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Whitten
Williams
Wolf
Wylie
Young (FL)

NOES—212

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bates
Beilenson
Bereuter
Berman
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Buechner
Bustamante
Campbell (CA)
Cardin
Carper
Carr
Clarke
Clay
Clinger
Coleman (TX)
Conte
Conyers
Cooper
Costello
Coyne
Crockett
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dyson
Eckart
Edwards (CA)
Engel
Espy
Evans
Fascell
Feighan
Fish
Flake
Foglietta
Ford (TN)
Frank
Frenzel
Frost
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hayes (IL)
Heftel
Hoagland
Hochbrueckner
Hoyer
Hughes
Jenkins
Johnson (CT)
Johnston
Jones (NC)
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Nagle
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Petri
Pickett
Porter
Poshard
Quillen
Rahall
Rangel
Regula
Richardson
Ridge
Rinaldo
Rohrabacher
Rose
Rostenkowski
Roybal
Sabo
Saiki
Sangmeister
Savage
Sawyer
Scheuer
Schiff
Schumer
Sharp
Sikorski
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (NJ)
Smith (VT)
Solarz
Spratt
Stark
Stokes
Studds
Swift
Synar
Torres
Torricelli
Towns
Udall
Unsoeld
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Wheat
Wise
Wolpe
Wyden
Yates
Yatron

NOT VOTING—16

Bentley
Bryant
Chapman
Collins
Courter
Douglas
Dymally
Florio
Garcia
Hawkins
Horton
McDermott
Smith (IA)
Wilson
Wright
Young (AK)

□ 1458

Messrs. MFUME, JOHNSTON of Florida, DE LA GARZA, SMITH of Vermont, and SHARP changed their votes from "aye" to "no."

Mr. JONES of Georgia, Ms. SNOWE, Mr. LEHMAN of California, and Mrs. BYRON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to title IX?

If not, the Clerk will designate title X.

The text of title X is as follows:

TITLE X—AFRICA

CHAPTER 1—AFRICA FAMINE RECOVERY AND DEVELOPMENT

SEC. 1001. SHORT TITLE.

This chapter may be cited as the "Africa Famine Recovery and Development Act".

SEC. 1002. AFRICA FAMINE RECOVERY AND DEVELOPMENT.

Title VI of the Foreign Assistance Act of 1961, as amended by titles VII and IX of this Act, is further amended by adding at the end the following:

"CHAPTER 3—AFRICA FAMINE RECOVERY AND DEVELOPMENT

"SEC. 6301. LONG-TERM DEVELOPMENT ASSISTANCE FOR SUB-SAHARAN AFRICA.

"(a) AUTHORITY TO FURNISH ASSISTANCE.—The President is authorized to furnish project and program assistance for long-term development in sub-Saharan Africa.

"(b) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section shall be to help the poor majority of men and women in sub-Saharan Africa to participate in a process of long-term development through economic growth that is—

"(1) equitable, in that it enables the poor to increase their incomes and their access to productive resources and services so that they can satisfy their basic needs and lead lives of decency, dignity, and hope;

"(2) participatory, in that it enables the poor to contribute knowledge and other resources and to make and influence decisions that affect their lives;

"(3) environmentally sustainable, in that it maintains and restores the renewable natural resource base of the economy and wisely uses nonrenewable resources; and

"(4) self-reliant, in that it is based on indigenous institutions, private and public, local and national, that have the capacity (including the human resources and finances) to carry out development policies.

Assistance provided under this section should also, in a manner consistent with the preceding provisions of this subsection, encourage private sector development and promote individual initiatives and help to reduce the role of central governments in areas more appropriate for the private sector.

"(c) APPLICATION OF FOUR BASIC OBJECTIVES.—Except as otherwise provided in this section, assistance under this section shall be provided consistent with the policies expressed in section 1102.

"(d) PRIVATE VOLUNTARY ORGANIZATIONS.—

"(1) CONSULTATION TO ENSURE LOCAL PERSPECTIVES.—The administering agency shall take into account the local-level perspectives of the rural and urban poor in sub-Saharan Africa, including women, during the planning process for project and program assistance under this section. In order to gain that perspective, the administering agency shall, through specific mechanisms in each country assisted, consult closely with African, United States, and other private voluntary organizations which have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development in sub-Saharan Africa as described in subsection (b).

"(2) FUNDING FOR STRENGTHENING OF DEVELOPMENT EFFORTS.—In carrying out this section, the administering agency shall make available funds for a significant (relative to fiscal year 1989) long-term expansion and strengthening of development efforts by African, United States, and other private voluntary organizations which have demonstrated effectiveness in or a commitment to the promotion of local grassroots activities on behalf of long-term development in sub-Saharan Africa as described in subsection (b).

"(3) DEFINITION OF PRIVATE VOLUNTARY ORGANIZATION.—For purposes of this section, the term 'private voluntary organization' includes (in addition to entities traditionally considered to be private voluntary organizations) cooperatives, credit unions, trade unions, women's groups, higher education institutions, nonprofit development research institutions, other intermediaries, and indigenous local organizations, which are private and nonprofit.

"(e) LOCAL INVOLVEMENT IN PROJECT IMPLEMENTATION.—Local people, including women, shall be closely consulted and involved in all stages of the implementation of every

project under this section which has a local focus.

"(f) PARTICIPATION OF AFRICAN WOMEN.—The administering agency shall ensure that development activities assisted under this section incorporate a significant expansion of the participation (including decision-making) and integration of African women in each of the critical sectors described in subsection (h).

"(g) TYPES OF ASSISTANCE AUTHORIZED.—

"(1) PROJECTS AND PROGRAMS TO ADDRESS CRITICAL SECTORAL PRIORITIES.—Assistance under this section shall emphasize primarily projects and programs to address critical sectoral priorities for long-term development described in subsection (h).

"(2) REFORM OF NATIONAL ECONOMIC POLICIES.—

"(A) USE OF PROGRAM ASSISTANCE.—Assistance under this section may also include program assistance to promote reform of national economic policies to support the critical sectoral priorities for long-term development described in subsection (h).

"(B) EXAMPLES OF NATIONAL ECONOMIC POLICY REFORMS WHICH CAN BE SUPPORTED.—Assistance may be provided under subparagraph (A) to support such national economic policy reforms as correction of overvalued exchange rates, reduction of government budget deficits, raising of real prices of food crops, reform or privatization of inefficient parastatal enterprises, improved public management, and other reforms suggested in the consultation process pursuant to subsection (d)(1) which reflect the local-level perspective of the rural and urban poor in sub-Saharan Africa.

"(C) PROTECTION OF VULNERABLE GROUPS.—Assisted policy reforms shall also include provisions to protect vulnerable groups (especially poor, isolated, and female farmers and the urban poor) and long-term environmental interests from possible negative consequences of the reforms.

"(3) OTHER ASSISTANCE.—Funds made available to carry out this section shall be used almost exclusively for assistance in accordance with paragraphs (1) and (2). Limited amounts of assistance, however, may be furnished under this section to address other priorities for long-term development in sub-Saharan Africa as described in subsection (b) if, at least 15 days before funds are obligated for such assistance, the President notifies the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304.

"(h) CRITICAL SECTORAL PRIORITIES.—The critical sectoral priorities for long-term development as described in subsection (b) are the following:

"(1) AGRICULTURAL PRODUCTION AND NATURAL RESOURCES.—

"(A) AGRICULTURAL PRODUCTION.—Increasing agricultural production in ways which protect and restore the natural resource base, especially food production, through agricultural policy changes at the macroeconomic and sector levels, agricultural research (including participatory research directly involving small farmers) and extension, development and promotion of agriculture marketing activities, credit facilities, and appropriate production packages, and the construction and improvement of needed production-related infrastructure such as farm-to-market roads, small-scale irrigation, and rural electrification. Emphasis shall be given to promoting increased equity in rural income distribution, recognizing the role of small farmers (the majority of whom are women) and the farm family.

"(B) NATURAL RESOURCE BASE.—Maintaining and restoring the renewable natural resource base in ways which increase agricultural production, through the following:

"(i) Primary emphasis on small-scale, affordable, resource-conserving, low-risk local projects, using appropriate technologies (including traditional agricultural methods) suited to local environmental, resource, and climatic conditions, and featuring close consultation with and involvement of local people at all stages of project design and implementation. Emphasis shall be given to grants for African local government organizations, international or African nongovernmental organizations, and United States private voluntary organizations.

"(ii) Significant support for efforts at national and regional levels to provide technical and other support for projects of the kinds described in clause (i) and to strengthen the capacities of African countries to provide effective extension and other services in support of environmentally sustainable increases in food production.

"(iii) Significant support for special training and education efforts to improve the capacity of countries in sub-Saharan Africa to manage their own environments and natural resources.

"(2) HEALTH.—Improving health conditions, with special emphasis on meeting the health needs of mothers and children through the establishment of self-sustaining primary health care systems that give priority to preventive health.

"(3) VOLUNTARY POPULATION PLANNING.—Providing voluntary population planning, including increased access to voluntary family planning services, including encouragement of private, community, and local government initiatives.

"(4) EDUCATION.—Improving the relevance to production and the efficiency of education, with substantial attention given to improving basic literacy and numeracy, especially to those outside the formal educational system, and improving primary education.

"(5) INCOME-GENERATING OPPORTUNITIES.—Developing income-generating opportunities for the unemployed and underemployed in urban and rural areas. Off-farm employment opportunities in micro- and small-scale labor-intensive enterprises shall be emphasized.

"(i) MINIMUM LEVELS OF ASSISTANCE FOR CERTAIN CRITICAL SECTORS.—The following requirements apply with respect to fiscal years 1990, 1991, and 1992:

"(1) NATURAL RESOURCES.—The aggregate amount used for each 2 consecutive fiscal years for activities described in subsection (h)(1)(B), including identifiable components of agricultural production projects, shall not be less than 10 percent of the aggregate amount made available to carry out this section for those two fiscal years.

"(2) HEALTH.—The aggregate amount used for each 2 consecutive fiscal years for activities described in subsection (h)(2) shall not be less than 10 percent of the aggregate amount made available to carry out this section for those two fiscal years.

"(3) VOLUNTARY POPULATION PLANNING.—The aggregate amount used for each 2 consecutive fiscal years for activities described in subsection (h)(3) shall not be less than 10 percent of the aggregate amount made available to carry out this section for those two fiscal years.

"(j) IN-COUNTRY NATURAL RESOURCES AND ENVIRONMENTAL TRAINING.—The Administrator shall use not less than the following amounts of the funds made available to carry out this section for in-country natural resources and environmental training in sub-Saharan Africa:

"(1) For fiscal year 1990, the amount used for such training for fiscal year 1989.

"(2) For fiscal year 1991 and each fiscal year thereafter, not less than 4 percent of the funds made available for that fiscal year pursuant to subsection (i)(1) to carry out subsection (h)(1)(B).

Local currencies accruing under this Act or the Agricultural Trade Development and Assistance Act of 1954 may be used in carrying out this subsection in lieu of an equal amount of dollars.

"(k) EFFECTIVE USE OF ASSISTANCE.—Assistance provided under this section shall be concentrated in countries which will make the most effective use of such assistance in order to fulfill the purpose specified in subsection (b), especially those countries (including those of the Sahel region) having the greatest need for outside assistance. Assistance shall not be allocated for a project or program in a country where the relevant sector or national economic policies are clearly unfavorable to the sustainability or broadened impact of the assisted activity.

"(l) LOCAL CURRENCIES GENERATED UNDER OTHER AUTHORITIES.—Local currencies generated in sub-Saharan Africa under the economic support assistance program under title I of this Act or under section 106(b)(2), section 206, or title III of the Agricultural Trade Development and Assistance Act of 1954 that are to be used for development activities shall be used only for activities which would be eligible for assistance under this section.

"(m) DONOR COORDINATION MECHANISM.—Funds made available to carry out this section may be used to assist the governments of countries in sub-Saharan Africa to increase their capacity to participate effectively in donor coordination mechanisms at the country, regional, and sector levels.

"(n) POLICY ON USE OF FUNDS FOR PAYMENT OF OFFICIAL DEBT.—It shall be the policy of the United States that funds made available to carry out this section not be used to make payments with respect to any official debt owed to the United States Government, any foreign government, or any multilateral lending institution. Exceptions to this policy may be made—

"(1) only in certain instances where the recipient country's debt service is a significant barrier to development and where such payments would have a significant effect in leveraging additional flows of development finance; and

"(2) only after consultation with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(o) RELATION TO OTHER AUTHORITIES.—The authority granted by this section to provide assistance for long-term development in sub-Saharan Africa is not intended to preclude the use of other authorities for that purpose. Centrally-funded programs which benefit sub-Saharan Africa shall continue to be funded under the development assistance program under title I.

"SEC. 6302. AUTHORIZATIONS OF APPROPRIATIONS FOR ASSISTANCE FOR SUB-SAHARAN AFRICA.

"(a) AUTHORIZATIONS.—There are authorized to be appropriated to the President to

carry out section 6301 $580,000,000 for fiscal year 1990, $610,000,000 for fiscal year 1991, $640,000,000 for fiscal year 1992, $670,000,000 for fiscal year 1993, and $700,000,000 for fiscal year 1994.

"(b) EXTENDED AVAILABILITY OF FUNDS.—It is the sense of the Congress that the authority of section 5302 should be used to extend the period of availability of the funds made available under this section whenever appropriate to improve the quality of assistance provided under section 6301.

"SEC. 6303. ORGANIZATIONAL CHANGES.

"(a) DEVELOPMENT OF PLAN.—

"(1) REQUIREMENT FOR PREPARATION OF PLAN.—The Administrator shall develop, in a timely manner, a plan for organizational changes within the administering agency in order to carry out section 6301 with maximum effectiveness.

"(2) SUBMISSION OF PLAN TO CONGRESS.—Before implementing that plan, the Administrator shall submit a copy of the plan to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

"(b) FUNDING FOR INCREASED AID ORGANIZATIONAL RESOURCES FOR SUB-SAHARAN AFRICA.—The Administrator may transfer up to 5 percent of the funds made available each fiscal year under section 6302 to the appropriations account for the operating expenses of the administering agency for use in increasing (above the level of resources available for fiscal year 1989) the organizational resources which the administering agency has available for development assistance activities for sub-Saharan Africa. These funds shall be in addition to amounts otherwise allocated to the administering agency's Bureau for Africa.".

SEC. 1003. REPORTS TO CONGRESS.

(a) ANNUAL CONGRESSIONAL PRESENTATION DOCUMENTS.—Section 4301 of the Foreign Assistance Act of 1961, as enacted by title IV of this Act, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting the following new subsection (d) after subsection (c):

"(d) AFRICA FAMINE RECOVERY AND DEVELOPMENT.—The documents submitted pursuant to subsection (a) shall include a description of the progress made during the previous fiscal year in carrying out chapter 3 of title VI, including, for each country and for sub-Saharan Africa as a whole, a brief description of—

"(1) the activities undertaken and the modes of assistance employed, including—

"(A) the amounts of funds obligated, and

"(B) the amounts of generated local currencies used by host governments for development activities in accordance with sections 5321 and 6301(l);

"(2) consultation to ensure local perspectives as described in section 6301(d)(1);

"(3) the assistance provided to private voluntary organizations pursuant to section 6301(d)(2), specifying the amounts obligated for such assistance and comparing these amounts with those provided for the previous fiscal year;

"(4) the consultation with and involvement of local people in the implementation of projects having a local focus;

"(5) the extent to which there has been a significant expansion of the participation and integration of African women in each of the critical sectors specified in section 6301(h);

"(6) program assistance provided to promote national economic policy reforms, including the amounts obligated and the specific criteria used for assistance for national economic policy reforms;

"(7) assistance for the critical sectoral priorities specified in section 6301(h), by sector, including the amounts obligated;

"(8) the concentration of assistance by country, and any decision not to allocate assistance because of unfavorable sector or national economic policies;

"(9) organizational changes undertaken pursuant to section 6303, and amounts obligated for these changes; and

"(10) assistance provided to the governments of countries in sub-Saharan Africa for donor coordination efforts, including the amounts obligated.".

(b) REPROGRAMMING NOTIFICATIONS.—Section 4304(d) of that Act, as enacted by title IV of this Act, is amended—

(1) by striking out "or" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof ", or"; and

(3) by adding at the end the following:

"(6) sections 6301 (relating to assistance for famine recovery and development in Africa).".

SEC. 1004. CONFORMING AMENDMENTS TO PUBLIC LAW 480.

(a) AMENDMENTS.—The Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in section 106(b)(2), by inserting "or, in the case of sub-Saharan Africa, the objectives of paragraphs (1) through (3) of section 6301(h) of that Act," after "Foreign Assistance Act of 1961";

(2) in clause (A) of section 206(a)(3), by inserting "(or in the case of sub-Saharan Africa, paragraph (1) of section 6301(h) of that Act)" after "Foreign Assistance Act of 1961"; and

(3) in section 301(b), by inserting "or, in the case of sub-Saharan Africa, the objectives of paragraphs (1) through (3) of section 6301(h) of that Act," after "Foreign Assistance Act of 1961".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date specified in section 601.

SEC. 1005. AFRICAN DEVELOPMENT FOUNDATION.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the purposes of the African Development Foundation, as set forth in the African Development Foundation Act, which include supporting self-help activities at the local level, fostering effective participation, and encouraging the establishment and growth of indigenous development institutions which can respond to the requirements of the poor, are consistent with the purpose specified in section 6302(b) of the Foreign Assistance Act of 1961 (as enacted by section 1002 of this title).

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 510 of the African Development Foundation Act is amended by striking out all of the first sentence that follows "purpose," and inserting in lieu thereof "$10,000,000 for fiscal year 1990 and $10,500,000 for fiscal year 1991.".

(c) COMPOSITION OF BOARD.—

(1) REQUIREMENT THAT THE BOARD BE BIPARTISAN.—Section 507(a) of the African Development Foundation Act is amended by adding at the end the following: "Members of the Board shall be appointed so that no more than 4 members of the Board are members of any one political party.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) does not affect an appointment made to the Board of the African Development Foundation before the date of enactment of this Act.

(d) EXPIRATION OF AUTHORITIES.—Section 511 of the African Development Foundation Act is repealed.

SEC. 1006. UNITED STATES TRADE RESTRICTIONS ON PRODUCTS FROM SUB-SAHARAN AFRICA.

It is the sense of the Congress that special efforts should be undertaken to reduce trade barriers and promote economic interchange between the United States and developing countries in sub-Saharan Africa.

CHAPTER 2—OTHER PROVISIONS RELATING TO SUB-SAHARAN AFRICA

SEC. 1021. ECONOMIC SUPPORT ASSISTANCE FOR SUB-SAHARAN AFRICA.

Of the amounts made available for economic support assistance under the Foreign Assistance Act of 1961, $53,000,000 for each of the fiscal years 1990 and 1991 shall be available only for sub-Saharan Africa.

SEC. 1022. SUPPORT FOR THE SOUTHERN AFRICA DEVELOPMENT COORDINATION CONFERENCE.

(a) ASSISTANCE FOR SADCC PROJECTS.—

(1) EARMARKING OF FUNDS.—Of the amounts made available for development assistance under the Foreign Assistance Act of 1961, not less than $50,000,000 for fiscal year 1990 and not less than $50,000,000 for fiscal year 1991 shall be available only to assist sector projects supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the 9 member states forming that regional institution.

(2) USES OF FUNDS.—The amounts made available pursuant to this subsection each fiscal year shall be available for the following sectors: transportation; manpower development; agriculture and natural resources; energy (including the improved utilization of electrical power sources which already exist in the member states and offer the potential to swiftly reduce the dependence of those states on South Africa for electricity); and industrial development and trade (including private sector initiatives).

(3) WAIVER OF RESTRICTIONS.—Funds made available pursuant to this subsection may be used without regard to section 4209 of the Foreign Assistance Act of 1961 or any similar provision.

(b) SECURITY OF SADCC PROJECTS.—The Congress urges the President to use diplomatic means, including multilateral negotiations and cooperation with international organizations, to protect the security of projects supported by the Southern Africa Development Coordination Conference from external attack, and urges the Government of South Africa to respect the territorial integrity of these states and to refrain from direct or indirect military aggression across its borders.

SEC. 1023. ASSISTANCE FOR BURUNDI.

(a) CONSIDERATIONS IN FURNISHING ASSISTANCE.—For fiscal years 1990 and 1991, in determining whether to furnish assistance under the Foreign Assistance Act of 1961 to Burundi, the President shall take into account whether the Government of Burundi—

(1) is making substantial progress in advancing the internal reform of its military and civil administration and ensuring discipline and control in military and administrative interactions with people of Hutu ethnicity; and

(2) is making substantial progress in further reversing patterns of ethnic discrimination against the majority Hutu, through equality of access to economic opportunities and public services and through increased respect for internationally recognized human rights.

(b) NOTIFICATIONS TO CONGRESS.—At least 15 days before each obligation of funds for assistance for Burundi for fiscal year 1990 or 1991 under the Foreign Assistance Act of 1961, the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304 of that Act.

SEC. 1024. ASSISTANCE FOR KENYA.

(a) STATEMENT OF POLICY.—The provision to Kenya of economic support assistance and foreign military financing under the Foreign Assistance Act of 1961 for fiscal years 1990 and 1991 shall bear a relation to significant steps by the Government of Kenya to increase respect for internationally recognized human rights in Kenya. Such steps should include—

(1) an end to intimidation and harassment of elements of Kenyan society that are critical of the Government's policies, especially the church, the press, and the legal community; and

(2) effective safeguards to ensure the independence of the judiciary and to guarantee due process and other rights for individuals imprisoned or otherwise detained by the Government.

(b) REPORT TO CONGRESS.—The Secretary of State shall, not later than February 1, 1990, and not later than February 1, 1991, report to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate on the actions the United States Government has taken to carry out subsection (a).

SEC. 1025. ASSISTANCE FOR LIBERIA.

(a) CONSIDERATIONS IN FURNISHING ASSISTANCE.—During fiscal years 1990 and 1991, in determining whether to furnish economic support assistance and foreign military financing under the Foreign Assistance Act of 1961 to Liberia, the President shall take into account whether the Government of Liberia—

(1) has demonstrated its commitment to economic reform, including taking steps to fundamentally change the current financial practice of making extra-budgetary expenditures, including steps to channel the revenues from such major sources as the Liberia Petroleum Refinery Corporation and the Forestry Development Authority through the normal budgetary process; and

(2) has taken significant steps to increase respect for internationally recognized human rights including—

(A) the removal of all restrictions on the right of political parties to operate freely;

(B) the lifting of restrictions on freedom of the press; and

(C) the restoration of an independent judiciary.

(b) NOTIFICATION REQUIREMENT.—At least 15 days before each obligation of funds described in subsection (c), the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(c) ASSISTANCE SUBJECT TO NOTIFICATION REQUIREMENT.—Subsection (b) applies with respect to any obligation of funds for Liberia—

(1) for fiscal year 1990 or 1991 for economic support assistance or foreign military financing under the Foreign Assistance Act of 1961; or

(2) for any fiscal year before fiscal year 1990 for assistance under the authority of chapter 2 of part II of that Act (relating to grant military assistance) or chapter 4 of part II of that Act (relating to the economic support fund), as in effect before the effective date specified in section 601 of this Act.

SEC. 1026. ASSISTANCE FOR MOZAMBIQUE.

(a) STATEMENTS OF POLICY.—

(1) BILATERAL ACTIONS.—It shall be the policy of the United States—

(A) to continue and to expand its bilateral development assistance to Mozambique through appropriate private and public channels;

(B) to strengthen Mozambique's transport sector through United States assistance to the Southern Africa Development Coordination Conference;

(C) to identify additional opportunities in the health and other sectors in Mozambique for United States support of Mozambique's reconstruction; and

(D) to contribute to Mozambique's national reconciliation in ways which do not legitimate the heinous behavior of the Mozambique National Resistance (RENAMO) or subordinate Mozambique's sovereign interests to RENAMO's principal patron, South Africa.

(2) MULTILATERAL ACTIONS.—It shall be the policy of the United States to encourage international support for generous levels of emergency humanitarian aid (including food, medical care, shelter, and agricultural assistance) for the one third of Mozambique's population that is displaced or otherwise at-risk in that country, as well as the approximately 1,000,000 Mozambique refugees now located in neighboring countries.

(b) ACTIONS TO TERMINATE EXTERNAL ASSISTANCE TO RENAMO.—The United States shall use diplomatic and other means to condemn and achieve the immediate termination of South African and other external assistance to RENAMO, whose deplorable actions include the systematic murder of 100,000 or more civilians and noncombatants (including children), the systematic rape of civilian women, the abduction of thousands of civilians and the imposition of forced labor, the systematic torture of civilians (including physical mutilation), and the destruction of villages.

(c) ASSISTANCE.—

(1) RELATION TO HUMAN RIGHTS.—The provision to Mozambique of economic support assistance and foreign military financing under the Foreign Assistance Act of 1961 for fiscal years 1990 and 1991 shall bear a relation to significant steps by the Government of Mozambique to increase respect for internationally recognized human rights in Mozambique, and thereby raise hope for a political settlement to the conflict in that country. Such steps should include—

(A) limiting the detention powers of the state security forces (SNASP),

(B) ending extralegal floggings,

(C) ending the practice of holding detainees incommunicado or for prolonged periods without trial, and

(D) permitting peaceful opposition to Government policies.

(2) SADCC PROJECTS.—This subsection does not apply with respect to assistance made available pursuant to section 1022.

(d) REPORT TO CONGRESS.—The Secretary of State shall, not later than February 1, 1990, and not later than February 1, 1991, report to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate on the actions the United States Government has taken to carry out this section.

SEC. 1027. ASSISTANCE FOR SOMALIA.

(a) CONSIDERATIONS IN FURNISHING ASSISTANCE.—During fiscal years 1990 and 1991, in determining whether to furnish economic support assistance and foreign military financing under the Foreign Assistance Act of 1961 to Somalia, the President shall take into account whether the Government of Somalia has taken steps to increase respect for internationally recognized human rights that provide significant hope for political reconciliation and a political solution to the current conflict, including—

(1) the release of all political prisoners;

(2) effective restrictions on indiscriminate use of military force against civilians;

(3) meaningful dialogue with the opposition; and

(4) provision for the delivery of assistance under neutral international auspices to civilians affected by the conflict, regardless of their location or political affiliation.

(b) NOTIFICATION REQUIREMENT.—At least 15 days before each obligation of funds described in subsection (c), the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 4304 of the Foreign Assistance Act of 1961.

(c) ASSISTANCE SUBJECT TO NOTIFICATION REQUIREMENT.—Subsection (b) applies with respect to any obligation of funds for Somalia—

(1) for fiscal year 1990 or 1991 for economic support assistance or foreign military financing under the Foreign Assistance Act of 1961; or

(2) for any fiscal year before fiscal year 1990 for assistance under the authority of chapter 2 of part II of that Act (relating to grant military assistance) or chapter 4 of part II of that Act (relating to the economic support fund), as in effect before the effective date specified in section 601 of this Act.

(d) FOOD ASSISTANCE.—Assistance under the Agricultural Trade Development and Assistance Act of 1954 for fiscal years 1990 and 1991 may be provided for refugees in Somalia only if—

(1) an impartial counting of eligible beneficiaries of food assistance by the United States and other donors has been completed;

(2) all beneficiaries of such food assistance are disarmed; and

(3) the amount of such food assistance does not significantly exceed the number of beneficiaries of the assistance.

(e) INTERNATIONAL DISASTER ASSISTANCE.—International disaster assistance provided by the United States for northern Somalia on account of the violence in 1988 shall directly benefit the victims of the violence,

with primary emphasis on the original inhabitants of the regions affected.

SEC. 1028. ASSISTANCE FOR SUDAN.

(a) STATEMENT OF POLICY.—The United States deplores the devastating, man-made famine in Sudan, which killed an estimated 250,000 people in 1988. This famine is primarily caused by the civil war between the Government of Sudan and the Sudanese People's Liberation Army (SPLA), in which both parties have used food as a weapon of war and have obstructed relief deliveries. In addition to massive death and suffering, starvation and warfare have also displaced between 2,000,000 and 3,000,000 southern Sudanese.

(b) CONSIDERATIONS IN FURNISHING ASSISTANCE.—During fiscal years 1990 and 1991, in determining whether to furnish economic support assistance and foreign military financing under the Foreign Assistance Act of 1961 to Sudan, the President shall take into account whether the Government of Sudan—

(1) has made substantial, demonstrable progress in the effective delivery of increased relief to displaced populations in areas which the Sudan Government controls; and

(2) has made good faith efforts to achieve significant progress in negotiations with the Sudan People's Liberation Army for a national peace accord which includes such steps as a cease-fire, a freeze on the implementation of Sharia law, and a constitutional convention.

(c) NOTIFICATION REQUIREMENT.—At least 15 days before each obligation of funds described in subsection (d), the President shall notify the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(d) ASSISTANCE SUBJECT TO NOTIFICATION REQUIREMENT.—Subsection (c) applies with respect to any obligation of funds for Sudan—

(1) for fiscal year 1990 or 1991 for economic support assistance or foreign military financing under the Foreign Assistance Act of 1961; or

(2) for any fiscal year before fiscal year 1990 for assistance under the authority of chapter 2 of part II of that Act (relating to grant military assistance) or chapter 4 of part II of that Act (relating to the economic support fund), as in effect before the effective date specified in section 601 of this Act.

SEC. 1029. ASSISTANCE FOR ZAIRE.

(a) LIMITATION ON MILITARY ASSISTANCE.—Of the amounts made available for foreign military financing under the Foreign Assistance Act of 1961, not more than $3,000,000 for each of the fiscal years 1990 and 1991 may be made available for Zaire.

(b) ECONOMIC SUPPORT ASSISTANCE.—Economic support assistance may not be provided for Zaire for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961.

(c) DEVELOPMENT ASSISTANCE.—Any assistance for famine recovery and development in Africa, and any development assistance, that is furnished for Zaire for fiscal years 1990 and 1991 under the Foreign Assistance Act of 1961 shall be provided through private voluntary organizations to the maximum extent practicable.

SEC. 1030. AIDS IN AFRICA.

(a) FINDINGS.—The Congress finds that—

(1) the United States recognizes that the acquired immune deficiency syndrome (AIDS) is a serious problem in parts of Africa; and

(2) the humanitarian, social, political, and strategic implications of this crisis are potentially severe ones.

(b) ADDITIONAL FUNDS FOR RESEARCH AND TREATMENT OF AIDS.—The President is encouraged to use funds available for fiscal years 1990 and 1991 to provide funding at levels greater than those for previous fiscal years for the treatment of and research on AIDS in Africa.

CHAPTER 3—OTHER PROVISIONS RELATING TO AFRICA

SEC. 1041. FACTORS CONSIDERED IN FURNISHING ASSISTANCE TO COUNTRIES IN AFRICA.

(a) STATEMENT OF POLICY.—It is in the interest of the United States to encourage the promotion of human rights and political and economic freedom in all African countries. In furnishing United States assistance for fiscal years 1990 and 1991 to any country in Africa, the President should consider the country's record in human rights and in economic reform, and its friendship to the United States.

(b) DEFINITION.—For purposes of subsection (a), the term "United States assistance" means—

(1) assistance under the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954, other than emergency humanitarian assistance under either such Act; and

(2) sales under the Defense Trade and Export Control Act.

EN BLOC AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, pursuant to the unanimous consent request of yesterday, the gentleman from Michigan [Mr. BROOMFIELD] and I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FASCELL:

Page 454, strike out lines 9 through 17 and insert in lieu thereof the following:

(b) PROHIBITION.—The United States shall not provide any assistance under the Foreign Assistance Act of 1961 or make any sale under the Defense Trade and Export Control Act to any country pursuant to an agreement or other arrangement, either formal or informal, under which that country provides funds, material, or military training for any military or paramilitary operations of persons or groups engaged in an insurgency against the Government of Nicaragua. This subsection does not apply with respect to assistance provided by that country for the voluntary reintegration or relocation of members of the Nicaraguan Resistance consistent with the Bipartisan Accord on Central America of March 24, 1989, or pursuant to a regional peace agreement. The President shall keep the Congress fully and currently informed of information available to the executive branch regarding assistance described in the first sentence of this subsection that is provided by other countries to the Nicaraguan Resistance.

□ 1500

Mr. FASCELL. Mr. Chairman, when we conclude on this amendment, we will then be back at title X. As far as I know, we have no amendments on title X except an en bloc amendment, one discussion that I know of. We will then be able to proceed through the other titles with no amendments until title XIV, and I want to remind my colleagues that all time for debate under the rule has expired. Therefore, those amendments in title XIV that were printed in the RECORD, if they are called up, would have 5 minutes per side. Is that correct?

The CHAIRMAN. The Chair will state the gentleman is correct, 5 minutes each side.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me express my appreciation now to those who have worked so diligently yesterday, last night and today to resolve this matter with regard to section 7.

Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. HAMILTON], the chairman of the Subcommittee on Europe and the Middle East and second in command.

Mr. HAMILTON. Mr. Chairman, first, I should express my appreciation to the chairman, the gentleman from Florida [Mr. FASCELL], and the ranking Republican member of the committee, the gentleman from Michigan [Mr. BROOMFIELD], for their cooperation in bringing this compromise amendment forward. There are others, too, who deserve high praise for working out this genuine compromise. Those include the gentleman from Michigan [Mr. CROCKETT], who is the chairman of the Western Hemisphere Subcommittee, and his ranking member, the gentleman from California [Mr. LAGOMARSINO], and the gentleman from Connecticut [Mr. GEJDENSON], chairman of the Economic Policy and Trade Subcommittee, and it certainly includes members of the administration which were led by the Deputy Secretary of State, Larry Eagleburger.

The amendment that we present as a compromise provides that the United States shall not provide any assistance under the Foreign Assistance Act or under the Defense Trade and Export Control Act pursuant to any agreement or other arrangement, either formal or informal, and I am describing the amendment which is a substitute for the language in section 707 of the committee bill; the compromise provides that the United States shall not provide any assistance under the foreign aid bill or under the Arms Export Control Act to any country pursuant to an agreement or pursuant to an arrangement, formal or informal, under which that country would agree to provide funds or material or trading for military or paramilitary operations to the Contras in Nicara-

gua. It also has in it a provision which requires the President to keep the Congress currently and fully informed of any information the executive branch has pertaining to the transfer of this assistance.

I think the amendment strengthens current law. It provides a workable compromise which meets the legitimate concerns of the Congress about assistance that might be provided to the Contras through third countries, and it does provide a mechanism through the reporting requirements that will enable more effective oversight of any funds, material, or military training provided to the Contras in Nicaragua.

This amendment expands the current law to include all formal and informal arrangements or agreements.

As far as I am aware, this agreement has the support of all parties who have been involved. It has the support of leaders on both sides of the aisle, and it has the support of the Deputy Secretary of State, Lawrence Eagleburger, speaking on behalf of the administration.

I might say to Members that the agreement was worked out with considerable effort this morning.

Finally, let me just say that the effectiveness of this provision depends on cooperation between the executive branch and the Congress, and that certainly depends upon very thorough and careful oversight by the Congress.

I know that the chairman of the committee joins me in expressing our determination on our part to make this provision work.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I take this time to thank the gentleman from Indiana for working out this compromise, not only with the leaders of the Congress here in the House, but also the Deputy Secretary of State, and I think everybody is in agreement.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO], one of the principal people on the Western Hemisphere Subcommittee.

Mr. LAGOMARSINO. Mr. Chairman, for those who believe that the bipartisan accord on Central America represented a new approach where the United States would speak with one voice on our foreign policy in Central America, it is vital that this compromise language be approved and that the spirit of the bipartisan accord be retained.

To try to prevent the U.S. Government from discussing U.S. policy with other governments is clearly unconstitutional, and if the language passed by the committee had remained in the bill, the President likely would have had no choice but to veto this foreign-aid authorization bill, and for those who are anxious to achieve a foreign aid bill in this Congress, it is imperative that this compromise language be adopted.

The purpose of the language placed in current law was to prohibit the United States from conditioning its aid to a recipient country on the basis of that country giving aid to the Contras. To take that one step further, and legislate that the executive cannot engage in so much as a discussion with an AID recipient about U.S. policy toward the Contras is clearly unconstitutional. It would also be in direct contradiction of the agreement worked out under the bipartisan accord on Central America.

I urge my colleagues to support this bipartisan compromise, and I join in commending the leaders of the Congress and the administration for achieving this settlement.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I am happy to yield to the gentleman from Ohio.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I rise in strong support of this amendment.

Mr. Chairman, I rise today to oppose handcuffing the President from discussing the current situation in Nicaragua with other countries. Limiting the President's power goes against all of our principles as a free and democratic country. We must continue to tell the world about the economic and political destruction of the Communist regime in Nicaragua.

The history of the Sandinistas is one of fear and repression, they are truly an enemy of the people. Again and again the violent Marxist regime of Nicaragua has broken their promises to their people and to the world. Only 8 days after they signed the Guatemala peace agreement, the Sandinistas broke up two peaceful demonstrations using dogs, sticks, and electric cattle prods and arrested the leaders.

In another instance, the Sandinistas allowed Radio Catolica, the Catholic radio station, to reopen after years of government imposed silence. The Communists promptly told the church it would only be allowed to play music—not report the news. The Sandinistas allow change but not real change.

Nicaragua is a perfect example of the failure of communism with its stagnant economy, human rights abuses and fleeing refugees. Nicaragua's inflation rate has exceeded 1,000 percent. The Soviet newspaper Isvestia recently admitted that "the majority of the stalls at the large central market in Managua are empty. There is no rice, meat, poultry or eggs."

The Sandinistas claim they will reform. But why would they embrace democratic reforms which could ultimately bring them down? They will not. They will make promises but they will not keep them.

For this reason, I urge my colleagues not to limit the President's ability to discuss the problems in Central America with other countries. If the United States appear to lose the resolve to protect democracy then there is no hope for the Nicaraguan people.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Chairman, I thank the distinguished chairman of the committee for yielding me this time.

Mr. Chairman, I have a question, and I do not know whether it should be directed to the manager of the bill or to someone on the minority side. Let me propound it and see if anybody would like to try to answer it.

I do not know if Members are aware of what is happening here. The language in the bill with respect to Nicaragua is being replaced by the amendment which is being offered by the gentleman from Florida, the chairman of the committee, and by the gentleman from Michigan [Mr. BROOMFIELD].

Let me read, if I may, to Members the language which is stricken by this gentleman, and my question will be to whomever would like to answer. I understand that the language I am about to read which is stricken by this amendment is unacceptable to the administration. Not only that, I am given to understand that it is so unacceptable to the administration that were it to remain in the bill, it would in and of itself justify a veto, and I understand that that has been conveyed to this committee at a very high level from the administration.

With that in mind, I would ask Members to listen to the language which is so unacceptable to the administration and which is stricken by this amendment, and I quote:

> The United States shall make no agreement and shall enter into no understanding, either formal or informal, under which a recipient of United States economic or military assistance or a purchaser of United States military equipment shall provide assistance of any kind to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

□ 1510

One might say this is nitpicking in a sense, that the language is not very much different from the language in the amendment which replaces it.

My question is, particularly given that, what is it in this language struck by the amendment which is so offensive to the administration that it would in and of itself bring down a veto upon the bill? Is there any Member who can answer that question?

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I am happy to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I think the problem with the language was that it was so broad and so all-encom-

passing that there was reasonable fear that if Honduras, and I am hypothesizing, were to provide transportation for Contras who wished to reintegrate themselves into Nicaragua, that might well be a violation of this law, it was so broadly drawn.

The purposes that were really intended, it seems to me, are satisfied by the compromise language worked out between both sides and the administration.

Mr. STUDDS. I thank the gentleman. Let me say to him I completely agree with him, the language does need one correction, and that is precisely to allow for the possibility of Honduras or some other nation engaging in relocation or resettlement pursuant to a peace accord. I have no problem with that part of the additional amendment whatsoever, and I think it is sound. However, that is not what was unacceptable to the administration, and it is precisely the language which is here that is rewritten by the first section of the amendment. I would have no question whatsoever if you simply sought to add that exception here, but what is it in the language which I cited for the need for that correction, which I grant to the gentleman, which is so inherently objectionable to the administration?

Mr. HYDE. If the gentleman will yield, I believe, and I am certainly not speaking for the administration, my understanding is, and from reading the language, that the administration would be very leery of negotiating with, talking about, reaching agreement with a country that on its own felt it incumbent to assist the democratic resistance in Nicaragua, and the mere fact of some colloquy between our country and their country might well impinge on the parameters of the language that was stricken. So it is ambiguous, it is vague. I just think they did not want to get into any marginal situations on the language which was ambiguous in that regard, and I think that presented to them a serious constitutional problem.

Mr. STUDDS. I appreciate the gentleman's response. Let me just finally observe that the language which is acceptable to the administration does indeed prohibit U.S. assistance to any country pursuant to an agreement or other arrangement, either formal or informal. That language is in the new amendment. The language which it replaces refers to no agreement and no understanding either formal or informal. I frankly do not see the difference, and I wonder if the gentleman can tell us wherein lies the difference, subtle though it is?

What worries me, frankly, and I guess this is obvious, is that if you and I, if you will accept for argument purposes, relatively rational and intelligent beings, find it difficult to differentiate between the language in the two versions, but somewhere someone in the administration feels as strongly as they do about it, then I wonder what we are missing.

Mr. HYDE. I understand the gentleman's concern and apprehension, and I will stipulate that we are both rational people beyond the purposes of our argument.

They just got the impression, and I felt the same way, that the language was so broad that it might have a chilling effect on talking to, or with the word understanding it is so broad that they prefer this language, and frankly, if you and I agree that it really accomplishes virtually the same thing that was intended by the sponsors, why who are we to argue?

Mr. STUDDS. I say to my good friend that I remain concerned, not the least for the reason the gentleman has been compelled both to stipulate and to hypothesize in response to my questions.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding and I think the key difference is that the provision in the bill, that is the committee bill, does not make clear that what we are talking about is about what is being forbidden is making U.S. assistance a quid pro quo for aid to the Contras.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. BROOMFIELD. Mr. Chairman, I would like to join Chairman FASCELL in expressing my strong support for the compromise language reached on Nicaragua. In particular, Mr. HAMILTON, Mr. HYDE, and Mr. LAGOMARSINO should be commended for their work in brokering this agreement.

The Pell language, which I might add is existing law, is preferable to this compromise agreement. However, this language is acceptable to the administration and indeed, essentially embodies the provisions of existing law. More importantly, enactment of this amendment removes a major impediment to administration support of this bill.

I would also like to say that I hope that the adoption of this amendment, along with the bipartisan accord enacted in March, signifies a new and lasting trust on Central America between the Congress and the administration.

I urge my colleagues to support this amendment offered by Chairman FASCELL and myself.

Mr. Chairman, I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Chairman, I rise in support of the en bloc amendments.

I rise in strong support of the en bloc amendment on Africa. It's a well-crafted compromise that enjoys strong bipartisan support.

Mr. Chairman, a new wind seems to be blowing in Africa. Last week, for the first time, the Angolan Government and the UNITA rebels agreed to a cease-fire to end their bloody civil war. I hope that neighboring countries, like Sudan, Ethiopia and others with similar debilitating wars, will follow this historic example and negotiate for peace. I think this legislation furthers the prospects of peace in Africa.

A country that desperately needs such an agreement is Ethiopia. I share the concerns expressed in the amendment about human rights in Ethiopia but I want to point out that the Ethiopian Government recently made an unprecedented offer to negotiate with its rebels in the north. One of the two major groups, the Tigrayan People's Liberation Front, accepted the offer. This is a real breakthrough in the 20-year civil war. I hope these talks will start soon and will be as successful as those in Angola.

Mr. Chairman, I recently returned from East Africa and saw for myself the poverty and deprivation there—these countries need all the help we can give them. I strongly support the bill's long-term development assistance to sub-Saharan Africa and urge my colleagues to support the en bloc amendment on Africa.

Mr. FASCELL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL].

The en bloc amendments were agreed to.

EN BLOC AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FASCELL: Page 567, after line 19, insert the following new section:

SEC. 1012. POLICY TOWARD SOUTH AFRICA.

It is the sense of the Congress that the United States should work toward the elimination of apartheid through a comprehensive policy to bring about a nonracial democracy in South Africa. This policy should include, among other measures, assistance to disadvantaged South Africans that does not support organizations or groups controlled and financed by the Government of South Africa. Such assistance may include the encouragement of private investment in firms owned by disadvantaged South Africans consistent with the Comprehensive Anti-Apartheid Act of 1986, scholarships, assistance to promote the participation of disadvantaged South Africans in trade unions and priate enterprise, and alternative education and community development programs. It is also the sense of the Congress that United States firms in South Africa should provide similar assistance. In addition, the President should seek the cooperation of United States allies in Western Europe and Japan to join in similar multilateral initiatives to aid disadvantaged South Africans.

Page 567, after line 19, insert the following:

SEC. 1012. SENSE OF CONGRESS CONCERNING ANGOLA.

(a) UNITED STATES POLICY.—It is the sense of the Congress that—

(1) the United States should continue to vigorously promote direct talks between the leaders of the Union for the Total Independence of Angola (UNITA) and the Movement for the Popular Liberation of Angola (MPLA) Government to achieve an agreement for a process of national reconciliation among Angolans;

(2) the United States should continue its policy of refusing to recognize a government in Angola and opposing credits to Angola by the International Monetary Fund and the International Bank for Reconstruction and Development until—

(A) there is an agreement on national reconciliation acceptable to both sides, or

(B) the President determines that there has been significant progress toward such an agreement and that modification of such policy would be in the best interests of the United States.

(b) COMMENDING PRESIDENT MOBUTU SESE SEKO OF ZAIRE.—

(1) The Congress makes the following findings:

(A) President Mobutu Sese Seko of Zaire organized and hosted a gathering of 18 African heads of state in Gbadolite, Zaire (the Gbadolite Summit) on June 22, 1989.

(B) Such gathering brought together President Jose Edouardo Dos Santos and Dr. Jonas Savimbi, leaders of two parties that have been in conflict in Angola for many years, and resulted in an agreement to a ceasefire and the launching of negotiations leading to national reconciliation in Angola.

(C) The Gbadolite Summit followed the Angola-Namibia Accords, signed in New York on December 22, 1988, which called for total Cuban troop withdrawal from Angola, withdrawal of South African forces from the region, and the implementation of United Nations Security Council Resolution 435 for the independence of Namibia.

(D) Following the signature of such Accords, many African leaders supported active diplomatic efforts to assure that the next step in the search for peace in southwestern Africa, national reconciliation in Angola, would move forward.

(E) The Gbadolite summit was the culmination of these intra-African negotiations in which President Mobutu played a key role.

(F) An African solution for an African problem is now well under way to fruition.

(G) President Mobutu will be in Washington for an official visit to the United States from June 28 through 30, 1989.

(H) President Mobutu, who for over a quarter century has been an effective partner with the United States in Africa, deserves the congratulations and support of the Government and people of the United States for his efforts.

(2) It is the sense of the Congress that—

(A) President Mobutu Sese Seko of Zaire deserves the heartfelt congratulations and the gratitude of the United States and the American people for arranging the Gbadolite summit to further the process leading to peace and stability in southwestern Africa;

(B) the efforts of President Jose Edouardo Dos Santos of Angola to forge a compromise with Dr. Savimbi have created a basis for peace and national reconciliation in Angola;

(C) Dr. Jonas Savimbi's efforts to bring national reconciliation to his nation of Angola have been rewarded with an opportunity for peace and the accomplishment of his long-sought objective, peace in the region; and

(D) the full implementation of the process agreed to at Gbadolite will lead to a peaceful, secure, and stable southern African region.

Page 561, after line 5, insert the following new paragraph:

(2) RELATION TO RECONCILIATION.—The provision to Mozambique of assistance under the Foreign Assistance Act of 1961 for fiscal years 1990 and 1991 shall bear a relation to a continuing commitment by the Government of Mozambique to talks, direct or indirect, with RENAMO aimed at a political solution to Mozambique's internal war that respects internationally-recognized human rights and promotes pluralism.

Page 561, line 6, strike "(2)" and insert "(3)".

Page 556, after line 4, insert the following new section (and redesignate the subsequent sections accordingly):

SEC. 1021. ECONOMIC SANCTIONS AGAINST ETHIOPIA.

(a) STATEMENT OF POLICY.—The Congress—

(1) condemns the pervasive, systematic abuse of human rights by the Government of Ethiopia, including the continued imprisonment of thousands of political prisoners and detainees and the numerous summary executions carried out in reprisal for the attempted coup of May, 1989;

(2) deplores the Government of Ethiopia's continued lack of demonstrated progress in negotiating a peaceful settlement to internal conflicts in the north and in effecting macroeconomic reforms;

(3) finds that without fundamental reform of the Ethiopian state or peaceful resolution of Ethiopia's internal wars, there will be no end to Ethiopia's deep social crisis, no prospects of a transition to stability, growth and liberty in Ethiopia, and minimal hope that the Horn of Africa will reverse the spread of devastating internal wars that have created massive human dislocations across the region;

(4) favors the resumption of United States assistance to Ethiopia for development and reconstruction, in the event there is clear progress in resolving Ethiopia's internal wars, improving human rights including the rights of all people to emigrate, travel, and observe religious holidays, and implementing economic reforms;

(5) urges the President and the Secretary of State to focus world pressure and opinion—

(A) upon the Government of Ethiopia to foreswear summary executions, release political prisoners, and reform Ethiopia's macroeconomic policies and facilitate family reunification and

(B) upon the Government of Ethiopia and its northern opposition to engage in meaningful negotiations that result in a pragmatic, enduring settlement; and

(6) urges the President and the Secretary of State to engage in direct, active discussions with the Soviet Union in order that the peaceful resolution of the crisis in Ethiopia becomes a high priority of both the United States and the Soviet Union, that external military flows to Ethiopia are reduced, and that the approach of the Soviet Union is consistent with that of the West,

(b) SANCTIONS.—The President is urged to use existing legal authorities to impose diplomatic and economic pressures upon the Government of Ethiopia if, after the enactment of this Act, the Government of Ethiopia fails to act in good faith to resolve its internal wars peacefully and to improve respect for internationally-recognized human rights.

(c) REPORTS TO CONGRESS.—Not more than 90 days after the date of enactment of this Act and at the end of each 90 day period thereafter, the President shall submit to Congress a report describing the actions of the Ethiopian Government during the preceding 90 days with regard to its internal wars, human rights, and economic reform. Each such report shall describe the response of the United States to progress, or lack of progress, by the Government of Ethiopia in these critical areas.

Page 566, after line 25, insert the following:

SEC. 1031. APPLICATION OF PROVISION TO EARMARKED FUNDS FOR SUB-SAHARAN AFRICA.

Section 5303 of the Foreign Assistance Act of 1961 shall not apply with respect to the funds described in sections 1021 and 1022 of this title.

Page 582, line 7, strike out "made available to" and insert in lieu thereof "of".

Page 556, after line 5, insert the following new subsection (a):

(a) FINDINGS.—The Congress makes the following findings:

(1) Friendship and longstanding interests bind the United States and Kenya.

(2) Kenya has a key role in promoting regional stability and addressing the humanitarian needs of the people of East Africa.

(3) The actions by the Government of Kenya in the past year to improve the human rights situation in Kenya have included the release of 16 political detainees, fewer political arrests and detentions, and progress in addressing the issue of police torture as demonstrated by President Moi's firing of several police officials in 1988, his public condemnation of the practice, and the conviction and imprisonment of 4 police officers.

(4) There continue to be important concerns regarding human rights abuses in Kenyan society.

Page 556, line 6, strike "(a)" and insert "(b)".

Page 556, line 21, strike "(b)" and insert "(c)".

Page 557, line 3, strike "(a)" and insert "(b)".

Page 588, after line 7, insert the following:

TITLE XV—OTHER PROVISIONS

SEC. 1501. CONSIDERATIONS IN PROVIDING MILITARY ASSISTANCE.

Before providing foreign military financing and international military education and training under the Foreign Assistance Act of 1961 for fiscal year 1990 or 1991 for any country, the President should take into account whether that country:

(1) receives from the Soviet Union more than three-quarters of the military assistance that it receives from foreign countries; or

(2) has more than 55 military personnel (serving in any capacity) from the Soviet Union, the German Democratic Republic, the Democratic People's Republic of Korea, Cuba, or any Soviet Bloc country.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the Burton amendment regarding our policy toward South Africa. I urge my colleagues to do likewise.

I oppose the brutal, discriminatory, and inhuman policies of the apartheid regime in South Africa. Apartheid denies the majority of South Africans their inherent rights to liberty, equality, and freedom strictly because of the

color of their skin. For this reason I am advocating the policy statement of the Burton amendment. I hope the day will arrive soon when South Africans, regardless of race, will be afforded the full rights to which they are entitled, and yet are excluded from enjoying by the immoral apartheid regime which continues to oppress them. With that as our goal, our Government should adopt the most effective means possible to enable black South Africans to accomplish the establishment of a truly democratic government in South Africa. The Burton amendment, which states that our Government should pursue a policy of economically empowering the black majority in South Africa, offers the black South Africans what they need, a peaceful tool to bring about social and economic changes and eventually, full freedom.

This is precisely what black South Africans desire. A Gallup poll conducted recently in South Africa reveals that among blacks in that country, 82 percent believe United States economic sanctions against their country is a bad idea. The poll also showed that even more black South Africans, 85 percent, believe disinvestment is a poor response to apartheid. I submit that these people know better than we do what is best for them in their struggle against apartheid. These polls clearly show that the blacks in South Africa want foreigners to invest in their country. The reasons should be obvious to everyone. If the United States places even harsher sanctions on South Africa, blacks, not whites, will be the first to suffer the resulting poverty.

In our efforts to help the South African black majority change their government we should keep in mind the following facts. If the United States disinvests or enacts further sanctions, black South Africans will have three choices: first, continue to suffer from apartheid and poverty; or second, rise up and violently overthrow the white dominated government; or third, flee the country and become refugees. If any of these three options take place, black South Africans will suffer most and many will die for the agenda of Americans who believe they know what is best for nonwhite South Africans; despite the wishes of the very people they want to help. None of these options are viable or acceptable. International pressures have proven to cause the Government to only close ranks and become further isolated and unresponsive. In fact, it is highly likely that United States economic sanctions only serve the corporate interests of South African, white-owned, businesses.

For these reasons, I support a policy of black economic empowerment as an important step in removing apartheid in South Africa. Positive economic engagement in South Africa, which employs blacks and gives them skills and education to change their future, offers hope of bringing peaceful systemic change to South Africa by enabling blacks to become something more than a powerless, poor majority. I urge my colleagues to support this amendment.

Mr. SOLOMON. Mr. Chairman, I would just note that the en bloc amendment on title X contains some language that I offered concerning Kenya. I appreciate the gentleman from Michigan, Mr. WOLPE's willingness to work out a compromise on this point.

It was important that some positive language about Kenya be included in the bill because Kenya is an important and valued friend of the United States.

Kenya, moreover, continues to play a constructive role in supporting stability in east Africa and in addressing the humanitarian needs of people throughout the east Africa region.

And yes, there are some concerns about the human rights situation within Kenya that warrant our concern. But it is also important to keep this vital relationship between our two countries alive and growing.

A "yes" vote on the Solomon amendment in this en bloc package softened negative language singling out America's foremost ally in east Africa—Kenya.

During the course of the last year Kenya has taken a leading role in Africa in the areas of hunger alleviation, environmental protection, and peacemaking. Kenya has also made much progress in addressing the concerns of Congress with regard to human rights.

Kenya has been instrumental in facilitating the international effort to feed the starving people in southern Sudan. Kenya has cooperated fully with United States efforts in this regard, and has contributed thousands of tons of grain to the feeding operations.

Parallel with American efforts, President Moi is playing a leading role in peacemaking throughout Africa—in Angola, Mozambique, and Ethiopia.

Most recently Kenya unilaterally banned trade in ivory and ivory products as a means to halt the extinction of the African elephant. Kenya is leading the way in the international effort to preserve the African elephant as part of its extensive environmental protection program.

There are now no political prisoners in Kenya. A year ago 11 detainees were held under Kenya's preservation of public security act. Four detainees were released last year. In June 1989 Kenya released all remaining detainees.

To eliminate police brutality, President Moi fired several police officials in 1988, and publicly condemned police brutality on several occasions. More importantly, in March 1989, four police officers were convicted of torture and murder in the case of a murder suspect. The police officers were sentenced to prison terms of 15 to 20 years, and the case was widely reported in the Kenyan press.

Last December Kenya reestablished diplomatic relations with Israel—taking the lead among African countries. Kenya's courageous step in this regard is particularly important in the face of the PLO effort to gain participation in U.N. agencies.

Mr. WOLPE. Mr. Chairman, I am pleased that we have included in an en bloc amendment compromises on four proposed amendments by my ranking minority member on the Africa Subcommittee, Congressman DAN BURTON.

Concerning South Africa, I strongly believe that an effective United States policy must contemplate diplomatic and economic pressures to raise the costs of apartheid to the South African regime. Yet I also believe that the United States should continue to assist disadvantaged South Africans in a way that is not complicit with apartheid structures and does not permit the evasion of United States sanctions law. The en bloc amendment modifies the proposed Burton amendment on United States policy in South Africa to make certain that these criteria for assistance, already found in the Comprehensive Anti-Apartheid Act and the Foreign Assistance Act, are followed scrupulously.

Concerning Angola, I am greatly encouraged by the latest developments in the region, including the recent meeting in Zaire between President Dos Santos of Angola and President Savimbi of the UNITA insurgency. This provides hope for a national reconciliation agreement that will end that tragic war. It is clear that it has been the withdrawal of external military forces—Cubans from the Angola side and South Africans from the UNITA side—that has provided a major impetus toward internal negotiations. In addition, African leaders, especially Presidents Mobutu of Zaire, Mugabe of Zimbabwe, Kaunda of Zambia, Sasso-Nugueso of Congo, Bongo of Gabon, and Houphouet-Boigny of Cote d'Ivoire, have effectively promoted national reconciliation. The en bloc amendment modifies the Burton amendment to pay special tribute to President Mobutu, who is now in this country on a state visit, for the key role he played in the Zaire summit. It also contains a sense of Congress that the United States could change its policy of nonrecognition of Angola and opposing aid to Angola by the IMF and World Bank if there is a national reconciliation agreement or the President determines that there has been significant progress toward such an agreement and the modification of existing policy would be in the best interests of the United States. I do not feel that the current U.S. policy of nonrecognition and opposition to multilateral aid has contributed to national reconciliation, I welcome the additional flexibility that this amendment provides on these issues.

Concerning Ethiopia, the en bloc amendment is based on the assumption that it is better to apply diplomatic and economic pressures upon the Ethiopian regime than to press for military assistance to opposition groups.This substitute for the original Burton amendment emphasizes scaling back external flows of military aid to Ethiopia—through urging active administration discussions with the Soviets—and upon raising United States diplomatic and economic pressure—including the threat of economic sanctions—upon Ethiopia to reform its state, improve human rights, and negotiate an end to its internal wars. If Ethiopia does make progress in these critical areas, the amendment encourages a resumption of assistance for development and reconstruction.

Concerning Mozambique, the en bloc amendment modifies the original Burton amendment by not insisting upon negotiations between the Government of Mozambique and RENAMO as a strict condition for United States assistance. That would associate us closely with a movement that engages in Khmer Rouge-style psychopathic violence. The substitute amendment instead stipulates that United States assistance should bear a

relation to the Government's continuing commitment to direct or indirect talks with RENAMO. This is the appropriate way of reinforcing the indirect discussions the Government has initiated with RENAMO in which the Government has signaled its willingness to introduce various reforms and pressed to clarify RENAMO's true goals and identify its leadership.

Concerning Kenya, in addition, we have reached a compromise with Congressman GERRY SOLOMON on Kenya which preserves the requirement that security assistance to Kenya be related to improvements in that country's human rights performance, but also incorporates reference to some specific positive steps that have recently occurred.

Finally, I am glad that, with the help of Chairman FASCELL, ranking minority member BILL BROOMFIELD, and my subcommittee ranking minority member DAN BURTON, we have been able, in this amendment, to protect a portion of the aid to sub-Saharan Africa, the poorest region of the world, from possible prorata cuts on earmarked accounts.

Mr. ENGEL. Mr. Chairman, I rise in strong support of the Wolpe amendment which addresses the United States relationship with Ethiopia. I commend the chairman of the subcommittee and the ranking Republican for forging this bipartisan expression of Congress for the need for drastic reforms by the current regime. This amendment represents a broad-based policy initiative which addresses the challenges for the United States in the Horn of Africa.

The amendment carefully lays out the series of reforms and policy changes which must take place if an improvement in United States-Ethiopian relations is to occur. The current leadership in Ethiopia has failed miserably in its internal and external policies, and it is vitally important that we communicate in the clearest possible terms the sentiment in this Congress that major reforms must take place.

There are indications that the Government is beginning to consider more realistic options for confronting the myriad problems it faces by opening discussions with at least one of the rebel groups which is engaged in the war against the Government. But this is just a first step, and the United States must apply firm pressure on the Ethiopian Government to implement a series of reforms and policy changes for there to be progress in restoring stability to the Horn of Africa.

Among the outstanding issues which must be addressed are resolution of the internal wars, greater respect for the human rights of the Ethiopian people, economic reforms, and reunification of Ethiopian Jews whose families are now divided.

This final point is one of deep personal concern to me. There are thousands of families which remains divided as a result of the 1984 exodus of Ethiopian Jews who fled Ethiopia and were airlifted to Israel at that time. Since then, the Ethiopian Government has refused to permit a formalized program of family reunification to take place. Family reunification is a fundamental, internationally recognized principle which must be respected, and it will be difficult, if not impossible, to pursue a more productive relationship between the United States and Ethiopia until this issue, and the other needed reforms take place.

This amendment offers the possibility for reintroduction of assistance to Ethiopia for development and reconstruction, but also offers the possibility of pressures if these major internal and foreign policy obstacles are not adquately addressed. I believe this amendment is carefully crafted and provides both carrots and sticks.

The Ethiopian Government is put on notice that it can make choices which will help determine the course of relations with the United States. If the Government promotes certain reforms and upholds internationally recognized principles, relations with the United States should improve. If not, the President is urged to use his authority to apply economic and political pressure on the Ethiopian Government to prod them to make greater reforms.

I call on my colleagues to support this balanced approach to addressing the concern of Congress on the future of United States-Ethiopian relations.

Mr. LELAND. Mr. Chairman, I want to voice my opposition to the provision in the en bloc amendment to title X of the foreign aid authorization bill which condemns Ethiopia for, among other things, various human rights violations, for its failure to negotiate an end to its civil war, and which recommends that the President impose economic sanctions against Ethiopia if that country does not resolve these problems.

Mr. Chairman, I am gravely concerned that this provision is counterproductive to the overtures President Mengistu has been making to end the war in his country and to improve the condition of human rights. I am afraid that we are sending a harmful signal to Ethiopia at this time.

I recently returned from Ethiopia and other countries in the Horn of Africa. While there, I had the opportunity to visit with President Mengistu and I know of his efforts to initiate peace negotiations. I also had the opportunity to observe first hand, Ethiopia's efforts, at great expense to its internal political stability not to mention the tremendous strain on its domestic food resources, to provide both refuge and food to the more than 800,000 Sudanese and Somalian refugees. In addition it was also playing a key role in the humanitarian assistance into the southern Sudan. There is no question that these efforts have resulted in the saving of many lives.

Ethiopia is at a very critical juncture in its political development. It sorely wants to upgrade its diplomatic relations with the United States and I believe now is the time to bring Ethiopia into our sphere of influence, not to castigate it with inflammatory language in this legislation.

Just last month, the Ethiopian Parliament adopted a peace plan that includes public negotiations with Eritrean insurgents in the presence of an international observer. Clearly, now is not the time to provide military assistance to resistance groups and thereby prolong the 28-year civil war. Nor is it the time to ignore the progress toward peace that has been made and continue to publicly condemn Ethiopia.

The CHAIRMAN. Under the rule, all time has expired.

The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL].

The en bloc amendments were agreed to.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 565, line 24, and page 566, line 1, strike out "not more than $3,000,000" and insert in lieu thereof "at least $9,000,000".

Page 566, strike out lines 3 through 6.

Page 566, line 7, strike out "(c)" and insert in lieu thereof "(b)".

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to my colleague, the gentleman from Ohio.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I have strong reservations about the money earmarked for countries in Africa. Although these are some of the poorest countries in the world, I strongly believe there must be some changes made in the way we dispense aid to these countries. They are simply not held accountable for the economic chaos they have created. Yet, they are still handed money by the United States without any questions asked. Many of my colleagues have railed against the changes which I feel are for the better in El Salvador, but they say nothing about the brutal repression that is part of the daily life in many countries in Africa. While we strive for economic changes in many other parts of the world, we continue to turn a blind eye toward the economic basket cases of the African Continent.

Not only is Zaire a country seeking economic truth, but even today fails to see the link between economic freedom and democratic pluralism.

Ethiopia turned to the Communist economic system in 1974 and we have seen the death and destruction of those policies on their people. Burkina Faso, whose ruthless repression is well documented by Amnesty International, receives aid from the United States through African Development Fund.

Mr. Chairman, I urge my colleagues to take these comments to heart. There are problems in the way we give aid to these countries and I ask the Members of this body to give a close look at these problems in the future.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for his support.

Mr. Chairman, the amendment I am going to discuss I will withdraw in just

a moment, but I had an urgent reason to address the House, and that was the only way I could do it.

So, Mr. Chairman, we just received word a couple of days ago that in Ghana, the Government there has expelled a number of Protestant missionaries, and they closed down seven or eight churches, and these religious organizations have been contributing great assistance in the plight of the people in Ghana, and we certainly do not understand what the problem is.

The religious leaders for these various organizations have contacted us and indicated that they do not understand why their missionaries are being thrown out of the country.

We give Ghana about $25 million per year in economic assistance. I called the Ghanaian Ambassador and asked him to come to my office, because I am the ranking Republican on the Africa Subcommittee, to discuss this issue. He told me yesterday he would be in my office today to talk about this, but this morning, for some unknown reason, he had an emergency call from New York and had to leave the city.

He then said that he would have his deputy meet with me and Members of the Congress who are interested in this issue, and his deputy did not show up.

So I would like to take this opportunity to say that in conference there is a possibility that some action might be taken against Ghana. It may be that $5 million of their economic aid might be discussed as being cut because they will not at least talk to the United States about how these missionaries and these American churches are being treated.

All we want to do is to discuss this with Ghana, and I submit to my colleagues that if we are giving aid to countries like Ghana, they owe it to the United States of America, when Americans are being mistreated, especially missionaries who are doing a service there are being mistreated and expelled, they owe it to us to give us an explanation.

□ 1520

With that, I respectfully ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. Are there further amendments to title X?

If not, the Clerk will designate title XI.

The text of title XI is as follows:

TITLE XI—AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE

SEC. 1101. PRIVATE SECTOR DEVELOPMENT ACTIVITIES.

(a) PAYMENT TERMS FOR FOREIGN CURRENCIES FOR PRIVATE SECTOR DEVELOPMENT ACTIVITIES.—Section 106(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting before the period at the end thereof the following: ", except that at least 40 percent of the amount due on such payment shall be made within 120 days after the delivery of the commodities involved, an additional 25 percent of such amount shall be paid by the end of the 1-year period after the first payment is due, and the remaining amount shall be paid by the end of the 1-year period after the second payment is due.".

(b) USE OF CURRENCIES FOR ADMINISTRATIVE COSTS OF UNITED STATES.—Section 108 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j), respectively; and

(2) by inserting after subsection (f) the following:

"(g) Not to exceed 5 percent of the foreign currencies obtained for use under this section may be used to defray the costs to the United States Government of implementing this section.".

(c) COMPETITION WITH UNITED STATES PRODUCTS AND COMMODITIES.—

(1) SECTION 106 PROGRAM.—Section 106(b)(4)(B) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the third sentence and inserting in lieu thereof the following: "Such proceeds shall not be used to directly support any project or activity that is specifically designed to increase exports of any agricultural, textile, or apparel commodity from a developing country if such exports (i) would be in direct competition with United States exports, and (ii) can reasonably be expected to cause substantial injury to United States exporters of the same or substantially similar commodity.".

(2) SECTION 108 PROGRAM.—Section 108(c)(5) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(5) No currency made available under this section may be used to directly support any project or activity that is specifically designed to increase exports of any agricultural, textile, or apparel commodity from a developing country if such exports (A) would be in direct competition with United States exports, and (B) can reasonably be expected to cause substantial injury to United States exporters of the same or substantially similar commodity.".

The CHAIRMAN. Are there amendments to title XI?

If not, the Clerk will designate title XII.

The text of title XII is as follows:

TITLE XII—PEACE CORPS

SEC. 1201. AUTHORIZATION OF APPROPRIATIONS.

Section 3(b) of the Peace Corps Act is amended to read as follows:

"(b) There are authorized to be appropriated to carry out the purposes of this Act $163,614,000 for the fiscal year 1990 and $170,322,000 for the fiscal year 1991.".

SEC. 1202. TECHNICAL PUBLICATIONS.

Section 15 of the Peace Corps Act is amended by adding at the end thereof the following:

"(e) Technical publications produced by the Peace Corps may be sold at cost in furtherance of the purposes of this Act. Up to $200,000 of the proceeds of such sales in each fiscal year may, to such extent as may be provided in advance in appropriations Acts, be credited to the currently applicable appropriation of the Peace Corps, notwithstanding section 3302(b) of title 31, United States Code.".

The CHAIRMAN. Are there amendments to title XII?

If not, the Clerk will designate title XIII.

The text of title XIII is as follows:

TITLE XIII—UNITED STATES COMMISSION ON SOUTHERN AFRICA

SEC. 1301. SHORT TITLE.

This title may be cited as the "United States Commission on Southern Africa Act".

SEC. 1302. FINDINGS.

The Congress finds that—

(1) apartheid in South Africa has resulted in great disparities between whites and nonwhites, particularly in education, health care, employment opportunities, and availability of housing;

(2)(A) education is not compulsory for blacks in South Africa;

(B) a June 1988 report in the Weekly Mail states that more than a million black children between the ages of 7 and 16 (21 percent of the school age population) were not attending school in South Africa; in 1988 more than 21,000 black pupils were not admitted to schools in South Africa, while more than 23,000 spaces were vacant at white state schools; and

(C) despite crowded conditions at black schools, where the average teacher to pupil ratio in 1987 was 1 teacher to 38 students, as compared to 1 teacher to 19 students in white schools, more than 1,000 primary and secondary school teachers were refused posts at black schools, as stated in a June 1988 report in the Weekly Mail;

(3) black South Africans have far fewer medical professionals and health care services available to them than whites: white South Africans have 1 physician for every 326 people, while black South Africans have one physician for every 3,400 people; there are only 20 black dentists and 70 black pharmacists for a black population of 25,000,000; segregation in state hospitals has resulted in overcrowding in black hospitals, yet white hospitals have empty beds; budgets for white hospitals are higher than for black hospitals even though black hospitals have 4 times as many patients as white hospitals;

(4) unemployment among nonwhites in South Africa is high: the 1987 official unemployment rates were 17.9 percent for blacks and 14 percent for mixed-race (coloured), not including the homelands, and unemployment specialists in the country agree that the actual unemployment rate for blacks is higher than the official rate;

(5) 13,000 white South Africans currently hold civil service positions in Namibia; when Namibia becomes free and independent, the Government of Namibia will need skilled personnel to fill the positions vacated by white South Africans;

(6) there is a key role for concerned United States citizens and businesses in the private sector to assist in enhancing the development of human resources in southern Africa; and

(7) there is a need for the United States to assist in the development of human resources in southern Africa in the public and private sector, in order to improve in general the living conditions of nonwhites in South Africa, and lay the foundation for effective leadership in a democratic post-apartheid society in South Africa and Namibia.

SEC. 1303. ESTABLISHMENT.

There is established the United States Commission on Southern Africa (hereafter in this title referred to as the "Commission"), which shall not be an agency or establishment of the Federal Government.

SEC. 1304. PURPOSE OF COMMISSION.

(a) IN GENERAL.—The purpose of the Commission is to solicit private sector funds to conduct programs to develop skilled personnel at various levels in the public and private sectors in South Africa and Namibia, particularly in middle management positions, by providing for the training of disadvantaged South Africans and Namibians, including refugees from South Africa in other countries, for positions in business and government in their respective countries, primarily in the fields of education, health care, law, and housing.

(b) AUTHORITIES.—In carrying out its purpose, the Commission may—

(1) establish, implement, and provide funds for human resource development programs for disadvantaged South Africans and Namibians, including educational and training programs in business and public administration, health care and the delivery of health care services, education, legal assistance, and housing; and

(2) provide scholarships and internships to disadvantaged South Africans and Namibians for appropriate study and training.

SEC. 1305. MEMBERSHIP; CHAIRPERSON.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 11 members appointed from among persons who are not officers or employees of any government, as follows:

(1) 7 individuals appointed by the President, of whom not more than 4 shall be of the same political party.

(2) 1 individual appointed by the Speaker of the House of Representatives, and 1 individual appointed by the minority leader of the House of Representatives.

(3) 1 individual appointed by the majority leader of the Senate, and 1 individual appointed by the minority leader of the Senate.

A vacancy on the Commission shall be filled in the manner in which the original appointment was made.

(b) CONTINUATION OF MEMBERSHIP.—If any member of the Commission becomes an officer or employee of a government, he or she may continue as such member for not longer than the 30-day period beginning on the date he or she becomes such an officer or employee.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), members of the Commission shall be appointed for terms of 4 years. No member may serve consecutive terms.

(2) STAGGERED TERMS.—Of the members of the Commission first appointed by the President, 5 shall be appointed for terms of 2 years, as designated by the President at the time of appointment.

(3) VACANCIES.—Any member appointed to fill a vacancy on the Commission occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his or her term until a successor has taken office.

(e) NON-FEDERAL CHARACTER AND PER DIEM.—Members of the Commission shall not, by reason of their membership on the Commission, be considered to be officers or employees of the United States. The members of the Commission shall receive no pay on account of their service on the Commission, except that, while away from their homes or regular places of business in performance of duties of the Commission, members of the Commission may be allowed travel and transportation expenses to the same extent as is authorized in section 5703 of title 5, United States Code, for employees serving intermittently in the Government service.

(f) CHAIRPERSON.—The Commission shall elect a chairperson from among its members. The chairperson shall serve for a term of 2 years.

(g) BYLAWS.—The Commission may adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business.

SEC. 1306. PRESIDENT AND STAFF OF COMMISSION.

(a) PRESIDENT OF THE COMMISSION.—The Commission shall appoint and fix the pay of the President of the Commission.

(b) STAFF.—Subject to such rules as may be prescribed by the Commission, the President of the Commission may—

(1) appoint and fix the pay of such personnel, and

(2) procure the services of such experts and consultants,

as the President of the Commission considers appropriate.

(c) NON-FEDERAL CHARACTER.—The President and staff of the Commission shall not be considered to be officers or employees of the United States by reason of their service on the Commission.

SEC. 1307. POWERS OF COMMISSION.

(a) GIFTS, BEQUESTS, AND DEVISES.—The Commission may solicit, accept, hold, administer, invest, and use gifts, bequests, and devises of money and property, both real and personal, in furtherance of the purposes of this title. Money and property accepted pursuant to this subsection, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift, bequest, or devise donating such money or property. Funds donated to and accepted by the Commission pursuant to this subsection are not to be regarded as appropriated funds and are not subject to any requirements or restrictions applicable to appropriated funds.

(b) AUTHORITY TO CONTRACT OUT.—In carrying out its purpose and activities, the Commission may enter into contracts with (to the extent that funds are available) and make grants to or obtain grants from State, local, and private agencies, organizations, institutions, and individuals.

SEC. 1308. REQUIREMENTS.

(a) USE OF FUNDS.—Funds made available by the Commission for programs in South Africa may not be used for programs conducted by or through organizations in South Africa which are financed or controlled by the Government of South Africa, such as the "homeland" and "urban council" authorities. Such funds may only be used for programs which in both their character and organizational sponsorship in South Africa clearly reflect the objective of a majority of South Africans for an end to the apartheid system of separate development. Nothing in this subsection shall be construed to prohibit programs which are consistent with this subsection and which award university scholarships to students who choose to attend a South African-supported university.

(b) FINANCIAL BENEFITS.—No part of the assets of the Commission shall inure to the benefit of any member of the Commission, any officer or employee of the Commission, or any other individual, except as salary or reasonable compensation for services.

(c) INDEPENDENT AUDITS.—

(1) AUDITS.—The accounts of the Commission shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Commission are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Commission and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) REPORT.—The report of each such independent audit shall be included in the annual report required by section 1309. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Commission's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Commission's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

(d) AUDITS BY COMPTROLLER GENERAL.—

(1) AUDITS.—The financial transactions of the Commission for each fiscal year may be audited by the Comptroller General of the United States in accordance with such principles and procedures and under such rules as may be prescribed by the Comptroller General. Any such audit shall be conducted at the place or places where accounts of the Commission are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Commission pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Commission shall remain in the possession and custody of the Commission.

(2) REPORTS.—A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General considers necessary to inform the Congress of the financial operations and condition of the Commission, together with such recommendations with respect thereto as the Comptroller General considers advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this title. A copy of each report shall be furnished to the President and to the Commission at the time the report is submitted to the Congress.

(e) RECORDS OF RECIPIENTS.—

(1) RECORDS.—The Commission shall ensure that each recipient of assistance pro-

vided through the Commission under this title keeps separate accounts with respect to such assistance and such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) ACCESS TO RECORDS.—The Commission shall ensure that it, or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Commission under this title. The Comptroller General of the United States or any authorized representative of the Comptroller General shall also have access to such books, documents, papers, and records for such purpose.

SEC. 1309. REPORT.

The Commission shall transmit to each House of the Congress, not later than December 31 of each year, a report on its activities during the preceding fiscal year.

SEC. 1310. FUNDS FROM DEPARTMENT OF STATE.

The Secretary of State shall grant to the Commission, to carry out this title, $1,000,000 of funds made available to the Department of State for any purpose for fiscal year 1990.

The CHAIRMAN. Are there amendments to title XIII?

If not, the Clerk will designate title XIV.

The text of title XIV is as follows:

TITLE XIV—MISCELLANEOUS PROVISIONS

SEC. 1401. CERTAIN USES OF EXCESS FOREIGN CURRENCIES.

(a) AUTHORITY TO USE.—During fiscal year 1990, the Administrator for title I of the Foreign Assistance Act of 1961 may use, for the purposes described in subsection (b), such sums of foreign currencies described in subsection (c) as the Administrator may determine.

(b) PURPOSES FOR WHICH CURRENCY MAY BE USED.—Foreign currencies may be used under this section—

(1) for the same purposes for which assistance may be provided under title I of the Foreign Assistance Act of 1961, and

(2) for the support of any institution providing education for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

(c) CURRENCIES WHICH MAY BE USED.—The foreign currencies which may be used under this section are United States-owned excess foreign currencies that are in excess of amounts necessary for satisfaction of preexisting commitments to use such currencies for other purposes specified by law.

(d) WHERE CURRENCIES MAY BE USED.—Foreign currencies may be used under this section in the country where such currencies are held or in other foreign countries.

(e) NONAPPLICABILITY OF OTHER PROVISIONS OF LAW.—Foreign currencies may be used under this section notwithstanding section 1306 of title 31, United States Code, or any other provision of law.

(f) LIMITATION.—Foreign currency made available under this section may not be used in any Communist country listed pursuant to section 4201(d).

SEC. 1402. MINORITY SET-ASIDE.

(a) SET-ASIDE REQUIREMENT.—Except to the extent that the Administrator for title I of the Foreign Assistance Act of 1961 determines otherwise, not less than 10 percent of the aggregate amounts made available for each of the fiscal years 1990 and 1991 for development assistance and assistance for famine recovery and development in Africa shall be made available only for activities of United States organizations and individuals that are—

(1) business concerns owned and controlled by socially and economically disadvantaged individuals,

(2) historically black colleges and universities,

(3) colleges and universities having a student body in which more than 40 percent of the students are Hispanic American, and

(4) private voluntary organizations which are controlled by individuals who are socially and economically disadvantaged.

(b) ADDITIONAL REQUIREMENTS.—

(1) IN GENERAL.—In addition to other actions taken to carry out this section, the actions described in paragraphs (2) through (5) shall be taken with respect to development assistance and assistance for famine recovery and development in Africa for fiscal years 1990 and 1991.

(2) CONTRACTS.—Notwithstanding any other provision of law, in order to achieve the goals of this section, the Administrator—

(A) to the maximum extent practicable, shall utilize the authority of section 8(a) of the Small Business Act (15 U.S.C. 637(a));

(B) to the maximum extent practicable, shall enter into contracts with small business concerns owned and controlled by socially and economically disadvantaged individuals—

(i) using less than full and open competitive procedures under such terms and conditions as the Administrator deems appropriate, and

(ii) using an administrative system for justifications and approvals that, in the Administrator's discretion, may best achieve the purpose of this section; and

(C) shall issue regulations to require that any contract in excess of $500,000 contain a provision requiring that no less than 10 percent of the dollar value of the contract be subcontracted to entities described in subsection (a), except—

(i) to the extent the Administrator determines otherwise on a case-by-case or category-of-contract basis; and

(ii) this subparagraph does not apply to any prime contractor that is an entity described in subsection (a).

(3) NOTICE OF PROPOSED CONTRACTS.—Each person with contracting authority who is attached to administering agency's headquarters in Washington, as well as all agency missions and regional offices, shall notify the agency's Office of Small and Disadvantaged Business Utilization at least 7 business days before advertising a contract in excess of $100,000, except to the extent that the Administrator determines otherwise on a case-by-case or category-of-contract basis.

(4) PERFORMANCE EVALUATIONS OF MISSION DIRECTORS.—The Administrator shall include, as part of the performance evaluation of any mission director of the agency, the mission director's efforts to carry out this section.

(5) REPORTS TO CONGRESS.—The Administrator shall submit to the Congress annual reports on the implementation of this section. Each such report shall specify the number and dollar value or amount (as the case may be) of prime contracts, subcontracts, grants, and cooperative agreements awarded to entities described in subsection (a) during the preceding fiscal year.

(6) REGULATIONS.—The Administrator shall issue interim regulations to carry out this section within 90 days after the date of the enactment of this Act and final regulations within 180 days after that date.

(c) DEFINITION.—As used in this section, the term "socially and economically disadvantaged individuals" has the same meaning that term is given for purposes of section 133(c)(5) of the International Development and Food Assistance Act of 1977, except that the term includes women.

SEC. 1403. REPORT ON COMPLIANCE WITH FOREIGN BOYCOTTS.

(a) POLICY.—

(1) IN GENERAL.—In accordance with other provisions of law, it is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person.

(2) POLICY WITH RESPECT TO CERTAIN COUNTRIES.—It is further the policy of the United States to encourage the major trading nations of the world engaged in the export of goods or technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country or association of foreign countries against a country friendly to the United States or against any United States person.

(b) REPORTING REQUIREMENTS.—The Secretary of Commerce shall issue an annual report detailing the extent to which members of the General Agreement on Tariffs and Trade encourage actions, including the furnishing of information or entering into or implementing agreements, which have the effect of furthering or supporting boycotts fostered or imposed by any foreign country or association of foreign countries against a country friendly to the United States or against any United States person.

The CHAIRMAN. Are there amendments to title XIV?

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment duly printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON:

Page 588, after line 7, insert the following new Section:

"SEC. 1401. MINERAL IMPORTS FROM COMMUNIST COUNTRIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the vital national interests and security of the United States would be jeopardized if the nation became dependent on communist countries as the sources for essential minerals and metals.

(b) REPORTING REQUIREMENTS.—(1) Every year after enactment of this Act, when the annual foreign assistance request is presented to Congress, the President shall submit to the Committee on Foreign Affairs in the House of Representatives and the Committee on Foreign Relations in the Senate a report on the extent to which the United States is dependent on communist countries (as defined pursuant to Section 4201(d) of

the Foreign Assistance Act) as sources of supply and importation of—

(1) chromium,

(2) cobalt,

(3) manganese,

(4) platinum group metals,

(5) ferroalloys, and

(6) other strategic and critical materials (within the meaning of the Strategic and Critical Materials Stock Piling Act).

(2) The annual report submitted to Congress should also contain relevant information about what the United States is doing to reduce such dependence. The information may include such matters as stockpiling, conservation, the development of substitute materials, and the development of new and/or different deposits.".

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, this amendment is a slightly condensed version of one I offered to the Foreign Aid Bill in 1987, which was accepted at that time by the committee. It simply states the sense of Congress that a dependence by the United States on Communist countries as sources for essential minerals and metals could jeopardize our national security. And it calls for an annual report, at the time when the foreign aid proposals are presented to Congress, on the extent to which the Nation is dependent on Communist countries for these minerals.

And so I offer this amendment in the hope that it will provide a useful tool in our annual deliberations on foreign policy issues.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I inquire of the gentleman from New York: Is this the dependency amendment?

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is correct; it is.

Mr. FASCELL. Mr. Chairman, we have examined this amendment, and we think it is a helpful amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer the Solomon amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

Page 588, after line 7, add the following new Section:

"SEC. 1404. REDUCTION IN AUTHORIZED FUNDS.

Notwithstanding any other provision in this Act, the amounts authorized for activities under this Act are reduced by a further 5%."

The CHAIRMAN. Pursuant to rule XXIII, clause 6, the gentleman from New York [Mr. SOLOMON] controls the 5 minutes since he printed the amendment in the RECORD. The Chair now recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, the amendment was called up by our colleague, Mr. TRAFICANT. I yield to the gentleman for the purpose of debate.

Mr. TRAFICANT. Mr. Chairman, I have been here now going on my third term. I voted to cut education, at least I could have voted, and I have been castigated at times because they say, "Traficant, we have a great deficit and you don't want to make any cuts."

We had programs dealing with school lunch, child nutrition, senior citizens, infrastructure money for America, for our roads, for our bridges, and some people said, "Traficant, you are just a big spender, you don't want to make any cuts."

Today I am offering to the Congress an opportunity to cut $575 million in foreign aid money that is being targeted to go overseas.

Now it is not an easy vote. This amendment treats everybody the same. My amendment cuts everybody 5 percent. But while you wrestle with the politics and the pressure of it, keep in mind that America has had to do with less. We are now disciplined by a so-called Gramm-Rudman law because our deficits, budget deficits annually cannot be controlled. But we have a bill before us with a 7 percent real increase over last year. All we have targeted for this year for education is a 2-percent increase. I do not buy that.

Someone is going to have to make some cuts, and I will tell you what, I am not going to vote to cut Americans if we are going to continue to increase money for people overseas.

Maybe there is no one listening around here, but we have some senior citizens in this country who are eating dog food. I am not being dramatic. That is a fact. We have kids who are graduating from high school who cannot read. We are cutting back education programs in America.

I agree we have to bite the bullet, but I will tell you this, if we are going to bite the bullet for the funds that deal with American people, it should be a law that we cannot bite that bullet before we cut that foreign aid appropriation and authorization.

That is what I am here for.

I have lost an awful lot of jobs and I do not want to see my taxpayers' limited dollars which could best be used in my area going overseas.

Mr. APPLEGATE. Mr. Chairman, will the gentleman from New York yield?

Mr. SOLOMON. I yield to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Chairman, I rise to support the 5-percent cut. Mr. Chairman, I would have supported a 10-percent cut also.

Let me say this: Can you imagine here we are, the United States is $2.8 trillion, nearing $3 trillion in deficit, we are paying $175 billion interest on it each year. We have got $130 billion trade deficit. We are a debtor Nation to the tune of $550 billion.

We have good jobs, manufacturing jobs which have gone overseas. We have millions of people underemployed living on low wages. We have millions of people who are unemployed. We have people living at lower quality of life. We have 38 million people without health insurance. We have hundreds of thousands of homeless. We have communities who want to take care of their infrastructure, who need sewers, water, bridges. Yet here we are going to ask the American taxpayer to cough up more bucks to send over to help another country with their foreign military bases and their economy so that they can turn around and send it back into the United States to compete for our jobs. There is something wrong; it makes no sense, and I say this cut will only be a small nick in the foreign ship of money.

AMENDMENT OFFERED BY MR. FASCELL AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. TRAFICANT

Mr. FASCELL. Mr. Chairman, I rise in opposition to the Traficant amendment and I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL as a substitute for the amendment offered by Mr. TRAFICANT: At the end of the bill, insert the following:

TITLE XV—COMPLIANCE WITH BUDGET RESOLUTION

SEC. 1501. REDUCTION OF AGGREGATE AMOUNT AUTHORIZED TO BE APPROPRIATED BY THIS ACT.

Notwithstanding the specific authorizations of appropriations in the preceding provisions of this Act (including the amendments made by this Act), the aggregate amount appropriated for fiscal year 1990 pursuant to those authorizations may not exceed $11,236,407,000.

□ 1530

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Florida is recognized for 5 minutes in opposition to the Traficant amendment.

PARLIAMENTARY INQUIRY

Mr. TRAFICANT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRAFICANT. Is there an opponent that could be recognized for this particular amendment?

The CHAIRMAN. The Chair will state that the substitute is not separately debatable.

The gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

Mr. FASCELL. Mr. Chairman, this amendment would reduce the aggregate amount that may be appropriated pursuant to the authorization contained in the pending legislation, and this cut amounts to $328,557,000, and the bottom line of this amendment is, it brings it in conformity with the budget resolution and therefore, since they established both the ceiling and a floor for the 150 function, this cut represents a maximum amount that can be deducted from the bill without limiting the Committee on Appropriations' ability to remain consistently within the budget agreement.

We bring to the floor a bill which was consistent with the administration's request. This amendment now brings Members a bill, and I hope it will be supported unanimously. It only goes part way to the gentleman's purpose, who was the original sponsor of the basic amendment, but it goes a long way also. It brings this bill, now, in conformity with the budget agreement so that we have no questions with regard to the level of the authorization.

Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. BROOMFIELD], the ranking Republican.

Mr. BROOMFIELD. Mr. Chairman, I want to join the chairman in urging my colleagues to support this amendment which would cut over $328 million from the overall price tag of this bill. This action is fully consistent with the bipartisan budget agreement and brings the funding authority levels provided by this bill into line with the amount allocated for the foreign aid appropriations measure.

The amounts authorized to be appropriated by this bill are, by and large, very close to the funding levels requested by the President. However, we all recognize the harsh budget environment in which we find ourselves, and the many demands placed on the Federal budget. I think Chairman FASCELL's approach is a reasonable one. It is important that we adequately fund those programs that support our foreign and national security policy goals and objectives. However, we must balance this need with the requirement to adhere to the Gramm-Rudman budget levels. This amendment results in the achievement of both of these objectives and I urge my colleagues to support this amendment.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I think it is indicative of a very fair chairman to give his opponent time to speak on his amendment, when it is a limited time.

This would be an increase of $425 million over last year, and this is not across the board.

Now I want to say this in the House today, and I guess that maybe the House is a little silent at this point. I think we have real good friends and some people do not like to cut those friends. Some of those friends have real good strong arms, politically, and God bless them, they have to survive.

However, we have a massive defense budget, and we can provide some defense contractors for our friends. However, I think that Congress should make more of a cut in the foreign aid category.

Now, I am going to vote "No" on the substitute, and I am going to ask for a vote on the 5 percent across the board. Members can go ahead and do what they want to do.

I have great respect for a very fine chairman, and I thank the gentleman for giving the opponent time. I think it speaks for the gentleman.

Mr. FASCELL. Mr. Chairman, just to close my remarks with regard to this, just to say that this cut is a substantial cut. The purpose is to bring this bill within the context of the budget agreement or any entered into.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. FASCELL] as a substitute for the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. TRAFICANT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 406, noes 12, not voting 14, as follows:

[Roll No. 127]

AYES—406

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Cox
Coyne
Craig
Crane
Crockett
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Skaggs	Stark	Volkmer
Skeen	Stearns	Vucanovich
Skelton	Stenholm	Walgren
Slattery	Stokes	Walker
Slaughter (NY)	Studds	Walsh
Slaughter (VA)	Sundquist	Watkins
Smith (FL)	Synar	Waxman
Smith (MS)	Tallon	Weber
Smith (NE)	Tanner	Weiss
Smith (NJ)	Tauke	Weldon
Smith (TX)	Tauzin	Wheat
Smith (VT)	Thomas (CA)	Whittaker
Smith, Denny (OR)	Thomas (GA)	Whitten
	Thomas (WY)	Williams
Smith, Robert (NH)	Torres	Wise
	Torricelli	Wolf
Smith, Robert (OR)	Towns	Wolpe
	Traxler	Wyden
Snowe	Udall	Wylie
Solarz	Unsoeld	Yates
Spence	Upton	Yatron
Spratt	Valentine	Young (AK)
Staggers	Vander Jagt	Young (FL)
Stallings	Vento	
Stangeland	Visclosky	

NOES—12

Applegate	Jones (NC)	Roth
Dannemeyer	Kastenmeier	Schumer
Hopkins	Murphy	Stump
Jacobs	Rahall	Traficant

NOT VOTING—14

Bentley	Florio	Smith (IA)
Bryant	Garcia	Swift
Chapman	McKernan	Wilson
Collins	Obey	Wright
Courter	Ray	

□ 1554

Mr. APPLEGATE changed his vote from "aye" to "no."

Mr. OLIN and Mr. DYMALLY changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey: Page 588, after line 7, add the following:

SEC. 1091. UNITED STATES POLICY TOWARD SOCIALIST REPUBLIC OF ROMANIA.

(a) FINDINGS.—The Congress finds that—

(1) the Government of the Socialist Republic of Romania continues its flagrant abuse of the human rights of its citizens, including the freedom of religion, the freedom of speech and press, and the rights of ethnic minorities;

(2) Romanian President Nicolae Ceausescu has refused to renounce his plan for forced relocation of Romania's populations into "agro-industrial complexes", and has begun to obliterate as many as half of the country's 13,000 rural villages, thereby systematically destroying family homes, churches and synagogues, and private sources of food;

(3) the people of Romania continue to be harassed and arrested for their religious activities, and houses of worship have been destroyed by government authorities, such as the demolition on May 31, 1989, of the Comanesti Baptist Church near Bacau;

(4) Hungarian, German, and other ethnic minorities have been subjected to a campaign of forced assimilation, including severe restrictions on the use of their own languages in education and on other cultural expressions;

(5) President Ceausescu's economic policies have been formulated to greatly accelerate the repayment of Romania's foreign debt by raising Romania's level of exports and sharply curtailing imports, thereby causing severe shortages of basic food staples and items such as meat, fruit, and vegetables, and requiring the strict rationing of household energy; and

(6) the United States imports certain food products from Romania, such as boned pork, grape wine, and cheese.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the United States should impose sanctions against all food and agricultural products of the Socialist Republic of Romania; and

(2) the President should consult with allied countries to develop a coordinated policy to impose sanctions against Romania, particularly sanctions against food and agricultural products of Romania.

Mr. SMITH of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman from New Jersey [Mr. SMITH] for yielding.

Mr. Chairman, I just want to make a quick statement about where we are. We are on the last title, Mr. Chairman. We have three amendments. This is one of the three. I am not sure, but I believe the amendments have been worked out.

We would then, as I understand it, still have a possibility of a substitute that is not going to be offered, and we have a motion to recommit—excuse me; I am trying to find out—does the gentleman have four amendments?

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. He has four amendments on this side.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman from New Jersey [Mr. SMITH] for yielding.

We have four amendments. We think they are worked out, I hope. We then would have a motion to recommit and final passage, and then we would be through with this.

Mr. SMITH of New Jersey. Mr. Chairman, the amendment I am offering today recognizes and deplores the ongoing violations of human rights by the Government of Romania against its citizenry, including its mistreatment of ethnic Hungarians.

The amendment expresses the sense of Congress that the United States should impose limited sanctions against Romanian exports—specifically food and agricultural products—and that the President should consult with our allies to develop a coordinated policy of sanctions.

While the sanctions suggested in the amendment constitute only a fraction of the commerce between the United States and Romania—about $15 million in 1988—it nevertheless, sends a clear, nonambiguous signal to the Ceausescu regime that his government's abuses against the people will not be tolerated, and must cease.

Romania's food exports, including pork, wine, and cheese, are targeted for banning precisely because Ceausescu has been exporting the very staples necessary to feed the Romanian people. Bucharest's obsession with the acquisition of hard currency to wipe out Romania's foreign debt has imposed severe food shortages and deprivation to the people. In what could—and should—be a land of plenty, Europe's grainery, if you will, is today a place of extreme scarcity.

In recent years, Mr. Chairman, the methodical repression by the Romanian Government—especially its ruthless secret police, the securitate—has become increasingly apparent to all including other Communist governments in the region.

In early March, Hungary took the unprecedented action in cosponsoring a Swedish resolution considered by the U.N. Human Rights Commission to authorize the appointment of a special rapporteur to investigate Romanian human rights abuses. The rapporteur's report is due during the 46th session of the U.N. Human Rights Conference in 1990.

A March 15, 1989, editorial in the New York Times criticizing Ceausescu began this way:

> East Europeans have taken to calling Romanian President Nicolae Ceausescu the Idi Amin of Communism. He has squandered billions on grandiose public works that don't work, and has left many of his people hungry and freezing in half-darkened homes.

Even the Soviet Union has criticized the Romanian Government. According to the Washington Post, October 6, 1988, Gorbachev personally warned Ceausescu concerning his government's behavior. The story, written by Michael Dobbs said in part:

> In an unusually blunt luncheon address, the Kremlin chief made it clear that he is disturbed by economic mismanagement and human rights violations in Romania. He

said that the failings of any socialist country could bring discredit on the entire Communist system.

Also of significance, and worth noting here, is the fact that the U.S.S.R., East Germany, and Bulgaria broke with customary Warsaw Pact solidarity and abstained from voting on the U.N. resolution calling for appointment of the rapporteur for Romania.

Clearly, Mr. Chairman, the human rights violations in Romania are legion and have been documented beyond any reasonable doubt by numerous NGO's, the United States State Department, and the Helsinki Commission, of which I am a member.

Other nations, Mr. Chairman, likewise, are expressing their concern over Romania's poor human rights performance. Great Britain, for example, has frozen all high-level government-to-government contacts. Germany has canceled economic meetings with Romania and scientific cooperation between the two countries and have frozen high-level contacts. The European Community has suspended talks regarding economic arrangements with Romania.

France, for its part, has recalled its ambassador in reaction to Ceausescu's retaliation against six prominent former Romanian leaders who criticized the government's policy. The six, including two former members of the Communist Party Politburo and a former minister of foreign affairs, said:

MR. PRESIDENT NICOLAE CEAUSESCU: At a time when the very idea of socialism, for which we have fought, is discredited by your policy, and when our country is being isolated in Europe, we have decided to speak up. We are perfectly aware that by doing so we are risking our liberty and even our life, but we feel duty-bound to appeal to you to reverse the present course before it is too late.

The international community is reproaching you for the non-observance of the Helsinki Final Act which you have signed yourself. Romanian citizens are reproaching you the non-observance of the Constitution on which you have sworn. Here are the facts:

(a) The whole plan for systematization of villages and the forced removal of peasants to three-story apartment blocks run against Article 36 of the Constitution which protects the right to personal property of a household, with annexes and the terrain on which they are situated.

(b) The decree forbidding Romanian citizens to have contact with foreigners has never been voted by the legislative body and never published, thus lacking legal power. And yet our citizens are threatened to be fired, harassed, arrested and sentenced on that basis.

(c) The civic center, the biggest multi-billion lei investment of Romania has no public budget and is being built against all existing laws regulating constructions and their financing. The cost of that immense building has tripled because of changes you are ordering every month in the interior and exterior of the building.

(d) Securitatea, which we created to defend the socialist order against exploiting classes, is now directed against workers demanding their rights, against old members of the party and honest intellectuals exercising their right to petition (Article 34) and freedom of speech (Article 28) guaranteed by the Constitution.

(e) Factories and institutions are ordered to force their employees to work on Sundays against Article 19 of the Constitution and the Labour Code.

(f) Mail is systematically violated and our telephone conversations cut-off against Article 34 guaranteeing their privacy. To sum up, the constitution is virtually suspended and there is no legal system in force. You must admit, Mr. President, that a society can not function if the authorities, starting from the top, show disrespect for the law.

Planning no longer works in the Romanian economy. The meetings of the executive political committee are all past-oriented, exhorting the workers to make up for the unfulfilled plan of previous year, previous semester or previous month. An increasing number of factories lack raw materials, energy or markets.

Agricultural policy is also in disarray. Harsh administrative measures are directed against the peasants who, according to your own date, provide 40 percent of vegetables, 56 percent fruits, 60 percent milk and 44 percent meats, though they have only 12 percent of the arable land. But, of course, predominant in the villages is now the fear of being "systematized" with seven or eight thousand villages threatened to be razed. Above all economic, cultural and humanitarian objections of the civilized world to that program, a legitimate question arises: Why urbanize villages when you cannot ensure decent conditions of urban life in the cities, namely heating, lighting, transportation, not to mention food. A government which five winters in a row is unable to solve such vital problems for the population proves incompetent and inept to govern. Therefore, we are not pressing on you any demand in this respect.

The very fact that Germans, Hungarians and Jews are emigrating en masse shows that the policy of forced assimilation should be renounced.

Finally, we are deeply worried that Romania's international position and prestige is rapidly deteriorating. As you know, this is concretely shown by the decision of quite a few states to close their embassies in Bucharest. Most alarming, embassies of such European states as Norway, Denmark and Portugal have already left and others may follow. Our growing isolation affects not only diplomatic relations. We have lost the American clause for trade and as a result some of our textile factories have no orders. The E.E.C. is unwilling to extend its trade agreement with Romania, which will negatively affect other sectors of our economy.

You have always maintained that summit meetings are decisive in improving interstate relations. But how are you going to improve Romania's external relations when all the leaders of the non-communist nations of Europe refuse to meet with you. Romania is and remains a European country and as such must advance with the Helsinki process and not turn against it. You started changing the geography of the countryside, but you cannot remove Romania to Africa.

To stop the negative processes, both domestic and international, besetting our nation we appeal to you, as a first step, to take the following measures:

(a) To state categorically in unequivocal terms that you have renounced the plan of systematization of villages.

(b) To restore the constitutional guarantees regarding the rights of citizens. This will enable you to observe the decisions of the Vienna Conference on Human Rights.

(c) To put an end to food exports which are threatening the biological existence of our nation.

Once such measures were taken, we are prepared to participate in a constructive spirit in a dialogue with the government on the ways and means to overcome the present impasse.

Gheorghe Apostol, Former Member of Politburo and Chairman of Trade Unions; Alexandru Birladeanu, Former Member of Politburo and Chairman of Planning Committee; Cornel Manescu, Former Minister of Foreign Affairs and President of U.N. General Assembly; Constantin Privulescu, Founding Member of the Communist Party; I. Raceanu, Veteran of the Communist Party; Silviu Brucan, Former Acting Editor of "Scinteia."

Mr. Chairman, the latest assault on individual rights in Romania is Ceausescu's systematization program—a bizarre program with the goal of destroying up to half of Romania's approximately 13,000 villages and forcibly resettling their population into concrete-block "agro-industrial centers."

Because of government repression some 20,000 Romanian citizens have taken refuge in neighboring Hungary. A grave humanitarian problem has arisen in connection with these refugees: Many have left close family members—spouses, children, and parents—behind in Romania with little hope of family reunification in the near future. Other Romanian citizens have fled at great personal risk to Yugoslavia.

Romanian authorities have recently constructed a barbed-wire fence, fortified by deep ditches and a restricted border zone, on the border with Hungary, in an attempt to stem the tide of desperate refugees fleeing their homeland. In a highly unusual and welcome move, Soviet officials condemned the Romanians' construction of the fence last Friday.

In addition to unjustly imprisoned prisoners of conscience, many hundreds of Romanian citizens are in prison for attempting to cross the border illegally. A Baptist activist, Nestor Popescu, has been incarcerated in a psychiatric hospital since attempting to exercise his freedom of conscience and expression.

Mr. Chairman, the Romanian regime violates the rights of religious believers, national minority members, would-be emigrants, and all who seek to exercise their right to freedom of expression.

On May 31, authorities demolished the Comanesti Baptist Church in retaliation for so-called zoning violations

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

after arresting the pastor and two elders. The pastor was later released.

On June 20, authorities arrested human rights activist Eva Gyimesi for hoarding food and remains under house arrest. Recently, authorities brutally beat her good friend, the courageous and outspoken activist, Doina Cornea, who has been living under house arrest for several months.

I am also gravely concerned over the fate of several journalists, typesetters, and printers from the newspaper Romania Libera. They were detained in late January, accused of printing antiregime pamphlets. Their whereabouts and conditions are unknown.

Romania's repressive domestic policies are mirrored in its cynical approach to the international commitments it has undertaken. In January 1989, the regime signed onto the Vienna Concluding Document, then announced that it would abide only by those commitments it did not find objectionable. It rejected the U.N. Human Rights Commission resolution passed last March and has rejected the attempts of several C.S.C.E. member state representatives to use the new human dimension "mechanism" to raise several human rights cases.

In the face of Western criticism at two recent meetings held under the aegis of the 35-country conference on security and cooperation in Europe, Romania has returned to the timeworn and untenable defense of its abysmal record by claiming that "outsiders" have no right to "interfere" in a sovereign country's internal affairs.

This amendment deserves the support of the House, and sends a clear message to Romania to clean up its act.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I would like to express my support for the amendment sponsored by my good friend, Mr. SMITH of New Jersey.

While we have all been appalled by the recent tragic events in China, there have been equally tragic events taking place in Romania which deserve the Congress' condemnation.

The Government of Romania, despite moves toward democratization and freedom elsewhere in Eastern Europe, continues to violate the most basic human rights of its citizens.

The people of Romania suffer under religious persecution. Many have been imprisoned for their religious beliefs, and houses of worship have been demolished.

The Ceausescu regime's harsh economic policies include the elimination of many rural villages, and the sharp curtailment of exports, resulting in widespread shortages of basic goods and the destruction of family homes.

We here in the Congress should send a strong signal to Romania that the United States will not do business with them until there is an end to these cruel measures imposed on the Romanian people.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I am pleased to rise in strong support of this important amendment with regard to human rights abuses in Romania offered by the distinguished gentleman from New Jersey [Mr. SMITH] and I commend Mr. SMITH for his leadership in the struggle for the protection of human rights, both in Romania and around the world.

The continuing violations of human rights by the Government of Romania against its citizenry, necessitates the implementation of this amendment. Congress must make every effort to protect the most basic human rights including the right to one's religious beliefs, the right to emigrate, and the right to the freedom of expression. Romania's violation of these rights are extensive and well-documented by our State Department and by the Helsinki Commission.

Romanian President Nicolae Ceausescu's program of systemization, which would obliterate almost 13,000 rural villages and forcibly relocate the population into "agro-industrial complexes," is the latest infringement upon the individual rights of the Romanian people.

The United States has always been a leader in protecting the basic human rights of people around the world. We must join our fellow nations in expressing our concern over the Romanian's poor human rights record. This amendment expresses the sense of Congress that the United States should impose agricultural sanctions against Romania. We must also urge the President to coordinate with our allies a policy which would require Romanian authorities to respect the rights of her people. These sanctions are necessary, and we must act quickly to help the citizens of Romania who desperately need our assistance.

□ 1600

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I am happy to yield to the gentleman from California.

Mr. DYMALLY. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I join the gentleman from Michigan [Mr. CROCKETT] in praising the chairman of the committee and the ranking minority member for what I think is a very good bill.

Mr. Chairman, I am again requesting support for the foreign aid authorization, H.R. 2655, in its final passage. I commend to you for your consideration the following aspects of the bill:

I. CHAPTER 2 OF TITLE VI—THE CARIBBEAN REGIONAL DEVELOPMENT (MR. CROCKETT)

(a) Emphasis on promoting self-reliance with the specific involvement of the poor and women in development.

(b) Earmarking no less than $33,250,000 each fiscal year to be available only for the Eastern Caribbean and Belize.

(c) Insisting on specific action by the Government of Haiti in fostering and implementing a full and democratic society in which the Haitian people can prosper.

II. TITLE X—AFRICA (MR. WOLPE)

(a) The African Famine Recovery and Development Act—The critical role of women in development, the development of indigenous PVOs.

(b) An increase for FY 90 in Development Assistance at the expense of Economic Support Fund (See below).

	In millions
Development Assistance	580.0
African Development Foundation	10.0
Economic Support Fund	53.0
Military Assistance (equipment)	41.0
Military Training	11.2

(c) Rep. WOLPE's amendment to protect the $103 million earmarked for aid to sub-Saharan Africa from reductions, if reductions become necessary.

III. TITLE XIII—U.S. COMMISSION ON SOUTHERN AFRICA (MR. DYMALLY)

To establish a U.S. Commission on Southern Africa to solicit private funds to train middle management level South Africans and Namibians for positions in business and government.

IV. TITLE XIV—MISCELLANEOUS PROVISIONS

Section 1402—minority set-aside: Not less than 10 percent of the aggregate amounts available for fiscal years 1990 and 1991 for development assistance and assistance for famine recovery and development in Africa to be made available for activities of U.S. organizations and individuals that are minorities.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, we have examined this amendment. We agree with the gentleman from New Jersey and we are happy to accept the amendment.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I rise in support of this amendment which would express the sense of the Congress that the United States should impose sanctions on Romania to prohibit the importation to the United States of all food and agricultural products. The amendment further urges President Bush to consult the allies in Western Europe to develop a coordinated—and thus more effective—policy for sanctions on Romania.

The Romanian Government of President Nicolae Ceausescu gives no indication of ending its repressive poli-

cies—including systematic human rights violations and a plan to repay the Romanian debt on the backs of the Romanian people. By increasing exports and sharply curtailing imports, the Government that once presided over Eastern Europe's bread basket has imposed cronic food and household fuel shortages on the Romanian people.

Any internal opposition to President Ceausescu is considered a criminal offense and is treated accordingly.

Romanian dissident Doina Cornea has been beaten and placed under house arrest for releasing an open letter critical of Ceausescu's policies.

The fate of four Romanian journalists who attempted to publish criticism of Ceausescu is still not known.

Six former loyal Romanian officials, including Communist Party members, were suppressed in attempting to criticize Ceausescu and confined under house arrest.

On May 31, the Comanesti Baptist Church near the town of Bacau was bulldozed by the Government despite the appeals of its pastor and its congregation and even an unusual defense by Romania's normally quiet Baptist hierarchy. The church's leadership was arrested, but subsequently released. However, this congregation, like many others, remains under constant threat.

Romania apparently even erected a barbed-wire fence across its Hungarian border to try to prevent Romanian citizens, particularly ethnic Hungarians, from fleeing to Hungary. A campaign of forced assimilation toward Romania's Hungarian minority has caused the first mass exodus from one Communist country to another, Hungary, which reportedly happens to be tearing down its Iron Curtain with Austria.

The Romanian regime has systematically flouted its own international human rights commitments.

Witness the Romanian Government's statement after signing the Vienna Concluding Document last January that it would only selectively comply with the Helsinki accords document's human rights provisions.

One month later, the Romanian Government denounced the decision by the United Nations Human Rights Commission to establish a special rapporteur to investigate Romania's human rights conditions, and it has yet to indicate any forthcoming cooperation.

Not surprisingly, the official Romanian tune remained unchanged in Paris, where United States negotiators to the Helsinki followup Conference on the Human Dimension heard the Romanian delegate "reject categorically the totally baseless allegations regarding economic, social, and political realities" in their country.

Mr. Chairman, we have come very close to exhausting every diplomatic lever for achieving Romanian compliance with its own human rights commitments. Already the European Community has suspended talks over renewing a trade agreement with Romania.

The Smith amendment deplores human rights abuses in Romania and expresses the sense of Congress that the United States should impose limited sanctions aginst Romanian exports, specifically food and agricultural products.

Why take action against Romania now?

Bucharest's obsession with the acquisition of hard currency to wipe out Romania's foreign debt has imposed severe food shortages and deprivation to its people. Food is unnecessarily scarce in Romania.

Other countries have taken recent action against Romania. Great Britain has frozen all high-level government-to-government contacts. Germany has canceled economic meetings with Romania and scientific cooperation between the two countries. France has recalled its Ambassador. The European Community has suspended economic talks with Romania. The United Nations has appointed a special rapporteur to investigate Romanian human rights abuses. Hungary took the unprecedented action of cosponsoring the U.N. resolution while the rest of the Warsaw Pact broke with Romania and abstained from the vote. Soviet leader Gorbachev has publicly criticized and warned Ceausescu for human rights violations.

Ceausescu presses on with his program of systemization hoping to destroy nearly 13,000 villages and force cruel relocation of Romanian families.

Some 20,000 Romanian citizens have taken refuge in neighboring Hungary, leaving family members behind.

Romanian officials have recently constructed a barbed-wire fence, reminiscent of the Berlin Wall, to try to stop refugees.

Beatings, arrests, and harassment continue for anyone who questions Ceausescu. Even former Communist leaders have been placed under house arrest for their criticism of Ceausescu.

The United States cannot remain silent while so many others have spoken out against Romania's deplorable human rights record. Vote yes and vote in favor of improved human rights for Romanians.

I urge support of this amendment, which would be a sense of the Congress, and would represent a very, very small percentage of overall United States imports from Romania. This is an important and necessary signal to place pressure on the Romanian Government, and perhaps even to assist the Romanian people by working with the administration to embargo edible food products from Romania.

It is high time for the United States and its allies to take at least an initial step to stand with the Romanian people.

All in free world, let Romanian people know we care—Radio Free Europe.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I am happy to yield to the gentleman from Maryland, the chairman of the Helsinki Commission.

Mr. HOYER. Mr. Chairman, I thank the gentleman from New Jersey for yielding to me and congratulate him for introducing this amendment.

There is no doubt that Romania has shown itself to be the principal violator of the human rights of its citizens within the community of nations in Helsinki. I think this is a very appropriate amendment that sends a strong signal, and I certainly support the gentleman's amendment.

Mr. SMITH of New Jersey. Mr. Chairman, just one final comment. This amendment does send that clear signal to the Romanians, even those Communists in the East bloc countries, including Hungary, which have been criticizing the Romanian Government and Ceausescu. I think this is a worthy amendment and hope that my colleagues will suppport it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title XIV?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 588, add the following after line 7:

SEC. 1404. UNITED NATIONS VOTE ON HUMAN RIGHTS ABUSES IN CUBA.

(a) STATEMENT OF POLICY.—The United States expresses its deepest displeasure and disappointment with those countries who voted against the United States and with Cuba at the United Nations Human Rights Commission in Geneva in March of 1989 on the resolution proposed by Panama to curb the United Nations investigation of human rights abuses in Cuba. This was a vote crucial to United States interests and reflected the attitudes of these countries with respect to human rights and friendship with the United States.

(b) LIST OF COUNTRIES.—The countries referred to in subsection (a) are Botswana, Bulgaria, the People's Republic of China, Colombia, Cuba, Cyprus, Ethiopia, the German Democratic Republic, India, Iraq, Mexico, Panama, Peru, Sri Lanka, the Ukranian Soviet Socialist Republic, the Union of Soviet Socialist Republics, and Yugoslavia.

(c) DEDUCTION OF FOREIGN ASSISTANCE.—Any foreign assistance otherwise authorized

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

to be made available under this Act for fiscal year 1990 for any country listed in subsection (b) shall be reduced by 50 percent.

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, over a year ago after a big fight in Geneva, the U.N. Human Rights Commission was given authority to investigate human rights abuses in Cuba, and for 1 year the investigation took place, but then on March 31, 1989, a day which will live in infamy in Geneva at the second Human Rights Commission after this took place, a Panamanian resolution meant to get Cuba off the hook for its human rights abuses was passed, against the efforts of the United States and its Ambassador, Armando Valladares, who spent 25 years in a Cuban prison.

It was very clear what was happening. A vote for Panama was a vote for Cuba. The countries who voted against us and against the Cuban people ought to pay for it, and that is the purpose of this amendment.

The purpose of the amendment, Mr. Chairman, very simply is to make those countries who voted against the human rights investigation of human right violations in Cuba pay for their lies to the United States. Many of them told us they were going to vote with us on the amendment and then reneged on it. So what this amendment does simply is it cuts the assistance to those countries by 50 percent during the fiscal year 1990 and 1991.

I understand the gentleman from Pennsylvania [Mr. YATRON] has a perfecting amendment to this.

I have discussed this with the chairman of the Foreign Affairs Committee and have told him that I would be happy to accept the amendment of the gentleman from Pennsylvania [Mr. YATRON] which would cut the 50-percent penalty, but would still send a message to these countries the countries of Botswana, Bulgaria, the People's Republic of China, Colombia, Cuba, Cyprus, Ethiopia, the German Democratic Republic, India, Iraq, Mexico, Panama, Peru, Sri Lanka, the Ukrainian Soviet Socialist Republic, and the U.S.S.R. in Yugoslavia.

It would send a message to many of them that we are concerned about their vote in the United Nations and that next year unless they change and are willing to investigate the human rights violations of Cuba, a cutoff or a reduction in foreign aid may take place.

Mr. BURTON of Indiana. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. YATRON TO THE AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. YATRON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. YATRON to the amendment offered by Mr. BURTON of Indiana: In the text proposed to be inserted by the amendment, strike out subsection (c).

The CHAIRMAN. Without objection, the gentleman from Pennsylvania is recognized for 5 minutes in support of his amendment.

There was no objection.

Mr. YATRON. Mr. Chairman, I share the concern of the gentleman from Indiana about the U.N. Human Rights Commission vote on Cuba. Cuba is a repressive dictatorship and there was no substantive reason for the Commission to adopt the watered-down resolution sponsored by Panama.

Mr. Chairman, my subcommittee has had two human rights hearings on Cuba in the last few years and has worked on a bipartisan basis to focus international attention on the human rights abuses committed in Castro's Cuba.

The gentleman's amendment is well-intended, but would needlessly and adversely affect humanitarian programs in several impoverished nations. It would result in dramatic reductions in our programs to combat illicit narcotics trafficking in Columbia and Peru.

Further, it would cut the much needed assistance for displaced people in Cyprus. I would remind our colleagues that it was the Government of the Republic of Cyprus which allowed its territory to be used for overflights by the U.S. military to support our marines in Beirut when other countries in the region, including a NATO ally, would not. I think that kind of support for U.S. interests should be taken into account.

My amendment would retain the gentleman's policy statement and the country listing, but delete the provision mandating a 50-percent reduction in assistance. I urge my colleagues to support the amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to my colleague, the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I want to compliment my good friend, the gentleman from Pennsylvania [Mr. YATRON], the chairman of the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs.

Mr. Chairman, I support the Yatron amendment which deletes a section in the Burton amendment mandating a reduction in assistance to Cyprus and other countries.

I share the disappointment of my colleagues about the U.S. Human Rights Commission vote on Cuba. It is regrettable that nations which share our values often fail to vote with us in international organizations. Punishing these countries, however, sets a bad precedent. I believe it would be unwise for America to cut aid to nations which might honestly disagree with our Government's position on a number of issues. Our assistance to other nations is given for humanitarian reasons or for foregn policy purposes, Linking U.S. aid to a country's voting record is counterproductive.

I strongly oppose cutting United States assistance to Cyprus during this sensitive period in the ongoing peace talks concerning the future of that island. Mr. Denktash and President Vassiliou of the Republic of Cyprus will soon meet at the United Nations and make important decisons regarding the next phase of the intercommunal talks. We should do everything possible to show our support for these negotiations and not undermine them by cutting badly needed U.S. assistance.

While I share Congressman BURTON's frustration with the voting records of many of our friends, I believe that cutting aid to these countries would ultimately undermine U.S. interests in those countries. We, not they, might suffer in the final analysis.

I urge your support of the Yatron amendment.

Mr. YATRON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. YATRON] to the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 588, after line 7, insert the following:

SEC. 1101. UNITED NATIONS GENERAL ASSEMBLY RESOLUTION CALLING ZIONISM A FORM OF RACISM.

It is the sense of the Congress that—

(1) when considering the furnishing of foreign assistance to any foreign country, the President should give serious consideration to whether that country has formally rejected the resolution adopted by the United Nations General Assembly on November 10, 1975, that calls Zionism a form of racism; and

(2) the United States should continue to reject that resolution and should urge all other countries, which have not done so, to join in formally rejecting that resolution.

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, on November 10, 1975, the U.N. General Assembly adopted a resolution calling Zionism a form of racism. Mr. Chairman, this blatant act of anti-Semitism is the most disgusting action ever taken by the United Nations.

My amendment simply states that when considering foreign assistance to any foreign country, it is the sense of Congress that the President should give serious consideration to whether that country has formally rejected the U.N. resolution calling Zionism a form of racism. The amendment also states that the United States should continue to reject the resolution and should urge all other countries, which have not done so, to join in formally rejecting that resolution.

We should expect no less from any country, especially countries that receive U.S. foreign assistance. We must continue to send a signal to the world that the United States of America takes any act of anti-Semitism very seriously. We must never acknowledge, abide by or acquiesce in this infamous act by the so-called United Nations.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise to express my support for the amendment offered by the distinguished gentleman from Indiana [Mr. BURTON] and I commend the gentleman for his fine work.

This resolution expresses the sense of Congress that the President should consider in his foreign aid certification criteria whether a particular nation has formally rejected the resolution adopted by the U.N. General Assembly on November 10, 1975, which labels Zionism a form of racism.

Mr. Chairman, we are all familiar with that biased, absurd resolution. We are all acutely aware of that resolution's own brand of racism. This is an appropriate way for the U.S. Congress to clearly express itself to all of its allies, and to once again make salient the ill-conceived and poorly executed attempt by some United Nations member-states, to express anti-Israeli sentiment and anti-Jewish sentiment. I urge the adoption of this resolution.

□ 1610

Mr. Chairman, we are all familiar with that biased, absurd resolution, and we are acutely aware of that resolution's own brand of racism. I think this is an appropriate way for the Congress to clearly express our indignation.

Mr. Chairman, I commend the gentleman and thank him.

AMENDMENT OFFERED BY MR. BERMAN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BERMAN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BERMAN as a substitute for the amendment offered by Mr. BURTON of Indiana: It is the sense of Congress that the United States should continue to reject the resolution adopted by the U.N. General Assembly on November 10, 1975, that calls Zionism a form of racism, and should urge all other countries which have not done so to join in formally rejecting that resolution.

The CHAIRMAN. Without objection, the gentleman from California is recognized for 5 minutes in support of his substitute.

There was no objection.

Mr. BERMAN. Mr. Chairman, I rise in support of the substitute. I commend the gentleman from Indiana for bringing the issue of the resolution adopted by the United Nations back in 1975 to the attention of this body. We cannot remind ourselves too often of the horrendous nature and the sense of revulsion that I think most of us feel over the adoption of that resolution. That was surely one of the great black marks for the United Nations.

Many of those countries that supported that resolution which sought to deny the aspirations of Jewish people for a homeland were doing so under the coercion of oil and oil prices imposed by the chief proponents of that resolution.

Mr. Chairman, I would suggest that my resolution. and the substitute, is more appropriate for the purposes of supporting the Israeli Government and its safety and security, and I would also suggest to my friend, the gentleman from Indiana [Mr. BURTON], that in furtherance of security for Israel, an aye vote on the foreign assistance bill is far more important than a hortatory resolution with respect to the question of that U.N. resolution, to suggest that a criterion for consideration of foreign assistance will be the renunciation of that resolution.

I join with the gentleman in hoping that countries muster up the courage to take the principled action and to renounce that resolution will defeat many of the efforts this Government and of the Israeli Government to develop diplomatic relationships with many of the countries to which the Arab oil embargo and a threat forced those countries to suspend diplomatic relations.

The resolution in its original form is not really in the best interests of Israeli security, the effort of the Israeli Government to broaden out and branch out and reestablish the relationships it had with so many countries in the Third World.

I believe that this resolution which accepts the gentleman's principles is a good substitute for it, and I would ask the gentleman to consider it.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I am happy to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I think that the gentleman makes a good point, and I accept his amendment.

Mr. BERMAN. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BERMAN] as a substitute for the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON], as amended.

The amendment, as amended, was agreed to.

Mr. NIELSON of Utah. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Utah is recognized for 5 minutes.

There was no objection.

Mr. Chairman, I do not intend to offer my amendment calling on Israel to reopen schools in the West Bank. After talking to many people involved in this issue I have decided that the timing of the amendment is such that it may upset delicate negotiations in the region.

It is not my desire to upset any possible prospects for peace. Rather, the amendment was intended to be a pro-peace, proeducation amendment that did not assess blame.

I would like to engage the gentleman from California [Mr. BERMAN] in a colloquy regarding an agreement we have reached which would allow me to offer the amendment during consideration of the Foreign Operations Appropriations bill. I would like to make it clear that this agreement does not mean that I have backed down from my position. I am very much interested in the reestablishment of a normal educational environment in the West Bank. I will be watching the situation very closely between now and the time the Foreign Operations Appropriations bill is brought to the Floor. Should the situation in the West Bank

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

not change sufficiently by that time, my understanding of the agreement is that I will be reserved the opportunity to address the school closure issue at that later date.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I am happy to yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I was very interested in the amendment and wanted to be supportive of it. If the gentleman is going to withhold it until the appropriation bill comes up, I will support it at that time.

Mr. Chairman, I rise in support of the amendment offered by Mr. NIELSON because I am concerned that Israel's restriction on education in the occupied territories is creating a generation of illiterate Palestinian children who have nothing to contribute to the Middle East peace process.

As a strong supporter of Israel, I sympathize with the concerns of Israeli military officials who worry that the assembly of Palestine children in schools may at times pose a threat to local security. But why is it also illegal to teach lessons in small private settings and in homes? Why must Palestinian children now go underground just to learn their ABC's? To date, I have not heard a single argument which would convince me that this policy is in the best interest of either Palestinian children or the State of Israel.

Certainly, there is little mystery about the consequences of inadequate education for the Palestinian society, or any society for that matter. Many of us are trying to cope with the growing dropout and illiteracy rate in our backyards, right here in the land of educational opportunity for all. I ask my colleagues to consider what kind of immediate and long-term crises you would be facing if all the students in your district stayed out of school for 2 years? The shortage of skilled manpower we are beginning to suffer from here in the United States will seem miniscule to the problems the Palestine economy of tomorrow is now certain to experience. No civilized society can afford to take such large steps backward in its development; The Palestinian case is no exception.

Most of the children who now throw stones at soldiers would be in school during the day if they could be. Palestinian mothers in the occupied territories don't send their children to school so they can plot to undermine Israeli authority. They want to see their kids get a solid education. Palestinians take immense pride in the fact that they are among the best educated people of the Arab world.

The undereducated, idle, and angry youngsters who now pick up rocks instead of pencils, will continue to fuel the Palestinian uprising until they are given a less violent option. I can't think of a better diversion than education.

By encouraging education in the territories, Israel can avoid confrontation by keeping children off the streets, and more importantly, it can help ensure a generation of Palestinians who are educated enough to recognize the mutual benefits of peaceful coexistence with Israel. It is time for Israel to reevaluate this policy, for the sake of Palestinian children and for the sake of furthering Middle East peace prospects.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I am happy to yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I appreciate the gentleman yielding. The author of the amendment, the gentlewoman from Ohio, and I have had a number of discussions including discussions with the chairman of the Subcommittee on Foreign Operations. He has indicated to me that he has no objection to an amendment being proposed, and a discussion of this issue on the foreign operations bill when it reaches the House floor, provided that, and assuming that, the Republican leadership supports that kind of a discussion. He also made it clear that he is not committed to any particular language or proposal and would want the opportunity to review language of any amendment that he might be asked to support or vote on.

Ms. OAKAR. Mr. Chairman will the gentleman yield?

Mr. NIELSON of Utah. Mr. Chairman, I am happy to yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I want to thank the gentleman for yielding and, first of all, say that I think that the fact that he will withdraw the amendment and save it for another time is in the best interests of peace in that area. I want to compliment him on that, and I also want to confirm what the gentleman from California has said and hope that there will be a discussion on this in the spirit in which we all want to see peace in that area.

The CHAIRMAN. Are there further amendments to title XIV?

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Florida is recognized for 5 minutes.

There was no objection.

Mr. FASCELL. Mr. Chairman, I do not know of any more amendments, but before the Chair left the chair, I wanted to express appreciation of the House for the excellent job he has done.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I am happy to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, for a moment I, too, want to join with the chairman, the gentleman from Florida [Mr. FASCELL], in paying tribute. The Chairman has handled this bill, I know, a number of times, and it has been a very difficult time. We on this side are very, very grateful for the way the gentleman conducted the entire process, and we thank him very much.

The CHAIRMAN. Are there further amendments to the bill?

Ms. LONG. Mr. Chairman, I reluctantly rise in opposition to H.R. 2655, the Foreign Aid Authorization Act. I know that my colleagues on the Foreign Affairs Committee worked hard on this legislation.

There are many positive portions of this measure including the aid to Israel and Egypt, Peace Corps funding, international narcotics control funding, and policies which promote human rights and democracy around the world.

But Mr. Chairman, this is not a bill just to aid Israel, nor is it a drug bill to fight the war on drugs. This is the foreign aid bill and it must be assessed in total with all of its good and bad points.

I have examined the bill and I cannot support it in its present form.

First of all, I am pleased that we were able to adopt the Fascell amendment to reduce the total funding in the bill. However, the legislation still increases funding over last year by nearly $400 million.

We have plenty of needs right here in the United States that are not being met due to the budget crunch. I came to Washington to reduce deficit spending, not increase it. I am not prepared to increase foreign aid, while simultaneously reducing domestic programs right here at home.

Second, the cargo preference provisions in the bill are very troubling. As a farmer, and a member of the House Agriculture Committee, I know the importance of keeping agricultural export costs to a minimum.

The provision which requires that 50 percent of the goods purchased by cash transfer recipient countries be carried on U.S. ships would be extremely detrimental to U.S. agriculture. They would erode the value of U.S. foreign aid and decrease exports, in particular agricultural exports.

The cargo preference provisions would make American exports more expensive because they would mandate that goods be exported in a costlier manner. According to the Agency for International Development [AID], the cost of shipping on U.S. vessels averages $58.79 per ton. The cost of shipping on foreign-flagged ships averages $33.17. I support a strong domestic shipping industry, but it makes no sense to increase the cost of exporting, especially at a time when our Nation is trying to deal with stubborn trade deficits and trying to improve our foreign trade position around the world.

Mr. Chairman, I hope that the authorization levels contained in the bill are scaled back, and I hope that the cargo preference provisions are stripped out in the Senate, or in the conference on the bill. At that time, I could support this important legislation.

Mr. FEIGHAN. Mr. Chairman, I rise in strong support of H.R. 2655, the International Development and Cooperation Act of 1989. I want to commend the chairman of our full committee, Mr. FASCELL, for his leadership in keeping us on schedule and allowing us to get to the floor in an expeditious manner. Again this year, the chairman has succeeded in forging a bipartisan

consensus on many of the tough issues that the committee faces. The true measure of that success came in the overwhelming bipartisan vote in favor of the bill when it came out of committee.

Foreign aid has never been a popular program. All too often, it is viewed as a giveaway for which the United States received little or nothing in return. That's just not true. In terms of protecting our national security; in terms of advancing economic opportunity and opening foreign markets; and in terms of providing leadership in solving international problems; foreign aid funds allow the United States to play a superpower role.

That type of influence is available to the United States at an investment of about 1 percent of the the Federal budget. The bill reported by the committee comes in $4 million less than the Bush administration's request.

In years past, the foreign aid bill has also been a battlefield for partisan disputes over American foreign policy. This year, the key word was cooperation. The result was true bipartisan compromise on some of the thorniest issues facing the committee. Perhaps not everyone will be satisfied with every aspect of the bill, but the committee has fashioned a bill that finds common ground on nearly all the major issues we face.

In the Middle East, the bill maintains the current AID package for Israel and Egypt in support of the Camp David accords. This commitment ensures that the United States remains engaged in assisting the parties in the region to pursue the road to a lasting peace in the Middle East. In Europe and the Far East, the bill provides needed aid to strategic base rights countries. And in Latin America and Africa, AID promotes economic development and expanded market opportunities for our export community. And in Asia, the bill sends a strong signal to the Chinese Govenment that the American people remain outraged by the brutal murder of more than 700 peaceful demonstrators in Tiananmen Square—by codifying President Bush's sanctions against China into law.

Foreign aid isn't a giveaway. It's our insurance policy. It's a small investment that allows us to maintain our commitments to our allies, to open markets abroad and to help others to help themselves. I urge my colleagues to make that investment and vote for H.R. 2655.

Mr. KASTENMEIER. Mr. Chairman, I would like to commend the Committee on Foreign Affairs for its support for those foreign aid programs which the committee believes will encourage broad-based, sustainable, participatory development, with particular emphasis on the poor. I am pleased by the committee's backing of child survival activities, efforts to alleviate poverty and improving the management of resources to promote environmentally and economically sustainable development. Our assistance for these overseas efforts represents our Nation's traditional values and the generosity of the American people, and I urge my colleagues to support those provisions of the International Cooperation Act which address the need to improve the human condition in poor, less developed countries.

I, however, have to differ with the overall thrust of the International Cooperation Act which places its greatest emphasis on security aid. Approximately 64 percent of the $11.5 billion authorized for each of the fiscal years 1990 and 1991 simply feeds the military in many foreign lands. This is not my idea of the values that our foreign aid program should reflect.

Mr. Chairman, in particular, I want to express my disappointment with the Committee's decision to continue military aid for El Salvador. For 9 years, there has been an ongoing civil war in El Salvador. Nearly 70,000 people, mostly civilians, have been killed and the human misery there continues. United States policy toward El Salvador is sterile and bankrupt, and giving the Salvadoran military $85 million for each of the fiscal years 1990 and 1991 promises more of the same. Nine years of a savage war have not brought peace to the Salvadoran people. If the conflict is to be ended, then all military aid must cease and the Salvadoran Government must be encouraged to participate in a negotiated political settlement. H.R. 2655 fails to accomplish this purpose.

Mr. Chairman, I will vote against H.R. 2655 and I urge my colleagues to reject this legislation.

Mr. GEPHARDT. Mr. Chairman, I would first like to commend the outstanding work of Chairman FASCELL and the members of the Foreign Affairs Committee for their months of tireless work in bringing this bill to the floor.

Since 1981, Congress has passed only two free-standing foreign aid bills. Our progress on this bill is a further sign that the House is back on track, addressing our Nation's most pressing problems.

We often speak of America's commitment to freedom and self-determination around the world. Foreign aid is one place where we put our money where our mouth is. It fulfills a basic humanitarian spirit in the American people to help those less fortunate than ourselves. It says that where there is poverty, disease, and hunger, America will be there to help ease the suffering.

I'm particularly pleased with our new commitment to the Multilateral Assistance Initiative in the Philippines—our renewed support for famine relief in Africa—and our expanded funding for Peace Corps, with the goal of reaching the level of 10,000 volunteers by the year 1992.

This bill also puts America squarely on the side of those promoting economic and political freedom around the world, applying a single standard to all countries, from China to El Salvador, from Kenya to Burma, from Nicaragua to Mozambique.

In this age of budget stringency and pressing problems here at home, some may ask if we can afford $11.5 billion for foreign aid. I believe we can't afford not to fund this program. This bill promotes goals that are vital to our political, economic, security, and environmental interests. By promoting prosperity in developing countries, we help create a secure and stable world, to the benefit of all nations. By supporting the forces of free enterprise, we expand our opportunities for our own exports and investment. By fostering sound environmental practices, we protect the world's fragile ecological balance.

Nowhere do our foreign and domestic interests merge more strongly than in the provisions relating to drugs.

The scourge of drugs begins abroad, and works its insidious way into America's inner cities and suburbs. To complement our other efforts at interdiction and enforcement here, this bill goes to the source of these drugs in foreign countries. We give the President every penny he asked for to assist antidrug efforts abroad—$155 million.

Then we go several major steps further, providing new weapons in the war on drugs. We renew overseas programs in last year's drug bill that the administration would have allowed to expire.

We start innovative new programs, including those which offer countries new assistance if they get tough on drugs.

We create a $14 million fund to finance development projects in countries that undertake programs to eliminate production of illegal drugs, especially cocaine.

We tell foreign officials that allow their countries to be used for money laundering, bribery, or trafficking: "You won't receive another penny of American aid until your clean up your act."

The Administration asked us to delay these measures until next September, when they unveil a new plan. Today, with this bill, we are saying that drugs don't take the summer off, and neither should we. We must attack this epidemic now.

On drugs—on human rights—on famine relief—and on promoting basic human needs, this bill uses the power of the purse to guide our foreign policy in the right direction.

It is an outstanding bill. It deserves our strongest support.

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in support of H.R. 2655, the Foreign Assistance Act authorization for fiscal 1990 and 1991.

This agreement was worked out as a result of the 1990 budget negotiations with the White House and the leaedership of the House and the Senate. While I was not a part of the negotiating process, I did vote in favor of the 1990 budget resolution (H. Con. Res. 106) when it came to the floor. As a result, I feel that I am now obligated to abide by the decisions of the negotiators, as ratified by both the House and Senate.

My decision to support passage of this bill can not, and should not, be construed by anyone as unqualified support for this package, or the concept of foreign aid. H.R. 2655 will authorize the expenditure of at least $23 billion in tax dollars over the next 2 years. This is not a responsibility that I take lightly.

The United States, as the leader of the free world, has an obligation to help her allies, and those countries that are striving for the freedoms that we currently enjoy. H.R. 2655 pro-

vides needed assistance to developing countries, as well as to good friends and allies such as Israel and Egypt.

The fiscal, economic and political realities of the day must force us to take another look at what we hope to achieve through foreign assistance packages. I have found over time that very few individuals, or countries, are successful at buying one's loyalty. In fact, it sometimes appears that the more money we send abroad, the more enemies we make. That's not the type of foreign policy that we want in this country.

As the elected representatives of the people of Wyoming to the House, I have an obligation to look out for their best interests. Wyoming has lost hundreds of jobs since the beginning of this decade, and unfair foreign competition has played a key role in these losses.

With limited tax dollars available, we have to become more responsible in how the Congress spends it. H.R. 2655 is, for the most part, a "done" deal as a result of the budget summit. In the future, I will look more closely at these bills to ensure that they are not only in the best interests of foreign governments and a small group of negotiators, but in the best interests of the people of Wyoming as well.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker, having resumed the chair, Mr. AuCoin, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2655) to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes, pursuant to House Resolution 179, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

□ 1620

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LEACH OF IOWA

Mr. LEACH of Iowa. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LEACH of Iowa. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Leach of Iowa moves that the bill H.R. 2655 be recommitted to the Committee on Foreign Affairs with instructions to report the same back to the House forthwith with the following amendments:

Page 62, strike out the sentence beginning in line 12; and page 64, strike out lines 6 through 10.

The SPEAKER. The gentleman from Iowa [Mr. Leach] will be recognized for 5 minutes and the gentleman from Florida [Mr. Fascell] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Iowa [Mr. Leach].

Mr. LEACH of Iowa. Mr. Speaker, on behalf of the minority, the gentleman from Nebraska [Mr. Bereuter] and I are offering this motion to recommit.

What it does, quite simply, is strike the cargo preferences part of this bill. Frankly, we are not misled into thinking necessarily that we can get a majority vote. But we feel quite strongly that cargo preference is an issue that should be revisited and put in a larger context.

When this gentleman came to this body in the mid-1970's, he had the feeling that this Congress was an energetic, reform-oriented institution. The question today is whether this body is becoming increasingly a body susceptible to approve particularist interests against the national interest.

The goal of this bill in a very large context is simply to assist less priviliged countries; and secondly, to enhance the exports of the United States of America. Cargo preference has the effect of increasing middleman fees, thus decreasing aid to the poorest of the poor, and decreasing American exports. It runs full square counter to the purposes of this bill.

There are growing frustrations in this body about the trade deficit with Japan. The "made in Japan" label has become a major American challenge.

But to thousands of midwestern farmers, to workers who man midwestern ports, to the poorest of the poor in Africa, to hunger and relief organizations around the world, to outside observers like the Grace Commission, cargo preference is a scandal "made in Congress."

What the minority party would like to do is ask this body to be serious about helping balance our trade as well as our budget.

We also would like this body to be honest about sticking with an agreement once made, in this case the one made between all the parties in the last Congress about cargo preference.

Most importantly, we believe it is time to stand up for the little guy over a few big shipping companies and a few powerful unions. It is time to return to our reform tradition. It is time to strike the cargo preference provisions in this particular statute.

I urge the majority party in particular to give this serious consideration.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair would advise the gentleman from Iowa [Mr. Leach] that it is necessary for the gentleman to use his 5 minutes. A reservation is not permitted under the rules.

Mr. LEACH of Iowa. Mr. Speaker, I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. Solomon].

Mr. SOLOMON. Mr. Speaker, I want you hawks on this side of the aisle to listen to me. I am one of you. I want you to vote for a strong national defense.

Thirty years ago this country had 4,000 American bottom merchant marine ships, and we had huge surpluses in trade. Today we have 400 ships and we have huge trade deficits.

Why? I will tell my colleagues why. Look at the backward nations like China, which we have just finished talking about all day today. Twenty years ago China had 60, just 60 merchant marine ships. Today they have 1,200, three times as many as we have in America.

Do my colleagues want to know what happened to those 3,600 American ships? They were economically torpedoed to lay on the bottom of the ocean.

If we are going to turn around the trade in this country, we are not going to let these other industrialized nations subsidize their industries. We are going to go into the business ourselves. This is the way to do it.

China exports 70 percent of their goods on their bottoms to this country, putting our people out of work. Today is the day to keep cargo in here, and send the message to Japan and the rest of these countries that we are not going to take it anymore, we are not turning the other cheek.

Vote against this motion to recommit.

Mr. FASCELL. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. Torricelli].

Mr. TORRICELLI. Mr. Chairman, if this amendment seems familiar, if this debate seems familiar, it is because it is. Twice in this session, once in the last Congress Members have been called upon to vote for this same amendment. Now we ask Members to do so again as they did only 2 days ago by a wide margin, because the issue is simple: Do not ask the American people to send their foreign aid abroad so that it will be used for Argentine wheat or Cuban sugar or Japanese machine tools.

Our amendment is simple. If foreign aid is not spent in the recipient country, spend it in America.

Finally, and the gentleman from New York [Mr. SOLOMON] has said this well, we cannot be a strong nation, we cannot be a secure nation, we cannot have real national security without a merchant marine. Ours is in collapse.

I know that the ideal place to assure a strong national security and a merchant marine is not in the foreign aid bill, I agree. But the reality is this is our only choice.

What I ask is this: If American aid is to go to other nations, allow a portion of it to go on American ships so that the American flag stays on the high seas, available for national emergencies, available for national security available if America needs it.

Members have voted on that amendment three times in the last two Congresses. Please do so again.

Defeat the motion to recommit. Stand with the committee, stand with the bipartisan majority of this House. Defeat the motion to recommit, keep cargo preference, keep American aid flowing back into America.

The SPEAKER. The gentleman from Florida [Mr. FASCELL] has 1 minute remaining.

Mr. FASCELL. Mr. Speaker, I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent, since I was not in the Chamber when the debate began, to be given 2 minutes of the time that the gentleman from Iowa [Mr. LEACH] did not use.

The SPEAKER. Is there objection to the request for the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I appreciate being given this opportunity to speak on an issue that is very important to me and to the people living in my district and State.

The Torricelli amendment will be counterproductive for exports. It will be counterproductive for bulk exports of all kinds. It will be counterproductive for manufactured goods.

I want to make it quite clear to the Members of this body what they are voting on. If they vote to leave the Torricelli language in the legislation, they are voting for reduced exports from the United States. Cargo preference takes food directly out of the mouths of starving children, and in this instance we are expanding it beyond that point, however. We are expanding it beyond the Food for Peace Program. We are expanding it to an impact so that it affects every nation except those for which there is an exception in the legislation that receives cash transfers or ESF funds.

What does that even mean? It means that those countries have to buy as much in U.S. exports as they receive in ESF funds. That sounds fair, does it not?

But in reality, on the average, they are already importing from the United States 13 times as much as the ESF funds they receive. Those countries oftentimes, in fact generally, almost always import their grain, import the coal not through commercial channels, they do it through government agencies.

So a vote for the Leach motion to recommit will strike the Torricelli language. A vote for the Leach language is a vote for coal miners, despite what the union people might say. A vote for the Leach amendment is a vote for agriculture exports.

□ 1630

Make no mistake about it, that is the way it comes down. A vote against him means that the outside influences that are using their political action committees' money here are going to win. That is unfortunate for the American people.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from Iowa [Mr. LEACH], which will be a 15-minute vote.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEACH of Iowa. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. Pursuant to the provisions of clause 5, rule XI, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on passage of the bill.

The vote was taken by electronic device, and there were—ayes 162, noes 255, not voting 15, as follows:

[Roll No. 128]

AYES—162

Archer
Armey
Atkins
Baker
Ballenger
Bartlett
Barton
Bereuter
Berman
Bliley
Boucher
Broomfield
Brown (CO)
Bruce
Buechner
Burton
Campbell (CA)
Carr
Coble
Coleman (MO)
Combest
Cooper
Costello
Cox
Craig
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Dorgan (ND)
Dornan (CA)
Douglas
Dreier
Durbin
Edwards (OK)
Emerson
English
Fawell
Frenzel
Frost
Gallegly
Gekas
Gillmor
Gingrich
Glickman
Gradison
Grandy
Grant
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Hatcher
Henry
Hiler
Hopkins
Houghton
Huckaby
Hyde
Ireland
Jacobs
Johnson (SD)
Jontz
Kaptur
Kasich
Kastenmeier
Kleczka
Kolbe
Kyl
LaFalce
Lagomarsino
Leach (IA)
Leath (TX)
Lewis (FL)
Lightfoot
Long
Lukens, Donald
Madigan
Martin (IL)
Mazzoli
McCandless
McCloskey
McCurdy
McEwen
McHugh
McMillan (NC)
Meyers
Michel
Montgomery
Moody
Moorhead
Morrison (WA)
Myers
Nielson
Oberstar
Obey
Oxley
Panetta
Parker
Pashayan
Paxon
Pease
Penny
Petri
Pickle
Porter
Poshard
Pursell
Ray
Regula
Rhodes
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Roth
Sabo
Schuette
Schulze
Sensenbrenner
Sharp
Shuster
Sikorski
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (OR)
Stallings
Stangeland
Stearns
Stenholm
Stump
Synar
Tauke
Thomas (CA)
Thomas (WY)
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Watkins
Weber
Whittaker
Whitten
Wolf
Wolpe
Wylie
Young (FL)

NOES—255

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Brooks
Browder
Brown (CA)
Bunning
Bustamante
Byron
Callahan
Campbell (CO)
Cardin
Carper
Chandler
Clarke
Clay
Clement
Clinger
Coleman (TX)
Conte
Conyers
Coughlin
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Duncan
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Gallo
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Goodling
Gordon
Goss
Gray
Green
Guarini
Harris
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hoagland
Hochbrueckner
Holloway
Horton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Inhofe
James
Jenkins
Johnson (CT)
Johnston
Jones (GA)
Jones (NC)
Kanjorski
Kennedy
Kennelly
Kildee
Kolter
Kostmayer
Lancaster
Lantos
Laughlin
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
McCollum
McCrery
McDade
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Pallone
Parris
Patterson
Payne (NJ)
Payne (VA)
Pelosi
Perkins
Pickett
Price
Quillen
Rahall
Rangel
Ravenel
Richardson
Ridge
Rinaldo
Roe
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sangmeister
Savage
Sawyer

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schumer
Shaw
Shays
Shumway
Siljander
Skaggs
Slaughter (NY)
Smith (FL)
Smith (MS)
Smith (NJ)
Smith (VT)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stark
Stokes
Studds
Sundquist
Swift
Tallon
Tanner
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Vander Jagt
Walgren
Waxman
Weiss
Weldon
Wheat
Wise
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—15

Bentley
Bryant
Chapman
Collins
Courter
Florio
Garcia
Marlenee
McDermott
Roybal
Sarpalius
Smith (IA)
Williams
Wilson
Wright

□1650

Ms. SCHNEIDER and Messrs. FLAKE, VANDER JAGT, HUBBARD, and HUNTER changed their vote from "aye" to "no."

Messrs. PURSELL, PANETTA, PASHAYAN, OBERSTAR, and VENTO changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HUGHES). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FASCELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The Chair reminds the Members that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas, 314, nays, 101, not voting 17, as follows:

[Roll No. 129]

YEAS—314

Ackerman
Akaka
Andrews
Annunzio
Anthony
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Bartlett
Bateman
Bates
Beilenson
Berman
Bilbray
Bilirakis
Boehlert
Boggs
Boehner
Borski
Bosco
Boucher
Boxer
Brennan
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bueshner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clarke
Clay
Clement
Clinger
Coble
Coleman (TX)
Conte
Cooper
Costello
Coughlin
Cox
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Emerson
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hertel
Hiler
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (WA)
Mineta
Moakley
Molinari
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Nelson
Nowak
Oakar
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Payne
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pickle
Porter
Pushard
Price
Pursell
Rangel
Ravenel
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Rohrabacher
Ros
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Saiki
Sangmeister
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Sisisky
Skaggs
Skeen
Skelton
Slaughter (NY)
Smith (FL)
Smith (MS)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Snowe
Solarz
Spratt
Stallings
Stangeland
Stenholm
Stokes
Sundquist
Swift
Synar
Tallon
Tauke
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traxler
Udall
Upton
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walsh
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)

NAYS—101

Alexander
Applegate
Archer
Barnard
Barton
Bennett
Bereuter
Bevill
Billirakis
Brooks
Coleman (MO)
Combest
Conyers
Craig
Crane
Dannemeyer
DeLay
Dickinson
Duncan
Early
Edwards (OK)
English
Fawell
Fields
Gaydos
Goodling
Gradison
Grandy
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hefner
Henry
Herger
Holloway
Hopkins
Hubbard
Huckaby
Jacobs
Jones (NC)
Kastenmeier
Kolter
Leach (IA)
Lewis (FL)
Lloyd
Long
Martin (IL)
Mazzoli
McCandless
Miller (CA)
Miller (OH)
Molloohan
Montgomery
Moorhead
Murphy
Myers
Neal (NC)
Nielson
Oberstar
Obey
Oxley
Packard
Pease
Penny
Perkins
Petri
Quillen
Rahall
Ray
Regula
Roberts
Rogers
Roth
Russo
Sabo
Sarpalius
Sensenbrenner
Shumway
Shuster
Sikorski
Slattery
Slaughter (VA)
Smith (NE)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Staggers
Stark
Stearns
Studds
Stump
Tanner
Tauzin
Traficant
Valentine
Walker
Watkins
Whittaker
Young (FL)

NOT VOTING—17

Andersoh
Bentley
Bryant
Chapman
Collins
Courter
Florio
Garcia
Luken, Thomas
Marlenee
McDermott
Roybal
Smith (IA)
Torres
Williams
Wilson
Wright

□ 1659

The Clerk announced the following pair:

On this vote.

Mr. Chapman for, with Mr. Roybal against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1700

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr HUGHES). Is there objection to the request of the gentleman from Florida?

There was no objection.

AUTHORIZING CORRECTIONS IN ENGROSSMENT OF H.R. 2655, INTERNATIONAL COOPERATION ACT OF 1989

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill just passed, H.R. 2655, the Clerk be authorized to correct section numbers, cross references, punctuation, and grammatical and spelling errors, to correct the table of contents to reflect the provisions of the bill as passed, and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO FILE REPORT ON H.R. 315

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be permitted to file a report on H.R. 315 during the forthcoming recess.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL 6 P.M. FRIDAY, JULY 7, 1989, TO FILE REPORT ON H.R. 1391, TV VIOLENCE ACT OF 1989

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until 6 p.m., Friday, July 7, 1989, to file a report on H.R. 1391, the TV Violence Act of 1989.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL 6 P.M. FRIDAY, JULY 7, 1989, TO FILE REPORT ON H.R. 2022, RELATING TO REFUGEE STATUS OF SOVIET AND INDO-CHINESE REFUGEES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until 6 p.m., Friday, July 7, 1989, to file a report on the bill, H.R. 2022, relating to refugee status of certain Soviet and Indo-Chinese refugees.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON A BILL MAKING APPROPRIATIONS FOR DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES, 1990

Mr. YATES. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes.

Mr. REGULA reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ALAN WOODS

(Mr. FASCELL asked and was given permission to address the House for 1 minute.)

Mr. FASCELL. Mr. Speaker, I am sad to say that this morning the Honorable Alan Woods, Administrator of the Agency for International Development, died following a lengthy illness. His tenure as Administrator was marked by creativity, energy, and dedication to higher standards of public service.

Mr. Speaker, the United States will miss him as a dedicated public servant, and we on the Committee on Foreign Affairs will miss him also. We had the privilege of working with this man. He was a dedicated man, he was open-minded, he worked hard, and even in his last days when he was in extreme pain he spent hours with us working on this piece of legislation which this Congress has just passed, and in a way it is kind of a monument to his dedication to try to improve our national programs for developmental and security assistance.

Mr. Speaker, I extend my sympathies to Mrs. Woods and their two young children on behalf of the Committee on Foreign Affairs.

ALAN WOODS

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute.)

Mr. BROOMFIELD. Mr. Speaker, I wish to join the chairman in tribute to a valiant American—Alan Woods, the Administrator of the Agency for International Development—who died this morning after an extended and courageous battle against cancer. In many respects the foreign aid bill just passed is a product of Alan's dedication to development in Third World countries and advancing American values and interests throughout the poverty stricken region of the globe.

I send my deepest sympathy to his family—especially his wife and two children—this country will miss Alan's contributions. He had served his country at the Department of Defense, as Special Assistant to the U.S. Trade Representative and at the Agency for International Development. Alan Woods exemplified the best of what public service stands for.

ALAN WOODS

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, I simply want to say that I join with the other expressions of concern and regret at the death of Alan Woods.

Alan Woods in the finest sense of the word is a conservative. He believed in limited government. He believed in giving the private sector an opportunity to do a lot of the world's work. But he also tempered that belief with a strong compassion for human beings individually and collectively. He, I think, engendered a great deal of respect and affection on both sides of the aisle.

Mr. Speaker, Alan Woods showed a very rare ability to reach out and work with a great deal of respect with congressional staff. He cared very deeply about his wife and his children. I know that he talked to me about them at a State Department dinner just a few months ago. He talked at great length about his family. I know that they are suffering extreme pain right now.

Mr. Speaker, I want them to know that all of us who knew him share that pain and that grief, and I am also sure that those who today are working at AID feel a great sense of loss, and I want them to know that we share that sense of loss today.

DEATH OF ALAN WOODS, AID ADMINISTRATOR

(Mr. CONTE asked and was given permission to address the House for 1 minute.)

Mr. CONTE. Mr. Speaker, I am saddened this afternoon to learn of the death earlier today of Alan Woods, the Administrator of the Agency for International Development. Alan died after a prolonged and courageous battle with cancer.

Mr. Speaker, Alan Woods was truly a dedicated public servant. While his tenure with AID was relatively short, about a year and a half, during that time he was anything but a caretaker administrator. He cared about the agency and about its role in a changed world economic and social circumstance. He cared enough about the agency to institute an in-depth study of the effectiveness of its programs entitled "Development and the National Interest."

In many respects the bill we just passed today, the Foreign Assistance Authorization Act, represents some of the fruits of that study, which is generally referred to as the "Woods Report." While the bill does not go as far in the direction of aiming our foreign assistance programs at basic economic development bottlenecks as Alan would have liked, it is a start.

Prior to his service at AID, Alan served in various public service positions, including Deputy U.S. Trade Representative, Assistant Secretary of Defense, Civilian Chief of Staff to the Secretary of Defense, Deputy Director for Presidential Personnel at the White House, Chief of Staff for the Governor of Missouri and Press Assistant for President Nixon. Alan also had a distinguished career in the private sector.

Mr. Speaker, we have lost an experienced and promising public servant. We send our sympathy and best wishes to his wife, Cameron, and his two young daughters.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I asked for this 1 minute for the purpose of inquiring of the distinguished majority leader the program for when we return.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman from Illinois [Mr. MICHEL].

Mr. Speaker, on Monday, July 10, the House will meet at noon, but it will be a pro forma session, and there will be no votes.

On Tuesday, July 11, the House will meet at noon, and there will be six bills on suspension:

H.R. 1312, Domestic Volunteer Service Act Amendments of 1989;

H.R. 2087, to transfer a certain program with respect to child abuse from title IV of Public Law 98-473 to the Child Abuse Prevention and Treatment Act;

H.R. 2088, to extend certain programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986;

H.R. 2653, export administration authorization;

H.R. 491, to establish a mining experimental program on critical minerals; and

H.R. 1705, Mining and Minerals Policy Act Amendments of 1989.

As normal, we will hold all votes until after the debate on all suspensions.

On Wednesday, July 12, the House will meet at 10 and take up the Department of the Interior appropriations for fiscal year 1990, subject to a rule, and that will continue on Thursday until completed, and then on Thursday, July 13, and Friday, if necessary, we will have H.R. 987, the Tongass Timber Reform Act, and H.R. 2022 to provide relief for certain Soviet and Indo-Chinese Refugees.

□ 1710

We will be meeting at 10 a.m. on Thursday and Friday, if necessary.

I would say to the minority leader that it is our hope and intention that we can complete this schedule by Thursday evening and therefore avoid a Friday session; however, if we have not finished the work by Thursday evening, we intend to be in on Friday.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman.

In a conversation I had earlier in the day with the Speaker making reference to our earlier conversation with respect to the program, the Speaker wanted to underscore, as I would surely and I am sure joined by the majority leader, that if we are successful in moving the program that week to be able to be off on Friday that in no case should Members think that should be the pattern for the balance of July, because quite frankly, it cannot be if we are going to complete our workload in time to get out for our August recess. Members are quite well aware of the number of appropriation bills that are languishing in the wind that will have to be taken care of.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I was wondering whether the leader would inquire whether the following Monday, that would be the second Monday after we return, we would have votes.

Mr. MICHEL. Well, the gentleman heard the question, and while I suspect there has not been a definite program scheduled or on the books as yet, under our overall agreement we were attempting, I think, to indicate to the Members that after what—3 o'clock, or did we change it to 4 or 4:30 on Mondays, in deference to those folks from the West Coast who have problems getting back with their planes the same day, that Members have got to really expect rollcall votes after the hour of 3 surely, and if possible maybe after 4.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield further, the gentleman is correct. Our intention is to have votes each Monday during the month of July after the Monday of the week after next, but we would hold votes until 4:30 so that Members from the farther western regions of the country would have a chance to get here.

We would also have votes each Friday up until about 3 o'clock.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I am hearing a rumor that there is going to be an attempt to make certain we finish all appropriation bills before we go home on the August recess.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield further, that is not just a rumor, that is a hoped for reality.

Mr. WALKER. Well, the thing I am concerned about is that we have one appropriation bill when we come back that week. I am told that we may have one appropriation bill the next week. The next week is reserved for the Defense Authorization bill. That would leave us 10 appropriation bills to do in four days at the beginning of August. That does not seem to me to be a schedule that is likely to be kept.

The question this gentleman has is: does that mean we go further into August in order to complete the schedule?

Mr. GEPHARDT. It is my belief that we will have more than one appropriation bill in the second week when we come back, and again I would urge the gentleman to remember that we will be meeting on Mondays and Fridays and there will probably be some late night votes as we go through these weeks. We believe that we can get all that business completed.

Mr. WALKER. Mr. Speaker, I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 12, 1989

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 12, 1989.

The SPEAKER pro tempore (Mr. HUGHES). Is there objection to the request of the gentleman from Missouri?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, July 10, 1989, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

NATIONAL CHECKUP WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate Joint Resolution (S.J. Res. 95) to designate the week of September 10, 1989, through September 16, 1989, as "National Checkup Week", and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Idaho [Mr. STALLINGS], the chief sponsor of House Joint Resolution 227.

Mr. STALLINGS. Mr. Speaker, more than 34 million Americans are hospitalized each year. Another 34 million adults suffer from obesity; nearly 66 million are victims of heart disease; more than 60 million suffer from high blood pressure; and an estimated 25 percent of adult Americans are afflicted with levels of elevated blood cholesterol.

Too many Americans don't take their health seriously until it's too late. Regular medical checkups can help reduce the chances of serious illness and can help curb skyrocketing health care costs.

For these reasons, I introduced House Joint Resolution 227, a resolution designating the week of September 10-16 as "National Checkup Week."

Establishing "National Checkup Week" will enhance public awareness and encourage regular medical screening that may reveal serious medical conditions, such as high blood pressure, high cholesterol levels, breast cancer, to name just a few. Such screening ultimately can reduce the chances of a serious illness or premature death.

I would like to thank the many colleagues who joined me in cosponsoring this legislation, and I would especially like to thank Mr. SAWYER and Mr. RIDGE, chairman and ranking minority member of the Subcommittee on Census and Population, respectively, for their assistance in passing this resolution.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 95

Whereas more than 34,000,000 Americans are hospitalized each year;

Whereas nearly 66,000,000 Americans are afflicted with some form of heart of blood vessel disease;

Whereas approximately 34,000,000 Americans between the ages 24 and 74 suffer from obesity;

Whereas more than 60,000,000 Americans suffer from high blood pressure;

Whereas an estimated 25 percent of adult Americans have elevated blood cholesterol levels;

Whereas annual medical check-ups can decrease the number of hospitalizations, reduce the likelihood of a serious illness or premature death, and curb escalating health care costs; and

Whereas annual medical screening may reveal previously undetected high blood pressure, high blood cholesterol, cancer, and obesity-related ailments: Now, therefore be it,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 10 through September 16, 1989, is designated as "National Check-Up Week". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LITHUANIAN INDEPENDENCE DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 149) designating February 16, 1990, as "Lithuanian Independence Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to my friend and colleague, the gentleman from Illinois [Mr. RUSSO], the chief sponsor of this resolution.

Mr. RUSSO. Mr. Speaker, in its hundreds of years of existence, Lithuania has only enjoyed a short 22 years as an independent nation. After centuries of foreign domination, the people of Lithuania joined together and on February 16, 1918, proclaimed an independent Lithuanian state based on democratic principles.

After developing a governmental system similar to that of the United States, in August of 1922 the young nation adopted a permanent Constitution which accorded its citizens freedom of speech, religion, and communication. Recognized as a sovereign nation, Lithuania was admitted to the League of Nations and exchanged diplomatic representatives with other sovereign nations. With legislative power vested in a Parliament, and the executive authority in a President and Cabinet of Ministers, the Government made a number of drastic reforms.

Great emphasis was placed on improving agricultural production; the primary occupation of the Lithuanians. The institution of a land reform program dispersed the land more evenly among the citizens and resulted in Lithuania becoming a nation of small farmers. In addition, industrialization progressed remarkably. In 1913 there were only 151 industrial establishments with 6,603 employees. By 1939, there were over 16,000 enterprises employing over 33,000 workers.

A respected member of the international community, Lithuania made great strides in social legislation; doubling the number of grammar schools in only 9 years, enacting a labor control law, and introducing the 8-hour day. In addition, Lithuania experienced a cultural renaissance in music and literature which was inspired by its great national folklore.

But Lithuania's flourishing independence was short-lived. During World War II, Lithuania embraced a policy of absolute neutrality. A policy which was ignored, first by Germany and then by the Soviet Union. The Soviets demanded immediate formation of a friendly government through a Communist-controlled election. On August 3, 1940, this new government requested the incorporation of Lithuania into the Soviet Union and at this request, Lithuania was declared a constituent republic of the U.S.S.R. by the Supreme Soviet in Moscow.

Under the current Soviet puppet government, the people of Lithuania have suffered many hardships. A nation known for its social reforms and cultural renaissance was silenced. It is believed that between 1945 and 1951, 350,000 Lithuanians were arrested and deported to Siberia. Since their incorporation into the Soviet Union, the borders of Lithuania, Latvia, and Estonia, have been kept sealed, leaving these people to fight their battles against Soviet control in complete isolation.

The United States has recognized the independent Lithuanian Government since 1922, and it has never recognized that nation's incorporation into the Soviet Union. We continue to maintain diplomatic relations with the representative of the former independent Government. The United States has continually condemned the aggression and tyranny to which the Baltic States have fallen victim. We must assure the brave people of Lithuania that we have not forgotten.

In an August 1958 meeting, the Lithuanian World Congress adopted a unanimous resolution urging that "Lithuanians continue fiercely resisting the alien rule" of the Soviet Union and asserting that Lithuanians "have not accepted and never will accept Soviet slavery." Today, the fight still exists. Freedom fighters and nationalists are demanding economic and political self-determination from their Soviet masters. In the past, Congress has strongly supported the Lithuanian people's valiant struggle for independence. The official recognition of "Lithuanian Indpendence Day" is important to Americans as a tangible manifestation of our support for the Lithuanian people's aspirations for freedom.

□ 1720

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

29-039 O-90-23 (Pt. 10)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The SPEAKER pro tempore (Mr. HUGHES). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 149

Whereas February 16, 1990, is the 72nd anniversary of the declaration of independence of Lithuania;

Whereas on February 16, 1918, the Council of Lithuania, the sole representative of the Lithuanian people, in conformity with the recognized right to national self determination, proclaimed the restoration of an independent and democratic Lithuania and ended all ties that formally subordinated Lithuania to other nations;

Whereas Lithuania was independent until 1940 when the Soviet Union took over the country;

Whereas the United States opposes tyranny and injustice in all forms and supports the cause of Lithuanian independence; and

Whereas the oppressed people currently living in Lithuania keep the flame of freedom forever burning in their hearts: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That February 16, 1990, is designated as "Lithuanian Independence Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to celebrate such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL LITERACY DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 96) designating July 2, 1989, as "National Literacy Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to the gentleman from New Jersey [Mr. PAYNE], who is the chief sponsor of this resolution.

Mr. PAYNE of New Jersey. Mr. Speaker, I want to thank the distinguished chairman of the House Committee on Post Office and Civil Service, my friend BILL FORD of Michigan, for his assistance in bringing this resolution to the floor today. I also want to express my appreciation to Congressman THOMAS SAWYER, chairman of the Subcommittee on Census and Population, and to my colleagues who have cosponsored this legislation.

House Joint Resolution 277 will designate this coming Sunday, July 2, as "National Literacy Day." Passage of this resolution will demonstrate congressional support for nationwide efforts to improve the plight of 27 million Americans who lack the basic skills to function in our society.

The date of July 2 is historically significant, because it was on that day 25 years ago that President Lyndon Baines Johnson signed the landmark Civil Rights Act of 1964. Our Nation has made great strides forward since that historic day, but too many of our citizens are still unable to fulfill their potential because of the scourge of illiteracy.

By showing our concern here in Congress, we will be helping local schools, libraries, and community organizations to promote literacy programs.

We know that illiteracy takes a terrible and painful toll, both in terms of its impact on individual lives and on our American society as a whole. The daily feelings of frustration and defeat that afflict those who cannot read signs, instructions, warning labels, or newspapers too often lead to escape through alcohol or drug abuse. At a time in our history when we are struggling to remain competitive in world markets, we cannot afford the loss of productivity that accompanies illiteracy. It has been estimated that the total cost of errors, accidents and missed opportunities in business has reached a staggering $225 billion annually.

Mr. Speaker, we are fortunate to have in our communities many dedicated volunteers and professionals who are working to remedy the problem of illiteracy. This is a chance to give them the recognition and encouragement they deserve.

Congress has approved this worthy resolution for the past 3 years. As we approach the Fourth of July, Independence Day, let us also offer the hope of independence to the millions of our fellow citizens who are trapped in the prison of illiteracy. I urge my colleagues to join me in voting for House Joint Resolution 277, to designate July 2 as "National Literacy Day."

Mr. RIDGE. Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Speaker, I thank my colleague on the Subcommittee on Census and Population for yielding.

Mr. Speaker, I have some prepared remarks on National Literacy Day because of the strong support I have for the effort that the gentleman from New Jersey [Mr. PAYNE] has made in acquiring the sponsorship in the very short order necessary to bring House Joint Resolution 277 and its companion measure, Senate Joint Resolution 96, to the floor as "National Literacy Day."

I suspect that in the course of the last 3 years as this measure has been brought to the floor, however, we have seen an appreciation of literacy evolve and change from what once was as little as a couple of decades ago may have been viewed as a strict, stiff, academic issue into what today is generally regarded as a survival tool in a society in transition.

Just as this society is in transition, so is the definition of literacy. The truth of the matter is that when Lyndon Johnson signed that act just a couple of decades ago, the truth was that a man could have a good attitude and the capacity to use a set of tools and go off to work and expect to earn his family a decent living. Today, however, a man or a woman who does not have not only the capacity to read and write and calculate but a full range of higher order thinking skills, problem solving skills, a man or a woman who does not have that capacity does not have the skills necessary to be fully competitive in a terribly competitive world today.

Mr. Speaker, in short, what we mean by literacy today has become a moving target, a rapidly moving target, and one that demands the attention of everyone in this Congress and, in truth, everyone in this Nation.

I rise, as much as anything today, to say "thank you" to Senator LAUTENBERG and, especially, to say "thank you" to the gentleman from New Jersey [Mr. PAYNE] for his efforts to bring this measure before us today.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 96

Whereas literacy is a necessary tool for survival in our society;

Whereas thirty-five million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are twenty-seven million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three-hundred thousand persons, including one million two-hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterates annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allo-

cated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a six grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase 50 per centum by 1990;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all mothers on welfare are functionally illiterate.

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1989, is designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECADE OF THE BRAIN

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 174) to designate the decade beginning January 1, 1990, as the "Decade of the Brain," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to the gentleman from Massachusetts [Mr. CONTE], the chief sponsor, who has spent considerable time on the floor both Tuesday and Wednesday and now finally Thursday in anticipation of this resolution.

□ 1730

Mr. CONTE. Mr. Speaker, I want to take this opportunity to thank my dear and beloved friend, the gentleman from Pennsylvania. He is absolutely right, and I have canceled all of my plans for tonight.

Mr. Speaker, I want to say a few words as the House declares the 1990's the "Decade of the Brain." Virtually the entire medical community supports this resolution. It has 246 cosponsors, and I hope it will enjoy unanimous support when we act on it today.

It will help focus attention on problems which cost our country dearly—in both hard cash and human suffering. Among these are mental illness; head injuries, epilepsy, drug abuse and addition, alcoholism, Alzheimer's disease, strokes, dystonia, brain-related problems requiring surgery, and many more. An NIMH study recently showed that more than 10 percent of American adults, at any one time, suffer from a mental disorder. The percentage of children is even higher.

Our scientists and our medical community are making tremendous strides in these and many related fields. Ninety percent of these advances have come in the last 10 years, and our progress during the Decade of the Brain will be even more spectacular.

Technological advances let us view the brain and even conduct surgery without a scalpel. Progress in genetics lets us identify the genes that cause certain schizophrenias. New discoveries on the effects of drugs on the brain contribute to treatment of addition and alcohol abuse.

Treatment is improving rapidly for people with head injury, dystonia, developmental disabilities, speech, hearing and other cognitive dysfunctions; inheritable disorders like Huntington's Disease; Parkinson's disease; and Alzheimer's.

The progress has been rewarded in the past 15 years by 15 Nobel Prizes in medicine or physiology. That underlines how exciting and how productive this time has been. The next 10 years, the Decade of the Brain, will be even better.

In the 1990's, with an aging population, with even more remarkable technological advances, with better insight into medicine and the physical processes of the brain, our attention will focus as never before on brain-related science and medicine. Designating the 1990's the Decade of the Brain will give well-deserved public attention to those scientists, doctors, nurses and technicians who serve us all so well, and I am happy to have had a hand in it.

Mr. Speaker, the field of research related to the brain is changing so fast that, today, I am able to point to real accomplishments in brain-related research in the short period of time since I first introduced my Decade of the Brain resolution 5 years ago. Let me share with my colleagues some of the results of our efforts to focus attention on the brain and brain-related research.

I am pleased to report that, at the National Institute of Neurological Disorders and Stroke and the National Institute of Mental Health—the two most involved agencies in the battle against brain-related disorders and diseases—several major accomplishments already have been achieved.

Most importantly, the two agencies were able to compile the first coordinated Federal report on the opportunities for research into the brain. As a result of the reports requested by the House Appropriations Committee 2 years ago, we have a blueprint of the needs and opportunities for brain-related research over the next 10 years.

What have we discovered already, and what are some of those future needs and opportunities?

At NINDS, we have evidence that many neurological disorders—affecting millions of Americans—could be prevented, cured, or alleviated if the opportunities we have in hand are fully investigated:

HEAD AND SPINAL INJURY

Each year, 500,000 Americans suffer head injuries severe enough to require admission to a hospital, and another 10,000 to 12,000 new victims are disabled by trauma to the spinal cord. Clinical studies have shown that much central nervous system damage can be prevented if improved patient care interventions are developed that would be available within 4 hours of the injury. Laboratory evidence also shows that damaged nerve cells can be stimulated to regenerate and function. These are critical findings which must be further studied.

BRAIN IMAGING

Brain imaging techniques such as PET and MRI are now indispensable tools for neuroscience research, responsible for much of what is known about brain activity and structure in diseases such as Alzheimer's disease, stroke, Parkinson's disease, brain tumors, and epilepsy. Increasingly, neurological scientists are expanding the scope of PET to study the higher cognitive functions of learning, thinking, and memory.

NEUROGENETICS

One-fourth of all genetic disorders affect the brain and nervous system. The boom in molecular genetics made possible the very exciting discovery of the genetic defect responsible for Duchenne's muscular dystrophy, and may lead to treatment—possibly a

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

cure—for the thousands of children and adults with this and other neuromuscular diseases. Neuroscientists are encouraged that this achievement could be replicated in many other neurological diseases with an increased commitment of resources.

EPILEPSY

Two million people in the United States have epilepsy. Steady progress has been made to find new drug treatments and to refine surgical therapies, but much more needs to be done to understand the various forms of epilepsy and discover more effective treatments.

STROKE

Although much has been learned about the causes and risk factors of stroke, stroke remains a major killer and crippler of hundreds of thousands of Americans each year. Recent studies show an alarming—and unexplained—rise in the incidence rate of new cases of stroke. Greater efforts are needed to identify other risk factors, develop preventive strategies, and evaluate surgical and medical treatments for stroke patients.

BASIC NEUROSCIENCE RESEARCH AND CLINICAL TRIALS

A steady commitment to basic neuroscience research has resulted in discoveries that can lead to therapies or preventive measures for many neurological and neuromuscular disorders. Additional studies in neurochemistry, neurogenetics, and other neurosciences are needed to identify the yet undiscovered secrets of the brain and the nervous system that will lead the way to further clinical advances. Vital to the transfer of laboratory results to the bedside, additional clinical trials are needed to gain the full benefit of long-term investments in basic neurosciences.

At NIMH, we have seen substantial progress in implementing the recommendations of the decade of the brain report, as follows:

CENTERS FOR NEUROSCIENCE AND SCHIZOPHRENIA

Since formulation of the Decade of the Brain Report to Congress, NIMH has initiated a program of Centers for Neuroscience and Schizophrenia. Four centers designed to integrate basic clinical neuroscience approaches to schizophrenia research are currently supported. These centers are at Yale University, University of Colorado Health Science Center, Maryland Psychiatric Research Center, Baltimore, and the University of California, Irvine.

NEUROSCIENCE WORKGROUP PROGRAM

These awards support innovative approaches to basic science questions on the frontier of mental health research. They were conceived as a mechanism to encourage the application of new fields of study and new technologies to mental health research problems—a mechanism that allows the continuous cross-fertilization of new ideas and techniques from multiple disciplines to generate novel scientific opportunities. The first Center for Neuroscience Research is currently being funded at New York University and at the Karolinska Institute in Stockholm, Sweden. A second center has been initiated at the University of Pennsylvania in collaboration with labs at Hershey, PA, Rockefeller University in New York, and the College of France in Paris, France.

RESEARCH ON CHILD AND ADOLESCENT MENTAL DISORDERS

Mental disorders affecting children and adolescents are among the highest priorities of the NIMH. These disorders include autism, attention deficit disorder and affective disorders and are estimated to affect as many as 15 percent of the children and adolescents in the United States. However, little is known about them and relatively little current research is being devoted to this growing problem. For this reason, the Director of NIMH asked the Institute of Medicine to undertake a major, comprehensive "Study of Child and Adolescent Mental Disorder Research." This study has very recently been completed, and provides specific programs and policy recommendations for a national initiative in child and adolescent mental disorders research training. It will provide the foundation for the NIMH, through the NAMHC, to develop a new "National Research Plan for Child and Adolescent Mental Disorders." The IOM's report includes numerous opportunities for neuroscience research including recent advances in identifying brain dysfunctions associated with such disorders as autism. The NIMH plan will address those opportunities.

Other topics currently under discussion and in the planning stages include the role of brain dysfunction in learning disorders, the usefulness of serial MRI in untreated multiple sclerosis patients, the role of MRI in clinical trials, clinical studies of treatment of subacute and chronic central nervous system injury resulting from stroke and trauma, and development of methods for treatment studies of vascular dementia. In addition, current plans include the integration of basic and clinical neuroscience to individual mental disorders, the application of experimental techniques and strategies from molecular biology to the field of mental health, and the use of advanced physical imaging in the study of mental illness.

I would like to thank the resolution's endorsers for all the work they did to help it along, the 248 Representatives who cosponsored it, and Senator DONALD RIEGLE of Michigan, who is the principal sponsor in the Senate. We have all worked hard to pass this resolution, and we all deserve applause.

I look forward to 10 years of progress during the 1990's, the Decade of the Brain.

Mr. Speaker, we look forward to having a big ceremony in the Rose Garden with President Bush, and because of the cooperation of the gentleman from Pennsylvania [Mr. RIDGE], I am going to invite him there.

Mr. RIDGE. Mr. Speaker, I am overwhelmed by the gentleman's generosity, and I look forward to that invitation and thank him for his contribution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HUGHES). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 174

Whereas it is estimated that fifty million Americans are affected each year by disorders and disabilities that involve the brain, including the major mental illnesses; inherited and degenerative diseases; stroke; epilepsy; addictive disorders; injury resulting from prenatal events, environmental neurotoxins and trauma; and speech, language, hearing and other cognitive disorders;

Whereas it is estimated that treatment, rehabilitation and related costs of disorders and disabilities that affect the brain represent a total economic burden of $305,000,000,000 annually;

Whereas the people of the Nation should be aware of the exciting research advances on the brain and of the availability of effective treatment of disorders and disabilities that affect the brain;

Whereas a technological revolution occurring in the brain sciences, resulting in such procedures as positron emission tomography and magnetic resonance imaging, permits clinical researchers to observe the living brain noninvasively and in exquisite detail, to define brain systems that are implicated in specific disorders and disabilities, to study complex neuropeptides and behavior as well as to begin to learn about the complex structures underlying memory;

Whereas scientific information on the brain is amassing at an enormous rate, and the field of computer and information sciences has reached a level of sophistication sufficient to handle neuroscience data in a manner that would be maximally useful to both basic researchers and clinicians dealing with brain function and dysfunction;

Whereas advances in mathematics, physics, computational science, and brain imaging technologies have made possible the initiation of significant work in imaging brain function and pathology, modeling neural networks and simulating their dynamic interactions;

Whereas comprehending the reality of the nervous system is still on the frontier of technological innovation requiring a comprehensive effort to decipher how individual neurons, by their collective action, give rise to human intelligence;

Whereas fundamental discoveries at the molecular and cellular levels of the organization of the brain are clarifying the role of

the brain in translating neurophysiologic events into behavior, thought, and emotion;

Whereas molecular biology and molecular genetics have yielded strategies effective in preventing several forms of severe mental retardation and are contributing to promising break-throughs in the study of inheritable neurological disorders, such as Huntington's disease, and mental disorders, such as affective illnesses;

Whereas the capacity to map the biochemical circuitry of neurotransmitters and neuromodulators will permit the rational design of potent medications possessing minimal adverse effects that will act on the discrete neurochemical deficits associated with such disorders as Parkinson's disease, schizophrenia and Alzheimer's disease;

Whereas the incidence of neurologic, psychiatric, psychological, and cognitive disorders and disabilities experienced by older persons will increase in the future as the number of older persons increases;

Whereas studies of the brain and central nervous system will contribute not only to the relief of neurologic, psychiatric, psychological, and cognitive disorders, but also to the management of fertility and infertility, cardiovascular disease, infectious and parasitic diseases, developmental disabilities and immunologic disorders, as well as to an understanding of behavioral factors that underlie the leading preventable causes of death in this Nation;

Whereas the central nervous and immune systems are both signalling systems which serve the entire organism, and there are direct connections between the nervous and immune systems, and whereas studies of the modulatory effects of each system on the other will enhance our understanding of diseases as diverse as the major psychiatric disorders, acquired immune deficiency syndrome, and autoimmune disorders;

Whereas recent discoveries have led to fundamental insights as to why people abuse drugs, how abused drugs affect brain function leading to addiction, and how some of these drugs cause permanent brain damage;

Whereas studies of the brain will contribute to the development of new treatments that will curtail the craving for drugs, break the addictive effects of drugs, prevent the brain-mediated "high" caused by certain abused drugs, and lessen the damage done to the developing minds of babies, who are the innocent victims of drug abuse;

Whereas treatment for persons with head injury, developmental disabilities, speech, hearing, and other cognitive functions is increasing in availability and effectiveness;

Whereas the study of the brain involves the multidisciplinary efforts of scientists from such diverse areas as physiology, biochemistry, psychology, psychiatry, molecular biology, anatomy, medicine, genetics, and many others working together toward the common goals of better understanding the structure of the brain and how it affects our development, health, and behavior;

Whereas the Nobel Prize for Medicine or Physiology has been awarded to fifteen neuroscientists within the past twenty-five years, an achievement that underscores the excitement and productivity of the study of the brain and central nervous system and its potential for contributing to the health of humanity;

Whereas the people of the Nation should be concerned with research into disorders and disabilities that affect the brain, and should recognize prevention and treatment of such disorders and disabilities as a health priority; and

Whereas the declaration of the Decade of the Brain will focus needed government attention on research, treatment, and rehabilitation in this area: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the decade beginning January 1, 1990, hereby is designated the "Decade of the Brain", and the President of the United States is authorized and requested to issue a proclamation calling upon all public officials and the people of the United States to observe such decade with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TAKE PRIDE IN THE FLAG DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the resolution (H. Res. 189) expressing the sense of the House of Representatives that individuals throughout the United States should observe Independence Day, July 4, 1989, as "Take Pride in the Flag Day," and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to the gentleman from New Mexico [Mr. SKEEN] who is the chief sponsor of House Resolution 189.

Mr. SKEEN. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding.

Mr. Speaker, today I am honored to stand before this House—the people's body—and report to my colleagues that the peoples representatives have spoken. A majority of the Members of this distinguished body have signed on in support of House Resolution 189, which expresses the sense of the House of Representatives that individuals throughout the United States should observe next Tuesday, July 4, 1989, Independence Day, as "Take Pride in the Flag Day."

With the help of the national offices and directors of the Veterans of Foreign Wars and the American Legion, we were able to convince a majority of this body to sign on to this important and timely resolution in less than 1 week.

We all know the importance Americans place in our flag. The flag is the symbol of the freedoms we enjoy and others revere throughout the world.

Kevin Giese placed two American flags on his lawn at home in Wisconsin with a sign that warns: "Do Not Burn."

Perhaps the true feelings of Americans on this subject can best be summed up by Mike Kukler of North Carolina, a retired Army sergeant major who publishes a newsletter for Vietnam vets, when he said:

> The flag is our country. When you grew up, you raised your hand and pledged allegiance to the flag. They call us to war to fight for our flag. Here we have our Supreme Court tell us it's OK to burn our flag. I don't understand it.

I must admit I don't understand it either. But this July 4 all Americans can show their pride in the flag by displaying it at public celebrations, fireworks shows, parades, and in homes during family gatherings.

I hope Americans will fly their flags on Independence Day to show respect and responsibility—and—anyone who may want to exercise the right to desecrate our flag—that those kinds of actions are considered wrong by responsible and patriotic Americans who believe in respect for the flag and the rights it represents.

The flag is the symbol of freedom our Nation has carried to battle in the many struggles our veterans engaged in over the past 200 years in the defense of the United States of America.

The flag is the symbol of liberty and a free nation which we pledge allegiance to at the beginning of most public events—including sessions of the House of Representatives.

Other people around the country note that millions have died in service to their flag and millions more are prepared to make peacetime sacrifices for their country and their flag.

I, and many of my colleagues in this distinguished body, believe there's an overwhelming majority of Americans who want to do something now to demonstrate their respect for the flag.

This resolution allows Americans throughout the Nation to wage a "positive protest" to the recent Supreme Court ruling on flag burning this July 4.

Frank Zelazo, A 58-year-old Korean war veteran was so outraged with the Supreme Court ruling that he held a quiet protest on his lawn last Friday by flying old glory with a hand printed sign, which read: "Try Burning This Flag."

Mr. RIDGE. Mr. Speaker, further reserving the right to object, I yield to my friend and colleague, the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, I thank my friend for yielding and compliment my colleague from New Mexico. Those were beautiful words, and I want to reemphasize what the gentleman said. I believe more flags will be flown this July 4 holiday than any time since 1945 when July 4 fell between May 8, the Victory in Europe Day, and the secession of fighting in mid-August with that beautiful ceremony on the deck of the U.S.S. *Missouri* on September 2. America was filled with a sense of mission then, and this Fourth of July is going

to accomplish I think the same thing because of one stupid, young Communist who thinks that he can inflict physical and mental harm which although we cannot quantify it, we know nevertheless it is there, and it is nonetheless real.

Last night, my colleagues, I found a poem that we all learned in grade school, "The Flag Goes By." The Congressional Library Service had sent me "Barbara Frietchie," and the very next poem I could only read half of it, and the second page was not there. So I would like to complete it today. It does not make any sense not to go back and complete the next 14 lines.

□ 1740

Mr. Speaker, the poem authored by Henry Holcomb Bennett is "The Flag Goes By."

The gentleman in the well, Mr. JACOBS, knows how good he was with this in grade school. Every time he got punished he had to memorize this.

Mr. Speaker, "The Flag Goes By," by Henry Holcomb Bennett:

THE FLAG GOES BY

Hats off!
Along the street there comes
A blare of bugles, a ruffle of drums,
A flash of color beneath the sky:
Hats off!
The flag is passing by!

Blue and crimson and white it shines,
Over the steel-tipped, ordered lines.
Hats off!
The colors before us fly;
But more than the flag is passing by.

Sea-fights and land-fights, grim and great,
Fought to make and to save the State:
Weary marches and sinking ships;
Cheers of victory on dying lips;

Days of plenty and years of peace;
March of a strong land's swift increase;
Equal justice, right and law,
Stately honor and reverend awe;

Sign of a nation, great and strong
To ward her people from foreign wrong:
Pride and glory and honor,—all
Live in the colors to stand or fall.

Hats off!
Along the street there comes
A blare of bugles, a ruffle of drums;
And loyal hearts are beating high:
Hats off!
The flag is passing by!

Happy Fourth of July, my colleagues, and thank you for that bipartisan tribute to the flag last night.

Mr. RIDGE. Mr. Speaker, continuing my reservation, I yield to my friend, the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Speaker, I just wondered if the author would consider amending his resolution to make every day "Take Pride in Flag Day." To designate only 1 day a year makes you wonder about the other 364, in a way, does it not?

Mr. SKEEN. Mr. Speaker, will the gentleman from Pennsylvania yield?

Mr. RIDGE. I yield to the gentleman from New Mexico.

Mr. SKEEN. I thank the gentleman for yielding.

Mr. Speaker, I have no problem with that. I think that we all take pride every day.

Mr. JACOBS. Good.

Mr. SKEEN. But in light of what happened recently, I thought it was probably appropriate to use this particular Fourth of July on a one-time basis to say we particularly emphasize the respect and the pride that we have in the flag because I know commemoratives are sometimes a real burden to Members of this body. I understand that because we commemorate so many things. I did not want to be trite, but I did want it to be special and to give some special emphasis and special reflection on just how much we really think of the American flag every day but particularly on this particular 4th.

Mr. JACOBS. I was just thinking that because of the difficulties—and by the way I support amending the Constitution so as not to be a felony but a misdemeanor for disrespecting our flag, desecrating the flag. I do not have a problem with that at all. I think that ought to be the law of the land. But it seems to me, in view of this misfortune, rather than picking 1 day and in view of the fact that people respect it every day, maybe the resolution should ask that we respect it twice every day. This cuts it down to just 1 day, and it bothers me slightly.

Mr. SKEEN. I am not going to argue the mathematics of the gentleman, and I appreciate his contribution.

Mr. RIDGE. Continuing my reservation, Mr. Speaker, I just want to acknowledge that last night's special order on the flag was conceived and conducted by both Republicans and Democrats and that the sponsors of this resolution, although the resolution was introduced by a Republican colleague, was a bipartisan resolution, heavily endorsed by Members of both the Republican and Democratic Parties. Clearly the pride and affection and reverence which individual Members have and which the citizens whom we are privileged to represent in this body certainly maintain and feel toward the flag, equally has no political affiliation. As Americans we all revere and respect it.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio.

Mr. SAWYER. I thank the gentleman from Pennsylvania for yielding.

Mr. Speaker, I want to associate myself with the gentleman from Pennsylvania's comments. The work that has gone into this resolution by Representative SKEEN is no small amount of effort. It is reflective of the importance of the kind of work, the kind of communication all across a body as large and diverse and as complex as this House of Representatives can be. Sometimes working together, sometimes divided by tensions, but nonetheless bound together by the kind of common belief that we speak of today.

It is faith in those symbols that mean most to all of us, the kinds of symbols that represent everything that has been good about this Nation for 200 years.

The fact that the sponsor is able to execute the demands of commemorative resolution in the short span of time, 1 week, speaks not only to the quality of the effort that he has put into it, but in the commitment of the full range of his colleagues to the effort that he has made, and I thank him for it.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. LAUGHLIN). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 189

Whereas the flag of the United States (the Stars and Stripes) came into being amid the strife of battle and became the standard by which a free people struggled to establish a great Nation;

Whereas the flag of the United States has carried the message of freedom to many parts of the world in battles for freedom during the past 2 centuries;

Whereas individuals in the United States, proud of the symobl of liberty and a free Nation, pledge allegiance to the flag at most public events;

Whereas the Federal Government has established and codified existing rules and customs pertaining to the display and use of the flag of the United States;

Whereas in recent days many individuals in the United States, in response to a recent decision of the United States Supreme Court affecting the flag, have demanded appropriate recognition and respect for the flag; and

Whereas 1989 is the 213th anniversary of the signing of the Declaration of Independence and the 201st anniversary of the ratification of the Constitution of the United States, which symbolize the liberties and freedoms of the Nation: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that individuals throughout the United States should observe Independence Day, July 4, 1989, as "Take Pride in the Flag Day" and should engage in appropriate programs and activities—

(1) to celebrate the 213th anniversary of the signing of the Declaration of Independence and the 201st anniversary of the ratification of the Constitution of the United States;

(2) to recognize the flag of the United States as a symbol of freedom throughout the world; and

(3) to display the flag in celebration and recognition of the liberty and freedom individuals in the United States have enjoyed for generations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

NATIONAL LAW ENFORCEMENT TRAINING WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 137) designating January 7, 1990, through January 13, 1990, as "National Law Enforcement Training Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I simply reserve the right to object in order to acknowledge the work of our colleague, the gentleman from Wisconsin, Mr. LES ASPIN, who is the chief sponsor of Senate Joint Resolution 137, and I do acknowledge his work.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 137

Whereas law enforcement training and sciences related to law enforcement are critical to the immediate and long-term safety and well-being of this Nation because law enforcement professionals provide service and protection to citizens in all sectors of society;

Whereas law enforcement training is a critical component of national efforts to protect the citizens of this Nation from violent crime, to combat the malignancy of illicit drugs, and to apprehend criminals who commit personal, property, and business crimes;

Whereas law enforcement training serves the hard working and law abiding citizens of this Nation;

Whereas it is essential that the citizens of this Nation be able to enjoy an inherent right of freedom from fear and learn of the significant contributions that law enforcement trainers have made to assure such right;

Whereas it is vital to build and maintain a highly trained and motivated law enforcement work force that is educated and trained in the skills of law enforcement and sciences related to law enforcement in order to take advantage of the opportunities that law enforcement provides;

Whereas it is in the national interest to stimulate and encourage the youth of this Nation to understand the significance of law enforcement training to the law enforcement profession and to the safety and security of all citizens;

Whereas it is in the national interest to encourage the youth of this Nation to appreciate the intellectual fascination of law enforcement training; and

Whereas it is in the national interest to make the youth of this Nation aware of career options available in law enforcement and disciplines related to law enforcement: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 7, 1990, through January 13, 1990, is designated as "National Law Enforcement Training Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate exhibits, ceremonies, and activities, including programs designed to heighten the awareness of all citizens, particularly the youth of this Nation, of the importance of law enforcement training and related disciplines.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolutions just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following resignation from the House of Representatives:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 27, 1989.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

Dear TOM: Enclosed is a letter I have sent to the Governor of Texas, giving official notification that I am resigning my seat in the United States House of Representatives for the 12th District of Texas, effective at the close of business Friday, June 30, 1989.

Best wishes.

Sincerely,

JIM WRIGHT.

The SPEAKER pro tempore. Without objection, the letter will be forwarded to the Governor of Texas and printed in the RECORD.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now receive 1-minute speeches.

SPIRIT WITH WHICH AMERICANS SHOULD APPROACH THE BIRTHDAY CELEBRATION NEXT WEEK

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, after giving a lot of thought, I have come to this conclusion: Protecting and defending our beloved flag by some people is best and easiest when it is politically profitable and physically safe.

Patriotism is not a matter of histrionics. It is an abiding thing, calm and steady on stormy seas as well as in the safety of the harbor.

It is with that spirit that I think Americans should approach this birthday celebration next week.

MILITARY BAND RECORDINGS

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I rise to announce that I plan to introduce a bill today, to amend title 10 of the United States Code, and permit recordings of military bands to be sold commercially.

I find it unpatriotic that an average American can not enjoy the musical brilliance of our military bands without seeing them here in Washington, or somewhere on tour. These bands have been referred to as the true ambassadors of our great nation. Their inspirational music deserves to be heard.

I have received letters from military music lovers all over the world asking why other nations allow commercial recordings of their service bands, yet the United States does not—when ours are so highly acclaimed. American military bands deserve their rightful place alongside those of Great Britain, Ireland, and other countries worldwide.

Mr. Speaker, I urge my colleagues to cosponsor this bill, for the satisfaction of music enthusiasts in American homes, and to enhance internationally the high reputation of the U.S. military bands.

COLD FUSION EXPERIMENTS

(Mr. OWENS of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of Utah. Mr. Speaker, I rise this afternoon to report that experiments to duplicate the University of Utah's cold fusion research are proceeding favorably at a number of locations around this country and throughout the world.

The lastest public confirmation came this past week from the Los Alamos National Laboratory, where scientist Edmund Storms announced he had found significant amounts of tritium during his efforts to reproduce the experiments of Drs. Stanley Pons and Martin Fleischmann at the Unviersity of Utah. Last month, Dr. John Appleby, a chemist from Texas A&M University speaking to the Workshop

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

on Cold Fusion Phenonema at Los Alamos, said, "Tritium * * * can only be coming from fusion. That's the bottom line." Other successful experiments producing tritium have been reported in at least a dozen other laboratories around the world, and some experiments have also indicated a burst of neutron radiation, another telltale sign of fusion.

In a dramatic reversal of his earlier findings and his often critical statements about Pons and Fleischmann's research, Dr. Nathan Lewis of the California Institute of Technology recently revealed that his experiments, too, had produced "excess power."

The prospects for cold fusion are looking brighter and brighter and, yesterday, the University of Utah formally announced a collaborative agreement with General Electric on cold fusion research.

Drs. Pons and Fleischmann are presently in England at Southhampton University, working on a detailed scientific paper which should be released sometime in the next few months, and scaling up their experiments with larger devices and equipment.

I want to communicate to my colleagues that "cold" fusion is alive and well, being performed in increasingly larger jars in laboratories around the world. I have great confidence in Pons and Fleischmann as exceptionally able scientists and men of honesty and dedication. I believe they have discovered something so revolutionary it will yet have major implications for the pursuit of the clean energy that our polluted planet so desperately needs.

Few potentially revolutionary scientific discoveries have initially met with unreserved praise, and research into cold fusion is no exception. But, like Galileo, branded as a heretic and forced to recant his assertion that the Earth revolved around the Sun, Pons and Fleischmann may yet be able to say, "E pur si muove." And, yet, it does still move.

□ 1750

HOMOSEXUALITY

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, revelations about a male prostitution ring involving officials in the Federal Government shed new light on a very perplexing question of our day. How is it that over the course of this decade undeniably conservative administrations have been used to promote homosexuality.

Past wisdom blamed it on the strange bedfellows of politics. As if to say, "This democracy is a government of all the people." But current wisdom now suggests that the "strange bedfellow" answer should be taken more literally.

I urge President Bush to investigate this matter to its fullest and be totally honest with the American people in his findings. Maybe then we will discover why our national AIDS policy has been turned upside down, why the Federal Government insists on funding homoerotic art, and why such obvious planks of the homosexual agenda, like the "hate crimes bill," is allowed to maintain the cloak of civil rights rhetoric.

Mr. Speaker, Guide magazine is one of many publications serving homosexuality in America today. Guide is the self-proclaimed homosexual magazine of the Pacific Northwest.

In November 1987, Guide ran an illuminating article on the Machiavellian tactics of the homosexual movement in their desire to gain social legitimacy. "The first order of business," begin the authors of "The Overhauling of Straight America." "is desensitization of the American public concerning gays and gay rights."

The authors explain that,

> To desensitize the public is to help it view homosexuality with indifference instead of with keen emotion. Ideally, we would have straights register differences in sexual preferences the way they register different tastes for ice cream or sports games.

And with the characteristic candor of a pathologically provincial mind, the authors scheme that,

> At least in the beginning, we are seeking public desensitization and nothing more. We do not need and cannot expect a full "appreciation" or "understanding" of homosexuality from the average American. You can forget about trying to persuade the masses that homosexuality is a good thing. But if only you can get them to think that it is just another thing * * * then your battle for legal and social rights is virtually won.

This is the key to the politics of the homosexual movement: Attempt to delude the public into viewing homosexuality as an innocuous alternative lifestyle, hopefully to the point where it is viewed as simply being an abstract social question in the minds of most Americans. They are actually asking Americans to believe that a man can be a homosexual without ever committing sodomy or any other intimate physical act with the same sex.

WHAT HOMOSEXUALS DO

Militant homosexuals do not want you to know of the behavior that defines their existence. They do not want you to know that the average homosexual has homosexual sex two or three times per week.

That the average homosexual has 1,000 or more sexual partners in his lifetime.

That the average homosexual has only one sexual encounter per partner and never sees the partner again after the encounter.

That the average homosexual has experienced receptive anal penetration, or the insertion of one man's penis in another man's rectum.

And that the average homosexual's favorite activities include: Receiving oral sodomy, that is putting one man's penis in another man's mouth; performing anal penetration; and participating in mutual oral sodomy. [Source: homosexualities, Alan P. Bell and Martin S. Weinberg, (Simon and Schuster) 1979.]

Other activities peculiar to homosexuality include: Rimming, or one man using his tongue to lick the rectum of another man; golden showers, having one man or men urinate on another man or men; fisting or handballing, which has one man insert his hand and/or part of his arm into another man's rectum; and using what are euphemistically termed "toys" such as one man inserting dildoes, certain vegetables, or lightbulbs up another man's rectum. [Source: San Francisco AIDS Foundation, "Can We Talk".]

PUBLIC OPINION

Militant homosexuals cringe at the thought of what these graphic images mean in the minds of most Americans. Mind you, most Americans do not view homosexual sodomy in the same light as heterosexual intercourse or even the aberration of heterosexual sodomy. One of the most recent public opinion surveys on the subject found that 81 percent of the public believes that homosexual relations are wrong. [Source: National Opinion Research Center, General Social Survey, Annual.]

BIBLICAL FOUNDATIONS

A majority of Americans still base their moral values on the same book that commands us not to "lie with mankind, as with womankind" [Leviticus 18:22] and to "Be not deceived: Neither fornicators, nor idolators, nor adulterers, nor effeminate, nor abusers of themselves with mankind * * * shall inherit the kingdom of God." [1 Corinthians 6:9-10.] These Americans daily affirm the societal, if not intrinsic, value of the heterosexual ethic, or the traditional family. They are still the overwhelming majority in our society and our laws reflect this admitted bias.

THE CONSTITUTION AND MAJORITARIAN VALUES

I should take the time at this point to address this issue of bias in the form of majoritarian morality. We should all understand the significance of this American principle. All too often militant homosexuals will insist that one person's values should not be forced upon another person. And that just because a man and woman enjoy sexual intercourse does not mean that two men cannot equally enjoy sodomy, or that sexual intercourse and sodomy should not be equally valued. "Anyway," they will proclaim, "You can't legislative morality."

These are powerful arguments on their surface. The rhetoric is appealing to our libertarian senses. Afterall, this is America, a land where anyone can do as they wish provided they do no harm to another. These thoughts comprise the homosexual liturgy.

Unfortunately for the homosexual movement, these arguments are specious and totally void of historical and legal claims of jurisprudence. As recently as 1986 the U.S. Supreme Court ruled that "There is not fundamental right to commit homosexual sodomy." In the case of Bowers versus Hardwick (1986), the Court boldly reaffirmed society's right to enact moral statutes of this nature.

On the one hand, the Court, through the majority concurrence of Chief Justice Warren Burger, explained the historical precedent for such prohibitions of personal conduct. Justice Burger explained that such:

> Proscriptions against sodomy have very ancient roots. Decisions of individuals relating to homosexual conduct have been subject to State intervention throughout the history of western civilization. Condemnation of those practices is firmly rooted in Judeo-Christian moral and ethical standards.
>
> Homosexual sodomy was a capital crime under Roman law. During the English Reformation when ecclesiastical courts were transferred to the King's courts, the first English statute criminalizing sodomy was passed. [In Blackstone's Legal Commentaries, he] described "the infamous crime against nature" as an offense of "deeper malignity" than rape, an heinous act "the very mention of which is a disgrace to human nature," and "a crime not fit to be named."
>
> The common law of England, including its prohibition of sodomy, became the received law of Georgia and the other colonies. In 1816 the Georgia Legislature passed the statute at issue here, and that statute has been continuously in force in one form or another since that time.

Justice Burger concluded his concurrence by adding that, "To hold that the act of homosexual sodomy is somehow protected as a fundamental right would be to cast aside millenia of moral teaching."

On the other hand, Justice White in drafting the majority opinion took up the issue of privacy or consensual acts and public morals. Justice White wrote that:

> The right pressed upon us here has no [first amendment] support in the text of the Constitution, and it does not qualify for recognition under the prevailing principles for construing the fourteenth amendment. Its limits are also difficult to discern. Plainly enough, otherwise illegal conduct is not always immunized whenever it occurs in the home.
>
> Victimless crimes, such as the possession and use of illegal drugs do not escape the law where they are committed at home . . . and if respondent's submission is limited to the voluntary sexual conduct between consenting adults, it would be difficult, except by fiat, to limit the claimed right of homosexual conduct while leaving exposed to prosecution adultery, incest, and other sexual crimes even though they are committed in the home. We are unwilling to start down that road.

The Justice continues:

> Even if the conduct at issue here is not a fundamental right, respondent asserts that there must be a rational basis for the law and that there is none in this case other than the presumed belief of the majority of the electorate in Georgia that homosexual sodomy is immoral and unacceptable. This is said to be an inadequate rationale to support the law.
>
> The law, however, is constantly based on notions of morality, and if all laws representing essentially moral choices are to be invalidated under the due process clause, the courts will be very busy indeed. Even respondent makes no such claim, but insists that majority sentiments about the morality of homosexuality should be declared inadequate. We do not agree, and are unpersuaded that the sodomy laws of some twenty-five states should be invalidated on this basis.

THE CIVIL RIGHTS DECEPTION

Lest we be deceived by the language of civil rights today as it relates to homosexuality, I would like to quote from Dr. David Pence, a sixties radical, civil rights marcher, anti-war protester, and now a practicing physcian. His insights pierce the homosexual armor:

> The road to Selma did not lead to the right to sodomy * * * Homosexual behavior is a completely different category of activity which cannot be seriously considered even an analogue of race or gender. The freedom train has been hijacked * * *
>
> By restoring its moral foundation, the civil rights movement will no longer serve the ideologies of the last twenty years but will fulfill the democratic promise of America's first two centuries.

THE CAUSES OF HOMOSEXUALITY

Of course, all the legal and historical precedents in the world would become starkly irrelevant were homosexuals to prove that their behavior was not simply a deviant personal choice or even a psychological orientation. But if they can prove that their behavior is genetic or hereditary or somehow show that it is physiologically determined, then homosexuals may legitimately say that they have no choice in the matter thereby providing impetus to add "sexuality" to the list of protected civil rights.

The genetic explanation of homosexuality is the one that many homosexuals prefer. Most often cited is a study published back in 1952 that analyzed the histories of 37 pairs of identical twins and 26 pairs of fraternal twins and reported that in 100 percent of the cases of indentical twins where homosexuality occurred, both were homosexual, while in the fraternal twins only 12 percent of the cases were both homosexual. (Source: "Comparative Twin Study on the Genetic Aspects of Homosexuality," F.J. Kallman, 1952.)

Subsequent researchers have not been able to replicate the same findings. So what conclusions are we to draw? One writer has surmised that,

> No firm conclusion can be drawn from these studies. A higher concordance rate for homosexuality in twins is not necessarily due to genetic factors, but may result from factors such as intense indentification or specific practices related to twinships. (Source: "A General Psychiatric Approach to Sexual Deviation," Anthony Wakeling, 1979)

Others have chosen to focus on the effects of hormonal androgens and testosterone to make their case. None of these studies has provided the scientific fruits necessary to lay claim to a homosexual-from-birth principle.

I have found that homosexual activists are simply unwilling to acknowledge the complexity of their own sad plight. They want so desperately to believe they are normal and natural in what they do that they snatch at any theory that seems to support that idea, ignoring the enormous body of opinion among medical clinicians that tells a different and less satisfying tale.

A significant proportion of clinicians actively engaged in treating patients still believe that homosexuality is, in most cases, an abnormal condition and, in some cases, a serious mental disorder. Others in this category believe that it is no more than an alternative way of behaving, like left-handedness. But all reject the idea that homosexual behavior is inherited or instinctual.

THE CRASHING OF THE APA

Militant homosexuals knew that social progression in this environment of diagnostic ambiguity was tentative at best. They became restless and impatient to the point that the politics of diagnosis took a dramatic turn in 1973 when the movement was able to molest the senses of the American Psychiatric Association [APA] into removing homosexuality from the official list of mental illnesses.

I recently read a powerful narrative detailing this occasion. The event has provided fodder for the homosexual movement ever since. The author of the narrative, far from being a so-called homophobe, is an apologist for homosexuality and a political advocate of the movement. (Source: Homosexuality and American Psychiatry, Ronald Bayer.)

In brief, a group of homosexuals stormed the APA annual convention on successive years in the early seventies and, with deliberately disruptive tactics, actually forced the psychiatrists to accede to their demands and declare homosexuality a normal condition. In effect, the nature of medical opinion was altered by strong-arm tactics. If you doubt that homosexuality should have remained on the APA's list of mental illnesses, you have only to read this account of how it was removed.

After describing the growing tendency toward disruption and violence in homosexual activism, the author tells us that because the APA convention of 1970 was being held in San Francisco, the homosexual leadership decided to focus their attack on that particular organization. And as he puts it, "guerrilla theater tactics and more straightforward shouting matches characterized their presence."

Panel after panel at the 1970 convention was used by the homosexual to shout expletives and comments like, "where did you take your residence, Auschwitz?" Each successive annual convention brought more of the same until, by 1973, the association's all-important nomenclature committee determined that, "Homosexual behavior was not necessarily a sign of psychiatric disorder, and that the diagnostic manual should reflect that understanding."

Since the time homosexuality was removed from the official list of mental illnesses in 1973, pedophilia has also been stricken from the list, except when the adult who has intercourse with children feels "subjective distress." If the past is any indication of the future, in the next few years what we have known as child molesting will be officially termed a normal variant of human sexuality and its practitioners will successfully argue before a quaking group of psychiatrists that any mention of pedophilia in the profession's diagnostic manual would be cruel and discriminatory.

THE HEALTH OF HOMOSEXUALS

If legal grounds, historical grounds, moral grounds, and medical grounds do not provide enough reasons to quell the homo-hysteria that has been unleashed on the public over the last 30 years, perhaps the health reasons will.

Homosexuals are among the most unhealthy of demographic groups. Historically, their bowels have been full of the bulk of enteric diseases in America. Syphilis, gonorrhea, and hepititas B have been the mainstays of their viral menu. And, of course, AIDS has saturated and nearly decimated their ranks.

Homosexuals and their sympathetic media are quick to point out that exposure to venereal diseases, including AIDS have dramatically declined as a result of behavior modification. But as the voice of experience has told us, there are liars, damn liars, and statisticians.

I sincerely hope that homosexuals have modified their sexual behavior. However this hope and seeming statistical evidence belie common sense as well as conflicting evidence. We cannot fairly compare apples and oranges. Homosexual claims that venereal diseases have skyrocketed in the heterosexual community while declining among homosexuals misses the point entirely. The comparison that needs to be made is not among promiscuous or illicit heterosexual sex versus homosexual sodomy. We should begin to compare traditional heterosexual sex versus both promiscuous heterosexual sex and homosexual sodomy.

In other words, stack up the sex-related physical health of a man and woman who have come together in the bonds of a mutually faithful monogamous marriage versus the sex-related physical health of any other type of sexual relationship. Then, and only then, will we get a true picture what behavior is healthy and what behavior is unhealthy.

As it stands, statistical records allow homosexuals to compete medically with their promiscuous heterosexual counterparts. This is like two alcoholics competing for sobriety.

If common sense does not compel a reassessment of how we look at the health of the homosexual community, we are only left to revert to other conflicting studies. One study for instance examined the records of certain hospitals over a 2-year period and found that 3-4 percent of all cases of gonorrhea were among male homosexuals. The same group was accountable for nearly 60 percent of the cases of syphilis. And that of all admissions other than sexually transmitted diseases, homosexuals were accountable for 17 percent. Remember that homosexuals themselves claim they are only 10 percent of the population. In this study anyway, homosexuals represent a percentage of disease far beyond their actual numbers. (Source: "Changes in Sexual Behavior and Incidence of Gonorrhea," Lancet, April 25, 1987.)

Flying in the face of safe sex rhetoric are recordbreaking cases of AIDS in San Francisco. The 1988 monthly average number of AIDS cases reported in that city was 133. In March of 1989 the count was an astounding 193 new cases, only to be topped by an April figure of 207 new cases. The city's health services are now pushed to the limit in caring for the sick.

If it's not AIDS afflicting the homosexual community it will be other venereal diseases as previously mentioned along with the likes of gay bowel syndrome, a particularly vile grouping of infections attacking the intestinal tract, tuberculosis, and cytomegalovirus.

It is the onset of AIDS and the generally unhealthy lives of homosexuals that have given me insight to their enslaving pathology. They attack morality and virtue at every turn even though these positive characteristics can incite the very behaviors they need to stay healthy and alive. The unavoidable question to be posed is, why do homosexuals continue in their deleterious ways? Perhaps society will never come to a consensus on this question.

HOMOSEXUALS WELL-PLACED TO INFLUENCE SOCIETY

What can be discussed, however, is the fact that the homosexual movement refuses to be deterred in advancing their cause. Though comparatively few in number, homosexuals are well-placed in society to perpetuate their chosen behavior. Beyond the obvious fields of entertainment, literature, and certain creative occupations, they have systematically entered professional fields.

If homosexuals need bias within medicine, they can muster a group of homosexual physicians to add credibility.

If homosexuals need bias within public health, they can call on a legion of homosexual bureaucrats, clinicians, and researchers.

If homosexuals need bias within mental health, they will find a motherlode of homosexual psychiatrists at their disposal.

If homosexuals need bias within our legal structure, they can get the pro bono services of a number of homosexual legal firms and foundations.

If homosexuals need bias in the social sciences, academia provides an endless breeding ground for homosexual apologists.

If homosexuals need bias in the news media, the editorial boards of most of the major media outlets inevitably sprout a homosexual or two.

If homosexuals need bias in politics, they need look no further for policial cover than the conclaves of both political parties, especially the Democratic Party.

THE POLITICAL AGENDA

Their social agenda is clear: destigmatize, legitimize, and gain privilege. They say they seek equality, but the very nature of their existence only lends itself to contention as they move their way into the value system of middle America. They ask for something they can only achieve through despotism—forcing Americans to accept homosexual sodomy as they do their own heterosexuality. What begins as a call for equality will naturally lead to a call for privilege.

One activist incited a throng of homosexuals during a march on Washington by proclaiming that:

> We are no longer seeking just a right to privacy and a protection from wrong. We also have a right—as heterosexual Americans already have—to see government and society affirm our lives. . . (October 1987 rally)

At the Federal level of Government, the homosexual movement seeks to:

Amend all Federal civil rights acts, other legislation, and Government controls to prohibit discrimination in employment, housing, public accommodations, and public services.

Prohibit the military from excluding homosexuals entrance in the armed services.

Prohibit discrimination in the Federal civil services because of sexual orientation in hiring and promoting.

Encourage Federal funds to support sex education promoting homosexuality.

At the State level of government, they are asking for the:

Repeal of all laws governing the age of sexual consent.

Enactment of legislation so that child custody, adoption, visitation rights, and foster parenting shall not be denied because of sexual orientation or marital status.

Enactment of legislation prohibiting insurance companies from screening applicants based on their sexual orientation.

Repeal of all State sodomy laws.

The Democratic Party has wholly incorporated affirmative action policies into their national and State party platforms. Rule 5C of the National Democratic Party by-laws now reads that:

> Each State party shall develop and submit party outreach programs for such groups identified [including lesbians and gay men] in their plans, including recruitment, education, and training in order to achieve full participation by such groups in the delegate selection process and at all levels of party affairs.

Seventy-three Members of the House of Representatives, 69 Democrats and 4 Republicans, have sponsored a bill to amend the 1964 Civil Rights Act to include sexual preference as a protected civil right. (See appendix A for list of Members.)

The political clout of the homosexual movement can be measured by their high ranking among prosperous political action committees. In 1987, the Human Rights Campaign Fund ranked ninth among independent PAC's taking in just over $1 million in contributions.

HOMOSEXUAL INFLUENCE IN AIDS POLICY

But this clout is nowhere more present or more intimidating than in the struggle to stop the spread of AIDS. The irony of their position, however, is that they oppose every public health strategy designed to impede the progress of the virus.

They are opposed to confidential reporting. They prefer to remain anonymous and unaccountable.

They are opposed to routine testing. They prefer to remain uninformed and, hence, psychologically protected.

They oppose legal restrictions on the knowing transmission of the virus. They prefer to pass the virus at will if they so choose.

They oppose proscriptions on blood donations. They prefer to be able to donate when and where they wish no matter the risks involved.

They are opposed to contact tracing. They prefer not to run the risk of being embarrassed or held accountable for wanton transmissions.

In sum, homosexuals oppose the very time-tested public health procedures that will save their lives. They prefer to protect their lifestyle rather than protect their lives. This pathology is why homosexuality was considered, and should still be considered, a mental illness. They remain a walking, public and mental health time-bomb.

HOPE FOR OVERCOMING HOMOSEXUALITY

But homosexuals are not left without hope for a better and healthier life. A majority of doctors and psychotherapists treat homosexuals every day to reverse this devastating pathology. These professionals are dedicated to the proposition that all homosexuals are able to be helped.

Many outreach programs exist to provide homosexuals and former homosexuals with support to change and remain changed in their behavior. Some are religious in nature and some are not. These groups include Regeneration in Baltimore, MD, White Stone Ministries in Boston, MA, Desert Stream in Santa Monica, CA, Life in New York City, Exodus International, headquartered in San Rafael, CA, and Beyond Rejection Ministries, in Orange County, CA. Each of these can provide help for homosexuals and/or victims of AIDS.

CLOSING COMMENTS

In closing, we have allowed the tactics of the militant homosexuals to confuse us with appeals to our sense of fairness, with false scientific data, with litigation in courts at every level, and with threats against the public order—all simultaneously. And instead of responding as a united people, we have either surrendered at the outset or else responded in one of several inappropriate ways.

We have tried to ignore the phenomenon in hopes that it will go away. It won't. We must either defeat militant homosexuality or it will defeat us. They have made it clear: we have no third choice.

Many opponents of homosexuality have resorted to name-calling and ridicule, confirming in the eyes of fair-minded people that we are as hard-hearted as homosexuals say we are. In taking this tactic, we deny the humanity of other children of God and forfeit our right to speak as the true keepers of our Judeo-Christian heritage.

We have also attempted to compromise our principles, reaffirming our opposition to homosexual conduct while arguing that under the Constitution we have no right to forbid them much of what they want. Such tactics, however, fail to recognize the essential soundness of our Constitution and its spiritual heritage. We do not have to concede a single point to the homosexual movement, so long as we retain our sense of charity and our capacity to love even those who want to destroy the social foundation of America.

Americans are extremely tolerant. We tend to ignore the consensual relationships of adults behind closed doors. However, when that behavior seeks to find the light of day, out among the public, then Americans become concerned. And it is on this point that homosexuals have at least my attention.

As long as I have the pleasure to serve in the U.S. Congress, I will continue to affirm the heterosexual ethic at every turn, with every subtly, with every bit of imagery I can conjure, with the help of good people across this Nation, as well as with the help of a majority of my colleagues in Congress, and also by the grace of God.

DISTRESS OVER ADMINISTRATION CONTACTS WITH PLO

(Mr. ENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, I rise today to express my dismay and annoyance with the report today that the Bush administration has apparently secretly expanded their contacts with the PLO, with the Ambassador, U.S. Ambassador to Tunisia, meeting at least twice in Tunis with the PLO second highest official, Salah Khalaf. State Department officials confirmed this today. Mr. Khalaf is also known as Abu Iyad, and indicted yesterday in Italy for selling PLO guns to the Red Brigade.

Mr. Speaker, actions speak louder than words, and since the time the PLO purported to recognized Israel's right to exist, they have committed no less than 8 terrorist attacks against the State of Israel. I certainly think that the plan that Prime Minister Shamir has put forward for the West Bank and Gaza certainly should be met with happiness, and I think that the PLO certainly has not yet accepted this. I think that they really ought to be called to task for it. We ought to make sure they do the things they say they are going to do, instead of secretly expanding contacts with them when all they have done in the Middle East is promote terrorism and speak out of both sides of their mouth.

INTRODUCTION OF INNOCENT LANDOWNER DEFENSE AMENDMENTS

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, an important part of the legislative process

is finetuning laws as so that people understand how to implement them. Today I introduced the Innocent Landowner Defense Amendments of 1989. Designed to make a technical correction to a very confusing provision in the superfund law.

When Congress passed the Sara amendments in 1986, it added a narrow exemption from the law's liability. This exemption, known as the innocent landowners defense, has been the subject of considerable debate in the real estate, lending, and environmental communities because no one seems to understand one of the conditions for the defense, a phrase requiring a purchaser of commercial real estate to do all appropriate inquiry into the previous uses of the property.

My legislation will address this problem by establishing three basic steps a purchaser should take to satisfy this condition.

I am confident the legislation is an evenhanded approach to a very difficult problem. It creates no new exemption from superfund liability. Instead it spells out the rules of the game to the real estate and lending communities and in the process helps to fulfill one of the basic mandates of the superfund law, stopping the transfer of contaminated property. For this reason, it is badly needed environmental legislation.

WHAT IS THE BUSH POSITION ON VRA'S?

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute.)

Mr. VISCLOSKY. Mr. Speaker, as the Representative of the largest steel-producing district in the United States, I rise to express my dismay that President Bush is unprepared to announce his position on the extension of the steel Voluntary Restraint Agreement [VRA] Program. This situation has been widely reported and was graphically illustrated in yesterday's Washington Post. I hope that President Bush will extend the VRA's for another 5 years. In any event, it is imperative that he announce immediately how he intends to extend the VRA Program, especially since he stated that he would support an extension during last year's election campaign.

September 30, 1989 is the termination date of the current VRA Program. Steel users have been and will continue to place orders for delivery during the last quarter of this year and early 1990. Until the administration announces the terms of a renewed VRA Program, contracts arranged for delivery after October 1, 1989 could circumvent the new import regulations. In the meantime, we can expect a possible surge in imports.

What will be the result of this activity? Looking back to what happened with the implementation of the 1984 VRA Program, it is likely that foregin steel producers affected by the VRA's will be permitted to ship all of the steel for which they have orders, regardless of the terms negotiated in the new agreements. More importantly, the contracts now being negotiated—which will result in higher levels of imports—will give the foreign steel producers unintended leverage in the negotiation of new VRA's and distort the intended purpose of the new VRA's. This unpalatable scenario can be avoided only by a timely announcement of the administration's position on VRA's.

More than 120 of my colleagues have joined me in urging the President to move quickly to fulfill his campaign pledge to extend the steel VRA program. I ask my other colleagues to join us. Acting swiftly on this important matter will enable the U.S. trade representative to negotiate the new VRA's, and permit a smooth and orderly transition to the new program. This would allow for minimal disruptions in the market, and ensure the continued progress of the U.S. steel industry.

THE ANNIVERSARY OF THE BECK DECISION

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, today marks the 1-year anniversary of the historic U.S. Supreme Court decision in the case of Beck versus the Communication Workers of America. The court declared that workers cannot be forced to contribute to political causes they do not support.

For years, American workers have been forced to contribute to political causes and candidates they oppose through compulsory union dues. Harry Beck objected to this practice and it took him 12 long years to get the courts to agree to protect his rights.

While I recognize that no one should get a free ride and benefit from labor management's bargaining representation by not paying their fair share of the cost, I believe that workers who pay either union dues or the substitute agency fee should have the right, if they so choose, to pay only that portion of the dues that cover collective bargaining costs—and not for political causes and other activities they do not support.

My bill, H.R. 2589, the Workers Political Rights Act of 1989, protects the political rights of the worker by requiring union administrators to notify each employee that they may pay a reduced agency fee, limited solely to costs associated with collective bargaining matters, instead of joining the union and paying the full union dues which may be used for political purposes.

An estimated $355 million was spent on political activities by union leaders without one penny of it appearing on any disclosure forms.

Clearly, this is constitutionally and morally wrong! And the American people know it's wrong!

While contributing to candidates and political causes that are in line with one's own beliefs is truly a basic American right, such political contributions should be voluntary. Let the worker know how his money is being used. Let the worker decided how to spend his own money. Support workers' political rights. Support H.R. 2589.

A TRIBUTE TO JIM WRIGHT

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, the largest attendance ever for the weekly House prayer breakfast was at this morning's meeting in the Members' dining room of the U.S. Capitol.

The Speaker—JIM WRIGHT, the longtime House Member, majority leader, and House Speaker.

JIM WRIGHT, whose outstanding service in this House for 34½ years comes to an end tomorrow, received two prolonged, standing ovations at the House prayer breakfast this morning.

As was expected, Speaker WRIGHT was tremendous in his 30-minute presentation.

Speaker WRIGHT quoted the words from Romans 8:28—"And we know that all things work together for good to them who love the Lord."

Believing those words and knowing JIM WRIGHT, I predict for our beloved colleague from the 12th District of Texas many years of happiness and success in JIM WRIGHT's life after Congress.

INTRODUCTION OF LEGISLATION TO ESTABLISH A WORLD WAR II VETERANS' MEMORIAL

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Ms. KAPTUR. Mr. Speaker, today, I along with 72 of our colleagues am introducing legislation today to establish in Washington, DC, a World War II Veterans' Memorial. It is a modified version of H.R. 537 which would have established a World War II Veterans' Memorial and Museum.

Over the past year, I have spoken with many people—other Members, museum curators, the director of the Museum of American History—about H.R. 537. In those discussions, I have found a great deal of support for a World War II Veterans' Memorial but significant reservations expressed about building a permanent museum dedicated to World War II at a time of very limited Federal budgets.

I still firmly believe that a museum about World War II would be a wonderful way to teach future generations about the meaning of that war and the ideals of freedom and liberty for which our Nation fought. However, I understand the concerns of those who feel that we may not be able to afford at this time such an extensive endeavor as a new museum would represent.

This new bill will still authorize the establishment of a World War II Veterans' Memorial in our Nation's Capital. But it will simply express the sense of Congress that, during the 50th anniversary of World War II, in the years 1991 through 1995, the Federal Government, through the Smithsonian Institution, should encourage and promote appropriate exhibitions and commemorations in honor of our World War II veterans. It also encourages commemorations that reflect this Nation's participation in a conflict that reshaped the international geopolitical landscape as well as our Nation's economic, political, and cultural institutions.

The new bill will still be modeled after the authorizing legislation for the Korean Veterans' Memorial. It will direct the American Battle Monuments Commission to establish a World War II Veterans' Memorial and establish an advisory board to promote, encourage donations to, and recommend sites and design for the memorial as well as to report to Congress yearly on the progress of the memorial. It is still also my intention that this memorial be funded largely through private donations. Thus the bill creates a fund for collection and investment of this private money. The bill does, however, authorize appropriations as necessary for the initial start-up costs of the board and memorial. Last year, the Congressional Budget Office estimated the Government's cost of H.R. 537 at roughly $1 million a year so the measure without the museum element is likely to be less.

I hope that other Members of the House will join us in cosponsoring this legislation to provide the recognition that is long overdue to our World War II veterans.

ORIGINAL COSPONSORS

G.V. "SONNY" MONTGOMERY, CHARLES BENNETT, VIN WEBER, LANE EVANS, CLAUDE HARRIS, JIM JONTZ, JOHN ROWLAND, RON WYDEN, JOHN RHODES, FRANK HORTON, WALTER FAUNTROY, JOHN PORTER, NICK JOE RAHALL, BEN BLAZ, W.G. "BILL" HEFNER, MARGE ROUKEMA, JERRY COSTELLO, MERVYN DYMALLY, PETER DEFAZIO, DAVID MCCURDY, HOWARD WOLPE, GARY ACKERMAN, DAVID PRICE, ALBERT BUSTAMANTE, ROBERT LAGOMARSINO, JOHN MURTHA, BARBARA BOXER, EARL HUTTO, BRUCE MORRISON, WILLIAM CLINGER, ESTEBAN TORRES, MARY ROSE OAKAR, LEON PANETTA, E. KIKA, DE LA GARZA, CARDISS COLLINS, WILLIAM PAXON, TIM VALENTINE, CHET ATKINS, MIKE ANDREWS, CHARLES HAYES, JACK BUECHNER, ROBERT MATSUI, DANTE FASCELL, FLOYD SPENCE, FRANK MCCLOSKEY, JIM SAXTON, LAWRENCE SMITH, WILLIAM FORD, EDWARD ROYBAL, H. MARTIN LANCASTER, RON DE LUGO, WES WATKINS, GUS SAVAGE, WALTER JONES, BILL SARPALIUS, RICK BOUCHER, GUS YATRON, VIC FAZIO, DICK DURBIN, WILLIAM COYNE, JIM HAYES, PORTER GOSS, ROBERT C. SMITH (NH), BEN ERDREICH, HOWARD NIELSON, WILLIAM LIPINSKI, NANCY PELOSI, JAIME FUSTER, TOM BEVILL, CHARLES WILSON, DENNIS HERTEL, TOM LANTOS.

MEMORABLE POINTS FROM THE "OLD GLORY" VIGIL

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I have one final thought on our great colors, the national ensign, "Old Glory," our flag. In all of the vigil last night, the image that stayed with me throughout the day in a somewhat sleepy condition was the mental picture created by our Republican leader, BOB MICHEL, mentioning how in the early invasion days to liberate Europe from Nazi Germany our soldiers for identification purposes wore an American flag on their shoulders.

What suddenly hit me was the image of young American paratroopers from the 82d and 101st Airborne, those unfortunate enough to come down on or near a Panzer division that was going through maneuvers in the area just behind the beaches in Normandy, and some of them were machinegunned in trees and they died there hanging in those trees and were not cut down until American forces moved in from the beaches the next day.

It hit me that the first flags to fly over any piece of liberated or occupied Europe were the flags sewn to the combat fatigue jackets of those young paratroopers, their bodies swinging from those trees throughout the night, and then in the early morning hours, the light showing to the French people that were about to be liberated the fact that the Americans were finally here, that the invasion was taking place, and those flags were flying that were attached to the suits of those dead American heroes. That is an image that I will not forget from last night.

I hope that every American flies "Old Glory" proudly. I will see some of you on the "Phil Donahue Show" this morning, where I will meet America's prime Communist defending lawyer, Bill Kuntzler, probably our colleague, DON EDWARDS, who is not-hot-to-trot on an amendment to protect our flag. So we will go around a few on the merits. And probably there will be Joey Johnson, this young man who is probably going to stupidly dump communism in a few years and come to love his country again, if he ever did. I am sure that he is not aware that he has probably sold more American flags than any American since Abraham Lincoln.

A HAPPY FOURTH OF JULY EVERYBODY

The SPEAKER pro tempore (Mr. LAUGHLIN). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, I cut my 60 minutes down to 5 minutes because I do not intend to speak any longer until maybe sometime when we are back in session about our great American flag and this peculiar Supreme Court ruling. They are all honorable men, and there is one honorable woman over there, but they split on that decision 5 to 4 in a very strange way. I still, after reading the Justices' report on the majority over and over again, cannot see how the logic escaped them that, for a handful of insensitive cretins who hurt so many hundreds of thousands of people, they could come up with that decision. But we can do that when we get back and think back over a beautiful Fourth of July holiday, with hopefully everybody exercising as much safety as they can to protect their families. And to those who do not have families and intend to drink, I say, please exercise safety so we do not read these horrible stories of an American family wiped out by some thoughtless drunk.

What I want to do in these few moments is to talk about the unsung heroes in this beautiful Capitol building, the citadel of liberty, and all of its surrounding and support buildings, and I will name just a handful.

□ 1810

The staff, the support staff that publishes our CONGRESSIONAL RECORD, starting from the moment a word comes out of a Congressman or woman's mouth and is reported here at this table, to all of those downstairs who research and find the proper spelling for some obscure Asian or European village; they were there last

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

night looking for Ste-Mere-Eglise, a little French town where airborne soldiers fought, and some died the night before the June 6 invasion of 1944.

I had an idea that with all the help I do for my constituents to get them flags flown over this beautiful Capitol, and we have had a run on flags around here for this fourth of July, as I said in my 1 minute earlier, I am going to secure 17 flags, maybe more, if some more names turn up, and fly these flags over the Capitol on July 4 itself so that next July 4 all of these staffers that my colleagues see, our reporters and their whole team, will have a flag to fly at home next fourth of July that flew over the Capitol on Fourth of July of 1989.

So, reporters: Charles Gustafson, Susan Hanback, Tab Redling, Tony Tartaro, Katie Jane Teel, Judith Mazur, and, last, but not least, Chris Heil who tagged me with the moniker, "the Fighter with a Heart." All of the transcribers; we see them sometimes on the floor sometimes with great world leaders and the President during his state of the Union message. They are unsung heroes; God bless them for being so patient with us last night, and I will have a flag to present to every one of them when they come back.

Make that 18 flags, and let me throw in one person, took care of me up in New York on the 200th anniversary of George Washington's inaugural. It was a great day with President Bush up there helping us all realize what a great two centuries we have had since our first President was sworn in. Tim Keating in the back there, thanks for taking care of me. I am going to fly a flag for you over the Capitol.

Now for the transcribers down below, those we do not see but type our so-called words of wisdom all night: Tony Jackubosky, Pat Vasselo; forgive me if I wrecked that name, Pat; Karen Ilsemann, John Ulmer, Mary Wood, Barbara Wilmoth, Marian van den Berg.

The record clerks at the desk: Ed White, George Russell, Dick Creeger; some of these people have been here since I came here in 1977, and for all the unsung heroes in the cloakrooms, clerks at the rostrum, if they want to give me their names, I will fly a flag over the Capitol on July 4 for them and proudly present it to them so that they can have it until it wears out, and, if I am still here, I will get them a new one in the future.

Mr. Speaker, I say to all these people on our staff, "God bless all of you. Happy Fourth of July."

VOLUNTARY RESTRAINT AGREEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS of Utah. Mr. Speaker, the administration of the short supply provisions of the Voluntary Restraint Agreements [VRA] has become the focus of much of the debate over whether the Steel Import Stabilization Act of 1984 should be extended. Steel consumers have argued that short supply decisions have taken too long, particularly in 1986 and the early part of 1987. Steel producers are concerned that certain consumers, by filing inflated requests, have tried to use the short supply process as a means of undermining the import limits established by the VRA's.

The entire Utah congressional delegation supports extension of the VRA's for 5 years. We believe that after the flood of unfair imports which damaged the U.S. steel industry in the early 1980's was checked by the VRA's, the industry has made tremendous efforts to modernize and become competitive in the world market. Nowhere is this more evident than the case of Geneva Steel in Provo, UT. Under the VRA program, this mill, which employs 2,400 people, has become a nationally recognized success story and represents future for American steel and industrial competitiveness. Five more years of this program are necessary to allow modernization to be completed and to persuade our trading partners to enter into a workable and enforceable international agreement to eliminate the unfair trade practices which prevent free market forces from operating in international steel trade.

The problems that have arisen in the administration of the short supply provisions of the VRA's from the perspective of consumers should not be used as a means of weakening future VRA's. These problems can be dealt with through the legislative or regulatory process without destroying the effectiveness of the entire VRA program. For example, the problems of delays in decisionmaking on short supply requests has been addressed recently in a bill introduced by my colleague from Connecticut, Mrs. JOHNSON.

There are problems in the short supply process that must also be addressed from the steel producers' perspective. In particular, several steel consumers appear to have abused the short supply process by filing inflated requests as demonstrated by their failure to utilize the full amount of short supply authorized by the Department of Commerce, and their failure to purchase steel from bona fide domestic suppliers. In 1988, for example, Commerce authorized imports of 1.2 million tons of steel under the short supply process, but only 609,000 tons, or approximately 50 percent of that authorized, was actually imported. Moreover, in at least one instance, semifinished steel imported pursuant to short supply authorization was sold from inventory by a steel consumer. Ironically, many of the same consumers who have been guilty of these practices are the ones demanding "reform" of the short supply system.

The legislation I am introducing today seeks to redress the abuses that have resulted from attempts to circumvent the limits imposed by the VRA's through short supply requests. It provides disincentives to inflated requests and to efforts to create short supply by rejection of legitimate offers by domestic producers to supply steel products. The bill gives guidance to the Secretary of Commerce on the circumstances in which price may be taken into account in determining short supply. The bill requires verification of the domestic producers' costs and evidence that the prices offered by a domestic producer are substantially above market.

The bill also would cut off access to short supply for any product restricted under a bilateral VRA or an overall product ceiling, such as the semifinished quota, if there is a company-specific exemption in effect for that product. In 1984, Tuscaloosa Steel obtained exclusive access to additional imports of semifinished steel above the limit set for that product category. Several companies are now seeking such an exemption from import restraints for particular products under the future VRA's. In reality, these exemptions are short supply authorization made without the benefit of scrutiny by the Department of Commerce and without regard to market condition. I believe requests for product categories already subject to increase through this type of arrangement.

Mr. Speaker, the VRA's have given the U.S. industry some degree of the stability required for modernization to proceed. The program should be renewed for an additional 5 years in a manner which takes into account the needs of both producers and consumers and does not provide an unfair advantage to either group.

OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, in response to the recent Supreme Court decision concerning the burning of the U.S. flag, I was proud to add my name as a cosponsor to House Joint Resolution 305, a bill to propose an amendment to the Constitution authorizing the Congress and the States to prohibit the act of desecration of the flag and to set criminal penalties for such action. I urge my colleagues in the House of Representatives to support this legislation to reaffirm our commitment to preserving the honor, glory, and integrity of this precious symbol of our Nation.

Our flag is very special to most Americans. On June 14, in a Flag Day ceremony held by the Village of Harwood Heights, located in the 11th Congressional District of Illinois which I am honored to represent, Village President Ray Willas gave a stirring and inspirational speech on the meaning of our Nation's flag. This speech, written by Lori Berg of his staff, truly captures the special and important significance our flag has for all of our citizens.

In light of the recent Supreme Court decision concerning the burning of the flag of the United States, I would like to share this Flag Day address with my colleagues in the House of Representatives. Village President Ray Willas' address serves as an appropriate reminder of what our flag, the symbol of the United States, means to most Americans.

The text of Mayor Willas' speech follows:

THE STAR SPANGLED BANNER

"Oh Say can you see by the Dawn's early light what so proudly we hailed at the twilight's last gleaming."

America's Flag in battle, America's Flag in victory. Francis Scott Key wrote the words that became our Country's national anthem. We try to remember these words at ball games. Yet no matter how difficult the song may be to sing, there is no doubt, that it is our Flag * * * our Star Spangled Banner, which is the symbol of our liberty, the symbol of our freedom.

Our country was founded with the idea of providing a harbor of liberty. A place for people to exist independent from the state. It is our constitution that guarantees those precious freedoms, but it is our flag which represents those freedoms.

No other symbol is as well recognized, as well understood as the United States Flag.

"Whose broad stripes and bright stars through the perilous night o'er the ramparts we watched were so galantly streaming."

13 red stripes, 13 white stripes. 50 stars. 50 bright stars. 50 states united into one country.

Today we see the Red, White and Blue everywhere. In our clothes, in our advertisements, wallpaper, bathing suits, floral arrangements. The Stars and Stripes have become our country's favorite advertising media campaign. It tells everyone that the product being sold is "All American".

But think too, of what those colors those stars, and those stripes represent for people from other lands. Think of our ancestors who came to this country, a foreign land. Dreams are meant to come true in America.

From the pilgrims seeking religious freedom, to the Irish immigrants seeking a new livelihood, to the Soviet refugees looking for a democratic form of government—America is the land where one does not just think of these privileges, one actually experiences these privileges.

Imagine for the moment, the emotion these people must feel when they see our Star Spangled Banner. Feel if you will, the pain each has endured to transplant their lives here. The languages may be foreign. The customs probably different. But each with one unifying goal; to be entitled to the rights promised by the Flag. The Broad Stripes and the Bright Stars.

"And the rockets red glare, the bombs bursting in air. Gave proof through the night that our Flag was still there."

While some may envy our freedoms, others constantly threaten them. Wars are fought in the name of God, in the name of the King, in the name of dictators. But to the men and women battling for the United States, it has been our Flag for which they are fighting. That is what we defend. Should terrorists trample our Flag, we will defend it. Should our enemies tear our Flag down, we will raise it again. We will fight without end to ensure that our Flag is still there, and will always be there.

"Oh say does that star spangled Banner yet wave, o'er the land of the free and the home of the brave."

Yes, the banner still waves. It waves on the moon, it waves on embassies across the globe. It waved 444 times for our hostages in Iran. It waives for every new citizen and it waves for every one of us.

The flag has, for 200 years now, waved for everyone seeking freedom. It calls out to everyone, inviting those who seek to come here and find.

Other countries may be blessed with fewer problems than we see today. They may not have the crime we experience, there may not be the homeless that there is here.

But the wonderful reason for our flag is that it encourages everyone, everywhere to be free, to be independent. To take our problems and find a solution.

Lets keep the Flag waving o'er the land of the Free and the home of the brave, for everyone here today and everyone to come.

POLISH AMERICAN HERITAGE MONTH OCTOBER 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. BORSKI] is recognized for 5 minutes.

Mr. BORSKI. Mr. Speaker, for the past several years, I have introduced legislation which designated October as Polish American Heritage Month. I am introducing a similar resolution today.

I would like to thank my colleagues and fellow Polish Americans, BILL LIPINSKI of Illinois and GERRY KLECZKA of Wisconsin, for the time and effort they spent in helping me gather support for this legislation. I appreciate their support.

Mr. Speaker, Polish American Heritage Month will focus attention on the great contributions that Poles and Polish Americans made to American history.

Poles fought beside Americans from the very beginning of our struggles for liberty. Their willingness to fight for freedom links Thaddeus Kosciuszko, who helped the Revolutionary Army win the Battle of Saratoga, with Lech Walesa and the many other Solidarity activists who continue to inspire us with their activities in Poland today.

Like many of the peoples who journeyed to America from dozens of different nations, the millions of Poles who immigrated to this country made important contributions to all aspects of American life. Throughout nearly three centuries of immigration, they have been leading businessmen, athletes, artists, and religious leaders. Poles continue to be leaders in all walks of American life today.

Polish American Heritage Month will establish a time to remember the history and values that Poles and Americans share. The history is rich and varied. It includes our most basic beliefs in liberty and freedom.

As a Polish American, I am proud to introduce this important joint resolution to designate October 1989, as "Polish American Heritage Month."

H.J. RES. 347

Joint resolution to designate October 1989 as "Polish American Heritage Month"

Whereas the first Polish immigrants to North America were among the settlers of Jamestown, Virginia, in the 17th century;

Whereas Kazimierz Pulaski, Tadeusz Kosciuszko, and other Poles came to the British colonies in America to fight in the Revolutionary War and to risk their lives and fortunes for the creation of the United States;

Whereas Poles and Americans of Polish descent have distinguished themselves by contributing to the development of arts, sciences, government, military service, athletics, and education in the United States;

Whereas the Polish Constitution of May 3, 1791, was directly modeled on the Constitution of the United States, is recognized as the second written constitution in history, and is revered by Poles and Americans of Polish descent;

Whereas Americans of Polish descent and Americans sympathetic to the struggle of the Polish people to regain their freedom remain committed to a free and independent Polish nation;

Whereas Poles and Americans of Polish descent take great pride in and honor the achievements of the greatest son of Poland, His Holiness Pope John Paul II;

Whereas Poles and Americans of Polish descent take great pride in the achievements of Nobel Peace Prize laureate Lech Walesa and the Solidarity Labor Federation; and

Whereas the Polish American Congress is observing its 45th anniversary this year and is celebrating October 1989 as Polish American Heritage Month: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1989 is designated as "Polish American Heritage Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.

COSPONSORS OF H.J. RES. 347

Representatives Ackerman, Akaka, Anderson, Andrews, Alexander, Annunzio, Applegate, Aspin, Atkins, Bates, Bellenson, Bentley, Bevill, Berman, Bliley, Boggs, Bonior, Bosco, Boucher, Boxer, Brooks, Broomfield, Browder, Brown, (CO), Bruce, Bryant, Bustamante, Cardin, Carper, Carr, Chapman, Clement, Clinger, Collins, Conyers, Courter, Costello, Coyne, Crockett, Darden, DeFazio, de la Garza, Dellums, de Lugo, DeWine, Dicks, Dingell, Dixon, Donnelly, Dornan, (CA), Durbin, Dwyer, (NJ), Dymally, Dyson, Early, Erdreich, Espy, Evans, Fascell, Fauntroy, Fawell, Fazio, Feighan, Flake, Flippo, Florio, Foglietta, Ford, (TN), Ford, (MI), Frank, Frenzel, Frost, Fuster, Garcia, Gonzalez, Guarini, Gaydos, Gephardt, Gilman, Goodling, Gordon, Gunderson, Gray, Hall, (OH), Hammerschmidt, Harris, Hastert, Hayes, (IL), Hayes, (LA), Hefner, Henry, Hertel, Hiler, Hoagland, Hochbrueckner, Horton, Hoyer, Hughes, Hutto, Jacobs, Jenkins, Johnson, (CT), Jones, (GA), Jones, (NC), Jontz, Kanjorski, Kaptur, Kasich, Kennelly, Kildee, Kleczka, Kolter, Kostmayer, Lancaster, Lagomarsino, Lantos, Laughlin, Lehman, (CA), Leland, Levin, (MI), Levine, (CA), Lewis, (GA), Lipinski, Lukens, Donald E., McCloskey, McDade, McGrath, McHugh, Manton, Martin, (NY), Martin, (IL), Martinez, Matsui, Mavroules, McMillen, (MD), Meyers, (KS), Mfume, Miller, (CA), Mineta, Moakley, Mollohan, Moody, Morrison, (CT), Mrazek, Murphy, Murtha, Nagle, Neal, (MA), Nelson, (FL), Nowak, Oakar, Oberstar, Olin, Ortiz, Owens, (NY), Packard, Pallone, Pannetta, Parker, Paxon, Pelosi, Perkins, Pickett, Pickle, Porter, Rahall, Rangel, Richardson, Rinaldo, Roe, Rostenkowski, Rowland, (CT), Roybal, Russo, Sabo, Sangmeister, Savage, Sawyer, Scheuer, Schumer, Sharp, Sikorski, Sisisky, Skaggs, Skelton, Slaughter, (NY), Solarz, Smith, (FL), Staggers, Stallings, Stark, Stokes, Studds, Sundquist, Synar, Tallon, Thomas, (GA), Torricelli, Towns, Traficant, Traxler, Vander Jagt, Vento, Visclosky, Volkmer, Walgren, Walsh, Waxman, Weiss, Wilson, Wheat,

Wolfe, Wolpe, Wyden, Wylie, Yates, Yatron, Young, (AK), and Buechner.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. MCEWEN] is recognized for 60 minutes.

[Mr. MCEWEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 60 minutes.

[Mr. SKELTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

A NOBEL PRIZE FOR THE ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BROWN] is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, along with 10 cosponsors I am today introducing a resolution calling upon the Nobel Commission to consider awarding a Nobel prize for achievements in preservation of the world's environment.

The sorry condition of our global environment is a major concern for all peoples in the world today. Problems such as the greenhouse effect, ozone depletion, and oilspills, scream at us from the headlines of our daily newspapers. Some of these problems are confined to local regions of a single country; others affect nations as a whole. Most have profound international consequences. Oil spilled on the beaches of Alaska disturbs the food web throughout the Pacific Ocean. Radiation from an explosion at Chernobyl contaminates dairy products throughout northern Europe. Freon lost from a refrigerator in Washington, DC, contributes to the loss of ozone in our atmosphere.

Awarding a Nobel prize would provide a fitting tribute to those who are working to help preserve our global environment. Such a prestigious award might also serve to motivate scientists, politicians, and individuals worldwide to devote more of their energies toward improving our understanding of, and sense of responsibility to, the environment.

The resolution I am introducing today is identical to that introduced in the Senate by Senator GORE. The idea of a Nobel prize for the environment emerged from a conference held by time magazine in 1988, prior to its decision to choose Earth as "Planet of the Year."

Mr. Speaker, I urge my colleagues to join me in cosponsoring this important resolution and to assist in its rapid passage through this body.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. MICHEL), from July 11.

Mr. CHAPMAN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. MCDERMOTT (at the request of Mr. GEPHARDT), on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DORNAN of California) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN of California, for 5 minutes, today.

Mr. MCEWEN, for 60 minutes, today.

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:)

Mr. HUBBARD, for 5 minutes, today.

Mr. OWENS of Utah, for 5 minutes, today.

Mr. BORSKI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SMITH of Florida, for 5 minutes, today.

Mr. SKELTON, for 60 minutes, today.

Mr. GONZALEZ, for 60 minutes, on July 10.

Mr. SWIFT, for 60 minutes, on July 18.

Mr. SWIFT, for 60 minutes, on July 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MARKEY, and include extraneous material preceding vote on Fascell en bloc amedment regarding China to H.R. 2655 in Committee on the Whole today.

Mr. RITTER, on en bloc amendments on H.R. 2655, in Committee of the Whole, today.

(The following Members (at the request of Mr. DORNAN of California) and to include extraneous matter:)

Mr. HEFLEY.
Mr. SCHAEFER.
Mr. ROHRABACHER.
Mr. WOLF.
Mr. SMITH of New Jersey.
Mrs. VUCANOVICH.
Mr. MILLER of Washington.
Mr. HYDE in two instances.
Mr. VANDER JAGT.
Mr. SOLOMON.
Mr. BLILEY.
Mr. MCEWEN.
Mr. SCHUETTE.
Mr. GOSS.
Mr. ROTH.
Mr. HUNTER.
Mr. CRANE in two instances.
Mr. OXLEY.
Mr. LAGOMARSINO in two instances.
Mr. GRANDY.
Mr. LOWERY of California.
Mr. SMITH of Mississippi.
Mr. COBLE.
Mr. MCCANDLESS.
Mr. CRAIG.
Mr. COURTER.
Mr. PAXON.

(The following Members (at the request of Mr. HUBBARD) and to include extraneous matter:)

Mr. KANJORSKI in five instances.
Mr. RICHARDSON in two instances.
Mr. LELAND in two instances.
Mr. SKELTON in two instances.
Mr. LEHMAN of California.
Mr. BONIOR in two instances.
Mr. TALLON in two instances.
Mr. BOUCHER.
Mr. BOGGS.
Mr. CLAY.
Mr. RAHALL.
Mr. DORGAN of North Dakota.
Mr. RUSSO.
Mr. GLICKMAN in two instances.
Mr. STOKES.
Mr. TOWNS.
Mr. KOSTMAYER.
Mr. HAMILTON.
Mr. STALLINGS.
Mr. MURTHA.
Mr. DINGELL.
Mr. LANTOS in two instances.
Mrs. BYRON.
Mrs. BOXER.
Mr. HAYES of Illinois
Mr. SMITH of Florida.
Mr. DOWNEY.
Mr. DERRICK.
Mr. HUBBARD.
Mr. BILBRAY.
Mr. CARR.
Mr. LEHMAN of Florida.
Mr. ROSTENKOWSKI in two instances.
Ms. PELOSI in two instances.
Mr. RICHARDSON.
Mr. HOYER.
Mr. SOLARZ.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2119. An act to authorize the exchange of certain Federal public land in Madison County, IL.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 694. An act to extend title I of the Energy Policy and Conservation Act.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for

his approval, bills and joint resolutions of the House of the following titles:

On June 28, 1989:

H.J. Res. 132. Joint resolution to designate the second Sunday in October of 1989 as "National Children's Day;"

H.J. Res. 276. Joint resolution designating September 14, 1989, as "National D.A.R.E. Day;"

H.J. Res. 298. Joint resolution designating July 14, 1989, as "National Day To Commemorate the Bastille Day Bicentennial;"

H.J. Res. 923. An act to redesignate the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, TX, as the "Robert Douglas Willis Hydropower Project;" and

H.J. Res. 2402. An act making supplemental appropriations for the Department of Veterans Affairs for the fiscal year ending September 30, 1989, and for other purposes.

ADJOURNMENT TO MONDAY, JULY 10, 1989

Mr. McEWEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. LAUGHLIN). Pursuant to the provisions of Senate Concurrent Resolution 50, 101st Congress, the House stands adjourned until 12 noon, Monday, July 10, 1989.

Thereupon (at 6 o'clock and 15 minutes p.m.), pursuant to Senate Concurrent Resolution 50, the House adjourned until Monday, July 10, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1386. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of June 1, 1989, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 101-77); to the Committee on Appropriations and ordered to be printed.

1387 A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original reports of political contributions by Luigi R. Einaudi, the Permanent Representative-designate to the OAS; by Warren A. Lavorel, United States Coordinator-designate for Multilateral Trade Negotiations; and by Richard W. Boehm, Ambassador Extraordinary and Plenipotentiary-designate to the Sultanate of Oman, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DE LA GARZA: Committee on Agriculture. H.R. 987. A bill to amend the Alaska National Interest Lands Conservation Act, to designate certain lands in the Tongass National Forest as wilderness, and for other purposes; with an amendment (Rept. 101-84, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Post Office and Civil Service. Report of the Committee on Post Office and Civil Service pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. 101-117). Referred to the Committee of the Whole House on the State of the Union

Mr. CONYERS: Committee on Government Operations. PCB's: EPA must strengthen regulations, improve enforcement and prevent criminal activity (Rept. 101-118). Referred to the Committee of the Whole House on the State of the Union.

Mr. YATES: Committee on Appropriations. H.R. 2788. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes (Rept. 101-120). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1668. A bill to authorize appropriations for certain ocean and coastal programs of the National Oceanic and Atmospheric Administration; with an amendment; referred to the Committees on Foreign Affairs; Interior and Insular Affairs; Public Works and Transportation; and Science, Space and Technology for a period ending not later than August 4, 1989, for consideration of such provisions of the amendment as fall within the jurisdiction of those committees pursuant to clause 1 (i), (l), (p), and (r), rule X, respectively (Rept. 101-119, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 2789. A bill to establish an employment program to make grants available to the States to provide employment to physically and mentally impaired individuals, and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT (for himself, Mr. HUTTO, Mr. McCOLLUM, and Mr. JOHNSTON of Florida);

H.R. 2790. A bill to authorize the Secretary of the Interior to study certain lands for potential inclusion in the National Park System, the National Wild and Scenic Rivers System, or the National Forest System, and for other purposes; jointly, to the Committees on Public Works and Transportation, Interior and Insular Affairs, and Agriculture.

By Mr. BOUCHER:

H.R. 2791. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to encourage the remining and reclamation of abandoned mined lands by active mining operations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRENNAN:

H.R. 2792. A bill to authorize appropriations to reimburse State and local police and sheriff's departments in the State of Maine for certain security-related expenses arising out of visits by the President; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Mr. VALENTINE, Mr. LEWIS of Florida, Mr. AKAKA, and Mr. SCHEUER):

H.R. 2793. A bill to establish a hydrogen research and development program; to the Committee on Science, Space, and Technology.

By Mr. CLAY:

H.R. 2794. A bill to make technical corrections and other miscellaneous amendments to the Employee Retirement Income Security Act of 1974 and related provisions of the Internal Revenue Code of 1986; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. DORGAN of North Dakota (for himself and Mr. HAMILTON):

H.R. 2795. A bill to modernize the Federal Reserve System and to provide for prompt disclosure of certain decisions of the Federal Open Market Committee; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DORGAN of North Dakota (for himself and Mr. BROWN of Colorado):

H.R. 2796. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of interest income and rental expense in connection with safe harbor leases involving rural electric cooperatives; to the Committee on Ways and Means.

By Mr. DORNAN of California:

H.R. 2797. A bill to impose an embargo on trade with Syria; jointly, to the Committees on Ways and Means; Foreign Affairs; and Banking Finance and Urban Affairs.

By Mr. DORNAN of California (for himself and Mr. FRANK):

H.R. 2798. A bill to establish a Police Corps Program; to the Committee on the Judiciary.

By Mr. ESPY (for himself and Mr. STENHOLM):

H.R. 2799. A bill to amend the Agricultural Act of 1949 to allow the planting of alternate crops on permitted acreage for the 1990 crop year; to the Committee on Agriculture.

By Mr. SHAW (for himself, Mr. DANNEMEYER, Mr. WELDON, Mr. DELAY, Mr. DORNAN of California, Mr. LAUGHLIN, Mr. HUBBARD, Ms. KAPTUR, and Mr. VISCLOSKY):

H.R. 2800. A bill to amend title 10 and 14, United States Code, to permit recordings of military bands to be sold commercially; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. FAWELL (for himself, Mrs. MEYERS of Kansas, Mrs. COLLINS, Mr. MADIGAN, Mr. HALL of Ohio, Mr. PETRI, Mr. SWIFT, Ms. KAPTUR, Mrs. MARTIN of Illinois, and Mr. LAGOMARSINO):

H.R. 2801. A bill to amend title II of the Social Security act to permit a State to exclude from coverage (by a modification or additional modification of the applicable State agreement under section 218 of that act) any service performed by election officials or election workers in cases where the remuneration paid for such service is less than $100 in a calendar quarter of $300 in a calendar year (rather than only where such

remuneration is less than $100 in a calendar year as presently permitted); to the Committee on Ways and Means.

By Mr. FORD of Michigan:

H.R. 2802. A bill to amend title 39, United States Code, and associated provisions of other laws, to make technical and perfecting corrections, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GOODLING (for himself, Mr. GUNDERSON, Mr. HENRY, AND MR. SMITH of Vermont):

H.R. 2803. A bill to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve youth and adults, to establish the Youth Opportunities Unlimited Program, and for other purposes; to the Committee on Education and Labor.

By Mr. GRANDY (for himself, Mr. MADIGAN, Mr. LIGHTFOOT, Mr. JOHNSON of South Dakota, Mr. OLIN, Mr. JONTZ, and Mr. ESPY):

H.R. 2804. A bill to amend the Internal Revenue Code of 1986 to extend for 3 years the exemption from the termination of small issue bonds for farm property and manufacturing facilities located in rural areas; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 2805. A bill to amend title 18, United States Code, to require that persons comply with State and local firearms licensing laws before receiving a Federal license to deal in firearms; to the Committee on the Judiciary.

By Mr. HUGHES (for himself, Mr. MCCOLLUM, Mr. BOUCHER, Mr. SMITH of Mississippi):

H.R. 2806. A bill to amend section 511 of the Controlled Substances Act to make technical, clarifying, and administrative amendments, and for other purposes; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Ms. KAPTUR:

H.R. 2807. A bill to provide for the establishment of a memorial on Federal land within the District of Columbia to honor members of the Armed Forces who served in World War II, and to express the sense of Congress concerning U.S. participation in that conflict; jointly, to the Committees on House Administration and Veterans' Affairs.

By Mr. KOSTMAYER:

H.R. 2808. A bill to amend the Toxic Substances Control Act to require schools to test for radon contamination; to the Committee on Energy and Commerce.

By Mr. LEHMAN of California:

H.R. 2809. A bill to provide for the transfer of certain lands to the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LELAND:

H.R. 2810. A bill to amend title 39, United States Code, to require the United States Postal Service to make space available in post offices for State voter registration authorities to place voter registration forms, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2811. A bill to amend title 39, United States Code, to provide that the United States Postal Service give voter registration forms along with change-of-address forms, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LELAND (for himself and Mrs. MORRISON):

H.R. 2812. A bill to amend title 5, United States Code, to establish a pay schedule, to revise the rates of pay for Federal Fire Service personnel, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. MEYERS of Kansas:

H.R. 2813. A bill to improve the information available to emergency response personnel in the field, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. MONTGOMERY (by request):

H.R. 2814. A bill to amend title 10, United States Code, to authorize transportation on military aircraft to be provided to former members of the Armed Forces who are totally disabled as the result of a service-connected disability in the same manner and to the same extent as such transportation is provided to retired members of the Armed Forces; to the Committee on Armed Services.

H.R. 2815. A bill to provide military commissary and exchange privileges to the surviving spouses of veterans dying from a service-connected disability; to the Committee on Armed Services.

H.R. 2816. A bill to authorize the award of the Purple Heart to former prisoners of war of World War I, World War II, and the Korean war for injuries received during captivity; to the Committee on Armed Services.

H.R. 2817. A bill to amend title 38, United States Code, to revise the formula for the payment of dependency and indemnity compensation [DIC] to the surviving spouses of veterans who die on active duty or from service-connected disaiblities; to the Committee on Veterans' Affairs.

H.R. 2818. A bill to amend title 38, United States Code, to extend from 1 year to 3 years the period after separation from service during which the conditions of Hodgkin's disease and leukemia occurring in a veteran shall be presumed to be service-connected; to the Committee on Veterans' Affairs.

H.R. 2819. A bill to amend title 38, United States Code, to extend from 1 year to 2 years the period during which veterans with service-connected disabilities may apply for national service life insurance; to the Committee on Veterans' Affairs.

H.R. 2820. A bill to amend title 38, United States Code, to extend educational assistance benefits to dependents of veterans with a service-connected disability of 80 percent or more; to the Committee on Veterans' Affairs.

H.R. 2821. A bill to amend title 38, United States Code, to provide certain additional protection from reduction for the disability ratings of veterans with service-connected disabilities rated total for not less than 10 years; to the Committee on Veterans' Affairs.

H.R. 2822. A bill to amend chapter 42 of title 38, United States Code, with respect to the definition of disabled veteran; to the Committee on Veterans' Affairs.

H.R. 2823. A bill to amend title 38, United States Code, to provide that recipients of the Purple Heart award be considered compensably disabled veterans for purpose of veterans' preference in Federal civil service; to the Committee on Veterans' Affairs.

H.R. 2824. A bill to amend title 38, United States Code, to repeal the requirement that a chronic disease becoming manifest in a veteran within 1 year of the veteran's discharge from military service must be at least 10 percent disabling in order to be presumed to be service connected for purposes of veterans' benefits; to the Committee on Veterans' Affairs.

H.R. 2825. A bill to amend title 38, United States Code, to provide that former prisoners of war are eligible for reimbursement for emergency medical expenses on the same basis as veterans with total permanent service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2826. A bill to amend title 38 of the United States Code to permit certain eligible veterans to purchase up to $20,000 of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 2827. A bill to amend title 38, United States Code, with respect to the implementation of section 2014 of such title; to the Committee on Veterans' Affairs.

H.R. 2828. A bill to amend title 38, United States Code, to extend from 60 days to 120 days the period between notice and effective date for certain reductions and discontinuations of Department of Veterans Affairs monetary benefits; to the Committee on Veterans' Affairs.

H.R. 2829. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 2830. A bill to amend title 38, United States Code, to provide for an increase in the amount of dependency and indemnity compensation paid to dependent parents of deceased veterans in the case of parents who are permanently housebound; to the Committee on Veterans' Affairs.

H.R. 2831. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to make direct low-interest loans to veterans eligible for specially adapted housing assistance; to the Committee on Veterans' Affairs.

H.R. 2832. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to provide mortgage protection life insurance to certain veterans unable to acquire commercial mortgage protection life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2833. A bill to amend title 38, United States Code, to eliminate the delimiting date for spouses and surviving spouses eligible for benefits under chapter 35; to the Committee on Veterans' Affairs.

By Mr. OWENS of Utah.

H.R. 2834. A bill to enhance the operation of the Steel Import Stabilization Act; to the Committee on Ways and Means.

By Mr. PALLONE:

H.R. 2835. A bill to provide for the relocation of certain facilities at the Gateway National Recreation Area, Sandy Hook, NJ, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RICHARDSON:

H.R. 2836. A bill to postpone the effective date of certain financial syndication rules of the Federal Communications Commission pending the outcome of litigation concerning the legal authority for such rules; to the Committee on Energy and Commerce.

By Mr. SLATTERY (for himself, Mr. EVANS, and Mr. ROBINSON):

H.R. 2837. A bill to amend title 38, United States Code, to extend chapter 34 of such title for certain veterans; to the Committee on Veterans' Affairs.

By Mr. SMITH of Florida (for himself and Mr. LEWIS of Florida):

H.R. 2838. A bill to provide for the use and distribution of funds awarded the Seminole Indians in dockets 73, 151, and 73-A of the Indian Claims Commission; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Vermont:

H.R. 2839. A bill to amend the Age Discrimination in Employment Act of 1967 to clearly express the fact that appointed judges are protected under such act; to the Committee on Education and Labor.

By Mr. STUDDS:

H.R. 2840. A bill to reauthorize the Coastal Barrier Resources Act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STUDDS (for himself, Mr. JONES of North Carolina, and Mr. YOUNG of Alaska):

H.R. 2841. A bill to authorize the Fishermen's Protective Act of 1967 for fiscal year 1990; to the Committee on Merchant Marine and Fisheries.

H.R. 2842. A bill to authorize appropriations to carry out the Atlantic Tunas Convention Act of 1975 through fiscal year 1992, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. UDALL (for himself and Mr. KOLBE):

H.R. 2843. A bill to establish the Kino Missions National Monument in the State of Arizona; to the Committee on Interior and Insular Affairs.

By Mr. VENTO:

H.R. 2844. A bill to improve the ability of the Secretary of the Interior to properly manage certain resources of the National Park System; to the Committee on Interior and Insular Affairs.

By Mr. WYDEN (for himself, Mr. RINALDO, and Mr. HOCHBRUECKNER):

H.R. 2845. A bill to amend the Solid Waste Disposal Act to promote recycling and other resource conservation; to the Committee on Energy and Commerce.

By Mr. BORSKI (for himself, Mr. ACKERMAN, Mr. AKAKA, Mr. ANDERSON, Mr. ANDREWS, Mr. ALEXANDER, Mr. ANNUNZIO, Mr. APPLEGATE, Mr. ASPIN, Mr. ATKINS, Mr. BATES, Mr. BEILENSON, Mrs. BENTLEY, Mr. BEVILL, Mr. BERMAN, Mr. BLILEY, Mrs. BOGGS, Mr. BONIOR, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWDER, Mr. BROWN of Colorado, Mr. BRUCE, Mr. BRYANT, Mr. BUSTAMANTE, Mr. CARDIN, Mr. CARPER, Mr. CARR, Mr. CHAPMAN, Mr. CLEMENT, Mr. CLINGER, Mrs. COLLINS, Mr. CONYERS, Mr. COURTER, Mr. COSTELLO, Mr. COYNE, Mr. CROCKETT, Mr. DARDEN, Mr. DEFAZIO, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DE LUGO, Mr. DEWINE, Mr. DICKS, Mr. DINGELL, Mr. DIXON, Mr. DONNELLY, Mr. DORNAN of California, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EARLY, Mr. ERDREICH, Mr. ESPY, Mr. EVANS, Mr. FASCELL, Mr. FAUNTROY, Mr. FAWELL, Mr. FAZIO, Mr. FEIGHAN, Mr. FLAKE, Mr. FLIPPO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUSTER, Mr. GARCIA, Mr. GONZALEZ, Mr. GUARINI, Mr. GAYDOS, Mr. GEPHARDT, Mr. GILMAN, Mr. GOODLING, Mr. GORDON, Mr. GUNDERSON, Mr. GRAY, Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HARRIS, Mr. HASTERT, Mr. HAYES of Illinios, Mr. HAYES of Louisiana, Mr. HEFNER, Mr. HENRY, Mr. HERTEL, Mr. HILER, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. HUTTO, Mr. JACOBS, Mr. JENKINS, Mrs. JOHNSON of Connecticut, Mr. JONES of Georgia, Mr. JONES of North Carolina, Mr. JONTZ, Mr. KANJORSKI, Ms. KAPTUR, Mr. KASICH, Mrs. KENNELLY, Mr. KILDEE, Mr. KLECZKA, Mr. KOLTER, Mr. KOSTMAYER, Mr. LANCASTER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LAUGHLIN, Mr. LEHMAN of California, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. DONALD E. "BUZ" LUKENS, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCGRATH, Mr. MCHUGH, Mr. MANTON, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MCMILLEN of Maryland, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. MURPHY, Mr. MURTHA, Mr. NAGLE, Mr. NEAL of Massachusetts, Mr. NELSON of Florida, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OLIN, Mr. ORTIZ, Mr. OWENS of New York, Mr. PACKARD, Mr. PALLONE, Mr. PANETTA, Mr. PARKER, Mr. PAXON, Ms. PELOSI, Mr. PERKINS, Mr. PICKETT, Mr. PICKLE, Mr. PORTER, Mr. RAHALL, Mr. RANGEL, Mr. RICHARDSON, Mr. RINALDO, Mr. ROE, Mr. ROSTENKOWSKI, Mr. ROWLAND of Connecticut, Mr. ROYBAL, Mr. RUSSO, Mr. SABO, Mr. SANGMEISTER, Mr. SAVAGE, Mr. SAWYER, Mr. SCHEUER, Mr. SCHUMER, Mr. SHARP, Mr. SIKORSKI, Mr. SISISKY, Mr. SKAGGS, Mr. SKELTON, Ms. SLAUGHTER of New York, Mr. SOLARZ, Mr. SMITH of Florida, Mr. STAGGERS, Mr. STALLINGS, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. SUNDQUIST, Mr. SYNAR, Mr. TALLON, Mr. THOMAS of Georgia, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. VANDER JAGT, Mr. VENTO, Mr. VISCLOSKY, Mr. VOLKMER, Mr. WALGREN, Mr. WALSH, Mr. WAXMAN, Mr. WEISS, Mr. WILSON, Mr. WHEAT, Mr. WOLF, Mr. WOLPE, Mr. WYDEN, Mr. WYLIE, Mr. YATES, Mr. YATRON, Mr. YOUNG of Alaska, and Mr. BUECHNER):

H.J. Res. 347. Joint resolution to designate October 1989 as "Polish American Heritage Month"; to the Committee on Post Office and Civil Service.

By Mr. SANGMEISTER (for himself, Mr. MONTGOMERY, Mr. LIPINSKI, and Mr. BEVILL):

H.J. Res. 348. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States and to set criminal penalties for that act; to the Committee on the Judiciary.

By Mr. SPENCE:

H.J. Res. 349. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the act of desecration of the flag of the United States; to the Committee the Judiciary.

By Mr. MICHEL (for himself and Mr. MONTGOMERY):

H.J. Res. 350. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the physical desecration of the flag of the United States; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.J. Res. 351. Joint Resolution proposing an amendment to the Constitution of the United States to prohibit the act of desecration of the flag of the United States; to the Committee on the Judiciary.

H.J. Res. 352. Joint resolution designating September 15, 1989, as "National Telephone Operators Recognition Day"; to the Committee on Post Office and Civil Service.

By Ms. SNOWE:

H. Con. Res. 163. Concurrent resolution to commend the President's decision to grant temporary refuge to Chinese intellectuals and human rights activists Fang Lizhi and Li Shuxian; to the Committee on Foreign Affairs.

By Mr. BROWN of California (for himself, Mr. OLIN, Mr. HOCHBRUECKNER, Ms. SCHNEIDER, Mr. SCHEUER, Mrs. MORELLA, Mr. EDWARDS of California, Mr. BERMAN, Mr. BATES, Mr. WOLPE, and Mr. WYDEN):

H. Res. 193. Resolution to urge the Nobel Commission to consider awarding Nobel Prize recognition for achievements in preservation of the world environment; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STENHOLM introduced a bill (H.R. 2846) for the relief of Elizabeth M. Hill; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. SAXTON.

H.R. 13: Mr. MOODY.

H.R. 47: Mr. HAMILTON, Mr. SCHUETTE, and Mr. DONALD E. LUKENS.

H.R. 118: Mr. SCHUETTE, Mr. BROWN of California, Mr. HAWKINS, and Mr. LANTOS.

H.R. 160: Mr. ACKERMAN, Mr. GOODLING, and Mr. KANJORSKI.

H.R. 237: Mr. MATSUI, Ms. KAPTUR, Mr. VALENTINE, Mr. ATKINS, Mrs. COLLINS, Mr. KANJORSKI, Mr. HUGHES, Mr. DYMALLY, Ms. PELOSI, Mr. LEWIS of Georgia, and Mr. BUSTAMANTE.

H.R. 488: Mr. RIDGE.

H.R. 500: Mr. RINALDO.

H.R. 526: Mr. BRYANT.

H.R. 557: Mr. HOLLOWAY.

H.R. 570: Mr. HOYER.

H.R. 598: Mrs. COLLINS, Mr. YOUNG of Florida, Mr. OWENS of Utah, and Mr. EVANS.

H.R. 634: Mr. HERTEL.

H.R. 642: Mr. ORTIZ, Mr. COMBEST, Mr. RAVENEL, Mr. LEATH of Texas, Mr. APPLEGATE, Mr. MORRISON of Connecticut, Mr. SMITH of Texas, Mr. HEFNER, Mr. SCHUETTE, and Mr. QUILLEN.

H.R. 671: Mr. HYDE.

H.R. 672: Mr. ATKINS, Mr. OWENS of New York, and Mr. MCDERMOTT.

H.R. 683: Mr. DYMALLY, Mr. FORD of Tennessee, Mr. FUSTER, Mr. GORDON, Mr. LANTOS, Mr. MATSUI, Mr. SKELTON, Mr. WALSH, and Mr. SLATTERY.

H.R. 725: Mr. SANGMEISTER.

H.R. 844: Mr. HUNTER, Mr. HALL of Texas, and Mr. DEFAZIO.

H.R. 860: Mr. NIELSON of Utah, Mrs. MEYERS of Kansas, and Mr. WALSH.

H.R. 864: Ms. SLAUGHTER of New York and Mr. HOLLOWAY.

H.R. 929: Mr. SHAYS, Mr. ROE, and Mr. MORRISON of Connecticut.

H.R. 931: Mr. GILMAN and Ms. PELOSI.

H.R. 966: Mrs. BOXER and Mr. STARK.

H.R. 1036: Mr. MCNULTY, Mr. WALSH, Mrs. BENTLEY, Mrs. PATTERSON, Mr. KOLTER, Mr. BRYANT, Ms. SCHNEIDER, and Mr. JONTZ.

H.R. 1056: Mr. ROBINSON, Mr. HAMILTON, Mr. KOLTER, Mr. JOHNSTON of Florida, Mr. BRYANT, Mr. SMITH of Florida, Mr. LEWIS of Georgia, Mr. BROWN of California, Mr. COURTER, Mr. MILLER of Washington, Mrs. UNSOELD, and Mr. MRAZEK.

H.R. 1087: Mr. PRICE, Mr. TALLON, Mr. ESPY, Mr. HENRY, Mrs. MARTIN of Illinois, Mr. WYDEN, Mr. ROBINSON, Mr. BUECHNER, Mr. MARTIN of New York, Mr. MATSUI, Ms. SLAUGHTER of New York, and Mrs. BOXER.

H.R. 1100: Mr. BUECHNER.

H.R. 1193: Mrs. SMITH of Nebraska, Mr. MONTGOMERY, Mr. EVANS, Mr. RAVENEL, Mr. STANGELAND, Mr. KASTENMEIER, Mr. HEFNER, Mr. WEBER, Mr. MCCLOSKEY, and Mr. STAGGERS.

H.R. 1236: Mr. WISE, Mr. FAUNTROY, Mr. GEJDENSON, Mr. TAUZIN, Mr. COLEMAN of Texas, Mr. TRAXLER, Mr. MCNULTY, Mr. OWENS of Utah, Mr. MARKEY, and Mr. BONIOR.

H.R. 1356: Mr. UDALL, Mr. KOLTER, Mrs. SAIKI, and Mr. SCHEUER.

H.R. 1465: Mr. RINALDO, Mr. DICKS, Mr. DIXON, Mr. SHUMWAY, and Mr. WALSH.

H.R. 1532: Mr. ROE.

H.R. 1574: Mrs. BOXER and Mr. KENNEDY.

H.R. 1652: Mr. SAXTON.

H.R. 1675: Mr. YOUNG of Florida and Mr. HUCKABY.

H.R. 1725: Mr. CROCKETT.

H.R. 1804: Mr. PAYNE of New Jersey, Mr. DAVIS, Mr. ACKERMAN, Mr. CARPER, Mr. BERMAN, Mr. SPRATT, Mr. BEILENSON, Mr. CLEMENT, Mr. WISE, and Mr. GORDON.

H.R. 1811: Mr. RAVENEL.

H.R. 1854: Mrs. COLLINS.

H.R. 1860: Mr. FORD of Michigan, Mr. KOSTMAYER, Mrs. UNSOELD, and Mr. FISH.

H.R. 2022: Mr. PALLONE, Mr. SUNDQUIST, and Mr. HUBBARD.

H.R. 2037: Mr. HANCOCK, Mr. ROGERS, Mr. MILLER of California, Mr. NIELSON of Utah, Mr. DE LA GARZA, Mr. SCHAEFER, Mr. ROYBAL, Mr. RAY, Mr. BRYANT, Mr. SMITH of Mississippi, Mr. COMBEST, Mr. SIKORSKI, Mrs. BYRON, Mr. LIGHTFOOT, Mr. OWENS of Utah, Mr. WISE, Mr. PAYNE of Virginia, Mr. KOLBE, Mr. BRUCE, Mr. MONTGOMERY, Mr. MYERS of Indiana, Mr. MOAKLEY, Mr. RINALDO, Mr. KASICH, Mr. ROBINSON, Mr. MURPHY, Mr. TALLON, Mr. YATRON, Mr. BATEMAN, Mr. DE LUGO, Mr. SLATTERY, Mr. BLAZ, Mr. BEVILL, Mr. AKAKA, Mr. BILIRAKIS, Mr. HAYES of Illinois, Mr. JOHNSON of South Dakota, Mr. BROOKS, Mr. MCNULTY, Mr. DREIER of California, Mr. CLARKE, Mr. HARRIS, Mr. MURTHA, Mr. HOCHBRUECKNER, Mr. PAYNE of New Jersey, Mr. PASCELL, Mr. MORRISON of Connecticut, and Mr. COX.

H.R. 2050: Mr. HARRIS.

H.R. 2121: Mr. COYNE, Mr. JENKINS, Mr. NATCHER, and Mr. CHANDLER.

H.R. 2138: Mr. HAWKINS, Mr. SMITH of Florida, and Mr. WISE.

H.R. 2144: Mr. MOODY.

H.R. 2168: Mr. DE LUGO, Mr. HAMILTON, Mr. BRYANT, Ms. PELOSI, Mr. JACOBS, Mr. BEILENSON, Mr. HAYES of Illinois, Mr. BOEHLERT, Mr. WYDEN, Mr. OWENS of New York, Mr. DELLUMS, Mr. WEISS, and Mr. MILLER of Washington.

H.R. 2174: Mrs. BOGGS and Mr. SABO.

H.R. 2180: Mr. AUCOIN, Mr. DYMALLY, Mr. ENGLISH, Mr. GILMAN, Mr. HUGHES, Mr. LAUGHLIN, Mr. THOMAS A. LUKEN, Mr. ROE, Mr. SMITH of Vermont, Mr. SOLARZ, Mr. UDALL, Mr. WEISS, and Mr. MCCURDY.

H.R. 2209: Mr. PETRI.

H.R. 2216: Mr. PORTER.

H.R. 2222: Mr. MURPHY, Mrs. MORELLA, and Mr. MARTINEZ.

H.R. 2223: Mr. PALLONE.

H.R. 2228: Mr. LELAND.

H.R. 2265: Mr. BEILENSON.

H.R. 2274: Mr. HORTON, Mr. UPTON, and Mr. ECKART.

H.R. 2283: Mr. WALSH, Mr. SCHIFF, Mrs. BYRON, Mr. ACKERMAN, Mr. EDWARDS of Oklahoma, Mr. FEIGHAN, and Mr. SKAGGS.

H.R. 2294: Mr. PENNY, Mr. KOLTER, Mr. SARPALIUS, Mr. TALLON, Mr. GUNDERSON, Mr. MCEWEN, Mr. CHAPMAN, Mr. OLIN, Mr. EMERSON, Mr. WALSH, Mr. ROBINSON, and Mr. LANCASTER.

H.R. 2302: Mr. HUBBARD and Mr. YATRON.

H.R. 2303: Mr. HUBBARD and Mr. OXLEY.

H.R. 2351: Mr. KILDEE, Mrs. JOHNSON of Connecticut, Mrs. MEYERS of Kansas, Ms. KAPTUR, Mr. ECKART, Mr. UPTON, Mr. EDWARDS of Oklahoma, Mrs. BOXER, and Ms. PELOSI.

H.R. 2353: Mr. RIDGE.

H.R. 2360: Mrs. BENTLEY, Mr. ROGERS, and Mr. WALSH.

H.R. 2380: Mrs. MARTIN of Illinois and Mrs. SCHROEDER.

H.R. 2388: Mr. WALSH, Mr. HARRIS, and Mr. WATKINS.

H.R. 2418: Mr. HILER and Mr. VISCLOSKY.

H.R. 2493: Mr. MORRISON of Connecticut and Mr. DYMALLY.

H.R. 2525: Ms. PELOSI, Mr. FAUNTROY, Mr. JONTZ, and Mr. SCHEUER.

H.R. 2543: Mr. VALENTINE.

H.R. 2547: Mr. WOLPE.

H.R. 2549: Mr. LAGOMARSINO, Mr. DWYER of New Jersey, Mr. FROST, and Mr. DYMALLY.

H.R. 2561: Mr. WALSH, Mr. COURTER, Mr. BROWN of California, Mr. SMITH of Florida, and Mr. KANJORSKI.

H.R. 2584: Mr. WHEAT, Mr. RANGEL, and Mr. WALSH.

H.R. 2596: Mr. WEISS, Mr. BALLENGER, Mr. BATES, Mr. KOSTMAYER, Mr. ECKART, Mrs. BOXER, Mr. SMITH of Florida, and Mrs. BENTLEY.

H.R. 2614: Mr. MILLER of Ohio, and Mr. DYMALLY.

H.R. 2615: Ms. PELOSI, Mr. STOKES, Mr. CAMPBELL of Colorado Mr. JONTZ, and Mr. FALEOMAVAEGA.

H.R. 2665: Mr. FAUNTROY, Mr. BEVILL, Mr. MORRISON of Connecticut, Mr. JONTZ, Mr. SABO, Mr. WEISS, Mr. OWENS of New York, Mrs. COLLINS, Mr. ATKINS, Mr. MCDERMOTT, Mr. GAYDOS, Mr. DELLUMS, Mr. MURPHY, and Mr. HAYES of Illinois.

H.R. 2674: Mr. WALKER.

H.R. 2681: Mr. SAXTON, Mr. OWENS of New York, and Mr. LANCASTER.

H.R. 2682: Mr. SMITH of New Hampshire, Mr. RINALDO, Mr. OXLEY, Mr. QUILLEN, and Mr. HASTERT.

H.R. 2687: Mr. HUBBARD.

H.R. 2699: Mr. ROYBAL and Mr. DOUGLAS.

H.R. 2700: Mr. ROWLAND of Connecticut, Mr. UPTON, Mr. HUBBARD, and Mr. GEPHARDT.

H.R. 2712: Mr. HOLLOWAY, Mr. CLINGER, Mr. WHITTAKER, Mr. GUARINI, Mr. MOODY, Mr. DURBIN, Mr. TORRICELLI, Mr. GLICKMAN, Mr. ROSE, Mr. SCHIFF, Mr. HYDE, Mr. SMITH of Florida, Mr. SYNAR, Mr. DWYER of New Jersey, Mr. SCHAEFER, Mr. WYDEN, Mr. PICKLE, Mr. DORGAN of North Dakota, Mr. SMITH of New Hampshire, and Mr. SMITH of Vermont.

H.R. 2718: Mr. FORD of Michigan and, Mr. RIDGE.

H.R. 2732: Mrs. MARTIN of Illinois and Mr. COUGHLIN.

H.R. 2770: Mr. ROHRABACHER and Mr. SMITH of New Hampshire.

H.R. 2787: Mr. WISE.

H.J. Res. 54: Mrs. SCHROEDER and Mr. MFUME.

H.J. Res. 104: Mr. ASPIN, Mr. MCEWEN, Mr. HOYER, Mr. PAYNE, of New Jersey, Mr. RUSSO, Mr. BUNNING, and Mr. TALLON.

H.J. Res. 130: Mr. DYSON, Mr. SMITH of New Jersey, Mr. WATKINS, Mrs. MEYERS of Kansas, Mr. VANDER JAGT, Mr. COSTELLO, Mr. HEFNER, Mr. APPLEGATE, Mr. DONNELLY, Mr. BUNNING, Mr. ENGLISH, Mr. EMERSON, Mr. FRANK, Mr. HAYES of Louisiana, Mr. CLARKE, Mr. FEIGHAN, Mr. BOEHLERT, Mr. DANNEMEYER, Mr. DONALD E. LUKENS, Mr. YATRON, Mr. DYMALLY, Mr. SCHAEFER, Mr. KOLTER, Mr. MURPHY, Mr. MARTIN of New York, Mr. AUCOIN, Mrs. BOXER, Mr. MCGRATH, and Mr. HUTTO.

H.J. Res. 160: Mr. CROCKETT and Mr. GEJDENSON.

H.J. Res. 163: Mr. SPRATT, Mr. STOKES, Mr. TOWNS, Mr. WHEAT, Mr. DE LA GARZA, Mr. WOLPE, Mr. LEVINE of California, Mr. KANJORSKI, Mr. NIELSON of Utah, Mr. CONTE, Mr. RINALDO, Mrs. JOHNSON of Connecticut, Mr. DERRICK, Mr. CARR, and Mr. PAYNE of New Jersey.

H.J. Res. 178: Mr. ANDERSON, Mr. ANNUNZIO, Mr. APPLEGATE, Mr. BAKER, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BATEMAN, Mr. BENNETT, Mr. BEREUTER, Mr. BERMAN, Mr. BOEHLERT, Mrs. BOXER, Mr. BROOMFIELD, Mr. BUECHNER, Mr. BUNNING, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CLINGER, Mr. COBLE, Mr. CONTE, Mr. COX, Mr. CRAIG, Mr. DANNEMEYER, Mr. DAVIS, Mr. DE LA GARZA, Mr. DICKS, Mr. DORNAN of California, Mr. DOUGLAS, Mr. DUNCAN, Mr. EDWARDS of California, Mr. FAZIO, Mr. FISH, Mr. FLIPPO, Mr. FRENZEL, Mr. GALLEGLY, Mr. GALLO, Mr. GARCIA, Mr. GIBBONS, Mr. GINGRICH, Mr. GOSS, Mr. HOPKINS, Mr. HOUGHTON, Mr. HOYER, Mr. HUBBARD, Mr. HUNTER, Mr. INHOFE, Mr. GRANDY, Mr. GRANT, Mr. GREEN, Mr. GUNDERSON, Mr. HAMMERSCHMIDT, Mr. HASTERT, Mr. HERGER, Mr. IRELAND, Mrs. JOHNSON of Connecticut, Mr. KASICH, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. LENT, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mrs. LLOYD, Mr. DONALD E. LUKENS, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCDADE, Mr. MCHUGH, Mr. MADIGAN, Mrs. MARTIN of Illinois, Mr. MAVROULES, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MILLER of Washington, Mr. MOLINARI, Mr. MOORHEAD, Mrs. MORELLA, Mr. NATCHER, Mr. NEAL of North Carolina, Mr. NELSON of Florida, Ms. OAKAR, Mr. OXLEY, Mr. PACKARD, Mr. PARRIS, Mr. PASHAYAN, Ms. PELOSI, Mr. PORTER, Mr. PURSELL, Mr. QUILLEN, Mr. RANGEL, Mr. REGULA, Mr. RICHARDSON, Mr. RIDGE, Mr. RITTER, Mr. ROBERTS, Mr. ROBINSON, Mr. ROGERS, Mr. ROHRABACHER, Mr. ROTH, Mrs. SAIKI, Mr. SCHULZE, Mr. SHAW, Mr. SHUMWAY, Mr. SKEEN, Mr. SLAUGHTER of Virginia, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. SMITH of Texas, Mr. SMITH of Mississippi, Mr. SMITH of Florida, Mr. SMITH of Vermont, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Ms. SNOWE, Mr. STANGELAND, Mr. STENHOLM, Mr. SUNDQUIST, Mr. THOMAS of California, Mr. THOMAS of Wyoming, Mr. TORRES, Mr. UPTON, Mr. VENTO, Mrs. VUCANOVICH, Mr. WAXMAN, Mr. WEBER, Mr. WHITTAKER, Mr. WOLF, Mr. WOLPE, Mr. WYLIE, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, and Mr. EDWARDS of Oklahoma.

H.J. Res. 212: Mr. COX.

H.J. Res. 221: Mr. CAMPBELL of Colorado, Mr. BUECHNER, Mr. RHODES, and Mr. ROWLAND of Connecticut.

H.J. Res. 257: Mr. WALGREN, Mrs. PATTERSON, Mr. SKAGGS, Mr. SMITH of Mississippi, Mr. EMERSON, Mr. GEJDENSON, Mr. GALLO, and Mr. ROBERTS.

H.J. Res. 260: Mr. ASPIN.

H.J. Res. 265: Mr. MICHEL, Mrs. BOXER, Mr. IRELAND, Mr. CROCKETT, Mr. SMITH of Mississippi, Mr. VANDER JAGT, Mr. SMITH of New Hampshire, Mr. ROSE, Mr. ASPIN, Mr. BATES, Mr. VENTO, Ms. KAPTUR, Mr. STARK, Mr. CARDIN, Mr. HERTEL, Mr. SAVAGE, Mr. PORTER, Mr. GALLEGLY, Mr. MCCRERY, Mr. LANTOS, Mr. TAUKE, Mr. KENNEDY, Mr. DONNELLY, Mr. DIXON, Mr. NATCHER, Mr. MAVROULES, Mr. UPTON, Mr. OBERSTAR, Mr. ESPY, Mr. DEFAZIO, Mr. RAVENEL, Mr. LEVINE of California, Mr. MCDERMOTT, Mr. MARTIN of New York, and Mr. CONYERS.

H.J. Res. 275: Mr. RANGEL, Mr. STENHOLM, Mr. MCCRERY, Ms. KAPTUR, Mr. COBLE, Mr. ROHRABACHER, Mr. RICHARDSON, Mr. HAYES of Illinois, Mr. LELAND, Mr. IRELAND, Mr. ROBERT F. SMITH, Mr. LEWIS of California, Mr. PASHAYAN, Mr. LAFALCE, Mr. BENNETT, Mr. MAZZOLI, Mr. TRAXLER, and Mr. OLIN.

H.J. Res. 278: Mr. GILMAN, Mr. EDWARDS of Oklahoma, Mr. DAVIS, Mr. SCHAEFER, Mr. COSTELLO, Mr. HORTON, Mr. GARCIA, Mr. OWENS of New York, Mr. MATSUI, Mr. MAVROULES, Mr. HOCHBRUECKNER, Mr. ENGLISH, Mr. HENRY, Mr. DWYER of New Jersey, Mr. JONTZ, Mr. HANCOCK, Mr. WALSH, Mr. PACKARD, Mr. THOMAS A. LUKEN, Mrs. MEYERS of Kansas, Mr. LEWIS of Georgia, Mr. RANGEL, Mr. ROBERTS, Mrs. PATTERSON, Mr. SKEEN, and Mr. MINETA.

H.J. Res. 284: Mr. BARNARD, Mr. EMERSON, Mr. ANTHONY, Mr. WALGREN, Mr. KOSTMAYER, Mr. PARRIS, Mr. MATSUI, Mr. BUNNING, Mr. SMITH of Florida, Mr. LANTOS, Mr. DORNAN of California, Mr. GEJDENSON, Mr. JONTZ, Mr. ERDREICH, Mr. GARCIA, Mr. WILSON, Mr. RINALDO, and Mr. FUSTER.

H.J. Res. 289: Mr. HORTON, Mr. OLIN, Mr. FUSTER, Mr. BLILEY, Mr. DYMALLY, Mr. MFUME, Mr. ESPY, Mr. KOLTER, Ms. KAPTUR, Mr. STOKES, Mrs. COLLINS, Mr. FLORIO, Mr. WALSH, Mr. RANGEL, Mr. SHAYS, Mr. COSTELLO, Mr. LAFALCE, Mr. EVANS, Mr. FAZIO, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Ms. PELOSI, and Mr. HAWKINS.

H.J. Res. 290: Mr. SMITH of Florida, Mr. SISISKY, Mr. IRELAND, Mr. ANNUNZIO, Mr. GEKAS, Mr. CLARKE, Mr. MCDADE, Mr. HAYES of Louisiana, Mr. BATEMAN, Mr. PALLONE, Mr. PICKETT, Mr. NOWAK, Mr. PASHAYAN, Mr. DERRICK, Mr. HORTON, Mr. THOMAS A. LUKEN, Mr. MATSUI, Mr. SKAGGS, Mr. GORDON, Mr. APPLEGATE, Mr. BLILEY, Mr. EMERSON, Mr. FUSTER, Mr. ERDREICH, Mr. RICHARDSON, Mr. LAGOMARSINO, Mr. RANGEL, Mr. STANGELAND, Mr. FAUNTROY, Mr. VENTO, Mr. SAWYER, Mr. DELLUMS, Mr. RAVENEL, Mrs. COLLINS, Mr. ROGERS, Mr. SHAW, Mr. FALEOMAVAEGA, and Mr. DYMALLY.

H.J. Res. 292: Mr. HORTON, Mr. KOLTER, Mr. SMITH of Florida, Mr. ANNUNZIO, Mr. FAUNTROY, Mr. AKAKA, Mr. BLILEY, Mr. BROWN of California, Mr. DICKS, Mr. DYMALLY, Mr. DWYER of New Jersey, Mr. LEHMAN of California, Mr. FUSTER, Mr. ACKERMAN, Mr. SCHEUER, Mr. COLEMAN of Texas, Mr. HUGHES, Mrs. MEYERS of Kansas, Mr. DONALD E. LUKENS, Mr. STOKES, Mr. LEVIN of Michigan, Mr. ASPIN, Mr. SAXTON, Mrs. BENTLEY, Mr. WEBER, Mr. HENRY, Mr. SIKORSKI, Mr. LIPINSKI, Mr. BERMAN, Mrs. MORELLA, Mr. WEISS, Mrs. COLLINS, and Mr. WALSH.

H.J. Res. 293: Mr. COSTELLO, Mr. SMITH of Florida, Mr. WYDEN, Mr. BLILEY, Mr. DONALD E. LUKENS, Mr. SCHIFF, Mr. MANTON, Mr. MCDADE, Mr. MAZZOLI, Mr. RAVENEL, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. WALSH, Mr. HORTON, Mr. GEKAS, Mr. FAUNTROY, Ms. KAPTUR, Mr. RANGEL, Mr. KOLTER, Mr. MATSUI, Mr. DERRICK, Mr. MRAZEK, Mr. FEIGHAN, Mrs. PATTERSON, Mr. JONTZ, Mr. FASCELL, Mrs. COLLINS, Mr. LANCASTER, Mr. PARRIS, and Mr. HANCOCK.

H.J. Res. 303: Mr. PAXON, Mr. CALLAHAN, Mr. APPLEGATE, Mr. GRANT, Mr. SOLOMON, Mr. FIELDS, Mr. MILLER of Ohio, Mr. GEKAS, Mr. BEVILL, Mr. SCHUETTE, Mr. HORTON, Mr. RITTER, Mr. RHODES, Mr. WATKINS, Mrs. BENTLEY, Mr. HUTTO, and Mr. HERGER.

H.J. Res. 305: Mrs. BENTLEY, Mr. ROE, Mr. PERKINS, Mr. HUCKABY, Mr. LEATH of Texas, Mr. HOLLOWAY, Mr. CLARKE, Mr. EMERSON, Mr. TAUZIN, Mr. FEIGHAN, Mr. PAXON, Mr. WILSON, Mr. ANNUNZIO, Mr. CAMPBELL of Colorado, Mr. MCGRATH, Mr. HORTON, Mr. SUNDQUIST, Mr. WYLIE, and Mr. GALLEGLY.

H.J. Res. 314: Mr. JACOBS, Mr. KOLTER, Mr. MONTGOMERY, Mr. HANSEN, Mr. SKEEN, Mr. WHITTAKER, Mr. DANNEMEYER, Mr. HUCKABY, and Mr. HOLLOWAY.

H.J. Res. 318: Mr. CAMPBELL of Colorado, Mr. MCGRATH, Mr. LOWERY of California, Mr. MARLENEE, Mr. RAVENEL, Mr. SMITH of Texas, Mr. INHOFE, Mr. MILLER of Ohio, Mr. GALLEGLY, and Mr. WYLIE.

H.J. Res. 321: Mr. HOLLOWAY, Mr. PAXON, and Mr. BATES.

H.J. Res. 325: Mr. HOLLOWAY, Mr. PAXON, and Mr. WYLIE.

H.J. Res. 329: Mr. HOLLOWAY, Mr. EMERSON, Mr. PAXON, and Mr. WYLIE.

H.J. Res. 330: Mr. BUNNING, Mrs. BENTLEY, Mr. SPENCE, Mr. DANNEMEYER, Mr. SOLOMON, Mr. HUCKABY, Mr. HOLLOWAY, Mr. EMERSON, Mr. TAUZIN, Mr. MARTIN of New York, Mr. PAXON, Mr. MCGRATH, Mr. VALENTINE, Mr. HARRIS, Mr. MONTGOMERY, Mr. PARKER, Mr. STENHOLM, Mr. RAY, Mr. PAYNE of Virginia, Mr. ROWLAND of Georgia, Mrs. PATTERSON, Mr. OLIN, and Mr. BROWDER.

H.J. Res. 331: Mr. WYLIE.

H.J. Res. 335: Mr. WYLIE and Mr. PAXON.

H.J. Res. 336: Mr. EMERSON and Mr. HOLLOWAY.

H.J. Res. 337: Mr. COURTER, Mr. GALLO, Mr. BLAZ, Mr. HUNTER, Mr. LEWIS of Florida, Mr. SCHAEFER, Mr. LIGHTFOOT, Mr. OLIN, Mr. PURSELL, Mr. MADIGAN, Mr. GRANDY, Mr. NIELSON of Utah, Mr. FIELDS, Mr. HOCHBRUECKNER, Mr. BILIRAKIS, Mr. HERGER, Mr. LENT, Mr. ROHRABACHER, Mr. STANGELAND, Mr. TRAFICANT, Mr. YATRON, Mr. HARRIS, Mr. GIBBONS, Mr. SISISKY, Mr. SKELTON, Mr. BENNETT, Mr. MCNULTY, Mr. HUTTO, Ms. SLAUGHTER of New York, Mr. BARNARD, Mr. RITTER, Mr. TAUZIN, Mr. STUMP, Mr. BATEMAN, Mr. ROWLAND of Georgia, Mr. DYSON, Mr. ROWLAND of Connecticut, Mr. HUCKABY, Mr. STENHOLM, Mr. LIVINGSTON, Mr. GEKAS, Mr. HALL of Texas, Mr. ARMEY, Mrs. MARTIN of Illinois, Mr. CALLAHAN, Mr. MCCOLLUM, Mr. MCCANDLESS, and Mr. DICKINSON.

H. Con. Res. 6: Mr. PALLONE.

H. Con. Res. 134: Mrs. MARTIN of Illinois, Mr. HUGHES, Mr. PORTER, and Mr. WAXMAN.

H. Con. Res. 138: Mr. GUARINI, Mr. SMITH of Florida, Mr. POSHARD, Mr. ATKINS, and Mr. MCNULTY.

H. Con. Res. 152: Mr. LAGOMARSINO, Mr. ATKINS, Mr. FAZIO, and Mr. RANGEL.

H. Res. 172: Mr. EDWARDS of California, Mr. ENGLISH, Mr. BROWN of Colorado, and Mr. MILLER of California.

H. Res. 176: Mr. LIVINGSTON.

H. Res. 184: Mr. TAUZIN, Mr. PAXON, Mr. MCGRATH, Mr. GALLEGLY, and Mr. LAGOMARSINO.

H. Res. 185: Mr. YOUNG of Florida, Mr. BILIRAKIS, Mr. MACHTLEY, Mr. COX, Mr. PACKARD, Mr. LEATH of Texas, Mr. HUCKABY, Mr. TAUZIN, Mr. WILSON, and Mr. LAGOMARSINO.

H. Res. 188: Mr. PAXON.

H. Res. 189: Mrs. LLOYD, Mr. MORRISON of Connecticut, Mr. SANGMEISTER, Mr. STEARNS, and Mr. WYLIE.

H. Res. 191: Mr. ROHRABACHER and Mr. SMITH of New Hampshire.

EXTENSIONS OF REMARKS

MARKING THE BIRTHDAY OF INVENTOR NIKOLA TESLA

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HEFLEY. Mr. Speaker, July 10 marks the 133d anniversary of the birth of Nikola Tesla, a native of Yugoslavia who traveled to this country in 1884 and discovered the rotating magnetic field, considered the basis of most alternating-current machinery.

Tesla's vision and achievements earn him a stature the world has eagerly bestowed on Thomas Edison and George Westinghouse, two of his contemporaries. Yet he remains relatively unknown despite the fact his research did much to create the world we live in today.

Tesla was no stranger to my hometown of Colorado Springs. Along one side of Prospect Park there's a plaque marking the place where, in 1899 and 1900, Tesla conducted some of his most spectacular experiments. Those experiments were recounted by author Harry L. Goldman in the March 1971 edition of the American West: The Magazine of Western History. I commend that article to my colleagues for their attention.

[From the American West: The Magazine of Western History, March 1971]

NIKOLA TESLA'S BOLD ADVENTURE

(By Harry L. Goldman)

On the afternoon of May 17, 1899, inventor Nikola Tesla stepped from the train at Colorado Springs obsessed with electrifying the earth. The elite of Little London turned out to welcome the stranger from New York City and they were not disappointed—Tesla was a striking figure. His tall slenderness, wavy black hair, piercing gray eyes, and European mannerisms never failed to capture the emotions of those about him.

Of the several dignitaries who made it their business to be on hand, few were able to comprehend the significance of Tesla's visit. It was not long before the electrical wizard was able to give his audience a traumatic demonstration of his purpose.

Of the thousands who reached these shores in 1884, destiny marked Nikola Tesla, an immigrant from Yugoslavia, as one who would soon stand out from the crowd. Within a span of fifteen years, the ambitious inventor bestowed upon his adopted country a prodigious number of scientific achievements and accomplishments.

He not only gave us our present system of alternating-current power transmission, but also the invaluable a.c. motor, ideas and apparatus for industrial induction heating and welding, diathermy, with its medical applications, synchronous time mechanisms, gaseous tube lighting as in neon and fluorescent bulbs, as well as X-ray apparatus and techniques for their employment. Furthermore, Tesla established a considerable amount of the groundwork for radio communications and related fields including the science of radio-guided missiles.

At the turn of the century, when colleagues were directing their attention to moderate distance code communications, Tesla was feverishly anticipating a method of broadcasting music, speech, pictures, and newspapers to all parts of the globe. According to the inventor, his "World System" of communications would not only interconnect telegraph, telephone, and stock ticker services, but would also provide the benefits of safe and accurate navigation without the aid of compasses. Clocks throughout the world would require little attention as their operation could be radio-controlled from a master station. In addition, he claimed that it would provide personal telephone communications between parties, regardless of distance, with an incredible device small enough to be carried in one's pocket.

As though this were not enough, Tesla's World System was to incorporate the transmission of electric power without the aid of wires. Swaggering in his own inimitable manner of grandeur, the inventor predicted the feasibility of running the street cars of London and lighting the lamps of Paris by the power generated from Niagara. The implications of such a reality fermented a passion which bordered on the threshold of physical pain. "Humanity will be like an ant heap stirred up with a stick," cried the impetuous Tesla. "See the excitement coming!"

Tesla's New York experiments had become restricted by the physical limitations of his Houston Street laboratory. The four-million volt lightning-like discharges produced by his electrical transformers struck ceilings and walls. It was impossible for him to apply practical tests to his wireless transmission theory without accommodations more in proportion to the enormity of his imagination.

Evidently, Tesla's fame and stories of his scientific achievements had preceded him in his journey to the West. His arrival created quite a stir in that bustling community known "for its cosmopolite and high bred people" as well as "its reputation of always doing the right thing at the right time." Noting Tesla's arrival, the Colorado Springs *Gazette* (May 28) declared. "This week has been noticeable for the presence of distinguished personages in Colorado Springs. Tesla, the electrician, second only to Edison, if indeed to anyone, is establishing his scientific headquarters here and will settle the question of wireless telegraphy in the weeks to come." News reporters badgered the inventor with questions about his scientific achievements and for information pertinent to his presence in Colorado Springs.

Tesla satisfied their curiosity by informing them that he proposed "to send a message from Pike's Peak to Paris." (This was more than two years prior to Marconi's famed transatlantic transmission.) The natives were well aware of a United States Signal Service (Weather Bureau) telegraph station at the summit of their famous mountain but Tesla's utterances were something else. The inventor further explained, "I will investigate electrical disturbances in the earth. There are great laws, which I want to discover, and principles to command."

Tesla took a room at the Alta Vista Hotel with a view of the majestic Peak, affording him an opportunity for enjoying his favorite pastime, watching nature's lofty thunderbolts. Furthermore, he liked Room 207 because its number was divisible by three. Tesla's habit of carrying out experiments and repeated acts in numbers divisible by three was but one of the many phobias that haunted the inventor throughout his life.

Armed with a loan of $30,000 from John Jacob Astor, $10,000 from M. Crawford, a drygoods merchant, and the unending influence of his lawyer friend, Leonard E. Curtis, Tesla became fervently committed to a regimented schedule. He contracted for the construction of an experimental laboratory of his own design. In mid-July, a structure of awe and mystery stood isolated on the prairie pasture east of the Colorado School for the Deaf and Blind. It was a huge barn-like construction approximately 100 feet square and braced on three sides. Above its sloping roof was an 80-foot tower through which there extended a 200-foot mast topped by a one-meter copper sphere. The forbidding omen hovering over the area was augmented by a fence with notices written in large black letters warning, "Keep Out—Great Danger!"

The major part of the interior was taken up with a variety of Tesla innovations. The electrical wizard was pioneering virgin fields and his apparatus, yet untried and exhibiting all the characteristics peculiar to an H.G. Wells's fantasy, had to be constructed by highly trained technicians and shipped from the east. High-voltage transformers, dynamos, resonant-tuning devices, capacitor-discharge apparatus, oil-insulated capacitors (a Tesla invention), and a large metered control panel were among the items neatly spaced about the hall.

At one end of the laboratory was the secondary coil of a giant Tesla transformer, which the inventor termed a "magnifying transmitter." Its primary coil (buried underneath the floor) was fifty-one feet in diameter and wound with heavy copper bars.

In the center of the secondary was another coil with a diameter of ten feet. It carried 100 turns of wire and served to function as an extension of the secondary. The 200-foot mast extended up through the center and supported a large copper cable, which connected to the one-meter copper sphere. Using these devices, Tesla intended to determine if the earth possessed an electrical charge (it does) and to institute experiments that would alter its magnitude (he did). Who but Tesla would be so bold as to undertake a scientific investigation of such proportions?

The mystified citizens of Colorado Springs kept a safe distance from the odd-looking structure. Passersby, such as those using the trolley line on Nob Hill, were amazed by its precocious appearance and would stare in unison with similar sorts of ungainly expressions. Herdsmen moving their animals out to pasture went about their work unable to conceal their contemplations.

Those whose curiosity led them to trespass the bounds of the property reported seeing strange blue flickering lights emanat-

ing from the enigmatic gadgets within the laboratory. Said one eyewitness, "Through this mass of intricate and dangerous mechanism, Mr. Tesla walks as fearlessly as if on the streets of the city." A reporter who had managed a peek through the windows was startled to find a Tesla employee standing at his side. "Your life is in peril," he said, "and you would be a great deal safer if you would remove yourself from the vicinity." Tesla was extremely secretive about his work and always maintained a strict security. In order to discourage the overly curious, he publicly announced, "I have an instrument at my station which is capable of killing thirty thousand people in an instant."

There were, however, a few residents who were allowed the privilege of infringing upon the sancity of Telsa's Olympus. In the book, *The Life of Nikola Tesla*, authors Hunt and Draper mention Fred Stevens, a photographer, and Richard Gregg, an errand boy.

Nonetheless, it is doubtful whether anyone on either side of the Missisippi ever viewed a creation similar to the likes of Tesla's experimental station, and it is no wonder that the sight prompted one writer to say, "Mr. Tesla is a great scientist but a poor architect."

By mid-summer of 1899, Tesla was able to utilize his Colorado experimental station for preliminary investigations of his wireless telegraphy theories. He was extremely pleased with this western state as the site for his experiments. Aside from the pleasantness of its natural beauty, the rarefied air provided exceptional opportunities for the study of high potential electrical phenomena. "No better opportunities for such observations as I intended to make could be found anywhere," said Tesla. "Colorado is a country famous for the natural displays of electric force. In that dry and rarefield atmosphere the sun's rays heat the objects with fierce intensity. I raised steam to a dangerous pressure, in barrels filled with concentrated salt solution, and the tin-foil coatings of some of my elevated terminals shriveled up in the fiery blaze.

"An experimental high-tension transformer, carelessly exposed to the rays of the setting sun, had most of its insulating compound melted out and was rendered useless. Aided by the dryness and rarefaction of the air, the water evaporates as in a boiler, and static electricity is developed in abundance.

"Lightning discharges are, accordingly, very frequent and sometimes of inconceivable violence. On one occasion approximately twelve thousand discharges occurred in two hours, and all in a radius of certainly less than fifty kilometers from the laboratory. Many of them resembled gigantic trees of fire with the trunks up or down. I never saw fire balls, but as a compensation for my disappointment, I succeeded later in determining the mode of their formation and producing them artificially."

On one occasion, a fierce lightning bolt nearly demolished Tesla's station even though the actual strike occurred at a great distance. Reported Tesla, "A heavy cloud had gathered over Pike's Peak range and suddenly lightning struck at a point just ten miles away. I timed the flash instantly and, upon making a quick computation, told my assistants that the tidal wave would arrive in 48.5 seconds.

"Exactly with the lapse of this time interval a terrific blow struck the building, which might have been thrown off the foundation had it not been strongly braced. All the windows on one side and a door were demolished and much damage done in the interior. Taking into account the energy of the electric discharge and its duration, as well as that of an explosion, I estimated that the concussion was about the equivalent to the ignition of twelve tons of dynamite."

It was during a violent Colorado electrical storm that Tesla came to make one of his most astounding scientific discoveries. After carefully adjusting his delicate measuring instruments, the inventor noted an unusual reaction to the earth's electrical activity. "No doubt whatever remained," said Tesla. "I was observing stationary (standing) waves. . . Impossible as it seemed, this planet, despite its vast extent behaved like a conductor of limited dimensions. The tremendous significance of this fact in the transmission of energy by my system had already become quite clear to me. Not only was it practicable to send telegraphic messages to any distance without wires, as I recognized long ago, but also to impress upon the entire globe the faint modulations of the human voice, far more still, to transmit power, in unlimited amounts to any terrestrial distance and almost without loss."

Tesla later suggested the employment of standing waves as a means of detecting moving objects at great distances. "By their use . . . we may determine the relative position or course of moving object, such as a vessel at sea, the distance traversed by the same, or its speed." It wasn't until just before World War II, some forty-one years later, that radar—as foretold by Tesla—became a reality.

As a result of his investigations, Tesla concluded that the earth was not only electrified, but that it was charged to an extreme potential. Accordingly, if it were possible to increase the magnitude of the earth's electric charge by artificial means, it might also be possible to withdraw the applied energy anywhere on the globe. Basically, this meant that Tesla's "system" was to provide the benefits of electricity not only to the highly populated continents, but even to the most remote civilized outposts whether on land or at sea.

To accomplish this, however, would require the development of transmitting and receiving apparatus unlike any devices heretofore conceived. It was to this purpose that the electrical wizard dedicated his tireless efforts. At the end of the summer of 1899, the equipment stood ready, in statuelike silence, awaiting the highest man-made voltage experiment in history. Tesla was about to cross a new frontier—one far beyond that which anyone else had reached.

During the initial test, the mute electrical machinery suddenly transformed into lifelike fire-spitting demons. Power transformers supplying the heavy currents hummed a dissonant sixty-cycle tune. The floor beams vibrated a cacophonic reply. Spheres of the capacitor-discharge circuit became bridged by a machine-gun series of wrist-thick blinding flashes. The huge secondary of Tesla's transformer was crowned by an electrical fire of long finger-like streamers. A halo of harassing brush discharges enveloped the entire surface of the main switch panel.

Evidently, stray high-frequency currents had found a return path into the Colorado Springs Electric Company's facilities. Unknown to Tesla, the reaction was playing havoc with their generators and transmission lines. Lightning insulators within a dozen miles became short-circuited and glowed with purplish arcs.

The awesome discharges, thundering roar, and the production of choking quantities of pungent ozone portrayed an impression of impending doom. Waving his arms wildly, Tesla screamed an abrupt order to assistants to halt the experiment. Pandemonium gave way to a frightening silence.

Following an inspection of the apparatus and the making of critical adjustments, the inventor issued instructions for a continuation of the test. This time, however, he would take a position outside from where he could observe the copper sphere high above the roof. Standing alone some three hundred feet from the building, the wizard signaled a resumption of the experiment. He presented a bewildering sight. His inch-thick rubber heels, tight fitting cutaway coat, and black derby hat made him appear to be seven feet tall.

As before, the high-voltage equipment gave an immediate response. Full-fledged lightning bolts over 135 feet in length erupted from the copper sphere. Leaping about in unpredictable fashion, one leader followed the mast downward into the laboratory; another hit the 80-foot framework which was giving support to the 200-foot pole, while others were seen as wriggling streaks clawing at the sky above.

Nearby, in the village of Colorado Springs, the natives, could hardly ignore the electrical wizard's scientific mischief. The thundering roar of his man-made lightning bolts could be heard as far away as Cripple Creek. People walking along the streets experienced the unpleasantness of sparks jumping between their feet and the ground. An electrical flame leaped from a tap when anyone reached for a drink of water.

So great was the power being thrown out by Tesla's "magnifying transmitter" that lights bulbs within one hundred feet of the station glowed regardless of whether they were connected to any circuit and all the electrical equipment of a nearby fuel company ceased to function.

When Tesla's experiments utilized undamped waves (no streamers emitting from the copper sphere), horses at the livery stable suddenly bolted and kicked free of their stalls. Even the insects felt the effects of the electrical barrage. Butterfiles became electrified and helplessly swirled in circles—their wings spouting blue halos of "St. Elmo's Fire." One graphic account about the destruction of the main generator at the Colorado Springs Electric Company powerhouse.

Aside from what has been mentioned, little is known of the technical achievements of Tesla's Colorado adventure. The inventor claimed to have demonstrated the practical application of his theory in an experiment which lighted two hundred earth-connected incandescent lamps twenty-six miles from the laboratory. Unfortunately, no photographic record of this event has ever been published and there has been no indication as to the location of the receiving station.

Encouraged by the fruits of his labors, Tesla left Colorado on January 13, 1900, and returned to New York with plans for establishing a world radio broadcasting station (this was two decades prior to the advent of world communications). He obtained $150,000 from J.P. Morgan and began construction of a plant at Shoreham, Long Island. It consisted of a brick building to house the transmitting equipment and a massive 187-foot octagonal tower capped by a sixty-eight foot metal-framed dome weighing nearly sixty tons.

The plant was never put into operation. Construction problems proved more costly

than had been anticipated. And when rumors began circulating debasing the project as a fairy tale, Wall Street turned its back on Tesla's enterprise, a stroke that defeated one of the most unbelievable schemes in the history of human advancement.

Tesla's Colorado station came to an equally inglorious end. It remained intact for several years but eventually was torn down and its contents sold as payment in a suit for unpaid bills and employees' wages. Few references to Colorado history mention its existence and the omission makes it appear as though Tesla's bold adventure was nothing more than a passing dream.

THE AMERICAN FLAG BELONGS TO ALL AMERICANS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SKELTON. Mr. Speaker, I was sorely distressed when the Supreme Court struck down the Texas law which said it was a crime to burn an American flag. This Court opinion extended the freedom of speech clause of the first amendment far beyond the intent of the authors of our Bill of Rights.

Millions of men and women have served our country under the Stars and Stripes, and hundreds of thousands have made the supreme sacrifice under its colors.

The sight of our flag rippling in the wind has served as encouragement and a symbol of freedom throughout the world. Were the U.S. Capitol to be defaced or the statue of George Washington to be damaged, that crime certainly would have been upheld. The American flag belongs to all of us, just like our Nation's Capitol and the statue of our first President. Thus, a constitutional amendment to change this ruling is in order, and I support such an amendment allowing a law to stand that makes it a crime to desecrate Old Glory.

THE POSTAL SERVICE VOTER REGISTRATION FACILITATION ACTS OF 1989

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LELAND. Mr. Speaker, I am introducing two bills which shall comprise the Postal Service Voter Registration Facilitation Acts of 1989, to expand the role of the Federal Government in efforts to increase voter registration, and therefore, voter turnout. The first bill provides that the U.S. Postal Service shall make available space at post offices for State voter registration authorities to place voter registration forms for the public. The second bill provides that a voter registration form be given to each postal patron to whom a change-of-address form is given.

The United States chronically experiences one of the lowest records of voter participation among the industrialized countries. The national voter turnout has been steadily declining since 1964, in both Presidential and non-Presidential election years. In 1966, a non-Presidential election year, 36.41 percent of the national voting age population voted. In 1988, a Presidential election year, 50.15 percent of the national voting age population voted. These figures are distressing. It is important to consider that we live in a democracy, wherby, the American population is represented by the people votes. If half, and sometimes more than half of the people do not vote, then the meaning of our mandate is called into question.

A valid argument, frequently used, is that some people, by not voting, exercise their right to free choice. In order for this argument to be meaningful, every individual, who does not vote, must at least be registered. This would clarify whether these people are in fact choosing not to vote, or whether they are simply unable to register. The fact is that voter registration has remained steady at about 70 percent of the voting age population. This percentage is unsatisfactory. The Federal Government must pursue this problem and implement measures which strive to achieve voter registration as close to 100 percent as possible.

Voter registration should be facilitated in order to insure that each and every individual of voting age has a reasonable opportunity to register. This can be accomplished effectively by making voter registration forms available at U.S. Post Offices, which can be found in every town and corner of our great Nation. There are between 30,000 and 40,000 post offices in the United States. The public could easily locate the post office which is in his or her area.

A second reason for establishing the post office as a location for voter registration forms, is consistency. Much of the confusion and frustration, which some people may experience can be resolved by informing everyone that the forms may be obtained at the post office. Campaigning to increase voter registration must be undertaken on a national level.

The Federal Government must undertake a more active role in facilitating voter registration. It is the responsibility of the National Government to protect and uphold democracy. Significant voter turnout is a fundamental aspect of an effective, and legitimate democracy. The desire for high voter participation should be a long-term bipartisan effort. We must strive to cure the illness, apathy, which has plagued our Nation for far too long.

DISGUST WITH THE HIGH COURT'S RULING

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. RICHARDSON. Mr. Speaker, while many of us have spoken at great length about our outrage at the decision reached by the Supreme Court to allow our flag to be burned, we are now just beginning to hear from the people we represent. Our constituents feel the same outrage. I would like to share with my colleagues a radio editorial which was recently aired by Alamogordo, NM, radio station KPSA. I fully concur with KPSA President Bob Flottee and his disgust with the High Court's ruling.

The editorial follows:

In a recent decision the Supreme Court ruled five to four to limit the States power to outlaw the desecration of the American flag. In doing so they threw out the conviction of a man who burned a flag during a demonstration at the 1984 Republican National Convention. The burning of our American flag is now a constitutionally protected form of expression. One has to wonder if the authors of our Constitution really intended to protect the rights of freedom of expression for those who would publicly desecrate such an honored symbol of our freedom and national unity. We believe that the authors of our Constitution would be disgusted by the recent Supreme Court decision. However, the Supreme Court has ruled that the Constitution does indeed guarantee such freedoms. We can, however, take solace in the fact that we live in a country where even those who take part in such a public display, need not fear reprisals from armed troops and tanks. Our system of government is one of the greatest experiments of all time. Never before has a democratic form of government been tempered with such concern for the right of the individual. While there are many decisions that we do not agree with, it must be remembered that in this country the rights of the individual are respected and protected. America is still the greatest country in the world and I couldn't image living anywhere else. If you wish to accuse que-pasa radio of flag waving, that is fine. Because at que-pasa we wave the American flag with pride.

THE FEDERAL RESERVE REFORM ACT OF 1989

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, today I and Congressman HAMILTON are introducing legislation to begin democratizing the process by which monetary policy is made in our country. This legislation will make monetary policy more responsive to the interests of the American people.

The Federal Reserve Board develops this country's monetary policy. Decisions by the Fed have a significant impact on every farmhouse, business, and family in America. Interest rates rise and fall with the Fed's decisions—inflation, productivity, and economic growth, are all heavily influenced by the actions of the Federal Reserve Board.

While the Fed's influence is immense, its responsiveness to the public is minimal. The architects of our Government's fiscal policy—the administration and Congress—have no direct impact on, or even knowledge of, the decisions made by the Fed. As a result, coordination of our fiscal and monetary policies is usually only accidental.

The lawmakers who wrote the original Federal Reserve Act of 1913 tried to ensure that the Fed would never become what, in fact, it has become—a powerful, central bank accountable to no one.

Our democracy is supposed to be governed by the will of the people. It's time to make some changes so that our monetary policy works within that democratic framework. The Fed must be made more responsive to those it is supposed to serve, and not be allowed to continue in its cloak of secrecy. The Fed's constituency should be all Americans and not just big banks.

The Federal Reserve Reform Act of 1989 moves in the direction of democratizing the Fed by taking the following steps:

First. The Secretary of the Treasury would become a voting member of the Federal Open Market Committee.

Second. The term of the Fed's chairman would parallel that of the President.

Third. The General Accounting Office would be required to conduct an annual financial audit of the Federal Reserve System.

Fourth. It would require the Federal Reserve's budget to be published in the budget of the U.S. Government, for the current year and 2 succeeding years.

Fifth. Monetary policy decisions would be announced on the day they are made.

These are modest steps in trying to open up the process to make the Federal Reserve Board a meaningful player in our democratic system. I urge my colleagues to cosponsor the Federal Reserve Reform Act of 1989.

The full text of the bill follows:

H.R. —

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Reserve Reform Act of 1989".

SEC. 2. PLACING THE SECRETARY OF THE TREASURY ON THE FOMC.

The first sentence of section 12A(a) of the Federal Reserve Act (12 U.S.C. 263(a)) is amended by inserting ", the Secretary of the Treasury," after "Board of Governors of the Federal Reserve System".

SEC. 3. APPOINTMENT OF THE CHAIRMAN AND VICE CHAIRMAN.

(a) APPOINTMENT OF THE CHAIRMAN AND VICE CHAIRMAN.—The second paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) is amended by striking out the third sentence and inserting in lieu thereof the following: "The President shall appoint, by and with the advice and consent of the Senate, one member of the Board to serve as Chairman. The term of such member as Chairman shall expire on January 31 of the first calendar year beginning after the end of the term of the President who appointed such member as Chairman. If a member appointed as Chairman does not complete the term of such office as established in the preceding sentence, the President shall appoint, by and with the advice and consent of the Senate, another member to complete the unexpired portion of such term. The President shall also appoint, by and with the advice and consent of the Senate, one member of the Board to serve as Vice Chairman for a term of four years. The Chairman and the Vice Chairman may each serve after the end of their respective terms until a successor has taken office.".

(b) PERFORMANCE OF DUTIES.—The second paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) is amended by inserting the following new sentences before the sentence which prior to the amendment made by subsection (a) of this section was the fourth sentence of such paragraph: "In the event of the absence or unavailability of the Chairman, the Vice Chairman or (in the Vice Chairman's absence) another member of the Board may be designated by the Chairman to perform the duties of the office of the Chairman. If a vacancy occurs in the office of the Chairman, the Vice Chairman shall perform the duties of the Chairman until a successor takes office. If a vacancy occurs in the office of the Vice Chairman while the office of the Chairman is vacant, the member of the Board with the most years of service on the Board shall perform the duties of the Chairman until a successor takes office.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) CURRENT CHAIRMAN TO COMPLETE TERM.—Notwithstanding the amendment made by subsection

(a), any member who holds the office of Chairman on the date of the enactment of this Act shall continue in such office during the remainder of the term to which such member was appointed.

SEC. 4. DISCLOSURE OF INTERMEDIATE TARGETS.

Section 12A(b) of the Federal Reserve Act (12 U.S.C. 263(b)) is amended by adding at the end thereof the following new sentences: "Notwithstanding any other provision of law, each change, of any nature whatsoever, in the intermediate targets for monetary policy which is adopted by the Committee shall be disclosed to the public on the date on which such changes is adopted. For purposes of this subsection, the term 'intermediate targets' means any policy objectives regarding monetary aggregates, credit aggregates, prices, interest rates, or bank reserves.".

SEC. 5. AUDIT OF FINANCIAL TRANSACTIONS BY COMPTROLLER GENERAL.

Subsection (b) of section 714 of title 31, United States Code (relating to audits by the Comptroller General) is amended—

(1) by inserting "and" after the semicolon at the end of paragraph (1);

(2) by striking out paragraphs (2) and (3); and

(3) by amending paragraph (4) to read as follows:

"(2) memoranda, letters, or other written communications between or among members of the Board of Governors of the Federal Reserve System or officers or employees of the Federal Reserve System relating to any transaction described in paragraph (1).".

SEC. 6. BOARD SUBJECT TO BUDGET PROCESS.

Section 1105 of title 31, United States Code (relating to budget contents and submission to Congress) is amended by adding at the end thereof the following new subsection:

"(g) FEDERAL RESERVE BOARD BUDGET TREATMENT.—Estimated expenditures and proposed appropriations for the Board of Governors of the Federal Reserve System and all Federal Reserve Banks for the current year and the 2 succeeding years to be included in each budget under subsection (a)(5) and estimated under subsection (a)(6) shall be submitted to the President before October 16 of each year and included in the budget by the President without change.".

WARDS COVE PACKING CO. VERSUS ATONIO—STATISTICS SPEAK, BUT THE COURT NO LONGER LISTENS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. CLAY. Mr. Speaker, on June 5, 1989, the Supreme Court took three giant steps backwards in the battle against race discrimination in employment. Wards Cove Packing Company versus Frank Atonio. Chief Justice Rehnquist—elevated by President Reagan—Justices O'Connor, Scalia, and Kennedy—appointed by President Reagan—joined an opinion delivered by Justice White holding that when Alaska salmon canneries hired Eskimo and Filipino workers for low paying cannery jobs on the cannery lines, and white employees for the higher paying noncannery jobs—some skilled, and some not skilled and then assigned the white and non-white workers to segregated dormitories and mess halls, there was no violation of the law, not even a violation of the goals of the Civil Rights Act we enacted in 1964. The Reagan struggle to pack the court with conservative ideologues is finally manifest.

Title VII of the Civil Rights Act makes it an unfair employment practice for an employer or a union to discriminate against any individual with respect to employment conditions because of such individual's race, color, religion, sex, or national origin. It also prohibits the segregation or classification of employees or applicants for employment in anyway which might affect their status as employees. Stratification by race, color, and national origin, as in the salmon cannery case, seems well within these prohibitions.

The bare bones of our statute were fleshed out by the 1971 Griggs versus Duke Power Co. decision written by then-Chief Justice Burger for a unanimous Court. The facts there were straightforward, and much like those in the salmon cannery case.

Prior to our 1964 law, the Duke Power Co. segregated its labor force: Laborers were black, all better paid positions were reserved for whites. After our 1964 law became effective, the Duke Power Co. adopted a requirement that all employees above the rank of laborer must have a high school diploma or score well on a standardized test. The impact fell heavily upon the blacks, disparately so. At that time in North Carolina, 34 percent of white males had completed high school, but only 12 percent of black males had done so.

Black laborers at the power company were denied promotion to a coal haulers position for lack of a high school diploma. They sued, alleging employment discrimination. They lost in the lower courts because they failed to prove an intent to discriminate. The Supreme Court reversed. Its landmark decision stressed that the object of our 1964 Act was to "remove built-in headwinds for minority groups that are unrelated to measuring job capability." Chief Justcie Burger went on to hold that when, as in the salmon cannery case, statistics disclose a racial disparity, the employer's

VOL 135 PT 10 23 — JL 13 1989 JE UMI

intent is of no consequence because, under the Act:

> Practices, procedures, or tests neutral on their face, and even neutral in terms of intent, cannot be maintained if they operate to freeze the status quo of prior discriminatory employment practices.

Thus, when statistics indicate that a given employment practice, such as the requirement for a high school diploma, has a disparate impact on an identifiable group of employees, the employer must prove that the requirement is job related. As Chief Justice Burger wrote:

> Congress has placed on the employer a burden of showing that any given requirement must have a manifest relationship to the employment in question.

In short, tests must measure the person for the job, not the person in the abstract.

The burden we and the courts have imposed on the employer is a heavy one and, even if met, will not carry the day if the employees then can demonstrate that "other tests or selection devices, without a similar undesirable racial effect, would also serve the employer's legitimate hiring interests." *Albermarle Paper Co.* v. *Moody*, 422 U.S. 405 (1975).

Such was the law of "disparate impact" until this week's decision in the salmon cannery case by the Reagan appointees, which Justice Stevens called their "latest sojourn into judicial activism."

Salmon canneries are located in remote, sparsely populated areas of Alaska. The work is seasonal and intense. The employers recruit workers for the unskilled cannery line jobs from nearby native villages, and through a hiring hall agreement with a union composed largely of Filipino workers. The union dispatches the workers to Alaska.

For the noncannery positions, the companies in Portland and Seattle rely on informal word-of-mouth recruitment by predominantly white superintendents and foremen. Coupled with nepotistic hiring, the discriminatory impact is obvious. Nepotism is giving preference to relatives, and where those doing the hiring are white, the practice necessarily has an adverse impact on nonwhites.

The cannery line nonwhite employees who filed the suit in this case alleged that the racial stratification which permeated the cannery camps in Alaska resulted from a combination of a variety of employment practices: Nepotism, a rehire preference, a refusal to promote from within, separate hiring channels, and so on. They prevailed in the court of appeals, but not in the Supreme Court.

That Court held that the glaring imbalance among the cannery line employees and those who worked in other jobs did not suffice to make out even a prima facie case under our employment discrimination law.

The statistical proof did not suffice according to Justice White, because otherwise:

> Any employer who had a segment of his work force that was racially imbalanced, could be hauled into court and forced to engage in the expensive and time-consuming task of defending the 'business necessity' of the methods used to select the other members of his work force.

Some critics of this opinion will say that that's what the law is all about. Chief Justice Burger said so in the Duke Power Co. decision back in 1987, and hundreds of courts have repeated this refrain ever since.

Statistical proof may still make out a prima facie case, wrote Justice White, but the proper comparison is between the racial composition of the at issue jobs and the racial composition of the qualified population in the relevant labor market. He emphasized that the court of appeals had erred in holding that the relevant labor market consisted of those employed as cannery workers. It was not limited to those in the union who had sojourned to Alaska year after year on cannery line jobs, and/or to those in the native villages who habitually worked on cannery line jobs. But Justice White did not tell us what the relevant labor market was. The trial court had indicated that the relevant labor market included the general population of all those living in Alaska, the Pacific Northwest and California, and the cannery companies so argued before the Supreme Court. If they are right—and the Supreme Court did not disagree with this notion—job stratification on race, color, sex, religion, or national origin might well go unchecked.

Justice Stevens in dissent points out that "an undisputed requirement for employment is availability for seasonal employment in the far reaches of Alaska," and "there is no way of knowing what portion of the general population in Alaska, California, and the Pacific Northwest would accept this type of employment." In contrast, "comparing racial compositions within the work force identifies a pool of workers willing to work during the relevant times and familiar with the workings of the industry." "Surely," Justice Stevens concluded, "this is more probative than the untailored general population statistics on which" the employer focuses.

In addition to this general holding that one cannot prove discrimination by proving job stratification based on race, color, and national origin, the Court ruled on two other issues which would arise on remand.

The first was the question of causation. It is elementary that a plaintiff cannot recover on proof of injury alone; the plaintiff must connect the injury to the defendant and the causal link must have substance. As indicated, the Court held that the plaintiff in a disparate impact case does not make a case "simply by showing that 'at the bottom line' there is a racial imbalance in the work force." Under the new decision, plaintiffs must demonstrate that the disparity they complain of is the result of one or more of the employment practices they attack; "specifically showing that each challenged practice has a significantly disparate impact on employment opportunities."

The Court, anticipating disagreement, denied that this specific causation requirement is unduly burdensome on title VII plaintiffs. But how could it be otherwise? Justice Stevens in dissent wrote that requiring employees or applicants for employment "to isolate and identify the specific employment practice responsible for any observed disparties is unwarranted," and that "proof of numerous questionable employment practices ought to fortify an employee's assertion that the practices caused racial disparities."

This requirement of causation, and proof requirement is sure to complicate beyond end the burden on those who would end job discrimination. Many otherwise valid law suits will now die aborning.

Finally, in like vein and with like consequences, the Court held that the burden was on the employee to prove that there was no business justification for the employment practice which caused the discrimination; as well as the burden to present alternatives to that practice. The Court even cautioned the lower courts to ease off on this issue, because "courts are generally less competent that employers to restructure business practices" and consequently, "the judiciary should proceed with care before mandating that an employer must adopt a plaintiff's alternate selection or hiring practice in response to title VII suit."

Why impose on employees and applicants for employment the burden of proving that an employment requirement—a high school diploma, et cetra lacks business justification? Information about the history and purpose and consequences of employment practices, procedures and tests is uniquely in the possession of the employer. That is why the courts, until now, have required the employer to justify the practice causing racial or gender imbalance; an "affirmative defense" and it is known in the law. This third giant step backwards can only result in discriminatory employment practices holding sway because plaintiffs can't prove in court what all others can observe and abhor.

Justice Blackman joined the Stevens dissent, but was impelled to add 31 lines of his own. He compared the salmon cannery industry to a plantation economy with "a total residential and work environment organized on principles of racial stratification and segregation"; and he wondered aloud "whether the majority still believes that race discrimination—or more accurately, race discrimination against nonwhites—is a problem in our society, or even remembers that it ever was." Justices Brennan and Marshall signed onto this remorse.

ON TRADE WITH THE SOVIETS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HYDE. Mr. Speaker, Soviet President Gorbachev's "perestroika" and "glasnost" have triggered debate over expanding trade and commercial ties with the Soviet Union. However, in anticipation of possible changes in the direction of Soviet policy, NATO governments should not fail to consider the security risk increased trade with the Soviets may mean to the West.

Today, I would like to submit the first half of an analysis of the risks of an enlarged trade relationship between NATO countries and the Soviet Union. The author is David G. Wigg, Deputy Assistant Secretary for Policy Analysis at the Department of Defense. This paper was presented at the February 1989 National Forum Foundation Conference entitled "Exporting Freedom: American Internationalism in

the Era of G
any alternatio
ship with the
NATO's over

CONSIDERI

Until very
Elite have b
though they
the importa
tage of dipl
levolence t
single-minde
competition
and global s
view of th
Kremlin int
the remark
economic p
brought Mo
later.

For seven
ers have p
militarily-fo
policies in E
the worlds
the principa
fortunately
in this worl
West susta
formance, w
constantly a
superior We
enough to k
behind the
trial develo

Soviet at
alone surpa
final East-W
tion of the
the end of W
Khrushchev
has won. T
over thirty
with East-W
liability by
was forced
the inheren
italism, in
future, re
heavily dep
technologic

The appe
was inevita
competitive
Soviet deci
would have
and eventu
suming con
mism. Mosc
ly (and suc
would lead
membermen
Stalin's pos
develop an
prescriptio
ial relation
tion proact
Soviet infl
evolved int

In spite
news, certa
policies are
tial disadva
address wh
East-West
cost to NA
corrective s

NATO'S FL

In the e
Glasnost, a

the Era of Glasnost." Wigg recommends that any alternations in NATO's economic relationship with the USSR be embarked upon with NATO's overall strategic goals in mind.

CONSIDERING NATIONAL SECURITY IN EAST-WEST TRADE POLICY

INTRODUCTION

Until very recently, Moscow's Communist Elite have been ruling the Soviet Union as though they were a huge mafia, but with the important added governmental advantage of diplomatic privilege. Historical malevolence toward the Soviet population, single-minded preoccupation with weapons competition and policies aimed at regional and global aggression lend credence to this view of the Soviet Leadership (as does Kremlin intrigue). It also might account for the remarkably careless, wasteful civilian economic policies and practices that have brought Moscow to the brink of societal disaster.

For seven decades, successive Soviet leaders have perpetuated ideologically-driven, militarily-focused economic and investment policies in Moscow's determination to build the worlds most powerful military force as the principal tool of its foreign policy. Unfortunately for Moscow, economic strength in this world is relative, and the Industrial West sustained a superior economic performance, which left the Soviet Leadership constantly struggling to acquire and absorb superior Western technological change fast enough to keep Moscow from falling too far behind the West's rapidly advancing industrial development.

Soviet attempts to catch up with (let alone surpass) the West have failed. The final East-West battle of the economic portion of the Cold War, initiated by Stalin at the end of World War II and perpetuated by Khrushchev and Brezhnev is over—NATO has won. The West has been far ahead for over thirty years, but the disparity, coupled with East-West hostility, had become such a liability by the mid-1980's that Gorbachev was forced to throw in the towel. Because of the inherent superiority of democratic capitalism, in Soviets will, for the foreseeable future, remain relatively backward and heavily dependent on the West for essential technological inputs and "bright ideas".

The appearance of a "Gorbachev type" was inevitable. Under long-term, East-West competitive stress, the pre-1985 brand of Soviet decisionmaking was untenable and would have led to the further weakening and eventual collapse of the economy. Assuming continued Western economic dynamism, Moscow's failure to respond vigorously (and successfully) to its economic crisis would lead eventually to the decline and dismemberment of the Soviet empire. Thus, Stalin's post World War II dilemma—how to develop and modernize under the Soviet prescription while carrying on an adversarial relationship with the West and yet function proactively around the world to expand Soviet influence—had, by the mid-1980's evolved into Gorbachev's distress.

In spite of this good strategic economic news, certain circumstances and poor NATO policies are converging to the West's potential disadvantage. My comments today will address what I consider to be wrong-headed East-West economic policies, their potential cost to NATO if left unaddressed and some corrective suggestions.

NATO'S FLAWED POLICIES AND UNACCEPTABLE RISKS

In the excitement over Perestroika and Glasnost, some NATO government officials seem to have lost sight of the underlying fundamentals of the East-West relationship that argue for a far more conservative approach to both strategic and commercial dealings with Moscow. Many argue that the "new" Soviet outlook represents a major shift and that Moscow's strategic/foreign policy goals have changed from global aggression and the use of brute force to achieve its aims to inward-looking reforms and "refined" foreign policy, emphasizing international cooperation. If Soviet strategic goals have indeed changes, I submit it is due, not to a religious conversion, but to the fact that NATO has removed Moscow's historical ambitions of global domination from the realm of the possible.

ECONOMIC STRENGTH EQUALS SECURITY

It is indeed ironic that we accomplished this unprecedented feat by merely doing what comes naturally—pursuing democratic capitalism. Western economic progress has become a massive juggernaut advancing inexorably on Comecon inferiority and greatly complicating Moscow's attempts to retain military parity—only achieved by stealing the West's technical genius that Comecon could not duplicate and by squandering resources on relatively massive quantities of military hardware to compensate for its remaining technological inferiority. If Gorbachev had not reached out to the West, the Soviet economy would have eventually been (and, in any case, may yet be) relegated to history's trash heap of economic inferiority, technological backwardness and resource exhaustion. Thus, the development of the industrial West's economic strength has served not only to bring unparalleled prosperity, it has also served as NATO's first line of defense against Soviet-Bloc aggression.

A key (and currently debated) element of the Soviet and Western policy debate over Perestroika is whether and how the Soviets might achieve rouble convertibility. Currency convertibility (particularly its acceptance as a store of value) is the ultimate mark of a country's economic prowess in the global economy. It is accorded to those currencies judged by world financial markets to be most in demand, and hence from the most competitive, durable and stable economies. As with NATO's relative industrial strength, the lack of currency convertibility in the Soviet Bloc has served as one of the West's most potent (if inadvertent) defenses against the spread of the Soviet empire and other Soviet activities inimical to Western interests, by raising the opportunity costs of all Soviet hard currency spending decisions. For example, the negative strategic impact on the Soviets of the fall in the world price of one commodity—oil—and the convertible (hard) currency losses resulting therefrom has, in my view, been greater than the effects since 1980 of all NATO's diplomatic and military policies combined. In sum, the relatively more successful economic development of the Western community of nations that has left the dangerously aggressive Soviets "on the outside looking in" and locked in a debilitating resource-wasting economic system with a non-convertible currency, has served us well as a crucial (if de facto) element of NATO's security. In that regard, Western economic institutions (the World Bank, IMF, GATT, etc.) and the global cooperation embodied therein, are integral elements of the West's economic strength and their essential cohesion must be carefully preserved. Soviet membership in such organizations should not be considered cost-free to be traded in return for human rights or other concessions. The West has ample experience with the disruption that a determined Soviet presence can create in international organizations. Potential damage to Western security interests could be severe in introducing a hostile, economically indigestible and politically adventurous actor into global economic councils.

Since we are doing so well in the East-West economic competition and since it is too early to gauge the extent of Moscow's purported change of heart, why pursue policies that unilaterally weaken Western security and result in lessening the very pressures on the Soviet system that have broght them near the brink of rethinking fundamental allocational ("guns versus butter"—choices? Let's look at some of the existing and still-formative NATO policies in this area and see if we can answer that question.

FACTS AND POLICIES AT ODDS

One of the most divisive issues swirling around the East-West relationship these days has to do with the Western response to Gorbachev's siren-song for expanded trade and commercial ties. I say "siren-song" because Western businessmen have heard and responded to the same "tune" in virtually every decade since the Bolshevik revolution—much to NATO's cumulative disadvantage. The most powerful people in the various NATO governments (including ours) have stated repeatedly that "non-strategic" trade with the Soviets is harmless and is in our interest. We might recognize this description of the covergence of our strategic and business interests as the "eighties" East-West version of a statement made in 1953 by Charles Wilson, Eisenhower's Defense Secretary that ". . . what's good for General Motors is good for the United States".

Unfortunately, where East-West trade as presently conducted is concerned, what may be good for business is harmful to the U.S. and the Alliance. This is so because the phrase "non-strategic East-West trade" is an oxymoron—a statement I will clarify in discussing four concerns: the costs/benefits of the trade and the role of Western business, the importance of the NATO economies of the trade and the management of the trading relationship by diplomatic and trade promotion organs within the NATO governments.

We have already determined that the Soviets have had a longstanding dependence on NATO's (and particularly U.S.) strategic technologies that they must buy or steal. From the time of the Czars the West has played a crucial role in periodically "jump-starting" the Soviet industrial base. Since "turn-key" plants, legally and illegally making everything from cigarettes to silicon chips which have, in turn, served as prototypes for indigenous production of tens of thousands more.

From what is known of the Soviet dependence on Western knowhow and equipment, one can legitimately question whether there is any such thing as original Soviet technology, even after 70 years of development (note Gorbachev prowling the West with "jumper-cables" in hand). We have only to look at successive weapons systems rolling off Soviet production lines to realize how much copying or "informed" weapons-counterdevelopment is taking place. When Abel Agenbagyan, one of the architects of perestroika was here with Gorbachev in December 1987, he admitted to Senator Proxmire that the Soviets rely on acquisition of NATO technologies, but he said they don't

VOL 135 PT 10 23 — JL 13 1989 JE UMI

like it and plan to kick the habit. We cannot blame them; who would want to rely on stealing the ideas of one's adversaries in order to sustain an empire. But that is not NATO's problem.

PILLARS OF NATIONAL POLICY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BENNETT. Mr. Speaker, recently my good friend Gilvin M. Slonim, president of the Oceanic Educational Foundation spoke to the student body of Hampden-Sydney College on the subject "World Ocean—The Human Stake". He outlined the maritime challenges that face our Nation and said:

Not a single ship is under construction in 1988 in U.S. shipyards. The competitive incentives to the American Waterborne Industry have been withdrawn. In the absence of U.S. understanding, the Soviets have leapfrogged our Merchant Marine, now committed to terminal decline. This high seas disaster is dramatized by realization that the enterprise which provided America's peak in competitive performance languishes now. This comes at a time when the Nation recognizes the urgency to regain its competitive drives.

He went on to outline pillars of national policy in the following discourse of wisdom filled comments:

Derived from the Preamble of the Constitution, the Pillars of National Policy outline the tenets of U.S. purpose and stature. They provide a guide for long-range, global, coherent and comprehensive National Policy formulation. In turn, the Pillars clarify the process and aims toward charting the full-span of societal enterprise toward synergystic achievement of the Nation's potential. The Pillars, as a foundation for forming policy, afford focus, direction and motivation through which a well orchestrated process seeks the long-view objectives which it forges. Their provision for global uses of the sea brings U.S. purposes to bear globally in meeting the modern world's dictates while seeking its national interests, and reinforcing its leadership of the West. Pursuant to the dictates of the Pillars, the undergirding of policy through forging a consensus as to "wherein the national interest reposes" becomes the first order in forming coherent National Policy.

My emphasis tonight has been upon a rarely discussed dimension of understanding—your "Human Stake" in the world ocean. This perspective of the "Humanities," just as the critical need for the vision of coherent policy, continues to escape American Education. Yet, its fascination is powerful; its potential for people overwhelming. To the degree that the minds of our youth are lured seaward in quest of both rewarding professions and policy, a fulfilling future of contribution can be assured; the national interest will be well served. How clear the imperative then that we draw upon the liberal arts colleges which gave the Nation its "greatest scientists." For their balanced intellectual drives, their breadth and balance of curricula appear mandatory to harness the sea's promise. With the Nation now witnessing an emerging renaissance—a "Blue Revolution," if you will, I find the challenge of Hampden-Sydney intensely compelling.

Athelstan Spilhaus, whose fertile mind conceived the Sea Grant College, and incidentally, now a Commonwealth Laureate, aimed, "to draw upon the local intellectual strength of the great American Universities." Despite the designation of some twenty Sea Grant Colleges, the program has fallen short for want of focus beyond Marine Science. America's technological turn to the sea also failed for the lack of an educational process which drew upon the broadened intellectual strength of the American Liberal Arts colleges, with curricula enriched through generalist as well as scientific excellence. Certainly, Hampden-Syndney, in the forefront of American college leadership, stimulated by the dynamic Tidewater Oceanic complex, can lead the way to the new world unfolding; new levels of achievement; new levels of human self-realization.

Just as Matthew Fountain Maury, a fellow Virginian, fathered physical oceanography with 19th Century sailing ships—his "temples of science," the timing is right to marshall liberal arts centers as cathedrals of oceanic learning. What a propitious moment to prod for oceanic understanding—and global policy as we stand poised to round the "Sea-Buoy" of the 21st Century.

THE CARDINAL PILLARS OF NATIONAL POLICY

WORLDWIDE SAFETY OF CITIZENS

Provide for: The safety and well being of U.S. citizens whenever and wherever threats may be posed, as the Nation's primary responsibility, along with that of insuring the security of the Republic.

STRATEGIC FLEXIBILITY

Place premium upon: Readiness, freedom of movement, strength, determination, will and the presence of stabilizing power, across the spectrum of contingencies, wherever threats may occur as the cornerstone of policy.

FOREIGN AFFAIRS

Maintain: The continuity of diplomatic relations worldwide to advance American interest pursuant to the aims and aspirations of its National policy, the democratic ideals of the Nation in defense of freedom and the pursuit of peace throughout the world.

TECHNOLOGICAL FREEMINENCE

Conduct: Resolute research and development, the technological innovation to gain and sustain modernity & leadership in world technology.

ECONOMIC VIABILITY—PROSPERITY

Regain: Competitive drives in world marketplace; trade and trade carrying; pride in preeminent product and workmanship to sustain global economy of productivity, profitability and prosperity.

MARITIME VIBRANCY

Maintain: Commercial foundation for infusion of seafaring thought (policy pattern) within mainstream; for vitality of economy; for regaining U.S. competitive drives; for logistical support for all Armed Forces—for global-trading-partner-complex contribution to global stability.

EDUCATIONAL EXCELLENCE AND CURRICULAR BALANCE

Regain: Educational excellence and generalist-scientific, land-sea curricular balance. Knowledge, the sine qua non of policy, requires educational reinforcement toward conceptual competence, acumen in the policy process. Balance is mandatory to gain liberal educational contribution for forming policy; for the Nation to understand the sea, to use the sea to optimum advantage—policy competence, and student motivation dictates multidisciplinary educational development, contrary to the super-specialized direction of U.S. education in the 20th Century.

GLOBAL ENVIRONMENTAL INTEGRITY

Establish through: Vigorous global research, legislation, education, citizen motivation and allied cooperation comprehensive policy, plans program and leadership to insure world-wide integrity of the environment. Create environmental safeguards based upon well documented scientific research results to sustain integrity, and to restore such environmental degradation created through meeting human needs, and the enhancement of quality of life.

RESOURCE SELF-SUFFICIENCY

Assure: Vigorous research and development measures to gain availability of critical resources; oil, cobalt, manganese, food, water, and the like, within friendly control. To this end, dramatic new sources of minerals, energy and food within the oceanic environment enable stepped up potential for vigorous development through oceanic frontier negotiation.

CONTROL OF TERRORISM

Provide: Policy motivation, the finest intelligence available, the closest allied cooperation, the means for swift decision, prompt, positive anticipatory action to curb and control terrorism worldwide. Neither national policy, nor actions to control terrorism, can be formulated without reliable information. Positive policy and intelligence vital to the Nation's global control of terrorism.

The Pillars of National Policy, manifestly, chart a constructive course to future prosperity as well as security, an elevation of quality of life. The skeletal structure blueprints a policy process to guide the Nation. In this sense, the oceanic impetus signals the need for clearer perception of the options, the opportunities, the objectives, as well as, the problems likely to be encountered. With the expanded horizons the ocean affords, full vision of its human stake through education, reserach and at-sea experience is seen. Critical, therefore, is the determination as to whether the U.S. will recognize the new need to pursue its destiny, or rather, will it cling to its traditional reaction to crises, whether military, political or economic. Will reason prevail in forming the policy process its national interest so clearly defines? After inept reaction to Ayatollah Khoumeini, in Iran, Qaddafi, in Libya, Ortega, in Nicaragua and Noriega, in the Panamaninan debacle, the need for change need not be belabored. Nor for policy! Obviously, we have had to make momentous decisions of policy before we have mastered the art of forming public policy. The challenge is new; the opportunities manifold; the need pressing.

INTRODU
TIONAL
RESOLU

HO

IN THE
Th

Mr. GLICK
pleased to j
nia, Congres
a resolution
new and
policy.

This resol
to formally c
of the aviati
late and sub
for the impl
policy.

As both t
Aviation For
of the Hou
Materials S
hand our a
stretched be
taken imme
and to prep
delays will i
and aviation
wide.

Further, t
the problem
system by i
smaller com
without a
become re
People in
and shoulc
access to
system. Mo
policy direc
transportati
met.

The resol
policy is su
alition of o
viduals rep
which depe
tion system
approaches
transportati
will serve a
light the de
urge my
myself, an
support this

A TRIE
ME

HON.

IN THE
T

Mr. FAL
result of th
tion of pe
Summit on
to the atte
of our co
whose effo
might not b

INTRODUCTION OF THE NATIONAL AVIATION POLICY RESOLUTION

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. GLICKMAN. Mr. Speaker, today, I am pleased to join my colleague from Pennsylvania, Congressman BILL CLINGER, in introducing a resolution calling for the development of a new and comprehensive national aviation policy.

This resolution encourages President Bush to formally consider the views of all segments of the aviation community in order to formulate and submit to Congress a detailed plan for the implementation of a national aviation policy.

As both the founder of the Congressional Aviation Forum as well as the senior member of the House Transportation, Aviation, and Materials Subcommittee, I have seen first hand our air transportation system become stretched beyond its limits. Unless steps are taken immediately to cure existing problems and to prepare for the future, congestion and delays will increase in our metropolitan areas and aviation services will deteriorate nationwide.

Further, these difficulties are compounding the problem of access to the Nation's aviation system by individuals and businesses in many smaller communities around this Nation, who, without a national focused solution, will become relegated to second-class status. People in rural communities deserve better, and should be entitled to efficiently gain access to the national air transportation system. Moreover, without a clear, concise policy directive, the historical safety of our air transportation system will continue to plummet.

The resolution calling for a national aviation policy is supported by a broad and diverse coalition of organizations, businesses, and individuals representing citizens and interests which depend on the national air transportation system. It is time to stop using band-aid approaches as quick-fix solutions to our air transportation problems. This bipartisan effort will serve as an opportunity to focus and highlight the debate which is already take place. I urge my colleagues to join Mr. CLINGER, myself, and the 60 original cosponsors and support this resolution.

A TRIBUTE TO CONGRESSMAN MERVYN M. DYMALLY

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. FALEOMAVAEGA. Mr. Speaker, as a result of the historic movements in the direction of peace resulting from the Gbadolite Summit on June 22, 1989, it is timely to bring to the attention of this Body, the efforts of one of our colleagues, an unsung hero, without whose efforts, I dare say these achievements might not have been possible.

I refer specifically to the quiet diplomacy of Congressman MERVYN M. DYMALLY of California, now chairman of the Subcommittee on International Operations.

At the Gbadolite Summit, which set the stage for national reconciliation and hopefully eventual peace in Angola and Southern Africa, 20 African nations, including 18 heads of state, were in attendance.

Mr. DYMALLY, in keeping with his basic philosophy, believes in the importance of quiet diplomacy in opening up a meaningful dialogue and maintaining contacts with leaders abroad including African leaders.

It is of significance, therefore, that over the past 3 years, in his role as chairman of the Congressional Black Caucus and this year, as chairman of the Subcommittee on International Operations and member of the Subcommittee on Africa, Mr. DYMALLY in striving for peace in Africa, has travelled and personally interacted with most of the leaders of the nations that participated in the Gbadolite Summit.

More specifically within the above referenced time period Mr. DYMALLY visited at least 19 African countries, including Ethiopia, Angola, Zaire, Gabon, Ivory Coast, Uganda, Tanzania, Mozambique, Egypt, Morocco, Malawi, South Africa, Ghana, Liberia, Nigeria, Kenya, Zambia, Zimbabwe, and Senegal. In the process, Mr. DYMALLY has conferred frequently and in person with Presidents Mobutu of Zaire, dos Santos of Angola, and Presidents Traore of Mali and Kaunda of Zambia, the present and immediate past chairman respectively of the Organization for African Unity. He was a special guest of President Kaunda and official observer at the 1987 OAU Conference. Additionally, he has been consistently briefed on the Angolan situation by personal visits from U.N. embassy officials from Angola. Most of the Ambassadors of the African nations here in the Washington, DC area are known to confer with Mr. DYMALLY on the Hill.

Both Mr. Crocker, the immediate past Assistant Secretary of State for African Affairs, and Mr. Cohen, the present one, have noted how useful and constructive these inputs of Mr. DYMALLY have been in helping to pave the way for peace in Africa.

Mr. Speaker, when the record is written about the presence of a glowing light of peace in South Africa, due notice must be taken of the fact that our colleague, Congressman MERVYN M. DYMALLY, played a great role in lighting that candle when it was dark.

JAPAN BASHING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. CRANE. Mr. Speaker, by singling out Japan under super 301, we have placed our relationship with that country in a very precarious position. Demanding Japan to engage in free trade when we cannot bring ourselves to do likewise will hurt rather than help our situation over the long term. Already the United States has experienced a great deal of animosity on the part of the Japanese for placing them on the super 301 hit list. Leading ruling party leader, Ryutaro Hashimoto is on record saying, "We don't like to negotiate with a pistol pointed at us." Also, at the time of the announcement, then Foreign Minister Sousuke Uno stated:

> I strongly regret the lack of fairness because the U.S. has unilaterally made such a decision on the trade practices of other countries including Japan, despite the fact that the U.S. itself maintains import restrictive measures and practices to a considerable degree * * * Japan and the United States, as the two major economic powers of the world, share the responsibility to cooperate in order to realize and maintain noninflationary sustained growth of the world economy.

Rather than attempt to negotiate trade barriers unilaterally and face the wrath of our trading partners, we would have been wise to explore solutions which would not only benefit ourselves, but others as well.

I recommend the following article, "On Glass Houses and Japan-Bashing," which appeared in the June 21 edition of the New York Times, to my colleagues as must reading. This article does a fine job of explaining why naming Japan as a priority country was a dangerous move, and highlights some of the major problems we can expect to incur as a result of our action. Moreover, the author offers two recommendations that could have prevented such an unfortunate outcome—which I, by the way, suggested continually in the Trade Subcommittee during markup of the trade bill.

[From the New York Times, June 21, 1989]

ON GLASS HOUSES AND JAPAN-BASHING

(By Raymond Vernon)

CAMBRIDGE, MASS.—It is a cardinal principle of love and war that you don't start anything you can't finish. By naming Japan as one of three countries that the Administration regards as unfair in its trade policies, the U.S. Government has blatantly violated that basic tenet. More's the pity since there are better ways of resolving trade disputes.

The Japanese and U.S. economies have become deeply intertwined over the past decade. Indeed, with hundreds of billions of dollars of Japan's assets in the U.S., each country has a hand on the other's throat. Threatening Japan in the press makes no more sense than threatening a first strike in nuclear politics.

When President Bush placed Japan on a list of countries accused of unfair practices, he was simply fulfilling the requirements of the 1988 Trade Act. But his public action was offensive in terms of international norms and unacceptable to any self-respecting sovereign state.

The heroic efforts of Carla Hills, the U.S. Trade Representative, to take the sting out of the labeling of Japan deserves this year's Nobel Peace prize. But it cannot be expected to succeed.

Apart from the style of its rebuff, the U.S. enters the dispute with dirty fingernails and soiled hands, a fact of which Japanese officials are acutely aware. U.S. breaches of its own trade commitments to Japan began in 1957, when it cowed Japan into applying a so-called voluntary restraint on the country's exports of textiles. Since then, the U.S. has engaged in steady trickle of such viola-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

tions, including the restraints it has obliged Japan to impose on the export of automobiles and steel to the U.S.

The history of Japan's trading practices is nothing for that country to brag about, as scores of U.S. studies have pointed out. But the flow of stories in the U.S. media painting a picture of a wily and unreliable adversary has left a grossly distorted image of who has done what to whom.

No matter. The next steps in this exchange are easy to picture.

Already Administration officials have been taken aback by the angry public reaction in Japan—a reaction they ought to have expected. Sensing the risks of a downward spiral of destructive actions and responses, they will now try to take the sting out of their announcement in order to repair relations.

They will remind themselves and the rest of the world that Japan's official trade restrictions are among the lowest in the world. They will admit that the remaining problems of penetrating the Japanese market are no longer governmental restrictions but are more subtle and structural—problems beyond the easy reach of governments. In the end, the two countries will cover up the spat.

But the long-term loss will be substantial. The two countries will find it harder to work together to solve many of the problems in which they have a shared interest—improving conditions for the sale of services in world markets, keeping the European market open to outsiders and maintaining an adequate defense presence in Asia.

Could this sorry episode, with its unfortunate outcome, have been avoided?

What is missing in the U.S. relationship with Japan is a mechanism for addressing disputes over economic issues in a less abrasive and more effective way. Japan is attempting to use complaint procedures of the General Agreement on Tariffs and Trade to counter U.S. actions, but the findings of GATT Panels cuts little ice with the Congress.

Perhaps the bilateral trade agreement recently concluded with Canada offers a better way. In this treaty, Congress agreed to some remarkable and unprecedented changes in the handling of trade disputes.

Compulsory arbitration is to be used on a wide range of disagreements. And in some cases, binational courts are to be allowed to decide whether the two governments are carrying out their respective laws. These courts will consist of two judges appointed by the U.S., two by Canada and one chosen by the other four. They will have all the powers of an appeals court in their respective countries.

The time is ripe to consider thinking of extending this approach for the settlement of disputes with Japan as well.

RESCUE REVISITED 14 YEARS LATER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. TOWNS. Mr. Speaker, it is my great pleasure to rise today to bring you good news.

Fourteen years ago, Marvin Bunch, a fireman saved Lisa Greene, a 3-year-old child from certain death in an east New York City apartment building which had become engulfed in flames. The child survived and the fireman was praised as a hero by local media.

Usually the story ends here. However, in this instance, the story was revived 14 years later by the young woman who refused to forget the man responsible for her rescue. The pair was reunited to celebrate Ms. Greene's graduation from the Thomas Jefferson High School in Brooklyn, NY through the efforts of friends, family and the New York City Fire Department.

I commend to your attention a news article appearing in the New York Daily News on June 26, 1989, commemorating this heartwarming event.

RESCUE REVISITED FOURTEEN YEARS LATER

(By Vincent Lee and Robert Gearty)

Forget for a minute about crack and crime and pilfered Regents tests and raise a cheer to a Brooklyn teenager who graduates from high school today happy to be alive and happy to be celebrating with the man who saved her life 14 years ago.

Raise a cheer to Lisa Greene, 18, who graduates from Thomas Jefferson High School in Brooklyn.

And raise a cheer to Marvin Bunch, a firefighter, who made it all possible when he pulled Greene from a fire in 1975.

SHE REMEMBERED

When Greene receives her diploma, Bunch will be there as Greene's special guest.

"I'm honored to be her guest," said a smiling Bunch, who has come all the way from Las Vegas to be with Greene.

It's a reunion of sorts for Greene and Bunch, who have not seen each other since Bunch rescued her.

"I've always really wanted to thank him personally and I wanted to show him that it was really worthwhile saving my life," said Greene. "I never really met him, but I have a future—I'm going to college—and it is all because of him."

Greene had been thinking about Bunch for a long time and felt it would be nice if he could come to her graduation.

Two months ago, Greene's mother, Theresa Greene, wrote to the Fire Department asking help in locating Bunch.

THEY FOUND HIM

Community relations specialist Anita Hinds found out that Bunch had retired as a captain in 1978 after being on the force for 28 years and moved to Las Vegas, where he is a part-time ranch hand.

Bunch, 60, didn't hesitate in accepting Greene's invitation when he received it by mail.

Bunch said he remembered the Jan. 19, 1975, incident well.

He said firefighters were called to an apartment on Ashford St. East New York, where three small children were reported trapped in a bedroom.

Bunch, then a lieutenant, and two other firefighters entered the apartment. Bunch groped through the thick smoke.

"I stepped and my leg hit something soft," he said. "I reached down and I felt someone's arm. Then I felt a leg."

Bunch realized it was a small child.

"I picked the child up," he said. "I couldn't see anything because of the smoke but somehow I managed to get to the door and I went down the stairs to the front door, where I handed this little bundle over to another firefighter."

TWO OTHERS SAVED

Greene's younger sisters, Rebecca, then 1, and Trina, 2, also were rescued.

Lisa was in Brookdale Hospital for three months recovering from her injuries.

She is thrilled that her mother and two sisters will be at the graduation.

She's also thrilled that her personal hero will also be there.

THE SOLOMON AMENDMENT IS WORKING

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SOLOMON. Mr. Speaker, in 1982 I introduced legislation conditioning Federal higher education assistance to the requirement to register with the Selective Service System. The legislation, which was overwhelmingly approved by the Congress and upheld by the U.S. Supreme Court, made it clear to all young men in this country that if you expect the benefits of this great country you must face up to the responsibilities of citizenship.

This same message, of conditioning Government benefits to the responsibilities of citizenship, will be repeated next month, when I offer an amendment to the Department of Transportation appropriations to deny Federal highway funds to States which do not require drug tests for driver's licenses applicants.

Mr. Speaker, today I wish to insert a recent letter to Paul Knapp, the general counsel of the Selective Service System from George Terwilliger, U.S. attorney, District of Vermont regarding a young man who failed to register with Selective Service and yet illegally obtained Federal higher education grants. He has been placed on probation for 18 months and is required to pay back to the Government all of the $5,000 in education grants which he received.

Over 99 percent of the young men in this great country have fulfilled their duty and registered with Selective Service. A 99 percent success rate says it all about the people who carry out the Selective Service mission and it says it all about the level of patriotism in America today.

U.S. ATTORNEY,
DISTRICT OF VERMONT,
Burlington, VT, June 20, 1989.

Re *United States* v. *Carl Veilleux*, Criminal No. 89-58M.

PAUL J. KNAPP,
Assistant General Counsel, Selective Service System, National Headquarters, Washington, DC.

DEAR MR. KNAPP: Please be advised that on June 18, 1989, Carl N. Veilleux entered a plea of guilty to a one-count information charging him with a violation of 20 U.S.C. § 1097—student loan fraud. As part of the agreement in this matter, defendant Veilleux agreed to register with the Selective Service System on or before June 29, 1989. He further agreed to make restitution to the United States of America in the amount of $5,088.00, an amount representing student assistance grants fraudulently obtained. On June 19, 1989, United States

Magistrate Jerome J. Niedermeier sentenced Veilleux to a suspended sentence, placed him on an eighteen month period of probation, and made an express condition of probation that he make restitution to the United States in the amount of $5,088.00.

Should you have any questions in this regard, please do not hesitate to contact the undersigned Assistant United States Attorney.

Sincerely yours,

GEORGE J. TERWILLIGER III,
United States Attorney.
JOHN M. CONROY,
Assistant U.S. Attorney.

STATEMENT OF COMMITMENT TO FREEDOM AND DEMOCRACY

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mrs. BOXER. Mr. Speaker, the following is an address by Chai Ling, who was the leader of the Chinese student movement. It is a moving and courageous statement of commitment to freedom and democracy and to the country they love and hoped to change. I commend it to my colleagues and Americans everywhere.

Translation of the full transcript of a tape made by Chai Ling, leader of the student movement on June 8 as published in a Hong Kong paper: Overseas Chinese Economic Journal. Chai Ling was sobbing as she was doing the recording.

June 8, 1989, 4 p.m. I am Chai Ling, Supreme Commander of Defense of Tiananmen, I'm still alive.

On the evening of June 3, between 8, 9, and 10, the situation got worse and worse. News of people being beaten to death kept coming in, more than ten times. Our Command issued a statement, our only slogan: Down with Li Peng government.

At 9 p.m. sharp, all the students at Tiananmen stood up, raised our right hands and swore, "I pledge that for the cause of developing democracy in our motherland, for the prosperity of our country, to prevent a small group of conspirators from undermining our great motherland, to prevent our one billion population from white terror, I pledge our young lives to the defense of Tiananmen, to defend the republic. Our heads may be cut off, our blood may be shed but we will not allow the loss of people's square. We will defend to the last with our lives."

After 10 p.m., our command told everybody that since April, when the movement was mainly that of a patriotic student movement, and into May when the movement turned into a people's movement, our principle has always been peaceful demonstration. The highest principle of our struggle is peace. A lot of fellow students, workers, citizens of Beijing came to our command post and said that was not the way to conduct the struggle, you should take up arms and some of us were quite agitated. Our command said to them, we are here for peaceful demonstration, the highest principle of peace is to sacrifice ourselves. That's how we were, we linked hands, shoulder to shoulder, we came out of our tents, we were singing the Internationale and we sat on the steps of the monument, peacefully. With our peaceful eyes, we awaited the arrival of butchers, we knew we were conducting a war between love and hate, not a war between arms and violence. We all knew that this democratic peaceful movement has peace as our highest principle and we didn't want it to end with fellow students using sticks and bottles to fight those armed with bayonets, tanks, the soldiers who had lost their senses, that would be the greatest targedy of our movement.

We were just sitting there quietly, waiting to sacrifice ourselves. Then our loudspeakers played "Descendants of Dragon", fellow students were singing along with tears in their eyes, we were holding on to each other, we held hands. Each of us knew the end was here, the time to sacrifice our lives for our people was here.

There was a young student, he was 15 and he wrote his last testimony. I can't remember his exact words, I only remembered one thing he said to me. He said, "Life is strange, there is only a fine line between life and death, sometimes I see a worm crawling along, when it moves a little, it will get trampled on and will never move again." He was only 15 and he thought about death. Republic, please remember, this child fought for you.

Between 2 and 3 am, we had to abandon the public address system at the bottom of the steps and moved up to the one on the monument itself. Those of us in command went around the monument to comfort our fellow students and to mobilize them. We were just sitting there. Some said, the first row was most determined, fellow students in the back row said they are just as determined, if the first row got attacked we would not run away. I told them a very old story. "There was an ant hill with one billion ants. One day the hill was on fire, the ants realized that they must get through the fire if they were to be saved. So some of the ants held together and rolled towards the fire, those on the outer edge were burned to death but the rest of the ants lived. Fellow students, we are on the square, we are standing on the outer edge of our people." Each of us understood that only through our sacrifice could we save the republic. We sang the Internationale.

Later, several compatriots, He Dejian and others on hunger strike said they couldn't bear it. They said, "Kids, don't sacrifice yourselves here?" But we students were very determined. Some went to seek out the army to negotiate, to find someone who was responsible for "cleaning up the square" and offer to leave the square peacefully if our safety were guaranteed.

At this time, our command were soliciting the opinion of students whether to stay or to leave. It was decided that we should leave. But while we were preparing to retreat, those butchers did not keep their words. The soldiers in helmets and with bayonets came charging up the monument, before we could announce our decision to retreat. They destroyed our speaker system and defaced the monument. It's people monument, how could they shoot at the monument.

The rest of the students were retreating, we were crying, fighting. Some citizens told us not to cry, we said we'll be back, because this is the people's square. But we learned later that some students still believe the government and soldiers would not hurt them, they thought the worst case would be to be forcibly taken away. They were too tired and were sleeping in tents, the tanks made meat pies out of them.

Some said two hundred or so students had died. Some said over four thousand died in the square. The actual figure I still don't know, but those on the outer edge, those belonging to the autonomous workers union were all dead, they had at least twenty to thirty people. I heard when students were retreating, soldiers in tanks and APC's put abandoned tents, clothes and students' bodies together, poured gasoline over them and set them on fire. They then washed the grounds and not a trace of evidence was left. The symbol of our democratic movement—the goddess of liberty was ran over by a tank and broke up into small pieces. We linked hands, went round Chairman Mao's Memorial Hall towards the west and saw about 30,000 armed soldiers, many students cried "Dogs, fascists".

The soldiers were heading towards Tiananmen. We passed Liubuko, members of our command were in the front row. On the afternoon of June 3, Liubuko was the site of one of the first bloody battles, debris, trash cans, burned out were everywhere. We went from Liubuko to Chang An Blvd. We saw burned out vehicles and broken cobble stones, obviously a fierce and bloody battle was fought there but there was not one body around. We learned later that the facists were mowing people down with machine guns, the soldiers coming from the back would pick up the bodies and put them on buses or trolleys. Some of them might still be alive when picked up and must had suffocated to death among all the bodies. These fascist covered their crimes well.

We were marching back to the Square. The citizens of Beijing tried to turn us away. "Kids, do you know they have machine guns set up? Don't sacrifice yourselves!" We then left through Xidan to retreat to our campus. On the way, we saw a mother crying out loud, her kid was dead. I could see from the body that it was killed by soldiers and laying on the street. I continually received reports that people got shot. These citizens didn't commit any crime, they didn't even shout slogans.

A friend of mine told me, he was trying to stop tanks in Chang An Blvd around 2 am. He saw with his own eyes, a girl not very tall, with her left hand on her hip and her right hand waving and stood in front of a tank. She was ran over and became a meat pie. He was holding a fellow student each with his left and right hands. His friend on his right was shot and fell, then his friend on his left was also shot and fell. He was lucky to be alive. On the way back, we saw mothers looking for their kids, wives looking for their husbands and teachers looking for their students.

The machines guns all round had banners on them, "Support the correct decision of the Party Central Committee". Students were greatly angered by these banners and tore them down. The radio were saying the army was in Beijing to take care of the rioters, to maintain the order of the capital. I think I'm most qualified to say that students were not rioters. Every Chinese with conscious, put your hand on your heart, think about it, the kids were holding hands, sitting by the monument and waited for the arrival of butchers. Are these rioters. If they are rioters, would they be sitting there quietly?

How far has fascism gone? Shamelessly, against their own conscious and they telling the biggest lies. If the soldiers who mowed down innocent people are animals then what are those lying in front of cameras?

As we were leaving the Square and on Chang An Blvd, a tank was charging our way. It fired tear gas. It ran over students,

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

over their legs, their heads. Many could not die in one piece, who are the rioters.

It was like this, our fellow students leading in front, we maintained our pace, it was like this.

Fellow students were wearing masks, the tear gas made our throats really sore and painful. For those who have already sacrificed their lives, what would bring them back. They would forever echo on Chang An Blvd.

Those of us who walked back from Tiananmen, those who were still alive came back to Beijing University. There were many students from other campus and other cities, we had prepared beds for them.

We were in deep sorrow. We were alive. But there were many more who stayed at the Square, stayed on Chang An Blvd. They'll never come back, never. Some of them were young, very young, they'll never be back. Afterwards, we got information related to June 3. At 10 p.m., Li Peng gave three orders. First, the soldiers could shoot. Second, the army must move with all haste and they must win. By the morning of June 4, they must totally recover the Square. Third, the leaders and organizers of the movement are to be killed at will.

Compatriots! The ruthless and insane 'puppet' government are still moving the army around. A massacre is going on in Beijing, perhaps a massacre is also going on in other parts of the country. But compatriots, the darker it gets, the sooner will dawn arrive. When the fascists are pursuing senseless crack down, then a real people's and democratic republic is to be borne.

A critical life and death situation has arrived for our country. Compatriots, every citizen who has conscious, every Chinese, awake! The final victory belongs to civilians. The 'puppet' Central Committee leadership of Yang, Li, Wang and Bo is not far from destruction.

Down with Fascism.
Down with Military Rule.
People will triumph.
Long live the republic.

HYDROGEN RESEARCH AND DEVELOPMENT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BROWN of California. Mr. Speaker, today I am introducing a bill I offered in both the 99th and 100th Congresses. This measure is a continuation of my commitment to advance the research and development of the fuel source of the future: hydrogen. My bill, the Hydrogen Research and Development Act, is a vital part of the preparations for the post-petroleum era. Joining me as cosponsors of this measure are Congressmen TIM VALENTINE, TOM LEWIS, DANIEL AKAKA, and JAMES SCHEUER.

Interest in alternative energy sources declined dramatically in the 1980's as the Arab oil embargo of a decade ago gave way to an oil glut and low gas prices. However, this energy abundance created a false sense of security. Circumstances are quickly developing which could place the United States in a vulnerable position in the world energy market. Oil imports are increasing steadily as domestic energy production declines.

Hydrogen could be the energy alternative of the future for several key reasons. Hydrogen is one of the most abundant elements on Earth. It burns clean, producing only water vapor, and, it burns efficiently, providing more than twice as much energy per pound as compared with conventional fuels. My legislation calls for a focused national program on hydrogen R&D, and provides solid funding to implement the program.

One of the most promising near-term applications of hydrogen is its use as a fuel in aircraft. Hydrogen is already the preferred fuel for launching rockets into space. Hydrogen fuel is an important element of the National Aero-Space Plane [NASP] program. The NASP program, run jointly by NASA and the Department of Defense, will culminate in the construction of a hydrogen fueled aircraft which will not only fly at hypersonic speeds, but will also be able to rocket into low-Earth orbit. Europe and the Soviet Union are also aggressively developing hydrogen aircraft technology.

Hydrogen is ideal for use in fuel cells. Fuel cell technology combines a hydrogen-rich gas with air, and converts the chemical energy of this mixture directly into electricity—with no intermediate combustion step. Because fuel cells transform fuel directly to electricity without an intermediate conversion to heat, less waste heat is produced and very high conversion efficiencies—in the range of 40 to 60 percent—are achieved.

Another promising application of hydrogen is its use as an electric storage medium. Virtually all forms of energy, such as coal, nuclear, or natural gas, could take advantage of hydrogen for transporting energy over long distances. After 300 to 400 miles, hydrogen as a storage medium becomes increasingly cheaper than transmission through electric wires. This could allow for nuclear reactors, as one example, to be located great distances from the populated areas they serve.

Arguably, environmental concerns are the most important reason for developing alternative energy sources. We cannot indefinitely mine or drill for the world's limited fossil fuel reserves. Evidence is mounting which indicates that so-called greenhouse gases from fossil fuel combustion are causing global climate change. The emission of chlorofluorocarbons is causing the destruction of the Earth's protective ozone layer. The recent oil spills at Prince Williams Sound, Narraganset Bay, and Galveston, however, remind us that the environmental impact of oil goes beyond harmful emissions. If we are ever going to take responsibility for the environment, then we will have to dramatically change the manner by which we generate energy for our society. The dream of hydrogen economy includes using renewable energy sources to produce clean-burning hydrogen fuel.

Before hydrogen can be used broadly, it must overcome stumbling blocks relating to production. Hydrogen does not occur naturally; therefore, it must be manufactured synthetically. Electrolysis, the traditional means of producing hydrogen directly, is too costly with coventional electrical production. However, new ideas in such areas as biotechnology, photochemical generation, and coal gasification, point to potential technological breakthroughs that may dramatically change the economics of hydrogen production. Considering this challenge, it is vital that Federal commitment improve significantly in order to advance hydrogen research and development. Current Federal hydrogen programs are funded principally through the Department of Energy at a level of about $3 million—this can hardly be considered a comprehensive effort. Although the work being done is relevant, the Nation lacks a coordinated effort for hydrogen research and development.

As in so many areas of enormous economic potential, hydrogen fuel is being aggressively pursued by other nations which recognize the significant contribution hydrogen can make to their economies. Hydrogen research programs are presently underway in some 17 countries including Germany, Japan, China, Switzerland, France, the United Arab Emerites, Egypt, the Soviet Union, and Israel. If the United States is not careful it may be buying hydrogen technology and infrastructure elements from abroad. In our competitiveness-conscious society, the current U.S. hydogen effort stands as yet another example of shortsighted Federal policies which could have a harmful economic impact.

The bill I offer today is nearly identical to a measure introduced by Senator MATSUNAGA. This bill requires that a comprehensive management plan be prepared for hydrogen research and development and authorizes $155 million for implementation of that plan. The funding would be divided between the Department of Energy, $55 million, and NASA, $100 million, over a 5-year period—only $13 million would be authorized for fiscal year 1990. In addition, the bill would create two advisory panels to oversee the progress of hydrogen R&D, make recommendations, and provide necessary reports to Congress.

Mr. Speaker, I request that a summary of the Hydrogen Research and Development Act be printed in the RECORD following my statement. I strongly urge my colleagues to review this legislation, and join me as a cosponsor of this bill.

BILL DIGEST OF THE HYDROGEN RESEARCH AND DEVELOPMENT ACT

TITLE I: HYDROGEN PRODUCTION AND UTILIZATION

This title directs the Secretary of Energy to prepare and submit to specified Congressional committees a comprehensive program management plan for a research and development program designed to permit the development of a domestic hydrogen fuel production capability within the shortest practicable time. It requires the Secretary to send the Congress annual reports which include any necessary plan modifications.

It directs the Secretary to establish such a program within the Department of Energy. Requires that the areas to be addressed in the program to include production, liquefaction, transmission, distribution, storage, and utilization. It requires priority to be given to production techniques that use renewable energy sources as their primary energy sources.

It requires the Secretary to establish a technology transfer program to accelerate the application of hydrogen energy.

It requires the Secretary to prepare a comprehensive technology application plan which shall include: (1) necessary research

and development activities needed before initiation of large-scale hydrogen production; (2) assessment of appropriateness of a large-scale demonstration; and (3) an implementation schedule including budget and management resource requirements.

It requires the Secretary to consult with other federal agencies and departments in carrying out this program.

It requires the establishment of a Hydrogen Technical Advisory Panel to advise the Secretary on the conduct of the hydrogen program. Requires the Panel to submit an annual report on the program to the Energy Research Advisory Board which shall subsequently report to the Secretary.

It authorizes $3 million in FY 90 and $52 million in the remaining four years for this title.

TITLE II: HYDROGEN-FUELED AIRCRAFT RESEARCH AND DEVELOPMENT

This title directs the Administrator of the National Aeronautics and Space Administration (NASA) to prepare and submit to specified Congressional committees a comprehensive program management plan for a research, development and demonstration program for the development of a domestic hydrogen-fueled aircraft capability within the shortest practicable time. It requires the Administrator to transmit to the Congress annual reports which include any necessary modifications with respect to this plan.

It requires the Administrator to establish such a program within NASA and to prepare and transmit to the Congress a 5-year comprehensive flight demonstration plan which shall confirm the technical feasibility, economic viability, and safety of liquid hydrogen as a fuel for commercial transport aircraft.

It requires the Administrator to incorporate the goals, directions, and activities of the National Aero-Space Plane Program (NASP) in the program and plan.

It provides that the research and development program under this title shall include the development of the systems associated with the production, transportation, storage, and handling of liquid hydrogen for commercial aircraft application.

It provides that the Administrator shall consult with other federal agencies and departments in carrying out the program.

It establishes a Hydrogen-Fueled Aircraft Advisory committee to advise the Administrator on the programs established by this title. Requires the Committee to report annually to the Administrator on its activities and on the status of such programs.

It authorizes $10 million in FY 90 and $90 million in remaining four years to carry out this title.

TRIBUTE TO AVIS GREEN TUCKER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SKELTON. Mr. Speaker, recently, the University of Missouri awarded an honorary degree to Avis Green Tucker, a Mizzou alumnus who is editor and publisher of the Daily Star-Journal in Warrensburg, MO. Mrs. Tucker is the first woman to serve as president of the Board of Curators. She is also chairwoman of Missouri's Coordinating Board for Higher Education.

Through the years Mrs. Tucker has made outstanding contributions to Missouri in the fields of journalism and education. I am proud to represent her, and I take this opportunity to share the news of this honor for Mrs. Tucker with the members of this body.

PROPER TAX TREATMENT FOR RURAL ELECTRIC COOPERATIVES

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing for myself and my distinguished colleague, Mr. BROWN of Colorado, legislation that would clarify section 277 of the Internal Revenue Code as it relates to the accounting for "safe harbor" leases.

Under the Economic Recovery Act of 1981, financially distressed companies were allowed to enter into safe harbor lease transactions in accordance with I.R.C. section 168(f)(8). These transactions were designed to allow corporations and cooperatives that could not use their investment and energy tax credits and accelerated depreciation deductions to sell these tax benefits to those profitable corporations that could use them. Although subsequently repealed, safe harbor leasing benefited numerous rural electric cooperatives who had entered into lease transactions.

A safe harbor lease transaction generally involves one party—the seller/lessor—who sells an asset to a second party—buyer/lessee—and then leases the asset back. The sale takes place at cost with the buyer paying a down payment and giving a note of equal payments for the balance. While the sales transaction was not in and of itself a taxable event, the seller/lessee would realize income as payments were made on the note. However, the seller/lessee also agrees to rent back the asset for payments equal to the note payments, thereby providing a deduction for the rent. Therefore, when enacted, the safe harbor provisions clearly reflected a legislative intent that the seller/lessee's interest income under the note would be offset by the rental expense on the seller/lessee's tax return—a simple wash.

An unintended tax problem has arisen for rural electric cooperatives that entered into these safe harbor lease arrangements. Section 277 of the Internal Revenue Code currently requires a cooperative to segregate its member and nonmember income and to allocate expenses in a similar manner. Thus, cooperatives are effectively treated as if they were two separate businesses. In this context, an electric cooperative could have sales to its members at a loss, yet still pay tax if it makes a profit on sales to nonmembers.

Recently, the IRS has taken a position contrary to the legislative intent, by expanding the scope fo section 277 to include cooperative safe harbor leases transactions. Instead of matching the rental expenses associated with lease transactions against interest income, the IRS now requires that the rent deduction must be allocated between member and nonmember income. This mismatching of the lease deduction and lease income creates a distortion. And again, since section 277 requires cooperatives to segregate member and nonmember business, a cooperative cannot offset its member losses with nonmember interest income. As a result, a cooperative could be subject to tax bills much larger than ever intended even when it has actually incurred a loss in its taxable year.

First, when Congress enacted the safe harbor provisions, it neither contemplated nor intended section 277 to subject cooperatives to the kind of substantial and long-term tax liability which may result under the present IRS interpretation of the provision. In fact, the provisions were intended to help distressed corporations work out their financial troubles. Second, the Service position unfairly targets and discriminates against cooperatives. Other entities that used safe harbor leasing provisions have not been forced to modify their accounting rules or otherwise to return lease benefits.

This legislation simply would amend IRS Code Section 277 to clarify that any ongoing income and deductions, generated by a safe harbor lease transaction and reported by a electric cooperative, may be used to offset each other. It's unfair to change the rules in the middle of the game, especially where the rule change would inexplicably target only our rural electric cooperatives. Failure to clarify this issue will place our rural electric cooperatives at a competitive disadvantage and likely lead to increased utility costs for rural Americans.

I urge you to support this bill to provide equitable tax treatment for our rural electric cooperatives.

The full text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SAFE HARBOR LEASES INVOLVING RURAL ELECTRIC COOPERATIVES.

In the case of a rural electric cooperative described in section 1381(a)(2)(C) of the Internal Revenue Code of 1986, any interest income in connection with a transaction involving qualified leased property which was treated as a lease under section 168(i) of such Code (as in effect before the amendments made by the Tax Reform Act of 1986) or any corresponding prior provision of law shall be offset by any rental expense in connection with such transaction before allocation of such income or expense to members and nonmembers of such cooperatives for purposes of such Code.

LABOR LEADER'S STAR ON RISE WITH AID OF ORGANIZATIONAL COUP

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. CLAY. Mr. Speaker, I was very happy to read the fine article in the St. Louis Post-Dispatch about one of our community's leading citizens, Mr. William Stodghill. Mr. Stodghill

has dedicated his career to improving the quality of life for working people. His efforts to achieve more effective union organization have earned him the highest respect of his peers. I commend William Stodghill for his tremendous achievements in behalf of working men and women and his dedication to the St. Louis community. It is with pleasure that I share the following article with my colleagues in Congress:

[From the St. Louis Post-Dispatch, June 16, 1989]

LABOR LEADER'S STAR ON RISE WITH AID OF ORGANIZATIONAL COUP

(By Philip Dine)

A shack. Boxing gloves. A union card. A jail cell.

Those are some of the elements that shaped William Stodghill, who was reared in the slums of Detroit and found a home in the union movement.

He rose through the powerful labor organizations in Detroit, came to St. Louis 12 years ago to straighten out a troubled local in the Service Employees International Union and was made a vice president of the international.

Stodghill scored one of his biggest triumphs a few days ago when 51,000 members of a national hospital union joined the Service Employees International Union, making it the largest health care union in the country.

Stodghill runs the union's National Health Care Division, as well as heading service employees Local 50 here.

At the local level in Detroit in the 1970s, Stodghill was considered one of the top union organizers and negotiators in the country.

Now, only 49, he is seen by many as a growing force in the national labor movement.

"I just think he's one of the bright stars," said Tom Turner, secretary-treasurer of the Michigan AFL-CIO.

"He has come a long way in a short period of time, and I think he is going much further. Stodghill can go as far as he aspires to go."

Stodghill was trying to organize the large Ford Hospital in Detroit in 1973 when his handbilling activity led to a scuffle with hospital guards and their German shepherd dogs.

Stodghill was arrested and jailed on charges of assault, which were later dismissed. It was one of several arrests for his labor activities.

"I consider going to jail for fighting for workers the highest badge of honor one can carry. That, to me, shows your commitment," he said.

If this reveals Stodghill's militant bent, there is also a conservative, self-reliant side.

"If you have a commitment and a belief, you can move beyond the slums," he says. "You can shake that. I don't say everyone can shake that, but those who try hard will."

Both aspects stem from his upbringing. He and his two brothers grew up in a shack with no bathtub and little to eat. His father, a laid-off Chrysler worker and a member of the United Auto Workers, repaired cars to support the family.

"My family stressed that we should be about helping each other, that we had no time to be jealous or that kind of thing, and that if we saw anybody going up the ladder we should help them," Stodghill said.

There was also a sense of individual responsibility.

"My father would never, ever get on welfare. He had a pride about himself that he would never take handouts. I think that's where I got some of my inner strength," he said.

The children learned the lessons. One brother, Ron, got a doctorate in education and is superintendent of schools in Wellston; the other brother, Richard, is a 32-year UAW member in Detroit.

Bill Stodghill, who played high school football, basketball and baseball, worked as a janitor in a state hospital before being elected union steward in 1958 as a hospital food service worker.

After two years as an Army paratrooper, where he rose to sergeant and was a heavyweight boxer, Stodghill was hired by Local 79 of the Service Employees International Union. There, he gained a reputation as a top organizer and negotiator.

Flora Walker, of the American Federation of State, County and Municipal Employees competed with Stodghill in 1967, when each tried to organize workers at Detroit Memorial Hospital.

"That's a hardball kind of situation," Walker said. "But with Bill, he always gave me respect.

"I consider Bill one of the ultimate union people that I've ever met. When things were down, he could always say something that kept you going, gave you hope."

Some who worked with or against Stodghill say that his intensity could make him abrasive and insensitive.

Stodghill acknowledges that he sometimes got "overwhelmed with what I was doing and kind of rubbed people the wrong way . . ."

In Detroit, as later in St. Louis, Stodghill's activities went beyond the labor realm. He helped found the A. Philip Randolph Institute to get blacks more involved in the labor movement; helped start the Detroit branches of Jesse Jackson's Operation PUSH; and was instrumental in the passage of legislation in Michigan for statewide voter registration by postcard.

Stodghill arrived in St. Louis in 1977, after being asked by the Service Employees International Union to help revive Local 50, which suffered from internal strife among its officers.

The local's membership has tripled to 12,000, making it one of the strongest unions here. Members include public employees, janitors and health-care workers in Missouri and Southern Illinois.

Stodghill, whose salary is $35,000, oversees 15 employees and a $1.3 million operating budget. He takes pride in the local's efficient administration.

"He really turned that union around, with his organizing activities. He breathed life into the union," said Robert Kelley, president of the St. Louis Labor Council, AFL-CIO. Stodghill is on the council's executive board.

A powerfully built man at 6 feet 1 inch tall and 197 pounds, Stodghill has not shied from controversy here. In the last year, he has led a one-day walkout of the 40 City Hall workers in East St. Louis over heating problems and a six-week strike of 45 area window cleaners against four cleaning firms over wages.

In 1982, when President Ronald Reagan spoke at the Sheraton Hotel here, Stodghill organized a rally of 1,500 to protest federal budget cuts.

He has set up an educational program for Local 50 members, a credit union, a scholarship program and a summer camp in southeast Missouri where 40 children of members spend a week each summer at no cost.

He now hopes to organize area nurses. "I've asked for an audience before their group," he said.

Rep. William L. Clay, D-Mo., a member of Local 50, calls Stodghill a "very dynamic leader, not just a labor leader but a community leader as well."

Local 50's membership is evenly divided between whites and blacks. Stodghill is on the executive board of the National Association for the Advancement of Colored People and works against apartheid in South Africa. But he resists anything that would divide union members along racial lines.

"I'm first and foremost a trade unionist," he said. "We as employees or workers must unite in order that all can share in the good life, and we cannot do that by being divided."

If Stodghill has learned to work more harmoniously with people, his intensity has not changed. He works from 6:30 a.m. until 8:30 p.m. seven days a week, without breakfast or lunch.

Stodghill does not just share the goals of the labor movement; he has assimilated its lore. Telelphone callers to his office hear rousing, old-time union songs about how "solidarity forever" can "break the haughty power of the bosses."

After a decade here, he says the labor movement in Missouri and Southern Illinois is "one of the best labor movements anywhere in the United States. We have a unity here I haven't seen anywhere else."

Stodghill has a rising national profile, as one of 12 international vice presidents of the Service Employees International Union and head of the union's key Health Care Division.

With 925,000 members, the Service Employees union is the fifth-largest union in the AFL-CIO and is the fastest growing, partly because of gains among health-care workers.

The president of the Service Employees International Union, John J. Sweeney, has called on Stodghill to rally workers in major strikes from Beaumont, Texas, to Albany, N.Y.

"He's especially good at communicating to the membership," Sweeney said. "He relates to them; they relate to him. His background certainly has had an influence on him. He's never lost the touch, the relationship, that's so important."

Stodghill helps lead the union national Justice for Janitors campaign, which seeks to draw public attention to the low wages and poor working conditions many janitors face.

Stodghill says he has no aspirations beyond his current job. He says he never even expected to head a local union, but only wanted to be a good labor organizer and negotiator.

"I'm satisfed with trying to help those people on the lower rung of the economic ladder," he said.

"I consider my self a missionary on behalf of working people.

TRADE WITH THE SOVIETS

HON. HENRY J. HYDE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HYDE. Mr. Speaker, today, I would like to submit the second half of an analysis of national security risks implicit in the expansion of the trade relationship between the Soviet Union and Western nations. The author, David Wigg, Deputy Assistant Secretary for Policy Analysis at the Department of Defense, examines the costs/benefits of trade with the U.S.S.R. and the role of Western business, the impact of this East/West trade upon NATO economies and the management of the trading relationship by diplomatic and trade promotion organs within the NATO governments.

CONSIDERING NATIONAL SECURITY IN EAST-WEST TRADE POLICY—PART 2

NATO'S PROBLEM

Our problem is that the Soviets so abuse their economic and other ties to the West in order to conduct technology theft, promote illegal trade diversions and practice espionage, as to render the interaction clearly not in NATO's interest. The East-Bloc trading relationships with the NATO business community serve as a key platform for these illicit activities. Soviet Bloc intelligence activities in the West, including those of the KGB, GRU and the East European services are on the rise across-the-board, with a top priority focus on covert acquisition of militarily-relevant technologies. To those who argue for expanded "non-strategic" trade, I ask what kind of modus vivendi can be constructed when, on the one hand Western businessmen are attempting to conduct business, while their Soviet Bloc counterparts are using the access provided by the business process to conduct covert operations targetting sensitive technologies and to promote trade diversion?

President Bush has said, "The competitive strategies approach to defense (stand-off weapons, remotely piloted vehicles, stealth systems, etc.) is designed to get us to think smart and to rely upon our advantages in new technologies. This initiative will help give us the conventional improvements we need without busting the budget". Unfortunately, the realities of East-West trading and other relationships may prevent the full benefits of competitive strategies from being realized. How valuable will the development and procurement of these breakthrough technologies be to NATO if the Warsaw Pact acquires and develops the same technologies and fields similar weapons with a minimal lag? As Richard Perle has pointed out in Congressional testimony, virtually every major Soviet weapons system incorporates US, Japanese, German, French and British technology to various degrees—in many cases, decisively.

The Soviet Bloc has spent decades building their remarkably effective networks for trade diversions and theft by espionage. This, combined with the growth in Western industrial capacity has made it impossible to stop technology loss, but sharply reducing it must, once again, become our top priority if the President's words are to become a reality. What of NATO's efforts to plug the technology leaks? Despite the heroic efforts of my two colleagues on this panel, COCOM is hardly the panacea for protecting NATO's sensitive technologies that the trade proponents claim it to be.

Hundreds of businesses throughout North America, Europe, Japan and elsewhere, ignore COCOM restrictions and ship sensitive technologies to the East-Bloc, thereby undermining NATO's technological lead in weapons. The same mentality that engages in the selling of proscribed chemical, biological and nuclear weapons technologies to unstable Third World governments is behind illegal sales to Warsaw-Pact customers, arguably with more damaging result.

To answer the rhetorical question above concerning the cost of losing military technologies, a technology-loss estimate must take into account the discount factor against NATO defense spending (about $450 billion at the moment) commensurate with the relative degradation of NATO weapons due to resulting qualitative Soviet gains. I estimate the annual dollar cost to NATO of technology loss (exclusive of national security loss for which no measure exists except the outcome of war) to range from $15 billion to $40 billion, depending on the technologies and weapon systems compromised in any particular year.

With those numbers in mind, we might ask just how important is NATO's trade with the Soviet Union? Perhaps the export numbers are large enough to mitigate the financial costs of Soviet abuses. It also might explain the massive amount of press "ink" devoted to the subject, not to mention the preoccupation with East-West economics of NATO governments' trade promotion and foreign policy agencies.

In 1987, NATO's exports to the world totaled $1.32 trillion.[1] That same year NATO exports to the USSR totaled $12.9 billion or 0.9% of total NATO exports—a sufficiently small number that it could be considered statistically insignificant.[2] It gets worse: If we assume that the overall net profitability resulting from exporting to Moscow averages a reasonable twelve percent of sales for all of the NATO commercial interests concerned, it amounts to around $1.5 billion or one-tenth of my low estimate for the annual cost of technology loss and one twenty-sixth of the high estimate—hardly an impressive cost-benefit outcome for the national interest.[3]

In considering these remarkably high negatives associated with East-West economic interaction, we could ask: *Cuibono*, or who benefits other than the Soviets? The principal Western beneficiaries appear to be the few firms that comprise the tiny sliver of the Western business community involved in the trade. We are familiar with the names of those businessmen who are most heavily engaged in trade with the Soviets. They have been providing advice to key Executive and Congressional managers for years with respect to what is best for our national interest vis-a-vis the Soviets. Their views are taken very seriously and often are incorporated into US and NATO policies.

Can we trust the business community to distinguish between their personal financial gain and our security interests and to display objectivity? In a recent article, George F. Kennan writes: "Never were American relations with Russia at a lower ebb than in the first 16 years after the Bolshevik seizure of power in 1917. Americans were deeply shocked by the violence of the revolution, by the fanaticism and cruelty of the new rules, by their refusal to recognize the debts and claims arising [out of World War I], and above all by [their brazen] world-revolutionary propaganda . . . and [their efforts] to promote Communist seizures of power in other countries."[4] It turns out that some Americans didn't share the revulsion and concern over Soviet behavior described by Kennan. In fact, Stalin's first Five-year Plan might have failed if not for the assistance of International General Electric, Ford, Radio Corporation of America, Standard Oil and other U.S. companies who were heavily involved in building the Soviet industrial base well before U.S. recognition of the Soviet Union in 1933. In 1930, roughly 25 percent of all Soviet imports were from the US and in 1931, U.S. manufacturers' short-term credit was the second largest credit source available to Moscow.

In the decades since then, a small core of business interests scattered throughout the industrial West have maintained close (and presumably profitable) dealings with the Soviets irrespective of the East-West political temperature—in some cases to the detriment of Western security. On the other side of the ledger, the high costs of East-West economic interaction are borne by each and every NATO taxpayer, who de facto underwrite the activities and profits accruing to those few Western businesses involved, by shouldering the tens-of-billions of dollars in additional taxes for defense.

In sum, we have shown that NATO trade with the Soviet Union is statistically insignificant as a share of our global trade and yet because of Soviet Bloc abuse of the East-West trading relationship, it represents a huge financial and security burden to NATO taxpayers while benefiting a mere handful of businessmen—some of whom are honest but dangerously apolitical and some who are not even honest. It is imperative that NATO begin to reverse the high negatives in the East-West relationship. Soviet compliance with the longstanding human rights demands of the West—while of vital importance—is not sufficient to serve as a fulcrum for NATO decisions regarding expansion of East-West economic relations; nor should the Soviet withdrawal from Afghanistan affect our technology control regime.

POLICY RECOMMENDATIONS FOR 1989 AND BEYOND

It is, indeed, unfortunate that the gulf between public perceptions and East-West realities is such that pursuit of sound policies in the areas described above would likely be seen by many as a return to "Cold-War" measures, and thus, unpopular. Skepticism among the press and the effects of long-term Soviet disinformation programs and Gorbachev's appeal, particularly on European public opinion, allow for little chance of implementing such policies. That said, I would nonetheless recommend the following steps to begin to rationalize our relations with the Soviet Bloc:

Because the strength and cohesion of the NATO economies is a vital element in the preservation of Western security, and based on the concerns I have raised earlier, we must not take the passive stance that so-called "non-strategic trade" and other forms

---

[1] "Trade Patterns of the West, 1987," IRR No. 194-December 6, 1988, U.S. Department of State, Bureau of Intelligence and Research.

[2] Ibid.

[3] Even if we assume significantly lower loss estimates it doesn't change the essential conclusion—that for the taxpayer, trade with the Soviets is a losing proposition.

[4] "After the Cold War," The New York Times magazine, Sunday, February 5, 1989.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

of intensified economic interaction with the East Bloc can proceed at random. Nor do we need to undertake economic warfare and press our leverage in attempts to "extract" concessions from Moscow. There is a middle road. Before we move further in introducing Moscow into the fabric of the Western economic system, the NATO governments should demand a meeting with their East-Bloc counterparts, and after carefully explaining why the present modus vivendi for economic interaction is unacceptable, the NATO reps should make it clear that we cannot in good conscience continue to do business with the East under the present rules; either we change the rules or we don't do business. We should tell Moscow that we are prepared to wait patiently, putting all projects and technology transfers on hold, until we observe movement toward the reduction and eventual elimination of Soviet activities that are harmful to our security. Simply put, the Soviets can—at their initiative—develop "transparent mileposts" of structural and behavioral change that we can confirm as irreversible (sharply reduce the numbers of KGB and GRU agents in the West engaged in technology theft and other harmful activities, reduce aggressive microwave intercept programs, silence the disinformation and anti-NATO propaganda and halt the huge, destabilizing Active Measures assault on Western societies). The rationale for this approach is simple: if Moscow wants the same trading relationship with the US as that enjoyed by France or the UK, for example, than its overall relationship to Washington should likewise parallel the benign, friendly nature of our Western partners. Economically embracing someone intent on your destruction or on undermining your effectiveness is a recipe for disaster (or at least higher defense spending). After all, it would be far cheaper for NATO taxpayers to compensate every firm for profits foregone from suspended trade with the East than to continue to subsidize the trickle of business done under present rules through taxes for higher defense spending.

Regarding technology controls, the COCOM members need to rethink the basis for the technology protection regime, and agree on a more aggressive system for protecting the new conventional technologies that are the wave of the future. The hundreds of firms now violating the accord must be stopped!

With regard to untied lending to Soviet Bloc borrowers, NATO governments need to develop sound, all-source estimates of the hard currency costs to Moscow of funding its "empire", with the focus on those activities inimical to NATO interests. Such analysis does not presently exist. This information will enhance policy judgments concerning the efficacy of assisting the Soviets in their drive toward rouble convertibility and lending untied funds to Comecon borrowers and their impact on the cost/benefit equation (which, I presume, would only enlarge the negatives).

Perhaps a somewhat uniquely-U.S. priority should be to keep the policymaking activities concerning East-West economic security matters within the confines of the overt Cabinet structure. Over the past eighteen months, there has been a tendency for US policy in this area to be made by a small group of individuals without full participation of the Security Community. The broadest possible Cabinet participation and full adherence to process is needed to develop balanced East-West policy, truly reflective of the national interest.

The East-West trade policy portfolio should not be overly concentrated in the foreign policy/trade promotion agencies where it tends to be used to score short-term portfolio successes—and particularly as a "sweetener" in connection with Western diplomatic pursuits. The Security Community should have an equal voice. In this regard, NATO taxpayers might logically expect their trade and trade promotion agencies to spend an amount of public time and resources on promoting and facilitating East-West trade that is commensurate with its contribution to our economies (by last count, statistically insignificant at best).

Finally, the business community should be challenged to justify the overall cost to NATO taxpayers of their relatively marginal business dealings with the Soviet Bloc, the existence of which provides the East the platform from which to acquire sensitive NATO technologies. From the public interest viewpoint, in these days of "no new taxes," tight budgets and a squeeze on Defense, trade with the Soviet Bloc under present rules is not a paying proposition.

VICTORY AT MIDWAY, NATIONAL TRIBUTE IS IN ORDER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BENNETT. Mr. Speaker, Gilven Slonim, president of the Oceanic Educational Foundation recently shared with me the following paper "Victory at Midway," which I am happy to include in the RECORD as a tribute to Adm. Raymond Spruance and those who shared with him, under his leadership, the spectacular victory at Midway, now almost a half century ago.

VICTORY AT MIDWAY

Fifty years, though but a fleeting moment in history, affords a good measure of how well a man's contribution to his society stands the test of time.

Raymond Spruance emerged from the Battle of Midway as one of America's top-flight leaders, one who could prosecute a significant area within the global area in which the freedoms of all mankind were at risk. Henceforth, he would shoulder an ever increasing burden on behalf of his nation at the point of combat. Indeed it was for these very moments that he had disciplined his mind and body, including the conquest of fear. His victories are legendary. Each is tipped with hardship, and each indelibly marks our nation's performance in war and our nation's future well being.

This was the Spruance who led his armadas into battle confidently and courageously, a soft spoken man with character of steel and a dogged persistence that was always ingenious. The thousands of American seafarers in his mighty Fifth Fleet were ever ready to respond instantly to his direction to engage and vanquish a treacherous enemy on, over and under the seas of the Pacific. In each instance history has proved his decisions sound. His consummate performance in battle at sea was always against a backdrop of sensitivity to the humane issues of peace, and to the people of America.

Yet, paradoxically, the true measure of this man's greatness seems to elude historical chronicles, and the grasp of his nation's citizens. Though indifferent himself to public acclaim, it is time that we accord this naval hero his just due, in the form of a National Tribute on the 50th Anniversary of the Victory at Midway in 1992. After all, this man stemmed and turned the tide of Japanese naval supremacy in the Pacific.

Whether it has been so acclaimed or not, Midway stands in all-time history with the Battle of Salamis as a crushing defeat given to a vastly superior fleet, with comparable significances to the very foundations of the Western World.

A start has been made. In Washington, in 1987, the 45th anniversary of the Battle of Midway was observed with considerable interest and excitement. At the observance, Gene Wolfe, a veteran of the Pacific naval war, in a poetic tribute perhaps captured the depth of the man in the lines:

On looking back . . .
Americans may find names
Better known than Raymond Spruance;
They will find no better man.

Also, a personal biography of Raymond Ames Spruance is already under way by a man who was his Special Intelligence Officer during the years of battle. The biography is scheduled to coincide with the Nation's tribute in 1992.

The point is that now is the time to set in motion plans for a 1992 national observance of the Battle of Midway, and with it to bring the contribution of Raymond Spruance to the understanding of American citizens. For in truth Spruance in his vision and depth of societal wisdom was an early embodiment of what must become 21st Century values. It is knowledge of the sterling qualities of people such as Spruance that will motivate the American people toward a national policy consensus, and in the direction of those unprecedented potentials President Bush has assigned to the "New American Century."

Mr. Speaker, I also include an editorial comment of the Washington Daily News, shortly after the death of Admiral Spruance.

ADMIRAL SPRUANCE

Millions of Americans who never knew him probably owe their freedom to Adm. Raymond Ames Spruance.

If America had not turned the Japanese tide at Midway, it might never have had the opportunity to gather its strength and defeat its enemies on both sides of the earth. Tyranny might have engulfed the world. And had it not been for stern, razor-sharp Adm. Spruance, the United States might never have won at Midway.

His death recently in Pebble Beach, Calif., at age 83, removed another of the diminishing list of stout-hearted men who led us thru the trying years of World War II. A midshipman in the Naval Academy at 17, Adm. Spruance graduated in the upper third of his class and, at 57, became its youngest four-star admiral. He was in the thick of most of the big ones in World War II—Kwajalein, Tarawa, Roi-Namur, Saipan. He wound up his career as ambassador to the Philippines.

"Nothing you can say about him would be praise enough," said his old boss, the late Adm. Chester Nimitz.

Adm. Spruance was one of a disappearing breed, a patriot whose loyalty to his country came ahead of all else. We could all learn from his life's story.

PERSONAL EXPLANATION

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. GLICKMAN. Mr. Speaker, I regret that, due to an out-of-town family commitment, I was absent for several votes in the House yesterday afternoon. I would like to state my position on those votes for the RECORD.

Roll No. 115, "No."
Roll No. 117, "Aye."
Roll No. 118, "Aye."
Roll No. 119, "No."
Roll No. 120, "Aye."
Roll No. 121, "No."

CHINA CRISES

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. FALEOMAVAEGA. Mr. Speaker, I would like to draw my colleagues attention to two articles that I think is worth their time to read, relative to the political developments and crisis in the People's Republic of China.

Mr. Speaker as I have always said since becoming a Member of this great institution 6 months ago that our country does not have a clearly defined policy not only in China but throughout Asia and the Pacific. Another serious development also apparent with the China crisis is the ineffective intelligence network system, as confirmed by our own President, who also served as Director of the CIA.

The articles follow:

[From the Christian Science Monitor, June 13, 1989]

CHINA CRISIS WITHERS THE STRATEGIC LANDSCAPE

(By William T. Tew)

The fate of China's pro-democracy movement has understandably captured the attention of the outside world. Endorsing the aspirations of Chinese reformers, President Bush has offered an initial American policy response marked by wisdom and restraint.

Most notably, he has argued that the fate of Asia's largest nation must finally rest in the hands of those leaders who can best come to terms with the demands of their people.

The administration has thus far been less forthcoming, however, in specifying how China's political crisis will affect both the strategic interests of the United States and international security. It is not too soon for American policy planners to weigh how a possible more hostile Chinese leadership could exacerbate regional tensions and complicate efforts to create a more stable international order.

The most immediate concern is who now controls China's nuclear forces and what safeguards are in place to ensure that they remain instruments of deterrence instead of lethal bargaining chips used by one or more domestic political factions.

There is little consensus in the West on what China's nuclear doctrine really is or on how the Strategic Rocket Forces, the major nuclear element of the People's Liberation Army, implement nuclear command and control.

The ultimate authority for managing China's nuclear deterrence posture rests with the Central Military Commission under the chairmanship of Deng Xiaoping and the day-to-day management of its vice-chairman, Yang Shangkun. The unsettling reality is, however, that the prospect of a unified strategic command-and-control system remains clouded.

This situation raises serious questions about whose finger is on China's nuclear trigger. It also points to the dangers of what is an increasingly fine line between political authority and anarchy in Beijing: Are the military authorities who orchestrated the massacre in Tiananmen Square just as prone to use nuclear weapons in any pending civil war in which their power could be threatened by entire armies instead of mere students?

The ambiguity of nuclear-deterrence strategy and management in China should prompt immediate demands from outside powers for assurance that China has its nuclear forces under control. Once some form of political order is restored, moreover, China should be strongly encouraged to join international efforts to implement stronger arms control agreements and confidence-building measures.

China's political crisis also has lasting implications for security problems in the Asia-Pacific region. From the time President Nixon began the process of Sino-American normalization, successive US leaders have regarded China as a strategic counterweight to Soviet military power in the Far East. By cutting off military relations with the Chinese, however, President Bush has strongly signaled that Washington will now rely more on its traditional regional security partners, including Japan, South Korea, and the Philippines.

Yet almost every US ally in this region is undergoing a domestic political crisis that could ultimately impede defense ties with Washington. While the US was certainly correct to oppose those who sifle democratic force in China, the geopolitical penalties of severing *all* military relations with China may be excessive.

US pragmatism also applies to China's continuing role in Indochina. China, along with the USSR, has been an integral player in efforts by the non-communist Association of Southeast Asian Nations (ASEAN) to forge a political settlement in Cambodia. China remains the most important key to any such settlement. It is the leading supporter of the Khmer Rouge, the most powerful and certainly least acceptable resistance faction contending for power in Cambodia. Without China's backing for some type of international guarantee for a peaceful transition of power, hopes for a more stable regional order in Southeast Asia would appear to be dim.

An unstable China also reduces prospects for sustaining a regional environment conducive to peaceful political change and continued economic development. For all the concern US officials and legislators have expressed about growing trade imbalances with the Asia-Pacific's newly industrialized countries, these commercial success stories remain politically vulnerable.

Hong Kong's very economic viability may be at stake in what now happens in Beijing, some eight years before that British crown colony's scheduled reversion to Chinese control. A more repressive Chinese regime will only drive what is left of Hong Kong's skilled labor force and management talent to safer havens. It could also reverse what has until now been a gradual easing of tensions with Taiwan's Nationalist government, itself under rising pressure to become more democratic.

Even Japan's uncertain domestic political climate and its concerns about the continued U.S. willingness or ability to patrol the Asian-Pacific's sea lanes can be related to unfolding events in China. If Tokyo concludes that a Chinese government preoccupied with domestic strife is unable to deter what Japan still sees as a critical Soviet regional military threat, while Washington simultaneously moves to reduce its worldwide presence, it could move more rapidly toward extensive rearmament, thereby actualizing a nightmare long disturbing to both the Chinese and Southeast Asian leaderships.

President Bush recently fashioned an enlightened yet pragmatic approach to European security. The same blend of circumspection and foresight should now be applied in structuring U.S. policies toward the Asia-Pacific at a time when the region's most culturally dominant and militarily powerful nation may be entering a phase of prolonged isolation and weakness. If Washington fails to clearly identify its strategic interests in that region, it cannot expect to influence the forces of change in Asia to the degree it may desire.

[From the U.S. News & World Report, June 26, 1989]

THE CIA'S CHINESE PUZZLE

How good has U.S. intelligence been during the crisis in China? Not good at all, according to an expert named George Bush, who has served both as U.S. envoy to Beijing and CIA director. White House sources say the President is appalled at the quality of intelligence on China. The worst example: On the day before Deng Xiaoping emerged from seclusion and appeared on TV looking in reasonably good health, the White House was told that the 84-year-old Chinese leader was so ill he had lapsed into a coma. That sort of misjudgment underscores why Bush, according to intelligence sources, intends to replace William Webster as CIA chief by the end of the year. The President is said to believe that the agency, still trying to regain its balance after the Iran-Contra excesses, needs more-vigorous leadership. Counters a CIA spokesperson: "The report does not deserve comment."

UNFAIR TRADE PRACTICES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. CRANE. Mr. Speaker, last month the Economist carried a very informative article highlighting a number of our Nation's unfair trade practices which I would like to share with my colleagues. I believe it is especially noteworthy in light of the USTR's recent announcement targeting Japan, Brazil, and India for investigations of unfair trade practices under the Super 301 provision of the new trade law.

According to the Economist, almost 40 percent of Japan's exports to the United States enter under a tariff or some other form of protection. Additionally, it is stated that while

Japan operates 13 voluntary restraint agreements, the United States weighs in at 62. It fascinates me, to say the least, that we would label Japan as an unfair trading partner, when we engage in such blatant protectionist practices ourselves. I am fearful that we will be made to pay for our hypocrisy over time.

I urge my colleagues to take a close look at the following piece from the May 6 edition of the Economist.

MOTE AND BEAM

The American economy is the most open in the world. So claimed Mr. Joshua Bolten, general counsel to the United States trade representative, Mrs. Carla Hills, when he briefed journalists on the USTR's list of foreign trade barriers. That list will be the basis for deciding by May 30th which countries to name as priority targets for negotiation and, if that fails, for unilateral punishment.

Yet America is no blushing virgin when it comes to trade barriers. Around 40% of Japan's exports to America enter under a tariff or some other form of protection. An International Monetary Fund study last year concluded that non-tariff barriers against cars, textiles and steel were equivalent to a 25% tariff, a level not seen since the second world war. America operates 62 "voluntary" restraints on imports, compared to Japan's 13. Another study reports that the proportion of America's imports subject to non-tariff barriers rose by 23% during the 1980s. The figure for Japan went down.

This week the European Community published its own list of nearly 40 American trade barriers. It makes an instructive comparison with the USTR's list. The EEC criticises the United States government's "Buy America" policy. The Americans shout equally loudly about the European and Japanese equivalents. Both sides complain in similar terms about inadequate protection for foreign intellectual property rights.

Other tit-for-tat grumbles:

The USTR reckons that American motor-component manufacturers are unfairly excluded from the Japanese market. Yet America's allegedly voluntary restraint agreement against Japanese cars may have reduced imports by $6 billion in 1986.

America and Europe use almost identical language to object to "unfair" labelling and testing standards that keep out competition in each other's telecommunications market. America is threatening retaliatory action against both Japan and the EEC over telecommunications.

The American fisheries industry complains of Japanese quotas on mackerel, herring and cod. Meanwhile US protection of the merchant-marine industry costs other countries over $7 billion a year.

The USTR report waxes lyrical on the inequities of other countries' barriers to agricultural products like rice and wheat. Yet American protection of its tiny sugar industry costs mostly poor Caribbean countries some $1 billion a year in lost exports.

In sum, America's trade barriers may reduce imports by more than other countries' barriers reduce America's exports. A 1986 study by the Institute of International Economics concluded that 31 American trade barriers were reducing imports by nearly $50 billion. Half of that was accounted for by a single restriction: the multi-fibre arrangement that restricts textile imports. The total would probably be higher today as new barriers have been erected against semi-conductors, machine tools and softwood products. Even fervent protectionists would hesitate to suggest that foreign trade barriers are costing America $50 billion a year.

All figures about the "cost" of individual trade barriers are wild estimates. Furthermore, protection has ramifications beyond the goods and services immediately affected. Efforts to restrict steel or car imports may have little net effect on the trade deficit because they raise the prices of the imports that are allowed. They also push up costs in exporting industries. If they push up the exchange rate, that can increase other imports and reduce other exports.

Deciding what constitutes an unfair trade barrier is inherently subjective, especially when (as with Japan) it degenerates into claims about social structure or culture. Battles to remove such barriers can quickly turn into a war that damages both sides—and has the further effect of shutting out third countries. Hence the invention, largely by America, of the General Agreement on Tariffs and Trade, which emphasises multilateral negotiation under a neutral umpire. It would be sad if the pressure generated by America's big trade deficit, which is caused by bad economic policy not by trade barriers, led GATT's chief god-parent to become its undertaker.

RESPONDING TO THE DRIFTNET THREAT

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. MILLER of Washington. Mr. Speaker, today the Department of Commerce took a major step to protect our salmon fisheries and the ocean's environment. Under terms of the Driftnet Protection Act of 1987, South Korea and Taiwan have yet to reach agreements with our Government to regulate these fisheries. Congress passed this law to help protect our salmon from ocean-going pirates like those from Taiwan caught twice last month.

Mr. Speaker, certification is not the answer. It is the signal that the United States is serious about controlling driftnet fishing. The next step could be sanctions against Taiwan and South Korea restricting the import of fish products to our Nation. But Mr. Speaker, the next step should be an agreement that protects our salmon and protects the sensitive ocean eco-system from vessels which strip mine and ocean.

The United States and Japan have reached an agreement, which I think takes a small step toward meeting those twin goals. It does not go as far as I wanted. I had hoped that our negotiators would have convinced the Japanese that they should have expanded the number of observers. I would have preferred that transponders be placed on all drift net vessels. I would have preferred that the fishing zone not be expanded. And I would have preferred a multi-year agreement. With Japan, we got promises of future action. Mr. Speaker, I first proposed using transponders over a year ago because finding these fishing vessels should not be a game of hide and seek. Based on the tentative promise of action, we are waiting for next year to see it implemented.

Mr. Speaker, the decision to certify Taiwan and South Korea is important, because it sends a signal that we are serious. In 60 days, the President must decide if sanctions are in order. I hope that before he reaches that critical decision, acceptable agreements can be developed.

What would I consider an acceptable agreement? Let me be clear: First, there must be transponders to help track these vessels. The technology exists, now we need the will to put that technology to work. Second, there must be a scientifically valid number of observers to monitor the actual harvests from these driftnets. With nets stretching 30 or even 40 miles in length, all living creatures caught in these vast loops of nets are caught. How many salmon are caught? How many seabirds and marine mammals are killed? How many fish are swept up only to be discarded? We need to know. Third, Mr. Speaker, the zones should not be expanded. Proposals to move the area further north will endanger more of our salmon and will not provide more squid. Finally, we need a multi-year framework. This problem cannot be solved in 1 year. It will take many years of careful monitoring to teach the foreign driftnet fleets that they must live within international regulation.

What should our Government be doing? I have written to Secretary of Commerce Mosbacher urging him to meet with fishermen in Washington State and Alaska this fall, after the season, to hear firsthand the threat. I know he is interested in developing a solution to this problem. He should hear from the affected U.S. citizens. Second, I encourage him to stay on top of the subject. Our Government needs a multi-year action plan. That plan should include protecting the whole North Pacific from illegal fishing activities. If we develop a long-term plan, that fishery can support American business for decades to come. If we develop a multi-year plan, we will have the baseline information to know how that sensitive eco-system is being harmed. Setting an agenda and keeping the bureaucracy on target requires leadership from the Secretary of Commerce.

I also encourage the Secretary of Commerce to work with the Secretary of State to continue to press our case in all meetings with Japan, South Korea, and Taiwan. The Secretaries of Commerce and State should put this item on their agendas. This is not a perochial issue of concern just to fishermen from the Pacific Northwest; it is about protecting the oceans. International leaders have called the oceans the common legacy of mankind. There can be no higher calling than protecting that common legacy.

Mr. Speaker, certification of Taiwan and South Korea is only one step toward protecting our oceans and our salmon. The time has come to regulate driftnets.

Thank you.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

CALAVERAS BIG TREES

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LEHMAN of California. Mr. Speaker, today I am introducing legislation to complete a project Congress began in 1909—protection of Calaveras big trees. Inspired by the conservation policies of Theodore Roosevelt and a group called the California Club, in 1909 Congress enacted legislation to authorize the Calaveras Big Trees National Forest in California.

The act empowered the Secretary of Agriculture to acquire land on both sides of the North Fork of the Stanislaus River to protect majestic groves of big trees—especially giant sequoias—and to promote their reproduction. The 1909 act was not implemented by the U.S. Government until 1953 when the Calaveras Big Trees National Forest was carved from private land in the area. The new national forest, with only 379 acres, became the smallest national forest in the Nation, and its management was delegated to the nearby Stanislaus National Forest.

In the intervening years between congressional recognition of the big trees area and its actual creation as a national forest, California State officials—worried by federal inaction—moved at a faster pace to protect the Calaveras big trees. These Californians enlisted the help of Frederick Law Olmsted, Jr. Olmsted visited the Calaveras groves in 1928 and included them in a list of potential sites which were the foundation of the California State Park System. In the 1930's and 1940's California acquired land on both sides of the North Fork of the Stanislaus River. This land became known as the Calaveras Big Trees State Park.

Today, the 379 acres of the Calaveras Big Trees National Forest lies between the north and south groves of the 6,000-acre Calaveras Big Trees State Park. Although both the state and Federal land is set aside for the protection of big trees, because of the size and location of the Federal parcel, the U.S. Forest Service can provide custodial care only—with no recreation or resource management, no trails and no ranger assigned to actively manage the big trees on an ongoing basis. As a result, the sugar pine, ponderosa, and sequoia big trees in the Calaveras National Forest are fast succumbing to an encroaching understory of white fir trees. If this situation remains unchanged, all nonfir species will eventually decline.

The bill I am introducing today directs the U.S. Forest Service to transfer the Calaveras Big Trees National Forest to the State of California for inclusion in the Calaveras Big Trees State Park and for that purpose only. The objectives of my legislation are simple:

First, to provide permanent protection for sugar pine, ponderosa pine, and giant sequoia trees which are known generally as the Calaveras Big Trees;

Second, to unify the big trees area to enhance natural resource management and protection; and

Third, to increase visitor access to an enjoyment of the entire Calaveras big trees area through more intensive and active State management.

Mr. Speaker, this is a small bill which will have long-lasting benefits. If you take a walk through the Calaveras Big Trees State Park, you will find serenity and a natural haven from our busy, crowded world. To see the big trees, it will be necessary to get out of your car and go back in time. You will see the descendants of the Calaveras big trees which lived 180 million years ago. You will see the stump of 1,000-year-old tree which is 13 feet in diameter, standing as a reminder of man's willingness to dismantle one of the largest living things on earth.

Mr. Speaker, transfer of 379 acres from the national forest to the California State Park System will protect untouched stands of sugar pine, ponderosa, and giant sequoia trees and will further the enjoyment of visitors to the Calaveras big trees State park. We have a unique opportunity to leave this small, but important legacy to future generations. The conflicts will be few. The benefits will be many.

OUR FLAG DESERVES SPECIAL TREATMENT UNDER THE CONSTITUTION

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mrs. VUCANOVICH. Mr. Speaker, I rise today to address the Texas versus Johnson Supreme Court decision which permits the desecration of the American flag as a form of free speech.

My district, in Nevada, is comprised of many outspoken and courageous Americans, especially veterans—men and women who have fought for the betterment and protection of America and American values. Many Nevadans have written to me, expressing their outrage at this decision. I am appalled at the decision which permits the burning and ultimate desecration of our flag.

Our Nation was forged out of a common commitment to freedom—a commitment held dear by men and women of disparate backgrounds. This common bond remains as one of the testimonies to the enduring strength of our Nation.

And yet, the only tangible symbol of this strength, our American flag, is legally subject to permissible desecration. However well-intentioned the logic and reasoning of this decision, I can only speak with my heart and say how much I deplore the decision.

How many of you were moved, while hearing Senator JOHN MCCAIN at the Republican National Convention last summer, tell us the story of his experience as prisoner of war in Vietnam with Mike Christian, a young man from Alabama, who pieced together an American flag out of strips of red, white, and blue cloth. JOHN MCCAIN and Mike Christian were held captive with a group of other Americans in one room. Each day, Mike Christian would add a little more to the flag. They would say the Pledge of Allegiance to their tattered flag every day and then hide it away, knowing, full well, that exposure of the flag would mean certain punishment. Mike Christian was punished, beaten severely. But, after his fellow prisoners of war nursed him back to health, he continued to piece together the flag.

These men weren't much different from men and women who fought for freedom in our country 200 years ago. Men and women of liberty challenge us to remember the mission of our country, no matter what age they may find themselves in. Although they may have vastly different heritages, they have a common heritage in the American flag—a heritage which knows no time—a heritage which is sealed by a common love for our country and for one another.

JOHN MCCAIN and Mike Christian and their group of great Americans may have been prisoners of war, but their mutual love of country surely sustained them with every added strip of cloth which was their flag.

How do you tell Senator MCCAIN and Mike Christian that their meticulously created flag can be burned by legal decree of the Supreme Court, as an expression of freed speech? Unquestionably these men of unmatched heroic fiber can withstand the awful affront of a burning flag.

How would I tell my father, were he alive today, that the country he served so proudly, as a brigadier general, now permits the desecration of the flag in the name of free speech? And how do I explain the decision to my brother, a West Point graduate and a captain, who has spent a lifetime serving his country? What would I say to my mother, who moved us from base to base, unbegrudgingly, because our country called my father to move to another base. Her abiding faith and pride in her family's service to our country sustains me to this day. Love of country, for me as a child, and, for me as a Congresswoman, has always been and continues to be a family affair.

My family, like many American families, gave their all to support our father and our brother, and the country they loved so well. A burning flag does not shake our faith and love for our country one iota. We can endure it. But many Americans like my father, my brother, JOHN MCCAIN, and Mike Christian have endured much more for the American cause. But sometimes, a slap in the face from your family of America, is harder to endure than the unspeakable trials of war. The prison cell in Vietnam, where commitment was a cornerstone, is more comforting than the Supreme Court decision.

I have cosponsored several bills which would offer the people of Nevada, and the people of this country, an opportunity to vote, up or down, on the Supreme Court's decision through the constitutional amendment process. Surely, the elimination of the burning of the flag as an expression of speech does not jeopardize the intent of the drafters of the first amendment.

Many methods of speech remain available to those who do not agree with our Government. The flag holds a special place in our Nation's history and deserves special treatment under the Constitution.

SUPREME COURT DECISION ON CIVIL RIGHTS

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DYMALLY. Mr. Speaker, while the Members of Congress express their outrage at the recent Supreme Court decision on the U.S. flag, I want to bring to your attention the real damage the Supreme Court has done to all Americans with its recent decisions on civil rights issues.

The following memo was prepared By Representative JOHN CONYERS, chairman of the Committee on Government Operations, and a member of the Committee on the Judiciary.

Mr. CONYER'S memorandum:

SUPREME COURT DECISIONS ON CIVIL RIGHTS

Martin v. Wilks—June 12, 1989.

White firefighters sued the city of Birmingham, Alabama and the Jefferson County Personnel Board, in District Court, alleging that, because of their race, they were being denied promotions in favor of less qualified blacks in violation of federal law. Consent decrees, which included goals for hiring blacks as firefighters and for promoting them, had been entered previously by the city and the Board as a result of actions that had been brought by black individuals and the NAACP. The District Court held that respondents were precluded from challenging employment decisions taken pursuant to the consent decrees, even though they had not been parties to the proceedings in which the decrees were entered.

By a 5-4 vote, the Supreme Court held that the respondents are not precluded from challenging the employment decisions taken pursuant to the consent decrees.

The impact of the decision is that it eases the way for white males to challenge court approved affirmative-action plans.

Patterson v. McLean Credit Union—June 15, 1989.

A black woman who was hired by the McLean Credit Union as a teller and a file coordinator for 10 years was laid off. She brought action in the District Court under 42 U.S.C. 1981, alleging that respondent had harassed her, failed to promote her to accounting clerk, and then discharged her, all because of her race. The District Court determined that a claim for racial harassment is not actionable under 1981. Also, the court said that the woman had to prove she was better qualified than the white employee who allegedly had received the promotion, in order to win her promotion-discrimination claim.

The Supreme Court agreed with its decision in *Runyan v. McCrary*, 47 U.S.C. 160, that 1981 prohibits racial discrimination in the making and enforcing of private contracts. But, it narrowed its scope. The Court claimed that 1981 does not apply to conduct which occurs after the formation of a contract and doesn't interfere with contract obligations, which includes breach of the contract's terms as well as imposition of discriminating working conditions. The Court declared that the District Court erred when it said Patterson had to prove that she was better qualified for the promotion. For, under 1981, a plaintiff must only prove purposeful discrimination, in order to prevail.

Wards Cove v. Atonio—June 5, 1989.

A group of nonwhite salmon cannery workers filed suit under Title VII alleging that their employer's hiring and promotion practices were discriminatory. They claimed these practices had set up a sort of racial stratification within the work force. This was evidenced by the fact that the unskilled "cannery jobs" were filled by nonwhites and the "noncannery jobs", most of which are classified as skilled positions and pay more than the cannery positions, are filled by white workers. The District Court rejected the cannery workers claim based on the fact that there was an overrepresentation of nonwhite works in the cannery job due to a hiring hall agreement with a predominately nonwhite union. The Court of Appeals reversed the decision, holding that the cannery workers had a prima facie case of disparate impact in hiring for both types of jobs. This was concluded based on statistics showing a high percentage of nonwhite workers in cannery jobs and a low percentage of such workers in noncannery jobs. They also decided that once disparate impact caused by employment practices has been proven, the burden is shifted to the employer to prove the practices are of a business necessity.

The Supreme Court overturned the Court of Appeals decision and ruled that the mere comparison of the percentage of the cannery workers who are nonwhite and the percentage of noncannery workers who are nonwhite is not proof enough to make a prima facie disparate-impact case. It further placed the burden of proof on the plaintiffs, in such a case, to show discrimination in hiring and promotion practices. And it made it harder to use statistics to prove discrimination under Title VII. And the Court relieved employers from the burden of justifying that their hiring and promotion practices are of a business necessity.

The case was sent back the lower courts. The plaintiffs must show on some other basis that the underrepresentation of minority groups in the most desirable jobs violated Title VII. The plaintiffs must demonstrate that the statistical disparity complained of is the result of 1 or more of the employment practices, specifically showing that each challenged practice has a significantly disparate impact on employment opportunities for whites and nonwhites.

Will v. Michigan—June 15, 1989.

Will filed suit under 42 U.S.C. 1983 alleging that the Michigan Department of State Police and the Director of State Police had denied him a promotion for an improper reason. The state court ruled in favor of Will, finding that both respondents were considered "persons" under 1983, which provides that any person who deprives an individual of his or her constitutional rights under color of state law shall be liable to that individual. The State Court of Appeals overturned the decision and said the State is not a person under 1983, but didn't immune the Director. The State Supreme Court agreed that the state is not a person under 1983 as well as held that a State Official acting in his or her official capacity also is not such a person.

The Supreme Court declared that neither states nor state officials acting in their official capacities are "persons" within meaning of 1983.

Lorance v. AT&T Technologies—June 12, 1989.

AT&T Technologies had set up collective bargaining agreements before 1979, which determined a worker's seniority on the basis of years of plantwide service, and plantwide seniority was transferable upon promotion to a more skilled "tester" position. In 1979, a new agreement changed this seniority rule and declared that seniority in "tester" jobs is dependent upon the amount of time spent as a tester. In 1982 petitioners—women employees who were promoted ot tester position between 1978 and 1980—received demotions that they would not have sustained had the former seniority system remained in place. In 1983 they brought action in the District Court alleging that AT&T had violated Title VII by adopting the new seniority system with the purpose and effect of protecting incumbent testers—jobs traditionally dominated by men—from female employees who had greater plantwide seniority and who were becoming testers in increasing numbers. Summary judgement was granted and affirmed by the Court of Appeals on the ground that the charges had not been filed within the required period "after the alleged unfair labor practice occurred," 706(e) of Title VII, 42 U.S.C. 2000e-5(e).

The Supreme Court affirmed.

Richmond v. Croson—January 23, 1989.

The city of Richmond, Va adopted a Minority Business Utilization Plan requiring prime contractors awarded city construction contracts to subcontract at least 30% of the dollar amount of each contract to one or more Minority Business Enterprises, which the Plan defined to include a business from anywhere in the country at least 51% of which is owned and controlled by black, Spanish-speaking, Oriental, Indian, Eskimo, or Aleut citizens. Pursuant to the Plan, the city adopted rules requiring individualized consideration of each bid or request for a waiver of the 30% set-aside, and providing that a waiver could be granted only upon proof that sufficient qualified minority businesses were unavailable or unwilling to participate. After the Croson Co., the sole bidder on a city contract, was denied a waiver and lost its contract, it brought suit under 42 U.S.C. 1983, alleging that the Plan was unconstitutional under the 14th Amendment's Equal Protection Clause. The Federal District Court upheld the Plan and the Court of Appeals affirmed. On the respondents petition for certiorari in this case, the Supreme Court vacated and remanded for further consideration. On remand, the Court of Appeals held that the city's Plan violated both prongs of strict scrutiny, in that (1) the Plan was not justified by a compelling governmental interest, since the record revealed no prior discrimination by the city itself in awarding contracts, and (2) the 30% set-aside was not narrowly tailored to accomplish a remedial purpose.

The Supreme Court affirmed the judgment.

Jett v. Dallas—June 22, 1989.

Norman Jett, a white male, was employed by the Dallas Independent School District (DISD) as a teacher, athletic director, and head football coach at South Oak Cliff High School, a predominantly black school. After repeated clashes with the school's principal Todd over school policies and Jett's handling of the school's football program, Todd recommended that Jett be relieved of his duties as athletic director and coach. The DISD's Superintendent Wright affirmed Todd's recommendation and resigned Jett to a teaching position in another school, where he had no coaching duties. Jett brought action in the District Court alleging that Todd's recommendation was racially motivated, and that DISD, acting through Todd and Wright, had discriminat-

ed against him on the basis of race in violation of 42 U.S.C. 1981 and 1983 and the Equal Protection Clause. The District Court upheld a jury verdict in Jett's favor. The Court of Appeals reversed in part and remanded, finding that the District Court's jury instruction's as to the DISD's liability under 1983 were deficient, since (1) they did not make clear that, under *Monell v. New York City Dept. of Social Services*, 436 U.S. 658, such liability could be predicated on the actions of Todd or Wright only if those officials had been delegated policymaking authority or acted pursuant to a well settled custom that represented official policy; and (2) even if Wright could be considered a policymaker for purposes of the transfer of personnel, the jury made no finding that his decision to transfer Jett was either improperly motivated or consciously indifferent to the improper motivations of Todd. The Court of Appeals rejected the District Court's conclusion that the DISD's 1981 liability for Todd's actions could be predicated on a respondent superior theory, noting that *Monell* had held that Congress did not intend that municipalities be subject to vicarious liability under 1983 for the federal constitutional or statutory violations of their employees, and declaring that to impose such liability for only certain wrongs based on 1981 apparently would contravene the congressional intent behind 1983.

The Supreme Court affirmed the judgment to the extent it holds that the school district may not be held for its employees' violation of the rights enumerated in 1981 under a theory of respondent superior. We remand the case to the Court of Appeals for it to determine where final policymaking authority as to employee transfers lay in light of the principles enunciated by the plurality opinion in *Praprotnik*.

RIGHT IS RIGHT

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. VANDER JAGT. Mr. Speaker, today, as President George Bush asked the Congress to do, I am introducing an amendment to the Constitution which will make it illegal to burn or otherwise desecrate the flag of the United States.

I am saddened that it is necessary to introduce this amendment; indeed I believe that the Constitution should only be amended with great care. However, the recent U.S. Supreme Court decision which declares that the U.S. flag may be publicly burned or otherwise mutilated cannot go unanswered.

For over 200 years, the American flag has been more than just a symbol of our Nation, it has been a part of our national unity, part of what holds us together as a people.

Unlike other symbols which we hold dear, the American flag is something special. It is the American flag that stands guard over our government buildings, our schools, our offices. It is the American flag that our athletes proudly march behind as they enter international competitions. It is the American flag that our young men and women so bravely defend on battlefields around the world. And it is the American flag which covers the bodies of the brave soldiers killed while defending the Stars and Stripes.

Just as the spectators in the courtroom wept when the U.S. Supreme Court announced its verdict, all of America must grieve at the thought of Old Glory burning simply to make a political statement.

As the Justices who opposed the Court's ruling said in their dissenting opinion, how can our Government ask servicemen and women to fight and die in foreign lands for our flag, if we are not willing to defend it here at home?

I am deeply disturbed that some liberal Democrats see no need to amend the Constitution, figuring that this firestorm will play itself out and the Nation will soon turn its attention to other matters.

There is no doubt that all Members of Congress have a deep respect for the U.S. flag; but it is shocking that anyone in the Democrat majority would appear to be defending the right to publicly burn our flag.

Liberals, like the ACLU, cry out that burning the flag is just exercising free speech. Try telling that to the mother who lost a son fighting for that flag on Omaha Beach. Try telling that to the family who lost a brother at Midway or Iwo Jima.

When the battle of Iwo Jima was finished, over 6,000 Americans lay dead. And when the U.S. Marines reached the top of Mount Suribachi on that tiny island, they raised high a piece of pipe from which fluttered the U.S. flag.

In Korea, when our troops landed at Inchon, within an hour they raised high our flag. And in Vietnam, thousands of our boys fought through the jungles for their country and for their flag.

It was during the Vietnam war that the Federal law against burning the flag was passed by Congress. You cannot ask a soldier to die abroad for something you are not willing to protect here at home.

Unfortunately, apparently the liberal Democrats don't seem to understand the deep meaning that the flag has for millions of Americans. The most liberal believe that it is more important to allow people to burn our flag than it is to protect this sacred symbol. Other liberal Democrats say simply—well, we'll have to pass a law. We have passed a law—there was a Federal law prohibiting the burning of the flag and 48 of our States have laws prohibiting the burning of the flag. It is those laws that the U.S. Supreme Court has struck down. The only recourse is for a constitutional amendment.

And while we must always guard an American's right to free speech, it is one thing to speak about your beliefs and quite another to burn a symbol as sacred as the American flag. Talking is one thing, physical abuse and acts of violence are another. It is sad to imagine that it is now illegal for many people to burn a pile of leaves in their back yards, but legal to burn the American flag.

In order to pass a constitutional amendment, I am confident the voters of this Nation will elect men and women to the Congress of the United States who will actively work for the passage of such an amendment.

There has never been a more clear or graphic example of the need to elect people to the Congress of the United States who believe in conservative values. If we cannot elect a Congress that will protect our flag, then what is next?

So far this year the House of Representatives has been shamed by a disgraced Speaker of the House who was forced to resign for wrongdoing, and by the resignation of the number three Democratic leader in the House for financial misconduct. Now, we have Democratic leaders saying there is no need for a constitutional amendment to protect our flag. Clearly, something is wrong with the Congress and it is up to the American people to throw out Congressmen who condone such activity.

I am dedicated to working to enact a constitutional amendment to protect our flag, and I hope that millions of Americans will join with President Bush and our fellow Republicans, conservatives, and concerned Democrats in this effort.

PRIVATIZATION 1989

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. ROHRABACHER. Mr. Speaker, the time has come for us to seriously advance the idea of privatization. Governments throughout the world have begun to shift responsibilities from the public sector to the private sector. The Reason Foundation recently released a report entitled "Privatization 1989." It is a critical and meaningful document and I asked that a section of it be read into the RECORD.

The article follows:

PRIVATIZATION 1989: THIRD ANNUAL REPORT ON PRIVATIZATION

I. INTRODUCTION

Futurist John Naisbitt sees privatization as a worldwide trend. "Socialism and the welfare state will wither as countries begin to privatize services formerly supplied by governments," he said last November. "Debate about selling the United States Postal Service will intensify." Naisbitt Group Executive Vice President Marilyn Block predicts that 1989 will see privatization beginning to be applied to public schooling.

Although President Bush did not make privatization a campaign issue, he did say in his State of the Union address that he would pursue private-sector alternatives to state-supported services. He made explicit his belief that the private sector can do certain things better than the public sector.

Forecasters expect that budget pressures will lead to continued shifts of functions from the federal government to the private sector during the coming four years. Even the Kiplinger Washington Letter of November 4, 1988, predicted that "Government will step up privatization of commercial activities in '89. Thousands of such jobs will be let to private firms because it's cheaper."

Another sign of the times was the election last summer of Philadelphia Mayor Wilson Goode as cochairman of the Privatization Council, a national trade association. Democrat Goode's cochair is Prescott Bush, the President's brother. Their cochairmanship of the leading privatization trade organization symbolizes the growing bipartisan

appeal of utilizing the private sector to provide governmental services.

Privatization continues to seep into this country's popular culture. Harper's magazine did a satirical piece on privatizing the U.S. military that inspired several similar pieces by other journals. In addition, NBC's popular TV show "L.A. Law" showed a private court as a low-cost, effective alternative to the civil court system.

It's no surprise that privatization has become a household word. The number of news articles mentioning privatization, as measured by the Reason Foundation's clipping services, increased from 2,195 in 1987 to 3,838 in 1988—an increase of 75 percent. Much of that increase was due to publicity attending the work of the President's Commission on Privatization, which issued its report last March. But it was also due to the continued nationwide and worldwide trend toward shifting functions from the public sector to the private sector.

This trend is amply documented in this third annual report on privatization.

II. SUMMARY AND OVERVIEW

Privatization: A worldwide trend

Governments around the world continued to shift functions and responsibilities to the private sector in 1988. A hefty $43 billion worth of such sales took place during 1988. That brought the cumulative total, worldwide, to $160 billion over the past five years—a tremendous shift of resources and control. Britain and Japan continued to be the leading sellers, with British Steel and Nippon Telephone & Telegraph as the largest of 1988's share-offerings.

Selling state-owned enterprises is increasingly important in the Third World, as well. Nigeria issued a Privatization and Commercialization Decree that will result in the sale of 67 firms, including 12 banks, Nigeria's electric power authority, and various other state-owned industries. Chile plans to sell the government pension fund, and has already sold $1 billion in state firms since 1985, leaving only 20 of 500 companies in state hands.

But asset sales alone do not measure the full extent of privatization. Build-Operate-Transfer (B-O-T) agreements have become increasingly popular. An agreement whereby a private company agrees to build and operate a public facility for a set period of time (with the title reverting to the government when the agreement expires), B-O-Ts have been particularly useful in developing major new infrastructure.

Among the major B-O-T projects under way in 1988 were a 181-mile private tollway in China, a major power plant and rail transit system in Turkey, a new harbor tunnel in Sydney, Australia, and power plants in the Philippines. (The world's largest infrastucture project—the Channel Tunnel between Britain and France—is not a B-O-T project, in that title will remain with its private owners, Eurotunnel.)

Many other governments especially in the Third World, are taking steps to liberalize their economies, so that private enterprise can play a greater role. For example, Morocco has divested its state agricultural marketing/export agency. Tunisian President Ben Ali, while pledging to privatize 100 state enterprises, has also begun deregulating parts of the economy.

One of the most dramatic swings towards the private sector is occurring in the communist world. The Soviet Union has now joined China in allowing farmers to lease land from the state and purchase their own trucks, tactors, and other equipment. Both have now launched programs whereby individuals can purchase their house or apartment from the state.

Communist countries are also permitting private businesses to start up, generally in the guise of "co-operatives." Hundreds of co-ops have started up in the Soviet Union in the past year, though they are severely limited in their access to materials and equipment and may use only their own "members" as workers. Poland and Hungary have gone further. Some 23,000 co-ops have been authorized in Poland, and they are now permitted to hire up to 50 workers per shift. Hungary is dispensing with the co-op disguise, allowing "limited companies" which can employ up to 500 people. The Budapest stock market has reopened, and as of January 1, 1989, anyone may legally purchase shares. Poland has authorized limited share-ownership, as well.

Perhaps the most significant development in the Soviet Union is the breaking up of some collective farms and the leasing out of farm lands to individuals, families, and small groups. One-fifth of the country's 50,000 farms have begun leasing land and equipment to individuals and families over the past two years.

Washington brings up the rear

Overseas, governments of all political complexions are selling off state-owned assets and enterprises, but the United States is virtually alone in having no serious national commitment to privatization. During the entire eight years of the Reagan administration, the only large federal enterprise to be sold off was Conrail (sold in 1987 in a public stock offering for $1.6 billion). During 1988 the government also reached an agreement to sell the Great Plains Coal Gasification plant for $600 million, spread out over the next 21 years. In addition, $4.6 billion was realized from the sale of federal loan assets during 1987-88.

The President's Commission on Privatization set forth an agenda for privatization at the federal level, in its March 1988 report. It recommended that the government sell Amtrak, the Postal Service, and the Naval Petroleum Reserves, as well as continuing to sell federal loan assets. Its other recommendations concerned increased use of vouchers (in housing and education) and contracting-out of services.

While ambitious compared with the Reagan administration's record, this agenda pales in contrast to what is going on overseas. In response, a group of 10 think tanks led by the Reason Foundation formed an ad-hoc Privatization Task Force, which issued a more sweeping privatization agenda in July 1988. It identified some $316 billion in potential revenue from the sale of federal assets and enterprises, including federal commercial timber lands, Amtrak, electricity operations, postal service, airports, and air traffic control. While at first glance, these appear to be fairly radical proposals, in fact they are quite consistent with privatization activities currently under way in other countries:

Passenger Railroads: Amtrak is assumed to be unsaleable because it loses large sums of money. But two major money-losing passenger railroads—Japan National Railways and British Rail—are now in the process of being privatized. JNR has already been broken up into smaller companies and had part of its huge debt written off; for 1988 the six railroad spin-off companies all turned in profits. British Rail's privatization mode is currently under study.

Electricity Operations: While the Tennessee Valley Authority and the five Power Marketing Administrations are considered political sacred cows, comparable electricity operations elsewhere are routinely being divested to the private sector. One of the primary examples is Britain's Central Electricity Generating Board, which is being broken up into two generating companies and a national transmission grid, all of which will be sold during 1990-91. Among the other countries selling or planning to sell electric power operations are Argentina, Austria, Chile, Finland, Israel, Nigeria, the Philippines, and South Africa.

Postal Services: Although no government has yet sold its postal service, many have broken up their state-owned post-and-telecommunications monopoly and sold off the telecoms portion. Among those which have done (or announced plans to do) this are Britain, Finland, Israel, the Netherlands, New Zealand, South Africa, and South Korea. Japan is considering privatizing its Postal Savings System (the world's largest taker of deposits), and Britain and the Netherlands are considering similar moves. And both the Netherlands and New Zealand are discussing the possible sale of the postal service itself.

Airports and Air Traffic Control: Proposals to sell the FAA's air traffic control system and the federally owned airports (Dulles International and Washington National) have received only lukewarm consideration. Yet Britain privatized British Airports Authority (operator of Heathrow, Gatwick and others) in 1987, and among the other countries planning privatization of at least some major commerical airports are Belgium, Canada, Denmark, Japan, and New Zealand. The latter has "corporatized" its air traffic control system, making it entirely user-fee-funded as of 1987, and is considering privatizing it. And Britain's ATC system has been decentralized, with airports taking over responsibility for control towers and local ATC services, some of which are now contracted out to private firms.

These examples illustrate that the potential of privatization in the federal government is far greater than is generally realized. Hundreds of billions of dollars could be realized by the sale of the kinds of federal enterprises which are routine objects of privatization overseas.

State and local governments continue privatizing

Public works, public utilities, and public support activities are increasingly being contracted out at the local level, according to a 1988 study by the International City Management Association.

Democrats and Republicans alike are embracing privatization at the state and local levels as a viable alternative to either cutting services or raising taxes. Among the big-city mayors who have championed at least some privatization initiatives are Tom Bradley (Los Angeles transit and Coliseum), Wilson Goode (Philadelphia refuse collection), Kathy Whitmire (various Houston services), Kenneth Gibson (numerous Newark services), and Terry Goddard (Phoenix public-works services). When it comes to getting the most for the taxpayer's dollar, privatization has now become a mainstream tool of good government.

One of 1988's other notable trends was the continued move toward Build-Operate-Transfer as a means of obtaining new infrastructure. Nearly all of the 65 currently operating resource-recovery (waste-to-energy)

VOL 135 PT 10 JE 23 JL 13 1989 UMI

plants are privately funded and/or operated. A growing number of cities and counties are tapping the private sector to obtain new water supply and sewage-treatment facilities.

National concern over decaying highways and bridges is leading to a resurgence of interest in toll roads. A national conference in November 1988 highlighted the growing number of new public toll-road projects, especially in Colorado, Florida, and Texas—as well as the first such projects in California (in fast-growing Orange County). In a major shift of federal policy, the highway bill approved by Congress in January 1988 offered federal assistance for nine toll road projects—touching off feverish competition among states. The Federal Highway Administration received applications from all over the country. Several projects for private toll roads, on the B-O-T model, are moving forward, particularly the proposed extension of the Dulles Toll Road in Virginia. The first new private toll bridge in over 40 years, opened last June connecting Fargo, North Dakota with Moorhead, Minnesota.

Prison privatization continued to grow in 1988, as well. The greatest activity took place in Texas, where the state contracted for the private construction and operation of four 500-bed minimum-security prisons. All four will be built by Houston-based Becon Corporation; two will then be operated by Wackenhut and two by Corrections Corporation of America. Texas also holds the record for the largest existing prison whose operation has been contracted out. Wackenhut has renovated and now operates the 619-bed Central Texas Correctional Facility for parole violators, in San Antonio.

Another 1988 milestone was the first privatization of a major public housing project. The 464-unit Kenilworth-Parkside project in Washington, DC, was sold by the District government (for $1.00) to the Kenilworth-Parkside Resident Management Corporation. KPRM Corporation has been managing the project successfully since 1982. After a $23-million federally funded renovation is completed in 1990, tenants will be able to purchase a share of the management company for $10,000, which will entitle them to own their own unit. The Department of House & Urban Development under Secretary Jack Kemp sees this project as a model for privatizing other public housing projects by means of tenant management corporations.

AMENDMENTS TO THE FEDERAL RESERVE ACT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HAMILTON. Mr. Speaker, today I am joining my colleague Representative BYRON DORGAN as cosponsor of a bill to amend the Federal Reserve Act.

The purpose of this bill is to make the internal workings of the Federal Reserve System more accessible to Congress and the public and to improve the coordination of monetary and fiscal policy.

The bill would make a number of changes in the current structure and procedures of the Federal Reserve System:

It would make the Secretary of the Treasury a member of the Federal Open Market Committee, the arm of the Fed that actually sets monetary policy. Currently, the FOMC consists of the 7 members of the Board of Governors, the president of the New York Fed, and 4 of the other 11 Federal Reserve Bank presidents who serve on a rotating basis.

It would make the term of office for the chairman of the Board of Governors coterminous with the term of office of the President of the United States. The term of the current chairman of the Board of Governors, Alan Greenspan, will expire in 1991, during President Bush's third year in office.

It would require that the Fed disclose immediately its policy decisions and any change in the targets of monetary policy. Currently, the Fed waits 6 weeks before releasing information on its monetary policy decisions.

It would permit the Comptroller General to conduct more thorough audits of Federal Reserve operations than can now be conducted.

It would require the Federal Reserve's budget to be published in the budget of the U.S. Government, for the current year and two succeeding years.

The Federal Reserve is currently faced with the very difficult task of trying to slow the economy and prevent inflation from accelerating without causing a recession. It is also trying to bring the dollar to a level where American industry will be competitive in world markets. These are complex goals that the Federal Reserve will not be able to achieve without appropriate help from Congress, the President and the private sector.

This bill is an attempt to strengthen the Fed's ability to conduct monetary policy by improving the structure and procedures of the Federal Reserve, and it deserves a fair hearing. Allowing the Secretary of the Treasury to paricipate in the deliberations of the Federal Open Market Committee, the policymaking arm of the Federal Reserve, and making the term of the Fed chairman coterminous with that of the President will make it easier for the Federal Reserve and the Government to coordinate economic policy.

The bill will also give Congress and the public greater access to information on Federal Reserve policies and the day-to-day operations of the Federal Reserve. Immediate release of policy decisions will increase the efficiency of U.S. capital markets and reduce the uncertainty of investment decisions, since all investors large and small would be given equal and timely information about the goals and policies of the Federal Reserve. GAO audits and publication of th Fed's budget in the annual Budget of the U.S. Government will shed more light on how the Federal Reserve spends money. During the 99th and 100th Congresses, I introduced legislation that would require publication of the Fed's budget for the current year and projections for the two succeeding years, and the bill that Congresman DORGAN and I are introducing today also adopts that approach.

It is our hope that the bill will focus the attention of Congress and the public on how the structure and procedures of the Federal Reserve can be improved. It deserves serious study and I am pleased to be a cosponsor.

INTRODUCTION OF NEW CROSS FLORIDA BARGE CANAL LEGISLATION

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BENNETT. Mr. Speaker, I am today introducing legislation, along with my fellow Florida colleagues, EARL HUTTO, BILL MCCOLLUM, and HARRY JOHNSON, to study the area of the new deauthorized Cross Florida Barge Canal for possible inclusion in the National Park System, the Wild and Scenic River System, or the National Forest System. This legislation is in response to a State of Florida request to dispose of the canal land as it sees fit, with a minimal of restrictions. The State's plan is unacceptable because it would allow the land to be sold at the State's will to private concerns, which could result in degradation of those important, environmentally sensitive lands.

Under my bill, which amends the 1986 Water Resources Act, that served to deauthorize the canal, the Department of the Interior, rather than the Corps of Engineers, would provide the needed study—within 6 months—and management plan. With that in hand, hopefully the State will proceed to cooperate with the Federal Government to achieve the environmental protection of these lands. I submit for the CONGRESSIONAL RECORD a copy of my bill along with a copy of the portion of the 1986 act that served to deauthorize the canal.

My bill provides for a real environmental program in that area, and I look forward to early hearings on this in the Committee on Interior.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CROSS FLORIDA NATIONAL CONSERVATION AREA.

(a) STUDY BY NATIONAL PARK SERVICE.—Section 1114(e)(1) of Public Law 99-662 is amended to read as follows:

"(1) The Secretary of the Interior shall conduct a study to determine the eligibility of lands and waters within the Cross Florida National Conservation Area for inclusion within the national park system, the national wild and scenic rivers system, or the national forest system, or any combination of the foregoing. The study shall contain a comprehensive plan for the management of such lands and waters as components of one or more of such national systems. The study under this section shall be carried out in consultation with the State of Florida, the Secretary of Agriculture, the Fish and Wildlife service, and the Secretary of the Army and shall be submitted to the Congress within 6 months after the enactment of this Act.

(b) MANAGEMENT AUTHORITY.—Section 1114(e)(3) of Public Law 99-662 is amended to read as follows:

"(3) The plan submitted under this subsection shall assign management authorities with respect to the conservation area among the National Park Service, the United States Forest Service, and the United States Fish and Wildlife Service.".

(c) ADMINISTRATION JURISDICTION.—Section 1114(e)(5) of Public Law 99-662 is amended to read as follows:

"(5) Immediately upon his acquisition of the lands referred to in subsection (g), the Secretary of the Army shall transfer such lands, together with any other lands within the conservation area which are under the administrative jurisdiction of the Secretary of the Army, to the administrative jurisdiction of the Secretary of the Interior, or to such other agencies as are designated for such purposes pursuant to the study under this subsection.".

(d) CONFORMING AMENDMENTS.—Paragraph (6) and (7) of Public Law 99-662 are each amended by inserting "of the Interior" after "Secretary" in each place such term appears.

1986 WATER RESOURCES ACT

(a)(1) For the multiple purposes of preserving, enhancing, interpreting, and managing the water and related land resources of an area containing unique cultural, fish and wildlife, scenic, and recreational values and for the benefit and enjoyment of present and future generations and the development of outdoor recreation, there is hereby established the Cross Florida National Conservation Area (hereinafter in this section referred to as the "Conservation Area").

(2) The Conservation Area shall consist of all lands and interests in lands held by the Secretary for the high-level barge canal project from the Saint Johns River across the State of Florida to the Gulf of Mexico, authorized by the Act of July 23, 1942 (56 Stat. 703) (hereinafter in this section referred to as the "barge canal project"), all lands and interests in lands held by the State of Florida or the Canal Authority of such State for such project, and all lands and interests in lands held by such State or such Canal Authority and acquired pursuant to section 104 of the River and Harbor Act of 1960.

(3) Within the Conservation Area there is hereby designated the Conservation Management Area which shall consist of all lands and interests in lands held by the Secretary within that portion of the barge canal project that is located between the Eureka Lock and Dam and the Inglis Lock and Dam (exclusive of such structures), plus all lands and interests in lands held by the Canal Authority of the State of Florida between such structures and all lands and interests in lands held by such State of Canal Authority and acquired pursuant to section 104 of the River and Harbor Act of 1960.

(b) Those portions of the barge canal project located between the Gulf of Mexico and the Inglis project structures and located between the Atlantic Ocean and the Eureka Lock and Dam, inclusive, shall be operated and maintained by the Secretary for the purposes of navigation, recreation, and fish and wildlife enhancement and for the benefit of the economy of the region.

(c) In order to further the purposes set forth in paragraph (a)(1) of this section, that portion of the barge canal project located between the Eureka Lock and Dam and the Inglis Lock and Dam (exclusive of such structures) is not authorized for the purposes described in the Act of July 23, 1942 (56 Stat. 703) after the date this subsection becomes effective.

(d) The State of Florida shall retain jurisdiction and responsibility over water resources planning, development, and control of the surface and ground waters pertaining to lands cited in subsections (b) and (c) of this section, except to the extent that any uses of such water resources would be inconsistent with the purposes of this section.

(e)(1) Not later than one year after the date of the enactment of this Act, the Secretary, in consultation with the United States Forest Service, the United States Fish and Wildlife Service, and the State of Florida, shall develop and transmit to Congress a comprehensive management plan for lands (including water areas) located within the Conservation Management Area.

(2) Such plan shall, at a minimum, provide for—

(A) enhancement of the environment;

(B) conservation and development of natural resources;

(C) conservation and preservation of fish and wildlife;

(D) preservation of scenic and enhancing recreational values;

(E) a procedure for the prompt consideration of applications for easements across Conservation Management Area lands, when such easements are requested by local or State governmental jurisdictions or by a regulated public utility for a public purpose; and

(F) preservation and enhancement of water resources and water quality, including groundwater.

(3) Such plan shall establish, among the Secretary, the Forest Service, the Fish and Wildlife Service, and the State of Florida, the responsibilities for implementation of such plan.

(4) Until transmittal of such plan to Congress, the Secretary shall operate, maintain, and manage the lands and facilities held by the Secretary under the terms of subsection (c).

(5) Upon submission of such plan to Congress, the Secretary and other agencies, pursuant to the agreement under paragraph (3) of this subsection, are authorized to implement such plan.

(6) The Secretary shall transmit recommendations for protecting and enhancing the values of the Conservation Area to Congress together with such plan.

(7) The Secretary shall consult and cooperate with other departments and agencies of the United States and the State of Florida in the development of measures and programs to protect and enhance water resources and water quality with the Conservation Area.

(f) The Secretary shall operate the Rodman Dam, authorized by the Act of July 23, 1942 (56 Stat. 703), in a manner which will assure the continuation of the reservoir known as Lake Ocklawaha. The Secretary shall not operate the Eureka Lock and Dam in a manner which would create a reservoir on lands not flooded on January 1, 1984.

(g)(1) As soon as possible, the Secretary shall acquire, for the sum of $32,000,000, all lands and interests in lands held on the date of the enactment of this Act by the Canal Authority of the State of Florida for the purposes of the barge canal project. In the event the sums available to the Secretary in any fiscal year are insufficient to purchase all such lands and interests, the State of Florida shall transfer to the Secretary that percentage of the total number of acres to be transferred that is proportionate to the sums received by the State compared with $32,000,000.

(2) From amounts received under paragraph (1) of this subsection, the Canal Authority shall forthwith make payments to the Florida counties of Duval, Clay, Putnam, Marion, Levy, and Citrus. Such payments shall, in the aggregate, be equal to $32,000,000. The amount of payment under this paragraph to each such county shall be determined by multiplying such aggregate amount by the amount of ad valorem taxes paid to the Cross Florida Canal Navigation District by such county and dividing such product by the amount of such taxes paid by all such counties.

(3) As soon as possible, the State of Florida shall transfer to the Secretary all lands and interests in lands held by the State of Florida or the Canal Authority of such State and acquired pursuant to section 104 of the river and Harbor Act of 1960.

(h) Subsection (c) shall become effective—

(1) 90 days after the Governor of Florida has certified to the Secretary that the State has met the conditions set out in subsection (i) of this section, unless the Secretary determines within such period that the State has failed to comply with such conditions; or

(2) on the date of the final order in a declaratory judgment action, brought by the State of Florida in a Federal District Court within Florida, finding that the State has met the conditions.

(i) Subsection (c) shall not become effective until the State of Florida enacts a law or laws which assure that—

(1) on and after the date on which construction of the portion of the barge canal project referred to in subsection (c) is no longer authorized, all lands and interests in lands held for the project by the State of Florida or the Canal Authority of such State will continue to be held by such State or canal authority pending transfer to the Secretary, as provided in this section; and

(2) on and after such date, all lands and interests in lands held by the State of Florida or the Canal Authority of such State and acquired pursuant to section 104 of the River and Harbor Act of 1960 will continue to be held by such State or Canal Authority, pending transfer to the Secretary as provided in this section;

(3) on and after such date, the State of Florida will never transfer to any person (except the Federal Government) any lands owned by such State or the Canal Authority of such State (except existing State roads, highways, and bridges and related rights-of-way, which may be transferred to a county or other local government) and contained within the expanded boundary of the Ocala National Forest as proposed and shown on the map dated July 1978, on file with the Chief of the Forest Service, Department of Agriculture, Washington, District of Columbia; and

(4) the State of Florida enacts a law which assures that, on and after such date, the interests in the lands described in paragraph (1) held by the State of Florida are sufficient to carry out the purposes of this section.

A CONGRESSIONAL SALUTE TO DEWEY H. SMITH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. ANDERSON. Mr. Speaker, I rise today and pay tribute to an outstanding individual

and a tireless public servant. Dewey H. Smith will be honored June 30, 1989, as he completes his term as president of the Greater Lakewood Chamber of Commerce. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment to the betterment of the greater Lakewood area.

Dewey Smith, born in Decatur, GA, attended Rollins College and Long Beach State University in my own congressional district. He has also served his country in the military, having been in the Navy from 1952 to 1955.

Dewey is currently manager of community relations at Douglas Aircraft Co., a division of McDonnell Douglas Corp. in Long Beach, CA, a position he has held since 1985. While with McDonnell Douglas since 1962, he has held several positions. These include producer-director of documentary films for Douglas in Santa Monica, and also administrator for the film and TV communications department of the aircraft division. In this later position, he produced and supervised the production of all documentary films for the aircraft division. He was manager of photographic and audio visual services, as well as manager of product promotion and marketing communications.

Dewey's positions as producer-director of documentary films for Douglas in Santa Monica, and as supervisor of photography for the high altitude nuclear tests at Johnston Island are testament to his photographic skill. This is further born out by his more than 6 years at Cape Canaveral, as photographic coordinator for Douglas, and also as coordinator and supervisor with several companies while there at the Cape.

In addition to his professional achievements, Dewey has a record of untiring public service. Along with the Greater Lakewood Chamber of Commerce, he is president of the Douglas Historical Foundation, the McDonnell Douglas Project Love Foundation, the Long Beach Industry Education Council, and the National Conference of Christians and Jews. He is also the past president of the Douglas Aircraft Company Management Club, the executive vice president of the Los Angeles USO, vice chairman of the Long Beach Chamber of Commerce, and served on the advisory board of AIESEC in Long Beach, and on the board of Governors of the Doctors Hospital of Lakewood.

And, if you can believe that he still has time, Dewey also sits on the board of directors of the Long Beach Conservation Corps, St. Mary's Foundation board, American Cancer Society, Cities in Schools, the Boy Scouts of America, and DARE. He even is chairman of the Lakewood community fair/chili cook-off, one of my favorite events in the area.

And, somehow in his busy schedule, Dewey found time to marry the former Joan Page in 1985. His family now includes his stepchildren, Cinde Brown, Tami Sacks, and Gordie Page.

My wife, Lee, joins me in extending our congratulations to Dewey H. Smith, and his lovely wife and family. He is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many others. On behalf of the greater Lakewood area, we wish Dewey, his wife and their children, all the best in the years to come.

FLAG DECISION A SLAP IN THE FACE OF AMERICAN CITIZENS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SMITH of New Jersey. Mr. Speaker, I rise today to join President Bush and many of my colleagues in calling for an amendment to the Constitution of the United States, that will prohibit the desecration of the flag of the United States. I have introduced legislation, House Joint Resolution 336, which will prohibit any individual from publicly mutilating, defacing, defiling, or in any other way desecrating the flag of the United States. My legislation will afford the people of this country the opportunity to restore the flag to its unique position as a symbol of our Nation and the values it stands for.

Mr. Speaker, we are all aware that the Supreme Court ruled last week, by a bare 5–4 majority, that the burning of our flag as a political protest should be protected as a form of free speech. Mr. Speaker, I find this ruling to be most unfortunate and an erroneous interpretation of what our forefathers, and we as a people, define as free speech. Supreme Court Chief Justice William Rehnquist said in his dissenting opinion: "Surely one of the high purposes of a democratic society is to legislate against conduct that is regarded as evil and profoundly offensive to the majority of people." Undoubtedly, the public outrage sparked during the past week by the Court's decision, marks the fact that the decision is offensive to the majority of the people.

Mr. Speaker, I believe that the ruling serves as a slap in the face to the millions of American citizens who have fought to protect and support the flag and all that it stands for, be that on a battlefield, or on a playing field at the Olympics.

Mr. Speaker, here in our Nation's Capital we are surrounded by numerous memorials dedicated to those brave men who gave up their lives in defense of freedom and democracy. For these fallen heroes, the American flag was a unique symbol of the values which they sacrificed their lives to preserve. It is a sad day indeed when those who continue to benefit from the actions of such heroes should now claim a right to publicly burn and desecrate with contempt our flag.

Mr. Speaker, this decision is an outrage, especially to those women whose only emblem of their son's or husband's supreme sacrifice may be a neatly folded flag, presented to them at their loved one's funeral.

My colleagues, if you look out from the Capitol toward the Mall, you can see thousands of people visiting the Smithsonian Institution daily, to view the inventions and triumphs that make our Nation great. One of the largest attractions is indeed the Star-Spangled Banner, the flag which inspired Francis Scott Key to write our national anthem, an image of a banner resilient in the face of flame.

This is not a partisan issue, Mr. Speaker, rather, it is an American issue. We, as representatives of the people of this Nation, should not allow this decision to serve as a detrimental blow, as well as an embarrassment, to our constituents' pride and patriotism.

How can we expect the United States of America to remain an example of freedom, unity, and loyalty to the entire world when our flag, the symbol that has served as a common denominator through our Nation's hardest times, is allowed, by law, to be publicly reduced to ashes?

Mr. Speaker, one of the first things our children learn as they enter grade school is reverence for the flag of the United States. They learn the Pledge of Allegiance, and the significance of the Stars and Stripes, as well as the story of Betsy Ross. I ask you how public displays of flag burning will affect their view of our country? Is this the type of idea we want to instill in our young people?

Mr. Speaker, I would urge all of my colleagues to please consider supporting House Joint Resolution 336, and every other effort to overturn this tragic decision by the Supreme Court. I will not be satisfied until the flag of the United States regains the respect and protection which it so clearly deserves.

VOICE OF DEMOCRACY BROADCAST SCRIPTWRITING CONTEST WINNER FROM RAYNE, LA

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HAYES of Louisiana. Mr. Speaker, today, it is my honor and privilege to present to the House an essay written by a constituent of mine, Reneé Desiree Brown. Miss Brown was one of 250,000 secondary school students who participated in the Veterans of Foreign Wars of the United States and its Ladies Auxiliary annual broadcast scriptwriting contest. I believe that once you hear Miss Brown's essay you too will understand why she was chosen as the contestant winner for the State of Louisiana. I believe that such programs as the Voice of Democracy present an excellent opportunity for our youth to become involved in both recognizing and developing solutions to America's problems.

PREPARING FOR AMERICA'S FUTURE

(By Reneé D. Brown)

As the sun slowly peaks over the horizon a squirrel climbs an oak tree to collect acorns for winter. Across the globe a family in Japan sits together reading to their children. In Iran children fall asleep to the sound of artillery—no future in sight. Here in America a child when waking finds no parent, coming home from school again—no one. Notice: the squirrel stored acorns—nothing else. The Japanese family sat together. The Iranian children had no clothes or food but did know the true meaning of life—and death. Our children have abundant acorns, but they still hunger.

Out of a third story window a graying businessman stares—dreaming of what is beyond the horizon. Just out of sight on the street below lay homeless hungry children. Through the successful man's mind run the projections of America's tomorrow. He hears of children—roaming the streets looking for a good time. Yet, he is so high up he

cannot see them—cannot look into the eyes—cannot feel the desire—cannot hear the cry of confusion. In his preparation for the future he reads the statistics, not the children. Staring ahead to the future is not the answer but the dilemma. For that mans and our dreams to be fulfilled we must wake up, face the unpleasantness that is there—and see the children. They hold our destiny—what footsteps should a child follow in present day America?

They see a nation not ready to begin preparation for tomorrow. We must first decide what we wish to be. Will we continue striving to be the number one world power through pointing guns or the first nation with the courage to reroute money going to build arms and build our children instead?

Second, every strong civilization since the beginning of time, including our own, trusted and thanked God. Who leads America now? With no prayer anywhere—how hypercritical is it to even suggest "In God We Trust". The setting of morals cannot be recited as laws for the entire nation, instead the return of family, and faith must begin in each individual home.

Third, leaders. Where are they? Our children have seen a mini-war of name-calling throughout, not a horse race, but the presidential race. Who do the candidates favor? Hispanics? Women? Abortionists? Blacks? Hey, are these not all Americans? Why focus on international affairs? We hear war games daily—not at the local video arcade—but on the 6 o'clock news. We cannot yell PEACE loudly in election year, then sell arms to warring nations when times get tough. The future is an unknown world limited only by ourselves. Let's put no limits on our young, but show truth and honesty through our leaders actions today. Covering up the past and hiding from the press must stop on the local, state, and national level. Role models may be the link missing in the chain connecting us to our tomorrow.

Fourth, unity. High above the clouds in an airplane you will see everything learned in geography is not correct. When you leave one state and go into the next there is no line. There are borders separating houses, but no border between states. Therefore, there can be no Texans, or New Yorkers, or Californians—only American. Unity among our states will be the initial step in uniting the entire globe, and spur the realization that every human, regardless of nationality, faces problems that know no boundaries.

As the sun lowers, the squirrel snuggles comfortably in his nest. He fears no storm, no winter, for he has sufficient and appropriate acorns. Let's learn from the squirrel—he did not store flowers for luxury, rocks for defense, nor did he fret whether the sun would rise tomorrow, he completed today. To prepare for the future we must mend the injuries of the present and past, face our fears, with fear there comes courage and, with that courage, bound together, press into tomorrow. The voice of Democracy should not cry out words to tickle the ears and send chills down America's spine, but show truth, that is democracy. As individual children with our own abilities, alone, we cannot hope to succeed, with the nation bound todgether as one behind us, we cannot fail. If I have caused one person to stop one moment to reflect the memory of a child, and realize in the gleam found in those eyes you see tomorrow, and you now see that gleam must not fade, I have succeeded.

A RESUME OF THE VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

The program was started 41 years ago with the endorsement of the United States Office of Education and, National Association of Broadcasters, Electronic Industries Association and State Association of Broadcasters. Starting in 1958-59, the program was conducted in cooperation with the Veterans of Foreign Wars with the broadcasters still serving as sponsors.

In 1961-62, the Veterans of Foreign Wars assumed sole sponsorship responsibility. At that time, the National scholarship award consisted of a single $1,500 scholarship for the first place national winner.

During the past 28 years under VFW sponsorship, the annual national scholarships have been increased to nine, totaling $42,500 with the first place winner currently receiving a $16,000 scholarship to the college of their choice. Student participation has tripled and school participations has doubled.

This past year more than one-quarter million students participated. Over 6,000 schools participated, over 4,000 VFW Posts and 3,700 Ladies Auxiliaries sponsored the program and over 2,000 radio and TV stations cooperated.

The total monetary value of scholarships and awards provided by VFW Posts, Auxiliaries, Districts and Departments amounted to over one million dollars last year. This is in addition to the $42,500 in national scholarships and an annual budget at the national level in excess of $150,000 to conduct the Voice of Democracy Program.

During the 28 years of sponsorship by the VFW, over six million students have participated and awards totaling more than six million have been given to winners at all levels in scholarships, savings bonds, etc.

OUTLAW FLAG BURNING

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. TALLON. Mr. Speaker, so much has been said about the greatest symbol of our Nation and our freedoms—the U.S. flag. I am as proud as every American to see our flag fly proudly over every town and city in our country.

I have an editorial that reflects well my feelings on the American flag and the recent Supreme Court decision to permit the burning of the flag. I would like to express my gratitude to Mr. Don Gordon of the Florence Morning News for putting in writing what so many of us feel.

[From the Florence Morning News, June 20, 1989]

OUTLAW FLAG BURNING

Americans are free to criticize their government in the strongest terms, to denounce public officials by name, to picket in front of the White House, City Hall or anywhere else and to participate fully in a political process by which change in public policy might be wrought.

In short, little is denied citizens in the way of freedom of expression. The Constitution guarantees this, for which we can all be thankful.

But for some, that is not enough. Contempt for country runs so hot in a few of our citizens that they believe they must make an ultimate demonstration of that contempt. So they choose the American Flag as the target. They trample it, they wear it on the seat of their pants and they burn it.

And now five members of the U.S Supreme Court say this activity must be allowed as an exercise of free speech, despite many state laws to the contrary.

To say that opinion did not play well across the land is an understatement of the first order. It was not popular in Florence, South Carolina, and apparently it was not popular anywhere else.

Should that make a difference? Should the law of the land be a matter of popular consensus? In some cases, yes. In this case, yes. The majority controlling in the present instance is of nine individuals. But ultimately, if we are to have truly representative government and if the law is to have the respect it deserves, it must be supported by most of the people who have to live by it. The "law" as enunciated by the 5-4 Supreme Court decision clearly does not meet that test.

If the vast majority of Americans do not believe anyone should have the right to desecrate the American Flag—can there be any doubt on that point?—then that's the way it ought to be. President Bush had it right when he called the flag "a unique national symbol." Setting it apart from all other avenues of expression would not, in the opinion of this newspaper, do violence to the First Amendment or to the rights of those in our midst who have something to say.

Conversely, failure to allow the flag special protective status is an affront against the American people as a whole. Burning the flag is different from speech. The flag is tangible; it represents values and a way of life that are precious to most Americans. Its desecration is an outrage. In a real sense, it hurts in a way that spoken or written words cannot.

Let us not confuse flag-burners with mere political dissenters, citizens with grievances against government or with reformers who hope to make society better.

The flag does not represent government; it stands for the Republic and those who stomp on it are demonstrating their hatred for country and a contempt for the sacrifices that were necessary to keep it free.

Those individuals remain perfectly free under the First Amendment to spray their verbal venom in any public square they choose. They would lose nothing in terms of freedom of expression if they had to stop short of abusing the flag.

For that reason, we support the president in his call for a constitutional amendment to outlaw flag desecration.

While that course may seem extreme, it is the only one open if the law of the land is to be truly reflective of the national consensus.

UNITED STATES INSTITUTE OF PEACE ESSAY CONTEST WINNER MISS LISA C. ORR OF MORGANTOWN, WV

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. RAHALL. Mr. Speaker, when the Honorable Jennings Randolph retired in 1984, he had represented the great State of West Virginia since 1933, first in the House of Representatives and then the U.S. Senate, for a total of 51 years.

Beginning in 1945, then Representative Jennings Randolph introduced legislation to create a cabinet level Department of Peace. He did so at the same time that the United Nations was chartered in San Francisco in that same year.

While he believed in the creation of the UN, and had faith in its future usefulness in allowing nations to come together to debate and discuss their differences in an effort to avoid future confrontations and conflicts around the globe, he was not at all certain that establishing the United Nations was all we needed to do to assure there would not be another "Great War."

Why? Because in 1945, at the end of World War II, even though the United Nations was established with great fanfare, good intentions, and hope for the future, the United States still had a Department of War. Later, in 1948, it became the Department of Defense. But that was then, and in all the ensuing years of Jennings Randolph's career in the Congress, he tenaciously continued to introduce legislation to create a "peace arm" of the United States Government.

In 1948, in the wee hours of the morning while he stood watch from a small room in the Nation's Capitol, where nearby a Senate-House conference was in session, Senator Jennings Randolph witnessed the authorization for the establishment of the United States Institute of Peace adopted at last, as an amendment to, of all things, the Department of Defense authorization bill.

Today, Senator Randolph serves proudly as the Peace Institute's senior advisor and, even though he is no longer taking an active part in the Institute's work, there is nothing that pleases him more than the institute's conduct of the annual peace essay contest among high school students throughout the Nation.

During the month of June of this year, the Peace Institute's Second Annual National Peace Essay contest winners were brought forth from their communities to represent their States, to be feted in Washington, DC., to visit the institute and meet its officials and scholars, to meet one another, to discuss among themselves their winning essays, and to visit the seat of the Capital of the greatest free Nation in the world, the United States of America.

Briefly, I would like to describe the institute's essay contest. Each participant is asked to write an essay of no more than 1,500 words on the topic provided by the institute. To become contestants, each participant must first publish their entries in official high school publications, which allows them to share their ideas with their peers, as as well as the Institute.

There are more than 150 college scholarship awards for State and national winners of the contest each year.

Each essay winner is presented with a "Year Book" which contains all of the winning essays nationwide, and I highly recommend it to my colleagues, so that you will get the feel for what your young constituents think about, and what they believe to be true with regard to this country's peace-keeping efforts. For information concerning your state winner, Members of Congress may contact the Essay Project Director at the Institute, Ms. Nan Kyle, by calling her at 457-1700, or write to her in care of the U.S. Institute of Peace, 1550 M Street, NW., Suite 700, Washington, DC. You may order the yearbook for the 1988-89 essay contest, or simply ask for a copy of the essay by the winning contestant from your State. I believe you will be pleased with the work of your young constituents, and you may wish to congratulate them for their efforts.

This year, the students were asked to write on the topic of the 1975 Helsinki accords, signed by 35 nations, including the United States and the Soviet Union. This document asserts the principle that universal respect for human rights, fundamental freedoms, and self-determination is crucial for the development of friendly relations and cooperation among all states of the world.

Within this context, entrants were asked to analyze the significance of the Helsinki accords as a step toward world peace.

This year's winner from West Virginia was Ms. Lisa C. Orr of Morgantown High School, Morgantown, WV. The topic of her essay was: "The Helsinki Agreement: Accordance or Dissonance?"

I wish to take this opportunity to congratulate Lisa on her winning essay, and to ask unanimous consent that it be reprinted immediately hereafter in the CONGRESSIONAL RECORD.

THE HELSINKI AGREEMENT: ACCORDANCE OR DISSONANCE?

The "Helsinki Accords," a mutual agreement for peace and cooperation in Europe signed by 35 nations in 1975, delineates many positive ideas for the world such as peace, security, and cooperation. Unfortunately, because of unrealistic and unenforceable restraints on military action and occupation as well as unclear definition of those terms, it is easily ignored and hopelessly unenforceable by the participating states. Due to heightening tensions among world powers following the signing of the "Accords," most noticeably those between the United States and the Soviet Union, the "Helsinki Accords" were not a step towards world peace.

In July of 1975, the "Helsinki Accords" were signed and put into effect by the participating states at the Conference on Security and Co-operation in Europe. Less than a year later the Soviets made their first breach of the agreement by invading Afghanistan. In that single incident the USSR violated at least three articles of the "Accords."

In the article title "Refraining from the threat or use of force," it states that "the participating states will refrain in their mutual relations, as well as their international relations in general, from the threat or use of force. . . ." Soviet action clearly contradicts this idea—the Soviets had little or no intention of living up to their part of the bargain. "Peaceful settlement of disputes"—the second "ignored" resolution—discusses using peaceful solutions to resolve disputes following the guidelines of the United Nations. Lastly, the article titled "Territorial integrity of States" without question shows the "Accords" position on military occupation: ". . . No such occupation or acquisition will be recognized as legal."

How do the Soviets combat these accusations? Strangely enough by using the same fiction used by the U.S. during the Vietnam War. The USSR claims that their presence in Afghanistan was welcomed—that they were invited into the country just as the U.S. was invited into Vietnam. The only relevant difference between the situations is that the U.S. had no prior interest in Vietnam, a country thousands of miles away. The USSR, on the other hand, historically has had a significant influence on the Afghans and interest in the country because of the proximity of the two nations. The recent decision of the USSR to pull out of Afghanistan, and the U.S. pullout of Vietnam, show the weakness of this argument. The situation in that area of the world has not improved because of Soviet occupation, the people of Afghanistan want the Soviets out—the fairy tale invitation was revoked, their welcome worn out.

The Soviets also have reputedly implemented a political strategy called "divide et impera." This divide and conquer policy is used to "sow discord among the allies as well as within each allied country by inflaming antagonisms and arousing mutual suspicions, using for their purpose political, military and economic inducements or punishments, as the situation requires," according to Richard Pipes, author of "Survival is Not Enough: Soviet Realities and America's Future." Mr. Pipes goes on to say that the USSR pressures the West into mutual agreements accords, such as those signed at Helsinki, to create the illusion that "It shares with the U.S. responsibility for safeguarding the peace and integrity of the Continent [Europe] as a whole, thereby undermining NATO and pushing Western Europe towards neutralism." If these ideas did influence the Conference at Helsinki, the original concept of the "Accords" was heartlessly and purposely overshadowed by the USSR's prior intention.

Whether or not the USSR still practices this policy is still under debate. Although Gorbachev gives the impression that Soviet and Communist party attitudes are changing, those remaining skeptical of the USSR point out the incident in which Gorbachev ignored the tenth anniversary of the "Helsinki Accords." The "Helsinki Accords" have many provisions concerning the development and exchange of information, yet nothing contradicted these resolutions more than the jamming of BBC broadcasts. This situation gave Gorbachev a perfect opportunity for a liberal gesture displaying his commitment to the "Accords," but he declined—continuing the annoyance for people both inside the Soviet Union and out because of the noise interference in other shortwave broadcasts. Moreover, the special transmitters that do the job cost the USSR an enormous amount of money. Although the jamming has been lifted now, twelve years after the signing of the "Accords" and three years after its tenth anniversary, this

VOL 135 PT 10 23 JE JL 13 1989 UMI

"policy of paranoia" was yet another shortcoming of the Soviets and the Helsinki Agreement.

The question surrounding the Olympic Games of 1980 also present evidence of the downfalls of the Helsinki agreement. In 1980, President Carter boycotted the games in protest of the Soviet invasion of Afghanistan mentioned earlier. This in itself was not a step towards world peace, but because it was to show disapproval of a greater wrong one must examine which nation was really the cause of discord. It seems obvious that the Soviet Union was at greater fault than the United States because their original actions were those that initiated the difficulties.

Because of these discrepancies, the Accords cause innumerable disagreements in interpretation when applied to the touchiest areas of foreign policy. Perhaps agreements such as these should be restricted in some manner to keep them from inflaming the very tensions that they were created to relieve. It is unfortunate that this type of agreement isn't more effective, but like the League of Nations, it failed due to lack of ability to enforce—individual participating states can't be expected to play babysitter for one another.

Communication is the key to understanding and peace, but agreements such as those made at Helsinki are simply ineffective in many areas—their compliance can only be strongly urged. The conference itself was important—differences were aired, ideas discussed, and compromises contemplated, but in the struggle to create a concrete document to show the world its success the participating super powers compromised past their independent, preconceived, and self-imposed boundaries—allowing breaches and discord once again.

MUSIC, FAITH HELP BATTLE ADVERSITY

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. TANNER. Mr. Speaker, I rise today to insert the attached newspaper clipping from the May 22 edition of the Union City Daily Leader in the CONGRESSIONAL RECORD.

This article is about an extraordinary young woman in my congressional district, Mrs. Telia Hall, who has overcome personal adversity and turned her life into a new direction to benefit her fellowman. Mrs. Hall was a licensed practical nurse until she was diagnosed with multiple sclerosis in 1987. She truly loved her profession—an area in which she could use her abilities to help those in need.

It was a blow to her to have to give up the nursing profession she dearly loved. However, Telia did not sit around and feel sorry for herself. She began directing her energies into songwriting. She has written a song dedicated to the nursing profession and is in the process of writing more songs in praise to God.

Mrs. Hall is an example to us all and I want to share her story with my colleagues.

MUSIC, FAITH HELP BATTLE ADVERSITY

(By Chris Hatley)

A hand-crafted angel stands gracefully on the piano as 30-year-old Mrs. Telia Hall softly sings her tribute to nurses everywhere.

"Let temperance and meekness operate completely in you; Look unto God for wisdom to flow through you," Mrs. Hall sings.

Just as Mrs. Hall, herself a former licensed practical nurse, asks nurses to look to God for guidance, she has also turned to God for the words to her song, "Angels of Mercy."

Mrs. Hall, who lives near Woodland Mills with her husband, was forced to leave her beloved nursing profession when it was discovered she suffers from multiple sclerosis. She learned in 1987 that she has MS, a degenerative disease of the central nervous system that results in the hardening of tissue.

Mrs. Hall, who tires easily and often suffers from muscle soreness, misses nursing a great deal, but now devotes much of her time to singing, playing piano and writing songs.

"I prayed about it," says Mrs. Hall, who has always enjoyed singing. "The Lord began to give me this song about nurses and what is expected of them.

"I want to dedicate this song to all the nurses in the area," the singer says, noting that May 2 marked the observance of National Nurses Day. "When you write songs, it's a God given talent. That's the way I think about it."

With the help of Union City attorney John Warner, Mrs. Hall's musical tribute to nursing has been copyrighted through the Library of Congress in Washington, DC.

"He (Warner) was real encouraging. He told me I ought to frame my certificates from all my songs I have copyrighted," Mrs. Hall says.

With one song completed, Mrs. Hall is working on her second, a gospel tune entitled "Rejoice in the Lord." She says four friends, Ken and Debbie Asher of the group Harmony and Wayne and Judy Posey, encouraged her to pursue her musical interests.

"He (Ken Asher) felt there would be some interest in my music," Mrs. Hall says. "You have to have a little bit of encouragement.

"Once you have your whole life completely changed, your self-esteem is really low. I've been trying to build my confidence. I purposed in my heart, through the help of the Lord, that I was going to share a part of my life," she adds.

Mrs. Hall says she looks to God for strength.

"Prayer has become a special part of my everyday routine," she says. "A lot of times I've been given words or tunes while praying."

Mrs. Hall's husband, Mike, who works the second shift at Goodyear, is also very supportive.

"He encourages me," Mrs. Hall says. "But with him working second shift, I've had to learn to be independent."

Mrs. Hall says she sometimes suffers muscle spasms, "but I've come a long way."

She uses a walker, but says optimistically, "For me to walk, that's a big accomplishment."

"I have a lot to be thankful for. I don't take anything for granted," she says. "Every day's a battle. But when you stop and look, there's always somebody worse off than you are. Just look to the Lord and go wherever he leads you.

"I sing, I write songs, I play piano. The doctors told me I'd never do any of that. My speech therapist is astonished.

"I'm a miracle," Mrs. Hall adds with an angelic smile.

ALCOHOL- AND DRUG-FREE GRADUATION PARTIES A SUCCESS AT AREA HIGH SCHOOLS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. WOLF. Mr. Speaker, I want to bring to the attention of the House all the individuals in northern Virginia who have participated and contributed to the overwhelming success of all-night graduation parties, free of alcohol and drugs, held in area schools.

Area parents, business leaders, teachers, principals, students, and community leaders have for the third year ensured the success of these all-night graduation parties through contributions, prizes, and extensive planning.

I commend the students, parent coordinators, and everyone who in some way participated in or planned the high school all-night graduation parties. The student representatives and their high schools are: Stephanie Aungst, Annandale; Brian Solan, Bishop O'Connell; Kim Lawrence, Broad Run; Michelle Cyran, Chantilly; Diane Pham, Edison; Tracy Wilcox, Fairfax; Cynthia Southworth, Falls Church; Deanna Byrd, George Mason; Sean Gray, Hayfield; Christine Ellington, Herndon; Rachel Collins, Lake Braddock; Karen Schaben, Langley; Kerri Griffith, Lee; Sandra Moles, Loudoun County; Scott Crane, Loudoun Valley; Cindy Meadows, Madison; Lawrence Frye, Marshall; Kristine Fissell, McLean; Brad Williamson, Mount Vernon; Steve Finch, Oakton; Joe Harris, Osbourne Park; Mark Macislinski, Parkview; Priscilla Demeo, Paul VI; Rebecca Klein, Robinson; Courtney Tolman, South Lakes; Judy Tallant, J.E.B. Stuart; Rachel Webb, T.C. Williams; Douglas Beasley, Thomas Jefferson; Teresa Thomas, Wakefield; Stephanie Shank, Washington and Lee; Robert Johnson, West Potomac; Anne Seinwall, West Springfield; Andrew Stanley, Woodbridge; J.R. Myers, Woodson; and Steve Torregrova, Yorktown.

I also congratulate and recognize the parent coordinators who have contributed so overwhelmingly to the success of these parties. The parent coordinators are: Charlene Foley, coordinator of area parents; Marilyn Weigel, Annandale High; Al Birch, Claudia Gillen, and Barbara Fischi, Bishop O'Connel High; Holly Henrickson and Wayne Griffith, Broad Run High; Jamie McKeever and Hilary Panning, Chantilly High; Lee Rhoads and Ruth Ann Thrift, Edison High; Janice Miller, Fairfax High; Margie Dugan, Falls Church High; Cricket Moore and George Thoms, George Mason High; Betty Vickers and Donna Grigsby, Hayfield High; Bill Torpey, Herndon High; Judy and Bill Paseur, Lake Braddock High; Jane Pope, Langley High; Kathy Cahill, Lee High; Tom Horne and Kenneth Culbert, Loudoun County High; Susan Williams and Gerald Shipp, Loudoun Valley High; Louise Heidner and Doty Lawter, Madison High; Barbara Brooks, Marshall High; Joan Durman, McLean High, Hope Wilson, Paula Johnson and Ann

Ojalehto, Mount Vernon High; Kathy Jones, Oakton High; Rick Van Winkle, Osbourne Park High; Richard Bonieske, Julia Stewart and Carlene McCarty, Parkview High; Father Donald Heet and Louise Saylor, Paul VI; Mary and D'Arcy Roper, William Jackson, and Mimi Doan, Robinson High; Sharon Murphy, South Lakes High; T.J. Glauthier, J.E.B. Stuart High; Judy Felt and John Porter, T.C. Williams High; Janet Harfood and Norren McCafferty, Thomas Jefferson High; Marie Shiels Ojouadi, Cachita Mitchell and Barbara Phillips, Wakefield High; Sue Harrison and Dr. William Sharbaugh, Washington and Lee High; Mary Tueting and Alice Sontag, West Potomac High; Claudia Kiely, West Springfield; Chuck Milheiser, Woodbridge High; Karen Mumford, Woodson High; and Martha Smith and Mark Frankel, Yorktown High.

The alcohol- and drug-free graduation parties these individuals participated in are model efforts in the battle against drugs. These parties serve not only to provide safe and memorable graduation celebrations, they show that we can all have a great time without using alcohol or other substances in social situations. When one life is saved, or one serious injury avoided through participation in these parties, then these seniors know they have succeeded.

Northern Virginia has started a very positive tradition and I am proud to have been a part of the all-night graduation parties both this and last year. This year's graduation celebrations have ended safely and I congratulate all those who attended and planned these parties.

1990 FARM BILL

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. ROTH. Mr. Speaker, recently I testified before the House Agriculture Committee on a most important issue to Wisconsin farmer—the 1990 farm bill. I want to briefly share with my colleagues a summary of my remarks before the committee.

June is National Dairy Month, and it is appropriate that at today's hearing we discuss several of the issues confronting the future success of the dairy industry. In my view, there are three key issues:

First, reform of the milk marketing order system to ensure regional equality,

Second, continuing programs to encourage farm exports, and

Third, maintaining a market-oriented dairy price support program.

Recently, I held a meeting with 25 members of my agriculture advisory committee to discuss their views on current farm policy. The No. 1 issue of concern to these farmers was the milk marketing order system. Specifically, my farm advisers endorsed the goal of regional equality and fairness in calculating the milk marketing orders.

I. MILK MARKETING ORDER REFORM

Milk marketing orders were established in 1933 to safeguard dairy farmers and consumers from great swings in milk supplies and prices. This was a good approach at that time, since milk was an extremely perishable, bulky commodity, and preservation technologies were primitive.

Today, everything has changed in the dairy industry. Refrigeration technology and pasteurization techniques have improved the shelf life of milk. There is no need to give certain regions of the country incentives to produce more milk. Today, all areas of the country can produce low-cost milk.

Under the current milk marketing order system, farmers in Wisconsin receive the Minnesota-Wisconsin base price which is calculated at Eau Claire, WI. Transportation differentials are then factored in. Consequently, the further a dairy farmer is located from Eau Claire, the higher price he received for his milk.

Wisconsin farmers have a tough time rationalizing how a producer in southeastern Florida can receive upward of $3 per hundredweight more for his milk than a farmer in the upper Midwest. Granted, production costs are higher in the South, but certainly not by $3 per hundredweight.

As a first step toward eliminating the inadequacies of the milk marketing order system, I introduced H.R. 501, the Milk Marketing Reform Act of 1989. The goal of my legislation is to simply bring market competition and equality among the regions back into the milk marketing order system. My bill would require the USDA to designate four to eight regional basing points or natural collection points where the price of milk may be calculated.

Under my bill, the national price paid for milk will be the same at each of the base points. New transportation differentials will be created within the regions to reflect more accurately the costs of moving milk to and from the region's base point.

As the dairy industry enters the 1990's, the impetus should be on allowing the price of milk to be governed by fair market forces. Restrictions on the transportation of milk in any form between the regions should be lifted and all regions of the country should be brought into the milk order system. If an area of the country is going to take advantage of the Federal dairy programs, then participation in the order system should be mandatory.

The milk marketing order system was created during the New Deal era and I believe it's time dairy marketing was brought up to date.

II. FARM EXPORTS

When Congress considered the 1985 farm bill, special attention was devoted to expanding farm exports. It is the export provisions of the 1985 farm bill that have helped fuel the farm recovery of the past few years. After farm export levels plunged to a low of $26.3 billion in 1986, the past 2 years have witnessed a steady rebound. Farm export sales reached $35.5 billion in 1988 and the Department of Agriculture predicts that farm exports will top $37 billion in 1989.

The export programs of the 1985 farm bill have helped the United States compete in international markets, and I strongly encourage reauthorization of these important programs, specifically the export enhancement program [EEP] and the targeted export assistance program [TEA]. These two programs have helped recapture old markets and open many new markets that have traditionally been closed to U.S. agriculture products.

III. DAIRY PRICE SUPPORTS

Finally, I would like to express my support for the continuation of a market-oriented dairy price support program. The National Dairy Commission, an 18-member commission set up by the 1985 farm bill, issued its recommendations last year. The message—the dairy industry should first and foremost rely on price to balance the market.

Wisconsin dairy farmers simply want a fair return for their product. They can compete favorably with other regions of the country and in international markets. If changes are made to realistically reform the milk marketing order system and the emphasis on exports continues, then Wisconsin farmers will receive an equitable market price for their product.

Wisconsin farmers have been through tough times in the 1980's with the depressed land prices and last year's drought. But, they're ready for the challenge of the 1990's and only ask for the chance to compete fairly and equitably. It is time for a truly national dairy policy and I urge the members of the committee to support this goal.

RECOGNITION OF COL. FRANK S. DULING

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BLILEY. Mr. Speaker, Col. Frank S. Duling, the city of Richmond's 11th police chief, will retire on July 15, 1989, from the position he has held for 21 years.

I have known Frank Duling since before I became involved in politics. Then, as mayor, the colonel and I worked closely together for the safety and betterment of the citizens of the city of Richmond.

The chief and his family have always held fighting crime as a matter of grave, personal concern. His father, Frank S. Duling, Sr., was a policeman until he was killed in a car wreck and his two uncles, Capt. Dan Duling and Detective Sgt. Thomas M. Duling, were officers of the Richmond Police Department.

Colonel Duling joined the police department in 1944. He began his career as a patrolman and he worked his way up the ranks, step-by-step, by volunteering to do jobs his fellow police members were not interested in doing. In the 1960's, he first earned his lifelong reputation as an "honest cop." He headed a probe on gambling. Colonel Duling has never tolerated any compromise with crime within the bureau.

Frank Duling will leave some awfully big shoes to fill. I wish him good success, a long life, and a very pleasant retirement. I thank him for his many years of dedication and service to the city of Richmond and its citizens.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

NICARAGUA: SUPREME ELECTORAL COUNCIL

HON. PORTER J. GOSS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. GOSS. Mr. Speaker, the Tesoro Beach accord signed by the Central American presidents in El Salvador on February 14, 1989, provided that the "Government of Nicaragua will form a Supreme Electoral Council with balanced participation of representatives from opposition political parties."

The electoral reform law passed on April 23 by the Sandinista government set forth the terms by which the members of the Supreme Electoral Council [SEC] would be selected. Under that law, lists of names would be recommended by various political parties for two of the members of the SEC and submitted to the President of Nicaragua, Daniel Ortega. President Ortega would select candidates from those two lists and would also compile lists for the other three members—the two government members and the independent, "notable" person. One of the lists to be proposed by political parties had to represent non-Government parties of the National Assembly which participated in the 1984 elections. That list contained the names of candidates who consistently voted with and supported the Sandinista government. So, in fact, only one list of candidates truly represented the opposition parties in Nicaragua.

The five lists of three candidates, each compiled by Ortega, would be sent to the National Assembly, dominated by the Sandinista party, where the five members of the SEC and their alternates would be chosen.

With the publication of the electoral reform law, the opposition parties criticized the government for failing to provide the "important democratic conditions * * * necessary to inspire confidence in the elections and to guarantee that they will be free."

Specifically on the SEC, the opposition stated on April 25: "The electoral reforms maintain the executive branch's control over the Supreme Electoral Council and other electoral bodies, clearly failing to comply with the El Salvador agreements. * * * The subordination of the electoral branch to the executive branch leaves the opposition defenseless and unable to participate in a true exercise of democracy because the conditions required to hold free, just, and honest elections are nonexistent."

On May 10, 12 of the opposition parties in Nicaragua sent a letter to Sergio Ramirez, acting president in the absence of Ortega, criticizing the laws regulating the selection of the SEC. Their letter stated, "Electoral Law amendments promulgated on April 23, 1989, were unilaterally approved by the government, which scorned the opposition's demands and violated the Tesoro Beach commitments. * * * That balanced representation by opposition parties was not guaranteed in the amendments that were approved and made public. The government not only assigned to itself three of the five magistrate seats, but legally assigned a fourth magistrate seat to a political organization which includes among its membership some individuals subordinate to the Sandinista National Liberation Front [FSLN], leaving the opposition the chance to have only one of the five magistrate seats."

SELECTION OF SUPREME ELECTORAL COUNCIL

On June 7, the National Assembly selected the five members of the Supreme Electoral Council:

One. Dr. Mariano Fiallos, president of the SEC—Sandinista representative and president of the SEC for the discredited 1984 elections.

Two. Leonel Arguello Ramirez, president of the Nicaraguan Insurance and Reinsurance Institute—Sandinista representative.

Three. Dr. Rodolfo Sandino Arguello, "notable" person—selected by Ortega as candidate for this position. Dean of the University of Central America's law school and member of the SEC under Somoza. The opposition tried to get Sandino named as the president of the SEC but the National Assembly chose Fiallos.

Four. Dr. Aman Sandino Munoz, member of the Conservative Democratic Party—consistently votes with the Sandinista in the National Assembly.

Five. Guillermo Selva Arguello, member of the Independent Liberal Party—only true opposition member of SEC.

On June 14, the National Opposition Union [UNO] stated its opposition to the membership of the Supreme Electoral Council:

"The integration of the CSE [SEC], verified by the ruling FSLN wing of the National Assembly, does not establish the balance to which President Ortega committed himself in a document signed by the Central American presidents in El Salvador. On the contrary, a majority of four to one, favorable to the ruling party, will be capable of endorsing any irregularity or fraud to benefit that party."

UNO also stated, "Concerning the reelected president of the CSE, we reject that reelection, because it is no guarantee of purity for the coming elections. We base our objection on the many cases of fraud that the CSE, directed by the reelected president allowed in the 1984 elections. * * * Concerning the election of a notable person who does not belong to any political party, as a guarantee of impartiality, the FSLN majority elected a person who leans toward the FSLN, not heeding the commitment acquired with the Venezuelan Electoral Commission, which stipulated that the notable person should be selected by common accord between the government and the opposition."

THE HIGH SEAS INTERCEPTION OF SALMON

HON. JOLENE UNSOELD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mrs. UNSOELD. Mr. Speaker, the illegal high seas interception of U.S. salmon by driftnet fleets from Taiwan, South Korea, and Japan is the most explosive issue now facing North Pacific fisheries. Our fishermen and scientists tell us that these foreign fleets are stealing an estimated $21 million worth of U.S. salmon annually and, at the same time, indiscriminately killing thousands of seals, dolphines and porpoises and tens of thousands of marine birds every year.

Beginning around 1980, the U.S. fishing industry became aware that hundreds of foreign driftnet vessels were plying the North Pacific under the guise of fishing for squid. The boats use lightweight monofilament nets—20, even 30 miles long, to scoop salmon from hugh sections of the North Pacific. Picture in your mind 20-25,000 miles of net sweeping the ocean bare on any given day.

In 1987, Congress recognized the destructive nature of the foreign driftnet fleets and the impact that they are having on our resources by drafting the Driftnet Impact Monitoring, Assessment, and Control Act. Under this law, the President has the authority to embargo fishery products from nations who fail to enter into monitoring and enforcement agreements by today, June 29, 1989.

Just last Friday, the U.S. Commerce Department notified us that the State Department has reached agreement with the Government of Japan. While this sends a positive signal that the Japanese are finally willing to work with the United States in developing information on the effects of their high-seas fishery on U.S. resources, I am deeply disappointed with its provisions. I believe that with this agreement our resources and our fishermen who depend upon them will continue to be at risk.

With the Secretary of Commerce accepting this accord, we still have no driftnet agreements with Taiwan and South Korea. Under terms of the Driftnet Act, Secretary Mosbacher must now certify this to the President. The President will have 60 days to determine what, if any, sanctions he will impose.

Mr. President, you must use your full authority. We must get tough with countries that continue to plunder our salmon and slaughter the world's marine life.

At the same time, we should be working with other nations to outlaw this outrageous technology. In a recent meeting with Prime Minister Robert Hawk, I learned that Australia is deeply concerned about depleting of tuna stocks and broader ecological damage from the foreign driftnet fleets in the South Pacific.

International measures are urgently needed. The Soviet Union, Canada, Australia, New Zealand, and virtually every other nation of the South Pacific have all expressed grave concerns over effects of these horrendous driftnet fisheries.

We must now join with these other countries to ban these ecologically destructive fishing techniques. If we fail to act now, our children may only know of this Earth's rich ocean resources and abundant marine life in the history books. We must eliminate these instruments of death. We must ban these outrageous driftnets.

IN SUPPORT OF CHINESE STUDENTS IN THE UNITED STATES

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SCHAEFER. Mr. Speaker, the recent events in China have been a slap in the face of the democracies of the world. As we learn more of what took place in Tiananmen Square and throughout China, it seems that the Chinese Government ecouraged the democratic rallies for the sole purpose of luring prodemocracy sympathizers into a death trap. The violence that followed, and is continuing even now, is a blatant effort to purge the democratic roots from Chinese society. We may never know the true extent of the violence taking place.

Caught in the middle of this struggle are thousands of Chinese students here in the United States. While many students want to return home, most would face persecution, possibly death, if they were to return to China.

It is for this reason that I want to express my support for H.R. 2712, which would allow Chinese students to remain in the United States if they desire. The legislation will accomplish this in two ways: by allowing Chinese students to switch their visa status within nonimmigrant visa categories, and by waiving the student visa's return residency requirement for Chinese nationals. Most of these nationals are currently here with restrictive student visas requiring a 2-year return to China when their visas expire. To maintain this return requirement will mean certain death for a number of these students.

Our Nation was founded on the belief that people are born with certain inalienable rights. We cannot sit by while these rights are being crushed by others. President Bush has announced a series of economic sanctions. I was pleased to see that many European nations are following our lead in this area. H.R. 2712 is a sanction as well—allowing China's best and brightest to remain in this country, rather than allowing them to be used by the Government of the People's Republic of China. Stronger actions are needed, however. One of the most frustrating things about the current situation is our inability to directly help the Chinese people in their struggle.

This is the essence of H.R. 2712. It gives us a chance to assist a people struggling for democracy. Through H.R. 2712, we can help some of those who have put their lives on the line for this ideal. We can ensure that the fire of democracy remains alive in the hearts of the Chinese people.

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWRY

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to bring to the attention of my colleagues the continuing struggle of Soviet Jews, in the hopes that we all may help them to achieve the freedom of speech and mobility we as Americans already possess. I am honored to participate in this "Call to Conscience," and I appreciate and admire those who have also expressed their concern to me about Soviet Jews in letters, telephone calls, and on the floor of the House of Representatives.

We are witnessing now some important changes in the Soviet Union. Soviet citizens are participating in the freest elections they have ever seen, for the first time choosing delegates to represent them before their leaders. With President Mikhail Gorbachev's policy of glasnost, Soviets are allowed to express their opinions in a limited sense about the Government and its policies without fear of political or personal prosecution. While these accomplishments deserve some acknowledgement, the continued presence of silent restraints remind us all of the ghosts haunting Soviet history and looming over its future.

The absence of free emigration is still an alarming problem in the Soviet Union, particularly for Soviet Jews. For years these people have been restricted and harassed, unable to express and practice their sacred religion or leave the country in order to o so. Yet they remain ever hopeful that one day, they may live in a land where freedom is a way of life and not just a slogan at the foot of a monument. They are optimistic that one day, they may join family and friends who have already been blessed with liberty.

All of us in this Chamber have heard from families with relatives still in the Soviet Union. We have all had the opportunity to sign letters expressing our anger and dismay that such confinement still exists, even in this age of change and openness. I commend those in this body who have taken action in support of those wishing to emigrate, and I urge my colleagues to continue in these efforts.

In this body, we serve as voices of the American people. We also represent and act as the guardians of freedom around the world. As Members of Congress, then, we must take it upon ourselves to hear those in the world whose own governments do not listen. I am grateful and proud to participate in this Call to Conscience on behalf of Soviet Jews, and I urge my colleagues to join with us in this just and important cause.

TRIBUTE TO IDAHO VOLUNTEERS

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. STALLINGS. Mr. Speaker, today I would like to pay tribute to three of my constituents who have been recognized by the Department of Energy for outstanding volunteer service to their communities.

Mr. Ignacio Resendez and Mr. Michael Hargreaves, both employees of DOE's Idaho Falls Operations Office, and Mr. Ronald A. Meeks, of DOE's Idaho Falls Office of Investigations, have been selected in the Department's nationwide program to honor extraordinary community service provided by DOE employees.

I agree with Secretary of Energy James D. Watkins who calls these gentlemen "unsung heroes" in the Department and in our country who are bringing a new spirit of compassionate activism to work in our Nation.

Mr. Resendez is a native of San Antonio, TX. He is currently the chief counsel for the Idaho Operations Office. He has an extensive history of volunteer service. Since the civil rights legislation of the mid-sixties, he has worked hard for minorities. He has helped in education and health care areas and has served as a role model for young Hispanics. He has been active in interpreting church services, making presentations at seminars and filling other similar needs.

He also is dedicated to community youth programs, such as soccer and basketball programs.

Last year, Mr. Resendez was chairman of the Idaho Falls and Surrounding Area Combined Federal Campaign, supporting the United Way. Because of his leadership and dedication to this project, the total amount pledged was 12.5 percent over the previous year's campaign.

Probably the best example of his life of giving was last Christmas when a group of DOE employees wanted to make sure that those less fortunate could derive a measure of pleasure from the holiday season. Mr. Resendez took the lead, rented a Santa Claus suit and played Santa Claus for residents of Quinton Manor, a home for handicapped adults.

Mr. Hargreaves, a native of the Intermountain West, is chief of Federal personnel at INEL. he has been actively involved in supporting local programs for the handicapped. He has spent many hours helping them develop their training programs for clerical and records management. His goal was to make the training such that the graduates could effectively enter the work force. He also developed a program to help clients meet the transition of moving into the employer's permanent workforce.

Because of his commitment to the Development Workshop, an Idaho Falls, ID, sheltered workshop, he was the first awardee of the William S. and Ida T. Holden Award for Service, the highest award the workshop gives for community service. But one of his greatest rewards has been seeing the impact his commitment has had on his own family. This year his daughter was the recipient of recognition by the Governor of Idaho for her essay on employment of the handicapped.

Mr. Meeks is a criminal investigator in DOE's Idaho Falls Office of Investigations. He is currently the assistant district commissioner of the Eagle Rock District, Teton Peaks Council, of the Boy Scouts of America. He voluntarily coordinates the Scouting activities of his church on a year-round basis.

Mr. Meeks also is a coach for the Grid Kids football program and spends about 10 hours a week teaching football fundamentals to elementary school students.

As a member of his church, he also provides time each month to assist or provide

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

welfare services to the needy families in the church.

Mr. Speaker, each of us recognizes the important role volunteers play in communities throughout the Nation. I sincerely salute these three residents of my district who have decided to make a difference in their community.

BESSEMER BOROUGH DIAMOND JUBILEE

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. KOLTER. Mr. Speaker, I rise today to celebrate and congratulate the borough of Bessemer in my Fourth District of Pennsylvania on the significant occasion of the borough's 75th anniversary of its incorporation on July 11, 1913.

This diamond jubilee recognizes the unique history and proud contributions of Bessemer Borough in the great industrial scheme of history of western Pennsylvania and the Nation.

From prosperous farm country times of the 1800's, a new industry emerged in Bessemer in 1887 when blast furnace operators from Youngstown, OH, discovered limestone in Bessemer's locale and opened quarries there to supply the blast furnaces of the Youngstown steel mills.

These men founded the Bessemer Limestone Co., taking the name "Bessemer" from Sir Henry Bessemer, an English inventor who discovered the process of using limestone in the smelting procedure to manufacture steel.

Workers for the new company arrived from Sweden, Finland, and Austria and settled in the limestone company's housing, while Italians settled in nearby Hillsville and later moved to the town of Bessemer, which kept the company name.

The Bessemer area, which was once part of North Beaver Township in the most western section of Lawrence County, PA, became Bessemer Borough with the first official organizational council meeting on July 11, 1913.

In the last 25 years the borough government has successfully completed several recreational and community projects, including parks, a new fire hall and borough maintenance building, a larger community library, a new water well, and the reconstruction of State Route 317, the borough's main thoroughfare.

This year, Bessemer Borough is culminating its diamond jubilee festivities Saturday, July 8, with a parade, program, and fireworks display.

Mr. Speaker, fellow Members of the U.S. House of Representatives, I rise today to tip my hat and the symbolic hat of this great Nation to Bessemer Borough on behalf of 75 years of hard work and progress in the industrial tradition of America. I salute the good people of Bessemer and their constructive history, and that is why I honor them and this milestone today.

FILIPINO INDEPENDENCE DAY

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HUNTER. Mr. Speaker, as we pause in our pleasant routine to celebrate the Fourth of July 1989, we might ask ourselves, how fares the Nation? We may recall America's Founding Fathers concluding the Declaration of Independence with "And for the support of this Declaration of Independence reliance on the Protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor."

The distinguished biographer, William Manchester, comments on the American spirit he witnessed in his World War II Marine unit, and as he observed it 35 years later when writing "Goodby Darkness." He recounts Robert Sherrod's words of the marine wading ashore in chest-high water against machinegun fire disdainful of death—"black dots of men, holding their weapons high above their heads, moving at a snail's pace, never faltering."

"Today's children are baffled by our acquiescence then in what, to them, appears to have been a monstrous conspiracy against our lives," writes Mr. Manchester. "They are bewildered by those waves of relentless young men who patiently plodded on and on toward Betio's beach while their comrades were keeling over on all sides. They ask: Why? They are convinced that they couldn't do it. And they are right. The United States was a different country then.

"The bastion of social stability was the family. Children were guided, not by radar beams picking up trends and directions from other children, but by gyroscopes built into their superego at home. Parents had a tremendous influence on them—Sheathed in obedience, reinforced by Marine Corps pride and the conviction that the war was just, the men wearing green camouflaged helmets could outfight the Japanese and they did it again and again.

"You also needed nationalism, the absolute conviction that the United States was the envy of all other nations, a country which had never done anything infamous, in which nothing was insuperable, whose ingenuity could solve anything by inventing something. You felt sure that all lands, given our democracy and our know-how, could shine as radiantly as we did. Esteem was personal too—Late the rules would change. But we didn't know that then."

World War II demonstrated the purity of America's dealings with other peoples in the Pacific. Even before World War II, when China appealed for help against the invading Japanese, President Roosevelt permitted American pilots in the Marine Corps, Navy, and Army to resign and form the American Volunteer Group under the command of Gen. Claire Chennault. This group earned the unequivocal friendship of the Chinese, so that downed American fliers were hidden, protected, and returned even at the cost of Japanese massacres of entire villages. General Chennault depended on an efficient early-warning network of Chinese across the eastern part of that great country. His fliers were the forerunners of Americans who instilled great friendship for America in the Chinese people, which was erased only by the Communist take-over of that country.

In the Marianas, the Marshalls, and in the most populous island group, the Philippines, America's friendship and considerate treatment of the islanders were repaid by intense loyalty to America during the Japanese occupation of the islands. In the Philippines, more than 40 percent of the Filipino and American prisoners who were captured by the Japanese were slaughtered on the Bataan Death March or died from starvation or disease in the prison camps. The few Americans who escaped fought with Filipino guerrillas against the Japanese throughout the occupation—a period when it seemed the United States would never return.

Gen. Douglas MacArthur pledged "I shall return" and he did, bringing an American attack force to the beaches of Leyte on October 20, 1944, and leading a conquest of that island and the others, culminating in the Japanese surrender in September 1945. To my knowledge, no American was ever betrayed to the Japanese during the dark years of Japanese oppression in the Philippines. When American troops landed on Leyte, Commander Chick Parsons, organizer of the Filipino guerrilla resistance, completed his mission there and left the island. Although he had been in company with Filipinos on several occasions when stopped by Japanese patrols, and had a $10,000 price on his head, the Filipinos always protected him. This was true of other legendary Americans who fought with Filipino guerrilla units on various Philippine Islands during World War II, such as Col. T.V. Hanson, Col. Ed Ramsey, Lt. I.F. Richardson, Lt. Don Jameson, and others.

In addition to fighting the Japanese throughout the occupation, the Filipino guerrillas furnished intelligence information to American forces before and during the retaking of the Philippines. George Bush participated in the Battle of Manica Bay as a young naval aviator. When General MacArthur waded ashore on Leyte, he had with him President Sergio Osmena and Lt. Carlos Romulo. By October 23, American forces had captured Tacloban, the capital of Leyte, although artillery and air attacks on the city continued for some time.

General MacArthur relates in this *Reminiscences* that, "I called the president (Osmena) to the wrecked and devastated capitol building 3 days after the landing, 'On behalf of my government,' I said then, 'I restore to you a constitutional administration by countrymen of your confidence and choice. As our forces advance, I shall in like manner restore the other Philippine cities and provinces throughout the entire land.' "

As fast as we freed an area, wrote General MacArthur, it was turned over to civilian administration. There was never an American military government of the Philippines during the war years.

One of the main reasons for Filipino loyalty to the United States was the conduct of Gen. Douglas MacArthur. The Philippine government awarded him the Medal of Valor, and in making the presentation, President Osmena

said, "America and General MacArthur are one. He is the singular representative of the highest and best in the American ideal of freedom and democracy. He embodies the noblest in the American character and integrity of soul. In the building of the greater democratic Philippines, he will surely serve as the inspiration of our people. His name will be ever remembered by the Filipinos."

On July 4, 1946, the United States extended to the Philippines full sovereignty. The ward friendship between Americans and Filipinos lasts to this day. Many Filipinos enlist in the U.S. armed services and become American citizens. They and those from the other Pacific islands who come to the United States are a valuable addition to America. Today, our major source of immigration is not Europe, as it was in the past. It is the area to the south and the west of us—Mexico, Central and South America, the islands of the Pacific, and Southeast Asia.

These refugees who come to America, as well as those in orderly departure programs from China, Taiwan, Korea, Japan, and other Pacific nations, are the new and vital Americans who perhaps appreciate more than some native Americans what the freedom and opportunity of America means. They reinvigorate us with a love of family, respect for elders, the work ethic, appreciation of education, and loyalty to employers that may have diminished in some Americans who have been here for generations. And so, on this Fourth of July 1989, let us celebrate our new infusion of immigration, with its respect for family, freedom, opportunity, and country. With this as stimulus, let us restore nationwide our earlier virtues that made us the ideal of the world. And let us continue to extend to those peoples yearning for freedom around the world not only example, but concrete help in achieving that freedom.

PETER KOSTMAYER AND POPULATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SOLARZ. Mr. Speaker, earlier this month the Atlanta Constitution printed an op-ed piece which described the recent debate in the House Foreign Affairs Committee on international family planning and population programs. The article recounts the latest effort of our colleague, PETER KOSTMAYER, to ensure that adequate family planning assistance is available to the developing world, where more than 90 percent of global population growth occurs.

Congressman KOSTMAYER has been one of the House of Representatives' leading advocates of international family planning for many years, and I commend him for his tireless and effective work on this issue.

I ask that the article from the Atlanta Constitution be printed in the RECORD at this point and recommend it to my colleagues.

[From the Atlanta Constitution, June 1, 1989]

LEGISLATIVE LEGERDEMAIN TESTS BUSH ON POPULATION

(By Werner Fornos)

WASHINGTON.—The recent attempt to eliminate functional accounts from the U.S. foreign-aid program provides fascinating insights into the innate bizareness of the legislative process.

Congress employs these accounts to clarify its intentions to the executive branch, which has been known to stray from the purpose for which the law was written.

For instance, Congress expects the Agency for International Development to spend a portion of its allotted funds on population and family-planning assistance to Third World countries, where more than 90 percent of global population growth occurs.

Washington lawmakers deemed population aid sufficiently important to put it down in black and white as a functional account in the foreign-aid authorization bill.

The very notion of functional accounts conjures up the ultimate nightmare of the federal bureaucrat, spending authorizations cluttered by congressionally-mandated specificities.

Along comes the House of Representatives Task Force on Foreign Assistance with a bill aimed at streamlining the authorization process by unloading such excess baggage as earmarks and functional accounts.

Although there are only some half-dozen functional accounts in the Foreign Assistance Act, the task force sought to nip potential proliferation in the bud by abolishing them all.

The loudest hue and cry rose from advocates of population assistance on the House Foreign Affairs Committee, which reviewed the measure. Most, if not all, of these supporters of population aid are also proponents of expediting foreign aid.

For that matter, the co-authors of the task force bill—Reps. Lee Hamilton (D-Ind.) and Ben Gilman (R-N.Y.)—and an avid promoter of their efforts, Rep. Dante Fascell (D-Fla.), chairman of the committee, consistently and staunchly favor international population assistance.

The task force measure, a document of well over 300 pages, came before the committee last week, at which time the arguments for eliminating functional accounts were presented.

However, Rep. Pete Kostmayer (D-Penn.), an outspoken champion of population aid, offered an amendment calling for retaining such assistance in a functional account.

Mr. Kostmayer asserts that population and family-planning aid is a controversial area of the foreign humanitarian program, "one that is often discussed in the shadow of an emotional domestic debate." He expresses concern that funds Congress intends for this purpose require the protection of a functional account to avoid being diverted to "politically safer and seemingly more immediate needs."

The Foreign Affairs Committee overwhelmingly approved his amendment.

Before Mr. Kostmayer and his supportive colleagues can be written off as hopeless Malthusian paranoids, it should be noted that the Reagan administration succeeded in severing all U.S. support for the United Nations Population Fund and sharply reducing our contributions to the International Planned Parenthood Federation.

Moreover, the Bush administration has given every indication that it intends to continue the Reagan administration's policies in this area. In a recent report, "Development and the National Interest," the adminstration views rapid population growth as a perception rather than a problem.

When it deigns to mention population at all, the report does so in such terms as "Improved health has affected population growth in virtually every developing country. The population 'problem' actually reflects the progress made in keeping people alive throughout the world."

It is a well-known fact that advances in medical science have considerably extended human longevity. But it is also true that, despite perhaps equally important progress in contraceptive technology, Third World women average nearly five children during their reproductive lifetimes compared with less than two for women in the industrialized world.

Furthermore, the World Fertility Survey has reported evidence that fully 50 percent of reproductive-age developing world women need and want to control their fertility but lack access to family planning.

Capitol Hill sources claim the Bush administration has made the House Task Force Foreign Assistance bill a major legislative priority.

A floor fight on an issue already decisively approved by a committee is frequently an exercise in futility. But in this case, the administration could have three key allies—Messrs. Hamilton and Gilman, two of the most respected members of the committee, as well as committee Chairman Fascell, one of the most powerful members of Congress.

How far the Bush administration is willing to extend itself on the matter of functional accounts may well be the most revealing sign yet of the depth and breadth of its commitment to global population stability.

THE VENERATION AND PROTECTION OF THE FLAG

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DYSON. Mr. Speaker, on a September night back in 1813, a young man from a town called Upper Marlboro, in my home State of Maryland, prayed alone in the gallows of a British frigate for the fate of the newly founded nation of the United States of America. It was the War of 1812 and this young soldier, William Beanes, had been captured and detained on board the enemy's ship in the Chesapeake Bay—a ship that was about to launch a surprise attack on Baltimore's Fort McHenry.

Old Glory flew high over Fort McHenry at the twilight's last gleaming that night when the brutal British bombardment began. But the smoke of the battle soon obscured its broad stripes and bright stars. Those Americans on the frigate that night, with their hearts back on the American shore under that proud flag, searched vainly for Old Glory in the rocket's red glare.

One of those trapped and frantic Americans was the lawyer hired to negotiate the release of William Beanes. The lawyer had come to the ship to free the young soldier but was then detained himself as the battle commenced. That lawyer's name was Francis Scott Key.

VOL 135 PT 10 23 JL 13 1989 JE UMI

The euphoria of the moment when Key first spotted the American flag, "catching the gleam of the morning's first beam," will be forever cherished in our National Anthem. "The Star-Spangled Banner" is the country's greatest testament to the American Flag and the courage for which it stands.

Mr. Speaker, there have been too many brave Americans like William Beanes and Francis Scott Key, too many men and women who have left their homes and families to defend the freedoms we enjoy as Americans, too many great American patriots, Mr. Speaker, have sacrificed their lives for the veneration and preservation of this flag to allow it to be profaned.

As we are all aware, the Supreme Court made a decision last week to allow the profanation of our national flag. I feel strongly that the Court erred in its decision and that the flag must be protected from desecration.

To this end, I am introducing legislation to amend the United States Constitution to prohibit the desecration of the flag. I urge everyone to join me in preserving our Nation's most cherished emblem.

H.J. RES. —

Whereas there is no greater, more beautiful, or instantly recognizable symbol of the Nation and its ideals, traditions, and values than the flag of the United States;

Whereas the flag is emblematic of the rights and freedoms articulated in the Constitution of the United States and cherished by the people throughout the country;

Whereas the stars and stripes attest to the bravery of individuals who dedicated their lives to founding the Nation;

Whereas the individuals who have fought and died under the flag did so to ensure that the Nation would survive and that a government of the people, by the people, and for the people would endure;

Whereas the flag flies free today because of the sacrifices of countless patriots who held ideals of the Nation in higher esteem than individual accomplishments;

Whereas the birth of the Nation and the fight for liberty have become forever tied to the flag and its survival;

Whereas the flag represents the United States to other countries and carries a message of hope to the afflicted, of opportunity to the oppressed, and of peace to all people;

Whereas the colors of the flag signify the qualities of the human spirit that Americans cherish: red for courage, white for pure ideals, and blue for justice;

Whereas the flag has accompanied brave Americans throughout a proud history, from Yorktown to the North Pole, to Iwo Jima, and even to the moon; and

Whereas the flag stands for the land, the people, the government, and the ideals of the United States, and it merits deference, veneration, and protection under the laws of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE

"The Congress may by law prohibit the act of desecration of the flag of the United States and set criminal penalties for that act."

THE OMEGA BOY'S CLUB OF SAN FRANCISCO

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Ms. PELOSI. Mr. Speaker, it is with great pride that I rise to pay tribute to the Omega Boys Club of San Francisco. Every day the news is filled with horror stories about the drug abuse problem in our Nation and its effect on the youth of our country. In the face of this tragedy, it is heartening to find a group of young people who have organized to fight the drug problem in their own lives and in their own community.

On Friday, July 14, Omi-Neighbors In Action will present its good neighbor award to these impressive recipients. Omi-NIA is nationally recognized for the creative way it has dealt with the drug problem at the local level and its acknowledgement of the Omega boys is an example of this approach. I join with Omi-NIA congratulating the Omegas for a job well done.

The Omega Boys Club of San Francisco is an organization for youth that emphasizes academic achievement and non-involvement with drugs. The club was founded in March of 1987 by two San Francisco unified school district employees, Joe Marshall and Jack Jacqua, and has grown from its initial 15 members to its current number of 80 youths, all of whom aspire to the club's principles of brotherhood, scholarship, perseverance, and uplift.

The Omega Boys Club requires its members to maintain the highest standards in their academic and social lives. In particular it asks club participants not to use or sell drugs and to concentrate instead on academic achievement. The club's directors monitor members academic and social progress and offer counseling and support. Last year, 16 of the club's members were awarded college scholarships; this fall, 21 will have achieved the same success.

The Omega Boys Club runs weekly study hall/tutorials in five areas of San Francisco and the boys club parents prepare hot meals which are served at the end of these tutorials. In recognition of the uniqueness and success of their approach, the Omega Boy's Club is the first youth organization to have been asked to do peer counseling and outreach in San Francisco's juvenile detention centers.

Mr. Speaker, the Omega Boy's Club has been honored at both the local and national level for its important work in the "war on drugs." I ask my colleagues to join with the Omi-Neighbors In Action in recognizing the achievement of these young people in motivating their peers to do their best in life and to find satisfaction in academic and social achievement.

OPEN SPACE AROUND CITIES IS SHRINKING

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. UDALL. Mr. Speaker, on Monday, June 26, 1989, I read with great interest an op ed column in the Philadelphia Inquirer written by my friend and colleague, PETER KOSTMAYER of Pennsylvania, on the issue of open space and farmland preservation.

Representative KOSTMAYER, chairman of the Subcommittee on General Oversight and Investigations of the House Interior Committee, has made the loss of open space in America a top priority on his panel's agenda. "Open Space: America's Landscape in the 21st Century" on May 18th was the initial hearing in a series to be held on this significant subject.

Mr. KOSTMAYER presents the hazards of unplanned growth policies that may adversely affect future generations. He underlines the dangers we face of losing those natural and historic qualities of our land that we Americans truly admire.

I would like to share with my colleagues Mr. KOSTMAYER'S article "Open Space Around Cities Is Shrinking" which shows great foresight in his thinking regarding our natural environment.

[From the Philadelphia Inquirer, June 26, 1989]

OPEN SPACE AROUND CITIES IS SHRINKING

(By Peter H. Kostmayer)

West Chester, Washington Crossing, Malvern, Newtown, Exton, Lionville. Until about 30 years ago, the rural areas near Philadelphia looked much as they had in the early part of our country's history. Farms, forests, meadows, village squares surrounded by stone dwellings—these hallmarks of the Pennsylvania landscape were largely unchanged for nearly three centuries.

Today, we are in danger of losing these natural, cultural and historical qualities that help define our region. Suburban Philadelphia is in the throes of a development binge that is devouring our remaining open space, farms and historic buildings—transforming our countryside into a series of lookalike malls, shopping centers and housing developments. Development is destroying everything from apple orchards to Revolution-era farmhouses.

The statistics are alarming. According to a Penn State University study, Pennsylvania each year loses 70,000 acres of farmland to development. Since 1960, my congressional district in Bucks and eastern Montgomery Counties has lost 73 percent of its farms.

In New Jersey, 830,000 acres of farmland, nearly half the state's total, were destroyed by development between 1950 and 1985—an average loss of 24,000 acres per year. During 1985 and 1986, moreover that rate of loss almost doubled with an additional 90,000 acres being converted. If this trend continues, the Garden State will have no farmland at all by 2010.

Across the country, we have lost between 70 million and 100 million acres of open space to development since World War II

with much of this loss coming in the highly populated Boston to Washington corridor.

As a nation, we have for the most part neglected to examine the haphazard way in which America handles growth—we have failed to ask, let alone answer, the question of how we should balance our genuine need for economic development and growth with the equally important task of preserving and protecting our country's natural and historic legacy.

While the federal government continues to play a major role in protecting parks, forests and wilderness areas, the task of managing growth in our cities, towns and rural communities has fallen largely to local governments.

On May 18, the House Interior Subcommittee on Oversight and Investigations, which I chair, held the first in a series of hearings to examine the scope of the over-development phenomenon and to determine what should be done to influence the way our country grows.

A single day's drive through our congested suburban landscape demonstrates that the traditional fragmented and strictly local approach to controlling development has failed. Created to serve rural populations, many local governments are increasingly incapable of dealing with development pressures and are ill-prepared to provide the service and infrastructure required by an expending populace.

A "quiet revolution" is taking place in such states as New Jersey, Florida, Oregon, Vermont, Hawaii, Maine and Georgia, all of which have recently undertaken statewide growth management programs in an effort to battle haphazard development by instituting planning requirements on a wider-scale. In many communities, local conservation groups have taken it upon themselves to work with developers to promote environmentally sensitive construction, which respects local historic and natural resources and preserves them for the future.

By themselves, however, these local and state actions are not enough. The time has come to reassess our national policies toward development. For most of our history, it has been our policy to promote growth on every front.

Beginning with the Homestead Act of 1862 and the Mining Act of 1872 and continuing with scores of statutes enacted over most of the next century, the federal government has provided economic incentives for development. That policy continues through such programs as federal flood insurance, highway development funds and grants for other infrastructure improvements.

These federal policies often serve to encourage suburban sprawl at the expense of America's great cities, including Philadelphia. Major infusions of federal aid for those cities then become necessary precisely because so many middle-class families have relocated to new suburban areas.

It is time to take a second look at the impact of these policies. We should consider tying some of this federal development aid to sound growth-management principles carried out at the local level.

We need a new ethic in this country that acknowledges the value of preserving a "national landscape." Such an approach is already at work in many parts of Europe. Britain protects the area around London with a "Greenbelt" where development is strictly limited. France and the Netherlands have put in place comprehensive national farmland preservation programs.

The stakes are high. Studies show that Americans desire recreational opportunities in open space areas close to home—precisely the areas currently being paved over without so much as a second thought. The more we continue to develop without planning, the fewer will be our opportunities to preserve a livable environment.

Imagine Philadelphia without its 8,700-acre Fairmount Park or New York had planners not set aside room for Central Park. Then imagine trying in 1989 to buy 8,700 acres in Philadelphia or 843 acres in the middle of Manhattan Island for open space. If we fail today to preserve green areas in our rapidly developing suburbs, clearly we won't be given a second chance.

Americans have always drawn strength and inspiration from our country's open landscape and natural beauty. We celebrate our frontier history and make heroes of our mountain men and pioneer women.

America's greatest leaders all recognized that when we degrade our natural beauty and fail to protect our environment, we diminish both our natural resource base and the American spirit. It should be clear to any thoughtful observer that we cannot continue mindless development without risking much of what we have come to love in our country.

OAK WILT: THE REAL THREAT TO THE SURVIVAL OF OAKS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. PICKLE. Mr. Speaker, earlier this month a 600-year-old historic oak tree in my city of Austin, TX, was given a heavy dose of a powerful herbicide in an act of malicious and criminal mischief, endangering its survival. Since then the tree known as the Treaty Oak has become a focus of national attention and concern.

Legend has it that Stephen F. Austin, the father of Texas, signed a treaty with the Indians under the 50-foot tree's branches. While the story appears to have some foundation in fact, the Treaty Oak is a cherished landmark in the city of Austin.

State and national experts have developed a plan to help the tree in its struggle against the effects of the herbicide which was deposited in the roots, and I am pleased to report that experts who have examined the tree this week are encouraged that it has withstood the poison so well, although it will probably take a year or two to know for sure if the tree will survive because of the potential for delayed stress.

The outpouring of public concern over the fate of this legendary oak is certainly gratifying, and I want to associate myself with those who have deplored the senseless act of vandalism which has threatened its survival.

However, oak trees in my State face a threat much greater than that posed by random incidents of vandalism. The survival of Texas oaks is in serious jeopardy because of an infestation that threatens both our national and private oak forests, yet which is largely overlooked as a funding priority.

I am speaking of the epidemic spread of the fungal disease known as "oak wilt", which has already killed over 10,000 trees in my district around Austin, TX, and wiped out literally hundreds of thousands of live oaks, red oaks, and Spanish oaks in 36 counties of my State. you can travel for miles through some parts of central Texas without seeing a healthy oak tree, and there are parts of the State where this is the dominant species—and just about the only shade we've got. It is impossible to exaggerate the impact this disease is having—it is changing the landscape of the Southwest.

Now, the Federal Government has provided matching funds for oak wilt suppression programs through the Cooperative Pest Suppression Fund of the U.S. Forest Service's division of State and Private Forestry. As this subcommittee well knows, this program must also fund suppression of the Gypsy Moth, the Southern Pine Beetle, and the Spruce Budworm.

These funds are absolutely crucial to State and local efforts to control and halt the spread of oak wilt, yet the administration's budget proposed to reduce the revenue available to the States from $42.6 million in fiscal year 1989 to only $8 million in fiscal year 1990. Given existing priorities, it appears to me that such a cut would eliminate funding for oak wilt suppression.

This proposed reduction reflects a short-sighted approach on the part of the administration, which is essentially "If the infestation isn't on Federal land, it's not our problem." Well, the oak wilt fungus does not recognize the sanctity of our Federal forests any more than it observes local or State boundaries. If States and local government cannot provide matching funds to assist private landowners, the fungus that destroys oak trees on private land today will be wiping out Federal forests tommorrow.

My State Forest Service advises me that funds for cooperative suppression programs are just half of what they were 10 years ago. In my view, that kind of reduction is simply "penny wise and pound foolish," because it is going to cost a lot more to confront this problem when it becomes more severe than it is to deal with it now.

Let me give you just one example. There is a quiet, shady residential area in Austin known as Walnut Creek which is rich with native Texas oaks. Some 10 years ago, the oak wilt fungus began to infect those trees, but people weren't aware of the severity of the problem and cooperative suppression funds weren't available.

Now, the owners of 170 individual pieces of property have signed an application for an $80,000 suppression program. They are willing to put up $40,000 of their own money in order to save their neighborhood. If we had addressed the problem 10 years ago, it would have affected only one-tenth the property and cost only one-tenth the money. Clearly, we can pay now to save our trees, or pay later to remove the dead ones later—at a much higher cost.

Private property owners in Austin have spent or agreed to spend $125,000 of their own money this fiscal year to stop the disease. To help property owners, who don't have the financial resources to make that kind

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

of commitment, neighborhood groups came up with an imaginative fundraiser that has become an annual event focusing public attention on the problem. In 1988, the Live Oak Festival raised over $10,000.

The continuation of Federal support for cooperative pest suppression efforts is essential to fighting oak wilt, but it is not the sole solution. I also asked the Interior Subcommittee to allocate research funding specifically for oak wilt studies, provide cooperative funding for reforesting efforts, and revise the administrative funding formulas to recognize State expenditures for oak wilt suppression.

I understand that the subcommittee authorized $13 million for the suppression program and $106,000 in research funding earmarked for oak wilt studies. This represents a significant increase over the administration's request, and I applaud the subcommittee for giving this issue the high priority which it deserves. This is an important step forward, and I hope that the full committee will agree with the subcommittee and that we will fully fund these important programs.

Oak wilt is now spreading through my State, wiping out thousands of centuries-old oaks that are a living treasure to its residents. I was recently honored by the International Society of Arboriculture for my efforts to combat the spread of oak wilt, and I greatly appreciate that honor. But it is not a Texas problem.

Allowed to spread unchecked, it is only a matter of time before this killer will threaten hundreds of thousands of native trees. It is just too important a priority to be left begging for funds, and I hope that the subcommittee will give careful consideration to this criticial need.

ARIAS' FAREWELL TO WRIGHT

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BONIOR. Mr. Speaker, I would like to share with my colleagues an eloquent farewell letter from Oscar Arias Sanchez, President of Costa Rica, to JIM WRIGHT.

Arias praises WRIGHT for his vision and courage in bringing peace to Central America, and expresses his personal gratitude. The letter from Arias is printed below.

Speaker WRIGHT, today as you leave for Fort Worth, my colleagues and I join President Arias in expressing our heartfelt appreciation for all you have done for peace in Central America.

THE LIBRARY OF CONGRESS,
Washington, DC, June 6, 1989.

[Translation-Spanish]

Mr. JIM WRIGHT,
Longworth Building, U.S. House of Representatives, Washington, DC.

DEAR MR. WRIGHT: Your farewell speech on the floor of the House of Representatives confirms for me two of your greatest virtues: your sincerity and your patriotism. I congratulate you for that decision so honest and in keeping with the dignity of the high office in which you served with intelligence and passion. I believe that part of the ordeal to which your adversaries subjected you in recent months was a way of getting back at you for your support of the effort to terminate the violence between brothers which is covering Central America in blood. Those opposed to peace will not forgive you for the fact that thanks to your vision and your deep commitment to the highest ideals of justice, peace, and process, the Esquipulas II process finally moved forward and is showing visible results for 28 million Central Americans.

The Wright-Reagan Plan, the bipartisan agreement between the Congress and the Executive, and finally the change in policy of the Bush Administration toward Central America, are a testimony and confirmation that you were not mistaken. In truth, you did more for us Central Americans than many of those who here call themselves standard bearers of freedom. I feel that it has been a privilege to know you. Count me among your friends.

Cordially,

OSCAR ARIAS SANCHEZ.

RECTIFYING THE "NOTCH YEARS"

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues in the U.S. House of Representatives a letter President George Bush has received from Mrs. Martin (Faye) Wells of Murray, KY.

As my colleagues can see, Faye Wells' parents, John Ralph and Cova Mildred Clark, are victims of the "notch years." To quote Mrs. Wells, "the Congress has the moral obligation to restore it (social security) to them." I share Mrs. Wells' views and encourage my colleagues to work with me toward rectifying this unfair situation which involves Mr. and Mrs. Clark and millions of other Americans born between 1917–21.

I encourage my colleagues to read Mrs. Wells' letter.

JUNE 19, 1989.

President GEORGE BUSH,
The White House,
Washington, DC.

DEAR PRESIDENT BUSH: You are receiving this letter because I honestly believe you will read it and do what you can.

I am writing on behalf of my parents, John Ralph and Cova Mildred Clark. They farmed the first 15 years of their married life, with the exception of Dad's tour of duty in the Army (No benefits involved.) Then, Dad worked at a sawmill, and Mom worked at a garment factory (no retirement benefits) to supplement their farm income and to educate their two children. Dad finally had the chance to work in a stove plant, but it closed down and moved when he had only 10 years of service and a tiny retirement benefit.

Mom was born in 1918 and Dad was born in 1919, both in the infamous "notch years." They retired at age 65, yet they had to retire at almost one half of what they had planned for, simply because of the changes enacted by Congress to "save" Social Security. The people born in 1922 and thereafter receive less than those born in the "notch years", but they have had at least a five year interval to prepare for the decreased amounts they will receive at retirement. Those individuals born during the "notch years" had no warning and no time to prepare. Instead, they were forced to retire with a little more than one half of what they had planned on for years.

Since Mom and Dad's retirement some five years ago, they have managed to continue to be the dependable, patriotic, honest, bill-paying, law-abiding, tax-paying, God-loving people they have always been. Yet, during that time, Mom developed Lukemia and Dad has had four surgeries, one of which was open-heart bypass. I've watched them dip into what little savings they have to meet their obligations and maintain their dignity. They've never received one cent of welfare! They deserve better than this, because they've earned better than this!

Now that social security is "secure", they and all individuals born during the "notch years" have every right to have their social security restored to the amount they are entitled to receive—to the amount of all of the individuals born before 1917. The Congress took this from them, and now, the Congress has the moral obligation to restore it to them. Otherwise, their rights are being violated! We pour billions and billions of dollars into "giving" substantial amounts of money to people who do not or will not work. Yet we expect those people who have worked all of their lives to live on a little more than half of what they have rightfully earned! It's a disgrace! They took care of us in years past, and the very least we can do for them is to restore to them what they were originally and are morally entitled to receive. Don't you agree, Mr. President?

With warm regards,

MRS. FAYE C. WELLS.

1989 ARTISTIC DISCOVERY COMPETITION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. STOKES. Mr. Speaker, decorating the tunnel leading to the U.S. Capitol Building is a collection of 255 paintings, prints, and drawings from nearly every State, territory, and the District of Columbia. This exhibit represents the culmination of the eighth annual nationwide Congressional Art Competition, "An Artistic Discovery 1989." This competition, sponsored by the Congressional Art Caucus and Members of Congress, offers Members and the public the opportunity to experience and encourage the budding artistic talents of American youths.

I am proud to report that "An Artistic Discovery 1989" includes prize winning artwork from Ben Johnson, a Lincoln West High School student from within my congressional district. This year, more than 130 entries were received from 13 high schools in the 21st District. I am delighted to welcome Ben to Washington today for the opening ceremonies where his winning entry, "Skyline With Bridges," will join other artwork in a special display area.

I would also like to take this opportunity to thank the high school principals, art instructors, and organizations throughout my con-

gressional district for their support of this important effort. Their continuing involvement helped make "An Artistic Discovery 1989" a great success.

Mr. Speaker, I encourage my colleagues and visitors to take the opportunity to view the most impressive talents of young American artists. I have included a listing of the students from my congressional district who participated in "An Artistic Discovery 1989."

"AN ARTISTIC DISCOVERY 1989"
COMPETITION: 21ST CONGRESSIONAL DISTRICT

1. Bedford High School: Barry Gott, Halle Guffey, Milon Hutchinson, Ernest Jolly, and Julie Presby.
2. Bellefaire School: John Hynes, Greg Petusky, Daniel Pitcher, Allison Seltzar, and Alden Stewart.
3. Cleveland Heights High School: Brian Amin, Chris Baldini, Hallie Braverman, Tina Brugnoletti, Christopher Cook, Shay Lawanda Davis, Yasha Davis, Joyce M. Ehrlinger, Rachel Freer, Patrina Hollowell, Leon Jones, Beata Marks, Dannielle Merriman, Sam Rose, Nicole Skettle, Lesley Story, Nicole Tubbs, Kevin Wasserman, Nicole Winbush.
4. Cleveland School of the Arts: Rayshawn Hunt.
5. Collinwood High School: Bennie De Loach, Gail Melton, Roderick Stewart, Terry Turk, Rachel Winfield, Christoper Young.
6. East High School: Lasander Reese, Juane Small, Del Mario Watts.
7. John Adams High School: Tracy Brown, Jennifer Burrows, Michael Camper, Stephanie Chesnut, Kimberly Hicks, Derrick Jenkins, Jesse Jordan, Marie Lassiter, Anthony Long, Sabrina Paige, Clarrissa Schwandt, Michelle Sheppard, Jaydoyle L. Walker.
8. John Hay High School: Nicole Bridget, Nicole Petty, Jennifer Prell, Terrance White.
9. Lincoln West High School: Ronald Ivy, Ben Johnson, Chris Maragh, Dodd Sinkfield, LaShawn Thomas.
10. Lutheran East High School: Aaron Koonce, Samm White.
11. Shaker Heights High School: Lynn Boyd, Coleman Burditt, Monica Gonzalez, Chad Hursh, Brett Hurst, Allison Proper, Kathryn Thompson, Gail Weiner.
12. South High School: David Collins, Herman Duncan, Donna Kent, John Lampley Jr., Mark Moore, Randy Pritchett, Kevin A. Reeder, Toy Robinson.
13. Warrensville Heights High School: Reginald Delk, Fred Dixon, Deyampert Giles, Robert King, Julius Nichols, Travis Smith.

THE KINO MISSIONS NATIONAL MONUMENT ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. UDALL. Mr. Speaker, today I am happy to introduce legislation that will add two important archaeological sites to the existing Tumacacori National Monument in Arizona. These additions will add immeasurably to our knowledge, understanding, and enjoyment of a fascinating period of American history—the Spanish exploration and occupation of what is now the American Southwest.

Both sides are associated with Father Eusebio Francisco Kino, a pioneer explorer and settler who established a line of missions on the Spanish frontier in what is now northern Mexico and southern Arizona until his death in 1711.

The first addition would encompass the ruins of Los Santos Angeles de Guevavi, which was the first mission established in Arizona. It was probably founded in the 1690's and the first resident missionary arrived in 1701. By the end of the 18th century it had been abandoned, and is thus unimpaired by continuous occupation and reconstruction. It is a real treasure of archaeological information about the early Pima Indians and their relationship with the first Spanish missionaries.

Recently, the Archaeological Conservancy in Santa Fe, NM, acquired the 7-acre property from Mr. Ralph Wingfield. For many years, Mr. Wingfield cared for the remains of the old mission, which is located on his ranch along the Santa Cruz River 15 miles south of Tumacacori. After trying for years to interest historical societies, churches, and governments in protecting the mission site, Mr. Wingfield recently reached agreement with the Archaeological Conservancy for transfer of ownership and management. The conservancy is anxious to cooperate with the National Park Service.

The second site contains the Kino visita and rancheria ruins of Calabassas. It, too, is rich in archaeological information and has been little disturbed by modern development. Calabassas was acquired by the Archaeological Conservancy several years ago and it, too, will be turned over to the Park Service.

The incorporation of these three sites into a single monument will do a great deal to advance our understanding of the powerful role of Father Kino and the Spanish settlement on the history of America. I think it appropriate that the monument be renamed in his honor. I do recognize, however, that there is some controversy over the redesignation of the monument and am open to arguments about whether this is appropriate. I look forward to hearings on the bill to determine whether the name change is the appropriate way to go.

Mr. Speaker, I believe that this legislation will have the support of the administration and everyone else interested in the preservation and interpretation of our diverse cultural history.

TRIBUTE TO CAPTAIN DIARMUID PHILPOTT

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Ms. PELOSI. Mr. Speaker, I rise today to pay tribute to a truly outstanding member of the San Francisco Police Department, Capt. Diarmuid Philpott of the Ingleside Police Station. By his tireless efforts to improve police community relations and through his work with the young people, Captain Philpott has made a major contribution to the local "war on drugs" and to the safety of the community to which he is assigned.

On Friday, July 14, OMI-Neighbors in Action will present its good neighbor award to this impressive recipient. OMI-NIA is nationally recognized for the creative way it has dealt with the drug problem at the local level and its acknowledgment of the work of Captain Philpott is an example of this approach. I join with OMI-NIA congratulating the captain for a job well done.

Captain Philpott was instrumental in the creation of several important programs for the youth of his community. At Oceanview Park, under his guidance, a Police Athletic League [PAL] Program was instituted which involved both patroling the park facility and neighboring area to get rid of drug dealers as well as involving the police in the recreational programs at the park so that the young people could get to know the police in other ways than law enforcement. This program is the only one of its kind in San Francisco and it has already made a difference in the lives of the residents, young and old.

Another unique opportunity for young people which the captain engineered for his community is the San Francisco conservation corps "youth in action" program. The 40 neighborhood youth who have been employed as corpsmembers will learn about issues that are critical to the well-being of their community and environment. In addition to the work experience on neighborhood improvement projects, these young people will meet with community and city leaders, teach younger children what they have learned and experience a challenge to their old ways of thinking.

The work of Captain Philpott does not stop with youth. He has assisted in the formation of over 40 block clubs, groups of neighbors who watch out for one another. He attends the steering committee meetings of the OMI-Neighbors in Action and participates in the neighborhood mayoral task force. Captain Philpott performs all these activities in addition to his regular responsibilities as the captain of Ingleside Station. His neighbors believe they have in him a real friend who keeps their welfare uppermost in his mind and heart.

Mr. Speaker, I ask my colleagues to join with me and the OMI-Neighbors in Action as we recognize the achievement of a dedicated and effective community servant, Capt. Diarmuid Philpott.

TRIBUTE TO RETIRING ACADEMY OF MOTION PICTURE ARTS AND SCIENCES EXECUTIVE DIRECTOR JAMES M. ROBERTS

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. WAXMAN. Mr. Speaker, virtually every American alive today has been deeply affected by a movie. The people who create motion

pictures hold a special place in our society. As executive director for the Academy of Motion Picture Arts and Sciences for the last 18 years, Mr. James M. Roberts has had a distinct influence on the movie industry and on American life.

Mr. Roberts will retire from the Academy this July. We would like to mark the occasion of Mr. Roberts' retirement by recognizing his many noteworthy accomplishments.

Mr. Roberts is a native of Canada. He joined the Royal Canadian Air Force at the age of 19 where he became a fighter pilot. While in the military, he met and married Thelma Williams. Mr. Roberts later earned a Bachelor of Commerce degree from the University of Toronto. After graduation, the couple moved to Los Angeles where Mr. Roberts found a job as a bank auditor.

In 1954, Mr. Roberts was named controller of the Academy. In 1971, he became assistant executive director and then, later that year, he was selected to become executive director of the Academy. Mr. Roberts was also appointed executive secretary of the Academy Foundation, a non-profit educational foundation.

The Academy clearly flourished under Mr. Roberts' expert leadership. Under his direction, the Academy's staff and activities more than tripled. The Academy's library became the most important film research center in the world. To accommodate the organization's changes and growth, Mr. Roberts led the Academy through a move into a seven-story specially designed headquarters in Beverly Hills.

Mr. Speaker, we would like to salute James M. Roberts for his many distinguished contributions to the film community. We wish him and Thelma the best of luck in their retirement years and hope they enjoy their well-earned time off.

THE MISCELLANEOUS ERISA AMENDMENTS ACT OF 1989

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mrs. ROUKEMA. Mr. Speaker, today the chairman of the Subcommittee on Labor Management Relations, Representative WILLIAM L. CLAY, and I are introducing legislation which makes needed technical corrections and several other changes to the Employee Retirement Income Security Act of 1974 [ERISA]. The legislation reflects many of the provisions of H.R. 4845 as adopted by the Committee on Education and Labor last August.

With the enactment of these changes, I would hope that we could draw to a close the past decade of rapid-fire tax law and revenue-driven changes which the pension plan community states has caused an era of uncertainty in employee benefits planning.

By creating a more certain legislative environment, we may well induce more employers to consider installing pension plans and improve the pension coverage ratio which has remained stagnant at around one-half of the work force.

Several of the changes in the bill relate to the health care continuation coverage provisions adopted under the Consolidated Budget Reconciliation Act of 1985 [COBRA]. The many complexities connected with COBRA continuation coverage make these rules deserving of further oversight and scrutiny by the Congress.

The legislation introduced today will also restore the principle written into ERISA and reaffirmed in the 1980 amendments, the Multiemployer Pension Plan Amendment Act, that the special nature of jointly administered Taft-Hartley multiemployer pension plans require separate treatment from single-employer plans in connection with plan funding rules. For example, the 150 percent cap on the full funding limitation added in the 1987 Budget Reconciliation Act will cause instability in both the funding and the collective bargaining aspects of multiemployer plans. By restoring the full-funding limitation under prior law, the legislation would avoid punitive action on employers who have already agreed to negotiated multiemployer pension plan contributions.

Also in connection with the 150 percent cap on the full-funding limit as applied to single-employer pension plans, I look forward to receiving the results of studies by the ERISA agencies and any recommendations they may have for avoiding any possible adverse consequences on plan establishment or solvency because of the imposition of this new cap.

The computation of the full-funding limitation included under the Omnibus Budget Reconciliation Act of 1987 [OMBRA 1987], for single-employer pension plans has also created another potential inconsistency with the newly required PBGC variable rate premium structure. To avoid the possibility of imposing a variable rate premium on employers maintaining full-funded plans, the legislation would exempt such plans from the variable portion of the PBGC premium.

Clearly, these and other anomalies which have crept into ERISA and the tax code need correcting, and the many provisions of this bill are deserving of bipartisan scrutiny and consideration.

CHINESE GOVERNMENT EXECUTES STUDENT WHO CONFRONTED TANKS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LANTOS. Mr. Speaker, as the world anxiously watched the unfolding drama of the Chinese students' quest for freedom and democracy, one haunting image stands out as symbolic of the courageous plight of these students—the brave student who stood unarmed in front of a long line of army tanks and turned them back. This hero was identified as Wang Wei Lin.

He, like many of those courageous students and workers who fought against the brutal military forces, apparently died at the hands of the Chinese Government. The South China Morning Post, a Hong Kong newspaper, reported on June 18 that Wang Wei Lin was feared executed by Chinese authorities:

Using his body of flesh and blood, Wang Wei Lin, a 19-year-old student who blocked a convoy of tanks near Tiananmen Square, is feared to be already executed.

The London Weekly Express reports Wang Wei Lin, a factory worker's son, has already been arrested by the secret police. All over the world, hundreds of millions of viewers saw Wang Wei Lin on the second day of the Tiananmen bloodbath. Using his body of flesh and blood stopping 20 tanks while shouting, "Turn Back! Do not kill my compatriots!"

Express Mail reports Wang was arrested three kilometers from where he stopped the tanks. He was accused of being a counter-revolutionary, traitor, political hoodlum, and also attempting to disrupt the People's Liberation Army.

During a government broadcast against the pro-democracy movement by a state-controlled TV station, Wang's friend identified him among a parade of dissidents. Wang's hair was shaven. In China, only the accused prisoners have their heads shaved. Wang's friend says that he thinks that he has already been executed.

He also said, "He is a hero. If Wang is publicly executed, he would become a martyr. His execution would draw protests from the whole world." Unconfirmed sources said that the commanding officer of the column of tanks was demoted and reprimanded—Because of Wang Wei Lin, the People's Liberation Army lost face in front of the whole world.

Mr. Speaker, I would like to pay tribute to Wang Wei Lin and to the other brave Chinese students and workers who died in China in the struggle for freedom and democratic reforms in their homeland. These young people indicated the unwavering and irrevocable commitment to liberty and human rights by placing their lives on the line for these values.

I invite my colleagues to join me today in honoring and paying tribute to Wang Wei Lin and those who participated with him in the struggle for the democratic future of China.

FOREIGN ADOPTION LEGISLATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LEHMAN of Florida. Mr. Speaker, earlier this year Congressman BARNEY FRANK and I introduced H.R. 1686, which seeks to clarify the conditions permitting the immigration of certain adopted children.

When the Immigration Reform and Control Act was enacted in 1986, it included an amendment offered by Congressman FRANK pertaining to the right of a natural father of an illegitimate child to petition for immigration on that child's behalf. What was intended to be an expansion of the right to petition was subsequently used by the Immigration and Naturalization Service to narrow the definition of an orphan in immigration law.

The Frank amendment dealt with section 101(b)(1)(D) of the Immigration and Nationality Act of 1952 [INA]. In a March 1987 memorandum, the INS reasoned that extending such a right to an American natural father under that

section meant that foreign natural fathers of illegitimate children should be considered under section 101(b)(1)(F) of the INA. Such an interpretation effectively changed the definition of an orphan. Previously, the mother of an illegitimate child was considered the sole parent and could relinquish her child to be adopted. The child was then allowed to immigrate to the United States to be with his or her adoptive American family. INS determined that a natural father who has or had a bona fide relationship with the child was also a parent. Therefore the child had two parents and was no longer an orphan under U.S. immigration law.

This matter came to my attention last year when three Florida families were in the process of adopting children in the Dominican Republic and were prohibited by INS from bringing the children home because of the new interpretation of the law. We were finally able to prevail upon INS to grant the children humanitarian parole because they had already been placed in foster care and had no homes to which they could return. A legislative solution, however, is required to ensure that congressional intent is followed and that such children are never again prevented from joining their loving American families.

During consideration last year of the Commerce, State, Justice, and Judiciary appropriations bill for fiscal year 1989, former Senator Lawton Chiles of Florida was able to include language to permit U.S. families to adopt foreign illegitimate children who may have had at some time a bona fide relationship with their natural fathers. The Chiles language was amended in conference to state that the term "parent" in section 101(b)(1)(F) does not include the natural father of the child if the father has disappeared or abandoned or deserted the child or if the father has in writing irrevocably released the child for emigration and adoption.

Mr. Speaker, because the current language will expire with the fiscal year, it is imperative that we make the necessary permanent legislative change. Congressman FRANK's bill, H.R. 1686, should solve this problem once and for all. Countless Americans who wish to form their families through adoption will benefit from this legislation, and the rights of the natural parents will not be endangered. The bill will eliminate any uncertainty about the eligibility of such children and restore the application of our immigration law concerning orphans to its pre-1986 status.

CALL TO CONSCIENCE FOR SOVIET JEWRY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LEVIN of Michigan. Mr. Speaker, I would like to join many of my colleagues in expressing support for the removal of all restrictions on the emigration of Soviet Jews.

The Soviet Union has made undeniable progress recently in opening the door to emigration. If current trends continue, more Jews will be allowed to emigrate this year than in any year since 1979. This is one of the most positive achievements of glasnost.

However, many unreasonable barriers to emigration remain. I would like to call attention to one justification that is still given by the Soviet authorities as grounds for the denial of permission to emigrate—the supposed knowledge of "state secrets" on the part of the applicant.

There are hundreds of outstanding refusnik cases where such knowledge is supposedly the only barrier to the emigration of an individual or an entire family. However, in many of these cases, the access to alleged state secrets occurred years ago, sometimes as many as 25-years.

I would like to call attention to one specific case. Vladimir Raiz of Vilnius and his wife Karmela have been refusniks for 14 years; their emigration has been blocked due to Mr. Raiz's alleged access to classified information during his employment in the Ministry of Radio Industry over 20 years ago. On May 3, Mr. Raiz was informed by a high official in this ministry that he was no longer considered to be a security risk. Now deprived even of this flimsy justification, the local authorities continue to deny Mr. and Mrs. Raiz the right to emigrate. There can be no further justification for this refusal.

The conflict in this case between the Ministry of Radio Industry and the emigration authorities makes perfectly plain the misuse of the state secrets justification for the denial of emigration. We have entered an era of new openness in relations between our country and the Soviet Union. Our military delegations have been given leave to inspect top-secret Soviet military installations. Does the denial of emigration based on 20-year-old alleged secrets mesh with this new openness? The state secrets policy is a remnant of a period of Soviet history that belongs firmly in the past. It contradicts glasnost.

I call on the Soviet Union to begin immediately a fair review of all existing and new emigration applications that are denied for this reason. This should be one of the first steps toward the codification of a new policy on the emigration of Soviet Jews—one that will result in the free emigration of this group, which has suffered for too long.

FLORIDA SEMINOLE INDIAN ACT OF 1989

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SMITH of Florida. Mr. Speaker, I am introducing today legislation along with my colleague and fellow Floridian, Mr. LEWIS, on behalf of the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida and the Independent Seminole Indians of Florida with respect to a dispute that has arisen between the Seminole Tribes of Florida and the Oklahoma Seminole Nation over the funds awarded to both the Oklahoma and Florida groups by the Indian Claims Commission.

In 1976, the Commission awarded a $16 million judgment in favor of the Seminole Nation as it existed in Florida on September 18, 1823. The claim was based upon the fact that the Seminoles had received unconscionably low consideration for a large land cession that had been made in 1823. In the early 19th century, a large number of Seminole Indians were moved by the U.S. Government to Oklahoma while an unknown number of Seminoles hid out in the Everglades and remained in Florida. The descendants of these people now make up the Oklahoma and Florida Seminole groups.

Members of the Oklahoma delegation to Congress have proposed legislation that would divide the award based solely on population, strongly favoring the Oklahoma Seminoles by giving them approximately 75 percent of the award, which has now grown, with accumulated interest, to approximately $45 million. In my opinion the proposed Oklahoma bill is highly inequitable.

The Oklahoma proposal would divide the judgment between the Oklahoma and Florida groups based upon population figures arbitrarily developed in 1977 by the Bureau of Indian Affairs from a 1906 census and 1914 census. This approach totally ignores the different history of the Oklahoma and Florida Seminoles and the actual history of the claims litigation.

The Oklahoma Seminoles received very substantial consideration in the form of 265,000 acres of land and over $7 million in treaty payments under the treaties which gave rise to the claims. The Florida Seminoles were almost totally ignored until the 1930's.

Eventually the lands the Oklahoma Seminoles received were allotted to individuals. Many of these allotments were sold so that individual members of the Oklahoma group also received additional significant compensation late in the 19th century. Many others retained their allotments and their descendants continued to enjoy the benefit from this ownership, including royalties from oil and gas production.

In addition, I am advised that because of the benefits received by the Oklahoma group, which were not shared at all by the Florida Seminoles, the judgment received was significantly reduced. In summary, the Seminoles who remained in Florida shared none of the benefits afforded the Oklahoma Seminoles under the Seminole Treaties, but suffered an offset against the claims because of benefits received by the Oklahoma group alone.

Because of these factors and others, I believe that there are very strong reasons supporting the 50–50 split that is proposed in my bill—factors at least as strong as those which support the Oklahoma proposal.

It seems very clear to me that Congress is not really in a position to make the detailed judgment as to what the precise split should be between the Oklahoma and Florida groups. Incidentally, I am advised that there is no dispute as to the division of the Florida share between the Seminole Tribe of Florida, the Miccosukee Tribe and the Independent Seminoles and my bill specifies a precise division of the Florida share.

If legislation proves ultimately necessary, then I believe the appropriate recourse would be to refer the matter to the U.S. Claims Court

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

for necessary factfinding under the legislative reference procedure. If such a reference is made, Congress should request detailed findings on all relevant circumstances—not just population. I am reluctant to propose that solution now before the parties have had one final chance to resolve their differences. If negotiation continues to prove fruitless, I am prepared, at an appropriate time, to introduce the necessary resolution for a legislative reference.

If meaningful negotiations do resume, I think Congress should make it clear that it expects the Bureau of Indian Affairs to play a neutral and constructive role. Mr. Speaker, I am disturbed by reports that last year Assistant Secretary for Indian Affairs Ross Swimmer took a very strong position in favor of the Oklahoma Seminoles and reportedly functioned more as an advocate for their position than as an arbiter. I am even more disturbed by the report that Mr. Swimmer agreed, in March of this year upon his departure from the BIA, to represent the Oklahoma group, with a possibility of a very substantial contingency fee, within days after his term as Assistant Secretary of the Interior concluded, and despite the fact that he was substantially involved in BIA's activities on this matter when he served as Assistant Secretary.

I am pleased that my colleague Mr. Tom Lewis is joining me as the original sponsor of this bill. We hope that our colleagues will see this bill as a fair distribution and join us in supporting this legislation when Congress returns from the Independence Day district work period.

PROPOSED LEGISLATION TO PREVENT DISRUPTION ON CABLE TV

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. RICHARDSON. Mr. Speaker, today, I am submitting legislation which will hopefully prevent a major disruption to some of the most popular programming enjoyed by cable television viewers. I know that we in Congress are well aware of the public outcry that can result from such a disruption, particularly when it involves sports programming.

Federal Communications Commission rules, scheduled to go into effect in less than 6 months, pose a great threat to cable television consumers throughout the country. If the Commission's rules go through, consumers are faced with bewildering program changes, or even worse, the loss of favorite programming that may not be available elsewhere.

This legislation is designed to ease the burden of transition that may be required under the Federal Communications Commission's syndicated exclusivity rule. This rule would require blackouts of syndicated television programs on cable television in markets where a local broadcast station also has that show. This rule will have a profound negative effect on the so-called cable superstations, and smaller regional stations that are extremely popular with viewers. No one likes blackouts. Cable systems may be encouraged to drop some superstations, causing a viewer uproar like the one that occurred here locally last year that eventually became so vociferous that the system had to return the station. As a matter of fact, 20 Members of Congress even signed a letter to that cable company asking for the return of that station, which brings popular Chicago Cubs baseball to the Washington area.

This type of cable consumer outrage could occur on a national level if syndicated exclusivity is put into effect without the transition relief that is contained in my legislation. Blackouts are scheduled to take effect very shortly after the legality of the syndicated exclusivity rule is decided by the courts. Virtually every cable system has three or four distant signals.

The Commission rule has been challenged in the United States Court of Appeals for the District of Columbia on a number of grounds. Syndicated exclusivity will be the most sweeping change in the history of cable television programming and will essentially change copyright law, jurisdiction over which does not reside in the Commission. The rule is also being challenged for its lack of findings based on public interest need. Commissioner Patricia Diaz Dennis stated that many of the reasons used to support the rule are, "unconvincing, wrong, or both."

Setting aside the merits of the legal challenge to the Commission's rule, there is still quite a problem that stems from this case. It's outcome will not be decided until the end of this year—yet cable system blackout compliance is required by the FCC syndicated exclusivity rules on January 1, 1990.

With 6 months remaining until blackouts begin, already there are reports of widespread confusion and misunderstanding concerning syndicated exclusivity rules within both the cable and broadcast industries. Sound public policy dictates that the cable industry have a reasonable transition period that begins at the time when the process of judicial review is completed, and all uncertainty about the legality of the rule has been removed.

After all, the intent of the rule is not to limit the diversity and availability of cable television programming, but to require program changes where syndicated exclusivity poses a problem. By delaying implementation of the FCC rule by one year, my bill does not undermine the intent of the rule, but simply prevents it from creating serious problems for the consumer and possibly eliminating popular programming.

INTRODUCTION OF THE AGGIE BOND EXTENSION ACT

HON. FRED GRANDY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. GRANDY. Mr. Speaker, I rise today to introduce legislation to extend by 3 years the sunset date on the Federal tax exemption of small issue private activity bonds for first-time farmers, commonly called Aggie bonds, and for manufacturing facilities in rural areas. Under current law, these programs are due to sunset at the end of this year. Joining me in this effort are Congressmen MADIGAN, LIGHTFOOT, JOHNSON of South Dakota, JONTZ, OLIN, and ESPY.

Mr. Speaker, if I have one complaint about present agricultural policy, it is that we have not done enough to assist our next generation of family farmers. Where FmHA and the FCS have failed to provide the crucial financing necessary for young, and not so young, people who have a sincere interest in beginning to farm, the Aggie bond programs have impressively helped to fill the gap. This legislation will help preserve this vital source of help and hope.

I, along with 15 of my fellow Members, recently signed a letter to House Ways and Means Committee Chairman ROSTENKOWSKI which was circulated by my fellow Iowan DAVE NAGLE. That letter expressed our desire to have the Ways and Means Committee consider extending the sunset date on the Aggie bond provision. Congressman HATCHER has introduced House Concurrent Resolution 156, which myself and 46 other Members have cosponsored. This concurrent resolution expresses the sense of the Congress that the existing authority to issue tax-exempt small issue bonds should be extended 1 year.

This proposed legislation goes one step further in providing the Ways and Means Committee with something concrete to work with and to contemplate attaching to other bills which they will be considering in the coming weeks and months. Of the 11 tax provisions expiring in 1989, the cost of extending the Aggie bonds provision is the lowest of them all. It is estimated that allowing the issuance of tax-exempt bonds for first-time farmers and manufacturing facilities in rural areas in fiscal year 1990 would result in the loss of only $7 million in potential Federal tax revenue. At the same time, these same bonds could underwrite approximately $3 billion in economic activity.

The National Council of State Agricultural Finance Programs [NCOSAFP], organized in 1984, reports that over 3,905 loans have been extended by State agricultural bond authorities in 23 States for a total amount of over $410 million. In surveys conducted by that group it was found that 77 percent of the recipients of Aggie bond-generated loans used them to make their first land purchase and 66 percent of the recipients indicated they could not have made the purchases in question if it hadn't been for the tax-exempt bond-based loans. The program also provides a boost to rural financial institutions as most banks that use the program are under $100 million in total assets and only 23 percent of them are members of multibank holding companies.

In my home State of Iowa, the Individual Agricultural Development Bond Program [IADBP], more commonly known as Iowa's Beginning Farmer Program, has approved 890 loans for a total of $79.5 million since its inception in the summer of 1981. Of these approvals, 630 bonds have been issued in the amount of $50 million.

Bond authority organizations in 30 States have issued small issue bonds related to manufacturing facilities in a total amount of approximately $2.8 billion. This low cost tax pro-

vision is a vital source of funding for projects across the country in both urban and rural areas. It is my hope that the existing private activity bond program for manufacturing facilities and first-time farmers is extended; that is why I have cosponsored Representative HATCHER's concurrent resolution. The legislation I introduce today, however, would alter the current program by focusing bonds for manufacturing facilities on facilities located in rural areas. I do this in order to recognize the valuable tool this tax-exempt bond program is for rural development.

Mr. Speaker, I fear that if these particular tax provisions are allowed to expire at the end of 1989, we will be shutting off a vital source of financing for future generations of family farmers and entrepreneurs at a time when so few sources are available. Entry into farming and business is almost totally dependent upon accessible and affordable credit. I urge my colleagues to join me and the cosponsors of this bill by supporting this effort to help America's beginning farmers and entrepreneurs. Thank you.

The text of the bill follows:

H.R. —

AGGIE AND RURAL MANUFACTURING BOND EXTENSION ACT OF 1989

SECTION 1. 3-YEAR EXTENSION OF EXEMPTION FROM SMALL ISSUE BOND TERMINATION FOR FARMING PROPERTY AND RURAL MANUFACTURING PROPERTY.

(a) IN GENERAL.—Subparagraph (B) of section 144(a)(12) of the Internal Revenue Code of 1986 (relating to termination of qualified small issue bonds) is amended—

(1) in clause (i) by inserting before the comma "which, as of the date the financing is provided, is located in an area which the Secretary of Agriculture determines is a rural area", and

(2) by striking "1989" and inserting "1992".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bonds issued after December 31, 1989.

TRIBUTE TO AMBASSADOR THEODORE GILDRED

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LOWERY of California. Mr. Speaker, I ask that the following editorial from the Buenos Aires Herald be entered in the CONGRESSIONAL RECORD. The article from the major Argentine newspaper pays tribute to the former United States Ambassador to Argentina, Theodore Gildred.

It is with great pleasure that I call my colleagues' attention to the exemplary and outstanding performance of our retiring Ambassador to Argentina, Theodore Gildred. Ambassador Gildred is returing to his home in San Diego to tend to his business and for a well-deserved rest after 3 years of active and effective service in Buenos Aires.

United States relations with Argentina, previously unstable at best, hit a record low in the period following the Malvinas—Falkland Islands—War. It was Ambassador Gildred who ably promoted United States interests in the uncertain period following the return of democracy to Argentina. It is beyond doubt that the rapid establishment of a strong bilateral rapport and the mitigation of our differences with Argentina were greatly facilitated by the diplomatic skill of Ambassador Gildred. United States relations with Argentina have rarely been so good.

Despite the many difficult problems confronting the United States and Argentina, Ambassador Gildred departs as an immensely popular man in that country. His contribution to the improvement of bilateral relations is greatly appreciated and his presence there will be sorely missed.

President Bush recognizes Ambassador Gildred's abilities and has asked him to consider another diplomatic assignment in the future. In response, Ted Gildred stated his willingness to serve his country again.

In the meantime, I and all of his friends in San Diego are proud of his accomplishments and happy to have him home. We thank him for his work as Ambassador to Argentina and hope he will consider returning to diplomatic service.

[From the Buenos Aires Herald, May 28, 1989]

BUILDING BRIDGES

(By Ronald Hansen, Editor)

In the next couple of days the current US ambassador to Argentina will be returning home after completing his tour of duty in this country, an event about which much has been said in the press. What is not so easily understood about the time Theodore Gildred spent as chief of the US mission in this country is just how complex a posting it was when he first took it on and, perhaps more importantly, how much has been achieved since that happened. Much of the credit must be given to Ambassador Gildred himself, who, with a diplomatic skill belying his inexperience in the field, both ably and actively participated in all manner of events around the country, making him arguably the best-known US ambassador ever to serve in Buenos Aires who, unlike some of whose predecessors, departs as an immednsely popular man in this country.

In the aftermath of the tragic Malvinas War and following the repeated clashes between the last military government and the US administration, bilateral relations hit an all-time low, an unfortunate situation which was further compounded by a whole range of matters such as the extremist anti-Americanism found within some local political circles, the foreign debt crisis and a sometimes less than clear support for the democratic regimes of the world coming out of Washington. With the return of democracy to Argentina a whole new range of opportunities opened up, a situation which created an enormous amount of uncertainty in both countries about the future. Common ground was rapidly established and both countries were able to iron out most existing differences and, in hindsight, it must be said that the current relationship with the United States has rarely been so good.

It is always hard to define just how much of a good understanding between governments is a result of correct policies being carried out and how much flows from the rapport established between those representing each side. Nevertheless, there can be little doubt that both Argentina and Washngton have taken substantial steps towards dovetailing their policies towards one another, a course of action which, it is hoped, will continue, despite the respective recent changes of government. Enormous difficulties still exist, mainly the unresolved problem of the foreign debt, and in days to come representatives of both countries will have to thrash out mutually acceptable, meaningful solutions to these outstanding problems. It is to be hoped that when doing so, they will find that the good work carried out by Gildred will serve as a solid basis for the building of a new era in US-Argentine relations. It would be the best tribute possible to one man's contribution to the better understanding between the peoples of both countries.

FOR UPHOLDING ROE VERSUS WADE

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LEVINE of California. Mr. Speaker, the Supreme Court will soon be releasing its decision on Webster versus Reproductive Health Services. The decision in this case could severely limit or even overturn Roe versus Wade, and send women back to the nightmare of illegal—and often fatal—back alley abortions.

I am submitting for the RECORD a letter from a constituent of mine who, after being raped in 1962, was forced to undergo an illegal and highly dangerous abortion. Fortunately, she survived to speak out for the thousands of women who died. I urge the Supreme Court to listen to the voices of millions of women before making any decision to take away or limit this important, personal choice.

LOS ANGELES, CA, *March 19, 1989.*

Congressman MEL LEVINE,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN LEVINE: I am writing to you regarding possible up-coming challenges to the Roe v. Wade decision. I am encouraging you to defend the Law of the Land, as provided by this Supreme Court decision providing for the on-going right for women to make decisions about their own bodies.

In 1962, living in the Mid-West, I was a married woman, and was raped by a stranger. My personal physician and my personal gynecologist both told me that they were helpless in the face of the law, and there was nothing they, nor I, could do about this pregnancy, except to accept it. That felt like being raped for the second time.

After the illegal abortion, performed by a back-alley "doctor," I spent several days in a hospital with high fever, infection, and had to undergo surgery. All of this should be unnecessary.

Please, allow women to decide what happens to their own bodies, and allow the Roe v. Wade decision to stand.

With concern,

ELIZABETH COHEN.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

WE, THE PEOPLE

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SANGMEISTER. Mr. Speaker, I would like to insert in the RECORD the remarks I will make to the citizens of Will County at the Memorial Stadium in Joliet, IL, on July 4, 1989.

WE, THE PEOPLE

It is with great pleasure that I join you, and all Americans, in celebrating the birth of our Nation, Independence Day.

In the immortal words of Lincoln's Gettysburg Address, we find the reason why all Americans should celebrate July 4th as a National Holiday. "Fourscore and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal." And it was another famous American, Daniel Webster, who in 1830 described our democracy as "the people's government, made for the people, made by the people and answerable to the people." It is most appropriate, therefore, that once every year we, as a nation, take time to remember the birthday of this great republic and to remind ourselves and our children of why this nation was born.

It was sheer boldness (and some would say even madness) for 56 representatives of 12 colonies to sign the Declaration of Independence on that July 4 in 1776. They were like Little David, facing the Giant Goliath, their Goliath being England! They were in essence, telling a powerful King George III that since his government was tyrannical, "* * * it [was] the right of the people to alter or to abolish it, and to institute a new government." And as if to underscore that they knew the possible dire consequences of their actions, they added as a conclusion: "* * * for the support of this declaration, * * * we mutually pledge to each other our lives, our fortunes, and our sacred honor."

It is indeed fitting that we remember these heroes: John Hancock, John Adams, Benjamin Franklin, and Thomas Jefferson, among others. Yet, who were these revolutionaries? Professor Waldo Braden describes them thus: "They were mainly farmers, planters, merchants and lawyers. Some were rich. Many were self-made men who had to work hard for what they had; one had actually been a bond servant." Of the original 56, more than half paid dearly. They lost homes and property, were taken prisoner, lost sons and their own lives. They lost much, but never their sacred honor.

Shakespeare once asked, "What's in a name?" The names that fill the proud pages of our history ring like the liberty bell: Concord, "where the embattled farmers stood and fired the shot heard 'round the world", Valley Forge, where Washington's ill-clad soldiers left bloody footprints in the snow; Bunker Hill and Yorktown, sacred to our memory; Independence Hall, where the Declaration of Independence was adopted and the Constitution drafted; Patrick Henry, who demanded liberty or death; Nathan Hale, who regretted he had but one life to give. And during the terrible years of the civil war, there were the names of Grant and Lee, of Gettysburg, and Chancellorsville, and Abraham Lincoln, who wept that the union was being rent asunder.

Unhappily, many of the names that remind us of the gift of freedom are a litany of battles: Verdun, Bastogne, Normandy, Iwo Jima, Guadalcanal, Heartbreak Ridge, and Pork Chop Hill. What's in a name? For an American, a stark reminder of the price of loving freedom and honor above life itself.

* * * * *

When we watch the accounts of anti-American demonstrations in foreign countries on TV, what is the first thing we see? The burning of the American flag, an act of contempt toward the democracy and freedom in America which it symbolizes. We are outraged, and rightfully so. Should we be less outraged when it happens right here at home? The answer is no. And I believe that those who endangered their lives by courageously and boldly signing our Declaration of Independence would weep if they were here today to witness the desecration of our beloved flag which is taking place under the protection of the first amendment to that Constitution.

But is it only with picnics, parades, and fireworks that we remember each July 4? During the height of the Nazi threat, President Franklin Roosevelt reminded all citizens that, "It is simple—I could say simple-minded—for us Americans to wave the flag, to reassert our belief in the cause of freedom—and to let it go at that." He was reminding us that our vision of freedom must embrace the whole world. It was the same sentiment that John F. Kennedy expressed when he said that we should "* * * regard any threat to the peace or freedom of one as a threat to the peace and freedom of all."

Today, we hear repeated the phrase "people power." Initially, that concept was a tribute to the brave people of the Philippines, who confronted soldiers and tanks with flowers and won their freedom from a tyrant. In recent months, the students of China reflected "people power" in Tiananmen Square, and the world applauded their courage. But freedom is never cheap; it is purchased with the blood of martyrs. The butchers of Beijing may have temporarily crushed a people's peaceful demonstration with brute force, but they forget that no army is stronger than an idea whose time has come. That for one, brief, shining moment, a replica of our Lady Liberty and cries of "freedom and democracy" were present in the very heart of Communist China and should remain a symbol that freedom is both contagious and fragile. It was Thomas Jefferson, who warned that, "the price of freedom is eternal vigilance."

As Americans, it is our duty to hold high the torch of liberty to the world. We work with head and heart and hands to keep the original American dream alive. We are legion, and we are diverse, but we are Americans, all. We are the judges and the lawyers whose duty is "to establish justice." We are the law-enforcement officers and the firefighters who "ensure domestic tranquility." We are the teachers who touch eternity and the students who ask for truth. We are the children who trust that they will continue to live in America, the beautiful. We are the doctors and nurses and health-care professionals who "promote the general welfare." We are the National Guard and the conventional armed forces who protect this land "from sea to shining sea." We are the journalists who expose corruption even in the highest places. We, the people, are workers; we build the skyscrapers, the homes, the roads and bridges. We are the farmers who put bread on our tables, here and abroad. We are the scientists and the inventors; and we walked on the moon! We are the musicians and the poets who sing of "the blessings of liberty." We, the people, inspire; we are the ministers, the priests, and the rabbi's who teach the glory of goodness and the shame of evil. We are the elected officials who represent us and make the laws "for ourselves and our posterity."

A melting pot of different colors, creeds, and classes, we awaken to an alarm clock and go to our work because, to paraphrase Robert Frost, "we have promises to keep and miles to go before we sleep." We endure, but we will survive because, as the great novelist William Faulkner put it, "we alone, of all creatures, are capable of pity and compassion and sacrifice."

As a people, we were not defeated by Pearl Harbor or Watergate or Irangate, and we will survive and ultimately defeat the scourges of drugs, AIDS, pollution, discrimination, and corruption. But, we must be ever vigilant against the abuse and arrogance of power, whether it be on Wall Street or on Main Street—whether it be by big business or by big government. To fail in our vigilance would mean the death of "people power."

And so, on this July 4, 1989, let us, as a united people, "highly resolve that this Nation under God shall have a new birth of freedom, and that government of the people, by the people, and for the people shall not perish from the earth." For this noble cause, let us, too, as did our forefathers, "pledge our lives, our fortunes, and our sacred honor."

THE QUIET ONES

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. McCANDLESS. Mr. Speaker, on July 27, 1989, The Quiet Ones, an organization of Korean war veterans headquartered in Palm Desert, CA, will hold its first annual Remembrance Day Memorial Service in Riverside, CA. Unfortunately, since the House will be in session, I will be unable to attend this important commemoration in the 37th Congressional District—the district I have the honor to represent in the Congress.

I am glad to see that those who served and died, 54,246 courageous Americans, are finally beginning to receive the national attention and appreciation they have deserved for 36 years. Public remembrances, and eventually, the Korean War Memorial here in Washington, will help serve as a country's thanks for the valiant fight for freedom we took part in from 1950 until 1953.

As a member of the Marine Corps Reserve who served in the Korean theater, I am proud of my fellow Americans who served there, and proud of the role we played in holding the line of freedom.

I commend The Quiet Ones for their efforts and dedication in helping to raise the national consciousness about America's stand for democracy in Korea.

TRIBUTE TO HARRY SILSBY BROWN, M.D.

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise to pay tribute to Dr. Harry Silsby Brown, founder and chairman of the board of Surgical Eye Expeditions International [S.E.E.], who in this capacity has been a driving force in the organization's goal of relentlessly reducing surgically correctable blindness throughout the world.

Dr. Brown is a graduate of the George Washington School of Medicine, and the Jules Stein Eye Institute. He is currently a fellow of the American College of Surgeons, and an employee of the Santa Barbara Medical Foundation Clinic. Dr. Brown has donated 15 years of selfless service to the disadvantaged, blind, and visually impaired through Surgical Eye Expeditions International.

Through Dr. Brown's leadership as chairman of the board of S.E.E., hundreds of opthalmologists, nurses, technicians, pilots, and support personnel throughout the world have been inspired to donate their time, professional skill, and personal resources to bring sight to those who would otherwise live in darkness.

Dr. Brown, architect of S.E.E.'s global sight-saving services and proud U.S. patriot, has served in the spirit of voluntarism as an international ambassador of good will. Therefore, I ask the House to join me in paying tribute to Dr. Harry Silsby Brown for his commitment to bringing sight to the lives of the curable blind, and extend our best wishes for continued success in his future endeavors.

FEDERAL FIRE SERVICE PAY SCHEDULE ACT OF 1989

HON. MICKEY LELAND

OF TEXAS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LELAND. Mr. Speaker, Mrs. MORELLA and I introduce today a bill to establish a pay schedule for Federal firefighters which would be separate from the general schedule and to revise the rates of pay for Federal firefighters.

The general schedule was designed to cover a wide range of employees and occupations and assumes that all such employees work a standard 40-hour, 5-day workweek. As it is designed, the general schedule cannot fairly and adequately compensate Federal firefighters who work, on the average, a 72-hour workweek and perform highly skilled and, sometimes, hazardous functions which are unique within the Federal workforce.

Because of the inequities in pay and overtime computation which Federal firefighters experience under the general schedule, it has become increasingly difficult to recruit and keep trained firefighters. The compensation and opportunities for career advancement offered by State and municipal fire departments is generally more attractive than the current compensation offered by the Federal Government.

The pay schedule and overtime provisions in the bill accurately reflect the nature of the duties and responsibilities of Federal firefighters at every level of the Federal fire service. Also, careers in the Federal fire service will be more attractive to competent and well-trained firefighters.

A RICH SYMBOL IN A SYMBOL-POOR WORLD

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DOWNEY. Mr. Speaker, on June 21, 1989 the Supreme Court handed down its decision in the Texas versus Johnson flag burning case. Like so many other citizens of this great country I was dismayed by the Court's decision. In condoning the desecration of the flag the Court has denied protection to the United States' most powerful and endearing symbol.

This decision comes at a time when we as a nation need the strength that comes from our flag and all that it symbolizes. It is a symbol for the Nation, a rallying point in times of trouble, and a unifying force in times of peace. More than any other national symbol, the flag reminds us of the ideals that were voiced by our Founding Fathers. It emboldens and stirs our hearts. It has moved a nation to accomplish great deeds in times of adversity. It reminds us of what we have been, what we are, and what we can become.

Yet the flag is more than a symbol for ideas and ideals. It is a symbol of actions and deeds. Who is not moved by the sight of the Marines struggling to hold the flag aloft at the Iwo Jima Memorial? Or by the flags which mark the final resting places of those who made the ultimate sacrifice for the flag and the country it represents? One of the most moving sights that I have ever witnessed has been the sight of over 250,000 flag-marked graves at Pine Lawn Cemetery in Lindenhurst, NY. I cannot fathom what that sight means to those who visit loved ones there. No words can express the emotion of seeing the flag at half staff or draped upon the casket of honored dead. The flag has been there when we as a nation witnessed brave astronauts expand the frontiers of science and discovery, and tragically, when those efforts cost them their lives.

For these reasons and so many more the flag instills passion in the hearts of Americans. I am proud that one of the privileges of being a Member of Congress allows me to distribute flags to my constituents. Over the 14 years that I have been in Congress I have had thousands of flags flown over the Capitol for constituents. I am happy to note that I receive more requests every year. I have also chosen to display the flag both inside and outside my office because of my intense pride in the principles that it represents.

The flag is a living symbol of our Nation and its aspirations and ideals. It is a testament to the unity of our Nation despite political and geographical differences. It represents the ideas which forged a nation and the ideals of the men and women who have led that Nation to greatness. It is a sacred symbol of the deeds and actions of those who gave their lives so that we may continue to enjoy the privileges of the Nation that it stands for. For all that our flag represents we cannot allow it to be desecrated. I pledge myself to do all that I can to preserve the honor and integrity of our flag.

RULE ON H.R. 1594, TO EXTEND MOST-FAVORED-NATION STATUS [MFN] FOR HUNGARY FOR FIVE YEARS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 1594, to extend most-favored-nation status [MFN] for Hungary for 5 years.

RECYCLING PROMOTION ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. WYDEN. Mr. Speaker, today I am introducting a bill to promote recycling in this country. Solid waste is a big problem. Every Member of this House represents hundreds of thousands of people who have garbage. Any wise strategy to deal with that garbage has to include recycling. The bill I am introducing today, with Mr. RINALDO and Mr. HOCKBRUECKNER, offers the foundation of a sound, coordinated, and flexible Federal program to promote recycling.

First, it will promote markets for goods with recycled content. What good is that? Isn't recycling about sorting your trash and returning your bottles to the grocery store? I'm from Oregon, where we do sort our trash and return our bottles, and we think that's important. But unless we have something to do with the paper and the bottles and the plastic, separating it out is an empty exercise. It will end up in the landfill anyway.

So this bill will promote markets for recycled products. It directs the Commerce Department to gather information on use of recovered material, to coordinate recycling related business-promoting efforts at EPA, SBA, DOE, and other agencies, and to promote innovative uses of recycled material. It encourages Federal agencies to "Buy Recycled" though an overhaul of our cumbersome and sometimes

confusing existing law on Federal purchase of recycled goods. And it directs Federal agencies to weed out regulatory restrictions that hamper recycling.

Second, this bill will encourage sound solid waste planning on the State and local level. It directs EPA to work with the States to gather inventory data on the waste we generate and the options we have to deal with it. It sets new guidelines for responsible planning for the States, and rewards the States that comply by allowing them to refuse to accept garbage from States that don't have a responsible solid waste plan.

Third, this bill will lay down new standards for consumer packaging. It will allow EPA to stop the use of materials like toxic inks that make packaging difficult to recycle. It will promote wise consumer choice by establishing standards for the use of terms like "recycled" and "recyclable" and requiring packaging that can't be reclaimed to bear an "unrecyclable" label. And it will establish a system for coding of plastic containers to make their recycling more practical.

Fourth, this bill will allow EPA to single out items for special treatment if they need to be separated from the normal waste stream for safe recovery or disposal. An example is car batteries. Consumers will be able to return these to stores where retailers or distributors can channel them to safe recyclers. It's a system that may be put to work for a variety of consumer goods, from tires to old insecticide containers. And it will allow the market to reflect the true costs of disposal of these items.

Finally, the bill has a special incentive for Federal agencies to recycle. It gives their budgets credit for any money they earn by selling separated paper or other garbage. That's money that now goes straight back into the general Treasury pot.

This bill is not a complete answer to our solid waste problems. In the recycling area alone, there are many promising legislative ideas already before this body—including in the bill authored by one of my cosponsors, Mr. HOCKBRUECKNER. But my bill does offer some new ideas I think many can support.

Sometimes in our rush to progress, we have been more clever than wise. We have built both great cities and great piles of trash.

These days of limited budgets and not-in-my-backyard politics demand that we be both clever and wise: Clever, to do more with limited finances, and wise, to find acceptable solutions to protect our environment. That is a tall order, but it is in that spirit that I offer this bill. I hope that for a small investment of Federal effort, it will return a great environmental return.

TRIBUTE TO LEE RIGGAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise to pay tribute to Mr. Lee Riggan, executive director of the Ventura-Oxnard Commission on human Concerns, who recently received the 1989 Ventura County Commission on Human Concerns Angel Award.

Mr. Riggan graduated from California State University, Northridge, with both a bachelors degree and a masters degree. In 1976, he joined the commission on human concerns, a nonprofit agency which is a major source of assistance to Ventura County's poor. The commission on human concerns is instrumental in providing food, homeless service, legal assistance, and affordable housing to those in need.

Mr. Riggan has since served this organization in various positions: community developer, Nutrition Outreach Program coordinator, senior program developer and analyst, acting director of planning and community development, and currently executive director.

Mr. Riggan's commitment to the commission on human concerns has proved to be invaluable. Therefore, I ask the House to join me in paying tribute to Mr. Lee Riggan for his dedication to the betterment of mankind.

PERSONAL EXPLANATION

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. OXLEY. Mr. Speaker, due to the Findlay, OH, "Rally Around the Flag," I was unavoidably absent missing one rollcall vote this morning. Had I been present, I would have voted "yea" on rollcall 128.

PARIS HUMAN RIGHTS MEETING CONCLUDES

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HOYER. Mr. Speaker, on June 23, the 35 States participating in the Conference on Security and Cooperation in Europe [CSCE] completed in Paris the first of three 4-week meetings on what has been called the Conference on the Human Dimension of CSCE or the CDH. The meeting, mandated by the Vienna Concluding Document, examined a wide range of human rights and humanitarian issues within the context of the Helsinki process.

The head of the U.S. delegation to the meeting, Ambassador Morris Abram, was instrumental in pursuing the U.S. objectives in seeking full implementation of the human rights and human contacts provisions of the Helsinki accords. He was a skilled negotiator and orator who won the respect of many of the representatives of the 35 nations gathered. Ambassador Abram, by the way, will become our representative to the United Nations in Geneva, Switzerland, and I wish him much success with his new responsibilities there.

In addition, there was a strong presence in Paris of nongovernmental organizations and private citizens concerned with human rights—from both East and West. These groups and individuals, as well as public members on the U.S. delegation, provided much substantive information on compliance with CSCE human rights commitments, as well as support for the CSCE process.

The Commission on Security and Cooperation in Europe, on which I serve as cochairman, also played an active part in the U.S. effort at the Paris CDH Meeting. Prior to the opening of the Paris meeting, the Helsinki Commission held a hearing on human rights trends in the U.S.S.R. The proceedings from that hearing helped form many of the themes that were discussed by the U.S. delegation during the Paris meeting. Senator DENNIS DECONCINI, the Commission's outstanding chairman, had the opportunity to attend the opening session of the meeting, where he also held a bilateral meeting with representatives from the Soviet delegation.

In addition, I, along with my colleagues BEN CARDIN and DENNIS ECKART traveled to Paris near the end of the meeting, at which time I introduced a U.S. proposal during a plenary session calling for free elections and the establishment of multiple political parties within all the signatory countries. This proposal, Mr. Speaker, represents a long-term Western goal: democracy in the Soviet Union and Eastern Europe, government based on the will of the people. As we have seen during the past year, the citizens of the Soviet Union and Eastern Europe long to exercise their right to determine their own future, a right which has for so long been denied them. It is time for free elections and political pluralism in these countries, and the Paris meeting set the stage for realizing these goals.

The Paris meeting achieved a number of positive results. There was a thorough review of the implementation of commitments undertaken by the participating States when they adopted the Vienna Concluding Document in January 1989. During this review, progress in implementation was acknowledged, as it should be. However, continued Soviet and East European violations of the rights of national minorities and religious believers and restrictions on the rights of free assembly, association, and expression, as well as noncompliance with human contacts provisions, were also given considerable attention.

The brutal treatment of the Turkish minority in Bulgaria during the course of the meeting, including mass expulsions from that country, was condemned by many of the delegations, as was the continued existence of the Berlin Wall. Romania was criticized heavily and repeatedly for denying even the most basic rights to its citizens. Even the Soviet Union joined in criticizing the announcement that the Romanians had begun construction of a barbed wire fence along its borders with Hungary. Outstanding Soviet family reunification cases were raised, as was the denial of self-determination to the Baltic peoples. Czechoslovakia was criticized for harassing, detaining, and imprisoning human rights activists, however, the criticism apparently fell upon deaf ears as we have learned today that Frantisek Starek, a Czechoslovak underground publisher was sentenced to a 2½-year jail term for his alleged dissident activities.

The United States was criticized as well, in particular for denying visas to official Soviet trade union members and for not ratifying the International Covenants on Human Rights. The above actions by the signatory States typify how far we have come, yet what distance remains in obtaining full implementation of the provisions of these documents.

In Paris, there was also an in-depth discussion of the human dimension mechanism described in the Vienna Concluding Document, which provides for continuing dialog on individual cases or broader human rights issues between East and West. Romania was strongly criticized for its refusal to work with other States within the framework of the mechanism, and Western countries expressed a desire to see future use of the mechanism lead to actual improvements in CSCE implementation.

The Paris meeting ended without adopting a concluding document. The United States and others questioned the need for one from the very beginning, since the meeting took place so soon after the adoption of the Vienna Concluding Document and while significant violations of that document were still taking place.

The Commission believes, Mr. Speaker, that the Paris meeting advanced our overall goal of fostering greater respect for human rights and fundamental freedoms in the Soviet Union and Eastern Europe. While the Paris CDH Meeting was useful its success ultimately depends on the extent to which it will lead to improved compliance with CSCE provisions. As the Commission prepares for the next CDH meeting in Copenhagen, we will look for improved Soviet and East European compliance with the Helsinki Final Act and the Vienna and Madrid Concluding Documents. In particular, we expect the Soviet Union and others to live up to their commitment to find solutions to all outstanding human contacts cases within 6 months of the conclusion of the Vienna meeting. This deadline is set for mid-July. We will also continue to press for greater use of, and better response to, the human dimension mechanism, which can point to places where improvement is so desperately needed.

LET'S FIGHT CRIMINALS, NOT HONEST CITIZENS

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. CRAIG. Mr. Speaker, I am pleased that the President's crime package contains many reforms I have long supported, including an enforceable Federal death penalty and tougher, mandatory penalties for violent crime.

However, there are two provisions that have no place in a crime control measure like this, and I urge my colleagues to join with me in working to remove them from the package.

The domestic assembly provisions of the bill could allow the Secretary of the Treasury to ban domestic manufacture of some firearms that are widely used by law-abiding citizens today. The section of the bill restricting gun clips and magazines is not only impractical and unworkable, but the kind of registration it contemplates has been considered and rejected by Congress.

These provisions do nothing to stop criminal violence, nothing to strengthen the hand of law enforcement and nothing to make this country a safer place to live. Instead, they create new problems for law-abiding citizens, new burdens for our police and prosecutors, and new restrictions on constitutional rights.

I'm happy to join the President's fight against criminals—not against honest citizens.

TRIBUTE TO ALAN M. KRANOWITZ

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SCHUETTE. Mr. Speaker, in my three terms in the U.S. House of Representatives, I have met many dedicated and talented individuals.

Some however stand out. One of these standouts is Alan M. Kranowitz, an individual who I am proud to call my friend.

I first met Alan in December 1984, shortly after being elected to the 99th Congress. At this time, Alan was working with our former colleague Tim Loeffler. In these early days and weeks in the House of Representatives, Alan provided me with guidance and counsel ranging from the idiosyncracies of the legislative process to office personnel matters. I was most fortunate to come to know a seasoned professional like Alan in my first few months in office.

My friend Alan Kranowitz has spent a majority of his adult life in public service working with such distinguished Members of the House of Representatives such as Tom Loeffler, BOB MICHEL, Dick Cheney, and Senator THOMAS J. DODD as well.

Certainly President Reagan and President Ford were well served by Alan's various responsibilities in the White House during his tours of duty at the other end of Pennsylvania Avenue. This institution and the Executive Branch miss his prowess, knowledge, and insight. When Alan Kranowitz left government this past March to enter the private sector, the public sector lost a vital and keenly sensitive man.

But, his family—his lovely wife Carol and his two fine sons David and Jeremy, will enjoy more time with their father and husband.

I for one miss his presence and advice. But, I am fortunate nevertheless in having had the opportunity to work with him. Moreover, the friendship that he and his family have provided me will remain always.

SMALL ISSUE DEVELOPMENT BOND PROGRAM

HON. CHARLES HATCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HATCHER. Mr. Speaker, last week I introduced a resolution calling for a 1-year extension of the Small Issue Development Bond [SIDB] Program. I believe that this program is the most effective Federal tool for assisting economic development efforts at the local level. State and local governments issue these tax-exempt bonds, and they are used to finance the construction of new manufacturing plants or expand existing businesses. Small issue bonds enable small- and medium-sized businesses to obtain capital at rates competitive with those charged to large corporations.

Our colleagues on the Ways and Means Committee are scheduled to consider expiring tax provisions on July 11 when we return from the July 4 recess. It is imperative that extension of this expiring tax provision be included in any 1989 tax legislation. Of all the tax provisions expiring at the end of 1989, the Small Issue Development Bond Program is the least expensive. Extension of this program represents a Federal revenue loss of only $7 million during fiscal year 1990.

Mr. Speaker, we have seen many economic development programs eliminated or severely curtailed in recent years. The SIDB Program is a cost-effective means for stimulating job creation and economic growth in both rural and urban areas. Over 55 of my colleagues in both parties have joined me in cosponsoring this resolution, and I ask for the support of the rest of my colleagues in my effort to see an extension of this program included in 1989 tax legislation.

A TRIBUTE TO RICK AZAR

HON. BILL PAXON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. PAXON. Mr. Speaker, today I rise to pay tribute to an outstanding gentleman who has been a household name in western New York for three decades.

On Friday, Rick Azar will retire as sports director and anchor of WKBW-TV, the ABC affiliate in Buffalo, NY.

For the past 24 years, thousands of Buffalonians have tuned in to Eyewitness News every evening to get their report of the day's events from the longest running anchor team in American broadcast history.

I rise today not only to commend Rick Azar for his many years of professional accomplishment but to also pay tribute to Rick as a lifelong western New Yorker, a graduate, like me, of St. Joe's High School and Canisius College, and above all, a committed family man who has been deeply committed to improving the quality of life in his home town.

And, most importantly Rick, . . . anyone who has had to sit next to Irv Weinstein every night for the past 24 years certainly deserves high praise from the U.S. Congress!

Mr. Speaker, I ask my colleagues to join me in congratulating Rick Azar and wishing him continued health and happiness in his retirement.

29-059 O-90-25 (Pt. 10)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

NATIONAL LAW ENFORCEMENT TRAINING WEEK

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. ASPIN. Mr. Speaker, as of today, 345 of my colleagues have cosponsored House Joint Resolution 273, a bill I introduced on May 18, 1989, declaring January 7, 1990 through January 13, 1990, as "National Law Enforcement Training Week."

We all know the difficulty and hard work that goes into passing laws but we can only imagine the difficulty, hard work, and danger that goes into enforcing those laws. The dangers of law enforcement are evidenced by the fact that in the last 10 years 1,525 police officers have been killed, 204,584 have been injured and 590,822 have been assaulted. An even more frightening statistic is that every 57 hours another American law enforcement officer is killed in the line of duty. Over the past 10 years the importance of law enforcement training has increased by incomprehensible measures as crime wars continue to rage. Drug kingpins and their cohorts are defending their crack with semiautomatic weapons and it is imperative that we give our law enforcement officers more than a fighting chance. Law enforcement training is our law enforcement professionals' tool against today's savage crimes. It teaches officers survival techniques so they can combat criminals in every possible setting and situation giving the officers a greater chance of coming out on top. The time has come for Congress to recognize and encourage the important role law enforcement trainers play in protecting our law officers so that they can continue to protect themselves as well as the law-abiding citizens of our country.

"Law Enforcement Training Week" would pay tribute to professionals, as well as emphasize the importance of the profession. Because law enforcement trainers are out of the public eye, they are rarely noticed and House Joint Resolution 273 would give them the attention they have earned and that they heartily deserve.

On June 9, 1989, the Senate passed Senate Joint Resolution 137, the companion bill to House Joint Resolution 273 by voice vote. Today I urge all of my colleagues in the House to join me in voting for this most important commemorative, House Joint Resolution 273, "Law Enforcement Training Week."

JUSTICE DEPARTMENT GUN CONTROL STUDY

HON. TOMMY F. ROBINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. ROBINSON. Mr. Speaker, during consideration of the Anti-Drug Abuse Act in the last Congress, we passed a measure introduced by Representative BILL MCCOLLUM, which directed the Department of Justice to conduct a study and to produce a list of options to prohibit ineligible persons from purchasing guns. On Monday that study was published in the Federal Register, and I am greatly disturbed by what is known as option B-2.

Under option B-2 the Justice Department would require that all Americans be issued a smart card. It is a standard identification card, like a driver's license, that would be electronically encoded with identification information such as fingerprints and prior police record. The smart cards would be updated with any information that would disqualify someone from purchasing a gun. The cards would be run through a reader at the gun shop to identify the buyer and inform the dealer if the buyer is eligible to purchase the weapon or not.

This concept is so radically different from anything we have had in the past that cost estimates are impossible. Every citizen would have to be issued a card, criminal justice agencies would need to be provided with the facilities to update these cards, gun dealers would have to be provided with readers for the cards, and a biometric data base for the Nation's entire population would have to be developed.

A national identification policy will be resisted by many people and rightfully so. National identification systems are Government attempts to control our lives and movements. This is the way of Stalin's Russia and Hitler's Germany. This is the way of minority rule in South Africa and their pass laws. Big Brother is coming to life. This is not the American way. What will be next—video cameras in our homes to make sure we do not mistreat our families. This policy is a ridiculous invasion of our privacy.

We must not let this policy go into effect but must search for other means to keep guns out of the hands of felons. We should get tough with those members of our society who use firearms to break the law and enforce the laws we already have which increase the penalties for crimes where a firearm is used. We should establish the death penalty for police killers and prosecute felons who are found to be in possession of a firearm. Let's get tough with those that break the law, and stop invading the privacy of law-abiding citizens.

ZAIRE AND TULANE UNIVERSITY: PIONEERING PARTNERS FOR HEALTH

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mrs. BOGGS. Mr. Speaker, while President Mobutu Sese Seko of Zaire is making an official visit to Washington as a guest of President Bush, I would like to take this opportunity to acknowledge the achievements and contributions of Tulane University's School of Public Health and Tropical Medicine in Zaire.

Tulane University with the assistance of the Government of Zaire and the United States Agency of International Development, has created the School of Public Health at the University of Kinshasa with the first class having graduated in 1987. The major objective of the project is to develop a fully accredited school of public health around the Department of Public Health in the University of Kinshasa Medical School, the primary Zairian training facility for medical personnel. The program enrolled 25 health professionals in its master's degree program in 1986, 23 in 1987, and 19 in 1988. Regular course offerings and continuing education courses include microcomputer technology, health and management information systems, planning, management and administration, applied research, statistics and epidemiology, demography, family and community health, and health education.

The Zaire School of Public Health's mission is to prepare a cadre of public health practitioners for leadership roles in Zaire and the Central African region. This need has long been established, and the situation is especially pressing in Zaire. Through the efforts of Tulane, the United States Agency for International Development, the University of Kinshasa, and the Government of Zaire, positive steps have been taken to achieve the World Health Organization's primary health care goal of "health for all by the year 2000."

Zaire is thought to have one of the highest rates of AIDS infection in the world. As such, AIDS research is a primary concern of the Zairian Government. Research efforts in the School of Public Health focus on applied investigations related to AIDS and child survival issues. Specialized facilities within the school include one of the largest public health libraries in French-speaking Africa, a modern microcomputer laboratory, public health laboratories for medical diagnosis, clinics and hospital services.

Tulane University is also working with the Centers of Disease Control to collect data on AIDS in Zaire. A $1 million contract with the U.S.A.I.D. will fund a program directed by Tulane which will introduce modern birth control practices in rural villages that are virtually isolated from modern medical facilities.

I am delighted to inform my colleagues of efforts being made in my home State which improve the quality of life everywhere. Tulane's involvement in Africa has grown steadily since the mid-1970's. In addition to its family planning and public health projects in Zaire, Tulane projects in Africa include developing inter-institutional linkages in Senegal, schistosomiasis research in Cameroon, a famine early warning system in six Sahelian countries (Mauritania, Mali, Burkina Faso, Niger, Chad and Sudan), policy and institutional reform in the health sector of Niger, health and information planning in Kenya, and food nutrition surveillance in Madagascar. Largely funded by the Agency for International Development, these projects represent significant economic gains in these developing nations.

I commend the efforts of Tulane University to develop innovative programs in the public health sector. The new Zaire School of Public Health provides a long-needed institutional foundation for state of the art training and research for a large region of the African continent.

HONORING CHRISTINA CHALUPA

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. RUSSO. Mr. Speaker, remembering and understanding history is one of the most important ingredients for securing a bright future. Today I pay tribute to someone who has shown an understanding of the importance of history. Christina Chalupa participated in a map contest at school celebrating the bicentennial of our Constitution which required students to design a map illustrating important aspects of early America. I am sure I join her teachers at the high school for agricultural science in the third District of Illinois in showing appreciation for her outstanding research in the commerce, navigation, and agriculture of early America. I wish to congratulate her for winning that competition and encourage her to continue her interest in and dedication to understanding the history of our country.

URGENT FUNDING NEEDED FOR MAINE STATE AND LOCAL LAW ENFORCEMENT AGENCIES FOR PRESIDENTIAL SECURITY

HON. JOSEPH E. BRENNAN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BRENNAN. Mr. Speaker, I am introducing legislation today calling for $160,000 to go to the State and local law enforcement agencies for the payment of additional necessary security services for President Bush during his visits to his Kennebunkport residence. These funds would be provided annually from fiscal years 1990 through 1993, or until the end of President Bush's term in the White House.

It is a great honor and privilege to have the President of the United States as a resident of the State of Maine. State, county, and local law enforcement officials are very proud to help meet the security needs of the President. However, the increased responsibility has placed a heavy financial burden on these departments, especially the smaller departments, which are already hard pressed for funds.

I believe it is only right that the Federal Government help these small local police departments with this assistance.

MSGR. JOHN B. GOLLAS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. MURTHA. Mr. Speaker, I would like to recognize an individual who has given many years of service and devotion to the Johnstown, PA area. Msgr. John B. Gollas recently retired as pastor at St. Stephen's Church in Johnstown. His love and caring for the many individuals who have attended St. Stephen's has brought light into the lives of these people. Many of the parishioners of St. Stephen's have lived through the tough times that Johnstown has experienced, whether it was the disastrous 1977 flood or the severe economic downturns that our area has experienced. But Msgr. Gollas' faith and efforts have aided and comforted families not only in these difficult times, but also through many happy and joyous occasions.

Msgr. Gollas became assistant pastor at St. Stephen's in 1947, served there in that capacity through 1953, and returned to St. Stephen's as pastor in 1967. I am sure that his new status as pastor emeritus will keep him active in our community, but will also give him time to enjoy his retirement. If anyone has earned the opportunity to relax after so many years of service to his community, it is Msgr. Gollas. I wish him well, and thank him on behalf of the people of our area for his work in bettering the lives of all of us.

A TRIBUTE TO MICHAEL "CHUB" DRAKULICH

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to honor an outstanding citizen of Las Vegas, Michael "Chub" Drakulich. He is retiring after becoming the University of Nevada, Las Vegas' first athletic director in 1958. Chub built the foundation for what has become one of the most competitive intercollegiate athletic programs in the country. He is truly deserving of recognition.

Chub first joined UNLV in 1958 after being lured away from Rancho High School. Without a gym and only a $10,000 budget, he was asked to start a basketball program. His team, perhaps as a sign of the future, only got better. In 1963, however, Chub stepped down as head basketball coach and devoted his time to the school's newly formed baseball program. Soon other sports followed—cross country, track, golf, and football.

In 1973, Chub culminated his 15 years as athletic director, but continued at UNLV as golf coach and instructor in the physical education department.

During the early years of UNLV, many people had a vision that some day it would become a major university. Chub Drakulich was one of them. This man, who was my own teacher and coach, worked very hard to help realize this vision and make UNLV what it is today.

Mr. Speaker, I urge my colleagues to join me today in honoring Mr. Chub Drakulich. His contributions to UNLV as its first athletic director, basketball and baseball coach have earned him respect and recognition throughout the State as one of Nevada's finest citizens.

DEPARTMENT OF ENERGY RECOGNIZES LUCY KNOWLES

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DERRICK. Mr. Speaker, I'm sure all of my colleagues are aware of President Bush's call for promotion of volunteer activities through a "Points of Light Foundation." In view of this call, I am pleased to announce that Ms. Lucy Knowles has been recognized by the Department of Energy as an exceptional employee for her outstanding volunteer service in the Aiken community.

An attorney at the Savannah River Site's office of chief counsel, Ms. Knowles serves as president of the Family Counseling Service of Aiken. She also volunteers as a community arbitrator for the second judicial circuit solicitor's office.

In her position as community arbitrator, Ms. Knowles guides first-time juvenile offenders through an innovative program that includes the child, the family, the victim, and the law enforcement officer. In addition, Ms. Knowles has provided free legal services to abused women. I am well aware of the work that Ms. Knowles has done for the Aiken community. Her dedication to civic affairs is an inspiration to us all.

It is through volunteers such as Ms. Knowles that Americans are recovering one of their greatest assets: families. I salute her for her efforts.

MISSISSIPPI DEEP SEA FISHING RODEO PAYS TRIBUTE TO AMERICAN POW'S, MIA'S

HON. LARKIN I. SMITH

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. SMITH of Mississippi. Mr. Speaker, I want to call attention to a model of community spirit and achievement, and to a special tribute to our American former prisoners of war and our men still classified as missing in action.

The model of community achievement is the Mississippi Deep Sea Fishing Rodeo. Since its creation in 1947, through the cooperative efforts of citizens of Gulfport, MS, and their neighbors on the Mississippi gulf coast, this rodeo has grown to become known as the world's largest fishing rodeo. This annual event is truly a highlight for the Mississippi gulf coast and the Southeastern United States.

This year, I am proud to report, the rodeo is dedicated to our former prisoners of war and MIA's. These veterans have truly tasted the bitter absence of freedom that they have fought to preserve for all of us.

Let us join with those patriotic citizens who will celebrate the 41st annual Mississippi Deep Sea Fishing Rodeo on June 30 through Independence Day, July 4th, in this fitting tribute and expression of appreciation for these

veterans who have served their country with tremendous sacrifice.

TRIBUTE TO B.F. "BEN" WHITTINGTON

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mrs. BYRON. Mr. Speaker, it has been brought to my attention that for nearly 40 years, Mr. B.F. "Ben" Whittington of Brunswick, MD, has been a bright spot in the working day of many Washington bureaucrats, including congressional staff. As a conductor and trainman on the MARC commuter system, Ben has faithfully and cheerfully greeted his supporters and lifted their spirits as they begin and end their workday in the Nation's Capital. Although not himself an expert in Government matters, Ben has the unique ability to understand complex issues of foreign and domestic affairs, and to simplify problems in a down-home style of his own that intrigues his passengers. Ben was never content to be just a ticket "puncher"; he envisioned and successfully accomplished a much broader mission, that of bringing laughter and friendship to his passengers.

I am proud to have Ben as one of my constituents, and join with his many friends and admirers in wishing him a healthy and peaceful retirement.

TRIBUTE TO JAMES O'CONNOR

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. COBLE. Mr. Speaker, the men and women who comprise the police departments around our Nation perform acts of heroism on a daily basis. For the most part, they go about their tasks with little notice or gratitude. Every now and then, however, police officers go beyond the call of duty and show all of us why we should be thankful that these men and women are willing to serve our communities.

A police officer from the High Point, NC, Police Department recently performed a feat of true courage, and I would like to share his story with you. His name is James O'Connor, and on June 7, 1989, Officer O'Connor saved a woman's life. The disturbed woman was trying to kill herself, but thanks to his valiant efforts, the woman is alive today.

O'Connor was driving his patrol car down Main Street in High Point about 8:40 p.m. on Wednesday, June 7, when he noticed a woman standing on the bridge sidewalk with her head bowed. He circled his patrol car and was approaching the woman again when three teen-age boys told him they thought she was going to leap from the bridge. As he got out of his car, the woman climbed over the safety railing, facing Main Street with her back to the railroad tracks.

As a train roared by, the woman began to jump, and Officer O'Connor grabbed her. He was only able to grab her hair and her right arm, and he slipped more than halfway over the safety railing himself. As she struggled to get away from him, Officer O'Connor managed to hook his leg through the railing. They hung over the railing with the train passing below until the three teenagers assisted Officer O'Connor in pulling the woman to safety. He told the High Point Enterprise, "I don't know why I grabbed her. But when I grabbed her, I knew I had to pull her up. It's just the type of thing that happens. There's no planning for it, you have to act."

The true acts of courage require no planning. You either act or you don't. In Officer Jim O'Connor's case, he acted quickly and without thought to his own safety. He saved a troubled person who wanted to end her life, and he did so by risking his own. I do not know Officer O'Connor personally, but I am sure he would not classify himself as a hero. In my mind, however, he is a true American hero.

Perhaps the most unsung heroes in this tale were the three teenagers who aided Officer O'Connor in his daring act. During the commotion that followed this incident, they quietly slipped away. We don't know their names, but we are proud that they call High Point, NC, home. Thanks to them and Officer Jim O'Connor a troubled young woman will get a second chance.

PERSONAL EXPLANATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. GOODLING. Mr. Speaker, I was unable to participate in business on the floor of the House of Representatives on June 27 and 28, 1989, for medical reasons. Had I been present, however, I would have voted in the following manner on these rollcall votes:

Vote No. 109, "nay."
Vote No. 112, "nay."
Vote No. 113, "yea."
Vote No. 114, "nay."
Vote No. 115, "yea."
Vote No. 117, "nay."
Vote No. 118, "nay."
Vote No. 119, "yea."
Vote No. 120, "yea."
Vote No. 121, "yea."
Vote No. 122, "nay."
Vote No. 123, "yea."

LEFFERTS HUTTON'S LEGACY

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. KOSTMAYER. Mr. Speaker, from the time I ran for Congress more than a dozen years ago, and in every election since, my constituents have urged me to do everything I could to preserve our Nation's heritage of open space, clean air, and pure water.

Over the years, no voice was more consistent or stronger in expressing that view than that of my good friend, Lefferts Hutton. Long before I came along, indeed long before most Americans had given the issue much thought, Leff was a nationally recognized pioneer in the environmental protection movement stressing the dangers of our throwaway society and promoting alternatives to many of our careless and polluting methods of industrial production and waste disposal.

Among the enormous number of environmental projects he undertook along with his wife Ginny, Leff in 1968 founded the Hutton Recycling Center, a volunteer recycling program and environmental information service. In 1977, both Leff and Ginny were selected by the U.S. Environmental Protection Agency to be part of the U.N. Environmental Program's International Referral System. The referral service was set up to handle inquiries on environmental problems around the world. Throughout the years, the Huttons worked in almost every State and in Canada to promote recycling centers and environmental education.

Somehow, Leff also found time to serve as chairman of the Bucks County Audubon Society's recycling committee from 1970 to 1978, to serve as a proud member of the U.S. Army Reserve from 1942 to 1972, during which time he saw 5 years of active duty, and to work as an executive in the Goodall Rubber Co., of Trenton, NJ until his retirement in 1978.

It is with great sadness that I rise today to acknowledge the passing of Leff Hutton and to thank him for his service to the citizens of Bucks County, the citizens of the United States and the people of the World. Leff was a man who was ahead of his time, and it is sad that only now are we in Congress beginning to tackle the environmental problems that Leff battled for some many years.

I will miss Leff, his friendship, and his wise counsel, and I know many Members of Congress join me in expressing sympathies to Ginny as well as all Leff's family.

A TRIBUTE TO MISS BRIDGET ASAY AND MISS JAMIE HUBBARD

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. COURTER. Mr. Speaker, today I would like to recognize two outstanding, dedicated, and extremely able interns who have successfully completed their internships in my Washington congressional office.

Miss Bridget Asay of Toms River, NJ, and Miss Jamie Hubbard of Basking Ridge, NJ, have both been of assistance to myself and my staff in helping to serve the people of the 12th Congressional District of New Jersey. It was my pleasure to have Miss Asay and Miss Hubbard in my office, and I hope that they were able to derive not only an educational benefit but a level of personal satisfaction from their internships.

Miss Asay is currently a student at Harvard University, and Miss Hubbard attends high school in Basking Ridge. I wish both of them continued success in their studies, and I also

want to extend my sincere wishes to Bridget and Jamie for a successful, happy, and healthy future.

HYDRILLA-GRASS CARP PROGRAM

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. HUNTER. Mr. Speaker, it is my distinct pleasure to congratulate the members of the Imperial Irrigation District Hydrilla/Grass Carp Program. On June 7, 1989, they were honored by the U.S. Department of Agriculture with a Distinguished Service Award. The program participants who received the award include Dr. Randall K. Stoker, program director, Neal R. Hagstram and Michael D. Remington, biologists, J. Robert Wilson, water department manager, and Claude Finnell, former Imperial County Agricultural Commissioner.

Their work is of great importance because they have been able to successfully control the hydrilla aquatic weed problem that restricts the State's water flow in irrigation and drainage channels.

Hydrilla was first found in the All-American Canal in 1977 and since then it has become the IID's most serious water weed problem ever. Its high growth rate necessitates the constant removal of the weed. Mechanical methods proved expensive and temporary, while chemical means were found to be harmful to the environment and the drinking water.

In 1985, after 3 years of research, the district team introduced a sterile grass carp that would not endanger the native fish populations, yet would consume the hydrilla weed and eradicate the problem. The high stocking rate of fish resulted in a 95-percent removal of all hydrilla in the IID's water delivery system.

The program has been so successful, it is now being used in the northern Mexico irrigation system, and several irrigation districts in the United States have expressed an interest in developing a similar program.

Once again, Mr. Speaker, I would like to commend the award winners for their outstanding achievements in finding creative solutions to the conservation of our vital resources.

OPENING OF AN ARTISTIC DISCOVERY: THE CONGRESSIONAL ARTS COMPETITION

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. CARR. Mr. Speaker, I rise today to bring to the attention of my colleagues the opening of "An Artistic Discovery," the Congressional Arts Caucus' national art exhibition and awards ceremony for high school artists. Today's opening is unique for several reasons, and I believe the key to its uniqueness lies in its title—specifically, in the word "discovery."

To "discover," according to Webster's, means "to obtain sight or knowledge of for the first time," and also, "to make known or visible." Accordingly, today's festivities are the result of a long and concerted effort, on the part of 255 Members of Congress and their staff, to obtain knowledge of their districts' most outstanding young artists, and to make their artwork visible to the Capital and to the Nation. In implementing this arts competition, we Members of Congress have gained new insight into the hearts and minds of America's youth. And inviting the young artists here to Capitol Hill, we hope they will learn a little more about the people who will be admiring their artwork during the months to come. So, on one level, this celebration represents a dialog of discovery between and among legislators and artists. I think we can learn a lot from each other.

This process of discovery, however, was set into motion even before the Congressional Arts Competition got underway. Ample credit must also be given to the winners' parents and teachers, who recognized the talents their students or children possess, and encouraged them to share their special gifts with the rest of us. In many other nations, institutions like school and family—not to mention government—are far too frequently associated with the active discouragement of self-expression. By contrast, the support of the parents and teachers here today has enabled families and schools to function as places of discovery: places where self-expression is encouraged, creativity nurtured, artistic vision allowed to flourish.

This artistic vision is the final, and certainly the most important, element of discovery involved in today's festivities. As you look upon the artwork of these students, new worlds will begin to unfold your eyes. Innovative choices of subject matter, bold juxtapositions of color and line, imaginative explorations of various media—these are the predominant characteristics of the winning artwork. Such boldness, innovation, and vision, moreover, are the qualities of leadership. As their presence on Capitol Hill suggests, today's young artists are tomorrow's leaders. With their talent and imagination, the young men and women here today have the potential to shape the future: to obtain sight of new territory, and to make this territory visible to the rest of us. For this reason, these young artists deserve our ongoing attention, support, and respect. By continuing to foster a spirit of artistic discovery in our young people, we stand only to gain—as individuals, and as a nation.

UKRAINIAN INDEPENDENCE DAY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. DINGELL. Mr. Speaker, on June 30 of this year, the Ukrainian Cultural Center of Warren, MI, will be honoring the Restoration of Ukrainian Independence, which took place on June 20, 1941. Today I would like to commemorate this most significant day in Ukrainian history. All Ukrainians also remember that on January 22, 1918, the Ukrainians originally declared to the world their liberty and independence.

Although, by 1921, the people of the Ukraine were the subjects of a violent invasion by the Soviet Red Army, their brief rendezvous with independence is recognized as a symbol to all of their persistence and dedication to freedom.

The history of the Ukrainians is one of repression. They have long been denied even the most basic freedoms that we, as Americans, all too often take for granted.

Ever since the brutal occupation of their beloved homeland 68 years ago, then again 23 years ago, Ukrainians worldwide have gathered annually to rejoice in their short-lived triumph, hopeful that it will come again.

Today, I propose that we honor them, for their endless sufferance, their dignity, their contributions to humankind of rich heritage and passionate traditions, and, most of all, for their message of hope and faith that someday, God willing, freedom will once again reign over their peaceful territory.

REMINING AND RECLAMATION OF ABANDONED MINE LANDS

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1989

Mr. BOUCHER. Mr. Speaker, after many months of careful consideration and negotiations, I rise today to introduce legislation to encourage the reclamation of abandoned, previously mined coal lands. This is one of the pleasant instances where the environmental community and the coal industry agree that a change in the law is needed. While some aspects of the legislation will require further refinement in the effort to achieve complete agreement among the interested parties, the bill which I offer today provides a framework within which millions of acres of orphaned coal lands can be reclaimed.

We estimate that there are 13 million acres of abandoned mined land, which was mined and abandoned without reclamation prior to 1977, the year in which the Surface Mining Control and Reclamation Act [SMCRA] was enacted. Over its life, the Abandoned Mine Land [AML] fund, established by SMCRA to restore orphaned lands, will collect $3 billion, only one-tenth of the money necessary to relaim all of the abandoned mine lands. To date, only about 56,000 acres have been reclaimed. The current and future anticipated size of the fund is woefully inadequate to meet the existing orphaned land reclamation needs.

My bill would leverage the fund by providing financial incentives to operators so that in the process of remining, an appropriate degree of reclamation will occur. Last year I established a working group of industry and environmental representatives and State and Federal regulators. We agreed on both the general need for legislation and the kind of incentives that would be necessary to encourage remining. But we did not have time to complete our work before the 100th Congress adjourned.

Today's legislation is offered with the interest of rekindling these discussions which I believe can result in the passage of a remining initiative this year.

This measure includes a menu of financial incentives from which a mining operator may select a sufficient number to allow remining to take place. They are a waiver of the AML fees operators pay when coal is remined; some alternative form of bonding which will relieve operators of the burden of paying expensive bond premiums; a bonding credit pool that enables remining operators to obtain bonding credits which may be applied to virgin sites, and as a last resort, direct financial payments.

The bill also terminates the liability of remining operators for conditions that exist on the site when the remining operator enters. In essence, we will not continue to hold the remining operator responsible for damage caused by the original operator. The operator, however, may not allow conditions on the site to worsen.

And, under the bill, the operator may use soil from a first cut to cover toxic materials on an adjacent already mined area. In these instances, the operator will receive relief from the requirement that the first cut highwall be remined to the appropriate original contour. He must, however, use all spoil not needed for toxic material covering for highwall elimination.

The operator will select a mix of these incentives and propose a package along with the permit application. Incentives will be awarded only to the extent necessary to encourage the remining activity.

The remining permit itself would be issued only by the State regulatory authority. If the operator is seeking remining incentives, joint approval of the incentives part only by the State authority and the Office of Surface Mining will be required.

I have included a procedure to facilitate the review, which I intend to be conducted simultaneously by the State and OSM. This review will have a two step process. Within 60 days of the request, the operator will be given an advisory opinion by the State regulatory agency and OSM that the site (a) is likely to qualify, (b) may qualify, or (c) will not qualify. This opinion can be obtained with very little investment on the part of the operator. If the opinion is favorable, then a full permit application and application for incentives can be made.

OSM will be required to develop a formula for determining the cost to the AML fund of each incentive. Then, if more applications for incentives are received than moneys appropriated to the fund in a given year can justify, a priority of projects will be constructed.

The passage of this legislation is needed to assure the reclamation of abandoned surface mined lands nationwide. I look forward to the Subcommittee on Mining and Natural Resources' hearing on this bill so that we may continue our dialog among the members of the mining and the environmental communities. Mr. Speaker, I ask that the text of the bill be printed in the RECORD.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDING.

Section 101 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 120) is amended by redesignating paragraphs (i) through (k) as paragraphs (j) through (l) and by inserting after paragraph (h) the following new paragraph:

"(i) surface coal mining operations can achieve the reclamation of abandoned mined lands, the remining of which should be encouraged to maximize recovery of remaining coal resources and to maximize reclamation of abandoned mined lands in the process.".

SEC. 2. PURPOSES.

Section 102 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1202) is amended by redesignating paragraphs (i) through (m) as paragraphs (j) through (n) and by inserting after paragraph (h) the following new paragraph:

"(i) encourage the reclamation of abandoned mined lands by active surface coal mine operators;".

SEC. 3. OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT.

Section 201(c) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1211) is amended by redesignating paragraphs (5) through (13) as paragraphs (6) through (14) and by inserting after paragraph (4) the following new paragraph:

"(5) administer the programs authorized by this Act to promote the reclamation of abandoned mined lands by qualified surface coal mining operators;".

SEC. 4. USE OF MONEYS IN ABANDONED MINE RECLAMATION FUND.

Section 401(c) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231) is amended by redesignating paragraphs (8) through (10) as paragraphs (9) through (11) and inserting after paragraph (7) the following new paragraph:

"(8) to carry out the purposes and programs of title X;".

SEC. 5. RECLAMATION FEE.

Section 402(a) of the Surface Mining control and Reclamation Act of 1977 (30 U.S.C. 1232) is amended by deleting the period at the end of the subsection, inserting a colon, and adding the following at the end of the section: "*Provided, however,* That the Secretary in the interest of conserving natural resources and promoting reclamation of unreclaimed areas, and for furtherance of the purposes of this Act, shall have the authority by regulation to waive or reduce the reclamation fee imposed under this section for qualified persons engaged in remining activities approved pursuant to title X.".

SEC. 6. REMINING OF PREVIOUSLY MINED AREAS.

"(a) NEW TITLE.—The Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.) is amended by adding at the end thereof a new title as follows:

"TITLE X—REMINING OF PREVIOUSLY MINED AREAS

"SEC. 1001. COMPLIANCE WITH TITLE V.

"Any person who plans to mine a previously mined area shall comply with all standards, requirements and procedures set forth in title V, except as set forth in this title.

"SEC. 1002. DEFINITIONS

"As used in this title:

"(1) The term 'previously mined area' means any area disturbed by coal mining activity prior to August 3, 1977.

"(2) The term 'qualified applicant' means an applicant for environmental or financial incentives under this title who has been determined by the Director of the Office to have an outstanding record of mining and reclamation of mined land in the United States, according to standards developed by that office.

"SEC. 1003. ELIGIBILITY.

"(a) IN GENERAL.—Only the qualified applicants, as defined in this title, may be eligible for the remining incentives authorized under this title. The Secretary, by regulation, shall establish standards and procedures for determining eligibity.

"(b) MOUNTAIN TOP REMOVAL.—No application can be approved or any incentive awarded under this title for any project which uses in whole or in part mountain top removal as a method of extraction.

"SEC. 1004. APPLICATION REQUIREMENTS.

"(a) INCENTIVES.—A qualified applicant who plans to mine a previously mined area may submit as part of the permit application required by section 510 a request for specific environmental incentives or financial incentives or both, at the applicant's option.

"(b) FINANCIAL INCENTIVES.—

"(1) INCENTIVES AVAILABLE.—If an applicant submits an application for financial incentives to remine a previously mined area, the applicant may select one or more of the following incentives: (A) bond guarantee, (B) bond credits, (C) direct financial payment, or (D) waiver of the AML fee for coal produced in remining the previously mined area.

"(2) STATEMENT BY APPLICANT.—The applicant shall state why an incentive, and the level of incentive, sought is necessary to cause the remining to occur, and shall provide adequate documentation to support the request.

"(c) ENVIRONMENTAL INCENTIVES.—

"(1) INCENTIVES AVAILABLE.—Any qualified applicant who seeks an environmental incentive to remine a previously mined area may select one or both of the following incentives: (A) termination of liability and (B) disposal of spoil in adjacent toxic areas. The termination of liability provision shall be available only in circumstances where the applicant anticipates mining a previously mined area on which he will encounter toxic-producing materials or produce acid discharge.

"(2) TERMINATION OF LIABILITY.—If a qualified applicant seeks to terminate liability for his remining activities under this title, and that application is approved, each of the following conditions shall apply:

"(A) Liability for any and all actions taken during the mining or reclamation process and for the consequences or effects of the remining activity shall terminate only when the Director of the Office and the State regulatory authority determine that the person has complied with all requirements of the approved permit and mining and reclamation plan required by the Act, implementing regulations, and approved State program.

"(B) Only when the Director of the Office and the State regulatory authority determine that the operator has complied with the permit and mining and reclamation plan requirements, can the Director of the Office and the State regulatory authority terminate the person's liability for the site. When liability of the permittee is terminated, the fund shall assume responsibility for the site, including liability for claims by affected third parties under this Act or other law. Once the fund assumes responsibility for the site, the Director of the Office shall consider further reclamation of the site under normal AML priorities, except that,

in no case, may the Director of the Office allow the environmental conditions on or off site to worsen, or fall below conditions existing prior to the remining activity approved under this title.

"(C) The Secretary shall promulgate any regulations necessary to implement and administer this provision.

"(d) SUBMISSION OF APPLICATION FOR INCENTIVES.—The applicant shall submit an application for financial or environmental incentives, or both, to both the Office of Surface Mining and the State regulatory authority, and the concurrence of both shall be required for approval of any incentive under this title. Nothing contained in this section shall be construed to require approval by the Director of the Office of the permit application, as distinct from the application for incentives.

"(e) REVIEW PROCEDURE.—The Director of the Office shall establish by regulation an efficient and prompt procedure for reviewing applications under this title and for rendering a decision approving, modifying, or rejecting such applications. These procedures shall provide for the following 2-state review process:

"(1) A qualified applicant may request a preliminary determination by the Director of the Office and the State regulatory authority that the proposed remining activity is in a 'previously mined area' and therefore eligible for incentives under this title, and a preliminary determination that the proposed project will (A) not qualify; (B) may qualify; or (C) is likely to qualify for incentives. This decision, which is advisory in nature, shall be made within 60 days of submission of the request to the Office and the State regulatory authority of the proposed project and other competing projects under this title and shall be made upon consideration of its priority.

"(2) Upon receipt of the preliminary determination, or at any time if no preliminary determination is sought, a qualified person may submit an application for incentives, along with a permit application which complies with all title V procedures and meets all title V requirements. Review and processing of the application for incentives shall proceed simultaneously with the processing of the title V permit application; however, any financial and environmental incentives sought under this title shall be granted only upon the approval of both the Director of the Office and the State regulatory authority.

"SEC. 1005. APPROVAL STANDARDS.

"(a) APPROVAL OR DISAPPROVAL OR MODIFICATION.—The Director of the Office and the State shall, following public participation and other procedures established by regulation, approve, disapprove, or modify an incentive proposed by the applicant. The Director of the Office and the State regulatory authority may require any additional information they deem necessary to render a decision on the application, or discuss with the qualified applicant the level or nature of any requested incentive.

"(b) STANDARD.—The applications for financial or environmental incentives under this title shall be evaluated and approved by the Director of the Office and the State regulatory authority based on their determination that the proposed project will result in significant environmental benefit with the least possible cost or exposure to the fund. As a condition for the award of incentives under this title, the Director of the Office and the State regulatory authority shall have first determined that the proposed project would not proceed without the approval level of incentive.

"(c) RANKING.—If more applications from qualified applicants for remining incentives are received in a fiscal year than can be approved under the appropriated level of expenditure for that year, the Director of the Office shall rank the projects and approve for incentives those that provide the most environmental benefit with the least cost or liability to the fund.

"SEC. 1006. ESTABLISHMENT OF FORMULA TO DETERMINE EXPOSURE OF AML FUND.

"The Secretary shall establish by regulation a formula for determining the cost or exposure to the fund for each financial and environmental incentive, and shall apply that formula to each remining application submitted under this title. The Secretary shall provide to Congress quarterly a report which lists each project approved, all pending applications, any liability and costs incurred on the part of the fund for approved projects, and the requested incentives for pending applications.

"SEC. 1007. ENVIRONMENTAL INCENTIVES.

"(a) TERMINATION OF LIABILITY.—In cases where the applicant proposes a termination of liability for a mining operation, the applicant shall in his section 508 mining and reclamation plan and in his permit application specify the steps that he plans to take in the handling of toxic materials and acid water, in assuring revegetation of the site and in returning the land to a viable post-mining land use in accordance with title V requirements. The applicant shall further specify how he plans to meet the requirements of the Federal Water Pollution Control Act.

"(b) USE OF SPOIL.—In cases where the applicant proposes to use spoil generated by the remaining operation to cover toxic materials on adjacent areas, and not enough spoil exists or will be generated to cover the adjacent toxic materials and to eliminate the highwall on the previously mined area and return the mined land to approximate original contour, the applicant shall submit documentation of the existence of toxic materials in adjacent areas, and his plan for utilizing spoil created by the remaining operation to cover toxic materials. The toxic materials shall be covered with no more spoil than is necessary to eliminate the toxic-related problems, and the applicant shall use the remainder of the spoil to backfill the highwall to the maximum extent possible.

"SEC. 1008. EXTRACTION OF COAL IN AML PROJECTS.

"(a) PROPOSAL TO RECLAIM.—Any qualified person may submit to the Office a proposal to extract coal during reclamation of a 'previously mined area' within the purview of title IV of this Act.

"(b) APPROVAL.—The Director of the Office may approve the application if it meets applicable title IV standards; except that in no case shall the value of the coal extracted exceed 10 percent of the cost of the estimated reclamation project. In cases in which coal extraction is projected to exceed 10 percent of the estimated cost of reclamation, the applicant must submit a title V permit application and otherwise meet all title V standards and requirements.

"(c) STANDARDS UNDER TITLE IV.—Any project approved under this section shall be subject to the standards and requirements normally applicable to title IV projects.

"SEC. 1009. RESEARCH ON REMINING EQUIPMENT.

"Not more than $2,000,000 for a fiscal year may be made available from the Abandoned Mine Reclamation Fund for research on remining equipment.

"SEC. 1010. REGULATIONS.

"The Secretary shall promulgate such regulations as are necessary and proper to administer the provisions contained in this title.".

(b) TABLE OF CONTENTS.—The table of contents contained in the first section of the Surface Mining Control and Reclamation Act of 1977 is amended by adding the following items at the end thereof:

"Sec. 1001. Compliance with title V.
"Sec. 1002. Definitions.
"Sec. 1003. Eligibility.
"Sec. 1004. Application requirements.
"Sec. 1005. Approval standards.
"Sec. 1006. Establishment of formula to determine exposure of AML fund.
"Sec. 1007. Environmental incentives.
"Sec. 1008. Extraction of coal in AML projects.
"Sec. 1009. Research on remining equipment.
"Sec. 1010. Regulations.

HOUSE OF REPRESENTATIVES—*Monday, July 10, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as You have promised Your peace to every person, a peace that passes all our human understanding, we pray that Your assurance and comfort will live in all the relationships of life—in our homes, in our communities, our Nation, and in all the world. May we direct our hearts to seek new ties of affection and a new spirit to the commitment of peace so that we may live with each other as friends and neighbors in the bonds of respect and dignity. This is our prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from Pennsylvania [Mr. SCHULZE] will please come forward and lead the House in the Pledge of Allegiance.

Mr. SCHULZE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled Senate joint resolution on Friday, June 30, 1989:

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day."

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER laid before the House the following communication from the chairman of the Committee on Veterans' Affairs, which was read and referred to the Committee on Appropriations:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, June 20, 1989.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On May 18, 1989, I forwarded to you the major construction resolution of the Committee on Veterans' Affairs for fiscal year 1990. This resolution is required by section 5004, title 38, United States Code.

The Secretary of Veterans' Affairs, on June 6, 1989, requested that the committee authorize a lease prospectus for the relocation and consolidation of satellite outpatient clinic functions in Boston, MA.

In accordance with this request and pursuant to section 5004 of Title 38, United States Code, the full committee today approved the addition of this lease prospectus to the May 18, 1989 resolution transmitted to you. There is, therefore, attached a copy of the resolution of the Committee on Veterans' Affairs, the estimated cost in fiscal year 1990, and the lease prospectus.

Sincerely yours,

G.V. (SONNY) MONTGOMERY,
Chairman.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects on June 22, 1989:

11(b) RESOLUTIONS

Council Bluffs, Iowa—Omaha, NB area
Prince Georges County, MD
Nashville, Davidson County, TN
Macomb County, MI
Hollywood, FL

CONSTRUCTION

Veterans' Administration, Philadelphia, PA
Federal Building, Asheville, NC
National Oceanic and Atmospheric Administration, Boulder, CO
Federal Building, Long Beach, CA (amended)
Federal Building, Paterson, NJ (amended)
Border Station, Skagway, AK
U.S. Courthouse, Kansas City, KS

LEASE-PURCHASE CONSTRUCTION

Internal Revenue Service Center, Memphis, TN (amended)
Internal Revenue Service, Chamblee, GA
Health Care Financing Administration, Woodlawn/Baltimore, MD

SITE ACQUISITION AND DESIGN

Moss Federal Building, Sacramento, CA
Courthouse, Alexandria, VA

REPAIR AND ALTERATION

Sisk Federal Building, Fresno, CA
U.S. Courthouse, Los Angeles, CA
Federal Building, Los Angeles, CA
Rogers Federal Building/Courthouse, Denver, CA
Denver Federal Center, Building 810, Lakewood, CA
General Services Administration Headquarters, Washington, DC
Housing and Urban Development Building, Washington, DC
Old Executive Office Building, Washington, DC
Cramer Federal Building, St. Petersburg, FL
Federal Building/Courthouse, Macon, GA
Dirksen Building, Chicago, IL
Federal Building, 536 Clark Street (amended)
Federal Building/Courthouse, Danville, IL
Kennedy Federal Building, Boston, MA
Federal Building/Courthouse, Detroit, MI
Army Publications Center, Overland, MO
Federal Records Center, Overland, MO
Byrne Courthouse, Philadelphia, PA
Nix Federal Building, Philadelphia, PA (amended)
Green Federal Building, Philadelphia, PA
Solomon Federal Building, Chattanooga, TN
Federal Building, Jackson, TN
Federal Executive Institute, Charlottesville, VA
Automatic Sprinkler Systems, various buildings
Prospectus for design fiscal year 1990
Prospectus for design for U.S. Courts

BORDER STATIONS

Construction
Los Indios, TX
Repair and Alteration
Nogales, AZ (East)
Nogales, AZ (West)
Calexico, CA
San Ysidro/Otay Mesa, CA
Otay Mesa, CA (commercial lot)
Eagle Pass, TX
El Paso, TX

LEASES

Veterans' Administration, Washington, DC
Corps of Engineers, Baltimore, MD (modified)
John F. Kennedy Federal Building, Swing Space, Boston, MA
Internal Revenue Service, Brooklyn, NY (amended)
Internal Revenue Service, New York, NY (amended)
Internal Revenue Service Center, Philadelphia, PA
Navy Facilities Engineering Command, Philadelphia, PA

The original and one copy of the authorizing resolution is enclosed.

Sincerely,

GLENN M. ANDERSON,
Chairman.

LEGISLATION TO PROVIDE CAPITAL GAINS TAX REDUCTION FOR ALL HOMEOWNERS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute.)

Mr. SCHULZE. Mr. Speaker, practically the only people who pay tax when selling a home are those who go through divorce, illness, job loss, or some other catastrophic situation. Most taxpayers take advantage of rolling over their sale proceeds, tax free, into a new and larger home. In fact, this distorts the housing market and encourages the building of larger homes at the expense of smaller, starter homes.

Legislation I have introduced to eliminate taxing the sale of a principal residence will alleviate this market distortion, simplify recordkeeping for millions of Americans, and see to it that those who go through divorce, illness, or old age are not robbed of their hard work and investment in their homes by taxes.

I urge the American people to support my legislation to eliminate taxing the proceeds from the sale of a principal residence. Mr. Speaker, any capital gains solution should include such a provision to ensure that all American taxpayers can participate in a reduction of capital gains tax rates.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SCHULZE) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of Oklahoma, for 60 minutes, on July 11.

Mr. PORTER, for 60 minutes, on July 11.

(The following Members (at the request of Mr. MURTHA) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SKELTON, for 60 minutes, today.

Mr. WYDEN, for 60 minutes, today.

Mr. MONTGOMERY, for 5 minutes, each day on July 11 and 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SCHULZE) and to include extraneous matter:)

Mr. MACHTLEY in four instances.

Mr. SCHUETTE.

(The following Members (at the request of Mr. MURTHA) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. DE LA GARZA in 10 instances.

Mr. HAYES of Illinois.

Mr. KANJORSKI in three instances.

Mr. BEILENSON.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On June 29, 1989:

H.R. 2119. An act to authorize the exchange of certain Federal public land in Madison, IL.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 8 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 11, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2, of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1388. A letter from the Chairman and President, Federal Agricultural Mortgage Corporation, transmitting a report on the credit underwriting, loan repayment and security appraisal standards of the Federal Agricultural Mortgage Corporation (Farmer Mac); to the Committee on Agriculture.

1389. A communication from the President of the United States, transmitting amendments to the request for appropriations for fiscal year 1990, pursuant to 31 U.S.C. 1107 (H. Doc. No. 101-78); to the Committee on Appropriations and ordered to be printed.

1390. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Department of the Navy's proposed letter(s) of offer and acceptance [LOA] to Switzerland for defense articles estimated to cost $50 million or more (Transmittal No. 89-30), pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

1391. A letter from the Acting Assistant Secretary of the Army for Manpower and Reserve Affairs; transmitting a draft of proposed legislation to permit a Secretary of a military department concerned to expeditiously correct military records regarding the promotion and pay of enlisted members of the Armed Forces; to the Committee on Armed Services.

1392. A communications from the President of the United States, transmitting a report submitted by the Secretary of Defense on the defense management review (H. Doc. No. 101-81); to the Committee on Armed Services and ordered to be printed July 10.

1393. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-47, "District of Columbia Income and Franchise Tax Conformity Amendment Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1394. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-48, "Toll Telecommunication Service Tax Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1395. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-54, "District of Columbia Solid Waste Regulations Amendment Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1396. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-52, "Public Utilities Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1397. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-50, "Pilgrim Rest Baptist Church Equitable Real Property Tax Relief Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1398. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-51, "Good Time Credits Temporary Amendment Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1399. A letter from the Mayor of the District of Columbia, transmitting the actuaries review of three benefit changes to the police officers and firefighters and judges retirement programs, pursuant to D.C. Code section 1-722(d)(1); to the Committee on the District of Columbia.

1400. A letter from the Secretary of Education, transmitting a copy of final regulations—early intervention programs for infants and toddlers with handicaps, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1401. A letter from the Secretary of Education, transmitting a copy of the final priority, required activities, and selection criteria for a high technology competition under the Cooperative Demonstration Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1402. A letter from the Secretary of Education, transmitting a copy of final regulations for the Robert C. Byrd Honors Scholarship Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1403. A letter from the National Director, Congressional Award Board, transmitting the third quarterly report of the Congressional Award, pursuant to 2 U.S.C. 802(e); to the Committee on Education and Labor.

1404. A letter from the Secretary of Education, transmitting a copy of the notice of final priorities for fiscal year 1989 and

1990—Rehabilitation Training Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1405. A letter from the Secretary of Education, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965, to reduce student loan defaults, to achieve greater accountability in Federal student assistance programs, to minimize the potential for waste, fraud, and abuse, and for other purposes; to the Committee on Education and Labor.

1406. A letter from the President and Chief Executive Officer, Corporation for Public Broadcasting, transmitting the Corporation's assessment of the needs of minority and diverse audiences in the area of public broadcasting, pursuant to Public Law 100-626, section 9(a) (102 Stat. 3211); to the Committee on Energy and Commerce.

1407. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission has extended the time period for issuing a decision in No. 40068, *Shenango Incorporated, et al.* v. *Pittsburgh, Chartiers and Youghiogheny Railway Company*, to September 30, 1989, pursuant to 49 U.S.C. 10327(k)(2); to the Committee on Energy and Commerce.

1408. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed letter(s) of offer and acceptance [LOA] to Switzerland for defense articles and services (Transmittal No. 89-30), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1409. A letter from the Director, Agency for International Development, transmitting the Agency's 1989 annual report on title XII—famine prevention and freedom from hunger, pursuant to 22 U.S.C. 2220e; to the Committee on Foreign Affairs.

1410. A letter from the Assistant Secretary of State, Legislative and Affairs, transmitting notification of a proposed agreement for the assembly, inspection and test services on the S-70B-2 military helicopters for the Royal Australian Navy (Transmittal No. MC-14-89), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

1411. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting the eighth report on the activities of the multinational force and observers [MFO] and certain financial information concerning U.S. Government participation in that organization, pursuant to 22 U.S.C. 3422(a)(2)(A); to the Committee on Foreign Affairs.

1412. A letter from the Director, Defense Security Assistance Agency, transmitting an addendum to the listing of all outstanding letters of offer to sell any major defense equipment for $1 million or more; an addendum to the listing of all letters of offer for major defense equipment valued at $1 million or more that were accepted as of March 31, 1989, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

1413. A letter from the Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Keith Lapham Brown, of Colorado, Ambassador Extraordinary and Plenipotentiary-designate to Denmark, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1414. A letter from the Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by William Andreas Brown, of New Hampshire, Ambassador Extraordinary and Plenipotentiary-designate to Israel, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1415. A letter from the Secretary of State for Legislative Affairs, transmitting copies of the report of political contributions by Julia Chang Bloch, of the District of Columbia, Ambassador Extraordinary and Plenipotentiary-designate to the Kingdom of Nepal, and members of her family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1416. A letter from the Director, Agency for International Development, transmitting his determination that continuation of support for certain programs with the Government of Liberia is in the national interest of the United States; to the Committee on Foreign Affairs.

1417. A letter from the Director, Arms Control and Disarmament Agency, transmitting a report on studies relating to arms control and disarmament issues concluded during 1988 by Government agencies or for Government agencies by private institutions or persons, pursuant to Public Law 100-213, section 4 (101 Stat. 1445); to the Committee on Foreign Affairs.

1418. A letter from the Acting Comptroller General, General Accounting Office, transmitting a list of General Accounting Office reports issued or released in May 1989, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

1419. A letter from LeBoeuf, Lamb, Leiby & MacRae, transmitting the 1988 annual report of independent auditors who have audited the records of the National Council on Radiation Protection and Measurements, a federally chartered corporation, pursuant to Public Law 88-376, section 14(b) (78 Stat. 323); to the Committee on the Judiciary.

1420. A letter from the Chairman, Merit Systems Protection Board, transmitting the ninth annual report of the Board's case decisions during fiscal year 1988, pursuant to 5 U.S.C. 7701(i)(2); to the Committee on Post Office and Civil Service.

1421. A communication from the President of the United States, transmitting a draft of proposed legislation to increase the annual salaries of executive personnel and for other purposes (H. Doc. No. 101-79); to the Committee on Post Office and Civil Service and ordered to be printed.

1422. A letter from the Deputy Assistant Secretary of Defense for Resource Management and Support, transmitting a report concerning the payment of a defense attache death gratuity to the survivors of a member who, while on active duty outside the United States, dies as a result of hostile or terrorist activities, pursuant to Public Law 100-453, section 704(c) (102 Stat. 1913); jointly, to the Committee on Armed Services and the Permanent Select Committee on Intelligence.

1423. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a draft of proposed legislation to amend provisions of title 39 of the United States Code to authorize establishment of branch post offices at certain U.S. diplomatic missions abroad; jointly, to the Committees on Post Office and Civil Service and Foreign Affairs.

1424. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to amend sections 5315 and 5316 of title 5, United States Code, to raise the position of chief counsel for the Internal Revenue Service, Department of the Treasury, from level V to level IV of the Executive Schedule; jointly, to the Committees on Ways and Means and Post Office and Civil Service.

1425. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Government-Wide Ethics Act of 1989 to prohibit the acceptance of honoraria by Members of Congress (H. Doc. No. 101-80); jointly to the Committees on House Administration, the Judiciary, and Post Office and Civil Service and ordered to be printed.

1426. A letter from the Secretary, Department of Health and Human Services, transmitting the annual report of the Indian Health Care Improvement Act covering the major activities and accomplishments of the Indian Health Service during fiscal year 1987, pursuant to 25 U.S.C. 1671; jointly, to the Committees on Interior and Insular Affairs, Energy and Commerce, and Ways and Means.

1427. A letter from the Director of Central Intelligence, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1990 and 1991 for intelligence and intelligence-related activities of the U.S. Government, the intelligence community staff, and the Central Intelligence Agency retirement and disability system, and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Permanent Committee on Intelligence; Armed Services; the Judiciary; Ways and Means; and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted June 30, 1989]

Mr. ASPIN: Committee on Armed Services. H.R. 1495. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for the Arms Control and Disarmament Agency, and for other purposes; with amendment, (Rept. 101-72, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on June 29, 1989, the following report was filed on July 1, 1989]

Mr. ASPIN: Committee on Armed Services. H.R. 2461. A bill to authorize appropriations for fiscal years 1990 and 1991 for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal years 1990 and 1991, and for other purposes; with amendments (Rept. 101-121). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on June 29, 1989, the following report was filed on July 6, 1989]

Mr. BROOKS: Committee on the Judiciary. H.R. 2022. A bill to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees. (Rept. 101-122). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on June 29, 1989, the following report was filed on July 7, 1989]

Mr. BROOKS: Committee on the Judiciary. H.R. 1391. A bill to exempt from the antitrust laws certain activities relating to alleviating the negative impact of violence in telecast materials; with an amendment (Rept. 101-123). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SIKORSKI:

H.R. 2847. A bill to extend by 1 year a program under which the Government is allowed to accept the voluntary services of private sector executives; to the Committee on Post Office and Civil Service.

By Mr. WISE:

H.R. 2848. A bill to amend the Computer Matching and Privacy Protection Act of 1988 to delay the effective date of the act for existing agency matching programs; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

164. By the SPEAKER: Memorial of the Legislature of the State of Nevada, relative to a National Guard Training Center at Hawthorne, NV; to the Committee on Armed Services.

165. Also, memorial of the Legislature of the State of Florida, relative to a national pension system for public school teachers; to the Committee on Education and Labor.

166. Also, memorial of the Legislature of the State of Washington, relative to Federal student loan applications; to the Committee on Education and Labor.

167. Also, memorial of the Legislature of the State of Nevada, relative to the Superfund Amendments and Reauthorization Act of 1986; to the Committee on Energy and Commerce.

168. Also, memorial of the Legislature of the State of Louisiana, relative to the "Average Wholesale Price" for pharmacy provider reimbursement in the Medicaid Program; to the Committee on Energy and Commerce.

169. Also, memorial of the Legislature of the State of California, relative to Armenians in Soviet Azerbaijan; to the Committee on Foreign Affairs.

170. Also, memorial of the Legislature of the State of California, relative to the People's Republic of China; to the Committee on Foreign Affairs.

171. Also, memorial of the Legislature of the State of Nevada, relative to interregional transfer of water; to the Committee on Interior and Insular Affairs.

172. Also, memorial of the Legislature of the State of California, relative to coastal resources; to the Committee on Interior and Insular Affairs.

173. Also, memorial of the Legislature of the State of California, relative to reparations for Japanese-Americans; to the Committee on the Judiciary.

174. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to desecration of the American flag; to the Committee on the Judiciary.

175. Also, memorial of the Legislature of the State of Louisiana, relative to desecration of the American flag; to the Committee on the Judiciary.

176. Also, memorial of the Legislature of the State of Florida, relative to desecration of the American flag; to the Committee on the Judiciary.

177. Also, memorial of the Legislature of the State of Nevada, relative to expunging a certain call for a constitutional convention from the records of the assembly; to the Committee on the Judiciary.

178. Also, memorial of the Legislature of the State of Maine, relative to a national minimum carapace size for lobsters; to the Committee on Merchant Marine and Fisheries.

179. Also, memorial of the Legislature of the State of Florida, relative to the week of July 4, 1989, as "Buy American Week"; to the Committee on Post Office and Civil Service.

180. Also, memorial of the Legislature of the State of California, relative to the Sanitation District of Los Angeles County; to the Committee on Public Works and Transportation.

181. Also, memorial of the Legislature of the State of California, relative to veterans' educational benefits; to the Committee on Veterans' Affairs.

182. Also, memorial of the Legislature of the State of Michigan, relative to tax-free status of State and local government bonds; to the Committee on Ways and Means.

183. Also, memorial of the Legislature of the State of Louisiana, relative to a credit against Federal income tax liability for those persons awarded a high school equivalency diploma; to the Committee on Ways and Means.

184. Also, memorial of the Legislature of the State of Louisiana, relative to the Federal income tax exemption for dependent children; to the Committee on Ways and Means.

185. Also, memorial of the Senate of the State of Illinois, relative to coal production and rail transportation; jointly, to the Committees on Public Works and Transportation and Interior and Insular Affairs.

186. Also, memorial of the Senate of the State of Louisiana, relative to Louisiana's disappearing wetland habitat; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

187. Also, memorial of the Legislature of the State of Florida, relative to the Catastrophic Medicare Act of 1988; jointly, to the Committees on Ways and Means and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 505: Mr. WELDON and Mr. QUILLEN.

H.R. 563: Mr. BEVILL and Ms. SLAUGHTER of New York.

H.R. 586: Mr. KOSTMAYER.

H.R. 857: Mr. KASTENMEIER.

H.R. 973: Ms. OAKAR.

H.R. 1193: Mr. FLIPPO, Mr. HORTON, Mr. FAUNTROY, Mr. THOMAS of Wyoming, Mr. GUNDERSON, Mr. STALLINGS, and Mr. ENGLISH.

H.R. 1200: Mr. NIELSON of Utah, Mr. OWENS of Utah, Mr. SMITH of Mississippi, Mr. SAWYER, Mr. SENSENBRENNER, Mr. PAYNE of New Jersey, Mr. HALL of Ohio, Mr. TORRICELLI, Mr. OXLEY, Mr. FEIGHAN, Mr. SPRATT, Mr. DYMALLY, Mr. NELSON of Florida, and Mr. SUNDQUIST.

H.R. 1304: Mr. PALLONE.

H.R. 1416: Mr. EMERSON, Mr. MCNULTY, Mr. PASHAYAN, Mr. GILMAN, Mr. HANCOCK, Mr. FOGLIETTA, Mr. BALLENGER, Mr. KOSTMAYER, Mr. MACHTLEY, Mr. DE LUGO, Mr. SIKORSKI, Mr. DREIER of California, Mr. UPTON, Mr. SMITH of Vermont, Mr. TAUKE, Mr. HAYES of Louisiana, Mr. RINALDO, Mr. BEREUTER, Mr. MARTIN of New York, Mr. HEFNER, Mr. BATEMAN, Mr. CAMPBELL of Colorado, Mr. TORRES, Mr. BRYANT, and Mr. MOLLOHAN.

H.R. 1466: Mr. KYL.

H.R. 1666: Mr. THOMAS A. LUKEN.

H.R. 2008: Mr. STEARNS, Mr. HANSEN, and Mr. SUNDQUIST.

H.R. 2041: Mr. BATES, Mr. BUSTAMANTE, Mr. JAMES, Mr. MATSUI, Mr. CHAPMAN, Mr. IRELAND, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. ROE, Mr. HANCOCK, Mr. PAXON, Mr. NELSON of Florida, Mr. MARTINEZ, and Mr. MARLENEE.

H.R. 2121: Mr. SLATTERY, Mr. STENHOLM, and Mr. WYLIE.

H.R. 2126: Mr. FROST.

H.R. 2353: Mr. NAGLE.

H.R. 2405: Mr. BEILENSON.

H.R. 2561: Mr. SMITH of Vermont and Mr. WOLPE.

H.R. 2596: Mr. FAWELL, Mr. MCGRATH, Mr. MOORHEAD, and Mr. MARKEY.

H.R. 2637: Mr. MARTIN of New York, Mr. BUECHNER, Mr. WHITTAKER, Mr. SKEEN, Mr. WALSH, and Mr. MADIGAN.

H.R. 2708: Mr. ROE, Mr. DE LUGO, Mr. SWIFT, Mr. SYNAR, Mr. WYDEN, Mr. SIKORSKI, Mr. WALGREN, Mr. MARKEY, Mr. COOPER, and Mr. FOGLIETTA.

H.R. 2732: Mrs. PATTERSON.

H.R. 2772: Mr. MATSUI and Mr. MRAZEK.

H.R. 2807: Mr. MONTGOMERY, Mr. BENNETT, Mr. WEBER, Mr. EVANS, Mr. HARRIS, Mr. JONTZ, Mr. ROWLAND of Connecticut, Mr. WYDEN, Mr. RHODES, Mr. HORTON, Mr. FAUNTROY, Mr. PORTER, Mr. RAHALL, Mr. BLAZ, Mr. HEFNER, Mrs. ROUKEMA, Mr. COSTELLO, Mr. DYMALLY, Mr. DEFAZIO, Mr. MCCURDY, Mr. WOLPE, Mr. ACKERMAN, Mr. PRICE, Mr. BUSTAMANTE, Mr. LAGOMARSINO, Mr. MURTHA, Mrs. BOXER, Mr. HUTTO, Mr. MORRISON of Connecticut, Mr. CLINGER, Mr. TORRES, Ms. OAKAR, Mr. PANETTA, Mr. DE LA GARZA, Mrs. COLLINS, Mr. PAXON, Mr. VALENTINE, Mr. ATKINS, Mr. ANDREWS, Mr. HAYES of Illinois, Mr. BUECHNER, Mr. MATSUI, Mr. FASCELL, Mr. SPENCE, Mr. MCCLOSKEY, Mr. SAXTON, Mr. SMITH of Florida, Mr. FORD of Michigan, Mr. ROYBAL, Mr. LANCASTER, Mr. DE LUGO, Mr. WATKINS, Mr. SAVAGE, Mr. JONES of North Carolina, Mr. SARPALIUS, Mr. BOUCHER, Mr. YATRON, Mr. FAZIO, Mr. DURBIN, Mr. COYNE, Mr. HAYES of Louisiana, Mr. GOSS, Mr. SMITH of New Hampshire, Mr. ERDREICH, Mr. NIELSON of Utah, Mr. LIPINSKI, Ms. PELOSI, Mr. FUSTER, Mr. BEVILL, Mr. WILSON, Mr. HERTEL, and Mr. LANTOS.

H.J. Res. 127: Mr. MCCLOSKEY.

H.J. Res. 228: Mr. ASPIN, Mr. MCEWEN, and Mr. EDWARDS of Oklahoma.

H.J. Res. 302: Mr. PACKARD, Mr. SPENCE, Mr. LEATH of Texas, Mr. RAVENEL, Mr. BATEMAN, Mr. DORNAN of California, Mr. LOWERY of California, Mr. HUTTO, Mr. BEVILL, Mr. SKEEN, Mr. RHODES, Mr. SHUMWAY, Mr. KOLTER, Mr. HANSEN, Mr. HUCKABY, Mr. WILSON, Mr. FIELDS, Mr. WYLIE, Mr. HOLLOWAY, Mr. TAUZIN, Mr. BOEHLERT, and Mr. MCGRATH.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

H.J. Res. 314: Mr. TAUKIN, Mr. PAXON, Mr. HORTON, Mr. LAGOMARSINO, Mr. PAYNE of Virginia, and Mr. HUTTO.

H. Res. 170: Mr. FROST, Mr. HATCHER, and Mr. HAYES of Illinois.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

52. By the SPEAKER: Petition of residents of Reading, PA, and Berks County, relative to the Paris Air Show; to the Committee on Government Operations.

53. Also, petition of the City of Deerfield Beach, Broward County, FL, relative to the offshore drilling and mining; to the Committee on Interior and Insular Affairs.

54. Also, petition of the Governor's Advisory Council on Aging, Phoenix, AZ, relative to the death of the Honorable Claude Pepper; to the Committee on Post Office and Civil Service.

55. Also, petition of the Calhoun County Commissioners Court, Port Lavaca, TX, relative to the Tax Reform Act of 1986; to the Committee on Ways and Means.

56. Also, petition of the Oswego County Legislature, Oswego, NY, relative to the State and local small issue bonds; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

MAGEE INDUSTRIAL ENTERPRISES CELEBRATES 100 YEARS OF EXEMPLARY SERVICE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to Magee Industrial Enterprises, a family owned company located in Bloomsburg, PA. This year Magee Industrial Enterprises is celebrating its 100th year as a vital member of the business community.

The greatness of this country is due in part to our strong belief in the principles of free enterprise and the spirit of entrepreneurship. Magee Industrial Enterprises, founded 100 years ago by James Magee II, is an excellent example of how one man's dream of success can, through perseverance and hard work, become a reality.

In 1889 James Magee II was living in Philadelphia and working with a carpet manufacturing firm when he decided that he became anxious to start his own company. He moved to the small town of Bloomsburg with this carpet manufacturing equipment and organized James Magee and Co.

Like many businesses, James Magee and Co. faced some very difficult times. In less than 2 years, the company went out of business. In 1981 a second attempt was made and the Bloomsburg Carpet Works was formed. Unfortunately, this enterprise was also unsuccessful and went bankrupt after 5 years. The founders were determined to make their company work. Later that same year, the Magee Carpet Works was formed. The company operated under this name for 5 years until the Magee Carpet Co. was founded in 1901.

The Magee Carpet Co. established itself as a pioneer in new carpet technology. The company was one of the first to use ingrain power looms to produce worsted wools, blue ribbon velvets, scarlet ribbon tapestries, jewel ingrains, and art squares. In addition, the Magee Carpet Co. developed and built the "barrione," a loom that produces seamless rugs.

Magee Carpet Co. began manufacturing carpets for a Midwest company that built horse-drawn buggies. This was the beginning of the Magee's automotive carpet production which continues to constitute a major portion of Magee Industrial Enterprises' business.

During World War I and II, the Magee Carpet Co. helped in the war effort by devoting their production facilities to the manufacturing of cotton canvasses and blankets for the military. In 1943 the company was presented with the Army/Navy "E" award for excellence in appreciation for high quality production of materials for the war effort.

The Magee Carpet Co. enjoyed years of growth and development. In the 1950's the company expended its product line and began manufacturing commercial carpets. In 1967 the Magee Carpet Co. became Magee Industrial Enterprises, Incorporated, a holding company of the Magee family.

Today, Magee Industrial Enterprises [MIE] incorporates a number of divisions including the Magee Carpet Co., the Hotel Magee, Magee Glanz Distribution, Bloom Radio WHLM, MIE Hospitality, and a franchise of Arthur Treacher's Fish & Chips.

Magee Industrial Enterprises has experienced many successes as well as many failures during its first 100 years. Because of a great deal of perseverance and determination, the company and the Magee family have survived to become a vital and contributing member of the Bloomsburg community. The company has maintained a standard of excellence and continues to provide quality products and service to its customers and to the community.

I take great pleasure in honoring the Magee family and Magee Industrial Enterprises for the number of years they have devoted to the betterment of the Bloomsburg area. Family owned and run businesses have formed the backbone of our great nation and continue to offer service based on quality and pride. I am sure that my colleagues in the House of Representatives will join me in congratulating the Magee family and all of the employees at Magee on the 100th anniversary of Magee Industrial Enterprises, Inc. and in wishing them many more years of success.

NATHAN BISHOP MIDDLE SCHOOL RECEIVES AWARD

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Nathan Bishop Middle School, in Providence, RI, for being chosen the 1989 School of the Year for having the most outstanding junior high school energy education program in the Nation by the national energy education development project.

The students involved in this year's program focused on the question, "Should we build a coal-burning powerplant?" The students then gathered information from literature on coal, air pollution, acid rain, and pollution control devices. They made visits to a local powerplant and to an urban environmental laboratory. Guest speakers from the Rhode Island Lung Association and from the company that planned to build the power plant were invited to speak to the students.

As a result of their extensive study, students became more aware of the need for additional sources of energy, and the environmental effects and economic impact of energy production.

I commend the students for their meticulous research and interest in such an important project and I thank the teachers for their tremendous dedication and encouragement.

THE TIANANMEN SQUARE FOUNDATION

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. LOWERY of California. Mr. Speaker, on June 4, the cause of democracy suffered a tragic setback with the Chinese Government's brutal attack of the students in Tiananmen Square. The Goddess of Democracy statue, symbol of the Chinese democratic movement, was destroyed by the Chinese Army during the relentless crackdown on the peaceful demonstrators.

To keep the torches of democracy burning, the Tiananmen Square Foundation, consisting of Chinese students at the University of California at San Diego, is working in conjunction with David Frisk, an artist and woodcarver, to fashion a 29-foot replica of the statue. The design is based on photographs taken by the press and is being constructed in two pieces. Due to the merciless nature of the crackdown in China, the names of the students involved are being withheld for fear of retribution by the Government of the People's Republic of China.

The Tiananmen Square Foundation displayed the statue at the Del Mar Fair in California and is hoping to send it to Washington DC, and to France for Bastille Day on July 14. The cost of the students objective is $100,000, of which $30,000 has been raised.

Mr. Speaker, I would like to commend the noble efforts of the Tiananmen Square Foundation which serve to remind us not only of the valiant struggle for democracy in China, but also of the fact that our own Nation was itself born in a revolution for freedom and democracy. In closing, I ask my colleagues and all Americans to support the Tiananmen Square Foundation and, in so doing, help to promote the same ideals upon which this Nation was founded.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

IN RECOGNITION OF CONNIE BINSFELD AND THE DEDICATION OF THE KIRTLAND COLLEGE CAREGIVERS RESOURCE AREA IN HER HONOR

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today in tribute to the Honorable Connie Binsfeld for her outstanding work in the State Legislature of Michigan. Her hard work and efforts for those in need of assistance warrants congratulations from all of us. Connie has always been active, and since her entry into public service, first as a State representative, and recently as a State senator, Connie has continually distinguished herself. It is indeed a tribute to her that she was the first woman ever to serve in both the State house and the State senate.

A notable example of Connie's contributions and the assistance she has provided to others in her support for the Caregivers Resource Room at Kirtland Community College. Connie sponsored legislation that made this room possible, and in tribute to her efforts the room is being named after her. Her support for the Caregivers Resource Room is just another example of her caring.

The key function of this information center will be to allow people to remain independent while still having assistance readily available to them. The Connie Binsfeld Caregivers Resource Room will also provide those taking care of others the ability to find important assistance or answers to problems or questions they might be having. As our population's age continues to grow, our Nation is faced with many challenges in caring for it's elderly population. Through Connie's hard work and dedication we will be better able to meet these challenges.

Mr. Speaker, I ask that you join me in saluting Connie Binsfeld, not only for her hard work that made this program possible, but for her lifelong commitment to helping others. Her dedication and devotion to programs such as these are truly noteworthy and should be applauded.

THE AMARILLO MEDICAL CENTER

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. SARPALIUS. Mr. Speaker, I have just returned from a week-long visit to my district. While I was there, I had a chance to discuss with many people about the issues that concern them most. One issue that kept coming up over and over again was the need for quality medical care throughout our district.

The issue is especially important to those living in rural areas. We are fortunate to have excellent health care facilities in many parts of the district. One shining example is the Amarillo Medical Center Complex that serves much of the Panhandle and northwest Texas.

The complex is surely one of the premier rural health care centers in the world. In fewer than four decades the complex has grown dramatically in size and reputation. On its 450-acre campus, there are four acute care facilities, five long-term health care facilities, three education and research facilities, five health-related facilities and two patient care, research and evaluation facilities.

The complex is more than just buildings, of course. It is a dynamic environment that provides education and training for physicians and health care professionals, support services for health research, and through the acute care and long-term care facilities, affordable, accessible high quality patient care.

Within the complex there are also important Texas A&M University facilities performing agricultural research and veterinary diagnostic programs that contribute enormously to the panhandle region's farming and ranching community.

It is very important to note the economic impact of the Amarillo Medical Center Complex in northwest Texas. Nearly 4,000 people are employed at the medical center with an annual payroll in excess of $85 million. The facilities at the medical center have a combined operating budget of more than $169 million.

Mr. Speaker, while I am proud and excited about what the Amarillo Medical Center Complex is doing today, I am even more enthusiastic about the future. There is a progressive, forward-looking attitude evident there.

Important research is ongoing and they want to do more. Patient care is outstanding and they want to make it better. Education and training are top notch yet they strive for an even higher standard of excellence. The Amarillo Medical Center Complex is a leader in rural health care now and promises to expand their leadership in the decade ahead.

SOUTH AFRICA OPPOSES INTERNATIONAL BAN ON IVORY TRADE

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. BEILENSON. Mr. Speaker, I would like to express my disappointment and regret that the Government of South Africa has announced that it will oppose an international ban on trade in ivory. This decision will severely impair our efforts to prevent the extinction of one of the most appealing and best-loved creatures in the world, the African elephant.

As many of our colleagues are aware, the African elephant has suffered a devastating decline over the last decade due to a growing and increasingly lucrative worldwide ivory trade. Although the ivory trade is ostensibly controlled, it is estimated that up to 90 percent of the ivory that leaves Africa is poached. Recent evidence from the Ivory Trade Review Group, commissioned by the International Union for the Conservation of Nature, shows that if the current rate of killing continues, the elephant will be extinct in as little as 15 years.

In response to this crisis, several African nations, including Kenya and Tanzania, whose elephant populations have been decimated by poachers in the last year, have called on the international community to declare a halt to the ivory trade. The United States, which I am very proud to note has played a leadership role in this issue, has joined with the countries of the European Economic Community in pledging to honor the ban, and the United States delegation to the Convention on International Trade in Endangered Species [CITES] will work to achieve unanimous participation among the CITES parties when they next meet this October.

It is absolutely essential, however, that all ivory importing and exporting nations participate in the ban; the continued existence of even a small legal source of ivory will result in a vast illegal and perhaps totally uncontrollable illegal trade, rendering all elephant populations vulnerable to poaching.

The chief research officer of the National Parks of South Africa says his country will lose $4 million in revenue if they participate in the ban, and claims that "there is no evidence that a ban is going to save the elephant." But if the ivory trade is permitted to continue at its present rate, even South Africa's well-managed and protected herds will not be safe from poachers. And, ultimately, we will all suffer the permanent loss of a truly unique and magnificent species.

Mr. Speaker, I urge my colleagues to join with me in calling on the Government of South Africa to reverse its decision on this very important issue, and to commit itself to preserving the African elephant for future generations.

WALTER DEAN HONORED BY SALVATION ARMY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to Mr. Walter Dean, a very special Salvation Army volunteer.

At the age of 77, Mr. Dean offers his services and his expertise to a Salvation Army food pantry in Wilkes-Barre, PA. He has put his knowledge of the food business to work and has managed to dramatically reduce the food costs for the Salvation Army.

The former owner of the Wyoming Valley Beef Co., Walter Dean utilizes what he has learned from his years in the food business to help provide food to families who are in need of assistance.

Mr. Dean visits local food distributors and works to get the best quality products for the lowest price for the Salvation Army, and serves as a purchasing agent for the organization. He believes that the Salvation Army provides an important community service and that people who truly need assistance should not go hungry.

Although Mr. Dean is a modest man who does not like to take credit for his work, the Salvation Army showed their appreciation by

honoring him at their annual meeting on May 15 of this year.

I take great pleasure in congratulating Mr. Walter Dean for receiving such an honor from the Salvation Army. He has unselfishly given both his time and talent to this organization.

I know that my colleagues will agree that Walter Dean deserves to be commended for the outstanding work he has done for the Salvation Army and join me in honoring him. There are a limited number of individuals in this world who decide to use their abilities and knowledge to help others. Mr. Walter Dean is undoubtedly one of those very special people.

A TRIBUTE TO MARY J. CLARKE

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. MACHTLEY. Mr. Speaker, today it is my distinct pleasure to honor Ms. Mary J. Clarke, a teacher for blind children in Rhode Island for 40 years. I take this opportunity to recognize Ms. Clarke of Pawtucket, RI, upon her retirement.

As a teacher, Ms. Clarke has left her indelible mark on two generations of blind students. For 40 years, she has consistently demonstrated skills beyond those normally demanded of a teacher. Her compassion and understanding has given her students confidence in their ability to succeed. She has inculcated in her students a sense of uniqueness as a positive characteristic which makes the world meaningful to them.

I am inspired by Mary's charisma and her ability to teach her students to succeed beyond their disability. I commend Mary for offering her students the highest quality education. Her selfless work is a credit to herself and to her students. She will doubtlessly be missed as a teacher.

AMENDING TAX LAW AFFECTING REAL ESTATE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. AuCOIN. Mr. Speaker, today I am pleased to introduce legislation repealing a provision in the tax law that has had a detrimental impact on the real estate and homebuilding industries.

Under the Tax Reform Act of 1986, rental real estate businesses are automatically deemed to be engaging in passive activities, even if the taxpayer is actively involved in the operations of the business. Generally speaking, this means that losses from these so-called passive activities cannot be used to offset income from other sources such as salaries, interest, dividends, and active businesses. The only exception where such losses may be deducted is when a taxpayer has an adjusted gross income of less than $100,000—and in those cases he or she can only deduct up to $25,000 in losses from rental real estate business in which they actively participate.

The inability to deduct cash losses is especially burdensome to rental real estate owners. Far too often, many of them are placed in a negative economic situation because their rental income from the property is less than their legitimate, ongoing expenses of owning and operating the property. In these situations, the owners must fund the difference between the income they receive and the expenses of maintaining the property with their own cash. Before January 1, 1987, that negative cash flow was fully deductible.

Everyone knows that the availability of rental real estate is a real problem these days. Multifamily housing production is expected to fall to 398,000 units in 1988, the lowest figure since 1981. Of course, we cannot attribute the loss of this deduction as being the sole cause of this problem. However, it surely has to be a contributing factor. Clearly, owners are being discouraged from undertaking the risk associated with redevelopment and rehabilitation of existing projects. Meanwhile, rents are being increased on many properties. And the one who is really getting squeezed is the renter.

To help correct this ominous trend, I am introducing today legislation that would allow active real estate owners or managers to deduct any cash out of pocket expenses against their income. Such expenses would include things like mortgage interest payments and utility expenses to the extent they exceed rental income from the property. My bill would also be retroactive to January 1, 1989.

I urge my colleagues to support this legislation.

H.R. —

A bill to amend the Internal Revenue Code of 1986 to provide that the passive loss limitation shall not apply to deductions allowable for cash out-of-pocket expenses for taxes, interest, and trade or business expenses in connection with rental real estate activities in which the taxpayer actively or materially participates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PASSIVE LOSS LIMITATION NOT TO APPLY TO CERTAIN DEDUCTIONS ALLOWABLE IN CONNECTION WITH RENTAL REAL ESTATE ACTIVITIES.

(a) IN GENERAL.—Subsection (e) of section 469 of the Internal Revenue Code of 1986 (relating to passive activity losses and credits limited) is amended by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULES FOR DEDUCTIONS ALLOWABLE FOR TAXES, INTEREST, AND TRADE OR BUSINESS EXPENSES WITH RESPECT TO RENTAL REAL ESTATE ACTIVITIES IN WHICH TAXPAYER ACTIVELY OR MATERIALLY PARTICIPATES.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any amount allowable as a deduction under section 162, 163, or 164 (determined without regard to this section) for amounts paid during the taxable year with respect to qualified rental real estate activities of the taxpayer.

"(B) APPLICATION OF SECTION TO OTHER DEDUCTIONS.—The income from qualified rental real estate activities of the taxpayer shall be reduced (but not below zero) by the amount to which subsection (a) does not apply by reason of subparagraph (A) for purpose of determining whether subsection (a) applies to other deductions with respect to such activities.

"(C) QUALIFIED RENTAL REAL ESTATE ACTIVITY.—For purposes of this paragraph, the term 'qualified real estate activity' means any rental real estate activity with respect to which during the taxable year the taxpayer—

"(i) actively participates (within the meaning of subsection (i)(6), or

"(ii) materially participates (within the meaning of subsection (h))."

(b) TECHNICAL AMENDMENT.—Paragraph (4) of section 469(j) of such Code is amended by striking "and the passive activity credit (and the $25,000 amount under subsection (i))" and inserting ", the passive activity credit, the $25,000 amount under subsection (i), and the amount to which subsection (a) does not apply by reason of subsection (e)(5)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on January 1, 1989.

OUTRAGED OVER FLAG BURNING

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues in the U.S. House of Representatives an excellent letter I recently received from Earle T. Shoup, an outstanding, highly respected attorney in Paducah, KY.

As my colleagues can see, Mr. Shoup is shocked by the June 21, 1989, decision by the U.S. Supreme Court allowing the burning of the American flag as a form of political protest in conjunction with an individual's constitutional right to free-speech guarantees. I too share in Mr. Shoup's outrage over the Supreme Court's decision. Millions of Americans across the United States are outraged also.

I have introduced House Resolution 188 in the U.S. House of Representatives condemning all actions intended to desecrate the American flag and urging the American people to continue to display proudly the flag of the United States as a symbol of our Nation and the values for which it stands.

I urge my colleagues to read Mr. Shoup's letter.

PADUCAH, KY,
June 22, 1989.

DEAR CONGRESSMAN HUBBARD: Oh say does that Star-Spangled Banner yet wave?

Not since yesterday. It now lies on the ground, smoldering at the feet of an individual who is so rotten-core and so low as to lose his right to standing room in this country of mine.

I cannot believe that it was my Supreme Court which upheld his constitutional "right" in that respect.

Does my Constitution provide and protect any such "right"? God forbid!

Is it my flag that is allowed to suffer such indignity? This is the flag that was the emblem of the Creation of our ancestors; a native land; a government of, by and for the people; a heritage for which millions have fought, bled and died so that we may enjoy life to the fullest. And now they (the five)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

want to convert that flag into a gasoline-soaked rag in order that some worthless exhibitionist may demonstrate his feelings about our cherished land.

Is the Court so calloused and mechanical that it refuses to recognize the heritage that is being destroyed? Oh the five used honey-coated language in almost apologetic fashion in paying lip service to the deeper objects of their carnage, but the damage has been done.

Do we dare hope that public opinion will cause two of the Justices to change their minds on rehearing? (Surely there will be a petition for rehearing.)

Lacking any such result, let us hope that, in demonstrating our shock, consternation and displeasure at this national slap in the face, it will be Kentuckians who will rush to the forefront with a proposal for a Constitutional amendment appropriate to the occasion, making the desecration or destruction of our flag or seals or other emblems of our government and its several departments a high crime subject to severe penalties, and granting to the individual States the right to adopt corresponding measures respecting their own flags, seals and emblems.

It is time to take a stand and to recall from our abusers the so-called "rights" they have flaunted in our faces far too long. I hope and trust that all of you will agree.

Respectfully,

EARLE T. SHOUP.

GLENDORA RESIDENTS HELP THE NEEDY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. FLORIO. Mr. Speaker, I would like to bring to the attention of my colleagues the efforts of two extraordinary citizens, Arnold and Dorothy Caslin, of Glendora, NJ. Their efforts have been instrumental in helping those in need and in demonstrating their compassion and concern for their neighbors. Their efforts range from volunteering their time to several neighboring nursing and veterans' homes to helping at dinner parties and raising donations. The Caslins have gained the admiration and respect of not only those whom they help, but those whom they serve. Their frequent visits to the homes have become a cherished occasion for the inhabitants, making their lives much more enjoyable and meaningful.

Mr. Speaker, I raise attention to these individuals today to show that volunteering for needy causes is continuously needed in this Nation. With the many problems plaguing our society, numerous individuals have become dependent on services which help them deal with their hardships and brighten their futures. Without the dedication of people such as the Caslins, institutions which help the less fortunate would diminish.

I salute Arnold and Dorothy Caslin and those like them around this Nation. Their efforts continue to help the lives of the needy and enrich our society. I hope others will follow in the Caslins' footsteps and devote their time to the improvement of our Nation.

Mr. Speaker, I would like to share with my colleagues the following article on the Caslins:

"We don't do what we do to be recognized," said Dorothy Caslin, 50, of Glendora. "We do it because we want to."

What Caslin and her husband, Arnold, 62, want to do is donate their time to the Veterans' Memorial Home in Vineland, and their 20 years of service there has not gone unrecognized. The Caslins were honored last month with a plaque from the governor and a certificate commending their efforts from Gloucester Township.

Arnold Caslin is one of the organizers of the Amvets veterans' group in Pleasantville, and the couple found it natural to spend time at the veterans' home in Vineland. "We do a little bit of everything," Dorothy Caslin said. "We do spaghetti dinners, Christmas and Easter parties, picnics—anything and everything. We get food donations, and monthly we have cake and ice cream parties, help with barbecues and entertainments.

"When we were first married, my husband had hepatitis. Everyone helped us then, and the way we feel is, if we can't help others what's the use of being around?

"When you see [patients'] reactions, it's more than satisfying. We enjoy doing this."

Her husband, a truck driver for Crown Cork and Seal in Philadelphia, is a past state commander for the Amvets. His wife is a past president of the state Amvets Auxiliary.

And in addition to volunteering at the veterans' home, the couple donate time and energy to a nursing home in Washington Township.

The couple have six children, seven grandchildren and five great-grandchildren, and already the tradition of service is being passed on. "A couple of our grandkids come with us sometimes to the [veterans' and nursing] homes, and I have a 3-year-old great-granddaughter who loves it, and they love her," Dorothy Caslin said.

RIGHTING THE MISTREATMENT TO THE FLORIDA SEMINOLES

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. LEWIS of Florida. Mr. Speaker, I am pleased to be an original cosponsor of legislation on behalf of the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida, and the Independent Seminole Indians of Florida in regards to their dispute with the Seminole Nation of Oklahoma over the funds awarded to the entire Seminole Tribe.

In 1976 the Indian Tribes Commission awarded the Seminole Indian Tribe $16 million for land taken by the Federal Government in violation of an 1823 treaty. The claim has been held in a trust pending settlement and has since accrued interest which brings the total current amount of the award to approximately $45 million.

This land was taken by the U.S. Government, and a large number of the Seminole Indians were forcibly moved to Oklahoma. This has caused a dispute between the two tribes on how to divide the claim fairly and equitably. The Oklahoma Seminoles have benefited from the land in that State, and as a result, the judgment awarded was lower than it should have been. Consequently, the Seminole Tribe of Florida was hurt in the initial judgment and once again stands to lose due to the distribution formula proposed by the Oklahoma Seminoles.

Members of the Oklahoma delegation in Congress have proposed legislation that would divide the award based solely on population, favoring the Oklahoma Seminoles by giving them 75 percent of the money. I believe, however, that the division of judgment should be decided by the Bureau of Indian Affairs and the involved parties. Congress has no information or records to make such a determination. But if Congress is to legislate a division of the judgment, it must do so in a manner which is fair to all parties involved.

The Seminole Nation of Oklahoma proposes basing the split on 1851 land claims of Seminole Tribe members. However, there are no precise records on such claims because only rough estimates were made at the time. There is no way for anyone to accurately determine Seminole land claims in 1851. In addition, the proposed 75–25 division does not reflect the three separate Indian Seminole groups within Florida—the Miccosukee Tribe of Indians of Florida, the Independent Seminole Indians of Florida, and the Seminole Tribe of Florida.

Although these types of divisions are often based on population figures, in the case of the Seminole Indians, this will result in an injustice. A just decision needs to take into account the difference in treatment the two tribes have received from the Federal Government.

The bill that my colleague from Florida, Mr. SMITH, and I have introduced provides for a more equitable split, dividing the award equally between the two Indian Nations. This bill is fair to all parties concerned because it reflects the benefits and treatment the two tribes have received from the Federal Government. I urge all of my colleagues in the House to finally put this matter to rest by supporting this legislation. The U.S. Government's mistreatment of the Florida Seminoles dates back to the 1851 land claims and is continued today by our own Bureau of Indian Affairs—a bureau supposedly created to protect the interests of Native Americans. Our proposed 50–50 division represents a major opportunity for the U.S. Government to rectify past wrongs.

I urge early consideration of this legislation. I know my other Florida colleagues will be joining us in supporting this legislation, which will soon be complemented by similar legislation in the Senate.

PLYMOUTH, PA: HOME OF ANTHRACITE COAL

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. KANJORSKI. Mr. Speaker, I rise today to call attention to the Abijah Smith & Co. plaque, dedicated on the fourth of June, in honor of Abijah Smith, proprietor of the first commercially successful anthracite coal mine in the United States.

The State historical marker rests on the land of the 109th Armory in Plymouth, PA, beside the mountain where Abijah Smith established his company in 1807.

The plaque reads:

Abijah Smith & Company. Established 1807 by Abijah Smith, who had bought 75 acres here on Ransom Creek and was later joined by his brother John. Their shipments of coal by ark down the Susquehanna, began in 1807, continued for 20 years. The company was, in 1818, the first to extract Pennsylvania coal by powder blasting. In the same family almost 70 years, it was considered the first commercially successful U.S. anthracite firm.

I was proud and honored to have participated in the dedication ceremony, and I share the community's pride in the region's coal roots. As I stated in my address to the nearly 100 people in attendance, it is important for residents to trace the roots of the area's coal industry, which fueled the world's industrial revolution.

Major political, cultural, and industrial changes were all the result of coal mining. In Plymouth, PA, the humble beginnings of anthracite coal have changed the course of human events.

The mining of anthracite coal is credited with changing the course of history. Now the Borough of Plymouth can rightfully be credited as the site where anthracite coal was first successfully mined commercially. I know that my colleagues in the House of Representatives will join me in paying homage to pioneer anthracite coal merchant Abijah Smith.

A TRIBUTE TO LINCOLN JUNIOR-SENIOR HIGH SCHOOL

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. MACHTLEY. Mr. Speaker, today it is my distinct pleasure to honor the students, teachers, administrators, and community of Lincoln Junior-Senior High School which was named a blue-ribbon school by the U.S. Department of Education.

Being named a blue ribbon school is a distinction which recognizes the community at Lincoln Junior-Senior High School for their high standards in secondary school education. This honor distinguishes Lincoln Junior-Senior High as an exemplary school in preparing its students for the future. Lincoln boasts one of the lowest dropout rates in the State of Rhode Island.

I am especially proud to recognize the school for its roles as an educational institution during a time when quality education is the primary need of our Nation. Schools like Lincoln Junior-Senior High provide a guarantee for the future of our Nation by instilling our students with the qualities needed to become productive citizens.

THE VALEDICTORIANS OF THE FIRST CONGRESSIONAL DISTRICT'S HIGH SCHOOL CLASSES OF 1989

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. HAYES of Illinois. Mr. Speaker, distinguished Members of Congress, I rise today to acknowledge the considerable academic achievements of 17 young people from Chicago public high schools which serve the First Congressional District of Illinois. These young men and women have earned the distinction of being valedictorians of their graduating classes.

As the Representative of one of our country's most economically depressed districts, I find it laudable that these young people, and hundreds of their outstanding classmates, have posted excellent scholastic records throughout their high school careers. They truly represent the greatest resources our community and Nation possess. They are our brightest hope for the future, and they deserve to be honored as champions.

The valedictorians of the First Congressional District's high school classes of 1989 are: Alicia Boone of Hyde Park Career Academy; Ramona Briscoe of Martin Luther King High School; Wilson Buckley of George H. Corliss High School; Darryl Burley of Emil G. Hirsch High School; Terrace Crowder of South Shore High School; Persephone Ferguson of Kenwood Academy; Kendall Franklin of Percy L. Julian High School; Zorina Miller of Paul L. Dunbar Vocational High School; Natalia Perry of Wendell Phillips High School; Faylesha Porter of Chicago Vocational High School; Mattie Rucker of Neal F. Simeon Vocational High School; Salvador Sanchez, Jr. of Edward Tilden High School; Shavette Scott of John M. Harlan High School; Louise Tatum of Englewood High school; Sharon Thomas of Paul Robeson High School; Da Shayne Walker of Jean Baptiste Pointe DuSable High School; and Nitorshi Wilson of Edward Tilden High School.

Unfortunately, accomplishments like those of the forenamed students generally go unheralded by our news media which seem to concentrate more on negative aspects of life among youth in inner city areas. It is far more common to find media reports of the exploits of young people who are involved in drugs, gangs and other criminal or antisocial activity than it is to find accounts of the efforts of young people like those I honor today; young people who are preparing themselves to become tomorrow's leaders.

For this reason, I applaud Mr. Ellsworth E. Hasbrouck, Jr., president of Family Health Network, Inc., a not-for-profit medical group practice located in my district. Mr. Hasbrouck believes that our business leaders must do all that they can to recognize and encourage positive contributions made by our youth. On Friday, June 23, 1989, he joined with me at Chicago's DuSable Museum of African American History and Culture for a salute honoring the First Congressional District's distinguished young scholars.

I know that my colleagues in the U.S. House of Representatives share my wishes for continued success for the valedictorians of the First Congressional District's high school classes of 1989, and I hope that the Members of this august assembly will join me in working to create a society wherein they will be allowed the freedom to develop to their fullest potential.

THE PRIVATE SECTOR AND UNITED STATES-SOVIET COOPERATION

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. LEVINE of California. Mr. Speaker, I would like to bring a novel collaborative effort between American and Soviet citizens to the attention of my colleagues in the House, and congratulate Harold Willens and Wesley Bilson on their leadership in this successful project.

As the following Los Angeles Times article describes in greater detail, Willens and Bilson have offered their business expertise to help streamline the manufacturing processes of Soviet consumer enterprises. By encouraging entrepreneurship, and encouraging the Soviet Government to expend a greater portion of its energies on consumer-oriented production rather than on its vast military machine, they hope to lessen the tensions that exist between our two countries. Even though the projects have only been underway for a year, they have already had an impact on Soviet citizens' views of entrepreneurship.

Mr. Speaker, I request that the text of the Los Angeles Times article be printed in the CONGRESSIONAL RECORD at this point, and ask that my colleagues join me in commending Harold Willens and Wesley Bilson for their efforts to foster peace and understanding among the Americans and Soviets.

[From the Los Angeles Times, June 26, 1969]

CAPITALISTS SHOW SOVIETS HOW TO DO IT

(By Jonathan Peterson)

A Soviet colonel spoke into the microphone as the capitalists from Los Angeles looked on, surely the strangest of visitors to an army base 60 miles southwest of Leningrad.

Before him, Soviet journalists took pictures. Behind him, the Americans stood proudly. All around was the heady feeling of long-frozen attitudes thawing into something new and unknown.

"I could not have ever imagined," Col. Victor Makarov was saying as the March wind blustered, "that I would witness what is taking place here today."

In part, he meant his base's imminent transformation into a children's clothing factory. But that conversion—one of 300 under way in the Soviet Union—was not the oddest thing going on that windy day in Kingisepp.

CALIFORNIA CHUTZPAH

The real twist was the role of Wesley Bilson and Harold Willens, two self-described "card-carrying capitalists" from

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Southern California, embarked on a quest that seemed to combine quixotic idealism, careful calculation and more than a little chutzpah.

In an open letter to Soviet newspaper readers late last year, the wealthy entrepreneurs had offered Western-style consulting help, free of charge, to struggling consumer enterprises. Americans, they declared, have a vital self-interest in President Mikhail S. Gorbachev's wish to steer his economy onto a more peaceful path.

"This historic economic restructuring can go a long way toward reducing—perhaps even eliminating—all possibility of military conflict between our two countries," Willens predicted a the time.

DRAMATIC RESPONSE

The dramatic gesture paid off. Thousands of Soviets—from factory managers to physicians to ordinary citizens—poured out their wishes by the mail load. Totally outside the bounds of normal diplomacy, a citizen's collaboration was forming.

And what a strange collaboration it was, drawing in an unlikely cast of characters ranging from veteran U.S. peace activists and retired industrialists to Soviet journalists and workers at a Moscow bra factory.

There was Sophia Lansky, a Soviet emigre and actress who had worked in Hollywood (once teaching "a French actor playing a Russian villian how to speak English with a Russian accent in a Rambo movie"), who was so moved by the effort that she signed on as project director and interpreter.

There was Harry Froehlich, 68, a third-generation brassiere manufacturer who lives in Pacific Palisades, recruited to help a Moscow factory. ("I said, 'Moscow in January? You've got to be kidding,'" he recalled of his first meeting with Bilson. But days after his retirement, Froehlich was en route to the Soviet Union.)

And there was Ilya Baskin, the 32-year-old chief of Leningrad's Garant cooperative (a Soviet-style private firm), who proved so enterprising and energetic about taking over the Kingisepp base that Willens dubbed him Horatio Algersky.

For the Americans, the mission would provide a rare close-up of the hard realities that make up of every day Soviet life-realities that even Yankee know-how would not be able to budge. For the Soviets, it promised an expected source of expertise—and hope—at a time when household shortages and economic malaise seemed stubborn as ever.

"I'm dealing with people that want that tube of toothpaste from me," Bilson mused at one point. "They're embarrassed, but they want it."

By early 1989, Willens and Bilson had committed themselves to three projects: a Leningrad apparel cooperative that wished to take over the Kingisepp base, a brassiere manufacturer in Moscow and a clothing factory in Moldavia. Each faced the stifling edicts of bureaucrats in matters ranging from price tags to allowable materials to time for tasks on the factory floor.

CHAMPIONED BY MAGAZINE

American enterprise would challenge Communist bureaucracy as never before. Editors from the influential Soviet weekly Arguments and Facts, sensing not just a good story but a chance to help Gorbachev by publicizing consumer gains, became champions of the capitalists' effort.

In a series of trips, letters and telephone calls, the Americans personally lobbied Soviet bureaucrats to ease restrictions. The interviewed Soviet consumers and workers. And they linked Soviet managers and U.S. experts in relationships that continue today.

By early this year, the mission had been featured in Soviet newspapers, television and radio. Bilson's name was familiar to many ordinary Muscovites (some even asked for his autograph).

And there were unplanned victories. Last month, the city of Odessa granted a local military base to a clothing cooperative that one of the Americans had visited.

While it's hard to predict what the lasting benefits will be, on that spring day in Kingisepp near the Gulf of Finland, it became obvious that the unique effort had at least been noticed at the highest levels. In a message read by Arguments and Facts Editor Vladislav A. Starkov, Raisa Gorbachev sent her "warmest wishes."

Could it really make a difference? Bilson, who had logged many thousands of miles and uncounted hours trying to ensure that the grass-roots effort will indeed succeed, concedes the answer is not yet in. "What we're doing may be a drop in the bucket—or it may be extremely significant," he said. "Nobody knows right now."

The Beverly Hills Tennis Club might seem an odd place to worry about the future of the world. But for years, Willens has found it a convenient spot to do just that.

Members sometimes tease the Brentwood resident that he is the "man of La Mancha" because of his frequent tilting at the windmills of government policy. "What do you mean, 'My country right or wrong?'" Willens likes to ask. "My job is to make my country right when its leaders are wrong."

In the 1960s, he rallied business executives against the Vietnam War in a campaign that gained national attention. Later, he served as chairman of California's nuclear freeze initiative, plotting tactics, recruiting a prestigious advisory panel and pressing friends to donate cash.

"All that, I conceptualized—then I broke my ass making it happen," he recalled one morning over iced tea by the tennis club's pool.

Willens was born in the Soviet Union; his family emigrated to New York when he was 8, after the Bolshevik Revolution.

But those memories have faded and he points elsewhere for clues to his obsessive campaign against the arms race; witnessing the devastation of Hiroshima and Nagasaki as a U.S. Marine intelligence officer, weeks after they were bombed in World War II.

Years later, after he had gotten rich through real estate and textile machinery ventures in Los Angeles, he vowed "to do anything I could to prevent what I saw as an increasingly inevitable [nuclear] threat to destroy everything I cared about, because of governmental stupidity."

Today the Democratic peace activist is gray-haired, his sense of balance a tad shaky due to spinal problems, the daily tennis games a thing of the past. But he remains "nearly obsessed" with the nuclear arms race and other, less dramatic, threats to the environment.

FINDS IDEAL PARTNER

In that concern, the impatient, ever-pressing older man long ago found a complementary partner in Bilson, an upbeat Pacific Palisades resident who shares Willens' intensely personal approach to world peace. Bilson, a Republican who gained wealth through hospital investments, has pressed tirelessly for the Soviet initiative, using his office as home base and taking three trips there so far this year.

Each use terms from the business world in describing the current initiative: "If we're going to have a global partnership, who should be the general partners but the Soviet Union and the United States?" the younger man asked recently.

For that matter—to borrow a phrase from Bilson—why leave it up to "the cowards in Washington?" Last summer, the two entrepreneurs decided not to wait.

At an informal meeting between Americans and Soviet officials at the Colorado home of "Megatrends" author John Naisbitt, they popped the question: What if two capitalists were to offer Soviet consumer enterprises consulting aid with no strings attached?

The free Western expertise, they maintained, might help a Soviet factory produce more plentiful, attractive products. And just maybe, the value of an "enterpreneurship-transfer" could be broader: With favorable publicity, public opinion might strengthen Gorbachev's economic reforms.

And that, the Americans reflected, could enhance security for citizens of both countries. The Soviets, including members of the Communist Party Central Committee, were intrigued.

STEREOTYPICAL BUSINESSMAN

"We have the stereotype of an American businessman who is very effective, very energetic, but whose only purpose is to make money—and the more the better," noted Alexander Meschersky, Arguments and Facts' deputy editor-in-chief, in a telephone interview from Moscow.

So such cooperative behavior by American capitalists, he added in a refined, vaguely British accent, was "rather unexpected."

In November, the Americans' letter appeared in Arguments and Facts, a newspaper with a circulation of 20 million sympathetic to Gorbachev. The offer hit a nerve: The newspaper was deluged with more than 3,000 written pleas from all over the nation.

Readers asked for medical equipment, aid in building factories, even help in expanding an orphanage. Many of the writers wanted to meet the Americans.

OVERWHELMING REACTION

"The reaction surprised us—because it was overwhelming," Meshcherskiy recalled.

Weeks after the letter appeared, Bilson visited the Soviet Union, hosted by the editors of Arguments and Facts and the influential Znaniye scholarly society. By the time he returned 11 days later, he had found the three potential showcases for U.S. help.

Baskin's Garant cooperative in Leningrad—then awaiting a decision on whether it would get the army base—wished to send an employee to America to learn U.S. management techniques and also sought aid in getting equipment.

"The final goal is to increase the production of children's clothing in the Soviet Union," Baskin said recently in a telephone interview from his apartment in Leningrad.

MAKER OF INFERIOR BRAS

An influential Soviet economist, Abel Aganbegyan, had pointed Bilson toward Moscow's 2,000-employee Cheryomushki factory that made bras considered inferior by Soviet women. And in Moldavia, near the Romanian border, a clothing factory sought help in enhancing style and quality.

Could two unappointed citizen-diplomats from America make even a ripple in a

system that seemed to squelch enterprise at every turn?

As Willens saw it, the problem would be tackled through leverage—a series of carefully conceived steps used for maximum effect with the help of Soviet publicity. Citizens of both superpowers, he believed, might finally see the crying need to work together. Inclined to jot down his thoughts, Willens wrote: "It is a moment in history when altruism and self-interest do intersect."

But nobody promised it would be easy. Repeatedly, the bureaucracy stalled changes in factory practice the Americans advised, permission for Soviets to visit America, permission for Americans to visit the Soviet Union, even travel within the sprawling country.

On one occasion, a zealous customs agent in Moscow confiscated a fax machine that was in the Americans' luggage, apparently uncertain of its use. Froehlich, who was carrying the machine, a gift for the editors of Arguments and Facts, was nonplussed: "How do you explain to a Russian customs agent that it's a fax machine?"

Indeed, that task was beyond even the friendly Soviet newspaper editors who sported pins proclaiming, "We Love Wesley Bilson" and "Welcome Comrade Bilson." Authorities held the fax hostage over the weekend.

STARTING TO PAY OFF

But despite the nation's rigid bureaucracy, America's citizen-diplomats now claim that their flurry of visits, telephone calls and letters this year has begun to pay off.

Unlike the conversion of the military base outside Leningrad, for instance, the decision in Odessa—benefiting a cooperative that made children's costumes—was totally unforeseen. Local officials in the city, which is Lansky's hometown, made their decision after she had paid them a visit.

"It's a continuation of what happened in Leningrad," said Lansky, 34, a tall redhead who left Odessa for Israel in 1973. "Now, it's like a wave. . . . I'm happy; I'm proud."

Like others drawn to the Americans' unusual quest, Lansky found a deeply personal meaning in the mission's peaceful theme. Once, while she was performing for Israeli children in a bomb shelter near the Lebanese border, a Soviet-made missile exploded nearby.

"I had my personal confrontation with Soviet weapons," she said. "I want to prevent it in the future."

At the former military barracks in Kingisepp, plans for the layout of a large new factory have proceeded with advice from Froehlich.

RESULTS WILL TAKE TIME

"It will take people a year or two to see how wonderful this initiative is," Baskin said, "because they don't see results yet. Nothing of this sort has ever been done."

Similarly, the U.S. efforts have sparked a glimmer of progress for the Moscow bra factory, which had been forbidden to import fabrics. Froehlich—whose father and grandfather manufactured corsets in Germany and Switzerland—recalled that the coarse Soviet products "reminded me of the kinds of garments we made 50 years ago."

Earlier this year, in a Western-style "focus group" with 17 female employees of Arguments and Facts, the consumer verdict was obvious: Each of the Soviet women acknowledged wearing a foreign brassiere. What's more, "Only 50% of them believed the Moscow factory could produce a bra as good as the foreign ones," Bilson said.

But after meeting with Bilson and an editor of Arguments and Facts, a Soviet bureaucrat cracked open a door: He agreed to let the Americans import enough quality fabric—at Soviet expense—for the factory to show what it's capable of.

In late May, Froehlich inspected the first sample of the Soviet bras made with American fabrics. "I must tell you, they look fabulous," he said excitedly.

The venture also has spawned promising new relationships between Americans and Soviets. To cite one: a proposed 2,000-square-foot retail clothing store in Leningrad to be set up with help from American students.

The experiment would be a sort of joint venture between the Fashion Institute of Design and Merchandising in Los Angeles and the Leningrad Textile Institute, which proposed such exchanges during one of the Americans' trips.

"We'd like to see it [the store] open by early spring next year," said Tonian Hohberg, president of the Los Angeles design school. "There's no doubt in my mind that they're very anxious to get it started."

For all the excitement, it is not clear how far such efforts can ripple through a Soviet system that still discourages initiative and turns Western economics topsy-turvy.

"Maybe the people at Arguments and Facts, the brassiere factory, the people on the Western side all feel wonderful about what they do," said Kent Osband, an economist at the RAND Corp. "But are they really getting at the essence of the system?"

Osband and a second Soviet specialist, however, agreed that some benefits might come of the novel effort, especially any transfer of entrepreneurial skills and attitudes.

"In particular, what I like is building up small enterprises or ones that can get out from under the state," said Henry Rowen, a Stanford University specialist on the Soviet economy. "It's what we should be favoring."

For his part, Willens already describes the quest as a "teeny hunk of history," based on gains so far and on the new U.S.-Soviet relationships that are blossoming.

Certainly, the adventure has captured the imagination of many Soviets, a point highlighted by the fax machine flap. As Bilson and Froehlich tell it, when told who owned the gadget, a stunned Soviet customs agent blurted out: "This machine belongs to Wesley Bilson? I wrote a letter to him."

RICHARD F. COTE HONORED

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1989

Mr. MACHTLEY. Mr. Speaker, today it is my distinct pleasure to honor Richard F. Cote of Portsmouth, RI. Mr. Cote has been named "Teacher of the Year" by the Rhode Island Technology Education Association and the Hall Institute of Technology.

For over 20 years Mr. Cote has been a fine and dedicated teacher of industrial technology in the Middletown school system. He is presently a drafting teacher at Middletown High School. Besides being a fine teacher, Mr. Cote is also an accomplished professional. It is my pleasure to commend Mr. Cote for his award.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 11, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 12

9:00 a.m.

Armed Services

Closed business meeting, to mark up S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.

SR-222

Commerce, Science, and Transportation

To hold hearings on the nomination of Janice Obuchowski, of Virginia, to be Assistant Secretary of Commerce for Communications and Information.

SR-253

Labor and Human Resources

Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by H. Con. Res. 106, setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, S. 933, "Americans with Disabilities Act", S. 768, "Basic Health Benefits for All Americans Act", S. 975, "Non-Traditional Employment for Women Act", S. 685, "Employee Pension Protection Act", and pending nominations.

SD-430

Special Impeachment Committee

To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.

SH-216

9:30 a.m.

Energy and Natural Resources

To hold hearings to consider the nominations of Martin Lewis Allday, of Texas, to be Solicitor of the Department of the Interior, Lou Gallegos, of New Mexico, to be an Assistant Secretary of the Interior, Stella Garcia

Guerra, of Texas, to be an Assistant Secretary of the Interior, and Constance Bastine Harriman, of Maryland, to be Assistant Secretary of Fish and Wildlife, and Parks, Department of the Interior.
SD-366

Environment and Public Works
Environmental Protection Subcommittee
Superfund, Ocean and Water Protection Subcommittee
To hold joint hearings on proposals to improve the environmental quality of marine and coastal waters, including S. 587, S. 588, S. 1178, and S. 1179.
SD-406

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 707 and S. 1215, bills to require the Federal Communications Commission to reinstate restrictions on advertising during children's television and to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience.
SH-253

Foreign Relations
Business meeting, to continue mark up of proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs.
SD-419

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1271, to change the fee schedule of the Copyright Office, and to make certain technical amendments and S. 1272, to reduce the number of Commissioners on the Copyright Royalty Tribunal, to provide for lapsed terms of such Commissioners.
SD-226

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Armed Services
Closed business meeting, to continue markup of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Environment and Public Works
Business meeting, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by House Concurrent Resolution 106, setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, and other pending business.
SD-406

Judiciary
Courts and Administrative Practice Subcommittee
Business meeting, to mark up S. 84, to provide Federal debt collection procedures, S. 396, to provide protection for the operation of interest rate and currency swap agreements when one of the parties files for bankruptcy relief, and S. 594, to establish an independent Administrative Law Judge Corps.
SD-226

Select on Intelligence
Closed business meeting, to consider proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

JULY 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the current drought situation in the midwest.
SR-332

Armed Services
Closed business meeting, to continue markup of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Francis A. Keating II, of Oklahoma, to be General Counsel, Department of Housing and Urban Development.
SD-538

Veterans' Affairs
Business meeting, to consider pending calendar business.
SR-418

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Francis A. Keating II, of Oklahoma, to be General Counsel, Department of Housing and Urban Development.
SD-538

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on capabilities and concerns of the national sealift policy.
SR-253

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the recent oil spills in the coastal waters of Rhode Island, the Delaware River and the Houston Ship Channel.
SD-406

Governmental Affairs
Business meeting, to mark up S. 303, to establish a framework for the conduct of negotiated rulemaking by Federal agencies, H.R. 1502, to authorize funds for additional officers and members of the Metropolitan Police Department of the District of Columbia, S. 253, to establish a coordinated National Nutrition Monitoring and Related Research Program, to consider recommendations which it will make to the Committee on the Budget with respect to spending reductions and revenue increases to meet reconciliation expenditures as imposed by House Concurrent Resolution 106, setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, and other pending committee business.
SD-342

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on financial services in the 1990's.
SD-538

Energy and Natural Resources
To resume hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to mark up S. 695, "Educational Excellence Act of 1989" and the proposed "Library Services and Construction Act Amendments of 1989".
SD-430

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Foreign Relations
To hold hearings on international aspects of oil spill prevention, cleanup and compensation.
SD-419

Judiciary
Constitution Subcommittee
To resume hearings on proposed legislation authorizing funds for the U.S. Commission on Civil Rights.
SD-226

Select on Intelligence
Closed business meeting, to consider proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

Special Impeachment Committee
To hold hearings on pretrial issues in matters relating to the impeachment of Judge Walter L. Nixon, Jr.
SD-628

Conferees
On H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
2129 Rayburn Building

JULY 14

9:00 a.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to examine airline debt and takeover issues.
SR-253

10:00 a.m.
Agriculture, Nutrition, and Forestry
Domestic and Foreign Marketing and Product Promotion Subcommittee
To hold hearings to review agricultural research and foreign marketing promotion.
SR-332

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, to provide for a revitalized national housing policy, focusing on community and economic development provisions.
SD-538

Energy and Natural Resources
To continue hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

Conferees
On H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
2129 Rayburn Building

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 17

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Environment and Public Works
To hold hearings on the nomination of Thomas D. Larson, of Pennsylvania, to be Administrator of the Federal Highway Administration, Department of Transportation.
SD-406

JULY 18

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on Tuna management.
SR-253

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, to provide for a revitalized national housing policy.
SD-538

Energy and Natural Resources
To hold hearings on the nominations of Stephen A. Wakefield, of Texas, to be General Counsel of the Department of Energy, J. Michael Davis, of Colorado, to be an Assistant Secretary of Energy for Conservation and Renewable Energy, John J. Easton, Jr., of Vermont, to be an Assistant Secretary of Energy for International Affairs and Energy Emergencies, and Jacqueline Knox Brown, of the District of Columbia, to be an Assistant Secretary of Energy for Congressional and Intergovernmental Affairs.
SD-366

Governmental Affairs
To hold hearings on S. 244, to provide for the development and use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies.
SD-342

2:00 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 19

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, relating to the broadcasting of certain material regarding candidates for Federal elective office.
SR-253

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on the implementation of the Defense Production Act of 1950 and competitiveness.
SD-538

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 946, to reorganize the functions of the Nuclear Regulatory Commission to promote more effective regulation of atomic energy for peaceful purposes.
SD-406

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on the comparative assessment of the U.S. Space Program.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 866, to establish the Calumet Copper Country National Historical Park in the State of Michigan, S. 931, to protect a segment of the Genesee Park in New York, H.R. 419, to provide for the addition of certain parcels to the Harry S. Truman National Historic Site in the State of Missouri, and H.R. 1529, to provide for the establishment of the White Haven National Historic Site in the State of Missouri.
SD-366

JULY 20

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Governmental Affairs
To holding hearings on provisions of S. 135, Hatch Act Reform Amendments of 1989.
SD-342

Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.
SD-430

1:00 p.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, to provide for a revitalized national housing policy, focusing on drugs in federally assisted housing.
SD-538

1:30 p.m.
Special Impeaching Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 371, to designate certain National Forest System lands in the State of Idaho for inclusion in the National Wilderness Preservation System, to prescribe certain management formulae for certain National Forest System lands, and to release other forest lands for multiple-use management.
SD-366

JULY 21

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of D. Allan Bromley, of Connecticut, to be Director of the Office of Science and Technology Policy.
SR-253

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 24

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 25

8:30 a.m.
Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Governmental Affairs
To hold hearings to review U.S. trade and technology issues.
SD-342

2:00 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 26

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1009, relating to the purchase of broadcasting time by candidates for public office.
SR-253

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

10:00 a.m.
Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

1:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1067, to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing.
SR-253

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 27

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Governmental Affairs
To hold hearings on S. 1165, to provide for fair employment practices in the U.S. Senate and U.S. House of Representatives.
SD-342

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.
SD-430

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 31

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 1

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 2

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 3

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 4

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

CANCELLATIONS

JULY 11

9:30 a.m.
Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

POSTPONEMENTS

JULY 14

9:30 a.m.
Select on Indian Affairs
To hold hearings on proposed amendments to the Indian Child Welfare Act (Public Law 95-608).
SR-485

JULY 18

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

JULY 20

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

JULY 21

9:30 a.m.
Select on Indian Affairs
To hold hearings to establish a Tribal Judicial Resource Center.
SR-485

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

HOUSE OF REPRESENTATIVES—*Tuesday, July 11, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O gracious God, to so open our hearts in prayer that we may hear Your still, small voice speaking in the quiet of our meditation. May not the rush of events and the ever present needs of today cause us to put aside those moments when we can be honest with ourselves, can see in our own lives our weaknesses and strengths, our hopes, our wishes, our oneness with Your spirit. May we hear Your voice, O God, calling us to the quiet assurance that You know us and love us and are with us all our days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentlewoman from Colorado [Mrs. SCHROEDER] will please come forward and lead the House in the Pledge of Allegiance.

Mrs. SCHROEDER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

REINTRODUCTION OF FEDERAL EMPLOYEES FAMILY BUILDING ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, millions of Americans build families through adoption and the use of infertility treatments. Many of these people are Federal employees, whose health insurance plans cover the costs of pregnancy and childbirth, but not of adoption or infertility treatments. This is an inequitable arrangement: It discriminates against those people who are unable to conceive a child naturally but who yearn to have a family.

To that end, I am reintroducing the Federal Employees Family Building Act, which would require that all insurance carriers in the Federal Employee Health Benefits Program [FEHBP] that cover obstetric care also cover infertility treatments and adoption-related medical expenses.

Infertility more often affects black, older, and less educated people, but it is white, younger and more educated people who seek treatment, in great part because of the cost. For example, in vitro fertilization [IVF] costs about $4,000 to $6,000 for one treatment cycle. IVF patients usually undertake two cycles, with many giving up after that, without a successful pregnancy, because it is too expensive to continue trying.

There are similar barriers to the fair treatment of adoption in FEHBP. Under some adoption arrangements, the adoptive parents assume responsibility for the biological mother's pregnancy and childbirth expenses. They may also be responsible for medical care for the child before the adoption becomes final. In either case, their health insurance doesn't usually cover the expenses.

It is time we acknowledge that there are different ways to build a family, and that we stop discriminating against alternatives to natural, biological parenthood. The Federal Employees Family Building Act is a step in the right direction.

A PROPOSAL TO PROTECT THE FLAG WITHOUT CONSTITUTIONAL AMENDMENT

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, I would like to invite my colleagues to consider an op-ed piece in the July 3 New York Times by Harvard law Professor, Lawrence Tribe. Professor Tribe notes that, properly understood, the Supreme Court's ruling on flag burnings upheld no right to desecrate the flag, even in political protest, but merely required that Government protection of the flag be separated from Government suppression of detested views.

In a little noted passage of the decision, the Court majority observed that the case would have been altogether different if the State had acted against flag burnings on the simple ground that we should not allow the physical mistreatment of an object that the majority of people have chosen by law to protect.

In other words, our aim in protecting the flag is to protect a hallowed object. That aim is distinct from the issue of free speech. All we need to do is to protect the flag in all circumstances, regardless of the motives for its abuse.

To do that, we do not need a constitutional amendment. We can provide appropriate protection by statute, and do so constitutionally. This is the route we should take.

Accordingly, Mr. Speaker, I invite all of my colleagues who are against flag desecration and for free speech to cosponsor my bill, H.R. 2778. This bill will protect the flag, and it will pass constitutional muster.

THE REAL MEANING OF "BUY AMERICAN"

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, when Members of Congress have had to exhibit their preference on where to spend U.S. taxpayer dollars for the procurement of defense commodities, most have veoted—"Buy American."

GTE was selected for a U.S. defense contract based on an agreement to spend 76 percent of the moneys allocated by Congress on U.S. content. To make congressional intent evident to GTE, the contract stipulates that the 76 percent U.S. content must consist of American owned industry with American workers. Foreign owned manufacturers with American workers do not qualify as U.S. content.

The Army and GTE are now saying all that matters is product quality. The current manufacturer, Navcom, an American owned and operated company, maintains all delivery schedules with a quality product.

Why then should the Army and GTE approve of the transfer of contract work from Navcom, to a French owned manufacturer. It appears the French company Thomson, is agitated because they were unable to buy out Navcom, and the Army and GTE aid and abet their vendetta by supporting this move. Is this simply an abdication of responsibility, or is it a deliberate circumvention of congressional intent?

VANDALISM AT REVOLUTIONARY WAR MONUMENTS IN NORTH CAROLINA

(Mr. COBLE asked and was given permission to address the House for 1 minute.)

Mr. COBLE. Mr. Speaker, on the 4th of July in Greensboro, NC, an act of inexcusable vandalism occurred. On

the day we celebrate our independence, some rather sick people severely damaged monuments at the Guilford Courthouse National Military Park. They spray painted obscene slogans and hacked away at six statues in the park. The most severely damaged was the base of the monument of Nathanael Greene, the commanding general of Southern troops during the Revolutionary War.

It seems that our national symbols are under attack these days. First, the Supreme Court says it is lawful to burn the American flag. Then, some sick individuals try to destroy a monument to our beginnings as a Nation. For 74 years, the statue of General Greene has honored the hero of a key Revolutionary War battle and the city of Greensboro's namesake. Today, his statue and five others are damaged.

The National Park Service says it will require hundreds of thousands of dollars to repair the work of these vandals. But we will make the repairs. Fundraising efforts have begun already in the Sixth District. I urge the people of North Carolina and the entire Nation to support our efforts to restore this treasure to its original beauty.

In 1990, we will celebrate the 75th anniversary of the Guilford Courthouse National Military Park. Let's work together to see that this symbol of our struggle for freedom is properly restored.

□ 1210

CRIME BILL 1

(Mr. MOORHEAD asked and was given permission to address the House for 1 minute.)

Mr. MOORHEAD. Mr. Speaker, fear of crime continues to be a problem of significance for the people of this country. George Gallup reported in March of this year that four out of every ten Americans are afraid to walk alone in their neighborhood at night. One in every ten feels insecure in his own home at night. When asked whether the crime problem in this country was improving or getting worse, 86 percent of respondents in a poll done for Time and CNN in February of this year said they thought it was getting worse. Fifty-seven percent said that being a victim was something they personally worried about, and over half also said that they did not feel adequately protected by the police from being a victim of crime.

Mr. Speaker, this is indeed a war. The Republican omnibus anticrime bill, introduced last week, will provide us with much of what we need to win it. It increases penalties for crimes committed with firearms. It enacts a constitutionally sound death penalty provision for the most horrible crimes. It proposes making drug testing a mandatory condition of Federal parole. It contains several provisions designed to reduce prison overcrowding. Exclusionary rule reform and habeas corpus reform are included among its provisions.

Mr. Speaker, I urge you to do everything you can to make sure that this bill gets to the floor without undue delay so that we might have the opportunity for full debate and amendment.

A BIPARTISAN EFFORT—ENACTING LEGISLATION OR AMENDING CONSTITUTION TO PREVENT DESECRATION OF OUR FLAG

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I have in my hands a petition from the 17th District of Texas numbering some 50 to 60,000. Anybody that would like to count it can authenticate it.

Mr. Speaker, let me say I am not going to put this in the RECORD because of the cost that would be involved, but basically this says:

> We, the undersigned, citizens of the United States of America, are appalled at the Supreme Court ruling upholding an individual's right to deface the American flag. It is our desire and demand that the Congress of the United States enact legislation preventing any form of desecration toward our flag.

I was very glad to hear my colleague, the gentleman from Wisconsin [Mr. PETRI] earlier suggest that there might probably be a better way than amending the Constitution to do so. If there is, this Member, too, would support it. If there is not, then I think an amendment to the Constitution would be very appropriate.

Mr. Speaker, the people of America feel very deeply about the American flag. This represents but a small portion of the number of citizens that are going to be forthcoming to my office, and I suspect to many of the rest of the offices.

My colleagues, I commend our Speaker for agreeing to move quickly on resolving this issue and showing and proving that this is entirely a bipartisan effort to deal with the problem.

I have spoken many times to classes of high schools around my district in which I point out that my freedom to swing my arm ceases when it contacts my brother's nose. Mr. Speaker, the five-four decision of the Supreme Court has contacted millions upon millions and hundreds of millions of American noses. They want us to act.

Mr. Speaker, we appreciate this prompt consideration.

The SPEAKER. The Chair wishes to advise our guests in the gallery that House rules prohibit signs of approval or disapproval with respect to anything said in debate. We welcome our guests here today, and we appreciate their cooperation in remaining within the rules of the House.

IT'S TIME TO END THE NATIONAL SCANDAL OF ABORTION ON DEMAND

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, in the not too distant future, I truly believe that historians will regard America's unseemly abortion culture with an odd mix of curiosity, sorrow, incredulity, and contempt.

They will wonder how a society that paid so much attention to civil rights at home and human rights abroad could have allowed—even promoted—the violent destruction of over 24 million children under the guise of preserving the right to privacy.

They will weigh the fashionable cliches, slogans, and euphemisms of our day proffered by the abortion lobby against the brutal reality of abortion—literally dismemberment of the baby and poison shots—and wonder how an ostensibly sane, compassionate society could have been so thoroughly fooled.

Moral equivalencies and comparisons to the institution of slavery are inevitable.

Perhaps most troubling, however, will be the memory of the legion of talented leaders in the fields of medicine, religion, law, academics, and especially in politics who should have known better, but who blinked when it counted most preferring instead the luxury of personal opposition without public duty or responsibility.

Mr. Speaker, I believe it's time the national scandal of abortion on demand came to an end. For the sake not just of the unborn—but their mothers as well.

In my view, the Supreme Court's decision in Webster handed down last Monday was a start. A new day has dawned. Hope has been revived.

The upholding of the Missouri anti-abortion statute by the U.S. Supreme Court was a significant victory for unborn children and will likely result in the saving of many children who otherwise would have been aborted. It seems clear to me that the majority decision permits the states to further disentangle and disassociate public funds and assets from the destruction of unborn babies and is likely to lead to enactment of State laws along the lines deemed permissible by the court.

The Legislatures on the State and Federal level are thus invited to reassert protections for the unborn and

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

move to end the National Scandal of Abortion on Demand.

WHY I DISAGREE WITH $100 MILLION FOR POLAND

(Mr. TRAFICANT asked and was given premission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, times have certainly changed. Santa Claus used to make his rounds in December. Now old Santa just drops in at any moment, in Air Force One no less. He has abandoned all the reindeer.

Mr. Speaker, I am not taking off on the President. Overall President Bush is doing a good job, but I disagree with $100 million for Poland, and here is why.

The President said, and I quote, "Poland has a huge debt crisis." Did anyone ever remind the President or Congress that we are the world's greatest debtor?

Mr. Speaker, maybe it is time we start putting a hundred million dollars back into old Uncle Sam because the sad truth is America has become the automatic teller machine. A foreign country simply comes over, slips in their American Express card, and we give them cash.

I think it is time we take care of our own country, and that hundred million dollars would be better served in Ohio and Pennsylvania that lost an awful lot of steel jobs, and no one is really giving us a break.

THE UNITED STATES HAS A RESPONSIBILITY TO SUPPORT FREEDOM IN POLAND

Mr. DREIER of California asked and was given permission to address the House and to revise and extend his remarks.)

(Mr. DREIER of California. Mr. Speaker, a week ago yesterday we celebrated the 213th birthday of our independence; this Friday, the historic bicentennial of the storming of the Bastille, that medieval fortress, and now here we are between those two very important dates with President Bush standing at the Lenin shipyard in Gdansk saying, "The dream of Poland is alive." He said that just 4 hours ago.

Mr. Speaker, while the gentleman from Ohio [Mr. TRAFICANT], my friend, is very concerned about our use of United States tax dollars in countries abroad, I have to say that we are living at one of the most critical times imaginable, and I take my hat off and congratulate President Bush for his spectacular performance in Poland and what soon will be taking place, of course, in Hungary, and then at the economic summit later this week.

My colleagues, we are living at a time when freedom is on the march. The United States of America has a responsibility to support that cause.

WE MAKE A START

(Mr. WHITTEN asked and was given permission to address the House for 1 minute.)

Mr. WHITTEN. Mr. Speaker, on June 30, the day after Congress recessed for the week of July 4, the President signed H.R. 2402, the dire emergency supplemental, which we had passed by a vote of 318 to 6 and the Senate passed by voice vote.

The President made no comment, but earlier he was quoted as being ready to veto any bill which increased funds for drug control. In addition, the local press has had little to say about the bill being signed.

Mr. Speaker, this action was monumental, for among other provisions, it makes a concrete start to support law enforcement officials at the local level and to regain some control over the terrible drug situation which, if not controlled, will wreck this country. In some parts of most cities, it is unsafe to be on the streets at night, or even in the daytime and in many rural sections as well.

According to reports, in many areas some arrests are not made for there is no place to put prisoners. According to the press, Washington, DC, has sent prisoners as far as the west coast for confinement. Some judges are dismissing charges, and are actually releasing prisoners because of a shortage of prisons and jails.

The bill, now the law, Public Law 101-45, provides $75,000,000, "to strengthen Federal domestic drug law enforcement at the local level for additional assistant U.S. attorneys, deputy U.S. marshals and other agents, including necessary equipment and supplies, initiate plans to acquire available military facilities for use as prisons or Civilian Conservation Corps type use for drug offenders; speed up planning for not less than three prisons in areas where most needed; and to expedite the purchase of automatic data processing equipment to improve the exchange of information, * * * [and] for 'Fees of jurors and commissioners' to strengthen drug law enforcement at the local level,".

As chairman of the House conferees, it was my proposal which the conferees accepted by unanimous vote. Mr. Speaker, I am indeed glad that we made this start, for despite our many efforts, the use of drugs threatens our Nation.

The administration is committed to producing a plan by September 1. It is to be hoped that it will include authority to cut across jurisdictions now divided between 41 departments and agencies. All we do is helpful, but to gain control of the drug problem we must have this authority.

The bill also includes provisions for:

Veterans programs	$1,193,818,000
Law enforcement at the local level	75,000,000
Guaranteed student loans	892,428,000
Forest fire restoration	341,669,000
Payments to States for foster care and adoption services	423,345,000
Food stamps	224,624,000
Trade adjustment assistance	90,648,000
Migration and refugee assistance	125,000,000
International peacekeeping assistance	125,000,000
Essential air services	6,600,000

And many other important programs.

These funds became necessary because of the last minute demand last year for a further cut of $1.9 billion in outlays by our colleagues on the other side of the Capitol. A supplemental was anticipated at that time.

□ 1220

UNDERMINING OUR ABILITY TO FIGHT DRUGS IN PUBLIC HOUSING

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have heard a lot of talk just a speaker ago from the Appropriations Committee about fighting drugs. What the appropriators have failed to tell us was about a provision in the supplemental that significantly undermines our ability to fight drugs in public housing.

The chairman of the New York Housing Authority said this about that provision:

> The practical application of this provision is a nightmare that impedes the efforts of public housing authorities to remove drug dealers who threaten the lives of our residents and staff," said Emanuel Popolizio, chairman of the New York City Housing Authority.

Secretary Kemp, writing about this provision, has said:

> The new law will make it harder for a housing authority to evict a tenant for drug-related criminal activity than for non-payment of rent or other violations of the tenant lease.

He went on to say:

> It appears to preclude expeditious eviction of individuals who are directly engaged in criminal activity.

Mr. Speaker, it is not enough to talk tough about drugs. It is not enough to talk about throwing money at the drug problem. It is time to get tough. We should be throwing drug dealers out of public housing, not protecting them the way we did with one provision of the supplemental appropriations bill.

WHAT IS A CIVIL LIBERTARIAN?

(Mr. FRANK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANK. Mr. Speaker, people have been too pessimistic about the level of support for civil liberties in America. We have recently seen an infusion of new ardent advocates, particularly for the rights of those accused of crime. For instance, former Attorney General Meese once said that almost everybody who was accused was guilty and that the Civil Liberties Union was a criminal's lobby, but there has been an evolution on the part of many of my very conservative friends.

I recently read the opinion that two Reagan appointees to the circuit court rendered on behalf of Mr. Nofziger. They gave that statute a workout to be able to get the charges dismissed against Mr. Nofziger that would have put a strain on any force of civil liberty lawyers.

Similarly, when Oliver North was being sentenced, some of my colleagues decided that really prison was a very inappropriate place for him. I agreed in that case.

So, Mr. Speaker, while we may be worried about our lack of civil liberties enthusiasm in one area, we should understand that we have got a whole new set of recruits. In Washington today, a civil libertarian is probably a conservative whose friends have been arrested.

SUPPORT BUSH ADMINISTRATION'S OMNIBUS CRIME BILL

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, I am here today to call your attention to the problem of crime facing our Nation. We have thrown money at it before and the problem has only gotten worse. The elderly increasingly feel frightened about leaving their homes and our children must live with crime daily in their schools.

The Bush administration has come up with a reasoned, practical approach to this problem with its omnibus crime bill. I am thus strongly urging my colleagues, on both sides of the aisle, to support the President's bill so that we can get it on the floor as soon as possible to refine it and put it to work as law.

We need to take charge now and show once and for all that crime does not pay! We need to teach our younger generations that they must not participate in criminal acts. We need to get tough on crime and this bill is the answer.

I thank the Speaker and other Members for this time, and now I strongly urge that we all take time for major considerations to this bill.

BIGGEST ISSUE BACK HOME IS STILL THE ECONOMY

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, I went home over the July 4 weekend, as I always do, and traveled my 11 counties, and still the biggest issue that my people are concerned about is the economy and jobs.

They are obviously concerned about what the Supreme Court has done on abortions and on the flag. They are worried about China. They are worried about various benefits. But they are asking, "What about the economy? Where is my job?"

They want to know about why we are sending all this money over to these other countries through foreign aid. We just passed a foreign aid bill for over $12 billion, and now President Bush is over there with his mobile candy store.

They want to know why we are giving it away, why we continue to condone these unfair trading practices, why we are losing our manufacturing jobs that are good jobs and pay good money, that give them a better quality of life.

Why do we not do something about getting higher earnings, a better minimum wage to pay for food, clothing, and housing.

And what are we doing about looking to the future when the European Common Market is going to be exercising its strength in 1992? Are we going to be able to face that?

It is issues of the pocketbook, of health, the quality of life, and while we are helping others I think we had better take a look at our own people. Let us take care of the American taxpayer for a change.

POLAND AND HUNGARY NEED FREEDOM, NOT MORE LOANS

(Mr. McEWEN asked and was given permission to address the House for 1 minute.)

Mr. McEWEN. Mr. Speaker, free men and women cheered this morning as the President of the United States spoke in Gdansk, Poland, about the benefits and privileges of liberty.

Mr. Speaker, Poland does not need more loans. Hungary does not need greater loans. What those people need is freedom.

The United States of America is the richest nation on Earth. More than half of all the goods created, more than half of all the wealth in the history of man has been created in this one country, not because we are brighter than anyone else, not because we work harder than anyone else, but because America is the freest.

The President was correct to tell the Polish Government that as they open up free markets, they will then have greater standards of living, not to listen to the Keynesians, the Department of the Treasury or the IMF or the World Bank, because Eastern Europe does not need more loans and more debt and more interest, like the World Bank did to Latin America. All Eastern Europe needs is democracy and freedom. The American model will work there.

□ 1230

SEIZE THE OFFENSIVE ON DRUGS AND CRIME

(Mr. SMITH of Mississippi asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Mississippi. Mr. Speaker, with the recent introduction of the administration's comprehensive crime bill, I would like to take this opportunity to issue a challenge to my distinguished colleagues on both sides of the aisle.

It has become increasingly apparent that the war on drugs and crime cannot be fairly characterized as such. What we are currently waging is, at best, a public relations campaign. The administration continues to be obsessed with guns rather than dangerous felons. The test-case city of the District of Columbia is a wild boar out of control. The war on drugs, in my opinion, has not even begun. We need to reduce the bureaucratic mire of 30-plus congressional committees overseeing the work of the Drug Czar into one single oversight committee. The lines of command need to be clearly drawn and the battle plans must be laid.

With the introduction of the administration's recent comprehensive crime bill, Congress has the authority to seize the offensive and to declare a sunset for the end of this war on drugs and crime. I urge my fellow soldiers not to grow weary but to put on the full armor of battle. If we are serious about the scourge of drugs and crime in our Nation, we would be advised to adopt General MacArthur's admonition to Congress in 1951 when he stated, "in war, there is no substitute for victory."

COAST GUARD COCAINE SEIZURE

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I would like to take one moment this afternoon to shine a ray of light onto the

otherwise dark picture of our drug epidemic going across the Nation and our war on that epidemic.

On July 7 the U.S. Coast Guard made the largest cocaine seizure of the year when it stopped 3,359 pounds of cocaine from entering the United States. I have been told that this would be enough cocaine to feed the habit of an entire nation for a full week.

Crew members of the Coast Guard cutter *Shearwater* stopped a Panamanian-flag cement freighter and requested permission to board. Once denied permission by Gen. Manuel Noriega, they contacted the exiled Panamanian Delvalle government now recognized by the United States. Their persistence paid off. This radioed permission was made possible by a provision of the 1986 drug bill which incorporated H.R. 2132, a bill that I had filed earlier from an idea that I obtained from the U.S. Coast Guard in Miami Beach.

When it seems like our war against drugs is a futile effort, it is encouraging to see that we employ our resources and persist where we can make a difference. We must commend the vigilance, creativity, and hard work of the U.S. Coast Guard, Customs, and the State Department officials who are standing ready to use the tough new laws that we have put on the books.

During debate in 1986 and even again in 1988 under the omnibus drug bill, some of my colleagues in the House said that interdiction did not work and is a losing battle.

I am here to tell my colleagues this afternoon that interdiction does work. It has worked, and it is working. Let us not give up the fight.

OPEN THE MARKETPLACE

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. "Let the market place decide," or so we have been told by those who champion free trade.

But the marketplace cannot always decide on a fair basis.

T. Boone Pickens purchased 20 percent of Koita, a Japanese company that provides lights for Japanese automobiles. Since his purchase, Japanese management does not return his telephone calls, let alone let him join the company's board of directors.

But in the United States marketplace, Japanese shoppers bring their wish list and buy a microchip company here, a manufacturing company there. The Japanese buy to their heart's content no matter what the consequences to the United States.

For example, Bridgestone bought Firestone, a $4 billion per year tire manufacturer. That was not enough. They are now buying the individual Firestone dealerships, and if the Firestone dealer will not sell, a competing shop is setup around the corner to undermine them and force them out of business, where the independent tire dealer can quote a price for $35, and that Bridgestone is promoting at $56.75, and because of their money, they can advertise and say what a great deal it is no matter what the price that the independent can do and no matter what the profit is.

In Italy and other countries, tires cost a fortune. Monopolies and cartels can have that effect.

We should not permit the Japanese to duplicate in the tire field their dominance in the microchip and TV industries.

We should learn from what happened to T. Boone Pickens. Before we sell, we must insure we can buy. The marketplace can only decide when it is open for business.

AMENDMENT TO GIVE SECRETARY KEMP POWER TO PURSUE DRUG DEALERS AND USERS

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I was very surprised to read in this morning's New York Times that in the supplemental bill which we passed several weeks ago there was apparently a provision that was snuck into the bill which crippled Secretary Jack Kemp's efforts on fighting drug dealers and drug users in public housing.

As Emanuel Popolizio, chairman of the New York City Housing Authority, said:

> The practical application of this provision is a nightmare that impedes the efforts of public housing authorities to remove drug dealers who threaten the lives of our residents and staff.

It is clear that virtually no Members of this body understood this provision had been buried within the supplemental. I hope when the housing appropriations bill comes to the floor that the leadership will make in order an amendment to take this provision out and to give Secretary Kemp the power to continue to pursue drug dealers and drug users in public housing.

Mr. Speaker, I can certainly say for the Republican side that it is our expectation the rule will make in order that kind of a clear up-or-down vote whether or not Secretary Kemp should be able to fight against drug dealers and drug users in public housing.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote of the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate is concluded on all motions to suspend the rules.

□ 1240

MEXICAN DEBT

Mr. FAUNTROY. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 86) expressing the sense of the Congress that the President should encourage the private creditors of Mexico to take certain actions to reduce Mexico's debt and debt-service cost, as amended.

The Clerk read as follows:

H. CON. RES. 86

Whereas the United States and Mexico are bound by friendly relations and historical ties which involve economic interdependence, extensive trade flows, and mutual security concerns;

Whereas the Government and citizens of Mexico are burdened with outstanding foreign debt obligations, both publicly and privately held, of nearly $100,000,000,000;

Whereas the Government of Mexico has taken extraordinary steps in an effort to remain current on its repayment of its debt-service cost;

Whereas these steps have included reducing the public sector deficit, liberalizing bilateral trading relations with the United States, and otherwise seeking to comply with the lending requirements enumerated by the International Monetary Fund and other multilateral lending institutions;

Whereas the policy of the United States with respect to the indebtedness of Mexico and other developing countries has undergone a change in emphasis;

Whereas such policy once encouraged new lending to permit such countries to make payments on their existing debt, but now encourages private commercial banks in the United States to reduce the level of debt and debt-service cost under the terms of the Brady approach;

Whereas the extent of the reduction of debt and debt-service must be substantial enough to redress the social hardships attributable to Mexico's efforts to make debt-service cost payments;

Whereas there is an urgency in the case of Mexico's debt which necessitates the timely implementation of the Brady approach;

Whereas a fortuitous economic climate for substantial debt reduction presently exists;

Whereas the safety and soundness of the financial sector of the United States economy is linked to sound management and reduction of the debt burden of Mexico and other highly indebted developing countries;

Whereas export trade opportunities for the manufacturing and agricultural sectors of the United States economy would be enhanced by a reduction in the debt and debt

servicing burden of Mexico and other highly indebted developing countries; and

Whereas the international economic system is jeopardized by a breakdown in the standard contractual obligation between debtors and creditors: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the initiative of President Bush and Secretary Brady to encourage restructuring of the debt owed by debt-distressed developing countries to private banks is to be commended and it is the sense of the Congress that the President should strongly encourage—

(1) the major private creditors of Mexico in the United States and throughout the world to provide for a reduction of Mexico's debt and debt-service cost in such an amount and under such terms as will permit Mexico to achieve a sufficiently positive rate of economic growth to ensure the maintenance of social and economic stability while continuing to adopt and expand upon sensible, free-market oriented policies whereby economic growth can be advanced and private sector lending expanded; and

(2) United States banking regulators to require commercial banks to establish prudent reserves for impaired foreign debt.

The SPEAKER. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from the District of Columbia [Mr. FAUNTROY] will be recognized for 20 minutes and the gentleman from Iowa [Mr. LEACH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution, which was originally introduced by my friend from Texas, RON COLEMAN, expresses the sense of the Congress that the President should encourage the private creditors of Mexico to participate in the Brady Third World debt initiative and reduce Mexico's debt burden. The resolution has bipartisan support and deserves the positive consideration of the Congress.

Mr. Speaker, it is my belief that we are in a critical period in the life of the Brady debt initiative. Notwithstanding the shortcomings that have been catalogued with respect to Secretary Brady's proposals, it clearly puts the emphasis on the need for debt and debt service reduction. This is exactly where the emphasis must be.

Countries which are successfully undertaking economic reform programs, such as Mexico, must be assured of adequate levels of debt reduction. Members should keep in mind, for example, that Mexico's efforts at cutting its budget deficit to date are the equivalent of carrying out three Gramm-Rudman's. We should keep in perspective when we talk about the need for reform in these countries, that the level of sacrifice already borne by the people of Mexico and elsewhere is great. More economic improvements need to be made but substantial debt reduction is the only way to provide the political and economic capital necessary to continue the reform process. Not to provide relief soon is to play with fire.

Alleviating the debt burden of such countries requires the highest level of political commitment and guts within the debtor countries to carry out painful reform. But the solution to the debt problem also requires a political commitment at the highest levels of our Government as well as other creditor countries.

Frankly, it is very much in the long-term interests of the commercial banks to seek an end to the present reality of countries constantly faced with an inability to service their debt. It is certainly in the interest of our manufacturing and agricultural sectors to see the largest potential buyers of U.S. products, the developing countries, able to afford to buy them again. In fact, it is estimated that a minimum of 650,000 U.S. job have been lost during the 1980's as a result of a 31-percent decline in real exports to Latin America alone. Another 1 million U.S. jobs did not materialize because trade with the developing world contracted rather than grew. In the case of Mexico alone, 300,000 jobs were lost due to the lost export sales. Thus, the debt crisis has contributed substantially to our chronic trade deficit through this decline in exports. American farmers and workers cannot endure the finger in the dike approach to the debt problem.

The resolution before the House today sends a strong message on the importance of reaching an accommodation between Mexico and its creditors. It is supportive of the debt strategy outlined by the Bush administration. But the political commitment to seeing the Brady strategy bear fruit must not falter. With the Paris Economic Summit almost upon us, this resolution can assist the President in gaining continued cooperation among our allies. Only with such multilateral cooperation can the debt strategy hope to succeed.

House Congressional Resolution 86 was ordered reported by the House Banking Committee on the strength of an overwhelming bipartisan vote. I believe this resolution is a needed and worthwhile effort. I urge its adoption.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, earlier this year Secretary Brady announced a new approach to the developing country debt problem. The new approach was significant in that it was the first time the U.S. Treasury officially recognized the unfortunate reality that some developing nations are unlikely to be able to fully pay back their debts and that some sort of debt reduction will be necessary in order to ensure economic growth in the developing world and to avoid a collapse of the international banking system. The Brady initiative calls for banks in return for certain international guarantees to voluntarily reduce their debt to a number of highly indebted countries which have in place viable economic reform programs.

Given its model debtor status and its success in taming inflation and reforming its economy, Mexico is the first country to negotiate with its commercial creditors under the Brady initiative. While its policies could still be improved by dropping restrictions on foreign investment in certain industries such as banking, Mexico has gone a long way to reform its economy and to take the tough steps necessary for economic growth.

To facilitate negotiations between Mexico and its creditors and restore Mexico's growth prospects, the Japanese have pledged $2 billion and the IMF and the World Bank $4 billion. The Mexican Government has also announced its intention to use $1 billion of its own reserves to purchase back debt at a discount.

While House Concurrent Resolution 86 is of a nonbinding nature, it is important because it represents the first congressional statement on Secretary Brady's bold debt-reduction initiative.

This resolution would do three things. First, it would urge United States commercial banks in their negotiations with Mexico to provide forthcoming debt relief. As has been mentioned, the negotiations between Mexico and its foreign commercial creditors are at a critical stage in providing for a reduction of Mexico's $54 billion external commercial debt. The role Congress can play is limited given that the actors here are a sovereign government and private banks, of which more than two-thirds are non-American. But what Congress can do is go on record in support of the Brady initiative and reflect deep concern for the plight of the poor in the developing world. It is all too clear that unless the economic problems of our neighbors to the South are addressed the prospect of instability, violence, illegal migrations of people, as well as expensive military options are on the near horizon. It is time for compassion, not curmudgeon by demands for repayment of unrealistic levels of debt. The children of the Third World must be given economic hope and not debtors' chains.

Second, this resolution commends the President and Secretary Brady for their debt-reduction initiative. Under the leadership of Secretary Brady this

initiative has been approved by other industrialized countries, many of the developing countries and by the International Monetary Fund and the World Bank. Only Congress has not yet officially sanctioned the Brady proposal.

Third, it would call upon the regulators to quit maintaining the fiction that troubled debt from the developing world held by U.S. commercial banks has been adequately reserved against. The resolution insists that the regulators require commercial banks to fully reserve against such impaired loans, thereby protecting our financial system and the taxpayers and also prodding United States banks to participate fully in debt negotiations with countries such as Mexico.

The developing country debt problem threatens the international financial system and complicates our foreign policy. There is no easy solution to the problem. It took many years to create this current debt situation, and it will take many years to work it out on a thoughtful case-by-case basis. To the credit of the administration, it has come forward with a proposal to facilitate debt reduction workouts which, if successful, will provide voluntary debt relief to developing countries and stability to the international financial system, with minimum U.S. taxpayer liability. This resolution is designed to show Congress' support for successful implementation of the administration's initiative in the case of our close neighbor Mexico. It deserves support of this body. Finally, Mr. Speaker, I would like to particularly commend the leadership of Mr. FAUNTROY and Mr. COLEMAN on this issue. It is quite impressive.

Mr. Speaker, I reserve the balance of my time.

□ 1250

Mr. FAUNTROY. Mr. Speaker, I yield 4 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ], who launched his first act in holding hearings on the Third World debt on January 5, as soon as we got here.

Mr. GONZALEZ. I thank the gentleman from the District of Columbia, for yielding time to me.

Mr. Speaker, we are here to consider House Concurrent Resolution 86 which expresses a sense of Congress that the President of the United States should encourage the private creditors of Mexico to take certain actions to reduce Mexico's debt and debt-service costs.

First, I would like to commend Mr. COLEMAN of Texas for his efforts in introducing this important resolution. The fact that House Concurrent Resolution 86 received overwhelming bipartisan support during the House Banking Committee's consideration proves that it is a timely and well conceived resolution. I would also like to thank Mr. FAUNTROY and his subcommittee for their diligence in taking up and unanimously passing this resolution.

I cosponsored House Concurrent Resolution 86 because I believe that Mexico is worthy of debt relief. Mexico has made a number of positive steps toward reforming its economy. Under President Salinas, Mexico reduced its public sector deficit, liberalized bilateral trading relations with the United States, privatized or liquidated many State-owned enterprises, drastically reduced inflation, made a major effort to eradicate drug trafficking, and has arrested several prominent drug lords. Mexico deserves credit for these positive developments.

The Brady plan relies on the commercial banks to voluntarily reduce the debt and debt-service burden of worthy debtor nations. Without this cooperation the Brady plan will fail, and our future relations with many of the fragile democracies of Latin America, Central America, the Philippines, and others may be irreversibly damaged. If commercial banks remain reluctant to provide Mexico and other worthy debtor nations with meaningful levels of debt and debt-service relief, then the Banking Committee will find it necessary to revise the voluntary nature of the Brady plan.

The President and his Treasury Secretary, Nicholas Brady are the author of a substantive, positive shift in U.S. policy toward debtor nations. The Brady plan is a step in the right direction in that it is based on debt relief. If the plan works, it has the potential for taking a giant step toward lowering the debt burden of worthy developing countries. This would be a truly monumental achievement for President Bush and Secretary Brady. In order for the plan to work, the President needs to coerce the reluctant commercial bankers to provide meaningful debt and debt-service relief to worthy debtors, thus fulfilling their responsibilities as called for under the Brady plan. This resolution merely asks the President to support his own Treasury Secretary's LDC debt plan.

The lives and futures of millions of human beings are at stake. I urge my colleagues to immediately pass House Concurrent Resolution 86.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. FAUNTROY. Mr. Speaker, I yield 4 minutes to the distinguished sponsor of this legislation, the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Speaker, I want to thank the gentleman from the District of Columbia [Mr. FAUNTROY], the distinguished Delegate, as well as of course the gentleman from Iowa [Mr. LEACH] for his hard work on this resolution.

Mr. Speaker, I also want to express my appreciation to Chairman GONZALEZ and to the Banking Committee's ranking minority member, Mr. WYLIE, for arranging consideration of this resolution at such a critical point in the negotiations involving Mexico and the debt issue.

I introduced House Concurrent Resolution 86 on April 5, 3 weeks after the announcement of the Brady plan. In subsequent consideration of the resolution, the Committee on Banking and the House as a whole have concluded that the initiatives undertaken by Secretary Brady have been beneficial. It is clear that the shift in emphasis stressed by Mr. Brady and by Under Secretary David Mulford has provided an outline for the banks not just to protect their shareholders—but also to acknowledge a foreign policy concern as important as any other in the United States today—our interest in an economically independent and politically sound Mexico.

Some participants have expressed frustration that these negotiations have become, as they put it, "politicized." Well, of course they have. This Congress would be remiss not to go on record on this issue when a neighbor with which we share a 2,000-mile-long common border has seen its average citizen's standard of living cut by 40 percent in 6 years, or when over 60 percent of its export earnings are consumed by debt-service costs.

Continued political stability in Mexico depends on debt reduction. There is simply no debate on that point. The news which has trickled out of the meetings between the banks and the Government of Mexico over the weekend is encouraging. My guess is that the progress in these negotiations and the presentation of a number of concrete "options" have been driven by this week's economic summit in Paris. The agreements announced so far are also incomplete. There is less here than meets the eye.

In the wake of the departure from the Baker plan, which focused exclusively on new lending to debtor nations, many scholars, regulators, and elected officials in this country have articulated a number of alternative plans for coping with the private sector debt of the developing countries. These range from the creation of a mixed public- and private-sector insurance fund to the creation of a debt management facility to a much wider application of debt-for-equity swaps. This resolution does not propose any solution as comprehensive as those.

But I want it to be very clear that this resolution does propose to place the burden of debt reduction on the creditor banks—and not on the taxpayers of the United States. It bothers

me that the banks which have supposedly been engaged in these difficult negotiations for nearly 3 months have waited so intractably for guarantees from the World Bank and the International Monetary Fund before getting down to brass tacks. During the same period, the Mexican Government has undertaken extremely significant economic reforms, reforms that are unprecedented in the 60 years since that country's revolution. Mexico has completely rewritten its regulations regarding foreign investment—something we said we wanted.

It has renegotiated a painful wage and price freeze "pact" for another 8 months—at considerable political cost. Last week, its governing political party admitted that Mexico's system of government is irrevocably pluralistic when the PAN won a gubernatorial contest in northern Baja California.

It is tempting to claim that these negotiations are a drama and that the banks are the villians—British banks, French banks, and American banks. That is not what this resolution says. It says what the financial markets have been saying for over 2 years—that the volume of Mexico's debt exceeds what it can repay, no matter what policies it adopts, no matter what the price of oil or the prevailing cost of funds—and no matter what suffering its people are forced to accept. It also says that our own banking system must have a basis for calculating the discounts on outstanding debt—and that we as taxpayers have a right to know the extent to which those who have profited from loans to Mexico in the past are prepared now to write them down as losses. We need to insist on these points.

I thank again the chairman, for his work in strengthening this resolution and for bringing it to the floor today.

Mr. FAUNTROY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I congratulate the chairman of the subcommittee, the gentleman from the District of Columbia [Mr. FAUNTROY] for bringing this resolution forward, and I also thank the chairman of the full committee, the gentleman from Texas [Mr. GONZALEZ] for supporting it, and also the sponsors.

Mr. Speaker, we have heard a great deal in the past few years about threats to America's legitimate interests in Latin America. In particular, we have been worried about the chances of the antidemocratic left coming to power, people who do not respect democracy or human rights or who are adverse to American interests. Among the many reasons for passing this resolution and pushing forward with the policy it embodies is that the best hope the anti-American democratic left has of coming to power in Latin America is the debt situation. That is, of course, not the only reason for the banks to give debt relief.

□ 1300

The primary one is humanitarian. Innocent young people and others are going without the basic necessities of life because of this crushing debt burden, and we can argue whose fault it was, but we do know this: The banks today—and we have this certified to Members by the American banking regulators—could afford to be realistic, and we are not trying to take money away from them but saying they made some business decisions which turned out not to be as profitable as they thought. They make some money off them, but not as much as they thought. By their failure to recognize reality, they are imposing misery on innocent people and endangering the legitimate foreign interests of this country.

I have worked in the past with some of our large financial institutions, the banks, to help make this a more competitive country, and will continue to do so. I urge them to think seriously about the consequences of their failing to act the way this resolution urges them to act. There has to be a degree of mutual trust and cooperation between those banks and those members on the Committee on Banking, Finance and Urban Affairs. This resolution says, in the interests of humanity, in the interests of this country's foreign policy, please do your part.

Mr. FAUNTROY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, the Third World Debt crisis is a ticking time bomb. Explosions have already occurred in Argentina and Venezuela. And Mexico, our closest neighbor to the south, could be next. The only way to defuse this situation is by forgiving some or all of the debt.

The President has played lipservice to this solution by adopting a policy of voluntary debt reduction—the Brady plan. But the plan has no teeth. Instead of offering real incentives to the banks to offer debt relief. The President has used talk. Remarkably, he believes he can persuade the banks that it is their patriotic duty to forgive billions of dollars of loans. Unfortunately, the banks pledge their allegiance to the bottom line.

The clearest evidence of this are the current negotiations between the banks and Mexico.

After 4 long months of negotiation, Mexico and its bank creditors have announced that they are close to an agreement to reduce Mexico's foreign debt.

But we should not let the sound of popping corks fool us—it's much to soon to celebrate. Not surprisingly, the preliminary indications are that this is not shaping up to be a debt relief agreement at all. Instead, most of the banks are rumored to favor new lending over debt relief. If that happens Mexico will buy some time—but the bomb will still be ticking.

In order to achieve real debt relief for Mexico, the President must offer real incentives to the banks and impose tough regulatory sanctions against those banks that hold out. Presidential persuasion, even in good faith, is a formula for disaster.

Frankly, we have talked long enough. It's time to put money on the table.

Mr. LEACH of Iowa. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding time to me, but I am not going to speak in favor of this particular legislation.

I do not like to throw a discordant note into this debate, but I think it is important to point out that there are other views around the country than the view of, "Let us forgive all the billions of dollars owed us."

I have serious questions, such as who will really pay for this? I feel the American taxpayers will ultimately get the bill, and he is already paying enough. To use an example close to home, right here in this floor on February 6, President Bush came before Congress and said, "In 45 days I want legislation to help cure the problem we have with our S&L's." How many days has it been now? Five months, and today, hopefully, we are going to start the conference. But the taxpayer is at risk because of the delay.

Now, the cure for the debt problems in Latin America, Asia, Africa and Eastern Europe is not to just forgive their debt. The problems are the economics of those countries. They do not give their people incentives to real economic productivity and growth.

We could forgive all the debt. We could put all the debt on the shoulders of our American taxpayer and even that would not solve the problem in these failing economies.

My point can be illustrated by Poland. The President yesterday told the Polish people, and the Polish Government, that we will forgive about $1 billion that is owed to Americans. We will give them a grace period, for an additional $4 billion. However, that is not going to mean anything to the Polish people unless they change the basic structure of their economy. There is no secret to it. As long as they do not do that, the job will not be done.

My second question is why this House and some in our Government, have been encouraging our banks to make foreign loans. Going back to the 1970's, our government has always given encouragement to foreign loans.

The Western banks responded and loaned the Polish Government $40 billion. Did it help the Polish people? I argue that it did not. It put more and more of a burden on the shoulders of the Polish people, that they have to bear today.

The same is true in Mexico. The same is true in Argentina and all the other debt-ridden countries. If we are going to help get the job done, they have to restructure. We can help them but we cannot do the job for them. They have to do that themselves. We can give some direction and a little help, but not more than that.

Mr. Speaker, I am happy to yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Speaker, I only wanted to point out this kind of debt we are talking about is not debt to the U.S. Government. The debt we are referring to in this resolution, specifically, deals with, as the gentleman from Iowa [Mr. LEACH] and as the gentleman from the District of Columbia [Mr. FAUNTROY] pointed out, with those private lending institutions, the commercial banks.

I agree with the gentleman, and in fact, I accept many of his statements and endorse them. I would only say to him that is exactly what this resolution tries to prevent. If we rely solely on the IMF, then, indeed, the U.S. taxpayer is continuing to put money into that particular facility for the purpose of helping developing countries. I say enough is enough of that.

I agree with the gentleman, and it is time.

Mr. ROTH. Mr. Speaker, I take back the balance of my time as I know the gentleman would like me to respond.

The gentleman is one of the most intelligent Members of this House, and he realizes that if we have debt forgiveness, the banks are not going to lose a dime in the end. I know some people on that side of the aisle say, "let the big, bad banks take the bath." They will not, because they will go to IMF, the World Bank, make sure the debt is subsidized directly or indirectly, and get their money out. In the end, the American taxpayer is left holding the bag. I do not want to see that.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

I would like to respond briefly to the gentleman from Wisconsin [Mr. ROTH] who has raised some very valid and fair issues. We all have to recognize that this is an incredibly troubling circumstance. The fact of the matter is, it is always a bit easy for Congress to call on other institutions to reduce debt. On the other hand, where there is some quid pro quo, it is precisely through governmental intervention that American banks will gain the opportunity to increase the strength of their remaining debt through international guarantees. Such guarantees do implicitly involve some indirect taxpayer liability, if not direct liability.

I think we should be very clear in understanding that, under the current system, the large levels of debt being maintained are not being paid back by foreign countries. Rather, they are being paid back by the U.S. taxpayer, through foreign aid, through contributions to the World Bank and the IMF. What the Brady initiative is designed to do is to very appropriately suggest that taxpayer liability has to be stemmed, and there must be private sector accountability maintained.

In this regard, it is true that some in American politics do encourage American commercial banks to lend abroad. However, basically speaking, in our form of government those that make private commercial decisions have to be held accountable for them. There is also a major distinction between modest levels of encouragement and outright direction. Some banks chose to lend, some did not. It is quite clear that individual decisions were taken.

In addition, there were many in American politics who suggested that increasing levels of foreign lending by money-center banks was inappropriate. In the House of Representatives Committee on Banking, Finance and Urban Affairs, as early as 1978, hearings were held on bills to try to increase restraints on banks lending as forthcomingly as they were. Very interestingly, the banking response was that efforts to increase capital ratios or proposed reserve requirements were inappropriate because sovereign governments ostensibly could not go bankrupt.

□ 1310

Between 1979 and 1982, after virtually all in American politics had turned in the direction of doubting the credibility of increased foreign lending, banks had doubled their lendings to LDC's. I think they have to be held accountable for their decisions, and it is time for Congress to say that the U.S. taxpayer is not in the position of wanting to support the shareholders and officers of commercial institutions that make free decisions of a free nature.

So all I would suggest is that the Brady initiative is designed to hold accountable the private sector and at the same time protect to the maximum degree possible that very same private sector with minimal taxpayer liabilities. It does so by creating a different system of debt reduction coupled with prudential guarantees that, among other things, involve serious participation from our allies such as the Japanese. Without the Brady initiative, that kind of participation could not be garnered.

So I would urge my colleagues to take very seriously the words of the gentleman from Wisconsin [Mr. ROTH] and to take very seriously the concerns he has raised, but still to vote in the direction of support for the administration and its efforts in this regard.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FAUNTROY. Mr. Speaker, may I inquire as to how much time remains on my side?

The SPEAKER pro tempore (Mr. WILLIAMS). The gentleman from the District of Columbia [Mr. FAUNTROY] has 4 minutes remaining.

Mr. FAUNTROY. Mr. Speaker, I yield 2 of those minutes to the distinguished gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Speaker, I rise in strong support of the resolution introduced by my colleague from Texas [Mr. COLEMAN]. We are considering this at an important time—the Brady plan negotiations between Mexico and its creditors seem to be coming to a conclusion.

All of us hope that these negotiations result in substantial debt reduction so that Mexico can once again invest in its own economic growth. If this is the result, then the official guarantees offered by the Brady plan will never have to be used.

The time has come for a real breakthrough in the Third World debt crisis which has seen the debtor nations send billions of dollars annually to the United States and other industrialized nations in repayments since 1982. These trends cannot continue, as riots in the streets of newly formed democracies illustrate so graphically.

Moreover, Mexico is particularly deserving. That nation has made great strides in creating a true market economy, following policy prescriptions that the United States and world financial institutions have long advocated.

Thus, I support this resolution calling for enough debt reduction to ensure sustainable economic growth for our neighbor to the south. This is especially true because the Mexican deal is going to be the model for future implementation of the Brady plan.

By trading risky assets for guaranteed assets, and making economic growth possible at the same time, debt reduction in the context of the Brady plan also has the salutory effect of improving the soundness of our banks.

I believe that the choices before the commercial banks are clear—either participate in a meaningful way in the credit enhancement features of the Brady proposal or be prepared to set aside substantially greater reserves against these risky exposures as called for in legislation introduced recently by both Chairman FAUNTROY and myself.

Mr. FAUNTROY. Mr. Speaker, I yield my remaining time, 2 minutes, to the distinguished gentleman from California [Mr. BATES].

Mr. BATES. Mr. Speaker, I thank the gentleman for yielding me this time, and let me state that I want to associate myself with the concurrent resolution of the gentleman from Texas [Mr. COLEMAN], with the subcommittee, and certainly with the remarks of the gentleman from New York [Mr. LAFALCE], which I think go to the point.

Mr. Speaker, I rise in strong support of House Concurrent Resolution 86. At the present time, it is essential that creditor banks make a firm commitment to reduce Mexico's debt.

I represent a portion of San Diego County which spans several communities residing along the United States-Mexico border. Because the San Diego-Tijuana corridor is the most heavily traveled in North America, with over 55 million per year crossing the border, my constituents and I have witnessed the real effects of Mexico's debt crisis. The debt's stranglehold on economic growth in Mexico has frustrated the efforts of hard-working individuals and has caused the flight of capital and labor to other countries. Only a united effort between our Nation and Mexico on both the local and national level will permit each of us to grow and prosper.

Last week, the Mexican Ambassador to the United States, Gustavo Petricioli, came to San Diego as my guest to gain a local perspective on United States-Mexican relations. He met with many individuals directly involved in the debt problem, and recognized the need to confront the debt issue as a beginning for future positive relations between our countries. I share his views, and envision a resolution of the debt question plus an opening of trade as the first steps toward a North American economic alliance in the future between our Nation, Mexico, and Canada.

During the past decade, the Government of Mexico has become known throughout the world as the model debtor nation. It has kept up with debt repayments while initiating numerous economic reforms. These reforms have had the equivalent effect of several Gramm-Rudmans, through budget reductions, competitiveness-enhancing measures, and export promotion. About 700 of Mexico's more than 1,000 state-owned companies have been sold to the private sector or closed. Finally, inflation has been reduced from 159 percent in 1987 to 20 percent today.

These reforms have not been implemented without hardships. During the past 6 years, Mexico has suffered very low economic growth. This is largely due to foreign and domestic debt repayments costing about 60 percent of the Mexican budget. Average annual wages have also dropped, resulting in massive emigration to the already swollen cities and to the United States.

Despite the ongoing struggle to overcome these problems, the Mexican Government recently reaffirmed its commitment to economic reform. On May 31 of this year, Mexican President Carlos Salinas announced a 6-year development plan which includes further disciplinary measures to reduce the fiscal deficit by almost 9 percent in the next 2 years. The plan also includes programs to decentralize and modernize Mexican agriculture, and to reform the political system. We have already witnessed a watershed example of political reform with last week's gubernatorial victory of an opposition party member in Baja California.

International bodies are recognizing these efforts of the Mexican Government to repay its debt and reform its economy. They also understand that further economic hardships could threaten the stability and well-being of Mexico. Taking the first step, the International Monetary Fund recently agreed to provide $3.6 billion in loans to promote debt repayment and economic progress by Mexico—an unprecedented display of confidence in this country's future.

Immediately following the IMF loan agreement, the Paris Club Nations—the world's 14 most industrialized countries—postponed repayment of $2.6 billion in debt and interest payments that Mexico had been scheduled to make over the next 3 years.

Finally, our Government's proposal, the "Brady Plan," demonstrates confidence in Mexico. It calls on commercial banks to forgive a portion of their loans to countries which have undertaken macroeconomic reforms—such as Mexico—in return for guarantees on the remainder of their loans. Our Government should make further efforts to assist Mexico by reducing the debt it owes to the United States Treasury, in exchange for commitments by Mexico to promote development in critical areas such as the United States-Mexico border region. As a first step, however, the "Brady Plan" is a strong example of our commitment to Mexico's progress.

Through these actions, our Government, the IMF, and the Paris Club group have expressed strong support for Mexico. We have endorsed its efforts to maintain its debt repayments while enforcing stringent economic reforms. We must now encourage the private creditors of Mexico—some 500 commerical banks—to work with Mexico toward our common goal.

By reducing a portion of Mexico's debt, the commercial banks will promote economic growth in that country and will receive guarantees on payment of the remaining debt. They will also enhance the possibility of further stability and prosperity in a nation which will soon reach 100 million inhabitants. Finally, they will join in the chorus of support and confidence that our Government and other bodies have demonstrated toward Mexico.

Mr. Speaker, in conclusion I would like to commend the gentleman from Texas [Mr. COLEMAN] for introducing this legislation and the gentleman from the District of Columbia [Mr. FAUNTROY] for seeing it swiftly through committee. We must convince the commercial banks of the imperative to take united action in regard to the Mexican debt, and the passage of House Concurrent Resolution 86 will clearly and emphatically send this message to them.

Mr. KOLBE. Mr. Speaker, I rise today in support of the resolution offered by my colleague from Texas expressing the sense of this body that the President should encourage the private creditors of Mexico to negotiate a solution that would reduce the debt and debt service costs by July 15, 1989.

In the last several years a quiet revolution has been occurring along our southern border, a revolution of great economic and political significance to Mexico and to the United States and our relationship with Mexico.

Under the administration of President De la Madrid, and now under President Salinas, Mexico has undertaken sweeping economic reforms which have changed its economy from an inward-looking, state-run economy, to an outward-looking, market-oriented economy. These reforms have been based on a policy to move Mexico away from import substitution and reliance on oil, to an export driven economy. To this end, Mexico has joined the GATT, entered into a bilateral agreement with the United States establishing a framework for addressing trade disputes, has reduced tariffs and duties across the board, has eliminated burdensome import licensing requirements, and have sold off or closed hundreds of State-run enterprises. Most recently, Mexico announced major reforms of its laws on foreign investment, opening whole new sectors to investment in the future, and is working on reforms of the protections provided for intellectual property.

At the same time these dramatic economic reforms have taken place, Mexico has undergone a political opening. In the elections that brought Carlos Salinas de Gortari to the Presidency, opposition parties gained greater inroads than at any time in the 60 year history of PRI dominance. And this past week saw an historic opening when the chief opposition party, the PAN won the governorship in Baja Norte.

Despite these exciting reforms, Mexico has significant continuing economic problems that threaten to undermine recent advances. The most immediate and pressing problem for our bilateral relations is the question of debt and the need for capital to continue development within Mexico. Mexico's foreign debt reached $107.6 billion at the end of last year—nearly 75 percent of Mexico's Gross Domestic Prod-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

uct. Clearly, Mexico can no longer sustain this burden without some relief.

In a very real sense, the debt question facing Mexico is the base on which all the changes and reforms in Mexico that I have mentioned rest. President Salinas must find a way to resolve the debt question in a way that maintains confidence of investors and eases the crushing burden on the average Mexican. If this can be accomplished, both the economic and political reforms can continue.

The U.S. role in this effort must be one of facilitator. Our policy must be to encourage private creditors and financial institutions to become creative in their approach toward helping Mexico address their debt problems. To further support this position, we in Congress must send a strong signal to the financial community of the great importance we attach to United States-Mexico relations, and the importance that a swift and equitable solution to Mexico's debt problem will play in maintaining this relationship.

The resolution offered today sends this signal. I commend my colleague from Texas for bringing this before the House and urge my colleagues to support passage of this House Concurrent Resolution 86.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from the District of Columbia [Mr. FAUNTROY] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 86, as amended.

The question was taken.

Mr. NEAL of North Carolina. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. FAUNTROY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on House Concurrent Resolution 86, the concurrent resolution on which the vote has been postponed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

EXPORT ADMINISTRATION ACT OF 1979 AUTHORIZATION

Mr. GEJDENSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2653) to authorize appropriations for fiscal year 1990 to carry out the Export Administration Act of 1979.

The Clerk read as follows:

H.R. 2653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 18(b) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $46,684,000 for fiscal year 1990, of which $15,334,000 shall be available only for enforcement, $3,500,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, $1,500,000 shall be available only for regional export control assistance centers to be located in the Northern California, Portland/Seattle, and Boston areas, $150,000 shall be available only for a representative of the Department of Commerce to the group known as the Coordinating Committee, and $26,200,000 shall be available for all other activities under this Act; and

"(2) such additional amounts for fiscal year 1990 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall take effect on October 1, 1989.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Connecticut [Mr. GEJDENSON] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. ROTH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. GEJDENSON. Mr. Speaker, today the House considers H.R. 2653, a bill to authorize appropriations for fiscal year 1990 to carry out the Export Administration Act.

This legislation, introduced by myself and the distinguished ranking minority member of the subcommittee on international economic policy and trade, Mr. ROTH, was reported by the trade subcommittee on April 12, and by the full Foreign Affairs Committee on June 15.

H.R. 2653 is a simple authorization of appropriations of $46,684,000 in fiscal year 1990 for the Bureau of Export Administration of the Department of Commerce. While the termination date for authorities under the Export Administration Act is September 30, 1990, appropriations are available only through September 30 of this year.

The Export Administration Act is the basic authority for controlling the export from the United States to our potential adversaries of commercial, dual-use goods and technology that would make a significant contribution to military capabilities if diverted to military application. It is a critical foreign policy and national security authority of the President, which is carried out by the Bureau of Export Administration within the Department of Commerce.

H.R. 2653 makes no changes in these basic statutory authorities.

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the statement given by the chairman of our subcommittee, and I associate myself with his remarks. I would like to join with him in supporting this legislation.

The committee is asking for a $4.4-million increase, and the reason for that is the new responsibilites in the 1988 Omnibus Trade Act.

□ 1320

The purpose of the increase is to enable the recently established Bureau of Export Administration to fully implement the provisions of the 1988 trade bill and to fund programs postponed due to the cost of the new bureau. This bill also establishes regional export assistance centers in the areas of the highest concentration of export licenses.

Mr. Speaker, I share the chairman's concerns on the pace at which the executive branch is implementing the provisions of the 1988 Omnibus Trade Act. The idea behind many of those provisions was to give American exporters a fair chance to compete in the global market while at the same time keeping advanced technologies away from our strategic adversaries.

We must give our businessmen the tools they need to export, and this is going to help us do that.

I urge my colleagues to support this measure.

Mr. Speaker, I yield 5 minutes to the very distinguished gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, I rise in support of H.R. 2653, the Export Administration authorization bill. Last session, Mr. Speaker, as part of the omnibus trade bill, we made substantial improvements in the Export Administration Act. Today, we provide the authorizations to fund those improvements.

We live in a global marketplace. Trade is the life blood of the economy of my State and my district. Trade in Washington State ranges from agricultural products like wheat to the most modern commercial airliners. From paper to computer software. As we began to export more sophisticated products, the maze of Government regulations companies had to navigate grew to a point where our own bureaucracy was one of our worst trade barriers. Last year's omnibus trade bill changed that by making it easier for the exporters of technology to get their products out of this country

without endangering national security. Many of us, including the chairman, the ranking member, and most especially the past chairman, our former colleague, Don Bonker, worked very hard on that effort.

Mr. Speaker, this bill authorizes $42 million to help our exports enter new markets and cut through redtape. It recognizes the fact that small and medium-sized companies need help, but cannot afford to travel to Washington, DC. This bill earmarks $1.5 million for creation of three export assistance centers one of those centers, Mr. Speaker, will be located in either Seattle or Portland. These centers, Mr. Speaker, are being located in the areas which have the highest concentration of export licenses. These centers will help our exporters get their products into the international marketplace where they belong.

Last session, I sponsored three amendments to the omnibus trade bill to make it easier for exporters of high technology goods, including medical equipment, to export their products. The Department of Commerce has made it easier for many American companies to export. But the Department can do more. These centers are a positive step. Completing the regulations necessary for decontrolling medical equipment mandated by Congress would be another positive step.

I want to thank Chairman GEJDENSON and our ranking Republican Congressman ROTH, for their leadership on this bill. I urge my colleagues to support it. I urge the Senate to act quickly on this bill. H.R. 2653 is an important part of our effort to reduce this Nation's trade deficit.

Mr. GEJDENSON. Mr. Speaker, I would like to commend the gentleman from Washington [Mr. MILLER] who is one of the stalwarts on the committee. He has done an incredible amount of work to help us prepare this and other products of the bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I rise in support of H.R. 2653, the bill reauthorizing the Bureau of Export Administration.

I'd like to first take this time to commend the Bureau for the outstanding progress it has made over the years in the processing of high technology export licenses. For years, I had been very critical of the inordinate delays, the lost licenses, and the unanswered phone calls experienced by Oregon's high technology community. It seemed that every other day I had another complaint from an exporter who was only trying to get into the international marketplace as fast as their competition.

But, in the last few years, the Bureau has done a dramatic turnaround. Efficiency is now the watchword of the day at BXA. And I'd like to publicly say that much of the credit of this improvement goes to the former Undersecretary, Paul Freedenberg and his worthy staff. Having said that, I'd like to raise one issue that is still causing me heartburn.

This year's Commerce appropriations bill directs the Secretary of Commerce to establish an export assistance center in Portland, OR to service our growing high technology industry. The area that is now called "Silicon Forest" is generally made up of about 250 small, startup companies that need assistance in just getting in to the export license system. This is a particular problem because of the recently-enacted export control reforms in the Omnibus Trade bill.

The problem is that the Secretary has chosen to ignore the Congress' directive. Instead, he has told me that he wants to study this issue.

I can guarantee you that this is one fight that I'm not going to give up, and we might have to include language in the appropriations bill requiring Commerce to establish this office in Portland. Meanwhile, however, the bill before us today specifically authorizes the establishment of an export assistance center to service the Northwest. In doing so, it recognizes the need to have experts in the field, particularly on the west coast where time differences and traveling costs put our exporters at a disadvantage with their east coast counterparts.

So I'd like to thank the Chairman of the subcommittee, my good friend from Connecticut, for reasserting the creation of this much-needed office in Portland.

Mr. GEJDENSON. Mr. Speaker, I thank the gentleman from Oregon [Mr. AUCOIN] for his comments.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Speaker, I rise today in support of H.R. 2653, the Bureau of Export Administration authorization bill. In particular, I am pleased that the Subcommittee on International Economic Policy and Trade as well as the full Foreign Affairs Committee have included in the bill an authorization for funding for regional export control assistance centers in northern California, the upper Northwest, and the Boston area.

One of the major obstacles our high tech companies face in trying to ship their products overseas is the often complicated and cumbersome application process used to obtain required export control licenses. The Bureau of Export Administration has made great strides in the last couple of years in making the license application process more accessible to our exporters. A key part of this effort has been the establishment of a regional assistance center in Newport Beach, CA, which has become an invaluable resource for the southern California exporting community.

In approving H.R. 2653, the members of the Foreign Affairs Committee have recognized that this type of facility is needed in other high technology centers in our country, including Silicon Valley. New export assistance offices would give exporters in these high tech regions a much needed source of assistance with the export license application process.

I commend the committee for drafting a bill which addresses the need for the Federal Government to do its best to support our high technology companies as they compete in the international marketplace. I especially would like to take this opportunity to recognize the chairman of the subcommittee, the gentleman from Connecticut, SAM GEJDENSON and the gentleman from California, MEL LEVINE, a member of the subcommittee, for their excellent work on this issue, and I urge my colleagues to support H.R. 2653.

Mr. GEJDENSON. Mr. Speaker, I just say again that I appreciate the great cooperation we have had from the gentleman from Wisconsin [Mr. ROTH] and all the members of the committee on this important legislation that impacts the trade position of the United States.

Mr. LEVINE of California. Mr. Speaker, one of the greatest challenges facing our Nation today is reducing our massive trade deficit. I am among those who strongly believe that the way to correct this imbalance is to increase exports, rather than to erect protectionist barriers.

While we need to support and encourage all U.S. exports, we must make a particular effort to insure that our high technology exports receive governmental support and are not needlessly hindered by export control regulations required for our national security. High technology exports keep highly skilled and high-paying jobs in the United States, and provide the base for future development that will keep the United States a world technological leader. The most effective way of insuring that export control applications receive speedy processing and that high technology exporters have access to the licensing information they need is to establish export assistance offices in key locations around the country.

The bill before us today authorizes the establishment of such assistance offices in Boston, Portland/Seattle, and northern California. While I believe all these proposed offices are justified and would make a substantial contribution to our export promotion efforts, I would like to speak briefly to the situation in California, with which I am most familiar.

Shortly after the southern California BXA field office opened last year, it was receiving over 100 inquiries a day from businesses and exporters. In February of this year, that office recorded 325 calls a day, a substantial per-

centage of which come from northern California.

Northern California, as one of the major national centers of high technology manufacturing, currently generates the largest number of largest dollar value of export license applications of any region in the country. In terms of dollars, northern California produces one quarter of all licensed trade in the United States. Silicon Valley high technology exporters need the assistance a regional office would provide.

I thank my colleagues on the International Economic Policy and Trade Subcommittee, and in particular Chairman GEJDENSON, for their unanimous support for a northern California field office.

If we are to improve the national trade picture, we must do all we can to expedite licensing procedures for U.S. firms. I urge all my colleagues to lend their strong support to this legislation.

Mr. MINETA. Mr. Speaker, I rise in strong support of this bill to authorize the fiscal year 1990 program for the Department of Commerce's Bureau of Export Administration.

In doing so, I would like to commend the distinguished chairman of the Subcommittee on International Economic Policy and Trade, the gentleman from Connecticut [Mr. GEJDENSON], as well as the distinguished ranking minority member, the gentleman from Wisconsin [Mr. ROTH], for their leadership on this bill.

I believe that the various provisions of this bill will help strengthen the Bureau of Export Administration [BXA], a vital office within the Department of Commerce. This office has important responsibilities in the area of promoting and managing our country's exports, and is in the front lines of our efforts to improve our overall trade situation. BXA has made great strides over the last couple of years in terms of improving and streamlining its operations, and this bill will help BXA continue along that path.

The role of the Bureau of Export Administration is particularly crucial to our country's high technology companies, and the efficient operation of this office is essential if we are to see increased exports of U.S. high technology products. In the interests of those high technology exporters, I am particularly pleased to note that this bill contains a provision to establish several regional export assistance centers, whose purpose it would be to provide local assistance to high tech companies who are attempting to cope with the bureaucratic burdens of a complex and often frustrating export licensing system.

The amount of money involved in establishing these regional offices is small, certainly in comparsion to many Government programs. But it would be hard to overstate their importance to high tech exporters, especially to the small and medium-sized high tech companies that make up so much of the U.S. high-technology industrial base.

The case for establishing a regional export assistance center in northern California, for instance, as the bill would do, is compelling. Northern California's Silicon Valley is the headquarters of the America's electronics industry, an industry that generates more manufacturing jobs than other industry in our country. Last year, Silicon Valley's and northern California's high tech companies accounted for nearly 27 billion dollars' worth of licensed exports—one quarter of the total for the entire country. In doing so, northern California's high tech exporters filed over 15,000 export license applications—more than the total applications of 35 entire States combined.

These kinds of statistics are the reason why earlier this year I joined my colleagues from northern California, Mr. EDWARDS and Mr. PANETTA, in authoring the Northern California High Technology Export Assistance Act of 1989, which designated northern California as a priority site for an export assistance office.

Obviously, given northern California's concentration of high technology exporters and the importance of those exports to our country's overall economic strength, it only makes sense to have a few trained Export Administration personnel available locally to assist these companies in complying with high technology export control laws. This bill we are considering today does just that. Furthermore, it does so for only a very modest amount of money, funds that will likely be more than made up for through increased exports and the resulting tax revenues.

For this reason and others, I am proud to support H.R. 2653. As I do so, I would also like to recognize the leadership on this issue of another member of the subcommittee, my distinguished colleague and good friend from California, Mr. LEVINE. The gentleman from California is a well known advocate for our country's high technology interests, and has been instrumental in supporting the provision to establish regional export assistance offices.

I urge all of my colleagues to cast a vote for America's high tech industries and trade competitiveness by supporting this bill.

Mr. ENGEL. Mr. Speaker, I rise in support of H.R. 2653, the Export Administration Act. As a member of the Foreign Affairs Subcommittee on International Economic Policy and Trade, I voted for this bill in committee and urge its adoption on the House floor today.

Many important elements of America's trade policy are administered through the Bureau of Export Administration. In an era of continued deficits in the balance of payments, it is imperative that the American agencies charged with export promotion be adequately funded. The legislation on the floor today authorizes $45.7 million in fiscal year 1990 for export control and promotion functions of the Commerce Department. I am pleased that the House has brought this important legislation to the floor today.

In addition to the export promotion responsibilities, the Export Administration also contains the office of Antiboycott Compliance. This Office performs important functions in enforcing the antiboycott laws which are on the books as a result of the longstanding policy of Arab countries to blacklist Israel in the international business market. This Congress has wisely legislated strict prohibitions against such activity as part of the Export Administration Act Amendments of 1977. These amendments were designed to prohibit compliance with or participation in the secondary or tertiary forms of the boycott of Israel by Americans or persons doing business in the United States.

Mr. Speaker, I stand in strong support of H.R. 2653, in favor of full funding for the operations of the office of Antiboycott Compliance, and a policy of strict enforcement of the U.S. antiboycott laws. Until such time as the Central Boycott Office in Damascus, Syria, is dismantled and the Arab boycott against Israel unequivocally renounced, I will work to ensure that the Office of Antiboycott Compliance is fully funded and actively pursue the enforcement of antiboycott laws. No compromise in enforcement or weakening of these laws can be tolerated. That would send the wrong message to those who continually try to undermine Israel's security through any means possible. In 1989, it is time for the Arab world to realize that their tired approach which emphasize rejection over reconciliation is exhausted.

Mr. GEJDENSON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROTH. Mr. Speaker, I, too, have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WILLIAMS). The question is on the motion offered by the gentleman from Connecticut [Mr. GEJDENSON] that the House suspend the rules and pass the bill, H.R. 2653.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

□ 1330

GENERAL LEAVE

Mr. GEJDENSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2653, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

ESTABLISHING AN EXPERIMENTAL PROGRAM ON CRITICAL MINERALS

Mr. CAMPBELL of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 491) to establish a mining experimental program on critical minerals and for other purposes, as amended.

The Clerk read as follows:

H.R. 491

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CRITICAL MINERALS MINING EXPERIMENTAL PROGRAM.

(a) The Secretary of the Interior shall establish a mining experimental program on critical minerals as provided by this Act. The program shall be administered by the Director of the Bureau of Mines.

(b) The purpose of the program established by this Act shall be, within a three-year period, to develop mining, mineral processing, and such other technologies as

will be capable of substantially reducing the dependency of the United States on critical minerals produced in the Republic of South Africa and the Soviet Union. Such a program shall include, but not be limited to, the development of each of the following—

(1) Improved extractive and processing technologies of domestic onshore and offshore deposits of those critical minerals listed in subsection (c), including recovering such minerals of a byproduct through processing other minerals.

(2) Substitute materials, including metals and nonmetals, to those critical minerals listed in subsection (c).

(3) Technologies for recovering those critical minerals listed in subsection (c) through recycling domestically available waste and scrap metals and other materials, products, and commodities bearing such minerals.

(c) The program established by this Act shall place priority on, but shall not necessarily be limited to, each of the following critical minerals—

(1) Chromite ore including chromium and ferrochromium.

(2) Manganese ore including ferromanganese.

(3) Platinum group metals including platinum, paladium, iridium, osmium, rhodium and ruthenium.

(4) Vanadium ore including ferrovanadium and vanadium pentoxide.

(5) Cobalt metal and oxide.

(d) The program authorized by this Act shall be established as a separate program within the Bureau of Mines, except that it may draw upon existing research, personnel, and other assistance available within the Bureau of Mines.

(e) The Director of the Bureau of Mines shall take such actions as necessary to facilitate the transfer of technologies developed under this Act to the private sector for commercial application.

(f) The Secretary of the Interior shall submit to the President and the Congress an annual report detailing the progress made in the program established by this Act. Such report shall include information on the—

(1) Status of technology development pursuant to the categories listed in subsection (b) for each critical mineral.

(2) Extent of critical mineral dependency reduction that may be made through the implementation of technologies developed under the program.

(3) Application, utilization, and commercialization of technologies developed under the program.

(4) Restraints, if any, to the widespread adoption of such technologies.

(g)(1)(A) As part of the program set forth in subsection (b)(1), the Director of the Bureau of Mines is authorized and directed to enter into such arrangements as may be necessary with the West Virginia Geological and Economic Survey to conduct a joint mining experimental project in the State of West Virginia to demonstrate the efficacy of extracting and processing metallurgical-grade nodular and siliceous manganese deposits for the purpose of determining the economic and strategic resource importance of such deposits. The project shall be completed prior to September 30, 1992.

(B) The project referred to in subparagraph (A) shall consist of, but not necessarily be limited to:

(i) pre-field work studies, including a literature review, data collection, soil mapping, and aerial and satellite imagery;

(ii) field studies, including detailed mapping of manganese target areas, selective manganese sampling by portable auger, and manganese deposit depth evaluation by seismic exploration;

(iii) laboratory analyses, including ore grade determinations; and

(iv) bulk sampling of manganese ores and a pilot milling test involving the separation and beneficiation of such ores.

(C) Not later than six months after the completion of the project referred to in subparagraph (A), the Director of the Bureau of Mines shall submit a report to Congress, together with any comments submitted by the West Virginia Geological and Economic Survey, detailing the results of such project.

(2)(A) The Director of the Bureau of Mines is authorized and directed to enter into such arrangements as may be necessary with the Idaho Geological Survey to conduct a joint mining experimental project in the State of Idaho to demonstrate the efficacy of extracting and processing black sands from alluvial placer deposits for yttrium and rare earth elements. The project shall be completed prior to September 30, 1992.

(B) The project referred to in subparagraph (A) shall consist of, but not necessarily be limited to:

(i) pre-field work studies, including a literature review, necessary to define drilling targets;

(ii) field studies, including drilling of placer deposits by reverse circulation methods or other appropriate means, sampling, beneficiation and evaluation of the heavy minerals therein;

(iii) laboratory analyses, including microprobe analysis of the euxenite, monazite, allantie, columbite, or other yttrium or rare earth element-bearing minerals; and

(iv) metallurgical studies of methods for economic separation of the yttrium and various rare earth elements from the black sand concentrate minerals.

(C) Not later than six months after the completion of the project referred to in subparagraph (A), the Director of the Bureau of Mines shall submit a report to Congress, together with any comments submitted by the Idaho Geological Survey, detailing the results of such project.

(3) (A) The Director of the Bureau of Mines is authorized and directed to enter into such arrangements as may be necessary with the Mackay School of Mines' Center for Strategic Materials Research and Policy Study to conduct a joint experimental project in the State of Nevada to determine the genesis of platinum-group metals associated with hydrothermal ore deposits and their distribution in Nevada. The project shall be completed prior to September 30, 1992.

(B) The project referred to in subparagraph (A) shall consist of, but not necessarily be limited to:

(i) field sampling of outcrops, mine dumps, and available drill core from known occurrences of hydrothermal platinum-group metal deposits and areas geologically favorable for occurrence;

(ii) development of a data base to include:

(a) registration of sample and study sites to a common base map;

(b) co-registration of geochemical, geophysical and geologic map data; and

(c) co-registration of Landsat Thermatic Mapper data for computer analysis of possible structural controls or unique spectral signatures of hydrothermal platinum-group metal deposits; and

(iii) laboratory experiments simulating natural hydrothermal conditions to help construct a genetic model for the formation of such deposits to guide future exploration.

(C) Not later than six months after the completion of the project referred to in subparagraph (A), the Director of the Bureau of Mines shall submit a report to Congress, together with any comments submitted by the Mackay School of Mines' Center for Strategic Materials Research and Policy Study, detailing the results of such project.

(h) As used in this Act—

(1) The term "critical minerals" means those minerals, including materials and metals, not presently found or produced domestically in sufficient quantities to satisfy the major portion of current and projected demand upon which the United States, due to lack of availability of supplies from other sources, is dependent on supplying its essential defense and commercial requirements from minerals produced in the Republic of South Africa and the Soviet Union.

(2) The term "produced in the Republic of South Africa" means those critical minerals produced in the territorial boundaries of the Republic of South Africa and exported to the United States, and those critical minerals produced in sovereign nations adjacent to the Republic of South Africa but which can only be exported to the United States through the Republic of South Africa.

(i) There are authorized to be appropriated to carry out the purposes of this Act $5,000,000 for the fiscal year ending September 30, 1990; $10,000,000 for the fiscal year ending September 30, 1991; and, $15,000,000 for the fiscal year ending September 30, 1992.

The SPEAKER pro tempore. Is a second demanded?

Mr. CRAIG. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Colorado [Mr. CAMPBELL] will be recognized for 20 minutes, and the gentleman from Idaho [Mr. CRAIG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Colorado [Mr. CAMPBELL].

GENERAL LEAVE

Mr. CAMPBELL of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 491, the bill now being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CAMPBELL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation seeks to establish an intensive 3-year program within the Bureau of Mines aimed at reducing the dangerous dependency this country has developed on critical minerals from South Africa and, to some extent, the Soviet Union.

Under the program envisioned by the bill, the Bureau would dedicate itself toward devising improvements in

domestic mineral extractive technologies, the development of substitute materials, and advances in recycling techniques for the critical minerals chromium, cobalt, manganese, platinum group metals, and vanadium.

In addition, three mining experimental projects relating to the demonstration of techniques to make more viable our domestic resources of manganese, rare earths, and platinum group metals would be undertaken.

The bill also directs the Secretary of the Interior to submit an annual report to the President and the Congress detailing the status of the mining experimental program, the extent of reduction of mineral import dependency as a result of the program, and the commercial application of technologies developed under the program.

Finally, H.R. 491 authorizes $5 million for fiscal year 1990, $10 million for fiscal year 1991, and $15 million for fiscal year 1992.

Mr. Speaker, the threat posed by our dependency on politically volatile or otherwise unreliable countries for these critical minerals must not be underestimated.

These minerals, which we all take for granted, are essential for a proper and economic functioning of our industrial and defense sectors and this is a matter of the highest priority.

For example, there would be no stainless steel without chromium. It is chromium which puts the "stainless" in stainless steel and makes it resistant to corrosion and oxidation.

Moreover, there would be no steel whatsoever without manganese.

Without vanadium, who could exist in a modern society? It is, after all, vanadium which allows for the type of high-strength structural steels necessary for bridges and high-rise buildings.

And, the air in our cities would be much worse without platinum group metals, which are used extensively in automobile catalytic converters.

Yet, as an example, the United States is 100 percent dependent on imports for manganese, with no currently known substitute materials for many of the applications for these minerals.

I think that we can all agree that there are national security implications associated with the over-reliance on any essential commodity from any foreign country, be it crude oil flowing through the Persian Gulf or chromium from South Africa.

However, with the dedication of spirit and resources that have allowed this Nation, time and time again, to devise new technologies to meet almost every challenge, I do believe that we can move toward a much more secure critical mineral posture under the program envisioned by this bill.

I do want to commend the gentleman from Idaho [LARRY CRAIG], and the gentlelady from Nevada [BARBARA VUCANOVICH], for their work on behalf of H.R. 491.

I urge my colleagues to support the legislation, and reserve the balance of my time.

Mr. CRAIG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the H.R. 491, and associate myself with the remarks of my colleague, the gentleman from Colorado, who is a member with me of the Subcommittee on Mining and Natural Resources of the Committee on Interior and Insular Affairs.

As my colleague has said, H.R. 491 is a bill to establish a mining experimental program on critical minerals.

Our country depends almost exclusively on foreign sources for critical minerals. The United States Bureau of Mines reports that, 95 percent of world production of the platinum group metals comes from the Soviet Union and South Africa, 59 percent of the United States vanadium needs come from South Africa.

These minerals and the other critical minerals addressed in this bill are crucial to this Nation's defense and economic well-being, as has been obvious by the comments I have just made, and certainly the comments of my colleague, the gentleman from Colorado.

Critical and strategic minerals are essential for producing high-temperature tolerant metals for use in jet and rocket engines and turbines. Without platinum group metals there would be no catalytic converters in our automobiles and our Nation's air quality would deteriorate. Rare earth minerals must be available if we are to develop the science of super-conductivity.

As we all know, the future availability of these critical minerals from countries such as South Africa and the Soviet Union is not certain. It would be unwise to have no alternative sources of these minerals in the event our relationship with these countries deteriorated.

For this reason, it is important that we pass H.R. 491 into law. This legislation would direct the Bureau of Mines, within the Department of the Interior, to undertake a 3-year program to reduce this Nation's dependence for critical minerals on South Africa and the Soviet Union by emphasizing research to improve extractive and processing technologies; developing substitute materials; and improving scrap recycling. Direction in this legislation will allow innovative programs to be developed in the areas of rare earth minerals, platinum group metals, and manganese.

My support of this bill in no way indicates support for a South African sanctions bill. With or without sanctions imposed on the Government of South Africa, it is important that this legislation be passed.

Mr. Speaker, I urge passage of H.R. 491.

Mr. Speaker, I yield such time as she may consume to my colleague, the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 491, a bill to establish a mining experimental program on critical minerals.

Our Nation has an extremely unhealthy dependency upon foreign sources for many minerals critical to our industrial base. Among these are the platinum group metals, cobalt, chromium, vanadium, and manganese for which we must rely upon the Soviet Union and the Republic of South Africa to satisfy all but a small fraction of our domestic demand.

For these minerals, and other critical and strategic minerals upon which we are import dependent, substitutes or recycling technology must be developed to stretch our existing supply of these minerals. Further research into economically extracting the low-grade domestic deposits already known—and the yet-to-be discovered deposits within our borders—is crucial in striving for our strategic goal: Self-sufficiency in minerals critical to our Nation. Recognition and evaluation of new thought provoking geologic models of ore deposition is essential if we are to wean ourselves from significant dependency on unfriendly or unstable foreign sources of supply.

My colleague, the gentleman from Idaho, has briefly stated some uses to which critical minerals are put today. I echo his concerns and urge passage of H.R. 491 to direct the Bureau of Mines, within the Department of the Interior, to undertake a 3 year program to reduce our critical mineral dependency on South Africa and the Soviet Union by conducting and emphasizing research to improve extractive and processing technologies; developing substitute materials; and improving scrap recycling. This legislation will mandate that innovative experimental programs be developed in the areas of rare earth minerals, platinum group metals, and manganese, as well as other minerals.

Mr. Speaker, the country needs this legislation so we can begin down the road to self-sufficiency in these critical minerals.

Mr. Speaker, I urge passage of H.R. 941.

□ 1340

Mr. CRAIG. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CAMPBELL of Colorado. Mr. Speaker, I urge the passage of H.R. 491, as amended.

I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WILLIAMS). The question is on the motion offered by the gentleman from Colorado [Mr. CAMPBELL] that the House suspend the rules and pass the bill, H.R. 491, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MINING AND MINERALS POLICY ACT AMENDMENTS OF 1989

Mr. CAMPBELL of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1705) to amend the Mining and Minerals Policy Act of 1970, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mining and Minerals Policy Act Amendments of 1989".

SEC. 2. POLICY ADDITIONS.

The Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a) is amended by adding the following new section at the end thereof:

"SEC. 3. NATIONAL INTERESTS.

"(a) FURTHERANCE OF POLICY GOALS.—In order to further the policy goals established by this Act, the Congress declares that—

"(1) the national security and economic interests of the United States is not served by Federal entity assistance to foreign mining ventures which may lead to the displacement of domestic coal and other mineral production and the markets for such coal and other minerals in both the United States and abroad, and

"(2) it is in the national interest that the United States accelerate Federal entity efforts to reduce the dependency of the United States on foreign sources of minerals, especially critical minerals.".

(b) FEDERAL ENTITY RESPONSIBILITIES.—For purposes of this section, it shall be the responsibility of all Federal entities to carry out the national interests described in paragraphs (1) and (2) of subsection (a) when exercising authority under such programs as may be authorized by laws other than this Act.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "Federal entity" means any agency or instrumentality of the United States.

(2) The term "critical minerals" means those metallic minerals which are essential to the defense, industrial and civilian requirements of the United States and for which there are inadequate domestic deposits of such minerals to meet such requirements.

(3) The term "assistance" means assistance of any kind that is authorized to be provided under Federal law for purposes of aiding a foreign country—

(A) to explore for, or to produce or transport, minerals, except for critical minerals, within that country, or

(B) to export minerals, except for critical minerals, produced in that country to other nations. Such term includes, but is not limited to, each of the following:

(i) Financial and technical assistance to carry out mineral feasibility studies and assessments.

(ii) Technical advice and training services related to mineral extraction and processing.

(iii) Export credits.

(iv) Any subsidy, guarantee, loan, grant, or other form of financial assistance for the production or transportation of minerals.

The SPEAKER pro tempore. Is a second demanded?

Mr. CRAIG. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Colorado [Mr. CAMPBELL] will be recognized for 20 minutes, and the gentleman from Idaho [Mr. CRAIG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Colorado [Mr. CAMPBELL].

GENERAL LEAVE

Mr. CAMPBELL of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1705, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CAMPBELL of Colorado. Mr. Speaker, I yield myself such time as I many consume.

Mr. Speaker, H.R. 1705 seeks to amend the Mining and Minerals Policy Act of 1970 with a section containing two new policy initiatives.

Currently, the Policy Act basically states that it is in the national interest to maintain a viable mining industry. That it is in the national interest to promote the wise use of our mineral wealth. And, that it is in the national interest to ensure the reclamation of mined lands.

It is, in effect, the bedrock of mining policy in this Nation.

However, the current policy does not address two rather critical factors having a major effect on domestic mining and our society's need for this industry, and for a broad range of minerals.

Mining, as with most industries, cannot be viewed in a vacuum and the actions taken by the Federal Government both here and abroad can have tremendous consequences on the extractive industries.

As such, this legislation states that the national security and economic interests of the United States are not served by Federal Government assistance to foreign mining activities in instances where that assistance may lead to the displacement of domestic mineral production and the markets for these minerals in both the United States and abroad.

The second policy addition states that the national interest is served by accelerating Federal Government efforts to reduce the dependence of the United States on foreign sources of minerals, especially critical minerals.

This policy basically reaffirms the intent of the critical minerals bill just passed by the House, as well as those initiatives found in the Strategic and Critical Materials Stockpiling Act and the Anti-Apartheid Act.

Few people can dispute the validity of these proposed national policies. However, at question, is whether a policy statement in of itself is sufficient enough to cause the reduction of this country on foreign sources of minerals.

The gentleman from Idaho [Mr. CRAIG], as well as the gentleman from Alaska [Mr. YOUNG], raised this very point during Committee consideration of this measure. They ask: What good is a new policy when public lands are continuously withdrawn from mining?

I would simply say to these gentlemen that I understand their concern. There is no free ride when it comes to energy and mineral security. In order to maintain our standard of living, and our defensive posture, we must insure the viability of the extractive industries in this country

As such, let us make this a policy. Let us look to the future, as any good government should, and set into place the basic philosophy by which we can take further actions.

I urge my colleagues to support the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. CRAIG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1705 would amend the Mining and Minerals Policy Act of 1970 to make it the policy of the United States to develop the mineral resources of our Nation rather than those of foreign countries. Such a policy would be in the national interest.

I hope the Congress will remember this as it considers putting public lands into wilderness designation or any other special designation that bars mineral exploration on the public lands. One-third of the land mass of the United States is federally owned, and the mineral potential of these

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

lands is not well understood. We must carefully consider the consequences of putting Federal land in special designations that preclude mineral exploration and development.

Mr. Speaker, those of us from Western States are reminded of that on a daily basis. Last week the gentleman from West Virginia [Mr. RAHALL], chairman of the Subcommittee on Mining and Natural Resources, and I were in northern Nevada with our colleague, the gentlewoman from Nevada [Mrs. VUCANOVICH], to look at the new gold-mining operations that are going on in that State at this moment that are flourishing to the point that I think one could say a modern-day gold rush is under way in that State.

If 10 years ago the land that we were on last week had been before the Committee on Interior and Insular Affairs for the possible designation of wilderness and if 10 years ago I or any other member of that committee had asked U.S. Geological Survey or the Bureau of Mines whether there is any known mineralization for which this land ought not be locked up but reserved for the purposes of its production, the responsible answer would have been no. But in that 10-to-15-year period, technologies changed, understanding of the mineral natures of that particular land changed, and today hundreds of millions of dollars a year and thousands of jobs are being created in a mining industry in the State of Nevada where 15 years ago none existed or where it was even believed 15 years ago none would exist.

Mr. Speaker, that is why it is so important that this country understands what it does and it understands that where there may today not be something, tomorrow, based on technology, our own innovativeness, our ability to learn, adapt, adjust, and change might ultimately produce a thriving industry beneficial to this country and to our economic base.

That is clearly the case in northern Nevada today, as I think it will be the case in other Western States as we refine our ability to refine and as technology leads us further in our search for some of these critical minerals and metals.

We must be careful in considering the consequences of putting our Federal lands under further restrictive designations that would simply preclude the exploration and the development for mineral and metal purposes, and that is the purpose of H.R. 1705, certainly, to encourage a systematic policy for the United States for the development of these resources.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CAMPBELL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado [Mr. CAMPBELL] that the House suspend the rules and pass the bill, H.R. 1705, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1989

Mr. OWENS of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1312) to amend the Domestic Volunteer Service Act to extend through the fiscal year 1992 certain authorities contained in such Act relating to national volunteer antipoverty programs, as amended.

The Clerk read as follows:

H.R. 1312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Domestic Volunteer Service Act Amendments of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

Sec. 101. Selection and assignment of volunteers.
Sec. 102. Terms and periods of service.
Sec. 103. Support services.
Sec. 104. Vista literacy corps.
Sec. 105. Duration of assistance.

TITLE II—SERVICE-LEARNING PROGRAMS

Sec. 201. Change in general reference to programs.

TITLE III—SPECIAL VOLUNTEER PROGRAMS

Sec. 301. Authority to establish and operate programs.
Sec. 302. Technical and financial assistance for improvement of volunteer programs.
Sec. 303. Special initiatives.

TITLE IV—OLDER AMERICAN VOLUNTEER PROGRAMS AMENDMENTS

Sec. 401. Statement of purposes.
Sec. 402. Increase in stipend or allowance.
Sec. 403. Volunteers serving without stipends.
Sec. 404. Projects of national significance.
Sec. 405. Promotion of programs.
Sec. 406. Administrative costs.
Sec. 407. Technical amendments to title II of the Domestic Volunteer Service Act of 1973.
Sec. 408. Amendments relating to partnership agreements addressing the needs of the poor.

TITLE V—ADMINISTRATION AND COORDINATION

Sec. 501. Administrative organization.
Sec. 502. Reports.
Sec. 503. Evaluation.
Sec. 504. Definitions.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

Sec. 601. National volunteer antipoverty programs authorization.
Sec. 602. Older American Volunteer Programs.
Sec. 603. Administration and coordination.

TITLE VII—TECHNICAL AMENDMENTS TO OTHER LAWS

Sec. 701. Technical amendments to the Anti-Drug Abuse Act of 1988.
Sec. 702. Technical amendment to the Juvenile Justice and Delinquency Prevention Act of 1974.
Sec. 703. Technical amendments to the Runaway and Homeless Youth Act.
Sec. 704. Technical amendments to the Missing Children's Assistance Act.

TITLE VIII—GENERAL PROVISIONS

Sec. 801. Effective date; application of amendments.

TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

SEC. 101. SELECTION AND ASSIGNMENT OF VOLUNTEERS.

(a) IN GENERAL.—Section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953) is amended—

(1) by striking subsection (b);

(2) by redesignating subsections (c) through (f) as subsections (g) through (j), respectively; and

(3) by inserting after subsection (a) the following subsections:

"(b)(1) The Director shall select volunteers for service under this part from among qualified individuals submitting an application for such service at such time, in such form, and containing such information as may be necessary for the Director to evaluate the suitability of each individual for such service and to determine, in accordance with paragraph (4), the most appropriate assignment for each such volunteer.

"(2) An application submitted under paragraph (1) shall—

"(A) indicate the period of time in which the applicant is available to serve as a volunteer under this part;

"(B) describe the applicant's previous education, training, military and work experience, and any other relevant skills or interests; and

"(C)(i) specify the particular project or program to which the applicant prefers to be assigned; or

"(ii)(I) specify the State or geographic region in which the applicant prefers to be assigned; and

"(II) specify the type of project or program to which the applicant prefers to be assigned.

"(3) The Director shall approve the application of each individual who applies in conformance with the provisions of this subsection and who, on the basis of the information provided in the application, is determined to be qualified to serve as a volunteer under this part.

"(4)(A) The Director shall provide for the assignment of each applicant approved as a volunteer under this part to a project or program which is, to the maximum extent practicable, consistent with such applicant's abilities, experiences, and preferences as set forth in the application under paragraph (1) and with the needs and preferences of projects or programs approved for the assignment of such volunteers.

"(B) In carrying out subparagraph (A), the Director shall utilize the information system established under paragraph (5)(A)(ii).

"(C) No volunteer under this part shall be assigned to any project or program without its express approval and consent.

"(D) The Director, wherever feasible and appropriate, shall assign low-income community volunteers to serve in their home communities in teams with nationally recruited specialist volunteers. The Director shall make efforts to assign volunteers to serve in their home or nearby communities and shall make national efforts to attract other individuals to serve in the VISTA program. The Director shall also, in the assignment of volunteers, recognize that the community-identified needs which cannot be met in the local area, and the individual desires of VISTA volunteers in regard to placement in the various geographic areas of the Nation, should be taken into consideration.

"(5)(A) The Director shall establish and maintain within the national headquarters of the ACTION Agency a volunteer placement office. Such office shall—

"(i) be the central location to which interested individuals may submit applications to serve as volunteers under this part; and

"(ii) develop, operate, and maintain a current and comprehensive central information system which shall, upon request, promptly provide information—

"(I) to individuals, with respect to specific opportunities for service as a volunteer with approved projects or programs to which no volunteer has been assigned; and

"(II) to approved projects or programs, with respect to the availability of individuals whose applications for service as a volunteer have been approved and who are awaiting an assignment with a specific project or program.

"(B) The Director shall ensure that applications to serve as volunteers under this part are available to the public upon request to the ACTION Agency (including any State or regional offices of the Agency) and that individuals making such requests are informed of the manner in which the applications are required to be submitted.

"(6)(1) The Director shall nationally undertake activities directed at national, regional, and local levels to recruit individuals to serve as volunteers under this part, to publicize the activities and accomplishments of the program under this part, and to inform the public of the opportunities such program provides for volunteer service to Americans from all walks of life, age groups, economic levels, and geographic areas.

"(2) Activities under paragraph (1) shall include (but need not be limited to)—

"(A) maintaining and publicizing a national toll-free telephone number through which callers may obtain information about opportunities for service as a volunteer under this part and through which callers may request, and shall be sent upon request, an application for such service;

"(B) public service announcements through radio, television, and the print media;

"(C) advertising through the print media, direct mail, and other means;

"(D) disseminating information about opportunities for service as a volunteer under this part to institutions of higher education and other educational institutions (including libraries), professional associations, community-based agencies, youth service and volunteer organizations, business organizations and labor unions, senior citizens organizations, and other institutions and organizations from or through which potential volunteers may be recruited;

"(E) disseminating such information through presentations made personally by personnel of the ACTION Agency (or other designees of the Director) to students and faculty at institutions of higher education and to other entities described in subparagraph (D), including presentations made at the facilities of such entities and made at any conventions or other meetings of such entities;

"(F) publicizing the student loan deferment and forgiveness opportunities available to volunteers under this part under parts B and E of title IV of the Higher Education Act of 1965; and

"(G) providing, upon request, technical assistance with the recruitment of volunteers under this part to programs and projects receiving assistance under this part.

"(3) The Director shall consult with the Director of the Peace Corps to seek to coordinate the recruitment and public awareness activities carried out under this subsection, particularly activities described in paragraph (2)(E), with those of the Peace Corps and seek to develop joint procedures and activities for the recruitment of volunteers to serve under this part.

"(4) In designing and implementing activities authorized under this section (and particularly activities described in paragraph (2)(E)), the Director shall seek to involve persons who have formerly served as volunteers under this part to assist in the dissemination of information concerning the program under this part. The Director may reimburse the costs incurred by such former volunteers for such participation, including expenses incurred for travel.

"(5) At the start of each fiscal year, the Director shall develop an annual plan for the recruitment of volunteers under this part. The plan shall—

"(A) describe in detail (including the cost) the recruitment and public awareness activities carried out under this subsection during the preceding fiscal year and evaluate the effectiveness of such activities;

"(B) identify goals and objectives for the recruitment of volunteers under this part during the current fiscal year, including specific goals and objectives for the recruitment of individuals 55 years of age and older, individuals between 18 and 25 years of age (inclusive), recent graduates of institutions of higher education, and special skilled volunteers; and

"(C) describe in detail (including the expected cost) the recruitment and public awareness activities which shall be undertaken throughout the year to achieve the goals and objectives specified in subparagraph (B).

"(6) For the purpose of carrying out this subsection, the Director shall obligate 1 percent, or $300,000, whichever is less, of the amounts appropriated each fiscal year under section 501(a).

"(d)(1) The Director shall, at a minimum, designate one employee of the ACTION Agency in each region of the United States whose duties and responsibilities shall only be to assist with carrying out the functions described in subsections (b) and (c).

"(2) The Director shall ensure that sufficient personnel of the ACTION Agency are assigned (at the national, regional, and State levels, as may be appropriate) to carry out the functions described in subsections (b) and (c) to enable the ACTION Agency to perform such functions in a timely and effective manner.

"(e) The Director shall ensure that not less than 20 percent of all volunteers under this part are 55 years of age or older.

"(f) If any applicant under this part who is recruited locally becomes unavailable for service prior to the commencement of service, the recipient of the project grant or contract may replace such applicant with another qualified applicant approved by the Director.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is amended—

(1) in section 102—

(A) by striking subsections (b) and (c); and

(B) by striking the subsection designation in subsection (a); and

(2) in section 103—

(A) in the heading for such section, by inserting "SELECTION AND" before "ASSIGNMENT";

(B) in subsection (a), in the matter preceding paragraph (1), by striking "The Director" and all that follows through "work—" and inserting the following: "The Director, upon application by public or nonprofit private organizations, may assign volunteers selected under subsection (b) to work in appropriate projects and programs, including work—"; and

(C) in subsection (i), as redesignated by subsection (a)(2) of this section, by striking "subsection (d)," and inserting "subsection (h),".

SEC. 102. TERMS AND PERIODS OF SERVICE.

(a) OATH OF OFFICE.—Section 104(c) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4954(c)) is amended by striking "in section 5(j)" and all that follows through "2504(j))," and inserting the following: "for persons appointed to any office of honor or profit by section 3331 of title 5, United States Code, and swear (or affirm) that he does not advocate the overthrow of our constitutional form of government in the United States, and that he is not a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates,".

(b) TEMPORARY AUTHORITY FOR EXTENSIONS OF PERIOD OF SERVICE.—

(1) IN GENERAL.—Notwithstanding the limitation established in section 104(b) of the Domestic Volunteer Service Act of 1973 for the maximum period of service as a volunteer under part A of title I of such Act, the Director of the ACTION Agency may, subject to paragraphs (2) and (3), extend beyond such maximum the period of service for such a volunteer in any case in which—

(A) the extension is requested by the project or program to which the volunteer involved is assigned; and

(B) such Director determines that the extension is appropriate with respect to meeting the goals of the project or program.

(2) LIMITATIONS ON EXTENSIONS.—With respect to extensions under paragraph (1) for volunteers described in such paragraph—

(A) such an extension may be for not more than 1 year;

(B) not more than 2 such extensions may be made for any such volunteer; and

(C) not more than 1 percent of the total number of such volunteers serving for the fiscal year involved may receive such extensions.

(3) DURATION OF AUTHORITY.—The authority established in paragraph (1) shall be ef-

fective only for fiscal years 1990 through 1993.

SEC. 103. SUPPORT SERVICES.

Section 105(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(b)) is amended—

(1) by striking "places of training)," and inserting "places of training and to and from locations to which volunteers are assigned at the start and end of service),"; and

(2)(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end the following new paragraphs:

"(2)(A) The total of allowances for subsistence under paragraph (1) to any volunteer under this part for any fiscal year shall be in an amount which is not less than an amount equal to 95 percent of the poverty line for a single individual.

"(B) If allowances for subsistence under paragraph (1) are provided through other than cash payments, the Director shall, in calculating the minimum such allowances for purposes of compliance with subparagraph (A), determine the fair market value of the allowances so provided.

"(3) In providing allowances and support under paragraph (1), the Director shall seek to ensure that the allowances and support are adjusted to reflect the differences between localities in the costs of living so that, with respect to the allowances and support, there is economic parity among all volunteers under this part. In determining the amount and extent of such adjustments, the Director shall seek to consult with persons serving as volunteers under this part, with sponsoring organizations, and with any regional or State offices of the ACTION Agency.".

SEC. 104. VISTA LITERACY CORPS.

Section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is amended by adding at the end the following new subsection:

"(h)(1) Subject to paragraph (2), with respect to any individual providing volunteer services in the program under this section regarding literacy, the Director may, with the written consent of the individual, assign the individual to serve in the general program under this part regarding literacy.

"(2) To the extent practicable, the Director shall ensure that, for the purpose of replacing any individual assigned under paragraph (1), a volunteer under this section is assigned to the project or program involved.".

SEC. 105. DURATION OF ASSISTANCE.

(a) IN GENERAL.—Part A of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) is amended by adding at the end the following new section:

"DURATION OF ASSISTANCE

"SEC. 110. (a) No assistance under this part shall be denied to any project or program, or any public or private nonprofit organization, solely on the basis of the duration of the assistance such project, program, or organization has previously received under this part.

"(b) Each application for the renewal of assistance under this part to any project or program shall be considered on an individualized, case-by-case basis, taking into account the extent to which the sponsoring organization has made good faith efforts to achieve the goals agreed on in its application for such assistance and any extenuating circumstance beyond the control of the sponsoring organization that may have prevented, delayed, or otherwise impaired the achievement of such goals.

"(c) Each application for assistance under this part to a new project or program submitted by a public or private nonprofit organization that has previously received such assistance shall be considered (so long as such new project or program is clearly distinct from activities for which the organization has previously received assistance) on an equal basis with all other applications for such assistance and without regard for the fact that the organization has previously received such assistance.

"(d) With respect to any considerations that relate to the duration of assistance under this part and that are applied by the Director in the case of a request for a renewal of such assistance, the Director may not apply any such considerations against any entity—

"(1) functioning as an intermediary between the Director and organizations originating such requests and ultimately receiving such assistance; and

"(2) utilized by such organizations to prepare and submit to the Director applications for such assistance and to perform other administrative functions and services associated with applying for and receiving such assistance.

"(e) All eligible public and private nonprofit organizations shall be able to apply for assistance under this part.

"(f) The Director shall ensure that the language of each of subsections (a) through (e) is included verbatim—

"(1) in applications developed by the Director for making requests for the provision of assistance under this part to projects or programs; and

"(2) in any regulations or guidelines issued for the program under this part.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The first section of the Domestic Volunteer Service Act of 1973 is amended in the table of contents by adding after the item relating to section 109 the following new item:

"Sec. 110. Duration of assistance.".

TITLE II—SERVICE-LEARNING PROGRAMS

SEC. 201. CHANGE IN GENERAL REFERENCE TO PROGRAMS.

(a) IN GENERAL.—Part B of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4971 et seq.) is amended—

(1) by amending the heading for such part to read as follows:

"PART B—STUDENT COMMUNITY SERVICE PROGRAMS";

(2) in section 111(a), in the first sentence, by inserting "and community service" after "service-learning"; and

(3) in section 114—

(A) by amending the heading to read as follows: "STUDENT COMMUNITY SERVICE PROGRAMS"; and

(B) in subsection (a), in the first sentence, by inserting "community service and" after "to participate in".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The first section of the Domestic Volunteer Service Act of 1973 is amended in the table of contents—

(1) in the item relating to the heading for part B, by striking "SERVICE-LEARNING PROGRAMS" and inserting "STUDENT COMMUNITY SERVICE PROGRAMS"; and

(2) in the item relating to section 114, by striking "Special service-learning programs" and inserting "Student community service programs".

TITLE III—SPECIAL VOLUNTEER PROGRAMS

SEC. 301. AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS.

(a) LIMITATION ON AMOUNT OF GRANTS AND CONTRACTS.—Section 122(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4992(d)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) After the date of the enactment of the Domestic Volunteer Service Act Amendments of 1989, no grant or contract exceeding $250,000 shall be made under this part.".

(b) PROHIBITION AGAINST USE OF FUNDS FOR CERTAIN STATE OFFICES.—Section 122 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4992) is amended by adding at the end the following new subsection:

"(e) None of the amounts made available under section 501(c) for fiscal year 1990 or subsequent fiscal years may be expended for the purpose of establishing or operating any State office with respect to volunteerism.".

SEC. 302. TECHNICAL AND FINANCIAL ASSISTANCE FOR IMPROVEMENT OF VOLUNTEER PROGRAMS.

Section 123 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4993) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsection:

"(b)(1) The Director shall provide assistance for identification, development, and dissemination of effective literacy materials and programs by grant or contract to public and private nonprofit organizations whose principal purpose is the combating of illiteracy and its associated problems. The Director shall consult with and annually submit summaries of exemplary projects based on project reports to the national clearinghouse on literacy education, as designated under section 372(d)(2) of the Adult Education Act.

"(2) Emphasis under grants or contracts under paragraph (1) shall be—

"(A) broadly disseminating information relating to training and technical assistance for the use of volunteers in projects or programs providing literacy services in poor urban and rural areas, including English-language literacy services for limited-English proficient individuals; or

"(B) developing new and innovative solutions to illiteracy problems that involve the more effective and extensive use of volunteers in such projects or programs.".

SEC. 303. SPECIAL INITIATIVES.

Section 124 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4994) is amended—

(1) by amending the heading to read as follows:

"DRUG ABUSE EDUCATION AND PREVENTION SERVICES AND ACTIVITIES";

(2) in subsection (a), by striking "public service announcements,";

(3) in subsection (b), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3); and

(4) by adding at the end the following new subsections:

"(c) In awarding grants and contracts under this section, the Director shall give priority to projects that serve communities, including those in rural areas, which have not previously received assistance under this

part for the purposes of drug abuse education and prevention.

"(d) The Director shall provide for the evaluation of activities and projects conducted with financial assistance received under this section. Applications for grants under this section in excess of $10,000 shall include a description of the methods to be used in evaluating the impact such activities and programs have on the drug abuse problem within the communities in which such activities and projects are carried out.".

TITLE IV—OLDER AMERICAN VOLUNTEER PROGRAMS AMENDMENTS

SEC. 401. STATEMENT OF PURPOSES.

(a) STATEMENT OF PURPOSES.—Title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5001-5024) is amended by inserting after the heading for such title the following:

"STATEMENT OF PURPOSES

"SEC. 200. (a) This title provides for Older American Volunteer Programs comprised of the retired senior volunteer program, the foster grandparent program, and the senior companion program. These programs empower older individuals to contribute to their communities through volunteer service, enhance the lives of the volunteers and those whom they serve, and provide communities with valuable services.

"(b) The purpose of part A, the retired senior volunteer program, is to utilize the vast talents of older individuals willing to share their experiences, abilities, and skills in responding to a wide variety of community needs.

"(c) The purpose of part B, the foster grandparent program, is to afford low-income older individuals an opportunity to provide supportive, individualized services to children with exceptional or special needs.

"(d) The purpose of part C, the senior companion program, is to afford low-income older individuals the opportunity to provide personal assistance and companionship to other older individuals through volunteer service.".

(b) CONFORMING AMENDMENT.—The table of contents of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) is amended by inserting after the matter relating to the heading of title II the following:

"Sec. 200. Statement of purposes.".

SEC. 402. INCREASE IN STIPEND OR ALLOWANCE.

The last sentence of section 211(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011(d)) is amended—

(1) by inserting "until fiscal year 1991, $2.35 per hour in fiscal year 1991, and $2.50 per hour after fiscal year 1991" after "$2.20 per hour" the first place it appears;

(2) by striking "no increase in the stipend or allowance shall be made pursuant" and inserting "such stipend or allowance shall not be increased as a result of an amendment made"; and

(3) by striking "$2.20 per hour" the second place it appears and inserting "the minimum hourly rate specified in this sentence".

SEC. 403. VOLUNTEERS SERVING WITHOUT STIPENDS.

Section 211(f) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011(f)) is amended—

(1) in paragraph (1)(C) by inserting "unless such individuals have been referred previously for possible placement as volunteers under part A and such placement did not occur" before the period at the end; and

(2) in paragraph (3)—

(A) by inserting "take into consideration or" after "may not";

(B) in subparagraph (A) by inserting "or recruit" after "accept"; and

(C) by adding at the end of paragraph (3) the following:

"The Director may not coerce any applicant for, or recipient of, such grant or contract to engage in conduct described in subparagraph (A) or (B).".

SEC. 404. PROJECTS OF NATIONAL SIGNIFICANCE.

(a) RETIRED SENIOR VOLUNTEER PROGRAM.—Section 201(a) of the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5001(a)) is amended—

(1) by striking "programs" and inserting "projects";

(2) by striking "program" each place it appears and inserting "project";

(3) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(4) by inserting "(1)" after "(a)"; and

(5) by adding at the end the following:

"(2) The Director is authorized to make grants or contracts under paragraph (1) for projects to provide services to increase literacy, services to provide child care to children before and after school, and services to provide respite care to families caring for frail elderly individuals.".

(b) FOSTER GRANDPARENT PROGRAM.—Section 211(a) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) The Director is authorized to make grants or contracts under paragraph (1) for projects to provide services to children with special needs while they attend day care programs.".

(c) SENIOR COMPANION PROGRAM.—Section 213(c)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5013(c)(1)) is amended—

(1) by inserting "under subsection (a)" after "contracts";

(2) by inserting "individuals" after "elderly" each place it appears;

(3) by inserting "(A)" after "(c)(1)"; and

(4) by adding at the end the following:

"(B) The Director is authorized to make grants or contracts under subsection (a) for projects to provide respite care to families caring for frail elderly individuals.".

SEC. 405. PROMOTION OF PROGRAMS.

(a) DUTIES OF DIRECTOR.—Section 221 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5021) is amended—

(1) by amending the heading to read as follows:

"PROMOTION OF OLDER AMERICAN VOLUNTEER PROGRAMS";

(2) by inserting "(a)" after "SEC. 221."; and

(3) by adding at the end the following:

"(b) In carrying out this title, the Director shall encourage and facilitate the efforts of private organizations to promote the programs established in parts A, B, and C of this title and the involvement of older persons as volunteers in such programs.

"(c) The Director shall take appropriate steps to ensure that special efforts are made to publicize the programs established in parts A, B, and C, in order to facilitate recruitment efforts, to encourage greater participation of volunteers, and to emphasize the value of volunteering to the health and well-being of such volunteers and to their communities. Such steps shall include informing recipients of grants and contracts under this title of all informational materials available from the Director.

"(d)(1) Except as provided in paragraph (2), the Director shall expend $83,000 to carry out subsection (c) for each fiscal year.

"(2) To carry out subsection (c) for each fiscal year, the Director shall expend not less than $250,000 or two-tenths of 1 percent of the amount appropriated to carry out this title for such fiscal year, whichever is less, if the amount appropriated to carry out this title for such fiscal year exceeds by not less than $167,000 the amount appropriated to carry out this title for fiscal year 1989.".

(b) CONFORMING AMENDMENT.—The table of contents of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) is amended by amending the item relating to section 221 to read as follows:

"Sec. 221. Promotion of Older American Volunteer Programs.".

SEC. 406. ADMINISTRATIVE COSTS.

(a) ADJUSTMENT TO FEDERAL FINANCIAL ASSISTANCE.—Part D of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5021-5024) is amended by adding at the end the following:

"ADJUSTMENTS TO FEDERAL FINANCIAL ASSISTANCE

"SEC. 225. (a)(1) In determining the amount of Federal financial assistance to be provided under this title to applicants, the Director shall take into consideration the impact of changes in the Consumer Price Index For All Urban Consumers on the administrative costs of operating the projects for which such assistance will be provided and shall to the fullest extent practicable make appropriate adjustments in such amounts to ensure the effective administration of such projects.

"(2) The Director shall take reasonable actions to inform applicants for such assistance that such adjustments may be available.

"(b)(1) The Director shall submit annually, to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report on the extent to which adjustments are made under subsection (a).

"(2) With respect to each of parts A, B, and C of this title, such report shall include—

"(A) a summary of the number of and purposes for which such adjustments are requested by the recipients of grants and contracts under parts A, B, and C, respectively;

"(B) a description of the extent to which such requests are accommodated; and

"(C) a statement explaining the decisions made by the Director with respect to the requested adjustments.".

(b) CONFORMING AMENDMENT.—The table of contents of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) is amended by inserting after the item relating to section 224 the following:

"Sec. 225. Adjustment to Federal financial assistance.".

SEC. 407. TECHNICAL AMENDMENTS TO TITLE II OF THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973.

The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) is amended—

(1) in the heading of title II by striking "NATIONAL";

(2) in the heading of part B of such title by striking "AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS";

(3) in section 212(b) by striking "a community action agency" and all that follows

through the period, and inserting "an eligible entity as defined in section 673(1) of the Community Services Block Grant Act (42 U.S.C. 9902(1)).";

(4) in section 224 by striking "programs" and inserting "projects";

(5) in the heading of section 502 by striking "NATIONAL"; and

(6) in the table of contents—

(A) in the matter relating to the heading of title II by striking "NATIONAL";

(B) in the matter relating to the heading of part B of title II by striking "AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS"; and

(C) in the item relating to section 502 by striking "National".

SEC. 508. AMENDMENTS RELATING TO PARTNERSHIP AGREEMENTS ADDRESSING THE NEEDS OF THE POOR.

(a) GENERAL AUTHORITY.—Section 408(a)(1) of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b(a)(1)) is amended—

(1) by striking "provide for the self-sufficiency of the Nation's poor" and inserting the following: "stimulate the development of new approaches to provide for greater self-sufficiency of the poor, to test and evaluate such new approaches, to disseminate project results and evaluation findings so that such approaches can be replicated, and to strengthen the integration, coordination, and redirection of activities to promote maximum self-sufficiency among the Nation's poor";

(2) in subparagraph (B) by striking "or" at the end;

(3) in subparagraph (C) by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(D) contain an assurance that the applicant will obtain an independent, methodologically sound evaluation of the effectiveness of the activities carried out with such grant and will submit such evaluation to the Secretary.".

(b) LIMITATIONS.—(1) Section 408(b)(1) of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b(b)(1)) is amended—

(A) by striking "Grants" and inserting "(A) Subject to subparagraph (B), grants";

(B) by striking "new" each place it appears; and

(C) by adding at the end the following:

"(B) After the first fiscal year in which an eligible entity receives a grant under this section to carry out a program, the amount of any subsequent grant made under this section to such entity to carry out such program may not exceed 80 percent of the amount of the grant previously received under this section to carry out such program.".

(2) Section 408(b)(3) of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b(b)(3)) is amended—

(A) by inserting "in each fiscal year" after "one grant";

(B) by striking "$250,000" and inserting "$350,000"; and

(C) by adding at the end the following: "Not more than 2 grants may be made under this section to an eligible entity to carry out a particular program.".

(c) DISSEMINATION OF RESULTS.—Section 408(c) of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b(c)) is amended to read as follows:

"(c) DISSEMINATION OF RESULTS.—As soon as practicable, but not later than 180 days after the end of the fiscal year in which a recipient of a grant under this section completes the expenditure of such grant, the Secretary shall prepare and make available to each State and each eligible entity a description of the program carried out with such grant, any relevant information developed and results achieved, and a summary of the evaluation of such program received under subsection (a)(1)(D), so as to provide a model for innovative programs to other eligible entities.".

(d) DEFINITION.—Section 408(d)(1) of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b(d)(1)) is amended by inserting before the semicolon the following: ", except that such term includes an organization that serves migrant and seasonal farmworkers and that receives a grant under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) in the fiscal year preceding the fiscal year in which such organization requests a grant under this section".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 408(e) of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b(e)) is amended—

(1) by striking "is" and inserting "are";

(2) by striking "each of the fiscal years 1987, 1988, and" and inserting "fiscal year"; and

(3) by inserting "and $7,500,000 for fiscal year 1990" after "1989".

(f) REPORT TO CONGRESS.—Section 408 of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b) is amended—

(1) by redesignating subsections (d) and (e) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (c) the following:

"(d) REPLICATION OF PROGRAMS.—(1) The Secretary shall identify annually programs for which grants are made under this section that demonstrate a significant potential for dealing with particularly critical needs or problems of the poor which are common to a number of communities.

"(2) Not less than 10 percent, and not more than 30 percent, of the funds appropriated for each fiscal year to carry out this section shall be available to make grants under this section to replicate in additional geographical areas programs identified under paragraph (1).

"(e) REPORT TO CONGRESS.—The Secretary shall submit annually, to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report containing—

"(1) a description of—

"(A) programs for which grants are made under this section in the then most recently completed fiscal year; and

"(B) the evaluations received under subsection (a)(1)(D) in such fiscal year; and

"(2) a description of the methods used by the Secretary to comply with subsection (c);

"(3) recommendations of the Secretary regarding the suitability of carrying out such programs with funds made available under other Federal laws; and

"(4) a description of each program identified under subsection (d)(1) or replicated under subsection (d)(2), and an identification of the geographical location in which such program was carried out.".

TITLE V—ADMINISTRATION AND COORDINATION

SEC. 501. ADMINISTRATIVE ORGANIZATION.

Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by adding at the end the following: "There shall also be in such agency three individuals who shall report directly to the Assistant Director who is primarily responsible for the Older American Volunteer Programs under title II of this Act. Each of such individuals shall be primarily responsible for part A, B, or C of such title.".

SEC. 502. REPORTS.

Section 407 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5047) is amended to read as follows:

"REPORTS

"SEC. 407. Not later than 60 days after the start of each fiscal year, the Director shall prepare and submit to the appropriate committees of the Congress a report which shall include—

"(1) the annual recruitment plan developed under section 103(c)(5);

"(2) a description of the activities carried out under section 103(b) during the preceding fiscal year, including a specification of the total number of—

"(A) individuals who applied for service as a volunteer under this part;

"(B) applicants approved for such service;

"(C) approved applicants provided an assignment as a volunteer under section 103(b); and

"(D) volunteers assigned to projects and programs which were outside their original home communities;

"(3)(A) a description of efforts undertaken by the Director during the preceding fiscal year to involve persons who have formerly served as volunteers under this part in the activities authorized under section 103(c); and

"(B) a specification of the number of, and the manner in which, such persons were so involved; and

"(4) a specification of the number and location of employees of the ACTION Agency designated by the Director to assist in carrying out the duties described in subsections (b) and (c) of section 103 during the preceding fiscal year.".

SEC. 503. EVALUATION.

Section 416(a) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5056(a)) is amended in the first sentence by inserting after "this Act," the following: "including the VISTA Literacy Corps, which shall be evaluated as a separate program at least once every three years,".

SEC. 504. DEFINITIONS.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended:

(1) in paragraph (4), by striking "and" after the semicolon at the end;

(2) in paragraph (5), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(6) the term 'poverty line for a single individual' means such poverty line as established by the Director of the Office of Management and Budget and revised in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.".

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

SEC. 601. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS AUTHORIZATION.

(a) VOLUNTEERS IN SERVICE TO AMERICA.—

(1) IN GENERAL.—Section 501(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(a)(1)) is amended by striking "and" after "1988," and inserting before the period the following: ", $29,747,000 for fiscal year 1990, $31,400,000 for fiscal year 1991,

$33,746,000 for fiscal year 1992, and $36,228,000 for fiscal year 1993".

(2) VISTA LITERACY CORPS.—

(A) Section 501(a)(2) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(a)(2)) is amended by striking "and" after "1988," and inserting before the period the following: ", $5,250,000 for fiscal year 1990, $5,513,000 for fiscal year 1991, $5,789,000 for fiscal year 1992, and $6,078,000 for fiscal year 1993".

(B) Section 501(a)(3) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(a)(3)) is amended by striking "and" after "1988," and inserting before the period the following: ", 1990, 1991, 1992, and 1993".

(b) SERVICE-LEARNING PROGRAMS.—Section 501(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(b)) is amended by inserting before the period the following: ", and $1,352,000 for each of the fiscal years 1990 through 1993".

(c) SPECIAL VOLUNTEER PROGRAMS.—Section 501(c) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(c)) is amended in the first sentence by inserting before the period the following: ", and $1,000,000 for each of the fiscal years 1990 through 1993".

(d) YEARS OF VOLUNTEER SERVICE.—Section 501(d)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(d)(1)) is amended—

(1) in subparagraph (B), by striking "and" after the semicolon at the end;

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(D) 2,800 years of volunteer service in fiscal year 1990;

"(E) 3,000 years of volunteer service in fiscal year 1991;

"(F) 3,100 years of volunteer service in fiscal year 1992; and

"(G) 3,200 years of volunteer service in fiscal year 1993.".

(e) REQUIREMENT WITH RESPECT TO ALLOWANCES FOR SUBSISTENCE.—Section 501(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(d)) is amended by adding at the end the following new paragraph:

"(4)(A) In applying criteria with respect to meeting the number of years of volunteer service under paragraph (1) for a fiscal year, the Director may not exclude the costs of complying with section 105(b)(2) for each volunteer under this part.

"(B) The minimum level of allowances for subsistence required under section 105(b)(2) to be provided to each volunteer under this part may not be reduced or limited in order to provide for the increase in the number of years of volunteer service specified in paragraph (1) for each of the fiscal years 1990 through 1993.".

SEC. 602. OLDER AMERICAN VOLUNTEER PROGRAMS.

(a) RETIRED SENIOR VOLUNTEER PROGRAM.—Section 502(a) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(a)) is amended—

(1) by striking "$31,100,000" and all that follows through "1988, and"; and

(2) by inserting after "1989" the following: ", $38,000,000 for fiscal year 1990, $41,000,000 for fiscal year 1991, $44,000,000 for fiscal year 1992, and $48,000,000 for fiscal year 1993,".

(b) FOSTER GRANDPARENT PROGRAM.—Section 502(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(b)) is amended—

(1) by striking "$58,700,000" and all that follows through "1988, and"; and

(2) by inserting after "1989" the following: ", $69,000,000 for fiscal year 1990, $78,000,000 for fiscal year 1991, $88,000,000 for fiscal year 1992, and $95,000,000 for fiscal year 1993,".

(c) SENIOR COMPANION PROGRAM.—Section 502(c) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(c)) is amended—

(1) by striking "$28,600,000" and all that follows through "1988, and"; and

(2) by inserting after "1989" the following: ", $33,000,000 for fiscal year 1990, $38,000,000 for fiscal year 1991, $43,000,000 for fiscal year 1992, and $47,000,000 for fiscal year 1993,".

SEC. 603. ADMINISTRATION AND COORDINATION.

Section 504 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5084) is amended by adding at the end the following new sentence: "For each of the fiscal years 1990 through 1993, there is authorized to be appropriated for the administration of this Act, as authorized in title IV of this Act, an amount not more than 19 percent of the total amount appropriated under sections 501 and 502 of this Act.".

TITLE VII—TECHNICAL AMENDMENTS TO OTHER LAWS

SEC. 701. TECHNICAL AMENDMENTS TO THE ANTI-DRUG ABUSE ACT OF 1988.

(a) DRUG EDUCATION AND PREVENTION RELATING TO YOUTH GANGS.—Section 3503(2) of the Anti-Drug Abuse Act of 1988 (102 Stat. 4255) is amended by striking "that it has" and inserting "have".

(b) PROGRAM FOR RUNAWAY AND HOMELESS YOUTH.—Section 3515 of the Anti-Drug Abuse Act of 1988 (102 Stat. 4257) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (B) by inserting "stating" after "(B)"; and

(B) in subparagraph (C) by striking "a description of" and inserting "describing"; and

(2) in subsection (c) by striking "Administrator" and inserting "such officer".

(c) EVALUATION.—(1) Section 3522 of the Anti-Drug Abuse Act of 1988 (102 Stat. 4260) is amended—

(A) in subsection (a)—

(i) by striking ", acting through the Administrator,"; and

(ii) by striking "(as defined in section 3601(6))"; and

(B) in subsection (b) by striking "Administrator" and inserting "Secretary".

(2) Section 3601 of the Anti-Drug Abuse Act of 1988 (102 Stat. 4260) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (13) as paragraphs (1) through (12), respectively.

(d) REPORTS.—Section 7296(b) of the Anti-Drug Abuse Act of 1988 (102 Stat. 4463) is amended—

(1) in paragraph (2) by striking "section 7274(b)(1)" and inserting "section 7253(b)(1)"; and

(2) by amending paragraph (3) to read as follows:

"(3) Notwithstanding the 180-day period provided in—

"(A) section 207 of the Juvenile Justice and Delinquency Prevention Act of 1974, as added by section 7255,

"(B) section 361 of the Runaway and Homeless Youth Act, as so redesignated by section 7273(e)(2) and amended by section 7274, and

"(C) section 404(a)(5) of the Missing Children's Assistance Act, as amended by section 7285(a)(3),

the reports required by such sections 207, 361, and 404(a)(5) to be submitted with respect to fiscal year 1988 shall be submitted not later than August 1, 1989.".

(e) CLERICAL AMENDMENTS.—(1) Section 7265(a)(4) of the Anti-Drug Abuse Act of 1988 (102 Stat. 4448) is amended by inserting "after 'fiscal years' " before ", and".

(2) Section 7280(2) of the Anti-Drug Abuse Act of 1988 (102 Stat. 4459) is amended by inserting "after 'fiscal years' " before the comma at the end.

(3) Section 7289(3) of the Anti-Drug Abuse Act of 1988 (102 Stat. 4461) is amended by inserting "after 'fiscal years' " before the period at the end.

SEC. 702. TECHNICAL AMENDMENT TO THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974.

Section 291(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671(a)(1)) is amended by striking "is authorized" and inserting "are authorized".

SEC. 703. TECHNICAL AMENDMENTS TO THE RUNAWAY AND HOMELESS YOUTH ACT.

The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended—

(1) in section 361(a) by striking "report to the Congress" and inserting "submit a report, to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate,";

(2) in section 361(b) by striking "The Secretary shall annually report to the Congress" and inserting "Not later than 180 days after the end of each fiscal year, the Secretary shall submit a report, to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate,"; and

(3) in section 366(a)(1) by striking "is authorized" and inserting "are authorized".

SEC. 704. TECHNICAL AMENDMENTS TO THE MISSING CHILDREN'S ASSISTANCE ACT.

The Missing Children's Assistance Act (42 U.S.C. 5771-5778) is amended—

(1) in section 401—

(A) by inserting open quotation marks after "as the"; and

(B) by inserting close quotation marks after "Act";

(2) in section 404—

(A) in subsection (a)(5)(C) by striking the comma at the end and inserting a semicolon; and

(B) in subsection (b)(2)(A) by inserting "to" after "(A)"; and

(3) in section 405(a)(9) by striking "clearinghouse" and inserting "clearinghouses".

TITLE VIII—GENERAL PROVISIONS

SEC. 801. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by titles I through VI shall not apply with respect to funds appropriated for any fiscal year ending, and grants and contracts made, before October 1, 1989.

The SPEAKER pro tempore. Is a second demanded?

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The SPEAKER pro tempore. The gentleman from New York [Mr. OWENS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. OWENS].

□ 1350

Mr. OWENS of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge the passage of H.R. 1312, the Domestic Volunteer Service Act Amendments of 1989.

This year marks the 25th anniversary of the Volunteers in service to America—or VISTA—program. VISTA is the Federal Government's only full-time domestic volunteer service program. First proposed by President Kennedy as a "National Service Corps" which would mobilize Americans to fight poverty here at home much as the Peace Corps fought poverty abroad, the VISTA Program was later revived by President Johnson and incorporated in the "war on poverty" proposals which were enacted in the Economic Opportunity Act of 1964. VISTA's serve for one year, working full-time with public and private nonprofit agencies to establish and expand programs to alleviate poverty-related problems. VISTA volunteers received a modest subsistence allowance while in service and are expected to live among the same low-income people they serve.

During the last quarter century, over 100,000 Americans from all walks of life, ages, economic levels, and geographic areas have served as VISTA volunteers. Their achievements have been extraordinary. VISTA's have helped create job training programs, health clinics, battered women's shelters, food pantries, homeless shelters and permanent low-income housing, literacy programs and legal services centers. They have worked with native Americans, migrant farmworkers, people with disabilities, immigrants, the very young and the very old, and other disadvantaged Americans to help enable them to become more self-reliant. Each VISTA volunteer costs the Federal Government about $8,000 but each VISTA project mobilizes a median of $54,600 in new funds and services that otherwise would not have been available. VISTA, in other words, more than pays for itself.

Despite its proven effectiveness, VISTA has never had an easy time in Washington and on several occasions in the past has only narrowly escaped outright elimination. Today, fortunately, the program has entered a period of relative stability and enjoys bipartisan support.

Even so, great problems remain.

VISTA's budget still has not recovered from its difficulties during the Reagan administration. Today, VISTA is able to support just 2,600 volunteers at about 600 projects across the country. In 1980, by contrast, there were 4,208 volunteers serving with 2,000 projects.

Recruitment efforts in recent years have been a disaster. During subcommittee hearings we heard about many talented young Americans—including the son of the first Office of Economic Opportunity Director Sargent Shriver—who tried to sign up as VISTA volunteers but were unable to—not because there were not vacancies, but because the ACTION Agency's recruitment procedures are so convoluted and confusing. As Mr. Shriver put it, "Today, you need the skills of a Houdini to find out that there is such a program as VISTA, and then, when you get out of that straitjacket, there's no one around to applaud."

VISTA has become a well-kept secret, little known even to the most passionate supporters and advocates of voluntarism. At a time of great interest in national service, precious little attention has been paid to VISTA in the emerging debate. I have given up trying to keep track of how many times I have heard someone call for the creation of a "domestic peace corps" in the last year. Many believe VISTA was abolished long ago; many others seem not to know it ever existed in the first palce.

The amendments made by H.R. 1312 represent a bipartisan effort to try to resolve these and other management problems which have plagued VISTA for so long.

Funding is authorized to support an increase of 700 VISTA volunteers over the next 4 years. By 1993, there should be 3,200 volunteers deployed in the field. This is far fewer volunteers than 10 years ago and is certainly less than what is needed to address the staggering poverty in the Nation, but it does still represent a great step forward.

H.R. 1312 also requires the ACTION Agency to establish a comprehensive program of national recruitment. A national placement office is created to provide a direct, central point of access for information and assistance for persons interested in serving as VISTA's outside their home communities. Personnel in each ACTION regional office would be assigned to work on volunteer recruitment in their areas. A full range of public awareness activities would be carried out—including direct mail, public service announcements, and onsite visits to college campuses—at a cost of at least 1 percent of VISTA's annual appropriation or $300,000. Special emphasis would be placed on recruiting graduating college seniors to reverse the dramatic decline in the involvement of youth that has occurred during the Reagan administration. This group is also the one that experts have advised us is the most cost-effective to target with ACTION's limited recruitment dollars. To save scarce resources, this recruitment and public awareness campaign must, if possible, be coordinated with similar activities undertaken by the Peace Corps. ACTION is also required to seek to involve former VISTA volunteers in its recruitment activities.

H.R. 1312 also increases the subsistence allowance paid to volunteers while in service. Prior to the Reagan administration, the allowance was traditionally set at or slightly above poverty level; in recent years, however, the value of allowance has dropped far below poverty, hampering the efforts of VISTA sponsors to recruit their volunteers. One project in Boston, for example, interviewed 80 people before finding one who could afford to serve as a VISTA. The legislation sets the subsistence allowance at 95 percent of the official poverty level for a single individual and requires the Director to make additional adjustments to reflect local and regional differences in the cost of living.

The bill also corrects a problem that our colleague from Wisconsin, JIM MOODY, brought to our attention during consideration of H.R. 1312—the agency's arbitrary termination of VISTA "umbrella" sponsors and its insistence that projects be defunded after 4 years. H.R. 1312 bars ACTION from basing its renewal decisions solely on the basis of the number of years a project has been funded, requiring that these decisions be made on an individualized, case-by-case basis, taking into account any extenuating circumstances which may have prevented a sponsor from attaining its goals. The bill also precludes ACTION from terminating assistance to any "umbrella" sponsor on the basis of the number of years it has been funded. These sponsors assume chief administrative responsibility for the VISTA Program, but do not actually use the services of the VISTA's themselves, assigning them instead to affiliated organizations in the community. For this reason, the duration of assistance is not an appropriate factor to consider in evaluating their renewal applications. I want to extend my appreciation to Mr. MOODY for bringing this issue to the subcommittee's attention and for his hard work in helping to resolve it.

Although H.R. 1312 may not correct every problem in the VISTA Program and the ACTION Agency and does not go as far as some of us on the majority side would have liked, it does represent a bipartisan effort to resolve the most grievous problems in the program. I commend Mr. BARTLETT for his contributions to this legislation and

for his cooperation in making it a truly bipartisan initiative.

I urge my colleagues to support H.R. 1312. With these amendments, we can help assure that VISTA will reclaim its original promise and experience a rebirth of energy, commitment, and purpose as it moves into its next quarter century of service to the Nation.

Mr. Speaker, I reserve the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1312 which reauthorizes the VISTA and Older American Volunteer Programs for 4 years. I want to thank the chairmen of the subcommittees, Mr. OWENS and Mr. KILDEE, for negotiating a bipartisan bill that was unanimously reported from our committee. This may be the first time that the VISTA reauthorization has come before this House with bipartisan support and I believe that is a remarkable accomplishment.

This legislation is part of the kinder, gentler nation for the 1990's because these two volunteer programs are designed to help neighbors help neighbors and the VISTA Program particularly focuses on helping low-income people become self-sufficient. VISTA volunteers live and work among the poor and serve in urban areas, rural areas and on Indian reservations. VISTA volunteers focus on the problems of hunger, homelessness, illiteracy, unemployment, drug and alcohol abuse, domestic violence, child abuse, and neighborhood revitalization.

I am supporting the authorization levels for VISTA which are set at current service rates over the 1989 authorization. This authorization level is a compromise. I know many of my colleagues on the committee supported much higher authorization levels and I wanted to keep the authorization more in line with appropriations levels. I think these levels reflect a reasonable compromise between those two positions.

□ 1400

One of the areas where H.R. 1312 makes improvements in the current VISTA Program is the increase in the subsistence allowance. VISTA volunteers receive a basic subsistence allowance to cover housing, food and incidentals. H.R. 1312 requires that the subsistence allowance be equal to at least 95 percent of the poverty line for a single individual and that the Director must fund the subsistence allowance first as a priority before adding new VISTA volunteers.

This change then successfully modifies the longstanding point of contention that is the service year funding floor which had been in prior VISTA authorizations.

As I visited with VISTA volunteers in Texas, many of them noted that the low level of the subsistance allowance was the single most important issue for them, and for the success of VISTA service to their neighborhoods. Based on these discussions and on testimony before the subcommittee, I believe VISTA lost many qualified individuals who wanted to serve as volunteers because the subsistence allowance was too far below the poverty line.

The language in H.R. 1312 will give each VISTA volunteer an 11.5 percent increase in the subsistence allowance and ensure that no volunteer will receive less than 95 percent of the poverty line. In 1990, it is estimated that the national poverty level will be appoximately $6,205 annually or $517 per month. While this amount may not seem like very much to most of us, the VISTA Program requires that its volunteers "live among and at the economic level of the people served." The increased subsistence allowance will now achieve that mandate and, in turn encourage more people to serve in the VISTA Program.

Another important and good legislative addition to the VISTA reauthorization is the creation of a placement office at the national ACTION headquarters which will allow the Director to match qualified VISTA volunteers with projects and match projects with qualified volunteers. This office will assist prospective VISTA volunteers to find projects that they are interested in working for while maintaining, and this is quite critical, that the final approval for hiring that volunteer lies with the local project, alone.

Too many times over the last several years we have seen VISTA volunteers unable to match up with VISTA projects and vice versa. I think the creation of a placement office will maintain the concept of local volunteers, while also providing a productive match between the volunteer and the project. In addition, I believe the public awareness campaign that is established by this bill should encourage more people to serve as VISTA volunteers.

Three other modest changes in the bill as introduced in the subcommittee include first the deletion of the proposed 20-percent age quota for 18-to-24-year-olds; second, the elimination of the minimum 1-percent public awareness expenditure, replacing it with a $300,000 per year cap; and third, a VISTA literacy corps volunteer can now under this legislation serve as a regular VISTA in a literacy program if he or she wants. The Director must make every effort possible to fill the VISTA literacy corps slot.

Finally, I would like to announce that the administration is not opposing this bill. While they do have concerns, as do I, about the administrative support authorization level and the higher authorization levels, they have worked with us to craft this bipartisan bill. It is a good bill and it deserves our support, and I urge my colleagues to support passage of this reauthorization.

Mr. COLEMAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Speaker, I rise in support of H.R. 1312 and commend those who have crafted this bill. I want to point out one of the things which I think makes an extremely important contribution and that contains a lot of sense, and that is to utilize the retired senior volunteer program volunteers in aiding and recruiting these individuals to provide child care where necessary for community-based child-care centers.

I think it is a combination of needs, when coming together can solve a great need, when people who are in their senior years who have had the opportunity to raise their own children and sometimes grandchildren, who have time, want to volunteer. We also have needs of young marrieds and people who have youngsters who need to be looked after during the day. What a great combination when we can provide the volunteers to help solve that problem.

We want to encourage our RSVP volunteers to do this where appropriate. I am glad some of the language which I put into the bill is contained there in a bill which I introduced and is recognized as a solid commitment to this area.

I commend the people who are handling the bill for including that in this particular proposal.

Mr. BARTLETT. Mr. Speaker, the gentleman from Missouri has provided exemplary and extraordinary service in helping to draft this bill in the strong form that is before us today.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. OWENS of New York. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE], the chairman of the Subcommittee on Human Resources of the Committee on Education and Labor.

Mr. KILDEE. Mr. Speaker, I thought for a moment that we were going to have an Erlenborn amendment when I looked at the other side of the aisle.

Mr. Speaker, I rise in support of the bill, H.R. 1312.

H.R. 1312 would reauthorize the Domestic Volunteer Service Act through 1993 and the demonstration partner-

ship agreements addressing the needs of the poor for 1990.

It also makes technical corrections to the Juvenile Justice and Delinquency Prevention Act and related matters.

I would like to call particular attention to title II of the Domestic Volunteer Service Act, the Older American Volunteer Programs, and the Demonstration Partnership Program, which fall under the jurisdiction of the Human Resources Subcommittee which I chair.

There are three distinct Older American Volunteer Programs: the Retired Senior Volunteer Program [RSVP]; the Foster Grandparent Program; and the Senior Companion Program. Together, these programs make up the largest component in the ACTION agency. In 1989 the Older American Volunteer Programs comprised 67 percent of action funding and supported the majority of ACTION's volunteer strength.

Older American volunteers are 60 years of age or older and serve their communities through a wide variety of part-time volunteer services.

The benefits of this program are twofold. Volunteers are provided a means of sharing their experience and enthusiasm while communities benefit from their involvement in such areas as:

Youth counseling, crime prevention, housing rehabilitation, and in-home care for the disabled, in the case of RSVP volunteers;

Individualized supportive services provided by foster grandparents to children with physical, mental and emotional, or social disabilities; and

Personal assistance and peer support provided to the elderly by senior companion volunteers.

H.R. 1312 makes several changes designed to strengthen and improve the Older American Volunteer Programs. Key among these are provisions to:

Increase the stipend paid to low-income foster grandparent and senior companion volunteers from $2.20 per hour to $2.35 per hour in 1991 and to $2.50 per hour in 1992; and

Authorize funds for "programs of national significance" grants to expand volunteer activities in specific areas of great need where OAVP volunteers can be particularly effective. These grants will enable additional opportunities for:

RSVP volunteers to serve in literacy programs;

Foster grandparents to assist children with special needs in day care programs; and

Senior companions to provide respite care to families caring for a frail elderly individual.

H.R. 1312 also reauthorizes the demonstration partnership agreements addressing the needs of the poor.

The Demonstration Partnership Program was first established in 1986. It is designed to complement the Community Services Block Grant Program by developing and implementing new and innovative approaches to dealing with the particularly critical needs of the poor common in a number of communities.

H.R. 1312 reauthorizes the program for 1 year and makes several changes, including—

Increasing the maximum grant size;

Permitting projects to compete for additional grants once one demonstration has been completed;

Expanding eligibility to include migrant and seasonal farmworkers; and

Earmarking funds for the replication of successful demonstration projects in other geographical areas.

My colleagues have often heard me say that the role of Government is to promote, protect, defend, and enhance human dignity.

These programs truly satisfy this requirement.

Mr. Speaker, the House of Representatives is very fortunate to have a number of Members on both sides of the aisle who are sensitive to the needs of our vulnerable citizens.

Every member of the Subcommittee on Human Resources was an original cosponsor of the legislation to reauthorize these valuable programs. The bill has benefited from the input of these Members, and reflects a great deal of consultation and cooperation.

I would like to thank those Members who have been working with us to develop a strong reauthorization bill, particularly Mr. TAUKE and Mr. BARTLETT, and I urge all of my colleagues to support it.

Mr. GOODLING. Mr. Speaker, I am pleased to support H.R. 1312, a bill to reauthorize the Domestic Volunteer Service Act for 4 additional years.

One section of this legislation reauthorizes the three programs which constitute the National Older American Volunteer Programs—the Retired Senior Volunteer Program, the Senior Companion Program and the Foster Grandparent Program. These programs provide valuable volunteer services to some of our Nation's neediest citizens.

I am especially pleased to note that H.R. 1312 provides volunteers in the Senior Companion and Foster Grandparent Programs stipend increases in 1991 and 1992. It has been 6 years since their last increase and I certainly believe they deserve a stipend increase for all of their volunteer efforts.

I am also pleased that the bill retains a section of current law which permits low-income seniors who do not meet the eligibility criteria to continue to serve as Foster Grandparents and Senior Companions. While there may not be a large number of nonstipended volunteers in these programs, their presence is important.

These caring volunteers fill in when a normal volunteer is ill or otherwise unable to perform the volunteer services. In addition, some of the nonstipend volunteers are merely former stipended volunteers who are continuing to work with a child or a homebound senior citizen after they no longer meet the criteria necessary to be considered a stipended volunteer. These volunteers have developed a relationship with the children and senior citizens they are helping and the interruption of these relationships could have a harmful affect on those individuals we are seeking to help under the provisions of this law. Therefore, I believe it is important that this section of the law has been retained.

In my congressional district I have a Retired Senior Volunteer Program [RSVP]. The volunteers do a good job. In one project, they work with senior citizens in a county nursing home, providing them with companionship they might otherwise miss without family and friends to visit them.

Mr. Speaker, H.R. 1312 also reauthorizes the VISTA Program, the VISTA Literacy Corps, and the Student Community Service Program. These are all important programs utilizing volunteers from all walks of life to eliminate and alleviate poverty and poverty-related problems in the United States.

I wish to commend my colleagues on the Education and Labor Committee for their bipartisan efforts to ensure these programs will continue and I urge my colleagues to support this legislation.

Mr. TAUKE. Mr. Speaker, H.R. 1312 includes a 4-year extension of the Older American Volunteer Programs, title II of the Domestic Volunteer Service Act of 1973. These provisions of H.R. 1312 reflect bipartisan agreements, which were developed under the able leadership of the gentleman from Michigan [Mr. KILDEE], who chairs the Education and Labor Committee's Subcommittee on Human Resources.

The Older American Volunteer Programs which include the Foster Grandparent Program, the Retired Senior Volunteer Program [RSVP], and the Senior Companion Program, empower older individuals to contribute to their communities through volunteer service, enhance the lives of the volunteers and those whom they serve, and provide communities with valuable services. Each program offers special opportunities for the older individuals that participate in them.

H.R. 1312 merits the support of this body. While this bill does not make major changes in the overall thrust or operation of the Older American Volunteer Programs, I believe that the fine-tuning and updating included in this bill will improve the administration and effectiveness of these programs.

H.R. 1312 increases the stipend for Foster Grandparent and Senior Companion volunteers from $2.20 per hour to $2.50 per hour by fiscal year 1992. Two important aspects of this stipend increase should be noted. First, the stipend can not be increased if such an increase would not result in fewer volunteers being able to participate in the programs.

Second, the initial increase from $2.20 per hour to $2.35 per hour is not effective until fiscal year 1991. This 1-year delay will allow Congress to accommodate the additional expense during the budget and appropriations process and will provide amply lead time for State and locally supported Foster Grandparent and Senior Companion Programs to plan

for corresponding increases in the non-federally funded projects.

In addition, H.R. 1312, extends for 1 year the Demonstration Partnership Program, which authorizes grants primarily to community action agencies to develop unique and innovative approaches to alleviating dependency of the poor on public assistance programs.

The limited, 1-year, extension of this program should not be interpreted as uncertainty about its longer term merits. This program can make valuable contributions toward promoting self-sufficiency among the poor, and we fully anticipate extending the program again next year when legislation reauthorizing the Community Services Block Grant is considered.

Because the Demonstration Partnership Program is a relatively new program, some changes are made by this legislation to ensure the most effective use of funds. For instance, greater emphasis is placed on the evaluation of projects and on the dissemination of the results in order to facilitate replication of successful approaches to reducing dependency by other community action agencies.

Again, the Older American Volunteer Programs and the Demonstration Partnership Program reauthorizations are the product of a bipartisan effort. I encourage you to support H.R. 1312.

Mr. OWENS of New York. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1312, the bill presently under consideration.

The SPEAKER pro tempore (Mr. WILLIAMS). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. OWENS] that the House suspend the rules and pass the bill, H.R. 1312, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to revise and extend the programs of the Domestic Volunteer Service Act of 1973.".

A motion to reconsider was laid on the table.

CHILD ABUSE PREVENTION CHALLENGE GRANTS REAUTHORIZATION ACT OF 1989

Mr. OWENS of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2087) to transfer a certain program with respect to child abuse from title IV of Public Law 98-473 to the Child Abuse Prevention and Treatment Act, and for other purposes, as amended.

□ 1410

The Clerk read as follows:

H.R. 2087

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Abuse Prevention Challenge Grants Reauthorization Act of 1989".

SEC. 2. TRANSFER OF CERTAIN PROGRAM TO CHILD ABUSE PREVENTION AND TREATMENT ACT.

(a) IN GENERAL.—Sections 402 through 409 of title IV of Public Law 98-473 (98 Stat. 2197 et seq.) are—

(1) transferred to the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.);

(2) redesignated as sections 201 through 208, respectively; and

(3) in the appropriate sequence, inserted after section 15 of the Child Abuse Prevention and Treatment Act.

(b) AVAILABILITY OF APPROPRIATIONS.—With respect to amounts made available in appropriation Acts for carrying out the program transferred by subsection (a) to the Child Abuse Prevention and Treatment Act, the transfer of such program may not be construed to affect the availability of such amounts for carrying out such program.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS TO CHILD ABUSE PREVENTION AND TREATMENT ACT.

(a) IN GENERAL.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by section 2 of this Act, is further amended—

(1) by redesignating sections 2 through 15 as sections 101 through 114, respectively;

(2) by inserting before section 101 (as so redesignated) the following new heading:

"TITLE I—GENERAL PROGRAM";

and

(3) by inserting before section 201 the following new heading:

"TITLE II—GRANTS WITH RESPECT TO ENCOURAGING STATES TO MAINTAIN CERTAIN FUNDING MECHANISMS".

(b) CROSS-REFERENCES IN TITLE I.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is further amended—

(1) in section 102—

(A) in subsection (c)(1)(A), by striking "section 4" and inserting "section 103";

(B) in subsection (e), by striking "section 4(f)" and inserting "section 103(f)"; and

(C) in subsection (f)(2)(E), by striking "sections 6 and 7" and inserting "sections 105 and 106";

(2) in section 104(b)—

(A) in paragraph (1), by striking "section 6(b)" and inserting "section 105(b)"; and

(B) in paragraph (2)(B), by striking "section 105(a)(1)" and inserting "section 105(a)(1) of the Child Abuse Prevention, Adoption, and Family Services Act of 1988";

(3) in section 105—

(A) in subsection (a)(2)(A), by striking "section 7" and inserting "section 106"; and

(B) in subsection (b)(3), by striking "section 5" and "section 10" and inserting "section 104" and "section 109", respectively;

(4) in section 108—

(A) in subsection (a)(1), by striking "section 8(b)(10)" and inserting "section 107(b)(10)"; and

(B) in subsection (b), by striking "this Act" and inserting "this title";

(5) in section 109(b)(1), by striking "sections 8(b)" and all that follows and inserting the following: "sections 107(b) and 107(e) or receive a waver under section 107(c);";

(6) in section 112(b)—

(A) in paragraph (1), by striking "section 10" and inserting "section 109"; and

(B) in paragraph (2), by striking "section 9" and inserting "section 108";

(7) in section 113—

(A) in the matter preceding paragraph (1), by striking "this Act" and inserting "this title";

(B) in paragraph (1), by striking "section 3" and inserting "section 102";

(C) in paragraph (2), by striking "section 2" and inserting "section 101"; and

(D) in paragraph (9), by striking "section 4" and inserting "section 103"; and

(8) in section 114—

(A) in subsection (a)—

(i) in the first sentence, by striking "this Act" and inserting "this title"; and

(ii) in the second sentence—

(I) by striking "sections 5, 6, and 7" and inserting "sections 104, 105, and 106";

(II) by striking "sections 8(a) and 9 of this Act" and inserting "sections 107(a) and 108";

(III) by striking "section 7(a) of this Act" and inserting "section 106(a)"; and

(IV) by striking "section 8(f) of this Act" and inserting "section 107(f)"; and

(B) in subsection (b), by striking "this Act" and inserting "this title".

(c) CROSS-REFERENCES IN TITLE II.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is further amended—

(1) in title II, by striking "sections 402 to 409" each place such term appears and inserting "this title";

(2) in section 205(b)(1)(A)—

(A) by striking "section 2" and all that follows through "Treatment Act" and inserting "section 101"; and

(B) by striking "section 5" and inserting "section 204"; and

(3) in section 208, by striking "section 6(b)(1)(C)" and inserting "section 205(b)(1)(C)".

(d) TABLE OF CONTENTS.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as otherwise amended by this Act, is amended in section 1(b), in the table of contents—

(1) by redesignating the items relating to sections 2 through 15 as items relating to sections 101 through 114, respectively;

(2) by inserting after the item relating to section 1 the following new item relating to title I:

"TITLE I—GENERAL PROGRAM";

and

(3) by adding at the end the following new items:

"TITLE II—GRANTS WITH RESPECT TO ENCOURAGING STATES TO MAINTAIN CERTAIN FUNDING MECHANISMS

"Sec. 201. Findings and purpose.
"Sec. 202. Definitions.
"Sec. 203. Grants authorized.
"Sec. 204. State eligibility.
"Sec. 205. Limitations.
"Sec. 206. Withholding.
"Sec. 207. Audit.

"Sec. 208. Report.".

SEC. 4. STYLISTIC MODIFICATION OF TRANSFERRED PROGRAM.

(a) SECTION 201.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 201—

(1) by striking all that follows through "The Congress finds that—" in subsection (a) and inserting the following:

"SEC. 201. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—"; and

(2) in subsection (b), by inserting "PURPOSE.—" after the subsection designation.

(b) SECTION 202.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 202 by striking the section heading and all that follows through "As used" and inserting the following:

"SEC. 202. DEFINITIONS.

"As used".

(c) SECTION 203.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 203—

(1) by striking the section heading and all that follows through "The Secretary" in subsection (a) and inserting the following:

"SEC. 203. GRANTS AUTHORIZED.

"(a) IN GENERAL.—The Secretary";

(2) in subsection (b), by inserting "PAYMENTS.—" after the subsection designation; and

(3) in subsection (c), by inserting "AUTHORIZATION OF APPROPRIATIONS.—" after the subsection designation.

(d) SECTION 204.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 204 by striking the section heading and all that follows through "Any State" in the matter preceding paragraph (1) and inserting the following:

"SEC. 204. STATE ELIGIBILITY.

"Any State".

(e) SECTION 205.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 205—

(1) by striking the section heading and all that follows through "Any grant" in subsection (a)(1) and inserting the following:

"SEC. 205. LIMITATIONS.

"(a) AMOUNT OF GRANT.—

"(1) IN GENERAL.—Any grant";

(2) in subsection (a)—

(A) in paragraph (1), by moving subparagraphs (A) and (B) two ems to the right so that the left margins of such paragraphs are indented 6 ems; and

(B) in paragraph (2), by striking all that follows through "paragraph (1)" and inserting the following:

"(2) DEFINITION.—For purposes of paragraph (1)(B)"; and

(3) in subsection (b)—

(A) in paragraph (1)—

(i) by striking all that follows through "No grant" in the matter preceding subparagraph (A) and inserting the following:

"(b) APPLICATION.—

"(1) REQUIREMENTS.—No grant"; and

(ii) by moving subparagraphs (A) through (C) two ems to the right so that the left margins of such paragraphs are indented 6 ems; and

(B) in paragraph (2), by striking all that follows through "The Secretary" and inserting the following:

"(2) APPROVAL.—The Secretary".

(f) SECTION 206.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 206 by striking the section heading and all that follows through "Whenever the Secretary" and inserting the following:

"SEC. 206. WITHHOLDING.

"Whenever the Secretary".

(g) SECTION 207.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 207 by striking the section heading and all that follows through "The Comptroller General" and inserting the following:

"SEC. 207. AUDIT.

"The Comptroller General".

(h) SECTION 208.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 208 by striking the section heading and all that follows through "The Secretary" and inserting the following:

"SEC. 208. REPORT.

"The Secretary".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS FOR TRANSFERRED PROGRAM.

The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 203(c) by striking "There is authorized" and all that follows and inserting the following: "For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1989 through 1991.".

SEC. 6. AUTHORITY, WITH RESPECT TO TRANSFERRED PROGRAM, OF NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.), as amended by the preceding provisions of this Act, is amended in section 104(b)—

(1) by striking "and" after the semicolon at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2)(D) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) directly or through contract, identify effective programs carried out by the States pursuant to title II and provide technical assistance to the States in the implementation of such programs.".

SEC. 7. STUDY OF TRANSFERRED PROGRAM BY GENERAL ACCOUNTING OFFICE.

(a) IN GENERAL.—With respect to the program transferred by section 2(a) to the Child Abuse Prevention and Treatment Act, the Comptroller General of the United States shall conduct a study of the trust funds or other funding mechanisms established by the States pursuant to the program for the purpose of determining, for each State with such a funding mechanism—

(1) whether the amounts provided by the Federal Government under the program are the only Federal funds received by the State for child abuse prevention activities;

(2) if Federal funds received under the program are not the only Federal funds received by the State for such activities, whether receiving the Federal funds under multiple programs constituted an unnecessary administrative burden for the State, and if so, a description of the nature of the burden;

(3) the extent to which, in the fund, amounts received by the State from the Federal Government under the program, together with State funds contributed pursuant to the program, are commingled with other Federal and State funds, including a specification of the total amount contributed by the State to the fund and the percentage constituted by such amount; and

(4) the amount expended by the State from the fund for each of the activities authorized in the eligibility provisions of the program, the percentage of the fund constituted by each such amount, and the policies underlying the allocation among such activities of amounts in the fund.

(b) REPORT.—The Comptroller General of the United States shall, not later than September 30, 1990, complete the study required in subsection (a) and submit to the Congress a report describing the findings made as a result of the study.

SEC. 8. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect October 1, 1989, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore (Mr. WILLIAMS). Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. OWENS] will be recognized for 20 minutes and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Speaker, I yield myself such time as I may consume.

Today, we have an opportunity to address the tragedy of child abuse in this country. I have spoken on many occasions about this escalating problem. The statistics are simply beyond imagination: 2.2 million reports were filed in 1988; a total of 1,255 children dead in 1988 as a result of maltreatment.

H.R. 2087, the Child Abuse Challenge Grants Reauthorization Act of 1989 continues to enable the States to maintain educational efforts designed to prevent the horror of abuse and neglect. This program represents a challenge not only to the States but to all of us, including the administration, to do more to prevent the abuse of our children. If we are truly going to be a "kinder and gentler" Nation, we must begin with the compassionate treatment of the youngest and most vulnerable members of our society. Everyone can play a role, but it is crucial that the Federal Government lead the way.

The original legislation was enacted in 1984 to encourage States to adopt child abuse prevention funding programs, such as the children's trust funds, and to help States maintain existing programs. These prevention programs are State government entities which help communities assume responsibility for the prevention of child abuse by providing needed expertise and funding. Revenue for the programs is generated from a variety of

sources: State income tax checkoffs; surcharges on marriage licenses and birth certificates; as well as private donations and State appropriations. Since the establishment of the first children's trust fund in the State of Kansas in 1980, 49 States have set up specially designated child abuse prevention funds eligible for Federal challenge grants. Under the Federal challenge grant law, States are provided a match of one Federal dollar for every four State dollars designated for child abuse prevention.

Since the enactment of the Federal law, appropriations have never been adequate to fully meet the match. Despite the relatively low level of funding for this program, the Federal challenge funds have been an important form of assistance to States to expand their services and to develop innovative programs. Information provided at the April 6, 1989, hearing before the Subcommittee on Select Education indicated that Federal funds have allowed States to provide more services in a greater number of communities than would have been possible with State revenues alone. Each year, State prevention funds are unable to support thousands of qualified programs due to lack of money. On the average, States are unable to fund more than half of the grant applications they receive; in some States the funded grantees run as low as 8 percent of the eligible applicants. Fluctuations in State economies have dictated cuts in State spending. Child abuse prevention money can be a target for budget reductions. As a matter of fact, State spending on children's trust funds in my home State of New York and in Louisiana has been threatened. This predicament points to the need for expanded State support as well as sustained Federal support through the challenge grant program reauthorized by H.R. 2087.

I want to thank the ranking member of the Subcommittee on Select Education for his work on the bill, as well as thank my other subcommittee colleagues.

We have before us today a vehicle that sends a message to the States that the Federal Government continues to be committed to leading national efforts in the areas of child abuse prevention. I urge that my colleagues support the passage of this bill by unanimous vote.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H.R. 2087, the reauthorization of the Child Abuse Challenge Grant Act which has been successful in establishing child abuse trust funds and other funding mechanisms in 48 States to support child abuse and neglect prevention activities. While I am supporting this reauthorization, I do share the concerns of many, that in many States this Challenged Grant Program has accomplished its mission. I did offer an amendment in committee to require the General Accounting Office to conduct a study of this program to determine whether this legislation has a continued purpose or whether we ought to shift these funds into a different and related mission since the Challenge Grant Program may well seem to have accomplished its original goal.

I would encourage the Committee on Appropriations in considering appropriation levels for this legislation to consider these accomplishments already made.

The Child Abuse Challenge Grant Program was established in the 1985 continuing resolution, Public Law 98-473, to encourage States to establish and maintain trust funds or other funding mechanisms to support child abuse and neglect prevention activities. States are eligible to apply for these grants if the State has established and maintained one of these funding mechanisms to prevent child abuse. Activities funded by these grants include providing educational and public information seminars to develop public awareness of the problem, encouraging professional persons to recognize and deal with child abuse and neglect, and encouraging the development of community prevention programs. Members of the House should be aware that the administration is not supporting this reauthorization because they believe the Federal program has accomplished its goal. Forty-eight States have established trust funds or other funding mechanisms for child abuse prevention activities. While I understand the administration's concerns, I believe the GAO study will provide the Congress with the necessary data on how States spend the Federal dollar so that in fiscal year 1991 when the Child Abuse and Neglect Prevention Act is considered, we can ensure that the Federal dollar is spent wisely and efficiently on child abuse prevention activities.

I, therefore, urge my colleagues to support this bill.

Mr. SLATTERY. Mr. Speaker, I rise to support legislation to reauthorize the Federal Child Abuse Prevention Challenge Grants Program.

Child abuse and family violence continue to plague families and communities across the United States.

Since 1981, the number of children reported abused or neglected has increased by more than 90 percent.

In 1986 alone, there were 2.2 million reports of child abuse and neglect nationwide.

Reducing child abuse and violence must be a national priority. Protecting our children, some of the most vulnerable of all Americans, must be done with the same uncompromising resolve Congress has put toward other law enforcement efforts.

I am proud to say that Kansas was the first State to create a trust fund for the prevention of abuse, neglect, and family violence.

Since it began in 1980, the Kansas child abuse trust fund has provided financial and technical assistance to support hundreds of community-based abuse prevention and education programs across the State. Thirty two new community and local programs will receive funding from the Kansas trust fund this year.

Kansas' child abuse trust fund matches State and local dollars with Federal challenge grant funds. These combined resources assist communities in providing sexual abuse prevention services for school children, sponsoring parent education sessions, and developing domestic violence programs for at-risk families.

New programs are given 4 years to become self sustaining through private donations and contributions. In many cases, Federal funds are the only Government moneys these programs receive to assist local efforts to combat child abuse and neglect.

The 85 percent success rate of new child abuse programs in Kansas stands as testimony that the Federal Government is getting a remarkable return on the $5 million it commits in funds to the Federal Child Abuse Prevention Challenge Grants Program.

To date, 48 States have established similar trust funds. And many have used Kansas' program as a model for theirs.

Congress has an opportunity to invest in the youth of America and provide them with an opportunity to find peace and happiness in a world that in many cases has brutally mistreated them.

We must continue to support State and local efforts to end the abuse and neglect of children and to halt domestic violence in American homes.

The Federal Challenge Grants Program provides critical assistance to States and is an effective incentive that encourages community action that addresses all aspects of family violence.

In the words of a famous Kansan and renowned humanitarian, Dr. Karl Menninger:

> If we don't find a way to prevent the painful abandonment, abuse, and exploitation of children, we will spend the rest of our lives building mental hospitals and prisons.

Mr. Speaker, I urge my colleagues to support this legislation and send a message of hope to the abused and neglected children of our country.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 2087, a measure to transfer a certain child abuse program to the Child Abuse Prevention and Treatment Act, and I commend the distinguished gentleman from New York [Mr. OWENS] for bringing this measure to the floor.

In 1989, approximately $4.8 million in Federal grants was spent on the State level to support some 1,200 programs designed to combat child abuse. Though the National Center on Child Abuse and Neglect [NCCAN] has provided technical assistance and grants to these programs, the reported cases of child

abuse rose by 55 percent between 1981 and 1985, and child-abuse fatalities continue to rise today.

H.R. 2087 will incorporate child-abuse challenge grants into the Child Abuse Prevention and Treatment Act, directing the NCCAN to identify effective state child-abuse prevention programs. This measure aims to improve the current approach to combating child abuse by increasing the NCCAN's review and examination of Federal and non-Federal funds available for child-abuse prevention programs.

Mr. Speaker, child abuse remains a pressing problem in our society. We are faced with a rising rate of child abuse. Clearly more action is needed to prevent this atrocity. Accordingly, I urge my colleagues to join in support of H.R. 2087.

Mr. OWENS of New York. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BARTLETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. OWENS] that the House suspend the rules and pass the bill, H.R. 2087.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 2087, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CHILDREN WITH DISABILITIES TEMPORARY CARE REAUTHORIZATION ACT OF 1989

Mr. OWENS of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2088) to revise and extend the programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986.

The Clerk read as follows:

H.R. 2088

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children With Disabilities Temporary Care Reauthorization Act of 1989".

SEC. 2. REFERENCES TO CHILDREN WITH DISABILITIES.

The Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended—

(1) in section 203, in the first sentence, by striking "handicapped children" and inserting "children with disabilities"; and

(2) in section 205—

(A) in subsection (a)(2)(C), by striking "working with handicapped" and all that follows through "families" and inserting the following: "working with children with disabilities, with chronically ill children, and with the families of such children,"; and

(B) in subsection (d)(2), by striking "the term" and all that follows through "such term in" and inserting the following: "the term 'children with disabilities' has the meaning given the term 'handicapped children' in".

SEC. 3. STATE INTERAGENCY COORDINATION.

Section 205(a)(1) of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended—

(1)(A) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;

(B) in clause (iii) (as so redesignated), by striking "and" after the semicolon at the end;

(C) in clause (iv) (as so redesignated), by striking the period at the end and inserting "; and"; and

(D) by inserting after such clause (iv) the following new clause:

"(v) with respect to State agencies described in subparagraph (B), provide documentation of a commitment by all such agencies to develop a State plan for coordination among the agencies in carrying out programs and activities provided by the State pursuant to a grant under section 203."; and

(2)(A) by inserting "(A)" after "(1)"; and

(B) by adding at the end the following new subparagraph:

"(B) State agencies referred to in subparagraph (A)(v) are State agencies responsible for providing services to children with disabilities or with chronic or terminal illnesses, or responsible for financing services for such children, or both, including State agencies responsible for carrying out State programs that—

"(i) receive Federal financial assistance; and

"(ii) relate to social services, maternal and child health, comprehensive health and mental health, medical assistance and infants, or toddlers and families.".

SEC. 4. REPORTS.

Section 205(c) of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended by amending the second sentence to read as follows: "Such report shall include—

"(1)(A) information concerning costs, the number of participants, impact on family stability, the incidence of abuse and neglect, the types, amounts, and costs of various services provided, demographic data on recipients of services, and such other information as the Secretary may require; and

"(B) with respect to services provided by the States pursuant to section 203, information concerning the number of families receiving services and documentation of parental satisfaction with the services provided;

"(2) a specification of the amount and source of public funds, and of private funds, expended in the State for temporary childcare for children with disabilities or with chronic or terminal illnesses; and

"(3) a State strategy for expanding the availability in the State of temporary childcare, and other family support, for families of children with disabilities or with chronic or terminal illnesses, which strategy specifies the manner in which the State intends to expend any Federal financial assistance available to the State for such purpose, including any such assistance provided to the State for programs described in section 205(a)(1)(B).".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 206 of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended—

(1) in the first sentence, by inserting before the period the following: ", and $20,000,000 for each of the fiscal years 1990 and 1991"; and

(2) in the second sentence, by striking "Such sums" and inserting "Amounts appropriated under the preceding sentence".

SEC. 6. REVISION OF SHORT TITLE.

Section 201 of the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986 (42 U.S.C. 5117) is amended by striking "This title" and all that follows and inserting the following: "This title may be cited as the 'Temporary Child Care for Children With Disabilities and Crisis Nurseries Act of 1986'.".

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1989, or upon the date of the enactment of this Act, whichever occurs later.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. OWENS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker. H.R. 2088, the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1989, represents an important step forward in our recognition that support services for parents need to be improved if we are really concerned about helping to preserve and strengthen the American family. This legislation provides key leadership to the States in their continued efforts to improve their services for children with special needs. The bill is strengthened by the addition of more specific evaluation requirements, as well as directives to improve State coordination of respite care services.

The subcommittee heard testimony concerning a survey of respite care users which revealed that over 30 percent of families would not have been able to cope if respite care had not been available. As medical science makes it possible for increasing numbers of children with disabilities or chronic illnesses to live at home, the need for these services then becomes even more apparent.

This is a program which saves the Federal Government money. It eliminates huge expenditures in unnecessary institutionalization. These demonstration funds have allowed States to move in the right direction: States are finding that the need for respite services is as great or greater than expected; States are serving populations previously not served by respite care programs; and States report that the crisis nursery grants are creating ways to respond to parents under stress before damage is done and before removal of children from the home becomes necessary.

I want to thank Mr. BARTLETT, the ranking member on the Subcommittee for Select Education, for his humane understanding of the need to increase this important program that helps to preserve families under increased stress. I would also like to recognize the leadership of both Mr. BARTLETT and Mr. GOODLING, the ranking member of the Committee on Education and Labor, in supporting the bill. Mr. MILLER of California deserves special recognition for helping to craft the original legislation and for contributing to the bill we are voting on today.

I urge that my colleagues support the passage of this bill by unanimous vote.

□ 1420

Mr. Speaker, I reserve the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2088, the Temporary Child Care for Handicapped Children and Crisis Nurseries Act.

Mr. Speaker, I very much appreciate the leadership which has been shown on this subject and on the legislation by my colleague, the chairman of the subcommittee, the gentleman from New York [Mr. OWENS].

Mr. Speaker, respite is a needed service for parents and families of children with disabilities, and it is a program that will ultimately save the taxpayer millions of dollars. However, unlike the child abuse challenge grants and the VISTA Program, networks for respite care in this country are not well established. They are in their infancy stages.

Respite care is a function that provides parents with severely handicapped children an occasional respite from the needs of those children. This gives parents a chance to be by themselves, spend time with each other and their other children, or just go to dinner or to a movie.

It is a needed service as increasing numbers of severely and multiple handicapped children live at home with their families. Providing that need is good for the parents; good for the family; good for other siblings; and good for the handicapped children themselves. It is also good for the taxpayers.

Respite care is not a program that depends on the Federal dollar for the bulk of its funding. The parents themselves pay for the service typically on an income adjusted or means tested basis. In addition, nonprofit groups pay for an even larger portion of the service as do State and local governments. The Federal dollar provides the network of seed money needed to ensure that respite care is available.

The issue is not the payment of respite care or the funding of it by parents. The issue is its availability. If respite care is not available at all, many families may take the other alternative of placing their child in a taxpayer-provided out-of-home permanent residential setting. This has negative consequences for the parents, for the child, for the other siblings, and for the taxpayer.

While the administration supports the providing respite care to disabled and seriously ill children, they do not believe that extending this program at such a high level is necessary. In fact, the President's fiscal year 1990 budget proposal recommended funding for this program. While the authorization level of $20 million in fiscal year 1990 and fiscal year 1991 is a dramatic increase, the cost for providing the only other alternative, out-of-home residential placement, is approximately $3.38 billion annually. If we increase this reauthorization to $20 million, we avoid increasing those already large costs associated with out-of-home residential placement while continuing to increase the network of respite care services.

I believe our choice is clear. We can spend a small amount of money, in this case $20 million, for a network of respite care services, or we can continue to watch the $3.38 billion out-of-home residential care cost increase. I think $20 million is a small investment to keep children with disabilities at home and in the community.

I urge my colleagues to support passage of H.R. 2088.

Mr. OWENS of New York. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, first of all, I want to begin by thanking my colleagues on the Education and Labor Committee for all the time and effort they put in on behalf of this legislation, with a special thanks to the subcommittee chairman, the gentleman from New York [Mr. OWENS], for his work in bringing this bill to the floor, and with thanks also to the gentleman from Texas [Mr. BARTLETT] for all of his help.

The gentleman from Texas [Mr. BARTLETT] and the gentleman from New York [Mr. OWENS] have already made the case that this is clearly one of those cases where we have the ability to spend some money on behalf of families that have already made huge sacrifices to take care of their own children under the most difficult of circumstances and by being able to invest this small amount of money forgo the incredible costs that would be necessary to take care of these children out of their own homes.

I had the honor of holding hearings a number of years ago with our former colleague, Senator Claude Pepper, and we listened to families, most of which had already made huge economic sacrifices to take care of their children that were born with disabilities, children that had become critically ill or terminally ill because of accidents, many children that had been hurt while riding bicycles or motorcycles and that now had no ability to function for themselves. These were families that had given up their jobs or had given up the salaries of one or more members of the family, or moved to smaller homes to take care of their own, to take care of their children in their homes where they could provide them the love and the care that they needed as a member of that family. But all too often what we saw was that there was no relief for those families. There was no way to get out of the house, to take a walk in the park, to get your hair done, to go shopping, to take care of your other children, to go to a movie, or to do the kinds of things we all associate with normal family life, because very often these children required 24-hour care.

In some instances, in my own State where respite care is provided, there were also problems. I remember one of the witnesses used almost 2 months of her respite care time that she was allowed under State law just to come to testify to the committee and say that she needed respite care and that other families like hers needed it.

So, Mr. Speaker, I want to commend my colleagues on the Education and Labor Committee and urge the passage of this legislation. Again, I thank the subcommittee chairman, the gentleman from New York [Mr. OWENS], and the staff of the subcommittee for the time they spent in helping to continue the development of this legislation. I would hope that we would all vote for this legislation and this investment in these families that have already given so much to maintain the integrity of their families and the love of their families under very difficult circumstances.

Mr. Speaker, I rise in support of H.R. 2088, the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, and urge continuation of two important child care dem-

onstration programs: Temporary child care for disabled and chronically ill children, and crisis nurseries to provide short-term child care for young children who are potential victims of child abuse and neglect.

I want to commend Mr. OWENS and Mr. BARTLETT for their continuous leadership and commitment to this issue, and for the action taken in previous years to extend these child care programs, which are among the most successful and cost-effective child abuse prevention strategies in operation.

The legislation we are considering today will enable more States and communities to participate, and by strengthening the evaluation requirements, will provide the basis for determining in a more careful way, the promise of such an approach to alleviating family stress that can undermine family stability and even lead to child abuse.

These programs were first authorized as title II of the Children's Justice Act in August of 1986, and appropriations were approved for fiscal year 1988. The Department of Health and Human Services did not release the funds, however, until the very end of the fiscal year.

We've been waiting for almost 3 years now to see these proven abuse prevention programs approved, funded, and implemented. While we were waiting, the number of child abuse victims, including children who died as a result of abuse, has continued to escalate.

Families with a disabled child are at even higher risk for abuse, especially when social and family supports are absent, which is all too frequently the case.

The Select Committee on Children, Youth, and Families has documented that the overburdened social services system is contributing to the escalating child abuse tragedy. Now more than ever, families need support to prevent abuse before it occurs.

Cost-Benefits of Respite Care:

Respite care is an investment that can reduce family stress and the abuse that may result. In addition, respite services have been shown to prevent more costly institutionalization.

New findings from a nationwide survey of parents with disabled family members reaffirm those statements—that a primary reason families use respite is to relieve emotional stress and that for most of them, respite allows them to continue to care for their disabled family member at home.

Crisis nursery services can also save money by avoiding foster care or institutional placements. In California, it has been estimated that an average investment of $400 per month in crisis nursery child care can prevent an expenditure as high as $4,800 per month per child for an institutional placement.

Select Committee Survey Findings:

We have waited so long to see these programs put into place. Families have been waiting far longer. In our eagerness and concern to see how States are progressing, I asked Select Committee staff to survey the 26 States that recently received fiscal year 1988 Temporary Child Care/Crisis Nursery funds.

We were delighted to learn of the considerable excitement and creativity with which States are approaching these programs. Most have taken or are planning to take innovative approaches to working with particularly underserved children and families. Nevertheless, most striking was the States' overwhelming sentiment that the resources made available through these two programs will be able to fill only a fraction of the enormous need.

States are finding that the need for respite services for families of disabled, chronically ill and emotionally disabled children is as great or greater than expected.

Consistent with the provisions of the act, many States are serving populations previously not served by respite care programs, including chronically ill or severely emotionally disturbed children, very young children, or families in isolated rural areas.

States report that the crisis nursery grants are creating ways to respond to parents under stress before damage is done and before removal of children from the home becomes necessary. But they also report that the need is overwhelming, especially for special populations.

Future Funding Needs:

In a few of the States, the intent of the legislation—to more significantly involve States in funding respite care or crisis nurseries on their own—may be taking hold, but in others, current resources may simply be too limited.

However, since most of the temporary child care or crisis nursery programs are targeted to limited areas of a State—only two have statewide programs—large segments within States are left with no services whatsoever.

For many States more time is needed to demonstrate need and/or effectiveness of the programs.

Conclusion:

What we have now are very promising beginnings, but millions of families still receive no respite services.

Evident from the preliminary findings of the General Accounting Office's national respite care study requested by the Subcommittee on Select Education and the Select Committee on Children, Youth, and Families was the minimal involvement of the Federal Government. We can do more by providing incentives to expand the critically short supply of respite care.

I urge my colleagues to support the reauthorization of the Temporary Child Care for Children with Disabilities and Crisis Nursery demonstration programs. By extending the resources to build on the best of the already initiated programs, States will have a better basis on which to determine the need, demonstrate the impact these services have on saving lives and dollars too, and enable families who had remained unserved because of limited resources to participate in the benefits of respite care.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 2088, a measure to extend certain programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986, and I would like to commend the distinguished gentleman from New York [Mr. OWENS] for his unceasing efforts on behalf of the victims of child abuse and disabled children.

H.R. 2088 would authorize $20 million for each of fiscal years 1990–1991 to extend temporary care to children with disabilities as originally established in Public Law 99–401. In addition to this appropriation, H.R. 2088 requires States to develop a State plan to coordinate care providers and a strategy for expanding care to children with terminal or chronic illness. Further, this measure would establish strict oversight of State grant recipients by mandating their documentation of the number of families served and of family satisfaction with their program.

Studies have found a decisive link between child abuse/parental neglect and pressures of caring for children with disabilities. This measure, therefore, provides twofold results. It provides desperately needed nursery care for disabled and seriously ill children; and, at the same time, it will provide respite care to relieve parents who may otherwise become overburdened by the pressures of caring for their disabled or ill child.

Accordingly, Mr. Speaker, I urge my colleagues to recognize the horrifying frequency of the acts of child abuse and the contribution to that frequency caused by lack of proper support to those families with disabled children. Accordingly, I support H.R. 2088 and urge my colleagues to vote in favor of the resolution.

Mr. BARTLETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. OWENS of New York. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WILLIAMS). The question is on the motion offered by the gentleman from New York [Mr. OWENS] that the House suspend the rules and pass the bill, H.R. 2088.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2088, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 5, rule I, the Chair will now put the question on the motion on which further proceedings were postponed.

MEXICAN DEBT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to

the concurrent resolution, House Concurrent Resolution 86, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from the District of Columbia [Mr. FAUNTROY] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 86, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 331, nays 77, answered "present" 2, not voting 21, as follows:

[Roll No. 130]

YEAS—331

Ackerman
Akaka
Alexander
Anderson
Andrews
Aspin
Atkins
AuCoin
Ballenger
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Bliley
Boehlert
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Conte
Conyers
Cooper
Costello
Coughlin
Cox
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
English
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hatcher
Hayes (IL)
Hefner
Henry
Hiler
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Huckaby
Hughes
Hunter
Hutto
Jones
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Oxley
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Penny
Perkins
Pickett
Pickle
Porter
Poshard
Quillen
Rahall
Rangel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tauke
Thomas (CA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—77

Annunzio
Anthony
Applegate
Archer
Armey
Baker
Barnard
Bentley
Bilirakis
Broomfield
Browder
Brown (CO)
Bunning
Burton
Carr
Coble
Combest
Craig
Dannemeyer
Derrick
Dreier
Edwards (OK)
Emerson
Erdreich
Flippo
Gibbons
Grant
Hammerschmidt
Hancock
Harris
Hayes (LA)
Hefley
Herger
Holloway
Hopkins
Hubbard
Inhofe
Ireland
Jacobs
Jenkins
Kyl
Lewis (FL)
Livingston
Marlenee
Martinez
McCandless
McMillan (NC)
Molinari
Moorhead
Neal (NC)
Nelson
Nielson
Packard
Petri
Pursell
Ray
Russo
Saiki
Schiff
Sensenbrenner
Shaw
Shumway
Shuster
Smith, Robert (NH)
Solomon
Spence
Stark
Stump
Sundquist
Tanner
Tauzin
Thomas (GA)
Valentine
Walgren
Walker
Watkins
Young (FL)

ANSWERED "PRESENT"—2

Crane
Leland

NOT VOTING—21

Bereuter
Bosco
Collins
Courter
Espy
Florio
Garcia
Hawkins
Hertel
Hyde
Owens (UT)
Pelosi
Price
Ravenel
Roth
Rowland (CT)
Schuette
Smith (FL)
Smith, Denny (OR)
Tallon
Young (AK)

□ 1455

The Clerk announced the following pair:

On this vote:

Mr. Hawkins and Mr. Denny Smith for, with Mr. Roth against.

Messrs. SENSENBRENNER, COBLE, SMITH of New Hampshire, McMILLAN of North Carolina, MOORHEAD, BROOMFIELD, HERGER, HAYES of Louisiana, WALGREN, HARRIS, RAY, THOMAS of Georgia, TANNER, BROWDER, FLIPPO, SHAW, DERRICK, NELSON of Florida, BILIRAKIS, VALENTINE, SUNDQUIST, INHOFE, DANNEMEYER, CRAIG, PURSELL, EMERSON, GRANT, and JENKINS changed their vote from "yea" to "nay."

Messrs. FIELDS, COX, HEFNER, and ROHRABACHER changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1450

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2788, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION, 1990

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-129) on the resolution (H. Res. 194) waiving certain points of order against consideration of the bill (H.R 2788) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2022, TO PROVIDE RELIEF FOR CERTAIN SOVIET AND INDOCHINESE REFUGEES

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-130) on the resolution (H. Res. 195) providing for the consideration of the bill (H.R. 2022) to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochina parolees, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 987, TONGASS TIMBER REFORM ACT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-131) on the resolution (H. Res. 196) providing for the consideration of the bill (H.R. 987) to amend the Alaska National Interest

Lands Conservation Act, to designate certain lands in the Tongass National Forest as wilderness, and for other purposes, which was referred to the House Calendar and ordered to be printed.

COMPUTER MATCHING AND PRIVACY PROTECTION ACT AMENDMENTS OF 1989

Mr. WISE. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations be discharged from further consideration of the bill (H.R. 2848) to amend the Computer Matching and Privacy Protection Act of 1988 to delay the effective date of the act for existing agency matching programs, and ask for its immediate consideration.

The Clerk read the title of the bill.

□ 1500

The SPEAKER pro tempore (Mr. WILLIAMS). Is there objection to the request of the gentleman from West Virginia?

Mr. McCANDLESS. Mr. Speaker, reserving the right to object, I do not object, but I yield to the gentleman from West Virginia [Mr. WISE] for an explanation of the legislation.

Mr. WISE. Mr. Speaker, I thank the gentleman for yielding. Last year, the Congress passed the Computer Matching and Privacy Protection Act of 1988. This act regulates the use of computer matching conducted by Federal agencies or using Federal records.

We provided that the principal parts of the Act would take effect 9 months after the date of enactment. We estimated—and OMB agreed—that 9 months would be enough time for the agencies to comply with the new requirements. The effective date is July 19, 1989. That original estimate was optimistic. OMB took longer than it should have to issue implementing regulations required by the Act. Part of the delay was due to the presidential transition.

It is apparent now that more time is needed for agencies to comply with the Computer Matching Act. OMB has asked for an extension until the end of the year. That is what H.R. 2848 does. It extends the effective date for existing agency matching programs until December 31, 1989. Newly proposed matching programs will have to comply with the original effective date.

I am not aware of any opposition to the extension. It has been requested by OMB; it is supported by other Federal agencies and by several States. The chairman and ranking minority members of the Government Operations Committee support the bill. I am advised that the Senate will act later this week if the bill passes the House.

Mr. McCANDLESS. Mr. Speaker, further reserving the right to object, I believe the gentleman from West Virginia [Mr. WISE], chairman of the subcommittee, has adequately explained this measure to the House. The minority is in concurrence and recommends approval.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objeciton.

The Clerk read the bill, as follows:

H.R. 2848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Computer Matching and Privacy Protection Act Amendments of 1989".

SEC. 2. EFFECTIVE DATE DELAYED FOR EXISTING AGENCY MATCHING PROGRAMS.

(a) IN GENERAL.—Section 10 of the Computer Matching and Privacy Protection Act of 1988 (5 U.S.C. 522a note) is amended by adding at the end the following new subsection:

"(c) EFFECTIVE DATE DELAYED FOR EXISTING PROGRAMS.—In the case of any matching program (as defined in section 552a(a)(8) of title 5, United States Code, as added by section 5 of this Act) in operation before June 1, 1989, the amendments made by this Act (other than the amendments described in subsection (b)) shall take effect January 1, 1990, if—

"(1) such matching program is identified by an agency as being in operation before June 1, 1989; and

"(2) such identification is—

"(A) submitted by the agency to the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and the Office of Management and Budget before August 1, 1989, in a report which contains a schedule showing the dates on which the agency expects to have such matching program in compliance with the amendments made by this Act, and

"(B) published by the Office of Management and Budget in the Federal Register, before September 15, 1989.".

(b) CONFORMING AMENDMENT.—Section 10(a) of such Act is amended by striking "Except as provided in subsection (b)" and inserting "Except as provided in subsections (b) and (c)".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

URBAN MASS TRANSPORTATION TURNS 25

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I would like to share a very important milestone with my colleagues today. July 9 was the 25th anniversary of the signing of the Urban Mass Transportation Act of 1964 by then President Lyndon Johnson. This legislation was the first in a series of acts which have contributed greatly to the continued economic vitality and mobility of our cities and their suburbs, and which have also provided much needed transit services to our rural communities.

For example, Federal programs helped modernize transit fleets across the country, including the purchase of more than 77,000 buses, railcars, and trolleys. UMTA programs have also helped stabilize fares, which greatly contributed to our national boom in transit ridership. Since 1972, transit ridership in the United States has grown by more than 25 percent and remember, those who continue to drive should be grateful to transit riders for reducing the congestion which they must face. Some of our cities—such as Los Angeles, San Francisco, Chicago, and New York simply could not function without their transit fleets, since 45 to 80 percent of trips to their central business districts are taken on transit vehicles. Increased transit usage will also be absolutely essential to the attainment of clean air goals by many of our cities.

Mr. Speaker, in 1988 the transit industry provided almost 9 billion passenger trips in cities and rural communities across America. I am hopeful that my colleagues will join me in saluting the hardworking men and women who serve these passengers, and urge them to keep up the good work!

At this time I will place in the RECORD some background material regarding my comments.

THE NATIONAL COMMITMENT TO PUBLIC TRANSPORTATION

THE NEXT 25 YEARS

Transit facts

With the enactment of the Urban Mass Transportation Act of 1964, our nation, through policies and direct investment, committed itself to the provision of safe, reliable public transportation services. July 1989 marks the 25th anniversary of this important commitment, and provides an appropriate time to consider the shape and direction of national transit policy for the next 25 years.

The period from 1964 through recent years has been a time of transition:

The transit industry, in 1964, included many failing private companies; today it is essentially a vital public sector service.

The emergence of public transportation has been supported by a maturing partnership of federal, state and local governments, private interests and passengers.

In 1987, some $16.7 billion was invested in transit: 34 percent from fares and other private sources, 27 percent by local governments, 20 percent by states and 19 percent by the U.S.

Since 1981, investment shares from state and local governments, fares and the private sector have increased; the federal percentage has declined by nearly 30 percent.

The original goals of the federal program largely have been achieved. For example:

Essential recapitalization and reinvestment have been carried out through the purchase of more than 77,400 buses, rail cars, trolleys and vans.

Rapidly declining post-war ridership stabilized in 1972 and has increased more than 25 percent since. In densely-populated urban areas—such as New York and Chicago—as many as 80 percent of people traveling to central business districts use transit.

In the most rapidly-growing cities across the country, the percentage of work trips made on transit has increased up to 100 percent since 1970.

Sky-rocketing fares were stabilized through the period to reverse the downward trend in ridership.

The successful transition that we celebrate has been increasingly complicated. New goals, expectations and requirements have been placed upon a fragile, emergent public industry. Transit now performs social service functions, in used as a key economic development tool, has emerged as a critical factor in air quality improvement, energy efficiency, and a host of other often-competing purposes that vary widely from community to community.

The challenge to transit managers is to balance legitimate, competing public goals and external forces. In the process, the result frequently is restricted revenues, increased costs and even restrained ridership. Transit managers have, however, been equal to the task.

There have been marked improvements in transit efficiency. Between 1980–84, the cost per vehicle mile of service dropped 1.4 percent, after adjusting for inflation.

Transit labor costs are under control. Between 1980–84, the growth rate of transit compensation was 4.8 percent less than in comparable industries.

Despite the difficulties inherent in this initial transition period, transit has succeeded and is on the brink of a new era in the U.S. Restoration of the long-standing national commitment to public transportation over the next two years provides the opportunity to bring an array of resources to bear on current and emerging problems: the current capability to provide nearly nine billion passenger rides a year, as we did in 1988; the nearly 92,000 bus, rail and other vehicles that are in scheduled service; 275,000 highly skilled, dedicated employees.

Looking ahead, there is a need for substantial change in national policies and programs to allow public transportation to achieve its greatest potential.

Having emerged from an era of fundamental change, transit is eager to explore the new frontier of change that will make it even more effective in serving the multitude of goals to which expanded transit services must contribute in the future.

THE CASE FOR TRANSIT

BUSINESS AND ECONOMIC BENEFITS

Transit is a $15 billion a year business.

Each year, the transit industry spends about $10 billion to purchase fuels, insurance, vehicle parts and to provide jobs and income to hundreds of thousands of employees operating over 1,000 transit systems.

Every $100 million spent on transit operations generates $300 million in total business revenue and more than 9,600 jobs.

About $5 billion per year is spent on various types of capital projects. These capital projects generate revenue for industries selling goods and services to transit and to other sectors of the nation's economy.

Every $100 million spent on capital projects results in a $327 million increase in business revenue and supports nearly 8,000 jobs.

In New York, MTA's Capital Improvement Program is providing more than 140,000 jobs in the metropolitan area, reducing the unemployment rate in the area's construction industry alone by approximately 25%.

In Atlanta during construction years 1974–1984, MARTA generated 85,116 jobs through direct and indirect employment in the metro area.

In Washington, D.C., Metro-related jobs accounted for 30% of the region's employment increases during its four year construction period. This increased to 35% in the four year period (1976–80) after Metro opened.

Transit systems, both bus and rail, attract new businesses, and encourage reinvestment by supporting established travel patterns and by providing a reliable and convenient mode of travel for employees and patrons.

One firm in San Antonio stated that its move to the area was primarily the result of the willingness of the local transit agency to provide service to the plant.

Georgia Pacific moved its world headquarters to Atlanta, erecting a 50-story building adjacent to the MARTA Peachtree Center Station. Southern Bell built its 50-story regional headquarters above the MARTA North Avenue Station.

Employers who provide free transit passes or who subsidize transit usage experience huge savings in the cost of parking spaces.

Exclusive of land costs, an underground parking space costs $13,000 to $15,000 to construct, above ground costs $7,000 to $9,000 per space while surface space averages about $3,000 per space.

One firm in Bridgeport, Connecticut tripled bus use among its downtown employees when it began to offer free transit.

Large percentages of downtown employees use transit to get to their jobs: Philadelphia, 64%; Atlanta, 40%; New York City, 80%; Cleveland, 50%; Chicago, 80% and Toronto, 80%.

Rail development stimulates construction and business development.

Since Metrorail service in Alexandria, Va. began in December 1983, the price of a square foot of nearby commercial land has jumped 600%.

A major department store in Washington, D.C. paid $500,000 for a knock-out panel to provide direct connection between its building and the Metro Center Station. The store experienced an initial 54% increase in retail sales volume and has realized substantial increases in sales each time the Metro system has expanded.

A City council study in Washington, D.C. concluded that Metrorail stimulated $970 million worth of private development. Another $5 billion worth of investment is anticipated with completion of the system.

Dade County, Florida expects to receive $5 million in connector fees from the downtown component of the Metrorail System.

Two-thirds of some 26 developers surveyed in San Francisco said that BART had been an important consideration in decision-making. A total of $1.4 billion in new building has been credited to BART through 1980.

Development which integrates transit with new private construction projects greatly reduces the cost of city services in the areas of public works, public safety and general services.

Bus services and facilities stimulate business as well.

Brockton, Massachusetts' new bus transfer center is credited with helping to generate over $14 million in private investments.

Jacksonville, Florida's downtown retailers successfully petitioned the mayor after 25% of the local bus routes were moved three to four blocks away from the CBD. Retail sales dropped by nine percent over a five month period. The old bus routes were restored.

The mayor of Portland, Oregon reported a 50% increased rate of employment and office space since the city initiated plans to limit automobiles in the downtown area and improve the transit system. The downtown occupancy rate is over 95% and some 1.5 million square feet of new office space is under construction.

According to the Greater Philadelphia Chamber of Commerce, a 1977 strike which shut down public transportation in Philadelphia for 44 days produced a total economic loss to the region of $94.6 million. $32.7 million of this loss came solely from retail sales.

In 1981, during a 19 day strike, the economic loss was estimated by the Chamber at $35.8 million.

The New York City transit strike in 1980 cost in excess of $100 million per day in lost business activity, wages and tax revenues.

URBAN MASS TRANSPORTATION TURNS 25

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, Sunday was the 25th anniversary of the signing of the Urban Mass Transportation Act of 1964 by then-President Lyndon Johnson. The programs resulting from this act, which are now under the Urban Mass Transportation Administration, have been a tremendous success in stabilizing transit fares and increasing ridership nationally. They will become increasingly important as we struggle with the social and economic costs of poor air quality and increased traffic congestion.

Last year, an additional 28 American cities joined the list of communities which failed to meet Federal clean air standards for ozone, caused principally by automobile tailpipe emissions. Unfortunately, we can no longer assure better air quality by further reducing tailpipe emissions, since projected increases in automobile travel will more than offset these tailpipe reductions. Instead, we must focus on increased shared ride commuting. For this reason, virtually every clean air attainment plan in this country assumes a significant increased role for transit in achieving Federal clean air goals. Every commuter taking mass transit rather than driving reduces his or her contribution to air pollution by more than 75 percent.

Increased transit ridership will also figure significantly in any solution to this country's growing traffic congestion, which is a significant drain on

our economy. In fact, the Federal Highway Administration estimates that freeway delays will cost America $50 billion every year by the year 2005. As chair of the Subcommittee on Surface Transportation, I will be scheduling hearings this fall on the future of transit programs. I believe that as we formulate programs to deal with our increasing traffic congestion, we must give great weight to the tremendous success and progress demonstrated by the transit industry over the past 25 years.

On this important anniversary, I would like to especially congratulate the hard-working men and women across America who operate the buses and railcars of our transit systems, as well as the mechanics who repair them. I know that my colleagues join me in thanking you for a job well done.

Mr. Speaker, I will place some background information regarding my remarks in the RECORD at this point.

[From the American Public Transit Association]

AIR QUALITY ISSUES

WHY PUBLIC TRANSPORTATION IS THE CLEAN AIR ALTERNATIVE TO THE COMMUTER AUTOMOBILE

Urban air quality in the United States is getting worse. In more and more areas, it threatens our health, limits our mobility and degrades the livability of cities.

The Congress and the Bush Administration have proposed plans to amend the nation's Clean Air Act in an effort to improve the air we breathe. The issue will be at the top of the federal policy agenda in the months ahead.

ANY SUCCESSFUL EFFORT TO IMPROVE URBAN AIR QUALITY MUST INCLUDE THE GOAL OF REDUCING TRANSPORTATION-RELATED EMISSIONS

Facts:

96 U.S. cities and other areas failed to meet federal clean air standards for ozone last year, 28 more than in 1987. Ozone is the harmful by-product that occurs when sunlight reacts with hydrocarbons and nitrogen compounds from vehicle exhaust emissions and other sources of pollution.

There is growing concern and attention to the threat of the greenhouse effect of global warming which begins with the release into the atmosphere of pollutants such as carbon dioxide (CO_2) from automobiles and other sources.

The U.S. produces one quarter of the world's total of CO_2, the most significant greenhouse gas. Thirty-one percent of CO_2 in the U.S. comes from mobile sources.

The transportation sector is where CO_2 emissions are growing the most, as vehicle miles of travel continue to increase.

Reduced tailpipe emission standards alone will not assure better air quality. This is because cleaner emissions will be outweighed by projected increases in the number of cars on the road and the miles they travel.

WHAT IS NEEDED IS A NATIONAL STRATEGY TO SERVE MOBILITY NEEDS WITHOUT EXPANSION OF VEHICLE MILES OF TRAVEL (VMTS) AND THE EMISSIONS THAT RESULT.

Such a strategy must include a stronger effort to link air quality and transportation plans and a new national commitment to alternatives to the single-occupant automobile. The key is more investment in the use of mass transit and other forms of high-occupancy, shared-ride services.

TRANSIT POLLUTES LESS

Each time the typical commuter uses mass transit, instead of driving to work, air pollution is reduced.

Riding transit instead of driving cuts: Hydrocarbon emissions by 90 percent; carbon monoxide by more than 75 percent; nitrogen oxides by up to 70 percent; particulate matter (soot) by up to 90 percent for rail travel.

POLLUTION BY MODE OF TRAVEL

[Measured in grams per passenger-mile for typical work commutes]

Mode	Hydrocarbons (HC)	Carbon monoxide (CO)	Nitrogen oxides (NO_x)	Particulates (soot)
Rail transit	0.01	0.02	0.47	0.01
Transit bus	.70	3.05	1.54	.33
Vanpool	.34	2.42	.58	.05
Carpool	.70	5.02	.86	.14
Commuter automobile	1.82	13.10	1.79	.37

Source: American Public Transit Association, June 1989 based on national average vehicle occupancy rates.

Transit's emission-cutting capability results from the large number of people carried per vehicle.

A typical transit bus in the U.S. carries 17 passengers during rush hour; a heavy rail car typically holds 37 people. In many cities, the average passenger loads are much higher.

In contrast, the average passenger load of a commuter automobile is only 1.2 persons.

Clearly, any effort to reduce emissions and improve urban air quality must include a clear strategy to encourage investment in and use of high-capacity, shared-ride transportation services.

GRIDLOCK CAUSES AND CURES

A FACT SHEET ON ENSURING MOBILITY WITH MASS TRANSIT AND OTHER SHARED-RIDE SERVICES

What is Gridlock?

In simple terms, traffic congestion—or gridlock—occurs when there are more people who want to use a given road or highway during a specific time of day than the facility can handle. Gridlock results in lost productivity, excessive fuel consumption, poor air quality that affects personal health and the livability of our cities, sprawling development, deterioration of natural resources and unhappy, stressed motorists. America's reliance on the single-occupant vehicle and the scarcity of suitable transportation alternatives lie at the heart of the problem.

What Causes Traffic Congestion?

Congestion is a complex problem, influenced by many factors. The most important is the dominance of single-occupant autos competing for inadequate space.

Some other major factors are:

More people are living, working and traveling in metropolitan areas; more than 75% of the nation's citizens live in metropolitan areas.

Growth in the number and use of automobiles—the annual number of passenger car registrations in the U.S. has more than doubled since 1960, from 62 million to 139 million; U.S. motor vehicle travel reached 1.9 trillion miles in 1987, an increase of 27% from 1977; the number of vehicles per worker went from 0.9 in 1960 to 1.3 in 1980.

Central business districts remain the largest single travel destination, although more people are traveling to and from locations dispersed throughout metropolitan regions. In cities and suburbs road systems are frequently overwhelmed. Among the 34 largest U.S. metropolitan areas, suburb-to-suburb commuting grew by more than 32% between 1970 and 1980 while work trips oriented to central business districts still grew 17%; in 1980, 56% of all office space was located in urban centers, 43% in suburbs. By 1986, the situation was reversed—60% in suburbs and 40% in cities; between 1960 and 1980 the share of work trips which began and ended in the suburbs increased from 30% to nearly 42% within U.S. metropolitan areas over 250,000 population.

Some other factors which contribute to gridlock are—plentiful employee-subsidized or free parking, in central cities and in job centers in the suburbs; unwise land use policies which fail to include or accommodate transit services; artificially low gasoline prices.

What Does Gridlock Cost?

The direct and hidden costs are enormous and growing:

A 1986 Federal Highway Administration study estimated that urban freeway delay would cost America $50 billion a year by 2005.

In California alone, more than 300,000 work hours are lost each day, at a cost of over $2 million.

The average solo commuter works ten weeks a year just to pay for the privilege of driving alone; approximately $2,000 per person could be saved each year by ridesharing.

What Does the Future Hold—Will it Get Worse?

In a word, yes.

Total vehicle miles traveled (VMTs) currently are increasing at a rate of 2.5% each year nationwide; 4–6% in many faster-growing communities.

Urban freeway congestion is expected to increase over 400% by the year 2005; it is expected to increase more than 1,000% in areas of less than 1 million in population.

At this rate of growth, over the next 32 years we will add as much new traffic to our road system as we added in the past 32 years—with questionable will and ability to double our road system.

What Can We Do About Congestion?

We must focus on the management of our mobility with a strategy that includes more and better transit and other shared-ride services.

We must consider options other than the single-occupant automobile. On most congested highways, there are only seven occupants for every six automobiles. Persuading just one of those solo drivers to rideshare or take transit will reduce traffic volume by 10–15%, often enough to reduce congestion.

We must learn to manage demand rather than increase supply. We must accommodate increasing *passenger* travel but without increasing *vehicle* travel to the same degree.

Land use policies must encourage and accommodate transit use. Future development must make travel options other than the single-occupant vehicle attractive and workable.

Tax laws must put transit on a par with employer-subsidized free parking. Currently, employers can underwrite a limit of $15 per month in employee transit fares; any more than that means employees must pay federal income tax on the entire amount of subsidy. Meanwhile, employer-provided

parking benefits are wholly tax free. Transit users deserve equal—if not preferential—tax treatment;

We must make available a broader array of innovative transit alternatives, including a full-range of shared-ride, high-occupancy services. Bus and rail systems, carpools, vanpools, and high-occupancy vehicle (HOV) lanes all must be expanded.

New investment in or transportation infrastructure must begin now. Federal transportation investment must be at least doubled to $40-$45 billion annually in order to maintain, upgrade and adapt current and new systems and services to meet existing and future travel demand.

We must consider changes in our personal behavior and our concepts of personal mobility. The single-occupant vehicle should no longer be the first and only travel option.

In summary, as increasing highway congestion threatens to spread gridlock, we must focus on the urgent need to manage mobility more wisely. What is needed is a new national commitment to alternatives to the use of the single-occupant automobile, and more investment in and use of mass transit and other high-occupancy, shared-ride services.

KENNEALLY LEAVING AIR FORCE DEPARTMENT AFTER 6½ YEARS OF DISTINGUISHED SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I rise to commend one of our Nation's most outstanding and dedicated senior Government executives as he leaves the Department of the Air Force after 6½ years of service.

Mr. Kenneally was born June 12, 1946, in Boston. He joined the Armed Forces at age 17. He attended helicopter flight training in 1967 and served in Vietnam in 1967–68 as an aircraft commander and fire team leader for helicopter gunships. Upon return to the United States, he served as an instructor pilot at the Army's helicopter flight school until 1970.

Mr. Kenneally then earned a bachelor's degree in economics with honors in 1972, and a master's degree in public administration in 1974, both from San Diego State University; and a master's degree in business administration from Marymount University in 1988. He has also completed the Harvard University School for Senior Executives, National Defense University's national security management course, Defense Systems Management College's course for general/flag officers and the Army War College. He is also a commercial rated pilot in both fixed- and rotary-winged aircraft.

In July 1972, Mr. Kenneally became Associate Deputy Administrator for the Veterans' Administration, responsible for labor relations and equal opportunity matters for more than 240,000 Government employees. In May 1983, he became Deputy Assistant Secretary of the Air Force (Reserve Affairs), providing outstanding management and policy oversight on a range of complex issues affecting our Nation's Air Reserve Forces—the Air National Guard, Air Force Reserve, and Civil Air Patrol.

As Deputy Assistant Secretary, Mr. Kenneally was the primary adviser throughout Government on Air Reserve Forces programs and policies. He served longer in this capacity than any of 14 predecessors dating back to 1951, and in each of his 6 full years in office he vastly exceeded his designated goals and objectives. No civilian serving in Government during the 1980's did more than he to advance the cause of the Air Reserve Forces and our Nation's total force policy.

Mr. Kenneally's military decorations include the Distinguished Flying Cross, Bronze Star with "V" device, the Meritorious Service Medal, the Air Medal, and the Army Commendation Medal. He holds the Order of California, the State's highest award for public service, and the highest award of the D.C. National Guard, the D.C. Distinguished Service Medal. For work on behalf of the North Atlantic Treaty Organization, he was invested as a Knight of the Sovereign Military Order of Malta by the Italian Cavalry Association and presented the Award of Knight Commander with Crossed Swords.

Mr. Kenneally's civic affiliations include service on numerous boards and commissions as well as life memberships in the Combat Pilots Association, the Reserve Officers Association, the Air Force Association, and the National Guard Associations of both the United States and the State of California. He is a former member of the San Diego Police Reserve, the Honorary Deputy Sheriffs of San Diego County, and the San Diego Chamber of Commerce.

Mr. Kenneally is married to the former Lois Maull of Morehead City, NC.

Mr. Speaker, I ask to enter into the record our commendation and sincere appreciation to Mr. Dennis M. Kenneally for his positively superior contributions and dedicated service to the Department of the Air Force, the Congress, his Commander in Chief, and the Nation. He is truly a patriot and an outstanding American.

FIFTEEN YEARS AGO: THE SAVING OF OUR CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, the next 4 weeks mark the 15th anniversary of a series of events that saved our Constitution.

July and August of 1974 are among the most precious in our Nation's history. They were weeks in which we showed the world that even in a time of international tension, the people of the United States, through their elected Representatives in this Chamber, could and would uphold our Constitution.

The events involved the work of the Watergate Committees, the hearings and impeachments votes of the House Judiciary Committee, and the resignation of Richard Nixon for massive violations of the Constitution and the rights of the people.

It is said that those who fail to remember history are condemned to repeat it.

Maybe because we have not remembered the lessons of the summer of 1974 well enough, we have already repeated it in the Iran-Contra lies and violations of the Constitution. It may be that, unlike Watergate, the people responsible for violating the Constitution in the Iran-Contra affair have escaped punishment. If so, I fear for the future, since the lesson of Iran-Contra may be that Constitutional crime pays.

It is important to remember Watergate, because in the summer of 1974, we showed we knew how to protect the liberties of the people.

Mr. Speaker, today marks the 15th anniversary of the release of the House Judiciary Committee's 4,133 page record of evidence about the Watergate break-in. Today is the 15th anniversary of the beginning of the end of the crimes of Richard Nixon and the thugs who surrounded him in the White House.

There were several key findings by the committee that led them to conclude that Richard M. Nixon, then President of the United States of America, had in fact established a pattern of improper behavior through which he was able to use the office of the President and the powers vested within to serve his own personal interests regardless of the legality of such actions.

As evidence the following ought to be noted:

On April 5, 1973, under orders from Nixon, John Erlichman offered the job of FBI Director to Judge Matthew Bryne, who was at the time presiding over the Ellsberg trial. This was an offer to try and directly affect the outcome of the Ellsberg trial and Bryne refused to accept this bribe.

On April 18, 1973, the President ordered the Department of Justice not to investigate the break-in at the office of Daniel Ellsberg's psychiatrist's office claiming that the break-in, perpetrated by Howard Hunt and G. Gordon Liddy, was a matter of national security. In fact the break-in was directly tied to a pattern of crimes against critics of President Nixon and the war in Southeast Asia.

On April 30, 1973, Nixon lied to the American public when he pledged to do all in his power to see to it that those guilty of any misconduct within the White House or his reelection campaign committee would be brought to justice. On Saturday, October 20, 1973, two Federal Bureau of Investigation agents walked into the office of then Watergate Special Prosecutor Archibald Cox and closed the investigation. The agent's orders came from Nixon himself and the event is now known as the Saturday Night Massacre. Nixon fired Cox in an attempt to end the investigation of the Watergate break-in.

All of these events and many more were documented for the first time in the House Judiciary Committee report released on this day in 1974. This report documents the improprieties committed by Nixon and his associates and demonstrates the abuse and violations of the oath of office. The release of this report led directly to the impeachment proceedings that were to begin 2 weeks later.

WITHHOLDING FOR AGRICULTURAL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I am today introducing legislation to require income tax withholding for agricultural employees. I believe this reform would benefit both workers and the Federal Government without causing undue inconvenience or cost for employers.

Under current law, most employees have a proportional amount of their paychecks withheld in order to assist them in paying their income tax. This permits the Government to make use of the tax they owe, and it enables the individual employee to avoid a large, and possibly unmanageable, payment to the Internal Revenue Service every April. This method of tax collection has worked efficiently and has benefited employees, employers, and the Government for several decades.

Agricultural employees were originally exempted from withholding for good reason. The migratory nature of their work, along with the scattered and very low pay they received, made withholding unnecessary and inefficient. It also posed an additional paperwork burden for employers. Thus, it made little sense to go through the process of withholding for individuals who, most likely, would not owe taxes at the end of the year.

Today, however, this situation has changed significantly. The rapid rate of inflation, increased wages and immigration law reform have pushed farm employees into higher tax brackets. They now face the reality of owing the Government, a potentially substantial amount that must be paid at one time, by April 15. If they are to avoid this tremendous financial burden, the Federal Government will have to treat agricultural employees like other workers and have income withheld from their paychecks throughout the year.

Withholding for agricultural employees would provide important benefits for the Nation as well. The more difficult it is for people to pay their taxes, the less likely it is that they will comply with the law. Unfortunately, statistics compiled by the Treasury estimates that $1.3 billion of income goes unreported by farm employees annually.

Given these figures, it is not surprising that the Joint Committee on Taxation estimates that my legislation would increase revenues by more than $400 million over a 5-year period. With our efforts currently concentrated on reducing budget deficits, we cannot simply throw away this legitimate revenue.

My bill is designed to affect only those farm employees for whom the FICA tax is already withheld by their employers. Thus, it would not impose an unreasonable paperwork burden on farmers, since they would not have to initiate withholding for any worker for whom they were not already withholding income.

I believe this bill is a sound practical approach to a significant problem, and I would strongly urge my colleagues to join me in supporting it.

The following is a text of my bill:

H.R. 2659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (2) of section 3401(a) of the Internal Revenue Code of 1986 (defining wages for purposes of income tax withholding) is amended to read as follows:

"(2)(A) in any medium other than cash for agricultural labor; or

"(B) in cash for agricultural labor unless—

"(i) the cash remuneration paid in the calendar year by the employer to the employee for such labor is $150 or more, or

"(ii) the employer's expenditures for agricultural labor in such year equal or exceed $2,500;

except that clause (ii) shall not apply in determining whether remuneration paid to an employee constitutes 'wages' under this section if such employee (I) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (II) commutes daily from his permanent residence to the farm on which he is so employed, and (III) has been employed in agriculture less than 13 weeks during the preceding calendar year; or".

(b) Section 3401 of such Code is amended by adding at the end thereof the following new subsection:

"(h) AGRICULTURAL LABOR.—For purposes of subsection (a)(2), the term 'agricultural labor' has the meaning given such term by section 3121(g)."

(c) The amendments made by this Act shall apply to remuneration paid on or after the 1st day of the 1st calendar year beginning after the date of the enactment of this Act.

OUR FLAG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr. Speaker, it was just week before last that a number of Members on both sides of the aisle stayed here all night to talk about the American flag.

Over the past 10 days or so, there has been a great deal of debate in this country.

Many people argue the fact that we now have the right to burn the flag, based on the Supreme Court decision, is a very important symbol. I happen to disagree with those who subscribe to that.

Mr. Speaker, over this break I had the opportunity to visit my family and some supporters in the midwestern part of the country, in Kansas City, MO. During that time there was an editorial which was carried on television. I talked about this editorial with my colleague, the gentlewoman from Kansas [Mrs. MEYERS], as we were flying out here last night, and she very much agrees with me.

Mr. Speaker, I would like to share this editorial which was carried on July 1, 3, and 4 on KCTV, Channel 5 in Kansas City, MO, by the vice president and general manager, Mr. John C. Rose. This editorial reads as follows:

The Supreme Court was absolutely wrong in its ruling on the American flag.

No one should be allowed to deface the flag under any circumstances.

Those who agree with the court's ruling say it is a victory for free speech. Well, we believe in free speech and the right to express political dissent. But, the American flag is a symbol and constant reminder that we have those rights and to allow people to destroy our flag is a symbolic taking away of those rights.

A line has to be drawn somewhere and we think allowing people to desecrate the American flag is too much and the Supreme Court went too far.

Please take a minute to write us with your thoughts. Or, better yet, write your congressmen. Ask them to support new legislation to protect our flag. We have a right to protect our symbol of freedom.

Mr. Speaker, the President of the United States, and I mentioned this earlier when we convened this morning, has done a spectacular job of representing the cause of freedom in Poland when he delivered that very eloquent address at the Lenin Shipyard in Gdansk standing next to Lech Walenska. Mr. Speaker, it is apparent that the Stars and Stripes are very clearly a symbol not just to Americans, but to the people who are associated with the Solidarity movement.

□ 1510

That is why I hope very much we will be able to move expeditiously on the amendment which the President of the United States has called for, which my Democratic colleague, the gentleman from Kentucky [Mr. HUBBARD] and the gentleman from Mississippi [Mr. MONTGOMERY] and others are supporting and get it to the House floor so that we can put this amendment to the Constitution and have what will clearly be a great celebration.

UPDATE ON COMMEMORATION OF 600TH ANNIVERSARY OF BATTLE OF KOSOVO

The SPEAKER pro tempore (Mr. WILLIAMS). Under previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, as I announced to this House in my special order on June 20, 1989, I spent the week of June 25 through July 1 in Yugoslavia, in the Republic of Serbia, to be the guest of His Holiness Patriarch German for the commemoration of the 600th anniversary of the Battle of Kosovo.

During my absence, Mr. Speaker, the House considered and passed H.R. 2655, the 1990 foreign aid bill. I must rise today to take strong exception to one of the en bloc amendments that was added to the bill on the floor of this House.

The section to which I refer is section 862, human rights in Yugoslavia. This section is not only factually in-

correct but will go a long way toward destabilizing good relations with a country that is very important to the United States in the Balkans.

Yugoslavia is a nonaligned Communist nation which is known for its remarkable openness for being a Communist country. I saw ample evidence of this during my stay in that country. On many occasions I left my Government escort to wander on the streets and talk to the people.

What I found would be unheard of in any other Iron Curtain country. People on the street are not afraid to talk openly and express their thoughts on the political situation in their country.

Churches throughout the country are not only open but full as well, and the Bible can be bought in numerous stores and even from sidewalk vendors on the street.

While there can be no doubt that Yugoslavia still has a long way to go, there is ample evidence that the country is moving in the right direction with noticeable speed.

I have visited Yugoslavia on several occasions over the past 18 years, and the difference is remarkable.

I would now like to focus on the amendment that was inserted to the foreign aid bill, section 862.

In part (a) of this seciton, the Congress finds that human rights abuses in Yugoslavia are being targeted at ethnic Albanians living in the Kosovo province, and references a government crackdown earlier this year that led to quote, numerous deaths and injuries.

I have just returned from Kosovo, Mr. Speaker, and I have seen what is happening there. I will now present my findings to this Congress.

The Province of Kosovo is a semiautonomous part of the Socialist Republic of Serbia. Kosovo is a province with a majority of ethnic Albanian residents and a minority of Serbs living in it. Several historical factors have brought this situation about.

Kosovo also happens to have special significance to Serbians. Since June 28, 1389, it is sacred ground as far as the Serbians are concerned and to prove it, more than 2 million—and CNN Television said 3 million—Serbs turned out 2 weeks ago to observe the 600th anniversary of the Battle of Kosovo. That was when the Ottoman Turks defeated the Serbian hero Lazar in battle at that site.

The Government of Yugoslavia, after World War II, more specifically Marshall Tito, engaged in an all out effort to bring Albanian settlers into the traditional homeland of Serbia to keep that province from ever being able to unite itself to be able to demand greater independence from the newly created nation.

Serbians, who fought on the side of democracy in World War II, were told they could not return to their ancestral homeland after the war because ethnic Albanians from Albania were being settled in their homes and on their lands.

I think it is vital to point out here that Albania was part of the Axis during World War II and even today allows no travel in or out of that small Communist land.

I know a Greek restaurant owner who lives in my district who has a mother living there who cannot go there to see his mother because of the restrictions of that country.

Now while the Serbs were being prevented under law, under edict laid down by Tito from returning from Kosovo, the Albanian birth rate there skyrocketed with 10 to 12 births per family, more than 4 times that of the Serbs remaining in the region and thus, naturally leading to an Albanian majority in Kosovo.

In the 1970's Albanian separatists, demanding the right to separate Kosovo from Serbia and join the Albanian nation, began inciting the people to acts of terror, which led to the riots in Kosovo in 1981.

In the years since 1981, ethnic Albanians have engaged in a campaign of sheer terror, causing the remaining Serbians to flee from Kosovo. It is estimated that more than 100,000 have done so in the past 8 years.

Because of these events, Serbians in Kosovo are now fewer than one-fourth of the population, while ethnic Albanians now account for three-quarters of the population.

What tactics, Mr. Speaker, could have been used to force the Serbs to flee their homeland, where hundreds of churches and monasteries dating back to the ninth century testify to their heritage?

Terrorism, Mr. Speaker. The ethnic Albanians have burned and desecrated Serbian Orthodox churches and monasteries, some dating back at least six centuries, in an attempt to destroy everything Serbian in the region. Children and nuns have been raped. Priests have been murdered. Village wells and farm animals have been poisoned.

What is occurring in Kosovo is nothing less than terrorism against the Serbian people.

Earlier this year the Serbian Government, able to watch this carnage no more, amended its Constitution to restrict some of the broad autonomy the Kosovo province once had. The changes were made lawfully in response to a very vital need in Kosovo for someone to take control of the situation.

What was the result, Mr. Speaker. The ethnic Albanians in Kosovo began to riot. They sensed that their ability to drive the people of Serbian origin from Kosovo was coming to an end.

I would like to point out that more than half of the police force in that area is composed of Albanians, not Serbians.

In discussions with the American Ambassador and his staff in Yugoslavia, the only concrete human rights violations against Albanians that he could cite was the arrest of 4 or 5—some say 12—political prisoners for terrorist and separatist activities.

Mr. Speaker, I have urged the Government of Serbia that any trials should take place publicly so that the case against those arrested can be seen by everybody in the world, and if they are found guilty or innocent, the world will see that the trial was fair.

□ 1520

During my visit through Kosovo, where Albanians are a majority, I saw no evidence of any political repression against Albanians, or the existence of a police state as the authors of this amendment would have us believe.

To the contrary, I saw much new home construction, individual homes and communities. This means people are thriving, that they are free, that they are able to afford this housing. The new President of Serbia pointed out that they were opening a new textile factory right in the heart of Kosovo that would employ 2,000 persons, thus providing employment for the people in that area. That was opened about a week ago. Furthermore, more than half of the police force in that area, more than half, are Albanians. So if there is a police state, they are doing it against their own, but it is not happening.

Therefore, Mr. Speaker, the Kosovo province is one of only two such provinces in the entire nation that has had a great deal of autonomy. Such autonomy would not have been restricted had it not been for the unchecked activities of terrorists and separatists in the province, who threaten what this very amendment purports to protect, and I quote, "the United States continues to support the independence, unity and territorial integrity of Yugoslavia."

While we were in the Kosovo province, Mr. Speaker, one of our delegation met a farmer and his wife, Serbians, who were forced to stop sending their children to school because they were being harassed by the ethnic Albanians. This story is not the exception, Mr. Speaker, it is the rule.

I urge this Congress to remove this provision from H.R. 2655, and I intend to fight every step of the way to see that that is done. If my colleagues are concerned about the situation in Yugoslavia, then I urge them to join me on a trip to that country to see for themselves what the truth is.

As a member of the Executive Board of the Congressional Human Rights Caucus, I am concerned about human rights violations around the globe.

There are human rights violations in Kosovo, Mr. Speaker, but they are being perpetrated against the Serbian people, not the ethnic Albanians. This is a clear case of the people who scream the loudest being heard, right or wrong.

I urge this Congress to act now to remove section 862 from the foreign aid bill and take the time needed to study this issue. I welcome hearings on the subject, and public debate, and then Mr. Speaker, the truth will surely be known.

I urge this House not to get involved in a matter where it has not done its homework, first get the facts straight, all the facts.

Section 862 of the foreign aid bill refers to a crisis precipitated by this constitutional amendment. Mr. Speaker, the crisis has been going on for decades, and it is being perpetrated against the Serbian people.

Section 862 says that the human rights violations against the Albanians constitute a violation of the high ideals of brotherhood among all nations and nationalities in Yugoslavia.

It disturbs me, Mr. Speaker, that this House has placed into this bill findings on a situation in Yugoslavia about which the author of this amendment has very little knowledge.

The ethnic Albanians have always had and continue to have a very unique and protected position in Yugoslavia. Many ethnic Albanians hold high positions in the government, including many of the nation's ambassadorial positions. As recent as a year ago, an ethnic Albanian was vice president of Yugoslavia itself.

SENIOR CITIZENS' AGENDA

The SPEAKER pro tempore (Mr. DARDEN). Under a previous order of the House, the gentleman from Oregon [Mr. WYDEN] is recognized for 60 minutes.

Mr. WYDEN. Mr. Speaker, I am not planning to take the full 60 minutes, but I did want to begin a discussion that I hope will take place in the House over the next few months about the agenda for senior citizens in this country, particularly after the death of a Member who had tremendous respect on both sides of the aisle, Claude Pepper.

Across this country we are hearing senior citizens at our town hall meetings and forums, Grange halls, and the like, in effect, saying who is going to replace Claude Pepper? How is the tremendous work that Senator Pepper did going to get done?

Like many Members, I am answering that no one is going to replace Mr. Pepper, that that would be impossible, that the contribution that he made was so extraordinary that it is not going to be possible to fill his shoes, but that much can be done to pick up on what was the agenda of Senator Pepper, and that is what I want to talk about today.

I think in the days and months ahead, we ought to have debate on the floor of the House on the senior citizens' needs and to pick up on his agenda, and I hope today, beginning by discussing Medicare and Social Security, and then moving on to the discussion of other programs in the future that we can have this discussion. I met Senator Pepper well before I came to the Congress. I was codirector of the Oregon Panthers at the time, and we were working on the effort of trying to stop some of the problems that Social Security were having with insurance policies that were sold to supplement their Medicare, and as incredible as it seems, many senior citizens who have 8, 10, 12 of these insurance policies, a lot of them were not worth the paper they were written on, and yet people would be buying them rather than spending their needed funds on fuel and food and necessities.

Under Senator Pepper's leadership, a number of reforms were enacted, but one of the things that we learned through the Subcommittee on General Oversight and Investigations, chaired by the gentleman from Michigan [Mr. DINGELL], not long ago, is that there is still a lot of problems with these private insurance supplements. Certainly, there are many reputable companies and many reputable agents in this Nation, but there still are, unfortunately, a number of policies being sold that are exploited, that are taking advantage of the elderly, that are essentially duplicative of what their Medicare would cover, which have very low loss ratios, which means they pay very little out on a premium dollar. I am very hopeful that at the very least, in the days ahead, we can see bipartisan support develop in this Congress, working closely with consumer groups and with the many good insurance companies in this country to eliminate some of these problems.

As incredible as it seems, a fight that Senator Pepper began well over a decade ago is still not resolved today. Things are better, but there are still a lot of older people being exploited, and just an example of one of the things we need to pick up on.

□ 1530

Mr. Speaker, I do think that when we start the discussion about going after Senator Pepper's agenda, we would have to begin with medical costs and the Medicare program itself. It is the fastest growing program in American Government today. We are going to spend over $80 billion on Medicare, and yet at present it does not cover many of the great needs that older people have such as long-term care.

All the Members are aware of this tragedy. We see older people scrimp and save all their lives, then suddenly they have to go into a nursing home, and everything they have worked for all their lives is gone in a matter of months.

Senator Pepper had made it a special priority to speak for the development of a long-term care policy. One of the things I hope we will do in this Congress is to pick up on his identification of home health care as a top priority while we develop a long-term care policy. We know that on any single day in this country there are a lot of older people who are receiving institutional care who would not be there but for the fact that there are no funds for home health care programs.

In this session we have a good opportunity in the budget reconciliation process to make a start at turning this around with frail elderly legislation that has been sponsored by many Members. The States at their option would be given the alternative of using money that has been earmarked for institutional care. As for Medicaid dollars earmarked for institutional care, they would have the option of using it for home health care in community based programs. Right now, for the State to do that, it would be very, very difficult. They would have to get a waiver from the Federal Government. My State has spent hundreds and hundreds of hours trying to fill out forms and go through the paperwork. So I would hope that at the very least, as the next step in developing long-term health care policy in this country, we would make it possible for the State to have the option to use Medicaid dollars that have been earmarked for institutional care and take those dollars to care for older people at home, where many of them say they would be happier and where in most cases the care is cheaper.

But I do think we need systematic reform of the Medicare Program. Home health care is certainly a key component. In one sense, it is not health care at all; it is essentially sick care. We see older people who get very, very ill and who will need hospital care under part A of the Medicare Program, the program that covers hospital benefits. Checks are written from that program. They move from the insurance area to the hospital to pay for very large hospital bills, but while part A of the Medicare Program pays these huge checks for hospital benefits, part B pays nothing at all for preventive health service for older people, and very often that is the key to keeping them well and preventing them from having to incur very serious medical bills.

I think it is a major defect in the Medicare Program that the services

are so stacked away from prevention and do not emphasize that as an alternative to keep people out of the hospital. Again, in the budget process, I think we are going to try to take a baby step toward turning this around, at the very least trying to get some information out about preventive health benefits and possibly try to assist older people, in effect developing their own preventive personal health history and then sharing it with their physcians who could follow it up with them.

But the fact of the matter is, Mr. Speaker, that in almost every community in this country there are preventive health services that are available. A senior citizens center may have a blood pressure monitoring program or a hospital may have a nutrition counseling program, but they have never pulled them together in any integrated way so that we could say for the first time that Medicare, instead of being just a sick care program, as it is today, emphasizing acute care and institutional care, could one day be a preventive program where millions of older people would have an opportunity to stay home, to contribute to our society, to work if they chose to, and to live longer and healthier lives.

A third area that I would hope we could attack in this session of Congress, Mr. Speaker, is to change the way some of the reimbursement systems work that are escalating the costs of Medicare so dramatically and that also are not helping the effort to put a focus on primary and preventive care.

We do have an opportunity to do this as we look to physician payment reform. The way the system has worked today is essentially that it is based on history. It is based on historical practices; it is not based today on how long it would take to work with an individual or how difficult the procedure is. It again is a system that does not encourage the kind of primary and preventive focus that we would like, and I am very hopeful that in this session of Congress we can institute significant physician payment reform, reform that is fair to all physicians but which does look beyond history as a way of making these payments. It ought to focus more in primary care and preventive care, and it should make certain that there is a fair balance for serving particularly low-income people in urban areas and also those in rural areas where there is a disproportionately large number of frail elderly who will very often need heavy care.

But I think there are other reforms that need to be made in the way of health care providers, and I am hopeful that we will be able to open up the Medicare Program to additional providers which in many instances can offer important health services in a way that will hold health care costs down over the long-term. I think there are opportunities, for example, for nurses and for social workers to play a broader role in our health care system. Certain psychologists and physician assistants can play a bigger role. But at present many of these providers have been kept out of the Medicare Program, as a matter of fact, I think, for turf reasons because one provider or another may be opposed to it. But when dollars are so scarce and when we are trying to build a stronger and better system, I would suggest that we open the Medicare Program up to more choices and to more alternatives.

That really leads me to my last point with respect to the Medicare Program itself. Even if we were to not spend another dollar in the major Federal program in the health field that we have, the program for the elderly, we are going to spend over $80 billion for Medicare this year. I am not convinced that we are getting our money's worth. It seems that there is a great deal of duplication still between what Medicare offers, what private businesses are offering their retirees, and what other supplemental progams that older persons might have are offering. We need to make a beginning at coordinating these various kinds of programs so that we can get more for our scarce health dollar. One of the best ways to do that is to begin a debate on the floor of the House in terms of proposals that will allow us to better cooordinate the Federal health dollars that are spent under Medicare with private insurance dollars that are spent with supplemental insurance and then with those dollars spent with private business. Right now the evidence indicates that there is significant duplication, and I would hope that we would look at coordinating those benefits and those services, many of them paid by tax dollars.

Mr. Speaker, health care, of course, is right now the top single concern of older people, simply because it is gobbling up everything in sight and the health care cost-of-living index is growing far faster than any other. But there is one other program, one that all the Members are aware of, that we also, I think, ought to look to in this session to see how it might be stengthened.

□ 1540

That is the Social Security Program, Mr. Speaker, a program that serves 38 million elderly disabled, those who are survivors and served them very well. But I think there are a number of ways that it can serve the elderly even better, and I would like to suggest just several.

One, and a particular cause championed by Senator Pepper, is the idea of letting older people earn more without having to give up their Social Security. This is particularly important for elderly people who are in their middle and late sixties, and I would briefly like to describe to the Members what I think this debate is all about.

Very often the question of letting older people earn more and changing what is known as the earnings test is perceived as something that would help the very well-to-do. It would be in some way an extra benefit to them, and they really do not need it.

That is not at all the case, Mr. Speaker. Very often the older worker, who needs to have the opportunity to earn additional income, is perhaps a secretary, possibly a store clerk, someone who really is faced with very, very serious problems and just making ends meet. If on top of it they have a spouse who has large medical bills, large medical bills not covered by the Medicare Program, as I suggested, they will very much face hardships.

So, Mr. Speaker, I would hope that that part of the Pepper agenda that would change the earnings ceiling so that older people could earn more, particularly those who would be very hard pressed without that opportunity, I hope that we will be able to knock out that legislation in this session.

There are other Social Security issues that I think are important. One that I think ought to be a priority is the Social Security trust fund surplus. Right now we are seeing those surpluses essentially being used to hide the true extent of the Federal budget deficit. This year alone we are expected to take over $60 billion from the Social Security trust fund in order to pay other bills of the Federal Government. I just think that it would be important for this body to really consider the implications of what it means to use those Social Security surpluses in effect to pay the other bills of the Federal Government.

I think there is a great deal of merit to the idea of taking Social Security off budget, in effect ensuring that those Social Security surplus funds are used for all time for the purpose for which they were intended, and I think, as we do that, we should also look to the notion of making Social Security an independent agency.

Mr. Speaker, perhaps more than any other concern I hear about at home, I think that older people and younger people are concerned that in Washington there is politics being played with Social Security, that every time there is a big budget need, somehow everybody looks at the Social Security Program. Well, the Social Security Program did not cause the general fund deficit. It is paid for by payroll taxes, big whopper payroll taxes.

Mr. Speaker, I think that two reforms that we should look at very carefully in this session are: First, moving the Social Security Program

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

off budget to ensure that its surpluses do not go for purposes other than what it was raised for; and, second, to make Social Security an independent agency. If those two initiatives were enacted, plus we were to pass the legislation to allow older people to earn more, as proposed by Senator Pepper and many of our colleagues, frankly, on both sides of the aisle, I think that it would be a very solid set of next steps in the Social Security Program specifically.

So, Mr. Speaker, that is a start with respect to the debate involving how we follow up on the tremendous contribution that was made by Senator Pepper. Certainly the Medicare Program and the Social Security Program that he championed is an ideal way to begin, but, in closing, I would also like to commend our colleagues to one other idea that was expressed very well by Senator Pepper in a May 17, 1989, letter that he sent to colleagues. It was described as the Pepper package for keeping America's families together, and it had a number of really outstanding ideas, ideas that would allow us to address the needs of older people who fight guardianships. That is the Pepper legislation, H.R. 1702, and I was very pleased with the legislation to deal with fraud.

Mr. Speaker, the evidence is that we are spending at least $5 billion a year at the very least on health care fraud. I think the problem of health care fraud has gotten worse in recent years because, as reimbursements have gone down, as we have seen health care move away from something that was a profession and particularly focused on being an advocate for the patients and more toward the business, we have seen an awful lot of what I call health care speculators and exploiters move into the field.

I think the Federal Trade Commission, for example, ought to be doing more. They have been in a deep regulatory slumber for some time in the face of these health care frauds, but I think one way that this body could move would be to pick up on the legislation that Senator Pepper introduced, the Fraud Victims Restitution Act.

Mr. Speaker, that, I hope, will serve as a start of this debate. As I said at the beginning of my remarks, there are a number of programs that Senator Pepper championed in particular, Medicare and Social Security. The Pepper package, as well, gives us a very good outline on where to go from here.

However, Mr. Speaker, I am of the view that Claude Pepper made an extraordinary contribution to our country, a contribution that is not going to be duplicated, but that we have to pick up on his challenge, that we have to pick up on his ideas, ideas like home health care, and strengthening the retirement programs, and carry forward on his work. It is work that is going to be bipartisan. There is nothing partisan about the issues that I have been talking about in being strong advocates for the country's elderly, and in the days and months ahead I hope to come on the floor with other ideas and other proposals to move forward with this agenda because I think it is one of the best ways in which we can honor our colleague and also do some of the most important work possible for our country, and that is to recognize the contribution of the seniors.

TRIBUTE TO JACK KEMP, SECRETARY OF HUD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. WEBER] is recognized for 60 minutes.

Mr. WEBER. Mr. Speaker, in his 18 years in the Congress of the United States, the House of Representatives of the United States, our former colleague, the gentleman from New York, Mr. Kemp, rose to become one of the great Republican leaders and one of the great congressional leaders of our time in my judgment. In our party he was known as a man of ideas and, perhaps more importantly, as a man, a leader who tried to broaden the appeal of the Republican Party to constituencies that were not traditionally part of our base. He was always known as a leader who promoted policies and ideas as opposed to narrow political tactics to broaden his appeal and the appeal of his party and took every opportunity to build the theme of economic growth and opportunity as a way of helping his party, the Republican Party, to appeal to traditional constituencies that may be associated with the other party.

□ 1550

Mr. Speaker, now our former colleague, Jack Kemp, has a very difficult assignment at the Department of Housing and Urban Development where he is President Bush's Secretary, unanimously confirmed by the U.S. Senate and, of course, we are all aware of the great difficulties that have been uncovered in this Department, which I think he is attacking admirably; but it is important to know that in that position, Secretary Kemp has achieved broad and widespread bipartisan support for his efforts to attack the problems of inner-city residents, poor people, and minorities, in unique ways and in previously untested ways.

The purpose of my special order today is to pay tribute to our former colleague, Mr. Kemp, and to draw the attention of the body and the country to a very important speech that Secretary Kemp delivered on July 10, just yesterday, at the 80th annual convention of the National Association for the Advancement of Colored People, a speech delivered at the COBO Convention Center in Detroit, MI, and with the forbearance of the Speaker, I would like to simply use my special order to read into the RECORD today the remarks of the Honorable Jack Kemp at the NAACP convention, July 10, 1989.

REMARKS BY JACK KEMP, SECRETARY OF HUD

Ladies and gentlemen, I'm honored and thrilled to be here with you at the annual NAACP convention. On this eightieth birthday of your founding, I'm proud to share the dais with your fellow warriors in the continuing battle for civil rights. I'm proud to share this moment with you and with Mrs. Amenda Wilkins, with your Chairman of the Board, Dr. William Gibson; with Nathaniel Colley, who chairs your Special Contributions Fund; with Mrs. Enolia McMillan, President of the National Board; with your Vice Chairman, Rev. Edward Hailes, with Mrs. Myrlie Evers, who is presiding; with Hazel Dukes of the New York State NAACP and Dan Acker of the Buffalo NAACP; with Althea Simmons, Director of the NAACP's Washington Bureau, and of course, with your Executive Director, Dr. Benjamin L. Hooks.

I want to thank Ben Hooks for that warm and generous introduction. I want to thank him, too, for the unstinting leadership he has delivered your organization . . . and our country . . . in the march for liberty and justice.

Thirty-two years ago this month I came to Detroit as the 17th round draft choice. It's good to be back.

And frankly, folks, if it wasn't for Ben Hooks . . . without his early support . . . Ben, I might not be Secretary of HUD. When people were wondering what kind of a Secretary I might be, he said I was a liberal with a big "L" on relations between the races. And, Ben, I won't let you down!

A few days ago, Ben came by my office to talk about a national compaign styled somewhat after the "clean-up, paint-up, fix-up" programs common to many local communities. He mentioned that the Detroit Baptist Council has such a program, that the Baltimore Afro-American newspaper has such a program, and that in Charlotte, North Carolina, there is a massive clean-up program with hundreds of citizens clearing the shoulders of the expressway—a major campaign for cleanliness.

Well, I agreed that we should start working with Ben Hooks and the NAACP to make this a national project, and right now, I am announcing that the planning for this program will start immediately. Through this and similar efforts, religious groups, civic groups, labor unions, old, young, teenagers, and all kinds of community organizations can be involved in a massive effort to make our neighorhoods more liveable. I want HUD to work with them and with you to do it. Let's start with those 15,000 abandoned houses in Detroit; and let's get GM, Ford, Chrysler, and Labor to work with us.

On the day President Bush nominated me, I was proud to choose as my motto the beautiful words Martin Luther King expressed upon receiving the Nobel Peace Prize. He said he had ". . . an abiding faith in America and an audacious faith in the future of mankind." I, too, have that audacious faith in the future of mankind.

What a thrill it was the other day to sit next to Ben Hooks at the White House, as

?

President Bush and distinguished civil rights leaders and Members of Congress celebrated the 25th anniversary of the civil Rights Act of 1964, a milestone on the road to freedom and justice. You helped lay that milestone. Vernon Jordan, John Jacob, John Lewis, Joseph Lowery, Jesse Jackson, Floyd McKissick, and Martin Luther King III were there, too; and what an honor it was to meet the great lady of inspiration, Rosa Parks, in the East Room ceremony.

I couldn't help thinking that the modern civil rights movement really started in earnest nine years before the '64 Act. It started on Cleveland Avenue in Montgomery, Alabama, on December 1, 1955 when a local official of the NAACP, Rosa Parks, said she just wasn't about to move to the back of that bus. That was a profoundly courageous thing she did, and it helped inspire sweeping changes in the South and throughout America.

Ben, I've always admired the wisdom of your thought, the eloquent clarity of your ideas—as so well expressed in the words I read in last month's issue of Crisis. You wrote: "America can only be great if she extends to all of her citizens a chance to make a difference, an opportunity to make a significant contribution to the collective good . . ."

Those words crystallize our challenge! A chance to make a difference. An opportunity to contribute to the collective good.

This is the American quest. In one simple, yet profound, statement, Ben Hooks has captured its meaning. He has defined our quest . . . our common objective.

The objective has been ennobled by the lives of patriots and martyrs, by students and workers, by black and white. It has been bought dearly by the sacrifices of those who came before us.

Martin Luther King, writing from Birmingham jail, personified those sacrifices. He said the civil rights protesters "were in reality standing up for what is best in the Judaeo-Christian heritage, thereby bringing our nation back to those great wells of democracy which were dug deep by the founding fathers in their formulation of the Constitution and the Declaration of Independence."

Ladies and Gentleman, they sacrificed so we might succeed. The road we travel to basic human rights, to dignity and justice, has been carved through the wilderness of ignorance and bigotry, of racism and prejudice. Our way was cleared by the sweat and blood of our ancestors. And by so many people in this room. The road we follow was laid out by Thomas Jefferson and Crispus Attucks, by Abraham Lincoln, and Frederick Douglass, by Hubert Humphrey and Martin Luther King. It was paved and advanced by DuBois and White and Wilkins.

We're following that same road today . . . Ben, you, me. Men and women of good will everywhere. It's never an easy journey, but we'll keep on going until we reach our destination . . . until we reach that blessed America so many have struggled, fought, and died for.

We're going to keep on that road. We dare not leave it. For the road to freedom and justice is not yet complete. Our job is to complete it . . . not just for ourselves . . . but for those who come after us—for your children and mine.

Finishing that job . . . traveling and advancing that road . . . that is our greatest challenge. For this is the Glory Road . . . the road that leads to a truly great America in which none are left out . . . no one is left behind . . . and all have a chance to contribute. We're going to meet that challenge . . . we're going to complete this Glory Road . . . by shaping an America that offers each of us . . . every man, woman, and child . . . the freedom to reach the outermost limits of our capabilities.

This is a momentous time in our Nation's history. It's our chance to take what our forefathers knew America could become . . . to take that idea, that dream, that promise . . . and transform the promise into reality for all.

We can do it. We must do it. We must extend that road into every ghetto and barrio, into every impoverished corner in urban and rural America. We can open that road to those left out or left behind. We can clear the way so they, too, may follow that road to hope and dreams, to self-determination, to opportunity, homeownership, and economic independence.

Ladies and gentlemen, I'm a believer. I believe we can build that Glory Road. I believe that, working together, we will build it.

We can build it because we know the way. It's clearly laid out for us. America's Glory Road has been well-marked by the signposts of history.

Just think. Two hundred and thirteen years ago last week, Thomas Jefferson wrote the immortal words: "We hold these truths to be self-evident: that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness . . ."

Some people thought those words were written for white folks. But they were written for all folks. Some thought they were written just for Americans. But they were written for all people. Some thought they were written for one moment in history. But they were written for all time.

Those words inspired not only the students in Selma, but the students in Beijing. Not only factory workers in America, but factory workers in Poland. They inspired not only the struggle for civil rights for blacks in America, but the fight for democracy and human rights for blacks in South Africa.

Those words have guided our country throughout the course of its history. We accept them not simply as an ideal, but as a worthy and realistic goal; recognizing, all the same, that it is a goal we have yet to achieve in full for all our people.

More than a century and a quarter ago, Abraham Lincoln engaged in a magnificent debate with the "Little Giant," Senator Stephen Douglas. In what became known as the "Peoria speech," Lincoln said:

"I cannot but hate slavery. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our American example of its just influence in the world; enables the enemies of free institutions, with plausibility, to taunt us as hypocrites; causes the real friends of freedom to doubt our sincerity; and especially because it forces so many good men among ourselves into an open war with the very fundamental principles of civil liberty, criticizing the Declaration of Independence, and insisting that there is no right principle of action but self-interest . . . I object to it because it assumes that there can be moral right in the enslaving of one man by another . . . we began by declaring that all men are created equal; but now, from the beginning, we have run down to the other declaration, that for some men to enslave others is a 'sacred right of self-government.' These principles cannot stand together. They are as opposite as God and Mammon."

Lincoln's eloquence . . . his thorough understanding of the fundamental moral imperative underlying the issue . . . was formidable. And, do you know what Douglas did? He capitulated. He begged for a truce, saying: "Lincoln, you understand this question of prohibiting slavery . . . better than all the opposition in the Senate of the United States. I cannot make anything by debating it with you."

Freedom. An inalienable right. An idea so powerful that the "Little Giant" was forced to concede the issue and begged for a truce.

In the nineteenth century, a house divided against itself, half free and half slave, could not stand. And today we cannot allow our nation to stand divided between prosperity and poverty. How can we tell the world that democracy and freedom works, if we can't make it work for those left out and left behind in America?

Freedom and justice are never easily won.

That's why we needed the NAACP eighty years ago. And that's why we need the NAACP today: to make America live up to itself. Through your efforts, our country has made great strides in basic human rights.

You helped pass the Voting Rights Act, the Civil Rights Act. You helped abolish municipal housing segregation ordinances. And you brought an end to school segregation.

The NAACP successfully pushed for the Open Housing Act and other fair housing laws, including the one passed last year. I want to thank Ben Hooks and Althea Simmons, the Director of the NAACP's Washington bureau, who worked so hard to get it passed. I have the duty and the privilege of administering those laws and, only a few days ago, I brought the first charge of racial discrimination under the Fair Housing Amendments Act of 1988.

I want you to know that President Bush will not tolerate housing discrimination. And neither will I.

The boycotts, the sit-ins, the marches, the legal challenges . . . all punctuated a message of moral outrage—a message that became a testament of fierce commitment to freedom and justice. You were there then and you are here now, continuing the struggle.

I wasn't there, but I wish I had been.

The 1950's and 60's were an awesome period of expanding civil and human rights in American history—a time of powerful and necessary changes in the law. It was the dramatic high point of Chapter One in the struggle for civil rights.

Chapter One was written by those who led the fight for basic human rights, for legal rights, voting rights. It was written by Rosa Parks, Martin Luther King, Jr., and Whitney Young. It was written by Andy Young, Morris Abram, Ella Baker, and John Lewis. It was written by Fred Shuttlesworth and Ralph Abernathy, by Thurgood Marshall and Roy Wilkins. By Vernon Jordan, John Jacob, Dr. Leon Sullivan, Ben Hooks . . . and so many of you here.

Chapter One is a proud part of our country's history . . . a chapter of commitment and sacrifice, of determination to achieve justice and equality for all our people. But, Chapter One would not have been possible without the work begun 80 years ago by the NAACP. The relentless drive for freedom and justice has lived within us for as long as history can recall; but this chapter was largely written by those who joined forces

in 1909 to forge an alliance against racism . . . and by all of you who followed in their footsteps.

Chapter One was about freedom and justice, about removing legal barriers, about full rights for each and every one of us as American citizens.

And, I must give credit to some great leaders of the Democratic Party who were marching at the head of the civil rights revolution in the '60s when many in the party of Lincoln were nowhere to be found. But I'd be remiss not to say that the Republican Party's roots were not dug by Herbert Hoover. The Republican Party began as a great civil rights movement in the 1850s that included breakaway Democrats, antislavery Whigs, abolitionists and Free-soilers. Abe Lincoln called it the Republican Party to remind folks that it was an extension of Thomas Jefferson's old Democratic/Republican Party. As Tony Brown's Journal has recalled, the radical Republicans were the best friends blacks had during Reconstruction, and I hope a modern-day radical Republican Party competes effectively for the minority vote.

President Bush and I look forward to the day when both major political parties compete for the votes of African-Americans. We must remind people that the entire civil rights revolution is the continuing saga of the first American Revolution.

And now, at the dawn of a new millennium, we are engaged in a new chapter of this ongoing revolution, for as you in the NAACP have said so well, "The Struggle Continues."

Let us dedicate this chapter to realizing the dream of homeownership . . . of opportunity . . . of prosperity . . . for everyone. That's what HOPE spells.

This chapter is about economic prosperity, about jobs for everyone and growth and a bigger pie and more seats at the table.

And this chapter is about more than that. Not only about a chance to drive a truck, but a chance to own the truck . . . not just a chance to have a job, but a chance to own the company . . . not only a chance to live in decent and drug-free public housing but a chance to homestead and manage and, ultimately, own the housing.

And, as we move into Chapter Two, we need to know how far we have come so we may appreciate how far we have yet to go.

It's a good sign that some forty percent of black American households are considered middle income, a category that has grown by more than 25 percent during the recent economic expansion. The receipts of black American businesses have been growing at an average rate of eight percent every year since 1982. Over 2.5 million new jobs have been filled by black Americans in the last five to six years.

Yet, clearly, this is not enough. It only serves to remind us how far we have to go. Over half a century ago, Franklin D. Roosevelt saw one-third of a nation ill-clad, ill-housed, and ill-fed. By 1987, the GNP had increased eightfold; and still—56 years after FDR's statement—one-third of black Americans remained below the official poverty line . . . ill-clad, ill-housed, ill-fed.

According to the Good Shepherd (Matt. 25:40) those who "inherit the kingdom" are those who feed, clothe, and house "the least of these my brothers."

Well, our American economic growth has not yet reached the least of our brothers and sisters. We must reach the least, the lost, and the last . . . that's what we must do in Chapter Two. As my Chief of Staff, Wendell Gunn, says, "We've got the ticket. After 200 years we can finally get on the train. Now let's get the train moving."

That's what President Bush wants to do and wants me to do at HUD. We want to get the train of growth in jobs and opportunity for decent and affordable housing moving through Watts and Boyle Heights, through Newark and Bed-Stuy, through Liberty City and Vine City, through Overtown and Motown . . . through every place where the least, the lost, and the last need to get on that train.

That's why I'm proud to be in the President's Cabinet, because he wants to create an "opportunity society . . . an economy," he said, "that's thriving and creating jobs; cities that are filled with enterprise and offer residents a good life and a good living; neighborhoods that are vibrant and safe, with affordable houses going up; old ones being restored."

President Bush said, "it means giving people—working people, poor people, all our citizens—control over their own lives. And it means a commitment to civil rights and economic opportunity for every American."

I'm proud to accept that mission because those are exactly my goals, as well. And I want you to know that even though the President is in Poland today . . . he is here because I'm here to say it for him.

And I promise you what I promised him. We are going to reform HUD from top to bottom. We are going to make our programs work for the people in need, not those motivated by greed.

Saturday night, I had the honor to speak to the League of United Latin American Citizens, LULAC. I shared a story with them that I'd like to share with you. This is a lesson I learned from Luis Munoz Marin, the great Governor of Puerto Rico, the leader of the Popular Democratic Party, and the originator of Operation Bootstrap. When his political party was out of power, he used to talk about the need to redistribute wealth among the people, to slice the loaf so everyone gets a piece in the name of social justice. But, when he became Governor of Puerto Rico, he soon realized that if all he had to distribute was the same loaf of bread, the slices would get pretty thin before too long. He realized what he needed weren't just better ways to slice that one loaf, what was really needed was to create new bakeries.

That's what we must do—create more bakeries in the ghettoes and barrios all over America.

We can start by passing enterprise zones now, so we can begin the process of "greenlining" the inner city areas for entrepreneurship and jobs . . . areas that have been "red-lined" for despair. Enterprise zones can help unleash the creative energies of minority entrepreneurs in the urban areas of America to create opportunity for those that have been left behind. I will work closely with the Congress to ensure its passage so we can replace pockets of poverty with jobs and opportunity.

In 1929, on the eve of the Great Depression, blacks owned 65,000 businesses nationwide. I am struck by the number—65,000 black owned businesses—because, as John Jacob tells us in "The State of Black America 1989", there were just 301,000 black-owned businesses in 1982.

As I told Coretta and Dexter King at Paschal's Restaurant in Atlanta—on the day after my swearing-in—we must commit America to doubling or tripling that number by the middle of the next decade.

Enterprise zones will be of little help in doing that if there is no capital available to invest in new businesses in the zones. The people who cannot afford high capital gains taxes are not the rich, ladies and gentlemen. Capital gains taxes have their most important effect on people's power to find "seed corn" to start up new businesses.

Publisher John Johnson, a true entrepreneur, just wrote a deeply inspiring book called "Succeeding Against the Odds." The seed capital he needed to begin publishing in 1942 amounted to just 500 dollars—so near, yet so far. Unable to get a loan from Chicago's biggest bank, his only solution came from his mom who put up her new furniture as collateral for a 500 dollar loan from a small thrift. So risky was that venture that Mrs. Johnson prayed and cried for days before she felt she could take the chance on losing every piece of furniture she had.

Not every potential entrepreneur is lucky enough to have a mom with even 500 dollars of furniture to put up. But somebody has to invest the seed corn when an idea-rich but money-poor man or woman in a ghetto or barrio wants to imitate the John Johnsons and Mr. Paschals by putting their dreams to work. And that somebody should not be stopped because the capital gains tax is too high to make the risk worth taking.

In his book John Johnson says of success in business, "Can it be done again?" "Yes," he says, "it can be done again. I could do it again. So could you. So could any man or woman who comes up with an idea that provides a service no one else is meeting and who is willing to subordinate everything to the idea and the dream."

If we are ever going to turn the page—if we are ever going to begin Chapter Two in earnest—if we are serious about unlocking the door to opportunity—we have to unlock the seed capital for black and hispanic and minority and women's enterprises. We must convince Congress to cut the capital gains tax to fifteen percent nationwide and to eliminate it in our rural and urban enterprise zones.

We can also help entrepreneurs with another incentive. I strongly support Congressman Charlie Rangel's proposal to give investors an upfront tax deduction for the first $100,000 they put into enterprise zone businesses.

There is more we can do. We need to increase the earned income tax credit to hold down the enormous effective marginal tax rates on the poor just struggling to get on the first rung of that ladder of opportunity. The supplemental earned income tax credit would give eligible families a credit to supplement their earnings. There should be no tax on workers' wages up to 160 or 170 percent of the poverty level.

As you can see, I favor using the tax code to achieve socially desirable goals . . . and what's more socially desirable than jobs and adequate, decent, and affordable housing for low-income Americans? I think the low-income housing tax credit fits that "desirable" criterion. It expires this year; but I'm pleased that it has bipartisan support, and I'm working with Congressman Rangel and Senator Mitchell to extend it and make it work better for low-income people and low-income communities.

And, there's another extremely valuable tool available right now, the Community Reinvestment Act. In March 1978 the Comptroller's office approved the first nonprofit Community Development Corporation, dedicated to the "revitalization of

inner-city residential neighborhoods." Today, more than 130 banks are investing in communities sponsoring low- and moderate-income housing.

This month, the Comptroller will make public all information on all lending decisions which involve CRA-related conditional approvals, denials and CRA protests. This will enable the public—you—to help the Comptroller's office scrutinize bank practices to insure that the Community Reinvestment Act is being complied with. I strongly support this Act and all efforts to end, once and for all, the disgrace of redlining in America. We must encourage the flow of seed capital and lending to develop our low-income communities and to produce low-income housing. We want to encourage investment by banks and thrifts and pension plans—profit and non-profit—with Federal, State and local support.

These are some of the ideas we're working on at HUD and within the Administration to extend jobs, opportunity and hope to every American. But those are not the only ideas. I've had a look at your plan for the year 2000 and beyond, and it calls for:

Developing and implementing programs to increase black homeownership and home retention among blacks;

Increasing black family wealth from its presently disproportionate low level;

Increasing black self-employment;

Ensuring that substantial numbers of blacks are employed in growth industries and occupations; . . . and there are other proposals.

I have one problem with this plan. Why wait for the year 2000? I want to start now.

I want to help the NAACP integrate the economy. I want to help every man, woman, and child share the American Dream.

Ladies and gentleman, I have to tell you something.

I wasn't there when Rosa Parks integrated the buses. I wasn't there when the students integrated the lunch counters. I wasn't there when the schools were integrated. I wasn't there at the Lincoln Memorial, when Dr. King spoke of "the dream."

But I'm here now.

Let's get started!

□ 1610

Mr. Speaker, that concludes the remarks given by our former colleague, Secretary of Housing and Urban Development, Jack Kemp, yesterday at the NAACP convention in Detroit.

I am glad to yield to my colleague for 10 years with the Secretary, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Speaker, I want to thank my friend from Minnesota for reading Secretary Kemp's dramatic speech into the RECORD. It is clear from the message he is delivering why the press reported this morning that he got repeated standing ovations and that he was broken into a number of occasions by applause.

Those of us who are developing and working to develop a caring, humanitarian, reform Republican Party look to Jack Kemp in his new job as we looked to him on the House floor for leadership in this direction. I think there is an important message both in our willingness to work using the tax code and to encourage people to work using tax laws rather than building in more bureaucracies and more structures to deliver welfare.

Second, Jack Kemp really represents the drive to empower American citizens so that poor Americans become citizens rather than clients, so that they have real choice and a real opportunity once again.

I noticed just last week that the Wall Street Journal had a rather long article on the extraordinary changes that are beginning to happen in rehabilitating public housing and giving people who are living in public housing real control over their lives. I think it is very, very important we in the Congress strengthen and reinforce Secretary Kemp in his efforts to bring a new breath of freedom, and a new breath of opportunity, and new breath of hope to the public housing projects of America.

So I just wanted to thank the gentleman from Minnesota for putting this into the RECORD, and want to thank Jack Kemp for having delivered this kind of decisive leadership speech. It is part of what I think George Bush means when he talks about a kinder and gentler America, and it is a strong step in the right direction.

Mr. WEBER. I thank the gentleman from Georgia for his contribution.

I just want to put in perspective before I close a little bit about the contribution Jack Kemp has made and is making. Many of us feel that over the last 10 years what has been accomplished in this country was a strengthening of the macroeconomy, if you will.

When I first came to Congress in 1980 the issue was stagflation, an economy that was not creating new jobs and inflation rising and sort of a sign of the limitations of America. That has been shattered by the last 10 years, and we are now in the longest period of economic growth in the 20th century.

That is where Jack Kemp spent about the first half of his public career or maybe more pursuing, reductions in tax rates across the board, and monetary policies and fiscal policies that would encourage economic growth and get the economic train moving.

But that was a macro level, and what we now find after 8 or 9 years of pursuing those policies is that that economic growth which has succeeded at the macro level has not reached into every corner of America, every neighborhood, has not touched every man, women, and child in this country regardless of circumstances. The next phase of the battle in which Jack Kemp is appropriately now leading us again is towards specific policies that reach towards those people who have been left behind, the homeless, the unemployed, minorities, women, others who have not fully benefited from the restoration of the macroeconomy through the policies of the last 8 to 10 years.

It is important to note that several of those policies that Jack Kemp has outlined, specifically the reduction in the capital gains tax, enterprise zones, and the expansion of the earned income tax credits are actively under consideration by this Congress right now, and are priorities of both President Bush and the House Republican Conference. Other policies that Secretary Kemp is pursuing I think are going to be moved to the front burner very soon, such as the war on drugs in public housing, and tenant ownership, and management of public housing projects.

But at every stage it cannot be understated the tremendous contribution that one person, Jack Kemp, has made to the battle to secure economic as well as civil equality for all citizens. When Jack Kemp left the Congress, many of us, as is our custom, took out special orders, such as I am doing now, to commend him for the contribution that he had made while he was in the Congress, and I harken back to the words of our colleague, the gentleman from Illinois, Mr. HENRY HYDE, who described Jack Kemp in words that I think are important, especially since they came from a man such as HENRY HYDE who chooses his words carefully and understands what they mean. He described Jack Kemp's contribution to the Congress of the United States as being "a vital force for good." I do not think one can have a higher compliment than from someone like the gentleman from Illinois, Mr. HENRY HYDE, than to be called a vital force for good. It is tremendously encouraging to all of us as Americans that Jack Kemp is continuing to be that vital force for good in our country and our world in this new position as Secretary of Housing and Urban Development.

Mr. Speaker, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BEREUTER (at the request of Mr. MICHEL) for today, on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of Texas) to revise and extend their remarks and include extraneous material:)

Mr. DREIER of California, for 5 minutes, today.

Mr. WEBER, for 60 minutes, today.

(The following Members (at the request of Mr. WATKINS) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today, and 5 minutes, July 13.

Mr. SOLARZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. WYDEN, for 60 minutes, today.

Mr. HUTTO, for 10 minutes, today.

Mr. SKELTON, for 60 minutes, today.

Mr. PANETTA, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of Texas) and to include extraneous matter:)

Mr. BROOMFIELD in two instances.

Mr. SAXTON.

Mr. MOORHEAD.

Mr. HOPKINS.

Mr. VANDER JAGT.

Mr. ARCHER.

Mr. PORTER.

Mr. GALLO.

Mr. MICHEL in two instances.

Ms. SNOWE.

Mr. ROHRABACHER.

(The following Members (at the request of Mr. WATKINS) and to include extraneous matter:)

Mr. NELSON of Florida.

Mr. FRANK.

Mr. HAMILTON.

Mrs. SCHROEDER.

Mr. MATSUI.

Mr. STARK in two instances.

Mr. BATES.

Mr. HUBBARD.

Mr. LEHMAN of Florida.

Mr. DWYER of New Jersey.

Mr. LANTOS.

Mr. HOCHBRUECKNER.

Mr. BILBRAY.

Mr. LEHMAN of California.

ADJOURNMENT

Mr. WEBER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 12, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1428. A letter from the Director, Office of Management and Budget, transmitting a Soil Conservation Service plan for the Whites Creek Watershed, Mississippi, pursuant to 16 U.S.C. 1005; to the Committee on Agriculture.

1429. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed letter(s) of offer and acceptance [LAO] to Pakistan for Defense articles estimated to cost $50 million or more, pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

1430. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-49, "Nazareth Baptist Church Equitable Real Property Tax Relief Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1431. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-53, "Interstate Compact on the Placement of Children Authorization Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1432. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of a delay in the final decision in Finance Docket No. 31393, "Brandywine Valley Railroad Co.—Purchase—CSX Transportation, Inc. (Brandywine)," pursuant to 49 U.S.C. 11345(e); to the Committee on Energy and Commerce.

1433. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed letter(s) of offer and acceptance [LOA] to Pakistan for defense articles and services (transmittal No. 89-28), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1434. A letter from the vice president, Farm Credit Bank of Texas, transmitting the annual report and financial statement for the subject pension plan for the year ended December 31, 1988, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1435. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1436. A letter from the Acting Chairman, National Transportation Safety Board, transmitting a report on the Board's own rules for reporting of public use aircraft accidents and incidents to the Safety Board, pursuant to 49 U.S.C. app. 1903 nt.; to the Committee on Public Works and Transportation.

1437. A letter from the Secretary of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, sections 5002(d), 5004(a)(3)(A), and 5009(i)(2) United States Code, to raise the Department of Veterans Affairs minor construction cost limitation from $2 million to $3 million and for other purposes; to the Committee on Veterans' Affairs.

1438. A letter from the Secretary, Department of Health and Human Services, transmitting a report on the use of the Emergency Assistance and AFDC Programs to provide shelter to families, pursuant to Public Law 100-628, section 902(b) (102 Stat. 3257, 3795); jointly, to the Committee on Banking, Finance and Urban Affairs and Ways and Means.

1439. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a draft of proposed legislation to amend provisions of title 5 of the United States Code relating to allowances for employees of the U.S. Government serving abroad and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committee on Foreign Affairs and Post Office and Civil Service.

1440. A letter from the Secretary of Commerce, transmitting a report on the Great Lakes' ecosystem research needs for the 1990's, pursuant to 33 U.S.C. 1251; jointly, to the Committee on Public Works and Transportation and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and references to the proper calendar, as follows:

Mr. CONYERS: Committee on Government Operations. Fire and explosion in Kansas City: Lack of information about hazardous materials jeopardizes firefighters (Rept. 101-124). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEJDENSON: Committee on Foreign Affairs. H.R. 2653. A bill to authorize appropriations for fiscal year 1990 to carry out the Export Administration Act of 1979 (Rept. 101-125). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 491. A bill to establish a mining experimental program on critical minerals, and for other purposes; with amendments (Rept. 101-126). Referred to the Committee of the Whole House of the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1705. A bill to amend the Mining and Minerals Policy Act of 1970, and for other purposes; with amendments (Rept. 101-127). Referred to the Committee of the Whole House of the State of the Union.

Mr. ASPIN: Committee on Armed Services. Report on allocation of budget totals for fiscal year 1989 submitted pursuant to section 302(b) of the Congressional Budget and Impoundment Control Act of 1974, as amended (Rept. 101-128). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 194. Resolution waving certain points of order against consideration of H.R. 2788, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes (Rept. 101-129). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 195. Resolution providing for the consideration of H.R. 2022, a bill to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees (Rept. 101-130). Referred to the House Calendar.

Mr. GORDON: Committee on Rules. House Resolution 196. Resolution providing for the consideration of H.R. 987, a bill to amend the Alaska National Interest Lands Conservation Act, to designate certain lands in the Tongass National Forest as wilder-

ness, and for other purposes (Rept. 101-131). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 828. A bill to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1990, 1991, 1992, and 1993; with amendments (Rept. 101-132). Referred to the Committee on the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1484. A bill to establish a National Park System Review Board, and for other purposes; with an amendment (Rept. 101-133). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DARDEN:

H.R. 2849. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LANTOS (for himself, Mr. SHAYS, Mr. KLECZKA, Mr. FRANK, Mr. MARTINEZ, and Mr. WEISS):

H.R. 2850. A bill to amend section 235 of the National Housing Act to provide for the refinancing of mortgages, loans, and advances of credit for which assistance payments are provided under the lower income home ownership program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DORGAN of North Dakota:

H.R. 2851. A bill to amend title XVIII of the Social Security Act to improve access of medicare beneficiaries to extended care services and home health services after hospitalization; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. GEJDENSON (for himself and Mr. MAVROULES):

H.R. 2852. A bill to provide Federal assistance for economic development, economic stabilization, and job training in areas heavily dependent on defense contracts and military installations or in areas that have been affected by the termination of a major defense contract or the closure of a military installation; jointly, to the Committees on Armed Services; Education and Labor; and Banking, Finance and Urban Affairs.

By Mr. HOCHBRUECKNER (for himself, Mr. ACKERMAN, Mr. ATKINS, Mr. BROWN of California, Mr. BRYANT, Mrs. COLLINS, Mr. DELLUMS, Mr. DOUGLAS, Mr. DOWNEY, Mr. GIBBONS, Mr. HAWKINS, Mr. HENRY, Mr. HUGHES, Mr. LIPINSKI, Mr. MATSUI, Mr. MCNULTY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NEAL of North Carolina, Mr. PALLONE, Mr. SCHEUER, and Mr. SIKORSKI):

H.R. 2853. A bill to amend the Solid Waste Disposal Act to require the recycling of used lead-acid batteries, and to require a study by the Administrator of the Environmental Protection Agency on the disposal of used household dry-cell batteries; to the Committee on Energy and Commerce.

By Mr. MCCURDY:

H.R. 2854. A bill to authorize the exercise of State jurisdiction over a portion of Indian country located in Comanche County, OK, for certain purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUGHES:

H.R. 2855. A bill to amend section 700 of title 18, United States Code, with respect to flag desecration; to the Committee on the Judiciary.

By Mrs. MARTIN of Illinois:

H.R. 2856. A bill to exclude from amounts taken into account in determining annual income for purposes of certain programs administered by the Secretary of Veterans Affairs the amount of wages paid for certain service by workers temporarily employed by the Bureau of the Census in positions established for purposes relating to the 1990 decennial census; to the Committee on Veterans' Affairs.

H.R. 2857. A bill to exclude from earnings taken into account in determining excess earnings for purposes of the earnings test under title II of the Social Security Act wages paid for certain service by workers temporarily employed by the Bureau of the Census in positions established for purposes relating to the 1990 decennial census; to the Committee on Ways and Means.

By Mr. MRAZEK (for himself, Mr. PENNY, Mr. SKEEN, Mr. GUNDERSON, Mr. UPTON, and Mr. HOCHBRUECKNER):

H.R. 2858. A bill to provide Federal funds for State professional medical liability programs that comply with certain Federal standards, and for other purposes; jointly, to the Committee on the Judiciary and Energy and Commerce.

By Mr. PANETTA:

H.R. 2859. A bill to amend the Internal Revenue Code of 1986 to provide that agricultural labor which is subject to Federal Insurance Contribution Act tax withholdings shall also be subject to withholding for income tax purposes; to the Committee on Ways and Means.

By Mrs. SCHROEDER:

H.R. 2860. A bill to amend title 5, United States Code, to provide that any carrier offering obstetrical benefits under the Health Benefits Program for Federal employees must also provide benefits relating to certain "family-building procedures," and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Florida (for himself, Mr. FASCELL, Mr. JOHNSTON of Florida, Mr. LEHMAN of Florida, Mr. LEWIS of Florida, Mr. NELSON of Florida, and Mr. SHAW):

H.R. 2861. A bill to amend title 28, United States Code, to provide for the appointment of an additional district judge for the southern district of Florida; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 2862. A bill to provide for the distribution of a flag of the United States to each individual naturalized as a citizen of the United States; to the Committee on the Judiciary.

By Mr. GILMAN:

H.J. Res. 353. Joint resolution amending the joint resolution entitled "A joint resolution providing for the designation of the third week of July as Captive Nations Week"; to the Committee on Post Office and Civil Service.

By Mr. DWYER of New Jersey:

H.J. Res. 354. Joint resolution designating August 7 through 13, 1989, as "National Headache and Jaw Joint Injuries Week"; to the Committee on Post Office and Civil Service.

By Mr. RAHALL:

H.J. Res. 355. Joint resolution designating August 28, 1989, as "Railway Mail Service Day"; to the Committee on Post Office and Civil Service.

By Mr. TORRICELLI:

H.J. Res. 356. Joint resolution designating August 14, 1989, as "America-Pakistan Day"; to the Committee on Post Office and Civil Service.

By Mr. HOPKINS:

H. Con. Res. 164. Concurrent resolution to commemorate the 50th anniversary of the airborne units of the U.S. Armed Forces; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

188. By the SPEAKER: Memorial of the Senate of the State of New Hampshire, relative to flag desecration; to the Committee on the Judiciary.

189. Also, memorial of the Legislature of the State of Texas, relative to the Catastrophic Coverage Act; to the Committee on Ways and Means.

190. Also, memorial of the Legislature of the State of Texas, relative to the legal speed limit on divided four-lane highways; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 2863. A bill for the relief of Michael Wu; to the Committee on the Judiciary.

By Mr. MATSUI:

H.R. 2864. A bill regarding the reliquidation of a certain extracorporeal shock wave lithotripter; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 2865. A bill to permit issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel the *Karlissa*; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. WILLIAMS.

H.R. 19: Mr. HOLLOWAY.

H.R. 41: Mr. DELLUMS, Mr. NAGLE, and Mr. FEIGHAN.

H.R. 46: Mr. DYMALLY.

H.R. 60: Mr. PACKARD, Mr. DAVIS, Mr. ROE, Mr. TAUZIN, Mr. GINGRICH, Mr. HALL of Texas, Mr. GUNDERSON, Mr. DERRICK, Mr. WYLIE, Mr. JONES of North Carolina, Mr. EDWARDS of Oklahoma, Mr. BUECHNER, Mr. BOUCHER, Mr. MONTGOMERY, and Mrs. BYRON.

H.R. 61: Mr. HUNTER and Mr. BARTLETT.

H.R. 63: Mr. INHOFE, Mr. HOLLOWAY, Mr. HARRIS, and Mr. COX.

H.R. 98: Mr. DYMALLY, Mr. RICHARDSON, Mr. HORTON, Mr. PARRIS, Mr. MONTGOMERY, Mr. LIGHTFOOT, Mr. CROCKETT, Mr. VENTO, Mr. FOGLIETTA, Mrs. VUCANOVICH, Mr. MAV-

BOULER, Mr. LEWIS of California, Mr. MURPHY, Mr. AKAKA, Mrs. SAIKI, Mr. BENNETT, Mr. FALEOMAVAEGA, Mr. MARTIN of New York, Mrs. UNSOELD, and Mr. GALLEGLY.

H.R. 110: Mr. ROBINSON.

H.R. 118: Mr. GORDON.

H.R. 145: Mr. JOHNSON of South Dakota and Mr. PRICE.

H.R. 201: Mr. JONES of North Carolina and Mr. WOLPE.

H.R. 211: Mr. TAUZIN.

H.R. 212: Mr. LANTOS.

H.R. 215: Mr. WAXMAN, Mr. AUCOIN, Mr. ENGLISH, Mr. HAYES of Illinois, Mr. BURTON of Indiana, Mr. LAGOMARSINO, Mrs. LLOYD, Mr. EDWARDS of Oklahoma, Mr. STARK, Mr. KENNEDY, Mr. BUSTAMANTE, and Mr. AKAKA.

H.R. 216: Mr. LANTOS.

H.R. 315: Mr. OWENS of New York, Mr. CROCKETT, Mr. ESPY, and Mr. WEISS.

H.R. 361: Mr. FLAKE.

H.R. 373: Mr. HYDE, Mr. LEWIS of Georgia, Mr. MATSUI, Mr. CLEMENT, Mr. LEVIN of Michigan, Mrs. SAIKI, Mr. GEJDENSON, Mr. JONTZ, and Mrs. LOWEY of New York.

H.R. 422: Mr. BEREUTER and Mr. BATEMAN.

H.R. 446: Mr. MARLENEE.

H.R. 500: Mr. LANTOS.

H.R. 534: Mr. MCGRATH, Mr. BORSKI, Mr. VENTO, and Mrs. LOWEY of New York.

H.R. 567: Mr. RIDGE and Mr. ROYBAL.

H.R. 584: Mr. WISE, Mr. SMITH of Florida, Mr. WALSH, Mr. SARPALIUS, Mr. NEAL of North Carolina, and Mr. DWYER of New Jersey.

H.R. 633: Mr. COX and Mr. DICKS.

H.R. 634: Mr. ROBERT F. SMITH and Mr. SOLARZ.

H.R. 638: Mr. SWIFT, Mr. FIELDS, Mr. MARKEY, Mr. WAXMAN, Mr. BRYANT, and Mr. WHEAT.

H.R. 658: Mr. BOUCHER.

H.R. 664: Mr. ROHRABACHER, Mr. DORNAN of California, and Mr. BOUCHER.

H.R. 694: Mr. HERGER.

H.R. 745: Mr. ROE, Mr. BEILENSON, Mrs. COLLINS, Mrs. LLOYD, Ms. KAPTUR, Mr. JONTZ, Mr. LEWIS of Georgia, and Mr. FOGLIETTA.

H.R. 780: Mr. LEHMAN of Florida, Mr. HAYES of Illinois, Mr. DOWNEY, Mr. SOLARZ, Mr. FOGLIETTA, and Mr. CLAY.

H.R. 844: Mr. THOMAS of Wyoming and Mr. NIELSON of Utah.

H.R. 911: Mr. BARTON of Texas, Mr. BOEHLERT, Mr. BURTON of Indiana, Mr. DANNEMEYER, Mr. DELAY, Mr. FAWELL, Mr. GALLO, Mr. GILMAN, Mr. GREEN, Mr. HASTERT, Mr. KOLBE, Mr. LEACH of Iowa, Mr. LENT, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. MCGRATH, Mr. MCMILLAN of North Carolina, Mr. MURTHA, Mr. MYERS of Indiana, Mr. OXLEY, Mr. REGULA, Mr. ROTH, Mr. SHUMWAY, Mr. SLAUGHTER of Virginia, Mr. DENNY SMITH, Mr. STENHOLM, Mr. STUMP, Mr. SUNDQUIST, Mr. WHITTAKER, Mr. YATES, and Mr. YOUNG of Alaska.

H.R. 979: Mrs. JOHNSON of Connecticut and Mr. SAXTON.

H.R. 982: Mr. PACKARD.

H.R. 993: Mr. CONYERS and Mr. VENTO.

H.R. 995: Mr. CONTE, Mr. VISCLOSKY, and Mr. CLEMENT.

H.R. 1041: Mr. PAYNE of New Jersey.

H.R. 1043: Mr. STUMP.

H.R. 1051: Mr. CAMPBELL of California and Mr. FAWELL.

H.R. 1056: Mr. JENKINS, Mr. STOKES, Mr. FORD of Tennessee, Mr. CLAY, Mr. ROWLAND of Georgia, and Mr. BRENNAN.

H.R. 1068: Mr. FAZIO, Mr. FOGLIETTA, and Mr. BENNETT.

H.R. 1072: Mr. STARK, Mr. ACKERMAN, Mr. WILSON, Mr. SMITH of Mississippi, Mr. SKEEN, Mr. LIPINSKI, Mr. BROWN of California, Mr. KOLBE, Mrs. COLLINS, Mr. ROE, Mr. BRYANT, Mr. PANETTA, Mr. PARKER, and Mr. MCCRERY.

H.R. 1074: Mrs. LOWEY of New York and Mr. STALLINGS.

H.R. 1078: Mr. PRICE, Mr. WALSH, Mr. BLAZ, Ms. SLAUGHTER of New York, Mr. FORD of Tennessee, Mr. SMITH of Vermont, Mr. TOWNS, and Mr. BENNETT.

H.R. 1083: Mr. WEBER, Mrs. MORELLA, Mr. KASICH, Mr. SMITH of Florida, Mr. DE LA GARZA, Mr. STALLINGS, Mr. FISH, Mr. CLEMENT, Mr. LOWERY of California, Mr. HAWKINS, Mr. DAVIS, Mr. ESPY, Mr. BONIOR, and Mr. BUECHNER.

H.R. 1095: Mr. GORDON, Mr. JONTZ, Mr. PURSELL, Mr. SABO, and Mr. WYLIE.

H.R. 1175: Mr. RAHALL, Mr. TAUKE, Mrs. COLLINS, Mr. STALLINGS, Mr. ERDREICH, Mr. JACOBS, and Mr. WOLPE.

H.R. 1176: Mr. ESPY, Mr. BOUCHER, Mr. GRANDY, and Mr. AKAKA.

H.R. 1180: Mr. YATES.

H.R. 1190. Mr. WALGREN.

H.R. 1235: Mr. ROYBAL.

H.R. 1280: Mr. SWIFT.

H.R. 1287: Mr. ARCHER, Mr. FRENZEL, Mr. MCGRATH, and Mr. SUNDQUIST.

H.R. 1292: Mr. SABO, Mr. BATES, Mr. PORTER, Mr. HORTON, Mr. FAZIO, Mr. ACKERMAN, and Mr. CAMPBELL of Colorado.

H.R. 1306: Mr. RANGEL and Mr. ENGEL.

H.R. 1307: Mr. CLEMENT, Mr. FAZIO, Mr. BUSTAMANTE, Mr. JAMES, Mr. MARLENEE, and Mr. MCDADE.

H.R. 1375: Mr. UPTON and Mr. VENTO.

H.R. 1409: Mr. EVANS, Mr. WISE, and Mr. CROCKETT.

H.R. 1453: Ms. Pelosi, Mr. ATKINS, Mr. ECKART, Mr. ENGEL, Mr. RAHALL, Mr. MOLLOHAN, Mr. EDWARDS of California, and Mr. ESPY.

H.R. 1461: Mr. BAKER, Mr. INHOFE, Mr. CARPER, Mr. UPTON, and Mr. ROE.

H.R. 1530: Mr. DYMALLY, Mr. SCHUMER, Mr. HAWKINS, Mr. DWYER of New Jersey, Mr. JONTZ, Mrs. COLLINS, Mr. EDWARDS of California, Mr. GRAY, Mr. ATKINS, Mr. TRAFICANT, Mr. OWENS of New York, Mr. WOLPE, Mr. DELLUMS, Mr. NEAL of North Carolina, and Mr. ECKART.

H.R. 1545: Mr. ANTHONY and Mr. ANNUNZIO.

H.R. 1583: Mr. GRANDY, Mr. LAGOMARSINO, and Mr. EDWARDS of Oklahoma.

H.R. 1601: Mr. BARNARD.

H.R. 1643: Mr. ROE.

H.R. 1686: Mr. KASTENMEIER.

H.R. 1748: Mr. CAMPBELL of California and Mr. FAWELL.

H.R. 1751: Mr. CAMPBELL of California and Mr. FAWELL.

H.R. 1752: Mr. CAMPBELL of California and Mr. FAWELL.

H.R. 1854: Mr. CLAY.

H.R. 1860: Mr. YATRON, Mr. DICKS, Mrs. SCHROEDER, Mr. ACKERMAN, Mr. TOWNS, Mr. FAUNTROY, and Mr. YOUNG of Alaska.

H.R. 1872: Mr. ANDREWS.

H.R. 2051: Mr. TOWNS.

H.R. 2065: Mrs. SAIKI.

H.R. 2080: Mr. VENTO.

H.R. 2096: Mr. CLAY.

H.R. 2192: Mr. INHOFE, Mr. MARTINEZ, and Mr. PACKARD.

H.R. 2195: Mr. MACHTLEY.

H.R. 2222: Mr. VALENTINE, Mr. FUSTER, and Mr. LANTOS.

H.R. 2228: Mr. FISH.

H.R. 2237: Mr. RANGEL, Mr. HANSEN, Mr. LANCASTER, Mr. QUILLEN, Mr. MARTINEZ, and Mr. WALSH.

H.R. 2257: Mr. LANCASTER.

H.R. 2265: Mr. EDWARDS of California and Mr. DELLUMS.

H.R. 2269: Mr. ARMEY, Mr. ENGLISH, and Mr. BRUCE.

H.R. 2290: Mr. BEILENSON, Mr. PANETTA, Mr. YATES, Mr. ROE, and Mrs. MARTIN of Illinois.

H.R. 2331: Ms. SNOWE, Mr. DONNELLY, and Mr. CHANDLER.

H.R. 2336: Mr. MURTHA, Mr. WALKER, Mr. PENNY, Mr. TOWNS, Mr. DANNEMEYER, and Mr. MARTIN of New York.

H.R. 2348: Mr. HOUGHTON, Mr. ROBINSON, and Mr. HERGER.

H.R. 2349: Mr. UPTON.

H.R. 2359: Mr. DONALD E. LUKENS and Mr. HERGER.

H.R. 2360: Mr. ESPY, Mr. HANCOCK, Mr. DE LA GARZA, and Mr. EMERSON.

H.R. 2378: Mr. BOUCHER, Mr. BRYANT, Mr. CARDIN, Mr. DANNEMEYER, Mr. FASCELL, Mr. HENRY, Mr. LAGOMARSINO, Mr. MRAZEK, Mr. PETRI, and Mr. SMITH of Texas.

H.R. 2403: Mr. RUSSO, Mr. LELAND, Mr. FLAKE, Mr. PALLONE, Mr. LAFALCE, Mr. CONTE, Mr. SWIFT, Mr. ANNUNZIO, Mr. DWYER of New Jersey, Ms. KAPTUR, Mr. SANGMEISTER, Mr. FORD of Tennessee, Mr. JONES of Georgia, Mr. ROSE, and Mr. MAZZOLI.

H.R. 2470: Mr. WOLPE.

H.R. 2503: Mr. EDWARDS of California.

H.R. 2504: Mr. FORD of Michigan.

H.R. 2522: Mr. WISE.

H.R. 2532: Mr. CARPER, Mr. SMITH of New Jersey, Mr. GARCIA, Mr. HOCHBRUECKNER, Mr. FAUNTROY, Mr. WOLPE, Mr. WHEAT, Mr. HAYES of Illinois, Mr. RANGEL, Ms. PELOSI, and Mr. ACKERMAN.

H.R. 2542: Mr. SAVAGE.

H.R. 2545: Mr. RANGEL and Mr. HORTON.

H.R. 2561: Mr. LEWIS of Florida and Mr. ECKART.

H.R. 2578: Mr. ROHRABACHER, Mr. FAUNTROY, Mr. SCHEUER, Mr. DELLUMS, and Mr. TOWNS.

H.R. 2584: Mr. ACKERMAN, Mr. FOGLIETTA, and Mr. KLECZKA.

H.R. 2606: Mr. DEFAZIO.

H.R. 2609: Mr. PAYNE of New Jersey, Mr. STANGELAND, Mr. LIPINSKI, Mr. LEWIS of Georgia, and Mr. OWENS of Utah.

H.R. 2613: Mrs. UNSOELD, Mr. NEAL of North Carolina, Mr. FROST, Mr. RITTER, Mr. FAUNTROY, Mr. INHOFE, and Mr. FAZIO.

H.R. 2620: Mr. PARKER, Mr. HAYES of Louisiana, Mr. GOSS, Mr. ESPY, Mr. LIVINGSTON, Mr. GARCIA, Mr. ROE, Mr. DYMALLY, Mr. BAKER, Mr. PAXON, Mr. WALSH, Mr. HUTTO, Mr. MONTGOMERY, Mr. NELSON of Florida, Mr. LIPINSKI, Mr. SMITH of Vermont, Mr. ATKINS, Mr. FLIPPO, Mr. RAVENEL, and Mr. MCCRERY.

H.R. 2622: Mr. HYDE, Mr. MRAZEK, Mr. ERDREICH, Mr. TOWNS, Ms. KAPTUR, Mr. STAGGERS, Mr. LEWIS of Florida, Mrs. SAIKI, Mr. FRANK, Mr. DWYER of New Jersey, and Mr. ENGLISH.

H.R. 2630: Mr. MCEWEN and Mr. ENGLISH.

H.R. 2642: Mr. DICKINSON, Mr. ROWLAND of Georgia, Mr. BILIRAKIS, Mr. BOUCHER, Mr. BENNETT, and Mr. SUNDQUIST.

H.R. 2648: Mr. ATKINS, Mr. BRYANT, Mrs. COLLINS, Mr. HAYES of Illinois, Mr. JONTZ, Mr. FRANK, Mr. HUGHES, Mr. LIPINSKI, Mr. PALLONE, Mr. PANETTA, Mr. WEISS, Mr. SHAYS, Mr. WISE, Mr. DELLUMS, and Mr. DEFAZIO.

H.R. 2677: Mr. DYMALLY, Mr. OWENS of New York, Mrs. COLLINS, Mr. WALSH, Mr. MCDERMOTT, and Mrs. JOHNSON of Connecticut.

H.R. 2693: Mr. WALSH, Mr. LAGOMARSINO, Mr. FAZIO, Mr. ROE, and Mr. SMITH of Mississippi.

H.R. 2699: Mr. FUSTER, Mr. HAYES of Illinois, Mr. GORDON, Mr. DE LUGO, and Mr. MARTINEZ.

H.R. 2700: Mr. DE LUGO, Mrs. MARTIN of Illinois, Mr. HEFNER, and Mr. SCHUETTE.

H.R. 2715: Mr. RANGEL, Mr. FROST, Mr. STARK, Mr. SOLARZ, Mr. DONNELLY, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. DWYER of New Jersey, Ms. PELOSI, Mr. ATKINS, Mr. ROE, Mr. BRYANT, and Mr. RAHALL.

H.R. 2755: Mr. BEREUTER, Mr. WYDEN, Mrs. LLOYD, Mr. STARK, Mr. VENTO, and Mr. MORRISON of Washington.

H.R. 2766: Mr. HAYES of Illinois, Mr. DELLUMS, and Mr. MARTINEZ.

H.R. 2778: Mr. LIPINSKI, Mr. RAVENEL, Mr. SPENCE, Mr. NEAL of Massachusetts, Mr. ERDREICH, Mrs. JOHNSON of Connecticut, Mr. ATKINS, Mr. GALLEGLY, and Mr. MARTIN of New York.

H.R. 2782: Mr. FUSTER, Mr. PORTER, Mr. WALSH, Mrs. BOXER, Mr. ATKINS, Mr. TALLON, Mr. OBERSTAR, and Mr. ENGEL.

H.R. 2800: Mr. HORTON, Mr. GRANT, Mr. RAVENEL, Mr. HAYES of Louisiana, Mr. FUSTER, and Mr. AUCOIN.

H.R. 2837: Mr. ANDREWS, Mr. MORRISON of Connecticut, and Mr. JONTZ.

H.J. Res. 54: Mr. COYNE and Mr. MCDERMOTT.

H.J. Res. 95: Mr. ASPIN, Mr. COSTELLO, Mr. OWENS of New York, Mr. PAYNE of New Jersey, and Mr. STOKES.

H.J. Res. 104: Mr. RHODES, Mr. WAXMAN, Mrs. BYRON, Mr. MCMILLEN of Maryland, Mr. CARDIN, and Mr. FLAKE.

H.J. Res. 110: Mr. LOWERY of California, Mr. STANGELAND, and Mr. BROWN of Colorado.

H.J. Res. 115: Mr. FAZIO, Mr. LEVIN of Michigan, Mr. ESPY, Mr. CLEMENT, Mr. HANCOCK, Mr. YOUNG of Florida, Mr. FALEOMAVAEGA, Mr. BEVILL, Mr. WOLF, Mr. MONTGOMERY, Mr. ATKINS, Mr. RANGEL, Mrs. PATTERSON, Mr. MCGRATH, Mr. DORNAN of California, and Mr. RICHARDSON.

H.J. Res. 127: Mrs. UNSOELD and Mr. LANCASTER.

H.J. Res. 138: Mrs. JOHNSON of Connecticut, Mr. EMERSON, Mr. GUARINI, and Mr. YATES.

H.J. Res. 156: Mr. SMITH of New Jersey.

H.J. Res. 178: Mr. LANTOS, Mr. WEISS, Mr. FORD of Michigan, Mr. ERDREICH, Mrs. KENNELLY, Mr. HAYES of Louisiana, and Mr. SCHUETTE.

H.J. Res. 199: Mr. MCDADE, Mr. SENSENBRENNER, Mr. OXLEY, Mr. WALGREN, and Mr. HANCOCK.

H.J. Res. 204: Mr. VALENTINE, Mr. RAVENEL, Mr. FRANK, Mr. BAKER, Mr. QUILLEN, Mr. HALL of Ohio, Mr. MAVROULES, Mr. STALLINGS, Mr. FAUNTROY, and Mr. CLINGER.

H.J. Res. 231: Mr. SMITH of Mississippi, Mrs. LOWEY of New York, Mr. FEIGHAN, Mr. DIXON, Mr. ESPY, Mr. BOUCHER, Mr. DEFAZIO, Mr. GONZALEZ, Mr. KOLTER, Mr. LEVIN of Michigan, Mr. MAZZOLI, and Mr. ERDREICH.

H.J. Res. 253: Mr. BUNNING, Mr. SMITH of Florida, Mr. GALLEGLY, Mr. SCHUETTE, Mr. DE LA GARZA, Mr. CHAPMAN, Mr. JONTZ, Mr. MYERS of Indiana, Mr. MOORHEAD, Mr. ROWLAND of Connecticut, and Mr. ROE.

H.J. Res. 256: Mr. OWENS of Utah, Mr. MOAKLEY, Mr. TOWNS, Mrs. MEYERS of Kansas, Mr. BURTON of Indiana, and Mr. FRANK.

H.J. Res. 257: Mr. DAVIS, Mr. LANTOS, Mr. PRICE, Mr. STALLINGS, Mr. MARTIN of New York, Mr. MARKEY, Mr. MCDADE, Mr. OWENS of Utah, Mr. DORGAN of North Dakota, and Mr. TAUKE.

H.J. Res. 260: Mr. SHUMWAY.

H.J. Res. 265: Mrs. MORELLA, Mrs. VUCANOVICH, Ms. OAKAR, Mr. COYNE, Mr. LELAND, Mr. SWIFT, Mr. GILMAN, Mr. SOLOMON, Mr. BEREUTER, Mr. BROOMFIELD, Mr. DREIER of California, Mr. RITTER, Mr. LEWIS of California, Mr. MOLINARI, Mr. RANGEL, Mr. GUARINI, Mr. LEWIS of Florida, Mr. WOLF, Mr. SLAUGHTER of Virginia, Mr. MCCOLLUM, Mr. WEBER, Mr. SCHULZE, Mr. EDWARDS of Oklahoma, Mr. MILLER of Ohio, Mr. CRAIG, Mr. LOWERY of California, Mrs. SMITH of Nebraska, Mr. BUNNING, Mr. MONTGOMERY, Mr. HYDE, Mr. SKEEN, Mr. SCHEUER, Mr. RAY, Ms. SNOWE, Mr. DUNCAN, Mr. ENGEL, Mr. BROOKS, Mr. MORRISON of Connecticut, Mr. JENKINS, Mr. COSTELLO, Mr. MYERS of Indiana, Mr. NIELSON of Utah, Mr. BUSTAMANTE, Mr. WHITTEN, and Mr. MCDADE.

H.J. Res. 282: Mr. GUARINI, Mr. MURPHY, Mr. OWENS of Utah, Mrs. MORELLA, Mr. RAVENEL, Mr. SPRATT, Ms. OAKAR, Mr. SMITH of New Hampshire, Mr. TALLON, Mr. TOWNS, Mr. UPTON, Mr. STUDDS, Mr. TAUZIN, Mr. ROYBAL, Mr. ROWLAND of Connecticut, Mr. SKELTON, Mr. TAUKE, Mr. ROWLAND of Georgia, Mr. BOSCO, Mr. FLAKE, Mr. CONYERS, Mr. CHANDLER, Mr. INHOFE, Mr. COYNE, Mr. HAYES of Illinois, Mr. MFUME, Mr. PASHAYAN, Mr. DONNELLY, Mr. SAWYER, Mr. GEPHARDT, Mr. SAXTON, Mr. STAGGERS, Mrs. JOHNSON of Connecticut, Mr. SCHUMER, Mr. WALGREN, and Mr. KASTENMEIER.

H.J. Res. 286: Mr. ESPY, Mr. MATSUI, Mr. WALGREN, Mr. BROWDER, Mr. SAVAGE, Mr. WOLF, Mrs. COLLINS, Mr. HORTON, Mr. BERMAN, Mr. LEHMAN of Florida, Mr. GRAY, Mr. MOAKLEY, Mr. ACKERMAN, Mr. DYMALLY, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. AUCOIN, Mr. MCGRATH, Mrs. BOXER, and Mr. BLILEY.

H.J. Res. 304: Mr. BAKER, Mr. BALLENGER, Mr. BARNARD, Mr. BEVILL, Mr. BILIRAKIS, Mr. BLILEY, Mrs. BYRON, Mr. CALLAHAN, Mr. COBLE, Mr. CRANE, Mr. DANNEMEYER, Mr. EMERSON, Mr. FIELDS, Mr. GAYDOS, Mr. GINGRICH, Mr. GRANDY, Mr. HORTON, Mr. HUCKABY, Mr. HUTTO, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LEWIS of California, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mrs. LLOYD, Mr. DONALD E. LUKENS, Mr. MCCRERY, Mr. MCGRATH, Mrs. MEYERS of Kansas, Mr. MURTHA, Mr. NIELSON of Utah, Mr. OXLEY, Mr. PACKARD, Mr. PAXON, Mr. RAVENEL, Mr. RHODES, Mr. ROGERS, Mr. ROTH, Mr. SAXTON, Mr. SCHAEFER, Mr. SCHUETTE, Mr. SKEEN, Mr. SMITH of New Hampshire, Mr. SUNDQUIST, Mr. TAUZIN, Mrs. VUCANOVICH, Mr. WALKER, and Mr. WYLIE.

H.J. Res. 318: Mr. HASTERT, Mr. DANNEMEYER, Mr. HORTON, Mr. HUCKABY, Mr. HUNTER, Mr. HOLLOWAY, Mr. TAUZIN, Mr. PAXON, Mr. HERGER, Mr. LAGOMARSINO, Mr. WATKINS, Mr. GRANDY, Mr. ROWLAND of Connecticut, and Mr. SMITH of New Hampshire.

H.J. Res. 323: Mr. BLILEY, Mr. STANGELAND, Mr. PURSELL, Mr. LENT, Mr. SUNDQUIST, Mr. PACKARD, Mr. SKELTON, Mr. RAVENEL, Mr. GOSS, Mr. GINGRICH, Mrs. MEYERS of Kansas, Mr. LOWERY of California, Mr. BURTON of Indiana, Mr. DORNAN of California, Mr. MARTIN of New York, Mr. SKEEN, Mr. INHOFE, Mr. ROWLAND of Georgia, Mr. WHITTAKER, Mr. ROGERS, Mr. SAXTON, Mr. ROBERTS, Mr. DANNEMEYER, Mr. HOLLOWAY, Mr. TAUZIN, Mr. PAXON, Mr. MCGRATH, Mr. GALLEGLY, Mr. LAGOMARSINO, Mr. PAYNE of Virginia, and Mrs. VUCANOVICH.

H.J. Res. 333: Mr. HOLLOWAY, Mr. PAXON, Mr. KASICH, Mr. SPENCE, Mr. LEATH of Texas, Mr. GALLEGLY, Mr. PARKER, Mrs. BENTLEY, Mr. MCGRATH, Mr. LAGOMARSINO, and Mr. HUTTO.

H.J. Res. 347: Mr. REGULA, Mr. YOUNG of Florida, Mr. ENGEL, and Mr. GREEN.

H.J. Res. 350: Mr. APPLEGATE, Mr. HARRIS, Mr. THOMAS of Georgia, Mr. LEATH of Texas, Mr. RAHALL, Mr. HEFNER, Mr. VALENTINE, Mr. RAY, Mr. CAMPBELL of Colorado, Mr. HUTTO, Mr. ROWLAND of Georgia, Mr. TAUZIN, Mr. STENHOLM, Mr. SOLOMON, Mr. SCHUETTE, Mr. WATKINS, Mr. PARKER, Mr. RINALDO, Mr. PAXON, Mr. MOORHEAD, Mr. HUNTER, Mr. MAZZOLI, Mr. BUECHNER, Mr. TAUKE, Mr. COUGHLIN, Mr. DUNCAN, Ms. SNOWE, Mrs. ROUKEMA, Mr. BEREUTER, Mr. SMITH of Texas, Mrs. MEYERS of Kansas, Mr. BEVILL, Mr. LEWIS of Florida, Mr. NATCHER, Mr. DYSON, Mr. SARPALIUS, Mr. JOHNSON of South Dakota, Mr. WEBER, Mr. GRANDY, Mr. MARTIN of New York, Mr. WALSH, Mr. GALLEGLY, Mr. TRAFICANT, Mr. SKELTON, Mr. MURPHY, Mr. ROE, Mr. YATRON, Mr. HILER, Mr. VANDER JAGT, Mr. MACHTLEY, Mr. CRAIG, Mr. ROGERS, Mr. GINGRICH, Mrs. SMITH of Nebraska, Mr. CALLAHAN, Mr. COMBEST, Mr. SKEEN, Mr. GALLO, Mr. DELAY, Mr. OXLEY, Mr. SENSENBRENNER, Mr. WOLF, Mr. ROTH, Mr. WYLIE, Mr. ARCHER, Mr. HOLLOWAY, Mr. HANCOCK, Mr. DANNEMEYER, Mrs. MARTIN of Illinois, Mr. CAMPBELL of California, Mr. CLINGER, Mr. REGULA, Mr. SAXTON, Mr. BURTON of Indiana, Mr. WALKER, and Mr. BROWN of Colorado.

H. Con. Res. 30: Mr. ESPY.

H. Con. Res. 47: Mr. NIELSON of Utah.

H. Con. Res. 79: Mr. GINGRICH and Mr. EDWARDS of Oklahoma.

H. Con. Res. 127: Mrs. VUCANOVICH and Mr. HASTERT.

H. Con. Res. 140: Mrs. SMITH of Nebraska, Mr. SCHUETTE, Mr. EMERSON, Mr. WALSH, Mrs. MARTIN of Illinois, Mr. HATCHER, Mr. KOLTER, Mrs. VUCANOVICH, Mr. SLATTERY, Mr. TAUKE, Mr. TOWNS, and Mr. KILDEE.

H. Con. Res. 149: Mr. LAGOMARSINO, Mr. KENNEDY, Mr. ATKINS, Ms. PELOSI, Mrs. LOWEY of New York, Mr. AUCOIN, Mr. GREEN, Mr. MILLER of California, Mr. MAZZOLI, Mr. PAYNE of New Jersey, Mr. HAYES of Louisiana, Mr. WILSON, Mr. WHEAT, Mr. FLIPPO, Mr. LANTOS, Mr. DERRICK, Mr. LELAND, Mr. HOCHBRUECKNER, Mr. DYSON, Mr. TRAXLER, Mr. FROST, Mr. BUSTAMANTE, Mr. BORSKI, Ms. KAPTUR, Mrs. BOXER, Mr. EMERSON, Mr. SHAYS, Mr. HUTTO, Mr. CONTE, Mr. QUILLEN, Mr. MATSUI, and Mr. SOLARZ.

H. Con. Res. 152: Mr. PAXON, Mr. ROWLAND of Connecticut, and Mr. ENGEL.

H. Res. 140: Mr. WOLPE.

PETITIONS, ETC.

Under clause 1 of rule XXII,

57. The SPEAKER presented a petition of residents of the 17th District of Texas, relative to the enactment of legislation to prevent desecration of the American flag; which was referred to the Committee on the Judiciary.

SENATE—*Tuesday, July 11, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable CHARLES S. ROBB, a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *God is light, and in Him is no darkness at all.*—1 John 1:5.

Eternal God, perfect in truth, justice, holiness and love—whose "life is the light of men"—let the light of Your infinite perfection penetrate our hearts and pervade our environment. Let it illuminate our petty frauds and foibles, exposing false motives, pride, selfishness, greed, lust, envy. Help us to see ourselves as Thou dost see us in our trivial charades and facades. Purge us of all that is contrary to Your perfection. Let the light of Your truth condemn our lies—the light of justice condemn our inequities—the light of holiness our evil thoughts and words and ways. Liberate us from the tiny tyrannies which immobilize our desire and determination to fulfill our mandate as leaders and which deprive the people of the best our political process promises.

In His name who is the Light of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 11, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHARLES S. ROBB, a Senator from the State of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. ROBB thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the time for the two leaders, there be a period for morning business not to extend beyond 9 o'clock, with Senators permitted to speak therein for up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess today from 12 noon to 2:15 p.m. to accommodate the party conferences.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, when morning business closes at 9 o'clock this morning, the Senate will go into the nomination of former Senator Chic Hecht to be Ambassador to The Bahamas. The vote will occur not later than 7 p.m. today.

Once the Senate completes its debate on the Hecht nomination, it is my intention to proceed to Calendar No. 130—that is S. 358, the legal immigration bill—and upon disposition of that matter, to proceed to Calendar No. 134, S. 1248, the refugee assistance authorization bill.

RESERVATION OF LEADERS' TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I also reserve the leader time for the distinguished Republican leader.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now conduct morning business.

Mr. SANFORD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina [Mr. SANFORD].

DO WE NEED ANOTHER ECONOMIC COMMISSION?

Mr. SANFORD. Mr. President, earlier this year the report of the National Economic Commission to the President and Congress was released without fanfare. The National Economic Commission was authorized by Congress, appointed by the President and congressional leaders in the House and Senate, Democrats and Republicans, and paid for by the taxpayers. The expectation was that these leaders would rise above partisan politics, and give the Nation an honest solution. They did not.

I was disappointed that a real solution was not proposed. A lot of us were disappointed, including members of the National Economic Commission. There was a very good minority report filed, but the majority report was a flop.

I was especially disappointed that after 11 months of deliberation, 11 months of carefully examining our current fiscal situation, that this Commission believes that Gramm-Rudman-Hollings is working. I am disturbed that this report called the Gamm-Rudman-Hollings deficit reduction targets "appropriate goals for budget policy over the next several years." That is nonsense, and everybody in Congress knows that it is.

The report continues to say: "These goals, if realized, * * * should result in a Federal deficit that continues to decline significantly." Anyone who has studied the budget 2 hours, let alone 11 months, knows this is a blatantly false and misleading statement. In short, this report of the majority is a copout. We should be disappointed that these distinguished leaders have shown not the least bit of political courage. They crumpled when challenged to lead. Even under Gramm-Rudman-Hollings calculations, our deficits are increasing.

Mr. President, we are not on the right track with Gramm-Rudman as the report of the National Economic Commission suggests. Our annual increases in the debt continue to climb. And furthermore, Gramm-Rudman-Hollings suggests that we are home free once we eliminate annual deficits.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

That procedure, Gramm-Rudman-Hollings, is not eliminating annual deficits; it is simply covering them up. Gramm-Rudman-Hollings does not even recognize the constantly climbing national debt.

Last month I voted for the fiscal year 1990 budget resolution that was approved by the House and Senate. I felt it was important to support new Budget Committee chairmen in both the House and Senate. I thought it was important to support the new leadership in the Senate. I thought it was important to support a new President in the White House in his first effort to produce a budget. And finally, I thought it was important to support the bipartisan spirit and early participation of the President that developed this year in trying to resolve our problems, and besides, we had to have a budget, even one that covered up the deficit and debt, just to keep the Government going.

But the fact is, we are not better off with this budget resolution. We are not making any progress toward eliminating our annual deficits and reducing the Federal debt to a more manageable level. And we continue to use, some feel abuse, the Social Security Program in the process. Under this resolution we will increase our Federal debt by at least $264 billion. That is the unvarnished deficit—$264 billion. My guess is that our bottom line figure—our real deficit, the increase in the Federal debt—will exceed $264 billion in fiscal year 1990. We cannot afford to continue this deceit.

Do we need yet another economic commission to solve our problems, or can we manage this through budget reform and future budget resolutions? I would hope we could manage with the latter, and I think before summer's end we should have a better idea.

Mr. President, it is my hope that we can solve our problems through budget reform and budget debate in the House and Senate, working with the President. However, if we cannot, the new commission suggested by Mr. Zuckerman certainly deserves consideration.

Mr. President, I ask unanimous consent that an editorial from U.S. News & World Report be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIVIDED WE FAIL

(By Mortimer B. Zuckerman)

The chief executive fiddles with the figures, in connivance with the auditors, to make 2 and 2 equal 5. He ignores a money-losing operation, concealing its losses until after the annual meeting, then siphoning money to this ailing division and hiding the transaction in financial terms by handling it off the budget. He assumes outlandish sales, then sells off capital assets to produce the revenue as if this were the equivalent of earned income. And worst of all, he risks the future of the company and the welfare of its employees by refusing to make the necessary investment in plant, equipment, R&D and worker training to be competitive in the marketplace.

Is there actually a business so craven and shortsighted? There is. It's called the United States government, and it is up to its neck in precisely these kinds of shenanigans in its mismanagement of the nation's fiscal policies—most recently illustrated by the agreement between Congress and the President on the federal budget.

Both sides proclaim that the 1990 budget meets the Gramm-Rudman deficit target of $100 billion. It does, if you believe in gremlins. The financial tricks are staggering, even by Washington standards. Some $2.2 billion is removed from the deficit by moving the Post Office subsidy off budget, as if spending the money in a different account is not the same as spending the money. Nearly $1 billion of farm subsidies for next year is put forward by one day, slipping it into fiscal 1989 in order to make fiscal 1990 look better. The budget projects selling $6 billion of federal assets and raising over $5 billion in taxes, but nobody has a clue as to which taxes. Underlying it all is a fault of seismic proportion—the simultaneous assumptions that the economy will grow faster than anyone thinks and, paradoxically, that interest rates will drop by 40 percent despite the high level of economic growth.

When the smoke finally clears, the Bush budget will break the Gramm-Rudman ceiling by at least $23 billion, according to the Congressional Budget Office, and by at least twice that amount based on most Wall Street calculations. Once again, the folks who ritually condemn deficits—and in the 1980s, the list includes leaders of both parties—will have avoided making any of the hard choices about either spending or taxes. They know that federal deficits have absorbed roughly three quarters of the net savings of Americans through the 1980s, depriving the economy of the capital necessary to make the investment we need to compete in a tougher world. And they know we cannot grow our way out of this fiscal crisis. Why do they fail to act?

Because they also understand contemporary American politics. For most of the last 35 years, with the Republicans in the White House and the Democrats in control of at least the House of Representatives, the two parties have fought each other in the interests of their partisan goals. Far too often, the result has been gridlock.

In critical times, we need to find a way to get around the paralysis of political competition. The independent commission of distinguished leaders is one possible answer. Yes, the independent commission is something of a cop-out. But so what, if it achieves results? By definition, such commissions are controlled by people who do not face the voters and who thus provide political cover to those who do. Many European nations use multiparty commissions to deal with the major issues, and we in America are going to have to develop similar institutions to make coalition government work.

The National Economic Commission was set up to deal with the fiscal crisis, but it ran afoul of the 1988 presidential politics. Still, the fundamental idea is sensible, providing leaders of both parties pledged to support the commission's recommendations. Who might serve? Well, for a start, let's try Paul Volcker, former chairman of the Federal Reserve, and Howard Baker, former chief of staff to President Reagan, as co-chairs. Add Alice Rivlin, the former head of the Congressional Budget Office, Lane Kirkland, president of the AFL-CIO, Bob Dole and George Mitchell from the Senate and Tom Foley and Bob Michel from the House.

Commission building is a game anyone can play. Deficit deception is a game in which only the American people are the losers.

FLAG BURNING

Mr. SANFORD. Mr. President, I would like to address the President of the United States. Mr. President, I hope you will decide not to ask the Congress to amend the Constitution to stop flag burning, because that means we will have to amend the Bill of Rights. For more than 200 years we have never tinkered with the Bill of Rights.

Mr. President, we love you, we love America, we love the flag, but we love the Bill of Rights.

The Bill of Rights is the foremost document of freedom in the world. It is the shining light that keeps alive the dreams of the oppressed people of the world.

In this moment of justified anger about flag burning, we must not seek an answer by doing something we have never before done. We must not change the Bill of Rights.

There is no document like it in the world. It has become a sacred trust for all the world. We must not change the Bill of Rights.

Mr. President, please seek another solution. We must not change the Bill of Rights.

I ask unanimous consent that certain editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Raleigh News and Observer, July 2, 1989]

NO REASON EXISTS TO TINKER WITH CONSTITUTION

(By Claude Sitton)

On Tuesday we celebrate the declaration that led to American independence, and that's as it should be. But we also should celebrate those rights that enabled us to keep that independence once it had been won. That is so because the most precious of those rights—that which keeps government from gagging those who would speak out against its abuses—is being tampered with, and for no good reason.

We have lived with the First Amendment as it was written for more than 200 years. Now, because one scruffy demonstrator burned a flag in a fit of protest and the Supreme Court held its nose and ruled the act within the bounds of law if not those of good taste and patriotism, these two centuries of testimony to the amendment's worth no longer suffice.

How can this be? One answer lies in the plight of a Republican president cursed by an Iran-contra scandal that will not down,

shamed by the exposure of wholesale influence peddling in the administration of which he was a part and plagued by the tyrannical acts of a Chinese runt who won't return the presidential phone call. What better way to divert the public from his predicament than to shout that Old Glory is under threat?

Old dogs don't learn new tricks. They just find new ways to play the old ones. And since the phony flap over the Pledge of Allegiance gave the Bush campaign such a good run up the gutter last year, why not conjure up another romp through the fevered swamps of jingoism?

Then there's the Democratic Congress, embarrassed by the ethical transgressions of some members, beset by factional strife and scared stiff of the ultra-conservative ayatollah among its membership. The dispute over the Supreme Court's decision give both Democratic and Republican members an irresistible opportunity to shore up their right flank with a cheap shot at the justices. And few senators and congressmen have the courage to pass it up.

No question, disrespect for the flag is deplorable. However, that which I see comes from residents who subject it to the vagaries of the weather and forget to lower it at sundown, men who flaunt it in their buttonholes and juveniles who wear it on their backsides.

I've never burned a flag and don't intend to. The closest I've come to seeing that occur happened when a Japanese Zero raked the mast of my LST with tracer fire while the ship was landing troops on a Leyte beach in the Philippines in World War II. In my book, flag-burners deserve about the same respect as pandering politicians who wave it to whip up the emotions of the mob for partisan purposes.

Nevertheless, given the "kinder, gentler" mood with which George Bush has blessed this country, these demagogues may well succeed in passing a constitutional amendment for ratification by state legislatures. Our ayatollahs no doubt are panting over the prospect this offers for posturing as defenders of the flag and portraying opponents as traitors. This, don't forget, is a time and place when Richard Nixon can serve as a money-magnet for a Tar Heel GOP fund-raiser, which raises the question of why the Republicans didn't just pass up the old Watergate coverup artist and raffle off a few HUD contracts?

Other than the politicians, about the only groups that can hope to profit from flag frenzy are the world exporters of junk and their American middlemen. No doubt Tokyo's entrepreneurs will dream of the old days. It was their factories that once supplied us with miniature flags and other patriotic trinkets instead of the Nissans and Toyotas that have put Detroit iron out to rust.

This dispute in no way pits right against left. After all, the Supreme Court's Scalia and Kennedy, the Senate's Humphrey and columnist Kilpatrick are hardly liberal pussycats and to a man they say the court's decision is constitutional. Instead, it arrays defenders of the Constitution against those who would let one demonstrator's insult to the Republican Party and his flag deceive us into carving up one of our highest statements of democratic principle.

That principle is embraced in the First Amendment, which provides that: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievance."

True patriotism, then, calls on us not only to celebrate the declaration of our independence next Tuesday and the rights that enabled us to keep it secure but also to consider what is needed now to protect those rights from the flag-wavers who would do them harm.

[From the Charlotte Observer, June 23, 1989]

FLAG-BURNING AND EXECUTIONS

EVENTS IN CHINA HELP PUT COURT DECISION IN PERSPECTIVE

On Wednesday the government of China carried out the first three death sentences against people involved in the demonstrations for democracy that were brutally crushed in Beijing more than two weeks ago. On the same day, the U.S. Supreme Court ruled that the Constitution protects an American's right to burn the American flag as an expression of protest.

There could hardly be a starker illustration of the most fundamental meaning of freedom under law than the juxtaposition of those two events.

The Chinese executed three workers convicted of torching a train that had plowed through a barricade and killed six of their fellow demonstrators. But in the larger context of events in Beijing in recent weeks, that is hardly more than a technicality. Does anyone doubt that their real crime was their involvement in the protests, or that the government's real purpose in the flood of executions this week is to warn other citizens of the dangers of participating in the demonstrations? And the rush from arrest to execution was so swift that it mocked any meaningful concept of justice.

Meanwhile, a lot of Americans are deeply offended by flag-burning, and they ought to be. The flag represents so much struggle, so much sacrifice, so much hope, and most of all, so much freedom, that we ought to cherish it and be offended by its desecration.

The fact that the high court decision came on a 5-4 vote demonstrated just how emotional an issue it is. The case was not a difficult call intellectually. Part of what makes the flag so dear is that it symbolizes freedom of expression. So, while we are offended by any desecration of the flag, the greater desecration would be if that freedom of expression were denied in the case of flag-burning.

Yet four of the nine justices disagreed. In their dissents they quoted patriotic poetry, and one dissenting justice's voice was described as quaking with emotion as he read. While he was speaking for a court minority, he might well have been speaking for a majority of American citizens.

Perhaps the brutal crushing of demonstrations for democracy in China and the continuing oppression and execution of protesters there will help Americans understand and appreciate the court's controversial decision. It protects everyone's freedom to protest against the government, even by means that many people find offensive. That is perhaps the most meaningful freedom of all. Anything that denies it in the case of one form of expression threatens it in the case of every other form of expression.

[From the Raleigh News and Observer, June 29, 1989]

OTHER FLAMES TO FAN

The last flag-burning most Americans witnessed came over the airwaves in the Vietnam war protests of the 1970s. Even in those turbulent and torn times, it was a despicable act. It accomplished nothing and drew attention not to a cause, but to the shabby individuals involved on its fringes.

The American flag is not a symbol of war. It flies not just over military installations or political conventions, but in front of homes on Main Street, and at places like Arlington National Cemetery, where it represents the nation for which the brave made the ultimate sacrifice.

The flag is not partisan—liberals fly it with the same verve as conservatives, Republicans with the same goose bumps as Democrats.

But President Bush's call for a constitutional amendment that would prohibit desecration of the flag threatens to make Old Glory a purely political issue. It already has prompted much windy rhetoric from Capitol Hill, where members of Congress are stumbling over each other to get to the podiums for some stem-winding oratory on their close personal relationships with the flag.

In the meantime, the nation's business—cleaning the environment, improving education, nuclear arms reduction, dealing with the Soviet Union, responding to the trouble in China—gets stalled as attention wanders to a sure-fire campaign winner, standing up for the Stars and Stripes.

The emotion attached to the flag is pure and strong. Those who fought for this country, were wounded, or lost loved ones in defense of democracy—and for that matter, all Americans—have every right to wave it, defend it and let their anger be known when the symbol is abused. But those who would legislate respect for the flag underestimate it.

A conservative U.S. Supreme Court does not. It ruled that the First Amendment to the Constitution protects the rights of those who would burn the flag, just as it protects the freedoms of those from different cuts of cloth—racial, religious and ethnic—who make up the patchwork that is America.

President Bush can get on to other, tougher chores and accomplish more for the nation than leading the charge up Patriotic Hill. He needn't worry about Old Glory. She can take care of herself. Be it at full mast, half mast, torn, tattered or singed, it is still the flag, stronger and more enduring than any bum who would defile it.

[From the Raleigh News and Observer, July 4, 1989]

FREEDOM'S FOURTH, FOREVER

America marks the 213th anniversary of independence with fried chicken, apple cider, brass bands, family reunions, fireworks and, undoubtedly, a departed and perplexed Betsy Ross wondering what in the world is going on with the red, white and blue descendants of her hand-sewn creation.

The Fourth of July celebrates the Declaration of Independence, this nation's birth certificate. More important to the independence of contemporary Americans are the freedoms embraced by the precious Bill of Rights, which The News and Observer traditionally honors by reprinting on this page.

Tumult around the world shows just how important those rights are—to good govern-

ment, and to the hearts of freedom-lovers everywhere. The Soviet Union wrestles uncomfortably with democracy, with Mikhail Gorbachev finding it a raucous process. China learns the costs of suppression as its image grows tarnished, and the families of those killed in the battles there learn the costs of freedom in a far more devastating way.

Why do they argue, why do they fight—these peoples who were so long complacent with a way of life? Because they have tasted freedom—little freedoms granted them by a begrudging leadership out of fear of revolt or economic collapse. And once there is a taste, nothing else is quite as satisfying.

The uprisings abroad ought to rekindle American patriotism, and shake the cobwebs off rights too often taken for granted. The Soviets and the Chinese want a voice; Americans have had it for over 200 years. Peoples around the world seek the right to vote; Americans have it, but exercise it haphazardly. In other countries, there is little freedom to work for a fair wage and spend the earnings as one wishes; Americans do it every day.

On this grand old day, America finds itself astir over the grand old flag. The Supreme Court has said that flag means freedom—even when that freedom is abused by some to burn Old Glory.

The argument has boiled to the point where President Bush pushes to make burning of the flag unconstitutional, where members of Congress threaten to trample one another en route to the bandwagon. It is a peculiar dispute, for in all the parades today, in all the marches, at all the fireworks displays, few if any flags will burn. And Southerners, in particular, cannot help but note the long-standing practice among some self-appointed patriots of burning another potent symbol—the cross.

Instead of worrying about the red, white and blue, which will endure petty insults, Americans could better spend time thinking about the Chinese and the Soviets and the repressed peoples of the Third World, who think not, dream not, of symbols, but of freedom itself. They yearn to breathe free, just as Americans did before they broke the yoke of a king.

America should share that yearning still, celebrate it, contemplate it and appreciate it. Think of that, then, at today's parade or at the family picnic. Aunt Martha's chicken may have some gristle, Grandma's rice may be sticky, and the cake may be a little dry. But freedom always tastes sweet.

[From the Winston-Salem Journal, June 29, 1989]

AMENDMENT IS WORSE—BURNING FLAG A BAD IDEA

There is a difference, one that appears to be lost on many Americans, between impassioned condemnation of the act of burning the American flag and calling for a constitutional amendment to prohibit that act.

Most Americans would never dream of burning the flag, and bristle at the notion that it is constitutionally condoned. Burning the flag is thumbing your nose at the country. Maybe it isn't flawless, but what better place is there on the face of the earth than the good, old United States of America? Most Americans would quickly answer, "None!"

But one of the reasons that the United States is so treasured by its citizens—indeed, the primary reason—is that power flows from the governed to the governors and not the other way. The individual is not a servant of the state; the states serve the people. That makes the individual special. That makes you special.

To accommodate this individuality, the United States has devised laws that are broadly tolerant of differences between individuals and permit free expression of those differences. Americans can disagree openly with their government, without fear of reprisal from the state.

It is to be hoped, of course, that such disagreement will be civil, reasoned, even constructive. But faced with My Lai, Watergate and a host of other scandals that seem to deny what most people believe the American flag stands for, it is not inconceivable that a flag burning in protest of what is seen as anti-American behavior in government could be understood as a patriotic act. That doesn't mean it is a patriotic act, but the intention may be.

Would you criticize an American during the Revolution for burning a British flag? How about just before the hostilities were declared?

What is sacred here is an ideal, not a piece of cloth. When we lose sight of the ideal, as it is embedded in the Bill of Rights and the words from the Gettysburg Address about "government of the people, by the people and for the people," the piece of cloth may remind us. But it may also symbolize, for some, the losing sight.

A constitutional amendment prohibiting the burning of the flag is a bad idea. Just because burning the flag is a bad idea doesn't mean there ought to be a constitutional amendment prohibiting it. Such an amendment would diminish the value of the flag as symbol of the American ideal and probably would do little, if anything to protect the flag from occasional burning.

One suspects that among the most vehement supporters of an amendment forbidding flag burning would be members of the Ku Klux Klan. Most of them would miss the irony in the comparison between a burning flag and a burning cross.

Mr. SANFORD. I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Missouri [Mr. BOND].

MICHAEL ALAN WOODS

Mr. BOND. Mr. President, I rise today to pay tribute to a dedicated public servant and a very good friend, Michael Alan Woods. His loss is one which his family and friends feel most deeply. In addition, all of us who have followed his career in public service recognize that this country has lost an outstanding public servant who had the potential to contribute so much more to his nation and to less fortunate people throughout the world, whom he was dedicated to serving.

Most recently, Alan has served as Administrator of the Agency for International Development. At the age of 43 he had already established a long record of public service.

Alan grew up in Mexico, MO, where he graduated from Mexico High School. It was there I got to know Alan as we played tennis together and talked.

As I recall, Alan did not have a great deal of natural tennis ability but he had the desire. As he told my distinguished senior colleague, Senator DANFORTH, he believed that playing tennis would give him an opportunity to see the world; our town tennis team traveled to places like Moberly, Marshall, Columbia, and Jefferson City, MO. But as Senator DANFORTH said at the memorial service for Alan, his horizons soon expanded beyond central Missouri.

When he went on to higher education at Park College near Kansas City, MO, his hard work enabled him to play No. 3 on the college tennis team. Before he graduated from college, his interest in and commitment to public service led him to take a position with Congressman Bob Ellsworth, of Kansas. His horizons continued to broaden and he moved to Washington, where he graduated from American University.

In 1968 he served as press aide to Richard Nixon during the 1968 Presidential campaign and was appointed by President Nixon as Assistant Press Secretary.

In 1970 he came home to Missouri to run my successful campaign for State Auditor and then returned to Washington to serve as vice president of Bradley Woods and Co., a political and economic research firm.

After the 1972 election, he came back to Missouri once again to serve as my chief of staff in the Governor's office in 1973 and 1974. In 1974 he went back to Washington to serve as Deputy Director of the Personnel Office in the White House of President Ford. In 1975 he moved to the Pentagon to serve as civilian chief of staff and senior adviser to the Secretary and was confirmed in 1976 as Assistant Secretary of Defense.

With the change of administration in 1977, he again entered the private sector as Vice President of DJA International, where he was responsible for defense and civilian aerospace activities. He was also briefly vice president for technology at Sears World Trade, where he took the highly unusual step of recommending that the company abolish his particular division and thereby his job. He served thereafter as President of International Services Corp., a consulting and international marketing firm. In the fall of 1985, he was nominated by President Reagan and confirmed by the Senate as Deputy U.S. Trade Representative where he was responsible for sectoral trade negotiations affecting manufacturing, agriculture and service industries. At the USTR he was the lead negotiator with Canada on lumber and also on United States market access to Portugal and Spain.

In the fall of 1987 he was nominated by President Reagan and confirmed for the position of Administrator at AID where he promoted market-ori-

ented economic policies, believing they and free and open trade held the key to progress in developing countries.

In June of last year when he returned from a trip abroad he learned that he had contracted cancer of the colon which had spread to the liver, but despite the physical pain and trauma of his illness, he remained committed to his mission of improving U.S. foreign aid programs. In November of 1988, President-elect George Bush asked him to continue in his position at AID.

Earlier this year, under his direction, AID released a report, "Development in the National Interests: U.S. Economic Assistance into the 21st Century." That report argued that what can be accomplished with foreign aid is limited when recipient countries pursue inappropriate economic policies. Despite the progress of the disease he continued to urge concentrating U.S. aid assistance on sustainable development, making that appeal in one of his last appearances at Park College, where he served on the board of trustees and was awarded an honorary doctor of law degree. He argued that aid should be a temporary bridge to private support and self-sustained growth.

Throughout his distinguished career, Alan remained devoted to his hometown of Mexico which this January gave him the Mexico Area Chamber of Commerce Ambassador Award, for the Mexican who brought great statewide and national credit to the Mexico area.

During the times I talked with him in his last year, he rarely mentioned his illness but talked about the challenges of helping and serving others.

When it appeared that the treatments being provided him at NIH were not succeeding in countering his illness, he pursued a nontraditional treatment with a doctor in New York in whom he had great trust. It is typical in my view of Alan that this spring he was expressing his greatest enthusiasm and excitement that his doctor had discovered a new and better means of treating AIDS. He was greatly encouraged by the hope that the suffering of others could be alleviated by this breakthrough.

Alan loved people and was a devoted and loyal friend. During the course of his final illness, he and his family received great comfort from the many friends from all walks of life who showed their friendship and support.

President Bush called Alan "a personal and professional friend who served his country with compassion and distinction. Alan was committed to focusing AID's work on promoting growth in developing countries. He cared deeply for those people around the world who needed our help."

That statement clearly captures the essence of Alan Woods' life and service.

A former colleague, good friend, and now nationally syndicated columnist Ken Adelman wrote:

> In an age of scandal mongering, with Washington awash with slurs of skullduggery, Alan stands as a shining symbol of what is right about those who serve.

Adelman stated that the story of Alan Woods shows that America is great since those who serve are generally good. He closed his tribute to Alan with a quote from elegy for a man:

> Leave nothing to repent, richly did he live, prodigal of life he spent all that life could give.

Also as a tribute to Alan, Carol Adelman succeeded in dedicating the July 2 meeting of the Philippines Consultative Group in Tokyo to the ideas and ideals for which Alan gave the last full measure of his devotion. She summed up Alan's life with two quotes:

"Nothing great was ever achieved without enthusiasm," wrote Ralph Waldo Emerson. Though short, Alan's life was filled with enthusiasm, as he lived for ideas. "Ideas," said John Stuart Mill, "are one of the chief elements of social power since what men think determines how they act."

His hometown newspaper, the Mexico Ledger, said:

> Few individuals feel the call to public service as strongly as Alan Woods did. Fewer still are capable of sustaining Mr. Woods' high level of service to their country.
>
> That is one of the many tragedies surrounding Mr. Woods' death Thursday after a long battle with cancer. * * *
>
> Alan Woods accomplished so much in his 43 years. His future was full of promise for still more contributions to his Nation.
>
> The measure of a man's life is sometimes taken by the sense of loss at his passing.
>
> Alan Woods loss is felt so deeply because he had made his life so meaningful.

In his honor his many friends in Mexico have established the Alan Woods Memorial Scholarship for International Affairs. It is our hope that the scholarship fund will encourage students who come from Alan's hometown to show the same concern and commitment for a world community which Alan exhibited. Also, his beloved Park College is establishing a new Alan Woods International Business Management Program. This program will focus on foreign languages and an understanding and appreciation of the cultures in other countries. I can think of no finer tribute than to honor his memory by providing opportunity for future generations of students who study and learn the area of service to which Alan was so dedicated.

Our sorrow over his passing and tremendous loss his young family has experienced cannot be lessened. Our hearts, our prayers, and our friendship go out to his lovely wife, Cameron Derby Woods, who served this body in the Sergeant of Arms office, and to his young daughters, Alexandra and Caroline, and to his parents, Darlene and Donald "Smokey" Woods, of Mexico, MO.

For all of Alan's many friends, his example of friendship and service will live in our hearts forever. As a friend he was always there when we needed him and he was always ready to put his own self-interest second to the needs of others. He believed passionately in the goals of public service he pursued and he never let his travail interfere with his pursuit of noble objectives.

I ask unanimous consent to have printed in the RECORD tributes of Alan Woods.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO ALAN WOODS

(By Carol Adelman, Philippines Consultative Group Meeting, Tokyo, July 2, 1989)

Before we begin the formal sessions of this Consultative Group Meeting, I would like to say a few words about my good friend, Alan Woods.

Alan died last Thursday. He had battled cancer ferociously but he died peacefully.

He was born and raised in Mexico, Missouri—a very small town in America's Midwest. Who knows what took him to the East Coast to enter the fast track of politics, government, and business. His mother told me last week that when he left, she knew Alan was on his way to a different life for good.

He had an amazing varied career: politics, public relations, business, defense, trade, foreign aid. He did a lot of things well. But it was to government and public policy that Alan gave his most time and attention.

In contrast to his predecessors, Alan worked to change systems. James Baldwin said, "The world is before you, and you need not take it or leave it as it was when you came in." And this he did with his dedication and work to overhaul the Foreign Assistance Act of 1961. He worked to reorient foreign aid to support sustainable development through broad-based economic growth. His report, "Development and the National Interest," lays down a marker for the international donor community to look carefully, as he did, at the experience of those countries that have developed through the right policies and free institutions, not simply large foreign aid transfers.

"Nothing great was ever achieved without enthusiasm," wrote Ralph Waldo Emerson. Though short, Alan's life was filled with enthusiasm, as he lived for ideas. "Ideas," said John Stuart Mill, "are one of the chief elements of social power since what men think determines how they act."

As all of you know, Alan was committed to those same ideas we have been discussing together here in our partnership for development and democracy in the Philippines. I hope you will join with me in dedicating this Consultative Group Meeting to the ideas and ideals for which Alan gave the last full measure of his devotion.

[From the Washington Times, July 6, 1989]

A SHINING EXAMPLE OF SERVICE

(By Ken Adelman)

The story line is frightfully familiar: A gifted youth leaves small-town America to

serve his country, only to be struck down in his prime.

Still, the story of M. Alan Woods—head of our huge overseas development program, who died last Thursday of cancer—shows again how America is great since those who serve are generally good.

In an age of scandal-mongering, with Washington awash with slurs of skulduggery, Alan stands as a shining symbol of what's right about those who serve.

For above all, Alan Woods was a good person. He had to be, hailing from the mini-town of Mexico, Mo., and reared on old-fashioned values. As a colleague wrote upon his death, "Alan Woods loved America. He loved to watch the Color Guard of the U.S. Armed Forces present arms and to hear the Marine Band play."

After completing a few years at Park College, Alan headed for Washington, D.C. He told the hometown folks he was off for one semester at The American University. But his father knew better.

Alan took to Washington like a duck takes to water. He took his first dip in politics, after graduating from The American University, as press aide to Richard M. Nixon during his 1968 campaign. Funds were scarce at first, so Alan slept nights in the bathtub of the candidate's New York apartment.

Hardship turned into glory as Alan entered the White House press office to handle press for foreign presidential trips.

As Alan moved up, he never puffed up. He stayed the Man from Mexico, Mo., through key posts, one as the youngest assistant secretary of defense in history. That's when he and I first worked together, under remarkably capable, though hard-driving Defense Secretary Donald Rumsfeld.

And that's when I observed Alan's keen judgment, incredible integrity and can-do spirit. His cheerfulness was infectious, his competence staggering for a 30-year-old. Alan's ego never got in the way of solving any problem pitched his way.

After returning to Missouri to run two successful compaigns and the governor's office for now-Sen. "Kit" Bond, Alan headed back to Washington. President Ronald Reagan wisely chose him as deputy U.S. trade negotiator and then administrator of the Agency for International Development.

President George Bush wisely asked Mr. Woods to stay in charge of the $6 billion foreign aid program, to which he gave the last full measure of his devotion.

He again remained the Man from Missouri with its "show me" approach. He searched to learn and then to teach, not what made poverty but made prosperity.

The result was his historic contribution, the Woods Report, laden with facts and figures to distinguish development from welfare. As Mr. Woods explained, the United States "needs to concentrate our scarce foreign aid resources on sustainable development—not just the giving of aid. Government-to-government aid should be a transitory bridge to private flows and self-sustained growth."

Typically Woodsian, he did not rest on the laurels of that widely acclaimed report. Ideas have consequences. Path-breaking intellectual work beckons action. So Alan embarked on a rewrite of the aid legislation, which has grown topsy-turvy over the years to become a themeless pudding.

No greater legacy could be bestowed than to have the Woods Act implement the Woods Report. This Alan could not achieve since he then took on a tougher challenge.

One day I visited Alan when he was hospitalized for colon problems. He was cheerful as ever. As I began to leave, he mentioned that tests he just received showed some signs of cancer.

I was bowled over. Alan wasn't. It was another thing to fix, another battle to wage, another job to do. Grit, not remorse, filled his face.

Strangely, Alan's life seems complete, even though he was only 43 when he left. For he lived two years for every one he was given. "Be life long or short, its completeness depends on what it was lived for," Longfellow wrote.

For us, the pain of losing a friend who had a vibrant wife and two little girls, a toddler and a 2-year-old, stings. But Alan still lives on Earth in the acts of goodness he performed and in the hearts of those who cherish his memory.

In short, Alan still lives on Earth in ways that really count. As his hometown paper, the Mexico (Missouri) Ledger, editorialized, "Alan Woods' loss is felt so deeply because he had made his life so meaningful."

There's no better way to leave Alan than to quote "Elegy For a Man":

Leave nothing to repent
Richly did he live.
Prodigal of life, he spent
All that life could give.

[From the Mexico (MO) Ledger, June 30, 1989]

ALAN WOODS DID MUCH IN HIS 43 YEARS

Few individuals feel the call to public service as strongly as Alan Woods did. Fewer still are capable of sustaining Mr. Woods' high level of service to their country.

That is one of the many tragedies surrounding Mr. Woods' death Thursday after a long battle with cancer.

His resume was impressive: a congressional assistant, assistant press secretary to President Nixon, chief of staff to then-Gov. Christopher Bond, assistant secretary of defense, vice president for technology of Sears World Trade, deputy U.S. trade representatives and director of the Agency for International Development (AID).

But more impressive than his resume was the consistent quality of contributions he made at each level he served.

In Missouri government, he was a key figure in implementation of the state's reorganization efforts. As vice president of Sears, he had the courage to recommend the elimination of his own job. As deputy U.S. trade representative, he was a strong advocate of open trade policies. As administrator of AID, he was pressing Congress to revamp the law governing foreign assistance, urging that U.S. aid be considered a "temporary bridge" toward self-sustainable growth in recipient nations.

Along the way, at every post, Mr. Woods expressed pride in his hometown, Mexico, Mo. And behind the scenes he played a quite, but important, role in assuring his hometown would continue to grow and prosper.

He had many special skills; however, one was his hallmark. He was a dedicated Republican, but master of the art of bipartisanship. As one of his associates said, he had a "very likeable way of disagreeing without being disagreeable."

Alan Woods accomplished so much in his 43 years. His future was full of promise for still more contributions to his nation.

The measure of a man's life is sometimes taken by the sense of loss at his passing.

Alan Woods' loss is felt so deeply because he had made his life so meaningful.

Mr. BOND. I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Chair.

(The remarks of Mr. HARKIN pertaining to the introduction of S. 1282 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

RURAL HEALTH CARE

Mr. HATCH. Mr. President, I would like to share with the Senate several articles that appeared recently in the Salt Lake Tribune. These articles provide a summary of the challenges that are facing rural hospitals and care givers. There are also examples of innovation and dedicated service.

I hope placing these articles into the RECORD will generate a heightened awareness of the challenges that are facing health care delivery services in rural areas. There is a real threat facing those who live in rural areas, predominately the elderly and disadvantaged residents.

I ask unanimous consent that the articles be printed in full in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune]

LIFEFLIGHT PLANE HELPS S. UTAH

(By Anne Palmer)

ST. GEORGE.—The sound of a helicopter flying low overhead signals a bad accident on the Wasatch Front, and the racket is sometimes a nuisance.

But consider living in Pioche, Nev., or having an accident on Lake Powell, where residents haven't had the luxury of that nuisance. Until this month, when a fixed-wing air ambulance was acquired by Dixie Medical Center, a bad accident in southern regions meant a long ambulance ride over rough highways to St. George.

Officials at Dixie Medical Center expect that situation to be remedied with the dedication of a Cessna 441 Conquest II capable of landing on short, hot runways, at high elevations. A flight team will be available at all hours.

The ambulance's first flight was May 3, and since then, nine emergency transports have been made. Hospital officials expect three or four emergency flights each week. They estimate that half those transports will be bringing patients from outlying areas to Dixie and half will be taking patients from Dixie to Northern Utah facilities for

neurological, neonatal or specialized cardiac care.

"This is a new thing for rural care, and with all the bad things that have been snowballing in rural medicine, this is incredible," said Lifeflight coordinator Kim Jensen.

Dr. Steven Van Norman, director of emergency services, maintains the new capabilities will dramatically improve pre-hospital trauma care, speeding transport to Dixie and reducing by half the time it takes to get a critically injured patient to a tertiary care center. Lifeflight will serve communities in southern Utah, eastern Nevada and northern Arizona in a 2,000-mile region.

The service will be integrated with the expert Lifeflight network based at LDS Hospital. Both are Intermountain Health Care facilities.

Need for the service is obvious, said Dr. Van Norman.

"A CT scan costs $1 million, and at that price there's a limit on how much of that technology you can provide. One way to give people better health care is instead of taking technology to them, to have a way of bringing patients to the technology in their time of need. That's why having a fixed-wing air ambulance service is so important to a place like St. George," he said.

"When somebody is involved in a car accident and has a head injury, we'll be able to get him to a scanner while we can still do something about it."

With Lake Powell, Zion National Park, and other popular recreation areas nearby, bad accidents are not uncommon.

Before Lifeflight, communities were without emergency service while crews traveled long distances to outlying areas. "One rural problem is you don't have a lot of highly trained people. If you pull EMTs out for a four- or five-hour road-trip transport, that community is left uncovered. You can still protect it with flights," said Dr. Van Norman.

"We've had real sick people come in from Kanab before, and that's a 1½-hour drive. It's an 18-minute plane ride," said Mr. Jensen.

[From the Salt Lake Tribute]

RURAL PHYSICIAN ASSISTANT GAINS NATIONAL RECOGNITION

(By Anne Palmer)

BICKNELL, WAYNE COUNTY.—Elmo Taylor, the man who for eight years has provided medical care in a community where no doctor is willing to work, has just been named the rural physician assistant of the year for the United States by the American Academy of Physician Assistants.

Most of the patients who come from nine surrounding communities to see him probably don't know that, because Elmo M. Taylor, P.A., is not one to brag. He doesn't show off or take much credit, he just works all the time and occasionally wonders why he's not out catching trout.

"I'd like to get out with my family more. Sometimes I sit looking at Boulder Mountain and wonder why I'm not up there fishing instead of in here seeing patients," he said, gazing out the window of the Wayne County Medical Clinic just outside of Capitol Reef National Park.

He doesn't get out there much because there has been no one to cover for him if he did. When he can persuade another physician assistant or nurse practitioner to cover long enough to take a real vacation, he takes courses to update his medical skills.

"I'm on call 24 hours a day, seven days a week," said the Loa resident, who out of all the physician assistants in the country—most of whom work in medically underserved areas—was singled out this year for recognition.

I wish we had 50 Elmo Taylors, because we could use them," remarked Jim Przybilla, manpower and marketing specialists for the state bureau of local and rural health systems.

Mr. Taylor staffs one of three federally funded community health centers in rural Utah and is representative of the many physician assistants who are the sole providers in rural Utah communities. Under the Public Health Service Act, community centers were established in areas where populations cannot sustain private medical practices. Because many clients of the clinics are low income, fees for services are established based on patients' ability to pay.

"I guess this is the closest thing to being an old-time country doctor, working out of his bag, kind of thing. There's a lot of job satisfaction working with people here, and that makes the job easier," said Mr. Taylor.

"That's one of the biggest problems in a rural setting—finding coverage. But that goes with the job. A lot is said about burnout. There's been times when you get a little discouraged, but it's never as bad here as in the Army," he acknowledged.

Like many physician assistants, Elmo Taylor's medical education began while he served as a field medic for a year in Vietnam. After his stint in the Army, he enrolled in the University of Utah's physician assistant program.

Physician assistants work under the distant supervision of neighboring physicians who consult on cases, review medical charts and oversee drug prescriptions. Mr. Taylor's preceptor and the Physician Director of the Wayne County Medical Clinic is Richfield physician Randy L. Rogers.

"One of the main things that attracted me to the P.A. program was that it was dedicated to providing health care in rural areas. I wanted to work in a rural area," explained Mr. Taylor, who was raised in St. George, which compared to his 2,100-person community is virtually metropolitan.

"There are times when it's hard living out here. It's frustrating to have to go all the way to Richfield to buy a pair of shoes and not finding what you want. There are a lot of pluses and a lot of concessions that have to be made," he observed.

[From the Salt Lake Tribute]

UNIVERSITY OF UTAH MEDICAL SCHOOL GRADUATE LOVES LIFE AS A COUNTRY DOCTOR

(By Anne Palmer)

PAROWAN, IRON COUNTY.—Until she took a job running the Iron County Medical Clinic, Ellen F. Gardner ran race horses.

"I kept getting thrown off on my head. That must have been it because after eight years of training race horses I started missing the neurosciences," she laughed.

The falls don't appear to have hurt her any, and when she's not seeing patients Dr. Gardiner still enjoys equestrian work. But sometime during the course of medical school she concluded that she was best suited to working with people, and she decided to become a family physician in a rural medicine practice.

When she completed her residency training last June, Dr. Gardiner decided to join her sheep-herder husband in Paragonah and reopen the Iron County Medical Clinic. It had been five years since the last doctor left town.

Last August the clinic was established in the cheapest location Dr. Gardner could find—right next door to the Justice of the Peace in the Iron County Courthouse. For the residents of Parowan, Paragonah and Beaver who now count on her for their medical care, it's a good thing Ellen Gardner was hard headed.

In medical school at the University of Utah, she resisted those who tried to discourage her from becoming a family practitioner.

"There's a lot of pressure against going in family medicine in medical school," she noted.

"If you decide to go into family medicine, you're the stupid one because you're not specializing. You're not the smartest one in any field. We took terrible abuse in the obstetrics program although I've heard family practice residents score the highest on their board exams. Still, you always feel like the stupid one," she recalled of her recent education.

Dr. Gardner maintains the educational system also is stacked against students from rural areas, the people who are most likely to become rural doctors.

"Unfortunately, it's so competitive to get into medical school you need straight A's, and farm kids aren't going to have those kind of grades. You can't afford the time it takes to be a bookworm when you have chores to do," said Dr. Gardner, who grew up in any thing but a small town—Dallas, Texas.

She chose to go into a rural practice for the same reason nearly all country doctors do—she likes the people she sees and she likes the lifestyle.

"I love living in a rural area. The people here are so honest. I really like them. They're so unpretentious. And there's a subtle sense of humor. I guess you could find that anywhere, but I think there's a higher percentage of people like that in the country," she smiled.

Dr. Gardner sees between 10 and 20 patients a day, a heavy load by most physicians' standards. Although she is on call 24 hours a day and every day of the week, so far she hasn't minded.

Her patients, for the most part, are older people. "I see a lot of congestive heart failure, chronic high blood pressure and cancer screening. I see losts of skin cancers. And diabetes. I had one man in here this week and I had to get him started with insulin injections. They come in here with their blood sugar sky high and wonder why they don't feel so well," she laughed.

Also, because farming and ranching are the main source of employment in the area, she sees a lot of people who have had farming accidents.

One thing she does not do is deliver babies. Like more and more of the family physicians in rural Utah, she foregoes obstetrical practice because it is guaranteed to impinge on two necessities—money and sleep. She can't afford the costly malpractice insurance or spare the late night and early morning hours obstetricians must be available.

She refers maternity patients and those who require the care of specialists to Valley View Hospital in Cedar City, a facility owned by Intermountain Health Care, the corporation that also pays her salary.

"IHC is helping me get started. They pay my salary and [her assistant] Sandra's. I couldn't have set up a practice after accumulating bills in medical school. Medicare pays almost nothing back, and most of the

people don't have any other insurance," she explained.

Because so many patients who come form surrounding communities have no insurance, and Medicare reimburses physicians in rural areas at a lower rate than urban doctors, her practice is very different from those most of her classmates entered.

"In other programs, they teach you to be heavily reliant on running tests and consulting other doctors. People just can't afford to go down to Cedar and get several hundred tests done and maybe get on some trials for new medications. We just try to do the best we can with what we've got," Dr. Gardner said.

"A lot of students perfer to be in a major center where they see new things all the time and can always get a second opinion. That's the advantage of being at a big center, but I find it frustrating," shrugged the soft-spoken Texan.

[From the Salt Lake Tribune]

SMALL TOWNS CREATE NURSES BY MAIL

(By Anne Palmer)

The shortage of nurses is severe nationwide, and in the competition to fill vacancies, small-town hospitals are at the greatest disadvantage.

After learning the hard way that students who leave home to attend nursing school on the Wasatch Front rarely return, rural Utah hospitals developed innovative ways of bringing nursing education to their towns.

At Sevier Valley Hospital in Richfield, five licensed practical nurses have just completed a correspondence course to upgrade their degrees and gain skills necessary to become registered nurses. At Dixie Medical Center in St. George, nurses are being taught new skills by working on a hands-on computer system.

The chance to become a registered nurse by mail appealed to some of Sevier Valley's employees because it gave them a chance to learn more complex skills without abandoning their jobs or families. When the correspondence program was proposed, it was the only opportunity in town.

Two of the hospital's practical nurses completed the correspondence program with success years ago, and the hospital concluded it was worthwhile to pay the students' tuition.

"One of the struggles in a rural community is that educational opportunities just aren't available. Our hospital has a tuition reimbursement policy, but so what? It doesn't do any good without educational opportunities," said hospital administrator Ken Armstrong. While hospital officials realized that taking college courses in addition to working full-time and caring for patients and families would be stressful for the nurses, they felt the correspondence course was the most viable option for improving patient care.

"We'd love to hire registered nurses from somewhere else, but they just don't exist. The fact is, we can't recruit them into the area. There is nothing here to attract single women, and it's difficult for spouses to find employment. We can spend all the money in the world on recruiting and not bring any nurses into the area," he lamented.

The nurses who accepted the challenge—Leslie Abraham Marilyn Kasiske, Sharon Taylor, Terri Huddleston, and Joan Anderson, agreed that the course work was the greatest academic challenge of their lives. It required that they study independently for about three hours a day, and meet together for more studying and classes one day a week while each maintained her four, 12-hour shifts each week at the hospital.

"I've had to just tell myself that this is my time to be selfish and that ultimately my family will benefit from this," remarked Ms. Abraham. "It's been difficult, but they understand."

"I don't feel quite so guilty as if I had to go away because I can spend more time with my family than if I went off for weeks at a time," said Ms. Kasiske.

Diplomas by correspondence, a program initiated by the New York Regents, "allows us to take the best of our LPNs, our best employees and help them grow. One real advantage is we're dealing with people we know—people we would want to have as registered nurses in our hospital. There's no inherent risk because you know that person's credibility. That's something you can't establish from an interview or by checking on a prospective employee's credentials," Mr. Armstrong observed.

Doing the course together was the only way it could have been done, the nurses agreed.

"There's been a lot of blood, sweat and tears in it for them. It is not easy to do," said Mr. Armstrong.

Less demanding are the interactive video programs being used in St. George with which nurses are learning new skills. College programs offer nursing course work in the area, but Dixie Medical Center Director of Nurse Training, Michelle Hinton, pushed for a sophisticated computer system, which could provide other learning opportunities.

"We got a grant through Intermountain Health Care to develop ideas to improve patient care. My premise, since nursing education was a high priority here, was that if nurses had the continuing medical education they needed they would be more confident and competent," Ms. Hinton said. She believes computerized programs are superior to classroom instruction because the necessary interaction forces nurses to make critical decisions.

On one program, nurses listen to various heart beats and make assessments based on their knowledge of anatomy and physiology. Another simulates emergency room conditions and asks nurses to make decisions about the care of an accident victim with broken bones and internal injuries.

The first mandatory video course at the hospital was on medication errors.

"Working on the computer, problem-solving, is fun," said Ms. Hinton. "And with the traditional method of learning, classroom instruction, you don't know if the students retain information. With interactive video they can practice without any harm coming to anyone," said Ms. Hinton.

Nurses can work on the machines during breaks at workstations located in three of the hospital's units and in the hospital library. Hospital auxiliary members raised $22,000 to purchase a laser disc, which, in conjunction with a mannequin equipped with sensors, is being used to teach cardiopulmonary resuscitation in the community. It's the new, high tech version of Recussi Annie.

[From the Salt Lake Tribune, May 21, 1989]

RURAL HOSPITALS GASP FOR LIFE IN SEA OF RED INK

(By Anne Palmer)

Rural hospitals across the United States are closing, and Utah facilities are not immune.

Only three of Utah's 18 rural hospitals managed to turn profits in 1987, according to figures released this week to legislators by the State Health Department. The hospitals that were in the red each have fewer than 50 beds and suffered a combined net loss of more than $2 million.

Last year more than 40 rural hospitals in the United States went out of business, and since 1980 a total of 206 have shut their doors. Utah has had two hospital closures, Summit County Hospital and Carbon County Hospital.

When county hospitals close, communities also lose physicians and providers of emergency care. Residents must seek care elsewhere, and that generally means traveling 50 miles. In the small towns where Utah's small hospitals exist, hospitals are the second- or third-largest employers. Their demise could be economically devastating.

The majority of rural Utah hospitals are owned and operated by the Salt Lake City-based Intermountain Health Care Corp., which has subsidized losses in rural areas and rationalized outlays through referrals to its larger hospitals. But the company has had to streamline operations, and, with no end in sight to the losses that increase annually, officials openly wonder how long IHC can continue to support faltering facilities.

Hard times have not only befallen hospitals. Rural economies have been undermined in the 80s by downturns in mining, agriculture and manufacturing. As a result, young people are moving away from small towns to pursue better opportunities, while mostly elderly people remain in Utah's remote area.

That sounds like an opportunity on which hospitals could capitalize, but serving the aged has been anything but profitable.

Medicare pays the bills of the elderly, who comprise at least 40 percent of rural hospital patients. Under Medicare's Prospective Payment System, rural hospitals have received payments averaging 40 percent less than urban hospitals. The payment formula, rural representatives contend, was erroneously based on the belief that health care is more economical in remote areas. Payments covered only 60 percent of the costs. That—primarily—is why the million dollar deficits have accumulated.

The nation's rural hospitals banded together in February to file a lawsuit against the Department of Health and Human Services alleging that rural hospitals are forced to be subsidized by more prosperous urban facilities.

Meanwhile, members of the Utah Legislature's Interim Health Committee don't know whether or how to ensure that distant medical facilities thrive. This year the legislature secured funds for Weber State College's nursing outreach program to bring nursing classes to rural areas.

New state proposals include the provision of medical insurance for those without it so hospitals can cut losses from charity care.

Dr. Kim Bateman of Ephraim, San Pete County, suggested that lawmakers consider the effects on rural medical-care providers before imposing fees for medical technician licensing and equipment inspections.

"We need better reimbursement, and the state could help keep us afloat by raising payments for long-term care," argued Dr. Bateman, who noted that many small hospitals responded to dropping occupancy rates by converting acute-care units into long-term nursing facilities.

"In order to keep our patients from going to the big cities, we need better recruitment of family practitioners, and physicians with

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

various specialties. The state could help by providing grants to low-income areas," he added.

The struggles of rural hospitals are increasingly cited as the major problem confronting rural communities. The issue was prominent in the 1988 presidential campaign, but states have been slow to react.

"This isn't just a rural issue," noted Robert Sherwood, director of the bureau of local and rural health systems for the State Health Department.

"If you have ever traveled to St. George or Monument Valley, if you've ever been to Lake Powell or to one of the state or national parks, you're involved in rural health care. Half the emergency-room patients at rural hospitals are people from outside the primary service areas—tourists," said Mr. Sherwood.

He said that the increasing cost of business and the diminishing ability of patients to pay for care make the closure of rural hospitals in Utah very possible.

TRIBUTE TO THE CHILTON COUNTY PEACH GROWERS

Mr. HEFLIN. Mr. President, I am delighted to rise, today, to congratulate the peach growers of Chilton County for being the No. 1 peach-producing county in Alabama. These fine citizens grow some of the best peaches I have ever tasted and have become a major part of Chilton County's history.

Every year, for the past 42 years, the citizens of Chilton County have held their annual peach festival. This year's festival includes many events that will start July 11 and run through July 15. They will hold a parade, feature a peach queen, and honor the peach growers of Chilton County. In addition, the festival has wonderful food, music, arts and crafts, and a peach auction. The peach auction will sell peaches entered in the "Best Peaches Contest." These peaches taste heavenly, and some of them have sold for as high as $2,000 a basket.

This celebration will also include a Civil War reenactment, a talent contest, and entertainment at the Central Alabama Music Park. These events will be spread out all over the county so every citizen will have a chance to participate in the celebration. The citizens of Chilton County work very hard to make their Peach Festival a grand event. The Clanton Jaycees sponsor the festival and the peach growers and other citizens work together to coordinate the week's events.

I am proud to represent the people of Chilton County in the U.S. Senate. I know they are proud of their Peach Festival because I have been there in past years and it is truly one of the best celebrations I have ever attended. I hope this year's festival will be bigger and better than any festival in past years. The people of Chilton County are fine citizens who take great pride in Alabama and our Nation. I wish them the best of luck.

IMPROVING EDUCATION

Mr. HEFLIN. Mr. President, I rise to bring to the attention of the Senate and all readers of the CONGRESSIONAL RECORD an outstanding paper which has been written entitled "Bringing American Education Into the Technological Age."

This paper has been written by Dr. Brandon B. Sparkman of Guntersville, AL. Dr. Sparkman has been an outstanding educator in the South for a number of years. He served as superintendent of schools in Jackson public schools, in Jackson, MS. He served as superintendent of schools of Richland County School District 1 of Columbia, SC. He served as superintendent of schools of Guntersville city schools in Guntersville, AL, as an adjunct professor of education at Auburn University, and has served as a liaison to public school administrators at the University of Alabama's College of Education.

I have known Dr. Sparkman for many years when he served first as a principal in my hometown of Tuscumbia, AL, and then served as assistant superintendent of the Tuscumbia public schools when I was serving on the Tuscumbia City Board of Education. He has written, in may judgment, a very innovative and thoughtful article on bringing American education into the technological age. I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

BRINGING AMERICAN EDUCATION INTO THE TECHNOLOGICAL AGE

(By Brandon B. Sparkman)

It has been said that no state or nation has ever made significant economic progress without first improving its system of education.

In 1986 the national governors education, chaired by Lamar Alexander, Governor of Tennessee, published a report entitled Time for Results. The report said, "Better schools mean better jobs. To meet stiff competition from workers in the rest of the world, we must educate ourselves and our children as we never have before."

In February of 1987, two prominent natinal political leaders addressed general assemblies of the American Association of School Administrators' National Convention. The first of these speakers was The Honorable George Bush, then Vice-President—a Republican, a conservative. Mr. Bush said "The quality of education that a nation provides for its citizens determines the direction and the future of that nation." The other speaker, The Honorable Thomas P. "Tip" O'Neal, then Speaker of the House—a Democrat, a liberal—said, "Education is the key to maintaining and improving our nation's standard of living in this highly competitive economic world."

The above statements appear to indicate a consensus among governors and national political leaders of the two parties, with varying philosophies, that the economic future of the nation depends upon the quality of education. In other words, the power brokers in government said that they were committed to achieving and maintaining the best education program possible. These kinds of statements, although commendable, are not new. Many political leaders over the past two decades have made similar statements and commitments.

But what has happened to public education?

Has the espoused support been present?

What is the current state of education in America?

An article entitled "U.S. Math Woes, Boring Curricula Creating a Nation of Underachivers," published in most major newspapers of this country, some two years ago, is an example of the criticism that the public schools have received during the last two decades. Another article, "Our Teens Outclassed in Math and Science," appearing on the front page of USA Today, February 1, 1989, again reported research which indicates the decline in quality of American education as compared to that of other nations of the world.

[Graphs and charts not reproducible in RECORD.]

The downward trend in achievement test scores, grades nine through twelve from 1962 through 1983 lends further credibility to the argument relative to the deterioration of American Education. However, scores on the Iowa Test of Basic Skills for primary grades have been improving continuously during the last three decades; but this trend began prior to the decline in pupil/teacher ratio. Note carefully the rate of decline in achievement shown by figures 1-3. This information will be used as a point of reference later.

Still another factor indicative of the condition of education is a statement found in the October, 1986 issue of Educational Leadership which says that, "Fewer able university students are now considering teaching as a career. Schools of education have had drastic declines in students preparing for teaching and in the quality of students entering their programs." [1] This statement too will be used as a point of reference later.

The dropout rate among public school students is also a serious problem. In figure 4, one can see the lack of improvement in the high school completion rate among white students from 1974-1986. Even though there has been some steady improvement in the completion rate among blacks since 1974, the percentage of those graduating from high school is still woefully low. Then when one examines the completion rate among Hispanics, in view of the educational requirements for workers of the future, as well as the necessity of integrating minorities into the work force, it becomes obvious that real problems exist with the present system of public education.

The critical role of education in sustaining and/or improving the quality of life in America over the next decade is shown by excerpts from a study conducted by the Hudson Institute entitled Workforce 2000.

[1] Alfred Bork, "Let's Test The Power Of Interactive Technology," *Educational Leadership*, March 1986, Pp. 36-7.

According t
grow slowly
and more d
of the cent
tries will re
than the jo
states that
accelerate p
maintain th
is rapidly g
flicting nee
integrate bl
into the ec
tion level o
ues by stat
rapidly, an
reassert the
tional stanc
in the nati
matically.
higher star
equivalent
ly." [2]

What Ha
in Quality?

Four maj
uted heavil
cation. The
Congress, t
to understa
one needs
dens that h
cation—suc
transition,
the excessiv
vidual righ
judicial ma
key problem
for schools
sibilities, a
and the g
problems
schools. As
ting that
mended fo
all of the h
recent yea
could have
and still su

The seco
from progr
fact that i
such, ther
There is no
great diver
lot of latitu
In other w
mind for in
fragmented
education i

A third p
education i
Anytime p
money fro
agency, th
that agenc

A fourth
tions whic
prove educ
agreement
through fo
nity involv
rials, (3)
pupil/teac

Most pe
munity in
having bet
the more
the school
in the sch

[2] William
Workers for
Hudson Inst

According to this report, the workforce will grow slowly, and become older, more female, and more disadvantaged. Also, by the turn of the century, new jobs in service industries will require much higher levels of skill than the jobs of today. The report further states that policy makers must find ways to accelerate productivity in service industries; maintain the dynamism of a work force that is rapidly growing older; reconcile the conflicting needs of women, work, and families; integrate black and Hispanic workers fully into the economy; and improve the education level of all workers. The report continues by stating, "If the economy is to grow rapidly, and American companies are to reassert their world leadership, the educational standards that have been established in the nation's schools must be raised dramatically. From an economic standpoint, higher standards in the schools are the equivalent of competitiveness internationally."[1]

What Has Caused Education To Decline in Quality?

Four major factors seem to have contributed heavily to the current condition of education. The first of these is attributable to Congress, the courts, and society. In order to understand the impact of these forces, one needs only a glimpse of the undue burdens that have been placed upon public education—such factors as the burdens of social transition, the disintegration of families, the excessive use of drugs, demands for individual rights and freedom, legislative and judicial mandates, legal involvement, latchkey problems, erosion of authority, demands for schools to assume non-academic responsibilities, and condemnation by politicians and the general public—these and other problems have played havoc with the schools. As a matter of fact, it may be fitting that public school educators be commended for keeping the schools alive with all of the hardships they have undergone in recent years. Perhaps no other institution could have withstood all of these problems and still survived.

The second factor that has kept education from progressing as it should have is the fact that it is a function of the states. As such, there is no national coordination. There is no singleness of direction. There is great diversity among the states, and even a lot of latitude is given local school districts. In other words, there is no singleness of mind for improving education. Everything is fragmented because of the way that public education is organized in this country.

A third problem for public schools is that education is funded from the public coffers. Anytime people are required to vote to take money from their pockets to fund an agency, the chances aren't very great that that agency will ever be overfunded.

A fourth problem relates to the perceptions which people have about how to improve education. There seems to be general agreement that education can be improved through four basic approaches: (1) community involvement, (2) an abundance of materials, (3) better teachers, and (4) lower pupil/teacher ratios.

Most people will readily agree that community involvement is one of the keys to having better schools. Research is clear that the more closely people are involved with the schools, the more confidence they have in the schools and the more likely they are to vote additional taxes upon themselves for school improvements. When one thinks in terms of the fact that only slightly more than one-fourth of families in this country have children in public schools, it is obvious that there must be greater community involvement; otherwise, people will not vote the necessary monies for improving education.

The necessity of an abundance of materials as a means of improving schools is probably overplayed. Certainly, adequate materials are necessary for doing an outstanding job of teaching. However, the lack of materials is sometimes used as an excuse for doing a poor job; when, in fact, a wealth of materials have been purchased but are seldom or never used.

Obviously, better teachers provide better education. However, as already stated, fewer students with high abilities are preparing to teach. If more capable people are to be attracted into the teaching profession, then significantly higher salaries must be paid teachers—salaries some 50, 75, or even 100 percent higher than is presently paid in most states. Teachers' salaries must be highly competitive with business and industry positions that require a college degree.

The fourth generally accepted approach to improving education—lowering of pupil/teacher ratio—on the surface appears to be a very logical approach. However, research indicates not only that it is an ineffective means of increasing achievement, but that it may even be counterproductive. When there is already a shortage of highly capable people entering the teaching profession, increasing the demand for more teachers through lowering pupil/teacher ratios results in the attraction of larger numbers of people with lesser capabilities into teaching. Instead of improving the quality of teaching, it would likely result in less effective teaching. Also, decreasing the pupil/teacher ratio consumes funds which otherwise could be used for raising salaries, thus attracting better teachers.

If lowering the pupil/teacher ratio would result in increased student achievement, then achievement in American schools would be much higher today than it was in 1955. But such is not the case. Some people might argue that the real causes of lower achievement are factors mentioned previously—the undue burdens placed upon public education—and that pupil/teacher ratios must continue to be reduced in order to overcome the burdens. But those burdens are apt to continue to plague the schools, and further reductions are likely to have the same effect in the future that they have had in the past.

An examination of figure 6, which shows the relationship between achievement and class size, indicates the lack of cost effectiveness of lowering pupil/teacher ratios as a means of improving achievement. The chart projects that to increase achievement by ten percentile points, it is necessary to lower the pupil/teacher ratio from approximately 40 students per teacher to roughly 12.5 students per teacher. To gain 10 additional percentile points in achievement, the pupil/teacher ratio would have to be further reduced to approximately seven students per teacher—an unaffordable level. One can discern from this research that "attracting more able people into teaching" and "lowering the pupil/teacher ratio" are in direct conflict with each other. The approach of lowering the number of students per teacher appears to compound the problem of teacher incompetence and perhaps assures lower student achievement in schools. It also decreases the likelihood of raising salaries significantly: a means of attracting better teachers into the field of education.

What then is the solution?

A major part of the solution lies in greater and more effective use of technology. The word "technology" is not a new term in most fields of endeavor. Many industries use computers, automation, and robots extensively to build better products more efficiently. Because of advances in the field of agriculture, approximately 3 percent of the people feed the rest of the nation and still produce surpluses that cause national problems. Recent advancements in medicine such as organ transplants, microsurgery, artificial organs, life support machines, and the conquering of life-threatening diseases are almost incomprehensible. Genetic research and engineering hold both unbelievable promises and danger. In space research, it is only a matter of time until space labs will be used routinely for scientific, industrial, and military purposes.

A person who has been removed from any of the above fields for a period of 50 years would be completely lost should he try to reenter the same field today. But not so in teaching. A teacher who had been removed from his field for a period of 50 years would hardly miss a beat should he return today. Sure, there have been minor changes. Better facilities, more and better equipment (including computers), different and more attractive materials, and new "jargon" have been added. But nothing has revolutionized education and made it dramatically more effective than in the past.

Can this nation afford to let public education remain in the dark ages forever? The obvious answer is a resounding "No."

Most of the tools for launching education into the technological age are presently available in this country. The knowledge, the hardware, and a small amount of software presently exist. Through careful governmental planning, coordination, allocation of funds, and limited support from certain businesses and industries that would profit from a better system of education, the necessary additional software for catapulting education into the technological age could be developed in a relatively short period of time.

In order to visualize this new approach to teaching, think in terms of the visual clarity of television, the sound qualities of stereo, and the speed and capacity of the computer. By tying these features together, you have what is known as interactive video—a process already in use on a limited scale in the private sector and now is slowy moving into the education arena. The laser videodisc machine, with speed similar to that of the computer in finding information, and with a storage capacity that allows large amounts of information to be placed on a single disk, is a practical vehicle for dispensing information to students.

Imagine American history being taught through this medium. The instructor could be one of the nation's best lecturers with every teaching aid imaginable. The course need not be boring, because short film clips covering almost any phase of American history could be inserted to make the subject come alive. One could see a facsimile of the Pilgrims reaching the eastern seacoast, the first Continental Congress in session, the battle of Gettysburg in progress, or a wagon train moving into virgin western territory.

---

[1] William B. Johnston, *Workforce 2000: Work and Workers for the 21st Century*, Executive Summary, Hudson Institute, 1987.

Think of learning biology or physiology through a medium whereby many interior bodily functions could be observed. For example, a study of the heart could include observations of the human heart as it beats rhythmically, the open heart as a surgeon repairs it, and the veins and arteries that connect to the heart. Time-lapse photography, as well as still pictures and professional laboratory settings could become a part of biology lessons.

Opportunities for exploring the arts through interactive video are limited only by the imagination. Many of the great paintings and other masterpieces of the ages could be viewed and discussed almost as if the patient were actually at the museum where the pieces are located. Art experiences, that are now achieved by few if any, could be achieved by every student in the public schools of this nation.

The initial use of dangerous machinery in vocational education shops could be accomplished, with no exposure to danger, through simulation via interactive video.

Entire classes could view lessons on large monitors, then students could move to their interactive video terminals where they would answer questions about the lesson. Any concept not thoroughly understood could be swiftly reviewed by examining that particular segment of the lesson until proper answers could be given to the questions. Such a program of instruction would cater to students of all abilities—slow, signficant, average. Also, instruction on any given subject could be completely individualized by using this medium.

Advanced courses of almost any kind could be made available even in small schools located in the most remote areas of America.

Computerized systems of instructional management are presently in use in many public schools. Normally, they are used to manage reading and mathematics instruction, but could be expanded to cover other areas of learning. These programs can monitor the learning of individuals, of classes, of schools and of school districts. They can analyze curricular strengths and weaknesses, effectiveness of instructional material, and can match materials and methods to the learning style of individual pupils. Management reports can give administrators quick information needed in order to reallocate funds and to get more appropriate curricular materials. They can indicate mastery and non-mastery. They can assign work, specify materials to use; and they can administer mastery tests, score the tests and record the scores. Additionally these computerized management systems can prepare reports for sending home to parents. Using the approach described, these reports could be far more specific than is possible when done manually.

But aren't teachers needed? Of course they are. Education is not a mechanistic process. Education is very personal, requiring human interaction, explanations, feelings and emotions. But education can be more interesting, more challenging, and more personalized through the use of technology. This process would allow teachers to devote more time to personal interaction with students and to discuss concepts and issues in greater depth than is possible under the present system of teaching. Furthermore, variety in instructional procedure is needed. While the use of interactive video can be stimulating, it could also become deadly boring to some students if used excessively or if only one approach to learning through this medium is available.

The scheme described above calls for the smallest classes at the primary level and progressively larger classes as students mature and advance through the grades. The professional staff could have differentiated job assignments. This redistribution and specialization of staff would not result in loss of jobs, but neither would it require additional staff in the future without a large increase in pupil population.

Staff differentiation could bring about opportunities for stimulation and promotions, thus becoming a motivational and staff retention factor.

What is the state of development of interactive video in education?

A number of corporations have been and are still in the process of producing interactive video software and hardware. Prescription Learning boasts that they were among the first, if not the first, to market interactive video software. Hoffman Educational Systems, as far back as two years ago, was excited about their production of interactive video software. At that time Hoffman had produced programs which taught twenty-four basic reading skills, and the staff anticipated rapid expansion of coverage of materials. ISC Educational Systems more recently has produced an interactive video software package for teaching math skills to young adults, which perhaps could be used at the junior high and high school levels. However, it was designed primarily for adults who have dropped out of school and are enrolled in Adult Basic Education programs.

IBM is certainly one of the leaders in the development of hardware designed for interactive video use. They also market some software packages such as "Writing to Read" for use with kindergarten and first grade students and "Pals", a program for adults. Their touch-screen computer lends itself unusually well to interactive video learning. Other companies are producing excellent hardware and software.

Perhaps the most exciting approach to developing software is the grass roots involvement used by the Texas Learning Technology Group. A brainchild of Dr. Orby Holden, Executive Director of the Texas Association of School Boards, and some of his staff, this program covers physical science for 8th, 9th, and 10th grade students.

While the Texas School Board Association initiated the idea of developing the course software, they worked with the Texas Education Agency, the legislature (to some extent), with twelve school districts, and several private companies. All of their initial design work involved teachers and administrators in the public schools. They presented every design and content idea to veteran educators and got input from them from the very beginning of the project. This involvement has made their program much more successful than many others. It is now a "cutting edge" program in education.

They question might be raised, "Well, if private enterprise is involved in developing solfware and hardware, and have some good programs available; and if the state of Texas is involved (and perhaps over states) in developing software packages, why should the political arena get involved? Why not wait and let them do it?" The present approach is too fragmented. One company may be developing limited materials in reading; another, limited materials in math; another, limited materials in vocational education. Bits and pieces can be purchased, but there is no total program.

Additionally, the process is too slow. At the rate that the Texas project is moving in developing interactive video driven instructional courses, another fifty or one hundred years will be required to provide interactive video programs covering most applicable subjects. There is no way that this nation can prosper if it continues to wait while bits and pieces are put together. There needs to be a comprehensive, planned approach to program development.

A third problem is that programs that are presently available have a single design. In other words, they are designed to be used a specific way with specific hardware. These programs must be used that way in order for a school to participate. The single design causes the majority of school districts to be excluded from participation.

The final noted problem with the present approach is that it is too costly. That is the primary reason that so many school district are being excluded. They cannot afford the single design programs that are available at this time.

PROPOSAL FOR BRINGING AMERICAN EDUCATION INTO THE TECHNOLOGICAL AGE

The proposed approach to developing programs for bringing education into the technological age is a modification of the Texas model. The grass roots involvement aspect needs to be expanded. It is unlikely that any state, working alone, can accomplish the task of providing quality interactive video programs, covering all appropriate subject areas, within an acceptable period of time. A multi-state consortium will be required for this voluminous task. A key ingredient to success of such a project will be a coordinating council or board that works harmoniously in planning, coordinating, and directing the total program, setting one direction and providing one plan with flexibility tolerances.

Secondly, at the federal level, the Department of Education needs to be involved. If the Secretary of Education cannot, or is unwilling to, provide the leadership and the singleness of direction, then certainly the federal government needs to be involved with the multi-state consortium, or at least support it strongly, both in concept and cost.

Thirdly, private enterprise needs to be involved to a much greater extent than in the Texas model. Beyond a doubt, business and industry will participate eagerly. Already, hundreds of millions are being spent by these firms in efforts to improve education. A plan with singleness of purpose that will dramatically improve the quality of education in American public schools will attract much greater participation. Needed also is greater involvement of the public schools in design, development, staff training, and use of the program.

Thinking is terms of the Texas model, modifications should be made to incorporate alternative designs. A single design that excludes most school districts from participation is unacceptable. In reality, there is a difference in the wealth of school districts; therefore, the design must be such that every school district can participate at some level. Multiple designs can be accomplished, using a single video for each course, but varying procedures, and using a variety of branching techniques.

PROPOSED DESIGNS

Having been shown to be an effective teaching tool, one of the designs should be "video only" with level one interaction. Most school districts can afford a laser videodisc player and monitor for many, or all, or its classrooms. The least expensive pro-

gram design will allow even the poorest school districts to participate in quality programs.

The second level of the design could be "video, plus separate computer." Computers are presently found in significant numbers in most school districts. This design would allow the video to be viewed and students then moved to existing computers where they would respond to the video lesson. This low-level interaction between video and computer is effective and comparatively inexpensive, both in terms of development and in acquisition by a school district. Part of the instructional management system, described earlier in this paper, could be incorporated into the design for use by districts that are ready for this component.

A third design could be "video interacting with computer." This approach, similar to the Texes model, would utilize the laser videodisc player tied to the touch screen (or other appropriate) computer. This arrangement allows students to interact directly with the program.

A fourth model could be the same as the previous design, except that districts that have sufficient funds would have "multiple interactive video sets" in the same classroom rather than just a single set. In this setting, sufficient sets would be available to allow a maximum of four students to work at each station.

A fifth design would divide the program into "modules." This arrangement would allow an outstanding teacher who enjoys teaching certain topics to handle those topics independently. Other topics that are more effectively taught through interactive video could be taught using that medium.

A sixth design would include multiple sets of "interactive video plus the management component" described earlier. This design would be expensive, but would be highly effective, and especially so with advanced learners.

The final proposed design would be a "home component." Indescribable now, this segment will be vital in the future and should be included in the overall plan for use of interactive video in teaching and learning.

Will the proposed model be effective?

Research shows that video with level one interaction (without computer) is an effective teaching tool. The Tennessee Valley Authority (TVA) has been active in supporting the use of laser videodisc interactive programs in schools and in having its effectiveness evaluated. A comprehensive study conducted by Vanderbilt Universtity in four districts in three states concluded that "using laser videodiscs to carry the practices of master teachers into the classroom can pay off in substantially improved student learning." Overall, the videodisc series, "Mastering Fractions" (for grades 5-12) produced 'significantly' higher learning gains than those attained with traditional instruction. . . . 'Average ability' students who recieved the videodisc instruction performed 33 percent better on post-tests than similar students in controlled classes who were taught by traditional methods. 'High ability' students using the videodisc program performed 13 percent better than the control groups. Conclusion of the study was that videodiscs provide educators with the ability to capture high quality interactive instructional sequences that can be easily transported from classroom to classroom without the resultant degradation in the quality of instruction.[3]

There is much evidence that integrated computer learning systems, (without video) which use computer assisted instruction for teaching well defined, sequential programs, are highly effective. For example, in Indian River County School District in Florida, potential dropouts, and dropouts who have been retrieved, are now using the WICAT integrated computer learning system. A teacher in that district stated that she teaches 150 students per day who are potential dropouts or retrievals. These students are the slow learners, the troublemakers, the kids who nobody wants to teach, and those not expected to achieve much regardless of the method of teaching. This teacher insisted that she had not had a single discipline problem in her class since she started using the WICAT system. Further, she stated that the students achieve at an acceptable level and pass the Florida graduation examination and the GED. Seventy-two percent stay in school.

In Escambia County, Florida, where the same program is being used, the superintendent stated that, of the 385 "at-risk" students being taught through this method, as of March 1, only three students had dropped out of school during the 1988-89 school year.

Evaluation of the phsycial science, interactive video program in Texas, indicates a very significant increase in achievement among low achieving students involved in the program. Among average learners, there is a signficant increase in achievement. For high achievers, there is no significant increase. However, with the development of Level 6 and Level 7 designs, one can project that high achieving students will show very significant increases in achievement.

Another indication of the effectiveness of the interactive video technological approach to teaching is that students, during their waking hours when not in school, are generally entertained by technology. In other words, movies, television, video games, stereos, etc. are in constant use. When these same students go into the classroom, teachers are at a tremendous disadvantage in attempting to attract and maintain their attention due to the lack of technology in schools. The traditional methods of teaching, although not bad within themselves, are no longer effective in holding the attention of students to the point that they master the subjects being taught.

The argument of whether technology will ever replace traditional methods of teaching, and the argument of yesteryear of whether the automobile would ever replace the horse and buggy seem comparable. There was nothing wrong with the horse and buggy. But the times had changed. The horse and buggy could no longer meet the damands of society for faster and more efficient transportation. Therefore, it was absolutely essential that the automobile replace the horse and buggy. A similar condition exists today in education. Traditional methods of teaching have been effective in past years, but the times have changed and no longer can traditional methods of teaching meet the demands of society in educating American citizens. This situation does not mean that teachers nor methods are necessarily bad. They have served the nation well. The fact is that traditional methods of teaching cannot meet the requirements of today in this nation.

Teachers, when using traditional methods, are probably about as effective as can be expected. That is not to indicate that every teacher is doing the best job that he or she could possibly do. But looking at the whole picture, maybe one cannot expect greater results from the present teaching force, using present methods, than is being obtained.

One might contend that the Japanese, Koreans, and certain other nations that appear to have superior systems of education, still use traditional methods. It is true that traditional methods of teaching in those nations appear to work rather well. However, the variables that make the difference appears to be family stability, and acceptance of parental responsibility for children's education. These factors are problem areas in America and are unlikely to be reversed in the near future; therefore, methods must be incorporated into teaching which tend to negate the weakness caused by this massive parental abandonment of personal commitment to a solid education for their children.

There appears to be an absolute necessity for taking a vastly different approach to teaching, whereby the latest technology is brought into use in classrooms across the nation as rapidly as possible. Furthermore, there is an urgent need to increase salaries of educational personnel to the point of attracting the finest minds of America into teacher training programs, and those with the greatest capability into teaching. Once these two goals have been accomplished, America can again be a world leader in educating its citizens.

Can The Nation Finance This Program?

Since education is considered a function of state, the cost of its improvement will be borne, in large part by the states. Evidence that states are able to provide a significant amount for financing improvements can be seen by examining a trend that is occurring in states such as Indiana and Alabama, where legislation has been enacted to force significantly lower pupil/teacher ratios. The additional cost of salaries alone for these mandates is staggering. But when one understands that such action also requires additional fringe benefits, classrooms, furniture, equipment, supplies, insurance, utilities, maintenance, and janitorial services, it is evident that states could just as easily provide more cost-effective ways of improving schools, if they had sound direction.

The federal government should involve itself in helping finance this effective approach to teaching. Presently, money is being scattered around in small amounts for program improvement, many of which are doing little to add to the effectiveness of education. If there were a singleness of direction, a significant amount of federal funds that are already being spent for education could be focused on providing interactive video instructional programs.

Local school districts, instead of buying more furniture and equipment for those additional classrooms that are being built to lower pupil-teacher ratios, could purchase hardware and software for use in the new instructional program. Also, if it were evident that a concerted, joint effort would be launched with assurances of dramatic improvement in education, people would vote more taxes upon themselves in order to accomplish this purpose.

---

[3] George Peabody College, Vanderbilt University, "An Evaluation of the Mastering Fractions Level One Instructional Videodisc Program," June 30, 1986.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Finally, private enterprise, which would benefit so much from a greatly improved system of education, would be willing to invest generously in this project.

Certainly, great efforts to improve education have been made throughout the nation. However, in almost every case the approach has been of the "bandaid" type—helping a little but not curing. The suggestions have been, "fix this little thing", "change this philosophy", "add this course", "give more choices"—not the kinds of action that result in major improvements. The only consistent effort to improve education at the national, state, and local levels has been to criticize. Certainly there is room for criticism of public education. But, if criticism would solve the problems of the schools, America's system of education would now be "head and shoulders" above that of every nation of the world. Obviously, criticism is not the solution. The solution requires new directions, singleness of mind, and cooperative attitudes. A major part of the solution lies in catapulting American education into the technological age.

This achievement will require leadership and statesmanship. It will require placing America's interest ahead of personal interest. The leadership may come from the President, the Secretary of Education, a governor, a group of governors; but selfishness, ulterior motives, and political gain must be forgotten. The question is, who will provide that leadership? Who will step forward?

NEAL R. SONNETT

Mr. HEFLIN. Mr. President, I know you, as a Senator from Florida, would join with me in giving praise to an outstanding Florida lawyer, Neal R. Sonnett, who recently received the Florida Bar Foundation's Medal of Honor Award.

I have known Neal Sonnett for a number of years and have always had high regard for his abilities. He is serving now as the president of the National Association of Criminal Defense Lawyers Association.

I ask unanimous consent that the language of the Florida Bar Foundation's Medal of Honor Award to Neal Sonnett be printed in the CONGRESSIONAL RECORD along with articles from the Florida Bar News pertaining to this award and pertaining to the Florida Bar Foundation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE FLORIDA BAR FOUNDATION MEDAL OF HONOR AWARD PRESENTED TO NEAL R. SONNETT

For his dedicated service in improving the administration of the criminal justice system and in protecting individual rights precious to our American Constitutional form of government. From his appointment following graduation from law school as an Assistant United States Attorney and then Chief of the Criminal Division for the Southern District of Florida, to a private practice in criminal law, Neal Sonnett has, by his example, brought renewed respect and appreciation for his profession and the crucial role of the lawyer as advocate and protector of rights. In leadership posts at the national, state and local levels, he has given unstintingly of his time and talents in pursuit of excellence within the organized bar. His unimpeachable credentials and sense of fair play have led government leaders to call on him in times of community crisis, confident in his ability and desire to seek justice, fair and impartial, for all segments of society. Sensitive to the plight of the impoverished and unpopular, Sonnett has given thousands of hours in pro bono service to immigrants reaching our shores, steadfast in his resolve that even the least among us is granted the full benefit of our nation's laws. Not afraid of controversy, he successfully led the struggle against those who would label expediency justice, and in doing so, has preserved the rights of us all. Top in his chosen field, civic and charitable leader, family man. Neal Sonnett exemplifies the highest ideals of the legal profession he so loves.

JUNE 1989.

[From the Florida Bar News, Mar. 1, 1989]

BAR FOUNDATION INVITES MEDAL OF HONOR NOMINEES

March 31 is the deadline for submission of nominees for The Florida Bar Foundation's 1989 medal of honor awards, Awards Chairman William O.E. Henry said.

The Foundation has two categories for the medal of honor award. A nominee for the first category must be a member of The Florida Bar who has demonstrated dedication to the objectives of the Bar: "To inculcate in its members the principles of duty and service to the public, to improve the administration of justice, and to advance the science of jurisprudence. . . ."

Nominees for this category also must be Florida residents who are actively engaged in a profession relative to the practice of law including, but not limited to, practicing lawyers, judges or teachers in the legal field. Past recipients in this category are Richard T. Earle, Jr., Tobias Simon, Rubin O.D. Askew, Chesterfield H. Smith, Wm. Reece Smith, Jr., Arthur J. England, Jr., Florida Supreme Court Justice Ben F. Overton, Mark Hulsey, Russell E. Carlisle, Talbot (Sandy) D'Alemberte, and in 1988, James C. Rinaman, Jr.

Nominees are also requested for a second medal of honor award which recognizes the achievement of nonlawyers or lawyers not actively engaged in the practice of law. Nominees must have made an outstanding contribution to the improvement of the administration of justice in Florida through research, writing, or other deeds of such character and quality that, in the judgment of the Foundation, warrant the highest award that can be bestowed by the Foundation.

Nominees in this category also must be Florida residents and may be members of The Florida Bar. Past recipients in this category are Robert A. Rosof for establishing a rehabilitation program for juvenile offenders, William C. Clark for his service on the Judicial Qualifications Commission, Lucy Batchelor for her years of dedicated work in the correctional system, St. Petersburg Times writer Martin A. Dyckman for coverage of legal issues and support for open government, Sylvia Alberdi for leadership as staff director of the Florida Senate's Civil Judiciary Committee, and the Rev. A. Leon Lowry, Sr., who was honored for his leadership in promoting civil rights through constructive change.

In 1988, the nonlawyer award was presented to Sr. Catherine Gorman of the Office of Farmworker Ministry in Apopka, for her work in securing the legal rights of migrant farmworkers.

The medal of honor awards will be presented at the annual dinner of the Foundation during the Bar convention at Marriott's World Center in Orlando on June 15.

Nominations should list the specific achievements which would qualify an individual to receive a medal of honor and should include a brief biographical sketch of the nominee. Nomination forms are available from the Foundation. Nominations should be sent to: The Florida Bar Foundation, Medal of Honor Awards Programs, 880 North Orange Avenue, Suite 102, Orlando, Florida 32801-1023. For more information, call (800) 541-2195 or (407) 843-0045.

[From the Florida Bar Journal, September 1988]

THE FLORIDA BAR FOUNDATION

Although The Florida Bar Foundation is an organization independent of The Florida Bar, much effort and cooperation have been given by Florida Bar leadership in the development of an effective Foundation since its creation in 1956. The ultimate goal is to foster law-related public interest programs throughout the state, such as providing greater legal aid to the poor, funding student loan and scholarship programs, and improving the administration of justice.

The Foundation's most conspicuous activity of late has been its administration of Florida's nationally acclaimed Interest on Trust Accounts (IOTA) program. In less than seven years of operation, IOTA has generated over $14.8 million in public interest grants distributed in the name of Florida's legal profession for legal aid to the poor, law student loans and scholarships and improvements in the administration of justice. The IOTA program—the first of its kind in the United States—has been a model for similar programs now in operation in nearly all the states in this country.

In addition to its educational and charitable activities, The Florida Bar Foundation periodically awards its medal of honor to an attorney and a nonlawyer citizen in recognition of outstanding contributions toward improving the administration of justice in Florida. The medal of honor is the highest award that can be bestowed upon a lawyer or layperson by the legal profession in Florida.

The Florida Bar Foundation presents a unique opportunity for Bar members to broaden their involvement in law-related public service. Membership in the Foundation is automatic via any attorney's involvement in the IOTA program, or by becoming a contributing member or fellow of The Florida Bar Foundation. For further information regarding joining the Foundation and about IOTA grants contact: The Florida Bar Foundation, Inc., Suite 102, 880 North Orange Avenue, Orlando, Florida 32801, telephone (305) 843-0045, or (800) 541-2195.

THE 1689 BRITISH REVOLUTION

Mr. MOYNIHAN. Mr. President, the current issue of U.S. News & World Report, that most exemplary periodical of chroniclers and precise observers, notes that this year, 1989, is not simply the bicentennial of The French Revolution. Of course, the anniversary of the French Revolution is being celebrated this week in Paris, and our

President will attend and have dinner with representatives of the avant-elite.

But, 1989 also marks the tricentennial of a much larger event for our Nation and possibly for the world. This event is the Glorious Revolution of 1689 in which William and Mary came to power in Britain. In this revolution, the rights of British citizens and the division of powers within the government were first established in the world. And, they were established step by step, in a very pragmatic, problem-solving kind of way.

The constitution established in this revolution was not only the predecessor of our own, but of so many societies which found ways to establish stable governments and enduring ones. Michael Barone, author of the piece in U.S. News & World Report on this subject, certainly sees the irony in our being all enthusiastic about a revolution whose regimes lasted an average of 18 months as they inexorably made their way to a military dictatorship 6 years later. Whereas, in Britain in 1689 a system of government was established, the arrangements for which have lasted almost two centuries. In fact, this system of government has remained unchanged in even social and political terms, much less constitutional ones. Of course, the British constitution has endured for three centuries just as ours has done for two.

Mr. President, it is always a pleasure to have the opportunity on the Senate floor to acknowledge the work of Michael Barone, whose Almanac of American Politics is as indispensable to us here as is the Congressional Directory.

I ask unanimous consent that his article be included in the RECORD at this point.

There being no objection, the article ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, July 17, 1989]

THE OTHER, FORGOTTEN REVOLUTION

(By Michael Barone)

As we remember the 200th anniversary of a revolution that produced so much bloodshed and became the inspiration for so many tyrannies, the 300th anniversary of the revolution to which we owe many of our liberties and free institutions has passed almost forgotten. This Glorious Revolution that culminated in 1689 happened not in France but in England, it produced not a republic and a reign of terror but a Dutch King who expanded the rights of Englishmen, and it is remembered today most vividly not in the countries whose liberties it did so much to secure—Britain, the United States, and the British Commonwealth nations—but in the one place where its legacy is a tragic one, Northern Ireland.

On its face, the Glorious Revolution does not sound very glorious nor does it seem much of a revolution. It was not the downtrodden masses but the most prominent members of the House of Lords, bishops of the Church of England and merchants of the City of London who wanted to get rid of King James II, a Roman Catholic, after his second wife gave birth to a son who would produce a Catholic dynasty. They called on William of Orange, the Stadholder of the Netherlands and husband of James's daughter Mary; in 1688, William, a lifelong enemy of the Catholic King Louis XIV of France, assembled an army and navy and made the only successful cross-channel invasion between that of William the Conqueror in 1066 and Dwight D. Eisenhower in 1944.

To legitimize what amounted to a military takeover, William called for new parliamentary elections, and in the early months of 1689 he and Parliament agreed on what amounted to a set of political deals that produced some of our greatest freedoms. Parliament passed and William approved a Declaration of Rights limiting royal power, an ancestor of our Bill of Rights. Parliament limited grants of money to the King to a single year, the origin of our annual appropriations process. It required that elections be held every three years, the beginning of today's regular terms of office. It passed a Toleration Act for Dissenting Protestants (but not for Catholics or Jews), an early grant of religious freedom in a Europe torn by religious wars.

Over the next several years, Whigs and Tories vigorously debated issues in Parliament and even criticized the King; at a time when the opponents of many rulers were put to death, the English were coming to accept the idea of the legitimacy of political opposition. Other innovations stemmed from William's reign. As he pursued his wars against Louis XIV, Parliament voted him a standing army but kept careful watch over it each year. He also persuaded Parliament to establish the Bank of England, the first officially sanctioned central bank, which helped finance a vast increase in England's trade and economic growth. And the Glorious Revolution inspired John Locke's theory that government derives its powers from a contract with the people, a theory that informs our Declaration of Independence and Constitution.

If King William is not much remembered today, he was not much loved in his own time, either. He was by all accounts a cold fish—short and skinny, with a curved nose and a "pensive, severe, and solemn aspect," according to his great admirer, the 19th-century historian Thomas Macaulay. Orphaned at 10, held a virtual prisoner by his family's political enemies, very much aware that his grandfather King Charles I of England had been beheaded and that his immediate predecessor as ruler in Holland, Jan de Witt, had been torn limb from limb by a mob, he was not given to trusting many people aside from his wife and a few Dutch cronies (whom he made dukes in England). He would not have been an attractive media candidate in an era when politicians and celebrities are expected to lay bare their personalities.

King William helped to make this a kinder and gentler world, but not without fighting a few battles and breaking the rules of dynastic succession. And he is not a hero to everyone. His victory at the Battle of the Boyne in July, 1690, almost exactly 100 years before the storming of the Bastille, is celebrated lustily to this day by the Protestants of Northern Ireland, while Irish Catholics remember William as the man who established the Protestant Ascendancy. Irish politics is still bedeviled by the 17th-century religious hatreds that William helped to exorcise in Britain and its American colonies.

William and Mary had no children and died young. Not much was named for them in Britain and America, except for the College of William and Mary in Williamsburg, VA., and the Orange counties of Virginia, North Carolina and New York. The Glorious Revolution, celebrated by Whig historians like Macaulay as the beginnings of our liberties, came to be forgotten by intellectuals who followed the stars of Marx and other admirers of the French Revolution. Those revolutionaries tried to impose their logic on the world, often with terrible results. William III, scrambling to justify a revolution that was popular but against the rules, sacrificed power to win legitimacy, and succeeded. While the French are celebrating their declarations of rights and tiptoeing around the guillotined corpses of their revolutionaries' victims, it is worthwhile, in a world turning increasingly toward representative government and market capitalism, to celebrate the revolution that, for all its ambiguities and oddities, seems increasingly glorious on its 300th anniversary.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I note once again the captivity in Beirut of our own Terry Anderson.

Today marks the 1,578th day that Terry Anderson has been held in captivity in Beirut.

On March 17, 1987, a report appeared in the Los Angeles Times in which Terry Anderson's colleague and friend, Robert Fisk, commented on Anderson's captivity as such: "I don't think anyone ever dreamed it would last 2 years."

Mr. President, I take this opportunity to inform my colleagues that it is now over 4 years that Terry Anderson has been held hostage.

I ask unanimous consent that the Los Angeles Times report be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Mar. 17, 1987]

HOSTAGES' MILESTONES PASSING QUIETLY IN BEIRUT

(By Charles P. Wallace)

BEIRUT.—Lebanon is passing two milestones this week, but what with Syrian troops occupying West Beirut, Christian and Muslim politicians wrangling over a political settlement and a sinking economy, the events are going almost unnoticed.

It was on an overcast morning two years ago Monday that Terry A. Anderson, chief Middle East correspondent of the Associated Press, finished a tennis game in West Beirut and was on his way home for a shower when gunmen bundled him into the back of a green Mercedes-Benz and sped off.

And it was eight weeks ago today that Anglican Church envoy Terry Waite disappeared while on his mission to gain the release of foreign hostages in Lebanon.

Anderson, from Ohio and now 39 years old, has become the longest-held foreign hostage in Lebanon, with no prospect in sight for his imminent release.

Waite, the personal envoy of the Archbishop of Canterbury, traveled to Lebanon in January in hope of freeing Anderson and another American, Thomas Sutherland, 55, the dean of agriculture of the American University of Beirut, who was abducted in June 1985.

Waite dropped from sight while on his way to meet with the kidnapers, members of a fundamentalist Shia Muslim band of terrorists calling themselves Islamic Jihad, or Islamic Holy War.

There are reports that during his travels he was taken into custody by another group of Shia extremists known as Hezbollah (Party of God)—which, like Islamic Jihad, is believed to be loyal to Iran. Walid Jumblatt, the Druze warlord who was nominally in charge of Waite's security, was moved to remark later that "God's envoy is being held by God's people."

On Monday, the official Iranian news agency said that the Speaker of the Iranian Parliament, Hashemi Rafsanjani, has promised to help the Archbishop of Canterbury, Robert A. K. Runcie, find Waite. According to the agency, Rafsanjani was responding to a letter in which Runcie pledged to try to locate at least one Iranian believed seized by Christian militiamen in Lebanon.

Those holding Anderson and Sutherland have repeatedly demanded that 17 Arab extremists, jailed in Kuwait for car-bomb attacks in December 1983, be released as the price for freeing their captives.

However, events have shown that the hostages' predicament is also inextricably linked to factors such as the long-running Iran-Iraq War and the possibility of a power struggle in Tehran, the Iranian capital.

President Reagan has acknowledged that his Administration sold arms to Iran in hopes of obtaining the release of all the American hostages in Lebanon, of whom there are now eight.

At one point, Lt. Col. Oliver L. North, the now-dismissed National Security Council aide, traveled to Tehran in the apparent hope of closing a deal for the release, but the purported agreement collapsed after David R. Jacobsen, a hospital administrator at the American University, was released last November.

Anderson had been allowed to send out letters to his family, and he made a poignant videotaped appeal to Reagan last October to step up his efforts on the hostages' behalf.

"To a considerable extent, those of us who live here in Beirut feel helpless to help Terry," said Robert Fisk, Middle East correspondent for the Times of London, who was a close friend of the missing journalist and who has worked to help free him.

Fisk noted that although the State Department recently warned Americans to stay away from Lebanon, Anderson was kidnaped at a time when Beirut was still considered a relatively safe place for journalists.

"I don't think anyone ever dreamed it [Anderson's captivity] would last two years," Fisk said. "I remember when he sent the letter to his family in October, 1985, saying he hoped to be home by Christmas. And now we're in 1987."

Anderson has two children, including a baby daughter who was born while he was in captivity and whom he has seen, according to his statements, only on a special television broadcast.

On Friday, a State Department spokesman in Washington called on the kidnapers to release their hostages, whom he described as "the innocent victims of a cruel and cynical act of terrorism."

On Monday, about 250 friends, colleagues, and relatives of Anderson, Sutherland and the other American hostages gathered in Valley Forge, Pa, for a prayer breakfast sponsored by the American Baptist Church, wire services reported. Among those attending was a former hostage, Father Lawrence M. Jenco.

Most Arab and Western analysts here agree that the fate of Anderson and the other hostages has become mired in the tangled Washington scandal over the clandestine sale of arms to Iran and the diversion of profits to the U.S. backed Nicaraguan guerrillas.

At least two freed hostages—Jacobsen and Jenco—may have been released as a result of U.S. arms shipments to Iran. The arms included anti-tank missiles and spare parts for anti-aircraft missiles.

Having used hostages to obtain American arms in the past, it was argued, Iran may hold out for at least a partial settlement of its other claims against Washington before exerting pressure on its followers in Lebanon to free their remaining hostages. A total of 26 foreigners are believed to be in the hands of various Lebanese terrorist factions.

For the extremist groups involved, the hostages may also be regarded as protection against attacks, which makes it difficult to persuade the captors to surrender all their prisoners.

Three weeks ago, Syria sent more than 7,000 troops into West Beirut, and they cleared battling militia forces from the streets of the predominantly Muslim sector of the city.

However, the Syrians have not moved against the southern suburbs, where Hezbollah is believed to have substantial armed strength.

The suburbs are believed to be the most likely place that foreign hostages are being held by the pro-Iranian Shia groups. Some analysts believe that by continuing to hold hostages there, groups such as Hezbollah will feel safer against a Syrian move, but other diplomats here believe that such considerations will not count for much in Syrian calculations.

The analysts noted that no group has claimed responsibility for kidnaping Waite.

According to one theory, Waite was taken prisoner because of a factional dispute within Hezbollah, with one of the factions seizing him in order to discourage further negotiations over the hostages.

In addition to Sutherland, who is from Fort Collins, Colo., and Anderson, the Americans believed held in Lebanon are Frank H. Reed, 53 of Malden, Mass., director of a private school in West Beirut; Joseph J. Cicippio, 56, of Valley Forge, Pa., acting controller of the American University; Edward A. Tracy, 56, of Rutland, Vt., an illustrator and book salesman; Alann Steen, 48, of Boston, a journalism professor at Beirut University College; Jesse Turner, 39, assistant instructor of mathematics and computer sciences at Beirut University College, and Robert Polhill, 53, assistant professor of business studies at Beirut University College.

SENATOR CHARLES ROBB SPEAKS TO THE AIPAC CONFERENCE

Mr. HEFLIN. Mr. President, I rise today to introduce into the RECORD, a speech made by my distinguished colleague from Virginia, Senator CHARLES ROBB, before the recent AIPAC Policy Conference. As you can tell from his remarks, Senator ROBB remains deeply committed to the cause of peace in the Middle East. He is truly a good friend to Israel and a strong advocate of peace. I hope that each of you will carefully review his timely speech.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR CHARLES S. ROBB, AIPAC POLICY CONFERENCE, MAY 22, 1989

This is the first AIPAC Policy Conference without Sy Kenan. His energy and enthusiasm are sorely missed. But his spirit, his devotion to Israel and his love of America live on in this room.

Largely because of Sy's efforts, this conference has attracted as speakers many of the most distinguished leaders in American political life. It has been the occasion of some inspired and inspiring oratory and some memorable one-liners. I may deviate somewhat from tradition, because I come to you tonight with a serious purpose in mind. I come also as a deeply caring friend of Israel, and as one who is truly committed to the cause of peace and the advancement of freedom, in the Middle East and around the world.

I come, too, with many fond memories of my own visits to Israel: vivid recollections of the strength of character and purpose etched in the face of Golda Meir as we had tea in her Tel Aviv apartment; of the excitement, the vibrancy and the heady atmosphere all Israelis experienced right after Entebbe; of Massada, the ancient world's greatest monument to moral courage and physical bravery; memories, too, of the costs of security that sustain modern Israel—the stark terrain of no man's land on the Golan; and Yad Vashem, which no words can describe.

In May of 1983, when I was serving as Governor of Virginia, I had the honor, of speaking at the first meeting that AIPAC ever held in Virginia. I observed then that in a period of hard times for Israel, AIPAC did an outstanding job of keeping Israel's friends in this country informed of developments in the Middle East and abreast of Israel's policies. In my own state of Virginia, I led a Governor's mission, which set the stage for the Virgina-Israel Commission.

Today the times are no easier for Israel, and your contribution is no less vital. Those of us who are committed to Israel's well-being remain indebted to AIPAC for the keep insight you provide into developments in the region and for the determined manner in which you present Israel's cause to the American people.

Tonight, let me reaffirm my conviction that the state of Israel is not only unique in the history of civilization, but also unique as an ally of the United States of America. Israel means so much to America because in Israel's existence our own experience is reflected. Americans built a democratic society composed of people from many lands, who shared common dreams, who conquered a hostile environment, opened up a wilderness and made the desert bloom. Within the lifetime of most of us here tonight, Israelis have repeated that miracle.

Founded, like America, against unbelievable odds, Israel had to fight, as we did, for

independence. Again and again during her short life Israel has been forced to defend her freedom—and her very survival. 1948, 1956, 1967, 1970 and 1973 are etched in memory as dates when her very existence was in jeopardy. Despite war and threat of war and continual acts of terrorism, Israelis have never ceased to cherish their freedom or lacked the courage to insist on their independence.

We see in Israel much of the richness and diversity that we see in America—from its capital, Jerusalem, the city of lights, to the Eucalyptus groves of the north, to the spirited discussion in the cafes of Tel Aviv, to the individualistic spirit of the kibbutzim. From ancient Jewish teachings grew the moral and ethical foundation of modern civilization. Modern Israel has given much to the world, too: the Israel Philharmonic, Novel Prize winner S. Y. Agnon and the medical miracles of the Weitzman Institute are just a few that come to mind—all this from a country the size of Massachusetts, with a population approximately that of Philadelphia's.

Vision, courage, spirit and diversity—these are the qualities that make America great, and they are the qualities that underlie my affection for Israel.

Yet just as our hearts are joined, so are our destinies. Twice in this century the world has been engulfed by war. From the Second World War, the war against the most insidious and evil engineers ever to figure in the long and dark calculus of planned inhumanity, rose the indomitable spirit of the Jewish people, saying with one voice, "never again." So also did the American people say, "never again." Never again shall we turn our back on those who yearn for freedom; never again shall we fail to fulfill our role as the defender of democracy, or as the champion of those against whom a brutal regime organizes hatred and prejudice into a political program of terror and mass murder.

And so a newly reborn state of Israel and an America roused from isolationist slumber became partners in the cause of peace, our futures intertwined by the common understanding that the fate of the globe lies with those who stand up in defense of freedom.

Partners in the cause of freedom, America and Israel share another purpose, a conviction that the Holocaust, which in horror overwhelms the imagination, must never be permitted to lapse from the civilized consciousness. And the victims who perished in this longest night of barbarism, the millions of innocents whose deaths diminished all life, must remain for all of us precious in memory, vivid in image. In their loss, we and the world are forever impoverished; in them and through them we must know that we are all the children of Auschwitz.

Democracies—and friends—stick together, in good times and bad. So let no man doubt this nation's unwavering resolve to preserve, protect and promote the security, the health and the prosperity of our sister in spirit, our partner in peace and our special friend, Israel.

I frequently describe myself as a Scoop Jackson Democrat. Scoop made a speech at this very conference, in which he said, "In their frustration at the seemingly intractable conflict in the Middle East there are those who are tempted to fashion a piece of paper into a paper peace. To yield to such temptation would be a mistake of historic proportions."

I'd like to talk to you about that temptation—which is just as enticing to some today as it was in 1975—but before I do, I'd like to reflect on that quotation as it applies to the world at large.

From Woodrow Wilson's Fourteen Points, to Franklin Roosevelt's Four Freedoms, to Harry Truman's creation of the NATO alliance and his recognition of the state of Israel, to John Kennedy's pledge to assure the survival and the success of liberty, this nation has been energetically engaged in the worldwide struggle for peace.

We believe that at the core of peaceful and prosperous societies lies an abiding faith in individual liberty. Our goal, then, is not just peace, but peace with freedom.

The quest for true peace, a climate of good will beyond the silent hostilities of an armed truce, is never easy. Freedom has a price. It requires firm knowledge of region and history, the instinct to follow a true moral compass, steady nerves that sustain a clear vision of the future, and most importantly, the ability to transmit to all, friend and foe alike, our unhesitating resolve to apply the force of the greatest and most powerful nation ever on Earth, to defend and support our principles. Otherwise, the peace we seek may end up being just a piece of paper.

Standing up to threats to democracy is very much a part of our tradition—of the tradition of Scoop Jackson and Hubert Humphrey. America must always draw a bright line between those who fight to enlarge the scope of democracy and freedom and those who seek to shrink it. And we must work with those who share our vision. That's why I support enhanced strategic cooperation with Israel, and that's why we both should move to complete the prepositioning of U.S. equipment and material in Israel for use in a crisis.

Just as Israel must never feel guilty about her strength, the United States must never apologize for her power. America must never shrink from the responsibility of being the leader of the free world.

In the period between the time I left the Governor's office and came to the Senate I had the invaluable experience of traveling, as a private citizen, to every continent and most of the world's trouble spots. In meetings with leaders of countries large and small, I came away with a new appreciation for the challenges and responsibilities the U.S. faces in exercising leadership and promoting peace.

With my assignment to the Foreign Relations Committee of the United States Senate and of its Subcommittee on Near Eastern Affairs, I'm having the opportunity to put the lessons of history and the insights gained on those trips to use in the cause of the quest for peace in the Middle East.

In any discussion of peace in the Middle East, however, there are two fundamental points which are often used by Israel's enemies to obscure serious dialogue.

First, in the corridors of the United Nations, in the capitals of some Third World countries and, unfortunately, even in some parlors here at home, there continues to be discussion of Israel's right to exist. That is simply not acceptable.

Israel, the resurrection of a 4,000 year old state, the culmination of the Zionist dream, and the best hope of preventing another Holocaust in the Diaspora, just celebrated its 41st year of independence. It's the 58th oldest state of the United Nations' 159 members. We can never compromise on Israel's right to exist, and could give Israel no better anniversary present than to insist that such Orwellian propaganda is abolished in the councils of the world. That's why last week I voted with the majority of my colleagues on the Foreign Relations Committee to establish an U.S. policy the withholding of funding from any international organization that rejects Israel's membership or accepts the PLO in membership—with no exceptions.

Second, let's be clear about what we mean when we say, "peace in the Middle East." The phrase has become code, having little to do with true peace in the region. Survey the landscape, and you find little in the way of peace. Virtually every state has been in conflict—in border disputes, subversion or full-scale war.

Iran and Iraq have declared a state of truce following a ten year conflict that claimed a million lives, saw waves of children being sent into combat, and in an ominous new trend, the use of deadly poison gas, both in contravention of every civil and moral convention.

Lebanon, once a thriving country referred to as the Switzerland of the Middle East has become a battleground in a seemingly never-ending civil war between Arab factions that has claimed more than 100,000 lives.

In Syria, anywhere from ten to thirty thousand Sunnis—men, women and children—were wiped out in a week by the Assad regime in the ancient town of Hamma. So closed is this society that to this day we don't even know the number of the massacred.

Elsewhere, Islamic fundamentalism threatens to sweep the region and topple moderate Arab states.

The list goes on with melancholy regularity. No part of the region is immune. And what is most striking is that up to this point I have not even mentioned the Arab-Israeli conflict.

But it is clear that if the Arab League were to cease its hostilities and recognize Israel tomorrow—as it should, and if it were to exchange ambassadors and resume trade with Israel next week—as it should, those of us who search for "peace in the Middle East" would still have much to do.

These are difficult times for Israel. They are no less difficult for those of us who are committed to Israel. The almost nightly sight on the news of Israeli troops in the West Bank and Gaza causes real pain for those of us who hope, along with Israel, that peace can be brought to the territories without jeopardizing Israel's future.

But it is painful, too, to know what television does not show. It doesn't show the PLO paying demonstrators. The nightly news doesn't document the stipends paid to those who are imprisoned. Nor does it show the Palestinian moderates assassinated by the PLO because the wanted dialogue with Israel.

The world doesn't see that there is a calcuated campaign to create an atmosphere in which real negotiation is useless, if not impossible. Golda Meir expressed the pain we feel when she said, "We can forgive the Arabs for killing Jews, but we can't forgive Arabs for making Jews kill others."

Prime Minister Shamir's peace initiative and plan for elections in the West Bank and Gaza is a first step for peace, an important, positive step in the right direction. A number of us on the Foreign Relations Committee and other Members have recently met with the Prime Minister, and with King Hussein and President Mubarek as well. To each of them we expressed our feeling that this initiative marks the beginning

of a crucial process that could well pave the way for true progress in the conflict.

Now it's time for Arab Palestinians to reciprocate. Intifada Pamphlets 35 and 39, which called for the use of knives and molotov cocktails against the "Zionist enemies" is not an acceptable response. Nor is Arafat's call for the assassination of Bethlehem mayor Elias Freij, who had proposed a truce in the uprising. And continuing to allow a new generation to be lost to terrorism, as was demonstrated only yesterday by new pamphlets justifying assassination of moderate Palestinians and calling for a step-up in violence, does not advance the cause of peace.

As one more moderate Palestinian has said, "It will be a real tragedy if the Palestinian leadership does not seize this opportunity to launch a clear-cut peace initiative that is as daring and imaginative as the uprising itself."

Arab Palestinians have to start building cooperative links with their Jewish and Jordanian neighbors. I'd like to envision a generation of Arab Palestinians who translate stone throwing into positive political action, a new generation of Palestinians, who don't fear PLO assassins, cynical Arab leaders and exploitative Arab regimes, a new generation that knows that its fate—and the prospects for peace—are no longer in the hands of outsiders, but lie in direct negotiations.

Today, there are outsiders involved. Yassir Arafat and the PLO have injected themselves into the peace process.

None of us in the civilized world can forget the massacre of schoolchildren at Ma'alat, of Olympic athletes at Munich, the hijacking of the Achille Lauro, the cowardly murder of Leon Klinghoffer or the cold-blooded Rome Airport attack.

If Arafat has truly forsworn terrorism as a form of political expression, he's going to have to prove that he can deliver on promises he may make on behalf of the Palestinians.

What can we make of his claim that the PLO recognizes Israel, while at the same time constituent factions of the PLO, not to mention his senior political advisors, call for her destruction.

And peace declared at a press conference does not even carry the value of an unsigned paper peace. It matters not that the chairman of *Al Fatah* announce in Stockholm that the 1964 Palestinian Charter is "superseded" and then dashes off to Paris to say that it is "caduque."

At a minimum Arafat must convene the PNC to declare that Article 19 of its charter is "*laris wa-batil*," null and void in Arabic, and then take that message to his Arab partners in the capitals of the Arab World—in Arabic.

We reserve no place at the peace table for dissemblers, posturers or hypocrites. If Yassir Arafat wants to come to the table, he will have to demonstrate that he can deliver. As of now, he is not even at the threshold.

In the East-West area, our relations with the Soviet Union are warming and it has expressed a desire to play a role in the Middle East. It is tempting to believe that it wants real peace in the region. But despite *glasnost* and its "new thinking," the Soviets have yet to prove they want more than a paper peace.

Mr. Gorbachev can start by reestablishing relations with Israel broken off in 1967. If he truly desires Middle East peace, he should pledge that never again will there be the sight of Cuban troops fighting Israelis in the Golan Heights. The Soviets should stop selling SU-24 aircraft to Libya, as they did only weeks ago. The Soviet Union should withdraw the 4,000 or so advisors it has stationed in Syria, along with the 150 SAM installations that are aimed at Tel Aviv, Jerusalem and Haifa.

The Kremlin should also exercise its leverage over Syria, as well as Libya and Iraq, to see that they forswear chemical and biological weapons, and condemn them if they don't. Equally ominous is Iraq's attempt to yet again develop a nuclear capability. The Soviets could play a role there, too.

To be sure, the Soviet Union has initiated active diplomatic efforts in the region, but activity should never be confused with peacemaking.

Some say that in the missile age, surrounded by a hostile Arab world, Israel can't have secure borders. But I'm reminded here that David Ben-Gurion kept a map on his desk of the Middle East from Morocco to the Persian Gulf—the same map that's found throughout the Arab world today. On it, Israel is identified as "Occupied Palestine." Ben-Gurion looked at this map every day, and whenever he was asked how he could stand it, he declared: "There are only two permanents in politics: history and geography." To which he added, "That gives us a draw."

At times, democracies question themselves, perhaps too harshly. But democracies hold themselves to higher standards. Israel and the United States must never forget that people the world over—not just in China and the Soviet Union—aspire to our political values.

I am confident that Israel and the United States will never yield to the temptations of a paper peace in the Middle East. To us, the flowering of a strong, safe and democratic Israel is sweeter, the goal of true peace in the Middle East is more enticing.

For peace is all that we ask, a peace in which all countries in that troubled part of the world will beat their swords into ploughshares and spears into pruning hooks; a peace that will enable the desert to rejoice and blossom as the rose. When the wicked cease from troubling and the weary be at rest, then all of us, here, there and everywhere, will be able to say to each other, with faith and confidence, in our coming and in our going, Shalom, Peace; Peace be with you, now and forever.

I hope all of us live to see that day.

Thank you.

PRESIDENT BUSH ANNOUNCES COMPETITIVE ELECTION ACT OF 1989

Mr. DOLE. Mr. President, for the first time since 1977, the President of the United States has taken an active interest in the campaign finance reform debate. On June 29, George Bush unveiled a comprehensive reform package designed to curtail the influence of special interests, strengthen political parties, reduce incumbent advantages, increase the level of competition in the congressional races, and put the election process back in the hands of the American people.

REDUCING THE INFLUENCE OF SPECIAL INTERESTS

A lot of Americans are disgusted with a political system that appears to cater to the special interests. President Bush has decided to deal with this issue directly by banning political action committees [PAC's] sponsored by corporations, labor unions and trade associations, and increasing disclosure requirements on so-called soft money contributions and independent expenditures.

For the so-called ideological PAC's that are protected under the first amendment's freedom of association, the President would slash the contribution limits from $5,000 per candidate per election to $2,500 per candidate per election.

In addition to limiting the role of PAC's, President Bush would increase disclosure requirements on all contributions and expenditures that are intended to influence elections but are not controlled by the candidates themselves. Full disclosure of all soft money contributions and expenditures by political parties, labor unions, PAC's and corporations for all Federal elections is a significant part of this package. Increased notice and disclosure requirements on so-called independent expenditures are also important.

The first amendment guarantees each American the right to freedom of speech. The Supreme Court held in the case of Buckley versus Valeo that political expenditures are a form of political speech. But, if we are genuinely concerned about the level of money in the political system, we need to know where the dollars come from and how they are being spent. Under these circumstances, disclosure is the best solution.

Although the primary focus of the President's package is on congressional elections, I am pleased that most of the so-called special interest provisions would also apply to Presidential races.

STRENGTHENING POLITICAL PARTIES

Experts have divergent views on the issue of campaign finance reform, but most academics agree that strengthening political parties would improve the current campaign financing system. Larry Sabato at the University of Virginia, Herbert Alexander at the University of Southern California, and Ross Baker at Rutgers University are prominent examples.

President Bush and a vast majority of my colleagues on this side of the aisle agree with the experts on this issue. We believe that, by giving a candidate a nest egg free of special interest obligations, political parties could enable candidates to spend less time raising money and more time discussing the issues.

DEMOCRATIC REACTION

The Democratic reaction to the President's proposal has been extremely partisan. The distinguished majority leader characterized the Bush proposal as having and I quote:

Little to do with campaign finance reform. * * * It was obviously crafted with one objective—to help Republicans.

Ron Brown, the Democratic Committee chairman, dismissed the President's plan before it was even announced. He said, and I quote:

The President's campaign finance bill ought to be labelled the fat cat protection act of 1989. * * * [George Bush] wants to make it easier to give Republican candidates access to big money contributors.

If the campaign finance reform debate in the 100th Congress taught us anything, it showed us that gut-level partisan reactions will lead to a stalemate in the Senate. I suggest that Ron Brown take some time to read through the President's plan. It does not favor the wealthy; it does not change the $1,000 individual contribution limit; it does not favor the special interests, and it does not rely on the taxpayers to pick up the tab for reform.

In my view, the real fat cats are House and Senate incumbents.

THE REAL FAT CATS

It is no secret that incumbents enjoy a number of advantages over challengers. PAC dollars, free media coverage, professional staff, and a multimillion-dollar franking privilege are obvious examples. The major reason for the dispute over spending limits is that they favor incumbents. It's that simple.

As the majority party in Congress, the Democrats have an interest in protecting incumbency, while Republicans are more concerned about guaranteeing that challengers have access to the political process. I, for one, do not want a permanent Democratic majority running the Congress, nor do I want the American taxpayers picking up the tab for "reform."

President Bush's plan directly addresses a number of the most regregious incumbent advantages. It prevents incumbents from building up a war chest by rolling over excess campaign funds; it prohibits Members of Congress from using excess campaign funds for personal use; and it places limits on unsolicited mass mailings by incumbents prior to an election.

GERRYMANDERING

In my view, redistricting is one of the most important elements in President Bush's plan. This issue must be addressed as part of any meaningful campaign finance reform package.

Politicians should not be allowed to manipulate congressional district boundaries in an effort to maintain a partisan advantage. President Bush agrees. His plan features a nonpartisan Federal standard for congressional districts that would go a long way toward making congressional races fair and competitive.

CONCLUSION

Mr. President, over the past 2 years, the Senate found itself locked in a partisan logjam on the issue of campaign finance reform. It will clearly take a bipartisan effort to produce real, fair reform. My hope is that President Bush's proposals will give each Senator an incentive to reevaluate his or her position on this issue.

I look forward to working with the President, the distinguished majority leader, and my colleagues in the House and Senate on both sides of the aisle to produce a meaningful campaign finance reform proposal. One that is fair to Democrats and Republicans, to incumbents and challengers alike.

I ask unanimous consent that a fact-sheet of the major provisions in the President's plan be included in the RECORD immediately following my remarks. It is my understanding that the White House is currently drafting legislative language that should be completed before the Senate takes its August recess.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

FACT SHEET—PRESIDENT BUSH'S CAMPAIGN FINANCE PROPOSALS

Today the President announced a comprehensive campaign finance proposal designed to lessen the power of special economic interests and restore competition to American Congressional elections. The package reflects the President's strong commitment to increasing the roles of individuals and the political parties in the electoral process. It is also designed to reform the system of campaign finance under which in the 1980s House incumbents have a 97.7 percent reelection rate and Senate incumbents an 85 percent reelection rate. The proposals follow general themes first articulated by the President in his April 12 speech to the American Society of Newspaper Editors:

Eliminating political action committees (PACS) supported by corporations, unions or trade associations, and prohibiting such entities from paying for the overhead or administrative costs of any independent PAC.

Strengthening political parties by increasing the amounts they can spend on behalf of congressional candidates. This source of funds would permit legislators to spend less time fundraising, would ensure that challengers have greater resources with which to challenge incumbents, and would further limit the role of special economic interests in elections.

Addressing the problem of the "permanent Congress" by reforms designed to reduce the unwarranted advantages of incumbency. Specifically, the proposals would prohibit the personal use of excess campaign funds, drastically reduce Congressional mailings under the frank, ban the rollover of campaign funds from one election cycle to the next, and legislate fair neutral criteria for the redistriction of Congressional lines that will follow the 1990 census.

Fully disclosing all soft money spent by the political parties and all labor unions, corporations and trade associations to influence a federal election.

A more detailed description of the President's campaign finance reform package follows:

1. CONTRIBUTION LIMITS

Curtailing Political Action Committees (PAC's)

The proposal calls for the elimination of PAC's sponsored by corporations, unions and trade associations. The bulk of PAC contributions come from these corporate, union or trade association PACs: they accounted for nearly 90% of the approximately $160 million contributed by PAC's in the 1987-1988 election cycle.

Contribution limits for the remaining PAC's, i.e., those not sponsored by corporations, unions or trade associations (the so-called "non-connected" or independent PACs) would be reduced from $5,000 to $2,500 per candidate per election. It appears that freedom of association guarantees under the First Amendment make it impossible to eliminate these independent PACs.

Corporations, unions and trade associations would also be prohibited from using Treasury funds for non-connected PAC administrative or overhead costs, including corporate or union subsidies for payroll deductions to fund a PAC.

PAC contributions to national and state political parties would stay the same ($15,000 per year). The remaining independent PACs would also be able to continue funding such participatory activities as voter registration and get-out-the-vote programs, which would become fully reportable.

The proposal would codify the Beck Supreme Court decision, holding that union members cannot be forced to have mandatory union dues go to political causes or organizations they do not support.

"Leadership PAC's," including those associated with Presidential candidacies, would be curtailed by limiting federal candidates and elected officials to one fundraising committee, and by prohibiting transfers between fundraising committees.

All but political party committees would be prohibited from bundling, the practice where an organization or its officials solicit contributions from its employees or members at a central location, "bundles" them and sends them to a candidate without affecting the organization's contribution limits.

Independent expenditures would be subject to additional notice requirements. Any advertisement or other political communication paid for by independent expenditures would have to include additional disclosure throughout, identifying the person or organization funding it and stating that it is not authorized by any candidate.

Strengthening Political Parties

The proposal increases to $.05 from $.02 times the voting age population the coordinated expenditure limits that parties may spend on behalf of federal candidates (ranges now from $92,000 to about $1.5 million depending on population for a Senate race, about $46,000 for a House race). This would allow a larger percentage of contributions to a candidate to come from political parties.

2. REFORMING UNFAIR ADVANTAGES

Limiting the Use of Excess Campaign Funds

The rollover of excess campaign funds into the next election cycle would be prohibited by requiring that all campaign treasuries be zeroed out by January 31 following the election. All excess campaign funds would have to go to: national or state party committees; the National Debt Retirement Account of the United States Treasury; or

all campaign contributors as pro-rata refunds.

Presidential candidates would also be prohibited from using excess campaign funds from previous races to fund their presidential efforts.

The proposal bans the conversion of excess campaign funds for personal use. With regard to the Congress, this would apply as follows:

House—House members who are grandfathered could no longer convert the funds to personal use.

Senate—Senators would be precluded from supplementing official accounts with their own excess campaign funds.

Limiting the Use of the Frank

The proposal bans the use of the frank for unsolicited mass mailings.

Quarterly filings would be required by all Members of Congress regarding the amounts spent on franked mail. The reports would be due within 30 days of the close of the quarter.

Fairness in Redistricting

The proposal calls for the end of Gerrymandering through the promulgation of criteria for fair redistricting in federal elections. Such criteria will include requiring district lines to adhere to compactness standards and follow established community boundaries.

The legislation will emphasize the need for congressional and state legislative plans to follow the provisions of the Voting Rights Act.

3. SOFT MONEY DISCLOSURE

Full disclosure of all "soft money" contributions and expenditures by political party committees would be required under the proposal.

Labor unions, corporations and trade associations would have to disclose all money spent to influence a federal election, including voter registration and get-out-the-vote activities, as well as any communications which advocate the election or defeat of any federal candidates.

The proposal also calls for the adoption of realistic allocation guidelines to attribute the cost of party activities proportionately to federal candidates. This will assure that "non-federal" dollars are not used to support "federal" candidates.

THE DEATH OF WILLIAM J. GREER

Mr. THURMOND. Mr. President, I rise today to mark the passing of a fine man and great South Carolinian, Mr. William J. Greer of Greenville, SC. Jack Greer was a prominent and successful businessman who contributed greatly to the State's economy, and he never lost sight of his strong commitment to civic responsibility.

Mr. Greer was born in Honea Path, SC, and later moved to Greenville where he attended Parker High School. He worked hard all of his life, beginning at the age of 14 when he was employed as a part-time mill sweeper. Mr. Greer's hard work ethic paid off, and he went on to become the founder of Texize Chemicals and Intex Products which are now sold under the Dow brands name.

The Texize Co. grew from its inception as a five-man operation with $60,000 in annual sales to a household name all over the country. After World War II, when textile chemicals were a scarcity, Greer started his company to manufacture the chemicals necessary for textile mills. In 1971, Greer founded another company, Intex Products, to supply specialty chemicals for the industrial, institutional and textile industries.

Jack Greer was the model of the American spirit of entrepreneurship—through hard work and dedication, coupled with an astute business sense, we achieved great success.

Mr. Greer was best known as a business magnate, but he was also a committed civic leader. He was chairman of the board of the Boys Home of the South located in Belton, SC, and also served as chairman of commissioners of the State Ethics Commission. He was a founder of the Strom Thurmond Institute at Clemson University and a member of the Clemson University Board of Visitors. I will always be grateful for the fine work he did in connection with the university.

I would like to extend my most sincere condolences to Mr. Greer's lovely wife, Sylvia Lingo Greer, and the rest of the Greer children: his sons, Richard E. Greer and Tommy D. Greer; his daughters Mrs. Paul Storey, Mrs. John Thurnton and Mrs. Randy Bell; and his stepdaughters, Mrs. David Brisben and Mrs. James Hinea. Richard Greer is the able head of the South Carolina State Development Board; in this position, he has continued in the Greer tradition of excellence and I commend him on the fine work that he is doing.

The debt of gratitude that we feel for him as friends, South Carolinians and Americans is abiding and strong. We will remember and appreciate Mr. Greer for many, many years to come.

ACT FOR BETTER CHILD CARE SERVICES

Mr. PRESSLER. Mr. President, the Senate now has considered and approved S. 5, the Act for Better Child Care Services. After carefully reviewing the ABC bill and its potential impact on my home State of South Dakota, I could make no other decision than to vote against the ABC proposal and for the administration's child care tax credit package. The ABC legislation, although amended in various respects during debate, contains serious flaws. This fact did not go unnoticed by hundreds of discerning South Dakota citizens, who contacted me to voice their strong opposition to the ABC proposal.

Our Nation's parents should receive child care assistance, but creating a new and extensive bureaucratic structure to deliver assistance to a relatively small number of families is not the answer. The Senate Labor and Human Resources Committee's own report on ABC states that approximately 18 million American children would be eligible for ABC funds if the bill becomes law. However, only 500,000 children actually would receive assistance under ABC's funding level. I fear that residents in the rural areas of South Dakota would lose out in a fierce competition for ABC dollars.

The likely ABC impact on America's church-based child care centers is another reason I opposed the bill. The constitutional questions raised by S. 5 have not been settled, no matter how many times ABC advocates say they have been. Churches that host child care programs will face expensive, time-consuming litigation because of this legislation. I, for one, do not want to see churches forced to use scarce resources on lawsuits, nor parents compelled to choose between placing their little ones in church-run care programs and receiving Federal assistance.

In conclusion, I remain very troubled by the Senate's passage of S. 5. Most assuredly, the Government has a role to play in increasing the affordability and availability of child care in the United States, but ABC will not accomplish these objectives. Instead, parental choice will be reduced, another complicated and expensive bureaucracy will arise, and churches will be mired in a legal mess. American families deserve better than to be served this platter of problems. If S. 5 becomes law, this is exactly what they will get.

SANCTIONS ON COMMUNIST CHINA

Mr. HELMS. Through the years I have had differences of opinion with the labor union leaders regarding the question of how to raise the living standards of the American working family, but there has never been the slightest doubt in my mind that either Lane Kirkland or his predecessor, the late George Meany, was unaware of the brutal effects of communism on workers.

Last month, speaking of the bloody repression in Red China, Lane Kirkland said: "These acts of repression confirm the nature of Communist dictatorship as essentially tyrannical and immoral."

Mr. Kirkland is right, mass killings, slave labor, the kind of thought control once called brain washing, spies who turn in their family members to the secret police—this is what keeps communism in power.

How, then, does the leading nation of the free world respond to the latest outrage by the Chinese Communist leadership?

Mr. President, the U.S. Congress should pass sanctions legislation—for several reasons:

First, the United States must demonstrate its revulsion at the brutal oppression imposed on those freedom-loving Chinese students whose aspirations—and in many cases, whose bodies and lives—were crushed in the Communist crackdown on June 3 and 4.

Second, we have an obligation to those who yearn for liberty in China, and in other countries suffering under the tyranny of communism. If we do nothing, we will be aiding their enemies—the unrepentant Stalinists in Cuba, Vietnam, Nicaragua, and Eastern Europe who will conclude that after the killings stop, there will be a short period of complaints from the West, followed by oppressive business-as-usual.

Third, we should be responsive to the surviving democracy leaders and those who aspire for democracy within Red China who plead for our support. The prodemocracy forces in Red China have paid the price of liberty. They have earned, they deserve, they must have our support.

President Bush has made an excellent start. The House has made a significant contribution. But there is much more that we can do and must do in Congress.

Multilateral bank loans should be cut off—the West must not continue to finance Communist dictatorship in China.

If we are going to ask United States businessmen to reduce their activities in Communist China, we must to ensure that businessmen from other free world countries do not take commercial advantage of our sanctions and prohibitions.

We must look very closely at civilian aircraft sales. Questions cry out for answers: Did the Chinese Red Army use civilian airlines to move troops to Beijing in May? Could U.S.-produced aircraft be used in the future to move troops on another mission to suppress prodemocracy demonstrators?

The Chinese students have expressed a well-founded fear that the Chinese KGB will come to the United States disguised as diplomats on an intimidation mission. We must prevent that and deny them visas into this country.

After the invasion of Afghanistan, the free world boycotted Soviet national day. We must have a similar response to events in China. Two major holidays are coming up, Army Day on August 1, and the 40th anniversary of the founding of the Communist Chinese regime on October 1.

Mr. President, I cannot claim that these sanctions, combined with those of the other body, will bring communism in China to its knees. That will be a long, hard struggle.

But the consequences of failing to act are obvious. How will future generations of Americans and Chinese, judge the 101st Congress if we are too timid to support democracy in China? Will it be said that the Congress stood up to be counted when democracy was threatened? It is a matter of honor. It is a matter of principle. We must not default.

KASTEN SPEECH IN THE SOVIET UNION

Mr. DOLE. Mr. President, last month, our distinguished colleague from Wisconsin, Senator KASTEN, visited the Soviet Union. While there, he delivered an insightful and thought-provoking address on American democracy, and the lessons of our democratic experience for the world—including the Soviet Union.

Senator KASTEN's message couldn't have been more timely for his audience of Soviet intellectuals and students. His message is also a timelessly valuable one for all Americans.

I ask unanimous consent that the full text of Senator KASTEN's address be printed in the RECORD, and I commend it to all Senators.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS: THE AMERICAN POLITICAL SYSTEM: HOW IT WORKS—AND WHY

(By Sen. Robert W. Kasten, Jr.)

Thank you very much. I come before you as a member of the United States Senate, which is one of the two bodies that together make up the Congress, the national legislature of the United States.

I also come before you as an American politican, a member of the Republican Party currently headed by President George Bush.

As a legislator and as a politician, I have had occasion for many years now to reflect on the principles and practices of the American form of government. And I am very grateful for this opportunity to share with an audience of Soviet students and intellectuals both my understanding of the philosophical foundations of our system of government, and my appreciation of how that system works in practice to improve the lives of the American people.

The people of the State of Wisconsin elected me to represent their interests in our national capital of Washington, D.C. In maintaining contact with those I represent, I have frequently addressed groups of young people in these or similar words: "The kind of America we have depends on your efforts. It's up to you to build the America of the future."

In America, these sentiments are so commonplace that they have almost lost their meaning. It's taken for granted that the role of young people is to build up their country in their own image, so that they can spend their adulthood in a society of their own creation.

Here in the Soviet Union, those same words have a dramatically different meaning. To call on the young people of Russia to build their own national future is a challenge fraught with immense promise and immense peril. But that is what is happening now, as a result of the unprecedented reform movement led by President Gorbachev.

The Gorbachev reforms—political glasnost and economic perestroika—have confronted the young people of Russia with fundamental choices about the kind of Russia they want to inherit, and the kind of Russia they want to bequeath to their children.

I think President, Gorbachev discovered the correct path when he called for a Russia reintegrated into Europe, and a Soviet Union reintegrated into the global community of nations.

Many in the Communist Party media will try to scare you about America's intentions in Europe. They will try to convince you that America seeks a hegemony in Europe, and is therefore threatened by a new European Russia. But the truth is the opposite: America welcomes Russia back into its European heritage, because only through rediscovery of that heritage can the liberty and prosperity of the Soviet peoples, and a future of peace and security for all nations, be assured.

Let us work to build President Gorbachev's European House, even as the peoples of Poland and Hungary are building it today—a European House founded on a bedrock of respect for human rights, political and economic pluralism, and the dignity of all men and women.

What the peoples of Poland and Hungary are recovering is the tradition of Western political philosophy, of free and enlightened discussion about the structure of the state, the society, and the government.

This dialogue is almost 2500 years old. It began when the Greek philosopher Plato remarked that men can satisfy their material and spiritual needs much more readily in the context of a unified political organization. Plato said that the division of labor and the unity of the state are the foundations of a successful social order.

The weaknesses of Plato's approach were exposed by his student Aristotle. Aristotle believed that a unitary state founded on a strict class system could not do justice to human nature. He argued against Plato that "the nature of a state is to be a plurality"—and that a state without pluralism would cease to be a state at all. It would, argued Aristotle, degenerate into a society in which free choice, happiness, and virtue were no longer the objects of the social order.

And Aristotle believed that any system that sacrificed the proper goal of man—the happiness that results from active participation in building a society of free people—to a desire for efficiency and social conformity was fundamentally unworthy of man.

Aristotle's contribution—what one might call the "Great Leap Forward" of Western thought—was to recognize that the happiness and freedom of the human person are the goals which all good governments strive to accomplish.

The last 25 centuries of Western history have been a debate on these competing visions of the political order. And I am an active participant in a political system which arose from one particular historic response to this debate.

In the late 18th century, my country, America, was a colony being exploited by an imperialist power, Britain. The exploitation had been under way for over a century and a half, and the colonists were finding it increasingly difficult to reconcile the denial of political and economic rights to the colonists with the traditional system of liberties enjoyed by British subjects.

By 1776, the residents of British America had become very angry at the concentration

of power in the hands of the British Sovereign, King George III. They appealed to the higher authority of those traditional British liberties as a justification for an apparently radical step: outright rebellion against Britain.

The rights they were being denied—among them the rights to life, liberty, and the free pursuit of happiness—were held sacred by British tradition. More than that—they were understood to be part of the human person himself, ordained by nature and nature's God. This philosophical system was the foundation for the successful revolution of the American colonies, as well as for the establishment of the Constitution by which today's American government is organized and controlled.

After the Revolution, America for a brief time was a loose Confederation of states. The weakness of the central government during this period prompted Americans to draft a new system of government organization—a new Constitution.

In 1787, the several states which made up the American Confederation sent delegates to a national convention in Philadelphia. The purpose of this convention was to establish a system of government for the newly-liberated colonies which would avoid the extreme centralization and denial of rights which marred the British administration, while at the same time possessing adequate power to meet the needs of the new nation in a democratic-pluralist way.

As one contemporary commentator, Alexander Hamilton, phrased it, the question the convention had to confront was this: "(Are) societies of men . . . really capable . . . of establishing good government from reflection and choice, or (are they) forever destined to depend for their political constitutions on accident and force"?

The answer that emerged from the convention was that men and women are indeed capable of constructing a good government based on reason, and that they could devise a system that took sufficient account of all factions and interests while denying the rights and legitimacy of none.

The 1787 Constitution recognized, in the words of one of its chief architects, James Madison, that "(t)he latent cause of faction are . . . sown in the nature of man; . . . (and that therefore) the causes of faction cannot be removed." The only solution, Madison concluded, was to control the effects of faction.

And indeed, controlling the effects of faction was the chief project—and the most signal accomplishment—of the new Constitution. The Constitution provided for a complex series of limitations on government, each of which was designed to lessen the likelihood that any one faction could arrogate to itself the power to oppress the others.

Some argued that all of these factions would irreparably weaken the government, and that it might be better to limit liberties in order to decrease the factional conflict and thus provide for a stronger government. The new government, after all, had a lot of serious problems to confront; why strangle it in its crib with a lot of unnecessary restrictions?

The crafters of the Constitution, led by Madison, argued against this understanding of the restrictions they were imposing on the new government. They believed that the special genius of the system they had devised was that it transformed faction from a source of weakness into a source of strength.

Instead of curtailing liberties in order to make the government strong, the Constitution divided and limited the power of the government so that no faction could hijack all of the power even if it controlled part of the government. It didn't make the government weaker; it made all of the several factions weaker as they each sought to divert government to their particular economic, regional, or ideological ends.

So the end result of allowing and even encouraging all these different individuals and factions to contend was the strengthening of the new government. This was the intention of the writers of the Constitution two hundred years ago; and—as I can testify as a day-to-day participant in that Constitutional system—this is pretty much how it works in practice today.

I'd like now to describe briefly how that Constitutional system works, my own role in it, and how my role interacts with the roles of others.

At the core of the American democratic system is the separation of powers. Madison observed in the debates over the approval of the Constitution that the absence of this separation is the very definition of tyranny. If the same person or group is entitled to write the laws, enforce the laws, and interpret the laws, the necessary result will be an anti-democratic concentration of power in this person or group, and the consequent erosion of the rights and liberties of other citizens.

The legislative function in the United States is exercised by the Congress, which comprises two popularly-elected branches. The Senate, of which I am a member, has two members from each of the 50 American states. The entire population of a state votes on candidates running for election to the Senate. Senators are elected for six-year terms.

The House of Representatives has 435 members, and these are distributed among the 50 states according to population. For example, my own state of Wisconsin sends 9 members to the House; the largest state, California, sends 45; and the very smallest states send only one each. To win a seat in this body, a candidate must contest and win an election in one of the geographic districts in his state. For example, before being elected to the Senate, I served as member of the House of Representatives for one of the nine geographic districts in Wisconsin. Members of the House are elected for two-year terms.

Because members of these two chambers of the legislature are directly elected by popular vote, they are sometimes controlled by different political parties. For much of this decade, the Senate was controlled by a majority from the Republican Party, while the House has been controlled by a majority from the Democratic Party.

The choice about which party will control the House and the Senate is thus made by individual men and women at the local level all over America, when they go to the ballot box and decide which candidate will best represent their interests and values. And it's not unusual for voters to split their ballots—many citizens in Wisconsin voted for me, a member of the Republican Party, in the election for the Senate, while at the same time voting for a member of the Democratic Party in the elections for the House of Representatives.

That's how the people who write America's laws are chosen.

The executive power in America is vested in the President, who is elected for a four-year term. Presidential elections, while occuring on the same day as elections to the Congress, are independent of them and involve a more complex process. Rather than amassing a numerical majority of voters nationwide, a Presidential candidate must win a majority in each of as many states as all together make up a majority of the American population.

Nonetheless, because no candidate in the last 101 years has been elected without also receiving the most votes from the American people, the Presidential elections are widely perceived as being just as fair and democratic as those for Congress.

Voters can split their ballots here as well—voting for a Republican for President and voting for Democrats to serve in Congress. Today, America has a Republican President, George Bush, and Democratic majorities in both the House and the Senate.

So in trying to represent the people of Wisconsin in the national capital, I have to work with another Senator from Wisconsin (who is currently of the opposite party), a nine-member delegation from Wisconsin to the House of Representatives (of which 4 are of my party and 5 are of the other party) and a President (who is of my party).

Together with all the other Senators and members of the House, these are the people who will decide on the national policies affecting Wisconsin and the other 49 states.

The judicial power in America is also independent. The federal judges charged with interpreting the Constitution and enforcing national laws are appointed by the President, but they must be approved by a majority of the Senate. These judges have life tenure.

As if this weren't enough, there is yet another layer of safeguards to protect the liberty of Americans: the system of federalism. Each of the 50 states has its own popularly elected Governor and legislature and makes its own laws. These state governments, because they are closest to the needs and concerns of their people, have been dynamic innovators in government policy—and much of what is best in our national laws was enacted as a result of its proven success in one or a number of the states.

Constitutional rights and liberties are another essential component of the American political system. That a Congress or a President is elected democratically does not entitle it to infringe on the rights of individuals and minorities. The Constitution's Bill of Rights prohibits the making of any laws that would violate the people's right to freedom of speech, freedom of religion, or any other basic human rights.

Central to the economic rights recognized by our Constitution is the provision which holds that "No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

This provision ought to make clear just how central the individual is to the American system. Just as the individual, as a human being endowed with basic human rights and dignity, has his civil rights protected, so also the individual, as source of economic innovation and creativity, has his property rights protected.

In each case, what is at stake is the dignity of the human person; and, in each case, the American government has no power to infringe upon it.

The Constitution can be amended by common consent of the legislatures of

three-fourths of the states to a particular amendment, which can be proposed either by a two-thirds vote of both houses of the Congress, or by a Convention called by two-thirds of the state legislatures.

By making the amendment process this complex and difficult, the creators of our Constitution ensured that it would not be amended for frivolous and demeaning purposes, or be turned into a tool for the satisfaction of transient passions. And in fact, there have been only 26 amendments in the last 200 years.

As I have just described it, the American political system sounds as if it might be too complicated to work effectively. Does it in fact work?

It is my belief, based on almost twenty years of experience in American politics, that the system works. The dictum of Prime Minister Churchill of Great Britain, to the effect that democracy is the worst possible form of government except all the other forms that have ever been tried, is true.

To those of us trying to work within the system to promote the interests of the voters of our states, the system is often irritating. It is even sometimes infuriating. But in the last analysis, when it comes to meeting the human needs and protecting the human rights of all the American people, the American system works very well.

Just as the crafters of the Constitution intended, the fragmenting of power has proved a source of great strength for our country. Our Constitutional system sometimes fails to prevent bad things from happening, but it usually keeps them from becoming much worse than they already are. In short, the system functions as a self-correcting mechanism—just as its founders had intended.

The environment will provide one example of how our democracy works. Nothing is more important to ensuring high standards of living over the long term than prompt action to keep the world's air and water clean and healthy.

Over the last two decades, numerous organizations of private citizens have been formed in America to publicize the environmental problem and to suggest solutions to it. These citizens are voters—and their needs must be respected by all participants in the political process.

The environment was a major issue in last year's U.S. Presidential election. One of the most effective campaign strategies employed by the winning candidate, George Bush, was to charge his opponent, Michael Dukakis, with having presided over the environmental devastation of Boston Harbor.

The Bush strategy was to ask the American people to decide whether a man who had been inadequately sensitive to the needs of the environment when he was serving as Governor of one of the 50 states could be trusted to help set environmental policy for the nation as a whole.

These issues were debated publicly, and Bush was elected. Last week, the new President was busy touring America to gather support for the environmental policies he is planning to propose to the Congress.

That's the way environmental policy is made in America. In a non-democratic society, however, the formation of pressure groups—like the ones using political activism to help save the American environment—is discouraged. Also, in a centrally-planned state economy, there is a tendency to subordinate everything—including the health of the land and its people—to meeting the short-term targets set by five-year plans.

I suspect that this is the reason Russia's environment is in much greater peril than ours. Soviet biologist Alexei Yablokov says that a full 20 percent of the Soviet population lives in ecological "disaster" zones, and another 35-to-40 percent in what he calls ecologically "unfavorable areas."

Dr. Feordor Morgun, Chairman of the U.S.S.R. State Committee for Nature Conservation, warns that 102 Soviet cities, with a total population of 50 million, frequently have concentrations of air pollution of "ten times the permitted level."

And Marat Khabibullov, a researcher at Kazan State University who is currently a visiting professor at the University in Madison, Wisconsin, tells us that the Arab Sea may dry up by the year 2010; that an estimated 2.5 million acres of cropland are abandoned each year in Soviet Central Asia due to soil erosion; and that infant deaths are on the rise in the Soviet Union.

Please don't misunderstand me. I'm not pointing these things out in order to attack the Soviet Union. I'm just trying to show that the U.S. and the U.S.S.R have similar problems only because of our broad democracy, in which many diverse individuals and groups participate.

And so we return to the problem as old as Western civilization, the problem with which the people of the Soviet Union are grappling today: How can we organize a just society? The framers of the American Constitution—the oldest surviving democratic constitution in the world—expressed the task in the following words: "A good government implies two things: first, fidelity to the object of government, which is the happiness of the people; secondly, a knowledge of the means by which the object can best be attained.

I hope that I have been able to set forward in a helpful way the means which my own country has used over the last two hundred years to promote the happiness of our people. Other democracies have sought the same goal, but with somewhat different means, different structures of government organization.

In Great Britain, for example, the executive power is held by members of the popularly elected legislature. Prime Minister Margaret Thatcher, as parliamentary leader of the majority Conservative Party, makes the executive decisions that in the United States are made by the President.

The British system thus gives great power to the majority party in the legislature. If a party wins a majority in this unicameral legislature, it has the right to enact its policies into law with very few restrictions. Its actions, of course, will be judged by the public at the next elections.

America's separation of powers makes it much more difficult for any particular party to enact its policies into law. But I think that what America loses by lacking this strong consolidation of power, it more than makes up by giving minority parties and minority interests an opportunity to promote their programs.

The empowering of minority groups can of course be taken to extremes, with the result that the political system is completely fragmented and reduced to impotence. I think the state of Israel is in a situation close of this. In Israel, the balance of power is often held by minority splinter parties and religious parties, which exercise political power far out of proportion to the number of people they represent.

The key to a successful representative government is ensuring the rights of the minority while at the same time providing for the enactment of the will of the minority. I think Israel may lean too far in the first direction, toward the minority, and Britain too far in the second direction, toward the majority.

These structures, then, are important. Democracies do better or worse according to how well their structures provide for the political rights of all their citizens.

But the spirit is the same—the spirit of human rights and of democracy. Where this spirit lives, there is a hope of happiness for the people.

President Gorbachev says that faithfulness to Leninist principles requires the democratization of the Soviet Union, that a true Leninist socialism must be based on the grassroots democratic activism of the local soviets and the work collectives.

But Lenin himself wrote in his seminal work The State and Revolution that when he spoke of democracy, what he meant was "an organization for the systematic use of violence by one class against the other, by one section of the population against another."

That's not what we mean by "democracy" in America. That's not what President Lyndon Johnson meant when, in 1965, he asked the U.S. Congress to pass a law that would finally allow the black men and women of America the right to participate fully in democracy.

For centuries, despite the reverence of the American people for the principles of equality and human rights, the black people in America were denied equal treatment under the laws, and they were denied basic human rights. Before 1863, there was outright slavery; after 1863, there were assertively racist white majorities in a number of American states.

This situation was a standing reproach to the ideals of our country. For many years, many Americans, black and white alike, worked peacefully to assemble an effective majority for black rights. And it was in the name of this majority that President Johnson addressed the Congress on March 15, 1965, in the following words:

"This was the first nation in the history of the world to be founded with a purpose. The great phrases of that purpose still sound in every American heart, North and South: 'All men are created equal'—'government by consent of the governed'—'give me liberty or give me death.' Those are not just clever words. Those are not just empty theories. In their name Americans have fought and died for two centuries, and tonight around the world they stand there as guardians of our liberty, risking their lives.

"Those words are a promise to every citizen that he shall share in the dignity of man. This dignity cannot be found in a man's possessions. It cannot be found in his power or in his position. It really rests on his right to be treated as a man equal in opportunity to all others."

On that day in 1965, President Johnson was speaking to the best part of the spirit of all Americans. He was expressing what Americans in the noblest depth of their heart mean by democracy—not a system of violence, but a system of peaceful change; not a system of retribution against enemies, but a system of cooperation and respect for differences; not a system of class hatred or race hatred, but a system that recognizes the inestimable value of all human beings.

On that same day in 1965, Americans could listen to folk singer Bob Dylan on their radios: "Come, mothers and fathers,

throughout the land./ And don't criticize what you can't understand./ Your sons and your daughters are beyond your command./ Your old road is rapidly aging./ Please get out of the new one if you can't lend your hand—/ For the times, they are a-changing."

And, today, the times are changing here in the Soviet Union. What will become of this union of great nations? Can true democracy be built on a Leninist foundation? Can the slumbering giant of the Russian spirit be reawakened for active service to the world community?

The answers to these questions are written in the hearts of the young people of this country, the first adults of the 21st century. And I find in those hearts much cause for optimism—because they are the hearts of brothers and sisters, men and women who know the good that is in man if only he is allowed to be free.

So let me ask, along with the great Russian writer Nikolai Gogol: "Whither art thou soaring away to, then, Russia? Give me thy answer! But Russia gives none. With a wondrous ringing does the jingle bell trill; the air, rent to shreds, thunders and turns to wind; all things on earth fly past and, eyeing it askance, all the other peoples and nations stand aside and give it the right of way."

You have it within your power to make this land a wonder of the world, a marvel for all mankind. This is your challenge, and the hope of lovers of freedom all over the world.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will go into executive session to consider the nomination of Chic Hecht to be Ambassador Extraordinary and Plenipotentiary to the Commonwealth of The Bahamas.

DEPARTMENT OF STATE

NOMINATION OF CHIC HECHT, OF NEVADA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COMMONWEALTH OF THE BAHAMAS

The PRESIDING OFFICER. The clerk will report the nomination.

The legislative clerk read the nomination of Chic Hecht, of Nevada, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of The Bahamas.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, today, we are considering the nomination of former Senator Chic Hecht for the post as Ambassador to The Bahamas. Senator Hecht appeared before the Committee on Foreign Relations on May 19 for his confirmation hearing chaired by Senator DODD, chairman of the Subcommittee on Western Hemisphere and Peace Corps Affairs. On June 8, Senator Hecht was favorably reported by the committee.

In today's world, The Bahamas is much more important to the United States than its small size and its stature in the world may indicate. It is a major transshipment point for significant amounts of cocaine and marijuana entering the United States. It is for this reason that in the past few years, many in the Senate have expressed concern about the nature of the Bahamian Government's policy on narcotics trafficking as well as the charges of official corruption within the Government. The administration has certified that the Government of The Bahamas is fully cooperating with United States' antinarcotics efforts and cited various examples.

During his hearing, Senator Hecht was made well aware of the concerns about the narcotics and corruption issues by the Senators in attendance. Senator Hecht pledged to continue pressing the Government of The Bahamas for genuine cooperation in combating international narcotics trafficking.

I congratulate Senator GRAHAM for underlining the importance of the post of Ambassador to The Bahamas by moving for this floor discussion. It will serve as a reminder to all concerned that we in the United States remain very interested in the type of action that the Government of The Bahamas takes on the narcotics front and expect our representatives in The Bahamas to push for cooperation to its fullest extent.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida [Mr. GRAHAM].

Mr. GRAHAM. Thank you, Mr. President, Mr. President, at this point, I would like to make some introductory comments about the nomination of Senator Chic Hecht as Ambassador from the United States to the Commonwealth of The Bahamas focusing particularly on the following points.

First, we use the term "war on drugs," but this is a very special type of war. It is a war that will not have Waterloo-type victories or defeats. It is a war in which there will be a series of important skirmishes, and our ability to collectively manage and emerge victorious from those series of skirmishes will determine the end result of this war on drugs.

Second is that one of the most important series of these skirmishes will be those that are waged outside the continental United States. Most of the drugs consumed in this country are produced outside the United States. There are important corridors of transshipment from the source countries to the United States, and dealing effectively with those source and transport countries will be an important part of our strategy for victory in the war on drugs.

Third is that not only will a country like The Bahamas be judged by its action, even more important to us, the United States of America is going to be judged by our collective action. I believe that just as individuals can only fundamentally change themselves that nations can only fundamentally change and set directions for themselves. So the type of actions, the symbolism of our actions, the anticipated response to our actions by our foreign allies and our foreign foes are an important part of our strategy for victory in the war on drugs.

Fourth, The Bahamas is an important component of that international dimension to the war on drugs.

And finally, the United States Ambassador to The Bahamas serves in a unique position because of the combination of the importance of The Bahamas as a transshipment point, the scale of The Bahamas as a nation, the small population and economic base and, therefore, the necessity of close cooperation between the Commonwealth of The Bahamas, a sovereign government, and various United States agencies which are providing a substantial amount of the complement to the Bahamian efforts to have an effective defense against drugs from that very important country.

Those are some of the issues that are at stake today as we debate an ambassadorial appointment which, in previous years, might have been considered to be one of the easiest, least controversial, frankly, least demanding ambassadorial post that the United States could assign one of its citizens to fill.

Mr. President, to return to those introductory points, I do not need to belabor the President or the Members of the Senate or the people of the United States with the high priority which is placed upon the United States success in grappling with and overcoming the scourge of drugs which today besets virtually every community in this Nation. In poll after poll—most recently, a Gallup poll and a Hart poll, the issue of drug rates consistently is the top concern of the citizens of this country. This is not a regional issue; it is not a class issue; it is an issue of deep national concern growing out of our recognition as a people of the consequences of surrender in the war on drugs to the future of our Nation.

It is an issue, Mr. President, in which we, as political figures, have spoken at great length and occasional eloquence. The President, Members of the Senate, Members of the Congress, Governors, other State and local offi-

cials have all spoken out about the importance of victory in the war on drugs. What we are about today, Mr. President, is a question of whether we are prepared to back up our words with definitive action. If you ask the question, will the assignment of an Ambassador to the Commonwealth of The Bahamas be the critical element in victory or defeat in terms of our war on drugs, the answer is no. But frankly, there is no other single action that would be pivotal in victory or defeat. It is much like asking the question, Would the decision of the assignment of the commanding officer to the North African front during World War II in and of itself have made the difference in the victory of the allies over Adolf Hitler? The answer is probably not, but the fact that we were able to turn the tide in that theater set in motion and reinforced actions elsewhere which cumulatively did lead to allied victory. This is an important decision. I suggest that this decision is almost as important to the war on drugs as to the decision to who we assigned to be our commander in chief in North Africa in World War II.

Mr. President, what we are doing here today is also going to be an important symbol around the world and particularly around this region of the world which has been so important—the Caribbean, Latin America. Let me ask you, Mr. President, to put yourself in the position of a political figure in, let us say, Colombia. Colombia has been a country which for the last decade has been in a very real hot war with the drug cartel. We read within the past few days that the Governor of the State of Medellin was murdered as part of that hot war against drugs in Colombia, murdered because he had been vocal and an effective leader in that nation's effort to turn an enormous tide of drugs which face and threaten the very sovereignty of the nation of Colombia.

If you are a political figure in Colombia looking to the United States for not only fiscal and physical but also spiritual and leadership support in this war on drugs, what kind of signal are we sending in terms of the decisions that we make here, including the decision to confirm the Ambassador to the Commonwealth of The Bahamas? I suggest that we need to send a consistent set of statements of our seriousness, of our willingness to commit not only resources but the best American citizens that we have in the critical battleground against the war on drugs. To do less is to tell our allies that we are less than fully committed to victory, a statement that I do not believe we can tolerate.

Mr. President, I would like to turn now to the specific issue of the importance of The Bahamas within this region in our war on drugs. The Bahamas have been, for most of this decade, the major drug transport center between Latin America and the United States of America. I believe it would be fair to characterize The Bahamas as the most important country to the United States in terms of our war on drugs, other than those which are the direct source of the drugs themselves. It has been estimated that over the last decade The Bahamas has represented as high as 70 percent—70 percent—of the cocaine into the United States was transported through the Commonwealth of The Bahamas.

Mr. President, this is a map of the Commonwealth of The Bahamas. The Commonwealth of The Bahamas consists of approximately 700 islands. They stretch from near the coast of Florida almost to the Island of Hispaniola. They consist of a land mass which is approximately the size of the State of Connecticut plus the State of New Jersey combined. The State of Connecticut and the State of New Jersey combined would represent the land mass of the Commonwealth of The Bahamas.

The Bahamas has a population of 250,000 people, of which approximately half live on the single island of New Providence, the island of the capital of Nassau; the other 125,000 in the remaining some 700 small islands. The Bahamas is a country which by our standards is relatively poor; buy the region's standards is one of the more prosperous countries in the Caribbean.

The Bahamas has made a significant commitment to the war on drugs. While there may be some differences based on accounting method and cost assignment, the Bahamian Government calculates that approximately 12 to 14 percent of its total national budget has been committed to drug-related activities. The Bahamian Government estimates it spends over 15 percent of its total national budget on drug education and treatment, so its efforts between enforcement and treatment represent well over 25 percent of its national budget.

Mr. President, not only is The Bahamas a significant center for cocaine importation, it has also been a major area for importation of other drugs. In 1988, the Coast Guard seized in Bahamian territorial waters almost 48.2 metric tons of marijuana, and in 1988 a joint United States-Bahamian interdiction effort netted an additional 13.2 tons of marijuana in Bahamian territorial waters. So for a variety of serious law enforcement issues, for a variety of drugs which are causing major problems in the streets of the United States of America, The Bahamas is a significant transport center.

The Bahamas also, Mr. President, has unfortunately become a major source of internal drug addiction.

On June 21, our colleague, Senator MOYNIHAN, submitted for the RECORD a statement on drug addiction in The Bahamas, pointing out that as early as the beginning years of this decade The Bahamas became an early indicator of the consequence to a society of massive use of drugs.

I had the opportunity recently to visit in The Bahamas with Dr. David Allen, who is the head of the Bahamian National Drug Council. Dr. Allen pointed out that one of the first places in the world to identify extensive uses of crack was The Bahamas, and that occurred approximately 5 years ago. And now, 5 years later, The Bahamas is one of the first countries to have a pool of its citizens who have become chronic crack-addicted individuals, with a whole host of very serious physical and emotional and antisocial problems.

In many ways this is an unfortunate harbinger of what we can anticipate in our own country as we reach the milestone of 5 years after large-scale addiction to crack. So we have a concern about The Bahamas because of its enforcement issues, we have a concern because of its high level of addiction and what that means to a friendly, allied nation and the model that that may perceive within our own country.

Mr. President, I cannot underscore the importance of this small commonwealth in terms of our overall national seriousness of commitment to win the war on drugs.

Let me turn next to the special importance of the Ambassador to The Bahamas. Because of the geographic circumstances of large size, many small islands, proximity to the United States, and the demographic factors of relatively small population and the economic limitations of The Bahamas, the reality is that any effective action that is going to take place there must be a cooperative one between the sovereignty of The Bahamas and the resources of the United States of America. In that situation the Ambassador plays more than just the traditional diplomatic role. The Ambassador becomes almost an operational officer, coordinatiing specific drug-related initiatives between the Bahamian Government and various United States agencies.

We currently have a series of United States operational centers throughout The Bahamas with others in planning. I spoke earlier this year with the immediate past Ambassador to The Bahamas, Mrs. Carol Hallett. She told me that 95 percent of her time as Ambassador to The Bahamas was spent in drug-related activities, much of it in the coordination of joint operations.

Mr. President, we need to have in that critical position of Ambassador to The Bahamas not only someone who has the requisite background in diplomacy and foreign policy, but we also need to have someone who can give to

the citizens of this country, to the citizens of The Bahamas, and to the citizens of the world who are looking to the United States for leadership, confidence in his or her ability to lead an effective effort against drugs in this most important country.

Mr. President, we have had such a person in Ambassador Hallett, who has been very well recieved. I understand that when she departed The Bahamas at the conclusion of her service, many citizens without invitation or prompting came to wish her Godspeed as she left, as an expression of their collective and individual appreciation for the efforts that she had made—a very rare demonstration of citizen support for the Ambassador of a foreign country in The Bahamas.

Mrs. Hallett was a strong advocate for this country and for The Bahamas, giving a primacy to the war on drugs. She spoke out frequently and with strength and effectiveness, urging the Bahamian Government to take those actions necessary to pursue effective antidrug efforts. She also was a symbol of the U.S. commitment to being a full partner in that effort. Mrs. Hallett, Mr. President, would be the kind of individual I think we should look to for the continued leadership of the United States in the Commonwealth of The Bahamas.

Mr. President, it is difficult to speak in opposition to the confirmation of a former colleague. The nominee is someone that those of us who had an opportunity to serve with him knew and liked. I would strongly place myself in that category. I had the opportunity to spend many pleasant occasions with the nominee. We are in the unique circumstance, Mr. President, with the exception of yourself and a few others who have only recently arrived, to probably be the most informed jury that could be convened on this nomination. There is no group of Americans that knows this nominee better than those of us who have served with him in the Senate, and so we stand in a unique position to evaluate whether he has the requisite qualities of diplomatic and foreign policy experience, and particularly our confidence that he can serve in this operational role in the war on drugs that would warrant our confirming his nomination.

I suggest, Mr. President, that we know him better than the President of the United States, who nominated him, or the Secretary of State, who no doubt recommended his nomination to this position.

Therefore, we cannot escape the responsibility for making this very important judgment for our Nation, and for the people of America.

I regretfully come to the conclusion that this individual does not meet the standards that I believe our Nation should set, that he does not send to the world the statement of our commitment to victory in the war on drugs, and that he does not by his appointment and by his confirmation signal our seriousness of intention. I believe the time has come, has long come and gone, when we cannot continue to wage this war with words alone. We must do it with actions—the action that we have before us today as to whether the United States Senate will confirm this nominee to the position of Ambassador to the Commonwealth of The Bahamas.

In my opinion, Mr. President, he does not deserve nor does our Nation deserve to be represented by him in The Bahamas. Therefore, I shall vote no.

Thank you.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I ask unanimous consent to proceed as in morning business for not more than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

(The remarks of Mr. CONRAD pertaining to the introduction of S. 1283 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BREAUX. Mr. President, may I ask what is the pending business before the Senate?

The PRESIDING OFFICER (Mr. ADAMS). The pending business is an executive session to consider the nomination of Chic Hecht, of Nevada, to be Ambassador to The Bahamas.

Mr. BREAUX. Mr. President, for most Americans the Bahamas conjures up the image of miles of white sandy beaches, gorgeous sunsets, and romantic getaways. However, the Bahamas has also become well known to the U.S. Drug Enforcement Administration and the U.S. Customs Service for covert airstrips, money laundering, and as an offshore haven for narcotics traffickers.

The Bahamas comprises more than 700 islands and cays, scattered over 100,000 square miles of the Atlantic. According to the State Department's Bureau of International Narcotics matters, there are at least 73 airstrips and 110 small boat marinas in the country. Controlling these facilities is an impossible job for the 1,600 police and 750 members of the defense forces.

Although the Bahamian Government has become increasingly cooperative with U.S. authorities in the war of illegal drugs, the volume of drugs which transit the Bahamas continues to grow. Recent reports estimate that between 50 and 60 percent of the cocaine and marijuana entering the United States either transits Bahamian territory, or is transhipped through the Bahamas. In addition, lingering suspicions remain about the alleged involvement of Bahamian Government officials in the drug trade. A member of the Bahamian Parliament was indicted by the United States on March 29 of this year for laundering illegal drug money. There are also allegations that the Prime Minister of the Bahamas, Lynden Pindling, has ties to drug dealers, and that he has been the recipient of more than $3.5 million in payoffs from traffickers.

Traditionally, many ambassadorships have been reserved for close supporters of the President, or as a political consolation prize to a defeated candidate. However, given the Bahamas role as the single largest transit point on the drug highway into the United States, prudence dictates that the President reevaluate the criteria necessary in selecting an American Ambassador.

Mr. President, I cannot support President Bush's selection of former Senator Chic Hecht to be our Ambassador to the Bahamas. I do not oppose his nomination on partisan or personal grounds. The President certainly has the right to nominate a qualified Republican who was a political supporter. I support that right. I am, however, motivated by a deep concern that this country's representative to the Bahamas must be prepared to take a lead in pressing America's war on drug traffickers; and that he send the right message to the world that it is not going to be business as usual when it comes to drugs.

During interviews prior to hearings before the Committee on Foreign Relations, Mr. Hecht was asked why he felt that he was qualified for the post of Ambassador. He replied, "I am sure that I will feel at home in the Bahamas. I've been involved in gambling in Nevada, and I've been involved in banking for 25 years. * * * Also, I understand it is a nice life style. I love golf and they have a lot of nice golf courses and good fishing."

I would hope that Mr. Hecht's statements are not an adequate description of the qualifications for serving as Ambassador to any country. They are especially inadequate as qualifications to assume the job in light of the current situation in the Bahamas. We need an Ambassador willing to serve on the front lines of the drug war, not on the back nine of Paradise Island's golf course. We need an Ambassador capa-

ble of coordinating drug interdiction efforts by the DEA, the Customs Service, and the Bahamian police, not a person familiar with gambling. We need an Ambassador who will help to halt the flow of drugs that is killing America's children and turning our cities into war zones, not someone who looks forward to fishing as part of his job description. In short, Mr. President, this assignment cannot be a vacation trip. It is a front line assignment in this Nation's war on drugs.

President Bush came into office promising to broaden and strengthen America's efforts to halt the flow of drugs into this country. I support him in that effort. However, the President's choice of Mr. Hecht would send the wrong signal to the entire world regarding America's commitment to fighting drugs, and be incompatible with our international efforts to stop the free flow of drugs into America. The region and, indeed, the hemisphere will watch the appointment carefully to determine how serious we really are in stopping the flow of drugs into this country. America, Mr. President, deserves the best nominee our President can find. Unfortunately, Chic Hecht is not that man. For these reasons, Mr. President, I urge my colleagues to reject the nomination of Mr. Hecht as Ambassador to The Bahamas.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate resume consideration of Senator Hecht's nomination at 5 p.m. today, and that there be 40 minutes for debate under the control of Senator GRAHAM and 20 minutes for debate under the control of Senator DOLE or his designee.

I further ask unanimous consent that the vote on the nomination occur at 6 p.m. today.

I further ask unanimous consent that at 2:15 p.m. today the Senate return to legislative session to begin consideration of S. 358, the legal immigration bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object—I am not objecting, but I seek one clarification. As I understand we will stay on the Hecht nomination until noon today or whenever it is, 12:30, whenever we recess?

Mr. MITCHELL. Until noon. We will recess from noon to 2:15 and then go to the legal immigration bill and come back to Hecht at 5 for 1-hour debate until 6 and vote.

Mr. DOLE. So anybody wishing to make statements on former Senator Hecht can do so now?

Mr. MITCHELL. Between now and noon.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is or ordered.

Mr. MITCHELL. I thank my distinguished Republican colleague.

Mr. REID. Mr. President, we have all just returned from town hall meetings, meeting with constituents, in our home States.

At the town hall meetings I held in Nevada, invariably, at every town hall meeting the question was asked of this Democratic Senator: What do you think of President Bush?

I proceeded to say that I thought that President Bush to this point had done some outstanding things in a way that was nonconfrontational; really not very dramatic but I thought good and effective.

For instance, we have a budget earlier than we have ever had one. The budget is done. It is ready. It has been for several months. And it was done without the confrontational "Congress is a bad guy, the President is a bad guy," clashing; which characterized previous sessions.

In addition to the work on the budget, which was done quietly, we were also pleasantly surprised one day to view the press conference where the Secretary of State announced with congressional leaders that the Contra aid issue had been put to bed. This issue had been dividing the country and the Congress for years. Again, President Bush, through his delegated authorities, worked with the Members of the Congress and quietly, behind the scenes, worked out a compromise on that troublesome issue.

On the savings and loan issue, the President again showed his nonconfrontational leadership. President Bush went to Camp David and called in his staff, experts from around the country, and announced, after much study and debate at Camp David, that he had what he believed was a solution to the savings and loan crisis.

He announced to the Members of Congress: "This is the best I can do. If you can come up with something better, do so."

It was an issue that should have been resolved years ago, but we did not have that leadership, in my opinion, at the executive level to accomplish that. It was done through the efforts of President Bush.

I think that it is important to note that these matters were done in a way that was not divisive, in a way that brought about a feeling of collegiality between the Members of Congress and with the executive branch of Government. I recognize, that there are going to be many things that I will disagree with the President about, but I think we must give credit where credit is due. I think everyone will agree that the work done on the savings and loan bill, the Contra aid issue, and the budget situation certainly point toward expectations that this President can do an admirable job.

The reason I mention this in debate on the nomination before us is that the President has held out his hand to cooperate with the Congress, and on the issues I have mentioned this cooperation has been successful. This spirit of cooperation deserves our support. It is in this spirit that the President has nominated Chic Hecht to be an ambassador and has asked us to confirm that nomination. I believe we should support the President's nomination, and I feel confident that the new ambassador will fulfill the President's high expectations. The nomination of Senator Hecht is something that the President has put forward in a cooperative spirit. And, more importantly, he has given us someone that we should confirm and confirm quickly. I am glad it is before the Senate. I am glad that we are going to be able to have this matter resolved today.

I served with Senator Hecht in the Nevada State Legislature. I served as a member of the assembly and he served as a member of the senate. I later became president of the senate as the Lieutenant Governor of the State of Nevada when he was in the senate. I know Senator Hecht. He served from 1966 to 1974 in the State Senate of Nevada; at that time 1 of only 20 senators in the entire State. As most of my colleagues know, he, served here as a U.S. Senator from the State of Nevada from 1982 to 1988.

Senator Hecht was well known prior to seeking elective office in the State of Nevada. He was a businessman since the early 1950's. I knew Senator Hecht, knew his father, used to go into their establishments. He contributed vitally to Nevada's economy when it was sputtering. He contributed not only in the retail merchandising business but he branched out. He was one of the founders of a Nevada bank, a bank that has since been acquired by an outside banking conglomerate. That is a bank that developed into Nevada's home State bank, and he was one of the moving forces behind that.

We have heard a lot about the drug trafficking situation in The Bahamas. I think it most be stressed that Senator Hecht served as an undercover Army intelligence officer, not only served in the Army intelligence but served behind the Iron Curtain for a period of time, 1951 through 1953. His activities have been recognized to the effect that he was installed in the Army Intelligence Hall of Fame. So here is a man who does have experience in sensitive military matters.

I think it is important that the details of covert operations are something that he is familiar with. His service on the Senate Intelligence Committee could be valuable in this regard.

29-059 O-90-28 (Pt. 10)

We also know the Ambassador does not work alone in his activities as Ambassador; we know that in The Bahamas there is a heavy presence of the Drug Enforcement Administration. They have had a great deal of experience in The Bahamas working on drug trafficking. They will continue to have some of their most experienced officers there.

The second in command under Senator Hecht is someone who has experience, as represented by Secretary of State Baker. The personnel that we have there certainly are well trained and include officers of the Coast Guard, in addition to the Drug Enforcement Administration. I am sure that this team will welcome the addition of Senator Hecht.

There has been a lot said about some of Senator Hecht's statements regarding his appointment as Ambassador to The Bahamas. People have picked up on the fact that he said he likes to play golf and that he has had experience in gambling. Those of us who know Senator Hecht knows that his statement about golfing was in jest. He knew when he was making that statement what his qualifications were. We know what his qualifications are; but certainly here is a man who is familiar with the problems in The Bahamas. It certainly goes without saying that they do have legalized gambling there and certainly is familiarity with that will make him more comfortable with the leaders of that nation.

I do not think that we can set aside and not talk about his experience in banking. Not only did he serve 6 years in the U.S. Senate as a member of the Banking Committee, but he also owned a bank, and we know that one way that the drug traffickers try to avoid the law, try to spend their money, is by laundering money in banks. His experience there will be very important.

But of all the qualifications of Senator Hecht, and I say this as someone who served in the U.S. Senate with him, the greatest qualification he has is not the fact that he served in the U.S. military, in the Intelligence Corps, or his service in the U.S. Senate on the Banking Committee and the Intelligence Committee, or that he served in other elective offices including the State Senate of Nevada, but as far as I am concerned, we must look at this man in the sense that he wants to give his life to public service. He does not need the job to be Ambassador to The Bahamas. Senator Hecht is a wealthy man. He could do, as far as monetary things are concerned, anything he wanted in life, but he has decided to devote his life to public service. That is why he served in the State Senate in Nevada and the U.S. Senate. I think it speaks well of that man that he wants to serve in the ambassadorial corps of this country.

Mr. President, it gives me great pleasure to speak on behalf of Senator Chic Hecht, a former Senator from the State of Nevada. I recommend to my colleagues that they vote in the affirmative this evening at 6 o'clock when the name of Chic Hecht is put forward to be the United States Ambassador to The Bahamas.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. REID. The Senator yields the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Parliamentary inquiry. How is the time controlled?

The PRESIDING OFFICER. The time is not under control at this point. There is a unanimous-consent agreement that we will continue on the Hecht nomination until 12 noon, and following the recess there will be debate from 5 p.m. to 6 p.m., and vote at 6 p.m., and from 2:15 p.m. to 5 p.m. we will be on S. 358.

Mr. SYMMS. Mr. President, I rise to speak with respect to the nomination of Chic Hecht to become the Ambassador to The Bahamas. Mr. President, I am proud and pleased that President Bush has chosen this very distinguished American for this important post. The Bahamas are very critical and very important to us because of their strategic location in the Caribbean Basin.

Most of our imports and exports come through the Caribbean. Moreover, The Bahamas has been very important with respect to drugs and drug trafficking. I know of no Senator who would be more qualified to be Ambassador to The Bahamas than Senator Hecht, and I am somewhat astounded to find that some of our colleagues question whether he is qualified for this post or not. Senator Hecht has a magnificent record in the private sector as a successful businessman and an equally impressive record in the Government.

His colleague from Nevada just mentioned that he was one of the founders of the Nevada State Bank. Through his leadership, Chic Hecht turned the Nevada State Bank into one of the bigger, more profitable banks in the State of Nevada.

In discussing with Chic about how you run a bank, he said, "Oftentimes people make things too complicated." He said, "It is very simple, you buy money at one price and sell at another price. If you have a little bit left over in the operation, you make a profit. Otherwise you lose money." I think that speaks very clearly of this distinguished American who has a subtle commonsense way to view problems.

While he served here in the Senate, I remember the Wall Street Journal wrote a very critical article of our colleague. For a newspaper that claims to be a business journal to write such a critical article about Chic Hecht, who was the only Senator on the U.S. Senate Banking Committee that had ever owned and operated a bank, was a complete injustice to the Senator's integrity and hurt that newspaper's journalistic credibility.

Not only did that newspaper fail to mention his banking expertise, they also failed to mention he was the only Senator on the Senate Intelligence Committee who ever served behind the Iron Curtain in East Berlin as an agent for the United States of America during the early fifties. He is the only Member of the Senate to do that and the only Member of the Senate, to my knowledge, who is in the Intelligence Hall of Fame. I did write a letter to that newspaper on that issue.

There is another thing about Senator Hecht that many of my colleagues may not know. In the spring of 1985 I had the opportunity to visit Israel. While I attended a meeting at Hebrew University in Jerusalem, my guide from the Foreign Service said, "Senator SYMMS, this synagogue is the Hecht synagogue." He said, "Senator Hecht, and his father and brother made it possible for us to have this synagogue. He paid for it." Senator Hecht is a man very generous, very unselfish, but very unassuming. Some people come to the Senate and become show horses and some people come here and become work horses. I think Chic Hecht has been and will always be a work horse. He did the best he could for the State of Nevada and for America as a U.S. Senator, and I was very proud to have served with him in the Senate and very proud to have him as a friend. I strongly urge Members to support his nomination.

Mr. President, a few points about Senator Hecht that I think should be part of the record. He was involved, as I mentioned, in banking and a variety of other businesses in Nevada before he came to the Senate. He was in the clothing business. He had the Chic Hecht Clothing Store. He was a partner in the Holiday Inn in Lake Havasu, AZ. He was a member of the Nevada State Senate from 1966 to 1974.

As I mentioned, he was trained as an intelligence agent and served undercover in East Berlin from 1951 to 1953. For his work in Army intelligence, he was inducted into the Army Intelligence Hall of Fame, and for 4 years he served on the Senate Select Committee on Intelligence. He received a B.S. from St. Louis University in 1949, and his broad experience in both government and business qualifies him to be an excellent candidate for the United States Ambassador to the Commonwealth of The Bahamas.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. President, I am pleased that finally the holds have been released against Senator Hecht. In my opinion, he should have been approved on a moment's notice when the President sent his name over here. There was no reason why he should not have been, other than any Senator's right, of course, and I would impugn no Senator's right to hold up a nomination, but I think it is somewhat unusual that for this important post the nomination of this very good and capable, honest man, with great integrity and great common sense, has taken this long to get to the floor for approval so the President can have an Ambassador he wants. I think Senator Hecht is certainly capable and qualified and will acquit himself with great distinction as the United States Ambassador to The Bahamas.

I look forward to the opportunity to cast my vote in the affirmative for Senator Hecht. I hope that all of my colleagues will vote for him so that he will go to that post knowing that he has the support of his former colleagues to carry out the wishes of the President of the United States, whose responsibility it is to conduct the foreign policy of the United States of America.

Mr. President, I see the distinguished Senator from North Carolina is on the floor. So I yield the floor at this time.

The PRESIDING OFFICER. The Senator has yielded the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me.

Is the Senator from North Carolina correct in his understanding that the pending business is the nomination of Ambassador Hecht?

The PRESIDING OFFICER. The Senator is correct. The Senate is in executive session considering the nomination of former Senator Hecht as Ambassador to The Bahamas.

Mr. HELMS. I thank the Chair.

Am I further correct in my understanding that the previous arrangement as to the debate on this nomination has been changed so that it runs until 12?

The PRESIDING OFFICER. The present order of the Chair is that the debate on the nomination of the former Senator from Nevada will continue from now until 12 noon. Then at 5 p.m. this afternoon the Senate will go into executive session again. Forty minutes of time is allocated to the Senator from Florida, and 20 minutes to the majority leader and minority leader, or their designees, on the nomination. During the period of time from 2:15 until 5 o'clock the Senate will return to legislative business, and will be considering the immigration bill, S. 358.

Mr. HELMS. The Chair is most gracious. I appreciate his making that clear for the record.

Mr. President, it is a distinct pleasure to stand here this morning and endorse and support the nomination of Chic Hecht to be Ambassador to The Bahamas.

Chic is a remarkable man. He is probably one of the brightest men to serve in this Senate. He also has had to run the traps with the news media and its misrepresentation and distortion. But he was a good Senator. He is a good American. And he is an able American. He is uniquely qualified to bring honor to this country as the President's representative to an important neighbor, specifically The Bahamas.

I agree with the comments that have been made here this morning that The Bahamas has a unique importance not only to the United States, but also to the entire region. It is for that reason that President Bush is to be commended for recommending and nominating Chic Hecht to represent this country in The Bahamas.

Chic has the kind of experience in foreign affairs which is seldom seen. He has a distinguished military record which focused on intelligence work behind the Iron Curtain in Eastern Europe. So he knows the machinations of communism and how the Communists operate. Anybody who cares at all about what happens in Central America is bound to be wondering what happened to the Monroe Doctrine when one considers the inroads made by the Communists by deceit and otherwise during the past decade or longer.

Chic Hecht chose to serve on the Senate Select Committee on Intelligence during his tenure in the Senate. I think the record is clear that he rendered invaluable service. Chic Hecht was recently inducted into the Army Intelligence Hall of Frame.

So here we have a distinguished former Senator who ought to have been on the job in The Bahamas a long time ago. I thank the Lord that finally we are getting around to confirming this great American and sending him on his way to do the job to which President Bush nominated him.

But what about Chic Hecht's career otherwise? He has had extensive experience in banking, in business, and this makes him uniquely qualified to serve in The Bahamas.

As Senators have heard on this floor many times, money laundering in the banks in The Bahamas has played a significant role in facilitating the international narcotics trade. So what do we have in terms of the Ambassador nominated by George Bush? You have a man who understands communism, and a man who understands that the Communists are exploiting drug trafficking internationally. You have a man who has a distinguished career in intelligence work. You have a man who has been a total success in banking and in business in general. It is small wonder that George Bush, our friend, chose former Senator Chic Hecht to represent this country as Ambassador to The Bahamas.

While he was in the Senate, Chic served on the Banking Committee. He served there with distinction. Former Senator Hecht has noted that the lifestyle of the Commonwealth of The Bahamas is similar to the lifestyle of his home town of Las Vegas, NV. The press twisted that around. They made fun of it. But they did not persuade anybody who knows Chic Hecht. Both The Bahamas and Las Vegas have developed an extensive economy based on attracting thousands of tourists to spend a period of relaxation and entertainment in their respective attractions, The Bahamas and Las Vegas. Both The Bahamas and Las Vegas have parlayed their climates and their leisure communities and their famous golf courses, their hotels, and yes, their casinos, into multimillion-dollar tourist industries. That was what Chic Hecht was talking about. Frankly he was correct. This was not something to be twisted and misrepresented, and hee-hawed by callous representatives of the news media.

But around this place, if you are a conservative, you learn to endure that sort of thing, and in the latter stages you see the humor of certain journalistic pygmies taking potshots at decent, respectable, honorable people. Chic Hecht is a good choice for this job. As a businessman and as a banker in Nevada, he is intimately familiar with so many problems facing The Bahamas. He has been involved both in retailing and the resort business and in banking and department stores. His experience in the hotel industry alone makes him uniquely qualified to appreciate the challenges and opportunities and the needs of the Bahamian economy.

If anybody gets the idea that I strongly favor the nomination of Chic Hecht, that is correct. He is my friend. He served well in the Senate, and he will relate effectively to the needs and the relationship between the United States and The Bahamas. He will carry to The Bahamas the policies of the United States, because he understands the policies and principles of the United States.

My prediction is, Mr. President, that Ambassador Hecht will provide invaluable assistance to American businesses in their operations and investments in The Bahamas, and they are considerable.

Chic Hecht served the Senate from 1983 through 1988. During that time he gained the respect and admiration and friendship of his colleagues. But

the most important trait, as far as I am concerned, is that Chic Hecht has courage to stand by his convictions. He worked hard to serve his constituents in Nevada.

I recall, shortly after his coming to the Senate, Chic and I were on this floor during one of our Saturday sessions, and there was much grumbling by Senators that we were being imposed upon to come here and do a little work on Saturday. Chic turned to me and said, "Jesse, what is going on? I do not know what all this griping is all about. I never had a Saturday off before I came to the U.S. Senate." He meant it.

So, Mr. President, Ambassador Chic Hecht—and I like the ring of that—will have the courage of his convictions. He will take his convictions and his penchant for hard work to The Bahamas, and this is fortunate both for the United States and for The Bahamas. I predict that time will prove that we have rarely seen the equal of Chic Hecht in the diplomatic field.

Of course, as has been mentioned here time and time again, The Bahamas is a critical post at this point, and that is why it is a great prospect to have Chic Hecht in that job. The State Department has estimated that more than half of all of the marijuana and cocaine coming into the United States transits Bahamian territory, or is transshipped in The Bahamas. As I mentioned previously, a great deal of the money laundering necessary for this drug trafficking is taking place in and at banks in The Bahamas.

Unfortunately, the role of The Bahamas in drug trafficking is a significant one. A variety of high level Bahamian Government officials, including the Prime Minister of The Bahamas, have been associated with drug traffickers or implicated in drug trafficking. Two of the Prime Minister's closest associates were indicted in the United States during the past year for drug trafficking.

The growing flow of narcotics into the United States poses one of the greatest threats to our young people and to our society. I thank the Lord that the United States will have an ambassador on the job shortly in The Bahamas who will have the courage to make it clear to that government the seriousness with which the United States views that government's role in drug trafficking.

During his confirmation hearing before the Senate Foreign Relations Committee, of which I am privileged to serve as ranking member, Senator Hecht was asked about his votes to decertify The Bahamas for not cooperating fully in suppressing drug trafficking, and thereby cut its United States foreign aid.

Chic Hecht, with his customary, typical candor, responded that as Ambassador, he would welcome votes by the Senate to decertify The Bahamas. Such votes, he told the committee, would make his job easier, because such votes would underscore the depth of concern in the United States by the United States, regarding the role played by The Bahamas in drug trafficking.

Mr. President, it is this kind of attitude which assures that America's interests are best served in our dealings with foreign countries. If it were more prevalent down at Foggy Bottom, I venture to say, our Nation's interests overseas would be advanced to a far greater extent than they are today. I add, parenthetically, that the distinguished Secretary of State, Mr. Baker, is fully in accord with that. Thus far, he has cooperated and coordinated efforts to achieve that sort of thing.

Mr. President, as Ambassador to The Bahamas, Chic Hecht will serve our country and our President and our people well. As I hope I have made clear in these remarks, I am enthusiastic in my support of Chic Hecht's confirmation, and I wish him and his dear wife well as they proceed.

DESECRATION OF MONUMENTS IN GREENSBORO, NC

Mr. HELMS. Mr. President, on July 4, the most famous symbol of the city of Greensboro, NC, the 74-year-old equestrian memorial to Gen. Nathaniel Greene at Guilford Courthouse National Military Park, was wantonly and maliciously vandalized. Five other monuments in the park were likewise desecrated. This happened on, of all days, Independence Day.

Shortly after the park closed on Independence Day, the Nathaniel Greene monument, which by the way is the largest bronze statue in my State, was attacked. Some mindless thug, or maybe there were more than one, took a pickax to the granite base of the Nathaniel Greene memorial. When park rangers arrived the next day they found thousands of granite chips strewn around that lovely park. The hooligans had also sprayed paint on the monument and removed many of the bronze letters from the stone tablets.

The National Park Service estimates that repairs to the Gen. Nathaniel Greene statue may cost as much as $250,000.

Guilford Courthouse National Military Park is not merely a special place for North Carolinians. It is a lasting memorial to all Americans who sacrificed everything they had in the struggle for this country's independence and for the freedom of our people. It is a simple, but impressive tribute, to the men whose efforts started Lord Charles Cornwallis' army on its long death march toward Yorktown.

Historically, it is worthy to mention that in October 1780, George Washington appointed one of his most trusted subordinates, Nathaniel Greene, to take command of the American army in the South. Prior to General Greene's assumption of command, Colonial troops had suffered setback after setback at the hands of King George's redcoats.

Upon reaching North Carolina General Greene quickly reorganized the army and restored its flagging morale. Even though he faced a much larger British force, General Greene daringly divided his troops, sending half of his army to strike the British at Cowpens, SC, in January 1781, and there the Americans won a stunning victory over the Redcoats. The British commander, Lord Cornwallis, sought to avenge this defeat by following the Americans to the North, but that was a bad decision on the part of the overconfident General because he did not realize that General Greene, was, in fact, luring the British into the North Carolina wilderness. That was the undoing of the Redcoats.

So on March 15, 1781, General Greene and his forces attacked Cornwallis at Guilford Courthouse. Both sides suffered heavy losses. Tactically, Cornwallis' regulars held the field while the Americans withdrew, but it was a meaningless victory for the Redcoats and for General Cornwallis, because the battles in the two Carolinas had cost Cornwallis more than one-fourth of his men, cost him the flower of the British Army in the South, and they were sorely missed as Lord Charles Cornwallis moved toward his last battle at Yorktown a few months later.

Mr. President, the battle at Guilford Courthouse marked the beginning of the end of British rule in the Colonies. The celebration of American freedom is why the restoration of the Guilford Courthouse Battlefield Park is imperative.

There is something heartwarming about the aftermath of the tragedy in Greensboro on July 4, because North Carolinians in their typical fashion have responded to the emergency facing the battlefield. Civic leaders and radio and television stations, private citizens and young people, are collecting thousands of dollars to return these monuments and this part to their former glory.

It is difficult for me to try to describe the feeling of pride that I am experiencing as I review the actions of so many of my fellow North Carolinians who have taken such pride in their community and their country.

In the days following the Supreme Court's blow to American patriotism, the fact is that countless men and women in my State have expressed their deep feeling about their Nation and the principles for which America stands.

I am proud of my State, and I am proud of my people and their response to this crisis.

Mr. President, it remains to be seen whether an emergency appropriation will be needed to repair the park's monuments. I am ready to offer my help. However, I am proud to say the people of North Carolina are already winning this latest battle at Guilford Courthouse.

My message to them, if I may use a colloqualism, is hang in there.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAHAM). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, there is in a sense nothing more difficult for a Member of this body than to oppose the nomination of a former colleague to some other position, whether it is ambassador or any other official position.

I do not take this task lightly. I rise because I believe there is a much broader issue involved here, an issue which I think was addressed most eloquently by the very able and distinguished senior Senator from Florida [Mr. GRAHAM] earlier in the debate. He spoke of the importance of The Bahamas to America's interests; the very difficult and complicated problems that were involved in our relationship with The Bahamas; and in light of that the necessity to send the very best person we can find to be our representative on the scene, dealing with those complex issues.

Obviously, the most important of them is the drug issue. We have talked about mounting a war against drugs. Well, in order to do such a thing, we must undertake a whole host of actions, not the least of which is to make very clear how serious we are about that fight.

Unfortunately, the administration, not only in this instance but in other instances with which I am acquainted as well, is treating these ambassadorships simply as political throwaways. It has been argued that there is a time-tested tradition of treating the posts in this manner. Perhaps that is true. But the extent to which this practice is now being carried, it seems to me, ought to lead Members of this body to now say, "Stop. We have had enough. We must approach this from the point of view of the national interest. We think that the question of who serves as ambassador is important in terms of advancing our Nation's interests, and ambassadorships can no longer be simply treated as political rewards."

We have had nominees before the Senate Foreign Relations Committee who were being nominated, obviously, only because they have been very large and significant contributors to political campaigns. I am not making the argument that all ambassadors ought to come out of the career foreign service, although I do believe a larger percentage of our ambassadors should be chosen from the career service than has recently been the case. Currently almost 40 percent of our ambassadors are political appointees, a significant increase in the percentage from the past.

Moreover, I would add that on occasion we have had ambassadors chosen from outside of the career service who have been distinguished and able ambassadors. Arthur Burns went to West Germany; former majority leader Mansfield went to Japan; David Bruce went to London. All of them carried out their responsibilities with great skill and distinction.

The real question before us is whether we are going to be serious about these posts. I submit to you that our interests are such and the difficulty of advancing them are such that we must begin treating these ambassadorial positions in a more responsible and careful manner.

In this regard, I want to commend the able Senator from Florida for raising this issue with respect to the nomination that is now before us. We have very important interests in The Bahamas. It is not simply a vacation resort which does not have serious matters connected with it. The question of drug smuggling has been of grave concern to the Congress, to the executive branch, and certainly to the American people.

In recent years, we have been called upon in this body to determine whether The Bahamian Government's efforts with respect to narcotics interdiction and eradication are sufficient to allow the continuation of United States foreign aid. There is a provision now in the law that ties portions of a nation's foreign aid package to its efforts to stem the drug trade. More specifically, the issue that was debated on the Senate floor was whether the certification submitted by the President to us stating that a country's efforts were sufficient was in fact, justified. That question has been put to a vote in successive Congresses here. Clearly, this is a matter of prime importance in our dealings with The Bahamas.

A recent editorial in the Miami Herald on this nomination pointed out this fact and discussed in detail this very issue of the smuggling of drugs through The Bahamas into the United States.

I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. SARBANES. In terms of our combined efforts to halt drug trafficking, the ambassadorial post can be an extremely critical one. The development of modern communications does not render the Ambassador irrelevant. Having a qualified, competent ambassador on the scene, particularly when we are encouraging a nation to become more vigorous in its drug fighting efforts, can be extremely important.

Second, of course, we have an important trade relationship with The Bahamas. Seventy percent of Bahamian imports come from the United States and 62 percent of their exports go to the United States. Their participation in the Caribbean Basin Initiative is a central issue in bilateral ties and we clearly have strong economic interests there.

Finally, there is the broader issue of U.S. policy in the Caribbean. It is a critical, but often neglected, component of our relationship with Latin America as a whole. Because the stability and economic vitality of our allies in that area are at issue, we need to place a greater premium, a higher value, on these relationships.

I regret to say that this nomination is only one in a pattern of appointments about which legitimate questions may be raised. We have, for example, nominees pending before the Senate Foreign Relations Committee to assume important posts in Spain, Australia, and New Zealand. Looking through their résumés, it is clear that the only reason they have been nominated is because they have been large political contributors or fundraisers. In fact, in the certificate of demonstrated competence which the State Department is supposed to submit with the nomination papers, cited as a reason for making the nomination is that the person had made large political contributions. This, in fact, is in direct conflict with the Foreign Service Act of 1980 which provides that political contributions are not to be a factor in making nominations. Despite this clear statutory requirement, the certificate of demonstrated competence filed for one of the nominees now pending before the committee includes detailed information about the nominee's political contributions and activities. This gives some sense of the degree to which this process has deteriorated.

As another example, the Foreign Relations Committee sends nominees a questionnaire to fill out. In that questionnaire, following a number of questions about experience and background and so forth, is a question

which reads: "Are there any factors, other than the information provided above, which particularly qualify you for the position to which you have been nominated?"

One nominee, in this case the one to Australia, wrote in response to that question: "I have been known as a coalition builder, able to organize my colleagues and peers to action in support of worthy civic, charitable, and political causes."

Another nominee, in this instance to be Ambassador to Spain, responded to that question as follows: "I am known as a coalition builder. I am able to organize my colleagues and peers to action in support of worthwhile civic, charitable, and political causes."

Mr. President, I did not make a mistake. I did not accidentally read the answer of the previous person a second time. Virtually identical answers were given by two separate, ostensibly independent, nominees for these ambassadorial positions.

One is obviously led to wonder.

The Washington Post, in an editorial on this very point, said, and I quote:

> Modular testimony. Pre-fab (by someone else) self-description. It doesn't inspire a whole lot of confidence. Can the would-be ambassadors be trusted to enter into dialogue with their host governments if they, apparently, cannot be trusted to write a few lines on their own qualifications?

At some point, we are going to have to get serious about America's national interests. The challenges confronting us around the world—the shift in relative strengths among our allies with the emergence of other strong economies, the various issues presented in the security field by the emergence of General Secretary Gorbachev in the Soviet Union, the growing pressures in Third World countries—require the United States to say we must start doing better.

There is a tendency when assessing these nominees to say: Well, they will not do any harm as ambassadors. Are issues of any consequence really at stake? If there is anything truly important, it will be taken care of directly by Washington, by the Secretary or the Under Secretary or the Deputy Secretary. Perhaps this person will not make a major, positive impact on relations, but nothing bad will happen.

I submit to you, we are beyond the point of viewing this question in such terms. We need to ask the question about lost opportunities by failing to send highly experienced, fully qualified, first-rate people to these ambassadorial posts. The challenges facing our Nation, the complexity of our interests at stake are such that we can no longer afford to simply treat these positions as a political reward. To say that it does not matter, or that nothing important happens with respect to that country is, of course, not true. With every country there are important issues; with some they are potentially more important or more difficult than with others. And with every country there is the question of how the United States rates their significance, which is reflected, of course, in the choices that we make in terms of ambassadors.

I join the distinguished Senator from Florida not so much out of a personal view about our former colleague, with whom I was pleased to serve, but out of the broader principle at stake. We must move to a higher standard in considering these ambassadorial nominations. Otherwise we will simply hurt our own national interests.

Other nations that are serious about their role in the world do not treat ambassadorial posts in the same way. The Soviet Union does not treat these posts this way. The Western European countries do not treat these posts in this way. Japan does not treat these posts in this way. And we are engaged in significant security and economic competition with some or all of those nations. It is time for the United States to cease treating these posts in such a careless manner as well.

I commend the able Senator from Florida for his efforts. It is never easy to take this type of stand, given the personal contacts which exist here. But I think the broader question, the broader principle is one that needs to be asserted, and I am pleased to join with him in his effort.

Mr. President, I yield the floor.

[EXHIBIT 1]

[From the Miami Herald, June 29, 1989]

REJECT "CHIC" HECHT AS AMBASSADOR TO BAHAMAS

Surely the Bahamas deserves better. The job of U.S. ambassador to Florida's closest neighbor shouldn't be a consolation prize for a Republican loyalist ousted by voters. Especially for a Republican loyalist who has demonstrated no ability and experience for the job.

The post is important because of the Bahamas' strategic location in the jet stream of U.S.-bound drugs and illegal aliens. At one point, drug smugglers were so blatant that they controlled one Bahamian resort as a trans-shipment point. Associates of Bahamian Prime Minister Lynden Pindling were implicated as conspirators.

One, Nigel Bowe, has yet to be sent to the United States on a 1985 indictment despite an extradition treaty. He is charged with supervising shipments of cocaine from Colombia and protecting smugglers from the police. Recently, through patient diplomacy, the United States has won more assistance from the Bahamas government for cooperative investigations.

The United States and the Bahamas also have a strong trading partnership. Last year the Bahamas bought $725 million in U.S. goods, 70 percent of its imports, and sent to the United States products valued at $238 million, 62 percent of its exports. The Bahamas participates in the Caribbean Basin Initiative (CBI), which gives those nations trade preferences to build their economies. Key legislation broadening and extending the CBI is pending.

Into those issues, the Bush Administration proposes thrusting one Jacob "Chic" Hecht. Mr. Hecht, a clothier, won a Senate term in 1982 in Nevada after the Republicans targeted veteran Howard Cannon, tainted by a bribery scandal. But Mr. Hecht was laughed out of the seat after one term. Senate aides picked him as the least-effective senator. His verbal gaffes—among them: Nevada shouldn't be a "nuclear suppository"—were widely reported.

Now he says that he'll be at home in the Bahamas because "I've been involved in gambling in Nevada, and I've been involved in banking for 25 years. . . . I love golf, and they have a lot of nice golf courses."

In another era and another place, a nice guy ambassador conducting a little diplomacy on the golf course would be OK. Not now. Florida's Sen. Bob Graham is urging his colleagues to step beyond senatorial courtesy to an ousted comrade and reject this nomination. And well they should.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I listened with interest to the remarks of our colleague from Maryland. I did not hear all that he had to say, but much of what he had to say I think was valid. He made some very good points indeed. However, none of them applies to the nominee whose nomination is now before the Senate, our former colleague, Senator Chic Hecht.

Chic Hecht is hardly a stranger to this body. Ninety of us, 90 of the 100 Senators who serve in this body know Chic Hecht personally. He is not a stranger to us.

We are not talking now about some fat cat contributor. We are not talking about some stranger. We are not talking about some political hack. We are talking about some political hack. We are talking about someone we know on a personal level and someone we have known for as much as 6 years as a colleague in the Senate, in some cases for even longer periods. We are talking about someone we know very well indeed.

Just who is this man we know, Chic Hecht? First of all, he is a gentleman. I think every Member would agree. One of the foremost gentlemen in the Congress, in fact. A real, true gentleman. He is a man of integrity and a man of intelligence and a man of background far beyond politics. He is a man of background, substantial, successful background in business and several phases of business before he came to this body.

So, this is a unique candidate, it seems to me, a unique nominee, and one who is uniquely well qualified in the sense of a business background with special aspects that pertain to the primary industries in The Bahamas, and I will get to that in just a moment. He is a man of business background and political and Government background as well: A well-rounded, well-suited candidate for this post.

The Bahamas, obviously, is a country that is important to the United

States for several reasons which I will go into in some detail. The person who fills our post of Ambassador in that country should be one who is very capable and well respected. Appropriately, President Bush has nominated a former army intelligence officer, a member of the Army Intelligence Hall of Fame, incidentally—and that is a very select group. I think there are perhaps 100 or 200 in the history of the Army who have qualified for the Army Intelligence Hall of Fame. He is an exceptionally successful businessman in several fields of business, a former State Senator and a former U.S. Senator.

The concern, as I understand it, expressed by those few Senators who have some discomfort in this matter, is the severe problem of drug interdiction that presents itself to us with respect to The Bahamas. And on that score, let me observe that there is no Member of this body who has been more assiduous in his criticism of the Bahamian drug problem than the junior Senator from Massachusetts [Mr. KERRY]. Senator KERRY is, of course, a member of the Foreign Relations Committee, and he apparently was satisfied with regard to Senator Hecht's commitment and ability in the area of drug cooperation with The Bahamas during the hearings on this nomination before the Foreign Relations Committee.

I will quote from an exchange in the committee between Senator KERRY and Senator Hecht.

Senator KERRY. As you know, we recently had a certification struggle here over the question about the Bahamas, and I know you have probably been asked this somewhat, but I want to make sure I do.

There are some serious issues that have been raised again and again about corruption within the Bahamas. The State Department narcotics control report itself referred to continued corruption problems there. And I just want to make certain or I would like to ask you for your observation on that as you contemplate beginning a tour as ambassador there, which you no doubt will.

Do you think that you are in a position and are you prepared to be able to press those issues that are attached to those questions of corruption?

Senator HECHT. Absolutely, Senator. Absolutely, and that is probably going to be one of the most pressing questions and most pressing objectives I have down there.

Senator KERRY voted to report the nomination favorably to the floor of the Senate as did every member of the Foreign Relations Committee, several of whom extensively questioned Senator Hecht about the drug problem. The committee reported the nomination unanimously.

Senator Hecht, before he began his service as a Member of the Senate, was a banker. One of the most principal industries in The Bahamas is banking. Senator Hecht took over a foundering bank in Nevada, his home State, rebuilt it, and today it is one of the most thriving banks in the Nation. So he knows the banking industry very well on a firsthand basis. Banking is an important industry in The Bahamas.

Tourism is obviously an important industry in The Bahamas. Senator Hecht owned and operated several hotels. He knows something about the tourist industry. He knows a great deal, probably more than any one of us for sure, about the tourist industry. And his background in intelligence will serve him well in that all-important effort to cut the flow of drugs which come through The Bahamas form elsewhere around the world and into the United States. Indeed, Senator Hecht has already been briefed by Drug Enforcement Agency officials on our efforts in that country. It is my understanding that the Drug Enforcement Agency officials most involved with drug interdiction efforts in the Caribbean Basin enthusiastically look forward to the prospect of Senator Hecht's serving in Nassau.

Mr. President, I ask unanimous consent that the transcript of the Foreign Relations Committee hearing on the Hecht nomination be included in this debate in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. CHIC HECHT, AMBASSADOR NOMINEE TO THE COMMONWEALTH OF THE BAHAMAS

Senator HECHT. Senator Dodd, than you very much, and all my former fellow Senators, thank you for those very, very kind words.

First of all, If I may take just a moment and introduce my family who has come in with me. The ambassadorship is somewhat of a family affair, and my wife and I have just finished ambassadorial school. Here is my wife, Gall, Leslie, lori, son-in-law, Darryl, and my cousin Alan.

Senator DODD. Anyone not related to Chic Hecht? [Laughter.]

I might think you were an Irish Catholic with that size family.

Being Irish Catholic I can say that.

Senator HECHT. Orthodox Jews have a lot of kids, too.

Senator DODD. Do I have learned.

Senator HECHT. Mr. Chairman, I am deeply honored to appear before you today as President Reagan's nominee to be the United States Ambassador to the Bahamas.

I wish to express my sincere appreciation to the President for having nominated me for this position. If confirmed by the Senate, I plan to take up my new responsibilities as quickly as possible.

I believe my varied background of public and private sector experience qualifies me for this assignment. I am privileged to have worked with you as a member of this distinguished body. What better preparation can there be for representing the U.S. government abroad than serving as a member of that government at home?

During my service in the Senate membership on the Select Committee on Intelligence provided a unique vantage point to observe the conduct of U.S. foreign policy abroad. Likewise, of particular advantage to my assignment to the Bahamas will be my experience as a banker and a former member of the Senate Banking, Housing, and Urban Affairs Committee.

After tourism, the banking and financial sector is the second pillar of the Bahamian economy. My private sector management experience in banking and retail meerchandising as well as past directorship of the Las Vegas Chamber of Commerce will serve me in good stead in managing our U.S. embassy in Nassau and working to advance U.S. interests in the Bahamas.

The United States and the Commonwealth of the Bahamas enjoy a good bilateral relationship. Our two nations and governments are bound together by deep and broad ties. Politically we share a commitment to democracy and democratic institutions.

Economically the U.S. is the Bahamas' major trading partner. The Bahamas is a member of the Caribbean Basin Initiative.

The U.S. and the Bahamas also have many cultural and family ties as large numbers of our citizens travel back and forth each year. Of the more than three million visitors to the Bahamas in 1988, 90 percent were American citizens.

In 1992 we will celebrate the quincentennial of Christopher Columbus' first landing in the new world, believed by many scholars to have been in the Bahamas.

Most importantly, our two governments are together engaged in a struggle of vital importance to both our countries.

Drug abuse is a scourge which threatens the very fabric of our societies and the peace and stability of our region. Although the Bahamas is not a drug producing country, its scattered islands and close proximity to the U.S. make it an ideal location for narcotics trafficking. Experts estimate that a significant portion of cocaine and marijuana entering the U.S. transits the Bahamas.

The government of the Commonwealth of the Bahamas is firmly committed to the war on drugs. Through Operation Bahamas and Turks and Caicos otherwise known as OPBAT, Bahamian and American personnel work closely together in daily narcotics interdiction operations.

U.S. and Bahamian law enforcement agencies are conducting joint undercover narcotics investigations. The Bahamian government has established three special courts to prosecute drug cases. The U.S. and Bahamas have signed a bilateral narcotics agreement in accordance with the Chiles amendment.

A U.S.-Bahamas mutual legal assistance treaty is presently awaiting advise and consent of the Senate. Negotiations for a new extradition treaty have been going well.

In recognition of the Bahamian anti-narcotics cooperation, the President certified to the Congress with explanation that the Bahamas was cooperating fully in the war on drugs. We are delighted that the Congress upheld the President's certification.

My assignment to the Bahamas is a challenge and an opportunity. It has been a long time since my wife and I visited the Bahamas. We are eagar to return. I look forward to the opportunity to represent the views of the United States and continue the warm, close relationship which we have long enjoyed with the Bahamian government and its people.

Mr. Chairman, I would like to thank you and the committee for receiving me today, and I will be happy to respond to your questions.

Senator McConnell, it is nice to see you. Thank you for coming out.

Senator McCONNELL. Thank you and congratulations on your nomination.

Senator DODD. Thank you, Senator, and again, we congratulate you on this nomination.

I wonder if you might briefly characterize the current state of U.S.-Bahamian relationships, particularly in light of the recent indictment of an associate of the Prime Minister of the Bahamas, Prime Minister Pindling. There have been serious allegations about drug corruption against the Prime Minister, and those allegations have affected U.S.-Bahamian relations.

As you know, Senator Kerry of Massachusetts had offered a resolution of disapproval against the certification that we were achieving full cooperation with the Bahamian government in the area of narcotics interdiction and related problems. That resolution was defeated on the floor of the Senate as you know as well.

But, nonetheless, this has been a constant source of friction, and the allegations in the indictment recently of a very close associate of Mr. Pindling raised additional questions in the minds of many people. In light of that, I wonder if you might just briefly describe how you see U.S.-Bahamian relations as you look forward to the post as U.S. ambassador in that country.

Senator HECHT. Well, in my position representing the President of the United States and Secretary of State, certainly this is going to be one of the main objectives is to get these people that have been implicated in drug trafficking to the courts.

I will be working with the Justice Department and, Senator, there have been two special people who have had close ties with the Prime Minister who are under indictment, and I will work with the Justice Department in every which way to bring them to trial.

Senator DODD. As you know, a State Department report in 1988 claimed that the Bahamian government or characterized it by calling it "almost systematic corruption in the country."

Do you think that characterization in 1989 is accurate or do you think that was overstated?

Senator HECHT. Senator, from the briefings that I have had in the State Department—I have not been down there for several years—the cooperation is better today than it was a year ago. However, in no way will any of us tolerate corruption.

Senator DODD. Do you consider that to be the single most important priority for the United States in its relationship with the Bahamas at this point?

Senator HECHT. Yes, because it has been alleged that 50 percent—50-60 percent of the narcotics entering the United States of America comes by way of the Bahamas. Yes, I think that is one of the major problems I will be facing.

The Bahamian government also has lax banking laws, and something like 350 banks down there, and we have to tighten up our security on drug laundering which all will tie in together.

Senator DODD. In answering the issue of the Caribbean Basin Initiative, which, of course, is an extremely important program, the Bahamas was designated as a beneficiary of the CBI in 1985, as you know.

To what extent has the Bahamas benefitted from the participation in the CBI program and are the Bahamas doing everything it can to take advantage of the Caribbean Basin Initiative, in your opinion?

And, would you further characterize how the Bahamian government views current legislation before the United States Congress to expand and indefinitely extend the CBI in their region?

Senator HECHT. Because of the high per capita income of the Bahamas in relationship to the rest of the country, the Caribbean Basin Initiative, they have not profited as much.

They do not have a great deal of agriculture. Their main industry is tourism. The number two industry is banking. So, they have not been as large a recipient as the other countries.

Senator DODD. Would you anticipate—do you support or does the administration support, are you prepared to say so this morning, the continuation, the indefinite extension of CBI?

Senator HECHT. Yes.

Senator DODD. Senator Lugar.

Senator HECHT. Excuse me, may I say hello to Senator Simon.

Senator SIMON. Good morning.

Senator LUGAR. Thank you, Mr. Chairman.

Senator Hecht, what plans do you have or have you thought through a strategy of enhancing business with the Bahamas; that is, economic opportunities there and more opportunities for Americans through that enhanced trade?

Senator HECHT. For the Bahamas, we are the biggest trading partner, something just under $900 million a year. And certainly I want to continue that and build on that because that is what we are trying to do is build up trade with other countries.

Now, tourism, as I mentioned before, just like banking, tourism is their number one industry. Banking is their number two industry and having been in both tourism for 40 years and banking for 25 years, I feel that I can help build on that.

Senator LUGAR. Thank you very much. I have no further questions, Mr. Chairman.

Senator DODD. Senator Sanford and then we will come to Senator Simon.

Senator SANFORD. As I said earlier, I am delighted to see you back in these halls.

Senator HECHT. Thank you, Senator. Thank you very much.

Senator SANFORD. The Bahamas was designated beneficiary of the Caribbean Basin Initiative in 1985. Have you given any thought to what extent the Bahamas benefitted from its participation and whether or not it took full advantage?

Senator HECHT. Senator, because, as I mentioned earlier, the economy and very little agriculture, certainly not much textiles or things like that, because their industry is tourism and banking, they have not taken part as much as the other countries.

Senator SANFORD. Do you have any idea what the Bahamian government thinks about the current legislation to expand indefinitely the CBI?

Senator HECHT. No, sir, I have not been in contact with the Bahamian government.

Senator SANFORD. Do you think that the Bahamas would benefit from the passage of this legislation which essentially just extends CBI?

Senator HECHT. Absolutely, sir.

Senator SANFORD. Now, you made two statements about banking. One, that they have got a tremendous number of banks. Some of them are apparently doing things that impede our efforts to control the drug problem.

And, on the other hand, you speak of it in terms that seem to be very positive, that this is their second largest economic base.

What should our attitude be toward banking as it affects this country both in their activities and, I assume, in the ownership of a great many of the banks, which is apparently related or by United States banks? Should we in any way have a policy toward their banking practices?

Senator HECHT. Senator, thank you. They have adopted a policy that any cash transaction over $100,000 has to be reported.

However, some of the major banks, American, British, have adopted a policy of know your customer. Some customers can come in and $1,000 might be over what they would normally deposit in their account. And they are working with the drug enforcement agencies on that.

Senator SANFORD. Who is "they"? The banks or the government?

Senator HECHT. The banks because they have adopted that policy of know your customer, which is the cardinal rule of banking. Sometimes people deviate, and that is when they get in trouble.

In America we have a $10,000 reporting. Perhaps we should talk to them about that on any cash transaction.

I think we should encourage the major American banks, we should encourage the major foreign banks. But there are, I understand, many banks with only a plaque on the door which was set up just to launder money, and these should be discouraged.

Senator SANFORD. Mr. Chairman, thank you.

Senator DODD. Senator Mack.

Senator MACK. Thank you, Senator Dodd.

Chic, I just want to concentrate on the drug issue in the Bahamas. You mentioned in one of your responses that 50-60 percent of the drugs in this country end up here by traveling through——

Senator HECHT. That has been alleged, and that has been in many of my briefing papers, that different individuals have told me that, Senator.

Senator MACK. Assuming that that is a correct statement, 50-60 percent, that is an incredibly significant number. Those of us from Florida, obviously, are very concerned because of the close proximity. And we just recently had a vote on the floor of the Senate where the Senate voted not to decertify the Bahamas.

I would suggest that there will be continued pressure to decertify the Bahamas, even though we have heard over and over and over again from many sources that the Bahamian government is cooperating with us in every endeavor. Basically anything that we ask them to do that they have been very responsive.

I just wonder how you are going to be able to reconcile the pressure to decertify to make the comments continually that the support that, in fact, we are receiving from the Bahamian government. I would just give you an opportunity to talk about that potential problem and get your thoughts on it.

Senator HECHT. Senator, I would welcome that type of pressure because that type of pressure will allow me, then, to go to the Bahamian government and say the United States Senate in their wisdom is not satisfied with what you have done, and you must do this, this, and that. And so that would give me a tremendous push to go back. If you do not have any opposition, then the job would be tougher.

No, I certainly welcome that.

Senator MACK. In your briefings was it suggested as to what some of the additional actions on the part of—the Bahamian government might take to try to reduce that 50-60 percent?

Senator HECHT. Yes, they have asked for more planes, more personnel from America, and more continued cooperation. As you know, there are hundreds and hundreds of islands there, and it is hard with their limited resources.

Now, we are talking about a country approximately 250,000 people, so they do not have the resources. They have come to America, to the United States of America, and asked the drug enforcement to help them to cooperate.

Now, if we find that this cooperation is not forthcoming, then certainly I can go back and say the United States Senate is not in any way—they do not feel that you have done enough on this.

I welcome this opposition from the United States Senate.

Senator MACK. Thank you.

Senator DODD. Senator Simon.

Senator SIMON. Thank you. It is good to welcome an old colleague here.

Senator HECHT. Thank you, Senator. It is nice to be here. Thank you very much.

Senator SIMON. Let me give you my frank reaction. When I first heard that—Chic Hecht has always been a very likable person who is an outgoing diplomat, has some of the skills in that area.

I would have to say also, candidly, your record in the area of civil rights was not a strong one in the United States Senate. You are going to have to be dealing with a population that is overwhelmingly a black population. Have you reflected on that and how you will be moving in that area?

Senator HECHT. Well, Senator, I do not think my reputation in the United States Senate has been anti-civil rights. I think I have always been pro-civil rights. And being a minority person myself, I do not see a problem at all.

Senator SIMON. I guess I would just urge you—and I am going to be voting for you——

Senator HECHT. Thank you very much.

Senator SIMON. I would just urge you to reflect on what you can be doing to help bridge any problems that my come around. I appreciate your being here.

Senator HECHT. Thank you, and perhaps in the time I am in Washinton, maybe we will get a little time to spend together and I can get your thoughts and reflections. Thank you.

Senator SIMON. Thank you, Mr. Chairman.

Senator DODD. Senator Kerry.

Senator KERRY. Thank you very much. I am also delighted to welcome my friend Senator Hecht back. He and I enjoy a special relationship, and I am glad to see his family here.

Senator HECHT. Senator, you have three of your greatest admirers. There is no one on this earth that admires you like my wife and my two daughters.

Senator Dodd, may I just mention for the benefit of the people in the audience who might not know the story, it was Senator Kerry who absolutely saved my life when I was choking.

Senator DODD. He tells us that all the time. [Laughter.]

Senator HECHT. There is no question. Senator, there was a doctor not too far away and said had I lived another minute, I would not have wanted to be alive. And so from the bottom of my heart and my family's heart, we will forever be grateful and every Christmas, just like last Christmas, you will receive a phone call from me saying thank you very much, Senator Kerry.

Senator KERRY. I am not sure I would not rather receive a check. I am running for reelection this year. But I appreciate it.

Senator HECHT. That is not out of the realm of possibility.

Senator KERRY. Oh, no, now it is. It absolutely is.

Senator HECHT. Okay, it is.

Senator KERRY. But I am thrilled, obviously, and I appreciate your comments.

Let me ask you, if I can, just two quick questions. As you know, we recently had a certification struggle here over the question about the Bahamas, and I know you have probably been asked this somewhat, but I want to make sure I do.

There are some serious issues that have been raised again and again about corruption within the Bahamas. The State Department narcotics control report itself referred to continue corruption problems there. And I just want to make certain or I would like to ask you for your observation on that as you contemplate beginning a tour as ambassador there, which you not doubt will.

Do you think that you are in a position and are you prepared to be able to press those issues that are attached to those questions of corruption?

Senator HECHT. Absolutely, Senator. Absolutely, and that is probably going to be one of the most pressing questions and most pressing objectives I have down there.

You know, I think the world of Senator Helms and when Senator Helms and Senator Kerry join together in a resolution, it means a lot to me.

I think you are absolutely right and, quite frankly, the more pressure you apply, I think the easier my job is going to be because I can to to the Bahamian government and say you have to do this, this, and this. Otherwise, the resolution is going to pass the next time decertifying you.

And, for the record, I agreed with you last year and voted with you.

Senator KERRY. I do know that, and I thank you for that.

And the last question, with respect to the extradition, we have been seeking the extradition of Nigel Bowe for some period of time. And last year the State Department report referred to that as an extradition that has been held up on specious legal grounds. This year the "specious" was left out, but the notations as to the continued holdup was still observed.

And it is my hope, and I merely comment on this, that you will press also with them the urgency of reciprocating with respect to those kinds of requests in order to prove that they are truly cooperating fully.

Senator HECHT. You have my word on that. I agree with you wholeheartedly.

Senator KERRY. I thank you, and I wish you well.

Senator HECHT. Thank you very much.

Senator DODD. Thank you, Senator Kerry. Any additional questions by our colleagues?

Senator, let me just lastly, if I can. As you know, the Office of Government Ethics develops rules and regulations designed to prevent conflicts of interests by officers and employees of all agencies. A copy of your financial disclosure report that you filed with the office was provided to the committee and, for the purpose of the record, do you have any personal financial holdings which might create a potential conflict of interest?

Senator HECHT. Absolutely not, and everything I own is in a blind trust. During the entire time I was a Senator I never bought one stock, one bond, or one piece of property because someone could always say I had information others did not have.

I plan to continue that policy, and certainly anything pertaining to the area which I am—not just the country but the entire area—I will have no financial dealings at all.

Senator DODD. Have you been asked or advised by the White House Counsel or Department of State to divest yourself of any of your financial holdings?

Senator HECHT. The bulk of my financial holdings are in real estate in Nevada and government securities.

Senator DODD. They have not asked you to divest anything?

Senator HECHT. No, absolutely not.

Senator DODD. And do you intend to rescue yourself from any matter in which may have a direct or indirect financial interest?

Senator HECHT. Absolutely, absolutely, but I see no conflict.

Senator DODD. Those are questions that we are required to ask of each of our nominees.

Again, congratulations on your nomination. And you correctly point out these ambassadorial positions are family affairs in the sense with your lovely wife, who no doubt will be accompanying you and the family members going down. The Bahamas is a beautiful country, and we have had a close relationship over the years.

Senator Kerry and others have pointed out the important issue of improving our relationships, particularly with regard to the narcotics question, and that will be a challenge for you in the coming couple of years.

You should know that all of us here are prepared to help in that regard, and we look forward to working with you on that question and relying on your advice as we proceed with matters that will come before this committee relating to the Bahamas and those important questions.

So, on behalf of the committee I thank you for appearing before us today. I wish you and your family very well, and I can only tell you that we will deal with this matter as soon as there is a business meeting. I believe it will be the first week in June when we come back from the Senate recess.

If there are any additional questions, of course, our colleagues can submit them in writing. We would ask you to respond to them prior to the business meeting of this committee.

Senator HECHT. Thank you very much, Senator, and thank all of you for coming out today on a break. Having been in this body, I understand what that means.

And I certainly appreciate this turnout because this hearing came up very fast for me and I was in Nevada last week.

I have asked the State Department to make myself available to each one of you if you have any questions, and I would like to meet with you if possible to pick your expertise and your brains on this because I know a lot of you have spent a tremendous amount of time and are very, very knowledgeable, and I would like to pick your brains.

Thank you very much.

Senator DODD. Thank you.

Our next nominee, Mr. Aaronson, has already been introduced by our two colleagues, Senator Nunn of Georgia, and Senator John McCain.

Mr. Aaronson, we welcome you again to the committee and congratulate you on your nomination, and we would ask if you have any opening statement you care to make at this point.

Mr. HUMPHREY. I just do not know where this concern is coming from. I am sure those few Senators who have a concern are sincere, but it seems to me a misplaced concern. This is a very well-rounded candidate. It is not one of those types whom Senator SARBANES rightly criticizes. This is an entirely different kind of nominee, one who is eminently qualified, and I am sure will be confirmed by a very, very substantial vote today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, today I rise in strong support of the nomination of former Senator Chic Hecht to be the Ambassador to the Commonwealth of the Bahamas. Last month, Senator Hecht received a unanimous vote from the Senate Foreign Relations Committee for this appointment.

Senator Hecht has extensive experience in Government and business. He ably represented Nevada in the U.S. Senate from 1982 to 1989. In the 98th Congress, he chaired the Committee on Banking, Housing, and Urban Development Subcommittee on Insurance. He also chaired the Subcommittee on Housing in the 99th Congress. While in the Senate, Senator Hecht served on the Select Committee on Intelligence. This experience, together with a background in intelligence, which began while he was a special agent in the U.S. Army Intelligence Corps, has equipped him well for assuming a leadership position and providing guidance in confronting the drug problem emanating in the Bahamas. Because of his experience, dedication and service, Senator Hecht was recently inducted into the Army Intelligence Hall of Fame.

On the State level, Senator Hecht served in the Nevada Senate for 8 years, becoming the first Republican to win a State senate seat in predominantly Democratic Clark County—Las Vegas—in more than 25 years. He was senate minority leader under Gov. Paul Laxalt.

Senator Hecht participated for nearly 30 years in the Nevada business community as a leading merchant and banker.

In closing, Senator Hecht's legislative background and his extensive business experience has equipped him well to ably represent the United States as Ambassador to the Commonwealth of The Bahamas. He is a man of ability and integrity, and I hope that his nomination will be swiftly approved.

Mr. President, I yield the floor.

Mr. HEFLIN. Mr. President, I also advocate the confirmation of former Senator Chic Hecht of the ambassadorship for which he has been nominated.

I have known Chic Hecht here in the Senate. I think he will make a very competent Ambassador and, in my judgment, his nomination should be confirmed by the Senate.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. The hour of noon having arrived, under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12 noon, recessed until 2:17 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DASCHLE].

IMMIGRATION ACT OF 1989

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 358, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 358) to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

TITLE I—IMMIGRATION ACT OF 1989

SEC. 101. SHORT TITLE; REFERENCES IN TITLE.

(a) SHORT TITLE.—This title may be cited as the "Immigration Act of 1989".

(b) REFERENCES IN ACT.—Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed as an amendment to, or repeal of a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—IMMIGRATION ACT OF 1989

Sec. 101. Short title; references in title.
Sec. 102. National level of immigration.
Sec. 103. Preference system for admission of immigrants.
Sec. 104. Deterring immigration-related entrepreneurship fraud.
Sec. 105. Miscellaneous conforming and technical changes.
Sec. 106. User fees.
Sec. 107. Commission on Legal Immigration Reform.
Sec. 108. Effective dates and transition.

TITLE II—NATURALIZATION AMENDMENTS OF 1989

Sec. 201. Short title; references in title.
Sec. 202. Administrative naturalization.
Sec. 203. Substituting 3 months residence in INS district or State for 6 months residence in a State.
Sec. 204. Public education regarding naturalization benefits.
Sec. 205. Naturalization of natives of the Philippines through active-duty service in the Armed Forces during World War II.
Sec. 206. Conforming amendments.
Sec. 207. Effective dates and savings provisions.

SEC. 102. NATIONAL LEVEL OF IMMIGRATION.

(a) WORLDWIDE LEVEL OF IMMIGRATION.—(1) Section 201 (8 U.S.C. 1151) is amended to read as follows:

"WORLDWIDE LEVEL OF IMMIGRATION

"SEC. 201. (a) IN GENERAL.—Exclusive of aliens described in subsection (b), aliens born in a foreign state or dependent area who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence are limited to—

"(1) family connection immigrants described in section 203(a) (or who are admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(a)) in a number not to exceed in any fiscal year the number specified in subsection (c) for that year, and not to exceed in any of the first 3 quarters of any fiscal year 27 percent of the worldwide level under such subsection for all of such fiscal year; and

"(2) independent immigrants described in section 203(b) (or who are admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(b)), in a number not to exceed in any fiscal year the number specified in subsection (d) for that year, and not to exceed in any of the first 3 quarters of any fiscal year 27 percent of the worldwide level under such subsection for all of such fiscal year.

"(b) ALIENS NOT SUBJECT TO DIRECT NUMERICAL LIMITATIONS.—The following aliens are not subject to the worldwide levels or numerical limitations of subsection (a):

"(1)(A) Special immigrants described in subparagraph (A) or (B) of section 101(a)(27).

"(B) Aliens who are admitted under section 207(c) pursuant to a numerical limitation established under section 207(b).

"(C) Aliens whose status is adjusted to permanent residence under section 210, 210A, or 245A.

"(D) Aliens provided permanent resident status under section 249.

"(2)(A)(i) Aliens who are immediate relatives. For purposes of this clause, the term 'immediate relatives' means the children, spouses, and parents of a citizen of the United States, except that, in the case of parents, such citizens shall be at least 21 years of age.

"(ii) Aliens admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent who is such an immediate relative.

"(B) Aliens born to an alien lawfully admitted for permanent residence during a temporary visit abroad.

"(C) Aliens who are admitted under section 207(c) pursuant to a numerical limitation established under section 207(a) and aliens who are granted asylum under section 208.

"(c) WORLDWIDE LEVEL OF FAMILY CONNECTION IMMIGRANTS.—(1) The worldwide level of family connection immigrants under this subsection for a fiscal year is equal to—

"(A) 480,000, minus

"(B) the number computed under paragraph (2), plus

"(C) the number (if any) computed under paragraph (3).

"(2) The number computed under this paragraph for a fiscal year is the sum of the number of aliens described in subparagraph (A) and (B) of subsection (b)(2) who were issued immigrant visas or otherwise acquired the status of aliens lawfully admitted to the United States for permanent residence in the previous fiscal year.

"(3) The number computed under this paragraph for a fiscal year (beginning with fiscal year 1992) is the difference (if any) between the maximum number of visas which may be issued under subsection (a)(2) (relating to independent immigrants) during the previous fiscal year and the number of visas issued under that subsection during that year.

"(d) WORLDWIDE LEVEL OF INDEPENDENT IMMIGRANTS.—(1) The worldwide level on independent immigrants under this subsection for a fiscal year is equal to—

"(A) 120,000, plus

"(B) the number computed under paragraph (2).

"(2) The number computed under this paragraph for a fiscal year (beginning with fiscal year 1992) is the difference (if any) between the maximum number of visas which may be issued under subsection (a)(1) (relating to family connection immigrants) during the previous fiscal year and the number of visas issued under that subsection during that year.

"(e) REPORT ON, AND REVISION OF, WORLDWIDE LEVEL OF IMMIGRATION.—(1) In January before the beginning of fiscal year 1994 (and in January before each succeeding fiscal year thereafter), the Attorney General, in consultation with the Secretary of Labor, the Secretary of State, the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, and the Secretary of Housing and Urban Development, shall prepare and transmit to the President and to the Judiciary Committees of the Senate and of the House of Representatives a report discussing the effect of immigration on the United States. The report shall consider—

"(A) the requirements of citizens of the United States and of aliens lawfully admitted for permanent residence to be joined in the United States by immediate family members;

"(B) the impact of immigration on labor needs, employment, and other economic and domestic conditions in the United States;

"(C) the impact of immigration with respect to demographic and fertility rates and resources and environmental factors; and

"(D) the impact of immigration on the foreign policy and national security interests of the United States.

The report for fiscal year 1994 (and each third fiscal year thereafter) shall include a discussion, based upon such considerations, of the need (if any) to revise the number specified in subsection (c)(1)(A) or the number specified in subsection (d)(1)(A) for any fiscal year of the 3-fiscal-year period beginning with the first fiscal year following transmittal of the report. The Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives shall hold hearings on the findings of the latest such report.

"(2) In March before the beginning of fiscal year 1994 (and of each third fiscal year thereafter), the President shall, after considering the corresponding report transmitted under paragraph (1) and after soliciting the views of members of the Committees on the Judiciary of the House of Representatives and of the Senate, determine whether or not the number specified in subsection (c)(1)(A) or the number specified in subsection (d)(1)(A) should be changed for any fiscal year of the 3-fiscal-year period beginning with the next following fiscal year, and, if so, which number or numbers should apply instead of the number specified in the respective subsection for the fiscal years of that period. The President shall transmit such determination to the Congress by not later than March 31 before the fiscal year involved and shall deliver such determination to both Houses of Congress on the same day and while each House is in session.

"(3)(A) Notwithstanding the provisions of subsections (c)(1)(A) and (d)(1)(A), if the number transmitted in a determination of the President with respect to subsection (c)(1)(A) or subsection (d)(1)(A) for a fiscal year or years of a 3-fiscal-year period—

"(i) is not less than 95 percent, nor more than 105 percent, of the number specified in that respective subsection, unless the Congress, by not later than August 31 following the date of the transmittal, enacts a joint resolution the substance of which disapproves the change with respect to the number for that respective subsection for that fiscal year or years, the number so transmitted shall take effect and apply, instead of the number specified in that respective subsection, during that period; or

"(ii) is less than 95 percent, or more than 105 percent, of the number specified in that respective subsection, if the Congress, by not later than August 31 following the date of the transmittal, enacts a joint resolution the substance of which approves the change with respect to the number specified in that respective subsection for that fiscal year or years, the number so transmitted shall take effect and apply, instead of the number specified in that respective subsection, during that period.

"(B) For purposes of this paragraph, a number transmitted by the President under paragraph (2) which takes effect and applies under this paragraph with respect to subsection (c)(1)(A) or (d)(1)(A) with respect to a fiscal year or fiscal years shall be deemed to be the number specified in that same subsection for that period, and that number shall be deemed to be the number specified in that same subsection thereafter unless changed pursuant to this subsection.

"(4) Paragraphs (5), (6), and (7) are enacted—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each respective House, but applicable only with respect to the procedure to be followed in the case of joint resolutions described in paragraph (5), and supersede the other rules only to the extent that such paragraphs are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change such rules at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(5) For purposes of this subsection, the term 'joint resolution', with respect to a change in number transmitted by the President under paragraph (2) for the fiscal years of a three-fiscal-year period, in the case described—

"(A) in paragraph (3)(A)(i), means only a joint resolution of the Congress, the matter after the resolving clause of which is as follows: 'That Congress, pursuant to subsection (e)(3)(A)(i) of section 201 of the Immigration and Nationality Act, disapproves the change proposed by the President in the number specified under subsection of that section for the fiscal year [or years] transmitted to the Congress by the President on ', the blank spaces therein to be filled appropriately; or

"(B) in paragraph (3)(A)(ii), means only a joint resolution of the Congress, the matter after the resolving clause of which is as follows: 'That Congress, pursuant to subsection (e)(3)(A)(ii) of section 201 of the Immigration and Nationality Act, approves the change proposed by the President in the number specified under subsection of that section for the fiscal year [or years] transmitted to the Congress by the President on ', the blank spaces therein to be filled appropriately.

"(6)(A) No later than the first day of session following the day on which a determination is transmitted to the House of Representatives and to the Senate under paragraph (2), which determination provides for a change in a number specified in subsection (c)(1)(A) or (d)(1)(A) for a fiscal year, a joint resolution (as defined in paragraph (5)) with respect to each such change shall be introduced (by request) in each House by the chairman of the Committee on the Judiciary of that House, or by a Member or Members of the House designated by such chairman.

"(B)(i) Each joint resolution introduced in a House shall be referred to the Committee on the Judiciary of the respective House. The committees shall make their recommendations to the respective House not later than June 15 following the date of introduction.

"(ii) If the Committee has not reported such a joint resolution with respect to a change by such date, it is in order to move to discharge the Committee from further consideration of the joint resolution, except that no motion to discharge shall be in order after the Committee has reported a joint resolution with respect to the same change.

"(iii) A motion to discharge under clause (ii) may be made only by a Member favoring the joint resolution, is privileged, and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the joint resolution, the time to be divided equally between, and controlled by, in the Senate by the majority leader and the minority leader or their designees and in the House of Representatives by the chairman of the Committee on the Judiciary and the ranking minority member of such committee or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(C)(i) When the Committee has reported, or been discharged from consideration of, a joint resolution, a motion to proceed to the consideration of the joint resolution shall be highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

"(ii) Debate on a joint resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, to be equally divided in the Senate between, and controlled by, the majority leader and the minority leader or their designees and to be equally divided in the House of Representatives between individuals favoring and individuals opposing the joint resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which a joint resolution is passed or rejected shall not be in order.

"(iii) Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the joint resolution shall occur.

"(iv) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

"(D) If, prior to the passage by one House of a joint resolution of that House, that House receives a joint resolution with respect to the same change transmitted by the President in a number specified under a subsection for a fiscal year, then—

"(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

"(ii) the vote on final passage shall be on the resolution of the other House.".

(2) The item in the table of contents relating to section 201 is amended to read as follows:

"Sec. 201. Worldwide level of immigration.".

(b) PER COUNTRY IMMIGRATION LEVELS.—Section 202 (8 U.S.C. 1152) is amended—

(1) in subsection (a)—

(A) by striking "(a) No person" and inserting "(a)(1) Except as specifically provided in paragraph (2) and in section 101(a)(27), 201(b)(2)(A)(i), and 203, no person",

(B) by striking ", except as specifically" and all that follows through "following fiscal year", and

(C) by adding at the end the following new paragraph:

"(2)(A) Subject to subparagraphs (B) and (C), the total number of immigrant visas made available to natives of any single foreign state or dependent area under subsection (c) of section 201 (relating to family connection immigrants) in any fiscal year may not exceed 7 percent (in the case of a single foreign state) or 2 percent (in the case of a dependent area) of the total number of such visas made available under such subsection in that fiscal year.

"(B) If for fiscal year 1991 or a succeeding fiscal year the number of aliens described in subparagraph (A) or (B) of section 201(b)(2) (relating to immediate relatives and similar individuals) who are natives of a particular foreign state or dependent area and who are issued immigrant visas or otherwise acquired the status of aliens lawfully admitted to the United States for permanent residence in the fiscal year exceeds the greater of—

"(i) the numerical level computed under subparagraph (A) for that state for that fiscal year, or

"(ii) the level of such immigration of natives of that foreign state in fiscal year 1989 or fiscal year 1990 (whichever is greater),

then the numerical level applicable to that foreign state or dependent area in the following fiscal year under subparagraph (A) shall be reduced by the amount of such excess, except that such reduction shall not exceed one-half of the numerical level otherwise provided without regard to this subparagraph.

"(C) If, because of the application of subparagraph (A) with respect to one or more foreign states, the number of visas available under section 201(c) for a calendar quarter exceeds the number of qualified immigrants who otherwise may be issued such a visa, subparagraph (A) shall not apply to visas made available to such states or areas during the remainder of such calendar quarter.

"(3)(A) Subject to subparagraph (B), the total number of immigrant visas made available to natives of any single foreign state or dependent area under subsection (d) of section 201 (relating to independent immigrants) in any fiscal year may not exceed 7 percent (in the case of a single foreign state) or 2 percent (in the case of a dependent area) of the total number of such visas made available under such subsection in the fiscal year.

"(B) If, because of the application of subparagraph (A) with respect to one or more foreign states or dependent areas, the number of visas available under section 201(d) for a calendar quarter exceeds the number of qualified immigrants who otherwise may be issued such a visa, subparagraph (A) shall not apply to visas made available to such states or areas during the remainder of such calendar quarter.";

(2) in subsection (b), by striking "the numerical limitation set forth in the proviso to subsection (a) of this section" each place it appears and inserting "a numerical level established under subsection (a)";

(3) in subsection (c)—

(A) by striking "other than" and all that follows through "section 201(b)" and inserting "other than a special immigrant, as defined in section 101(a)(27), or an alien described in section 201(b)(2)(A)(i)", and

(B) by striking "section 202(a)" and all that follows through the end and inserting "subsection (a)(1), to the foreign state"; and

(4) Section 202(e) is amended to read as follows:

"(e) Whenever the maximum number of visas have been made available under subsection (a)(2) to natives of any single foreign state or to any dependent area, then in the next following fiscal year a number of visas, not to exceed the number specified in subsection (a)(2) for a foreign state or a dependent area, as the case may be, shall be made available and allocated for such state or such area for the same classes of aliens described in, and the same percentages specified in, paragraphs (1) through (4) of section 203(a).".

SEC. 103. PREFERENCE SYSTEM FOR ADMISSION OF IMMIGRANTS.

(a) IN GENERAL.—(1) Section 203 (8 U.S.C. 1153) is amended to read as follows:

"ALLOCATION OF IMMIGRANT VISAS

"SEC. 203. (a) PREFERENCE ALLOCATION FOR FAMILY CONNECTION IMMIGRANTS.—Aliens subject to the worldwide level specified in section 201(c) for family connection immigrants shall be allotted visas as follows:

"(1) UNMARRIED SONS AND DAUGHTERS OF CITIZENS.—Qualified immigrants who are the unmarried sons or daughters of citizens of the United States shall be allocated visas in a number not to exceed 9 percent of such worldwide level, plus any visas not required for the class specified in paragraph (4).

"(2) SPOUSES AND UNMARRIED SONS AND UNMARRIED DAUGHTERS OF PERMANENT RESIDENT ALIENS.—Qualified immigrants who are—

"(A) the spouses of aliens lawfully admitted for permanent residence, or

"(B) the unmarried sons or unmarried daughters of an alien lawfully admitted for permanent residence, if the sons or daughters—

"(i) are under 26 years of age as of the date of the petition for such preference, or

"(ii)(I) as of the date of the enactment of the Immigration Act of 1989, had a petition filed on their behalf for preference status under section 203(a)(2) (as in effect on such date) by reason of such relationship and such petition was subsequently approved, and

"(II) continue to qualify under the terms of section 203(a)(2) of this Act as in effect on the day before such date,

shall be allocated visas in a number not to exceed 57 percent of such worldwide level, plus any visas not required for the class specified in paragraph (1).

"(3) MARRIED SONS AND DAUGHTERS OF CITIZENS.—Qualified immigrants who are the married sons or married daughters of citizens of the United States shall be allocated visas in a number not to exceed 9 percent of such worldwide level, plus any visas not required for the classes specified in paragraphs (1) and (2).

"(4) BROTHERS AND SISTERS OF CITIZENS.—Qualified immigrants who are the brothers or sisters of citizens of the United States, if such citizens are at least 21 years of age, shall be allocated visas in a number not to exceed 25 percent of such worldwide level, plus any visas not required for the classes specified in paragraphs (2) or (3).

"(b) PREFERENCE ALLOCATION FOR INDEPENDENT IMMIGRANTS.—Aliens subject to the worldwide level specified in section 201(d) for independent immigrants in a fiscal year shall be allocated visas as follows:

"(1) SPECIAL IMMIGRANTS.—Visas shall be made available, in a number not to exceed 5 percent of such worldwide level, to qualified special immigrants described in section 101(a)(27) (other than those described in subparagraph (A) or (B) thereof).

"(2) ALIENS WHO ARE MEMBERS OF THE PROFESSIONS HOLDING ADVANCED DEGREES OR ALIENS OF EXCEPTIONAL ABILITY.—(A) Visas shall be made available next, in a number not to exceed 23 percent of such worldwide level to qualified immigrants who are members of the professions holding advanced degrees or who because of their exceptional ability in the sciences, arts, or business, will substantially benefit prospectively the national economy, cultural or educational interests, or welfare of the United States, and whose services in the sciences, arts, professions, or business are sought by an employer in the United States.

"(B) The Attorney General may, when he deems it to be in the national interest, waive the requirement of subparagraph (A) that an alien's services in the sciences, arts, professions, or business be sought by an employer in the United States.

"(C) In determining under subparagraph (A) whether an immigrant has exceptional ability, the possession of a degree, diploma, certificate, or similar award from a college, university, school, or other institution of learning or a license to practice or certification for a particular profession or occupation shall not by itself be considered sufficient evidence of such exceptional ability.

"(3) SKILLED WORKERS.—(A) Visas shall be made available next, in a number not to

exceed 23 percent of such worldwide level, to the following two classes of aliens:

"(i) Qualified immigrants who are capable, at the time of petitioning, of performing skilled labor (requiring at least 2 years training or experience), not of a temporary or seasonal nature, for which qualified workers are not available in the United States.

"(ii) Qualified immigrants who hold baccalaureate degrees and who are members of the professions.

"(B) An immigrant visa may not be issued to an immigrant under subparagraph (A) until the consular officer is in receipt of a determination made by the Secretary of Labor pursuant to the provisions of section 212(a)(14).

"(4) EMPLOYMENT CREATION.—Visas shall be made available next, in a number not to exceed 4 percent of such worldwide level, to any qualified immigrant who is seeking to enter the United States for the purpose of engaging in a new commercial enterprise which the alien has established and in which such alien has invested or, is actively in the process of investing, capital, in an amount not less than $1,000,000, and which will benefit the United States economy and create full-time employment for not fewer than 10 United States citizens or aliens lawfully admitted for permanent residence (other than the spouse, sons, or daughters of such immigrant). The Attorney General, in consultation with the Secretary of Labor and the Secretary of State, may prescribe regulations increasing the dollar amount of the investment necessary for the issuance of a visa under this paragraph.

"(5) SELECTED IMMIGRANTS.—(A) Visas authorized in any fiscal year under section 201(d), less those required for issuance to the classes specified in paragraphs (1), (2), (3), and (4), shall be made available to qualified immigrants who attain a score of not less than 45 points, based on the point assessment system described in subparagraph (B).

"(B) The point assessment system referred to in subparagraph (A) shall accord points based on criteria as follows:

"(i) AGE (10 POINTS).—For an alien who (as of the date of filing a petition) is—

"(I) at least 21 years of age but has not attained 36 years of age, 10 points; or

"(II) at least 36 years of age, but has not attained 45 years of age, 5 points.

"(ii) EDUCATION (25 POINTS).—For an alien who (as of the date of filing a petition)—

"(I) has completed successfully grade school through high school or its educational equivalent (as determined by the Secretary of Education), 10 points;

"(II) has been awarded a bachelors' degree or its equivalent (as determined by the Secretary of Education), 10 additional points; and

"(III) has been awarded a graduate degree, an additional number of points (up to 5 additional points) to be determined by the Secretary of Education based on the level of the degree.

"(iii) OCCUPATIONAL DEMAND (20 POINTS).—For an alien who is in an occupation for which the Secretary of Labor determines (before the fiscal year involved)—

"(I) there will be increased demand in the United States for individuals in the occupation in the fiscal year, 10 points, and

"(II) there is a present or there will be a future shortage of individuals in the United States to meet the need in the occupation in the United States in the fiscal year, 5 or 10 points.

"(iv) OCCUPATIONAL TRAINING AND WORK EXPERIENCE (20 POINTS).—To the extent the alien has additional training, work experience, or both, as determined by the Secretary of Labor, in the occupation described in clause (iv), 10 or 20 points, such points multiplied by the number of points awarded under clause (iv) divided by 20.

"(C) The point assessment system described in subparagraph (B) shall be established by regulation by the Secretary of State in consultation with the Attorney General, the Secretary of Labor, and the Secretary of Education.

"(c) TREATMENT OF FAMILY MEMBERS.—A spouse or child as defined in subparagraph (A), (B), (C), (D), or (E) of section 101(b)(1) shall, if not otherwise entitled to an immigrant status and the immediate issuance of a visa under subsection (a) or (b) (except for subsection (b)(5)) be entitled to the same status, and the same order of consideration provided in the respective subsection, if accompanying or following to join, his spouse or parent.

"(d) ORDER OF CONSIDERATION.—(1) Immigrant visas made available under subsection (a) or (b) (other than paragraph (5)) or under section 201(a)(3) shall be issued to eligible immigrants in the order in which a petition in behalf of each such immigrant is filed with the Attorney General (or in the case of special immigrants under section 101(a)(27)(D), with the Secretary of State) as provided in section 204(a).

"(2) Of the immigrant visa numbers made available under subsection (b)(5) (relating to selected immigrants) in a fiscal year—

"(A) 20 percent of such numbers shall be issued to eligible qualified immigrants who attain a score of at least 65 points on the assessment system described in subsection (b)(5)(B) with respect to petitions filed for the fiscal year involved, to be chosen in the random order described in clause (B); and

"(B) 80 percent of such numbers shall be issued to eligible qualified immigrants with a qualifying score on such system strictly in a random order established by the Secretary of State for the fiscal year involved.

"(3) Waiting lists of applicants for visas under this section shall be maintained in accordance with regulations prescribed by the Secretary of State.

"(e) PRESUMPTION.—Every immigrant shall be presumed not to be described in subsection (a) or (b) of this section, section 101(a)(27), or section 201(b)(2), until the immigrant establishes to the satisfaction of the consular officer and the immigration officer that the immigrant is so described. In the case of any alien claiming in his application for an immigrant visa to be described in section 201(b)(1) or in subsection (a) or (b) of this subsection, the consular officer shall not grant such status until he has been authorized to do so as provided by section 204.

"(f) LISTS.—For purposes of carrying out his responsibilities in the orderly administration of this section, the Secretary of State may make reasonable estimates of the anticipated numbers of visas to be issued during any quarter of any fiscal year within each of the categories under subsections (a) and (b), and to rely upon such estimates in authorizing the issuance of visas. The Secretary of State shall terminate the registration of any alien who fails to apply for an immigrant visa within one year following notification to him of the availability of such visa, but the Secretary shall reinstate the registration of any such alien who establishes within 2 years following the date of notification of the availability of such visa that such failure to apply was due to circumstances beyond his control.".

(2) Nothing in this subsection may be construed as continuing the availability of visas under section 203(a)(7), as in effect before the date of enactment of this Act.

(b) CHANGES IN PETITIONING PROCEDURE.—Section 204(a) (8 U.S.C. 1154(a)) is amended—

(1) by redesignating paragraph (2) as paragraph (3), and

(2) by striking "(a)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(a)(1)(A) Any citizen of the United States claiming that an alien is entitled to classification by reason of a relationship described in paragraph (1), (3), or (4) of section 203(a) or to an immediate relative status under section 201(b)(2)(A)(i) may file a petition with the Attorney General for such classification.

"(B) Any alien lawfully admitted for permanent residence claiming that an alien is entitled to a classification by reason of the relationship described in section 203(a)(2) may file a petition with the Attorney General for such classification. An alien may be classified as an alien described in paragraphs (2), (3), or (4) of section 203(a) with respect to a specific fiscal year on the basis of a petition filed in a previous fiscal year only if the alien has filed with the Attorney General a notice of continuing intent to be admitted to the United States as an immigrant under such section within the 2 fiscal years immediately previous to the specific fiscal year involved.

"(C)(i) Any alien (other than a special immigrant under section 101(a)(27)(D)) desiring to be classified under section 203(b)(1) (or any person on behalf of such an alien) (relating to special immigrants) may file a petition with the Attorney General for such classification.

"(ii) Aliens claiming status as a special immigrant under section 101(a)(27)(D) may file a petition only with the Secretary of State and only after notification by the Secretary that such status has been recommended and approved pursuant to such section.

"(D) Any alien desiring to be classified under section 203(b)(2) (or any person on behalf of such an alien) (relating to professionals) may file a petition with the Attorney General for such classification.

"(E) Any person desiring and intending to employ within the United States an alien entitled to classification under paragraph (2) or (3) of section 203(b) (relating to professionals and skilled workers) may file a petition with the Attorney General for such classification.

"(F) Any alien desiring to be classified under section 203(b)(4) (relating to employment creation) may file a petition with the Secretary of State for such classification.

"(G)(i) Any alien desiring to be provided an immigrant visa under section 203(b)(5) (relating to selected immigrants) may file a petition at the place and time determined by the Secretary of State by regulation. While the place of filing may be designated inside the United States, the petitioner shall be physically outside the United States when submitting the petition. Only one such petition may be filed by an alien with respect to any petitioning period established. If more than one petition is submitted all such petitions submitted for such period by the alien shall be voided.

"(ii)(I) The Secretary of State may designate a period for the filing of petitions with respect to visas which may be issued under section 203(b)(5) during either of the next

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

two fiscal years beginning after the close of such period.

"(II) Aliens who qualify, through random selection, for a visa under section 203(b)(5) shall remain eligible to receive such visa only through the end of the specific fiscal year for which they were selected.

"(III) The Secretary of State shall prescribe such regulations as may be necessary to carry out this clause.

"(iii) A petition or registration under this subparagraph shall be in such form as the Secretary of State may by regulation prescribe and shall contain such information and be supported by such documentary evidence as the Secretary of State may require.

"(iv) The petition under this subparagraph shall include a certification in writing at the time of filing a petition that all information contained within the petition is true and correct to the best of the petitioner's knowledge, and any willful misrepresentation of the facts or statements included in the petition shall be deemed a violation of section 212(a)(19).

"(2) On or after October 1, 1990, an alien who—

"(A) previous to being admitted as, or otherwise provided the status of, an alien lawfully admitted for permanent residence was married to an individual, and

"(B) is so admitted, or provided such status, as a child or as the unmarried son or unmarried daughter of a citizen of the United States or of an alien lawfully admitted for permanent residence,

may not file a petition under this section on behalf of any alien to whom the alien was married previous to being so admitted or provided such status.".

(c) REVISION OF LABOR CERTIFICATION.—(1) Paragraph (14) of section 212(a) (8 U.S.C. 1182(a)) is amended to read as follows:

"(14) Aliens seeking to enter the United States to perform skilled labor unless the Secretary of Labor has determined and certified to the Secretary of State and the Attorney General that (A) there are not sufficient qualified workers (or equally qualified workers in the case of aliens who are members of the teaching profession or who have exceptional ability in the sciences or arts) available in the United States in the positions in which the aliens will be employed; and (B) the employment of aliens in such positions will not adversely affect the wages and working conditions of workers in the United States. The Secretary of Labor may, in his discretion, substitute for the determination and certification described in clause (A) of the preceding sentence a determination and certification that there are not sufficient workers who are able, willing, qualified (or equally qualified in the case of aliens who are members of the teaching profession or who have exceptional ability in the sciences or the arts), and available at the time of application for a visa and admission to the United States and at the place where the alien is to perform such skilled labor. In making either determination under this paragraph, the Secretary of Labor may use labor market information without regard to the specific job opportunity for which certification is requested, but if such determination is adverse, the Secretary of Labor shall make a certification with regard to the specific job opportunity if the employer submits evidence that such specific certification would result in a different determination. An alien on behalf of whom a certification is sought must have an offer of employment from an employer in the United States. The exclusion of aliens under this paragraph shall apply to immigrants seeking admission under paragraph (2) or (3) of section 203(b), except that this paragraph shall not apply to any alien for whom a waiver has been granted under section 203(b)(2)(B);".

(2) The Secretary of Labor shall conduct a comprehensive study to determine whether the process of obtaining an immigrant labor certification under section 212(a)(14) of the Immigration and Nationality Act, as amended by this title, has been simplified or otherwise expedited. In conducting this study, the Secretary shall hold public hearings. Not later than March 31, 1993, the Secretary of Labor shall prepare and transmit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report containing the findings of such study and including any recommendations of other relevant agencies of the Federal Government with respect to such findings.

SEC. 101. DETERRING IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.

(a) CONDITIONAL BASIS FOR PERMANENT RESIDENT STATUS BASED ON ESTABLISHMENT OF COMMERCIAL ENTERPRISES.—Chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end the following new section:

"CONDITIONAL PERMANENT RESIDENT STATUS FOR CERTAIN ALIEN ENTREPRENEURS, SPOUSES, AND CHILDREN

"SEC. 218. (a) IN GENERAL.—

"(1) CONDITIONAL BASIS FOR STATUS.—Notwithstanding any other provision of this Act, an alien entrepreneur (as defined in subsection (f)(1)), spouse, and child (as defined in subsection (f)(2)) shall be considered, at the time of obtaining the status of an alien lawfully admitted for permanent residence, to have obtained such status on a conditional basis subject to the provisions of this section.

"(2) NOTICE OF REQUIREMENTS.—

"(A) AT TIME OF OBTAINING PERMANENT RESIDENCE.—At the time an alien entrepreneur, spouse, or child obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such an entrepreneur, spouse, or child respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

"(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such an entrepreneur, spouse, or child, at or about the beginning of the 90-day period described in subsection (d)(2)(A), of the requirements of subsection (c)(1).

"(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such an entrepreneur, spouse, or child.

"(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING ENTREPRENEURSHIP IMPROPER.—

"(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines, before the second anniversary of the alien's obtaining the status of lawful admission for permanent residence, that—

"(A) the establishment of the commercial enterprise was intended solely as a means of evading the immigration laws of the United States,

"(B)(i) a commercial enterprise was not established by the alien;

"(ii) the alien did not invest or was not actively in the process of investing the requisite capital; or

"(iii) the alien was not sustaining the actions described in clause (A) or (B) throughout the period of the alien's residence in the United States, or

"(C) the alien was otherwise not conforming to the requirements of section 203(b)(4), then the Attorney General shall so notify the alien involved and, subject to paragraph (2), shall terminate the permanent resident status of the alien involved as of the date of the determination.

"(2) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that a condition described in paragraph (1) is met.

"(c) REQUIREMENTS OF TIMELY PETITION AND INTERVIEW FOR REMOVAL OF CONDITION.—

"(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien entrepreneur, spouse, or child to be removed—

"(A) the alien entrepreneur must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1), and

"(B) in accordance with subsection (d)(3), the alien entrepreneur must appear for a personal interview before an officer or employee of the Service respecting the facts and information described in subsection (d)(1).

"(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION OR HAVE PERSONAL INTERVIEW.—

"(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if—

"(i) no petition is filed with respect to the alien in accordance with the provisions of paragraph (1)(A), or

"(ii) unless there is good cause shown, the alien entrepreneur fails to appear at the interview described in paragraph (1)(B),

the Attorney General shall terminate the permanent resident status of the alien as of the second anniversary of the alien's lawful admission for permanent residence.

"(B) HEARING IN DEPORTATION PROCEEDING.—In any deportation proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the conditions of paragraphs (1)(A) and (1)(B).

"(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

"(A) IN GENERAL.—If—

"(i) a petition is filed in accordance with the provisions of paragraph (1)(A), and

"(ii) the alien entrepreneur appears at the interview described in paragraph (1)(B),

the Attorney General shall make a determination, within 90 days of the date of the interview, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the qualifying commercial enterprise.

"(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General shall so notify the alien involved and shall remove the conditional basis of the alien's

status effective as of the second anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien involved and, subject to subparagraph (D), shall terminate the permanent resident status of an alien entrepreneur, spouse, or child as of the date of the determination.

"(D) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the qualifying commercial enterprise.

"(d) DETAILS OF PETITION AND INTERVIEW.—

"(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain facts and information demonstrating that—

"(A) a commercial enterprise was established by the alien;

"(B) the alien invested or was actively in the process of investing the requisite capital; and

"(C) the alien sustained the actions described in clauses (A) and (B) throughout the period of the alien's residence in the United States.

"(2) PERIOD FOR FILING PETITION.—

"(A) 90-DAY PERIOD BEFORE SECOND ANNIVERSARY.—Except as provided in subparagraph (B), the petition under subsection (c)(1)(A) must be filed during the 90-day period before the second anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(B) DATE PETITIONS FOR GOOD CAUSE.—Such a petition may be considered if filed after such date, but only if the alien establishes to the satisfaction of the Attorney General good cause and extenuating circumstances for failure to file the petition during the period described in subparagraph (A).

"(C) FILING OF PETITIONS DURING DEPORTATION.—In the case of an alien who is the subject of deportation hearings as a result of failure to file a petition on a timely basis in accordance with subparagraph (A), the Attorney General may stay such deportation proceedings against an alien pending the filing of the petition under subparagraph (B).

"(3) PERSONAL INTERVIEW.—The interview under subsection (c)(1)(B) shall be conducted within 90 days after the date of submitting a petition under subsection (c)(1)(A) and at a local office of the Service, designated by the Attorney General, which is convenient to the parties involved. The Attorney General, in the Attorney General's discretion, may waive the deadline for such an interview or the requirement for such an interview in such cases as may be appropriate.

"(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence.

"(f) DEFINITIONS.—In this section:

"(1) The term 'alien entrepreneur' means an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) under section 203(b)(4).

"(2) The term 'spouse' and the term 'child' mean an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) by virtue of being the spouse or child, respectively, of an alien entrepreneur.".

(b) ADDITIONAL GROUND FOR DEPORTATION.—Section 241(a)(9) (8 U.S.C. 1251(a)(9)) is amended by inserting before the semicolon at the end thereof the following: ", or (C) is an alien with permanent resident status on a conditional basis under section 218 and has such status terminated under such section".

(c) CRIMINAL PENALTY FOR IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.—Section 275 of such Act (8 U.S.C. 1325) is amended by adding at the end thereof the following new subsection:

"(c) Any individual who knowingly establishes a commercial enterprise for the purpose of evading any provision of the immigration laws shall be imprisoned for not more than 5 years, or fined not more than $250,000, or both.".

(d) LIMITATION ON ADJUSTMENT OF STATUS.—Section 245 of such Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(f) The Attorney General may not adjust, under subsection (a), the status of an alien lawfully admitted to the United States for permanent residence on a conditional basis under section 218.".

(e) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 217 the following new item:

"Sec. 218. Conditional permanent resident status for certain alien entrepreneurs, spouses, and children.".

SEC. 105. MISCELLANEOUS CONFORMING AND TECHNICAL CHANGES.

(a) Sections 101(b)(1)(F), 202(a), 202(c), 204(b), 204(e), 216(g)(1)(A), 222(a), 244(d), 245(c)(2), and 245(c)(5) (8 U.S.C. 1101(b)(1)(F), 1152(a), 1152(c), 1154(a)(1), 1154(b), 1154(e), 1186a(g)(1)(A), 1202(a), 1254(d), 1255(c)(2), 1255(c)(5)) are each amended by striking "201(b)" each place it appears and inserting "201(b)(2)(A)(i)".

(b) Section 204 (8 U.S.C. 1154) is amended—

(1) in subsection (b)—

(A) by striking "section 203(a) (3) or (6)" and inserting "section 203(b)(3)";

(B) by striking "section 201(b)" and inserting "section 201(b)(2)(A)(i)";

(C) by striking "a preference status under section 203(a)" and inserting "preference under subsection (a) or (b) of section 203";

(D) by inserting "(and, in the case described in section 203(b)(5), specify the point score on the assessment system)" after "approve the petition", and

(E) by striking "The Secretary of State" and inserting "Subject to section 203(b)(5), the Secretary of State";

(2) in subsection (e)—

(A) by striking "preference immigrant under section 203(a)" and inserting "immigrant under subsection (a), (b), or (c) of section 203", and

(B) by striking "section 201(b)" and inserting "section 201(f)";

(3) by striking subsection (f);

(4) by redesignating subsections (g) and (h) as (f) and (g), respectively;

(5) in subsection (f)(1), as redesignated by paragraph (4), by inserting "(as in effect before the date of the enactment of the Immigration Act of 1989)" after "203(a)(4)"; and

(6) in subsection (g), as redesignated by paragraph (4), by striking "preference status" and inserting "status under section 203(a)(2)".

(c) Section 212(a)(32) (8 U.S.C. 1182(a)(32)) is amended by striking "203(a)(3) and (6) and to nonpreference immigrant aliens described in section 203(a)(7)" and inserting "203(b) (2), (3), and (5)".

(d) Section 244(d) (8 U.S.C. 1254(d)) is amended by striking "201(a) or 202(a)" and inserting "201(c) or 202(a)(2)(A)".

(e) Section 245 (8 U.S.C. 1255) is amended—

(1) in subsection (b), by striking "203(a)" and inserting "203", and

(2) in subsection (c), by redesignating clause (5) as clause (4) and by inserting before the period at the end the following: ", or (5) an alien who is applying for adjustment of status to preference status under section 203(b)(5)".

(f)(1) Section 3304(a)(14)(A) of the Internal Revenue Code of 1986 is amended by striking "section 203(a)(7) or".

(2) Section 1614(a)(1)(B) of the Social Security Act is amended by striking "section 203(a)(7) or".

(g) Section 2(c)(4) of the Virgin Islands Nonimmigrant Alien Adjustment Act of 1982 (Public Law 97-271) is amended by inserting before the period at the end the following: "(as in effect before October 1, 1990) or by reason of the relationship described in section 203(a)(2)(B), 203(a)(3), or 201(b)(2)(A)(i), respectively, of such Act (as in effect on or after such date)".

SEC. 106. USER FEES.

Section 286 (8 U.S.C. 1356) is amended by adding at the end thereof the following new subsections:

"(q) VISA FEES FOR IMMIGRANTS.—The Secretary of State shall provide for a schedule of fees to be charged for the filing of a petition for any and all immigrant categories under sections 201(a)(3), 201(b)(2)(A)(i), and 203 (a) and (b). The fees established under this subsection shall be sufficient to cover administrative and other expenses incurred in connection with the processing of petitions for any and all immigrant categories filed under sections 201(a)(3), 201(b)(2)(A)(i), and 203 (a) and (b).

"(r) CREDITABLE FEES.—Notwithstanding sections 1 and 2 of the Act of June 4, 1920, as amended (41 Stat. 750; 22 U.S.C. 214) or any other provision of law, up to $20,000,000 in fees collected by consular officers for issuance of visas and for execution of applications for visas shall be credited to a Department of State account which shall be available only for the payment of the expenses of research, development, equipment, and automation of visa and passport functions, including related software. Each fiscal year thereafter additional amounts of such consular fees may be credited to such account, except that not more than $20,000,000 of such fees may be available for such purposes in any one fiscal year.".

SEC. 107. COMMISSION ON LEGAL IMMIGRATION REFORM.

(a) ESTABLISHMENT AND COMPOSITION OF COMMISSION.—(1) Effective February 1, 1991, there is established a Commission on Legal Immigration Reform (hereafter in this section referred to as the "Commission") which

shall be composed of 9 members to be appointed as follows:

(A) One member who shall serve as Chairman, to be appointed by the President.

(B) Two members to be appointed by the Speaker of the House of Representatives who shall select such members from a list of nominees provided by the Chairman of the Judiciary Subcommittee on Immigration, Refugees, and International Law of the House of Representatives.

(C) Two members to be appointed by the Minority Leader of the House of Representatives who shall select such members from a list of nominees provided by the ranking minority member of the Judiciary Subcommittee on Immigration, Refugees, and International Law of the House of Representatives.

(D) Two members to be appointed by the Majority Leader of the Senate who shall select such members from a list of nominees provided by the Chairman of the Judiciary Subcommittee on Immigration and Refugees Affairs of the Senate.

(E) Two members to be appointed by the Minority Leader of the Senate who shall select such members from a list of nominees provided by the Chairman of the Judiciary Subcommittee on Immigration and Refugee Affairs of the Senate.

(2) Appointments to the Commission shall be made during the 45-day period beginning on February 1, 1991. A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(3) Members shall be appointed to serve for the life of the Commission.

(b) FUNCTIONS OF COMMISSION.—The Commission shall—

(1) review and evaluate the impact of the amendments made by this Act, in accordance with subsection (c); and

(2) transmit to the President and the Congress—

(A) not later than February 1, 1992, a first interim report describing the progress made in carrying out paragraph (1);

(B) not later than February 1, 1993, a second interim report describing the progress made in carrying out paragraph (1) since transmittal of the report described in clause (A); and

(C) not later than February 1, 1994, a final report setting forth the Commission's findings and recommendations, including such recommendations for additional changes that should be made with respect to legal immigration into the United States as the Commission deems appropriate.

(c) PARTICULAR CONSIDERATIONS.—In particular, the Commission shall consider—

(1) the requirements of citizens of the United States and of aliens lawfully admitted for permanent residence to be joined in the United States by immediate family members and the impact which the establishment of a worldwide ceiling under section 201(c) has upon the availability and priority of family preference visas;

(2) the impact of immigration and the implementation of the independent immigrant category established in section 201(d) on labor needs, employment, and other economic and domestic conditions in the United States;

(3) the impact of immigration with respect to demographic factors and natural resources; and

(4) the impact of immigration on the foreign policy and national security interests of the United States.

(d) COMPENSATION OF MEMBERS.—(1) Each member of the Commission who is not an officer or employee of the Federal Government is entitled to receive, subject to such amounts as are provided in advance in appropriations Acts, pay at the minimum annual rate of basic pay in effect for grade GS-18 of the General Schedule. Each member of the Commission who is such an officer or employee shall serve without additional pay.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence.

(e) MEETINGS, STAFF, AND AUTHORITY OF COMMISSION.—The provisions of subsections (e) through (g) of section 304 of the Immigration Reform and Control Act of 1986 shall apply to the Commission in the same manner as they apply to the Commission established under such section, except that paragraph (2) of subsection (e) shall not apply.

(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated such sums as may be necessary to carry out this section.

(2) Notwithstanding any other provision of this section, the authority to make payments, or to enter into contracts, under this section shall be effective only to such extent, or in such amounts, as are provided in advance in appropriations Acts.

(g) TERMINATION DATE.—The Commission shall terminate on the date on which a final report is required to be transmitted under subsection (b)(2), except that the Commission may continue to function until October 1, 1994, for the purpose of concluding its activities, including providing testimony to standing committees of Congress concerning its final report under this section and disseminating that report.

SEC. 108. EFFECTIVE DATES AND TRANSITION.

(a) IN GENERAL.—The amendments made by this title shall take effect on October 1, 1990, and shall apply to immigrant visa numbers issued for fiscal years beginning with fiscal year 1991; except that the amendments made by section 3(b) (relating to immigrant visa petitioning process) shall take effect on the date of the enactment of this Act and apply to immigrant visa numbers issued for fiscal years beginning with fiscal year 1991.

(b) GENERAL TRANSITION.—In the case of a petition filed under section 204(a) of the Immigration and Nationality Act before October 1, 1990, for preference status under section 203(a)(3) or section 203(a)(6) of such Act (as in effect before such date), such petition shall be deemed as of October 1, 1990, to be a petition for the status described in section 203(b)(2) or 203(b)(3) of such Act (as amended by this title), as elected by the petitioner, and the priority date for such petition shall remain in effect, except that petitions filed before such date for preference status on the basis of unskilled labor under section 203(a)(6) of such Act (as in effect before such date) shall be deemed as of such date to be petitions for the status described in section 203(b)(3) of such Act (as amended by this title).

(c) ADMISSIBILITY STANDARDS.—When an immigrant, in possession of an unexpired immigrant visa issued before October 1, 1990, makes application for admission, the immigrant's admissibility under paragraphs (20) and (21) of section 212(a) of the Immigration and Nationality Act shall be determined under the provisions of law in effect on the date of the issuance of such visa.

(d) CONSTRUCTION.—Nothing in this title shall be construed as affecting the provisions of section 19 of Public Law 97-116, section 2(c)(1) of Public Law 97-271, or section 202(e) of Public Law 99-603.

TITLE II—NATURALIZATION AMENDMENTS OF 1989

SEC. 201. SHORT TITLE; REFERENCES IN TITLE.

(a) SHORT TITLE.—This title may be cited as the "Naturalization Amendments of 1989".

(b) AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—Except as otherwise specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Immigration and Nationality Act.

SEC. 202. ADMINISTRATIVE NATURALIZATION.

Section 310 (8 U.S.C. 1421) is amended to read as follows:

"NATURALIZATION AUTHORITY

"SEC. 310. (a) AUTHORITY IN ATTORNEY GENERAL.—The original authority to naturalize persons as citizens of the United States is conferred solely upon the Attorney General.

"(b) ADMINISTRATION OF OATHS.—An applicant for naturalization may choose to have the oath of allegiance under section 337(a) administered by the Attorney General or by any district court of the United States for any State or by any court of record in any State having a seal, a clerk, and jurisdiction in actions in law or equity, or law and equity, in which the amount in controversy is unlimited. The jurisdiction of all courts specified in this subsection to administer the oath of allegiance shall extend only to persons resident within the respective jurisdiction of such courts.

"(c) APPEAL TO BIA; JUDICIAL REVIEW.—(1) A person whose application for naturalization under this title is denied, after a hearing before an immigration officer under section 336(a), may seek review of such denial before the Board of Immigration Appeals (established by the Attorney General under part 3 of title 8, Code of Federal Regulations). The decision of such Board is reviewable by the United States district court for the district in which such person resides. Such review of the district court shall be de novo, and the district court shall make its own findings of fact and conclusions of law and shall, at the request of the petitioner, conduct a hearing de novo on the application.

"(2) The district court shall issue an order authorizing the naturalization of a person in accordance with this title only after determining, upon review of the denial of that person's application for naturalization, that such denial was wrongfully made as a matter of fact or of law.

"(d) SOLE PROCEDURE.—A person may only be naturalized as a citizen of the United States in the manner and under the conditions prescribed in this title and not otherwise.".

SEC. 203. SUBSTITUTING 3 MONTHS RESIDENCE IN INS DISTRICT OR STATE FOR 6 MONTHS RESIDENCE IN A STATE.

Section 316(a)(1) (8 U.S.C. 1427(a)(1)) is amended by striking "and who has resided within the State in which the petitioner filed the petition for at least six months" and inserting "and who has resided within the State or within the district of the Service in the United States in which the applicant

filed the application for at least three months".

SEC. 204. PUBLIC EDUCATION REGARDING NATURALIZATION BENEFITS.

(a) IN GENERAL.—Section 332 (8 U.S.C. 1443) is amended by adding at the end thereof the following new subsection:

"(h) The Attorney General shall broadly disseminate information respecting the benefits which persons may receive under this title and the requirements to obtain such benefits. In carrying out this subsection, the Attorney General shall seek the assistance of appropriate community groups, private voluntary agencies, and other relevant organizations, and the Attorney General is authorized to make grants to, and enter into contracts with, such organizations for such purposes.".

(b) ALLOCATION OF FUNDS.—(1) Section 404 (8 U.S.C. 1101, note) is amended by adding at the end thereof the following new subsection:

"(c) Of the amounts authorized to be appropriated by section 404 to carry out this Act for a fiscal year, $1,000,000 shall be available only to carry out section 332(h) for such fiscal year.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1989.

SEC. 205. NATURALIZATION OF NATIVES OF THE PHILIPPINES THROUGH ACTIVE-DUTY SERVICE IN THE ARMED FORCES DURING WORLD WAR II.

Section 329 (8 U.S.C. 1440) is amended—

(1) in subsection (a), by striking "Any" and inserting "Except as provided in subsection (c), any"; and

(2) by adding at the end thereof the following new subsection:

"(d) Paragraphs (1) and (2) of subsection (a) shall not apply to the naturalization of any person—

"(1) who was born in the Philippines or who was otherwise a noncitizen national of the United States residing in the Philippines before the service described in paragraph (2);

"(2) who served honorably in an active-duty status in the military, air, or naval forces of the United States at any time during the period beginning September 1, 1939, and ending December 31, 1946;

"(3) who is otherwise eligible for naturalization under this section; and

"(4) who applies for naturalization not later than one year after the date of enactment of the Naturalization Amendments of 1989.".

SEC. 206. CONFORMING AMENDMENTS.

(a) CONFORMING AMENDMENTS TO SECTION 310 REVISION.—(1) The item in the table of contents relating to section 310 is amended to read as follows:

"Sec. 310. Naturalization authority.".

(2) Section 101(a)(36) (8 U.S.C. 1101(a)(36)) is amended by striking "(except as used in section 310(a) of title III)".

(b) CONFORMING AMENDMENTS TO CHANGE IN RESIDENCE REQUIREMENT.—(1) Section 319 (8 U.S.C. 1430) is amended—

(A) in subsection (a), by striking "has resided within the State in which he filed his petition for at least six months" and inserting "has resided within the State or the district of the Service in the United States in which the applicant filed his application for at least three months",

(B) in subsections (b) and (d), by striking "within the jurisdiction of the naturalization court" and inserting "within a State or a district of the Service in the United States", and

(C) in subsection (c), is amended by striking "within the jurisdiction of the court" and inserting "district of the Service in the United States".

(2) Section 322(c) (8 U.S.C. 1433(c)) is amended by striking "any State or within the jurisdiction of the naturalization court" and inserting "within a State or a district of the Service in the United States".

(3) Section 324(a)(1) (8 U.S.C. 1435(a)(1)) is amended by inserting "or district of the Service in the United States" after "State".

(4) Section 328 (8 U.S.C. 1439) is amended—

(A) in subsection (a)—

(i) by inserting "or district of the Service in the United States" after "State", and

(ii) by striking "for at least six months" and inserting "for at least three months";

(B) in subsection (b)(1), by striking "within the jurisdiction of the court" and inserting "within a State or district of the Service in the United States"; and

(C) in subsection (c), by inserting "or district of the Service in the United States" after "State".

(5) Section 329(b) (8 U.S.C. 1440(b)) is amended—

(A) in paragraph (2)—

(i) by inserting "or district of the Service in the United States" after "State", and

(ii) by inserting "and" at the end of paragraph (2);

(B) by striking paragraph (3), and

(C) by redesignating paragraph (4) as paragraph (3).

(c) SUBSTITUTION OF APPLICATION FOR NATURALIZATION FOR PETITION FOR NATURALIZATION.—The text of the following provisions is amended by striking "a petition", "petition", "petitions", "a petitioner", "petitioner", "petitioner's", "petitioning", and "petitioned" each place it appears and inserting "an application", "application", "applications" or "applies" (as the case may be), "an applicant", "applicant", "applicant's", "applying", and "applied", respectively:

(1) Section 313(c) (8 U.S.C. 1424(c)).

(2) Section 316 (8 U.S.C. 1427).

(3) Section 317 (8 U.S.C. 1428).

(4) Section 318 (8 U.S.C. 1429).

(5) Section 319 (a) and (c) (8 U.S.C. 1430 (a), (c)).

(6) Section 322(a) (8 U.S.C. 1433).

(7) Section 324 (8 U.S.C. 324(a)).

(8) Section 325 (8 U.S.C. 1436).

(9) Section 326 (8 U.S.C. 1437).

(10) Section 328 (8 U.S.C. 1439).

(11) Section 329 (8 U.S.C. 1440), other than subsection (d).

(12) Section 330(a)(1) (8 U.S.C. 1441(a)(1)).

(13) Section 331 (8 U.S.C. 1442), other than subsection (d).

(14) Section 333(a) (8 U.S.C. 1444(a)).

(15) Section 334 (8 U.S.C. 1445).

(16) Section 335 (8 U.S.C. 1446).

(17) Section 336 (8 U.S.C. 1447).

(18) Section 337 (8 U.S.C. 1448).

(19) Section 338 (8 U.S.C. 1449).

(20) Section 344 (8 U.S.C. 1455).

(21) Section 1429 of title 18, United States Code.

(d) SUBSTITUTING APPROPRIATE ADMINISTRATIVE AUTHORITY FOR NATURALIZATION COURT.—(1) Section 316 (8 U.S.C. 1427) is amended—

(A) in subsection (b), by striking "court" each place it appears and inserting "or the Attorney General",

(B) in subsection (b), by striking "date of final hearing" and inserting "date of any hearing under section 336(a)",

(C) in subsection (e), by striking "the court" and inserting "the Attorney General",

(D) in subsection (g)(1), by striking "within the jurisdiction of the court" and inserting "within a particular State or district of the Service in the United States", and

(E) in subsection (g)(2), by amending the first sentence to read as follows: "An applicant for naturalization under this subsection may be administered the oath of allegiance under section 337(a) by any district court of the United States, without regard to the residence of the applicant.".

(2) The second sentence of section 317 (8 U.S.C. 1428) is amended by striking "and the naturalization court".

(3) The third sentence of section 318 (8 U.S.C. 1429) is amended—

(A) by striking "finally heard by a naturalization court" and inserting "considered by the Attorney General", and

(B) by striking "upon the naturalization court" and inserting "upon the Attorney General".

(4) Section 319 (8 U.S.C. 1430) is amended—

(A) in subsection (b)(3), by striking "naturalization court" and inserting "Attorney General", and

(B) in subsection (c)(5), by striking "naturalization court" and inserting "Attorney General".

(5) Section 322(c)(2)(C) (8 U.S.C. 1433(c)(2)(C)) is amended by striking "naturalization court" the first place it appears and inserting "the Attorney General".

(6) Section 324 (8 U.S.C. 1435) is amended—

(A) in subsection (a)—

(i) by inserting "and" at the end of paragraph (1),

(ii) by striking the semicolon at the end of paragraph (2) and inserting a period, and

(iii) by striking paragraphs (3) and (4);

(B) in subsection (b), by striking "naturalization court" and inserting "Attorney General"; and

(C) in subsection (c)—

(i) in paragraph (2), by striking "the judge or clerk of a naturalization court" and inserting "the Attorney General or the judge or clerk of a court described in section 310(b)", and

(ii) in paragraph (3), by striking "or naturalization court" each place it appears and inserting "court, or the Attorney General".

(7) Section 327(a) (8 U.S.C. 1438(a)) is amended—

(A) by striking "any naturalization court specified in section 310(a) of this title" and inserting "the Attorney General or before a court described in section 310(b)"; and

(B) by inserting "and by the Attorney General to the Secretary of State" after "Department of Justice".

(8) Section 328(c) (8 U.S.C. 1439(c)) is amended by striking "the final hearing" and inserting "any hearing".

(9) Section 331(b) (8 U.S.C. 1442(b)) is amended by striking "called for a hearing" and all that follows through "to be continued" and inserting "considered or heard except after 90 days' notice to the Attorney General regarding the application, and the Attorney General's objection to such consideration shall cause the application to be continued".

(10) Section 332(a) (8 U.S.C. 1443(a)) is amended—

(A) by striking "for the purpose" and all that follows through "naturalization courts" in the first sentence, and

(B) by striking the second sentence.

(11) Section 333(a) (8 U.S.C. 1444(a)) is amended by striking "clerk of the court" and inserting "Attorney General".

(12) Section 334 (8 U.S.C. 1445) is amended—

(A) by amending the heading to read as follows:

"APPLICATION FOR NATURALIZATION; DECLARATION OF INTENTION";

(B) in subsection (a)—

(i) by striking "in the office of the clerk of a naturalization court" and inserting "with the Attorney General",

(ii) by striking "upon the hearing of such petition" and inserting "under this title";

(C) in subsection (b)—

(i) by striking "(1)",

(ii) by striking "and (2)" and all that follows through "Attorney General", and

(iii) by striking "petition for";

(D) by amending subsections (c) through (e) to read as follows:

"(c) Hearings under section 336(a) on applications for naturalization shall be held at regular intervals, to be fixed by the Attorney General.

"(d) Except as provided in subsection (e), an application for naturalization shall be filed in person in an office of the Attorney General.

"(e) A person may file an application for naturalization other than in an office of the Attorney General, and an oath of allegiance may be administered other than in a public ceremony before the Attorney General or a court, if the Attorney General determines that the person has an illness or other disability which—

"(1) is of a permanent nature and is sufficiently serious to prevent the person's personal appearance, or

"(2) is of a nature which so incapacitates the person as to prevent him from personally appearing."; and

(E) by striking the first sentence of subsection (f) and inserting the following: "An alien who has attained the age of 18 years of age and who is residing in the United States pursuant to a lawful admission for permanent residence may file with the Attorney General a declaration of intention to become a citizen of the United States. Such a declaration shall be filed in duplicate and in a form prescribed by the Attorney General and shall be accompanied by an application prescribed and approved by the Attorney General.".

(13) Section 335 (8 U.S.C. 1446) is amended—

(A) by amending the heading to read as follows:

"INVESTIGATION OF APPLICANTS; EXAMINATION OF APPLICATIONS";

(B) in subsection (a), by striking "At any time" and all that follows through "336(a)" and inserting "Before a person may be naturalized";

(C) in subsection (b)—

(i) by striking "preliminary" each place it appears,

(ii) in the first sentence, by striking "to any naturalization court" and all that follows through "to such court",

(iii) by striking "any court exercising naturalization jurisdiction as specified in section 310 of this title" in the second sentence and inserting "any district court of the United States"; and

(iv) by striking "final hearing conducted by a naturalization court designated in section 310 of this title" in the third sentence and inserting "hearing conducted by an immigration officer under section 336(a)";

(D) in subsection (c)—

(i) by striking "preliminary" each place it appears, and

(ii) by striking "recommendation" and inserting "determination"; and

(E) by amending subsections (d) through (f) to read as follows:

"(d) The employee designated to conduct any such examination shall submit to the Attorney General a determination as to whether the application be granted, denied, or continued, with reasons therefor.

"(e) After an application for naturalization has been filed with the Attorney General, the applicant shall not be permitted to withdraw his application, except with the consent of the Attorney General. In cases where the Attorney General does not consent to the withdrawal of the application, the application shall be determined on its merits and a final determination made accordingly. In cases where the applicant fails to prosecute his application, the application shall be decided on the merits unless the Attorney General dismisses it for lack of prosecution.

"(f) An applicant for naturalization who moves from the district of the Service in the United States in which the application is pending may, at any time thereafter, request the Service to transfer the application to any district of the Service in the United States which may act on the application. The transfer shall not be made without the consent of the Attorney General. In the case of such a transfer, the proceedings on the application shall continue as though the application had originally been filed in the district of the Service to which the application is transferred.".

(14) Section 336 (8 U.S.C. 1447) is amended—

(A) by amending the heading to read as follows:

"HEARINGS ON DENIALS OF APPLICATIONS FOR NATURALIZATION";

(B) by amending subsections (a) and (b) to read as follows:

"(a) If, after an examination under section 335, an application for naturalization is denied or continued, the applicant may request a hearing before an immigration officer.

"(b) Where there has been a failure to make a determination under section 335 on an application or a failure to have a hearing under subsection (a) on a denial or continuance of an application, the Board of Immigration Appeals (established by the Attorney General under part 3 of title 8, Code of Federal Regulations) may, in its discretion, and shall, at the request of the applicant in extraordinary circumstances, require such a determination or hearing.";

(C) in subsection (c), by striking "court" and inserting "immigration officer";

(D) in subsection (d)—

(i) by striking "clerk of the court" and all that follows through "naturalization" and inserting "immigration officer shall, if the applicant requests it at the time of filing the request for the hearing",

(ii) by striking "final" each place it appears, and

(iii) by adding at the end the following: "Such subpenas may be enforced in the same manner as subpenas under section 335(b) may be enforced."; and

(E) in subsection (e)—

(i) by striking "naturalization of any person," and inserting "administration by a court of the oath of allegiance under section 337(a)", and

(ii) by striking "included in the petition for naturalization of such persons" and inserting "included in an appropriate petition to the court".

(15) Section 337 (8 U.S.C. 1448) is amended—

(A) in subsection (a)—

(i) in the first sentence, by striking "in open court" and inserting "in a public ceremony before the Attorney General or a court with jurisdiction under section 310(b)",

(ii) in the second and fourth sentences, by striking "naturalization court" each place it appears and inserting "Attorney General", and

(iii) in the fourth sentence, by striking "the court" and inserting "the Attorney General";

(B) in subsection (b)—

(i) by striking "in open court in the court in which the petition for naturalization is made" and inserting "in the same public ceremony in which the oath of allegiance is administered", and

(ii) by striking "in the court" after "recorded";

(C) in subsection (c)—

(i) by striking "being in open court" and inserting "attending a public ceremony", and

(ii) by striking "a judge of the court at such place as may be designated by the court" and inserting "at such place as the Attorney General may designate under section 334(e)"; and

(D) by adding at the end the following new subsection:

"(d) The Attorney General shall prescribe rules and procedures to ensure that the public ceremonies conducted by the Attorney General for the administration of oaths of allegiance under this section are in keeping with the dignity of the occasion.".

(16) Section 338 (8 U.S.C. 1449) is amended—

(A) by striking "by a naturalization court",

(B) by striking "the clerk of such court" and inserting "the Attorney General",

(C) by striking "title, venue, and location of the naturalization court" and inserting "location of the district office of the Service in which the application was filed and the title, authority, and location of the official or court administering the oath of allegiance",

(D) by striking "the court" and inserting "the Attorney General", and

(E) by striking "of the clerk of the naturalization court; and seal of the court" and inserting "of an immigration officer; and the seal of the Department of Justice".

(17) Section 339 (8 U.S.C. 1450) is amended to read as follows:

"FUNCTIONS AND DUTIES OF CLERKS AND RECORDS OF DECLARATIONS OF INTENTION AND APPLICATIONS FOR NATURALIZATION

"SEC. 339. (a) The clerk of each court that administers oaths of allegiance under section 337 shall—

"(1) issue to each person to whom such an oath is administered a document evidencing that such an oath was administered,

"(2) forward to the Attorney General information concerning each person to whom such an oath is administered by the court, within 30 days after the close of the month in which the oath was administered,

"(3) make and keep on file evidence for each such document issued, and

"(4) forward to the Attorney General certified copies of such other proceedings and orders instituted in or issued out of the court affecting or relating to the naturalization of persons as may be required from time to time by the Attorney General.

"(b) Each district office of the Service in the United States shall maintain, in chronological order, indexed, and consecutively numbered, as part of its permanent records,

all declarations of intention and applications for naturalization filed with the office.".

(18) Section 340 (8 U.S.C. 1451) is amended in the first sentence of subsection (a), by striking "in any court specified in subsection (a) of section 310 of this title" and inserting "in any district court of the United States".

(19) Section 344 (8 U.S.C. 1455) is amended—

(A) in subsection (a)—

(i) by striking "The clerk of the court" and inserting "The Attorney General";

(ii) in paragraph (1), by striking "final", and

(iii) in paragraph (1), by striking "the naturalization court" and inserting "the Attorney General";

(B) by striking subsections (c), (d), (e), and (f);

(C) in subsection (g)—

(i) by striking ", and all fees paid over to the Attorney General by clerks of courts under the provisions of this title,", and

(ii) by striking "or by the clerks of the courts";

(D) in subsection (h)—

(i) by striking "no clerk of a United States court shall" and inserting "the Attorney General may not";

(ii) by striking ", and no clerk of any State court" and all that follows through "charged or collected", and

(iii) by striking the second sentence;

(E) in subsection (i), by striking "clerk of court", "from the clerk,", "such clerk", and "by the clerk" and inserting "Attorney General", "from the Attorney General,", "the Attorney General", and "by the Attorney General", respectively; and

(F) by redesignating subsections (g), (h), and (i) as subsections (c), (d), and (e), respectively.

(20) Section 348 (8 U.S.C. 1459) is amended—

(A) by striking subsection (b); and

(B) by striking "(a)," in subsection (a).

(e) STRIKING MISCELLANEOUS MATERIAL.—Section 316 (8 U.S.C. 1427) is amended—

(A) by striking subsection (f); and

(B) by redesignating subsection (g) as subsection (f).

(3) Section 331 (8 U.S.C. 1442) is amended by striking the second sentence of subsection (d).

(f) CORRECTIONS OF TABLE OF CONTENTS.—(1) The items in the table of contents relating to sections 334 through 336 are amended to read as follows:

"Sec. 334. Application for naturalization; declaration of intention.

"Sec. 335. Investigation of applicants; examination of applications.

"Sec. 336. Hearings on denials of applications for naturalization.".

(2) The item in the table of contents relating to section 339 is amended to read as follows:

"Sec. 339. Functions and duties of clerks and records of declarations of intention and applications for naturalization.".

SEC. 307. EFFECTIVE DATES AND SAVINGS PROVISIONS.

(a) EFFECTIVE DATE.—

(1) NO NEW COURT PETITIONS AFTER EFFECTIVE DATE.—No court shall have jurisdiction, under section 310(a) of the Immigration and Nationality Act, to naturalize a person unless a petition for naturalization with respect to that person has been filed with the court before the effective date (as defined in paragraph (3)).

(2) TREATMENT OF CURRENT COURT PETITIONS.—

(A) CONTINUATION OF CURRENT RULES.—Except as provided in subparagraph (B), any petition for naturalization which may be pending in a court on the effective date shall be heard and determined in accordance with the requirements of law in effect when the petition was filed.

(B) PERMITTING WITHDRAWAL AND CONSIDERATION OF APPLICATION UNDER NEW RULES.—In the case of any petition for naturalization which may be pending in any court on the date of the enactment of this Act, the petitioner may withdraw such petition and have the petitioner's application for naturalization considered under the amendments made by this title.

(3) EFFECTIVE DATE DEFINED.—As used in this section, the term "effective date" means the first day of the fourth month beginning after the date of the enactment of this Act.

(4) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this title are effective as of the date of the enactment of this Act.

(b) INTERIM, FINAL REGULATIONS.—The Attorney General shall prescribe regulations (on an interim, final basis or otherwise) to implement, on a timely basis, the amendments made by this title.

(c) CONTINUING DUTIES.—The amendments to section 339 of the Immigration and Nationality Act (relating to functions and duties of clerks) shall not apply to functions and duties respecting petitions filed before the effective date.

(d) GENERAL SAVINGS PROVISIONS.—(1) Nothing contained in this title, unless otherwise specifically provided, shall be construed to affect the validity of any declaration of intention, petition for naturalization, certificate of naturalization, certification of citizenship, or other document or proceeding which is valid as of the effective date; or to affect any prosecution, suit, action, or proceedings, civil or criminal, brought, or any status, condition, right in process of acquisition, act, thing, liability, obligation, or matter, civil or criminal, done or existing, as of the effective date.

(2) As to all such prosecutions, suits, actions, proceedings, statutes, conditions, rights, acts, things, liabilities, obligations, or matters, the provisions of law repealed by this title are, unless otherwise specifically provided, hereby continued in force and effect.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

(The remarks of Mr. McCAIN pertaining to the introduction of S. 1285 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FOWLER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3:30 P.M.

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3:30 p.m.

The PRESIDING OFFICER. Hearing no objection, the Senate will stand in recess until 3:30 p.m.

There being no objection, at 2:43 p.m. the Senate recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BREAUX].

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business before the Senate is the consideration of the bill S. 358.

Mr. KENNEDY. Thank you very much, Mr. President.

Mr. President, the Senate resumes debate today on a bill it has reviewed before—a bill to bring long needed reform to our Nation's immigration laws. And, once again, I am pleased to be joined in this effort with my colleague from Wyoming, Senator SIMPSON, whose longstanding leadership on immigration issues is recognized by everyone in this body.

As we prepare to grapple again with the controversial issue of immigration, I would like to say to our colleagues who may be asking why additional immigration legislation is needed so soon after the major reforms we enacted in 1986.

The answer is that Congress dealt in 1986 with only half the problems, which some call the easier half—the question of illegal immigrants—not the system by which we admit legal immigrants, which has not changed since 1965.

As we all know, the issues surrounding legal immigration stir deep emotions and strong political passions. They touch the heart of what America is, how we all became Americans, and who the future Americans will be.

Over the past several years, Senator SIMPSON and I have worked to fashion a compromise immigration bill that we believe reflects a consensus on what needs to be done to bring some long-overdue reforms to our immigration system.

As reported from the Judiciary Committee, S. 358 the "Immigration Act of 1989," carries forward all of the essential reforms supported by the Senate last year when, by a vote of 88 to 4, it adopted our original immigration bill. Our goal then, and now, is to modify our current immigration system—which has not changed in 28 years—so that it will more faithfully serve the national interest, be more flexible and open to immigrants from nations which are now short-changed by current law.

Mr. President, the provisions of our compromise bill will accomplish these

objectives while also maintaining the priority we have traditionally given to those with family connections in the United States—and will do so without departing from any of the basic goals on fairness established in the 1965 reforms.

Our compromise bill will create two separate immigration visa preference systems: one for close family members, another for independent immigrants. This two-track system was first recommended in 1981 by the Select Commission on Immigration and Refugee Policy. At least 54,000 visas will be added to the independent category, and they will be made available to users of the present immigration system and to earlier sources of immigration to the United States. By redressing some of the imbalances in immigration which have inadvertently developed in recent years, we will again open our doors to those who no longer have immediate family ties in the United States. By placing more emphasis on the particular skills and qualities that these independent immigrants possess, we will bring our present immigration laws more in line with our historic immigration policy.

Equally important, however, is that these reforms will be achieved without taking a single number from, or reducing in any way, our traditional priority toward family reunification. The visas currently reserved for family members of recent immigrants, as established in the 1965 reforms, will not be reduced. Our compromise bill will add visas; it does not subtract visas.

By adding over 224,000 additional visas over the next 3 years, our bill doubles the number available for the more immediate, close, relationship of spouses and minor children of permanent residents in the second preference category—a preference which is growing worldwide and is already backlogged. Further, our compromise bill leaves absolutely unchanged the current fifth preference for brothers and sisters of U.S. citizens.

In short, the pending bill not only carries forward and increases the present emphasis on family reunification, it also opens new opportunities for new immigrants with needed skills. It does so by increasing our annual immigration quota by 21 percent. If adopted, we believe this will be a major step forward in implementing the long-term reforms which the Congress has wrestled with for nearly a decade.

Mr. President, to clarify some recent questions and expressions of concern over this legislation, let me review briefly what our bill does, and does not, do.

The bill does the following:

First, it adds a reasonable number of new immigration opportunities—over 100,000 more each year—to open our system to new immigrants with needed skills, as well as to deal with growing backlogs in the close family category of spouses and small children of permanent residents, second preference.

Second, it creates a new national level of immigration which is 20 percent higher than current law, not to reduce the current immigrant flow, but to better manage it and reflect our changing immigration needs; by establishing an annual level, with the statutory requirement that it must be reviewed every 3 years, we will enhance our ability to promote immigration that is in the national interest.

At the outset, Mr. President, I want to stress that one of the important issues which this legislation addresses is in response to the adjustment of the status of the nearly 3 million individuals who, under the immigration bill of 1986, adjusted their status under the amnesty provisions. Now we find out that more and more of those individuals are trying to be reunified with members of their families. Without expanding the second preference, we are going to find that immediate members of their families will be delayed many years—8, 10, 12 years, perhaps even more—depending upon where the new applications come from, and the nature of their relationship.

That is one of the very important and compelling reasons for this legislation if we are going to be true to our historic concern over the reunifications of families.

The second element which I have just mentioned is really the requirement that we as an institution are going to be forced to revisit the issue of legal immigration at least every 3 years. This is something that basically has not been done in the past. There have only been three general immigration bills in the entire history of this country, despite a number of inequities, unfairness, and incidents of discrimination which have plagued our immigration system.

I think one of the very important aspects of this legislation is the requirement that Congress, under expedited procedures, must revisit these issues every 3 years, and will require the Congress to address in a serious way the changing immigration demands that we will likely face in the future.

Third, it creates a new category for independent immigrants to provide visas for those with skills and talents in short supply, and for those from nations who no longer have family ties in this country.

Fourth, it recognizes future U.S. labor needs especially for skilled professionals, as documented in the Department of Labor's study, "Workforce 2000," by adding additional opportunities for immigrants qualifying in these fields.

We also streamline in a very important and significant fashion the way individuals with special skills are going to be gaining entrance. Previously that has involved a long, costly procedure, both for the potential employer as well as for the employee. And we are basically streamlining the labor certification process.

Fifth, Mr. President, it increases business-sponsored visas and separates the current third and sixth preference for professional and skilled workers sought by U.S. employers, and this, I believe, is an important addition. We are considering, particularly in the sixth preference, giving a higher preference for those with skills needed in the United States.

Sixth, it creates a new point system for 54,000 new immigrants, along the lines of the Canadian-Australian system, for those with skills, experience, and education needed to immediately contribute to our Nation's economy, eliminating individual labor certification, but recognizing the national labor market conditions and needs.

Finally, Mr. President, to answer the question of many, this is what our bill does not do:

It does not cut family reunification, since additional numbers are provided to the family category, doubling the visas available for spouses and children of permanent residents, the second preference, and maintaining without change the numbers for brothers and sisters of U.S. citizens, the fifth preference. We will hear over the course of the debate whether we should have provided a faster track for those younger brothers or sisters who had not married, to give some advantage to younger children to be reunified with their family. That was an issue that was considered by the Select Commission a number of years ago.

We have had different views expressed on the floor of the U.S. Senate on these questions. In this bill we have come to a compromise to give some greater preference to the small children of permanent residents and move them along in a more rapid way. I think a strong case can be made for that. I think a case can also be made not to alter or change the fifth preference. After a good deal of consideration, we have retained the current fifth preference system. So this legislation does not cut family reunification. And it maintains the current fifth preference.

This legislation does not restrict future growth of immigration through the imposition of a cap. Since procedures are provided to review and adjust the level every 3 years, the President and a specially created, independent commission must review the effects of immigration on our country and recommend changes in the national level of immigration, and Congress may act expeditiously to deal with those changes under special parlia-

mentary procedures established by the statute.

We have attempted in this legislation to do what very few of our committees do, and that is to put in a modified sunset provision, to require the Senate and Congress to revisit this issue. We think that is appropriate, because we have seen immigration patterns change, and it has been a historical fact that this institution, as an institution, has not been willing to come to grips with immigration issues very often. We felt, given our experience in this area over a number of years, that it was important to assure that this institution will more consistently revisit and reexaming immigration problems.

Mr. President, this bill does not reduce the flexibility to meet changing immigration requirements, since no number, no level, no category of immigration will be allowed to become frozen in law and remain unchanged from decade to decade, as has been the case historically. These are the goals we believe our bill accomplishes and which we hope will earn, once again, the support of the Senate.

We must pick up where Congress left off in 1986 and finally address the unfinished agenda of immigration—the reform of our legal immigration system. Our bill preserves the immigration rights of those who have close family connections in this country, while stimulating immigration from the earlier sources of immigration to our country that contributed so much to America in the past.

Mr. President, these reforms are long overdue. I urge the Senate to accept them. I am grateful to Senator SIMPSON for his bipartisan cooperation and support in developing this legislation. From the earliest days of our history, America has been a beacon of hope and opportunity to people in other lands. We are proud of our immigrant heritage, and we must do all that we can to preserve that heritage and to build upon it and to strengthen it for the future.

Mr. President, I hope that with the successful conclusion of this bill's reform of legal immigration, we will have responded to the recommendations of the Select Commission, which was established in 1979, and recognize that we as an institution have not addressed both the illegal and legal immigration issues for far too long. Our bill will also respond to the more immediate crisis which this country is going to face, and that is with the adjustment of status of those that have taken advantage of the amnesty provisions, to expedite the reunification of the families in the second preference. It will also respond to some of the unintended consequences of the 1965 act, where a number of countries around the world who had individuals come to this country, participate in its development and in its evolution, but who are now shutout.

We suppose that if Senator SIMPSON were to fashion a bill, his legislation would be a good deal different from the legislation which we are jointly proposing today. If I were to fashion a bill, mine would be different as well.

What we do recognize is the need to compromise. This bill really represents the best judgment of those who served on the Select Commission a number of years ago, and responds to what our committee has studied, and reviewed in recent years.

I think we have a sound piece of legislation here. It is one which I am honored to cosponsor with the Senator from Wyoming, and with which I have welcomed the opportunity to work with him over a number of years in developing these issues.

I hope that the Senate will again support this bill, and we will welcome the opportunity to respond to any questions from our colleagues.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. SIMPSON] is recognized.

Mr. SIMPSON. Mr. President, I stand here today on this side of the aisle, as I have done for nearly 10 years now with my friend from Massachusetts [Mr. KENNEDY]. I am very pleased to join with him, as my subcommittee chairman, in again cosponsoring the Immigration Act.

Indeed, as Senator KENNEDY has mentioned, we made a dual promise when we became involved in this together. I chaired this subcommittee with the great assistance of Senator KENNEDY as the ranking member for several years, until power was usurped from us. Then I sank back into the ranking minority position. You can legislate from either level there, but it is more fun as chairman.

Mr. President, I think that few people are aware that Senator KENNEDY has been working on these issues for 27 years.

Senator KENNEDY came to this Chamber the same year my father came to this Chamber and, yet, he and I are the same age. He has worked on this issue in a singular manner, often times without assistance from either side of the aisle, as he has placed upon the books the 1965 amendments to the Immigration Act. Those are the amendments that we are now readdressing and fine tuning. There are some unintended consequences. Some countries were adversely affected, as the phrase is used. But in any event, it was Senator KENNEDY that was involved.

It was Senator KENNEDY that put the Refugee Act of 1980 on the books. It was Senator KENNEDY and myself and Senators MATHIAS and DECONCINI who served on the Select Commission on Immigration and Refugee Policy. I was appointed to that Commission by President Carter. I asked him one time why he would do such a thing to a freshman Republican.

He said because, you are a freshman, you are going to have the job. President Carter supported me fully in our work as we created a large body of material which slowly we are placing on the statute books—in the Immigration Reform and Control Act of 1986, and in the proposal we passed last year which I think now has matured even more.

Indeed, there are some things in this bill that are painful to me, and there are some things that perhaps are painful to Senator KENNEDY and, yet, that is what legislating is about. It is about informing yourself, and educating yourself, and compromising an issue without compromising yourself. I have done that and so has Senator KENNEDY.

Senator SIMON is the third member of the subcommittee. It is an interesting subcommittee. There are only three members: Senator KENNEDY, Senator SIMON, and myself. In the process of trying to present to our colleagues a bill which we hope will be accepted, obviously the three of us, with our philosophies and our intentions, had to accommodate each other. I think we have done so in a very civil way.

Senator KENNEDY has told you in great detail what the legislation would do. I would emphasize the three most important goals for me are to see that we set a generous, reasonable, fair, and flexible national level of immigration. That level we set is 22 percent above current immigration levels, even though in every poll we see and in the mail that comes to me the American public's apparent desire is to admit the current number or even less when we talk about legal immigration.

So we have been quite generous to come up with a 22-percent increase above existing levels. This level is to be reviewed and adjusted with relative ease every 3 years by the President and by the Congress. I think that is critically important. It is our job to do this. It is a very tough job. No one wants to address it. There is no issue like it. It is filled with emotion, fear, guilt, and racism and traditions of the Statue of Liberty and traditions of our classic immigration heritage. We are a nation of immigrants. Senator KENNEDY's roots are in Ireland. Mine are in England, Ireland, and Holland. There is not one of us who is not a child of immigrants, a grandchild of immigrants, a great grandchild of immigrants—immigrants, or descendents of immigrants. That is the uniqueness of our country.

I think a national level of immigration is very important for us to predict, our future demographic profile, our future population size, our future

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

housing and social services needs, and our environmental needs which are very critical. What is the ideal population of the United States? It was interesting in our work on the Select Commission that we had difficulty in funding studies on what the population of the United States might or should be with regard to the carrying capacity of this remarkable land. No one chose to address that. There are a host of other factors that any prudent government should attempt to predict, and I hope that setting a national level of immigration and reviewing it continually, and addressing it on the level of the Presidency and the Congress will force us to do what we should do in that area.

The second thing the bill does is to increase the number and proportion of visas that are awarded to immigrants that have certain skills and abilities that are very much needed in our country. These immigrants would either come to work for specific U.S. employers or they would come here because their skills would contribute to the national economy. I hope our colleagues will listen to this debate and remember that we are not talking about illegal immigration, we are not talking about refugees, we are not talking about extended voluntary departees, we are not talking about humanitarian parolees. We are talking about legal immigrants' immigration.

Only 5 percent of all immigrants coming to this country are now admitted because of their special skills or abilities. This bill would raise that figure to 20 percent while concurrently increasing family-based immigration. We are not reducing it. That is not an appropriate explanation or comment about this bill. We are not reducing family-connection immigration. But we have seen a situation arise where currently 85 percent of all immigrants to our country come from only two regions of the world. I think we should diversify our immigration flows by an appropriate degree, and this bill will do just that.

Finally, I think the bill will open up some remarkable new opportunities to immigrants from countries that do not send us many immigrants today—those countries we describe as being adversely affected. In 1986 we opened a type of lottery system, if you will, for those people and literally millions applied for those very limited visas. But it is not a good way to do business. It is ad hoc legislation. We ought to do our business through changes in the immigration law, Immigration Nationality Act, and not through a piecemeal process of trying to reach the 34 or 36 nations that are adversely affected. Let us do that by legislating and not by some patchwork effort.

Finally, at some course in the debate will come an issue which should not be in any way looked upon as being racist or exclusionary or harsh, and the concerns that are set aside for a point system. Fifty-five thousand numbers out of the overall level of 600,000. This is a category that has been used in Canada and in Australia where points are given for certain abilities and skills, and in Australia and Canada a certain number of points are issued for those who have a proficiency in English.

In the debate in the Judiciary Committee, which is always very spirited, there were several who addressed the issue of points for English. My guest grandparents did not know English when they came and many of us can state that, too, when we discuss our immigrant heritage. But the issue is, and I hope you will keep it in mind when it does come before the body, and it will come in one way or another, that when we are talking about this English proficiency, we are speaking of it in the context of the point system only which has to do with only 9 percent of the numbers in this bill. I want all of our colleagues to know, if an English amendment is offered, that we are talking about an aspect or a qualification which applies only to 9 percent of the immigration under this bill. I just wanted to share that with my colleagues.

Mr. President, the bill, as Senator KENNEDY has observed, follows many of the recommendations of the Select Commission on Immigration and Refugee Policy. The bill passed the Senate last year by a vote of 88 to 4. It was not taken up by the House. I feel quite assured that it will be this time.

We have new judiciary personnel in the House, both Democrat and Republican. I think they realize the importance of dealing with legal immigration. There is a new chairman of the subcommittee, Mr. BRUCE MORRISON, and a new ranking member from Texas, Mr. LAMAR SMITH, and I have visited with both of them.

We have a new judiciary chairman, JACK BROOKS, who knows the issue well, being also from the State of Texas. There is HAMILTON FISH, the ranking member. There is Congressman SCHUMER, who has worked diligently with me and with Senator KENNEDY on issues of illegal immigration, and it was he who characterized what we should be doing in legal immigration as getting back to the classic immigrant definition. I like that phrase—the classic immigrant. The players are all there.

I hope that our colleagues will support the legislation. I encourage our House colleagues to move in this Congress on the important issue of legal immigration reform, the second part of a package started some 8 to 10 years ago, under the Immigration Act of 1986.

I submit it to you with my colleague from Massachusetts. I think this is a measure which is truly in the national interest, and that is what any immigration reform legislation should be about—what is in our national interest, not in the interest of other countries, although we listen to them and try very clearly to be sensitive to what they are saying. It is important to understand that as we consider immigration or refugee policy or any kind of policy in the movement of human beings is that it is not just the fact that people around the world are ready to come, but that we must have a rational system of receiving them. We must do that in a humane and generous manner and we must have order. I think this bill gives us that order and is in our national interest.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I neglected to comment on the excellent work that has been done on our Subcommittee on Immigration by the Senator from Illinois. He has really mastered the intricacies of this legislation. He has been an extremely active member of the subcommittee, and has had a major impact upon this legislation.

I recognize as we move into the opening presentation on this legislation his very significant, useful, and important assistance in the development of this bill.

The PRESIDING OFFICER. The Senator from Illinois, Senator SIMON, is recognized.

Mr. SIMON. Mr. President, I thank my colleague from Massachusetts. He exaggerates, I regret to say, when he says I have mastered the intricacies of immigration law, because it is a complicated area.

Perhaps there is no other subcommittee in the U.S. Senate that has only three members, Senator SIMPSON, Senator KENNEDY, and me.

Let me pay tribute to my two senior colleagues who have really worked in an area where there is no political mileage. It is just a very, very difficult area where you have to serve the country.

What has emerged is a compromise. It is not just exactly as I would like to see it. It is not just exactly as Senator KENNEDY would like to see it. It is not just exactly as Senator SIMPSON would like to see it. But it is, I think, a reasonable compromise.

For example, I feel very uneasy in having a cap on immigration numbers. It is the first time in the Nation's history that we have had a cap on actual numbers. But I accepted that as part of the overall compromise and I think a reasonable part of the overall compromise.

Family reunification is more of a priority for me, particularly the fifth preference, than for Senator SIMPSON,

and he somewhat reluctantly accepted that part on my part.

I think overall what we have is a package that is a good package for this country. I think Senator SIMPSON put it well when he said that is the real question. The question is not whether we are serving some other country well; the question is whether we are serving the United States of America well.

This is one of those bills that really has to look internally at this country and say what have we achieved here?

I think it is a reasonable compromise. I will speak in more detail as we have various amendments come up. I hope this measure can pass pretty much as it is without too substantial a change.

Again, I applaud my colleagues and appreciate their leadership on this matter.

Mr. President, if there is no other Member who seeks the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, just for the information of the membership, we will be considering a joint leadership proposal with regard to Chinese students on the floor as a freestanding amendment in a short period of time.

The Senate then goes back at 5 o'clock, as I understand it, under a consent agreement, to consider the nomination of Ambassador Hecht.

It is the intention of both Senator SIMPSON and myself to then consider an amendment to be offered by Senator HELMS, which will be in the nature of a substitute, on which we will offer a time limitation of 1 hour to be evenly divided and to begin that debate this evening and to retain a certain percentage of the time, perhaps a half an hour, which will be evenly divided tomorrow, then hopefully get a vote on that sometime midmorning, and then to move on to consideration of the other amendments.

So we will be looking forward to discussing the other amendments and debating those amendments or responding to questions. We have probably a half dozen different amendments which have been proposed. We are prepared now to work out time agreements with the membership on those amendments.

Given what both leaders have outlined as a very considerable schedule, we hope that we could, with the cooperation of our colleagues, conclude this legislation sometime in the late afternoon or early evening tomorrow. That is basically where we are in terms of the consideration of this legislation and the way that we would like to proceed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. DECONCINI. I thank the Chair.

(The remarks of Mr. DECONCINI pertaining to the introduction of S. 1288 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 239

(Purpose: To adjust to lawful temporary resident status certain nationals of the People's Republic of China)

Mr. MITCHELL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for himself, Mr. DOLE, Mr. LEVIN, Mr. PELL, Mr. REID, Mr. SHELBY, Mr. RIEGLE, Mr. BINGAMAN, Mr. DODD, Mr. DIXON, Mr. BRYAN, Mr. D'AMATO, Mr. KOHL, Mr. GRAMM, Mr. GRASSLEY, Mr. CONRAD, Mr. GORE, Mr. ADAMS, Mr. KERRY, Mr. LEAHY, Mr. BRADLEY, and Mr. HELMS, proposes an amendment numbered 239.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 148, after line 17, add the following new title:

TITLE III—STATUS OF STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA

SEC. 301. SHORT TITLE.

This title may be cited as the "Emergency Chinese Immigration Relief Act of 1989".

SEC. 302. ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.

The Immigration and Nationality Act is amended by inserting after section 245A the following new section:

"ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA

"SEC. 245B. (a) WAIVER OF FOREIGN RESIDENCE REQUIREMENT FOR "J" NONIMMIGRANTS.—Notwithstanding the provisions of section 212(e) of the Immigration and Nationality Act, persons who are nationals of the People's Republic of China may apply for adjustment of status to that of an alien lawfully admitted for permanent residence or for a change to another nonimmigrant status if such national—

"(1) was admitted to the United States as a nonimmigrant under section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)), and

"(2) has been continuously resident in the United States since June 5, 1989.

"(b) PRESUMPTION OF CONTINUOUS RESIDENCE FOR CERTAIN PRC NATIONALS.—(1) For purposes of adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1225) and change of status under section 248 of such Act (8 U.S.C. 1228), in the case of any alien who is a national of the People's Republic of China—

"(1) who, as of June 5, 1989, was present in the United States in the lawful status of a nonimmigrant, or

"(2) who was present in the United States before June 5, 1989, but who, as of that date was not present in the United States because of a brief, casual, and innocent trip abroad,

such an alien shall be considered as having continued to maintain lawful status as such a nonimmigrant (and to have maintained continuously a lawful status) for the period described in subsection (e).

"(c) AUTHORIZATION OF TRAVEL ABROAD.—The Attorney General shall, in accordance with existing regulations, permit an alien described in paragraph (1) or (2) of subsection (b) to return to the United States after such brief and casual trips abroad as reflect an intention on the part of the alien to continue residence in the United States.

"(d) EMPLOYMENT AUTHORIZATION.—Any national of the People's Republic of China who applies for adjustment of status or change of nonimmigrant status under the terms of this section shall be granted authorization to engage in employment in the United States and shall be provided with an employment authorization document or other appropriate work permit.

"(e) DURATION OF STATUS.—(1) Subject to paragraph (2), nationals of the People's Republic of China described in paragraph (1) or (2) of subsection (b) shall have their departure from the United States deferred until June 5, 1992, or until there has been an adjustment or change of status under subsection (a) or (b).

"(2) On or after June 5, 1990, the Attorney General may terminate the status accorded under this subsection 60 days following the date that the President determines and so certifies to the Congress that conditions in the People's Republic of China permit such aliens to return to that country in safety."

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, this amendment is offered by myself and the distinguished Republican leader, and following discussions with him and the managers of the bill, I now ask unanimous consent that the time between now and 5 p.m. be used for debate on this amendment and that at 5 p.m. there be a vote on this amendment.

I further ask unanimous consent that no amendments or motions be in order in relation to the amendment and that the Senate vote on the amendment, without any intervening action, at the conclusion of yielding back of the time.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

I further ask unanimous consent that on completion of the vote on this matter, the Senate return to executive session to consider further the nomination of former Senator Chic Hecht to be Ambassador to The Bahamas, and that the time for debate on that matter be as set forth in the existing order.

Mr. President, before the Chair acts on that request, I would like to clarify that under the existing order there is 1 hour of debate on the Hecht nomination, 40 minutes under the designation of Senator GRAHAM, 20 minutes to Senator DOLE or his designee. This means that if all the time were used, a vote would occur at 6:15, as opposed to the 6 p.m. now under the order. It is not certain that all the time will be used, so that the vote will occur now at the latest at 6:15, possibly sooner, if the time is not used and yielded back.

The PRESIDING OFFICER. Is there objection to the request?

Mr. MITCHELL. Mr. President, I will add to the request and then will withhold for a moment, pending clearance by the distinguished Republican leader.

I further ask unanimous consent that Senator HELMS be recognized to offer a substitute amendment, upon the disposition of the Mitchell-Dole amendment, and that there be an hour for debate, equally divided between Senators HELMS and KENNEDY.

I further ask unanimous consent that the Senate vote in relation to the Helms amendment, without any intervening action, at the conclusion of yielding back of time.

I further ask unanimous consent that if the Helms amendment is agreed to, that the committee substitute, as amended, be considered, agreed to as original text for purposes of further amendment.

Mr. President, it is my expectation that the vote on the Helms amendment would come tomorrow morning.

I would hope that debate would commence this evening. It is my intention to have the Senate come in at 10:30 tomorrow and be back on the bill at 11.

The PRESIDING OFFICER. The Chair would inquire of the majority leader, the request is that immediately after the vote on the Mitchell-Dole amendment, the Senate would consider the nomination of Chic Hecht to be Ambassador to The Bahamas and then pursuant to that, the amendment of the Senator from North Carolina [Mr. HELMS] would be in order; is that the request?

Mr. MITCHELL. If I may clarify the request, Mr. President. It is my request that the Senate now consider the Mitchell-Dole amendment, and I will amend the initial request by requesting that it be under a 10-minute time limit equally divided between myself and Senator DOLE; that on the expiration or yielding back of that time, the Senate vote on the Mitchell-Dole amendment; and that immediately thereafter, the Senate return to executive session to consider the Hecht nomination. Under the previous order, there is 1 hour of debate divided 40 minutes under the control of Senator GRAHAM and 20 minutes under the control of Senator DOLE; following the yielding back of that time, the vote would occur on the Hecht appointment. Immediately thereafter, the Senate would return to legislative session to again consider the pending bill and, at that point, Senator HELMS be recognized to offer a substitute amendment. There is an 1-hour time limit on that equally divided, and I am suggesting that 30 minutes of that debate occur this evening, and that when the Senate returns to this bill at 11 o'clock tomorrow morning, the remaining 30 minutes be used and the vote on the Helms amendment occur at 11:30 tomorrow morning.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I have no objection, I would like to agree with the request, but I am trying to locate one Member who has a problem moving the vote from 6 to 6:15. I wonder if the majority leader might agree we shrink the time proportionately on each side on the Hecht nomination debate. Instead of an hour, maybe reduce that to 40 minutes, 30 on that side and 10 on this side and still have the vote at 6?

Mr. MITCHELL. I am advised that that would be acceptable to Senator GRAHAM. I amend the request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as amended by the majority leader? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, with respect to the amendment now pending offered by myself and Senator DOLE, yesterday I met with a group of Chinese students who expressed their deep concern and their reservations about the deferred departure program which the administration has instituted to assist those Chinese students residing in the United States.

Their chief concern is focused on the fact that the current program presents serious problems for resident Chinese students and scholars in that it requires them to indicate an unwillingness to return to China. According to the students such a statement brands them as traitors in the eyes of their Government and provides a means for Chinese officials to track down and pressure students who do not choose to return to China at this time.

The students were also concerned that if they elect to take advantage of the deferred departure program, they are only protected for 1 year until June 5, 1990. They are fearful that after that period they could be forced to return to China even at a time when the climate there may still be particularly dangerous for students and intellectuals. Under existing law, if they voluntarily or involuntarily return to China, they then must remain there in residence and wait 2 years before they can return to the United States.

Mr. President, there are approximately 40,000 Chinese students now in the United States. Since the massacre in Tiananmen Square thousands of these students have courageously spoken out and demonstrated in support of prodemocracy forces in China. In view of the Chinese Government's widespread persecution of prodemocracy students, these students would be in imminent danger if they were forced to return to China. Because of the existing situation in China the students need legislative action which will waive the 2-year foreign residency requirement, allow them to remain in legal status while they are in the deferred departure program or in the process of requesting a change or adjustment in their residence status.

Mr. President, for over a half-century the world has looked to the United States as the beacon of freedom, the voice of self-government and self-determination, as a refuge for the oppressed and persecuted. I believe we should respond generously to this request by the Chinese students who are living among us and bravely standing up for freedom and democracy in their homeland. Accordingly, we offer this amendment to S. 358, the Immigration Act of 1989, which addresses the important concerns of the students while at the same time taking due consideration of our own immigration laws and procedures. I hope my colleagues on both sides of the aisle will support this action to assist these brave young men and women who are living and studying in our country, learning not only about our technical skills but also about the fundamental democratic principles which make American democracy the symbol that it has been for the past two centuries.

Mr. President, I yield to the distinguished Republican leader.

Mr. DOLE. I thank the majority leader, and I am pleased to join the majority leader in this leadership amendment.

In my view, this amendment is very much in the spirit of the actions already taken by President Bush. It represents a reaffirmation of the basic policy position he has taken, and which is supported by the vast majority of the American people: that we should not arbitrarily send home to a very uncertain fate the thousands of Chinese students now studying in the United States.

The amendment does take one additional small step, in response to the le-

gitimate concern expressed by many of the Chinese students—that we should not put them in greater jeopardy than they already are, by forcing them into a public expression of their dissent over the actions of their Government, through application for some kind of deferred departure. In effect, it grants them the right to stay in this country for at least 1 more year, even if their visas expire in the interim—without making specific application to do so.

But this legislation also responds to this real need in a responsible way, that will not do violence to very important principles and policies of our immigration law. It does not open the gates to automatic citizenship for anyone.

The amendment will open up no new channels to conversion to permanent resident alien status; that is, to U.S. citizenship. The Chinese students who came here did so as nonimmigrants; they were admitted on the basis of the criteria that apply to nonimmigrants, and to me it makes no real sense to respond to their plight simply by converting them to immigrant status, assuming there is an effective alternative available.

This amendment waives only a single eligibility requirement for applying for immigrant status—the requirement that someone here on a nonimmigrant visa return to their homeland for 2 years, before seeking to change to a PRA status. Clearly, imposing that requirement on Chinese students now would be to put in their path a near-insurmountable obstacle.

In sum, this is a well-crafted amendment. It reflects the best in America's tradition of providing safehaven for those truly in danger. But it does so in a way consistent with our very real foreign policy and immigration policy interests.

I hope all Senators will join in passing this amendment overwhelmingly.

Mr. President, I join my colleagues, and I hope there will be a record vote on this amendment. I believe the amendment is well crafted. I think it does express the concern and does express the hope of most Americans who understand that these Chinese students are truly in danger, but it does so in a way consistent with our very real foreign policy and immigration policy interests.

I hope that all Senators will join in agreeing to this amendment overwhelmingly. We have discussed this amendment with the administration. I think it is fair to say the administration may have some slight reservations, but I think generally they are supportive of the principle because it does, in effect, codify President Bush's previous statements.

Mr. MITCHELL. Mr. President, I yield 1 minute to the Senator from Massachusetts and 40 seconds to the Senator from Illinois.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this builds upon the recommendations of the Attorney General which would have provided a 1-year period of grace marking from June of this year to June of the following year. This adds 2 years.

It also deals with some of the hindrances which do exist in the immigration law for adjusting the status, particularly among the students, and is absolutely essential. We cannot expect students to return to China and then come back here at a delayed time.

So, Mr. President, I commend the leaders for this proposal. We will certainly welcome the opportunity to work with our colleagues in the House and make sure that this becomes a part of the law.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 40 seconds.

Mr. SIMON. Mr. President, I join in commending the leadership for this amendment.

I have had the privilege of meeting with a number of Chinese students. I think it is absolutely vital that we move in this direction.

I might add I will have an amendment a little later on dealing with the Hong Kong situation which also is pressing to increase the quota there temporarily.

This is clearly moving in a direction to help some people who may very well desperately need that help. I hope it will get a resounding vote here in the Senate.

Mr. DOLE. Mr. President, I have 2 minutes and 12 seconds remaining.

I yield 1 minute and 12 seconds to the Senator from Wyoming [Mr. SIMPSON] and 1 minute to the Senator from Alaska [Mr. MURKOWSKI].

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 1 minute and 12 seconds.

Mr. SIMPSON. Mr. President, I appreciate the fine bipartisan work of Senators MITCHELL and DOLE, our leaders, and many other Members, who have provided their help in developing this language. This issue is an important one for these Chinese students.

I visited with several of them just this weekend at the University of Wyoming.

I feel this amendment can be read as being consistent with the Bush administration's policy of ensuring that Chinese nationals who fear their return to China will receive our protection until a safe return is possible.

We want to remember that we have been very generous. The administrations' Deferral of Enforced Departure Program is generous. We will continue to be generous, and we will continue to revisit the situation of students in China regularly. I would hope that we would review this continually, every 3 to 6 months.

We do not want to jeopardize our Student Exchange Program, and I have always believed that case-by-case adjudication was preferable to "blanket treatment."

I will not object to the proposal. I do think we must be deliberate, we do not want to move too swiftly, and we must follow conditions in China carefully and regularly.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 1 minute.

Mr. MURKOWSKI. I thank the Chair and I thank my colleagues.

I certainly support the Mitchell-Dole amendment.

Having met with a number of Chinese students at the University of Alaska, in both Anchorage and Fairbanks, Alaska/Pacific University, I heard first hand their concern of the reality that suddenly their very existence in this country is at question. That will be laid to rest by the amendment before us and, of course, their concerns, those who are graduating, whether they can go out in the work force.

It is my intention, Mr. President, to introduce at a later time a freestanding amendment to establish a task force on students from the PRC who are in the United States. It would be the purpose of that task to address the continuing situation as things progress with the PRC and their presence in this country being resolved from the standpoint of a number of things clearing information and other material.

Mr. KOHL. Mr. President, I am pleased to support the Emergency Chinese Immigration Relief Act. It will provide our Chinese guests with the breathing room they need to assess the situation at home. It will allow them to remain in the United States until conditions in China improve.

The amendment does three important things. First, it waives the 2-year foreign residency requirement for holders of "J" visas. This was of particular concern to Chinese students. They wanted the opportunity to apply for other visas, or permanent residency, without first going home for 2 years. Our amendment accomplishes this goal.

Second, the amendment allows Chinese nationals in this country to remain in legal status. This means they can get in line for better visas or permanent residency. They do not have to register for protection. Legal status is automatic.

Finally, this amendment establishes a presumption that students can

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

remain here until June 1992. Their departure is deferred for that period, unless the President certifies to Congress that it is safe for them to return.

Mr. President, this measure is effective and comprehensive. I am pleased that it has received so much support from both sides of the aisle. It is truly a bipartisan proposal.

The amendment is really a safe harbor for our guests. It is not a grant of asylum or an amnesty. Instead, it provides needed relief while respecting our present immigration policy.

I should point out that this amendment is very similar to S. 1218, a bill that I introduced with Senator CRANSTON. In fact, this amendment goes somewhat further than S. 1218 because recent events in China have been so horrible.

In sum, this amendment is a humanitarian gesture. And I hope it will send a strong message to the government in Beijing: We will not tolerate the slaughter of students in the streets. Brute force will not deter the forces of democracy.

They will thrive and they will prevail. In the meantime, we have an obligation to help the Chinese students in our midst.

I want to thank Senators MITCHELL and DOLE for working so well with all of us to help the Chinese. I also appreciate the leadership and the contributions of Senators KENNEDY, SIMPSON, SIMON, and GORTON, as well as Senator DIXON.

Thank you, Mr. President.

Mr. D'AMATO. Mr. President, over the last several weeks a number of Senators have labored to develop a measure that will come to the aid of thousands of Chinese students and scholars who were in the United States on that fateful day in June when tanks rolled through Tiananmen Square.

I am gratified to see that we are heeding the calls of the students and am pleased to support this compromise amendment. As many of my colleagues are aware, the students are in a precarious position. Students who are in the United States under what are called "J" visas face having to return to China during a period of unrest and repression, for a period of 2 years.

The need for a solution is thus clear. There is little doubt that many, if not most, of these students and scholars would be persecuted if they returned home. Since the massacre in Tiananmen Square, I have received communications from literally thousands of students detailing their fears and frustrations. This measure will address their fears in a fair and effective manner without trampling the delicate balance achieved by our immigration laws.

I am pleased to have taken part in finding a measured remedy for a most difficult situation. I urge my colleagues to join us in adopting this amendment.

Mr. DIXON. Mr. President, I am most pleased at the compromise amendment offered by the majority and minority leader dealing with the Chinese students. I think we have a good bill. It is very similar to my bill, S. 1222, which Senators SIMON, ADAMS, DODD, and BRADLEY cosponsored, and was the companion bill to Congresswoman NANCY PELOSI's bill in the House.

This amendment is the result of hours of work and negotiation between representatives from both sides of the aisle. I would like to recognize the outstanding work of my colleagues, Senators MITCHELL, DOLE, KENNEDY, SIMPSON, SIMON, KOHL, GORTON, COHEN, CRANSTON, D'AMATO, and their staffs. We can all take great pride in the fine bill crafted and introduced today.

The bill does the following: It allows Chinese students who were in the United States on nonimmigrant visas greater breathing room. They can remain in the United States within legal status through June 5, 1992, unless the Attorney General and the President certify to Congress at any point after June 5, 1990, that the situation in China is safe for the Chinese student's return. The 2-year foreign residency requirement for J-1 visa holders would be waived and those individuals would be able to apply for status adjustment to another nonimmigrant category or for permanent residence.

This amendment also allows all Chinese students in the United States on other nonimmigrant visas to be considered as remaining in legal status as long as the deferred enforced departure status continues.

It covers those Chinese students who have come to the United States under nonimmigrant visas but who may have been out of the country. Work authorization and authorization to travel abroad are also included in the package.

In sum, Mr. President, this bill works. It is sound. It recognizes the needs of the Chinese students and addresses them reasonably. We are not creating a new immigrant class, or automatically allowing all Chinese students to stay. We are providing breathing space, a cooling off period, in order to allow the Chinese students and the United States to assess the changing situation in China.

I will always remember the image of the Chinese student halting a convoy of tanks in Tiananmen Square by the simple, eloquent act of standing silently in front of them. What courage. What resolve. He did not back down in his resolve to end the brutal madness, and so will I not back down from my commitment to stand with them in their pursuit of democratization. The fresh breeze of freedom must replace the stench of brutality and intimidation in China.

It is our duty to stand for those who stand for democracy. I believe this amendment has done so.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MURKOWSKI. I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. The majority leader controls 10 seconds.

Mr. MITCHELL. I yield back the remainder of my time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Utah [Mr. HATCH] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—97

Adams	Garn	Metzenbaum
Armstrong	Glenn	Mikulski
Baucus	Gore	Mitchell
Bentsen	Gorton	Moynihan
Biden	Graham	Murkowski
Bingaman	Gramm	Nickles
Bond	Grassley	Nunn
Boren	Harkin	Packwood
Bradley	Hatfield	Pell
Breaux	Heflin	Pressler
Bryan	Heinz	Pryor
Bumpers	Helms	Reid
Burdick	Hollings	Riegle
Burns	Humphrey	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Roth
Coats	Johnston	Rudman
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	McCain	Wirth
Ford	McClure	
Fowler	McConnell	

NAYS—0

NOT VOTING—3

Boschwitz	Hatch	Matsunaga

So the amendment (No. 239) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 239, AS MODIFIED

Mr. MITCHELL. Mr. President, I have cleared this with the distinguished Republican leader and I now ask unanimous consent that Senate amendment No. 239, the Mitchell-Dole amendment on Chinese students, be modified to reflect the change I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 239), as modified, is as follows:

TITLE III—STATUS OF STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA

SEC. 301. SHORT TITLE.

This title may be cited as the "Emergency Chinese Immigration Relief Act of 1989".

SEC. 302. ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.

The Immigration and Nationality Act is amended by inserting after section 245A the following new section:

"ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA

"SEC. 245B. (a) WAIVER OF FOREIGN RESIDENCE REQUIREMENT FOR "J" NONIMMIGRANTS.—Notwithstanding the provisions of section 212(e) of the Immigration and Nationality Act, persons who are nationals of the People's Republic of China may apply for adjustment of status to that of an alien lawfully admitted for permanent residence or for a change to another nonimmigrant status if such national—

"(1) was admitted to the United States as a nonimmigrant under section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)), and

"(2) has been continuously resident in the United States since June 6, 1989.

"(b) PRESUMPTION OF CONTINUOUS RESIDENCE FOR CERTAIN PRC NATIONALS.—(1) For purposes of adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1225) and change of status under section 248 of such Act (8 U.S.C. 1228), in the case of any alien who is a national of the People's Republic of China and is present in the United States under section 101(a)(15) (F), (J), and (M), as well as their immediate family.

"(1) Who, as of June 5, 1989, was present in the United States in the lawful status of a nonimmigrant, or

"(2) who was present in the United States before June 5, 1989, but who, as of that date was not present in the United States because of a brief, casual, and innocent trip abroad.

such an alien shall be considerd as having continued to maintain lawful status as such a nonimmigrant (and to have maintained continuously a lawful status) for the period described in subsection (e).

"(c) AUTHORIZATION OF TRAVEL ABROAD.—The Attorney General shall, in accordance with existing regulations, permit an alien described in paragraph (1) or (2) of subsection (b) to return to the United States after such brief and casual trips abroad as reflect an intention on the part of the alien to continue residence in the United States.

"(d) EMPLOYMENT AUTHORIZATION.—Any national of the People's Republic of China who applies for adjustment of status or change of nonimmigrant status under the terms of this section shall be granted authorization to engage in employment in the United States and shall be provided with an employment authorization document or other appropriate work permit.

"(e) DURATION OF STATUS.—(1) Subject to paragraph (2), nationals of the People's Republic of China described in paragraph (1) or (2) of subsection (b) shall have their departure from the United States deferred until June 5, 1992, or until there has been an adjustment or change of status under subsection (a) or (b).

"(2) On or after June 5, 1990, the Attorney General may terminate the status accorded under this subsection 60 days following the date that the President determines and so certifies to the Congress that conditions in the People's Republic of China permit such aliens to return to that country in safety."

EXECUTIVE SESSION

NOMINATION OF CHIC HECHT, OF NEVADA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COMMONWEALTH OF THE BAHAMAS

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. Under the previous order the Senate shall return to executive session to further consider the nomination of the Honorable Chic Hecht of Nevada to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of The Bahamas. The time for debate is to be controlled with 10 minutes controlled by the Republican leader's designee and 30 minutes controlled by the Senator from Florida [Mr. GRAHAM].

Who yields time? The Senator from Florida.

Mr. GRAHAM. Mr. President, the Senator from Wisconsin had requested time to make a statement not on this issue but, rather, on the amendment on which we have just voted, so I would ask unanimous consent that the Senator from Wisconsin, in morning business or in legitimate business, be given that opportunity.

Mr. WARNER. Mr. President, I do not wish to object, but I have been waiting to make a statement on the issue now before the Senate, namely, the nomination of our former colleague. Would the Senator indulge me for 1 minute to address the nomination which I understand is the pending business?

Mr. GRAHAM. That is the pending business. Senator DOLE controls the time.

Mr. DOLE. Mr. President, as I understand it there are 30 minutes on that side, 10 minutes on this side. The vote will come at 6 o'clock and any other requests would have to come out of that time. I would yield 1½ minutes to the Senator from Virginia.

The PRESIDING OFFICER. If I might, the Senator from Florida had the floor and sought recognition and has the floor, so it would be dependent on his decision to give up the floor.

Mr. GRAHAM. Mr. President, I will yield the floor to the distinguished minority leader for purposes of controlling his 10 minutes.

Mr. DOLE. I yield 1½ minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 1½ minutes.

Mr. WARNER. Mr. President, I thank the distinguished Republican leader and I thank the Senator from Florida and the Senator from Wisconsin for their indulgence.

I simply wanted to add my strong endorsement to the President's nomination to the Senate; that our former colleague, the Senator from Nevada, Mr. Hecht, be accorded the privilege and rank of Ambassador of the United States.

I served with him, as many of us did here in this Chamber, for some several years and, in particular, I would like to address my work with him on the Select Committee on Intelligence of the U.S. Senate. As the Senate recalls, Senator Hecht served in the U.S. Army from 1951 to 1953 in the U.S. Army Intelligence Branch and that knowledge enabled him to go on to service on our committee, the Intelligence Committee, and make considerable contributions. His attendance record was one of the best. He always studied the material before the meeting began and, when he spoke, members listened and listened with care.

So, I wanted to acknowledge that I think he is eminently qualified; that he will bring to bear on this important post considerable breadth of knowledge and it is my hope that the Senate will accord him advice and consent as sought by the President.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Republican leader yields 2 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished Republican leader for yielding.

Mr. President, I rise in support of the nomination of Chic Hecht to be Ambassador to The Bahamas. Chic Hecht is an outstanding American. He served his Nation as an intelligence officer behind the Iron Curtain. For

that work he was elected by fellow intelligence officers nationwide to the Intelligence Hall of Fame. He came back home, went into the dry goods business, worked hard in that business, practiced the ancient art of American business and free enterprise, became wealthy, borrowed moneys from banks until they ended up selling him the bank. He was so successful in these areas that I had an opportunity to sit next to someone on the Banking Committee who actually knew something about commercial banking. He was elected by his fellow citizens to the U.S. Senate from Nevada. He served for 6 years with great distinction.

Mr. President, that is a record of the kind of people that we need representing the United States around the world. And I cannot believe that there can be any question that Chic Hecht ought to be confirmed to be Ambassador to The Bahamas.

If serving your Nation behind the Iron Curtain, if being in business and being successful, if being elected by your fellow citizens to the U.S. Senate, and if serving with distinction for 6 years does not qualify somebody to be Ambassador to The Bahamas, I do not know what qualifications we are seeking.

So I think, quite frankly, it is a little unreasonable that we are here debating this issue. I think Chic Hecht would have been confirmed unanimously. I am happy to add my voice to his support. I intend to vote for him—I am sure he will do an outstanding job—and I urge my colleagues to do the same.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I yield to myself such time as is necessary.

Mr. President, this is a difficult issue. It is not easy to stand on the Senate floor and suggest that it is inappropriate for the U.S. Senate to confirm any individual who has been recommended by the President of the United States for an important position of national service. It is even more difficult to do so when that individual is a friend and former colleague and Member of this body.

But, Mr. President, we have heard many of the words and eloquent rhetoric about the importance of the war on drugs and our Nation waging that war through to victory. This is not going to be a war like the Napoleanic war, or like World War II in which there will be a few climactic battles that will determine the end result. Rather, this is a war which will be fought in a whole series of individual minor skirmishes, and the cumulative effect of those minor skirmishes will be either victory or defeat.

There is no question that this is an issue of deep concern to the people of this Nation. A Gallup poll commissioned by the Times Mirror Group released in March of this year said, "Drug abuse is seen as the most important problem facing the country today followed by the Federal budget deficit."

In early May the Hart Research Group surveyed 1,500 voters across the land. The pollster read a list of 11 issues and asked voters to say what worried them the most. Sixty-four percent of those 1,500 Americans said drugs was their top concern. Out of all the issues on the list, the drug threat was rated No. 1. The Hart poll in May confirmed the finding of the Gallup poll in March that Americans view drugs as the top issue facing this Nation.

Mr. President, while the American people recognize the primacy of this issue, and while we have recognized it in words—and I submit as an example of those words a statement which was issued by the Republican National Senatorial Committee which captured that feeling urging that those who it solicited for support render support because this liberal Democratic Congress has been all talk and no action when it comes to putting the international drug dealers behind bars.

Those are the kind of strong words that we have heard, that we have ourselves uttered or written on this issue. Yet, Mr. President, the fact is that we are losing the war on drugs because we have been unwilling to back those words with effective action.

Mr. President, I submit for the RECORD as an example of one area of that loss an article from the May 27 Washington Post entitled "U.S. Suffering Setbacks in Latin Drug Offensive" which details the fact that the United States is losing the war on drugs as it is being waged in Latin America.

I ask unanimous consent that be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit No. 1.]

Mr. GRAHAM. Mr. President, what we are doing today is not only an act, the confirmation of an ambassadorial nomination, but it is also a symbol. It is a symbol which communicates to several important audiences. One of those audiences is the people of The Bahamas. We are asking this relatively small population, a nation of 250,000 people, spread out over 700 islands which are the size of the States of New Jersey and Connecticut combined, we are asking this nation which is spending over 25 percent of its national budget on drug enforcement, drug treatment and drug education, we are asking this nation to redouble its efforts to join in even stronger partnership with the United States.

We currently have a series of joint operations with the Bahamian Government from the northernmost to the southernmost islands of the Bahama Islands. We are communicating to the people of the Government of The Bahamas the seriousness of our commitment to effectively wage the war on drugs with this nomination.

We are also communicating, Mr. President, to other nations in the region—nations which have been racked by violence, by a threat to the very sovereignty of the nation itself as in countries such as Colombia, Panama, and other threatened nations in this region—the seriousness of our intention.

But one concern that I have had in this debate today is that the discussion about who we are communicating to has all been directed at other people—that we want to send a message to The Bahamas that we are serious and we expect them to cooperate, that we want to send a message to other nations in Latin America and the Caribbean that we are serious and we want them to cooperate.

We are also sending a message to ourselves, to the people of the United States of America, as to how serious we are on this issue. We are sending it collectively and individually.

Two weeks ago I was on Grand Exuma Island in The Bahamas where I met with a group of DEA agents, agents who daily face personal threats against their lives because they are disrupting what has been a very profitable drug operation on that island.

We are sending a statement to those young men and women at that level of support that they can expect the degree of dignity, the degree of seriousness of purpose by which this Nation is prepared to back up their willingness to place their lives on the line in order to win the war on drugs.

Mr. President, this war on drugs has many battlefields. The Bahamas is one of the most important. I have a map which indicates the major flow of drugs from Latin America into the United States of America. One of the salient aspects of this map is how dark the lines get over The Bahamas. The reason for those dark lines is that at times in the past as much as 70 percent of the cocaine which has come into the United States has come in through The Bahamas.

What is wrong about this map is that it no longer reflects the reality of the drug trade. This map was done at a time when the typical pattern was large amounts of drugs flown into a particular island in The Bahamas, stored on that island, and then later transshipped into the United States.

In large part, because of effective cooperation between the United States and the Bahamian Government, that pattern of drug distribution has been disrupted.

What has happened is a new form of drug trade shipment has occurred, and that is now taking the form of flights over the island of Cuba to sites in the vicinity of the Florida Keys and the southeast and southwest Florida coast, where drugs are then dropped into the ocean, picked up by small boats and taken immediately into the United States.

What is the relevance of the observation of a change in history of drug trafficking? The relevance is that we are dealing with a very innovative, mobile, highly financed adversary in our war on drugs. The significance is that The Bahamas continue to be a major battleground of this war on drugs. The significance is that the United States depends, in large part, on the effectiveness of our Ambassador and our ability to wage a winning war on drugs in The Bahamas.

Mr. President, The Bahamas have been an increasingly positive partner of the United States efforts. We recently voted on a proposal to decertify The Bahamas. The President and the Secretary of State urged that we not decertify The Bahamas because of the level of their cooperation. This Senate agreed with that recommendation. We did not do so.

We have seen The Bahamas become the first nation in the world, first nation in the world to ratify the new United Nations convention on drugs. We have seen The Bahamas become a leader in efforts to assist the United States in enlightened drug treatment policy. Unfortunately, The Bahamas has become an area of the world with an unusually high level of drug addiction, due to the early introduction of crack into that country.

Mr. President, in some of the early debate, a question was raised about the importance of the Ambassador to The Bahamas, that it is just a figurehead position, that whatever the Ambassador's strengths or weaknesses, they will be offset by an effective staff of professionals who will provide the necessary continuity, the necessary relationship with the Bahamian Government.

Mr. President, I want to offer for the RECORD and ask unanimous consent that this article appear immediately after my remarks, a report from the Tribune, a paper from The Bahamas. This editorial was written July 7 of this year, under the heading, "Not A Laughing Matter." It discusses the nominee that the President has submitted for confirmation as Ambassador to The Bahamas. Let me just read the first few sentences of this editorial as an example of the kind of model that we should have for an Ambassador in a country as important to the United States drug effort as The Bahamas. "Whoever comes after Carol Boyd Hallett as American Ambassador to The Bahamas will have to be outstanding, because comparisons will inevitably be made.

For almost 3 years that she headed the U.S. Embassy in The Bahamas, Mrs. Hallett captured the minds and hearts of the Bahamian people. She will never be forgotten. In the Tribune's files on American Ambassadors stationed in The Bahamas her file is the thickest because she was the most active in the community, and she accomplished the most. She earned a new respect for her country.

And it is because she did so much, because she gave a new dimension to the American image in The Bahamas that her successor will have to be very carefully chosen, or all of her efforts will have been in vain."

That is a statement by a leading opinion voice from The Bahamas of our most recent Ambassador. Carol Hallett did make a difference. She helped energize both our Nation and The Bahamas in an effective partnership against drugs. It is in large part, because of her efforts, that the drug cartel has had to find a new way to bring their illicit product into the United States.

Mr. President, earlier today our colleague, Senator SARBANES, talked about the fact that the United States was going to have to take a new approach to its ambassadorial appointments; that the old way of doing this was no longer acceptable. I could not agree more. We have seen that our adversaries—particularly the Soviet Union—have shifted their emphasis on ambassadorial characteristics in this hemisphere, that the new ambassadors that the Soviet Union is appointing in Latin America and the Caribbean are people who have special cultural and linguistic skills, who are effective in dealing with the people, in representing the commercial, as well as the diplomatic interests of their country.

If the Soviet Union has seen the importance of Latin America and the Caribbean and the Soviet Union has changed the standards by which it is appointing its ambassadors to these countries, why, Mr. President, is it not even more apparent to the United States of America, as the closest friend of these countries, that we need to respond with a new seriousness and a new criteria for who will represent us in these countries.

Mr. President, I regret to say that I do not believe that the current nominee meets the standards that Mrs. Hallett so admirably provided for the United States for the last 3 years in this critically important country. I believe, as do the editorial writers for a number of newspapers, who have pointed out these deficiencies, that we will make a serious error if we comfirm this appointment.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD, following my remarks, editorials from the Miami Herald, Orlando Sentinel, and St. Petersburg Times commenting on the adequacy of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, in the final analysis, however, we are the ones who are going to be judged. We do not have to read any editorials. We do not have to refer to resumes of past activities, or we do not have to be persuaded by second or third parties, as to the match of the skills of this nominee and the challenge of service as ambassador in the Bahamas. There is no group of Americans better prepared to make this assessment than the 90 Members of the U.S. Senate who have served with Senator Hecht.

I believe that there are many positions in which Senator Hecht could serve this Nation with great distinction. I consider him to be a friend, and I appreciate the service we had as colleagues. But as I told Senator Hecht, I do not believe that the Bahamas are a place in which his particular background and his skills and his previous talents could best serve this Nation. I believe that we need to have an individual who has not only diplomatic and foreign service background, but also who can serve as a key operational officer in the United States' war on drugs.

We are not going to have very many opportunities to convert our words of opposition to drugs into tangible action that may actually make a difference, as to whether this Nation will begin to gain the offensive in this effort to rid ourselves of the scourge of drugs. Today we have one of those oppportunities.

Mr. President, Members of the Senate, I urge you to exercise that opportunity by voting no on this nominee, and by so doing indicate that in this U.S. Senate, there is a serious purpose about this war on drugs and that we are committed at each opportunity, when we are given the chance to do so, to make a positive contribution toward American victory. Thank you, Mr. President.

EXHIBIT 1

[From the Washington Post, May 27, 1989]

U.S. SUFFERING SETBACKS IN LATIN DRUG OFFENSIVE

(By Michael Isikoff)

The Drug Enforcement Administration agent and five State Department contract employees who were killed in a plane crash in Peru May 13 had a particularly compelling reason to be on the flight.

Weeks earlier, DEA agents in the Upper Huallaga Valley, the world's prime coca growing region, were instructed to return to

Lima every night for their own safety. Maoist guerrillas aligned with drug traffickers have gunned down 10 policemen in the area this month.

The escalating violence in Peru is the most dramatic example of what many believe is a near breakdown of U.S. antidrug policy throughout Latin America. In recent months, while the Bush administration has increased its rhetorical attack on the drug problem at home, U.S. efforts to control the traffic at its source have suffered crushing setbacks, posing the risk of ever greater shipments of cocaine to the United States and Europe, according to U.S. officials and foreign policy analysts.

"It seems to me we're at the point where our policy has run into the sand," said Gregory Treverton, a senior fellow of the Council on Foreign Relations who studies antinarcotics issues. "It has come to the point . . . where we have to realize that the emperor has no clothes."

According to new government estimates, coca production in Latin America has soared to unprecedented levels, enough to produce more than 1 million pounds of cocaine this year, or nearly twice that during the mid-1980s. Colombian traffickers have begun planting in Amazon jungles of Brazil that are virtually beyond detection, according to recent State Department reports. U.S.-financed programs to manually uproot the coca crop have slowed in Bolivia and come to a halt in Peru.

Meanwhile, fading hopes for air-dropping deadly herbicides in the Upper Huallaga—once a linchpin of U.S. strategy—appear to have dimmed further as a result of the recent opposition of embattled Peruvian President Alan Garcia.

"It's a mess," said John Walters, chief of staff to national drug policy Director William J. Bennett, when asked to assess developments in Peru.

The consequence of these failures, some analysts warn, could be a new wave of cheap cocaine dumped onto the world market by the powerful Colombian drug cartels that control most of the Latin traffic. But critics charge that, at least so far, the dimensions of the problem have not been addressed by senior Bush administration officials.

During his campaign last year, President Bush laid out an ambitious antidrug agenda that included the creation of an "international strike force" to hit drug traffickers, the convening of a hemispheric summit and other measures to embolden Latin governments fighting the drug cartels.

Yet, four months into the administration, nothing has been said publicly on the issue. Meanwhile, a policy debate has raged behind the scenes. U.S. Ambassador to Bolivia Robert Gelbard has urged new "rules of engagement" that would permit U.S. Army Special Forces units to join antinarcotics patrols in that country, according to administration officials.

Others have urged even more drastic action, including covert operations against the cartels and "neutralization" of their leaders. But some State Department and DEA officials, including DEA Administrator John C. Lawn, fear any show of muscle would only trigger a backlash that would play into the hands of leftists and traffickers.

"You're talking about sovereignty issues—here you would have a foreign government bringing military forces," said Lawn, who has argued for a continuation of current DEA operations. "We would have a substantially negative impact."

The result, some critics said, is a policy drift underscored last week when the State Department failed to meet a deadline in the 1988 Antidrug Abuse Act to produce a comprehensive strategy for attacking the Latin cocaine trade.

Rep. Stephen J. Solarz (D-N.Y.), who sponsored the amendment, called the failure "scandalous," saying "a kind of hopelessness" seemed to pervade U.S. policymakers on the issue.

"If intercontinental ballistic missiles were being fired at American cities from Peru and Bolivia, surely our government would have devised a plan to knock out the enemy," Solarz said. "Why, then should we treat the threat posed by the international cocaine cartels so lightly?"

Spokeswoman Catherine Shaw said the State Department has been working with Bennett on an even broader antidrug strategy that is not due until September. But administration sources said that the gravity of the problem has prompted the National Security Council to undertake a more accelerated review that is scheduled to be completed next month.

The NSC review is examining a wide range of options that include military action, an expanded role for U.S. intelligence agencies, and new economic and military aid to the region, administration sources said.

In the meantime, some officials said, the situation on the ground has gone from bad to worse. The greatest concern is in the Upper Huallaga—a 150-mile long tropical region where the Sendero Luminoso ("Shining Path") guerrillas have been gaining in a bloody insurgency that has claimed over 14,000 lives in the past eight years.

Peruvian sources said large parts of the valley are under the control of the Senderos, a band of Maoists who have depicted themselves as protectors of coca-growing peasants and have forged a loose alliance with drug traffickers working for Colombian cartels.

"The valley is heating up and the Shining Path are getting stronger and stronger," said Jose Gonzales, a Lima-based political analyst said last week.

By some estimates, as much as 200,000 acres of coca are cultivated in the Upper Huallaga, making it the source of more than half the cocaine that is flooding the streets of U.S. cities. But U.S. sources said Peruvian army troops in the valley rarely leave their garrisons for fear of encountering the guerrillas. As many as 40 workers for CORAH, the Peruvian Coca Reduction Agency, have been murdered since a U.S.-financed program to manually destroy coca plants began three years ago.

The program was suspended in February, as was a separate DEA initiative—dudded "Snowcap"—in which DEA agents accompanied Peruvian police in paramilitary strikes on the drug traffickers. U.S. officials said the operations were too dangerous until a new, more secure military base could be built to house the DEA agents.

Now, the only government presence in the valley are occasional police convoys that U.S. officials said have become virtual sitting ducks. On May 16, guerrilla forces armed with automatic weapons ambushed a 60-man police column, killing four and wounding seven. "This has been happening with some regularity," one U.S. official said.

It was in this atmosphere that a U.S.-owned Cessna aircraft carrying DEA agent Rick Finley, five State Department contract employees and three Peruvians, including the chief of CORAH, crashed into a mountain on its way back to Lima from the Upper Huallaga Valley May 13.

U.S. and Peruvian officials have said there was no evidence of sabotage, but U.S. officials are conducting a full investigation. "I discount absolutely nothing," Terrance Burke, deputy assistant administrator of DEA for operations, said last week.

But perhaps the crowning blow to U.S. efforts in the region occurred when President Garcia returned from a tour of the Upper Huallaga Valley earlier this month and, in an unusually strong statement, said the government "will never allow massive eradication" by herbicides on the region's coca crop.

The comment seemed to contradict earlier steps by Garcia's government to begin aerial testing of "Spike," the weed-killing herbicide U.S. officials believe offers the only hope for eliminating the coca crop.

Peruvian officials now are too fearful to go forward with the program, political analyst Gonzales said. "They realize if they go ahead with eradication it will only create increasing power for the Shining Path," he said.

U.S. officials said matters have gone only slightly better elsewhere. Despite a new eradication law passed last year, Bolivia's coca agency has destroyed barely 1,500 of that country's 192,000 acres of coca crop this year, less than half of what the United States had set as a "benchmark" for progress.

One reason for the slow pace, U.S. officials said, is that DEA agents working with Bolivian anti-narcotics police have failed to disrupt the coca trade in the Chapare, Bolivia's prime coca-growing region. Prices offered by drug traffickers for the crop are so high—more than $60 per hundredweight—that it is not economical for peasants to grow anything else, officials said.

Earlier this week, conditions in Bolivia grew even more troublesome when two American Morman missionaries were killed by a radical leftist group vowing revenge against "Yankee invaders who come to massacre our fellow farmers."

But some U.S. officials see sporadic glimmers of hope. Lawn contended that one of the reasons for the escalating attacks in Peru is that antidrug operations have hurt the traffickers. In Colombia earlier this year, U.S. trained antinarcotics police discovered a large complex of jungle laboratories that may have been the largest cocaine complex ever found. And in Mexico, after years of searching, federal police recently arrested Felix Gallardo, the most notorious of that country's drug traffickers.

But few outside analysts believe such steps can make a difference given current production levels.

The setbacks have caused some critics to question anew whether there are any useful steps the United States can take given the enormity of production levels. "My guess is you could cut supply [of coca] in half and not have a dramatic effect on cocaine supplies in the U.S.," analyst Treverton said. "This whole emphasis on supply is a loser."

EXHIBIT 2

[From the Tribune Ltd., July 7, 1989]

NOT A LAUGHING MATTER

Whoever comes after Carol Boyd Hallett as American ambassador to The Bahamas will have to be outstanding because comparisons will inevitably be made.

For the almost three years that she headed the U.S. Embassy in The Bahamas

Mrs. Hallett captured the minds and hearts of the Bahamian people. She will never be forgotten. In The Tribune's files on American ambassadors stationed in The Bahamas, her file is the thickest because she was the most active in the community and she accomplished the most. She earned a new respect for her country.

And it is because she did so much; because she gave a new dimension to the American image in The Bahamas that her successor will have to be very carefully chosen—or all her efforts will have been in vain.

Sixty-year-old Chic Hecht of Las Vegas, Nevada, has been nominated for the post. However, if the press reports are to be believed, Mr. Hecht was not nominated because he was considered the right man to carry on Carol Boyd Hallett's work, but because he had friends in the right places.

Apparently after losing his seat for a second term in the United States Senate, Mr. Hecht was out job hunting. He learned that the post of Ambassador to The Bahamas was open. According to one American newspaper he "saw a job he wanted and nominated himself for it."

"I knew about the post and I did ask for it. It's been offered and I accepted it," he said.

According to the Washington Post "Bush administration officials said (Paul) Laxalt lobbied for Hecht but that the crucial push came from Senate Minority Leader Robert J. Dole (R-Kan.), who made it clear that a Republican administration 'simply had to take care of a member of the club.'"

If this is true and if this is all the thought that has gone into Mr. Hecht's appointment, then the Bush administration is indeed insulting this country and undermining the accomplishments of its last ambassador."

Mr. Hecht's nomination will come under scrutiny on the floor of the Senate on Tuesday when Senator Bob Graham (formerly governor of Florida) has vowed to oppose it.

"The Bahamas," said Senator Graham, "are very important in our war on drugs. This neighboring nation is one of the most—if not the most—important non-source countries in the world when it comes to interdicting the flow of drugs to the United States.

"Our Ambassador to The Bahamas," he said, "plays a vital, operational role in the war on drugs. Our current Ambassador (Hallett) says she spends most of her time dealing with drug related matters. The United States should send an Ambassador with proven skills in managing complicated international issues of law enforcement and diplomacy.

"If we send a top rate ambassador, that sends a positive signal that we're serious about the war on drugs. If we do otherwise, that sends a signal that we're not serious," Mr. Graham said.

Not only will it send a signal that the United States is not serious, but it will suggest that it considers the whole thing one grand laughing matter. Again, if press reports are to be believed, Mr. Hecht has a way with words that tickles the natural wit in all journalists. In other words he can apparently be counted on to make "good copy."

Despite the fact that he has been a merchant and a banker and spent two years in the U.S. Intelligence Corps (1951-53), his reputation for malapropisms is his undoing. For example, one of the favourite stories after he took his seat in the Senate in 1982. He vowed at that time that if a proposed nuclear-waste repository appeared likely to pose a danger, there would be no 'nuclear suppository' in Nevada.

Reporters seem to find his words good for a laugh—and so probably will The Tribune if he lives up to his reputation—but the serious and delicate problems facing The Bahamas and United States today are no laughing matter—and malapropisms should not be allowed to cloud the issues.

No one doubts Mr. Hecht's seriousness about the drug war or his determination to carry on the fight against it, but if he says the wrong thing at the wrong time, he could unwittingly torpedo many well laid plans. It is understood that Mr. Hecht is so against drug trafficking that during the period he was in the Senate he voted at least once for The Bahamas to be decertified.

But whereas Mrs. Hallett came here with a declared mission—to eliminate drug smugglers who are using The Bahamas as a stepping-stone for their trade to the United States—Mr. Hecht seems more concerned about the attractive lifestyle he can find here– gambling, golf and fishing.

In April Mr. Hecht was quoted as saying, "I am sure I will feel at home in The Bahamas. I've been involved in gambling in Nevada, and I've been involved in banking for 25 years . . . Also, I understand it is a nice lifestyle. I love golf and they have a lot of nice golf courses and good fishing."

"Those sentiments concern Senator Graham," his spokesman told The Tribune from the Senator's Washington office yesterday.

Those sentiments indeed concern many persons here because the so-called Bahamas "lifestyle" is fast disappearing due to the new value system—"everyone can be millionaires"—and the rise in crime. This was the legacy left by the Medellin cartel—such as Joe Lehder at Norman's Cay—and those in The Bahamas who either helped or allowed them to use our archipelago as a gateway to the United States.

This whole area—Florida included—has a vested interest in the United States' new appointment to the Embassy here. No one wants some U.S. Senator's friend who is going to be the "ambassador" to one of The Bahamas' many lovely golf courses. We all want an ambassador who is aware, dedicated and determined to help The Bahamas weed out drugs and corruption—and then, maybe, we can all join the new ambassador in enjoying the "lifestyle" for which these islands were once famous.

EXHIBIT 3

[From the Miami Herald, June 29, 1989]

REJECT "CHICK" HECHT AS AMBASSADOR TO BAHAMAS

Surely The Bahamas deserves better. The job of U.S. ambassador to Florida's closest neighbor shouldn't be a consolation prize for a Republican loyalist ousted by voters. Especially for a Republican loyalist who has demonstrated no ability and experience for the job.

The post is important because of The Bahamas' strategic location in the jet stream of U.S.-bound drugs and illegal aliens. At one point, drug smugglers were so blatant that they controlled one Bahamian resort as a trans-shipment point. Associates of Bahamian Prime Minister Lynden Pindling were implicated as conspirators.

One, Nigel Bowe, has yet to be sent to the United States on a 1985 indictment despite an extradition treaty. He is charged with supervising shipments of cocaine from Colombia and protecting smugglers from the police. Recently, through patient diplomacy, the United States has won more assistance from The Bahamas government for cooperative investigations.

The United States and The Bahamas also have a strong trading partnership. Last year The Bahamas bought $725 million in U.S. goods, 70 percent of its imports, and sent to the United States products valued at $238 million, 62 percent of its exports. The Bahamas participates in the Caribbean Basin Initiative (CBI), which gives those nations trade preferences to build their economies. Key legislation broadening and extending the CBI is pending.

Into those issues, the Bush Administration proposes thrusting one Jacob "Chic" Hecht. Mr. Hecht, a clothier, won a Senate term in 1982 in Nevada after the Republicans targeted veteran Howard Cannon, tainted by a bribery scandal. But Mr. Hecht was laughed out of the seat after one term. Senate aides picked him as the least-effective senator. His verbal gaffes—among them: Nevada shouldn't be a "nuclear suppository"—were widely reported.

Now he says that he'll be at home in The Bahamas because "I've been involved in gambling in Nevada, and I've been involved in banking for 25 years. . . . I love golf, and they have a lot of nice golf courses."

In another era and another place, a nice-guy ambassador conducting a little diplomacy on the golf course would be OK. Not now. Florida's Sen. Bob Graham is urging his colleagues to step beyond senatorial courtesy to an ousted comrade and reject this nomination. And well they should.

[From the Orlando Sentinel, July 3, 1989]

KNOW-NOTHING U.S. DIPLOMATS

Sen. Bob Graham is right to protest the nomination of Chic Hecht as U.S. ambassador to the Bahamas.

Not that Mr. Hecht is alone in deserving to be singled out. He has plenty of company in other White House picks for ambassadorships. Indeed, it will be a race to see who commits the first gaffe.

The point is that putting inexperienced people in these top posts does the United States a disservice.

Consider Peter Secchia, whom President Bush has nominated to be ambassador to Italy. He brings a knowledge of lumber which, though honorable, is no boon to diplomacy.

But Mr. Secchia's better-known "talent" seems to be turning profane and sexist phrases, punctuated by crude hand gestures. That qualifies him to cope with Roman traffic, but little more.

Mr. Secchia has promised to clean up his behavior if he's approved, but who wants to risk diplomatic relations on the basis of an unconvincing commitment from a blowhard who once opined, "I saw the new Italian navy. Its boats have glass bottoms so they can see the old Italian navy."

He represents, in short, perpetual potential for embarrassment.

Back in the Bahamas, there's a more pressing reason to have a top-notch ambassador: the battle against drugs.

Clearly, the ambassador needs to be someone familiar with such critical issues, not someone who thinks of the islands in terms of gambling and golf—some of Mr. Hecht's stated interests.

Also, as Mr. Graham says, if the United States appoints an ambassador who's unqualified, "that sends a signal that we're not serious" about fighting drugs.

Mr. Bush has the option to nominate whomever he wishes. After all, the job of ambassador is considered a reward for political support.

But surely there are more impressive resumes among the Republican faithful.

[From the St. Petersburg Times, July 10, 1989]

KEEP HECHT AT HOME

Sen. Bob Graham is absolutely right. Someone who thinks gambling, golf and fishing are the most important things about the Bahamas has no business being the U.S. ambassador there. That's why Graham is trying to defeat the confirmation of former Sen. Chic Hecht of Nevada, on which the Senate will vote Tuesday. Here's wishing Graham luck.

The Congressional Black Caucus has advanced other good reasons for rejecting Hecht. As a Senator, he voted against the Martin Luther King holiday and against strong South African sanctions—hardly the kind of record that would commend him to a nation whose population is 90 percent black.

Ambassadorial portfolios should not be treated as consolation prizes for defeated politicians. Let George Bush find some other reward for Hecht, if he must, but let the Senate insist on an ambassador to the Bahamas who understands that the most important issue on his agenda will be drugs.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. CHAFEE. Mr. President, I rise to say I am delighted to support the nomination of our former colleague Chic Hecht to be the United States Ambassador to The Bahamas.

We all knew Chic Hecht. I had the privilege of knowing him his entire time here in the Senate, and I found him an able, worthy colleague that I greatly enjoyed working with on a variety of issues.

Now, Mr. President, as has been previously cited, this is an important time in the relationship between the United States and The Bahamas. In the past few years our countries have worked closely together in a series of matters, of course, particularly in a strategy to combat the drug trade.

Through its geographic location, The Bahamas is an area that became involved with drug trafficking. Just because the flight routes, the routes that go actually right across The Bahamas, in addition to the abundance of islands that are there that constitute The Bahamas, many unoccupied with small strips that are available for airplanes to land on, thus it became a natural place for drug trafficking to take place.

Our Nation and the Bahamian Government have worked closely together to try to do something about this drug traffic. This cooperation is absolutely vital, Mr. President, to the interests of both countries as we strive to eliminate this illegal drug trafficking from both our landscapes. I am confident that our former colleague, Senator Hecht, will do a fine job in fostering and strengthening this joint effort. I wish him well in his new post, and I support his nomination with enthusiasm. I thank the Chair, and I thank our distinguished leader.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Republican leader has 4 minutes left.

Mr. DOLE. Mr. President, it is a real personal pleasure to urge Senate advice and consent to the nomination of Chic Hecht as Ambassador to The Bahamas.

We all know Chic Hecht well. He served with us in the Senate for 6 years—doing outstanding work on the Banking, Energy, and Intelligence Committees. Among the causes he championed was a strong national defense and a more capable national intelligence community.

Prior to his tenure here, Chic served 8 years in the Nevada State Senate—including performing with distinction in a job I personally know to be one of the toughest around, minority leader. Before entering the political arena, he was a very successful businessman in Las Vegas.

He also happens to be one the nicest and finest men I have come into contact with in this body.

The President has designated Chic Hecht as Ambassador to The Bahamas, and he will do a fine job. The issues he will deal with—narcotics, economic development, trade—are issues on which he has worked, and which he knows well.

Chic Hecht is concerned about drugs—he understands the tragedy and he recognizes the threat. That is one of the reasons why I am confident Chic will get the job done in The Bahamas. When he was in this body, Senator Hecht was actively involved in the push for tougher and tougher measures for drug dealers, the traffickers, and the users.

Oh, he was not a headline hunting Senator. He was not holding press conferences and patting himself on the back. But he was doing what he was supposed to be doing—working hard and making a difference.

I know, because this Senator worked with Senator Hecht. I know the man, and I know what he accomplished in this body. I do not have to rely on someone else's account; some rumor, some wisecrack, or some reporter.

So if anyone has the mistaken notion that Chic Hecht somehow will not be up to the drug challenge, I say take another look—look at the record, not some hatchet job in a newspaper.

I congratulate Chic and his fine family—his wife Gail, and his two children, Lori and Leslie—on the well-deserved honor the President has bestowed on them, and I urge unanimous Senate confirmation of this nomination.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. There is no time remaining on the Republican side, and the Senator from Florida controls 8 minutes.

Mr. GRAHAM. Mr. President, I yield 3 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the President and the distinguished Senator from Florida for yielding.

The question before the Senate, Mr. President, is the confirmation of an Ambassador to an area that has become more and more critically important to the United States as we try and attempt to find out how to reduce the seemingly unfettered export of drugs into this country that are killing our citizens. There is no question, as the Senator from Florida pointed out, that something like 50 to 60 percent of cocaine and marijuana traffic that is entering into the United States is finding its way through the Bahamian Islands. That is an incredible statistic.

Who we appoint as Ambassador is a message to the rest of the world, to the Bahamian Government, to drug traffickers around the world as to how serious we are going to be in trying to stem the flow of drugs coming from that country.

I have absolutely no problem with the President appointing a Republican. Democrats for years in our administration have always generally appointed Democrats. There is no problem with that. I have no problem whatsoever. It is the right of the President. The right of the President also includes the right to appoint a candidate who ran for office who was not successful. I support that right.

The question here, however, is the qualifications of this particular individual to serve this particular assignment in this especially difficult time. We can say that some of the statements by the nominee were not in keeping with what he should say, but I have not seen any report that he has said, "I did not say it," or "I did not mean to say it," or "I was misinterpreted." The facts, as I have read them, clearly indicate that the former Senator, Senator Hecht, said when asked about his qualifications to serve as Ambassador, he was quoted along the lines as saying, "Well, they have nice fishing and I like to fish; they have gambling and I know something about gambling and it is a nice assignment."

Mr. President, in these critical times, the appointment of Ambassador is not a vacation trip. The person who will serve as our Ambassador will be serving on the frontline of the battle in the war against drugs, not on the background of a golf course. I think what we are doing in voting on this ambassadorship is to send a signal to everyone that when it comes to drugs, it is not going to be business as usual. There are going to be different standards. There are going to be higher standards. This person is our representative to the rest of the world and our representative to that country. I simply think we can do better.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I congratulate President Bush on his selection of former Senator Chic Hecht as United States Ambassador to the Commonwealth of The Bahamas, and I am pleased to express my support and vote for his nomination today.

Chic Hecht is qualified for the position of the United States Ambassador to the Commonwealth of The Bahamas. He is an experienced legislator on both the Federal and State levels, serving as our colleague in the U.S. Senate from 1983 to 1989 and as a Nevada State senator from 1966 to 1974. In addition to serving his country in this capacity, he also has been a successful businessman. He was owner and operator of two Las Vegas women's apparel stores, and major owner and director of Nevada State Bank.

Chic Hecht's qualifications extend well beyond these I have mentioned. After receiving his B.S. from St. Louis University in 1949, he served in the United States Army between 1951 and 1953 during the Korean war and was inducted into the Army Intelligence Hall of Fame. He also holds membership in the Junior Chamber of Commerce, the American Legion, the Eagle Scout Society, and the American Bankers Association.

Beyond this background, I came to know Senator Hecht very well during our work together in the Senate for 6 years. He is very able, dedicated, and experienced in government and public affairs. I believe he has much to offer his country and is well qualified for a key position in a country which is very important to the United States.

Mr. President, as discussed extensively in "Drugs, Law Enforcement and Policy," a report prepared by the Senate Foreign Relations Subcommittee on Terrorism, Narcotics and International Operations in December 1988, The Bahamas is a major source for the transit of illegal narcotics. That country's problems of drugs and corruption are endemic and entrenched. The U.S. Department of State also reported in its March 1989 "International Narcotics Control Strategy Report" that "U.S. law enforcement agencies estimate that The Bahamas are a major transit point for a significant portion of cocaine and marijuana entering the United States." The report also found that "the hijacking of narcotics shipments continues and the level of violent crime continues to rise" in The Bahamas.

Nevertheless, on February 28, 1989, the President issued Presidential Determination No. 89-11 on "Certifications for Narcotics Source and Transit Countries." The President certified that The Bahamas and 16 other "major narcotics producing and/or major narcotics transit countries cooperated fully with the United States, or have taken adequate steps on their own, to control narcotics production, trafficking, and money laundering," and thus should receive U.S. foreign aid.

The Presidential determination included a specific statement of explanation for The Bahamas as an appendix. Many Senators, including this Senator, disagreed with the certification and believed that the United States should not provide The Bahamas with foreign assistance moneys until that country does more to fight the war on drugs. On May 10, 1989, the full Senate considered Senate Joint Resolution 100 to disapprove the Presidential certification of The Bahamas. While I supported this joint resolution of disapproval, it failed by a vote of 40-57. Nevertheless, it is clear that many in the Senate concluded that The Bahamas simply is not doing enough to stem the flow of illegal narcotics.

I believe the new United States Ambassador to The Bahamas should take an active role with local government officials to address this serious problem. In addition, the new U.S. Ambassador also should ensure that the foreign assistance provided is effectively used in this effort. Based on my personal knowledge of former Senator Hecht and the duties of our Ambassador to The Bahamas, I believe he is well suited for this position.

I support the nomination of Chic Hecht to this post. If confirmed by the Senate, as I am sure he will be, I have every confidence that he will skillfully perform his duties, and I look forward to working with Chic Hecht to pursue an end to illegal drug trafficking in The Bahamas.

Mr. BIDEN. Mr. President, the United States relationship with The Bahamas as we enter the 1990's is at a crucial stage. It is a stage which cries out for a strong and effective Ambassador.

It cries out for such an ambassador for one simple reason: Drugs, the problem that all of us, and the American people, believe is one of our top national priorities.

The conflict against the drug problem has many fronts—the streets of America, our schools and homes, countries across the Western Hemisphere. Although many Americans may not realize it, one of the most important fronts is The Bahamas, which serves as a large cog in the drug machine.

The Bahamas is so important to the drug trade, in fact, that if we could capture all of the narcotics transiting The Bahamas, we would make a major impact on the problem fast becoming a blight on this country.

The Bahamas serves as one of the major transshipment points for narcotics coming into this country. In 1988, United States law enforcement agencies estimated that 50 to 60 percent of all cocaine and marijuana that entered the United States transited Bahamian territory.

The Bahamas' 700 islands and cays are spread over 100,000 square miles, making it, in the words of the State Department, "an ideal site for air and sea smuggling." In the highly specialized world of the drug trade, The Bahamas plays a crucial role as the stopping-off point for narcotics from South America.

From the standpoint of the United States, the United States-Bahamas relationship hinges on one issue—narcotics. It has occupied center stage of the bilateral agenda for the past few years. The most recent U.S. Ambassador said that she had spent "95 percent of her time" on drug-related activities. It is difficult to overestimate the importance of this issue to the relationship.

In recent years, the United States-Bahamas relationship has frayed because many of us in Congress—including this Senator—have questioned the commitment of The Bahamas to fighting the drug trade. I will not detail what I believe are the shortcomings in the Bahamian effort. They have been discussed many times before, and I am sure will be again.

Although I will concede that The Bahamas has increased its efforts in recent years, I am not convinced that the Bahamian Government is doing everything it can. I am not alone in this view. Just 2 months ago the Senate considered a resolution disapproving the certification that The Bahamas was "fully cooperating" in the drug effort.

Forty Senators voted for that resolution; 40 Members of this body who believe The Bahamas is not doing enough to combat the drug problem. Although we did not succeed in our efforts to decertify The Bahamas, we have succeeded in gaining the attention of the Bahamian Government.

But now that we have their attention, we must continue to hold it. We must continue to work at the highest level to gain even closer cooperation

with The Bahamas. We do this not merely because narcotics are destroying our country, but because they are destroying other countries in the Western Hemisphere as well.

Colombia is, of course, the best example of the devastating effect that drugs can have on the social fabric of a nation. But the problem goes well beyond Colombia, and is undermining governmental institutions in Peru, Bolivia, and elsewhere. Latin leaders are becoming increasingly aware of the threat posed by narcotics to their own countries. Recently, Jamaican Prime Minister Michael Manley called for a multinational strike force to deal with the problem, a stunning statement by a politician who in the past never hesitated to blame the United States for many of the world's ills.

The Bahamas itself is coming under threat of drugs. Although no significant amounts of drugs are cultivated or refined in The Bahamas, cocaine addiction in The Bahamas is rising, and according to the State Department, the rising domestic crime rate appears to be directly linked to increases in addiction.

It is in this context that the nomination of a new ambassador to The Bahamas is crucial. We need an experienced person in this post who will continue to convey to The Bahamas the importance that the United States attaches to the drug problem. Moreover, as cooperation with The Bahamas continues to increase, we will need a strong envoy on hand to closely monitor and coordinate the many facets of this effort.

It would seem obvious that President Bush—who has pledged many times to rid the Nation of the scourge of drugs—would want to send an ambassador who has a strong background in both narcotics and the Caribbean.

I am thus disappointed by the President's nomination of someone who does not possess these qualities. In my view, this choice makes us look just a bit hyprocritical. Because for all these years we have lectured and pushed and prodded the Bahamians—as well as other nations—to increase their efforts against the drug trade. And when the President chooses a political appointee without the necessary experience and background, it sends a terrible signal to The Bahamas, and undermines our efforts to convince the Bahamians that we mean business.

So I will oppose this nomination. I do so reluctantly, because I served in this body with Chic Hecht, and I have great respect for him. But I do so in the belief that this nomination is ill-advised and may well do harm to our continuing struggle against the drug trade.

I also do so with no illusions that his nomination will be defeated. I hope Senator Hecht will fully understand my strong concerns about the importance of waging the drug fight in The Bahamas, and I urge him to act quickly to gain a strong understanding of the narcotics issue so that he can be an effective Ambassador.

Mr. ARMSTRONG. Mr. President, Senator Chic Hecht is the right man to be the United States' next Ambassador to The Bahamas. His unique qualifications ensure he will successfully handle one of America's most important diplomatic posts.

Much of America's future is tied to The Bahamas. Many in the United States think of this beautiful island group only as one of America's key vacation spots. But the stepped-up war on drugs prove it to be much more important than that.

In the last 10 years, The Bahamas has become one of the key points through which drug shipments enter the United States. With more than 700 islands dispersed across an area slightly larger than New Jersey and Connecticut combined, The Bahamas is an easy haven for drug traffickers. Most drug shipments entering the United States originate somewhere in South America, are flown by private plane to a small, desolate Caribbean island where they are then loaded onto another small plane and airlifted into the United States.

These small Caribbean islands, where drugs can be temporarily stored or directly transferred to waiting aircraft, are the real choke points in the war on drugs. Longer routes or direct flights from the South American mainland require much larger aircraft, which are much more easily tracked and monitored by American antidrug authorities. Shutting down these island shelters as waypoints for drug traffickers will go a long way toward insuring the success of U.S. antidrug efforts.

Without a qualified Ambassador in Nassau to act as America's spokesman, our efforts to end drug traffickings through The Bahamas could suffer severe setbacks. Chic Hecht has the right qualifications to bring our efforts to fruition.

First and foremost, an Ambassador to The Bahamas who will effectively represent the President and America's "War On Drugs" must have full support of the President and the Secretary of State. In addition to that, he must be someone whose opinion they respect, whose personal identification with the President's objectives is well-known and whose knowledge of the inner workings of American Government is extensive. Chic Hecht is a man whose clear identification with President Bush and his objectives is beyond question.

For the past 6 years, Chic worked along with George Bush and Jim Baker and many of us here in the Congress to restore America to the position of greatness she once enjoyed. His efforts, joined with those of many of us, have paid off. In 1979, the world did not listen when America spoke. Today, the world listens. The part Chic played in the restoration of American greatness has earned him the trust and respect of the President, the Secretary of State and many of us here in Congress. When Chic Hecht relays his thoughts and concerns about the situation in The Bahamas, you can be certain Jim Baker and George Bush will listen.

Second, for an Ambassador to be effective in aiding U.S. antidrug efforts in this small but labyrinthine commonwealth, he must be intimately acquainted with the U.S. intelligence community. It is through our intelligence collection sources that the Drug Enforcement Agency, the Coast Guard, and the Defense Department are able to interdict drug traffickers before they cross our borders. The increasing sophistication of the world's drug network requires that we use increasingly sophisticated intelligence collection. Chic Hecht has some of the best credentials of any American to operate in an environment highly dependent on U.S. intelligence capabilities.

Senator Hecht was a special agent in the U.S. Army Intelligence Corps from 1951 to 1953. He served on the Senate's Select Committee on Intelligence from 1985 to 1988, and he is a member of the National Counter Intelligence Corps and the National Military Intelligence Association. Few Americans with Senator Hecht's political and government experience can boast such a record of intimate involvement with the intelligence community.

Third, a U.S. Ambassador to the Commonwealth of The Bahamas who will effectively advance U.S. interests must be an experienced statesman. We have seen recently the imbroglio created in the Republic of Panama when the involvement of General Noriega in drug-running activities came to light, and the difficult role required of the President's representative in that nation. Chic Hecht is an experienced politician and an able statesman. His 8 years in the Nevada Senate, his experience as the Nevada Senate minority leader, and his term in the U.S. Senate have given him the knack for dealing effectively with very difficult, highly-charged situations.

In my judgment, Senator Chic Hecht was a wise selection by President Bush. As our Ambassador to the Bahamas, he will effectively represent United States Foreign Policy and help clamp down on drug trafficking in this corner of the world. In the areas most essential to success as the United States Ambassador to the Bahamas, Senator Chic Hecht is an exceptionally qualified choice. He is the man that the President believes will best lead

the charge for America in the Bahamas—and the facts show the President is right.

Mr. KOHL. Mr. President, on May 10 of this year, I voted for S. 100, a bill which would have found that the Bahamas had not fully cooperated in efforts to reduce drug trafficing in that country. Thirty-nine other Senators joined me in supporting that indictment of the Bahamas. Even those who opposed our position conceded that the Bahamas are a major stop in the drug trade. They also agreed that the Bahamas could do a great deal more to deal with the problem. They claimed then that the best way to get more from the Bahamas was to continue to give them funds as part of a sophisticated diplomatic version of the old "carrot and stick" ploy.

To the extent that the majority was right back in May, then there ought to be a majority in opposition to this nomination in July.

I did not serve with Chic Hecht and did not know him. Some might say that puts me at a disadvantage in evaluating the nomination. To the contrary, I believe that it allows me to objectively measure the nomination on the basis of the record before us. On the basis of that record, I can clearly conclude that our former colleague is an outstanding individual who certainly deserves a responsible position in the administration. It just ought not be this position. There is nothing in his record—as substantial as it is—which suggests that he has the experience or the skill or the background to deal with the demands of this position. We are not sending someone to the Bahamas to deal with golf and gambling; we are sending someone down there to deal with the No. 1 menace in our society—drugs.

Mr. President, if we are serious about dealing with the drug problem, if we are serious about putting pressure on the Bahamas, if we are serious about the messages we send our constituents about our war on drugs—then we ought to send the most qualified candidate available to the Bahamas as our Ambassador. Former Senator Hecht may have been an outstanding intelligence officer and an outstanding member of this body, but he is not the most qualified candidate available to be our Ambassador to the Bahamas. While there are many posts I believe former Senator Hecht could fill admirably, this is not one of them. I can not give my consent to his confirmation to this post.

Mr. BOND. Mr. President, I am pleased today to join my colleagues in supporting the nomination of Senator Chic Hecht to be our Ambassador to the Bahamas.

The President made an excellent choice when he named Senator Hecht to this position. His past experiences—both in and out of government—will serve him well as he takes on this new challenge.

Chic has solid experience in foreign affairs stretching back over more than three decades. He first served his country as an Army intelligence officer behind the Iron Curtain. More recently, during his term in the Senate, he served as a member of the Select Committee on Intelligence.

For 2 years, I had the pleasure of serving with Chic on the Senate Banking Committee. During that time the committee dealt with many issues that are important in our relationship with the Bahamas, most notably money laundering. This experience will serve him well as he faces one of the stickiest issues between our two countries. In addition, his service as director of the Nevada State bank will provide him with further background on these issues.

Chic's qualifications go beyond his knowledge of banking and financial issues. His extensive experience as a businessman will make it easy for him to deal with the important business community in Nassau, and his many years as a legislator will equip him well for his dealings with government officials.

Mr. President, Chic Hecht is a man of strong convictions. He demonstrated that often during his votes on this floor. He always voted his conscience, and he often paid the political price for those votes. The United States certainly will benefit from once again having the service of a man with his resolve.

During his service in the Senate, most of us had the opportunity to work closely with Chic, to spend time with him, and to discover what a warm and caring person he is. Although I served with Chic for only 2 years, because he was born and raised in Missouri, I have known and worked with his family for decades and I know that Chic comes from a family that represents the best that Missouri and this country have to offer.

Mr. NICKLES. Mr. President, I rise to strongly support the nomination of my good friend and former colleague, Chic Hecht, as Ambassador to the Bahamas.

I had the privilege of serving in the Senate with Chic for 6 years as well as working with him on the Energy and Natural Resources Committee. From my personal association with Senator Hecht, I can unequivocably say that he is a bright, dedicated hardworking individual who takes very seriously his duty of serving the public.

Our next Ambassador will be faced with some very tough issues of extreme importance to the well-being of the American people. The Bahamas has long been a transshipment point for the flow of illegal drugs into the United States. The United States Government has been working with the Bahamian Government for a number of years to encourage them to step up their efforts to combat this flow of drugs. We have had some successes and the Bahamians have worked closely with United States law enforcement personnel.

However, our next Ambassador will face some tough issues such as extradition of drug traffickers and increasing the level of cooperation between United States and Bahamian antidrug forces. Because of the importance of these issues and the need to stop the flow of drugs through the Bahamas we need somebody of Chic Hecht's ability and dedication to public service.

Senator Hecht has a distinguished military record, has been a leader in the business community in Nevada, and has been a leader in the political community in Nevada. In short, Chic Hecht has succeeded in every endeavor he has undertaken and I am very confident that as the President's choice for this important post he will represent the United States in a highly professional and successful manner.

Mr. WALLOP. Mr. President, I am extremely happy and proud to rise today and speak strongly in favor of the nomination of our former colleague, Senator Chic Hecht of Nevada, to be the next Ambassador to the Bahamas.

During his service in the Senate, Chic Hecht and I became close and warm friends. It is partly for that reason that I feel so comfortable in supporting his nomination; I think it is a splendid choice.

Nevertheless, it is more important that we, his friends, stress Chic's distinguished career in both the private and the public sector. Chic Hecht has been an extremely successful businessman, owning and managing his own clothing store in Las Vegas as well as owning and directing a large bank. His business experience also includes his partnership in a hotel franchise in Arizona.

Chic Hecht's political career includes his election to the Nevada State Senate where he served from 1967-75. His service in the State Senate was highlighted by a stint as minority leader. Chic Hecht also was a chief political operative for Ronald Reagan in various Presidential campaigns, including: South Nevada chairman of Reagan for President in 1976, and Nevada deputy director of Reagan for President in 1980.

Obviously, emphasis should be placed on his valuable service in the U.S. Senate. He served on the Committee on Banking, Housing, and Urban Affairs and on the Senate Select Committee on Intelligence—both of which have jurisdiction over areas significant to our relations with The Bahamas.

Chic's experience on the Banking Committee and his previous extensive background in the banking profession more than adequately prepare him to handle the difficult task of combating the use of Bahamian banks for illicit purposes. I am confident Chic will deal skillfully and forcefully with those financial institutions in The Bahamas assisting the international drug trade through money laundering.

Similarly, Chic's vast background in intelligence matters makes him uniquely qualified to serve in a post with national security concerns. In addition to his service on the Senate's intelligence panel, Chic's Korean war-era military service consisted of work in Berlin for the United States Army Intelligence Corps. Evidence of Chic's interest in and dedication to this field of endeavor includes his membership in the National Counterintelligence Corps and the National Military Intelligence Association. Chic was also recently inducted into the Army Intelligence Hall of Fame.

Mr. President, some individuals have chosen to denigrate Chic Hecht in a manner that I find unfortunate, unfair, and unjustified. It appears that in the minds of some, he is not eloquent enough, not strident enough, not sufficiently inside the beltway, so to speak. I submit that these qualities are what made Chic Hecht a breath of fresh air in this Chamber; what made Chic Hecht a pleasure to work with; and what I miss the most by his absence.

Conversely, Chic possesses and embodies precisely those qualities I sometimes find most lacking in political Washington today: Honesty, sincerity, modesty, decency, self-deprecation, unpretentiousness, and principle. In the Senate Chic Hecht represented what many inside the beltway types hold in contempt: A dedication to his conservative principles and the courage to defend them in the face of political adversity. Combine this with Chic's demonstrated love for this country and his proven loyalty to her, and I think you have the ingredients of an ambassador who will ably, adeptly, and successfully represent his President and his Nation in a delicate and difficult position.

Mr. President, to conclude, once again I wish to announce my unqualified support for Chic Hecht's nomination to be Ambassador to The Bahamas. I trust the Senate will overwhelmingly approve the President's choice.

Mr. LOTT. Mr. President, I rise in support of the nomination of Senator Chic Hecht to the post of Ambassador to the Commonwealth of The Bahamas. Although I did not have the fortune to serve with him in the Senate, I have worked with and respect Chic Hecht.

The Commonwealth of The Bahamas possess unique challenges and assets that our next United States Ambassador must be equipped to deal with. Senator Hecht is so equipped. He is an experienced and dedicated public servant who has served his country with distinction for over two decades. He is also a successful businessman and a veteran of foreign wars.

Among the greatest challenges in The Bahamas is the ongoing fight to cut the flow of drugs to the United States. On March 1, 1989, under terms of the Anti-Drug Abuse Act of 1986, President Bush certified that The Bahamas was cooperating with the United States in the war on drugs. While I have doubts as to the extent and success of that cooperation to date, our next Ambassador must be capable of continuing the cooperative effort with the Commonwealth of The Bahamas. I believe Senator Hecht is well qualified for this task. As an Army intelligence officer from 1951 through 1953, he worked undercover in Berlin, earning a spot in the Army Intelligence Hall of Fame, an honor that only 87 other men have ever been given. Furthermore, he served for 4 years on the Senate Select Committee on Intelligence.

The Bahamas are heavily reliant on the tourism industry. Senator Hecht was an elected official for 22 years in a State which also relies on the tourism industry. In addition to his public service, he acquired personal business experience in the hotel industry as an owner and operator from 1977 to 1982.

Senator Hecht's unique blend of public and private sector experience and expertise in the areas that most affect the Commonwealth of The Bahamas make him uniquely qualified for this post.

For these reasons, the Senate Committee on Foreign Relations gave Senator Hecht their unanimous support, and reported to the Senate that he would be "an excellent candidate for the United States Ambassador to the Commonwealth of The Bahamas." I would like to add my support to their recommendation.

Mr. BURNS. Mr. President, I rise today in support of the President's Ambassador-designate to The Bahamas, Senator Chic Hecht.

Although I did not have the pleasure of working with Senator Hecht during his time in the Senate, I have done some research on my own and come to the conclusion that he is more than qualified to assume the duties of Ambassador to The Bahamas.

Many of the diplomatic skills required of an ambassador are very similar to those required of a U.S. Senator. We all know that the nature of this business involves diplomacy and perfecting the delicate art of compromise while understanding a wide variety of issues and being prepared to act on them. Many of the toughest issues the Senate dealt with over the last several years were in the areas of foreign policy, law enforcement, and drug-related problems. These are obviously some of the most important issues that effect The Bahamas as well as the United States.

Just by the virtue of being in the Senate, Senator Hecht has developed skills in these areas. In fact, just last year the Senate passed the omnibus drug bill of 1988 which focused on U.S. efforts against drugs in this country, including strict law enforcement penalties for the drug dealer as well as the drug user. The 1988 bill also emphasized drug interdiction and U.S. policies for dealing with drug producing and exporting countries. Senator Hecht was a strong supporter of this legislation, thus maintaining his image as one of the most aggressive Senators on drug matters ever to serve in this body.

During his Senate term Senator Hecht consistently supported tough law-and-order judges, stricter sentencing guidelines, including the death penalty, and the use of all of the Government's resources to fight the war on drugs. Senator Hecht's voting record on drug matters clearly illustrates his understanding of the seriousness of the drug problems in this world.

In addition to his experience as a Senator, Chic Hecht served as a military intelligence agent in the U.S. Army Intelligence Corps and worked behind the Iron Curtain. His service there earned him the honor of being placed in the Army Intelligence Hall of Fame. Senator Hecht maintained his interest and knowledge of intelligence matters by serving as a member of the Senate Intelligence Committee during his tenure in the Senate.

I have heard some say that Chic Hecht was one of the most knowledgeable Senators on matters of intelligence during his time here—that knowledge and experience is a credit and a qualification for dealing with drug matters. He understands how an undercover, underground person's mind works, which is essentially how a drug dealer operates.

We should not forget Hecht's years as a successful businessman. He knows what it takes to meet a payroll and stay within a budget. His years in the banking industry will be invaluable. He spent years practicing good management techniques, relying on hard work, sheer determination, and the art of negotiation to succeed in this field.

There is no question in my mind that Senator Hecht is qualified to be our next Ambassador to The Bahamas. There is also no question that he will do a great job.

Mr. GRASSLEY. Mr. President, I want to lend my strong support to the

nomination of our former colleague, Chic Hecht, to be our Ambassador to the Commonwealth of The Bahamas.

Senator Hecht has served his State and country with distinction as an Army intelligence special agent, a Nevada State Senator, and a U.S. Senator. Senator Hecht served on both the Senate Banking and Intelligence Committees, gaining invaluable insight into the illegal manipulation of financial and business institutions by illicit criminal enterprises.

The Commonwealth of The Bahamas represents a challenge to the United States as we struggle through our war on drug-related criminal enterprises that we, unfortunately, seem to be losing. The Bahamas is a focal point in this drug war, since the island nation has the misfortune to be located in the midst of major drug transportation lanes leading to the United States.

Recently, the issue of illegal drug activity and its connection with The Bahamas was debated on the Senate floor. In a very close vote, a resolution to decertify The Bahamas failed to pass. However, the vote signifies that a large group of Senators are not satisfied with past Bahamian efforts to help put an end to the drug trade. For instance, in looking at Bahamian arrest and conviction records, it is clear that although arrests and convictions may have been made, there were very few long-term jail sentences carried out. Most sentences in Bahamian drug cases have, unfortunately, amounted to slaps on the wrist that have no real deterrent value.

However, it is my hope that the future situation will improve. This is precisely why we need an ambassador that not only understands the problems, but has a close working relationship with Congress and has inside knowledge of how the Government bureaucracies work—or do not work, as is often the case.

Chic Hecht has the experience, knowledge, and ability that will be necessary in prosecuting an effective policy against the drug lords and their businesses operating in and around The Bahamas. I look forward to working with Ambassador Hecht and the Government of the Commonwealth of The Bahamas as we encourage stronger international relations and stronger mutual efforts to win the war on drugs.

Mr. GARN. Mr. President, I rise today to support the nomination of former Senator Chic Hecht to be the United States Ambassador to the Commonwealth of The Bahamas. I believe that my former colleague will serve President Bush and the interests of the United States admirably.

The Commonwealth of The Bahamas and the United States have a strong friendship, but the relationship is not without challenges. Senator Hecht has the necessary skills to deal with the problems of our relations, including the drug interdiction struggle and the issues of immigration. He dealt with similar issues while representing the State of Nevada. As a Senator from a neighboring State, I had the opportunity to work with Senator Hecht on difficult issues involving Western States interests. he was consistently forthright and honorable in his dealings.

I had the pleasure to serve with Senator Hecht on two committees. First, on the Senate's Select Committee on Intelligence, where he brought to bear his experience as an intelligence officer in the Eastern bloc. Second, I worked closely with him on the Senate Banking, Housing, and Urban Affairs Committee. Chic served as chairman of the Housing Subcommittee of the Banking Committee in the 99th Congress, while I was chairman of the full committee. I witnessed Senator Hecht's willingness to work hard for initiatives he believed in and his courage to voice opposition when he disagreed with positions of the administration or the committee. These qualities will benefit the interests of the United States while he serves in The Bahamas.

Senator Hecht is an uncommon man who was not overwhelmed by the trappings of being a Senator. Chic did not lose his sense of decency in the atmosphere of Washington, DC. His affable demeanor will reflect well upon the United States and people will find Chic a pleasure to work with.

Again, I am happy to support Senator Hecht's nomination.

Mr. BOND. Mr. President, I am pleased today to join my colleagues in supporting the nomination of Senator Chic Hecht to be our Ambassador to The Bahamas.

The President made an excellent choice when he named Senator Hecht to this position. His past experiences—both in and out of government—will serve him well as he takes on this new challenge.

Chic has solid experience in foreign affairs stretching back over more than three decades. He first served his country as an Army intelligence officer behind the Iron Curtain. More recently, during his term in the Senate, he served as a member of the Select Committee on Intelligence.

For 2 years, I had the pleasure of serving with Chic on the Senate Banking Committee. During that time the committee dealt with many issues that are important in our relationship with The Bahamas, most notably money laundering. This experience will serve him well as he faces one of the stickiest issues between our two countries. In addition, his service as director of the Nevada State Bank will provide him with further background on these issues.

Chic's qualifications go beyond his knowledge of banking and financial issues. His extensive experience as a businessman will make it easy for him to deal with the important business community in Nassau, and his many years as a legislator will equip him well for his dealings with government officials.

Mr. President, Chic Hecht is a man of strong convictions. he demonstrated that often during his votes on this floor. He always voted his conscience, and he often paid the political price for those votes. The United States certainly will benefit from once again having the service of a man with his resolve.

During his service in the Senate, most of us had the opportunity to work closely with Chic, to spend time with him, and to discover what a warm and caring person he is. Although I served with Chic for only 2 years, because he was born and raised in Missouri, I have known and worked with his family for decades and I know that Chic comes from a family that represents the best that Missouri and this country have to offer.

● Mr. BOSCHWITZ. Mr. President, I must tell you that I am dumbstruck that we are spending valuable Senate time debating the nomination of our former colleague, Chic Hecht, to be Ambassador to The Bahamas.

Aside from the obvious—that, barring some clearly disqualifying evidence—the President should have the right to name his team, Chic is well known to most of us as conscientious, hard working, and warm-hearted. If he was your friend, he would do all he could for you—a rather rare commodity in this town. Chic represented his State ably for 6 years in this body. Those who served with him can well recall how hard he fought for the interests of his State. He was dogged in their pursuit.

Do any of us really doubt Chic's ability to carry out the responsibilities of being our Ambassador to The Bahamas? Chic has ample qualifications to serve our country in this post. He has a broad international background, developed both through his private business activities, which require extensive travel, and his service in the Senate.

As a Senator, Chic sat on the Select Committee on Intelligence. This gave him unique insight and information into many of the same issues which he would have to deal with as Ambassador. Among these are the drug trade, international money laundering, and international cooperation in stopping the flow of drugs.

Chic took his assignment on the committee with extraordinary seriousness. Unique among his colleagues, Chic would, nearly every weekend, travel to a different CIA post around the world. Chic wanted to see first

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

hand how CIA functioned in the field, what successes it was having, what changes could be made to make its operations more effective. This was a truly selfless use of his time which made his work on the committee all the more effective.

As a result, Chic was inducted him into the Intelligence Hall of Fame—an honor which he richly deserved.

Mr. President, the partisan wrangling that the Senate has engaged in this session is really unprecedented during my more than 10 years of experience in this body. The President has repeatedly offered his hand to work with us and has graciously forgotten or forgiven the reception he has received in return. Yet, here we go again, and I fear, not necessarily for the last time.

Yes, I know that there are some here who say the Senate is just exercising its legitimate right of advice and consent. It seems to me, however, that what is really going on here is nothing more than political gamesmanship for short-term partisan advantage largely unrelated to policy considerations. We began this with the Tower nomination and we continue it today.

Well, I believe this nonsense has to stop, and it should stop here or we may find ourselves so mired that we lose our ability to do what we were really sent here to do—the Nation's affairs. I suggest, Mr. President, that we quickly confirm Senator Hecht and get on to more pressing business.●

Mr. MURKOWSKI. Mr. President, I rise today with pride to speak in support of my friend and former colleague Chic Hecht to be the United States Ambassador to The Bahamas.

Mr. President, I worked beside Chic Hecht for 6 years in the Senate on both the Intelligence and Energy and Natural Resources Committees. In all those years, Chic consistently proved himself to be a valued colleague and a trusted friend. I am encouraged to know that these qualities will now be devoted to the task representing the United States in The Bahamas.

The challenge that the President has asked Chic to assume is not an easy one. The Bahamas is a small country, but it is strategically located for drug traffickers seeking to transport their lethal product to the United States. Despite the magnitude of this challenge, however, I am confident that Chic Hecht will meet this problem with the same commitment and tenacity that characterized his tenure in the Senate. I wish him success as our Ambassador to The Bahamas.

Mr. SIMPSON. Mr. President, I have worked with Chic Hecht, legislated with him, and come to know him quite well during the time we both served in the Senate. I so enjoyed the opportunity of sharing time with him and legislating with him. I also had the pleasant experience of traveling with him on one occasion. I thoroughly enjoyed that, too.

During his time in the Senate, I learned to appreciate his warmth, sincerity and good humor.

His background in the intelligence community will serve him well at this post. I wish Chic and his fine wife, Gail, the very best. They will represent our country well. We expect much of him. He will deliver.

Mr. GRAHAM. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. GRAHAM. I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Chic Hecht, of Nevada, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Commonwealth of The Bahamas? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Utah [Mr. HATCH] are necessarily absent.

The PRESIDING OFFICER (Mr. LAUTENBERG). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 78, nays 19, as follows:

[Rollcall Vote No. 105 Ex.]

YEAS—78

Armstrong	Gore	Metzenbaum
Baucus	Gorton	Moynihan
Bentsen	Gramm	Murkowski
Bingaman	Grassley	Nickles
Bond	Hatfield	Nunn
Boren	Heflin	Packwood
Bryan	Heinz	Pell
Bumpers	Helms	Pressler
Burdick	Hollings	Pryor
Burns	Humphrey	Reid
Byrd	Inouye	Riegle
Chafee	Jeffords	Robb
Coats	Johnston	Roth
Cochran	Kassebaum	Rudman
Cohen	Kasten	Sanford
Conrad	Kennedy	Sasser
D'Amato	Kerrey	Shelby
Danforth	Kerry	Simon
Dixon	Levin	Simpson
Dodd	Lieberman	Specter
Dole	Lott	Stevens
Domenici	Lugar	Symms
Durenberger	Mack	Thurmond
Exon	McCain	Wallop
Garn	McClure	Warner
Glenn	McConnell	Wilson

NAYS—19

Adams	Ford	Mikulski
Biden	Fowler	Mitchell
Bradley	Graham	Rockefeller
Breaux	Harkin	Sarbanes
Cranston	Kohl	Wirth
Daschle	Lautenberg	
DeConcini	Leahy	

NOT VOTING—3

Boschwitz Hatch Matsunaga

So the nomination was confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

THE IMMIGRATION ACT OF 1989

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina [Mr. HELMS] is recognized to offer a substitute amendment with time limited to 1 hour equally divided and controlled by the Senator from North Carolina and the Senator from Massachusetts.

The majority leader.

Mr. MITCHELL. Mr. President, the Senator from North Carolina is entitled to be heard. I see he is here. May I ask that there be order in the Senate.

The PRESIDING OFFICER. The Senate must be in order. Conversation in the Chamber must cease.

The majority leader.

Mr. MITCHELL. Mr. President, for the information of Senators, this was the last rollcall vote today. The next rollcall vote will be at 11:30 tomorrow morning on the amendment now to be offered by the Senator from North Carolina. There will be a half-hour debate tonight. A half-hour debate from 11 to 11:30 tomorrow morning. Then it is my hope and intention that we complete action on this bill tomorrow. Senators should be aware that there will be rollcall votes throughout the day tomorrow but we do intend to complete action on this bill on tomorrow.

I thank Senators for their attention and I yield to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 240

(Purpose: To amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and for other purposes)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 240.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, immigration is a particularly important issue in America because we are a nation of immigrants. This country has always had a very generous immigration policy. A lot of people do not know this, but we accept more immigrants each year than all the other countries combined, and I am proud of that fact.

Mr. President, Senator KENNEDY and Senator SIMPSON have provided commendable leadership over the years on the immigration issue. Last year, they introduced a comprehensive bill to reform legal immigration. Many of the provisions of the 1988 Kennedy-Simpson bill appealed to me: It provided a national level, it limited entrance under the fifth preference to brothers and sisters who have never been married, and created a new category for new seed immigrants.

The 1988 bill was viewed as a consensus position on legal immigration reform. However, the consensus position was thrown out of kilter by a compromise made last month with Senator SIMON. So in this Senator's judgment, and I say this with all due respect, the Kennedy-Simpson-Simon compromise is a step backward from the 1988 consensus position. It drops the limited definition of the fifth preference from the 1988 Kennedy-Simpson bill and increases the national level to 600,000. The compromise increases family immigrant visas by 44,000 while doing nothing for business immigrants.

I have offered a compromise substitute amendment to restore the 1988 consensus position, that at the same time, addresses the needs of our Nation and the business community.

Mr. President, my amendment is a compromise amendment—it does not go as far as I would like, but on the whole I think we accomplish several worthy objectives. Let me briefly summarize the major points.

First, we limit the definition of the fifth preference without reducing the number of fifth preference visas. Frankly, I would have preferred to eliminate the fifth. Second, we increase the employer-sponsored visas without increasing the overall national level.

Let me say parenthetically that my amendment incorporates the Dole-Mitchell amendment regarding Chinese students that has just been passed by the Senate.

Third, we retain Congress' power to set immigration policy instead of allowing the President to usurp that authority. The current bill allows for an automatic increase in the national level upon the President's recommendation. My amendment deletes that automatic mechanism. Fourth, we retain the points for English language that were included in the point system in the original version of the bill. Finally, we keep the national level of 600,000 per the Kennedy-Simpson-Simon bill. I happen to think that 600,000 is too high. The polls show that the American people do not want an increase of 105,000 in the level of immigration. That is why in the bill I introduced on June 21, I set the national level at 550,000.

Mr. President, as I stated, my amendment keeps a limited definition of the fifth preference. The fifth preference presently allows a citizen to bring in his brothers, his sisters, his brothers-in-law, his sisters-in-law, his nieces and his nephews. Obviously, this causes a chain migration problem; a citizen can bring in his brother-in-law who, once he becomes a citizen, can bring in his brother-in-law and his family. One famous example is the man in New York who brought in 64 relatives under the fifth preference category.

My amendment simply limits the fifth to allow a citizen to bring in those brothers and sisters who have never been married. This is exactly the same definition set forth in the Kennedy-Simpson bill which passed 88 to 4 last year. However, in the spirit of compromise, my amendment does not reduce the number of fifth preference visas for the first 3 years, and only slightly reduces the numbers thereafter. A limited definition will eventually reduce demand and shorten waiting periods for fifth preference visas.

Mr. President, almost everyone agrees that something must be done to deal with the fifth preference. On one occasion this Senate passed a bill to eliminate completely the fifth preference and quite frankly I would prefer that approach. Since I try to stay within the framework of the 1988 Kennedy-Simpson bill, I stick with merely a limited definition of the fifth preference. Furthermore, a limited definition overwhelmingly passed the Senate in 1983 and in 1988.

These measures passed because Senators realized that we must set priorities. As Senators KENNEDY and SIMPSON have stated on several occasions, we should give priority to those immigrants who are the closest family members to American citizens. I agree, for example, that spouses and children of permanent residents should be given priority over brothers-in-law. That is why my bill keeps a limited definition of the fifth preference and doubles the number of second preference visas.

Another reason to limit the fifth preference is because there are tremendous backlogs of immigrants in this category. Over 1.5 million people are waiting for their number to come up. This causes long delays—up to 20 years in some cases—and fosters illegal immigration. As Senator KENNEDY correctly states, this creates "an illusory and false hope of family reunification."

Mr. President, we do not need an immigration policy that creates false hope.

The second major aspect of my amendment addresses the business visas.

Mr. President, I agree with Senators KENNEDY and SIMPSON that we must strive for an immigration policy that is based on "the needs of the country." A recent Department of Labor study entitled "Workforce 2000" made a detailed assessment of what our labor needs will be over the next two decades. The report concluded that we will experience a shortage in skilled workers and that we need policies that facilitate the immigration of skilled workers.

My amendment addresses the needs of our country by increasing employer-sponsored visas—third and sixth preferences—by 37,200, without increasing the overall national level and without reducing the number of fifth preference visas. Other amendments may be offered to increase the number of employer-sponsored visas, but they also increase the overall national level. The primary sponsors of the bill have indicated they will oppose any effort to increase the overall national level.

The third preference allows an employer to bring in professionals who are in short supply, or people with exceptional abilities. Under the sixth preference, an employer can bring in skilled workers who are in short supply. The underlying bill made a new requirement; third preference immigrants would have to have an advanced degree. This is unnecessary, so my amendment drops that additional requirement.

Mr. President, I think we need a policy that encourages people with skills and exceptional abilities to come to our country. Unfortunately, our present system discourages them from immigrating because there is a 1- to 3-year wait to get a third or sixth preference visa.

As a result, American companies have difficulty recruiting highly skilled workers who have crucial knowledge of international markets and pioneer research. If there is a shortage of skilled workers in a particular profession, the business loses the competitive edge waiting 3 years to bring in someone to fill the slot.

The additional numbers for employer-sponsored visas in my bill will help reduce the delays for immigrants with skills or exceptional ability. This will allow businesses to find enough skilled workers and thereby maintain a competitive position in international markets.

Mr. President, skill-based, employer-sponsored visas only account for a small percentage of the overall number of visas. Only 10 percent are skill-based, whereas 90 percent are based on family connections.

In case there is any doubt, there are several safeguards that ensure American jobs will not be displaced by these increases. For example, before a person can be admitted under a third or sixth preference visa, the Department of Labor must determine that there is a labor shortage in the particular field and that the business cannot find an American skilled worker to fill the slot. In the alternative, under the third preference, they must determine that the potential immigrant is a member of a profession with "exceptional abilities."

Mr. President, as we debate the issue of legal immigration, we must keep one fundamental concept in mind—for America to remain a great country, we must have an immigration policy based on the needs of our country and focused on what is in the best interest of the Nation as a whole.

I urge Senators to support my amendment when the vote occurs tomorrow morning.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

Mr. President, I congratulate and commend my friend from North Carolina for the points he has raised this evening and the support he has given to many of the provisions which we have included in our proposal—the compromise bill worked out between the Senator from Wyoming and myself.

He has touched on a number of proposals which we have debated at different times. But when we look back over the debate of just last year—where the vote was 88 to 4—the good Senator from North Carolina had sufficient objections to that proposal to be one of the four to vote against it. Yet much of that bill has been included in his substitute amendment. The fact that this evening he would support most of the provisions of our bill of last year, demonstrates a remarkable coming together of those of us who have supported the immigration reforms included in the Kennedy-Simpson bill—a number of which the Senator from North Carolina has included in his amendment.

So I do want to acknowledge at the outset that we have, with his support, and with his substitute, we have come a long way from the kinds of concerns he had at another time when he voted as one of four Senators in opposition to the legislation.

The Senator has mentioned a number of different areas in which we find agreement and some in which we have differences. I think, quite frankly, he has explained some of the reasons why he supports one approach and we support another. But let me just review very briefly the advantages I think are included in the proposal which Senator SIMPSON and I have placed before the Senate.

First of all, we set in motion a procedure which requires this body to revisit the issue of immigration 3 years from now. We have recognized that even when we required studies, for example, in the 1965 act, when we had the Western Hemisphere Commission that was to make recommendations, after they made the recommendations, that was it—no longer was there a possibility the Senate would revisit these issues.

So we require a review under expedited parliamentary procedures, so the country, the Senate, and the House are going to have to focus on these issues if there are inequities, and if there is unfairness. We are going to have to revisit it. An administration is going to have to take a position. I think that is important.

His proposal recommends some study but does not, I think, put any teeth into it with the kind of procedures I think are of such great importance.

The Senator rightly points out that we gave priority to members of families who are the closest members of the family, children rather than older members of the larger nuclear family. I think a strong case can be made for that. But quite frankly, in conversations with those groups which are most affected by that particular provision, I have been convinced that their position about the support for the larger nuclear family was sufficiently persuasive that we made adjustment on that point in restoring fifth preference.

The Senator points out the need for greater skills. We have taken steps as the Senator has pointed out even in the third preference where we require greater skills. To quote: "Visas shall be made available next and in a number not to exceed 23 percent of the worldwide level to qualified immigrants who are members of professions holding advanced degrees," but then we also point out "or because of their exceptional ability" in the sciences, arts, and business will substantially benefit prospectively the national economy, cultural or educational interests, or welfare of the United States, and whose services in the sciences, arts, professions, or business are supported by an employer. It is pretty broad.

We tried to provide some greater direction in the third preference in terms of skills. Again he mentions the importance of skills. We tried to address that. We also addressed it in the sixth preference where we have given a greater preference for skills, and I reference the legislation on page 93 that spells that out. And also in the independent category we provide points for skills.

So the Senator points out the greater number, and the greater need for skills. We made important progress, I think, in that area, but not as far as the Senator from North Carolina would like to go.

The principal concern that I have with this proposal is the cutback in the fifth preference. I have described it as illusory. The Senator was correct in that, because I think it is unfortunate to create a false sense of expectation that people may be eligible to get in when the waiting time may be in some instances many years.

I think it would be more realistic quite frankly if we followed what has been adopted in other countries where if they are not going to get in in 3, 4 years—a couple of countries have 2 years—we basically purge the list and start over again. But we have not had the hearings on that type of proposal. And it seems to me that until we are able to give that more adequate consideration it is not wise to cut back on the fifth preference and reallocate those visas in other areas until we are prepared to come to grips with the kinds of concerns that many of us have with the fifth preference.

It is not a perfect solution. The Senator from Wyoming knows that very well as I do. But this is not perfect legislation. But it does represent a compromise—the best we can, at this time, recommend to the Senate, and we think it is a solid product.

Mr. President, in conclusion, we have addressed the concerns which are included in the Senator's amendment in terms of skills. We have also recognized the longstanding tradition of giving special recognition to family reunification. The Senator from North Carolina's substitute would undermine an important aspect of that. And we set in motion a requirement that we will revisit this legislation in 3 years, which does not exist in his amendment.

So I want to say that I welcome the Senator's observations about the benefits of this legislation. The areas that we have a difference in I believe are

important, but measured against where we have come from, and the progress that we have made, I think this demonstrates the remarkable consensus that has really been developed in this whole legislative area.

Therefore, I indeed welcome the opportunity to clarify these differences. They are important, and I hope the Senator's amendment will be defeated. But I think it demonstrates how far we have come as an institution in immigration policy when we are able to have those who have expressed such serious reservations about this legislation a year and a half ago are prepared now to recognize and support many of those items which we have again included in this legislation.

Mr. President, I ask unanimous consent that whenever the time is yielded in the allocation of amendments the time be equally divided between myself and the Senator from Wyoming.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming.

Mr. SIMPSON. Mr. President, my remarks will be brief. We have approximately how much time left?

The PRESIDING OFFICER. Twenty-one minutes.

Mr. SIMPSON. Thank you, Mr. President.

I want to congratulate our colleague from North Carolina for his very reasonable and generous amendment. It is something I am familiar with. That is the bill that Senator KENNEDY and I worked long and hard on, and to see if we could not bring it to fruition. But in the activity of legislating we come to, as I said earlier, the appropriate time to compromise an issue without compromising one's self. We did that in the bill that was presented to the Judiciary Committee. The amendment of Senator HELMS would hold the overall level of family-based immigration steady at current levels and increase immigration in the independent category. We are familiar with that. Senator KENNEDY has outlined well how far we have all come in our understanding of the legal immigration reform.

While preserving most of the visas in our new point system category, Senator HELMS would substantially increase the number of visas in the employer-sponsored category of visa. In fact, his amendment would increase the present third and sixth preferences in excess of 35,000 numbers. I believe one of the overall objectives of legal immigration reform is to try to preserve the present level of family-based immigration and increase the number of immigrants who would come here because they have these certain skills and qualities that would serve us well. That is indeed in our national interest. I believe Senator HELMS' proposal is a good way to achieve just that.

But when this bill, S. 358, passed the Senate Judiciary Committee I very reluctantly and yet very vividly and very much aware entered into a compromise that increased the overall number of visas in the family system without reallocating visas to the closest family member.

In my additional views to the committee report I said this: "The fifth preference should be deemphasized so that we may give proper priority to closer family members, skilled workers and other immigrants that our labor market needs. I deeply regret that the committee bill does not recognize this principle."

I am very aware that the fifth preference was eliminated right here on this floor twice on previous occasions. And I deeply feel that it is something that should be revisited, and yet part of my accommodation and compromise would be that we would retain the fifth preference exactly as it is. I am committed to that. I will support that. That will be evident.

But I certainly say to my colleagues that the Helms amendment responds to what I believe should be the priorities in our immigration policy, and yet I am bound by my earlier agreement to my subcommittee members, my colleagues, Senator KENNEDY, and Senator SIMPSON, to vote against the amendment. I do so but I still believe very strongly—as we all have come to support—that a national level of immigration to me is more important than anything we are attempting to reach. And for that reason I will not be able to support the Helms amendment.

But I think it is obviously a very thoughtful proposal, and I think the distinctions drawn by the Senator from Massachusetts with his thoughtful approach gives all of us a better idea of what it is we are trying to do, and that is continue to keep our eye on the rabbit; and, that is our national interest. That is what we are here to serve. If we can keep that in mind, we will process this bill appropriately.

I thank the Chair.

Mr. KENNEDY. Mr. President, as I understand the situation, we will have a half-hour to continue this debate tomorrow morning, starting at 11 o'clock, the idea that we will have a yea-and-nay vote at 11:30.

In terms of the consideration of the legislation, we will not have further debate on this legislation but, as I understand, when we go off morning business tomorrow, we will have a half-hour for debate on this, the time to be evenly divided between the Senator from North Carolina and the managers of the bill; am I correct?

The PRESIDING OFFICER. There remains 31 minutes—16 minutes for the Senator from North Carolina and 14 minutes for the Senator from Massachusetts.

Mr. KENNEDY. That is fine. Understanding if that is agreeable with the Senator from North Carolina, we will continue the debate tomorrow and move on to other matters this evening.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawals which were referred to the appropriate committees.

(The nominations and withdrawals received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that on June 30, 1989, he approved and signed the following enrolled bills and joint resolution:

S. 694. An act to extend title I of the Energy Policy and Conservation Act.

S. 1077. An act to authorize the President to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration.

S. 1180. An act to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration.

S. 1184. An act to allow the obsolete destroyer United States Ship *Edson* (DD946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable sixty-day congressional review period.

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day".

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on June 27, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1077. An act to authorize the President to appoint Admiral James B. Busey to the Office of Administrator of the Federal Aviation Administration;

S. 1180. An act to authorize the President to appoint Rear Admiral Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration;

H.R. 923. An act to redesignate the Federal hydropower generating facilities located

at Dam B on the Neches River at Town Bluff, Texas, as the "Robert Douglas Willis Hydropower Project";

H.R. 2402. An act making supplemental appropriations for the Department of Veterans Affairs for the fiscal year ending September 30, 1989, and for other purposes;

H.J. Res. 132. Joint resolution to designate the second Sunday on October of 1989 as "National Children's Day";

H.J. Res. 276. Joint resolution designating September 14, 1989, as "National D.A.R.E. Day"; and

H.J. Res. 298. Joint resolution designating July 14, 1989, as "National Day to Commemorate the Bastille Day Centennial".

Under the authority of the order of the Senate of January 3, 1989, the enrolled bills and joint resolutions were subsequently signed on June 28, 1989, during the recess of the Senate, by the President pro tempore [Mr. BYRD].

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on June 28, 1989, during the recess of the Senate, received a message from the House of Representatives stating that the House has passed the following bill, without amendment:

S. 1184. An act to allow the obsolete destroyer United States Ship *Edson* (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable sixty-day congressional review period.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 2119) to authorize the exchange of certain Federal public land in Madison County, Illinois.

The message further announced that the Speaker, under the authority granted by the House on June 22, 1989, makes the following corrections in the appointment of conferees on H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes:

First. For the second panel from the Committee on Banking, Finance and Urban Affairs, delete section 223 of the House bill from the sections under consideration.

Second. For the first panel from the Committee on Ways and Means, add section 1412 of the Senate amendment as a section for consideration.

Third. For the second panel from the Committee on Ways and Means, delete section 503 of the Senate amendment from the sections under consideration.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 1184. An act to allow the obsolete destroyer United States Ship *Edson* (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the otherwise applicable sixty-day congressional review period.

Under the authority of the order of the Senate of January 3, 1989, the enrolled bill was signed on June 29, 1989, during the recess of the Senate, by the President pro tempore [Mr. BYRD].

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on June 29, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

S. 694. An act to extend title I of the Energy Policy and Conservation Act; and

H.R. 2119. An act to authorize the exchange of certain Federal public land in Madison County, Illinois.

Under the authority of the order of the Senate of January 3, 1989, the enrolled bills were signed on June 29, 1989, during the recess of the Senate by the President pro tempore [Mr. BYRD].

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on June 30, 1989, received a message from the House of Representatives, announcing that the House agrees to the amendment of the Senate to the amendments of the House to the bill (S. 694) to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes.

The message also announced that pursuant to section 403(a)(3) of Public Law 100-533, the minority leader appoints from private life Ms. Marilu Meyer, Chicago, IL, to serve as a member of the National Women's Business Council, on the part of the House.

The message further announced that pursuant to section 403(a)(3) of Public Law 100-533, the Speaker appoints the following individuals from private life to the National Women's Business Council, on the part of the House: Mrs. Esther Shapiro, Los Angeles, CA; and Ms. Gilliam Rudd, Washington, DC.

The message also announced that the Speaker appoints Mr. JAMES as an additional conferee in the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1278) entitled "An Act to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes", vice Mr. HYDE, excused.

The message further announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 95. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week";

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day"; and

S.J. Res. 137. Joint resolution designating January 7, 1990, through January 13, 1990, as "National Law Enforcement Training Week".

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day".

Under the authority of the order of the Senate of January 3, 1989, the enrolled joint resolution was signed on June 30, 1989, during the recess of the Senate by the Vice President.

MESSAGES FROM THE HOUSE

At 2:21 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 536. An act to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces;

H.R. 801. An act to designate the United States Court of Appeals Building at 56 Forsyth Street in Atlanta, GA, as the "Elbert P. Tuttle United States Court of Appeals Building";

H.R. 901. An act to amend title 38, United States Code, to improve programs for the recruitment and retention of health-care personnel of the Department of Veterans Affairs, to extend certain expiring programs of that Department, and for other purposes;

H.R. 1048. An act to provide for the acquisition and publication of data about crimes that manifest prejudice based on certain group characteristics;

H.R. 1199. An act to amend title 38, United States Code, to improve recruitment and retention of nurses in the Department of Veterans Affairs by providing greater flexibility in the pay system for those nurses and to authorize the Secretary of Veterans Affairs to provide certain procreative services for married veterans with service-connected disabilities which impair their ability to procreate;

H.R. 1334. An act to amend title 38, United States Code, to remove a limitation relating to the payment of pension to veterans furnished hospital care by the Department of Veterans Affairs on a long-term basis and to reduce the period of time that a surviving spouse must have been married to a veteran who dies while in receipt of compensation for a service-connected disability in order for the surviving spouse to be eligible for dependency and indemnity compensation;

H.R. 2214. An act to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations;

H.R. 2467. An act entitled the "1988 Disaster Assistance Extension Act";

H.R. 2557. An act to designate the outpatient clinic of the Department of Veterans Affairs to be located on New Jersey State Route 70 in Brick Township, NJ, as the

"James J. Howard Veterans Outpatient Clinic";

H.R. 2569. An act to designate the Department of Veterans Affairs medical center in Saginaw, MI, as the "Aleda E. Lutz Department of Veterans Affairs Medical Center";

H.R. 2655. An act to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that act in order to establish more effective assistance programs and to eliminate obsolete and inconsistent provisions to amend the Arms Export Control Act and redesignate that act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes;

H.R. 2696. An act making appropriations for energy and ester development for the fiscal year ending September 30, 1990, and for other purposes;

H.R. 2705. An act relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for 1990 or 1991 if no Government-wide indemnity benefit plan participates in that year;

H.R. 2749. An act to authorize the conveyance of a parcel of land in Whitney Lake, TX;

H.J. Res. 149. Joint resolution designating February 16, 1990, as "Lithuanian Independence Day";

H.J. Res. 174. Joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain"; and

H.J. Res. 175. Joint resolution to authorize entry into force of the Compact of Free Association between the United States and the Government of Palau, and for other purposes.

At 4:33 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2136. An act to amend the District of Columbia Code to limit the length of time for which an individual may be incarcerated for civil contempt in the courts of the District of Columbia, and for other purposes.

MEASURES REFERRED

The following bill, received by the Senate for concurrence on June 22, 1989, was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2550. An act to provide for certain forms of assistance to Poland and Hungary to encourage the process of democratic reforms in those countries; to the Committee on Foreign Relations.

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 536. An act to amend chapter 171 of title 28, United States Code, to allow claims against the United States under that chapter for damages arising from certain negligent medical care provided members of the Armed Forces; to the Committee on Armed Services.

H.R. 801. An act to designate the United States Court of Appeals Building at 56 Forsyth Street in Atlanta, Georgia, as the "Elbert P. Tuttle United States Court of Appeals Building"; to the Committee on Environment and Public Works.

H.R. 901. An act to amend title 38, United States Code, to improve programs for the recruitment and retention of health-care personnel of the Department of Veterans Affairs, to extend certain expiring programs of that Department, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1048. An act to provide for the acquisition and publication of data about crimes that manifest prejudice based on certain group characteristics; to the Committee on the Judiciary.

H.R. 1199. An act to amend title 38, United States Code, to improve recruitment and retention of nurses in the Department of Veterans Affairs by providing greater flexibility in the pay system for those nurses and to authorize the Secretary of Veterans Affairs to provide certain procreative services for married veterans with service-connected disabilities which impair their ability to procreate; to the Committee on Veterans' Affairs.

H.R. 1334. An act to amend title 38, United States Code, to remove a limitation relating to the payment of pension to veterans furnished hospital care by the Department of Veterans Affairs on a long-term basis and to reduce the period of time that a surviving spouse must have been married to a veteran who dies while in receipt of compensation for a service-connected disability in order for the surviving spouse to be eligible for dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 2136. An act to amend the District of Columbia Code to limit the length of time for which an individual may be incarcerated for civil contempt in the courts of the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

H.R. 2467. An act entitled the "1988 Disaster Assistance Extension Act"; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 2557. An act to designate the outpatient clinic of the Department of Veterans Affairs to be located on New Jersey States Route 70 in Brick Township, New Jersey, as the "James J. Howard Veterans Outpatient Clinic"; to the Committee on Veterans' Affairs.

H.R. 2569. An act to designate the Department of Veterans Affairs medical center in Saginaw, Michigan, as the "Aleda E. Lutz Department of Veterans Affairs Medical Center"; to the Committee on Environment and Public Works.

H.R. 2655. An act to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and to eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1990 and 1991, and for other purposes; to the Committee on Foreign Relations.

H.R. 2696. An act making appropriations for energy and ester development for the fiscal year ending September 30, 1990, and for other purposes; to the Committee on Appropriations.

H.R. 2749. An act to authorize the conveyance of a parcel of land in Whitney Lake, Texas; to the Committee on Armed Services.

H.J. Res. 149. Joint resolution designating February 16, 1990, as "Lithuanian Independence Day"; to the Committee on the Judiciary.

H.J. Res. 174. Joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain"; to the Committee on the Judiciary.

H.J. Res. 175. Joint resolution to authorize entry into force of the Compact of Free Association between the United States and the Government of Palau, and for other purposes; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2705. An act relating to the method by which Government contributions to the Federal employees health benefits program shall be computed for 1990 or 1991 if no Governmentwide indemnity benefit plan participates in that year.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate announced that he had presented to the President of the United States the following enrolled bills and joint resolution:

On June 28, 1989:

S. 1007. An act to authorize the President to appoint Adm. James B. Busey to the Office of Administrator of the Federal Aviation Administration; and

S. 1180. An act to authorize the President to appoint Rear Adm. Richard Harrison Truly to the Office of Administrator of the National Aeronautics and Space Administration

On June 29, 1989:

S. 694. An act to extend title I of the Energy Policy and Conservation Act; and

S. 1184. An act to allow the obsolete destroyer United States ship Edson (DD 946) to be transferred to the Intrepid Sea-Air-Space Museum in New York before the expiration of the Otherwise applicable sixty-day congressional review period.

On June 30, 1989:

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1312. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act and Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition and Forestry.

EC-1313. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, a contract award report for the period July 1, 1989, to August 31, 1989; to the Committee on Armed Services.

EC-1314. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, the update of the RDT&E Annex to the 5-year defense program for the fiscal years 1990 and 1991 budget revision; to the Committee on Armed Services.

EC-1315. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to provide the Superintendent of the U.S. Military Academy authority to confer the degree of master of arts in leader development; to the Committee on Armed Services.

EC-1316. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize increased flexibility in the Armed Forces Health Professions Scholarship Program by providing a grant to medical residents studying in critically needed skills in return for military service; to the Committee on Armed Services.

EC-1317. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend titles 10, 14, and 37, United States Code relating to the promotion, separation, and mandatory retirement of warrant officers of the armed forces, establish the grade of chief warrant officer WS5, and for other purposes; to the Committee on Armed Services.

EC-1318. A communication from the Deputy Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend titles 10, and 37, United States Code, relating to personnel matters in the management of health care personnel in the Department of Defense; to the Committee on Armed Services.

EC-1319. A communication from the Secretary of Energy, transmitting a draft of proposed legislation entitled "Naval Petroleum Reserves Divestiture and Energy Security Enhancement Act"; to the Committee on Armed Services.

EC-1320. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 55 of title 10, United States Code, to make such refinements to medical care sections as necessary for consistency and clarification; to the Committee on Armed Services.

EC-1321. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 37, United States Code, to permit members of the uniformed services and their dependents to defer travel authorized in conjunction with a consecutive overseas tour for up to one year; to the Committee on Armed Services.

EC-1322. A communication from the Chairman of the Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Investment Advisers Act of 1940 ("Advisers Act") to provide for the establishment of one or more self-regulatory organizations for registered investment advisers; to the Committee on Banking, Housing, and Urban Affairs.

EC-1323. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on security expenditures in public housing; to the Committee on Banking, Housing, and Urban Affairs.

EC-1324. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the results of a review of regulatory and examination documents related to thrifts which failed between January 1, 1985, and September 30, 1987; to the Committee on Banking, Housing, and Urban Affairs.

EC-1325. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the Land Remote-Sensing Commercialization Act of 1984 in order to transfer responsibility for archiving land remote sensing data to the Department of the Interior, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1326. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the Pipeline Safety Act of 1979 for the period of January 1, 1988, through December 31, 1988; to the Committee on Commerce, Science, and Transportation.

EC-1327. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the requirements for the issuance and retention of licenses, certificates of registry and merchant mariners documents, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1328. A communication from the Solicitor of the Department of the Interior, transmitting a draft of proposed legislation to consent to certain amendments enacted by the legislature of the State of Hawaii to the Hawaiian Homes Commission Act of 1920; to the Committee on Energy and Natural Resources.

EC-1329. A communication from the Secretary of the Interior, transmitting, pursuant to law the Federal Coal Management Report for fiscal year 1988; to the Committee on Energy and Natural Resources.

EC-1330. A communication from the Secretary of the Interior and the Secretary of Energy, transmitting, pursuant to law, a report on the U.S. Continental Scientific Drilling Program; to the Committee on Energy and Natural Resources.

EC-1331. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1332. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1333. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a copy of the Building Project Surveys for Boulder, Colorado, and Monterey, California, and three lease prospectuses; to the Committee on Environment and Public Works.

EC-1334. A communication from the Chairman of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Authority; to the Committee on Environment and Public Works.

EC-1335. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "High Volume and High Payment Procedures in the Medicaid Population"; to the Committee on Finance.

EC-1336. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for the calendar year 1988; to the Committee on Governmental Affairs.

EC-1337. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-43 adopted by the Council on May 30, 1989; to the Committee on Governmental Affairs.

EC-1338. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-43 adopted by the Council on May 30, 1989; to the Committee on Governmental Affairs.

EC-1339. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-44 adopted by the Council on May 30, 1989; to the Committee on Governmental Affairs.

EC-1340. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-46 adopted by the Council on May 30, 1989; to the Committee on Governmental Affairs.

EC-1341. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-45 adopted by the Council on May 30, 1989; to the Committee on Governmental Affairs.

EC-1342. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation entitled "Electronic Funds Transfer Salary Act of 1989", and an analysis and a comparative type; to the Committee on Governmental Affairs.

EC-1343. A communication from the Secretary of the American Battle Monuments Commission, transmitting, pursuant to law, the annual report on the Commission under the Freedom of Information Act for fiscal year 1988; to the Committee on Governmental Affairs.

EC-1344. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend provisions of law relating to settlement of admiralty claims; to the Committee on the Judiciary.

EC-1345. A communication from the Assistant Attorney General of the Department of Justice, transmitting, pursuant to law, a report on alternatives to the present manner of prosecuting Federal drug related offenses; to the Committee on the Judiciary.

EC-1346. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, pursuant to law, the "Report of the Proceedings of the Judicial Conference of the United States"; to the Committee on the Judiciary.

EC-1347. A communication from the Secretary of Education, transmitting, pursuant to law, a document entitled "Final Regulations for the Robert C. Byrd Honors Scholarship Program"; to the Committee on Labor and Human Resources.

EC-1348. A communication from the Secretary of Education, transmitting a draft of proposed legislation entitled "Higher Education Act Amendments of 1989"; to the Committee on Labor and Human Resources.

EC-1349. A communication from the Assistant Comptroller General of the General Accounting Office, transmitting, pursuant to law, a report entitled "Children and Youths"; to the Committee on Labor and Human Resources.

EC-1350. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, section 5004(a)(3)(A), United States Code, to raise the Department of Veterans Affairs' minor construction cost limitation

from $2 million to $3 million and for other purposes; to the Committee on Veterans' Affairs.

EC-1351. A communication from the President of the United States, transmitting a draft of proposed legislation entitled "Senior Executive Salary Act"; to the Committee on the Government Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-166. A resolution adopted by the City Council of Heflin, Alabama, urging support for an extension of the Small Issue Bond Program for manufacturing facilities; to the Committee on Finance.

POM-167. A concurrent resolution adopted by the Legislature of the State of Minnesota; to the Committee on the Judiciary:

"CONCURRENT RESOLUTION No. 6

"Whereas the First Congress of the United States of America, at its first session, sitting in New York, New York, on September 28, 1789, in both houses, by a constitutional majority of two-thirds, has proposed an amendment to the Constitution of the United States of America in the following words:

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled two thirds of both Houses concurring,* That the following (Article) be proposed to the legislatures of the several states, as (an Amendment) to the Constitution of the United States, * * * which (Article), when ratified by three fourths of said legislatures, to be valid to all intents and purposes, as part of the said Constitution, viz;

"'(An Article) in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the legislatures of the several states, pursuant to the fifth Article of the original Constitution.

"'ARTICLE

"'No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.'

"Whereas Article V of the Constitution of the United States allows the ratification of the proposed amendment to the United States Constitution by the legislature of the State of Minnesota; and

"Whereas the proposed amendment to the Constitution of the United States has already been ratified by the legislatures of twenty-seven states: Maryland on December 19, 1789; North Carolina on December 22, 1789; South Carolina on January 19, 1790; Delaware on January 28, 1790; Vermont on November 3, 1791; Virginia on December 15, 1791; Ohio on May 6, 1873; Wyoming on March 3, 1978; Maine on April 27, 1983; Colorado on April 18, 1984; South Dakota on February 21, 1985; New Hampshire on March 7, 1985; Arizona on April 3, 1985; Tennessee on May 23, 1985; Oklahoma on July 10, 1985; New Mexico on February 13, 1986; Indiana on February 19, 1986; Utah on February 25, 1986; Arkansas on March 5, 1987; Montana on March 11, 1987; Connecticut on May 13, 1987; Wisconsin on June 30, 1987; Georgia on February 2, 1988; West Virginia on March 10, 1988; Louisiana on July 6, 1988; Iowa on February 7, 1989; and Idaho on March 28, 1989; and

"Whereas Article V of the Constitution of the United States does not state a time limit on ratification of an amendment submitted by Congress, and the First Congress specifically did not provide a time limit for ratification of the proposed amendment; and

"Whereas the United States Supreme Court has ruled in *Coleman* v. *Miller*, 307 U.S. 433 (1939), that an amendment to the United States Constitution may be ratified by states at any time, and Congress must then finally decide whether a reasonable time has elapsed since its submission when, in the presence of certified ratifications by three-fourths of the states, the time arrives for the promulgation of the adoption of the amendment; and

"Whereas Section 9 of Article IV of the Constitution of the State of Minnesota provides that "No increase of compensation shall take effect during the period for which the members of the existing House of Representatives may have been elected."; and

"Whereas the Legislature of the State of Minnesota finds that the proposed amendment is still meaningful and needed as part of the United States Constitution; Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the foregoing proposed amendment to the Constitution of the United States is ratified by the Legislature of the State of Minnesota; and be it further

"Resolved That the Secretary of State of Minnesota shall transmit certified copies of this memorial to the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and the Archivist of the United States, National Archives and Records Administration."

POM-168. A resolution adopted by the Legislature of the State of Florida; to the Committee on Labor and Human Resources:

"RESOLUTION No. 1717

"Whereas the ongoing labor dispute between the management of Eastern Airlines and the International Association of Machinists and Aerospace Workers is having a significant impact on the economy of Florida and the traveling public both within and without the state, and

"Whereas by example, for the first three quarters of 1988, Eastern Airlines had 41 percent of the share of total traffic carried by all air carriers serving Miami, 37 percent of the total serving Pensacola, and 79 percent of the total serving Gainesville, and

"Whereas if the strike against Eastern Airlines continues, the detrimental impact upon the commercial and tourist-related activities within Florida will increase to levels which may have a permanent effect upon the economy of the state, and

"Whereas, the 101st Congress of the United States is presently considering H.R. 1231, which would direct the President of the United States to create a board to investigate and report to the President respecting the disputes between Eastern Airlines and the International Association of Machinists and Aerospace Workers, the Airline Pilots Association, and the Transport Workers Union of America, and

"Whereas creation of such a board would expedite the solution of the dispute between the aforementioned parties, resulting in a return to normal air service in Florida to the betterment of all interests concerned at the earliest possible date, now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States is requested to adopt H.R. 1231 at the earliest possible date so that a resolution to the dispute between Eastern Airlines and its collective bargaining units may be secured in an orderly and timely manner; and be it further

"Resolved That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

REPORTS OF COMMITTEES RECEIVED DURING RECESS

Under the authority of the order of the Senate of June 22, 1989, the following reports of committees were submitted on July 6, 1989:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 83. A bill to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers (Rept. No. 101-60).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment:

S. 267. A bill to authorize the Secretary of the Interior to convey certain lands in Idaho to Mr. and Mrs. Kenneth Blevins of Kuna, ID (Rept. No. 101-61).

S. 830. A bill to amend Public Law 99-647, establishing the Blackstone River Valley Heritage Corridor Commission, to authorize the Commission to take immediate action in furtherance of its purposes and to increase the authorization of appropriations for the Commission (Rept. No. 101-63).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 1485. A bill to provide for the sale of certain Federal lands to Clark County, NV, for national defense and other purposes (Rept. No. 101-65).

Under the authority of the order of the Senate of July 6, 1989, the following reports of committees were submitted on July 6, 1989:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 338. A bill to authorize the Secretary of the Interior to provide for the development of a trails interpretation center in the city of Council Bluffs, IA, and for other purposes (Rept. No. 101-62).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

H.R. 310. A bill to remove a restriction from a parcel of land in Roanoke, VA, in order for that land to be conveyed to the State of Virginia for use as a veterans nursing home (Rept. No. 101-64).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 797. A bill to amend the Communications Act of 1934 to improve the education of children by establishing a National Endowment for Children's Educational Television, and for other purposes (Rept. No. 101-66).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 890. A bill to authorize a certificate of documentation for the vessel *HMS Discovery* (Rept. No. 101-67).

S. 904. A bill to permit issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel the *African Queen* (Rept. No. 101-68).

S. 1148. A bill to authorize issuance of a certificate of documentation for the vessel M/V *Northern Victor* (Rept. No. 101-69).

S. 1172. A bill to authorize a certificate of documentation for a vessel (Rept. No. 101-70).

H.R. 840. A bill to authorize appropriations for fiscal year 1990 for the Federal Maritime Commission (Rept. No. 101-71).

H.R. 968. A bill to provide for the Federal reimbursement of local noise abatement funds (Rept. No. 101-72).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 1036. A bill to improve the economic, community, and educational well-being of rural America, and for other purposes (Rept. 101-73).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HARKIN (for himself and Mr. DASCHLE):

S. 1282. A bill to provide disaster assistance to producers on a farm who suffered certain losses in the quantity of the 1989 crop of a commodity harvested as the result of damaging weather or related conditions in 1988 or 1989, and other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CONRAD (for himself, Mr. PRESSLER, Mr. BENTSEN, Mr. BREAUX, Mr. DASCHLE, and Mr. BURDICK):

S. 1283. A bill to provide disaster assistance to producers who suffered certain losses in the quantity of the 1989 crop of a commodity harvested as the result of damaging weather or related condition in 1988 or 1989, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS (for himself and Mr. BURNS):

S. 1284. A bill to provide for repayment of Impact Aid overpayments for the Hays Lodge Pole school district, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. McCAIN:

S. 1285. A bill to provide for the gradual reduction of expenses incurred by the United States in deploying United States forces in NATO countries and in Japan, and for other purposes; to the Committee on Armed Services.

By Mr. KASTEN:

S. 1286. A bill to amend the Internal Revenue Code of 1986 to provide for a maximum long-term capital gains rate of 15 percent and indexing of certain capital assets; to the Committee on Finance.

By Mr. D'AMATO (for himself and Mr. DECONCINI):

S. 1287. A bill to provide for adherence with the MacBride Principles by United States persons doing business in Northern Ireland; to the Committee on Finance.

By Mr. DECONCINI:

S. 1288. A bill to provide for a temporary stay of deportation for nationals of the People's Republic of China, to provide authority to work during the temporary stay, and to provide a mechanism for adjustment to permanent status at the end of the temporary stay; to the Committee on the Judiciary.

By Mr. McCAIN (for himself, Mr. INOUYE, Mr. MURKOWSKI, Mr. COCHRAN, and Mr. GORTON):

S. 1289. A bill to improve the management of forests and woodlands and the production of forest resources on Indian lands, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. SIMON:

S. 1290. A bill to guarantee a work opportunity for all Americans, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. PELL (for himself, Mrs. KASSEBAUM, Mr. MATSUNAGA, Mr. COCHRAN, Mr. DODD, Mr. SIMON, Mr. JEFFORDS, Mr. KENNEDY, Mr. HOLLINGS, and Mr. GLENN):

S. 1291. A bill to extend and amend the Library Services and Construction Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GRASSLEY:

S. 1292. A bill to temporarily suspend the duty on tefluthrin; to the Committee on Finance.

By Mr. HEINZ:

S. 1293. A bill to amend the Age Discrimination in Employment Act of 1967 to clarify that such Act applies to benefits, to authorize employers to employ older individuals while permitting such employers to provide unequal benefits to such older individuals in certain instances, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BINGAMAN:

S. 1294. A bill to encourage the transfer of national defense energy technology from the Department of Energy's defense program contractors to the private sector for commercialization; to the Committee on Armed Services.

By Mr. GARN (for himself, Mr. ARMSTRONG, Mr. BOND, Mr. BOSCHWITZ, Mr. D'AMATO, Mr. DANFORTH, Mr. DOLE, Mr. DOMENICI, Mr. GORTON, Mr. GRAMM, Mr. HATCH, Mr. HELMS, Mr. HUMPHREY, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LUGAR, Mr. MACK, Mr. McCLURE, Mr. MURKOWSKI, Mr. PRESSLER, Mr. ROTH, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. WILSON, Mr. BENTSEN, Mr. BOREN, Mr. BURDICK, Mr. CONRAD, Mr. CRANSTON, Mr. DODD, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRAHAM, Mr. HEFLIN, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. MATSUNAGA, Ms. MIKULSKI, Mr. MITCHELL, Mr. PELL, Mr. PRYOR, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. SASSER, and Mr. SHELBY):

S.J. Res. 174. Joint resolution to designate July 2, 1989, as "Space Exploration Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN (for himself and Mr. DASCHLE):

S. 1282. A bill to provide disaster assistance to producers on a farm who suffered certain losses in the quantity of the 1989 crop of a commodity harvested as the result of damaging weather or a related condition in 1988 or 1989, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DISASTER ASSISTANCE EXTENSION ACT

Mr. HARKIN. Mr. President, I am today introducing legislation to extend the provisions of the Disaster Assistance Act of 1988 to cover 1989 crops, to improve assistance to livestock producers, to provide emergency water assistance to small communities and to provide assistance to rural businesses.

We have heard much about the severe damage to the winter wheat crop. However, other areas of the Nation are also suffering from the continuing drought.

In Iowa, for example, we are receiving a little more rain than last year, but not nearly enough to recover from the severe drought of 1988. The first 6 months of 1988 were the driest ever on record in Iowa, so it doesn't take much rain to do a little better.

For the first 6 months of 1989, Iowa received an average of 5 inches less than normal precipitation. Nearly all of the State remains in extreme drought.

According to the Iowa Crops and Weather Report for the week ending July 9, 93 percent of the respondents across the State indicated that topsoil is short of moisture, while 99 percent indicated subsoil moisture as short.

With the temperatures in Iowa at or above 100 degrees in recent days, our row crops are hanging by a thread and yields are beginning to suffer. Hay, pasture, and small grains have already been hit hard.

In fact, Iowa farmers face the prospect of even worse losses than last year because of the lack of subsoil moisture reserves.

Even if we had normal rainfall from now on, our crops will suffer from the lack of subsoil reserves, which are badly needed during the critical growing months of July and August.

So the legislation I am introducing today covers all crops.

And I commend our Agriculture Committee Chairman Senator LEAHY for scheduling a hearing on disaster assistance for July 13 at which we will consider the condition of all crops in

the various regions of the country and the assistance that is needed.

Secretary Yeutter has said that the administration would accept a winter wheat bill, but not a bill covering all crops. This Senator is not about to accept a bill that will help the producers of only one crop while farmers in Iowa and other parts of the country are left out.

Secretary Yeutter has also said that losses to crops other than winter wheat have not yet been shown and that it's too early to pass a broader bill. But we already have losses in other crops. Moreover, disaster payments are not made unless actual losses occur.

We don't need to wait until later to act. We can do something that we do far too seldom in Government—get out in front of the problem and have a program in place to respond to needs if and when they arise.

Some have suggested that a winter wheat bill would be fair because winter wheat producers did not receive assistance in 1988. But winter wheat was covered in the 1988 bill and disaster assistance was available to those producers if they had needed it.

It's just that 1988 was generally a good year for winter wheat producers, with basically good yields and prices. Now the question is the assistance to be provided for 1989 crops.

I cannot see any reason to give winter wheat special treatment in 1989 simply because winter wheat producers were fortunate enough not to need disaster payments in 1988.

The year 1988 will be remembered as the year this Nation was hit by the worst widespread drought in over 50 years.

It will also be remembered as the year in which Congress and the administration worked together in a spirit of bipartisan cooperation to craft fair and comprehensive disaster assistance legislation.

It's now clear that the devastation of the drought did not end with the 1988 crop, and that our job of helping to deal with that devastation is not yet finished.

I sincerely hope that we will again see that spirit of bipartisan cooperation between the administration and Congress as we formulate disaster assistance this year.

By Mr. CONRAD (for himself, Mr. PRESSLER, Mr. BENTSEN, Mr. BREAUX, Mr. DASCHLE, and Mr. BURDICK):

S. 1283. A bill to provide disaster assistance to producers who suffered certain losses in the quantity of the 1989 crop of commodity harvested as the result of damaging weather or related condition in 1988 or 1989, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DISASTER ASSISTANCE EXTENSION ACT

Mr. CONRAD. Mr. President, today, on behalf of Senator PRESSLER and myself, I am introducing a comprehensive disaster assistance bill for agriculture.

We all know that the drought has devastated the winter wheat crop in Kansas, Oklahoma, Texas, and other winter wheat States. And despite rains earlier this year it is now clear that the drought is continuing. Spring crops in many States are threatened.

In my own State of North Dakota, Mr. President, the fields were green just 3 weeks ago. It looked like we were finally recovering from last year's drought—the worst in over half a century. But record temperatures in the past few days have blistered the crops in my State. Wind and heat have destroyed the topsoil moisture, and last year's drought left us with no subsoil moisture. We have no reserves to draw on.

Already in North Dakota we will now lose an average of 35 percent of our crops statewide. In some areas the losses will be as high as 80 percent.

Mr. President, the drought hit my State harder than any other last year. North Dakota's economy is dependent on agriculture, and we took a beating. We simply cannot sustain another.

We are not alone in North Dakota. Farmers all across the Great Plains face the same bleak outlook. American winter wheat production is down some 8 percent from last year—the lowest in 11 years. Winter winds ripped away more than 14 million acres of topsoil in the Great Plains. Subsoil moisture levels in the Plains States are well below the 5-year average, despite some rainfall in some parts in recent weeks.

Cattle producers must sell off their stock because of poor pasture conditions, scarce feed, and low water supplies. Many rural communities are struggling to supply their residents with drinking water. Projections from North Dakota State University indicate that crops in many regions can withstand only 1 or 2 weeks of hot, dry weather before yield losses match those of 1988. Unfortunately for all of us, hot, dry weather is exactly what the forecasters are promising.

Mr. President, in the last 2 days of my trip to North Dakota and temperatures reached 105 degrees. Just for a moment, think about what that means. We are 2 weeks away from a repeat of last year, the worst drought this Nation has seen in 50 years. A dozen counties in North Dakota have already suffered crop losses ranging from 60 to 80 percent.

North Dakota State University estimates we will lose 31 percent of our spring wheat, 26 percent of our durum, and 25 percent of our barley, and that is if conditions do not deteriorate. Without consistent rainfall between now and harvest, crops like corn and soybeans will also suffer heavy losses. It is not likely the rain we will need will come.

Forecasters predict high temperatures with low rainfall for July. That forecast spells disaster for the Great Plains farmers. The winter wheat farmers already hit by the drought in Kansas, Oklahoma, and other States deserve assistance. Make no mistake, we are only going to get one crack at a drought relief bill this year. We will have one bill and one chance to provide help to those in need. We must be ready to offset spring crop losses farmers have already suffered and the further losses which are likely to come. The bill we are introducing today, the Disaster Assistance Extension Act of 1989, will accomplish those goals.

The bill extends the provisions of last year's drought relief legislation with some important changes. Major revisions include coverage for organic production and other excluded crops; increased daily feed allotments for livestock; use of extension service data and other sources for nonprogrammed crop histories; upgraded water assistance programs; and aid for grasslands maintenance.

Mr. President, the 1988 bill was a good bill, but it overlooked a few critical needs. This measure seeks to correct those problems, while continuing the core provisions of the 1988 law. Some will argue that disaster assistance to farmers will be costly. That is simply not true. Because of last year's drought, enormous savings were realized in the Federal program. A total of $3.9 billion was spent on drought relief last year for a savings of more than $8 billion in the farm program.

In other words, Mr. President, the cost was more than offset by the savings created by the drought. Those savings were a direct result of the drought and were borne by the farmers who suffered in the drought. The past decade has been the hardest for farmers since the Great Depression. Net farm income has plummeted. The sagging farm economy has rippled out to cause real hardship in rural communities around the Nation. Farm-based rural economics cannot withstand another blow.

Mr. President, I want to take a moment to commend Chairman LEAHY for his foresight and leadership on this issue. Some weeks ago, when some of our colleagues were pressing for immediate action on a bill to relieve winter-wheat farmers, Chairman LEAHY recognized the need to proceed with caution. His good judgment has been validated by the weather forecasters, and I thank him for his support.

Mr. President, I ask unanimous consent that the Disaster Assistance Extension Act of 1989 be printed in its entirety and two drought-related arti-

cles from the Fargo Forum and Minot Daily News be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 1281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Disaster Assistance Extension Act of 1989".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

SUBTITLE A—ANNUAL CROPS

Sec. 101. Payments to program participants for target price commodities.
Sec. 102. Payments to program nonparticipants for target price commodities.
Sec. 103. Peanuts, sugar, and tobacco.
Sec. 104. Soybeans, and nonprogram crops.
Sec. 105. Crop quality reduction disaster payments.
Sec. 106. Effect of Federal crop insurance payments.
Sec. 107. Crop insurance coverage for the 1990 crops.
Sec. 108. Crops harvested for forage uses.
Sec. 109. Payment limitations.
Sec. 110. De minimis yields.

SUBTITLE B—FOREST CROPS

Sec. 121. Eligibility.
Sec. 122. Assistance.
Sec. 123. Limitation on assistance.
Sec. 124. Definition.
Sec. 125. Duplicative payments.

SUBTITLE C—ADMINISTRATIVE PROVISIONS

Sec. 131. Ineligibility.
Sec. 132. Timing and manner of assistance.
Sec. 133. Commodity Credit Corporation.
Sec. 134. Regulations.

TITLE II—EMERGENCY LIVESTOCK ASSISTANCE

Sec. 201. Quantities of emergency feed assistance.
Sec. 202. Livestock transportation assistance.
Sec. 203. Assistance for ponds.
Sec. 204. Livestock water development projects.

TITLE III—COMMODITY STOCK ADJUSTMENT

Sec. 301. Planting of alternate crops on permitted acreage.

TITLE IV—DISASTER CREDIT AND FORBEARANCE

Sec. 401. Emergency loans.
Sec. 402. 1990 farm operating loans.
Sec. 403. Forbearance and restructuring for farm loans.

TITLE V—CONSERVATION ASSISTANCE

Sec. 501. Haying and grazing on CRP acreage.
Sec. 502. Management of National Grasslands.

TITLE VI—RURAL BUSINESSES

Sec. 601. Disaster assistance for rural business enterprises.

TITLE VII—WATER-RELATED ASSISTANCE

Sec. 701. Emergency conservation program.
Sec. 702. Emergency community water assistance grant program.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) DAMAGING WEATHER.—The term "damaging weather" includes drought, hail, excessive moisture, freeze, tornado, hurricane, or excessive wind, or any combination thereof.

(2) RELATED CONDITION.—The term "related condition" includes insect infestation, plant disease, or other deterioration of a crop of a commodity either before or after harvest that is accelerated or exacerbated naturally as a result of damaging weather.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

SEC. 101. PAYMENTS TO PROGRAM PARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, except as otherwise provided in this subsection, if the Secretary determines that, because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop, the Secretary shall make a disaster payment available to such producers at a rate equal to—

(A) 65 percent of the established price for the crop for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(B) 90 percent of the established price for the crop for any deficiency in production greater than 75 percent for the crop.

(2) LIMITATIONS.—

(A) ACREAGE IN EXCESS OF PERMITTED ACREAGE.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

(B) CROP INSURANCE.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(3) DEFICIENCY PAYMENTS.—The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under the Agricultural Act of 1949 shall be reduced by the quantity on which a payment is made to the producers for the crop under paragraph (1).

(b) ADVANCE DEFICIENCY PAYMENTS.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply only to producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1989 crop of wheat, feed grains, upland cotton, or rice.

(2) FORGIVENESS OF REFUND REQUIREMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), if because of damaging weather or related condition in 1988 or 1989 the total quantity of the 1989 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop (hereinafter in this section referred to as the "qualifying amount"), the producers shall not be required to refund any advance deficiency payment made to the producers for such crop under section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) with respect to that portion of the deficiency in production that does not exceed 35 percent of the qualifying amount.

(B) CROP INSURANCE.—Producers on a farm shall not be eligible for the forgiveness provided for under subparagraph (A), unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(3) ELECTION FOR NONRECIPIENTS.—The Secretary shall allow producers on a farm who elected, prior to the date of enactment of this Act, not to receive advance deficiency payments made available for the 1989 crop under section 107C of the Agricultural Act of 1949, to elect (within 30 days after the date of the enactment of this Act) whether to receive such advance deficiency payments.

(4) EARLIEST DATE FOR REFUND REQUIREMENT.—Effective only for the 1989 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refund shall not be required prior to July 31, 1990, for that portion of the crop for which a disaster payment is made under subsection (a).

SEC. 102. PAYMENTS TO PROGRAM NONPARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for producers on a farm who elected not to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, if the Secretary determines that because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 65 percent of the county average yield established by the Secretary for such crop by the sum of acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(2) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to—

(A) 65 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(B) 90 percent of the basic county loan rate (or a comparable price if there is no

current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop.

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1989 crop of the commodity for harvest because of damaging weather or related condition in 1988 or 1989, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted to the commodity for harvest in 1989; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987 minus acreage actually planted to the commodity for harvest in 1989.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) LIMITATIONS.—

(1) ACREAGE LIMITATION PROGRAM.—The amount of payments made available to producers on a farm for a crop of a commodity under subsection (a) shall be reduced by a factor equivalent to the acreage limitation program percentage established for such crop under the Agricultural Act of 1949.

(2) CROP INSURANCE.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

SEC. 103. PEANUTS, SUGAR, AND TOBACCO.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for the 1989 crops of peanuts, sugar beets, sugarcane, and tobacco, if the Secretary determines that, because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 65 percent of the county average yield (or program yield, in the case of peanuts) established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(2) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to—

(i) 65 percent of the applicable payment level under paragraph (3), as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop (or in the case of a crop of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 35 percent, but not greater than 75 percent, of the farm's effective marketing quota for 1989); and

(ii) 90 percent of the applicable payment level under paragraph (3), as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop (or, in the case of burley tobacco or flue-cured tobacco, for any deficiency in production greater than 75 percent of the farm's effective marketing quota for 1989).

(3) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall be equal to—

(A) for peanuts, the price support level for quota peanuts or the price support level for additional peanuts, as applicable;

(B) for tobacco, the national average loan rate for the type of tobacco involved, or (if there is none) the market price, as determined under section 104(a)(2); and

(C) for sugar beets and sugarcane, a level determined by the Secretary to be fair and reasonable in relation to the level of price support established for the 1989 crops of sugar beets and sugarcane, and that, insofar as is practicable, shall reflect no less return to the producer than under the 1989 price support levels.

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1989 crop of the commodity for harvest because of damaging weather or related condition in 1988 or 1989, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted of harvest in 1989; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987 minus acreage actually planted to the commodity for harvest in 1989.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers and any change in quotas for the 1989 crops of tobacco.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(d) SPECIAL RULES FOR PEANUTS.—Notwithstanding any other provision of law—

(1) a deficiency in production of quota peanuts from a farm, as otherwise determined under this section, shall be reduced by the quantity of peanut poundage quota that was the basis of such anticipated production that has been transferred from the farm;

(2) payments made under this section shall be taken into account whether the deficiency for which the deficiency in production is claimed was a deficiency in production of quota or additional peanuts and the payment rate shall be established accordingly; and

(3) the amount of undermarketings of quota peanuts from a farm for the 1989 crop that may otherwise be claimed under section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such peanuts for which payment has been received under this section.

(e) SPECIAL RULES FOR TOBACCO.—Notwithstanding any other provision of law—

(1) the amount of undermarketings of quota tobacco from a farm for the 1989 crop that may otherwise be claimed under section 317 or 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c or 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such tobacco for which payment has been received under this section; and

(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(d)).

(f) SPECIAL RULE FOR SUGAR.—A producer of the 1989 crop of sugarcane or sugar beets that is unable to process the commodity into sugar due to the inability of local processing plants to process sugar as a result of damaging weather or related condition in 1989 shall be eligible for disaster payments in accordance with subsection (a) for any loss in sugar production attributable to such inability. Disaster payments made available under this subsection for such loss of production shall be reduced by an amount equal to any proceeds received by the producer from the disposition of that portion of the crop on which disaster payments are made.

SEC. 104. SOYBEANS AND NONPROGRAM CROPS.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—

(A) ELIGIBILITY.—Effective only for the 1989 crops of soybeans and nonprogram crops, if the Secretary determines that, because of damaging weather or related condition in 1988 or 1989, the total quantity of the 1989 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 65 percent of—

(i) with respect to soybeans, the State, area, or county yield, adjusted for adverse weather conditions during the 1985, 1986, and 1987 crop years, as determined by the Secretary, for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b);

(ii) with respect to nonprogram crops (other than honey), the yield established by the Commodity Credit Corporation under section (d)(2) for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b); and

(iii) with respect to honey, the production level established by the Commodity Credit Corporation under subsection (d)(3),

the Secretary shall make a disaster payment available to such producers.

(B) PAYMENT RATE.—The payment shall be made to such producers at a rate equal to—

(i) 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 35 percent, but not greater than 75 percent, for the crop; and

(ii) 90 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 75 percent for the crop.

(2) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

(3) PAYMENTS BASED ON CROP AND VARIETY.—

(A) CROP.—The Secretary shall make disaster payments under this subsection on a crop by crop basis, with consideration given to markets and uses of the crops, under regulations issued by the Secretary.

(B) VARIETY.—For purposes of determining the payment levels on a crop by crop basis, the Secretary shall consider as separate crops, and develop separate payment levels insofar as is practicable for, different varieties of the same commodity, and commodities produced using organic techniques, for which there is a significant difference in the economic value in the market.

(4) EXCLUSIONS.—For purposes of determining the total quantity of the 1989 nonprogram crop of the commodity that the producers on a farm are able to harvest under paragraph (1), the Secretary shall exclude—

(A) commodities that cannot be sold in normal commercial channels of trade; and

(B) dockage, including husks and shells, if such dockage is excluded in determining yields under subsection (d)(2).

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1989 crop of the commodity for harvest because of damaging weather or related condition in 1988 or 1989, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987 minus acreage actually planted for harvest in 1987; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1985, 1986, and 1987 minus acreage actually planted to the commodity for harvest in 1989.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in the preceding sentence to take into account crop rotation practices of the producers.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 107.

(d) SPECIAL RULES FOR NONPROGRAM CROPS.—

(1) DEFINITION OF NONPROGRAM CROP.—As used in this section, the term "nonprogram crop" means all crops (including sweet potatoes and honey) for which crop insurance through the Federal Crop Insurance Corporation was available for crop year 1989, and other commercial crops (including sweet potatoes and honey) for which such insurance was not available for crop year 1989, except that such term shall not include a crop covered under section 101, 102, or 103, or soybeans.

(2) FARM YIELDS.—

(A) ESTABLISHMENT.—The Commodity Credit Corporation shall establish disaster program farm yields for nonprogram crops (other than honey) to carry out this section.

(B) PROVEN YIELDS AVAILABLE.—If the producers on a farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least one of the immediately preceding 3 crop years, the yield for a farm shall be based on proven yields.

(C) PROVEN YIELDS NOT AVAILABLE.—If such data does not exist for any of the 3 preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity. If adequate data for each county is not available, the Commodity Credit Corporation shall establish a yield for the farm using the State average yield or national average yield.

(D) DATA.—In carrying out this paragraph, the Commodity Credit Corporation may use data from the Extension Service or other sources.

(3) PRODUCTION LEVELS FOR HONEY.—

(A) ESTABLISHMENT.—The Commodity Credit Corporation shall establish production levels for honey to carry out this section.

(B) PROVEN PRODUCTION AVAILABLE.—If the producers on a farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop production on the farm for the immediately preceding 5 crop years, the production level for a farm shall be based on the average of the proven production on the farm for the immediately preceding 5 crops of honey, excluding the year in which such production was the highest and the year in which such production was the lowest in such period.

(C) PROVEN PRODUCTION NOT AVAILABLE.—If such data is not available for the preceding 5 crop years, the Commodity Credit Corporation shall establish a production level for the producers on a farm by using a State average production per hive or a national average production per hive.

(4) BURDEN OF PROOF.—It shall be the responsibility of the producers of nonprogram crops to provide satisfactory evidence of 1989 crop losses resulting from damaging weather or related condition in 1988 or 1989 in order for such producers to obtain disaster payments under this section.

SEC. 105. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) IN GENERAL.—To ensure that all producers of 1989 crops covered under sections 101 through 104 are treated equitably, the Secretary may make additional disaster payments to producers of such crops who suffer losses resulting from the reduced quality of such crops caused by damaging weather or related condition in 1988 or 1989, as determined by the Secretary.

(b) ELIGIBLE PRODUCERS.—If the Secretary determines to make crop quality disaster payments available to producers under subsection (a), producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if such producers incur a deficiency in production of not less than 35 percent and not more than 75 percent for such crop (as determined under section 101, 102, 103, or 104, as appropriate).

(c) MAXIMUM PAYMENT RATE.—The Secretary shall establish the reduced quality disaster payment rate, except that such rate shall not exceed 10 percent, as determined by the Secretary, of—

(1) the established price for the crop, for commodities covered under section 101;

(2) the basic county loan rate for the crop (or a comparable price if there is no current basic county loan rate), for commodities covered under section 102;

(3) the payment level under section 103(a)(3), for commodities covered by section 103; and

(4) the payment level under section 104(a)(2), for commodities covered under section 104.

(d) DETERMINATION OF PAYMENT.—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the producer's farm that is reduced in quality by such natural disaster in 1988 or 1989, as determined by the Secretary.

SEC. 106. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

In the case of producers on a farm who obtained crop insurance for the 1989 crop of a commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary shall reduce the amount of payments made available under this subtitle for such crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by such producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this subtitle for such crop exceeds the amount determined by multiplying—

(1) 100 percent of the yield used for the calculation of disaster payments made under this subtitle for such crop; by

(2) the sum of the acreage of such crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary (or, in the case of disaster payments under section 101, the eligible acreage established under sections 101(a)(1) and 101(a)(2)(A)); by

(3)(A) in the case of producers who participated in a production adjustment program for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the established price for the 1989 crop of the commodity;

(B) in the case of producers who did not participate in a production adjustment program for the 1989 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the basic county loan rate (or a comparable price, as determined by the Secretary, if there is no current basic county loan rate) for the 1989 crop of the commodity;

(C) in the case of producers of sugar beets, sugarcane, peanuts, or tobacco, the payment level for the commodity established under section 103(a)(3); and

(D) in the case of producers of soybeans or a nonprogram crop (as defined in section 104(d)(1)), the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

SEC. 107. CROP INSURANCE COVERAGE FOR THE 1990 CROPS.

(a) REQUIREMENT.—Subject to the limitations under subsection (b), producers on a farm, to be eligible to receive a disaster payment under this subtitle or forgiveness of the repayment of advance deficiency payments under section 101(b), must agree to obtain multiperil crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the 1990 crop of the commodity for which such payments or forgiveness are sought.

(b) LIMITATIONS.—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) unless, with respect to producers of a crop planted in 1988 for harvest in 1989, such producers' deficiency in production, with respect to a crop planted in 1988 for harvest in 1989 for which a disaster payment under this subtitle otherwise may be made, exceeds 65 percent;

(2) where, or if, crop insurance coverage is not available to the producers for the commodity for which the payment or forgiveness is sought;

(3) if the producers' annual premium rate for such crop insurance is an amount greater than 125 percent of the average premium rate for insurance on that commodity for the 1989 crop in the county in which the producers are located;

(4) in any case in which the producers' annual premium for such crop insurance is an amount greater than 25 percent of the amount of the payment or forgiveness sought; or

(5) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)) that the purchase of crop insurance would impose an undue financial hardship on such producers and that a waiver of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted.

(c) IMPLEMENTATION.—

(1) COUNTY COMMITTEES.—The Secretary shall ensure (acting through the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the assistance programs provided for under sections 101 through 105 are implemented) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) OTHER SOURCES.—Each producer who is subject to the requirements of this section may comply with such requirements by providing evidence of multiperil crop insurance coverage from sources other than through the county committee office, as approved by the Secretary.

(3) COMMISSIONS.—The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into as a result of the requirements of subsection (a) sufficient to reflect that such insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

(d) REPAYMENT OF BENEFITS.—Each producer subject to the requirements of this section shall make immediate repayment to the Secretary of any disaster payment or forgiven advance deficiency payment that the producer otherwise is required to repay at any time (prior to the end of the 1990 crop year for the commodity involved) that the crop insurance coverage required of the producer under this section is canceled by the producer.

SEC. 108. CROPS HARVESTED FOR FORAGE USES.

Not later than 15 days after the date of the enactment of this Act, the Secretary shall announce the terms and conditions by which producers on a farm may establish a 1989 yield with respect to crops that will be harvested for silage and other forage uses.

SEC. 109. PAYMENT LIMITATIONS.

(a) LIMITATION.—Subject to subsections (b) and (c), the total amount of payments that a person shall be entitled to receive under one or more of the programs established under this subtitle may not exceed $100,000.

(b) NO DOUBLE BENEFITS.—No person may receive disaster payments under this subtitle to the extent that such person receives a livestock emergency benefit for lost feed production in 1989 under section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d).

(c) COMBINED LIMITATION.—

(1) IN GENERAL.—No person may receive any payment under this subtitle or benefit under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.) for livestock emergency losses suffered in 1989 if such payment or benefit will cause the combined total amount of such payments and benefits received by such person to exceed $100,000.

(2) ELECTION.—If a producer is subject to paragraph (1), the person may elect (subject to the benefits limitations under section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g)) whether to receive the $100,000 in such payments, or such livestock emergency benefits (not to exceed $50,000), or a combination of payments and benefits specified by the person.

(d) REGULATIONS.—The Secretary shall issue regulations—

(1) defining the term "person" for the purposes of this section, that shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and section 211 of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this section.

SEC. 110. DE MINIMIS YIELDS.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—The Secretary shall determine a de minimis yield for each crop eligible for reduced yield disaster payments under this subtitle.

(2) LEVEL.—The de minimis yield shall be set at a level that will minimize any incentive provided by the prospect of disaster payments to abandon crops that have a value that exceeds the cost of harvesting. In no case may the de minimis yield be less than the amount of production that, when valued at current market prices, equals the average cost of harvesting the crop, as determined by the Secretary.

(3) ACTUAL YIELD LESS THAN DE MINIMIS YIELD.—Any producer whose actual yield for a crop is equal to or less than the de minimis yield for such crop shall be considered as having an actual yield of zero for the purpose of calculating any reduced yield disaster payments for such crop under this subtitle.

(b) CROP INSURANCE.—If the actual yield for a crop on a farm is equal to or less than the de minimis yield for the crop determined by the Secretary pursuant to subsection (a), neither the Federal Crop Insurance Corporation (including its agents and employees), nor companies reinsured by the Federal Crop Insurance Corporation (including their agents and employees) may require the destruction of any portion of that crop as a condition for making a full crop loss indemnity payment to a producer under the terms of a valid contract of insurance on such crop.

(c) TREATMENT OF PRODUCERS.—For the 1988 crops of barley, oat and wheat, insured producers whose crop losses were appraised by the Federal Crop Insurance Corporation prior to July 5, 1988, shall be treated similarly to those producers whose crop losses were appraised by the Federal Crop Insurance Corporation after July 4, 1988, with respect to the calculation of de minimis yields.

Subtitle B—Forest Crops

SEC. 121. ELIGIBILITY.

(a) DROUGHT LOSS.—Subject to the limitation in subsection (b), the Secretary shall provide assistance, as specified in section 122, to eligible tree farmers that planted tree seedlings in 1988 or 1989 for commercial purposes but lost such seedlings as a result of drought or related condition in 1989, as determined by the Secretary.

(b) LIMITATION.—An eligible tree farmer shall qualify for assistance under subsection (a) only if such tree farmer's tree seedling mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 122. ASSISTANCE.

The assistance provided by the Secretary to eligible tree farmers for losses described in section 121 shall consist of either—

(1) reimbursement of 65 percent of the cost of replanting seedlings lost due to drought or related conditions in 1989 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

SEC. 123. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $25,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary shall issue regulations—

(1) defining the term "person" for the purposes of this subtitle, that shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and section 211 of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 124. DEFINITION.

As used in this subtitle, the term "eligible tree farmer" means a person who produces annual crops from trees for commercial purposes or who grows trees for harvest for commercial purposes, and owns 1,000 acres or less of such trees.

SEC. 125. DUPLICATIVE PAYMENTS.

The Secretary shall establish guidelines to ensure that no person receives duplicative payments under this subtitle and the forestry incentives program, agricultural conservation program, or other existing Federal program.

Subtitle C—Administrative Provisions

SEC. 131. INELIGIBILITY.

(a) GENERAL RULE.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive any disaster payment or other benefits under this title.

(b) QUALIFYING GROSS REVENUES.—For purposes of this section, the term "qualifying gross revenues" means—

(1) if a majority of the person's annual income is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

(2) if less than a majority of the person's annual income is received from farming, ranching, and forestry operations, the person's gross revenue from all sources.

SEC. 132. TIMING AND MANNER OF ASSISTANCE.

(a) TIMING OF ASSISTANCE.—

(1) IN GENERAL.—

(A) FULL PAYMENT AS SOON AS PRACTICABLE.—Subject to subparagraph (B), the Secretary shall make full disaster assistance available under this title as soon as practicable after the date of enactment of this Act.

(B) APPLICATION APPROVAL REQUIRED.—Notwithstanding any other provision of law, no payment or benefit provided under this title shall be payable or due until such time as a completed application for a crop of a commodity therefor has been approved.

(2) LATEST DATE FOR APPLICATION.—A person eligible to receive payments under subtitle A shall make application for such payments not later than March 31, 1990, or such later date that the Secretary, by regulation, may prescribe.

(b) MANNER.—The Secretary may make payments available under subtitle A in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 133. COMMODITY CREDIT CORPORATION.

(a) USE.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this title.

(b) EXISTING AUTHORITY.—The authority provided by this title is in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 134. REGULATIONS.

The Secretary or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement this title as soon as practicable after the date of enactment of this Act, without regard to the requirement for notice and public participation in rule making prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

TITLE II—EMERGENCY LIVESTOCK ASSISTANCE

SEC. 201. QUANTITIES OF EMERGENCY FEED ASSISTANCE.

Section 605(a) of the Agricultural Act of 1949 (7 U.S.C. 1471c(a)) is amended—

(1) in paragraph (3), by striking out "Each" and inserting in lieu thereof "Except as otherwise provided in this subsection, each"; and

(2) by adding at the end thereof the following new paragraphs:

"(4) The daily allowance for all livestock (except fish raised for food) for emergency feed assistance under the programs specified in section 606(a) shall be at least—

"(A)(i) in the case of cattle (other than dairy cattle), 15 pounds of feed grain equivalent per day per animal unit; and

"(ii) in the case of dairy cattle, 25 pounds of feed grain equivalent per day per animal unit; or

"(B) such lesser quantity as is determined by the State or county committee.

"(5) In determining the quantity of feed available on a farm for utilization by a particular species of livestock, the Secretary shall not include any feed or feedstuff that cannot be utilized by the species of livestock, unless the feed or feedstuff can be readily transported and sold in an established market.

"(6) Not later than 60 days after the date of enactment of this paragraph, the Secretary shall adjust the daily allowance for all livestock for emergency feed assistance under the programs specified in section 606(a) to levels that represent the actual quantities necessary for animals fully to perform the functions for which they are kept, including growth, reproduction, lactation, and work.".

SEC. 202. LIVESTOCK TRANSPORTATION ASSISTANCE.

Section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d) is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of law, the Secretary may make available at least $25,000,000 to provide livestock transportation assistance under subsection (a)(6) for livestock emergencies in 1989.".

SEC. 203. ASSISTANCE FOR PONDS.

Section 607(b)(2)(B) of the Agricultural Act of 1949 (7 U.S.C. 1471e(b)(2)(B)) is amended by inserting "or ponds" after "wells".

SEC. 204. LIVESTOCK WATER DEVELOPMENT PROJECTS.

Section 607 of the Agricultural Act of 1949 (7 U.S.C. 1471e) is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of law, the Secretary may make available at least $25,000,000 to provide special assistance under subsection (b)(2) for livestock emergencies in 1988 and 1989.".

TITLE III—COMMODITY STOCK ADJUSTMENT

SEC. 301. PLANTING OF ALTERNATE CROPS ON PERMITTED ACREAGE.

Section 504(b)(2) of the Agricultural Act of 1949 (7 U.S.C. 1464(b)(2)) is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following new subparagraph:

"(E) in the case of the 1990 crop year, acreage in an amount equal to but not to exceed 20 percent of the permitted acreage for a program crop, if—

"(i) the acreage considered to be planted is planted to canola, rapeseed, sunflower, safflower, flaxseed, kenaf, crambe, guayule, milkweed, or meadowfoam;

"(ii) the producers on the farm plant for harvest to the program crop at least 50 percent of the permitted acreage for such crop; and

"(iii) payments are not received by producers under section 107D(c)(1)(C), 105C(c)(1)(B), 103A(c)(1)(B), or 101A(c)(1)(B), as the case may be; and".

TITLE IV—DISASTER CREDIT AND FORBEARANCE

SEC. 401. EMERGENCY LOANS.

Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) shall not apply to a person who otherwise would be eligible for an emergency loan under subtitle C of such Act (subject to the person's compliance with the requirements of section 107 of this Act), if such eligibility is the result of damage to an annual crop planted for harvest in 1989.

SEC. 402. 1990 FARM OPERATING LOANS.

(a) DIRECT CREDIT.—To the maximum extent practicable, the Secretary shall ensure that direct operating loans made or insured under subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) for 1990 crop production are made available to farmers and ranchers suffering major losses due to damaging weather or related condition in 1988 or 1989, as authorized under existing law and under regulations of the Secretary that implement the objective of enabling farmers and ranchers to stay in business.

(b) LOAN GUARANTEES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall make available in fiscal year 1990, guarantees to commercial or cooperative lenders for loans under subtitle B of the Consolidated Farm and Rural Development Act, to refinance and reamortize 1989 operating loans, or 1989 or 1990 installments due and payable on real estate debt, farm equipment or building (including storage facilities) debt, livestock loans, or other operating debt, of farmers and ranchers that otherwise cannot be repaid due to major losses incurred by such farmers or ranchers as a result of damaging weather or related condition in 1988 or 1989.

(2) REAMORTIZATION.—Each fiscal year 1990 guaranteed loan for 1988 or 1989 natural disaster purposes, as described in paragraph (1), shall contain terms and conditions governing the reamortization of the debt of the farmer or rancher that will provide the farmer or rancher a reasonable opportunity to continue to receive new operating credit while repaying the guaranteed loan, as determined by the Secretary.

(3) ELIGIBILITY.—Notwithstanding any other provision of law, any person eligible to receive payments under subtitle A of title I shall be deemed eligible to have guaranteed, in accordance with this subsection, loans made to such person by a commercial or cooperative lender to refinance installment payments that are or become due and payable during 1989 or 1990, as described in paragraph (1), except that, to be deemed eligible to have such loan guaranteed, the person must otherwise—

(A) be current in the person's obligation to the commercial or cooperative lender that agrees to accept the guarantee in consideration of allowing the person to make the 1989 or 1990 payment or installment over a period of time not to exceed 6 years from the original due date of such payment or installment; and

(B) meet the criteria for guaranteed loan borrowers under subtitle B of the Consolidated Farm and Rural Development Act established by the Secretary.

(c) USE OF ACIF FUNDS.—For purposes of providing guaranteed loans in accordance with subsection (b), in addition to funds otherwise available, the Secretary may use any funds available from the Agricultural Credit Insurance Fund during fiscal years 1989 or 1990 for emergency insured and guaranteed loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) to meet the needs resulting from natural disasters, except that funds available from such Fund first shall

be used to satisfy the level of assistance estimated by the Secretary to meet the needs of persons eligible for emergency disaster loans.

SEC. 403. FORBEARANCE AND RESTRUCTURING FOR FARM LOANS.

(a) FARMERS HOME ADMINISTRATION.—It is the sense of Congress that the Secretary should, with respect to farmers and ranchers who suffer major losses due to damaging weather or related condition in 1988 or 1989—

(1) exercise forbearance in the collection of interest and principal on direct farmer program loans under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) outstanding for such farmers and ranchers;

(2) expedite the use of credit restructuring and other credit relief mechanisms authorized under the Agricultural Credit Act of 1987 (Public Law 100-233) and similar provisions of law for such farmers and ranchers; and

(3) encourage commercial lenders participating in guaranteed farmer lending programs under the Consolidated Farm and Rural Development Act to exercise forbearance before declaring loans to such farmers and ranchers under such programs in default.

(b) FARM CREDIT ADMINISTRATION.—It further is the sense of Congress that the Farm Credit Administration should in its oversight of Farm Credit System institutions, with respect to farmers and ranchers who suffer major losses due to damaging weather or related condition in 1988 or 1989—

(1) ensure that Farm Credit System institutions exercise forbearance in the collection of principal and interest on loans outstanding to such farmers and ranchers;

(2) expedite the use of credit restructuring and other credit relief mechanisms authorized under the Agricultural Credit Act of 1987 and related provisions of law for such farmers and ranchers; and

(3) encourage other lenders participating with Farm Credit System institutions in mutual loan agreements to exercise forbearance before declaring loans to such farmers and ranchers in default.

TITLE V—CONSERVATION ASSISTANCE

SEC. 501. HAYING AND GRAZING ON CRP ACREAGE.

(a) IN GENERAL.—

(1) HAYING AND GRAZING ON CRP ACREAGE.—In the case of an owner or operator of land who has entered into a conservation reserve program contract under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and hays or grazes livestock during the 1989 crop year on acreage subject to such contract as authorized by the Secretary, the Secretary may not reduce the amount of rental payments made to such owner or operator as the result of such haying or grazing to the extent that the owner or operator—

(A) carries out additional conservation practices, approved by the Soil Conservation Service in consultation with appropriate Federal and State agencies, to enhance soil, water, and wildlife conservation on or in the vicinity of lands subject to such contract; and

(B) pays the costs of carrying out such practices.

(2) AMOUNT OF REDUCTION.—The amount of the reduction prohibited under paragraph (1) shall equal one-half of the amount paid by the owner or operator to cover the costs of carrying out the conservation practices.

(b) CONSERVATION PRACTICES.—For purposes of subsection (a), the term "conservation practices" includes—

(1) establishment of permanent shelterbelts and windbreaks;

(2) restoration of wetlands;

(3) establishment of wildlife food plots; or

(4) planting of trees.

SEC. 502. MANAGEMENT OF NATIONAL GRASSLANDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Agriculture, for repairing drought-related damage to the National Grasslands managed by the Forest Service under the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1000 et seq.), $5,000,000 for each of the fiscal years 1990 and 1991.

(b) USE OF FUNDS.—Funds appropriated pursuant to subsection (a) may be used for range management activities, including enhancement of wildlife habitat, replacement of fences, development and maintenance of water supplies, and noxious weed control.

(c) COST SHARING.—Funds appropriated pursuant to subsection (a) may be expended under agreements between the Forest Service and grazing associations or individual permittees providing for the sharing of the costs of range management activities by the Federal Government and such grazing associations or permittees, except that the share of costs to be borne by a permittee shall be reduced as necessary to allow participation by permittees who cannot afford to participate.

TITLE VI—RURAL BUSINESSES

SEC. 601. DISASTER ASSISTANCE FOR RURAL BUSINESS ENTERPRISES.

(a) LOAN GUARANTEES.—The Secretary shall guarantee loans made in rural areas to—

(1) public, private, or cooperative organizations, to Indian tribes on Federal and State reservations or other Federally recognized Indian tribal groups, or to any other business entities to assist such organizations, tribes, or entities in alleviating the distress caused to such organizations, tribes, or entities, directly or indirectly, by the drought, hail, freeze, excessive moisture, or related condition in 1988 or 1989; and

(2) such organizations, tribes, or entities that refinance or restructure debt as a result of losses incurred, directly or indirectly, because of such natural disasters in 1988 or 1989.

(b) ELIGIBLE LOANS.—Loans guaranteed under this section shall be loans made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, insurance company, or other legally organized lending agency.

(c) LOAN GUARANTEE LIMITS.—

(1) PERCENTAGE OF PRINCIPAL AND INTEREST.—No guarantee under this section shall exceed 90 percent of the principal and interest amount of the loan or $500,000, whichever is the lesser amount.

(2) TOTAL AMOUNT.—The total amount of loan guarantee under this section shall not exceed $200,000,000.

(d) USE OF THE RURAL DEVELOPMENT INSURANCE FUND.—The Secretary shall use the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) for the purposes of discharging the obligations of the Secretary under this section.

TITLE VII—WATER-RELATED ASSISTANCE

SEC. 701. EMERGENCY CONSERVATION PROGRAM.

Notwithstanding any other provision of law, the Secretary of Agriculture shall issue regulations to carry out section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2202), or take such other action as is necessary, to provide payments for emergency water conservation or water enhancing measures that benefit confined animals within 30 days after the date of enactment of this Act.

SEC. 702. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306 (7 U.S.C. 1926) the following new section:

"SEC. 306A. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

"(a) IN GENERAL.—The Secretary shall provide grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

"(1) after a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities;

"(2) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy—

"(A) an acute shortage of quality water; or

"(B) a significant decline in the quantity or quality of water available.

"(b) PRIORITY.—In carrying out subsection (a), the Secretary shall—

"(1) give priority to projects described in subsection (a)(1); and

"(2) provide at least 70 percent of all such grants to such projects.

"(c) ELIGIBILITY.—To be eligible to obtain a grant under this section, an applicant shall—

"(1) be a public or private nonprofit entity; and

"(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred within 2 years of the date the application was filed for such grant.

"(d) USES.—

"(1) IN GENERAL.—Grants made under this section may be used for water line extensions from existing systems, laying of new water lines, repairs, significant maintenance, digging of new wells, equipment replacement, hook and tap fees, and any other appropriate purpose associated with developing sources of, or treating, storing, or distributing water, and to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

"(2) JOINT PROPOSALS.—Nothing in this section shall preclude rural communities from submitting joint proposals for emergency water assistance, subject to the restrictions contained in subsection (e). Such restrictions should be considered in the aggregate, depending on the number of communities involved.

"(e) RESTRICTIONS.—

"(1) MAXIMUM POPULATION AND INCOME.—No grant provided under this section shall be used to assist any rural area or community that—

"(A) includes any area in any city or town with a population in excess of 5,000 inhabit-

ants according to the most recent decennial census of the United States; or

"(B) has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States.

"(2) SET-ASIDE FOR SMALLER COMMUNITIES.—Not less than 75 percent of the funds allocated under this section shall be allocated to rural communities with populations that do not exceed 3,000 inhabitants.

"(f) MAXIMUM GRANTS.—Grants made under this section may not exceed—

"(1) in the case of each grant made under subsection (a)(1), $500,000; and

"(2) in the case of each grant made under subsection (a)(2), $75,000.

"(g) FULL FUNDING.—Subject to subsection (e), grants under this section shall be made in an amount equal to 100 percent of the costs of the projects conducted under this section.

"(h) APPLICATIONS.—

"(1) NATIONALLY COMPETITIVE APPLICATION PROCESS.—The Secretary shall develop a nationally competitive application process to receive grants under this section. The process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline in quantity or quality of water.

"(2) TIMING.—The Secretary shall make every effort to review and act on applications within 60 days of the date that such applications are submitted.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for fiscal year 1990, and $10,000,000 for fiscal year 1991, such sums to remain authorized until fully appropriated.".

(b) IMPLEMENTATION.—

(1) REGULATIONS.—The Secretary shall publish—

(A) interim final regulations to carry out section 306A of the Consolidated Farm and Rural Development Act (as added by subsection (a) of this section) not later than 45 days after the date of enactment of this Act; and

(B) final regulations to carry out section 306A of such Act not later than 90 days after the date of enactment of this Act.

(2) FUNDS.—

(A) OBLIGATION.—The Secretary shall designate 70 percent of the funds made available for the first fiscal year for which appropriations are made under section 306A(i) of the Consolidated Farm and Rural Development Act not later than 5 months after the date such funds are appropriated.

(B) RELEASE.—The Secretary may release funds prior to the issuance of final regulations under paragraph (1)(B) for grants under section 306A(a)(1) of Consolidated Farm and Rural Development Act.

HEAT, LACK OF RAIN THREATEN TO CUT CROP YIELDS

(By Mikkel Pates)

High temperatures and lack of rain are shriveling crop prospects throughout the region, say crop experts.

Carl Fanning, North Dakota State University Extension Service agronomist, said large areas south of Bismarck, N.D., and others in extreme northwest North Dakota have lost 60 percent to 80 percent of their yield potential.

"Things are going downhill so fast it's hard to put a number on it," Fanning said late Wednesday.

Psychologically, the situation is bad because it's more sporadic than last year. A farmer might be hit hard by drought, while a neighbor five miles away has gotten rain.

"That's terribly discouraging to the growers," Fanning said. "Last year everybody was in the same boat."

Duane Hauck, Cass County extension agent in Fargo, said the heat isn't unusual for July, but this year there aren't subsoil moisture reserves to carry the crops through.

In the Red River Valley, clay based soils don't dry out as quickly as the sandier soils to the west in the Buffalo, N.D. area, for example. Hauck has heard that the small grains are starting to "fire". Their lower leaves dry up and turn white.

"We're in need of rain to get this crop filled, especially the later-seeded crops," Hauck said.

Ken Pazdernik, Norman County extension agent at Ada, Minn., said farmers who were anticipating a 70-bushel per acre yield now are looking at a 50-bushel yield potential.

Bob Deutsch, vice president of Agvise Inc., a crop consulting company at Northwood, N.D., said his area has received almost as little rain as last year, the driest year since the 1930s.

"If it continues hot and dry we could end up with the same yield as last year," Deutsch said, adding that they were cut in half of normal. "Last year we had good subsoil moisture, and this year we don't have any."

If rain and cooler temperatures come within a week, there is still a chance for normal yields, Deutsch said.

Frank Sobolik, NDSU extension agronomist for 12 central counties, said a large area is suffering irreparable drought damage.

Sobolik said small grains are down to the main stem heads in many areas, meaning at least 40 percent of the crop potential is lost.

Crops literally close down their pores and shut down their growth factory when temperatures get above 90 degrees, Sobolik said. That means no growth and reduced yields.

Row crops—such as corn, beans and sunflowers—are faring better, but also will suffer without cooler, wetter weather.

Despite the comparisons, 1989 would have to get much worse to be as bad as 1988.

John Ens, NDSU soil science climatologist, said Fargo had only two days above 90 degrees as of July 4. Last year, there were five days in May above 90 degrees and another 13 in June.

The problem this year is that there are too many crops running out of water.

The weekly U.S. Department of Agriculture crop report rated North Dakota's spring wheat crop at 3 percent poor, 26 percent fair, 69 percent good and 2 percent excellent.

Durum was rated 1 percent poor, 24 percent fair, 69 percent good, and 6 percent excellent.

Crop progress remained at the five-year average for both the small grains and the row crops. Pastures were rated 4 percent very poor, 2 percent poor, 59 percent fair and 39 percent good. Stockwater supplies are 2 percent very short, 3 percent short and 95 percent adequate.

CROPS STRESSED BY HEAT

Scorching heat and rainless skies are shriveling crop prospects throughout North Dakota, as well as drying up pastures and putting strain on livestock, experts say.

"It now seems to be getting pretty clear . . . that we have a very serious situation on our hands in this state," Gov. George Sinner said Thursday.

The governor said he had spoken with North Dakota's congressional delegation "about the urgency of drought legislation."

Large areas south of Bismarck and other portions of extreme northwestern North Dakota have lost 60 to 80 percent of their crop yields, said Carl Fanning, an agronomist for the North Dakota State University Extension Service.

"Things are going downhill so fast it's hard to put a number on it," Fanning said Wednesday.

A number of areas in North Dakota have baked in 100-degree-plus temperatures this week, although the heat abated somewhat Thursday.

Meanwhile, topsoil moisture is very short in 13 percent of the state and short in 36 percent, according to the latest weekly crop report from the North Dakota Agricultural Statistics Service. Subsoil moisture is very short in 18 percent of the state and short in 70 percent, the report said.

Karl Silverman, lead forecaster for the National Weather Service in Bismarck, attributed the hot and dry weather to a high-pressure ridge that is "rather typical for North Dakota in the summer."

But that is still bad news following a drought like the state suffered last year, which was called the worst since the 1930s, Silverman said. Records show "a year of less-than-average rainfall—70 to 80 percent of normal—is rather typical following a year of very little rain," he said.

Bob Deutsch, vice president of Agvise Inc., an agricultural consulting company in Northwood, said his area had received almost as little rain as last year.

"If it continues hot and dry, we could end up with the same yield as last year," which was about half of normal, he said. "Last year, we had good subsoil moisture, and this year we don't have any."

Still, 1989 would have to get much worse to be as bad as 1988, experts say.

The latest weekly crop report said despite the heat and inadequate moisture, small-grain and row-crop development advanced this week. However, crop conditions deteriorated, the report said.

Compared with last summer's dry weather, "we have more of the state that's in good shape," Sinner said.

"But we have a large share of the state that's hurt pretty badly and it's getting hurt every day as this heat wears on," the governor said.

A large area of North Dakota is suffering irreparable drought damage said Frank Sobolik, NDSU extension agronomist for 12 counties in central North Dakota.

Small grains are down to the main-stem heads in many areas, meaning at least 40 percent of the crop potential is lost, Sobolik said.

Mr. BREAUX. Mr. President, I want to commend the Senator for his statement and on his observations regarding the severity of the problem, and I commend him for his legislation and ask the question: Is the legislation he is introducing limited to a particular number of crops, or does it specify a list of crops, or can he elaborate on that for a moment?

Mr. CONRAD. No; there is not a limitation. I think the Senator may be re-

ferring to nonprogram and speciality crops—we have all crops provided for and included. We have devised this legislation, I might say to my friend from Louisiana, in consultation with our friends in the South who have experienced severe losses in various crops that we do not have in our part of the country, but also to certain perils that we have not experienced. This is a comprehensive drought relief bill.

Mr. BREAUX. If the Senator will yield further, I commend him for that approach. The real question is looking at crops that have suffered a disaster, regardless of the type of crop. It is a question of whether a particular crop has experienced a disaster, and whether it is a disaster of any type, not just a drought.

We had 40 inches of rain in 1 week. We put much of our land under 2 to 3 feet of water. This bill is very timely, and I commend him for it, and I ask that I be added as a cosponsor of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I might just add that this bill does go beyond drought. It is for excessive moisture, and deals with those who suffered from hurricanes and deals with those who have suffered from freezing. So it deals with the disasters that people have experienced. A disaster is a disaster, and we ought to be ready to assist those who are faced with an impossible situation.

Mr. President, I thank the Chair and yield the floor.

Mr. DOLE. Will the Senator from North Dakota yield.

Mr. CONRAD. Yes.

Mr. DOLE. I wonder if you might give me an estimate of the cost the Senator from North Dakota intends to pay for this comprehensive drought legislation.

Mr. CONRAD. I think it is impossible for us, at this point, to give a clear estimate of the cost. I think the reason for that is clear. We, at this time, do not know the final dimensions of the disaster. The Senator from Kansas perhaps missed my earlier indication that in my State now 12 counties are estimated to have already suffered a loss of from 60 to 80 percent—not unlike what the Senator from Kansas experienced in the winter wheat areas of his State.

Mr. DOLE. The only point I make—and we are going to have this discussion later this week in the committee and maybe next week and hopefully before the August recess on the floor—as I understand the information that is available to me, there is only one crop where there has been any savings, and that is winter wheat, because we have already had the disaster that wiped out about half the crop in the State of Kansas, which is the number one wheat-producing State—probably not this year.

But I am wondering where the additional savings come from and that if we open this bill up to everything, as the House bill did, 540 different crops, does that all come out of the savings on winter wheat so that the winter wheat producers who have already been devastated, instead of getting what farmers received last year, get 10 percent of that or 5 percent of that or very little?

It seems to me it is great to introduce these bills saying we ought to cover everything; every crop ought to be covered, whether it is a program crop or not, and then not say how we are going to pay for it.

It seems to me we cannot do that any more here. We have to pay for it, and I hope it is not coming out of the pockets of the winter wheat farmers when we are covering a lot of crops that are not even certain they are going to have a disaster. We had ours. It has cost the State of Kansas $1.6 billion.

Others say we want to wait to see what happens in July, August, September, and October.

When do we finally pass a drought bill and when do we provide relief for those who have already suffered the disaster?

I am certain this Senator is sympathetic to crops in other parts of the country, particularly program crops.

It would seem to me that we need to limit the scope of some of this legislation or find some way to pay for it.

I listened to the Senator from North Dakota saying, well, we spent $3.9 billion last year and saved $8 billion. I guess the inference is there is $4 billion around. But it is not around. There is not any money.

I am advised there is not going to be but $200 million or $300 million available for drought aid.

Where is it going to go? I would hope it would go first to the wheat producers in the six or seven States that already suffered losses, and I would hope that, if we are going to expand it, that we mandate that those who have already suffered the disaster be taken care of and authorize additional disaster coverage if corn, soybeans, whatever, may be destroyed because of drought, or in the case of Louisiana because of flood, or whatever it may be. But somehow we have to pay for it.

I just say, maybe parochially, I hope it is not all coming out of those who already suffered the loss so what they will receive will be of much less benefit than farmers received last year.

But again, we need to know the cost.

Mr. CONRAD. I respect very much what the Senator from Kansas has said. I feel very strongly that we must pay for what we spend. I think if anyone has demonstrated a sincerity on that question, I have.

Let me also say to my friend from Kansas that his people have suffered and my people have suffered. No State was harder hit by drought last year than mine and now we have a repeat of what we faced last year.

Already, as I indicated, 12 counties in my State have experienced losses on spring-planted crops of from 60 to 80 percent, according to my State university.

My State simply cannot stand another devastation by drought, simply cannot stand it. My State is on the ropes. It is the biggest outmigration State in the Nation, according to the moving companies. My State had the biggest loss of personal income of any State in the Nation last year. We lost 5 percent of personal income in my State last year and now we are faced with a situation in which things looked good 3 weeks ago, they looked green, but there was no subsoil moisture and now we have had 3 weeks of extreme heat, extreme wind, and in place after place in my State the crops are devastated. They are already gone. The loss has been suffered. There is 60 to 80 percent loss in 12 counties already.

I simply say to my friend from Kansas, last year it is true we spent $3.9 billion as a result of drought. We saved $8 billion. Those were not the estimates of USDA. If you will recall, they said we were spending that much then. So I will question their estimates this year until we have some greater knowledge of what the extent of the loss is.

But I can say in my State, and I fear in many others, we are faced with a loss that is devastating, and in my State we simply cannot afford any more.

I thank the President and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. DOLE. I will just say, as one who has followed ag legislation fairly carefully over the years in the Senate and worked with, I guess, all commodities, I am not certainly quarreling with the fact that we should not address losses in other areas, except I think we get a little off base when we start bringing in nonprogram crops because the program crops are the ones that have to follow the regulations and limit their planting and certain set-asides, but last year it was so massive it covered everything, over 600 crops, even fish, I think, we covered in last year's disaster bill.

So it would seem to me that if we are going to have a drought relief package, and I would assume we will have, we need to find some way to work it out so where the loss has been

suffered and they have been waiting for weeks and weeks and weeks for some relief, they ought to have a priority where we have some indication. I picked up the Wall Street Journal this morning and read where there is going to be above normal rainfall in all the areas, so the soybean prices and corn prices are falling.

Now I do not know whether it is going to rain or when it is going to rain in North Dakota, Kansas, or anywhere else, but we do not know whether they are going to have a loss in some of those crops for weeks and weeks and months, and we need to find some way to address that when it comes. And maybe the way you do it is to mandate immediate relief for those farmers who have already suffered losses in winter wheat areas, primarily in Kansas, Texas, Oklahoma, Colorado, Nebraska, South Dakota, and maybe a bit in Missouri, and then authorize the Secretary to provide relief for losses in other areas when those losses have been determined, but in the meantime those of us on the Agriculture Committee have to find savings, $500 million, $600 million. I do not know what the programs will cost, and savings are hard to come by.

My only point in representing my State, I do know my farmers are certainly sympathetic with farmers everywhere and we voted for the disaster bill last year, although Kansas had a pretty good year, it did not benefit from it but very little.

However, if there is only savings from one area, wheat, we do not believe it is fair to say let us take it all out of the winter wheat saving, to pay for all the other losses we are not certain are going to happen yet. To me that is not the way we are going to legislate, and I would hope that we could find some way to resolve this very important issue but do it quickly.

We have already waited 6 weeks. We have lost a lot of time. The farmers in my State really need to know very quickly if they are going to have any legislation.

The House passed an irresponsible bill that covered every crop anyone could think of and cost $1.3 billion. There is not that much savings. Where do we find the additional money?

I would just say to my colleagues I would be happy to help find the savings and I would certainly be happy to help cover other crops where there has been a serious disaster.

I wish we would keep an eye on program crops versus nonprogram crops, but in the end we need to do it very quickly.

I reserve the remainder of my time.

Mr. CONRAD. Mr. President, if I might just say to my friend from Kansas, we all have a concern about the cost. I think all of us are ready to be responsible and look at what the savings are and what the costs are. We did that last year. The proof is in the result. And there will be savings again this year due to the weather conditions.

The result last year was the cost was $3.9 billion and the savings were $8 billion and we took care of a problem that was the most serious in 50 years.

This year we are faced with a repeat. I wish we were not. But I would simply say to my friend from Kansas, for the people of my area it is a very good thing that we waited. If we would have acted when the Senator from Kansas was urging us to act, his people would have been taken care of and my people would not have been taken care of. And my people are on the brink of facing a disaster every bit as serious as what his people face.

There has to be some equity around here. There has to be some recognition that if the people of the northern plains suffer a loss, that is as serious as the people of the central plains. And that is what we are faced with again this year.

I hope that my colleagues would say that when people in this country face a disaster we are ready to help. That is part of the American ethic. Neighbors come to help.

In my State, if the barn burns down at the neighbor's place, you go to help. If somebody is sick and cannot harvest his crop, you go to help. That is part of the ethic of America. I hope we do not lose that in this country.

But now we are faced with another disaster. None of us could have known for sure 3 weeks ago that that was going to be the case. We know it now. It is here now. I hope that we are going to respond.

Mr. DOLE. Will the Senator yield at that point?

Mr. CONRAD. If I could, I ask unanimous consent that Senator BENTSEN of Texas be added as an original cosponsor of the bill, as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. I am happy to yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I will just take a second. I want to correct any misimpression that might be left by the Senator from North Dakota who indicated that I might not be sympathetic to the farmers in North Dakota. That has not been my record over the years. If there is going to be a disaster, we act on it. We do not wait until the end of every year to see how many people are going to have disasters and then have one bill at the end of the year.

There are a lot of ways we could legislate. One is, I suggest, take care of those who have already had the disaster and authorize the relief for the others. And that relief would be contingent not only on having another bill but finding the money to pay for it. So I think that is a responsible way to act.

Plus, I think we have to point out that we all represent farmers and they are the best people I know. But the Government cannot do it all. The Government cannot walk in every year and say, "Well, we will take care of all the farm disasters but if you are in business you do not get any relief. You may get a small business loan you have to pay back."

So I think farmers recognize, too, that there are limits on what the Federal Government can do. We have crop insurance. We have a crop insurance program. Most businesses buy insurance to protect themselves. Many farmers buy insurance to protect themselves. The crop insurance program is not perfect. We hope to revise it and modify it some this year to make it more attractive to farmers.

But the Government is spending $400 million for crop insurance. Premiums are subsidized by about 30 percent. Farmers, by and large, have had good treatment from the Congress. They appreciate it and their families appreciate it and people up and down Main Street appreciate it.

My only point it, let us get on with the drought relief package. It is much more than the rural development, the so-called rural development package pending in the committee. Let us get on with the drought relief package and let us work it out if we can pay for it, so that those who have already suffered a loss, not those who may suffer a loss, are taken care of and if those who may suffer a loss do suffer a loss in the future, then we will have some provisions to take care of them.

But I generally find, at least in the past, maybe it is changing, on the Agriculture Committee, a consensus, not a partisan consensus, but a consensus of those of us from farm States to make certain there is equity being done. But equity is not holding one group hostage for 6, 7, 8 months until we take care of everybody else in the country. To me, that is not equity. It may be in North Dakota, but I do not think so.

Mr. CONRAD. Mr. President, I would like to clear up a misunderstanding, as well.

Before the break, the Senator from Kansas was arguing strenuously that we move a bill that took care of winter wheat. If we would have done that, spring wheat and other spring crops would have been left out, because it is clear there is only going to be one drought bill moved through Congress.

Now, some of us fought that because we did not think it was fair just to take care of winter wheat. We know that winter wheat was covered in the last bill. These producers suffered minimal damage last year. Now they

are suffering great damage, and they ought to be helped. That is fair.

But we understand there is going to be only one bill moved and it ought to cover everyone who suffers a disaster. That is fair.

Let me just say that my State has suffered grievously. No State has suffered more. I indicated earlier the biggest loss in personal income in this country was suffered by my State. The worst devastation by the drought was suffered by my State.

I wish we did not have to come and ask for additional help. I wish we were not having a repeat of the drought. But we are.

And if we are going to treat each other with respect and treat each other equally, then it is only fair that we deal with all those who suffer, not just single out one who suffered first and say to those who come later, "Good luck." That is not good enough.

Those of us who represent spring wheat crops and the other spring crops are going to stand up for our people and make sure that they are fairly treated. That is our job and we intend to dispatch it.

Thank you, Mr. President. I yield the floor.

THE APPLE INDUSTRY

Mr. SYMMS. Mr. President, I think it is appropriate that the distinguished senior Senator from Washington State is in the chair. As we knows, the apple industry has undergone a real dressing down in America this year. It is incredible to me that the United States of America is a nation that produces the best, the safest, the healthiest, the cleanest, the most convenient, the highest quality and lowest priced food for the consumers of this country.

Mr. President, there is no place in the world that have the convenience for shopping, the wide-spread distribution, or the availability of so many different kinds of foods. Whether we talk about frozen foods, fresh produce, or canned fruits and vegetables, the wide variety of food that is made available for the American people at such low prices is one of the real miracles of the private-enterprise profit-and-loss system we enjoy in the United States of America. There is no place on Earth that has supermarkets with the good, healthy, clean, fresh produce like we have in the United States.

The apple industry and many people in the apple industry have suffered enormously this year because of the emotional, demagogic and misleading scare tactics of the Natural Resources Defense Council [NRDC] and others. I think the U.S. Government has failed to stand up and make enough noise to put some of these naysayers down when they have told American consumer that healthy and nutritious foods were somehow harmful.

CBS, with 60 Minutes, wreaked havoc with the apple industry. The price of apples has dropped from about $12 to $14 a box [FOB] for shippers in Washington State and other States, down to about $8 a box for the extra fancy grades. People stopped eating apples because of the scare tactics seen in the 60 Minutes story. It devastated and will cause very serious financial problems for many, many apple farmers in the State of the distinguished Presiding Officer. It had a similar effect on my State on fewer people. But those who had apples in storage suffered the same losses as they did in Oregon and any other States where apples were still held in cold storage.

The reason I was interested in the comments of the distinguished minority leader, Senator DOLE, in his colloquy with Senator CONRAD about the drought bill, is that we seem to have the same kind of a problem now with respect to apples. I have the greatest sympathy for those apple growers in Washington State who are now wishing to have the Government buy some apples. This is being done now through section 32 funds. So the U.S. military, Federal prisons, and other places will enjoy the benefit of good, healthy, clean apples to eat as a result of this.

The tragic part of it is that many people in Washington State and other States where they had apples in storage have already taken their losses and sold their crop. They get very little benefit out of having the Federal Government step in at this late date and buy some apples. I do not have an answer for them. I was only interested in Senator DOLE's comments about the problems they have had in Kansas and how it relates to the drought in North Dakota.

It is always hard to have a program where the Government steps in to try to help out some people who have been harmed in part by their own Government and by the policies that allowed misinformation to scare millions of Americans away from the apple market.

In this country we can say the drought comes from the Almighty and not the Government, so those of us in the Senate, at least, do not have to take the blame for the drought. But I do think oftentimes Government intervention to try to help out some people, such as in the case of the recent purchase of these apples, really does not help the people who went ahead, took their lumps, sold their apples and lost their money. But hope springs eternal that maybe people will come back to their senses and realize that they would have fewer peoblems if they eat apples every day than if they listen to the NRDC and 60 Minutes and chose not to have a well-rounded, healthy diet that includes apples.

I am not overly excited about having the Federal Government purchase apples in this glut at this time. Those people who still have apples ought to be able to get rid of them, but a lot of their neighbors have already taken their lumps and sold their crop and they will not get any benefit from any purchase of this distressed crop at this late hour.

The same thing happens in the drought program. Some people benefit from it, some people do not. I have seen it happen in my State. The farmers who have good bankrolls when we have a drought program can drill a well and get paid half of the price of the well by the Government. The neighbor down the road who does not have such a fat bankroll cannot afford to spend $10,000 or $15,000 or $20,000 to drill a well, and so he cannot get that money reimbursed from the Government. It seems that is what happens all too often.

I long for the day when in this country farmers will have the opportunity to farm freely in a marketplace that is fair. I hope that someday they will not have so much interference from other factors that distort the markets and, in the long run, either keep some people in business who should have had the opportunity in the profit-and-loss system to get out of business, or likewise have the opportunity to benefit in the time that they do manage to hang on and run a frugal operation. Then farmers can be free when opportunity knocks to have a profitable venture from the production of their crops.

By Mr. McCAIN:

S. 1285. A bill to provide for the gradual reduction of expenses incurred by the United States in deploying United States forces in NATO countries and in Japan, and for other purposes; to the Committee on Armed Services.

COST SHARING IN THE DEPLOYMENT OF NATO FORCES

Mr. McCAIN. Mr. President, the time has come for a coherent policy toward the issue of burdensharing. We have spent far too long approaching this issue on a piecemeal basis, and pursuing conflicting policies. Far too often, the end result has been to irritate our allies, rather than persuade them. At the same time, it has been to emphasize goals that do not matter at the price of the goals that do, and to accept legislation which often is little more than ally bashing or whose net effect is to reduce our military effectiveness.

The bill that I am proposing today has the following major features:

It establishes reducing the cost of deploying U.S. forces overseas as the policy goal in burdensharing negotiations.

It calls for the President to negotiate with the nations of Central Europe and Japan to increase their contributions to the cost of deploying United States troops in their countries.

It sets the goal for allied contributions as 50 percent of United States costs for the NATO Central Region and 100 percent of United States costs for Japan.

It requires an estimate of the total cost of deploying United States forces for the defense of Japan and the NATO central region, and of the total value of the contributions those nations make toward offsetting these costs.

It requires that the NATO central region countries, and Japan, increase the total value of their offset of United States costs by at least 5 percent per year until they reach the applicable goal. In the event that they should fail to do so, the President would cut the total estimated cost of deploying U.S. forces by 5 percent for the next fiscal year.

It requires comprehensive annual reporting on the estimated annual cost of all U.S. deployments overseas, of the size of allied offsets, and of the efforts the United States has made to increase those offsets.

It allows the President to delay any reductions otherwise mandated by the bill by 1 additional year if he feels this is necessary for either urgent national security or arms control reasons.

This approach to burdensharing marks a major departure from past precedents. It establishes a coherent mix of goals for our burdensharing efforts that I believe all my colleagues will eventually share.

SETTING THE GOAL OF REDUCING THE COST OF STATIONING U.S. FORCES

The bill clearly states that our policy goal at this point in time should be to reduce the cost of stationing our forces overseas, and not subsidiary goals such as improvements in allied forces, research and development, or other less critical efforts. This policy recognizes the fact that changes in the threat allow us to focus our burdensharing efforts on maintaining the forces most critical to deterrence, to securing our critical strategic interests, and to negotiating effective arms control agreements.

SEEKING 100-PERCENT OFFSET OF THE COST OF DEPLOYING UNITED STATES FORCES FROM JAPAN

The bill recognizes the special status of our military relationship with Japan, and that Japan benefits more directly from our military deployments overseas than any other nation. It recognizes the fact that Japan is currently unwilling or unable to spend more than 1 percent of its GNP on defense, and that Japan's economic wealth allows it to pay a substantially higher percentage of offset for United States forces than any other nation.

The most recent report by the Secretary of Defense on allied contributions to the common defense shows that Japan ranks 15th after all our European allies in terms of the amount of its GNP that it spends on defense. It spent only 1 percent in the most recent year reported by the Secretary of Defense, versus 3.1 percent for West Germany, 4 percent for France, and 4.7 percent for the U.K. Japan also has the lowest share of population devoted to active military manpower and active and reserve military manpower. At the same time, Japan ranks second to the United States in GDP, and now has a GDP twice the size of that of the next closest major ally: West Germany.

No one in the United States has any justification to penalize Japan for its economic success, except to the limited degree this success has been achieved through restraints on trade. Defense burdensharing should not be an exercise in Japan bashing or in attacking any other ally. At the same time, Japan has been able to achieve much of its economic growth, and restrain its defense efforts, largely because of the extraordinary strategic commitments the United States has now made for more than four decades.

The strategic interests of the United States and Japan are also very different from those of the United States and its NATO central region allies. No one will benefit if Japan seeks to become a military superpower in Asia or to replace United States military forces in the region. The forward presence of United States forces helps guarantee the immediate security of Japan, and provides a long-established military presence that helps ensure the security of South Korea and the balance of power between the People's Republic of China and U.S.S.R. Japanese forces cannot play this role, and a major further Japanese buildup could well arouse new fears of Japanese military expansion.

Our burdensharing negotiations should recognize Japan's special status, and that Japan can bring its present offset of United States costs up from the present figure of roughly 40 percent to 100 percent for a fraction of one percent of its GDP. We should put the specialized role the United States plays in Northeast Asia on a sound and stable fiscal basis, and put an end to the kind of minor negotiating efforts which do as much to irritate United States and Japanese relations as to establish regional strategic stability.

SEEKING A 50-PERCENT OFFSET OF THE COST OF DEPLOYING U.S. FORCES FROM OUR NATO CENTRAL REGION ALLIES

The bill recognizes the growing wealth of our major European allies, and their ability to increase their efforts to offset the cost of stationing United States forces in the central region of Europe, and that they already have assumed a major portion of the burden of their own defense. Belgium, France, the FRG, Luxembourg, The Netherlands, and United Kingdom now provide 25 percent of the worldwide active duty military manpower in the Western alliance, 30.1 percent of the active and reserve military and civilian manpower, 27 percent of the division equivalent firepower, 24 percent of the naval surface tonnage, and 30 percent of the tactical combat aircraft.

At the same time, the bill recognizes that the NATO countries on NATO's northern and southern flanks are far less able to provide such offset support than the central region states, and that the problem of seeking added offset support is complicated by the special status of France within the NATO alliance, and by the economic problems of several central region states. Accordingly, the offset goal is set as 50 percent, and is defined in a sufficiently flexible way to take account of the special economic strength of the Federal Republic of Germany.

SETTING AN ANNUAL GOAL OF 5-PERCENT INCREASES IN OFFSETS WITH A MAXIMUM REDUCTION IN THE ANNUAL COST OF DEPLOYED FORCES OF 5 PERCENT

It recognizes both the fact that the United States faces urgent financial and budgetary problems in reducing the cost of meeting those strategic commitments of critical benefit to allied states, and the fact that any efforts to seek increased offsets from Japan and our major European allies must be gradual, preserve the stability of our present strategic relationships, and be conducted in a way that does not interfere with our ongoing arms control talks.

The bill mandates a maximum of 5-percent annual reductions in the estimated cost of United States deployments in support of Japan or our central region allies, and then only if they do not increase their estimated offset by 5 percent. It provides well over a fiscal year in which to prepare for such reductions without perturbing the structure of U.S. forces, and allows the President to take account of any reductions made for other purposes, including arms control.

ESTABLISHING A BROADER BURDENSHARING POLICY TOWARD OTHER STATES WHERE THE UNITED STATES DEPLOYS MILITARY FORCES

The bill recognizes that many countries where we deploy forces—countries like Greece, Turkey, and the Philippines—cannot make major increases in their efforts to offset the cost of deploying U.S. forces for their protection and that of nearby states. At the same time, it recognizes that an explicit and public effort to track the cost of such U.S. deployments and the size of individual allied offsets will

have a powerful effect in persuading such states to do the most they can.

The bill also recognizes that some states are attempting to use the basing and support rights they grant to the United States as a means of obtaining a level of foreign aid and other support from the United States which is far greater than the value of the basing rights and facilities they provide. It establishes the kind of reporting requirements that make the cost of such efforts clear, and which will warn the Congress when it needs to give priority to an investment in power projection forces and/or funding alternative basing facilities in other countries.

COMBINING CONSISTENCY OF PURPOSE WITH FLEXIBILITY OF APPROACH

The bill recognizes that the United States can negotiate most successfully when it sets clear congressional goals for action, but provides the President with greater discretion for both negotiating and national security purposes. The President can delay action for up to an additional fiscal year for national security or arms control purposes.

No ceilings are set that would interfere with a military buildup in a crisis. The President has great flexibility in defining the costs and forces to be included, the method of reporting, and the value of allied payments and offsets. The bill combines consistency of purpose with flexibility of approach.

THE CASE FOR A NEW APPROACH TO BURDENSHARING

I realize that this bill is a major new departure from past approaches to burdensharing, and that many of its provisions are complicated. I should stress that it is based upon a careful analysis of the real issues in burdensharing, and of past legislation and studies affecting this issue. I have summarized the reasons behind my new approach in a recent article in the Armed Forces Journal, and which I am requesting be attached in full to my remarks.

We need to stop trivializing burdensharing, using it to act out our frustrations in dealing with given states, and to recognize the fact that we cannot make this country safe by cutting our first line of defense and the forces most important to deterrence unless our changing economic situation leaves us no other choice. The time has come to debate the kind of legislation that will establish a lasting framework for action on this issue. We need to focus on finding ways to maintain our vital strategic commitments that recognize the new economic strength of some of our allies, and the problems we face in the case of other less wealthy states.

Mr. President, I ask unanimous consent that the text of the bill and an article that I wrote on the subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STATEMENT OF POLICY AND FINDING.

(a) STATEMENT OF POLICY.—It is the policy of the United States—

(1) to maintain its commitments to defend the nations of the free world while reducing, to the maximum extent practicable, the cost to the United States of stationing United States forces outside the United States;

(2) to ensure that the allies of the United States assume, commensurate with their respective sizes and economic strengths, their fair share of the total cost of deploying United States forces for the defense of those allies;

(3) to ensure that the Central Region nations of the North Atlantic Treaty Organization (NATO) use their collective economic strength to offset at least 50 percent of the total cost of deploying United States forces for the defense of such nations;

(4) to ensure that Japan uses its economic strength to offset the total cost of deploying United States forces for the defense of Japan; and

(5) to closely monitor the cost of deploying United States forces outside the United States with a view to determining the extent to which each country in which those forces are deployed is making the maximum practicable contribution to offsetting such costs commensurate with the size of its own forces, the threats it faces, and the strength of its economy.

(b) FINDING.—Congress finds that the policies described in subsection (a) should be achieved, to the maximum extent practicable, by multilateral negotiations between the United States and its allies without impinging on any on-going negotiations for an arms control agreement between the United States and the Soviet Union.

SEC. 2. MULTILATERAL NEGOTIATIONS.

At the earliest practical date after the date of the enactment of this Act, the President shall—

(1) enter into negotiations with the European member nations of NATO for the purpose of achieving an agreement under which such nations agree to increase the value of their contributions toward meeting the cost of deploying United States forces in the Central Region of NATO to an amount equal to 50 percent of the total cost of deploying such forces in that region for the defense of that region; and

(2) enter into negotiations with Japan for the purpose of achieving an agreement under which Japan agrees to make contributions sufficient in value to meet the total cost of deploying United States forces in Japan for the defense of Japan.

SEC. 3. ENFORCEMENT OF OFFSET POLICY.

(a) DETERMINATION OF NATO CONTRIBUTIONS; REDUCTION OF EXPENDITURES BY U.S.—(1) Not later than December 1 of each year, beginning in 1991, the President shall determine the total cost of deploying United States forces outside the United States for the protection of the Central Region of NATO during the fiscal year ending on September 30 of such year (hereinafter in this subsection referred to as the "preceding fiscal year") and the total value of contributions that were made during such fiscal year by member nations of NATO toward meeting that cost.

(2) If the President determines in any fiscal year that the total value of contributions made by member nations of NATO toward offsetting the cost of deploying United States forces outside the United States for the defense of the Central Region of NATO during the preceding fiscal year was less than 50 percent of the total cost of deploying such forces, the President shall take such action as may be necessary to ensure that the total cost to the United States of deploying United States forces outside the United States for the defense of that region in the next fiscal year does not exceed an amount equal to 5 percent less than the total cost to the United States of deploying such forces in such region in the preceding fiscal year, except that no action is required to be taken with respect to any year under this paragraph that will result in reducing the total cost to the United States to an amount less than 50 percent of the total cost of deploying such forces in that region in the next fiscal year.

(b) DETERMINATION OF JAPANESE CONTRIBUTIONS; REDUCTION OF EXPENDITURES BY U.S.—(1) Not later than December 1 of each year, beginning in 1991, the President shall determine the total cost of deploying United States forces outside the United States for the defense of Japan during the fiscal year ending on September 30 of such year (hereinafter in this subsection referred to as the "preceding fiscal year") and the total value of contributions that were made during such fiscal year by Japan toward meeting that cost.

(2) If the President determines in any fiscal year that the total value of contributions made by Japan toward offsetting the cost of deploying United States forces outside the United States for the defense of Japan during the preceding fiscal year was less than 100 percent of the total cost of deploying such forces for such purpose, the President shall take such action as may be necessary to ensure that the total cost to the United States of deploying United States forces for that purpose in the next fiscal year does not exceed an amount equal to 5 percent less than the total cost to the United States of deploying such forces for the defense of Japan in the preceding fiscal year.

SEC. 4. SPECIAL AUTHORITY RELATING TO REDUCTIONS

(a) AUTHORITY TO DELAY REDUCTIONS.—(1) The President may waive for one fiscal year any reduction in expenditures required under subsection (a) or (b) of section 3 if the Secretary determines—

(A) that the waiver is necessary because of urgent national security reasons; or

(B) that the required reduction would have an adverse affect on on-going negotiations for an arms control agreement between the United States and the Soviet Union.

(2) The President shall promptly notify Congress of a waiver made under paragraph (1).

(b) COSTS THAT MAY BE INCLUDED IN COMPUTATION OF REDUCTION.—In computing any reduction required to be made under section 3 in any fiscal year, the President may include in such computation the value of any reductions made in such fiscal year in the cost of deploying United States forces outside the United States for the defense of the Central Region of NATO or Japan, as the

case may be, that were made for reasons other than the requirement of section 3.

SEC. 5. COMPUTATION OF DEPLOYMENT COSTS; COMPUTATION OF CONTRIBUTIONS BY ALLIES

(a) DEPLOYMENT COSTS.—In computing the costs of deploying United States forces outside the United States for the defense of any foreign country, the President shall include all direct and indirect costs of maintaining United States forces in that country and all direct and indirect costs of deploying United States forces on any lands or waters adjacent to or in the vicinity of that country if the primary mission of the deployment of such forces is the defense of that country. Such costs shall include all relevant manpower costs (other than pay and allowances), operations and maintenance costs, construction costs, transportation costs, and costs of physical facilities. Such costs shall also include all costs incurred to obtain basing or deployment rights in a foreign country. Such costs shall not include the cost of developing and procuring combat equipment and munitions.

(b) COMPUTATION OF CONTRIBUTIONS.—In computing the value of any contribution by a foreign country toward the costs of deployment of United States forces outside the United States in defense of that country, the President shall include all in-kind contributions made for that purpose as well as all financial contributions made for that purpose and may include both direct and indirect costs of providing such contributions.

SEC. 6. ANNUAL REPORT

(a) IN GENERAL.—Not later than July 1 of each year, the President shall submit to the Committee on Armed Services, the Committee on Appropriations, and the Committee on Foreign Relations of the Senate and to the Committee on Armed Services, the Committee on Appropriations, and the Committee on Foreign Affairs of the House of Representatives a report that contains the following:

(1) A detailed analysis of the estimated cost of deploying United States forces overseas during the current fiscal year and the two preceding fiscal years, including, in the case of each foreign country in which United States forces are deployed, a statement of the cost of deploying such forces in such country in each of such fiscal years.

(2) A detailed analysis of the estimated value of any equipment and services made available to the United States and the amount of any financial payments made to the United States in each of the fiscal years referred to in paragraph (1) by each country in which United States forces were deployed in such fiscal years and which were made to meet the expense of deploying such forces in such country in such fiscal year.

(3) A statement of the progress made during the current fiscal year in obtaining increased contributions of equipment, services, and cash payments by such countries as a means of meeting the cost of deploying United States forces outside the United States for the defense of such countries.

(4) A description of any actions taken by the United States and its allies during the current fiscal year to decrease the cost to the United States of deploying United States forces in the Central Region of NATO and in Japan and a description of any actions proposed to be taken by the United States and its allies during the next fiscal year to decrease such cost to the United States.

(b) FIRST REPORT.—The first report required to be submitted under subsection (a) shall be submitted in 1992.

(c) SENSITIVE INFORMATION.—(1) Nothing in this section shall require the President to disclose any information in any report required by this section that the President determines would seriously—

(A) jeopardize the national security of the United States or any of its allies;

(B) undermine existing and effective efforts to meet the policy objectives specified in section 1; or

(C) compromises sensitive intelligence operations, the disclosure of which would likely result in grave damage to the national security of the United States or any of its allies.

(2) The President may submit the reports required by subsection (a) in classified and unclassified versions.

SEC. 7. DEFINITIONS

As used in this Act:

(1) The term "United States forces" means members of the Armed Forces of the United States and civilian employees of the Department of Defense.

(2) The terms "Central Region nations of NATO" and "Central Region of NATO" mean the countries of Belgium, the Federal Republic of Germany, France, Luxembourg, the Netherlands, and the United Kingdom.

[From Armed Forces Journal International, June 1989]

SAVING OUR ALLIANCES: THE REAL ISSUE IN BURDEN-SHARING

(By Senator John McCain)

One way or another, Congress is certain to adopt new burden-sharing legislation this year. The issue is not whether such initiatives will take place; it is whether they will have the right goals and do more good than harm. There are good reasons to be concerned over how Congress approaches this issue.

In the past, Congressional legislation regarding burden-sharing has done little more than interfere with the efforts of the Executive branch. This has not been important when our alliances have been strong and stable. The end result has been an irritant, not a serious problem. This year, however, the wrong kind of burden-sharing legislation could have far more destructive effects. Unless we approach our allies in the right way and with the right goals, we might end up undermining our ties to NATO and Japan, our ability to reach secure and stable conventional arms reduction agreements with the U.S.S.R. and the Warsaw Pact, and our ability to make the kind of shifts in our force posture that will be needed to reflect changing strategic priorities and a lower level of defense resources.

Our burden-sharing efforts should have three major goals:

To reduce the cost of our military presence in Europe and to ease the economic strain of paying for Europe's defense until, and if, we can negotiate stable and secure arms reductions with the Warsaw Pact;

To reduce the cost of stationing our forces in Japan and South Korea, and have Japan assume the bulk of the cost of the economic aid necessary to assure the political stability of the less developed states that are critical to Western security;

To provide the additional allied support necessary to allow us to shift forces and resources to deal with other contingencies such as the defense of the West's oil imports and lines of communication and low-intensity combat.

BURDEN-SHARING GOALS FOR NATO AND WESTERN EUROPE

These goals may seem relatively straightforward, but they are actually considerably different from the goals that have been pursued in the past. To begin with, they emphasize finding the resources to maintain a stable U.S. presence in Europe rather than putting pressure on our allies to make major increases in their conventional forces.

The plain truth is that no amount of U.S. pressure on our allies is going to lead them to make the kind of massive increases in defense spending and manpower necessary to achieve a major shift in conventional warfighting capabilities. We ourselves are only going to fund about one-third to one-half the rate of force improvement we planned to fund five years ago. Regardless of how real *glasnost* may be, no NATO country is going to fund the increases in real defense spending necessary to do more than maintain its current level of conventional capability relative to the Warsaw Pact. Most will spend substantially less.

These facts have two major policy consequences. The first is the need for effective theater nuclear force modernization. Rather than press our allies for increases in conventional capability that they will never make, and treating this as a part of burden-sharing, we need to press them to maintain enough nuclear strength to maintain the current level of deterrence and to give the Warsaw Pact a meaningful incentive to negotiate acceptable reductions in its conventional and nuclear forces.

The second consequence is the need to maintain NATO's current strength, and the U.S. commitment, long enough to find out how real Gorbachev's interest in meaningful mutual arms reductions really is. We do not face an urgent risk of war in Europe. We do face an urgent risk of premature unilateral force reductions, and of sending the Warsaw Pact the kind of signals of division and weakness that would deprive it of the incentive to negotiate with NATO on a realistic basis.

Europe can expect us to have the patience to avoid rushing into reducing our forces in Europe. It cannot expect us to tolerate prolonged delays in the modernization of NATO theater nuclear forces and act as if Europe had not recovered enough economic strength to pay a larger share of the cost of its own defense and the defense of its oil, other raw materials, and trade routes.

BURDEN-SHARING GOALS FOR JAPAN AND SOUTH KOREA

The U.S. now has only a limited interest in asking Japan to spend more on defense. The expansion of the Japanese gross national product has reached the point where Japan is already spending some $30-billion a year on defense. This is roughly equivalent to the French or West German defense budgets, and compares with about $34-billion for the United Kingdom and $6-billion for South Korea. We may need to improve our arrangements for the roles and missions Japanese Self Defense Forces should play in order to expand Japan's role in defending the waters around it. We do not need more Japanese tanks, aircraft, or ships than Japan can afford if it increases its defense spending to levels around 1.5% of its gross national product (GNP).

Neither Japan nor the rest of Asia is ready for Japan to reemerge as a military superpower. The memories of World War II are too recent, and the external threats from the U.S.S.R., North Korea, and Viet-

nam too limited. American military power may not always be loved, but it is tolerated; and few nations in Asia show any sign of fearing any form of American neocolonialism.

What we do need is an effective Japanese foreign aid program that can use Japan's status as an economic superpower to help other Asian nations develop and achieve the internal stability needed for free and democratic government. The U.S. already has the forces necessary to help Asian nations protect their military security. What is needed is the kind of grant aid that will allow nations like the Philippines to break out of the trap of debt and poverty and offer their people the mix of hope and economic security that is essential for free governments to continue to function.

Similarly, we need the kind of direct offset for our defense expenditures that reflects the relative growth of Japanese economic power. We need both the cash offsets that reduce our direct costs, and the support in terms of manpower and facilities that free our forces to operate in other areas. Once again, if we are to continue to bear the burden of defending Japan's oil, other raw materials, and trade routes, Japan's burden-sharing efforts must reflect this.

South Korea has also reached the point where it can provide more support, if not added offset expenditures. South Korea still spends a high percentage of its GNP on defense—roughly the same percentage as the U.S. spends—but it is certainly capable of providing more manpower, services, and facilities.

INDIRECT ALLIED SUPPORT FOR U.S. GLOBAL ROLE

The U.S. cannot expect direct European or Japanese military support in performing out-of-area missions. Coalition defenses are difficult enough to agree upon and implement when direct national interests are at issue. The U.S. can, however, expect both its European allies and Japan to treat the offset of U.S. costs in Europe and Japan, and the provision of services to substitute for U.S. forces, in full context. The more that Europe and Japan provide by way of offsets of any kind, the more resources the U.S. has to perform out-of-area missions.

This kind of burden-sharing, however, requires very different measurements than data on defense spending as a percentage of GNP or national budget, or per capita. As long as our European and Japanese allies maintain their current level of defense effort, the criteria for burden-sharing become: (1) how large a percentage of the cost of deploying U.S. forces in each area is offset by Europe and Japan; (2) how many support, facility, and other services are provided to reduce the amount of manpower the U.S. must deploy in peacetime; and (3) how well Japanese economic aid meets the needs of other states in Asia.

It is interesting to note that the Department of Defense and the Executive branch do not now provide any of these statistics. DoD has long preferred to measure this kind of burden-sharing in generalities, and has sometimes even denied that such figures can be provided—although the issue is willingness and not capability. In fact, if the Department had provided such statistics, it would long ago have demonstrated that the U.S. is already receiving enough offset money and services from many European countries and Japan so that it is already cheaper to maintain our forces in West Germany and Japan than it is to deploy them in the United States.

Similarly, the U.S. government has shown only token interest in working on specific economic assistance plans with Japan. Organizations like the Agency for International Development (AID) have even failed to give enthusiastic support to Japan in developing as AID-like organization.

Accordingly, both Congress and the Executive branch need to work together to develop the proper understanding of the support our allies already provide, and to develop added burden-sharing measures that focus on the kind of support we really need. The present focus on the rate of allied defense expenditures, or rate of increase in allied forces, does not suit our current strategic goals, provides no basis for encouraging the kind of burden-sharing we really need, disguises the progress we have already made, and undermines our most important alliances.

UNDERSTANDING THE TRUE NATURE OF OUR OVERSEAS COMMITMENTS

We need to improve the realism of our thinking about burden-sharing in other ways. Far too much of our current rhetoric about our strategic burden and burden-sharing ignores the true nature of our current deployments. Worse, it tends to encourage both Congress and the American people to focus on cutting those forces which contribute most to deterrence and our contingency capability. We have created a statistical illusion that leads us to remove our teeth rather than trim our tail.

The current debate is based largely on false premises. One is that we could achieve meaningful savings by bringing our forces home from key forward locations like Germany and Japan. The second is that we are spending some 60-80% of our defense budget to defend our allies, and that we should cut our forward deployed forces as a result.

We do "commit" far more forces to NATO, Northeast Asia, and Southwest Asia than we can deploy within any reasonable amount of time. In fact, we commit virtually all our forces to some front somewhere in the world as part of our force-sizing exercises. The end result, however, is a situation where the most important contingencies are charged for virtually all of our manpower and equipment, although our actual force posture locates most of that manpower and equipment in the U.S. and to the area where they are "committed" in real-world contingencies. It is also a situation where many of our forces are designed largely to meet a given defense budget ceiling, not to perform a real-world mission, but our allies are charged in burden-sharing exercises with the cost of forces we cannot really deploy.

This commitment-versus-capability gap is particularly bad in the case of NATO, largely for historical reasons. We have artificially maximized our assigned and ear-marked forces over the years to: (1) push our allies to increase their forces; (2) make highly theoretical conventional options seem real; and (3) minimize the impact of running down our forces in Europe during the Vietnam War by committing added forces in the continental U.S. (CONUS) to NATO.

If we look at the actual situation, we get a very different picture. This situation is revealed by the manpower figures in the table below.

We deploy only 14% of our active military manpower to all of NATO, including substantial forces in the southern flank that are used for power projection outside NATO. We devote only 10% of our manpower to West Germany; and even if we include all of the Central Region, the total would rise to 281,090—or 13%.

The data for Asia show that unless we assume that the U.S. would abandon its fleet and forces in Hawaii, the U.S. stations only 5% more of its manpower in the region.

In short, the U.S. meets its two most important overseas commitments with about 20% of its manpower, for which it already receives massive offsets that generally make that manpower cheaper to deploy overseas than to keep in CONUS.

These figures would be substantially higher if we included all of our forces for a worst-case contingency based on overseas deployments at M-day+30. The total might well rise to about 35%, based on real-world readiness and lift constraints. In actual practice, however, the U.S. has had to draw down most of this manpower twice since WWII for third world contingencies—Korea and Vietnam. It is far from clear that our allies can really be charged for all of the cost of maintaining all the combat-ready units in CONUS.

It is even more unclear that if we totally abandoned all our overseas commitments, we could actually have a significantly reduced force structure. If anything, we might have to buy far more lift and pay additional costs that are now offset by our allies.

Given these facts, I would suggest that our goal in both defense planning and in seeking added allied support should be to keep our "teeth" intact; and that if we are to cut our forces in response to any failures on the part of our allies, we should cut our reinforcing forces—or "tail"—back in the United States.

This approach is far more practical in strategic terms, and is more cost-effective. There is no point in going on with the myth that we structure most of our forces for NATO. The fact is that approximately 80% of our total military forces are in CONUS or at sea, and are the price of remaining a world power with many contingency requirements that have nothing to do with our allies.

We need to change our approach to burden-sharing to stress allied output in terms of forces and security assistance, rather than total spending. We need to recognize that our defense spending is driven by very different factors than that of our major European allies and Japan. We have a near monopoly of strategic forces in the West. We are at least 6,000 miles from most contingencies; we do not want to pay the political and social costs of conscription; and we want highly flexible, all-purpose forces for a wide range of contingencies.

This is why we should focus on outputs rather than inputs: The issue is not the economics of what our allies spend but rather the level of force capability our allies maintain, the level of offset they provide to meet the cost of the US forces that aid their defense, and the level of foreign assistance they provide to the developing world.

NEW APPROACHES TO NATO BURDEN-SHARING

We need to accept the fact that burden-sharing is not a NATO issue; it is an issue that affects the Central Region and Italy. Canada is already making its contribution in North American air defense and by maintaining its forces in Germany. Iceland provides basing facilities. Norway lacks the resources to do more than maintain a reasonable deterrent against attacks on its soil. Greece, Portugal, and Turkey require aid from the other countries in NATO. Spain is at best going to continue to provide the

bases and facilities it now does, and make a largely symbolic military contribution.

This leave the Central Region and Italy, and even here it is critical to understand the limits of what any burden-sharing exercise can accomplish:

While Belgium has always done its best to support the alliance, it faces continuing economic problems and serious limitations on what it can do. There is little margin for additional Belgian action, at least in the near term.

There is little point in the United States making new attempt to put pressure on Denmark. Denmark's grossly underfunded forces already lack political support, and Denmark's continuing economic and budget problems ensure that there will be no real increases in defense spending. The United States needs to concentrate on preserving what Denmark already has, not on measures that could aid the political opponents of Denmark's contribution to NATO.

France has quietly improved its cooperation with NATO, the US, and other European states ever since de Gaulle's death; but it is politically committed to a degree of independence from NATO's command and infrastructure activities that ensure it will not join in any burden-sharing efforts. It also has some of the more ambitious force improvement programs of any European state, and contributes an important degree of nuclear deterrence. There is no chance that US burden-sharing activities will elicit any favorable response.

The Federal Republic of Germany is an increasingly divided nation which is progressively more interested in the potential benefits of glasnost. Even the traditionally conservative and pro-defense Christian Democratic union and Christian Social Union are increasingly uncertain about their commitment to maintaining NATO's theater nuclear capabilities, M-day conventional forces, and forward defense. The days in which the US could easily pressure the FRG into added burden-sharing actions are long over. Any US action must be carefully tailored if it is to produce a positive response rather than provide political ammunition to the opponents of NATO and strong FRG forces.

Italy has long been one of the strongest supporters of NATO and the US position in Europe. Its growing economic strength amy well give it the flexibility to make some increases in its infrastructure and supporting funding. There are, however, sharp limits on what Italy can be expected to do; and it already makes a major contribution in the form of bases and support facilities.

Luxembourg is too small to make any contribution beyond the ones it already makes in terms of forces and facilities.

Like Belgium and Italy, the Netherlands has always been a strong supporter of NATO and the US military role in Europe. Like Belgium, however, it also faces some structural economic problems. There are limits to what the US can expect in the form of additional support. The Netherlands already is having severe problems in funding the proper degree of readiness, modernization, and forward deployment. US pressure is unlikely to accomplish much in the foreseeable future.

The United Kingdom has been the strongest single supporter of the US position in Europe. The UK, however, now faces a major budget crisis of its own—and one whose politics ensure that no amount of US pressure can lead to productive results. The Royal Navy is underfunded to the point where it is losing much of its operational strength; the RAF lacks the funds for proper training and modernization; and the British Army lacks the funds for both modernization and sustainability. Undesirable as this situation may be, it is inconceivable that any British government could do more than that of Margaret Thatcher.

THE THREAT OF FORCE REDUCTIONS

It is one thing to talk about NATO or Europe, as if individual nations did not face driving political and economic pressures. It is quite another to deal with the real-world conditions that shape each country's behavior. We need to face the fact that if we press any allied country for major real increases in its forces and defense spending in the midst of glasnost and Warsaw Pact promises of force reductions, we are doing little more than pursuing a policy of illusion that will accelerate all the present tensions and divisions within the alliance.

Our approach to burden-sharing needs to change to fit changing conditions. We cannot treat burden-sharing as if the overt or tacit threat of force reductions would achieve our goals. The threat to take our ball and go home if the other kids won't play the game our way simply is no longer credible, if it ever was. A large part of Europe is now indifferent to such threats. A significant and hostile portion would welcome any US withdrawals, and our closest friends might have little choice except to express their regrets and wave goodby.

What we need are burden-sharing options that: (1) try to set a floor under NATO, (2) make increases in offsets of reduce US costs, and (3) help preserve enough theater nuclear strength to maintain the present level of deterrence. Fortunately, we still have several such options:

Percentage of offset

First, we can focus on linking the size of the US manpower deployed in a given country to the total host country and NATO offset of the costs involved, then set the trigger in terms of time and threshold to act as a strong incentive to increase or maintain burden-sharing. While this may produce only limited additional funding from most states, it may well help in the case of West Germany.

Offset is also the real issue for the 1990s. We do not really need major allied force increases at this point in time. What we need is relief from defense spending and our budget deficit, and a convincing political reason to stay forward deployed until—or if—we can get stable mutual force cuts.

We may get some initial complaints from DoD about generating the necessary statistics, but such calculations are perfectly feasible. We may not get perfect numbers, but we will get numbers as good as those we use for any other aspect of defense econometrics.

Nuclear modernization

Second, we may be able to get allied agreement to modernize NATO's theater nuclear weapons if we give this issue sufficient priority as part of the allied burden in maintaining the common defense and do not press for arbitrary deadlines. We also can probably get British and French agreements to modernize their nuclear forces and take up some of the burden. Our goal should not be impossible increases in conventional forces, but consensus on the limited amount of theater nulcear modernization needed to preserve the current level of deterrence.

Rate of force modernization

We can achieve limited savings at an acceptable risk by limiting US expenditures on modernization of its forces in the Central Region to the average European Central Region modernization rate of major equipment, based on some measure such as investment relative to total capital stock. Similarly, we can limit the modernization of US facilities to cases where our allies offset a fixed percentage of the cost. As long as we do not link this to impossible demands for improved allied performance, or go to the extreme of blocking critical improvements in US capabilities, we can quietly reduce our costs while encouraging the allies to do more.

Level of readiness

We can also place limits on US expenditures on readiness and sustainability to some measure of European activity such as average readiness, numbers of stocks in days, etc. This kind of limit, however, is a more dangerous game than placing limits on modernization. It hurts our forces more quickly, and may simply end up in a readiness run-down contest.

Cuts in commitments, not forward deployed forces

We can tie our burdensharing efforts to the threat of cuts in our total commitments to NATO in a way where we progressively free our forces in CONUS for reduction or other missions. This would work as a constant pressure on our allies by reducing the promise of US reinforcement; it would avoid cutting our key forward deployed deterrent, or interfering with balanced force reductions, and may be desirable in any case. There is no longer any reason to commit the bulk of our force structure in CONUS to NATO, even if such a commitment is largely a political act.

Cuts in forward deployed manpower, not units

We can tie our burden-sharing efforts to the threat of cuts in our manpower levels, or simply quietly carry out such cuts in order to reduce our costs and free manpower for other roles and missions. We survived quite nicely in the mid-1970s, in the face of a far more urgent threat, with only about 70% of our present manning levels. If we do play games with force cuts versus burden-sharing, let's make the key measure manpower. Such cuts can be safely tied to burden-sharing—they produce quick savings and involve only minimal risk.

TREATING JAPAN AS A SPECIAL CASE

We need to recognize from the outset that Japan is a special case. Japan differs from other states in three key respects: immense wealth, political and social barriers to major military forces, and our interest in not having Japan emerge as a regional military superpower.

I believe, therefore, that we should treat Japan specially in two ways. First, seek 100% offset of our stationing and deployment costs. Second, seek massive increases in untied foreign aid and security assistance that key, less-developed countries can use to buy from any country they want.

This might be accomplished in two ways. First, legislation can be drafted calling for Japan to reach a given goal in terms of offset and foreign aid and requiring the Administration to report quarterly on progress towards meeting this goal with no punitive legislation. In short, force a highly public exercise with the implied threat that consistent improvement would affect US attitudes on trade and other issues. This is close to what we proposed in the past, but forces the issue much more directly.

Second, tie the same goals to some kind of trade sanctions or barriers, with suitable smoke and mirrors and grace periods so that the Administration has plenty of leeway. I believe that some form of trade sanctions has to be legal—they certainly apply them to us—and that sanctions that threaten to cut our forces would simply play into hostile hands.

DEALING WITH THE REAL ISSUES

Congress has shown in the past that it can be a valuable asset to the Administration if it focuses on the right issues and limits its actions to the level where they create constructive pressure on our allies. It is also true that the normal give-and-take of maintaining good relations with our allies often leads a given Administration to underestimate what can really be accomplished outside the normal channels of diplomacy.

The success of the Mansfield Resolution and Nunn Amendments, however, is not an indication that Congress can accomplish anything by trying to micromanage the defense budgets of our allies or by indulging in "ally bashing." The Congress came perilously close to enacting a long list of such measures into law in 1988.

It is painfully clear that such measures have no place in today's strategic climate. It is also clear that the last thing we need to do—at a time when our long commitment to the defense of Europe and Northeast Asia is finally paying off in what seem to be basic changes in Soviet behavior—is to create the kind of pressures that simply end up weakening our alliances, particularly when a few years of patience may lead to the kind of balanced force reductions that will truly enhance our security. Fortunately, the preceding discussion has shown we do have options that can respond to our current strategic priorities and that deal with the real issues we face. If both Congress and the Administration recognize this, we can accomplish a great deal.

[NOTES.—Senator McCain, a former Navy aviator, is a member of the Senate Armed Services Committee. He serves on its Conventional Forces and Alliance Defense, Manpower, and Personnel, and Projection Forces and Regional Defense, Subcommittees. A 1958 Naval Academy graduate, McCain served 22 years in the Navy. He was a prisoner of war in Vietnam for five and a half years. After attending the National War College in 1973, McCain served as the Director of the Navy's Senate Liaison Office until his retirement in 1981. After two terms as a member of the House of Representatives, McCain was elected Senator from Arizona in 1986. The New York Times recently said that as a member of the Senate, "McCain has established himself not only as a key voice on defense and foreign policy issues, but also as a rising star in the post-Reagan Republican Party."]

U.S. ACTIVE MILITARY MANPOWER DEPLOYED OVERSEAS

Command/Country	Manpower	Percent of total
U.S. Forces Command [1]	317,000	14
FRG only	245,000	10
Army	204,700	9
USAF	41,000	1
U.S. Pacific Command [2]	128,210	5
Korea	43,000	1
Japan (less Okinawa)	48,500	2
Okinawa	26,400	1
Philippines	16,400	1

[1] All U.S. NATO forces in Europe, including 20,100-man 6th Fleet afloat.
[2] Less 18,900 Army and other USAF Navy HQ personnel in Hawaii.
Source: Adapted from The Military Balance, 1988–89, in USS

By Mr. KASTEN:

S. 1286. A bill to amend the Internal Revenue Code of 1986 to provide for a maximum long-term capital gains rate of 15 percent and indexing of certain capital assets; to the Committee on Finance.

AMENDING THE INTERNAL REVENUE CODE WITH REGARD TO LONG-TERM CAPITAL GAINS RATES

● Mr. KASTEN. Mr. President, just a few short weeks ago, the distinguished Chairman of the House Ways and Means Committee, DAN ROSTENKOWSKI, indicated his willingness to consider a capital gains tax cut as part of this year's reconciliation bill. And despite his recent comments to the contrary, I believe a capital gains tax cut is still a live option.

For one thing, I believe President Bush remains firm on his campaign pledge to veto any new taxes. I will urge the President to veto any reconciliation bill that includes a tax increase and excludes a capital gains tax rate cut. And I am certain that the President will do so—because he was the architect of both the no new taxes pledge and the 15 percent capital gains proposal, the two major economic pillars of the 1988 Republican Party platform.

Mr. President, thanks in large measure to those policies, George Bush is our President today—and he's going to stand firm.

Furthermore, without the $5.3 billion in extra revenue mandated in the budget plan, the estimated fiscal year 1990 deficit will rise above the $110 billion, thus triggering the Gramm-Rudman across-the-board budget cuts. Furthermore, the tax-writing committees must raise revenues above and beyond $5.3 billion to finance other important tax changes such as the expansion of the earned income tax credit for the working poor, repeal of the burdensome section 89 regulation, and extension of the low-income housing credit.

Mr. President, a revenue raising cut in the capital gains tax is the only way out of this impasse. Chairman ROSTENKOWSKI's original plan was to cut the gains tax to 20 percent for 1 year and then index capital gains. Although his plan has some political appeal, it fails to meet the criteria for an effective progrowth capital gains tax cut. While indexing for inflation eliminates the unfair taxation of illusory gains, it does not address the severe tax bias against entrepreneurship and the high cost of capital in this country. Second, it does not significantly improve America's competitive position vis-a-vis many of our overseas competitors who do not tax capital gains at all. Third, a temporary cut in the capital gains tax is poor tax policy. While it satisfies short-term revenue requirements, it defeats the overriding purpose of encouraging long-term investment and expanding business horizons.

Today, I am introducing capital gains legislation that builds—and improves—upon Chairman ROSTENKOWSKI's original concept. My new legislation would cut the capital gains tax rate to 15 percent for both individuals and businesses. The tax cut would apply to all capital assets. The legislation would implement a trigger mechanism to eliminate the rate differential if tax revenues from capital gains are lower in 1995 than in 1989. Indexing capital gains would begin in 1995, regardless of what happens to the tax rate.

Mr. President, everyone now agrees that there will be short-term revenue gain from a cut in the gains tax. This is a tremendous leap forward from the late 1970's when Treasury Secretaries William Simon and Michael Blumenthal argued that a tax cut would result in an immediate loss of tax revenues. Today, we are assuming revenue gains—and debating whether or not those revenue gains will continue into the future.

History shows that cutting the capital gains tax is a proven revenue winner—and that the revenue gains will be permanent and repeating in the out years. When we cut capital gains tax rates in 1978 and again in 1981, tax revenues from capital gains rose each year for 7 consecutive years—from $9.1 billion in 1978 to $11.7 billion in 1979, $12.5 billion in 1980, $12.7 billion in 1981, $12.9 billion in 1982, $18.5 billion in 1983, a recession year, $21.5 billion in 1984, and $24.5 billion in 1985.

And recent academic research concludes that history will repeat itself if we bring down the current high tax rate. Harvard economist Lawrence Lindsay estimated that a flat 15-percent tax rate would raise $33 billion in new revenue over three years, or $11 billion a year. A just-released series of economic studies prepared for the National Venture Capital Association by Alan Auerbach of the University of Pennsylvania, Patric Hendershott of Ohio State University, and Joel Slemrod of the University of Michigan concluded that a reduced tax rate would increase capital gains realizations and tax revenues.

Let's give capital gains tax cuts a trial period. If history is wrong and tax revenues plummet, then capital gains should surely be taxed as ordinary income. My proposal would prevent a temporary tax cut from unnecessarily disrupting the financial markets. It would provide a useful compromise between those who fear a long-term revenue loss from a capital gains tax cut—and those who desire a tax policy oriented toward long-term investment.

Mr. President, besides the budget dilemma, there is another immediate—and perhaps more compelling—reason

to slash the capital gains tax: The U.S. economy needs an economic stimulus. The Fed's unyielding—and completely unreasonable—adherence to the discredited Phillips curve analysis has made a recession more than likely. As a consequence, key economic indicators such as housing starts, auto sales, factory orders, consumer spending, and industrial production have declined in recent months. Cutting the capital gains tax should be the centerpiece of a new antirecession drive. It would get the economy moving through investment, while a tax increase would throw our fragile economy into a tailspin.

A capital gains tax reduction is the right response to counteract the Fed's misguided policy, dampen inflationary pressures and stimulate the economy. I ask unanimous consent that the Wall Street Journal's June editorial on the economic need for a capital gains tax cut be entered at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 30, 1989]

BAD TIMING, DAN

An article on page A3 of this newspaper yesterday carried the headline, "Rostenkowski Won't Seek Cut in Gains Tax." Just opposite, on page A2, was another headline, "Leading Indicators Fell Sharply During May, Darkening Outlook."

What bad timing, for the chairman of the Ways and Means Committee to give up on cutting the capital gains rate just when the economy may need a boost. Dow Jones Industrials fell 46.47 yesterday, after a 21.63 drop the day before, and those two headlines in the Journal were no doubt a factor.

If the economy does start to slip badly, what medicine will we have to revive it? Inflation would be likely to remain sticky, limiting a big easing of monetary policy. And the deficit would grow, limiting a push of federal spending. A cut in the capital gains tax would boost incentives, and by now-common consent, without any loss of short-term revenues. Why rule out such potent medicine just when fears of recession are growing?

Now, we are in general admirers of Mr. Rostenkowski. His vital support for the 1986 tax reform gave the long-running economic recovery a new burst of vigor just when it was losing steam. He also responded in a cooperative way to President Bush's request for the capital gains cut. For a while it seemed things were going well.

Indeed, congressional researchers had agreed with the administration's estimate that the reduction would yield the government $15 billion in additional revenues in its first year as investors took advantage of the lower tax to realize their gains. While the history of the 1978 capital gains reduction suggested that the revenue boost would persist, these longer-term effects remained controversial. But that is not usually the worry in recessions, and with signs of a slowdown spreading, why did the chairman suddenly decide to abandon this well-tested recipe both for economic stimulus and revenue enhancement?

Because, he told Journal reporter Jeffrey H. Birnbaum, the reaction of some Democrats on his committee had been surprisingly negative. The capital gains cut was a larger boon to the wealthy than they could countenance. We wonder how those Democrats feel about recessions. Do they enjoy them? Do they think they help the poor? Or have they not given the matter serious thought?

The latter is no doubt the correct answer. Serious thought would tell you that $15 billion in additional federal revenues is not a "bonanza" for the rich, since that money is flowing not from Washington to investors but in the opposite direction. While the relatively small number of people in this country who can be considered wealthy would benefit from a reduced tax burden on investment gains, so would the middle class and so would the poor. Especially so if a timely cut heads off a recession.

By the usual statistical measures, the economy is clearly slowing, whether toward a recession or a "soft landing." It also probably is losing some of its efficiency, not least because of non-tax burdens Congress and the regulatory bureaucracy—the EPA in particular—are loading onto the productive sector. One symptom of slowdown is inflation, which hit 7% in May as measured by the CPI. If inflation is too much money chasing too few goods, the production of fewer goods doesn't help. This is why the 1970s gave us the word stagflation.

The proper public policy response to our current economic predicament is to remove burdens on the economy, not add new ones. As a substitute for cutting capital gains, Mr. Rostenkowski promises to search for taxes to raise. This will not be helpful. Nor will the new taxes that cash-short states are piling on. Nor will the new child-care bureaucracy liberal Democrats want.

Cutting the capital gains rate is precisely the right kind of policy for these times. In addition to its stimulus to investment, it would offset some of the revenue decline the federal Treasury will most likely experience if a full-scale slowdown develops. Mr. Rostenkowski could serve the country and the interests of Congress better if he would but tell the class warriors on his committee to go on with their sloganeering, but that the time does come for serious economic policy.

Mr. President, this bill is the sixth capital gains tax proposal that I have endorsed this year. Although these bills differ in terms of holding periods, assets covered, and the inflation-indexing component, the goal is the same: To create the kind of entrepreneurial environment that will advance America's economic competitiveness in the global marketplace. Chairman ROSTENKOWSKI has opened the door to a compromise on capital gains. My new bill is an attempt to broaden support for a permanent capital gains tax reduction.

Mr. President, I ask unanimous consent that the text of my bill be printed in its entirety:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1286

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN INDIVIDUAL CAPITAL GAINS RATE.

(a) GENERAL RULE.—Subsection (j) of section 1 of the Internal Revenue Code of 1986 (relating to maximum capital gains rate) is amended to read as follows:

"(j) MAXIMUM CAPITAL GAINS RATE.—

"(1) IN GENERAL.—If a taxpayer has a net capital gain for any taxable year, then the tax imposed by this section shall not exceed the sum of—

"(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the taxable income reduced by the net capital gain, plus

"(B) a tax of 15 percent of the net capital gain.

"(2) TRANSITIONAL RULE.—In the case of a taxable year in which the date of the enactment of this sentence occurs, the amount taken into account as the net capital gain under paragraph (1) and subsection (g)(1)(A) shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year after such date of enactment."

(b) PHASE-OUT OF 15-PERCENT RATE AND PERSONAL EXEMPTIONS NOT TO APPLY TO NET CAPITAL GAIN.—Subparagraph (A) of section 1(g)(1) of such Code (relating to phase-out of 15 percent rate and personal exemptions) is amended by inserting ", reduced by the net capital gain" after "taxable income".

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 170(e) of such Code is amended by striking "the amount of gain" in the material following subparagraph (B)(ii) and inserting "15/28 (15/34 in the case of a corporation) of the amount of gain".

(2)(A) The second sentence of section 7518(g)(6)(A) of such Code is amended by striking "28 percent (34 percent in the case of a corporation)" and inserting "15 percent".

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, is amended by striking "28 percent (34 percent in the case of a corporation)" and inserting "15 percent".

SEC. 2. REDUCTION IN CORPORATE CAPITAL GAINS RATE.

(a) GENERAL RULE.—Section 1201 of the Internal Revenue Code of 1986 (relating to alternative tax for corporations) is amended by redesignating subsection (b) as subsection (c), and by striking subsection (a) and inserting the following:

"(a) GENERAL RULE.—If for any taxable year a corporation has a net capital gain, then, in lieu of the tax imposed by section 11, 511, or 831(a) (whichever applies), there is hereby imposed a tax (if such tax is less than the tax imposed by such section) which shall consist of the sum of—

"(1) a tax computed on the taxable income reduced by the net capital gain, at the same rates and in the same manner as if this subsection had not been enacted, plus

"(2) a tax of 15 percent of the net capital gain.

"(b) TRANSITIONAL RULE.—In the case of a taxable year in which the date of the enactment of this sentence occurs, the amount taken into account as the net capital gain under subsection (a) shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year after such date of enactment."

(b) TECHNICAL AMENDMENTS.—

(1) Clause (iii) of section 852(b)(3)(D) of such Code is amended by striking "66 percent" and inserting "85 percent".

(2) Paragraphs (1) and (2) of section 1445(e) of such Code are each amended by striking "34 percent" and inserting "15 percent".

SEC. 3. REDUCTION OF MINIMUM TAX RATE ON CAPITAL GAINS.

Subparagraph (A) of section 55(b)(1) of the Internal Revenue Code of 1986 (relating to tentative minimum tax) is amended to read as follows:

"(A) the sum of—

"(i) 15 percent of the lesser of—

"(I) the net capital gain (determined with the adjustments provided in this part and (to the extent applicable) the limitations of sections 1(j)(2) and 1201(b)), or

"(II) so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, plus

"(ii) 20 percent (21 percent in the case of a taxpayer other than a corporation) of the amount (if any) by which the excess referred to in clause (i)(I) exceeds the net capital gain (as so determined), reduced by".

SEC. 4. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 of the Internal Revenue Code of 1986 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

"(a) GENERAL RULE.—

"(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Except as provided in paragraph (2), if an indexed asset which has been held for more than 1 year is sold or otherwise disposed of, for purposes of this title the indexed basis of the asset shall be substituted for its adjusted basis.

"(2) EXCEPTION FOR DEPRECIATION, ETC.—The deduction for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

"(b) INDEXED ASSET.—

"(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

"(A) stock in a corporation, and

"(B) tangible property (or any interest therein), which is a capital asset of property used in the trade or business (as defined in section 1231(b)).

"(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

"(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

"(B) OPTIONS.—Any option or other right to acquire an interest in property.

"(C) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (h)(1)).

"(D) CERTAIN PREFERRED STOCK.—Stock which is fixed and preferred as to dividends and does not participate in corporate growth to any significant extent.

"(E) STOCK IN CERTAIN CORPORATIONS.—Stock in—

"(i) an S corporation (within the meaning of section 1361),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a foreign corporation.

"(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Clause (iii) of paragraph (2)(E) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, or any domestic regional exchange for which quotations are published on a regular basis other than—

"(A) stock of a foreign investment company (within the meaning of section 1246(b)), and

"(B) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

"(c) INDEXED BASIS.—For purposes of this section—

"(1) INDEXED BASIS.—The indexed basis for any asset is—

"(A) the adjusted basis of the asset, multiplied by

"(B) the applicable inflation ratio.

"(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

"(A) the gross national product deflator the calendar quarter in which the disposition takes place, by

"(B) the gross national product deflator for the calendar quarter in which the asset was acquired by the taxpayer (or, if later, the calendar quarter ending December 31, 1988).

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest one-tenth of 1 percent.

"(3) GROSS NATIONAL PRODUCT DEFLATOR.—The gross national product deflator for any calendar quarter is the implicit price deflator for the gross national product for such quarter (as shown in the first revision thereof).

"(4) SECRETARY TO PUBLISH TABLES.—The Secretary shall publish tables specifying the applicable inflation ratios for each calendar quarter.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

"(A) a substantial improvement to property,

"(B) in the case of stock of a corporation, a substantial contribution to capital, and

"(C) any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

"(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—

"(A) IN GENERAL.—The applicable inflation ratio shall be appropriately reduced for calendar months at any time during which the asset was not an indexed asset.

"(B) CERTAIN SHORT SALES.—For purposes of applying subparagraph (A), an asset shall be treated as not an indexed asset for any short sale period during which the taxpayer or the taxpayer's spouse sells short property substantially identical to the asset. For purposes of the preceding sentence, the short sale period begins on the day after the substantially identical property is sold and ends on the closing date for the sale.

"(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

"(4) SECTION CANNOT INCREASE ORDINARY LOSS.—To the extent that (but for this paragraph) this section would create or increase a net ordinary loss to which section 1231(a)(2) applies or an ordinary loss to which any other provision of this title applies, such provision shall not apply. The taxpayer shall be treated as having a long-term capital loss in an amount equal to the amount of the ordinary loss to which the preceding sentence applies.

"(5) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

"(6) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

"(e) CERTAIN CONDUIT ENTITIES.—

"(1) REGULATED INVESTMENT COMPANIES; REAL ESTATE INVESTMENT TRUSTS; COMMON TRUST FUNDS.—

"(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

"(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

"(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 10 percent or less, such ratio for such month shall be zero.

"(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more frequently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

"(E) QUALIFIED INVESTMENT ENTITY.—For purposes of this paragraph, the term 'qualified investment entity' means—

"(i) a regulated investment company (within the meaning of section 851),

"(ii) a real estate investment trust (within the meaning of section 856), and

"(iii) a common trust fund (within the meaning of section 584).

"(2) PARTNERSHIPS.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

"(3) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation, the adjustment under subsection (a) at the corporate level shall be passed through to the shareholders.

"(f) DISPOSITIONS BETWEEN RELATED PERSONS.—

"(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

"(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

"(A) persons bearing a relationship set forth in section 267(b), and

"(B) persons treated as single employer under subsection (b) or (c) of section 414.

"(g) TRANSFERS TO INCREASE INDEXING ADJUSTMENT OR DEPRECIATION ALLOWANCE.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is—

"(1) to secure or increase an adjustment under subsection (a), or

"(2) to increase (by reason of an adjustment under subsection (a)) a deduction for depreciation, depletion, or amortization,

the Secretary may disallow part or all of such adjustment or increase.

"(h) DEFINITIONS.—For purposes of this section—

"(1) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased real property where—

"(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

"(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property.

"(2) STOCK INCLUDES INTEREST IN COMMON TRUST FUND.—The term 'stock in a corporation' includes any interest in a common trust fund (as defined in section 584(a)).

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of such chapter 1 of such Code is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Indexing of certain assets for purposes of determining gain or loss."

(c) ADJUSTMENT TO APPLY FOR PURPOSES OF DETERMINING EARNINGS AND PROFITS.—Subsection (f) of section 312 of such Code (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is amended by adding at the end thereof the following new paragraph:

"(3) EFFECT ON EARNINGS AND PROFITS OF INDEXED BASIS.—

For substitution of indexed basis for adjusted basis in the case of the disposition of certain assets after December 31, 1988, see section 1022(a)(1)."

SEC. 5. EFFECTIVE DATES.

(a) RATE REDUCTION.—

(1) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this Act shall apply to sales or exchanges occurring—

(A) after December 31, 1989, in taxable years ending after such date, and

(B) before the termination date described in paragraph (2).

(2) TERMINATION DATE.—If tax revenues attributable to the tax on capital gains, as measured according to the Internal Revenue Statistics of Income computed by the Office of Tax Analysis of the Department of the Treasury, in 1995 do not exceed such revenues in 1989, the termination date described in this paragraph shall be the first day of the calendar year following the date of the determination of such revenues for 1995.

(b) INDEXING.—The amendments made by section 4 of this Act shall apply to sales or exchanges occurring after December 31, 1994, in taxable years ending after such date.

By Mr. D'AMATO (for himself and Mr. DECONCINI):

S. 1287. A bill to provide for adherence with the MacBride Principles by United States persons doing business in Northern Ireland; to the Committee on Finance.

NORTHERN IRELAND FAIR EMPLOYMENT PRACTICES ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to help correct a discriminatory injustice in another part of the world, Northern Ireland. I introduced similar legislation with Senators DECONCINI and HATCH in the 100th Congress, and also at the end of the 99th Congress.

Enactment of this legislation, entitled the Northern Ireland Fair Employment Practices Act, will deter efforts to use the work place as an arena of discrimination in Northern Ireland.

In 1986, Congress overrode President Reagan's veto on legislation applying additional sanctions on the Government of South Africa. Congress overwhelmingly decided to follow rhetoric with action by applying economic sanctions against a government that maintains a policy of rampant discrimination.

Today, we have the same opportunity to fight discrimination in Northern Ireland. The Northern Ireland Fair Employment Practices Act incorporates the McBride Principles, which are modeled after the famous Sullivan Principles, one of the initial efforts to apply U.S. pressure to change the system of apartheid in South Africa. The MacBride Principles are named in honor of the late Sean McBride, winner of the Nobel Peace prize and cofounder of Amnesty International.

This legislation does not call for disinvestment. It does, however, enlist the cooperation of United States companies active in Northern Ireland in the campaign to force the end of discrimination in the workplace. Specifically, this bill would incorporate the following principles:

First, eliminating religious discrimination in managerial, supervisory, administrative, clerical, and technical jobs and significantly increasing the representation in such jobs of individuals from underrepresented religious groups;

Second, providing adequate security for the protection of minority employees at the workplace;

Third, banning provocative sectarian and political emblems from the workplace;

Fourth, publicly advertising all job openings and undertaking special recruitment efforts to attract applicants from underrepresented religious groups, and establishing procedures to identify and recruit minority individuals with potential for further advancement, including managerial programs;

Fifth, establishing layoff, recall, and termination procedures which do not favor particular religious groupings;

Sixth, abolishing job reservations, apprenticeship restriction, and differential employment criteria which discriminate on the basis of religious or ethnic origin;

Seventh, developing and expanding upon existing training and educational programs that will prepare substantial numbers of minority employees for managerial, supervisory, administrative, clerical, and technical jobs; and

Eighth, appointing a senior management staff member to oversee the U.S. company's compliance with the principles described above.

One of the most prominent and painful means of perpetrating acts of discrimination is through employment. Therefore, it is at the workplace in Northern Ireland, which can be used to either foster or eliminate discrimination, where we should focus our efforts to break the back of this awful practice. The unemployment rate for the area is hovering around 20 percent, 50 percent in predominately Catholic neighborhoods. Improving the employment opportunities for those discriminated against will help factor out economic reasons for the current strife in Northern Ireland and, hopefully, will begin the process toward a peaceful resolution to the problems there.

The United States is Northern Ireland's largest single investor. There are over 20 United States companies operating in Northern Ireland, and only 5 of them operate in Catholic sections. Most of these United States companies now directly or indirectly support the systematic anti-Catholic discriminatory practices in Northern Ireland. My legislation will end this shameful record. It not only will enlist these companies in the effort to wipe out discrimination at the workplace in Northern Ireland, but it also will help enlighten other nations which do business in Northern Ireland.

Mr. President, I truly believe that this body must address this important issue in the near future. I plan to fight to have this legislation considered and have a bill passed during this Congress, and I look to my colleagues to join me in this worthy effort.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Northern Ireland Fair Employment Practices Act".

SEC. 2. FINDINGS.

(1) Overall unemployment in Northern Ireland exceeds 20 per centum.

(2) Unemployment in some neighborhoods of Northern Ireland comprised of religious minorities has exceeded 50 per centum.

(3) In the past ten years 27 per centum of Northern Ireland's industrial jobs have disappeared.

(4) Economic conditions in Northern Ireland have contributed to the emigration in recent years of more than seven thousand people each year.

(5) The Industrial Development Organization for Northern Ireland lists twenty-five firms in Northern Ireland which are controlled by United States persons.

(6) Many of these firms have become de facto partners in discriminating against religious minorities in employment practices and conditions.

(7) A comprehensive study of the discriminatory practices of United States businesses in Northern Ireland by the Reverend Brian Brady, the former head of the religion department at Saint Joseph's College in Belfast, noted that in the average manufacturing company controlled by a United States person in Northern Ireland, 18.8 per centum of the employees are Catholic and 73.2 per centum are Protestant, a work force ratio that is disproportionate to the number of Catholics and Protestants in the general population of Northern Ireland, which is 38 per centum Catholic and 62 per centum Protestant.

(8) The religious minority population of Northern Ireland is frequently subject to discriminatory hiring practices by United States businesses which have resulted in a disproportionate number of minority individuals holding menial and low-paying jobs and alarmingly high layoffs of minority employees in times of recession.

(9) The MacBride Principles are a nine point set of guidelines for fair employment in Northern Ireland which establishes a corporate code of conduct to promote equal access to regional employment but does not require disinvestment or demand quotas on imports.

SEC. 3. RESTRICTION ON IMPORTS.

An article from Northern Ireland may not be entered, or withdrawn from warehouse for consumption, in the customs territory of the United States unless there is presented at the time of entry to the customs officer concerned documentation indicating that the enterprise which manufactured or assembled such article was in compliance at the time of manufacture with the principles described in section 5.

SEC. 4. COMPLIANCE WITH FAIR EMPLOYMENT PRINCIPLES.

(a) COMPLIANCE.—Any United States person who—

(1) has a branch or office in Northern Ireland, or

(2) controls a corporation, partnership, or other enterprise in Northern Ireland,

in which more than twenty people are employed shall take the necessary steps to insure that, in operating such branch, office, corporation, partnership, or enterprise, those principles relating to employment practices set forth in section 5 are implemented and the Fair Employment Act of Northern Ireland is complied with.

(b) REPORT.—Each United States person referred to in subsection (a) shall submit to the Secretary—

(1) a detailed and fully documented annual report, signed under oath, showing compliance with the provisions of this Act; and

(2) such other information as the Secretary determines is necessary.

SEC. 5. MACBRIDE PRINCIPLES.

The principles referred to in section 4, which are based on the MacBride Principles, are as follows:

(1) Eliminating religious discrimination in managerial, supervisory, administrative, clerical, and technical jobs and significantly increasing the representation in such jobs of individuals from underrepresented religious groups.

(2) Providing adequate security for the protection of minority employees at the workplace.

(3) Banning provocative sectarian and political emblems from the workplace.

(4) Advertising publicly all job openings and undertaking special recruitment efforts to attract applicants from underrepresented religious groups, including—

(A) establishing procedures to assess, identify, and actively recruit minority individuals with potential for further advancement; and

(B) identifying those minority individuals who have high management potential and enrolling them in accelerated management programs.

(5) Establishing layoff, recall, and termination procedures which do not favor particular religious groupings.

(6) Providing equal employment for all employees, including implementing equal and nondiscriminatory terms and conditions of employment for all employees, and abolishing job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin.

(7) Developing training programs that will prepare substantial numbers of minority employees for managerial, supervisory administrative, clerical, and technical jobs, including—

(A) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of minority employees;

(B) creating on-the-job training programs and facilities to assist minority employees to advance to higher paying jobs requiring greater skills; and

(C) establishing and expanding programs to enable minority employees to further their education and skills at recognized educational facilities.

(8) Appointing a senior management staff member to oversee the United States person's compliance with the principles described in this section.

SEC. 6. WAIVER OF PROVISIONS.

In any case in which the President determines that compliance by a United States person with the provisions of this Act would harm the national security of the United States, the President may waive those provisions with respect to that United States person. The President shall publish in the Federal Register each waiver granted under this section and shall submit to the Congress a justification for granting each such waiver. Any such waiver shall become effective at the end of ninety days after the date on which the justification is submitted to the Congress unless the Congress, within that ninety-day period, adopts a joint resolution disapproving the waiver. In the computation of such ninety-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die.

(b) CONSIDERATION OF RESOLUTIONS.—

(1) Any resolution described in subsection (a) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(2) For the purpose of expediting the consideration and adoption of a resolution under subsection (a) in the House of Representatives, a motion to proceed to the consideration of such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

SEC. 7. DEFINITIONS AND PRESUMPTIONS.

(a) DEFINITIONS.—For the purposes of this Act—

(1) the term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern);

(2) the term "Secretary" means the Secretary of Commerce;

(3) the term "Northern Ireland" includes the counties of Antrim, Armagh, Londonderry, Down, Tyrone, and Fermanagh; and

(b) PRESUMPTION.—A United States person shall be presumed to control a corporation, partnership, or other enterprise in Northern Ireland if—

(1) the United States person beneficially owns or controls (whether directly or indirectly) more than 50 per centum of the outstanding voting securities of the corporation, partnership, or enterprise;

(2) the United States person beneficially owns or controls (whether directly or indirectly) 25 per centum or more of the voting securities of the corporation, partnership, or enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(3) the corporation, partnership, or enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(4) a majority of the members of the board of directors of the corporation, partnership, or enterpirse are also members of the comparable governing body of the United States person;

(5) the United States person has authority to appoint the majority of the members of the board of directors of the corporation, partnership, or enterprise; or

(6) the United States person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.●

By Mr. DECONCINI:

S. 1288. A bill to provide for a temporary stay of deportation for nationals of the People's Republic of China, to provide authority to work during the temporary stay, and to provide a mechanism for adjustment to permanent residence status at the end of the temporary stay; to the Committee on the Judiciary.

CHINESE NATIONAL'S CHOICE OF STATUS ACT

Mr. DECONCINI. I rise to introduce legislation to give the citizens of the People's Republic of China, who were lawfully in the United States at the time of the Tiananmen massacre, the ability to decide whether to stay in the United States permanently, and the time necessary to make such a deci-

sion, an informed and carefully thought-out one.

My legislation will suspend the deportation of nationals of the People's Republic of China for 2 years, and then at the end of the that time allow these individuals to choose to stay or to return to China.

It is important to note that the legislation also allows such Chinese nationals to work during the 2-year period while they are making this important decision and while things settle down, if they are going to settle down, and whether or not they can return safely.

We are all angered and dismayed by the conduct of the Chinese Government. We were all equally proud and impressive of those students and others who joined them, who stood up to that government. I have made my views on this subject clear on several occasions on the floor of this body, and at other areas, regarding my disgust with the Chinese Government. However, I believe that we must take immediate action to protect the Chinese students and others who found themselves legally in the United States at the time of the violence against Chinese citizens.

The Chinese students that I have talked to in my State—and there are several hundred there going to school—want the United States to stand tall on this issue. They are understandably reluctant to return to China at the present time, and I can understand that.

I congratulate President Bush for his prompt and timely action to defer their return. I believe it is appropriate for the United States to allow these Chinese nationals to stay in the United States for up to a 2-year period, in order for each individual to decide what is best for themselves.

It is also appropriate for these individuals to be allowed to make a living while they are here, so they are not a burden on society and their families and friends. I hope that Congress will address this problem quickly and give the Chinese nationals in the United States some small amount of reassurance, while they await the word from their families and their country on what their life at home and in their country really is going to be like.

What has happened to these people's lives is bad enough without the added pressure of being in a legal limbo in the United States or being pressured into making a permanent decision to abandon their homes and their families at this particular time.

I believe my approach to this problem is cautious and restrained, and yet provides the security necessary to those who are affected. I have asked for the support of my colleagues to look at this legislation. I hope it will receive serious consideration, for I think it is vitally needed.

I ask unanimous consent that the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1288

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That this Act may be cited as the "Chinese National's Choice of Status Act of 1989."

SEC. 2. The Attorney General shall not detain or deport aliens who are nationals of the People's Republic of China who, as of June 5, 1989, were present in the United States in the lawful status of a nonimmigrant from June 5, 1989, until June 6, 1991.

SEC. 3. Each alien receiving a stay of deportation under section 2 of this Act shall register with the Attorney General anytime beginning 30 days after the date of enactment of this Act and ending 180 days thereafter.

SEC. 4. The Attorney General shall grant each alien who registers under section 3 of this Act a work authorization document.

SEC. 5. Any alien who has registered under section 3 of this Act may apply with the Attorney General for permanent residence status in the United States beginning on March 6, 1991. Such status shall be granted by the Attorney General for all nationals of the People's Republic of China who registered under section 3 of this Act.

By Mr. McCAIN (for himself and Mr. INOUYE, Mr. MURKOWSKI, Mr. COCHRAN, and Mr. GORTON):

S. 1289. A bill to improve the management of forests and woodlands and the production of forest resources on Indian lands, and for other purposes; to the Committee on Indian Affairs.

NATIONAL INDIAN FOREST AND WOODLAND ENHANCEMENT ACT

Mr. McCAIN. Mr. President, I rise today to introduce a bill entitled "The National Indian Forest and Woodland Enhancement Act" to better define the Federal Government's role in the protection and managment of forest and woodland resources on Indian trust lands. I am pleased to be joined on this bill by Senators INOUYE, MURKOWSKI, COCHRAN, and GORTON.

It is my hope that this bill will serve as a focal point for discussion and to generate input from Indian tribes, native American organizations, Allottees, Alaska Natives, and others who have an interest in forest and woodland management on Indian lands. I plan to incorporate comments and recommendations into the language of the bill where appropriate and to pursue enactment of the bill as modified during the second session of this Congress.

Federal policy for the protection of most Indian natural resources is currently based upon a loose patchwork of varying and inconsistent laws and administrative practices. This has resulted in serious fluctuations in the levels of management provided to Indian forest lands and virtually no protection for Indian woodlands. Long-term planning and stable management are needed to protect the forest and woodland resources of the tribes. Unfortunately, the Congress has never established explicit standards for the management of these valuable resources. This bill is intended to establish those standards and to begin to correct problems stemming from past mismanagement.

There is a government-to-government relationship between Indian tribes and the United States that flows from treaties and the Constitution. This relationship has been defined by numerous acts of Congress, orders of the executive branch and the courts. Through treaties, tribes relinquished their claims to aboriginal title to most of their lands in exchange for reservation homelands and other considerations. Part of those considerations was the recognition of a Federal responsibility to protect, conserve, utilize and enhance the development of Indian resources. This bill will provide direction and stability in the exercise of the Federal trust responsibility over Indian forest and woodland resources.

There can be no doubt that tribal forest and woodland resources constitute an important economic and cultural asset.

Indian forests and woodlands comprise about 20 percent of the lands held in trust by the United States for Indians. Forest and woodland resources are among the most valuable resources of Indian tribes, not merely as a source of income and employment but to support their way of life. They furnish timber and wood products, fish and wildlife, subsistence uses, tourism, outdoor recreation, water, soil and air conservation, support cultural and religious uses, and contribute to the general health and welfare of the tribes.

Tribes generate in excess of $64 million in timber receipts annually and employ thousands of people in commercial forestry activities. The production of timber and other forest products is important, but not all encompassing. The forests are vital to traditional Indian cultural values because they provide places for religious ceremonies and for gathering native medicines and foods. Firewood, berries, mosses, pinyon nuts, acorns, syrups, herbs such as ginseng and wild rice harvested in tribal forests for personal consumption and sale. On some reservations sales of these commodities easily exceed the income derived from the sales of timber. Indian forests are multiple-use forests in the fullest sense. This bill is intended to ensure that these forests are managed in perpetuity on a sustained yield basis.

There are 4,500,000 commercial woodland acres. This compares to

5,600,000 commercial timberland acres. None of the woodland acres are currently addressed within Federal forest management plans. This bill will provide a statutory basis to begin to protect and manage the Indian woodland resource. Woodland inventory information is lacking throughout Indian country. Current harvesting and land management is generally without silvicultural direction or environmental clearance. The Bureau of Indian Affairs estimates that $38.8 million of benefits are realized from Indian woodlands each year. Despite the obvious value of this trust asset, little or nothing has been done to protect it. This bill will correct this neglect.

Another major purpose of this bill is to remedy the astonishing lack of Indian employees engaged in the management of Indian forests and woodlands. For several years the Federal Government has promoted a policy to increase the number of Indians employed in professional forestry positions for management of Indian forestry programs. This policy is consistent with the policy of tribal self-determination and tribal self-governance. However, of the 420 professional forester positions in Indian forestry programs, less than 11 percent are filled by Indians. This bill will provide an education assistance program which will attract Indian people into the forestry profession and increase the number of Indians in professional forestry positions.

Theft of timber is another continuing problem on Indian lands. This bill provides for an evaluation of the timber trespass problem by the Secretary of the Interior and authorizes the establishment of penalties for violations of trespass law.

Last, this bill addresses a longstanding and sometimes controversial administrative practice. For many years, the Bureau of Indian Affairs has made deductions from gross receipts generated from the sale of Indian timber and forest products; these fees are commonly referred to as administrative fee deductions. These deductions are actually tribal contributions to the management of Indian forest resources. This bill will establish a maximum limit on the administrative fee deduction of 10 percent of the gross sale receipts or the actual cost of forest management whichever is less. The tribes are authorized under the bill to be reimbursed from administrative fee deductions for expenditures made by them for certain forest management activities.

Mr. President, this bill does not address all of the issues and concerns raised by tribes and others concerning Indian forestry programs. Fractionalized land ownership patterns remain a problem. Land records are not adequately maintained; forest road networks are inadequate; timber sale contracts do not provide the flexibility desired; environmental requirements under the NEPA and NHPA are costly and burdensome and other serious forest management problems exist. While this bill does not meet all of the known needs, it does provide a framework for Indian forest and woodland management. Hopefully, it will also stimulate discussion which will result in constructive changes in the bill so that we may more fully meet the needs for an efficient and effective Indian forest and woodland management program. It is long past the time when Congress should provide the Department of the Interior with clear direction in the management of these valuable trust assets. By doing so we can prevent the reoccurrence of past management and ensure the future protection and productivity of Indian and Alaska Native forests and woodlands.

I look forward to receiving comments and recommendations on this bill during this session of the Congress so that we may move toward enactment of legislation in the second session. I ask unanimous consent that a copy of the bill and the section-by-section summary of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Indian Forest and Woodland Enhancement Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—ADMINISTRATIVE PROVISIONS

Sec. 101. Findings.
Sec. 102. Purposes.
Sec. 103. Definitions.

TITLE II—FOREST AND WOODLAND ENHANCEMENT

Sec. 201. Management of commercial forests and woodlands.
Sec. 202. Administrative fee withholding.
Sec. 203. Forest and woodland trespass.

TITLE III—INDIAN FORESTRY EDUCATION ASSISTANCE PROGRAM

Sec. 301. Establishment of Indian Forestry Education Assistance Program.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

Sec. 401. Authorization of appropriations.

TITLE I—ADMINISTRATIVE PROVISIONS

SEC. 101. FINDINGS.

(a) FINDINGS.—The Congress finds and declares that—

(1) the forests and woodlands of Indians—

(A) are among their most valuable resources;

(B) furnish timber and wood products, fish and wildlife, subsistence uses, tourism, outdoor recreation, and water;

(C) provide for soil and air conservation, minerals, cultural, religious, and traditional values; and

(D) contribute to the general health and welfare of Indian tribes;

(2) Indian forest lands encompass more than 15,700,000 acres, comprised of approximately 5,600,000 acres of commercial forest land and 4,500,000 acres of commercial woodland which constitutes a major economic resource of Indian tribes;

(3) Indian forests and woodlands are renewable, manageable resources;

(4) the United States has a trust responsibility to protect, conserve, utilize and enhance Indian forests and woodlands consistent with its fiduciary obligation and its unique relationship with Indian tribes;

(5) increased investment in intensive management of Indian forests and woodlands will produce increased economic returns to Indian tribes and the United States;

(6) increased productivity of Indian forests and woodlands will enhance Indian self-determination, promote employment opportunities, and improve the social and economic position of Indian and surrounding communities;

(7) enhancing and ensuring further Federal and tribal investment in Indian forests and woodlands will improve the economic and social development of Indian tribes and provide substantial benefits to tribal and national economies;

(8) Federal investments in and management of Indian forests and woodlands are substantially below the level of investments in and management of the National Forest Service and Bureau of Land Management forests and woodlands and private forests and woodlands;

(9) existing Federal statutes do not sufficiently assure the adequate and necessary trust management of Indian forests and woodlands;

(10) of approximately 420 professional forester positions in the Bureau of Indian Affairs and tribal forestry programs, only 11 percent are held by Indians; and

(11) in the last 10 years more than 7,000,000 board feet of forest and woodland products have been removed illegally from Indian forest lands and woodlands.

SEC. 102. PURPOSES.

The purposes of this Act are to—

(1) safeguard the investments made in Indian forest and woodland management and provide additional assurances of adequate, stable, and secure funding for the protection, conservation, utilization, and enhancement of Indian forest and woodland resources;

(2) meet the trust responsibility and fiduciary obligation of the United States to ensure that the management of Indian forest lands and woodlands and related renewable resources will be managed in a manner consistent with sustained yield principles and serve the needs of Indians and other citizens of the United States for the many products, benefits and services obtained from Indian forest lands and woodlands;

(3) increase the number of professional Indian foresters employed in tribal and Federal forestry programs on Indian lands and provide for improved management of Indian forest and woodland resources;

(4) promote tribal self-determination and self-sufficiency; and

(5) provide the Secretary the authority necessary to curb the occurrence of trespass in Indian forest lands and woodlands.

SEC. 103. DEFINITIONS.

For the purposes of this Act—

(1) the term "commercial forest land" means Indian land that is forest land capable of bearing merchantable forest products, currently or prospectively accessible, and not withdrawn from such use;

(2) the term "commercial forest land and woodland" means commercial forest land and commercial woodland;

(3) the term "commercial woodland" means Indian land that is woodland capable of bearing merchantable woodland products, currently or prospectively accessible, not withdrawn from such use, and not included in the commercial or noncommercial timberland base;

(4) the term "forest or woodland management activities" means all activities, including all aspects of program administration such as budgeting, performance appraisal, reporting, personnel matters, bookkeeping and time and attendance, done in support of the management of forest land or woodland, including—

(A) preparation of forest and woodland inventory and management plans, including aerial photography, mapping, field forest and woodland management inventories, reinventories, growth studies, allowable annual cut calculations, and all aspects of the development, preparation, and revision of multiple-use forest and woodland management plans, including inventory analysis, environmental assessment, and forest history;

(B) forest and woodland development, including reforestation and the use of silvicultural treatments to restore or increase growth and yield to the full productive capacity of the forest or woodland environment;

(C) protection against fire, including acquisition and maintenance of fire fighting equipment and fire detection systems, construction of firebreaks, hazard reduction, and performance of cooperative fire protection agreements;

(D) protection against insects and diseases, including all aspects of detection and evaluation, preparation of project proposals to secure funding (including project description, environmental assessments and statements, and cost-benefit analysis), field suppression operations, and reporting;

(E) assessment of damage caused by trespass or fire, including field examination and survey, damage appraisal, preparation of reports, assisting in investigations, writing demand letters, and giving testimony;

(F) administration and supervision of timber sales, including all aspects of sale and contract preparation such as cruising, silvicultural prescriptions, appraisal, advertising, executing and supervising contracts, marking and scaling timber, and collecting, recording, and distributing stumpage receipts;

(G) issuance of forest and woodland product permits, including cruising, product marking, stumpage appraisal, permit preparation, and harvest supervision for both paid and free use permits to harvest sawlogs, firewood, house logs, posts and poles, Christmas trees and other products;

(H) consultation with Indian enterprises in forest land and woodland management and in the primary and secondary processing of forest products and woodland products, including stumpage appraisal, sale negotiation, contract supervision, disputes and appeals, economic analysis of potential enterprises, product marketing and business development activities; and

(I) provision of financial assistance for education of Indians enrolled in accredited programs of post-secondary forestry and forestry-related fields of study, including the giving of scholarships, internships, relocation assistance and other forms of assistance to cover educational expenses;

(5) the term "forest and woodland resources" means all the benefits derived from commercial forest land and commercial woodland, including forest products, woodland products, soil productivity, water, fisheries, wildlife, recreation, aesthetic and other traditional values of forest lands and woodlands;

(6) the term "forest and woodland trespass" means the act of removing forest products or woodland products illegally from commercial forest land or commercial woodland;

(7) the term "forest land" means land that is considered chiefly valuable for the production of forest products or to maintain watershed or other land values enhanced by a forest cover, regardless whether a formal inspection and land classification action has been taken;

(8) the term "forest product" means—

(A) timber;

(B) a timber product, including lumber, lath, crating, ties, bolts, logs, pulpwood, fuelwood, posts, and split products;

(C) bark;

(D) a Christmas tree;

(E) other marketable material authorized for removal; and

(F) gravel which is extracted from and utilized on forests or woodlands;

means forest products and woodland products;

(9) the term "forest and woodland products" means forest products and woodland products;

(10) the term "Indian" means a member of an Indian tribe;

(11) the term "Indian land" means land that is—

(A) held in trust by the United States for an Indian or Indian tribe; or

(B) owned by an Indian or Indian tribe and is subject to restrictions against alienation;

(12) the term "Indian tribe" means—

(A) an Indian tribe, band, nation, rancheria, pueblo, colony, or community; and

(B) an Alaska Native village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601-1629e),

that is recognized by the United States as eligible for the special programs and services provided by the Secretary to Indians or Alaska Natives because of their status as Indians or Alaska Natives;

(13) the term "Indian enterprise" means an enterprise—

(A) which—

(i) is engaged in construction (within the meaning of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.), and is entirely owned by Indians, or Indian tribes, that receive 100 percent of the profits of the enterprise, or

(ii) is engaged in any business other than construction and at least 51 percent of the enterprise is owned by Indians, or Indian tribes, that receive not less than 51 percent of the profits of the enterprise; or

(B) which—

(i) is entirely owned by an Indian tribe, or

(ii) has an Indian owner who—

(I) acts as the chief executive officer of the enterprise, and

(II) has the experience and training to manage, and does in fact manage, the day-to-day activities of the enterprise;

(14) the term "landowner" means, with respect to Indian land on which a forest product or woodland product is produced, the Indian or Indian tribe that—

(A) owns such land, or

(B) is the beneficiary of the trust under which such land is held by the United States;

(15) the term "Secretary" means the Secretary of the Interior or the Secretary's delegate;

(16) the term "woodland" means—

(A) a plant community in which trees, often small and characteristically short-boled relative to their depth of crown, are present but form only an open canopy, the intervening areas being occupied by lower vegetation, commonly grass; and

(B) moderate-to-densely stocked pinyon-juniper; and

(17) the term "woodland product" means firewood, posts, poles, Christmas trees, stays, branches, berries, mosses, pinyon nuts, acorns, syrups, wild rice, herbs and other marketable materials authorized for removal.

TITLE II—FOREST AND WOODLAND ENHANCEMENT

SEC. 201. MANAGEMENT OF COMMERCIAL FORESTS AND WOODLANDS.

The Secretary shall manage commercial forest lands and woodlands, either directly or through self-determination contracts and grants under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450-458e), with the following objectives:

(1) development, maintenance, and enhancement of commercial forest lands and woodlands in a perpetually productive state by providing effective management and protection through the application of sound silvicultural and economic principles to the reforestation, growth, and harvesting of forest and woodland products, including adequate provision for new forest and woodland growth as old growth is removed;

(2) regulation of commercial forest lands and woodlands through the establishment and development of forest and woodland product marketing programs supported by—

(A) written tribal objectives; and

(B) long-range multiple-use plans that incorporate sound forest and woodland management practices;

(3) regulation of commercial forest lands and commercial woodlands in a manner that will ensure the use of good method and order in harvesting the tree capital, so as to make possible continuous production and perpetual forest and woodland business;

(4) development of commercial forest lands and woodlands by Indians to promote self-sustaining communities, so that Indians may receive from their property not only the stumpage value, but also the benefit of all of the labor and profit the property is capable of yielding;

(5) sale of forest and woodland products on the open market when and only when the quantity of such products available for harvest exceeds the quantity harvested by the landowner;

(6) preservation of commercial forest lands and woodlands in their natural state when authorized Indian representatives determine that the recreational, cultural, aesthetic, or traditional values of the forests or

woodlands represent the highest and best use of the land to the Indians;

(7) management and protection of forest and woodland resources to retain the beneficial effects to Indian trust lands of regulating water runoff and minimizing soil erosion; and

(8) management and protection of commercial forest lands and woodlands to maintain and improve timber productivity, grazing, wildlife, fisheries, recreation, and aesthetic, cultural, and other traditional values.

SEC. 202. ADMINISTRATIVE FEE DEDUCTION.

Notwithstanding the provisions of 25 U.S.C. 413, the Secretary shall withhold a reasonable deduction from the gross proceeds of sales of Indian forest and woodland products to cover in whole or in part the cost of timber sale administration or forest regeneration. Such deduction shall not exceed the lesser amount of 10% or the percentage of gross proceeds currently collected as forest management deductions by the Secretary on sales of Indian forest and woodland products, unless the recognized tribal government consents to an increase in the deduction. Such deductions shall be fully expended by the Secretary in forest or woodland management activities in the reservation from which such deductions are withheld. The full amount of administrative deductions collected by the Secretary for a reservation shall be made available to that reservation's recognized tribal government by contract or agreement for the purpose of performing the forest or woodland management activities under this Act. Such deductions are not intended to cover the costs that are paid from funds appropriated specifically for fire suppression or pest control.

SEC. 203. FOREST AND WOODLAND TRESPASS.

(a) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall promulgate regulations that—

(1) establish penalties for the commission of forest and woodland trespass, which provide for—

(i) collection of the value of the products illegally removed plus a penalty of double their value; and

(ii) collection of the costs associated with damage to the forest or woodland caused by the act of trespass.

(2) designate the agency officials who will be responsible for detecting forest and woodland trespass and assessing and collecting penalties; and

(3) set forth procedures for the assessment and collection of such penalties.

(b) RESTITUTION TO LANDOWNER.—The proceeds of penalties collected under subsection (a) shall be treated as proceeds from the sale of forest and woodland products.

(c) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Congress a report that—

(1) describes and evaluates the nature and extent of forest and woodland trespass that is occurring; and

(2) describes any legal or practical impediments to the curbing of forest and woodland trespass and the enforcement of the regulations issued to subsection (a).

TITLE III—INDIAN FORESTRY EDUCATION ASSISTANCE PROGRAMS

SEC. 301. ESTABLISHMENT OF INDIAN FORESTRY EDUCATION ASSISTANCE PROGRAMS.

(a) FORESTER INTERN PROGRAM.—(1) The Secretary shall establish and maintain in the Bureau of Indian Affairs at least 10 salaried forester intern positions for Indian students.

(2) For purposes of this subsection, the term "forester intern" means an Indian who—

(A) is pursuing a bachelor's degree or post-graduate degree in forestry or a forestry-related field, and

(B) is appointed to one of the positions established under paragraph (1).

(3) The Secretary shall pay all costs for tuition, books, fees and living expenses incurred by a forester intern while attending an approved post-secondary school in a full-time forestry-related curriculum.

(4) A forester intern shall be required to enter into an obligated service agreement to serve as a professional forester with either the Bureau of Indian Affairs or a tribal government for 2 years for each year of education for which the Secretary pays the intern's educational costs under paragraph (3).

(5) A forester intern shall be required to report for service with the Bureau of Indian Affairs during any break in attendance at school of more than 3 weeks' duration. Time spent in such service shall be counted toward satisfaction of the intern's obligated service agreement.

(b) COOPERATIVE EDUCATION PROGRAM.—(1) The Secretary shall maintain, through the Bureau of Indian Affairs, a cooperative education program for the purpose of recruiting promising Indian students who are enrolled in secondary or post-secondary schools for employment as a professional forester in the Bureau of Indian Affairs.

(2) The cooperative educational program that is to be maintained under paragraph (1) shall be modeled on, and shall have essentially the same features of, the program operated on the date of enactment of this Act pursuant to chapter 308 of the Federal Personnel Manual issued by the Office of Personnel Management.

(3) Under the cooperative agreement program that is to be maintained under paragraph (1), the Secretary, shall pay all costs for tuition, books, and fees of a student who—

(A) is enrolled in a course of study at an educational institution with which the Secretary has entered into a cooperative agreement; and

(B) is interested in a career with the Bureau of Indian Affairs in the management of commercial forest land and woodland.

(4) Financial need shall not be a requirement to receive assistance under the cooperative agreement program that is to be maintained under subsection (a).

(c) SCHOLARSHIP PROGRAM.—(1) The Secretary is authorized to grant forestry scholarships to Indians enrolled as full-time students in schools with accredited programs for post-secondary forestry and forestry-related programs of study.

(2) A recipient of a scholarship under paragraph (1) shall be required to enter into an obligated service agreement with the Secretary in which the recipient agrees to accept employment, following completion of the recipient's course of study, with—

(A) the Bureau of Indian Affairs;

(B) a forestry program conducted under a contract, grant, or cooperative agreement entered into under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450-450n); or

(C) an Indian enterprise engaged in a forestry or forestry-related business.

(3) The Secretary shall not deny scholarship assistance under this subsection solely on the basis of an applicant's scholastic achievement if the applicant has been admitted to and remains in good standing in an accredited institution.

(d) ADEQUACY OF PROGRAMS.—The Secretary shall administer the programs described in this section until a sufficient number of Indians are trained to ensure that there is an adequate number of qualified, professional Indian foresters to manage the Bureau of Indian Affairs forestry programs and forestry programs maintained by or for Indian tribes.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1990 and each fiscal year thereafter such sums as are necessary to carry out this Act.

SECTION-BY-SECTION SUMMARY OF THE BILL

Section 1 provides that the Act be cited as the "National Indian Forest and Woodland Enhancement Act."

Section 101 sets forth the findings of the Congress.

Section 102 sets forth the purposes of the Act.

Section 103 provides the definition of terms as used in the Act.

Section 201 requires the Secretary of Interior to conduct a forest and woodland management program on Indian lands in a manner which will protect, conserve, utilize and enhance forest and woodland resources in accordance with tribal goals and objectives. The Secretary must assure that specific forest management objectives are met. Those objectives are listed individually in the Act.

Section 202 limits administrative fee deductions from the gross proceeds of the sale of timber and other forest products to 10% or actual costs of administration, whichever is less.

The authorized uses of administrative fee deducation proceeds are listed in the Act. Typical forest and woodland management activities which would normally be a part of an intensive forest management program are authorized.

Section 203 directs the Secretary to conduct an evaluation of the extent of forest trespass and related illegal activities on Indian forest lands and prepare a report to Congress within 180 days of enactment describing the findings of that evaluation.

The Secretary is also directed to establish a penalty or fine schedule for trespass activities which occur on Indian lands and develop regulations for enforcement of such trespass.

Section 301 establishes a National Indian and Alaska Native Forestry Education Assistance program. This program will provide financial assistance for the post-secondary education of Indian students who are pursuing a Bachelors or Graduate degree in forestry or a forestry-related field. The financial assistance program must be adequate to fund eligible applicants until a sufficient number of Indians are trained to ensure that there is an adequate number of qualified professional foresters to manage Bureau of Indian Affairs forestry programs and forestry programs maintained by or for Indian tribes.

The Act requires that a minimum of 10 positions be filled each year in the Forester Intern Program. The Forester Intern Program provides permanent positions within the Bureau of Indian Affairs in which the

incumbent enters into an obligated service agreement with the United States in exchange for costs incurred for salary, school tuition, books, and living expenses while attending an approved post-secondary, professional school in a full-time forestry related curriculum. The obligated service agreement will require two years of service by the incumbent within the BIA or tribal forestry departments for each one year of training funded by the government.

The Act requires that career-ladder positions for Indians be established and filled each year in a Cooperative Education Program. The purpose of this program is to attract promising high school and college students to the Federal Service and provide the Secretary the opportunity to utilize nonrestrictive, innovative procedures in recruiting and retraining talented Indian students. This program is established in accordance with the U.S. Office of Personnel Management's Federal Personnel Manual, Chapter 308.

The Act also authorizes a Scholarship Program to grant forestry scholarships to Indians enrolled in accredited post-secondary forestry programs of study. Obligated service agreements may be required in exchange for the assistance received from the government.

By Mr. SIMON:

S. 1290. A bill to guarantee a work opportunity for all Americans, and for other purposes; to the Committee on Labor and Human Resources.

GUARANTEED JOB OPPORTUNITY ACT

● Mr. SIMON. Mr. President, today I am reintroducing the Guaranteed Job Opportunity Act, a bill I originally introduced in the 100th Congress. I am reintroducing this bill in the 101st Congress because I am committed to putting America back to work.

In my home State of Illinois well over 300,000 Illinoians are jobless. According to the Bureau of Labor Statistics, 6.4 million Americans are currently unemployed. Significantly, these estimates do not include the millions of part-time workers who would like to have full-time work or the so-called discouraged workers, the people who have given up, who are no longer looking for a job. Millions of citizens who are eager to work and contribute to our country, are for various reasons—language barriers, lack of basic and occupational skills, layoffs—simply unable to find a job. Our Nation need not tolerate this massive waste of our human resources.

In 1946, under the leadership of President Truman, Congress passed the Full Employment Act, making a commitment in words to provide employment opportunities to all Americans. At that time there were about 1 million people unemployed. Forty-three years later, with 6.4 million people unemployed, the hope and the promises of that dream remain unfulfilled. Even worse, the burden of unemployment is being borne disproportionately by groups who have been the subject of historic discrimination. The Bureau of Labor Statistics estimates the May 1989 unemployment rate for whites at 4.4 percent; the rate for blacks is over twice as high—11 percent (32.4 percent for black teenagers); and the rate for Hispanics is 7.9 percent. Some other unemployment estimates are staggering. According to the Census Bureau's Current Population Study for 1988, 68.4 percent of people with work disabilities are not in the labor force, and the Bureau of Indian Affairs estimates that as many as 48 percent of American Indians are out of work. Mr. President, something must be done to address this problem.

As I've consistently said throughout my fight to eliminate unemployment, since we are not going to let people in America starve, we have two options—to pay people for doing nothing or to pay them for doing something. It makes infinitely more sense to pay people to work.

The legislation I am introducing today would establish a Guaranteed Job Opportunity Program [GJOP] to ensure that every American has an opportunity to work productively at a job. In each community, a local board composed of equal numbers of business, labor, and public sector representatives would develop employment projects, and those who have been unemployed for at least 5 weeks would be afforded the opportunity to work on the projects.

At a maximum of 32 hours per week a participant would work on a project in the local area. These projects could include repairing sidewalks, tearing down condemned buildings, tutoring the illiterate or non-English speaking people, assisting day care centers for children so unemployed single parents can seek and accept employment, and tutoring grade school and high school students who need special help.

Many who criticize job programs, such as the Works Progress Administration under President Roosevelt's New Deal, picture people leaning up against shovels and digging ditches. But the fact is that the Guaranteed Job Opportunity Act, like the WPA, would turn unemployed, hopeless people into happier, productive people. And an opportunity to work gives people self-esteem, something we all need.

For those who ask how much does it cost and insist on the bottom line for the budget, a preliminary cost estimate suggests that, if fully implemented, GJOP would cost about $8 billion. How much is that? From 1985 to 1987 we appropriated exactly $8.2 billion for the Strategic Defense Initiative [SDI]. I am confident that we can spend that much to fully develop our human resources.

In fact, much of the costs of the GJOP would be offset by the savings in programs that assist the unemployed.

In May 1989, the unemployment rate in Illinois stood at 5.7 percent. Our national unemployment rate stood at 5.2 percent. What exactly does an unemployment rate of 5.2 percent or a total of 6.4 million unemployed citizens mean?

A conservative estimate is that the Federal expenditure for food stamps, welfare, unemployment compensation, Medicaid, and a host of other expenditures, plus loss of revenue, amounts to $25 billion or each 1 million unemployed. Six million, four hundred thousand people unemployed amounts to a loss of $160 billion annually. Unemployment, an inexcusable waste of humanity, is slowly but certainly eroding our economic future.

Furthermore, the costs of unemployment extend throughout our economy. All businesses are harmed by unemployment. Obviously, people who do not work cannot buy as many cars or air conditioners or suits. Tax incentives to stimulate business investment sometimes can be effective, but creating an economic climate in which people are working and buying always stimulates the economy.

The Guaranteed Job Opportunity Act would provide assistance and training to people with limited job, English, and reading and writing skills. It would allow millions of Americans presently confined within the constraints of the welfare system to contribute to our country and lift themselves out of poverty. Mostly, it would turn unemployed and often, hopeless people, into happier, productive workers.

While there are some who say we can't afford to make the investments it takes to eliminate unemployment and poverty, I say, once again, we can't afford not to.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Guaranteed Job Opportunity Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) the relationship between a strong educational system, practical and realistic training and retraining programs and a healthy national economy is inseparable in an era in which economic growth is dependent on technology and is imperiled by unemployment, increasing numbers of unskilled, ill-trained and undereducated individuals in the workforce or seeking employment;

(2) restoring the competitiveness and enhancing the productivity of the United States will require that all workers possess basic educational skills, and job experience; and

(3) our Nation must recognize the substantial impact that an investment in human capital will have on increasing productivity.

(b) PURPOSE.—It is therefore the purpose of this Act to establish a national program designed—

(1) to improve our productivity and competitive position by investing in human capital; and

(2) to assist youth and adults to become productive workers in a competitive economy by authorizing a job opportunity program.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Governor" means the chief executive of any State;

(2) "participant" means an individual who is determined to be eligible under section 5;

(3) "project" means the definable task or group of tasks which—

(A) will be carried out by a public agency, a private nonprofit organization, or a private contractor,

(B) will meet the requirements of section 8(f),

(C) will result in a specific product or accomplishment, and

(D) would not otherwise be conducted with existing funds;

(4) "Secretary" means the Secretary of Labor; and

(5) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

ESTABLISHMENT OF PROGRAM

SEC. 4. From the sums appropriated pursuant to section 15 for any fiscal year, the Secretary shall make grants to District Executive Councils established in accordance with section 5 for the purpose of assisting local job projects which meet the requirements of this Act.

DISTRICT EXECUTIVE COUNCIL

SEC. 5. (a) ESTABLISHMENT OF DISTRICT EXECUTIVE COUNCIL.—(1) Any eligible area which desires to receive funds under this Act shall establish a District Executive Council. The council shall be composed of at least 13 members—

(A) four of whom shall be appointed by the Governor of the State within which the eligible area is located;

(B) four of whom shall be appointed by the mayor or chief executive of the largest municipality located in the eligible area; and

(C) five of whom shall be appointed by the chief executives of governmental units comprising or located in the eligible area.

(2) The members shall serve for a term of 3 years.

(3)(A) Not more than 2 members of the council appointed under paragraph (1)(A) and not more than 2 members of the council appointed under paragraph (1)(B) may be members of the same political party.

(B) Not more than 3 members of the council appointed under paragraph (1)(C) shall be members of the same political party.

(4) The members of the council appointed under paragraph (1) shall, in the aggregate, include—

(A) at least 4 representatives of the business community in the eligible area;

(B) at least 4 representatives of labor organizations in the eligible area; and

(C) at least 1 member representing the education community of the eligible area.

(5) In any eligible area which is substantially the same as a service delivery area under title I of the Job Training Partnership Act, the private industry council for such area may, upon a two-thirds vote of the members of the council, petition the Governor to be designated as the District Executive Council for that area. Upon receiving such a petition, the Governor shall appoint members pursuant to paragraph (1)(A) of this subsection and make arrangement to assure that the membership of the private industry council, for the purpose of this Act, substantially meets the requirements of paragraphs (1) and (2) of this subsection. The private industry council so reconstituted shall be the District Executive Council, for the purpose of this Act, for the appropriate eligible area.

(b) FUNCTIONS OF THE COUNCIL.—Each District Executive Council shall—

(1) select the projects to be assisted under this Act pursuant to criteria prescribed by the Secretary;

(2) prepare and submit a plan for the conduct of projects to be assisted under this Act; and

(3) prepare and submit an annual report to the Secretary on the activities of the District Executive Council.

(c) PERSONNEL.—Each District Executive Council shall—

(1) employ an Administrator and sufficient support personnel, including at least one counselor, sufficient to carry out the functions of the council under this Act; and

(2) select a manager for each job project assisted under this Act, in accordance with criteria established by the Secretary.

(d) LIMITATIONS ON ADMINISTRATIVE COSTS.—Not more than 10 percent of the amount available to the District Executive Council of each eligible area may be used for administrative expenses.

(e) ESTABLISHMENT OF ELIGIBLE AREA.—For the purpose of this Act, an "eligible area" is a county or comparable unit of general local government as designated by the Secretary after consultation with effected officials in each State. No area may have a population in excess of 300,000 individuals, unless the Secretary waives the requirement of this subsection.

PROGRAM ELIGIBILITY

SEC. 6. (a) GENERAL RULE.—For the purpose of this Act, an individual is eligible to participate in the job projects assisted under this Act, if the individual—

(1)(A) has a high school diploma or its equivalent; or

(B) is at least 18 years of age;

(2) has resided in the eligible area for at least 30 days;

(3) has been unemployed for 35 days prior to the determination of employment for job projects assisted under this Act; and

(4) is a citizen of the United States, is a national of the United States, is a lawfully admitted permanent resident alien, is a lawfully admitted refugee and parolee, or is otherwise authorized by the Attorney General to work in the United States.

(b) LIMITATIONS.—(1) Not more than 2 individuals who reside in any household may be eligible for a job assisted under this Act.

(2) No individual—

(A) whose earned income for the year preceding the year in which the determination of employment under this Act is made is equal to or more than $17,000; or

(B) who has a family income in the year in which the determination of employment under this Act is made which is paid for the month prior to such determination at a rate of $17,000 a year,

may be eligible for a job assisted under this Act.

(3) Each individual participating in the job opportunity project assisted under this Act, may not work in any compensated job other than the job assisted under this Act for more than 16 hours per week.

(4) Each individual participating in the job project assisted under this Act shall demonstrate, to the project manager of the job project assisted under this Act, that the individual sought employment in the private sector during the 35 days prior to making application for employment under this Act and will continue to seek employment during the period of employment assisted under this Act.

(5) Any individual eligible for retirement benefits under the Social Security Act, under any retirement system for Federal Government employees, under the railroad retirement system, under the military retirement system, or any private pension program is not eligible to receive a job under a job project assisted under this Act.

TESTING AND EDUCATION REQUIREMENTS

SEC. 7. (a) TESTING.—Each participant shall be tested for basic reading and writing competence by the District Executive Council prior to employment by a job project assisted under this Act.

(b) EDUCATION REQUIREMENT.—(1) Each participant who fails to complete satisfactorily the basic competency test required by subsection (a) of this section shall be furnished counseling and instruction.

(2) Each participant in a job project assisted under this Act shall, in order to continue such employment, maintain satisfactory progress toward and receive a secondary school diploma or its equivalent.

(3) Each participant with limited English speaking ability may be furnished such instruction as the District Executive Council deems appropriate.

LOCAL JOB PROJECTS

SEC. 8. (a) GENERAL AUTHORITY.—Each District Executive Council shall select job projects to be assisted under this Act. Each such job project selected for assistance shall provide employment to eligible participants.

(b) PROJECT OBJECTION.—No project may be selected under this section if an objection to the project is filed by 2 representatives appointed under paragraph (3)(A) of section 5(a) or by 2 representatives appointed under paragraph (3)(B) of such section.

(c) POLITICAL AFFILIATION PROHIBITED.—No manager and no other officer or employee of a District Executive Council or of the job project assisted under this Act may apply a political affiliation test in selecting eligible participation for employment in such project.

(d) LIMITATIONS.—(1) Not more than 10 percent of the total expenses in any fiscal year of the job project may be used for transportation and equipment.

(2) Not more than one-tenth of the individuals employed in any job project assisted under this Act may be employed to supervise such project. Individuals selected for supervision may be selected without regard to the provisions of section 6 and may receive wages in excess of the rate determined under section 9. The provisions of this paragraph shall not apply to in any case in which, pursuant to objective criteria prescribed by the Secretary, more supervision of eligible participants will contribute to carrying out the objectives of this Act.

(e) MAXIMUM HOURS PER WEEK EMPLOYED.—Each eligible participant employed

in a job project assisted under this Act may not be employed on such project for more than 32 hours per week.

(f) PROJECT DURATION.—Each job project assisted under this Act and selected under this section shall be capable of completion within 18 months.

(g) PROJECT PROGRESS REPORTS.—Each project manager shall prepare and submit to the District Executive Council monthly progress reports on the job project assisted under this Act.

BENEFITS, SUPPORTIVE SERVICES, JOB CLUBS

SEC. 9. (a) WAGES.—Each eligible participant who is employed in job projects assisted under this Act shall receive wages equal to the higher of—

(1) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938,

(2) the minimum wage under the applicable minimum wage law, or

(3) the amount which the eligible participant received in welfare benefits pursuant to the State plan approved under part A of title IV of the Social Security Act or in the form of unemployment compensation, if applicable, plus 10 percent of such amount,

whichever is higher.

(b) BENEFITS.—Each eligible participant who is employed in projects assisted under this Act shall be furnished benefits and employment conditions comparable to the benefits and conditions provided to other employees employed in similar occupations by a comparable employer but no such participant shall be eligible for unemployment compensation during or on the basis of employment in such a project.

(c) SUPPORTIVE SERVICES.—Each eligible participant who is employed in projects assisted under this Act shall be eligible for supportive services, which may include transportation, health care, special services and materials for the handicapped, child care and other services which are necessary to enable the individual to participate.

(d) JOB CLUBS.—Each District Executive Council shall establish for the eligible area job clubs to assist eligible participants with the preparation of resumes, the development of interviewing techniques, and evaluation of individual job search activities.

LABOR STANDARDS APPLICABLE TO JOB PROJECTS

SEC. 10. (a) CONDITIONS OF EMPLOYMENT.—(1) Conditions of employment and training shall be appropriate and reasonable in light of such factors as the type of work, geographical region, and proficiency of the participant.

(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a job project conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participant.

(3) No funds available under this Act may be used for contributions on behalf of any participant to retirement systems or plans.

(b) DISPLACEMENT RULES.—(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No job project shall impair existing contracts for services or collective bargaining agreements, except that no job project under this Act which would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(3) No participant shall be employed or job opening filled (A) when any other individual is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

(c) SPECIAL LIMITATIONS.—Where a labor organization represents a substantial number of employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided, at least 30 days before the project is approved, for such organization to submit comments with respect to such proposal.

(d) SPECIAL WAGE RULE.—(1) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Act of March 3, 1921 (40 U.S.C. 276a-276a-5), popularly known as the Davis-Bacon Act. The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

(2) The provisions of this subsection shall not apply to an eligible participant in a project assisted under this Act.

NONDISCRIMINATION

SEC. 11. (a) GENERAL RULE.—(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, projects and activities funded or otherwise financially assisted in whole or in part under this Act are considered to be programs and activities receiving Federal financial assistance.

(2) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such project because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(3) No participant shall be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(4) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

(b) FAILURE TO COMPLY RULES.—Whenever the Secretary finds that a recipient has failed to comply with a provision of law referred to in subsection (a)(1), with paragraph (2), (3), or (4) of subsection (a), or with an applicable regulation prescribed to carry out such paragraphs, the Secretary shall notify such recipient and shall request it to comply. If within a reasonable period of time, not to exceed 60 days, the recipient fails or refuses to comply, the Secretary may—

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act, as may be applicable; or

(3) take such other action as may be provided by law.

(c) REFERRAL TO ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever the Attorney General has reason to believe that a recipient is engaged in a pattern or practice in violation of a provision or law referred to in subsection (a)(1) or in violation of paragraph (2), (3), or (4) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

EVALUATION

SEC. 12. Each District Executive Council shall establish and maintain an evaluation file for each individual employed in a project assisted under this Act. The evaluation file shall be made available to the participant monthly which shall not be available to any other person without the consent of the employee. In carrying out the provisions of this section, each such Council shall assure that the participant will be afforded the opportunity to discuss any matter contained in, or omitted from, the file.

ALLOTMENT AND ALLOCATION

SEC. 13. (a) ALLOTMENT.—The Secretary shall allot the amount available in each fiscal year under section 15 to each State so that—

(1) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all States;

(2) 33⅓ percent shall be allotted on the basis of the number of workers displaced by plant closings or mass layoffs in such State in the most recent period for which satisfactory data are available under section 462(e) of the Job Training Partnership Act compared to the total number of such workers in all States; and

(3) 33⅓ percent shall be allotted on the basis of the relative number of individuals receiving public assistance under State and local laws and the number of individuals receiving assistance under a State plan approved under part A of title IV of the Social Security Act within the State compared to the total number of such individuals in all States.

(b) SUBSTATE ALLOCATION.—(1) The Governor shall allocate 100 percent of the allot-

ment to the State for each fiscal year among the District Executive Councils within the State in accordance with paragraph (2).

(2) Of the amount allocated under this subsection—

(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in each eligible area as compared to the total number of such unemployed individuals in all such eligible areas in the State;

(B) 33⅓ percent shall be allocated on the basis of the number of workers displaced by plant closings or mass layoffs in eligible areas in the most recent period for which satisfactory data are available under section 462(e) of the Job Training Partnership Act as compared to the total of such workers in all eligible areas in the State; and

(C) 33⅓ percent shall be allocated on the basis of the relative number of individuals receiving public assistance under State and local laws and the number of individuals receiving assistance under a State plan approved under part A of title IV of the Social Security Act in an eligible area within the State compared to the total number of such individuals in all eligible areas in the State.

(c) REALLOTMENT.—(1) The Secretary shall, beginning after September 30, 1990, reallot amounts appropriated and allotted to any State which is equal to the unexpended balance of the allotment of the State at the end of the fiscal year prior to the fiscal year for which the determination is made if the unexpended balance exceeds 20 percent of the State's allotment for that fiscal year.

(2) The State shall reallot the amounts available under paragraph (1) of this subsection to any State which demonstrates that the State is making progress toward achieving the stated objectives in carrying out the provisions of this Act and that the State required additional funds in order to accomplish the objectives.

ADMINISTRATIVE PROVISIONS

SEC. 14. (a) REGULATORY AUTHORITY.—The Secretary may, in accordance with chapter 5 of title 5, United States Code, prescribe such rules and regulations (including performance standards) as the Secretary deems necessary. Such rules and regulations may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968. All such rules and regulations shall be published in the Federal Register at least 30 days prior to their effective date. Copies of all such rules and regulations shall be transmitted to the appropriate committees of the Congress at the same time and shall contain, with respect to each material provision of such rules and regulations, citations to the particular substantive section of law which is the basis therefor.

(b) ACCEPTING PROPERTY FOR USE UNDER THIS ACT.—The Secretary is authorized, in carrying out this Act, to accept, purchase, or lease in the name of the department, and employ or dispose of in furtherance of the purpose of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

(c) GENERAL ADMINISTRATIVE AUTHORITY.—The Secretary may make such grants, contracts, or agreements, establish such procedures and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds under this Act as necessary to carry out this Act, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments.

(d) WAIVER AUTHORITY.—The Secretary may waive—

(1) the testing requirement for individuals with handicaps;

(2) the education requirement in section 7(b)(2); and

(3) subject to a ⅔ vote of each District Executive Council, the requirement relating to a 32-hour work week under section 8(e) for unusual circumstances.

(e) REPORT.—The Secretary shall prepare and submit to the Congress an annual report of the administration of this Act. The Secretary shall include in such report—

(1) a summary of the achievements, failures, and problems of the programs authorized in this Act in meeting the objective of this Act; and

(2) such recommendations, including recommendations for legislative or administrative action, as the Secretary deems appropriate.

(f) AUDIT.—The Comptroller General of the United States, and any authorized representatives of the General Accounting Office, shall have access for the purpose of audit and examination to any books, documents, papers, and records, of any recipient under this Act that are pertinent to the amounts received and disbursed under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. There are authorized to be appropriated to carry out the provisions of this Act, $5,000,000,000 for the fiscal year 1990, $8,000,000,000 for the fiscal year 1991, and such sums as may be necessary for fiscal year 1992 and each of the succeeding fiscal years ending prior to October 1, 1995.●

By Mr. PELL (for himself, Mrs. KASSEBAUM, Mr. MATSUNAGA, Mr. COCHRAN, Mr. DODD, Mr. SIMON, Mr. JEFFORDS, Mr. KENNEDY, Mr. HOLLINGS, and Mr. GLENN):

S. 1291. A bill to extend and amend the Library Services and Construction Act, and for other purposes; to the Committee on Labor and Human Resources.

LIBRARY SERVICES AND CONSTRUCTION ACT AMENDMENTS

● Mr. PELL. Mr. President, today, on behalf of Senators KASSEBAUM, MATSUNAGA, COCHRAN, DODD, SIMON, JEFFORDS, KENNEDY, HOLLINGS, and GLENN, I am very pleased to introduce the Library Services and Construction Act Amendments of 1989.

The Subcommittee on Education, Arts and Humanities held a joint hearing with the House Subcommittee on Postsecondary Education on April 11, 1989, at which testimony was received from a broad cross-section of individuals from the public library field. The support for reauthorizing LSCA was broad and enthusiastic. This act, which was first signed into law in 1956, by President Eisenhower, continues to be the single most significant source of Federal funds for our Nation's public libraries. The importance of libraries to an educated American citizenry is undeniable and it is crucial that these institutions—be they urban or rural, large or small—be kept strong, viable, and growing.

The LSCA has successfully provided much-needed Federal support to the States through a system of formula grants. While the total amount is a small percentage of all library aid, these moneys have been targeted toward particularly critical areas. These areas include services to the physically handicapped and the elderly and to communities with little or no access to a public library.

In more recent years, the LSCA has been expanded to provide a set-aside to support library services to American Indians and native Hawaiians and to address the specific needs of illiterate and multilingual populations. In addition, the problems in providing adequate library services to urban populations have been acknowledged to be just as profound as those of providing services to rural populations.

It is the intent of these 1989 amendments to ensure the continuity of these important library services by reauthorizing the LSCA for another 5 years. While some of the testimony received by the subcommittees suggested minor adjustments in the program, the consensus was to await the outcome of the upcoming White House Conference on Library and Information Services before proceeding to make any truly substantive changes in the LSCA.

The White House Conference, authorized in the last Congress, is to be held not later than September 1991. Preliminary conferences in the States will occur at which major issues currently facing the library community will be discussed at length. It makes sense to wait for the recommendations generated by this conference so that they can be part of any future congressional discussion on changes to the LSCA.

The modifications then in this reauthorization bill are largely technical in nature and have been incorporated in response to requests from the Department of Education and the national public library community. However, the two areas of technology and preservation do receive increased emphasis in the bill because the projected needs in these areas are not adequately provided for in current law. The States are given greater latitude in using LSCA funds for purchasing and maintaining technological equipment and they are given the option of using title III funds for developing programs to address preservation needs. The added emphasis on preservation programs will hopefully encourage libraries to protect endangered materials and preserve them for future generations.

I commend these Library Services and Construction Act Amendments of 1989 to the attention of my colleagues and ask unanimous consent that this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Library Services and Construction Act Amendments of 1989".

(b) REFERENCES.—References in this Act to "the Act" are references to the Library Services and Construction Act (20 U.S.C. 351 et seq.).

SEC. 2. DEFINITIONS.

Section 3 of the Act is amended—

(1) in paragraph (2)—

(A) by striking "and initial equipment" and inserting "and for the purchase, lease, and installation of equipment";

(B) by striking "to conserve energy" and inserting "to ensure safe working environments and to conserve energy"; and

(C) by striking "includes machinery" and inserting "includes information and building technologies, video and telecommunications equipment, machinery"; and

(2) by adding at the end thereof the following new paragraphs:

"(17) The term 'handicapped individual' means an individual who is physically or mentally impaired, visually impaired, or hearing impaired.

"(18) The term 'network' means any local, statewide, regional, or interstate cooperative association of library entities which provide for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved supplementary services for the clientele served by each type of library entity.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) AMENDMENT.—Section 4(a) of the Act is amended to read as follows:

"SEC. 4. (a) There are authorized to be appropriated—

"(1) for the purpose of making grants as provided in title I, $100,000,000 for fiscal year 1990 and such sums as may be necessary for each of the 4 succeeding fiscal years;

"(2) for the purpose of making grants as provided in title II, $55,000,000 for fiscal year 1990 and such sums as may be necessary for each of the 4 succeeding fiscal years;

"(3) for the purpose of making grants as provided in title III, $35,000,000 for fiscal year 1990 and such sums as may be necessary for each of the 4 succeeding fiscal years;

"(4) for the purpose of making grants as provided in title V, $1,000,000 for fiscal year 1990 and such sums as may be necessary for each of the 4 succeeding fiscal years;

"(5) for the purpose of making grants as provided in title VI, $10,000,000 for fiscal year 1990 and such sums as may be necessary for each of the 4 succeeding fiscal years; and

"(6) for the purpose of activities as provided in title VII, $500,000 for fiscal year 1990, and such sums as may be necessary each of the 4 succeeding fiscal years.

There shall be available for the purpose of making grants under title IV for each of the fiscal years 1990, 1991, 1992, 1993, and 1994, 1.5 percent of the amount appropriated pursuant to each of paragraphs (1), (2), and (3) for each such fiscal year. There shall be available for the purpose of making grants under section 5(d) for such fiscal years 0.5 percent of the amount appropriated pursuant to each of such paragraphs for each such fiscal year.".

(b) CARRYOVER OF FUNDS.—Section 4(b) of the Act is amended by striking "and for the next succeeding fiscal year" and inserting "and is authorized to remain available until expended".

SEC. 4. ALLOCATIONS.

(a) AMENDMENT.—Section 5(c) of the Act is amended to read as follows:

"(c)(1) From one-half of the sums available pursuant to the second sentence of section 4(a) for any fiscal year, the Secretary shall allot an equal amount to each Indian tribe that submits an approved application under section 403.

"(2) From the remaining one-half of the sums available pursuant to such second sentence, the Secretary shall make allocations to Indian tribes that (A) are receiving an allocation under paragraph (1) of this subsection for such fiscal year; and (B) have submitted approved applications under section 404.

"(3) In making allocations under paragraph (2)—

"(A) no funds shall be allocated to an Indian tribe unless such funds will be administered by a librarian; and

"(B) the Secretary shall take into account the needs of Indian tribes for such allocations to carry out the activities described in section 402(b).

"(4) In making allocations under this subsection, the Secretary shall take such actions as may be necessary to prevent an allocation from being received to serve the same population by any two or more of the following entities as defined in, or established pursuant to, the Alaska Native Claims Settlement Act:

"(A) an Alaskan native village,

"(B) a regional corporation, or

"(C) a village corporation.".

(b) CONFORMING AMENDMENT.—Section 6(g)(2) of the Act is amended by inserting after "section 5(c)(2)" the following: "in the same fiscal year in which it has received an allocation under section 5(c)(1)".

SEC. 5. RESOURCE SHARING COORDINATION.

Section 6 of the Act is amended—

(1) in subsection (d)(1), by striking "and construction" and inserting ", construction, and interlibrary cooperation and resource sharing"; and

(2) by adding at the end thereof the following new subsection:

"(h) The Secretary shall coordinate programs under titles V and VI of this Act with the programs assisted by titles I, II, and III of this Act, and shall provide to the head of the State library administrative agency the opportunity to comment on any application for a grant under title V or VI of this Act prior to the awarding of the grant, in order to assure that such grants from the Secretary are for purposes consistent with the long-range program required under subsection (d) of this section.".

SEC. 6. MAINTENANCE OF EFFORT.

Section 7 of this Act is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following new subsection:

"(b) In fiscal year 1990, and every fifth fiscal year thereafter, each State library agency may review its expenditures in the second fiscal year preceding fiscal year for which the determination is made under the programs from State and local sources and file with the Secretary a statement to establish a current, revised expenditure level to be used for measuring the maintenance of effort required under subsections (a)(1)(B) and (a)(2).".

SEC. 7. INTERGENERATIONAL LIBRARY SERVICES.

Section 101 of the Act is amended—

(1) by redesignating paragraphs (5) and (6) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) for assisting libraries in developing intergenerational library programs that will match older adult volunteers with libraries interested in developing after school literacy and reading skills programs for unsupervised school children during afterschool hours;".

SEC. 8. CHILDCARE LIBRARY OUTREACH.

Section 101 of the Act is further amended by inserting after paragraph (5) the following new paragraph:

"(6) for assisting libraries in providing mobile library services and programs to licensed or certified child-care providers or child-care centers;".

SEC. 9. LIBRARY LITERACY CENTERS.

Section 101 of the Act is further amended by inserting after paragraph (6) the following new paragraph:

"(7) to establish and support model library literacy centers, coordinated by the State library administrative agency with other interested State agencies and nonprofit organizations to reduce the number of functionally illiterate individuals and to help them reach full employment;".

SEC. 10. USE OF TITLE I FUNDS.

Section 102(a) of the Act is amended by adding at the end thereof the following new sentence: "In carrying out its program to accomplish the purposes of this title, a State may make subgrants to library systems or networks which include libraries other than public libraries, if the purpose of the subgrant is to improve services for public library patrons".

SEC. 11. RATABLE REDUCTIONS OF MAJOR URBAN RESOURCE LIBRARIES.

Section 102(c) of the Act is amended by adding at the end thereof the following new paragraph:

"(3) No State shall, in carrying out the provisions of paragraph (2) of this subsection, reduce the amount paid to any major urban resource library below the amount that such library received in the year preceding the year for which the determination is made under such paragraph (2), except that such amount shall be ratably reduced to the extent that the total Federal allocations to the State under section 5 for purposes of this title for the applicable fiscal year are reduced or that the 1990 Census shows the population of the city served by such library has decreased.".

SEC. 12. STATE ANNUAL PROGRAM.

Section 103 of the Act is amended—

(1) in paragraph (3), by striking "and institutionalized individuals";

(2) in paragraph (4)—

(A) by striking "(A)"; and

(B) by striking everything following "elderly" the first place it appears and inserting a semicolon; and

(3) by striking paragraph (5) and inserting the following:

"(5) describe the uses of funds to make library services and programs more accessible to handicapped individuals.".

SEC. 13. TECHNOLOGY ENHANCEMENT.

(a) DEFINITION.—Section 3 of the Act is further amended by adding at the end thereof the following new paragraph:

"(19) The term 'technology enhancement' means the acquisition, installation, maintenance, or replacement, of substantial technological equipment (including library bibliographic automation equipment) necessary to provide access to information in electronic and other formats made possible by new information and communications technologies.".

(b) USE OF TITLE I FUNDS.—Section 101 of the Act is further amended—

(1) by striking "and" at the end of paragraph (8) (as redesignated by section 7(1));

(2) by striking the period at the end of paragraph (9) (as redesignated by section 7(1)) and inserting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(10) for assisting public libraries in making effective use of technology to improve library and information services.".

(c) USE OF TITLE II FUNDS.—Title II of the Act is amended—

(1) by inserting "AND TECHNOLOGY ENHANCEMENT" after "CONSTRUCTION" in the heading of such title;

(2) by inserting "AND LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT" after "CONSTRUCTION" in the head of section 201;

(3) by inserting "and technology enhancement" after "construction" each place it appears in sections 201, 202(a), 202(b), 203(1), 203(2), and 203(3);

(4) by striking "section 3(2)" in section 202(a) and inserting "sections 3(2) and 3(19), respectively"; and

(5) by inserting "AND TECHNOLOGY ENHANCEMENT" after "CONSTRUCTION" in the heading of section 203.

(d) USE OF TITLE III FUNDS.—Section 302(a) of the Act is amended—

(1) by striking "and" at the end of paragraph (1); and

(2) by inserting before the period at the end of paragraph (2) the following: "; and (3) developing the technological capacity of libraries for interlibrary cooperation and resource sharing".

SEC. 14. PRESERVATION OBJECTIVES IN CONSTRUCTION.

Section 203 of the Act is amended—

(1) by striking the period at the end of paragraph (4) and inserting "; and"; and

(2) by adding at the end thereof the following new paragraph:

"(5) follow policies and procedures in the construction of public libraries that will promote the preservation of library and information resources to be utilized in the facilities."

SEC. 15. RESOURCE SHARING.

Sections 301 and 304(a) of the Act are amended by striking "eventual" and inserting "attaining".

SEC. 16. PRESERVATION COOPERATION.

Title III of the Act is amended by adding at the end thereof the following new section:

"PRESERVATION PROGRAMS

"SEC. 305. (a) The long-range program and annual program of each State under this title may—

(1) include a statewide preservation cooperation plan that complies with this section; and

(2) identify the preservation objectives to be achieved during the period covered by the long-range plans required by section 6.

(b) A statewide preservation cooperation plan complies with this section if—

(1) such plan specifies the methods by which the State library administrative agency will work with libraries, archives, historical societies, scholarly organizations, and other agencies, within or outside the State, in planning, education and training, coordinating, outreach and public information, and service programs to ensure that endangered library and information resources are preserved systematically; and

"(2) such preservation plan is developed in consultation with such parties and agencies as the State archives, historical societies, libraries, scholarly organizations, and other interested parties.

"(c) A State that has a statewide preservation cooperation plan that complies with this section may use funds under this title to carry out such plan.

"(d) The State library administrative agency may contract part or all of the preservation program under this section to other agencies or institutions.".

SEC. 17. LIBRARY LITERACY GRANTS.

Section 601(e) of the Act is amended by striking "$25,000" and inserting "$35,000".

SEC. 18. EVALUATION AND ASSESSMENT.

(a) AMENDMENT.—The Act is further amended by adding at the end thereof the following new title:

"TITLE VII—EVALUATION AND ASSESSMENT

"PROGRAM AUTHORITY

"SEC. 701. The Secretary is authorized to carry out a program for the purpose of evaluation and assessment (directly or by grants or contracts) of programs authorized under this Act.".

(b) CONFORMING AMENDMENT.—Section 5(a) of the Act is amended by striking out paragraph (5).

SEC. 19. PUBLIC LIBRARY SERVICES.

(a) TITLE I HEADING.—The heading of title I of the Act is amended by inserting "PUBLIC" before "LIBRARY".

(b) SECTION 101 HEADING.—The heading of section 101 is amended by inserting "PUBLIC" before "LIBRARY".

SEC. 20. EFFECTIVE DATE PROVISION.

The amendments made by this Act shall take effect on October 1, 1989.●

● Mrs. KASSEBAUM. Mr. President, I join with the distinguished chairman, Senator PELL, in introducing this legislation which reauthorizes programs that provide library services to individuals across the country.

The Library Services and Construction Act, or LSCA, has given an important boost in making library services available to rural America. I cannot underscore the importance of this act and the gifts it has brought to Kansas and others alike.

Libraries allow people the opportunity to open their minds and their hearts to knowledge and to dreams—two precious gifts I don't believe anyone can live without. J.M. Clark once observed that "knowledge is the only instrument of production that is not subject to diminishing returns."

Being an avid reader, I find it difficult to imagine a life without books and libraries. The initial purpose of LSCA was to give everyone the opportunity to open their minds with books. It created a public fund which helped communities establish free, public libraries. The bill that we are introducing today builds upon this initial purpose and attempts to continue this tradition of providing services while encouraging innovation and preservation of resources. The Department of Education estimates that 96 percent of our Nation's population has access to public library services. I believe that is a laudable figure and one that I personally would like to see maintained, if not grow a little.

The bill we are introducing today has seven titles. The first title strengthens State library administrative agencies and major urban resource libraries. The second title, Public Library Construction, is a popular program which provides funds for the construction of public libraries. Title III provides funds for the development of interlibrary cooperation and resource sharing programs which would permit individuals even greater access to resources currently available to them.

Title IV strengthens the programs available to native Americans and title V provides funds for libraries to purchase materials in foreign languages. Title VI addresses the problem of illiteracy now facing our Nation by designating funds for the development of literacy programs.

The last title is title VII which allows for the evaluation and assessment of library programs. Since the Library Services and Construction Act receives a relatively small share of Federal funds, I think it is important that we account for how those dollars are spent.

I believe that, for the most part, LSCA is operating well. The changes that were made are to fortify this legislation. The focus of the act as it stands today is to encourage innovation and to reach out to groups such as the disadvantaged, elderly, and handicapped—who might not otherwise be able to enjoy the treasures to be found on library shelves. As Thomas Carlyle so wisely noted, "All that mankind has done, thought, gained, or been: it is lying as in magic preservation in the pages of books."●

● Mr. COCHRAN. Mr. President, since its enactment in 1956, Library Services and Construction Act funds have been used to provide access to the resources of public libraries for all library patrons across the country. Today, LSCA remains the largest Fed-

eral program of direct assistance to libraries.

I rise today to ensure that the programs operated under LSCA continue for another 5 years. I join my colleagues on the Subcommittee on Education, Arts, and Humanities, in introducing the Library Services and Construction Act Amendments of 1989. This legislative package represents several months of work among subcommittee members in an effort to design a reauthorization package which reflects the needs of our Nation's libraries, both urban and rural.

In preparing this bill, we were told by libraries across the country that the present law is a good one and only needed a few improvements. I am pleased that some of those improvements come in the form of an increased commitment to title VI, the Library Literacy Programs. Under the proposed bill, the amount of individual grants would be raised from $25,000 to $35,000 with an overall authorization increase for title VI to be raised from $5 million to $10 million. As a member of the Appropriations Committee, I will be working to see that this commitment is carried through in the appropriations process.

I am also pleased that title I, the Public Library Services Title, has been expanded to authorize the establishment of library literacy centers. Federal moneys could be used to establish such centers within an existing library and in conjunction with public television stations in the State. I thank the chairman of the Education Subcommittee, Senator PELL, and the ranking member, Senator KASSEBAUM, for their cooperation in adding this language to title I.

Mr. President, the Library Services and Construction Act Amendments of 1989 represents a concerted effort by both House and Senate Members to design a reauthorization measure which will improve an already effective law. I hope that the Labor and Human Resources Committee will move quickly in sending the bill to the Senate for its final approval.●

By Mr. GRASSLEY:

S. 1292. A bill to temporarily suspend the duty on tefluthrin; to the Committee on Finance.

TEMPORARY SUSPENSION OF DUTY ON TEFLUTHRIN

● Mr. GRASSLEY. Mr. President, today I am introducing a duty suspension bill for tefluthrin.

Tefluthrin is a phyrethroid, a novel class of insecticide which evolved from pyrethrum, a natural insecticide found in certain chrysanthemum plants. This product is unique in that it is the only soil active pyrethroid developed specifically for use on corn soil insects. It is the most advanced granular corn soil insecticide developed because it makes available a new chemical class for critical, early control of corn soil insects in any soil environment.

There is currently no domestic source for this product, nor the likelihood of a domestic source in the foreseeable future. The imposition of the duty on this product has significantly increased the cost of bringing this new product to the market and to the American farmer.

It is for these reasons that I introduced this bill and hope that both the Finance Committee and the Senate will see fit to add favorably upon it.●

By Mr. HEINZ:

S. 1293. A bill to amend the Age Discrimination in Employment Act of 1967 to clarify that such act applies to benefits, to authorize employers to employ older individuals while permitting such employers to provide unequal benefits to such older individuals in certain instances, and for other purposes; to the Committee on Labor and Human Resources.

AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS

● Mr. HEINZ. Mr. President, it has been almost 4 years since this body last dealt with the problem of age discrimination. In 1985, I introduced S. 1054, a bill to amend the Age Discrimination in Employment Act of 1967 to remove the maximum age limitation for employees covered under the act. By eliminating the use of mandatory retirement ages, we gave force to a senior citizens' rights to remain contributors in the American economy. Unfortunately, Mr. President, 2½ weeks ago the U.S. Supreme Court regressed in the 20-year battle that we have been waging against age discrimination.

In Public Employee Retirement System of Ohio versus Betts, the Court held that employers were free to discriminate against their older employees in the area of benefit plans. Health, disability, retirement, and other insurance plans are now easy prey for baseless discriminatory practices. The most remarkable aspect of this decision is that an employer doesn't even have to justify his discrimination in terms of costs, which is what the former Equal Employment Opportunity Commission [EEOC] regulations provided. For 20 years since the enactment of the ADEA, businesses have been comfortably operating under these regulations. Now it is time to rebuild the wall of protection from unjustified discrimination that the Court has torn down.

The legislation that I am introducing today would simply restore the previous regulations under which businesses have been operating for 20 years. While this is a simple change in the law, it will make an enormous difference in the lives of those who will soon face the devastating effects of age discrimination in employee benefits. The same argument that I used in 1986 against mandatory retirement ages holds true today in the area of employee benefits. People who are subjected to discriminatory benefit programs are deprived of these benefits not on the basis of who they are and what they can do, but solely on the basis of their age. This seems to me the rankest form of discrimination, and we should not tolerate it in Federal law. Like mandatory retirement, discrimination in employee benefits plans coerce workers into early resignation and retirement. By cutting off benefits when an employee reaches 60, an employer eliminates the free, rational choice of an aged employee to keep on working and contributing to the business.

In essence, by passing this legislation, we will be delivering the message to present and future older workers: You are to receive the full benefits of the employment relationship on the basis of your capability, not on the basis of your birthdate. A baseless discriminatory benefit plan is both morally unsupportable and contrary to the economic interests of employers, employees, and the American public. It is bad for workers, bad for business, and bad for the economy. Incalculable human talent and spirit has been wasted as able workers have been forced to premature idleness. Eliminating this type of discrimination will signal our recognition of the value of older workers in the workplace and will signal our intention to reject all barriers to their full participation.●

By Mr. BINGAMAN:

S. 1294. A bill to encourage the transfer of national defense energy technology from the Department of Energy's defense program contractors to the private sector for commercialization; to the Committee on Armed Services.

NATIONAL DEFENSE ENERGY TECHNOLOGY TRANSFER ACT

● Mr. BINGAMAN. Mr. President, today I rise to introduce the National Defense Energy Technology Transfer Act of 1989.

Technological advancement is a key component in the growth of the U.S. industrial economy and a strong industrial base is also an essential element of U.S. national security. Studies sponsored by industry and academia report convincing evidence of declining U.S. competitiveness in both domestic and international markets, despite America's lead in technology innovation. Yet our national laboratories which are primarily devoted to atomic energy defense activities—the DOE DP laboratories of the Department of Energy—constitute a multidiscipline capability in general science, energy science, and defense related technology development with incomparable research and

computer facilities with research and support staffs of demonstrated international expertise.

An opportunity exists to use those resources residing in the DOE laboratory facilities to promote technology commercialization while, at the same time, enhancing their primary national security mission. We need to improve commercial sector utilization of Federal R&D resources to increase our appreciation of industry's technology requirements and to forge new linkage so that technology flows in two directions: from the labs to industry and from industry to the labs. The cross-fertilization will increase the laboratories exposure to external technology which can actually accelerate innovation and increase efficiencies within the DOE DP laboratory facilities themselves.

Certainly, the DOE DP laboratories have demonstrated successes in technology transfer into the private sector. I know personally of several outstanding examples in which the Los Alamos National Laboratory and Sandia National Laboratory in my own State of New Mexico have played leading roles. But officials at Los Alamos and Sandia would agree that the effectiveness of this effort can be significantly enhanced if: First, industry is made more aware of the DOE DP laboratory research and development capabilities and activities; second, commercialization of technologies developed in connection with the DOE DP laboratories' research, experimental, and development activities, through technology transfer is established as a significant element of the mission of the DOE DP laboratories; third, the DOE DP laboratories are made more aware of industry market requirements; and fourth, industry becomes more involved with the activities of DOE DP laboratories at an early enough time in the research and development process to provide guidance on the development of commercially viable products. All of this can be accomplished while nuclear weapons design, development, production, and maintenance still remains the primary mission of the Department of Energy nuclear weapons complex.

The National Defense Energy Technology Transfer Act of 1989 would accomplish these objectives in several ways. First, it would make technology transfer and commercialization a specified mission of our national laboratories. Second, it would establish a framework for the DOE DP laboratories' entering into cooperative research and development agreements with universities, industry, and other third parties. And third, it would clarify and streamline the transfer of certain rights in inventions and computer software which are developing by the laboratories or pursuant to these research and development agreements. In all events, the provisions of the act are designed so that the enhancements of the laboratories' technology transfer mission is complementary to and supportive of the laboratories' national security mission.●

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. CRANSTON, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 16

At the request of Mr. CRANSTON, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 16, a bill to require the executive branch to gather and disseminate information regarding, and to promote techniques to eliminate, discriminatory wage-setting practices and discriminatory wage disparities which are based on sex, race, or national origin.

S. 23

At the request of Mr. HUMPHREY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 23, a bill to amend title X of the Public Health Service Act to permit family planning projects to offer adoption services.

S. 43

At the request of Mr. REID, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 43, a bill to restore the Medicare and Medicaid law to the provisions in effect before the enactment of the Medicare Catastrophic Coverage Act of 1988 and to establish a Presidential Commission on the Medicare Program.

S. 100

At the request of Mr. ROCKEFELLER, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 120

At the request of Mr. KENNEDY, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 120, a bill to amend the Public Health Service Act to reauthorize adolescent family life demonstration projects and for other purposes.

S. 121

At the request of Mr. INOUYE, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 121, a bill to amend title XVIII of the Social Security Act to provide that psychologist services furnished by, or under arrangements made by, a hospice program are covered under Medicare.

S. 135

At the request of Mr. GLENN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 148

At the request of Mr. PRESSLER, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Virginia [Mr. ROBB], the Senator from Wyoming [Mr. WALLOP], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

S. 216

At the request of Mr. MOYNIHAN, the name of the Senator from Maryland [Ms. MIKULSKI], was added as a cosponsor of S. 216, a bill to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old-age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such act.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Kentucky [Mr. FORD], was added as a cosponsor of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of goods consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 277

At the request of Mr. HUMPHREY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 277, a bill to amend title 5, United States Code, to provide child adoption benefits for Federal Government employees.

S. 278

At the request of Mr. HUMPHREY, the names of the Senator from Washington [Mr. GORTON] and the Senator from Georgia [Mr. NUNN] were added as cosponsors of S. 278, a bill to make permanent the authority of the Secretary of Defense to reimburse members of the Armed Forces for certain ex-

penses incurred in the adoption of children.

S. 279

At the request of Mr. HUMPHREY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 279, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income employee adoption assistance provided by the employer.

S. 326

At the request of Mr. BYRD, his name was added as a cosponsor of S. 326, a bill, to amend the Federal Election Campaign Act of 1971 to repeal a provision allowing use of excess contributions.

S. 342

At the request of Mr. DANFORTH, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 342, a bill to amend the Internal Revenue Code of 1986 to provide that certain credits will not be subject to the passive activity rules, and for other purposes.

S. 357

At the request of Mr. SYMMS, the name of the Senator from Indiana [Mr. COATS] and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 357, a bill to provide that the Secretary of Transportation may not issue regulations reclassifying anhydrous ammonia under the Hazardous Materials Transportation Act.

S. 419

At the request of Mr. SIMON, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 419, a bill to provide for the collection of data about crimes motivated by race, religion, ethnicity, or sexual orientation.

S. 435

At the request of Mr. REID, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 507

At the request of Mr. SIMON, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 511

At the request of Mr. INOUYE, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of S. 511, a bill to recognize the organization known as the National Academies of Practice.

S. 659

At the request of Mr. SYMMS, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 659, a bill to repeal the estate tax inclusion related to valuation freezes.

S. 670

At the request of Mr. ARMSTRONG, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 670, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 682

At the request of Mr. SIMON, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 682, a bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association," "Visiting Nurse Service," "VNA", "VNS", or "VNAA", or the unauthorized use of the name or insignia of the Visiting Nurse Association of America.

S. 685

At the request of Mr. METZENBAUM, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 685, a bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pensions plans and to provide for an explicit exception to such rules for employer reversions meeting certain requirements.

S. 704

At the request of Mr. RIEGLE, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 704, a bill to increase the authorization under title XX of the Social Security Act for block grants to States for social services.

S. 720

At the request of Mr. NICKLES, his name was withdrawn as a cosponsor of S. 720, a bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit, and for other purposes.

S. 727

At the request of Mr. HEFLIN, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 727, a bill to amend the Animal Welfare Act to provide protection to animal research facilities from illegal acts.

S. 741

At the request of Mr. LAUTENBERG, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 741, a bill to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes.

S. 785

At the request of Mr. ROCKEFELLER, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 785, a bill to amend title XIX of the Social Security Act to provide States the option of providing quality home and community care to the elderly under their Medicaid Program.

S. 859

At the request of Mr. WILSON, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 859, a bill to amend title XVIII of the Social Security Act to establish a drug utilization review system to prevent adverse drug reactions, and for other purposes.

S. 875

At the request of Mr. LEAHY, the names of the Senator from Colorado [Mr. WIRTH] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 875, a bill to prohibit U.S. contributions to the United Nations or any of its affiliated organizations if full membership as a state is granted to any organization or group that does not have the internationally recognized attributes of statehood.

S. 893

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan [Mr. RIEGLE] was added as cosponsor of S. 893, a bill to establish certain categories of Soviet and Vietnamese nationals presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Vietnamese parolees.

S. 962

At the request of Mr. FOWLER, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Mississippi [Mr. COCHRAN], the Senator from Texas [Mr. BENTSEN], the Senator from Alabama [Mr. SHELBY], the Senator from Arizona [Mr. DECONCINI], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 962, a bill to provide for the establishment of a coordinated program of promotion and research designed to strengthen the position of the pecan industry in the marketplace, to maintain and expand foreign and domestic markets, and uses for improved and native pecans and pecan products, and for other purposes.

S. 970

At the request of Mr. FOWLER, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 970, a bill to promote low-input agriculture production systems, to maintain farm profitability, to encourage land, resource, and wildlife stewardship in connection with Federal farm programs, and for other purposes.

S. 979

At the request of Mr. DASCHLE, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Dakota [Mr. BURDICK], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 979, a bill to provide grants for designating rural hospitals as medical assistance facilities.

S. 980

At the request of Mr. MITCHELL, the names of the Senator from Georgia [Mr. FOWLER], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of S. 980, a bill to amend the Internal Revenue Code of 1986 to improve the effectiveness of the low income housing credit.

S. 1019

At the request of Mr. FOWLER, the name of the Senator from Alaska [Mr. STEVENS] was added as cosponsor of S. 1019, a bill to amend the Rural Electrification Act of 1936 to establish a nationwide rural star school program to improve education opportunities in rural areas, and for other purposes.

S. 1036

At the request of Mr. LEAHY, the name of the Senator from Michigan [Mr. RIEGLE] was added as cosponsor of S. 1036, a bill to improve the economic, community, and educational well-being of rural America, and for other purposes.

S. 1041

At the request of Mr. CONRAD, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 1041, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers who realize capital gain on the transfer of farm property to satisfy an indebtedness, and for other purposes.

S. 1045

At the request of Mr. SYMMS, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 1045, a bill to establish a national environmental policy on the participation of the United States in international financing.

S. 1091

At the request of Mr. GRAHAM, the names of the Senator from Indiana [Mr. COATS], the Senator from Utah [Mr. GARN], and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 1091, a bill to provide for the striking of medals in commemoration of the bicentennial of the U.S. Coast Guard.

S. 1107

At the request of Mr. SIMON, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 1107, a bill to provide education, training, employment, and related services to displaced homemakers, and for other purposes.

S. 1115

At the request of Mr. EXON, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 1115, a bill to amend the Rural Electrification Act of 1936 to permit the prepayment and refinancing of Federal Financing Bank loans made to rural electrification and telephone systems, and for other purposes.

S. 1127

At the request of Mr. WILSON, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1127, a bill to provide for fair and reasonable payment for services related to the insertion of intraocular lenses.

S. 1150

At the request of Mr. CONRAD, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1150, a bill to provide for the payment by the Secretary of the Interior of undedicated receipts into the Refuge Revenue Sharing Fund.

S. 1163

At the request of Mr. HATCH, the names of the Senator from Pennsylvania [Mr. SPECTER] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 1163, a bill to amend the District of Columbia Code to limit the length of time for which an individual may be incarcerated for civil contempt in a child custody case in the Superior Court of the District of Columbia and to provide for expedited appeal procedures to the District of Columbia Court of Appeals of individuals found in civil contempt in such case.

S. 1171

At the request of Mr. DOLE, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 1171, a bill entitled the "ESOP Reform Act of 1989."

S. 1193

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1193, a bill to establish a comprehensive program for the rehabilitation of drug dependent Federal offenders.

S. 1213

At the request of Mr. COHEN, the names of the Senator from New York [Mr. D'AMATO], the Senator from Montana [Mr. BURNS], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 1213, a bill to establish a presumption of eligibility for asylum in the United States for certain natives of the People's Republic of China.

S. 1216

At the request of Mr. SIMON, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1216, a bill to amend the National Labor Relations Act to give employers and performers in the live performing arts, rights given by section 8(e) of such act to employers and employees in similarily situated industries, to give to such employers and performers the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

SENATE JOINT RESOLUTION 16

At the request of Mr. PRESSLER, the names of the Senator from Washington [Mr. ADAMS], the Senator from Kansas [Mr. DOLE], the Senator from Washington [Mr. GORTON], the Senator from Utah [Mr. HATCH], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Massachusetts [Mr. KERRY], the Senator from Wisconsin [Mr. KOHL], the Senator from Michigan [Mr. LEVIN], the Senator from Maryland [Ms. MIKULSKI], the Senator from Michigan [Mr. RIEGLE], the Senator from Maryland [Mr. SARBANES], the Senator from Tennessee [Mr. SASSER], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 16, a joint resolution designating the month of November 1989 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the names of the Senator from Ohio [Mr. GLENN], the Senator from Georgia [Mr. NUNN], the Senator from California [Mr. WILSON], and the Senator from Nevada [Mr. REID] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 80

At the request of Mr. KASTEN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Joint Resolution 80, a joint resolution disapproving the recommendations of the Commission on Base Realignment and Closure.

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Washington [Mr. GORTON], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of Senate Joint Resolution 86, a joint res-

olution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 127

At the request of Mr. SIMON, the names of the Senator from North Carolina [Mr. HELMS], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of Senate Joint Resolution 127, a joint resolution designating Labor Day weekend, September 2-4, 1989, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 133

At the request of Mr. SASSER, the names of the Senator from Florida [Mr. MACK], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from South Dakota [Mr. PRESSLER], the Senator from Oklahoma [Mr. BOREN], the Senator from Idaho [Mr. MCCLURE], the Senator from Virginia [Mr. WARNER], the Senator from Rhode Island [Mr. PELL], the Senator from Colorado [Mr. WIRTH], the Senator from Indiana [Mr. COATS], the Senator from Missouri [Mr. BOND], the Senator from Montana [Mr. BURNS], the Senator from Michigan [Mr. LEVIN], the Senator from New York [Mr. MOYNIHAN], the Senator from Alabama [Mr. SHELBY], the Senator from North Dakota [Mr. BURDICK], the Senator from Maryland [Mr. SARBANES], the Senator from Arkansas [Mr. BUMPERS], the Senator from Utah [Mr. HATCH], the Senator from North Carolina [Mr. SANFORD], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New York [Mr. D'AMATO], the Senator from Indiana [Mr. LUGAR], the Senator from South Dakota [Mr. DASCHLE], the Senator from Wyoming [Mr. SIMPSON], the Senator from Washington [Mr. ADAMS], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 132, a joint resolution designating September 1 through 30, 1989, as "National Alcohol and Drug Treatment Month."

SENATE JOINT RESOLUTION 140

At the request of Mr. GLENN, the names of the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 140, a joint resolution designating November 19-25, 1989, as "National Family Caregivers Week."

SENATE JOINT RESOLUTION 165

At the request of Mr. WILSON, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Joint Resolution 165, a joint resolution proposing an amendment to the Constitution relating to the flag of the United States.

SENATE JOINT RESOLUTION 167

At the request of Mr. THURMOND, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Joint Resolution 167, a joint resolution proposing an amendment to the Constitution of the United States to prohibit the desecration of the flag.

At the request of Mr. JEFFORDS, his name was withdrawn as a cosponsor of Senate Joint Resolution 167, supra.

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. HUMPHREY, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution establishing procedures for expedited consideration by the Congress of certain bills and joint resolutions submitted by the President.

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. WILSON, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Indiana [Mr. COATS], the Senator from Florida [Mr. MACK], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress relating to the human rights conditions of Jews in Ethiopia.

SENATE CONCURRENT RESOLUTION 47

At the request of Mr. SIMON, the names of the Senator from Maryland [Mr. SARBANES] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Concurrent Resolution 47, a concurrent resolution expressing the sense of the Congress on multilateral sanctions against South Africa.

SENATE CONCURRENT RESOLUTION 49

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of Senate Concurrent Resolution 49, a concurrent resolution to express the sense of the Congress that the States should retain authority to regulate alcohol beverages.

SENATE RESOLUTION 99

At the request of Mr. BOSCHWITZ, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Resolution 99, a resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operation of the Senate.

AMENDMENTS SUBMITTED

IMMIGRATION ACT OF 1989

SHELBY AMENDMENT NO. 237

(Ordered to lie on the table.)

Mr. SHELBY submitted an amendment intended to be proposed by him to the bill (S. 358) to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes, as follows:

At the end of the bill add the following new title:

TITLE —CENSUS

SEC. . PREVENTION OF CONGRESSIONAL REAPPORTIONMENT DISTORTIONS.

(a) FINDINGS.—The Congress finds that—

(1) in recent years millions of aliens have entered the United States in violation of immigration laws and are now residing in the United States in an illegal status and are subject to deportation;

(2) the established policy of the Bureau of the Census is to make a concerted effort to count such aliens during the 1990 census without making a separate computation for such illegal aliens; and

(3) by including the millions of illegal aliens in the reapportionment base for the House of Representatives, many States will lose congressional representation which such States would not have otherwise lost, thereby violating the constitutional principle of "one man, one vote".

(b) SECRETARIAL ADJUSTMENTS TO PREVENT DISTORTIONS.—Section 141 of title 13, United States Code, is amended by redesignating subsection (g) as subection (h), and by inserting after subsection (f) the following new subsection:

"(g) The Secretary shall make such adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines appropriate, in order that aliens in the United States in violation of the immigration laws shall not be counted in tabulating population for purposes of subsection (b) of this section.".

(c) CONFORMING AMENDMENT.—Section 22(a) of the Act entitled "An Act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress", approved June 18, 1929 (2 U.S.C. 2a(a)), is amended by striking out "as ascertained under the seventeenth and each subsequent decennial census of the population" and inserting in lieu thereof "as ascertained and reported under section 141 of title 13, United States Code, for each decennial census of population".

HATCH (AND DECONCINI) AMENDMENT NO. 238

Mr. HATCH (for himself and Mr. DECONCINI) submitted an amendment intended to be proposed by them to the bill S. 358, supra, as follows:

On page 77, strike lines 15 through 19, and insert in lieu thereof:

"(A)(i) 480,000, minus

"(ii) the number computed under paragraph (2), plus

"(iii) the number (if any) computed under paragraph (3); or

"(B) 216,000,

"whichever is greater."

On page 79, line 21, beginning with "number", strike through the second "in" in line 22 and insert in lieu thereof "numbers specified in subsection (c)(1)(A)(i), subsection (c)(1)(B), or".

On page 80, line 9, strike "number specified in subsection (c)(1)(A) or the number

specified in" and insert in lieu thereof "numbers specified in subsection (c)(1)(A)(i), subsection (c)(1)(B), or".

On page 80, line 21, strike "(c)(1)(A)" and insert in lieu thereof "(c)(1)(A)(i), (c)(1)(B),".

On page 80, line 22, strike "(c)(1)(A)" and insert in lieu thereof "(c)(1)(A)(i), subsection (c)(1)(B),".

On page 81, line 23, strike "subsection (c)(1)(A)" and insert in lieu thereof "subsections (c)(1)(A)(i), (c)(1)(B),".

On page 83, line 20, strike "subsection (c)(1)(A)" and insert in lieu thereof "subsections (c)(1)(A)(i), (c)(1)(B),".

Mr. HATCH. Mr. President, I rise today to submit an amendment, on behalf of Senator DECONCINI and myself, to S. 358, the Immigration Act of 1989. We intend to call up this amendment during consideration of the bill.

MITCHELL (AND OTHERS) AMENDMENT NO. 239

Mr. MITCHELL (for himself, Mr. DOLE, Mr. LEVIN, Mr. PELL, Mr. REID, Mr. SHELBY, Mr. RIEGLE, Mr. BINGAMAN, Mr. DODD, Mr. DIXON, Mr. BRYAN, Mr. D'AMATO, Mr. KOHL, Mr. GRAMM, Mr. GRASSLEY, Mr. CONRAD, Mr. GORE, Mr. ADAMS, Mr. KERRY, Mr. LEAHY, Mr. BRADLEY, and Mr. HELMS) proposed an amendment, which was subsequently modified, to the bill S. 358, supra, as follows:

TITLE III—STATUS OF STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA

SEC. 301. SHORT TITLE.

This title may be cited as the "Emergency Chinese Immigration Relief Act of 1989".

SEC. 302. ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.

The Immigration and Nationality Act is amended by inserting after section 245A the following new section:

"ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA

"SEC. 245B. (a) WAIVER OF FOREIGN RESIDENCE REQUIREMENT FOR "J" NONIMMIGRANTS.—Nothwithstanding the provisions of section 212(e) of the Immigration and Nationality Act, persons who are nationals of the People's Republic of China may apply for adjustment of status to that of an alien lawfully admitted for permanent residence or for a change to another nonimmigrant status if such national—

"(1) was admitted to the United States as a nonimmigrant under section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)), and

"(2) has been continuously resident in the United States since June 5, 1989.

"(b) PRESUMPTION OF CONTINUOUS RESIDENCE FOR CERTAIN PRC NATIONALS.—(1) for purposes of adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1225), and change of status under section 248 of such Act (8 U.S.C. 1228), in the case of any alien who is a national of the People's Republic of China and is present in the United States under section 101(a)(15) (F), (J), and (M), as well as their immediate family.

"(1) who, as of June 5, 1989, was present in the United States in the lawful status of a nonimmigrant, or

"(2) who was present in the United States before June 5, 1989, but who, as of that date was not present in the United States because of a brief, casual, and innocent trip abroad,

such an alien shall be considered as having continued to maintain lawful status as such a nonimmigrant (and to have maintained continuously a lawful status) for the period described in subsection (e).

"(c) AUTHORIZATION OF TRAVEL ABROAD.—The Attorney General shall, in accordance with existing regulations, permit an alien described in paragraph (1) or (2) of subsection (b) to return to the United States after such brief and casual trips abroad as reflect an intention on the part of the alien to continue residence in the United States.

"(d) EMPLOYMENT AUTHORIZATION.—Any national of the People's Republic of China who applies for adjustment of status or change of nonimmigrant status under the terms of this section shall be granted authorization to engage in employment in the United States and shall be provided with an employment authorization document or other appropriate work permit.

"(e) DURATION OF STATUS.—(1) Subject to paragraph (2), nationals of the People's Republic of China described in paragraph (1) or (2) of subsection (b) shall have their departure from the United States deferred until June 5, 1992, or until there has been an adjustment or change of status under subsection (a) or (b).

"(2) On or after June 5, 1990, the Attorney General may terminate the status accorded under this subsection 60 days following the date that the President determines and so certifies to the Congress that conditions in the People's Republic of China permit such aliens to return to that country in safety."

HELMS AMENDMENT NO. 240

Mr. HELMS proposed an amendment to the bill S. 358, supra, as follows:

In lieu of the language proposed to be inserted, insert the following:

TITLE I—IMMIGRATION ACT OF 1989

SEC. 101. SHORT TITLE: REFERENCES IN TITLE.

(a) SHORT TITLE.—This title may be cited as the "Immigration Reform Act of 1989".

(b) REFERENCES IN ACT.—Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed as an amendment to, or repeal of a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

SEC. 102. NATIONAL LEVEL OF IMMIGRATION.

(a) WORLDWIDE LEVEL OF IMMIGRATION.—(1) Section 201 (8 U.S.C. 1151) is amended to read as follows:

"WORLDWIDE LEVEL OF IMMIGRATION

"SEC. 201. (a) IN GENERAL.—Exclusive of aliens described in subsection (b), aliens born in a foreign state or dependent area who may be issued immigrant visas or who may otherwise acquire the status of an alien lawfully admitted to the United States for permanent residence are limited to—

"(1) family connection immigrants described in section 203(a) (or who are admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(a)) in a number not to exceed in any fiscal year the number specified in subsection (c) for that year, and not to exceed in any of the first 3 quarters of any fiscal year 27 percent of the worldwide level under such subsection for all of such fiscal year;

"(2) independent immigrants described in section 203(b) (or who are admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent under section 203(b)), in a number not to exceed in any fiscal year the number specified in subsection (d) for that year, and not to exceed in any of the first 3 quarters of any fiscal year 27 percent of the worldwide level under such subsection for all of such fiscal year; and

"(3) for fiscal years 1991, 1992, or 1993, qualified backlog immigrants as described in section 203(a)(4)(B), not to exceed 20,000 in any fiscal year.

"(b) ALIENS NOT SUBJECT TO DIRECT NUMERICAL LIMITATIONS.—The following aliens are not subject to the worldwide levels or numerical limitations of subsection (a):

"(1)(A) Special immigrants described in subparagraph (A) or (B) of section 101(a)(27).

"(B) Aliens who are admitted under section 207(c) pursuant to a numerical limitation established under section 207(b).

"(C) Aliens whose status is adjusted to permanent residence under section 210, 210A, or 245A.

"(D) Aliens provided permanent resident status under section 249.

"(2)(A)(i) Aliens who are immediate relatives. For purposes of this clause, the term 'immediate relatives' means the children, spouses, and parents of a citizen of the United States, except that, in the case of parents, such citizens shall be at least 21 years of age.

"(ii) Aliens admitted under section 211(a) on the basis of a prior issuance of a visa to their accompanying parent who is such an immediate relative.

"(B) Aliens born to an alien lawfully admitted for permanent residence during a temporary visit abroad.

"(C) Aliens who are admitted under section 207(c) pursuant to a numerical limitation established under section 207(a) and aliens who are granted asylum under section 208.

"(c) WORLDWIDE LEVEL OF FAMILY CONNECTION IMMIGRANTS.—(1) The worldwide level of family connection immigrants under this subsection for a fiscal year is equal to—

"(A) 440,000, minus

"(B) the number computed under paragraph (2), plus

"(C) the number (if any) computed under paragraph (3).

"(2) The number computed under this paragraph for a fiscal year is the sum of the number of aliens described in subparagraph (A) or (B) of subsection (b)(2) who were issued immigrant visas or otherwise acquired the status of aliens lawfully admitted to the United States for permanent residence in the previous fiscal year.

"(3) The number computed under this paragraph for a fiscal year (beginning with fiscal year 1992) is the difference (if any) between the maximum number of visas which may be issued under subsection (a)(2) (relating to independent immigrants) during the previous fiscal year and the number of visas issued under that subsection during that year.

"(d) WORLDWIDE LEVEL OF INDEPENDENT IMMIGRANTS.—(1) The worldwide level on independent immigrants under this subsection for a fiscal year is equal to—

"(A) 160,000, minus

"(B) for each of fiscal years 1991, 1992, and 1993, 20,000, plus

"(C) the number computed under paragraph (2).

"(2) The number computed under this paragraph for a fiscal year (beginning with fiscal year 1992) is the difference (if any) between the maximum number of visas which may be issued under subsection (a)(1) (relating to family connection immigrants) during the previous fiscal year and the number of visas issued under that subsection during that year.

"(e) REPORT ON, AND REVISION OF, WORLDWIDE LEVEL OF IMMIGRATION.—In January before the beginning of fiscal year 1994 (and before each succeeding fiscal year thereafter), the Attorney General and the Secretary of Labor, in consultation with the Secretary of State, the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, and the Secretary of Housing and Urban Development, shall prepare and transmit to the President and to the Judiciary Committees of the Senate and of the House of Representatives a report discussing the effect of immigration on the United States. The report shall consider—

"(A) the requirements of citizens of the United States and of aliens lawfully admitted for permanent residence to be joined in the United States by immediate family members;

"(B) the impact of immigration on labor needs, employment, and other economic and domestic conditions in the United States;

"(C) the impact of immigration with respect to demographic and fertility rates and resources and environmental factors; and

"(D) the impact of immigration on the foreign policy and national security interests of the United States.

The report for fiscal year 1994 (and each third fiscal year thereafter) shall include a discussion, based upon such considerations, of the need (if any) to revise the number specified in subsection (c)(1)(A) or the number specified in subsection (d)(1)(A) for the 3-fiscal year period beginning with the first fiscal year following transmittal of the report. Beginning with fiscal year 1994, and every three fiscal years thereafter, the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives shall hold hearings on the findings of the latest such report.".

(2) The item in the table of contents relating to section 201 is amended to read as follows:

"Sec. 201. Worldwide level of immigration.".

(b) PER COUNTRY IMMIGRATION LEVELS.—Section 202 (8 U.S.C. 1152) is amended—

(1) in subsection (a)—

(A) by striking "(a) No person" and inserting "(a)(1) Except as specifically provided in paragraph (2) and in section 101(a)(27), 201(b)(2)(A)(i), and 203, no person",

(B) by striking ", except as specifically" and all that follows through "following fiscal year", and

(C) by adding at the end the following new paragraph:

"(2)(A) Subject to subparagraphs (B) and (C), the total number of immigrant visas made available to natives of any single foreign state or dependent area under subsection (c) of section 201 (relating to family connection immigrants) in any fiscal year may not exceed 7 percent (in the case of a single foreign state) or 2 percent (in the case of a dependent area) of the total number of such visas made available under such subsection in that fiscal year.

"(B) If for fiscal year 1991 or a succeeding fiscal year the number of aliens described in subparagraph (A) or (B) of section 201(b)(2) (relating to immediate relatives and similar individuals) who are natives of a particular foreign state or dependent area and who are issued immigrant visas or otherwise acquired the status of aliens lawfully admitted to the United States for permanent residence in the fiscal year exceeds the greater of—

"(i) the numerical level computed under subparagraph (A) for that state for that fiscal year, or

"(ii) the level of such immigration of natives of that foreign state in fiscal year 1989 or fiscal year 1990 (whichever is greater),

then the numerical level applicable to that foreign state or dependent area in the following fiscal year under subparagraph (A) shall be reduced by the amount of such excess; except that such reduction shall not exceed one-half of the numerical level otherwise provided without regard to this subparagraph.

"(C) If, because of the application of subparagraph (A) with respect to one or more foreign states, the number of visas available under section 201(c) for a calendar quarter exceeds the number of qualified immigrants who otherwise may be issued such a visa, subparagraph (A) shall not apply to visas made available to such states or areas during the remainder of such calendar quarter.

"(3)(A) Subject to subparagraph (B), the total number of immigrant visas made available to natives of any single foreign state or dependent area under subsection (d) of section 201 (relating to independent immigrants) in any fiscal year may not exceed 7 percent (in the case of a single foreign state) or 2 percent (in the case of a dependent area) of the total number of such visas made available under such subsection in the fiscal year.

"(B) If, because of the application of subparagraph (A) with respect to one or more foreign states or dependent areas, the number of visas available under section 201(d) for a calendar quarter exceeds the number of qualified immigrants who otherwise may be issued such a visa, subparagraph (A) shall not apply to visas made available to such states or areas during the remainder of such calendar quarter.";

(2) in subsection (b), by striking "the numerical limitation set forth in the proviso to subsection (a) of this section" each place it appears and inserting "a numerical level established under subsection (a)";

(3) in subsection (c)—

(A) by striking "other than" and all that follows through "section 201(b)" and inserting "other than a special immigrant, as defined in section 101(a)(27), or an alien described in section 201(b)(2)(A)(i)", and

(B) by striking "section 202(a)" and all that follows through the end and inserting "subsection (a)(1), to the foreign state"; and

(4) Section 202(e) is amended to read as follows:

"(e) Whenever the maximum number of visas have been made available under subsection (a)(2) to natives of any single foreign state or to any dependent area, then in the next following fiscal year a number of visas, not to exceed the number specified in subsection (a)(2) for a foreign state or a dependent area, as the case may be, shall be made available and allocated for such state or such area for the same classes of aliens described in, and the same percentages specified in, paragraphs (1) through (4) of section 203(a).".

SEC. 103. PREFERENCE SYSTEM FOR ADMISSION OF IMMIGRANTS.

(a) IN GENERAL.—(1) Section 203 (8 U.S.C. 1153) is amended to read as follows:

"ALLOCATION OF IMMIGRANT VISAS

"SEC. 203. (a) PREFERENCE ALLOCATION FOR FAMILY CONNECTION IMMIGRANTS.—Aliens subject to the worldwide level specified in section 201(c) for family connection immigrants shall be allotted visas as follows:

"(1) UNMARRIED SONS AND DAUGHTERS OF CITIZENS.—Qualified immigrants who are the unmarried sons or daughters of citizens of the United States shall be allocated visas in a number not to exceed 6 percent of such worldwide level, plus any visas not required for the class specified in paragraph (4).

"(2) SPOUSES AND UNMARRIED SONS AND UNMARRIED DAUGHTERS OF PERMANENT RESIDENT ALIENS.—Qualified immigrants who are—

"(A) the spouses of aliens lawfully admitted for permanent residence, or

"(B) the unmarried sons or unmarried daughters of an alien lawfully admitted for permanent residence, if the sons or daughters—

"(i) are under 26 years of age, or

"(ii)(I) as of the date of the enactment of the Immigration Act of 1989, had a petition filed on their behalf for preference status under section 203(a)(2) (as in effect on such date) by reason of such relationship and such petition was subsequently approved, and

"(II) continue to qualify under the terms of this Act as in effect on the day before such date,

shall be allocated visas in a number not to exceed 69 percent of such worldwide level, plus any visas not required for the class specified in paragraph (1).

"(3) MARRIED SONS AND DAUGHTERS OF CITIZENS.—Qualified immigrants who are the married sons or married daughters of citizens of the United States shall be allocated visas in a number not to exceed 10 percent of such worldwide level, plus any visas not required for the classes specified in paragraphs (1) and (2).

"(4) NEVER MARRIED BROTHERS AND SISTERS OF CITIZENS AND PREVIOUS FIFTH PREFERENCE.—Qualified immigrants—

"(A) who are the never married brothers or sisters of citizens of the United States, if such citizens are at least 21 years of age, and

"(B) who—

"(i) as of the date of enactment of the Immigration Act of 1989 had a petition filed on their behalf for preference status by reason of the relationship described in paragraph (5) of section 203(a) of this Act as in effect on the day before such date and such petition was subsequently approved, and

"(ii) continue to qualify under the terms of this Act as in effect on the day before such date,

shall be allocated visas, in addition to visas otherwise allocated under section 201(a)(3), in a number not to exceed 20 percent of such worldwide level, plus any visas not required for the classes specified in paragraphs (1) through (3). For purposes of this paragraph, the term 'never married', with respect to an individual, means an individual who has never been married or whose marriage was annulled or otherwise legally determined never to have had effect.

"(b) PREFERENCE ALLOCATION FOR INDEPENDENT IMMIGRANTS.—Aliens subject to the

worldwide level specified in section 201(d) for independent immigrants in a fiscal year shall be allocated visas as follows:

"(1) SPECIAL IMMIGRANTS.—Visas shall be made available, in a number not to exceed 3 percent of such worldwide level, to qualified special immigrants described in section 101(a)(27) (other than those described in subparagraph (A) or (B) thereof).

"(2) ALIENS WHO ARE MEMBERS OF THE PROFESSIONS OR ALIENS OF EXCEPTIONAL ABILITY.—(A) Visas shall be made available next, in a number not to exceed 33 percent of such worldwide level to qualified immigrants who are members of the professions or who because of their exceptional ability in the sciences, arts, education, or business, will substantially benefit prospectively the national economy, cultural or educational interests, or welfare of the United States, and whose services in the sciences, arts, professions, or business are sought by an employer in the United States.

"(B) The Attorney General may, when he deems it to be in the national interest, waive the requirement of subparagraph (A) that an alien's services in the sciences, arts, professions, or business be sought by an employer in the United States.

"(C) In determining under subparagraph (A) whether an immigrant has exceptional ability, the possession of a degree, diploma, certificate, or similar award from a college, university, school, or other institution of learning or a license to practice or certification for a particular profession or occupation shall not by itself be considered sufficient evidence of such exceptional ability.

"(3) SKILLED WORKERS.—(A) Visas shall be made available next, in a number not to exceed 33 percent of such worldwide level, plus any visas not required for the class specified in paragraph (2), to the following two classes of aliens:

"(i) Qualified immigrants who are capable, at the time of petitioning, of performing skilled labor (requiring at least 2 years training or experience), not of a temporary or seasonal nature, for which qualified workers are not available in the United States.

"(ii) Qualified immigrants who hold baccalaureate degrees and who are members of the professions.

"(B) An immigrant visa may not be issued to an immigrant under subparagraph (A) until the consular officer is in receipt of a determination made by the Secretary of Labor pursuant to the provisions of section 212(a)(14).

"(4) EMPLOYMENT CREATION.—Visas shall be made available next, in a number not to exceed 2 percent of such worldwide level or 2,800, whichever is greater, to any qualified immigrant who is seeking to enter the United States for the purpose of engaging in a new commercial enterprise which the alien has established and in which such alien has invested or, is actively in the process of investing, capital, in an amount not less than $1,000,000, and which will benefit the United States economy and create full-time employment for not fewer than 10 United States citizens or aliens lawfully admitted for permanent residence (other than the spouse, sons, or daughters of such immigrant). The Attorney General, in consultation with the Secretary of Labor and the Secretary of State, may prescribe regulations increasing the dollar amount of the investment necessary for the issuance of a visa under this paragraph.

"(5) SELECTED IMMIGRANTS.—(A) Visas authorized in any fiscal year under section 201(d), less those required for issuance to the classes specified in paragraphs (1), (3), and (4), shall be made available to qualified immigrants who attain a score of not less than 50 points, based on the point assessment system described in subparagraph (B).

"(B) The point assessment system referred to in subparagraph (A) shall accord points based on criteria as follows:

"(i) AGE (10 POINTS).—For an alien who (as of the date of filing a petition) is—

"(I) at least 21 years of age but has not attained 36 years of age, 10 points; or

"(II) at least 36 years of age, but has not attained 45 years of age, 5 points.

"(ii) EDUCATION (25 POINTS).—For an alien who (as of the date of filing a petition)—

"(I) has completed successfully grade school through high school or its educational equivalent (as determined by the Secretary of Education), 10 points;

"(II) has been awarded a bachelors' degree or its equivalent (as determined by the Secretary of Education), 10 additional points; and

"(III) has been awarded a graduate degree, an additional number of points (up to 5 additional points) to be determined by the Secretary of Education based on the level of the degree.

"(iii) ENGLISH LANGUAGE ABILITY (20 POINTS).—For an alien who certifies, upon the date of filing a petition, subject to verification by examination after the date of selection, that he has an understanding of the English language and the ability to communicate in such language, 20 points.

"(iv) OCCUPATIONAL DEMAND (20 POINTS).—For an alien who is in an occupation for which the Secretary of Labor determines (before the fiscal year involved)—

"(I) there will be increased demand in the United States for individuals in the occupation in the fiscal year, 10 points, and

"(II) there is a present or there will be a future shortage of individuals in the United States to meet the need in the occupation in the United States in the fiscal year, 5 or 10 points.

"(v) OCCUPATIONAL TRAINING AND WORK EXPERIENCE (20 POINTS).—To the extent the alien has additional training, work experience, or both, as determined by the Secretary of Labor, in the occupation described in clause (iv), 10 or 20 points, such points multiplied by the number of points awarded under clause (iv) divided by 20.

"(C) The point assessment system described in subparagraph (B) shall be established by regulation by the Secretary of State in consultation with the Attorney General, the Secretary of Labor, and the Secretary of Education.

"(c) TREATMENT OF FAMILY MEMBERS.—A spouse or child as defined in subparagraph (A), (B), (C), (D), or (E) of section 101(b)(1) shall, if not otherwise entitled to an immigrant status and the immediate issuance of a visa under subsection (a) or (b) (except for subsection (b)(5)) be entitled to the same status, and the same order of consideration provided in the respective subsection, if accompanying or following to join, his spouse or parent.

"(d) ORDER OF CONSIDERATION.—(1) Immigrant visas made available under subsection (a) or (b) (other than paragraph (5)) or under section 201(a)(3) shall be issued to eligible immigrants in the order in which a petition in behalf of each such immigrant is filed with the Attorney General (or in the case of special immigrants under section 101(a)(27)(D), with the Secretary of State) as provided in section 204(a).

"(2) Of the immigrant visa numbers made available under subsection (b)(5) (relating to selected immigrants) in a fiscal year—

"(A) 20 percent of such numbers shall be issued to eligible qualified immigrants who attain a score of at least 80 points on the assessment system described in subsection (b)(5)(B) with respect to petitions filed for the fiscal year involved, to be chosen in the random order described in clause (B); and

"(B) 80 percent of such numbers shall be issued to eligible qualified immigrants with a qualifying score on such system strictly in a random order established by the Secretary of State for the fiscal year involved.

"(3) Waiting lists of applicants for visas under this section shall be maintained in accordance with regulations prescribed by the Secretary of State.

"(e) PRESUMPTION.—Every immigrant shall be presumed not to be described in subsection (a) or (b) of this section, section 101(a)(27), or section 201(b)(2), until the immigrant establishes to the satisfaction of the consular officer and the immigration officer that the immigrant is so described. In the case of any alien claiming in his application for an immigrant visa to be described in section 201(b)(1) or in subsection (a) or (b) of this subsection, the consular officer shall not grant such status until he has been authorized to do so as provided by section 204.

"(f) LISTS.—For purposes of carrying out his responsibilities in the orderly administration of this section, the Secretary of State may make reasonable estimates of the anticipated numbers of visas to be issued during any quarter of any fiscal year within each of the categories under subsections (a) and (b), and to rely upon such estimates in authorizing the issuance of visas. The Secretary of State shall terminate the registration of any alien who fails to apply for an immigrant visa within one year following notification to him of the availability of such visa, but the Secretary shall reinstate the registration of any such alien who establishes within 2 years following the date of notification of the availability of such visa that such failure to apply was due to circumstances beyond his control.".

(2) Nothing in this subsection may be construed as continuing the availability of visas under section 203(a)(7), as in effect before the date of enactment of this Act.

(b) CHANGES IN PETITIONING PROCEDURE.—Section 204(a) (8 U.S.C. 1154(a)) is amended—

(1) by redesignating paragraph (2) as paragraph (3), and

(2) by striking "(a)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(a)(1)(A) Any citizen of the United States claiming that an alien is entitled to classification by reason of a relationship described in paragraph (1), (3), or (4) of section 203(a) or to an immediate relative status under section 201(b)(2)(A)(i) may file a petition with the Attorney General for such classification.

"(B) Any alien lawfully admitted for permanent residence claiming that an alien is entitled to a classification by reason of the relationship described in section 203(a)(2) may file a petition with the Attorney General for such classification. An alien may be classified as an alien described in paragraphs (2), (3), or (4) of section 203(a) with respect to a specific fiscal year on the basis of a petition filed in a previous fiscal year only if the alien has filed with the Attorney General a notice of continuing intent to be admitted to the United States as an immi-

grant under such section within the 2 fiscal years immediately previous to the specific fiscal year involved.

"(C)(i) Any alien (other than a special immigrant under section 101(a)(27)(D)) desiring to be classified under section 203(b)(1) (or any person on behalf of such an alien) (relating to special immigrants) may file a petition with the Attorney General for such classification.

"(ii) Aliens claiming status as a special immigrant under section 101(a)(27)(D) may file a petition only with the Secretary of State and only after notification by the Secretary that such status has been recommended and approved pursuant to such section.

"(D) Any alien desiring to be classified under section 203(b)(2) (or any person on behalf of such an alien) (relating to professionals) may file a petition with the Attorney General for such classification.

"(E) Any person desiring and intending to employ within the United States an alien entitled to classification under paragraph (2) or (3) of section 203(b) (relating to professionals and skilled workers) may file a petition with the Attorney General for such classification.

"(F) Any alien desiring to be classified under section 203(b)(4) (relating to employment creation) may file a petition with the Attorney General for such classification.

"(G)(i) Any alien desiring to be provided an immigrant visa under section 203(b)(5) (relating to selected immigrants) may file a petition at the place and time determined by the Secretary of State by regulation. While the place of filing may be designated inside the United States, the petitioner shall be physically outside the United States when submitting the petition. Only one such petition may be filed by an alien with respect to any petitioning period established. If more than one petition is submitted all such petitions submitted for such period by the alien shall be voided.

"(ii)(I) The Secretary of State may designate a period for the filing of petitions with respect to visas which may be issued under section 203(b)(5) during either of the next two fiscal years beginning after the close of such period.

"(II) Aliens who qualify, through random selection, for a visa under section 203(b)(5) shall remain eligible to receive such visa only through the end of the specific fiscal year for which they were selected.

"(III) The Secretary of State shall prescribe such regulations as may be necessary to carry out this clause.

"(iii) A petition or registration under this subparagraph shall be in such form as the Secretary of State may by regulation prescribe and shall contain such information and be supported by such documentary evidence as the Secretary of State may require.

"(iv) The petition under this subparagraph shall include a certification in writing at the time of filing a petition that all information contained within the petition is true and correct to the best of the petitioner's knowledge, and any willful misrepresentation of the facts or statements included in the petition shall be deemed a violation of section 212(a)(19).

"(2) On or after October 1, 1990, an alien who—

"(A) previous to being admitted as, or otherwise provided the status of, an alien lawfully admitted for permanent residence was married to an individual, and

"(B) is so admitted, or provided such status, as a child or as the unmarried son or unmarried daughter of a citizen of the United States or of an alien lawfully admitted for permanent residence,

may not file a petition under this section on behalf of any alien to whom the alien was married previous to being so admitted or provided such status.".

(c) REVISION OF LABOR CERTIFICATION.—(1) Paragraph (14) of section 212(a) (8 U.S.C. 1182(a)) is amended to read as follows:

"(14) Aliens seeking to enter the United States to perform skilled labor unless the Secretary of Labor has determined and certified to the Secretary of State and the Attorney General that (A) there are not sufficient qualified workers (or equally qualified workers in the case of aliens who are members of the teaching profession or who have exceptional ability in the sciences or arts) available in the United States in the positions in which the aliens will be employed; and (B) the employment of aliens in such positions will not adversely affect the wages and working conditions of workers in the United States. The Secretary of Labor may, in his discretion, substitute for the determination and certification described in clause (A) of the preceding sentence a determination and certification that there are not sufficient workers who are able, willing, qualified (or equally qualified in the case of aliens who are members of the teaching profession or who have exceptional ability in the sciences or the arts), and available at the time of application for a visa and admission to the United States and at the place where the alien is to perform such skilled labor. In making either determination under this paragraph, the Secretary of Labor may use labor market information without regard to the specific job opportunity for which certification is requested, but if such determination is adverse, the Secretary of Labor shall make a certification with regard to the specific job opportunity if the employer submits evidence that such specific certification would result in a different determination. An alien on behalf of whom a certification is sought must have an offer of employment from an employer in the United States. The exclusion of aliens under this paragraph shall only apply to immigrants seeking admission under paragraph (2) or (3) of section 203(b), except that this paragraph shall not apply to any alien for whom a waiver has been made under section 203(b)(2)(B);".

(2) The Secretary of Labor shall conduct a comprehensive study to determine whether the process of obtaining an immigrant labor certification under section 212(a)(14) of the Immigration and Nationality Act, as amended by this title, has been simplified or otherwise expedited. In conducting this study, the Secretary shall hold public hearings. Not later than March 31, 1993, the Secretary of Labor shall prepare and transmit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report containing the findings of such study and including any recommendations of other relevant agencies of the Federal Government with respect to such findings.

SEC. 101. DETERRING IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.

(a) CONDITIONAL BASIS FOR PERMANENT RESIDENT STATUS BASED ON ESTABLISHMENT OF COMMERCIAL ENTERPRISES.—Chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end the following new section:

"CONDITIONAL PERMANENT RESIDENT STATUS FOR CERTAIN ALIEN ENTREPRENEURS, SPOUSES, AND CHILDREN

"SEC. 218. (a) IN GENERAL.—

"(1) CONDITIONAL BASIS FOR STATUS.—Notwithstanding any other provision of this Act, an alien entrepreneur (as defined in subsection (f)(1)), spouse, and child (as defined in subsection (f)(2)) shall be considered, at the time of obtaining the status of an alien lawfully admitted for permanent residence, to have obtained such status on a conditional basis subject to the provisions of this section.

"(2) NOTICE OF REQUIREMENTS.—

"(A) AT TIME OF OBTAINING PERMANENT RESIDENCE.—At the time an alien entrepreneur, spouse, or child obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such an entrepreneur, spouse, or child respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

"(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such an entrepreneur, spouse, or child, at or about the beginning of the 90-day period described in subsection (d)(2)(A), of the requirements of subsection (c)(1).

"(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such an entrepreneur, spouse, or child.

"(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING ENTREPRENEURSHIP IMPROPER.—

"(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines, before the second anniversary of the alien's obtaining the status of lawful admission for permanent residence, that—

"(A) the establishment of the commercial enterprise was intended solely as a means of evading the immigration laws of the United States, or

"(B)(i) a commercial enterprise was not established by the alien;

"(ii) the alien did not invest or was not actively in the process of investing the requisite capital; or

"(iii) the alien was not sustaining the actions described in clause (A) or (B) throughout the period of the alien's residence in the United States,

then the Attorney General shall so notify the alien involved and, subject to paragraph (2), shall terminate the permanent resident status of the alien involved as of the date of the determination.

"(2) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that a condition described in paragraph (1) is met.

"(c) REQUIREMENTS OF TIMELY PETITION AND INTERVIEW FOR REMOVAL OF CONDITION.—

"(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien entrepreneur, spouse, or child to be removed—

"(A) the alien entrepreneur must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1), and

"(B) in accordance with subsection (d)(3), the alien entrepreneur must appear for a personal interview before an officer or employee of the Service respecting the facts and information described in subsection (d)(1).

"(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION OR HAVE PERSONAL INTERVIEW.—

"(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if—

"(i) no petition is filed with respect to the alien in accordance with the provisions of paragraph (1)(A), or

"(ii) unless there is good cause shown, the alien entrepreneur fails to appear at the interview described in paragraph (1)(B),

the Attorney General shall terminate the permanent resident status of the alien as of the second anniversary of the alien's lawful admission for permanent residence.

"(B) HEARING IN DEPORTATION PROCEEDING.—In any deportation proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the conditions of paragraphs (1)(A) and (1)(B).

"(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

"(A) IN GENERAL.—If—

"(i) a petition is filed in accordance with the provisions of paragraph (1)(A), and

"(ii) the alien entrepreneur appears at the interview described in paragraph (1)(B),

the Attorney General shall make a determination, within 90 days of the date of the interview, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the qualifying commercial enterprise.

"(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General shall so notify the alien involved and shall remove the conditional basis of the alien's status effective as of the second anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien involved and, subject to subparagraph (D), shall terminate the permanent resident status of an alien entrepreneur, spouse, or child as of the date of the determination.

"(D) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the qualifying commercial enterprise.

"(d) DETAILS OF PETITION AND INTERVIEW.—

"(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain facts and information demonstrating that—

"(A) a commercial enterprise was established by the alien;

"(B) the alien invested or was actively in the process of investing the requisite capital; and

"(C) the alien sustained the actions described in clauses (A) and (B) throughout the period of the alien's residence in the United States.

"(2) PERIOD FOR FILING PETITION.—

"(A) 90-DAY PERIOD BEFORE SECOND ANNIVERSARY.—Except as provided in subparagraph (B), the petition under subsection (c)(1)(A) must be filed during the 90-day period before the second anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(B) DATE PETITIONS FOR GOOD CAUSE.—Such a petition may be considered if filed after such date, but only if the alien establishes to the satisfaction of the Attorney General good cause and extenuating circumstances for failure to file the petition during the period described in subparagraph (A).

"(C) FILING OF PETITIONS DURING DEPORTATION.—In the case of an alien who is the subject of deportation hearings as a result of failure to file a petition on a timely basis in accordance with subparagraph (A), the Attorney General may stay such deportation proceedings against an alien pending the filing of the petition under subparagraph (B).

"(3) PERSONAL INTERVIEW.—The interview under subsection (c)(1)(B) shall be conducted within 90 days after the date of submitting a petition under subsection (c)(1)(A) and at a local office of the Service, designated by the Attorney General, which is convenient to the parties involved. The Attorney General, in the Attorney General's discretion, may waive the deadline for such an interview or the requirement for such an interview in such cases as may be appropriate.

"(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence.

"(f) DEFINITIONS.—In this section:

"(1) The term 'alien entrepreneur' means an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) under section 203(b)(4).

"(2) The term 'spouse' and the term 'child' mean an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) by virtue of being the spouse or child, respectively, of an alien entrepreneur.".

(b) ADDITIONAL GROUND FOR DEPORTATION.—Section 241(a)(9) (8 U.S.C. 1251(a)(9)) is amended by inserting before the semicolon at the end thereof the following: ", or (C) is an alien with permanent resident status on a conditional basis under section 218 and has such status terminated under such section".

(c) CRIMINAL PENALTY FOR IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.—Section 275 of such Act (8 U.S.C. 1325) is amended by adding at the end thereof the following new subsection:

"(c) Any individual who knowingly establishes a commercial enterprise for the purpose of evading any provision of the immigration laws shall be imprisoned for not more than 5 years, or fined not more than $250,000, or both.".

(d) LIMITATION ON ADJUSTMENT OF STATUS.—Section 245 of such Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(f) The Attorney General may not adjust, under subsection (a), the status of an alien lawfully admitted to the United States for permanent residence on a conditional basis under section 218.".

(e) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 217 the following new item:

"Sec. 218. Conditional permanent resident status for certain alien entrepreneurs, spouses, and children.".

SEC. 105. MISCELLANEOUS CONFORMING AND TECHNICAL CHANGES.

(a) Sections 101(b)(1)(F), 202(a), 202(c), 204(b), 204(e), 216(g)(1)(A), 222(a), 244(d), 245(c)(2), and 245(c)(5) (8 U.S.C. 1101(b)(1)(F), 1152(a), 1152(c), 1154(a)(1), 1154(b), 1154(e), 1186a(g)(1)(A), 1202(a), 1254(d), 1255(c)(2), 1255(c)(5)) are each amended by striking "201(b)" each place it appears and inserting "201(b)(2)(A)(i)".

(b) Section 204 (8 U.S.C. 1154) is amended—

(1) in subsection (b)—

(A) by striking "section 203(a) (3) or (6)" and inserting "section 203(b)(3)",

(B) by striking "section 201(b)" and inserting "section 201(b)(2)(A)(i)",

(C) by striking "a preference status under section 203(a)" and inserting "preference under subsection (a) or (b) of section 203",

(D) by inserting "(and, in the case described in section 203(b)(5), specify the point score on the assessment system)" after "approve the petition", and

(E) by striking "The Secretary of State" and inserting "Subject to section 203(b)(5), the Secretary of State";

(2) in subsection (e)—

(A) by striking "preference immigrant under section 203(a)" and inserting "immigrant under subsection (a), (b), or (c) of section 203", and

(B) by striking "section 201(b)" and inserting "section 201(f)";

(3) by striking subsection (f);

(4) by redesignating subsections (g) and (h) as (f) and (g), respectively;

(5) in subsection (f)(1), as redesignated by paragraph (4), by inserting "(as in effect before the date of the enactment of the Immigration Act of 1989)" after "203(a)(4)"; and

(6) in subsection (g), as redesignated by paragraph (4), by striking "preference status" and inserting "status under section 203(a)(2)".

(c) Section 212(a)(32) (8 U.S.C. 1182(a)(32)) is amended by striking "203(a)(3) and (6) and to nonpreference immigrant aliens described in section 203(a)(7)" and inserting "203(b)(2), (3), and (5)".

(d) Section 244(d) (8 U.S.C. 1254(d)) is amended by striking "201(a) or 202(a)" and inserting "201(c) or 202(a)(2)(A)".

(e) Section 245 (8 U.S.C. 1255) is amended—

(1) in subsection (b), by striking "203(a)" and inserting "203", and

(2) in subsection (c), by redesignating clause (5) as clause (4) and by inserting before the period at the end the following: ", or (5) an alien who is applying for adjust-

ment of status to preference status under section 203(b)(5)".

(f)(1) Section 3304(a)(14)(A) of the Internal Revenue Code of 1986 is amended by striking "section 203(a)(7) or".

(2) Section 1614(a)(1)(B) of the Social Security Act is amended by striking "section 203(a)(7) or".

(g) Section 2(c)(4) of the Virgin Islands Nonimmigrant Alien Adjustment Act of 1982 (Public Law 97-271) is amended by inserting before the period at the end the following: "(as in effect before October 1, 1990) or by reason of the relationship described in section 203(a)(2)(B), 203(a)(3), or 201(b)(2)(A)(i), respectively, of such Act (as in effect on or after such date)".

SEC. 106. USER FEES.

Section 286 (8 U.S.C. 1356) is amended by adding at the end thereof the following new subsections:

"(m) VISA FEES FOR IMMIGRANTS.—The Secretary of State shall provide for a schedule of fees to be charged for the filing of a petition for any and all immigrant categories under sections 201(a)(3), 201(b)(2)(A)(i), and 203 (a) and (b). The fees established under this subsection shall be sufficient to cover administrative and other expenses incurred in connection with the processing of petitions for any and all immigrant categories filed under sections 201(a)(3), 201(b)(2)(A)(i), and 203 (a) and (b).

"(n) CREDITABLE FEES.—Notwithstanding sections 1 and 2 of the Act of June 4, 1920, as amended (41 Stat. 750; 22 U.S.C. 214) or any other provision of law, up to $20,000,000 in fees collected by consular officers for issuance of visas and for execution of applications for visas shall be credited to a Department of State account which shall be available only for the payment of the expenses of research, development, equipment, and automation of visa and passport functions, including related software. Each fiscal year thereafter additional amounts of such consular fees may be credited to such account, except that not more than $20,000,000 of such fees may be available for such purposes in any one fiscal year.".

SEC. 107. REPORT ON CUBAN ENTRY INTO UNITED STATES.

(a) Congress recognizes that resumption of the 1984 Mariel Agreement between the United States and Cuba will have a disproportionate impact on particular regions of the United States, notably south Florida. In anticipation of this impact and the increase in demand for certain services, Congress directs the Attorney General, in conjunction with the Secretary of State, to prepare and transmit to the appropriate committees of Congress a report detailing the number of Cubans granted preference visas.

(b) STUDY AND REPORT.—The Attorney General and the Secretary of State shall—

(1) prepare and transmit a detailed projection of the number of Cubans who have applied or have been granted preference immigration visas for entry into the United States; and

(2) such information including the age, occupation, number of dependents, and special medical needs of those Cubans who have applied or have been granted preference immigration visas for entry into the United States.

(c)(1) REPORT DATE.—The Attorney General, in conjunction with the Secretary of State, shall submit the report—

(A) during the first quarter of the fiscal year following enactment of this Act; and

(B) thereafter on a quarterly basis.

(2) In preparing these quarterly reports, the Attorney General and the Secretary of State shall cooperate and consult with State and local officials. Such cooperation should include—

(A) adequate notice as to the number of Cubans who have applied or have been granted preference immigration visas; and

(B) the relevant information required in the quarterly reports which would permit State and local entities to prepare for the increased demand for certain services.

SEC. 108. EFFECTIVE DATES AND TRANSITION.

(a) IN GENERAL.—The amendments made by this title shall take effect on October 1, 1990, and shall apply to immigrant visa numbers issued for fiscal years beginning with fiscal year 1991; except that the amendments made by section 3(b) (relating to immigrant visa petitioning process) shall take effect on the date of the enactment of this Act and apply to immigrant visa numbers issued for fiscal years beginning with fiscal year 1991.

(b) GENERAL TRANSITION.—In the case of a petition filed under section 204(a) of the Immigration and Nationality Act before October 1, 1990, for preference status under section 203(a)(3) or section 203(a)(6) of such Act (as in effect before such date), such petition shall be deemed as of October 1, 1990, to be a petition for the status described in section 203(b)(2) or 203(b)(3) of such Act (as amended by this title), as elected by the petitioner, and the priority date for such petition shall remain in effect, except that petitions filed before such date for preference status on the basis of unskilled labor under section 203(a)(6) of such Act (as in effect before such date) shall be deemed as of such date to be petitions for the status described in section 203(b)(3) of such Act (as amended by this title).

(c) ADMISSIBILITY STANDARDS.—When an immigrant, in possession of an unexpired immigrant visa issued before October 1, 1990, makes application for admission, the immigrant's admissibility under paragraphs (20) and (21) of section 212(a) of the Immigration and Nationality Act shall be determined under the provisions of law in effect on the date of the issuance of such visa.

(d) CONSTRUCTION.—Nothing in this title shall be construed as affecting the provisions of section 19 of Public Law 97-116, section 2(c)(1) of Public Law 97-271, or section 202(e) of Public Law 99-603.

TITLE II—STATUS OF STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA

SEC. 201. SHORT TITLE.

This title may be cited as the "Emergency Chinese Immigration Relief Act of 1989".

SEC. 202. ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA

The Immigration and Nationality Act is amended by inserting after section 245A the following new section:

"ADJUSTMENT OF STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA

"SEC. 245B. (a) WAIVER OF FOREIGN RESIDENCE REQUIREMENT FOR "J" NONIMMIGRANTS.—Notwithstanding the provisions of section 212(e) of the Immigration and Nationality Act, persons who are nationals of the People's Republic of China may apply for adjustment of status to that of an alien lawfully admitted for permanent residence or for a change to another nonmmigrant status if such national—

"(1) was admitted to the United States as a nonimmigrant under section 101(a)(15)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(J)), and

"(2) has been continuously resident in the United States since June 5, 1989.

"(b) PRESUMPTION OF CONTINUOUS RESIDENCE FOR CERTAIN PRC NATIONALS.—(1) For purposes of adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C. 1225) and change of status under section 248 of such Act (8 U.S.C. 1228), in the case of any alien who is a national of the People's Republic of China and is present in the United States under section 101(a)(15)(F), (J), and (M), as well as their immediate family.

"(1) who, as of June 5, 1989, was present in the United States in the lawful status of a nonimmigrant, or

"(2) who was present in the United States before June 5, 1989, but who, as of that date was not present in the United States because of a brief, casual, and innocent trip abroad, such an alien shall be considered as having continued to maintain lawful status as such a nonimmigrant (and to have maintained continuously a lawful status) for the period described in subsection (e).

"(c) AUTHORIZATION OF TRAVEL ABROAD.—The Attorney General shall, in accordance with existing regulations, permit an alien described in paragraph (1) or (2) of subsection (b) to return to the United States after such brief and casual trips abroad as reflect an intention on the part of the alien to continue residence in the United States.

"(d) EMPLOYMENT AUTHORIZATION.—Any national of the People's Republic of China who applies for adjustment of status or change of nonimmigrant status under the terms of this section shall be granted authorization to engage in employment in the United States and shall be provided with an employment authorization document or other appropriate work permit.

"(e) DURATION OF STATUS.—(1) Subject to paragraph (2), nationals of the People's Republic of China described in paragraph (1) or (2) of subsection (b) shall have their departure from the United States deferred until June 5, 1992 or until there has been an adjustment or change of status under subsection (a) or (b).

"(2) On or after June 5, 1990, the Attorney General may terminate the status accorded under this subsection 60 days following the date that the President determines and so certifies to the Congress that conditions in the People's Republic of China permit such aliens to return to that country in safety."

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a nomination hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Wednesday, July 12 at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to consider the Department of the Interior nominations of Martin Allday, Solicitor; Lou Gallegos, Assistant Secretary for Policy, Budget and Administration; Stella Guerra, Assistant Secretary for Territorial and International Affairs;

and Constance Harriman, Assistant Secretary for Fish and Wildlife and Parks.

For further information, please contact Nancy Blush at (202) 224-3606.

Mr. President, I would like to announce for the public that a nomination hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Tuesday, July 18 at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to consider the nominations of Department of Energy nominees: Steven Wakefield to be general counsel; Jacqueline Brown to be Assistant Secretary, Congressional, Intergovernmental and Public Affairs; John Easton to be Assistant Secretary, International Affairs and Energy Emergencies; and Michael Davis to be Assistant Secretary, Conservation and Renewable Energy.

For further information, please contact Nancy Blush at (202) 224-3606.

SPECIAL COMMITTEE ON AGING

Mr. PRYOR. Mr. President, I would like to announce for the public that the Senate Special Committee on Aging has scheduled a hearing to discuss rising prescription drug prices and the impact of this phenomenon on the elderly.

The hearing will take place on Tuesday, July 18, 1989, beginning at 9:30 a.m. in room 628 of the Dirksen Senate Office Building in Washington, DC.

For further information, please contact Portia Mittelman, staff director at (202) 224-5364.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that two hearings have been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The first hearing will begin at 1 p.m. on July 27. The purpose of the hearing is to receive testimony on two measures currently pending before the subcommittee. The measures are:

S. 286, a bill to establish the Petroglyph National Monument in the State of New Mexico, and for other purposes; and

S. 798, to amend title V of the Act of December 19, 1980, designating the Chaco culture archaeological protection sites, and for other purposes.

The second hearing will begin at 2 p.m. on August 1. The purpose of the hearing is to receive testimony on S. 974, a bill to designate certain lands in the State of Nevada as wilderness, and for other purposes.

Both hearings will be held in room SD-364 of the Senate Dirksen Office Buildings in Washington, DC. Because of the limited time available for each hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, SD-364, Washington, DC 20510.

For further information regarding the the July 27 hearing, please contact David Brooks at (202) 224-9863, or for the August 1 hearing, contact Beth Norcross of the subcommittee staff at (202) 224-7933.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 11, 1989, at 10 a.m. to hold a hearing on proposals to address duplicate coverage under the Medicare Catastrophic Coverage Program and to consider making the program voluntary as originally approved by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on July 11, 1989, at 9:30 a.m. to hold a hearing on the Federal Government's collection of information on foreign direct investment in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet on Tuesday, July 11, 1989, at 2 p.m. in executive session to mark up strategic forces and nuclear deterrence programs of S. 1085, the Department of Defense authorization bill for fiscal years 1990-91.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and Regional Defense of the Committee on Armed Services be authorized to meet on Tuesday, July 11, 1989, at 10:30 a.m. in executive session to mark up projection forces and regional defense programs of S. 1085, the Department of Defense authorization bill for fiscal years 1990-91.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Subcomittee on Conventional Forces and Alliance Defense of the Committee on Armed Services be authorized to meet on Tuesday, July 11, 1989, at 8:30 a.m. in executive session to mark up conventional forces and alliance defense programs of S. 1085, the Department of Defense authorization bill for fiscal years 1990-91.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate July 11, 2:30 p.m. to receive testimony on the Department of Energy's recent activities in the area of fossil energy research and development and the clean coal technology program; the Department of Energy's fiscal 1990 budget request for the fossil energy program; and relevant provisions in S. 964, a bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal years 1990 and 1991.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Tuesday, July 11, 1989, at 10 a.m. to conduct an oversight hearing on the defense Production Act and competitiveness.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HEFLIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate July 11, 9:30 a.m. to receive testimony from the administration on S. 710, S. 711, and S. 712, legislation to provide for a referendum on the political status of Puerto Rico.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ADDITIONAL STATEMENTS

MELFORD O. CLEVELAND ELECTED PRESIDENT OF THE NATIONAL ASSOCIATION OF ADMINISTRATIVE LAW JUDGES

● Mr. SHELBY. Mr. President, it is with a great deal of pride that I rise today to pay tribute to a man who has recently been elected to the prestigious position of president of the National Association of Administrative Law Judges—Melford O. Cleveland. This position is the most recent honor in a career that is highlighted by numerous outstanding contributions to the legal profession.

Mr. President, Judge Cleveland made his mark early in his studies at the University of Alabama School of Law where he served as editor-in-chief of the Alabama Law Review and graduated first in the class of 1949. On the heels of this triumph, Melford was off to Yale Law School, the recipient of a prestigious Sterling fellowship.

Completing his academic training, Melford began his legal career in the Office of Legal Advisor, U.S. Department of State in 1951. At various points in his career Melford Cleveland served as a law clerk to Supreme Court Justice Hugo Black, 1952; trial attorney at the U.S. Department of Justice under Warren E. Burger, 1954; and most recently as an administrative law judge, since 1970. Judge Cleveland's career has been marked by commitment to the law and service to his community and peers.

On a more personal note, Judge Cleveland lives on a farm in Shelby County, AL, that has been in his family since 1907. Judge Cleveland shares this farm with his own family, his mother, Frances Cleveland, and his aunts, Carrie T. Head and Sarah J. Head. Judge Cleveland's wife, Belle Stoddard Cleveland shares his passion for the law and works as a staff attorney for Alabama Supreme Court Justice Janie L. Shores. Judge Cleveland's daughter Sarah will conclude her studies as a Rhodes scholar at Oxford in July and plans to follow in her father's footsteps at Yale Law School. Grover Cleveland, the judge's son, is also pursuing the law, as he prepares to enter the St. Louis University Law School in August. Finally, daughter Belle recently received the Dick scholarship at the College of Charleston. This scholarship is awarded to qualified junior history majors who are planning to pursue careers in law.

Mr. President, Judge Melford Cleveland's dedication and commitment to the law are as apparent in his many career accomplishments as they are in the lives and pursuits of his family. His work has made Alabama a better place to live and I am proud to serve as his representative in Washington.●

LAWYERS VOLUNTEERING IN THE PUBLIC INTEREST

● Mr. GORTON. Mr. President, in my capacity as a U.S. Senator and as a fellow member of the Washington State Bar, I would like to extend my sincere thanks and congratulations to Joe Pemberton of Bellingham, who has been awarded the American Bar Association's Pro Bono Publico Award for his commitment to volunteer legal service.

Joe Pemberton created the Whatcom County Volunteer Lawyer Program, which provides representation of the legal rights of the poor and disadvantaged in his community. Remarkably, this program now has the participation of 60 percent of the Whatcom County Bar Association. The volunteer tradition of the legal profession is one of the highest callings to public service for a lawyer. I am happy to acknowledge Joe Pemberton, who exemplifies true public service and encourages all attorneys to meet their volunteer obligations. I know he will continue his model of excellence and service to the legal profession and the community.●

RETIREMENT OF LT. COL. ROBERT "BO" BLUDWORTH, USA

● Mr. NUNN. Mr. President, I would like to take a moment today to recognize the military service of Lt. Col. Robert S. "Bo" Bludworth. After 22 years of service, Lieutenant Colonel Bludworth recently retired from the U.S. Army.

Like almost all the Members of the Senate, I often had the chance to work with Bo during his 5-year assignment as an Army Senate liaison officer. Bo was totally involved in the activities of his office from planning and coordinating trips to providing Senate offices with timely information about the many aspects of the Army.

Before his last assignment as a liaison officer to the Senate, Bo held a wide variety of key assignments in the Army. This service included a tour of duty in Vietnam as a helicopter and ground platoon leader; command of armor units and personnel staff positions in the United States and Germany; an assignment as a division training officer and chief of protocol in Hawaii; and a military science teaching position at the University of West Florida.

In recognition of his achievements during his Army career, Bo has received several awards and decorations. These include the Silver Star, Distinguished Flying Cross (two awards), Bronze Star, Air Medal, Army Commendation Medal for Valor, and the Combat Infantryman's Badge.

Mr. President, on the occasion of Lieutenant Colonel Bludworth's retirement from the U.S. Army, I would like to thank him for the tremendous service that he provided to me, my staff, and the Senate as a whole. Most of all, I thank Bo for the dedicated and effective service that he performed for our Nation as an officer of the U.S. Army. Our country is fortunate to have leaders like Lieutenant Colonel Bludworth.

I wish Bo and his family all the best as he begins a new career in the private sector.●

THE MOST GENEROUS OPTION

● Mr. HUMPHREY. Mr. President, adoption is the most generous option for a pregnant woman who feels she cannot parent her child. It is generous because the birth mother sacrifices. She carries the child for 9 months and then parts with him, not an easy thing. But in return for this magnanimity the child gets life and a loving adoptive family. The adoptive parents get a child to love. These are good and kind results.

The birth mother's selflessness, like all acts of love, ultimately is generous to her as well since the memory of this kindness and the life it preserves is superior to the pall of surgical violation and death, and sometimes better than struggling by herself to raise the child. The Battelle Human Affairs Research Center has recently completed a study that compares outcomes for birth mothers who choose adoption versus birth mothers who choose parenting. The former are as well adjusted and no more troubled by their choice than are the latter. But the birth mothers who chose adoption are more likely to delay a subsequent pregnancy, to marry later, to finish vocational training, and to become better off financially.

I commend Senators to a piece on adoption by Phyllis Schlafly which appeared in the Washington Times on June 6.

Mrs. Schlafly notes that there are millions of childless couples in America who often cannot have children without adoption. These families are a national resource that is now virtually unused. Women contemplating an unwanted pregnancy should know about these families, know what a child would mean to them, and know what they can give a child.

Mrs. Schlafly's agenda for promoting adoption is a good one. She correctly stresses accurate information, help with adoption costs, and rationality and integrity in the adoption process. There are a number of measures before Congress that address this agenda. S. 23 includes adoption referral services in title 10 family planning programs. S. 278 continues a program to reimburse members of the armed services for adoption expenses. S. 277 extends this benefit to all Federal employees. S. 279 provides a tax exclu-

sion for employer-provided adoption benefits. S. 479, sponsored by Senator HATCH, and H.R. 1205, sponsored by Representative LEHMAN, allow a tax deduction for adoption expenses. S. 1192, sponsored by Senator BENTSEN, gives adopted children the same Social Security benefits that natural children receive. The Senate should pass these bills.

The article also touches on two problems that should be rectified. Mrs. Schlafly correctly notes that confusion over the biological fathers' rights has needlessly complicated adoption. This confusion has too often caused unconscionable delays in completing adoptions, and on several occasions, has caused tragic disruptions in adoptions that were thought to be finalized. State legislatures and the courts should clarify these rights and the procedures for meeting them. New York's "putative father registry" is a good idea. In New York, a biological father can register with the State his desire to be party to a decision concerning the adoption of his child. If the father decides not to register, the adoption can proceed unencumbered.

Mrs. Schlafly ends with a problem that has just been graphically illustrated by the search for and public disclosure of "Jane Roe's" birth child. Jane Doe, as everyone knows, is the "Roe" in Roe versus Wade. The fact that Texas would not allow her to abort her child was the object of the case. Thanks to the Texas law that this case overturned, the child was carried to term and subsequently adopted by a couple. Recently because of the notoriety of the Webster case, the National Enquirer decided it would provide good copy to violate this confidential adoption by tracking down the child and her adoptive parents so that the public could ogle them. The paper paid a professional searcher to do the deed. The searcher succeeded, and by all accounts, the child, who is now a teenager, was upset by this wanton invasion of her privacy.

Mrs. Schlafly insists that the confidentiality of traditional adoptions be respected. She is absolutely right about this. Open adoptions are an option in which all the parties are known to each other. However, when the adult parties to an adoption agree to remain anonymous to each other, and agree that the adoption records be sealed, these agreements should be upheld, unless all the parties subsequently agree to forgo confidentiality, or the grown child and birth parents accede to contact.

Certainly, no third party investigator for hire should be allowed to violate the adoption agreement by hunting the birth parents, the adoptive parents or the child; nor should the officials of the agencies entrusted with the records be allowed with impunity to disclose confidential information. There should be stiff penalties for such privateering.

We must be mindful that the primary purpose of adoption is provide a child with a permanent, loving family. The adoptive family is the child's family in every sense. Anything that compromises that debases adoption and harms the child.

Mr. President, Mrs. Schlafly's article is both thoughtful and timely. I ask that it be printed in the RECORD.

The article follows:

THE MOST GENEROUS OPTION

Now that the Supreme Court has tossed the abortion issue back to the legislatures, it's time to promote the adoption option. This will enable us to demonstrate that what is often called an "unwanted child" can be really twice loved.

Texas Monthly, a magazine without any particular editorial bias, recently assigned an investigative reporter to write a factual article on what goes on inside and outside of a Dallas abortion clinic. Nestled among other articles on Texas desserts, Indians in Chihuahua, and modern music, I discovered a factual article on the daily routine in this clinic.

"As patients rest in recovery," the reporter wrote, "counselors push the wheeled aspirators into a small pathology lab. There the contents of each abortion are dumped into a collander and the excess blood rinsed away in a sink. The remains are placed in a dish on a light table; it's a technician's job to be sure the doctor emptied the uterus entirely."

How does the technician do it? "Poking at the bloody mass on the disk with gloved hands, the technician searches for a cord and sac; in a pregnancy over nine weeks, she checks for the presence of two feet and two hands. When she finds them, she holds the tiny fetal parts against a ruler to be sure that their size jibes with sonogram measurements estimating the age of the pregnancy. That work done, the remains are disposed of as medical waste."

What kind of a person could do this job, over and over again, day after day, week after week? There must be a better way to deal with the problem of unwanted pregnancies than by assigning technicians to dispose of dozens of tiny feet and hands as "medical waste."

When George Bush talked about adoption during his presidential campaign last year in response to a question about abortion, I first thought he was straying to the periphery of the issue. It was only when I saw the NBC docu-drama this spring on the Roe vs. Wade case that I realized that the pro-abortion lobby is passionately anti-adoption.

"Jane Roe," the woman who started the case by challenging the Texas law against abortion, did in fact give up her baby for adoption (since the case could not be decided within nine months). The NBC script, however, had Jane Roe and her lawyer make a vicious attack on adoption as something worse than abortion.

In fact, the adoption option is the kindest, most loving, most humane option. It gives the baby the chance to be twice loved in a home where a child is wanted more than anything else in the world.

Yet adoption is the least chosen option when a woman has an unwanted pregnancy (which is definitely not the same thing as an unwanted child). Only about 3 percent of women who give birth out of wedlock give up their babies for adoption.

Ninety-five percent choose to keep their babies, even though this clearly means the baby will be disadvantaged by being raised without a father, and even though the mother often doesn't have a job or other means of support and will fall back on welfare for daily necessities.

Meanwhile, there are 2 million childless couples on agency waiting lists or at fertility clinics who want to adopt the 50,000 babies who become available for adoption—40 couples competing for every adoption. This is a conservative estimate, because thousands of couples have given up or use private or foreign sources, and the number of infertile couples is rising because of social or medical reasons.

Many steps need to be taken to assure that adoption is a viable alternative, both psychologically and financially. We should make sure that so-called "non-directive" counseling of pregnant women is no longer just abortion referral, but includes complete and fair information that adoption is an honorable alternative which will enable them to give their babies the gift of life in a home with two parents who love that child very much.

We should rectify the present ridiculous situation that an unwed pregnant woman can abort her baby without the father's consent but not give the baby for adoption without his consent. We should terminate the rules that allow biological fathers to tie up adoption proceedings for years.

Adoptive parents should have the same tax status for adoptions that parents now have for natural births. Adoptive parents should be allowed tax deductibility for all adoption expenses including the birthmother's medical bills.

The mother who wants to get her problem pregnancy behind her and is generous enough to give her baby to a couple who will give it a loving home should have the absolute right to know that adoption records will be permanently sealed and the adoption is a final act that cannot be reopened. She should not be left with the threat that someday that baby can walk back into her life.●

THE NATIONAL CONFERENCE OF SYNAGOGUE YOUTH

● Mr. MOYNIHAN. Mr. President, many members of the Senate have visited Jerusalem and have had the pleasure of meeting with Teddy Kollek, that city's dynamic mayor. Mayor Kollek is properly proud of his achievements in securing support throughout the world for worthy projects that have enhanced the beauty of Jerusalem.

On such project is the Orthodox Union National Conference of Synagogue Youth [NCSY] Israel Center at 10 Strauss Street in downtown Jerusalem. This center is a major program of the New York based Union of Orthodox Jewish congregations of America and its renowned youth movement, the National Conference of Synagogue Youth. The Center's founding chairman is George Falk, a distinguished New York City communal leader. Thousands of visiting young Ameri-

cans have benefited from the services of the Israel Center since it opened in 1979.

Mayor Kollek recently wrote a warm letter to George Falk expressing his appreciation for the Falk family's role in establishing the center. I would like to share Major Kollek's letter with the members of the Senate and accordingly ask that the letter placed in the CONGRESSIONAL RECORD.

The letter follows:

MARCH 5, 1989.

Mr. GEORGE FALK,
New York, NY.

DEAR GEORGE: You are aware, I know, of the great efforts and achievements we have had in beautifying and developing Jerusalem. In these efforts we were fortunate to have the partnership of our friends from all over the world.

You are prominent among these friends. The Israel Center which you created in memory of your late parents has become an important cultural and social cornerstone of Jerusalem. Indeed, the attention you and your family have paid to making the Israel Center a beautiful institution, truly a compliment to modern Orthodox Jewry, brings me to my next point.

The Israel Center is located in a unique building of special architectural design, situated at one of Jerusalem's main intersections. As it is highly visible, our municipal department of environmental planning is recommending that the stone facade of the building be cleaned, that the balconies, windows and doors of the Israel Center, facing Strauss and Haneviim Streets be fixed and painted a distinctive, Mediterranean color, and that suitable plants be added, meshing with the railing and windows.

This will, of course, not only beautify this busy street corner, but also make the Israel Center much more attractive and visually prominent. We would like to approach you for help with this undertaking.

With kind personal regards and all good wishes. I look forward to seeing you both in Jerusalem sometime soon.

Yours,

TEDDY KOLLEK.●

MANUFACTURING A TRADE POLICY IN AN ERA OF CHANGE

● Mr. DANFORTH. Mr. President, last fall, the distinguished Senator from Pennsylvania [Mr. HEINZ] wrote an article for the Journal of International Affairs entitled "Manufacturing a Trade Policy in an Era of Change."

Few among us have been as actively involved as the Senator from Pennsylvania in the deliberations on U.S. trade policy in recent years. Certainly no one is as well versed as he in the intricacies of our antidumping and countervailing duty laws, or has as extensive an understanding of the President's steel program. He has devoted an immense amount of time and energy to understanding our trade laws, and I am honored to have had the opportunity to work with him in shaping major trade legislation during the past decade.

"Manufacturing a Trade Policy in an Era of Change" is an important article. Delving beyond the surface images of a healthy U.S. economy, it offers a sobering review of our current competitive position. Relying on extensive new research by the Office of Technology Assessment, the article highlights the important contributions of the manufacturing sector to our trade balance and describes the extent to which the competitive position of this sector has deteriorated in recent years. It also includes a substantive explanation of the rationale underlying the Omnibus Trade Act of 1988, and emphasizes the critical point that trade and commercial considerations must be given a prominent place in our policymaking process. Finally, the article offers some specific prescriptions for change—in both attitude and policy—so as to come to grips with our persistent trade imbalance.

Everyone may not agree with each of the proposed solutions, but this article certainly represents a worthwhile contribution to the ongoing debate about U.S. trade policy. I commend my distinguished colleague from Pennsylvania for his work, and ask that the text of the article be printed in full in the RECORD.

The text of the article follows:

[From the Journal of International Affairs, Fall 1988]

MANUFACTURING A TRADE POLICY IN AN ERA OF CHANGE

(By John Heinz)

With the era of eight years of Ronald Reagan drawn to a close—which no doubt fills some with gloom and others with enthusiasm—there is an opportunity to stop to take measure of where the United States is economically and where President George Bush will have to lead us. Determining the proper direction, not to mention exercising the leadership, is no small task, since there remains fundamental disagreement among economists and those who claim to be economists over the state of the American economy, how we got here (wherever it is that we are) and where we go from here. Respectable prescriptions range from more of the same—an updated version of "stay the course"—to radical change.

This article will provide one perspective on those questions by arguing that the United States has some fundamental long-term problems despite the surface good news; that we have reached this point through years of poor management and concentration on the wrong issues; and that we need a new, more coherent approach. My recommendations will not represent a radical departure, but will require a new, more precise calculation of our interests and, most importantly, will insist that we act with those interests in mind rather than with an idealized view of a world trading system that fits our fantasies rather than reality.

WHERE WE ARE AND HOW WE GOT THERE

On the surface, at least as of this writing, the economic picture is suffused with good news. Unemployment is down to levels not seen in fourteen years. At the same time, inflation has stayed low and interest rates, while up from their trough, are not rising rapidly. We stand in stark and favorable contrast to the European Community (EC) in our job-creating ability.

Digging beneath the surface, however, reveals a few slugs and other undesirables crawling around. The high standard of living we enjoy and the consumer buying binge that has been such an important part of it, have produced the largest budget and trade deficits in our history—the former, ironically, a piece of Keynesian pump priming in supply-side clothing that the most liberal of economists would not have thought possible ten years ago.

Maintaining this pleasant but inevitably unstable equilibrium has required a massive inflow of foreign investment that has kept us afloat but has had two more ominous consequences. First, foreign investors give signs of beginning a move out of financial instruments and into equity, including real estate and some high profile industries that are causing many in Congress to have second thoughts about the unqualified benefits of foreign ownership. Japanese interests now own about 40 percent of the office space in downtown Los Angeles.[1] That may or may not be bad, but it should make one think abut the direction in which our economy is heading.

The second result of our twin deficits is a debt greater than any nation's in the world. Americans will pass this debt on to their children and grandchildren for payment, payment which will come in the form of harder work for lower wages and a lower standard of living than we have enjoyed.

As our debt grows, we are losing our capacity to control our own destiny. We are facing constraints on our scope of action due to our dependence on the continued inflow of foreign funds. We have been told, primarily by the Reagan administration, that the cost of pressng Japan or Europe too hard on other bilateral matters could well result in the redirection of foreign funds to other areas, a consequence that would force us to pay our own debts.

It is understandable that this would be an unwelcome development for the administration in power, since it would lead to a significant reduction in demand and/or increases in productivity, which translates into, at best, working harder for less and, at worst, into a recession. Yet extricating ourselves from our debt burden will inevitably mean the same sooner or later. Is it better to begin that process now when it is manageable or later when it is not?

The Reagan administration's benign neglect of the international economy from 1982 to February 1985, followed by its frantic efforts to control this process, led to the roller coaster ride the dollar has experienced over the last six years. First forced to the economic equivalent of Mt. Everest by foreign demand, the administration has now plunged into the Grand Canyon in a vain effort to reverse the tide of imports that led to the rise in the first place. This ride, lasting more than three years, has treated the public to one of the more abstruse policy debates in many years. This debate has concerned the "J-curve," the function which is supposed to demonstrate how exports will recover with the dollar's decline. More than a year ago, in my comments in the Finance Committee report on the Senate trade bill, I mentioned that the "J-curve" in fact was more like an "L," and little has happened since then to change that view.[2]

The reason for this discrepancy is rather simple. When the dollar began to fall in late 1985, foreign producers reacted in a perfect-

[1] Footnotes at end of article.

ly rational way, but not the way economic textbooks predicted. Instead of predictably raising prices to accommodate the currency devaluation, foreign producers kept prices down and sacrificed profits to maintain market share. The result was a continued influx of imports and the rather sad spectacle of the administration's bragging that the monthly trade deficit had fallen first to "only" $12 billion and more recently to $9 billion, figures that might have represented an *annual* tally fifteen years ago.

Recently, there appears to be some evidence that exports are increasing, thanks to the low dollars, but there is still no evidence that imports are declining. Because this is a necessary part of the equation, the result has been a string of monthly deficits that remain at historic levels.

Another crippling impact of the high dollar is that during the mid-1980s it stimulated the movement of manufacturing offshore. Moving manufacturing back to the United States in order to benefit from a relatively lower dollar, of course, is not so easy. We have been forced to learn to live with the internationalization of our production as well as our consumption, a development, as will be discussed below, that by itself requires a sharp shift in perspective.

THE MANUFACTURING SECTOR [3]

Just as some animals were more equal than others in *Animal Farm*, some economic sectors are more equal than others when it comes to measuring our overall health. The manufacturing sector is arguably the most important, both in its contribution to our current problems and in the role it must inevitably play in their solution. Discussing solutions requires a detailed understanding of what has been going on in this sector, and it is precisely this question that has been the subject of greatest controversy.

In my judgment, the manufacturing sector has suffered particularly severely from the macroeconomic changes I have discussed, although elaborating on that statement requires both careful definition and a look at some new data.

Careful definition means avoiding labor's mistake of defining a sector's health solely in terms of the number of jobs, and the economists' mistake of defining it solely in terms of gross output or share of GNP. It also means use of appropriate data. Everything looks better compared to 1982, for example, but for precisely that reason the snapshot is not very revealing.

In terms of jobs, the real picture is mixed. Manufacturing's share of employment has declined, as has the absolute number of jobs in the sector since the 1979 peak. In 1979, there were 21 million manufacturing jobs; by the end of 1987 there were 19.4 million jobs, more than in 1986 but still below the peak.

Some of this decline was due to productivity growth—an average of 3.5 percent per year from 1979 to 1986. At the same time, another part of the decline was due to imports, either directly or through their role in forcing the closure of inefficient plants. This was particularly true in industries where demand was flat or increasing slowly, like steel, textiles and autos. While the late President John F. Kennedy summarized a useful economic truth when he said, "A rising tide lifts all boats," it is also true that when the sea is calm, some boats sink anyway—stagnant demand leaves an industry vulnerable to imports whether these are the result of fair or unfair trade practices—and the workers suffer inevitably because the industry shrinks, either through its lack of competitiveness or its improvements in productivity that allow it to shed workers.

Determining manufacturing's share of GNP, as a new Office of Technology Assessment (OTA) study points out, is fraught with difficulty. Measured in current dollars, the share dropped from 29 percent in 1960 to under 20 percent in 1986, with an increasing rate of decline since 1979. Current dollar analyses, however, fail to deal adequately with productivity improvements.

Constant dollar calculations, on the other hand, vary depending on the assumptions made and the years chosen. For example, the OTA study makes clear that in 1982 dollars, manufacturing has been a steady 21 or 22 percent of total output since the late 1940s; whereas, using 1972 constant dollars it has hovered around 24 percent; and with 1958 dollars around 30 percent. Each constant dollar revision appears to produce a reasonably straight line, but at a lower level.

This phenomenon is related both to the different weights given to industry inputs in different years that distort the actual structure of the economy in previous years, as well as the need to adjust for quality and performance improvements in products that are nominally the same from year to year. (A 1952 and a 1986 car are statistically the same thing, but in terms of actual performance or quality are light years apart.)

In addition, the 1982 results are skewed by the performance of the nonelectrical machinery sector, which included computers, whose gains were so great they offset losses not only in the rest of that sector, but also in the other sectors that make up manufacturing as well. The statistical result of this huge improvement in a portion of one sector is to prop up the share of GNP of all manufacturing. An OTA reassessment of the data, using 1980 constant dollars, showed that manufacturing's share of GNP declined from 23.3 percent in 1972 to 21.9 percent in 1984, with an accelerated rate of decline after 1979, as in the Commerce Department's analysis.

The OTA study suggests fairly clearly that domestic manufacturing production has been declining, but, as is always the case in these matters, production is only one side of the equation. What is unquestionably less controversial is that consumption of manufactured goods has outstripped corresponding domestic levels of production, leading to a growing gap that is reflected in the trade deficit. OTA estimates, for example, that the American share of spending on manufactured goods increased from 23 percent of GNP in 1948 to 27.7 percent in 1986. Meanwhile, manufacturing output in the latter year was 20.5 percent of GNP, a continuation of the declining trend that began in the early 1970s.

Some economists have compared this deterioration to that of agriculture, which over a longer period of time declined significantly as a percentage of the U.S. economy—from 22 percent of GNP at the beginning of the century to 2.2 percent in 1986. This change is used to justify the increased manufacturing share as an inevitable and healthy part of a transition to a postindustrial economy.

The analogy, however, is inexact. While agriculture's share of the economy has declined, its output has not only kept pace with demand, but has also consistently generated surpluses. In the case of manufacturing, not only has the sector failed to keep pace with demand, but demand itself also has increased, as previously noted. This is not the hallmark of an economy in transition, where demand for services is replacing demand for manufactured goods. In fact, from a consumer point of view, the manufacturing sector is alive and well. From a producer point of view, however, it has been seriously ill.

This is not a unique situation. According to OTA, it is reflected in the economies of all the major industrial nations, including Japan, although the sector's "downward slope" has been steeper in the United States.

"As a share of gross domestic product, the U.S. manufacturing sector shrank by 31 percent from 1965 to 1985. This compares to declines of 27 percent in Britain, 23 percent in Germany, and 14 percent in France. Japan, which was still in a stage of industrialization in 1965, saw a decline of only 7 percent over the period. As would be expected, the share of manufacturing in the economy rose in newly industrializing nations like South Korea, the Philippines, and Singapore." [4]

This extended discussion of manufacturing is necessary because analysts and policymakers are increasingly coming to the conclusion that its health is the key to solving our macroeconomic problems. There is little doubt that events in the manufacturing sector are largely responsible for the trade deficit. In March 1988, when the merchandise trade deficit reached a several year low of $9.7 billion, manufacturing accounted for more than two-thirds of our exports and nearly 79 percent of our imports. Eighty-five percent of the 1987 current account deficit was in the manufacturing sector.

The obvious conclusion is that closing the trade gap depends upon some change in manufacturing. This would entail, most likely, both an increase in exports, which seem to be occurring, and a decrease in imports, which has not yet begun. Even the major improvement in March, which featured a 27.7 percent increase in exports over the 1988 average, simultaneously brought a 7 percent *increase* in imports over the 1988 average.

MANUFACTURING VERSUS SERVICES

Beyond the fact that manufacturing constitutes the major part of the deficit, and thus inevitably must constitute the major part of the solution, there is another reason why we need to focus our attention there. In its most simplified form, it is the premise that our economic strength rests on production, not consumption. As William R. Hawkins, assistant professor of economics at Radford University in Virginia wrote, "The long-run replacement of high value-added industry by low value-added industry will undermine the American economic strength. Wealth and power ultimately rests on the power of production, not consumption." [5]

This is not the place to resurrect the debate on whether service jobs are preferable to or as well paying as manufacturing jobs, but the link between the two is clear, computer hardware and software being the most obvious contemporary example. The OTA study concludes that some 8 million service jobs are directly linked to manufacturing; while research by Stephen Cohen and John Zysman at the University of California at Berkeley suggests that the number might be as high as 50-60 million. Advertising, law, banking, transportation, engineering and architecture would be particularly vulnerable to further manufacturing declines.[6] There is little question that most service jobs, whether they are hamburger

flippers, architects or investment bankers, ultimately rest on the production of something, and it is by that production in the manfacturing sector that our strength must be measured.

MANUFACTURING AND FOREIGN INVESTMENT

The crisis in the manufacturing sector is not limited to short-term consequences for the health of our economy. The trade deficit and the Treasury Department's strategy of preserving a lower value of the dollar threaten to produce serious long-term consequences. Anecdotal evidence reflecting concerns about declining production and its impact on our security and independence of action is already beginning to surface, as is concern about foreign acquisition of U.S. property.

The Defense Department is developing a program to determine what procurement is "endangered" in the sense of insufficient domestic production to meet our needs—either presently or in the event of war.[7] Inquiry has focused on sectors such as machine tools, certain computers, specialty steel, forgings and castings, and ball bearings. Some of this concern has been stimulated by Congress, but much of it originated with the Defense Department, as its inability to meet its needs from the U.S. defense base has become obvious.

Likewise, increased foreign acquisition of U.S. companies, such as that proposed in the attempt of Fujitsu to take over Fairchild Semiconductor (although Fairchild was already owned by a different foreign company), has raised concerns both about the transfer of critical technology abroad and about our continued ability to meet our defense needs from secure sources. This concern led to the inclusion of the so-called Exon/Florio Amendment in the trade bill. This provision gives the president authority to block foreign acquisition on national security grounds. The challenge for the amendment's drafters, and for the administration that will ultimately implement it, is to insure that this new authority does not become transformed by the bureaucratic process into a formal investment screening process of all transactions based upon the pretext of an expanded definition of national security.

Sometimes the goals of adequate domestic production and domestic ownership of technology are in conflict. The Pentagon is increasingly finding cases where the best way to maintain U.S. production is to allow a foreign takeover, even at some risk to the technology involved:

"For years, the Pentagon discouraged substantial foreign investment in defense companies, for reasons still cited by opponents of such acquisitions. They say that allowing foreign companies to control vital defense weaponry would leave the U.S. vulnerable in the event of war. They add that a stake in a U.S. defense-electronics contractor could let a foreign company and a foreign government see potentially critical technology—strengthening foreign competitors and increasing the danger of espionage.

"The critics see yet another example of America's technological and industrial dominance slipping away. And their concern is all the deeper because of American defense contractors' increasing purchases of sophisticated parts from abroad.

"But with Frank Carlucci's ascension to the Defense Department's top job, economic considerations have gained ground in foreign-investment decisions. Many at the Pentagon—and in the industry—now say that preventing jobs from drifting overseas and remaining able to crank out weapons at home are more important than lessening the risk of espionage or a loss of face as an industrial power. With the right controls, they believe, the national interest can be protected as well. 'We must not allow ourselves to use this issue as a shroud for protectionism,' says Robert B. Costello, who oversees Pentagon procurement."[8]

Anecdotal evidence, of course, is hardly dispositive, but in the political environment it carries great weight because it represents political, i.e. constituent, pressure for action. When machine-tool manufacturers complain about imports and lost market share, for example, they go first to their congressmen and senators. While that might produce protectionist proposals in the short run, they often are not intended to be enacted—and rarely are enacted—but rather serve as catalysts for a thorough examination of the problem through already existing procedures.

In the machine-tool case, for example, the industry ultimately filed a petition under section 232 of the Trade Expansion Act of 1962 seeking relief from imports on national security grounds. After a year-long investigation by the Department of Commerce and a two-year review by the White House (far too long, in the judgment of everyone associated with this case), the president decided under considerable pressure from Congress, that some action was warranted and directed the negotiation of import restraints to be held with key foreign producers.

This case, along with the 1984 steel section 210 case that was resolved by steel quota legislation, suggest that congressional agitation, though it might ultimately not produce a law, is an action-inducing device that a wise industry will seek to employ. A second conclusion, unfortunately, is that there are inevitably elements in the bureaucracy of any administration that prefer smooth relations with our trading partners regardless of the domestic cost and will oppose actions that might be viewed by our trading partners as disruptive.

Congressional pressure, however, is generally concerned with the short term and specific cases. The big picture is not alien to congressmen, but it is often put on the back burner by the force of current events. In addressing those events we *de facto* make policy more often by accident than design. A better means of focusing on that big picture is needed.

GLOBAL CHANGES

It is precisely that bigger picture that must serve as a background for the changes I have discussed in the manufacturing sector and in foreign investment. These changes cannot be viewed in isolation but rather must be seen as part of a broader series of developments that are taking place world-wide and that have contributed to a decline in our relative position of strength in the world economy. Our share of the free world's GNP has declined in the postwar era from 60 percent to 25 percent and with it, inevitably, a degree of the influence we are able to exert internationally. Several of these changes are worth noting.

Permeable economies

The increasing speed and sophistication of transportation and communications systems have created a true world market for goods as well as services. Who would have thought even ten years ago, for example, that over half our daily supply of fresh carnations and chrysanthemums would come from overseas (Colombia, Israel and Europe)? Satellite communications systems and electronic financial systems now permit virtually instantaneous transfer not only of news, but also of data and business and financial transactions. Approximately $70 trillion of foreign exchange transactions occurred in 1986, more than $200 billion every working day, a volume of transactions that dwarfs trade flows by a factor of eighteen times. More recent figures suggest current financial transactions are more than twice that level. These developments have made virtually every economy accessible to every other and have made the movement of money more important than the movement of goods.

Growth of the trade sector

In part as a result of the permeable economies, foreign markets have become more important both for American producers seeking growth and for foreign producers seeking to take advantage of our open market to promote their growth. While in 1970 exports and imports of goods represented 7 percent of U.S. GNP, in 1987 they amounted to 15.1 percent. This figure, although significant, was still behind that of most European nations.

Demand for discipline

The increased importance of trade has created powerful constituencies for stronger international standards for the conduct of commercial activities and a better means of enforcing those standards. It is no longer only the import-impacted industries such as steel, footwear and textiles that are sensitive, but modern, technologically competitive industries such as machine tools, computers and semiconductors as well as growing segments of the agricultural sector that are joining the chorus of complaints about subsidized imports and access to foreign markets. These complaints translate into the newly popular term "fair trade."

Failure of adjustment

The insistence on discipline in the trading system has also been aided by the almost unanimous failure of developed countries to successfully pursue and implement adjustment strategies for industries that are no longer competitive.

In steel, for example, the United States and the EC represent contrasting extremes of failure. The United States, having had virtually no policy, forced the steel industry to adjust in the most painful way possible. The result was abrupt reductions in employment (from 453,000 in 1979 to 163,000 in 1987—a decline of 64 percent in eight years!) and a series of corporate bankruptcies and mergers. The EC, in contrast, has regularly postponed the pain of adjustment by continuing subsidies and attempting to regulate levels of production between the member nations. The result has not been enough to stop exporting the responsibility for shrinkage to the United States. Parenthetically, it is worth noting that James Clifton of the Center for Industrial Competitiveness has done some preliminary analysis that suggests the United States leads other developed countries in downsizing its basic industries and that the gap in this country is being filled by imports from other developed countries rather than from lesser developed countries (LDCs).[9]

Lack of consensus on rules

The world has witnessed the growing importance of non-Western trade players, whose standards, practices and ways of doing business are at variance with the essentially Western trade system drawn up by

the United States and its European allies in the postwar era. The growing problem of counterfeiting, patent piracy and other forms of theft of intellectual property—books, recordings and tapes, for example—are manifestations of the fact that many of the LDCs and newly industrializing countries (NICs) do not accept or have not developed Western legal standards, and often regard them as instruments of Western economic exploitation. This spring the Thai government was threatened with collapse because of the nation's legislators' resistance to proposals to strengthen Thailand's copyright law.

Recognizing economic change

The United States has personal experience with the difficulty developed nations have in handling LDC industrialization. This is matched by the LDCs' difficulties in understanding the additional responsibility that comes with development. Admitting that a Korea or a Brazil can produce products of equivalent quality more cheaply than we can has been painful but necessary. Persuading a Korea or a Brazil that industrialization should mean a phasing out of the special benefits given LDCs and that a market-oriented system without subsidies offers the best hope of further balanced growth is equally painful, but equally necessary.

The debt bomb

Finally, we have to face the devastating effect of the LDC debt crisis. In recent years nearly 40 percent of U.S. exports went to Third World markets. This figure is greater than that exported by Europe and Japan combined. But LDC debt problems and an inability to finance previous levels of imports caused a $22 billion deterioration in U.S. exports to Latin America alone between 1981 and 1984. This loss in trade translated into the loss of 550,000 jobs in the U.S. export sector.

International Monetary Fund (IMF) action in 1983 and 1984 staved off catastrophe, and reductions in the dollar's value have brought the United States back to the point where exports to Latin America are now only 18 percent below 1981 levels. Nonetheless, there is a growing suspicion that we have at best abated the crisis, but not resolved it. In 1986 alone, the United States lost $70 billion in exports to LDCs compared to what would have occurred had the export growth rate of the 1970s continued; that amounts to 2.1 million jobs.

Most developing countries still find themselves in a slow-growth mode with per capita growth rates over the last five years half the average of the 1970s. Debtor nations, however, complain that IMF austerity programs have failed, and these countries continue to demonstrate growing sympathy for a more development-oriented set of policies with greater World Bank involvement. Secretary of the Treasury James Baker's plan to lend an additional $20 billion has been received skeptically by both LDCs and some U.S. banks. Growing private bank reluctance to provide new funds in the face of increasing LDC resistance to repayment shows clearly the difficulty of arriving at any long-term solution.

The evidence of productivity.[10]

There is no better evidence of the change in global terms of trade than productivity figures. The U.S. rate of productivity growth averaged less than 3 percent per year from 1960 to 1986, although since 1979 the record has been significantly better. Yet over the entire period, our improvement pales in comparison with that of Japan (8 percent), France, Italy, and Germany (5 percent) and Great Britain and Canada (over 3 percent).

It is the earlier years that are the most telling. While our productivity growth rate from 1960 to 1973 was 3.2 percent per year, European countries did significantly better, largely because they were still repairing war damage and investing in new equipment. Japan, which had substantial destruction as well as a lower base, enjoyed an average annual rate of 10.3 percent during this period.

These numbers reflect Europe and Japan's "catching up" to the United States from what amounted to a lower base. They were aided by an exceptionally poor U.S. performance from 1973 to 1979 (1.4 percent per year) that was probably attributable to a rapid expansion of the labor force as well as inflation and oil price increases (although the latter two factors affected other nations as well).

Since 1979, the U.S. performance has matched our trading partners, but the damage was already done. We are now competing on equal terms with Europe and Japan and in some respects may have fallen behind. As with many other developments over the past thirty years, this one may be good for the system and is certainly good for our trading partners. However, it is clearly not so good for us, particularly when viewed in conjunction with other events that occurred simultaneously.

All these changes mean a very different trading system, one in which the United States is no longer the dominant player and in which there is no common agreement on the rules of the game. The consequences for American firms doing business internationally are no more clearly spelled out than in a speech by Cordell Hull, director and senior vice president of Bechtel Power Corp., a company on the cutting edge of large-scale engineering and construction technology. Commenting on the growing need for officially subsidized government support for exports, Mr. Hull said:

"In the 1960's, the U.S. engineering and construction industry did not need as much credit support from Eximbank with respect to other international activities because:

"This country held a commanding lead in technical know-how, equipment quality, and price position backed by strong project-management capabilities;

"Competition from the newly industrialized countries was virtually non-existent;

"Foreign exchange rates were stable and, for the most part, predictable.

"Moving into the 1970's, economic storm clouds gathered as:

"Host countries became more directly involved in project development and consequently required financing for their projects; in response, foreign engineering and construction competitors quickly emerged supported by subsidized government loans . . .

"Emerging foreign competition secured increasingly larger shares of the engineering and construction market with their government's subsidies and support. Further, some of these competitors were state enterprises, directly owned and backed by their governments, able to take extraordinary risks with impunity." [11]

SHUTTING THE WORLD'S DOORS

The other change that Mr. Hull alluded to that impacts directly on our policy and economic performance is the growth of market restraints and barriers abroad. It is common practice among nations, not to mention good domestic politics, periodically to accuse one's trading partners of protectionism. It is axiomatic that it is always easier to blame one's problems on someone else, and foreigners in particular are easy political targets since they do not vote in the United States.

At the same time, however, there is growing evidence, both anecdotal and statistical, that suggests an increasing portion of world trade is becoming subject to restraints of one form or another. The Reagan administration is pursuing more section 301 cases asserting violations of our General Agreement on Tariffs and Trade (GATT) rights or barriers to our products in other markets than in past years. News articles have fully covered our fights over citrus (EC), pasta (EC), beef (Japan), soybean oil (EC), apples (EC), almonds (India), oranges (Japan), informatics (Brazil), fish (Canada), semiconductors (Japan), tobacco (Japan, South Korea), chocolate (Japan, South Korea, Taiwan), insurance (South Korea), motion pictures (South Korea, Canada), ice cream (Canada), eggs (EC, Brazil), lawyers (Japan), telecommunications equipment (Japan), medical equipment (Japan), wood products (Japan) and aircraft (EC), and this is hardly a complete list.

In addition, we have been forced to cope with increasing penetration of our own market by dumped and subsidized goods or by fraud and circumvention of our laws. Those fights are also publicly chronicled: steel (over twenty countries), photo albums (South Korea), textiles and apparel (many countries), various electronic components (Japan and others), forklifts (Japan), raspberries (Canada), potatoes (Canada), lumber (Canada), pork (Canada), brass (several countries) and various chemicals (many countries) to mention only a few.

These specific cases constitute graphic evidence of what observers have begun to report in the aggregate—the growth of nontariff barriers (NTBs) to trade as a way of life in most of the world. The World Bank summarized this trend with a table showing the proportion of trade covered by "hard core" NTBs by region: [12]

TABLE 1.—INDUSTRIAL COUNTRY IMPORTS SUBJECT TO "HARD-CORE" NTB'S 1981 AND 1986

[In percent]

Importer	Source of imports			
	Industrial countries		Developing countries	
	1981	1986	1981	1986
EC	10	13	22	23
Japan	29	29	22	22
United States	9	15	14	17
All industrial countries	13	16	19	21

Source: World Bank, "1987 World Development Report," p. 142

The bank defines hard-core NTB's as those "most likely to have significant restrictive effects." It lists among them import prohibitions, quantitative restrictions, voluntary export restraints, variable levies, Multifiber Agreement (MFA) restrictions (textiles and apparel) and nonautomatic licensing.

Table 1 leads to several interesting conclusions. First, it is clear that the overall situation is getting worse rather than better—barriers are increasing in virtually every category. Second, the United States lags behind its major counterparts in protection, although we appear to be getting worse at a

faster rate that the others. Third, Japan is clearly the worst offender, particularly with respect to imports from industrial countries, which would include proportionately more manufactured goods and fewer raw materials; but it does not appear to be increasing its hard-core barriers. Fourth, with the notable exception of Japan, developed countries treat their LDC partners worse than their industrialized counterparts.

These conclusions do not suggest the smooth transition to free trade that economists would like to see. In fact, they suggest the opposite: the system is disintegrating rather than coalescing. The 1988 Omnibus Trade Act was intended to be a response to this process.

THE 1988 TRADE BILL

The trade bill, very simply, is a reflection of the congressional view that there is a discontinuity between the way we behave and the way others behave, and the realization that we can no longer afford to go our own way. It was acceptable in the immediate postwar era when the United States accounted for 60 percent of the world's GNP for us to act in ways that were system-reinforcing and that furthered our political or military goals, because the economic cost was small. Rebuilding Europe and integrating Japan into the Western alliance made political sense and there were few, if any, short-term costs.

Now, however, the bill is coming due. Ironically, this is because from an economic rather than a trade policy perspective the playing field has already become level. For years our higher industrial base tilted it in our favor; now we are competing on more equal terms and not liking it.

The softness in our own system is reflected in a poor productivity performance and a troubled manufacturing sector, as discussed above, as well as in our collective inability to discipline ourselves to rectify either of our two budget imbalances.

Our competitors, on the other hand, have discovered short cuts on the road to comparative advantage through such means as the combined use of government subsidies and protection to nurture fledgling industries beyond the point where they are competitive, and the practice of businesses dumping in the U.S. market to capture market share at any price while sustaining themselves in the interim through a protected home market. Both of these practices are market-distorting deviations from free trade principles that in most cases are GATT-illegal. Clyde Prestowitz, author of *Trading Places: How We Allowed Japan to take the Lead*, commented on these tactics as applied by Japan:

"Just as the U.S. government orchestrated industry efforts to put a man on the moon, the Japanese government bent every effort to create world-class industries in such areas as steel, computers, and semiconductors. Critics say that government is no good at picking 'winners' and 'losers.' But the Japanese government hasn't picked aircraft, computers, telecommunications, biotechnology and advanced ceramics as 'winners,' the market has. The government is just making sure that Japanese industries ride with the winners.

"In this context, Japanese companies can sometimes see a long-run strategic advantage in selling in a foreign market at a price below cost or below the price in the home market. Yes, such dumping can mean an immediate windfall for non-Japanese consumers, but it can also allow a Japanese industry to get or keep a lock-hold on an important market.

"For example, the conquest of the U.S. television market, partly by dumping, paved the way for Japan's lucrative monopoly in VCR's. Today U.S. entrepreneurs who wish to build improved VCR's or peripherals cannot, because Japanese suppliers will not provide the critical parts or licenses.

"Similarly, the driving of U.S. semiconductor producers out of key products has made U.S. electronics makers dependent on Japanese suppliers—their biggest competitors. And the Japanese will find it easier to block the entry of new electronic entrepreneurs into the market. Dumping can also protect market share while an industry adjusts to changing market conditions; during the recent rapid appreciation of the yen, Japanese producers held the line on prices, despite profit losses, to give them time to cut costs.

"From the point of view, far from being a gift, dumped products look more like the hot goods of a fence. Of course the consumers get a low price and the fence makes a nice profit, but ultimately, legitimate producers get put out of business." [13]

The United States has historically been less reliant on subsidies than its counterparts and has only recently begun to increase its use of market-closing tactics, often as a response to others' trade distorting practices, as in the case of steel. The trade bill is an indication of congressional determination that our tougher line against market distorting practices should continue. It is ironic that it comes so late and is so weak that it simply amounts to little more than a validation of the somewhat more aggressive position the Reagan administration had already begun in 1986.

WHERE WE HAVE TO GO

While the trade bill points the country in the right direction, no one has ever claimed it alone is a sufficient solution to all our problems. Indeed, action will be necessary on a far broader scale if there is to be any significant impact on the trade deficit, and such action will have to address both our attitude and our policy.

CHANGES IN ATTITUDES

One of the things we should have learned from the trade debate over the past few years is that competitiveness is, among other things, a state of mind and way of thinking; and there are a number of things we can do to recognize our thought processes for competitiveness.

Understand the real basis of our strength

The Reagan administration continued the historical tendency of American governments in the postwar era to define our strength in military terms—the size and credibility of our nuclear deterrent and our ability to project our strength and further our foreign policy goals around the globe. Recent poll data as well as media stories, perhaps inspired by books such as Paul Kennedy's *The Rise and Fall of the Great Powers*, reflect a growing awareness among the populace that the question is more complicated and that real strength at its core is a question of economic power and the industrial base of one's economy. In graphic terms it is the growing realization that a 600-ship navy is an irrelvant objective if you do not have the infrastructure to build it or the money to buy it. It is the suggestion that the issue is not necessarily guns vs. butter, but rather that in economic terms guns *are* butter, and vice versa.

All policy-making involves choices. Understanding the real nature of our strength means making different choices in the future—choices that nurture economic growth and productivity improvements, particularly in the manufacturing sector.

Reprioritize trade policy

This corollary is a logical consequence of the first principle. It is a sad but necessary fact of life in the bureaucracy that decisions are not made in isolation. A decision on whether to press Japan on any of its various agriculture quotas will be influenced by concerns of the Defense Department on possible Japanese reduction in defense spending, of the State Department on a range of pending political issues, of the National Security Council on Japanese political and military cooperation in the Pacific Rim, and so on.

The insertion of these not directly relevant concerns is neither surprising nor troubling; it is an inevitable part of a decision-making process. What is troubling is the fact that nontrade considerations consistently carry the day when trade policy decisions are actually made. The National Security Council, for example, delayed resolution of the machine-tool industry's request for import relief for more than two years, among other reasons because of concerns about the impact it would have on Japan's cooperation with us on strategic matters. Over three years ago, then chairman of the International Trade Subcommittee, Senator John Danforth, succinctly summed up this problem in a speech at the National Press Club:

"For years, trade policy has been the poor stepchild of our Government. It has been shoved to the back of the line, behind foreign policy and tax policy, behind antitrust policy and export controls, and behind any number of other considerations. For the sake of our own people as well as the international trading system itself, the era of second-class status must be brought to an end." [14]

The solution to this problem is not to eliminate these other considerations; nor is it to launch yet another reorganization that will leave the bureaucracy in chaos for another year. Rather it is simply to make decisions that properly reflect our real priorities.

Reevaluate the role of government in the economy

As discussed above, the international trend of events in the trade sector seems to be in favor of greater government direction of the economy, particularly the trade and export sector. The success of Japan in literally creating comparative advantage out of a mix of government subsidies, effective allocation of credit and selective protection has not been lost on its Pacific Rim competitors, beginning with Korea and Taiwan. There are signs that the lesson is also being learned farther south as well. Likewise in the LDCs, what has been heralded as a gradual shift to free market principles in the more successful countries may actually be little more than a shift to smarter subsidies.

That does not mean we should follow the same path. On the contrary, we should continue to do everything we can internationally to insist on free market principles, as the Reagan administration did. To the extent we fail in obtaining worldwide adherence to that standard, we may face over the long run little choice but to adopt some of the same tactics employed by our trading part-

ners. In addition, our experience with the so-called Export-Import Bank "war chest" and with some of our recent agriculture programs suggests that sometimes the best way to deal with other nations' subsidies and market-distorting measures is to demonstrate graphically that we have deeper pockets and are prepared to use what is in them. This is the kind of tactical flexibility that is appropriate to changing global economic conditions and is something we need to keep in the forefront of our thinking as we confront new multilateral challenges.

CHANGES IN POLICY—TO BITE OR NOT TO BITE THE BULLET

The past eight years, if nothing else, have made clear the unwillingness of anyone—the president, the Congress, even the American people—to take decisive action in dealing with our twin deficits. The reason for that is simple: there are no pleasant choices; ergo, there is no one who wants to choose. This final section discusses the policy changes that the next administration will be required to make.

THE BUDGET DEFICIT

Reducing our federal budget deficit inevitably means either increases in taxes or cuts in spending, including defense, or, more likely, a combination of both. Politically speaking, announcing support for a tax increase is akin to announcing one has the plague. It is a ticket to a short political career. Likewise, trying to produce a public consensus on where to cut spending has been futile. As a result, Congress resorted to such ingenious steps as selling federal assets at a discount to raise money and changing the armed services' payday from September 30 to October 1, which had the effect of shifting a large expenditure into the next fiscal year and, in budget terms, freeing those funds for other spending in the earlier year. Sooner or later Congress and the president will run out of gimmicks and will have to face real choices.

THE TRADE DEFICIT

Reducing the trade deficit requires a similar hard choice we have resisted making. The essence of the dilemma is that it is rapidly becoming clear that the easy choice of increasing exports will not work. The dollar's decline in value—too little too late in my judgment—has helped increase exports (up 30.9 percent from third quarter 1986 to first quarter 1988), but as Albert Wojnilower pointed out in a prescient analysis:

"Trying to reduce the deficit rapidly through higher *exports* would produce overheating, draw in much larger imports, and culminate in recession. Even in the longer run, bringing down our deficit by export growth to the other members of the industrial establishment has its limits because it threatens their economies and a political as well as economic backlash. The only sustainable export market is among the developing countries. To increase sales to them quickly, we would have to import more industrial goods from them, pay higher prices for their raw materials, or forgive their debts. While we are doing some of all these things, it is by no means clear that we are ready to [do] so on the large scale required." [15]

The export increases that have occurred, however, have been accompanied by climbing imports. For the first four months of 1988, imports were running nearly 12 percent, or $15.7 billion, ahead of the same period last year. More to the point, they were more than $1.3 billion higher than the last four months in 1987. Subsequent data show some further declines in both exports and imports, but the change is at best glacial. Consumpton is not clearly declining, and until it does, the trade deficit will remain too high, and the increases in savings and investment necessary for our long-term competitiveness will have to be postponed.

It is a dirty little secret of the trade debate that those who pride themselves on being free traders do not like to mention that any effective solution requires reducing imports as well as increasing exports. To reduce the deficit only through the latter would require a more than $150 billion increase in our sales abroad—a level of domination of the global economy unprecedented in human history.

As Wojnilower also points out, however, the means of reducing imports are hardly fashionable:

"The three ways to reduce the deficit through lower *imports* are import substitution, reducing general demand, or protectionism. For the moment at least, import substitution—making things at home rather than importing them—has the same drawback as export increases, namely, heightening the inflationary pressure on domestic resources. Reducing demand is a euphemism for recession. With the United States accounting for 18% of the world's imports, recession here likely would mean recessions abroad and it is doubtful that anyone would come out ahead. One consequence would be certain: protectionism would mushroom everywhere. In fact protectionism is probably the only, though hardly a desirable, way to shrink the trade deficit in a hurry." [16]

This is not a choice members of Congress like to see. They will resist the obvious—some sort of across-the-board import surcharge or other restrictive device—and instead try to define the problem as that of "unfair" trade and fine tune our trade laws to deal with it. Of course, no analyst and no congressman has ever argued that opening closed markets abroad or stopping unfair trade practices will solve more than a fraction of the problem, but we politicians like to believe these problems can be "worked out" through negotiation. Obviously, they should be worked out for the reasons outlined by Clyde Prestowitz above, but we should not be under the illusion that doing so is by itself a sufficient answer to our economic problems.

Ultimately, meaningful progress will require both import-limiting action on our part and action to increase growth elsewhere in the world. Import-limiting action could be either general or targeted. In either case it will hit Japan the hardest. In the spring of 1985, I was among the first to propose an import surcharge on Japanese goods, a tariff increase that would both reduce imports and raise revenue. That idea has not found much favor, but it will return inevitably as the choices narrow.

One action that will probably not work is further reduction in the dollar's value. Although its 38 percent reduction from its 1985 peak (against a basket of currencies) has made a difference, it has not been nearly as great as textbooks would suggest, and there clearly is a limit to how much more juice can be squeezed out of that particular orange.

The reasons for this is simple. Foreign producers elected in many cases to reduce or even eliminate profits and kept prices low to retain market share. U.S. producers, who must have been reading different textbooks than the Japanese, often did the reverse, increasing prices to restore profits that had been missing in the early 1980s. At the same time, U.S. consumers have continued in their determination to buy foreign products regardless of price increases. In some situations, VCRs being the most conspicuous example, there is no significant U.S. producer, and yen appreciation goes straight into U.S. inflation. We have done well so far in reducing the dollar's value without stimulating inflation, but it does not appear that there is much more benefit to be gained from that strategy.

The other choice is increased economic growth elsewhere. Jim Baker, as Treasury Secretary, had pursued this policy with enthusiasm but with limited success. Japan responded, but not in a way that will produce rapid results here. Germany remains paralyzed by its fear of inflation—not entirely irrational in view of its history—and appears willing to live with less economic growth as a consequence. Many of the NICs are constrained by their debt burdens from making much of a contribution. That leaves Taiwan, South Korea and a few others—not enough to make a difference. It remains the right policy, but counting on others to solve our problems is at best naive and at worst foolish. In the end we will have to solve our own problems through our own actions.

Wojnilower's response to this dilemma is that "we must learn if not to love our deficit at least to become more relaxed about it," [17] a reflection of his pessimism about a near-term solution.

The right response is for the private sector to understand the profound challenge we face and for labor and management to work far more realistically and cooperatively. Nevertheless, our government must recognize the urgency of creating a climate for the success of these efforts. We must go directly to the core of the problem and start with a comprehensive blueprint to support and encourage the revitalization of our manufacturing base. Following are some necessary parts of such a blueprint.

Shift the tax system to favor savings and investment rather than consumption; provide tax incentives for research and development

The United States has consistently had the lowest savings rate in the developed world. This has both crippled our ability to make badly needed investments in research and development and infrastructure, but it has permitted the consumption binge that has created our trade and current account deficits.

Devise strategies to create targeted comparative advantage while facilitating adjustment

I first proposed a market facilitating adjustment strategy for industry five years ago. The best approach is not one that is government led or dictated, but one in which the government conditions its support on the industry—labor and management—cooperating to devise solutions to its problems. The government becomes a facilitator not a partner in the process.

Help develop a stronger export mentality among our manufacturers

It is axiomatic in any analysis of American economic history that Americans have ignored foreign markets in favor of the large domestic market. Even those who have sought to export have often not tackled the global market systematically and have gone to it only in times of surplus capacity, pulling back when domestic demand has in-

creased. This has prevented the development of a true export mentality in the United States, in sharp contrast to so many of our trading partners who rely on exporting as an integral part of their economies.

We need to encourage more thinking about exports. The Commerce Department has launched several such initiatives, most recently its Export Now program, and the Export Trading Company Act of 1982 was intended to do the same thing for smaller businesses. We need to pursue these and other initiatives aggressively to help our manufacturers fully undestand the extent to which they are now part of a global market.

Aggressively defined the market system against competitors' unfair trade practices

Stopping dumped and subsidized imports makes economic sense over the long term for both the United States and foreign economies. In the short term, aggressive enforcement limits inports not only in the directly affected sector but more broadly because of the message it sends our trading partners about our determination to support market principles.

Another unfair practice gaining in popularity is patent/trademark piracy. America's lead in innovation is already under siege for legitimate reasons. Theft of technology and outright copying of our products make the problem much worse. The recently passed trade bill will help crack down on this activity, but international negotiation on stronger protection for intellectual property will also be necessary.

Indeed, the entire Uruguay Round can play an important role in the reduction of our trade deficit, not just by opening others' closed doors, but by further tightening the rules on unfair practices, particularly in the area of agricultural subsidies.

Lower the cost of capital by reducing the budget deficit

This has been discussed above, but it is worth reiterating to stress its relevance as part of a comprehensive approach.

Upgrade the capability of the work force through education and retraining

The trade bill takes some important steps in this direction by significantly increasing our job retraining and trade adjustment assistance funds. The decline in unemployment over the past year makes it tempting to put retraining on the back burner. That would be a grave mistake. Changes in the structure of our economy and the nature of our manufacturing sector are coming ever faster. Making sure our work force is prepared to adapt to them is critical.

Better manage our current account deficit by reducing energy imports through conservation and substitution and increasing defense burden-sharing by our allies

Obviously, reducing the trade and budget deficits will also contribute to better current-account control, but reducing our energy and defense bills would be two important steps beyond that, steps that are also justifiable on their own merits.

Following this blueprint is essential for both revitalizing our manufacturing sector and bringing our overall trade problems under control. There is a very real possibility, however, that in some specific cases we may be too late. To the extent that whole industries have already been decimated, recovery may be impossible. For example, the ability of the Japanese to understand interrelated end-use markets in the electronics sector has enabled them to take a commanding world lead in video recorders, video cameras, lens manufacturing, small precision electronic motor design, automatic camera focusing systems, 35 millimeter cameras, television sets, audio recorders, compact disk playback systems, video disk playback systems and high speed digital fiber transmission equipment.[10] The next battleground will likely be high definition television, where our industry faces the same technological, organizational and marketing challenge.

Related to that is the continuing struggle of our high-tech sector to maintain a full range of production of components and finished products, including dynamic random access memory chips. Our ability to develop new generations of products depends on investment in research and development, which in turn depends on earnings from sales of current generation products. Companies that abandon a product line are not just giving up present earnings; they are forfeiting their future.

Our success is also dependent on our ability to rise to the challenge. So long as a Japanese company can take a product from idea to pilot production in three and a half years while an American company takes over five years with about twice as many engineering hours, and so long as a Japanese company can use the same flexible manufacturing system to produce fifty products that our companies employ to make only fifteen, we will not make up the ground we have lost.

Our failure thus far to meet this challenge has meant thousands of jobs and billions of dollars in earnings surrendered overseas. We cannot get them back. We can, however, prevent the same thing from happening again, if we have the discipline and vision to follow the kind of blueprint laid out above.

Finally, President Bush must at all costs avoid a relaxed approach that hopes for favorable trends in the monthly deficit figures, a favorite media exercise. This ignores the real issues, including the serious and continuing erosion of the manufacturing sector that has been the focus of much of this article. While productivity improvements are welcome developments, they cannot substitute for the jobs lost that will not be regained, the factories closed that will not be reopened and most importantly the industries that permanently stopped producing in the United States. These consequences can only be addressed by a sea of change in our thinking. Simply put, we have to understand the primary role that economics plays in our national strength; we have to define more clearly our economic interests, both short and long term; and we have to be prepared to act aggressively to further those interests, regardless of the complaints we might receive from our trading partners. The status quo works very well for them. Nobody should be surprised if they resist changing it.

But our obligation is to pursue policies that are in our interest, not theirs. We have not done that for some years, and it is long past time to make the switch. Nearly 150 years ago, Benjamin Disraeli said, "Free trade is not a principle. It is an expedient." Free trade served the British well, and it served us well, but over the years we have forgotten Disraeli's advice and turned it into the eleventh commandment. It is past time to put it back in its rightful place—a sound policy to be pursued when circumstances and interests dictate—which may not be right now.

FOOTNOTES

[1] Clyde Prestowitz, "Let's Wake Up on Trade," *Washington Post*, 12 June 1988, p. C4.

[2] John Heinz, "Additional Views," *Senate Finance Committee Report on the Omnibus Trade Act of 1987*, Senate Report 100-71, p. 269.

[3] The data in this section are taken from Office of Technology Assessment, "Paying the Bill: Manufacturing and America's Trade Deficit," draft report, June 1988.

[4] *Ibid*, chapter 4, p. 11.

[5] William R. Hawkins, letter to the editor, *The American Spectator*, October 1985.

[6] Stephen S. Cohen and John Zysman, "The Myth of a Post-Industrial Economy," *Technology Review*, February-March 1987, p. 58. (This article was adapted from Cohen and Zysman's book, *Manufacturing Matters: The Myth of a Post-Industrial Economy.*)

[7] General Accounting Office, "Information Relating to Industries Critical to the Defense Industrial Base," draft report, 7 March 1988.

[8] Cynthia F. Mitchell, "Pentagon Eases Stand Against Foreign Stakes in U.S. Defense Firms," *Wall Street Journal*, 28 April 1988, p. 1.

[9] James Clifton, "Why Should the United States Unilaterally Downsize its Basic Industries?", unpublished monograph.

[10] Office of Technology Assessment, "Paying the Bill: Manufacturing and America's Trade Deficit," draft report, June 1988.

[11] Cordell Hull, speech at the "Trade 1984" conference, U.S. State Department, Washington, DC, 25 October 1984.

[12] World Bank, *World Development Report 1987*, p. 142.

[13] Clyde Prestowitz, "Let's Wake Up on Trade," *Washington Post*, 12 June 1988, p. C4.

[14] John C. Danforth, speech at the National Press Club, Washington, D.C., April 1985. Reprinted in *Congressional Record*, 25 April 1985, p. 9428.

[15] Albert M. Wojnilower, "A Trade Deficit for All Seasons," remarks delivered to the Conference Board's 1988 Business Outlook Conference, New York, NY, 10 September 1987, p. 15.

[16] *Ibid.*, p. 15.

[17] *Ibid.*, p. 16.

[18] Richard Elkus, Jr., "Towards a National Strategy: The Strategy of Leverage," presentation at a conference on "Compete or Concede? CEOs Respond to the High-Tech Challenge," sponsored by Rebuild America, American Electronics Association, Congressional Clearninghouse on the Future, 13 July 1988.●

HONORING THE AMERICAN LITHUANIAN CITIZENS BENEFICIAL CLUB

● Mr. CHAFEE. Mr. President, in 1914, thousands of Lithuanians fled their Russian-occupied homeland for the sanctuary of the United States and founded the American Lithuanian Citizens Beneficial Club. Today, I join with all Rhode Islanders in congratulating this organization on 75 years of continuous service to the American Lithuanian community and to the State of Rhode Island.

For three-quarters of a century, the club has eased the transition process for Lithuanian settlers in Rhode Island. At its inception, it provided a forum for American Lithuanians to express freedom of religion and expression long suppressed under Russian rule. Later, the organization helped its members obtain American citizenship.

Sponsoring important educational, social, and philanthropic activities throughout the State, the American Lithuanian Citizens Beneficial Club is truly a valuable asset to Rhode Island. Specifically, it promotes Lithuanian culture, aids the sick and infirmed,

and instructs members in United States history.

As the club celebrates its Diamond Jubilee, we salute the continued commitment and service its members have contributed to the American Lithuanian community and the State. With great appreciation we wish them continued success in all their future endeavors.●

HONORING WILLIAM H. KELLEY UPON HIS RETIREMENT FROM NEW ENGLAND TELEPHONE CO.

● Mr. CHAFEE. Mr. President, I am pleased to pay tribute to William H. Kelley of Narragansett, RI, who will retire this month after 35 years of service to the New England Telephone Co. That longevity, in itself, is noteworthy, but Bill Kelley has become a fixture of Rhode Island's public life. A graduate of Providence College and an Army veteran, Bill Kelley began his work at the telephone company on August 25, 1954, and had a baptism by fire—Hurricane Carol lashed the Rhode Island coast the following day. Bill learned quickly the importance of a cool head during times of crisis.

Since those early days, Bill has distinguished himself both within his company and throughout the State of Rhode Island.

He is the past president of the Friendly Sons of St. Patrick, the Providence Rotary Club, and the Telephone Pioneers. He is a director of Blue Cross-Blue Shield, HMO-RI, and the Rhode Island Heart Fund, as well as a member of the executive committee of the Catholic Charity Fund.

Bill Kelley has represented his company well in his dealings with State government and as an ombudsman for customers, and he has exhibited extraordinary fortitude over the years in his appearance on local radio talk shows.

New England Telephone has recognized his value and as he retires, Bill does so with the title "Director of External Affairs."

By his side during all these years has been his wife Peg, a loving spouse and mother. They are the parents of three daughters, Mary, Margaret, and Maureen; indeed, Mary was a member of my Washington staff in the late 1970's. Bill and Peg are also the proud grandparents of four—Michael, Stephanie, Nicholas, and Joseph.

Bill Kelley is a good Rhode Islander, and we are pleased to call him friend.●

ROBYN E. HARBERT, BRIDGEPORT, WV

● Mr. ROCKEFELLER. Mr. President, it is with great pleasure and pride that I rise to share with my colleagues a very special honor that has been bestowed to a young, fellow West Virginian, Robyn E. Harbert of Bridgeport, WV. Robyn has been honored as a Presidential scholar in the arts in writing.

I place very high importance on encouraging our youth to do well in arts and humanities. Robyn has proven herself to be one of the very best in writing. Robyn is 1 of only 20 American students who have been recognized by the White House Commission on Presidential Scholars for outstanding academic and artistic pursuits. I am particularly proud that she has received this award as it is the highest official accolade achievable by a high school senior in the United States.

It pleases me very much to see a high school student work so hard in her area of interest and be rewarded for her accomplishments. Robyn is a real tribute to her school and all other American students her age. I wholeheartedly support the President in honoring Robyn E. Harbert and West Virginia is proud to count her as one of its citizens. I am sure that my colleagues and my fellow West Virginians join me in congratulating Robyn on this outstanding achievement.●

MICHIGAMME, MI, EMERGENCY CARE SERVICE

● Mr. LEVIN. Mr. President, few services in the communities of our Nation are as vital as emergency medical care. They are literally a lifesaving bridge and they shorten the distance between injury and recovery for thousands of Americans each day. One such emergency care unit is called the Michigamme-Spurr First Responder Team in Michigamme, MI. Recently the Michigamme Town Board recognized the work of this team with a resolution of appreciation. I ask that the resolution be printed in the RECORD and to it I add my own congratulations for a job well done.

The resolution follows:

RESOLUTION—FIRST RESPONDER TEAM

Whereas, the Michigamme-Spurr First Responder Team have served the area for ten years in providing emergency aid to any person in the service area; and

Whereas, these people made great personal sacrifice of their time to take the many hours of training to qualify to provide the emergency service; regardless of weather or time of day; and

Whereas, these dedicated persons have volunteered their time willingly to provide emergency medical aid to the sick and injured; and

Whereas, the First Responder Team is trained and equipped to treat and stabilize a patient until an ambulance service arrives for transport or the patient no longer desires help; and

Whereas, the 11 dedicated people on the First Responder Team; 2 licensed EMT's and 9 licensed attendants; who each carry a pager so they can be reached by Central Dispatch from the 911 number; and

Whereas, 5 faithful people of the team have served the communities for the 10 years; therefore, be it

Resolved, that the Michigamme Township Board recognizes and proclaims on this date June 26, 1989, the people who have displayed such dedication and commitment to their communities.

FIRST RESPONDER TEAM—10 YEAR'S SERVICE

Melvin Bentti, Charles Gardner, Jon Koski, Reino Linne, Karen Moore, Jane Boshears, Roxane Gardner, Linda Koski, John Leaf, Peggy Steele, Stanley Steele.

JEAN HOWE,
Clerk, Michigamme Township Board.●

STEVE LARSON

● Mr. DURENBERGER. Mr. President, I would like to bring to the attention of my colleagues an inspiring story of a constitutent of mine who has truly defied the odds. For so many of us, we take for granted every day tasks of being able to open a door, write a note, drive a car, or even the luxury of not being stared at as you walk down the street. But for Steve Larson who was born without arms these tasks are not automatic. His story is one of struggles as well as successes. His story is a reminder to us all that it is often those without a disability, those who do not understand firsthand the problems persons with disabilities face in our society, who have the most to overcome. Mr. President, I would like to submit for the RECORD an article entitled "Disability Is Society's Problem, Not Larson's," as printed in the Mankato Free Press on June 8, 1989. I believe you will find his story an inspiration to us all.

The article follows:

DISABILITY IS SOCIETY'S PROBLEM, NOT LARSON'S

(By Ross Gersten)

ST. PETER.—A warm June wind blows into Steve Larson's office at the Regional Treatment Center. Larson, a vocational rehabilitation counselor, gently rolls a pen on the floor with his bare feet and muses over the warning a doctor gave his mother while she was still pregnant:

"Your son is never going to lead a normal life."

In one respect, the doctor was right. Born without arms 30 years ago, Larson has traveled a rough road involving teen-age drug abuse to self-sufficiency and fatherhood.

The youngest of four brothers, Larson said his parents treated him no differently than his able-bodied siblings. As an infant he held his milk bottle with his feet, and as an older child was responsible for such household chores as shining his father's shoes.

In this environment, in the small central Minnesota town of Eagle Bend, "for the first several years, I had no insight that I was different," he said.

But at a town picnic when he was about 5 or 6, Larson was reaching for a pickle with his foot when he encountered the stares and frowns of disapproval that would forever mark his identity as a member of the world of the disabled.

"From then on, I developed the notion that I was different. Up until then, I always had a positive outlook. After that I was depressed, introverted."

Though he was mainstreamed easily into school—he had many friends and used a desk that was lowered nearly to ground level so he could write and turn pages with his feet—Larson maintained an attitude of helplessness, frequently using the word "cannot."

Finally, his father, partially disabled by a club foot, exploded.

"He slammed his fist down on the table and told me, 'I never want to hear you say that word again.' That left a big impression on me."

Afterward, Larson tried to envision difficult encounters as challenges, not problems.

When he was 10, his family moved to Brainerd. In gym class, he overcame his fear of water and became an expert swimmer. In school, he participated in such activities as theater.

Once again he was readily accepted by other children. As he discovered, "when a disabled person is comfortable with himself and articulate and can make the other individual less anxious, the chances are better for being accepted."

But entering adolescence, normally a difficult time, was especially excruciating for Larson.

Not only did he stand out for his lack of arms, he stuttered badly and, at 14, developed scoliosis, requiring him to wear a back brace until he was 17.

He became so self-conscious that going into a grocery store and reaching for an item with his foot could turn into a source of great embarrassment.

Also, around that time, he lost one of his greatest sources of encouragement, his father.

Larson turned to drugs. "I was stoned on marijuana every minute of class in the 10th grade," he said.

But he saw the route as a deadend; by the beginning of the next school year, Larson was off drugs. Over the next year, he became more independent, refusing any help in getting dressed.

He overcame the disabled's greatest barrier, transportation, by getting a 1976 Chevy Nova. Modified with controls on the floor, he was able to steer with his left foot and control the gas flow and brakes with his right.

"Getting that car was very significant; it had a lot to do with my self-esteem."

Graduating early, Larson attended a community college in Brainerd, then went to St. Olaf College in Northfield. He became a loner again, using scholarly pursuits as a convenient escape from fellow students, most of whom came from far wealthier families. He earned a bachelor's degree in psychology, again graduating early.

Enrolling at Mankato State University in 1981, he earned a master's degree in vocational rehabilitation counseling. His self-confidence again took an upswing, and he began to see the stares and frowns as the symptom of a larger problem.

"Our society is totally preoccupied with physical appearance," said Larson, who wears prosetheses mostly to make other people feel comfortable. "In Europe or Latin America, they see right through physical appearance. The attitudinal barriers are the most limiting and handicapping the disabled have to face.

"You have to have a great ego to overcome the looks and stares of disapproval from people who can't accept that [disability]."

Also, he said, the sight of disabled persons often reminds ablebodied people of their own mortality.

Shortly after getting his master's degree in June 1983, Larson got his first job, at Brown-Nicollet Industries Shelter Workshop in New Ulm, where he was a case workers with more than 670 mentally ill and mentally retarded clients.

Going to a New Ulm pizza parlor every Thursday evening, Larson came face to face with one of his most persistent fears; women.

In fall 1983, he began a friendly, flirtatious relationship with the night manager. Throughout his weekly visits, he got the feeling she wanted him to ask her out. But there was a problem—he had never dated.

"I had to overcome the fear that as a disabled person, what do I have to offer a person of the opposite sex," Larson said.

After eight monghs of hearing about this woman, a friend told Larson to put up or shut up. Larson gave himself a deadline to get up the courage to ask her out, and traded in his beat-up Chevy for a brand-new Ford Bronco to impress her.

In August 1984, on the last day of his deadline, "I finally forced myself to ask her." She said yes and they went to the movies. On the second anniversary of their first date, they were married.

"The final segment of my identity was secured. I could help other disabled people, I could take society's ignorance, I could take love and be loved."

But, internally, Larson was still fighting.

"Throughout my life, I've had extreme anger at society, at the world, at God—for the obstacles, the fears, the shame, the guilt. It's been a long process to do away with the anger."

As he was reaching outward for love, he was reaching inward for peace. He became a devout Christian, finally accepting his place in the world when he read the biblical phrase "so the glory of God can be seen."

"It was the first line in the Bible I read that explained all that, that good things can come from the bad," he said.

In April 1985, Larson started as a vocational rehabilitation counselor at the state hospital, the final lap to self-fulfillment.

"I always wanted to be a vocational counselor. . . . I've got a job where I can enjoy freedom and exercise my creativity."

Working with about 100 clients, mostly through Nicollet County, Larson also lends his services to Immanuel-St. Joseph's Hospital and Nicollet and St. Peter high schools, working with learning-disabled and emotionally troubled students.

On Jan. 18, his wife, Julie Jo, gave birth to Alexander Dane Larson, and Steve Larson entered the world of parenting.

"The evolution of my self-concept has been lifelong; it was really significant to know I could procreate."

When an ultrasound showed a tiny hand playing with the umbilical cord, "I realized I could be a part of creation without birth defects," he said.

With the same determination he uses to drive, type, bowl, throw a Frisbee, mow his lawn and garden, Larson uses his feet to clothe, feed and change his baby's diapers. While carrying him is impossible, Larson interacts with his infant son on familiar turf.

"My world is on the floor, that's where my desk is . . . and Alex is accustomed to being on the floor."

As president of Southern Minnesota Independent Living Enterprises and Services (SMILES), Larson gives his voice to a struggle he entered 30 years.

"Disabled persons have a right to access to equal opportunity and a right to be treated with dignity," he said.

"Life is a wonderful experience. I wouldn't trade this for a non-disabled life from birth because I've found such beauty and joy through all this grief."●

COSPONSORSHIP OF SENATE JOINT RESOLUTION 78, NATIONAL HOSPICE MONTH

● Mr. D'AMATO. Mr. President, I rise today in support of Senate Joint Resolution 78, a joint resolution designating November 1989 as National Hospice Month. This resolution will recognize our Nation's hospices and hospice volunteers for the quality care they provide to terminally ill individuals and their families.

Hospice was initiated in 1974 as an alternative to traditional methods of terminal care. Based on similar successful programs in England, the first hospice programs in America focused on providing palliative and supportive services in-home and in-patient setting. Today's hospices typcially employ a team approach, involving families, religious and community groups, and medical professionals in meeting the human and medical needs of terminally ill persons.

Since 1974, more than 1,700 hospice programs have been developed, with more programs formed every week. This, and the fact that one in four hospice programs are currently eligible for Medicare reimbursement, demonstrates the increasing public acceptance of the hospice concept. Just last year on April 2, 1988, Fulton County admitted its first patient. The agency served a total of 37 patients in its inaugural year, proving there is a vital need for hospice care for the terminally ill and their families.

The increased access to hospice care will be especially important in view of the aging of our population and the need to fully address the health care needs of persons with AIDS. I hope that this resolution will assist hospice programs in recruiting the additional volunteers needed to carry on with this important work.

Mr. President, it must be emphasized that hospice exists to provide as much comfort as possible to the terminally ill as well as provide support to the families. I applaud the goals of hospice, and I am pleased to cosponsor Senate Joint Resolution 78. I encourage my colleagues to join me in supporting this legislation, and I urge its immediate passage.●

CHEBOYGAN, MI, CELEBRATES 100TH ANNIVERSARY

● Mr. LEVIN. Mr. President, this Sunday, July 16, the city of Cheboygan, MI, will celebrate its 100th anni-

versary with a grand community festival at Gordon Turner Park.

In the State of Michigan, you can stand anywhere and never be more than 5 miles from a lake or stream or more than 85 miles from one of the Great Lakes. No better illustration of the natural wealth of our State exists than Cheboygan, a city with a heritage inseparable from the rivers and lakes. Indeed, the name "Cheboygan" is an Indian name meaning "a water passage."

From its early days in the first half of the 19th century as a home for Ottawa and Chippewa Indians, through its incorporation as a city in 1889, to today, Cheboygan has stood the difficult tests of time to emerge as a hub of regional activity.

Visitors to this region bordered by the Straits of Mackinac have made Cheboygan a destination for tourism, including a burgeoning sport-fishing industry. Community leaders have matched the natural beauty of the area with plans for controlled growth that enhances opportunity for residents and protects environmental resources for us all.

Congratulations to the citizens of Cheboygan on the city's first 100 years and best wishes on the century of progress to come.●

THE BLUE KNIGHTS DRUM AND BUGLE CORPS OF COLORADO

● Mr. ARMSTRONG. Mr. President, today, I would like to recognize an outstanding youth organization in Colorado. The Blue Knights Drum and Bugle Corps of Colorado is a nonprofit organization that has been instrumental to the education and maturity of young people. Members of the Blue Knights range from 14 to 21 years of age and are brought together because of their love of music. In a typical summer, the Blue Knights travel over 10,000 miles coast to coast throughout the United States and Canada. During these travels, the corps performs in over 30 contests, parades, and other events.

For the past 3 decades, the drum and bugle corps has provided hundreds of young people with an education of a lifetime. Prospective members are evaluated on their desire to achieve more than their individual talent or basic skills. Through a commitment to the Blue Knights, young adults learn new responsibilities while enhancing self-esteem.

Youth are learning the gratification of participating in a group that is based on common goals and interests. The self-discipline of being a Knight teaches individuality while providing an opportunity to participate in an outstanding musical organization. It has been said that the strength of our country is with our youth, and the Blue Knights exemplify that statement.

The Blue Knights are a flagship for success. This highly competitive musical group is on the threshold of being a premier organization in the world. For the members of the Blue Knights, the dream is becoming a reality. Colorado is proud to have such an excellent group representing our great State.●

NATIONAL SIBLINGS OF DISABLED PERSONS DAY

● Mr. D'AMATO. Mr. President, I rise today to introduce a resolution to designate Friday, September 29, 1989, as National Siblings of Disabled Persons Day.

Inspired by the tremendous love, courage, and devotion generated by the brothers and sisters of our country's 37 million disabled citizens, this resolution will set aside 1 day in the year 1989 to honor all who partake in this special relationship. The members of this group who will be honored have dedicated time and effort to aid their siblings. Their support helps to lower the barriers which their siblings' handicaps present, allowing them to progress and achieve their full potential.

A group of siblings who are particularly active is Siblings For Significant Change, a New York-based advocacy group. This organization eases the strain of helping the handicapped by providing legal and counseling services to caregivers. The organization publishes a newsletter, provides informational media programs, and conducts workshops and conferences for siblings of the disabled. By establishing a network of caring and support, the group provides an invaluable source of strength and renewal for those helping the handicapped. Siblings For Significant Change is an excellent example of what private citizens can do to improve society and shines as one of the thousands points of light which brighten the lives of others.

Mr. President, in recognition of the outstanding efforts of those who help disabled brothers and sisters lead happier and more fulfilling lives, this resolution proposes designating Friday, September 29, 1989, as National Siblings of Disabled Persons Day. A dedicated and unselfish sibling is one of life's greatest treasures, deserving our respect and gratitude. By honoring them, we underscore their importance to the American family.●

CHARLES S. RIVCHUN, CLEVELAND, OH

Mr. METZENBAUM. Mr. President, I rise today to mark the passing of a milestone. Yesterday, July 10, 1989, Charles S. Rivchun of Cleveland, OH, celebrated his 100th birthday. I ask my colleagues to take a moment today to honor him.

To say that Charles Rivchun is an experienced businessman would be one of the great understatements of all time. He has been in the jewelry business for longer than most people live. He began his career at the ripe old age of 14 years, and continues to this day to be an active participant in the daily operation of the family business.

The community that he serves and the customers that he has satisfied over the years know him as a man of integrity and fairness. He has a reputation as a consummate professional and a considerate person. It is a reputation well earned through decades of service to the public.

But I have the great good fortune of knowing Charles Rivchun a little better than most people, and I would like to share some personal observations of the man. He has a strong sense of family. He has been a loving husband, father, father-in-law, grandfather and great-grandfather. His three sons and their wives, and their children and grandchildren have been blessed with a close and warm family relationship.

It should also be recognized that this highly skilled tradesman, this astute and shrewd businessman, continues to have a definite passionate spot in his heart for the newly engaged couples he meets. I know that his kindness to those couples is long remembered as a cherished moment in their lives, as it was for my Shirley and me.

Mr. President, I know all my colleagues join me in honoring Charles Rivchun, a man dedicated to his family, his business, and his community. We wish him continued health, happiness, and prosperity for years to come.●

MORE VIGILANCE NEEDED IN WESTERN ALLIANCE FINANCIAL SECURITY

● Mr. SYMMS. Mr. President, I am going to offer an amendment to the State Department authorization bill that in substance is the same as Senate Resolution 132, adopted by the Senate on May 18, 1989, unanimously expressing concern with recent Soviet economic initiatives, particularly their push to raise funds in Western capital markets. The resolution that we adopted called on the President of the United States to consult with leaders of our allies about the potentially adverse impact on Western security from Soviet financial activities.

Mr. President, I ask that the text of the amendment be printed in the RECORD following my remarks.

It is important that the Senate once more advise the President and the Secretary of State that we have serious concern about what is happening with the Soviet penetration of Western capital markets.

Tomorrow night on the Public Broadcasting System there will be an hour-long documentary program that I would urge my colleagues to watch: The producers of the weekly public affairs discussion program, "American Interests," have produced a special report entitled "Follow the Money," which presents facts and figures about this growing danger of Soviet penetration of Western capital markets to finance their bankrupt economic system.

The amendment I am offering today is an attempt to get the administration to address this fundamental question in East-West relations, that is, how is the Soviet Union financing itself? We are all very well aware the Soviet Union is facing very serious economic problems. The Soviet Prime Minister himself openly admitted to the Congress of People's Deputies the Soviet economy is in trouble. Yet, despite their economic problems the Soviet Union continues to be able to spend between 17 to 25 percent of its GNP on its military. During the mid-1980's the Soviet Union spent some $27 billion in aid, credits, and subsidies on its allies.

It is my contention, shared by many of our colleagues here, that part of the answer to that question lies in the Western banking system. Recently the Soviets have been extremely active in raising money in Western capital markets and it is highly likely that some of that money is being used to finance activities that are hostile to Western interests. This is possible because there are few controls on the funds going to the Soviet Union, which makes it possible for them to divert it to other, noncommercial purposes.

This being the case, the American taxpayer is faced with a twofold cost. First, American banks, and ultimately the American taxpayer, are helping to finance our adversaries. Second, it increases the cost to us to maintain our vigilance and defense against threats to our interests.

Mr. President, I am offering this amendment requesting the President to immediately begin consultations with our allies at the forthcoming economic summit in Paris because I strongly believe that we can no longer afford to ignore this very important aspect of relations with the Soviet bloc.

I must say, in all candor, that there is no evidence the administration responded in any way to the sense-of-the-Senate resolution (S. Res. 132) which we adopted on May 18, 1989, requesting the President to raise this issue at the NATO meetings in Brussels, May 29-30. It is very disappointing to this Senator to see the Senate's advisory role taken so lightly by the President of the United States and the Secretary of State.

But frankly, Mr. President, this Senator is not eager to press forward with substantive legislation to impose penalties or to impose administrative controls because American banks and other financial institutions are not the ones primarily encouraging the problem I want to see addressed. The danger is one that arises because of the lending activities of European and Japanese banks and the attitudes of their governments that pumping hard currency into the Soviet economy is good business. I want the President to take the lead—as we are the leader of the Western alliance—to focus our Allies' attention on this problem.

We must be very careful about what money flows from West to East and what it is ultimately used for. What is needed is more discipline and control in our financial dealings with the Soviet bloc. This is essential for the sake of peace and security of the United States and of the free world.

The text of the amendment to be proposed follows:

At the end of the bill, add the following:

TITLE —

It is the sense of the Senate that during the Economic Summit meetings in Paris, July 14-16, 1989, the President of the United States should consult with the leaders of allied countries on the potentially adverse impact on Western security of tied and untied loans, trade credits, direct investments, joint ventures, lines of credit, and guarantees or other subsidies to the Soviet Union, Warsaw Pact countries, Cuba, Vietnam, Libya, and Nicaragua.●

DEDICATION OF THE STROM THURMOND INSTITUTE AT CLEMSON UNIVERSITY

● Mr. HOLLINGS. Mr. President, on April 22, I had the pleasure of joining Vice President QUAYLE and other distinguished guests at the formal dedication of the Strom Thurmond Institute of Government and Public Affairs at Clemson University. Of course, here in the U.S. Senate, STROM THURMOND is a kind of institution within an institution. Yet the fact is that his career and influence transcend the confines of this body. By any measure, STROM ranks as an authentic legend of 20th-century American politics. He has attained that status not just on the strength of the causes he has championed, but equally on the strength of his character: the extraordinary courage and tenacity and vigor that are his trademarks in politics.

In 1981, Senator THURMOND announced that his public papers and memorabilia would be entrusted to Clemson University, his alma mater. That gift became the cornerstone of the Strom Thurmond Center for Excellence in Government and Public Service, which has now sprouted a magnificent new building on the Clemson campus housing the Thurmond Institute. The institute is a nonpartisan organization dedicated both to academic research and to programs aimed at stimulating citizen participation in government. I am sure I speak for the entire Senate in congratulating Clemson University on the dedication of the Thurmond Institute, and in wishing the institute the best of luck. Certainly it will have its work cut out for it living up to the standard of excellence and public service of its namesake, our very distinguished colleague, STROM THURMOND.

Mr. President, I have a transcript of excerpts from remarks delivered by Vice President QUAYLE and others at the April 22 dedication ceremony. I request that these excerpts be printed in the RECORD.

The excerpts follow:

STROM THURMOND INSTITUTE DEDICATION, APRIL 22, 1989, CLEMSON, SC, EXCERPTS FROM REMARKS

Venerable FREDRICK C. BYRD, Archdeacon of the Episcopal Diocese of upper South Carolina. Let us pray.

Father God, we thank You for Your presence this day, as we set apart this Institute for sound learning, for new discoveries, and for the pursuit of wisdom. Grant that those who teach and those who learn may find You to be the source of all truth and beauty. Father, You gave the gift of vision to those who planned this enterprise. We thank You. You gave the gift of insight to the donors who have made it possible. We thank You. You have given the gift of public service and statesmanship to Strom, who has touched so many of our lives. We thank You. Direct and bless, O Lord, those who will speak, and learn, and search in this place. And help us in word and deed to promote the well being of all of our people and to preserve that which is true, and pure, and good. In the Holy Name of Christ, we pray. Amen.

Mr. BUCK MICKEL [moderator]. It has truly been the most personally enriching experience of my life to be associated with the Strom Thurmond Institute, and it is a part of my life that I will cherish forever.

I would like to publicly thank Senator and Mrs. Thurmond for their tireless dedication to this most important project. As I have contacted people from across the State regarding the Strom Thurmond Institute, I have been amazed at the responses which I have received. Senator Thurmond has done so much for the State of South Carolina. He has touched so many lives, and the people of our State have such respect and admiration for him. It has been my honor to know and work with Senator Thurmond and to be a part of this dedication of the Strom Thurmond Institute.

Dr. MAX LENNON, President, Clemson University. Welcome, ladies and gentlemen. We are here tonight to honor a very special person, a very special family.

For me it is an inspiration as I admire Senator Strom Thurmond as a person, as a diplomat, as a political leader in South Carolina, and as one of the most highly respected men in Washington, D.C. I do not know that I have ever met a person like him, because as you know, as you get busier and busier with all the assignments that are attributed to you, you have less and less time for other people. But Senator Thurmond anytime anyone asks, stops and listens in a most unique way. He is one of our

most distinguished graduates, so as President of Clemson University, it is spine tingling to be a part of an occasion such as this when we gather to begin to celebrate such a person.

We assemble ourselves with a group of admirers and supporters, Senator, in such a way that not only a building, but a program is being put in place that will live forever. It will be a constant reminder to people for many, many generations of what can be done in this great Country.

Representative BUTLER DERRICK. Mr. Vice President, it's nice to have you in South Carolina, Prime Minister Charles, Senator Thurmond, Senator Hollings, Governor Campbell and President Lennon. In 200 years, about 11,200 men and women have served in the United States Senate and House. History will recognize only a handful of these Legislators who are making lasting contributions to their states, their nation and their time. I am proud to be able to tell you that we have someone here today who will be remembered by historians as both a leader and statesman of his time, Senator Strom Thurmond. His commitment to our State and our Nation has spanned more than 66 years. First as a teacher in Edgefield County, where we are both from, and other positions and now as a United States Senator. It is my privilege to serve with him in the Congress of the United States.

Senator HOLLINGS. Today we honor the revolutionary. In 1941, immune from military service as a result of his post as Circuit Judge in South Carolina, Strom revolted against that immunity, volunteered, landed on D-Day in Normandy, won a Purple Heart and was decorated 18 times by three countries. In 1947 as a young Governor, he revolted against community opinion and pressured the prosecution of 31 white men for the lynching of Willie Earl, a black man. South Carolina has not had a lynching since. In 1948, Strom said originally there was not a dime's worth of difference between the two parties, and he organized a third one, ran as its presidential nominee and won more electoral votes than George McGovern and Fritz Mondale put together. In 1954, he revolted against the selection of a Senate nominee by the South Carolina Democratic Executive Committee and ran and was elected as the first and only write-in United States Senator in history.

I could go on, but we have a distinguished main speaker here, the Vice President, today. My point is that whenever the crisis arose, Strom met it without a political poll, with conviction and courage, as a leader, and he was right. Absolutely fearless, he would debate you around the clock, and he would wrestle you to the floor. Absolutely tireless, he is in constant motion for the people of South Carolina.

People who say they do not trust politicians anymore may be waiting for politicians to behave as though they trust the people. Strom Thurmond trusts the people. He is the epitome of public service, a constant inspiration to me. It is entirely appropriate that this Institute be named for Strom Thurmond. You know, habitually, a university to honor a person, would name a building or institute after them, but today this is the reverse. Clemson University is honored by its association with South Carolina's greatest statesman, Strom Thurmond.

Prime Minister EUGENIA CHARLES. It is not often that politicians are recognized while they are still alive and still serving. You are fortunate, Senator Thurmond, that the years you have served have allowed you the opportunity of seeing your public service appreciated. Perhaps the most striking memory for me of this occasion is the unassuming manner, the laid back attitude, with which you have accepted the recognition given to you by this inauguration and the naming of the Institute for you.

Listening and observing you this weekend would lead one to believe you are saying, "That is all well and good. Thanks to all of you who have made this Institute a reality. But let us get on with what really matters—ensuring that this Institute performs the task we have envisioned for it—that it be influential in making America a better place for all who live in it." I can understand your motives, though I still marvel at the attitude that you have shown.

On behalf of my country, I pledge our fullest cooperation with the Institute so that we together can build a better world.

Gov. CARROLL A. CAMPBELL Jr. The legacy of service to the people of South Carolina that was established a century ago by Thomas Green Clemson is personified in the man Strom Thurmond, a 1923 graduate of this University.

Those of you who might know me have probably heard me say that I probably would not be Governor if it were not for Senator Thurmond, and the direction which he has provided me throughout my political career. I am one of the few people in politics today who has never worked for him, but I have learned a lot from him.

Over the years I have learned many lessons from Senator Thurmond—not the least of which is to never forget where you come from. This is the epitome of the leadership that Strom Thurmond has provided throughout his career. There is not a person in South Carolina who has not been touched by the work of Strom Thurmond. Whether it happens to be the roads of South Carolina, the schools of South Carolina, the jobs that are created in this State, Strom Thurmond has had a hand in it. All of us have benefited from his commitment to our State.

Today we dedicate the Strom Thurmond Institute to the future leaders of this State. In addition to providing a forum for the exchange of ideas and the development of new ideas, 36 tons of Senator Thurmond's papers and materials will be archived here as a part of South Carolina's history. He just sent half of it, I think. As you know, Senator Thurmond is a frugal man. Frugal with our tax dollars as he is with his own dollars. He has never been known to throw anything away which might serve a useful purpose in the future, whether a scrap of paper or a paper clip.

Senator Thurmond, for all the opportunities that you provided the people, and for all of the lives that you have touched through your generosity and compassion, we thank you.

Vice President QUAYLE. When I was talking to President Bush yesterday and we were going over our weekend plans, I told him that I would be coming here. He has fond memories of when he was here, Strom, as the Vice President at the groundbreaking ceremony. Now, I am here as Vice President at the dedication, and I cannot wait for what the next Vice President will be doing down at the Strom Thurmond Institute. I am not only personally delighted and honored to be here, but to share the President's comments to me, to you and to Nancy and your family, the friends of Clemson and the friends of yours who are gathered here in South Carolina. President George Bush said of Strom Thurmond to me, "Strom Thurmond is, in fact, one of the outstanding public servants in our American history."

That you truly are, Strom. As I have moved on to the Office of Vice President, some might not say up but on, Fritz and Strom would appreciate this, a friend of mine in Washington the other day introduced me as a former Senator, somebody who used to have an important position in Washington, D.C.

I can recall with fond memory, many times in the United States Senate, walking in and there being a Thurmond amendment or a Thurmond bill on the floor. You would walk down the aisle to find out exactly what it is, and Strom would be there to coach you. Fritz knows what I am talking about, too. The coaching of Strom Thurmond is a very firm grasp of his hand around your bicep, saying very gently in that southern language that he speaks so well, "I need your vote." If there was any procrastination, the tighter the grip got; And I learned very quickly, Fritz, I don't know about you, I said yes early on. Because Strom Thurmond is tenacious. If you don't believe me, you can see the imprint that is still with me from Strom Thurmond for my years of service with him in the United States Senate.

Not only was he willing to gently and politely take on his colleagues in the Senate, I will always remember the diplomacy and the artful skill of your senior Senator from South Carolina in a meeting with President Ronald Reagan one day talking about his favorite issue—textiles. There was a group of about 10 or 15 of us. We were all sitting there and the President was standing, and all of a sudden Strom Thurmond rose, and we knew what was on his mind. We knew that here was the President of the United States and Senator Strom Thurmond. We were wondering who was going to win this one. Strom, in his very best, says, "Mr. President," and you know what a supporter Strom was of Ronald Reagan, "you know I love you, and I respect you and I always vote with you. But on this issue, Mr. President, you're getting bad advice from your advisers." Then he commenced to chew out the advisers right in front of the President of the United States. That is your Senator!

I certainly believe that in participating in this dedication ceremony here today, all of us are helping to launch a unique educational institution. A home not only for books and scholars and archives, but for ideas. Ideas that will shape the future of our nation. Indeed I would go so far as to say that nothing is more decisive for the health and well being of a country than the ideas its people have about the fundamental issues of public policy.

Fortunately we live at a time in history when the idea of freedom—free elections, free markets, freedom of choice—has captured the imagination of the world. Once it was competently asserted that socialism was the wave of the future. Today even the socialist countries know better. Today it is clear that freedom works, the market works, not just here in America, but nations everywhere in the world.

The question facing us today is this; How do we transform the promise of freedom into a better life for all Americans and for all of mankind? How do we design public policies that promote growth, that foster opportunity and that strengthen the peace? These are the issues that Strom Thurmond has been concerned with throughout his long and distinguished public career—issues

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

that the occupants of this building will be pondering in the years to come.

Of course, you and I all know that there are no final answers. Every discovery opens up new avenues of inquiry. Every policy idea poses new issues, new complexities and all sorts of unexpected twists and turns; and though the journey is an endless one, it is very much worth making. For in the very process of making it, we find that we, too, are somewhat transformed. We grow rich with experience, ripe with wisdom and razor-sharp with knowledge. In short, we become a little bit like the man who we are honoring today, Strom Thurmond.

So, Strom, I congratulate you on this remarkable building that bears your name, your heritage, things that you stand for. I can only hope that along with your papers and your memorabilia, a bit of your spirit has entered into these walls to inspire and instruct the men and women who will follow in your footsteps. Strom Thurmond, you as an individual, are an institution. You are the one that has advanced the power of ideas. You have put ideas on the table, you have waged the philosophical and ideological battles throughout your public service. And so today we are here to dedicate the Strom Thurmond Institute in your name, for your heritage and for what you have done not just for South Carolina, but for a nation and for our world. Thank you, congratulations on a job well done, and God Bless you and your family.

Mrs. NANCY MOORE THURMOND. Vice President Quayle, Dr. Lennon, Dr. Fleming, family and friends. It is a great pleasure for me to respond on behalf of our family at the dedication of the Strom Thurmond Institute. As I sat here listening to these distinguished and illustrious speakers, I thought back to the time that our youngest child, our son Paul, was talking to his young friend, Brandon Fitch of Aiken. Brandon asked Paul why we live in South Carolina and his Dad worked in Washington. Paul scratched his head and said, "That is simple. Dad could not get a job in South Carolina."

Strom mentioned that he was graduated from Clemson 66 years ago this spring. Now, I well remember the good old Tiger days myself when shortly before we were married, Coach Frank Howard pinned a corsage on my lapel and said, "Nancy, honey, have you heard the news? The Atlanta Constitution just ran an article announcing the birth of Strom's third wife." Yes, the future is bright, both for the Institute and for Strom Thurmond.

Over the years, Strom has been so very interested in Clemson University. He once even tried to give our children to the Institute along with all his papers and memorabilia. On behalf of our entire family, from our senior, most admired and loved member, Gertrude Thurmond, who could not be here today, to our littlest angels, Ashlie Cook, Brian Young and John Andrew Bishop, we say thank you for honoring Strom in such a meaningful and lasting way.

To Dan Quayle, our dynamic Vice President, we express our deepest gratitude for your presence here today. Dan, you have truly put the mission of the Strom Thurmond Institute on the map.

To our elected leaders, our distinguished Governor, Carroll Campbell; my Senator, Fritz Hollings, and Peatsy; my Congressman, Butler Derrick, and Beverly; God's miracle Congressman Floyd Spence, and all of our other elected officials, for your participation here today, we say from the heart, thank you.

And last, to you, Strom. You are incredible. You are one in a million. When you were born, God did away with the mold. Strom, you have made us very proud. We appreciate you for your compassion and selfless desire to help your fellow man. We respect you for your integrity and sterling character. We admire you for your energy, stamina and vitality. And we love you because we just cannot help it. Strom, your mother and your father must be smiling proudly down on this day on their son, J. Strom. Now that you have had your day in the sun, knowing you Strom, as I do, you will not rest on your laurels, but will work even harder to do your very best as you serve the people of our state and nation. When the Great Scorer comes to mark against your name, He will surely say, "Well done my good and faithful servant."

We thank all of you who, by your presence here, have demonstrated that through education and the pursuit of excellence, we can climb to the top of the mountain and meet the challenges of tomorrow. An old Chinese proverb summarizes what I envision for the Strom Thurmond Institute and the role it will play for generations to come. The Chinese proverb goes like this: I hear and I forget. I see and I remember. I do and I understand.

God Bless you, Strom and God Bless all of you. Thank you.

Dr. Horace Fleming, Director, Strom Thurmond Institute

To Senator Thurmond. It is very difficult to say thanks to Senator Thurmond. You try many different ways, and there is just no way adequately to do it. But he is a unique individual. I have a favorite saying and it is as follows. So many of you can identify with this. It is attributed to many different persons, but I attribute it originally to Sir Isaac Newton. It goes like this, "If I have seen further, it is by standing upon the shoulders of Giants." Senator, we thank you for allowing so many of us to stand upon your shoulders. We have seen more and we have been further than we ever could have hoped without that. God Bless you Senator and Mrs. Thurmond. God Bless each of you here.●

THE FEDERAL EARNED INCOME TAX CREDIT [EITC] IS A REALISTIC TAX RELIEF PROGRAM THAT IS NEEDED TO HELP THE POOR

● Mr. BOSCHWITZ. Mr. President, today I wish to share with my colleagues a column written by Robert J. Samuelson which recently appeared in the Washington Post. Mr. Samuelson endorses the earned income tax credit program [EITC] as the preferred means of aiding low-income workers with one or more dependent children.

Mr. Samuelson states correctly that the poor must pull themselves out of poverty by joining the work force. I agree that the Government can best assist the poor by helping them help themselves. That's why I have introduced legislation to expand the existing program.

The column goes on to express dissatisfaction with proposals simply to increase the minimum wage because neither the poor nor family heads typically work for minimum wages. Usually teenagers fill this role. Ultimately, the minimum wage bill as it stands would not help the people it was created for.

Mr. President, we need to take constructive steps to help the poor people of America. The EITC is not a Government handout. It merely reduces the tax burden of the working poor. I encourage my fellow Senators to consider Mr. Samuelson's column carefully, and to join me in support of legislation to help the poor by expanding the EITC.

Mr. President, I ask that Mr. Samuelson's column be printed in full in the RECORD.

The article is as follows:

HELP THE WORKING POOR

(By Robert J. Samuelson)

If we have learned anything about curing poverty, it is that the most important kind of help is self-help. Government programs don't pull people out of poverty; people pull themselves out of poverty. That's why the problem of the "underclass" is so stubborn. People in the underclass aren't just poor. They're so unemployable, hopeless or welfare-dependent that they've lost the ability or the will to overcome their poverty.

By that point, the chances of government even helping are slim. What government can best do—but isn't—is to help those who help themselves. It can provide tax relief for the working poor. This is the most straightforward way of aiding many poor parents and their children. The poorest workers deserve to keep all their wages. Taxes simply push them closer to welfare, where their prospects diminish and they become a burden on society. Tax relief is common sense and fortunately there's a mechanism to provide it: the federal earned income tax credit (EITC).

The credit is refundable, which means that the poorest workers get money from the government. The credit is now 14 percent for workers with children (others aren't eligible) on earnings up to $6,500. The maximum credit of $910 applies until earnings reach $10,240 and then is phased out. This maximum credit should be raised to somewhere between $2,500 and $3,000, with a larger credit for larger families. The credit should also be phased out more gradually, so that working parents with incomes up to about $20,000 would have their federal taxes cut significantly.

What's interesting is that liberal and conservative poverty specialists have reached a striking consensus that expanding the EITC is desirable. "It rewards people for taking responsibility for their own lives," says Robert Rector of the conservative Heritage Foundation. And, writes liberal economist David Ellwood of Harvard in his book, "Poor Support" (Basic Books, 1988): "People are helped without any need of a stigmatizing, invasive, and often degrading welfare system. . . ."

So what are Congress and the president doing? Almost nothing. They want to be seen as helping poor families—without finding the money. It's cynical political theater.

There are some worthy proposals. Reps. Thomas Petri, Republican of Wisconsin, and Thomas Downey, Democrat of New York, have offered plans to increase the EITC. President Bush's child-care program involves a new tax credit for working parents of children under the age of 4. But these

modest proposals aren't going anywhere, and the Bush plan aims mainly to prevent Democrats from stealing the child-care issue. Most Democrats pretend they're helping the working poor by favoring direct child-care subsidies and a higher minimum wage. These measures would aid the poor in haphazard and ineffective ways.

Consider first the minimum wage. The House and Senate have passed legislation raising it to $4.55 an hour by late 1991, up from the current $3.35. Bush, who has supported an increase only to $4.25, is expected to veto the congressional measure. He should. Congress is raising the minimum for only two reasons. First, it's something for nothing; it seems to provide a benefit without requiring Congress to vote for higher spending. And second, more than 70 percent of the public supports a higher minimum.

But this enthusiasm reflects bad information. Minimum-wage workers are not primarily from poor families. Nor are they family heads. Mostly, they are teen-agers and young adults (nearly 60 percent are under 25) or second earners. In 1988, less than one in seven was a family head. The main effects of raising the minimum would be to increase inflation and unemployment slightly. Businesses would react by either boosting prices or providing fewer job opportunities for the least-skilled workers.

Day-care subsidies are an even more dubious exercise. Under legislation approved by the Senate Labor and Human Resources Committee, families could receive subsidies if they place children in paid day-care arrangements. Families with up to a state's median income (almost $33,000 nationally) would be eligible. Government should help needy families, regardless of how they raise their children. It shouldn't subsidize one style of child rearing over another. This bill would do precisely that.

If mom and dad juggle work schedules so one parent is always home, they wouldn't get a subsidy. If grandma takes care of the child free, there would be no subsidy. Even a single mother who uses a day-care center might miss the subsidy because the eligible population dwarfs the likely funding. Perhaps 1 million children out of an eligible population of 18 million could be subsidized with the authorized $2.5 billion. The legislation's popularity is based on its "appearance of generosity" and "false hopes" as Sen. Nancy Kassebaum, Republican of Kansas, notes. It's political grandstanding. The point is to deceive.

Providing extra cash to a whole class of working parents is more honest and effective. Everyone who is eligible gets a benefit. It lets parents decide what their most pressing needs are. It minimizes bureaucratic overhead costs. Because some families receive money from the government, it's easy to see the EITC as a handout. That's wrong. For the poorest workers, even an expanded EITC would only crudely offset all their nonincome taxes: Social Security, excise and state and local sales taxes. For better-paid workers, it would merely reduce their total tax burden.

In an era of big budget deficits, government need not be paralyzed. Good programs can be financed by ending less worthy spending programs or tax breaks. The expanded EITC outlined here would probably cost about $10 billion. There are ways to raise that money. An existing tax credit for child-care expenses costs the government about $4 billion annually. It should be eliminated. Three quarters of the benefits go to the wealthiest half of families; only 3 percent go to the poorest 30 percent. Another $5.5 billion could be raised by requiring that capital-gains taxes be paid on stocks and bonds when the owner dies.

It should be easy for liberals and conservatives to agree to help the working poor. The only obstacle is hard political work—making choices and upsetting some constituents. Sadly, it's quite an obstacle. Much as the working poor deserve tax relief, they probably won't get it.●

POLISH PROGRESS TOWARD FREEDOM AND DEMOCRACY

● Mr. RIEGLE. Mr. President, June 28, 1989 marked the 33d anniversary of the Polish workers' revolt of 1956—a violent and tragic day in Poland's history. Unfortunately, June 28, 1956, was but a prolog to the long struggle of the Polish people against its Communist oppressors. As we commemorate the anniversary of the 1956 revolt, however, we cannot ignore the recent and promising moves which Poland has made toward democracy.

On June 28, 1956, workers rioted in protest over severe and protracted food shortages. The intensity of worker unrest in 1956 brought an impending political crisis to a head, and ushered in the return of Wladyslaw Gomulka to power. Under Gomulka's leadership, Soviet reintervention in Polish affairs was successfully resisted. For 6 years, the acquiescence of Soviet political authority allowed Poland to undertake a substantial economic reform program betwen 1964 and 1970. Yet, despite progress in economic reform, the Polish economy continued to languish under Moscow's lumbering economic and political controls.

In 1976, 1978, and in July 1980, cycles of popular unrest—largely in reaction to Poland's chronic economic ills—continued to challenge the legitimacy of the Communist government. By the early 1980's, the Polish labor movement had coalesced into a vital and coherent popular force behind democracy and the secession of Poland from Soviet domination. Both the consolidation of Poland's labor movement, and the recent strides towards liberal reform in the Soviet Union, have led to the recent political developments in Poland.

During the past 3 months, there have been unprecedented moves by the Polish Communist Party to incorporate the democratic labor union movement into the political process. In April, the Communist Party and opposition groups reached an agreement on the shape of Poland's new legislative apparatus. According to the April roundtable agreement, 161 seats of the 460-seat Polish parliament—the Sejm—were opened to contest between party and opposition candidates in the election of June 4. In addition to reform of the Sejm, the roundtable participants created an upper house of 100 Senators. The new Senate may veto any legislation which originates in the Sejm. Senate vetos can be overrided by the Sejm, however, with a two-thirds vote. All 100 seats of the Senate were opened to party and opposition candidates in the June 18 election.

On June 4, Solidarity candidates won almost 35 percent of the Sejm, taking 160 of the 161 available seats. On June 18, 99 of the 100 Senate seats fell to Solidarity. Legislation from the Sejm can now be effectively blocked by opposition representatives. The results of both elections represent both a clear vote of support for the Solidarity movement and lack of confidence in the Communist Party leadership. As a block, Solidarity can now effectively veto any government legislation that is proposed in the Sejm.

Mr. President, I can only look upon the recent election successes of Solidarity as a free and clear expression of the Polish people's will. However, the future of United States-Polish relations will depend on the Polish Government keeping its word to the people of Poland. Furthermore, United States economic and technological assistance to Poland will also be contingent on the Polish Government's actions.

I believe that President Bush's visit to Poland this week is another encouraging step in United States-Polish relations. For the first time during an official state visit, a U.S. President was greeted by a representative of Solidarity, and President Bush was allowed to meet with Solidarity leader Lech Walesa. President Bush offered a $115 million aid package, on Monday, before a session of Poland's new Senate. One hundred million dollars of the package will be directed to assistance of Poland's private sector. The remaining $15 million will be spent on an environmental cleanup of Krakow. In addition to the $115 million package, the President promised Poland's Senate that he will press for approval of $325 million in loans to Poland now being considered by the World Bank.

I believe that the President's proposals are promising and signify a new beginning in United States-Polish relations. Mr. President, today I urge my colleagues to join me in voicing my support for Solidarity and the Polish people and their efforts to promote freedom and democracy in Poland.●

GWENDOLYN BROOKS

● Mr. SIMON. Mr. President, for more than 40 years Gwendolyn Brooks has been enriching American literature with her poetry. She has continued to capture and convey the many different aspects of black American culture through her poetry topics, which range from poor children and

racial discrimination, to peace, happiness, and the celebration of life. Ms. Brooks has painted a vivid picture of black culture, its strengths and weaknesses, and its impact on society.

Gwendolyn Brooks' zest for life coupled with her passion for writing makes her one of the most loved and well respected poets in America. Her books, lectures, and readings come from the heart.

Jacqueline Trescott, a reporter for the Washington Post writes:

> In the late 60's, the time she [Ms. Brooks] considers the most exciting of her life, she became an example to the younger generation of vocal and political black poets as a writer who lived what she wrote.

She has lived in the same frame house and modest neighborhood for 32 years where she has maintained close ties with the concerns and changes of her neighborhood. "She has, more than any other nationally acclaimed writer, remained in touch with the community she writes about," says poet Hari Madhubuti. "She is her work."

The following poem, taken from her book "Street," is an example of her work and conjures up an image of the underlying racial tone and social class tension that existed during the 1960's. In her poem, "At the hairdresser," she writes:

Gimme an unsweep, Minnie
  With humpteen baby curls.
'Bout time I got some glamour
  I'll show them girls.
Think they so fly a-struttin'
  With they wool a-blowin 'round
Wait'll they see my unsweep
  That'll jop 'em back on the ground.

Ms. Brooks has made an important contribution to American literature. Her success is obvious from the overflowing number of requests she receives to give lectures and readings. She has also received two of the most prestigious poet awards: In 1950 she won the Pulitizer Prize for poetry, the only black American woman to achieve this honor. In addition, she was the successor to Carl Sandburg as poet laureate of Illinois, a distinguished title that has earned her worldwide respect and recognition.

Mr. President, it gives me great pleasure to announce Gwendolyn Brooks as the recipient of the Senior Fellowship Award, which is founded by the National Endowment for the Arts. This award is evidence that she is an inspiration to young writers throughout the world.

I congratulate Gwendolyn Brooks for winning the Senior Fellowship Award and for her success and contribution to American culture, which is richer thanks to her work.●

PRESIDENT BUSH'S TRIP TO POLAND

● Mr. DIXON. Mr. President, yesterday, President Bush addressed the newly elected Polish parliament—the first elected parliament in the Eastern bloc with a substantial opposition membership. I am very pleased that President Bush has been allowed this opportunity. His trip to Poland represents a unique opportunity to strengthen our relationship with Poland, and, more importantly, an opportunity to encourage the kind of open political and economic system to which every nation should be entitled.

In his remarks, President Bush has expressed his desire to work with this Congress to help pass an economic assistance package which will help boost Poland's troubled economy. As a strong supporter of Solidarity, and as an original cosponsor of S. 1183, the Democracy in Eastern Europe Act of 1989 which provides economic assistance to Poland, I welcome his remarks.

I firmly believe that we must provide the necessary support and assistance that will continue Poland down its road toward further democratization. I look forward to working with the administration, the newly elected Polish congress, and my Senate colleagues toward this endeavor, and wish the President my best during his European trip.●

CONGRESSIONAL CALL TO CONSCIENCE VIGIL ON BEHALF OF ANATOLY GENIS

● Mr. RIEGLE. Mr. President, recent statistics from the United States Department of State and the National Conference on Soviet Jewry show that for the past few years the number of Jews emigrating from the Soviet Union has been rapidly increasing. During the early 1980's emigration for Soviet Jews dropped as low as approximately 1,000 emigrants a year. Since that time, new thinking in the Soviet Union, brought about by General Secretary Gorbachev's programs of perestroika and glasnost as well as continued pressure from the West, have opened the way for substantial improvement in the areas of Soviet human rights. It is expected that an unprecedented 60,000 Jews will emigrate from the Soviet Union this year.

In spite of these encouraging statistics, I believe that we must continue to pressure the Soviet leadership to release the 200,000 Jews whose applications for emigration have yet to be approved. I commend my fellow colleagues and those individuals and organizations throughout the United States who also have spoken out on behalf of Soviet Jews wishing to emigrate. Although, our efforts are showing signs of success, we must continue to pressure the Soviet Government.

Mr. President, today I once again join the Congressional Call to Conscience Vigil on behalf of one Soviet Jew who has not been allowed to emigrate, Anatoly Genis. Possessing a doctorate degree in mathematics from Moscow University, Mr. Genis' specialty is the theory of probability. Mr. Genis applied for emigration in 1977 and was refused in 1979. Mr. Genis was told that his application was denied because it was believed that he held "State Secrets," which he could have obtained while working at an electronic mechanical institute. Anatoly Genis believes that was an unfair excuse for refusal, because while he worked at the institute his director, who would have had access to more secret information than Mr. Genis, often traveled to the West without any hinderance due to the information which he possessed.

Since his first attempt to emigrate, Mr. Genis has become a target of Soviet persecution. Consequently, he has been entirely forced out of the field of mathematics. Unable to find a job as a mathematician, Mr. Genis worked for many years at odd jobs in order to support his family. At one point he worked 14 hours a day as a heavy laborer. He has three children, one of whom suffers from Cushings disease, and his wife is ill from the birth of their third child. Now Mr. Genis, struggling to support his family, is unable to find even part time work. Mr. President, I find it truely unjust that Mr. Genis has been forced to such degradation for desiring to emigrate.

Anatoly Genis is an example of individuals in the Soviet Union suffering from the oppression of religous prohibition and faulty emigration policies. Mr. Gorbachev's efforts for democratization have done little to help Mr. Genis. At least 60 percent of the requests for emigration which are denied, are refused on the basis of secrets which might endanger Soviet national security. Many of these so called secrecy refusals are given to those who have no current knowledge of any information which would endanger Soviet national security. It is true that great numbers of Soviet Jews are successfully emigrating, but it is also true that the human rights of many Jews inside the Soviet Union continue to be violated. Mr. President, it is imperative that the Soviet Union stop the irrational and arbitrary denial of exit visas. I call upon Mr. Gorbachev and the Soviet Government to codify the freedom of emigration into Soviet law, to end the arbitrary use of "secrecy refusals," to continue to approve emigration visas for the increasing numbers of Soviet Jews, and to allow Mr. Anatoly Genis and his family to emigrate.●

APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair announces on behalf of the Re-

publican leader, pursuant to Public Law 100-494, his appointment of the Senator from Iowa [Mr. GRASSLEY] to the U.S. Alternative Fuels Council.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94-304, as amended by Public Law 99-7, appoints the following Senators to the Commission on Security and Cooperation in Europe: the Senator from New York [Mr. D'AMATO], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Idaho [Mr. MCCLURE], and the Senator from Wyoming [Mr. WALLOP].

ORDER FOR STAR PRINT—S. 774

Mr. KENNEDY. Mr. President, on behalf of Senator RIEGLE, I ask unanimous consent that the report for S. 774, the savings and loan bill, be star printed to reflect the changes I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—H.R. 2705

Mr. KENNEDY. Mr. President, I ask unanimous consent that H.R. 2705, relating to Federal Employees' Health Benefits Program, just received from the House of Representatives, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING CHANGE IN TIME RELATIVE TO COMMITTEES SUBMITTING BUDGET RECONCILIATION RECOMMENDATIONS

Mr. KENNEDY. Mr. President, I ask unanimous consent that the time by which Senate committees must submit their reconciliation recommendations to the Committee on the Budget pursuant to section 5 of the Concurrent Resolution on the Budget, House Concurrent Resolution 106, be changed to 5 o'clock in the afternoon of Friday, July 21.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

RECESS UNTIL 10:30 A.M., MORNING BUSINESS, AND RESUME PENDING BUSINESS

Mr. KENNEDY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:30 a.m., Wednesday, July 12, 1989; that following the time for the two leaders, there be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each, and that at 11 a.m., the Senate resume consideration of S. 358, the legal immigration bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME AGREEMENT AND VOTE RELATIVE TO THE HELMS AMENDMENT

Mr. KENNEDY. Mr. President, I ask unanimous consent that at 11 a.m., when the Senate resumes debate on S. 358, Senator HELMS be recognized, with 30 minutes remaining on his amendment, equally divided and controlled between Senators HELMS and KENNEDY, and that a vote on or in relation to the Helms amendment occur at 11:30 a.m., Wednesday, July 12.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. KENNEDY. Mr. President, for the information of Senators, at 11 a.m. tomorrow, when the Senate resumes debate on S. 358, Senator HELMS will be recognized for the purpose of continuing debate on his amendment, with 30 minutes remaining. Senators are on notice that a vote on or in relation to the Helms amendment will occur at 11:30 a.m. tomorrow.

Mr. President, if the distinguished acting Republican leader has no further business.

Mr. SIMPSON. Mr. President, I think, if I might, respectfully modify to reflect that Senator HELMS has 16 minutes and Senator KENNEDY 14 minutes, I believe, if I recall.

The PRESIDING OFFICER. Fifteen minutes 17 seconds.

Mr. SIMPSON. I see.

Mr. KENNEDY. I am glad we made that correction.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. KENNEDY. Mr. President, if the distinguished acting Republican leader has no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 10:30 a.m., Wednesday, July 12, 1989.

There being no objection, the Senate, at 6:54 p.m., recessed until Wednesday, July 12, 1989, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 11, 1989:

DEPARTMENT OF STATE

ARTHUR W. FORT, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE, VICE SHELDON J. KRYS, RESIGNED.

RAYMOND CHARLES EWING, OF VIRGINIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GHANA.

ERIC M. JAVITS, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF VENEZUELA.

JERRY ALEXANDER MOORE, JR., OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF LESOTHO.

EDWARD JOSEPH PERKINS, OF OREGON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE DIRECTOR GENERAL OF THE FOREIGN SERVICE, VICE GEORGE SOUTHALL VEST, RESIGNED.

MICHAEL G. SOTIRHOS, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO GREECE.

JOY A. SILVERMAN, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BARBADOS, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COMMONWEALTH OF DOMINICA, AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SAINT LUCIA, AND AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SAINT VINCENT AND THE GRENADINES.

THOMAS F. STROOCK, OF WYOMING, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUATEMALA.

EVELYN IRENE HOOPES TEEGEN, OF MINNESOTA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO FIJI, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF TONGA, AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO TUVALU, AND AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF KIRIBATI.

ALEXANDER FLETCHER WATSON, OF MASSACHUSETTS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE THE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

MILTON JAMES WILKINSON, OF NEW HAMPSHIRE, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA IN THE SECURITY COUNCIL OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

DEPARTMENT OF THE TREASURY

LINDA M. COMBS, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE JILL E. KENT, RESIGNED.

DEPARTMENT OF DEFENSE

MARTIN C. FAGA, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE, VICE TIDAL W. MCCOY, RESIGNED.

DEPARTMENT OF TRANSPORTATION

GILBERT E. CARMICHAEL, OF MISSISSIPPI, TO BE ADMINISTRATOR OF THE FEDERAL RAILROAD ADMINISTRATION, VICE JOHN H. RILEY, RESIGNED.

DEPARTMENT OF EDUCATION

MICHELLE EASTON, OF VIRGINIA, TO BE DEPUTY UNDER SECRETARY FOR INTERGOVERNMENTAL AND INTERAGENCY AFFAIRS, DEPARTMENT OF EDUCATION, VICE PETER R. GREER, RESIGNED, TO WHICH POSITION SHE WAS APPOINTED DURING THE RECESS OF THE SENATE FROM OCTOBER 22, 1988, TO JANUARY 3, 1989.

DEPARTMENT OF THE INTERIOR

HARRY M. SNYDER, OF KENTUCKY, TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, VICE ROBERT H. GENTILE, RESIGNED.

ACTION AGENCY

JANE A. KENNY, OF VIRGINIA, TO BE DIRECTOR OF THE ACTION AGENCY, VICE DONNA M. ALVARADO, RESIGNED.

FEDERAL COMMUNICATIONS COMMISSION

ALFRED C. SIKES, OF MISSOURI, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM OF FIVE YEARS FROM JULY 1, 1988, VICE MARY ANN WEYFORTH DAWSON, RESIGNED.

FEDERAL LABOR RELATIONS AUTHORITY

JEAN MCKEE, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM OF FIVE YEARS EXPIRING JULY 1, 1994. (REAPPOINTMENT)

KATHLEEN DAY KOCH, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM OF FIVE YEARS, VICE DENNIS M. DEVANEY, TO WHICH POSITION SHE WAS APPOINTED DURING THE RECESS OF THE SENATE FROM OCTOBER 2, 1988, TO JANUARY 3, 1989.

FEDERAL TRADE COMMISSION

JANET DEMPSEY STEIGER, OF THE DISTRICT OF COLUMBIA, TO BE A FEDERAL TRADE COMMISSIONER FOR THE TERM OF SEVEN YEARS FROM SEPTEMBER 26, 1988, VICE DANIEL OLIVER, TERM EXPIRED

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

DAPHNE WOOD MURRAY, OF TEXAS, TO BE DIRECTOR OF THE INSTITUTE OF MUSEUM SERVICES, VICE LOIS BURKE SHEPARD, RESIGNED

UNITED STATES INFORMATION AGENCY

EUGENE P. KOPP, OF VIRGINIA, TO BE DEPUTY DIRECTOR OF THE UNITED STATES INFORMATION AGENCY, VICE MARVIN L. STONE, RESIGNED

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE UNITED STATES COAST GUARD FOR PROMOTION TO THE GRADE OF LIEUTENANT (JUNIOR GRADE):

JEFFREY R. GUYON
ARTHUR R. THOMAS, JR
WALTER P. CAPPS, JR
RONALD L. HENSEL
CHARLES V. MATHIS
BARRY O. ARNOLD
SAMMY SHORT, JR.
MARK CULLINANE
GREGORY J. SANIAL
JOHN A. HEALY
JULIE A. SUTHERLAND
MICHAEL S. LOZICH
JAN M. JOHNSON
KEITH A. RUSSELL
MICHAEL P. RYAN
LARRY R. KENNEDY
ROBERT P. HAYES
JEFFREY R. KUNST
STUART L. LEBRUSKA
CHARLES A. RICHARDS
ANNE M. SEBASTIAN
CHARLES E. RAWSON
CHRISTOPHER D. [illegible]
DOMINIC DIBARI
KURT C. O'BRIEN
MARIBETH YASINSKI
JOEL D. DOLBECK
DAVID R. GAHN
GARY C. ARMSTRONG
ED A. AUZENBERGS
MICHAEL J. LOPEZ
ALAN K. ARSENAULT
THOMAS G. NELSON
PHILIP J. SKOWRONEK
AMY S. LANDWEHR
PAT DEQUATTRO
DAVID M. DERMANELIAN
LEONARD C. MURPHY
JAMES W. THILENIUS
ANDY J. FORDHAM
LAURENCE J. PREVOST
DOUGLAS B. MATHIEU
PATRICK G. FORAN
MATTHEW J. O'CONNOR
JULIE L. FRITZ
CHARLES L. CASHIN
VITO D. ROSELLI
GLENN M. SULMASY
MATTHEW J. ZAMARY
AMY B. TETREAULT
ANTHONY S. LLOYD
STEVEN C. MELANSON
MICHAEL W. JACKSON
FRANCIS E. GENCHO
CARLOS S. AMPUERO
THOMAS E. CAFFERTY
JEFFREY A. REEVES
DOUGLAS E. WEST
MARC P. LEBEAU
ROBERT J. GONZALEZ
ERIC G. WESTERBERG
KURT A. SEBASTIAN
FRANK R. PARKER
TINA L. MANCINI
JOHN D. WOOD
BRAD M. BELANGER
TIMOTHY G. STUEVE
JOHN P. MORIARTY
JOHN B. SULLIVAN
JAYSON L. HELSEL
PETER F. SMITH
MARK A. FRANKFORD
CHRISTOPHER J. MEADE
DONALD JILLSON
BRIAN J. SWAYNE
SCOTT V. AUSTIN
JOEL D. SLOTTEN
STEPHEN P. CZERWONKA
ROBERT T. MCCARTY
KEVIN P. FREEMAN
RICHARD D. FONTANA
JAMES E. ELLIOTT
SEAN M. BURKE
JOEL D. MAGNUSSEN
THOMAS F. RYAN
PETER N. DEFILA
JAMES CARLSON
THOMAS SNIDER
CHRISTOPHER A. HERR
ROBERT L. KROEGER
AUSTIN J. GOULD
MATTHEW D. KELLY
STEPHEN M. SABELLICO
SCOTT D. PISEL
JEFFREY J. MCSPADEN
JOSEPH M. PESCI
ALAN S. WATKA
THOMAS A. GREGER
DAVID A. KINDT
ANDREW J. SORENSON
JESSE K. MOORE
WILLIAM J. ANTONAKIS
CARLTON H. DAY
JAMES H. NEUSCHWANDER
KIRK A. BARTNIK
JAMES M. BOUSE
WILLIAM J. WOLTER
DAVID P. CROWLEY
GREGORY L. MCHENRY
KATHLEEN J. BOGAN
JOSEPH P. HESTER
JOHN C. RENDON
WILLIAM R. MEESE
MARK E. KOTEK
MICHAEL P. CAROSOTTO
KARL GRAMS
STEVEN A. BANKS
TIMOTHY P. PETTEK
JAMES E. SCHEYE
JOSEPH E. BALDA
JAMES TABER
GARY A. CHARBONNEAU
EDWARD J. CUBANSKI
PATRICK J. MCGUIRE
JOSEPH J. LOSCIUTO
ROMUALDO DOMINGO
CAMERON T. NARON
MARK H. LENOX
TODD C. DUBOIS
TIMOTHY E. MEYERS
WALTER PETIG
IAN LIU
BASIL F. BROWN
RICHARD P. RONCONE
BRENDA A. KELLEY
IVAN J. VIKIN
SHADD D. WILLIAMS
PAUL G. LINDSAY
TIMOTHY J. CARTON
MITCHELL C. EKSTROM
ROBERT E. STYRON
DOUGLAS M. RUHDE
EDWARD J. KREJCI
DAVID J. FORD
JAMES B. NICHOLSON, JR
GERALD P. DOLAN, JR.
ROBERT A. LAAHS
FRANK D. WAKEFIELD
CEDRIC A. HUGHES
ROGER E. BAILEY
JAMES P. STORY
JEFFREY K. ENOMOTO
SUSAN M. SMITHOUSER
PHILIP L. MORRIS
CHARLES S. CAMP
SCOTT A. BUDKA
MARK R. GOING
PATRICK J. RYAN
BRENT M. PRISTAS
JOSEPH E. MANJONE
KEITH T. WHITEMAN
KEVIN W. NELSON
JAMES R. OLIVE
MARY E. DICKEY
RICHARD G. POTTIEGER
ERIC G. JOHNSON
BRADFORD CLAUE
VICTORIA A. VANVALKENBURG
ADELL L. FULLAWAY
JASON A. POSDICK
KIRSTEN R. MARTIN
DONALD L. FLEMING
ADAM J. SHAW
CARL M. PERLAUTO
PATRICK FOLEY
GEORGE ELDRIDGE
JAMES E. PAIGE
GEORGE M. ZEITLER
JORGE PEREIRA
CHRISTIAN J. HERZBERGER
ROBERT F. OLSON, JR
MICHAEL Z. ERNESTO
MICHAEL D. CALLAHAN
RANDY G. ADOLF
DARWYN A. WILMOTH
JAMES M. JENKINS
STEVEN M. SHERIDAN
TIMOTHY GRIFFING
JOSEPH L. DUFFY
MATTHEW P. DUESING
JOEL D. BROWN
TIMOTHY S. MESSINGER
CARMEN T. LAPKIEWICZ

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. DUANE H. CASSIDY, 194 26 2982FR, U.S. AIR FORCE

THE FOLLOWING NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. HANSFORD T. JOHNSON, 251 58 7597FR, U.S. AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CLAUDIUS E. WATTS III, 245 52 1354FR, U.S. AIR FORCE

THE FOLLOWING NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. BRADLEY C. HOSMER, 224 48 7119FR, U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. WILLIAM H. SCHNEIDER, 467 44 5291, U.S. ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOHN W. WOODMANSEE, JR., 311 34 0886, U.S. ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JACK B. PARRIS, JR., 245 46 4438, U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM S. FLYNN, 039 22 4153, U.S. ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOHN M. SHALIKASHVILI, 331 30 8495, U.S. ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. GEORGE R. STOTSER, 410 50 9185, U.S. ARMY.

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624:

To be permanent major general

BRIG. GEN. WALLACE C. ARNOLD, 277-48-9324, U.S. ARMY
BRIG. GEN. PATRICK H. BRADY, 535-20-4962, U.S. ARMY
BRIG. GEN. HENRY M. HAGWOOD, JR., 549-48-2410, U.S. ARMY
BRIG. GEN. RONALD E. BROOKS, 415-54-2132, U.S. ARMY
BRIG. GEN. JAMES W. BALL, 425 76-0130, U.S. ARMY.
BRIG. GEN. PETER M. MCVEY, 153 24-0133, U.S. ARMY.
BRIG. GEN. JERE H. AKIN, 252-58-3705, U.S. ARMY.
BRIG. GEN. PATRICK J. KELLY, 047 28 3350, U.S. ARMY.
BRIG. GEN. SAMUEL A. LEFFLER, 483-48-5420, U.S. ARMY
BRIG. GEN. WILLIAM H. FORSTER, 427-68-5096, U.S. ARMY
BRIG. GEN. EDWARD R. BALDWIN, JR., 488-40-3654, U.S. ARMY
BRIG. GEN. DONALD M. LIONETTI, 144-30-6344, U.S. ARMY
BRIG. GEN. WILLIAM N. PARMEN, 054-32-2513, U.S. ARMY
BRIG. GEN. JOHN D. ROBINSON, 013-30 1090, U.S. ARMY.
BRIG. GEN. MALCOLM R. O'NEILL, 326-34-8023, U.S. ARMY
BRIG. GEN. JAMES A. GUEST, 252 66 6226, U.S. ARMY.
BRIG. GEN. WILLIAM C. PAGE, JR., 429-68-6113, U.S. ARMY
BRIG. GEN. GUY A. LABOA, 467 58 5673, U.S. ARMY.
BRIG. GEN. STEPHEN SILVASY, JR., 515-40 8976, U.S. ARMY
BRIG. GEN. FRED F. MARTY, 495 40 0462, U.S. ARMY.
BRIG. GEN. PAUL E. FUNK, 517-42 2603, U.S. ARMY.
BRIG. GEN. JOHN C. HELDSTAB, 477-36 6872, U.S. ARMY.
BRIG. GEN. BARRY R. MCCAFFREY, 228-56-4971, U.S. ARMY.
BRIG. GEN. NEAL T. JACO, 490 40 6019, U.S. ARMY.
BRIG. GEN. CRAIG A. HAGAN, 155 28 6011, U.S. ARMY.
BRIG. GEN. GERALD H. PUTMAN, 451-64-0102, U.S. ARMY
BRIG. GEN. JAMES D. STARLING, 452-48-5631, U.S. ARMY
BRIG. GEN. MARC A. CISNEROS, 461-60-0361, U.S. ARMY.
BRIG. GEN. PAUL E. MENOHER, JR., 547 52-5071, U.S. ARMY
BRIG. GEN. ROBERT L. ORD III, 053-34-1554, U.S. ARMY.
BRIG. GEN. WALDO D. FREEMAN, JR., 527 62 5800, U.S. ARMY
BRIG. GEN. JOHN F. SOBKE, 543 42 2628, U.S. ARMY.
BRIG. GEN. JOHN P. HERRLING, 097 28 3900, U.S. ARMY.
BRIG. GEN. RONALD H. GRIFFITH, 254-48-5208, U.S. ARMY
BRIG. GEN. SAMUEL E. EBBESEN, 096-30-1327, U.S. ARMY
BRIG. GEN. JAMES R. ELLIS, 419 46 0632, U.S. ARMY.
BRIG. GEN. WALTER B. MOORE, 465-56-1985, U.S. ARMY.
BRIG. GEN. ERNEST J. HARRELL, 421-40-9920, U.S. ARMY
BRIG. GEN. JOHN E. MILLER, 489 46-5106, U.S. ARMY.

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A HIGHER GRADE THAN THAT INDICATED:

MEDICAL CORPS

To be colonel

BURNS, ROBERT R., 451527224
LEGASPI, LESTER M., 320461879

To be lieutenant colonel

POHL, STEPHEN E., 316425649
THORPE, ROBERT J., 33636312
VILLACIS, BERNARDO F., 113484212
WHITTON, RANDALL C., 450846335

To be major

PETERSON, DAVID A., 505681402

DENTAL CORPS

To be lieutenant colonel

BURSINGER, JAMES C., 390547600
DOUGLAS, GEORGE, 523660167
TIFFANY, RAYMOND L., 005427234

To be major

CORTES, JESUS, 583808067
HAINES, LYNN F., 276520186
LATTNER, MICHAEL J., 482707873
MORELLI, ERNEST P., 156424819

NEWTON, ALAN D., 086381008
SCHNEID, THOMAS R., 140464125
STRICKLAND, JUDY R., 252944733

To be captain

BROWN, CRAIG D., 483782696
SCHUMACHER, JAMES W., 396687554

THE FOLLOWING INDIVIDUALS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE, IN GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be lieutenant colonel

BARTZ, JOHN K., 576462589
CARTER, GARY D., 465704700
CATES, ROBERT C., III, 446491541
CROWDER, WADE A., 407441287
DEFEE, WILLIAM J., III, 438641100
HERNANDEZ, FRANCISCO S., 355363734
HIBBERT, JOHN DAVID, 066366828
JOHNSON, THOMAS G., 247806951
KALEEMULLAH, ANWAR J., 478781434
LEVITT, MORTON H., 105366881
MORRIS, FRANCIS MARION, 261900405
MORRISON, JOHN C., JR., 238688584
PEREZ, VELARDE P., 584115913
REEDER, THOMAS A., 232762351
SCHUMANN, FREDERICK A., 522568245
SMITH, DONALD SANFORD, JR., 366544037
STOCK, DONALD H., 180347189
WALSH, DAVID WILLIAM, 445444454

THE FOLLOWING AIR FORCE OFFICER FOR APPOINTMENT AS PERMANENT PROFESSOR, UNITED STATES AIR FORCE ACADEMY, UNDER THE PROVISIONS OF SECTION 9333(B), TITLE 10, UNITED STATES CODE:

FRANCK, RAYMOND E., JR., 478587616

IN THE AIR FORCE

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE OFFICER BE APPOINTED IN A GRADE HIGHER THAN LIEUTENANT COLONEL.

LINE OF THE AIR FORCE

WINCHESTER, MICHAEL E., 305545611

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED, PROVIDED THAT IN NO CASE SHALL ANY OF THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN LIEUTENANT COLONEL.

NURSE CORPS

WINDMUELLER, PAMELA A., 412925853

MEDICAL SERVICE CORPS

THORNELL, MICHAEL J., 422503414

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE OF THE AIR FORCE

To be lieutenant colonel

MAJ. DAVID E. AVENELL, 538-44-8489
MAJ. BRENT Y. BARTSCHI, 528-58-9965
MAJ. MICHAEL P. BOGUMILL, 347-40-5795
MAJ. DANIEL F. CALLAHAN III, 364-52-8485
MAJ. JOHN S. COTE, 010-32-4089
MAJ. MICHAEL A. CUSHMAN, 214-42-5173
MAJ. WARREN E. DALTON, 350-38-7718
MAJ. THOMAS L. DODDS, 280-44-1284
MAJ. ALAN T. FUJITA, 575-48-3837
MAJ. RICHARD C. HALL, 449-64-0773
MAJ. ELWYN R. HARRIS, JR., 123-38-1227
MAJ. JOHN I. HOWARTH, 269-40-0466
MAJ. WALTER W. HUEHLEFELD, 462-66-3044
MAJ. STANLEY H. LEIBOWITZ, 138-36-8719
MAJ. CHARLES W. LIPPELGOOS, 539-44-0812
MAJ. VINCENT J. LONG, JR., 468-48-1465
MAJ. VINCENT G. MASSA, 297-42-4237
MAJ. JERRY M. MATSUDA, 575-46-3519
MAJ. JOHN E. MOLLOY, 049-36-3251
MAJ. DANIEL W. MOORE, 412-68-0172
MAJ. CHARLES A. MORGAN III, 226-66-9002
MAJ. JAMES L. MORRIS, 479-52-6011
MAJ. JOHN P. MURRAY, 089-38-2240
MAJ. RICHARD W. NOBLE, 261-86-1669
MAJ. TERENCE E. O'BRIEN, 491 48 2263
MAJ. ROBERT R. OSTERHOUT, 370 50-4603
MAJ. GEORGE B. PATRICK III, 249 96 8518
MAJ. CHARLES W. PLUNKETT, 429-96-0469
MAJ. JOHN A. PORONSKY, JR., 346-38 5832
MAJ. WILLIAM K. RICHARDSON, 587-05 5912
MAJ. DONALD E. RISSER, 178-36 2620
MAJ. ROBERT D. RODEKOHR, 520 64 6345
MAJ. MICHAEL E. SAMS, 356 38 7432
MAJ. ROBERT J. SCHNEIDER, 144-34-8985
MAJ. THOMAS O. SHERMAN, 249 94-0465
MAJ. LLOYD B. SYDNEY, 128-34 5365
MAJ. WALLEY A. TURNER, 247 86 8284
MAJ. JOHN R. WALKER, JR., 518-44-1125
MAJ. JOHN F. WEBB, 402-60-5640
MAJ. STEVE A. WINKLER, 215-46 9639

LEGAL CORPS

MAJ. CHARLES E. SMITH, 267-94 2535

MEDICAL CORPS

MAJ. GARY N. HARVEY, 227-72 4997

MEDICAL SERVICE CORPS

MAJ. DAVID L. SMITH, 574 18-8560

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE OF THE AIR FORCE

To be lieutenant colonel

MAJ. JAMES W. ADAMS, 504-50-2165
MAJ. RONALD D. BALL, 560-82 9283
MAJ. DAVID F. BORJES, 104-30-9970
MAJ. ALAN L. BOWMAN, 325-40 4738
MAJ. EDWARD L. BROWN, 236 60-8456
MAJ. WAYNE E. BRUGGER, 508 48-9598
MAJ. WILLIAM H. CLELAND, 255-64-9467
MAJ. JIMMIE C. EWING, 247 80 7522
MAJ. ATLEE E. FRITZ, 449-76-1343
MAJ. THOMAS A. JORDAN, 004-44-9170
MAJ. RONALD A. KEITH, 468 50-0090
MAJ. DAVID A. LUNDY, 305-54 0048
MAJ. GEORGE E. MEHRTENS, 093-40 2679
MAJ. LARRY R. SADLER, 335 44 0199
MAJ. ROBERT J. SAUDO, 071-38-4131
MAJ. WALTER S. THEDFORD, JR., 461 72-1258
MAJ. TERRY G. THOMPSON, 474-52-1294
MAJ. JAMES S. B. WATT, 575 48 8823

LEGAL CORPS

MAJ. BRUCE S. ASAY, 520-62 4017

MEDICAL CORPS

MAJ. BIPINCHANDRA H. AVASHIA, 075-48-8297
MAJ. J. PAUL MEYER, 484-60 5541

BIOMEDICAL SCIENCES CORPS

MAJ. DORIS M. LEWIS, 244-64 2936

IN THE ARMY

THE FOLLOWING-NAMED INDIVIDUALS FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593 AND 3353:

MEDICAL CORPS

To be colonel

BALME, ROBERT H., 059-22 4524
CHUN, LAWRENCE S. K., 576 28-0648
DYSTER, MELVIN B., 084-24 5479
FILTZER, HORST S., 502-42 5636
KANE, PETER E., 570-38-0059
KANHOUWA, SURYABALA, 577-70-0057
LAFONTANT, ROBERT R., 577 52-4185
LAURING, LEWIS M., 098-30 7095
LOWENTHAL, DAVID T., 169 34-4533
MALONEY, CHRISTOPHER T., 128-28-5921
MOLL, FRANCIS K., JR., 202-28-6555
SCHLESINGER, ROBERT M., 059-30-0460
SPIER, ROGER D., 158-32-7239

MEDICAL CORPS

To be lieutenant colonel

ALLEN, ROBERT K., 548-62 4904
FLORES, JOSE C., 299-40-9616
GURNEY, NELSON P., 280-36 4511
KATZ, ALLAN M., 373-42-6205
KOLNER, EDWARD H., 310-22 0372
LAMBIASI, CARL J., 320-36 6295
LUTHIN, RICHARD B., 128 22-4004
MARKER, HOWARD W., 458-48-1475
MCCAFFERY, MICHAEL K., 521-54-4178
NISHITANI, MICHAEL E., 519-50-6466
O'CALLAGHAN, THOMAS J., 085-48-3136
OWENS, BRIAN D., 173-36 0179
PFEIFER, WILLIAM F., III, 162-34-9910
REISS, ROBERT F., 091-30 6626
SCHLESINGER, ROBERT M., 059-30-0460
SHAW, JOHN C., 485-46 0030
SUTTERFIELD, THOMAS C., 486-42-1906
SUTTON, RICHARD O., 411-58-6217
TARICCO, ALFRED S., 049-26-0946
TSE, FRANCIS H., 550-54-3130
WHITE, CECIL E., 456-46-93160

IN THE MARINE CORPS

THE FOLLOWING NAMED NAVAL RESERVE OFFICERS TRAINING CORPS GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 2107:

CRAFTS, LAWRENCE, J., 8192
CUNNINGHAM, STEVEN M., 4652
EDWARDS, MICHAEL P., 6555
FORD, PHILLIP T., 0433
HANNIGAN, PATRICIA M., 9734
LUCIUS, JR., ROBERT E., 1498
NICHOLS, TIMOTHY W., 1725
PIGG, VON H., 4322
PLUES, ERIC A., 2748
TIERNAN, CHRISTOPHER E., 5243
TRIPOLI, JOSEPH G., 4956

THE FOLLOWING NAMED MARINE CORPS ENLISTED COMMISSIONING EDUCATION PROGRAM GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 531:

BERIGAN, MICHAEL C., 8899
BOOTHBY, ALLEN C., JR., 5123
BORTFIELD, NANCY A., 6079
BUDSTOS, JOSE D., 7661
CAPDEPON, JOHN W., 2983
COWELL, CHARLES R., 8866
CRAIG, THOMAS M., 0041
DUGAN, LOREN J., 0969
GARDNER, RUSSELL A., 0054
LUCKEY, MICHAEL X., 3433
MARCINKIEWICZ, THOMAS F., 7022
MERASHOFF, MARY K., 1751
RAYMOND, BRIAN D., 3313
RODRIQUEZ, JUSTIN C., 0638
WREDE, RUSSELL E., 4725

THE FOLLOWING NAMED U.S. NAVAL ACADEMY GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 531:

GLYNN, JAMES F., 6732
PANGRAZIO, RONALD B., 2857
PHELAN, THOMAS J., 5082
POPIELEC, JAMES A., 4932
SEAMAN, SUSAN B., 4311

THE FOLLOWING NAMED U.S. AIR FORCE ACADEMY GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 531:

POPPE, PETER L., 8150
SHEA, KEVIN M., 3379
THOMPSON, JAMES H., 7467

IN THE NAVY

THE FOLLOWING NAMED FORMER U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593.

SMITH, CHARLES T. DONALDSON, JOHN F.
PRYOR, ARTHUR E.

THE FOLLOWING MEDICAL COLLEGE GRADUATES TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593.

AKBARI, AHMAD SENIOR, ROBERT J.
LANDON, CHARLES

IN THE NAVY

THE FOLLOWING-NAMED OFFICERS IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF COMMANDER AND LIEUTENANT COMMANDER AS INDICATED, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 628, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

MEDICAL CORPS

To be commander

BRADLEY, BARBARA M.

MEDICAL CORPS

To be lieutenant commander

KRASOWSKI, GEORGE

CHAPLAIN CORPS

To be lieutenant commander

SWANSON, LYLE W.

IN THE NAVY

THE FOLLOWING NAMED NAVAL RESERVE OFFICERS TRAINING CORPS PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF

STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531

BARRETT, DANIELLE
BERARDUCCI, BRENT
BLETZ, TODD
BLOOM, DAVID
BRICKMAN, ERIC
BRERETON, RICHARD
CHRISTOPHER, JANET
CLAPPERTON, CRAIG
COOPER, JULIA
COWAN, GREGORY
DELANEY, RUSSELL
DUPREE, CHARLES
DENNIS, CHRISTOPHER
EDMISTON, MARCIA
FEDORCHAK, DAVID, JR.
GAJEWSKI, THOMAS
GRANT, MARJORIE
HARTUNG, PAUL
HIGGINS, JAMES
HUBER, DAVID
KIM, ALEXANDER
KIESCHE, SHERRY
KOSKOWSKI, LEONARD, JR.
KRAFT, NEAL
KRAFFT, PETER
LANDIS, CHRISTOPHER
LEWIS, TODD
LOVETTE, ERIC
MAYFIELD, CHARLES
MILES, CHRISTOPHER
RAMAN, JOSEPH
PAYNE, CHARLES
QUICK, DAVID
RICHARDSON, CHARLES
REYNOLDS, COLLINS, IV
SCHWINGHAMMER, KURT
SCHREIBER, JOSEPH
SMITH, GREGORY
STEWART, JESSE
SUGHROE, PAUL
TAYLOR, ROBERT
TERRY, ALEXANDER
TROYER, CLARK
WELCH, PATRICK
WESTBROOK, SCOTT
WILSON, ANHTUAN
WINSTEAD, RAYMOND

IN THE NAVY

THE FOLLOWING NAMED NAVAL RESERVE OFFICERS TRAINING CORPS PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531

BARD, MICHAEL
BILL, PAUL
BOCK, STEPHEN
CAMPBELL, JAN
DREW, DAVID
DURNAK, HENRY
EABLE, CRAIG
FEHR, ALLAN
GERBAULT-VANA, PHILIP
GHANADIUS, DANIEL
HAMPTON, JAMES
HANSEN, ROY
MCVADON, KEVIN
MONZON, RUSSELL
OGDEN, CHRISTOPHER
PEARSON, FRANK
PRZEMICKI, STEVEN
ROBERTSON, JOHN
ROWLES, RICHARD
SPENCER, DAVID

THE FOLLOWING NAMED NAVY ENLISTED COMMISSIONING PROGRAM CANDIDATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSAUNT TO TITLE 10, UNITED STATES CODE, SECTION 531

BABOCA, OCTAVIO
BAILEY, JAMES
BARRINGER, GREGORY
BRATCHER, RANDY
BRAZ, ERNEST
POSTER, WAYNE
COCHMAN, SCOTT
HOSKINS, JAMES
JEAN, THOMAS
JOHNSTONE, GEORGE
JONES, KEITH
KEETON, JOHN
LOMAX, BRIAN
ORECHOVESKY, JOSEPH
TENSLEY, TODD
WINDLE, JERRY

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PROMOTION TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE, UNDER THE PROVISIONS OF SECTION 307, TITLE 32, UNITED STATES CODE, AND SECTIONS 8363 AND 593, TITLE 10, UNITED STATES CODE.

To be colonel

LINE OF THE AIR FORCE

GARY D. BAILEY, 422 40 2630
ROBERT L. BALDWIN, 419 46 0197
BRUCE G. BRAMLETTE, 517-52-1200
DOUGLAS BURNETT, [illegible]
JOSEPH M. BYRNE, 052 20 [illegible]
ROBERT L. COCHRAN, 326 26 [illegible]
DONALD DALTON, [illegible]
TOMMY L. DANIELS, 445 48 1724
GILBERT R. DARDIS, [illegible]
GEORGE A. DEMERS, [illegible]
GEORGE E. DONNELLY, 452 48 8615
CLAUD E. DUTRO, 521 56 7712
DONALD L. EARLY, 408-54 0244
WILLIAM R. EASTER, [illegible]
ANTHONY EDEN, 144-34-7723
THOMAS E. GALBREATH, [illegible]
THOMAS E. GRANNIS, [illegible]
ROBERT D. GREEN, [illegible]
JAMES N. HAGENSON, 484 56 9787
WESLEY F. HALLOWELL, 086 42 0722
GEORGE M. HARRIS, 470-44 2533
GARY L. HINDOIEN, 516 40 0260
LAWRENCE P. HUCKELS, 278 30-5879
RAYMOND J. INMAN, 466 64 9319
DAVID L. LADD, 101-28-[illegible]
RONALD E. MCGLOTHLIN, [illegible]
EDWARD G. MORAN, [illegible]
ROBERT D. PARISE, [illegible]
DANIEL H. PEMBERTON, [illegible]
ROBERT L. PRIVETT, 524-54 4554
JULIUS V. PRZYGOCKI, 368 36 [illegible]
CHARLES D. RALLS, 526 56 8673
AUBREY V. RENFROE, [illegible]
VICTOR H. RIPPE, 511-48-[illegible]
KENNETH L. ROSS, 437-84-7544
GEORGE F. SCOGGINS, JR., [illegible]
GILBERT E. SIDNEY, 452-44-[illegible]
WILLIAM A. SPENCER, [illegible]
JOHN B. STRICKLAND, [illegible]
DONALD R. TAYLOR, [illegible]
RICHARD W. TUTTLE, [illegible]
PAUL A. WEBB, JR., [illegible]
EDWARD K. WEBBER, [illegible]
GEORGE L. WEINHAGEN, 386 34 3438
BEN J. WELCH, JR., 414 52 0015
ALLAN G. WHITE, 001 30 2091
GARY B. WILLEMS, 502 44 9806
DONALD M. WILLSON, 182 28 0030
CLIFFORD E. WISSER, 370 38 1985

JUDGE ADVOCATE

DANIEL F. LOPEZ, 582 86 8216
RONALD J. RIACH, 469 46 7256

MEDICAL CORPS

NED E. BEISER, 323 28 4129
STEFFEN P. CHRISTENSEN, 502 44 8206
JOHN J. VONDRELL, 283 32 8746

DENTAL CORPS

GLENN F. BENSON, 475 42 3307

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR PROMOTION AS RESERVE OF THE AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 593, 8366, AND 8372 OF TITLE 10, UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8372 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE OF 10 MARCH 1989, AND PROMOTIONS MADE UNDER SECTION 8366 SHALL BE EFFECTIVE UPON COMPLETION OF SEVEN YEARS OF PROMOTION SERVICE AND TWENTY ONE YEARS OF TOTAL SERVICE, UNLESS A LATER PROMOTION EFFECTIVE DATE IS REQUIRED BY SECTION 8372(C), OR THE PROMOTION EFFECTIVE DATE IS DELAYED IN ACCORDANCE WITH SECTION 8380(B) OF TITLE 10

CHAPLAIN CORPS

To be lieutenant colonel

SEYMOUR H. BRICKMAN, 112 26 9448
ROBERT G. CERTAIN, 214-48-8424
WILLIAM J. DOUGHERTY, 176 46 3168
RICHARD E. JEWETT, 382 36 8614
WILLIE L. MCDANIEL, 239 50 6906
JOHN P. MONK, JR., 177-32-2390
LARRY W. MYERS, 499 48 2991
DAVID H. PARKINSON, 529 50 7800
WILLIS T. RICHIE, JR., 236 68-1122
WILLIAM J. ROWE, 343 34 3888
PHILLIP H. SCOTT, 366 46-5145
JIMMY F. TOMLINSON, 465-46-5302

DENTAL CORPS

To be lieutenant colonel

GERALD M. BIEZE, 319 38 8238
WILLIAM E. CADY, 541 56-8314
DAVID M. DEVIESE, 283 84 1547
THOMAS W. FAESSLER, 069 36-0103
STEVEN L. HARRIS, 153 36 4183
ROBERT B. JAMES, 453 64-1783
DAVID W. JOHNSON, 482 64 4293
WAYNE R. MARPE, 468 44-9207
BRANDEN G. MORAD, 109 38 2552
THOMAS J. MORRIS, 154 40-0414
CRAIG M. RIRIE, 568 52 6593
GREGORY K. SPACKMAN, 508 68-2023
ROBERT K. STEADMAN, 470 46 7231
RICHARD E. WHALEY, 312 42 8075
EDWARD M. WISE, 250 80 1185

JUDGE ADVOCATE

To be lieutenant colonel

ROBERT T. ADAMS, 231 68 8575
STEWART F. ALY, 542 56 6374
ROGER W. BAILEY, 452 76 0284
DAVID A. BATEMAN, 509 64 6332
WILLIAM P. BENNETT, 213 48 3916
LOUIS J. BIZZARRI, 158 36 3903
TIMOTHY A. BRAUN, 491 50-4731
CHARLES L. CARPENTER, JR., 431 88-1630
WARREN T. CONRAD, 342 40 9260
RODNEY G. CROWGEY, 227 62 0801
JOHN H. CULLEY, III, 526 68 9742
ALBERT C. DEPENBROCK, 540 48-4329
MARY J. DUNDAS, 556 62 9610
EDWARD T. FARRY, 377 46 3234
LARRY E. FUNK, 213 50 0544
CARROLL A. GANTT, JR., 250 78-9032
ROGER W. GILES, 431 88 6235
JAMES J. GONZALES, 417 62 9063
ALFRED L. GREEN, JR., 219 50 4767
GEOFFREY R. HAMLIN, 521 70-5736
CHARLES O. HANSON, 353 34 7196
CHARLES T. HARRISON, III, 402 62 8350
DANIEL L. HAWKLEY, 519 48 2875
PHILIP S. HOWE, 085 40 7840
WILLIAM L. JACKSON, 224 60 3841
RICHARD R. KOLKOSKI, 283-40-9410
DOUGLAS W. LYONS, JR., 484 72 9582
CHARLES W. MACDONALD, 507 58 7735
JOSEPH V. MANDERS, JR., 434 76-7767
FRANK E. MAREK, JR., 577 64 7131
THOMAS S. MARKIEWICZ, 082 38 1365
WILLIAM J. MARTIN, JR., 077 36 9851
HERBERT T. MCINTOSH, JR., 247 78 8235
MICHAEL A. MCMURPHY, 009 36 6644
GREGORY E. MICHAEL, 002 38 3144
ARMANDO O. MONACO, II, 036 28 7435
KENNETH M. MURCHISON, 438 72-9297
TIMOTHY J. MURPHY, 248 76 3596
TODD E. NORTON, 086 40-0058
RALPH E. OLSON, 193 38 1133
JOSEPH E. ORSINI, 064 38 6820
RICHARD M. PERRY, 448 44 7072
JOHN W. RANBY, 527 82 2090
JAMES W. RICHARDSON, 330 38-1416
NEIL S. RICHMAN, 021 36 2705
RICHARD S. ROBINSON, 224 68-4113
JAMES M. RONK, 276 46 9945
LESTER W. SCHIEFELBEIN, JR., 344-36-9539
RICHARD R. SCHLEGEL, 479-54-7505
RICHARD S. SCHMIDT, 461 82-1109
DAVID W. SEITZ, 205 34 5104
THOMAS E. SHAW, 053 40-5743
EDWARD T. SMITHERMAN, JR., 432-76-1960
JOHN B. SOUTHARD, JR., 404 64-8092
JOSEPH S. SPITZER, 441 46 5023
RANDOLPH D. STOWE, 237 82-4537
CHARLES A. THIGPEN, 420 54-6334
PATRICK A. TUCKER, 232 72-6242
WILLIAM C. WALLER, 258 78-6733
ADRIAN J. WASKO, 208 36-1154
WILLIAM R. WOODS, 461-80 9664

MEDICAL CORPS

To be lieutenant colonel

WILFREDO P. APOSTOL, 298-50-8402
STANLEY A. BARNETT, 145 34 6374
WILLIAM S. BOURQUARD, 587-07-2619
JOSE D. BUHAIN, 137-46 7383
FABIO CABRERAMENDEZ, 252-04-9944
JOHN L. CHASE, 557 58 6602
ROBERT L. CHU, 095 42 9159
EDWARD E. CONRAD, JR., 522 60-5112
SUSAN S. DOYLE, 555 62 6842
ALICJA S. GOLEBIOWSKI, 327 46-8773
GARY K. HARGROVE, 557 56 1988
ANITA MAE HIBLER, 571-70-1384
FRANKLIN CHANG KEUN IMM, 260-92-8468
HWA ING KANG, 336 54 2468
TILMAN E. KLUWE, 076 48 7970
ARTURO M. LOPEZ, 580 48 4856
BALTAZARA G. LOTUACO, 382 52-7412
THEODORE I. MACEY, 316 58 4882
ROBERT J. MALCOLM, JR., 227-54 4646
YASH P. MALHOTRA, 022 48 5658
JAMES W. MCCARVER, 437 72-5572
JAMES M. MEEK, 511 46 0675
ARTURO A. PIDLAOAN, 213 58-0106
PANANGATTUR N. RAMALINGAM, 071-48-8104
RONALD J. RICHESON, 534 40-1399
PATRICK E. SAUNDERS, 524 62-7991
GRACITA S. SIMON, 028 44 2070
FRANK SPARANDERO, 050 42 0863
MARIA M. TIAMSONBEATO, 548-17-2034
PHILIP H. WATKINS, 498 48-2416
LEWIS WETSTEIN, 097 36 4613
CREED W. WOOD, 545-54 6056

NURSE CORPS

To be lieutenant colonel

NANCY A. AYERS, 197-36-5725
DORIS A. BLEDSOE, 216 52 7862
JEANNE M. BRAZIE, 027 36 3103
NORMA G. BUTLER, 414 78 3280
LYNN K. CHAPMAN, 069-38 2874
SANDRA C. CLARKE, 175-36-3414
CECILIA CLINT, 453-84 7408
JOHN F. CRIBBETT, 323 38 9880
MARGARET M. CUTRER, 462 72 3696
NANCY A. DALPIAZ, 533-36-1652
SANDRA L. ERICKSON, 250 88 6916
KAREN A. FOLSOM, 513-42 7739
PEGGY J. FRYE, 429 80-7115
DONALD R. GIBSON, 481-72 6073
JULIA T. GORDON, 250-70-2163
JUDITH L. GREATHOUSE, 509 44-8414
JEANNINE M. GREENFIELD, 104 30-9250
AWILDA HALLBAUER, 582-50 7457
DOROTHY H. HOLLIDAY, 042 42 5523
PATRICA J. HORSEY, 440-44 6907
SHIRLEY L. INMAN, 258 60 1331
LINDA M. JANELLI, 144-36-6352
LINDA S. KETCHUM, 453-82-0975
LILLIAN A. KRASNOW, 081 34-5725
JANICE C. KRUEGER, 215-54 9474
JULIAN P. LACHENDRO, 022 30-9335
ANNA J. LAVELLE, 162 40 1460
HILDA M. LEWIS, 007 36-8134
BARBARA A. LOGAN, 148-32 6607
CAROL A. LOIGNON, 167 36 6231
CAROL M. MARTIN, 468 50 0061
JANICE M. MCDANIEL, 548 68 1774
GEORGIA I. MICKA, 151-32 1746
NORA L. MINISSALE, 571-86 0859
VIRGINIA MORRISON, 462 68 1989
ANTONIE V. MURPHY, 158-30-3528
SUZANNE M. NADIG, 197-38-3333
MARY L. NICHOLS, 028-36 7259
MARRA E. PECHE, 374 48 6471
HELEN V. PETERS, 504-44-5389
PATRICIA C. RAVELLA, 136 34 4847
ROBERT A. REYNOLDS, JR., 123 36-9080
PATRICIA A. RITTENMEYER, 241 78-2861
ELISE J. ROSS, 136 38 3546
JANET V. ROSS, 018 38-4641
KATHLEEN M. SALIBA, 527 82-3184
BONNIE M. SANBORN, 002-32 0063
LORRAINE C. SCHOEN, 155 40 6266
LUEANNA E. SHADD, 274-42-5312

JUDITH A. SMITH, 467 66 4094
WANDA E. TACEY, 545 72 5958
MAXINE C. THELEN, 231-64-9109
FREDERICK W. TROUTMAN, 519-42-5642
CLAUDINE M. VASILO, 530-30-8163
NORALEA J. WAKELEY, 105-40-9874
CAROL C. WALKER, 217-46-3451
REBECCA A. WHITFIELD, 208-36-5123
TERESA J. WILLMANN, 577-66-4345
PATRICIA A. WILSON, 257-76-5780
LINDA M. WOLF, 250-84-3607
SANDRA J. ZUBRITZKY, 191-40-2209

MEDICAL SERVICE

To be lieutenant colonel

GERARD C. ESKER, 546-64-3515
DAVID J. FESSLER, 182-34-4594
KENNETH R. HALLBAUER, 525-82-4540
GERALD D. IVERSON, 483-48-0130
MICHAEL P. SHAW, 559-48-5523

BIO-MED SCIENCE

To be lieutenant colonel

LARRY D. ALLGOOD, 507-50-6303
VANCE M. BRIDGES, 463-44-5010
PATRICK J. CUNNINGHAM, 552-58-8622
VICTOR C. DUNN, 302-44-2775
RICHARD B. FORD, 466-74-5811
JOHN S. GLENN, JR, 552-50-0098
THOMAS R. HAMMOND, 281-42-3065
JAMES F. HARTIN, 444-38-6899
GERHARD ILLE, 140-38-0047
RICHARD Y. JACOBSON, 479-56-3395
JAMES A. MCANDREW, JR, 502-50-6141
BRUCE D. REINERT, 154-32-9234
WALTER L. RIGGS, 457-78-5387
DONALD L. SCHUR, JR, 544-42-4107
STEVEN H. SLUSHER, 513-46-3869
JAMES L. UNMACK, 565-56-0175
RICHARD D. WHEATLEY, 449-52-7703

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PERMANENT PROMOTION IN THE UNITED STATES AIR FORCE UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE ASSISTANT SECRETARY OF DEFENSE.

LINE OF THE AIR FORCE

To be lieutenant colonel

DAVID W. ABATI, 204-36-8913
GERALD W. ABBOTT, 524-64-8037
ERROL S. ABOE, 227-70-9323
THOMAS C. ADANG, 212-58-4384
VITO A. ADOCCHIO, 162-40-1022
BRUCE E. ADRIANCE, 066-44-3040
GLENN D. AHRENS, 476-58-7783
ROBERT L. AKERS, 288 52-0921
ARNULFO S. ALANIS, 449-84-2694
JOHN G. ALBERT 459-98-3181
ROBERT J. ALCAPARRAS, 549-68-6161
JOHNNY D. ALEXANDER, 263-94-9040
RALPH ALEXANDER, JR, 409-82-6353
BRIAN R. ALLEN, 350-44-0366
RICHARD K. ALLEN, 245-80-4260
ROBERT H. ALLEN, 237-76-4752
ROBERT W. ALLEN, 229-66-4289
ROBERT W. ALLEN, 431-80-2176
TIM M. ALLEN, 479-64 5082
RICHARD J. ALMASSY, 231-70-3587
JAMES A. ALMEIDA, 150-44-1674
JAMES A. ALSOP, 575-62-3542
HECTOR R. ALVAREZ, 461-90-7121
JOSEPH H. AMEND, III, 229-66-5315
PHILLIP B. AMIDON, 017-38-1299
STEPHEN K. AMMON, 450-86-9787
DONALD A. ANAWALT, 569-80-5669
WAYNE A. ANDERSEN, 342-32-1201
EMMET D. ANDERSON, JR, 556-84-5648
JOHN C. ANDERSON, 585 26-3711
LAMARR L. ANDERSON, 540-60-6526
LARRY O. ANDERSON, 429-98-1471
ROBERT O. ANDERSON, 412-78-3671
STEVEN J. ANDERSON, 471-62-8856
GEORGE W. ANDREN, 029-36-5133
RICHARD J. ANEN, 353-44-7944
GARY S. ANTAL, 491-50-9935
LARRY P. APEL, 511-52-0570
PAUL J. APUZZO, 042-46-7437
STEVEN E. ARMIE, 304-48-6765
ALAN D. ARMSTRONG, 227-64-5132
WILLIAM C. ARMSTRONG, 534-52-6001
JAMES M. ARNETT, 552-70-6537
NEIL J. ARNOTT, 504-48-3945
DAVID A. ARPIN, 533-58-0056
NATIVIDAD ARRIETA, JR, 457-88-9728
STEVEN A. ARRINGTON, 248-96-5067
GARY J. ARSENEAU, 454-90-1190
FREDERICK K. ARZT, JR, 098-38-0730
RONALD K. ASHLEY, 241-72-9413
THOMAS R. ASHMAN, 268-52-1959
WILLIAM G. ATEN, III, 262-96-0588
KEITH R. ATTENBOROUGH, 043-38-9734
KEITH A. ATWELL, 560-76-6103
JUDITH P. AUSTIN, 471-56-2600
WILLIAM C. AUSTIN, 265-80-6593
WILLIAM M. AVEN, 410-86-3208
GENNARO J. AVVENTO, 111-40-2425
ROBERT M. AWTREY, 251-02-1942
ROY R. L. AYDELOTTE, JR, 364-50-7303
FRANCIS H. AYERS, JR, 223-82-5504
THOMAS K. AYERS, 460-94-4970
JOYCE K. S. BABIAK, 179-38 3707
JUNE I. R. BABSON, 116-36-6082
ARTHUR D. BADGER, 560-60-6406
ROBERT B. BAHNIJ, 270-46-4774
JAMES A. BAILEY, 403-70-9817
RAYMOND A. BAILEY, 572-80-4697
ROGER A. BAILEY, 392-44-4667
THOMAS L. BAIN, 246-82-4639
BRADLEY S. BAKER, 217-60-8811
CHRISTOPHER J. BAKER, 289 46-4404
DEBORAH A. BAKER, 523-68-2575
JOHN F. BAKER, 063-44-2622
OWEN B. BAKER, JR, 261-08-0223
THOMAS E. BAKER, 458-92-0963
THOMAS R. BAKER, 418-64-4023
LAWRENCE BALASH, 208-40-2240
TED M. BALL, 420-64-9570
EDWARD M. BALLANCO, 143-42-8733
DANIEL P. BALLARD, 462-76 2163
MARK R. BALLARD, 424-74-6247
JOHN R. BALYEAT, 534-46-7733
GARY M. BARBEE, 424-68-2276
WILLIAM D. BARBER, JR, 455-90-2702
STEVEN L. BARCHIE, 568-74-1324
WILLIAM H. BARKER, JR, 218-44-3631
DIETER BARNES, 560-82-3593
JACK R. BARNES, 267 86-1357
ROGER W. BARNES, 561-92-0395
GEORGE E. BARR, III, 420-72-7382
GUY K. BARRETT, 481-60-9367
BERNARD C. BARRIS, 111-42-8882
JOHN I. BARRON, III, 251-78-5527
KLAUS B BARTELS, 021-42-2981
BRUCE R. BARTHOLD, 155-44-7358
DARRELL D. BASH, 566-78-4515
CARY A. BASS, 262-96-7558
TERRY L. BAUGHMAN, 192-42-4871
CHRISTOPHER BAUM, 380-56-5533
BRIAN W. BAURIES, 329-40-6391
WILLIE BAXTER, 428-78-3851
BYRON E. BEAL, 513-48-8601
TIMOTHY N. BEALLY, 374-48-4696
DONALD W. BEAN, 587-52-7747
MICHAEL D. BEAN, 453-74-1428
JOHN H. BEARD, 499-56-8181
NELSON L. BEARD, 205-42-0260
MICHAEL J. BEAUCHAMP, 558-92-9536
WALLACE A. BEAUCHAMP, III, 428-90-8691
PETER J. BECKER, 528-72-4278
DOUGLAS C. BECKWITH, 067-40-5758
JOHN C. BEDFORD, 215-52-7707
JAMES J. BEHAN, 226-78-2019
DANA H. BELL, 309-48-5743
DAVID M. BELL, 507-68-5893
FREDERICK J. BELL, 186-38-3930
DONALD G. BELLE, 237-88-0776
MARK F. BENDA, 480-64-5955
GORDON L. BENDICK, 479-66-9783
GERALD R. BENFIELD, 219-54-7637
PHILIP G. BENJAMIN, II, 069-44-4652
BRUCE G. BENNETT, 496-56-4682
JUDITH S. BENNETT, 186-42-0996
TIMOTHY W. BENNETT, 450-92-5967
MARK E. BENOIT, 223-80-2669
TIM E. BEREUTER, 505-68-6171
DALE K. BERGER, 565-76-1486
JAMES V. BERTOGLIO, 334-40-4585
DONALD E. BESTE, 528-66-1884
DENVER A. BETTS, 403-72-4310
ROBERT E. BINA, 214-56-9405
IAN A. BIRDSALL, 246-86-3718
JOHN A. BISHOP, JR, 454-96-2602
ROBERT DAMON BISHOP, JR, 022-38-9524
FRANKLIN O. BJORING, 266-96-1535
DAVID R. BJURSTROM, 376-54-8816
RICHARD G. BJURSTROM, 325-46-1124
RICHARD J. BLANCHET, 115-42-9056
JEFFREY G. BLANCHETTE, 473-62-3295
JOHN R. BLECHER, 485-68-1746
WILLIAM L. BLEDSOE, 267-96-1226
MICHAEL R. BLOHM, 218-54-8740
JOHN C. BLY, 277-42-5770
JOHN M. BLYTHE, 255-88-6615
KURT F. BOCK, 352-48-7693
TODD A. BODENHAMER, 539-60-8675
MICHAEL W. BODENHEIMER, 245-84-5683
JAMES G. BOEHM, 300-44-9816
PAUL R. BOGGS, 464-84-2214
JOSE BOLTON, 505-58-5882
KYLE C. BOND, 450-88-8462
MICHAEL E. BOND, 353-46-3296
EDWARD A. BONDZELESKE, 292-46-2839
JAMES E. BONNGARD, 392-42-9247
ROBERT L. BOOT, 564-74-3707
THOMAS E. BOOTH, 291-52-3374
WILLIAM H. BOOTH, 260-84-8314
WILLIAM E. BORCHARDT, 332-42-4750
JAMES R. BORTZ, 178-42-3111
KERMIT V. BOSCHERT, 497-54-6178
JOHN C. BOVENIZER, 273-52-1321
JOHN M. BOWEN, 524-74-6682
RANDALL B. BOWLBY, 011-40-3485
TED F. BOWLDS, 406-74-8694
EDMUND G. BOY, 217-54-3196
JOHN M. BOYD, 361-38-2716
LARRY L. BOYER, 270-50-5877
JAMES M. BOYLE, 569-90-4398
STEPHEN E. BOZARTH, 527-94-6164
FRANK C. BRADBURY, 262-90-4153
GLEN L. BRADY, 528-68-2203
WILLIAM A. BRADY, JR, 135-44-8942
ROBERT C. BRAGG, 221-32-9596
RICHARD A. BRANDAU, 221-36-1188
FRANK A. BRANDEBERRY, 550-70-9335
TUIREN A. BRATINA, 304-50-9557
JOSEPH K. BRATTON, JR, 226-76-7380
THOMAS F. BRAUND, 296-42-0624
DAVID J. BREERWOOD, 216-58-5988
PAULETTE I. BREHOB, 311-54-4135
JOSEPH S. BREJWO, 042-44-5565
JOSEPH A. BRENNAN, 395-46-1487
STEPHEN F. BROCK, 457-88-0244
BRUCE G. BRONSON, 540-56-9828
JAMES M. BROOKS, 223-66-1868
TERRY L. BROOKS, 248-78-3833
WILLIAM H. BROOME, 239-82-4172
CRAIG F. BROTCHIE, 561-84-2717
PAUL R. BROUSSEAU, 038-32-7375
CHARLES A. BROWN, 223-66-9961
JEFFREY H. BROWN, 465-78-0420
MARK N. BROWN, 304-58-8128
RICHARD E. BROWN, 148-40-8969
RONALD D. BROWN, 313-48-1726
RONALD D. BROWN, 466-90-1959
RUSSELL H. BROWN, 404-58-5499
STEPHEN D. BROWN, 456-92-9017
STEPHEN R. BROWN, 528-78-1727
STEPHEN V. BROWN, 264-90-8714
LEO A. BROWNYARD, 079-42-9489
JOHN M. BRUCKNER, 467-86-1568
MICHAEL L. BRUINGTON, 403-76-6789
RICHARD A. BRUST, 505-64-4449
CHARLES E. BRYANT, 453-92-3070
DANNY M. BRYANT, 413-86-3316
RICHARD BRYCHCY, 052-44-1639
RAYMOND J. BRYLSKI, 101-42-6758
DELBERT H. BUCHANAN, JR, 457-90-1478
JOSEPH M. BUCHWALD, JR, 414-78-7369
JAMES L. BUCKLEY, III, 427-96-4352
ROBERT S. BUNN, 296 50-8510
RICHARD G. BURDETTE, 247-94-4638
JEROME W. BURG, 392 48-1540
JOAN R. BURG, 463 70 1906
EDWIN P. BURGE, 242 86-6263
GEORGE H. BURGER, 367-52-5771
ROBERT D. BURGER, 033-42-5755
GARY S. BURGESS, 462 78-0191
KENNETH J. BURKE, 028-36-2211
ROGER L. BURLEY, 377 56-6467
RAYMOND D. BURRELL, 246-86-6641
GARY W. BURRIS, 570 74 9545
ROBERT L. BURROWS, 549-78-8795
SCOTT D. BURROWS, 047-38-3091
MICHAEL A. BURT, 297 48-7446
BRADLEY R. BUSCH, 443 50-6247
FRED E. BUSING, 505 66-6244
BRADLEY L. BUTLER, 303-56-7352
LARRY W. BUTLER, 558 60-8642
THOMAS BUTLER, 057 44 5630
HEINZ L. BUTNER, 561 66 4908
MICHAEL A. BUTTON, 467-80-2003
WILLIAM A. BUZZELL, 267-78-0536
ALBERT D. BYRD, 421-62 5517
CHARLES E. BYRD, JR, 263-21-2924
JAMES R. CADE, 357-42 5023
RANDOLPH L. CAGLE, 555-70-5649
TERRY L. CAIPEN, 297 44 6100
BRUCE E. CALLAWAY, 433-80-6853
JOHN M. CALVERT, 500 52-2607
SPENCE M. CAMERON, 502-60-6683
HOWARD CAMPBELL, 251-88-5535
BIAGIO E. CANNISTRACI, 551-86-5266
LARRY D. CANNON, 240 82-2805
RANDALL R. CANTRELL, 248-84-6411
BUDDY C. CAPLES, 522-64 4574
THOMAS W. CAPP, 176-42 7270
CHARLES J. CAPPLES, SR, 552-78-3133
RONALD D. CARBON, 514-56-8310
MICHAEL R. CARDINAL, 308-46-2367
ALEXANDER CARLISLE, 419-74-1291
JOHN A. CARLSEN, 147-40 3679
JOHN L. CARNDUFF, JR, 585 32-2940
CHARLES L. CARPENTER, 039-28-7517
DENNIS M. CARPENTER, 253-78-6119
WILLIAM D. CARPENTER, 008-42-2390
JEFFREY C. CARR, 507 66-6937
JOHN F. CARR, 393-56-8377
ROBERT E. CARR, JR, 203 42-2193
CLARENCE D. CARROLL, 306-46-6384
JACK S. CARSON, 290-50 6627
RICHARD T. CARSON, 160-40-1300
WILLIAM J. CARSON, 250 98-4402
RONALD F. CARTEE, 419 72-5451
JOE N. CARTER, JR, 464 82 9473
LEON R. CASAUBON, 026 42 7822
JAMES E. CASE, 436-66-1362
RODNEY N. CASEY, 257 76 4903
TOMMY G. CATES, 237-86 1385
JOHN J. CATTON, JR, 336 50-1877
THOMAS H. CECIL, 489-54 1303
THELMA J. CERVENY, 449-90-6551
MICHAEL CHALIFOUX, 545 88-8856
EMILY E. CHAMBERLIN, 246-86-0430
ROY G. CHANDLER, 254-80 8844
BENJAMIN N. CHAPMAN, 585-10-1078
CLAYTON J. CHAPMAN, JR, 548-74-3399
GLENN M. CHARCZUK, 145-44-9349
DENNIS J. CHAREK, 274-46-4244
JEFFREY R. CHARLES, 367 46-5017
MICHAEL L. CHASE, 501 60 2751

GARY R. CHEESEMAN. 034 34 7305
CHARLIE CHILDRESS, JR. 410 88 6784
DOUGLAS W. CHOWN. 483 66 8799
JOHN L. CHRISTENSEN. 543 64 6022
JAMES N. CHRISTIAN. 467 88 1197
DENNIS R. CLARK. 421 72 2905
GREGORY A. CLARK. 300 48 1983
STEVEN E. CLARK. 464 78 7809
TRUDY H. CLARK. 148 42 2501
CHARLES C. CLATTERBAUGH. 226 78 3327
FRANK W. CLAWSON. 529 72 9745
HAROLD M. CLAY. 450 76 5754
WILLIAM R. CLAYTON. 572 72 4781
MICHAEL S. CLEARY. 568 92 5832
DANNY K. CLIFTON. 231 72 7237
JOHN T. CLINES. 507 66 6778
STEWART C. CLUCK. 211 40 5949
WALLACE W. COATES. 529 74 9992
CHARLES R. COHOON. 499 42 2163
JERRY D. COLE. 443 42 7189
ALLAN M. COLEMAN. 418 66 8572
CHARLES E. COLLIER. 587 10 1490
MICHAEL A. COLLINGS. 343 48 3650
MARK R. COLLINS. 584 36 3443
KENNETH A. COMBS. 092 42 9188
TERRY L. COMBS. 486 48 0652
JOSEPH J. COMEAUX. 436 72 6712
RICHARD L. COMER. 245 76 4255
ROGER B. CONDIT, III. 329 38 9063
TERRY G. CONEY. 267 88 2186
ROBERT J. CONLEY. 277 50 7937
CARL W. CONNER. 439 86 6155
EDWARD T. CONNOR. 419 66 2039
BRUCE A. CONNORS. 500 86 4250
DAVID L. CONNORS. 532 62 3676
WILLIAM H. CONRAD, JR. 114 40 7489
JOHN E. COOMBS. 195 36 2615
RALPH E. COOPER. 533 54 9714
ROBERT C. COPENHAFER. 189 40 5437
JAMES C. CORFMAN. 418 64 1389
TOM N. CORLETTE, III. 571 58 9067
DENVER G. CORLEY. 219 46 1658
JOHN D. W. CORLEY. 494 90 9553
CHARLES O. CORNELL. 512 50 2665
PATRICK J. CORRIGAN. 313 58 3913
THOMAS M. COST. 156 38 2857
LAURA C. COUNTS. 545 74 5606
WILLIAM H. COX, JR. 241 86 6720
ROBERT G. CRAIG. 491 80 1828
CHARLES E. CRAIN, III. 461 88 2022
WILLIAM P. CRAMSIE. 570 68 8207
DALE L. CRANDALL. 385 44 0207
JOHN F. CRANDLEY, JR. 046 44 8773
KENT J. CRANER. 529 62 7042
HOWARD E. CREEK. 216 52 4252
TIMOTHY J. CREWS. 449 90 5688
ROBERT C. CRIPE. 305 58 4472
STEVEN J. CRISTIANI. 522 80 8738
JOHN S. CROOK. 267 90 7015
JAMES W. CROPPER. 312 56 0651
JETT CROUCH. 581 84 9691
MICHAEL J. CROWE. 439 74 2204
PHILIP J. CROWLEY. 031 42 0504
ALAN B. CRUCE. 467 76 6721
JERRY W. CRUIT. 420 62 8094
TIMOTHY D. CRUM. 312 48 7856
JEFFERY L. CRUSE. 299 48 6262
ROBERT W. CRUSOE. 568 80 3275
RICARDO O. CUADROS. 583 38 3915
ROGER M. CUDE. 492 70 7015
WILLIAM H. CUMMINGS, III. 449 82 6000
GREGORY W. CUMMINS. 230 58 2835
JOHN T. CUNNINGHAM. 345 44 4023
PAUL T. H. CURRIE. 229 82 2480
JAMES I. CUTLER, JR. 225 72 6601
MICHAEL J. CUTTER. 486 56 5481
LUCIAN A. DADE, III. 492 64 1892
WILLIAM M. DAGGITT. 580 68 8345
RICHARD P. DAIGLE. 032 32 9615
RUSSELL L. DAISLEY. 299 32 0280
JUDSON D. DALEY. 272 42 8324
WILLIAM A. DALSON. 193 44 2394
LAWRENCE M. DAMMAN. 561 76 0575
DONATO P. DAMORE. 513 54 2794
GEORGE P. DAMORE. 513 54 2798
TONY G. DANIELS. 250 82 9606
DENNIS L. DANIELSON. 299 42 8840
THOMAS J. DANIELSON. 561 74 5804
DANIEL J. DARNELL. 225 80 0600
DOYLE C. DAUGHTRY. 238 78 1656
CHARLES R. DAVIS. 249 94 5345
JAMES M. DAVIS. 401 60 5198
LESLIE M. DAVIS. 301 48 3078
MARK L. DAVIS. 562 84 9903
NORVIN L. DAVIS. 545 84 2575
PHILIP R. DAVIS. 305 52 2814
RICKEY I. DAVIS. 408 80 1200
THOMAS DAVIS, III. 299 42 7134
DENNIS L. DAY. 421 66 8382
JOSEPH O. DAY. 376 56 5679
GREGORY L. DEAN. 549 52 1500
RICHARD L. DEASON. 491 60 3290
PHILIP C. DEBRUIN. 302 52 2934
CARL E. DECKER, III. 180 42 3225
CRAIG R. DEDRICK. 072 40 5739
CYNTHIA A. DEESE. 549 84 4593
DAVID W. DEFOLIART. [illegible]
EDWARD B. DEIULIO. 113 44 9651
RUSSELL P. DELCAMBRE. [illegible]
FRANK J. DELUCA, JR. 100 42 1300
DANIEL DEMARCHI. [illegible]
JOHN D. DEMENT. 435 70 8445
RUSSELL A. DEMING. 074 40 3080
LEE P. DEMITRY. 149 42 4180
KENNETH T. DENBLEYKER. 150 38 6081
BRUCE R. DENNER. 161 42 5172
RICHARD W. DENNIS. 114 44 6331
ROBERT M. DENSON. 187 34 8391
DAVID A. DEPTULA. 225 78 6792
ANDREW S. DICHTER. 136 48 7838
RALPH P. DICICCO. 184 40 0657
DOUGLAS R. DICK. 547 80 2680
MICHAEL P. DICKER. 140 44 0972
MARK C. DICKERSON. 569 82 1108
EDDIE A. DICKINSON. 257 70 8471
ROSS E. DICKINSON. 571 64 2423
JOSEPH P. DIGRADO. 435 88 2361
DAVID O. DIMARCHI. 112 40 1625
J. MATTHEW DIONNE. 450 84 3521
CHARLES G. DIVELBISS, JR. 448 44 6806
ROBERT DIXON, JR. 266 90 3383
ERNEST D. DODSON. 492 60 3275
MARY E. DONAHUE. 016 38 6536
HAROLD H. DONALD. 427 92 6864
SCOTT J. DONALDSON. 209 36 4354
ROBERT F. DONOHUE, JR. 583 68 5287
ROBERT K. DOSS. 430 02 1573
STEPHEN P. DOUCET. 024 40 6851
RAYMOND A. DOUTHIT. 587 58 8273
RYAN S. DOW. 587 03 7755
JOSEPH E. DOWDY. 297 44 2853
DANA S. DOWNEY. 429 94 7191
DAVID A. DOYE. 340 42 2578
LARRY E. DREADEN. 267 92 0997
CRAIG W. DREIER. 386 48 0708
STEPHEN P. DRETAR. 386 54 8308
MICHAEL W. DREW. 453 84 6243
MICHAEL E. DUBEAU. 247 94 5427
FRANK J. DUCOS, III. 466 90 0766
CARL T. DUERSON, JR. 442 48 6649
MARK L. DUES. 268 48 3045
OWEN L. DUGAN. 484 50 7291
KENNETH K. DUMM. 199 42 6971
LYLE C. DUNABLE. 231 70 1057
MARTIN DUNBAR, JR. 558 82 3498
ROBERT J. DUNBAR. 516 56 1085
C. M. DUNCAN, III. 234 72 8666
DALE E. DUNFORD. 399 52 0769
ALDEN L. DUNLAP, JR. 097 52 2841
ROBERT M. DUNLAP. 479 62 2799
STEVEN E. DUNLAP. 422 72 0867
RUEVA A. DUNN. 266 13 0083
HARRISON L. DUNNEGAN. 491 54 9900
MARTIN E. DUPONT. 437 84 7991
ROBERT A. DURYEA. 012 40 0805
STEVEN R. DUTTRY. 250 82 4198
GARY R. DYLEWSKI. 170 40 7306
RODNEY B. EARHART. 401 72 1510
FRANCES M. EARLY. 491 60 6813
RICHARD G. EASTERLY. 299 42 4105
JOHN W. EASTMAN. 423 74 5678
ALLEN R. EDGAR. 249 76 0197
SANDY EDGE. 251 94 8134
GEORGE S. EDIE, III. 166 38 8509
DONALD J. EDWARDS. 412 82 1212
GERALD T. EDWARDS. 545 78 1259
ROBERT R. EDWARDS. 439 78 6817
DAVID L. EGGERS. 484 66 0777
MICHAEL B. EHRLICH. 453 88 4207
STUART M. EHRLICH. 573 92 1710
RICHARD L. EILERS. 489 52 4516
HERBERT F. EISENHART, JR. 175 40 1000
VALERIE A. ELBOW. 322 40 1333
JAMES B. ELLEDGE. 527 72 0410
MICHAEL G. ELLER. 456 88 9760
MICHAEL M. ELLER. 518 54 4729
JOHN C. ELLERBE, III. 224 62 2481
KURT A. ELLIOTT. 489 44 1267
DONALD B. ELLIS. 221 34 8532
TRAVIS E. ELMORE. 452 80 7215
JOSEPH L. ELWOOD, JR. 272 46 2007
NEAL M. ELY. 456 84 9977
STEVEN R. EMERY. 494 56 1575
LARRY W. EMMELHAINZ. 297 44 6848
WILLIAM A. EMSLIE. 066 40 3761
WILLIAM P. ENG. 463 76 0242
STEPHEN K. ENGBERS. 380 54 7628
RANDALL M. ENRIGHT. 453 98 0353
JERROLD C. ERDMAN. 043 36 2909
GEORGE M. ESTES. 248 82 6016
GORDON M. ETTENSON. 230 76 2647
DAVID L. EUBANKS. 433 74 5630
JOE A. EVANS. 239 88 1192
STEPHEN M. EVANS. 401 76 3666
ROBERT H. EVERETT, JR. 200 74 1900
KELLY B. EWEN. 461 82 3137
PAUL E. EWING. 186 36 4672
LARRY E. FABER. 217 56 9550
JOHN A. FAIR. 301 44 5002
BUFKIN R. FAIRCHILD, JR. 266 94 1282
BOBBY L. FAIRLESS. 356 44 8354
MAURO N. FARINELLI. 280 42 2681
DAVID S. FARIS. 310 60 5776
PETER T. FARKAS, JR. 081 44 0646
CHARLES M. FARR. 516 62 8302
PHILIP A. FAYE. 564 90 2859
FRANK R. FAYKES. 151 50 4797
ALAN W. FEATHERSTONE. 229 66 2680
EDWARD J. FEENEY, JR. 044 40 4600
FRANCIS E. FELICE. 572 80 9024
JOHN F. PENN. 568 72 9574
STEPHEN T. PENTON. 288 48 4816
DAVID W. FERGUSON. 423 74 4755
JORGE L. FERNANDEZ. 583 32 1638
KENNETH O. FERRETTA. 144-38-2182
GARY B. FEW. 456 92 2077
WILLIAM H. FIBRANZ. 372 52 3571
DENNIS P. FILIGER. 572 82 2237
MELVIN H. FINGARSON. 539 52 2462
DONALD W. FINK. 245 80 0390
JAMES F. FINNEGAN. 506 66 0881
WILLIAM M. FINNEY. 229 72 6269
GARY H. FISCHER. 435 70 6799
RICHARD K. FISHER. 515 54 6306
MELVIN D. FLACK. 129 32 8139
MARC S. FLAHERTY. 516 58 8355
BERNARD J. FLANAGAN, JR. 326 46 3876
GEORGE M. FLECK. 202 36 5577
STEPHEN A. FLEET. 570 86 0989
ROBERT J. FLEMING. 466 94 1171
LARRY F. FLOWERS. 126 40 4834
CHARLES M. FLOYD, II. 523 74 7093
RONALD E. FLY. 228 78 5004
COLLIN P. FLYNN. 564 98 5701
GARY H. FLYNT. 451 78 3097
CARL A. FOERSTER. 135 42 7501
MICHAEL J. FOLEY. 339 42 1228
JOHN H. FOLKERTS. 512 60 4060
JOHN A. FOLLEY. 249 94 6839
JOSEPH A. FORSTIE. 282 46 4067
JEFFREY A. FORTEZZO. 508 64 3636
CHESTER G. FOSSUM, JR. 516 58 8684
ERNEST L. FOSTER. 252 76 9714
JACKIE L. FOSTER. 456 82 8047
STEWART J. FOSTER. 064 44 3275
ELLIS W. FOWLER, JR. 409 86 8814
CHARLES T. FOX. 240 78 0347
SUSAN E. FOX. 485 56 3001
WILLIAM E. FOX, JR. 412 78 3925
WILLIAM D. FRANK. 332 42 3122
DOUGLAS M. FRASER. 521 70 7505
PHILIP J. FRAZEE. 463 90 9985
EDWIN B. FRAZIER, JR. 416 64 6689
JOHN P. H. FREEMAN. 081 38 4230
WILLIAM H. FREEMAN. 254 80 3855
ALAN R. FREITAG. 397 42 4423
PAUL G. FREUND. 390 50 3597
WILLIAM A. FRIED. 488 56 1805
WILLIAM R. FRIESE. 321 46 9939
KENNETH W. FRITZ. 058 38 3276
CRAIG D. FRY. 001 38 8020
CLARENCE G. FRYBACK. 310 58 1836
STEPHEN B. FRYE. 180 46 9375
DAVID L. FUNDAREK. 333 46 5459
HENRY C. FUNK, JR. 390 46 0184
EDWARD L. FURTADO. 562 76 2123
DEBORAH L. GABLE. 258 72 8770
JOHN B. GAGE, JR. 352 44 1153
JOSEPH R. GAHLINGER. 406 74 8147
RODERIC A. GALE. 532 48 7088
CHARLES P. GALLAGHER. 263 96 1394
DAMASO GARCIA. 583 42 1798
ALAN L. GARDNER. 431 92 8612
RONALD C. GARDNER. 569 76 9838
ROBERT E. GARLAND. 433 68 3951
PHILIP GARTNER. 511 46 2584
FRANK R. GARY. 514 48 7201
GLENN GASLIN. 304 54 7889
STEPHEN R. GAST. 316 58 0412
ALAN R. GAUGERT. 474 62 5197
ANDREW M. GECELOSKY, II. 177 42 4615
BRUCE D. GEDDES. 052 38 9098
GARY F. GEE. 390 58 0405
DENNIS E. GEESAMAN. 171 38 6156
GREGORY L. GEESEY. 197 40 9622
SARAH GELLA. 429 86 5264
MICHAEL E. GENTRY. 427 98 0266
ALAN G. GEORGE. 452 84 5579
STEPHEN C. GERMAN. 262 94 7483
RONALD A. GERST. 507 66 7384
BOBBIE S. GERVAIS. 467 88 2187
DAVID P. GESSERT. 380 48 6431
ANTHONY J. GIACOBE, JR. 373 44 7453
MICHAEL S. GIBLIN. 507 66 2855
RICHARD B. GIBSON. 250 78 3068
WILLIAM J. GIFT, JR. 447 48 4540
ROBERT L. GILBERT. 279 44 9416
HENRY B. GILKES. 070 36 3022
THOMAS A. GILKEY. 215 58 1181
WARREN L. GILLESPIE. 466 78 3902
TOMMY R. GILLIAM. 455 72 0492
DAVID C. GILLMAN. 570 80 0662
EUGENE C. GILPIN, JR. 540 54 7708
PETER F. GIMBORYS. 261 90 5726
KENNETH S. GINGRICH, JR. 381 46 7523
ROBERT R. GLASSCOCK. 455 76 2560
LARRY W. GNADT. 490 52 8029
MICHAEL J. GOCI. 372 54 1405
TERRY L. GODBY. 221 38 0412
GEORGE A. GOLIGHTLY. 457 84 4034
BRUCE W. GOLSON. 566 88 9483
MARK N. GOLTZ. 131 42 5439
ROY D. GONZALES. 465 92 9007
DAN R. GOODRICH. 493 58 2370
NORMAN W. GOODYEAR. 527 76 0101
HOMER R. GORDON, II. 494 60 1221
SCOTT R. GORDON. 531 56 0169
STEPHEN R. GORDON. 004 50 4049
WILLIAM E. GORMLEY. 156 44 3620
GARY E. GOSSETT. 257 84 6958
RICHARD GOUIN. 040 36 4265
NORBERT C. GRABOWIECKI. 136 40 2451
DONALD R. GRACE. 437 64 1832
PETER G. GRAF. 139 40 9188
DOUGLAS B. GRAHAM. 551 88 0230
BARRY E. GRAMM. 566 58 8174

CHARLES J. GRANDY, 261-06-4482
DOUGLAS A. GRANT, 355-40-3645
STEVEN B. GRANT, 265 88-6120
MICHAEL L. GRAVELY, 229-76-2079
TIMOTHY S. GRAY, 372-36-7507
ROSANNE M. GRECO, 206-40-4990
CAMERON K. GREEN, 401-74-6779
JAMES W. GREEN, 456-98-8446
ROBERT C. GREEN, 415-84-7786
WARREN M. GREENE, 436 68-3247
DARREL R. GREER, 267-92-1072
RICKY J. GREFF, 501 60-5331
STEVEN J. GRESCHNER, 390 54-7002
LINDELL R. GRIGG, 318-42-0516
WILLIAM A. GRISWOLD, 241 70-5242
EDWARD J. GROENINGER, 349-40-3902
JEFFREY J. GROGAN, 241-84-4077
MICHAEL P. GRONE, 300-48-1888
DAVID C. GRUBE, 186-42-0198
ROBERT A. GRUVER, 353-42-7734
MAURICE H. GUFFEY, JR. 243-70-1347
BRUCE D. GUILMAIN, 001-42-8153
CARL W. GUSTKE, 234-72-7357
SIDNEY M. GUTIERREZ, 585-36-1799
RONALD G. HAHN, 516-60-0179
JOHN L. HAINES, 546-72-5196
TEDDY V. HALE, 459-88-9148
RICHARD D. HALFAST, 306-60-9277
RICHARD H. HALL, 167 42-6507
SENAN HALPIN, 116-36 6882
KATHLEEN D. HAMILTON, 566 86-2947
SCOTT A. HAMMELL, 468-64-4042
LLOYD B. HAMMOND, JR. 497-54-9948
DAVID R. HANKINS, 312-48-8676
NORMAN A. HANNAH, JR. 206-42-5140
DONALD H. HANSEN, 267-94-4076
KEVIN P. HANSEN, 518-62-4500
STEVEN L. HANSEN, 391-50-1773
DAVID T. HANSON, 410-78-2354
RONALD L. HANSON, II, 501-52-0520
WILLIAM L. HARBECK, 399-52-0608
RICHARD S. HARDING, JR. 267-70-4412
LAWRENCE H. HARJES, 263-84-8790
TIMOTHY HARKNESS, 285-46-3050
MICHAEL P. HARMON, 289 50-8743
GEORGE C. HARPER, 562-82-0202
ARTHUR V. HARRIOTT, 319-38-3575
CLYDE J. HARRIS, 562-62-5451
GARY R. HARRIS, 278-44-1568
STEVEN W. HARRIS, 420-70-2228
WALTER H. HARRIS, 412-82-2951
GLENN H. HARRISON, 587-34-5779
HERBERT A. HARRISON, 067-44-6261
JAMES V. HARTINGER, JR. 223-74-3643
BYRON C. HARTLE, 452-82-7413
FRANK S. HARTMAN, 413-72-0730
JOHN S. HARTMAN, 357-38-1175
JEFFREY W. HARWOOD, 471-52-4731
RICHARD S. HASSAN, 046-44-8751
LARRY G. HASTINGS, JR. 219-48-4030
CLAYTON M. HATAWAY, 511-54-2231
JOHN D. HAUCK, JR. 262-11 4373
STUART L. HAUPT, 561-80-9814
PETER J. HAUSER, 059-42-5735
GREGG R. HAVENS, 061-42-3293
RICHARD D. HAWK, 446-46-2228
EDWIN P. HAWKINS, JR. 555-70-3025
DEAN H. HAYLETT, 389 56-2252
RODNEY E. HAZEN, 526-92-2499
DANNY C. HEAD, 497-58-4942
JAMES R. HEALD, 558 78-3354
DANIEL T. HEALE, 318-46-9675
WILLIAM E. HEELY, 225-74-8176
ALLAN A. HEESE, 506-64-7065
MICHAEL L. HEIL, 213-64-4267
KEITH C. HEINEMANN, 391-54-8202
HAROLD V. HEISCH, 454-82-9772
WILLIAM L. HEMPHILL, 440-50-8561
JERRY L. HENDERSON, 454-88-6771
MARVIN J. HENDERSON, 467-80-2837
RICHARD J. HENDRICKS, 275-50-9344
GARY E. HENLEY, 449-90-1512
ROSS D. HENNE, 501-64-2430
WILLIAM R. HENNING, 065-38-2451
DONNA C. HERGE, 353-42-0015
SCOTT M. HESLUP, 269-46-0515
RONALD H. HEYDEN, 388-54-4830
ALFRED B. HICKS, JR. 587-50-0532
GRAYDON K. HICKS, 373-50-0490
DORSEY E. HIGDON, JR. 427-94-4288
KEVIN S. HIGGINS, 048-42-0351
JAMES E. HILL, 228 68-4898
JOHNNY P. HILL, 449-76-8084
MARTIN V. HILL, II, 546-80-3635
SUSAN K. HINDERLEIDER, 488-54-1287
TERRY D. HINNERICHS, 507-58-0044
WILLIAM R. HITZELBERGER, 218-60 8617
ROBERT A. HOBBS, JR. 228-78-4911
STEVEN P. HOCKETT, 561-74-0978
CARL D. HODGES, JR. 239-86-3711
MARK W. HODGES, 509-52 6931
RAY P. HODGES, JR. 463-70-5481
RUDNALDO HODGES, 466-90-5799
RICHARD C. HOEY, 464-84-5166
KENNETH L. HOFMOCKEL, 565-78-0600
CLIFFORD J. HOGUE, JR. 184-38-3179
LINN E. HOGUE, 214 56-5334
THOMAS G. HOLLINGSWORTH, 217-54-9241
EDDIE C. HOLLINS, 256-74-8322
GREGORY S. HOLLISTER, 050-42-1869
DANNY HOLLON, 226-60-9889
ROBERT E. HOLMDEN, 362-54-8212
DAVID G. HOLMES, 489 58-5915
VERNON I. HOLMES, 251-80-7478
MARK A. HOLT, 407-74-5299
CHARLES W. HOLTE, 473-50-4889
TERRY HOLTZ, 134-38-1121
THOMAS E. HOLUBIK, 456-78-1324
WAYNE K. HOLUM, 470-60 1684
RANDY E. HONNET, 573-82-5209
ROBERT C. HOOD, 266 86-5288
WILLIAM C. HOOD, 227-74-4277
RALPH F. HOOKER, 462-80 8476
PAUL L. HOOPER, JR. 474-56 2804
ROBERT L. HOOTEN, 316 52 8031
ALAN D. HOOVER, 315-56-7158
RICHARD L. HOOVER, 209 36-4089
WAYNE E. HOPFER, 444-44-0142
DENNIS W. HOPKINS, 256-76-0425
JAMES W. HOPKINS, 453 86 7074
FRANK A. HORAJ, 052 40-6871
JOHN J. HORAN, 054 44-1013
THOMAS G. HORGAN, 569-84-5435
JOHN F. HORN, 019 40-9472
BARRY E. HORNE, 240 84 2098
GILMARY M. HOSTAGE, III, 215 66-6091
DOUGLAS W. HOUPT, 432-94-6270
TAMZY J. HOUSE, 484-70-6804
JACK L. HOUSER, 408-74-9944
JERRY A. HOWALT, 265-94-1973
THOMAS O. HOWELL, 403-60 2338
DARYL L. HOWER, 353 44-0322
ALLAN W. HOWEY, 366 56-9174
TERRY L. HOWLETT, 230-66-1106
RICHARD G. HOWSON, 040-42-2785
LEWIS E. HUBER, 275-50-6667
MICHAEL J. HUBERT, 452-92 8335
LEWIS W. HUDGINS, JR. 555-70-6683
ALLEN R. HUDSON, 003-34 8589
JOSEPH M. HUDSON, 280-44-5174
ROBERT B. HUDSON, 292-48-3211
MICHAEL E. HUFFINE, 420-62-7246
CHARLES C. HUGGINS, 431-94-2012
NICHOLAS E. HUGHES, JR. 149-36-6493
RICHARD C. HUGHES, 453-92-8976
DOUGLAS M. HULSEY, JR. 429-02-1822
JON A. HULSEY, 441-52-3722
THOMAS M. HUMES, 157-38-2729
PATRICK D. HUMPHRESS, 405-72 8941
ROBERT L. HUMPHREY, 238-74-7848
STEPHEN A. HUMPHREY, 455-90-2447
DAVID R. HUNDLEY, 266-11-0126
DANIEL D. HURLEY, 280-50-3038
JOSEPH L. HURST, 408 80-7421
ANTHONY A. IMONDI, 110-44-2135
ROY S. INGLES, 353-40 0688
IRVING W. IRONS, III, 035 34 0507
RICHARD D. ISAACKS, 436-66-8886
JOHN B. ISETT, 587-70 8350
RONALD D. IVEY, 465-84-2890
COLLINS M. JACKSON, 587 76-4296
JESSIE R. JACKSON, 459-62-7943
JOHN P. JACKSON, 227-74 6952
LARRY M. JACKSON, 346-44 1737
NEULON D. JACKSON, 460 76-9268
TERRY V. JACKSON, 496 56-9547
WILLIAM H. JACKSON, 033-36-2927
HENRY L. JACOCKS, 062-38 4689
JOHN S. JACZINSKI, 042-48-8780
DONALD J. JAECKS, 183 38 7644
WARREN L. JAGODNIK, 302-50 9672
LOUIS G. JAKOWATZ, III, 509 50-0823
CHARLEY B. JAMES, 418-64 6034
JOSEPH E. JAREMKO, 194 42 6087
JOHN W. JARGSTORF, 312 48-6779
LEONARD L. JARMAN, 360 42-8140
GERALD M. JEANES, 239 90-4182
DAVID W. JENSEN, 521-80 9588
GARY M. JENSEN, 528-70-1970
LARRY L. JENSEN, 510-50-7421
TERRY W. JENSEN, 573-56-2687
ROBERT P. JERAL, 199-40 5391
FRANK J. JERSHE, 471 58-3509
WILLIAM L. JESTER, 557-62 2483
DONALD L. JEWELL, 444-50-8289
MICKEY D. JOHNS, 460 92-5137
RAYMOND E. JOHNS, JR. 147-46 3483
ALBERT L. JOHNSON, 423-72-5340
CHARLES R. JOHNSON, JR. 420-70 9097
CLARENCE A. JOHNSON, 425 96-2594
FERDINAND B. JOHNSON, III, 238 76 2675
JAMES M. JOHNSON, III, 560-78 9605
MARK R. JOHNSON, 467 88 2711
NOEL G. JOHNSON, 537-52-4835
PHILLIP J. JOHNSON, 263 78-7435
RICHARD E. JOHNSON, 585-07-1217
RONALD G. JOHNSON, 509-56-1957
BRUCE B. JOHNSTON, 290 48-4889
GLEN A. JOHNSTON, 365 50 6100
RICK A. JOHNSTON, 383-50-3828
CECIL W. JONES, JR. 538-54-6659
CONELL JONES, 587 38 7556
DAVE P. JONES, 266 86-3236
GRADY R. JONES, 264 90 4287
HENRY A. JONES, JR. 227-70-2769
MARY K. JONES, 324 42 8248
MICHAEL T. JONES, 270-40 4800
ROGER E. JONES, 462 84-9512
STEPHEN M. JONES, 451 86-2557
TIMOTHY C. JONES, 403 64-7733
BENJAMIN W. JUBELA, 457-84 2957
MARTIN P. JUBELT, 044 46 8026
JAMES E. JUDKINS, 463 94-8754
MARK R. JULICHER, 21[illegible]-56 2577
RONALD G. JUNGE, 484 68 5762
STANLEY L. JUSTICE, 400 62 2277
THOMAS D. KABEL, 527 74 2365
JOSEPH J. KAHOE, 220-54 8050
GERALD G. KAISER, 514 54 8505
MICHAEL F. KAISER, 318 42 6669
JAMES R. KALKMAN, JR. 298-40-7269
THOMAS P. KANE, 129-44 9763
WALTER K. KANEAKUA, JR. 575-62-5841
STANLEY S. KANNO, 283 44 5557
LAWRENCE A. KARL, JR. 439 84-7688
THEODORE N. KAROGLOU, II, 118 42-4156
JOSEPH P. KARST, JR. 422-64-1015
RICHARD J. KARVOSKY, 040-48-1698
WILLIAM J. KASSON, JR. 099 42-0132
GARY A. KATTNER, 458 78 8067
JEFFREY W. KATZ, 040 48 2711
GARY P. KAUFMAN, 550 84 8477
MICHAEL D. KAUFMAN, 513-56-0286
TIMOTHY J. KAUFMAN, 202-40 4053
TIMOTHY J. KEATING, 504 56-5804
JAMES L. KECK, 265 92-8217
JAMES R. KEEL, 243 84 1795
JOHN E. KEESEE, 509 52 6919
GREGORY A. KEETHLER, 463-08-0973
GEORGE A. KEHIAS, 323 38 9994
BILL B. KEITH, 505 64 2452
SAMUEL K. KELLEY 269 44 2321
TIMOTHY J. KELLY, 135-40 8693
TOM R. KELLY, 236-80-2898
HERBERT C. KEMP, 147-42-5851
MICHAEL J. KEMP, 223-78 3042
JOHN A. KENAGY, 451 82 1393
JOSEPH K. KENNEDY, 189 42-1797
RONALD J. KENNEDY, 250 88-3577
THOMAS M. KENNEDY, 225 78-0403
RAYMOND D. KERR, 161-44 0983
ROBERT W. KERSHAW, III, 523-72-0579
JEFFREY P. KETTREY, 268 54-1417
SUSAN M. KIEFFER, 398 52 6707
JEFFREY T. KILCOIN, 187 42 1376
ROBERT J. KINCAID, 428-94 5978
JACK L. KINCART, 478-58 6799
ALAN C. KING, 248 92 1147
MICHAEL J. KING, 212-58 1219
RAYMOND E. KINKAID, 511 52-8726
SAMUEL D. KINMAN, 457-70 9350
TIMOTHY G. KINNEY, 522 74 2642
MARK A. KINTNER, 513 52-8545
PETER W. KIPPIE, 532-52 5386
DENNIS W. KIRLIN, 261 04 8298
GARY G. KIZER, 444-48-1074
GEORGE J. KLAZYNSKI, 415 82-7816
CHARLES B. KLEIBER, 338 40 7579
EDGAR P. KLEY, 176 32 8453
TIMOTHY H. KLINE, 472 64 5048
PETER K. KLOEBER, 558 68 5500
DUANE K. KLUG, 522 76-0643
STEPHEN B. KNIFFEN, 455 90 6309
JEFFREY B. KNIGHT, 381-52 0263
FREDERICK S. KNOWLES JR. 226 76-6796
DOUGLAS W. KNUTSEN, 494 52-3660
ELIZABETH A. KOCH, 295 42 2675
KARL M. KOCHEL, 575 54 9741
DOUGLAS E. KOHLHEPP, 215 58-0621
NORMAN J. KOHN, 388-44-4832
EDWARD S. KOLESAR, JR. 278 48-5089
ANTHONY W. KONCEL, 351 44 1140
ANA C. KONDURIS, 434-86-5113
KENNETH W. KOOPMANS, 472 62 9069
WILLARD M. KORNOVICH, JR. 470-64-7775
MICHAEL C. KOSER, 186 42 7689
LAWRENCE A. KOSIBA, 178 40 2437
JEROME O. KRABY, 502-58 1815
GREGORY W. KRAFFT, 561-70 7808
SANDRA M. KRAMER, 464 88 9379
RAYMOND L. KRANS, 476-62-8160
GARY R. KRAUSE, 520-54-0776
JOHN S. KREBS, 457 80-2527
DENNIS G. KREMBEL, 117-38 9517
TIMOTHY G. KRYSIAK, 282 46 0092
STEVEN D. KUKUK, 447 48-1740
JOHN D. LADIEU, 001-42 4175
MELVIN J. LADOUSIER, 433-86 3347
DAVID S. LADWIG, 443 54-3683
GARY C. LAFOND, 057-46-3460
ALBERT T. LAGERDA, 173 36 1548
MICHAEL E. LAHART, 482 66 9021
TERRENCE D. LAKIN, 002 36 9990
DAVID R. LAMBERT, 354 46 8328
JOHN A. LAMONTAGNE, 066 44 3558
KRIS E. LAMPHERE, 271-44 6399
THOMAS J. LAND, 413 88 0754
GEORGE L. LANE, 243 86-2101
ROBERT W. LANE, 262 94-1577
MICHAEL H. LANEY, 268 44-5541
JAMES R. LANIER, 181 38 2996
RANDALL L. LANNING, 508-72 9705
THOMAS H. LARNED, 536-50 2631
EDWIN M. LARSEN, 225 64 5674
DALE L. LARSON, 517 52 2883
JAMES M. LASALVIA, 173 40 6432
WILLIAM W. LATHAM, 558 82 4255
EARLE C. LAUDERDALE, 253 80 9227
JOHN J. LAUTEN, 549-82 3292
PAUL K. LAWHORN, 545 74-6680
ARCH H. LAYMAN, JR. 325-46 2158
DOUGLAS E. LAYNE, 587-56-8473
JOHN S. LAZAR, II, 308 48 4952
BOYD B. LEASE, 504-62 2753
LEONARD A. LEATHERWOOD, 242-74-3459
NORMAN R. LECHTENBERG, 528-66 9917

ALAN S. LEE, [illegible]
DONALD P. LEE, 052 36 0024
GREGORY M. LEE, 383 42 2567
MARK C. LEE, 392 54 4700
RICKEY A. LEE, 442 52 3652
ROBERT LEE, 442 44 2407
WILLIAM L. LEFEVERS, III, 241 84 7296
RICHARD C. LEGAS, 520 62 5773
PHILIP J. LEGRAND, 305 48 2055
LENNA K. LEMING, 236 76 8000
JAMES L. LEMONS, 486 72 4413
BILLIE O. LENDERMAN, JR., 250 78 4060
BRIAN C. LENDING, 561 70 0676
KENNETH H. LENERS, 475 56 5220
MARK P. LENNON, 031 42 7748
THOMAS L. LENTZ, 530 52 7006
RICK W. LESTER, [illegible]
ROBERT J. LETOURNEAU, 476 54 0732
KARL P. LEWANDOWSKI, 100 44 7000
KENNETH M. LEWANDOWSKI, 100 44 7000
HALDON D. LEWIN, 503 62 9081
ELLEN K. LEWIS, 206 40 9322
GREGORY W. LEWIS, 450 96 5754
LOGAN M. LEWIS, III, 441 50 5411
PAUL C. LEWIS, 542 64 8250
SANFORD C. LEWIS, 522 70 1967
VANCE E. LINEBERGER, 154 42 5812
KIRK K. LINKS, 348 40 3073
ROBERT G. LINN, JR., 263 94 0358
ROBERT J. LIOTTA, 638 34 3056
CHRIS J. LITHERLAND, 281 92 6310
CRAIG M. LITTLE, 231 64 4583
RALPH S. LITTREAL, JR., 226 70 5003
LOREN W. LIVERMORE, 523 58 2111
CONNEE LLOYD, 528 82 1062
DOUGLAS H. LLOYD, 147 44 0829
GLEN D. LOCKLEAR, 366 60 0636
JOEL A. LOEFFLER, 508 70 8197
GEORGE A. LOERAKKER, 336 44 1651
GEORGE G. LONDON, JR., 246 72 1477
HARVEY B. LONGSHORE, III, 461 92 9407
MARK F. LOOS, 263 11 7917
THOMAS E. LORINCZ, 287 48 5796
EDWIN R. LOSKILL, 500 62 3435
RUSSELL H. LOUGHLIN, JR., 193 38 6081
FRANCIS E. LOVE, 045 44 3716
JOHN C. LOVELL, 562 82 1813
LARRY W. LOVELL, 437 82 1456
ALBERT T. LUCAS, 190 42 8406
DAVID G. LUCAS, 540 52 1504
GARY I. LULOFF, 483 56 6210
JERRY W. LUNSFORD, 415 84 8042
ANN O. LUPTON, 019 40 3217
JIMMIE R. LUTTRELL, 286 90 1516
ROLLIN J. LUTZ, JR., 485 58 4336
JAMES M. LYNCH, 541 50 9003
GEORGE S. MACHOVINA, 278 44 8801
DONALD B. MACNIVEN, 531 46 3506
CRAIG K. MACPHERSON, 022 42 7976
THOMAS R. MADDOCK, 308 52 1677
RICHARD M. MADDOX, 436 72 4421
ROBERT M. MADDOX, 419 60 7946
FREDERICK L. MADSEN, 125 38 9702
RICHARD D. MAEL, 575 56 7746
PETER H. MAGARGEE, 533 58 7040
WILLIAM J. MAGEE, 248 86 0076
WILLIAM E. MAGILL, 190 36 6488
PATRICIA K. MAGUIRE, 563 63 1142
EDWARD L. MAHAN, JR., 028 38 6308
STEVE M. MAHER, 237 84 0764
KEITH D. MAJOR, 275 46 4513
TERRANCE J. MALLON, 309 50 0707
STEPHEN M. MALUTICH, 306 62 7394
KENT L. MANUEL, 514 56 0336
ARMEN E. MARDIGUIAN, 074 42 6446
WAYNE S. MARICLE, 267 92 1814
JAMES A. MARKER, JR., 294 34 7335
WILLIAM F. MARKERT, 086 40 1233
EDWARD E. MARKS, 438 76 9070
JAMES W. MARKS, 313 54 5438
WILLIAM W. MARLETT, III, 194 42 2194
HECTOR H. MARQUEZ, [illegible]
ROBERT A. MARSH, JR., 282 44 1357
CHARLES P. MARSHALL, JR., 524 72 4571
ROBERT D. MARSHALL, JR., 450 78 1148
CHARLES A. MARTELL, 533 48 8803
CHARLES R. MARTIN, [illegible]
DANE R. MARTIN, 420 64 3834
GLYN D. MARTIN, 434 80 2793
JAMES H. MARTIN, 437 78 7057
JEROME V. MARTIN, 501 58 6801
JOHN M. MARTIN, 541 58 6510
JOSEPH P. MARYESKI, 048 40 2477
THOMAS K. MASCOT, 415 90 2068
DIXIE J. MASON, 417 62 9487
MARK C. MASTERS, 400 58 2105
JAMES D. MATHENY, 279 44 4013
CYNTHIA A. MATTHEWS, 456 78 5445
LYLE B. MATTHEWS, III, 454 86 5001
MARY K. MATTHEWS, 448 52 5421
OLIVER MATTHEWS, II, 236 74 1123
DAVID P. MAUNDER, [illegible]
ALFRED C. MAURER, [illegible]
HARRY P. MAXSON, II, 286 92 8228
JEAN I. MAXWELL, 293 42 1713
ROBERT C. MAY, 417 70 9585
THOMAS L. MAYBERRY, 441 54 4945
RICHARD J. MAYER, [illegible]
MARK E. S. MAYHEW, [illegible]
DANIEL C. MCALISTER, 539 46 7877
ROBERT L. MCANALLY, 310 52 3548
WILLIAM R. MCCAMLEY, 299 32 3162
DONALD J. MCCARTHY, 277 50 8823
MICHAEL P. MCCARTHY, 048 42 0896
ROBERT M. MCCARTHY, 258 84 7916
STEPHENS F. MCCAULEY, 226 78 2115
FORD H. MCCORMACK, 564 76 8808
JAMES H. MCCORMICK, 144 40 6067
GARY T. MCCOY, 248 82 2911
LORNA G. MCCOY, 266 82 5257
MARIS MCCRABB, 299 44 2125
PORTIA R. MCCRACKEN, 243 62 2164
DAVID C. MCDANIEL, JR., 219 46 8750
JAMES M. MCDANIEL, 235 88 7484
ROBERT L. MCDANIEL, 326 44 8293
EDWIN P. MCDERMOTT, 130 44 0824
JOHN A. MCDEVITT, 172 44 0811
JAMES R. MCDONALD, 548 78 3335
THOMAS J. MCDONALD, 274 52 6968
ROBERT E. MCDONNELL, 482 68 0656
THOMAS L. MCELROY, 482 80 8365
WALTER W. MCELVEEN, 250 92 3515
THOMAS P. MCFARLAND, JR., 505 34 0065
MICHAEL J. MCGANN, 521 70 5779
MICHAEL H. MCGINNIS, 553 78 1788
RICHARD V. MCGIRR, 522 60 3680
REGENIA P. MCGOWAN, 458 90 2913
KEVIN E. MCHUGH, 553 86 8821
GREGORY W. MCKILLOP, 116 40 5080
JAMES K. MCKINLEY, 417 72 8965
MICHAEL P. MCKINNEY, 455 94 8262
ANGUS M. MCKINNON, 163 38 6100
JOHN N. MCLEAN, JR., 081 36 8004
MICHAEL P. MCMAHAN, 230 62 5119
BOBBY E. MCMEANS, 423 52 6062
ROBERT B. MCMILLAN, 460 78 4404
DONALD R. MCMONAGLE, 383 58 6396
JOHN E. MCMURRAY, JR., 249 82 5408
MICHAEL R. MCMURREY, 406 88 2627
WALTER P. MCMURTRY, 266 82 8358
FREDERICK L. MCNEIL, 293 50 6258
JANET K. MCNELIS, 400 74 1256
LARRY MCPHERSON, 243 84 1707
JOHN M. MCTAMNEY, III, 248 86 5302
CARL J. MEADE, 449 84 0449
LEE A. MEADOR, 458 98 3092
MICHAEL D. MECHSNER, 554 72 1704
JAMES E. MEDLEY, 403 66 2751
RICHARD M. MEINHART, 178 44 9387
DONALD J. MEISTER, 399 50 1150
LEONARD T. MELCHER, 451 82 0176
MICHAEL G. MELCHER, 476 56 2403
MARK E. MELLINGER, 568 84 5765
DENNY J. MERIDETH, III, 486 52 3096
JOHN W. MERRIKEN, 071 42 2676
KENNETH A. MERZ, 500 60 2563
FRANK E. METRUSKY, 047 42 0493
THOMAS W. METZGER, 437 80 2687
CHARLES A. MEYER, JR., 541 60 7935
THOMAS W. MEYER, 452 84 1028
CHARLES M. MIELKE, 435 70 8704
DONALD W. MILES, 536 54 3489
DOUGLAS J. MILLER, 532 58 2214
JAMES C. MILLER, IV, 419 70 0757
JAMES N. MILLER, 274 44 9751
PETER T. MILLER, 439 80 2318
RANDY L. MILLER, 297 44 5728
WILLIAM H. MILLER, 387 54 4334
WILLIAM T. MILLER, 486 58 8335
ALAN D. MILLS, 511 48 9483
IAN M. MILNE, 517 60 4023
JOHN R. MILNER, 377 50 7675
ALAN D. MINNICH, 295 46 7977
DAVID W. MINTO, 454 92 8083
PAUL E. MINTO, 138 42 6003
DAVID J. MIRKOVICH, 564 84 5951
BRITTON M. MISTELE, 384 52 4807
CHARLES H. MITCHELL, 329 46 0935
DAVID L. MITCHELL, 536 54 5511
DENNIS A. MITCHELL, 282 44 2393
HUBERT G. MITCHELL, 260 76 1325
JOSEPH R. MITCHELL, JR., 123 40 7191
ROBERT E. MITCHELL, 251 80 1531
ANTHONY J. MLINAR, 298 42 1015
WILLIAM P. MOLINE, 576 52 2858
MARK C. MONDL, 272 42 0040
ARTHUR J. MONROE, 221 30 7883
DANNY J. MOORE, 439 74 4254
GLEN R. MOORE, 452 84 1057
JERRY J. MOORE, 432 92 4251
JULIAN M. MOORE, III, 216 56 0749
KENNETH L. MOORE, 447 48 2163
CECIL J. MOORMAN, 433 72 6247
PETER R. MOOY, 261 90 9335
MICHAEL A. MORAN, 329 42 7812
WILLIAM J. MORAN, 039 30 4384
JOHN D. MORGAN, 565 72 2829
MAURICE A. MORGAN, 227 74 5818
ARTHUR B. MORRILL, III, 360 50 9006
STEVEN B. MORRIS, 248 82 9486
ELLENN E. MOSES, [illegible]
MICHAEL L. MOSIER, 337 46 2311
CLYDE A. MOSLEY, 417 72 4524
JAMES A. MOSORA, 309 58 6063
KEVIN A. MOSS, [illegible]
KARL J. MOSSO, 197 38 9535
BARTON J. MOYER, 177 40 3282
BERNARD M. MUDD, 577 64 3397
WAYNE L. MUHGE, [illegible]
RAYMOND J. MUELLER, 106 38 4707
PATRICK C. MULLANEY, 555 82 3021
JOHN O. MULLENAX, 459 84 1648
CHARLES N. MULLIN, 444 56 8241
DOUGLAS S. MUNHALL, 541 56 1940
BRUCE E. MUNK, 303 54 5475
MICHAEL L. MUNK, 314 52 3990
GARY L. MURDOCK, 508 68 4900
MARION J. MURRELL, 424 78 2628
JAMES A. MYERS, 289 40 3466
SHELLY L. MYERS, 572 86 0619
KAREN H. MYRICK, 216 56 2875
ALAN T. NACKE, 539 52 5388
WILLIAM J. NAIGLE, 534 48 7761
KATHRYN F. NANCE, 301 52 4261
WILLIAM T. NANCE, 462 78 9283
DOLP C. NATION, 558 68 8668
DONALD W. NEAL, 345 42 5348
MARC J. NEIFERT, 362 54 4852
WINSTON D. NELMS, 255 72 5480
CLARK K. NELSEN, 528 70 6048
GALE N. NELSON, 546 84 2333
JAMES B. NELSON, 258 86 7242
RODNEY E. NELSON, 517 62 4355
JAMES M. NEUHARD, 171 42 0432
DAVID K. NEUMANN, 397 54 8745
JOHN M. NEVINS, 450 86 4149
LAURENCE R. NEWCOME, 426 96 3065
WALTER F. NEWGREEN, JR., 017 40 5210
GARY K. NEWSOM, 239 60 8842
JOHN S. NEWTON, 240 78 9192
RONALD A. NEWTON, 354 40 0522
BRUCE A. NICHOLS, 047 44 2214
ROBERT E. NICHOLS, II, 249 92 2030
JOSE E. NIDO, 583 50 1314
GREGORY J. NIEMIEC, 161 44 0619
MARK E. NILIUS, 505 72 9319
ALEX H. NISBET, 259 76 1272
MICHAEL P. NISHIMUTA, 447 54 5026
EDWIN E. NOBLE, 504 62 3754
MARK J. A. NOLEN, 435 80 2186
JOHN I. NORBY, 531 42 9761
LONNIE L. NORRIS, 443 48 4578
GARY L. NORTH, 231 70 9194
WILLIAM C. NORTH, 556 90 4332
JOHN F. NOSS, 223 74 7030
VINCENT C. NOTO, JR., 067 44 6978
KENNETH E. NOWLAN, JR., 312 44 1134
DENNIS L. NUTTBROCK, 543 62 7292
MICHAEL P. OAKLEY, 134 40 6525
RONALD M. OBERBILLIG, 519 56 8604
ELSTON E. OBERMANN, 485 60 7083
GEORGE R. OBRIEN, 283 06 3891
JOHN W. OBRINGER, 165 40 6426
KEVIN W. OCALLAGHAN, 048 46 1029
GERALD T. OCONNOR, 548 72 6694
JAMES L. OESER, 510 54 1072
ANDREW J. OGAN, 339 44 2954
ARTHUR A. OHMAN, 479 54 3791
JOHN M. OMEALLY, 080 42 4539
MICHAEL D. ONEILL, 521 74 3381
MARK V. ORLICKY, 585 52 5377
GILBERTO L. ORNELAS, 458 78 4022
BRADLEY ORTON, 528 74 8230
BILLY K. OSBORN, 571 72 2673
STANLEY R. OSBORNE, 524 68 3877
DONALD M. OTTINGER, JR., 317 50 8351
GREGORY F. PADULA, 433 80 7340
KENNETH M. PAGE, 529 82 5920
ROBERT F. PALING, 015 38 8644
PATRICIA M. PALMER, 266 08 7080
STERLING K. PALMER, 528 72 0990
TERRY R. PALMER, 467 82 1157
JOHN T. PARK, 053 44 3947
DAVID S. PARKER, 508 72 1833
ELAINE M. PARKER, 560 70 4338
HUGH A. PARKER, 522 74 7195
MELVIN J. PARKER, 518 60 1249
SCOTT D. PARKER, 523 76 2557
THOMAS E. PARKER, 255 84 7066
TIMOTHY B. PARKMAN, 249 94 4323
SCOTT E. PARKS, 258 86 4942
CAROL A. PARRINGTON, 225 78 9066
WILLIAM E. PARSONS, 254 72 7042
MAHENDRA K. PATEL, 102 48 4118
EDWARD L. PATNEAUD, 469 54 5914
MICHAEL R. PATRICK, 511 50 3626
JOSEPH G. PATTERSON, 568 80 7502
LEONARD E. PATTERSON, 578 70 4994
FRANK PAUCIELLO, JR., 464 94 2930
ALAN H. PAYNE, 551 66 8273
BETTYE J. PAYNE, 587 14 3750
BOBBY J. PAYNE, 458 78 2771
JOHN H. PAYNE, 342 44 5105
MARTIN A. PAYNE, 548 84 9652
STEVEN M. PAYNE, 220 60 2676
EDWARD J. PEARCE, III, 456 72 0772
DOUGLAS C. PEARSON, 385 52 7533
WILLIAM R. PEARSON, 223 66 1357
ALLEN G. PECK, 262 17 1135
LYLE G. PECK, 542 60 8459
RONALD E. PECK, 121 36 0780
BRIAN H. PECKHAM, 482 60 0845
ROLAND E. PEIXOTTO, JR., 008 42 2275
JAMES W. PENLAND, 552 72 2046
ALAN E. PENNINGTON, 161 40 3683
WILLIAM A. PENNINGTON, 340 44 7723
MICHAEL R. PEPIN, 044 44 1247
WILHELM F. PERCIVAL, 533 60 2850
DONALD G. PEREGOY, 253 74 5469
ANDREW D. PERONA, 552 84 5827
ALFRED H. PERRIE, III, 215 50 3550
RICKY A. PERRY, 526 90 5989
THOMAS WONDER PETER, 469 60 5268
JOHN J. PETERSEN, 564 76 5299
CHARLES V. PETERSON, 515 46 9854
DOUGLAS B. PETERSON, 168 44 8485

VOL 135 PT 10 23 JL 13 1989 JE UMI

JOHN C. PETERSON, 307-56-8398
KENYON L. PETERSON, 560-64-9078
RICHARD J. PETERSON, 522-80-7713
RICHARD W. PETERSON, 481-68-5737
STEPHEN M. PETERSON, 535-52-1015
TERESA M. PETERSON, 553-84-1094
DANNIE W. PETKUNAS, 342-40-0002
JOHN D. PETRILLA, 194-40-7150
JOHN PETRO, 204-40-8227
LARRY L. PETTY, 373-44-6178
EDWARD D. PHELAN, III, 572-76-9075
ALBERT L. PHILLIPS, JR, 579-62-8367
RONALD V. PHILLIPS, 219-56-7782
THORNTON D. PHILLIPS, JR, 529-54-2174
MELVIN L. PHIPPS, 309-40-4416
MARGARET A. PICTON, 516-66-2480
DANIEL J. PIERRE, 394-48-3746
ROBERT E. PIERSON, JR, 505-66-4669
RICHARD A. PILLING, 548-72-7081
MICHAEL W. PINTER, 049-42-0165
BARRY W. PITCHER, 215-52-6105
PAUL A. PITCOVICH, 276-46-1673
DENVER L. PLETCHER, 466-76-3563
WAYNE G. PLUCKER, 446-52-8509
JOHN F. PLUMMER, JR, 512-50-6344
ROBERT P. PLUNKETT, 250-90-2476
HENRY W. POBURKA, JR, 223-70-2805
LOIS E. POLIFKA, 231-72-5156
MARSHALL C. POLLARD, 529-60-2623
KENNETH W. POMPA, 550-80-3268
DELEWIS O. PORTER, 519-54-2100
TOMMY W. PORTER, 587-07-1090
THOMAS P. POTERE, 213-56-5958
JOHN F. POTTER, 236-78-3767
WILLIAM E. POTTS, III, 290-52-7575
PHILLIP B. POUNDS, 527-02-8659
RICHARD D. POWER, 467-90-2815
VICTOR C. POWERS, 116-36-7296
GARY A. PRAESEL, 465-88-6890
CAROLYN L. PRATT, 119-36-4835
FRANK H. PRATT, 515-48-9061
MICHAEL C. PRESTON, 467-80-2855
JOHN M. PRETZ, 513-58-5489
BETTY J. PRICE, 571-68-8895
RICHARD N. PRICE, 587-18-1151
WILLIAM H. PRICE, 453-72-1432
WILLIAM L. PRICE, 531-54-3753
JAMES R. PRIDEAUX, 551-64-9557
MARK E. PRILL, 533-54-6742
RONALD D. PRYNNE, 533-44-8619
BERTRAM H. PRYOR, JR, 252-74-4891
JAMES E. PUCKETT, 227-74-8788
GARY L. PUDWILL, 501-62-5290
LARRY J. PULCHER, 348-38-5145
RANDALL PUTZ, 464-92-6561
STEPHEN R. QUICK, 325-42-6060
PATRICK C. QUIGLEY, 558-08-5777
JOHN M. RABINS, 571-72-4584
PHILLIP K. RAGAN, 442-46-6358
WILLIAM F. RAKE, 500-54-9678
RUSSELL E. RAKIP, JR, 025-38-8430
ANDREW E. RANDLES, 526-92-9221
ANDREW J. RANFT, 489-56-2467
RODNEY R. RASMUSSEN, 528-64-7570
JAMES C. RATLIFF, 265-92-0196
GARY E. RATTRAY, 004-52-1409
EDWARD W. RAUSCH, 279-52-5469
ROBERT J. RAUSCH, 287-46-5669
CHARLES A. RAWLS, 416-74-2548
PHILIP M. RAY, 428-90-9836
THOMAS J. REAM, 236-76-8284
FREDERICK J. REAVIS, 269-52-9388
MARC I. REBHUN, 262-92-4377
NORMAN C. REED, 563-74-3403
SAMUEL M. REED, JR, 017-38-3378
STALKER E. REED, JR, 526-90-3402
DENNIS P. REGAN, 087-40-8617
WALTER F. REGEHR, JR, 509-56-8516
RAYMOND W. REHER, 585-30-2672
MICHAEL T. REICH, 454-86-7639
RICHARD L. REID, 447-42-9222
ROBERT D. REIDER, 541-62-4954
TIBURCIO R. RENDON, JR, 467-72-4811
GREGORY J. RENKO, 471-54-9679
DENNIS J. RENSEL, 277-46-8483
LOUIS K. REVER, 216-60-6042
CHARLES M. REYNOLDS, JR, 032-42-5425
DENNIS D. RICE, 505-66-4171
EDWARD A. RICE, JR, 276-60-4597
JON R. RICHARDS, 269-44-1638
FREDRICK C. RICHARDSON, 483-64-3305
GREGORY M. RICHARDSON, 561-70-5510
LARRY D. RICHARDSON, 436-74-4330
STEPHEN L. RICHMAN, 430-92-9519
JOHN D. RICKERSON, 264-88-8544
NEIL R. RIDENOUR, 296-52-6109
JEFFREY R. RIEMER, 267-92-4721
KEITH H. RIGGS, 452-82-9781
RICHARD W. RIGSBEE, 303-60-7440
RANDOLPH R. RIHNER, 434-74-3169
JERRY J. RIJ, 141-44-2467
GERALD R. RILEY, 412-86-5560
GEORGE G. RIPPON, 212-54-5416
MICHAEL L. RISCH, 304-50-2199
KENNETH M. RITCHHART, 306-56-3335
WILLIAM F. RITTER, 527-92-2850
RAMON RIVERA, 583-12-4277
JOHN R. RIVERS, 046-48-5747
LAWRENCE K. ROBB, 191-36-0959
ADRIAN D. ROBBE, 560-96-2999
EDMOND W. ROBERT, 037-28-1027
DAVID W. ROBERTS, JR, 001-38-9464
MICHAEL L. ROBERTS, 259-84-0357
RAYMOND J. ROBERTS, 537-48-6415
TIMOTHY A. ROBERTS, 540-54-1132
ERIKA A. ROBESON, 391-50-9865
CHARLES D. ROBINSON, 127-38-9872
JAMES P. ROBINSON, 460-94-4371
JOANNE M. RODEFER, 159-46-4814
WILLIAM B. RODIE, 139-42-0934
JOHN R. ROGACKI, 149-44-4650
SAMUEL L. ROGERS, 424-66-3672
TERRY D. ROHR, 515-44-8337
JOHN A. ROLANDO, 132-38-7959
JOHN F. ROLSEN, 302-46-3242
EDWARD E. ROMACK, 452-82-8419
ROBERT W. ROMINGER, 561-72-8459
DAVID A. ROODHOUSE, 379-48-4305
PATRICK J. ROONEY, 483-64-8359
DONNA G. ROSA, 139-46-6452
JOHN W. ROSA, JR, 265-94-3351
PHILLIP L. ROSE, 261-72-0867
DAVID W. ROSS, 144-44-7300
DONALD O. ROSS, JR, 325-46-9327
GARRY D. ROSS, 420-60-4743
WILLIAM W. ROSS, 567-78-4925
MARK A. ROTHE, 521-78-4078
WILLIAM J. ROTHWELL, JR, 541-58-9042
SCOTT C. ROUNCE, 516-62-8717
DAVID A. ROUND, 196-40-5965
DALE D. ROWSE, 527-78-1181
DOUGLAS L. RUDD, 225-78-7844
ROBERT B. RUDD, 305-52-3502
DANIEL A. RUEHL, 277-52-4477
NORMAN G. RUIZ, 565-62-1807
CHARLES A. RUMLEY, JR, 245-56-4372
RONALD B. RUNGER, 468-62-4004
DAVID B. RUSSELL, 431-92-6928
JAMES H. RUSSELL, 567-86-4081
ROBERT L. RUSSELL, 332-46-6249
JAMES L. RUTTLER, JR, 585-50-8420
JOHN E. RYAN, 101-34-1025
PHILLIP D. SABIN, 319-40-9447
RICKIE SADBERRY, 348-42-1533
EDWARD G. SAFLARSKI, 347-42-0857
RANDALL L. SAGE, 269-52-5958
JOSEPH J. SAILER, 475-52-2629
GAETANA M. SALETTA, 304-54-8228
ANTHONY C. SALMONSON, 065-42-2094
HARRY L. SALTER, 145-46-9249
JOHN C. SAMPSON, 585-16-6248
JOHN C. SAND, 517-62-3710
ANTHONY M. SANSONE, 527-70-5221
MICHAEL C. SANTURE, 237-88-2673
STEVEN S. SATO, 471-62-7517
THOMAS H. SAUNDERS, JR, 247-96-6942
RICHARD M. SAVAGE, 555-78-6538
ROBERT M. SAVAGE, JR, 420-72-4138
JOHN B. SAXMAN, 166-44-3464
CHARLES S. SCAPEROTTO, 163-42-6320
ROBERT L. SCARBROUGH, 572-72-7549
MICHAEL D. SCEARCE, 229-70-9205
CHARLES P. SCHAEFER, 213-52-7143
VERNE S. SCHAEFER, 468-64-9765
RICHARD SCHALLER, 148-46-3774
HERBERT H. SCHAUNAMAN, JR, 504-52-1456
ROBERT M. SCHEIBLER, 317-46-2074
MICHAEL A. SCHIEFER, 585-54-4449
KENNETH H. SCHINDELE, 477-50-9343
WILLIAM E. SCHLAFLI, 521-62-1527
ORVAL J. SCHLAPKOHL, 436-68-0186
WILLIAM L. SCHNEIDER, 313-58-0654
MARK W. SCHONING, 223-82-9829
ALAN W. SCHOOLCRAFT, 295-50-1006
WILLIAM J. SCHRANK, 092-38-8345
DAVID M. SCHRUPP, 517-56-3864
DANIEL C. SCHULTZ, 285-52-5125
WAYNE P. SCHULZ, 540-56-5731
ALEXANDER SCHUSTER, 077-42-4839
ROLAND L. SCHWANDT, 387-44-2233
CHARLES R. SCHWINN, 233-78-4183
JAMES C. SCONYERS, 459-92-0976
RONALD J. SCOTT, JR, 329-46-4405
JAMES E. SCULLY, 546-68-4489
CHRISTOPHER L. SEBALD, 214-56-5154
ROGER W. SEBBY, 325-38-8079
ROBERT D. SELIGMANN, 459-82-4260
PAUL E. SEYMOUR, 028-38-4734
RICHARD L. SEYMOUR, 453-92-9837
ANTHONY S. SGROI, 154-36-1508
GREGORY M. SHAKA, 551-82-3861
DAVID P. SHANAHAN, JR, 314-54-7907
ELLIS W. SHARADIN, 136-42-7736
WARREN B. SHAW, 110-42-9314
JAMES S. SHEEHAN, 448-50-1444
PAUL E. SHEEHAN, JR, 303-40-8075
DANIEL W. SHELOR, 249-78-0556
CHRISTOPHER SHELTON, 224-76-8758
JOHN R. SHELTON, III, 087-42-9070
WILLIAM L. SHELTON, 447-58-0678
JONATHAN J. SHEPERD, 510-50-1572
ARTHUR K. SHEPPARD, 267-86-8862
ANDREW J. SHERBO, 478-64-1711
CHARLES L. SHERCK, 285-44-1429
JOHN SHERFESEE, 001-36-2684
LARRY T. SHERVANICK, 178-38-2479
ROBERT W. SHIELD, JR, 457-80-1341
RICHARD L. SHORT, 573-74-6645
ROBERT J. SHORT, 505-62-0698
WILLIAM R. SHORT, 498-58-9432
FRANK G. SHOWALTER, III, 279-50-4518
GARY W. SHUGART, 485-70-2321
ROBERT M. SILVER, 098-36-1231
PEGGY O. SIMEK, 438-86-4104
LEVON SIMMONS, 459-60-1743
TERRY L. SIMPSON, 412-86-7684
LARRY E. SIMS, 519-58-1881
THOMAS M. SINGLETON, 400-76-6930
ROBERT T. SISK, 223-64-2085
TIMOTHY L. SISSON, 527-94-0108
THOMAS W. SITZMANN, 526-88-8613
JOANNE L. SKIDMORE, 564-76-8909
WILLIAM J. B. SLATER, 308-54-3116
MICHAEL J. SLAVENS, 401-64-0989
BRUCE D. SLAWTER, 567-82-1552
JOHN F. SLAYTON, 258-86-7269
ABRAHAM SMITH, JR, 438-72-8788
BOBBY G. SMITH, 461-92-5390
DONALD F. SMITH, JR, 160-34-9159
DOUGLAS B. SMITH, 466-90-0652
LIONEL G. SMITH, 306-56-5129
MARK E. SMITH, 571-88-4463
MICHAEL L. SMITH, 513-48-6135
ODELL A. SMITH, JR, 246-82-0555
ODES D. SMITH, 310-56-5355
RICHARD V. SMITH, 430-82-8105
RONNIE W. SMITH, 239-82-9424
SCOTT L. SMITH, 463-84-5294
THOMAS F. SMITH, 334-40-6974
WILLIAM L. SMITH, JR, 258-84-7414
WINFIELD H. SMITH, 465-94-5162
THOMAS E. SNOOK, 449-92-9619
WILLIAM T. SNOW, 408-76-2554
DANIEL T. SNYDER, 569-90-3648
IVAN D. SOBIN, 263-96-1074
KENNETH J. SODA, 320-46-9808
ERNEST M. SOMOZA, 526-88-2391
MAURICE F. SONNER, II, 465-82-0469
RUSSELL G. SORENSON, 440-48-0469
JOHNNIE C. SORRELLS, JR, 464-88-3202
MICHAEL V. SOTAK, 213-54-8695
PHILIP L. SOUCY, 009-38-7701
JOHN M. SPADE, 559-88-0430
BRYAN H. SPARKS, 465-84-2728
DENNIS L. SPARROW, 528-66-1157
WILLIAM L. SPEEGLE, 466-72-0742
LARRY D. SPENCE, 242-76-4461
STEPHEN H. SPENCER, 405-68-7264
RICHARD K. SPICER, 215-56-5416
ROBERT I. SPILLERS, 214-58-4486
CHARLES W. SPRIGGS, 238-72-8747
STEVEN R. SPRINGER, 477-52-7739
DANIEL P. SPROULL, 184-40-9136
CHARLES E. STALLWORTH, 563-84-8964
WAYNE P. STANBERRY, 222-32-2575
KENNETH C. STANLEY, JR, 257-86-0186
ALFRED E. STANTON, 447-52-0333
BILLY J. STANTON, JR, 466-84-4947
LAWRENCE A. STANTON, 139-46-4252
ROGER S. STAPLETON, 341-44-4669
JOE M. STATON, 338-44-6997
PATRICK G. STEGMAN, 305-52-0058
LARRY D. STEICHEN, 448-50-7727
JAMES M. STEINER, 287-42-0907
ROBERT J. STEINHAGEN, II, 269-52-7249
ROBERT L. STEPAN, 324-44-5081
MICHAEL C. STEPP, 281-40-7492
DAVID E. STEVENER, 060-42-6009
JAMES L. STEVENS, 173-44-1756
STANLEY S. STEVENS, 516-60-2189
FREDRIC G. STEWART, 429-84-8755
LEROY STEWART, 247-80-4866
RICHARD A. STIBRIK, 190-42-0918
HANS G. STOLL, 325-46-8912
DENNIS D. STORCK, 278-50-5669
RICHARD B. STORRS, 518-56-9357
WILLIAM K. STOTHART, 572-72-7097
GLENN C. STRAIN, 417-72-2462
ROBERT A. STRATTON, 539-52-4685
WILLIAM D. STRAUTMAN, 290-42-4151
JERALD L. STRAW, 527-78-6790
BRADLEY K. STREET, 490-58-8327
RICHARD C. STROM, 085-42-4335
THOMAS G. STRONG, 404-68-4367
ROBERT J. STROUP, 055-40-5115
JOHN L. STRUBE, 282-44-4820
WILLIAM F. STRUNC, 507-62-9905
ROBERT L. STTHOMAS, 059-44-0375
BERNARD D. STUBBS, 439-86-4444
STEPHEN M. STUBBS, 225-68-9447
PAUL R. STUCKY, 265-90-7476
CHARLES R. STURDIVANT, 466-74-9345
WILLIAM A. SUDEKUM, JR, 410-78-0530
GEORGE S. SULLENGER, 526-94-7339
KARL S. SULLIVAN, JR, 409-84-2961
STEPHEN J. SULLIVAN, 506-66-0192
WESLEY B. SULLIVAN, 427-88-2370
RICHARD D. SURMAN, 537-44-3136
THOMAS O. SUTLIFF, 021-42-0040
STANLEY J. SUTTERFIELD, 447-50-6694
ROBERT L. SUTTON, 412-84-8563
DONALD G. SUTULA, 345-44-5501
DAVID P. SVETZ, 575-58-4910
RALPH L. SWANN, 292-46-6454
MICHAEL A. SWEENEY, 275-50-5075
THOMAS SWEENEY, 141-44-8442
THOMAS A. SWERTFAGER, 545-72-7646
RAYMOND J. SWIDER, JR, 335-44-3550
WILLIAM D. SYPTAK, 435-76-4689
ROBERT E. TAFT, 227-72-5335
WILLIAM B. TALLON, 266-92-6520
JAMES J. TANNER, 011-40-4619
JERRY D. TANNER, 458-72-4190
DONNA M. TAYLOR, 465-82-0365
MARK A. TAYLOR, 320-40-9246
TED D. TAYLOR, 244-82-3117

TERRY D. TAYLOR, 521 66 2504
WILLIAM R. TAYLOR, 261 21 0021
KENNETH E. TEAGUE, 436 74 7628
STEVEN J. TESKE, 471 54 6431
DAVID L. THAXTER, 548 52 8055
PATRICK M. THAYER, 207 76 4348
JAMES L. THEOBALD, 352 40 2169
RICHARD J. THIELE, 550 72 4533
BILLY G. THOMAS, JR., 421 70 6863
DAVID W. THOMAS, 466 90 5021
GEORGE E. THOMAS, JR., 538 50 1662
GREGORY P. THOMAS, 218 56 8021
RONALD J. THOMAS, 193 36 2131
RONALD L. THOMAS, 550 68 4920
JAMES R. THOMITE, 083 34 7543
ALAN E. THOMPSON, 046 48 4835
JOHN A. THOMPSON, JR., 521 74 2911
KC THOMPSON, 543 50 1020
RODNEY C. THOMPSON, 536 60 7856
JOHN M. THOMSON, III, 188 36 7587
ROBERT R. THONN, 331 44 9440
WILLIAM P. THORN, 406 84 7682
ROBERT W. TICKNOR, 270 42 9141
DALE E. TIETZ, 262 94 4871
HENRY S. TILLINGHAST, JR., 500 56 2004
GEORGE A. TITTLE, 421 64 2531
NATHAN T. TITUS, 526 78 6580
DAVID P. TODD, 145 46 4994
WILLIAM S. TODD, JR., 256 90 1680
WILLIAM A. TOLBERT, 271 44 2954
PHILLIP L. TOLER, 572 76 2348
RICHARD E. TOMAS, 140 40 6829
JOHN E. TOMPROS, 578 62 0121
JOHN C. TOOLE, 135 38 9614
GARY E. TOPPING, 272 52 6733
PHILIP E. TORANGO, 502 68 0607
SAMUEL R. TORREY, 526 78 1019
RALPH M. TOWELL, JR., 243 86 8077
JOHN G. TOWNSEND, 102 42 1141
SHELBY M. TOWNSEND, 587 46 1350
HARRY A. TRASK, 496 48 7229
GREGORY L. TREBON, 571 88 3683
WESLEY E. TREVETT, 587 38 7342
GARY M. TRIPLETT, 404 74 0588
MARY M. TRIPP, 344 40 5462
MICHAEL J. TRU AX, 264 90 8019
GERALD E. TRULL, 453 90 0459
JOHN A. TRUMBLE, 421 96 5703
THOMAS E. TSCHORKE, 008 44 0196
ARTHUR D. TUBBS, 461 84 9721
WILLIAM C. TUCK, JR., 286 44 3870
HAROLD W. TUCKER, 436 74 2732
JESSE R. TUCKER, 454 84 8444
STEVE J. TULO, 347 38 5676
GLON D. TURNER, 579 68 0316
MICHAEL F. TURNER, 528 74 8732
MICHAEL R. TURNER, 136 44 7874
RANDALL L. TURNER, 271 50 1464
MICHAEL B. TUTIN, 217 56 8923
ROGER F. TYLER, 561 82 7416
MICHAEL E. UECKER, 284 44 6224
ALBERT K. UEHARA, 576 46 5497
DARYL B. UMSTEAD, 237 84 5883
DAVID R. UNGER, 531 48 2376
PHILLIP W. UPCHURCH, 446 52 2213
FRANCIS J. URBEN, 260 82 7991
CLIFFORD M. UTERMOEHLEN, 510 56 6615
DOUGLAS E. UTLEY, 244 88 9340
LOYD S. UTTERBACK, 524 70 9704
GARY M. VANCE, 380 44 0007
GUY R. VANDERMAN, 217 42 8214
JOHN R. VANDERWALL, 476 56 4171
MARC VANELLS, 387 56 0013
LESLIE R. VANHEESWYK, 482 66 2406
PAUL H. VANZANDT, 570 82 3668
BERTALAN J. VARADY, 143 44 8832
GEORGE L. E. D. VARN, 248 92 4990
RONALD J. VAUGHAN, 587 30 2017
GARY L. VECHIK, 227 70 9637
FRANCIS E. VELDMAN, II, 374 48 5198
JOHN A. VELINO, JR., 036 30 0147
MARK E. VENNER, 504 62 5046
MIGUEL VERANO, 266 86 3910
THOMAS J. VERBECK, 195 42 6805
DOUGLAS D. VERSCHAEVE, 533 44 4868
GEORGE A. VIDRINE, JR., 245 84 4400
THOMAS P. VIEHE, 522 68 9400
ARMANDO V. VILLAGRAN, 449 84 3286
JAMES VITELLI, 075 40 6581
ERIC M. VOGEL, 046 44 2806
ROBERT C. VOGLER, 113 44 7805
HANS J. VOGT, 286 94 3483
ROBERT E. VOIGT, 266 56 8329
CLYDE P. VOYLES, 252 80 4118
MICHAEL E. VROSH, 366 54 9360
CARL E. WABB, JR., 500 64 1142
CALVIN O. WACHS, 512 54 5090
THOMAS L. WADE, 564 74 2367
JOHN M. WADSWORTH, 404 60 2373
GREGORY G. WAEBER, 219 54 7120
RICHARD S. WAGAMAN, 184 44 6276
CLARENCE H. WAGNER, JR., 527 68 6873
ROBERT M. WAGONER, 228 64 0479
LYNN W. WAKEFIELD, 486 88 8447
CARY M. WALGAMOTT, 519 56 6168
DONALD L. WALKER, 236 70 6362
DOUGLAS B. WALKER, 486 74 1634
MICHAEL A. WALKER, 262 96 0491
MICHAEL W. WALKER, 092 36 5028
FRED K. WALL, 331 44 9080
BRUCE E. WALLACHY, 541 44 4928
MICHAEL D. WALLEN, 266 82 4281
STEVEN D. WALLER, 350 46 8020
ROBERT M. WALLETT, 192 46 2175
SANDRA K. WALLS, 415 84 5147
ALBERT E. WALMSLEY, JR., 411 92 0372
EDWARD J. WALSH, 128 38 1486
STEPHEN D. WALSWORTH, 573 82 4114
DOUGLAS B. WALTER, 576 48 2815
JOHN J. WALTERS, 522 82 6847
JAMES R. WALTON, 291 38 3340
BERT J. WAMPLER, 536 52 1049
JOHN R. WARD, 519 66 9165
JOSEPH P. WARD, 524 56 3746
MICHAEL L. WARDEN, 576 60 9446
DALE C. WATERS, 355 48 4174
JOSEPH J. WATERS, 182 38 7970
LARRY W. WATERS, 467 88 5942
RAY M. WATKINS, 230 74 4328
THOMAS J. WATSON, 141 40 6840
JOHNNIE H. WAUCHOP, 214 56 7738
THOMAS W. WAYLETT, 108 40 1325
JOHN H. WAYNE, JR., 140 46 8601
DOUGLAS G. WEBB, 585 42 8406
CHARLES D. WEBER, 442 50 4701
RICHARD H. WEEKS, II, 001 38 7516
TERESA Y. Y. WEGEMER, 569 76 4922
WILLIAM L. WEIFORD, JR., 233 78 3686
CHARLES H. WELLS, 491 52 7712
LEWIS F. WELLS, JR., 526 74 1082
MARK K. WELLS, 094 38 2227
ROBERT L. WELLS, 257 80 4936
JAMES R. WELTEROTH, 196 42 3356
GERALD M. WEMPE, 503 60 8190
MICHAEL S. WENGER, 282 42 7812
EDWARD WENGOREK, 127 36 8308
CHARLES D. WENNERMARK, 429 82 9053
JEFFREY H. WENZEL, 278 40 4988
PATRICK R. WERNER, 585 36 3532
JAMES D. WESSLER, 456 88 3546
RONALD L. WESTFALL, 482 66 3601
DONALD J. WETEKAM, 324 42 0322
JOHN F. WHEELER, 486 58 9132
HARRY W. WHITAKER, III, 532 48 8208
JOHNNY WHITAKER, 224 72 6500
THOMAS D. WHITAKER, 237 82 4528
BRUCE K. WHITE, 464 84 5250
DAVID B. WHITE, 445 54 6048
DAVID L. WHITE, 464 88 6505
GAROLD L. WHITE, 533 46 6730
GEORGE L. WHITE, III, 083 40 2356
GERALD L. WHITE, 266 86 0132
JEFFREY W. WHITE, 358 40 9754
MICHAEL A. WHITE, 554 84 6485
DONALD H. WHITLER, 251 78 5499
ALFRED H. WHITLEY, 152 40 0050
DAVID L. WHITLEY, JR., 221 34 2729
EARL E. WHITT, JR., 553 78 3683
CHARLES D. WHITTENBERG, 480 58 1870
KENNETH J. WIATREK, 460 76 8721
ROBERT J. WICKE, 349 42 4577
JOSEPH P. WIDINCAMP, JR., 256 78 8135
TONY L. WIGGINS, 294 44 2518
HARRY W. WILBANKS, 455 82 5683
BRIAN H. WILBER, 378 50 6118
MICHAEL J. WILKEN, 586 60 6045
GARY WILKINS, 528 80 0498
JAMES E. WILKINSON, 473 62 9474
LARRY P. WILLERS, 522 72 6270
TURNER WILLFORD, JR., 262 88 1294
BEN C. WILLIAMS, 435 76 1281
BILLY O. WILLIAMS, 429 96 1149
CHARLES R. WILLIAMS, 422 66 5936
EUGENE C. WILLIAMS, 416 64 1063
GEORGE B. WILLIAMS, 245 88 2626
JAMES M. WILLIAMS, 448 52 7146
JOHN O. WILLIAMS, 296 44 7427
LAPORREST V. WILLIAMS, 570 82 8823
MELISSA M. WILLIAMS, 435 70 2304
THEODORE WILLIAMS, 435 60 6107
WAYNE E. WILLIAMS, 264 92 8832
BRIAN E. WILLIS, 267 92 2034
DAVID W. WILLIS, 264 86 6633
MICHAEL J. WILLIS, 387 52 9597
STEPHEN B. WILLIS, 361 44 8946
DANIEL P. WILLISON, 555 68 2211
FREDERICK P. WILLISTON, 229 58 1186
JAMES L. WILSON, JR., 236 76 4506
JOHN R. WILSON, 082 42 4204
RICHARD B. WILSON, 237 86 9064
ROBERT D. WILSON, 390 50 7866
WILLIAM D. WILSON, 450 88 8479
MICHAEL E. WINCHESTER, 306 54 5611
CHARLES L. WINSTEAD, JR., 227 68 6870
CHARLES M. WINTERS, 577 60 8800
CLIFFORD M. WIPPEL, 537 46 7908
WALTER P. WISE, 250 92 2767
ELSLEY K. WITT, JR., 301 42 2748
PATRICK L. WITTKAMP, 227 70 6542
JAMES K. WOESSNER, 287 42 6546
SUSAN L. WOIDA, 212 58 4244
MICHAEL P. WOJCIK, 530 38 1982
KENNETH W. WOMACK, 496 52 8625
REXFORD O. WOOD, 263 90 9654
STEPHEN G. WOOD, 308 48 7553
HOMER O. WOODARD, 439 52 3044
PAUL Q. G. WOODFORD, 564 62 4172
GUY A. WOOLMAN, 224 64 2021
GREGORY V. WOOTTON, 529 70 5124
JAMES N. WORTH, 564 82 8378
JOHN J. WRIGHT, 188 42 7341
ROBERT C. WRIGHT, 055 40 6764
SUSAN M. H. WRIGHT, 284 66 4082
DONALD C. WURSTER, 524 80 1815
THOMAS P. WYNN, JR., 577 68 7594
JOHN M. YARGER, 272 50 3247
LARRY L. YATES, 489 54 6650
PHILIP G. YAVORSKY, 523 62 9270
RAYMOND E. YEILDING, 423 68 7512
ALAN K. YERLY, 350 42 8180
STEVEN R. YESTNESS, 520 58 9163
RONALD D. YOHO, 314 54 8292
PETER W. YOUNG, 130 36 9520
ROGER A. YOUNG, 320 42 0605
STUART A. YOUNG, 532 48 3296
VICKIE A. YOUNG, 248 90 1055
ROBERT A. YOUNGQUIST, 351 38 9157
CHARLES R. YOUNKIN, 296 40 3543
PAUL P. ZAUNER, 124 40 0389
DAVID A. ZELLMER, 388 48 8389
JOSEPH C. ZEMAN, 333 44 4024
RICHARD M. ZIMMERMAN, 369 52 3584
RONALD D. ZIMMERMAN, 517 54 6127
DANIEL R. ZOERB, 549 72 1902
RICHARD ZUBER, 066 40 0492
EDWARD J. ZWIRKO, JR., 148 44 9024

CHAPLAIN CORPS

To be lieutenant colonel

DENNIS E. ALESON, 502 56 9075
JOHNNY R. ALMOND, 429 82 8276
DANNY N. ARMSTRONG, 544 56 5806
JOHN R. BLAIR, 467 66 2913
KENNETH E. BRIGGS, JR., 512 42 2330
EDWARD T. BROGAN, 207 40 0671
KAREN T. CHRISLEY, 012 44 9903
JOHN M. COLLINS, 570 60 4525
WALTER M. COURTER, II, 315 54 9378
DAVID E. CROCKER, 263 50 7089
JERRY C. FOGLTANCE, 527 56 2834
SHARON M. FREETO, 002 36 9957
PATRICK J. HALEY, 196 34 5468
HENRY B. HIGHFILL, 247 68 1449
RAY W. HINSCH, 502 52 2815
ARTHUR R. HOMER, 110 36 8293
RONALD H. KELLING, 444 46 1114
MELVIN E. MARTIN, 236 68 8078
JOSEPH F. MCCAHON, JR., 179 34 7330
FORREST D. MILLS, 232 68 5266
CHARLES W. PERRY, 418 62 8333
JAMES P. REVELLO, 524 66 4201
CECIL R. RICHARDSON, 389 46 3790
THOMAS P. SANDI, 130 40 5314
JAMES A. SANDS, 548 62 3628
DAVID J. SCHROEDER, 460 82 4753
EVERETT C. SCHRUM, 464 76 6983
DONALD E. TAYLOR, 531 46 4510
DANNY R. THOMPSON, 227 56 6475
JAMES R. WILSON, 251 74 9934

JUDGE ADVOCATE

To be lieutenant colonel

ROBERT C. ANDERSON, 310 50 8968
BRUCE J. BARNARD, 391 54 6364
THOMAS G. BECKER, 509 56 4888
WILLIAM P. BOWEN, 264 04 7620
DAVID R. BRENNAN, 299 44 0754
DAVID W. CHAPPELL, 314 58 6516
DAVID M. DIVER, 512 58 4219
BERNARD E. DONAHUE, 228 52 9137
STEPHEN J. DUGGAN, 555 72 2089
RICHARD T. GAMM, 585 30 3061
H. MARTIN JAYNE, 492 56 0275
BRYAN T. LAWLER, 485 62 4096
SCOTT B. MCLAUTHLIN, 522 74 9203
ALAN K. PASSEY, 529 76 0410
RICHARD A. B. PRICE, 224 72 0623
ALEXANDER W. PURDUE, JR., 141 40 9950
JACK L. RIVES, 252 86 0540
KENNETH M. ROBERTS, 541 52 1733
DONALD L. ROBINSON, 146 32 9572
ALAN M. ROT/CH, 085 42 6985
MARGARET L. SCHREIER, 183 40 1171
KENNETH W. SCHROER, 494 52 6376
LARRY L. SHARRAR, 537 52 9302
FRANK J. SPINNER, 575 58 0059
DAVID P. STEPHENSON, 365 58 0066
RAYMOND T. SWENSON, 528 76 4779
DAVID L. THOMAS, 478 68 3196
MICHAEL P. WILSON, 487 58 0415
LEE W. ZIMMERMAN, 290 42 1438

DENTAL CORPS

To be lieutenant colonel

HELEN M. ALVERSON, 241 88 6853
VICKIE H. ANDERSON, 436 86 5424
DIAN L. ATKINS, 236 80 4096
ESTON L. BANNISTER, JR., 252 84 6023
DEBORAH M. BARNOSKI, 380 54 1436
CORALIE S. BETZ, 301 34 9251
EDGAR E. BRYNER, 162 44 7717
ROBERT L. BUCKLEY, 438 68 5005
KATHY K. CASH, 346 46 6759
ANNETTE J. COCKBURN, 088 36 1276
ELLEN A. CONNORS, 252 90 9824
EDITH M. E. DAQUILALLOYD, 144 36 5370
THOMAS A. DAVIS, 484 58 8311
MARYANNE DEPAOLAUTT, 082 40 7753
KATHRYN M. FAGAN, 120 38 4294
DEBORAH S. FRANCE, 206 15 3606
BRENDA K. FULLER, 227 76 5295
MARY C. GOCKE, 240 78 7488
GARY C. GRAY, 453 82 2397

KATHRYN A. GRAZIANI. 567-84-0090
GLENDANN HARDY. 187 42 4035
DEBORAH A. HART. 323 46 8454
SUSAN L. HARVEY. 399 50 7755
KATHRYN M. HENRY. 323 46 4801
DARRELL R. HOFFMAN. 305 46-7316
SHARON A. HOLTZ. 117-42-8736
NORMA J. HUMPHREY. 260 76 5872
PEGGY A. JAMES. 432-88-6093
MICHAEL J. JOST. 460 76-4938
CYNTHIA A. KENYON. 577-70-2747
SHERRIE L. KNECHT. 279-52-7552
JILL M. LAYMON. 276-52-2769
TERESA A. LEDZINSKI. 172 38-5733
DOROTHY M. LEWIS. 412-88-8313
KAREN L. MARUSZAK. 215-54-8777
HELEN G. MCGAW. 147 42-6502
KATHLEEN A. MCINDOE. 182-44 9366
LARRY S. MCMILLEN. 521-70-6445
NANCY L. MCNAMARA. 041-46-0764
MARIE A. MOYER. 371 54-0735
DOUGLAS R. NEWPORT. 554-68-8157
MARY A. OPHOF. 197-42-3856
JANICE K. ORORKE. 519 56-5689
JOYCE K. PARK. 491-50 2596
SHARON D. PATTERSON. 454-82-0806
NANCY C. PREZIOSI. 146-38-9603
JAMES B. ROBERTS. 562 82-1174
DANIEL R. RUSTVANG. 502 60-0929
JIMMIE M. SMITH. 264 96-0056
MARGARET E. STRICKLAND. 461-88-5588
EILEEN L. SULLIVAN. 011-42-9365
JACQUELYN J. SUMMERS. 421-70-4521
MARTHA L. TARLEY. 236-70-9885
BRENDA C. TEAL. 252-78-5551
DONNA D. THOMPSON. 431-94-8701
DOLORES H. TURNER 475-58-6283
PAMELA A. WINDMUELLER. 412-92-5853
SUZANNE WOLF. 142-46-8529

MEDICAL SERVICE

To be lieutenant colonel

MICHAEL C. ANDERSON. 477-54-5490
DAVID A. BOYUM. 470-48 9984
DON C. BROWN. 555-96-8906
JEFFREY L. BUTLER. 524 62-9781
DAVID L. CARLETTI. 011-38-3944
MICHAEL E. CARVER. 245-74-7065
RUSSELL L. COLEMAN. 557-64-5683
JOHN G. CORNALI. 521-60-1943
RICHARD A. DEVALL. 436-64-9846
JAMES C. DUDTE. 292 44-3632
THOMAS A. EUREK. 352-40-7027
RONALD W. GRUENDELL. 528-62-4325
MAURICE R. HAMILTON. 018-38-7392
CARLISLE HARRISON. JR. 249-98-0111
STEPHEN K. LECHOLOP. 249-96 5145
RICHARD D. MADDOX. 585 24-7146
LESLIE L. MALLONEE. JR. 462-74-3957
CRAIG S. MATSUDA. 576-58-2295
DANIEL MAYER. 262 72-9302
JOSEPH L. MCGRAW. 481 58-6887
DENNIS M. OREILLY. 547-70 9835
JOHN C. PATCHIN. 225-76-8688
NEIL G. PATTERSON. 012-34 5349
RICHARD A. PETERSON. 217-54-0779
RICHARD S. ROARK. 225-54-1807
ROBERT J. ROBSON. 189 38-6397
JOHN F. ROTHSTEIN. 056-36-3260
JACKIE W. SMITH. 365-42-4288
ROBERT L. SPARKS. 215-42-7438
GARRY W. STANBERRY. 466-84-3341
JOE E. STRANGE. 555-72-2326
MICHAEL J. THORNELL. 422-50-3414
LARRY B. VANCLEAVE. 466-82-7560
LARRY F. WITTGAN. 338-36-3643

BIOMEDICAL SCIENCES CORPS

To be lieutenant colonel

JAMES J. BERGER. 502 50-1878
ALAN E. BROOKER. 571-76-1946
JOHN J. CASSIDY. 292-40-1083
JAMES P. CERHA. 216-58-7153
JOHN R. CHARLES. 528-60-8408
STUART T. CORDTS. 485 58-8124
KENNETH A. COSTA. 508-74-1111
GEORGE V. CROSHAW. 519-54-1921
RICHARD B. DRAWBAUGH. 167-40-0446
MICHAEL I. DUBROFF. 460-86-3247
ROBERT A. FERGUSON. 467 84-0951
PATRICK T. FINK. 146 40-2238
WILLIAM C. HALL. 260 82-3579
JOE C. HEFLEY 443-42-0238
PATRICIA A. HOBBS. 268-48-8543
WILLIAM F. KELLER. 419-58 8002
IRA J. KOREMAN. 103-38-1947
FRANK T. LUBOZYNSKI. 261-88-4543
KENT E. MAGNUSSON. 479-64-4292
MARTHA M. MARETH. 266-96-5174
JAMES A. MCGEHEE. 355-42-9997
MELINDA A. MITCHELL. 521-78-8005
KARL O. MOE. 484 64-0164
JAMES D. MONTGOMERY. JR. 379-44-0450
GEORGE R. NEW. 429-86-9638
JAMES W. NORMARK. 501-54-8624
SUELLYN W. NOVAK. 291-42-1037
PAUL M. OHAVER. 570-66-7156
MELVIN R. ONEAL. 561-68-9660
WAYNE R. PATTERSON. 007-48-7693
THOMAS L. PENDERGRAST. 548-74-0280
DAVID L. POTTS. 241 86-9955
THOMAS A. ROBILLARD. 046 34 5945
DANIEL L. RUNYAN. 503 50-4847
SHERRELL L. RUSSELL. 456-92-1434
MARK R. STEPHENSON. 332-40-7394
WILLIAM S. SWINDLING. 267-84 9777
MICHAEL J. WARD. 470-62-6222
WILLIAM A. ZAHLER. 272 36 1989

IN THE ARMY

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTION 3385:

ARMY PROMOTION LIST

To be colonel

THOMAS A. ANDERSON. 503-44-4775
BYRON L. BARNER. 507-42 2997
RICHARD BRITO. 455 64-1333
ROBERT A. BRODERICK. 575 38-8210
JOHN S. CALVETTI. 516-38-3385
JOHN D. CUNNINGHAM. 413 54-2374
JAMES J. DAVID. 167 34 2610
DANIEL J. DILLON. 079-34-3866
ROBERT G. DUNNAVANT. 236 58-6776
JIMMY W. EASTERLING. 417-54-1439
JERRY J. EGGLESTON. 509-44-9810
JOSEPH L. FERREIRA. 077-38-6311
ALLEN O. GRELL. 505-48-2749
HARVEY M. HAAKENSON. 501-44-6256
WILLIAM A. HADWIGER. 444-42-2273
NORMAN T. HAINES 265 50-5406
JOHN L. HANSEN. 529 52-7135
JOHN R. HOLMAN. 489 44-1630
DONALD C. HULS. 503-50-2415
BERRY S. JOHNSON. 418-46 3522
JOHNNY R. KENDRICK. 430-70-0954
JAMES M. KENNEDY. JR. 431-66-3611
RONALD K. KERWOOD. 377-38 0429
FLOYD KING. 255 50 8436
THOMAS K. KIRKPATRICK. 435-64-7017
GAROLD W. LUTHY. 537-32-9805
ANDREW R. MILLER. 203-32-6156
LOUIS L. MURRAY. JR. 217-38 2266
MICHAEL P. OCONNOR. 147-34-6247
DONALD D. ORTON. 576 36 6869
CHARLES M. PARTIN. 439-50-8672
MICHAEL E. RAWLINS. 575-42-9609
REINALDO G. SANCHEZ. 525-86 7021
FREDRICK H. SERMON. 519-38 4508
EARL V. SHACKELFORD. 465-50 5015
HENRY D. SINTZENICH. 086-36-0571
ALLEN E. TACKETT. 236-68 5032
ROBERT W. VERTREES. 519-44-2766
LEROY A. WALL. 443 38-9586
RYLAND E. WREDE. 312 44 3989
WAYNE D. ZAJAC. 218-38-3825
DAVID A. ZWEIFEL. 387-36 3044

CHAPLAIN

To be colonel

RONALD C. BILL. 110 22 2259
THOMAS C. BLESSIN. 121-38 7206
WILLIAM E. CURTIS. 427-50-8038
JAMES D. WILLIAMS. SR. 425-70-3265

MEDICAL CORPS

To be colonel

HOWARD AXENROD. 102-22-2171
JACKIE L. CHURCH. 410-56-9777
CHARLES KANAKIS. JR. 327-40-3434
DAVID R. NICHOLS. 391-48-4977
CLAUDE K. SMITH. 438-30-6999

MEDICAL SERVICE CORPS

To be colonel

GERALD O. DIAL. 424 42-3994

ARMY PROMOTION LIST

To be lieutenant colonel

RONALD W. ADAMS. 214 46-4365
REGINALD T. BERNARD. 005-38-1807
PHILIP W. BEVIS. 235 66-4458
ELLIS E. BRUMBAUGH. JR. 373-50-5718
JASPER CARPENTER. 401 66-3619
MICHAEL L. CASSADY. 001-32-6900
RONALD S. CHASTAIN. 430-92-5280
JOSEPH J. CHAVES. 575-58-4075
PETER C. COLE. 564 68 8847
DAN M. COLGLAZIER. 303-52-2443
GARRY J. COLLOTON. 133-36-4290
JAMES J. COOKE. 216 36-2887
THOMAS W. DALTON. JR. 253-58-1383
GEORGE C. DOLL. 303 52-7062
JOHN R. DOUGLAS. 433 68-9092
JAMES P. FOOT. 432-02 1277
JOSEPH J. GACIOCH. JR. 526-66-8803
JAMES G. GAMBILL. JR. 239-68-6779
KEITH C. GOODHOPE. 503-52-8631
WILLIAM W. GOODWIN. 467-76-8895
OLEXANDER HNOJEWYJ. 469-52-3869
RICHARD D. HOVERSON. 519-50-5886
JAMES G. HOWARD. 450 50-6203
JAMES M. HOWER. JR. 496-50-0130
GILMER T. HURST. JR. 227 56-6323
RICHARD W. HUSKES. JR. 041-36 5562
DANNY D. ISAACS. 585 24 9430
FRED R. JAECKLE. 489 48-8362
ROBERT W. JONES. 214-54-1320
STEPHEN E. JONES. 479-64-0759
BANKS C. KELLY. III. 244-74-2772
JAMES H. KINNEY. 506-54-2110
ROBERT W. KLITZKIE. 393-34-5294
LEONID KONDRATIUK. 031-38-9852
DENNIS R. KRAFT. 231-68-8910
JOHN A. LATOURRETTE. 530-30-4047
JULIUS J. LAWTON. 249 76-0246
MARK D. LEECH. 496-46-9612
GEORGE E. LETCHER. 347-40-4693
JAMES R. LITTLETON. 014-36-1999
CRAIG L. LOWMAN. 330 44-3867
EDWIN T. LUCAS. 328-36-0783
RONALD A. LUEBKE. 387-44-3056
ROBERT F. MILFORD. 451-70-8410
THOMAS A. MORTON. 317-46-7164
RUDY J. NESVIK. 503-52-8558
WILLIAM R. OCHSNER. 317-44-7831
VICTOR M. ORTIZ. JR. 467-80-2011
TERRY L. OUTMAN. 380-44-3992
ROBERT W. PEARSON. 406-56-6319
JOSEPH T. PERKINS. 045-34-7794
JOHN W. PERRIN. 485-54-4784
GARY L. PULS. 520-48-9454
DAVID W. RAES. 482-56-0084
DAVID J. REHKAMP. 471-52-9041
WILLIAM E. ROBERSON. 222-32-5828
KENNY W. ROYLANCE. 524 56-6689
WILLIAM B. RUNYAN. JR. 432-66-0693
WILLIAM A. RUX. 563-50-2806
GLEN I. SAKAGAWA. 575-52-0978
JAMES O. SALLEY. 425-84-9153
FRANLY H. SANCHEZ. 514-44-0332
RICHARD J. SCHLEGEL. JR. 154-44-3753
GLEN L. SCHOEPF. 503-48-8438
RICHARD E. SHEEHAN. 518-48-5625
JAMES M. SIKES. 465-82 1255
ROBERT L. SMITH. 512-42-0797
THOMAS D. SMITH. 455 72-1759
DENNIS P. SMYTH. 520-54-4935
WILLIAM R. SPORES. 518-50-2497
GEORGE W. STANG. 396-40-0170
JAMES E. SWARTZ. 319-38-8996
MICHAEL P. TANCZYN. 216-52-5028
DENNIS M. THOMPSON. 524-62-0275
JERRY W. TIPPS. 415-74-9003
ANDRE J. TROTTIER. 037-30-0421
LESLIE K. TUBB. 238-76-0641
GREGORY J. VADNAIS. 368-56-4304
MICHAEL R. VANPATTEN. 084-38-1817
WILFORD C. VOYLES. JR. 402-64-0506
JERRY D. WELCH. 488-58-1425
DALE W. WELLS. 447 44-4117
DAN A. WHITE. 429-86-8048
TIMOTHY F. WILHELM. 474-54-2925
RANDALL F. WILLIAMS. 408-84-4516
CHARLES D. WILLIAMSON. 288-40-5682
MITCHELL M. WILLOUGHBY. 247-86-8307
CLARENCE C. WUTHRICH. 462-72-6217
JAMES A. ZERNICKE. 389 48-8400
RICKIE J. ZIEGENFUSS. 479-66-9898
DENNIS J. ZIFCAK. 030-34-0022

CHAPLAIN

To be lieutenant colonel

WILBERN C. HOFFMAN. 418-44-0649
WILLIAM R. YOWN. 251-70-8592

ARMY NURSE CORPS

To be lieutenant colonel

MATTIE L. CALDWELL. 439-58-6625
MARY K. COBBS. 481 60-3532
BETTY L. FOEHL. 372-42-0128
MARGARET M. MEYER. 396-42-9965

MEDICAL CORPS

To be lieutenant colonel

MOHAMED S. ALIBRAHIM. 219-62-5394
ROBERT S. CHAVKIN. 162-26-9074

MEDICAL SERVICE CORPS

To be lieutenant colonel

JAMES A. KRUECK. 388 46-5915
ROBERT L. KURPIEL. 120-38-1333
DOUGLAS J. MASER. 278-52-6772
WILLIAM F. SMITH. III. 250-72-2744

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be colonel

RICHARD J. AROLD. 069-28-7847
ROBERT F. BERGER. 207-28-8778
WILLIAM J. CLARK. 219-38-4781

DONALD L. DAVIDSON, 466 60 4978
GEORGE W. GUDZ, 045 30 3200
JOHN R. HANNAH, 478 44 9022
ALBERT M. HANSEN, 004 26 9731
RICHARD H. HOLLEY, 176 32 4724
FRANK M. ORNBURN, 494 30 3136
RICHARD O. STENBAKKEN, 522 48 1066
THOMAS M. WARME, 471 34 7450

To be lieutenant colonel

MICHAEL E. ALLEN, 311 46 7887
CHRISTEN V. ANDERSON, 531 42 8407
ROBIN L. APLET, 518 42 1485
THEODORE BOBACK, JR., 199 44 7580
RAYMOND E. BRADLEY, 003 32 8273
MARK P. BREINHOLT, 528 54 3651
VINCENT D. *, BURNS, 211 30 7857
WINFIELD D. BUZBY, JR., 145 34 5604
JAMES S. COOPER, 258 74 5250
GLENN T. PASANELLA, 237 80 6062
BILLY W. FOWLER, 414 48 5168
ANDERSON H. GRANT, 320 40 5798
BILL C. GREENWALT, 327 30 7449
ROBERT L. GRIFFIN, 209 58 2871
RICHARD M. *, HARTSELL, 436 76 [illegible]
LARRY J. HEBEBRAND, 508 64 1468
ROBERT A. HUTCHERSON, 428 70 9991
ROGER D. KAPPEL, 507 62 8967
GLEN R. KELSO, 543 40 8461
LEROY KIEMELE, 501 30 9601
ROBERT D. MCCRORY, 318 34 5066
DOUGLAS S. MCLEROY, 250 72 4881
THOMAS W. MITCHINER, 587 72 0436
JOSEPH R. MORRIS, 550 56 2317
WILLIAM C. MORRISON, 238 78 2523
WILLIAM C. NOBLE, 250 60 8302
JOHN B. PATRICK, 500 50 1750
DANIEL W. PHIFER, 424 54 8132
WILLIAM I. PHILIPS, III, 263 56 4204
HAROLD D. ROLLER, 421 64 0605
OTTIS W. SMITH, 413 60 2240
SAMUEL L. SMITH, JR., 248 66 7005
DONALD TAYLOR, 453 64 2465
WILLIAM T. TAYLOR, 401 62 0153
PETER TELENCIO, 185 42 [illegible]
CARL V. THOMPSON, JR., 297 46 7462
ROOSEVELT WINFREY, JR., 254 60 2779
ROBERT L. YARBROUGH, 344 42 3092

DENTAL CORPS

To be lieutenant colonel

DENNIS P. *, AKIYAMA, 215 58 9679
MARSHALL L. ASHER, 456 80 4537
DONALD P. *, BANDY, 453 94 1488
MARK H. *, BEACH, 219 60 3425
GERALD W. *, BEATTY, 224 68 0620
RICHARD P. *, BEIN, 344 38 8148
JAMES E. *, BERWICK, 544 62 8930
BRANT A. *, BRADFORD, 522 64 9165
CHARLES R. *, BROWN, 538 50 0550
PAUL J. BUCCIGROSSI, 031 40 [illegible]
CHERYL S. BUDD, 156 26 9049
THOMAS W. *, BUTTERFOSS, 143 44 1913
DAVID L. CARR, 303 50 [illegible]
RONALD E. *, CAVATAIO, 530 36 3505
THOMAS K. CHUBB, 291 52 0142
PHILIP B. CIBOROWSKI, 212 62 8275
JOHN C. *, CLAYTON, 449 48 9799
JOHN P. *, COFER, 226 58 1955
MARY C. *, CONCILIO, 046 46 1372
LAWRENCE J. COOK, 470 62 3070
MICHAEL J. *, DAVIDSON, 528 62 [illegible]
JAMES E. FEMBITER, 215 88 [illegible]
JEFFREY T. FONDAK, 131 42 4110
MARTIN W. *, FRITZ, 271 46 5633
RAYMOND E. *, GONZALEZ, 497 78 7030
WAYNE E. GRADOW, [illegible] 58 [illegible]
JEFFREY L. *, HAIUM, 562 74 8317
DENNIS L. HARPER, [illegible] 44 [illegible]
JOHN C. HARRELL, 267 96 3641
KENNETH R. *, HELM, 523 78 7074
THOMAS G. *, HORNING, 279 48 9471
DENNIS E. *, JENNINGS, 514 50 3100
WILLIAM S. *, JOHNSON, 247 90 7035
JACKIE L. *, JONES, 458 84 2006
RONNIE K. *, JONES, 456 78 8353
TIMOTHY K. JONES, 513 58 5843
JAMES R. MCQUIRE, [illegible] 52 [illegible]
LARRY J. MILLIKAN, 238 80 9090
EDWARD E. *, MITCHELL, 446 46 0266
JOHN C. MITCHELL, 524 78 0747
JAMES T. MULLER, 480 66 2475
GARY D. *, MUNDY, 527 11 7248
DANIEL J. *, MURRAY, 508 90 6488
WILLIAM L. *, NICKEL, 244 46 4637
LARRY L. NIXON, 413 84 1432
MARTIN J. OABES, [illegible] 74 [illegible]
THOMAS E. OBRIEN, 134 44 9754
ROBERT G. OWEN, [illegible] 62 [illegible]
BRUCE J. *, PATCHEN, [illegible] 58 [illegible]
JOHN L. PHILLIPS, 177 56 [illegible]
BRYAN K. *, POLLARD, 442 48 5326
DIANE M. *, POLLICK, 294 46 [illegible]
DENNIS F. PRYOR, 587 86 [illegible]
JOHN C. QUERNA, [illegible] 44 [illegible]
JAMES R. RAONO, JR., [illegible] 48 [illegible]
TIMOTHY M. *, REDDY, [illegible] 94 [illegible]
NESTOR L. ROMAN, [illegible] 32 7441
RAPHAEL T. SCHACH, 583 38 [illegible]
STANLEY R. *, SCOTT, [illegible] 44 [illegible]
JOHN B. *, SCUBA, [illegible] 88 [illegible]
TERRENCE M. *, SMITH, 173 30 2933
EDWARD A. *, SOUZA, 010 38 3561
EDWARD J. *, STRITTMATTER, JR., 289 48 7615
THOMAS A. SULLIVAN, 378 50 8067
ROGER R. THRONDSON, 481 50 7773
JOHN R. VALANT, 330 42 5790
BRADLEY J. *, VANCE, 302 46 5310
HANS W. WAWROUSEK, JR., 061 40 6861
GERALD K. WOLFF, 101 40 1351
STEVEN T. *, WONDERLICH, 518 68 5172

MEDICAL CORPS

To be lieutenant colonel

JAMES H. ALGEO, JR., 181 40 8686
DOUGLAS M. *, ANDERSON, 421 76 5700
STEVEN R. *, BAILEY, 541 58 8305
JAMES R. *, BAKER, JR., 330 46 7475
LYNN P. *, BEAULIEU, 027 36 7548
PAUL M. *, BENSON, 451 94 2113
EDWARD W. *, BERNTON, 217 48 0540
BENROE W. *, BLOUNT, 205 02 1784
ZDENEK *, BOCEK, 010 44 9107
WILLIAM K. *, BRADY, 517 62 1153
MACEO BRAXTON, JR., 561 86 2772
RICHARD M. *, BRIGGS, 403 76 6943
VERNON R. *, BRUCE, 458 74 6724
PHILIP P. *, BRUNO, 373 60 6787
MICHAEL P. *, BYRNE, 254 00 1722
ALBERT D. *, CAIN, 249 84 0380
CHARLES E. CARTER, 545 88 8080
CANDICE L. *, CASTRO, 265 08 7220
MICHAEL A. *, CAWTHON, 458 92 7072
AIDA G. *, CERVANTES, 567 90 0260
TANYA R. *, CHEEVERS, 252 76 9337
RANDY W. *, CHRISTENSON, 517 54 0124
WILLIAM L. *, CLAYTON, III, 574 26 0420
LIMONE C. *, COLLINS, JR., 454 84 5819
MARLISE R. *, COLLINS, 500 58 9550
BEATRIZ H. *, COQUILLA, 589 76 4052
RAND J. CUTHBERTSON, 026 46 8926
JOHN D. DAIGH, JR., 113 42 9512
JAMES R. *, DANIEL, 435 76 1241
CHARLES E. *, DAVIS, JR., 225 74 2382
RICHARD M. *, DEARMAN, 415 84 2457
HERMAN V. DEVERA, 147 40 5301
DWIGHT L. *, DONESKY, 376 54 1772
THOMAS B. *, DOUGHERTY, 430 74 6977
OTTO E. *, DOVE, 181 46 9083
GREGORY L. *, DRAKE, 244 90 4007
NEWTON O. *, DUNCAN, III, 218 64 5783
CHARLES C. EAVES, JR., 455 80 9748
JAMES E. *, EGAN, 488 56 3503
ROBERT W. ENZENAUER, 492 58 9878
CHERRY L. *, GAFFNEY, 241 94 2691
ROBERT H. *, GATES, JR., 237 90 8114
DEAN R. *, GIULITTO, 276 56 5601
GLENN L. *, GOLDSTEIN, 070 38 6436
EDWARD R. *, GOMEZ, 585 20 4733
NEY M. *, GORE, III, 587 38 8416
JAMES D. *, GRIST, 257 76 7478
DONALD W. *, GROGAN, 585 42 0677
DAVID K. *, HAAS, 369 46 8763
DAVID P. *, HALBACH, 364 54 7313
JON P. *, HARRELL, 265 90 0558
LAWRENCE P. *, HARTMAN, 266 86 8638
LOMA H. *, HASSELL, II, 228 78 1814
CARLA G. *, HAWLEYBOWLAND, 520 52 5280
LOUIS A. *, HIEB, 175 36 3681
KENNETH A. *, HIEKE, 316 58 7476
RAYMOND A. *, HOWARD, 517 54 3060
EDWARD C. *, HUYCKE, 213 52 3065
DAVID P. *, JAQUES, 212 64 3427
ROBERT V. *, JARRETT, 468 62 0000
PETER S. *, JENSEN, 532 52 3486
BRIAN R. *, JOHNSON, 399 44 8824
GARY P. *, JONES, 433 88 5973
MYRON B. *, JONES, 224 80 8597
KENNETH A. *, KAPLAN, 272 48 5446
KENNETH L. *, KNICKERBOCKER, 302 38 0000
DANIEL H. *, KNODEL, 539 48 2563
DAVID W. *, KURTZ, 115 38 3537
RAYMOND G. *, LANDE, 496 52 6830
ROBERT M. *, LEHMAN, 057 46 4267
GERARD S. *, LETTERIE, 209 40 1650
IRWIN L. *, LEVEY, 522 62 7701
DAVID B. *, LINTON, 529 58 2546
NELSON W. *, LUM, 575 64 0950
WILLIAM P. MADIGAN, JR., 225 78 6008
JAMES E. *, MARK, 219 52 6980
ROY D. *, MARKHAM, 413 84 8127
SAMUEL K. *, MARTIN, 544 66 2496
WILLIAM H. *, MARX, 497 52 9275
KEVIN T. *, MASON, 213 60 0035
GARY N. *, MATTESON, 008 36 3983
WILLIAM M. *, MCCLINTOCK, 228 72 0224
JOHN W. *, MCCLURE, 527 98 6952
CHARLES E. *, MCQUEEN, 328 42 8819
JOSE E. *, MELENDEZ, 218 56 6810
KENNETH *, MELTON, 435 88 0636
EMIL J. *, MENK, 404 72 2868
PAUL A. *, MEUNIER, 099 34 8745
HASMUKHLAL A. *, MITHANI, 206 56 3020
DAVID A. *, MORTON, 431 04 0000
TIMERI M. *, MURARI, 537 76 0357
EDWIN A. MURDOCK, 263 25 7187
BHAGYA *, MURTHY, 106 48 7856
LEONARD E. NAGORSKI, 506 72 3187
PAUL A. *, NEESE, 466 72 4966
EVERETT W. *, NEWCOMB, III, 157 42 0479
NESTOR L. *, NIEVES, 584 50 7396
ISMAEL N. *, NUNO, 571 86 8000
FORREST W. *, OLIVERSON, 519 60 3018
JOHN A. *, PARKER, JR., 226 80 6527
CLARENCE E. *, PEARSON, JR., 224 76 6397
JOHN H. *, PEIXOTTO, 006 42 2825
DOUGLAS F. PHILLIP, 516 54 9357
EARL L. *, PHILLIPS, 257 88 0194
PHILLIP R. *, PITTMAN, 427 98 4315
HUBERT S. *, REID, 251 78 8820
GARY R. *, RIPPLE, 510 48 3140
DAVID E. *, RIVERA, 085 46 8383
CASEY *, ROGERS, 085 42 9633
JEFFREY J. *, SCHULTE, 369 54 7062
DAVID G. *, SEIBEL, 549 78 9298
WILLIAM *, SEID, 343 40 9956
LINDA M. SERWATKA, 301 38 8780
CHARLES R. *, SHUMAN, III, 172 38 4876
JOHN O. *, SIMMONS, 411 88 6451
ARTHUR C. *, SIPPO, 146 46 0597
ROBERT G. SMITH, 390 48 4621
ROBERT W. *, SMITH, 520 50 3081
STEPHEN B. *, SMITH, 529 66 8417
ROBERT J. SNYDER, 106 40 0157
PARMINDER *, SODHI, 455 37 0234
VIMAL K. *, SODHI, 124 60 7092
JEANNETTE E. *, SOUTHPAUL, 198 44 4109
CARL P. *, STAMM, 131 38 7722
FREDERICK A. *, STECKEL, 199 36 7311
HAROLD H. SULLIVAN, JR., 262 82 5904
DAVID C. *, TAPP, 497 56 8609
AILEEN *, THONG, 349 60 4655
MICHAEL A. TIDWELL, 516 66 2082
JOHNIE S. *, TILLMAN, 223 70 2988
DAVID F. *, TOLLEFSON, 393 54 7300
RONALD P. *, TURNICKY, 201 40 9774
MARK L. VANDEWALKER, 520 64 0711
JOSE A. *, VELEZBORRAS, 583 26 1829
RAMARAO *, VULLAGANTI, 157 58 2675
VAN E. *, WAHLGREN, 508 72 2995
JAMES L. *, WALLINGFORD, 205 38 3738
FRANK T. *, WARD, 023 38 8703
TIMOTHY J. *, WEBB, 452 78 7100
PAUL M. WEBBER, 487 56 7738
CHRISTOPHER B. WHITE, 009 40 4309
COURTENAY S. *, WHITMAN, 156 44 4621
SANDRA L. *, WILCOX, 013 38 5891
DAVID M. *, WILDER, 485 68 1638
RICKY D. *, WILKERSON, 482 66 2923
HENRY L. *, WILSON, JR., 410 92 5930
MARY H. WILSON, 460 78 1631
WILLIAM J. *, WILSON, 535 50 9637
JAMES W. *, YOST, 510 50 6591
LARRY A. ZIESKE, 471 60 4406

MEDICAL CORPS

To be major

LYNN P. *, ABRAMS, 183 40 0123
SUSAN A. *, ALLEN, 208 40 5977
KENNETH L. *, ANDERSON, III, 183 50 7177
LARRY W. *, ANDERSON, 503 72 7781
LAWRENCE L. ANDERSON, 539 66 6810
VINCENT L. *, ANGELONI, 174 54 6640
CARLOS E. ANGUEIRA, 099 54 9440
JAMES G. *, ARD, 519 62 7703
JOSE L. *, ARJONA, 584 96 0602
MICHAEL A. ARMSTRONG, 577 76 1246
SCOTT C. ARMSTRONG, 006 52 7768
ALLAN R. *, AU, 568 25 0280
CAROLYN L. AVERY, 213 64 1012
JANIINE G. *, BABCOCK, 336 42 5524
EDWIN L. BAKER, III, 226 96 1904
WILLIAM J. *, BAKER, 022 52 2835
JIMMY L. *, BARROW, 467 98 6615
JEFFREY W. *, BARTELS, 242 98 1983
HERMAN J. *, BARTHEL, 361 42 3650
PHILIP M. *, BAYLISS, 044 54 4164
RICHARD A. *, BECK, 258 94 5935
GREGORY L. *, BECKER, 498 68 8731
JEFFREY J. *, BEHRENS, 503 60 8048
ROGER J. *, BELBEL, 015 44 3481
CALVIN *, BELL, 587 98 5409
BARRY F. *, BENNETT, 528 90 7424
MICHAEL E. *, BERKLAND, 492 64 1114
VALERIE L. *, BESENBRUCH, 396 58 7961
DAVID T. *, BIZOUSKY, 203 42 2128
JOHN F. BLACK, 337 52 3112
SUSAN A. *, BLACK, 521 86 2420
SUSAN M. *, BLANEY, 285 58 2159
RICHARD S. *, BLUME, 219 76 8597
CHARLES D. BOLAN, JR., 163 48 3732
JOCELYN W. *, BONNER, 224 02 8658
MARK W. *, BONNEVILLE, 524 02 5829
STEPHEN C. BORN, 558 94 6882
RENE A. *, BOUCHER, 024 52 3487
DENIS P. *, BOUVIER, 039 30 0575
CYNTHIA A. *, BRANDT, 563 27 4638
LINDA M. *, BRANTNER, 223 60 8240
MARY H. *, BRANTON, 182 52 7018
JOHN H. *, BRAXTON, 554 17 1768
MICHAL R. *, BRENNAN, 523 72 2471
RICHARD S. BROADHURST, 437 70 1418
JOHN D. *, BROOKE, 212 64 2837
BRUCE F. *, BROWN, 529 74 4467
DOUGLAS C. *, BROWN, 231 84 1393
CAROLE A. *, BUCKNER, 435 76 7693
STEPHEN E. *, BUDD, 505 88 3153
HENRY B. BURCH, 101 44 3780
MARK A. *, BURKETT, 385 68 6281
MICHELNO M. *, BURNETT, 182 46 3119
LARRY C. *, BURNS, 430 88 0358
LINDA M. *, BURRELL, 119 54 7587
WILLIE *, CACHO, JR., 584 08 1849

ROBERT A. *. CAIGNET. 261-23-1052
CHARLES M. *. CALDWELL. 458-98-2901
CHARLES W. *. CALLAHAN. 146-58-7169
BRIAN S. *. CAMPBELL. 264-47-0832
PAUL S. *. CAMPBELL. 297-62-0595
LUIS I. *. CANALES. 464-21-6345
WILLIAM H. *. CANDLER, JR. 224-78-6504
DAVID B. *. CANTON. 512-56-9763
TERRY W. *. CAPEL. 233-02-5818
PETER A. CARDINAL. 264-45-2375
WALLACE R. *. CARTER, JR. 224-70-4914
WENDY P. *. CARTER. 046-52-0146
LESTER C. CAUDLE, III. 575-68-0880
PETER K. *. CELLUCCI. 025-46-2026
ALLEN E. *. CHANTELOIS. 393-62-4533
DAVID I. *. CHARNEY. 110-56-9927
STEVE T. *. CHEN. 143-60-8259
DAVID M. *. CHENEY. 563-70-1127
DANIEL T. *. CHING. 546-04-4672
JOSEPH L. CHRISTENSON. 224-90-5186
DAVID P. *. CICERI. 137-60-2171
JEFFREY B. CLARK. 238-02-3390
RICHARD A. *. CLARK. 549-80-3903
STEPHEN C. * CLEMENT. 422-88-7335
CLARK H. *. COBB, III. 362-72-4226
JOHN W. *. COCHRAN. 270-64-0945
JAMES *. COFFEY. 587-98-9154
EDITH J. *. COHEN. 189-46-4830
HOWARD B. * COHEN. 570-54-2775
ROBERT L. *. COLEMAN. 233-86-6583
EDWARD P. *. COLES. 564-13-6481
MATTHEW M. *. CONKLIN. 585-48-9748
GARY L. *. COOPER. 414-94-6740
TERESE A. *. COPELAND. 073-60-6026
MICHAEL J. *. CORAGGIO. 152-56-8260
PAUL R. CORDTS. 219-52-0506
RAYMOND A. *. COSTABILE. 215-76-0487
DERMOT M. COTTER. 557-06-8207
FRANK *. COTTER. 578-88-3464
WILLIAM F. *. COUGHLIN, II. 030-36-9417
CHRISTOPHER M. *. COVERT. 485-74-6615
DEBORAH H. *. CRUMBAKER. 585-38-1102
CARLOS *. CRUZ, JR. 467-17-2931
CRAIG B. *. DANSHAW. 200-44-4598
JOSEPH P. *. DAVENPORT. 267-33-1153
PAUL J. *. DAVEY. 122-52-6600
NELSON A. *. DAVINO. 569-98-1444
HOWELL E. *. DAVIS. 427-04-2994
KIMBERLY H. *. DAY. 415-08-6901
RICHARD F. DEBO. 052-48-1450
JOHN A. *. DECLUE. 491-64-4577
DAVID A. *. DELL. 268-48-7035
JAMES W. *. DELONG. 364-52-5320
DENISE M. *. DEMERS. 017-52-1783
JOHN S. DICK. 096-46-4672
JOHN W. *. DIETZ, JR. 534-70-6883
DANIEL J. *. DIRE. 492-68-8008
TIMOTHY K. *. DIXON. 406-94-8171
JOHN P. *. DRAGO. 073-42-0222
ROLF R. *. DRINHAUS. 568-15-5726
ANDREW A. *. DUERR. 135-62-3157
JOHN J. *. DUGAN. 188-36-7643
MICHAEL R. *. DUNHAM. 060-38-3726
SHERMAN *. DUNN, JR. 123-48-3243
KEVIN M. *. DWYER. 206-52-1781
ROBBY M. *. EAVES, JR. 228-68-9453
PAUL A. EDER. 394-46-6544
TERRY L. *. EDWARDS. 130-38-7426
CELIA H. ELBRECHT. 437-70-7620
TIMOTHY P. *. ENDY. 076-44-0182
HOPE R. *. ENGSBERG. 499-72-7423
MICHAEL A. *. ETZEL. 089-46-8050
CAREN K. *. EUSTER. 112-36-2471
NANCY I. *. FALLER. 262-15-0618
CHARLES A. FARRINGTON. 255-96-7184
STUART R. FARRIS. 458-25-4762
WALTER S. *. FASOLAK. 185-48-7756
KELLY J. FAUCETTE. 521-88-9734
JEAN M. *. FERBER. 053-48-1823
KURT A. *. FICHTNER. 156-54-8617
CECIL W. *. FINCHER. 461-80-8414
KIMBERLY A. *. FINDER. 463-13-0235
ALAN R. *. FISCHLER. 217-48-5200
KENNETH J. *. FISH. 038-30-7707
MICHAEL R. *. FISHER. 408-13-3784
CHARLES P. *. FITCH. 553-23-7491
ANNE M. FLYNN. 365-64-7105
JOHN P. FOLEY. 088-44-0611
EDWIN J. *. FORTENBERY. 408-90-9117
GARY J. *. FORTUNE. 487-62-9282
JOHN T. *. FRAKER. 237-19-1162
CHARLES J. *. FRANCHINO. 135-58-4584
MAUREEN D. *. FRANCIS. 188-46-5350
DUSTIN C. *. FRAZIER. 451-06-1583
DAVID P. *. FRISHBERG. 579-88-9728
DOUGLAS S. *. FUGATE. 576-35-5273
RONALD J. *. FUJIMOTO. 550-92-1969
CAROL A. FUJIYOSHI. 265-51-5420
JOEL R. *. GALLOWAY. 524-90-2042
EVERETT L. *. GAYLE. 467-06-8384
S. G. *. GEDDIE. 455-78-7522
ALFRED E. *. GEISSELE. 154-52-3743
SORELL D. *. GELINAS. 033-48-6582
WALTER J. *. GIBLIN. 022-42-5933
JEFFREY W. *. GLASSHEIM. 084-50-3414
INES *. GONZALEZTORRES. 583-11-3744
SCOTT G. *. GOODRICH. 380-54-2554
STEPHEN E. *. GREEFKENS. 556-08-2479
COLIN M. *. GREENE. 065-54-1967
JOHN R. *. GUSZ. 152-44-8594
MICHAEL H. *. HAAK. 393-54-4490
RICHARD C. *. HAASER. 048-54-2664
STEVEN C. *. HADLEY. 507-68-4786
MARC B. *. HAHN. 037-34-6505
DOUGLAS A. HALE. 093-50-1817
RICHARD S. *. HALL. 408-98-4121
RANDY L. *. HAMILL. 411-98-6367
TIMOTHY E. *. HANSEN. 538-56-5421
ELIZABETH J. *. HARDAWAY. 460-76-5415
JEFFREY B. *. HARGIS. 272-64-3596
WILLIAM P. *. HARRIS. 212-74-0314
EVERETT T. *. HART. 263-08-3542
FRANK E. *. HARVEY. 004-48-8446
ELIZABETH N. HASERT. 213-48-3076
NOEL C. *. HASKINS. 258-02-4026
JANET V. *. HAYS. 230-72-2977
BRUCE A. *. HAYTON. 562-74-9737
ERIC R. HELANDER. 569-15-4323
ROBERT M. *. HENDERSON. 441-66-7233
MICHAEL *. HENRICKSON. 221-56-6848
JAMES P. *. HERLIHY. 215-46-3604
JEFFREY W. *. HERROLD. 280-54-1924
BONNIE L. *. HEYER. 111-48-8890
BRUCE L. *. HILLARD. 298-44-3268
ERIC W. *. HIRSCH. 266-31-2969
LEO L. *. HISE. 447-58-5466
DAVID P. HOCHSCHILD. 397-70-9910
GEORGE F. *. HODGES. 538-52-9039
DAVID E. *. HOGAN. 511-64-1836
CHARLES A. *. HOLT. 492-62-0328
MARY P. *. HORAN. 008-52-5038
MICHAEL C. HOTARD. 456-11-3195
LISA M. *. HOVENGA. 479-72-2155
TRENT L. *. HOVENGA. 479-82-1135
WILLIAM A. HUGHES. 216-64-5743
ROBERT W. *. HULL. 221-52-0810
MICHAEL L. *. HUMPHREY. 521-82-2859
PHILLIP M. *. HUTCHINS. 519-60-7359
CAROL A. *. HUTCHINSON. 495-68-7292
NANCY J. *. HUTNAK. 039-36-9294
JORDAN C. *. ISERMAN. 108-42-1805
JOHN M. *. JACOCKS. 443-48-0429
FRANK H. *. JAHNS. 070-38-7509
MICHAEL A. *. JAINDL. 259-92-6561
JAMES P. *. JENKINS. 229-88-5103
STEVEN W. *. JESSE. 186-48-3066
STEVEN C. *. JOHNSON. 346-56-2361
THOMAS C. *. JOHNSON. 382-60-9334
JAMES G. JOLISSAINT. 434-02-2116
ROBERT E. *. KASPER. 282-54-0323
MARK J. *. KASSELIK. 554-04-3618
JEFFREY P. KAVOLIUS. 156-54-7137
PATRICK G. *. KEELEY. 328-52-4127
RICHARD A. *. KELLER. 434-78-0727
MICHAEL G. *. KIDD. 257-04-4200
KAREN A. *. KIMBRELLWILMOT. 125-50-9492
MAX C. *. KINNAMAN, JR. 484-80-0257
JEFFERY J. *. KIRLANGITIS. 296-56-7578
WILLIAM R. KLEMME. 555-86-4536
THOMAS E. KNUTH. 047-46-9840
KEITH A. *. KONKOL. 390-48-7018
BRUCE W. *. KORNFELD. 523-80-3523
JEFFERY D. *. KROLL. 456-19-7368
STEVEN A. *. KULIK, JR. 267-19-5790
BETH L. *. KURTZ. 001-54-0470
ROBERT J. *. LABUTTA. 298-52-6197
RICHARD M. *. LACHIVER. 058-44-0471
ELLEN M. *. LACKERMANN. 484-76-8019
LLOYD C. *. LAGRANGE, JR. 579-78-8342
JOHN R. *. LAIRD, JR. 108-46-8063
REED R. *. LAMBERT. 225-94-7323
BRYAN R. *. LARSEN. 528-92-5749
JULIE M. *. LAWRENCE. 532-72-1009
LUKE P. *. LEE. 060-50-8297
PETER D. *. LEE. 488-78-2257
DEBRA L. *. LEEKE. 491-66-4173
BRUCE A. LEIBERT. 379-46-1906
GILBERT A. *. LEIDIG, JR. 215-82-2920
WAYNE D. *. LEVY. 220-72-1990
SCOT M. *. LEWEY. 499-68-3904
DOUGLAS A. LIENING. 536-64-0210
GRANT R. *. LINDEE. 545-98-2003
DAVID C. *. LIPPS. 220-46-3019
GEORGE B. LISEHORA. 221-32-5889
DAVID S. *. LITTRELL. 406-04-9384
ROBERT A. *. LOCASTRO. 133-48-4871
MARK A. *. LOMBARDO. 135-38-2925
JUAN M. *. LOPEZ. 584-92-8115
JOHN J. *. LORETTE, JR. 017-46-7658
DOREEN M. *. LOUNSBERY. 504-84-4676
JEFFREY D. *. LOVIN. 518-78-2809
DAVID J. *. LOYOLA. 583-72-7095
JAMES M. *. LUETHKE. 156-56-3177
THOMAS J. *. LUETKEHANS. 323-58-1625
DAVID C. *. MACDONALD. 047-50-4087
JOHN D. *. MACDONALD. 391-72-1852
ALAN J. *. MAGILL. 449-04-1072
DAVID MALAVE. 584-86-2371
DAN S. *. MALLADA. 536-66-3818
BRUCE J. *. MAN. 262-19-6277
NATALIE B. *. MANELICK. 187-40-5682
HARRY P. MARSHALL, JR. 215-72-8523
BRYAN L. *. MARTIN. 192-44-9990
DANIEL J. *. MARTIN. 036-32-7901
DAVID W. MARTIN. 217-68-4574
ROBERT G. *. MARTINDALE. 562-86-8295
CARL J. *. MASON. 179-42-2834
TIMOTHY A. MATHIS. 151-56-4983
DALE L. *. MCCARTER. 572-25-2570
DAVID M. *. MCCOY. 411-02-5535
GLENN D. MCDERMOTT. 539-42-6589
EDWARD B. *. MCWHIRT. 290-44-4733
DAVID M. *. MEGO. 161-54-0080
ROBERT W. MEIKLE. 192-40-6858
PAUL F. *. MELLEN. 014-52-6341
IVRI K. *. MESSINGER. 205-46-9512
CHARLES E. *. MILLER. 453-25-3184
THOMAS R. *. MINER. 478-78-7553
RICHARD W. *. MOCZYGEMBA. 464-96-4825
BARBARA C. *. MOLINA. 465-82-4034
MARK *. MOLLOY. 276-64-7668
JAMES M. *. MONIHAN. 221-44-0035
ELIZABETH A. *. MONTGOMERY. 217-80-9207
MAY M. *. MONTRICHARD. 218-64-6938
GREGORY P. *. MOORE. 575-76-3993
RICHARD A. *. MOORE. 522-92-5282
ANN M. MORGAN. 215-70-1215
JOSEPH T. *. MORRIS, III. 568-96-2180
RONALD M. *. MOSCATI, JR. 057-56-2821
JAMES C. MULLIN. 208-50-8377
ROBERT N. MURRAY. 499-70-4454
STEPHEN P. *. MURRAY. 565-13-6149
MARY C. NACE. 196-48-4398
MICHAEL E. *. NASH. 231-96-4795
ROBERT M. *. NASH. 193-48-1974
ANNETTE R. *. NATHAN. 090-52-7142
LONNY R. *. NATTER. 532-62-6847
ROBERT B. NETT, JR. 086-48-2172
ELIZABETH A. *. NEUHALFEN. 506-82-0253
JOHN W. *. NOLAN. 475-50-3346
RALPH S. *. NORTHAM. 227-64-9165
MARK R. *. NYREEN. 538-68-9509
BRIAN W. *. OCONNOR. 139-52-9939
JUDITH A. OCONNOR. 565-80-8905
SEAN D. *. ODONNELL. 346-52-8776
RADAMES A. *. OLIVERQUINONES. 583-15-2744
STEPHEN L. *. ONDRA. 336-54-5154
THOMAS P. *. OSHEA. 042-64-2287
DANIEL R. *. OUELLETTE. 160-52-7547
LEE B. *. PADOVE. 253-15-1052
KELLY P. *. PALMER. 518-72-6621
FRANK S. PARMA. 461-13-3634
CARLOS M. PARRADO. 157-50-7508
ALFRED M. *. PASCUAL. 548-31-1122
PAUL S. *. PATANE. 095-44-3032
MARK E. *. PEELE. 245-98-1586
DENIS E. *. PERCELL. 510-56-0988
FERNANDO J. PEREZ. 285-68-5604
STEPHEN J. *. PERKINS. 486-72-3542
JAN J. *. PERLOFF. 585-88-5570
ROBERT T. *. PERO. 030-50-2101
JAMES D. *. PETERS. 496-64-1882
TERRI J. *. PHIPPS. 217-58-1013
JAMES D. *. PIKE. 313-52-2044
KRYSTYNA I. *. PILECKI. 562-08-4699
DENNIS M. *. PLANTE. 020-48-5333
MCKAY L. *. PLATT. 528-84-3121
DAVID W. POLLY, JR. 082-52-7852
SHIRLEY M. POLLY. 197-50-3075
JEREMY W. *. POOLE. 093-50-5454
MICHAEL B. *. PORTER. 004-58-4684
DAVID W. *. PURNER. 414-84-5593
JAMES W. *. QUAN. 034-40-9972
STEVEN L. *. QUIGLEY. 018-44-7626
EDUARDO R. *. RAEZ. 098-48-3865
LAWRENCE R. RAGARD. 174-52-5738
KEVIN M. *. RAK. 278-62-6095
LORRAINE L. *. RALPH. 539-70-0412
DARRELL W. *. RANDLE. 477-76-6352
RICHARD J. *. RANDOLPH. 512-62-4214
MARK S. *. RANEY. 534-66-5908
NEIL W. *. RAWLINS. 528-90-9630
MATTHEW W. *. RAYMOND. 557-88-7344
WILLIAM M. *. REDWOOD. 250-23-1009
KENNETH E. *. REESOR. 400-80-7907
MARCIA A. *. RELLIHAN. 485-74-8426
HENRI RENOMDELABAUME. 582-17-6293
GARY M. *. RICHARD. 386-56-7308
JAMES R. *. RICHTER. 507-90-4140
WILLIS J. *. RIEKER, JR. 340-52-1273
THOMAS D. *. RINEY. 553-04-0997
WILFREDO *. RIOS. 255-96-4307
ABRAHAM *. RIVERA. 583-13-7272
JUAN A. *. RIVERADELEON. 583-86-9272
JERRY L. *. ROBERTS. 412-02-2850
DANIEL K. *. ROBIE. 083-52-4107
HECTOR A. *. ROBLES. 581-35-2237
KEVIN B. *. ROCHE. 145-50-6356
ROSEANN *. ROMITO. 181-44-7567
LELAND D. RONNINGEN. 502-70-9627
GARY J. *. ROSENMEIER. 395-44-8343
MIGUEL J. ROVIRA. 487-70-8087
CHRISTOPHER J. *. RYDER. 010-42-3562
JUAN *. SANTIAGOMARINI. 583-44-3695
PAUL D. *. SCHANBACHER. 507-82-6366
ROBERT *. SCHARSTEIN. 402-74-3997
MICHAEL R. SCHAUB. 296-44-6570
NOAH S. SCHENKMAN. 149-52-3838
JAMES M. *. SCHERBENSKE. 501-60-1146
MARGARET A. SCHLATTER. 231-86-9808
DAVID F. *. SCHMIDT. 292-48-3959
HOWARD J. *. SCHMIDT. 226-86-2425
THOMAS M. *. SEAWORTH. 501-62-5913
WALLACE J. *. SEAY, JR. 255-98-2670
RICHARD G. SEDLAK. 553-04-4967
RICHARD T. *. SHAFFER. 219-70-7016
EVE C. *. SHANK. 559-90-5898
LAWRENCE P. *. SHANK. 520-68-3802
JOAN *. SHEN. 211-50-5520
BARRY J. *. SHERIDAN. 168-48-6327
PEGGY E. *. SHOWALTER. 153-58-8304
CRAIG D. *. SHRIVER. 291-48-0237
PETER A. SILKOWSKI. 204-46-2992
GARY E. *. SIMMONS. 576-68-6520
GARY R. *. SIMONDS. 142-42-8489
MICHAEL B. *. SIMPSON. 422-74-4941

DONALD L. *. SINDEN. 537-54-2000
PAUL R. *. SKLAREW. 048-38-4227
DOUGLAS E. *. SLOAN. 082-44-8362
DARRYL R. *. SMITH. 380-44-8002
GEORGE R. SMITH. 044-54-8811
MATTHEW R. *. SMOLIN. 007-42-8983
ROBERT O. *. SNODDY, JR. 230-04-6166
SCOTT D. *. SNYDER. 208-46-3932
WILLIAM D. *. SNYDER. 475-70-5421
KAREN L. *. SOUTHMAYD. 227-88-8201
DON P. SPEERS, JR. 453-27-2268
AMY M. *. SPRAGUE. 264-27-2896
JOHN W. *. SPURLOCK. 210-36-0580
TIMOTHY W. *. STARCK. 334-50-1050
CARL S. *. STEINBERG. 193-40-5240
WILLIAM F. *. STODDARD. 170-38-7756
BRUCE G. *. STORRS. 528-78-8457
KEVIN B. *. STOUT. 547-25-4447
PATRICK STPIERRE. 507-82-3175
MARGARET J. *. STRIEPER. 385-72-2780
WILLIAM E. *. STRONG. 529-86-3159
RICKY H. *. STUGART. 228-98-1920
JAMES E. *. SUCHNICKI. 194-52-6214
LYNN S. *. SUDDUTH. 219-48-7257
ROBERT H. *. SUDDUTH. 534-62-0778
JAY P. *. SULLIVAN. 073-54-4892
ERNEST E. *. SULLIVENT, III. 552-64-1794
STEVEN W. SWANN. 412-98-5736
SIDNEY J. *. SWANSON, III. 503-70-4773
DAVID D. *. TEUSCHER. 344-54-1562
JOHN P. *. THEROUX. 497-25-3007
WILLIAM C. *. THOMEIER, SR. 190-48-4926
TIMOTHY A. *. TIERNEY. 579-88-1346
MARTIN H. *. TIEVA. 527-90-8749
RICHARD J. *. TIMMONS, JR. 290-56-5011
EDWARD W. *. TOBEY. 444-66-5829
MARIE J. *. TRENGA. 125-36-7200
DWIGHT R. *. TRIBELHORN. 044-58-2719
MARC P. TSUPIS. 247-90-7703
PAULA K. *. UNDERWOOD. 524-76-9906
LUIS A. *. URRUTIA. 583-15-0691
SUSAN L. *. VAGNIER. 298-42-5037
WILLIAM F. *. VARR, III. 630-30-9613
THOMAS K. *. VAUGHAN. 410-78-8266
PAUL J. *. VINSEL. 230-74-0856
ROBERT D. *. WADLEY. 251-17-3850
CAROLYN A. *. WAIT. 468-72-8169
DEBORAH A. *. WAITZ. 554-96-2643
PHILIP E. *. WAKEFIELD. 400-04-6641
BARBARA E. *. WALKER. 456-74-8282
TERRY J. WALTERS. 096-54-7055
BENJAMIN F. *. WALTON, III. 434-86-2661
DONALD G. *. WARD. 380-62-8613
THOMAS P. *. WARD. 175-44-8143
WILLIAM J. WATERHOUSE. 273-54-7170
MARK D. *. WATKINS. 262-49-2644
SCOTT A. *. WEAVER. 150-52-4231
GEORGE F. *. WEBER. 186-48-0089
MARTIN E. *. WEISSE. 380-70-4027
GERALD M. *. WELCH. 362-76-2253
ROBERT W. WELLER. 122-48-9030
ARMISTEAD L. *. WELLFORD. 230-11-0654
KENNETH W. *. WESTPHAL. 363-02-4064
MARK D. *. WHITAKER. 229-04-2618
WILLIAM L. *. WHITE. 499-66-2205
RICHARD E. *. WHITLOW. 510-72-2283
TODD B. *. WHITSITT. 294-13-7881
TODD M. *. WIEN. 224-02-2929
GREGORY S. *. WILEY. 461-06-0754
MARIANNE *. WILLE. 492-56-1147
GUY P. *. WILLIAMS. 261-40-7952
FREDERIC B. *. WILSON, JR. 473-60-0015
JON J. *. WILSON. 494-54-8213
STEVEN S. *. WILSON. 548-90-8556
ROLAND W. *. WONG. 528-94-6752
STEVEN H. *. WRIGHT. 566-78-9167
IRENE I. *. YEVICH. 320-38-6643
KARL N. ZEPP. 546-76-3469
GRETA C. *. ZIMMERMAN. 217-62-0406
CURTIS J. *. ALITZ. 113-42-7900

ARMY MEDICAL SPECIALIST CORPS

To be major

STEPHEN C. *. ALLISON. 527-04-1522
KAREN V. *. ARNOLD. 565-25-5524
DEBRA D. *. BERTHOLD. 197-44-2615
TRACY J. *. BRUDVIG. 587-68-4940
LEONARD I. *. CANCIO. 540-78-9711
LAURI M. *. COPPEY. 043-60-4851
ROBBIE B. *. COURTS. 439-86-5065
JILL E. *. ECKL. 386-56-5066
MYRA J. ENDLER. 193-38-1565
BRENDA J. *. FORMAN. 250-98-1324
FRANK E. *. GAINER, III. 086-40-7854
JILL E. *. MCCOY. 168-38-6318
STEVEN R. *. ORD. 563-68-7261
JANET A. *. TINGLE. 560-90-8406
KAREN W. *. WISH. 561-02-2714

VETERINARY CORPS

To be major

NEIL W. *. AHLE. 493-60-6333
CATHERINE M. *. BANFIELD. 376-70-7796
RONNIE J. *. BARNES. 420-72-7654
CRAIG A. *. CALAMAIO. 511-46-5457
CURTIS A. COLLETON. 248-68-3596
WILLIE J. *. CROSBY, JR. 464-90-8588
JUNE A. *. ELLIS. 350-46-9869
NEWTON H. FOSTER, IV. 545-84-9122
MARC E. *. MATTIX. 517-84-9724
FRANK J. *. MISKENA. 374-82-0569
DOUGLAS A. POWELL. 257-88-4431
MARIE B. *. STALEY. 442-48-6190
ALFRED P. *. VOGEL. 528-06-1515
BRYAN S. WHITE. 457-02-0176
DALE L. *. WILLIAMSON. 514-52-1419
SUSAN R. *. YANOFF. 102-46-4537
GARY M. *. ZAUCHA. 350-50-2008

IN THE NAVY

THE FOLLOWING NAMED COMMANDERS OF THE RESERVE OF THE U. S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF CAPTAIN IN THE STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

MEDICAL CORPS OFFICERS

To be captain

CONSTANTE UBAN ABAYA
ROBERT G. ALLEN, JR
ADALBERTO ARANA, JR
MANUEL FRANCI BAUTISTA
DANIEL EDWARD BOYLE, JR
ROBERT BRUCE BRIGDEN
ROBERT LESLIE BUCKLEY
ALDO ANTONIO BUONANNO
ROBERT J. BURNETT
HARRY PAUL CLAUSE, JR
TIMOTHY GARMAN COOK
ROBERT E. CREUTZ
JOSE SOTTO CRUZ
AUSTIN R. CUSHMAN
THEODORE ANTHON DAMICO
ROBIN IAN DAVIDSON
GLENN M. DAVIS
ILUMINADA HOLGADO DAZA
ERICO MALTAL DEIPARINE
JOHN ROBERT DOWNS
MELVYN GALEZA DREW
DAVID ROBERT DUPOUR
CHITTUR V. EASWARAN
LEOVIGILDO CABR GANGOY
JAMES R. HAGLER
EARL HERBERTO HARLEY
JOHN DENIS HAUGH
BOBBY JOE KENNEDY
GERALD J. KIVETT
OYOUNG KONG
RICHARD JOSE LABOWSKIE
KANG JEIH LAI
MICHAEL JAMES LAPENTA
TAURIN PYONGKAP LEE
FREDERICK EDWIN LUDWIG
EDWARD HERBERT MALTERS
L. WINNIE VAR MANECLANG
TERESITA LASC MIEMANCE
RICHARD PAUL MORIARTY
VINCENT STEPHEN OHARA
ARLENE OLAISEN
HELEN PADOLI PAMINTUAN
JEAN PANAGAKOS
WILLIAM CLAYTON PETTY
RICHARD B. PHILLIPS
STEPHEN H. POWELL
RANDALL N. PRATT, JR
STEVEN GEORGE PRATT
DAVID CLINTON PRICKETT
TASNEEM ASAD RAJA
NARENDRAKUMAR M. RAVAL
NELSON JACOB REALO
CHARLES WILLI RENINGER
JAMES THOMAS RIBERTSEE
GARY LEWIS ROBINSON
JAMES O. ROYDER
LARRY W. RUMANS
ASELA REYES SANFELIPE
CHARLES S. SETTLE
ROGER WHITEL SHEFFIELD
JOHN HARRY SHELBY
KENNETH LEE SISCO
GEORGE JAY WALKE SMITH
GERALD HARVEY SOKOL
DONALD ELDON SPRAGUE
THOMAS EDWARD STEFFEN
VAN J. STITT, JR
DANA D. STOMBAUGH
JAMES ROUZIE STONE
THEODORE R. SUNDER
GARY WAYNE WATSON
LARRY SCOTT WILLIAMS
WARREN TIMOTHY WILSON

DENTAL CORPS OFFICERS

To be captain

GERARD JOSEPH BARNA
PHILLIP STANL BREULEUX
WILLIAM JARMAN DAVIS
MICHAEL VANICE ELLIS
JULIAN DOUGLAS FREEMAN
VERNON PAUL HARRISON
HUBERT ALLEN HENKLE
DENNIS DOUGLAS JOHNSON
KENNETH MICHAE KUCHARZ
JEFFREY LYND LOCKWOOD
CRAIG MICHAEL MARCELLO
JAMES WESLEY MUNN
JOHN STANDISH REEVER
JR THOMAS CULL ROBERTS
JAMES WEBB TAYLOR
ALBERT THEODORE TWESME
BRUCE MICHAEL WENY
JOSEPH HAMI WILLOUGHBY

MEDICAL SERVICE CORPS OFFICERS

To be captain

JOHN ROBERT BOURNE
GENE BRONSON
DOUGLAS LEE JOHNSON
MELVIN EDWARD MUNG KAU
DYANN JORGENS MILLS
BRIAN MICHAEL ODONNELL
MELVIN DOUGLAS SHIPP
BETTY WATTLES STARR
JERRY DEAN WEST
PETER CRAIGE WIGHT

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be captain

THOMAS E. ALBRO
RICHARD HARVEY ALLISON
HAROLD ERVIN ATHERLY
WOODROW HOBSON BARNES
GARY L. BROWN
JULIAN ALBERT J. BRYANT
JOSEPH TALMAGE CLARK
PAUL K. COSTELLO
LOWELL JOHN DOSCH
VICTOR FOX
ROBERT GORHAM J. FULLER
HOWELL JACKSON GREGORY
WILLIAM HAROLD HAUSER
THOMAS LEE JONES
IVARS ANDRIS JOZUS
MALVERN FRANCIS J. KING
DAVID TALBOT LANDERS
JAMES EUGENE LIVESEY
THEODORE GREENE MEEKER
RICHARD FRA MUTZEBAUGH
RUSSEL RAY OLIVER
WILLIAM JAMES RENTON
MICHAEL A. RIEPE
JOHN ALDEN STEVENS
CLIFFORD JOSEPH STUREK
JOHN E. TUTHILL
EDMUND THEODOR WEGENER

NURSE CORPS OFFICERS

To be captain

CAROL MARIE BALLEW
PATRICIA LYNN BURNS
PATRICIA MARIA COLLINS
SARAH SHEPARD DAHLGREN
KAREN ELIZABETH DORIS
ANNE ELIZABETH GARTNER
LORETTA MARGARET GUISE
CAROLE RUTH JEWETT
MARY RUTH JOHNSON
JOANNE T. LEVINHOMME
GAYLE YVONNE LEWIS
ROBERTA MAE MCCOY
ROSE MARIE MCNAMARA
MARGARET JEAN NATION
BARBARA ANN SHELL
THOMAS PHILLIP SHERMAN
MARILYN ANDERSON SMITH
JUDITH SCHANTZ STAGG
PATRICIA JAMES WATSON

SUPPLY CORPS OFFICERS

To be captain

BRUCE LEROY ALLEN
MALCOLM EUGENE BASS
DWIGHT KEITH BOHM
GEORGE DAVID BUENNAGEL
ROBERT LYNN CORNIE
THOMAS EARLE CRELLIN
MICHAEL ROBERT HALL
RONALD SAMUEL HARRIS
JAMES PATRICK HARTY
WILLIAM GRANVILLE JAMES
THOMAS FREDERICK KINGEN
RICHARD THEODORE KNUDSON
DOUGLAS LUNDELL
PAUL VICTOR MAIER
WILLIAM BRIAN MARTIN
PATRICK JAMES MAYHEW
DAVID LEE MILLER
WILLIAM MICHAEL MURRAY
ELLSWORTH JAMES RANDALL
THOMAS LEE RUCH
JAMES ARTHUR RYAN
KENNETH DALE STOUT
STEVEN JOHN TAYLOR
RICHARD WILLIAM TUCKER
THOMAS ALLAN VORTMANN
KENNETH ALAN WILLCOX
JOHN LESLIE WILLIAMS
TERRY ALLEN WORSDELL

SUPPLY CORPS OFFICERS (TAR)

To be captain

DOUGLAS ROLAND PEARSON

CHAPLAIN CORPS OFFICERS

To be captain

CHARLES RANDOLPH CONEY
ALLEN HOWARD PODET
DOUGLAS VERNON UNDERHILL
ALBERT PETER VUCINOVICH

CIVIL ENGINEER CORPS OFFICERS

To be captain

JAMES VINCENT BARTLETT, JR
LOUIE DEAN BATTLES, JR
ARTHUR NEAL BROOKS
DAVID LANE BURRUS
HOMER ALLEN CORBIN, III
RICHARD FRANKLIN COWAN
JOSEPH JOHN DELCIOTTO, JR
DENIS JOHN FECK
JAMES ALBERT FOWDEN, III
ROBERT MASASHI FURUKAWA
TERRENCE JOHN HODNIK
THOMAS T. JOHNSON
ROBERT CHARLES MARLAY
EDGAR CASON MCGEE
DAVID EUGENE ROSENBAUM
JAMES EDWARD SHELTON
HARRY STCLAIR
GARY LYNN WAGNER
MICHAEL ERNEST WEYLER

IN THE NAVY

THE FOLLOWING NAMED LIEUTENANT COMMANDERS OF THE RESERVE OF THE U. S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF COMMANDER IN THE STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

MEDICAL CORPS OFFICERS

To be commander

JAMES LESLIE AUSTIN
THOMAS SCHEELE BACKER
PATRICIA MALLINS BAEHR
JUAN RAFAEL BARALT
TODD LUCAS BEEL
GEORGE BERNSTEIN
CHARLES MULLINS BROHM
DANIEL C. BROOKE
JEFFREY FREDR BRIEGMAN
CHARLES N. BROOKS
MARY JANE BROWN
DAVID JOHN BYLUND
TIMOTHY GEORGE CALL
PAMELA ANN CAMOSY
ODEST FRANK CANNON, III
WILLARDLEON CHAMBERLIN
TOMAS JORGE CONCEPCION
GARY JOHN CONNER
GERRY A. COPE
CHRISTOPHER CURCIO
GERALD BIRCH DEMAREST
JAMES MICHAEL DEMASI
PEARSE DERRIG
JOSEPH LEONA DESTEFANO
ROBERT GERALD J. DUGGAR
CARL ERWIN DUKES
ELBERT ALAN DUNCAN
THOMAS CHARLES DUNNE
DIANE ELISE ENNIS
DOUGLAS L. EUBANKS

ROBERT KEVIN FERGUSON
ALAN MARK FIRESTONE
PAUL F. GIANNANDREA
WILLIAM BRIAN GLENN
RICHARD E. GOBLE
MICHAEL JOHN GRADY
MATTHEW C. GRATTON
RICHARD GRAYSON
RANDY H. GREENE
EDNA MAI GRIFFENHAGEN
TED DAONALD GROSHONG
JEAN ANN GRUETER
JOHN RANDALL HAGUE
STEPHEN FREDERI HANSEN
ALFRED LEON HARKLEY
ARTHUR COMMONS HAYES
KEVIN JOHN HEALY
EDWIN JAMES HEFFERNAN
WILLIAM THOMAS HERBICK
GEORGE LOUIS HERLIN
MICHAEL R. HERMANS
RICHARD P. HOLM
JOHN STUART HUGHES
THOMAS ALAN HYATT
WILLIAM JUBIZ
STEVEN JOHN KAMINSKI
ROBERT WENDELL [illegible]
PETER STEPHEN KONCHAK
MARGARET KEAVEY [illegible]
FERNANDO ENRIQUE [illegible]
ROQUE ALEXANDER LANZA
DOUGLAS D. LEE
LOUIS W. LESSARD
RANDOLPH C. LESTER
MICHAEL GEORGE LICINA
WAYNE FRANCIS LITTLE
CAYETANO A. LOPEZCEPERO
GAMALIEL GO LOTUACO
DAVONNE SHERYL LOUP
JEFFREY RAYMOND LOZIER
JAMES PHILLIP MARRA
THOMAS J. MARSHALL, JR
FRANCIS MICH MCCAFFREY
MARION REYNOL [illegible]
PETER THOMAS MELLIS
CAROLYN FIELD MISCHER
STEPHEN ALEXA MITCHELL
DONNA SUE MULLER
LYNN MARIE NILE
BRIAN ORTH NYQUIST
BARBARA LOUISE OHARA
RALPH P. ORLANDO
DAYA JITENDRA PATEL
GEORGE G. PATTERSON
ROBERT CLYDE PATTON
JOSEPH DAVI PIORKOWSKI
STANLEY GENE PROUGH
JOE BILLY PUTNAM, JR
HAROLD B. REEDER
FRANK P. REYNOLDS
KURT R. ROEMER
DAVID B. ROGERS
GREGORY JOSEPH [illegible]
ROY FRANCIS SCALIA
NORMAN SCHLAGER
ARMIN SCHUBERT
DANIEL PAUL SCHWEICH
RANDALL E. SEAGO
WILLIAM DRIVER SHIPPEN
FRANCIS JOHN SINCOX, III
MICHAEL JOHN SLESINSKI
JAMES EMERSON SMITH, II
RUBEN L. SMITH
JOHN MICHAEL SQUIRES
JAMES A. STANKIEWICZ
CHARLES MCL STIERNBURG
COY BARTON STONE
ROBERT ALLE STRICKLAND
JAROSLAW PETER STULC
PHILIP EUGE SUTHERLAND
JOHN H. TILLER
LAURIER JOSEP TREMBLAY
ANNE H. TROBAUGH
RAMON ANTONIO URDANETA
SANTIAGO VILLARREAL
WILLIAM GLYN WAGNON
LAWRENCE XAVIER WEBB
GRAHAM KEVIN WETHERLEY
JAMES K. WICKERSHAM
DAVID RANDALL WILLIAMS
HOWARD CLARENCE WILLIS
ROBERT MENZIES WIPRUD
DANIEL E. WOLF
ROBERT BRUCE WOLOV
VICKY LESTER TE YBANEZ
ELIZABETH BISH YOUNG

DENTAL CORPS OFFICERS

To be commander

RONNIE W. ARRINGTON
RICHARD A. ASHTON
BYRON WYNN BENSON
DANIEL BOERS
RICHARD M. DIBELLA
DAVID JOSEPH HIBL
TONY HERSHEL HUGHEY
MICHAEL GAIL IRELAND
WILLIAM HARRISON [illegible]
EUGENE EDWARD KELLER
THOMAS V. KELLY
KENNETH EDWARD LANDRY
GARY LOUIS LIVACARI
GARY A. MADISON
MICHAEL L. MIDDLEBROOKS
WILLIAM WILLKOM SCHELL
WALTER B. SHREWSBURY
NEAL STEWART SLUTSKY
MARK STEVEN SORIN
BARRY A. STITT
MICHAEL JOHN J. VASISKO
JEROME ALEXANDER WHITE

MEDICAL SERVICE CORPS OFFICERS

To be commander

ROBIN BRUCE BROWN, JR
NOREEN CONSIDINE
JAMES ROBERT DILLON
DAVID KENNETH DODGE
WILLIAM HUNT ETHERIDGE
HARRISON TATUM FERRIS
LOUIS OCTAVIO GARCIA
MARCELLUS GRACE
SCOTT GREGERSEN
LYNN CURTIS GRISWOLD
RONALD DALE HALL
LEON CHARLES HARRIS
WENDY LYNN ME HARRISON
STEPHEN JOSEPH HENSKE
WILLIAM GRESBY HUGHES
CHESTER STEPHEN KATZ
WAYNE BERTW KIELSMEIER
DAVID LEE MASERANG
JACK ANDREW MAXWELL, [illegible]
DONNA LYNNE PAVLICK
THOMAS TURNER PAYNE
PETER ROBERT RESEDEAN
FRANK COMPTON SHARP
GARY LEE STOKES
GEORGE EDWAR STRUDGEON
DONALD RAYMON THURSTON
SPANN MARLOWE WATSON
DANNY WEDDING
PATRICIA NAOMI WHITE

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be commander

JONATHAN J. ANDERSON
ROGER BRYAN ATKINS
LAWRENCE B. BRENNAN
ROBERT S. BROCK
RAYMOND W. BUSCH
RICHARD STEWART BUSH
JOHN J. CHERNOSKI
STEVEN A. CURLEE
MICHAEL PAUL CURRERI
RICHARD K. DELMAR
ALLAN FRANK ELMORE
GREGORY J. GARNER
LAUREL CHESS GILLESPIE
DOUGLAS J. GLASSCOCK
KEITH F. GRAHAM
DONALD L. HAGENGRUBER
RICHARD R. HATTENHAUER
MICHAEL DEAN HOOD
MARK STEWART HOWELL
JOHN PARKER HUGGARD
FRANK ALLAN KREIDLER
SHARYN MARGARE LEONARD
FREDERIK SIMON LUTZ
LARRY DOBY MARTIN
KENNETH C. MCMANAMAN
ROY DAVID PETERSEN
ROBERT ERWIN RITTER
KENNETH M. ROBBINS
ROBERT KENNETH ROGERS
HERBIE LEE SOLOMON
JOHN DENNIS THEIS
MARTIN WEINSTEIN
SAMUEL F. WRIGHT

NURSE CORPS OFFICERS

To be commander

DEBORAH ANN ATWATER
PATRICIA ELAIN BALDWIN
PAULA BARNES
DONNA J. H. BAUMGARTNER
JAMES ALLAN BLESSING
CHRISTINE MARIE CARLIN
JEAN ANN FEELEY
ANNE VIRGINIA FORSHA
PATRICIA MARY GILBERT
LYNNE LESAK HAMILTON
ELAINE SCHNOOR HOBBS
PATRICIA ANN KANE
YUKI KATO
RHODA LOUISE KEOWN
GWEN ELLEN FABER LANG
SANDRA A. MEADOWCROFT
ELIZABETH MCCLO MORRIS
LINDA JANET NIETMAN
JOAN MARIE NUTTING
MARY ELLEN MCHALE PATE
CATHERINE AN PATTERSON
BARBARA STEEL POLAK
VELDA ELIZABET SOLOMON
SHARON K. SUMMERS
SUSAN MARIE VARENHOLT
ODETTE PATRICIA WILLIS

SUPPLY CORPS OFFICERS

To be commander

KENNETH JOSEPH ADAM
CRAIG MICHAEL BENSON
DEANNA BERNET
ALONZO BRENTON BONNER, JR
ERIC MICHAEL BOURNE
PAUL HELLER BRENNER
DOUGLAS WARREN [illegible]
ROBERT MICHAEL CLINTON
JOHN WESLEY DAGGETT
FRANCIS MICHAEL DAVIES
CHARLES CLARK DRISCOLL
DAVID FLOYD ENGLISH
THOMAS KONG MING FONG
OTTO LEON GAROT
JULIUS GOSTEL, JR
ROBERT CARL HAACK
ROBERT C. HENDRICKSON, III
EDWARD HAROLD HILL
STEPHEN GERARD JUNG
WILLIAM ROBERT LAND, III
MICHAEL DAVID LANGOHR
RICHARD OGDEN LOOMIS
JOHN ADAM MORELAND
STEPHEN GWYNNE MORROW
PETER LOCKHART MULLEN
RICHARD FLOYD RAYBON
PAUL SEKULA
CHARLES SPURGEON SHARROCKS
NICHOLAS LYNN SPRATLEN
JOHN BURTON STROUPE
GROVE GEORGE THOMPSON, JR
WILLIAM CLARE WISMER
DOUGLAS ROBERT WOIKEY

SUPPLY CORPS OFFICERS (TAR)

To be commander

SHARON JOYCE MELTON

CHAPLAIN CORPS OFFICERS

To be commander

RONALD KEITH AUSTIN
FLORIDA B. BATTLE
DAROLD FORREST BIGGER
GEORGE CALVIN GOODMAN
RICHARD THOMAS RONEY
DONALD ARTHUR TAYLOR
DAVID ARNE THOMPSON

CIVIL ENGINEER CORPS OFFICERS

To be commander

KENNETH GILBERT BAER
DOUGLAS KIRK BARBER
DOUGLAS LEON BLOOMQUIST
JOHN JAMES CALAMARI, III
RONALD JOHN COMINSKY
PETER MICHAEL DEPRETER
KENNETH LLOYD DRAKE
KENNETH JOHN ENDRESS
JAMES ALLAN FRAZER
FLOYD FREEMAN, JR
JOSEPH JOHN FURCO
RAUL EDWARD GARCIA
GEORGE FREEMAN GILBERT, JR
LARRY RUSSELL GIVENS
ARTHUR BRUCE GOODWIN
RONALD BARRY HELSON
JOHN HENRY HOMIER, JR
ROBERT RAY HOOD
CHARLES ANDREW KLIMMEK
DANIEL FRANKLIN KNUDSON, JR
BENJAMIN STANLEY KONOPKA
GARY LEE KOPPS
CURTIS JULE KREKLAU
IRWIN RICHARD MARTIN, JR
CARL ROBERT NELMAN
OVA WAYNE RAMSEY
JAMES MICHAEL SMITH
DENNIS JOHN SOBOTA
MURRAY MICHAEL TILSON
HAROLD RICHARD WOOD, JR
WILLIAM DUNN WRIGHT, JR
WILLIAM RICHARD YATES

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANTS IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF LIEUTENANT COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICERS

To be lieutenant commander

JEFFREY R. ABEL
VICKI SUE ABEL
DONALD MICHAEL ABRASHOFF
RONALD CARL ADAMO
ROSE MARIE THERESA ADAMS
GLENN TAYLOR AIKIN
STEPHEN GEORGE [illegible]
MICHAEL HOWARD ALBRIGHT
FREDERICK MITCHEL ALEXANDER
TOWNSEND GRIFFISS ALEXANDER
DAVID ROBERT ALLEN
PAUL M. ALLEN
MICHELLE ROSE ALTMAN
JOHN JAMES ANAYANNIS
NORMA MARIE ANDERTON
PETER ALLEN ANDREASEN
CHRISTIAN WILLIAM ANDRIEU
DAVID STEVENS ANGOOD
DAVID GERARD ARCHAMBAULT
DANIEL J. ARCHER
LAWRENCE ERIC ARCHER
DAVID DEAN ARCHIBALD, II
GEORGE EDWARD ARGERAKE
JOHN JOSEPH ARNOLD
MARK REYNOLDS ARNOLD
RONALD RAY ARNOLD, III
THOMAS EDWARD ARNOLD
DANIEL DEE ATHEY
MARSHALL WINFRED ATKINS
ROBIN LYNN ATKINS
GARY DON ATKINSON
JOSEPH PETER AUCOIN
RUSSELL EARL AVERILL
DONALD E. BABCOCK
DAVID ANTHONY BACIOCCO
DAVID TERRY BAILEY
SHEILA GAIL BAILEY
RICHARD LEE BAINBRIDGE
WILLIAM ALLEN BAKER
JOE DAN BANKER
WALTER FRANCIS BANKOWSKI, JR
RORY KEN BANKS
CARL S. BARBOUR
MICHAEL JOHN BAREA
JOHN MURRY BARENTINE
EDWARD BARFIELD
JOHNNIE BAXTER BARFOOT, JR
THOMAS HENRY BARGE, II
DONALD WARREN BARNARD, JR
BRENT HERRING BARROW
MICHAEL AUSTIN BASS
CRAIG ARLEN BATEMAN
SARA ANN BATEMAN
MARK L. BATHRICK
ALAN ROSS BATTERMAN
CLETUS PAUL BAUER, JR
MARK ALAN BAULCH
HOWARD HINK BAYLESS
THOMAS MCDOWELL BAYLEY
SCOTT DAVID BEACH
RAY OLIVER BEARD, JR
DENISE LORRAINE BECHTOL
JAMES MICHAEL BECK
ROBERT WELCH BECK
JAMES MERLE BECKLEY
PHILIP GREGORY BEIERL
WADE HAMPTON BELL, III
DALE HAROLD BENSON
STEPHEN J. BENSON
JOHN K. BERGERSEN
DAVID JOSEPH BERGIN
ALLAN JEFFREY BERKE
ELLIOTT MICHAEL [illegible]
SCOTT ALEXANDER BERNARD
CHINA MAE BERRY
DAVID CHARLES BEYRODT
DOUGLASS TODD BIESEL
KAREN LOUISE BILDER
JAMES JOSEPH BIRD
JOHN LEE BISKADUROS
STEVEN BURCH BIXLER
HARRY VANCE BLACK
STEPHEN PETER BLACK
DONALD S. BLAKE
JEFFREY ALAN BLOOM
STEPHEN RORY BLOZIS
MARK WINSTON BOCK
MATTHEW GERARD [illegible]
ANDREW THEODORE [illegible]
WILLIE REGINALD CLAY [illegible]
LORI ANN BOLEBRUCH
DONNA CAROL BONDS
PETER BRYANT BONEM
EDWARD MORRIS BOORDA
CHARLES W. BOOTH
JAMES RUNYAN BOOTH
PATSY RAWLS BOOZER
EDWARD GUSTAVE BORN, JR
MICHAEL BOROWSKI
BRUCE HENRY BOSSHARD
ROBERT WESLEY [illegible]
JOHN C BOUMA
CHARLES PATRICK [illegible]
WILLIAM DAVIS BOURNE, JR
MILTON JOSEPH BOUVIER, III
ROBERT WAGNER BOWE
ROBERT OWEN BOWERS
PHILLIP OWEN BOYER
MATTHEW J. BOYNE
JOSEPH MATTHEW BRADLEY
ROGER STEPHEN BRADLEY
LOREN RICHARD BREMSETH
MARK R. BREOR
JEFFREY A. BRIGGS
JAMES B. BRINKMAN
STEVEN EADES BROOKS
DAVID MUNSON BROWN, JR
GEORGE S. BROWN
JAMES PATRICK BROWN
MICHAEL STEVEN BROWN
MICHAEL JOSEPH BROWNE
NERISSA BRUECKBAUER
ANDRES ARMANDO BRUGAL
GLENN MARTIN BRUNNER
TERRI EKELUND BRUTZMAN
DENNIS BRYANT
DOUGLAS BRUCE BUCHANAN, JR
GERALD W. BUCK
MICHAEL D. BUDNEY
JEROME L. BUDNICK
DEAN WILLIAM BUEHLER
KENNETH PAUL BUELL
ROCKY WADE BUNCH
VICTORIA LYNN BURCHETT
JOHN MONROE BURDON
ROBERT L. BURELL
KENNETH JAMES BURKER
BRIAN BURLINGAME
ROBERT JAMES BURRELL
KATHY MAHAFFEY [illegible]
PAUL JAMES BUSHONG
GILBERT MORRIS BUTHLAY
DAVID GEORGE BUTLER
EDWARD ERIC BUTLER, III
ALAN KIMBERLY BYRD
JOHN FREDERICK CAFFIERO
MONICA MATHERN CAIN
JAMES FRANKLIN CALDWELL, JR
STEPHEN CALLAGHAN
RICHARD STANTON

CALLAS
HIPOLITO LEON CAMACHO
STEPHEN JAMES CAMACHO
JOHN MICHAEL CAMERON
BONITA IRENE CAMPBELL
RICHARD SCOTT CAMPBELL
DUANE JOSEPH CANON
STEVEN ANDREW CARDIN
CATHERINE CARLIN
RICHARD SIMMES CARLQUIST
GUSTAVE BRUCE CARLSON
BRIAN CARMICHAEL
CARL ANDREW CARPENTER
THOMAS WESLEY CARPENTER, JR
JAMES DEWEY CARR
RICHARD D. CARR
GILBERT ANTWAN CARTER
PATSY LYNN CARVER
VIRGINIA RUTH CARVER
JOHN WELLS CASEY, III
LAURIE ANN CASON
RAUL JESUS CASTAÑEDA
JOSEPH M. CATOE
KATHLEEN O'BRIEN CAUSARANO
WILLIAM M. CAVITT
PATRICIA ANN CERCHIO
CARL NELSON CHAMBERLAIN
MICHAEL CHAPLINE
DEREK ALVIN CHARACTER
CARLOS MIGUEL CHAVEZ
LEE ALLAN CHEEKS
CHARLES HENRY CHENOWETH
CHERYL ANN CHENOWETH
DAVID JOSEPH CHESLAK
H. D. CHRISTENSEN
JOHN NELS CHRISTENSON
SUSAN MARIE CHRISTENSON
KEITH ILIA CHRISTMAN
RICHARD J. CHUDAY
LAWRENCE VINCENT CIPOLLONE
TERESA CAROL CISSELL
DAVID EDWIN CLARK
EDWARD SCHUYLER CLARK
ROBERT JOSEPH CLARK
VALERIE PAGE CLARK
STEVEN M. CLARY
ELIZABETH K. CLINKSCALES
GEORGE PARKER CROY, III
WILLIAM PATRICK CULLEN
THOMAS JOHN CULORA
TIMOTHY CUMMINS
JAMES W. CUPP, JR
ALBERT NMN CURRY, JR
LISA ANE CURTIN
S. A. CUSHANICK
BARRY FRANCIS DAGNALE
MICHAEL KEITH DAHLMAN
SANDY LEE DANIELS
DAN W. DAVENPORT
SUSAN ANN DAVIES
WILLIAM COX DAVIS
DAVID PAUL DAVISON, JR
JEFFERY ALLEN DAVISON
JAMES FRANCIS DAWSEY, JR
DANIEL SCOTT DEALY
DALE L. DEAN
SCOTT MICHAEL DEAN
THOMAS MURRAY DEAN, III
NANCY ANN DECKER
THOMAS PETER DEE
VINCENT PAUL DEKIME
MICHAEL ANGELO DELANEY
DAVID M. DELDELLA
SCOTT WINFRED DEMARY
EDWARD L. DEMPSEY
FRANZ DENTZ
KEVIN PATRICK DENHAM
JAMES DANIEL DENMARK
THOMAS WALTER DEPTE
TINAMARIE DERCOLE
DANA SCOTT DERVAY
STEVEN PAUL DESJARDINS
LAURA LEA DESSAUTELS
CURTIS ROSS DICKERSON
JOHN DAVID DICKINSON
TERRY LEE DICKINSON
ROBERT LEONARD COBURN, JR
ERIC TALMADGE COCHRAN
MARK ALAN COCHRAN
ROBERT EDMONSTON COIL
FRANCIS RODOLFO COLBERG
ROGER WAYNE COLDIRON
CRANFORD RONALD COLEMAN, JR
GERARD T. COLEMAN
JOHN ALFRED COLEY
HAROLD HENRY COLLINS
MICHAEL A. COLLINS
LUIS ALBERTO COLON
JAMES JOSEPH COLTELLARO
MARK ALAN COMPTON
MICHAEL JOSEPH CONNOR
FERREL PHILIP CONYERS
HOMER CRAIG COOK
PATRICIA LYNN COOMBS
MICHAEL JOSEPH COOMES
GARY THOMAS COOPER
KENT LELAND COOPER
THOMAS HANS COPE
FLOYD RICHARD CORDELL
JEAN MCCULLOUGH CORNELL
WILLIAM A. CORRELLUS
BRUCE JOHN CORSO
LUIS JOSEPH CORTELLINI
BRIAN ANTHONY COSGROVE
THOMAS FRANCIS COSGRIVE, JR
DEAN J. COTTLE
JOSEPH MATTHEW COULTER
CYNTHIA ANN COVELL
BRIAN JACK COYLE
NEIL EDWARD CRAIN
MARY ANNE CRAWFORD
KEVIN J. CREAHAN
ANDREW THOMAS CREPEA
DAVID BRUCE CRILLY
RONALD WILLIAM CRITCH
KENNETH BURTON CROPP
MARK L. CROOK
CONSTANCE BROOKE B. CROUTER
WILLIAM W. CROW
ROY W. CROWE
TERRANCE LEE CROWLEY

FERDINAND DIEMER
KING HASTINGS DIETRICH
TED ALLEN DILL
DOUGLAS S. DILLNER
[illegible] DIMITREW
LAWRENCE THOMAS DIRITA
DAVID STURGIS DOBBS
ERNEST W. DOBSON, JR
BERNITA DIANNE DODD
LARRY WENDEL DODSON
ROBERT EDWARD DOLAN
MICHAEL CRAIG DOLES
CAROL ANN DONAHOE
ROBERT W. DONALD
MICHAEL JAMES DONCH, III
KEVIN MICHAEL [illegible]
ROBERT WILLIAM [illegible]
MICHAEL DOUGHERTY
PETER J. DOUGHERTY
VANASSA HERMINE DOUGLAS
JAMES WALTER DOWNEY
ROBERT GERVASE DRAKE
KATHERINE ELIZABE [illegible]
LENARD EARL DUFFY
ARMANDO VACIANA DUNCAN
HELEN FRANCES [illegible]
MICHAEL R. DURKIN
DAVID CRAIG DYKHOFF
CATHERINE THERESA [illegible]
MARTIN STANLEY EARL
RUSSELL EUGENE EARLY
TIMOTHY CRAIG EASON
CRAWFORD ALAN EASTERLING, III
CHARLES EDWARD EBERLE, III
DANA EDWIN EDERLIN

JOHN JULIUS EBLEY, JR
REED ALAN ECKSTROM
CHARLES M. EDMONDSON
GARY WAYNE EDWARDS
GERDA WILLIE EDWARDS
JOE P. EDWARDS
DONALD WILSON EISENHART, JR
JERRY ALLISTER ELLISON
JOHN ELNITSKY, II
ELIZABETH ANN ENNIS
DONALD KIM ERSKINE
ALAN E. ESCHBACH
MARLOW DANIEL ESPINOZAHALE
RITA VILLAPANDO ESPIRITU
MURRY WAYNE ESTABROOK
MICHAEL GREGORY ESTRIN
LEONARD FRANKLIN EVANS
CHARLES EVERETT
JOETTE EVERIST
MANUEL E. FALCON
ANTHONY BYRON FARMER
PHILIP GAILLARD FARRELL
MAUREEN ANN FARREN
FRANZ E. FEDERSCHMIDT
THOMAS MICHAEL FELLMAN
PEGGY A. FELDMANN
JOEL DEAN FELLOWS
JOHN HENRY FENTER
TIMOTHY LESTER FERREE
BRIAN GOODWIN FINCH
KENNETH MICHAEL FINCH
KENNETH D. FINK
MARK GEORGE FISCHER
TRACEY ALAN FISCHER
ROBERT W. FISH
ROLLAND GEORGE FITCH, II
AMALIE RUTH FITE
DENISE DILLON FITE
M. J. FITZGERALD
STEPHEN JAMES FITZGERALD
SUSAN PATRICIA FITZGERALD
DAVID KENNETH FLAGG
GEORGE EDWARD FLAX
TIMOTHY BROOKS FLOYD
JOSEPH MICHAEL FLYNN
WILFRED JOSEPH FORBES
ALVIN NMN FORD
JENNIFER PORTER FORD
JOHN AINSLIE FORD
WILLIAM PEENY FOSTER, JR
MICHAEL JAMES FRANCIS
DALE THOMAS FRANKENBERGER
STEPHEN COLBY FRASER
RONALD FRANK FREEMAN
WILLIAM ALLAN GOSS
ZEVIE BAYLIE GOTTLIEB
THERESA DIGIOVANNI GOUGH
THOMAS RUSSELL GRAFTON
DENNIS EDWARD GRANGER
JAMES S. GRANT
FORREST LEE GRAWN, JR
DANIEL RAYMOND GRAY
MICHAEL ALLEN GRAY
ROSANNA LOUISE GRAY
JEFFREY EMERSON GREER
GAIL ALANE GRIFFIN
DAVID EDWARD GRIMMER
JOHN MICHAEL KENT GRITTON
BRUCE E. GROOMS
PAUL SCOTT GROSSGOLD
SCOTT GRUNDMEIER
JAMES GRUNEWALD
MARK GUADAGNINI
DANIEL MICHAEL GUTIERREZ
NORMAN ELLIOTT GUTZLER
KENNETH LARS HAGERUP
RICHARD EDWARD HAGY, II
KENNETH LEEBUTLER HAIZLIP
MILES EDWARD HALE
JOHN R. HALEY
KENNETH B. HALL
LEE JAMES HALL
ROSS KINNISON HALL
KENNETH EDWARD HALLOWAY, III

MICHAEL SCOTT FRENCH
LACINDA RENEE FREIE
NELS ARNE FROSTESSON
CHARLES ROBERT FRYE
WILLIAM LEE FRYE
DANIEL NMN FUSCO
SUSAN DUBRULE FUTOMA
PETER ALLEN FYLER
CASEY ANTHONY GAGAN
DANIEL IGNATIUS GALLAGHER
JOHN GREGORY GALLAGHER
JOHN JOSEPH GALLAGHER
GERALD STEPHEN GALLOP
GARY DAVIS GALLOWAY
GEORGE G. GALYO
ROBIN RAEBIALE GANDOLFO
HUGH FRANCIS GARDNER
JOHN HENRY GARNER, JR
DOUGLAS RANDOLPH GARRETT
SIEGFRIED PAUL EDWARD GATES
LOUIS JULIAN GATSKI
LYNNE DORIS GAUDREAU
EARL LENELL GAY
BRADLEY ROBERT GEHRKE
DOUGLAS JAMES GEIB
JAMES JOSEPH GEORGE
BARBARA ANN GERAGHTY
BRIAN JOSEPH GERLINO
LEE BERRIMAN GERMAN
JEFFREY LAWRENCE GERNAND
MICHAEL CRAIG GERON
DONALD DWIGHT GERRY, III
WILLIAM J. GIERI
ANTHONY PAUL GIGIOLI
DAVID JOHN GILBANK
DANIEL HILARY GILDEA
RICHARD CHARLES GILE
LLOYD ERIC GILHAM
KARL LEE GILLETTE
MARTHA CAROL GILLETTE
STANLEY PAUL GIZA
JOSEPH CASIMIR GLADYSZEWSKI
DAVID W. GLAZIER
LEONARD PAUL GMOCH
STEFANIE ELIZABETH GOEBEL
NIEL LEONARD GOLIGHTLY
MARK J. GONZALEZ
RICHARD PAUL GOODPASTURE
THOMAS PATRICK GOONEN
ALGERNON POPE GORDON, JR
JAMES LEE GOSNELL

RICHARD PATRICK HALTER
JANICE MARIE HAMBY
STEPHEN DWIGHT HANCOCK
DEBORAH GAIL HANNA
LYLE MARTIN HANSEMANN
DAVID CHARLES HARDESTY
RICHARD CALDWELL HARNED
GARY THOMAS HARPER
JOHN HENRY HARRINGTON, III
M. L. HARRINGTON
ROBERT MICHAEL HARRINGTON
WILLIAM GERALD HARRISON, JR
MARY ROBERTA HARTMAN
TOD CLARK HARTUNG
CHRISTOPHER ALLEN HASE
STEPHEN JOSEPH HASSMANN
STEPHEN LEONARD HAWES
PETER J. HAYASE
JOSEPH C. HAYDEN
TIMOTHY MARTIN HAYDEN
CHRISTOPHER C. HAYES
MICHAEL GORMAN HAYES
LARRY JOE HAYNES
BARRY ALAN HAYNIE
THOMAS V. HEAPHY
ERNEST JAY HEASSLER
R. HEATHERINGTON
EDWARD SCOTT HEBNER

TYLER DUPUY HEERWAGEN
MARVIN HERMAN HEINZE
CARL RITCHIE HELDRETH
DAVID JEROME HEMMER
ROBERT HENNEGAN
LESLEY JEANNE PAINCH HENSON
MARK AUSTIN HERSH
DEREK HANS HESSE
HARRISON ARTHUR HEUBLEIN
ROBERT MICHAEL HIBBERT
JAMES E. HICKEY
FLORAN MICHAEL HIGGINS
JOHN PHILIP HIGGINS
GREGORY NMN HIGHTAIAN
JAMES LEONARD HILDRETH
JAMES A. HILL, JR
JOSEPH FRANCIS HILL
MARY ELLEN HILL
CYNTHIA YVONNE HILTIBRAND
KATHLEEN M. HINES
DAVID LAWRENCE HINGTGEN
MARTHA HOLLOWELL HIRSCH
JAMES K. HISER
DAVID FRANK HITCHCOCK
QUINCY M. HODGE
KENNETH ALAN HODINA
WILLIAM P. HOEPT
WILLIAM PATRICK HOGAN
KEVIN PHILLIP HOLLAND
EARL T. HOLLEY
JAMES HENRY HOLT, JR
JOSHUA P. HOLTZMAN
STEPHEN E. HONAN
DIANA L. HOOKER
DANIEL P. HOOPER
THOMAS FRANCIS HORGAN
JOSEPH A. HORN
ALBIN L. HOVDE
ABIGAIL SUSAN HOWELL
TIMOTHY J. HOWINGTON
JEFFRY L. HUBER
STEPHEN H. HUBER
JAMES D. HUCK
JAMES ROGERS HUFF
AMY LEIGH HUGHES
JONATHAN WAYNE HULTS
STEPHEN MICHAEL HUNT
ROBERT CARL HURLEY
SHANNON MARIE LESLIE HURLEY
MARA CHERYL HURWITT
PAUL DEAN HUSCHER
JAMES RAY HYNES
WILLIAM ROBERT IGNACZAK
CHRISTINE MARIE IMGRUND
PAUL MACKY INSCH
SUSAN DEBORAH IVERSON
BRUCE ALAN JACKABON
WILLIAM HOWARD JACOBS
FERDINAND VILLACAMPA KIBIC
WILLIAM ROBERT KILLEA
WALTER PAUL KIRKLAND, III
JOHN D. KIRKPATRICK
TIMOTHY J. KISLEY
MARK DONALD KLATT
CRAIG STEVEN KLEINT
CYNTHIA NASH KNIGHT
TODD WINSLOW KNOWLES
WINFORD WESLEY KNOWLES
STEVEN D. KORNATZ
ALEXANDER EMIL KOVACH, JR
TERRY B. KRAFT
WALTER MARK KREITLER
PARKER CHARLES KULDAU, II
JEFFREY SCOTT KUNKEL
ROBERT JOSEPH LABELLE, JR
TIMOTHY DOUGLAS LABELLE
WILLIAM CHARLES LABERMEIER
WILLIAM EUGENE LABIAN
PAUL ANTHONY LAIRD
JAMES SHAVER LAKIN
DAVID ERIC LANCASTER
HARRY EDWARD LANDAU
DAVID WILLIAM LANDIS
JAMES CHRISTOPHER LANG

DOREEN ELLEN JAGODNIK
CHRISTOPHER JANUSZEWICZ
GREG EDWIN JAQUITH
SCOTT E. JASPER
PETER JAUNAIS
CHRISTY ANN JENKINS
NANCY KATHLEEN JENKINS
DAVID M. JENNINGS
DALE A. JENSEN
PAUL RAYMOND JENSEN
BRENT WARD JETT, JR
ANTHONY W. JILES
BRADLEY EUGENE JOHANSEN
DAVID CONRAD JOHNS
JACOB DWIGHT JOHNSON
JOSEPH ANDREW JOHNSON
KATHY ANN JOHNSON
KEVIN ROBERT JOHNSON
LEAH DIANNE JOHNSON
ROOSEVELT JOHNSON
VANESSA OLIVIA HALL JOHNSON
JOHN P. JOHNSTON
THOMAS EDWARD JOHNSTON
JEFFREY CARL JOHNSTONE
DAVID ANTHONY JONES
FRANK THOMAS BRADFORD JONES
KEVIN ALBERT JONES
SCOT WILLIAM JONES
TERRANCE GREGORY JONES
WILLIAM B. JONES
JEP CRAWFORD JONSON
THOMAS ALEXANDER JONSON
BRENDA MATHIAS JORDAN
RICHARD LEON JORDAN
SUSAN STURM JORDAN
ROBERT LEON KALIS, JR
MICHAEL J. KANE
MARK D. KAVANAUGH
JOHN FRANCIS KEANE
MARTIN JOSEPH KEANEY
SUSAN CHARLOTTE KELL KEANEY
PATRICK DANIEL KEAVNEY
HOWARD CURTIS KEESE
FRANK EDWARD KELBE
PATRICK EUGENE KELLER
ANNE ELIZABETH KELLEY
THOMAS RANDOLPH KELLEY
JOHN SCOTT KELLY
DEREK BRIAN KEMP
CATHY LYNN WILLIAMS KEMPP
PETER REID KENDRICK
DAVID WILLISTON KENWISH
DEBORAH RUSH KERN
GIBSON BREWER KERR
KEVIN CHRISTOPHER KETCHMARK

JOHN RANDY LANGMEAD
RUSSELL GUY LANKER
JACQUELYN WALDIE LANSING
RAYMOND DONALD LARIVIERE, JR
VICTORIA MAGDALENE LARSON
WILLIAM FREDERICK LARSON
DAVID LEE LASHBROOK
PETER JAMES LATTA
JEFFREY JOSEPH LAUFF
JOHN EDWIN LAUGHLIN
S. J. LAUKAITIS
FRANK A. LAURIA
MICHAEL DELANE LAUZEN
ROBERT LOUIS LAWSON
DAVID L. LEACH
LEWIS WILLIAM LEARY, III
MARTIN RONALD LEDGER
DAVID ALAN LEE
STANLEY KA CHEONG LEE
ERIC ALLISON LEFRANCOIS
SCOTT FERRER LEFTWICH
JOHN CHRISTOPHER LEGG
ANTHONY MURRAY LEIGH, JR
CHARLOTTE VIRGINIA LEIGH
DANIEL ARTHUR LEININGER

DIRK ERNEST LENTZ
WANDA FAYE LEONARD
RICHARD A. LEPPER
WILLIAM KEVIN LESCHER
CRAIG DOUGLAS LESHER
HARRY SIRWELL LEWIS, III
MARK RICHARD LICHTENSTEIN
JOHN MATTHEW LILLARD
PAUL JACK LINDSEY
ERNEST ROBINSON LINEBERGER
CRAIG WESLEY LITTLE
STEVEN WILLIAM LITWILLER
JUDITH ANN LITZENBERGER
RICHARD C. LOCKE
JOSEPH CARL LODMELL
PHILIP EUGENE LOGAN
PATRICK ALOYSIUS LOGUE
DAVID BRUCE LOKKER
WILLIAM FRANK LONCHAS, JR
MICHAEL M. LONG
MICHAEL E. LUPEZALEITHIA
ALBERT FRANIS LORD, JR
JOHN EDWIN LOTSHAW
GILL WARREN LOTT
RENATA PAOLA YOCHUM LOUIE
DOUGLAS VANCE LOWRY
DALE A. LUMME
MARK D. LUNDGREN
CAROL LINDA LUNDQUIST
CHARLES DENNIS LYBARGER
KEVIN BRIAN LYNCH
JOHN PATRICK LYNESS
KENNETH STUART MACDONALD
DAVID STOKES MACESLIN
GEORGE BAILEY MACEWEN
DAVEN LYNN MADSEN
JEROME JOSEPH MAHER, III
ANDREW ARTURO MAIMONI
JOHN MAITNER, II
EDWARD JOHN MAJEWSKI, JR
MICHAEL THOMAS MALINIAK
MICHAEL ANTHONY MALIS
ROY DALE MALMBERG
ROY WILSON MALONE, JR
KEVIN MALONEY
STEPHEN CHARLES MALONEY
MICHAEL MANAZIR
ALFRED SALVATORE MANCO
THOMAS FRANCIS MANOS
MICHAEL RAYMOND MARA
GERARD MARDIK MARKARIAN
ANN LINDSAY SMYTH MARSH
JOHN WILLIAM MARSHALL
SHELLEY SHIPPY MARSHALL
MARK MARSHFIELD
CHARLES PATRICK MARTELLO
ROGER DALE THORNTON
ROBERT MICHAEL THURMOND
THOMAS WILLIAM TIERNEY
MARYLOU KATHERINE TILLOTSON
MICHAEL PETER TILLOTSON
YVONNE TISDEL
GLENN STOCKTON TITLOW
DAVID WAYNE TODD
MARTIN E. TOHER
MARK C. TOMB
JEFFREY ALAN TOMEO
JOHN STEPHEN TOPPER
RAYMOND JESS TORRES
JOSEPH JOHN TRAINOR
CRAIG A. TRAUTMAN
DENNIS MICHAEL TREPANIER
ALBERT RICHARD TROTTER, JR
JAMES WILLIAM TRUEBLOOD
RICHARD TRUITT
JEFFREY TRUMBORE
JAMES STEWART TULLY
WAYNE A. TUNICK
CARL RAY TURNER, II
EDWARD B. MARTIN
EDWARD LEE MARTIN
FRANK KURT MARTIN
DAVID GLENN MASCARIN
MICHAEL MATTHES
JOSEPH PAUL MATTIS
STEPHEN D. MATTS
JEFFREY MAYNARD
JAMES EDWARD MCALOON
KELLY DEAN MCBRIDE
JOAN MARQUETTE MCCABE
LAURENCE LEIGH MCCABE
THOMAS EDWARD MCCAFFREY
CLYDE JACKSON MCCALEB, III
DENISE JACQUELINE MCCALLA
JEFFREY CARROLL MCCAMPBELL
TIMOTHY ANDREW MCCANDLESS
CHARLES ANDREW MCCAWLEY
RONALD AUSTIN MCCLELLAN
BRUCE HOWLET MCCOMBIE
THOMAS RAY MCCOOL
MICHAEL WAYNE MCCORD
JOHN JOSEPH MCCORMACK, JR
GAVIN GABLE MCCRARY
ROBERT GEORGE MCCULLOCH, JR
PHILIP CHARLES MCDANIEL
KEVIN GERALD MCDERMOTT
WILLIAM JOSEPH MCGAHEE
WILLIAM FRANCIS MCGOWAN, III
ROBERT IRVING MCGRATH, JR
KEVIN WILLIAM MCINTIRE
RICHARD DAVID MCKEE
FREDERICK PAUL MCKENNA, JR
JANET DENISE MCKENZIE
ALAN MALCOM MCLACHLEN
JENA HILARY MCLAUGHLIN
JAMES PATRICK MCMANAMON
HERBERT MCMILLAN
LANCE WILLIAM MCMILLAN
THOMAS ALAN MCMURRY
KATHRYN MCNAMARA
ROBERT ARTHUR MCNAUGHT
STEVEN L. MCSHANE
JOSEPH ALLAN MCSWAIN
RICHARD A. MEDLEY
WALTER ALVIN MEEKS
GRACE MEHL
MICHAEL EDWARD MEIER
JAMES MICHAEL MELESKY
CHRISTOPHER ALLAN MELLIVEEN
MICHAEL EMIDIO MELO
MICHAEL J. TURNER
MICHAEL FRANCIS TUZZOLO
D. W. TWORZYANSKI
ANNE KATHLEEN TYLER
NORA WINGFIELD TYSON
KEITH ALLAN ULLMAN
FRANK DAVID UNETIC, JR
RONALD JOSEPH UNTERREINER
CHRISTOPHER WILLIAM URBAN
ELLEN CLAIRE VADNEY
SAMUEL EUGENE VALDEZ
BARBARA FRANCES VALENTI
JOSEPH ANTHONY VALENTI, III
BIENVENIDO VALERIO
KURT WILLIAM VALKO
ANTHONY NMN VANARIA, IV
KERMIT LEE VANBROCKLIN
MARK ANTHONY VANCE
WILLIAM JOSEPH VANDERLIP, JR
STEVEN ELLIOTT VANDYK
HANS JOSEPHUS VANOEKEL
DORIS VIOLETA VANSAUN
GUY LESLIE VARLAND
CLIFFORD BRUCE VAUGHT
JAMES T. VAZQUEZ
JOHN EDWARD VESTERMAN
ANDREW JAY VINSON
THOMAS BLAKE VOSLOH
TIMOTHY CHARLES WACHTL
ROBERT MICHAEL WAGNER
HARRY WAIDELICH
DAVID WAYNE WALKER
JIMMY DALE WALKER
MARK HOLT WALKER
ROBERT MICHAEL WALL
BETTINA VENETTOZZI WALLACE
JOHN STEVEN WALLS
SUSAN ESTHER WALTERS
PETER BLAKELEY WANN
ALBERT JOHN WARD
JOHN DAVID WARD
WILLIAM EARNEST WARD
MICHAEL C. WARMBIER, III
BRUCE TIMOTHY WARREN
DENNIS GEORGE WATSON
FRANK LEONARD WEBB
WILLIAM T. WEBBER
RONALD EUGENE WEISBROOK
MITCHELL MONTGOMERY WELCH
ROGER DALE WELLS
RICHARD ALAN WENDLAND
PATRICIA MURPHY WENGER
SUZANNE KATRINKA SCHEL WEST
DARREL EDWIN WESTBROOK, III
ANNE LAURA WESTERFIELD
ROLAND WEYMAN
PATRICK RANDOLPH WHEELER
PAUL KENNETH WHITEAKER
GARY CHARLES WHITFIELD
JAY D. WHITLOCK
MARK Q. WHITTLE
TERRY SCOTT WICHERT
JOHN P. WIDAY
PETER IGOR WIKUL
CLAYTON S. WILCOX
BRIAN WILD
ROBERT HENRY WILHELM
JAMES EDWARD WILKIE
JAY COLVARD WILKINSON
BRYAN S. WILLIAMS
JOHN DAVID WILLIAMS
MARY EDITH WILLIAMS
MICHAEL DAVID WILLIAMS
MICHAEL JOSEPH WILLIAMS
NORMAN LEROY WILLIAMS
ROBERT GARY WILLIAMS
CRAIG A. WILSON
DAVID CABLES WILSON
DOUGLAS MITCHELL WILSON
JOHN GILBERT RANDAL WILSON
JOHN LEE WILSON, III
JOHN PHILIP WILSON
RICKY E. WILSON
WARD AMES WILSON, III
DONNA RENE WINER
THOMAS JOHN WINKOWSKI
ROBERT SCOTT WINNEG
DALE WAYNE WINSTEAD
EDWARD GRIFFING WINTERS, III
JOHN D. WITHERS
JOHN LOUIS WITTREICH
ROBERT LEE WOHLSCHLEGEL
RAYMOND WARREN WOLBER
BRIAN PHILIPS WOOD
GLORIA DARLENE WOOD
JOHN STEVEN WOOD
MICHAEL P. WOOD
JIMMY CLIFFORD WOODARD
SUSAN ELAINE WOODWARD
RICHARD CLARK WOOLDRIDGE
JAPHET POTENT WOOLSTON
THOMAS VICTOR WORKS
DEAN DALE WORTHINGSTUN
CYNTHIA JUNE PARSONS WRIGHT
JAMES MICHAEL WRIGHT
STEVEN WAYNE WRIGHT
WALTER JAMES WRIGHT
SAMUEL RADCLIFFE WRIGLEY
HAROLD DAVID WUNDER
HAROLD MITCHELL YELTON, JR
PHILLIP THEODORE YONTZ
NATALIE KWAI S. YOUNGARANITA
PHILLIP DOUGLAS YOUNGBLOOD
HENRI W. ZAJIC
SARA ANNE ZAK
MARY LUANNE ZAREM
TODD ALLEN ZECCHIN
JEFFREY N. ZERBE
NEIL GRAHAM ZERBE
LAURA JEANNETTE ZIEGLER
MICHAEL A. ZIESER
LINDA CROWE ZITO

ENGINEERING DUTY OFFICERS

To be lieutenant commander

FREDERICK LEE BARBER
LAWRENCE RICHARD BAUM
DAVID KEITH BELL
PETER STANLEY BUCZYNSKI
DANIEL L. BURNFIELD
WILLIAM HARR BUTTERWORTH, JR
DAVID M. CECI
DAVID CHARLES CHAPPELL
ROBERT DANIEL CHILDS
MICHAEL ANDREW GOMORI
DENNIS KEITH GONYIER
GREGORY LAWRENCE GOODE
LARRY JOE HUME
JONATHAN CAREY IVERSON
DANIEL ARTHUR LAWRENCE
DAVID HUGH LEWIS
JERRY MARK LONGEST
GERALD KEITH MCGOWAN
MICHAEL EDWARD MCMAHON
STEPHEN MICHAEL MCMANUS
BENJAMIN MILLER
GARY M. MORLANG
RANDAL DENNISON NIVER
PATRICK JEAN REGIS
SCOTT J. SMITH
RICHARD LEE STAATS
WALTER ARNETT STARKEY, III
MANNING MARY TOWNSEND
JAY W. WALLIN
LEONARD EARL WEDDLE
KENNETH RAYMOND WIKSTROM
CHARLES LEE WOOD
STEVEN WAYNE WOODSON
CLEMON RAYNOR WORTHERLY
MICHAEL ALAN ZIEGLER

AERONAUTICAL ENGINEERING DUTY OFFICERS (AERONAUTICAL ENGINEERING)

To be lieutenant commander

MARY COTTRELL DUNSTON
ALAN RICHARD KING
BRUCE DAVID SILBERMAN

AERONAUTICAL ENGINEERING DUTY OFFICERS (AVIATION MAINTENANCE)

To be lieutenant commander

ROBERT LEIGH ALLEN
TERI LYNN HOWE BLANTON
WAYNE P. BORCHERS
JOHN DOUGLAS BURPO
ROBERT CATALANO
FRED E. CLEVELAND
MICHAEL CLINTON COLDWELL
JEFFREY SCOTT COOK
MARK W. CZARZASTY
LEONARD BRET GORDON
THOMAS ROSS HAMMAN
JAMES LARRY KIMBROW
HARRY LEHMAN, JR
KENNETH LOMAX LOWERY
WILLIAM ROBERT MCSWAIN
JOHN VALERI MOKODEAN
LARRY KEITH NEIL
MICHAEL PAUL OROURKE
KENNETH RAYMOND PEKIE
JOHN WILSON RANDOLPH, III
MARK HENRY STONE, JR
STEVEN R. VOYLES
JOHN EDWARD ZEILER

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be lieutenant commander

JOANN MARIE AMMANN
MICHAEL A. BROWN
GERALD THOMAS BURNETTE
JOSEPH BRUCE CALOMENI
RICHARD GUERRERO
VERNON DEXTER INGRAM
STEPHANIE ANN MARKAM
JOHN B. MAYS, III
JAMES RICHARD MCGOVERN, JR
STEPHEN SCOTT MCKENZIE
JEREMY LYNN PANOFF
ELIZABETH EKKER CARLSON
KEVIN FORREST DUFFY
JEFFREY S. GALWAY
JOHN WILLIAM GORDON
ALAN EDWARD PORTILLO
MARC D. POUSSARD
JEFFREY WARREN SCHMITZ
PAUL WILLIAM SCHUH
PAUL W. THRASHER
ROBERT ALLEN WELLMANN

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be lieutenant commander

EUGENE ADKINS, JR
LINDA JO BAHRANI
CHRISTOPHER DAVID BOTT
THOMAS EMMETT CARROLL
JOHN CHRISTAKOS
NANCY KATHLEEN CLARK
CHRISTOPHER A. COOK
ANNE M. DONOVAN
ROBERT DIXON ESTVANIK
JOHN MACRAE FOX
KEVIN KEASBEY FRANK
CRAIG E. FRENCH
CHRISTOPHER OLE GEVING
WILLIAM EDWARD GORHAM, JR
LLOYD RICH HILLIS
JAMES EDWARD JONES
WILLIAM MARCUS LUOMA
JERRY DOUGLAS MATTHEWS
LEE MEINIG
JOHN THOMAS MULLANY
RUSSELL S. NOVAK, JR
REBECCA C. OLDS
SUSAN M. PRESTO
STEVEN CARL PRINES
JOHN PETER RUBEL
WILLIAM D. SAS
JOHN ANTHONY SCALI
CRAIG LEIGH SCHNEIDER
ROBERT WAYNE SCHOLLE
VINCENT A. SHAHAYDA
WILLIAM RICHARD WATSON, II
DAVID B. WAUGH
STEVEN K. WESTRA
LAWRENCE WINKLER
ANN MARIE WYTZKA

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be lieutenant commander

MICHAEL E. BRADY
ALAN PHILIP GOLDSTEIN
JOSEPH FRANCIS GRADISHER
JOHN LAWRENCE HOPKINS
DAVID BRADLEY KNOX
TERRY LEE MCCREARY

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be lieutenant commander

JAMES W. ALLEN
ROBERT MARTIN BASSETT
ERIC J. BAYLER
EDWARD GEORGE BEALE, JR
ROBERT L. BEARD
JEFFREY S. BEST
RICHARD HARRY BOUCHARD
STEVEN RICHARD CAMERON
DIANE CAROL DURBAN
EDMOND MICHAEL FROST
MARK JOSEPH GUNZELMAN
JAMES ARTHUR HILL
GARY MICHAEL MINEART
JOHN F. OHARA
DEBRA LYNN POFFENBERGER

LIMITED DUTY OFFICERS (LINE)

To be lieutenant commander

LUTHER NMN ALBRIGHT
WILLIAM PLATTE AMSTUTZ
LEROY S. ANDERSON, JR
ROBERT W. ANDERSON
CARL EDMUND BAILEY
ROBERT H. BALCOM, JR
CHARLES E. BALDWIN
LAWRENCE B. BARTON
LUTHER L. BIGGS, JR
JAMES R. BIRCHFIELD
JERRY L. BIRDSONG
TIMOTHY P. BLACKIE
THOMAS BLANCHFLOWER
DAVID E. BOZMAN
SCOTT K. BRADLEY
LINFORD C. BROWN, JR
MICHAEL P. BRYCE
JAMES RUSSELL BURNS
ENNO F. CAMENZIND, JR
ANTHONY P. CARAMBIA
DAVID RICHARD CARLSON
WILLIAM H. CARNEY
RAMON F. CASTILLO
DAVID R. CHASSE
JOHN F. CHUTE
FREDERICK NMN CLEM
WILLIAM WOOD COMBS
JAMES M. CONDON, JR
TOMMY M. CULPEPPER
ALAN P. DANAHER
JEFFREY A. DAVIS
WELDON E. DEATHERAGE
ANTHONY V. DEBELLO
KENNETH R. DELL
CIPRIANO MASICAMPO DELUNA
DAL S. DONLEY
THOMAS LAWRENCE DONNELLAN
HERBERT R. DUFF
KENNETH L. EIDNES, JR

STEPHEN JAMES ELLIS
RICHARD JON ELVROM
STANLEY K EUDY
MICHAEL L. FAIR
DONALD W FIALA, JR
ROBERT J. FIEGL, JR
JOHN H. FOISSETT
CURTIS B. FORD, JR
LEONARD CHAR FRANCOEUR
DAVID NMN FUCITO
ARMANDO A. GALARPE
MICHAEL JOHN GILROY
JON K GILSON
DARRYL S. GIRTZ
JOSEPH E. GLIEBE, III
JOHN D. HAMITER
BOBBY E HAMMOCK
JOHN E. HANSCOM
WILLIAM R. HARRIS
JAMES A. HAWTHORNE
EDWARD J HEIDLER
JOHN W HIBBARD
THOMAS B HINOTE
TERRY L. HOGSTON
JAMES D HOLDEN
LAWRENCE EARL HUNT
STEVEN J JAEGER
MICHAEL J. JEFFERS
ROBERT P JERNIGAN
WILLIAM T JOHNSON
BRUCE D JONES
PHILIP A. JONES
ROBERTO NM KATEKARU
ARTHUR G. KELLY
GEORGE N KOLLARIK
MAXWELL EDWIN KUSS
BRUCE JOHN LATHERS
DAVID PAUL LLOYD
RICHARD ALAN LOCKE
JEFFERY NMN LORD
MICHAEL J. LUX
JOHN H MCCRINK
JAMES A. MCDOWELL
DANIEL J. MCGOVERN
JOHN P MCGRATH
MARK D MCNABB
JAMES G MCNEILL
DAVID ADDISON MEQUIWA
JOHN A. MEYER
GLENN L. MILLER
THOMAS LAWRENCE MILLS
ROMEO HILBERO MOE
LEITMANVIB MORESSETTE
CYRUS B. MURPHY
KERRY PHILIP MURRAY
FRANK W NICHOLS
JAMES C. NICHOLS, JR
JACK H NORRIS
JOHN J ORDEMANN
JERRY B. ORR
ANTHONY P PANNONE
WILLIAM NMN PAPPAS
NORMAN B. PETERS, JR
ROY CHARLES PETERSON
KENNETH A. PHELPS
DONALD RAY PRICE
GORDEN B. RATLIFF
ANTHONY B RAYMOND
HERBERT L. REAVES
ROBERT K REGULAR
DEL L. RENKEN
STEVEN L. RESCH
GARY L. RICHARD
NORMAN EUKLEY RICHARDS, JR
LOUIS S. ROEHM, JR
NICHOLAS J ROSS, JR
THEODORE R ROUGHT
ROGER MICHAEL SARTOR
FRANCIS O. SAUKEL, JR
LARRY E. SAWYER
MICHAEL J SCHARP
HERMAN B SCHIRMER
DAVID ROY SCOTT
THOMAS L. SEARS
RICHARD A SHAW
MICHAEL A SILEVINAC
WILLIAM L. SMOOT
DAVID H SPENCER
ROBERT L. SPINDLE, IV
RICHARD A SPON
IRA LYNN STOKES
MICHAEL W STONE
RICHARD M STRONG
JACKIE D. STUMP
GARY D SUMNER
RONALD E SWART
RONALD WAYNE TALLMAN
DAVID J THOMAS
WILLIAM CHESLEY THOMPSON
CHARLES DAVID THREATT
WARREN E. TUTHILL, JR
ROBERT L. VANAUKEN
BUFORD RAY VANZANDT
IRVING NMN VELEZ
DANIEL M WATSON
JACK LEROY WILSON, JR
HARVEY B. WOODMANSEE
JOHN E. WOOLARD
MICHAEL A WULF

CONFIRMATION

Executive nomination confirmed by the Senate July 11, 1989:

DEPARTMENT OF STATE

CHIC HECHT, OF NEVADA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COMMONWEALTH OF THE BAHAMAS.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

WITHDRAWALS

Executive nominations withdrawn by the President from further Senate consideration, July 11, 1989:

DEPARTMENT OF THE INTERIOR

ROBERT H. GENTILE, OF OHIO, TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, VICE JED DEAN CHRISTENSEN, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

DEPARTMENT OF EDUCATION

MICHELLE EASTON, OF VIRGINIA, TO BE DEPUTY UNDER SECRETARY FOR INTERGOVERNMENTAL AND INTERAGENCY AFFAIRS, DEPARTMENT OF EDUCATION, VICE PETER R. GREER, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

ACTION AGENCY

JANE A. KENNY, OF VIRGINIA, TO BE DEPUTY DIRECTOR OF THE ACTION AGENCY, VICE HENRY M. VENTURA, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

FEDERAL LABOR RELATIONS AUTHORITY

KATHLEEN DAY KOCH, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM OF FIVE YEARS, VICE DENNIS M. DEVANEY, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

EXTENSIONS OF REMARKS

SETTING THE RECORD STRAIGHT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. STARK. Mr. Speaker, I am compelled, after reading the following article in the latest Professional Journal of the Federal Law Enforcement Officers Association, to insert the following article written by Craig Floyd, executive director of the National Law Enforcement Officers Memorial Fund. I hope my colleagues understand that the charges made previously by Mr. Gerald Arenberg have been appropriately and effectively refuted.

SETTING THE RECORD STRAIGHT

(By Craig Floyd, Executive Director, National Law Enforcement Officers Memorial Fund)

In the January-February 1989 issue of Police Times magazine, Gerald Arenberg wrote an article that was highly critical of the National Law Enforcement Officers Memorial project. Copies of the article were sent to all Members of Congress, the survivors of law enforcement officers killed in the line of duty, and "to every Law Enforcement Body in the United States" (according to Mr. Arenberg). Among other things, Mr. Arenberg questions many of the Fund's business practices, calls for a government audit of Memorial Fund finances, and states that "if all bills are paid, that no more than $120,000 would be left in the bank (for the Memorial)."

Mr. Arenberg's view of the Memorial effort is totally distorted and based on outright misstatements of fact. The article is now being reviewed by our legal counsel. In the meantime, I wanted to set the record straight and reassure you that the Memorial Fund is being properly managed and is making good progress.

1. WHO IS GERALD ARENBERG?

Mr. Arenberg carries many titles with many organizations. They include, Editor, Police Times magazine; Executive Director, National Association of Chiefs of Police; and Director of Services, American Police Hall of Fame and Museum (all of them Florida-based groups). According to The Police Chief Magazine (August 1987), "either Mr. Arenberg or someone on his behalf, has, at one time or another, registered thirty different corporations in the state of Florida."

In 1984, Mr. Arenberg, along with other interested parties, was invited to join in the effort to build the National Law Enforcement Officers Memorial. Although he did have a representative attend the Memorial Fund's organizational meeting, he chose not to help with the effort and has been critical of the project ever since. By contrast, 21 major law enforcement groups have all joined the effort with representatives of 15 of them sitting on the Fund's Board of Directors, and six others serving as Honorary Members.

Mr. Arenberg has instead chosen to devote his attention to raising some $2 million to build a new and larger American Police Hall of Fame and Museum in his own separate national fundraising campaign.

What are Mr. Arenberg's motivations for spreading misinformation about the Memorial Fund? A quote attributed to Mr. Arenberg in a February 1984 National Centurion magazine article may shed some light on the issue. When asked by the reporter why people "want to create clouds of suspicion" about Mr. Arenberg's American Federation of Police, he replied, "Competition. Police are multi-million-dollar businesses, most of them, and we're in competition. It's as simple as that. You want to create problems for your competition."

(The Memorial Fund does not share Mr. Arenberg's view of law enforcement as "multi-million-dollar businesses in competition." So, as Mr. Arenberg embarks on his search for a new $2 million home for the American Police Hall of Fame and Museum, we wish him all the best. Law Enforcement stands only to gain from the success of both projects.)

2. HOW MUCH MONEY HAS BEEN RAISED TO CONSTRUCT THE MEMORIAL

Mr. Arenberg states that "if all bills are paid, that no more than $120,000 would be left in the bank." Wrong! After expenses, approximately $3.0 million is available for the construction of the National Law Enforcement Officers Memorial. This includes more than $2.6 million in cash on hand, and the remainder in written corporate pledges or cash raised by others but not yet turned over to the Memorial Fund.

3. IS MONEY BEING WASTED ON ADMINISTRATIVE AND FUNDRAISING COSTS?

Mr. Arenberg writes that, "about $.08 of each dollar is actually set aside for 'other' than salaries and expenses." Wrong! He based that erroneous conclusion on nearly one-year-old figures he took from a report our organization routinely files with the State of New York. The report shows that during our first full year of fundraising (April 1, 1987 to March 31, 1988) the Fund received $827,442 and spent $758,997. The reasons for those high costs were typical of most young charities that rely heavily on direct mail for initial funds. Virtually all of the revenue received that first year came from direct mail, and much of the money was reinvested back into the direct mail program to sensure long-term benefits. But, the largest expense that first year ($362,888) was not on fundraising or administration but on public education, which is a legitimate and very essential program cost.

Those early investments in direct mail and public education have netted some very significant gains. Our direct mail program has now matured to the point that it covers all of the Fund's operating expenses, in addition to raising substantial monies toward Memorial construction. That means that 100% of all funds raised from sources other than direct mail goes toward the construction of the Memorial.

Further, the leading private, charity-watchdog organization has informed the Memorial Fund that we are in full compliance with their standard which requires that a reasonable percentage of total income from all sources must be applied to programs and activities directly related to the purposes for which the organization exists.

Recent unaudited figures show that 67.6% of the Fund's total revenue has been spent on program (public education and Memorial development) or has been reserved for Memorial construction, 7.5% on administration, and 24.9% on fundraising. This is significantly better than the watchdog agency's standards that no more than 15% of total revenue be spent on administration and 35% on fundraising.

4. DOES THE MEMORIAL FUND RELEASE ITS FINANCIAL INFORMATION TO THE GENERAL PUBLIC?

Mr. Arenberg suggests that we have tried to keep the finances for the Memorial Fund secret from the general public WRONG! Like all non-profit organizations we are required to make our financial information public. Each year, we file a financial report (Form 990) with the IRS. We submit charitable fundraising registrations to all states. We make our annual report available through out office and through the New York Department of State, and our direct mail solicitation letters inform people of such availability. An independent audit of the Fund is conducted annually by Peat Marwick Main and Company.

5. ARE THE MEMORIAL FUND SALARIES TOO HIGH?

Mr. Arenberg focuses considerable attention on staff salaries, suggesting that they are unreasonably high. The Memorial Fund staff consists of five full-time employees and one part-time employee. All are paid at competitive prevailing rates. The Executive Director took a $25,000 reduction in pay from his previous job ($70,000 to $45,000) when he started with the Fund, and the Chairman has retained the same salary level for the last 16 months, $46,500 (including previous employment).

6. IS THE MEMORIAL FUND'S DIRECT MAIL CONSULTANT BEING PAID TOO MUCH?

Mr. Arenberg states that our direct mail consultant "is paid a fee to create the letters and is paid $50 per thousand for letters that are mailed." Wrong! The consultant is paid one set creative fee of $50 per thousand letters mailed, which is competitive with our direct mail firms.

Mr. Arenberg reports that direct mail income goes to a "caging" firm at an address other than the Memorial Fund, and implies that there is something shady about that. Wrong! Actually, that is standard practice for charities which do a high volume of direct mail. We hire a bonded professional firm with the equipment necessary to open the mail, record the results and deposit all the money into the Fund's account daily. The process is quick, efficient and the least expensive the Fund could find.

7. CAN OUR DIRECT MAIL CONSULTANT SELL OUR DONOR NAMES FOR HIS PROFIT?

Mr. Arenberg states that our direct mail consultant "has the right to sell all of the names and keep the profits." He says "the Memorial Fund does not get a dime from the sale of names according to the contract." Wrong! The Memorial Fund has exclusive control over its donor list. While the Fund directs its consultant to rent the list on a one-time basis to other charities occasionally, the Memorial Fund receives any revenue involved. The consultant receives only a standard 20% list broker commission. In many cases, the Fund exchanges donor lists with other charities as a way to attract new donors. Again, that is a common industry practice. (In fact, it is so common that even Mr. Arenberg's own American Federation of Police requested to rent part of the Fund's donor list for a mailing it had scheduled for last May.)

8. DOES THE MEMORIAL FUND HAVE COMPETENT MANAGEMENT?

Mr. Arenberg questions the choices to fill top management positions for the Memorial Fund. I was unanimously elected chairman of the Fund by the 15 national law enforcement organizations on our board of directors after serving 10 years as a congressional aide primarily responsible for law enforcement-related issues. I developed a close and effective working relationship with the law enforcement organizations on the board during that time. Among our joint achievements were the enactment of a ban against armor-piercing "cop killer" bullets, and the passage of the law authorizing the National Law Enforcement Officers Memorial to be built. I have been responsible for every administrative action taken on behalf of the Memorial effort from day one.

Jan Scruggs, President and founder of the Vietnam Veteran's Memorial Fund, is a top consultant of the Law Enforcement Officers Memorial Fund and was the project's first full-time employee.

Robert Frank, the Memorial Fund's Treasurer, is also the Treasurer of the Vietnam Veterans Memorial Fund and of MADD, among others. He has his own certified public accounting firm specializing in non-profit businesses.

9. IS THE MEMORIAL FUND INDEPENDENTLY AUDITED?

Mr. Arenberg charges that our landlord is also our auditor. Wrong! We do rent office space from our Treasurer's accounting firm, Frank & Company. This decision was made for several reasons. First, the rent we negotiated was the lowest we could find in the area. Second, we are able to share some of their support personnel at very low costs. Third, due to our daily accounting needs it is particularly beneficial to have them located nearby. We also pay his firm for their accounting services, although Mr. Frank's personal fees are discounted. However, Frank & Company is not our auditor. We have an independent audit performed annually by the highy respected firm of Peat Marwick Main and Company.

10. HAS THE MEMORIAL'S SITE BEEN APPROVED?

Mr. Arenberg infers that the chosen site for the Memorial, Judiciary Square in Washington, DC., might not get final approval from the District of Columbia Government. Wrong! As of March 3, 1988, all of the site approvals required by Congress had been obtained. That includes the National Capitol Memorial Commission, the D.C. Task Force on Memorials on Public Land, D.C. Mayor Marion Barry, the U.S. Commission of Fine Arts, and the National Capitol Planning Commission. In addition, the D.C. City Counsel approved the site in March of this year. This approval marked the successful conclusion of the siting process.

11. WHY DID THE EXPECTED COST OF THE MEMORIAL GO FROM $5 MILLION TO $7.5 MILLION?

Mr. Arenberg charges that the overall cost of the Memorial project was increased from $5 million to $7. million, "with no clear explanation." Wrong! During the early stages of the project, prior to the selection of a site or design, questions began being asked about the expected cost of the Memorial. The estimate of $5 milion was used, based largely on the experience of other memorial projects, especially the Vietnam Veterans Memorial. However, that was always just an estimate. When the site was ultimately selected and the design proposed, a detailed assessment was made for the first time and it showed that the actual overall cost would be about 50% higher, or $7.5 million. When the design was announced in October, the new cost estimate was also announced.

12. WHEN CAN PEOPLE CONTACT THE NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL FUND FOR THE LATEST AUDITED FINANCIAL STATEMENT?

By the end of June 1989 the firm of Peat Marwick Main and Company will have completed its audit of the Memorial Fund and the new annual report will be available. To obtain a copy of that report call the Memorial Fund at 703-827-0518 or write for a copy c/o The National Law Enforcement Officers Memorial Fund, 1360 Beverly Road, Suite 305, McLean, VA 22101.

NICK ROWE OR ABBIE HOFFMAN?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MICHEL. Mr. Speaker, when Communist Vietnamese wanted to torture Col. Nicholas Rowe, as he endured 5 years of captivity in barbarous conditions, they would show him "newspaper photographs of teenagers burning the American flag in the shadow of the Washington Monument."

Colonel Rowe, a recent victim of assassination by Phillipine Communists, did not live to see the day when flag-burning would be called a legal right by the Supreme Court. Perhaps that was a blessing.

Colonel Rowe was an American hero. When he was murdered, the media reports were accurate, but not particularly informative about the meaning of his life and death.

But when Abbie Hoffman, a hero of the flag-burners and their defenders in the 1960's—and today—recently died of a drug overdose, after a lifetime of self-indulgent nonsense and professional anti-Americanism, his death was treated with the respectful full-scale media treatment usually reserved for the death of a head of state. Even in death, he was the master of media hype.

I am not certain what all of this says about the state of our country and of the media—but I don't think it tells us anything good. There comes a time when a nation has to choose between what Nick Rowe's life represented and what Hoffman's represented. Let us hope we still retain the common sense and common decency to choose the way of Nick Rowe.

At this point I wish to insert in the RECORD, "Two Kinds of American hero" by Stephen T. Banko III, in the Wall Street Journal, July 5, 1989.

TWO KINDS OF AMERICAN HERO

(By Stephen T. Banko III)

The final democracy of death has provided two departed souls with eternal equality in recent months. One was the world's oldest Yippie, Abbie Hoffman. The other was Col. James Nicholas Rowe, who spent five years in a North Vietnamese prison camp.

Mr. Hoffman died by his own hand and attracted a ream of newsprint attention and miles of videotaped eulogies on television stations across the country. The media's fascination with Mr. Hoffman was a result, no doubt, of Mr. Hoffman's fascination with the media.

And when he died of a drug overdose earlier this year, he was recalled by Mike Royko of the Chicago Tribune as a loveable guy, something akin to the playful puppy who is nice to pet but still does dirt on your best oriental rug. Mr. Royko said that Mr. Hoffman was just having a little fun with America, just joshing and tweaking the country's collective nose with his outrageous behavior. Mr. Royko said the nation would sorely miss Abbie.

But not every nose in America in those crazy days needed tweaking. A lot of 17- and 18- and 19-year-old noses needed wiping and other Americans went to Vietnam to take care of that chore.

One of them was Col. Rowe. In pre-'60s America, Col. Rowe might have been considered a hero. He graduated from West Point, became one of the nation's elite Special Forces and went to Vietnam as an adviser in 1963. He was in Vietnam for three months when he was captured by the Viet Cong after a ferocious firefight. He spent the next five years in prison camps, coping with starvation, disease, torture and thirst—23 of those months in complete isolation. While Mr. Hoffman was immortalized in a box with a 21-inch screen, Col. Rowe was confined in a bamboo cage, three feet by four feet by six feet. Delicacies were the meat he could capture in the form of rats and snakes that ventured too close to his cage. Three of his comrades died of starvation while in captivity.

But worse than the physical isolation of the prison routine was the emotional isolation inflicted by Col. Rowe's captors. They showed him newspaper photogaphs of teenagers burning the American flag in the shadow of the Washington Monument and college campuses sporting the flag of the Viet Cong.

He escaped three times, only to be recaptured. After each failed attempt, he was severely beaten in retribution. Finally, on his way to his own execution on New Year's Eve, 1968, Col. Rowe escaped when the execution detail was surprised by a flight of American helicopters.

Nick Rowe was an intense, soft-spoken man of firm convictions. None of those convictions were stronger than his love of his country. His years of captivity and deprivation had not robbed him of his sense of humor. In 1983, speaking at a Vietnam veterans luncheon in Buffalo, N.Y., Col. Rowe was served rice.

"Could I speak with the man responsible for today's menu?" he asked, flashing his affable Texas grin. "I want to know if he worked a POW camp in Phuoc Long."

Col. Rowe's speech that day never made the nightly news. Perhaps it was his subject matter. For he spoke not of hate or war or killing, but of love: love of country, love of God, and love of his comrades-in-arms. He spoke in hushed tones about suffering and the price of his love. He spoke with a deep conviction and quiet confidence that radiated through the packed room. Anyone there that day in 1983 knew he was in the company of a true hero; not the comic book, hyperbolized heroism of Rambo and Norris and Schwartzenegger, but heroism in the tradition of real people with real feelings and real courage.

On April 21 of this year Philippine communists did what Vietnamese communists had been unable to do: They killed Nick Rowe, assassinating him as he drove to work, still on active duty.

Abby Hoffman and Nick Rowe: two men on two different paths; one to fame and fortune and the other to duty and sacrifice. One death stylized in print and videotape, the other death commemorated by the mournful notes of "Taps" at Arlington National Cemetery. It's strange how we pick our heroes.

WAITING PERIODS, THE ATTORNEY GENERAL AND GOOD SENSE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. PORTER. Mr. Speaker, 2 weeks ago, the Attorney General released his preliminary report outlining alternative ways to keep firearms out of the hands of felons. In this report, Mr. Thornburgh examines a plan that would require a waiting period of 4 to 6 weeks while potential gun purchasers undergo mandatory background checks to determine if they are criminals or are not eligible under Federal law to own guns for some other reason.

I support such an approach and strongly encourage Attorney General Thornburgh to recommend such a system in his final report, which will be delivered to Congress on November 18.

Background checks, like the ones Mr. Thornburgh outlines, are extremely accurate, cost much less than other alternatives and have proven effective on a State and local level.

The Attorney General's plan closely resembles a bill I introduced earlier this year. This bill, the Armed Felon Prohibition Act of 1989, requires gun buyers to wait between 7 and 30 days while local police and the FBI determine if they are legally entitled to possess handguns.

I encourage members to support this commonsense approach to keeping dangerous individuals from buying firearms.

MICHIGAN CAPTIVE NATIONS COMMITTEE CELEBRATES ANNIVERSARY OF LANDMARK LEGISLATION CONCERNING CAPTIVE NATIONS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. BROOMFIELD. Mr. Speaker, on July 23, the Captive Nations Committee of Metropolitan Detroit will celebrate the anniversary of the passage of Public Law 86-90. This historic legislative initiative authorized the President to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and invited the American people to observe that special event with appropriate activities. I salute the Michigan captive nations committee for its efforts on behalf of freedom in annually commemorating this event.

The public law which gave birth to the concept of Captive Nations Week also requires that proclamations concerning these nations be issued until "freedom and independence shall have been achieved for all the captive nations of the world." In those dark days of the Cold War, most Members of Congress could only dream of a time when the many captive nations around the world would be free and independent. If the crafters of that legislation were with us today, they would rejoice in knowing that the winds of change have begun to blow. Democracy is on the move around the world. Totalitarian communism is in retreat. The captive nations have more hope than ever before that they will join the family of democratic nations. What has America done to make the dreams of the oppressed come true?

The United States, along with other nations in the free world, have refused to acknowledge the legitimacy of Soviet imperialism. United States negotiators at the bargaining table with the Soviets refuse to accept the status quo of Soviet national conquests. We have linked improvements in the United States-Soviet relationship with Soviet progress in bettering their tragic human rights record. Our Government has also expressed our continuing concern about the status of oppressed individuals in those closed police states at international human rights conferences. We have told the victims of totalitarian aggression that they are not alone in their quest for liberty. Overall, we have been successful exporters of democracy to the captive nations.

America's unfailing commitment to providing hope for the oppressed has paid dividends. As the Soviet empire unravels, nationalist aspirations rise. From the Baltic to the Ukraine, the national groups in the U.S.S.R. are standing up to their Soviet overlords. These ethnic groups are demanding that their legitimate national aspirations be granted and that their rich cultural traditions and languages be respected. They openly reject being Sovietized, and are organizing political groups to voice their demands.

The promises of glasnost and perestroika have raised the expectations of the many captive nations in the Soviet Union. Proud ethnic nationalists are demanding answers from the Soviet leader about the future status of these captive lands. Kremlin leaders know that they cannot halt the tide of history. Change is underway in that closed society and they cannot really stop the rising aspirations of the people who want freedom now. While progress is being made in the U.S.S.R. on these important issues, more dramatic changes must be undertaken if Mr. Gorbachev is to honestly fulfill the vision of a truly open Soviet Union. There are occasions when mere words and promises from Soviet leaders are not enough. There are times when our nation must actively work to liberate a captive nation.

I commend the positive efforts of former President Reagan and President Bush for their major role in parting the iron curtain and bringing hope and democracy to those who suffer under communist domination. Afghanistan is a success story even though more work must be done in that war-torn country. Soviet occupation forces left that country this year and the Afghan freedom fighters are trying to form a government that is truly representative. Ask any battle-hardened Afghani freedom fighter if America should care about captive nations and maintain its vital mission as a standard bearer for freedom. You know what the answer will be.

As we mark this special occasion, I want to pay special tribute to those freedom fighters around the globe who struggle, often at great personal risk, to win justice for their motherlands. They are the silent heroes in this struggle between the forces of democracy and totalitarianism. Thanks to their efforts, communism has taken a back seat to the forces of democracy. As the promises of freedom sweep the planet, the captive nations of the world really do have a reason to be hopeful. They will someday be free and their long night of captivity will be but a bad dream.

I want to pay tribute to the members of the Captive Nations Committee for their unfailing commitment to liberty. They know the reality of communist expansion into their ancestral homelands, and know the sadness of life in closed police states. They live with the memories of their loved ones who are trapped in those oppressive societies. Without their tireless work on behalf of the millions who live without freedom, few of us in government would understand the personal dimension of life in captive nations. The dedicated members of the Captive Nations Committee have, in a major way, helped to reverse the tide of communism and have given hope to those who long for liberty.

I wish the Captive Nations Committee of Metropolitan Detroit a successful celebration.

TRIBUTE TO CYNTHIA AND EDWARD HOLLOWAY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. STOKES. Mr. Speaker, I rise today to salute Mrs. Cynthia Holloway and her late husband, Edward Holloway, outstanding educators from the 21st Congressional District, who dedicated their lives to the teaching pro-

fession and to civic service. Cynthia and Edward molded and prepared many young people for the challenges of the future.

The Holloways were one of the most active couples in the 21st Congressional District. Together they accumulated a number of accolades from their colleagues for distinguished service and dedication to young people. The Holloways committed themselves to uplifting young people and to encouraging them to be the best for over a quarter of a century.

As a result of their collective efforts, the Holloways have amassed numerous awards and commendations for their contributions. Edward received the Outstanding Service Award from his alma mater, Illinois State University. I came to know Edward when he was a congressional senior citizen intern in 1983. Edward also was a member of the Northeast Ohio Teachers Association Executive Committee.

Cynthia, who has been a teacher for 36 years in the Cleveland public school system, recently traveled to Australia where she was a delegate to the World Conference of Teachers. She also has served 8 years on the Human Relations Commission of the Ohio Education Association.

In honor of the more than 75 years of dedicated service and outstanding contributions that the Holloways have given to the teaching profession, the Ohio Education Association recently presented the first Holloways Human Relations Commission Award to Cynthia Holloway. The award was renamed in the Holloways honor to reflect the magnitude and depth of their commitment to education.

Mr. Speaker, I hope that my colleagues will join me in saluting the Holloways for their achievement and their contributions to the 21st Congressional District of Ohio.

FREDRICK MORELY: DADE COUNTY PUBLIC SCHOOLS PRINCIPAL OF THE YEAR

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. LEHMAN of Florida. Mr. Speaker, Principal Fred Morely of Charles Drew Elementary School in our 17th Congressional District has been chosen as Dade County's top principal. I want to extend to Mr. Morely my heartiest congratulations for a job well done.

These days a public school principal has to have many talents: educator, administrator, innovator, motivator, and leader. This difficult job requires great commitment and a great deal of time and effort, as well as the ability to get along equally well with parents and students. Fred Morely has proven, year after year, that he can do it all. He has even been able to convince students to come to school on Saturdays.

Mr. Speaker, I would like to share with my colleagues the following article about Mr. Morely that recently appeared in the Miami Times.

MORELY IS TOP PRINCIPAL

(By Samantha Gates)

Fredrick Morely, principal at Charles Drew Elementary, 1775 NW 60th St., was named Dade County Public School's first Principal of the Year Monday.

"When they told me I had won, what I really thought about first was that I went to school in Overtown at Booker T. Washington," Morely said. "After I left high school, there was no way that I thought that I would be the Principal of the Year for Dade Schools."

He was honored at a luncheon Monday, where he was presented with two checks totaling $5,000 donated by McArthur Dairy Inc., the project sponsor.

In addition, Dade County Public Schools gave him a clock matted onto a plaque. United Teachers of Dade and the North Central Area presented him with plaques.

Morely, the only Black who was in the running, said that he was surprised that he won.

"I was up against some giants," he told the Times. "They've each done much for their schools. I think the best part is being recognized by your peers as being exceptional. That really means something."

Recognition, though is no stranger to Morely or Drew Elementary. His school was visited by Vice President Dan Quayle and has won several top honors for excellence.

For Morley, the plaques and checks were small tokens in comparison to the big contributions that he has made to his students through innovative projects such as Saturday School, uniforms for students and a career awareness lab, the first in the country.

Morely attributes his victory to Saturday School.

"In Dade County, where the dropout rate is high, we are getting students to come to school on Saturday, something they don't have to do. They could stay home and watch cartoons," he said.

In addition, the teachers' willingness to come out on Saturday shows the dedication of the staff, he said.

"Teachers here care about the students. They believe in them. They believe that they can do anything and accomplish anything," he said.

Another winning factor for him was that students at Drew are high achievers who "score high on tests and do well in school."

Morely was nominated for the award by William Clarke III, principal at Charles Drew Middle School, which is next to Morely's school, and recommended by City Commissioner Miller Dawkins.

GERMAN REUNIFICATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. HAMILTON. Mr. Speaker, recent developments in Europe have drawn new attention to the issue of German reunification. In a May 15, 1989, op-ed piece in the New York Times, Robert Livingston, director of the American Institute for Contemporary German Studies, noted that the United States had committed itself in a 1955 treaty to support the goal of the reunification of Germany.

I recently exchanged correspondence with the Department of State on this matter and the nature of U.S. treaty commitments. This correspondence is attached for our colleagues' information:

WASHINGTON WRONGLY SEES DANGER

(By Robert Gerald Livingston)

WASHINGTON.—German reunification is the dirty little secret of United States foreign policy. No one wants to come right out and say that it soon will be the greatest danger facing the West, but that's what almost everyone thinks.

Actually, reunification has been going on for years. By clinging to an outdated thesis about its dangers, the U.S. risks serious harm to its long-term relations with Bonn.

The fear is that a reunited Germany would produce another Kaiser Wilhelm, or even a Hitler, who would drag the world into war once again. A corollary is that Bonn's longing for reunification will lead it to conclude a neutrality pact with Moscow, tearing apart the Western alliance.

As a prisoner of this outmoded thinking, Washington often takes potentially destructive policy positions. It rebuffs Bonn's request for negotiations with Moscow on reducing short-range missiles. It may be contemplating ways to thwart the growth in relations between East Germany and West Germany.

What seems to have eluded Washington is that relations between the two Germanys have been intensifying for nearly a decade. They are already so advanced that West Germany needs no alliance with the Soviet Union to promote them. And they will continue to develop on their own as long as détente expands.

The two states now play into each other's domestic politics in many direct, deep and subtle ways. More than four million East Germans, a quarter of the population, visited West Germany last year. Momentum is growing also toward increased economic, technological, cultural and even military exchanges. Similarities are readily discernible in many arms control positions, especially on short-range missiles.

In fields such as environmental protection, joint bodies may appear soon. Other mutual undertakings will almost surely follow.

All this supports what George Kennan has recently written: "If German reunification . . . ever comes about, it probably will assume forms that no one today can predict."

In all likelihood, the European Community will provide the aegis for the Germans' political reassociation, as it does already today to a certain degree for their economic relationships. Moreover, a single, united state is neither inevitable nor even likely. Very little popular sentiment for reunification exists today among West Germans. East Germany displays its own prickly nationalism, but it is not of the sort that would promote unification.

Each Germany has over the past 40 years—a period that is more than three times as long as Hitler's Third Reich—enmeshed itself in alliance and economic structures. West Germany is deeply tied to NATO and the European Community. East Germany is equally tied into in the Warsaw Pact and Comecon. Neither Government is eager to dispense with these structures anytime soon.

The American foreign policy experts who fret about reunification may be startled to learn that the U.S. is bound by a 1955 treaty

with Bonn to support reunification in a single state with a democratic system.

Mercifully, West German politicians have long since stopped reminding Washington of its commitment. But they have not forgotten it. Recently they have even hinted sometimes that loyalty is a two-way street. There exist other alliance "loyalty tests" besides whether Bonn is willing to accept short-range nuclear missiles.

In such circumstances, the United States should, above all, do nothing that can be construed as blocking West Germany's associative efforts with East Germany. To do so is to risk a vicious right-wing backlash in West Germany, if the efforts fail and scapegoats are sought.

Certainly we should not collude with the Soviets to maintain a neo-Metternichean order east of the Elbe. Particularly pernicious would be to fall for the old Soviet invitation "to take care of your [West] Germans and we will take care of our [East] Germans."

With its troops in West Germany and an occupation presence in Berlin, the United States is assured of great influence over German developments. It needs to stay engaged and insist on being kept fully informed. It must concern itself far more with East Germany, where a complete leadership change is due very soon. East Germany should no longer be at the bottom of Washington's European priorities.

The United States needs to play an encouraging and participatory role in the developing intra-German relationship.

To insist upon nuclear weapons systems that the West Germans reject only risks nationalist reactions that we may regret even more than having to revise NATO's nuclear strategies.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, June 7, 1989.

Hon. JAMES A. BAKER III,
Secretary of State, Department of State, Washington, DC.

DEAR SECRETARY BAKER: I write regarding the May 15, 1989 op-ed in the *New York Times* by Robert Livingston on the issue of German reunification. A copy of that editorial is attached.

In this article, Mr. Livingston notes that in a 1955 treaty the United States commited itself to support German reunification in a single state with a democratic system of government. My questions are: Is this accurate and, if so, how does the United States interpret this treaty today?

I appreciate your consideration of this matter and look forward to hearing from you soon.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, DC, June 30, 1989.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In response to your request of June 7, 1989, I enclose a copy of the 1952 treaty referenced in Robert Gerald Livingston's article of May 15, 1989. The Convention on Relations Between the Three Powers and the Federal Republic of Germany (as amended by Schedule I to the Protocol on the Termination of the Occupation Regime in the Federal Republic of Germany, signed at Paris on 23 October 1954) (6 UST 4251; TIAS 3425) is still in force. Article 7, paragraph 2 of the Convention states that:

"Pending the peace settlement, the Signatory States will cooperate to achieve, by peaceful means, their common aim of a reunified Germany enjoying a liberal-democratic constitution, like that of the Federal Republic, and integrated within the European community."

This remains the U.S. position. We support the self-determination of the German people, their reunification in freedom by peaceful means, and their integration within the democratic European community.

Sincerely,

JANET G. MULLINS,
Assistant Secretary, Legislative Affairs.

CONVENTION ON RELATIONS BETWEEN THE THREE POWERS AND THE FEDERAL REPUBLIC OF GERMANY (As amended by Schedule I to the Protocol on the Termination of the Occupation Regime in the Federal Republic of Germany, signed at Paris on 23 October 1954)

The United States of America, the United Kingdom of Great Britian and Northern Ireland, the French Republic, and the Federal Republic of Germany have entered into the following Convention setting forth the basis for their new relationship:

ARTICLE 1

1. On the entry into force of the present Convention the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic (hereinafter and in the related Conventions sometimes referred to as "the Three Powers") will terminate the Occupation Regime in the Federal Republic, revoke the Occupation Statute and abolish the Allied High Commission and the Offices of the Land Commissioners in the Federal Republic.

2. The Federal Republic shall have accordingly the full authority of a sovereign State over its internal and external affairs.

ARTICLE 2

In view of the international situation, which has so far prevented the reunification of Germany and the conclusion of a peace settlement, the Three Powers retain the rights and the responsibilities, heretofore exercised or held by them, relating to Berlin and to Germany as a whole, including the reunification of Germany and a peace settlement. The rights and responsibilities retained by the Three Powers relating to the stationing of armed forces in Germany and the protection of their security are dealt with in Articles 4 and 5 of the present Convention.

ARTICLE 3

1. The Federal Republic agrees to conduct its policy in accordance with the principles set forth in the Charter of the United Nations and with the aims defined in the Statute of the Council of Europe.

2. The Federal Republic affirms its intentions to associate itself fully with the community of free nations through membership in international organizations contributing to the common aims of the free world. The Three Powers will support applications for such membership by the Federal Republic at appropriate times.

3. In their negotiations with States with which the Federal Republic maintains no relations the Three Powers will consult with the Federal Republic in respect of matters directly involving its political interests.

4. At the request of the Federal Government the Three Powers will arrange to represent the interests of the Federal Republic in relations with other States and in certain international organizations of conferences, whenever the Federal Republic is not in a position to do so itself.

ARTICLE 4

1. Pending the entry into force of the arrangements for the German Defence Contribution, the Three Powers retain the rights, heretofore exercised or held by them, relating to the stationing of armed forces in the Federal Republic. The mission of these forces will be the defence of the free world, of which Berlin and the Federal Republic form part. Subject to the provisions of paragraph 2 of Article 5 of the present Convention, the rights and obligations of these forces shall be governed by the Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany (hereinafter referred to as "the Forces Convention") referred to in paragraph 1 of Article 8 of the present Convention.

2. The rights of the Three Powers hereto fore exercised or held by them, which relate to the stationing of armed forces in Germany and which are retained, are not affected by the provisions of this Article insofar as they are required for the exercise of the rights referred to in the first sentence of Article 2 of the present Convention. The Federal Republic agrees that, from the entry into force of the arrangements for the German Defence Contribution forces of the same nationality and effective strength as at that time may be stationed in the Federal Republic. In view of the status of the Federal Republic as defined in Article 1, paragraph 2 of the present Convention and in view of the fact that the Three Powers do not desire to exercise their rights regarding the stationing of armed forces in the Federal Republic, insofar as it is concerned, except in full accord with the Federal Republic, a separate Convention deals with this matter.

ARTICLE 5

1. Pending the entry into force of the arrangements for the German Defence Contribution, the following provisions shall be applicable to the forces stationed in the Federal Republic:

(a) the Three Powers will consult with the Federal Republic, insofar as the military situation permits, with regard to all questions concerning the stationing of these forces. The Federal Republic will, according to the present Convention and the related Conventions, co-operate, within the framework of its Basic Law, to facilitate the mission of these forces;

(b) the Three Powers will obtain the consent of the Federal Republic before bringing into the Federal territory as part of their forces, contingents of the armed forces of any nation not now providing such contingents. Such contingents may nevertheless be brought into the Federal territory without the consent of the Federal Republic in the event of external attack or imminent threat of such attack, but, after the elimination of the danger, may only remain with its consent.

2. The rights of the Three Powers, heretofore held or exercised by them, which relate to the protection of the security of armed forces stationed in the Federal Republic and which are temporarily retained, shall lapse

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

when the appropriate German authorities have obtained similar powers under German legislation enabling them to take effective action to protect the security of those forces, including the ability to deal with a serious distrubance of public security and order. To the extent that such rights continue to be exercisable they shall be exercised only after consultation, insofar as the military situation does not preclude such consultation, with the Federal Government and with its agreement that the circumstances require such exercise. In all other respects the protection of the security of those forces shall be governed by the Forces Convention or by the provisions of the Agreement which replace it and except as otherwise provided in any applicable agreement, by German law.

ARTICLE 6

1. The Three Powers will consult with the Federal Republic in regard to the exercise of their rights relating to Berlin.

2. The Federal Republic, on its part, will co-operate with the Three Powers in order to facilitate the discharge of their responsibilities with regard to Berlin.

ARTICLE 7

The Signatory States are agreed that an essential aim of their common policy is a peace settlement for the whole of Germany, freely negotiated between Germany and her former enemies, which should lay the foundation for a lasting peace. They further agree that the final determination of the boundaries of Germany must await such a settlement.

2. Pending the peace settlement, the Signatory States will co-operate to achieve, by peaceful means, their common aim of a reunified Germany enjoying a liberal-democratic constitution, like that of the Federal Republic, and integrated within the European community.

3. Deleted.

4. The Three Powers will consult with the Federal Republic on all matters involving the exercise of their rights relating to Germany as a whole.

ARTICLE 8

1. (a) The Signatory States have concluded the following related Conventions: Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany;

Finance Convention: Convention on the Settlement of Matters Arising out of the War and the Occupation.

(b) The Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany and the Agreement on the Tax Treatment of the Forces and their Members, signed at Bonn on 26 May 1952, as amended by the Protocol signed at Bonn on 26 July 1952, shall remain in force until the entry into force of new arrangements setting forth the rights and obligations of the forces of the Three Powers and other States having forces in the territory of the Federal Republic. The new arrangements will be based on the Agreement Between the Parties to the North Atlantic Treaty Regarding the Status of Their Forces, signed at London on 19 June 1951, supplemented by such provisions as are necessary in view of the special conditions existing in regard to the forces stationed in the Federal Republic.

(c) The Finance Convention shall remain in force until the entry into force of the new arrangements negotiated in pursuance of paragraph 4 of Article 4 of that Convention with other member Governments of the North Atlantic Treaty Organization who have forces stationed in the Federal territory.

2. During the transitional period provided for in paragraph 4 of Article 6 of Chapter One of the Convention on the Settlement of Matters Arising out of the War and the Occupation, the rights of the three Signatory States referred to in that paragraph shall be retained.

ARTICLE 9

1. There shall be established an Arbitration Tribunal which shall function in accordance with the provisions of the annexed Charter.

2. The Arbitration Tribunal shall have exclusive jurisdiction over all disputes arising between the Three Powers and the Federal Republic under the provisions of the present Convention or the annexed Charter or any of the related Conventions which the parties are not able to settle by negotiation or by other means agreed between all the Signatory States, except as otherwise provided by paragraph 3 of this Article or in the annexed Charter or in the related Conventions.

3. Any dispute involving the rights of the Three Powers referred to in Article 2, the first two sentences of paragraph 1 of Article 4, the first sentence of paragraph 2 of Article 4 and the first two sentences of paragraph 2 of Article 5, or action taken thereunder, shall not be subject to the jurisdiction of the Arbitration Tribunal or of any other tribunal or court.

ARTICLE 10

The Signatory States will review the terms of the present Convention and the related Conventions:

(a) Upon request of any one of them, in the event of the reunification of Germany, or an international understanding being reached with the participation or consent of the States parties to the present Convention on steps towards bringing about the reunification of Germany, or the creation of a European federation; or

(b) In any situation which all of the Signatory States recognize has resulted from a change of a fundamental character in the conditions prevailing at the time of the entry into force of the present Convention.

In either case they will, by mutual agreement, modify the present Convention and the related Conventions to the extent made necessary or advisable by the fundamental change in the situation.

ARTICLE 11

1. Deleted.

2. Deleted.

3. The present Convention and the related Conventions shall be deposited in the Archives of the Government of the Federal Republic of Germany, which will furnish each Signatory State with certified copies thereof and notify each such State of the date of the entry into force of the present Convention and the related Conventions.

In faith whereof the undersigned representatives duly authorized thereto by their respective Governments have signed the present Convention.

Done at Bonn this twenty-sixth day of May, 1952, in three texts, in the English, French and German languages, all being equally authentic.

For the United States of America signed:

DEAN ACHESON.

For the United Kingdom of Great Britain and Northern Ireland signed:

ANTHONY EDEN.

For the French Republic signed:

ROBERT SCHUMAN.

For the Federal Republic of Germany signed:

ADENAUER.

Annex A deleted. Annex B to the Convention on Relations between the Three Powers and the Federal Republic of Germany

CHARTER OF THE ARBITRATION TRIBUNAL

PART I—COMPOSITION, ORGANIZATION AND SEAT OF THE TRIBUNAL

Article 1

1. The Tribunal shall be composed of nine members who shall have the qualifications required in their respective countries for appointment to the highest judicial offices or shall be lawyers of recognized competence in international law.

2. The nine members of the Tribunal shall be appointed as follows:

(a) Three members appointed by the Governments of the Three Powers one by each Government;

(b) Three members appointed by the Federal Government;

(c) A President and two Vice-Presidents (hereinafter referred to also as "the neutral members") appointed by agreement between the Governments of the Three Powers and the Federal Government, none of whom shall be a national of any one of the Three Powers or a German national.

3. The Governments of the Three Powers and the Federal Government shall make known their first appointments not later than sixty days after the entry into force of the present Charter. Within the same period the Governments of the Three Powers and the Federal Government shall agree upon the three neutral members, one of whom shall be nominated as President and the other two as Vice-Presidents. If, after the expiry of such period, one or more of the neutral members shall not have been agreed upon, either the Governments of the Three Powers or the Federal Government may request the President of the International Court of Justice to nominate such neutral member or members.

4. Appointments to fill vacancies shall be made in the same manner as the appointment of the member to be replaced. However, if a vacancy to be filled by the Government of one of the Three Powers or the Federal Government is not so filled within one month of its occurring, either the Governments of the Three Powers or the Federal Government may request the President of the International Court of Justice to make an interim appointment to the vacancy of a person who shall not be a national of any one of the Three Powers or a German national and who shall serve for a period of six months or until the vacancy is filled in the normal manner, whichever is longer. If the member to be replaced is a neutral member, the Governments of the Three Powers or the Federal Government may request the President of the International Court of Justice to make such appointment, if the agreement envisaged by sub-paragraph (c) of paragraph 2 of this Article has not been reached within one month of the vacancy occurring.

5. The Tribunal may, by majority vote, declare a vacancy, if, in its opinion, a member has, without reasonable excuse, failed or refused to participate in the hearing or decision of a case to which he has been assigned.

Article 2

1. The members of the Tribunal shall be appointed for four years. They may be reap-

pointed after the expiration of their terms of office.

2. A member whose term of office has expired shall nevertheless continue to discharge his duties until his successor is appointed. After such appointment he shall, unless the President of the Tribunal directs otherwise, continue to discharge his duties respecting pending cases in which he has participated until such cases have been finally decided.

3. Members of the Tribunal shall not engage in any activity incompatible with the proper exercise of their duties, nor shall they participate in the adjudication of any case with which they have previously been concerned in another capacity or in which they have a direct interest. Differences of opinion regarding the applicability of this paragraph shall be resolved by the Tribunal.

4. (a) During and after their terms of office, the members of the Tribunal shall enjoy immunity from suit in respect of acts performed in the exercise of their official duties.

(b) The members of the Tribunal who are not of German nationality shall, moreover, enjoy in the Federal territory the same privileges and immunities as are accorded chiefs of diplomatic missions. If sittings or official acts take place in the territory of one of the Three Powers, the members of the Tribunal who are not of the nationality of the country in which the sitting or act takes place shall enjoy diplomatic privileges and immunities in such country.

5. Every member of the Tribunal shall, before taking office, make a declaration at a public session that he will exercise his duties impartially and conscientiously.

6. Subject to the provisions of paragraph 5 of Article 1 of the present Charter, no member may be dismissed before the expiry of his term of office, or before the termination of his duties in accordance with paragraph 2 of this Article, except by agreement between the Governments of the Three Powers and the Federal Government, or, in the case of a member appointed by the President of the International Court of Justice, by agreement between the Governments of the Three Powers and the Federal Government, with the consent of the President of the International Court of Justice.

Article 3

Deleted.

Article 4

1. The Tribunal, presided over by the President or one of the Vice-Presidents, shall sit either in plenary session or in Chambers of three members.

2. A plenary session shall, in principle, include all the members of the Tribunal. A quorum of five members shall suffice to constitute a plenary session; it shall be composed of an uneven number of members and in any case shall consist of an equal number of the members appointed by the Governments of the Three Powers and of those appointed by the Federal Government, and at least one neutral member.

3. Chambers shall be composed of one of the members appointed by the Governments of the Three Powers, one of the members appointed by the Federal Government and one neutral member.

4. The Tribunal in plenary session shall nominate the members of such Chambers, define the categories of cases with which a Chamber will be concerned or assign a particular case to a Chamber.

5. Any decision of a Chamber, on a case assigned to it, shall be deemed to be a decision of the Tribunal.

6. The final decision on a case assigned to a Chamber must be taken by the Tribunal in plenary session, if one of the parties so requests before the Chamber itself has pronounced a final decision.

Article 5

The Tribunal shall sit in public unless it decides otherwise. The deliberations of the Tribunal shall be and shall remain secret as shall all facts brought to its attention in closed session.

Article 6

1. A Registrar shall be responsible for the administration of the Tribunal; he shall have the necessary staff at his disposal. The Registrar shall handle the transmission of documents, keep a record of petitions submitted to the Tribunal and be responsible for the archives and accounts of the Tribunal.

2. The first Registrar shall be appointed by agreement between the Three Powers and the Federal Republic. The Registrar shall be a permanent official subject to dismissal and replacement only by the Tribunal.

3. The Registrar, upon receipt of the first petition filed pursuant to Article 14 of the present Charter, shall immediately notify the President, who shall thereupon call the first meeting of the Tribunal in plenary session at the seat of the Tribunal as soon as practicable, for the purpose of determining the Rules of Procedure and attending to other business. Thereafter the Tribunal shall meet as business requires.

4. Paragraphs 3 and 4 of Article 2 of the present Charter shall not become effective until the first meeting in plenary session referred to in paragraph 3 of this Article.

Article 7

The seat of the Tribunal shall be located within the Federal territory at such place as shall be determined by a subsidiary administrative agreement between the Governments of the Three Powers and the Federal Government. The Tribunal may, however, sit and exercise its functions elsewhere, when it deems it desirable to do so.

Article 8

Questions pertaining to the operating costs of the Tribunal including the official emoluments of members, as well as arrangements for securing the inviolability of the premises of the Tribunal, shall be regulated by the subsidiary administrative agreement referred to in Article 7 of the present Charter.

PART II—COMPETENCE AND POWERS OF THE TRIBUNAL

Article 9

1. The Tribunal shall have jurisdiction over all disputes arising between the Three Powers and the Federal Republic under the provisions of the Convention on Relations between the Three Powers and the Federal Republic of Germany [hereinafter referred to as "the Convention"] or the present Charter or any of the related Conventions, listed in Article 8 of the Convention, which the parties are not able to settle by negotiation or by other means agreed between all the Signatory States, except disputes expressly excluded from its jurisdiction by the provisions of the Convention or the present Charter or any of the related Conventions.

2. (a) The Tribunal shall, moreover, have jurisdiction in respect of any question as to the extent of the competence of the following authorities:

The Board of Review referred to in Chapter One of the Convention on the Settlement of Matters Arising out of the War and the Occupation;

The Supreme Restitution Court referred to in Chapter Three of that Convention;

The Arbitral Commission on Property, Rights and Interests in Germany referred to in Chapters Five and Ten of that Convention.

(b) A question as to the extent of the competence of these authorities may be raised at any time after the institution of proceedings before them and also after a final decision.

(c) The decisions of the Tribunal on these questions shall be binding on the authorities whose competence has been questioned.

3. The decisions of the authorities specified in sub-paragraph (a) of paragraph 2 of this Article shall be subject to the jurisdiction of the Tribunal only to the extent contemplated in sub-paragraph (a) of paragraph 2 of this Article, unless the contrary is expressly provided in one of the related Conventions.

4. Decisions of the authorities provided for or referred to in the related Conventions, other than those specified in sub-paragraph (a) of paragraph 2 of this Article, shall be subject to review by the Tribunal, whether on questions as to the extent of competence or on the merits, only to the extent contemplated by paragraph 1 of this Article, unless the contrary is expressly provided in one of the related Conventions.

5. Only the Governments of one or more of the Three Powers, on the one hand, and the Federal Government, on the other, may be parties before the Tribunal. If the Federal Government brings a complaint against one or two of the Governments of the Three Powers, or if one or two of the Governments of the Three Powers brings a complaint against the Federal Government, the other Government or Governments of the Three Powers may apply to the Tribunal to be joined as parties.

Article 10

The Tribunal shall render its decisions in the form of judgments or directives which shall be binding on the parties.

Article 11

1. The Signatory States undertake to comply with the decisions of the Tribunal and to take the action required of them by such decisions or necessary to remedy the situation.

2. If a Signatory State required by a decision of the Tribunal to take action to give effect to that decision is unable, or fails, to take such action within the time specified by the Tribunal, or if no time is specified, within a reasonable time, then that State, or any other Signatory State a party to the dispute, may apply to the Tribunal for a further decision as to alternative action to be taken by the defaulting State.

Article 12

1. The Tribunal or, in a case of urgency, the President shall have the power, by the issue of directives, to take such measures as may be necessary to conserve the respective rights of the parties pending the judgment of the Tribunal. Any directive issued by the President under this Article may be confirmed, amended or annulled by the Tribunal within seventy-two hours after the notification thereof to the parties.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

2. The parties shall be afforded an opportunity to be heard prior to the issue of any directive by the Tribunal or by the President under this Article.

3. In the absence of the President, his powers under this Article shall be exercised by one of the Vice-Presidents to be designated by the President for this purpose.

PART III—PROCEEDINGS

Article 13

The official languages of the Tribunal shall be French, English, and German.

Article 14

Proceedings before the Tribunal shall be instituted by a written petition filed with the Tribunal which shall contain a statement of the facts giving rise to the dispute, reference to the provisions of the Convention or the present Charter or the related Conventions which are invoked, legal argument, and conclusions.

Article 15

1. The parties shall be represented by agents. They may be assisted by counsel.

2. Such agents and counsel shall enjoy immunity from suit in respect of acts performed in the exercise of their duties.

Article 16

1. The presiding member may summon the agents in order to be informed of their wishes concerning the time limits and conduct of the proceedings.

2. The presiding member shall set the time limits for the submission of pleadings and shall prescribe all the measures necessary for the conduct of the proceedings.

3. Certified copies of all documents submitted by either party shall be immediately forwarded to the other party through the Registrar.

Article 17

The proceedings shall consist of two parts: written and oral. Oral proceedings may be dispensed with if both parties so request.

Article 18

1. Written proceedings shall consist of a statement of the complainant's case, the defendant's answer and, unless the Tribunal directs otherwise, a reply and a rejoinder.

2. Counterclaims shall be permissible.

Article 19

1. Oral proceedings shall consist of the complainant's argument, the defendant's argument and, unless the Tribunal directs otherwise, a reply and a rejoinder, as well as hearings of witnesses and experts.

2. The Tribunal shall have power to demand the production of evidence, documentary or other, to require the attendance of witnesses to testify, to request expert opinion, and to direct inquiries to be made.

3. In the event that a party does not produce evidence which in the opinion of the Tribunal is relevant to the issues before it and which such party possesses or is in a position to procure, the Tribunal shall proceed to give its decision notwithstanding the absence of such evidence.

4. The presiding member or any other member of the Tribunal may put questions to the parties, witnesses and experts.

5. A written record of the oral proceedings shall be kept and shall be signed by the presiding member and the Registrar.

Article 20

All decisions of the Tribunal shall be based on the Convention, the present Charter and the related Conventions. The Tribunal shall, in the interpretation of such Conventions, apply the generally accepted rules of international law governing the interpretation of treaties.

Article 21

1. The Tribunal shall decide by majority vote.

2. Judgments shall state the reasons on which they are based.

3. Judgments shall be signed by the presiding member and by the Registrar.

4. Judgments shall be final and not subject to appeal.

5. In the case of a difference of opinion as to the meaning or scope of a judgment, the Tribunal may construe it by an interpretative judgment, on the application of either party and after having heard both parties.

Article 22

The revision of a judgment may not be requested of the Tribunal except upon the grounds of the discovery of a fact which is of such a nature as to exercise a decisive influence, and of which the Tribunal and the party requesting revision had been unaware before the pronouncement of the judgment, always provided that such ignorance was not due to negligence on the part of the party requesting the revision.

Article 23

1. Unless the Tribunal directs otherwise, each party to proceedings before the Tribunal shall pay its own costs.

2. The Tribunal shall bear the costs in respect of witnesses whose attendance it has required and expert opinions and inquiries which it has ordered.

Article 24

The Tribunal shall determine its own rules of procedure consistent with the present Charter.

PART IV—ADVISORY OPINIONS

Article 25

1. The Tribunal may, at the joint request of the Governments of the Three Powers and of the Federal Government, give an advisory opinion on any matter arising out of the Convention or the present Charter or the related Conventions, with the exception of those questions with which it would not have been competent to deal if they had been referred to it in the form of a dispute.

2. The Tribunal may, at the request of an authority referred to in paragraph 2 of Article 9 of the present Charter or at the request of the presiding member of such an authority, give an advisory opinion on the competence of such authority.

3. Advisory opinions shall not be binding.

AN EXAMPLE OF TECHNOLOGY TRANSFER AT WORK

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. ROE. Mr. Speaker, I rise today to call my colleagues' attention to a recent scientific invention that uses fiber optics inside a working combustion engine. By means of optical fibers placed inside a spark plug, researchers can view an engine's combustion process and even "see" inside a combustion chamber.

At the Society of Automotive Engineers [SAE] Congress in February, Barrack Laboratories of Marlborough, MA, announced the introduction of a new product called the Barrack-Witze Probe, a commercial version of the fiber optic spark plug developed by Peter Witze and others of Sandia National Laboratories. The research for this invention was sponsored by the Energy Conversion and Utilization Program [ECUT] of the Department of Energy. The probe already has generated widespread interest within the automotive industry, and will be adopted for use at Chrysler, Ford, and General Motors.

Several years ago, engineers at Chrysler met with Mr. Witze and his colleagues at Sandia to discuss the sources of rough engine operation under idle condition. Chrysler designers were speculating that one cause of the effect could be attributed to flame instabilities during the early stages of flame development. The discussion led Witze to formulate two problems: the necessity to observe flame evolution after spark ignition, and the need to make these observations in production engines without alterations for optical access. The solution was the fiber optic spark plug.

The "Barrack-Witze Probe" is a set of eight fiber optic sensors located in the base of the threaded region of a standard spark plug. This permits the probe to be used in an unmodified production-model engine to measure the way in which the flame develops during the first moments of ignition. The sensors collect the light emitted from combustion as it crosses their field of view, and transmit via fiber-optic cables to photomultiplier tubes. Using this information, computer programs can determine the direction and velocity of flame growth.

The invention and subsequent commercialization of this probe is an excellent example of rapid technology transfer from the Federal lab to the private sector and the marketplace. It demonstrates the important role that Department of Energy labs and programs have in helping private industry to overcome problems, improve quality, and increase American competitiveness.

A TRIBUTE TO LORREN LEADMON

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. STARK. Mr. Speaker, while I don't represent Washington, DC, I do sit on the District of Columbia Committee and I do live here when I'm not back home in my district in California. Like many of my colleagues, I've seen the devastation caused this year by the drug plague. But through this difficult time, I've come to respect and admire the tireless efforts of many of this city's most dedicated frontline officers on our war on drugs.

A recent newspaper article described the heroic actions of several of the District's top narcotics officers. One of these officers, Sixth District Detective Lorren Leadmon, deserves special recognition for his abilities and dedication to serving his local communities. This city, for all its troubles and challenges, is in many ways reflective of many other large urban centers, including Oakland, CA, and society is less inclined to stop and recognize the unsung heroes in it's own cities and communities. The awards ceremony for Detective Leadmon and

his colleagues was a chance to say "thanks" for a job well done.

On behalf of our Nation's law enforcement officers and the untold thousands of dedicated public servants of the high caliber of Lorren Leadmon, I extend my sincere gratitude. May you continue to lead the day-to-day fight in our national war on drugs. This city, and this country, need more men and women of your caliber.

I encourage the reading of the following Washington Post article.

57 STREET OFFICERS HONORED FOR ACTS IN WAR ON DRUGS

(By Sari Horwitz and Jeffrey Goldberg)

Some of the citys front-line soldiers in the battle against drugs were honored last night by U.S. Attorney Jay B. Stephens, who praised their "extraordinary efforts and superior performance" in helping to reach several significant convictions.

"We maintain the highest respect and deepest regard for the critical work you do," Stephens told 57 award-winners at the ninth-annual law enforcement awards ceremony. "We honor you for the daily risks you take, the long hours you work and the commitment and professionalism you display."

While more than 50 were honored for their work on specific cases, six narcotics officers were singled out for risking their lives daily to arrest drug dealers. They were officers David Stroud and Dorothy King of the narcotics task force, 3rd District Officer Ralph Nitz, 1st District Officers William Davis and Moses Vines and Sgt. John Brennan, who works in the drug interdiction unit.

Stroud and King have bought drugs while undercover in some of the most dangerous neighborhoods of the city. Nitz has worked as an observer of drug deals. Davis and Vines have bought undercover and observed sales. and Brennan, working the halls of Union Station, has helped to seize hundreds of grams of drugs from couriers traveling on Amtrak.

"Sometimes, when you're out there by yourself, it can be lonely," said Stroud, 39, who has been with the department for 19 years and worked undercover for five. "It's reassuring that our work is getting noticed. We're holding the fort, but there's still a lot to be done."

Four D.C. officers were honored for their help in making an arrest in the shooting of a narcotics officer in the Paradise Manor apartments in December 1987. Sixth District Detective Lorren Leadmon's prompt response to a radio call for an officer shot led to the first clue about the gunman.

His investigative work with homicide detectives Thomas E. Arnold and Joseph Schwartz Jr., along with 6th District Officer Jerome Lucas' persistent efforts to find witnesses, led to the convictions of three persons responsible for severely wounding the officer.

"Sometimes you have to do more than expected, and these people are setting the standard," Assistant Police Chief Melvin C. High said. Police Chief Maurice T. Turner Jr. and Police Chief-designate Isaac Fulwood Jr. were not at the award ceremony.

Sgt. Thomas "Pat" Moyer of the U.S. Park Police and Special Agent David Maasen of the Bureau of Alcohol, Tobacco and Firearms were honored for their investigation of a Jamaican crack distribution ring that operated out of several apartments on Robinson Place, Forrester Street, Galveston Street and Jasper Street in Southeast.

Two of the Jamaicans convicted—Raymond O. Lewis and Derrick Townsend—were sentenced to 38 years without possibility of parole, and the third Jamaican, Schechem Lafayette, was sentenced to 34 years without parole.

"The drug ring was responsible for about 60 murders in the city," Moyer said. "These were serious bad guys, the worst I've ever seen."

Also honored last night:

Third District investigator Willie E. Poole; 4th District Officers Richard Simons and David Jackson; 5th District Detectives Arthur T. Johnson, Robert A. Watson, James O. Johnson, Robert Paul Vacin, Revolton B. Coley, Mackley G. Lucas and Michael W. Kolonich; Criminal Investigations Detectives Stephen P. Mann, George R. Taylor Jr., Thomas B. Shaw Jr., Ruben Serrano-Sanchez, Joseph A. Fox, Herman H. Johnson and Evelyn N. Jones; and D.C. financial investigator Sgt. John J. Hickey Jr.

Sgt. Romaine A. Jenkins, now in the U.S. Attorney's Chronic Offender Unit; intelligence detective Michael F. Heidenberg; homicide detective Michael G. Sullivan; morals detectives Joseph B. Haggerty and Walter Papaj Jr.; and special operations investigators William Scoble, David Lazorchak, Thomas L. Hardy and Nancy M. Brown and Sgts. James Vucci and Donald Exum.

U.S. Secret Service Special Agent Richard A. Stalls; General Services Administration Special Agent Warren B. Lee and auditors Theodore Stehney and Kim Dunnigan; FBI Special Agents Warren Bamford, William O'Connor and Stephen Benjamin; Bureau of Alcohol, Tobacco and Firearms Special Agents John Seiler and Michele Roberts; and Drug Enforcement Administration Special Agent Emile Manara.

A BIPARTISAN WAY OF PROTECTING THE FLAG

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MICHEL. Mr. Speaker, as many of our colleagues know, the gentleman from Mississippi [Mr. MONTGOMERY] and I have joined in sponsoring House Joint Resolution 350, a proposed amendment to the Constitution of the United States to prohibit the physical desecration of the flag of the United States. In order to bring our colleagues up to date on the nature and the current status of the proposed amendment, we wish at this time to insert in the RECORD: First, a copy of House Joint Resolution 350, second, a copy of the Dear Colleague letter sent by Mr. MONTGOMERY and myself, and third, a copy of a letter we sent to Chairman DON EDWARDS of the Civil and Constitutional Rights Subcommittee of the Judiciary Committee:

H.J. RES. 350

Whereas the flag of the United States of America is a national symbol of such stature that it must be kept inviolate;

Whereas the physical desecration of the flag should not be considered constitutionally protected speech; and

Whereas physical desecration may include, but is not limited to, such acts as burning, mutilating, defacing, defiling or trampling on the flag, or displaying the flag in a contemptuous manner: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE —

"The Congress and the States shall have power to prohibit the physical desecration of the flag of the United States.".

CONGRESS OF THE UNITED STATES,
Washington, DC, June 29, 1989.

DEAR COLLEAGUE: We are today introducing a resolution providing for a Constitutional amendment prohibiting the desecration of the American flag.

Our amendment reads as follows:

"The Congress and the States shall have power to prohibit the physical desecration of the flag of the United States."

After consultation with scholars and Constitutional experts, we strongly believe the only way to protect the flag from desecration, given the recent 5-4 Supreme Court decision in Texas vs. Johnson, is by Constitutional amendment. A statute cannot undo the damage.

We are aware of the gravity of this undertaking and we do not underestimate the difficulties involved. There are perplexing questions concerning the First Amendment, but we are convinced that our approach does not weaken or dilute First Amendment rights, properly construed. Debate and discussion will examine all of the questions involved and we look forward to the process.

We are combat infantry veterans. This does not give us a special insight into Constitutional questions. But we feel it does give us a special kind of love of the flag we fought to defend. It is this love which prompts us to propose a Constitutional amendment, something which goes against our conservative instincts not to amend that great document, but something that, in this case, must be done.

We want you to know we approach this task with equal reverence for the First Amendment and for the flag, with the realization that not all of our colleagues will agree with us. But we feel—and the polls show—the vast majority of the American people cannot accept the idea that the flag we love is to be desecrated with impunity.

In his majority decision in Texas vs. Johnson, Justice William Brennan wrote: "We do not consecrate the flag by punishing its desecration. . . ." With all respect to the Justice, we believe that the flag has already been consecrated. From Valley Forge to Vietnam, from the classrooms of America to the annual Fourth of July picnic, the American people have for two hundred years—in Lincoln's words—"consecrated it far above our poor power to add or detract".

And it is precisely because that banner is consecrated that we believe it must be protected. We hope you will become a cosponsor of our amendment, and if you desire further information or wish to co-sponsor please call Karen Haas at extension x55555.

Sincerely,

SONNY MONTGOMERY.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ROBERT H. MICHEL,
Members of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, July 7, 1989.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We have been informed that the Civil and Constitutional Rights Subcommittee of the Judiciary Committee will begin hearings Thursday, July 13, 1989, on proposed constitutional amendments and statutes dealing with the decision of the Supreme Court in Texas v. Johnson. We want to take this opportunity to express to you our wish that, as co-sponsors of H.J. Res. 350, proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the physical desecration of the flag of the United States, we be allowed to testify jointly at the earliest possible opportunity at the Subcommittee's hearings.

We look forward to hearing from you, and we want you to know how very much we appreciate the courtesy of informing us in a timely fashion of the proposed hearings.

Sincerely,

SONNY MONTGOMERY,
ROBERT H. MICHEL,
Members of Congress.

EXPLANATION OF VOTES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. PORTER. Mr. Speaker, I regret I was absent on Friday, June 23, for the vote on the House Journal (106) and on H.R. 2402, fiscal 1989 supplemental appropriations/Senate amendment (107), as well as for the House Journal vote (108) on Tuesday, June 27. Had I been present, I would have voted "yea" on all of them.

UKRAINIAN COMMUNITY OF SOUTHEASTERN MICHIGAN COMMEMORATES RESTORATION OF UKRAINIAN INDEPENDENCE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. BROOMFIELD. Mr. Speaker, I want to call to the attention of my colleagues in the Congress a special event for the Ukrainian community in Michigan. On June 30, the Ukrainian community will mark the anniversary of a memorable date in the annuals of freedom.

On that date in 1941, the freedom-loving Ukrainian people again declared their independence and declared their love of liberty. Although short-lived and crushed by Nazi occupation forces, the Restoration of Ukrainian Independence is a significant historical event in light of recent developments in the Soviet Union and the Ukraine.

Before our very eyes, the many national groups in the Soviet Union are standing up to their Soviet overlords. Those previously free countries that were captured by the expanding Soviet empire are demanding that their legitimate nationalist demands be met by the Kremlin. They are telling Mr. Gorbachev that respect for ethnic cultures, languages and religion is absolutely necessary. They don't want to be Sovietized. I believe that Mr. Gorbachev is listening to their demands.

There is reason to be cautiously hopeful about recent developments in the Ukraine. Not long ago, there was a religious celebration there marking 1,000 years of Christianity in the Ukraine. American and Soviet officials are working together on plans to open a new American Consulate in Kiev. A future United States presence in that city will provide Ukrainians with a beacon of hope as they continue to pursue their basic rights and national aspirations.

While progress has been made in the Ukraine, much more must be done. Let us hope that the Soviet leader will recognize the legality of the Ukrainian church, an institution that means to much to the deeply religious people of the Ukraine. It is also time for the Soviet leader to respect the environment of the Ukraine. The Chernobyl disaster caused widespread damage in that beautiful and productive region. Why do Soviet leaders continue to build more nuclear power plants in that one area? This is a question that Mr. Gorbachev must answer. If the Soviet leader is to fulfill the vision of glasnost and perestroika, he has many more promises to keep in the Ukraine.

During their long struggle for freedom, the Ukrainian people have never given up hope. After centuries of domination by other countries, crushed independence movements and a terrible forced famine, the Ukrainian people continue to maintain their cultural identity and never lose sight of their goal, a free and independent nation. Their struggle for liberty has produced results. Some progress is being made in the Ukraine.

That progress is also the result of the fine work of the Ukrainian Community of southeastern Michigan. That organization has kept the American public and United States Government leaders informed about events in the Ukraine and has held the flame of freedom high through the dark nights when there was no hope for change and openness in the Soviet Union. I salute their dedication and hard work on behalf of democracy and freedom.

I am optimistic that through patience and sacrifice the human spirit will triumph over the forces of darkness on this planet.

TRIBUTE TO HERBERT E. STRAWBRIDGE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. STOKES. Mr. Speaker, I am honored to recognize Mr. Herbert E. Strawbridge, a constituent who has been a driving force in the continued development and growth of the Greater Cleveland Metropolitan area. Herbert has served the city of Cleveland with distinction and honor through his long esteemed service to the Greater Cleveland Growth Association as its director.

Herbert has been dubbed "Mr. Cleveland" for his devotion to the city through his volunteerism. Herbert has made countless contributions of his expertise, knowledge, and resources to numerous business, civic, political, educational, and cultural organizations and projects in Cleveland and throughout the State of Ohio. Herbert has earned a reputation for being the best at getting things done in Cleveland—from start to finish.

After World War II, Herbert came to Cleveland and quickly worked himself up the corporate ladder to become the chairman of the board and chief executive officer of the Higbee Co., one of the largest retailers in the State. Herbert's business acumen has been sought after by other business giants in Ohio. He has served as the director of the Ameritrust Corp., the Cleveland Electric Illuminating Co., Sugardale Foods, Inc., and the Centerior Energy Corp.

In addition, Herbert has earned membership in several major retail associations, serving as the director of the Associated Merchandising Corp., the National Retail Merchants Association, the Ohio Council of Retail Merchants, and the American Retail Federation. While maintaining an active business career, Herbert has managed to be extremely active and productive in numerous charitable and civic organizations. He has devoted a great deal of his efforts to ensuring that young people receive a quality education by serving as a trustee at Ursuline College, Hiram College, and John Cabot International College in Rome, Italy.

Because of Herbert's outstanding contributions to his community, he has been honored by numerous organizations in Cleveland, the State of Ohio, and the Federal Government. Among his many accolades is the "Governor's Award for Community Action," a certificate of appreciation from former President Richard Nixon, "Business Man of the Year" by the Cleveland Plain Dealer, several citizenship awards, and an honorary doctor of humane letters from Ursuline College.

Mr. Speaker, I would like to express my appreciation to Herbert E. Strawbridge for his vision and leadership in leading the way toward the revitalization of the commercial district of downtown Cleveland. Herbert devoted his efforts and resources to the renovation and development of the "Flats" and warehouse district of Cleveland, which are now thriving centers for entertainment, fine dining, retail, and cultural events.

Mr. Speaker, I know that my colleagues from Ohio share my gratitude to "Mr. Cleveland" for his tireless devotion to his city. I hope that my colleagues will join me in saluting this great American—Herbert E. Strawbridge.

MASSACHUSETTS STATE REPRESENTATIVE JOAN MENARD POINTS OUT HARMFUL EFFECT OF FEDERAL CUTS ON STATES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. FRANK. Mr. Speaker, one of the most conscientious and thoughtful elected officials in the congressional district which I represent is State Representative Joan Menard of the town of Somerset. I have enjoyed working with her on a number of issues important to the constituents we jointly represent, especially in the transportation areas, and I particularly value her commitment to providing a compassionate response on the part of government to the needs of those who are not able to provide adequately for themselves.

Recently, in a very thoughtful and well documented statement, she explained the extent to which Republican inspired cutbacks in programs to help the needy have contributed to the fiscal difficulties which confront the States in the Northeast at the current time. Using Massachusetts as an example, Representative Menard pointed out the unfortunate effects of cuts in Housing, AFDC, Medicare, and other programs. I share Joan Menard's view that this prosperous society can afford to show compassion to our neediest fellow citizens, and I share her regret as well at the retreat from these policies which has occurred at the Federal level in the past 8 years. I believe her analysis is a thoughtful one which ought to get a wide readership and I ask that the article from the Fall River Herald News embodying her views be printed here.

[From the Fall River [MA] Herald News, June 27, 1989]

MENARD CLAIMS CUTS IN FEDERAL ASSISTANCE WORSEN STATE CRISIS

BOSTON.—Rep. Joan Menard said a decline in federal aid to the state over the past eight years has contributed significantly to the state's budget woes.

"In 1980, federal monies covered 28.3 percent of the state spending. Last year," Menard said, "federal monies covered only 19 percent of state costs—an eight-year decrease of over 32 percent."

The administration has continued to cut Massachusetts' funding, Menard said, despite Congressman Barney Frank's and Congressman Joseph Moakley's persistent efforts to restore federal funding levels.

"While the current budget crunch is due in part to the recent drop off in projected state revenues, a far more significant cause," she said, "is the ongoing decline in federal funding for necessary state based programs. This decline, which totals nearly $1 billion over the last eight years, has forced the state to spend millions of additional dollars to fund, as well as run, these vital government programs."

"Most of the cuts," Menard said, "have been to programs aimed at benefitting children, homeless and the elderly. Since 1981 the Republican administration has cut $260 million from Aid to Families with Dependent Children (AFDC). Rather than see people suffer, the state has funded the entire $260 million.

"In addition, the federal government ceased production of affordable housing units, leaving the state with an $85 million bill for completion of these units.

"Finally, prior to 1981, the government had reimbursed the state for 53 percent of its Medicare spending. Today, even with the dramatic increases in health care costs over the last eight years, the federal government only reimburses the state for 50 percent of its Medicare spending," said Menard.

Cuts have also been made in Human Services and Social Security, Mendard pointed out.

"Human Services, which provides for the state's handicapped, mentally ill and mentally retarded, has suffered a decrease in federal spending of nearly 86 percent over the last eight years," Menard said. "Moreover, Social Services, which provides shelters for battered women and children as well as counseling for children from broken homes, has seen their federal funding decrease over 50 percent. The state," she said, "has assumed the cost of keeping those programs fully funded."

In conclusion, Menard said, "Unlike the Republican administrations of the last nine years, Massachusetts has made a commitment to the poor and underprivileged of this state. I intend to see that this continued commitment remains a priority on Beacon Hill.

PREPARING FOR AMERICA'S FUTURE

HON. JOLENE UNSOELD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mrs. UNSOELD. Mr. Speaker, I would like to take this time to praise a very talented young man from my district named Robert Lowry. Robert was recently honored as the Washington State finalist of the Voice of Democracy Scholarship Program, sponsored by the Veterans of Foreign Wars. In his winning essay, Robert uses a tree as a metaphor for America, describing how our Nation's roots work to create a strong foundation for a promising future. Mr. Speaker, I am extremely proud to submit for the RECORD Robert's essay, as tribute to his accomplishment.

PREPARING FOR AMERICA'S FUTURE

Sunlight streams through the leafy canopy overhead, as the American Tree sways gently in the morning breeze. When I think of America, and of its future, I like to imagine this great tree towering over the forest of nations. The analogy is appropriate: an observer of my tree would see the diversity of our people reflected in each of its many leaves. He or she would view the strength and vitality of our society in its trunk, and the shaping forces of our history etched in its bark.

Most importantly, I would want this observer to inspect the tree roots supporting my American Tree, which to me symbolize the three vital pillars sustaining and nourishing America's future. We as citizens, at once the substance and caretakers of the tree, must ourselves nourish and protect its roots.

We can begin to do so with the first root, the root of knowledge, through which flows the understanding of the world around us that we must possess if our tree is to survive. This understanding is more than just the education we receive in school, although that is a very important aspect of it. Rather, it is a process of assimilation and comprehension that begins at birth and continues throughout our lives. It is the awareness that allows Americans to have opinions and to make decisions regarding issues that affect their lives, locally and at the national and international levels—and it is a challenge.

Today's news media bombard us with more information than Americans have ever had to deal with in the past. Yet if we don't understand, how can we hope to grasp important concerns facing our world, such as the problem of ozone layer depletion? Or how can we make sense of U.S.-Soviet relations, if our citizens have no idea where the Soviet Union is on the map? The delicate machinery of our democracy, Abraham Lincoln's government "of the people, by the people, for the people: must mean all of the people, for this root requires nourishment from each of us. Through individual awareness we ensure a collectively strengthened America for tomorrow.

As the huge American Tree soars overhead, let us examine the second root—the creativity of the American people. Surely nothing sets us apart as a nation more than our two centuries of American ingenuity. We have always been a nation of tinkerers, from the Founding Fathers to Thomas Edison, to the scientists today exploring new possibilities in space and physics. Indeed, just as the American Tree is enhanced by a knowledgeable citizenry, so too is it strengthened by our individual creative energy. Each of us must believe in our own sense of creativity, and apply it to our society in such areas as medicine, the arts and technology. The belief that "you can make a difference" must hold a relevance today if our tree is going to receive the full benefits from its creative innovative caretakers.

The future strength of our tree, and therefore of America, will finally depend on our commitment as citizens to meeting the demands of citizenship. This dedication I see as the third root, the third vital pillar of support of my American Tree. It mingles the essence of the roots of knowledge and creativity and further asks us, its caretakers, for the time and energy a democracy requires. This dedication means taking the time to vote and become involved in our communities. It entails showing compassion for our fellow citizens so that we may better understand our mutual needs. It may mean tightening our belts in trying times, fighting for our liberty when threatened, and, yes, blushing with national pride when we've done something we as a nation can be proud of—for America needs the pride of her citizens. And just as with the other two roots, the challenge of commitment directly involves every American.

Isn't that, then, the glory of America? That each of us can, and should, have a role in preparing for America's future? I believe so. Our tree soars above the others precisely because of the individual American's contribution to the roots of understanding, creativity and commitment. Rather than tearing us apart, our differences as people are molded together to produce a common unity that invigorates our tree, and thus the nation it represents.

Imagine again that we are the caretakers of our tree, and that each leaf reflects the nourishment we give to its three roots. No two leaves would be exactly alike, for we

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

must all contribute to the tree's roots in different ways. But the leaves, in all their diversity nevertheless contribute to the common goal of the tree's survival. We as citizens must similarly contribute to the common goal of preparing America for its future. In doing so, we are, as the essence of the American Tree, really improving our own lives. In contributing to its three roots, we are, in actuality, sending our nation, and ourselves, reaching for the morning sky.

OPPOSITION TO BAN OF "ASSAULT WEAPONS"

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. HUBBARD. Mr. Speaker, I would like to share with my colleagues in the U.S. House of Representatives an excellent letter I received from James G. Adams, Jr., an outstanding, highly respected attorney in Hopkinsville, KY.

As my colleagues can see, Mr. Adams is strongly opposed to proposed legislation that would ban the ownership of semi-automatic assault weapons, H.R. 1190/S. 386. Mr. Adams points out that H.R. 1190/S. 386 is an "over reaction to the events in southern California". Although the events in southern California were tragic, I agree with Mr. Adams that the solution is not the ban of an individual's constitutional right to bear arms. Mr. Adams also makes reference to the "impact that this legislation would have on legitimate sportsmen".

I urge my colleagues to read Mr. Adams' letter.

COUNTY ATTORNEY,
Hopkinsville, KY, June 14, 1989.

Congressman CARROLL HUBBARD,
Washington, DC.

DEAR CONGRESSMAN HUBBARD: Please find enclosed your annual survey responses from Betty and me. I felt compelled to further correspond with you with regards to the House Resolution that deals with so called "assault weapons".

As a member of the NRA and a prosecutor, I can see the need to limit the number of persons who can own fully automatic weapons. However, this legislation is an over reaction to the events in southern California which would not only restrict ownership of so called "assault weapons" but by its term would make my possession of a Ruger 10/22 rifle that I received as a Christmas present when I was ten years old illegal! This is true simply because it has the capacity to fire eleven .22 rounds.

While I know you are probably aware how ludicrous this piece of legislation is, I felt compelled to point out the impact that this legislation would have on legitimate sportsmen.

Thank you for your continued support on firearm related issues.

Respectfully,

JAMES G. ADAMS, Jr.,
Assistant Christian County Attorney.

THE RETIRED SENIOR VOLUNTEER PROGRAM

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. LAUGHLIN. Mr. Speaker, the Retired Senior Volunteer Program, sponsored by Texas Lutheran College, is an excellent example of the American ingenuity and spirit. There are currently over 30,000 volunteers in the State of Texas, and over 450 volunteers in the city of Seguin alone. Although they are only reimbursed for out-of-pocket expenses, Texas RSVP volunteers contribute over 5 million hours of service annually, saving 33 areas of the State over $17.5 million collectively.

RSVP volunteers donate their time and energy for a multitude of activities ranging from providing Medicare assistance to acting as consumer protection arbitrators. Many staff the food banks and the telephone hotlines, while others help ensure future progress of our Nation by tutoring young people in education programs. I commend these individuals for their hard work over the past years. I am proud to support them in any way possible and encourage these outstanding individuals to continue to give of their time and themselves.

CLARIFICATION FOR LONG-TERM CARE

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, in the past few months Congress has been hearing a lot from senior citizens about the catastrophic health insurance legislation passed last year. One of the most commonly mentioned criticisms of that legislation is that it fails to cover the truly "catastrophic" medical expenses of our Nation's elderly: long-term care expenses.

Despite modest expansions of Medicare coverage for home care benefits and nursing home care coverage in the Catastrophic Act, Medicare provides little coverage of long-term health care expenses. Extended stays in a nursing home can wipe many elderly individuals and couples out financially.

Today I am introducing legislation to address some of the inconsistencies in Medicare coverage for nursing home and home care services. My legislation states that post-hospital nursing care, prescribed by a physician—whether provided in a nursing home or by a home health nurse—will be covered by Medicare. The bill also clarifies that uniform criteria be established for coverage of nursing services under Medicare. Finally, the bill contains provisions that allow home intravenous drug therapy and respite care benefits, which were included in the Medicare coverage expansion in the Catastrophic Act, to be covered in the hospice plan of care.

I believe that the issue of long-term care for the elderly is one of the most pressing health care issues facing us today. It is my position that long-term care coverage must cover care provided in the home as well as in a skilled nursing facility. This legislation makes some modest adjustments in some of the inconsistencies in what Medicare currently covers for long-term care services.

The rest of my legislation is as follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IMPROVED MEDICARE BENEFICIARY ACCESS TO EXTENDED CARE SERVICES AND POST-HOSPITAL HOME HEALTH SERVICES.

(a) DROPPING CERTIFICATION REQUIREMENT FOR DAILY NEED FOR NURSING CARE IN THE CASE OF EXTENDED CARE SERVICES.—Section 1814(a)(2)(B) of the Social Security Act (42 U.S.C. 1395f(a)(2)(B)) is amended by striking "on a daily basis skilled".

(b) POST-HOSPITAL HOME HEALTH SERVICES.—

(1) COVERAGE OF SERVICES.—Section 1812(a)(3) of such Act (42 U.S.C. 1395d(a)(3)) is amended by inserting "and post-hospital home health services" before the semicolon.

(2) BASIS FOR CERTIFICATION OF NEED.—Section 1814(a)(2)(C) of such Act (42 U.S.C. 1395f(a)(2)(C)) is amended by inserting "(i)" after "(C)" and by adding at the end the following new clause:

"(ii) in the case of post-hospital home health services, such services are or were required because the individual needs or needed nursing care or physical or speech therapy on an intermittent basis or, in the case of an individual who has been furnished post-hospital home health services based on such a need and who no longer has such a need for such care or therapy, continues or continued to need occupational therapy, for any of the conditions with respect to which the individual was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (9) of section 1861(e), or post-hospital extended care services); a plan for furnishing such services to such individual has been established and is periodically reviewed by a physician; and such services are or were furnished while the individual as under the care of a physician; or".

(3) POST-HOSPITAL HOME HEALTH SERVICES DEFINED.—Section 1861(m) of such Act (42 U.S.C. 1395x(m)) is amended by adding at the end the following: "The term 'post-hospital home health services' means home health services furnished an individual within one year after the individual's most recent discharge from a hospital of which the individual was an inpatient or (if later) within one year after the individual's most recent discharge from a skilled nursing facility of which the individual was an inpatient entitled to payment under part A for post-hospital extended care services, but only if the plan covering the home health services is established within 14 days after the individual's discharge from the hospital or skilled nursing facility.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1990.

SEC. 2. GUIDELINES FOR COVERAGE DETERMINATIONS FOR HOME HEALTH SERVICES AND EXTENDED CARE SERVICES.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by inserting after section 1888 the following new section:

"GUIDELINES FOR CERTAIN COVERAGE DETERMINATIONS

"SEC. 1889. The Secretary shall take such steps as may be necessary to ensure that determinations made under this title by fiscal intermediaries and carriers with respect to coverage of home health services and extended care services are based upon uniform criteria of nationwide application. Such steps shall include—

"(1) issuing and periodically revising uniform guidelines for making such determinations;

"(2) requiring each intermediary or carrier to issue, and periodically to review and revise, a written statement setting forth, in clear and unambiguous language and in conformity with guidelines issued under paragraph (1), the criteria that the intermediary or carrier will apply in making such determinations; and

"(3) making statements issued under paragraph (2) available on a timely basis to skilled nursing facilities, home health agencies, and individuals entitled to benefits under this title.".

(b) IMPLEMENTATION.—The Secretary of Health and Human Services shall take such steps as are necessary to provide for the issuance of guidelines under section 1889(1) of the Social Security Act, and to require the issuance of the statements under section 1889(2) of such Act, by not later than 180 days after the date of the enactment of this Act.

SEC. 3. PERMITTING HOSPICE CARE BENEFICIARIES TO OBTAIN HOME INTRAVENOUS DRUG THERAPY SERVICES AND IN-HOME CARE.

(a) IN GENERAL.—Section 1812(d)(2)(A) of the Social Security Act (42 U.S.C. 1395d(d)(2)(A)) is amended by inserting before the period at the end the following: "or to home intravenous drug therapy services and in-home care, but only if such services and care are included in the hospice plan of care established under section 1861(dd)(1)".

(b) PERMITTING HOSPICE PROGRAM TO PROVIDE IN-HOME CARE.—Section 1861(11)(1) of such Act (42 U.S.C. 1395x(11)(1)) is amended by inserting ", hospice program," after "home health agency".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services and care furnished on or after January 1, 1990.

THE CONSERVATIVE DEMOCRATIC FORUM

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. RAY. Mr. Speaker, for a number of years the Conservative Democratic Forum [CDF] has on several occasions made a difference when it came to pass legislation which was in the best interest of America

The CDF continues to attract the favorable attention of the media and organizations around the country. The Wall Street Journal on Friday, June 30, featured the coordinator of CDF, the Honorable Charles Stenholm, in an article which has attracted nationwide attention. I would like to submit a copy of this article for the benefit of my colleagues:

ONE DEMOCRAT WHO DOESN'T LIKE LOSING ELECTIONS

(By Paul A. Gigot)

For only the second time in 50 years, Southerners last week were shut out of the House Democratic leadership. Yet Southern Democratic votes have handed George Bush (the erstwhile wimp) several recent victories in Congress. Let's hope the events herald the revival of Washington's most endangered species, the "boll weevil" Democrats.

That's the name they earned in 1981, as critical swing votes in Ronald Reagan's success. Later Mississippi Republican Trent Lott dubbed them "cicadas," because they seemed to appear only every 17 years. By 1987-88 they were going the way of dodos, irrelevant if not quite extinct. Jim Wright and liberal whip Tony Coelho rode with the House Democratic Caucus to the left, punishing dissenters who bucked party discipline.

But now, in the post-Wright-Coelho-Dukakis era, Rep. Charlie Stenholm and his fellow Southerners—"I prefer to use the word conservative rather than Southerner," he says—are in the mood to shake off their chains.

Mr. Stenholm, a take-no-guff Texan, has been down the road of rebellion before. In 1984, he briefly challenged Tip O'Neill for the speakership, akin to demanding the Politburo's resignation from Tiananmen Square. Mr. Stenholm retreated before he became a victim, but learned from the experience: "I'll never forget what Tip told me when I met with him: 'The squeaky wheel gets the grease, and you conservatives haven't been squeaky enough.'"

As spiritual leader of the insurgents, he's beyond mere squeaking now. By Mr. Stenholm's count there are only 92 purebred liberals among the 257 House Democrats. Yet "those 92 exert far more power than their numbers deserve," he says. "They push us further to the left than we should move as a party."

His antidote is the Conservative Democratic Forum, an oxymoron to skeptics, but to Mr. Stenholm a vehicle to steer House Democrats back to the political center. He claims a membership of 45 this year (plus 17 fellow-travelers), nearly double that of recent years. What's changed? "One thing that happened," he replies, "is we overwhelmingly lost another presidential race." He blames the Democrats' "national image," which he hopes to change by muting the influence of his party's congressional left.

If principles won't shake House Democrats, how about fear? On Monday, President Bush made a show of meeting at the White House with 118 local officials who've defected to the GOP since the election; all but three were from the South. Thirty local Democrats have defected in Florida alone. "Sure, it concerns me a bunch," says Mr. Stenholm. "That's why we're pushing a new image."

He can already claim a few guerrilla successes. On the minimum wage increase, some 70 Democrats defied their leaders to sustain President Bush's veto. In the Ways and Means Committee this month, five Southerners joined the GOP to kill a $10 billion jobless-insurance tax increase favored by liberals, 18-17. And in an Armed Services subcommittee, three Democrats stunned everyone by providing a victory for Defense Secretary Dick Cheney's budget. (They later lost on a 26-26 vote in the full committee.)

"It's intentional," says Georgia Rep. Richard Ray, a Stenholm ally and one of the Armed Services heretics. "We are asking that our views be considered."

The same crowd scored its biggest success by routing the leadership on the recent supplemental budget vote. Mr. Bush's budget director, Richard Darman, had cut deals with senators that tolerated a trickle of pork in order to avoid a flood. But as Mr. Stenholm's crowd got word of the deals, their frustration turned into an impromptu stampede. Fifty-two Democrats, including 36 from the South, joined Republicans to kill the deal as a "budget-buster."

Mr. Stenholm's next target is a bill to force businesses to offer "parental leave" after the birth of a child, a favorite of House liberals and unions. "Whoever came up with this idea of the government mandating everything?" he asks. He thinks the Democrats' proposal for government-led child-care will also need amending. And just on principle, he wants to stop the Coelho-Wright tactic of closed House "rules" to prevent amendments.

His insurgents have even appointed a task force on budget reform, an act of sheer effrontery to members who rigged the current system. He resists a line-item veto, but says, I do know there's strong support for modified rescission"—a reform popular at the White House that would make it easier for a president to excise pork-barrel spending.

All of this Southern agitation remains a long way from a 1981-style revolt, and Mr. Stenholm wants to make clear he's no party-switcher. He can accomplish more as a loyal Democrat, with 10 years of seniority and the powers of the majority. He can even tolerate a leadership without a Southerner, he says, "If it's open to conservative voices." He's urging the new leadership to name a second "chief deputy whip" as a sign of good faith, since the incumbent is a favorite of the left, Michigan Rep. David Bonior.

Mr. Stenholm claims to be optimistic, though he's been around long enough to know that boll weevils have a short lifespan. "They don't have to listen to me," he says. "They can continue to lose, but they don't have to listen to me."

ADDITIONAL COSPONSORS OF H.R. 2022

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, because of a bureaucratic glitch, seven Members who wished to cosponsor H.R. 2022, regarding Soviet and Indochinese refugees, were left off the official cosponsorship list. Those seven Members are: Mr. PARKER, Mr. DOUGLAS, Mr. INHOFE, Mr. MADIGAN, Mr. ATKINS, Mr. VOLKMER, and Ms. PELOSI.

I regret the error and thank each of the Members for their support for the bill.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ENDING DISCRIMINATION AGAINST ASIAN-AMERICANS

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. ROHRABACHER. Mr. Speaker, we continue to hear charges that many American colleges and universities have instituted discriminatory quotas to limit the number of Asian-American students in universities throughout the United States. Such quotas, if they do exist, are an affront to the idea of equal opportunity and fairness.

That is why Congresswoman SAIKI and myself have introduced H. Con. Res. 147, a bill that puts Congress on record as opposing any discriminatory quotas in universities and colleges used against Asian-Americans. I urge my colleagues to cosponsor this critical piece of legislation.

These charges which we are addressing are more than substantiated by the increasing numbers of Asian-Americans students who are turned away by some of our finest institutions. Many of these students are far from being underqualified. In fact, many talented Asian-Americans who are being turned away exceed the standards of admissions from many of these universities.

The Heritage Foundation recently published an Executive Memorandum which describes the importance of this issue and I ask that it be read into the RECORD:

Prepared for The Heritage Foundation by Dan C. Heldman, Research Fellow, Institute for Humane Studies, George Mason University

ENDING COLLEGE ADMISSION QUOTAS AGAINST ASIAN-AMERICANS

Increasing numbers of college applicants are receiving rejection letters from schools that otherwise would admit them. Their problem: they are Asian-Americans. Not too many decades ago, other American minorities faced similar exclusion. So-called "gentlemen's agreements," for example, limited the access of American Jews, Hispanics, and Blacks to many public facilities—including hotels, clubs, restaurants, and schools. Such restrictions are illegal under the Civil Rights Act of 1964, which prohibits discrimination based on race or ethnicity in any institution that receives federal funding. Yet ample evidence suggests that some of America's finest colleges and universities may be explicitly limiting admissions of Asian-Americans.

At the University of California at Berkeley, for example, officials recently admitted that their policies effectively had imposed a quota on the number of Asian-Americans accepted into the school. Said Berkeley Chancellor Ira Michael Heyman: "It is clear that decisions made in the admission process indisputably had a disproportionate impact on Asians." This triggered widespread complaints from Asian-American groups that other colleges and universities also discriminate against Asian-Americans in their admissions policies. Bowing to this criticism, Berkeley announced that it would substantially revamp its policies beginning in 1991.

Putting Congress on Record. Representative Dana Rohrabacher, the California Republican, meanwhile has introduced H. Con. Res. 147, a bill that would put Congress on record against college admission ceilings based on racial or ethnic origins (including particularly Asian-Americans). Cosponsored by 23 House members of both political parties, his resolution urges the Justice Department to investigate charges of such discrimination. Rohrabacher also has written to Secretary of Education Lauro Cavazos, urging him to speed and complete the Department's investigation of alleged quotas against Asian-Americans at Harvard University and the University of California.

The current controversy casts a new wrinkle in the long-running debate over the merit of ethnic and racial quotas. Public attention has tended to focus upon the quota-as-floor aspect of the issue. Asian-Americans, however, are finding themselves bumping up against the more often overlooked quota-as-ceiling. Example: At Yale University, the admission rate for Asian-Americans fell from 39 percent to 17 percent over the past decade. Example: At the University of California, Los Angeles, 82.4 percent of Asian-Americans applying in 1980 were admitted, compared to 38.2 percent in 1987. Example: At Brown University, 20 percent of all applicants are admitted, compared to only 14 percent of Asian-Americans. A report by the Corporation Committee on Minority Affairs at Brown found "cultural bias and sterotypes which prevail in the admission office." Said a Brown admissions officer: "Asian-Americans should be concerned. We call them enrollment goals, but it works out the same as a quota."

Skills the U.S. Needs. Limiting Asian-American admissions to colleges penalizes them—and also America. Evidence suggests that the most gifted Asian-American students are particularly interested in scientific, technological, and professional studies such as engineering and medicine. These are skills sorely needed by the United States to keep (or regain) in global competitive edge, yet Asian-Americans are being denied entrance to the very laboratories and classrooms where their abilities could be developed, trained, and used.

Nor are academic skills all that Asian-American students bring to American universities. Against the common rejoinder that strictly academic criteria are not all a college should consider in its admissions process, John Bunzel and Jeffrey Au, researchers at Stanford University's Hoover Institution, reviewed the research on the extra-curricular activity patterns of Asian-American high school students. The data refutes the stereotype that such applicants have only grades and test scores to offer in support of their request to be admitted.

Defining Appropriate Diversity. At the core of the quota issue is many universities' goal of "ethnic diversity." Yet if ethnic diversity is the goal, the question is what is the standard that defines the appropriate diversity? As Bunzel and Au ask, is the standard the "applicant pool, the [state] population, the national population, or none of those?" Is the institution "trying to achieve ethnic diversity because it is good for [society] . . . or because it is fair and therefore good for the society at large, or because it is mandated, or popular, or what?" And what other factors should be weighed against this goal? Until these questions are answered, American universities will continue to be haunted by the specter of qualified individuals who are pushed aside by administrators striving to meet an all-defined social goal.

Before stepping down as Assistant Attorney General for Civil Rights, William Bradford Reynolds in December 1988, attacked as "legally and morally wrong" college admissions practices that impose ceilings on admissions of Asian-American students. Since then, complaints have been filed with the Justice Department by Asian-Americans claiming that they have been denied admission to universities on account of race. Rather than continuing the practice of forwarding such complaints to the Education Department, the Civil Rights Division of the Justice Department should investigate such allegations for possible violations of the Civil Rights Act of 1964. The Justice Department investigation should determine the extent to which formal or informal ceilings are being used to exclude Asian-Americans at colleges and universities.

INTRODUCTION OF H.R. 2850, THE LOWER INCOME HOMEOWNERSHIP REFINANCING ACT OF 1989 THE FIRST STEP IN REFORMING ONE HUD PROGRAM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. LANTOS. Mr. Speaker, for the last several weeks, the Employment and Housing Subcommittee, which I have the honor to chair, has examined the very serious problems and abuses within the Department of Housing and Urban Development. Corrective measures will have to come from both the administration and from the Congress. I am pleased that HUD Secretary Jack Kemp has decided to review several trouble-plagued programs and has had the courage to suspend some of them from the normal funding cycle in order to correct abuses and problems.

At the same time, there are a number of instances where congressional action and legislation is necessary in order to clean up programs, policies, and procedures at HUD which have taken dollars away from much-needed housing programs.

Mr. Speaker, today my distinguished friend from Connecticut, Congressman CHRISTOPHER SHAYS, and I have introduced legislation which addresses one aspect of HUD policies which has been brought to light as a result of our subcommittee hearings. Our legislation—H.R. 2850, the Lower Income Homeownership Refinancing Act of 1989—can save HUD literally hundreds of millions of dollars by refinancing subsidized mortgage loans for low-income homeowners which were originated in the early 1980's when interest rates on homeloans soared to 16 and 17 percent.

When first proposed, the possibility of refinancing to current market rates, according to HUD's inspector general, would have saved $844 million over the lives of these mortgages. Since that estimate 2 years ago, refinancing would save only about half that amount, but we are still talking about savings of hundreds of millions of dollars after the costs of refinancing have been covered. The annual savings which could be realized on this refinancing is more than the annual budget of many ongoing HUD programs which assist those in need of affordable housing.

At present, Mr. Speaker, HUD needs additional legislative authority in order to refinance these mortgages, and our legislation will provide that necessary authority.

A full legislative and administrative agenda to clean up HUD and refocus scarce Federal housing funds where they belong and where they can do the greatest good in dealing with our critical housing problems is still being developed cooperatively by both the Congress and the administration. The ultimate winner will be the American taxpayer and those American families who critically need housing assistance.

Our agenda to refocus HUD funds and priorities is a bipartisan one, and one which can be achieved with the hard work which has already begun by Secretary Kemp, by our congressional committee, and with legislative proposals, including the Refinancing Act which we are introducing today. I invite my colleagues to join us in sponsoring and supporting this critical piece of legislation.

Mr. Speaker, I include the text of our legislation in the RECORD:

H.R. 2850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Lower Income Homeownership Refinancing Act of 1989".

SEC. 2. REFINANCING OF SECTION 235 MORTGAGES AND LOANS.

Section 235 of the National Housing Act (12 U.S.C. 1715z) is amended by adding at the end the following new subsection:

"(r) REFINANCING.—

"(1) REVIEW OF ASSISTANCE PAYMENTS CONTRACTS.—

"(A) The Secretary shall periodically review each contract under which the Secretary is making assistance payments under this section to determine if a refinancing of the mortgage, loan, or advance of credit involved will result in a sufficient reduction in assistance payments to warrant such refinancing.

"(B) In the case of assistance payments contracts in effect on the date of the enactment of the Lower Income Homeownership Refinancing Act of 1989, the Secretary shall complete such review as soon as practicable in order to permit the refinancing to be completed not later than 1 year after such date.

"(2) REFINANCING ASSISTANCE.—In each case in which the Secretary determines that refinancing of the mortgage, loan, or advance of credit is warranted, the Secretary shall offer assistance or provide for refinancing as follows:

"(A) To the extent provided in appropriations Acts, the Secretary shall offer the homeowner or cooperative member involved financial assistance to encourage refinancing that includes the payment of reasonable mortgage or loan origination fees, discount points, and other expenses required to refinance.

"(B) To the extent that the Secretary may not offer assistance under subparagraph (A), the Secretary shall provide for lenders and mortgagees to pay (when refinancing any mortgage, loan, or advance of credit under this section) reasonable mortgage or loan origination fees, discount points, and other expenses required to refinance. Lenders and mortgagees providing refinancing under this subparagraph may charge an interest rate for refinancing that is not greater than 0.5 percent higher than the prevailing market rate for refinancing.

"(3) USE OF AVAILABLE ADMINISTRATIVE AND TECHNICAL EXPERTISE.—In offering assistance and providing for refinancing under paragraph (2), the Secretary shall enter into contracts with mortgagees and lenders who have the administrative and technical expertise necessary to refinance mortgages, loans, and advances of credit under this subsection.

"(4) REVISION OF CONTRACT AND RESCISSION OF EXCESS AMOUNTS.—

"(A) The Secretary shall make such revisions and any assistance payments contract (including the amount of assistance payments made under the contract) as are necessary to reflect a refinancing obtained pursuant to this subsection. A revised assistance payments contract under this paragraph shall not be considered to be a new contract under this section.

"(B) Any budget authority (and contract authority) that becomes available as a result of the revision of an assistance payments contract under this paragraph shall be rescinded.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to provide financial assistance under this subsection.".

BATTERY RECYCLING AND RESEARCH ACT

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, today I am introducing a bill to protect human health and the environment from improper disposal of used lead-acid batteries.

The proposed Battery Recycling and Research Act amends the Solid Waste Disposal Act to prohibit landfilling or incinerating vehicle batteries and require distributors to take back used vehicle batteries for recyling. The bill also requests a report by the Environmental Protection Agency [EPA] on the effect of discarded household dry-cell batteries on the environment and the feasibility of recycling household batteries.

I believe that this proposal is consistent with EPA findings and policy concerning vehicle batteries. It is also compatible with vehicle battery recycling laws already enacted by the States of California, Florida, Minnesota, Pennsylvania, Rhode Island, Wyoming, and Suffolk County, NY. While the bill does not institute a deposit system for lead-acid batteries, it would not preempt the adoption of such systems at the State or local level.

LEAD-ACID BATTERIES

An infrastructure exists in the manufacturing industry for recycling used lead-acid vehicle batteries. The success of vehicle battery recyling, however, has depended largely on economic forces. Recycling rates declined substantially in the early 1980's due to falling lead prices and rising costs of complying with EPA regulations governing lead smelting. The percentage of vehicle batteries recycled declined from 90 percent in 1980 to 66 percent in 1985, and has since risen as the price of lead has increased.

Each vehicle battery discarded contains about 20 pounds of lead and 3 pounds of plastic. Over 70 million scrap vehicle batteries are generated in the United States each year, containing an estimated 630,000 tons of lead. According to EPA, lead-acid batteries contributed 65 percent of the lead found in municipal solid waste in 1986. EPA has classified vehicle batteries as hazardous waste because when landfilled or incinerated, they pose a serious threat to human health and the environment. The vehicle battery manufacturing industry supports banning vehicle batteries from solid waste and requiring that all vehicle batteries be recycled.

While there is general agreement that lead-acid vehicle batteries are hazardous when discarded, there is no clear consensus on whether household dry-cell batteries present a problem in landfills or incinerators. Household batteries, which can contain mercury, cadmium, zinc, and manganese, are commonly discarded with other solid wastes. Although several household battery collection programs have been initiated in the United States, household batteries are not currently being recycled. Manufacturers of household batteries believe that their products do not pose a problem in solid waste, and have raised concerns about potential dangers associated with storage and transportation of used household batteries. In my judgment, EPA ought to examine this issue and determine a sensible policy on used household batteries.

Mr. Speaker, it is my hope that this Congress will address the problem of lead-acid battery disposal during reauthorization of the Resource Conservation and Recovery Act. I include the text of the Battery Recycling and Research Act in the RECORD at this point:

H.R. —

A bill to amend the Solid Waste Disposal Act to require the recycling of used lead-acid batteries, and to require a study by the Administrator of the Environmental Protection Agency on the disposal of used household dry-cell batteries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Battery Recycling and Research Act of 1989".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) Over 70 million used lead-acid batteries are generated each year in the United States, containing an estimated 630,000 tons of lead.

(2) All used lead-acid batteries are not being recycled, and it is believed that some are disposed of in municipal solid waste landfills or otherwise improperly discarded or stored.

(3) Lead-acid batteries contain hazardous constituents and could pose an environmental and public health threat if not recycled or disposed of properly.

(b) PURPOSES.—The purposes of this Act are the following:

(1) To establish as a national policy the goal of achieving and sustaining nationwide recycling of all lead-acid batteries by requiring retailers, wholesalers, and manufactur-

ers of lead-acid batteries to accept used lead-acid batteries from consumers for recycling and by prohibiting disposal of these batteries in landfills or incinerators.

(2) To solicit Federal agency recommendations concerning household batteries in municipal solid waste and potential recycling programs for household batteries.

SEC. 3. LEAD-ACID BATTERY RECYCLING; REQUIREMENTS.

(a) IN GENERAL.—Subtitle B of the Solid Waste Disposal Act (42 U.S.C. 6911 et seq.) is amended by adding at the end the following new section:

"SEC. 2009. RECYCLING; REQUIREMENTS FOR USED LEAD-ACID BATTERIES.

"(a) RECYCLING REQUIREMENTS.—(1) No person may discard or otherwise dispose of a used lead-acid battery in a manner other than by recycling in accordance with this section.

"(2) A person other than a person described in paragraph (3), (4), or (5) shall discard or otherwise dispose of a used lead-acid battery only by delivery to one of the following:

"(A) A person who sells lead-acid batteries at retail or wholesale.

"(B) A secondary lead-acid smelter authorized by a State or by the Administrator.

"(C) A collection or recycling facility authorized by a State or by the Administrator.

"(3) A person who sells lead-acid batteries at retail shall discard or otherwise dispose of used lead-acid batteries only by delivery to one of the following:

"(A) A person who sells lead-acid batteries at wholesale.

"(B) A secondary lead smelter authorized by a State or by the Administrator.

"(C) A battery manufacturer.

"(D) A collection or recycling facility authorized by a State or by the Administrator.

"(4) A person who sells lead-acid batteries at wholesale shall discard or otherwise dispose of used lead-acid batteries only by delivery to one of the following:

"(A) A secondary lead smelter authorized by a State or by the Administrator.

"(B) A battery manufacturer.

"(D) A collection or recycling facility authorized by a State or by the Administrator.

"(5) A person who manufacturers lead-acid batteries shall discard or otherwise dispose of used lead-acid batteries only by delivery to one of the following:

"(A) A secondary lead smelter authorized by a State or by the Administrator.

"(B) A collection or recycling facility authorized by a State or by the Administrator.

"(6) A person who violates any provision of this subsection shall be fined under title 18, United States Code. For purposes of this subsection, each instance of discarding or disposal of a battery other than in accordance with this subsection shall be considered a separate violation.

"(b) BATTERY COLLECTION REQUIREMENTS.—

"(1) RETAILERS.—(A) A person who sells, or offers for sale, lead-acid batteries at retail shall accept from customers, if offered by customers, used lead-acid batteries of the same type as the batteries sold and in a quantity of not more than three used lead-acid batteries from a customer at one time. The used lead-acid batteries shall be accepted at the place where the lead-acid batteries are offered for sale.

"(B)(i) Such a retailer also shall post a written notice for customers that contains information about this section, including statements about the illegality of improperly discarding used motor vehicle batteries and other types of lead-acid batteries and the requirement that retailers must accept used lead-acid batteries for recycling in exchange for new batteries purchased.

"(ii) The notice shall be in such size and format, and contain such other information, as the Administrator prescribes in regulations. Such regulations shall include a model notice for use by retailers.

"(C) The Administrator may inspect any establishment subject to this subsection and may issue warnings and citations to any person who fails to comply with any provision of this amendment. Any person who fails to post the notice required by subparagraph (B), after a warning by the Administrator is subject to a fine of not more than $1,000 per day.

"(2) WHOLESALERS.—(A) A person who sells, or offers for sale, lead-acid batteries at wholesale shall accept from customers, if offered by customers, used lead-acid batteries of the same type as the batteries sold and in a quantity at least equal to the number of batteries sold.

"(B) In the case of a wholesaler who sells lead-acid batteries to a retailer, the wholesaler also shall provide for removing used lead-acid batteries at the retailer's place of business. Such removal shall occur not later than 90 days after the retailer notifies the wholesaler that there are used lead-acid batteries ready for removal.

"(3) MANUFACTURERS.—A person who manufactures lead-acid batteries shall accept from customers, if offered by customers, used lead-acid batteries of the same type as the batteries sold and in a quantity at least equal to the number of batteries sold.

"(4) PROHIBITION ON CHARGES.—No person subject to this subsection may charge a fee to a customer for accepting a used lead-acid battery from the customer.

"(5) ENFORCEMENT.—A violation of any provision of this subsection shall be considered a misdemeanor under title 18, United States Code.

"(c) LABELING REQUIREMENT.—(1) Beginning on January 1, 1990, no person may sell a lead-acid battery unless such battery bears a permanent label containing information about the illegality of improperly discarding used motor vehicle batteries or other types of lead-acid batteries and about the requirement that retailers must accept used lead-acid batteries for recycling in exchange for new batteries purchased.

"(2) A violation of this subsection shall be considered a misdemeanor under title 18, United States Code.

"(d) DEFINITION.—For purposes of this section:

"(1) The term 'lead-acid battery' means any battery that consists of lead and sulfuric acid, is used as a power source, and has a capacity of six volts or more.

"(2) The term 'secondary lead smelter' means a facility which produces metallic lead from various forms of lead scrap, including used lead-acid batteries. Such a facility also may produce plastic chips that are sent for reprocessing.".

(b) TECHNICAL AMENDMENT.—Section 1001 of the Solid Waste Disposal Act is amended in the table of contents by inserting after the item relating to section 2008 the following new item:

"Sec. 2009. Recycling requirements for used lead-acid batteries.".

SEC. 4. STUDY ON HOUSEHOLD BATTERIES.

(a) STUDY.—The Administrator of the Environmental Protection Agency shall conduct a study on the disposal and potential recyclability of household dry-cell batteries. In conducting the study, the Administrator shall take into account any studies that have already been conducted on such batteries and their relation to solid waste. The study shall include, at a minimum, the following:

(1) The effects of used household dry-cell batteries on municipal solid waste landfills and incinerators, including any threats to human health or the environment.

(2) The potential recyclability of used household dry-cell batteries, including—

(i) recycling technologies that could be used;

(ii) the potential effectiveness of those technologies in recovering reusable materials from such batteries;

(iii) existing and potential collection systems for such batteries;

(iv) the potential human health effects resulting from exposure to such batteries at all phases of the recycling process, including collection, storage, transportation, and reclamation of reusable materials; and

(v) the costs of recycling such batteries.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report describing the results of the study conducted under this section, with recommendations on whether there is a need for legislation, regulation, or further study relating to the disposal or recyclability of used household dry-cell batteries.

PROFESSIONAL MEDICAL LIABILITY REFORM ACT OF 1989

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MRAZEK. Mr. Speaker, I rise today to introduce the Professional Medical Liability Reform Act of 1989. This legislation is very similar to H.R. 1372 that I introduced in the 100th session of Congress and which had served as a catalyst for debate at the national level on this very important health-care issue.

Four years ago, I first reported on a national medical malpractice problem which had reached crisis proportions. Unfortunately, this situation has shown little or no long-term improvement during these past 4 years. A recent New York Times article—Sunday, June 11, 1989—stated, "After rising for 11 years, the torrent of medical malpractice lawsuits that has added at least $12 billion annually to the Nation's health spending has begun to ease." This recent trend is due because many States have realized the need to regulate malpractice claims. More than 20 States have already enacted laws that limit malpractice awards.

Mr. Speaker, this legislation creates Federal financial incentives to encourage malpractice reform on the State level. In order to qualify for Federal funding, States must establish medical liability arbitration panels to hear and resolve malpractice claims. Panels will have the authority to dismiss frivolous claims and will provide for structured award settlements for noneconomic losses to compensate for pain and suffering will be limited to $250,000. Attorney contingency fees are limited on a sliding scale. The act also requires a mandatory offset against awards for compensation

received from other sources and establishes a reasonable statute of limitations on when malpractice claims can be filed.

The benefits to the entire health-care system would be tremendous if there were regulations for the entire country. In California, which enacted a malpractice limit in 1975, premiums for obstetricians are now approximately $46,000 a year, while in Nassau and Suffolk Counties in New York the premiums were $100,000. And in Florida obstetricians have paid as high as $200,000. Doctors have been forced to practice defensive medicine, which adds billions to the overall cost of health-care. Reserves held by liability insurance companies are estimated to still be hundreds of millions of dollars short of what will be needed to pay future liabilities.

There would also be a tremendous relief on our courts if it became possible to settle these long and exhaustive cases in another arena. Some cases have been pending for 8 years, this does not serve the good of the people. Good doctors are handicapped from practicing while bad doctors are able to continue practicing bad medicine.

Mr. Speaker, this comprehensive legislation that I have reintroduced attempts to ameliorate the current malpractice crisis by assuring the equitable financial reparation of victims of medical negligence, providing for the prompt resolution of claims, reducing the burden on our court system, while at the same time, ensuring accountability. I ask for the support of my colleagues in the House.

THE REDUCTION OF EUROPEAN PEACH AND PEAR SUBSIDIES

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. LEHMAN of California. Mr. Speaker, American trade policy has recently won a small, but significant battle in the war over trade. The European Community's new subsidy schedule for pear and peach canners was a sweet victory for the peach and pear growers in this country. And although in overall economic terms it is not terribly significant, the implication for other ag trade is tremendous.

Since 1985, when the United States and European Community [EC] signed the Canned Fruit Agreement which prescribed a reduction in EC subsidies for canned fruit, American peach and pear growers have had to continue to asked the EC to reduce its subsidies. Since 1985, the EC has ignored the agreement and the U.S. growers requests. Finally, the United States threatened to use what seems to be retaliation. Now faced with the threat of 100-percent retaliatory tariffs on European canned fruit imports to the United States, the EC has managed to reduce its tariffs.

However, peach and pear growers in the United States have been the losers both at home and abroad. The subsidies have crept up to keep prices for EC pears from Spain and Italy and peaches from Greece at nearly $40 per ton cheaper than the world price for these products. The loss of markets abroad and rising imports domestically have contributed to the loss of 40 percent of California's Bartlett pear acreage.

However, peaches and pears are not the only agricultural pawns being played in this match. Citrus, beef, nuts, and grains have also been targeted at one time or another. And the use of trade barriers has not stopped at subsidies nor has it occurred specific to the EC. The mere mention of food safety has literally shut down markets for United States producers of citrus in Korea and Taiwan. Still, the most costly action governments can take are subsidies.

During the Uruguay round of GATT, the United States proposed a worldwide reduction in ag subsidies. That proposal and its many complicated counterproposals have lead, until recently, to a trade gridlock. The major trading nations of the world have been stuck in an economic staring match with all parties upping the ante to see who will blink first. Tariffs and subsidies have been piled so high that they amount to blatant trade barriers. But it looks as if this game of one-upmanship is beginning to play itself out.

Mr. Speaker, it is clear that we have a long way to go before we reach the goals proposed in Uruguay. But with peaches and pears, our trade negotiators are beginning to gain some headway. The reduction in canner subsidies for European peaches and pears is an important step for United States agricultural trade and needed relief for United States fruit canners. We must continue to provide these negotiators with positions of strength to bargain from and the tools to deal effectively with obstacles to successful negotiations. American agriculture can only benefit from better trade agreements with our trading partners.

CONGRATULATIONS TO MY COLLEAGUE HAL ROGERS

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. HOPKINS. Mr. Speaker, the Christian Appalachian project has announced the winner of its Mountain Spirit Award for 1989. I'm pleased to announce that the award is going to my colleague HAL ROGERS.

The award selection is based on contributions to the people of Appalachia in five categories: the economy, education, health care, spirituality, and promotion of understanding of Appalachia and its people. HAL was selected for this award from a field of public and private individuals active in these areas of improvements both professionally and as volunteers.

In its choice of Congressman HAROLD ROGERS for the Mountain Spirit Award, the Christian Appalachian project is recognizing in particular his tireless efforts to diversify agriculture in south-central Kentucky, strenghen the area's economy and create new employment opportunities in the region. The choice was well made and HAL richly deserves this recognition for his work.

On behalf of the Members of this body and the people of Kentucky, I say both "thank you" and "congratulations" to my colleague HAL ROGERS, winner of the 1989 Mountain Spirit Award of the Christian Appalachian project.

PERSONAL EXPLANATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mrs. SCHROEDER. Mr. Speaker, I was absent Friday, June 23. Had I been present, I would have voted as follows:

Roll No. 106, approving the Journal: "Nay."

Roll No. 107, veterans supplemental appropriation: "Yea."

HONORING A FORGOTTEN PART OF OUR NATION'S HERITAGE

HON. NICK JOE. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. RAHALL. Mr. Speaker, I rise today to encourage my colleagues in the House of Representatives to join me in supporting a resolution I will introduce today which would designate August 28, 1989, as "Railway Mail Service Day." I am sponsoring this resolution in an effort to ensure that the significant contributions made by several generations of postal clerks receive the recognition they so richly deserve.

One hundred and twenty-five years ago, on August 28, 1864, the first permanent Railway Post Office was founded, and the Railway Mail Service made its first mail delivery. During this trip from Chicago to Clinton, IA, the Railway Mail Service demonstrated the effectiveness of delivering mail by specially equipped rail cars. The remarkable success of this project led to the establishment of an entire network of mobile distributing units across the Nation.

For over a century, the Railway Mail Service formed the backbone of America's postal system. Its system of mail distribution proved to be so reliable, efficient, and economical that nearly every citizen of that time directly benefited from it. As the Railway Mail Service grew and evolved, it assumed responsibility for the transportation of mail by air, highway, and inland waterway. In order to reflect the expanded role of the Service, its name was changed to the Postal Transportation Service in 1949.

Just so you get an idea of how influential the Railway Mail Service was, let me tell you that at its peak of operations during World War II, it employed over 30,000 clerks. These clerks were responsible for more than 90 percent of all nonlocal mail in the United States, and delivered letters and parcels on over 1,500 routes across the country.

All told, five generations of postal clerks laid the groundwork of the U.S. Postal Service through their contributions to the Railway Mail Service. In no small part, these unsung

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

heroes are responsible for the continuing vitality and effectiveness of the postal system. The hard work and personal dedication of these clerks make it befitting of us to honor the 125th anniversary of the Railway Mail Service.

In closing, I once again urge my distinguished colleagues to join me in supporting this resolution. Not only does it acknowledge the accomplishments of thousands of postal clerks whose significant contributions have been too long ignored, but it also illuminates a truly fascinating part of this Nation's history. The Railway Mail Service is a valued part of our heritage, and its role in the development of the United States deserves the recognition this resolution would accord.

TRIBUTE TO COMMISSIONER DORCAS HARDY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. ARCHER. Mr. Speaker, on July 31, Commissioner Dorcas Hardy will be leaving the Social Security Administration after serving 3 years. In all, her Federal service, which included her tenure as Assistant Secretary for Human Development Services, has spanned 8 years.

I want to thank her publicly for the energetic leadership she has brought to SSA, and for her management initiatives.

Commissioner Hardy has instituted an agencywide, long-range strategic plan which anticipates the needs of beneficiaries, workers, and employers in the year 2000 and beyond.

She also instituted the personalized earnings and benefit statements, designed to improve the maintenance of earnings records as well as public understanding and confidence in the program.

Another of the Commissioner's important legacies is the implementation of a toll-free 800 number, which when fully operational will provide 24 hours a day, 365 days a year public service.

She has advocated program improvements as well. One of Dorcas Hardy's earliest acts as Commissioner was to support and implement improvements in the work incentive program for certain disabled SSI recipients.

Finally, I want to thank the Commissioner for helping to advance one of my long-standing goals, the elimination of the retirement earnings test. Her assistance in drafting alternative designs for phasing out the earnings limitation have been helpful in crafting the legislation now pending. Her public advocacy has helped the issue to obtain greater political visibility. As a result it appears that the age 65 threshold will be increased this session.

Commissioner Hardy deserves our appreciation for a difficut job well done. I wish her continued success.

LINDA HOPKINS, AN AMERICAN ICON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. TOWNS. Mr. Speaker, it is with great pleasure that I rise to note the accomplishments of Linda Hopkins, a world renowned musical performer and composer.

A native of Brooklyn, NY, Ms. Hopkins has earned the admiration and appreciation of millions of music lovers by using her talents to bring the joy of song to audiences around the world.

In this country, Ms. Hopkins has astounded many with her performance in the musical "Me and Bessie." This moving portrayal of legendary blues singer Bessie Smith, conceived, written, and performed by Ms. Hopkins, has won popular and critical acclaim throughout the Nation. As evidenced by her 105 appearances on the "Tonight Show," Ms. Hopkins is a treasured guest and performer on the large and small screen.

It is with the utmost joy and respect that I rise to pay tribute to Ms. Linda Hopkins, an American icon.

PRIVATE IMMIGRATION LEGISLATION FOR THE CITIZENSHIP OF MICHAEL WU

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. BATES. Mr. Speaker, today I am introducing private immigration legislation on behalf of Michael Wu.

Michael is a 23-year-old slightly handicapped Down's syndrome adult. He has attempted on several occasions to become a citizen of the United States. Unfortunately, due to his intellectual level, he is unable to successfully pass the literacy and educational portion of the citizenship process. Several members of the special education community believe that Michael has the potential to be a productive member of society.

I know his family to be reliable, hard-working, self-sufficient and law-abiding citizens. They have a strong belief in democracy and the American ideal. Those characteristics are apparent in Michael's overall attitude.

Despite Michael's handicap, he has shown considerable progress in school. This has been evident in his good work and ability to follow directions. In fact, he has displayed the capacity to be trained in performing complicated tasks, and he has a healthy work ethic. I have every reason to believe that he will someday be a contribution to the work force.

As a country of opportunity and humanitarian understanding, it seems only fair that an individual, such as Michael, be given a chance to live, work, and be an active member of society. Granting Michael citizenship would be the final step to making him a true part of the community.

The legislation, which I am presenting before this body today, would provide relief for Michael Wu by waiving for him the literacy and education requirement. I urge my colleagues to support this important humanitarian measure.

PERSONAL EXPLANATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business during rollcall vote 129 on June 29, 1989. Had I been present on the House floor I would have voted "Yea" on final passage of H.R. 2655, the foreign aid authorization bill.

REPEAL EARNINGS TEST

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. DARDEN. Mr. Speaker, today I am introducing legislation to repeal the Social Security earning test. While I believe the Social Security system has provided effectively for the material needs of individuals and families, and I am committed to its continuation, I believe there are several inequities in the present system which can and should be eliminated. Among the most devastating to active older Americans is the earnings test limitation.

Since its inception in the 1930s, Social Security has effectively provided retirees with a secure financial base. And, despite troubling questions in recent years, and the increasing number of beneficiaries, the Social Security system itself has and will continue to be financially stable.

Even though Social Security benefits often constitute the sole source of income for many retirees, these benefits are generally inadequate to sustain the average family. Accordingly, many retirees choose to work.

As many of you know, in 1989, retirees under age 65 may draw their full Social Security benefits if they earn less than $6,480 per year in outside income. Workers above age 65 may draw their full Social Security benefits if they earn less than $8,880 per year in outside income. For every $2 earned over the specified amount, Social Security benefits are cut by $1. There is no limit on the amount a worker may earn to draw the full Social Security benefit after the age of 70.

While this system was intended to allow Social Security recipients to earn reasonable supplemental income without drawing unnecessarily from Government reserves, it discriminates against retrees who choose to remain productive members of society. Our Social Security recipients have earned their Social Security benefits. Those who have planned carefully for their retirement should not face the choice of working under these arbitrary restrictions or wasting their much-needed talents.

Several extensive studies, both publicly and privately financed, support the conclusion that the additional income taxes paid by retirees would offset any additional benefits paid out. Because I am committed to seeing that our senior citizens receive fair and appropriate reimbursement, I have introduced a bill to repeal the earnings test limitation. I hope my collagues will join me in working for its immediate passage.

REAUTHORIZATION OF THE DOMESTIC VOLUNTEER SERVICE ACT

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Ms. SNOWE. Mr. Speaker, I wish to offer my support of H.R. 1312, the Domestic Volunteer Service Act reauthorization bill. This legislation reauthorizes the important volunteer programs under the ACTION agency through fiscal year 1992.

As the ranking minority member of the House Aging Subcommittee on Human Services which has oversight responsibility over the older American volunteer programs, I am very much aware of the critical role played by the Domestic Volunteer Service Act in fostering and expanding our Nation's volunteer programs.

Working under the auspices of the ACTION agency, individuals devoted themselves to helping others through volunteer work, sharing their time, energy, and compassion to assist those less fortunate. Their endeavors are rewarding not only to our Nation as a whole, but also to the volunteers themselves who appreciate the opportunity to make a meaningful contribution to our society.

As you know, volunteers are engaged in work in all aspects of community life. They play an especially critical role in areas of special need. In recognition of the importance of volunteer activities in these particular areas, I introduced legislation that would establish Programs of National Significance within the Retired Senior Volunteer Program [RSVP].

Under the provisions of my legislation, the Programs of National Significance would have included respite care services, intergenerational literacy programs for afterschool library latchkey children, and programs to monitor guardianships. These programs were designed to recognize initiative already undertaken by some RSVP groups and to help identify areas which should have a national focus for volunteer activities. I am pleased that this idea was picked up and incorporated into the reauthorization of the Domestic Volunteer Act.

Volunteers make invaluable contributions to their individual communities and to our Nation. The reauthorization of the Domestic Volunteer Service Act, and the Programs of National Significance in particular, plays an instrumental role in fostering these activities, and, thus, deserves our strong support.

THE 50TH ANNIVERSARY OF KIWANIS CLUB OF TEMPLE CITY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MOORHEAD. Mr. Speaker, I take great pleasure in bringing to the attention of my colleagues in the U.S. House of Representatives the 50th anniversary celebration of the Kiwanis Club of Temple City.

On August 8 the Kiwanis Club of Temple City will gather together to celebrate 50 years of service to the community. Having subscribed to the motto of "We Build," Kiwanis focuses its efforts on providing assistance to the local community, country, and international spheres of interest.

The Kiwanis Club of Temple City experienced its simple beginnings in 1939 when a group of business and professional men began to meet for breakfast in order to discuss opportunities for providing community service to Temple City. Upon investigating the merits of various clubs, the "breakfast club" elected to become an active member of Kiwanis. Officially chartered on August 8, 1939, the Kiwanis Club of Temple City elected Earl Emick, the local postmaster, as its first president.

Since that time the Club has contributed significant improvements to Temple City. In fact, during one period in the 1950's when community needs were expressed by the Chamber of Commerce, the Kiwanis Club constituted such a large portion of the organization that many people considered Kiwanis the "voice of the people."

More recently, the Kiwanis Club has cooperated with the local community in assisting with Special Olympics, "Reading is Fundamental" programs and "get-out-the-vote-campaigns," to mention a few of their meritorious efforts. The Kiwanis Club of Temple City has also been actively supporting the Key Club for the past 20 years.

Mr. Speaker, Kiwanis of Temple City is a fine example of how people dedicated to a worthwhile cause can positively impact a community. Therefore, I congratulate the Kiwanis Club of Temple City on the successful attainment of its goal; to help build Temple City into the community that it is today. Furthermore, I extend my congratulations to each of its members and wish them the very best for the future.

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. NELSON of Florida. Mr. Speaker, due to business in the State of Florida, I was not present to vote on rollcall Nos. 106 and 108 brought to a vote on June 23, 1989. Had I been present I would have voted "yes" on both rollcall votes.

Rollcall 106 was a motion to approve the Journal of Thursday, June 22.

Rollcall 108 was a motion to approve the Journal of Friday, June 23.

THE 25TH ANNIVERSARY OF MORRO BAY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. PANETTA. Mr. Speaker, I rise today to join the community of Morro Bay in celebration on the occasion of the city's 25th anniversary of becoming incorporated. Since the beginning of July the community has been celebrating its anniversary with daily events culminating in the 25th Silver Anniversary Dinner on July 17. While I regret that I cannot be at this dinner, I wish to join in congratulating the city for reaching this milestone.

Morro Bay is a naturally beautiful location. A spectacular setting, with the magnificent Morro Rock, its picturesque shoreline extending as far as the eye can see. East of it, the lovely Chorro Valley with its row of volcanic peaks called the seven sisters, extends into the southern distance.

The Spanish were the first to recognize the area for its true beauty and named the enormous rock that stands in the ocean just off the shore El Morro.

Founded in 1870 by Franklin Riley, Morro Bay soon became a bustling center of shipping and trade. Boats entered the harbor through channels on the north and south side of Morro Rock. Although the captains of these vessels feared the entrances because of high surf, surging tides, and erratic winds gusting the rock, they still persevered to get to the bountiful market provided by the Embarcadero.

Today, Morro Bay's economy is still focused around its incredible beauty and its vibrant fishing industry. Many thousands of tourists flock to the shores of Morro Bay each year. Locals and tourists alike enjoy the fine seafood cuisine that the city has to offer. The catch of the day is always the specialty of Morro Bay's many seafood houses.

The city and the community of Morro Bay should be credited with keeping the fine city so spectacular. I am sure that they will continue to keep Morro Bay looking just as lovely in years to come.

Mr. Speaker it is with great honor I ask my colleagues in the house in joining me to salute the city of Morro Bay in reaching this milestone.

INTRODUCING LEGISLATION TO CORRECT AN INEQUITY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MATSUI. Mr. Speaker, today I am introducing legislation that is intended to correct an inequity. St. Joseph Medical Center paid duties in the amount of $189,964.32, on the importation of a kidney lithotripter. The kidney

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

lithotripter was entitled to receive duty-free entry, but a refund was denied the importer due to Customs restrictions. This bill will direct the Customs Service to reliquidate the entry duty free.

The legislation presents no negative financial impact to the Government. Refunding the duties will reduce the capital cost of the equipment. Thus, the ultimate Medicare reimbursement by other Government agencies will also be reduced. The ultimate beneficiaries of this legislation are the patients of St. Joseph and the Federal Government.

TRIBUTE TO GENE DAFFERN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. LAGOMARSINO. Mr. Speaker, I would like to take this opportunity to recognize Mr. Gene Daffern, of Ventura, CA. Over the past 4 years, Gene has been the executive director of the Ventura County Taxpayer's Association. In addition, he has also served as the director for the Greater Ventura Chamber of Commerce. His dedication and commitment to insuring an efficient and responsive county government has been a benefit to all of the taxpayers in the county.

Gene Daffern's extensive involvement in civic affairs shows the premium he places on community affairs. He has served as the director of the Salvation Army and the Ventura Downtown Lions Club. Previously, he worked with the fundraising and membership campaigns of the Ventura County United Way, the Ventura County Drunk Driving Task Force, and the Ventura County Arthritis Foundation. Gene was named as the Lion of the Year for 1987–88 for his contributions to the community.

What an individual gets out of his community is directly related to how much he puts into that community. Gene has given years of dedication to Ventura County, and in return he has earned my appreciation and respect and that of his entire community.

IN SUPPORT OF H.R. 3

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. MINETA. Mr. Speaker, our children will one day become the parents, the teachers, and the leaders, of this great Nation. A child with a fair chance to grow will become an adult with a fair chance to succeed.

Each day in the United States, 1,375 teenagers dropout of high school, 1,293 teenagers give birth, and 6 teenagers commit suicide. But these and other tragedies are preventable.

Education is the key in overcoming the hurdles facing our children. For every dollar spent on quality preschool education, $4.75 is returned through lower costs of public assistance, special education, and crime. America must continue to make this critical investment in our future.

Our fine colleague, Mr. HAWKINS of California has introduced legislation, H.R. 3, which has the potential to have a major and positive impact on one facet of our Nation's future: child care.

H.R. 3 addresses issues such as the Head Start Program. This federally funded program would be expanded to meet the needs of more low income families. H.R. 3 also would expand existing preschool and day care programs to make them both affordable and accessible. Finally, H.R. 3 would require States to set standards such as, group size, parental involvement, developmentally appropriate programs, and staff qualifications for preschool and day care programs.

H.R. 3 is a step in the right direction, but it is only a beginning.

We must also recognize that early childhood educators are professionals. The average monthly income of a child care worker is $748, a salary below the national poverty level. How can we expect quality, affordable child care when our Nation will not pay its providers a living wage?

Mr. Speaker, one of the measures of a great nation is how well it cares for its children. The time has come to create a child care system in which we can take pride. I urge my colleagues to support H.R. 3.

TRIBUTE TO THE SOUTHERN REGIONAL GOLDEN RAMS MARCHING BAND

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. SAXTON. Mr. Speaker, it is my pleasure to rise today and honor the Southern Regional Golden Rams Marching Band. This band has proven to be among my districts finest marching bands and has as a result acquired many commendations.

Southern Regional High School has participated in numerous competitions over the last academic year and has accumulated a consistent reputation for excellence. The Golden Rams placed second in the Chichester, Edison, Absegami, and Clearview High School competitions. In fact, they never placed worse than fourth throughout their season. Their continued commitment to excellence has earned them statewide as well as nationwide recognition.

I hope you, my colleagues, will recall their outstanding performance on the steps of the Capitol on May 20. We were all rewarded with a memorable performance that clearly demonstrated the dedication and hard work that these members have put forth in order to produce the music that has delighted not just us here in the Nation's Capital but people throughout southern Jersey.

This bank also has the singular honor of being the only high school band invited to play at the arrival of the Tall Ship at Beach Haven, NJ, on September 1. This honor will herald the beginning of the new fall season for the Golden Rams. The season, I am confident, will mark continued success for the marching band.

Mr. Speaker, I ask you to join me in recognizing the band members' unwavering commitment to perfection that is so readily apparent to all people fortunate enough to attend one of their performances.

SO DESERVING

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. VANDER JAGT. Mr. Speaker, I recently introduced House Joint Resolution 352, a resolution to designate September 15, 1989, as "National Telephone Operators Day". Today, I ask my colleagues to support this measure.

National Telephone Operators Recognition Day will focus attention on the many wonderful contributions which telephone operators have made to this Nation since the telephone was first invented in 1876. For more than 100 years, these dedicated individuals have efficiently handled billions of calls every year, and saved countless lives by placing desperately needed emergency calls. They have also remained on duty during community evacuations and natural disasters.

In addition, the well-informed operator of the early 20th century has become a part of our country's folklore. Despite the increasing prevalence of computer technology in communications, knowledgeable and professional telephone operators continue to play a vital part in the telephone system of our Nation. It is only appropriate, therefore, that the Congress and the President, along with the entire country, recognize the dedicated and often heroic efforts of America's telephone operators by declaring September 15, 1989, as National Telephone Operators Recognition Day.

I hope my colleagues will join me in support of House Joint Resolution 352, and honor the sacrifice and hard work of our Nation's telephone operators by giving them the recognition which they so richly deserve.

A TRIBUTE TO ROBERT J. AGONIA AND JOANNE S. THOMAS

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to honor two outstanding citizens of Las Vegas, Robert J. Agonia and JoAnne S. Thomas. Mr. Agonia and Ms. Thomas have been selected as exceptional employees in the Department of Energy's nationwide program to acknowledge those who have contributed outstanding volunteer service to their communities. The time and effort donated by both Mr. Agonia and Ms. Thomas to those around them is truly deserving of recognition.

Robert J. Agonia, Chief of the Nevada Industrial Relations and Training Branch, has

contributed to a number of community service activities. Involved with the League of United Latin American Citizens since 1973, he served as both chair of the scholarship committee and advisor to the board of directors. He has also worked with the metropolitan police department as vice chair of the civil service board. In 1988, he became actively involved in the Leadership Las Vegas Program with the Chamber of Commerce. As chair of the advisory committee, he encourages other groups to be involved in the Las Vegas community. Mr. Agonia's concerns and efforts are not only working with the present, but as a member of the Curriculum Committee for Youth Leadership Las Vegas, he works to build a better future.

JoAnne S. Thomas is the employee development specialist for the Nevada Operations Office. From 1980 to 1985, Ms. Thomas generously provided love and special treatment to the premature infants in the progressive care nursery, a section of the neonatal nursery at Humana Hospital Sunrise. She cuddled, fed and weighed these sick babies, and found time to sew tops and sleep sacks for them. Also a member of American Business Women's Association, she volunteered her time to assist with baby showers that the organization held for the infants.

Mr. Speaker, I urge my colleagues to join me today in honoring Mr. Robert J. Agonia and Ms. JoAnne Thomas. Their contributions to the Las Vegas community—its present and future—have earned them recognition throughout the State as two of Nevada's finest citizens.

WEST MORRIS AREA YMCA'S CENTENNIAL YEAR

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. GALLO. Mr. Speaker, this year marks the centennial of the West Morris Area Young Men's Christian Association. The YMCA's long tradition of volunteerism in service to the community will be recognized as part of a special celebration this fall at the Y's Randolph, NJ, facility.

At a time when we are seeking ways to encourage volunteerism in service to those who need our help, the YMCA stands as a monument to the tradition of community participation that we seek to promote.

One hundred years ago, the West Morris Area YMCA was founded in Dover, NJ. The year 1889 was only the beginning, laying the foundation for today's great organization.

The First Methodist Episcopal Church in Dover housed the first YMCA. Known then as the YMCA of Dover, the Y soon attracted 190 of the area's youth per day.

In 1908, YMCA expanded beyond Dover to include Succasunna, Wharton, Whippany, Rockaway, Chester, and German Valley, now Long Valley. For the next four decades the Y maintained its popularity, occupying various locations on or near Blackwell Street in Dover.

As membership continued to grow, after World War II, there was a need for a more permanent facility. In 1951 the YMCA headquarters on Route 46 at the corner of North Bergen Street was dedicated.

By the 1970's the need for a building which offered a gymnasium and a pool was becoming evident. Expansion of the Dover building was possible, but parking was a problem as the Y began to attract more and more participants from the growing residential areas outside of Dover, including Randolph Township.

In 1976, the name West Morris Area YMCA was taken to reflect this expanding service area and ground was broken for a new facility on Dover Chester Road in Randolph in 1977. This comprehensive fitness center was officially opened in 1979.

Today, the membership has soared to nearly 8,000 members. The YMCA offers a wide range of athletic equipment and services, including pools, tracks, weight rooms, racquetball and basketball courts.

For the past century, the YMCA has served its surrounding communities with programs designed to encourage individuals—particularly our young people—to live well rounded lives. The Y is dedicated to helping all people regardless of age, race, religion, sex, or socioeconomic status to reach their fullest potential.

I take great pride in the role the YMCA has played, and continues to play, in helping to make our communities better places to live.

Mr. Speaker, I ask my colleagues to join me in recognizing the spirit of volunteerism and community service shown by the people of Morris County, NJ, who have worked together to make the West Morris YMCA what it is today.

I also ask you to join with me in honoring those dedicated individuals who have gone on before us, laying the foundation of today's successes and making this special centennial year for the West Morris Area YMCA.

IN HONOR OF CARDINAL ALOYSIUS STEPINAC

HON. FREDERICK S. UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. UPTON. Mr. Speaker, President Bush concluded his recent NATO negotiations with a fervent plea that Europe be once again united. At this time, it would be well for Americans to recall the individuals who fought arduously for human rights during the Soviet expansion into Europe.

One such individual was Cardinal Aloysius Stepinac. During World War II, the Cardinal was a vocal and steadfast opponent of totalitarianism in any form. He admonished Yugoslavia's 7 million Catholics to be vigilant and not to embrace the competing totalitarian ideologies that were challenging the government and the church of his beloved Croatia. The Cardinal believed that only through peace and freedom could individual dignity and humanity be preserved.

In the postwar period, he was an energetic opponent of communism. Cardinal Stepinac was not afraid to use his prominent religious position to prod the Communist regime of Premier Tito, and to keep the flame of freedom alive in his war torn congregation. In an attempt to silence this champion of human rights, Tito sentenced Cardinal Stepinac to prison in 1946.

The world was shocked by this blatant travesty of justice. The Vatican took the extraordinary step of ordering the excommunication of all those connected with Stepinac's trial. Although the Cardinal was released from prison in 1951, he was forced to live a life of police-enforced isolation in his native village of Krasic until his death on February 10, 1960.

Croatian Americans would like to see Cardinal Stepinac honored for his courage to fight for human rights. Americans of Croatian ancestry are establishing an endowment to construct a memorial to this brave man. These citizens simply ask of their government to recognize the heroism of this early champion of human rights.

As we approach the 30th anniversary of the death of Cardinal Aloysius Stepinac, I would ask my colleagues to remember him as an extraordinarily courageous religious leader whose commitment to human dignity reached far beyond his native Croatia.

PROMOTE ECONOMIC DIVERSIFICATION AND ALTERNATIVE USE IN DEFENSE DEPENDENT AREAS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. GEJDENSON. Mr. Speaker, I am introducing today, with Congressman MAVROULES, the Economic Diversification and Defense Adjustment Act, a bill to lessen the local economic impact of base closings and defense contract cancellations.

The bill is designed to provide for the long-term economic health of defense-dependent areas. Under the terms of the bill, defense-dependent communities would undertake projects to generate and sustain new, nondefense industries to diversify their local economies, and create alternative use plans for existing defense facilities, in preparation for fluctuations in defense spending.

We are entering an era of flat defense budgets, base closings and realignments, cuts in conventional weapons, and reductions in strategic arms. Areas that rely heavily on defense spending are particularly vulnerable to the economic effects that will follow these changes. The goal of this bill is to ensure that defense-dependent areas can adequately prepare to deal with a reduced flow of defense dollars.

The bill's major provisions include creation of a national Economic Diversification and Defense Adjustment Council, composed of the Secretaries of Commerce, Labor, Defense, and Education; and six business and six labor union representatives. The council would administer the awarding of grants to defense-dependent communities to strengthen their economies through diversification, and to pro-

vide economic adjustment assistance in the wake of defense contract cancellations or base closings. The grant mechanism targets resources where there is the greatest need and willingness to undertake a community-based planning process.

Communities receiving grants would be required to establish local diversification-alternative use committees composed of labor, management, local government, local educational institutions, and private nonprofit agencies. These local committees would develop concrete plans and projects to promote nondefense economic development and alternative uses for defense facilities.

The bill also offers 1 year's full protection of the health benefits of workers laid off as a result of defense cutbacks.

COMMENDING THE RECENT EFFORTS OF THE EDISON ANIMAL SHELTER

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1989

Mr. DWYER of New Jersey. Mr. Speaker, as you may know, more than 70,000 puppies and kittens are born in the United States each day due to the uncontrolled breeding of pets. Of course, the addition of the uncountable offspring of stray animals makes the total number of unwanted pets enormous.

To remedy this overpopulation problem, the Humane Society has initiated its "Be a PAL—Prevent a Litter" campaign. "Be a PAL" is an ambitious and comprehensive approach to curbing pet overpopulation, which encourages the spaying and neutering of pets and adoptable pound animals as well as the education of pet owners.

I wish to commend to your attention an article from the Sunday Star-Ledger newspaper on the "Be a PAL" program of the Humane Society of America and the participation of the Edison, NJ, animal shelter in this effort.

[From the Sunday Star-Ledger, May 7, 1989]

A NEW BREED OF ANIMAL SHELTERS IS EARNING PLAUDITS FOR NEW JERSEY

(By Joan Babbage)

The winds of change have begun in New Jersey's throw-away animal world, as increasing numbers of municipal and county pounds are proudly displaying a new image—clean, modern buildings and a high adoption rate for dogs and cats.

Less than a decade ago, most facilities were relegated to hard-to-find locations, such as behind the railroad tracks or an industrial complex. Dismal places, the pounds were no more than seven-day holding areas for luckless, former pets, destined for euthanasia.

But improved conditions should not come as a surprise. According to Nina Austenberg, director of the MidAtlantic Region of the Humane Society of the United States (HSUS), New Jersey is the most progressive state in the nation in its innovative legislation.

She points out that a landmark law was passed in 1983, establishing low-cost, spay-neuter public clinics for dog owners who participate in other family assistance programs, such as Medicaid or food stamps.

The legislation was amended and improved in December 1986, enabling *anyone* adopting a dog from a municipal or privately run shelter to have the canine neutered for a $20 fee. Through the innovative program, which is supported by the State Department of Health through animal-licensing fees, more than 17,000 dogs were neutered last year, assisted by the more than 160 participating veterinary hospitals.

"Utopia has not been achieved yet," Austenberg acknowledges. "Not every pound is well run. But the public is more aware that animal control is an important service and they are demanding, and getting, better facilities and services."

She notes that the HSUS has its own promotion program, "Be a P.A.L.—Prevent a Litter," each spring.

"With the cooperation of Gov. Thomas H. Kean, who has issued a special proclamation, we are trying to get the message across that it's important for people to be responsible pet owners and prevent overpopulation by neutering their dogs and cats," she explains.

Annette Hirsch, chief of biological services of the State Department of Health, notes that although the statistics continue to be grim—half of the animals that end up in pounds and shelters are euthanized—there has been a marked improvement during the past decade.

"The pounds have certainly emerged from the dark ages. They have changed from being bleak holding areas to sheltering facilities, and many of them have dedicated managers who use creative approaches to educate the public," she says.

"And now we have well-educated, certified, animal control officers, instead of dog catchers. Since 1983, under state law, they must take special courses in animal behavior at Kean College.

"In addition, more communities are licensing cats and hopefully soon we can provide low-cost neutering for felines," she adds.

"There is plenty of room for improvement. But, these days, when the public makes demands on their town officials to provide better pounds and more stringent animal control laws, they are much more apt to get results."

Prominent among the improved facilities is the Edison Pound, once vilified by humane groups as being woefully inadequate. Today the facility, which also serves Piscataway, is housed in an attractive, new building near the township's busy municipal complex. During a recent visit, its spacious runs were only a quarter filled, and a procession of prospective pet owners was looking for puppies, kittens or the dog or cat they had seen advertised in the media.

"Our adoption rate is very high," confides pound manager Anne Twist. "We get every kind of dog and cat imaginable. Fortunately, most of them don't stay here very long. Thanks to the local newspapers and cablevision, the word has gotten out that we have lovely, healthy pets for a reasonable fee ($20 for dogs and $10 for cats). And we have a waiting list of people who are looking for specific breeds."

Animal control officer John Grun recalls that just a few years ago the pound was grim.

"We received a lot of justifiable complaints. But fortunately, our mayor, (the late) Anthony M. Yelencsics, was very supportive. We were able to move into our new facility two years ago. Our location is great and there is lots of parking."

Grun discloses that the pound sponsors tours of the facility and educational programs, as well as free rabies clinics and examinations.

"The public appreciates the fact that we pick up strays and injured animals, including wildlife. And our dog warden is on 24-hour call."

"It's an ongoing education," says Twist. "Not only do we make the public aware of the low-cost, spay-neuter program, but we refer prospective cat owners to a local humane group, 'Friends of Animals,' that assists with low-cost neutering of felines.

"We are proud of our facility," she emphasizes. "And it is such a pleasure to be able to place so many animals, even old dogs and cats."

Her enthusiasm is shared by Norma Jacobs, who served for 12 years as a volunteer in Randolph Township's pound in Morris County, before taking over its management in November, assisting animal control officer Gerald Masino.

"I love this job," she says. "In fact, I can hardly wait to come to work. I am here seven days a week."

Jacobs brought out a manila envelope labeled "lost pets."

"This is my favorite task—reuniting animals with their owners. Sometimes people just don't know where to look, nor do they realize how far a dog can roam. So I act as Sherlock Holmes and my detective abilities must be good. I have been able to find lots of missing pets."

Jacobs reveals that the pound, which also picks up animals for Mt. Olive and Dover, is rarely filled to the brim. That day she was tending an abandoned calico cat and three dogs, including an elderly springer spaniel, an apparent runaway, who was pining for its master.

"I try to find homes for everyone and while they are in 'my hotel,' I even provide toys for the animals to play with."

She reveals that the adoption rate, so far, is almost 100 percent, and attributes her success to the fact that she cooperates with neighboring shelters and pounds and has a number of foster homes. In addition, she teaches humane education in local schools.

"We are open only from 11 a.m. to noon daily, except Sundays, but people manage to get here for adoptions during that one hour, which pleases me, because I enjoy the public and matching people with appropriate pets. The job is very fulfilling, but needless to say, a sense of humor helps."

June 13 years ago the Montclair pound was a dreary, dirty place. Its rejuvenation was launched in 1976 by a group of concerned Montclair residents, who organized the Pound Animal Welfare Society (PAWS) with the help of a local veterinarian, George Cameron.

Now the nonprofit, charitable organization is dedicated to making life more humane for domestic and wild animals, and the group has been so successful in operating Montclair's animal control, that it is also providing animal care services for nearby Verona and Cedar Grove.

According to PAWS administrator Kathy Hurley, the organization is involved in every aspect of animal welfare: Adoption, education, pet therapy (visiting nursing homes and hospitals), health care, spay-neuter assistance and wildlife rehabilitation.

"Our municipal contracts, plus contributions and special drives, have enabled us to raise $440,000 to enlarge and upgrade our facilities. The groundbreaking has already begun."

Hurley notes the facility, which houses 22 dogs and 40 cats, is open daily from noon to 4 p.m., except Tuesdays. PAWS animal control services are performed on a 24-hour basis, caring for injured animals and picking up dead ones.

"We find homes for most of the animals we take in. Our adoption rate is at least 85 percent," Hurley says.

"And we have been successful in placing dogs and cats, because of our large number of foster homes, and advertising in local newspapers."

The administrator reveals that she frequently gives lectures about PAWS to local civic groups.

"Aside from that, we have a dedicated corps of 40 or so volunteers and great township support. Fortunately a lot of people care," comments Hurley.

At the Bergen County Animal Shelter in Teterboro, a modern, brick, air-conditioned building, the largest facility in the state, the adoption rate is currently 50 percent and continues to increase, divulges director Mary Ellen Dachowski.

"Education is our priority this year," she emphasizes. "The shelter has been a community project ever since it opened 10 years ago."

Dachowski, who served as a volunteer for nine years before becoming director, turns over the shelter's large education room for obedience classes on Wednesdays. And students at the Bergen County Vocational Technical School learn how to groom such challenging breeds as the French poodles, Llasa Apsos and miniature Schnauzers that are among the 10,000 animals that end up at the facility each year.

"The students are learning skills and helping us at the same time," says Dachowski.

She reveals that the shelter has been able to find homes for most healthy pets and she attributes its high adoption rate to education programs, media coverage, lectures and a special video presentation, as well as public tours of the facility.

"Our capacity is 400 animals, but I have some dedicated volunteers, who provide good foster homes, when we have an overflow. And the state's inexpensive spay-neuter program certainly helps. We do follow-ups to make sure the public is taking advantage of this service."

The director remembers that the shelter was built in response to the public's urgent demands.

"Bergen County residents pointed out the need for a good facility and, fortunately, our progressive board of freeholders agreed with them."

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

SENATE—*Wednesday, July 12, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The prayer will be offered by the guest chaplain, the Reverend David M. Cox, pastor of the Main Street United Methodist Church, Petersburg, WV.

PRAYER

The Reverend David M. Cox, pastor of the Main Street United Methodist Church, Petersburg, WV, offered the following prayer:

O God, the Great Architect of the Universe, we come humbly into Thy presence. For the privilege of living in the greatest country in the world we thank You.

We pray today for the needs of others. For those who are homeless, hungry, and especially for those who have never heard of Thy love. Bless especially those who are in this august Chamber today guiding our great Nation. May they be persons of honesty, integrity, and strength, guided by the Spirit of the all wise God. Bless those who set at peace tables, give them wisdom. Bless our President and those who have the responsibility of guiding our country.

This, our prayer we ask in Thy name and for Thy kingdom's sake. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning following the time for the two leaders, there will be a period for the transaction of morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

At 11 o'clock the Senate will resume debate on S. 358, the legal immigration bill. Under the provisions of the unanimous-consent agreement now in effect, there will be 30 minutes remaining on the Helms substitute amendment with a vote on or in relation to that amendment occurring at 11:30 this morning. Other votes in relation to S. 358 are possible throughout the day.

(Mr. KOHL assumed the chair.)

THE GUEST CHAPLAIN

Mr. MITCHELL. Mr. President, I wish to thank the distinguished Rev. David Cox, who delivered the prayer today.

Would the distinguished Senator from West Virginia like a moment to address the Senate regarding the guest chaplain?

Mr. BYRD. Yes.

Mr. MITCHELL. I yield to the distinguished President pro tempore.

Mr. BYRD. Mr. President, I thank my distinguished majority leader.

THE REVEREND DAVID M. COX

Mr. BYRD. Mr. President, today I take great pride and pleasure in welcoming as our guest chaplain, the Reverend David M. Cox, pastor of the Main Street United Methodist Church in Petersburg, WV.

A native of Kentucky, the Reverend Mr. Cox is observing his 37th year in the pastoral ministry.

A World War II Navy veteran, Mr. Cox saw action off both Iwo Jima and Okinawa, was decorated for his service, and was awarded the Purple Heart.

He attended Olivet College in Kankakee, IL, for his undergraduate degree, and has further studied at the United Seminary in Dayton, OH; Gettysburg College in Pennsylvania; Vanderbilt University in Nashville; and the University of Richmond.

Mr. Cox and his wife, Irene, have two daughters and are blessed with seven wonderful grandchildren.

Among his many interests, Mr. Cox has coached Little League, Babe Ruth, and high school baseball; has taken an active interest in Scouting; has served with the American Red Cross; serves in local hospital chaplaincy in Petersburg; and is the past president of the Petersburg, WV, Ministerial Association.

Mr. President, I take this opportunity to thank my friend, the Reverend Mr. Cox for gracing our Chamber today with his prayer. I again thank the distinguished majority leader.

Mr. MITCHELL. Mr. President. I reserve the remainder of my leader time and I yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

DESECRATION OF THE FLAG

Mr. DOLE. Let me first indicate it had been my intention and the intention of Senator DIXON to introduce today a constitutional amendment with reference to physical desecration of the flag. I have had a meeting with the majority leader and am willing to defer that until tomorrow until he has an opportunity to discuss some aspects of what we had in mind, because it seems to me if we are going to introduce the amendment we want to make certain we have committee action. It would be my intent after an introduction of the amendment to ask for second reading and then move that the committee report back an amendment at some reasonable time, otherwise this session will be history and there will be no action on this side of the aisle on a constitutional amendment. Some prefer a statutory approach, some prefer an amendment approach. But in any event we are now contacting Senator DIXON's office to indicate that we will defer introduction until tomorrow.

SOVIETS ANNOUNCE SHUT DOWN OF REACTORS

Mr. DOLE. Mr. President, last weekend a group of House Members visited a plutonium production facility in the Soviet Union. The Soviets used this visit as an opportunity to announce that the five reactors at the site would be shut down by 1991—up from the three announced by Gorbachev in May.

The Soviets—even after they close those five reactors—will have around seven production reactors left. So, these shutdowns will not change their capability to produce nuclear materials.

Then, what does this latest Soviet move mean? It is clear that the Soviets are giving a public relations push to Gorbachev's May call for a treaty banning the production of nuclear weapons materials.

A ban on the production of nuclear materials is a bad idea for many rea-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

sons. At the top of the list is deterrence. Nuclear weapons are, and will be for the foreseeable future, the foundation of our deterrent.

For the United States to maintain a credible and effective deterrent it must maintain the capability to produce nuclear weapons. We should not constrain our nuclear materials production capabilities now since we cannot predict what our deterrent needs will be in the years ahead.

Moreover, a ban on the production of nuclear materials cannot be verified. Let us keep in mind that both the United States and the Soviet Union enrich uranium for military purposes other than weapons production, such as naval nuclear propulsion.

So, it seems to me that the Soviets should spend less time on headlines and more time on real arms control. This latest Soviet offer does not mean any reduction in the Soviet arsenal.

It is time to get to work on reductions in Geneva and Vienna. Mr. Gorbachev should follow President Bush's lead and focus on the arms control negotiating agenda.

Mr. President, I reserve the remainder of my time.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak for not to exceed 5 minutes each.

The Chair recognizes Senator BIDEN.

Mr. BIDEN. I thank the Chair.

BURNING OF THE FLAG

Mr. BIDEN. Mr. President, I, too, had intention today to reintroduce a bill that the Senate has already passed making the burning of the flag illegal, and the purpose of my intention to reintroduce this bill, quite frankly, was to follow up on a suggestion that had been offered at the time we attached it as an amendment to the child care bill, a suggestion made by the distinguished Republican leader which is that we should have it as a freestanding bill so that it does not get bogged down with what will likely be an extended debate, both in the House and then in conference, on the child care bill.

So I was going to do that this morning. But in light of the fact that the distinguished Republican leader is withholding introduction of his amendment until tomorrow, an amendment I might add that is not inconsistent with the bill—they are not necessarily inconsistent at all—I will withhold until tomorrow.

But let me just say to my distinguished Republican leader that it is the Chair's intention, chairman of the Judiciary Committee. I was also intending this morning to announce hearings and hearing dates for hearings on the constitutional amendments that have already been introduced, there having been three constitutional amendments that have already been introduced and referred to my committee. It is the chairman's intention, it is my intention, to hold hearings to set specific dates and hopefully report back to the Senate a bill, a constitutional amendment, with or without votes—I assume there will be the votes—to the Senate sometime in mid-September or early September.

So I want to assure the Republican leader that as chairman of the committee I have every intention of holding hearings on the constitutional amendment. I think it is important we do that. I think it is important we do that quickly, and I think, as the Republican leader believes and I also believe, that we should do it thoroughly because amending the Constitution is not a trifling undertaking.

So I will withhold introducing my bill until tomorrow, and just once again reiterate two points: First, the introduction of the bill is not for the purpose of in any way providing an only alternative to a constitutional amendment. There are those who will not like the bill. I hope not many. There are those who will not like the amendment, and there are those who will like both. It is not at all inconsistent to be for both.

My intention is to move quickly and rapidly to make it constitutionally permissible for States and the Federal Government to pass a law saying you cannot burn the flag. I think that could be done. I think I have a bill that will in fact do that. We have already passed such a bill but it is attached to a complicated piece of legislation. That is the first point.

The second and last point, and I will yield back time, is that the Judiciary Committee will begin shortly hearings on the constitutional amendments that have been introduced, and will come back to the Senate sometime in September with an opportunity for the Senate to speak its will on the issue of constitutional amendment to the Constitution as it relates to the desecration of the flag.

I thank the Republican leader. I am anxious to cooperate with him on this matter.

I yield the floor.

Mr. DOLE. Will the Senator yield?

Mr. BIDEN. Yes.

Mr. DOLE. It may be that we can resolve any problem based on what the Senator has said. I think mid-September is an appropriate date. As I recall September 13 and 14 was the shelling of Fort McHenry and the "Star-Spangled Banner" was written at that time. It might be a good time to have it reported to the Senate floor. It is the date we had in mind, in any event.

I will be happy to visit, and I am certain Senator DIXON would, with the distinguished Senator later on in the day sometime.

Mr. BIDEN. If the Senator will allow me, I have gone through the calendar. We get back, I guess, the week before that. I suspect we will need—I am delighted to sit down with the Republican leader on this matter—two to three hearings total because of the number of amendments that have been introduced. The dates that seem to be available were Wednesday—I do not have a calendar in front of me—Wednesday, the 13th, and Thursday, the 14th, as the last two hearing dates on this. I cannot figure how we can get two hearing dates in before that. But it is possible.

The point is I am anxious to cooperate, and as the Republican leader knows, the Senator from South Carolina, the ranking member of the committee, also has an amendment. And I hope and I know—we will in fact have an opportunity to hear witnesses on the Senator's amendment.

But I guess the only point I want to make is I think we can easily and amicably work out the hearing dates as well as the reporting dates, and it is the Chair's intention to report out an amendment. It is not the Chair's intention to have an amendment go to the committee, and get lost somewhere in the subcommittee. My intention is, for example, not even to have it held in the subcommittee, but to have it held in the full committee. But I am sure we can work it all out.

Mr. DOLE. I thank the Senator.

Mr. BIDEN. I yield the floor.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

IMMIGRATION ACT OF 1989

Mr. CRANSTON. Mr. President, today we are taking up very important legislation which will dramatically impact the lives of hundreds of thousands of individuals. As we all know, we are a country of immigrants, and for the last 24 years our immigration laws have given priority to the reunification of families in this country. This is as it should be. This is consistent with our traditional American values.

I believe that the provision in this legislation which will—for the first time—impose a cap on family sponsored immigration is an unwise departure from our tradition. This legislation will establish the precedent that under such a cap visas granted to the immediate relatives of U.S. citizens would be counted against the visas which would be available to other

family connected immigrants. I cannot support this precedent. Therefore, I cannot support this legislation.

Mr. President, California is home to more Asians and Hispanics than any other State in the country. No single issue nor piece of legislation has raised its concern as much as this legislation we are voting on today. It likewise raises the concerns of all of us who are concerned with these family values. Although the sponsors of this bill argue that this legislation will benefit those who rely on family preference visas to be reunited with their family members, the message I have received from these individuals is that they would prefer to see no reform legislation at all rather than see reforms which would include placing a cap on family sponsored immigration. I, personally, think we should pay attention to this message.

There is no question that this legislation contains other positive reforms to our immigration system which would benefit the country. However, I would like to point out that we need not break with the traditional priority given to family reunification efforts in order to achieve these reforms.

I was an original cosponsor of the legislation introduced by Senator SIMON, S. 448, and I still strongly believe that that legislation represented a much more balanced approach to legal immigration reform. In fact I would like to commend my good friend from Illinois for his efforts to see that a number of the profamily provisions contained in S. 448 were included in the compromise version of S. 358. S. 448—like H.R. 672 currently before the House Subcommittee on Immigration, Refugees, and International Law—would not have imposed a cap on family sponsored immigration. It is my hope that the legislation finally enacted into law will not contain this cap.

I expect that the supporters of this legislation will argue that the cap is a very minor provision when compared with the other reforms contained in this bill. I disagree.

It is true, Mr. President, that this legislation increases the number of visas which will be available for family sponsored immigration. Thus, Asian and Hispanic family reunification efforts theoretically could be benefited by this legislation. However, this possible benefit is undermined by the fact that this legislation will also place family reunification visas under a cap under which immediate relatives will be pitted against other relatives. On one hand we would be increasing the number of visas available for family reunification, while on the other we would be establishing a system that could drastically curtail the availability of these visas as the demand for visas for immediate relatives increases. This simply does not make sense.

Moreover, I do not think anyone would argue with the fact that the family social structure within our immigrant communities enhances the positive contributions which these communities make to our country.

The select committee noted, "The reunification of families serves the national interest not only through the humaneness of the policy itself, but also through the promotion of the public order and well-being of the Nation. Psychologically and socially, the reunion of family members with their close relatives promotes the health and welfare of the United States."

I do not believe, Mr. President, that we should depart from the traditional priority which has been given to family reunification under our immigration laws by placing family reunification visas under a cap. I will vote no on final passage for these reasons, and I urge my colleagues to do the same.

Let me say also this about the pending amendment offered by Senator HELMS. Unfortunately, I cannot be on the floor to participate when that is further discussed, but I would like to say the following: I oppose the amendment being offered by the Senator from North Carolina, and I strongly urge my colleagues to oppose it, also.

This amendment, which would restrict the eligibility for fifth preference visas to never married brothers and sisters of U.S. citizens, is inconsistent with the recommendations of the Select Commission on Immigration and Refugee Policy which this legislation seeks to implement. That Commission recommended that the fifth preference be retained.

What this amendment would do is force the brothers and sisters of U.S. citizens to choose between marriage and being reunited with their family members here in the United States. The argument that this should not cause us concern because these are mere sibling relationships ignores the cultural tradition in those countries—primarily Hispanic and Asian—where these visas are most used. For these immigrants, sibling relationships are as important as those relationships in a so-called nuclear family.

Supporters of this amendment argue that family reunification for these individuals is "illusory" because they have to wait years and years before obtaining a fifth preference visa due to the large backlogs of applications for certain countries. The fact of the matter is that these individuals are willing to wait. Given their willingness to be patient, we should not now take steps to restrict eligibility for these visas.

The Select Commission recognized that family reunification serves the national interest. The final report of the Select Commission explained, "The reunification of families serves the national interest not only through the humaneness of the policy itself, but also through the promotion of the public order and well-being of the Nation. Psychologically and socially, the reunion of family members with their close relatives promotes the health and welfare of the United States."

California has a larger Asian and Hispanic population than any other State in the country. Those who are most affected by this legislation have made it clear that they would prefer to see no reform at all rather than see a reform measure enacted into law which will destroy all hope of ever being reunited with their families.

EXTENSION OF MORNING BUSINESS

Mr. GORE. Mr. President, I ask unanimous consent to extend the time for morning business long enough to accommodate the three or four Senators who wish to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

GLOBAL WARMING

Mr. BAUCUS. Mr. President, some weeks ago the majority leader, Senator MITCHELL, appointed a task force on global warming, and I was privileged to be appointed chairman of that committee. Several of us this morning would like to address the subject which we are charged with; that is, what we can do in the Congress to address the warming of the globe's atmosphere.

The Chinese character, Mr. President, for crises is really two different characters. One is the character of danger. The other is the character of opportunity. Mr. President, I would like to discuss the danger of global warming and the opportunities we have to stop it from happening.

It is difficult for Americans to believe that our actions and those of others are dramatically affecting the Earth's atmosphere. We like to think that the globe is so big, that the atmosphere is so large, that human action is by and large inconsequential. Even though some of our cities have ozone problems and some of our cities have lower elevation and pollution problems, we generally believe that human action does not dramatically affect the Earth's atmosphere.

Mr. President, the data is to the contrary. Almost all data shows that the atmosphere and the Earth is in fact warming at an alarming rate. Over the last century the Earth has warmed at least three-tenths of a degree Celsius. Experts predict it can warm another 2

to 4 degrees Celsius. That might not sound like very much, but in fact, in the course of history, that is dramatic. The climatic change since the last age was only 5 degrees Celsius.

An increase of 2 to 4 degrees Celsius is dramatic. The consequences of such an increase could be even greater in higher latitudes, in the northern United States and Canada, more in temperate areas than in equatorial. Tropical forests will be forced to migrate north. Temperate-zone forests will be forced to migrate lower. Perhaps those forests will be able to adapt.

Many scientists feel they will not be able to adapt. The changes will occur too quickly. What are the implications? One is massive uncertainty. We just do not know what lies ahead with climatic temperature changes at such a fast rate.

But we do know the Earth's increase in greenhouse gases is accumulating. We do not yet see the consequences of it. We cannot yet feel it even though it has been accumulating for many years. It is not visible like air and water pollution. We cannot see it. Therefore, we have to be doubly careful about how we address global warming.

Moreover, it may be irreversible and difficult to clean it up. It may be difficult to cool the Earth down—probably more difficult than it is to clean up other pollution, like Lake Erie.

This is a global phenomenon that we Americans and others can address. Obviously, it takes the cooperative effort of all people in all parts of the world. Who is the major culprit? Today the major culprit is the United States. We produce, Mr. President, about 20 percent to 25 percent of the carbon dioxide emissions. Carbon dioxide accounts for half of the warming problem; methane accounts for 20 percent, and chlorofluorocarbons account for about 15 to 18 percent of global warming gases. In the future, emerging countries are going to be culprits. They will have a dramatic increase in population and will become more industrialized.

And while the United States is today's culprit we can be tomorrow's saviors. We can work with other countries to develop technologies to address global warming problems not only in our own country, but we can help emerging countries cut back on their emissions of global warming gases. The answer is efficiency. We Americans and other people in the world must become more efficient.

Mr. President, as a consequence of these and other actions, and particularly the yeoman effort and leadership of Senator GORE from Tennessee and Senator WIRTH from Colorado, and many others, we are today sending a letter to the President urging him at the Paris economic summit to include an agreement among participating countries that the United States join those countries in completing an international convention on the global climate change by the year 1992.

We have, Mr. President, focused much attention on CFC reduction which is a greenhouse gas. It is important to move beyond CFC's, to move to carbon dioxide, methane, and other greenhouse gases. We hope that the President will take advantage of the leadership role of the United States to address this issue at the economic summit.

Mr. President, I ask unanimous consent that the letter to the President on global warming be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 12, 1989.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As the largest producer of greenhouse gases in the world, the United States must take a strong leadership position in combating global warming. Scientific studies have analyzed the consequences of past and projected increases in the emissions of gases to the atmosphere. These studies, conducted around the world, suggest we are entering a foreboding era of rapid climate change—including temperature levels not experienced by this planet in tens of millions of years.

Recent disruptions here and abroad including severe drought, crop failures and damaging storms—have underscored our great sensitivity to the weather, our dependence upon normal conditions and our vulnerability to extreme events. Over the next several decades and beyond, a period of rapid climate changes may increase the frequency and magnitude of these disruptions, while ushering in yet additional problems such as quickly rising sea levels. The danger is clear and present. The time for action is now, while we still enjoy the luxury of relatively favorable and stable conditions.

We are encouraged by the news that other world leaders will make the global environment a major agenda item at the Paris economic summit. This is a critical opportunity to demonstrate to the world that the United States will play a leadership role in addressing global warming. With your assistance and initiative, Mr. President, the U.S. in concert with other nations must embark on the path to control emissions and ultimately to stabilize the concentration of manmade greenhouse gases at safe levels to protect human welfare and to sustain the natural life of the planet.

As the key industrialized nations gather in Paris this week, we urge that you call for the following steps:

(1) The establishment of a date for the completion of an international convention on climate change and protocol on carbon dioxide emissions. The United States should take the position that a framework convention should be signed by 1992.

(2) The adoption of initial steps, unilaterally and in concert with other industrialized nations to reduce—from 1988 levels—CO_2 and other greenhouse gas emissions while negotiations on a global convention proceed. It is also incumbent upon the industrialized nations to facilitate the transfer of technologies to Third World nations which could mitigate greenhouse gas emissions.

(3) Support of a major international effort to halt tropical deforestation and increase the rate of global reforestation, and a commitment that the U.S. will undertake a major reforestation initiative.

(4) An immediate worldwide effort to improve our knowledge and monitoring of global environmental change—on earth and from space—through national and international research already underway, and new long-term programs of interdisciplinary, international research. Monitoring global change will require the sustained coordination of all nations.

We urge you to submit your own domestic proposals on these initiatives at the earliest possible date and we would be happy to work with you towards their implementation.

Sincerely,

George J. Mitchell, Quentin N. Burdick, Timothy E. Wirth, Dale Bumpers, Max Baucus, Albert Gore, Jr., Brock Adams, Alan Cranston, John Glenn, Ernest F. Hollings, John F. Kerry, Patrick J. Leahy, Barbara A. Mikulski, Harry Reid, Thomas A. Daschle, Wyche Fowler, Jr., J. Bennett Johnston, Frank R. Lautenberg, Joseph I. Lieberman, Claiborne Pell, Edward M. Kennedy, Joseph R. Biden, Jr., Bill Bradley, Carl Levin, Dennis DeConcini, Herb Kohl, and Christopher J. Dodd.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Thank you very much, Mr. President.

Environmental history will be made later this week when the leaders of the industrialized world meet in Paris. For the first time, environmental issues will be on the agenda of an economic summit. For the first time, there will be a solid opportunity in this forum to build strong international consensus on the urgent need to protect the global environment and on the policies that will offer that protection. It is a rare and fragile opportunity that cannot be lost. It is a chance for our President to lead, courageously and creatively, with a clear vision of the future.

This is the time for specific proposals and bold diplomacy. President Bush must offer both. It is neither unreasonable nor unrealistic for us to expect our President to serve as a catalyst for the emergence of a new era of global environmental cooperation and activism.

We have seen that new awareness and new activism on the part of leaders of other industrialized nations around the world.

Around the world, the leaders of the industrialized nations are recognizing that we are in a brand new relationship with our planet. Unfortunately, to date, it seems to be taking President Bush far longer to reach the same conclusions. We are waiting for issues such as global warming and ozone depletion to attract his full attention.

The blinders of short-term politics make them sometimes easy to miss.

The danger is clear and present. The problems with global warming, with the destruction of the stratospheric ozone layer, with the deforestation of the Earth, with the disappearance of living species, with the pollution of our air, our water, our ground water, and our land make action absolutely imperative. In addition, the world is adding in population the equivalent of one China every 10 years.

These issues demand that we look beyond today and beyond the next election. Consider what is already apparent: while the pattern of our politics remains static, the pattern of our world's environment is changing and those changes are enormous.

The Earth's forests are being destroyed at the rate of one football field's worth every second, one Tennessee's worth every year.

An enormous hole is opening in the ozone layer, reducing the Earth's ability to protect life from deadly ultraviolet radiation.

Living species are dying at such an unprecedented rate that more than half may disappear within our lifetimes.

Chemical wastes, in growing volumes, seep downward to poison ground water and upward to destroy the atmosphere's delicate balance.

Huge quantities of carbon dioxide, methane, and chlorofluorocarbons dumped in the atmosphere have trapped heat and raised global temperatures.

Every day, 37,000 children under age 5 die of starvation or preventable diseases made worse by failures of crops and politics.

There are three reasons why these changes are taking place. First, it took 1 million years for the world's population to reach 2 million, but in the last 40 years that number has doubled and in the next 40 years, it could double again. We are adding one China's worth of people every 10 years. Second, the scientific, industrial, and technological revolutions have magnified the impact of these increases. And, third, we tolerate self-destructive behavior and environmental vandalism on a global scale.

Mr. President, the environmental crisis we face today should be seen as a matter of national security. Moreover, issues such as the greenhouse effect and ozone depletion must be considered as strategic national security issues. They transcend our boundaries. They affect the future and the fate of every nation on the planet. They demand cooperation among nations and an international willingness to restore what I have called our ecolibrium. I have proposed a strategic environment initiative—the environmental equivalent of the strategic defense initiative in terms of our ability to focus resources and research and purpose—to address these global environmental issues.

The opportunity exists at this economic summit to begin crafting the policies that will address these issues and the threat we face; to focus attention on global warming and stratospheric ozone depletion, species loss, deforestation, ocean pollution, acid rain, and air, water, and ground water pollution. It is time for straight talk and forward-looking proposals.

Our policy goals must be clear and include:

A ban, within 5 years, on the most dangerous ozone-depleting chemicals;

Rapid and dramatic reductions in carbon dioxide emissions and increases in fuel efficiency standards;

A halt to the destruction of the world's forests and quick implementation of reforestation programs;

Policies confronting the needs of the Third World—in agriculture, in development, in international debt.

Mr. President, this summit should be historic not only for what is on the agenda, but for what that agenda will produce. President Bush should go to Paris strongly committed to advancing global environmental issues with a specific plan, not just rhetoric, and he should try to return from that summit meeting not only with a consensus recognizing the urgency of these issues but also with an agreement that will address them effectively.

We say in our letter today, which was earlier referred to by Senator BAUCUS: "The danger is clear and present. The time for action is now." The agreements we seek are outlined in that letter:

First, the establishment of a specific date certain for the completion of an international convention on climate change and a protocol on carbon dioxide emissions. The convention should be signed by 1992.

Second, the adoption of initial steps, unilaterally and with other industrialized nations, to reduce from 1988 levels, CO_2 and other greenhouse gas emissions while negotiations on a global convention proceed. It is also incumbent upon the industrialized nations to facilitate the transfer to Third World nations the technologies which could mitigate greenhouse gas emissions.

Third, an international effort to halt tropical deforestation and increase the rate of global reforestation, and a commitment that the United States will begin a major reforestation initiative on our own.

Fourth, an immediate worldwide effort to improve our knowledge and monitoring of global environmental change—on Earth and from space—through national and international research already underway, and new long-term programs of interdisciplinary, international research.

These goals are within our reach. This summit presents historic opportunities to move dramatically to confront the crisis before us. It is unprecedented in its scope and magnitude. It is my strongest hope that President Bush recognize this opportunity and move with conviction to address these problems as the American people want to see them addressed.

The PRESIDING OFFICER (Mr. FOWLER). The time of the Senator has expired.

The Senator from Colorado [Mr. WIRTH].

Mr. WIRTH. Thank you, Mr. President.

Mr. President, I am delighted to join my colleagues, Senator BAUCUS and Senator GORE, in, once again, advocating the greatest urgency and attention by the President of the United States to the question of U.S. leadership on the issue of global warming.

No issue has overtaken policymakers more rapidly than this. No single issue has caught up with us more quickly. No single issue has greater ramifications not only for every individual in the United States but all residents of the globe, and no issue cries out for leadership by the United States more than this one.

Recent events in the European Community have demonstrated that global environmental issues are at the forefront of international diplomacy. So-called green candidates scored large victories in recent Western European elections, comprehensive environmental plans have been developed and environmental consciousness has soared among the European populace.

And as has been suggested on the floor this morning, these issues will dominate the agenda of the upcoming economic summit in Paris. Unfortunately, in advance of the summit meeting, the news media have concentrated on more traditional economic issues such as international debt. As important as these issues are, I believe the media have overlooked the story that will come out of this summit during the days ahead.

All of us in our adult lifetimes have probably found our world view dominated by our relationship with the Soviet Union, by the confrontation between the two superpowers. Most indications are that that relationship is changing dramatically and that the confrontation is rapidly being replaced by our own confrontation with the planet. We are assaulting the planet through what we are doing to change our environment, whether that is clean air, dirty water, pesticide use, the hole in the ozone, or the biggest issue of them all, global warming.

It is absolutely imperative that the President understand the urgency of these matters and that the President move expeditiously to address them. I

think that he will find very broad bipartisan, broad geographic support in the U.S. Congress for these efforts.

Commendably, the President has organized a workshop this fall on the legal issues that must be addressed in developing a global agreement. That is a first step and we appreciate that.

But the President should push much farther. Senator BAUCUS and Senator GORE both outlined a number of the steps in the letter which we are sending to the President, pushing for a conclusion of a framework global climate convention by 1992, and setting targets for the industrialized nations to reduce greenhouse gas emissions.

I have introduced a very broad and ambitious piece of legislation calling for a 20-percent carbon dioxide reduction from today's emission levels for the year 2000. That is reflected in our letter as a thoughtful, rational, and achievable goal.

Third, we asked the President to take on the issue of global deforestation. We have seen the devastation of our rain forests around the world, from Malaysia and Indonesia, the Southern Philippines, Thailand, and across Africa and perhaps the greatest wealth of rain forests of them all in Brazil and the Amazon.

This extraordinary resource—the tropical rain forests—is being torn down in what some have called the most extraordinary act of anti-intellectualism since the destruction of the great library in Alexandria. We are burning down a resource as wealthy in treasures as the library of Alexandria every day by destroying tropical forests around the globe.

Last, we are asking the President to push for an expanded and accelerated program of international research on global environmental change.

Finally, I would add that it is absolutely imperative that the President of the United States and the United States recommit ourselves once again to the issue of population control.

When we were born, there were approximately 2 billion people on this globe. Now there are more than 5 billion people, and as Senator GORE pointed out, we are adding a China every 10 years.

By the time that we pass from the face of the Earth, assuming politics does not get us earlier, there are going to be closer to 10 billion people on the face of the globe. We simply cannot sustain a standard of living, we simply cannot sustain the kind of expectations that people all over the globe have if we have these continually escalating population trends, and it is imperative that we address ourselves once more to this acute, pressing, and absolutely critical issue of population control.

We write the President in a great spirit of cooperation. We urge the President to join with us in recommitting the United States and recommitting our institutions of government to leading the world in global environmental protection.

Our leadership is absolutely imperative. The President of the United States will find a vast reservoir of good will in the Congress and across the country. No single issue is moving more rapidly than this one. No single issue cries out more for leadership from the White House.

As a final note, Mr. President, I would add that we are acting in very good will on all of this. We worked closely with the President on his clean air proposal. The proposal that was described at the White House a month ago was a good proposal. It included a variety of elements and a lot of ideas that had come from a diverse group of people and was a major step forward. We want to continue to work with the administration.

We do not want to see any backsliding. I hope that the report in this morning's Washington Post about backsliding on the clean air bill was not accurate. That report pointed out that in three major areas there has been significant backsliding. First, it was reported that on the nitrogen oxide, or NO_x standard in the Clean Air Act, the President's bill would have no reduction of NO_x. Second on sulphur dioxide, that there would be effectively a real watering down of that; and, third, in terms of toxic air pollution, that there would be very little strengthening of current provisions.

We cannot have any backsliding on these issues. That is the first and most important environmental legislation we are going to be facing before we go on to the broader issue of global warming.

I thank you very much, Mr. President, and I thank my colleagues. I hope all of our colleagues will join us in urging the President to assume the mantle of very strong leadership.

I yield the floor.

Mr. LEAHY. Mr. President, one thing we have learned about environmental issues in the past decade is that local concerns often have a profound impact on a regional and global basis.

Global warming, of course, is one of these issues.

Global warming is as local and personal as the sugar bush, the maple tree, that is in my own front yard in my tree farm in Vermont. Scientists testifying before the Agriculture Committee told me that if the concentration of carbon dioxide in the atmosphere doubles, maple trees may no longer grow in the United States. Some predict this may happen by the year 2030—that's just 41 years from now, well within the lives of my children.

Global warming also has profound worldwide implications. These same scientists warned that a 4-degree rise in average temperature could cut rice production in half. Because rice is the staff of life for 70 percent of the world's population, global warming could devastate the world's food supply and result in widespread hunger and famine.

Other crops could be affected too. Dramatic warming would probably decrease average yields of wheat, corn, and soybeans. Major changes in the southeast United States could turn substantial woodlands into grasslands.

Because of the seriousness of this problem, I will soon be introducing comprehensive legislation addressing global warming as it relates to agriculture and forestry. The bill, the "Global Climate Change Prevention Act of 1989," will have three basic components:

First. Agriculture must help prevent global warming: A major cause of global warming is increased carbon dioxide in our atmosphere from automobiles and powerplants. Trees and plants can absorb carbon dioxide but the projected, dramatic increase in emissions threatens to overwhelm the natural balance. My bill will provide for massive reforestation of at least 3 million acres of trees—enough to fill the entire State of Connecticut. The bill will also contain incentives for cities to plant more trees in urban areas.

Second. Agriculture must not be a victim of global warming: We still do not know enough about the impact of global warming on agriculture and forestry. My bill will direct the Department of Agriculture to take an active role in predicting the effect of global warming on our food supply and forests. This bill would also seek ways to ensure that agriculture not only survives in a warmer world, but continues to provide the quality of food that we and the rest of the world need.

Third. The United States is part of a global environment: Global warming is not limited to Vermont or the northeast part of our country. It stretches beyond our Nation's borders. Carbon dioxide emissions from other countries can affect our climate just as our emissions can effect theirs. My bill mandates that we focus our foreign assistance in the areas of tropical deforestation and energy efficiency to minimize, not aggravate, global warming.

These actions are just one part of my legislative package addressing global warming. S. 333, the Global Environmental Protection Act which I introduced, is a comprehensive plan to reduce hazards that cause global warming and ozone destruction. It sets a tough phaseout schedule of chlorofluorocarbons [CFCs].

President Bush has placed environmental concerns high on the agenda of the meeting of G-7 industrialized nations meeting in Paris this week. I applaud his leadership in this area. I have joined with Senator BAUCUS and others in a letter to the President urging him to call for prompt action, including a firm timetable for an international convention of climate change, unilateral reductions of carbon dioxide emissions, a halt to tropical deforestation and support for a major U.S. tree-planting program.

Sometimes the most profound issues are both local and global. Global warming is such an issue. Its potential impact is devastating and broad ranging, from the maple trees in Vermonters' front yards to famine in the Third World. It is a problem we can no longer wait to address.

GREENHOUSE EMISSIONS

Mr. LIEBERMAN. Mr. President, I join with my colleagues, Senators BAUCUS and GORE, in calling on President Bush to demonstrate to the world at the Paris economic summit that the United States is prepared to play a leadership role in addressing global warming and to commit now to a program that will reduce carbon dioxide emissions and emissions of other greenhouse gases at the earliest possible date. We urge that an international convention on climate change and protocol on carbon dioxide emissions be in place by 1992. Simultaneously, however, it is critical that the United States and other industrial nations take immediate steps to reduce greenhouse emissions.

I want to make two points about the nature of the global environmental problems we now face. First, historians have observed that, after the Second World War, the Allies organized the world around the concept of containment, focused on controlling military threats largely through alliances. And that system has worked. But, as Jessica Tuchman Matthews of the World Resources Institute has pointed out, this concept and system is a "poor fit" with environmental issues with worldwide implications—global warming, climate change, acid rain—which mandate a diplomacy of international cooperation. Rather than containing and fencing off our problems, we are now confronted with the need to find mechanisms to create actual cooperation and solutions—an even more difficult diplomatic task. So, it is important that the President, at the Paris summit, begin to use the G-7—the world's economic powers—to confront the environmental problems that also threaten our national security.

Second, I want to point out just how new these global environmental problems are. Until very recently, we responded to the environment but could not affect it. Only 10 generations ago—three lifetimes—the industrial revolution gave us the machines and technology that forever changed the way we relate to our environment. In the vast history of our planet, this time period is only an instant. But, in it, we changed not only the way we relate to the environment but we began to change the environment itself. In a handful of generations, our scientists are now telling us, we have unleashed a potentially lethal mix of pollutants into our atmosphere which will threaten us for generations to come.

The speed with which we have affected our fragile climate is frightening. Nothing in our history provides us precedents to deal with this threat. What is called for is new and farsighted leadership and a large dose of courage. It is peculiarly appropriate that these climate change issues will be brought up at the G-7 meeting, since this is the group of nations that, in their efforts to pioneer a new industrial economy, first created the problem.

As our letter to President Bush states, the danger posed by global warming is clear and present, and the time for action is now.

A recent study by the Centers for Disease Control of the U.S. Public Health Service reached the same conclusion, recommending that the Government implement policies by the year 2000 to head off adverse public consequences from global warming.

The final point I want to make is about this public health issue. We have become accustomed to the parade of horrors that climatic change may bring about: storms, droughts, and rising ocean levels. Now the Public Health Service is alerting us to something more obvious, more pervasive, and, in a way, more real to us than the massive and unimaginable threats noted above: the health threat of just plain heat.

The findings in the Public Health Service report are startling. The report points out that the problem of heat-related illness will become increasingly important in light of the general acceptance by the scientific community that world temperature is increasing and will continue to increase as a result of the greenhouse effect.

In 1980, 1,700 deaths in the United States alone were attributed by physicians to environmental heat as listed in death certificates. Since then, the Public Health Service notes that there has been a steady increase of heat-related deaths and that these numbers "seriously underestimate the true extent of mortality and serious morbidity caused by high temperatures." The mortality rates associated with heat waves can be as much as ten times the number of physician-attributed heat-related deaths, according to the report. Other deaths for which heat is a precipitating cause number in the thousands. The Public Health Service also points out that the number of persons hospitalized for serious heat-related illnesses can substantially exceed the number of heat-related deaths. Other illnesses less obviously related to temperature will also increase as the effects of global warming are felt.

In other words, we don't have to wait to see if our polar icecaps really will melt during the next century. The Public Health Service is telling us we have a heat health problem now.

We have unwittingly set in motion a process which the Public Health Service now tells us threatens both ourselves and our children. Reversing that process and dealing with the national and international issues affecting our global climate is now in the President's hands. We hope he will use the G-7 meeting as an opportunity for the bold leadership that we need.

INTERNATIONAL ACTION IN RESPONSE TO GLOBAL CLIMATE CHANGE

Mr. HOLLINGS. Mr. President, years ago, Will Rogers remarked that everybody complains about the weather but nobody does anything about it. Our task, heading into the 1990's, is to prove Will Rogers wrong. I am here this morning not just to complain about the dangers of global climate change, but also to talk about what we can and must do to reverse mankind's current perilous course.

Few dispute the fact that the Earth's climate is changing perceptibly and—relatively speaking—rapidly. In the past year, the world's consciousness has been jolted by droughts, floods, and heat waves of historic magnitude. We ignore these events and trends at our own peril.

On that score, I am personally committed to seeing that this Congress leads the way in improving our understanding of global climate change, and in mobilizing an international response. I know that many of my colleagues share that sense of commitment, and hope that the recently formed Global Warming Task Force will be effective in moving us closer to those goals.

Today, we are here to discuss the task force's first initiative—a letter to President Bush urging him to press for action to address global warming at the ongoing economic summit in Paris. The summit provides a critical opportunity to show the American public and the world that the United States will provide responsible leadership in dealing with the threat of global climate change. I join my colleagues in this call to action because the worldwide implications of climate change must transcend traditional political and national rivalries.

The bottom line really is that—through population growth, industrial-

ization, and energy use—mankind is affecting the way our planet works. In recent years, scientists have observed major changes in the Earth's atmosphere, oceans, and land masses. These changes include rising world temperatures, shifts in climate zones, depletion of the stratospheric ozone layer that shields the planet from harmful radiation, and possible rises in sea levels. If these global changes continue, they will have profound and lasting effects on many aspects of life. Steady increases in world temperatures could create drought and Dust Bowl conditions in many areas of the world. Depletion of stratospheric ozone could lead to thousands of new cases of skin cancer each year. Rising sea levels could permanently flood many coastal communities.

The letter to President Bush calls for a four-pronged international attack on the threat of global climate change. First, we must begin work on an international convention to protect our atmosphere and reduce emissions of greenhouse gases. Second, we must encourage each nation to take action, unilaterally but collectively with other nations, to slow down the release of greenhouse gases into the atmosphere. Third, we must work to reverse the trend toward destruction of the world's forested areas. Finally, we must begin a strong international push to get the facts about global change and improve our understanding of how this fragile planet works.

Other nations share our concern about these problems—recent events make that evident. In 1987, the World Commission on Environment and Development produced the report, Our Common Future, calling for international action to reverse long-term global environmental trends. The report recommends establishment of strategies to reduce energy consumption, increase scientific and renewable energy research, and improve the transfer of technologies to developing nations.

A few months ago, the World Meteorological Organization and the United Nations Environment Program brought together delegates from 30 nations to initiate an Intergovernmental Panel on Climate Change [IPCC]. The IPCC has now established three working groups to address the climate problem. The United States will head the third group, charged with formulating response strategies for mitigating or adapting to climate change. At the initial meeting of that group, Secretary of State Baker called for international action to counter the threat of global warming through reduced emissions, improved energy efficiency, and reforestation. Secretary Baker's position provided a welcome change from the Reagan administration's emphasis on the need for more research before taking action. Our task now will be to keep President Bush's feet moving steadily down the path toward thoughtful and comprehensive international policies for dealing with global climate change.

Statements made by leaders throughout the world convince me that the President will not be required to travel that path alone. Despite the ominous trends we have observed over the past decade, growing international attention provides tremendous cause for optimism. I maintain my confidence in the ability of mankind to find solutions to the complex environmental challenges that face us. And I call on this Nation to take the lead.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Idaho [Mr. SYMMS] is recognized.

LODGE A GOOD JUDGE

Mr. SYMMS. Mr. President, there was a recent editorial in the Idaho Press-Tribune on Sunday, June 18, entitled "Lodge a Good Judge." Judge Lodge has been nominated to become a new Federal district judge in Idaho. He is very well qualified.

I commend this editorial to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Idaho Press-Tribune, June 18, 1989]

LODGE A GOOD JUDGE

A first for Canyon County was recorded last week when Idaho Sen. James McClure announced that Edward Lodge has been nominated to become a federal district judge.

Lodge has served as a federal bankruptcy judge for the past 18 months. But he is better known in this area for his many years on the bench of the district court in Caldwell.

Thirty years ago it probably would have been difficult to find anyone who would have predicted that the All-America halfback, who thrilled Boise Junior College football fans, would someday be nominated for one of the most prestigious positions in the judicial system. But early in his legal career, it was apparent that Ed Lodge had mental, as well as physical skills.

The slightly built, soft-spoken attorney was the youngest person in the state to ever be appointed to fill a state district judgeship. During his 23 years in that position, he built a reputation as one of the most competent criminal trial judges to be found anywhere.

An indicator of the degree of Lodge's success is the esteem in which he is held by the people he has dealt with during his career, from defense attorneys to law enforcement officers.

Lodge has a solid record as a tough judge who carefully follows legal procedures to protect the interests of all parties, but who isn't afraid to go his own way when he feels it is justified.

Canyon County Prosecuting Attorney Richard Harris gave one of the best descriptions of Lodge when he noted, "He's one of a very few judges not afflicted by the 'black robe syndrome'," meaning the jurist hasn't let the position go to his head.

The selection of Edward Lodge to fill the post vacated by Judge Marion Callister is a good one. There is no one any better qualified for the job.

Lodge's appointment to the federal bench is subject to confirmation by the U.S. Senate. The process sometimes requires months. We urge the lawmakers to act on the appointment as soon as possible. We need more judges like Ed Lodge on the bench.

SHEILA OLSEN

Mr. SYMMS. Mr. President, Sheila Olsen was recently recognized as the Multiple Sclerosis Mother of the Year by President George Bush. She has proven that living with an incurable disease should not end one's productive life.

Sheila has been active her whole life. Her husband, the late Dennis Olsen, was the former State Republican Party chairman of Idaho. She has been active in politics as well as her church activities. Sacrifice and hard work have been a part of her daily schedule. With all that has happened to affect their family, the Olsens have not centered their lives around Sheila's illness. They accept it and are a support system to their mother.

Sheila is a remarkable woman. She has acheived her goals in life and has met all challenges head-on and has conquered them. She has her spirit and dedication to see her through. Today, Sheila can no longer walk. She uses a tricart to move around. This does not stop her determination. Sheila Olsen is a person who is literally on the move.

I ask unanimous consent that Judy Mann's article on Mrs. Olsen, which appeared in the June 28, 1989, edition of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 28, 1989]

A MOTHER'S TRIUMPH OVER ADVERSITY

(By Judy Mann)

Sheila Olsen was pregnant with her fifth child when she was found to have multiple sclerosis, an incurable disease of the central nervous system that is often progressive but whose course is difficult to predict.

Olsen's first symptoms were tingling sensations on her right side. "It was like somebody had drawn a line up and down my back. For years, it was just my right side that was affected." She had no feeling in her hands. Then she lost vision in one eye. The presence of a nodule on her optic nerve confirmed the diagnosis. The year was 1967. The loss of her vision was, she says, "the scariest thing." Treatment with a drug reduced the swelling and her sight returned. For many years, she was able to remain mobile with a walker or cane.

Olsen, who lives in Idaho Falls, Idaho, was married to a successful lawyer, Dennis

Olsen, a former State Republican Party chairman. The family belongs to the Mormon Church and it is clear when she talks of her illness and how her family has managed that her faith has been a bulwark against self-pity and despair.

"We decided at the beginning," she said, "not to focus our lives around my illness. Dennis was adamant in insisting I get my rest and that the children would help me. It sent the clear message to me that I was a competent person who could manage. And I do."

She had five more children. She has continued to be active in state Republican politics and founded "The Trumpeter," the Idaho GOP newsletter that she writes and edits. She was a delegate to the last Republican National Convention and was on President Bush's Idaho steering committee.

"No doctor has ever told me what I could do and couldn't do. I knew what I could handle. I didn't do it to prove a point. I did what was right for me. The children have enriched my life."

Dennis Olsen dropped dead from a heart attack while shoveling snow four years ago. Sheila Olsen says he left her well provided for, and she and her younger children have remained in the family's six-bedroom home. There were six children living at home when her husband died, and now there are four. She has a mother and daughter team who come in and clean the house once a week, but the rest of the time she and the children manage alone. Her disease has progressed significantly since her husband's death.

She no longer can walk, and uses a tricart to get around. She recently bought a van that had been owned by and equipped for a paraplegic, so she can continue to drive. She has used her organizational skills to compensate for what she cannot do physically.

Her children, she says, have days when they are in charge of cooking and cleaning up in the kitchen. The house is divided into sections and each child is responsible for that section for three months at a time. "When that section includes the utility room, they are responsible for the laundry," she said. Thus, Jon's chore list for Jan. 28, 1989, printed on her computer, was headlined: "No TV until these chores are done!!" The first paragraph read: "This page is valuable! When all the blanks are properly filled in, it is redeemable for a full allowance . . . ." Among the items on Jon's list: "Gather dirty clothes from all over house, sort, wash, dry, fold. Straighten up utility room. Vacuum utility room when everything is off the floor. Wipe off appliances in utility room so they look nice. Clean your bedroom thoroughly. Vacuum. Feed and water Charlie."

Jon was 10.

"We've done what we had to do to live around the MS and above it, and at the same time acknowledging it. It's like AA: Accept the things you can't change and change the things you can. That's the balance.

"I think that every person in life has their own set of challenges that they face. I honestly believe some of the things you see are easier to bear than the unseen heartaches. I get all kinds of help and understanding. What about the person who is having real heartaches with a child or a spouse? They don't have the support system I have," through her church, political allies, and friends. "So I have never felt sorry or bitter.

"That is not to say it isn't a challenge. I've walked and it is better to walk."

Last Friday, Sheila Olsen, 50, went to the White House to receive a plaque from Bush honoring her as the MS Mother of the Year. Her 10 children were with her. She is enormously proud of them. "The thing you practice in a family is unconditional love," she said, "and you keep the circle of love regardless.

"I am the support and mother to those children. I determined when Dennis died that we would go on as a vital, happy family and that has been my goal," she said.

"And I think we've achieved it."

FLAG BURNING

Mr. SYMMS. Mr. President, a few weeks ago the Supreme Court announced a decision that has engendered the type of public outcry not seen since the Dred Scott decision of the 1800's. I am referring to the flag-burning case. During the 1984 Republican National Convention, Gregory Lee Johnson burned the American flag while participating in a demonstration against the Reagan administration. In a 5-to-4 decision, the Supreme Court stated that Johnson's conviction for violating a Texas statute prohibiting the desecration of a venerated object was itself a violation of Johnson's first amendment right of freedom of expression.

I do not support the Supreme Court's decision. I am a champion of first amendment rights, but the flag is unique. The American flag is the banner of freedom for which thousands have laid down their lives, and it is hope for oppressed people around the world. The flag is more than a representation of America, it is dear in its own right.

July 21, 1989, will mark the 1-month anniversary of the Texas versus Johnson decision. The people of Coeur D'Alene, ID, are taking notice of the significance of the day. On the 21st they will fly American flags to show their pride in Old Glory and to protest the Texas versus Johnson decision. They are now working to encourage people in Idaho and around the country to join them in honoring the American flag. I commend the people of Coeur D'Alene for their efforts and encourage others who may be listening to join in this effort to mark the 1-month anniversary of that Supreme Court decision by flying the American flag proudly that day. Together let us fly our flags to remind America of what Old Glory stands for—the ideals of America, and the many who died in battle to uphold those ideals.

REMARKS OF JAMES S. BRADY, VICE CHAIRMAN, NATIONAL ASSOCIATION ON DISABILITY

Mr. ROTH. Mr. President, few persons have given as much in the public service to their country as Jim Brady. Jim retired from the Federal Government earlier this year—but he has not retired from public life. He has taken an unpaid full-time job as the vice chairman of the National Organization on Disability. The National Organization on Disability is a private, Washington-based group which was formed in 1982 to expand the participation of the Nation's 37 million disabled persons in the mainstream of their communities and to enhance public understanding of disabled persons. Jim's role in his new job is to bring the message of the National Organization on Disability to the public's attention. I know from personal experience that no one could have a better person to fulfill this responsibility. I thought my colleagues might be interested in Jim's remarks before the American Society of Newspaper Editors. I ask that Jim's speech, "Calling on America" be inserted in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF JAMES S. BRADY

CALLING ON AMERICA

I never thought I'd be in the disability community. As you know, I joined it in one instant. There are 37 million of us—men, women, and children with physical or mental disabilities, plus at least as many family members living with us on a daily basis.

I've always felt fortunate to survive that instant and to be alive. Now, the bear is back—not from hibernation, but from 7 years of rehabilitation and PT. (That's short for "pain and torture".) Thanks to the "physical terrorists," my wonderful wife and family, and many, many friends like you, I'm ready for action. I'm ready, as vice chairman of the National Organization on Disability, to call on America.

Disabled people are the Nation's largest minority and a great untapped resource. We don't want sympathy; we do want opportunity. We do want acceptance. We want to participate and to be included. Everyone has a part to play in this last great inclusion in American life—the inclusion of people with disabilities. This is good for us who are disabled; it is good for America. And that is why I am calling on all Americans to join with me and the National Organization on Disability to increase the dignity and participation in everyday life of all people with disabilities. Many of you have asked me what I'll be doing. In my public appearances, in meetings and in correspondence, here is what I will be doing as vice chairman of the National Organization on Disability.

I will be calling on the President, Members of Congress and other national leaders to ensure disability remains high on the national agenda. I'll urge them to speak out regularly and to follow words with deeds.

I will call on our Governors and State legislators to bring their disability statutes up to date, to remove discrimination and to open opportunity.

I will call on mayors and community leaders across America to break down attitudinal and physical barriers in their localities, to provide jobs and include disabled people in worship, education, voting, and other activities. I urge every community in the United States to become a community partner of the National Organization on Disability.

I'll be calling on educators to expand educational opportunities and make our schools and colleges more accessible to disabled students.

I'll call on business leaders, in companies large and small, to hire qualified disabled people and to make work places accessible. I'll ask them and philanthropic foundations to support the important work of disability organizations.

I will call on leaders of association to enlarge the concern and activity of their local chapters across America, focussing on bringing disabled people into the mainstream.

I will call on disabled people themselves to speak out forcefully about our rights as citizens and our desire to contribute to our Nation.

And tonight, my friends, I call on you—who are the gate-keepers and opinion-molders in our country—to help our minority make up for lost time by telling our story and telling it often. We need your help to improve attitudes. When you get home, as a starter, I urge you to cover the new Americans With Disabilities Act, which is going to be introduced in Congress in a few days.

Together, you in the media and we at the National Organization on Disability can bring to reality the words of President Bush just 2 months ago in his first address to a joint session of Congress: "To those 37 million Americans with some form of disability: You belong in the economic mainstream. We need your talents in America's work force. Disabled Americans must become full partners in America's opportunity society."

Please join with me and the National Organization on Disability to help make America a better place for all of us.

ADDRESS OF SENATOR WILLIAM COHEN, BOWDOIN COLLEGE, BRUNSWICK, ME

Mr. RUDMAN. Mr. President, on June 3, 1989, Senator WILLIAM COHEN gave the commencement address at Bowdoin College in Brunswick, ME. I would like to commend this powerful speech to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR WILLIAM S. COHEN, BOWDOIN COLLEGE, BRUNSWICK, ME, JUNE 3, 1989

President Bush made a powerful speech in West Germany this week, restating for the NATO alliance what have always been the goals of the United States—peace, freedom and prosperity. And he pointed out a truth recognized by our Founding Fathers—that the passion for freedom cannot be denied forever.

The Declaration of Independence was not a uniquely American ideal, as some believed, but a revolutionary proclamation that was universal in application.

Just a few days before his death, Thomas Jefferson wrote: "May it be to the world what I believe it will be: To some parts sooner, to others later, but finally to all, the signal of arousing men to burst their chains * * *. The mass of mankind has not been born with saddles on their backs for a favored few, booted and spurred ready to ride them by the grace of God."

Years later, Lincoln reinforced Jefferson's works when he said that the principle that held the Union together was not simply our separation from England. It was "something in the Declaration * * *. Something giving liberty not alone to people of this country, but hope to the world. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men."

While men and women the world over yearn for freedom, the vast majority of them are still shackled to the ball and chain of political and personal oppression. But the fires of freedom, if not burning, are at least flickering in China, the Soviet Union, South Africa, eastern Europe, Panama and Central America.

Hundreds of thousands, lifted by the dream of democracy, are performing in deed what Patrick Henry said in words. "Give me liberty, or give me death."

They look to the United States for leadership, as the shining example of a revolution that forged an enduring democracy. And we should be proud and inspired by the Chinese students who erected a styrofoam replica of Lady Liberty in Tiananmen Square. And I would add parenthetically, quite a bit embarrassed too, that our young nation has slipped so quickly into middle age cynicism, apathy or indifference, whereby half of our citizens can no longer be bothered to walk across the street to a polling booth on Election Day. Perhaps the courage of others to face bayonets and bullets so they might taste for the first time what we have enjoyed for more than 200 years will shake us from our slumber.

History has taught us that it requires courage to seek freedom, to establish a democracy, but vigilance to keep it.

Our Constitution and democratic institutions have endured and that is a testament to their strength and resiliency. But we also know that those institutions are fragile and not only capable of being overwhelmed by external enemies but undermined by those entrusted with political power who find the workings of democracy too slow, cumbersome or inconvenient.

Twice in a period of just thirteen years, we witnessed a small group of men in the White House grow frustrated with the division of constitutional powers, who equated dissent with disloyalty and treated the rule of law with disdain. The goal was thought to be greater than the method of achieving it and so rules were bent, laws broken, lies told. In each instance, rescue of the truth turned upon happenstance; a night watchman who discovered a peice of tape on a hotel doorlock; a cargo plane shot down in the jungles of Nicaragua and an allegation of wrongdoing printed in a Beirut newspaper.

The inevitable contest for power and the potential for abuse of power were clearly foreseen by our country's founders. They knew that there would be those who would demand action, question the motives of those who disagreed, and seek to stifle the voices of dissent. Speed of action was never the goal of America's architects. They realized that a king could move faster than a congressman on any occasion. But kings, while agile and swift could also enslave. The founders expressly preferred debate, deliberation and even delay to the allure of swift declarations by an autonomous executive. They knew that: power must be entrusted to someone, but no one could be trusted with power; that democracy can best be defended by a diffusion of political power; that while our laws must be ever changing and adaptive in a world of rapid change, what must remain unshakable is the sanctity of the rule of law itself. The need for an absolute reverence for the rule of law was captured in "A Man For All Seasons" when William Roper declared "I'd cut down every law in England to get at the devil." And Sir Thomas More said, "Oh? And when the last law was down, and the devil turned round on you, where would you hide, Roper * * *. If you cut them down, do you really think you could stand upright in the winds that blow then? Yes, I'd give the devil benefit of law for my own safety's sake."

And it is for our safety's sake that each one of us has a responsibility to remain a watchman in the night.

The threats to freedom will come not only from those who claim a higher good, a greater patriotism or a grander vision. They will come in guises never contemplated.

As we enter the third century of the Constitution, the rate of technological innovations is accelerating exponentially. As has been the case throughout history, these innovations hold the promise of great benefit—improving health and the quality of life—and potentially great harm—to the environment, to human life, and even to our democratic ideals. As we rocket our way through the age of Future Shock, our survival as a free and open society will turn on how well we will be able to maintain the balance between the national interest and individual rights in the face of mounting social problems, and how well we avoid infringing on constitutional rights with a technology that is silent but potentially more subversive than anything in our past experience.

One factor that has dramatically altered our society in the past half-century has been the computer. This modern day Promethean gift of fire has forever altered the way we do business ourselves, with each other, and with our government. No longer is the computer the exclusive tool of IBM or academia, with one mammoth mainframe in the science building. Rather, it is an everyday tool of business and bureaucrats, students and shoppers, airline pilots and police officers. The computer, and the linkage of multiple data bases allows us to gather, store, retrieve, and process vast quantities of information in milliseconds.

We embrace the technology that carries us to the moon and allows us to obtain cash at bank machines in the pre-dawn hours. But it is the very efficiency, convenience, and comfort that disguise the dangers that information technology can bring to our liberties.

The clearest conflict that has emerged is that of the government's use of information and the citizen's right to privacy. Justice Louis Brandeis identified the "right to be left alone (as) the most comprehensive of rights, and the right most valued by civilized men." As information becomes more available to the government, however, this right to be left alone will become increasingly difficult to sustain.

An instructive example is computer matching, an investigative technique that is widely used by states and local governments. In a computer matching program, one agency compares its lists against the lists of another agency to find common names. The government matches a thousand or even a hundred thousand names against phone numbers, social security numbers, or other identifiers within seconds to find evidence of fraud, waste or abuse.

At times of high budget deficits, the lure of computer techniques to find fraud is not only appealing, but irresistible. Advocates of

computer matching argue that there is really nothing new when the government uses computers to search through files—and that the same investigations have been done manually for years. The computer, they argue, is simply a tool—a neutral tool that is not menacing or vindictive. "It's not the computer that creates the problem, it's people," they claim. This is but a half-truth. The sheer speed and capacity of the computer enables and encourages searches of files that would never be undertaken manually. The computer search also takes on a more intrusive, insidious character. No longer is it the man in the raincoat and the dark hat following you around or searching through your bank files. Rather, it is the faceless, remote machine that can scan massive amounts of the most sensitive, personal data, with almost no human beings involved in the process of storing and tracking information.

The argument has been raised that only those who have something to hide will be affected by the government's use of computer investigative techniques. The honest have nothing to fear. But the case of a computer match involving bank records in Massachusetts several years ago illustrates that many more persons than only the fraudulent can have their due process and privacy rights threatened by such computer techniques. The State of Massachusetts matched its list of welfare recipients to records of banks to determine if persons receiving welfare had any hidden assets. The match turned up the names of over 1,600 welfare recipients who allegedly had hidden assets, and the state immediately sent them notices that their benefits would be terminated. When the individuals appealed their terminations, it was learned that over half of the cases identified as fraudulent recipients were erroneous.

Technology no more than time can be stuffed in a bottle. And while we should be grateful beneficiaries of technology's blessings, we must remain wary beneficiaries as well. What is seen as an ally against fraud and waste today may, unless it is rigidly controlled, grow into an enemy of the very liberties that we profess to cherish most. The "rought beast slouching" toward the Potomac may prove to be an IBM computer.

Another major pressure point on our constitutional freedoms is created by the rapid advancement of science and biology. Only a few decades ago, genes and inheritance were still deep mysteries to science. The discovery of DNA was a major breakthrough in knowing how gentic characteristics are passed from generation to generation, and opened the door to understanding our fundamental biological process.

The benefits of these scientific advances are truly staggering, and hold great promise for the eradication of deadly genetic diseases. But the application of this science, also raises unprecedented challenges to our constitutional freedoms.

The extent of this challenge is based on the degree to which the government, and we as a society, attempt to use new scientific capacity to interfere with the personal choices of individuals. Will the government, for example, attempt to regulate the new decisions, such as the ability to prolong life or to detect a genetic disorder in a fetus? Will it collect biological and genetic information about individuals? Use biological knowledge to modify the behaviors of classes of people, such as hormonal therapy for sex offenders or mandatory contact tracing of persons with AIDS?

Fears of abuse should not, of course, halt our pursuit of scientific knowledge. The questions raised by biotechnological advances should be addressed now before freedoms once considered fundamental are lost to silent and subtle encroachments.

Like all other aspects of our society, the criminal justice system has also been and will continue to be dramatically affected by new technology. For example, the 4th Amendment's prohibition of unreasonable searches and seizures will have to be reexamined and redefined as technology enables the government to better monitor individuals and their movements, from a greater distance, and in ways that are undetectable. Today, surveillance technology is no longer limited to telephone taps and hidden microphones.

The Supreme Court has ruled a search may be unreasonable if the person has an actual expectation of privacy and, second, the expectation is one that society recognizes as "reasonable." In recent cases, the Court has held that aerial photography of a commercial plant and a fence enclosed garden of a private home were not searches prohibited by the 4th Amendment given that the expectation of privacy was not "reasonable." As changing technology provides law enforcement authorities and others with more powerful and sophisticated surveillance tools, will our expectation of privacy be further diminished?

Illegal drugs may represent the biggest problem confronting the United States today. Will increasing pressure on government officials to deal more effectively with the problems of crime and illegal drugs result in our willingness to accept greater governmental intrusion in our private lives?

Congress has enacted billion dollar anti-drug bills to wage more effectively the battle against illegal drugs. Congress has allowed the release of confidential tax data to help prosecute drug kingpins, and the executive branch has established an extensive drug screening program for federal employees.

In his dissent in a recent case upholding mandatory drug testing for certain federal workers, Justice Scalia wrote, "It is all of us who suffer a coarsening of our national manners that ultimately give the Fourth Amendment its content, and who become subject to the administration of federal officials whose respect for our privacy can hardly be greater than the small respect they have been taught to have for their own."

In response to the illegal drug trafficking problem, Congress recently expanded the authority of the Department of Defense and national guard units to assist drug interdiction efforts by civilian law enforcement officials, but has maintained the historical separation between military and civilian responsibilities by refusing to grant the military police powers. "The American experience has been characterized by a deeply rooted resistance * * * to any military intrusion into civilian affairs."

This historical tradition has served to protect the civil liberties of American citizens. Yet, there are calls for the direct participation by military forces in search, seizure and arrest efforts by those who argue that the magnitude of the drug problem necessitates such drastic measures. Others argue for the deployment of military forces to protect our southern border from the influx of aliens illegally entering the United States. It is unlikely that Congress will yield to these requests anytime in the near future, but what will be the reaction of the Congress and the American public if at some future point the illegal drug problem worsens? Should the pressures of world population growth, or economic and political turmoil in neighboring nations result in an even greater flood of illegal immigration, will we be willing to compromise our historical antipathy to using military forces for civilian purposes?

As we attempt to balance the needs of law enforcement and the privacy needs of individual citizens, we must ensure that our desire to address real or perceived social problems does not result in the "immolation of privacy and human dignity." A recent effort to impose a curfew for adolescents in the nation's capital, the use of random drug testing by the private sector and the government, court rulings upholding the legality of searches of student lockers, and expanding the use of military personnel in the drug war have all been denounced by civil libertarians. We should heed the warnings and take a very careful look down the path we have chosen to ensure we do not at some future junction find ourselves surprised to discover that we have given up too much.

Yaakov Smirnoff used to joke that the major difference between the United States and the Soviet Union was that in the United States people watch television, but in the Soviet Union, the television watches you. The line produced a lot of laughs.

But we find that it's no joking matter. On the front page of Thursday's New York Times, Nielsen announced that it intends to use a new technology that allows the television set to identify the viewers. It's called a "passive people meter" and, of course, is to be used for entirely benign purposes.

But the "people meter" would identify members of a household and record, second by second, when they leave the room and even when they avert their eyes to read the newspaper. It's only a rating game for Nielsen, but George Orwell's Winston Smith might find it far less than benign.

There is a great deal of discussion today about the loss of traditional values and the moral decline of American society. While these fears may be exaggerated, there are disturbing signs. The distinction between right and wrong, and the line to be drawn between matters of individual responsibility and those of the government are blurred.

Michael Milliken is a hero to some and is vigorously defended by many of his peers—his only sin that he was caught. Abortion clinic bombings and harassment of their employees are justified by the perpetrators in the name of morality and the desire to protect human life. We decry the violence in our city streets but we embrace it in the television shows we choose to watch and the movies we flock to see. For some, the government in the form of public schools is being looked to to instill religious and moral values in our children, a responsibility more appropriately the province of parents.

Safeguarding constitutional freedoms requires an ever vigilant public and a strong cultural commitment to liberty. In the words of Robert Maynard Hutchins, "The death of democracy is not likely to be assassination from ambush. It will be a slow extinction from apathy, indifference and undernourishment."

The ability and continuity of our constitutional system depends on our continued embrace of the ideals embodied in the Constitution, and the ability to instill in our children a respect for our democratic traditions and a love of individual liberty. In this regard, the words of Justice Learned Hand

come to mind: "Liberty lies in the hearts of men; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there, it needs no constitution, no law, no court to save it."

The poet Archibald MacLeish warned that we must pause long enough in our adoration of the limitless possibilities of science to ask "[E]xactly where is it that we want to go as humanity makes its way through time; that we must insist upon the mastery of our lives, the management of our means * * *.

"What is demanded of us in a new age of gods and mysteries and monsters—not without dogmas and superstitions of its own—is a second humanism that will free us from the paralysis of the soul.

"For it is only the university [and the study of the humanities] in this technological age that can save us from ourselves."

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that it is now 1,579 days that Terry Anderson has been held captive in Beirut.

An article appeared in the Christian Science Monitor in the beginning of this year which described the impact that events in that area have on the hostage situation.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Christian Science Monitor, Jan. 4, 1989]

WILL LEBANON SPLIT APART IN 1989?

(By Jim Muir)

NICOSIA, CYPRUS.—For Lebanon and for the Western hostages still held captive in that country, 1989 will be a crucial year.

Lebanese leaders warn that if the drastic drift in recent months toward partition of the country is to be reversed, it must happen early in the year.

Similarly, with the recent end of the Gulf war and the imminent arrival of a new administration in Washington, analysts believe the possibility of resolving the hostage issue could be clarified early this year. The fate of most of the hostages is thought to depend more than anything else on developments in Iran and in Tehran's relations with the West.

Syria's position will clearly be of vital import for Lebanon—and may affect the hostage question as well, many observers say. Past hostage releases have apparently involved a large measure of cooperation between Tehran and Damascus, with Syria acting as master of ceremonies in handing the captives over to Western officials.

Some reports circulating recently in Beirut have suggested that Syrian misgivings may be responsible for the lack of progress in freeing three British hostages, despite the announcement in November that Tehran and London are to resume full relations.

Syrian officials are said to be angered at the British government's continued refusal to restore ties with Damascus, broken off in October 1986 after allegations of official Syrian involvement in an attempt to smuggle a bomb on board an Israeli airliner at London's Heathrow airport.

Syria has often appeared keen to gain credit with Washington by presiding over the release of American hostages. But past experience suggests the Syrians are not going to grant any free favors.

This makes it likely that, before putting themselves out on Washington's behalf, they will want to be assured of continuing US cooperation in helping to solve Lebanon's problems.

Perhaps even more importantly, they will want to be assured that they will be given their due place in the Middle East peace process. More regionally isolated than ever, and at odds with many of the other key Arab players, Syria risks being marginalized if it is not brought into any peace moves opened up by the breakthrough between the US and the PLO, regional analysts say.

While Syria may have a role to play regarding the hostages, Tehran is widely believed to be the real decision-maker when it comes to freeing the captives. Given the obscurity surrounding Iran's domestic politics, the prospects of it releasing the hostages are hard to assess—but do not, at present, look very bright.

Radical Lebanese Shiite cleric Sheikh Muhammad Hussein Fadlallah said on Dec. 17 that he was suspending his efforts on behalf of the Western hostages because he had made no progress. Sheikh Fadlallah is widely regarded as the spiritual mentor of the Iranian-backed Hizbullah (Party of God), the umbrella organization with which the various hostage-holding groups are affiliated.

He cited "objective factors" for the failure. In the past, the sheikh has said that the fate of the hostages is bound up with complex regional and international relationships, and that there was little that the Lebanese on the ground could do about it. Recently, he said that Washington's failure to return frozen Iranian assets was one reason for the continued detention of the nine US hostages.

So far, there is no sign that the transition from Ronald Reagan to George Bush in the White House will provide a vehicle for the hostages' release.

For one thing, the Iran-contra revelations apparently inhibited any possibility of secret bargains being struck between Tehran and either of the US presidential candidates.

While the Bush inauguration may or may not affect the fate of the hostages, many Lebanese hope that the installation of the new US administration, and the formation of a new Israeli cabinet, may help reverse the process of partition that has been gathering pace in Lebanon itself.

So far, there has been little progress in overcoming the rift between Syria and the hard-line East Beirut Christians which, most observers agree, lay behind the Lebanese parliament's failure to elect a president in September.

Since then, the government, the Army command, the internal security directorate, and other national institutions have been torn in two by conflicting Christian and Muslim demands.

While Syria backs the mainly Muslim government in West Beirut, the hard-line East Beirut Christian militia has links with several of Syria's regional adversaries, including Iraq and Israel.

That is why a simple partitioning of Lebanon is seen as a recipe for instability. Damascus regards the emergence of a hostile Christian mini-state on its own doorstep as intolerable, believing it would provide a playground for Syria's enemies.

US diplomats have taken on an important role, trying to mediate an understanding between Damascus and the East Beirut Christians. But many Lebanese believe there is little hope of a breakthrough until the Bush administration is in place and American diplomacy actively received.

A long-term solution in Lebanon would require the full withdrawal of both Israeli and Syrian troops—something that is hard to imagine in the absence of an overall Arab-Israeli settlement, which may be a long time coming.

But to halt the drift towards partition, an inter-Arab entente may be necessary. At present, Syria's acute isolation is seen as aggravating the ongoing crisis in Lebanon.

Efforts in that direction are under way, with Syria's President Hafez Assad having held talks with Saudi King Fahd in mid-December. The meeting produced no immediate breakthrough.

STILL WAITING FOR FREEDOM

AMERICANS

Terry Anderson, Associated Press reporter. The longest-held captive, he was kidnapped March 16, 1985 by Islamic Jihad.

Thomas Sutherland. Agriculture dean, American University of Beirut. His June 9, 1985, abduction claimed by Islamic Jihad.

Frank Herbert Reed. Director, Lebanesse International School. Abducted in Beirut Sept. 9, 1986. Responsibility unclear.

Joseph J. Cicippio. Comptroller, AUB, Kidnapped Sept. 1986.

Edward Austin Tracy. Writer. Seized Oct. 21, 1986. Revolutionary Justice Organization claimed responsibility.

Robert Polhill, Alann Steen, Jesse Turner, Professors at Beirut University College. Taken on Jan. 24, 1987. Islamic Jihad for the Liberation of Palestine said it was responsible.

US Marine Lt. Col William Higgins. Commander of UN observer group. Kidnapped Feb. 17, 1988, in south Lebanon.

FRENCH

Michel Seurat, Researcher. Kidnapped May 22, 1985, Islamic Jihad claimed in March 1986 that he had been executed.

BRITISH

Alec Collett, Journalist. Taken March 1985. Believed killed.

John Patrick McCarthy. Cameraman. Nabbed April 17, 1986.

Terry Waite. Anglican Church envoy; not seen since Jan. 20, 1987, when he went to secret talks with Islamic Jihad.

OTHERS

Brian Keenan, Irishman. Professor at American University.

EULOGY FOR VINCENT LOWE, JR.

Mr. SANFORD. Mr. President, one of North Carolina's most distinguished sons died too young last week.

L. Vincent Lowe, Jr., president and chief executive officer of Branch Banking and Trust Co., earned the admiration of his community, his State, and his profession before his untimely death at age 53.

During the greatest changes in the history of American banking, he adapted his company to new practices and techniques but firmly kept it true to his personal philosophy that a bank is only as good as its services to its local customers. His was a human

touch and the bank he led was a precise reflection of that attitude.

During his time at the helm of BB&T, the bank tripled its assets and became the fifth largest in the Carolinas with 187 offices of 105 cities and towns.

He was known throughout the two States as a man of integrity and a bankers' banker. Both his grandfather and his father had preceded him in the business.

He was determined to keep his bank close to its customers. He often said, "We grew up with farmers and we are not going to forget it." He was determined that the bank would remain independent. Recently he reorganized the various offices into 10 regions, each with its own president, "In order," he said, "that each customer can get an answer in his hometown."

Last year, Mr. Lowe was presented the North Carolina Public Service Award, an extraordinary and highly respected recognition of his value to the State. He had earned that honor. He was a trustee of two of our colleges and our State art museum. He devoted much of his time and energies to raising funds for our Museum Society and our Historical Preservation Society. At the time of his death, he was chairman of the State Bankers' Association and was planning its annual convention.

Perhaps nothing better represents the kind of life he led than his vital leadership in the formation of the North Carolina Rural Economic Development Center, Inc. This nonprofit organization was designed to improve the lives of low-income families in North Carolina through the restoration of economic vigor to the State's rural areas. Vincent Lowe said it was a chance for struggling families to pull themselves up by the bootstraps. That was the kind of vision and courage that characterized his life.

No State ever has enough citizens like Vincent Lowe. North Carolina's loss is inestimable. At 53, he had a long way yet to go. To his wife, Pearla Ann, and his family and friends, I express my own sense of deprivation and my deepest sympathy.

There is consolation only in the fact that he lived life to the fullest and achieved a great deal more than most men who enjoy greater longevity.

I rise, Mr. President, to pay tribute to this fine man and to express my appreciation for all that he contributed to the lives of so many people in North Carolina.

MICHAEL EISNER

Mr. LEAHY. Mr. President, today I rise to draw the attention of my colleagues to the work of Michael Eisner, who has been the chief executive officer of the Walt Disney Co. since 1984. Michael Eisner is one of the most creative, imaginative, and successful corporate executives in this country.

Despite his enormous success in the entertainment industry, our conversations often center around apples and agriculture rather than on films or television. Michael's mother, Mrs. Lester Eisner, owns an apple orchard in my home State of Vermont, where we often gather for visits. I am very proud of the Eisners.

Michael Eisner should be congratulated for making a great American company even greater. Between 1984 and 1988, Disney's earnings quadrupled, and by 1988, Disney films were earning more than one-fifth of all U.S. box office revenues. Under Michael's direction, Disney has brough us such splendid films as "Who Framed Roger Rabbit?" and "Down and Out in Beverly Hills." Prior to joining Disney, Michael was president and chief executive officer of Paramount Pictures for 8 years, a tenure marked by such successes as "Raiders of the Lost Ark," "Terms of Endearment," "Ordinary People," "Star Trek," "An Officer and a Gentleman," and "Saturday Night Fever."

Mr. President, I ask to have printed in the RECORD a Washington Post article on Michael Eisner dated January 8, 1989, written by Rita Kempley.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 8, 1989]

BIG CHEESE OF THE MOUSE FACTORY

(By Rita Kempley)

Mickey Mouse was near 60 and beginning to gum his brie, when along came a charmed corporate jouster to make Mickey the mouse that roared. It was Michael Eisner who rode in on his white limo to wake the slumbering Walt Disney Co. when he became CEO in 1984. No Sleeping Beauty after 22 years of neglect, the company soon became a model for "In Search of Excellence."

Eisner brought in more new brooms than the Sorcerer's Apprentice, cut costs and plundered the film vault, but it was his knack for picking hits that put the magic back into the kingdom.

By 1988, Disney films were earning more than one-fifth of all U.S. box office revenues, TV's Disney-produced "The Golden Girls" was triumphant in its time slot, and athletes like Doug Williams could only top the Super Bowl by going to Disney World. Minnie, now a liberated fashion victim, was heavily into marketing watches, slippers and mugs. Disney had become Amusement Inc.—one of America's 42 "leanest and meanest" conglomerates, according to "Business Week."

Eisner, while sort of lean, doesn't look particularly mean—a boyish 46-year-old with hair like desert scrub and a puppet's nose to belie his dark pinstriped uniform. But how intimidating can you look traveling the country with an inordinately optimistic mouse dressed in a tuxedo?

Eisner and Mickey were in town recently to donate Mickey memorabilia to Smithsonian collection that includes Archie Bunker's chair and the jacket worn by the Fonz in "Happy Days." While Mickey passed out cheesecake at a reception, Eisner drank tepid coffee from a Mickey cup, wiped his lips with a Mickey napkin and got nostalgic.

"I was in a snowstorm in an airport in Newark, N.J.," sayd Eisner, then an ABC-TV executive. "I had nothing to do and I wrote out a presentation that was 'Happy Days.'" After the pilot program had been filmed, he remembers, "I was driving out of Paramount and Henry Winkler was hitchhiking. And I was really tired and . . . I thought, I'm not going to pick him up. This show will never be a hit . . . Today, there's Henry Winkler's jacket. He's the guy I didn't pick up because he wasn't going to be a success."

If his crystal ball was clouded that day, most days Eisner foresees the blockbusters. Even when sitting still, the ideas squirm and swarm, the antennae quiver. "Excuse me, I've got an idea for a movie," he says, scribbling covertly in a notebook. "Inspiration. It's in the air."

Footloose on the Champs-Elysées, most people would have gone window-shopping. Eisner saw people lined up for a movie called "Trois Hommes et un Couffin," went in to see what the fuss was all about, et voilà, the trois hommes became the three men, a zillion-dollar baby. "I'm a complete thief," he says, "I will take anything. If my wife has an idea, if my son has an idea . . ."

The Saturday morning cartoon show "Gummi Bears" was in fact inspired by his son's passion for the ursine jelly candies. His wife Jane came up with the Disney World commercials one night over dinner with Dick Rutan and Jeana Yeager, pilots of the globe-circling light plane Voyager. "Jane said, 'You've gone around the world, what are you going to do next?' And they said, 'We're going to Disneyland.' She turned to me and said, 'Hey, why don't you do something about that?'"

Eisner's own muse brought us Jim "Hey, Vern!" Varney in "Ernest Saves Christmas."

"We're not curing cancer with this movie," the Disney chief admits, "But it is very successful. I was at the Indianapolis 500 four years ago and there was a parade . . . 500,000 people there. The governor went by and: applause. The mayor: applause. Mickey Mouse went by: more applause. All of a sudden, Jim Varney went by, and 500,000 people went berserk. So I said, 'We ought to do something about that.'"

Eisner and President Frank G. Wells quadrupled Disney's earnings in under four years and, with protegé Jeffrey Katzenberg directly in charge of Disney Studios, pushed production from four films to 14 per annum. Most came from Disney's Touchstone subsidiary, which handles more adult themes. In an economic climate that has other movie companies quivering like Bambi in a thicket, Disney just announced plans to double its output via a new subsidiary, Hollywood Pictures.

Eisner is faster acting than an over-the-counter antacid. One night he had dinner with a childhood friend, a part-time script reader at United Artists, who read terrible scripts for $35 each. They gave her all the junk. I asked if she had ever recommended any. "Well, I recommended one based on 'Zero Hour,' an airplane disaster parody [by the] guys who made 'Kentucky Fried Movie.' So I got up from the table, went to the telephone and I called up Don Simpson and said, 'I want to own this before tomorrow morning.'" The result was "Airplane," which really took off.

Sid Richardson Bass, a major Disney stockholder and Eisner supporter, tells an-

other story that's only slightly apocryphal: As he and Eisner were strolling past Epcot Lake one day, Eisner noticed there were no boats on it. According to Bass, he painted a sign that said "Boat Rides, so many dollars," and a little later, there were kids boating on the lake.

Eisner says it wasn't quite that simple. He did get the boats but the cement wall around the lake amplified the waves. "Our people who were testing were all capsizing and getting sick and everything . . . Not all my ideas are practical. For every idea I have that we go forward with, 10 others, people yell me down on. Most of the dumb ones I try to get rid of before they come to fruition."

He didn't win his fight to drive cross-country in a Winnebago to get closer to Disney World customers. And he never realized his dream to build a 44-story Mickey-shaped mousetel.

A New York City preppie with a liberal arts degree from Denison University in Ohio, Eisner first glimpsed his destiny as an NBC page during college summers. From 1966 to 1975, he climbed the corporate ladder at ABC-TV, whose prime-time, children's and daytime divisions rose under his leadership. Before becoming big cheese at the Mouse Factory, he was president and chief operating officer of Paramount Pictures. His eight-year stay there was marked by such successes as "Raiders of the Lost Ark," "Terms of Endearment," "Ordinary People," "Star Trek," "An Officer and a Gentleman" and "48 Hrs."

There was also "Saturday Night Fever," which begat "Flashdance," which begat "Footloose."

"I remember on 'Saturday Night Fever,' we opened November 16th and I'm skiing in December in Colorado. The kids who run the lifts were playing 'Staying Alive,' All over the mountain I'm hearing it, and all of a sudden the world is taken over by this music. We had [tapped into] a cultural phenomenon."

After "Saturday Night Fever," he wanted not only to spot the trends, but to set them. So when he heard about this sweaty new thing they were doing in Canada, he was, like, hot for it. "'Flashdance' was like a dare. Somebody came into my office and said, 'There's a thing called flashdance and they do it in Toronto.' I love this idea. Then they tell me it's not true at all. But I love the word. I want to have a craze. I tell them. 'This is a dare. We're going to take this idea, and we're going to go out and get a great soundtrack. We are going to write the cultural revolution as opposed to tapping into it.'"

"Flashdance" did not become a cultural revolution, Eisner concedes, but it did become a big movie, not to mention introducing America to the cult of ripped clothing. But to him "the entire movie was 'Can we do something that has never been done before?'"

The same sort of hubris lured him to "Who Framed Roger Rabbit." "The whole idea of creating a character . . . just new is fun. I just love the challenge."

On the other hand, he says, "it takes everything in my power to do any sort of sequel. I can hardly get interested in a sequel. It's good. It's economical and all that, but I can't get interested."

"Roger Rabbit," he says, was built around the challenge of marrying live action and animation, plus "being in business with Steven Spielberg . . . I never thought it would become the kind of mega event that it became."

At Touchstone, "Yesterday's news is boring. If we've done five French farces in a row, we don't want to see another French farce. . . . A year from now, you may be saying, 'You've got eight serious dramas in a row, you've become Bergman, everbody's committing suicide and dying, when are you going to get happy again?'"

Enter "The Good Mother," a failed drama that Eisner was drawn to because of a question close to his heart as a father of three. The Diane Keaton-Leonard Nimoy collaboration was a risk for a company that had made its reputation primarily on buddy romps and racy Bette Midler comedies. The movie concerned a divorcée who loses both lover and daughter when her jealous, morally outraged husband sues for custody of the child.

"There's a lot I like about the movie. There's lots I thought we could say a little bit harder. I think that the movie was supposed to be about people taking their children for granted, not being aware of the effect their actions will have on a very impressionable child. Doing it innocently and then paying the price. I thought the subject was interesting.

"I see a lot of people who have children, and they don't want to be married, because it's kind of fashionable not to be. I say to them, 'That's great for you at cocktail parties, but what's going to happen when he's 5 years old?' They name the child Rain or Hail—doing things for their own ego gratification, their own social acceptance in their own time and place. And that's what this movie is supposed to be about. Like many things, I don't know that we totally got there. Everything you do can't make history. But I thought the idea could have. Everything I go into I think will."

"Down and Out in Beverly Hills," with Bette Midler, broke tradition as Disney's first R-rated film. Midler, who starred in "Big Business" "Oliver & Company" and "Beaches" last year, is now almost to Touchstone what Snow White is to the Magic Kingdom. In a sense, Eisner has reinvented the studio system, with Midler, Danny DeVito and Richard Dreyfuss among the players whose careers have been revitalized under his auspices. He loves working with the same people over and over, and even brought about 20 of his old Paramount colleagues with him to Disney. "It's not the old system of MGM having everybody under contract. I wish it were. It doesn't work that way," says Eisner. "But it's great. You have a family. You have lunch, you get to work with them, you get to know what they can do."

The Disney company is like one big happy family—everybody goes by first names, like corporate Mouseketeers. It's Eisner's underlying ethos—the company that plays together stays together.

The CEO has also said he'd rather spend his money on 10 good writers than splurge on a star. There's a galaxy of stars out there, but a good story, a unique story is rare. "You pick up a magazine," he says, "you see the table of contents, usually there's nothing you want to read. But every once in a while, there's an article you're drawn to read. Well, that's the way the movie business is. If you have a pile of scripts next to the bed and you just can't get yourself to read any of them, no matter how good they are, you should probably throw them out. But every once in a while, there's one I just can't wait to get home to read."

But you can't expect to make nothing but masterpieces, he says. "In the history of the English language, how many great plays have been written?" A single college literature textbook, he says, could hold most of them. "We're making as many movies in a year that would fill that book and television is making as many in a week as would fill that book." Given that equation, he says, "it's amazing there are as many good things as there are in a single year. Bad is easy and bad is typical and bad happens for many thousands of reasons. And I've certainly participated in bad, albeit as little as possible."

"The Good Mother" aside, Eisner is presently on a roll, sending glossy, formulaic entertainment, out not only to America, but to Russia, Europe, Japan. And to China, where 200 million kids view "The Mickey and Donald Show."

All ages, races and phyta are minions of the Magic Kingdom, giddy as the tots whirled silly on the teacup ride. "Overall I have the best job in the country," says Eisner. "I wouldn't change with anybody."

So what's Michael going to do now? What else is there? Where do you go after Disneyland?

JACK LEE, DIRECTOR OF NASA'S MARSHALL SPACE FLIGHT CENTER, HUNTSVILLE, AL

Mr. HEFLIN. Mr. President, I would like to take this opportunity to offer my most sincere congratulations to a good friend and fellow Alabamian. On July 6, Thomas J. (Jack) Lee, a 30-year veteran of our Nation's Space Program was named Director of NASA's George C. Marshall Space Flight Center in Huntsville, AL.

Jack has seen our Nation's Space Program through the best of times and the worst of times—through the glorious days of Mercury, Gemini, and Apollo to the long and gloomy days in the aftermath of *Challenger*. America is back into space and once again riding the high tide of scientific exploration. Jack Lee deserves a great deal of credit for bringing America back.

Since 1980, Jack has served as the Deputy Director of the Marshall Space Flight Center. During his tenure as Deputy Director, he also headed the Heavy-Lift Launch Vehicle Definition Office, which is leading NASA's efforts in the definition and development of a heavy-lift launch vehicle capable of meeting national requirements.

In this process, NASA has developed an outstanding program called the Shuttle-C which is a cargo version of the space shuttle. It is extremely versatile and inexpensive relative to its payload capacity and can be flying by about 1994. Jack deserves much of the credit for develop this program.

He served as Acting Director of the Marshall Center from July through September 1986.

The Director of NASA's Marshall Space Flight Center is an awesome and demanding position. The Marshall Center manages some of NASA's most complex and important programs,

such as all of the propulsion elements of the space shuttle system, the habitation and laboratory modules of the space station—where the astronauts will live and work—and many scientific and astrophysics programs. As the Director of the Marshall Center, Jack will oversee a broad range of research and development activities which together establish Marshall as one of the largest and most versatile of the NASA field centers.

Mr. Lee was born in Wedowee, AL, and attended Woodland High School in Birmingham. He received an aeronautical engineering degree from the University of Alabama in 1958. In 1985, he completed the advanced management program at the Harvard School of Business.

Prior to assuming his present position, he served as manager of the Spacelab Program Office where he was responsible for NASA's work with the European Space Agency in the development of Spacelab, a multipurpose reusable laboratory which rides in the cargo bay of the shuttle and allows astronauts to conduct laboratory experiments in a microgravity shirt-sleeve environment. A prime payload of the reusable space shuttle, Spacelab is employed in scientific investigations and technolgoy applications in space by both United States and foreign scientists. Mr. Lee's role was to manage the NASA planning effort for Spacelab development and operations in this country and to provide technical support and assistance to the European Space Agency. He was also responsible for ensuring that Spacelab met space shuttle operational requirements.

Jack began his professional career in 1958 as an aeronautical research engineer with the U.S. Army's ballistic missile agency at Redstone Arsenal, AL. He transferred to the Marshall Space Flight Center in 1960 as a systems engineer with the center's Centaur Resident Manager Office located in San Diego, CA. From 1963 to 1965, he was resident project manager for the Pegasus Meteoroid Detection Satellite project at Bladensburg, MD, and from 1965 to 1969 was chief of the center's Saturn Program Resident Office at the Kennedy Space Center in Florida. In 1969, he became assistant to the Technical Deputy Director of the Marshall Center and served in that position until 1973. He then served as deputy manager and manager of the Sortie Lab Task Team, which later became the Spacelab Program Office, until assuming his duties as Deputy Director of the Marshall Center in 1989.

For Jack's leadership, management and technical contributions to the Saturn Launch Vehicle Program, he was awarded the NASA Medal for Exceptional Service in 1973. For his contribution to the planning, initiation and management of Spacelab systems, he was awarded the NASA Distinguished Service Medal in 1984. In 1988, Jack was awarded the Presidential Rank of Meritorious Executive for his many contributions to rocketry and space flight. That award cited Jack's proficiency in design, development, and management in a variety of programs and pioneering work in cooperative international programs. Jack Lee is an associate fellow of the American Institute of Aeronautics and Astronautics and a registered professional engineer.

The Marshall Space Flight Center has a leading role in the Space Program. During the 1960's and early 1970's, the center was best known for developing the Saturn Launch Vehicles and the Lunar Roving Vehicles for the Apollo Program and for the Skylab Program, the first U.S. space station. The center has developed satellite scientific experiments, which returned a wealth of data in astronomy, astrophysics, and other disciplines. Currently, the Marshall Center is responsible for a wide variety of NASA projects ranging from development of the Hubble Space Telescope and production of the propulsion elements of the space shuttle to management of Spacelab Earth-orbital missions and other payloads and science missions for the space shuttle. Also, the center has been given a substantial role in the development of the Space Station Freedom.

Again, Mr. President, I congratulate Jack Lee on being appointed the Director of NASA's Marshall Space Flight Center. This is a position of great responsibility and I believe Jack is an outstanding individual to meet this task. In my judgment, he is the man for the job and will be an outstanding center Director. I look forward to working with him during his tenure at Marshall.

TRIBUTE TO RALPH J. ADAMS

Mr. HEFLIN. Mr. President, I would like to extend a special tribute to someone whose friendship and counsel I deeply respect, Ralph J. Adams. Mr. Adams has brilliantly guided Troy State University for over 25 years serving as president and later receiving the even more prestigious appointment as chancellor of the university. Under his direction, the structure of the university was reorganized to better suit the student's needs and aspirations. He instituted new and far-reaching programs which have expanded the students' minds and focused on the thoughts, ideas, and opinions so important for tomorrow's world. I have previously spoken of his many accomplishments and will not repeat them, but there are some strides I want to mention today.

I want to speak especially about those accomplishments concerning his foreign exchange programs. Starting in the early 1970's, Troy State cultivated an exchange with the University of Oxford and the University of Cambridge by offering British students a 1-year scholarship to enroll Troy State. A summer scholarship is awarded to a male and female American student to attend Jesus College of Oxford University. Awarded to a student with solid academics and involvement in school activities, this scholarship has another important objective, for priority is given to the student who would not otherwise be able to go abroad.

Ralph Adams' leadership and fresh ideas not only increased the opportunities for his students but helped strengthen ties between these two great nations for generations to come.

His aim has been to instill his students with a thirst for more knowledge by giving them a chance to broaden their horizons and establish a thorough base for further learning. I congratulate Dr. Ralph Adams, for the strides he has made in the education of the leaders, entrepreneurs, workers, and educators of future years.

Thank you, Mr. President.

PROHIBITION OF MILITARY AND ECONOMIC ASSISTANCE TO TURKEY

Mr. HEFLIN. Mr. President, when we speak of democracy, we are referring to a concept which was born some 2,500 years ago in the public squares of Athens. In fact it was a Spartan lawgiver in the ninth century B.C. and an Athenian statesman of the sixth century B.C. who provided America's founders with the logic behind the framework of democratic laws. Our forefathers learned from their Greek predecessors that liberty is best protected by the rule of law. Both understood that the rule of law was preferable to that of man. But, the bond between Greece and the United States does not end with our shared appreciation for democracy, freedom, and liberty.

In the 1900's Greeks migrated to the United States in vast numbers; one out of every four Greek males between the ages of 15 and 45 came to the United States and made it his home. Since then, these immigrants and their American-born children have contributed to and advanced our society in many areas—education, science, business, the arts, and government. Today, over 3 million people of Greek descent reside in the United States and most families in Greece can claim at least one relative who is an American citizen.

Greeks and Americans fought side-by-side in World War II to protect the world from totalitarianism and fascism. Over 600,000 Greeks died in that

conflict, a staggering 9 percent of the total population of Greece.

In Cyprus, 35,000 Greek Cypriots volunteered and fought with the British Armed Forces in North Africa and elsewhere against the Axis Powers. Many gave their lives in fighting for the Allies.

Is it not time the United States helped the Greek Cypriots in their struggle for democracy and liberty in Cyprus?

In May, NATO celebrated its 40th anniversary. Yet, this month marks the 15th anniversary of Turkey's aggression against Cyprus in July and August of 1974, with the illegal use of American-supplied military aid. There are an estimated 35,000 illegal Turkish occupation forces holding 40 percent of Cyprus by force, and an estimated 60,000 illegal colonists from Turkey who have settled in Cyprus in violation of the Geneva Convention of 1949 which prohibits colonizing by an occupying power. Yet our Government continues to supply military and economic aid to Turkey: $503.3 million in military aid and $60 million in economic aid in fiscal year 1989 and $613.3 million requested for fiscal year 1990.

Turkish Cypriots in the north are not even allowed to have contacts with Greek Cypriots in the south. Reminiscent of the resettlement of Turkish people in Azerbaijan by Stalin, the Turks' 1974 invasion of Cyprus displaced 180,000 Greek Cypriots from their homes. Based on 1970 population statistics, this uprooting left approximately 38 percent of the people in Cyprus homeless. These men, women, and children are unable to travel or settle on their own property in the northern part of their homeland still occupied by Turkey.

The fundamental purposes of both the United Nations and NATO, as embodied in their charters, are to prevent aggression and to settle problems peacefully. And yet Turkey, a United Nations and NATO member, breached the charters of both organizations through its hostile aggression against Cyprus. Turkey's action was a clear violation of the Geneva Convention of 1949 which prohibits colonization by an occupying power. Turkey's invasion also transgressed the Lausanne Treaty of 1923 in which Turkey renounced all rights to Cyprus. Turkey's invasion also contravened the Treaty of Guarantee which provides that any action taken under the agreements must be for the purpose of restoring the status quo ante.

Turkey not only violated international law, it ignored the conditions for United States aid found in the Foreign Assistance Act and the Foreign Military Sales Act. These acts basically provide that United States military equipment can be used only for defensive purposes. Turkey used United States equipment in its 1974 invasion and continues to use it to maintain Turkish control over northern Cyprus. The United States cannot continue to tolerate Turkey's practice of holding itself above the law. We need to promote constitutional democracy on Cyprus and end United States assistance to the forces that are responsible for the continued occupation of the island over the last 15 years.

Senate bill 22, of which I am a cosponsor, is a means of accomplishing that goal. Granted, it is strong medicine. But strong medicine is needed if Cyprus is to once again enjoy peace and tranquility. I want to echo what President Bush stated almost exactly a year ago; he said:

> We seek for Cyprus a constitutional democracy based on majority rule, the rule of law, and the protection of minority rights . . . I want to see a democratic Cyprus free from the threat of war. (Boston, July 7, 1988).

Although we consider Turkey a valued ally, the rule of law should remain paramount. President Eisenhower put it best during the Suez crisis in 1956 when he said:

> There can be no peace without law. And there is no law if we were to invoke one code of international conduct for those who oppose us—and another for our friends. (October 31, 1956).

We pressed for the withdrawal of Soviet troops from Afghanistan, Cuban troops from Angola, and Vietnamese troops from Cambodia, while at the same time supported and continue to support Turkish occupation troops and colonists in Cyprus. This certainly is not the single code of international conduct that Eisenhower envisioned for the United States. We must strive to eliminate the Turkish occupation in Cyprus.

Mr. President, that is why I rise today as a cosponsor of Senate bill 22, a bill introduced by my distinguished colleague from South Dakota [Mr. PRESSLER] that prohibits all United States military and economic assistance to Turkey until the Turkish Government takes certain actions to resolve the Cyprus problem. Under this bill, Turkey cannot receive United States assistance until the President certifies the following:

First, that all Turkish military occupation forces and illegal Turkish colonists are withdrawn from Cyprus.

Second, that the formerly Greek Cypriot-occupied area of Famagusta-Varosha has been returned to the Government of Cyprus for the immediate resettlement of refugees.

Third, that the negotiations under United Nations auspices have achieved significant progress toward establishing a constitutional democracy in Cyprus based on majority rule, the rule of law and the protection of minority rights.

Fourth, that Turkey has released and returned the Americans abducted by the Turkish invasion forces in 1974 and the 1,614 Greek Cypriots who have been missing since the Turkish invasion.

Fifth, that the Government of Turkey has withdrawn its recognition of the so-called Turkish Republic of Northern Cyprus.

And finally, that the Government of Turkey has taken all necessary steps to reverse the illegal declaration of an independent state in northern Cyprus.

Mr. President, I am a cosponsor of this bill for a number of reasons. In 1974, during their aggression against the people of Cyprus, Turkish soldiers abducted five American citizens at gunpoint. I feel that we owe it to their families to continually seek information about their whereabouts and well-being. Through passage of this bill, it would send a message to Turkey that the United States will not tolerate the blatant disregard for the human rights and individual liberties of our people.

Furthermore, it is appalling to consider that United States-supplied Turkish military equipment might be the very instruments used to prolong the internment of these American citizens. Surely these individuals are worth withholding United States assistance to Turkey, just as the holding of American hostages in Iran merited the cut-off of aid to that country. How do we explain to the Americans held by Turkey that while we have applied every conceivable pressure for the release of United States hostages in Lebanon, Turkey's status as a NATO ally precludes the cut-off of United States military and economic aid to Turkey? Yet, such action might very well bring about their release.

In addition to the five Americans, 1,614 Greek Cypriots have been missing since Turkey's invasion of Cyprus 15 years ago. Turkey refuses to release or account for the whereabouts of these individuals.

In conclusion United Nations-initiated discussions between George Vassiliou, President of Cyprus, and Turkish Cypriot leader Rauf Denktash have failed to bring about a resolution of the difficulties in Cyprus. The Cyprus situation is an albatross around the neck of NATO and the United States. It is high time the United States sent a message to Turkey that we will not permit the use of United States weapons and aid for aggression in violation of the Foreign Assistance Act. Stopping the flow of aid to Turkey until the conditions in Senate bill 22 are fulfilled will let Turkey know that we are serious in our support of the rule of law and opposition to Turkey's illegal actions. Without strong, determined United States pressure, the Cyprus situation will continue to disrupt the Western Alliance and stand as an ex-

ample of the United States' and NATO's failure to apply a single international code to both its friends and adversaries.

Mr. President, I urge my colleagues to do what is right for the five missing Americans, right for the 1,614 missing Cypriots, right for the 180,000 dispossessed Cypriots, and indeed what is right for America and the spirit of democracy and liberty. Join me in cosponsoring Senate bill 22.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

THE IMMIGRATION ACT OF 1989

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 358, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 358) to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Helms Amendment No. 240, in the nature of a substitute.

The PRESIDING OFFICER. The Chair wishes to announce that under the previous order a vote on or in relation to the Helms amendment, amendment No. 240, is to occur at 11:30 this morning, with the time for debate between now and 11:30 to be equally divided and controlled by Senator HELMS and Senator KENNEDY.

UNANIMOUS-CONSENT REQUEST

Mr. MITCHELL. Mr. President, under the agreement reached last evening, Senator HELMS was entitled to a full 60 minutes of debate on his amendment, 30 minutes last night and 30 minutes this morning. The various speakers in the morning hour extended beyond the allotted time, which means that Senator HELMS would not receive the full 60 minutes to which he is entitled on his amendment.

I have also discussed with Senator HELMS the Foreign Relations Committee wanting to complete action on the foreign assistance authorization bill.

Accordingly, Mr. President, I ask unanimous consent that the time agreement with respect to the disposition of the Helms amendment be reinstated at this point and that the Foreign Relations Committee be authorized to meet during today's session for the purpose of reporting the foreign assistance authorization bill.

Mr. SYMMS. I object.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object.

Mr. SYMMS. I object.

I have been requested by another Republican colleague to object to the Foreign Relations Committee meeting, and I object.

Did the Senator have two requests in one?

Mr. MITCHELL. Yes, I did.

Mr. SYMMS. I object to the Foreign Relations Committee part of that.

The PRESIDING OFFICER. Objection is heard.

Mr. MITCHELL. Well, it is a single request.

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be 30 minutes of debate on the Helms amendment, to be equally divided between Senator KENNEDY and Senator HELMS; that the vote on the Helms amendment occur at 12:40 p.m.; that following the completion of the 30 minutes' debate, the amendment be set aside and another amendment be in order for consideration at that time; and that the vote on the Helms amendment may be on or in relation to the Helms amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object, and I shall not object.

The PRESIDING OFFICER. The Senator reserves the right to object.

Mr. HELMS. I have no objection.

The PRESIDING OFFICER. Hearing no objection, the unanimous-consent request is agreed to.

AMENDMENT NO. 240

The PRESIDING OFFICER. Who yields time on the amendment of the Senator from North Carolina?

Mr. KENNEDY. Mr. President, last evening both my colleague, Senator SIMPSON, and I gave a response to the amendment of the Senator from North Carolina and we are prepared to debate this issue further. But that was by and large our opinion about why this amendment should not be adopted.

I reserve the remainder of my time or I will suggest the absence of a quorum, the time to be equally divided.

Mr. President, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois [Mr. SIMON] is recognized for 5 minutes.

Mr. SIMON. Mr. President, I have great respect for my colleague from North Carolina, who is one of the hardest working Members of this body. But once in a while my friend from North Carolina is wrong on an amendment, and this happens to be one of those occasions where I think he is wrong.

I think he is wrong for two reasons. One is I think we should continue the fifth preference for brothers and sisters to be able to join families. It is a very, very fundamental question, whether family unification should continue to be a priority. And part of what we structured here between Senator KENNEDY, Senator SIMPSON, and myself, three of us who were members of the Immigration Subcommittee, was a compromise, and as all compromises, it can fall apart; and if the Helms amendment were to be adopted, it would fall apart.

If there is great merit to the Helms amendment, then, obviously it should be adopted, but I would urge our colleagues on both sides to listen carefully to those of us who serve on that Immigration Subcommittee before voting on this amendment.

Second, and this is a fundamental, philosophical question: Do we give preference to those who speak English when they come into this country?

We discussed this in great detail in the Senate Judiciary Committee. My amendment to knock out the English preference carried by a 12-to-2 vote. And it was one of those rare occasions when you really had a fundamental philosophical discussion. I remember very well Senator SPECTER saying: "My parents came over, they could not speak English." I remember Senator LEAHY saying that his grandfather who came over from Italy, and he could not speak English, became the largest employer in his community in Vermont.

As I look through this list of Members of the Senate, the rollcall that was just given to me, I am sure I am skipping a great many, but there are a great many Members who would not be here in the U.S. Senate today if we had had an English language preference.

I am probably like a lot of people here; I have never checked out my roots real carefully. At one time I tried to get my daughter to do it. But I know that I am some kind of a mixture of English, German, and Danish. Two-thirds of those with my predecessors could not have come to this country.

As we look down the list of Members of the Senate: Senator BENTSEN, Danish by background. That would have been excluded. Senator BOSCHWITZ, Senator COHEN, Senator D'AMATO, Senator DASCHLE, Senator DECONCINI, Senator DOMENICI, Senator DURENBERGER, Senator HEINZ, Senator INOUYE, Senator KASSEBAUM, Senator KOHL, Senator LAUTENBERG, Senator LEVIN, Senator LIEBERMAN, Senator MATSUNAGA, Senator METZENBAUM, Senator MIKULSKI, Senator MURKOWSKI, Senator RIEGLE, Senator SARBANES—and I am sure many others. Because even those who have names that

are English or Irish sounding frequently have forebears who were of some other national background.

It would be the first time in the Nation's history that we would give preference to those who speak English. My guess, in the galleries here right now, Mr. President, that a substantial number of the people in the galleries have names indicating that when their parents and grandparents came over, that they did not speak English.

I do not think we ought to be going in that direction. My hope is that we will reject the amendment offered by my friend from North Carolina, Senator HELMS, and that we follow the traditions that we have followed in the past.

So I would urge a no vote on the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, what is the status of the allocation of time?

The PRESIDING OFFICER. The Senator from North Carolina has 15 minutes remaining. The Senator from Massachusetts has 10 minutes remaining.

Mr. HELMS. Go ahead.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, just briefly, with relation to what my friend from Illinois has said, and indeed when we get into this issue of English language—and that is all that Senator SIMON was addressing himself to—that is a very emotional thing, obviously. It is something that stirs our patriotism. Every one of us is a relative of immigrants. I cannot give you the roots of all of mine, but there were some unique characters of various ethnic groups, some awfully good people and some awfully bad people. That is the way that works, too.

But I think we ought to keep that separate. We will deal with that later. Because I think I, or someone, will be putting in an amendment with regard to English language being only one of several requirements under the point system. In a very limited way are we discussing that. Ninety-one percent of the people under this bill need speak no English at all, and they will be admitted to the United States. That is something that has to be heard in this debate, and I am going to come up with it each time it does come up. We are not becoming mean-spirited or pinched or driven. That is not our nature.

But the people who have succeeded in the United States have succeeded because, often, they came here and were involved in total immersion in English and knew nothing? We are going to leave people to float on that basis under this bill in any version, except perhaps Mr. HELMS', where only 9 percent of the people in this legislation are going to be asked to have that as one of the qualifications for 55,000 numbers under the point system. No one else is going to be required to know English in any form; period. And, unfortunately, they will be the ones who in a new computerized society will suffer the most.

I do not see what service we perform for people under a point system when we ask about their age and their skills and their qualifications and leave English out of it and think that they can succeed in a highly skilled, mechanical, computerized service society. I think that is a mistake, for Americans to believe on some basis that that is some gratuitous thing we do for them, some helpful thing.

That is a separate matter. I hope we can keep it separate. I am willing to stick with my bargain every foot of the way. We will have a separate debate on the English language portion dealing with only 9 percent of the numbers in this bill and that being one of only five requirements. I think it is something we should not just overthrow on the basis that somehow it has to do with our heritage or the Statue of Liberty or whatever it is. It is not an appropriate way, in my mind, to address the issue.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield myself such time as I require.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. HELMS].

Mr. HELMS. First off, Mr. President, let me pay my respects to the distinguished assistant minority leader, Mr. SIMPSON. He is always objective, and he is always fair. he has just stated my response to my friend and neighbor in the Dirksen Building, Senator SIMON. He has made the case splendidly. I hope we will follow his sound advice.

Mr. President, I failed to mention yesterday that the distinguished Senator from Alabama [Mr. SHELBY] is a principal cosponsor of this amendment. I ask unanimous consent that it thus be shown and that hereinafter this amendment shall be known as the Helms-Shelby amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, the question before the Senate is simple: What is in the best interest of America? That is a question that we often ignore at our own peril.

This idea of what is in the best interest of America was expressed by Lyndon Johnson during his 1964 State of the Union Address. Paraphrasing John F. Kennedy, Mr. Johnson stated that we should be less concerned with setting immigration policy based on what country you come from, and ask instead, "What can you do for your country?"

Mr. President, I agree with that statement. That is the reason this amendment is pending.

We must develop an immigration policy that is in the best interest of America, America as a whole, not a policy based primarily on the desire of some citizens to be reunited with distant relatives or relatives by marriage. The pending Helms-Shelby amendment is developed to help America, to help us reunit American families with their closest relatives and to help American businesses meet future labor shortage. That is what this amendment is all about.

The current immigration system is based primarily on family reunification. More than 90 percent of visas go to relatives of immigrants. Many of these visas, however, are for distant relatives—brothers in law, nieces, nephews, and so on. Obviously, this causes a tremendous chain migration problem. In fact, the backlog for these visas, called fifth preference visas, is so large that many relatives wiat in line for more than 20 years to get one.

As one columnist recently stated, we should not confuse family reunification with family reunions.

Both the Senator form Massachusetts and the Senator from Wyoming have criticized the definition of the fifth preference. In additional views to the committee bill, Senator SIMPSON said:

> The fifth preference should be deemphasized so that we may give priority to closer family members, skilled workers and other immigrants that our labor market needs. I deeply regret that the committee bill does not recognize this principle.

The Senator from Massachusetts has criticized the system for creating an illusory and false hope of family reunification. That is because relatives of some citizens wait in line for up to 20 years to enter the country. This is unfair and unwise. That is why the 1988 Kennedy-Simpson immigration bill contained a limited definition of the fifth preference, just like the pending Helms-Shelby amendment. A limited definition will help reunite American families.

The Senate is on record 3 times, in 1982, 1983, and 1988, as favoring a limited definition or complete elimination of this fifth preference.

Mr. President, the pending Helms-Shelby amendment addresses the needs of America in a second way. It increases the availability of skill-based business visas. That is to say, people who can contribute to the productivity of America.

America needs a policy that encourages skilled workers and people with exceptional abilities to come to our country. Unfortunately, our current system discourages them from immigrating beacuse there is a 1- to 3-year wait for skills-based, business-related

visas under the third or sixth preference.

As a result, American companies have difficulty recruiting highly skilled workers who have crucial knowledge of international markets and pioneer research. If a business has a need for skilled workers, and those workers cannot be found in this country, the business loses its competitive edge by having to wait up to 3 years to meet its labor needs. How do we expect America to remain competitive if our companies, who often face labor shortages in this country, can't recruit the best talent and top notch researchers from abroad?

Mr. President, the Helms-Shelby amendment is good for America because it increases the availability of skill-based, business-related visas.

The Senator from Massachusetts [Mr. KENNEDY] pointed out last night that I was one of four Senators who voted against the 1988 bill. He was right about that, and I did so for a number of reasons.

First, the 1988 bill did nothing whatsoever to increase the skill-based, business-related visas. But in the pending Helms-Shelby amendment, we provide an increase of 37,200 of these visas.

Second, the 1988 bill had a mechanism that automatically increased the national level by up to 5 percent upon the President's recommendation and without an affirmative vote by the Congress of the United States. The Helms-Shelby amendment drops this very unwise delegation of congressional authority to the executive.

Finally, I was opposed to the national level of 590,000 provided by the 1988 bill. The fact that the Helms-Shelby amendment provides a national level of 600,000 indicates that I have gone as far as I can to develop an amendment that genuinely helps America. Lyndon Johnson was right when he paraphrased John Kennedy about doing something for America, and that is what this amendment will do.

In summary, Mr. President, let me reiterate the major points of the Helms-Shelby amendment. First, this amendment limits the definition of the fifth preference, without reducing the number of fifth preference visas. Frankly, I agree with Senator SIMPSON—I would prefer to eliminate the fifth preference entirely.

Second, this amendment increases the business visas without increasing the overall national level. Third, we retain the power of Congress to set immigration policy instead of allowing any President, whoever he may be, to usurp that authority.

The current bill allows for an automatic increase of up to 5 percent in the level of immigration upon the President's recommendation.

Finally, the Helms-Shelby amendment retains the points for English language that were included in the point system in the original version of the bill.

I urge my colleagues to vote for the pending Helms-Shelby amendment and the best interest of America.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 9½ minutes remaining.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes.

Mr. President, as I said last evening, I want to commend the Senator from North Carolina for the amendment which he has brought to the Senate, although I oppose it, as the Senator from Wyoming does. He proposes an amendment with a national ceiling of 600,000. That is what we support. The position he illuminated on the floor last evening and today is a far different position from where he was last year when he was one of four Senators who voted against a bill which remains the basic core package before the U.S. Senator today.

The compromise bill which we recommend follows along the recommendations of the 1981 Select Commission which made recommendations which the Senate has accepted and adopted in the 1986 legislation, and the principal sponsor was the Senator from Wyoming [Mr. SIMPSON]. That was half of their recommendations.

They also made a series of recommendations dealing with the legal immigration policy. By and large the bill before us incorporates most of those recommendations, although we have made some adjustments and changes on the basis of various proposals that have been made before our subcommittee.

But, Mr. President, the Senator from North Carolina says he wants greater attention to skills. We have provided greater priority to skills in the third and sixth preference as well as the new independent category. We have not gone all the way that the Senator from North Carolina might like to go with his amendment, although we feel we have addressed that issue—a balance between family reunificiation and new skills, a lot more attention on new skills, but we also retain the historic priority that this Nation has placed on immigration policy and that is in the reunificiation of families.

We have had diversity in our committee about how that best can be done. Should preference be given to small children or should we consider the extended family, the larger family. We have debated and discussed that matter, and we find, Mr. President, or at least I am convinced that those individuals who are going to be most impacted by immigration policy strongly support the concept that is built into the fifth preference. I think that is a matter open to debate and discussion. But we have made a cut on that.

So, Mr. President, I do feel, with all due respect to the observations of the Senator from North Carolina, that our bill already represents an appropriate balance between, one, the reunificiation of families, which has always been a priority of our immigration policy, and two, a more significant emphasis on individuals who can make a contribution to this country in terms of additional skills. That is basically the legislation which is before us.

As we mentioned before, there are areas which I would, if I was fashioning the legislation, fashion it somwhat differently. The Senator from Wyoming has indicated he would do the same. But I have no hesitancy in recommending this bill. It is a sound proposal and it deserves support.

So I hope that our colleagues will vote in opposition to the Helms amendment. I think the compromise bill which is before the Senate is a more worthwhile, valuable, and justifiable immigration policy.

Mr. President, I am prepared to either reserve the remainder of my time or to suggest the absence of a quorum, the time evenly divided.

The PRESIDING OFFICER. The Chair seeks direction from the Senator from Massachusetts and the Senator from North Carolina. The Senator from North Carolina has 4½ minutes remaining, the Senator from Massachusetts has 5½ minutes remaining. Does either wish to yield time at this time?

Mr. HELMS. Mr. President, let me give another summary of what the Helms-Shelby amendment does and what it does not do. I want to underline and emphasize as greatly as I can, that it is time to do something for America.

First, we need a legal immigration policy that serves America and encourage skilled people to come to our country. If you want to do something for America, you should vote for the Helms-Shelby amendment.

The Helms-Shelby amendment increases business visas by the 37,200 without increasing the cap. The skilled-based visas now account for only 10 percent of all visas. I am sure every Senator is hearing pleas for more skill-based immigrants from business and industry in his or her State.

Second, the Helms-Shelby amendment gives points for English language ability in the point system.

Third, the Helms-Shelby amendment does not—does not—reduce the number of fifth preference visas during the first 3 years. After the third year, the number is reduced by 20,000, but this will leave almost 45,000, which is twice as much as provided in last year's Kennedy-Simpson

bill. Furthermore, the Senate voted in 1982 to eliminate this fifth preference completely.

In 1988, last year, the Senate voted by 88 to 4 to limit the number of fifth preference visas to 22,000. The Helms-Shelby amendment now pending is more generous than both of those bills. So as Senator SIMPSON said, there is nothing mean spirited about the American people, and there is nothing mean spirited about efforts to try to come up with immigration legislation that will be beneficial to America.

I close as I began. Lyndon Johnson was exactly right when he said that our immigration policy should be based on what is best for America. I submit, Mr. President, that the pending Helms-Shelby amendment is better for America than the underlying bill.

I yield the floor. I reserve what little time I may have remaining.

The PRESIDING OFFICER. All time of the Senator from North Carolina has expired.

Mr. HELMS. I thank the Chair.

Mr. KENNEDY. How much time do I have?

The PRESIDING OFFICER. The Senator has 5½ minutes.

Mr. KENNEDY. I yield to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, let me very briefly respond to my friend from North Carolina saying we are in agreement that immigration policy ought to be based on what is best for America. That is given. That is fundamental. But the question is how do you best serve this country in immigration policy? We do not need sweeping changes in immigration policy because one person abuses it in New York. I do not know anything about the case that he cited but there are other ways of dealing with that. But if you take a look at who is winning national merit scholarships, who the young people are who are coming up at the very top of their class frequently these days, frequently it is Asian young people, people who were brought in under family preference, and people who would be excluded frequently if you had that English language preference.

I hope my colleagues will join Senator KENNEDY and Senator SIMON in voting against the Helms amendment.

Mr. SHELBY. Mr. President, it is with great pleasure that I join the distinguished senior Senator from North Carolina in offering this amendment to the immigration bill presently being considered by the Senate. I want to make it clear that this amendment does not reduce the national level of 600,000 contained in the Kennedy-Simpson bill. The Helms-Shelby amendment would increase immigration in the independent category and would hold the overall level of family based immigration levels at current levels. The Helms-Shelby amendment would increase the present third and sixth preferences in excess of 35,000. I strongly believe that one of the objectives of our immigration policy should be to increase the number of immigrants who would come into this country because of greater skills. This is in our national interest.

The Helms-Shelby amendment would also retain the points for English language that were included in the point system in the original version of the bill. I also strongly believe that this is in our national interest. This is not a perfect amendment, but I submit that it does provide a more reasoned and superior balance than that contained in the Kennedy-Simpson bill. I urge my colleagues to support the Helms-Shelby amendment which will make the legislation before us a better product.

Mr. KENNEDY. Mr. President, we are moving to the end of the debate and discussion. I will just point out to the Members what, in effect, the Senator from North Carolina basically does. After the 3 years, he reduces the fifth preference by 20,000. He increases the third preference from the 27,000 to 46,000. This is the change. That is 20,000 for higher skills but he reduces the selected immigrants which is the point system which are the more highly skilled by 14,000.

So with this marvelous presentation about what is good and what is not good is basically moving some numbers around with the requirement that the Senate consider immigration policy 3 years from now, and penalizing those families which want to be reunified.

We all understand the long lines that exist in terms of certain countries. We are not able to address that as completely as some of us would like. But nonetheless, Mr. President, I believe that our proposal is a significant improvement over the one that is being offered by the Senator from North Carolina. And I hope at the appropriate time that it would be rejected.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back and, therefore, all time has expired.

Under the previous order, the Helms amendment, amendment No. 240, is to be set aside with a vote to occur in relationship to the amendment at 12:40 p.m.

Mr. KENNEDY. Mr. President, we are open for further amendments.

The PRESIDING OFFICER. The pending question is the committee substitute to the bill.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, to try to give the Members some idea of the way we are proceeding, we hope we can address some of the concerns of Senator GORTON and certain of those of Senator MURKOWSKI prior to the time of the 12:40 vote. After that vote, we are hopeful that we can recognize the Senator from Pennsylvania [Mr. SPECTER] who will be at the Hastings hearing. Perhaps we can deal with his amendment prior to the resumption of that hearing around 1 o'clock today. He is to start the debate and discussion on it. Then it is our hope that around 2 we will address the amendment of the Senator from Arkansas [Mr. BUMPERS]; and then following that, the amendment of the Senator from Utah [Senator HATCH]; and then there will be the amendment of the Senator from Wyoming at some time right after.

Those, by and large, are the amendments which we have in hand. If there are Members that have other amendments, we hope that they will contact us. I know the Senator from New York [Senator MOYNIHAN] has an amendment dealing with Burmese students. So we are moving along, and we have been working with our colleagues. We are glad to either debate the legislation or consider those amendments, and a number of amendments are being worked out; but I hope that if there are those who do have amendments, that they will come to the floor and offer those amendments, so that we can deal with them and permit the Senate to move on to some other important business.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. I thank my good colleague for reviewing that. Apparently, Senator GRAMM has an amendment and perhaps Senator ARMSTRONG. I am not aware of the content.

So at least we know generally, and perhaps, as the Senator and I have discussed, at some time during the day, we will try to seek a unanimous-consent agreement that we close off any further amendments, because certainly people have been well aware that this bill was at the desk. So we certainly should have that ability, and I will notify my colleagues on this side of the aisle to please advise me of any amendments on this bill, preferably at the next rollcall vote, and we will be prepared then to include the time. I believe Senator CHAFEE may have an amendment. Then we can begin to set our agenda. I thank my colleague.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, the distinguished comanager of the bill, Senator SIMPSON, and I have been working on an amendment that I had, and I wish to work with him further on that. Is there intention to have a quorum call now? If so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

AMENDMENT NO. 241

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk in the form of a sense-of-the-Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI], proposes an amendment numbered 241.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

SEC. . TASK FORCE ON STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA IN THE UNITED STATES.

(1) ESTABLISHMENT.—It is the sense of the Senate that the President shall establish a task force to be known as the Task Force on Certain Nationals of the People's Republic of China in the United States (hereafter in this section referred to as the "Task Force"), composed of the Secretary of State (or his designee), who shall be the chair of the Task Force and representatives of other relevant agencies, as determined by the Secretary of State.

(2) DUTIES AND RESPONSIBILITIES.—The Task Force shall carry out the following duties and responsibilities:

(A) Taking into consideration the situation in the People's Republic of China, the Task Force shall assess the specific needs and status of citizens of the People's Republic of China who were admitted under nonimmigrant visas to the United States.

(B) The Task Force shall formulate and recommend to the Congress and the President policies and programs to address the needs determined under subparagraph (A).

(C) The Task Force shall establish directly or indirectly a clearinghouse to provide those Chinese citizens described in subparagraph (A) and United States Institutions of higher education with appropriate information including—

(i) public and private sources of financial assistance available to such citizens;

(ii) information and assistance regarding visas and immigration status; and

(iii) such other information as the Task Force considers feasible and appropriate.

(3) REPORTS.—(A) Not later than 60 days after the date of enactment of this Act, the President shall submit to the Congress a report on the status and work of the Task Force.

(B) Not later than May 1, 1990, and every 90 days after the establishment of such Task Force, the President shall submit to the appropriate committees of the Congress a report prepared by the Task Force, which shall include—

(i) recommendations under paragraph (2)(B); and

(ii) a comprehensive summary of the programs and activities of the Task Force.

(4) TERMINATION.—The Task Force shall cease to exist 2 years after the date of enactment of this Act.

Mr. MURKOWSKI. Mr. President, the purpose of the amendment specifically is to establish a task force to assess the changing needs of Chinese citizens who have entered the United States on a nonimmigrant visa. The provision creates a task force to formulate and recommend to Congress and the President additional actions that may be needed as a consequence of the changing needs of the Chinese students in the United States as our relationship with the People's Republic of China unfolds.

It would basically establish a clearinghouse for students to obtain information relative to public and private financial assistance sources and information and assistance regarding visas, immigration status, et cetera.

The task force would be required to submit a report to the President within 60 days regarding the status of the work of the task force in their oversight responsibilities; by May of 1990, and every 90 days thereafter, the task force will submit a report to Congress and the administration detailing actions that may need to be taken and summarizing programs and activities of the task force.

The task force would have a termination date 2 years after enactment and I might add that this is language that is similar to what is in the House bill. This amendment would however be, a sense-of-the-Senate amendment on the pending bill.

In conclusion, Mr. President, the situation in China is very fluid. It is important that we base future decisions regarding efforts to help Chinese students in our country on solid information as the situation in the People's Republic of China evolves.

I have cleared this, I believe, satisfactorily with the managers of the bill, Senator KENNEDY and Senator SIMPSON. I ask their support at this time.

Mr. KENNEDY. Mr. President, I commend the Senator from Alaska for bringing this matter to our attention. There are ample precedents for this kind of action. I would certainly hope that not only do we get a sense of the Senate, but it would be a sense of the administration as well.

As the Senator probably remembers, at the time that we had the original Indochinese refugee crisis in 1975, a similar task force was developed under Julia Taft at that time in the Ford administration. It was very, very effective in terms of responding to the kinds of issues which the Senator has mentioned.

I think that that kind of a coordinated effort brought together within the administration would be something that would serve those young people here who in many instances have had their lives disrupted and are at a very critical period of their lives in terms of making decisions and would need information to be made available to them that could be extremely useful.

So I commend the Senator for the amendment and urge my colleagues to support it. I am sure they will. I think it is very worthwhile.

I want to give him the assurance that members of the Subcommittee on Immigration and Refugee Affairs will look forward to working very closely with that task force, reporting back to the Senate if there are things that we find that can be and should be done to help respond to their very important and significant needs of the students.

Mr. SIMPSON. Mr. President, as the comanager of the legislation, I appreciate very much working with Senator MURKOWSKI and appreciate his willingness to present this as a sense-of-the-Senate provision. It shows his caring nature and that is something we learned about the Senator from Alaska.

I think he has visited, too, with his students at the University of Alaska and other institutions, as I have done at the University of Wyoming. We have 80 Chinese students at the University of Wyoming, which is rather surprising for our population and the enrollment at the university. I met with them last weekend. A remarkable group. They are in a sensitive, sensitive area.

You know that this Government will be watching very closely what is happening in the People's Republic, how they are being dealt with, whether they have a fear of return, whether some may seek asylum. And, of course, any of those seeking asylum will be, and I think their families would be, in a rather somewhat more perilous condition in the mainland.

So we will keep in close touch. We will assess these issues. The recommendations are worthwhile. The reporting structure under the sense of the Senate is rather complete. In fact it may be burdensome, I do not know, every 90 days.

But, in any event, what we did with Senator MITCHELL's and Senator DOLE's proposal yesterday, what the

House has done with their proposal last week, a week ago, and what the administration will do—an administration that is probably more aware of things in the People's Republic than any administration we have ever had because of the President himself serving as an Ambassador to the People's Republic. I think this is an acceptable step.

I assure the Senator from Alaska that in my capacity as ranking member of the Immigration and Refugee Affairs Subcommittee that I will certainly assist Senator KENNEDY and I know he will be ever alert to what it is we do on a month-by-month basis with these remarkable students that we are very pleased to have in our country and they are a resource that we must care for. I thank the Senator from Alaska for doing that.

Mr. MURKOWSKI. Mr. President, I thank my two colleagues, the Senator from Massachusetts and the Senator from Wyoming. I think that we have all experienced, particularly over the recess, the opportunity to meet with Chinese students at our respective universities. I had the opportunity to meet with several Chinese students studying at the University of Alaska in Fairbanks, University of Alaska-Anchorage, and Alaska Pacific University. I was left with a clear sense of the tremendous void they feel as far as their personal situations are concerned. Some of the students I met had just graduated, and had planned to go back to China, but now find themselves unable to go back to China. They face problems seeking employment in this country due to the status of their visas. I understand my colleague from the State of Washington has legislation to address this particular problem. Our dialog with these men and women made us aware of the responsibility we in Congress have.

Under the amendment the Secretary of State or his designee, who will be the chair of the task force, will have the responsibility of coordinating information and policy recommendations so that those some, I believe, 40,000 Chinese students can be assuranced that their interests are being taken to heart by the Congress and the administration just as we have a responsibility to the citizens of our country as well. It is the hope of this Senator that this amendment will serve that purpose to act and coordinate information accurately and timely to these students.

Mr. SIMON. Will my colleague yield?

Mr. MURKOWSKI. I am happy to yield to my friend from Illinois.

Mr. SIMON. I do not oppose your amendment, but I thought I heard the Senator from Alaska refer to this as a sense-of-the-Senate resolution.

As I read the amendment, I do not—

Mr. MURKOWSKI. The amendment has been changed to a sense of the Senate to accommodate the floor managers.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 241) was agreed to.

Mr. KENNEDY. I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

VOTE ON AMENDMENT NO. 240

The PRESIDING OFFICER. Under the previous order, the hour of 12:40 having arrived, the question is on agreeing to the Helms amendment, amendment No. 240, which was temporarily set aside. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. MCCAIN] is necessarily absent.

The result was announced—yeas 27, nays 71, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—27

Armstrong	Garn	Nickles
Bond	Helms	Pressler
Burns	Hollings	Roth
Byrd	Humphrey	Rudman
Coats	Kassebaum	Shelby
Cohen	Lott	Stevens
Dole	Lugar	Symms
Ford	McClure	Thurmond
Fowler	Murkowski	Wallop

NAYS—71

Adams	Exon	Mack
Baucus	Glenn	McConnell
Bentsen	Gore	Metzenbaum
Biden	Gorton	Mikulski
Bingaman	Graham	Mitchell
Boren	Gramm	Moynihan
Boschwitz	Grassley	Nunn
Bradley	Harkin	Packwood
Breaux	Hatch	Pell
Bryan	Hatfield	Pryor
Bumpers	Heflin	Reid
Burdick	Heinz	Riegle
Chafee	Inouye	Robb
Cochran	Jeffords	Rockefeller
Conrad	Johnston	Sanford
Cranston	Kasten	Sarbanes
D'Amato	Kennedy	Sasser
Danforth	Kerrey	Simon
Daschle	Kerry	Simpson
DeConcini	Kohl	Specter
Dixon	Lautenberg	Warner
Dodd	Leahy	Wilson
Domenici	Levin	Wirth
Durenberger	Lieberman	

NOT VOTING—2

Matsunaga	McCain

So the amendment (No. 240) was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The next order of business before the Senate is the Gorton amendment. The Senator from Washington is recognized.

AMENDMENT NO. 242

(Purpose: To grant permanent residence status to certain nonimmigrant nationals of the People's Republic of China)

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself, Mr. KASTEN, Mr. DOMENICI, Mr. WILSON, Mr. COHEN, and Mr. GRAMM, proposes an amendment numbered 242.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III of the bill, relating to the status of students from China, add the following new section:

SEC. . GRANTING PERMANENT RESIDENCE TO CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) GRANTING OF PERMANENT RESIDENCE STATUS.—(1) Subject to paragraph (a)(2), nationals of the People's Republic of China described in subsection (b) shall until June 5, 1992 be held and considered to be lawfully admitted to the United States for permanent residence for purposes of the Immigration and Nationality Act upon the payment of the required visa fees and, where applicable, upon the termination of any membership in the Communist party of the People's Republic of China and any subdivision thereof, and renunciation of communism.

(2) On or after June 5, 1990, the Attorney General, after sixty (60) days following the date that the President determines and so certifies to the Congress that conditions in the People's Republic of China permit Chinese nationals to return to that country in safety, may terminate the authority to grant the status described in this subsection (a) to any national of the People's Republic of China who has not submitted on or prior to such date of termination substantially all documentation and supporting materials as may reasonably be required by the Immigration and Naturalization Service.

(b) ELIGIBILITY.—An alien entitled to the status granted by subsection (a) is a national of the People's Republic of China—

(1) who was admitted to the United States as a nonimmigrant alien before June 5, 1989, under subparagraph (F) (relating to students), subparagraph (J) (relating to exchange visitors) or subparagraph (M) (relating to vocational students) of section 101(a)(15) of the Immigration and Nationality Act, and who held a valid visa under any such subparagraph as of that date;

(2) who has resided continuously in the United States from the date of admission until payment of the required fees, except for brief, casual and innocent absences; and

(3) who is otherwise admissible to the United States for permanent residence.

(c) APPLICATION OF EXISTING LAWS.—The provisions of this section shall be applied notwithstanding—

(1) section 201 of the Immigration and Nationality Act (relating to numerical limitations);

(2) section 202 of that Act (relating to numerical limitations for any single foreign state);

(3) section 245 of that Act (relating to the adjustment of status of nonimmigrants to that of persons admitted for permanent residence);

(4) subparagraphs (C) and (D) of section 212(a)(28) of that Act (relating to membership in the Communist party or advocation of communism), to the extent that any national of the People's Republic of China eligible for permanent residence pursuant to this section shall not have had significant and active involvement or participation in the Communist party of the People's Republic of China or any subdivision thereof since June 5, 1984;

(5) where applicable to nonimmigrants under section 101(a)(15)(J) of that Act, the two-year foreign residence requirement contained in section 212(e) of that Act; or

(6) any other provision of that Act.

(d) PERIOD FOR VALIDITY OF VISAS.—Notwithstanding any other provision of law, any visa which is described in paragraph (b)(1) and which is valid as of June 5, 1989, shall be deemed to be valid through the earlier of June 5, 1992, or the date the Attorney General has terminated in accordance with the provisions of this section the authority to grant the status described in subsection (a).

(e) EMPLOYMENT AUTHORIZATION.—Any national of the People's Republic of China eligible for permanent residence pursuant to this section shall be granted authorization to engage in employment in the United States and shall be provided with an employment authorization document or other work permit upon request.

(f) SHORT TITLE.—This section may be referred to as the "Emergency Chinese Permanent Residence Status Adjustment Act of 1989."

Mr. GORTON. Mr. President, this amendment addresses the same subject as that covered by the previous sense-of-the-Senate resolution by the Senator from Alaska and of the leadership amendment which was agreed to yesterday. It is not in any respect designed to constitute a criticism of the Mitchell-Dole amendment, which was added to this bill yesterday, but to add on to and strengthen that proposal.

The two leaders in their amendment yesterday provided for up to a 3-year stay of any deportation aimed at classes of Chinese students in the United States. It allowed for time for Chinese students to look for and to apply for other or more suitable nonimmigrant or immigrant visas. And it allowed work authorization for those students who did apply for a change of status, though not for those who failed to do so.

My inclination is that we should go further, in the interests of the students, in the interests of encouraging democratic change in the People's Republic of China, and in the interests of the United States.

The amendment, which I have before the Senate at this point, combines the strongest features of yesterday's leadership amendment and the provisions of S. 1209, which a dozen or so of us introduced back on June 20.

First, a description. It includes the following features.

Chinese students and exchange visitors, that is to say those persons holding F, J, and M visas, are covered by the amendment. In this case, it is identical to the Mitchell-Dole amendment to this bill of yesterday.

It is, however, limited to those persons in the People's Republic of China in these categories who were in the United States on that key date, the 5th day of June, 1989. It is not open-ended and does not apply to those who have come to the United States since that date.

What it does for that group of people, who I understand number somewhere between 65,000 and 75,000, is to allow them a period of 3 years from June 5, 1989, or until 60 days after the President of the United States certifies to the Congress that it is safe for Chinese nationals here in this country to return to China, to apply for a permanent residence in the United States with the ultimate right to become citizens.

That right for permanent residence cannot be terminated any earlier than June 5, 1990, 1 year after the repression of the Chinese democratic movement in Tiananmen Square in any event, even by Presidential certification.

It also goes somewhat beyond the Mitchell-Dole amendment in creating an immediate right to work on behalf of all of these Chinese visitors if they are eligible for permanent residence, not simply in consequence of an application actually having been made.

I want to emphasize that this allows each of these Chinese students to choose whether or not to apply for permanent residence. Any of those who have concerns or fears that such an application would have adverse impacts on his or her family in China need not apply and need not change their status in any way whatsoever. That will be a decision that each student makes for himself or herself.

This, like the Mitchell-Dole amendment, waives the 2-year foreign residence requirement for J visa holders who apply for permanent residence.

It does something else which was not covered, perhaps inadvertently, by the Mitchell-Dole amendment. It provides that mere membership in the Communist Party of the People's Republic of China—which, of course, is a membership which, particularly some of the older students hold simply as a condition of their having been able to come here at all—absent significant and active participation or involvement within the past 5 years, does not preclude a grant of permanent residence.

However, before being granted that right, any PRC national must terminate any membership in the Communist Party of the PRC and must expressly renounce communism.

As I said, the Mitchell-Dole amendment does not cover that subject at all.

What are the fundamental reasons for wishing to go beyond the leadership amendment and to make this kind of offer to these Chinese students? It seems to me that there are three important, if not overriding considerations for this type of treatment of our Chinese student visitors. The first is that they may have a degree of security, a feeling of security which not even the Mitchell-Dole amendment can actually bring them because that, still, puts deadlines on how long they can stay in the United States, as generous as those deadlines are.

If we truly wish to offer to these leading Chinese young people the opportunity to lead a democratic movement for China, outside of China, without feelings or concerns that there will be personal retribution that can be exacted against them, we need to give them a situation in which they feel secure in their presence here in the United States.

So, in order to allow some of those students at least to provide leadership for a movement for democracy in China, some permanent status offer is appropriate and necessary.

Second, Mr. President, I do not believe that there is a single Member of this body or, for that matter, of the House of Representatives of the Congress of the United States, who has not considered what sanctions may be appropriate with respect to the People's Republic of China in connection with its brutal repression of the movement for democracy in Beijing on June 5 of this year and on succeeding dates.

The administration has imposed some economic sanctions. Many Members of this body have proposed additional economic sanctions, all of which are lacking in any truly positive impact on the People's Republic of China because they simply do not have that degree of leverage over actions in the People's Republic.

In fact, most of the economic sanctions which were proposed would simply offer to other competing trading nations opportunities which the United States has at the present time. The single most effective sanction which the United States of America can take to encourage democracy in

the People's Republic of China, Mr. President, is to threaten the People's Republic of China with the deprivation of the services of tens of thousands of its talented young people. That is the group of people we are talking about.

Already highly trained and educated, already highly motivated, they have come to the United States—in some cases they have been sent to the United States by a more liberal Government of the People's Republic of China—to enhance their skills in order to serve the future development of the People's Republic of China itself.

If that Government is deprived of the services of these tens of thousands of highly skilled and motivated Chinese, if it is deprived even of the service of even a percentage of them, its own economy, its own growth, its own development will suffer. If we as Members of this body are truly interested in imposing a condition, a cost on the Government of the People's Republic of China for its repressive actions, if the Members of this body are really concerned about providing a motivation to that government to liberalize to at the very least have an amnesty, to take actions which will cause those students to wish to return to the People's Republic of China and to help develop it, this is the best single step we can possibly take to encourage such a course of action.

Mr. COHEN. Will the Senator yield?

Mr. GORTON. He will.

Mr. COHEN. Mr. President, as a sponsor of one of the bills that has been introduced in the Senate to protect students from the People's Republic of China from being forced to return to their homeland, I want to express my support for the pending amendment.

Yesterday, the Senate unanimously approved an amendment offered by the leadership that addresses many of the immediate concerns of the Chinese students—the waiver of the 2-year residency requirement for "J" visa holders, allowing Chinese nationals to remain in lawful status for purposes of adjusting their status, and creating a presumption that the deferment of enforced departure will extend through June 1992. While I supported the amendment and believe it is an important first step, I also believe we need to go further in providing permanent relief to Chinese students who wish to remain in the United States.

The deferral of enforced departure is a commendable but inadequate solution for the Chinese students who fear the fate that awaits them upon their return to their native land. And, it does not send a sufficiently strong message to the Chinese Government—a message that if it continues the current repressive campaign it will not see the return of thousands of its best and brightest students, scholars, and others who may choose to remain in the United States.

The killing and wounding of thousands of Chinese students and workers, the imposition of martial law, and the ongoing nationwide roundup of prodemocracy demonstrators in the People's Republic of China are part of a brutal campaign of persecution against student leaders and others who have bravely demonstrated their peaceful commitment to democracy and human rights.

Thousands of Chinese students in the United States have spoken out and demonstrated in support of the prodemocracy forces in China. As a result, they would be in imminent danger of arrest or persecution upon their return to their native country. Humanitarian concerns require that we ensure that these individuals be permitted to remain in this country and not be forced to return to China.

The pending amendment offered by Senator GORTON will permit Chinese students to immediately apply for and be granted permanent residence status in the United States. It, therefore, achieves several important goals. Building on the relief authorized by the amendment adopted yesterday, it provides the students with a range of options that will enable them to plan their future and get on with their lives.

The amendment will also preserve the freedom of Chinese students in the United States to continue to speak out and work on behalf of prodemocracy forces in China. Chinese students across the country have been harassed and have received threatening phone calls in an attempt to silence them. A recent article in the Boston Globe describes some of the incidents. I ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. COHEN. Mr. President, unless we make a firm commitment to the students that they will be permitted to remain in the United States, the Chinese Government's campaign of harassment and threats will be able to silence the voices of democracy, not only in China, but among Chinese students in the United States.

Finally, the amendment sends an unmistakable message to Chinese authorities that their students will not be returning unless the Government adopts real and substantial reforms. Until we provide the students with permanent relief, China may be confident that, ultimately, it will get them back.

In conclusion, I urge my colleagues to vote in support of the amendment. It will insure that those who fear returning to China and wish to remain in the United States will have an opportunity to do so. To do otherwise, forcing these individuals back into the hands of the Chinese Government, would be both cruel and inhumane, and would violate our country's sacred tradition of offering protection to people persecuted in their native countries.

EXHIBIT 1

CHINESE STUDENTS HERE TELL OF THREATS

(By Mark Muro)

Five weeks after the Chinese government suppressed the pro-democracy movement, Chinese students in the Boston area say a wave of harassment and mysterious telephone calls has sent a new chill through their ranks.

Several students assert that they have been visited by diplomats from the Chinese consulate in New York warning them to keep silent or asking the names of students who have participated in antigovernment activities.

A window was broken two weeks ago at the China Information Center at Newton's Walker Ecumenical Exchange, which has monitored events in China for the past several months. And for weeks, Chinese students have complained that they have received dozens of threatening calls and warnings not to speak, making them fearful for their futures and for their families at home.

Virtually all the students believe the Chinese government is behind the threats.

"They are watching us, they have eyes and ears here," said Jing Huang, a Harvard graduate student. He said he has given the FBI office in Boston and Somerville police tapes of five violent warnings he received on his answering machine from an anonymous caller with an Asian voice.

Pei Mingxing, another Harvard student who said he was visited recently by an official from the Chinese Consulate in New York, expressed anger at what he termed efforts by his government to silence student protest here.

"Sure, it could be crank calls, but I do not think so," he said yesterday. "The Chinese are very subtle: They don't say, 'If you appear on TV again your family will be shot.' Instead, they came into my apartment and politely said, 'You know, this could be surmised as treason.' So I am very worried."

Officials at the Chinese Consulate in New York yesterday denied they were harassing students.

Zhang Xiaoping, an education officer at the consulate, said yesterday, "so far we haven't done anything to our students. We have never sent anyone to Boston to do anything."

On Friday, Liang Jiang, vice consul, said, "there is no official order to say such things. It cannot be imagined."

The Boston episodes come in the wake of similar reports from around the country and after news reports that Chinese officials have videotaped student demonstrations in San Francisco, Los Angeles and Washington and shown up at a student dorm at the University of New York at Stony Brook inquiring after the names of activists.

State Department spokesman Richard Boucher had no comment on the student allegations at a news conference yesterday. But the Boston students have now joined others in Washington, New York and California who have reported harassment.

In Newton, Yian Liu of the China Information Center said the Center has received 20 or more calls in the past few weeks "saying things like 'Don't do too much, or you'll be killed.' "

At the Massachusetts Institute of Technology, a politically active graduate student in physics said he has avoided meeting with friends, fearing he would get them into trouble, after a consular official telephoned him last week requesting the names of fellow student activists.

Pei said he was first visited by a Chinese official in May, before the student demonstrations in Tiananmen Square. He said the official stayed 2½ hours "politely" chastising him for the "nonsense" of predicting on TV that the government would "machine-gun the students" if they demonstrated.

He said in recent weeks he has received five or six threatening phone calls and has since changed his address, taken an unlisted phone number and ordered a postbox.

A spokesman for the FBI office in Boston had no comment on whether it was investigating Pei's complaints of harassment.

CONSUL OFFICIAL SEEKS NAMES

Another graduate student at Brandeis, who also asked not to be named, said a New York consulate official called on several students in Cambridge and Newton during the past two weeks seeking names of organizers of rallies here and in Washington.

"They wanted to know who participated," he said, "but all we said is there are many, many of us. Never would we tell them a single name."

In Somerville, Huang, a 32-year-old political scientist, said his troubles began on June 8 after he returned to the United States from China and appeared on the "MacNeil-Lehrer NewsHour" describing the crackdown.

After midnight the next night, hours after another appearance on Channel 56, a message was left on his answering machine in thickly accented English saying "Hi. Congratulations. I hope you can earn more money and be a very important guy."

Three days later, after taping another television interview, he said he received a second message in Chinese:

"Jing! Be careful. Be very careful," the caller said.

OMINOUS MESSAGES

The next night, he said, he received a similar message: "Must be very careful. Why did you do such bad things? If you continue, be careful about yourself and your family."

Later he found two more messages, including one in which the caller said: "You jerk! You jerk! We'll beat you up. Shame on you."

Huang, who played the messages last week for a Globe reporter said he is convinced the Chinese government is responsible for the calls.

Zhang of the Chinese consulate denied the charge. "So far we haven't taken any names or spoke to anyone like that," he said.

However, the students said they found little reassurance in the government denials.

Students, intelligence experts and American China-watchers alike note that fears of surveillance, name-taking, social control are well-founded regarding Chinese presence in the United States.

MANY AGENTS IN US

Just months ago, FBI and other military counterintelligence officials in Los Angeles issued a report disclosing that Chinese espionage agents had surpassed the Soviets as the most active foreign spies in California. And sources close to Chinese educational officials in New York confirm that the Chinese consulates keep a file on all 40,000 students at work in the United States, complete with computerized data on addresses and names and political activity.

Fueling fears among students and American experts alike is the widely held assumption that the Chinese government has attempted to maintain discipline among its American students by planting informers among them.

"There are always students among the others who keep tabs and report on their peers, in many cases quite secretly," said China scholar David Zweig of the Fletcher School of Diplomacy at Tufts University.

But for the students themselves, fears run beyond the educational apparatus. Said Huang: "The education people watch us, but there are other fish—spies and agents—still in the water."

Mr. GORTON. Mr. President, my amendment takes off from and builds upon the leadership of the Mitchell-Dole amendment of yesterday. That Mitchell-Dole amendment provided certain extended departure rights for Chinese students, allowed them to work under more liberalized circumstances than is the case at the present time, and all is a positive step forward with respect to some 65,000 or so Chinese students and exchange people here in the United States.

It seems to me, however, that both in the interest of democracy in China and in the interest of the United States, the selfish interest of the United States, we should go further. And put quite simply, the amendment which I have before you would grant the right to apply for permanent residence for all of these Chinese students and exchange visitors here in the United States. It does not give that permanent status automatically. It requires them to apply for it.

It also grants the right to work for all persons who are eligible to apply for this permanent residence during the period of time they would be here even under the Mitchell-Dole amendment.

I outlined two of the three goals for which I felt this amendment was needed. Very briefly, the first was to provide some form of long-term security to those Chinese students themselves who wished to be leaders in the campaign for democracy in China. At this point, and even after the adoption of the Mitchell-Dole amendment, of course any Chinese student who becomes a leader here in the United States, who speaks out, can have his or her name spoken and is threatened with the proposition that he or she may someday have to return to China and could thereafter be disciplined by the Government of the People's Republic of China.

The second and even more important reason for the passage of this amendment is that it is the most effective single sanction which we can impose on the People's Republic of China for its brutal repression of the democracy movement in Beijing on the 5th of June, and the greatest single sanction which can cause the Chinese Government to change its mind, and at the very least to offer an amnesty to those who were involved in the democracy movement because failure to do so should my amendment become law will cost the People's Republic of China a number of thousands, perhaps even tens of thousands of its most brilliant young people. China's future, to a very considerable degree, is here in the United States right now in the persons of those citizens of the People's Republic of China who are already well educated, and who are increasing their education and their skills in various places here in the United States.

The loss of those people for the People's Republic of China will indeed be a severe loss, and even the threat of their loss will be far more effective than any economic sanction we can impose in causing some liberalization, at least some liberalization, in the People's Republic of China itself.

The third reason which I was unable to get to before the rollcall intervened is a selfish American reason. This offers the United States of America the chance to seize a foreign asset of great value to put it in personal terms, to put it in much more personal terms, the same values which these young people will have to the People's Republic of China can be put to use here in the United States. These people are highly skilled, they are highly educated, and they are highly motivated. They are highly concerned about the future of democratic institutions.

Of all of those who seek to come to the United States, this group of people rank right at the very top with respect to the skills, the tremendous skills, and the very high degree of dedication which they can provide to this country from the instant they become permanent residents.

They are true assets of the world. They are wonderful people. They are skilled people. They would make great and productive Americans.

As a consequence, Mr. President, it seems to me that the amendment which I offered on my own behalf and on behalf of a number of other Members of this body is a win-win-win situation. It is a wonderful, gracious, and human response to the plight of young people who are here in the United States from the People's Republic of China, and who care very deeply about what has gone on in their own nation. It offers us an opportunity to exert some real leverage to cause the liberalization of the present Government of the People's Republic of China, and to exactly the extent that it is effective in gaining at-

tention on the part of the students and others, it may very well result in a long-term gain to the United States both from the perspective of those students who choose to stay here and those who, even though they go home, will be eternally grateful to the United States for our having met their deepest needs at a time in which those needs took place.

I understand, and I perfectly realize that this does not fit within the pattern of the bill which is before us at the present time, a bill which I think is very thoughtful and takes a balanced approach toward immigration to the United States. But that bill was written before Tiananmen Square, Mr. President. We have gone through one of the most extraordinary and public revolutions and repressions of the lifetimes of any of those of us who are Members of the U.S. Senate. I am convinced we can operate much more dramatically than we have, even in the leadership of yesterday, and adopt a proposal such as this one.

Mr. SIMON. Mr. President, will my colleague yield?

Mr. GORTON. I am happy to yield.

Mr. SIMON. He and I had a discussion on the floor a little bit ago to see if we could work out some kind of a compromise. I think the amendment of the Senator from Washington goes a little further than is desirable. I chatted with Senator SIMPSON and Senator KENNEDY, and if the Senator from Washington would be willing to withdraw his amendment temporarily, maybe it would let us see if we can work out something in the remainder of the day that moves in the direction we are trying to go here.

Mr. GORTON. I say to my friend, the distinguished Senator from Illinois, as I did say to him in private conversation, I am much more interested in accomplishing something for these students and for these people than I am in any publicity value for this amendment. If there is any opportunity with the Senator from Illinois, and with the two distinguished principal sponsors of the bill before us to work in this direction in a way which will be found acceptable by all concerned, I am delighted to do so.

What I would prefer to do rather than withdraw the amendment is simply to agree it be laid aside to be called up again at an appropriate time so that others may have an opportunity to speak on it, and so that I can work with the distinguished members of the Judiciary Committee toward a goal which all of us can support.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, on behalf of the comanager, I think that is an excellent suggestion, and I commend my friend from Illinois for suggesting it and my friend from Washington for hearing that proposal. I pledge in the course of this day, to see if we cannot do the language that I think will accomplish this and get awfully close to what we want to do, considering what we have done with the Mitchell-Dole proposal, the House proposal, the Murkowski proposal, and just be certain that we are not giving the most significant thing we can give to anyone in the United States, and that is permanent resident alien status and yet meet the conditions and concerns and fears of these Chinese students. I think we can do that.

I will pledge to work toward that today and certainly hold the Record open and the amendment list open to assure that if we do not reach an accord, we will come right back to that position.

Mr. GORTON. Mr. President, I ask unanimous consent that the pending amendment be laid aside for whatever business may succeed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The pending question is now the committee substitute.

AMENDMENT NO. 243

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of the Senator from New York [Mr. MOYNIHAN] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Mr. MOYNIHAN, proposes an amendment numbered 243.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new section:

SEC. . REPORT TO CONGRESS ON UNITED STATES IMMIGRATION POLICY TOWARD BURMESE STUDENTS.

(a) The Attorney General, in consultation with the Secretary of State, shall report to the Committees on Foreign Relations and Judiciary within 30 days of enactment of this act on the immigration policy of the United States regarding Burmese prodemocracy protesters who have fled from the military government of Burma and are now located in border camps or inside Thailand. Specifically, the report shall include:

(1) a description of the number and location of such persons in border camps in Burma, inside Thailand, and in third countries;

(2) the number of visas and parole applications and approvals for such persons by United States authorities and precedents for increasing such visa and parole applications in such circumstances;

(3) the immigration policy of Thailand and other countries from which such persons have sought immigration assistance;

(4) the involvement of international organizations, such as the United Nations High Commission for Refugees, in meeting the residency needs of such persons; and

(5) the involvement of the United States, other countries, and international organizations in meeting the humanitarian needs of such persons.

The Attorney General shall recommend in the report any legislative changes he deems appropriate to meet the asylum, refugee, parole, or visa status needs of such persons.

(b) As used in this section, the term "prodemocracy protesters" means those persons who have fled from the current military regime of Burma since the outbreak of prodemocracy demonstrations in Burma in 1988.

Mr. KENNEDY. Mr. President, this is an amendment by the Senator from New York, who has been deeply concerned about the condition of Burmese students, who in many instances have suffered gravely from a harsh totalitarian regime in Burma. His amendment is a sense-of-the-Senate resolution to provide for a report about the student situation there.

We have made a slight clarification, which is acceptable to the Senator from New York. We welcome very much his bringing this matter to our attention. It is, I think, a matter of very considerable concern, with a number of egregious human rights violations, both in Burma and in the neighboring countries.

We certainly, and I, as the chairman of the Refugee Committee, welcome whatever insights that might be developed by this coordinated effort. And it is the sense of the Senate to urge the administration to develop a more coordinated effort and to report to the relevant committees. I think it is a very valuable addition to the bill. I hope that the Senate will accept the amendment of the Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise today to offer an amendment to a truly historic piece of legislation, the Legal Immigration Act of 1989 (S. 358) the sponsors of which, Senators KENNEDY and SIMPSON, are due our greatest admiration. Their work in this area is nothing less than remarkable.

As we consider this legislation, we consider something of our past, of our present and of our future. We are a country of immigrants—a nation founded on the hopes and dreams of so many who aspired for greater freedom and for liberty.

It was and continues to be democracy—a personal, individual freedom unlike that found in any other nation—to which so many around the world are attracted. Our freedoms are inspirations to those oppressed. We don't need to be reminded of the Chinese students who attempted to bring

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

to a quarter of the world's population a taste of freedom. It was crushed under the treads of tanks. We were repelled.

Democracy truly is "breaking out all over." Unfortunately, it is not always successful. Just last year, students in Burma's capital of Rangoon and in cities throughout the country took to the streets to demand the restoration of democracy in that country. One which has been governed by a repressive socialist regime for just over now 25 years.

Students marched. The army fired on them. Western diplomats, including our own most capable Ambassador Bert Levin, reported that at least 3,000 students were killed by the military, thousands more arrested.

The prodemocracy demonstrators fled to the jungle border separating Burma from Thailand seeking to join in the common purpose—of democratic change—with ethnic minorities that have been fighting the same regime for decades. Since then the situation has only worsened. A brutal civil war rages. The military has continued its attacks on the students encamped along the border. Disease—mostly malaria—has already killed many or forced others to return to an uncertain fate in Rangoon. The rest of the world has done too little to help them. Students have been refused permission to stay in Thai territory and are being arrested and repatriated to Burma. No Western government, including ours, has granted any of the students asylum as political refugees or even entry under humanitarian parole. Just today, I learned that the INS has denied humanitarian parole to Yuzana Khin, a psychology student at Rangoon University and treasurer of the All Burma Federation of Student Unions and considered a leader of the prodemocracy demonstrations which coalesced outside our Embassy in Rangoon. Indeed, she is hiding inside Thailand while being sought by both Thai and Burmese agents. And yet she has been denied humanitarian parole. We apparently will not help here.

The amendment which I offer will require the Secretary of State and the Attorney General to provide the Congress with the necessary information needed so that we might address the critical needs of these brave, indeed, heroic students who are struggling daily to overcome the oppression of the Burmese regime. I ask unanimous consent that following my remarks an aricle by Steven Erlanger and an editorial which recently appeared in the New York Times be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 25, 1989]

IN JUNGLE AT THAI-BURMESE BORDER, LAST STAND FOR STUDENT PROTESTERS

(By Steven Erlanger)

NEAR THREE PAGODAS PASS, MYANMAR.—Hailed as fighters for democracy last September when they fled the Burmese military crackdown to train with insurgents along the borders, the students who remain in this unforgiving jungle near the Thai border have too little to eat and not enough medicine to treat the endemic malaria. Worse yet, there is nowhere else to go.

Events last August and September in Myanmar, formerly Burma, were similar to those in China: student-led demonstrations for democracy were crushed by soldiers shooting indiscriminately into crowds of unarmed civilians. Western diplomats say at least 3,000 Burmese died at the hands of the military.

But while Western governments offered asylum and visa extensions to Chinese, the American Embassy in Bangkok has told some Burmese students that they must first return to the capital, Yangon, formerly Rangoon, to get a passport or to apply for a visa, a suggestion the students find callous and absurd.

Western support for the students has been almost entirely rhetorical; contributions from Burmese exiles have withered; student relations with many of the ethnic insurgents, having different goals and little enough food and weapons for themselves, have soured.

As the Burmese Army presses its offensive against the insurgents, the students, most without passports, have little choice but to stay where they are. Those who return home face arrest and imprisonment; many of those who go to Thai cities and towns are being seized and deported, and Western countries have accepted none who have sought asylum as political refugees.

"This is a very critical moment for the students who remain along the border," said Ko Thant Myint-U, who has been trying to help them through Emergency Relief Burma. "Despite the fact that these are the very students who led the demonstrations for democracy America said it supported, no help has been given."

Mr. Thant Myint-U, grandson of U Thant, the late Secretary General of the United Nations, says that of the roughly 7,500 Burmese who came to the border after September to try to fight the Burmese regime, perhaps fewer than 2,000 remain. At least 80 percent have had malaria, many of them numerous times, and some have died, while malnutrition, diarrhea and pneumonia are common.

At the same time, dreams of fighting bravely alongside the ethnic insurgents for a common democratic future have largely withered in the face of political disagreements, arms shortages and a sustained Burmese military offensive against the ethnic Karen rebels, who sheltered many of the students and who have lost five border camps since mid-December.

Up to 1,000 Burmese students, many of them fleeing the fighting, are already hiding inside Thai towns like Mae Sot and the sprawling capital, Bangkok, where they face arrest, fines and deportation to a Burmese Government that promises harsh treatment.

Ko Winn Moe, a prominent student leader in the capital, came to this dank, wretched camp in the jungle near Three Pagodas Pass in late March, after some 200 students fleeing the fighting against the Karens sought refuge in Mae Sot. The Thai authorities said they had to leave by the end of March or be deported to Burmese territory held by the Government. About 100 students, sick and discouraged, returned to this country, many of them surrendering to the authorities.

MALARIA AND DEPRESSION

Mr. Winn Moe, 24 years old and a chess champion, negotiated a price for transportation here instead, in territory held by the Mons, another of the 10 or so ethnic minorities who have been fighting the Burmese Government for independence or autonomy since 1949. Unlike the Karens, who sought to control student activities and distribute any aid, Mons leaders have promised a free hand.

Lanky and cheerful, Mr. Winn Moe said that students sometimes become depressed, especially when they have malaria, and start to think of home, parents and friends, "but then they recover." In any event, he said, "to set up a working organization, it's better to be smaller, and those who remain here now understand the reality of jungle life, and they are very committed."

Mr. Winn Moe sat on a bamboo slat shelf in a crude shelter built only 10 days ago. Behind him, fully dressed students suffering from malaria shivered under blankets as a hot, tropical rain lashed the thatch. About half the 150 students in this camp have malaria, Mr. Winn Moe said.

At an associated camp a half-hour's trudge away, Ko Aung Thu Nyein, a 24-year-old former medical student who fled the capital last October, tried to care for some 20 malarial patients in a thatch clinic. Two or three people share the few mosquito nets, he said. He gives injections of quinine and tetracycline donated by the French aid agency Doctors Without Borders, but there is never enough. Some students have had malaria 14 or 15 times, and some have cerebral malaria, which can be fatal. Mr. Aung Thu Nyein, his face glossy with sweat, said he had malaria, too.

BECOMING DISCOURAGED

There are about 160 students at this camp, Mr. Aung Thu Nyein said, though the actual figure appeared to be less than 100. In October, there were more than 2,000. The rest had become discouraged, he said, because they thought aid and supplies would come from the West. While the Mons provide some rice and a few charities provide some food, contributions from Burmese living overseas have also dwindled. "There is a lot of disappointment among the students," he said.

"During the August and September uprising, a lot of foreign countries said they supported the students and democracy," Mr. Aung Thu Nyein said. "We believed the Western countries would support us with arms and food, and that's why we came to the border. But we got no support at all, and we've been through a lot since then."

In the main Mon camp a few miles away, the Mon leader, Nai Shwe Kyin, said he was doing what he could for the students, whom he admired but who are getting hard up and disheartened." He said he expected the Burmese Army to confront the Mons after the Karens.

If the Burmese attacked, Mr. Winn Moe said, the students could not defend themselves and would flee to the nearest Thai town, Sangkhlaburi. He said he expected Thai officials, who are trying to trade with the Burmese, to be no more welcoming than those in Mae Sot.

ON EMERGENCY AID

Mr. Thant Myint-U said he hoped the United States and other countries would at least increase aid to the student camps, help prepare emergency aid and shelter should the students need to flee to Thailand, and urge the Thais to allow temporary asylum.

Most helpful, he said, would be to help students hiding in Thailand who are already seeking asylum to be given a chance to resettle in third countries as legitimate political refugees.

"The students have little left except their trust in democracy," he said. "At this point help from America can make all the difference in saving their lives."

BURMA OUT, MYANMAR IN

Burma has a new official name: Myanmar.

The change was adopted by the United Nations on Thursday. The Burmese radio said the Government had changed the country's name to Myanmar (pronounced mee-ahn-MAH) and the name of the capital from Rangoon to Yangon (pronounced yahn-KOH).

The new versions reflect contemporary usage in the Burmese language. Many place names in the native language were adapted into English during British colonial rule between 1862 and 1948.

Several United Nations members have changed their names, including Sri Lanka, which was Ceylon until 1972, and Burkina Faso, which was Upper Volta until 1984.

[From the New York Times, June 30, 1989]

BURMESE HEROES, FAITHLESS FRIENDS

In 1959, when the Burmese people were last allowed to vote freely, their soon-to-be dictator New Win remarked: "Let the country make its own choice. It will get the government it deserves." Shortly thereafter he deposed the country's choice, made himself dictator and ruled for three dismal decades, reducing a once-prosperous country to penury under a blundering military regime.

A student-led uprising last summer forced the "resignation" of Ne Win, but not of a brutish military tyranny that has made only one mark—to change Burma's name to Myanmar.

The country's people deserve better. In particular, the young leaders of last year's rebellion are owed something better from Western democracies whose values inspired their protest slogans. As The Time's Steven Erlanger has reported, some of the students fled to Thailand and sought visa extensions and asylum. There, they were reportedly told by the U.S. Embassy to return to Yangon, formerly Rangoon, to get the needed documents—absurd advice for those facing arrest.

The sequence of events in Burma, 1988, uncannily anticipated that of China, 1989. The student democracy movement elicited instant world sympathy; Congress voted a resolution condemning Burmese violence against the demonstrators. In a crackdown claiming 3,000 lives, hard-liners forced students to flee. Some went into jungles and found shelter in camps of insurgents; others sought asylum in Thai towns and cities, or applied for refuge in the West.

But the world's attention had shifted. Not a single student is known to have been accepted for asylum in the West. And in hopes of currying favor with the entrenched Burmese military, Thailand has deported those seeking shelter in its towns. About 2,000 survivors remain in border camps, and another thousand are hiding inside Thailand. These courageous students deserve a welcome from the United States as refugees.

Their cause is scarcely lost. In Yangon last week, thousands rallied to protest the regime's denunciation of a democratic opponent. It's time for Congress to adopt a fresh condemnation of Myanmar, and to urge an open door for its dissenters.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I, too, along with my friend from Massachusetts, want to commend Senator MOYNIHAN. I can say, without any reservation, that Senator MOYNIHAN, through the whole effort of legal immigration reform and illegal immigration reform, has been one of the most astute players and a great supporter of efforts of mine since I came to this place on this very complex and vexing issue.

Again, he has pointed out to us these students, Burmese students, who were involved in the Burmese prodemocracy efforts and in protesting, who have fled from the military Government of Burma and are now located in the border camps, I think in the report, and in this sense-of-the-Senate language, it is very important that we determine these things: Where they are; number and location; the number of visas and applications; the immigration policy of Thailand; and that is going to become ever increasingly important to us, especially after the Vietnamese removed themselves from Cambodia, and a whole new relationship will spring up with our friends in Thailand regarding displaced persons and refugees and economic migrants.

It is going to be a tough issue. But this one with regard to Burma is one that deserves our attention. We need to visit with our Ambassador, a very fine friend of many of us, Burt Levin, and he has remarkable insights. We want to plumb his thoughts, and he has shared those with me. That is a very important thing. It would have missed our attention, if it had not been for the Senator from New York, and I commend him.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 243) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair in his capacity as a Senator from the State of North Dakota suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, what is the present parliamentary situation? I have an amendment I would like to offer. Has the Gorton amendment been set aside?

The PRESIDING OFFICER. The pending amendment is the Gorton amendment.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Gorton amendment be set aside and my amendment be taken up and considered. I assume the managers would then like to return to the Gorton amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I have an amendment and I would be glad to enter into a time agreement with the managers. I would suggest 30 minutes, equally divided, if that is suitable to them.

Mr. KENNEDY. Mr. President, that would be entirely satisfactory to us. I ask unanimous consent that on the Chafee amendment there be 30 minutes allocated and the time to be equally divided between the Senator from Rhode Island and the Senator from Wyoming.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I further ask unanimous consent that no amendments to the amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 244

(Purpose: To provide temporary stay of deportation for certain eligible immigrants)

Mr. CHAFEE. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This amendment is offered on behalf of myself and Senators HATFIELD, CRANSTON, GORE, and ADAMS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. HATFIELD, Mr. CRANSTON, Mr. GORE, and Mr. ADAMS, proposes an amendment numbered 244.

Mr. CHAFEE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 124, after line 25, add the following new section:

SEC. . ACTION WITH RESPECT TO SPOUSES AND CHILDREN OF LEGALIZED ALIENS.

(a) TEMPORARY STAY OF DEPORTATION AND WORK AUTHORIZATION FOR CERTAIN ELIGIBLE IMMIGRANTS.—

(1) IN GENERAL.—The Attorney General shall provide that in the case of an alien who is an eligible immigrant (as defined in

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

subsection (b)(1)) as of November 6, 1986, who has entered the United States before such date, who resides in the United States on such date, and who is not lawfully admitted for permanent residence, until the cut-off date specified in paragraph (2), the alien—

(A) may not be deported or otherwise required to depart from the United States on a ground specified in paragraph (1), (2), (5), (9), or (12) of section 241(a) of the Immigration and Nationality Act (other than so much of section 241(a)(1) of such Act as relates to a ground of exclusion described in paragraph (9), (10), (23), (27), (28), (29), or (33) of section 212(a) of such Act), and

(B) shall be granted authorization to engage in employment in the United States and be provided an "employment authorized" endorsement or other appropriate work permit.

(2) CUT-OFF DATE.—For purposes of paragraph (1), the "cut-off date" specified in this paragraph, in the case of an eligible immigrant who is the spouse or child of a legalized alien described in—

(A) subsection (b)(2)(A), is (i) the date the legalized alien's status is terminated under section 210(a)(3) of the Immigration and Nationality Act, or (ii) subject to paragraph (4), 90 days after the date of the notice to the legalized alien under paragraph (3) of the applicable cut-off date, whichever date is earlier;

(B) subsection (b)(2)(B), is (i) the date the legalized alien's status is terminated under section 245A(b)(2) of the Immigration and Nationality Act, or (ii) subject to paragraph (4), 90 days after the date of the notice to the legalized alien under paragraph (3) of the applicable cut-off date, whichever date is earlier; or

(C) subsection (b)(2)(C), is 90 days after the date of the notice to the legalized alien under paragraph (3) of the applicable cut-off date.

(3) NOTICE.—In the case of each legalized alien whose status has been adjusted under section 210(a)(2) or 245A(b)(1) of the Immigration and Nationality Act or under section 202 of the Immigration Reform and Control Act of 1986 and who has a spouse or unmarried child receiving benefits under paragraph (1), the Attorney General shall notify the alien of the applicable cut-off date described in paragraph (2)(B) and the need to file a petition for classification of such spouse or child as an immediate relative to continue the benefits of paragraph (1). Such notice shall be provided as follows:

(A) If the legalized alien adjusted status to that of an alien lawfully admitted for permanent residence before the date that the definition contained in section 210(b)(2)(A)(i) of the Immigration and Nationality Act (as amended by this Act) first applies, the notice under this paragraph shall be provided as of the date that that definition first applies.

(B) If the legalized alien adjusted status to that of an alien lawfully admitted for permanent residence after the date that such definition first applies, the notice under this paragraph shall be provided at the time of granting such adjustment of status.

(4) DELAY IN CUT-OFF WHILE IMMEDIATE RELATIVE PETITION PENDING.—The cut-off date under paragraph (2)(B) with respect to an eligible immigrant shall not apply during any period in which there is pending with respect to the eligible immigrant a classification petition for immediate relative status under section 204(a) of the Immigration and Nationality Act.

(b) ELIGIBLE IMMIGRANT AND LEGALIZED ALIEN DEFINED.—In this section:

(1) The term "eligible immigrant" means a qualified immigrant who is the spouse or unmarried child of a legalized alien.

(2) The term "legalized alien" means an alien lawfully admitted for temporary or permanent residence who was provided—

(A) temporary or permanent residence status under section 210 of the Immigration and Nationality Act,

(B) temporary or permanent residence status under section 245A of the Immigration and Nationality Act, or

(C) permanent residence status under section 202 of the Immigration Reform and Control Act of 1986.

(c) APPLICATION OF DEFINITIONS.—Except as otherwise specifically provided in this section, the definitions contained in the Immigration and Nationality Act shall apply in the administration of this section. Nothing contained in this section shall be held to repeal, amend, alter, modify, effect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of such Act or any other law relating to immigration, nationality, or naturalization. The fact that an alien may be eligible to be issued an immigrant visa under this section shall not preclude the alien from seeking such a visa under any other provision of law for which the alien may be eligible.

Mr. CHAFEE. Mr. President, this amendment corrects a lingering flaw in the Immigration Reform and Control Act of 1986 which, for simplicity, I will refer to in the future as the amnesty bill, since that is what most of us remember it as.

This amendment deals with a problem in the amnesty bill which dealt with and arose because of the threat of family separation. What my amendment would do, very simply, would be to grant a stay of deportation and work authorization to the spouses and unmarried children, minor children, of individuals who achieve legal status, and the individuals must have achieved legal status under the amnesty bill.

In order to receive this protection, the illegal spouses and the children, minor children, unmarried—that is what we are talking about—must have lived in the United States prior to November 6, 1986, which was the date that the amnesty legislation was enacted.

You can see this is a narrow piece of legislation. It deals with only spouses and unmarried minor children. It does not deal with parents and sisters and brothers and uncles and aunts. It is limited.

Furthermore, those who receive this must have been in the United States prior to November 6, 1986. So it does not include massive numbers.

My amendment would only apply, as I say, to individuals who were already here when the amnesty bill was created, but they did not qualify because probably in most instances they were not here by the cutoff date that was required under the amnesty bill. As we all remember, the cutoff date for the amnesty legislation was January 1, 1982. That is when somebody had to be in the United States to qualify for the amnesty legislation. So my legislation deals with a group that most likely—they may have been here before January 1, 1982, but that is highly unlikely. We are talking about those who came to the United States, the minor children, unmarried, and the spouses, between the period of January 1, 1982, which was the cutoff date, and November 6, 1986, when the legislation was enacted.

The amnesty bill was the product of many years of hard work and compromise. A bill was put together that passed both Houses by wide margins. In the Senate, it passed 63 to 24; in the House, it passed 238 to 173. The distinguished Republican manager of this bill today on the floor was the principal author of that legislation and provided very strong leadership and did an excellent job. I want to tip my hat to the junior Senator from Wyoming for what he did.

The provision to allow certain illegal aliens to apply for lawful temporary resident status was included for pragmatic, political and compassionate reasons. Why did we pass that legislation? We did it for pragmatic reasons, we did it for political reasons, and we did it for compassionate reasons.

What were the pragmatic reasons? The fact was that there were millions of undocumented aliens in the United States at that time. It would be impossible to locate and deport all of them. So the conclusion was it was far better to take the situation as it existed then, let those apply for amnesty, and then change the rules for the future. Some of those changed rules were, of course, the provisions dealing with employment. Far stricter rules both on the employers and on the employees, the so-called sanctions. The first reason was a practical one. We could not do anything about those millions of illegal aliens anyway, so we might as well let them apply for citizenship and start fresh.

The political reason for amnesty was one of balance. Coupled with the amnesty provisions, as I say, were reforms. Those reforms dealt with requiring employers to check the status of those they hired, and it put sanctions on those who hired undocumented workers.

The most compelling reason for the amnesty bill, in my judgment, was that of compassion. I believe our society is best served by a generous measure of understanding when it comes to undocumented aliens in our country. So we thought the fairest and the wisest course was to set strong procedures for the future but not deport those who have been here prior to the cutoff date.

Certain people, unfortunately, fell through the cracks. Let me give you a situation from my State.

We have an individual I will call Leon, who immigrated to the United States illegally from Colombia on October 24, 1981. He how lives in Central Falls, RI. He is a meticulous man and he saved all his papers, his employment records, his rent receipts, and he had an easy time applying for the generous legalization program. In other words, he qualified for amnesty.

Leon's family, namely his wife Esther and three children ages 18, 13 and 8, were not so lucky. They arrived in the United States 22 days after the cutoff date of January 1, 1982, and thus were not eligible for amnesty.

Leon faces the excruciatingly painful decision between breaking up his family or breaking the law of his new country and keeping these individuals here illegally.

Eventually his family could benefit from the second preference relative petitions, however they would have to wait a substantial period of time, and during that period they would not be eligible to work and they would live in fear of being separated from their families through deportation.

What are the requirements on them? First, they must wait until Leon and other legalized family members become permanent residents, which would occur by October 1990. Then they would have to wait for a visa to become available.

Currently there is a 20-month waiting period for visas through the second preference. Immigration advocates fear that as new legalized individuals petition for their families the waiting period could jump from 3 to 5 years. The sole recourse for the newly legalized with undocumented family members is a family fairness policy. Let me just describe that briefly.

That was instituted by the Immigration and Naturalization Service in October of 1987. It provides nondiscretionary relief only for minor children. We are not talking about spouses. We are talking about minor children who enter the United States before November 6, 1986, both of whose parents gain legal status under the amnesty bill.

So we have taken care of a situation where both parents qualify. But I am talking about the situation where the wife, in this instance, came 22 days after the cutoff period, and her children came at the same time, and so they do not meet the family fairness doctrine that has been instituted.

As I say, in the case of single-parent families, the parent with whom the child resides must have legal status.

Others say: Well, they do not deport under this anyway. And there are very few deportations. Indeed, in a place like Chicago they are treated very leniently. So my amendment is unnecessary.

Well, I can point out other areas of the country, Albuquerque, NM, where they are treated in a harsher manner than that.

Enactment of my amendment is urgently needed so the fundamental goal of the legalization program can be realized. In my view it is a basic American value to believe that the threat of family separation is wrong; the uncertain treatment of families under the amnesty bill is contrary to our longstanding policy in the United States of family unification.

Of course, there has been an Executive order by the President, Executive Order 12606, dealing with the family. Obviously deportations would be contrary to that.

This is a modest solution, Mr. President. It is different. I offered an amendment similar to this in 1987 that was defeated, 55 to 45. But it was different. It was broader than this. That amendment would have granted legal status to the spouses and children of the legalized aliens.

There is a lot of difference between granting legal status and what my bill does. So let us tick through what it does not do.

My bill does not confer legal status on the spouse or children who benefit from this legislation.

My bill only applies to spouses and minor unmarried children.

It does not apply to the whole family of brothers and sisters and cousins and parents.

The spouses and children would lose their protection under this amendment if they fail to apply for a visa under the second preference within 90 days of becoming eligible. So there is a further restriction.

Those who benefit from this amendment will not jump ahead in the line for visas or legal status. They will not displace others who have filed application or who are waiting for their visas outside the United States.

Individuals covered by my amendment are not eligible for Federal benefits.

My amendment does not in any way tamper with the delicate amnesty compromise that we reached.

The cutoff date of November 6, 1986, ensures that no one who entered our country with the hope of benefiting from an amnesty will do so. In other words, the cutoff date still remains.

Here is a very important point. Many people believe that my legislation would act as a magnet, in other words, come one, come all: olly, olly in free. You can now qualify, a spouse or minor children, because the father or in some instances the mother qualified under the amnesty bill. That is not so. They had to have been here prior to November 6, 1986.

Mr. President, one of the arguments that will be raised is that we are treating this group differently than we are a legal alien. That is true. But the point, Mr. President, is we treated this entire group differently. That is why we did the amnesty legislation.

We treated those who came illegally differently than those who have been waiting patiently for their entrance visas from foreign countries for many years. So, yes, there was a difference in treatment. But we concluded it was the right thing to do and this is a correction, a minor correction, to that entire procedure that we followed when we passed that legislation.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 17 seconds.

Mr. CHAFEE. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Wyoming.

Mr. SIMPSON. Mr. President, there is no one more spirited in cause than my friend from Rhode Island, the Senator from Rhode Island. He is a man I greatly admire and enjoy and respect. And I know the intensity with which he deals with this issue. We have talked about it. We have tried to accommodate each other on it. He is a persistent, persuasive gentleman of the first order and you cannot beat him back. He has the old wrestling instinct he picked up in college and he still will wrestle you right to the ground.

I do not know what will happen to this. I remember it is not quite the same but yet it is because it gives something that is more valuable than legal status. It gives work authorization and a stay in deportation. What more would a person want? That is all they would want if they were in the United States, is a stay of deportation and work authorization. Forget the rest of it. They would not care what status they were in: asylee, EVD, special entrant, whatever, once they have those two things.

So I respectfully and regretfully but with spirit to match his, oppose this amendment because to me it disturbs the delicate balance of the 1986 Immigration Reform and Control Act. We have already debated the issue of legalization for illegal aliens. The Congress decided that those aliens who had lived here continuously since January 1, 1982 or before would be allowed to receive a legal status and it was not specialized, it was complete. We did not set aside little enclaves, like this amendment does, of people.

In the Judiciary Committee report we stated it very clearly. We knew this would happen. We knew exactly what would happen because of the pressures from the groups out in the United States who push this stuff along; they are insatiable. There is not a single gap we are supposed to have when we

do any kind of reform. They will find something that makes it impossible.

We see the comments that the Immigration Act, the IRCA of 1986, might not be doing the job. Well, if it is not, I am ready to go back to work, just tell us what we are supposed to do to avoid the continual exploitation of people who get here in an illegal status and I am willing to pick up all the tools and machinery and go back to work.

I do not set them in this body and think about things that have gone awry. If they have gone awry, let us bring them back. We have the same people ready to do that. We said, "It is the intent of the committee"—this was during the passage of the bill—"that the families of legalized aliens will obtain no special petitioning rights by virtue of the legalization. They will be required to wait in line in the same manner as immediate family members of other new resident aliens."

Please hear that. We are here in the Chafee amendment giving an advantage that we do not give to permanent resident aliens who have been waiting to have their spouses and minor children to join them for maybe 11 years. How can you possibly give a benefit to a person who just got legalized and bring in their spouse and minor children when you do not do it for permanent resident aliens who have been here? And a permanent resident alien can have his or her spouse deported under present law, and yet this person cannot? It strains all sense.

The Senator from Rhode Island proposed the amendment before, and it has been changed slightly. That amendment was defeated. We will see what happens with it today. It does not grant this actual legal status, but, as I say, it grants the thing that is most primed. It is an attempt actually at a de facto second amnesty. I promised all my colleagues during the presentation of the immigration bill over the course of 6 to 8 years that legalization is and will be a one-time-only program. You either get in in the year or you do not make it. No other country can go on that basis where you simply say, "Well, I knew they were kidding; they will do it again." Well, we are not going to do it again, and this is the first step of doing it again.

I do intend to keep that promise to those Members who voted with this issue despite having serious reservations about a legalization program anyway. I did not like it. What are you going to do? I said there is one reason we are doing it; if you could not apprehend them coming out, what are you going to do to exit them from the country? I said I am not going to be a part of that. So we had a legalization. I am glad my colleagues went along with it.

There are probably as many people in Congress today who want to narrow the legalization program as there are those who would broaden it. As we grapple and anguish over the legalization issue, we did at least conclusively decide it, and this opens it up again. A cruel irony of this amendment—and I said it and will say it one more time, knowing how this place operates—is that it would treat the illegal immigrants more generously than we treat our current legal immigrants because under the present system, a new permanent resident alien who does not enter with his immediate members of his family might apply through the preference system for his family to immigrate. In such cases, there is a wait of 16 months for nationals in most countries and a longer wait in countries with higher visa demands. For those legal immigrants, there is no withholding of deportation if their family are present illegally. There are many Mexican nationals who return to Mexico from the United States to pick up their visas when they are issued—now hear that—thus proving they have been living in the United States without status and without protection from deportation. When their visa number comes up in Mexico City, 85 percent of them go down from the United States to pick it up. Do you think they have any fear of deportation? Of course not.

We have deported a handful of people; literally a handful. Maybe 12, maybe 5. Not more than 100 under any scenario have we ever deported. In fact, we do not even deport poeple for heinous activity because we are a very generous country.

As the newly legalized aliens receive their permanent resident status, they may apply for admission in the same manner as the legal resident aliens now do. I cannot tell you how many Americans objected during the original bill because it seemed to reward lawbreakers while penalizing those who were waiting patiently in line to immigrate legally. I opposed those arguments, and I fought for legalization.

I believe this amendment so plainly reopens all those old wounds so that the public is unlikely to see it in any other light. Without public support of the United States, any immigration policy is doomed. I fear we are undercutting exactly this support by adopting this amendment and giving a special treatment to people who are illegal aliens and whose family members were originally illegal aliens.

There is one other thing I hope people will hear in this process, this breaking up of families and deferring applicants. There have been these claims continually of the terms of the legalization program that we are breaking up families. I think there is another very valid perspective to that issue. Let me remind my colleagues that it was the illegal alien families who chose to divide themselves. They chose to split up their families in this other country. If they had all come to the United States together, they would have been covered under the amnesty. They would have qualified for the legalization program together. They themselves chose to divide their families, not because of refugee status, but because of economic reasons, or others. They chose to do that. I think they then must wait, just as under our legal immigration system, allowing them to enter legally. We heard allegations that the lack of a second family amnesty in the last debate was deterring applicants for the legalization program. I know my friend from Rhode Island will remember that. He said this is deterring applicants for the legalization program, and he did it with that spirit that is Senator JOHN CHAFEE.

The allegation turned out to be absolutely unfounded. In 1986, the Congress estimated that 1.4 million persons would come forward under amnesty and an additional 250,000 under the Special Agriculture Workers. In fact, 1.76 million came forward during the general amnesty, and 1.3 million applied for the special status even though many applications in the SAW Program I think are maybe fraudulent and we are going to have to deal with that. Congressmen BERMAN, SCHUMER, MAZZOLI, BROOKS, FISH, SMITH, and all of them will be right back in it again with the SAW Program and the RAW Program which turned into a ripoff.

There was certainly no chilling effect whatsoever that amnesty experienced based on those figures. I simply want to say how broad this amendment is. It still is broad, and here under the proposal a family member of a formerly illegal alien who enters the United States illegally 1 day before the President signed the bill on November 6, 1986, would be granted relief from deportation and would receive work authorization. All we tried to do when we started this operation was recognize persons with certain equities that long-term illegal residents had established in this country—that is what we did—those who lived here 5 years or more. So much for equities when you get to this kind of a situation.

No such equities have been established in this country by someone who entered the country a little over 2 years ago. That cannot be. Let me specifically illustrate how broad this amendment is. Here it is: Senator CHAFEE talked about Leon and his family. I would have to inquire as to whether any of his family have been deported. We will have that information in a moment when I finish my remarks.

Let me specifically say that an illegal family alien who spent 4 years and 11 months, that is 59 months, volun-

tarily separating him or herself from his family in the United States may receive immigration benefits now on residing illegally in the United States for the last 31 months. Somebody will have to tell me how that really is. To me it does not have any ring of sense. It is an unsupportable result.

I believe that administrative relief is warranted for some family members. That is why we have a family fairness doctrine with the INS. Illegal children of legalized parents are always kept in this country. Senator CHAFEE is right, we do not deport the illegal children of legalized parents, and the legal-illegal spouse issue is always dealt with on the basis of case by case. There is nothing wrong with that. If it is being done differently in some areas of the United States than others, we can correct that. But I do not believe that absolutely every case where one spouse is illegal must be given relief from deportation because in some cases we already deport the illegal spouses of legal immigrants in the United States.

I just do not know why we should tie the hands of the INS and prevent them from deporting everyone in this category, and they have only done 12, or 8, or 5 or 100. I do not know. It is not over 100. It is exactly in these cases where some alien families choose to separate themselves for many years. I do not believe we should now grant them some automatic immigration benefit. It should be left to the INS on a case-by-case basis. The question of relief has been debated and disposed of before. I think it is redundant, unnecessary, and it amounts to that, and it should be rejected.

May I ask how much time remains.

The PRESIDING OFFICER. The Senator has just under two minutes.

Mr. SIMPSON. I reserve the remainder of my time.

Mr. CRANSTON. Will the Senator yield time to me.

Mr. CHAFEE. Yes. The Senator from California wishes to speak. I ask unanimous consent that we might have 8 additional minutes on this side and, if the other side would like 8 minutes, that would be fine, obviously, too.

Mr. SIMPSON. Mr. President, never missing an opportunity to pick up a few extra minutes, I think I probably would yield back, but I leave that to the principal manager.

Mr. CHAFEE. How about 16 minutes equally divided, in addition. I think each of us has a couple of minutes.

The PRESIDING OFFICER. Is there objection? Without objection there will be an additional 16 minutes evenly divided.

Mr. CHAFEE. I yield 3 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 3 minutes.

Mr. CRANSTON. Mr. President, I am glad to be a cosponsor of the amendment being offered by my friend from Rhode Island and I urge my colleagues to support it also. This amendment addresses an issue which is central to the legislation which is currently before us: Family unity.

My colleagues will recall that during the 100th Congress, Senator CHAFEE and I, along with Senator SIMON and others expressed our concern about the plight of families in which one member qualified for the Legalization Program authorized by the Immigration Reform and Control Act of 1986, while other family members did not. For months we pressured the Immigration and Naturalization Service, INS, to develop an administrative remedy for such families and to assure that ineligible family members would not be deported. After considerable delay, the INS did announce a policy which it called a "family fairness" policy. We did not find that policy to be particularly fair then, and we do not find it to be fair now.

As my colleague from Rhode Island has already pointed out, the INS policy fails to address the humanitarian concerns regarding family separation. Ineligible spouses of legalization applicants are given protection from deportation only if they can prove "compelling or humanitarian" circumstances, such as serious medical problems or the presence of a handicap. Former Commissioner Nelson has explained that marriage or immediate family relationship alone would not be enough for INS to refrain from deporting an individual. With regard to children, the policy would only protect them from deportation if both of their parents qualified for legalization or, in the case of single-parent families, if they lived with the parent who qualified.

In addition to our concerns regarding the putative fairness of the INS policy, we also are concerned because the policy does not set adequate guidelines for local INS district directors to follow. Specifically, there is no clear guidance regarding which circumstances would constitute "compelling or humanitarian factors" which would protect individuals from deportation.

We argued before that these shortcomings in the INS policy on families jeopardized the success of the Legalization Program because the ineligible family members would continue to reside in the United States without the benefit of legal status or work authorization. In effect, the problems we sought to solve with the establishment of the Legalization Program would continue and we would still have a subclass of individuals living in fear and vulnerable to exploitation.

Mr. President, in the time that has elapsed since we last raised these issues we have seen that what we thought would happen, has happened. The discretion which has been given to the local INS district directors has caused many individuals to not try and adjust their status under the INS family policy. In fact, Mr. President, these have been incidents in my home State of California which reinforce the mistrust these individuals have in the INS. I ask that the text of an article which appeared in the San Francisco Chronicle, dated May 31, 1989, entitled "INS Accused of Wrongfully Returning Teenager," be entered in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. This article describes a situation where two sons of a man who qualified for legalization were recently deported to Mexico even though the sons apparently could have qualified for protection for deportation under the INS family policy. There is a dispute about whether the INS attempted to notify the father before summarily deporting his sons. However, this incident and another referred to in the article regarding INS efforts to deport an 8-year-old daughter of a Peruvian woman who qualified for legalization, demonstrate the need for a more humane and uniform national policy with regard to these families.

The fact is that there are many families who find themselves in the situation where one or more members of their family could not legalize their status in this country under the legalization programs, and who are also afraid to invoke the INS family policy because of the uncertainty regarding the outcome. One California organization which processes legalization applications reported that 47 percent of its caseload have family members who did not qualify for legalization. Clearly, we should do something to remedy this situation.

The amendment we are offering is a very modest measure. It merely assures these families that their family members who could not qualify for legalization will not be deported, and will be authorized to work. Under this amendment, the family members who will be benefitted would have had to have been in the United States as of the date the Immigration Reform and Control Act was enacted—November 6, 1986. Thus, this amendment would not encourage or reward any unauthorized entry since the date this new immigration law went into effect.

Also, the persons benefitted by this amendment would have to wait in line along with others wishing to apply for family preference visas. The amendment also defines the period within which these individuals must apply for these visas. What this amendment ac-

complishes is that it keeps the family unit intact during this waiting period.

Mr. President, this amendment is necessary, it is reasonable, and it is a humane response to the difficult situation which many families find themselves in. I urge my colleagues to support it.

EXHIBIT 1

[From the San Francisco Chronicle, May 31, 1989]

INS ACCUSED OF WRONGFULLY DEPORTING TEENAGER

(By Edward W. Lempinen)

Immigration agents seized a 15-year-old boy in his Mission District home and deported him to Mexico earlier this month without letting him contact a lawyer or his father, who is in the country legally, attorneys charged yesterday.

The U.S. agents entered the home without a search warrant, then took Orlando Mis-Fajardo and his 24-year-old brother into custody even though their father, Santos Enrique Mis, qualified under the federal amnesty, said attorneys from two local refugee-rights offices.

At a news conference, they suggested the deportation is part of an emerging pattern of harassment by the U.S. Immigration and Naturalization Service against children as young as 8 whose parents are legal residents.

"Our guess is that this kind of deportation . . . is a subtle message to the immigrant community—people better not stay here (because) we don't want you here," said Christine Brigagliano of the Coalition for Immigrant and Refugee Rights and Services.

District Director David Ilchert adamantly denied the charges yesterday, saying the agents had permission for the search and had given the brothers a chance to contact their father. Orlando did not qualify for amnesty, he said, and therefore was sent back to Mexico where his mother lives.

FAMILY FAIRNESS POLICY

At the center of the dispute is a disagreement about the sweeping 1986 Immigration Reform and Control Act. The law does not specify what happens when parents qualify for amnesty under provisions of the law but their minor children do not.

A "family fairness policy" issued later by the INS says that children will be allowed to stay by meeting two conditions: that they entered the country before November 6, 1986, and registered with the INS, and that the mother or father in a single-parent household has been granted temporary resident status.

According to immigration attorneys at La Raza Centro Legal in the Mission District, Mis-Fajardo met those conditions, although he had not registered with the INS. But they called the deportation an "inexcusable violation" of current U.S. policy.

The law center alleges that on May 11, two INS agents went into the Mission Street home shared by the teenager, his brother Santos Tomas Mis-Fajardo and their father. The brothers contend the agents came in without a warrant or permission.

The brothers were taken into custody and separated. The attorneys allege that they repeatedly asked for permission to contact an attorney and their father, but were denied.

WAITING IN TIJUANA

Both were deported that day and now are waiting in Tijuana for permission to return to San Francisco.

"They didn't allow my sons to communicate with me (before the deportation), and I don't think that's fair," their father said through an interpreter. "I haven't done anything wrong. My sons haven't done anything wrong."

Mis, a dishwasher, said he entered the country in 1981 and has been granted "lawful temporary resident" status by the INS.

Mario Salgado director of La Raza Centro Legal, said Mis had not registered Orlando because he feared the government would deny him amnesty and deport him.

Mis and his wife have been separated since 1981, and the brothers lived with their mother in Mexico until she "abandoned" them to live with another man in 1985, the lawyers said.

But Ilchert said that Orlando did not qualify to stay because there is no proof that the parents are legally separated or divorced. Therefore, he said, Orlando is not a member of a single-parent family under federal policy.

INS WANTS PROOF

The family's attorneys have not come forth with proof of a divorce or separation, he said.

"I'm waiting for them to come forward with the story," Ilchert said. "I told them, 'If you want to try the case in the press, that's fine.' It seems like they want to talk with you (reporters) more than they want to talk with me."

Salgado said his office has appealed for help to U.S. Representatives Barbara Boxer, D-San Francisco—Marin, and Nancy Pelosi, D-San Francisco, and to Supervisor Jim Gonzalez.

Gonzalez, in an interview, called the deportation an "outrage."

In a case earlier this month, the INS was threatening to deport an 8-year-old Central Valley girl, even though her Pervian mother had won amnesty as a special agricultural worker.

Mark Silverman, an attorney with the Immigrant Legal Resource Center in San Francisco, appealed the case and won an exemption from the INS, allowing the girl to stay until at least 1991.

The PRESIDING OFFICER (Mr. ADAMS). The time of the Senator has expired.

Who yields time?

Mr. CHAFEE. Mr. President, the junior Senator from California wished to speak on this amendment and is on his way over. I will make this bold request. I would ask for a quorum call with it not being charged to either side, just waiting a few minutes for the junior Senator from California to get here.

The PRESIDING OFFICER. That has to be in the form of a unanimous-consent request. The Chair accepts the request as such. Is there objection? The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I do not know if I will object. Many people came by our post here during the course of the last hour saying, "When is the next vote?"

Mr. CHAFEE. The next vote is going to be very shortly. Let us say we will wait for the junior Senator for 2 minutes maximum.

Mr. SIMPSON. Why not proceed to discuss the bill under the time agreement we just agreed to?

Mr. CHAFEE. That is agreeable to me, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I should like to address some of the points the Senator from Wyoming raised. First is the family fairness doctrine of which he speaks. The trouble with the family fairness doctrine is that it is unevenly applied. It is applied one way in Illinois and it is applied another way in New Mexico.

Second, the Senator points out that very few deportations have taken place. Is it 16 or is it 20? In any case, the Senator says it is less than 100. In my judgment, each of those has been a heartrending experience for those involved. If you are 1 of the 20 or you are 1 of the 100, it is pretty real and you are not interested that you are only 1 of 100 in the Nation. You are interested in what is happening to yourself.

Furthermore, I wish to emphasize that if that is all we are deporting, what is the matter with passing the legislation? We are not having a hoard of individuals stay in the United States under this legislation. There are no extras that will come here.

Now, another point I wish to make is we have arranged a wholesale invitation, a second amnesty program. As I said before, it is not an "all-in-free situation," come one come all. There is a cutoff date. They had to be here before November 6, 1986. That is nearly 3 years ago. They did not know whether this amnesty legislation was going to pass or not. They were not rushing in to beat the deadline. They did not even know about that. All they knew was that the legislation at that time carried a cutoff date of January 1, 1982, but the most probable situation is they did not know this legislation existed anyway. They were one of the million illegal aliens who were pouring into the country.

Finally, the Senator from Wyoming quite rightfully says these illegal aliens who came in and qualified for amnesty, you are giving them a special privilege you are not giving to a legal alien who came here and now wants his wife in. That is true. That is absolutely true. But, Mr. President, it seems to me we crossed the Rubicon on that situation. We made the choice. We decided that we are going to treat this group differently. They were here. There were millions of them. We said look, for practical, for political, for compassionate reasons we cannot do anything about it. We cannot ferret everybody out who is an illegal alien and send them home. So we said there

is going to be a cutoff date for them. But I could not believe we really thoroughly thought about the spouses and minor children that might come shortly thereafter.

The PRESIDING OFFICER. The Senator from Rhode Island has 2 minutes remaining. The Senator from Wyoming has 9 minutes 4 seconds.

Mr. CHAFEE. Mr. President, I yield 2 minutes to the Senator form California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. WILSON. Mr. President, I rise to support the Chafee amendment. What we saw was that IRCA was intended in part to bring about a program of legalization. Amnesty it was called.

People expressed wonder that it did not work. Well, there is no wonder. In a household of five people, where two were eligible and three were illegal, the three who were illegal might have been compromised by the efforts of those who were eligible for amnesty to come forward.

This is ridiculous in the sense that we are talking about setting a standard that cannot be enforced in any case. There is not the ability to enforce the law. The law should not be enforced as it is being proposed by the Senator from Wyoming because in fact what we ought to do is recognize that family reunification is a just thing, that we have an unworkable situation where those who are compelled to live in the shadows face the threat of deportation whether in fact they will be deported or not. Let us recognize that they should not be and let us see to it that they can have the opportunity to work, to be productive members of society, and the provisions that have been set up for their becoming citizens are entirely reasonable. They fall within what are really almost existing preferences.

This country was built on certain values. One of those that we continue to prize today is the value of the family unit. We ought to say to people whom we have said you can stay in this country and be legal citizens that they can stay with their families, their immediate families.

Mr. President, I urge the support of this amendment.

Mr. SIMPSON. Mr. President, I yield an additional minute of my time to the Senator from California, if he wishes to conclude.

The PRESIDING OFFICER. Does the Senator from California wish to conclude?

Mr. WILSON. I thank my friend for his generosity.

The PRESIDING OFFICER. The Senator from California is recognized for 1 minute.

Mr. WILSON. Mr. President, I thank him for his generosity, and I think what we should recognize is that the law as it now stands has produced unintended hardship in my State and in many others. There are literally doubtless hundreds of thousands of people living in the shadows. That makes no sense. It is doing no one any good. Let them become productive, let them come out of the shadows, let them become employed, and let them in fact become citizens in due course. We are under the other provisions of this legislation giving explicit preference to the immediate relatives, and that is what we are seeking to do in this situation. For the most part it is also, I must say, and I reemphasize the fact, an unworkable situation now. We simply do not have the manpower to expend but the threat of deportation remains.

Mr. President, this is just not helpful. I suggest that the time has come for us to say if this is to be regarded as such an expansion of amnesty, then so be it. Let us do so and let us not continue with a situation that is both unworkable, inhumane, and one that does not benefit the present citizens of the United States.

I thank my friend for his generosity in according me the time.

The PRESIDING OFFICER. The time of the Senator from California has expired. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I hear the arguments presented very clearly, and I hear the comments with regard to the bill of 1986. I say to anyone who thinks, and legitimately so, that it is not working, let me always say what do you have in mind? What should we do now? I think all of us will want to work toward that. We knew what was happening when we did the original bill. We knew that the identification system was worded appropriately, but no one wanted to use a "National ID card" and so people have gimmicked that system royally. We knew that. We knew we did not want to put any burden on the employers. We knew that. We knew we did not want to discriminate against people. We knew that. We do know now that we need better identification systems, perhaps a tamperproof Social Security, whatever. There are lots of things that were discussed.

Senator MOYNIHAN was always a hard-working laborer in that area, and many others. It does not have anything to do with tattoos. It does not have anything to do with that kind of thing. That is what always enters this debate when you get into it. We need more resources. We talk about people in the shadows. There will always be people in the shadows of the United States because that is where everybody in the world wants to come. They know we are a compassionate, remarkable country, and they know that when they come nothing will happen to them.

We have only deported 23,000 people in the whole year, and some of them were real skyrockets. We hardly even take on the drug runners and deport them. Our deportation is practically nil when you consider the illegal and legal immigration into the United States. We are in the kiddie league on deportation. We certainly are in this area when we have removed only 12 people here in this situation.

It has been unevenly applied. We should correct that. I agree totally with the Senator from Rhode Island. I will help him do that. But remember that each and every person that we talk about with all this anguish made a voluntary decision to separate and split from their own families. They decide to split. The Government of the United States did not split them. They split. We seem to lose track of that. And they split, and one or both of them knew they were coming illegally to the United States. And with the way we are, it is our strength and our weakness. We have supported those people. We gave them an amnesty. That was something. It was not just willy-nilly. It was a deep-held policy statement of the United States.

It said you people who have been here for 5 years, who have established equities, you people we read about in the newspaper—and anyone can tear one of those out of any newspaper. A lot of illegals who came here illegally knew what they were doing, violated the law, and love to go to the newspapers. Then politicians tear it out and their staffs tear it out. They bring it in here and we twist the law all around one more time. That is how this place works.

I have files full of those people. Then you go into it and you find out, well, he forgot to tell them that he lied about his status. He forgot to tell them that he had been involved in a criminal activity. He forgot and now because he is a member of the chamber and he has given money for the auditorium, done all these other things, you do not dare touch him or the mailroom will break down. There are people who do that in the world. I just want to share that with you. I am not a cynic, but I am a skeptic. I certainly am. There is a lot of difference.

So you talk about the communications system. Let me tell you I have been working on this issue for 10 years; Senator KENNEDY, for 27. Ma Bell has nothing on people who want to know when to come to the United States, when we are diddling around with legislation and when we are not, and when we are talking about amnesty.

The reason we set the amnesty date where we did was because there was a surge in illegal entry the day it first

became known we were considering one, an absolute press against the border. That is the way it works. I am not worried about anybody who did not get the message. They got the message. It goes out in the communication system. That is beyond comprehension. But those are things.

Family fairness should be uniformly applied. I agree with my friend. I will assist him in assuring that. I pledge that. We do not need the Chafee amendment to ensure uniform application of an existing policy. We will work with the Attorney General. I pledge to do that.

I just do not see how we should tie the hands of the INS so that no one who has entered even as recently as 1 day before the law was signed is somehow receiving this remarkable benefit. I understand the sympathy for family members. Boy, do I. I have been there.

We are always going to have these people living in the dark. You know what happens in America? The people that live in the dark get exploited. There are so many people in various States of the Union that love to use these people, and then come in here and prattle on about, you know, human rights, rights of work. Let me tell you. There are people that love and hope that every law fails so they can just continue to whoop it up, use people, pay them little or nothing, and hide them back in the woods. That is another interesting thing about this line of work.

So I think when you do this on this broad basis it is a mistake. I think it is a second amnesty. I hope we do not accept it. I think we cannot treat these people in a better way than we treat people who are here in legal status with illegal family members, and that is exactly what this would do.

I understand fully the compassion of the Senator from Rhode Island—that is a known quantity to me—and also the Senator from California who assisted me in the immigration bill. And, ladies and gentlemen, the real issue is if you do not like it, what do you have in mind, and how do you really bring people out of the dark when we have a group of citizens in the United States who love to use and abuse illegal undocumented people and people in lesser status?

We even fought a war about that 120 years ago. That is what is down underneath a lot of this stuff, too, when you play with it. Nobody ever talks about the stuff that is really out there. We get pretty flowery in our work. I do, too; we are all good at it, or we would not get here, I guess. But I tell you, it is a tedious process to watch, people who gimmick the system and then run somewhere to get something done. There are many marvelous attributes of humanity, such as compassion and sympathy, and then to know that we are bringing in a lot of them who just chuckle when they go home at night and say, "Boy, we ran another whizbang on those guys," and they do.

If you can help me separate the wheat from the chaff, I am ready. It does not have anything to do with ethnicity, bigotry, or racism. It has to do with gimmickry and exploitation of our fellow man. We do it magnificently, and it is not very pretty.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired, and the Senator from Wyoming has 7 seconds left.

Mr. SIMPSON. I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, earlier this year, I intervened with the Immigration and Naturalization Service on behalf of a Honduran woman and her three children who faced the imminent prospect of deportation. The woman's husband benefited from the recent immigration amnesty program. He arrived in the United States sometime before the amnesty program's January 1, 1982, eligibility cutoff date. But his wife followed to join him in September 1982—just 9 months too late to qualify for amnesty.

Two of their three children were born after her arrival here, making them American citizens. But when this woman was apprehended by the Immigration Service, she was placed in proceedings and deported on March 28 of this year, taking her children with her.

Mr. President, I believe that this family should have been kept together. They narrowly missed the amnesty program. The wife would eventually qualify for permanent residence based on her husband's amnesty. They had two American-citizen children. And the Immigration Service had established a policy to limit the deportation of spouses and children of amnesty recipients.

However, my office was informed that this case fell outside this so-called family fairness policy. Clearly, if that policy will not help this family, with all its equities, then the policy needs adjustment. That is what the amendment by the Senator from Rhode Island would responsibly do.

Mr. President, the experience of this Honduran family, now separated, is not an isolated incident. I have here scores of other similarly compelling examples of families who went in to the Immigration Service expecting assistance only to be immediately issued deportation notices.

But Mr. President, let the amnesty record of our country be clear. The results exceeded most of our expectations. Over 3 million productive workers and their families were brought out of the shadows and under the protection of our laws.

For this we owe a tremendous debt of gratitude to the men and women of the Immigration Service and to the volunteers and professionals of the voluntary agencies and community groups for their extraordinary efforts in making the program the success that it was.

The Immigration Service developed the family fairness policy in October 1987. And since that time, officers in the field have used this policy flexibly to keep many families together. By and large, INS officers have acted generously, approving cases even beyond the policy's guidelines.

But there are many other cases of a compelling nature which have not been viewed so generously. And that is what the Senator from Rhode Island's provision would redress today. It would not bring the Honduran family back together. But it would provide a remedy in certain cases—at least until they qualify for permanent residence.

Mr. President, 2 years ago, the Senate considered whether to expand the amnesty program to encompass relatives of amnesty recipients. That initiative was narrowly defeated.

But things have changed and the amendment before us has changed.

For one thing, we now have a record of deportation of family members—of spouses and children being taken away after we welcomed part of the family through amnesty.

Second, these deportations have been at considerable—and I believe needless—expense to the taxpayer. These are families which will eventually qualify for immigrant visas. Yet, the Immigration Service pays the airfare home for most of these families. And considerable officer time is expended on each case, costing hundreds, if not thousands, of dollars.

Finally, this is a different amendment than the one before us 2 years ago. It covers only spouses and children—not the remainder of the family—and only those who were here before the amnesty program was enacted on November 6, 1986.

In addition, unlike its predecessor, this amendment does not qualify the family members for the amnesty program. It merely stays their deportation. They are in legal limbo. And when their time comes, they must apply for—and qualify for—an immigrant visa, or face deportation.

Mr. President, it is time we took the modest step the Senator from Rhode Island is proposing, and I urge my colleagues to support his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—61

Adams	Durenberger	Mack
Baucus	Glenn	McCain
Bentsen	Gore	Metzenbaum
Biden	Graham	Mikulski
Bingaman	Gramm	Moynihan
Boren	Harkin	Packwood
Boschwitz	Hatfield	Pell
Bradley	Heflin	Reid
Breaux	Heinz	Riegle
Bryan	Inouye	Robb
Bumpers	Jeffords	Rockefeller
Burdick	Johnston	Sanford
Chafee	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Simon
D'Amato	Kerry	Specter
Daschle	Kohl	Stevens
DeConcini	Lautenberg	Wilson
Dixon	Leahy	Wirth
Dodd	Levin	
Domenici	Lieberman	

NAYS—38

Armstrong	Gorton	Nickles
Bond	Grassley	Nunn
Burns	Hatch	Pressler
Byrd	Helms	Pryor
Coats	Hollings	Roth
Cochran	Humphrey	Rudman
Cohen	Kassebaum	Shelby
Danforth	Lott	Simpson
Daniel	Lugar	Symms
Exon	McClure	Thurmond
Ford	McConnell	Wallop
Fowler	Mitchell	Warner
Garn	Murkowski	

NOT VOTING—1

Matsunaga

So, the amendment (No. 244) was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order so that Members can hear. Senators in the aisle, please take your seats.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator WILSON be added as a cosponsor of that amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I have an amendment.

The PRESIDING OFFICER. The Chair will state that the pending business is the Gorton amendment, which was set aside for the purposes of the Chafee amendment.

Mr. GORTON. Will the Senator from New Hampshire yield for one brief unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. GORTON. Mr. President, I ask unanimous consent that Senator D'AMATO be added as a cosponsor to the Gorton amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. I thank the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to temporarily set aside the Gorton amendment.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

AMENDMENT NO. 245

(Purpose: To amend the Immigration and Nationality Act to continue to permit, after October 1, 1989, the immigration of certain adopted children)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 245.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. 109. CONTINUING PROVISION PERMITTING IMMIGRATION OF CERTAIN ADOPTED CHILDREN.

(a) IN GENERAL.—Section 101(b)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(2)) is amended by inserting before the period at the end the following: ", except that, for purposes of paragraph (1)(F) (other than the second proviso therein) in the case of an illegitimate child described in paragraph (1)(D) (and not described in paragraph (1)(C)), the term 'parent' does not include the natural father of the child if the father has disappeared or abandoned, or deserted the child or if the father has in writing irrevocably released the child for emigration and adoption".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1989, upon the expiration of the amendment made by section 210(a) of the Department of Justice Appropriations Act, 1989 (title II of Public Law 100-459, 102 Stat. 2203).

Mr. HUMPHREY. Mr. President, this is really a technical amendment. It has been cleared on both sides. It has been cleared with the Immigration and Naturalization Service and OMB. All parties support it. I do not really think that any discussion is necessary, unless some have questions.

Mr. KENNEDY. Mr. President, I thank the Senator from New Hampshire. The effect of this amendment is to correct an unintended consequence of the law change in 1986. In giving petitioning rights to fathers as well as to mothers, we inadvertently affected the adoption process. This restores what was the technical language which would continue the adoption process prior to that period of time. It has been cleared with the administration. We welcome the amendment and are delighted that the Senator from New Hampshire has brought this to our attention.

The PRESIDING OFFICER. Is there further debate?

Mr. HUMPHREY. Mr. President, this amendment is similar to legislation which I introduced in June along with Senators BENTSEN, HATCH, GRAHAM, and SIMON.

This amendment will make permanent a small, but important provision offered by our former colleague, Senator Chiles, to the Commerce, Justice, State appropriations bill. Unless extended, the Chiles provision will expire at the end of the present fiscal year.

The aim of this amendment is to preserve foreign adoptions. Ten thousand foreign children come to America each year to be adopted by American families. This is not a large number by INS standards, but there is no way to overestimate the importance of these children to their adoptive parents or of these parents to the children. Anyone who has worked with these parents knows how thrilled they are when their child arrives. Anyone who has met with the children who have become Americans can see how well they do, how good it was that they were allowed to come.

Since World War II, American families have developed a tradition of taking in orphans from around the world. This tradition is a credit to our country and warrants protection.

My amendment seeks to correct a problem first raised by an 1987 INS memorandum. Until that memo, authored by the acting general counsel of INS, that agency had never considered the foreign fathers of illegitimate children when clearing these children for immigration as orphans. INS presumed that these men were out of the picture, and required only the mother, if she were present, to release her child for emigration and adoption.

The 1987 memo gave putative foreign fathers a right to approve the emigration and adoption of their birth children. This change caused two dilemmas:

First, standards for compliance were unclear and possibly insurmountable. How does one find these fathers? What must one do before INS acknowledges that the father can't be found?

Second, finding the father could make the child ineligible for immigration even if the father agrees to the

adoption. If one finds the father and there is also a mother, the child can't be declared an orphan because then the child would have two parents, and the Immigration and Nationality Act specifies that an orphan have no more than one parent.

These restrictions on designating a child as an orphan are significant because virtually all the foreign children adopted in this country come here as orphans, and a large percentage of these are illegitimate children. Requiring agencies and American families to track down the putative fathers would, under existing law, greatly restrict foreign adoptions.

There is no need to impair foreign adoptions to ensure reasonable rights for foreign fathers. My amendment addresses the issue by specifying that INS will not concern itself with the putative father when he has disappeared, abandoned or deserted the child. When the putative father is present, INS can require that he approve his birth child's emigration and adoption. If he does, the child can still immigrate to this country as an ophan.

This was a reasonable solution when it was adopted a year ago, and it is a reasonable solution now. I urge my colleagues to approve this amendment.

Mr. SIMPSON. Mr. President, I commend the Senator from New Hampshire, my colleague, who has been deeply involved in this type of activity since his coming here. We came here at the same time in 1978. I commend the Senator from New Hampshire. His interest in family and adoption and the rights of parents is well known to us all. I commend him for this amendment.

Mr. HUMPHREY. I thank the Senator from Massachusetts and the Senator from Wyoming for their support and their help.

The PRESIDING OFFICER. Is there further debate?

If there is no further debate, the question is on agreeing to the amendment of the Senator from New Hampshire [Mr. HUMPHREY].

The amendment (No. 245) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 246

(Purpose: To strike out the employment creation visa category)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair would state to the Senator from Arkansas that the pending business before the Senate is an amendment by the Senator from Washington [Mr. GORTON].

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendment of the Senator from Washington be temporarily set aside and it be before the Senate after the disposition of the amendment of the Senator from Arkansas.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

The clerk will report the amendment of the Senator from Arkansas.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 246.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 94, strike out line 11 and all that follows through line 2 on page 95.

On page 95, line 3, strike out "(5)" and insert in lieu thereof "(4)".

On page 97, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 97, line 19, strike out "(5)" and insert in lieu thereof "(4)".

On page 98, line 2, strike out "(5)" and insert in lieu thereof "(4)".

On page 98, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 101, line 21, strike out "(5)" and insert in lieu thereof "(4)".

On page 102, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 102, line 10, strike out "(5)" and insert in lieu thereof "(4)".

Beginning on page 105, strike out line 15 and all that follows through the item between lines 10 and 11 on page 115.

On page 116, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 116, line 11, strike out "(5)" and insert in lieu thereof "(4)".

On page 117, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 117, line 18, strike out "(5)" and insert in lieu thereof "(4)".

Mr. KENNEDY. Mr. President, is the Senator from Arkansas willing to enter into a time agreement on this amendment?

Mr. BUMPERS. I would not think that this amendment would take a lot of time. I am not prepared at this moment to enter into a time agreement. I think at the time I finish my statement on it, if the Senator would still like to enter into such an agreement, we can arrange it.

I have no interest, let me assure the managers, in prolonging this debate. As you know, this is the third time since 1983 that we have debated this amendment. Many of the Senators who have been here are familiar with it; some of the new ones perhaps are not. But, as I say, I have no interest in prolonging it.

Mr. President, as Yogi Berra used to say, "This is déjà vu all over again."

As I pointed out, this is the third time we have been through this. I was successful in deleting this so-called fat-cat provision from this bill in 1983 and was not successful last year. A motion to table my amendment was agreed to.

I am hoping that a lot of Senators will be watching and listening to the debate, and certainly those Senators who have come here since last year, I invite their very close attention to this amendment.

The amendment strikes a section of the bill, specifically section 203(b)(4), and simply because there is a reference to it also in section 104 of the bill, I strike that too.

Now, what is in this provision that I find so odious that I want to strike it totally from the bill? It is very simple. The bill provides that if you have $1 million, and you are willing to invest that $1 million in a new business and employ 10 persons for 2 years, you can become an American citizen.

There are some things about this bill that trouble me. The provisions dealing with allowing skilled workers and certain persons with high technological skills, those things are troublesome to me. But the idea of allowing somebody into this country simply because he or she happens to have $1 million, either inherited, made in the drug cartel, regardless of where the money comes from, there are 4,800 positions in this bill for them.

I must say, everybody in the Senate does not share, obviously the managers of the bill and the committee do not share, my outrage that this provision is in the bill. But for the life of me, I do not know why.

I went home last week and all anybody wanted to talk about in my State was flag burning and, incidentally, diving mules. We had a discount store down there that hired some guy who had three mules that dove off a platform. The Humane Society tried to get a restraining order without success, so the mules dove.

It was kind of interesting. I watched it on television. I was with the Humane Society in my heart, but the mules looked like they survived it very well.

Then we had another thing where a man wanted to burn a flag on the Capitol steps, and for 6 days the State was in utter turmoil over the flag. Any everybody was incensed that somebody not only wanted to burn a flag but wanted to burn it on the Capitol grounds with all the television cameras in the State, all the people that could gather there to watch. And ever since the Supreme Court rules as it did on flags, the country has been terribly agitated and upset.

What this bill says is they do not even have to love the flag. All they have to do is have $1 million. I talked

to some Members of this body who are second- and third-generation immigrants, and I dare say every one of them will vote for my amendment. All we have to do is simply ask them, "When did their folks come over?" The 1900's? The 1910's? The 1920's? And then we ask them:

How many of their folks could have gotten into this country if there would have been a requirement that they have $1 million?

The answer is clear without an answer: Nobody.

The scales of justice in this country may be blind, but under this bill Lady Justice can hear cash tinkling in your pocket.

There is an INS regulation on the books now, there has been one since 1977, that if you have $40,000 and are willing to employ one person, you can get into this country. And, interestingly, not one single soul has ever entered the United States under that regulation.

Last year when we debated this, the bill contained a provision that you had to have $2 million. After I was defeated, my distinguished colleague and good friend from Texas, Senator GRAMM, offered an amendment to cut that to $1 million. So that was the provision left in the bill and, happily for all of us, that bill never got to the President's desk.

So what we have developed here is a toll road. The road to the United States today, if this bill becomes law, will be a toll road.

For the edification of the mangers of the bill, I have changed my amendment from the one I originally introduced, where we split the 4,800 immigrants up between two other categories. I just strike this investor preference.

If somebody wants to take those 4,800 slots and put them someplace else, be my guest. I will support you. But I am just simply saying I find it objectionable in the extreme that this bill again provides for a million bucks they can get in.

It is a drug dealer's dream. Every poll we see shows that the No. 1 concern of the American people is drugs. So if someone happens to be a drug dealer and they have made it big in Colombia, Peru, Mexico, The Bahamas, wherever, and they want to come into this country for $1 million—that is just one good day's pay for a big operator. He would not hesitate to start a hamburger joint and hire 10 kids for $3.35 an hour to get into the country. And who are the people who are running around with big suitcases full of cash? Why, they are members of the drug cartel. And this plays right into their hands.

In 1981 there was a Select Committee on Immigration, and we will hear the managers of the bill make the argument that the select committee voted 15 to 1 in favor of this. But at that time, this country needed jobs and it needed capital. There might have been some rationale for it. But I will tell you one thing.

Father Hesburgh, who is president of Notre Dame University, was the one dissenting vote and here is what he said.

There is nothing wrong with persons who wish to invest. An investment is good for the USA. But the rich ought not to be able to buy their way into this country.

Father Hesburgh is one of the most respected men in this Nation. It is kind of like Abe Lincoln, polling his Cabinet one time, 9 yeas, and they got to Lincoln and Lincoln said no.

He said: The vote is 9 yeas, 1 nay—the nays have it. That is the way I feel about that select committee. Because Father Hesburgh expresses my thoughts perfectly.

The committee has gone to great lengths to obfuscate the real problem here. There is page after page of how the Attorney General can file deportation proceedings against somebody if they do not do what they said they would do. If, at the end of 2 years, they do not have 10 employees, then we can go through all kinds of proceedings to deport that person.

There was a GAO report, January 1987, and here is what it says about our ability to deport people once they get here.

Based on our study about 2 percent of the denied aliens have been deported. Thirteen percent remain in the United States either awaiting hearings or under other immigration provisions. And a negligible percent have left voluntarily. About 80 percent have uncertain immigration status because INS has not started deportation proceedings.

So, do not worry about the Attorney General deporting these poor folks who did not make it. It will never happen.

What happens to some guy who comes over here with $1 million and goes into bankruptcy? He did his best, tried to survive, but could not make it to the end of 2 years. What are you going to do with him?

What is a new business, under the terms of the bill? On page 21 of the committee report, the committee says:

Amended section 203(b)(4) is intended to create new employment for U.S. workers and to infuse new capital into the country, not to provide immigrant visas to wealthy individuals.

That is what we call an oxymoron, where there is a contradiction in the same sentence. It is intended to create new employment, not to provide entrance for wealthy individuals. If it is not designed to permit entrance to wealthy individuals, why do they have to have $1 million to get in?

How about people who are trying to reunite with their families? Here are 4,800 spots taken away. If we can afford 4,800 more immigrants into this country, for Pete's sake, let us given them to deserving people.

I abhor the thought of somebody having a million dollars and sailing right by the Statue of Liberty, whether he cares anything about the country or not. He may be on the lam from the law. He may be anything. But he is not necessarily coming here because he loves Uncle Sugar and our wonderful flag.

We are already being bought up. Listen to this: the Japanese are financing 30 percent of our debt. There is over $1.5 trillion of foreign investment now. One trillion dollars of our Government securities are owned by foreign investors. Every Governor I know is spending half his time in Europe and Japan trying to get people to come here and build plants. British investment in this country has gone up 192 percent since 1980. We are being bought out lock, stock and barrel.

We do not need to be giving visas to drug dealers. According to the Washington Post, since 1977, foreign ownership of U.S. factories, banks, businesses and buildings has more than quadrupled. At the end of 1987, Europeans had $785 billion in United States holdings, compared to Japan's $194 billion. We spend a lot of time bashing the Japanese, but the truth of the matter is, they do not hold nearly as much property in this country as do the Europeans.

The list goes on and on. According to that same Post article, I want my colleagues to listen to this, and it is not entirely unrelated to this amendment, 64 percent of the prime real estate in downtown Los Angeles is owned by foreigners. Thirty-nine percent of Houston is owned by foreigners, and the city in which you sit right here, the Nation's Capital, 23 percent of it is owned by foreigners.

And we want to say if you bring $1 million over here, we will let you in personally. The Japanese own $9 billion worth of real estate in Hawaii alone. Real estate values went up 50 percent there in the last 2 years. In 1987, they bought 41 percent of all the condominiums in Honolulu. They own more than half the hotel rooms in Waikiki, and they own 10 of Oahu's 14 private golf courses.

According to that same Post article, in 1988, British investors committed a record $32.5 billion to acquire 400 United States companies. And if you read the Wall Street Journal or the Washington Post this morning, you saw where James Goldsmith is making a tender offer of $21.5 billion for an American company.

My point, I say to my colleagues, is simply that we do not need this provision to encourage foreign investment in this country. Anybody with a good immigration lawyer can come and stay.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

You will hear the managers argue:

Well, we have treaties with other countries where all you have to have is $100,000 and employ 1, 2, 3, 4 people.

Where anybody has ever entered the country under that provision or not, I do not know. But at least under those treaties we have the same privileges in their country, though I do not know of anybody who wants to leave the United States to go someplace else. But I suppose you could at least say that it is equitably fair when you enter into a treaty with 3 other nations that say you can invest here and we can invest there.

I wish, Mr. President, we could debate this like the Manassas Battlefield. Senators came in and took their seats at 9 o'clock in the evening, and we debated for 3 hours, and everybody knew what the debate was about and voted and voted right. The reason I know it was right is because it was my amendment. I can tell you that if you show this on national television, 80 percent of the people of America would be just as offended as I am that this provision is in this bill.

Mr. President, what we have here, based on all those statistics I just read off, is an ongoing auction of America, and what I really believe is happening under provisions like this is that we are also auctioning off our souls.

Most of you have heard me debate the bounty hunter provision where you pay people to snitch on their employers. And I know that we have uncovered some wrongdoing in this country by paying a certain percentage of whatever we recover. One guy with Singer Co. stands to make $64 million because he blew the whistle. He said that he had known the Singer Co. was defrauding the Pentagon and had known for years, but it was only when his lawyer told him he stood to make $64 million that he came forth and told the authorities.

As bad as that fraud was, I find that really repulsive. Have we become so crass in this country that we have to pay people to do their civic duty? Have we become so insensitive to our greatness and what we can do on our own without bribing people?

On the Fourth of July when this gentleman in Arkansas tried to burn the flag on the Capitol grounds, there was a little bit of a mob scene. There were some punches swung; there was some blood.

Saturday morning I was speaking to the Governors School. At Hendrix College, 400 of the creme de la creme of the 17-year-olds in the State and their parents, and I was talking to them about this. I said if the media really wanted to perform a service, instead of playing up all that business about whether he would or would not be able to burn the flag and who was going to get killed, they should have taken a poll of the 300 people there and asked them how many of them had registered to vote and how many of them had voted in the last election.

Maybe the kind of patriotism I feel about this is old fashioned and it is quite obvious if I have come to this floor three times over the last 6 years, not to mention twice on the so-called bounty hunter provision. All I am saying is we need to instill in the American people some sense of pride, some sense of patriotism, love of flag, whatever you want, without these pecuniary benefits in here. The committee says this provision will create 48,000 jobs.

Do you know how they each that conclusion? Forty-eight hundred slots at 10 jobs each. The assumption is there will be 4,800 people coming here every year, and each one will create 10 jobs and that comes to 48,000. I tell you what I will do. I will stand on my head on the dome of the Capitol on December 31 every year and wiggle my ears if that happens. Everybody knows that is nonsense.

Now, what did we do here just recently on a debate on the FSX? The question was: Shall we or shall we not participate with the Japanese in building a fighter plane in Japan? The Senate by a very narrow margin said yes. And by saying yes, you can argue we were exporting jobs to Japan and saying to them:

You do not have to buy the F-16, which is as good or better than any fighter plane you are going to build. You can continue to run this gigantic trade deficit against us.

And now we turn around and say through this provision:

But all the rest of you folks, if you want to create some jobs over here, we will make you an American citizen.

One of the things I really find offensive about this is Canada, which has a similar provision and is having to revamp the whole thing right now. They have had this experience, and you are not going to get people in South Dakota.

How many of these employers who have a million bucks are going to go to South Dakota? They may go to Chicago. They may go to New York or Washington or Houston or Los Angeles. But they are not going to the lower Mississippi River Delta. They are not going to West Virginia's Appalachia. The Economic Minister of Canada says, "We are going to revamp the program. If they are going to come into this country, they are going to have to create jobs where we need them." At least that provision would meet with some approval or some justification. But now we are not helping people who really need it.

The argument is going to be made here by the managers that I am not offended by the fact that we are going to let in 27,000 high-techology, skilled people. And there are two preferences. But they are all talented people. And somebody says, if a rich man in Saudi Arabia sends his child to college in Oxford and he gets a Ph.D., he can get in under this and why are you not offended by that?

I am. But there again, that is a lot more palatable when you look at the test results and you find we are dead last in math, dead last in global studies. Only 50 percent of the 17-year-olds in America can work a two-step mathematical equation, and even the best students in this country do not match the Japanese students. So I guess I can sort of accept that because we are draining the brains of another country and not ours.

The other point that you might make is other countries are helping educate those people and we are taking the benefits of what the other country has expended on their students and bringing them here. But I can tell you one thing. If I had been chairman of this committee, I would not have put those preferences in there.

Section 104 says that the Attorney General can seek to deport these people but he must prove that this investor sought to evade the intent of the law.

Now folks, you are listening to a country trial lawyer right now, and I can tell you that when you start trying to prove that kind of intent, it is not easy. As I mentioned a moment ago, what if the investor says he tried but went bankrupt; he put his best effort forward. He is not a drug dealer. Maybe he was an honest entrepreneur. Are you going to deport him? Deportation, as I have already pointed out, is a very difficult thing.

Now, Mr. President, as I told the managers when I started talking, I am not going to belabor this. I have made about all the points I can make. We will listen to the floor managers rebut those arguments and then I would like to have a little rebuttal time. Meanwhile, if they want to enter into a time agreement, I will do that. But I can tell you, as you already know, I feel strongly about this. I think it flies right into the face of everything in which I believe. If families are going to be reunited, children with their parents, sisters with their brothers, that is all fine; that is humanitarian, and I believe in that. But for us to say if you have a million dollars, you can become an American citizen, it offends me deeply. I hope it does you.

I yield the floor, Mr. President.

Mr. KENNEDY. Could we get an agreement from the Senator now on time?

Mr. BUMPERS. Does the Senator have a suggestion?

Mr. KENNEDY. I do not know what——

Mr. BUMPERS. How much time does the Senator need on that side?

Mr. KENNEDY. I suppose we can take 30 minutes.

Mr. BUMPERS. How much?

Mr. KENNEDY. Thirty minutes.

Mr. BUMPERS. On the Senator's side?

Mr. KENNEDY. Yes.

Mr. BUMPERS. I will take 10 in addition.

Mr. KENNEDY. Could we ask, then, Mr. President, we have a time limitation of 40 minutes, 10 minutes to be controlled by the Senator from Arkansas and 30 minutes by the Senator from Wyoming and myself.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. KENNEDY. I will yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished chairman for yielding.

Mr. President, I have listened to most of the speech of our dear colleague from Arkansas. He is articulate and persuasive as always. In this case, Mr. President, I believe he is also wrong. Our dear colleague from Arkansas talks about being outraged at this fat cat amendment. The amendment basically says if someone comes to this country, brings a million dollars, invests it, creates jobs, growth, and opportunity for Americans, that somehow is a privilege we ought not to grant.

Mr. President, let me first say that I do not understand why our colleague is outraged that we have an entrepreneur provision but he is not outraged that we have an education provision. If one is going to be outraged at special privilege, why should we give special privilege to someone who is distinguished in education? If a father has two sons and the first son, being the slower of the two, he sends into academics and the son gets his Ph.D. and distinguishes himself intellectually, under this bill the Ph.D gets preference and comes into America. Apparently, our colleague from Arkansas applauds that that is a wonderful situation. His second son, being the brighter of the two, he puts into business. If the second son is able to produce goods and services, if he is an effective entrepreneur, if he accumulates wealth, if he wishes to come to this great bastion of freedom to put his talents to work, somehow that is wrong. Somehow that is an outrage. I do not understand that, Mr. President.

Under this bill, we give preference to people who are young. Why is it an outrage to give preference to people who have accumulated wealth but not an outrage to give preference to people who are young? In fact, once in their life everyone is young, whether they have merits or they do not, whether they are drug dealers or whether they are not. We give preference in this bill to people who have skills and who have experience in various occupations. Mr. President, I cannot understand why that is more preferential than giving preference to people who put to work the ancient art of conducting business.

Mr. President, Calvin Coolidge, who is not quoted very often, said the business of America is business. When we are limiting the number of people who want to come to America legally to only 600,000 people a year and we are not limiting the number of people who are coming here illegally, I, for one, would be willing to raise that number. I, for one, want us to go more on merit and talent and ability, whether that ability is in physics or whether that ability is in the practice of business to create jobs, growth, and opportunity. I want, quite frankly, to have more people with both of those kinds of abilities.

It seems to me that the provision of this bill is a good provision. It is a provision that says that if people have been successful in business—if they can bring that talent and the fruits of that talent, a million dollars to this country, and if they meet the criteria of job creation and ability to sustain that business—they then have a right to come here and to practice that business.

Mr. President, we have a limit in this bill of 600,000 people a year that can come to America. My guess is there are 600 million people who would like to come. This bill in and of its very nature requires that we make choices. And as a result, we have set up a list of criteria, education, youth, experience, success, and entrepreneurial skills. Mr. President, that is the essence of this whole movement in immigration. I do not see how our colleague from Arkansas can support these other criteria and reject the criterion of economic success, entrepreneurial ability, and the fruits of that ability.

Mr. President, I hope we reject this amendment. I do not doubt the sincerity of the positon of the Senator from Arkansas at all, but I think his position is wrongheaded. I think it is not in the American interest. We need to bring people to this country who have skills and talents, and can help us create jobs, growth, and opportunity. This provision of the bill does it. This amendment would strike that.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 7 or 8 minutes.

Mr. President, in listening to the arguments of my good friend from Arkansas, I did not recognize our bill. One of the favorite techniques used occasionally, and we heard it used again this afternoon, is to misdescribe the bill, and then differ with it and object to it. That we have seen.

The idea that is suggested by the Senator from Arkansas' argument that with the passage of this bill we are somehow aiding and assisting drug users, those involved in drug trafficking, facilitating their coming to the United States, is unworthy of a response. It is unworthy of a response. The Senator from Arkansas understands that, or certainly should understand. And to try to suggest otherwise either demonstrates he has not read the bill or does not know about the enforcement procedures or the procedures which are required under the immigration bill, No. 1.

Mr. President, this bill is a combination of different elements. The prime elements are for family reunification. The great majority, the overwhelming numbers, are for family reunification. There is a second provision in the bill that recognizes that we have shortages in certain skills.

And there is a belief based upon hours of hearings that if you are able to get individuals with certain types of skills, that is going to mean more employment for Americans, not less. We have heard debate and discussion about whether this bill is really for Americans. We believe, and as we have found during the course of our testimony, if you bring in certain kinds of skills that are not here, we find there is a good probability that you are going to stimulate more Americans working.

We were concerned, as we shaped these immigration provisions, that we would not displace other Americans. An argument could be made, an extension of the argument of the Senator from Arkansas, why do we not bring in carpenters? Why do we not just bring in further plumbers? Why not really be democratic? Just bring in hard-working people, men and women who know how to use their hands. That is the way our grandfathers came, and I yield to no one in that observation. But we are dealing with a different time. You bring those individuals in here and you are displacing American workers. Is that our objective? No. In the shaping of American immigration policy we do not want to disadvantage our fellow citizens, men and women who have been in the Armed Forces, and probably fought for our country. All of us can get as demagogic as anyone else on this issue—bled on our battlefields.

So what again is the shape of our proposal? Is one primarily for the reunification of families? There are legitimate areas of debate on this issue. We have heard them. Whether you give greater preferences to small children or whether you include the larger nuclear families, I think good strong arguments could be made either way, and I respect individuals who hold differing views on it. But we have contin-

ued the basic provision in here that provides for family reunification, and we also include provisions to bring in those with certain skills, where there are needs, in order to try to strengthen the American economy.

The provision that the Senator from Arkansas is talking about is three-quarters of 1 percent of the amount. We say that is important. Sure, it is. At other times when we debated this issue in the early eighties, when we found out that an investor visa would displace a family member, I supported the Senator from Arkansas. I supported him. But we have expanded the total numbers, by nearly 22 percent, now up to 600,000. There is a limited number of that, 4,800, for investors. We do not say if you just have the million dollars you come in here, although that I think would be a fair assumption from listening to the Senator from Arkansas. We say you have to create 10 jobs, 10 new jobs. The Senator from Arkansas finds trouble about that because they are only going to provide $3.35 an hour. As one who has been the principal sponsor of the increase in the minimum wage, I would like to see that be a good deal more. We cannot legislate that the new jobs are going to be at a certain level. But we are talking about new jobs. Read the language in the bill creating new jobs.

There was a time not long ago, certainly in my State of Massachusetts, of the top 1,500 employment areas of the country we had three of them. Unemployment was rife in this country. We are doing better now. It is most difficult in many of the rural areas of this country. My part of the country is doing better. It was not long ago that we were concerned about unemployment, and the idea that you are going to provide some new jobs had some appeal. Only three-quarters of 1 percent of the total amount is for this investor program. And if it is unfair and unjust, and it is even a fraction of that 1 percent, it ought to be out. The real question is can you make a plausible argument; whether you can make a plausible argument for the creation of those new jobs through investors.

The Senator from Arkansas talks about the $9 billion of foreign investment in Hawaii. His argument is not with our bill. It is with the other provisions of the treaty investor provisions which permit foreign investment in this country. If he whats to keep those individuals out of Los Angeles and out of Hawaii, fight that battle, but that is not our battle. And then I want to find out about what these other countries are going to do to retaliate. Are you going to keep them out? They are going to keep us out. That is nice. That is a nice thing to do.

We find an expansion in terms of global economy. We are all concerned about restrictive trade practices, and all of us can talk about that. I am certainly glad to do it. Now the Japanese exclude American products and American investors. I am glad to talk about that all afternoon, but that is not this bill. And if he is troubled by the fact that the foreign investors own half of Los Angeles, that is not this bill. If he is troubled by drug dealers coming into the United States, that is not this bill.

So, Mr. President, we have tried to fashion and shape a compromise bill. As we have stated here at other times, I would have a different bill than the one here. The Senator from Wyoming would have a different bill. These particular provisions have been added as a part of a compromise. The Senator from Wyoming knows the questions I had in going over these particular proposals, but I support these proposals now. I think they are better proposals because of the arguments that the Senator from Arkansas made. We are grateful to him for bringing these matters up in the past. I say that quite sincerely. But I think as we are looking at where we are in terms of the legislation, what we have attempted to do, the limited nature of this particular proposal, I do think it is justifiable.

I have a difficulty, as has been pointed out by the Senator from Texas, to say that, well, it is all right if a person is an educated person. Somehow, as I think the Senator from Texas pointed out correctly, the ire of the Senator from Arkansas is all up about that investor, but not over the person that may have been spending that money on somebody else, that has been spending all that money on that individual's education.

When we talk about that poor individual who is sitting back there, as I think the reference was, on a Greek bench—the reference that was used a year or two ago—then he sees this person drive by in a Rolls Royce and gets on that investment plain, what about that educated individual? What are we going to say? Clearly, the decision that has been made in the limited areas of where we are going to deal with this in the third and sixth preferences, and also in the other independent categories, we do give the areas which we have found as a result of the study. The labor condition—in the year 2000 there are going to be areas of important need, skills that are going to be necessary in terms of our economy. We give them some preference.

I think that that is a balance, Mr. President, between family, much more limited balance, in terms of high skills that can be important in terms of our economy, and then the three-quarters of 1 percent left over in terms of the investors. I think different Members would juggle those in different ways, but I think that the basic package on that is completely justifiable and supportable. I will yield.

The PRESIDING OFFICER. The Senator from Massachusetts has 14 minutes remaining.

Mr. KENNEDY. I yield to the Senator from Illinois.

Mr. SIMON. Mr. President, and my colleagues, there is no more effective orator in this body than the Senator from Arkansas. I have great respect for him—so much respect, that at one point I publicly came out for DALE BUMPERS for President of the United States. But even someone who would make a great President can make an error now and then, and I think that my friend DALE BUMPERS is wrong on this particular amendment, when he talks about foreign investment.

As Senator KENNEDY has said, 90 percent of what he is talking about has nothing to do with this amendment, but in fact it goes just the opposite. When you talk about the foreign ownership of Los Angeles, one of the ways that you can do something about it is to get people who buy and create jobs to move into this country. That is what we are talking about.

Let me add, just so we have another sense of perspective on this, that this country admits more legal immigrants into our country than all the rest of the world combined. And we are talking about taking less than 1 percent of those and saying, "You can come in, if you create jobs." That is certainly not against the ideals of this country. I think it is kind of a minimal thing that we are doing, to say how can you build a better country.

If I quote the Senator from Arkansas correctly, and he can correct me. I have jotted this down—and he can talk faster than I can write here, I have to tell you—but he said, "Anybody with a million bucks and a good immigration lawyer can stay down." Well, if that is the case—and I am not sure that is the case—why not insist that you put that million dollars into creating jobs?

Finally, he makes a point that has some validity. He said that nobody is going to be investing in South Dakota; nobody is going to be investing in Arkansas; nobody is going to be investing in the southern part of Illinois. If he wants to have an amendment saying that that investment has to go into areas of high unemployment, I cannot speak, obviously, for Senator SIMPSON or Senator KENNEDY, but I will support such an amendment. South Dakota has four or five of the lowest-income counties in this Nation.

I would like to see that happen. I would like to see one of those counties where the Pine Ridge Indians live—maybe we can get some priorities there. I would love to see some investment in southern Illinois, where we have high unemployment. But my

belief is that the fundamental concept here is sound.

Let us set aside a little less than 1 percent of these jobs for people who are going to come in and who are going to create at least 10 jobs, invest at least a million dollars. Canada does it; Australia does it. Canada has a quarter of a million dollar requirement on these kinds of jobs. Other countries do it. I think it makes sense.

I think we have crafted a balanced bill here. Not everything in it is exactly what I would like or what anyone else would like, but I think there is nothing wrong with saying we are going to set aside a few jobs for people who are going to create jobs in this country. My guess is that those who invest in those 10 jobs, generally, are going to be people where those 10 jobs will grow to 20, 30, and 40 and beyond.

So I am going to support the effort to defeat the amendment by the Senator from Arkansas, and I hope the majority of this body moves in that direction.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Massachusetts has 9 minutes remaining. The Senator from Arkansas has 10 minutes remaining.

Who yields time?

The Chair informs all Senators, if no one yields time, the Chair deducts equally from both sides.

Mr. SIMPSON. The Senator from Arkansas is crouched over there behind his podium and ready to let me go on for about 8½ minutes and just drop the rocks right off the top of the roof.

Now, not allowing that to occur, I yield myself 5 minutes of the time, and I will try to dust off some of those remarkable comments of my friend.

I have learned a lot about legislating from DALE BUMPERS—not about philosophy, but about legislating. I have two splendid friends in TED KENNEDY and DALE BUMPERS, who I have enjoyed richly in my 10 years here. They are people of great and good humor, and I enjoy their camaraderie and friendship. I like their spirit and zeal, because I get into that, too. But this is old wash; it is, indeed. I felt the same as my friend from Massachusetts and my friend from Illinois. I did not know what we were talking about when I heard my friend from Arkansas speaking about this amendment.

This is an employment creation preference. We have done it before. Other countries do it. It is not for the rich. It is not for the elite. It is 4,800 visas for those who invest a million bucks and create 10 new jobs for U.S. workers. A million bucks. You invest your million bucks, and if you do not maintain the employment of the U.S. workers, then, under the law, on the second anniversary you can lose your conditional visa.

If they do not do what they are supposed to do, they get their status jerked. That is what happens to them. We have been as cautious and careful as we could be in that one.

Let me tell you about Father Ted Hesburgh. That is someone I know some things about. What a man. In his last year of his tour of duty as president of Notre Dame when they said you can pick who you would like to receive an honorary degree, and he picked me. Boy, do not think that was not the greatest thrill of my life, to receive an honorary doctor of laws from the University of Notre Dame.

He was the only one opposed to the investor category, nobody else. The vote was 15 to 1 and he did not support it. DALE BUMPERS has given you the quote, but the rest of us, 15 of the 16 members of the Select Commission wanted it, and it went in.

I wanted to share that with you.

We are dealing with a very small figure here, less than 1 percent of the national level. I just want to completely reject the argument that the people are going to buy their way past the Statue of Liberty. That one just will not sell.

Let us be honest and candid. I have often said everyone is entitled to his own opinions, but one is entitled to his own facts.

Many of the conditions of admission under present law are economic in nature. We give special preference to aliens with advanced academic degrees, to aliens with exceptional ability in the sciences and the arts.

How do you get an education like that? You probably pay for it. They either pay for it themselves or they get grants to do it. Somebody spent a lot of money to get to a position in life where they could use those portions of our immigration law to get to the United States. They had to use their resources, or that of others, and they might have even been rich. I do not know, but I do know that that is the way it is.

In fact, these people with their Ph.D.'s or their years of research in particle physics or years of experience with one of the great symphonies or ballet companies are bringing something that is as rare and as difficult to obtain in the world as is the ability and the resources to invest 1 million bucks in an employment producing enterprise the United States.

That is what we are doing. These people outmuscle other people to get here. These are people who, I guess you could say, are elite or people of status. What is new? Nothing. So we keep it down to a small manageable level, 4,800 people.

We also deny visas to people who would become a public charge in America. How about that one? Somebody who gets here who is helpless—are we to correct that? I do not know. It seems like a pretty good rule.

But to say we are bought out lock, stock, and barrel is just an absolute absurdity. These people become part of us. The become part of our country, and they invest their resources here, and they invest in American workers.

We have been here before. What we are doing here is intending to create new employment for U.S. workers, something in our national interest, something to infuse new capital into our economy and provide immigrant visas to people, not to provide the rich with some advantage. That is an absurd argument. It will not sell. It should not sell. It is not worthy of the debate.

I urge my colleagues to reject it.

The PRESIDING OFFICER. The Senator from Massachusetts has 3 minutes remaining.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I have the highest regard for the Senator from Massachusetts, as I have, of course, for my very distinguished colleague and good friend, Senator SIMPSON, and PAUL SIMON, who showed just how brilliant he was when he endorsed me for President. I have the utmost repsect for them.

The only thing I can think of is, when they got up there in that committee room, there was something in the water. They got to talking to each other and they just lost their perspective, not intentionally. They are all fine, fine gentlemen and great Senators, but they just happened to drink some water up there that was flawed, and that is the reason we have this provision in the bill.

Senator KENNEDY alluded to the point, the fact, that I was talking about how much of Los Angeles, Houston, and Washington, DC, the Japanese own. I am not quarreling with that. I am not a Japanese basher. I am glad they show up at the Treasury window every Tuesday morning to buy our bonds. They are financing 30 percent of the debt. If some Tuesday morning they do not show up, this country is in a heap of trouble. That was the point.

The point I was trying to make is we do not need any more incentives for people to invest in this country. Good Lord, they are buying it up as fast as they know how.

Then you come along with this little old provision: 4,800 slots for people who are willing to put up $1 million. He said drug dealers do not have anything to do with this. I divinely hope he is right.

But I can tell you one thing. There is not anything to keep a drug dealer out. If you do not know it, if he just happens to be making a half-billion dollars a year and wants to come to this country, and nobody knows it, the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

first thing you know he will be setting up shop in the nearest fast-food joint.

But here is what the committee itself said. Here is what the committee report says:

> This section is put in here to infuse new capital into the country.

We do not need to infuse any more capital into this country. As I say, it is being auctioned off now, and the Senator from Texas says, "How about the Ph.D. whose rich father educated him?"

I said, and I will say it again, if I had been drafting the bill, I would not have put that in there either. But I will say this: If a Ph.D. wants to come to this country, he is at least already equipped to make a contribution, and in this category, you may be getting a bank robber instead of a drug dealer. You may be getting someone who is on the lam from the law. When you get a Ph.D., he has already got it here in his head where we know he can make a contribution. There is a big, big difference.

The Senator from Texas said that Calvin Coolidge was not quoted often, and the quote he used shows why—"The business of America is business."

We all know that business is important to the creation of jobs. But I can tell you one thing, that the business of America is just not business. It is jobs. It is housing. It is education. It is health care. It is compassion for those who have not been as well-born as others. It is concern. And it is liberty and justice. That is what America stands for. Those are things that people here understand and that is the reason they love it.

I am concerned about the country. I say a New Yorker cartoon the other day. The television commentator is talking and these poor people are there with a few scraps of food on the table. And the commentator is saying, "This may not go down well with the meek, but in the future it will be the arrogant who will inherit the Earth."

The Senator from Massachusetts suggested I misdescribed the bill. He said, "Why do we not bring in plumbers and carpenters?"

I would rather have a plumber or a carpenter who is coming here for the right reasons than a Ph.D. or a guy with a million bucks coming for the wrong reasons.

He suggested that only three-quarters of 1 percent of the people involved here are in this particular category. Three-quarters of 1 percent—who can argue with that? That is like saying only 1 percent of the people we executed in this country last year were innocent. That is too many, and three-quarters of 1 percent is too many.

I am not trying to stop investment in this country. I am trying to stop what I see as an outrageous opportunity for fraud and evasion of the law.

Mr. President, I wanted to save some time for my very distinguished friend, Senator KERREY from Nebraska, who wished to speak on this amendment. But I do not want to delay this, and I did not want to use up all of my time. But if the managers of the bill want to go ahead and yield back time, I suppose we can go ahead and arrange that unless someone wishes to speak further on it.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes. The Senator from Massachusetts has 3 minutes.

Mr. BUMPERS. I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I will take just 2 minutes.

I am even more confused with the Senator's arguments. Somehow Ph.D.'s cannot be drug dealers, is that right, because if you say you support the various provisions in terms of the Ph.D.'s, you have the same requirements under the visa provisions for the Ph.D.'d as you have for the investors.

So evidently anyone who is a Ph.D. is all right, but those investors, those investors who are going to create 10 jobs, are all going to be drug dealers.

I hear another argument: "I would rather have carpenters and plumbers in here for the right reasons than Ph.D.'s for the wrong reasons."

Now, tell me what that means?

Basically, what we are saying is we do not want the plumbers and the carpenters in here for any reason if they are going to displace American workers. That is the reason. That is the logic. You may have a different understanding of it, but that is the logic. We do not want to displace them. If you got skills, we need them, and it is going to mean more employment for Americans, we want them.

And I listened, finally, to the argument: "The test is to be the contribution to America." Fair enough. Fair enough. We believe that the greatest provisions of this legislation are contributions to Americans because they are family reunifications.

The second greatest is the 130,000 special skills that are going to mean further employment for our country.

And then the three-tenths of 1 percent that say you are gong to have to actually provide 10 new jobs.

Now, I am aware of the expansion of the job markets, and can give the figures as well as the Senator from Arkansas. But having represented a State for the better half of my years here where the unemployment was significant in terms of my State, I feel that that three-tenths of 1 percent for new jobs is not something that forms the great kind of injustice that the Senator from Arkansas has placed on it.

I do believe, Mr. President, that the arguments that were made by the Senator from Arkansas in the early 1980's that said, "All right, for every individual that we are going to take in this area, we are going to knock back a family members," I think that is not right. That argument should be made and was made and I supported it. And because of that argument, we ensured that that was not going to be the case, just an add-on; just an add-on.

And if that were the case in this, I would not support that provision for many of the reasons that were stated here by the Senator from Arkansas. Dramatically different circumstances, Mr. President.

I hope that the positions which have been expressed by the Senator from Wyoming and the Senator from Illinois and myself would be sustained.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Arkansas has 3 minutes.

Mr. BUMPERS. Mr. President, I want to state again as emphatically as I know how, if I had been drafting the bill there would be no Ph.D.'s. There would be people who were coming here because they had family here. There would be people coming here because they were repressed in their home country and wanted to be free.

The reason democracy is on the move all over the world is because the strongest yearning of man is to be free. And this bill is not just about who can make a contribution to this country. The primary motive of this bill is for compassionate reasons, because we believe in helping the oppressed, because we believe families ought not to be severed and separated.

You take the Senator from Maryland, whose family came here from Greece. Could they have come if they had had to put up a million bucks? Why, of course, they could not.

And who do you think is going to take pride in saying, "I'm an American because my old man had a million bucks?" They came because they wanted to be free, and that is the reason people ought to come today.

We are putting the crassest commercial value on American citizenship I have ever seen. It is bizarre. It is outrageous. It goes against this Senator's love of country and feelings of patriotism.

So, Mr. President, I will close where I started. There ought not to be a price put on American citizenship. You cannot put a price on it—$2 million, $10 million, whatever you want to put on it. It degrades American citizens when you say some came because they had a million, at least 4800 of them.

I find it offensive. And I can tell you that all of America would find it offensive if they listened to this debate, all

this convoluted reasoning about Ph.D.'s and who can make a contribution and who can create jobs. And the rationale for this is new infusion of capital, but we have more foreign capital in this country than we can handle right now. The rationale is wrong. It is in error.

I ask my colleagues—I remember Atticus Finch in "To Kill a Mockingbird" when he asked that jury to acquit a black man who was falsely accused of raping a white woman. He said, "For God's sake, do your duty."

I am asking the Members of the United States Senate: For God's sake, do your duty and vote for this amendment.

Mr. President, I yield back such time as I have remaining.

Mr. KENNEDY. Mr. President, I wonder if we might each have 2 additional minutes. I want to make a comment about a representation made in the final argument. I ask unanimous consent that we each have 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. BUMPERS. Mr. President, before I agree to that, there is not going to be tabling motion, is there?

Mr. KENNEDY. No.

Mr. BUMPERS. OK.

Mr. KENNEDY. Mr. President, one point I want to make here for the record and that is on the issues of refugees and asylum. I yield to no one in my commitment in that area. The Senator from Arkansas knows that at the present time we have the most liberal refugee and asylum law, drafted by our committee of 1980. So those persecuted individuals can come in here, I say to the Senator. That is not this bill.

The only condition on that is the limitations that are established, worked out with the administration and the Congress. So that is a different issue. If the Senator wants to debate refugee policy and asylum policy, I will be glad to debate that. But that is not this issue. It is again one of the mixtures that we have heard over the course of this afternoon.

Mr. SARBANES. Will the Senator yield for a question?

Mr. KENNEDY. I do not know how much time I have remaining.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. KENNEDY. I yield for a very brief question so I may have time to answer.

Mr. SARBANES. In our history, have we ever done this before?

Mr. KENNEDY. Yes. It is on the books at the present time.

Mr. SARBANES. Well, when was that done?

Mr. KENNEDY. The 1965 act.

Mr. SARBANES. We allowed people to put up money and get a visa and come into America?

Mr. KENNEDY. That is correct.

Mr. SARBANES. How much money?

Mr. KENNEDY. Forty-five thousand dollars. But it has never been utilized because of the way that the numbers have spilled over from one category to another.

Mr. SARBANES. Forty-five thousand dollars. Now you are taking it to a million dollars and that reflects inflation, I take it.

Mr. KENNEDY. And 10 jobs.

Mr. SARBANES. I agree with the Senator from Arkansas, Mr. President. I think it is a very bad principle. It directly contradicts what immigration has stood for in this country.

Mr. BUMPERS. Mr. President, let me yield an additional minute to the Senator from Maryland. He is on a roll and I want him to continue.

Mr. KENNEDY. Will the Senator from Maryland yield for a question, then?

Mr. SARBANES. Sure.

Mr. KENNEDY. Do you object to the provisions that give the Ph.D.'s and special skills?

Mr. SARBANES. I have trouble with those provisions.

Mr. KENNEDY. But do you object to those?

Mr. SARBANES. I am prepared to go that far, but I am not prepared to have someone sit down and write out a check for a million dollars and get a visa to come into the country.

Mr. KENNEDY. But the Senator does not object to that individual spending that money at home and gaining that education and jumping over others who are waiting in line. Evidently, the Senator does not object to that. Can you follow that logic?

Mr. SARBANES. In a lot of countries, they get that opportunity for education as a result of it being provided, in effect, as a public right, something we ought to do in this country. Most of these people who come in on these Ph.D.'s have earned them on the basis of the opportunities made available in their own country.

But as I said to the Senator, I have some difficulty with that, but I am prepared to accept that. But to move it to the point where you can sit down and count out a million dollars—what do you do? Do you go in and see the consular officer and put a million dollars in front of him and he gives you a visa?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS. Mr. President, with my time remaining, let me just answer the question of the Senator from Maryland which was not answered: Have we ever done this before? The answer to that is no. Congress has never done it.

What the Senator from Massachusetts was telling you about is an INS regulation and not one soul has ever come into the country on it. But Congress has never, never approved this kind of thing.

Mr. President, I yield back the remainder of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the amendment of the Senator from Arkansas. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

The result was announced—yeas 43, nays 56, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—43

Adams	Fowler	Mikulski
Biden	Glenn	Mitchell
Bingaman	Gore	Nunn
Boren	Harkin	Pryor
Bradley	Hollings	Reid
Bryan	Humphrey	Riegle
Bumpers	Inouye	Robb
Burdick	Jeffords	Rockefeller
Byrd	Johnston	Rudman
Conrad	Kerrey	Sanford
Cranston	Kerry	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Specter
Exon	Levin	
Ford	Metzenbaum	

NAYS—56

Armstrong	Gorton	McConnell
Baucus	Graham	Moynihan
Bentsen	Gramm	Murkowski
Bond	Grassley	Nickles
Boschwitz	Hatch	Packwood
Breaux	Hatfield	Pell
Burns	Heflin	Pressler
Chafee	Heinz	Roth
Coats	Helms	Shelby
Cochran	Kassebaum	Simon
Cohen	Kasten	Simpson
D'Amato	Kennedy	Stevens
Danforth	Kohl	Symms
Dixon	Lieberman	Thurmond
Dodd	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	Wilson
Durenberger	McCain	Wirth
Garn	McClure	

NOT VOTING—1

Matsunaga

So the amendment (No. 246) was rejected.

Mr. KENNEDY. I move to reconsider the vote by which the amendment was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SANFORD. Mr. President, let me take this opportunity at the outset to thank my distinguished colleagues from Massachusetts, Wyoming, and Illinois for their diligence and patience

in showing us all the way through what is surely one of the more complex and frustrating issues this body faces. Immigration is not always a politically attractive issues for those who take a leadership position, and I applaud the fine sense of justice with which the subcommittee has crafted the bill we have before us today.

IMPORTANCE OF LEGAL IMMIGRATION REFORM

As you know, there has been no major reform of our system of legal immigration into this country since 1965. We do have a rough blueprint, however, and that is the recommendations of the Select Commission on Immigration and Refugee Policy. The recommendations of the Commission have enjoyed a broad measure of bipartisan support. Members from both sides of the aisle, as well as the President, support legal immigration reform. How sad it would be to let another year slip by without addressing the inequities and backlogs in the current system. The human and economic cost of needless delays must end. This bill generously expands legal immigration into this country by 21 percent. I am glad to be joined in my support for this new level of immigration by my fellow Senator from North Carolina. We both realize that this higher level of immigration will benefit North Carolina and the country as a whole. Let us take action today to reaffirm our country's proud and generous immigrant tradition.

CHINESE STUDENTS (INCLUDES PERSONAL INFO)

North Carolina has been proud for years to host large numbers of students and professors from the People's Republic of China. As an educator, I have had a deep and abiding interest in developing the cultural and educational ties that have developed between our two nations. I visited China personally as president of Duke University, and set up some of the first educational exchanges our country had with China. At the time China was emerging from the horrors of the cultural revolution. I believe we have a responsibility to the over 400 students and academics we host today in North Carolina—a responsibility to guarantee that they will not be forcibly sent back to a land that quakes again under totalitarian crackdown. I strongly support the amendment adopted yesterday by this body to waive the 2-year home residency requirement, and urge that this waiver quickly be made into law.

THE NATIONAL LEVEL: A SOVEREIGN NATION'S RESPONSIBILITY TO CONTROL ITS BORDERS

A sovereign nation needs to control its borders. A wise nation, however generous, needs to make thoughtful decisions about immigration across its borders. A prudent nation prepares for immigration by making plans for the housing, employment, and other social services that newly arrived immigrants need. For the first time this bill provides a national ceiling to help us plan responsibly for increased immigration flows. I support the principle behind the national ceiling in this bill.

FLEXIBILITY: 3-YEAR REVIEW

The bill before us today is flexible. As my distinguished colleague from Massachusetts noted, we have reformed immigration legislation significantly only four times since the birth of our Nation. As a result we have often found that an immigration policy that seemed reasonable one year had become out of date 15 years later. For the first time, this bill provides for a systematic review of our Nation's immigration policy. The President will compile a report on the effect of immigration on the country every year. Every 3 years Congress will review our efforts thus far. And to guarantee that this revisitation will not tie up the legislative calendar, these 3-year reviews will proceed under expedited procedures between the President and the Congress.

FAMILY REUNIFICATION: FAMILY PREFERENCE IMMIGRATION

The Kennedy-Simpson bill expands and strengthens our Nation's historic commitment to family reunification. At current levels of immediate family immigration, the bill provides for an expansion of 44,000 visas for family preference immigration. This expansion includes a more than doubling of the second preference for the immediate family of permanent residents. Here the bill alleviates current backlogs where they are longest. This bill helps reunite families of recent immigrants where the need is greatest—the reunion of the nuclear family. I am proud of the achievements of this legislation. And with the flexibility for revisiting the national and family preference immigration levels, there can be no question that this bill reinforces our Nation's traditional commitment to family reunification.

Even so, to show a further commitment to family reunification, I am willing to provide a guarantee against family preference immigration being squeezed out by an increase in immediate family immigration sometime in the distant future. For this reason I support efforts to provide a floor for family preference immigration.

THE POINT SYSTEM

This bill reconfirms the United States as the land of opportunity. The point system in the independent immigrant category opens the door for immigrants whose qualifications suggest they will contribute tremendously to the American economy, but who do not have family or professional contacts here. The point system reaffirms our status as the land of opportunity—a land that cares not about the color of a man or woman's skin or the country he comes from, but a country where talent and hard work are rewarded with the highest honor our country can bestow—American citizenship.

EMPLOYER-SPONSORED IMMIGRATION: THE THIRD AND SIXTH PREFERENCES—THE SPECTER-DECONCINI AMENDMENT: (NORTH CAROLINA PARTICULARS RE: RESEARCH TRIANGLE PARK)

While I support this bill, I strongly believe it does not go far enough to increase employer-sponsored immigration. While we propose to expand legal immigration by 21 percent, that is to increase legal immigration by 110,000 visas, I find it hard to believe that we are increasing visas for employer-sponsored immigration by only 1,200 visas. How can it be that less than 1 percent of the increase in immigrant visas will go to employer-sponsored immigration under the third and sixth preferences?

The third preference is vitally important to the universities. Consider the Research Triangle Park in North Carolina. These universities and businesses working together have created a hotbed of technological innovation. They are on the cutting edge of international technological development. For these universities and businesses, the third preference is their lifeline to the international pool of expertise in these high-technology areas. Schools like Duke University rely on the third preference to bring in research scholars, faculty, and technical and nursing personnel in those particular areas where there just aren't Americans available to fill the jobs. Schools that need a particular scholar or scientist now have to wait 14 months before they can get a visa. And this is after the U.S. Department of Labor has certified that "no qualified workers are available" for the position to be filled and that employment of the immigrant will not harm the wages and working conditions of other workers in the United States. Leading researchers and scientists overseas often turn instead to readily available offers in Canada or Australia.

Businesses use the sixth preference as well to bring into this country the marketing, business, and technical expertise that may be in short supply here in the United States. These companies now have to tell their potential topflight employees to wait 3 years while they wait in line for a visa. These delays and uncertainties make business planning increasingly difficult. This just will not do.

For our universities and businesses that need to hire topnotch personnel, the current backlogs in employer-sponsored immigration are an issue of global competitiveness. I am not advocating any special favors for universities and businesses, but I urge you not to tie their hands in the international marketplace. America is fighting to maintain her competitive edge. The Specter-DeConcini amendment to increase employer-sponsored immigra-

tion marks a modest but significant effort to maintain access for American universities and business into the competitive upper tiers of the international labor market.

Now I support the national level as a concept. But I have looked into this particular national level, and all the experts tell me that 600,000 is not a magic number. We need to come up with a national level of immigration and agree on it, but I see no reason that we have to view this figure of 600,000 as absolute.

Let me reinforce again, unless there is any doubt: The increase in visas for the third and sixth preferences will not compete with Americans looking for work in any way. Every single immigrant entering this country through the third or sixth preference is certified by the Department of Labor to be filling a position for which there are no American workers available.

LAUTENBERG, SANFORD, ET AL. AMENDMENT

Which brings me to my last point about the legal immigration bill. And this is a very important point. I am proud to cosponsor with Senator LAUTENBERG and others an amendment to this bill that will help American workers fill those positions that are in greatest shortage in American business and industry. If American companies are having a hard time finding trained personnel in particular areas, then we ought to be encouraging American workers to fill those gaps. Our amendment does just that.

Our amendment will direct the Department of Labor to do four things. First, the Department will publish an annual list of needed occupations. If we are supplying this information to potential immigrants, we should certainly be supplying it to Americans as well. Second, the Department of Labor will conduct research to better describe these job shortages. One thing I have discovered while investigating this bill is how little systematic information we actually have about job shortages in this country. We need to do better. Last, the Department of Labor will develop a plan to reduce shortages in these occupations and give States the incentives to train workers in such occupations. Here is the key. We need to gear our job retraining programs to produce American workers to fill the shortages business and industry are now experiencing. We will guarantee that an American worker has every opportunity to fill a job before an employer looks overseas.

The amendment sponsored by me, Senator LAUTENBERG, and others will guarantee that our immigration and labor policies will complement each other. A generous and sensitive immigration policy and a smart labor policy that makes the most of American skills—only in this way will we produce today a bill that will benefit the whole Nation, not just a particular few.

CONCLUSION

Let me state once again my strong support for this bill. It is high time we provided a legal immigration policy worthy of the country and people it serves. I encourage you to support the amendment sponsored by Senators SPECTER and DECONCINI to increase employer-sponsored immigration under the third and sixth preferences. I assure you, we need this amendment to keep our businesses and universities from losing ground in the competitive international labor market. And as a complement to this amendment, I urge you to support the amendment sponsored by me, Senator LAUTENBERG, and others to guarantee that American workers are encouraged to fill those labor shortages American Business and industry now face.

Mr. CONRAD. Mr. President, I rise today in opposition to S. 358. I commend my colleagues on the Judiciary Committee for their tireless efforts to reach a compromise on this legislation. I know Senators KENNEDY, SIMON, and SIMPSON have worked hard to craft a bill acceptable to all parties. I believe, as they do, that a legal immigration reform bill must be passed this year to complete the important work started in the Immigration Reform and Control Act of 1986.

This landmark legislation makes important changes in our legal immigration policies. I believe that the creation of separate family related and independent immigration visas is a step forward. Family immigration must continue to be the centerpiece of our legal immigration system. But I welcome the independent category of immigrants, who will add to our culture and community and continue to maintain the rich diversity of our Nation. Finally, family related immigration will not compete with business-oriented immigration under this legislation. I believe this is an important step.

However, Mr. President, I cannot cast my vote in favor of this legislation. I have grave reservations about the implications this revamping of legal immigration policy will have on individuals seeking U.S. citizenship.

In particular, Mr. President, I believe that the family related immigration provisions could have profoundly negative effects. Because of the overall limit on national immigration and the offset provision, individuals seeking to emigrate to the United States based on their family connections will effectively compete against each other.

As my colleagues are aware, the General Accounting Office assessment of the Kennedy-Simpson bill, prior to the compromise, indicated that family preference immigration would dramatically fall in the next decade. GAO projected that family preference immigration could fall to zero by 1998 under the proposals set forth in the bill. While I understand that the independent commission established in this bill will recommend changes every 3 years, the GAO analysis indicates that family preference immigration will begin to decline almost immediately.

Mr. President, I simply cannot support such a drop in family preference immigration. While I agree with the goals of the bill—to give high priority to immediate family immigration—we must ensure that family preference immigration under the current first, second, fourth, and fifth preference will continue to be a vital part of our legal immigration.

As my colleagues have noted, we are a Nation of immigrants. Immigrants from different areas of the world built this country—and they have continued to contribute to and revitalize this Nation throughout our history. Family unification has traditionally been a critical part of the flow of those seeking U.S. citizenship.

Mr. President, I am especially concerned about the fifth preference, which allows adult brothers and sisters to be reunited with U.S. citizens. During Judiciary Committee consideration of the immigration bill, I wrote to the distinguished Senators on the Immigration Subcommittee to indicate my strong support for retaining and improving access to visas available under the fifth preference. I especially appreciate the consideration of the chairman of the subcommittee, Senator KENNEDY, who patiently heard my concerns and heeded them when working out this compromise.

However, Mr. President, the GAO estimates on this issue concern me. We must guarantee that brothers and sisters, and all those eligible under the family preference system, have the ability to emigrate to this country. I fear that this bill, because of the offset and the overall limit on immigration, will severely restrict fifth preference visas and other family preference immigration.

Finally, my colleagues have all noted that we must consider what is best for America when crafting immigration policy. I agree. Nothing should have higher consideration. But, Mr. President, I submit that reductions in family immigration are not good for our country. Family immigration must continue to be the mainstay of this country's immigrant flow—our culture, our economy, and our national character have been shaped by the diverse and vital communities who make up the fabric of this country. It is because of this history that I must cast my vote against this bill.

29-059 O-90-34 (Pt. 10)

The PRESIDING OFFICER (Mr. DIXON). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, it is our intention now, if it is agreeable with the Members, to consider the Lautenberg amendment, which has been worked out, and then go to the Hatch amendment and hopefully we will be able to get a time limitation and then we are down to a very few amendments. We are making good progress. So that is where we are, and hopefully, after the Hatch amendment is disposed of, the leader would spell out what our plan is going to be.

The PRESIDING OFFICER. May I tell the Senator from Massachusetts, the pending business is the Gorton amendment.

Mr. KENNEDY. I ask that it be temporarily set aside.

The PRESIDING OFFICER. Unanimous consent is required to temporarily set aside the Gorton amendment. Without objection, it is so ordered. The Senator from New Jersey.

AMENDMENT NO. 247

(Purpose: To require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages)

Mr. LAUTENBERG. Mr. President, I thank the manager of the bill. I ask for 5 or 6 minutes to present an amendment to the Immigration Act to provide American workers with the benefit of shortage information that can be helpful to them in terms of seeking career opportunities in preparing for labor shortages in advance of crisis periods.

So, Mr. President, on behalf of myself, Senators LEVIN, BRADLEY, KERRY of Massachusetts, LIEBERMAN, and SANFORD, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for himself, Mr. LEVIN, Mr. BRADLEY, Mr. KERRY, Mr. LIEBERMAN, and Mr. SANFORD, proposes an amendment numbered 247.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 148, after line 17, add the following new title:

TITLE III—LABOR SHORTAGE REDUCTION

SEC. 301. DEFINITIONS.

As used in this title:

(1) LABOR SHORTAGE.—The term "labor shortage" means a situation in which, in a particular occupation, the quantity of labor supplied is less than the quantity of labor demanded by employers.

(2) SECRETARY.—The term "Secretary" means the Secretary of Labor.

SEC. 302. IDENTIFICATION, PUBLICATION, AND REDUCTION OF LABOR SHORTAGES.

(a) IDENTIFICATION OF LABOR SHORTAGES.—

(1) METHODOLOGY.—Utilizing available data bases to the extent possible, the Secretary shall develop a methodology to estimate, on an annual basis, national labor shortages.

(2) LABOR SHORTAGE DESCRIPTION.—As part of the identification of national labor shortages under paragraph (1), the Secretary shall, to the extent feasible, develop information on—

(A) the intensity of each labor shortage;

(B) the supply and demand of workers in occupations affected by the shortage;

(C) industrial and geographic concentration of the shortage;

(D) wages for occupations affected by the shortage;

(E) entry requirements for occupations affected by the shortage; and

(F) job content for occupations affected by the shortage.

(b) PUBLICATION OF NATIONAL LABOR SHORTAGES.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, and each year thereafter, the Secretary shall publish the list of national labor shortages as determined under subsection (a).

(2) DISTRIBUTION OF PUBLICATION.—The Secretary shall provide the list referred to in paragraph (1) and related information to parties and agencies such as—

(A) students and job applicants;

(B) vocational educators;

(C) employers;

(D) labor unions;

(E) guidance counselors;

(F) administrators of programs established under the Job Training and Partnership Act (29 U.S.C. 1501 et seq.)

(G) job placement agencies; and

(H) appropriate Federal and State agencies.

(3) MEANS OF DISTRIBUTION.—In making the distribution referred to in paragraph (2), the Secretary shall use various means of distribution methods, including appropriate electronic means such as the Interstate Job Bank.

(c) DEVELOPMENT OF DATA BASES.—The Secretary shall (1) conduct research and, as appropriate, develop data bases to improve the accuracy of the methodology referred to in subsection (a); and

(2) make recommendations to identify labor shortages by region, State, and local areas.

(d) REPORT TO CONGRESS.—At the same time that the Secretary issues the annual publication under subsection (b), the Secretary shall prepare and submit to the appropriate committees of Congress a report that—

(1) describes the progress of the research and development conducted under subsection (c);

(2) describes actions taken by the Secretary during the previous 12 months to reduce labor shortages, and specifies a plan of action to be taken by the Secretary to ensure that federally funded employment, education, and training agencies reduce national labor shortages that have been identified under subsection (a); and

(3) includes recommendations by the Secretary for parties such as Congress, Federal agencies, States, employers, labor unions, job applicants, students, and career counselors to reduce such labor shortages by—

(A) promoting recruitment efforts of job placement agencies for occupations experiencing a labor shortage;

(B) encouraging career counseling and testing to guide potential employees into occupations experiencing a labor shortage;

(C) accelerating and enhancing education and training in occupations experiencing a labor shortage; and

(D) other appropriate actions.

SEC. 303. AUTHORIZATION OF APPROPRIATION.

There are authorized to be appropriated to carry out this title $2,500,000 for the first fiscal year beginning after the date of enactment of this title, and such sums as may be necessary to carry out this title in each subsequent fiscal year.

Mr. LAUTENBERG. Mr. President, the bill we have before us would make a number of quite significant changes in the immigration law. The members of the Immigration Subcommittee have worked hard on this bill. I recognize and commend their effort. One major part of the bill would open up immigration to foreigners who offer skills that are in short supply in our own economy.

But. Mr. President, what are we doing to help Americans get the skills and training to fill America's jobs?

The bill before us would require the Department of Labor to give foreigners detailed information about our labor market. My amendment would give to American workers the same benefit of information about labor shortages and employment opportunities.

It would give them the benefit of the same kind of information that the bill already provides to foreign workers who immigrate to the United States. And it would establish a framework for development of the labor shortage information required by S. 358.

Mr. President, before I proceed, I would like to recognize the support we have received from the chairman of the Committee on Labor and Human Resources and the floor manager of this bill.

While the Labor Committee is considering the Nation's labor shortage in the overall context of labor market operations and U.S. employment and training programs, Senator KENNEDY and his able staff provided invaluable advice to refine and facilitate this amendment. As always, I appreciate his cooperation and valuable assistance.

Mr. President, in cities and States across the country, America appears to be outgrowing its available human resources.

We have had 7 years of economic expansion, a slow-growing work force, and rapidly advancing technology. That has led experts to forecast a 23 million worker shortage during the 1990's.

According to one survey, almost two out of three businesses are having problems finding technical employees.

Mr. President, almost one-third of the Nation's metropolitan areas—77 areas—now have unemployment rates

at or below 4 percent. This is an increase of more than 20 times the number in that category in 1983.

More than 30 percent of all States have unemployment rates below 4 percent. At those rates, we see a lot of unmet demand for workers. We see labor shortages in Connecticut, Delaware, Hawaii, Indiana, Iowa, Kansas, Maryland, Massachusetts, Nebraska, New Jersey, North Carolina, South Dakota, Vermont, and Virginia.

Mr. President, the shortages are going to get worse, because our domestic supply of workers is growing more slowly.

Unless we take definitive action, these shortages will limit our economic expansion, increase inflation, and hurt the U.S. competitive position in the world economy.

Mr. President, how do we solve the labor shortage? The sponsors of S. 358 say let immigration help relieve the Nation's labor shortage. Under the bill, the Department of Labor would develop lists of occupations in which there is a short supply of workers to meet current or future demand.

Foreign workers in occupations which are experiencing or will likely experience a shortage of U.S. workers would receive a preference.

Undoubtedly, these lists are going to be of great interest to foreigners who wish to come to the United States. There will surely be foreigners who will actively seek assistance to obtain the education and training required to meet shortage occupation criteria.

But what of the American worker? What about the inner-city youth looking for hope in the labor market? What of the vocational education student searching for a field of study that will offer bright employment opportunities? And what of the college student trying to identify an academic concentration that promises a secure profession?

Mr. President, we have a skills gap in this country. According to a Labor Department Study, Workforce 2000, three out of four new workers will have only limited verbal and writing skills.

Their skills fall short of what is needed in 60 percent of the new jobs. By the year 2005, most 18- to 24-year-old entry workers will come from the public schools of distressed urban districts. These people need help. They need guidance.

Mr. President, why are we designing information for use by those from other nations, while we fail to design shortage information to help fully develop our domestic work force and improve opportunities for U.S. workers?

Why should foreign students and foreign workers be guided by the best available information on U.S. occupational shortages, while Americans are kept in the dark? The answer is they should not be left in the dark.

Apparently, even the Department of Labor agrees. A January 1989 Labor Department report says:

> U.S. workers should be the primary beneficiaries of labor shortages, which tend to engender improved job opportunities, wages and working conditions.
>
> The Department of Labor believes that immigration's most appropriate labor market role is to facilitate and supplement policies seeking to improve opportunities and access to U.S. workers.

Mr. President, the problem is we do not have the policies U.S. workers need. We do not have the information. The amendment I am offering directs the Secretary of Labor to publish and widely distribute the annual list of labor shortages, including such information as the occupations involved, number of jobs available, the industries and geographic areas where the shortages are concentrated, wages, entry requirements, and job content—the information that can help those prepare for the opportunities that are out there.

Only when workers and employment professionals know where the shortages are, can we take effective steps to reduce those shortages.

The amendment also directs the Department of Labor to prepare an annual plan to reduce the shortages identified, through action of federally funded employment, education, and job training programs.

Such action may include promoting recruitment, encouraging career counseling, accelerating and enhancing education and training efforts, and other steps, many of which are effectively described in the January 1989 Department of Labor report.

The plan would also include helpful recommendations for other appropriate parties and agencies. Finally, the amendment would require the Department of Labor to conduct research to improve accuracy and geographic scope of the process.

Canada and Australia already are doing the kind of reporting that I propose here today.

Mr. President, the amendment I am offering is based on the text of S. 741, the Labor Shortage Reduction Act of 1989. That bill has the support of both public and private employment professionals represented by the Interstate Conference of Employment Security Agencies and the American Society for Personnel Administration. The bill also has the endorsement of the Aerospace Industry Association.

Mr. President, it would be a travesty to provide job listings for foreign workers, while we kept our own workers out of touch with the opportunity. I urge my colleagues to support this amendment.

Mr. President, I understand that the amendment is acceptable to the managers of the bill and the chairman and ranking members of the Labor and Human Resources Committee. I thank them for their cooperation. I ask for adoption of this amendment.

Mr. KENNEDY. Mr. President, I want to commend the Senator from New Jersey for his amendment. I think the amendment will produce invaluable information regarding labor shortages in specific occupations. Currently such specific data is unavailable. As the labor market tightens, such information will be essential for employment policymakers for directing scarce resources in education and training as well as remuneration policy decisions.

I want to thank the Senator from New Jersey for also accommodating the concerns of the Department of Labor. My understanding is the Department does not oppose the amendment. Changes suggested by the Labor Department which are incorporated in the amendment are instructive and will improve both the available data and how the data is to be put to use.

On behalf of the Senator from Wyoming and myself, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 247) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I believe the Senator from Utah is ready to proceed with his amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 238

(Purpose: To prevent the reduction of family preference immigration below the level set in current law)

Mr. HATCH. Mr. President, I call up an amendment No. 238, the Hatch-DeConcini amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the Gorton amendment will be set aside once again.

The Clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Utah [Mr. HATCH], for himself and Mr. DECONCINI, proposes an amendment numbered 238.

Mr. HATCH. Mr. President, I ask unanimous consent that further read-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ing of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 77, strike lines 15 through 19, and insert in lieu thereof:

"(A)(i) 480,000, minus

"(ii) the number computed under paragraph (2), plus

"(iii) the number (if any) computed under paragraph (3); or

"(B) 216,000,

"whichever is greater."

On page 79, line 21, beginning with "number", strike through the second "in" in line 22 and insert in lieu thereof "numbers specified in subsection (c)(1)(A)(i), subsection (c)(1)(B), or".

On page 80, line 9, strike "number specified in subsection (c)(1)(A) or the number specified in" and insert in lieu thereof "numbers specified in subsection (c)(1)(A)(i), subsection (c)(1)(B), or".

On page 80, line 21, strike "(c)(1)(A)" and insert in lieu thereof "(c)(1)(A)(i), (c)(1)(B),".

On page 80, line 22, strike "(c)(1)(A)" and insert in lieu thereof "(c)(1)(A)(i), subsection (c)(1)(B),".

On page 81, line 23, strike "subsection (c)(1)(A)" and insert in lieu thereof "subsections (c)(1)(A)(i), (c)(1)(B),".

On page 83, line 20, strike "subsection (c)(1)(A)" and insert in lieu thereof "subsections (c)(1)(A)(i), (c)(1)(B),".

Mr. HATCH. Mr. President, before I discuss our amendment, I want to commend the work of the Senators SIMPSON, KENNEDY, and SIMON on this particular bill. It has many valuable features. I know that Senators who take on this particular thankless task of dealing with these difficult issues are buffetted by those who say we let in too many immigrants on the one hand, and those who say we let in too few on the other. Sometimes charges get hurled and epithets hurled around directed at Senators KENNEDY and SIMPSON that are shameful and uncalled for.

So I do appreciate the work they are doing, and also Senator SIMON.

Having said that, we have a major problem with the bill which the Hatch-DeConcini amendment addresses.

Mr. President, the purpose of this amendment is to ensure this bill does not operate automatically to reduce the number of visas available to immigrants and poor family connection preference categories below the current level.

I want to take some time to explain the family preference situation under current law and the changes made by S. 358. My concern is about those changes, and then I want to explain the Hatch-DeConcini amendment.

Under current law, there are two broad categories of legal family immigration. One category is for other family connected immigrants under a preference system. Under current law, there is no cap on the number of immediate relatives of U.S. citizens who can immigrate to this country each year.

Immediate relatives of U.S. citizens are their minor children, spouses, and parents of citizens over 21 years of age. They can enter the country each year without limit.

Minor children, spouses, and parents of citizens over 21: unlimited immigration.

In addition, 216,000 visas are allotted to other family connected preference immigrants of the following preference categories. So we are talking about family connection preference immigrants. There are four preference categories: Unmarried adult children of U.S. citizens, spouses, unmarried children of permanent resident aliens, married children of U.S. citizens, and brothers and sisters of adult U.S. citizens.

Moreover, most importantly, the visas allocated to these four family connection preference categories each year are not, and I repeat not, offset by the number of immediate family relative immigrants who enter the country in a given year.

Thus the 216,000 visas for family reunification in these four family connection preferences or preference categories are always available each and every year under current law.

Under the bill before us, S. 358, which this chart shows, the number of visas for family reunification under the four family connection preference categories could drop below the 216,000 provided annually under current law.

This is the problem that the Hatch-DeConcini amendment seeks to avert. Let me explain how the bill works in this regard. There is a new subsection 201(c)(1) of the Immigration and Nationality Act, and under the bill, this would establish a worldwide level of family connection immigration. That is for the four family connection preference categories. That annual worldwide level is equal to 480,000, minus a number of immediate family relatives, plus the number, if any, of unused independent visas.

Now, that looks pretty good under current law and as of today. If there are any unused visas from the independent immigrant category, that category or employer sponsored or new seed immigrants, they will be added to the number of visas available. Because it is unlikely there will be any such unused visas, I want to put that part of the formula to the side.

The crux of the issue for family connection preference immigrants under this bill is basically this: The bill starts with 480,000 allowed in. It then subtracts, minus from the 480,000, a number of immediate family relatives to enter the country to determine the number of visas available to the four family connection preference categories for the following fiscal year. And the number of immediate relative immigrants eligible to enter the country each year remains uncapped. Accordingly, because approximately 220,000 immediate family relatives entered the country last year under this particular bill, if it becomes law, without the Hatch-DeConcini amendment, the 480,000 figure would be offset by the 220,000 figure.

Now, this would leave 260,000 visas available for family reunification in the four preference categories in the following year. Indeed, this is the figure which the sponsors of S. 358 have provided. I note that this would be an increase of 44,000 under current law. That is good news. The bad news is that as immediate family immigration increases each year, the offset, of course, reduces the number of visas available to immigrants in the four preference categories.

Make no mistake about it, pitting immediate family relative immigration against family connection preference immigration is a very profound change in our legal immigration policy. My basic concern is that such future increases might reduce the number of visas available to the four preference categories below the 216,000 which are currently available under current law. Indeed, this offset could drastically reduce family preference immigration and even eliminate it. Nothing in S. 358 guarantees this will not happen.

This is a difficult area in which to make predictions, because immigration patterns can vary over time. These patterns were also sensitive to world events. The number of immediate family relatives who immigrated to this country in 1980 jumped about 10 percent over the 1979 number. The 1979 number, in turn, was about a 10-percent increase over the 1978 figure. Yet, the increase from 1980 to 1981 was less than 1 percent. Between 1985 and 1986, the number again increased by nearly 10 percent. So the increases vary. Now, we need to remember that as the undocumented aliens that have been granted amnesty become citizens and are thereby eligible to bring in immediate relatives, the extent of immediate family immigration could dramatically increase. That would reduce this number down to where it could be well below the 216,000.

According to a GAO [General Accounting Office] letter to me dated July 7, 1989, just a week ago, family preference immigration in the four preference categories would, under current law, total 2,160,000 between 1990 and 1999. The GAO also estimated, however, that under S. 358, as it is presently before us, that number would drop to 1,501,151. That would be a decrease of nearly 659,000 family connection preference immigrants.

Moreover, the GAO also estimated that as a result of the offset of imme-

diate relatives against the family preference immigration categories, as immediate family immigration rises during the decade, family preference immigration would drop to zero by 1999. Now, this assumes there is no change in the immigration levels established in the bill.

Earlier, in March 3, 1989, testimony, the GAO estimated that family preference immigration under S. 358 as originally introduced would drop to zero by 1998. Therefore, the bill before us, as amended in committee, delays this draconian outcome by just 1 year, according to the GAO. Now, I realize that the bill provides for a mechanism to increase or decrease the level of family connection immigrants by adjusting the 480,000 figure against which immediate family immigration is offset. Even if the visas for family connection preference immigrants drop below 216,000, however, there is no guarantee that this mechanism will result in any increase in the visas available for these immigrants and for these families, for reuniting these families.

Let me explain this mechanism. Under the bill, in the March before fiscal year 1984, and every 3 years thereafter, the President may recommend no change, an increase or a decrease, in the 480,000 level, against which the immediate family relatives are offset. If the recommendation amounts to a 5-percent change or less, it goes into effect, unless the Congress disapproves it. If the President recommends a change in the 480,000 level of greater than 5 percent, it goes into effect only if Congress approves it. That may be very difficult to do.

In my view, this is a mechanism which provides for the periodic review of immigration levels. But, as I mentioned earlier, it guarantees nothing. If immediate family relative immigration climbs to the point where the offset reduces the number of family connection preference visas below 216,000, which will almost certainly occur under this bill, nothing in this bill requires the restoration of the 216,000 figure.

In short, this bill creates the clear and present danger that it will automatically operate to reduce the visas available to family connection preference immigrants below the numbers available today. Now, why should that be of concern? I believe that family connection preference immigration is good for our country. Family reunification under these categories, I believe, is desirable, because it reflects traditional American family values. Immigrants in these categories have done much for America and made it a better place. Of course, America has done much for them. The operation of our free system of government and free enterprise has helped them, as these immigrants have, at the same time, used our system to add to the strength of our Nation.

I believe that the Hatch-DeConcini amendment is consistent with the intention of the sponsors of S. 358. The committee report, on page 7, discusses the national level for immigration created by the bill. The report says:

> Some concern has been expressed that the establishment of a national level may have the unintended consequence of severely restricting immigration under the family preferences.

I stress that the report calls a severe restriction of family preference immigration "unintended." Moreover, the committee report goes on to say:

> In establishing the national level, it is clearly not the committee's intent that it be used as a device for arbitrarily restricting immigration. The national level mechanism merely ensures that increases and adjustments are by deliberate actions and not by unchecked growth that characterizes current law.

Fine. Let us then take care of the risk of the unintended consequence that family preference immigration may drop below the level permitted under current law. Let us make sure that there is no restriction on family preference immigration as a result of the clear potential for growth in the uncapped immediate family relative category.

Let me explain the Hatch-DeConcini amendment. Here is how the Hatch-DeConcini amendment seeks to prevent S. 358 in causing a reduction in family preference immigration at below the level of current law. What we have here is, the amendment leaves the upper limit of the worldwide family preference immigration, the cap, at 480,000 as provided for in S. 358.

The amendment leaves in place S. 358's offset of immediate family relatives against the 480,000 figure.

So we start with 480,000, minus the number of immediate family relatives, plus the number, if any, of unused independent immigrant visas.

The amendment then provides, however, that the number of visas available to family preference immigration shall not drop below 216,000 in any fiscal year—the number available under current law.

Here is how section 201(c)(1) would read, in effect, as amended by the Hatch-DeConcini amendment:

> The worldwide level of family connection immigrants under this subsection for a fiscal year is equal to—
>
> (A)(i) 480,000, minus
>
> (ii) the number [of immediate family relatives], plus
>
> (iii) the number (if any) [of unused independent immigrant visas]; or
>
> (B) 216,000,
>
> whichever is greater.

This change makes sure that S. 358 does not automatically operate to cause a reduction of family preference visas below a floor representing the number of such visas available today.

The amendment also subjects this 216,000 visa floor to the mechanism in S. 358 which allows the President, every 3 years, to recommend increases or decreases in the levels of immigration established in the bill. I described this mechanism earlier. Thus, the amendment keeps the 216,000 visa floor and makes sure S. 358 itself does not operate to reduce that number. Plus, the amendment allows Congress, in conjunction with a Presidential recommendation, to consider whether it wants to change the floor in the future. Let us reaffirm that we will at least preserve current levels unless we, in Congress, affirmatively decide to reduce them. Let us not run the risk that we may inadvertently cause a reduction of current family preference immigration below the current level.

I do not believe the sponsors of this bill want to cause such a reduction. If that is indeed the case, then I would think that this amendment could be accepted by them.

I should note that I am against the idea of an offset altogether. I do not think we should pit immediate family relative immigrants against family-connection preference immigrants. The Hatch-DeConcini amendment, which preserves the offset with a floor, is a very reasonable middle ground.

Let me respond, Mr. President, to those of my colleagues who may believe that our concerns about a rise in immediate family immigration dropping family preference immigration below 216,000 are exaggerated. If our concerns are exaggerated, then the amendment should be acceptable because it is harmless, it will not have to go into effect. On the other hand, if our concerns are justified and the immediate family relative offset would operate to drop family preference immigration below 216,000, we should make sure that we avoid such a result unless we affirmatively choose to reduce that number in the future.

If Senators wish to make sure we preserve the 216,000 visas available each year to family preference immigrants, then they should support the Hatch-DeConcini amendment.

I feel it is important that we take this modest step. It works no change in the basic fabric of the bill. It underlines Congress' view that the family reunification policy has been good for the country and that we continue to feel that way.

Even those who believe, as I do, that an independent, new seed category and more skills-based immigration is desirable, also acknowledge that family preference immigration is healthy for the country. Ben J. Wattenberg, senior fellow at the American Enterprise Institute, one of the bright-

est people here in Washington, wrote in the June 15, 1989, Washington Times that there should be more immigration based on skills. But he also said, "The criterion of family preference is important and beneficial."

Now, Mr. President, I know the sponsors of S. 358 agree with that. They have provided for a new, independent category of immigrant not tied to family relatives in the United States. And they have provided for an initial, modest increase in family preference immigration. All that the Hatch-DeConcini amendment does is make sure S. 358 does not operate inadvertently in the future to drop family preference immigration below levels in current law.

In that regard, I compliment my distinguished friend from Arizona. Without him, we would not have this amendment nor the force of this amendment on the floor today.

I thank him for the work that he has done in this area along with the work he has done with regard to immigration policies generally.

With that, I urge my colleagues to support this amendment. I think it is a worthwhile thing to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as a member of the Judiciary Committee, the Senator from Utah, has involved himself in the issues involving immigration, and we have certainly welcomed the opportunity to discuss with him various provisions, as well as with the Senator from Arizona, who has been extremely active in all of the immigration debates, both that have been held in our committee as well as on the floor.

Obviously, the amendment raises important issues that at the outset are quite seductive in their appeal, but they have to be considered in the total context of what we have been attempting to do with this piece of legislation.

We have to look at the various provisions which are basically affected by the amendment. As I mentioned earlier in the debate, some of those are provisions involving the special skills, the third and sixth preferences, and the independent category that has been one section of the legislation.

We have the current family preferences and the current immediate relatives. What we have been able to do is to see a significant increase of some 44,000 for the family members who are qualified to come to the United States.

. So, on the one hand, we have provided a very significant and expansive measure, perhaps not as much as I would like to have it, but a lot more than certainly other members of the Judiciary Committee. But I think it is an important expansion in terms of family members.

So we believe that the central concerns that have been raised by the Senators from Utah and from Arizona have been accommodated. I would not be a part of the legislation unless I was absolutely convinced that they were.

We have examined the last 10-year period in looking at the growth rate in immediate relatives. I believe we went back even longer than that—I think it was 15 years—to try and detect what might be a reasonable expectation of the growth rate, and we not only built that in but built in a very substantial increase over that, I think we effectively doubled that rate, which will be eligible to others than immediate relatives.

As a political matter, it is unrealistic to think that we would have gotten that increase unless we developed the formulation that we did in establishing a national level of immigration. That happens to be the reality. We can spend the time of the Senate here to say why that is the case, and I think my colleague from Wyoming would agree with that, because there are a number of policy matters and implications involved.

So I respect certainly the concerns which have been expressed by the Senator from Utah and I know the concerns of the Senator from Arizona.

I hope that the membership would feel that under the leadership of Senator SIMPSON and my working with him, both as the chairman of the subcommittee as well as when he was chairman, we have been an active committee, we have been sensitive, we have brought these matters to the Senate in an unprecedented way for discussion and debate.

As we mentioned, there have only been four general immigration bills in the history of this country, but we have seen, both with the 1986 act and with this legislation, a willingness to respond to the various concerns which this institution has, and we like to believe that as a result of these debates we have a better informed Senate, a better informed country on the immigration policy generally and we are having a more positive impact on the issue in this way.

So, while I respect the concern over the ceiling, but once we start building in these limitations we lose the basic concept of a total national level of immigration.

We do believe that we have placed in here sufficient numbers, based upon a 15-year record, to accommodate any growth in immediate relatives.

I understand the concern that we have in terms of the family preferences. We are basically talking about adjusting between the immediate family relatives and other family preferences. It seems the way that we have constructed that in this legislation is a desirable way to go.

Mr. SIMON. Will my colleague yield for a question?

Mr. KENNEDY. Yes, I am glad to yield.

Mr. SIMON. As the Senator from Massachusetts knows, philosophically, I agree with my colleagues from Utah and Arizona on this. But is it not true that if this is adopted, this carefully crafted compromise is likely to come apart and we are likely to end up with no bill at all?

Mr. KENNEDY. Well, the Senator, I believe, is correct. I am always reluctant to talk about killer amendments. I will let the Senator from Wyoming express his views on that. But the effect of it would be, I believe, that once we trigger this in, what we are basically saying is we have a ceiling but it is no ceiling, because it can be varied and what we will do is lose the additional places, the 44,000 additional places, that would be available for family members which are not available today. And that, I think, is a disservice to those families.

I mean, this is a tough kind of a balance, as we debated before. We have had tough decisions on this. We have been trying to make decisions whether we are going to give special priority and preference to younger children who are not married or whether we treat the total family.

To be very frank about it, I can argue that both ways. But we made that decision, we made that judgment now, and we made it in a way in which I think was wise because we made it in a way which the groups which are most affected by it support it.

So, in precise answer to the Senator from Illinois, if we were to alter that particular kind of a cap, then we have no cap. And I think we lose those other 44,000 positions that will be available to family members which are included in this legislation. I think that would be a real disservice. It is really for that reason that I oppose the amendment.

(Ms. MIKULSKI assumed the chair.)

Mr. SIMPSON. Madam President, I will be a bit more dramatic and will label this then is a killer amendment. I think it is. And I do not mean to be dramatic or involved in selective opposition. That is what this is.

This removes the last essential element of the bill that passed the Senate in 1988. There is not a thing that Senator KENNEDY, Senator SIMON, and I have not compromised to get to this point, I can assure you. As Senator KENNEDY has said so beautifully, if anything were easy in this line of work, then we would mess with immigration reform more than four times a century. It is tough stuff because it gets caught up in emotion, guilt, fear, and racism. I have said that

dozens of times. People are tired of it—tired of having to deal with it.

But things pop up. We have done some racist things in immigration reform in our history. Senator KENNEDY was in the forefront of correcting that in 1965. We try not to do it any more. We think of ourselves as being sensitive. But you can imagine my anguish in going through the illegal immigration bill and having minority groups donging on my head all day and all night telling me it was discriminatory and racist and everything else. I said, "What is more racist than just doing nothing and watching millions of people get exploited in the United States?" Well, they did not have any answer for that. I have been through that one. That is the most distasteful one I have ever gotten into. And that is what happens if you do nothing.

Then you give these advantages and these selective things. I will never forget one time when I was giving a little public talk on the issue and someone came up and sloshed booze on my shoes and said, "Your bill does not apply to Gretchen in the kitchen, does it?" And I said, "Yes, it does." Then I watched their magnificent liberalism just slip down the drainpipe. This is curious business. Because you know he said Gretchen in the kitchen was like "one of the family." But she looked like she had been on the Bataan death march, and they were giving her 50 bucks a week and every other Thursday off. That is the kind of stuff you get into in this game.

I really do not know the purpose of this amendment other than just tremendous group pressure. I understand that. That I do understand. But I can tell you that it strikes at the very heart of the legislation.

Because at sometime in the future the generosity of the American people will become strained. I have described it once as "compassion fatigue." You keep playing with the numbers and you keep doing this kind of activity and you will see what is called compassion fatigue. Then, when the real crush comes and we need to reach out to immigrants and refugees—and people do not make any distinction around here about that any more, and they are totally different, totally different—the American people might not respond in the way they have in the past. I think that is just worth commenting on.

It is not easy. This bill passed—not this bill, but something very close to it—passed the Senate by a vote of 88 to 4 last year. Then Senator KENNEDY and I went back to work and boy, we both swallowed hard. Then our good friend from Illinois came on the scene and, because he has been a very remarkable player in the game, he swallowed hard. And so we came up with this bill. It is not perfect, but it does address what we think is the national interest of the people of the United States: How many people does this old country intend to take? What are the social and economic considerations? What are the environmental considerations? That is what someone has to deal with. And that is not fun.

But I will tell you, we should give unrestricted visas to immediate family of U.S. citizens, and we do. We do not even count them. We just bring them in. And that is a pretty generous country.

And then we have the fifth preference, which is so distorted. If I had my way, we would vote to strike it. That is as painful for me to keep in this bill as it is for some other provisions that are painful for the Senator from Massachusetts or the Senator from Illinois and any other Senator. The fifth preference is a total distortion. It is a distortion. The numbers you take there you are robbing from spouses and children when you total it all up.

The fifth preference has a backlog of 1.4 million, and it is going to keep growing. I do not know how many people are really in it. Probably half of them are here already illegally. That is what I would have done if I had to wait in the backlog for 20 years. What would you mess around in your own country for with a backlog of 10, 11, 15, 20 years? You would be here. I think half of them are here, and I think some of the other half are probably deceased. We have not gone back for a reregistration to find out where that scorecard is on the fifth preference.

But we are going to keep that archaic bit of whatever it is and in the process rob numbers from spouses and children. I hope you can get the message as to what that really does. It eventually comes out just that way.

So the national interest of the United States is often missed in the great debate with regard to immigration because it gets tangled up in ethnicity and bigotry and prejudice and all sorts of things all up and down the pike.

The Hatch-DeConcini amendment would clearly tie the President's hands. There is no question about what it would do. It would tie the Congress' hands. If family-based immigration grows by more than 64,000 visas per year over its present level, affirmative action must be taken to restrict that growth. Now, that is what it does.

The amendment is against the grain and the philosophy of the Kennedy-Simpson bill. Our bill's philosophy is, we hope, clear. It is complex, yes, and noboby likes to deal with it except the interest groups. They love to deal with it. And they are very effective because they work on those four items that I just discussed before: emotion, fear, guilt, racism.

Our bill's philosophy is to increase legal immigration by 22 percent. Think of how many people have to swallow hard on that when every poll in the United States says we should limit legal immigration. Roper, Gallup, the Field poll in California—they all say we have enough or too much—60, 70, 80 percent of those polled—they say this is enough.

I am not that way. I am not ugly on that. So we arrived at a 22-percent increase.

Somebody is missing the boat when small pockets of high-powered pressure, using those four engines, will get into the game, when they know the American people do not want us to get in that game. Yet, I will continue to go on, and I have, under this bill. And the philosophy is to raise legal immigration by nearly a fourth and eliminate the present uncontrolled and undirected growth of immigration. How can we handle it all? How do we treat these people?

Those are important things. Under our bill, the specific changes in the level of immigration must be approved by us, by the people's elected representatives, the President and the Congress. That is what we do in this bill.

The bill provides for a report to consider the requirements of citizens of the United States and of aliens lawfully admitted for permanent residence to be joined in the United States by immediate family members. It provides the means to follow closely the family preferences.

That is what this amendment is all about. It is premature and out of whack. It does not even fit.

They are addressing something in this amendment which is taken care of in the bill. We have left the numbers high enough so nothing happens until this report and the subsequent review takes place. We are not in here just diddling around.

So then we are going to examine that. We are going to examine the impact of immigration on labor needs, employment and other economic and domestic conditions in the United States; the impact of immigration with respect to demographic and fertility rates and resources and environmental factors. We talk all day about acid rain and greenhouse effect.

How about immigration? That is where you have to find a place on in this country for a home and a family to surround you. That is what you provide. And those demand our attention, too, together with the impact of immigration on the foreign policy and national security interests of the United States.

Well, I have been through that one, too, because not only do we have real refugees, we have economic refugees, and we have financial refugees, and we have foreign policy refugees. We have

four different categories of those except there is only one true refugee in the statute books.

So here we are, now, with an amendment which takes away the ability of the Congress and the President to do what we are supposed to do; which is what we do not like to do. So we provide a very flexible triennial process for these changes to be considered. I do not know what could be more fair. And nothing will happen to the people that Senator HATCH and Senator DECONCINI are interested in. Nothing. I can assure my colleagues that nothing will happen because we built in the numbers to assure that nothing would happen. Then the report will come out, and that is what all of us are interested in finding.

Immigration levels should not be allowed to just increase based on demand from abroad for visas in any particular category. That is not what the national interest is.

Very unfortunately, in my mind, the Hatch-DeConcini amendment would return us to a system that is not controlled by the President nor the Congress. It would allow continued growth in our immigration system without approval by the American public's elected representatives. And, I tell you, it severely undercuts the principle of a national level of immigration, and I strongly oppose the amendment.

I do not know how far we could go if this amendment became part of the package. I do not say that in an attitude of petulance. I have swallowed hard on lots of stuff. But I tell you, it would sure cause a lot of people to think more than twice about passing a bill with this in it when there are many people in here on both sides of the aisle who might best be described as rather reserved on the issue of new numbers and higher numbers.

There are a lot of persons who are not in this debate who cast those silent votes on both sides of the aisle who would not stand for any of this. You could lose the whole package. That is what I think you will find. Because we are going to open it up—and that is the only word we can use—we are going to open it up. Period. That would define it, I think, quite crisply.

If we want to be about our work then let us take our precious numbers, huge numbers up 25 percent, let us see they go to closest family members: spouses and children. That, eventually, will cause us to review carefully the next report as to what we have done, what we need to do, and whatever any administration that happens to be in power, Democrat or Republican, should be doing that is in the national interest.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Madam President, I strongly support the amendment being offered by Senators HATCH and DECONCINI to S. 358, and I urge my colleagues to support it also. As its principal sponsors have very forcefully, eloquently and persuasively argued, this amendment is both necessary and highly reasonable.

This amendment is necessary because, without it, the legislation we are considering today could drastically reduce family-based immigration, the best kind of immigration there is. S. 358 represents a departure from the traditional priority which has been placed on family reunification efforts under our immigration laws. It would—for the first time—place a cap on the number of visas which would be issued for family reunification efforts. Under that cap, the number of visas issued for the immediate relatives of U.S. citizens—which are not limited—would be subtracted from the number of visas available for other family reunification efforts. The General Accounting Office has determined that this cap and its mechanism which offsets visas for immediate relatives against other family preference visas, contained in S. 358 as originally introduced, could mean that family preference immigration could drop to zero by 1998–99.

As I said earlier this morning, Madam President, I oppose the cap. In my view, this legislation should not impose a new cap on family sponsored immigration in any way, shape or manner. The needed reforms to our system of admitting immigrants to this country can be accomplished without the cap. I was an original cosponsor of Senator SIMON's legal immigration reform bill, S. 448, which did not contain a cap. That bill proposed many of the same reforms which are contained in the Kennedy-Simpson bill, but it did not propose to accomplish those reforms at the expense of family-sponsored immigration. The legal immigration reform bill which is currently being considered in the House, H.R. 672 authored by Congressman BERMAN, does not impose a cap on family-sponsored immigration yet it, too, proposes many of the same reforms which we are considering today in this measure. It is my sincere hope, Madam President, that the final legislation which is enacted into law will not impose a cap on family sponsored immigration.

Nevertheless, Madam President, I urge my colleagues to support this amendment which mitigates, to some degree, the harsh impact of the cap. While this amendment will retain the cap and the offset mechanism which allows the number of visas issued for the immediate relatives of U.S. citizens to be subtracted from the number of visas available for other family-connected immigrants, it assures that the visas available for family-connected immigrants will not fall below the number available under current law, and that is 216,000.

And that is 216,000. Given the concerns which have been raised by GAO's projection that the cap and its offset mechanism could drastically reduce family-sponsored immigration, this amendment merely assures that family-sponsored immigration will not fall below current levels.

If this legislation must contain a cap on family-sponsored immigration and if immediate relative visas must be offset, unfortunately, against other family visas under that cap, then in order to adhere to the traditional priority which has been given to family reunification under our immigration laws, we must take the necessary precaution to insure that family-sponsored immigrants do not have fewer visas available to them in the future than they have today.

The opponents of this amendment have argued that this change in the legislation is unnecessary because procedures are provided to review and adjust the level of immigration every 3 years. They argue that any future negative impact on family-sponsored immigration caused by the cap and its offset mechanism can be addressed by the independent commission created by this legislation to review and recommend changes in the national level of immigration. And the Congress may act expeditiously to address those changes under special parliamentary procedures established by this legislation. That is their argument.

Well, Madam President, I agree with Senators HATCH and DECONCINI that this is no guarantee at all that current levels of family-sponsored immigration will be maintained. The better approach is to adopt this amendment now and thus make sure that this legislation will not curtail future family-sponsored immigration below current levels.

Finally, Madam President, I am aware that this legislation we are considering today increases the number of visas available for family-connected immigrants. I support these increases, and I urge my colleagues to support these increases.

The sponsors of this legislation argue because of these increases, this legislation in no way diminishes our traditional priority on family reunification. I cannot agree. I simply cannot agree with this so long as this legislation also contains a cap, an offset mechanism which could drastically reduce the future availability of visas for family-connected immigrants. For all these reasons, I fully support this amendment.

I urge my colleagues to support it also, and I want to point out it is a very bipartisan effort. We have Senator HATCH, a Republican on the one hand; we have Senator DECONCINI, a

Democrat on the other. I applaud them both for their leadership on this issue. I, a Democrat from California, have just spoken for this amendment, and my colleague, Senator PETE WILSON from California, is on the floor and he will take the same position. There are Democrats and Republicans alike who are strongly in support of this amendment, strongly in support of family immigration.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Madam President, I am pleased to support the amendment offered by the Senator from Utah [Mr. HATCH]. He has worked long and hard on this subject matter. I am pleased to have participated in this effort.

I want to say the Senator from Wyoming and the Senator from Massachusetts have devoted a good chunk of their career, and perhaps their political hides, to the immigration issue. It is not an easy issue. I have great admiration for what they have done, even though I have disagreed with them on a number of occasions. Be that as it may, the amendment before us will counter the negative effect that S. 358 has on family preference immigration. S. 358 has in it a provision which threatens to eventually eliminate the family preference immigration into this country.

The United States has a long tradition of immigration based on family preference. We hear about that and talk time and time again about the family; that we are a Nation that is going to do something about the family, whether it is day care or whether it is child support laws or what have you, we are talking about the family. This is what this amendment is all about.

S. 358 attempts to place some kind of limits on legal immigration. Some kind of a cap which we hear referred to, but the cap really is on the first, second, fourth and fifth, preferences, not a cap on immediate relatives. There is no cap on that, and I defy anybody here to point out that there is a cap on immediate relatives. They can come in.

Now it happens that there were less than 300,000 last year, but if there were a million, that is how many would come in. Where the cap comes in is that it puts a cap on these preferences.

I think that is a mistake. Legal immigration level into the United States in this legislation is a level of a maximum of 600,000. It is divided into two categories of 600,000.

The first category is independent immigration. Individuals entering under these categories are selected by certain means unconnected with having a relative already in the United States. That is part of this bill, and so be it.

The second category of legal immigration and the category that concerns me is related to family connections. Under S. 358, the family connection category is further subdivided into two groups. The immediate relatives of American citizens are in one group, and visa applications with other family preferences are in the second group.

So you have the one group that there is no cap on. I think it is important for our colleagues to understand there is no cap on that first group. As many of those immediate relatives of American citizens can come into the country today, tomorrow, the next until we change that law. This law does not change that. It does not stop immediate family relatives from coming, but it has a tremendous effect on the visa applications of the other family preferences.

S. 358 and the current law limit nothing on the first group, as I underscored, and I think that is important to understand. This bill would, however, limit the number that can come in under these other preferences, and that is what we want to talk about.

I do not want to say the Senator from Wyoming is calling this something that he thinks is a killer amendment, but we are not talking about killing anything. What we are talking about is life. We are talking about permitting families to live together. To me that is not a killer amendment.

This limit on family preference immigration would be calculated by subtracting the number of immediate relatives visas issued from 480,000, an arbitrary figure set there, and that is where we come up with this so-called cap. It is no cap except as to the second group that I talked about, visa applications with other family preferences, those other four preferences.

For example, last year, 220,000 immediate relative immigrants came into the United States leaving 260 family preferences visas that could have been granted. So we had in the first group 220,000 immediate relatives. It could have been a million, it could have been 480,000. It was 220,000. That is how many were processed. They were all brought in.

There was nobody saying there is a cap here, and there is nobody going to say in this bill there is a cap now on those immediate family relatives. They are going to come in.

If that number grows, you have more immigrants into this country. The problem with this approach is that for every immediate relative immigration visa that is granted under this present bill, a family preference visa is going to be denied. So as this grows, the family preference, the second group that I am talking about, is going to shrink.

Is that what we want? We do not want family preferences to come in?

Let me read what those preferences are: Unmarried adults, sons and daughters of U.S. citizens. That is going to shrink; less family members are going to come in; spouses, unmarried sons and daughters of permanent resident aliens; married sons and daughters of U.S. citizens, they will not be able to come in as the immediate family relatives group grows and comes into the first group. And then brothers and sisters of adult citizens of the United States. I do not think that is what immigration is all about, or family legislation is all about.

S. 358 could even result in the complete elimination of the family preference category. I believe that is where we are really headed. The Senator from Wyoming pointed out he thinks these preferences should be gone. I do not want to put words in his mouth. Maybe he has taken out all of them. I know I have talked to him about the fifth preference. I think that is a matter of disagreement. If you do not want sons and daughters of adult citizens, if they are part of your family, they ought not to be permitted into the country, well, that is the policy. That is what this bill does because it limits that group as the immediate family members grow. I do not think that is good policy.

The General Accounting Office predicts, as the senior Senator from California has already pointed out, by the year 1999, 10 years from now, immediate family immigration will total 480,000 and as a result of that family preference immigration under S. 358 would be zero. So this second group is gone in 10 years. The Senator from Wyoming said we only address immigration four times in a century. Maybe we will address it four times in the next 10 years or one more time in the next 10 years but why put into the law something that is literally going to wipe out a whole preference, and that preference is family members.

Mr. WILSON. Will the Senator yield.

Mr. DECONCINI. I will be glad to yield to my friend from California.

Mr. WILSON. It is my understanding from what the Senator has just said that someone who had been in the category of a fifth preference for as much as perhaps 10 to 11 years, a brother or sister of a U.S. citizen, could conceivably under S. 358, were it to become law, find himself ultimately, notwithstanding that 10- or 11-year wait, displaced by an increase in the number of immediate relatives that is predicted to swell under the GAO study by 1999 so as to fill up the entire 480,000 slots.

Mr. DECONCINI. The Senator from California is so right. The important thing to reiterate I think is that the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

immediate families are not going to be reduced. They are going to be able to come in no matter how many there are. It is this preference of the brothers and sisters of citizens that is going to be shrunk as the Senator from California very astutely points out.

Mr. WILSON. The same thing would be true, I take it, where we are talking about not a brother or sister but the spouse or unmarried son or daughter of a permanent resident. Even though they get an increase, over what is presently authorized, they could be entirely crowded out.

Mr. DECONCINI. Exactly. That is what is going to happen. There is no question that the immediate family members are growing. The Senator from Wyoming pointed out the percentage. But what we are seeing is that number growing and at the same time these preferences that have been a policy of this country for a long time to unite families are going to shrink.

Mr. SIMPSON. Mr. President, will the Senator yield.

Mr. DECONCINI. Certainly, I yield to my good, dear friend from Wyoming.

Mr. SIMPSON. To keep the debate topical. I want to do that because this is what we need to do in this. I have never said I wanted to get rid of any preference.

Mr. DECONCINI. If the Senator will yield, I thought he said earlier he would vote to get rid of it.

Mr. SIMPSON. The Senator said get rid of it. I have never said that.

Mr. DECONCINI. I apologize.

Mr. SIMPSON. I said I would want to get rid of the fifth preference, if I had my druthers. And let me ask this of my two friends, who have been deeply involved in immigration issues. Senator DECONCINI, my friend, and I served together on the Select Commission on Immigration for Refugee Policy and he knows how tough it is. My friend from California represents the State of California, and that is about as rough as you can get, unless it is Arizona or unless it is Utah. I understand that. I hope everybody understands that, too, because that is what we are talking about. We are talking about heat.

Now, I am talking about immigration. If you want to leave it as it is today, then the wait for a Filipino brother of a U.S. citizen today is estimated to be 50 years, if he applies today. I hope all are hearing that. Fifty years. That is present law. We can leave it like that. I guess I am ready to do that.

Is there anyone in this Chamber who would distribute limited visas to a brother and a sister-in-law and to nieces and nephews, and not to spouses who have been waiting to join their wife or husband here for years? Anyone here want to do that? Let us get down where the rubber meets the road.

Mr. DECONCINI. Will the Senator yield? I will be glad to answer that question.

Mr. SIMPSON. Yes.

Mr. DECONCINI. If the amendment of the Senator from Utah and the Senator from Arizona is not passed, the spouses, unmarried sons and daughters of permanent resident aliens is going to be reduced. So it seems to me that the Senator has clarified it. I apologize if I misquoted him because I thought he would vote to scratch the fifth preference. If I made a reference that he would scratch all the preferences, I apologize for that. But in essence what this bill is doing, what S. 358 is doing is limiting all of those preferences. Maybe what the Senator intended to do or wanted to do was to permit preference 1, 2 and 4 continued and just apply this so-called cap that we talk about to the fifth preference.

Mr. SIMPSON. Mr. President, Senator CRANSTON, who is also deeply involved because he represents the State of California, made a statement that family immigration would drop to zero. That was his statement. That is the whole position of Senators HATCH and DECONCINI. The only reason it will drop to zero is because we are giving the visas to the closest family members under this bill. I hope that everybody hears that. I really do not care a whit anymore on win or lose. I gave that up long ago. I just want people to hear. The only way it could ever drop to zero is because we are giving the visas to the closest family—spouses and children of citizens of the United States. Now, if that is not what it is all about, I missed something.

Mr. DECONCINI. Will the Senator yield for a question?

Mr. SIMPSON. Indeed.

Mr. DECONCINI. Is it not true, would the Senator from Wyoming agree, that under the present law, under S. 358, whatever the number of immediate family members apply, they are going to be granted visas? Is that correct?

Mr. SIMPSON. Immediate family.

Mr. DECONCINI. Immediate family.

Mr. SIMPSON. It is always uncounted.

Mr. DECONCINI. So they are going to come in.

Mr. SIMPSON. Sure.

Mr. DECONCINI. Assuming they continue to grow, as they grow, is it not true that this legislation, S. 358, limits these other preferences? Is that correct? As this continues to grow and should it reach 480,000 or more, then these other preferences would not exist; is that correct?

Mr. SIMPSON. Mr. President, we are talking about family-based immigration. That is what I keep hearing. That is our heritage. If that is our heritage, then let us do it. We do it pretty well right now, 480,000. The Senator is correct on those visas.

What we are talking about is spouses and children of citizens. Only if spouses and children of citizens take all of the available visas will the more distant family preferences be squeezed. We make 480,000 visas available for family.

Now, that is the way it is. All this bill provides is that 80 percent of all visas go to the closest family member. That is what we are doing. There is nothing sinister about it. If you are going to have family reunification, let us not have family reunions. Let us call it family reunification, and that is a spouse or a child. That is not your niece. It is not your brother-in-law.

That is where we are at this point, and that is what everybody seems to be missing in the emotion of the moment. If you are going to have to crunch numbers, then crunch the ones for nieces, nephews and in-laws. You do not crunch the numbers for spouses and children of citizens.

Now, if you do not want a limit, fine. Then you can go ahead and do this and have a rich time of it. I do not think the Congress of the United States will allow a bill to pass which says there shall be no limit on legal immigration into the United States. I do not believe that. We will find out.

I do not believe that. We will find out.

Mr. DECONCINI. Madam President, will the Senator yield?

Mr. SIMPSON. Yes.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. DECONCINI. Let me point out from what the Senator from Wyoming says, and I think he will agree—I ask him if he does, and please speak up. I know he will. Right now there is no limit on immediate family. Does the Senator agree with that?

Mr. SIMPSON. That is correct.

Mr. DECONCINI. S. 358 does not change that.

Mr. SIMPSON. Right.

Mr. DECONCINI. That is correct.

What S. 358 does is, as the immediate family numbers grow they are reduced from these other preferences. Is that correct?

Mr. SIMPSON. That is correct, Madam President.

Mr. DECONCINI. I thank the Senator from Wyoming.

That is the essence right here. Do we want to jeopardize the other four preferences and literally eliminate them so that there are no unmarried adult sons and daughters of U.S. citizens able to come in? Is that what we want to do, because that is what we are doing. Do we want to stop spouses, unmarried sons and daughters of permanent resident aliens? They are here legally. They just have not applied for

citizenship. Maybe they will. They will be reduced. Do we want married sons and daughters of U.S. citizens not to be able to come in or to have fewer come in every year? That is what we are going to do. Then the fifth preference, brothers and sisters of adult U.S. citizens, because what the law is now, and what the law will be if S. 358 passes without this amendment. The immediate family relatives are going to continue to come in. That may grow; it may shrink. I suggest it is going to grow, and it is going to grow.

What this little neat piece of legislation before us does is puts a cap of 480,000. That 480,000 number says that when you meet that number, which we have not met yet on immediate family relatives, then you have no more of these preferences.

Madam President, Senator HATCH and I believe that is intolerable. That is why we are here trying to do something to correct it, and it is not going to do any great hardship to this legislation or any other legislation because what the amendment of the Senator from Utah does is say there is going to be a permanent minimum of 216,000 available every year. Every year there is going to be that many available to come in under these four preferences. Is that to much to ask? That is a cap in itself. You always are going to have at least that many. Until we get up to the 480,000, you are going to have a few more just like we did last year. Do we not want family members to come in? In my judgment, we do.

Mr. HATCH. Madam President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. DECONCINI. I would like to finish if the Senator does not mind.

This amendment ensures that family preference categories are going to be available, and that is what I want my colleagues to understand. That is why the Senator from Utah and I are opposing the amendment. He spent a lot of time, and I have, too. The Senator from Wyoming says we come from States with heat. Indeed, it was 118 degrees yesterday in Phoenix. That is a lot of heat. But also I come from a State that has a lot of people who have family members who may not be immediate family members who do not want to be wiped off the slate. This establishes a minimum of 216,000.

Under the Hatch amendment, no matter how many immediate relatives' visas are granted, we are going to have at least 216,000 of these family reunifications. We must decide whether we want to continue to grant family preference immigration visas or whether we want to risk eliminating them altogether.

We must remember as we debate the issue today, and if the House takes up this bill, S. 358 does not put a ceiling or a cap on legal immigration of immediate families. They are going to come in.

The Senator from Wyoming and the Senator from Massachusetts have not even thought of that, I do not believe. I am pleased with that. As long as the number of immediate relatives is not limited, and I agree it should not be, there is no ceiling on legal immigration under both the current law and S. 358.

If a million immediate members come in, that is how many is going to come in. But once it gets to 480,000 there are not going to be any more of these preferences—no more unmarried adult sons and daughters of U.S. citizens, no more spouses' unmarried sons and daughters of permanent resident aliens, no more married sons and daughters of U.S. citizens, and no more brothers and sisters of adult U.S. citizens.

So in fact the family preference category is going to disappear. That is what we are overseeing if we do not pass the Hatch amendment. If we pass this bill as is, we are here at a burial service. We are burying and putting away forever family preferences.

The Hatch-DeConcini amendment provides a very necessary safety valve and guarantees that family preference visas are going to remain at least at a minimal 216,000.

I yield the floor.

Mr. SIMPSON. Madam President, that is why I like getting into spirited discussion with my friend from Arizona. We do that in committee. We do that privately. And I respect him and enjoy his spirit and energy. I understand. I can hear what he is saying. But I think we are talking past each other. Let me verify that. I will agree totally that we have no limits on immediate family. That is the truth. That is the way that is.

We have immediate relative immigration that did not increase 7 percent for the last 2 years. Yet the GAO based its report on the presumption that it would increase by 7 percent. In 1987 it fell by 1,000 persons. In 1988, it grew by only 1 percent.

Thus, the GAO conclusion that the more distant family preference immigration would drop to zero is not consistent with the present situation at all. In fact, I think this is critical, I hope my friends will hear this, if I might direct their energy to this. Under this bill I cannot imagine how you could feel that we would be embarked on such a course when Senator KENNEDY, Senator SIMON, and I as three members of the subcommittee of diverse philosophical background would never be involved in that kind of sinister activity of closing off family immigration. It is so dramatic that it does not ring true. The President and the Congress under this bill, every 3 years, will be examining it, looking at the level of immigration, and making necessary revisions. That is what we will be doing.

Please hear this. There is not a single thing in this bill, and I hope the sponsor will hear this, that limits one whit any preference, not one. There is nothing in this bill, nothing, that limits any preference until the next report, and the next report will tell us what we should do. This bill is left with the total flexibility to handle every single number from every single preference that will come in, without question.

Mr. DECONCINI. Without question?

Mr. SIMPSON. Yes. I can say that is what is in this bill.

Mr. DECONCINI. If the Senator will yield, I will answer the question, because it does limit immigration.

Mr. SIMPSON. Please.

Mr. DECONCINI. The Senator is incorrect, in my opinion, because the mere fact that you have this report coming down the pike in 3 years does not mean that this Congress is going to pass anything that is going to raise any limits or adjust the so-called 480,000 cap. What we are talking about here, in response to the Senator from Wyoming, is if next year there happens to be 480,000 immediate family relatives, you have limited these preferences—exactly what the Senator said he did not want to do.

Mr. HATCH. Madam President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. SIMPSON. I certainly yield for a question.

Mr. HATCH. With anything more than 264,000 for immediate family you are talking about a reduction of what the current law is. I know that the two Senators and the floor managers of this bill have operated in the utmost good faith in every way on this bill. I have total admiration for both of them. But I think the points made are very valid points. I think Senator DECONCINI made the point that you cannot guarantee we can adjust because of the mechanism within the bill if you rise over 264,000 immediate-family visas. So what we want to do is make sure the family reunification can take place.

As I understand it, the Senator from Wyoming said he could not understand the reason for the amendment. That was my impression. Well, the reason for the amendment is to protect family reunification under the preference categories. That is plain and simple. S. 358 offsets, I think, is a threat to such family reunification.

Yes, if the current situation stayed static, I suspect the Senator from Wyoming's position could not be refuted, but it does not stay static. The GAO makes it clear that it will not stay static, and that we are going to by 1999, have zero preference categories

visas. So the bill's currently operated provisions do not solve that problem in the future. That is what this amendment will do.

This amendment will prevent that type of a result. No one's hands are tied. The President and the Congress can change the 480,000 cap, and they can change the 216,000 floor under this amendment, at any time that they want to. I think it is better to do it this way than the way in the bill.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. SIMPSON. I just want to say to my friends from Arizona and Utah that that is why we built in 44,000 new numbers into this bill, to take care of just exactly what you are speaking of, because only the most extraordinary activity would ever raise it any further than what we have built in. I yield to my friend.

Mr. KENNEDY. I would just like to make sure that the Senate has some understanding of what the current situation under family preference is.

The PRESIDING OFFICER. Will the Senator from Massachusetts withhold? Are you withholding?

Mr. KENNEDY. I would like to ask the Senator a brief question. Is his understanding the same as mine, that under the existing family preferences, which have been referred to, there is not a guarantee to all those preferences that they are going to get in here? I mean, it has been suggested that we have all these preferences out there, and if we do not take this amendment, you are going to have a lot of problems in these particular categories.

Madam President, in the second preference, that is spouses and children of residents, you wait 8 years today for that. We are trying not to double that number, so that as a result of the amnesty program, when you are permitting those individuals, some 3 million, who want to bring their families, their wives and children, who are residents and today have to wait 8 years, will not wait 16 years.

You know, you can cut this about whatever way you want to in terms of the families. I would go for a broader kind of a program, and the Senator from Wyoming, a more constricted one. The one concern that has been expressed here, we have addressed, Madam President, and the Senator has gone through. We put in the record what the past history has been, what the flow has been, the best information. But it is important, Madam President, to recognize that with these existing preferences now, the second preference, and the fourth preference, married sons and daughters of United States citizens is 8 years, if you are from Mexico.

We tried to build those numbers up so they will not wait that long. So unless, as the Senator from Wyoming has pointed out, you want to completely open unrestricted policy, which maybe some of us would go along with, I think probably the assessment of the Senator from Wyoming that this body is not prepared to do it, you are going to have to make some judgments and calls on it, but do not elude yourself by thinking because you are in the family preference category, you are unable to get in here. Some are not; some are. The first preference is that you are. But you are certainly not in the fifth preference, as I pointed out. You wait for 15 years, if you are from some countries, and today you are going to be waiting in the fourth preference, which are married sons and daughters. The second preference is spouse and children of residents.

Now, if we have increased that by 40,000, if we have accepted the amendment of the Senator from Utah, which is going to have this rolling cap, Madam President, we are not going to get the legislation. And make no mistake about it, you are not going to get the increase in those family preferences. You are just not going to get it. It is not there. I would like to have it, but it is not there. That is a hard, cold political reality. These are some of the balances.

I want to just join in support of the point the Senator from Wyoming has made, because these are tough difficult choices. We have debated and discussed and had some differences, whether to give a faster track for small children. Then I think a credible argument is to extend it to nuclear families, so we went for that. I, quite frankly, think you could go, as I mentioned, either way on that—at least I could. You would rather do for the families that are going to be impacted. I take their advice. But you are making tough and difficult judgments and choices, unless it is the will of this body just to throw the whole door wide open; and as one who has been involved in this issue, that is not where it is. We are always caught between those who wanted a more expansive program, and I have been proud to be associated with that group in the past. There is another group who feel that we need to have more restraint because of a wide variety of difficult implications, such as the burden on the tax system, housing, adequate education programs, and all the rest. This, I think, is why we have reached this kind of resoluton.

I ask the Senator from Wyoming, does the Senator not agree with me that even though there are these other preferences, that that does not guarantee that if you fall into that preference, you are getting in here. Would you not agree with me that with the acceptance of this total package, that we are going to reduce, hopefully, in an important way, the reunification of many families?

Mr. SIMPSON. Madam President, I agree totally with my friend from Massachusetts, the Senator that has been working on the issue for 27 years. I find that people come here and begin to talk about the preference system, and they do not know what it is. Like our quota system—how many countries are there, 168, and we have 270,000 numbers to divide among them for legal immigration.

These are things that make me wish I had never gotten involved in this stuff, because you can pick up the New York Times or the Washington Post or the Cody Enterprise, and they will take an article on refugees, and before you are through, they will call them immigrants. If nobody understands that, then TED KENNEDY and I will never get anywhere, along with our friend from Illinois. That is the problem.

If you are going to have a bill and raise the family numbers like we did by almost a fourth, it is unheard of—at least in the last 50 years. I do not know if it will sell, but if we are going to do that; then we think—maybe misguidedly—that 80 percent of all of those visas should go to the closest family member. Now, if anyone really wants to get in and argue that, I would love to hear it.

I see Senator DECONCINI is not in the Chamber, but I want to ask him and Senator HATCH a very simple question. It seems to me the Senators are really asking one thing only. They must want unlimited immigration into the United States, and I would like the answer to that question from both of the participants in the amendment.

Mr. BOSCHWITZ addressed the Chair.

Mr. SIMPSON. I think I have the floor. I would like to hear the response of the two Senators, and then I will be happy to yield to my friend from Minnesota.

Mr. HATCH. Will the Senator yield?

Mr. SIMPSON. I asked a question of my colleague.

The PRESIDING OFFICER. Will the Senator withhold? The Senator from Wyoming has the floor.

Mr. SIMPSON. I would like to have a response to the question, and I will then yield to my friend from Minnesota.

Mr. HATCH. Are you yielding to me?

Mr. SIMPSON. I would like to have your response.

Mr. HATCH. I appreciate the question of the distinguished Senator from Wyoming. I do not believe that we need to know the number of actual immigrants each year at the expense of family-connection preference immigration. I do not believe that we need to know the actual—or excuse me, I do not believe that we need to set an annual number, if it means that we

are going to cut the current level of current family preference consideration drastically, which GAO says we will do by 1999, to zero. I have no problem with uncapped immediate family immigration and a set number each year of family-connection preference immigration.

We have had that system for some time now and it has worked well and families benefited. I believe in family reunification. If I understand my friends and colleagues from Wyoming and Massachusetts, they do, also.

So I think it is important and it reflects traditional American values.

I note that even under S. 358, we are never completely sure how many people come into the country, although I recognize it is unlikely to occur in a short period of time in theory.

If immediate family relative immigration ever begins to exceed 480,000 we will not know how many family immigrants will enter the country because immediate family immigration remains uncapped. So there is no way we will know anyway.

So I think that answers the distinguished Senator's question.

Mr. SIMPSON. Madam President, it seems to me that what the sponsors of the amendment are proposing is that we never say "no" to a person who has a family member in the United States. That is the only way I can read this.

We have limits now, and people wait for decades. There are 2 million of them out there under present law who are not being serviced, and our bill tries to make more rational the application of those limits.

We are trying to be responsible in distributing the necessarily limited visas to the closest family members. That is what this "sinister" approach is. It is not meanspirited, unless you want unlimited immigration.

If that is the case, then let us call it that and have an up or down vote.

I yield to my friend from Illinois.

Mr. SIMON. Madam President, if my colleague will yield, first in this compromise in this complicated area, what we have done is to increase numbers for family preference by 22 percent without this amendment and then we will face in the next 4, 4½, or 5 years, because of the amnesty program, a brand new problem that no one here has any idea what is going to happen. No one does.

We are saying 3 years from now let us review it. That is what the bill calls for right now. That seems to me to make an awful lot of sense.

I hope our colleagues will listen as we try to get that point across.

I thank my colleague from Wyoming for yielding.

Mr. SIMPSON. I thank my friend from Illinois who has come into this activity with good grace and good humor, learned and participated in it, and knows already how you do combat for 2 or 3 days on the floor every time one comes up.

Honestly, I hope I am not being self-effacing or anything else, I really do not care if you win or lose as long as you understand what we are doing. Again, that is my only hope as I legislate.

I yield to my friend from Minnesota.

The PRESIDING OFFICER. Does the Senator from Wyoming choose to continue to hold the floor and thereby continue this rather lively discussion through yielding, or does he want the Senators to be able to seek time in their own recognition?

Normally Senators yield for the purpose of a question. However, this has been a situation where I think elasticity is called for.

Mr. SIMPSON. Madam President, I do not intend to try to dominate the debate. I think my friend from Minnesota was asking a question. If that is so, I will try to accept it. If not, I will yield the floor to him at this point. I think I am nearly through.

Mr. BOSCHWITZ. Madam President, I will seek recognition in my own right.

Mr. SIMPSON. Then let me not end but just make a couple of comments and then yield to my friend.

The philosophy of this bill is, as I have said, trying to increase immigration and set a specific level of immigration. We do not call it a cap. It is a national level of immigration. This amendment here takes us back to current law on national level.

If we go back to current law in the second preference of immediate family of aliens, then family visas there would be reduced. Senator KENNEDY made the point to get the more visas that S. 358 provides, a specific national level must be set. The amendment upsets that balance without question, and I think it is just important if you win, lose or draw that you just hear one thing. All we are saying is if you are going to have a national level of immigration then something is going to get squeezed obviously. If you do not want a national level of immigration, then this amendment is what you should gravitate toward. It will help reach that.

I just do not believe that people are really able to sell that back in the old home district that you want an amendment or a bill that will provide for unlimited immigration because that is where you are headed with this amendment, and everything that shows up in my mail room seems to indicate the American people do not want that.

All we are saying is if the squeeze comes, then why not do what everyone in this room would want to do. First take care of reuniting spouses and children, not taking a number away for someone who wants to be reunited with their brother-in-law and take that number away from someone who wants to be reunited with their spouse or their minor child.

I yield the floor.

Mr. LEVIN. Mr. President, I rise today in support of the Hatch-DeConcini amendment to S. 358.

By creating a guarantee of 216,000 visas for family preference immigration, the Hatch-DeConcini amendment helps to ensure that the principle of family reunification will continue to guide our immigration policy. We are all concerned about maintaining some form of control over our immigration policy. However, that control should not be at the expense of family reunification.

While S. 358 would continue to allow unlimited immediate relative admissions, visas for other close family members could be reduced. I oppose this reduction and I urge passage of the Hatch-DeConcini amendment.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from California.

Mr. WILSON. Mr. President, I will not take a great deal of time, not as much as I intended originally to take, because this has been a very good debate, one of the better that I have head on one of the more difficult subjects.

I commend the Senator from Wyoming. He has labored long and hard in what is not a vineyard but a very rocky, thorny place, and he has done so most of the time with his characteristic good humor. This is the kind of subject that would try the patience of a saint.

I must say that this whole business of immigration could perhaps best be equated to the problem that faced a Solomon in really having to decide a very critical family matter.

Many times this afternoon my friend from Wyoming has asked the question, quite appropriately, who wants to suggest that in terms of giving preference on immigration to family-connected members that we should give preference to a brother or to an unmarried adult son as opposed to immediate family members, the spouse, the parents, or the minor children of a U.S. citizen?

The fact of the matter is those are very difficult choices for families themselves to make.

In some cases, I will tell him, in my home State immigrant families have decided that really in order of the benefit that would be derived, it might make more sense for the younger adult brother to come than for the father.

Those are painful decisions. Sometimes thay are dictated by economics, by stitutions that have to do with matters that relate to the ability to bring that family member to the United

States, wholly apart from what the immigration law provides.

I do not know that we are, any of us, wise enough to prescribe a generalized prescription that will do perfect equity in every case.

But the fact of the matter is to anyone listening to this very good debate this afternoon, I think it has become clear that the concern that has generated this amendment is one that is completely bona fide.

My friend from Wyoming has repeatedly said that in my State and in other States where there are large immigrant populations there is intense heat generated by this entire question of immigration. He is right, if by "heat" he means intense emotion. People feel intensely emotional about their families; about their children, God knows; about their spouses, of course; about parents and about other family members not within that category of immediate relative.

There is intense emotion felt. There is love. There is a desire to bring to this Nation with all that it offers those in one's family who are beloved, who in many cases have waited long and patiently who are in the category of the fifth preference and in many cases do not have a very good chance. We are talking about family reunification.

In some instances, the wait is so long that it would seem more accurate to call it ancestor reunification in terms of their prospects of getting here in time to be reunited with their family.

But what is clear is that those who have proposed this amendment have done so precisely because they feel that the answer to the question posed by our friend from Wyoming—should we pit one group of family-related immigrants against another?—is that this cap, which he does not call it, will do precisely that. Because what their amendment proposes is to set a floor on the number of immigrants who can come into the country who do not fall into the category of immediate relatives, and they do so as you have heard repeatedly this afternoon because the projection is that without this amendment the General Accounting Office sees that by 1999 there will be a squeeze indeed and in fact the level of immigration for family-connected members other than the immediate family, other than the minor children, the spouses and the parents, will have dropped to zero because all others will have been crowded out by the immediate relatives.

I think what has been established is that the likelihood under review at almost any time in the future is that immediate relatives, immediate family members, are probably going to be accommodated. The question is to what extent are we going to allow into the country those other family members who are not minor children, spouses, or parents? And the answer it seems clear to me is that the whole purpose of this legislation is to set a limit, and indeed very candidly the Senator from Wyoming has stated that that is the purpose, that that will be the effect.

What you have in the Hatch-DeConcini amendment is a common sense and humane effort to see to it that as we seek to accommodate those immediate family members, those immediate relatives, we also provide a sufficient compartment in that immigration liner coming to us that it will be able to accommodate some of the others. And the number that they have selected, 216,000, happens to be the number that reflects that kind of immigration last year.

What we do know is that we can expect, according to every source, that the number of immediate relatives will grow and that as it grows there will be a corresponding reduction unless, of course, this amendment is adopted and provides for that floor. Without it the prospect, everyone seems to agree, is that finally as the number of immediate family members increases in immigration to this Nation the number that is available through these other preferences, the second, the third, the fifth, is going to correspondingly be reduced.

That is very simply stated what this amendment is all about. I think that it is a wise amendment. I think that we would be unwise, I think that we would be arrogating to ourselves the power of a Solomon. If we find these decisions difficult, I tell you that the families themselves find them difficult. I do not think that they will thank us for simplifying the choice for them. They are not asking us to do this. To the contrary, let us not impose upon them a parameter that they have not sought and that does not exist in current law.

Family reunification is a concern not just with respect to the minor children, the spouses, the parents. It does involve brothers and sisters. It does involve other members of the family. And that has certainly been the experience in my State.

So I would say, with the greatest respect in the world for the extraordinary service provided by my friend, the Senator from Wyoming, who is motivated both by a genuine concern for his country and by what he feels, to be fairness, that, respectfully, those of us who support this amendment disagree to the extent that we feel that fairness requires that there be allocated to other family members than the immediate relatives a floor that will protect their immigration. Without that floor, without this amendment, we see them by the turn of the century no longer able to come to this Nation.

One of the things in this great American ambivalence to immigration is that when we get here, those of us who are the sons and daughters of immigrants, many times we feel it is time to haul up the ladder. It is true that no nation can lose control of its borders, though I have to tell you that I think that we have in certain respects and they are obvious. But what is also true is that in every generation, this Nation has received an incredible infusion of energy and brains and guts and drive that has made this Nation the richest and strongest and the best in the world because our richest resource has been our people and in many cases some of the very newest Americans, the most recent arrivals.

So I will simply say to you that I think that we should continue a wise policy of immigration that permits us to continue to benefit in that fashion. It is in the tradition of this Nation. I would simply say that this amendment is fair. It seeks equity as many of us think it is required to be practiced so that we do not too narrowly define the favored class in family reunification.

Mr. President, I thank the Chair and yield the floor.

Mr. GRAMM. Mr. President, listening to my dear colleague from California reminded me of that joke that Smirnoff, the new American, ex-Soviet comedian, said about how the day he was sworn in as a new citizen, immediately he had this deep concern well up in his bosom about all these foreigners.

There is a conflict here, Mr. President. We hear it in what our dear colleague from Wyoming says. The conflict is between a number and a principle. The number of 600,000. The number was developed by our dear colleague from Massachusetts and our dear colleague from Wyoming. It did not come down from Mount Olympus. It was developed by this committee. The principle is a principle of family unification.

It seems to me that the amendment of the Senator from Utah is a pretty straightforward, simple, fair amendment. It says, starting out with a formula of this bill, you start out with family preference of 480,000 people. Then you subtract the number of immediate family members that come.

Now, the concern of the distinguished Senator from Utah is that pretty quickly, what is left is going to be nothing. So he says that when the number has gotten down to 216,000, that it will go no lower. The Senator from Wyoming says, "But that violates the number of 600,000."

Mr. President, we have a conflict between a number that did not come from God and a principle of family unification. We have a choice between a number and a principle—a principle that is vitally important as people love their kinfolk. They come to America seeking freedom and opportunity.

They achieve it here. They want to bring their relatives here to share in that freedom.

So what Senator Hatch simply says is that at a point at which subtracting the number of immediate relatives leaves only 216,000 visas for family sponsored immigrants, it will not subtract further. The objection to that is not that that is an unreasonable number. The objection is that it violates the 600,000 cap. Given a choice between an arbitrary number and a principle of family reunification, I find myself on the side of the family reunification.

Finally, Mr. President, let me say that this magical number would have more meaning to me if it were not for the fact that we have seen that number of people are coming into the country illegally every year.

We have tremendous illegal immigration in this country which has not been stopped and yet we are here setting up arbitrary limits that prevent people who came here legally, who have been successful, who have achieved the American dream, from bringing their kinfolk to America.

I do not think that is right. I do not think it makes any sense. And I do not think that this is a very bold or daring amendment in terms of doing injustice to the bill before us. I think it is a simple, straightforward amendment. It says that when you reach the point of only 216,000 people left to come in under family preference, after you take out the immediate family, you do not let it go any lower.

If that means that you go above 600,000 in the total, so be it. That is ultimately the debate.

I am sure people listening to our colleague from Wyoming think that there is some kind of inherent inconsistency in the amendment and the bill. But the real problem is this cap, and I think the amendment that is proposed is reasonable and modest, and I think it ought to be adopted, and I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I thank my friend from Texas because he put it so succinctly well. I would like to point out to my friend, the Senator from Wyoming, that some of his statements are a little bit misleading, if I may say so. He talks about brothers-in-law. The bill does not mention brothers-in-law. He spoke earlier about nieces and nephews. This bill and the present immigration law does not speak about nieces and nephews. He talks about an unlimited immigration. Well, there is unlimited immigration, in a sense, under the present law. Immediate family members do come in in unlimited numbers.

As I understand the bill that is now being proposed by the Senator from Wyoming and the Senator from Massachusetts, that would not be changed. Immediate family—minor children, parents, and spouses of U.S. citizens—continue to come into this country without numerical limit. If, however, immediate relatives, come in very large numbers, they begin to push out brothers and sisters and other relatives who are not quite as immediate.

What the pending amendment says is that 216,000 of those not-so-immediate relatives should come in no matter how many immediate relatives come in. And I support this amendment of the Senator from Arizona and the Senator from Utah.

The Senator from Wyoming says that the Congress and the President are going to review this every 3 years. But I did not see in this bill any assurance that the Congress was going to act on this matter every 3 years.

Unlimited immigration, Mr. President? This bill would allow one-fourth of 1 percent of the American people to come in each year: 600,000 people is approximately one-fourth of 1 percent of the American people. At the time of the largest and most rapid economic growth in this country, 3 or 4 percent of the population was coming in as immigrants each year.

People say that immigrants are going to take away jobs. But the period of fastest job growth in relation to the population came at the time when the most immigrants in relation to the population came in.

This is not an amendment that asks for unlimited immigration, especially by historical standards. It is not an amendment that, in the words of the Senator from Wyoming, says: Never say no, to use his exact phrase. Rather, it allows all immediate relatives of U.S. citizens to come in—just as under the present law, and just as under the bill he proposes. But, in addition to that, 216,000 relatives who belong to other family categories, can also come in.

As a matter of fact, immediate family of permanent legal residents would be turned back in the event that the amendment were not adopted. That's because these immediate relatives fall under the second preference.

All of these preferences, Mr. President, are very confusing to understand. That's why put together this chart.

There is a first, second, fourth, and fifth preference that applies to families, but immediate family come outside of the preferences. Those folks can simply come in without limit. Immediate family, again, are mother and father, spouse, and minor children.

The first preference is adult, unmarried children of U.S. citizens; 54,000 of them come in under the present law. This bill reduces that to 23,400. But that is not too bad, even though there is a reduction, because the actual number that came in was 12,107, as you see.

The second preference is the immediate family not of citizens, but of legal permanent residents. That is the preference that the Senator from Wyoming says is often a 12-year wait and which, under the formula as established in the bill, he raises to 148,000. I compliment him for doing so.

Let me just say, if we look at this chart, all the family preferences taken together, add up to this figure of 216,000 that we are talking about.

The fourth preference is married adult children of U.S. citizens, and only that child. If a married adult child wants to bring his wife, let us say, and minor children, he has to get here first himself.

The fifth preference is the siblings, or the brothers and sisters of U.S. citizens. And, in this area, the Senator from Wyoming points out that in the case of the Philippines, the wait is 50 years.

So what this amendment says is that the immediate family of U.S. citizens can still come into this country in unlimited numbers. I believe that is the way it should be. But let's not forget the other relatives.

As the Senator from Texas says, once people get here to the United States and have an opportunity to enjoy the freedoms of the United States, they want to bring, as he says, their kinfolk. That, of course, is first the immediate family: the children, the minor children, the mother and the father, and the spouse. They do not count toward any limitation under the existing law.

However, under the proposed bill, S. 358, immediate relatives cut into these other preferences. What the Senator from Arizona and what the Senator from Utah are saying is that immediate relatives of U.S. citizens should not count against these preferences.

As the Senator from Illinois has pointed out, the immediate relatives, the numbers will climb, soon, within the next 6, 8, 10 years. And the result is that they will climb so high that under this bill they will squeeze out all of these other preferences. Mothers will squeeze out their sons. In other words, a mother who is brought here by a U.S. citizen will squeeze out her other children. Mothers will squeeze out brothers and sisters, and that really is not the way we want to go.

So I think that the Senator from Arizona and the Senator from Utah are, indeed, on the right track. I think that we do, indeed, have to support this amendment.

My concern about the bill is really related to this area of family preference immigration. The Senator from Wyoming talks about limitations on the fifth preference, that there are too many years of waiting under this

category. I will, therefore, offer amendments either tonight or tomorrow, as time permits, to increase the fifth preference so that we can have more brothers and sisters come into this country.

The Senator from Wyoming is correct that the mail runs against the idea of bringing in new immigrants; that many people think that jobs are going to be taken by these immigrants, and they feel threatened by that. I think the entire experience of the United States has been that immigrants create jobs; that immigrants by and large come to this country with nothing and they come as the greatest consumers of all. For that reason they do, indeed, create jobs.

Again, Mr. President, during the time when we had the greatest job growth as a percentage of population, when we had the fastest economic growth—the industrial revolution—this country experienced its heaviest immigrant flow. I would suspect that most of the grandfathers, great grandfathers and grandmothers of the Members of this body came during that period of time. That is what we are trying to recreate with this bill, to open the shores of this country because this country alone is a country of immigrants.

So I say to my good friend from Wyoming that we are not talking about unlimited immigration. Not at all. We are talking about guaranteeing that 216,000 people, in addition to immediate family members of American citizens, can be reunited with their family in the United States.

This is an amendment that does not necessarily increase, but might increase immigrant flow into this country by as much as 216,000 people a year.

I will have more to say about it later, but I hope that the Senate will consider this amendment and act favorably on this amendment as it should. I yield the floor.

Mr. SIMPSON. Mr. President, I understand on each occasion when we deal with immigration and refugee issues, and my friend from Minnesota, known affectionately of old No. 43, because I am No. 44, and he has never let me forget that, in our seniority ratings that is, of course. I did not know he paid that close attention, but he continues to bring it up, puts it on papers, slips it under the door. He does have me by 1 day seniority.

He is one of my loveliest friends in this place. His intent and his intentions are so authentic because he fled Nazi Germany and at the age of 5 was a refugee, a true refugee. Had he stayed or his parents, they would have been killed. They could not get visas here and they could not get visas there and they went to Poland and went to England and went to other countries and finally got here. He was 5 years old at that time. He is the only man in the body who cannot be President of the United States because he was born in Germany.

When my friend RUDY BOSCHWITZ speaks on this issue, he comes from a place of passion that I could never even imagine. So he does gravitate to these issues.

But let me say, as he said some of my statements might be, I think the word he used is misleading and he uses that in the debate sense. I like that. But I can tell my friend that if he will look again at the current law, the fifth preference today allows brothers and sisters and their family of U.S. citizens to immigrate. Under the fifth preference, 64,800 immigrants are admitted annually. Less than a third of those visas goes to brothers or sisters of citizens and two-thirds go to brothers-in-law, sisters-in-law, nieces and nephews. I will be glad to present those and will print those in the RECORD.

Those are the figures. I am not making them up. That is why I am talking about brothers-in-law and sisters-in-law and nieces and nephews.

I am saying only this: Unless you want unlimited immigration, and perhaps that is the vote we ought to just put to the body. Somebody should make the amendment that we want unlimited immigration into the United States.

I do not think that would pass. If it did, why, I do not think it would stay on the books very long. I guess that is what I could say.

But in the event that it came up, I do not think it would pass. Therefore, what limits should we have? I can tell you that I have never felt like bringing something down from Mount Olympus. I think that mountain in the Li'l Abner comic strip where the man used to hide with the kickapoo joy juice is how I feel about this. I can assure you we came up; we did not come down Mount Olympus, we went up 22 percent, an unheard of activity in the history of immigration reform.

There is no other way to describe a brother's wife than being a sister-in-law, and the brother's children are nieces and nephews, and that is the way it is. All of these people enjoy petitioning rights under current law.

Senator BOSCHWITZ, and I think it is important he hear this, stated he does not see where Congress is required to act every 3 years. Let me address him to the bill. S. 358, page 80, "The President shall transmit such determination to the Congress by not later than March 31 before the fiscal year involved." I think I am going to wait until my friend is able to hear my remarks because I do not want to catch him off guard.

Mr. BOSCHWITZ. Will the Senator repeat that?

Mr. SIMPSON. I shall. Senator BOSCHWITZ, Mr. President, has stated that he does not see anywhere where Congress is required to act every 3 years. I am citing and quoting from S. 358, the bill before us today in our discussions, page 80 stating that "The President shall transmit such determination to the Congress by not later than March 31 before the fiscal year involved and shall deliver such determination to both Houses of Congress on the same day and while each House is in session." The President must act.

And then if you would please go to page 83 of the bill it states, "No later than the first day of session following the day on which a determination is transmitted to the House of Representatives and to the Senate under paragraph (2), * * * a joint resolution (as defined in paragraph (5)) in respect to each such change shall be introduced (by request) in each House by the chairman of the Committee on the Judiciary of that House, or by a Member or Members of the House designated by such chairman."

That is the language. I do not know how it could be any clearer. The President is required to recommend a change every 3 years and, if necessary, the level of immigration.

Mr. BOSCHWITZ. Is the President required to recommend the change or to report? And is the Congress required to act only if he recommends the change?

Mr. SIMPSON. It is stated at page 80 of the bill, the President shall, and other conditions, after soliciting the views of the members of the Committees on the Judiciary of the House of Representatives and of the Senate determine whether or not the number specified in the section of the law should be changed for any fiscal year of the 3 fiscal year periods beginning with the next fiscal year and transmit that for determination. He shall transmit such determination to the Congress. I have read that previously. If the recommendation is a 5-percent increase or decrease, it can take effect without congressional approval, without congressional action. If more than a 5-percent increase is recommended, the Congress must act and then expedited procedures are set.

Mr. BOSCHWITZ. If the Senator will yield, I thank the Senator. Congress need not act unless the President recommends that change. I believe in what I said. I said that the President must report but the Congress must not necessarily act.

Mr. SIMPSON. That, Mr. President, is not correct. I would not leave my colleagues to believe that it is. S. 358 would mandate that Congress act in response if only one person raised the finger or objects to the President's recommendation. Senator BOSCHWITZ would be able to require us to act. I would be able to require us to act. And I am sure that he would and I would if

it were inimicable to our interests. But that is the way it is drafted. It is here. There is nothing more I can add. It would be repetitive and dull-witted to put this portion of the bill in the RECORD. It is already there. There it is.

Mr. BOSCHWITZ. If the Senator will yield, this says that in the event that the President makes a recommendation—as I understand this bill—in the event that the President makes a recommendation for a change that exceeds 5 percent, then the Senate or the House, Congress must act. But in the event that you make the recommendation for no change, though he must report, the Congress need not act. The Congress, of course, can act at any time in any event if it wants to change this law.

Mr. SIMPSON. Mr. President, I think I have cited what is the critical part of this legislation. Shall determine whether or not the number specified in subsection (c)(1)(A) or the number specified in subsection (d)(1)(A) should be changed for any fiscal year. That is whether or not. I do not know what more to detail on that. I did say this. Any Member can trigger "the President shall." The language is clear in paragraph 2 on page 80, clearer yet as to the increase or decrease of 5 percent, clearer yet if the increase is recommended Congress must act, clearer yet about the joint resolution, clearer yet that it be done by a member or Members of the House as designated by the chairman. I do not know what more I can add. I am not trying to be evasive.

Mr. BOSCHWITZ. Will the Senator yield for a question? In the event that the President makes a recommendation of no change, does the Congress have to act? Yes or no.

Mr. SIMPSON. It has to introduce the joint resolution, obviously. That is what it says. It says they shall. And then on to page 82. Go from 80 to page 82.

Mr. DECONCINI. Will the Senator from Wyoming yield for a question on that subject matter? If it says they shall introduce a resolution, does that mean that they have to act? Does that mean that they have to bring it to the floor and vote on it?

Mr. SIMPSON. That is correct. Then there are expedited procedures under that provision which are quite detailed. In fact, it tells about the debate on page 83, 84, 85.

Mr. DECONCINI. If the Senator will yield for another question, what if the President should decide to reduce the number by, say, less than 5 percent, to be roughly 24,000, 23,999. Then what happens? Must the Congress proceed and shall they introduce and go through the expedited procedure?

Mr. SIMPSON. Mr. President, it takes one Member of either body to do just that.

Mr. DECONCINI. So the answer is yes.

Mr. SIMPSON. Yes. That is correct. That is correct.

Mr. BOSCHWITZ. May I ask another question? As I read this subsection on page 83, it says if the President no later than the first day of session following the day on which determination is transmitted to the House and Senate under paragraph (2), which determination—that is what the President sends over—provides for a change in the number specified. Let us presume that it does not provide for a change as I have suggested. Then as I read this the joint resolution is not required. However, if one Senator wants to do something, I presume he could do something about this at any time—an amendment on any bill that comes before us, but I do not think this requires us to act.

I wonder if the Senator would address the never-say-no, the unlimited immigration the Senator was speaking about and why this amendment provides for unlimited immigration or why it is a never-say-no amendment, because I certainly do not read it as such.

Mr. SIMPSON. Mr. President, I said it was a never-say-no amendment to somebody who had relatives in the United States. That is what I said. And I want that quite clear. That is what I did say and that is what it is. There is no question about it.

Mr. BOSCHWITZ. Is the Senator talking about immediate family?

Mr. SIMPSON. I am talking about those relatives in the United States.

Mr. BOSCHWITZ. Immediate family.

Mr. SIMPSON. Immediate family come in unnumbered. Preferences come in numbered. Preferences are not filled. All those things come about and people then petition.

Mr. BOSCHWITZ. This is not a never-say-no amendment.

Mr. SIMPSON. I describe it as that. I share with my colleague that I describe it as that. May I say, Mr. President, if this is not sufficient clarification for anyone, I would certainly entertain an amendment to make it clearer that the Congress must act no matter what is in the determination, whether it is a selection to go up or down. That is the purpose of what we have put in here. If it is not that clear, I would certainly entertain an amendment to clarify it. I thought it was.

Mr. BOSCHWITZ. Mr. President, has the Senator from Wyoming yielded?

Mr. SIMPSON. I would like to conclude my remarks. Senator WILSON asked one of the critical questions of the debate in my mind. He said should we pit one group of immigrants against another. That is what he said. In the ideal world we would not and we would never. But let me tell you, ladies and gentlemen, in the real world right now, today, 2 million people are waiting in line for 270,000 visas. That is what is happening today, family and independent allocated in present law, current law. Given this reality and given the fact that visa demand cannot be ever matched by the supply of U.S. visas, I believe we must make some terribly difficult but necessary choices, and those choices are closer family members must be admitted before those more distant members are admitted, and by that I mean brothers and sisters-in-law and nieces and nephews.

And two, we must admit more skilled independent immigrants because our system of legal immigration has been overwhelmed by family reunification which was never the intention. We have two areas of the world that send 85 percent of legal immigration to areas of the world, and we have come away from what is known and left us with positions of adversely affected countries. That is what has happened to it. So I say we must admit more of those. That is what this bill does.

If we continue current law, and if we support the Hatch-DeConcini amendment, we have avoided making the very difficult choices. You may be assured that you have just stepped away from anything to address the issue.

I think it would be a terrible misnomer to say that this amendment is a bold statement, and an innovative and creative thing because all it does is play chicken because all it does is put us right back where we are today. Surely, no one wants to continue that with those kind of backlogs. It is not a creative thing. It is a something which is simply an escape, a failure to deal honestly with a tough, tough, tough issue. Until we do, it will never get resolved. Let us not call it "creative" or "innovative." Let us just call it "you ducked."

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I would like to move to a vote, and I ask for the yeas and nays on the Hatch amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DECONCINI. Mr. President, I think the debate has gone on too long probably for everybody. I am not going to prolong it for more than 1 more minute. I think it is important to remember what has made immigration so important to this country, what has made this country so important to the world, is the fact that families have an opportunity to be united here, and that the Hatch amendment before us

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

tonight just ensures that is going to continue at a bare minimum.

I hope my colleagues will support it.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. COATS] is necessarily absent.

The PRESIDING OFFICER Mr. FORD). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—62

Adams	Dore	McConnell
Bingaman	Gorton	Metzenbaum
Boren	Graham	Mikulski
Boschwitz	Gramm	Nickles
Bradley	Harkin	Nunn
Breaux	Hatch	Packwood
Bryan	Hatfield	Pell
Bumpers	Heflin	Pryor
Burdick	Heinz	Reid
Chafee	Jeffords	Riegle
Conrad	Kasten	Robb
Cranston	Kerrey	Sanford
D'Amato	Kerry	Sarbanes
Daschle	Kohl	Specter
DeConcini	Lautenberg	Stevens
Dixon	Leahy	Symms
Domenici	Levin	Wallop
Durenberger	Lieberman	Warner
Fowler	Mack	Wilson
Garn	McCain	Wirth
Glenn	McClure	

NAYS—36

Armstrong	Exon	Mitchell
Baucus	Ford	Moynihan
Bentsen	Grassley	Murkowski
Biden	Helms	Pressler
Bond	Hollings	Rockefeller
Burns	Humphrey	Roth
Byrd	Inouye	Rudman
Cochran	Johnston	Sasser
Cohen	Kassebaum	Shelby
Danforth	Kennedy	Simon
Dodd	Lott	Simpson
Dole	Lugar	Thurmond

NOT VOTING—2

Coats Matsunaga

So the amendment (No. 238) was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I was pleased to join Senator KENNEDY as a cosponsor of the Immigration Act of 1989, S. 358.

This bill creates two separate immigrant visa preference systems: One for family members; another for independent immigrants. Although the legislation continues to stress family reunification and in fact does much to streamline the existing system, it also recognizes that the United States requires skilled immigrants. To accomplish both these goals, 120,000 visas will be reserved for independent immigrants, that is, for persons of exceptional merit or with needed skills. Of these 120,000 visas, 54,000 will be distributed according to a point system which will award points for levels of education, occupational demand, and occupational experience. The cumbersome individual labor certification requirement is eliminated for these visas.

At present, over 90 percent of the visas issued today are family related. Those seeking visas under the nonpreference category have little chance. However, this legislation changes that, and the new category established is expected to benefit individuals from Western European countries such as Ireland, Italy, and others that were earlier sources of immigration to this country, but which have been effectively shut out due to the strict preference system currently in place.

This legislation seeks to inject fairness into our immigration laws. Traditionally, apart from the Chinese Exclusion Act of the late 19th century we did little to regulate immigration to this country at all. That is until 1924 when we enacted the National Origins law that had in mind keeping the United States exactly as it once had been. It set national origin quotas on the basis of the 1890 census, was pro-Northern European, pro-Western Europe, and openly so. This was nativist legislation, though some of the natives were not very welcome when they arrived.

The 1965 Immigration and Nationality Act amendments were a direct response to this nativist legislation and attempted to undo that earlier bias. The 1965 amendments accomplished this, but overdid it in the process. Stressing family ties, the 1965 law clogged the system and cut off access to this country for the people and nations where immigration took place three or four generations ago. The 1981 report of the Select Commission on Immigration and Refugee Policy—a distinguished panel headed by Father Theodore Hesburgh and counting among its members our two sponsors today, Senators KENNEDY and SIMPSON—summed it up well. The report states that:

> The low priority accorded nonfamily immigrants and a cumbersome labor certification process for clearing them for admission has made it difficult for persons without previous family ties in the United States or extensive training and skills to immigrate.

The effort to limit immigration in 1924 to some groups to prefer them over others, was not well-received. It was not right, not fair. Now we have moved too far in the other direction. The system now disadvantages individuals from countries which sent the first waves of immigrants to America. Since most European immigrants arrived in this country long before 1965, they do not have any close relatives to bring them in. Clearly, a mid-course correction is in order.

The legislation now before us accomplishes such a correction. It restores fairness and balance to our immigration laws to ensure that certain individuals and nations are not penalized because of their long heritage in this country. Certainly, the interests of family reunification are great and our immigration policies should not hamper such. However, we also need to help the descendants of our forefathers, to open the doors to opportunity for them as well.

It is also worth noting that this is not an overpopulated country. In fact, at some point in the next century the American population will actually start to decline. There is room for some more people in this country; there always has been and should be. I urge my colleagues to support the Immigration Act of 1989. In closing, Mr. President, I would ask unanimous consent that the following brief chronology of U.S. immigration policy be placed in the RECORD.

CHRONOLOGY

1875: First Federal retriction on immigration prohibits prostitutes and convicts.

1882: First general immigration law enacted which curbs Chinese immigration. Congress excludes convicts, lunatics, idiots, and persons likely to become public charges, and places a head tax on each immigrant.

1891: Ellis Island opens as immigrant processing center.

1903: List to excluded immigrants expands to include polygamists and political radicals such as anarchists.

1917: Congress requires literacy in some language for immigrants and virtually bans all immigration from Asia.

1921: Quotas are established limiting number of immigrants of each nationality.

1924: National Origins Law (Johnson-Reed Act) sets temporary annual quotas at two percent of the country's U.S. population

based on 1890 Census and sets immigration limit of 150,000 in any one year from non-Western Hemisphere countries.

1943: Chinese Exclusion Laws repealed.

1952: Immigration and Nationality Act of 1952 (McCarran-Walter) Reaffirms national origins system, and sets immigration limits.

1965: Immigration and Nationality Act Amendments of 1965 abolish national origins system, and establish preference system and annual ceilings for countries.

1976 and 1978: Additional amendments to Immigration and Nationality Act.

1986: Immigration Reform and Control Act imposes sanctions on employers who hire illegal aliens and grants amnesty to illegal aliens in this country since 1982.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, during my debate on the amendment that was voted on a few minutes ago, I mistakenly said that nephews and nieces and brothers-in-law could not be admitted under the fifth preference. Apparently I was mistaken, and the Senator from Wyoming was correct.

On page 92 of the bill, it defines the fifth preference as "Brothers and Sisters of Citizens." And then it goes on to say, "Qualified immigrants who are the brothers or sisters of citizens of the United States, if such citizens are at least 21 years of age, shall be allocated visas in a number not to exceed 25 percent of such worldwide level, . . ."

I read that and did not realize brothers and sisters could bring their spouses and children. That is the nephews and nieces. I stand corrected and apologize to my friend, the Senator from Wyoming, number 44 in ranking here in the Senate. He, indeed, was correct, and I was mistaken.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I ask the Senator from Minnesota if there is anything else he wants to retract today?

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader.

TIME LIMITATION AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following be the only amendments, in addition to the pending committee substitute, remaining in order to the bill, S. 358, under the following time limitations where indicated:

A Specter-DeConcini amendment increasing employer-sponsored visas, 90 minutes equally divided;

A Helms second-degree amendment to the Specter-DeConcini amendment relevant to the subject matter of the first-degree amendment, 60 minutes equally divided;

A Simon amendment on points for arranged employment, 10 minutes equally divided;

A Gorton amendment on Chinese immigration, 20 minutes equally divided;

A Levin amendment clarifying a study by a congressional commission, 10 minutes equally divided;

A Simpson amendment to restore English language points, 1 hour equally divided;

A Kennedy-Simpson technical amendment, 10 minutes equally divided;

A Shelby amendment on census counting of illegal aliens, 2 hours equally divided;

A possible Bentsen or Graham second-degree amendment to the Shelby amendment, 2 hours equally divided;

An Exon amendment prohibiting certain benefits for illegal aliens, 30 minutes equally divided;

A Gramm amendment relating to immigration, 1 hour equally divided;

A Helms second-degree amendment to the Gramm amendment relating to immigration, 1 hour equally divided;

A Gramm amendment regarding rural investor visas, 1 hour equally divided;

A Gramm amendment on point system preference, 40 minutes equally divided;

A Gramm amendment on 5 percent Presidential recommendation, 1 hour equally divided;

A Helms second-degree amendment to the Gramm amendment on 5 percent Presidential recommendation, 1 hour equally divided;

A Gramm amendment on rural doctors and nurses, 1 hour equally divided;

A Gramm amendment on lower investment requirement to $500,000 for investors' visas, 1 hour equally divided;

A Gramm amendment on the removal of limitation on number of investors' visas, 1 hour equally divided;

A Gramm amendment on removal of per-country limits on selected immigrants, 1 hour equally divided;

A Gramm amendment on exemption of future increases of immediate relatives from national cap, 20 minutes equally divided;

A Boschwitz amendment to increase the fifth preference by 40,000, 40 minutes equally divided;

A Boschwitz amendment to increase the fifth preference by 30,000, 20 minutes equally divided;

A Boschwitz amendment to increase the fifth preference by 20,000, 20 minutes equally divided;

A Kassebaum technical amendment, 10 minutes equally divided.

I further ask unanimous consent that these amendments all be first degree amendments, except where specifically noted otherwise; that no motions, other than motions to table and/or reconsider, be in order; that upon the disposition of these amendments the Senate proceed, without any intervening debate or action, to third reading and final passage of the bill.

I further ask unanimous consent that the agreement be in the usual form with respect to the division of time.

The PRESIDING OFFICER. Is there objection?

Mr. SIMON. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I have three amendments that were not included that I think we are going to get agreement on and may be included in the technical amendments. But I would like to reserve 10 minutes for three amendments to be equally divided.

The PRESIDING OFFICER. Is that 10 minutes for the total of the three or 10 minutes each?

Mr. SIMON. Ten minutes each. I think we can get by without any time, but just in case, I want to reserve that.

Mr. MITCHELL. That will be no problem. Will the Senator merely identify in some brief way the subject matter of the amendments?

Mr. SIMON. One is the quota for Hong Kong. One is the investors going to areas of unemployment. The third is reserving a portion on the point system in the event the Simpson amendment does not carry.

Mr. MITCHELL. Mr. President, I ask unanimous consent that my request be amended to include a provision for the three amendments identified by Senator SIMON, with the time limit indicated; that is, 10 minutes equally divided on each of those amendments.

Mr. KENNEDY. Mr. President, reserving the right to object, I appreciate the willingness of the two leaders to try to move us forward. I would like to preserve the possibility for an amendment to the Shelby amendment that deals with a constitutional issue. I know that there has been a reservation by Senator BENTSEN and Senator GRAHAM for a possible second amendment. I would like to at least reserve that right, as well.

Mr. MITCHELL. For yourself?

Mr. KENNEDY. Yes.

Mr. MITCHELL. Mr. President, I amend my request by adding, where I

stated a possible Bentsen or Graham second-degree amendment, that now be amended to read a possible Bentsen or Graham second-degree amendment on the same subject and a possible Kennedy amendment in addition thereto on the same subject, with 30 minutes, equally divided, on such a Kennedy amendment if offered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That during the further consideration of S. 358, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes, the following amendments be the only amendments in order, in addition to the pending committee substitute, with the following time limitations where indicated, with the time to be equally divided and controlled:

Specter-DeConcini: Increasing employer sponsored visas, 90 minutes;

Helms 2d degree to the Specter-DeConcini: Relevant to the subject matter of the first degree amendment, 1 hour;

Simon: Points for arranged employment, 10 minutes;

Simpson: Restore English language points, 1 hour;

Kennedy-Simpson: Technical amendment, 10 minutes;

Shelby: Census counting of illegal aliens, 2 hours;

Possible Kennedy: 2d degree on the same subject, 30 minutes;

Possible Bensten or Graham: 2d degree on same subject, 2 hours;

Exon: Prohibiting certain benefits for illegal aliens, 30 minutes;

Gramm: Relating to immigration, 1 hour;

Helms: 2d degree to Gramm re immigration, 1 hour;

Gramm: Rural investor visas, 1 hour;

Gramm: Point system preference, 40 minutes;

Gramm: 5 percent Presidential recommendation, 1 hour;

Helms: 2d degree to Presidential recommendation, 1 hour;

Gramm: Rural doctors and nurses, 1 hour;

Gramm: Lower investment requirement to $500,000 for investors visa, 1 hour;

Gramm: Removal of limitation on number of investors visas, 1 hour;

Gramm: Removal of per country limits on selected immigrants, 1 hour;

Gramm: Exemption of future increase of immediate relatives from national cap, 20 minutes;

Boschwitz: Increase 5th preference 20,000, 20 minutes;

Boschwitz: Increase 5th preference 30,000, 20 minutes;

Boschwitz: Increase 5th preference 40,000, 40 minutes;

Kassebaum: Technical amendment, 10 minutes;

Simon: Hong Kong quota, 10 minutes;

Simon: Investors in unemployment areas, 10 minutes; and

Simon: Reserving portion of point system, 10 minutes;

Ordered further, That these amendments all be first degree amendments, except where specifically noted and that no motions, other than motions to table and or reconsider, be in order.

Ordered further, That upon disposition of these amendments, the Senate proceed, without any intervening debate or action to third reading and final passage of the bill.

Ordered further, That the agreement be in the usual form with respect to the division of time.

Mr. KENNEDY. Mr. President, we are prepared to stay in and consider some of the amendments that have been worked out. The Senator from Michigan's amendment has been worked out and the amendment of the Senator from Washington has been worked out. That is our intention.

Quite frankly, a number of these amendments that have been listed by the leader we have been working on during the course of the day and we will be glad, to the extent that we can, to deal with those this evening.

I yield the floor.

AMENDMENT NO. 248

(Purpose: To instruct the Commission on Legal Immigration Reform to review the impact of per country immigration levels)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the Gorton amendment will be set aside for consideration of an amendment of the Senator from Michigan.

The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 248.

On page 122 after line 5, insert the following new subsection.

"(5) the impact of per country immigration levels on family connected immigration."

Mr. LEVIN. Mr. President, this amendment would require the Commission on Legal Immigration Reform to review the impact of per country immigration levels on family-connected immigration. There are already provisions in the bill to create the Commission and to direct it to review certain particulars. This amendment would simply add the new per country immigration levels to the issues for the Commission to review. I am concerned about how the new per country limit on family visas will affect family immigration from those countries with high demand for the limited visas.

PER COUNTRY LIMIT UNDER CURRENT LAW

Under current law, no country is allowed to use more than 20,000, or in some cases 16,000, family preference visas annually. If a country uses the maximum allowed 20,000 visas 1 year, then the following year, its family preference visas are limited to 16,000.

Let me emphasize here, that admissions of immediate relatives of U.S. citizens are not counted against this limit; and that is as it should be. Thus, a country that regularly reaches the per country limit, has unlimited admissions for immediate relatives of U.S. citizens, plus 16,000 visas for other family preference categories.

The bill before the Senate today could significantly alter this situation.

PER COUNTRY LIMIT UNDER S. 358

A little discussed provision of the bill would change the way the per country limit would apply to family immigration. I believe the new limits could have considerable impact on family immigration, especially immigration from the so-called high demand countries.

In principle, the bill would make two changes. First, it would change the per country limit from a raw number to a percentage of available visas. Second, it would, within certain limits, count immediate relatives of U.S. citizens against the per country limit on family preference immigration.

The first change would make the new limit 7 percent of the family preference visas available worldwide. Remember, the number of family preference visas available worldwide is 480,000 minus the immediate relatives of U.S. citizens, or 216,000, whichever is greater. Thus, the per country limit on family connected immigration would never be lower than 7 percent of 216,000, or 15,120.

So, it would seem that we are simply lowering the effective per country limit on family connected immigration from 16,000 to 15,120.

But the second change would reduce family preference immigration even further.

The second change would further reduce family preference immigration below the 15,120 limit because immediate relatives could claim up to half of the 15,120 visa limit.

S. 358 would alter current law by reducing its annual allowance of family preference visas because of the high number of immediate relative admissions. Put another way, admissions of immediate relatives are offset against the allowance of visas for other relatives.

Although the offset is limited to half the family preference allowance, I fear that S. 358 could significantly reduce family preference immigration from high demand countries.

Let me use an example from a hypothetical country to demonstrate how the offset mechanism would work.

Let's assume that the operative per country limit for fiscal year 1991 is 15,120 family preference visas. Further assume, that a country had 25,000 immediate relative admissions in fiscal year 1989 and 30,000 immediate relative admissions in fiscal year 1991. Finally, assume that immediate relative demand remains at 30,000 for fiscal year 1992.

Under current law, in fiscal year 1992 our hypothetical country would be allowed 30,000 immediate relative visas plus 16,000 family connection visas, for a total of 46,000.

Whereas, under S. 358, the increase of 5,000 immediate relatives between fiscal year 1989 and fiscal year 1991 would be counted against the per country limit of 15,120 for the following year, fiscal year 1992. This would reduce the country's family connection limit from 15,120 to 10,120. Thus, in fiscal year 1992 when the reduction would take place, the hypothetical country would be allowed 30,000 immediate relative visas, plus only 10,120 family preference visas, for a total of only 40,120 visas.

So, under S. 358 as immediate relative admissions grow, other family immigration decreases—one is offset against the other.

The committee has clearly foreseen this effect and has placed a limit on the offset mechanism. The bill specifies that increases in admissions of immediate relatives, can offset no more than half the family preference per country limit.

Going back to the scenario I described a minute ago, if immediate relative admissions from the hypothetical country had increased from 25,000 to 35,000, the hypothetical country would still be guaranteed 7,500 family preference visas.

This guarantee of 7,500 family preference visas affords high demand countries some protection against the offset mechanism, but I am troubled by the bill's provisions nevertheless.

Even with the safeguards, the bill we are debating effectively reduces the per country limit on family preference visas from 16,000 to 7,500.

IMPACT ON HIGH DEMAND COUNTRIES

GAO identified seven high demand countries which hover at, or near, the current per country limit of visas. They are: China, Great Britain, including Hong Kong, Korea, Mexico, The Dominican Republic, India, and the Philippines.

By effectively reducing the per country limit on family preference visas from 16,000 to 7,500, it would seem possible, indeed probable, that S. 358 would reduce family immigration from these countries.

STUDY IMPACT OF PER COUNTRY LIMITS

The amendment I am introducing today simply requires the Commission on Legal Immigration Reform to review the impact of the new per country levels of immigration on family immigration from high demand countries. Such a review would be consistent with the purpose of the Commission, as it would be established under S. 358. The amendment I am offering would require the Commission to specifically consider the effect of the new per country levels of immigration which the bill would establish.

Mr. President, I understand the amendment is acceptable by both sides. I wish to thank Senator KENNEDY and Senator SIMPSON and their staffs for working with us on this amendment.

Mr. KENNEDY. Mr. President, I thank the Senator from Michigan for bringing this matter to our attention. It requires the congressional commission to look also at the impact of our bill on family immigration. This has been our intention. It is certainly a very consistent amendment and one I think that strengthens the legislation. I urge our colleagues to accept it.

Mr. SIMPSON. Mr. President, this is a perfectly acceptable amendment. I appreciate the usual good work of my friend from Michigan. He thoughtfully follows those issues of family reunification and family immigration. I am very pleased to accept that and thank him for it.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on the agreement to the amendment of the Senator from Michigan [Mr. LEVIN].

The amendment (No. 248) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 242, AS MODIFIED

(Purpose: To grant adjustment to lawful resident status of certain nationals of the People's Republic of China)

Mr. GORTON. Mr. President, I have sent to the desk a modification to my earlier amendment which I believe is the pending business. I ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. Without objection, it is so modified.

The amendment (No. 242), as modified, is as follows:

(1) EXTENSION OF DURATION OF STATUS.—Subsection 245B(e)(1) of section 302 of title III of the bill relating to the status of students from the People's Republic of China set forth in amendment numbered 239, as amended, is hereby further amended by striking the date "June 5, 1992" and inserting in lieu thereof the date "June 5, 1993."

(2) ADJUSTMENT TO LAWFUL RESIDENT STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.—Section 302 of title III of the bill, as amended, is further amended by the following subsection (f) to read in its entirety as follows:

"(f) ADJUSTMENT TO LAWFUL RESIDENT STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.—

(1) ADJUSTMENT OF STATUS.—The status of a national of the People's Republic of China shall be adjusted by the Attorney General to that of an alien lawfully admitted for temporary residence if the alien—

(A) applies for such adjustment during the 90-day period prior to June 5, 1993;

(B) establishes that the alien (i) lawfully entered the United States on or before June 5, 1989, as a nonimmigrant described in subparagraph (F) (relating to students), subparagraph (J) (relating to exchange visitors) or subparagraph (M) (relating to vocational students) of section 101(a)(15) of the Immigration and Nationality Act, or lawfully changed status to that of a nonimmigrant described in any such subparagraph on or before June 5, 1989, (ii) held a valid visa under any such subparagraph as of June 5, 1989, and (iii) has resided continuously in the United States since June 5, 1989 (other than brief, casual and innocent absences); and

(C) meets the requirements of section 245A(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1255a(a)(4)), provided however, membership in the Communist party of the People's Republic of China or subdivision thereof shall not constitute an independent basis for denial of adjustment of status if such membership was "involuntary" or "nonmeaningful";

and the Attorney General shall not have terminated prior to June 5, 1993, the status accorded under subsection (e) of this section. The Attorney General shall provide for the acceptance and processing of applications under this subsection by not later than ninety (90) days after the date of enactment of this Act.

(2) STATUS AND ADJUSTMENT OF STATUS.—The provisions of subsections (b), (c) (6) and (7) (d), (f), (g), and (h) of section 245A of the Immigration and Nationality Act (8 U.S.C. 1255a) shall apply to aliens provided temporary residence under subsection (a) in the same manner as they apply to aliens provided lawful temporary residence status under section 245A(a) of such Act, provided however, membership in the Communist party of the People's Republic of China or any subdivision thereof shall not constitute an independent basis for denial of adjustment of status if such membership was "involuntary" or "nonmeaningful"."

Mr. GORTON. Mr. President, I also ask unanimous consent that Senators SIMON, KOHL, BOSCHWITZ, and CRANSTON be listed as original sponsors to this amendment, and that all of those Members who were listed as sponsors of my original amendment (Senators KASTEN, DOMENICI, WILSON, COHEN, GRAMM, LIEBERMAN, and D'AMATO) be incorporated as original cosponsors of the modified amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, earlier today I proposed an amendment which I described as building on the Mitchell-Dole amendment which was agreed to yesterday with respect to students, vocational students and exchange visitors from the People's Republic of China. I proposed that amendment with three underlying goals in mind.

First, to provide a degree for these young Chinese nationals who had been overtaken by the dramatic and regrettable repression of the democracy movement in Beijing on the 3d and 4th of June and on subsequent days.

Second, to provide what I consider to be the most effective possible sanction against the People's Republic of China—the possible permanent loss of the brightest and best of its young people who are represented by those students here in the United States.

Third, selfishly, to create an asset for the United States by offering a

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

greater possibility that those students might become permanent residents and ultimately citizens of the United States.

Their brightness, the high degree of their education, their technical attainments, their dedication to democracy, their general work ethic, all combine to cause them to be exactly the kind of people we would like to have as full-time residents and citizens of the United States.

The three distinguished Senators who make up the Subcommittee on Immigration, the distinguished Senator from Massachusetts, Senator KENNEDY, Wyoming, Senator SIMPSON, and Illinois Senator SIMON, had certain concerns about the amendment as originally proposed. In fact, they would have been opposed to my earlier amendment because it would create a new and different precedent in our immigration law. However, they have been sympathetic with the goals which I outlined in connection with my earlier amendment. The modification which I have submitted I believe with the approval of all of them—is a closer parallel to yesterday's leadership amendment. It would reach the same goal sought by my original amendment, albeit taking somewhat longer.

My current amendment would have the Government deal with these Chinese students until June 5, 1993, in exactly the way outlined by the Mitchell-Dole amendment which was agreed to by this body yesterday. If up to that date, however, slightly less than 4 years from the time at which we are debating this amendment, the President had been unwilling or unable to certify that it was perfectly safe for the Chinese students and other temporary residents to return to the People's Republic of China, then automatically they would be authorized to adjust to temporary residence status if they had submitted an application within the 90-day period prior to June 5, 1993. After maintaining temporary residence status for at least 18 months, they may apply for and be granted permanent residence status which may eventually lead to citizenship.

The other provisions which I discussed in that earlier amendment would either be included or will be included in one or more technical amendments to be offered by other Members at a later point. Those technical amendments will assure the right to work prior to the June 5, 1993, date on the part of these students from China.

We want them to be able to work to help defray the costs of their education, to contribute to society, and in some cases to make themselves eligible for citizenship under other provisions of the immigration laws as and when they can so do.

To summarize, this amendment together with the technical amendments will allow the Chinese students to work during their stay in our country. It will give them the kind of security which they want and need to continue to work here in the United States for democracy in China. It will provide the most effective possible sanction against the People's Republic of China for its actions in early June. Further, it will provide the greatest possible encouragement for liberalization in China in the future in order that the Government of the People's Republic of China will provide some incentive for these bright and talented students to return. If the situation in China continues to be repressive, it may well result in a substantial increase in the number of permanent residents and citizens here in the United States to the benefit of the people of the United States.

I would describe it as meeting all of the goals underlying my original amendment today. I express extreme gratitude toward the three distinguished Senators and Senator KOHL and their staffs for their willingness to work with me and my staff to achieve such an important addition to this bill.

Mr. President, I ask unanimous consent that the July 7, 1989, letter of J.H. Jerry Zhu, Esq., to Jimmy Wu, Esq., be printed in the RECORD. Messrs. Zhu and Wu have provided valuable assistance to me and my staff in the highly technical area of immigration law, for which I am grateful.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DAVIS WRIGHT & JONES,
Seattle, WA, July 7, 1989.

JIMMY WU, ESQ.,
Attorney at Law, Seattle, WA.

DEAR JIMMY: Pursuant to our conference call on July 5, 1989, I am writing to present my views on S. 1209, a bill introduced by Senator Gorton on June 20, 1989, which will permit Chinese foreign students and exchange visitors immediately to apply for and, if otherwise eligible, receive permanent resident status in the United States.

There is no lack of precedents for this type of legislation. The Congress has been consistent in its willingness to approve legislation to aid persecuted people of the world. For example, Congress has approved legislation on behalf of the Cuban refugees (Public Law 89-733); the Hungarian refugee (Public Law 85-559); admission of refugee-escapees who are within the mandate of the United Nations High Commissioner for Refugees (Public Law 86-648); and for refugees from communist countries outside the Western Hemisphere (Public Law 89-236). The justifications for the enactment of those acts are manifold, including—

Providing protection for people who had been in the forefront of fights for freedom and who had fled their homes to escape Communist oppression;

Discharging our international humanitarian obligation not to return persecuted people to a country where their lives or freedoms would be threatened;

Relieving the refugees of following a circuitous route to permanent resident status, and avoiding waste of time and money, and undue burdens on them and their families who had very limited funds;

Reducing the Government's expenditures on behalf of those refugees;

Aiding the refugees in their resettlement by enhancing their opportunity to qualify for employment in the United States; and

Accepting the refugees, and in doing so, acquiring a valuable national asset.

U.S. Cong. & Adm. News' 58-198, pp. 3147-3155; and U.S. Cong. & Adm. News' 89-732, pp. 3792-3802.

It is true that Chinese students and scholars are not "refugees," as the term is defined under § 101(a)(42) of the Immigration and Nationality Act (the "Act"), 8 U.S.C. § 1101(a)(42). Most are still in status, on F (Student), J (Exchange student), or M (Vocational student) visas. In addition, unlike the Cuban and Hungarian refugees, they were not admitted to the United States in a parolee status. Very few have sought asylum up to this time. However, like the Cuban and Hungarian refugees, the Chinese students and scholars are not able to return to their home country for the foreseeable future, and their presence in the United States without permanent resident status will cause the same type of problems that can only be solved by the enactment of legislation such as the "Cuban Refugees Act" in 1966 and the "Hungarian Refugees Act" in 1958. For reasons stated below, we believe it is in the interest of the United States and the Chinese students to forestall those problems by granting them permission to immediately apply for permanent resident status in the United States.

It is anticipated that before long the Chinese Communist leadership will launch a propaganda campaign aimed at wooing the Chinese students and scholars back to China. Promises will be made not to punish those who took part in demonstrations and other anti-government activities in the United States. The leadership might even grant exceptionally favorable treatment to returning students in terms of career opportunities, compensation, or housing, using the returning students and scholars as propaganda tools.

In discussions with representatives of the Chinese student body in Seattle, I asked the question: "Under what circumstances will you feel safe to go back?" The response was unanimous. The students will not go back to China in reliance on whatever promises the leadership may make. The students note that if history and recent events teaches anything, it teaches that the Chinese Communist Party cannot be trusted to keep promises made to the people. Only when the Chinese government reverses its characterization of the June 4 pro-democracy movement from "counterrevolutionary" to "patriotic," the students say, can they consider it safe to go back. Such a correction is not likely within the next four or five years. In the meantime, Chinese students and scholars will explore every possible channel to try to stay in the United States, legally or even illegally.

Many will seek to adjust their nonimmigrant visa status to that of a permanent resident under Section 245 of the Act, 8 U.S.C. 1225. In order to do so, they will have to find an employer; have the employer apply for a Labor Certification with the Department of Labor, certifying that their employment in the United States will not adversely affect conditions of U.S. workers,

and that sufficient U.S. workers are not able, willing, qualified and available for the job. 8 U.S.C. § 1182(a)(4). This, in itself, is a very time-consuming process. After obtaining a Labor Certification, the students will need to apply for an immigrant visa under either § 203(a)(3) (Third Preference), or § 203(a)(6) (Sixth Preference) of the Act due to the quota system which restricts the number of aliens eligible to be admitted to the United States each year. If they are lucky, their immigrant visa quota will become available before their nonimmigrant visa expires. Then and only then will they be eligible to apply for adjustment of status under Section 245 of the Act.

Students who are J visa holders will be subject to the two-year home-country residency requirement under Section 212(e) of the Act. An application for waiver of this requirement has to be made before they can be eligible to adjust their status. The approval process for such waiver applications, most likely based on claims of persecution, will involve the Immigration and Naturalization Service, the United States Information Agency, and the Bureau of Human Rights and Humanitarian Affairs.

In addition, students who are members of the Chinese Communist Party will have to apply for waiver of excludability under Section 212(a)(28) of the Act before becoming eligible for adjustment of status.

During this lengthy process, which may take as long as 12 months to 2½ years, the students are required to maintain their nonimmigrant status and have a valid Chinese passport. If they are out of status or without a valid passport, they will not be eligible to adjust their status to that of an immigrant in the United States. It should be mentioned here that the Chinese embassy and consulates in the United States may refuse to extend the students' passports once they expire.

If a student cannot complete any step along the way—obtaining extension of validity of passport, receiving labor certification or an immigrant visa, or remaining in status until the immigrant visa quota for China becomes current—the students may find themselves out of status and subject to deportation. They will be left with no recourse except seeking political asylum based on persecution or fear of persecution. Some of them may take this approach directly.

The reality we will have to face is that if the students should fail in their efforts to obtain permanent resident status under either Section 245 of the Act or the Refugee Act of 1980, the United States, out of humanitarian consideration, still should not or cannot force them to go back to China so long as the basis for fear of persecution exists. If such is the case, why not permit the students to apply for permanent resident status immediately and, in doing so, avoid all the problems which the government and the students will otherwise have to cope with. We only need to examine the problems and costs associated with delay for the Cuban and Hungarian refugees to realize the benefits of a direct and permanent approach.

One concern in taking the approach outlined in S. 1209 is, of course, the reaction from the Chinese government over the loss of these students and scholars, which may have diplomatic and military implications. Nevertheless, the U.S. government cannot avoid grappling with the problem at some point. It is in the interest of U.S.-China relations to deal with the problems now rather than later.

The reasons to act can be summarized as follows:

(1) The Chinese Communist leadership were well prepared to accept the eventual loss of these students when they made the decision to crack down on the pro-democracy movement. They will not be surprised if the Congress passes this bill. The Chinese leadership may make a lot of noise, but will not take retaliatory measures. They may restrict other students and scholars from coming to the United States, but this had already happened even before the crackdown on the pro-democracy movement.

(2) Any humiliation of the Chinese leadership as a result of this legislation will be short-lived when compared with the lengthy and repetitive J visa waiver process or the political asylum process. Each waiver or asylum application will be based on persecution or a fear of persecution. Each individual case will constitute an accusation against the Chinese government of persecution. The filing and processing of such applications will continue over a long period of time, even after resumption of normal relations between the two countries.

(3) The passing of this bill will encourage the Chinese leadership to take positive steps to attract these students back to China. U.S. permanent resident status does not mean abandonment of Chinese citizenship. The Chinese students would become eligible for U.S. citizenship only after five years have passed since obtaining permanent resident status. The students will remain citizens of the People's Republic of China. If the Chinese government really wants these students back, they will know that they must improve the political environment in China before the students must decide to become U.S. citizens and abandon Chinese citizenship. Since the U.S. desires improvement in the political environment in China, passage of S. 1209 will help fulfill a major U.S. foreign policy goal.

(4) Once normal relations have resumed, on the basis of a more democratic attitude by the Chinese government toward its own people, these students, whether they decide to stay permanently in the United States or return to China, will become excellent bridge builders between the two countries.

It should also be mentioned here that the Chinese students are unique in the sense that they are the elite of Chinese society. If permitted to stay permanently in the United States, they will not be a liability, but a valuable national asset to the United States.

For reasons stated above, I recommend that the AILA favor and support S. 1209, and make recommendation to the Congress accordingly.

Very truly yours,

J.H. JERRY ZHU.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I first of all want to thank the Senator from Washington for his willingness to work with us on this issue. He has identified an important area of public concern, and I think that the solution that we have reached is consistent with what we have done historically and is extremely relevant to the current condition. It allows adjustment of status after 4 years, using the Amnesty Program procedures. This is a consistent procedure with what we have done for the Poles, the Afghans, the Ugandans, and the Eastern Europeans.

In the interim the students are protected for 4 years unless the President certifies beforehand that it is safe to return.

So this builds on what we have done. It follows the past precedent. I think there is adequate reason to support this proposal, and I want to personally extend my sense of appreciation for the cooperation. I think we achieve the objective of the Senator from Washington and we do it in a way which follows the past traditions. I do think it is the way to move. I think we achieve the objective, and I am grateful to the Senator for working this out.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank Senator GORTON for the amendment as we have now agreed to accept in the form presented. If the President does not certify by June 5, 1993, that conditions are safe enough for Chinese students to return home, then we should put them on the track toward temporary residence and then permanent residence. I have had some serious concerns about granting permanent status to people who are now only granted temporary relief, and this does preserve the ability of the President to terminate the grant. The amendment is acceptable.

I appreciate the effort that Senator GORTON has gone to and I think, with this proposal and this amendment, that we have rather thoroughly addressed the Chinese student issue. I had wanted to do that, and with what Senators MITCHELL, DOLE, and what Senator MURKOWSKI and now Senator GORTON have said, I think any obligation—and we certainly have one to these fine young people and others in the United States—that we certainly met that. I thank the Senator from Washington for assuring that.

The PRESIDING OFFICER. The Senator from Washington.

Mr. KOHL. Mr. President, I am proud to be a cosponsor of the Gorton amendment. I am also delighted to see that the leadership is now willing to accept the additional level of assurance that this amendment offers above and beyond the protections afforded in the Mitchell-Dole amendment we adopted yesterday. Clearly, this amendment does not replace the Mitchell-Dole measure. It adds new protections. Chinese nationals can continue to apply for permanent residence immediately under the Mitchell-Dole amendment.

Ever since the tragic events in China, we have all been struggling with how we might best protect the Chinese students now in the United States. I filed legislation on this issue before the recess. During the recess,

while I was in Wisconsin, I met with a number of Chinese students. Here in Washington, my staff met with the staff from the offices of Senator SIMON, Senator DIXON, Senator CRANSTON, Senator GORTON, Senator KENNEDY, Senator SIMPSON, and others, to discuss how we might deal with this issue. Over the past week, there have been a number of additional meetings which produced the leadership amendment we adopted yesterday and which have now produced the Gorton amendment we are preparing to adopt. In all of these meetings, there has been an excellent spirit of cooperation and bipartisanship. There has been give and take, compromise and accommodation. It may not have always been the best way to legislate, but it has produced good legislation. I am proud to be associated with it. And I am proud of the work that my staff—in the State and here in Washington—has played in shaping both the leadership amendment and the Gorton amendment.

Mr. President, the various amendments we have adopted to help Chinese students now in the United States represent the best elements of American society: compassion—a human desire to help those who share our love of freedom and democracy—and commitment—a belief that we have to oppose and seek to prevent the abuse of basic human rights by any government of any country. I think the American people can be proud of what we have done on this issue. I look forward to action in the House and the prompt presentation of legislation on this issue to the President.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 242), as modified, was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have concluded the debate for this evening. We will commence the debate tomorrow on the immigration bill at 10 o'clock with the Exon amendment. There has been a time limitation on that, but I mention it just for the benefit of the Members. Then, hopefully, we will move along as rapidly as we can through the remaining amendments.

TRIBUTE TO MS. ARETHA FRANKLIN

Mr. LEVIN. Mr. President, Michigan is always proud to claim favorite sons and daughters with special gifts and accomplishments as its own, but when their talents unfold beyond our borders we are proud as well to share them with the Nation and the world.

Aretha Franklin is quite rightly Michigan's own, raised in Detroit at the side of her father, one of that city's most famous ministers, the late C.L. Franklin, and weaned on the moving tones and message of Gospel music at New Bethel Baptist Church on the street now named C.L. Franklin Boulevard.

Her talent was recognized in her teens and her recording career began with a collection of Gospel songs 33 years ago. Just 2 years ago, she returned to that same church for the recording of another widely acclaimed collection of spiritual songs. In between, for more than a quarter of a century, she became the spirit of an era of popular music.

In many parts of this world where the language of music transcends both words and borders, a simple phrase describes a sound, a woman, and a continuing legacy of songs: "Queen of Soul." More than 20 years ago, a writer for Time magazine attempted a description of this queen whose picture graced the magazine cover. He called her technique, "simple enough," but added, "what really accounts for her impact goes beyond technique; it is her fierce, gritty conviction."

The conviction in her voice has been evident from those early days leading a congregation in song, to this summer as her latest recording heads up the charts. Perhaps not as well known is the conviction Aretha has carried into the fight against drunk driving and the effort to ensure young men and women have access to higher education through the United Negro College Fund. For this dedication to her craft and her community, she has earned what all of us covet; R-E-S-P-E-C-T.

Mr. President, on Friday, July 14, the Senate Black Legislative Staff Caucus will honor Aretha Franklin with a resolution and the presentation of a plaque commending her for her amazing career. I ask unanimous consent that the resolution and the dedication appearing on the plaque be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE BLACK LEGISLATIVE STAFF CAUCUS RESOLUTION: ARETHA FRANKLIN, QUEEN OF SOUL

Whereas, Aretha Franklin began her distinguished career at the age of fourteen with her own unique rendition of the hymns, recorded at her father's New Bethel Baptist Church, in Detroit, Michigan, and

Whereas, Aretha Franklin established herself as a gospel great with classics such as "Amazing Grace", "One Lord, One Faith, One Baptism", "Wholy Holy", "The Lord's Prayer", and "You'll Never Walk Alone", and,

Whereas, Aretha Franklin gained further respect of music critics and audiences alike, by mastering the rhythm and blues, top-forty, and country musical markets, and,

Whereas, Aretha Franklin developed her own stylized singing voice that is a signature for the civil rights movement of the '60s and '70s, and continues to be a staple of the American music industry, and,

Whereas, Aretha Franklin, while capturing the heart of America, earned 15 Grammy awards, 24 gold records, one platinum album, was named the top female vocalist of 1967, the number one female singer at the 16th Annual International Jazz Critics Poll in 1968; was recipient of 1984 American Music award, and

Whereas, Aretha Franklin gained additional international acclaim by becoming the first female inductee into the Rock and Roll Hall of Fame in 1987, was listed in Who's Who in America's 45th Edition, 1988-89, and,

Whereas, Aretha Franklin, has committed her talents and time to assist in eliminating drunk drivers from our nation's highways with her soulful public service advice of "Don't" to those persons who would drink and drive, and,

Whereas, Aretha Franklin, was designated the true queen of soul by contributing such block buster hits as "Angel", "R-E-S-P-E-C-T", "Who's Zoomin' Who", "Think", "Satisfaction", "I Say A Little Prayer", "Jimmy Lee", "Ain't No Way", "Spirit In The Dark", "The House That Jack Built", and,

Whereas, Aretha Franklin, has received honors, other than musical, including: an Honorary Doctor of Law degree from Bethune-Cookman College, an Honorary Doctorate in Music from the University of Detroit, keys to numerous American cities, an image award from the NAACP, a 1984 American Black Achievement Award from Ebony Magazine, and in May of 1985, her voice was proclaimed one of Michigan's Natural Resources by the Governor, therefore,

Be it resolved, That, on July 14, 1989, the Senate Black Legislative Caucus presents this resolution to honor Aretha Franklin for her valuable contributions to the music industry and her continuing commitment to issues that address the good will of all Americans.

[Plaque]

UNITED STATES SENATE BLACK LEGISLATIVE STAFF CAUCUS

HONORS

MS. ARETHA FRANKLIN FOR HER OUTSTANDING CONTRIBUTIONS TO MUSIC AND COMMUNITY SERVICE

In recognition of your superior musical accomplishments, exceptional community service, and your commitment to eliminating drunk drivers from our Nation's highways.

Presented on July 14, 1989.

MESSAGES FROM THE HOUSE

At 2:27 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed

the following bills, in which it requests the concurrence of the Senate:

H.R. 491. An act to establish a mining experimental program on critical minerals, and for other purposes;

H.R. 1705. An act to amend the Mining and Minerals Policy Act of 1970, and for other purposes;

H.R. 2087. An act to transfer a certain program with respect to child abuse from title IV of Public Law 98-473 to the Child Abuse Prevention and Treatment Act, and for other purposes;

H.R. 2088. An act to revise and extend the programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986;

H.R. 2653. An act to authorize appropriations for fiscal year 1990 to carry out the Export Administration Act of 1979; and

H.R. 2848. An act to amend the Computer Matching and Privacy Protection Act of 1988 to delay the effective date of the act for existing agency matching programs.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 86. Concurrent resolution expressing the sense of the Congress that the President should encourage the private creditors of Mexico to take certain actions to reduce Mexico's debt and debt service cost.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 491. An act to establish a mining experimental program on critical minerals, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1705. An act to amend the Mining and Minerals Policy Act of 1970, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2087. An act to transfer a certain program with respect to child abuse from title IV of Public Law 98-473 to the Child Abuse Prevention and Treatment Act, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 2088. An act to revise and extend the programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986; to the Committee on Labor and Human Resources.

H.R. 2653. An act to authorize appropriations for fiscal year 1990 to carry out the Export Administration Act of 1979; to the Committee on Banking, Housing, and Urban Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 86. Concurrent resolution expressing the sense of the Congress that the President should encourage the private creditors of Mexico to take certain actions to reduce Mexico's debt and debt service cost; to the Committee on Banking, Housing, and Urban Affairs.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2848. An act to amend the Computer Matching and Privacy Protection Act of 1988 to delay the effective date of the act for existing agency matching programs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Appropriations:

Special Report entitled "Allocation to Subcommittees of Budget Totals From the Concurrent Resolution, Fiscal Year 1990" (Rept. No. 100-75).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 737. A bill to authorize the Secretary of the Interior to acquire certain lands adjacent to the boundary of Rocky Mountain National Park in the State of Colorado (Rept. No. 101-74).

S. 388. A bill to provide for 5-year, staggered terms for members of the Federal Energy Regulatory Commission, and for other purposes (Rept. No. 101-76).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Robert Refugio Davila, of the District of Columbia, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education;

Neil Carney, of Virginia, to be Commissioner of the Rehabilitation Services Administration; and

Charles E.M. Kolb, of Virginia, to be Deputy Under Secretary for Planning, Budget and Evaluation, Department of Education.

(The above nominations were reported with the recommendation that they be confrimed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KENNEDY:

S. 1295. A bill to provide duty-free treatment for the entry of scenery and costumes imported by the Boston Ballet for a special performance; to the Committee on Finance.

By Mr. BURDICK:

S. 1296. A bill to establish a Rural Water Supply Assistance Program to provide for improvement, renewal, rehabilitation, repair and modernization of rural water supply systems; to the Committee on Environment and Public Works

By Mr. DURENBERGER:

S. 1297. A bill to permit secondary mortgage financing for residential properties that include small day care centers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATCH (by request);

S. 1298. A bill to reauthorize programs under the Domestic Volunteer Service Act of 1973 (hereafter in this Act referred to as the "Act"), and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SPECTER (for himself, Mr. SASSER, Mr. RUDMAN, Mr. BRADLEY, Mr. LOTT, Mr. DODD, Mr. REID, Mr. LIEBERMAN, Mr. KERRY, and Mr. HEINZ):

S. 1299. A bill to establish a Police Corps program; to the Committee on the Judiciary.

By Mr. HATCH (for himself and Mr. THURMOND):

S. 1300. A bill to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve youth and adults, to establish the Youth Opportunities Unlimited program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HEFLIN:

S. 1301. A bill to provide relief for Hoar Construction Inc. of Birmingham, Alabama to settle certain claims filed against the Small Business Administration, to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 1302. A bill to increase the size of the Big Thicket National Preserve in the State of Texas by adding the Village Creek Corridor unit, the Big Sandy Corridor unit, and the Canyonlands unit; to the Committee on Energy and Natural Resources.

S. 1303. A bill to amend the Internal Revenue Code of 1986 to restrict the partial exclusion from income of interest on loans used to acquire employer securities to cases where employees receive a significant ownership interest in a corporation, and for other purposes; to the Committee on Finance.

By Mr. GLENN (for himself, Mr. ADAMS, Mr. DASCHLE, Mr. DECONCINI, Mr. KOHL, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. PRYOR, and Mr. STEVENS):

S. 1304. A bill to enhance nuclear safety at Department of Energy nuclear facilities, to modify certain functions of the Defense Nuclear Facilities Safety Board, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, to encourage a process of environmental compliance and cleanup at these facilities, to protect communities that contain these facilities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (by request):

S. 1305. A bill to amend title 38, sections 5002(d), 5004(a)(3)(A), and 5009(i)(2) United States Code, to raise the Department of Veterans Affairs' minor construction cost limitation from $2 million to $3 million and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CRANSTON (for himself, Mr. BINGAMAN, Mr. DECONCINI, Mr. GRAHAM, Mr. MATSUNAGA, and Mr. ROCKEFELLER):

S. 1306. A bill to amend title 38, United States Code, to extend the preventive care pilot program of the Department of Veterans Affairs and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PRESSLER;

S. 1307. A bill to amend the Land Remote Sensing Commercialization Act of 1984 in order to transfer responsibility for archiving land remote-sensing data to the Department of the Interior, and for other purposes; to

VOL 135 PT 10 23 — JL 13 1989 JE UMI

the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BURDICK:

S. 1296. A bill to establish a Rural Water Supply Assistance Program to provide for improvement, renewal, rehabilitation, repair and modernization of rural water supply systems; to the Committee on Environment and Public Works.

RURAL WATER SUPPLY ASSISTANCE ACT

● Mr. BURDICK. Mr. President, today I am introducing legislation which is intended to address the water supply infrastructure needs of small rural communities. The Rural Water Supply Assistance Act of 1989 will provide States with the authority to establish a long-term capital base to insure that adequate drinking water facilities can be sustained throughout this country.

Mr. President, I have considered this legislation ever since the 1987 report of the National Council on Public Works Improvement stated unequivocally that "A national problem does exist for small water systems." My colleagues are fimilar with the important work of the Council, and I do believe they are aware that in over 2,000 pages of analysis this was the infrastructure issue about which the National Council made one of its most forceful statements.

The reason for this becomes clear when one looks at the data; the scope of the small water system problem is very broad. The Environmental Protection Agency has defined a small community water system as one which serves fewer than 3,300 people. Mr. President, there are more than 58,000 such systems in this country and they provide drinking water to more than 25 million Americans. Rural Americans, small farmers, businessmen and women and their families. These are the people who comprise the backbone of our country.

Mr. President, the National Council on Public Works Improvement found that, and I quote:

> These small water systems operate on a marginal basis, with inadequate resources—operational and managerial—to correct existing deficiencies. Owners/operators of these systems are often unable to respond effectively to emergencies or the need for unplanned improvements. Small water systems are expected to consistently deliver safe and dependable supplies of water to consumers, however, even though they find it inherently difficult to manage, operate, and maintain their systems properly.

The plain fact is that these small rural water systems usually have no full-time operator; have little knowledge of water system management, finances or engineering; have no economies of scale; serve low and modest income populations; and have neither bonding capacity nor access to capital for system improvements.

Mr. President, the Rural Water Supply Assistance Act will provide, through a State established revolving account, the necessary financial base for these small water systems to provide quality drinking water to the people of rural America. And it will do so in a financially sound way in partnership with the States. The Act will provide rural communities with the opportunity to obtain technical assistance and managerial expertise from this Nation's most qualified experts on the management, maintenance, and upkeep of infrastructure facilities, the U.S. Army Corps of Engineers. I ask unanimous consent to provide for the RECORD a section-by-section summary of this legislation at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RURAL WATER SUPPLY ASSISTANCE ACT SECTION-BY-SECTION ANALYSIS

TITLE I

Contains the short title, statements of findings and purpose and definitions.

TITLE II—ADMINISTRATION

The Secretary of the Army shall administer the program through a new Office of Water Supply located in the Corps of Engineers.

TITLE III—CAPITALIZATION OF REVOLVING FUNDS

The Secretary is authorized to pay each state its annual Federal share, upon payment of the State matching share. The States must agree to establish rural water supply assistance revolving funds; to deposit the 30% matching share required of each State; and to use both State and Federal funds within two years after the year of receipt.

TITLE IV—WATER SUPPLY ASSISTANCE REVOLVING FUNDS

Authorizes States to establish revolving funds and limits their use to water supply system improvements. Permits revolving funds to be used:

(1) to make loans at or below market rates, including interest free loans, up to 20 years, except that loans made to for-profit suppliers of water must be made at market rates of interest at terms not to exceed 20 years. Annual principal and interest payments are to commence not later than 1 year after project completion. Establishes that the loan recipient must establish a dedicated source of revenue for loan repayment and that the fund will be credited with all payments on all loans.

(2) to buy or finance debt obligations within the State at or below market rates, where such debt obligations occurred subsequent to enactment of this Act.

(3) to guarantee, secure, or purchase insurance for obligations where such action would improve credit market access or reduce interest rates.

(4) as a source of revenue or security for the payment of principal and interest on revenue of general obligation bonds issued by the State or other political subdivision if the proceeds of the sale of such bonds will be deposited in the fund.

(5) to provide loan guarantees for similar revolving funds established by local jurisdictions.

(6) to earn interest on fund accounts.

(7) for reasonable cost of administering the fund up to 4%.

(8) as a source of income for any recipient of a loan authorized by this section, if the loan was acquired from other sources than this revolving account.

Each State shall determine its own project priorities from a State maintained project list.

TITLE V—ALLOTMENT OF FUNDS

Sums allotted to a State under this Act shall be available in accord with the allocation provisions of the PWSS grant program of the Environmental Protection Agency. Uncommitted funds are to be made available for reallotment in accordance with the most recent fund allotment formula under this Act.

TITLE VI—AUDITS AND REPORTS

Requires the usual audits and reports regarding use of Federal funds. Also requires (1) an Implementation Plan detailing the State's rural water supply improvement strategy; (2) an annual report describing the State's performance relative to the preceding fiscal year's Implementation Plan, and (3) a report to the Congress by the Secretary on the status of the program one year after the date of enactment.

TITLE VII—TECHNICAL ASSISTANCE

The Corps of Engineers is authorized to provide technical assistance on a fully reimbursable basis, for the development of water system improvement designs, plans, specifications, and the development of management techniques.

TITLE VIII—AUTHORIZATION OF APPROPRIATIONS

Authorizes the appropriation of $250 million per year for 5 fiscal years following the date of enactment of the Act for the capitalization of the State rural water supply system revolving funds.

Mr. President, most of the concepts included in this bill are not new. The legislation essentially provides Federal seed money to permit States to establish revolving fund banks for providing leveraged financing to rural water systems which serve less than 3,300 people. The Federal cost of the bill over 5 years would total $1.25 billion, and the States would be required to contribute an additional $375 million. These funds will prime the self-financing pump and enable States to deal with rural water supply needs for generations to come.

This legislation will address a daily health and safety problem for 25 million Americans. It will do so in partnership with the States, and it will do so for less than one-tenth of 1 percent of the annual Federal budget spread over 5 years.

I urge my colleagues to consider this proposal carefully, and I ask for their constructive comments on it.

This is legislation of vital concern to rural America, Mr. President. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1296

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rural Water Supply Assistance Act of 1989".

FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) many rural water supply systems are inadequate or insufficient to provide for existing and future needs;

(2) many rural water supply systems have deteriorated to the degree that a reliable supply of water is in jeopardy and large quantities of water are being or may be wasted;

(3) rural water supply systems serve less than 3300 individuals, and have no ready access to financial markets;

(4) improvement, renewal, rehabilitation, repair and modernization of rural water supply systems is important for public health and economic growth;

(5) to improve rural water supply systems, capital must be available to accomplish improvement, renewal, rehabilitation, repair, and modernization of such systems, and

(6) improvement of rural water supply systems is a national goal, and the Federal government should provide assistance to the States in making capital available for the improvement, renewal, rehabilitation, repair and modernization of rural water supply systems.

(b) PURPOSE.—The Congress declares that the purpose of this Act is to establish an account from which capitalization grants will be made to States for the purpose of establishing revolving funds for use by the States to finance the improvement, renewal, rehabilitation, repair and modernization of rural water supply systems.

DEFINITIONS

SEC. 3. (a) The term "Construction" shall mean the acquisition, erection, building, alteration, improvement, reconstruction, renovation or rehabilitation of a rural water supply system or water facility, as the case may be, and as defined herein; the inspection and supervision thereof; and the engineering, architectural, legal, economic and environmental investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto.

(b) The term "Person" shall mean any State, municipality, agency or instrumentality of a State or municipality, individual, corporation, company or partnership.

(c) The term "Rural Water Supply System" shall mean any community or noncommunity system of water facilities for the provision to the public of piped water for human consumption, if such system has at least fifteen service connections or regularly serves at least twenty-five, but no more than three thousand three hundred individuals.

(d) The term "Real property" shall mean lands, structures, franchises and interests in land, water, land under water, groundwater riparian rights and air rights and any and all things and rights included within said term and includes not only fees simple absolute, but also any and all lesser interests including, but not limited to, easements, rights of way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or rights, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise.

(e) The term "Revolving fund" shall mean a rural water supply assistance revolving fund established by a State meeting the requirements of Title four of this Act.

(f) The term "State" shall mean, in addition to the several States, American Samoa, Guam, Northern Marianas, Puerto Rico, Pacific Trust Territories and the Virgin Islands.

(g) The term "State agency" shall mean any State office, department, board, commission, bureau or division, or other agency or instrumentality of the State.

(h) The term "Supplier of water" shall mean any person who owns or operates a rural water supply system.

(i) The term "Water facility" or "Water facilities" shall mean all or any portion of a rural water supply system including plants, structures and other rural and personal property acquired, rehabilitated, or constructed or planned for the purpose of supplying or distributing water, including but not limited to surface or groundwater reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping stations, water distribution systems, compensating reservoirs, intake stations, waterworks, or sources of water supply, wells, connections, water meters, rights of flowage or division and other plants, structures, equipment, conveyance, real or personal property or rights therein and appurtenances thereto necessary or useful and convenient for the accumulation, supply or distribution of water.

(j) The term "Water system improvements" shall mean the construction of water facilities for the purposes of improving, renewing, rehabilitating, conserving, repairing or modernizing such system. "Water system improvements" shall not include expansion of an existing public water system. "Water system improvements" shall also mean the combination, integration or consolidation of several rural water supply systems for the purpose of regional water supply management, provided that building construction permits for all structures served by such systems to be consolidated, integrated, or combined were issued prior to the date of enactment of this Act.

(k) The term "Secretary" for the purposes of this Act means the Secretary of the Army.

TITLE II: ADMINISTRATION

SEC. 201. The Secretary of the Army, acting through the Chief of Engineers, shall act as the administrator of the authorities of this Act.

SEC. 202. To implement the authorities of this Act there shall be established within six months of the date of enactment of this Act in the Directorate of Civil Works of the Office of the Chief of Engineers an Office of Water Supply. The Chief Administrator of this Office shall have an educational background or work related experience in public policy, economics, finance, or financial management.

TITLE III: CAPITALIZATION OF REVOLVING FUNDS

GRANTS TO THE STATES FOR THE ESTABLISHMENT OF REVOLVING FUNDS

SEC. 301. Subject to the provisions of this Act, the Secretary shall make capitalization grants to each State for the purpose of establishing a rural water supply assistance revolving fund for providing assistance for construction of water system improvements for rural water supply systems.

SEC. 302. A State shall enter into an agreement with the Secretary in order to receive a capitalization grant under this Act. This agreement shall certify to the satisfaction of the Secretary that:

(1) the State will accept grant payments with funds to be made available under this title and will deposit all such payments in the rural water supply assistance revolving fund established by the State in accordance with this Act;

(2) the State will deposit in the revolving fund from State moneys an amount equal to at least 30 percent of the total annual amount of all capitalization grants which will be made to the State with funds to be made available under this Act on or before the date on which each grant payment will be made to the State under this Act;

(3) the State will apply or enter into binding commitments to provide assistance, in accordance with the requirements of this Act, in an amount equal to 130 percent of the amount of each such grant payment within 2 years after the receipt of such grant payment;

(4) the State will expend or apply all moneys in the fund in an expeditious and timely manner;

(5) the State will commit and expend or apply each grant payment which it will receive under this title in accordance with laws and procedures applicable to the commitment and expenditure or application of revenues of the State or state agency holding the revolving fund;

(6) the State will use accounting, audit, and fiscal procedures conforming to generally accepted government accounting standards in carrying out the requirements of Title Six of this Act.

(7) the State will require as a condition of making a loan or providing other assistance, as described in Section 404 of this Act, from the fund that the recipient of such assistance will maintain project accounts in accordance with generally accepted practices, as applicable; and

(8) the State will make annual reports to the Secretary on the actual use of funds in accordance with Section 604 of this Act.

SEC. 303. The Secretary will pay to each State, upon deposit by the State of the State share described in Section 302 of this Act, the amount of the capitalization grant to be made to the State under this Act.

TITLE IV: WATER SUPPLY ASSISTANCE REVOLVING FUNDS

SEC. 401. Before a State may receive a capitalization grant with funds made available under this Act, the State shall first establish a rural water supply assistance revolving fund which complies with the requirements of this Act.

SEC. 402. State rural water supply assistance revolving funds established pursuant to this Act shall be administered by the State or an agency or instrumentality of the State with such powers and limitations as may be required to operate such fund in accordance with the requirements and objectives of this Act.

SEC. 403. Funds provided to each State rural water supply assistance revolving fund under the provisions of this Act shall be used only for providing financial assistance to any municipality, intermunicipal agency, interstate agency, State agency or instrumentality or supplier of water for construction of water system improvements that are

part of a rural water supply system. The fund shall be established, maintained, and credited with repayments, and the fund balance shall be available in perpetuity for providing such financial assistance.

SEC. 404. Except as otherwise limited by State law, a rural water supply assistance revolving fund of a State under this Act may be used:

(a) to make loans to suppliers of water, on the condition that:

(1) such loans are made at or below market interest rates, including interest free loans, at terms not to exceed 20 years;

(2) annual principal and interest payments will commence not later than 1 year after completion of any project and all loans will be fully amortized not later than 20 years after project completion;

(3) the recipient of a loan will establish a dedicated source of revenue for repayment of loans;

(4) the fund will be credited with all payments of principal and interest on all loans; and

(5) any such loans made to a for-profit supplier of water shall be made only at market interest rates, at terms not to exceed 20 years.

(b) to buy or refinance the debt obligation of municipalities and intermunicipal and interstate agencies within the State at or below market rates, where such obligations were incurred subsequent to the enactment of this Act.

(c) to guarantee, secure, or purchase insurance for State or local obligations where such action would improve credit market access or reduce interest rates;

(d) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State or any political subdivision or instrumentality of the State if the proceeds of the sale of such bonds will be deposited in the fund;

(e) to provide loan guarantees for similar revolving funds established by municipalities or intermunicipal agencies;

(f) to earn interest on fund accounts;

(g) for the reasonable costs of administering the State fund, except that not more than 4 percent of all grant awards to such fund under this title may be used for such purpose; and

(h) as a source of income for any recipient of a loan authorized by paragraph (a) of this section, if the loan was made from sources other than (1) grant awards made to the State under this title and (2) State moneys required to be deposited in the fund as a condition to receipt of a grant award.

SEC. 405. The determination of the priority to be given for the construction of water system improvements for rural water supply systems within each State shall be made solely by the State.

SEC. 406. The State may provide financial assistance from its rural water supply assistance revolving fund only for projects for construction of water facilities if such project is on the State's current priority list. Such assistance may be provided regardless of the rank of such project on such list.

TITLE V: ALLOTMENT OF FUNDS

SEC. 501. Sums authorized to be appropriated to carry out this Act shall be allotted by the Secretary in accordance with the formula developed in accord with the allocation provisions of the PWSS grant program of the Environmental Protection Agency as defined in 40 CFR 35.115(e).

SEC. 502. If the Secretary determines that a State has not complied with the provisions of this Act, the Secretary shall immediately notify the State of such non-compliance and the action required to achieve compliance.

SEC. 503. If a State does not take corrective action within 60 days after the date it receives notification of non-compliance, the Secretary may withhold additional payments to the State pursuant to this Act until the necessary corrective action is taken.

SEC. 504. If the Secretary is not satisfied that adequate corrective actions have been taken by the State within a year after the State is notified that such actions are necessary to comply with the provisions of this Act, the payments withheld from the State by the Secretary under Section 503 of this Act will be made available for reallotment in accordance with the most recent formula for allotment of funds under this Act.

TITLE VI: AUDITS AND REPORTS

SEC. 601. Each State electing to establish a rural water supply assistance revolving fund under this Act shall establish fiscal controls and accounting procedures sufficient to assure proper accounting during appropriate accounting periods for:

(1) payments received by the fund;

(2) disbursements made by the fund;

(3) investment earnings collected by the fund; and

(4) fund balances at the beginning and end of the accounting period.

SEC. 602. Audits for the use of funds deposited in the rural water supply assistance revolving fund established by such State shall be conducted on an annual basis by the Secretary in accordance with the auditing procedures of the General Accounting Office, including Chapter 75 of Title 31, United States Code.

SEC. 603. After providing for public comment and review, each State shall annually prepare an Implementation Plan identifying the planned uses of the amounts available to its rural water supply assistance revolving fund. Such plan shall include, but not be limited to:

(1) a list of those projects for construction of water system improvements;

(2) a description of the short-term and long-term goals and objectives of its rural water supply assistance revolving fund;

(3) information on the activities to be supported;

(4) assurances and specific proposals for meeting the requirements of paragraphs (3) and (4) of Section 302 of this Act, Section 403 and 404 of this Act; and

(5) the criteria and method established for the distribution of funds.

SEC. 604. Beginning the first fiscal year after the receipt of payments under this Act, the State shall provide an annual report to the Secretary describing how the State has met the goals and objectives of this Act as outlined in its Implementation Plan for the preceding fiscal year. This report shall include the identification of loan recipients, loan amounts, loan terms and investment interest accumulated and similar details on other forms of financial assistance provided from the rural water supply assistance revolving fund.

SEC. 605. (a) Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the financial status and operations of rural water supply assistance revolving funds established by the States under this Act. The Secretary shall prepare such report in cooperation with the States.

(b) This report shall include, at minimum, the following information:

(1) an assessment of the operations, loan portfolio, and loan conditions of such revolving funds;

(2) an assessment of the effect on user charges of the assistance provided by such revolving funds; and

(3) an assessment of the efficiency of the operation and maintenance of water facilities constructed with assistance provided by such revolving funds.

TITLE VII: TECHNICAL ASSISTANCE

SEC. 701. The Secretary, acting through the Chief of Engineers, is authorized to provide technical assistance to any rural water supply system for the construction of any water system improvements, provided that such technical assistance is provided on a fully reimbursable basis; and provided further that such technical assistance shall not include the physical construction or construction management of any water system improvement.

SEC. 702. For the purposes of this Act the term "technical assistance" shall include, but not be limited to, the development of water system improvement designs, plans, specifications, and the development of management techniques including, but not limited to, accounting systems, maintenance schedules, and other forms of system analysis directed at improving the efficiency of the operation and management of a rural public water supply system.

TITLE VIII: AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is authorized to be appropriated to the Secretary, for allocation to the states as specified in Section 501 of this Act, $250,000,000 for each of the five successive fiscal years beginning after the date of enactment of this Act.●

By Mr. DURENBERGER:

S. 1297. A bill to permit secondary mortgage market financing for residential properties that include small day care centers; to the Committee on Banking, Housing, and Urban Affairs.

SMALL DAY CARE CENTER ASSISTANCE ACT

● Mr. DURENBERGER. Mr. President, we have all had the opportunity to debate and discuss the problems surrounding child care in this country. During this debate, I think many of us have learned about the important role family day care provides in meeting the needs of today's families. As you know, 78 percent of child care services are provided in the home or by a family day care provider. Because of this large percentage of children being cared for in the home, I would like to bring to your attention a problem many family day care providers face when trying to operate a day-care facility from their home.

Mr. President, as you know, Fannie Mae and Ginnie Mae and Freddie Mac are federally chartered corporations which purchase home mortgages in the secondary mortgage market. The Federal charters under which these corporations operate limit their involvement to residential mortgages. Because the definition of residential excludes homes with income-producing activities, mortgages on homes where a family day care center is lo-

cated would not be purchased by these corporations. As a result, bankers are often unwilling to extend mortgages or refinancing to homes with family day care centers because the bank, in turn, will not be able to sell these mortgages to Fannie Mae, Freddie Mac, or Ginnie Mae.

The bill I am introducing today would amend the Federal charters for Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation to permit mortgages for homes with family day care centers to be eligible for purchase by Fannie Mae, Ginnie Mae, and Freddie Mac.

While we know that family day care centers are not a large business enterprise—a family day care center is by definition operated in a providers home—it does represent a significant percentage of day care services provided in this country.

As it has been demonstrated during the course of earlier debate over child care legislation, there is a tremendous need for quality, affordable child care in this country. The need is particularly acute in Minnesota where the percentage of women working outside the home is the third highest in the country.

I think that as we continue to debate the issue of child care in this country, we must also be mindful of ways to reduce institutional barriers that have prevented the growth of current services. The bill I am introducing today will remove existing policy which penalizes family day care providers who wish to purchase or refinance their homes. There is no cost associated with this bill. I am also pleased to note that this bill will again be incorporated into the Economic Equity Act of 1989 which is expected to be introduced in the near future, and that Congresswoman MARY KAPTUR will be introducing this bill in the House. I invite my colleagues to support this important initiative.

I ask unanimous consent that the text of the bill be printed into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Day Care Center Assistance Act".

SEC. 2. AMENDMENT TO FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT.

Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended by adding at the end thereof the following new paragraph:

"(6) For purposes of this title, the term 'mortgage' includes a mortgage secured by a 1- to 4-family residential property that is occupied as a residence and in which child care service is provided in compliance with all applicable State and local laws, if the mortgage is otherwise eligible for purchase under this title.".

SEC. 3. AMENDMENT TO FEDERAL HOME LOAN MORTGAGE CORPORATION ACT.

Section 302(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451(h)) is amended by adding at the end thereof the following new sentence: "The term 'residential mortgage' also includes a mortgage secured by a 1- to 4-family residential property that is occupied as a residence and in which child care service is provided in compliance with all applicable State and local laws, if the mortgage is otherwise eligible for purchase under this title.".●

By Mr. HATCH (by request):

S. 1298. A bill to reauthorize programs under the Domestic Volunteer Service Act of 1973 (hereafter in this act referred to as the "Act"), and for other purposes; to the Committee on Labor and Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS

Mr. HATCH. Mr. President, there are a number of bills which have been introduced in an effort to rekindle the spirit of volunteerism in America. In fact, hearings have been held in both the House and the Senate to examine these proposed programs and to lead us toward bypartisan legislation. Throughout these hearings, witnesses have consistently testified that any Federal activity must capitalize on the strong network of existing volunteer organizations. One such organization, designed to help local volunteer groups establish independent organizations, is the national volunteer agency, ACTION. For a quarter of a century, VISTA volunteers have been working to combat poverty in their local communities. In addition, the older American volunteer programs—the Retired Senior Volunteer Program, the Senior Companion Program, and the Foster Grandparent Program—have enabled almost half a million seniors to make significant contributions to children, the disabled, and even the frail elderly in their local communities. In this age of volunteerism, we must recognize the central role played by ACTION.

At the request of President Bush, I am pleased to introduce the administration's bill for the reauthorization of ACTION. I have agreed to introduce this bill by request because I believe that the continued funding of ACTION is imperative for the growth of volunteerism in America. However, I do not agree with all the components of this bill and will, therefore, also be introducing my own bill for the reauthorization of ACTION. I look forward to working with my colleagues on the Senate Labor and Human Resources Committee during the reauthorization process.

I ask unanimous consent that the complete text of the legislation and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1298

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1989".

VOLUNTEERS IN SERVICE TO AMERICA

SEC. 2. Section 109 of the Act is repealed.

TERMS AND PERIODS OF SERVICE

SEC. 3. Section 104(c) is amended by striking out "in section 5(j) of the Peace Corps Act, as amended (22 U.S.C. 2504(j))" and inserting in lieu thereof "for persons appointed to any office of honor of profit by section 3331 of title 5, and swear (or affirm) that he/she does not advocate the overthrow of our constitutional form of government in the United States, and that he/she is not a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates".

SERVICE-LEARNING PROGRAMS

SEC. 4. Part B of title I of the Act is amended by changing the heading to STUDENT COMMUNITY SERVICE PROGRAMS and by striking out the words "service learning" wherever they appear and inserting in lieu thereof "community service".

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS AUTHORIZATION

SEC. 5. Section 501 of the Act is amended to read as follows:

"NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS AUTHORIZATION"

"SEC. 501. (a)(1) There is authorized to be appropriated to carry out Part A of title I of this Act $23,615,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992.

"(b) There is authorized to be appropriated to carry out part B of title I of this Act $1,352,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992.

"(c) There is authorized to be appropriated to carry out part C of title I of this Act $1,050,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992. In addition to the amounts authorized to be appropriated by the preceding sentence, there is authorized to be appropriated $1,600,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992 for support of drug abuse prevention."

NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

SEC. 6. Section 502 of the Act is amended to read as follows:

"NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS"

"SEC. 502. (a) There is authorized to be appropriated $30,862,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992 for the purpose of carrying out programs under Part A of title II of this Act.

"(b) There is authorized to be appropriated $58,928,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992 for the purpose of car-

rying out programs under part B of title II of this Act.

"(c) There is authorized to be appropriated $25,135,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992 for the purpose of carrying out part C of title II of this Act."

ADMINISTRATION AND COORDINATION

SEC. 7. Section 504 of the Act is amended to read as follows:

"ADMINISTRATION AND COORDINATION"

"SEC. 504. There is authorized to be appropriated for the administration of this Act, as authorized in title IV of this Act, $27,875,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992."

TECHNICAL AMENDMENTS

SEC. 8. The table of contents of the Act is amended by:

(a) striking out "Sec. 109. VISTA Literacy Corps";

(b) changing the name of TITLE I Part B to "Student Community Service Programs"; and

(c) changing the name of Section 114 to "Special Student Community Service Programs".

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1989

SECTION 1. The title of the legislation.

SEC. 2. Would repeal section 109, VISTA Literacy Corps. The authority for administration of the volunteers currently enrolled under section 109 is covered by Section 103(a)(3). This change will enhance the ability of the Agency to more effectively and efficiently manage the resources and volunteers available.

SEC. 3. Would amend section 104 of the Act by striking out citation of the Peace Corps Act regarding the oath of service for VISTA Volunteers. This clarification is made necessary by the separation of Peace Corps from ACTION.

SEC. 4. Would change the name of the "Student Service Learning Program" to the "Student Community Service Program". This provision would clarify to the public, especially the academic community, the broader scope of ACTION's student volunteer programs. This should dispel any mistaken belief that such volunteer programs are confined to a narrowly drawn focus on experiential education.

SEC. 5. Would reauthorize current National Volunteer Antipoverty programs, title I of the legislation, providing for part A, $23,615,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992; for part B, $1,352,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992; for part C, $1,050,000 for fiscal year 1990, and such sums as may be necessary for fiscal years 1991 and 1992. In addition, it would authorize $1,600,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992 for support of drug abuse prevention.

SEC. 6. Would reauthorize current national Older American Volunteer Programs, title II of the legislation, providing for part A, $30,862,000, for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992; for part B, $58,928,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992; and for part C, $25,135,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992.

SEC. 7. Would reauthorize program support at $27,875,000 for fiscal year 1990 and such sums as may be necessary for fiscal years 1991 and 1992.

SEC. 8. Contains technical amendments to conform table of contents.

By Mr. SPECTER (for himself, Mr. SASSER, Mr. RUDMAN, Mr. BRADLEY, Mr. LOTT, Mr. DODD, Mr. REID, Mr. LIEBERMAN, Mr. KERRY, and Mr. HEINZ):

S. 1299. A bill to establish a Police Corps Program; to the Committee on the Judiciary.

POLICE CORPS ACT

● Mr. SPECTER. Mr. President, today I am introducing a bill which will help to combat violent crime and drug violations and to preserve neighborhood safety by substantially increasing the number of police on patrol.

The vehicle to achieve this essential goal is the creation of a Police Corps Program which, like the Reserve Officer Training Corps [ROTC] Program, would provide educational assistance in exchange for a commitment to postgraduation police service. This bill is based on legislation I first introduced as S. 1524 in the 99th Congress.

Many cities and towns in this country need more police. Police departments are being stretched thin by the increase in violent crime over the last 40 years. Preventive community patrol, protecting neighborhood safety and peace, is sometimes sacrificed to allow prompt response to emergency calls.

The ratio of police officers to reported violent crimes has significantly declined during the last four decades. Reports indicate that in 1948, for every violent crime reported in a U.S. city, there were 3.22 police officers. Approximately 40 years later, however, the ratio dramatically changed, with one officer for every 3.1 violent crimes. In New York City in 1951, a police force of 19,000 coped with 15,812 violent crimes—fewer then one per officer. In 1987, a force of 27,523 confronted 148,313 violent crimes: more than five reported violent crimes for each officer.

In the Nation as a whole, we are allocating to violent crime one-sixth of the police power we mobilized 30 years ago. These statistics understate the problem because researchers believe there are two crimes not reported for every reported crime. But the worst understatements cannot be expressed in numbers. Rather they are engraved on the faces and in the hearts of American citizens who live in areas where the power and authority of law enforcement seem absent.

As I have stated on other occasions, crime is a complex subject. The underlying causes of crime are with us today as they have been with us for decades. Poverty, lack of housing, lack of adequate education, lack of job training, lack of jobs, lack of family structure—all are root causes of crime in this country, and more has to be done by the Congress of the United States in addressing those issues. At the same time, Mr. President, I submit that it is necessary to address the issues of arrest, prosecution, conviction, rehabilitation where possible, and incarceration where rehabilitation is not possible.

To begin this essential task, we must significantly augment the strength of the police forces in this country. More police on patrol in neighborhoods can help to reestablish community order and safety. Police patrol strengthens neighborhoods and contributes to domestic tranquillity.

Understrength police forces cannot hope to apprehend more than a fraction of the many criminals who have adopted crime as a profitable way of life. Clearance rates, even for violent crime, have dropped dramatically. As to property crime, most departments do not have the manpower even to investigate thefts of less than many thousands of dollars. In this regard, the poor always suffer the most: according to the National Crime Survey of the Bureau of Justice Statistics, black households lose 50 percent more to crime than do white households.

I believe that more police, patrolling aggressively and investigating a greater proportion of crimes, will significantly reduce criminal actively.

Accordingly, we must reestablish the force and effectiveness of the police. I believe that the Federal Government should stimulate and lead an effort to rebuild police strength in every threatened State and locality. I propose that we now undertake a national effort to increase State and local police forces, over the next 5 years, by adding up to 100,000 new officers. This number would allow us to increase actual patrol forces, in many threatened areas, by over 50 percent.

We should recruit to police service highly qualified young men and women. We have historic precedent. In times of national emergency, the bulk of our military officers have been drawn not from the career forces, but from the citizenry at large. They have been volunteers, who after their tour of duty have returned to their civilian occupations. And to these volunteers, we have offered a free higher education as an inducement and a recognition of their service. We do this today, in the Reserve Officer Training Corps [ROTC] programs that now train the majority of the Nation's junior military officers, and make higher education possible for thousands of young adults.

I propose that we should now do the same for the police. We should recruit many thousands of our finest young people to police service, by offering them a free college or professional

education in return for a 4-year term of service with a cooperating State or local police department.

The Police Corps is an innovative plan for upgrading and augmenting law enforcement resources, developed under a Justice Department grant by a distinguished New York attorney, Adam Walinsky; a former Philadelphia policeman, Jonathan Rubenstein; and others at the Center for Research on Institutions and Social Policy. This program offers an expeditious way for State and local police to augment their forces with well-educated and enthusiastic young people who will add an important new dimension to police service.

As with the military's Reserve Officer Training Corps [ROTC], acceptance into the Police Corps Program would guarantee substantial educational assistance to students. Through the Police Corps Program, a student would be able to obtain federally guaranteed Federal, State, or private loans or be reimbursed for educational expenses up to $40,000. In exchange for this educational assistance, the graduate would serve 4 years in the State police or in a local police department within the sponsoring State. Only upon completion of the 4 years of service will the loans be repaired by the Government. This provision will help ensure that a participant in the program honors his or her full 4-year commitment to service.

Mr. President, the view that a college education provides valuable training for police officers is not new. In 1967, the report by the President's Commission on Law Enforcement and Administration of Justice emphasized that postsecondary education of police personnel would contribute significantly to improved crime control:

> Police work always will demand quick reflexes, law enforcement know-how and devotion to duty, but modern police work demands much more than that * * *. Police candidates must be sought in the colleges, and especially among liberal arts and social science students.

This conclusion subsequently was supported by the Advisory Commission on Intergovernmental Relations in 1971; by the American Bar Association in 1972; and by the National Advisory Commission on Criminal Justice Standards and Goals, on which I served, in 1973.

Yet, to date, higher education in the police forces has generally been restricted to college courses in criminal justice for career officers.

The Police Corps will produce young men and women well qualified to meet the challenges of contemporary law enforcement. These recruits not only will gain the general benefits of education and experience at a college, but also will spend 16 weeks at a Police Corps training center. Following the completion of this stringent Federal training, the program participants may receive additional appropriate training to be conducted under the direction of the law enforcement body in which the participant will serve.

This rigorous program will yield well-trained, well-disciplined, and well-rounded individuals who bring to the job not only enhanced professionalism, but a great flexibility and sensitivity to the environment in which police must function. These officers will be well equipped to deal with the new challenges in police work such as racial tensions in the community and gang warfare.

Another significant aspect of this program is that it is likely to result in a police force more reflective of the community it serves, because students will fulfill their service commitment in police departments in their home States. And student surveys conducted as part of the feasibility study for this project reveal that the program will attract many well-qualified minority students.

According to this feasibility study, of all college students surveyed by the Department of Justice, over 40 percent said they would be "very likely" or "fairly likely" to join a Police Corps Program. Over 45 percent of minority college students surveyed said they would be likely to join. Fifty percent of those likely to join had grade point averages of B or better; half had scores of over 500 on the math portion of the scholastic aptitude test [SAT]; and 53 percent planned to study for advanced degrees.

Equally important, this program would make large numbers of new police officers readily available to States and localities by guaranteeing a well-qualified pool of recruits. Also, the service of Police Corps officers would cost less than the service of regular career officers because graduates who serve 4-year terms will not become eligible for pensions which are a major element of police costs.

This legislation is intended to provide immediate relief to overburdened municipalities. The summer training is designed to allow these new officers to begin providing essential service expeditiously. In addition, the program would be available to those who are currently college seniors and juniors, many of whom already have incurred heavy debt burdens. If they embark on a program of Police Corps service immediately upon graduation, the Federal Government would reimburse their educational expenses or assist them with graduate study.

Since its inception, this innovative and practical proposal has received a number of endorsements. Numerous articles have been written applauding the Police Corps concept and urging its consideration.

Mr. President, this bill has the support of several major law enforcement organizations, including the Fraternal Order of Police, the International Brotherhood of Police Officers, the Federal Law Enforcement Officers Association, the Major City Chiefs, the Police Executive Research Forum, the National Organization of Black Law Enforcement Executives, the National Sheriffs Association, and the National Association of Police Organizations. The support of these important national groups will help ensure that the Police Corps Program is widely utilized to bolster local law enforcement agencies in their fight against street crime.

I am continuing to seek input and advice from law enforcement and criminal justice experts around the country. It is my strong sense, however, that this program offers great hope in our ongoing struggle to bring greater security to our streets and homes. Accordingly, I urge my colleagues to join me in support of this Police Corps Program legislation.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Police Corps Act".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) address the very high level of violent crime and neighborhood deterioration afflicting communities throughout the Nation by substantially increasing the number of trained police on community patrol;

(2) provide educational assistance to those students of ability, character, and dedication who possess a sincere interest in dedicating 4 years to public service and law enforcement; and

(3) establish opportunities for meaningful community service in exchange for educational assistance.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) the term "academic year" means a traditional academic year beginning in August or September and ending in the following May or June;

(2) the term "dependent child" means a natural or adopted child or stepchild of a law enforcement officer who at the time of the officer's death—

(A) was no more than 21 years old; or

(B) if older than 21 years, was in fact dependent on the child's parents for at least one-half of the child's support (excluding educational expenses), as determined by the Director;

(3) the term "Director" means the Director of the Office of the Police Corps appointed pursuant to section 4(b);

(4) the term "educational expenses" means expenses that are directly attributable to—

(A) a course of education leading to the award of the baccalaureate degree; or

(B) a course of graduate study following award of a baccalaureate degree,

including the cost of tuition, fees, books, supplies, transportation, room and board and miscellaneous expenses;

(5) the term "participant" means a participant in the Police Corps program selected pursuant to section 6;

(6) the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands; and

(7) the term "State Police Corps program" means a State police corps program approved under section 9.

SEC. 4. ESTABLISHMENT OF OFFICE OF THE POLICE CORPS.

(a) ESTABLISHMENT.—There is established in the Department of Justice, under the general authority of the Attorney General, an Office of the Police Corps.

(b) APPOINTMENT OF DIRECTOR.—The Office of the Police Corps shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(c) RESPONSIBILITIES OF DIRECTOR.—The Director shall be responsible for the administration of the Police Corps program pursuant to this Act and shall have authority to promulgate regulations to implement this Act.

SEC. 5. EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—(1) The Director is authorized to pay the educational expenses of a participant in a State Police Corps program, by—

(A) entering into an agreement to repay, and repaying, an educational loan; and

(B) entering into an agreement to repay, and repaying, a participant for educational expenses paid out of the participant's funds.

(2) It is the intent of this Act that there shall be no more than 25,000 participants in each graduating class. The Director shall approve State plans providing in the aggregate for such enrollment of applicants as shall assure, as nearly as possible, annual graduating classes of 25,000. In a year in which applications are received in a number greater than that which will produce, in the judgment of the Director, a graduating class of more than 25,000, the Director shall, in deciding which applications to grant, give preference to those who will be participating in State plans that provide law enforcement personnel to areas of greatest need.

(3) Except for payments of interest on an educational loan, repayment under an agreement made pursuant to paragraph (1) shall be made following completion of a participant's course of educational study, Federal training, and service as required by this Act.

(4) Repayment of an educational loan made pursuant to paragraph (1) may be made in the form of direct payment to a lender or reimbursement of a participant for payments made to a lender.

(5) An educational loan that may be repaid under paragraph (1) is a loan made pursuant to or in connection with a Federal, State, local, or private loan or loan guarantee program designated by the Director and other loans that meet terms prescribed by the Director by regulation.

(b) ADMISSION OF APPLICANTS.—An applicant may be admitted into a State Police Corps program either before commencement of or during the applicant's course of educational study.

(c) PAYMENT OF EDUCATIONAL EXPENSES.—(1) The Director may agree to repay an educational loan and to reimburse a participant for expenditures made prior to or after the time that a participant applies for admission to a State Police Corps program.

(2) The amounts of educational expenses that the Secretary may pay under this section are limited as follows:

(A)(i) The amount of educational expenses incurred by a participant to cover the cost of an academic year of study that the Director may pay is limited to $10,000.

(ii) In the case of a participant who is pursuing a course of educational study during substantially an entire calendar year, the amount of educational expenses incurred by a participant to cover the cost of such a calendar year that the Director may pay is limited to $13,333.

(B) The amount of educational expenses incurred by a participant to cover the cost of undergraduate and graduate study is limited to $40,000 in the aggregate, regardless whether the time of study exceeds 4 years.

(d) DIRECTOR'S OBLIGATION TO PAY.—(1) The Director's obligation to pay a participant's educational expenses under this section shall be void, and the Director shall be entitled to recover from the participant the amount of any interest on an educational loan that the Director has paid, if the participant fails to complete satisfactorily—

(A) the course of educational study undertaken by the participant;

(B) Federal training as required by section 7; and

(C) service as required by section 8;

unless the failure is the result of death or permanent physical or emotional disability.

(2) For the purpose of paragraph (1), a participant shall be deemed to have completed satisfactorily—

(A) an educational course of study upon receipt of a baccalaureate degree (in the case of educational expenses incurred to cover the cost of undergraduate study) or the reward of credit to the participant for having completed one or more graduate courses (in the case of educational expenses incurred to cover the cost of graduate study);

(B) Federal training upon certification by the Director of Training that the participant has met such performance standards as may be established pursuant to section 7(d); and

(C) service on a police force upon completion of 4 years of service on the force without there having arisen sufficient cause for the participant's dismissal under the rules applicable to members of the police force of which the participant is a member.

(3) As a condition to payment of educational expenses of a participant who fails to complete a course of educational study, training, or service as a result of permanent physical or emotional disability, the Director may require the participant to perform appropriate alternative community service.

(e) DEPENDENT CHILD.—A dependent child of a law enforcement officer—

(1) who is a member of a State or local police force or is a Federal criminal investigator or uniformed police officer,

(2) who is not a participant in the Police Corps program, but

(3) who serves in a State for which the Director has approved a Police Corps plan, and

(4) who is killed in the course of performing police duties,

shall be entitled to the educational assistance authorized in this section. Such dependent child shall not incur any service obligation in exchange for the educational assistance provided in this section.

(f) GROSS INCOME.—For purposes of section 61 of the Internal Revenue Code of 1986, a participant's or a dependent child's gross income shall not include any amount paid as educational assistance under this section or as a stipend under section 7.

SEC. 6. SELECTION OF PARTICIPANTS.

(a) IN GENERAL.—Participants in State Police Corps programs shall be selected on a competitive basis by each State under regulations prescribed by the Director.

(b) SELECTION CRITERIA AND QUALIFICATIONS.—(1) In order to participate in a State Police Corps program, a participant must—

(A) be a citizen of the United States or an alien lawfully admitted for permanent residence in the United States;

(B) meet the requirements for admission as a trainee of the State or local police force to which the participant will be assigned pursuant to section 9(c)(5), including achievement of satisfactory scores on any applicable examination, except that failure to meet the age requirement for a trainee of the State police shall not disqualify the applicant if the applicant will be of sufficient age upon completing an undergraduate course of study;

(C) possess the necessary mental and physical capabilities and emotional characteristics to discharge effectively the duties of a law enforcement officer;

(D) be of good character and demonstrate sincere motivation and dedication to law enforcement and public service;

(E) in the case of an undergraduate, agree in writing that the participant will complete an educational course of study leading to the award of a baccalaureate degree and will then accept an appointment and complete 4 years of service as an officer in the State police or in a local police department within the State;

(F) in the case of a participant desiring to undertake or continue graduate study, agree in writing that the participant will accept an appointment and complete 4 years of service as an officer in the State police or in a local police department within the State before undertaking or continuing graduate study;

(G) contract, with the consent of the participant's parent or guardian if the participant is a minor, to serve for 4 years as an officer in the State police or in a local police department, if an appointment is offered; and

(H) except as provided in paragraph (2), be without previous law enforcement experience.

(2)(A) Until the date that is 5 years after the date of enactment of this Act, up to 10 percent of the applicants accepted into the Police Corps program may be persons who—

(i) have had some law enforcement experience; and

(ii) have demonstrated special leadership potential and dedication to law enforcement.

(B)(i) The prior period of law enforcement of a participant selected pursuant to subparagraph (A) shall not be counted toward satisfaction of the participant's 4-year service obligation under section 8, and such a participant shall be subject to the same benefits and obligations under this Act as other participants, including those stated in section (b)(1) (E) and (F).

(ii) Clause (i) shall not be construed to preclude counting a participant's previous period of law enforcement experience for purposes other than satisfaction of the requirements of section 8, such as for purposes of determining such a participant's pay and other benefits, rank, and tenure.

(c) RECRUITMENT OF MINORITIES.—Each State participating in the Police Corps program shall make special efforts to seek and recruit applicants from among members of racial and ethnic groups whose representation on the police forces within the State is substantially less than in the population of the State as a whole. This subsection does not authorize an exception from the competitive standards for admission established pursuant to subsections (a) and (b).

(d) ENROLLMENT OF APPLICANT.—(1) An applicant shall be accepted into a State Police Corps program on the condition that the applicant will be matriculated in, or accepted for admission at, an institution of higher education (as described in the first sentence of section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)))—

(A) as a full-time student in an undergraduate program; or

(B) for purposes of taking a graduate course.

(2) If the applicant is not matriculated or accepted as set forth in paragraph (1), the applicant's acceptance in the program shall be revoked.

(e) LEAVE OF ABSENCE.—(1) A participant in a State Police Corps program who requests a leave of absence from educational study, training or service for a period not to exceed 1 year (or 18 months in the aggregate in the event of multiple requests) due to temporary physical or emotional disability shall be granted such leave of absence by the State.

(2) A participant who requests a leave of absence from educational study, training or service for a period not to exceed 1 year (or 18 months in the aggregate in the event of multiple requests) for any reason other than those listed in paragraph (1) may be granted such leave of absence by the State.

(3) If a participant who has taken a leave of absence pursuant to paragraph (1) or (2) fails or is unable to resume educational study, training, or service after the expiration of the leave of absence, the provision of section 5(c) shall apply.

(f) IN-STATE TUITION.—At least 50 percent of the applicants admitted to a State Police Corps program must qualify for and be obligated to pay no more than the in-State tuition rates at the institutions they attend.

SEC. 7. LAW ENFORCEMENT TRAINING.

(a) IN GENERAL.—The Director shall establish up to 3 training centers to provide training to participants in State Police Corps programs.

(b) TRAINING SESSIONS.—A participant in a State Police Corps program shall attend two 8-week training sessions at a training center, at times determined by the Director.

(c) COURSE OF TRAINING.—The training sessions at training centers established under this section shall be designed to provide basic law enforcement training, including vigorous physical and mental training to teach participants self-discipline and organizational loyalty and to impart knowledge and understanding of legal processes and law enforcement.

(d) EVALUATION OF PARTICIPANTS.—A participant shall be evaluated during training for mental, physical, and emotional fitness, and shall be required to meet performance standards prescribed by the Board of Directors established pursuant to subsection (f) at the conclusion of each training session in order to remain in the Police Corps program.

(e) STIPEND.—The Director shall pay participants in training sessions a stipend of $250 a week during training.

(f) BOARD OF DIRECTORS.—(1) The training centers shall be administered by a Board of Directors (in this subpart referred to as the 'Board'). The Board shall consist of—

(A) 9 persons outstanding in the fields of law enforcement, education, law and law enforcement education who shall be appointed by the President, by and with the advice and consent of the Senate, 2 of whom shall be members of a national police labor organization and 2 of whom shall be members of a national police management organization;

(B) the Attorney General or a designee of the Attorney General, who shall be an ex officio member; and

(C) the Director, who shall serve as chairman.

(2) The term of office of a member of the Board (other than the Attorney General or designee of the Attorney General and other than the Director) shall be 6 years, except that—

(A) a member appointed to fill a vacancy occurring before the expiration of the term for which the appointee's predecessor was appointed shall be appointed for the remainder of such term;

(B) the terms of office of the members first taking office shall expire, as designated by the President at the time of the appointment, three at the end of 2 years, three at the end of 4 years, and three at the end of 6 years; and

(C) a member whose term of office has expired shall continue to serve until the member's successor is appointed.

(3) Members of the Board, while away from their homes or regular places of business in the performance of services for the Board, shall be entitled to receive compensation at a rate to be fixed by the Director, not exceeding $100 a day, and shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(4) The Director shall obtain the services of such military and civilian instructors and administrative and other employees as may be necessary to operate the training centers. The Director is authorized to enter into contracts with individuals, institutions of learning, and government agencies (including State and local police forces) to obtain the services of persons qualified to participate in and contribute to the training process.

(5) The Director is authorized to enter into agreements with agencies of the Federal Government to utilize on a reimbursable basis space in Federal buildings and other resources.

(6) The Director may authorize such expenditures as are necessary for the effective maintenance of the training centers, including purchases of supplies, uniforms, and educational materials, and the provision of subsistence, quarters, and medical care to participants.

(g) FURTHER TRAINING.—The 16 weeks of Federal training authorized in this section is intended to serve as basic law enforcement training but not to exclude further training of participants by the State and local authorities to which they will be assigned. Each State plan approved by the Director under section 9 shall include assurances that following completion of Federal training each participant shall receive appropriate additional training by the State or local authority to which the participant is assigned. The time spent by a participant in such additional training, but not the time spent in Federal training, shall be counted toward fulfillment of the participant's 4-year service obligation.

SEC. 8. SERVICE OBLIGATION.

(a) SWEARING IN.—Upon satisfactory completion of the Federal training program established in section 7 and meeting the requirements of the police force to which the participant is assigned, a participant shall be sworn in as a member of the police force to which the participant is assigned pursuant to the State Police Corps plan, and shall serve for 4 years as a member of that police force.

(b) RIGHTS AND RESPONSIBILITIES.—A participant shall have all of the rights and responsibilities of and shall be subject to all rules and regulations applicable to other members of the police force of which the participant is a member, including those contained in applicable agreements with labor organizations and those provided by State and local law.

(c) DISCIPLINE.—If the police force of which the participant is a member subjects the participant to discipline such as would preclude the participant's completing 4 years of service, and result in denial of educational assistance under section 5, the Director may, upon a showing of good cause, permit the participant to complete the service obligation in an equivalent alternative law enforcement service and, upon satisfactory completion of that service, provide assistance pursuant to section 5.

SEC. 9. APPROVAL OF STATE PROGRAMS.

(a) SUBMISSION OF STATE PLANS.—To participate in the Police Corps program under this subpart, a State shall submit to the Director a plan for implementing a State Police Corps program for such State, in a manner consistent with the requirements set forth in this subpart.

(b) APPROVAL OF STATE PLANS.—The Director shall approve a State Police Corps plan that complies with the program requirements set forth in this section.

(c) CONTENTS OF STATE PLANS.—Each State Police Corps plan shall—

(1) provide for the screening and selection of participants in accordance with the criteria set out in section 6;

(2) state procedures governing the assignment of participants in the Police Corps program to State and local police forces (no more than 10 percent of all the participants assigned in each year by each State to be assigned to a statewide police force or forces);

(3) provide that participants shall be assigned to those geographic areas in which—

(A) there is the greatest need for additional law enforcement personnel; and

(B) the participants will be used most effectively;

(4) provide that to the extent consistent with paragraph (3), a participant shall be assigned to an area near the participant's home or such other place as the participant may request;

(5) provide that to the extent feasible, a participant's assignment shall be made at the time the participant is accepted into the program, subject to change—

(A) prior to commencement of a participant's fourth year of undergraduate study,

under such circumstances as the plan may specify; and

(B) from commencement of a participant's fourth year of undergraduate study until completion of 4 years of police service by participant, only for compelling reasons or to meet the needs of the State Police Corps program and only with the consent of the participant;

(6) provide that no participant shall be assigned to serve with a local police force—

(A) whose size has declined by more than 5 percent since June 21, 1989; or

(B) which has members who have been laid off but not retired;

(7) provide that participants shall be placed and to the extent feasible kept on community and preventive patrol;

(8) assure that participants will receive effective training and leadership;

(9) provide that the State may decline to offer a participant an appointment following completion of Federal training, or may remove a participant from the Police Corps program at any time, only for good cause (including failure to make satisfactory progress in a course of educational study) and after following reasonable review procedures stated in the plan; and

(10) provide that a participant shall, while serving as a member of a police force, be compensated at the same rate of pay and benefits and enjoy the same rights under applicable agreements with labor organizations and under State and local law as other police officers of the same rank and tenure in the police force of which the participant is a member.

SEC. 10. REPORTS TO PRESIDENT AND CONGRESS.

Not later than April 1 of each year, the Director shall submit a report to the President and to the Speaker of the House of Representatives and the President of the Senate. Such report shall—

(1) state the number of current and past participants in the Police Corps program, broken down according to the levels of educational study in which they are engaged and years of service they have served on police forces (including service following completion of the 4-year service obligation);

(2) describe the geographic dispersion of participants;

(3) describe the structure and progress of the program; and

(4) discuss the perceived strength and weakness of the program and any proposals for changes in the program.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department of Justice to carry out this Act, for fiscal year 1990, such sums as may be necessary to carry out the provisions of this Act, and for each fiscal year thereafter such sums as may be authorized in the annual authorization Act for such year.

THE POLICE CORPS ACT OF 1989 SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.—"Police Corps Act."

Section 2. Purposes.—Identifies three of the principal purposes of the Police Corps program: (1) addresses the very high level of violent crime; (2) provides educational assistance to students of ability, character, and dedication to public service; and (3) establishes opportunities for meaningful community service in exchange for educational assistance.

Section 3. Definitions.—Defines various terms used in the bill.

Section 4. Establishment of the Police Corps.—Establishes within the Department of Justice an Office of the Police Corps to be headed by a Director, appointed by the President and confirmed by the Senate.

Section 5. Educational Assistance.—Sets forth procedures by which the Director of the Office of the Police Corps shall provide educational assistance to participants following the successful completion of their service obligation. The Director shall assume the obligation to repay the principal and interest on the student loans or to repay a participant for educational expenses paid out of a participant's funds, up to $10,000 for each of four years of college. If a participant first applies to the program after he or she has completed and paid for some or all of his or her college education, the Director is authorized to repay existing student loans, or pay for graduate study after service, providing the total assistance for any single participant does not exceed $40,000.

The Director's obligation to repay a participant's educational expenses under this section shall be void, and the Director shall be entitled to recover from the participant the amount of any interest on such loan that the Director has paid if the participant fails to complete satisfactorily the course of educational study, federal training, and required service. The legislation provides, however, that if a participant is unable to complete the program because of permanent disability, the Director may require alternative community service and repay the participant's loan following completion of that alternative service.

This section specifies that it is the intent of this Act that there shall be no more than 25,000 participants in each graduating class.

Subsection (e) provides that when a career police officer in a participating state is killed in the line of duty, his or her dependents shall receive educational benefits equivalent to those given participants, but without incurring any service obligation.

Section 6. Selection of Participants.—Establishes requirements concerning the procedures by which applicants will be admitted to the Police Corps. Each applicant must meet the requirements for admission as a trainee of the state or local police force to which the participant will be assigned. Applicants also must agree in writing to complete their undergraduate education and then to accept an appointment, if one is offered, to serve for four years as a State Police officer or in a local police department within their state. During the first five years of the program, up to 10 percent of the applicants accepted into the Police Corps program may have previous law enforcement experience. After the fifth year of the program, applicants must have no previous law enforcement experience.

Subsection (c) requires participating states to make special efforts to recruit minority applicants while expressly providing that the competitive standards required for admission may not be in any way relaxed.

Section 7. Law Enforcement Training.—Requires the Director to establish Training Centers which all Police Corps participants will attend for two eight-week training sessions prior to entering service in their representative states. Immediately following completion of federal training, participants shall report to their sponsoring state and receive appropriate additional training within the jurisdictions to which they have been assigned. A nine member Board of Directors, appointed by the President and subject to Senate confirmation, shall operate the Training Centers. Of the nine board members, two shall be members of a national police labor organization and two shall be members of a national police management organization.

Section 8. Service Obligation.—Provides that participants shall be formally sworn in as members of the police forces to which they are assigned, and have all the rights and responsibilities and be subject to all the rules and regulations applicable to other members of the police force, including those contained in applicable agreements with labor organizations and those provided by state and local law. In the rare instance in which the exercise of local discipline would remove a participant from the program, the Director has the authority to allow the participant to remain in the program only upon a showing of good cause and a determination that there is an equivalent alternative law enforcement assignment for which the participant would be suited.

Section 9. Approval of State Programs.—Sets forth the process by which the Director of the Office of the Police Corps will review and approve State Police Corps programs. Each State Police Corps plan shall describe the procedures by which the Police Corps program will operate, including its procedures for screening, selection, training, assignment, and service in accordance with this Act.

Each state must provide for procedures governing the assignment of its participants to either the State Police or a local jurisdiction; no more than 10 percent may be assigned to the State Police. The legislation requires that participants be assigned to those areas with the greatest need for additional law enforcement resources and to the extent consistent with that principle, to assign them as well to areas near their homes or areas which they specifically request. Participants shall be assigned to their jurisdictions at the time they are first accepted into the program. Participants may only be reassigned prior to commencement of their fourth year of undergraduate study, or after that time for compelling reasons or to meet the needs of the program and only with the consent of the participant.

Subsection (c)(6)(A) provides that no assignments may be made to any police department whose size has declined by more than five percent since June 21, 1989, or has members who have been laid off but not retired.

Subsection (c)(7) provides that participants shall be placed and to the extent feasible kept on community and preventive patrol.

Section 10. Reports to President and Congress.—Requires the Director to make annual reports to the President and Congress on the status of the program to assess its strengths and weaknesses.

Section 11. Authorization for Appropriations.—Authorizes to be appropriated to the Department of Justice for fiscal year 1990 such sums as may be necessary to carry out the provisions of the Act, and for each fiscal year thereafter such sums as may be authorized.●

● Mr. SASSER. Mr. President, I rise to join in introducing legislation to establish a National Police Corps Program.

Our legislation would establish a program similar to the Reserve Officers Training Corps. Students would complete their normal course of college studies. They would then serve

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

for 4 years in a State or local law enforcement agency. In return for this service, the Federal Government would reimburse the cost of their tuition up to $10,000 per year. Participation in the program would be limited to 25,000 people per year.

I am pleased that we will be able to begin work on this initiative with a test program here in the District of Columbia. Legislation currently before the Governmental Affairs Committee includes a provision that will allow 50 students to participate in a police corps program in the District of Columbia. This will both test the concept of the police corps as well as assist the District in recruiting additional qualified officers for their force.

Our Nation's cities are currently experiencing a crime wave the likes of which this country has not seen in years. In many cities, the police are simply overwhelmed by violent street crime. By all accounts, the vast percentage of the crime that is destroying many of our neighborhoods is due to illegal drugs.

Day after day on the news and in the newspapers we see the savage and mindless violence that is spawned by the drug trade. We see people killed in their homes by stray bullets from the gunfights going literally outside their windows. We see children caught in the cross-fire as drug dealers fight it out for control of street corners and neighborhoods.

The vicious criminals who are flooding our society with drugs are destroying our communities, they are destroying our families, and they are destroying our youth. The huge profits to be made in the drug trade are simply warping the values for many people. Parents, community, and religious leaders are finding it impossible to steer our youth away from the glitter of the huge amounts of easy money available from the drug trade.

Let me give just one example of the way in which the drug trade is poisoning the attitudes of our youth. Recently, my Subcommittee on Government Efficiency, Federalism, and the District of Columbia held hearings on Federal, State, and local solutions to drug abuse. I was frankly stunned to hear the testimony of Joe Casey, the police chief of my hometown of Nashville TN. He related the story of one 12-year-old youngster who when asked what he aspired to be said—a drug dealer. The reason? Because that's where the money is.

That is the kind of situation our police face on the streets every day. They need the resources to remove the drug dealers from the streets and to send a clear message that we will take back our neighborhoods from these vicious criminals.

Doing that, however, will take more police. It will take community involvement—citizens and police working together.

The primary responsibility for the enforcement of our drug laws lies with the Federal Government. Invevitably however, our State and local law enforcement agencies must deal with the violent crimes that are caused by the drug trade.

During the writing of the last two comprehensive drug bills, local police officials continually stressed to Congress the need to give our police additional resources to fight street crime. Police departments are already adding personnel, but in many cases they are hindered by financial constraints and difficulties in finding enough qualified individuals.

The bill we are proposing would allow the Federal Government to aid our local law enforcement agencies in the most effective way—by helping them put police on the streets. It will give them increased options for foot patrols, for strike forces, and for working with community groups who wish to work with the police to break up criminal activity.

One of the greatest deterrents to crime is simply police presence—on the streets and in our neighborhoods. it increases the risk factor for criminals. The vicious thugs who are terrorizing our neighborhoods are making a cold, calculating decision about crime as if it were a business—and the income from crime outweighs the business risk of getting caught. We need to increase the risk for the criminal that if he commits a crime a patrolman will apprehend him, or a strike force will be operating on that block, or that the citizens will promptly inform the police.

The manpower we provide in this bill will increase the options open to our local communities. It is exactly the type of assistance they have asked for. At the same time, it allows them the flexibility of deciding how they will assign the increased personnel.

For instance, studies show that police officers make the greatest number of arrests in their first 5 years on a force. Thus, a community could decide that it wanted to assign this new manpower to street duties in high crime areas. It could assign them specifically to narcotics duties.

Alternatively, a community could assign increased manpower to working with local citizens. We've all seen the progress that can be made when citizens and police work with citizens to take back their neighborhoods from the criminals. The graduates of the Police Corps program will allow communities to intensify their programs and to maintain heavy patrols to ensure that once driven out the drug dealers don't return.

There is another benefit from our legislation that should not go unmentioned. Too few of our citizens understand the pressures and the dangers that our police officers face. When the graduates of the Police Corps program complete their service they will go on to other careers. However, they will know what it is to be a police officer. They will be able to share that knowledge with their neighbors. I firmly believe that this will increase respect and support for the brave men and women who put their lives on the line every day for all of us.

Mr. President, I invite our colleagues to join with us in cosponsoring this legislation.●

● Mr. BRADLEY. Mr. President, I rise as a cosponsor of the legislation being introduced today to establish a Police Corps to help battle the Nation's growing crime problem.

Over the past 30 years, we have witnessed a dramatic increase in crime. Many neighborhoods, particularly in urban areas, have been paralyzed by the scourge of violent crime. And in the process, many communities have been virtually abandoned by the support systems found in other areas—the churches and the community groups.

Another major factor in this increase in crime is the decline in the strength of the police. In urban areas in the 1950's we had three police officers for each violent crime—we currently have three violent crimes for every police officer.

If we are going to take back control in our cities, we will need to increase police presence in these areas. And it is my belief, Mr. President, that the estabishment of a Police Corps is a creative way to respond to this problem that confronts communities at the most basic level—how to provide security from crime.

One way we know works is to put more cops on the beat. Crime, especially violent crime, is far less likely to occur if there is a policeman present.

Mr. President, the Police Corps gives communities the resources to provide greater street and neighborhood security. Modeled on the ROTC program, the Police Corps would support a student while in college in exchange for a commitment to serve his or her country. Each year the Police Corps would provide 25,000 young Americans with up to $10,000 a year in college aid in exchange for a commitment to a 4-year term of service as a state or local police officer.

There are currently about 250,000 police assigned to patrol duty. Once fully implemented in the late 1990s, an additional 100,000 Police Corps cadets would sizeably increase police presence in these areas—enough to make the streets a safer place for our citizens.●

Mr. REID. Mr. President, today it is my privilege to cosponsor the Police Corps Act of 1989. This bill will afford educational opportunities to individ-

VOL 135 PT 10 23 — JL 13 1989 JE UMI

uals in exchange for service in the Police Corps.

The Police Corps Act is an important step in alleviating the ravaging effects of crime which are literally crippling our society. Communities victimized by drug abuse, violence, and vandalism cannot flourish and grow. The Police Corps Act will help revitalize neighborhoods where crime is rampant by providing additional police on duty. In fact, an additional 25,000 men and women will be patrolling the streets of our cities. This more visible presence of officers will improve safety in our communities and help stop potential crimes.

Those individuals who serve in the Police Corps will receive financial reimbursement for up to $40,000 in exchange for 4 years of service. This money will be applied to costs accrued at an institution of higher learning. This program is a real winner for all involved. Communities will benefit from having more police officers on the streets, and students with a strong commitment to community service will have the chance to finance their education.

In my own State of Nevada, we are fortunate that crime, particularly drug-related crime, has not gotten out of control as it has in many big cities across the Nation. But we cannot let our good fortune up until now blind us to the potential danger. In Las Vegas, we have recently witnessed the emergence of violent gangs. In both Reno, Las Vegas, and throughout the State, concern about crime and drugs is growing. We must tackle these problems now before they get out of hand, so that Nevadans can continue to enjoy the safe environment to which we have grown accustomed.

Increased police forces and tough laws make a difference. Those who commit crimes will not go unpunished. I have supported measures to make it easier to evict drug dealers from public housing projects. Everyone has the right to a drug-free neighborhood and safe living conditions. We have an obligation to protect innocent tenants from falling victim to drug dealers. The rights of victims have been overlooked and ignored for too long. I am a sponsor of the Victims' Rights Bill of 1989. I also sponsored the Drunk Driving Prevention Act of 1988 which toughened the laws against drunk drivers. It is time we recognized drunk driving for what it is—a crime.

We must not let our communities fall victim to crime and drugs. We have the strength to fight this battle and win. The Police Corps Act will strengthen our neighborhood patrols, and bolster our assault on crime. Police officers are our frontline soldiers in the war against crime, helping to prevent criminal activity and tracking down law breakers when they commit crimes. I am proud to cosponsor this bill which does so much to help these individuals who put their lives on the line and help keep our communities safe and drug free.

By Mr. HATCH (for himself and Mr. THURMOND):

S. 1300. A bill to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve youth and adults, to establish the Youth Opportunities Unlimited Program, and for other purposes; to the Committee on Labor and Human Resources.

JOB TRAINING PARTNERSHIP ACT AMENDMENTS

Mr. HATCH. Mr. President, I rise today to introduce along with my distinguished colleague from South Carolina, Senator THURMOND, the Job Training Partnership Act Amendments of 1989. This legislation, which has been developed by the Bush administration, would amend the Job Training Partnership Act [JTPA] to improve the targeting of programs to those facing serious barriers to employment, enhance the quality of services provided, and promote the coordination of programs and resources to more effectively provide job training and placement to the disadvantaged.

As the chairman of the Labor and Human Resources Committee when the JTPA was passed in 1982, I take great pride in the extraordinary success that this program has exhibited since its passage. However, I believe that it is incumbent on the Congress, in light of the dramatic demographic and technological changes which have already begun, and which will forever alter the nature of our work force, to be responsive to these changes by taking action now to meet the challenges we face. Mr. President, I know of no single area that will enable us to respond better than our national job training policy. We must attempt to make a successful program even more successful.

Mr. President, I want to say a few words about the approach taken by the administration and, specifically, by the Department of Labor in developing these amendments because I think it is an example of a rational way to make constructive changes in public policy.

All of us in the Senate are by now aware of the very valuable study conducted by the Department of Labor several years ago concerning the major changes in our society which will drastically alter the composition of our national work force, as well as increase the demand for more sophisticated skills. The study, known as "Workforce 2000," alerted us to the need to begin immediately to meet these challenges.

In July 1988, the Secretary of Labor took a positive step forward in enabling us to approach such changes with as much information as possible by appointing a 38-member JTPA Advisory Committee, charged with assessing the experience of the past and formulating recommendations for improving job training in the future. After some 7 months of deliberations and consideration of more than 2,000 pages of comments, suggestions, and recommendations from the general public, the advisory committee published an excellent report which included recommendations on improvements in the system to be responsive to the challenges of the present and the future. Mr. President, this report served as the blue print for the preparation of this legislation.

Let me offer just a brief overview of what changes these amendments seek to effectuate.

First, the bill would improve targeting of valuable resources by revising the eligibility requirements to ensure that those with particularly significant barriers to employment are served. These barriers include a lack of basic skills, public assistance dependency, homelessness, and a lack of a high school, or equivalent, diploma.

This targeting is also enhanced by revision of the funding formula. Separate formulas for the youth and adult programs would be established. The program would provide incentives for localities to coordinate service programs and would provide a set of activities that would promote long-term employability of youth.

The amendments would enhance program quality by providing more intensive and comprehensive services to participants. Each participant in the new programs would have an assessment to determine their skill levels and service needs. Service strategies would be developed on the basis of the assessments.

Finally, the programs would make available appropriate sets of services with an increased emphasis, particularly for youth, on basic occupational skills training. This intensive approach is intended to enhance the long-term job market success of participants.

The amendments would also promote the coordination of human resource policies and programs. Coordination is promoted within the revised adult and youth programs by the establishment of specific requirements for linkages with other programs and entities that would avoid duplication and enhance the delivery of services. In addition, the act would establish a new State Linkage and Coordination Program that would provide important incentives for States to establish specific statewide goals for serving the disadvantaged and develop a comprehensive plan to achieve these goals. The plan would link a variety of resources, programs, and organizations to provide better coordinated services.

Finally, the amendments provide for establishment of a human resource investment council in each State to advise the Governor on the methods of coordinating certain federally assisted human resource programs, including JTPA.

The amendments also incorporate a number of other changes into JTPA to strengthen program accountability. Performance standards for the programs would be revised to include, along with the current employment standards, standards relating to the development of basic skills and employment competencies that promote long-term employability, job placement, and retention. The amendments also include revisions to procurement standards.

In sum, Mr. President, these amendments provide an important opportunity to make an effective program more responsive to the needs of the labor market of the 1990's. Enactment of these amendments would make a significant contribution to enhancing the employment opportunities available for our most disadvantaged citizens and to improving the capabilities and productivity of our work force.

I am very pleased to be joined by Senator THURMOND, the ranking minority member of the Employment and Productivity Subcommittee. I urge my colleagues to give serious consideration to a proposal which has been so thoughtfully developed.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1300

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Job Training Partnership Act Amendments of 1989".

TITLE I—AMENDMENTS TO THE JOB TRAINING PARTNERSHIP ACT

SEC. 101. STATEMENT OF PURPOSE.

Section 2 of the Job Training Partnership Act (hereafter in this title referred to as "the Act") is amended to read as follows:

"SEC. 2. It is the purpose of this Act to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency.".

SEC. 102. AUTHORIZATION OF APPROPRIATIONS.

Section 3(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(4) There are authorized to be appropriated $25,000,000 for fiscal year 1990, and $50,000,000 for each of fiscal years 1991 through 1994 to carry out part H of title IV.".

SEC. 103. DEFINITIONS.

Section 4 of the Act is amended—

(a) by amending paragraph (3) to read as follows:

"(3) The term "basic skills deficient" means reading or computing skills at or below the 8th grade level on a generally accepted standard test or equivalent score on a criterion referenced test.";

(b) in paragraph (8) by:

(1) striking "level determined in accordance with criteria established by the Director of the Office of Management and Budget" and inserting in lieu thereof "income guidelines promulgated each year by the Secretary of Health and Human Services", and

(2) inserting "subsections (a) and (c) of" in subparagraph (D) after "under";

(c) in paragraph (10) by striking "handicapped individual" and inserting in lieu thereof "individual with disabilities";

(d) in paragraph (22) by striking "Trust Territory of the Pacific Islands" and inserting in lieu thereof "Freely Associated States and the Republic of Palau";

(e) in paragraph (2) by inserting "drug and alcohol abuse counseling and referral, individual and family counseling," after "health care,"; and

(f) by adding the following new paragraphs after paragraph (29):

"(30) The term "educational agency" means (1) a public local school authority having administrative control of middle schools or secondary schools; (2) an accredited public or private institution legally authorized to provide alternative middle or high school education; (3) any public education institution or agency having administrative control of secondary and post-secondary vocational education programs; (4) any institution legally authorized to provide post-secondary education; or (5) any post-secondary educational institution operated by or on behalf of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934.

"(31) The term "school dropout" means an individual who is no longer attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

"(32) The term "JOBS" means the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act.".

SEC. 104. COMPOSITION OF PRIVATE INDUSTRY COUNCIL.

Section 102(a)(2) of the Act is amended by inserting "local welfare agencies," before "organized."

SEC. 105. JOB TRAINING PLAN.

(a) Section 104(a) of the Act is amended by inserting "under title II" after "appropriated".

(b) Section 104(b) of the Act is amended to read as follows:

"(b) Each job training plan for the programs conducted for adults under part A of title II and for youth under part B of title II shall contain:

"(1) identification of the entity or entities which will administer the program and be the grant recipient of funds from the State;

"(2) if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of the service delivery area program with other programs and service providers in the labor market area, including—

"(A) assessment of needs and problems in the labor market that form the basis for program planning;

"(B) provisions for ensuring access by program participants in each service delivery area to skills training and employment opportunities throughout the entire labor market; and

"(C) coordinated or joint implementation of job development, placement, and other employer outreach activities;

"(3) a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

"(4) a description of linkages designed to enhance the provision of services and avoid duplication, including—

"(A) agreements with educational agencies;

"(B) arrangements with other education, training and employment programs authorized by federal law; and

"(C) efforts to ensure the effective delivery of services to participants in coordination with local welfare agencies and other local agencies, community organizations, volunteer groups, business and labor organizations, and other training, education, employment, and social service programs;

"(5) goals and objectives for the programs, including performance goals established in accordance with standards prescribed under section 106;

"(6) adult and youth program budgets for two program years and any proposed expenditures for the succeeding two program years, in such detail as is determined as necessary by the entity selected to prepare this portion of the plan pursuant to section 103(b)(1)(B) and to meet the requirements of section 108;

"(7) procedures for identifying and selecting participants, including, where appropriate, outreach efforts to recruit locally determined target groups, and for eligibility determination and verification;

"(8) a description of—

"(A) the assessment process that will identify participant skill levels and service needs;

"(B) a description of the services to be provided, including the estimated duration of service and the estimated training cost per participant;

"(C) the competency levels to be achieved by participants as a result of program participation; and

"(D) the procedures for evaluating the progress of participants in achieving competencies;

"(9) procedures, consistent with section 107, for selecting service providers which take into account past performance in job training or related activities, fiscal accountability, and ability to meet performance standards;

"(10) fiscal control (including procurement, monitoring and management information system requirements), accounting, audit, and debt collection procedures to assure the proper disbursal of, and accounting for, funds received under title II; and

"(11) procedures for the preparation and submission of an annual report to the Governor, which shall include—

"(A) a description of activities conducted during the program year;

"(B) characteristics of participants; and

"(C) the extent to which applicable performance standards were met.".

SEC. 106. PERFORMANCE STANDARDS.

Section 106 of the Act is amended to read as follows:

"Sec. 106(a) The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that—

"(1) it is essential that criteria for measuring the return on this investment be developed; and

"(2) the basic return on the investment is to be measured by increased employment and earnings, reductions in welfare dependency, and increased educational attainment and occupational skills.

"(b)(1) In order to determine whether the basic measures described in subsection (a) are achieved for programs under parts A and B of title II, the Secretary, in consultation with the Secretary of Education and the Secretary of Health and Human Services, shall prescribe performance standards.

"(2) The standards for adult programs under part A of title II shall be based on appropriate factors which may include (A) placement in unsubsidized employment, (B) retention in unsubsidized employment, (C) the increase in earnings, including hourly wages, (D) the reduction in welfare dependency, and (E) the acquisition of skills, including basic skills, required to promote continued employability in the local labor market.

"(3) The standards for youth programs under part B of title II shall include, in addition to appropriate utilization of the factors described in paragraph (2), the following factors: (A) attainment of employment competencies, (B) secondary and postsecondary school completion or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships, or enlistment in the Armed Forces. The Secretary may prescribe variations in the standards under this paragraph to reflect the differences between in-school and out-of-school programs.

"(4) Levels for youth and adult competency standards shall be determined by the private industry council in consultation with the educational agencies and the private sector, and based on such factors as entry skill levels and other hiring requirements.

"(5) The standards shall include provisions governing—

"(A) The base period prior to program participation that will be used;

"(B) a representative period after termination from the program that is a reasonable indicator of postprogram employment and earnings; and

"(C) cost effective methods for obtaining such data as is necessary to carry out this subsection, which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, Federal Insurance Contributions Act records, State aid to families with dependent children records, statistical sampling techniques, and similar records or measures.

"(6) The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures.

"(7) From funds available pursuant to sections 202(d)(2)(C) and 252(d)(2)(C), each Government shall award incentive grants to service delivery areas conducting programs under title II for exceeding performance standards (except for standards relating to costs) based on factors designated by the Secretary, which may include such factors designated by the Secretary, which may include such facts as the extent to which target groups are served successfully and the quality of service provided.

"(c) The Secretary shall prescribe performance standards for programs under title III based on placement and retention in unsubsidized employment.

"(d) Each Governor shall prescribe, within parameters established by the Secretary, variations in the standards issued under subsections (b) and (c) based upon specific economic, geographic, and demographic factors in the State and in service delivery areas and substate areas within the State, the characteristics of the population to be served, the demonstrated difficulties in serving the population, and the type of services to be provided.

"(e) The Governor may prescribe performance standards for programs under title II and title III in addition to those standards established by the Secretary under subsections (b) and (c).

"(f) The Secretary shall prescribe performance standards for programs under parts A and B of title IV.

"(g) The Secretary shall prescribe a system for adjustments in peformance standards for special populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964, and May 7, 1975, and offenders, taking into account their special circumstances.

"(h) The Secretary may modify the performance standards under this section not more often than once every two program years and such modifications shall not be retroactive.

"(i) The National Commission for Employment and Vocational Education Policy shall (1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (d), (2) evaluate the usefulness of such standards as measures of desired performance, and (3) evaluate the impacts of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such services in service delivery areas.

"(j)(1) The Governor shall provide technical assistance to service delivery areas and substate areas within the State which do not meet performance standards. If the failure to meet performance standards persists for a second year, the Governor shall impose a reorganization plan. Such plan may restructure the private industry council, prohibit the use of designated service providers or make such other changes as the Governor deems necessary to improve performance. The Governor may also select an alternate entity to administer the program for the service delivery area or substate area.

"(2) The alternate administrative entity may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local government in the service delivery area or substate area.

"(3) No change may be made under this subsection without an opportunity for a hearing before a hearing officer.

"(4) The decision of the Governor may be appealed to the Secretary, who shall make a final decision within 60 days of the receipt of the appeal.".

SEC. 107. SELECTION OF SERVICE PROVIDERS.

Section 107 of the Act is amended by adding at the end thereof the following new subsection:

"(e) The selection of service providers shall be made on a competitive basis to the maximum extent possible, and shall include at a minimum—

"(1) a determination of the ability of the service provider to meet program design specifications established by the administrative entity that take into account the purpose of the Act and the goals established by the Governor in the Coordination and Special Services Plan; and

"(2) documentation of compliance with procurement standards established by the Governor, including the reasons for selection. Specific justification must be provided whenever a sole source procurement is awarded.".

SEC. 108. LIMITATION ON CERTAIN COSTS.

Section 108 is amended by—

(a) amending subsection (a) to read as follows:

"(a)(1) Except as provided in section 141(d)(3), funds expended for allowable activities under the Act shall be charged to appropriate cost categories.

"(2) For programs under the Act, administration does not include the cost of activities directly related to the provision of services to eligible individuals.".

"(b) amending subsection (b) to read as follows:

"(b)(1) Of the funds available to a service delivery area for any fiscal year under parts A and B of title II—

"(A) not more than 15 percent shall be expended for administration; and

"(B) not more than 35 percent shall be expended for administration and costs specified in paragraph (2).

"(2) For purposes of paragraph (1)(B), the costs specified in this paragraph are—

"(A) the assessment of participants;

"(B) 50 percent of work experience expenditures under part A of title II;

"(C) 50 percent of work experience expenditures under part B of title II that are used to provide work experience in excess of 250 hours for a participant during nonsummer months;

"(D) supportive services; and

"(E) needs-based payments.".

(c) redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f) respectively;

(d) inserting the following new subsection:

"(C)(1) Notwithstanding the 15 percent limitation contained in subsection (b)(1)(A), up to 20 percent of the funds available to a service delivery area for any fiscal year under parts A and B of title II may be expended for administration if the following conditions are met:

"(A) the request for the increase in administrative costs and the need for the increase is justified in the job training plan (or modification thereof); and

"(B) the need for the additional costs is related to—

"(i) outreach and recruitment of hard-to-serve populations; or

"(ii) innovative or extensive arrangements of linkages with other programs and organizations.

"(2) Notwithstanding the 35 percent limitation contained in subsection (b)(1)(B), up to 40 percent of the funds available for any fiscal year under parts A and B of title II may be expended for the costs of administration and the costs specified in subsection

(b)(2) if the request for the increase in the limitation is contained in the job training plan (or modification thereof) and a request for an increase in the administration cost limitation pursuant to paragraph (1) is approved.".

(e) amending subsection (d) (as redesignated by subsection (c) of this section) as follows:

(1) in paragraph (1) by inserting "(1)(B)" after "(b)";

(2) in paragraph (2) by inserting "(1)(B)" after "(b)" where it first appears,

(3) in paragraph (3) by inserting "(1)(B)" after "(b)" where it first appears and by striking "(a)" and inserting "(b)(1)(A)"; and

(f) inserting the following new subsection at the end thereof:

"(g) Funds available under title III shall be expended in accordance with the limitations specified in section 315.".

SEC. 109. GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

(a) Section 121(b) of the act is amended by—

(1) amending paragraph (2) to read as follows:

"(2) The plan shall describe the measures taken by the State to ensure coordination and avoid duplication between the State agencies administering the JOBS program and programs under title II in the planning and delivery of services. The plan shall describe the procedures developed by the State to ensure that the State JOBS plan is consistent with the coordination criteria specified in this plan and identify the procedures developed to provide for the review of the JOBS plan by the State human resource investment council.";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5); and

(3) by inserting the following new paragraph after paragraph (2):

"(3) The plan shall describe the projected use of resources, including oversight of program performance, administration and financial management; capacity building; priorities and criteria for State incentive grants; and performance goals for State-supported programs. The description of capacity building shall include, where applicable, the Governor's plans for research and demonstration projects, technical assistance for service delivery areas, interstate technical assistance and training arrangements, and other coordinated technical assistance arrangements pursuant to the direction of the Secretary.".

(b) Section 121(c) is amended by—

(1) inserting in paragraph (7) "coordination of activities relating to part A of title II with" after the paragraph designation; and

(2) striking out "and" at the end of paragraph (9) of subsection (c);

(3) striking the period at the end of paragraph (10) of the subsection (c) and inserting in lieu thereof "; and"; and

(4) inserting a new paragraph after paragraph (10) to read as follows:

"(11) initiatives undertaken pursuant to the State Linkage and Coordination program under part C of title II.".

SEC. 110. STATE COUNCIL.

Section 122 of the Act is amended—

(a) in the section heading by striking "STATE JOB TRAINING COORDINATING COUNCIL" and inserting in lieu thereof "STATE HUMAN RESOURCE INVESTMENT COUNCIL";

(b) in subsection (a)—

(1) by amending paragraph (1) to read as follows:

"(1) Any State which desires to receive financial assistance under this Act shall establish a State human resource investment council as required by section 201(a) of the Job Training Partnership Act Amendments of 1989 and shall require such council to act as a State job training coordinating council. Funding for the duties of the council under this Act shall be provided pursuant to sections 202(d)(2)(A) and 252(d)(2)(A).";

(2) by striking paragraphs (2), (3), and (4) and redesignating paragraphs (5), (6), and (7) as paragraphs (2), (3), and (4), respectively;

(3) in paragraph (2) (as redesignated by paragraph (2) of this subsection), by striking "State council" and inserting "State human resource investment council";

(4) in paragraph (3) (as redesignated by paragraph (2) of this subsection), by striking "State council" and inserting "State human resource investment council, in carrying out its duties under this Act,"; and

(5) in paragraph (4) (as redesignated by paragraph (2) of this subsection), by striking "State council" and inserting "State human resource investment council relative to carrying out its duties under this Act".

SEC. 111. REPEALERS.

(a) Sections 123 and 124 of the Act are repealed; and

(b) Sections 125, 126 and 127 of the Act are redesignated as sections 123, 124 and 125, respectively.

SEC. 112. GENERAL PROGRAM REQUIREMENTS.

(a) Section 141(d)(3) of the Act is amended by—

(1) inserting "(A)" after the paragraph designation; and

(2) inserting the following new subparagraph:

"(B) Tuition charges for training or education provided by an institution of higher education or postsecondary institution which are not more than the charges for such training or education made available to the general public do not require a breakdown of cost components.";

(b) Section 141(g) of the Act is amended by—

(1) inserting "(2)" after the subsection designation; and

(2) inserting the following new paragraph (1):

"(1) On-the-job training authorized under the Act shall be limited in duration to a period not in excess of that generally required for acquisition of skills needed for the position within a particular occupation, but in no event shall exceed six months. In making the determination of the appropriate duration, consideration shall be given to recognized reference materials, the content of the participant's training, and the participant's service strategy.".

(c) Section 141(m) of the Act is amended to read as follows:

"(m)(1) Income under any program administered by a public or private non-profit entity may be retained by such entity if used to continue to carry out the program, and may be used for such purposes notwithstanding the expiration of financial assistance for that program.

"(2) Income subject to the requirements of paragraph (1) shall include—

"(A) receipts from goods or services provided as a result of activity funded under the Act; and

"(B) funds provided to a service provider under the Act which are in excess of the costs associated with the services provided.".

(d) Section 141(p) of the Act is amended by deleting the "part B of the title or part A of Title II" and inserting in lieu thereof "this Act".

SEC. 113. FISCAL CONTROLS: SANCTIONS.

Section 164(a) of the Act is amended to read as follows:

"(a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to ensure the proper disbursal of, and accounting for, Federal funds paid to the recipient under title II and III.

"(2) The Governor shall establish for the State, substate and service delivery areas procurement standards to ensure that—

"(A) Procurements, to the maximum extent possible, shall be competitive, except where sole source procurement is specifically justified;

"(B) Procurements shall include an analysis of the reasonableness of costs in the contract;

"(C) Local written selection procedures shall be established prior to seeking or considering proposals;

"(D) All deliverables and the basis of payment shall be specified in the contract; and

"(E) Recipients shall conduct oversight to ensure compliance with procurement standards.".

SEC. 114 REPORTS, RECORDKEEPING, AND INVESTIGATIONS.

Section 165(c) of the Act is amended by—

(1) striking "and" at the end of subparagraph (1);

(2) striking the period and inserting in lieu thereof "and" at the end of subparagraph (2); and

(3) inserting the following new paragraph:

"(3) monitor the performance of service providers in complying with the terms of agreements made pursuant to this Act.".

SEC. 115. ESTABLISHMENT OF ADULT OPPORTUNITY PROGRAM.

Part A of title II of the Act is amended to read as follows:

"PART A—ADULT OPPORTUNITY PROGRAM

"STATEMENT OF PURPOSE

"SEC. 201 It is the purpose of this part to establish programs to prepare adults for participation in the labor force by increasing their occupational and educational skills with the result of improving their long-term employability, increasing their employment and earnings, and reducing their welfare dependency.

"ALLOTMENT

"SEC. 202. (a) Not more than one quarter of one percent of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Freely Associated States, the Republic of Palau and the Commonwealth of the Northern Mariana Islands.

"(b) Of the remainder of the amount available for this part the Secretary may reserve up to five percent of such amount for use by the States to accomplish the purposes of part C of this title.

"(c)(1) After determining the amounts to be allotted under subsections (a) and (b), 89 percent of the remainder shall be allotted by the Secretary to the States for allocation to service delivery areas within each State. The States shall allocate to the service delivery areas such amounts as determined by the Secretary pursuant to the formula contained in paragraph (2). The remaining 11 percent shall be allotted in accordance with subsection (d).

"(2) Subject to the provisions of paragraph (3), of the amounts allotted to service delivery areas for this part for each fiscal year—

"(A) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each service delivery area as compared to the total number of economically disadvantaged adults in all service delivery areas;

"(B) 37.5 percent shall be allotted on the basis of the relative concentration of economically disadvantaged adults within each service delivery area as compared to the total concentration of economically disadvantaged adults in all service delivery areas; and

"(C) 12.5 percent shall be allotted on the basis of the relative number of unemployed individuals within each service delivery area as compared to the total number of unemployed individuals in all service delivery areas.

"(3)(A) No service delivery area shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(B) No service delivery area shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(C) Notwithstanding subparagraphs (A) and (B), the total allotment for all service delivery areas within any one State shall not be less than one-quarter of one percent of the total allotted to all service delivery areas in all States.

"(D) For purposes of subparagraphs (A) and (B), the allotment percentage for fiscal year 1990 shall be the percentage of funds allotted under part A of title II to the service delivery area during the preceding fiscal year.

"(4) For the purposes of this section—

"(A) the term "economically disadvantaged adult" means an individual who is age 22 or older and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of (i) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services, or (ii) 70 percent of the lower living standard income level.

"(B) the term "concentration" means the number which represents the number of economically disadvantaged adults in excess of 10 percent of the adult population in the service delivery area.

"(d)(1) The remainder available for allotment under this part shall be alloted to the States for the activities described in paragraph (2). The allotment shall be based upon the relative amount of funds available to service delivery areas within the State as compared to the amount of funds available to all service delivery areas in all States.

"(2) Of the allotment available to each State for each fiscal year under paragraph (1)—

"(A) Five-elevenths of the allotment to each State shall be available for overall administration, management, and auditing activities relating to programs under this title and for activities under sections 121 and 122.

"(B) Three-elevenths of the allotment to each State shall be available for developing the overall capability of the job training system within the State. Activities should be directed to achieve and further the goals of programs under this Act and may include the development and training of State and local service delivery area staff, the development of information and exemplary program activities, and the conduct of research and other activities designed to improve the level and degree of programs conducted under the Act; and

"(C) Three-elevenths of the allotment to each State shall be available to provide incentive grants authorized under section 106(b)(7).

"ELIGIBILITY FOR SERVICES

"SEC. 203. (a) Subject to the provisions of subsections (b) and (c), an individual shall be eligible to participate in the program under this part only if such individual is—

"(1) 22 years of age or older; and

"(2) economically disadvantaged.

"(b) Not less than 50 percent of the participants in the program under this part in each service delivery area shall be individuals who, in addition to meeting requirements of subsection (a), are included in one or more of the following categories:

"(1) Basic skills deficient;

"(2) School dropouts;

"(3) Recipients of aid to families with dependent children who either meet the requirements of section 403(1)(2)(B) of the Social Security Act or have been provided an employability plan in accordance with section 482(b) of the Social Security Act;

"(4) Unemployed for the previous 6 months or longer;

"(5) Individuals with disabilities; or

"(6) Homeless, as defined by subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act.

"(c) Up to 10 percent of participants in the program under this part in each service delivery area may be individuals who are not economically disadvantaged if such individuals are age 22 or older and are either included in one of the categories listed in subsection (b) or experience other barriers to employment. Such individuals may include, but are not limited to, those who have limited English language proficiency, or are displaced homemakers, older workers, veterans, offenders, alcoholics or addicts.

"PROGRAM DESIGN

"SEC. 204. (a) The program under this part shall include—

"(1) an assessment of each participant's skill levels and service needs. The assessment may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes and supportive service needs. A new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program, such as the JOBS program.

"(2) development of service strategies which shall identify the employment goal, appropriate achievement objectives and appropriate services for participants taking into account the assessments conducted pursuant to paragraph (1);

"(3) a review of each participant's progress in meeting the objectives of the service strategy; and

"(4) the following services, to be made available to a participant where the assessment and the service strategy indicate such services are appropriate:

"(A) basic skills training; and

"(B) occupational skills training.

"(b) Services which may be made available to participants under this part may include, but need not be limited to—

"(1) outreach to make individuals aware of, and encourage the use of, employment and training services;

"(2) literacy training and bilingual training;

"(3) on-the-job training;

"(4) education-to-work transition activities;

"(5) work experience;

"(6) vocational exploration;

"(7) pre-apprenticeship programs;

"(8) attainment of certificates of high school equivalence;

"(9) skill upgrading and retraining;

"(10) on-site industry-specific training programs supportive of industrial and economic development;

"(11) programs which combine workplace training with related classroom instruction;

"(12) entrepreneurial training;

"(13) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment;

"(14) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment and personnel to train workers in occupations for which demand exceeds supply;

"(15) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training;

"(16) coordinated programs with other Federal employment-related activities;

"(17) counseling;

"(18) job search skills training and assistance;

"(19) job clubs;

"(20) provision of occupational and labor market information;

"(21) specialized surveys not available through other labor market information sources;

"(22) programs to develop work habits and other services to individuals to help them obtain and retain employment;

"(23) development of job openings;

"(24) disseminating information on program activities to employers;

"(25) supportive services;

"(26) needs-based payments;

"(27) case management services;

"(28) job placement; and

"(29) post-program follow-up services.

"(c)(1) Basic skills training authorized under this part shall, where appropriate, have a workplace context and be integrated with occupational skills training.

"(2)(A) Except as provided in subparagraph (B), job search, job search skills training, job clubs, and work experience authorized under this part shall be accompanied by other services designed to increase a participant's basic education or occupational skills.

"(B) The program under this part may provide job search, job search skills training and job clubs activities to a participant without the additional services described in subparagraph (A) only if—

"(i) the participant's assessment and service strategy indicate that the additional services are not appropriate; and

"(ii) the activities are not available to the participant through the Employment Service or other public agencies.

"(3) Needs-based payments authorized under this part shall be limited to payments necessary to participation in the program

under this part in accordance with a locally developed formula or procedure.

"(4) Counseling and supportive services authorized under this part may be provided to a participant for a period up to one year after completion of the program.

"LINKAGES

"SEC. 205. (a) In conducting the program under this part, the service delivery area shall establish appropriate linkages with other programs authorized under Federal law. Such programs shall include, where feasible, programs authorized by—

"(1) The Adult Education Act;

"(2) The Carl D. Perkins Vocational Education Act;

"(3) The Rehabilitation Act of 1973;

"(4) The Wagner-Peyser Act;

"(5) Part F of title IV of Social Security Act (JOBS);

"(6) The Food Stamp Act;

"(7) The National Apprenticeship Act;

"(8) The Stewart B. McKinney Homeless Assistance Act; and

"(9) Chapter 2 of title II of the Trade Act of 1974.

"(b) In addition to the linkage required under subsection (a), service delivery areas shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with State and local educational agencies, local service agencies, public housing agencies, community organizations, business and labor organizations, volunteer groups working with disadvantaged adults, and other training, education, employment, economic development and social service programs.

"TRANSFER OF FUNDS

"SEC. 206. A service delivery area may transfer up to 10 percent of the funds provided under this part to the program under part B of this title if such transfer is—

"(a) based on economic or labor market conditions specified by the Secretary in regulations as sufficient to warrant a transfer;

"(b) described in the job training plan; and

"(c) approved by the Governor and the Secretary.".

SEC. 116. ESTABLISHMENT OF YOUTH OPPORTUNITY PROGRAM.

Part B of title II of the Act is amended to read as follows:

"PART B—YOUTH OPPORTUNITY PROGRAM

"STATEMENT OF PURPOSE

"SEC. 251. The purpose of the programs assisted under this part is to—

"(a) improve the long-term employability of youth;

"(b) enhance the educational and occupational skills of youth;

"(c) encourage school completion or enrollment in alternative school programs;

"(d) increase the employment and earnings of youth;

"(e) reduce welfare dependency; and

"(f) assist youth in addressing problems which impair their ability to make successful transitions from school to work, apprenticeship, the military or postsecondary education and training.

"ALLOTMENT

"SEC. 252. (a) Not more than one quarter of one percent of the amount appropriated pursuant to section 3(b) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Freely Associated States, the Republic of Palau and the Commonwealth of the Northern Mariana Islands.

"(b) Of the remainder of the amount available for this part the Secretary may reserve up to five percent of such amount for use by the States to accomplish the purposes of part C of this title.

"(c)(1) After determining the amounts to be allotted under subsections (a) and (b), 89 percent of the remainder shall be allotted by the Secretary to the States for allocation to service delivery areas within each State. The States shall allocate to the service delivery areas such amounts as determined by the Secretary pursuant to the formula contained in paragraph (2). The remaining 11 percent shall be allotted in accordance with subsection (d).

"(2) Subject to the provisions of paragraph (3), of the amounts allotted by the Secretary for this part for each fiscal year—

"(A) 50 percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each service delivery area as compared to the total number of economically disadvantaged youth in all service delivery areas;

"(B) 37.5 percent shall be allotted on the basis of the relative concentration of economically disadvantaged youth within each service delivery areas as compared to the total concentration of economically disadvantaged youth in all service delivery areas; and

"(C) 12.5 percent shall be allotted on the basis of the relative number of unemployed individuals within each service delivery area as compared to the total number of unemployed individuals in all service delivery areas.

"(3)(A) No service delivery area shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(B) No service delivery area shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(C) Notwithstanding subparagraphs (A) and (B), the total allotment for all service delivery areas within any one State shall not be less than one-quarter of one percent of the total allotted to all service delivery areas in all States.

"(D) For the purposes of subparagraphs (A) and (B), the allotment percentage for fiscal year 1990 is the percent of the funds allocated for youth programs (as determined by the Secretary) under title II to the service delivery area during the preceding fiscal year.

"(4) For the purposes of this section—

"(A) the term "economically disadvantaged youth" means an individual who is aged 16 through 21 and who has, or is a member of a family which has, received a total family income which, in relation to family size, was not in excess of the higher of (i) the poverty income guidelines promulgated each year by the Secretary of Health and Human Services, or (ii) 70 percent of the lower living standard income level.

"(B) the term "concentration" means the number which represents the number of economically disadvantaged youth in excess of 10 percent of the youth population in the service delivery area.

"(C) the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the armed forces from the determination of the number of economically disadvantaged youth and the size of the youth population in a service delivery area.

"(d)(1) The remainder available for allotment under this part shall be allotted to the States for the activities described in paragraph (2). The allotment shall be based upon the relative total amount of funds available to service delivery areas within the State as compared to the total amount of funds available to all service delivery areas in all States.

"(2) Of the allotment available to each State for each fiscal year under paragraph (1)—

"(A) Five-elevenths of the allotment to each State shall be available for overall administration, management, and auditing activities relating to programs under this title and for activities under sections 121 and 122;

"(B) Three-elevenths of the allotment to each State shall be available for developing the overall capability of the job training system within the State. Activities should be directed to achieve and further the goals of programs under this Act and may include the development and training of States and local service delivery area staff, the development of information and exemplary program activities, and the conduct of research and other activities designed to improve the level and degree of programs conducted under the Act;

"(C) Three-elevenths of the allotment to each State shall be available to provide incentive grants authorized under section 106(b)(7).

"ELIGIBILITY FOR SERVICES

"SEC. 253. (a) An individual who is in school shall be eligible to participate in the program under this part only if such individual is—

"(1) aged 16 through 21 or, if provided in the job training plan, aged 14 through 21;

"(2) economically disadvantaged, or receives a free lunch under the National School Lunch Act, or participates in a compensatory education program under chapter 1 of the Elementary and Secondary Education Act of 1965; and

"(3) included in one or more of the following categories:

"(A) Basic skills deficient;

"(B) Poor academic record, which for purposes of this subparagraph means performing at a level two or more years below the level appropriate to that individual's age;

"(C) Pregnant or parenting; or

"(D) Homeless, as defined by subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act.

"(4) Up to 10 percent of in-school individuals who participate in the program under this part in each service delivery area may be individuals who do not meet the requirements of paragraph (2) if such individuals: (A) meet the requirements of paragraph (1); and (B) either meet the requirements of paragraph (3) or experience other barriers to employment. Such individuals may include, but are not limited to, those who have limited English language proficiency, individuals with disabilities, alcoholics, or addicts.

"(b) An individual who is out of school shall be eligible to participate in the program under this part only if such individual is—

"(1) aged 16 through 21;

"(2) economically disadvantaged; and

"(3) included in one or more of the following categories:

"(A) Basic skills deficient;

"(B) School dropout (subject to the conditions described in section 254(c)(2));

"(C) Pregnant or parenting; or

"(D) Homeless, as defined by subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act.

"(4) Up to 10 percent of out-of-school individuals who participate in the program under this part in each service delivery area may be individuals who are not economically disadvantaged if such individuals: (A) meet the requirements of paragraph (1); and (B) either meet the requirements of paragraph (3) or face other barriers to employment. Such individuals may include, but not limited to, those who have limited English language proficiency, individuals with disabilities, offenders, alcoholics, or addicts.

"(c) Not less than 50 percent of the participants in the program under this part in each service delivery area shall be out-of-school individuals who meet the requirements of subsection (b).

"PROGRAM DESIGN

"SEC. 254. (a) The program under this part shall be conducted on a year-round basis.

"(b) The program under this part shall include—

"(1) an assessment of each participant's skill levels and service needs. The assessment may include such factors as basic skills, occupational skills, prior work experience, employability, interests, aptitudes and supportive service needs. A new assessment of a participant is not required where the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program, such as the JOBS program;

"(2) development of service strategies which shall identify achievement objectives, appropriate employment goals, and appropriate services for participants taking into account the assessments conducted pursuant to paragraph (1);

"(3) a review of each participant's progress in meeting the objectives of the service strategy; and

"(4) the following services, to be available to a participant where the assessment and service strategy indicate such services are appropriate:

"(A) Basic skills training;

"(B) Occupational skills training;

"(C) Pre-employment and work maturity skills training;

"(D) Work experience combined with skills training; and

"(E) Supportive services.

"(c) Services which may be made available to participants under this part may include, but need not be limited to—

"(1) Outreach;

"(2) Tutoring;

"(3) Study skills training;

"(4) Instruction for high school completion or certificate of high school equivalency;

"(5) Alternative high schools jointly established or supported with educational agencies;

"(6) Mentoring;

"(7) Individual and group counseling;

"(8) Drug and alcohol abuse counseling and referral;

"(9) Services encouraging parental, spousal and other significant adult involvement in the participant's program;

"(10) On-the-job training;

"(11) Limited internships in the private sector;

"(12) School-to-work transition services;

"(13) School-to-post secondary education transition services;

"(14) School-to-apprenticeship transition services;

"(15) Job search, job search skills training and job clubs; and

"(16) Needs-based payments.

"(d)(1) In developing service strategies and designing services for the program under this part, the service delivery area and private industry council shall take into consideration exemplary program strategies and practices.

"(2) As a condition of participation in the program under this part, an individual who is under the age of 18 and a school dropout shall:

"(A) Reenroll in and attend school;

"(B) Enroll in and attend an alternative high school;

"(C) Enroll in and attend an alternative course of study approved by the local educational agency; or

"(D) Enroll in and attend a high school equivalency program.

"(3) Pre-employment and work maturity skills training authorized by this part shall be accompanied by either work experience or other additional services designed to increase a participant's basic or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS Program;

"(4) Work experience, job search, job search skills training, and job clubs activities authorized by this part shall be accompanied by additional services designed to increase a participant's basic education or occupational skills. The additional services may be provided, sequentially or concurrently, under other education and training programs, including the Job Corps and the JOBS program.

"(5) Needs-based payments authorized under this part shall be limited to payments necessary to participate in the program in accordance with a locally developed formula or procedure.

"(6) Counseling and supportive services authorized under this part may be provided to a participant for a period of up to one year after the completion of the program.

"LINKAGES

"SEC. 255. (a) In conducting a program under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include but are not limited to—

"(1) formal agreements with local educational agencies that will identify—

"(A) the procedures for referring and serving in-school youth;

"(B) the methods of assessment of in-school youth; and

"(C) procedures for notifying the program when a youth drops out of the school system.

"(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

"(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by local educational agencies to out-of-school youth; and

"(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems and needs, including where appropriate interim assessment results.

"(b) In conducting the program under this part, the service delivery area shall establish appropriate linkages with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs authorized by—

"(1) Part B of title IV of this Act (the Job Corps);

"(2) Parts A through D of chapter 1 of the Elementary and Secondary Education Act of 1965;

"(3) The Carl D. Perkins Vocational Education Act;

"(4) The Education of the Handicapped Act;

"(5) The Wagner-Peyser Act;

"(6) Part F of title IV of the Social Security Act (JOBS);

"(7) The Food Stamp Act;

"(8) The National Apprenticeship Act; and

"(9) The Stewart B. McKinney Homeless Assistance Act.

"(c) In addition to the linkages required under subsections (a) and (b), service delivery areas shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with State and local service agencies, public housing agencies, community organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, juvenile justice systems, and other training, education, employment and social service programs, including programs conducted under part A of title II.

"TRANSFER OF FUNDS

"SEC. 256. A service delivery area may transfer up to 10 percent of the funds provided under the part to the program under A of this title if such transfer is—

"(a) based on economic and labor market conditions specified by the Secretary in regulations as sufficient to warrant a transfer;

"(b) described in the job training plan; and

"(c) approved by the Governor and the Secretary.".

SEC. 117. STATE LINKAGE AND COORDINATION PROGRAM.

Title II of the Act is amended by adding the following new Part C:

"PART C—STATE LINKAGE AND COORDINATION PROGRAM

"STATEMENT OF PURPOSE

"SEC. 271. The Secretary, in order to increase State capacity to develop comprehensive and integrated education, training, and employment goals and strategies for youth and adults at risk of chronic unemployment and welfare dependency, shall through grants to States—

"(a) provide incentives to States willing to establish Statewide policies and strategies to achieve critical human resource development goals for at-risk populations;

"(b) encourage the use of resources provided under this Act to leverage other Federal, State and local resources, both public and private, to address the multi-faceted problems of at-risk youth and adults; and

"(c) encourage institutional change to develop and provide comprehensive and integrated education, training, and employment goals and strategies for youth and adults at risk of chronic unemployment and welfare dependency.

"AVAILABILITY OF FUNDS

"SEC. 272. (a) The Secretary is authorized to use the sums available pursuant to sec-

tions 202(b) and 252(b) to award grants to States under this part.

"(b) Upon approval of an application for funds, the Secretary shall award a State an allotment based upon the relative amount of funds available to service delivery areas within the State under parts A and B of title II as compared to the amount of funds available to all service delivery areas in all States under parts A and B of title II.

"(c) In any fiscal year in which an amount of funds under this part is not allotted due to a State or States not receiving approval of an application for funds, the amount available shall be reallotted as determined by the Secretary to States on the basis of the quality of the approved plans.

"APPLICATION FOR FUNDS

"SEC. 273. All States shall be eligible to apply for funds under this part. A State seeking assistance under this part shall submit an application for funds to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Such application must demonstrate a willingness to meet the following funding conditions—

"(a) the Senate shall establish human resource goals it is committed to achieving and describe how such goals complement or are distinct from the goals of existing programs. Examples of such goals, which must be measurable, are: reducing the school dropout rate; raising the achievement levels of youth; reducing welfare rates; and, through agreements with private employers, the guarantee of the job to every individual completing an education and job training program.

"(b) the State shall commit significant Federal, State and local resources within the State to achieve the stated goals. The application for funds must set forth a State plan for redirecting existing resources as appropriate and subject to applicable laws, to carry out the State initiative. Such resources may include, but are not limited to, other funds received under this Act, and funds made available from vocational and adult education programs, and JOBS.

"(c) the State shall describe a specific plan for achieving the goals. The plan shall propose specific sets of activities to achieve the goals, such as dropout prevention activities or school-to-work, apprenticeship or post-secondary education transition services. The plan shall identify measurable interim benchmarks toward achievement of State goals.

"REVIEW AND APPROVAL OF PLAN

"SEC. 274. (a) the Secretary shall establish and disseminate criteria for the awarding of grants under this part, which may include:

"(1) the extent to which the goals, strategies and accountability mechanisms will remedy the problems identified;

"(2) the extent of the resources to be committed from other Federal, State, local, public and private sources;

"(3) evidence of a commitment to the project by the Governor, chief executives of State education agencies, State welfare agencies, agencies administering this Act, and other State agencies, and representatives of local communities, including local elected officials, private industry councils, schools, welfare agencies and community groups as appropriate; and

"(4) specific plans for linking other programs funded under this Act education programs, JOBS, the local employment service and other human resource development programs.

"(b) The Secretary may award multi-year grants under this part based on an application from a State for a period not to exceed three years. Funding for the second and third years of the multi-year grant shall be contingent upon the availability of funds and the Secretary's determination that the state satisfied the conditions of the grant during the previous year.

"PROGRAM REVIEW AND OVERSIGHT

"SEC. 275. (a) The Secretary is authorized to monitor the progress of all recipients of State Linkage and Coordination Grants.

"(b) The State human resource investment council shall be responsible for overseeing the activities of the State in the performance of activities under the State plan.

"REPORTS

"SEC. 276. (a) The Secretary is authorized to establish requirements for state reporting on progress made in accomplishing the goals specified in each State's plan.

"(b) Each recipient under this part shall keep records that are sufficient to permit the preparation of reports on the progress being made in achieving the state's goal. Such reports shall be submitted to the Secretary, at such intervals as shall be determined by the Secretary, by the State human resource investment council.".

SEC. 118. EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS.

Section 314(f) of the Act is amended by—

"(a) inserting "(1)" after the subsection designation; and

"(b) inserting the following new paragraph after paragraph (1):

"(2) An eligible dislocated worker participating in training (except for on-the-job training) pursuant to this title shall be deemed to be in training with the approval of the state agency for purposes of section 3304(a)(8) of the internal Revenue Code of 1986.".

SEC. 119. JOB CORPS.

Section 427(a)(2) of the Act is amended by striking "10 percent" and inserting in lieu thereof "20 percent".

SEC. 120. NATIONAL ACTIVITIES.

Part D of title IV of the Act is amended to read as follows:

"PART D—NATIONAL ACTIVITIES

"NATIONAL PARTNERSHIP AND SPECIAL TRAINING PROGRAMS

"SEC. 451. To improve access to employment and training opportunities for those with special needs, to help alleviate skill shortages and enhance the competitiveness of the labor force, to meet special training needs that are best addressed on a multistate or industry-wide basis, and to encourage the participation and support of all segments of society to further the goals of this Act, the Secretary shall establish a system of special grants that are most appropriately administered at the national level. Such grants may include, but are not limited to:

"(a) Partnership programs with national organizations with special expertise in developing, organizing and administering employment and training programs at the national, State and local level, such as industry and labor associations, public interest groups, community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training;

"(b) Programs that address industry-wide skill shortages, meet training needs that are best addressed on a multistate basis and further the goals of increasing the competitiveness of the U.S. Labor force.

"(c) Programs which require technical expertise available at the national level to serve specialized needs of particular client groups, including at-risk youth, offenders, individuals of limited English Language proficiency, individuals with disabilities, women, immigrants, single parents, substance abusers, displaced homemakers, youth, older workers, veterans, individuals who lack education credentials, public assistance recipients, and other individuals whom the Secretary determines require special assistance.

"RESEARCH, DEMONSTRATION, AND EVALUATION

"SEC. 452. (a) To assist the Nation in expanding work opportunities and ensuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of training and employment research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and training problems. The program under this section may include studies concerning the development or improvememt of Federal, State, local, and privately supported employment and training programs; labor market processes and outcomes, including improving workplace literacy; policies and programs to reduce unemployment and the relationships thereof with price stability and other national goals; productivity of labor; improved means of using projections of labor supply and demand, including occupational and skill requirements and areas of labor shortages at the national and subnational levels; methods of improving the wages and employment opportunities of low-skilled disadvantaged, and dislocated workers and workers with obsolete skills; addressing the needs of at-risk populations, such as youth, homeless individuals and other dependent populations, older workers, and other groups with multiple barriers to employment; developing information on immigration, international trade and competition, technological change and labor shortages; and easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

"(b) The Secretary shall establish a program of pilot and demonstration programs through grants or contracts for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in meeting employment and training problems. These programs may include projects in such areas as school-to-work transition, new methods of imparting literacy skills and basic education, new training techniques (including projects undertaken with the private sector), methods to eliminate artificial barriers to employment, approaches that foster participation of groups which encounter special problems in the labor market (such as displaced homemakers, teen parents, welfare recipients), and processes that demonstrate effective methods for alleviating the adverse effects of dislocation and plant closings on workers and their communities. Demonstration projects shall include a formal, rigorous evaluation component. No pilot project under this subsection shall be financially assisted under the Act for a period of more than three years.

"(c)(1) The Secretary shall provide for the continuing evaluation of programs conduct-

ed under this Act, including the cost effectiveness of the program in achieving the purposes of the Act. The Secretary may also conduct evaluations of other federally funded employment-related activities including programs administered under the Wagner-Peyser Act, the National Apprenticeship Act, the Older Americans Act, the Trade Adjustment Assistance for Workers provisions of the Trade Act of 1974, and the Unemployment Insurance program under the Social Security Act. Evaluations conducted pursuant to this paragraph shall utilize sound statistical methods and techniques of the behavioral and social sciences, including random assignment methodologies when feasible. Such studies may include cost-benefit analysis of programs, their impact on communities and participants, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by various programs. The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to the statutory goals, the performance standards established by the Secretary, and the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, and improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase total employment over what it would have been in the absence of such programs.

"(2) The Secretary shall evaluate the impact of title II programs as amended by the Job Training Partnership Act Amendments of 1989 on participant employment, earnings and welfare dependency in multiple sites using the random assignment of individuals to groups receiving services under programs authorized under the amendments or to groups not receiving such services.

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 453. (a) The Secretary shall provide, directly or through grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive supervisory, or other personnel, including job skills teachers, and appropriate technical assistance to programs under this Act, including the development and attainment of performance goals, and to other employment related programs administered by the Department of Labor, as the Secretary deems appropriate. Such activities may include the utilization of training and technical assistance capabilities that exist at the State and service delivery area level.

"(b) The Secretary is authorized to provide staff training and technical assistance services to States or service delivery areas in order to improve their staff training and technical assistance capabilities.

"(c) The Secretary shall disseminate materials and information gained from exemplary program experience and from research and demonstration activities which may be of use in the innovation or improvement of other programs conducted pursuant to this Act or to related programs conducted under other employment related legislation administered by the Department of Labor.".

SEC. 121. NATIONAL COMMISSION

Part F of title IV of the Act is amended—

(a) by striking "NATIONAL COMMISSION FOR EMPLOYMENT POLICY" in the heading and inserting in lieu thereof "NATIONAL COMMISSION FOR EMPLOYMENT AND VOCATIONAL EDUCATION POLICY";

(b) by striking "National Commission for Employment Policy" each place it appears and inserting in lieu thereof "National Commission for Employment and Vocational Education Policy";

(c) by striking the fourth sentence in section 472;

(d) by striking in section 473(7)—

(1) the subparagraph designation "(A)";

(2) the phrase "after consultation with the National Council for Vocational Education,"; and

(3) all of subparagraph (B).

SEC. 122. ESTABLISHMENT OF YOUTH OPPORTUNITIES UNLIMITED PROGRAM.

Title IV of the Act is amended by adding at the end therof the following new part:

"PART H—YOUTH OPPORTUNITIES UNLIMITED PROGRAM

"PROGRAM AUTHORIZED

"SEC. 491. The Secretary shall establish a national program of Youth Opportunity Unlimited grants to target comprehensive services to youth living in high poverty areas in the Nation's cities and rural areas.

"STATEMENT OF PURPOSE

"SEC. 492. The purpose of the Youth Opportunity Unlimited program include—

"(a) enabling communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community; and

"(b) facilitating the coordination of comprehensive services to serve youth in such communities.

"DEFINITIONS

"SEC. 493. For the purposes of this part:

"(a) the term "participating community" means the city in a Metropolitan Statistical Area or the contiguous non-metropolitan counties in a rural area that includes the target area for the Youth Opportunity Unlimited grant program.

"(b) the term "poverty area" means an urban census tract or a non-metropolitan county with a poverty rate of 30 percent or more as determined by the Bureau of the Census.

"(c) the term "target area" means a poverty area or set of contiguous poverty areas that will be the focus of the program in each participating community.

"APPLICATION FOR FUNDS

"SEC. 494. (a) The nation's cities and the non-metropolitan counties which have the highest concentrations of poverty, as determined by the Secretary based on the latest Census estimates, shall be eligible to apply for a Youth Opportunities Unlimited grant. The Governor of the State in which the eligible cities and counties are located may apply for funds to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. The Secretary shall require that the application include at a minimum:

"(1) a comprehensive plan for the new Youth Opportunity Unlimited initiative designed to achieve identified goals for youth in the target area. The application shall state the goals, which must be measurable, and may include increasing the proportion of youths completing high school, the proportion entering into community colleges or other advanced training programs, or the proportion placed in jobs. The plan shall also include supporting goals for the target area such as increasing security and safety, or reducing the number of drug-related arrests. The plan shall also provide assurances that the conditions specified in section 495 will be satisfied; and

"(2) a memorandum of understanding which provides evidence of support for accomplishing the stated local goals from the State, local elected officials, local school board, applicable private industry council and service delivery area, local community leaders, business, labor and other appropriate organizations.

"(b)(1) the Secretary shall establish and disseminate selection criteria for the Youth Opportunity Unlimited grants which may include the goals to be achieved, the degree of demonstrated need, and the extent of community support.

"(2) the Secretary may select up to 25 communities to receive such grants during the first year after the program is authorized, and may select up to a total of 40 communities to receive such grants over the five-year authorization period.

"(3) the Secretary shall award the Youth Opportunities Unlimited grant to the local service delivery area in which the target area is located.

"(4)(A) the Secretary may award multiyear grants under this part for a period not to exceed three years. Funding for each year subsequent to the first year of the grant shall be contingent upon the availability of funds and the Secretary's determination that the conditions of the grant were satisfied during the previous year.

"(B) Upon reapplication, the Secretary may renew the grant authorized under subsection (A) for up to two additional years.

"GRANT CONDITIONS

"SEC. 495. Each participating community must agree to meet the following conditions:

"(a) The participating community shall designate a target area that will be the focus of the demonstration project. The target area shall have a population of not more than 25,000.

"(b) The participating community shall match the Federal grant by contributing an amount equal to 100 percent of the federal grant in each year. These local matching funds shall be from non-Federal sources.

"(c) Funds available under this part shall be used to support activities selected from a set of youth program models designated by the Secretary or alternative models described in the application and approved by the Secretary. These models may include non-residential learning centers; alternative schools conducted in cooperation with local school districts; combined summer remediation, work experience and work readiness training; school-to-work/apprenticeship/post-secondary education programs; teen parent programs; special programs run by community colleges; youth centers; and initiatives aimed at increasing rural student enrollment in post-secondary institutions.

"(d) Youth who are aged 14 through 21 and reside in the target area shall be eligible to participate in the program.

"(e) The local educational agency and any other educational agency which operates intermediate and secondary schools in the target area shall provide, based on the goals specified in the plan, such activities and resource as necessary to achieve the educational goals specified in the plan.

"(f) The participating community shall provide, based on the supportive goals specified in the plan, such activities and local resources as are necessary to achieve such goals.

"(g) The community shall carry out special efforts to establish linkages with Feder-

al, State, or local programs that serve the target population.

"REPORTING

"SEC. 496. The Secretary is authorized to establish such reporting procedures as necessary to carry out the purposes of this part.

"FEDERAL RESPONSIBILITIES

SEC. 497. (a) The Secretary shall:

"(1) provide for assistance in the implementation of this project in participating communities. The Secretary may reserve up to 10 percent of the amounts appropriated under this part to carry out this paragraph.

"(2) conduct or provide for an evaluation of the Youth Opportunities Unlimited program.".

SEC. 123. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 101(a)(1) of the Act is amended by striking "State job training coordinating council" and inserting in lieu thereof "State human resource investment council".

(b) Section 122(b)(2) of the Act is amended by striking "section 202(a)" and inserting in lieu thereof "sections 203(c) and 253(c)".

(c) Section 123(a) of the Act (as redesignated by section 111 of this title) is amended by striking "section 202(b)(4)" and inserting in lieu thereof "sections 202(d)(2)(A) and 252(d)(2)(A)".

(d) Section 141(k) of the Act is amended by striking "Section 205(d)(3)(B)" and inserting in lieu thereof "part B of title II".

(e) Section 161(b)(2) of the Act is amended by striking "through 455" and inserting in lieu thereof "and 453".

(f) Section 161(c) of the Act is repealed.

(g) Section 181 of the Act is repealed.

(h) Section 311(b)(9) of the Act is amended by striking "State job training coordinating council" and inserting in lieu thereof "State human resource investment council".

(i) Section 312(a) of the Act is amended by striking "State job training coordinating coundil" and inserting in lieu thereof "State human resource investment council".

(j) Section 313(a) of the Act is amended by striking "State job training coordinating coundil" and inserting in lieu thereof "State human resource investment council".

(k) Section 314(g)(1) of the Act is amended by striking "State job training coordinating council" and inserting in lieu thereof "State human resource investment council".

(l) section 317 of the Act is amended—

(1) by amending the section heading to read as follows:

"FUNCTIONS OF THE STATE HUMAN RESOURCE INVESTMENT COUNCIL";

and

(2) by striking "State job training coordinating council" and inserting in lieu thereof "State human resources investment council".

(m) Section 401(j) of the Act is amended by striking "3.3 percent of the amount available for part A of" and inserting in lieu thereof "2.95 percent of the amount available for".

(n) Section 402(f) of the Act is amended by striking "3.2 percent of the amount available for part A of" and inserting in lieu thereof "2.35 percent of the amount available for".

(o) Section 433(c)(1) of the Act is amended by striking "455" and inserting in lieu thereof "453".

(p) Section 463(a)(3) of the Act is amended by striking "section 125" and inserting in lieu thereof "section 123".

(q) Section 464(a)(3) of the Act is amended by striking "section 125" and inserting in lieu thereof "section 123".

(r) Section 481(a) of the Act is amended by striking "(a)(1)" after "203".

(s) The table of contents of the Act is amended by—

(1) amending the item relating to section 122 to read as follows:

"Sec. 122. State human resource investment council.".

(2) striking the items relating to sections 123 and 124 and redesignating the items relating to sections 125, 125, and 127 as sections 123, 124, and 125 respectively.

(3) striking the item relating to section 181;

(4) amending the items relating to title II to read as follows:

"TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

"PART A—ADULT OPPORTUNITY PROGRAM

"Sec. 201. Statement of Purpose.
"Sec. 202. Allotment.
"Sec. 203. Eligibility for services.
"Sec. 204. Program design.
"Sec. 205. Linkages.
"Sec. 206. Transfer of funds.

"PART B—YOUTH OPPORTUNITY PROGRAM

"Sec. 201. Statement of purpose.
"Sec. 202. Allotment.
"Sec. 203. Eligibility for services.
"Sec. 204. Program design.
"Sec. 205. Linkages.
"Sec. 206. Transfer of funds.

"PART C—STATE LINKAGE AND COORDINATION PROGRAM

"Sec. 271. Statement of purpose.
"Sec. 272. Availability of funds.
"Sec. 273. Application for funds.
"Sec. 274. Review and approval of plan.
"Sec. 275. Program review and oversight.
"Sec. 276. Reports.".

(5) amending the items relating to part D of the title IV to read as follows:

"PART D—NATIONAL ACTIVITIES

"Sec. 451. National partnership and special training programs.
"Sec. 452. Research, demonstration, and evaluation.
"Sec. 453. Training and technical assistance.".

(6) amending the heading relating to part F of title IV to read as follows:

"PART F—NATIONAL COMMISSION FOR EMPLOYMENT AND VOCATIONAL EDUCATIONAL POLICY".

(7) inserting after item relating to section 481 the following:

"PART H—YOUTH OPPORTUNITIES UNLIMITED PROGRAM

"Sec. 491. Program authorized.
"Sec. 492. Statement of purpose.
"Sec. 493. Definitions.
"Sec. 494. Application for funds.
"Sec. 495. Grant conditions.
"Sec. 496. Reports.
"Sec. 497. Federal responsibilities.".

SEC. 124. EFFECTIVE DATE; TRANSITION PROVISIONS.

(a) The amendments made by this title shall take effect on July 1, 1990.

(b) Performance standards shall be issued pursuant to the amendments contained in section 106 as soon as the Secretary determines sufficient data are available, but no later than July 1, 1994.

(c) The Secretary may establish such rules and procedures as may be necessary to provide for an orderly transition to and implementation of the amendments made by this title.

TITLE II—STATE HUMAN RESOURCE INVESTMENT COUNCIL

SEC. 201. ESTABLISHMENT OF STATE HUMAN RESOURCE INVESTMENT COUNCIL.

(a) Each State that receives assistance under an applicable program shall establish a single State council to—

(1) review the provisions of services and the use of funds and resources under applicable programs and advise the Governor on methods of coordinating such provision of services and use of funds and resources consistent with the provisions of the applicable programs; and

(2) advise the Governor on the development and implementation of State and local standards and measures relating to applicable programs and coordination of such standards and measures.

(b) Each State council established as required by subsection (a) shall consist of the following members appointed by the Governor:

(1) 30 percent shall be appointed from representatives of business and industry (including agriculture, where appropriate), including individuals who are representatives of business and industry on private industry councils within the State established under section 102 of the Job Training Partnership Act.

(2) 30 percent shall be appointed from representatives of organized labor and representatives of community-based organizations in the State.

(3) 20 percent shall consist of—

(A) the Chief administrative officer from each of the State agencies primarily responsible for administration of an applicable program; and

(B) other members appointed from representatives of the State legislature and State agencies and organizations, such as the State educational agency, the State vocational education board, the State board of education (if not otherwise represented), the State public assistance agency, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, the State veteran's affairs agency (or its equivalent), State career guidance and counseling organizations, and any other agencies the Governor determines to have a direct interest in the utilization of human resources within the State.

(4) 20 percent shall be appointed from—

(A) representatives of units of general local government or consortia of such units, appointed from nominations made by the chief elected officials of such units or consortia;

(B) representatives of local educational agencies and postsecondary institutions, which appointments shall be equitably distributed between such agencies and such institutions and shall be made from nominations made by local educational agencies and postsecondary institutions, respectively;

(C) representatives of local welfare agencies; and

(D) individuals who have special knowledge and qualifications with respect to the special education and career development needs of individuals who are members of special populations, women, and minorities, including one individual who is a representative of special education.

(c) In order to carry out its functions under this Act and under any applicable program, the State council shall prepare a budget for itself and submit the budget to the Governor for approval.

(d) The State council may obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act and under any applicable program.

(e) The State shall certify to the Secretary of Labor the establishment and membership of the State council at least 90 days before the beginning of each period of 2 program years for which a job training plan is submitted under the Job Training Partnership Act.

(f) For the purposes of this title, the term "applicable program" means any program under any of the following provisions of law:

(1) The Adult Education Act.

(2) The Carl D. Perkins Vocational Education Act.

(3) The Job Training Partnership Act.

(4) The Rehabilitation Act of 1973.

(5) The Wagner-Peyser Act.

(6) Subtitle F of title IV of the Social Security Act (JOBS).

SEC. 202. DUTIES OF STATE COUNCIL WITH RESPECT TO APPLICABLE PROGRAMS.

(a) DUTIES UNDER THE ADULT EDUCATION ACT.—

(1) Section 332 of the Adult Education Act (20 U.S.C. 1205a) is amended—

(A) by amending the section heading to read as follows:

"SEC. 332. DUTIES OF THE STATE HUMAN RESOURCE INVESTMENT COUNCIL WITH RESPECT TO ADULT EDUCATION."

(B) by amending subsection (a) to read as follows:

"(a)(1) Any State desiring to participate in the programs authorized by this title shall establish a State human resource investment council as required by section 201(a) of the Job Training Partnership Act Amendments of 1989 and shall require such council to act as a State advisory council on adult education.

"(2) A State that complies with the requirements of paragraph (1) may use funds under this subpart for the purposes of costs of the council attributable to this section.";

(C) by striking subsection (b);

(D) by redesignating subsection (c) as subsection (b);

(E) in subsection (b) (as redesignated by subparagraph (D) of this paragraph)—

(i) by striking "and membership"; and

(ii) by striking "State advisory council" and inserting "State human resource investment council";

(F) by striking subsections (d) and (e);

(G) by redesignating subsection (f) as subsection (c); and

(H) in subsection (c) (as redesignated by subparagraph (G) of this paragraph), by striking "State advisory council" and inserting "State human resource investment council".

(2)(A) Paragraph (2) of section 331(a) of the Adult Education Act (20 U.S.C. 1205(a)) is amended by striking "the State advisory council established pursuant to section 332" and inserting "the State human resource investment council".

(B) Subsection (a) of section 342 of the Adult Education Act (20 U.S.C. 1206a) is amended—

(i) in paragraph (1), by striking "the State advisory council" and all that follows and inserting "the State human resource investment council"; and

(ii) in subparagraph (B) of paragraph (3),—

(I) in the first sentence, by striking "the State advisory council" and all that follows and inserting "the State human resource investment council"; and

(II) in the second and third sentences, by striking "the State advisory council" each place it appears and inserting "the State human resource investment council".

(C) Section 312 of the Adult Education Act (20 U.S.C. 1201a) is amended by adding at the end the following new paragraph:

"(16) The term 'State human resource investment council' means the State human resource investment council described in section 332(a).".

(b) DUTIES UNDER THE CARL D. PERKINS VOCATIONAL EDUCATION ACT.—

(1) Section 112 of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2322) is amended—

(A) by amending the section heading to read as follows:

"SEC. 112. DUTIES OF THE STATE HUMAN RESOURCE INVESTMENT COUNCIL WITH RESPECT TO VOCATIONAL EDUCATION."

(B) by striking "SEC. 112.";

(C) by amending subsection (a) to read as follows:

"(a) Each State which desires to participate in vocational education programs authorized by this Act for any fiscal year shall establish a State human resource investment council as required by section 201(a) of the Job Training Partnership Act Amendments of 1989 and shall require such council to act as the State council on vocational education.";

(D) in subsection (b)—

(i) by striking "and membership", and

(ii) by striking "State council" and inserting "State human resource investment council";

(E) by striking subsection (c);

(F) by redesignating subsections (d), (e) and (f), as subsections (c), (d), and (e), respectively;

(G) in subsection (c) (as redesignated by subparagraph (F) of this paragraph)—

(i) by striking "State council" and inserting "State human resource investment council,"; and

(ii) in subparagraph (B) of paragraph (9), by striking "the State job training coordinating council,";

(H) in subsection (d) (as redesignated by subparagraph (F) of this paragraph)—

(i) by striking "State council" and inserting "State human resource investment council"; and

(ii) by striking "Council" and inserting "council"; and

(I) in subsection (e) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1), by striking "State councils" each place it appears and inserting "State human resource investment councils"; and

(ii) in paragraphs (1) and (2), by striking "State council" each place it appears and inserting "State human resource investment council".

(2) Section 111 of the Carl D. Perkins Vocational Education Act is amended—

(A) in paragraph (1) of subsection (a)—

(i) in subparagraph (B) by striking "State council on vocational education" and inserting "State human resource investment council"; and

(ii) in subparagraph (C), by striking "State council established pursuant to section 112" and inserting "State human resource investment council";

(iii) in subparagraph (D), striking "; and" and inserting a semicolon;

(iv) in subparagraph (E)—

(I) by striking "the State job training coordinating council" and inserting "the State human resource investment council"; and

(II) by striking "their respective programs" and inserting "programs under this Act and programs under the Job Training Partnership Act"; and

(B) in the first sentence of subsection (d), by striking "State council" and inserting "State human resource investment council"; and

(3) The table of contents contained in section 1 of the Act is amended by striking the item relating to section 112 and inserting the following:

"SEC 112. Duties of the State human resource investment council with respect to vocational education.

(c) DUTIES UNDER THE REHABILITATION ACT OF 1973.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by inserting after section 18 the following new section:

"STATE HUMAN RESOURCE INVESTMENT COUNCIL

"SEC. 19. The State human resource investment council established under section 201(a) of the Job Training Partnership Act Amendments of 1989 shall review the provision of services and the use of funds and resources under this Act and advise the Governor on methods of coordinating such provision of services and use of funds and resources with the provision of services and the use of funds and resources under—

"(1) the Adult Education Act;

"(2) the Carl D. Perkins Vocational Education Act;

"(3) the Job Training Partnership Act;

"(4) the Wagner-Peyser Act; and

"(5) Part F of title IV of the Social Security Act (JOBS)."

(d) DUTIES UNDER THE WAGNER-PEYSER ACT.—The Wagner-Peyser Act (29 U.S.C. 49) is amended—

"(1) by redesignating section 15 as section 16; and

"(2) by inserting after section 14 the following new section:

"SEC. 15. The State human resource investment council established under section 201(a) of the Job Training Partnership Act Amendments of 1989 shall review the provision of services and the use of funds and resources under this Act and advise the Governor on methods of coordinating such provision of services and use of funds and resources with the provision of services and the use of funds and resources under—

"(1) the Adult Education Act;

"(2) the Carl D. Perkins Vocational Education Act;

"(3) the Job Training Partnership Act;

"(4) the Rehabilitation Act of 1973; and

"(5) Part F of title IV of the Social Security Act (JOBS)."

(3) in subsection (b) of section 8 by striking "State job training coordinating council" and inserting "State human resource investment council";

(4) in subsection (a) of section 11 by striking "State job training coordinating council" and inserting "State human resource investment council."

(e) DUTIES UNDER PART F OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 483 of the Social Security Act (42 U.S.C. 683) is amended by:

(1) inserting after subsection (c) the following new subsection:

"(d) In order to assist the Governor in carrying out subsection (a) of this section, the

State human resource investment council established under section 201(a) of the Job Training Partnership Act Amendments of 1989 shall review the provision of services and the use of funds and resources under this part and advise the Governor on methods of coordinating such provision of services and use of funds and resources with the provision of services and the use of funds and resources under—

"(1) the Adult Education Act;

"(2) the Carl D. Perkins Vocational Education Act;

"(3) the Job Training Partnership Act;

"(4) the Rehabilitation Act of 1973; and

"(5) the Wagner-Peyser Act.".

(2) in paragraph (2) of subsection (a) by striking "State job training coordinating council" each place it appears and inserting "State human resource investment council".

SEC. 203. EFFECTIVE DATE.

The amendments made by this title shall take effect July 1, 1990.

SECTION-BY-SECTION ANALYSIS OF JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1989

Section 1 of the bill provides that this Act entitled the "Job Training Partnership Act Amendments of 1989."

Title I of the bill contains the amendments to JTPA.

Section 101 amends section 2 of JTPA to revise the statement of purpose of the Act. The revision is intended to clarify the intended objectives of the programs provided under JTPA. The revision states that the purpose of JTPA is to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing services that will result in increased employment and earnings, improved educational and occupational skills, and decreased welfare dependency.

Section 102 amends section 3(a) of JTPA to authorize appropriations for the new Youth Opportunities Unlimited program that is added to title IV of JTPA by this bill. The authorization is for $25 million for FY 1990, and $50 million for each of the next four succeeding fiscal years.

Section 103 amends section 4 of JTPA with respect to definitions. This section of the bill adds the term "basic skills deficient" to the definitions section. The term is defined as reading or computing skills at or below the 8th grade level on a generally accepted standardized test or equivalent score on a criterion referenced test. This definition is consistent with the definition of the term used in programs under the Adult Education Act and provides a benchmark of a skill level at or below which individuals are likely to experience difficulties in obtaining long-term employment. The term is defined because basic skills deficient is a criterion for eligibility in the new title II programs established by this bill.

The definition of supportive services is amended to include drug and alcohol abuse counseling and referral, and individual and family counseling. These additional services provide essential support to many participants to enable them to successfully complete JTPA programs.

The term "educational agency" is also added to the definitions section. The term includes, in addition to the institutions covered by the current definitions of State and local educational agencies, alternative schools and postsecondary institutions. This broader term is needed to include the expanded range of educational institutions that could play an important role in some of the new title II programs.

Finally, the term "school dropout" is also added to this section since it would be a criterion for eligibility in the new programs. The definition is based on definition of the term that is currently contained in section 203(b)(3) of JTPA.

Section 104 amends section 102(a) of JTPA by including representatives of local welfare agencies on the Private Industry Councils (PICs). PICs have a central role in providing policy guidance and exercising oversight of the activities conducted under JTPA. Since a significant proportion of JTPA participants are welfare recipients, it is important that local welfare agencies be added to the PICs. Greater involvement of local welfare agencies would also promote closer coordination between JTPA and the new Job Opportunities and Basic Skills Training (JOBS) program that was enacted as part of the Family Support Act.

Section 105 amends section 104 of JTPA with respect to the elements included in each service delivery area's job training plan for title II programs. This section reorders the elements contained in current law to group related requirements together and adds some new elements. The new elements include, in section 104(b)(4), a description of the linkages established by the service delivery area with other agencies and organizations to avoid duplication and enhance the delivery of services under title II programs. Specifically, the plan is to describe such linkages as agreements with educational agencies, arrangements with other federal programs providing education, training and employment services, and efforts to coordinate services with local agencies and organizations. Another new element, contained in section 104(b)(8), includes a description of the assessment process that will identify each participant's skill levels and service needs, the PIC-established competency levels that are to be achieved by participants as a result of a program participation, and the procedures to be used for evaluating the progress of participants in achieving competencies. The items to be described are new elements that would be added to title II programs by this bill.

Section 106 amends section 106 of JTPA to revise the requirements for performance standards. This section would add a provision to current law to provide that the Secretary consult with the Secretaries of HHS and Education in prescribing standards for title II programs.

With respect to the performance standards for the adult program, changes to current law include adding as a basic measure of performance the acquisition of basic and occupational skills. This addition reflects the increased emphasis in the new program on the development of basic skills as a measure of long-term employability, and complements the primary adult performance standard of entered employment.

This section also adds a new paragraph to the performance standards section providing that the levels for youth and adult competency standards are to be determined by the PIC, in consultation with educational agencies and private sector employers, and based on such factors as entry skill levels and other hiring requirements.

Another addition is a provision, which replaces section 202(b)(3) of current law, that each Governor is to award incentive funds to SDAs for achieving the performance standards for title II programs. Under this amendment, the award is not to take into consideration cost standards and is to include factors designated by the Secretary, which may include such factors as the extent to which target groups are served successfully and the quality of service.

Section 107 would amend 107 of JTPA by adding a new subsection to provide that the selection of service providers be made on a competitive basis to the maximum extent possible. The subsection also adds that in selecting service providers the entity administering the job training plan is to consider the ability of potential providers in meeting program design requirements and accomplishing the goals contained in the Governor's Coordination and Special Services Plan. Finally, the subsection requires documentation of compliance with procurement standards established by the Governor. These measures are intended to improve accountability in the selection process.

Section 108 amends section 108(a) of JTPA to require, within a limited exception, that all expenditures under the Act be charged to appropriate cost categories. This amendment would promote increased accountability. Section 108(b) is amended to establish new cost categories and cost limitations for programs under title II. Not more than 15 percent of the funds available to a service delivery area for any fiscal year are to be for administrative expenses.

Not more than 35 percent of the funds available may be expended for administrative *plus* the following services: assessment of participants, supportive services, needs-based payments, and certain work experience expenditures. The work experience expenditures to be included in this category are 50 percent of such expenditures under the adult program and 50 percent of work experience expenditures under the youth program for work experience conducted during non-summer months in excess of 250 hours.

This 35 percent limitation is an increase from the current law limit of 30 percent which now applies to supportive services, needs-based payments and a broader range of work experience expenditures. The increase in the limit is in consideration of the addition to this category of assessment, which would be required for each participant, and in recognition that a more disadvantaged population will require more comprehensive supportive services.

This section also includes a provision that would allow the Governor to approve an increase in the administrative cost limitation from 15 to 20 percent if justification for the increase is provided in the job training plan and relates to outreach and recruitment of hard-to-serve populations or to innovative or extensive arrangements of linkages with other programs and organizations. If the increase in the administration cost limitation from 15 to 20 percent is approved, the combined administration plus supportive service limitation may be increased from 35 to 40 percent.

Section 109 amends section 121(b) of JTPA to require that some additional elements be included in the Governor's Coordination and Special Services Plan. One new element would be a description of measures taken by the State to facilitate coordination and avoid duplication between JTPA programs and JOBS in the delivery of services. Another new element would be a description of the State's efforts to build the capacity of the job training system, including the Governor's plans for research and demonstration projects, and technical assistance arrangements. Finally, the section adds to the list of activities that may be included in the plan initiatives undertaken pursuant to

the new State Linkage and Coordination Program that would be established by this bill as a new part C of title II.

Section 110 would amend section 122 of JTPA to redesignate the State Job Training Coordinating Council (SJTCC) as the State human resource investment council. This council, which is established under title II of these amendments, would have the same responsibilities with respect to JTPA as the current SJTCC. The council is intended to facilitate improved statewide coordination of certain federally-assisted human resource programs, and its broader functions are described in the explanation of title II.

Section 111 repeals section 123 of JTPA, which provides for State Education and Coordination grants, and section 124 of JTPA, which provides for training programs for older individuals. The Education grants would be replaced under this bill by the new State Linkage and Coordination program. The new program, which would be established as a new part C of title II, would authorize States to select a broader range of goals and activities to serve the disadvantaged than are authorized under the Education grants. The older worker program is eliminated because the needs of such workers would best be addressed through the revised adult program under title II.

Section 112 amends section 141 of JTPA relating to general program requirements. The bill amends section 141(d)(3) to add a new subparagraph which states that a breakdown of cost does not have to be performed for tuition charges for training and education provided by postsecondary education institutions and colleges where such charges do not exceed the charges made available to the general public. This provision, and the current law provision that no breakdown is required where commercially available training packages are available for off-the-shelf prices, are the only situations where expenditures would not have to be charged among the categories provided in section 108.

This section also amends section 141(g) of JTPA to provide that on-the-job training authorized under the Act be limited in duration to a period generally required to develop the particular occupational skill, but in no event is to exceed 6 months. In determining the appropriate period, consideration is to be given to recognized reference materials, the content of the training, and the participant's service strategy.

This section amends section 141(m) to clarify that net income earned by a public or private non-profit entity from a JTPA program may only be retained if it is used to continue to carry out the program, and adds that, as under current law, such use is permitted even if financial assistance for the program has expired. This amendment also provides a definition of income.

Section 113 amends section 164(a) to revise the procurement standards. Under current law, whatever general procurement requirements are contained in each State's law apply to JTPA programs. This amendment would require the Governor to establish certain minimum standards for JTPA programs to improve accountability. The standards prescribed by the Governor are to ensure that procurements are competitive to the maximum extent possible, are accompanied by an analysis of the reasonableness of costs in the contract, and are in accordance with local written selection procedures established prior to requesting proposals. In addition, the standards are to ensure that all deliverables and the basis for payment are specified in the contract, and that recipients conduct oversight to ensure compliance with the procurement standards. It may be noted that this section of the bill also drops some current provisions relating to JTPA audits since those provisions have been superceded by the Single Audit Act.

Section 114 amends section 165(c) of JTPA to further enhance accountability by adding a requirement that States, administrative entities conducting the program and recipients (other than sub-recipients) monitor the performance of service providers in complying with the terms of agreements made pursuant to JTPA.

Section 115 amends part A of title II of JTPA to establish the new Audit Opportunity Program.

Section 201 of JTPA is amended to state that the purpose of the adult program is to establish programs to prepare adults for participation in the labor force by increasing their educational and occupational skills with the result of improving their long-term employability, increasing their employment and earnings and reducing their welfare dependency.

Section 202 of JTPA is amended to provide a new formula for the allotment of funds under the adult program. The current formula under title II-A does not sufficiently target resources to the eligible economically disadvantaged adult population. Under the current formula, two-thirds of the funds are allotted based on the share of unemployment in an area rather than on the extent or concentration of the economically disadvantaged population in that area. The result has been that local SDAs may not receive funds in proportion to their share of the eligible population. In addition, because unemployment rates can fluctuate, the allotments have been subject to large annual variations which have hampered the local PICs ability to engage in long-term planning or to build strong service delivery capacity. This bill revises the formula to improve targeting of the eligible population, promote equitable funding of SDAs which have the same number of the disadvantaged, and stabilize funding to enhance local planning.

Subsection (a) of the amended section 202 of JTPA retains a small percentage of funds for certain areas, including the U.S. territories.

Section 202 (b) is amended to allow the Secretary to reserve up to 5 percent of the remaining funds for the new Linkage and Coordination Program established as part C of title II under this bill.

Section 202(c) provides that after determining the amounts allotted under subsections (a) and (b), 89 percent of the remainder is to be allotted by the Secretary to the States for allocation to SDAs. The amount of each SDA allocation would be determined by the Secretary in accordance with the following formula: 50 percent would be allotted on the basis of the relative number of economically disadvantaged adults in each SDA as compared to the number of such adults in all SDAs; 37.5 percent would be allotted on the basis of the relative concentration of economically disadvantaged adults in each SDA (concentration is defined as the number in excess of 10 percent of the total adult population in the SDA); and 12.5 percent is to be allotted on the basis of the relative number of unemployed individuals in the SDA.

A significant feature of this formula is that it is based on relative numbers of eligible individuals among all SDAs in the country rather than among SDAs within States or among States. This approach ensures that SDAs with the same number of eligible adults receive equal allotments and that funding does not vary simply because the SDAs are located in different States.

This section also includes provisions that no SDA will receive less than 90 percent or more than 130 percent of its previous fiscal year's allotment percentage. These provisions promote funding stability and enable improved planning of programs. This section also includes a provision, to protect small States, that no State will receive less than one quarter of one percent of the total allotment.

Section 202(d) is amended to provide for the allotment to the States of the remaining 11 percent of the funds available for distribution by the Secretary. The Secretary is to allot these funds based on the relative amount of funds available to SDAs within the State as compared to the total amount of funds available to all SDAs in all States.

These allotments are available to the States for the following purposes: five-elevenths of the allotment is available for administrative activities, for the Governor's coordination plan, and for the State council (this is consistent with the 5 percent set-aside for such activities under the current II-A formula); three-elevenths of the allotment is available for developing the overall job training system capabilities within the State; and three-elevenths of the allotment is available to provide for incentive grants authorized under the performance standards section. Under the current title II-A formula, there is a State set-aside for performance incentive grants to SDAs and unused grant funds may be used by the Governor for technical assistance to SDAs. These amendments would provide separate set-asides for these two functions.

Section 203 is amended to provide the new eligibility requirements for the adult program. Section 203(a) provides as general eligibility requirements that an individual must be 22 years of age or older and economically disadvantaged. Section 203(b) provides that at least 50 percent of the participants in each SDA, in addition to meeting the general requirements, must also be included in one or more of the following categories: basic skills deficient; school dropouts; AFDC recipients in a target group under the JOBS program or who have received an employability plan under JOBS; unemployed for the previous 6 months or longer; individuals with disabilities; or homeless as defined in the McKinney Act. These categories are intended to identify individuals who are likely to need assistance to enhance their employability and who would realize long-term benefits from services provided under JTPA.

Section 203(c) retains the current "window" that allows 10 percent of the participants to be individuals who are not economically disadvantaged if such individuals experience other barriers to employment.

Section 204 is amended to establish the program design for the new adult program.

Section 204(a) provides certain features that are to be included in all adult programs under part A. First, the program is to include an assessment of each participant's skill levels and service needs. A new assessment is not required if the program determines it is appropriate to use another recent assessment conducted by another program. Second, the program is to develop service strategies which identify the employment goal, achievement objectives and the services to be provided to participants, taking

into account the assessment. Third, the program is to review each participant's progress in meeting the objectives of the service strategy. Fourth, where the assessment of a participant and service strategy indicates it is appropriate, the program is to make available basic and occupational skills training. These elements are essential to ensure that the services provided address those problems which would hamper the long-term employability of participants. It should, however, be noted that the service strategy is not intended to be a contract and these provisions do not create an entitlement for participants.

Section 204(b) provides a list of services which may be provided under the adult program. The 29 services listed are not intended to be exhaustive, but suggest the kinds of services that may enhance the development of skills and employability of adult participants. Most of these services are included under current law. The list includes various training activities, such as on-the-job training, programs combining workplace training and classroom instruction, job search skills training and placement assistance, and counseling and supportive services.

Section 204(c) imposes limitations on some of the services authorized under this part. Basic skills training is, where appropriate, to have a workplace context and be integrated with occupational skills training. The provision of job search, job search skills training, job clubs, and work experience are to be accompanied by other services designed to increase a participant's basic education or occupational skills. There is an exception to this limitation whereby job search, job search skills training and job club activities may be provided as "stand-alone" services if the assessment and service strategy indicates that no additional services are appropriate and the activities are not available through the Employment Service or other public agencies. Needs-based payments, as under current law, are to be limited to payments necessary to participate in the program in accordance with a locally developed formula or procedure. Finally, counseling and supportive services may be provided for a period of up to one year after program completion. This final provision allows provision of these important follow-up services that are often needed to ensure a participant's effective transition to employment. However, it is expected that employers would quickly assume the responsibility for employment-related counseling.

Section 205 is amended to provide the linkages that are to be established in conducting the adult program. Linkages with other programs and entities will enhance the range, quality and effectiveness of services provided under the program and is therefore an essential component. This section identifies some of the most important programs and activities. Section 205(a) is amended to provide that linkages are to be established, where feasible, with other Federal programs. The listed programs include programs under the Adult Education Act, the Perkins Vocational Education Act, and JOBS.

Section 205(b) is amended to provide that additional linkages are to be established that would enhance the provision of services with such entities as State and local educational agencies; community, business and labor organizations; and volunteer groups.

Section 206 would allow a service delivery area to transfer up to 10 percent of the funds available for adult programs to the youth program under part B if certain conditions are met. Those conditions are that the transfer is based on economic and labor market conditions specified by the Secretary in regulations to be sufficient to warrant a transfer, that the transfer is described in the job training plan, and that the transfer is approved by the Governor and the Secretary. It is not intended that such transfers occur except in unusual economic circumstances.

Section 116 amends part B of title II of JTPA to establish the new Youth Opportunity Program.

Section 251 of JTPA is amended to revise the purposes of the youth program. The purposes include improving the long-term employability of youth, enhancing their educational and occupational skills, encouraging school completion or enrollment in alternative school programs, improving the employment and earnings of youth, reducing welfare dependency, and assisting youth in addressing problems which impair their ability to make successful transitions from school to employment or advanced education or training programs.

Section 252 is amended to revise the allotment formula to improve the targeting of resources to eligible economically disadvantaged youth. Since the current II-B formula is the same as the current II-A formula, it shares the problems described in the explanation of the amended section 202. Those problems include lack of sufficient weight to the number of disadvantaged youth residing in an SDA and instability in funding due to reliance on unemployment rates.

The revised funding formula for the youth program is similar to the revised adult formula. There is a set-aside for certain areas, including U.S. territories, and a five percent set-aside for the new State Linkage and Coordination Program. Of the remainder, 89 percent is allotted to SDAs, with 50 percent allotted on the basis of the relative number of economically disadvantaged youth within each SDA as compared to the total number of such youth in all SDAs, 37.5 percent allotted on the basis of the relative concentration of such youth in an SDA (concentration defined as the number of economically disadvantaged youth in excess of 10 percent of the youth population in the SDA) and 12.5 percent allotted on the basis of the relative number of unemployed individuals in each SDA. This formula improves targeting to SDAs with the greatest need.

This section also includes a 90 percent "hold harmless" and, a 130 percent "stop gain" provision to ensure funding stability and improve local planning. It also includes a minimum total allotment which protects small States. For purposes of this section the Secretary is to exclude, where feasible, college students and members of the armed forces from determinations of the number of economically disadvantaged youth and the size of the youth population in each SDA.

The remaining 11 percent of the funds are to be allocated among the States in the same manner and for the same purposes as the adult formula (i.e., five-elevenths for management, three-elevenths for capacity building, three-elevenths for performance incentives.)

Section 253 is amended to provide new eligibility requirements. Section 253(a) is amended to provide the requirements for in-school youth. An individual who is in school is eligible if first, such individual is aged 16 through 21 or, if provided in the job training plan, 14 through 21; second, such individual is economically disadvantaged, is receiving a free lunch under the National School Lunch Act, or participates in a Chapter 1 compensatory education program; and third, the individual is in one or more of the following categories: basic skills deficient, poor academic record, pregnant or parenting, or is homeless.

Up to 10 percent of in-school individuals who participate in the youth program may be individuals who do not meet the second requirement if they are either included in one of the categories listed under the third requirement or experience other barriers to employment.

Under the amended Section 253(b), individuals who are out of school are eligible for the youth program if first, they are aged 16 through 21; second, they are economically disadvantaged; and third, they are included in one or more of the following categories: basic skills deficient, school dropout, pregnant or parenting, or are homeless. Up to 10 percent of out-of-school individuals who participate in the program need not be economically disadvantaged if they face other barriers to employment.

Section 253(c) provides that at least 50 percent of the participants in the youth program in each SDA must be out-of-school youth who meet the requirements of subsection (b).

Section 254 is amended to provide the design for the youth program. Section 254(a) provides that the youth program is to be conducted on a year-round basis.

Section 254(b) is amended to provide that the program includes an assessment of each participant's skill levels and service needs, development of service strategies which identify achievement objectives, appropriate employment goals and services to be provided, and a review of each participant's progress in meeting the objectives of the service strategy.

Where the assessment and the service strategy indicate such services are appropriate, the youth program is to make available to participants the following services: basic skills training, occupational skills training, pre-employment and work maturity skills training, work experience combined with skills training, and supportive services. As indicated above with respect to the adult program, the service strategy is not to be considered a contract and these provisions do not create an entitlement for participants.

Section 254(c) is amended to provide a list of services which may be provided under the program. These services include mentoring, tutoring, study skills training, instruction for high school completion or certificate of high school equivalency, and limited internships in the private sector.

Other services listed include alternative high schools jointly established or supported with educational agencies and school-to-work, apprenticeships and postsecondary education transition services.

This list, which is not exhaustive, provides for a comprehensive set of services that are intended to address the multiple barriers to employment often experienced by at-risk youth.

Section 254(d) contains certain conditions relating to the program. First, in developing service strategies and designing services, the SDAs and PICs are to take into consideration exemplary program strategies and practices. It is intended that this condition will promote effective planning.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Second, school dropouts that are under the age of 18 must reenroll in and attend a school or alternate shcool program as a condition of participation.

Third, pre-employment and work maturity skills training are to be accompanied by either work experience or by additional basic or occupational skills training.

Fourth, work experience, job search, job search skills training and job clubs activities are also to be accompanied by basic or occupational skills training.

These third and fourth conditions requiring combinations of services are intended to ensure the kind of intensive training that will enhance the long-term employability of youth participants. Under these conditions, the additional services may be provided, sequentially or concurrently, under other programs. Such programs may include the Job Corps and JOBS. This provision is intended to promote coordination between programs and flexibility in determining how these services are to be delivered.

It should also be noted that this section does not prohibit the provision of summer work experience to participants. However, such work experience would have to be one part of a youth's service strategy and accompanied by additional education or training in the year-round program.

A fifth condition is that needs-based payments are to be determined in accordance with a local formula as under current law. Finally, this subsection authorizes the provision of counseling and supportive services for a period of up to one year after a participant has completed the program.

Section 255 is amended to provide for linkages between SDAs and other entities and programs to ensure the effective, comprehensive, and coordinated delivery of services under the youth program.

Section 255(a) requires that SDAs establish linkages with educational agencies. These linkages are to include formal agreements with local educational agencies that will identify the procedures for referral and provision of services to in-school youth, the methods of assessment of in-school youth, and procedures for notifying the program when a youth drops out of the school system. Other linkages with educational agencies are to include arrangements to ensure that the program supplements existing programs provided by local educational agencies to in-school youth, arrangements to ensure that the program utilizes existing services provided by local educational agencies to out-of-school youth, and arrangements to ensure regular exchanges of information between the program and local educational agencies regarding the progress of in-school participants.

Under the design of the youth program, educational agencies will play a key role. The linkages described above are intended to ensure the coordination of those agencies and of existing programs with the program under part B.

Section 255(b) provides that SDAs shall also establish appropriate linkages with other Federal programs such as the Job Corps, vocational education programs, chapter 1 compensatory education programs, special education programs and JOBS.

Section 255(c) provides that linkages which would enhance the delivery of services under the youth program should also be established with other agencies and organizations, such as local service agencies, business and labor organizations, and volunteer groups.

Section 256 allows for a transfer of up to 10 percent of funds from the youth program to the adult program under part A if the same conditions governing transfers from the adult to the youth program are met (i.e., sufficient economic conditions and approval of the Governor and Secretary).

Section 117 amends title II of JTPA to establish the State Linkage and Coordination Program as a new part C. The purpose of the program as described in the new section 271 is to: encourage States to establish policies and strategies which address human resource development goals for those at risk of chronic unemployment and welfare dependency; to encourage States to use resources provided under JTPA to leverage other Federal, State and local resources to address the needs of those at risk; and to encourage institutional change to develop and provide comprehensive and integrated education, training and employment goals for at-risk youth and adults.

The new section 272 references the set-aside in the title II allocation formula as the source of funds for this part and provides that upon approval of an application for funds a State will receive the same proportion of funds as the State receives to carry out parts A and B of title II. If funds are available in any fiscal year due to a State not applying for or receiving approval of an application, this section provides that the Secretary is to reallot the funds to other States on the basis of the quality of their plans.

The new section 273 provides the procedures for applying for funds under the program. All States are eligible to apply and may submit an application in accordance with requirements established by the Secretary. The application is to demonstrate a willingness to meet certain conditions. First, the State must establish human resource goals it is committee to achieving. The goals are to be measurable and may, for example, include reducing the school dropout rate, raising youth achievement levels, and/or reducing welfare rates.

Second, the State must demonstrate a willingness to target significant Federal, State and local resources to the goals. Consistent with this requirement, the application is to set forth plans for redirecting existing resources. Examples of such resources are other JPTA funds, vocational education funds, and funds available for the JOBS programs.

Third, the State is to set forth a specific plan for achieving the goals. The plan is to include specific sets of activities designed to achieve the goals. For example, one set of activities may include dropout prevention services. In addition, the plan is to identify measurable interim benchmarks for achievement of the goals.

The new section 274 includes the procedures for reviewing and approving the application. The Secretary is to establish the selection criteria which may include such factors as the extent to which the goals and strategies will address identified problems, the extent of other resources to be committed, evidence of a commitment from the Governor and other State and local organizations and groups, and the plans for linking various programs to achieve the goals. Under this section, the Secretary is authorized to award multi-year grants for up to a three-year period, with funding after the first year dependent on the availability of funds and the State satisfying the grant conditions during the previous year.

Section 275 provides for program review and oversight. The Secretary has monitoring authority and the State human resource investment council is responsible for overseeing activities under the program within the States.

Section 276 provides that the Secretary may establish reporting requirements and that each participating State must keep records sufficient to report on the progress being made in achieving the goals. Such reports are to be submitted at intervals to be determined by the Secretary.

This new program provides an innovative approach to the coordination of resources and organizations in order to promote services to the disadvantaged. It recognizes the importance of a coordinated human resource policy and offers a means to promote such coordination.

Section 118 amends section 314(f) of JTPA to provide that participation in training, except for on-the-job training, under the Title III dislocated worker program is to be deemed to be approved training for purposes of the unemployment compensation (UC) program. There is a provision relating to the UC program (3304(a)(8) of the IRC) that provides UC is not to be denied because an individual is in training approved by the State agency. This amendment would facilitate coordination between Title III and the UC program by providing Title III training is to be deemed approved by the State agency. A similar provision was part of Title III until last year's revision of the dislocated worker program by the Omnibus Trade and Competitiveness Act (OTCA). The Conference Report for OTCA (House Rept. 100-576, p. 1030) indicated that the approved training rule was to be included in Title III, but the provision did not appear in the final text of the Act.

Section 119 of the bill amends section 427(a)(2) of JTPA to increase the ceiling on the proportion of non-residential slots in the Job Corps program from 10 percent to 20 percent. The increase is intended to promote increased access to the program by disadvantaged young women who have small children and are therefore unable to participate in the residential program.

Section 120 would amend part D of title IV of JTPA to simplify, clarify, consolidate, and update provisions relating to National Activities. It authorizes three sets of activities: national partnership and special training programs; research, demonstration, and evaluation; and training and technical assistance.

Section 451 of JTPA is amended to consolidate current law sections 451 and 456 and authorizes a national partnership and special training program distinct from other research, demonstration, and evaluation activities.

Section 452 of JTPA consolidates current law sections 452, 453, and 454 and provides for a distinct research, demonstration, and evaluation program. Subsections (a), (b), and (c) update the areas on which the research, demonstration, and evaluation program can focus, e.g., workplace literacy. Subsection (c) of section 452 broadens the Secretary's authority to conduct evaluations to encompass related employment programs such as the Employment Service and Trade Adjustment Assistance for Workers. This subsection also provides for an evaluation of the impact of the amendments made by this title on participant employment, earnings and welfare dependency.

Section 453 of JTPA broadens the Secretary's authority to provide technical assistance and training to other training and employment-related programs, such as the Employment Service. Subsection (c) authorizes

the Secretary to disseminate materials and information.

Section 121 amends part F of title IV of JTPA to rename the National Commission for Employment Policy as the National Commission for Employment and Vocational Education Policy. This change, which complements a provision in the Administration's proposed "Vocational Education Excellence Act of 1989", would merge the NCEP and the National Council on Vocational Education. The integration of the two entities would enhance the review and development of employment and training policies, avoid duplication of effort, and promote a coordinated approach to policy analysis.

Section 122 establishes the Youth Opportunities Unlimited Program as a new part H of title IV of JTPA. The new section 491 authorizes the Secretary to establish this new national program of grants to target services to youth living in high poverty areas. The purposes of the program, as described in the section 492, include enabling communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community, and facilitating the coordination of comprehensive services to such youth.

The new section 493 provides definitions of the terms for purposes of this part. "Participating community" is the city or rural area in which the program will be administered. "Poverty area" refers to an urban census tract or rural county with a poverty rate of 30 percent or more. Finally, "target area" is defined as the poverty area or set of contiguous poverty areas within the participating community that will be the focus of the program.

The new section 494 sets forth the requirements for applying for funds under the program. The cities and non-metropolitan counties with the highest concentrations of poverty, as determined by the Secretary based on the Census data, are eligible to apply. The Governor of the State in which the eligible cities and counties are located may submit an application in accordance with procedures specified by the Secretary. The application is to include a comprehensive plan designed to achieve goals for youth in the target area. Examples of such goals, which are to be specified in the plan and measurable, include increasing the proportion of youth completing high school or entering community colleges and other advanced training programs, or placed in jobs. Significantly, the plan is also to include supporting goals for the target area such as increasing security or reducing the number of drug-related arrests. In addition, the application is to include a memorandum of understanding which provides evidence of State and community support.

Applications are to be approved in accordance with selection criteria established by the Secretary, which may include such factors as the goals to be achieved, the degree of demonstrated need and the extent of community support for the plan.

Grants may be awarded to up to 25 communities during the first year of authorization and up to 40 communities over the 5-year authorization period. The grant recipient would be the SDA in which the target area is located. The Secretary would be authorized to award multi-year grants for up to the 3 year period, with such grants renewable for up to an additional 2 years. Funding after the first year is dependent on the availability of the funds and the participating community satisfying the grant requirements during the previous year.

The new section 495 provides the grant conditions. Under these conditions, the participating community is to designate a target area with a population of 25,000 or less. The community must also match one-for-one the grant provided under this part with funds from non-federal sources. The grant funds are to be used to provide activities selected from a set of youth program models designated by the Secretary or alternative models described in the application and approved by the Secretary. Examples of such models include non-residential learning centers, alternative schools, and combined summer remediation, work experience and work readiness training.

Other conditions identified in this section are that all youth ages 14 through 21 residing in the target area are to be eligible to participate, that the local educational agency and the community are to provide activities and local resources necessary to achieve the supporting goals that are specified in the plan, and that the community is to establish linkages with other federally funded programs to ensure the provision of services under the program.

Section 496 authorizes the Secretary to establish necessary reporting procedures.

Finally, section 497 requires the Secretary to provide assistance to the participating communities in implementing the program. The Secretary is authorized to retain up to 10 percent of the funds allotted for this part to provide such assistance. The Secretary is also to conduct an evaluation of the program.

This important new program offers a means to assist communities in developing a coordinated, comprehensive strategy to address the needs of youth.

Section 123 provides technical and conforming amendments.

Section 124 provides that the amendments made by this title shall take effect July 1, 1990. This section also contains a transition provision that provides that changes in performance standards pursuant to the amendments made by the Act shall be issued as soon as sufficient data are available, but no later than July 1, 1994. There is also a general transition provision allowing the Secretary to establish necessary rules and procedures to provide for an orderly transition to and implementation of these JTPA amendments.

Title II would provide for the establishment of a human resource investment council in each State. The council would promote Statewide coordination of certain federally-assisted human resource programs by replacing separate existing state councils with a single State advisory body.

The State human resource investment council would advise the Governor regarding programs under the Adult Education Act, the Carl D. Perkins Vocational Education Act, JTPA, the Rehabilitation Act of 1973, the Wagner-Peyser Act, and JOBS. Under current law, there is no State advisory council for programs under the Rehabilitation Act and JOBS. There are separate State councils authorized for programs under each of the other Acts.

Section 201(a) provides that each State that receives assistance under the applicable federal programs would establish a single State council to review the provision of services and use of resources and advise the Governor on methods of coordinating the programs. The council would also provide advice to the Governor on the development and implementation of State and local standards and measures relating to the programs.

Section 201(b) provides that the membership of the Council is to be appointed by the Governor with 30 percent appointed from representatives of business and industry, 30 percent from representatives of organized labor and community-based organizations, 20 percent from chief administrative officers in State agencies administering the applicable programs and other representatives of State entities, and the final 20 percent from representatives of local governments, local educational, and welfare agencies, and individuals with special expertise.

Subsections (c) and (d) of this section authorize the council to prepare a budget, to be approved by the Governor, and to obtain the services of personnel to carry out its functions. Subsection (e) provides that the State certify to the Secretary of Labor the establishment and membership of the council 90 days before the submission of a job training plan under JTPA. Subsection (f) lists the applicable programs under the council's jurisdiction, which were described above.

Section 202 contains conforming amendments to each of the Acts which authorize the applicable programs. These amendments clarify the duties of the council with respect to each Act and provide for coordination of the program by the council.

Section 203 provides that the effective date for this title is July 1, 1990.

By Mr. HEFLIN:

S. 1301. A bill for the relief of Hoar Construction, Inc., of Birmingham, AL, to settle certain claims filed against the Small Business Administration; to the Committee on the Judiciary.

RELIEF OF HOAR CONSTRUCTION, INC.

Mr. HEFLIN. Mr. President, I rise today to introduce legislation for the relief of a company from my home State of Alabama, Hoar Construction, Inc., of Birmingham, AL.

Mr. President, in the spring of 1985 Hoar Construction, Inc., contracted with Rayner Tile Co. for the tilework at the town center at Cobb Shopping Mall in Atlanta, GA. Hoar's contract with Rayner was conditional on Rayner providing performance and payment bonds acceptable to Hoar. The bonds provided by Integrity Insurance Co. were accepted because they carried a Small Business Administration guarantee.

In January 1986, 6 weeks before the mall grand opening, Rayner advised Hoar that they were going out of business and would not complete the job. The bonding surety, Integrity Insurance Co., refused to complete the job and stated that Hoar Construction, Inc., would have to sue. Hoar completed the tilework with other forces in order to make the mall opening, and to mitigate the damages.

Hoar then filed suit against Rayner and Integrity. On July 2, 1987, Hoar Construction, Inc., was awarded a judgment against Rayner for $381,135.53. Meanwhile Hoar had gone

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

into receivership before the court date, so they were temporarily protected from the suit.

Mr. President, the dilemma is that the Small Business Administration, which guarantees the bond, will not pay 90 percent of the claim to Integrity because Integrity must first pay 100 percent of the claim to Hoar. As Integrity is in receivership, payment of 100 percent of the claim is not possible, thereby precluding the 90-percent reimbursement from the SBA.

Mr. President, Hoar Construction, Inc., would never have contracted with Rayner Tile Co. under a bond provided by Integrity Insurance Co. had the guarantee not stated that the SBA would guarantee indemnification up to $1,000,000.

The Small Business Administration says that this guarantee is not a guarantee if Integrity Insurance is in liquidation and cannot make payment to Hoar Construction.

Mr. President, the moneys involved in this case are substantial to Hoar Construction Co., and very important to the continuing operation of this small Alabama business.

Thus, Mr. President, I would like to introduce a bill today for the relief of Hoar Construction, Inc., of Birmingham, AL, to settle certain claims filed against the Small Business Administration, and ask unanimous consent to have it printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 1301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIEF FOR HOAR CONSTRUCTION, INC. FOR CLAIMS AGAINST THE SMALL BUSINESS ADMINISTRATION.

To compensate for claims against the Small Business Administration for failing to guarantee a performance and payment bond which created financial losses for Hoar Construction, Inc. of Birmingham, Alabama, the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $343,021.97 to the aforementioned Hoar Construction, Inc.

SEC. 2. INTEREST.

The amounts prescribed in section 1 shall be adjusted to include interest accrued. The Secretary of the Treasury shall determine the rate at which such interest accrued and the period over which such interest shall be calculated.

SEC. 3. LIMITATION OF CLAIMS.

Payment of the sums referred to in sections 1 and 2 shall be in full satisfaction of all claims that the persons listed in section 1 may have against the United States with respect to the losses referred to therein.

SEC. 4. ATTORNEY FEES.

No part of the amount paid pursuant to this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of this section shall be a misdemeanor punishable by a fine not to exceed $5,000.

By Mr. BENTSEN:

S. 1302. A bill to increase the size of the Big Thicket National Preserve in the State of Texas by adding the Village Creek Corridor unit, the Big Sandy Corridor unit, and the Canyonlands unit; to the Committee on Energy.

BIG THICKET NATIONAL PRESERVE ADDITION ACT OF 1989

● Mr. BENTSEN. Mr. President, one of the privileges of serving in the U.S. Senate is being able to propose, and sometimes see enacted, legislation which will benefit all Americans for many years to come. As a newly elected Senator, one of the first bills I introduced was legislation to set aside 100,000 acres to establish one of the most beautiful and ecologically unique parks in Texas—the Big Thicket National Preserve. I had the privilege of seeing most of that proposal enacted into law. Today the Big Thicket National Preserve encompasses and protects for future generations 86,000 acres.

The legislation which I am now introducing would complete the Big Thicket National Preserve by adding the Canyonlands unit and the Village Creek and Big Sandy Creek corridor units, which comprise the remaining 14,000 acres of my original proposal. This is identical to legislation which has been introduced in the House by my distinguished colleague from Texas, Congressman CHARLES WILSON, and has been approved by the House Interior Committee.

The Big Thicket is located in east Texas, northwest of the coastal cities of Beaumont and Port Arthur. It is an area so varied that it contains both flood plains and sand hills, swamps and bogs, forests and savannahs. Plant and animal life flourishes in the preserve. There are over 300 kinds of birds found in the area as well as 40 wild orchid species. The Big Thicket includes eight different biological habitats. There are plants representing the Appalachians, the tropics, and even the desert. People who have spent time studying the Big Thicket have called it the "biological crossroads of North America."

The areas which I am once again proposing for inclusion in this unique preserve will add to that rich diversity and help to protect the biological integrity of the existing units. The Canyonlands units contains beautiful scenic areas of steep walls, spring-fed creeks, and rare plants. The Big Sandy Creek and Village Creek corridor units not only add to the scenic beauty and ecological diversity of the preserve, but they will also connect three major preserve units. These corridor units will provide an important migration pathway for plant and animal species, thereby helping to maintain the rich diversity of species found in the Big Thicket Preserve.

Mr. President, the Big Thicket is a rare mixture of diverse ecosystems. It is beautiful, it is unique, it is a rich source for scientific research.

Preservation of the Big Thicket has been a bipartisan effort on the part of many Texans over the years, and I hope that it will continue to be so. A Texas Congressman named George Bush once introduced legislation to establish a Big Thicket National Preserve, including the same areas proposed in the bill which I am introducing today. I look forward to working with the administration of President Bush to enact this proposal into law.●

By Mr. BENTSEN:

S. 1303. A bill to amend the Internal Revenue Code of 1986 to restrict the partial exclusion from income of interest on loans used to acquire employer securities to cases where employees receive a significant ownership interest in a corporation, and for other purposes; to the Committee on Finance.

LIMITATIONS ON PARTIAL EXCLUSION OF INTEREST ON LOANS USED TO ACQUIRE EMPLOYER SECURITIES

Mr. BENTSEN. Mr. President, today I am introducing a bill to substantially modify section 133 of the Internal Revenue Code dealing with employee stock ownership plan [ESOP's]. Section 133 permits a bank, insurance company or other financial institution to exclude from income 50 percent of the interest paid on a loan to an ESOP. It is one of a number of provisions in the Internal Revenue Code designed to advance the idea of employee stock ownership.

In enacting this provision, Congress intended to encourage the establishment of meaningful ESOP's for the benefit of employees. That was a laudable goal and one that I believe we must continue to pursue.

Congress did not intend, however, to enact a provision which would be as far reaching as this one has turned out to be. Congress did not intend for banks, insurance companies and other financial institutions to substantially reduce their tax liability, while only passing a relatively small portion of the savings through to the ESOP. Congress did not intend for companies to abandon existing retirement arrangements and replace them with ESOP's that provide little if anything in the way of improved benefits. There was no intent to provide an incentive to transactions that do not achieve the policies which originally led to the enactment of tax incentives for ESOP's. To transactions which do not result in meaningful employee interest and involvement in the productivity and profitability of the company. And finally, no one anticipated that the pro-

vision would cost the Federal Government up to $10 billion over the next 5 years. In short, the provision would not have been enacted in its present form if all of its implications had been known.

Accordingly, Mr. President, I am now proposing to substantially modify section 133 to more directly target the tax advantages to deserving ESOP's. To ESOP's which encourage meaningful employee ownership and involvement in the work place. The bill does this by limiting the availability of section 133 to loans involving companies that are at least 30 percent employee-owned. To qualify, ESOP shares must also provide meaningful ownership—they must include voting rights on all issues.

The chairman of the Ways and Means Committee and the Senate Republican leader have both introduced bills that would repeal section 133 of the Internal Revenue Code in its entirety. That is not the approach chosen in the bill which I introduce today, but I want to commend Senator DOLE and Chairman ROSTENKOWSKI for their leadership in moving quickly to close the floodgates on the revenue loss which was occurring. They saw the problem and dealt with it. I commend them for their prompt action.

Given time to prepare a more targeted approach, I think the bill which I am introducing has found a way to tailor the changes to eliminate the abuses, but to also allow ESOP's that are particularly advantageous to employees to continue to benefit from the current law incentives. Quite simply, in some cases the tax incentives work—employees derive significant benefits. This bill targets the incentives to ESOP's where the employees are really getting a meaningful stake—where they are involved in the ESOP and in the success of the company.

Let me also alert taxpayers to the effective date of the bill. The bill is generally effective for loans on or after June 7, 1989. That is the day Chairman ROSTENKOWSKI introduced his bill and it is the general effective date that Senator DOLE chose for this bill. The bill also provides that companies with binding written commitments to borrow or to acquire stock prior to June 7 would not be subject to the changes made by the bill. Refinancings of existing loans and of loans made pursuant to binding contracts would also not be effected by the bill.

Finally, let me emphasize that the bill which I introduced today will increase Federal revenues by over $1 billion in fiscal year 1990 and almost $10 billion over the next 5 years. It will raise that money by eliminating the tax advantages for transactions that do not result in significant benefits to employees, but it will retain the benefits for ESOP's which provide employees with a meaningful stake in the enterprise.

Mr. President, I ask unanimous consent that the bill and a more detailed description of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATIONS ON PARTIAL EXCLUSION OF INTEREST ON LOANS USED TO ACQUIRE EMPLOYER SECURITIES.

(a) EXCLUSION AVAILABLE ONLY WHERE EMPLOYEES RECEIVE SIGNIFICANT OWNERSHIP INTEREST.—Subsection (b) of section 133 of the Internal Revenue Code of 1986 (defining securities acquisition loans) is amended by adding at the end thereof the following new paragraph:

"(6) PLAN MUST HOLD 30 PERCENT OF STOCK AFTER ACQUISITION OR TRANSFER.—

"(A) IN GENERAL.—A loan shall not be treated as a securities acquisition loan for purposes of this section unless, immediately after the acquisition or transfer referred to in subparagraph (A) or (B) of paragraph (1), respectively, the employee stock ownership plan owns (after application of section 318(a)(4)) at least 30 percent of—

"(i) each class of outstanding stock of the corporation issuing the employer securities, or

"(ii) the total value of all outstanding stock of the corporation.

"(B) STOCK.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'stock' means stock other than stock described in section 1504(a)(4).

"(ii) TREATMENT OF CERTAIN RIGHTS.—The Secretary may provide that warrants, options, contracts to acquire stock, convertible debt interests and other similar interests be treated as stock for 1 or more purposes under subparagraph (A)."

(b) TERM OF LOAN MAY NOT EXCEED 15 YEARS.—Paragraph (1) of section 133(b) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new sentence: "The term 'securities acquisition loan' shall not include a loan with a term greater than 15 years."

(c) VOTING RIGHTS.—Subsection (b) of section 133 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by adding at the end thereof the following new paragraph:

"(7) VOTING RIGHTS OF EMPLOYER SECURITIES.—A loan shall not be treated as a securities acquisition loan for purposes of this section unless—

"(A) the employee stock ownership plan meets the requirements of section 409(e)(2) with respect to all employer securities acquired by, or transferred to, the plan in connection with such loan (without regard to whether or not such securities are a registration-type class of securities), and

"(B) no stock described in section 409(l)(3) is acquired by, or transferred to, the plan in connection with such loan unless—

"(i) such stock has voting rights equivalent to the stock to which it may be converted, and

"(ii) the requirements of subparagraph (A) are met with respect to such voting rights."

(d) TAX ON DISPOSITION OF SECURITIES BY EMPLOYEE STOCK OWNERSHIP PLANS.—

(1) IN GENERAL.—Chapter 43 of such Code is amended by inserting after section 4978A the following new section:

"SEC. 4978B. TAX ON DISPOSITION OF EMPLOYER SECURITIES TO WHICH SECTION 133 APPLIED.

"(a) IMPOSITION OF TAX.—In the case of an employee stock ownership plan which has acquired section 133 securities, there is hereby imposed a tax on each taxable event in an amount equal to the amount determined under subsection (b).

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) shall be equal to 10 percent of the amount realized on the disposition to the extent allocable to section 133 securities under section 4978A(d).

"(2) DISPOSITIONS OTHER THAN SALES OR EXCHANGES.—For purposes of paragraph (1), in the case of a disposition of employer securities which is not a sale or exchange, the amount realized on such disposition shall be the fair market value of such securities at the time of disposition.

"(c) TAXABLE EVENT.—For purposes of this section—

"(1) DISPOSITIONS WITHIN 3 YEARS.—Any disposition of any employer securities by an employee stock ownership plan within 3 years after such plan acquired section 133 securities, and

"(A) the total number of employer securities held by such plan after such disposition is less than the total number of employer securities held after such acquisition, or

"(B) except to the extent provided in regulations, the value of employer securities held by such plan is less than 30 percent of the total value of all employer securities at the time of the disposition.

"(2) STOCK DISPOSED OF BEFORE ALLOCATION.—Any disposition of section 133 securities to which paragraph (1) does not apply if—

"(A) such disposition occurs before such securities are allocated to accounts of participants or their beneficiaries, and

"(B) the proceeds from such disposition are not so allocated.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) EXCEPTIONS.—Rules similar to the rules of section 4978A(e) shall apply.

"(2) LIABILITY FOR PAYMENT OF TAXES.—The tax imposed by this section shall be paid by the employer.

"(3) SECTION 133 SECURITIES.—The term 'section 133 securities' means employer securities acquired by an employee stock ownership plan in a transaction to which section 133 applied, except that such term shall not include—

"(A) qualified securities (as defined in section 4978(e)(2)), or

"(B) qualified employer securities (as defined in section 4978A(f)(2)).

"(4) DISPOSITION.—The term 'disposition' includes any distribution.

"(5) ORDERING RULES.—For ordering rules for dispositions of employer securities, see section 4978A(d)."

(2) CONFORMING AMENDMENTS.—

(A) Section 4978A(d) of such Code is amended by redesignating paragraphs (3) and (4) as paragraphs (5) and (6) and by inserting after paragraph (2) the following new paragraphs:

"(3) Third, from section 133 securities (as defined in section 4978B(d)(3)) acquired during the 3-year period ending on the date

of such disposition, beginning with the securities first so acquired.

"(4) Fourth, from section 133 securities (as so defined) acquired before such 3-year period unless such securities (or proceeds from the disposition) have been allocated to accounts of participants or beneficiaries."

(B) Section 4978A(d)(5) of such Code, as redesignated by clause (i), is amended by striking "Third" and inserting "Fifth".

(C) The table of sections for chapter 43 of such Code is amended by inserting after the item relating to section 4978A the following new item:

"Sec. 4978B. Tax on disposition of employer securities to which section 133 applied."

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to loans made after June 6, 1989.

(2) BINDING COMMITMENT EXCEPTION.—The amendments made by this section shall not apply to any loan—

(A) which is made pursuant to a binding written commitment in effect on June 6, 1989, and at all times thereafter before such loan is made, or

(B) to the extent that the proceeds of such loan are used to acquire employer securities pursuant to a written binding contract (or tender offer registered with the Securities and Exchange Commission) in effect on June 6, 1989, and at all times thereafter before such securities are acquired.

(3) REFINANCINGS.—The amendments made by this section shall not apply to loans made after June 6, 1989, to refinance securities acquisition loans made on or before such date or to refinance loans described in paragraph (2) if—

(A) such loans meet the requirements of section 133 of the Internal Revenue Code of 1986 (as in effect before such amendments) applicable to such loans, and

(B) immediately after the refinancing the principal amount of the loan resulting from the refinancing does not exceed the principal amount of the refinanced loan (immediately before the refinancing).

DETAILED DESCRIPTION OF AMENDMENTS TO SECTION 133 OF THE INTERNAL REVENUE CODE

PRESENT LAW

Leveraged ESOPs

Present law generally prohibits loans between a qualified plan and a disqualified person (sec. 4975). An exception to this rule is provided in the case of an employee stock ownership plan (ESOP).

If employer securities are acquired by an ESOP with loan proceeds, the ESOP is referred to as a leveraged ESOP. The ESOP may borrow directly from a financial institution (typically with a guarantee from the employer), or the employer may borrow from a financial institution and in turn lend the funds to the ESOP which then uses them to acquire employer securities. The employer securities are typically pledged as security for the loan. The employer makes contributions to the ESOP which are then used to repay the acquisition loan. Shares that are acquired with an acquisition loan are allocated to the accounts of ESOP participants as the loan is repaid.

In general, the type of employer securities that may be held by an ESOP are (1) common stock of the employer that is readily tradable on an established securities market, or (2) if there is no such common stock, common stock issued by the employer having a combination of voting power and dividend rights at least equal to that class of common having the greatest voting power and that class of common having the greatest dividend power. Noncallable preferred stock is treated as employer securities if such stock is convertible into stock that meets the requirements of (1) or (2), whichever is applicable.

ESOPs are required to pass through to plan participants certain voting rights with respect to employer securities. If the employer has a registration-type class of securities, the ESOP is required to permit each participant to direct the plan as to the manner in which employer securities allocated to the account of the participant are entitled to vote. If the employer does not have a registration-type class of securities, the plan is required to permit each participant to direct the plan as to the manner in which voting rights are to be exercised only with respect to certain enumerated corporate issues, such as the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, and similar transactions as prescribed by the Secretary.

Interest exclusion for ESOP loans

A bank, an insurance company, a corporation actively engaged in the business of lending money, or a regulated investment company may exclude from gross income 50 percent of the interest received with respect to a "securities acquisition loan" used to acquire employer securities for an ESOP (sec. 133). A "securities acquisition loan" is generally defined as (1) a loan to a corporation or to an ESOP to the extent that the proceeds are used to acquire employer securities for the ESOP, or (2) a loan to a corporation to the extent that the corporation transfers an equivalent amount of employer securities to the ESOP and such securities are allocable to accounts of ESOP participants within 1 year of the date of the loan (an "immediate allocation loan").

EXPLANATION OF THE BILL

The bill limits the circumstances in which the partial interest exclusion applies. In general under the bill, the partial interest exclusion does not apply to a secutities acquisition loan unless (1) immediately after the acquisition of the securities acquired with the loan the ESOP owns at least 30 percent of each class of outstanding stock of the corporation issuing the employer securities or 30 percent of the total value of all outstanding stock of the corporation, (2) the term of the loan does not exceed 15 years, and (3) each participant is entitled to direct the plan as to the manner in which shares allocated to the participant's account are to be voted. These requirements apply to transfers of stock with respect to an immediate allocation loan as well as other types of securities acquisition loans.

The 30-percent requirement is designed to ensure that the ESOP holds a substantial percent of the company's stock. After the sale of the stock to the ESOP, the ESOP must generally hold the employer securities for at least 3 years. An excise tax is imposed on the employer sponsoring the ESOP if, within 3 years after the acquisition of the employer securities with a loan to which section 133 applies, the ESOP disposes of employer securities and the total number of employer securities held by the ESOP is less than the total number held after the acquisition or the value of the employer securities held by the plan after the disposition is less than 30 percent of the value of the outstanding securities. The excise tax does not apply to certain distributions, such as distributions to plan participants and distributions with respect to certain corporate reorganizations.

An excise tax is also imposed if the ESOP disposes of the employer securities before the securities are allocated to accounts of participants and the proceeds from such disposition are not so allocated.

The amount of each excise tax is 10 percent of the amount realized on the disposition.

These excise tax rules are similar to those that apply in situations where there has been a sale of stock to an ESOP that entitles the seller to defer recognition of gain on the sale (sec. 1042) or an estate tax deduction (sec. 2057).

The bill provides that with respect to shares acquired with a section 133 loan, plan participants must be entitled to direct the plan as to the voting of shares allocated to his or her account on all issues. This requirement applies regardless of whether the employer has a registration-type class of securities. In addition, under the bill, if the shares are convertible preferred stock, the participants must be entitled to direct the voting of such stock as if the preferred stock had the voting rights of the common stock of the employer having the greatest voting power.

EFFECTIVE DATE

The bill is generally effective with respect to loans made after June 6, 1989. However, the bill does not apply to loans made after such date to refinance loans made on or before such date (or to refinance loans described in the next paragraph), if (1) such refinancing loan meets the requirements of section 133 (as in effect before the amendments made by the bill), and (2) the outstanding principal amount of the loan is not increased.

In addition, the bill does not apply to any loan (1) pursuant to a binding written commitment in effect on June 6, 1989, and at all times thereafter before the loan is made, or (2) the proceeds of which are used to acquire employer securities pursuant to a written binding contract (or tender offer registered with the Securities and Exchange Commission) in effect on June 6, 1989, and at all times thereafter before such securities are acquired.

With respect to the grandfather rule for certain loans made after June 6, 1989, the legislative history would provide that the existence of a written binding loan commitment can be demonstrated, for example, by a combination of documentation by the lender, written communications by the borrower or the borrower's agent (e.g., an investment banker or a broker), and documentation of the borrower showing that the loan was approved by the lender and that the offer to make the loan was received by the borrower. Such documentation would have to include the principal terms of the loan, such as the principal amount, interest rate or spread, and maturity of the loan.

By Mr. GLENN (for himself, Mr. ADAMS, Mr. DASCHLE, Mr. DECONCINI, Mr. KOHL, Mr. LIEBERMAN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. PRYOR, and Mr. STEVENS):

S. 1304. A bill to enhance nuclear safety at Department of Energy nuclear facilities, to modify certain func-

tions of the Defense Nuclear Facilities Safety Board, to apply the provisions of OSHA to certain Department of Energy Nuclear Facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, to encourage a process of environmental compliance and cleanup at these facilities, to protect communities that contain these facilities, and for other purposes; to the Committee on Energy and Natural Resources.

DOE NUCLEAR SAFETY AND ENVIRONMENT ACT

● Mr. GLENN. Mr. President, I rise on this occasion with Senators ADAMS, DASCHLE, DECONCINI, KOHL, LIEBERMAN, METZENBAUM, MIKULSKI, PRYOR, and STEVENS to introduce the Department of Energy Nuclear Safety and Environment Act." My bill is designed to strengthen independent environmental, safety, and health oversight of the U.S. Department of Energy's massive nuclear weapons production complex.

As the United States approaches the end of this century, the need to maintain our nuclear deterrent while protecting the health and environment of our people has become one of the most serious and daunting challenges our Nation now confronts.

Occupying a land base larger than Delaware and Rhode Island combined, the DOE Nuclear Weapons Program operates some 250 nuclear facilities at 17 sites across the country. With over $30 billion in physical assets, and an annual budget of over $9 billion, the DOE bomb program is among the Nation's largest industries. It is also an industry which has thrust our country into a crisis of major proportions. This fact has been underscored by the following revelations of the past few years:

For the first time since World War II the United States has been forced to suspend production of nuclear warhead materials at several DOE facilities because of safety concerns. The failure to resume production of tritium, a perishable warhead fuel, has raised the possibility that the United States may have to cannibalize its nuclear arsenal as an alternative to risking accidents at DOE's aging reactors. This is clearly unacceptable from the point of view of our national security.

The health of a large number of Americans may have been put at risk without their knowledge, as a result of large environmental releases of radioactive and toxic substances by DOE facilities. Unfortunately, DOE's inherent conflict between developing nuclear technologies and determining their health impacts, has created major controversies that have made it all but impossible to establish the degree of potential harm done.

For over four decades, the U.S. Government has virtually ignored the massive accumulation of radioactive and toxic wastes at DOE sites. The severe and largely unknown contamination by these wastes pose one of the most serious national environmental problems in the country. Hundreds of billions of gallons of wastes has been discharged to the soils at DOE sites raising the possibility that certain contaminated areas may prove impossible to clean up.

A recent FBI investigation into possible criminal violations at DOE's rocky flats facility has raised disturbing questions about environmental compliance at DOE sites. While the Congress has enacted several environmental laws over the past 15 years, DOE continues to be among the Nation's worst ongoing polluters. The failure of the DOE to live up to the same environmental laws as the rest of society, undermines the fundamental integrity of these laws.

How could this happen? The answer lies in over 30 reports by the U.S. General Accounting Office, numerous congressional investigations and hearings, DOE internal studies, and scientific reviews generated over the past few years. Secrecy, isolation, decentralized management, and self-regulation—artifacts of the cold war era—have been the biggest contributors to the problem. "The Russians are coming! Produce! Don't tell the public and dump the wastes in the pits out back. We'll worry about them later."

Now is later and the estimated costs of dealing with these problems are truly staggering. According to DOE, in order to operate, modernize, upgrade, and to begin to clean up our nuclear weapons complex by early next century we will probably have to spend about $244 billion. In effect, the U.S. Government is facing the equivalent of a nuclear weapons balloon mortgage payment.

The major assumption upon which U.S. policies of nuclear deterrence have been based—namely that nuclear weapons are a relatively cheap way to keep the peace—have been repudiated by these cost estimates. After discovering the hidden costs we must now pay, I'm sure that many of us who believed in the old addage of nuclear weapons providing the biggest bang for the buck are now experiencing nuclear weapons sticker shock.

Thus, as the Bush administration and the Congress begin to address this critical and historic problem, we should be guided by some basic principles that will assure that the mistakes of the past will not be repeated. With four DOE facilities in my home State of Ohio, and after 9 years of dealing with this problem, I believe that among the most important guiding principles is the need to establish independent oversight of DOE's environmental, safety and health activities. Last year, Congress enacted the DOE Defense Nuclear Safety Oversight Board, which I introduced. This is a good first step. However, more needs to be done. My proposed legislation, which I am introducing today, goes further by creating a comprehensive framework of accountability to assure that the environment, safety, and health of Americans is being protected.

My bill contains eight titles which:

First, strengthens the DOE Defense Nuclear Safety Board by adding facilities excluded by Congress last year, requiring timely and open reporting of unusual occurrences and establishing a clear criteria for removal of board members.

Second, requires the Occupational Safety and Health Administration [OSHA] and the National Institutes for Occupational Safety and Health [NIOSH] to regulate and oversee worker safety and health activities at DOE.

Third, requires wastes generated at DOE facilities that are mixed with radioactive and nonradioactive substances to be regulated under the Resource Conservation Recovery Act [RCRA].

Fourth, establishes a Radiation Research Advisory Board headed by the Department of Health and Human Services to oversee and review the conduct of DOE's radiation health effects research.

Fifth, codifies the DOE's Office of Environment, Safety, and Health and spells out specific functions and duties of this office.

Sixth, requires the DOE, affected States and the EPA to conclude environmental compliance and cleanup agreements which are enforceable by consent decrees after 18 months of enactment.

Seventh, repeals a prohibition attached to the fiscal year 1988 DOE/DOD authorization bill which interferes with DOE's ability to pay penalties assessed for environmental noncompliance.

Eighth, requires the Secretary of Energy, upon closing a DOE facility, to provide Congress a complete survey of environmental problems, budget quality data for site cleanup and a schedule for cleanup.

Good as we hope the current DOE improvement efforts are, it is clear that self-regulation by the DOE has not worked in the past. The General Accounting Office [GAO] has pointed out that DOE's occupational safety and health practices are significantly behind those of the commercial nuclear industry. At the DOE's Feed Material Production Center in Ohio, the GAO reported that the DOE and its predecessor agencies failed to audit the implementation of an overall occu-

pational radiation safety policy for 25 years. Thus, it comes as no surprise that every single labor union representing DOE workers support OSHA/NIOSH oversight at DOE facilities.

DOE's self-regulation has also caused profound environmental problems and skyrocketing cleanup costs. Instead of first defining uniform, safety and health objectives as spelled out by Federal and State laws, the DOE weapons complex has evolved under a scattered and fragmented system where facilities are built first and standards for these facilities are developed later. While this worked during World War II, it is a prime reason why DOE is in such a serious state of crisis. My bill provides the institutional framework to assure that this way of operating won't continue.

DOE's virtual monopoly over radiation health effects research has created a growing controversy by putting itself into an apparent conflict-of-interest situation. And the effects go even further: this research serves as the scientific basis not only for radiation standards affecting the DOE but also for commercial nuclear power and medical uses of radiation. By establishing an outside radiation health effects research oversight panel headed by the Department of Health and Human Services, my bill provides assurance that this important research is conducted responsibly.

Finally, the U.S. Government will have to ensure that DOE sites will not pose environmental hazards once production activities end. At a minimum, the DOE should be required to provide long-term cleanup plans to Congress, with multiyear budget data, once a decision is made to close down a weapons facility. The costs of cleaning up these facilities are extraordinarily high, but the costs of delaying cleanup will be even higher.

I am pleased that DOE Secretary Watkins—a dynamic individual with an outstanding record—is beginning to take a number of initiatives which I support. However, I'm sure that Admiral Watkins will agree that it will be very difficult for one person alone to deal with this enormous and daunting problem. Perhaps if Admiral Watkins were to remain at Energy for 15 years, I would not feel the urgency to introduce this legislation. But people come and people go in Washington. During the estimated decades that will be required to deal with these problems, some future secretaries may not be as capable and dedicated to this task as Secretary Watkins. We must protect the public from any tendency by future administrations to ever drift back into the situation that created this problem in secrecy over a period of more than four decades.

That is why we must assure that there will be a lasting institutional framework of accountability embodied in law to assure that the mistakes of the past will not be repeated regardless of who is in charge of the DOE. My bill provides such a framework. I view this combination of effective internal accountability and independent, external oversight as mutually reinforcing. Both are vitally necessary if we are going to get on with the modernization and cleanup of the weapons program.

In the absence of a national emergency, the notion of harming the health and safety of large numbers of Americans in order to produce nuclear weapons makes a mockery of the phase "national security." We must face up to this reality by bringing America's nuclear weapons industry into the modern era by making it accountable to the citizens it is designed to protect.●

● Mr. LIEBERMAN. Mr. President, I rise to voice my support for the nuclear safety bill which has been introduced today by my distinguished colleague, the senior Senator from Ohio. Senator GLENN has been following this problem and pressing for action on it for years. By introducing the Department of Energy Nuclear Safety and Environment Act, Senator GLENN has taken a major new step to correct problems which he has ably demonstrated must receive attention.

The problem of health and safety of workers at DOE nuclear production and utilization facilities and the release of dangerous and environmentally damaging emissions from these facilities is not a new one. We know that the problem is major but the dimensions have not been identified because, since the end of World War II, there has been a cloak of secrecy surrounding the production of our nuclear weapons. Of course, secrecy is vital in this area. But the need for secrecy has been used to prevent oversight of these DOE operations and has frustrated any legitimate counterbalance to the DOE emphasis on production. The problem now involves operations in more than a dozen states in our country, hundreds of thousands of workers and countless numbers of our citizens who have unknowingly been subjected to potentially damaging hazards to their health.

This is intolerable; not even in the name of national security should it have been permitted to happen. Where, if not in our homes and work sites are we to be secure? The two goals of national security and protection of our workers and general populace are not mutually exclusive ones. We have mechanisms to permit the satisfaction of both of these goals, and Senator GLENN's proposed legislation sets forth the means by which this can be accomplished.

Secretary of Energy James D. Watkins has recently announced a 10-point plan to strengthen environmental protection and waste management activities at DOE's production, research and testing facilities. He has done this after a review of the past and current situation at these facilities which convinced him that the DOE outlook had to be significantly revamped to create a "culture of accountability within the department." The Secretary is to be commended for his candor and the actions that he has initiated to correct the serious problems that he has found. I wish him well with the major changes that he is hoping to accomplish. Recognition and admission of a problem is the first step toward solution and, after years of secrecy and denial, the Secretary's actions are welcome.

There is a vast difference, however, between good intentions and sound pronouncements by the Secretary and the legal authority for independent agencies to inspect and regulate the DOE facilities which are the source of the problems. This bill would provide the certainty which our workers and citizens are entitled to expect where they live and on their jobsites.

Mr. President, the legislation which has been introduced today provides for the appropriate oversight of the DOE weapons facilities by OSHA, NIOSH and EPA which will guarantee to our citizens that their right to the protection of their domestic security will not be endangered by their equal right to the protection of national security. The prompt passage of this legislation will send a message to our people that we care about their health and safety and that the concept of security does not just apply to foreign affairs.●

● Mr. KOHL. Mr. President, I am pleased to join my distinguished colleague from Ohio in introducing this legislation today which will make much needed and long overdue changes in the way in which our Nation's nuclear weapons plants are managed.

For decades, these plants have been operated without even the slightest regard for the health and safety of the millions of dedicated employees who have worked at these plants. These employees, many of whom have worked in dangerous and unhealthy conditions over the course of many years, deserve better. Their efforts contributed a great deal to the Nation's defense, and yet their nation has failed so miserably to defend their health and safety.

Mr. President, it is time to turn this hypocrisy around. It's time to prove that the U.S. Government has the common decency to afford its employees the same protections guaranteed to workers in the private sector.

Furthermore, it is time to prove that the Federal Government and its contractors will obey the same State and Federal environmental laws which

apply to everyone else. The American people want a clean environment. Their demands have resulted in numerous laws to protect our water, air, and land. I do not think people care about the source of the pollution—they just want to see it stopped. The fact that the Federal Government is the polluter does not make the pollution any less dangerous. If anything, the Federal Government—including the Department of Energy—should set an example for the private sector in environment compliance, rather than ignoring the law.

The deplorable situation which has existed for years at the DOE weapons plants is like a bad joke being played on the American people. They were led to believe that these weapon materials plants were essential to their defense, their safety. Ironically, these same people have faced greater risks from the plants themselves than from any foreign threats.

Mr. President, the bill that we are introducing today will finally bring the Department of Energy out of the Dark Ages and into the 20th century. It applies the Occupational Safety and Health Administration standards to activities at DOE facilities, it reaffirms the fact that Federal environmental laws apply to DOE activities, and it strengthens the Nuclear Safety Board established by law in the last Congress to provide independent oversight to DOE health and safety functions.

Indeed, I applaud the stark candor which has recently emerged from the Department of Energy. I am astonished by the frankness with which the Department has admitted guilt for environmental and safety violations over the past 30 years. Secretary Watkins certainly deserves credit for this drastic turnaround. He has pledged that the "veil of secrecy" which has long shrouded our nuclear weapons production system will be lifted, and that safety will be a higher priority than production goals. He has admitted that the American public and many Government officials have been lied to by the entrenched bureaucracy within the Department of Energy over the course of many years, and he has promised to be forthcoming in the future.

These promises from Secretary Watkins are much welcomed, and this bill should help him to achieve his worthy goals. But beyond that, this bill—if enacted—would provide a much needed guarantee that the Department will never return to the days when bomb production goals outweighed any human health, safety, or environmental concerns. This bill will ensure that no matter who is in the White House, or who is in the Secretary's seat, the public health and safety will not be jeopardized by the same bureaucratic myopia which has endangered American lives in the interest of a bigger nuclear stockpile.

The Nation needs this bill—it is a fair and reasonable piece of legislation. It is time for the DOE to join the real world—a world which respects human health, safety, and the environment. I commend Senator GLENN for introducing the bill, and will do everything I can to work toward its enactment.●

By Mr. CRANSTON (by request):

S. 1305. A bill to amend title 38, sections 5002(d), 50004(a)(3)(A), and 5009(i)(2) United States Code, to raise the Department of Veterans Affairs minor construction cost limitation from $2 million to $3 million and for other purposes; to the Committee on Veterans' Affairs.

AMENDING THE UNITED STATES CODE WITH REGARD TO VETERANS AFFAIRS' COSTS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 1305, to increase from $2 million to $3 million the upper limit on Department of Veterans Affairs construction projects considered to be minor projects. The Secretary of Veterans Affairs submitted this legislation by letter dated June 19, 1989, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the June 19, 1989, transmittal letter and enclosed section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1305

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That Chapter 81 of title 38, section 5002(d), United States Code, is amended by striking from section 5002(d) the language "medical facility which is expected to involve a total expenditure of more than $2,000,000," and inserting in lieu thereof the phrase "major medical facility project as defined in section 5004(a)(3)(A)."

SEC. 2. Chapter 81 of title 38, section 5004(a)(3)(A), United States Code, is amended by striking the dollar threshold stated in section 5004(a)(3)(A) "$2,000,000," and inserting in lieu thereof "$3,000,000".

SEC. 3. Chapter 81 of title 38, section 5009(i)(2), United States Code, is amended by striking the dollar threshold stated in section 5009(i)(2) "$2,000,000," and inserting in lieu thereof "$3,000,000".

DEPARTMENT OF VETERANS AFFAIRS,
OFFICE OF THE SECRETARY OF VETERANS AFFAIRS,
Washington, DC, June 19, 1989.

Hon. DAN QUAYLE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To amend title 38, section 5004(a)(3)(A), United States Code, to raise the Department of Veterans Affairs' minor construction cost limitation from $2 million to $3 million and for other purposes." It is requested that the bill be referred to the appropriate committee for prompt consideration and enactment.

The draft measure would amend title 38, section 5004(a)(3)(A), by changing the dollar threshold which, in part, defines a VA major medical facility project, from $2 million to $3 million. Corresponding amendments are required to title 38, section 5002(d), which requires the Secretary to consider the sharing of health-care resources with the Department of Defense when projects cost over $2 million and section 5009(i)(2) which provides that funds in the revolving fund may be expended for a project of more than $2 million for the construction, alteration, or acquisition of a parking facility.

The proposal to increase the minor construction limitation from $2 million to $3 million is primarily based on the need to stay current with inflation. While inflation is indeed the primary element in the request for an increase in the minor construction limitation, program efficiency is also an important element in this proposal. The trend towards planning a project into multiple smaller projects or phases, each with its own distinct identity is becoming more prevalent in order to keep within the current $2 million limitation. Each of these projects or phases require the full administrative process from inception to completion. Increasing the minor construction limitation to $3 million would help reduce the possible need for multiple projects or phasing and increase administrative productivity on projects. The proposal would produce these savings by reducing the need for multiple projects and through program efficiencies but savings are not quantifiable.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this legislative proposal to the Congress.

EDWARD J. DERWINSKI,
Secretary.

SECTION-BY-SECTION ANALYSIS

Section 1 of the draft bill would amend section 5002(d) of title 38 to provide that the Secretary will consider the possibility of a sharing agreement with the Department of Defense as an alternative to all or part of a major medical facility project. This proposed change ties the statutory requirement to all major medical facility projects as defined by section 5004(a)(3)(A). That is, all medical facility projects for which appropriations are sought as "major construction" projects.

Instead of using a specific dollar level, section 5002(d) would be amended to indicate that consideration to the option of sharing must be given before the "construction, alteration, or acquisition . . . of a major medical facility." Under the existing statute

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"major medical facility project" is defined as "a project for the construction, alteration, or acquisition of a medical facility involving a total expenditure of more than $2 million." See 38 U.S.C. § 5004(a)(3)(A) (1989).

Section 2 of the draft bill would amend section 5004(a)(3)(A) of title 38 to increase the statutory minor construction cost limitation from $2 million to $3 million. This proposed change reflects increased costs for construction as a result of inflation.

Section 3 of the draft bill would amend section 5009(i)(2) of title 38 to increase the dollar limit currently set forth in the statute thereby making it consistent with the proposed changes.

Current law (38 U.S.C. § 5004(a)(3)(A) and the Construction, Minor, appropriation language) limits the cost of minor construction projects to $2 million or less. This level has been in effect since Fiscal Year 1981. Prior to Fiscal Year 1981, the cost limitation for major projects was $1 million.

By Mr. CRANSTON (for himself, Mr. BINGAMAN, Mr. DECONCINI, Mr. GRAHAM, Mr. MATSUNAGA, and Mr. ROCKEFELLER):

S. 1306. A bill to amend title 38, United States Code, to extend the preventive health care pilot program of the Department of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

EXTENDING THE PREVENTIVE HEALTH CARE PILOT PROGRAM OF THE DEPARTMENT OF VETERANS AFFAIRS

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am today introducing, on behalf of Senator BINGAMAN and myself, S. 1306 a bill to extend for 5 years—through September 30, 1994—expand, and improve the Department of Veterans Affairs [VA] preventive health care program I originally authored in 1979. Joining us as cosponsors on this measure are committee members DECONCINI, GRAHAM, MATSUNAGA, and ROCKEFELLER.

Although the preventive health care services pilot program in subchapter VII of chapter 17 of title 38 expired on September 30, 1988, VA has continued to provide preventive health care and health promotion services pursuant to its general health care authority under chapter 17. However, in this time of serious budget constraints for VA health care and all Federal spending, I am concerned that funds for preventive health care and health promotion have been and will continue to be difficult to come by, and the bill we are introducing today would preserve VA's preventive health care and health promotion services despite the current severe budget situation.

SUMMARY OF PROVISIONS

Specifically, this bill includes provisions which would:

First, extend, until September 30, 1994, the requirement for the Secretary of Veterans Affairs to conduct a pilot progam of preventive health care services.

Second, expand the categories of veterans to whom VA is required to furnish such services to include all veterans who are entitled to receive the care or treatment that they are receiving.

Third, require that those veterans annually be offered a minimum of two preventive health care services when they are otherwise receiving inpatient or outpatient care.

Fourth, require that each VA health care facility implement a major preventive health care and health promotion initiative for those veterans.

Fifth, expressly provide that the scope of preventive health care services under the pilot program includes stress management, smoking cessation, physical fitness, and screening for high blood pressure, glaucoma, colorectal cancer, and cholesterol.

Sixth, require the Secretary to submit reports—in February 1992 and February 1994—on the experience under the pilot program.

Seventh, limit expenditures under the pilot program to $16 million in fiscal year 1990, $17 million in fiscal year 1991, $18 million in fiscal year 1992, $19 million in fiscal year 1993, and $20 million in fiscal year 1994.

Eighth, require that VA's Chief Medical Director [CMD] designate an official in the Veterans Health Services and Research Administration [VHS&RA] as the Director of Preventive Health and Health Promotion Programs, with responsibility for preparing guidance regarding and coordinating and evaluating, and advising the CMD on, all activities under this legislation.

BACKGROUND

Mr. President, although there has not been a conclusive study—in VA or anywhere else—which proves the cost effectiveness of preventive health care, and it is impossible to know with certainty exactly what health problems preventive health care and health promotion services deter, most medical personnel and the general population agree on the value of these activities. In this era of increased emphasis on reducing the cost of medical care and increased efforts to prevent disease and disability, I believe that VA has a special responsibility—because of its size, the number of individuals it treats annually, and its significant responsibility, through active affiliations with health care training institutions, for the training of our Nation's health care providers—to try to learn more about the impact, in terms of cost and improved health, of providing preventive health care services to veterans entitled to VA care.

Because of my conviction about VA's special responsibility in this respect, I have previously authored legislation addressing this issue. In 1976, I introduced and the Senate passed, in S. 2908, a provision to authorize VA to establish a preventive health care program. In 1977, I authored a preventive health care provision—originally in S. 1693—which was included in the Senate-reported-and-passed version of H.R. 5027. Unfortunately, the House refused to accept either provision. However, in 1979, the provision which I authored in S. 7 to authorize VA to establish a preventive health care pilot program was enacted that year in Public Law 96-22. This preventive health care pilot program was targeted to veterans with service-connected disabilities rated at 50 percent or greater and veterans receiving VA care for the treatment of service-connected disabilities. In 1983, I introduced, in S. 11, provisions enacted in Public Law 98-160 modifying this preventive health care program (a) to require VA to provide at least one preventive health care service to veterans previously authorized to receive preventive care while otherwise receiving VA care, and (b) to authorize VA to provide preventive health care services to all veterans otherwise being furnished care under chapter 17 of title 38. The 1983 committee report on S. 578—S. Rept. No. 98-145, pp. 33-36—further describes the legislative history of VA preventive health care services.

In implementing Public Law 98-160, VA developed a list of preventive medicine services to be used as guidance for its facilities across the Nation. This list, which is altered and updated often, now includes the following services or interventions: Alcohol and drug abuse counseling, breast cancer screening, cervical cancer screening, cholesterol screening, colorectal cancer screening, hypertension screening, influenza immunizations, nutrition/weight control counseling, osteoporosis counseling, physical fitness, and smoking cessation. Every VA facility has a preventive medicine coordinator who is responsible for monitoring the implementation of the program and who serves as the liaison for preventive medicine activities.

Each year the Preventive Medicine Field Advisory Group [PMFAG], a group of between five and nine VA physicians who serve as a liaison between VA health care facilities and VA Central Office, while encouraging all these preventive health care services and interventions, recommends one preventive service to receive special systemwide emphasis. This practice of emphasizing one special preventive service per year augments the health services being provided to veterans and provides education and awareness to professionals and patients as well. VA expects that through these highlighted interventions there will be a greater awareness of the importance of preventive medicine in the veteran population. Beginning midway through fiscal year 1985 and continuing

through fiscal year 1986, the special initiative was influenza immunization; in fiscal year 1987, it was colorectal cancer screening; in fiscal year 1988, it was smoking cessation; and, currently, in fiscal year 1989, it is cholesterol screening.

On August 12, 1988, VA released a final report on preventive health care services under Public Law 98-160. According to this report, 84 facilities provided services other than those on the recommended list, and over 50 different activities were reported throughout the system. These included glaucoma screening, preventive foot care, stress management, hearing conservation, and a variety of counseling and other health-education activities. The most widespread preventive health care measure in 1987 was hypertension screening, with over 3 million tests performed in that year. In addition, colorectal cancer screening and influenza immunization both showed increases from 1985 to 1987. Finally, the 1988 report noted increases in the number of preventive health care services for women veterans, with over 2,000 mammograms and pap smears provided in 1987. This is an encouraging trend and one I hope will continue and accelerate.

EXPANSION OF PREVENTIVE HEALTH-CARE MANDATORY SERVICES

Mr. President, the bill that we are introducing today expands the category of veterans who are entitled to preventive health care to include, in addition to those with service-connected disabilities rated 50 percent or more and those receiving care or treatment to which they are entitled. In the case of those receiving hospital or nursing-home care, this includes all category A patients—primarily veterans who have any service-connected disability, who are ex-POW's or World War I veterans, who have disabilities that may be related to their exposure to radiation from a nuclear detonation or to an herbicide in Vietnam, or who have incomes below the category A maximum. In the case of those receiving outpatient treatment, this includes primarily those being treated for service-connected disabilities, those with service-connected disabilities rated at 50 percent or more being treated for any disability and, when receiving treatment necessary to prepare for or obviate hospitalization or to follow up on institutional care, veterans who have service-connected disabilities rated at 30 or 40 percent and those with incomes not exceeding the applicable maximum rate of VA need-based pension.

Implementation of this measure should not become an additional burden to VA health care practitioners. When a veteran receives VA health care for any health problem, there is very often some preventive health care involved as well, and it is standard practice for health care professionals to ask about a patient's medical history and personal habits and to check a patient's blood pressure and other vital signs. By expanding the preventive health care. We seek to make sure all veterans who are entitled to the inpatient or outpatient care they are receiving are also furnished preventive care.

The requirement that these entitled veterans receive two services rather than one service is designed to give VA impetus to expand this program. As I mentioned previously, preventive health care measures are easy to incorporate into examinations of patients who are otherwise receiving care; indeed, they are often, or usually should be, a part of that care already. This expansion of preventive health care seeks to improve veterans' health for little or no additional cost.

In addition to requiring VA to furnish preventive health care services to veterans who are entitled to the care they are receiving, this legislation would leave intact the current provisions—sections 610, 612, and 601(6) of title 38—authorizing VA to furnish such services to any other veteran who is receiving VA care. Preventive health care is neither burdensome nor expensive, so under this existing discretionary authority VA would continue to be in the position of being able to provide these services whenever that is feasible and appropriate. It is often a simple matter to add preventive health care services to the care a veteran is otherwise receiving.

This legislation would also require that VA annually implement at all VA health care facilities a major preventive health care or health promotion initiative for veterans entitled to preventive health care. This focused approach is designed to direct veterans' attention to a specific health issue, provide them with useful information about that issue, and screen them for related health risks or problems. Since VA currently chooses a particular program to emphasize each year, the bill would codify this valuable administrative practice.

In addition, this legislation calls for the Chief Medical Director to designate an official in VHS&RA as the Director of Preventive Health and Health Promotion Programs. This official would be charged with preparing guidance regarding and coordinating and evaluating, and advising the CMD on, preventive health care, health promotion, and related activities under this legislation. By establishing this position, we seek in this legislation to increase the visibility and importance of, and provide a better focus on, preventive health care and health promotion services in VA.

The bill would amend the definition of preventive health care services in section 662 of title 38, which sets the scope of such services under the pilot program, in order to list expressly certain services that VA is already providing: information about stress management, smoking cessation, and physical fitness, and screening for high blood pressure, glaucoma, colorectal cancer, and cholesterol. Such services are already part of VA medical examinations or patient-health education, or have been stressed as annual nationwide initiatives.

Our bill also would require the Secretary to submit two reports—in 1992 and 1994—on VA's preventive health care and health promotion activities. These reports are important for assessing the scope of these VA programs and the cost effectiveness of preventive health care in general and should help the Congress determine the future of the program at the end of the next 5-year period.

Finally, this legislation would continue to limit the amount VA can spend on preventive health care and health promotion services under the pilot program. From the $15 million limit for fiscal year 1988, the bill would increase the cap to $16 million in fiscal year 1990, and—at a rate of $1 million per year—to $20 million in fiscal year 1994. In this time of such serious budget deficits, I strongly believe it is desirable to retain a cost limit when providing for expansion of such a program.

CONCLUSION

Mr. President, I am keenly aware of the current budgetary strains in the VA medical care system, but I am also—and have long been—convinced of the value and cost effectiveness of preventive health care and health promotion services. This measure would provide—I believe in a cost-effective manner—for the furnishing of important services and information to improve veterans' health today and help avoid health problems in the future. I urge my colleagues' support for this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFERENCE TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. EXTENSION OF PREVENTIVE HEALTH-CARE SERVICES PILOT PROGRAM.

Paragraph (1) of section 663(a) is amended to read as follows:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"(1) In order to carry out the purpose of this subchapter, the Secretary, through fiscal year 1994—

"(A) shall furnish annually at least two preventive health-care services that the Secretary determines to be feasible and appropriate to any veteran being furnished care or services under section 610(a)(1) or 612(a)(1) or (2) of this title; and

"(B) shall implement annually at each Department of Veterans Affairs health-care facility a major preventive health-care and health-promotion initiative for such veterans.".

SEC. 3. LIMIT ON EXPENDITURES.

Section 663(c) is amended—

(1) by striking out "or" after "1993,"; and

(2) by striking out the period at the end and inserting in lieu thereof ", more than $16,000,000 in fiscal year 1990, more than $17,000,000 in fiscal year 1991, more than $18,000,000 in fiscal year 1992, more than $19,000,000 in fiscal year 1993, or more than $20,000,000 in fiscal year 1994.".

SEC. 4. DIRECTOR OF PREVENTIVE HEALTH-CARE AND HEALTH-PROMOTION PROGRAMS.

Section 663 is amended by adding at the end the following new subsection:

"(d)(1) The Chief Medical Director shall designate an official in the Veterans Health Services and Research Administration to act as the Director of Preventive Health-Care and Health-Promotion Programs.

"(2) The Director of Preventive Health-Care and Health-Promotion Programs shall prepare guidance regarding and be responsible for coordinating and evaluating, and advising the Chief Medical Director on, all activities carried out under this subchapter.".

SEC. 5. REPORTS.

Section 664 is amended to read as follows:

"(a) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives—

"(1) not later than February 1, 1992, an interim report on the experience under the program provided for by this subchapter; and

"(2) not later than February 28, 1994, a final report on the experience under the program.

"(b) Each report submitted pursuant to subsection (a) of this section shall include, with respect to the experience under the program through September 30 of the year preceding the deadline for submission of such report specified in subsection (a) of this section—

"(1) a description of the types of services that have been rendered pursuant to section 663(a)(1)(A) and the number of veterans who received such services;

"(2) a description of the preventive health-care and health-promotion initiatives that were implemented pursuant to section 663(a)(1)(B) of this title and the number of veterans who have been served through such initiatives;

"(3) a description of the types of preventive health-care services that have been furnished pursuant to sections 610, 612, and 601(6) of this title and the number of veterans who received such services;

"(4) a description of activities conducted pursuant to section 663(a)(2) of this title;

"(5) an assessment of the results of the program; and

"(6) any plans for administrative action, and any recommendations for legislation, that the Secretary considers appropriate.".

SEC. 6. CONFORMING AND CLARIFYING AMENDMENTS.

(a) Section 661(1) is amended by striking out ", including veterans with service-connected disabilities rated at 50 per centum or more and veterans being furnished care or services involving a service-connected disability under this chapter,".

(b) Clauses (1) and (2) of section 662 are amended to read as follows:

"(1) periodic medical and dental examinations (including screenings for high blood pressure, glaucoma, colorectal cancer, and cholesterol);

"(2) patient health education (including education about nutrition, stress management, physical fitness, and smoking cessation);".

By Mr. PRESSLER:

S. 1307. A bill to amend the Land Remote-Sensing Commercialization Act of 1984 in order to transfer responsibility for archiving land remote-sensing data to the Department of the Interior, and for other purposes; to the Committee on Commerce, Science, and Transportation.

RELATING TO LAND REMOTE-SENSING DATA

Mr. PRESSLER. Mr. President, today I am introducing legislation to transfer the responsibility for archiving the land remote sensing data acquired by the Landsat satellites from the Department of Commerce to the Department of the Interior.

I worked closely with the administration to develop this legislation. The Secretaries of Commerce and the Interior and the Office of Management and Budget have expressed strong support for this transfer. In fact, this legislation simply clarifies a decision worked out last year to transfer funding for the remote sensing archive from Commerce to Interior. That funding transfer is reflected in the fiscal year 1990 administration budget requests for these two departments. In fiscal year 1990 the archive will be funded through the Department of the Interior. This legislation makes it clear that Interior, not Commerce, will now be the responsible department.

The Land Remote-Sensing Commercialization Act of 1984 gave the responsibility for archiving to the Secretary of Commerce. At the time, that made sense. The Landsat program fell under the jurisdiction of the National Oceanic and Atmospheric Administration [NOAA]. The archiving and processing of the Landsat data is handled at the Earth Resources Observation Systems [EROS] Data Center near Sioux Falls, SD. The EROS Data Center [EDC] is a U.S. Geological Survey [USGS] facility, but since NOAA was processing the Landsat data, it also made sense for NOAA to handle the archiving of that data.

But the 1984 Commercialization Act also began the process of getting NOAA out of the Landsat processing business. Once Landsats 4 and 5 discontinue operations, NOAA will be doing no processing of incoming data at EDC. Without a transfer of authority, NOAA would still be responsible for archiving the old data. It seems to make more sense to everyone involved that this is the proper time to give that responsibility to the Department of the Interior, which operates the facility and is also one of the biggest users of the accumulated data.

NOAA and the USGS signed a memorandum of agreement in May of 1986 outlining such a transfer of responsibility. This legislation is the final step in effectuating that move.

The EROS Data Center is the primary national repository for land remote sensing data. It houses Landsat data collected since 1972. This is one of our most important sources of baseline information for the study of global climate change, as well as long-term trends in land use and deforestation. The USGS is the proper agency to archive these invaluable data.

In the 1990's the EROS Data Center will assume an even greater importance as the repository for land remote sensing data from the Earth Observing System [EOS] program of the National Aeronautics and Space Administration [NASA]. This vital new data, together with the existing two decades of Landsat data, will provide the essential information necessary to understand our global climate system. With that knowledge, we will be better able to deal with the problems of global warming and ozone depletion.

Mr. President, I urge swift consideration of this legislation and ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds that—

(1) section 602 of the Land Remote-Sensing Commercialization Act of 1984 (15 U.S.C. 4272) directs the Secretary of Commerce to provide for the archiving of land remote-sensing data for historical, scientific, and technical purposes, including long-term global environmental monitoring;

(2) the Secretary of Commerce currently provides for the archiving of Landsat data at the Department of the Interior's EROS Data Center, which is consistent with the requirement of such section 602(g) to use existing Federal Government facilities to the maximum extent practicable in carrying out this archiving responsibility;

(3) the Landsat data collected since 1972 are an important global data set for monitoring and assessing land resources and global change;

(4) the Secretary of the Interior maintains archives of aerial photography, digital cartographic data, and other Earth science data at the EROS Data Center that also are important data sets for monitoring and assessing land resources and global change;

(5) it is appropriate to transfer authority for section 602 of the Land Remote-Sensing Commercialization Act of 1984 to the Secretary of the Interior; and

(6) the Secretary of the Interior should explore ways to facilitate the use of archiving data for research purposes consistent with other provisions of such Act.

SEC. 2. AMENDMENTS.

The Land Remote-Sensing Commercialization Act of 1984 is amended—

(1) in section 402(b)(4), by inserting "of the Interior" after "Secretary";

(2) in section 602(b), (c), (d), (f), and (g), by inserting "of the Interior" after "Secretary" each place it appears; and

(3) by adding at the end of section 602 the following new subsection;

"(h) In carrying out the functions of this section, the Secretary of the Interior shall consult with the Secretary to ensure that archiving activities are consistent with the terms and conditions of any contract or agreement entered into under title II, III, or V, of this Act and with any license issued under title IV of this Act.".

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. DOLE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 9, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 11

At the request of Mr. CRANSTON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 11, a bill to provide for the protection of the public lands in the California desert.

S. 16

At the request of Mr. CRANSTON, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 16, a bill to require the executive branch to gather and disseminate information regarding, and to promote techniques to eliminate, discriminatory wage-setting practices and discriminatory wage disparities which are based on sex, race, or national origin.

S. 24

At the request of Mr. WALLOP, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 24, a bill to clarify that charges and fees may be collected in connection with foreign trade zones at certain small airports.

S. 135

At the request of Mr. GLENN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 137

At the request of Mr. BOREN, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 137, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns to limit contributions by multicandidate political committees, and for other purposes.

S. 163

At the request of Mr. THURMOND, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 163, a bill to amend the Internal Revenue Code of 1986 to provide that service performed for an elementary or secondary school operated primarily for religious purposes is exempt from the Federal unemployment tax.

S. 306

At the request of Mr. BENTSEN, the names of the Senator from Indiana [Mr. JOHNSTON], the Senator from California [Mr. WILSON], the Senator from Georgia [Mr. FOWLER], the Senator from Virginia [Mr. ROBB], the Senator from Nebraska [Mr. EXON], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 306, a bill to amend the Social Security Act to make certain modifications in the Medicare Program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes.

S. 335

At the request of Mr. MCCAIN, the names of the Senator from Nevada [Mr. BRYAN] and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal impoverishment benefit.

S. 342

At the request of Mr. DANFORTH, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 342, a bill to amend the Internal Revenue Code of 1986 to provide that certain credits will not be subject to the passive activity rules, and for other purposes.

S. 375

At the request of Mr. HOLLINGS, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 375, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 424

At the request of Mr. THURMOND, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 424, a bill to provide a minimum monthly annuity for the surviving spouses of certain deceased members of the uniformed services.

S. 435

At the request of Mr. REID, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated or under contract with the United States by clarifying the U.S. obligation to observe occupational safety and health standards and clarifying the U.S. responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 488

At the request of Mr. FOWLER, the names of the Senator from Connecticut [Mr. LIEBERMAN] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 488, a bill to provide Federal assistance and leadership to a program of research, development, and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 640

At the request of Mr. KASSEBAUM, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 640, a bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents.

S. 657

At the request of Mr. MITCHELL, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 657, a bill to authorize a national program to reduce the threat to human health posed by exposure to contaminants in the air indoors.

S. 741

At the request of Mr. LAUTENBERG, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 741, a bill to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes.

S. 753

At the request of Mr. GORE, the names of the Senator from Tennessee [Mr. SASSER], the Senator from Arizona [Mr. DECONCINI], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 753, a bill to provide a special statute of limitations for certain refund claims.

S. 771

At the request of Mr. REID, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 804

At the request of Mr. MITCHELL, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 804, a bill to conserve North American wetland ecosystems and waterfowl and the other migratory birds and fish and wildlife that depend upon such habitats.

S. 893

At the request of Mr. LAUTENBERG, the names of the Senator from Maryland [Mr. SARBANES], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 893, a bill to establish certain categories of Soviet and Vietnamese nationals presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Vietnamese parolees.

S. 975

At the request of Mr. METZENBAUM, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 975, a bill to amend the Job Training Partnership Act to encourage a broader range of training and job placement for women, and for other purposes.

S. 1036

At the request of Mr. WIRTH, his name was added as a cosponsor of S. 1036, a bill to improve the economic, community, and educational well-being of rural America, and for other purposes.

S. 1044

At the request of Mr. DOLE, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 1044, a bill to amend the Disaster Assistance Act of 1988 to extend disaster assistance to losses due to adverse weather conditions of 1988 or 1989 for crops planted in 1988 for harvest in 1989, and for other purposes.

S. 1100

At the request of Mr. MCCONNELL, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1100, a bill to provide greater certainty in the availability and cost of liability insurance, to eliminate the abuses of the tort system, and for other purposes.

S. 1153

At the request of Mr. DASCHLE, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1153, a bill to amend title 38, United States Code, to provide for the establishment of presumptions of service-connection between certain diseases experienced by veterans who served in Vietnam era and exposure to certain toxic herbicide agents used in Vietnam; to provide for interim benefits for veterans of such service who have certain diseases; to improve the reporting requirements relating to the "Ranch Hand Study"; and for other purposes.

S. 1201

At the request of Mr. BENTSEN, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Hawaii [Mr. INOUYE], the Senator from West Virginia [Mr. ROCKEFELLER] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 1201, a bill to amend title XIX of the Social Security Act to make certain modifications in the Medicaid program to provide pregnant women and children greater access to health care under such program, and for other purposes.

S. 1202

At the request of Mr. ROTH, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1202, a bill to amend title 10, United States Code, to provide for the centralized planning and conduct of major defense acquisition programs of the Department of Defense, to establish in the Department of Defense a Defense Acquisition Agency, and for other purposes.

S. 1213

At the request of Mr. COHEN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1213, a bill to establish a presumption of eligibility for asylum in the United States for certain natives of the People's Republic of China.

S. 1268

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1268, a bill to amend the Immigration and Nationality Act to permit certain nationals of the People's Republic of China to adjust their status to that of aliens lawfully admitted to the United States for temporary residence.

S. 1291

At the request of Mr. PELL, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1291, a bill to extend and amend the Library Services and Construction Act, and for other purposes.

SENATE JOINT RESOLUTION 48

At the request of Mr. HOLLINGS, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 48, a joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect congressional and Presidential elections.

SENATE JOINT RESOLUTION 80

At the request of Mr. KASTEN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was withdrawn as a cosponsor of Senate Joint Resolution 80, a joint resolution disapproving the recommendations of the Commission on Base Realignment and Closure.

SENATE JOINT RESOLUTION 114

At the request of Mr. THURMOND, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of Senate Joint Resolution 114, a joint resolution expressing the sense of the Congress that the people of the United States should purchase products made in the United States and services provided in the United States, whenever possible, instead of products made or services performed outside the United States.

SENATE JOINT RESOLUTION 132

At the request of Mr. SASSER, the names of the Senator from Michigan [Mr. RIEGLE] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of Senate Joint Resolution 132, a joint resolution designating September 1 through 30, 1989, as "National Alcohol and Drug Treatment Month."

SENATE JOINT RESOLUTION 164

At the request of Mr. NICKLES, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Joint Resolution 164, a joint resolution designating 1990 as the "International Year of Bible Reading."

SENATE JOINT RESOLUTION 167

At the request of Mr. THURMOND, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Nevada [Mr. REID], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Joint Resolution 167, a joint resolution proposing an amendment to the Constitution of the United States to prohibit the desecration of the flag.

SENATE JOINT RESOLUTION 173

At the request of Mr. RIEGLE, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from West Virginia [Mr. BYRD], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 173, a joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain."

SENATE CONCURRENT RESOLUTION 40

At the request of Mr. CRANSTON, the names of the Senator from South Carolina [Mr. HOLLINGS] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Concurrent Resolution 40, a concurrent resolution to designate June 21, 1989, as Chaney, Goodman, and Schwerner Day.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. DECONCINI, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Massachusetts [Mr. KERRY], the Senator from West Virginia [Mr. BYRD], the Senator from Texas [Mr. BENTSEN], the Senator from Illinois [Mr. SIMON], the Senator from Indiana [Mr. LUGAR], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of Senate Concurrent Resolution 46, a concurrent resolution condemning the brutal treatment of, and blatant discrimination against, the Turkish minority by the Government of the People's Republic of Bulgaria.

SENATE RESOLUTION 80

At the request of Mr. KASTEN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Resolution 80, a resolution relating to legislation which would require interstate mail-order companies to impose State taxes on items mailed across State borders.

AMENDMENT NO. 238

At the request of Mr. HATCH, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of amendment No. 238 proposed to S. 358, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes.

AMENDMENT NO. 240

At the request of Mr. HELMS, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of amendment No. 240 proposed to S. 358, a bill to amend the Immigration and Nationality Act to change the level and preference system for admission of immigrants to the United States and to provide for administrative naturalization, and for other purposes.

AMENDMENTS SUBMITTED

IMMIGRATION ACT AMENDMENTS

MURKOWSKI AMENDMENT NO. 241

Mr. MURKOWSKI proposed an amendment to the bill (S. 358) to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes, as follows:

At the appropriate place in the bill insert the following new section:

SEC. . TASK FORCE ON STUDENTS FROM THE PEOPLE'S REPUBLIC OF CHINA IN THE UNITED STATES.

(1) ESTABLISHMENT.—It is the sense of the Senate that the President shall establish a task force to be known as the Task Force on Certain Nationals of the People's Republic of China in the United States (hereafter in this section referred to as the "Task Force"), composed of the Secretary of State (or his designee), who shall be the chair of the Task Force and representatives of other relevant agencies, as determined by the Secretary of State.

(2) DUTIES AND RESPONSIBILITIES.—The Task Force shall carry out the following duties and responsibilities:

(A) Taking into consideration the situation in the People's Republic of China, the Task Force shall assess the specific needs and status of citizens of the People's Republic of China who were admitted under nonimmigration visas to the United States.

(B) The Task Force shall formulate and recommend to the Congress and the President policies and programs to address the needs determined under subparagraph (A).

(C) The Task Force shall establish directly or indirectly a clearinghouse to provide those Chinese citizens described in subparagraph (A) and United States Institutions of higher education with appropriate information including—

(i) public and private sources of financial assistance available to such citizens;

(ii) information and assistance regarding visas and immigration status; and

(iii) such other information as the Task Force considers feasible and appropriate.

(3) REPORTS.—(A) Not later than 60 days after the date of enactment of this Act, the President shall submit to the Congress a report on the status and work of the Task Force.

(B) Not later than May 1, 1990, and every 90 days the establishment of such task force, after the President shall submit to the appropriate committees of the Congress a report prepared by the Task Force, which shall include—

(i) recommendations under paragraph (2)(B); and

(ii) a comprehensive summary of the programs and activities of the Task Force.

(4) TERMINATION.—The Task Force shall cease to exist 2 years after the date of enactment of this Act.

GORTON (AND OTHERS) AMENDMENT NO. 242

Mr. GORTON (for himself, Mr. KASTEN, Mr. DOMENICI, Mr. WILSON, Mr. COHEN, Mr. GRAMM, Mr. LIEBERMAN, and Mr. D'AMATO) proposed an amendment, which was subsequently modified, to the bill S. 358, supra, as follows:

(1) EXTENSION OF DURATION OF STATUS.—Subsection 245B(e)(1) of section 302 of title III of the bill relating to the status of students from the People's Republic of China set forth in amendment numbered 239, as amended, is hereby further amended by striking the date "June 5, 1992" and inserting in lieu thereof the date "June 5, 1993."

(2) ADJUSTMENT TO LAWFUL RESIDENT STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.—Section 302 of title III of the bill, as amended, is further amended by the following subsection (f) to read in its entirety as follows:

"(f) ADJUSTMENT TO LAWFUL RESIDENT STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.

(1) ADJUSTMENT OF STATUS.—The status of a national of the People's Republic of China shall be adjusted by the Attorney General to that of an alien lawfully admitted for temporary residence if the alien—

(A) applies for such adjustment during the 90-day period prior to June 5, 1993;

(B) establishes that the alien (i) lawfuly entered the United States on or before June 5, 1989, as a nonimmigrant described in subparagraph (F) (relating to students), subparagraph (J) (relating to exchange visitors) or subparagraph (M) (relating to vocational students) of section 101(a)(15) of the Immigration and Nationality Act, or lawfully changed status to that of a nonimmigrant described in any such subparagraph on or before June 5, 1989, (ii) held a valid visa under any such subparagraph as of June 5, 1989, and (iii) has resided continuously in the United States since June 5, 1989 (other than brief, casual and innocent absences); and

(C) meets the requirements of section 245A(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1255a(a)(4)), provided however, membership in the Communist party of the People's Republic of China or subdivision thereof shall not constitute an independent basis for denial of adjustment of status if such membership was 'involuntary" or "nonmeaningful";

and the Attorney General shall not have terminated prior to June 5, 1993, the status accorded under subsection (e) of this Section. The Attorney General shall provide for the acceptance and processing of applications under this subsection by not later than ninety (90) days after the date of enactment of this Act.

"(2) STATUS AND ADJUSTMENT OF STATUS.—The provisions of subsections (b), (c) (6), and (7) (d), (f), (g), and (h) of section 245A of the Immigration and Nationality Act (8 U.S.C. 1255a) shall apply to aliens provided temporary residence under subsection (a) in the same manner as they apply to aliens provided lawful temporary residence status under section 245A(a) of such Act, provided however, membership in the Communist party of the People's Republic of China or any subdivision thereof shall not constitute an independent basis for denial of adjustment of status if such membership was "involuntary" or "nonmeaningful"."

MOYNIHAN (AND OTHERS) AMENDMENT NO. 243

Mr. KENNEDY (for Mr. MOYNIHAN for himself, Mr. KENNEDY, Mr. SIMON, and Mr. SIMPSON) proposed an amendment to the bill S. 358, supra, as follows:

At the end of the bill, insert the following new section:

SEC. . REPORT TO CONGRESS ON U.S. IMMIGRATION POLICY TOWARD BURMESE STUDENTS.

(a) The Attorney General, in consultation with the Secretary of State, shall report to the Committees on Foreign Relations and Judiciary within 30 days of enactment of this act on the immigration policy of the United States regarding Burmese prodemocracy protesters who have fled from the military government of Burma and are now located in border camps or inside Thailand. Specifically, the report shall include:

VOL 135 PT 10 23 JL 13 1989 JE UMI

(1) a description of the number and location of such persons in border camps in Burma, inside Thailand, and in third countries;

(2) the number of visas and parole applications and approvals for such persons by United States authorities and precedents for increasing such visa and parole applications in such circumstances;

(3) the immigration policy of Thailand and other countries from which such persons have sought immigration assistance;

(4) the involvement of international organizations, such as the United Nations High Commission for Refugees, in meeting the residency needs of such persons; and

(5) the involvement of the United States, other countries, and international organizations in meeting the humanitarian needs of such persons.

The Attorney General shall recommend in the report any legislative changes he deems appropriate to meet the asylum, refugee, parole, or visa status needs of such persons.

(b) As used in this section, the term "prodemocracy protesters" means those persons who have fled from the current military regime of Burma since the outbreak of prodemocracy demonstrations in Burma in 1988.

CHAFEE (AND OTHERS) AMENDMENT NO. 244

Mr. CHAFEE (for himself, Mr. HATFIELD, Mr. CRANSTON, Mr. GORE, Mr. ADAMS and Mr. WILSON) proposed an amendment to the bill S. 358, supra, as follows:

On page 124, after line 25, add the following new section:

SEC. . ACTION WITH RESPECT TO SPOUSES AND CHILDREN OF LEGALIZED ALIENS.

(a) TEMPORARY STAY OF DEPORTATION AND WORK AUTHORIZATION FOR CERTAIN ELIGIBLE IMMIGRANTS.—

(1) IN GENERAL.—The Attorney General shall provide that in the case of an alien who is an eligible immigrant (as defined in subsection (b)(1)) as of November 6, 1986, who has entered the United States before such date, who resides in the United States on such date, and who is not lawfully admitted for permanent residence, until the cut-off date specified in paragraph (2), the alien—

(A) may not be deported or otherwise required to depart from the United States on a ground specified in paragraph (1), (2), (5), (9), or (12) of section 241(a) of the Immigration and Nationality Act (other than so much of section 241(a)(1) of such Act as relates to a ground of exclusion described in paragraph (9), (10), (23), (27), (28), (29), or (33) of section 212(a) of such Act), and

(B) shall be granted authorization to engage in employment in the United States and be provided an "employment authorized" endorsement or other appropriate work permit.

(2) CUT-OFF DATE.—For purposes of paragraph (1), the "cut-off date" specified in this paragraph, in the case of an eligible immigrant who is the spouse or child of a legalized alien described in—

(A) subsection (b)(2)(A), is (i) the date the legalized alien's status is terminated under section 210(a)(3) of the Immigration and Nationality Act, or (ii) subject to paragraph (4), 90 days after the date of the notice to the legalized alien under paragraph (3) of the applicable cut-off date, whichever date is earlier;

(B) subsection (b)(2)(B), is (i) the date the legalized alien's status is terminated under section 245A(b)(2) of the Immigration and Nationality Act, or (ii) subject to paragraph (4), 90 days after the date of the notice to the legalized alien under paragraph (3) of the applicable cut-off date, whichever date is earlier; or

(C) subsection (b)(2)(C), is 90 days after the date of the notice to the legalized alien under paragraph (3) of the applicable cut-off date.

(3) NOTICE.—In the case of each legalized alien whose status has been adjusted under section 210(a)(2) or 245A(b)(1) of the Immigration and Nationality Act or under section 202 of the Immigration Reform and Control Act of 1986 and who has a spouse or unmarried child receiving benefits under paragraph (1), the Attorney General shall notify the alien of the applicable cut-off date described in paragraph (2)(B) and the need to file a petition for classification of such spouse or child as an immediate relative to continue the benefits of paragraph (1). Such notice shall be provided as follows:

(A) If the legalized alien adjusted status to that of an alien lawfully admitted for permanent residence before the date that the definition contained in section 201(b)(2)(A)(i) of the Immigration and Nationality Act (as amended by this Act) first applies, the notice under this paragraph shall be provided as of the date that that definition first applies.

(B) If the legalized alien adjusted status to that of an alien lawfully admitted for permanent residence after the date that such definition first applies, the notice under this paragraph shall be provided at the time of granting such adjustment of status.

(4) DELAY IN CUT-OFF WHILE IMMEDIATE RELATIVE PETITION PENDING.—The cut-off date under paragraph (2)(B) with respect to an eligible immigrant shall not apply during any period in which there is pending with respect to the eligible immigrant a classification petition for immediate relative status under section 204(a) of the Immigration and Nationality Act.

(b) ELIGIBLE IMMIGRANT AND LEGALIZED ALIEN DEFINED.—In this section:

(1) The term "eligible immigrant" means a qualified immigrant who is the spouse or unmarried child of a legalized alien.

(2) The term "legalized alien" means an alien lawfully admitted for temporary or permanent residence who was provided—

(A) temporary or permanent residence status under section 210 of the Immigration and Nationality Act,

(B) temporary or permanent residence status under section 245A of the Immigration and Nationality Act, or

(C) permanent residence status under section 202 of the Immigration Reform and Control Act of 1986.

(c) APPLICATION OF DEFINITIONS.—Except as otherwise specifically provided in this section, the definitions contained in the Immigration and Nationality Act shall apply in the administration of this section. Nothing contained in this section shall be held to repeal, amend, alter, modify, effect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of such Act or any other law relating to immigration, nationality, or naturalization. The fact that an alien may be eligible to be issued an immigrant visa under this section shall not preclude the alien from seeking such a visa under any other provision of law for which the alien may be eligible.

HUMPHREY AMENDMENT NO. 245

Mr. HUMPHREY proposed an amendment to the bill S. 358, supra; as follows:

On page 124, after line 25, insert the following new section:

SEC. 109. CONTINUING PROVISION PERMITTING IMMIGRATION OF CERTAIN ADOPTED CHILDREN.

(a) IN GENERAL.—Section 101(b)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(2)) is amended by inserting before the period at the end the following: ", except that, for purposes of paragraph (1)(F) (other than the second proviso therein) in the case of an illegitimate child described in paragraph (1)(D) (and not described in paragraph (1)(C)), the term 'parent' does not include the natural father of the child if the father has disappeared or abandoned or deserted the child or if the father has in writing irrevocably released the child for emigration and adoption".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1989, upon the expiration of the amendment made by section 210(a) of the Department of Justice Appropriations Act, 1989 (title II of Public Law 100-459, 102 Stat. 2203).

BUMPERS AMENDMENT NO. 246

Mr. BUMPERS proposed an amendment to the bill S. 358, supra, as follows:

Beginning on page 94, strike out line 11 and all that follows through line 2 on page 95.

On page 95, line 3, strike out "(5)" and insert in lieu thereof "(4)".

On page 97, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 97, line 19, strike out "(5)" and insert in lieu thereof "(4)".

On page 98, line 2, strike out "(5)" and insert in lieu thereof "(4)".

On page 98, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 101, line 21, strike out "(5)" and insert in lieu thereof "(4)".

On page 102, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 102, line 10, strike out "(5)" and insert in lieu thereof "(4)".

Beginning on page 105, strike out line 15 and all that follows through the item between lines 10 and 11 on page 115.

On page 116, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 116, line 11, strike out "(5)" and insert in lieu thereof "(4)".

On page 117, line 7, strike out "(5)" and insert in lieu thereof "(4)".

On page 117, line 18, strike out "(5)" and insert in lieu thereof "(4)".

LAUTENBERG (AND OTHERS) AMENDMENT NO. 247

Mr. LAUTENBERG (for himself, Mr. LEVIN, Mr. BRADLEY, Mr. KERRY, Mr. LIEBERMAN, and Mr. SANFORD) proposed an amendment to the bill S. 358, supra, as follows:

On page 148, after line 17, add the following new title:

TITLE III—LABOR SHORTAGE REDUCTION

SEC. 301. DEFINITIONS.

As used in this title:

(1) LABOR SHORTAGE.—The term "labor shortage" means a situation in which, in a particular occupation, the quantity of labor supplied is less than the quantity of labor demanded by employers.

(2) SECRETARY.—The term "Secretary" means the Secretary of Labor.

SEC. 302. IDENTIFICATION, PUBLICATION, AND REDUCTION OF LABOR SHORTAGES.

(a) IDENTIFICATION OF LABOR SHORTAGES.—

(1) METHODOLOGY.—Utilizing available data bases to the extent possible, the Secretary shall develop a methodology to estimate, on an annual basis, national labor shortages.

(2) LABOR SHORTAGE DESCRIPTION.—As part of the identification of national labor shortages under paragraph (1), the Secretary shall, to the extent feasible, develop information on—

(A) the intensity of each labor shortage;

(B) the supply and demand of workers in occupations affected by the shortage;

(C) industrial and geographic concentration of the shortage;

(D) wages for occupations affected by the shortage;

(E) entry requirements for occupations affected by the shortage; and

(F) job content for occupations affected by the shortage.

(b) PUBLICATION OF NATIONAL LABOR SHORTAGES.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, and each year thereafter, the Secretary shall publish the list of national labor shortages as determined under subsection (a).

(2) DISTRIBUTION OF PUBLICATION.—The Secretary shall provide the list referred to in paragraph (1) and related information to parties and agencies such as—

(A) students and job applicants;

(B) vocational educators;

(C) employers;

(D) labor unions;

(E) guidance counselors;

(F) administrators of programs established under the Job Training and Partnership Act (20 U.S.C. 1501 et seq.)

(G) job placement agencies; and

(H) appropriate Federal and State agencies.

(3) MEANS OF DISTRIBUTION.—In making the distribution referred to in paragraph (2), the Secretary shall use various means of distribution methods, including appropriate electronic means such as the Interstate Job Bank.

(c) DEVELOPMENT OF DATA BASES.—The Secretary shall—

(1) conduct research and, as appropriate, develop data bases to improve the accuracy of the methodology referred to in subsection (a); and

(2) Make recommendations to identify labor shortages by region, State, and local areas.

(d) REPORT TO CONGRESS.—At the same time that the Secretary issues the annual publication under subsection (b), the Secretary shall prepare and submit to the appropriate committees of Congress a report that—

(1) describes the progress of the research and development conducted under subsection (c);

(2) describes actions taken by the Secretary during the previous 12 months to reduce labor shortages, and specifies a plan of action to be taken by the Secretary to ensure that federally funded employment, education, and training agencies reduce national labor shortages that have been identified under subsection (a); and

(3) includes recommendations by the Secretary for parties such as Congress, Federal agencies, States, employers, labor unions, job applicants, students, and career counselors to reduce such labor shortages by—

(A) promoting recruitment efforts of job placement agencies for occupations experiencing a labor shortage;

(B) encouraging career counseling and testing to guide potential employees into occupations experiencing a labor shortage;

(C) accelerating and enhancing education and training in occupations experiencing a labor shortage; and

(D) other appropriate actions.

SEC. 303. AUTHORIZATION OF APPROPRIATION.

There are authorized to be appropriated to carry out this title $2,500,000 for the first fiscal year beginning after the date of enactment of this title, and such sums as may be necessary to carry out this title in each subsequent fiscal year.

LEVIN AMENDMENT NO. 248

Mr. LEVIN proposed an amendment to the bill S. 358, supra, as follows:

On page 122 after line 5, insert the following new subection.

"(5) the impact of per country immigration levels on family connected immigration."

DRUG ABUSE TECHNICAL CORRECTION ACT

KENNEDY AMENDMENT NO. 249

Mr. KENNEDY proposed an amendment to the amendment of the Senate numbered 8 to the bill (H.R. 1426) to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes, as follows:

At the appropriate place, insert the following new section:

"SEC. . COLLEGES OF OSTEOPATHIC MEDICINE.

"Section 2313(c) of the Public Health Service Act (42 U.S.C. 300cc-13(c)) is amended by inserting "and osteopathic medicine" after "schools of medicine".

At the appropriate place, insert the following section:

"SEC. . TECHNICAL AMENDMENT CONCERNING TIME PERIOD FOR PAYMENTS TO CERTAIN LENDERS.

"Section 733(h)(2) of the Public Health Service Act (42 U.S.C. 294f(h)(2)) is amended by striking out "the eligible institution" and all that follows through the period and inserting in lieu thereof "the Secretary determines that the lender or holder has made reasonable efforts to secure a judgment and collect on the judgment entered into pursuant to this subsection.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, will hold a hearing on July 20, 1989, on the "Scientific Base for Food Inspection." The hearing will be held at 9:30 a.m. in SR-332.

Senator THOMAS A. DASCHLE will conduct the hearing. For further information please contact Robert Wise of the subcommittee staff at 224-2321.

Mr. President, I wish to announce that the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, will hold a hearing on July 27, 1989, on the funding of agricultural research. The hearing will be held at 10 a.m. in SR-332.

Senator THOMAS A. DASCHLE will conduct the hearing. For further information please contact Robert Wise of the subcommittee staff at 224-2321.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that the full Committee on Energy and Natural Resources will add the nomination of Harry M. Snyder to be Director of the Office of Surface Mining Reclamation and Enforcement, to a previously scheduled nomination hearing.

The hearing will take place Tuesday, July 18 at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

For further information, please contact Nancy Blush at (202) 224-3606.

Mr. President, I would like to announce for the public that a legislative hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Friday, July 21, 1989, beginning at 9:30 a.m. in room 366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on Senate amendment No. 100, the Prince William Sound Oil Spill Emergency Act of 1989.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364 Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke of the committee staff at (202) 224-2383.

Mr. President, I would like to announce for the public that a legislative hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Monday, July 24, 1989, beginning at 2 p.m. in room 366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on Senate amendment

29-069 O-90-36 (Pt. 10)

No. 229, the Gulf of Mexico Oil Spill Prevention and Response Act.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke of the committee staff at (202) 224-2383.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 12, 1989, at 9 a.m. to hold a hearing on the nomination of Janice Obuchowski to be Assistant Secretary of Commerce for Communications and Information.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SUPERFUND, OCEAN AND WATER PROTECTION AND THE SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Ocean and Water Protection and the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, July 12, beginning at 9:30 a.m., to conduct a hearing on coastal research and protection legislation, including S. 587, S. 588, S. 1178, and S. 1179.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, July 12, 9:30 a.m., to consider the following Department of Interior nominations: Martin Allday to be Solicitor; Lou Gallegos to be Assistant Secretary, Policy, Budget and Administration; Stella Guerra to be Assistant Secretary, Territorial and International Affairs; and Constance Harriman to be Assistant Secretary, Fish and Wildlife, and Parks.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 12, 1989, at 2 p.m., to hold a closed markup on the fiscal year 1990-91 Intelligence Authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Subcommittee on Courts and Administrative Practice of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 12, 1989, at 2 p.m., to hold a markup on S. 84, S. 396, and S. 594.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 12, 1989, at 10 a.m., to hold a hearing on S. 1271 and S. 1272.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on July 12, 1989, at 10 a.m., to hold a hearing on S. 707, the Children's Television Act of 1989, and S. 1215, the Children's Television Education Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, July 12 at 9 a.m. and 2 p.m. in executive session to mark up S. 1085, the Department of Defense authorization bill for fiscal years 1990-91; to receive a report from the Senate Select Committee on Intelligence; and to possibly act on certain pending military nominations and other nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ENVIRONMENTAL AND ENERGY STUDY CONFERENCE ELECTIONS

● Mr. GORE. Mr. President, I rise as Senate Chairman of the Environmental and Energy Study Conference to announce the election of the study conference's executive committee for the 101st Congress. Eight of us in the Senate and 21 House Members have been elected to 2-year terms.

The executive committee is the governing body of the study conference, the largest legislative service organization in Congress. This year a record 90 Senators and more than 275 House Members subscribe to the study conference's services.

Through its publications such as the Weekly Bulletin and Special Reports, the conference provides us with objective analysis of all of the environmental, energy, and natural resources issues we face. The conference also serves as a forum for Senators and House Members to discuss these issues. It does not take political positions.

Its services have made the conference a highly valued congressional resource. In fact, the report by the Center for Responsive Politics on its survey not long ago of Senators, Representatives, and staff on the effectiveness of Congress stated, "When asked about the quality of caucus information, one organization, the Environmental and Energy Study Conference, was singled out for so much praise it required a separate catergory of its own."

The executive committee will meet shortly to elect officers from its ranks and set the conference's priorities for the next 2 years. Our goal in setting those priorities will be to anticipate the needs of the Nation and the direction of the environmental, energy, and natural resources debate in the coming 2 years.

Those needs were never greater. Not only do we find domestic environmental problems ever more complex, but global environmental alarms have begun to sound with increasing frequency.

Environmental, energy, and natural resources are being recognized as integral to such critical issues as international competitiveness and national security.

As these issues require our increased attention, the executive committee will be working closely with the conference staff to ensure the Senate continues to receive the information it needs to stay ahead of developments.

Those who have been elected to serve on the executive committee for this Congress are: Senators RUDY BOSCHWITZ, JOHN H. CHAFEE, CHRISTOPHER J. DODD, WYCHE FOWLER, Jr., PATRICK LEAHY, JOHN MCCAIN, CLAIBORNE PELL, and myself.

In the House, Representatives ANTHONY C. BEILENSON, GEORGE E. BROWN, Jr., JIM COOPER, PETER A. DEFAZIO, HARRIS W. FAWELL, HAMILTON FISH, Jr., STEVE GUNDERSON, JIM KOLBE, BOB LIVINGSTON, BILL LOWERY, EDWARD R. MADIGAN, JAN MEYERS, FRANK PALLONE, PETER SMITH, GERRY E. STUDDS, MIKE SYNAR, BRUCE F. VENTO, ROBERT E. WISE, Jr., HOWARD WOLPE, and RON WYDEN will serve.●

THE FOUNDING OF CALIFORNIA'S TABLE GRAPE INDUSTRY

● Mr. WILSON. Mr. President, I am proud to announce that this year, 1989, commemorates the 150th anniversary of the founding of California's table grape industry. Recognizing the great protential of California's climate, pioneer William Wolfskill, a Kentucky trapper and Santa Fe Trail scout during California's Mexican colonial period, launched this important industry in 1839.

Today California's commercial table grape industry is a vital part of our agri-business economy. By supplying over 50,000 farm-related jobs and creating an annual retail revenue of over $1.1 billion, it has established a progressive track record in raising the standard of living for both workers and growers.

California is the Nation's largest supplier of table grapes, providing more than 97 percent of the entire crop of commercially grown table grapes consumed in the United States. In addition, California's export sales of table grapes are continuing to make a greater contribution toward the balancing of U.S. trade.

Like Mr. Wolfskill before him, today's California table grape grower is a sturdy and industrious individual, whose hard work and commitment to a quality, wholesome product underlies the growth and strength of the industry.

I would like to commend the significant contribution the table grape industry has made to California's economic and cultural growth over the past 150 years, and to congratulate the many individuals who continue to contribute to this success.●

STEEL TRANSPORTERS SUPPORT VRA EXTENSION

● Mr. HEINZ. Mr. President, I want to take this opportunity to acknowledge the support which steel transporters have expressed for the extension of the voluntary restraint agreements. For many of the companies who have written me, the steel industry accounts for well over 50 percent of their business. As one company wrote, "When U.S. steel does well, we do well." Transportation is only one of the many sectors of our economy that strongly support continuation of the successful program to rescue our steel industry from unfair trade practices.

On September 30, the voluntary restraint program expires. Although the transportation industry is, on the whole, a larger more diversified sector than any of its counterparts in steel affiliated businesses, it is severely affected by those factors which have an impact on the steel industry. Therefore, numerous trucking and barge companies have demonstrated their support for VRA extension and the domestic steel industry.

The transportation companies who wrote me generally attribute the pre-VRA steel decline to the following unfair practices: First, the enormous foreign government subsidies that have perpetuated structural world excess capacity in steelmaking; and second, the widespread dumping of foreign steel in the U.S. market.

The term "unfair" makes manifest the disparity between government treatment of steel in other countries as compared to the United States. Most of our competition comes from industries that are subsidized by their respective governments. The transporters, like the rest of the steel industry, are not asking for government financial support; they are asking for a level playing field. They are seeking to make the business fair.

Renaissance takes a long time in this cyclical, capital intensive industry. In the previous 5 years, a turn-around has begun. We need 5 more years to secure the gains that have been made.

Mr. President, I ask that a selection of the letters I received be printed in the RECORD.

The letters follow:

OLIVER TRANSPORTATION, INC.,
Mexico, MO, April 27, 1989.

Hon. JOHN HEINZ,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR HEINZ: I write on behalf of my company and our 453 employees in support of the extension of the steel Voluntary Restraint Arrangements (VRAs). Our company initially supported the intent of the VRA and continues to follow the Steel Industries progress with the arrangement in place. Oliver Transportation, a small company in Mid-Missouri, depends on the commerce developed by our Nations steel industry. Located in the refractory capitol of the country, we provide the steel manufactures with a vital product.

With VRAs due to expire in September of 1989, we strongly feel that prompt action to extend this program for a five-year period is critical for the domestic steel industry's further restructuring and modernization. We view VRA renewal as the key step by government to ensure that the domestic steel industry's progress in reinvestment, improved productivity and overall efficiency continues uninterrupted.

As you know, the condition of the domestic steel industry sharply deteriorated over many years as a result of growing foreign government intervention in steel industries abroad and resulting massive foreign unfair trade practices. Such practices were pervasive when the VRA program was instituted in 1984 and they continue today. We must restrain the widespread dumping of foreign steel in the U.S. market.

We strongly believe that VRA extension is critical to the long term sustained recovery of the American Steel industry from one of the worst depressions in its history. Most importantly, the U.S. Steel industry is just beginning its recovery, and continued support of the VRAs will ensure that this progress continues.

As a key investment in America's future, we respectfully urge your support for the extension of the steel VRA program. Thank you for your prompt consideration of this issue.

Sincerely,

VINCE GARUFI.

PGT TRUCKING, INC.,
Industry, PA, April 12, 1989.

Hon. JOHN HEINZ,
U.S. Senator, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR HEINZ: I write on behalf of my company and our employees in support of extension of the Voluntary Restraint Arrangements (VRA's). PGT Trucking, Inc. is a truckload motor carrier that generated approximately $35,000,000 in revenues in 1988, approximately 85% from the domestic steel industry.

Prompt action to extend this program for a five-year period is critical for the domestic steel industry's further restructuring and modernization and is the key step by government to ensure that this industry's progress continues in the areas of: Reinvestment, improved productivity, and overall efficiency.

The domestic steel industry has sharply deteriorated over many years as a result of growing foreign government in steel industries abroad and resulting massive unfair trade practices. Such practices continue today and include:

The enormous foreign government subsidies that have perpetuated structural world excess capacity in steelmaking, and

The widespread dumping of foreign steel in the U.S. Market.

We strongly believe VRA extension is critical to the long-term sustained recovery of the American steel industry, and support of the VRA's will ensure this continued progress.

As a key investment in America's future, we respectfully urge your support for extension of the steel VRA program and thank you for your prompt consideration of this important issue.

Sincerely,

PATRICK GALLAGHER.

INGRAM BARGE CO.,
Nashville, TN, April 12, 1989.

Hon. JOHN HEINZ,
Committee on Finance, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR HEINZ: It is my understanding that the Voluntary Restraint Arrangements (VRAs) on behalf of the American steel industry are due to expire in September of 1989. On behalf of Ingram Barge Company and our seven hundred employees, I wish to express support for the extension of the import steel Voluntary Restraint Arrangements. Ingram Barge Company is the third largest diversified water carrier in the United States and has a strong association with basic industry in America, including the steel industry. The majority of our fourteen hundred barges and forty-nine line haul towboats are heavily dependent upon the basic industry of this country and, particularly, the steel industry maintaining its viability.

We strongly urge prompt action to extend the program for a five year period, which should allow the recently emerging domestic steel industry to restructure and modernize their facilities. To discontinue, what has begun as a very effective program for corrections, would appear to be very inconsistent at this time. Though not the sole cause, the condition of the domestic steel industry deteriorated over many years as a result of

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

massive foreign unfair trade practices supported by a foreign government intervention in the steel industry. Those practices were the cause of the VRA Programs institution in 1984 and those practices continue even today.

We believe that the steel industry is a key investment in America's future and an absolute necessity for the continued well being of its populace. Thank you very much for your consideration of my comments on this issue.

Very truly yours,

PETER E. RUMSEY.●

THE 50TH ANNIVERSARY OF PAN AMERICAN WORLD AIRWAYS' TRANSATLANTIC SERVICE

● Mr. MOYNIHAN. Mr. President, something singularly important in air travel occurred on June 28, 1939. On that day, a Pan American World Airways Boeing B314 called the Dixie Clipper successfully completed passage across the Atlantic. The historic flight took 29 hours and 20 minutes from Port Washington, Long Island, in New York to Lisbon, Portugal. There were 22 passengers on board and a crew of 12. That was 50 years ago.

Mr. President, this feat was possible due to the brilliance of two Americans, namely Pan Am's founder Juan T. Trippe and Charles Lindbergh, who aided Pan Am in developing these first flights over the North Atlantic. The success of these voyages was also due, in no small part, to the ingenuity and dedication of other members of the Pan Am Organization who were responsible for building airport facilities, developing navigational aids and tracking these air vessels on their voyages.

Now, a half century later, Pan Am brings Americans to the major capitals of Europe on a daily basis. Pan Am has also developed regular transport to Eastern Europe, to Warsaw, Prague, Leningrad, and continues to provide a link to East Berlin. In fact, Pan Am has developed a nonstop route between New York and Moscow through a joint venture with Aeroflot Soviet Airlines. In this manner, Soviet citizens are brought to this country just as Americans are able to travel to the Soviet Union. This service provides an important link between these two nations at a time of more openness and is tremendously valuable.

I am proud to say that Pan Am's headquarters—one might say their home—is in New York. The airline has, of course, helped maintain New York's position and role as a gateway to the Nation. But, in a tangible way, Pan Am has played a part in a world that is growing smaller—smaller in the sense of being more familiar and more connected. In this, they have contributed to greater international understanding.

Mr. President, I congratulate Pan Am, as I am sure my colleagues do, on the 50th anniversary of their transatlantic air service. If in 50 years air travel can reach such success, one is awed by what new heights might be reached in the next 50.●

PRESIDENT BUSH IS PLAYING STRAIGHT ON CLEAN AIR

● Mr. DURENBERGER. Mr. President, today the Washington Post and New York Times ran stories implying that the President was pulling back from the commitment that he made a few weeks ago to cleaning up the Nation's air. The President will be sending the Congress a clean air bill soon and according to these two newspapers the text of the bill will not live up to the promises he made when he announced his clean air plan in June.

In particular, the Post says that the bill is weaker on air toxics because it includes a loophole in the definition of best available control technology. The supposed loophole is the phrase "taking into account energy, environmental, and economic impact and other costs." That's a quote from the Post article quoting the President's bill.

This is a subject I know something about. I am the author of toxics legislation that has been introduced here in the Senate. My bill, S. 816, was cosponsored by 12 of our colleagues on the Environment Committee. I consider it to be a very strong bill to control toxic air pollution. But it also includes words in a very similar vein in its definition of "best available control technology." S. 816 allows energy, economic and other environmental factors to be taken into account when establishing the definition of best technology to control toxic pollutants.

But I am not the original author of these words. They were taken from the Clean Air Act as it is currently written. The Clean Air Act already contains a definition of best available control technology. It is section 169(3). It says that the Administrator may take into account "energy, environmental, and economic impacts and other costs" when determining what is best available control technology for a particular facility. Section 169 is in another part of the law dealing with air pollutants other than toxic pollutants. We borrowed the concept from that other part for the air toxics program because it had worked so well in this other area.

So the language which the Washington Post says creates a loophole in the President's program is language which is already in the Clean Air Act used in precisely the same way. And it is language already introduced on a bipartisan basis in the Senate in a strong bill to control air toxics. To accuse the President of backsliding for using the language which has always defined best technology is unreasonable and unfair. I might say that this same language is replicated in the Clean Water Act for the best technology control program authorized there.

I am sure that I will have differences with the President's clean air legislation. And I will express them strongly in the committee deliberations and here on the floor. But I believe that President is performing a great service for the Nation by being out in front on these air pollution problems and proposing a cleanup. We have demonstrated over the past decade that it is not possible for the Congress to pass a clean air bill without Presidential leadership. We need the President on this issue and whatever our differences on specifics, we owe him some thanks for his personal efforts.

The Post article was put out there to cast a cloud over the President's bill. That is unfortunate. And, as those of us who spend a great deal of time on this issue can tell you, it is also misleading. The so-called loophole in the President's air toxics program has always been part of the definition of "best available control technology."

Mr. President, I would ask that a copy of the article from the Post be included in the RECORD with my comments today.

The article follows:

[From the Washington Post, July 12, 1989]

CLEAN AIR PROPOSAL WEAKENED

(By John Lancaster)

President Bush's plan to clear the skies of smog, acid rain and other pollution has been weakened in several key areas since he unveiled the proposal a month ago, according to a draft of the legislation.

Since Bush announced his proposed revisions to the Clean Air Act, the administration has relaxed standards for controlling the emission of toxic chemicals and pollutants that cause acid rain.

Bush's original proposal, for example, called for requiring companies to control toxic air pollutants with "the best technology currently available."

But a draft of the legislation, which administration officials hope to complete within several days, modifies that standard, requiring polluters to reduce emissions to levels "typically achieved by the best-performing similar sources taking into account energy, environmental and economic impact and other costs." The language appears to open a loophole for subjective judgments by enforcers of the law.

In an attempt to curb acid rain caused by emissions from midwestern utilities, Bush promised last month to cut annual sulfur dioxide levels by 10 million tons and nitrogen oxide levels by 2 million tons.

But while the new sulfur dioxide standards will be based on 1980 emissions, the draft legislation says that the nitrogen oxide reduction will be based on levels projected for the year 2000. Bush's original proposal, outlined in a 14-page summary that accompanied his announcement last month, made no mention of that difference.

In addition, the original proposal of a 10 million-ton reduction in sulfur dioxide emissions is cut to 9 million in the draft, on the grounds that sulfur dioxide emissions from

industrial sources such as smelters already have dropped by a million tons since 1980.

"It is a major weakening from what his speech promised," said David Hawkins, an attorney for the Natural Resources Defense Council, which like many environmental groups had greeted Bush's original proposal with guarded optimism. "His draft retreats in major respects from each of the key programs that he promised to deal with in strong fashion."

Rep. Henry A. Waxman (D-Calif.), chairman of the House Energy and Commerce subcommittee on health and the environment and author of separate clean-air legislation, said the draft "is a far cry from the aggressive control requirements that will be needed to deliver on the president's commitment."

He added, "Within the administration, the pro-environmental forces seem to be losing ground."

Environmental Protection Agency officials denied that the draft departs substantially from the president's proposal, and accused their critics of distorting minor technical changes for political purposes.

"I think it will reflect the letter and spirit of the president's fact sheet and speech," said William Rosenberg, assistant EPA administrator for air and radiation. "The president pretty well discussed exactly what he wanted to do and we're trying to conform to that."

Bush's plan to renew the nation's principal air pollution bill has been the subject of continuing, high-level negotiations among the White House, the Office of Management and Budget and the EPA.

Industry groups have lobbied vigorously against some portions of the legislation, which the administration plans to present to Congress July 21. Within the last few days, EPA officials defeated an attempt by some administration officials to renege on a commitment to reduce nitrogen oxide emissions from automobile exhaust, sources said.

Bush's original proposal appeared to signal a crackdown on companies that emit toxic chemicals believed to cause cancer and other health problems, stating that "EPA would set a standard based on the best technology currently available."

But Hawkins, who held the job of assistant EPA administrator for air during the Carter administration, said the standard proposed in the draft legislation is a "watered-down definition . . . deliberately drafted to require EPA to set weak technology requirements."

Hawkins also questioned the Bush administration's commitment to reducing acid rain. "They're playing all sorts of games with this," he said of the draft legislation plans to cut sulfur dioxide and nitrogen oxide.

Hawkins suggested that nitrogen oxide reductions pegged to the year 2000 could well be erased by emission gains in the interim. Nitrogen oxide emissions "may be as much as 2 million tons more in 2000," he said. "Then a 2 million ton reduction would be no reduction at all."

In the summary of Bush's original proposal, the figures were simply added "for a total reduction of 12 million tons in acid rain-causing emissions."

Rosenberg denied that there was any attempt to conceal the fact that nitrogen oxide reductions would be pegged to the year 2000. Any attempt to calculate the reduction otherwise, he said, "would raise the cost of this bill dramatically."

On pollution-control technology for toxic chemicals, Rosenberg said the administration had always meant to allow for consideration of cost and other factors. "This is absolutely what we intended all along."

And Rosenberg defended the administration's decision to count past reductions in industrial sources of sulfur dioxide toward the 10 million-ton goal set for the year 2000. "Our assumptions are credible and will achieve the reduction," he said.●

TV MARTI

● Mr. LIEBERMAN. Mr. President, as one of the original cosponsors of the Senate bill to authorize TV Marti (S. 375), I have followed with great interest the development of a television broadcast service to Cuba. Together, TV Marti and Radio Marti would be a powerful antidote to Fidel Castro's steady stream of propaganda.

The Voice of America, and its Director, Richard W. Carlson, are working hard to make TV Marti a reality. I would like to share with my colleagues Mr. Carlson's June 13 op-ed in the Miami Herald, which effectively makes the case for the TV Marti service.

The article follows:

[From the Miami Herald, June 13, 1989]

NEWS OF TV MARTI—BREAKING FIDEL CASTRO'S INFORMATION MONOPOLY

(By Richard W. Carlson)

The Voice of America (VOA) is only a few months away from the first broadcast of TV Marti, the proposed television service to Cuba. Last year Congress provided $7.5 million to run a 90-day test broadcast of news, information, and entertainment programs. If the test proves successful, Congress and the Administration have proposed $16 million a year to fund TV Marti.

The reason for TV Marti is simple. We believe that the Cuban people have a right to see and hear information denied them by their own government. In a recent speech, President Bush described TV Marti as a way to "break the monopoly on information that Castro has held for 30 years."

As glasnost spreads in the Soviet Union and Eastern Europe, as millions in China seek democracy, Fidel Castro's Cuba remains impermeable to reform. Political dissent still leads to prison. Freedom of expression in nonexistent. The Castro government has a firm grip on all newspapers, magazines, radio, and television. The only uncensored, non-ideological information available to the 10 million people of Cuba comes from outside the island, much of it from Radio Marti, the surrogate station run by the VOA.

VOICES OF AMERICA STANDARDS

TV Marti will be Radio Marti with pictures. Its accurate balanced news and information will meet the highest VOA standards. If TV Marti is only half as successful as Radio Marti, it will fulfill its mandate. After four years on the air, Radio Marti, has become the most popular radio station in Cuba.

That a U.S. Government station, broadcasting from studios in Washington, has twice the audience of the next-most-listened-to station in Cuba is a testimony of Radio Marti's credibility and to the hunger of the Cuban people for uncensored information. When asked to explain the rise of a courageous human-rights movement in such a tightly controlled society, Cuban dissident Richardo Bofill said, "It's quire simple. It can be traced to May 20, 1985, when Radio Marti went on the air."

Like the television proposal, Radio Marti initially received a hostile reception from some in the U.S. media and Congress. Before Radio Marti started broadcasting, news stories warned of U.S./Cuban "radio wars" and military conflict. Editorials called Radio Marti "the dumbest idea since the Edsel" and "a meritless redundancy." Critics claimed that the station would be the mouthpiece of ideologues and anti-Castro Cuban refugees in Florida. They said that it would mire in Cuban-exile politics. Today, these same people praise Radio Marti and recognize the broadcasts for what they are: a demonstration of America's commitment to the free flow of information and an intellectual lifeline for millions.

TV Marti is surely the most closely watched television startup ever. Six Government agencies, six congressional committees, the National Association of Broadcasters, private consultants, and other interested parties are all keeping an eye on the gestation and birth of TV Marti.

SAFEGUARDS AGAINST INTERFERENCE

So too are the Cuban people. Cubans are eagerly purchasing videotapes and saving for VCRs to tape TV Marti programs, including American movies and entertainment shows. This may not be motivated solely by optimism, but perhaps by a desire to avoid the wrath of neighborhood watchdogs for the Defense of the Revolution and to be able to tape TV Marti for discreet, late-night viewing.

Every possible safeguard will be taken to prevent interference with existing U.S. and Cuban TV stations. As a precaution, Congress is expected to provide funding to compensate U.S. broadcasters in the event that either TV Marti or Fidel Castro interferes with domestic stations. It is interesting to note that the apocalptic vision of widespread Cuban retaliation against Radio Marti—which pundits predicted in 1985—never materialized. In fact, no compensation claims were filed with the FCC for Cuban interference that occurred after Radio Marti went on the air.

No doubt Havana's agitation over TV Marti can be traced to Castro's respect for the medium's power to help shape opinion—especially when TV brings unsettling images of democracy and free expression. Should Castro attempt to jam or disrupt TV Marti, he will vividly demonstrate to the world Cuba's flagrant disregard of the basic rights of its people.

NO MIRACLE SOLUTION

TV Marti is no miracle solution to the repression and fear in Cuba. But, as Ed Murrow said, "No computer clicks, no cash register rings when a man changes his mind or opts for freedom. . . . [A]bove all, it is what we do, not what we say, that has the greatest impact overseas."

By extending to Cuba our respect for intellectual freedom, the United States again exposes the hypocrisy of Castro's 30-year dictatorship. The success of Radio Marti proves that we can do it calmly and reliably. TV Marti will go one step further, using the most powerful medium ever developed.●

CONGRESSMAN ROHRABACHER ON SCIENCE

● Mr. KASTEN. Mr. President, we too often forget that the key to progress in any society is freedom of inquiry—the unlimited liberty of the human intellect to discover and understand truths, and to use these truths to improve the life of the community.

This principle is as true of political science as it is of the natural sciences. Democracy and capitalism work because they are based on the truth about man—a truth that we rediscover whenever men and women are left free to work and create and build their own futures.

A society based on democratic capitalist principles, therefore, is the greatest possible catalyst for scientific inquiry. Our truth-seeking spirit forever pushes the boundaries of science to explore what they can yield for the spiritual and material benefit of man.

A recent article in the Milwaukee Journal by our distinguished colleague, freshman Congressman DANA ROHRABACHER of California, expresses this fundamental truth with great clarity. I call it to the attention of all Senators—and I ask that it be included in the RECORD.

The article follows:

[From the Milwaukee Journal, June 22, 1989]

COLD FUSION ATTEMPT CONTINUES NOBLE LINEAGE OF SCIENCE

(By Dana Rohrabacher)

Every great idea has three stages of reaction: 1) It won't work. 2) Even if it works, it's not useful. 3) I said it was a great idea all along.—Arthur C. Clark.

It has been almost three months since two obscure chemists at the University of Utah held a press conference to announce that they had found something truly incredible in their test tube. Their reported discovery of cold fusion, if accurate, would usher not only science but all aspects of modern life into an era of growth and improvement that mankind has not experienced since the Industrial Revolution.

Not everybody was happy with the news.

The vehemence with which B. Stanley Pons and Milton Fleischmann were denounced in the scientific community, the ferocity of attack on their work, as well as on their personal styles and motivations, surprised everyone. Well, that is, everyone who hasn't taken a look at the history of science.

History records that Copernicus was so afraid of reaction to his novel theory—the Earth revolves around the sum—that he kept silent about it until he lay on his death bed.

People refused to look through Galileo's powerful telescope, so strong was their fear of having to change their world view. Galileo himself stood trial for heresy and was forced publicly, on the threat of death, to recant his theories.

As recently as 1956, the Astonomer Royal of England scoffed at space travel as "utter bilge." The next year, the Soviet Union launched Sputnik.

So, some of us were not surprised at the recriminations that deluged the two poor chemists.

The high priests of physics were annoyed with the scientists' method of public announcement.

For all of the pencil-jabbing and eraser-throwing, and even after the discouraging words from Britain last week, we still don't know whether Pons and Fleischmann have discovered a key to the universe or not. All we know is that what is at stake for many people is their view of the world. For petty people wtihout vision, such stakes make for anger and fear.

There are other stakes involved as well. Many scientists and researchers envision losing their life's work—and their federal grants—to the discovery of cold fusion in Utah. Fundamental change is, more often than not, uncomfortable. Federally subsidized science, which is by its very nature based on accepted premises, and which has as much interest in justifying its own expense as in discovering "truth," seems to have stoked the coals of this controversy and added to the discomfort.

This is not to say that Pons and Fleischmann have indeed discovered cold fusion in their laboratory. Actually, having heard their testimony before the Science, Space and Technoloigy Committee of the House, and having followed the controversy, I'd give them somewhere around a 50% chance of being vindicated someday.

Whether or not such vindication emerges in time, let's give Pons and Fleischmann a chance for now. They have done nothing wrong, and they well may have accomplished something that will benefit every human being on this planet, forever. Our world needs such people who are willing to look where others refuse and to step before us with brave new ideas.

If cold fusion does fly, Pons and Fleischmann will be remembered as men who changed the course of human history. If cold fusion turns out to be a workable mistake, well, let's remember Pons and Fleischmann as two men who excited our imaginations for a while and who reminded us that we should not discourage pursuit of scientific knowledge, even if it flouts conventional wisdom—even if it is done without the benefit of a federal grant.●

TWENTY-FIVE YEARS OF FEDERAL MASS TRANSIT ASSISTANCE

● Mr. DIXON. Mr. President, 25 years ago this week President Lyndon Baines Johnson signed into law the Urban Mass Transportation Act of 1964, the most important mass transit legislation in the history of the United States.

Failing private transit companies and increased urban transit needs brought about this law, and over the last 25 years it has served us well. Last year alone, 92,000 buses, trains and other vehicles and 275,000 transit workers provided nearly 9 billion passenger-rides through federally assisted mass transit.

Americans have come to depend on public transit for access to their jobs, for shopping, and for day-to-day chores. Most importantly, we have come to equate mass transit with the freedom to come and go as we please, wherever and whenever we want to go.

Mass transit can provide answers to gridlock on our highways and streets, to pollution problems and to economic development, and I believe that should be our goal for the end of this century.

Today, Americans can take pride that they have the best transportation in the world, and there is better yet to come.●

ADDITIONAL COSPONSOR OF S. 375

● Mr. HOLLINGS. Mr. President, I ask that the distinguished junior Senator from Ohio [Mr. METZENBAUM] be added as a cosponsor of S. 375, a bill I introduced on February 8, 1989, to provide for television broadcasting of accurate information to the people of Cuba. We now have 36 sponsors of the bill which has been included as title VII of the Foreign Relations Authorization Act for Fiscal Year 1990, S. 1160, as reported by the Committee on Foreign Relations on June 12, 1989. Earlier on April 12, the House of Representatives enacted H.R. 1487 which also includes a $16,000,000 authorization for TV Marti for fiscal year 1990.

Mr. President, I ask that a complete listing of the cosponsors of S. 375 be printed in the RECORD.

The list of cosponsors follows:

COSPONSORS FOR TV MARTI BILL S. 375

Mr. Hollings, Mr. Graham, Mr. Mack, Mr. Lautenberg, Mr. Kasten, Mr. Lieberman, Mr. Pressler, Mr. Reid, Mr. Bryan, Mr. Bentsen, Mr. Biden, Mr. Nickles, Mr. Simon, Mr. Symms, Mr. McConnell, Mr. Boschwitz, Mr. Dole, Mr. Bradley, Mr. Humphrey, Mr. Robb, Mr. Lott, Mr. McClure, Mr. DeConcini, Mr. Breaux, Mr. Hatch, Mr. Coats, Mr. Rockefeller, Mr. Wilson, Mr. Shelby, Mr. Gramm, Mr. Murkowski, Mr. Kerry, Mr. Armstrong, Mr. Simpson, Mr. Garn, and Mr. Metzenbaum.●

BUDGET SCOREKEEPING REPORT

Mr. SASSER. I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $3.8 billion in budget authority, and over the budget resolution by $1 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $136.4 billion, $0.4 billion above the maximum deficit amount for 1988 of $136 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 11, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1989 and is current through June 23, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution for FY 1989, H.Con.Res. 268. This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S.Con.Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, Congress has cleared and the President has signed P.L. 101-45, the Dire Emergency and Urgent Supplemental for 1989. This action increased the current level estimate of both budget authority and outlays.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS. AS OF JUNE 3, 1989

[Fiscal year 1989, in billions of dollars]

	Current level [1]	Budget resolution H. Con. Res. 268 [2]	Current level (+/−) resolution
Budget authority	1,235.8	1,232.1	3.8
Outlays	1,100.8	1,099.8	1.0
Revenues	964.4	964.7	−.3
Debt subject to limit	2,784.6	[3] 2,824.7	−40.1
Direct loan obligations	24.4	28.3	−3.9
Guaranteed loan commitments	111.0	111.0	
Deficit	136.4	[4] 136.0	[5] .4

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlements or other mandatory programs requiring appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with section 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for catastrophic health care (Public Law 100-360).

[3] The permanent statutory debt limit is $2,800,000,000,000.

[4] Maximum deficit amount (MDA) in accordance with section 3(7)(D) of the Congressional Budget Act, as amended.

[5] Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT, 101ST CONG., 1ST SESS., SENATE SUPPORTING DETAIL, AS OF CLOSE OF BUSINESS JUNE 23, 1989

[Fiscal year 1989, in million of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds	874,205	724,990	
Other appropriations	594,475	609,327	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions	1,250,345	1,115,982	964,434
II. Enacted this session:			
Adjust the Purchase Price for Non-Fat Dry Dairy Products (Public Law 101-7)		−10	
Implementation of the Bipartisan Accord on Central America (Public Law 101-14)	−11		
Dire Emergency and Urgent Supplemental Appropriations, 1989 (Public Law 101-45)	3,493	1,023	
Total enacted this session	3,482	1,013	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy Indemnity Program	(1)	(1)	
Special milk	4		
Food Stamp Program	[illegible]		
Federal Crop Insurance Corporation fund	[illegible]		
Compact of free association	1	1	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund	(85)	(85)	
Payment to Hazardous Substance Superfund	(99)	(99)	
Supplemental Security Income	201	201	
Special benefits for disabled coal miners	3		
Medicaid:			
Public Law 100-360	45	45	
Public Law 100-485	10	10	
Family support payments to States:			
Previous law	355	355	
Public Law 100-485	63	63	
Total entitlement authority	926	747	
VI. Adjustment for economic and technical assumptions	−18,925	−16,990	
Total current level as of June 23, 1989	1,235,828	1,100,751	964,434
1989 budget resolution H. Con. Res. 268	1,232,050	1,099,750	964,700
Amount remaining:			
Over budget resolution	3,778	1,001	
Under budget resolution			266

[1] Less than $500,000.

Notes: Numbers may not add due to rounding.

Amounts in parenthesis are interfund transactions that do not add to budget totals.

BILL PLACED ON CALENDAR—H.R. 2848

Mr. KENNEDY. Mr. President, I ask unanimous consent that H.R. 2848, the Computer Matching and Privacy Act, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100-702, appoints the following individuals to the Federal Judicial Foundation Board: E. William Crotty, of Florida, for a term of 5 years, and the Honorable Richard Rosenbaum, of New York, for a term of 3 years.

DRUG ABUSE TECHNICAL CORRECTIONS ACT

Mr. KENNEDY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 1426.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate numbered 6 and 7 to the bill (H.R. 1426) entitled "An Act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes.".

Resolved, That the House disagree to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 8 to the aforesaid bill.

Mr. KENNEDY. Mr. President, this measure, the Drug Abuse Treatment Technical Corrections Act of 1989, makes conforming and technical amendments to the Public Health Service Act and other acts as amended in the Anti-Drug Abuse Act of 1988 and the Health Omnibus Programs Extension of 1988. The original version of this technical corrections bill was introduced in the House as H.R. 1426, and we received and passed it here in the Senate with several amendments on April 19, 1989. The House agreed to some of our amendments, did not agree to others, and sent the bill back to us on June 14.

We now propose to recede from the amendments that were rejected by the House because it is important that a number of purely technical changes in this bill be enacted in a timely fashion. The amendments that were not accepted by the House will be pursued in another legislative vehicle at a later date. In addition, we propose to add two more amendments which we expect to have the support of the other body. The first would amend the Public Health Service Act so that financial institutions that lend money to health professional students will be required to make a reasonable effort to collect from defaulting students before applying to the Government for reimbursement. At present, the secretary must process a payment to the institution within 60 days of a judgment that the student is in default. The second amendment would include schools of osteopathic medicine along with schools of medicine and industry as appropriate sites for community-based clinical trials for experimental treatments.

Final quarter 1989 moneys for existing federally funded drug programs cannot be distributed in the amounts intended by Congress until this technical corrections bill passes. We have already committed these resources, and should adopt this bill without further delay. I urge prompt passage of this legislation.

Mr. President, I ask unanimous consent that the Senate recede from its amendments Nos. 1, 2, 3, 4, and 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 249 TO SENATE AMENDMENT 8

Mr. KENNEDY. Mr. President, I ask unanimous consent that it be in order to amend Senate amendment No. 8,

and that in lieu of the matter proposed to be inserted by Senate amendment No. 8, I now send to the desk two amendments and I ask that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes amendments en bloc numbered 249 to Senate amendment 8.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the appropriate place, insert the following new section:

"SEC. . COLLEGES OF OSTEOPATHIC MEDICINE.

"Section 2313(c) of the Public Health Service Act (42 U.S.C. 300cc-13(c)) is amended by inserting "and osteopathic medicine" after "schools of medicine".

At the appropriate place, insert the following new section:

"SEC. . TECHNICAL AMENDMENT CONCERNING TIME PERIOD FOR PAYMENTS TO CERTAIN LENDERS.

"Section 733(h)(2) of the Public Health Service Act (42 U.S.C. 294f(h)(2)) is amended by striking out "the eligible institution" and all that follows through the period and inserting in lieu thereof "the Secretary determines that the lender or holder has made reasonable efforts to secure a judgment and collect on the judgment entered into pursuant to this subsection.".

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 249) to Senate amendment 8 was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPEAL OF CERTAIN USES OF EXCESS CAMPAIGN CONTRIBUTIONS

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 66, S. 326, a bill to repeal a provision allowing use of excess campaign contributions.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 326) to amend the Federal Election Campaign Act of 1971 to repeal a provision allowing use of excess campaign contributions.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SHELBY. Mr. President, in the last few years, there has been considerable debate over the need to reform our campaign election system. While most Members will agree that some type of reform is warranted, we have been unable to reach a consensus over the best way to approach the problem.

The legislation which we are considering today presents an opportunity to move forward on this issue. S. 326 will close what has become a loophole in our campaign finance law by amending section 313 of the Federal Election Campaign Act to prohibit all Members of Congress from using campaign funds for personal use.

The law, as currently written, exempts those Members who were in office on January 8, 1980. This so-called grandfather clause exemption allows eligible Members or their estates to convert leftover campaign contributions to personal funds.

Under current law, leftover campaign funds may be used to defray expenses incurred as a Federal officeholder, or may be given to charitable organizations and national, State, or local committees of any political party. This money may also be given back to the donors or used for any other lawful purpose. However, those Members who qualify under the grandfather clause can use excess campaign funds in any manner they so choose, reaping a windfall at the contributors' expense.

A standing rule of the Senate, instituted in the late 1970's, also addresses the issue of use of political contributions. Senate rule No. 38 states that no contribution shall be converted to the personal use of any Member of the Senate or any former Member. However, the rule does not apply to a deceased Member's estate, and the enforceability of the Senate rule against former Members is subject to question.

This bill simply deletes the grandfather clause and thus amends the applicable portion of the existing statute to read "except that no such amounts may be converted by any person to any personal use, other than to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office."

According to my estimate, this legislation will affect 191 House Members and 73 Members of the Senate, and I believe such action is long overdue. When donors contribute to a political candidate they do so with an understanding that their money will be used to further the candidate's campaign, not to augment his or her personal wealth. By prohibiting all candidates and their estates from converting campaign funds into personal funds, S. 326 will effectively return our campaign contribution system to its original intent.

Currently, nearly $39 million is held in the campaign treasuries of the 190 exempt House Members. As the campaign war chests continue to grow, the temptation is even stronger to take the money and run. Campaign funds have even been referred to as personal retirement accounts for an eligible Member.

Since the Senate standing rule that prohibits any conversion of campaign funds for personal use does not have the full force of law, I believe this legislation is necessary to remove the grandfather clause and thus the potential for abuse.

Mr. President, the Committee on Rules and Administration has already held a hearing on this bill, and on May 18 reported the bill unanimously out of committee.

Public office is a trusteeship—and is not a means to accrue personal wealth. As one of the 73 Senators who would be affected by the enactment of this legislation, I am pleased to take this initial step toward restoring integrity to our Federal election campaign system.

Mr. President, I ask unanimous consent to print in the RECORD editorials from papers across my State in favor of eliminating this loophole, as well as a January Congressional Quarterly article citing instances of abuse.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Montgomery (AL) Advertiser, Feb. 6, 1989]

ROCKING CHAIR FUNDS

One of the beneficial results of the flap over whether Congress will get a 50 percent pay raise is proposed legislation to close an eight-year-old campaign finance loophole.

Part of the price of passing a 1980 campaign bill was a provision which allows members of Congress who were in office before 1980 to convert their campaign warchests to their personal use after they leave office, a sort of "rocking chair fund" to help the lawmakers in retirement.

In short, if a senator or House member elected prior to 1980 wants to retire, there is nothing in the law to keep him or her from walking away from Washington with whatever campaign contributions are on hand. Some House members have in excess of $1 million. Some senators, whose campaigns are more expensive, hold more than $2 million.

Alabama got an example of the loophole when the late U.S. Rep. Bill Nichols, D-Sylacauga, died in December. His campaign account held more than $400,000. Staff members say the bulk of that money will be transferred to the congressman's widow and distributed as part of his estate.

Three members of the Alabama House delegation, including U.S. Rep. Bill Dickinson, R-Montgomery, are eligible for the loophole windfall. Dickinson has $435,996, U.S. Rep. Ronnie Flippo, D-Florence, has socked away $811,380, and U.S. Rep. Tom Bevill, D-Jasper, has $515,438.

Rules of the U.S. Senate forbid personal use of campaign funds, but whether the rule could apply to former senators is uncertain. Both of Alabama's senators could take advantage of the loophole. U.S. Sen. Howell Heflin, D-Tuscumbia, could take $488,911 with him if he retired. U.S. Sen. Richard

Shelby, D-Tuscaloosa, has $382,506 in his campaign account.

So Sen. Shelby deserves special commendation for introducing legislation which would bar all eligible members of Congress from taking advantage of the potentially lucrative loophole when they leave office.

At stake is a large amount of money. The 190 House members and 73 senators who were in office before 1980 have reported campaign contributions on hand of more than $61 million. That's an average of $224,000 per House member and $341,000 per Senate member.

Sen. Shelby is absolutely correct when he says that donors do not contribute to a candidate in an attempt to enrich the candidate, but rather to help a specific campaign. To turn campaign contributions into personal income invites a perversion of the process which eventually will allow the wealthy to purchase the best Congress money can buy.

Congress can end the embarrassment by passing the legislation which Sen. Shelby has introduced. It should do so quickly.

[From the Montgomery Advertiser, Apr. 13, 1989]

DARK SHADOW

Recently public opinion forced Congress to back away from a proposed pay raise. An outgrowth of the furor over that proposal was a bill designed to close an eight-year-old loophole in congressional campaign finance regulations.

U.S. Sen. Richard Shelby, D-Ala., in an attempt to improve the image of Congress, introduced a bill to prevent senators and representatives who were in office on Jan. 8, 1980, from converting campaign contributions to their personal use when they leave office.

The proposal would affect 73 of 100 senators and 190 of the 435 House members. Total funds affected are more than $600 million. Some representatives hold more than $1 million in campaign funds. Some senators hold more than $2 million.

The issue was brought home for Alabamians following the death of U.S. Rep. Bill Nichols, D-Sylacauga, in December. His campaign fund held more than $400,000 at that time, and his former staff members say most of that money was distributed to his estate.

On Wednesday, Sen. Shelby urged the Senate Rules Committee to approve his bill to stop conversion of campaign funds. Although Sen. Shelby may hold the largest personal fortune of any member of the Alabama delegation. If approved, his proposed legislation would dip into his own pocket and those of four Alabama legislative colleagues to the tune of $3 million.

At the end of 1988, campaign finance reports showed that Sen. Shelby had stockpiled in his campaign account $462,478. U.S. Sen. Howell Heflin, D-Tuscumbia, and U.S. Reps. Bill Dickinson, R-Montgomery, Tom Bevill, D-Jasper, and Ronnie Flippo, D-Florence, would lose substantial sums if Sen. Shelby's bill is passed. Rep. Dickinson's campaign holds $421,368, Sen. Heflin has collected $810,958 and Rep. Bevill has $513,647 in contributions.

"Public office is a trusteeship, and is not a means to accrue personal wealth. As one of the 73 senators who would be affected by the enactment of this legislation, I am pleased to take this initial step toward restoring the integrity of our federal election campaign system," Sen. Shelby said.

Rules of the Senate adopted 10 years ago forbid personal use of campaign funds by current or former senators. But whether that rule would apply with the force of law to former members is uncertain. Sen. Shelby's proposed law would end that ambiguity.

To continue to allow members of Congress to turn contributions into retirement funds casts a dark shadow on congressional integrity. Sen. Shelby's bill should be adopted as soon as possible.

[From the Alabama Journal, Apr. 14, 1989]

ROCKING CHAIR FUNDS

Congressmen galore, stung by a strident and widespread public outcry, have been trying their best to disavow any connection with the recently defeated congressional pay raise. That ill-conceived attempt by congressmen to line their own pockets at taxpayers' expense called attention to an 8-year-old loophole in congressional campaign finance rules.

Now U.S. Sen. Richard Shelby, D-Ala., is attempting to close that loophole. Sen. Shelby has introduced a bill to prevent senators and representatives who were in office on Jan. 8, 1980, from converting campaign contributions to their personal use when they leave office.

The proposal would affect 73 of 100 senators and 190 of the 435 House members to the combined tune of more than $60 million. Some represenatives hold more than $1 million in campaign funds and some senators more than $2 million.

Alabamians may have noted that following the death of U.S. Rep. Bill Nichols, D-Sylacauga, in December, perhaps as much as $400,000 in campaign funds was distributed to his estate.

Sen. Shelby is pushing the bill to stop conversion of campaign funds to personal use even though his own campaign fund holds more than $460,000.

It remains to be seen whether his proposal will be supported by the rest of Alabama's congressional delegation. Those affected would be U.S. Sen. Howell Heflin, D-Tuscumbia, who has a $818,054 balance at present, and U.S. Reps. Bill Dickinson, R-Montgomery, with $421,368; Tom Bevill, D-Jasper, with $513,647; and Ronnie Flippo, D-Florence, with $810,958.

"Public office is a trusteeship, and is not a means to accrue personal wealth. As one of the 73 senators who would be affected by the enactment of this legislation, I am pleased to take this initial step toward restoring the integrity of our federal election campaign system," Sen. Shelby said.

He is right, and the rest of the Alabama congressional delegation should get behind his effort to eliminate what has become rocking chair funds for many veteran lawmakers.

Such pass-through loopholes would allow unscrupulous congressmen to take large donations—supposedly for campaign purposes—from those with interests in legislation. Then the lawmakers could leave the money in their rocking chair fund and to convert to their personal use later. In other words, it could be a legal conduit for taking a bribe.

And even when the purpose of lawmakers is not so corrupt, when Alabamians donate to the campaigns of candidates for Congress, they do so expecting the money to be used for the candidates' political races, not to pad their retirement accounts.

Sen. Shelby's bill should pass, and every Alabama senator and representative should work to see that it does.

[From the Birmingham News, Apr. 15, 1989]

CONGRESSIONAL ENRICHMENT

People donate money to a political candidate to help him get elected to office, not to fill his pocketbook. Sen. Richard Shelby is absolutely right when he says members of Congress should not be allowed to turn their campaign war chests into personal retirement accounts.

Federal law prohibits such conversions for members elected after 1979, but anyone who was in office on Jan. 8, 1980, is exempt.

Shelby, first elected to Congress in 1978, has introduced legislation to remove that "grandfather" clause and make all members live by the same rules. This week, he urged a Senate committee to approve that bill.

Although a Senate rule already prohibits members of that body from converting campaign accounts to personal use when they retire from the Senate, Shelby said enforcement of that rule is subject to question. Without a law on the books, how could the Senate force someone who is no longer a member to abide by its rules?

Shelby, who moved from the House of Representatives to the Senate in 1986, is one of 73 senators and 190 House members, including five Alabamians, who would be affected by the change.

"When donors contribute to a political candidate, they do so with an understanding that their money will be used to further the candidate's campaign, not to augment his or her personal wealth," Shelby said. That, understanding should be expressed in the law.

[From the Birmingham Post-Herald, Mar. 17, 1989]

CAMPAIGN FUND ABUSES

Did supporters contribute to Sen. Timothy Wirth's campaign so he could take his wife to a football Super Bowl? Or to Sen. Larry Pressler's so he could stuff a goose to hang in his office? Or to Sen. Daniel Inouye's so he and friends could dine regularly in cozy Capitol Hill restaurants?

These and other questionable expenditures, reported recently in The Washington Post, are further evidence of a need to tighten rules on the use of campaign funds. But no one should hold his breath waiting for Congress to do it.

The Federal Election Commission used to make random audits of how members of Congress spent the money. No longer. An FEC spokesman said the agency stopped the practice in 1979 after Congress said, "Don't do them anymore."

Last year, Hawaii Democrat Inouye's campaign fund paid more than $14,000 for restaurant meals for the senator and others. An aide explained that Inouye "doesn't particularly relish social events at his home," so he chooses to entertain campaign supporters or out-of-town officials at restaurants. Question: Where is it written that such entertaining at home is a legitimate campaign expense?

South Dakota Republican Pressler at least acknowledged that his goose stuffing was a turkey. After inquiries were made, an aide said the senator personally reimbursed his campaign kitty for the $226 stuffing charge.

Wirth's campaign fund doled out $1,805 for the Colorado Democrat's wife to join him at the 1987 Super Bowl. An aide defended the expenditure on grounds the game presented a good opportunity for "schmoozing" with potential fund-raisers.

Some members used campaign money to lease automobiles for driving to and from work. Several used the funds to make dona-

tions to charities, colleges, private foundations and to other people's political campaigns.

A former Democratic House member, William Boner, now mayor of Nashville, reportedly used his campaign fund to acquire more than $200,000 worth of property.

Then there's a rule that allows members elected before 1980 to put leftover campaign funds directly into their pockets when they leave Congress. A new regulation prohibits members elected since then from doing that, but the old-timers were "grandfathered" in when the rule was changed.

But it's obvious that new members, as well as the grandfathers, have been creative in finding ways to benefit personally from campaign contributions.

Did someone say Congress needs a pay raise?

[From the Congressional Quarterly, Jan. 21, 1989]

LOOPHOLE LETS EX-MEMBERS CASH IN ON WAY OUT

(By Chuck Alston)

William Carney called it quits in 1987 after four terms in the House. But the Committee to Re-Elect Congressman Carney continued operations until last March 31, when it wrote two final checks: $899.68 to the bookkeeper and $83,695.63 to William Carney.

The conservative Long Island Republican now works part time with a Washington lobbying firm, and he won't discuss how he's used his leftover campaign money. Nor need he.

Carney holds membership in one of Congress' most elite groups: former members permitted by a combination of House rules and federal law to do what they please with their excess campaign funds.

These members have converted to personal use at least $862,000 since the practice was outlawed for new members in 1980, a review of federal campaign records by Congressional Quarterly shows.

More than $710,000 of this was in cash. Another $115,000 was either borrowed or used to retire personal loans unconnected to their former campaigns. At least $37,000 went to buy cars, furniture, travel and other gifts or services.

This offers only a glimpse at what the future could hold. A rising tide of political action committee (PAC) money is flowing into the campaign coffers of senior House members, putting more money than ever at the disposal of those exempt from the prohibition against personal use of campaign funds.

Exempt retirees who have left Congress since 1980 have access to more than $2 million in leftover campaign funds. Most of it—$1.5 million—is controlled by members whose service ended with the 100th Congress.

Moreover, the campaign treasuries of the 191 exempt members serving in the 101st Congress held nearly $39 million after the November election.

This unique form of potential individual retirement account is certain to come under scrutiny as the 101st Congress focuses on issues of money and ethics, from matters of pay and honoraria to lobbying and campaign finance. Three bills that would repeal the exemption were introduced during the session's first two days. (*Legislative outlook, p. 106; honoraria, p. 111*)

The exemption arises from a 1979 election law that bars personal use of excess campaign funds, except by grandfathered members—those who were in office on Jan. 8, 1980, even if they left and returned later. Under House rules, these members can't make personal use of the money until they leave Congress. Once they disclose its conversion to personal use, their reporting obligations end, although it is considered taxable income. Senate rules flatly prohibit personal use by members past or present.

The loophole has drawn criticism since its inception, especially from senators. "It is not public policy, it is private policy," Sen. Warren B. Rudman, R-N.H., vice chairman of the Ethics Committee, lamented to the Senate in 1988.

A reform lobby has sprung up within the issue's primary constituency: the grandfathered House members. "I think it is one of the worst things we have in terms of public image because there is just no way you can justify it," says Rep. Dan Glickman, D-Kan. Wisconsin Democrat David R. Obey adds: "Frankly, I'm tried of the reputation this institution gets when we allow practices like this to continue."

The ultimate use of excess money originally donated for campaign and political expenses presents a thorny question for ex-lawmakers who were big fund-raisers. Members have used it to buy cars, travel, fight criminal charges, and make charitable and political donations. Some bank it, and others even include it in their estate planning.

One option is giving it back to contributors. Harley O. Staggers, D-W.Va. (1949–81), returned $59,322.50; William M. Brodhead, D-Mich. (1975–83), refunded $72,579. Former Sen. Russell B. Long, D-La. (1948–87), gave back more than $360,000 to contributors on a prorated basis.

PAC managers often express indifference to the eventual use of their contributions. But groups like Common Cause, the self-described citizens' lobby, complain that campaign money shouldn't become deferred compensation.

"Money contributed to political campaigns is supposed to be spent for politics," Obey says. "Candidates are their own best judge of what constitutes a political expenditure, but I do know that it is not a political expenditure to contribute it to my estate when I leave this joint."

PERSONAL PROPERTY

As campaign treasuries have grown, so, too, has speculation about how much the exempt retirees have taken. To find out, Congressional Quarterly examined the campaign records of more than 150 exempt House members who ended their service with substantial amounts of cash since the grandfather clause took effect.

Carney's was the largest conversion of campaign cash to personal use on record with the Federal Election Commission (FEC) as of Jan. 17. But David R. Bowen, D-Miss. (1973–83), in a report due by Jan. 31 to the FEC, is expected to show an amount approaching or surpassing Carney's. (*Bowen, p. 109*)

The will of former Rep. John J. Duncan, R-Tenn. (1965–88), who died of cancer June 21, 1988, illustrates the extent to which members have viewed campaign funds as personal property. The ranking Republican on the House Ways and Means Committee, Duncan specified in his will that his campaign funds—$604,521 in four accounts—be split among his wife and four children. Duncan had raised $175,000 in 1987 alone.

The estate of James J. Howard, D-N.J. (1965–88), chairman of the House Public Works and Transportation Committee, received $310,000 in campaign funds after he died March 25, 1988.

Not even defeat is certain to drain a campaign kitty of its retirement potential—despite the cardinal political rule against losing with money in the bank.

Fernand J. St Germain (1961–89), for one, spent $261,160 on radio and television advertising in losing his House seat but still had $248,367 in cash as of Nov. 28, according to FEC records. The Rhode Island Democrat and former Banking Committee chairman is eligible to use this excess as he wishes.

Although St Germain's campaign sputtered at its end under allegations that he took favors from the thrift industry, a homestretch fund-raising drive that lobbyists characterized as aggressive could still prove lucrative. He solicited PACs and executives in the insurance, real estate and financial services industries for $83,700 of the $173,451 he reported raising from Oct. 1 to Nov. 8.

"We'll probably use it for charitable or political purposes," St Germain says of his excess funds, adding that he spent all he could trying to win. "In a market such as Rhode Island, there is just so much [television and radio] time you can buy."

The largest campaign kitty of the 1989 House retirees belongs to Gene Taylor of Missouri. The backslapping Republican who spent most weekends in his Ozark Mountain district left the House with $457,939, according to his 1988 year-end FEC report.

First elected in 1972, Taylor kept a low profile as ranking member on the Post Office and Civil Service Committee and a member of the Rules Committee. His campaign treasury is earning interest at a rate of more than $30,000 a year. He did not return phone calls to his office seeking information on his money. But in a year-end interview with the Kansas City Times, the former Ford dealer said "serving in Congress has been a personal drain on me and I may convert some" of the money to personal use as well as give some to charity.

THIS IS MY RETIREMENT ACCOUNT

A grandfathered member with 20 years of service who left after the 100th Congress would be eligible at age 50 for a $42,028-a-year pension had he participated in the contributory retirement program. Some grandfathered members who have left the House view their campaign treasuries as a rainy-day fund that can be tapped before retirement age arrives.

Former member Bowen sees an ethical problem only if "somebody knows that he's going to retire from Congress and if that person goes around and hits people and the PACs up for large contributions".

Even if they don't do this, some members clearly look to their campaigns for pension planning.

"I know a couple of members who have told me flatly, 'This is my retirement account,'" says Al Swift, D-Wash., chairman of the Elections Subcommittee of the House Administration Committee.

Swift declines to name them. One, he says, called his campaign money his "just deserts" for earning a relatively low congressional salary. Other members who, like Swift, have sponsored legislation to repeal the grandfather clause tell similar stories.

The $38,905,195 in the campaign coffers of the 191 exempt members of the 101st Congress averages out to $203,692 each. Not all members are equal, though, when it comes to raising money, and the actual balances

range from deep indebtedness to more than $1.1 million.

Most exempt Members with large treasuries cite concerns more immediate than retirement, saying that the money is stockpiled to prevent the unanticipated retirement of defeat.

The largest post-election war chest among exempt House members, $1.17 million, belongs to Stephen J. Solarz, 48, a New York Democrat who has long professed fears of a millionaire opponent or redistricting problems when New York loses seats after the 1990 census. The second largest, $1.04 million, belongs to Dan Rostenkowski, 61, the Illinois Democrat who chairs the influential Ways and Means Committee. He calls the money insurance against opposition for a seat that is generally considered safe.

Rounding out the top five were Ronnie G. Flippo, 51, D-Ala. $811,379, who serves on Ways and Means and is thought to harbor ambitions for the governor's office; Matthew J. Rinaldo, 57, R-N.J., $757,226, who faced a wealthy opponent in 1982 and has since emphasized his fund raising; and James H. Quillen, 73, R-Tenn., $714,450, the ranking Republican on the Rules Committee.

Several directors of large political action committees pointed in interviews to Quillen as the most assertive fund-raiser of this quintet, unabashed and relentless in his pursuit of campaign money. He garnered 80 percent of the vote in November and hasn't fallen below 60 percent since 1976.

A millionaire in his own right, Quillen in December 1985 donated $200,000 in campaign funds to endow a chair named for his wife at the Quillen-Dishner College of Medicine at East Tennessee State University, named partially for him. Quillen did not return phone calls seeking an interview about his campaign funds.

Where announced plans vary among the 100 Congress' retirees with large amounts of cash. Samuel S. Stratton, D-N.Y. (1959–89), with $192,006 as of his Sept. 30 report, didn't return phone calls requesting information. Peter W. Rodino Jr., D-N.J. (1949–89), with $42,965, plans to make charitable donations, a spokesman said. Delbert L. Latta, R-Ohio (1959–89), with $123,061, is planning to "stay active in politics" and make donations to Republican candidates, a spokeswoman said. Ed Jones, D-Tenn. (1969–89), with $140,010, hasn't decided.

Robert E. Badham, R-Calif. (1977–89), announced his plans not to seek re-election on Jan. 3, 1988. Before January ended, he spent $769 in campaign funds to repair a car purchased by his campaign.

Badham's other 1988 disbursements through July 31, all described as "political," included: more than $2,500 for his wife to accompany him to a NATO conference; $1,036 to entertain constituents at The Ritz, a restaurant in Newport Beach, Calif.; $612 for opera tickets; $572 to the U.S. Treasury to cover his wife's expenses on an Armed Services Committee trip to the Far East; $204 for "political attire" at Today's Man and $646 for formal wear for his wife.

Badham plans to spend his leftover funds for "traditional political purposes—contributions to candidates and for his own entertaining for political people," said Paul J. Wilkinson, his spokesman, who added, "What he calls political, someone else may not."

"I CAN'T REMEMBER"

Samuel L. Devine, 73, a former FBI agent and 11-term Republican representative from Ohio, now retired in Naples, Fla., lost his 1980 re-election bid with $33,800 in cash left over.

"If it was given for a political purpose, it probably ought to be used for a political purpose," Devine said when asked recently how congressmen should dispense with such monies.

That is what he did as his funds earned interest for six years, doling out political contributions while leaving the campaign's principal largely untouched. But in June 1986, the Devine for Congress Committee wrote its last check—for $29,713—to Devine.

What was the money for?

"Jeez, I can't remember," Devine says.

Mendel J. Davis, D-S.C. (1971–81), closed out his committee by forgiving a $20,000 loan made to him, paying $453 to move his furniture and writing checks to himself for the cash balance of $22,047, money he has said he used to pay for back surgery.

In 1981, his first year of retirement, Ray Roberts, D-Texas (1962–81), spent $2,903 to purchase office equipment and to travel. He also wrote himself checks for $13,014. Roberts told U.S. News & World Report: "I took it, I'm happy I got it and I wish it had been more."

Federal law doesn't require a complete accounting of how an exempt ex-member uses the money or closes his account, just the name of the recipient and a mention of the purpose. Members in office since the early 1970s have not always had to meet even this requirement. Rather, they had only to answer the following question on their initial registration form: "In the event of dissolution, what disposition will be made of residual funds?"

"There probably won't be any residual funds," James M. Hanley, D-N.Y. (1965–81), wrote on his registration form in 1972. His committee, however, closed out business on Dec. 30, 1980, with $29,406.89 on hand. It wasn't until August 1983, in response to an FEC inquiry, that Hanley told the commission staff the committee had formally shut down.

"The bulk remains on deposit," Hanley says.

When he decided not to seek reelection, Texas Democrat Richard C. White (1965–83) told the *Dallas Morning News* in 1981 that he would make "a public use" of the more than $50,000 in his campaign treasury after consultation with his supporters. A better indicator was his statement that he was leaving Congress after nine terms because of financial pressures.

White's final report in July 1984 logged a $40,808.26 payment to himself. A note attached to the report explained that the money was "utilized to pay for moneys borrowed for living expenses while in the U.S. Congress.

The committee of John Brademas, D-Ind. (1959–81), the majority whip who lost reelection in 1980, took steps to make sure his actions weren't misinterpreted. The treasurer inserted a one-page statement in the final FEC report that said Brademas' last $10,681 "will be donated to charitable, educational or similar institutions . . . and none of such funds will be used to defray expenses incurred in connection with any individual's duties as a holder of federal office."

LOANS, LAWYERS, PARKING FINES

FEC records also note these uses of funds:

Ken Holland, D-S.C. (1975–83), who chose not to run for reelection in 1982, returned $25,435 to contributors and then, in January 1983, lent himself $75,000. The committee continues to carry the debt and files reports twice a year on its $7,477 cash balance. There is no requirement that he repay the loan.

William C. Wampler, R-Va. (1953–55, 1967–83), who lost re-election in 1982, lent himself $15,100 during 1983. He later paid back $1,000, which the committee turned into a political donation. He also spent $5,593 in campaign funds to buy and repair furniture in 1983.

L.H. Fountain, D-N.C. (1953–83), rode into retirement in a Cadillac for which his committee kicked in $13,820, part of the $14,880 it spent on gifts for the L.H. Fountain Appreciation Fund.

Paul Findley, R-Ill. (1961–83), who lost reelection in 1982, took $40,000 out of the Paul Findley Public Service Fund in December 1983. Findley's committee continued to operate in 1988, with more than $12,000 on hand.

Jack Hightower, D-Texas (1975–85), lost his seat in the 1984 election with about $17,000 left over. He spent $11,911 for personal computer equipment and travel.

Sam B. Hall Jr., D-Texas (1976–85), a former lieutenant governor who traded his House seat for a federal judgeship, once spent more than $2,600 in campaign funds to purchase .22-caliber Browning rifles as gifts for 10 of his Democratic House colleagues. After he assumed the judgeship, Hall added $58,433 in campaign cash to his extensive holdings in oil, real estate and stock. Hall didn't return phone calls seeking comment.

Majorie S. Holt, R-Md. (1973–87), who decided not to run for reelection in 1986, doled out campaign contributions to fellow Republicans and then in July 1987 gave herself the remaining $60,743 in cash.

A $499 hearing aid was among the items purchased with campaign money by Clarence D. Long, D-Md. (1963–85), after his 1984 defeat. He spent $3,197 for furniture and equipment and $16 to pay a parking fine. He also wrote himself a check for $15,200.

Bill Boner, D-Tenn. (1979–87), continued to raise campaign money through his federal account after he resigned from the House in October 1987 to become mayor of Nashville, Tenn. In 1988 he spent $292,453 on legal fees stemming from an investigation into his finances by the House ethics committee and the Justice Department. The ethics committee, in a letter written to Boner in December 1987, said it considered the legal fees a political, not personal, use of the money because they arose from Bonner's duties as a House member.

GIVING TO CHARITIES

Some members give their excess funds to charity. Manuel Lujan Jr., R-N.M. (1969–89), President George Bush's nominee for interior secretary, soon after announcing his retirement from the House, established the Excellence in Education scholarship for high-school students, using $117,243 in campaign funds.

Colleges and Universities were the beneficiaries of $40,000 from Charles Whitley, D.N.C. (1977–87); $41,507 from Jack Brinkley, D-Ga. (1967–83); $100,000 from Don Fuqua, D-Fla. (1963–87); and $110,000 from Richard H. Ichord, D-Mo. (1961–81).

Eldon Rudd, R-Ariz. (1977–87), added $150,000 to the endowment of Students in Free Enterprise. He used $3,754 to buy computer equipment and put his balance, $53,835, into the Eldon Rudd Fund.

"It was for the benefit of winding down my campaign, my office and to pay the income tax on this fund for over a year,"

Rudd said. "Winding it all down is a real pain in the neck. You have to have CPAs go over whatever you are doing, then you are thumb-tacked with IRS. One IRS item took over a year to settle the darn thing. There are letters, phone calls, and I needed some office space for a while."

Other former members operate their political committees much as PACs except for the most part they are taking contributions. Some contrast their committees to PACs, enabling them to raise and distribute contributions in $5,000 amounts, up from $1,000, while continuing to defray their own political expenses.

Gene Snyder, R-Ky. (1963-65, 67-87), continues to run Citizens for Snyder as a political committee. He had made $10,054 in political contributions as of his most recent report last June. His charitable contributions had included $469 to renew his subscription to the Actors Theater, and $390 for steeplechase tickets to benefit the Kentucky Opera Association. He also had paid about $50 a month to keep his dues at Louisville's private Jefferson Club current and occasionally used the fund for meals, gas and credit card bills.

Last July, Snyder had $189,438 left drawing interest at more than $10,400 a year. He did not return phone calls seeking to discuss his funds.

Among those who formed PACs were former Speaker Thomas P. O'Neill Jr., D-Mass. (1953-87), the Democratic Candidates Fund; former Reagan administration budget director David A. Stockman, R-Mich. (1977-81), the Free Enterprise Fund; Larry Winn Jr., R-Kan. (1967-85), the Jayhawk PAC; and Clair W. Burgener, R-Calif. (1973-83), the Golden State Fund.

SENATE BANS PERSONAL USE

Senate rules bar personal expenditures, although it is often difficult to distinguish between the personal and political expenses of former senators.

One former member, Harrison A. Williams Jr., pocketed $65,781.21 in June 1982, three months after the New Jersey Democrat resigned from the Senate and more than a year after his conviction on federal charges stemming from the FBI's Abscam investigation.

The Senate can sanction former members only by removing certain privileges, like access to the floor and the dining room. A spokesman for the Select Ethics Committee said no senator had ever been sanctioned for violating Senate rules on the subject.

The Senate leaves the distinction between personal and political expenses largely to the senator and notes that the ban does "not include reimbursement of expenses incurred by a member in connection with his official duties."

The line federal election law draws isn't much sharper. For members who aren't grandfathered, excess funds may not "be converted by any person for any personal use, other than: to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of federal office, or to repay to a candidate any loans the proceeds of which were used in connection with his or her campaign."

FEC spokesman Fred Eiland said he knew of no formal complaint ever filed alleging improper use of funds by a former member, grandfathered or not.

As for taxes, the IRS does not care about House or Senate rules. A committee must pay income tax at the corporate rate on investment earnings. Amounts converted to personal use are taxed as personal income. FEC records and interviews reveal that the IRS has queried some members about their funds.

IRS regulations state that excess campaign funds are considered personal unless the person controlling the funds "within a reasonable period of time" gives the money to charity, other political organizations or to the government; or holds the money "in reasonable anticipation" of using it for future tax-exempt political activities.

What's political? "All activities that are directly related to and support the process of influencing" elections, according to IRS regulations.

What's reasonable? "That's not defined," said Wilson Fadley, an IRS spokesman.

PETER A. PEYSER: NO APOLOGIES

Peter A. Peyser, who lost his 1982 re-election bid, makes no bones about why he took $12,000 leftover campaign funds in 1983. "Those funds were used to support, frankly, me and my family," Peyser recalled in a recent interview.

Peyser, the former mayor of Irvington, N.Y., was a member of Congress on Jan. 8, 1980, and thus he was permitted under a grandfather clause in federal law to keep his excess campaign funds.

Peyser ran again in 1984 and lost, but in doing so he discovered "a strange quirk nobody had anticipated." Because he had been a member on that date in 1980, he could have kept leftover money from his second campaign, the Federal Election Commission ruled in response to his inquiry. But the point turned out to be moot, since he spent all the money from his last campaign.

Brash and often outspoken, Peyser was first elected in 1970 and served as a Republican member until 1977. He lost a bid for the GOP Senate nomination in 1976 and returned to the House in 1979 as a Democrat. He once offered an amendment to deny a pay raise to any member who voted against it.

Before going to Congress, Peyser was "quite successful" as a life insurance executive, he said. "I thought I had accumulated a reasonable amount of money."

As a member, he earned an average of $46,000 a year from 1971-83, he said. But his savings ran headlong into inflation and the cost of maintaning two residences.

"With five kids in college—and they went to nice, inexpensive schools like Skidmore, Harvard, Williams, Mount Holyoke and Colgate—I started with a 7½ percent mortgage and ended up with 15½ percent after remortgaging three times and literally going through everything."

Peyser, 67, is now senior vice president for marketing at a real estate investment-management firm.

Of late, he has enlisted in the battle to win higher pay for members, volunteering his services to Rep. Vic Fazio, D-Calif, a leader of the pay-raise fight.

"I didn't have a real handle on the expense of being in Congress. Nobody understands that until they understand what rent is there."

A MINORITY OF MEMBERS CAN KEEP FUNDS . . . BUT THEY OCCUPY KEY POSITIONS IN HOUSE

On paper, it looks simple. There are 435 House votes. Under federal election law, 191 members in the 101st Congress are eligible to pocket their excess campaign funds. This leaves 244 who can't.

As would-be reformers look to eliminate the privilege granted the 191, a 244-191 margin would appear to cut their way. But arithmetic is simpler than the politics: The 191 members include those with the most seniority—and—power—in the House.

This is the situation facing backers of legislation to repeal a provision in a 1979 law (PL 96-187) that, combined with House rules, "grandfathered" members of the House on Jan. 8, 1980, from a prohibition against converting their leftover campaign funds to personal use.

"Clearly, if you take post-1980 members, they are a majority. One would think they would vote for a repealer," says Bill Frenzel, R-Minn., who has introduced such legislation.

But, Frenzel acknowledges, "it may be there would be senior people of influence who would say, 'Don't mess with that.'" Rep. Al Swift, chairman of the House Administration Subcommittee on Elections, agrees: "The hostility of some more senior members is very strong."

Nonetheless, growing campaign surpluses have attracted new attention to possibly support for, repeal, says David R. Obey, D-Wis. And negotiations over a congressional pay raise and honoraria ban that have a Feb. 8 deadline could yield the opening.

Some members close to these negotiations say pressure is growing on the House Democratic leadership to include a measure to repeal the grandfather clause.

The issue does not, however, necessarily pit self-interested haves vs. reforming have-nots. Frenzel, Obey and Andrew Jacobs Jr., D-Ind.—all of whom are eligible to keep their campaign money—introduced separate bills (HR 171, HR 40, HR 198) to close the loophole on the first two days of the 101st Congress. Of Obey's 16 cosponsors, 11 also fall under the grandfather clause.

Obey says if the measure arrives on the floor for a vote, "I cannot imagine 50 people voting against it."

The trick is getting it to the floor. Swift hasn't been able to get such a bill out of his committee because he has lacked the votes. Frenzel said it is doubtful a repeal amendment would be considered germane under House rules on any but a broad elections bill. Thus, the leadership would have to take the lead in getting a waiver.

This legislation is not the kind that wins popularity contests among members. When Swift and Tom Tauke, R-Iowa, introduced such a bill in the 99th Congress, "neither of us could walk in our cloakrooms for a month," Swift quipped.

Obey has felt similar heat. "Some of the people here are mad as hell at me," he says.

And some of Obey's supporters prefer to stay out of the limelight for now, Obey asserted. "A lot of members won't put their names on the bill. They say, 'I don't want to antagonize people if it's a false start.' But, they'll say, 'If you get it to the floor. . . .'"

The three bills introduced thus far would eliminate the grandfather clause for good. But Swift says further compromise may be needed to win support. He proposes setting a date by which a member has the option to convert his money to personal use or else lose that right.

Senate rules prohibit personal use of excess campaign funds, and the Senate has tried to make the House play by its rules. The latest attempt came in April 1988, when Warren B. Rudman, R-N.H., attached a grandfather-clause repeal amendment to a bill regulating post-employment lobbying by federal officials. But the House dumped the Senate version for its own bill, and Rud-

man's amendment never made it to the House floor.

This House-Senate split has existed since the grandfather clause's inception in 1979. The Senate Rules Committee in July 1979 approved a provision that would have banned anyone, without exceptioin, from using campaign funds for personal use. The House followed in September with a measure that was silent on the personal use of campaign funds. *(1979 Almanac p. 559)*

The effect of the House version was to leave the matter entirely to each chamber's rule book. While Senate rules, now as then, bar the conversion of campaign funds to personal use by sitting and former members, House rules bar only the conversion by sitting members.

The chambers eventually arrived at the grandfather clause as a compromise "necessary to ensure passage of a bill which does bring many needed reforms," Sen. Mark O. Hatfield, R-Ore., told the Senate in 1979.

The law says that a member's excess campaign funds may be: 1) used to "defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of federal office"; 2) given to charitable organizations or to local, state and national party committees; or 3) used for any other lawful purpose.

The grandfather clause follows: "Except that, with respect to any individual who is not a senator or representative in, or delegate or resident commissioner to, the Congress on Jan. 8, 1980, no such amounts may be converted by any person to any personal use, other than to defray ordinary and necessary expenses in connection with his or her duties as a holder of federal office."

The law exempted the members not their cash. As a result, money subsequently raised by the exempt members is also exempt. What's more, the Federal Election Commission has held that a member who was in office on Jan. 8, 1980, could interrupt his House service, resume it later and convert to personal use funds raised during either tenure. He could also keep money raised in an unsuccessful later campaign.

Asked in 1979 why a total ban wasn't adopted, Frank Thompson Jr., D-N.J., chairman of the House Administration Committee, said, "We thought it would present too many problems. Some members have stashed money for campaigns, and other purposes. . . . They might have objected."

Thompson (1955-81) found his excess campaign funds useful. He was convicted in December 1980 in the FBI's Abscam investigation into congressional corruption. He spent his last $24,020.18 in campaign funds on legal fees in 1981.

House Members' cash on hand

[Members in italics were not members on Jan. 8, 1980, and are not eligible to convert excess campaign funds to personal use]

Rank:		[1] Cash
1.	*David Dreier, R-Calif*	$1,244,729
2.	Stephen J. Solarz, D-N.Y	1,169,371
3.	Dan Rostenkowski, D-Ill	1,036,513
4.	*Charles E. Schumer, D-N.Y*	826,980
5.	Ronnie G. Flippo, D-Ala	811,379
6.	*Mel Levine, D-Calif*	807,013
7.	Matthew J. Rinaldo, R-N.J	757,226
8.	James H. Quillen, R-Tenn	714,450
9.	Robert T. Matsui, D-Calif	651,878
10.	Bill Archer, R-Texas	637,808
11.	Carlos J. Moorhead, R-Calif	619,378
12.	Sam Gibbons, D-Fla	616,950
13.	Larry J. Hopkins, R-Ky	604,822
14.	Dante B. Fascell, D-Fla	[2] 602,696
15.	Thomas S. Foley, D-Wash	582,766
16.	William S. Broomfield, R-Mich	582,122
17.	*Michael A. Andrews, D-Texas*	573,980
18.	Doug Barnard Jr., D-Ga	527,726
19.	Thomas J. Downey, D-N.Y	526,008
20.	Tom Bevill, D-Ala	515,438
21.	Norman F. Lent, R-N.Y	512,013
22.	*Robert G. Torricelli, D-N.J*	507,795
23.	Robert A. Roe, D-N.J	491,820
24.	Marvin Leath, D-Texas	486,033
25.	*Tom Lantos, D-Calif*	476,976
26.	Brain J. Donnelly, D-Mass	468,720
27.	Ed Jenkins, D-Ga	462,939
28.	Edward J. Markey, D-Mass	451,852
29.	Bob Whittaker, R-Kans	439,887
30.	Jack Brooks, D-Texas	439,347
31.	*Ron Wyden, D-Ore*	434,487
32.	Bill Frenzel, R-Minn	433,959
33.	John J. LaFalce, D-N.Y	424,831
34.	William L. Dickinson, R-Ala	420,052
35.	George Miller, D-Calif	411,195
36.	Edward R. Madigan, R-Ill	401,707
37.	Vic Fazio, D-Calif	396,323
38.	Nick J. Rahall II, D-W.Va	386,112
39.	Charles Rangel, D-N.Y	372,610
40.	*Terry L. Bruce, D-Ill*	371,367
41.	Charlie Rose, D-N.C	370,082
42.	*John Bryant, D-Texas*	364,397
43.	Bill Gradison, R-Ohio	359,747
44.	Joseph M. McDade, R-Pa	352,106
45.	Jamie L. Whitten, D-Miss	350,803
46.	*Raymond J. McGrath, R-N.Y*	348,355
47.	John Paul Hammerschmidt, R-Ark	339,849
48.	Norman Y. Mineta, D-Calif	333,984
49.	*Steny H. Hoyer, D-Md*	330,780
50.	*Pat Roberts, R-Kans*	326,393

[1] Cash on hand Nov. 28, 1988.
[2] Last report available Oct. 19, 1988.

Source: Federal Election Commission, Nov. 28, 1988 reports.

David R. Bowen: Why I Kept It

There was $87,078 cash in the Congressman Bowen Re-election Committee the last time it reported to the Federal Election Commission. The next report, due Jan. 31, will show a balance of zero.

The primary recipient; David R. Bowen.

Bowen, 56, a five-term Democrat from Mississippi, decided against seeking re-election in 1982. He waited until late last year to terminate his campaign fund, and then did so by giving himself the balance.

"I thought for several years after I left the House I might well make another political race, maybe a race for governor," Bowen said recently. "Of course I would have used it for that purpose had I done so. Also, along the way I made contributions to various candidates and causes, and so on and what not. . . .

"The decision really came to a head when [Sen. John C.] Stennis [D-Miss.] retired. I thought there was an outside possibility I'd make that Senate race. For a variety of reasons, I decided not to. I said if I am not going to run for anything else, I'm going to close" the account.

A former Rhodes scholar, Bowen taught political science and history in Mississippi colleges and worked in various government jobs before winning his seat in 1972. He went on to play a key role building a coalition of support for implementation of the Panama Canal treaties.

After leaving Congress, Bowen became a visiting professor at Mississippi State University. He recently moved back to Washington and is looking for a new job. He wrote a play, "The First Couple," produced last year by the Georgetown Workshop Theater.

Bowen dipped into the campaign funds for a total of $22,500 in 1984, to pay for him time and expenses as chairman of the Mississippi presidential campaign of Walter F. Mondale. The committee was later forced to pay back taxes on this money in 1986, as the Internal Revenue Service deemed this taxable personal income.

Once he decided to close the fund, Bowen considered returning the money. "Having a revolving fund over a number of years in Congress makes it nearly impossible to identify who should get what," Bowen said. And it would be difficult to find the contributors, he adds, noting that more than 6 years have passed since his last contribution.

"People gave because they believed in you. They gave voluntarily. And they do not ask to get it back," he says. "I think it's a fairly logical and ethical decision to use it for some other reason, rather than go through the labyrinth of trying to give it back."

As for keeping the money? "The ultimate question, at least one of the questions, is how ethically has it been handled? I think most members don't set out with any game plan to raise money for retirement.

"You might say Congress shouldn't have done that, that it was a loophole. As long as the law provides for it, and I'm eligible for it, I've never been able to see any reason why I shouldn't use the provision of the law so long as it is in my interest.

"If somebody knows that he's going to retire from Congress, and if that person goes around and hits people and the PACs up for large contributions knowing he's going to retire, that provides a substantial ethical question. I did not intend to retire. The Federal courts redistricted my State, and my district changed, and I made the decision not to run."

Joseph G. Minish: 'I'm Not Hungry'

Joseph G. Minish spent more than $337,000 in 1984 trying to hang onto New Jersey's 11th Congressional District. He lost. But he didn't reach for the $261,618 salve of leftover campaign funds.

"I'm aware it's there, but I'm not a hungry man. I never was," Minish explained recently.

By 1988, there still was $225,313 remaining in the campaign fund. Minish had converted none of it to personal use, although he did use its funds to pay for some political expenses.

Minish taps the fund on occasion to travel to Washington, to pay for a committee dinner, or to fill mailboxes with the annual Minish committee Christmas card. Expenses of this sort had accounted for $5,607 as of last June 30, the date covered by his latest report to the Federal Election Commission.

Minish had given $4,316 to charity, and paid $280 for tickets to a retirement dinner. He had sent Uncle Sam $11,517 for taxes, to cover his interest earnings—$62,711 at last count.

Minish, 72, is a former machine operator who worked his way up the organizational ladder in the International Brotherhood of Electrical Workers. After winning his House seat in 1962, he operated much like a ward politician at home. In Washington, he spent much of his time championing consumer issues.

Minish reserves his biggest spending for donations to other Democrats, among them New York Mayor Edward I. Koch and former Rep. Fernand J. St Germain, D-R.I., his one-time colleague on the House Banking Committee.

By last June 30, he had made $71,774 in political contributions. The largest was $29,694 to the Democratic Congressional Campaign Committee in 1985. He sent the Democratic National Committee $5,000 last May.

"We use a lot of it to help people," Minish said. "We don't buy cars, we don't buy dresses."

The size of his kitty attracts attention, even from a Republican like Evan Mecham, the former governor of Arizona. "Oh, do we get hit up!" Minish says. "Even the governor that was impeached, what's his name in Arizona, we got a letter from him. That's enough to make you convert a fund."

Mr. SHELBY. Mr. President, I ask unanimous consent that the names of Senators FOWLER, ROBB, and EXON, be added as cosponsors to this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended by striking out "except that, with respect to any individual who is not a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of January 8, 1980," and inserting in lieu thereof "except that".

Mr. KENNEDY. Mr President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

RECESS UNTIL 9:45 A.M. AND RESUME PENDING BUSINESS

Mr. KENNEDY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:45 a.m., Thursday, July 13; that the time between 9:45 a.m. and 10 a.m. be equally divided between the two leaders; and that at 10 o'clock the Senate resume consideration of S. 358, the legal immigration bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. KENNEDY. Mr. President, if the distinguished acting Republican leader has no further business, and if no Senator is seeking recognition, I ask unanimous consent that the Senate stand in recess under the previous order until 9:45 a.m., Thursday, July 13.

There being no objection, the Senate, at 7:43 p.m., recessed until Thursday, July 13, 1989, at 9:45 a.m.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

HOUSE OF REPRESENTATIVES—*Wednesday, July 12, 1989*

The House met at 10 a.m.

The Reverend Timothy J. O'Brien, Marquette University, Milwaukee, WI, offered the following prayer:

Let us pray.

Heavenly Father, we beseech Your blessing on the Members of this body, their families, their staffs, and their interns, especially those interns studying for tests.

Lord, we gratefully acknowledge the multitude of gifts You have bestowed on this planet, and this Nation in particular.

We ask Your forgiveness for our sins of commission and those of omission; and, we pray, today, in a special way for purity of insight to discern Your will, and strength of character to labor in behalf of all Your people, especially the poor, the oppressed, and those who live without freedom, opportunity, and human dignity.

Lord, we acknowledge our dependence upon You; we acknowledge that we are made in Your image; and entrusted by You to steward the resources of this Earth, and to serve all Your people. Help us be faithful servants whose labor is marked with humility, kindness, and compassion. Let arrogance, narcissism, and reckless consumption be our enemies. And in a special way, Lord, we remember two former Members of this Chamber, both from Wisconsin, both of whom I had the privilege of working with for Your glory—Clement J. Zablocki and William A. Steiger. May their souls and all the souls of the faithful departed rest in peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DUNCAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DUNCAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 312, nays 97, not voting 22, as follows:

[Roll No. 131]

YEAS—312

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Billey
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Clarke
Clement
Coleman (TX)
Combest
Cunie
Conyers
Cooper
Costello
Cox
Coyne
Craig
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Frenzel
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hiler
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Oxley
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Purcell
Quillen
Rahall
Rangel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Roe
Rohrabacher
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Whitten
Wilson
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—97

Armey
Baker
Ballenger
Bilirakis
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Chandler
Clay
Clinger
Coble
Coleman (MO)
Coughlin
Courter
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Douglas
Duncan
Fawell
Fields
Gallegly
Gekas
Goodling
Gunderson
Grandy
Hancock
Hastert
Hefley
Herger
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lukens, Donald
Machtley
Madigan
Markey
Marlenee
Martin (IL)
Martin (NY)
McCandless
McGrath
Michel
Miller (OH)
Molinari
Parris
Pashayan
Paxon
Rhodes
Ridge
Roberts
Rogers
Roth
Roukema
Schaefer
Schroeder
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Stangeland
Stump
Sundquist
Tauke
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Weber
Weldon
Wheat
Whittaker
Wolf
Young (AK)
Young (FL)

NOT VOTING—22

Barton
Bentley
Boggs
Brooks
Carr
Chapman
Collins
Dixon
Edwards (OK)
Florio
Frost
Gillmor
Hall (TX)
Hyde
Livingston
Lowery (CA)
Murphy
Owens (UT)
Ravenel
Schuette
Williams
Wise

□ 1023

So the Journal was approved.

The result of the vote was announced as above recorded.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. DREIER] please lead the House in the Pledge of Allegiance.

Mr. DREIER of California led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

THE REVEREND TIMOTHY J. O'BRIEN

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, I would like to thank Father O'Brien for giving today's opening prayer.

Rev. Timothy J. O'Brien is a professor of political science at Marquette University in Milwaukee, WI. With a strong interest in politics, he has been active on Capitol Hill in various Congressional offices for the past 15 years. Father O'Brien, in conjunction with Ivo Spalitin, a graduate of Marquette University and the staff director of the Subcommittee on Arms Control, International Security and Science, directs the Marquette University intern program which is in its 2d year.

This 2-month program allows over 30 students, at undergraduate and graduate levels, to receive academic credit through their internships in both House and Senate offices. The students also attend a class on the Congress and foreign policy, which consists of daily lectures, not only from Father O'Brien and Mr. Spalitin, but also from those in the media, notable scholars, and Members of Congress.

The Marquette intern program offers the students Hill experience, as well as a strong foundation to become the leaders of tomorrow.

Again, thank you, Father O'Brien, for the opening prayer and for your work with the Marquette intern program.

THE PHYSICIAN REFORM PACKAGE

(Mr. LANCASTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANCASTER. Mr. Speaker, I rise with mixed emotions to speak to the physician reform package recently adopted by the Ways and Means Health Subcommittee for the Medicare system. I strongly support and applaud their adoption of a national fee schedule for physicians which is calculated on the relative value of the medical care provided. This is an important step which will remove many inequities that currently exist in the payment of various physician specialties.

However, I question the wisdom of their adoption of the concept of expenditure targets which will have the effect of rationing health care among our elderly and disabled. Regrettably that rationing process will fall unfairly on the physician who will be placed in a position of having to determine whom he will treat and who might die for lack of treatment. Very clearly the physician community must play an important role in bringing down the cost of health care. However, I question whether or not this is the way to do it. The physician should have his patient as his first concern and not be expected to make life and death decisions based on economic rather than medical considerations.

□ 1030

WEST TEXANS SUPPORT CONSTITUTIONAL AMENDMENT

(Mr. COMBEST asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. COMBEST. Mr. Speaker, following the Supreme Court's decision on the desecration of the flag, a large number of Americans in west Texas notified me of their opposition to that ruling. Appropriately, a radio station in Lubbock, TX, new weathervane of America, started a petition drive over the July 4 weekend and delivered it to me yesterday appropriately bound in red, white, and blue ribbons, with 25,000 signatures of those people who agree with the President on the constitutional amendment.

I think that this picture of this young lady leaning over and kissing the flag is very symbolic of their feeling. I believe that these petitions and the signatures hereon are very symbolic of the feeling of a majority of American people that we will not stand by and watch the desecration of the flag.

Mr. Speaker, I am including in the RECORD the letter to the President that we will include as we deliver these petitions to his office.

Hon. GEORGE H.W. BUSH,
President of the United States of America, The White House, 1600 Pennsylvania Avenue, Washington, DC.

DEAR MR. PRESIDENT: *We The People*, recognizing that ours is a nation of laws, and not of men, would have you know that we, the undersigned Americans, do resolutely and emphatically support your efforts to cause to be made a constitutional amendment prohibiting the desecration, disrespect, irreverence, or misuse of the Flag Of The United States of America.

We would further advise you, Mr. President, that we shall be watching the Congress, and will rise up against those who would oppose this effort.

We The People, therefore, do hereunto affix our signatures and urge you to continue, with all haste, your efforts to end the cause of our indignation, disbelief, and outrage.

Respectfully,
WE THE PEOPLE.

INTRODUCTION OF THE PUBLIC SAFETY OFFICERS COMPENSATION ACT

(Mr. JONES of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Georgia. Mr. Speaker, in 1987, two Atlanta police officers, Richard Williams and J.J. Biello, were permanently paralyzed while serving and protecting the citizens of Georgia. As we speak here today, somewhere in America, a police officer is risking his or her life in the line of duty. Some years ago, my father-in-law Bob Walker, an Atlanta policeman, took a bullet. Another constituent, former chief Roland Vaughan of Conyers, GA, was shot by a cocaine dealer when Roland went in first on a drug bust. Every year scores of law enforcement officers are killed and many more are wounded. Some are permanently disabled. Mr. Speaker, today our colleague, Mr. MANTON of New York is introducing the Public Safety Officers Compensation Act which would extend current benefits to officers who have been struck down while doing their jobs. I am honored to cosponsor this badly needed legislation. It is the least we can do for those who are in the front line against crime and drugs. The men and women who have put their lives at risk for us and suffered permanent and totally disabling injury need the assistance this bill provides.

Mr. Speaker, I urge my colleagues to give it their full support.

CONGRATULATIONS TO PRESIDENT SALINAS OF MEXICO

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, over the years there are many of us who have been critical of the Government of Mexico because of corruption, drug trafficking, a wide range of things including a lack of democracy.

Mr. Speaker, while President Bush is in Hungary and Poland and traveling throughout the world encouraging democratic expansion, we have just seen one of the greatest, most historic developments in behalf of the cause of democracy in Mexico. President Salinas de Gortari is about to allow for the first time in the 61-year history of one-party control by the Institutional Revolutionary Party in Mexico, the opposition PAN party, the National

Action Party, to win the governorship in Baja California.

I, Mr. Speaker, would simply like to express my congratulations to President Salinas for this very bold and dramatic move.

LET STREET KILLERS KNOW WE HAVE HAD ENOUGH

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, street killers have a new word now. It is called mushrooms. Mushrooms stands for street people who pop up in the line of fire, and that is fire from semiautomatic and battlefield-type assault weapons.

Mr. Speaker, that is the type of contempt that street hoods have for innocent bystanders. In the last 3 years, 250 innocent bystanders were shot, 71 of them killed, cold-blooded murder, and while cemeteries grow, emergency rooms are packed, Congress is basically doing nothing but allowing open hunting season on Americans.

Mr. Speaker, I think it is time for the death penalty, and I think it is time to let these hoods know we have had enough. We have 20,000 murders a year in America, and Congress is sitting back watching it like as if it was a television series.

OUTER CONTINENTAL SHELF DRILLING IN FLORIDA WATERS

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, today the House will consider the interior appropriations bill for fiscal year 1990 with a 3-year moratorium on Outer Continental Shelf drilling along the gulf coast of Florida intact.

As a former petroleum engineer myself, I fully appreciate the intricacies of offshore drilling. I am also completely aware of our need for a sound, secure domestic energy supply. However, while wells sit idle elsewhere in this country, I emphatically cannot support any venture into such environmentally sensitive areas as Florida's gulf waters. Can we afford to expose our single living coral reef to such dangers? I think not.

The moratorium does not allow the straits of Florida and the Florida Keys, the area between 26 and 25 degrees north latitude in the eastern Gulf of Mexico, the buffer zone around the State of Florida, and the NASA flight clearance zone to be included in any OCS 5-year leasing program plans. This moratorium is not designed to thwart energy independence goals for America, but to promote a sane policy that balances present needs and environmental concerns. The easy road to any goal is not always the correct one. Let us do the right thing in Florida's coastal waters.

INTRODUCTION OF LEGISLATION OPENING UP IRA'S TO FIRST-TIME HOME PURCHASES

(Mr. TALLON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALLON. Mr. Speaker, for the first time in a half century, 50 years, the percentage of people in this country owning their own homes has declined. Young families trying to capture their share of the American dream are particularly hard hit.

That is why I have introduced legislation to open up the individual retirement account to allow tax free withdrawals for first-time home purchases. My bill also will provide deductions for education and long-term health care.

These provisions will encourage citizens to make a wise investment in a flexible IRA account, expanding the IRA to include housing, and it will help encourage homeownership as a national priority. Moreover, money put into the private savings vehicles like the IRA's does not just sit there. It keeps America competitive, and it multiplies. It provides the economic benefits of adding to the savings pool and the social benefits of giving the saver more control over the condition and quality of his life.

I would like to encourage the Members of Congress to join with me in cosponsoring this legislation.

ATTACKS ON RELIGIOUS BELIEFS SHOULD NOT BE FUNDED WITH GOVERNMENT MONEY

(Mr. KASICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASICH. Mr. Speaker, as a member of the Christian community, I am deeply offended that the taxpayers' money has been used to finance the blasphemous works of Andres Serrano. Free speech is one thing, but to allow the use of public funds to mock religious beliefs is inexcusable.

I fully support the directives of the gentleman from Illinois [Mr. YATES] to the heads of the National Endowment for the Arts and the Humanities asking for a review of the process of awarding grants such as the one for Mr. Serrano. The formula of the gentleman from Illiniois [Mr. YATES] is certainly a step in the right direction.

I want to thank the gentleman this morning for his efforts to try to rein this kind of outrage in. As we consider the Interior appropriations bill which includes fundings for the NEA, let us keep in mind that the taxpayers are fed up with this kind of waste. If anyone wishes to make outrageous artistic statements, this country gives them the right to do so, but not with the help of Government money.

We intend to remain vigilant and ensure that such scurrilous attacks on religious beliefs with Government support do not happen again.

CONSTITUTIONAL AMENDMENT TO PRECLUDE ILLEGAL ALIENS FROM DECENNIAL CENSUS

(Mr. VALENTINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VALENTINE. Mr. Speaker, today I again rise to aks for the support of my colleagues in correcting what I believe is an ill-conceived and unjust policy of the U.S. Census Bureau.

The U.S. Census Bureau has indicated that it intends to continue counting illegal aliens for the purpose of reapportionement when the decennial census is taken next year. As a direct result of this policy, some States will lose seats in the House of Representatives and other States will gain seats because of the hundreds of thousands, or perhaps even millions, of illegal aliens that presently reside in this country.

The effect of the current Census Bureau policy is to ensure that U.S. citizens are not represented equitably.

In my view, and the view of the 36 cosponsors of House Joint Resolution 199, only by amending the Constitution will the interests of our citizens be assured and protected.

I urge your support for this measure.

□ 1040

THE EDUCATION PERFORMANCE AGREEMENT

(Mr. SMITH of Vermont asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Vermont. Mr. Speaker, today I am introducing legislation to begin a demonstration program for the benefit of our Nation's schoolchildren. It is called the Educational Performance Agreement, and it represents a new way of thinking about their educational needs and education excellence: Empowering schools and the people directly involved with them to create the excellence we need.

For years local educational authorities have worked under an increasing burden of paperwork; and ineffective regulations intended for other districts in other areas; and a granite-faced Federal bureaucracy which assumes that all school districts are the same, or should be made the same. My own

State of Vermont has 277 mostly rural districts, each one different, and none with the same problems as their counterparts throughout the Nation. Each needs a different solution; some may not need any.

Mr. Speaker, my Educational Performance Agreement bill would allow a small number of districts to combine all the money they receive from both Federal and State governments, no matter from what program. In return for an agreement, with clear goals for the improvement of service to their children, these 10 to 20 school districts could design their own programs, because they know best what's needed. If they don't meet the goals, they're dropped from the program.

The Educational Performance Agreement is about freedom and flexibility. Freedom to innovate and create new approaches that others might adopt, and flexibility to tailor the education our schools provide to the districts they serve.

I urge my colleagues to support this important legislation.

HOLLOWAY-SCHULZE TODDLER TAX CREDIT

(Mr. HOLLOWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLOWAY. Mr. Speaker, out of our concern for the needs of families in the care of their children, Congressman SCHULZE and I introduced the Holloway-Schulze toddler tax credit. Many other Members have joined us in this effort. As a result, with 114 cosponsors, the Holloway-Schulze bill is the most widely supported child care bill in the House of Representatives.

Our bill strengthens families by allowing them to choose the type of care their children need. Bills such as ABC and H.R. 3 only reward those parents who let the Federal Government decide which type of child care they may receive. These bills are a comprehensive attempt by the Federal Government to take over the nursery, dictate which forms of child care are acceptable and cut parents out of the process.

Our bill does not discriminate among child care providers. Whether a family chooses to care for their own children, or have them cared for by relatives, neighbors, religious, or commercial providers, they would receive the toddler tax credit.

Even with the superficial changes recently made to ABC and H.R. 3, they still leave parents who watch their own children completely out of the picture. This amounts to some 65 percent of families. I believe parents who make financial sacrifices, in the form of less income, so they can watch their own children, deserve the same assistance as families who choose to send their children to day care centers. A recent survey by Time magazine shows the No. 1 reason for the increased crime rate among youth is lack of parental supervision. Yet ABC and H.R. 3 give no help to parents who care for their own children.

My bill also provides a credit to parents who choose to have their children cared for by religious providers. Churches play an important part in child care. They usually provide care at reduced rates to be of service to economically needy families. Approximately one-third of all child-care centers are church sponsored or based. ABC and H.R. 3, even in their amended form, still only allow church providers to receive assistance if they remove all traces of religion. Under ABC and H.R. 3 milk and cookie prayers or religious pictures would be forbidden. And church sponsored providers who don't comply with the rules will lose Government assistance. Yet, at the same time they will be forced into a no-win situation of competing with federally subsidized commercial child-care providers.

Supporters of ABC not only believe parents cannot be trusted to make the right choices about their children's care, they also believe parents cannot be trusted with money for child care. They criticize my bill because it entrusts money to parents. They believe the Federal Government is more honest than parents when it comes to spending money. I think anyone who believes this should take a look at the scandals within the Department of Housing and Urban Development in the news today.

The recent changes made to ABC and H.R. 3 are merely cosmetic; the bills' fundamental problems remain. With the Holloway-Schulze bill what you see is what you get. Our bill gives more assistance and more choice to more families at less cost than any other bill. No wonder it has attracted more formal and grassroot support than all other child-care bills.

SUPPORT ARMEY AMENDMENT TO INTERIOR APPROPRIATION BILL

(Mr. HERGER asked and was given permission to address the House for 1 minute.)

Mr. HERGER. Mr. Speaker, should Federal taxpayer funds be given to assemble a photography exhibit that contains the photograph of a crucifix submerged in a jar of urine or other photographs of child pornography? I do not think so, and I am sure most of our colleagues would agree.

The National Endowment for the Arts disagrees, however. They paid $45,000 in taxpayer money for such displays calling them art. That is why 106 Members of Congress wrote to the National Endowment demanding tougher grantmaking guidelines.

The National Endowment has told us we do not know much about art, that we should mind our own business. That is why I plan to support the Armey amendment to the Interior appropriation bill today which will cut the National Endowment funds by 10 percent.

This is not a question of censorship. It is a question of whether or not the public is going to be forced to subsidize artworks that offend the religion or moral sensibilities of many Americans.

Let us send the National Endowment for the Arts a clear message and adopt the Armey amendment.

PROTESTING PROCEDURES OF NATIONAL ENDOWMENT FOR THE ARTS

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I rise today to protest the National Endowment for the Arts procedures that have allowed Government funds to be spent on two works that are highly offensive to almost all Americans.

Before I continue, allow me to say that I am not suggesting that men and women in America do not have a right to create tasteless works. They do. But they do not have a right to be rewarded for their excesses with taxpayer dollars.

One of the works in question is a photograph of a physically disgraced crucifix. The author of this outrage was rewarded with $15,000 taxpayer dollars.

Mr. Speaker, I believe that the Government can and should play a positive role in sponsoring art and cultural events. I believe that PBS, both the television and the radio networks, are doing a good job giving almost every American home access to the finest educational and cultural works from this country and around the world. And for the most part, the National Endowment for the Arts and other similar agencies are fulfilling their public responsibilities.

But in these two instances, something has gone wrong. The system is not working. And it is a tragedy that in receiving taxpayer funding, these two grants drained resources away from a sincere artist whose work went unrecognized.

I support the efforts of my colleagues to bring attention to the problem of Government sponsorship of such works. I, and many others in Congress from both Houses and both parties, believe very strongly that something needs to be done. I suggest that the National Endowment for the

Arts create a new set of written guidelines that will prevent this abuse of taxpayer dollars in the future.

Mr. Speaker, I want to thank Chairman YATES for his actions regarding this matter.

PRESIDENT BUSH'S VISIT TO HUNGARY

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, all Americans and freedom-loving people everywhere rejoiced at the presentation the President made earlier today before the Parliament in Budapest, Hungary, the first President of the United States to ever visit that country that is leading the charge behind the Iron Curtain and throughout the Warsaw Pact toward freedom and democracy.

Mr. Speaker, this was a special moment for all of us, as I said, but especially for a colleague of ours, the honorable gentleman from California, Mr. THOMAS LANTOS, a native son of Budapest, who has been recognized as perhaps not only one of this body's most articulate spokesmen, but a true champion of freedom and a lover of Hungary. The gentleman from California [Mr. LANTOS] has been of great service to this country and to freedom as he has sought to work on a cooperative basis day after day, personally with the leadership of that country, and then to convince the President of the United States that in his first trip abroad to a non-allied country to visit Hungary and to express our solidarity with that great nation. I commend the gentleman from California on this great accomplishment that was completed today with the leader of the free world speaking before the leadership of the nation of Hungary.

VOTE NO ON H.R. 987, TONGASS TIMBER REFORM ACT

(Mr. YOUNG of Alaska asked and was given permission to address the House for 1 minute.)

Mr. YOUNG of Alaska. Mr. Speaker, in this short week as we work I want to remind my colleagues we are to have a bill on the floor of the House tomorrow concerning a large area of my district, the Tongass National Forest.

Many of my colleagues received correspondence from my office and I know correspondence from the office of Mr. MRAZEK and Mr. MILLER. But I hope that the Members of this House will look at the ramifications to the workers of my district.

If H.R. 987 was to pass, it would cost 6,000 jobs in my district. It is the job of Congress to keep Americans working and providing employment opportunities for the youth of this Nation.

There will be another bill offered as a substitute to H.R. 987 out of the Agriculture Committee by the gentleman from Texas [Mr. DE LA GARZA] and the gentleman from Missouri [Mr. VOLKMER]. That bill could be supported, and I am asking for a yes vote on that legislation, but a resounding no vote on H.R. 987, a bill that will cost jobs of Alaskan workers and deprive the youth of that State of an opportunity. More than that, it is an unfair attempt to cripple this Nation again in its trade deficit.

So I urge a no vote on H.R. 987 tomorrow.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2788, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 194 and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 194

Resolved, That during the consideration of the bill (H.R. 2788) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes, all points of order against the following provisions of the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, line 3 through page 3, line 14; beginning on page 6, line 10 through page 8, line 10; beginning on page 10, line 9 through page 11, line 15; beginning on page 13, line 7 through page 14, line 8; beginning on page 16, lines 6 through 10; beginning on page 42, line 16 through page 44, line 4; beginning on page 45, line 18 through page 46, line 4; beginning on page 52, lines 12 through 17; beginning on page 56, line 4 through page 62, line 17; beginning on page 74, lines 13 through 20; beginning on page 79, lines 10 through 15; beginning on page 80, lines 4 through 7; beginning on page 80, lines 19 through 23; and beginning on page 81, lines 6 through 16.

□ 1050

The SPEAKER pro tempore (Mr. VALENTINE). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. PASHAYAN] pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 194 is a rule providing for the consideration of H.R. 2788, the bill making appropriations for the Department of the Interior and related agencies for fiscal year 1990.

Since general appropriations bills are privileged, the rule does not provide any special procedure for consideration of the bill. The legislation will be considered under the normal legislative process for consideration of appropriations bills. The time devoted to general debate will be determined by a unanimous consent request.

Mr. Speaker, the bill will be open to amendment under the 5-minute rule, and any amendment which does not violate the rules of the House will be in order.

The rule waives clause 2 of rule 21, which prohibits unauthorized appropriations and legislation provisions in general appropriations bills, against specified provisions in the bill. The exact provisions of H.R. 2788 for which these waivers are provided are detailed in the rule by reference to page and line in the appropriations bill.

Mr. Speaker, H.R. 2788 appropriates $11.1 billion in fiscal year 1990 for the Department of the Interior and for a number of related agencies, including the National Forest Service, Indian health and education programs, the National Foundation on the Arts and Humanities, the Smithsonian Institution, and the Department of Energy's conservation and fossil fuel research programs.

Mr. Speaker, although there are few provisions in this bill which some Members may not totally agree with, I would point out to my colleagues that this rule is a completely open rule, and that there are no restrictions on the offering of any germane amendment to the bill.

Mr. Speaker, I would also like to commend the chairman of the Appropriations Subcommittee, the gentleman from Illinois [Mr. YATES], and the ranking Republican member, the gentleman from Ohio [Mr. REGULA], for their leadership and the tremendous amount of good that their subcommittee does for the preservation of our national resources and our national heritage.

I urge my colleagues to adopt House Resolution 194 so that we can proceed with the consideration of this important bill.

Mr. PASHAYAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 194 is a rule waiving points of order against specified provisions of a bill that appropriates $11 billion in new budget authority in fiscal 1990 for management, preservation, and development of our Nation's natural resources.

This rule waives points of order against various provisions of the Interior and related agencies appropriations bill for fiscal 1990, H.R. 2788.

Mr. Speaker, H.R. 2788 appropriates $11 billion for the Interior Department and related agencies for 1990. The bill is $1.1 billion more than was

appropriated for these programs in fiscal 1988, and is $2.4 billion higher than the budget request of the administration.

Mr. Speaker, the $11 billion in new budget authority falls within the subcommittee in Interior appropriation's 302(b) allocation for discretionary budget authority and outlays and is in accordance with the congressional budget resolution.

The rule waives points of order that would otherwise lie against 26 specified provisions, for failure to comply with clause 2 of rule 21.

Clause 2 of rule 21 prohibits appropriations for expenditures not previously authorized by law and also prohibits legislation on an appropriations bill.

Mr. Speaker, the waivers recommended by the Committee on Rules are necessary because 20 of these provisions have not been authorized by law and six of them constitute legislation.

I shall not detail each provision for which we recommend a waiver of clause 2 of rule 21, but I will insert in the RECORD at the conclusion of my remarks a copy of a letter from the distinguished chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN], outlining the provisions and explaining the reason for the waivers.

Mr. Speaker, the administration is opposed to H.R. 2788 and has provided the Committee on Rules with a detailed list of objections raised by the Office of Management and Budget. I will insert in the RECORD at the conclusion of my remarks extraneous material, which is the statement we received from the administration.

Mr. Speaker, the chairman of the Interior Appropriations Subcommittee, the gentleman from Illinois [Mr. YATES], and the ranking Republican member, the gentleman from Ohio [Mr. REGULA], appeared before the Committee on Rules on Tuesday to request the waivers provided by the rule.

Mr. Speaker, the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA] have once again brought forth a bill that balances the administration's budget request with the need to fund a committee's initiatives.

There are five controversial provisions in the bill that place or extend current moratoria for oil and gas leasing and preleasing activities on the Outer Continental Shelf.

The bill continues a ban on leasing activity on Georges Bank, MA; it institutes a moratoria on preleasing activity in southern and central California; it institutes moratoria on OCS tracts out to 50 miles from shore in the mid-Atlantic; and it establishes moratoria in drilling and exploration in Bristol Bay, AK.

Mr. Speaker, the President has established an interagency task force to address environmental concerns related to three OCS lease sales scheduled for fiscal 1990.

In addition, the President has postponed sales in two of the California areas pending receipt of the task force's report.

Mr. Speaker, the administration has a deep commitment to protect our environment. At the same time, the administration also believes it would be inappropriate to impose more moratoria on OCS or to prohibit funding of the very activities that will provide the precise kind of information we need in order to make environmentally sound drilling decisions.

The administration has pledged that it shall not conduct OCS leasing or exploration in the specified areas until after the task force shall have completed its work, but this bill says they shall not even issue calls for information or prepare environmental impact statements.

The rule does not preclude Members from offering amendments to reduce funds in specific accounts, or to strike provisions, or to add germane limitations.

For all practical purposes, this is an open rule, and Members who want to lower the dollar amounts in the bill should support the rule so that the House can proceed to consider the bill.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, June 30, 1989.

Hon. JOE MOAKLEY,
Chairman, Committee on Rules, Washington, DC.

DEAR MR. CHAIRMAN: The Committee on Appropriations on June 29 reported the Department of the Interior and Related Agencies Appropriations bill for the fiscal year ending September 30, 1990.

It has become necessary, in order to meet deadlines, that we include appropriations for a number of programs for which legislation has not yet been enacted and several legislative provisions for which a waiver of Clause 2, Rule XXI is requested. With respect to the lack of authorization for appropriations, representatives of the legislative committees of jurisdiction have been contacted and we know of no objections. We are also asking for a limited number of waivers for legislative provisions contained in the bill. At this time we know of no objections to them by the committees of jurisdiction. A list of specific requests for waivers is enclosed.

The Committee appreciates your continued cooperation.

Sincerely,

JAMIE WHITTEN,
Chairman.

REQUESTS FOR WAIVER OF CLAUSE 2, RULE XXI

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1989

1. Bureau of Land Management, Management of lands and resources; BLM firefighting; construction and access; range improvements; service charges, deposits and forfeitures; and miscellaneous trust funds. The Committee recommends a total appropriation of $557,463,000 for these programs, which were authorized through fiscal year 1984. Legislation authorizing annual appropriations for these activities (HR 828) was reported by the Committee on Interior and Insular Affairs.

2. United States Fish and Wildlife Service, Construction and Anadromous Fish. The Committee has recommended an appropriation of $30,457,000 for this account, including $2,000,000 for anadromous fish grants. Authorizing legislation for anadromous fish grants (HR 1224) passed the House on April 25, 1989.

3. National Park Service, John F. Kennedy Center for the Performing Arts. The Committee has recommended an appropriation of $15,193,000. Congress has periodically extended the authorizing for the Center, but no authorization legislation currently is pending.

4. Department of Energy, Clean Coal Technology; Fossil energy research and development; Naval petroleum and oil shale reserves; energy conservation; economic regulation; emergency preparedness; Strategic Petroleum Reserve; and Energy Information Administration. The Committee recommends a total appropriation of $1,630,730,000 for these programs. For clean coal technology, $1,200,000,000 is recommended in FY 1991 and FY 1992. These amounts are for ongoing programs for the Department for which annual authorizing legislation has not been introduced in the House.

5. Smithsonian Institution, Construction. The Committee recommends an apropriation of $12,900,000, of which $2,900,000 for the Museum of the American Indian is unauthorized. Authorizing legislation (H.R. 2688) has been introduced in the House. A companion bill (S. 978) has been introduced in the Senate.

6. Advisory Council on Historic Preservation, Salaries and expenses. The Committee recommends an appropriation of $1,945,000 for the Council. Legislation reauthorizing the Council (HR 999) passed the House on April 11, 1989 and passed the Senate on June 1, 1989.

7. Pennsylvania Avenue Development Corporation, Salaries and expenses. The Committee recommends $2,375,000 for this ongoing program, which was authorized through fiscal year 1988. No authorizing legislation has been introduced in the House.

8. United States Holocaust Memorial Council. The Committee has recommended an appropriation of $2,375,000 for the Council. No authorizing legislation has been introduced in the House.

For items 1 through 8 a waiver of Clause 2 of the Rule XXI is requested, because of lack of annual authorization.

In addition, a waiver of Clause 2 of Rule XXI is requested for the following legislative provisions:

9. Fish and Wildlife Service, Resource management. This account includes $1,000,000 for the Youth Conservation Corps, legislation for which has expired.

10. National Park Service, Operation for the National Park System. This account includes $1,000,000 for the Youth Conservation Corps, legislation for which has expired.

11. Forest Service, State and private forestry. This account includes a grant of $3,600,000 for construction of the Spokane River Centennial Trail which is not authorized.

12. Forest Service, Administrative provisions. The provisions include allowance for

up to $1,000,000 for the Youth Conservation Corps, legislation for which has expired.

13. Title III—General provisions, Section 302. This section prohibits the sale of unprocessed lumber from certain Federal lands for export or for substitution for private timber which is exported.

STATEMENT OF ADMINISTRATION POLICY

H.R. 2788, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1990

(Sponsors: Whitten, Mississippi; Yates, Illinois)

The Administration opposes H.R. 2788 as reported by the House Appropriations Committee.

While under CBO scoring H.R. 2788 would fall within the 302(b) allocation, we do not believe that CBO scoring reflects accurately the domestic discretionary spending levels in the bill. If CBO changed its scoring in ways we believe are appropriate under the Bipartisan Budget Agreement, the bill would provide domestic discretionary budget authority of $11,256 million, or $356 million more than the Interior Subcommittee's 302(b) allocation. It would also provide outlays of $10,547 million, or $197 million more than the 302(b) allocation. By this scoring, H.R. 2788 would cause a violation of the limits established for domestic discretionary spending as set forth by the Bipartisan Budget Agreement, unless other subcommittees report bills that provide domestic discretionary appropriations below their House 302(b) allocation.

The Administration is opposed to the provisions extending moratoria on Outer Continental Shelf (OCS) pre-leasing, leasing and exploration. The President has established an inter-agency task force to address congressional and public environmental concerns regarding three controversial lease sales scheduled for FY 1990. It would be inappropriate at this time, for the Congress to impose more OCS moratoria, or to prohibit activities designed explicitly to provide the kind of information that is needed to make environmentally sound decisions on drilling.

The Administration also opposes a number of other provisions, as outlined in the attachment.

The Administration urges the House to pass a responsible bill that (1) continues to fund essential programs, and (2) addresses satisfactorily the provisions opposed by the Administration.

Attachment;

INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

I. CONFORMANCE WITH BIPARTISAN BUDGET AGREEMENT AND 302(B) ALLOCATIONS

While under CBO scoring the Interior and Related Agencies Appropriations Bill would meet the requirements of the Bipartisan Budget Agreement as measured by compliance with the Interior Subcommittee's 302(b) allocation, the attached bridge table shows that the bill would actually provide a domestic discretionary total of $11,256 million in BA, or $356 million more than the 302(b) allocation. The BA level would result in outlays of $10,547 million, or $197 million more than the 302(b) allocation.

II. MAJOR PROVISIONS SUPPORTED BY THE ADMINISTRATION

Land Acquisition.—The bill recommends about $200 million in appropriations from the Land and Water Conservation Fund to finance Federal land acquisition for recreation and conservation purposes. This is very close to the President's request and demonstrates the general consensus that a reasonable, sustained program of Federal land acquisition is justified. Although the Committee substituted a number of its own projects for some of the specific acquisitions proposed by the President, the overall funding allowance would make it possible to protect many nationally-significant natural and cultural resources.

Indian Land and Water Rights Claims.—The bill recommends additional funding of $163 million so the Federal Government can meet its obligations in settling various recently authorized Indian land and water rights claims. Included in the $163 million is the full $77 million for the Puyallup (WA) land settlement enacted on June 21st, $60 million for three recent Indian water rights settlements (Salt River, AZ; Colorado Ute, CO/NM; and San Luis Rey, CA), $10 million for the Hoopa-Yurok (CA) reservation settlement, and $15 million for WW II restitution payments authorized in 1988 to the Aleut people of Alaska.

III. MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Department of the Interior

The Committee inappropriately addresses the deficit impact of forest fire fighting appropriations by placing nearly all Interior and Agriculture Department fire fighting funds ($740 million out of $761 million provided) in a new account as mandatory. However, approximately $200 million of the amount appropriated to the new account would finance purely discretionary, planned activities. Although certain fire related costs are unpredictable and unavoidable (emergency suppression and rehabilitation), many fire related costs are planned and programmed in advance (fire management and presuppression). Planned fire fighting costs are discretionary.

Of the total $761 million provided, the Committee proposes $200 million for Interior Department forest fire fighting. This should be sufficient to ensure that Interior non-fire programs are reimbursed for transfers during FY 1989 to pay emergency fire fighting costs. However, it is far short of what would be necessary to pay projected FY 1990 Interior Department fire costs, threby perpetuating the current cumbersome and misleading system of financing fire fighting after-the-fact.

The Committee unfortunately ignored the Administration's proposal to fund both FY 1989 and FY 1990 fire costs fully, partially offsetting the increased funding by reducing certain payments to States from Federal mineral and timber receipts. If the Administration's proposal is unacceptable, the Committee should propose a different means of financing fire costs that, like the Administration's plan, does not rely on inappropriate scorekeeping and does not increase the Federal budget deficit. We intend to continue working with Congress to resolve this matter equitably.

The Administration objects to Interior Department construction funding that is $183 million (116 percent) above the President's request and $65 million over FY 1989. Much of the additional funding is unnecessary and directed at low priority projects, not at the Department's backlog of needed health and safety projects. The additional construction projects are generally discretionary or non-critical, and can be foregone or postponed. New construction is a lower priority than providing equality operations, maintenance, and rehabilitation at existing facilities.

The Administration opposes over $90 million in increases above the request for various low-priority grants to States and non-Federal research institutes. This includes Historic Preservation Fund grants ($31 million), Abandoned Mine Land Reclamation grants ($30 million), Land and Water Conservation Fund grants ($17 million), grants to water resource and mineral institutes ($8 million), and Endangered Species Act grants ($5 million). Although many of the purposes to which these grants are directed are not objectionable, the need for fiscal restraint in Federal spending dictates that such grants be limited to the minimum necessary to address pressing, high-priority Federal responsibilities.

The Administration objects to proposed increases over the request to fund lower priority or special interest projects in various Interior bureau operating and research accounts. In total, these accounts would increase $344 million (10 percent) over the Administration's request and $287 million (8 percent) over FY 1989. Of this, $189 million funds a 20 percent increase for numerous Indian programs for education, social services, natural resource development, and trust responsibilities.

These increases are not necessary. However, included in the $189 million for Indian programs is a $77 million BA adjustment (with no outlay impact) for conversion of certain Interior contracts with Indian tribes from a fiscal to a calendar year basis as required by law. There is no objection to the BA for the one time conversion.

The Administration objects to $8.3 million to fund certain recently identified capital improvement program (CIP) deficiencies in Micronesia. The funds benefit an airport runway in the Federated States of Micronesia and roads in Palau.

The Federal Government is not responsible for projects that are not within the scope of the previously funded Micronesian CIP program, nor for deficiencies caused by a lack of proper operations and maintenance by the local governments. In addition, the Federal Government should not provide funds above the previously approved Compact of Free Association amounts provided to the Micronesian governments (an average of $30 million annually to Palau, and $90 million to the Federated States of Micronesia), or the $9.3 million in additional, pre-Compact funding for Palau.

Department of Agriculture

The Administration objects to the Committee's inclusion of $258 million in its new fire fighting account to pay back FY 1988 Forest Service fire fighting funds transferred from the Knutson-Vandenberg Cooperative Work Trust Fund. Considering the $250 million requested by the Administration and provided as part of the FY 1989 Supplemental Appropriation, the increase is not necessary to meet programmatic needs and would unnecessarily increase unobligated balances.

Department of Energy

The Administration would prefer that the Committee provide the full $710 million included in the President's Budget for the Clean Coal Technology program, instead of the $635 million included in the bill.

The Administration opposes the significant increases for fossil energy research and development ($43 million or 11 percent over FY 1989 and $261 million or 159 percent over the request), and for energy conserva-

tion research and development ($33 million or 21 percent over FY 1989 and $107 million or 122 percent over the request). Many of the increases are for low priority and special interest projects which are not likely to advance technology in these areas.

The Administration objects to an increase of $200 million over the request for energy conservation grants. This additional amount is unnecessary because states have been supporting conservation grant activities with over $3.1 billion they have received from petroleum overcharge violation cases.

Department of Health and Human Services

The Administration objects to the $181 million increase over the request for the Indian Health Service. The Committee mark represents a 17 percent increase over the FY 1989 appropriation, a rate of growth 11 percent more than the estimated medical cost inflation of 6 percent. Of the $184 million increases over FY 1989, a full $38 million, or 21 percent, is composed of 21 earmarked, low priority, special interest projects.

The President's FY 1990 Budget seeks to promote self-determination contracting by requesting separate appropriations for tribally administered health services and those administered by Federal staff. Separate appropriations would make information clearly available to tribes to the steady or increasing level of funds for self-determination contracts, and would complement changes in tribal contracting envisioned in the Self-Determination Act Amendments of 1988. By rejecting the separate tribal and Federal health administration accounts, the Committee is inhibiting achievement of the goals of the Self-Determination Act.

National Foundation on the Arts and Humanities

The Administration objects to the Committee adding $8 million for the National Endowment for the Humanities, $1.3 million for the National Endowment for the Arts, and $650 thousand for the Institute of Museum Services to the President's request. The levels requested in the President's Budget are sufficient to meet known needs. There is no programmatic justification for these increases.

Commission of Fine Arts

The Administration objects to $5 million for National Capital Arts and Cultural Affairs. This would be used for general operating support on a non-competitive grant basis to Washington, D.C. arts and cultural organizations. This is unnecessary as it is a duplication of existing Federal nationwide competitive grants.

B. Language Provisions

Outer Continental Shelf (OCS) Oil and Gas Leasing and Exploration Moratoria.—The Administration objects to provisions that continue a "one year" leasing moratorium in the FY 1989 Interior Appropriations Bill involving Georges Bank (MA), and institute moratoria on pre-leasing activity in southern and central California; institute moratoria on OCS tracts out to 50 miles from shore in the mid-Atlantic; and establish moratoria on drilling and exploration in Bristol Bay (AK). In addition, the Department is directed to explore options for buying out existing Bristol Bay leases.

The President established an inter-agency task force to address congressional and public environmental concerns related to three scheduled FY 1990 OCS lease sales. It would be inappropriate to impose more OCS moratoria or to prohibit activities which are designed to provide specifically the kind of information that can lead to environmentally sound drilling decisions. The Administration has pledged not to conduct OCS leasing or exploration in the moratoria areas until after the task force has completed its work and the Administration has announced its decisions on the three FY 1990 sales under review.

Buy America.—The Administration opposes bill language that would require structures on the Outer Continental Shelf (OCS) to contain at least 50 percent U.S. labor and materials. This would seriously delay and increase the cost of oil production from the OCS; it conflicts with the Administration objective of encouraging reliance on indigenous energy sources; it is contrary to U.S. obligations under the General Agreement on Tariffs and Trade—inviting retaliation from countries such as the United Kingdom, Norway, the Netherlands, and Denmark; and it would create a new trade barrier at a time when there is widespread concern about creeping protectionism.

Forest Service (FS) and Bureau of Land Management (BLM) Excess Timber Receipts.—The Administration objects to language making available to the FS and BLM, Federal timber receipts collected in FY 1989 in excess of the FY 1989 amount estimated in the President's FY 1990 budget, with the excess amount available to the FS capped at $35 million. Federal timber receipt estimates for FY 1989 have increased substantially over the February budget as a result of escalating sale prices and an increasing rate of harvest. This is due in part to an expected shortage of supply because of the northern spotted owl litigation and proposed Federal listing of the owl as a threatened species. The effect of the Committee's action, which represents an additional, unnecessary earmarking of receipts that otherwise would be turned over to the General Fund of the Treasury, would be to increase outlays by about $30 million in FY 1990.

Tribal Contractors' Liability Insurance.—The Administration opposes the rejection of language included in the FY 1990 Budget to postpone until at least FY 1991 the requirement from a 1988 law that Interior and HHS purchase liability insurance for tribal contractors. Despite this rejection, the Subcommittee did not provide funding in the bill to cover the cost of purchasing liability insurance, which primarily affects Interior's Bureau of Indian Affairs and HHS' Indian Health Service. Preliminary estimates are $15 to $50 million annually in additional Federal costs to cover such insurance. Even with additional funding, it is unlikely that Interior and HHS, with assistance from the Department of Justice, can administratively implement the liability insurance provision in a fair and cost-effective manner by FY 1990.

Helium Facility Sales.—The Administration objects to bill language that prohibits the sale of Federal helium facilities. Current Federal helium-processing activities are indistinguishable from commercial operations, and transfer to the private market would ensure that future Federal helium needs are efficiently met. The Helium Advisory Board, a group of major American helium producers, supports the privatization of the Federal facilities and has indicated the private sector's ability to meet future private and Federal helium needs. Interior's Bureau of Mines would retain sufficient crude helium inventory to ensure future supplies for Federal agency use in an emergency. An Administration bill to accomplish this restructuring of the Federal helium program (including sale of processing facilities in Amarillo, TX) has been introduced in the House, and is pending before the Mining and Natural Resources Subcommittee.

Naval Petroleum Reserves (NPR) Excess Receipts.—The Administration objects to language that would make receipts from the sale of oil and gas from the Naval Petroleum Reserves that exceed $510 million (the Administration's February 1989 estimate) available to buy Strategic Petroleum Reserve oil in FY 1990. NPR receipts are now estimated to be $630 million. The provision would increase discretionary spending by $120 million.

Committee Approval Provisions.—The Administration objects to bill language that purports to restrict the use of funds or to limit agency actions unless approval is granted by Congressional committees. Such provisions are unconstitutional (see *INS* v. *Chadha*, 462 U.S. 919 (1983)). In any event, the executive branch will continue to provide the Committee notification and consultation that interbranch comity requires in matters in which Congress has indicated such a special interest.

Employment Ceilings.—The Administration opposes bill language to exempt programs funded by the bill from employment ceilings. The provision is objectionable because it prevents effective and efficient management of agency programs and promotes wasteful spending.

BRIDGE TABLE: HOUSE SUBCOMMITTEE ESTIMATES TO OMB ESTIMATES INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

[In millions of dollars]

	1989 enacted		1990 President's request		House committee action	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
OMB ESTIMATE						
Domestic discretionary spending [1]	9,312	9,941	8,990	9,376	10,698	10,349
Plus scorekeeping adjustments:						
National forest system					[illegible]	21
Oregon and California grant lands					12	9

[1] The Subcommittee directs that "excess" timber receipts in the Forest Service and Bureau of Land Management be made available for the bureaus' use. This earmarking of receipts that would otherwise be turned over to the General Fund of the Treasury will increase the deficit by $30 million.

BRIDGE TABLE: HOUSE SUBCOMMITTEE ESTIMATES TO OMB ESTIMATES INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990—Continued

[In millions of dollars]

	1989 enacted		1990 President's request		House committee action	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
SPR petroleum					120	120
Bill language directs that receipts from the sale of oil and gas from the Naval Petroleum Reserves in excess of the budget estimate be available to buy SPR oil in FY 1990. This will increase domestic discretionary spending by $120 million.						
Energy conservation PODRA receipts			43	43		
The President's budget assumed that receipts would not be realized in FY 1990. CBO includes an offset for receipts in its scoring of the request.						
Fire fighting			250	175	198	139
The subcommittee scores nearly all fire fighting appropriations as mandatory. OMB scores only reimbursements of prior year transfers and unplanned emergency fire fighting and rehabilitation as mandatory.						
Land and Water Conservation Fund Rescission			−30			
OMB scores the legislative proposal to rescind unused contract authority in the Subcommittee. The subcommittee rescinds the contract authority in proposed language.						
OCS moratoria					8	8
The subcommittee proposes 1-year moratoria on pre-leasing and lease sales in several areas, as well as bans on exploration for existing leases in two areas. CBO estimates that this would increase the deficit by $2 million in FY 1990. OMB estimates that it would increase the deficit by $10 million in FY 1990. Increases would be substantially greater in future years.						
U.S. Fish and Wildlife Service—Sport fish restoration and miscellaneous appropriations			91	36		
Congress does not recognize budget amendments not yet transmitted. Amendments were transmitted July 6, after CBO prepared its data. Amounts reflect CBO estimates for these accounts.						
Compact of Free Association	−3	−3	−6	−6	−6	−6
The subcommittee scores as discretionary funding for Palau for which authorizing legislation is required. These funds should be excluded from the discretionary total since they cannot be made available in the absence of legislation implementing the Compact.						
Franklin Delano Roosevelt Memorial Commission			19	1		
OMB scores the legislative proposal to begin construction on the memorial to the Appropriations Committee. The subcommittee recommends funding the memorial under the National Park Service.						
Outlay spendout rate differences		−251		−87		−93
Other scorekeeping differences	263	185	3	2	(0)	(0)
Total scorekeeping adjustment	260	−70	370	165	358	198
OMB ESTIMATE						
Domestic discretionary spending	9,572	9,872	9,360	9,541	11,256	10,547
302(b) allocation					10,900	10,350
Difference between OMB estimate and 302(b) allocation					356	197

[1] FY 1990 data based on CBO computer report dated 6/30/89. House committee totals are referenced in House Report 101–120.

Note: Detail may not add to totals due to rounding.

MAJOR CHANGES INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1990

[In millions of dollars]

Major changes	1989 enacted		1990 President's request		House committee action		House difference from: Enacted		House difference from: Request	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
DISCRETIONARY SPENDING										
Department of the Interior:										
Bureau of Land Management:										
Management of lands and resources	476	445	432	427	446	427	70	−18	15	(2)
Fire fighting account [1]	(2)	(2)	250	175	198	139	198	139	−52	−37
Minerals Management Service: Payments to States for receipts under Mineral Leasing Act			1	1	−55	−55	−55	−55	−56	−56
Office of Surface Mining: Abandonment mine reclamation fund	193	218	150	189	193	200	(2)	−17	42	12
Geological Survey: Surveys, investigations and research	452	450	452	453	487	485	35	27	34	33
Bureau of Mines: Mines and Minerals	159	141	141	147	152	140	3	−1	11	13
Fish and Wildlife Service:										
Resource management	356	348	340	344	375	371	19	23	36	27
Construction	48	30	10	34	30	38	−17	8	20	4
National Park Service:										
Construction	198	87	44	103	174	123	−23	41	130	20
Historic preservation fund	31	29		14	31	30		1	31	16
Bureau of Indian Affairs:										
Operation of Indian Programs	968	948	917	925	1,066	986	98	38	148	61
Construction	95	105	101	102	134	109	40	6	33	8
Miscellaneous payments to Indians	14	14	29	28	192	174	178	160	163	146
Office of Territorial Affairs:										
Trust territories of the Pacific Islands	28	28	3	5	34	32	6	4	31	27
Related Agencies:										
Agriculture—Forest Service:										
National forest system	1,047	1,025	1,016	984	1,158	1,086	111	61	142	102
State and private forestry	87	93	49	54	90	70	3	−21	41	16
Energy:										
Clean coal technology	190	92	710	170	635	119	445	28	−75	−1
Strategic petroleum reserve/SPR petroleum	415	646	172	342	726	730	311	84	404	388
Fossil energy research and development	381	354	164	288	423	387	42	36	259	104
Energy conservation	315	313	96	316	368	336	53	23	273	20
HHS—Indian Health	1,042	1,045	1,083	1,194	1,265	1,244	183	199	181	49
All other	3,088	3,419	3,049	3,296	3,123	3,350	35	−69	74	54
Total, discretionary spending	9,572	9,872	9,360	9,541	11,256	10,547	1,685	676	1,895	1,007
MANDATORY SPENDING										
Fire fighting account [1]	309	309	174	129	547	381	542	381	369	252
Fiscal year 1989 fire fighting appropriations (various accounts)	42	42	35	35	35	35	−309	−309		
Administration of territories	23	23	19	19	19	19	−6	−6		
Compact of free association	9	9	9	9	9	9	−4	−4		
All other mandatory							(2)	(2)		
Total, mandatory spending	382	387	236	192	605	443	223	61	369	252

MAJOR CHANGES INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1990—Continued

[In millions of dollars]

Major changes	[illegible] enacted		[illegible] President's request		House committee action		House difference from:			
							[illegible]		[illegible]	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Total, Interior	[illegible]	10,254	[illegible]	9,732	11,061	[illegible]	1,907	737	2,264	1,259

[1] Includes both Interior and Forest Service fire fighting. President's request includes proposed Federal wildland fire fighting accounts and proposed offsets.
[2] Fire fighting amounts in fiscal year 1989 are reflected in their regular accounts.
[3] Less than $500,000.
Note: Detail may not add to totals due to rounding.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the distinguished chairman of the Committee on the Budget, the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, with regard to the budget issues involved with this appropriation bill, we have provided a "Dear Colleague" to all members. There are no Budget Act waivers required under this rule, and the principal reason for that is the bill is within the discretionary targets established under the 302 subdivision assigned to this Subcommittee of the Committee on Appropriations.

In total, this bill provides $11,717 million in budget authority and $10,851 million in outlays. As compared with the discretionary 302(b) subdivision for this subcommittee, the bill is under by $2 million in budget authority and equal to the subdivision for estimated discretionary outlays.

While the bill is over the 302(b) subdivision for mandatory programs by $493 million in budget authority and $175 million in outlays, this overage results from purely technical reasons involving firefighting costs. First, $200 million in the bill is reclassified from discretionary to mandatory, which is consistent with the classification agreed to in the bipartisan budget agreement. Second, there is a substantial difference between the current estimate of firefighting costs and the budget resolution, estimate which was based on the Gramm-Rudman-Hollings baseline's mechanical projection of 1989 presupplemental costs.

The bill, therefore, conforms to the budget resolution and the bipartisan budget agreement worked out with the White House. For those reasons, there are no budget problems with H.R. 2788.

This subcommittee, the second subcommittee bringing its appropriations bill to the floor, has done a good job in meeting the targets established under the budget resolution. We congratulate them and we are pleased to bring this information to the attention of the Members.

COMMITTEE ON THE BUDGET,
Washington, DC., July 12, 1989.

DEAR COLLEAGUE: Attached is a fact sheet on H.R. 2788, Department of the Interior and Related Agencies Appropriation bill for Fiscal Year 1990. The bill is scheduled for floor consideration on Wednesday, July 12, subject to a rule being adopted.

This is the second appropriation bill for fiscal year 1990.

I hope this information will be helpful to you.

Sincerely,

LEON E. PANETTA,
Chairman.

PROGRAM HIGHLIGHTS

The following are the major program highlights for the Interior and Related Agencies Appropriations Bill for FY 1990, as reported:

[In millions of dollars]

	Budget authority	New [illegible]
Department of the Interior		
Bureau of Land Management [1]	[illegible]	[illegible]
U.S. Fish and Wildlife Service	579	540
National Park Service	[illegible]	[illegible]
Geological Survey	[illegible]	[illegible]
Office of Surface Mining Reclamation	296	112
Minerals Management Service	175	114
Bureau of Mines	162	[illegible]
Bureau of Indian Affairs	[illegible]	[illegible]
(Operations)	(1,066)	(817)
(Construction)	(134)	(31)
Territorial and International Affairs	136	[illegible]
Related agencies		
Forest Service	1,423	1,142
Strategic Petroleum Reserve	514	370
Energy Conservation	[illegible]	[illegible]
Fossil Energy R&D	423	[illegible]
Naval Petroleum and Oil Shale Reserves	[illegible]	115
Indian Health Service	1,265	[illegible]
Indian Education	74	11
Smithsonian Institution	[illegible]	[illegible]
National Foundation on the Arts and the Humanities	[illegible]	[illegible]

[1] Includes $740,000,000 in budget authority and $380,000,000 in outlays for firefighting costs.

[Fact Sheet]

H.R. 2788, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1990 (H. REPT. 101-120)

The House Appropriations Committee reported the Interior and Related Agencies Appropriations bill for fiscal year 1990 on Thursday, June 29, 1989. This bill is scheduled for floor action on Wednesday, July 12, subject to a rule being adopted.

COMPARISON TO THE 303 (B) SUBDIVISION

The bill provides $10,898 million of discretionary budget authority, $2 million less than the appropriations subdivision for this subcommittee. The Budget Act provides a point of order if the target for discretionary budget authority is breached. Since it is not, there is no such point of order against this bill. The bill is equal to the subdivision for estimated discretionary outlays. A detailed comparison of the bill to the spending and credit subdivisions follows:

COMPARISON TO SPENDING ALLOCATION

[In millions of dollars]

	Interior and related agencies [illegible] bill		Appropriations committee 302(b) subdivision		Bill over (+)/under (−) [illegible] 302(b) [illegible]	
	BA	O	BA	O	BA	O
Discretionary	10,898	10,350	10,900	10,350	−2	
Mandatory	819	501	326	326	+493	+175
Total	11,717	10,851	11,226	10,676	+491	+175

Note.—BA—New budget authority. O—Estimated outlays.

The $493 million overage in mandatory budget authority is a result of a $200 million reclassification from discretionary to mandatory pursuant to the Bipartisan Agreement list and, for the remainder, a difference between the current estimate of mandatory firefighting costs and the estimate used in the Budget Resolution, which was based on the GRH baseline's mechanical projection of 1989 (pre-supplemental) costs using the GNP deflator.

The direct and guaranteed loan levels in the bill equal the discretionary subdivision for this subcommittee. A detailed comparison follows:

COMPARISON TO CREDIT ALLOCATION

	Interior and related agencies appropriations bill		Appropriations Committee 302(b) subdivision		Bill over (+)/under (−) [illegible] 302(b) subdivision	
	DL	LG	DL	LG	DL	LG
Discretionary	13	41	13	41		
Mandatory						
Total	13	41	13	41		

Note.—DL—New direct loan obligations. LG—New loan guarantee commitments.

Pursuant to Section 302(b) of the 1974 Budget Act as amended by P.L. 99-177 (Gramm-Rudman-Hollings), the Committees of the House are required to subdivide the spending authority and credit authority allocated to them in the Budget Resolution for Fiscal Year 1990 (shown in H. Rept. 101-50). The Appropriations Committee reported its 302(b) subdivisions on June 21, 1989 (H. Rept. 101-97). These subdivisions are the official scorekeeping targets for appropriations subcommittees.

□ 1100

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time.

Mr. PASHAYAN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2788, which we are about to consider, and that I may be permitted to include charts, tables, and other materials.

The SPEAKER pro tempore (Mr. VALENTINE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

Mr. YATES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2788) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. REGULA] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. YATES.]

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2788, with Mr. BOUCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the bill is considered as having been read the first time.

There was no objection.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am pleased to bring the Interior and related agencies appropriations bill for fiscal year 1990 to the Committee. The total recommended for the bill is $11,063,932,000. Compared to fiscal year 1989, the bill represents an increase of $835,181,000. The bill is within the domestic discretionary 302(b) allocation for both budget authority and outlays. Accordingly, it conforms to the congressional budget resolution and the summit agreement.

Some of you may wonder why the 1990 bill is $835,000,000 above fiscal year 1989. In large part, the increase represents the cost of carrying out the same program in fiscal year 1990 as is being carried out in fiscal year 1989. The larger amount also reflects the increase in responsibilities for the agencies in this bill.

The National Park Service has 14 newly authorized areas. The U.S. Fish and Wildlife Service has 15 new refuges to operate and maintain, bringing the total to 452 refuges. Each year there are approximately 50 to 60 new endangered species listed. Management responsibilities for all the land management agencies grow as the endangered species list expands.

The agencies in this bill, more and more, are being called on to provide cultural and recreational opportunities for our citizens.

In the National Park Service, visitation is expected to jump from 374.6 million in 1988 to 398.5 million in 1990. The Fish and Wildlife Service is anticipating 36 million visitors this year to its refuges. The Forest Service provides more outdoor recreation than any other Federal agency. In 1988, there were 242 million recreation-visitor days, an increase of 3 million over 1987. Activities range from camping to remote backpacking, horseback riding, and skiing. Trail use has more than doubled since 1970. The number of wild and scenic rivers managed by the Bureau of Land Management doubled in 1988 by the addition of 17 new rivers. BLM special-use permits and camping and day-use permits all increased by 16 percent over 1987. The BLM-managed public lands accommodated more than 59 million recreation visits in 1988, an increase of 10 percent over 1985.

Beyond these tangible measures of increasing responsibilities, there are specific needs which result in a larger fiscal year 1990 appropriation. These include:

First, $178,000,000 for settlement of various claims or disputes by Indian tribes or Native Alaskans. If these claims are not paid, the settlements are voided and more costly litigation results.

Second, $100,000,000 to convert Indian contracts from a fiscal year basis to an annual basis. This is a one-time cost which will result in more efficient administration of Indian contracts.

Third, $99,000,000 to continue to fill the strategic petroleum reserve at the 1989 rate and to develop and enhance distribution capability for the oil in storage.

Fourth, $160,000,000 to provide a reasonable level of health care through the Indian Health Service.

Fifth, $80,000,000 to enhance our research and development capability in energy conservation and in the use of fossil fuels.

The balance of the increase is distributed among the many activities funded in this bill and allows them on average to cover increases in operating costs.

The bill includes $5,678,276,000 for programs of the Department of the Interior; $1,662,822,000 for the U.S. Forest Service; $1,630,730,000 for the programs of the Department of Energy; and $2,092,104,000 for Indian health, Indian education, the Smithsonian Institution, the National Endowment for the Arts and the Humanities, and the other related agencies in the bill, all of which are described in detail in the report accompanying the bill.

The programs within the jurisdiction of this committee in many ways represent an investment in America itself, and those investments provide significant returns. For example, it is estimated that programs funded in this bill will generate revenues of approximately $7.7 billion.

The Interior bill is popular with Members. More than 340 Members requested 2,200 items to be included in this bill. Because of the spending constraints, we simply were not able to meet all the demands.

For example, we had requests for more than $320,000,000 of construction items in the National Park Service. These requests included road reconstruction, rehabilitation of electrical systems, water lines, rest rooms, and visitor centers. We were able to provide only about half of these needs.

Similarly, the land and water conservation fund remains popular. Requests for Federal acquisition and for State grants totaled approximately $1 billion and we have provided $222,000,000. Of this amount, $20,000,000 is for State grants. The balance is to fill out authorized parks such as Cuyahoga Valley NRA and Santa Monica Mountains NRA, to provide habitat for endangered species and protect wetlands, to provide recreation access to rivers and to protect areas from development.

Almost 60 Members requested increases in operating appropriations for their specific parks. Rather than providing each individual request, we have provided enough money so that

each park will receive at least a 5-percent increase over the 1989 level. Those parks where fee collection is significant will receive up to a 10-percent increase. We also had to make the difficult decision not to provide funds to study new park areas for which over 20 Members had made requests.

Energy and the environment receive major attention in this bill. As a result of actions in this bill, $500,000,000 will be available in fiscal year 1990 for the third procurement related to the Clean Coal Program. In addition, advance appropriations of $600,000,000 each for 1991 and 1992 are provided.

Questions of global warming or the "greenhouse effect" have been raised in the past 2 years which, along with uncertain and not easily measurable effects, also involve complex relationships between this Nation and the rest of the world. Energy use is central to this question, and even if the ultimate effect of global warming is unknown, there are steps that can be taken to increase energy efficiency which make sense regardless of the global warming. This bill includes several such steps.

First, the bill includes $411,367,000 for energy conservation research and State grants. This amount is more than four times above the amount of $95,528,000 requested by the administration. Included is research to develop substitutes for the CFC's which endanger the ozone protection in the upper atmosphere, while at the same time not decreasing energy efficiency. This effort continues committee initiatives in conservation taken over the last several years.

Second, increased funding has been proposed for research on processes in fossil energy which not only burn coal more cleanly, but also more efficiently. This work attacks both clean air and "greenhouse" problems. Those areas are recommended at $176,667,000 compared to the meager $54,527,000 in the budget request.

Finally, various smaller increases are included in the Geological Survey for measurement of CO_2 buildup and collection of historical data, and in the Forest Service for research on global change. All of these efforts are an attempt to alleviate possible greenhouse effects as well as to understand them.

We continue to fill the strategic petroleum reserve at a rate of 71,000 barrels per day. At this fill rate, the reserve will contain about 608 million barrels of oil at the end of fiscal year 1990.

OCS MORATORIA

The committee once again has included several moratoria on activities in Outer Continental Shelf areas. Environmental studies are underway and various task forces are investigating and weighing impacts and alternatives in these areas. Partly as an aftermath of the oil spill in Prince William Sound in Alaska, and partly in response to environmental concerns about other impacts of oil exploration and production, several provisions are included which allow a pause in some leasing-related activities. Specifically, the committee recommends continuing these moratoria:

First, Georges Bank (sale 96);

Second, Florida (sales 79, 94, and 116);

Third, California (sale 91 in northern California).

In addition, the committee recommends moratoria for a portion of sale 121 in the Mid-Atlantic and sale 92 in Bristol Bay in Alaska. For California, the moratoria have been expanded to include sale 95 (southern California) which is being studied by the President's OCS task force, and sale 119 (central California).

There has been some misunderstanding with respect to the committee's intent in restricting preleasing activities in some areas. In those areas where the committee has recommended restrictions on preleasing activities, those restrictions apply only to the formal steps identified by the Department of the Interior as part of the actual lease sale process. These formal steps include such activities as the publication of sale-specific environmental impact statements, the conduct of public hearings directly associated with the EIS process, issuance of notices of sale and receipt of bids. Restrictions on preleasing activities do not preclude environmental, geologic, geophysical, economic, engineering, or other scientific analyses, studies, and evaluations. Such studies form the basis for environmental impact statements but are not considered a part of the EIS or the formal sale process. Also, restrictions on preleasing activities do not preclude the conduct of public meetings and negotiations, participation in task forces or other cooperative efforts attempting to resolve issues associated with offshore leasing, exploration, and development.

INDIAN PROGRAMS

The committee has recommended $2,776,951,000 for Indian programs, including construction of hospitals, clinics and schools, irrigation and sanitation facilities, and protection and development of natural resources on reservation lands, in keeping with our trust responsibilities to the Indian people. Included within this amount is $191,864,000 for Indian settlements which the Government is required to pay even though such spending is not considered mandatory. Included among these settlements are water rights cases in California and Arizona.

The National Endowment for the Humanities appropriation for grants and administration is $8,080,000 above the administration's request. The bulk of this increase, $6,400,000, is for the Office of Preservation to establish a program of matching support for museums, universities, and other institutions to assist them in stabilizing collections of material culture and for support of professional training to address the needs of these collections. The majority of material culture collections are housed in cramped conditions, which not only makes them inaccessible but also threatens their existence. Associated with this increase is $200,000 for administering this new program.

Other increases for the National Endowment for the Humanities include $1,000,000 for the State programs and funds sufficient to restore each of the programs to the 1989 level. In addition, there is a $100,000 increase in the administrative area to handle any additional workload associated with new subgranting procedures.

A few areas of the report need correction. On page 50, the amount for State reclamation program grants is $146,520,000 instead of $146,520. On page 21, Fish and Wildlife Service, resource management, $200,000 for the Lake Erie Shoreline protection study was inadvertently omitted. On page 23, Fish and Wildlife Service land acquisition, there should have been a reference to Bond Swamp NWR, GA as the type of area suitable for acquisition under the $10,000,000 provided for high-priority wetlands. On page 127, in relation to the National Endowment for the Arts, the amount for challenge grants should be $15,150,000 with $12,000,000 for Treasury funds.

I want to commend all the subcommittee members for their unselfish efforts and contributions in rising to this difficult fiscal challenge. In particular, I want to note the contributions of our ranking minority member, RALPH REGULA.

I encourage you to give your support to this bill which I believe has done a good job of balancing all the competing needs.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

	FY 1989 Enacted	FY 1990 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF THE INTERIOR					
Bureau of Land Management					
Management of lands and resources	435,586,000	431,632,000	446,296,000	+10,710,000	+14,664,000
Firefighting	739,664,000	363,142,000	740,393,000	+729,000	+377,251,000
Construction and access	5,431,000	2,300,000	2,400,000	-3,031,000	+100,000
Payments in lieu of taxes	105,000,000	105,000,000	105,000,000	.....	.....
Land acquisition	12,290,000	20,885,000	13,490,000	+1,200,000	-7,395,000
Oregon and California grant lands	57,707,000	62,702,000	64,787,000	+7,080,000	+2,085,000
Range improvements (indefinite)	8,506,000	8,406,000	8,406,000	-100,000	.....
Service charges, deposits, & forfeitures (indefinite)	6,000,000	6,000,000	6,000,000	.....	.....
Miscellaneous trust funds (indefinite)	100,000	100,000	100,000	.....	.....
Total, Bureau of Land Management	1,370,284,000	1,000,167,000	1,386,872,000	+16,588,000	+386,705,000
United States Fish and Wildlife Service					
Resource management	357,888,000	339,754,000	375,370,000	+17,482,000	+35,616,000
Construction and anadromous fish	31,834,000	10,105,000	30,457,000	-1,377,000	+20,352,000
Land acquisition	57,529,000	51,415,000	65,790,000	+8,261,000	+14,375,000
National Wildlife Refuge Fund	6,645,000	6,645,000	7,645,000	+1,000,000	+1,000,000
Total, United States Fish and Wildlife Service	453,896,000	407,919,000	479,262,000	+25,366,000	+71,343,000
National Park Service					
Operation of the national park system	733,516,000	754,614,000	774,179,000	+40,663,000	+19,565,000
National recreation and preservation	14,608,000	10,204,000	16,029,000	+1,421,000	+5,825,000
Historic preservation fund	30,500,000	.....	30,500,000	.....	+30,500,000
Construction	159,108,000	44,112,000	174,210,000	+15,102,000	+130,098,000
(Liquidation of contract authority)	(47,000,000)	.....	(12,000,000)	(-35,000,000)	(+12,000,000)
Land and water conservation fund (rescission of contract authority)	-30,000,000	.....	-30,000,000	.....	-30,000,000
Land acquisition and state assistance	72,609,000	69,459,000	81,016,000	+8,407,000	+11,557,000
John F. Kennedy Center for the Performing Arts	5,181,000	15,193,000	15,193,000	+10,012,000	.....
Illinois and Michigan Canal National Heritage Corridor Commission	250,000	.....	250,000	.....	+250,000
American Revolution Bicentennial Administration	4,765,000	.....	.....	-4,765,000	.....
National Film Preservation Board	(250,000)	.....	.....	(-250,000)	.....
Total, National Park Service	990,537,000	893,582,000	1,061,377,000	+70,840,000	+167,795,000
Geological Survey					
Surveys, investigations, and research	451,506,000	452,465,000	486,931,000	+35,425,000	+34,466,000
Minerals Management Service					
Leasing and royalty management	170,744,000	180,461,000	175,066,000	+4,322,000	-5,395,000

VOL 135 PT 10 JE 23 - JL 13 1989 UMI

	FY 1989 Enacted	FY 1990 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Payments to States from receipts under Mineral Leasing	.....	655,000	.....	.....	-655,000
Total, Minerals Management Service	170,744,000	181,116,000	175,066,000	+4,322,000	-6,050,000
Bureau of Mines					
Mines and minerals	159,292,000	141,197,000	161,876,000	+2,584,000	+20,679,000
Office of Surface Mining Reclamation and Enforcement					
Regulation and technology	101,095,000	103,738,000	102,728,000	+1,633,000	-1,010,000
Abandoned mine reclamation fund (definite, trust fund)	193,160,000	150,387,000	192,772,000	-388,000	+42,385,000
Total, Office of Surface Mining Reclamation and Enforcement	294,255,000	254,125,000	295,500,000	+1,245,000	+41,375,000
Bureau of Indian Affairs					
Operation of Indian Programs	967,767,000	917,491,000	1,065,574,000	+97,807,000	+148,083,000
Construction	79,283,000	100,975,000	134,379,000	+55,096,000	+33,404,000
Miscellaneous payments to Indians	13,952,000	29,255,000	191,864,000	+177,912,000	+162,609,000
Revolving fund for loans (limitation on direct loans)	.....	(13,000,000)	.....	.....	(-13,000,000)
Indian loan guaranty and insurance fund	3,370,000	3,265,000	4,767,000	+1,397,000	+1,502,000
Indian loan guaranty and insurance fund (limitation on guaranteed loans)	.....	(45,000,000)	.....	.....	(-45,000,000)
Total, Bureau of Indian Affairs	1,064,372,000	1,050,986,000	1,396,584,000	+332,212,000	+345,598,000
Territorial and International Affairs					
Administration of territories	51,112,000	35,396,000	41,481,000	-9,631,000	+6,085,000
Interest rate differential	41,655,000	35,308,000	35,308,000	-6,347,000	.....
Subtotal	92,767,000	70,704,000	76,789,000	-15,978,000	+6,085,000
Trust Territory of the Pacific Islands	28,434,000	3,300,000	34,102,000	+5,668,000	+30,802,000
Compact of Free Association	12,480,000	14,580,000	11,760,000	-720,000	-2,820,000
Mandatory payments	19,880,000	13,000,000	13,000,000	-6,880,000	.....
Advance appropriations, FY 1990	(22,000,000)	.....	.....	(-22,000,000)	.....
Subtotal	32,360,000	27,580,000	24,760,000	-7,600,000	-2,820,000
Total, Territorial Affairs	153,561,000	101,584,000	135,651,000	-17,910,000	+34,067,000
Departmental Offices					
Office of the Secretary	49,067,000	52,741,000	51,295,000	+2,228,000	-1,446,000
Oil spill emergency fund	7,300,000	.....	.....	-7,300,000	.....
Office of the Solicitor	24,686,000	25,325,000	25,325,000	+639,000	.....
Office of Inspector General	18,749,000	20,595,000	20,737,000	+1,988,000	+142,000
Construction Management	1,800,000	2,300,000	1,800,000	.....	-500,000
National Indian Gaming Commission	.....	2,000,000	.....	.....	-2,000,000
Total, Departmental Offices	101,602,000	102,961,000	99,157,000	-2,445,000	-3,804,000

Office of Inspector General	18,749,000	20,595,000	20,737,000	+1,988,000	+142,000
Construction Management	1,800,000	2,300,000	1,800,000	.....	-500,000
National Indian Gaming Commission	.....	2,000,000	.....	.....	-2,000,000
Total, Departmental Offices	101,602,000	102,961,000	99,157,000	-2,445,000	-3,804,000
Total, title I, Department of the Interior:					
New budget (obligational) authority (net)	5,210,049,000	4,586,102,000	5,678,276,000	+468,227,000	+1,092,174,000
Appropriations	(5,240,049,000)	(4,586,102,000)	(5,708,276,000)	(+468,227,000)	(+1,122,174,000)
Definite	(5,225,443,000)	(4,571,596,000)	(5,693,770,000)	(+468,327,000)	(+1,122,174,000)
Indefinite	(14,606,000)	(14,506,000)	(14,506,000)	(-100,000)	.....
Rescission	(-30,000,000)	.....	(-30,000,000)	.....	(-30,000,000)
(Liquidation of contract authority)	(47,000,000)	.....	(12,000,000)	(-35,000,000)	(+12,000,000)
(Limitation on direct loans)	.....	(13,000,000)	.....	.....	(-13,000,000)
(Limitation on guaranteed loans)	.....	(45,000,000)	.....	.....	(-45,000,000)
TITLE II - RELATED AGENCIES					
DEPARTMENT OF AGRICULTURE					
Forest Service					
Forest research	137,867,000	133,799,000	149,435,000	+11,568,000	+15,636,000
State and private forestry	86,668,000	48,606,000	89,906,000	+3,238,000	+41,300,000
National forest system	1,045,781,000	1,016,410,000	1,132,426,000	+86,645,000	+116,016,000
Construction	225,518,000	221,000,000	222,199,000	-3,319,000	+1,199,000
Timber receipts transfer to general fund (indefinite)	(-79,100,000)	(-92,000,000)	(-92,000,000)	(-12,900,000)	.....
Timber purchaser credits	(75,000,000)	(139,579,000)	(139,579,000)	(+64,579,000)	.....
Mount St. Helens (liquidation of contract authority)	(5,333,000)	.....	.....	(-5,333,000)	.....
Land acquisition	64,205,000	64,831,000	61,988,000	-2,217,000	-2,843,000
Timber Roads, Purchaser Election, Forest Service (rescission)	-40,000,000	.....	.....	+40,000,000	.....
Tongass Timber Supply Fund	35,999,000	(40,985,000)	(48,535,000)	-35,999,000	.....
Operation and maintenance of recreation facilities	.....	9,000,000	.....	.....	-9,000,000
Acquisition of lands for national forests, special acts	966,000	1,068,000	1,068,000	+102,000	.....
Acquisition of lands to complete land exchanges (indefinite)	335,000	1,070,000	1,070,000	+735,000	.....
Range betterment fund (indefinite)	3,946,000	4,700,000	4,700,000	+754,000	.....
Gifts, donations and bequests for forest and rangeland research	90,000	30,000	30,000	-60,000	.....
Total, Department of Agriculture	1,561,375,000	1,500,514,000	1,662,822,000	+101,447,000	+162,308,000
DEPARTMENT OF ENERGY					
Clean coal technology:					
Advance appropriations, FY 1989	190,000,000	.....	.....	-190,000,000	.....
Advance appropriations, FY 1990	(710,000,000)	.....	.....	(-710,000,000)	.....
Advance appropriations, FY 1991	(200,000,000)	(600,000,000)	(600,000,000)	(+400,000,000)	.....

	FY 1989 Enacted	FY 1990 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Advance appropriations, FY 1992	.....	(600,000,000)	(600,000,000)	(+600,000,000)	.....
Subtotal, clean coal technology	190,000,000	.....	.....	-190,000,000	.....
Fossil energy research and development	380,595,000	163,574,000	422,660,000	+42,065,000	+259,086,000
Alternative fuels production	-12,000,000	.....	.....	+12,000,000	.....
Naval petroleum and oil shale reserves	185,071,000	192,124,000	192,124,000	+7,053,000	.....
Energy conservation	372,502,000	95,528,000	411,367,000	+38,865,000	+315,839,000
Economic regulation	21,372,000	20,346,000	18,300,000	-3,072,000	-2,046,000
Emergency preparedness	6,154,000	6,641,000	6,641,000	+487,000	.....
Strategic Petroleum Reserve	173,421,000	194,999,000	194,999,000	+21,578,000	.....
SPR petroleum account	242,000,000	35,407,000	319,407,000	+77,407,000	+284,000,000
Advance appropriations, FY 1990	(91,555,000)	.....	.....	(-91,555,000)	.....
Advance appropriations, FY 1991	.....	(37,458,000)	(108,458,000)	(+108,458,000)	(+71,000,000)
Energy Information Administration	62,856,000	65,232,000	65,232,000	+2,376,000	.....
Total, Department of Energy	1,621,971,000	773,851,000	1,630,730,000	+8,759,000	+856,879,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Indian Health Service					
Indian health services	1,020,106,000	.....	1,189,330,000	+169,224,000	+1,189,330,000
Tribal health administration	.....	266,085,000	.....	.....	-266,085,000
Federal Indian health administration	.....	817,314,000	.....	.....	-817,314,000
Indian health facilities	61,668,000	.....	75,420,000	+13,752,000	+75,420,000
Total, Department of Health and Human Services	1,081,774,000	1,083,399,000	1,264,750,000	+182,976,000	+181,351,000
DEPARTMENT OF EDUCATION					
Office of Elementary and Secondary Education					
Indian education	71,553,000	74,168,000	74,149,000	+2,596,000	-19,000
OTHER RELATED AGENCIES					
Office of Navajo and Hopi Indian Relocation					
Salaries and expenses	27,373,000	31,218,000	36,818,000	+9,445,000	+5,600,000
Institute of American Indian and Alaska Native Culture and Arts Development					
Payment to the Institute	3,094,000	3,000,000	4,650,000	+1,556,000	+1,650,000
Smithsonian Institution					
Salaries and expenses	211,240,000	227,737,000	231,981,000	+20,741,000	+4,244,000
Construction and improvements, National Zoological Park	5,305,000	6,500,000	6,500,000	+1,195,000	.....
Repair and restoration of buildings	20,735,000	26,653,000	26,869,000	+6,134,000	+216,000
Construction	8,655,000	10,000,000	12,900,000	+4,245,000	+2,900,000
Total, Smithsonian Institution	245,935,000	270,890,000	278,250,000	+32,315,000	+7,360,000

Construction	8,655,000	10,000,000	12,900,000	+4,245,000	+2,900,000
Total, Smithsonian Institution	245,935,000	270,890,000	278,250,000	+32,315,000	+7,360,000
National Gallery of Art					
Salaries and expenses	37,981,000	40,376,000	40,789,000	+2,808,000	+413,000
Repair, restoration and renovation of buildings	750,000	2,305,000	1,905,000	+1,155,000	-400,000
Total, National Gallery of Art	38,731,000	42,681,000	42,694,000	+3,963,000	+13,000
Woodrow Wilson International Center for Scholars					
Salaries and expenses	4,240,000	4,700,000	4,611,000	+371,000	-89,000
Endowment Challenge Fund	300,000	.....	.....	-300,000	.....
Total, Woodrow Wilson International Center for Scholars	4,540,000	4,700,000	4,611,000	+71,000	-89,000
National Foundation on the Arts and the Humanities					
National Endowment for the Arts					
Grants and administration	141,890,000	142,950,000	144,250,000	+2,360,000	+1,300,000
Matching grants	27,200,000	27,150,000	27,150,000	-50,000	.....
Total, National Endowment for the Arts	169,090,000	170,100,000	171,400,000	+2,310,000	+1,300,000
National Endowment for the Humanities					
Grants and administration	124,300,000	126,550,000	134,630,000	+10,330,000	+8,080,000
Matching grants	28,700,000	26,700,000	26,700,000	-2,000,000	.....
Total, National Endowment for the Humanities	153,000,000	153,250,000	161,330,000	+8,330,000	+8,080,000
Institute of Museum Services					
Grants and administration	22,270,000	22,350,000	23,000,000	+730,000	+650,000
Total, National Foundation of the Arts and the Humanities	344,360,000	345,700,000	355,730,000	+11,370,000	+10,030,000
Commission of Fine Arts					
Salaries and expenses	475,000	494,000	516,000	+41,000	+22,000
National Capital Arts and Cultural Affairs					
Grants	5,000,000	.....	5,000,000	.....	+5,000,000
Advisory Council on Historic Preservation					

VOL 135 PT 10 JE 23 - JL 13 1989 UMI

	FY 1989 Enacted	FY 1990 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Salaries and expenses	1,778,000	1,795,000	1,945,000	+167,000	+150,000
National Capital Planning Commission					
Salaries and expenses	2,962,000	3,133,000	3,123,000	+161,000	-10,000
Franklin Delano Roosevelt Memorial Commission					
Salaries and expenses	26,000	26,000	26,000	.....	.....
Pennsylvania Avenue Development Corporation					
Salaries and expenses	2,334,000	2,425,000	2,375,000	+41,000	-50,000
Public development	3,175,000	3,150,000	3,150,000	-25,000	.....
Land acquisition and development fund	.....	12,000,000	12,000,000	+12,000,000	.....
Total, Pennsylvania Avenue Development Corporation	5,509,000	17,575,000	17,525,000	+12,016,000	-50,000
United States Holocaust Memorial Council					
Holocaust Memorial Council	2,244,000	2,315,000	2,315,000	+71,000	.....
Total, title II, Related Agencies:					
New budget (obligational) authority (net)	5,018,702,000	4,155,461,000	5,385,656,000	+366,954,000	+1,230,195,000
Appropriations, fiscal year 1989 (net)	(5,018,702,000)	(4,155,461,000)	(5,385,656,000)	(+366,954,000)	(+1,230,195,000)
Appropriations	(5,058,702,000)	(4,155,461,000)	(5,385,656,000)	(+326,954,000)	(+1,230,195,000)
Definite	(5,054,421,000)	(4,149,691,000)	(5,379,886,000)	(+325,465,000)	(+1,230,195,000)
Indefinite	(4,281,000)	(5,770,000)	(5,770,000)	(+1,489,000)	.....
Rescission	(-40,000,000)	.....	.....	(+40,000,000)	.....
(Liquidation of contract authority)	(5,333,000)	.....	.....	(-5,333,000)	.....
(Timber receipt transfer to general fund, indefinite)	(-79,100,000)	(-92,000,000)	(-92,000,000)	(-12,900,000)	.....
(Timber purchaser credits)	(75,000,000)	(139,579,000)	(139,579,000)	(+64,579,000)	.....
Grand total:					
New budget (obligational) authority (net)	10,228,751,000	8,741,563,000	11,063,932,000	+835,181,000	+2,322,369,000
Appropriations, fiscal year 1989 (net)	(10,228,751,000)	(8,741,563,000)	(11,063,932,000)	(+835,181,000)	(+2,322,369,000)
Appropriations	(10,298,751,000)	(8,741,563,000)	(11,093,932,000)	(+795,181,000)	(+2,352,369,000)
Definite	(10,279,864,000)	(8,721,287,000)	(11,073,656,000)	(+793,792,000)	(+2,352,369,000)
Indefinite	(18,887,000)	(20,276,000)	(20,276,000)	(+1,389,000)	.....
Rescissions	(-70,000,000)	.....	(-30,000,000)	(+40,000,000)	(-30,000,000)
(Liquidation of contract authority)	(52,333,000)	.....	(12,000,000)	(-40,333,000)	(+12,000,000)
(Timber receipt transfer to general fund, indefinite)	(-79,100,000)	(-92,000,000)	(-92,000,000)	(-12,900,000)	.....
(Timber purchaser credits)	(75,000,000)	(139,579,000)	(139,579,000)	(+64,579,000)	.....
TITLE I -DEPARTMENT OF THE INTERIOR					
Bureau of Land Management	1,370,284,000	1,000,167,000	1,386,872,000	+16,588,000	+386,705,000
United States Fish and Wildlife Service	453,896,000	407,919,000	479,262,000	+25,366,000	+71,343,000
National Park Service	990,537,000	893,582,000	1,061,377,000	+70,840,000	+167,795,000
Geological Survey	451,506,000	452,465,000	486,931,000	+35,425,000	+34,466,000
Minerals Management Service	170,744,000	181,116,000	175,066,000	+4,322,000	-6,050,000
Bureau of Mines	159,292,000	141,197,000	161,876,000	+2,584,000	+20,679,000
Office of Surface Mining Reclamation and Enforcement	294,255,000	254,125,000	295,500,000	+1,245,000	+41,375,000
Bureau of Indian Affairs	1,064,372,000	1,050,986,000	1,396,584,000	+332,212,000	+345,598,000
Territorial and International Affairs	153,561,000	101,584,000	135,651,000	-17,910,000	+34,067,000
Secretarial Offices	101,602,000	102,961,000	99,157,000	-2,445,000	-3,804,000

23-039 O-90-1

Bureau of Mines	159,292,000	141,197,000	161,876,000	+2,584,000	+20,679,000
Office of Surface Mining Reclamation and Enforcement	294,255,000	254,125,000	295,500,000	+1,245,000	+41,375,000
Bureau of Indian Affairs	1,064,372,000	1,050,986,000	1,396,584,000	+332,212,000	+345,598,000
Territorial and International Affairs	153,561,000	101,584,000	135,651,000	-17,910,000	+34,067,000
Secretarial Offices	101,602,000	102,961,000	99,157,000	-2,445,000	-3,804,000
Total, Title I - Department of the Interior	5,210,049,000	4,586,102,000	5,678,276,000	+468,227,000	+1,092,174,000
TITLE II - RELATED AGENCIES					
Forest Service	1,561,375,000	1,500,514,000	1,662,822,000	+101,447,000	+162,308,000
Department of Energy	1,621,971,000	773,851,000	1,630,730,000	+8,759,000	+856,879,000
Indian Health	1,081,774,000	1,083,399,000	1,264,750,000	+182,976,000	+181,351,000
Indian Education	71,553,000	74,168,000	74,149,000	+2,596,000	-19,000
Office of Navajo and Hopi Indian Relocation	27,373,000	31,218,000	36,818,000	+9,445,000	+5,600,000
Institute of American Indian and Alaska Native Culture and Arts Development	3,094,000	3,000,000	4,650,000	+1,556,000	+1,650,000
Smithsonian	245,935,000	270,890,000	278,250,000	+32,315,000	+7,360,000
National Gallery of Art	38,731,000	42,681,000	42,694,000	+3,963,000	+13,000
Woodrow Wilson International Center for Scholars	4,540,000	4,700,000	4,611,000	+71,000	-89,000
National Endowment for the Arts	169,090,000	170,100,000	171,400,000	+2,310,000	+1,300,000
National Endowment for the Humanities	153,000,000	153,250,000	161,330,000	+8,330,000	+8,080,000
Institute of Museum Services	22,270,000	22,350,000	23,000,000	+730,000	+650,000
Commission of Fine Arts	475,000	494,000	516,000	+41,000	+22,000
National Capital Arts and Cultural Affairs	5,000,000	.....	5,000,000	.....	+5,000,000
Advisory Council on Historic Preservation	1,778,000	1,795,000	1,945,000	+167,000	+150,000
National Capital Planning Commission	2,962,000	3,133,000	3,123,000	+161,000	-10,000
Franklin Delano Roosevelt Memorial Commission	28,000	28,000	28,000	.....	.....
Pennsylvania Avenue Development Corporation	5,509,000	17,575,000	17,525,000	+12,016,000	-50,000
Holocaust Memorial Council	2,244,000	2,315,000	2,315,000	+71,000	.....
Total, Title II - Related Agencies	5,018,702,000	4,155,461,000	5,385,656,000	+366,954,000	+1,230,195,000
Grand total	10,228,751,000	8,741,563,000	11,063,932,000	+835,181,000	+2,322,369,000

29-069 O-90-37 (Pt. 10)

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. Chairman, I reserve the balance of my time.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say to my colleagues at the outset that the chairman of the committee has worked very closely with the minority in fashioning a bipartisan bill. I think, given the tremendous number of requests and needs that we have, that we have tried to manage the moneys available to us through section 302(b) very carefully.

I am not going to go through what has already been covered very thoroughly by the chairman of the subcommittee, but I do want to talk about the moritoria aspects of this bill and what that means in terms of an energy policy for the future.

Let me give just a little bit of history. In the late 1970's, those Members who were here at the time remember the energy crisis. We had late night sessions. President Jimmy Carter in a speech to the Nation said it was the moral equivalent of war, we had gasoline lines, and farms, factories, schools, hospitals, and churches were short of fuel. It was truly a crisis. We had a special task force of the House appointed to deal with this.

□ 1110

Mr. Chairman, we tried to address it in a number of different ways in the 1970's. Today, even absent the gasoline lines there are warning signs that we are headed down the same road if we do not develop an energy policy for this Nation.

The philosopher George Santayana said, "Those who cannot remember the past are condemned to repeat it," and I am afraid that is what is going to happen in this Nation.

Mr. Chairman, let us look at the facts.

Fact No. 1: Demand is up 2.5 percent annually for energy. I am talking about oil. Forty-three percent of oil is used for transportation. That is more than we produced domestically in the United States.

Fact No. 2: Imports today are about 46 to 47 percent of our consumption, and we are headed in 1990 to 50 percent of the oil we use being imported. I contrast that to 1973, when we had the beginning of the crisis, and at that point we were only importing 36 percent of our oil. So my colleagues you can imagine what can possibly happen. In December of last year, for the first time in 9 years we imported more oil than produced, increasing our dependency on the Middle East, because most of the increases have come from the Middle East.

Fact No. 3: In the 10 worst spills since 1976, not 1 of the 10 were from offshore wells, and yet spills seem to be the concern and the reason for the moratoria. We do not want to have spills, but the facts are the spills are not resulting from offshore platforms. No major spill has been reported from Federal offshore drilling on the Outer Continental Shelf for the last 20 years. This is an important element that we need to recognize.

Fact No. 4: Forty-five percent of the oil spilled in the past 20 years is from transportation, 2 percent from offshore drilling, a minute amount. I think, if we were being intellectually honest in terms of moratoria, we would say not only should we put a moratorium on the areas involved for platforms, but we should also include tankers. If we are truly concerned about spills, let us keep the tankers out of this acreage because that is the real problem.

This bill, of course, as I mentioned, represents a good balance on other issues. This marks the ninth time, however, that this bill has been used for a "1-year" ban on drilling. In 1981 we put a moratorium on 736,000 acres. This bill for fiscal year 1990 will put a moratorium on a total of 84 million acres, an increase of about 110 times over what we started with in 1981, and yet I can remember so well in 1981, when people were saying, "Well, it's for 1 year only. We just need a little time."

Mr. Chairman, we started out off of California in 1981. Today it includes California, Alaska, Florida, and much of the East Coast, and, not only have we put the moratorium on drilling, we have even included a ban on prelease activities. That means that we cannot even go out there and look for oil, assess the resource potential. The U.S. Government will not even know what we have. I would point out that the lands we are talking about are owned by all of the people in this Nation, not just the States involved, and we are only talking about what is beyond 3 miles, the Federal Outer Continental Shelf lands.

Mr. Chairman, I recognize the problem with this, and an environmental vote would appear to be for the moratorium. The truth of the matter is the environmental vote ought to be against the moratoria included in this bill. Why? Because it will avoid a crisis.

If we have gasoline lines, if we have the shortages as we did in the late 1970's, if we have what President Carter called the moral equivalent of war, we are going to have a tremendous public outcry, and anything will go, and we will forget about environmental standards.

To give my colleagues an example of what we did in 1978 in the 96th Congress, in that time frame we passed a bill during the crisis to waive Federal, State, and local environmental laws. We even waived, under some circumstances, judicial review. It was called the Energy Mobilization Board. Talk about power. Talk about the ability to destroy everything we cherish environmentally. This is the kind of legislation that was passed in a period of crisis; passed the House 299 to 107; passed the Senate 68 to 25. Fortunately it died in conference because at that point we realized the dangers of giving this kind of power, but it illustrates what happens in a period of crisis.

In 1978 we passed the OCS Lands Act. It said, and this is still the law, "The OCS is a vital national resource reserve held by the Federal Government for the public," for the public, "which should be made available for expeditious and orderly development subject to environmental safeguards in a manner which is consistent with the maintenance of competition and other national needs."

Did we set the environmental standards? Do we have them in drilling today? Let me point that out. At this point in time, already in the law, one must get, if they are going to drill offshore, 17 different Federal permits, they must conform to 74 sets of Federal regulations, they must do what is consistent with State coastal management programs, and they must work with the Governors of each State. Those facts illustrate that we already have enormous safeguards, and that is one of the reasons we have not had any major spills in the past 20 years.

Bristol Bay is put under moratoria in this particular bill. To illustrate the fact that this does not make sense: In the development of Bristol Bay, we have already put 83 percent of that off limits so that the sale was only for 17 percent. This started in 1974, the first announced sale. In 1986, 12 years later, leases were sold, and then a series of lawsuits were filed. Those lawsuits held in favor of the U.S. Government, and in 1989 we are ready to explore the leases.

Here we are; we are talking about 15 years, and I use this to illustrate how difficult, under existing law and regulations, it is to develop offshore resources, but this bill puts a moratorium on Bristol Bay even though the Federal Government has collected something like $96 million, and even though we are ready to develop, and even though we put 83 percent of the area, about the size of Alabama, off limits.

What I am saying, Mr. Chairman, is that, when the next crisis occurs, the next time we have gasoline lines, we will be faced with the fact that the spigot cannot be turned on overnight. Presently we are getting over 20 percent of our domestic production from Prudhoe Bay, and I can remember in the authorizing committee, when we wrestled with opening this area people said, "Oh, it will destroy the environment. It will cause enormous problems with the caribou," and so on, and yet we today depend on Prudhoe Bay for

20 percent of our domestic production. My colleagues can imagine what it would be like without access to Prudhoe Bay. Unfortunately many wanted to build a pipeline to bring that oil to the United States through Canada, but it was fought by many environmental groups, and we ended up with tankers, and we ended up with the *Exxon Valdez*.

However, Mr. Chairman, the point is that what we are doing here in terms of national energy policy is painting ourselves in a corner. Environmentally, and I am concerned about the environment as much as anyone, environmentally it is the wrong thing to do because what we will precipitate is a crisis situation, and in a crisis, when the farms, the factories, the gasoline lines, the schools, the hospitals, the churches are experiencing a shortage of fuel, we will be willing once again to do the Energy Mobilization Board to waive environmental requirements. How much better it would be to have an orderly development. Yet we are saying each year, for a period of 9 years now, starting with 736,000 acres, now 84 million acres, each year we expand it, not only to include drilling, but to include preleasing activity, we are saying we do not have an energy policy, we are not concerned about the potential for a future crisis.

Let me point out that the Saudi oil minister, a previous oil minister, a gentleman by the name of Yamani, and we saw a lot of him during the crisis in the 1970's, predicts that by the middle of the 1990's the Persian Gulf producers will account for 75 percent of the world's exports. It is rather regrettable that today because of some of our trade policies we find that Japan has a tremendous voice in fiscal policy in the United States. They have 7 out of 10 of the world's largest banks, and they dictate in many ways fiscal policy to us.

□ 1120

What we are headed for in energy is that the OPEC countries will dictate foreign policy because if they are exporting 75 percent of the oil production in the world, it obviously gives them enormous leverage.

In the U.S. News there was an article on June 19 mentioning the coming power crunch. I think that is all part of this need for an energy policy. They point out in this article that people do not want coal to produce electricity, even though consumption is going up 3 or 4 percent annually, because of concern about air pollution.

In nuclear, in California and Sacramento they voted recently to close Rancho Seco. We have canceled 65 nuclear plants since 1979. We are going to be faced with an oil shortage, and I wonder where we are going to get the power to fuel our factories, our homes, and the many needs that we have as a Nation.

I think that aside from this bill, we need to address the problem of an energy policy for the United States, and here we are going in the wrong direction by putting off limits access to a very valuable resource, namely, the oil that lies in the Outer Continental Shelf.

I am not going to offer any amendments on this because I understand the concern that has arisen from spills and so on, but it seems to me that we should consider other ways to address that problem, since it is coming from the tankers and not the platforms on the Outer Continental Shelf.

Aside from all this, it is vital that this body address in totality the energy policy of this Nation, because if we fail to do so we will be faced not only with long lines, but we will be faced with brownouts and blackouts that will have an enormous impact on our ability to compete in our industrial economy. It has an impact on the quality of life in this Nation. If we fail to address the problems that are going to be confronting us in terms of energy policy, we, the leaders of this Nation and this body, will not be taking a responsible position. We need to learn the lesson of the 1970's and not allow that to happen again.

Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE], the leader of the minority on this issue.

Mr. CONTE. Mr. Chairman, I rise in support of this bill, and I hope all of my colleagues will vote for it—intact and unamended.

At the outset, I want to commend SID YATES and RALPH REGULA for their leadership in presenting to the House a well balanced recommendation.

SID YATES is a tough, but fair chairman. He is a man who stands on his principles and who bases his judgments on the facts, and I admire him for that.

The same is true for the ranking member, my good friend, RALPH REGULA. We disagree on a few issues like clean coal and acid rain.

But I know that someday, RALPH will see the light through those acid clouds and realize that it's time to clean up the mess and put an end to acid rain. I look forward to the day, in the not too distant future, when we'll be standing side-by-side in the Rose Garden watching President Bush sign an acid rain control bill into law.

But for now, I will settle for a presidential signature on this bill. It is a good one.

The recommendations in this bill are the result of months and months of hard work by the members of the Interior Subcommittee and later by the full committee.

Again, the chairman and ranking member have exercised able leadership and creative hard work in meeting the endless needs brought to this subcommittee. And they have made these recommendations, responding to over 350 member requests from both sides of the aisle, all within the stifling framework of the 302-B allocation.

Mr. Chairman, H.R. 2788, the second appropriations bill brought to the floor this year, is under budget. The bill is under the 302-B allocation for budget authority and for outlays. No waiver of the budget act was required to bring this bill to the floor today.

Now, we have heard from our friends at OMB, and they have a few objections to this bill. But judging from past letters, this statement is a mild one. No veto threat is made. Although the administration opposes the bill, their primary objections involve a scorekeeping adjustment and a language provision.

First, OMB has a problem with the way this bill is scored. The green eyeshade brigade claims that the Committee did not properly score firefighting costs, and as a result the bill is actually over the 302-B allocation. Well, that fight was settled by the budget summit agreement. Firefighting costs are mandatory. Period.

That is history. It is time to move on.

Second, the administration opposes the committee language restricting oil and gas development on the outer continental shelf.

Specifically, OMB says that:

> It would be inappropriate at this time, for the Congress to impose more OCS moratoria, or to prohibit activities designed explicitly to provide the kind of information that is needed to make environmentally sound decisions on drilling.

The committee bill has extended the moratoria language to new areas, but for good reasons.

One new area includes Bristol Bay, AL. That bay is a major salmon fishery, perhaps the best in the world. It is an irreplaceable resource, and we ought to think twice about subjecting it to the risk of another *Exxon Valdez*.

That spill in Prince William Sound was a crime. It broke my heart to see the waters of the great State of Alaska muddied by billions and billions of barrels of oil. It was depressing to see migratory birds, ducks and geese, literally oiled to death on the beaches.

And it was sad to watch the marine mammals struggle in an environment so toxic that it makes Love Canal look like a nature preserve.

I disagree with OMB on this issue of OCS leasing. We ought to give the President's task force a chance to make its recommendations, and all environmental risks should be thoroughly evaluated before drilling in these areas is permitted.

The administration has several other specific objections included in

the "Statement of Administration Policy" that I will include for the record.

Finally, Mr. Chairman, I want to address an amendment which may be offered by my friend, Mr. ARMEY of Texas.

I understand that he will propose a substantial cut in the appropriations for the National Endowment for the Arts. I hope that he will not offer his amendment.

We have all heard of the horror stories about funds misdirected to projects of questionable taste.

No one in this House sanctions that kind of work. I thought the most recent examples were disgusting, but Mr. ARMEY's amendment will do nothing to address this problem. Instead, by making a dramatic reduction in the NEA grant program, the Armey amendment will punish all the artists because of problems with a few.

In fact, throughout its 25-year history, the NEA has awarded more than 85,000 grants, with just a handful stirring any criticism.

This issue needs to be addressed in the proper forum, with a reasoned and deliberative approach.

The approach taken by the Armey amendment is like amputating your arm to remove a hangnail. I hope that the gentleman from Texas will not offer his amendment. The committee recommendation is sound, and the NEA program deserves the support of the House.

Mr. Chairman, let me repeat that this bill is under budget, for both outlays and budget authority. It is a good bill: fiscally sound and programmatically balanced. I urge all my colleagues to support it.

STATEMENT OF ADMINISTRATION POLICY

H.R. 2788, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1990

(Sponsors: Whitten, Mississippi; Yates, Illinois)

The Administration opposes H.R. 2788 as reported by the House Appropriations Committee.

While under CBO scoring H.R. 2788 would fall within the 302(b) allocation, we do not believe that CBO scoring reflects accurately the domestic discretionary spending levels in the bill. If CBO changed its scoring in ways we believe are appropriate under the Bipartisan Budget Agreement, the bill would provide domestic discretionary budget authority of $11,256 million, or $356 million more than the Interior Subcommittee's 302(b) allocation. It would also provide outlays of $10,547 million, or $197 million more than the 302(b) allocation. By this scoring, H.R. 2788 would cause a violation of the limits established for domestic discretionary spending as set forth by the Bipartisan Budget Agreement, unless other subcommittees report bills that provide domestic discretionary appropriations below their House 302(b) allocation.

The Administration is opposed to the provisions extending moratoria on Outer Continental Shelf (OCS) pre-leasing, leasing and exploration. The President has established an inter-agency task force to address congressional and public environmental concerns regarding three controversial lease sales scheduled for FY 1990. It would be inappropriate at this time, for the Congress to impose more OCS moratoria, or to prohibit activities designed explicitly to provide the kind of information that is needed to make environmentally sound decisions on drilling.

The Administration also opposes a number of other provisions, as outlined in the attachment.

The Administration urges the House to pass a responsible bill that (1) continues to fund essential programs, and (2) addresses satisfactorily the provisions opposed by the Administration.

Attachment:

INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

I. CONFORMANCE WITH BIPARTISAN BUDGET AGREEMENT AND 302(B) ALLOCATIONS

While under CBO scoring the Interior and Related Agencies Appropriations Bill would meet the requirements of the Bipartisan Budget Agreement as measured by compliance with the Interior Subcommittee's 302(b) allocation, the attached bridge table shows that the bill would actually provide a domestic discretionary total of $11,256 million in BA, or $356 million more than the 302(b) allocation. The BA level would result in outlays of $10,547 million, or $197 million more than the 302(b) allocation.

II. MAJOR PROVISIONS SUPPORTED BY THE ADMINISTRATION

Land Acquisition.—The bill recommends about $200 million in appropriations from the Land and Water Conservation Fund to finance Federal land acquisition for recreation and conservation purposes. This is very close to the President's request and demonstrates the general consensus that a reasonable, sustained program of Federal land acquisition is justified. Although the Committee substituted a number of its own projects for some of the specific acquisitions proposed by the President, the overall funding allowance would make it possible to protect many nationally-significant natural and cultural resources.

Indian Land and Water Rights Claims.—The bill recommends additional funding of $163 million so the Federal Government can meet its obligations in settling various recently authorized Indian land and water rights claims. Included in the $163 million is the full $77 million for the Puyallup (WA) land settlement enacted on June 21st, $60 million for three recent Indian water rights settlements (Salt River, AZ; Colorado Ute, CO/NM; and San Luis Rey, CA), $10 million for the Hoopa-Yurok (CA) reservation settlement, and $15 million for WW II restitution payments authorized in 1988 to the Aleut people of Alaska.

III. MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Department of the Interior

The Committee inappropriately addresses the deficit impact of forest fire fighting appropriations by placing nearly all Interior and Agriculture Department fire fighting funds ($740 million out of $761 million provided) in a new account as mandatory. However, approximately $200 million of the amount appropriated to the new account would finance purely discretionary, planned activities. Although certain fire related costs are unpredictable and unavoidable (emergency suppression and rehabilitation), many fire related costs are planned and programmed in advance (fire management and presuppression). Planned fire fighting costs are discretionary.

Of the total $761 million provided, the Committee proposes $200 million for Interior Department forest fire fighting. This should be sufficient to ensure that Interior non-fire programs are reimbursed for transfers during FY 1989 to pay emergency fire fighting costs. However, it is far short of what would be necessary to pay projected FY 1990 Interior Department fire costs, threby perpetuating the current cumbersome and misleading system of financing fire fighting after-the-fact.

The Committee unfortunately ignored the Administration's proposal to fund both FY 1989 and FY 1990 fire costs fully, partially offsetting the increased funding by reducing certain payments to States from Federal mineral and timber receipts. If the Administration's proposal is unacceptable, the Committee should propose a different means of financing fire costs that, like the Administration's plan, does not rely on inappropriate scorekeeping and does not increase the Federal budget deficit. We intend to continue working with Congress to resolve this matter equitably.

The Administration objects to Interior Department construction funding that is $183 million (116 percent) above the President's request and $65 million over FY 1989. Much of the additional funding is unnecessary and directed at low priority projects, not at the Department's backlog of needed health and safety projects. The additional construction projects are generally discretionary or non-critical, and can be foregone or postponed. New construction is a lower priority than providing equality operations, maintenance, and rehabilitation at existing facilities.

The Administration opposes over $90 million in increases above the request for various low-priority grants to States and non-Federal research institutes. This includes Historic Preservation Fund grants ($31 million), Abandoned Mine Land Reclamation grants ($30 million), Land and Water Conservation Fund grants ($17 million), grants to water resource and mineral institutes ($8 million), and Endangered Species Act grants ($5 million). Although many of the purposes to which these grants are directed are not objectionable, the need for fiscal restraint in Federal spending dictates that such grants be limited to the minimum necessary to address pressing, high-priority Federal responsibilities.

The Administration objects to proposed increases over the request to fund lower priority or special interest projects in various Interior bureau operating and research accounts. In total, these accounts would increase $344 million (10 percent) over the Administration's request and $287 million (8 percent) over FY 1989. Of this, $189 million funds a 20 percent increase for numerous Indian programs for education, social services, natural resource development, and trust responsibilities.

These increases are not necessary. However, included in the $189 million for Indian programs is a $77 million BA adjustment (with no outlay impact) for conversion of certain Interior contracts with Indian tribes from a fiscal to a calendar year basis as required by law. There is no objection to the BA for the one time conversion.

The Administration objects to $8.3 million to fund certain recently identified capital improvement program (CIP) deficiencies in

Micronesia. The funds benefit an airport runway in the Federated States of Micronesia and roads in Palau.

The Federal Government is not responsible for projects that are not within the scope of the previously funded Micronesian CIP program, nor for deficiencies caused by a lack of proper operations and maintenance by the local governments. In addition, the Federal Government should not provide funds above the previously approved Compact of Free Association amounts provided to the Micronesian governments (an average of $30 million annually to Palau, and $90 million to the Federated States of Micronesia), or the $9.3 million in additional, pre-Compact funding for Palau.

Department of Agriculture

The Administration objects to the Committee's inclusion of $258 million in its new fire fighting account to pay back FY 1988 Forest Service fire fighting funds transferred from the Knutson-Vandenberg Cooperative Work Trust Fund. Considering the $250 million requested by the Administration and provided as part of the FY 1989 Supplemental Appropriation, the increase is not necessary to meet programmatic needs and would unnecessarily increase unobligated balances.

Department of Energy

The Administration would prefer that the Committee provide the full $710 million included in the President's Budget for the Clean Coal Technology program, instead of the $635 million included in the bill.

The Administration opposes the significant increases for fossil energy research and development ($43 million or 11 percent over FY 1989 and $261 million or 159 percent over the request), and for energy conservation research and development ($33 million or 21 percent over FY 1989 and $107 million or 122 percent over the request). Many of the increases are for low priority and special interest projects which are not likely to advance technology in these areas.

The Administration objects to an increase of $209 million over the request for energy conservation grants. This additional amount is unnecessary because states have been supporting conservation grant activities with over $3.1 billion they have received from petroleum overcharge violation cases.

Department of Health and Human Services

The Administration objects to the $181 million increase over the request for the Indian Health Service. The Committee mark represents a 17 percent increase over the FY 1989 appropriation, a rate of growth 11 percent more than the estimated medical cost inflation of 6 percent. Of the $184 million increases over FY 1989, a full $38 million, or 21 percent, is composed of 21 earmarked, low priority, special interest projects.

The President's FY 1990 Budget seeks to promote self-determination contracting by requesting separate appropriations for tribally administered health services and those administered by Federal staff. Separate appropriations would make information clearly available to tribes to the steady or increasing level of funds for self-determination contracts, and would complement changes in tribal contracting envisioned in the Self-Determination Act Amendments of 1988. By rejecting the separate tribal and Federal health administration accounts, the Committee is inhibiting achievement of the goals of the Self-Determination Act.

National Foundation on the Arts and Humanities

The Administration objects to the Committee adding $8 million for the National Endowment for the Humanities, $1.3 million for the National Endowment for the Arts, and $650 thousand for the Institute of Museum Services to the President's request. The levels requested in the President's Budget are sufficient to meet known needs. There is no programmatic justification for these increases.

Commission of Fine Arts

The Administration objects to $5 million for National Capital Arts and Cultural Affairs. This would be used for general operating support on a non-competitive grant basis to Washington, D.C. arts and cultural organizations. This is unnecessary as it is a duplication of existing Federal nationwide competitive grants.

B. Language Provisions

Outer Continental Shelf (OCS) Oil and Gas Leasing and Exploration Moratoria.—The Administration objects to provisions that continue a "one year" leasing moratorium in the FY 1989 Interior Appropriations Bill involving Georges Bank (MA), and institute moratoria on pre-leasing activity in southern and central California; institute moratoria on OCS tracts out to 50 miles from shore in the mid-Atlantic; and establish moratoria on drilling and exploration in Bristol Bay (AK). In addition, the Department is directed to explore options for buying out existing Bristol Bay leases.

The President established an inter-agency task force to address congressional and public environmental concerns related to three scheduled FY 1990 OCS lease sales. It would be inappropriate to impose more OCS moratoria or to prohibit activities which are designed to provide specifically the kind of information that can lead to environmentally sound drilling decisions. The Administration has pledged not to conduct OCS leasing or exploration in the moratoria areas until after the task force has completed its work and the Administration has announced its decisions on the three FY 1990 sales under review.

Buy America.—The Administration opposes bill language that would require structures on the Outer Continental Shelf (OCS) to contain at least 50 percent U.S. labor and materials. This would seriously delay and increase the cost of oil production from the OCS; it conflicts with the Administration objective of encouraging reliance on indigenous energy sources; it is contrary to U.S. obligations under the General Agreement on Tariffs and Trade—inviting retaliation from countries such as the United Kingdom, Norway, the Netherlands, and Denmark; and it would create a new trade barrier at a time when there is widespread concern about creeping protectionism.

Forest Service (FS) and Bureau of Land Management (BLM) Excess Timber Receipts.—The Administration objects to language making available to the FS and BLM, Federal timber receipts collected in FY 1989 in excess of the FY 1989 amount estimated in the President's FY 1990 budget, with the excess amount available to the FS capped at $35 million. Federal timber receipt estimates for FY 1989 have increased substantially over the February budget as a result of escalating sale prices and an increasing rate of harvest. This is due in part to an expected shortage of supply because of the northern spotted owl litigation and proposed Federal listing of the owl as a threatened species. The effect of the Committee's action, which represents an additional, unnecessary earmarking of receipts that otherwise would be turned over to the General Fund of the Treasury, would be to increase outlays by about $30 million in FY 1990.

Tribal Contractors' Liability Insurance.—The Administration opposes the rejection of language included in the FY 1990 Budget to postpone until at least FY 1991 the requirement from a 1988 law that Interior and HHS purchase liability insurance for tribal contractors. Despite this rejection, the Subcommittee did not provide funding in the bill to cover the cost of purchasing liability insurance, which primarily affects Interior's Bureau of Indian Affairs and HHS' Indian Health Service. Preliminary estimates are $15 to $50 million annually in additional Federal costs to cover such insurance. Even with additional funding, it is unlikely that Interior and HHS, with assistance from the Department of Justice, can administratively implement the liability insurance provision in a fair and cost-effective manner by FY 1990.

Helium Facility Sales.—The Administration objects to bill language that prohibits the sale of Federal helium facilities. Current Federal helium-processing activities are indistinguishable from commercial operations, and transfer to the private market would ensure that future Federal helium needs are efficiently met. The Helium Advisory Board, a group of major American helium producers, supports the privatization of the Federal facilities and has indicated the private sector's ability to meet future private and Federal helium needs. Interior's Bureau of Mines would retain sufficient crude helium inventory to ensure future supplies for Federal agency use in an emergency. An Administration bill to accomplish this restructuring of the Federal helium program (including sale of processing facilities in Amarillo, TX) has been introduced in the House, and is pending before the Mining and Natural Resources Subcommittee.

Naval Petroleum Reserves (NPR) Excess Receipts.—The Administration objects to language that would make receipts from the sale of oil and gas from the Naval Petroleum Reserves that exceed $510 million (the Administration's February 1989 estimate) available to buy Strategic Petroleum Reserve oil in FY 1990. NPR receipts are now estimated to be $630 million. The provision would increase discretionary spending by $120 million.

Committee Approval Provisions.—The Administration objects to bill language that purports to restrict the use of funds or to limit agency actions unless approval is granted by Congressional committees. Such provisions are unconstitutional (see *INS* v. *Chadha*, 462 U.S. 919 (1983)). In any event, the executive branch will continue to provide the Committee notification and consultation that interbranch comity requires in matters in which Congress has indicated such a special interest.

Employment Ceilings.—The Administration opposes bill language to exempt programs funded by the bill from employment ceilings. The provision is objectionable because it prevents effective and efficient management of agency programs and promotes wasteful spending.

BRIDGE TABLE: HOUSE SUBCOMMITTEE ESTIMATES TO OMB ESTIMATES INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

[In millions of dollars]

	1989 enacted		1990 President's request		House committee action	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
[illegible] ESTIMATE						
Domestic discretionary spending [1]	9,312	9,941	[illegible]	9,376	[illegible]	[illegible]
Plus scorekeeping adjustments:						
National forest system					26	21
Oregon and California grant lands					12	9
The Subcommittee directs that "excess" timber receipts in the Forest Service and Bureau of Land Management be made available for the bureaus' use. This earmarking of receipts that would otherwise be turned over to the General Fund of the Treasury will increase the deficit by $30 million					120	120
[illegible] petroleum						
Bill language directs that receipts from the sale of oil and gas from the Naval Petroleum Reserves in excess of the budget estimate be available to buy SPR oil in FY 1990. This will increase domestic discretionary spending by $120 million			43	43		
[illegible] conservation [illegible] receipts						
The President's budget assumed that receipts would not be realized in FY 1990. CBO includes an offset for receipts in its scoring of the request			[illegible]	175	198	139
Fire fighting						
The subcommittee scores nearly all fire fighting appropriations as mandatory. OMB scores only reimbursements of prior year transfers and unplanned emergency fire fighting and rehabilitation as mandatory			−30			
Land and Water Conservation Fund Rescission						
OMB scores the legislative proposal to rescind unused contract authority to the Subcommittee. The subcommittee rescinds the contract authority in proposed [illegible]					8	8
OCS moratoria						
The subcommittee proposes 1-year moratoria on pre-leasing and lease sales in several areas, as well as bans on exploration for existing leases in two areas. CBO estimates that this would increase the deficit by $2 million in FY 1990. OMB estimates that it would increase the deficit by $10 million in FY 1990. Increases would be substantially greater in future years			91	36		
U.S. Fish and Wildlife Service—Sport fish restoration and miscellaneous appropriations						
Congress does not recognize budget amendments not yet transmitted. Amendments were transmitted July 6, after CBO prepared its data. Amounts reflect CBO estimates for these accounts	−3	3	−6	−6	−6	−6
Compact of Free Association						
The subcommittee scores as discretionary funding for Palau for which authorizing legislation is required. These funds should be excluded from the discretionary total since they cannot be made available in the absence of legislation implementing the Compact			19	1		
Franklin Delano Roosevelt Memorial Commission						
OMB scores the legislative proposal to begin construction on the memorial to the Appropriations Committee. The subcommittee recommends funding the memorial under the National Park Service						
Outlay speedout rate differences		−251		−87		−93
Other scorekeeping differences	263	185	3	2	(0)	(0)
[illegible] scorekeeping adjustment	[illegible]	−70	370	165	[illegible]	[illegible]
[illegible] ESTIMATE						
Domestic discretionary spending	9,572	9,872	9,360	9,541	11,256	10,547
[illegible] allocation					[illegible]	10,350
Difference between [illegible] estimate and 302(b) allocation					156	[illegible]

[1] FY 1990 data based on CBO computer report dated 6/30/89. House committee totals are referenced in House Report 101-120.

Note: Detail may not add to totals due to rounding.

MAJOR CHANGES INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1990

[In millions of dollars]

Major changes	1989 enacted		1990 President's request		House committee action		House difference from: Enacted		House difference from: Request	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
[illegible] DISCRETIONARY SPENDING										
Department of the Interior										
Bureau of Land Management										
Management of lands and resources	426	445	432	427	[illegible]	427	20	−18	15	(2)
Fire fighting account [1]	(2)	(2)	250	175	[illegible]	[illegible]	198	[illegible]	−52	−37
Minerals Management Service: Payments to States for receipts under Mineral Leasing Act			1	1	−55	−55	[illegible]	−55	−56	−56
Office of Surface Mining: Abandonment mine reclamation fund	193	218	150	189	193	[illegible]	(2)	−17	42	[illegible]
Geological Survey: Surveys, investigations and research	452	459	452	453	[illegible]	485	35	27	[illegible]	33
Bureau of Mines: Mines and Minerals	159	161	141	147	[illegible]	[illegible]	[illegible]	−1	[illegible]	[illegible]
Fish and Wildlife Service										
Resource management	356	348	340	344	375	371	19	23	[illegible]	27
Construction	48	30	10	34	[illegible]	[illegible]	−17	8	[illegible]	4
National Park Service										
Construction	198	82	44	103	174	123	−23	41	[illegible]	[illegible]
Historic preservation fund	31	29		14	31	[illegible]		1	31	[illegible]
Bureau of Indian Affairs										
Operation of Indian Programs	968	968	917	925	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	61
Construction	95	105	101	102	134	[illegible]	[illegible]	4	33	[illegible]
Miscellaneous payments to Indians	14	14	29	28	192	174	[illegible]	[illegible]	[illegible]	146
Office of Territorial Affairs										
Trust territories of the Pacific Islands	28	28	3	5	34	32	6	4	31	27
Related Agencies										
Agriculture—Forest Service										
National forest system	1,047	1,025	1,016	984	1,158	[illegible]	111	[illegible]	142	[illegible]
State and private forestry	87	91	49	54	[illegible]	70	3	−21	41	16
Energy										
Clean coal technology	198	92	710	120	[illegible]	119	[illegible]	[illegible]	−75	−1
Strategic petroleum reserve/SPR petroleum	415	646	322	342	726	[illegible]	311	84	[illegible]	[illegible]
Fossil energy research and development	381	354	164	288	423	[illegible]	42	38	[illegible]	104
Energy conservation	315	313	96	316	[illegible]	[illegible]	53	[illegible]	273	70
IHS—Indian Health	1,082	1,045	1,083	1,194	[illegible]	1,244	[illegible]	199	[illegible]	49
All other	3,088	3,419	3,049	3,296	3,123	[illegible]	35	−69	74	54
Total, discretionary spending	9,572	9,872	9,360	9,541	11,256	10,547	[illegible]	[illegible]	[illegible]	[illegible]

MAJOR CHANGES INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1990—Continued

[In millions of dollars]

Major changes	1989 enacted		1990 President's request		House committee action		House differences from:			
							Enacted		Request	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
MANDATORY SPENDING										
Fire fighting account [1]	[illegible]	[illegible]	174	129	542	381	547	381	[illegible]	252
Fiscal year 1989 fire fighting appropriations (various accounts)	[illegible]	309					−[illegible]	−309		
Administration of territories	42	42	35	35	35	35	−6	−6		
Compact of free association	23	23	[illegible]	19	19	[illegible]	−4	−4		
All other mandatory	9	9	[illegible]	9	9	9	([2])	([2])		
Total, mandatory spending	382	382	236	192	[illegible]	443	223	61	[illegible]	252
Total, interior	9,954	10,254	9,596	9,732	11,861	10,991	1,907	737	2,264	1,259

[1] Includes both Interior and Forest Service fire fighting. President's request includes proposed Federal wildland fire fighting accounts and proposed offsets.
[2] Fire fighting amounts in fiscal year 1989 and reflected in their regular accounts.
[3] Less than $500,000

Note: Detail may not add to totals due to rounding.

□ 1130

Mr. YATES. Mr. Chairman, I yield such time as he may consume to the most distinguished member of our subcommittee, the chairman of the full Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I will not mention how long the chairman of the subcommittee and I have served here together on the Committee on Appropriations and on this subcommittee, but I welcome this or any chance to compliment him and the other members of the subcommittee for the great job they have done.

We have to stop and look from time to time and take stock of where we are because we are disturbed about what is happening to our Nation. In the last 8 years our debt has increased from $908.7 billion to $2.8 trillion. Not only has that been true, but it looks like we are in for some more from reading the papers about recommendations to us. Our trade deficit is now $118 billion per year.

I wish to point out that this is not as a result of the actions of the Committee on Appropriations. Our committee, since 1945, has been $187.6 billion below the recommendations of Presidents. Under President Reagan we were over $16.1 billion below.

Our situation comes not because of what we have spent on our own country but what we have gotten involved in in world trade and other places where we are not getting trade, but we are getting all of these foreign investments and production coming into this country, almost without restriction, and we are not keeping up our exports which are so vital. But I want to say again the very title of this bill from the Interior Appropriations Subcommittee tells us that funds in this bill are for our country, and our problems have not arisen from what we have spent on our own country. We have a big country. We have diverse interests. Everything we have is our wealth.

Mr. Chairman, our paper money is in bad shape, and I want to compliment the chairman of the subcommittee and the other members of the subcommittee for looking after our own country, because it is not what we spend here that causes our problems, but it is what we spend here that is going to enable us to handle our national financial problems if they are going to be handled.

I am not going to repeat in my remarks on the points my colleague from Massachusetts, but I subscribe to what he said. We have to look after our own country, because that is our real wealth, and that is what we are going to have to look to in the world.

We should have learned we cannot run the world, and certainly the last 9 years have proven we cannot finance the world. I am glad that we recognize we have to look after our own country, because if we ever pay off what we owe and handle what we have today, it is going to be because we looked after our own country.

However, I do want to provide examples of programs of national importance in this bill that are in my region and State—programs which have helped our economy to grow by 41 times since 1934 when we began addressing local problems with national programs. Funds for the Private John Allen National Fish Hatchery—one of 71 across the Nation (over $200,000); funds for 2 of the 354 units of the National Park System including $22,500,000 for Natchez Trace Parkway construction, $25,000 for a management plan for the Natchez National Historical Park and management funds for the Park Service to continue to progress in the planning for that unit, and $5,270,000 for the acquisition of historic Melrose in the Natchez NHP; $600,000 for the marine minerals technology center located at Ole Miss; and funds within the total of $42,900,000 provided for the Magnetohydrodynamics program to continue that portion of the program conducted at Mississippi State University. We continue to support diagnostic instrumentation work at Mississippi State University, particularly the innovative mobile equipment testing laboratory and related activity, and we expect the Department to continue current levels of support for the University. Construction of additional facilities is deferred for later consideration.

Mr. Chairman, as the gentleman from Illinois has stated, this bill contains important programs, similar to these, located all over our country and I urge it be adopted.

Again, the gentleman from Illinois [Mr. YATES] and the other members of the subcommittee, have done a great job.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to congratulate both the gentleman and the distinguished chairman of the subcommittee for their outstanding work with one exception. On that, I have to concur with the eloquent remarks of the gentleman from Ohio [Mr. REGULA] on the lack of advisability of the committee's action on moratoria.

Mr. Chairman, we have been hashing this issue out for the last 8 years, placing moratoria on greater and greater acreages around the Outer Continental Shelf, and keeping oil companies from developing our resources. It did not make sense when we started it; it sure does not make sense today.

Mr. Chairman, we are becoming increasingly dependent upon foreign nations for our oil supplies. We are cutting down unilaterally on our dependence on nuclear energy because it is deemed hazardous to the environment in one respect or another; because of acid rain, we are cutting down on coal usage. We are trying to adopt clean-coal usage, but the more we look into it, the more we realize we should not use coal. And now, we are unilaterally tying our own hands and preventing

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

ourselves from drilling in key areas around our Outer Continental Shelf thereby diminishing our domestic oil production, all in the name of saving the environment.

That might make sense if it were oil wells that caused the oil spills that we have been reading so much about lately, but oil wells are not to blame. It is not the oil wells. It is the tankers. If Members do not want tankers to spill oil in their environmentally sensitive areas, and certainly no rational person would, and while we regret what happened with the tanker *Valdez* in Alaska, and while we regret the Delaware incident and all the other oilspills that have occurred recently, but if Members do not want oil to spill on the outer continental regions of the United States, then let's just scrap the tankers and eliminate transported oil altogether.

Let me suggest to those who think it is wise to ban oil production, that if we ban the tankers and do not import oil or produce oil in this country and do not use oil, and if we do not use nuclear energy, and if we do not use coal, those responsible for such decisions should make do with what is left, which is virtually nothing, meaning that they will have no energy.

We in Louisiana have been producing oil off our Continental Shelf for many years. Production has not been without environmental problems. But, frankly, I am of the opinion that if other people around the rest of the country do not want to produce oil off their Outer Continental Shelf, I would just as soon use our Louisiana oil at home. There was a widely renowned public official in Louisiana who years ago said, "If they do not want to produce energy up in their territory, fine, let them freeze in the dark." Frankly, there is a lot of wisdom in that statement. We have to be self-sufficient in energy in this Nation.

If we cut ourselves off from oil production, if we cut ourselves off from coal production, if we cut ourselves off from nuclear energy, we are handing a weapon to the OPEC nations in the future, and creating a situation from which we will never recover. It is a very dangerous proposition.

I would urge the Members of this body not to do anything this year, because it is obvious that we are not going to prevail. But in the future, for crying out loud, let us reevaluate this process of moratoria. It is wrong, it is misdirected, and it is leading us down a very dangerous path.

Mr. YATES. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, I have listened to the arguments of my good friend, the gentleman from Ohio [Mr. REGULA], and let me just say there is not a finer legislator in the House or a greater gentleman in the House than the gentleman from Ohio [Mr. REGULA].

I have listened to my good friend, the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. Chairman, the facts are that the companies that are supplying us with oil are the ones that are threatening the environment. Ordinarily I would not have taken time to discuss this, because my good friend, the gentleman from Ohio [Mr. REGULA], has laid out his side of the story so well. I think I should point out just one thing.

There is an article that appeared in the Wall Street Journal for July 6, 1989. I read from the headline: "Alyeska Record Shows How Big Oil Neglected Alaskan Enrivonment; Pipeline Firm Cut Corners and Scrapped Safeguards, Raising Risk of Disaster."

Mr. Chairman, I read from the text:

> Over the years, Alyeska has gradually and quietly scrapped many safeguards and never even built others that it told Congress it planned. Several past and present employees say they occasionally fabricated environmental records. Alyeska has fought proposed new regulatory controls in long, expensive legal wars of attrition that have enabled it to dump pollutants into the environment in excess of what regulators now consider safe. It allowed its defenses against a major accident to fall into disrepair. And many Alyeska statements—both before and after the spill—appear now to have been misleading at best.

Then, Mr. Chairman, we have James Woodle, who has been both Coast Guard commander for the Port of Valdez and an Alyeska Marine Superintendent, who says that:

> The only surprise is that disaster didn't strike sooner.

Dennis Kelso, the head of Alaska's Department of Environmental Conservation, says:

> Alyeska stands as a monument to a powerful and rich industry's failure to keep its commitments. They have operated as if they were a sovereign state, with terrible consequences. As a nation, we have to ask ourselves: "Can we trust them anymore?"

The article goes on and on at great length. The point I am making, Mr. Chairman, is that the fears that my friend from Ohio raises about shortages are actually true. We are faced with the shortages that he points out.

□ 1140

We have to face up to that. But the fact still remains that there is a responsibility that the oil companies have not yet faced of committing themselves to have better environmental standards.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we have the same thing in the S&L crisis, the same thing in the HUD crisis. We are not enforcing the law. But that does not address the problem that we should cut ourselves off from the oil. We should enforce those rules and regulations. I agree with the gentleman.

Mr. YATES. I agree with the gentleman from Ohio. As is so often the case in our bill, the gentlemen find themselves in agreement.

Mr. REGULA. Mr. Chairman, I yield 3½ minutes to the gentleman from California [Mr. LOWERY], a member of the subcommittee.

Mr. LOWERY of California. Mr. Chairman, I rise in support of the Interior appropriations bill for fiscal year 1990, and commend both the gentleman from Illinois and the gentleman from Ohio for their leadership, vision, and commitment.

I would also like to acknowledge the outstanding leadership of President George Bush, whose wise decision to curtail offshore development in three areas of the Federal Outer Continental Shelf pending a task force study, has been reaffirmed in this bill before us today. The President's action halted preleasing steps in southern and northern California planning areas, as well as southwestern Florida. This bill would add central California and ensure that preleasing be kept in abeyance until October 1990.

By extending President Bush's delay in prelease activity, the committee is allowing for meaningful review of the task force's results before proceeding with the sales. And that is presuming the task force recommends that the sales go forward.

In the meantime, it should be noted that the committee's action in no way precludes important environmental data gathering. Indeed, environmental, geologic, economic, engineering, and other scientific analyses, studies and evaluations may proceed. Also, public meetings and negotiations, participation in task forces and other cooperative efforts are not precluded. The only actions we seek to prohibit are the formal steps which lead to an actual lease sale.

Well before the catastrophic *Exxon Valdez* spill, a bipartisan majority of the California congressional delegation and both California Senators asked the President to halt preleasing steps while the task force conducted its business. In this post-*Valdez* climate, however, a prelease ban is even more compelling.

The President's National Response Team, headed by Transportation Secretary Sam Skinner and EPA Administrator Bill Reilly, concluded in its May 18, 1989, report that oilspill cleanup procedures and technologies are primitive. A 22-year veteran spill research scientist at the Minerals Management Service told the Wall Street Journal that—

> Ninety-nine percent of the time there isn't enough equipment on the scene within the first critical four to eight hours, and when recovery starts there is almost never sufficient storage for recovered oil * * * The cur-

rent technology amounts to having a quarter-inch lawnmower working on a 40-acre field.

During my 9-year tenure in Congress, the oil industry has made repeated claims that technological advances will mitigate any offshore spills. "Don't worry, be happy,"—to quote a famous song—was their message. I doubt you'll be hearing that refrain in Alaska, Delaware or Rhode Island in the near future.

To those who would label this as a tanker problem, wholly unrelated to OCS development, let me remind you of the pre-*Valdez* comments of EPA and the Fish and Wildlife Service regarding the proposed OCS lease sale offshore northern California. Without getting overly technical here, both agencies questioned Minerals Management Service oilspill analysis. Fish and Wildlife went as far to say that current technology cannot effectively clean up a spill:

> Oil spill cleanup and containment equipment is not deployable in severe weather, and in calm weather the containment and cleanup is at best only partially effective.

Simply stated, oilspill issues are not unique to tanker accidents. Even if all new OCS development were to utilize pipeline transfer techniques, which is not contemplated by MMS, oilspill cleanup technologies would still be a critical element in balancing resource development and environmental risks.

The bill before us today is a prudent and sensible response to the *Exxon Valdez* accident. What is the rush to resume preleasing steps upon delivery of the task force report? Do we not want to learn from the mistakes of the *Valdez*, not to mention other issues the task force may uncover, before we subject far more populated areas of our country to the risks of offshore development?

In closing, let me assure my colleagues that California is not asking for special treatment, only sensible treatment. California is a very active oil-producing State, accounting for nearly 14 percent of total U.S. production, and ranking fourth among all States behind Texas, Alaska, and Louisiana. My State has been producing onshore and offshore oil since the late 1800's, and its total production is greater than total OCS production nationwide. California is not sitting still, either. Conveniently overlooked by those who would proceed with development post haste is the fact that OCS production offshore California will nearly triple between 1987 and 1992.

The responsible measure before us will ensure that more than just lip service is paid to the Presidential task force's report and I urge my colleagues to support the committee bill.

Mr. YATES. Mr. Chairman, I yield 5½ minutes to the gentleman from Oregon [Mr. AuCoin].

Mr. AuCOIN. Mr. Chairman, I strongly support this bill and urge my colleagues to support it. I also wish to express my gratitude and respect to the chairman, Mr. Yates, to the ranking Republican, Mr. Regula, and to the staff for bringing forward this excellent bill.

Mr. Chairman, if there ever was a bill that could be called America's bill—this is it.

And the bill is especially important to Oregonians. With more than 50 percent of Oregon owned by the Federal Government and managed by the Interior Department and the U.S. Forest Service, this bill may well be the most important bill in Congress for Oregon.

Some of my colleagues may be aware of the controversy we face in the Pacific Northwest over the future of our public forest lands—the spotted owl and old growth sections of forests. I want to take a minute or two of the committee's time to explain to my colleagues the situation we face in my region.

We are trying to reconcile two fundamentally different values that divide Oregonians who care about the public forests.

On the one hand, there are those who think that Oregon's environment is an intrinsic part of the quality of life in our State and want to preserve that heritage.

On the other hand, there are those communities—those families—whose lives depend on the use of the forest resources in making lumber, plywood, pulp, and paper.

One faction views continued timber harvest as a threat to the health of the forest, while the other faction views more preservation of public lands as a threat to the existence of their communities.

The conflict has escalated to the point where several lawsuits have been filed and temporary injunctions have been imposed—pending hearings on the merits of the cases—which severely curtail the timber sale programs of the Forest Service and the Bureau of Land Management.

The result is near paralysis of public timber sales and panic in those towns that depend on the mills for their survival.

The Members should know, however, that we in the Northwest are working to reconcile this conflict. Members of Congress and Governors, Democrats and Republicans, officials from Oregon and Washington have jointly proposed a compromise for the next 15 months.

This compromise would protect the most important, unfragmented old growth forest habitats, while freeing up a modest amount of timber sales to keep mills operating and people working.

It is a proposal which requires both sides to give up something, but both sides get something, too.

It has been my hope, Mr. Chairman, that this substantive compromise could be included in the bill before us today because every additional day of paralysis unnecessarily threatens the well-being of thousands of working families in the Northwest.

One side of the conflict has agreed to the proposed compromise—the industry. We are waiting for the environmental coalition to act in the public interest.

If there had been agreement, this bill today could have resolved the issue and protected the spotted owl and the industry.

In the meantime, I want to say that the initiatives in this bill for research, inventory, and management of old-growth forests and species, as well as the investments in reforestation of Forest Service and BLM lands and in technical assistance for small private forest landowners in Oregon and Washington, and the reinsertion of the prohibition on the export of Federal timber in raw log form all go a long way toward working out our problems in the Northwest.

□ 1150

Mr. YATES. Mr. Chairman, I yield 3 minutes to the gentleman from Washington, [Mr. Dicks].

Mr. DICKS. Mr. Chairman, I would like to comment on the statement, the very excellent statement made by my good friend and colleague, the gentleman from Oregon [Mr. AuCoin] who has been a leader on this subject. The issue he has just discussed is one of the most important issues facing the entire Pacific Northwest, the States of Washington and Oregon, as well as California and Idaho are affected.

I just want to say to the gentleman that we need, I think, to continue, and I would urge the chairman to help us as we go through this legislative process, when later on there may be an opportunity to address this issue in a House-Senate conference committee dealing with a potential Senate amendment that would deal with this problem; I would just urge the chairman, if he could, to help us on this, to understand the gravity and importance of this issue from both an economic and an environmental perspective.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Oregon.

Mr. AuCOIN. I thank the gentleman for yielding.

Mr. Chairman, I just want to state that I for one and, I know, the members of the whole Northwest delegation appreciate the leadership the gen-

tleman from Washington State [Mr. DICKS] has shown on this issue.

I think the gentleman would agree with me that we are not trying to tilt toward the industry at the expense of the spotted owl or old-growth forests or tilt toward the environmentalists at the expense of the industry, the reverse of this. What we want is a balanced proposal that saves the spotted owl, does the responsible environmental thing, but also keeps alive an industry that families and their livelihoods depend upon.

We had a chance in this bill to have this compromise attached. We did not get it. But I think we still have that chance. I think it is very incumbent upon the affected parties as well as the regional delegation to work toward that end. I send a signal to all those who are reluctant so far to join in this compromise, and I think the gentleman would agree with me, to get on board.

Mr. DICKS. I would just like to remind the committee that this remains probably the most crucial economic issue facing the entire Pacific Northwest. We have hundreds of communities, thousands of individuals, many businesses that are looking to the Congress that are trying to come up with a balanced approach to this. I just want to commend the gentleman from Oregon; I know together we are going to continue to work together and to do everything possible to find an answer. And we are going to ask our colleagues on the committee to help in that process.

Mr. AuCOIN. I think the answer the gentleman is talking about is one that does the environmentally responsible thing as well as the economically responsible thing; and that is what we are seeking.

Mr. DICKS. Yes.

I just want to say that I would like to compliment the chairman and the committee staff for all the help that they have given me. We have had a very difficult series of issues in Washington State, including a very important Indian lands claims settlement.

I compliment the chairman, the ranking member, and the committee staff for the help and cooperation which I have received. I am deeply appreciative of their constructive ideas and suggestions in helping us resolve another important problem in the State of Washington.

The CHAIRMAN. The Chair would advise the gentleman from Ohio [Mr. REGULA] he has 3½ minutes remaining and the gentleman from Illinois [Mr. YATES] has 11 minutes remaining.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I rise today in support of H.R. 2788. This bill addresses two vital acquisition opportunities that depend upon appropriations for the U.S. Forest Service in fiscal year 1990.

In my own State, the crucial 8,620-acre Lamoille Canyon in the Ruby Mountains is available for Federal purchase this year. Lamoille Canyon is one of the most visited outdoor recreation destinations in Nevada, offering an extraordinary range of recreation opportunities. However, key inholdings at the mouth of the canyon remain in private hands, subject to development.

In the Toiyabe National Forest, just over the Nevada/California border, the long-term acquisition program in Hope Valley continues through the cooperative efforts of Federal and State agencies. Three of the major landowners in Hope Valley, all Nevadans, have temporarily foregone economic alternatives for their California lands in order to make them available for public purchase.

I am glad H.R. 2788 appropriates the funds for the acquisition of these wonderful lands. I would like to thank my colleagues Mr. REGULA and Mr. YATES and their staffs for their hard work in crafting a bill that balances so many worthy requests for scarce resources.

In addition, Mr. Chairman, as you are aware Congress passed the Indian Gaming Regulatory Act—Public Law 100-497—at the end of the last year. This law calls for the creation of the National Indian Gaming Commission which was established as an independent agency within the Department of the Interior to regulate and monitor class II gaming conducted on Indian lands. Initial funding of $2 million to establish the commission was requested in fiscal year 1990. However, the Appropriations Committee has deleted funding for fiscal year 1990.

Furthermore, the Appropriations Committee is extending the Indian Gaming Regulatory Act's 1-year grace period for slot machine gaming on Indian lands. In Public Law 100-497, section 4(7)(D), tribes operating certain kinds of gaming operations had a 1-year grace period from the date of enactment of the act—October 1988—to continue such operation while negotiating with the States on a Tribal-State compact. The grace period would apply only where the machines had been operated legally as of May 1, 1988.

I am opposed to both actions by the Appropriations Committee. As you well know, the classification of slot machines was one of the central issues in the Indian gaming debate. The grace period provision was included as part of the overall compromise, and I feel that an extension of the grace period would violate that compromise. Further, it is my understanding that gaming machines are prohibited under State law in virtually all States except Nevada, Montana, New Jersey, and Colorado. In addition, the operation of any slot machine on Indian lands is expressly prohibited as a matter of Federal law by the Johnson Act (15 U.S.C. 1171). As a result, it is extremely doubtful that the grace period is applicable to any operations which involve the use of slot machines on Indian lands. Indeed, the extension of the grace period is likely to cause great regulatory uncertainty for tribes and law enforcement authorities throughout the country. Accordingly, the provision is unnecessary and would have no benefit for Indian tribes.

Finally, I believe that the Appropriations Committee is tampering with a fragile compromise authorized by the Interior Committee and passed into law by the Congress and am opposed to such legislation on an appropriations bill. It is my hope that during the course of Senate considerations of this bill that such language is not added and that the conferees will strike the provision included in the House bill.

Mr. Chairman, I urge support of H.R. 2788.

Mr. YATES. Mr. Chairman, I yield 3 minutes to the chairman of the Committee on the Budget, the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 2788 as reported by the Committee on Appropriations. In particular, I wanted to speak briefly with regard to the issues involving oil and gas development.

The committee has, for the ninth year, provided for a moratorium with regard to offshore drilling. I think it is important to recognize what this history reflects because I realize there is a lot of discussion about what this all means.

I think it really reflects three things: It reflects the failure of this Nation to develop a comprehensive energy policy; I think it reflects the failure of policy with regard to offshore development; and I think it also recognizes the President's own reservations about policies in this area by the very fact that he had to establish a task force to again look at the whole issue of offshore development.

First, with regard to the failure of energy policy, I think all of us agree if we are going to have a valid energy policy for this country it has to be based not only on development, it has to be based on incentives for conservation as well as the development of alternatives.

Unfortunately, in the last few years we virtually eliminated the incentives for conservation and for the development of alternatives energy. So we are relying on what? On the continuing development of oil and gas. The problem now is that we are so dependent on oil and gas that we have made the decision that wherever it is, wherever any drop of oil may be, somehow we are going to have to go after it.

That is wrong for the Nation, it is wrong in terms of the energy policy for the future.

Let me also share with the Members the fact that California, although it is the subject here of the moratorium, is also a State that performs its role with regard to energy development.

We are fourth in the Nation in terms of offshore development and between now and 1992 our California offshore

development will virtually triple without any restrictions imposed by the Congress. That is a path we are on.

Second, we have a failure of policy in terms of offshore development. We seek good stewardship; that is the balance between what we develop and what we protect. That is the issue. Unfortunately we have failed to have good stewardship in this area and the oilspill issue basically reflects that failure.

This is also an issue of honesty. The companies have said, "No problem, we can clean up oilspills." But they failed to do it in Valdez, they have failed to do it every time there is a spill.

Is the issue "tankers versus oil rigs?" Not at all, because with regard to oil development, particularly off northern California, we are talking about the use of about 248 more tankers just to develop the oil there.

So whether it is a tanker or whether it is an oil rig, the issue is: Can you control an oilspill?

□1200

That cannot be done, and we have had evidence of that fact every day.

Third and last, the President of the United States himself has recognized these other failed policies by the very fact that he had to appoint a task force to look at these issues. We think it is important for the task force to do its job, but at the same time Minerals Management Service and the Interior have policies that are moving ahead regardless of what the task force recommends to the President, unless we adopt the committee recommendations of prelease steps and on the lease sales themselves.

We feel that the issue is the need to be consistent with what the President feels is what is important for energy in this country. We need to establish this moratorium so we can have a fresh look at this issue. The issue is good stewardship of our resources. That is a message that the President has to hear, and that the country has to hear, and we will accept no less.

Mr. Chairman, I rise in support of H.R. 2788 as reported by the Appropriations Committee. More particularly, I rise in support of the provisions of the bill addressing the issue of oil and gas development off the California coast and elsewhere.

There was a great deal of publicity about these provisions after the subcommittee's and full committee's markups. But aside from all the attention which they have received, they really are very modest provisions which only do one simple thing—they ensure that we do not spend time and money on prelease steps for California lease sales until we know what the President's OCS task force will recommend in January 1990, and what the President himself will recommend at some point in the future.

When President Bush established the task force earlier this year, he recognized that those who have expressed concern about leasing off California have raised legitimate, serious issues. By halting the leasing process while the task force prepares its report, the President also in effect admitted that existing reviews of leasing in these areas may not have been adequate and that work which has already been done may have to be redone before leasing can even be considered.

Frankly, that job alone would be a substantial one, but it is now clear that the task force review and the President's evaluation of the task force's work must also focus closely on an issue which has become especially important in recent months—the ability of oil companies to cope with even the smallest spill. The Valdez spill, followed by the spills off Rhode Island, Delaware, and Texas, illustrates that the industry's assurances over the years that it can cleanup oilspills cannot be accepted and that a comprehensive reconsideration of this issue must be undertaken. Such a reconsideration must be reflected in the work of the task force and in any future decisions by the administration with respect to leasing off California. The task force cannot simply assume that old data and old assumptions are still valid, and preleasing steps, if resumed, simply cannot be based on the same outdated information.

And, if there is still any doubt in anyone's mind that we do not have the capability to clean up these spills, let me note some of the comments on this issue which appeared in an article in the Wall Street Journal on June 26, 1989. The author of the article noted that "despite numerous promises to the contrary, the oil industry's recent performance has shown it has had neither the technology nor the level of commitment necessary to control these major hazards." The article continues: "Despite a major but belated effort, Exxon Corp. recovered from the water only perhaps 5 percent of the 11 million gallons spilled by the *Exxon Valdez* * * *. As poor as this performance is, it's about average for the industry. For the past two decades, the normal range of recovery for open-sea spills hasn't changed—at 2 percent to 10 percent." An MMS official is also quoted as saying that "ninety-nine percent of the time there isn't enough equipment on the scene within the first critical four to eight hours, and when recovery finally starts there is almost never sufficient storage for recovered oil."

To those who would argue that the real issue is tanker spills, rather than spills from rigs, I would note that the administration's California leasing plans could very well increase tanker traffic along the coast, rather than diminish it, thereby further increasing oilspill risk. In the Draft EIS for Lease Sale 91, for example, the administration indicated that it favored tanker transport of oil from proposed rigs off northern California rather than a pipeline transport option. The administration's choice of this approach could actually result in 248 additional tanker trips per year along this dangerous stretch of coastline.

The real lesson in all this is honesty—honesty because it is good public policy and honesty because it is the only way to ensure that proper safeguards are taken to prevent future problems. We must deal openly with the oilspill cleanup issue and not play games by pretending that the chance of spills will be diminished by increased OCS development. To play that game is only to continue the dishonesty and half-truths—of underestimated oilspill risks and overestimated cleanup measures—which ultimately produced the tragedy at Valdez and which will produce other similar tragedies unless past practices are reversed. By stopping preleasing steps until we have the task force report and the President's recommendations and until we determine whether oilspill risks have been properly evaluated, we can ensure that a policy of honesty is applied in California and the risk of a recurrence of another tragic oilspill is greatly diminished.

The painful experiences of the State of Alaska and other States have not come as a shock to those of us who have been involved in this issue for many years. We have repeatedly questioned the industry's ability to cope with spills. In 1986, for example, I formally recommend that the Interior Department require pipeline transport to shore all oil produced off the California OCS and that it require that industry actually provide a satisfactory level of cleanup capability. Those recommendations, which would have addressed both the issues of tanker traffic associated with oil rigs and oilspills, have not been accepted by the Department.

What has been just as alarming as the industry's meaningless assurances and the Department's rejection of sensible recommendations to address the oilspill issue is the fact that the Government has systematically underestimated the risk of oil spills from drilling off the California coast. Documents relating to Lease Sale 91 which Congressman MEL LEVINE obtained in a Freedom of Information Act request revealed that the Minerals Management Service suppressed concerns about oilspill risks and other issues which were raised by staff of the U.S. Fish and Wildlife Service, and very serious problems with its work on Lease Sale 91 were also raised by EPA and the National Oceanic and Atmospheric Administration. This has undermined the credibility of the environmental review process which is so critical to the leasing program and to public confidence in this process.

The impact of both the industry's false promises and the Government's refusal to address the oilspill risk seriously is that, as the New York Times observed in a recent editorial, "industry and Government are turning priceless public trust into anger." We have an opportunity to avoid that unhappy circumstance, but only if the public is convinced that the administration's review of the California offshore oil drilling question is legitimate, that it is not just a rehash of old positions and arguments. And, I will tell you quite frankly, the only way in which we can be assured that this is the case is by taking the approach identified in the committee bill.

The committee bill ensures that we do not continue with environmental impact statements, public hearings and other preleasing steps which would, necessarily be based on old assumptions about environmental issues and oilspill cleanup. It does not prevent the task force from doing its work and it does not stop environmental studies which could help us to understand better the impacts of drilling. It does not prevent the administration from

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

working with the delegation and the State to try to find ways to resolve this dispute. It simply says that we will halt the specific steps involved in preparing for a lease sale until we have the President's assessment in hand and, hopefully, until we have a clearer understanding of the lessons of the Valdez and the other recent oilspill catastrophes.

I would point out to my colleagues that the halt in preleasing is not new. The Georges Bank area off Massachusetts has had limits on prelease steps for many years. I would also point out to my colleagues that the committee bill does not mean that California will not contribute its fair share to our Nation's energy needs. In fact, California ranks fourth in the United States in oil production now, behind Texas, Alaska, and Louisiana, and its total onshore and offshore oil and gas production is greater than that of the entire U.S. outer continental shelf. In 5 short years, between 1987 and 1992, the State also expects to nearly triple its daily oil and gas production from its OCS waters. This process will go forward.

California is already doing its fair share in energy production, and it asks only that it be given a fair shake in return. It asks that sensitive areas be protected and that legitimate issues of environmental protection and oilspill cleanup be fairly and impartially evaluated. It asks for an honest commitment to achieve these goals. The committee bill will guarantee that the State gets that honest commitment and will give the State its fair shake. I urge its support.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Chairman, I thank the gentleman from Ohio for yielding time to me.

I am here briefly to thank the subcommittee, and particularly the chairman, and the ranking member, the gentleman from Ohio [Mr. REGULA] for one particular portion of this very carefully crafted bill. There are funds set aside in this bill to provide the initial funding for settlements of four Indian claims, settlements that have been legislated in the 100th and the 101st Congress. These settlements are in the States of Colorado, Arizona, California, and Washington.

Members have provided funding to begin the process of completing those settlements over the course of the next 2 or 3 years, and have done so not at the expense of other Indian programs. For this, I am greatly appreciative, as is the general native American community greatly appreciative. On behalf of the gentleman from California [Mr. CAMPBELL] and the gentleman from California [Mr. PACKARD] and the gentleman from Washington [Mr. DICKS] and myself and the communities we represent, I deeply appreciate your efforts on our behalf and extend to the gentleman our appreciation.

Mr. YATES. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, I rise in support of H.R. 2788, the Interior appropriations bill. Mr. Chairman, this bill is a balanced bill. It is a product of a tremendous amount of cooperation between the majority and the minority, and I think particular praise ought to go to the chairman, the gentleman from Illinois [Mr. YATES], and the ranking minority member, the gentleman from Ohio [Mr. REGULA], who have worked to resolve a number of extremely difficult questions, and I think have found useful compromises that I believe are reflected in the broad, broad support that this bill has.

Mr. Chairman, this bill reflects, I think, more of a stopgap measure than anything else, in the areas of protection of our natural resources and the issue of energy development. We do not have a national energy policy. The lack of that policy has caused Members to deal in a stopgap measure in this bill on issues such as the Outer Continental Shelf moratorium. That is unfortunate. I think what has happened is we have seen in the bill, a number of tenuous compromises which are not going to hold over the long run, and indeed, which in the absence of a national energy policy, will lead to severe economic and environmental problems in this country.

At the core of those issues is the question of drilling in the offshore. We had a situation where what is reflective in the moratoria that are in this legislation is simply the fact that the large oil companies, and the same companies that are drilling in the offshore are also involved in the tankers, and they are not two separate groups, and even though the tanker accidents are the cause of the vast majority of the spills, the same corporations who are responsible, and the fact of the matter is that they do not have the capacity to clean up, and they do not have the intention of cleaning up. The fact of the matter is that the large oil companies, led by Exxon, have made a determination that it is cheaper to accept the adverse PR of an oil spill and to not make the investments in research and development, to not make the investments in safety, and that is reflective in the Alyeska and this shameful, shameful history and deception of Alyeska in terms of their promises and the reality of their performance in assuring environment protection and safety. Ultimately, it is a reflection of the *Exxon Valdez* and the situation as we speak, that tanker continues to pollute our oceans.

I would hope that with the passage of this bill it would be an incentive for the administration to begin to establish a national energy policy.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I would like to congratulate and thank the Committee and the honorable chairman of the subcommittee, Mr. YATES, and the ranking minority member, Mr. REGULA, for the manner in which they balanced the competing interests of fossil energy research and development programs. This bill represents a reasonable approach to support our country's efforts to ensure that technologies exist to respond to fossil fuel supply disruptions. Perhaps equally important, this legislation continues the mandate to maintain research that will promote cleaner, more efficient uses of our fossil energy resources.

I understand that this bill contains research priorities to ensure, among other fossil energy resources, that enhanced oil recovery, oil shale, and coal-related research will continue. As the distinguished chairman knows, Eastern and Western energy resources share common characteristics. They also have distinct differences. The continued development of such technologies will ensure our energy independence. This requires basic research.

H.R. 2788 contains funding for several organizations that perform fossil energy research. This research is vital to the Nation's continuing efforts toward energy independence and a cleaner environment.

One organization that has been on the cutting edge of important energy research is the Western Research Institute. This organization employs a vast pool of talent and expertise. I feel that this experience and expertise should be employed in a manner that encourages joint research with industry.

I am pleased to know that this bill, H.R. 2788, encourages this type of joint research between organizations like Western Research Institute and industry.

Mr. Chairman, nearly all of the activities reported in the bill have important points in beginning. I'm pleased with the attention given the agency and yet the bill fits within the budget resolution.

I again commend Mr. YATES and Mr. REGULA and their colleagues for the way in which they have balanced research program requirements in light of the need to comply with very difficult budget limitations.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I would like to engage in a colloquy with the chairman of the Subcommittee on Interior and related agencies.

I believe that the subcommittee is aware of the emergency situation confronting the Navajo Academy in New Mexico, a college preparatory school for native Americans operated and maintained by the Bureau of Indian Affairs. Navajo Academy must vacate

its present leased premises by mid-1991. The Navajo Academy is planning on building a new facility in time for the move so that it can continue its fine work of preparing Indian students for university studies.

Mr. Chairman, am I correct in my understanding that the Subcommittee on Interior and related agencies recognizes the importance of continuing the educational work of Navajo Academy and would urge the Bureau to work with Navajo Academy to identify possible sources of funds for a new facility?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. Mr. Chairman, I yield to the gentleman.

Mr. YATES. The gentleman is correct.

Mr. RICHARDSON. I thank the gentleman.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I rise in support of H.R. 2788, the Department of the Interior appropriations bill for fiscal year 1990 and to compliment Chairman YATES and Congressman REGULA for their fine work on this measure.

Given my position on the National Parks Subcommittee, I would like to focus my remarks on the provisions relating to the National Park Service.

The concept of a national park system is uniquely American. The world's first national park—Yellowstone—was created in 1872 and has since been the catalyst for a movement that has spread to more than 100 countries worldwide.

Our national parks vary greatly in size, from as small as the Federal Hall National Museum in Manhattan to the immense, roadless wilderness of the Arctic National Park in Alaska. Last year, over 366 million people visited our national parks which are located in 49 States and the District of Columbia.

Because our Nation's parks vary in size and character, it is important that we in Congress craft legislation that reflects this reality. I commend the subcommittee for drafting a measure that does so. The subcommittee recognized that budget priorities cannot be based solely on a park's ability to collect fees. If they were, some of the larger and more famous parks would clearly receive the lion's share of funds to the detriment of the smaller, newer parks.

Recognizing that within the Park System, some parks are expanding or are new, the subcommittee has recommended an increase for growing parks and earmarked funds for new parks. I find this policy to be emminently sensible. Additionally, I believe that in this era of fiscal austerity, the subcommittee has sensibly allocated funds for maintenance and interpretation. Each park is provided with enough to allow for a modest increase, but all increases are conservatively measured.

Due to the ever-increasing popularity of our national parks, the subcommittee had to balance the need to increase Federal assistance with the reality of strict budget limitations. Overall, I believe that they have met this challenge. Where possible, they have tightened the belt and in many cases recommended reductions.

This legislation will help the Park Service to fulfill their mandate to preserve natural and cultural resources for the present and future generations. In conclusion, I urge my colleagues to join me in support of H.R. 2788.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise in support of the bill today and in commendation of the gentlemen from Illinois, Ohio, and members of the committee for the fine job that they have done in bringing this bill to Members today.

There has been mention of the fact that we have not had a national energy policy, and that has been true. However, as a member of the U.S. Alternative Fuels Council, which is in the process of being organized, I look forward to working with the administration for the purpose of developing an alternative motor fuels policy and discovering a substitute for fossil-based fuels and petroleum-based fuels by 1992.

The bill provides for full funding of the alternative-fuel vehicle demonstration authorized in the Alternative Motor Fuels Act of 1988. As a strong supporter of the act and a member of the U.S. Alternative Fuels Council, I believe that this is a positive and necessary step toward a better future for the Nation.

For most of my service in the Congress I have advocated a vigorous national policy of research, development, and use of alternative energy sources particularly ethanol-alcohol fuel. Such a policy is essential to this Nation's achievement of energy independence, freedom from manipulation by foreign suppliers of energy, a cleaner more healthy environment, new markets for agricultural products, and maximum generation of private sector job opportunities in the energy field.

This bill also provides an increase in funding for the operation and maintenance for our Nation's fish hatcheries, such as the Mammoth Spring National Fish Hatchery at Mammoth Spring, AR. These fish hatcheries are vital to meeting the national needs for improving fisheries resources, increasing fish supplies available as food sources, and expanding healthy outdoor recreation opportunities. Mammoth Spring National Fish Hatchery is unique among these facilities because the combination of its geographic location and unmatched fresh water supply source makes it readily usable for the widest variety of hatchery missions.

One of the best things that this bill does is provide strong support of the Land and Water Conservation Fund. This will allow the Nation to more aggressively pursue park land acquisition.

Mr. Chairman, in Arkansas outdoor recreation ranks with agriculture among the State's major industries. More than 16 million persons, an average of 44,000 per day, traveled to Arkansas last year. They spent $2.1 billion, generating $96 million in State taxes and $26 million in local taxes. In the First Congressional District, which I have the privilege of representing, tourism accounted for 6,122 jobs with a total payroll of $46.2 million. In 1988, visitors to the First District spent $265 million, contributing $2.5 million to local tax revenues and $13 million to State tax revenues.

We believe in programs that promote enjoyment of the great outdoors. We believe that facilities like parks, wildlife refuges, and reservoirs such as Greers Ferry Lake and Norfork Lake, operated by the U.S. Corps of Engineers, belong to the people.

I hope that in years to come the budgetary situation will allow the Nation to do more in the area of outdoor recreation. This should include establishment of visitor centers at great widlife refuges such as the White River National Wildlife Refuge in Arkansas and the establishment of more parks, trails and recreation areas to commemorate the historic, cultural, and natural heritage of our Nation.

More than 16 years ago, in 1972, I introduced H.R. 13831, proposed legislation to create a "Huckleberry Finn National Recreation Area" along the lower reaches of the Mississippi River. This bill, which I want to make a part of the record today, was a predecessor of the proposal for a Mississippi River National Heritage Corridor which has been offered by the gentleman from Mississippi [Mr. ESPY], me and a number of our colleagues.

In the opening lines of his book, "Life on the Mississippi," Mark Twain wrote:

> The Mississippi is well worth reading about. It is not a common place river, but on the contrary is in all ways remarkable.

I am in complete agreement with Mr. Twain. In fact, I would go further and say that the Mississippi River is in all ways remarkable and well worth protecting and making its wonders available to visitors.

Nearly a century after Mark Twain penned his manuscript, Hodding Carter, another fan of the Mississippi River, in his book "Man and the River" expressed some of the feeling modern day residents of Mid-Continent America have for this natural treasure. In his opening lines, Mr. Carter wrote:

> This river beside which I live is made up, think some of us, of the spirit and muscle of God; and, at times, of Satan's own sinews.
>
> For us who know and live and fear and profit from and delight in it, the Mississippi gives reason for great pride—not just that of the people of a rich and powerful mainstream and its valley, but the pride of a man who has become the persistent tamer. For certainly in the history of mankind there is a special place for such conflict between these protagonists, between man and the river, and for old tales and new of courage

and brain and brawn, of men who live beside and deal with the torrent that is in perpetual motion.

This magnificent Mississippi River and its environs have played an integral part in this Nation's historical, cultural, commercial, and recreational development. It can truly be said that this river, which practically runs the length of the Nation, is the thread which unifies the East and West of the United States.

In first proposing the establishment of the Huckleberry Finn National Recreation Area 16 years ago, and in cosponsoring the Mississippi River National Heritage Corridor Act now, I have taken these aspects of the river's role into account. I am convinced that the unique recreational, historical, cultural, educational, and natural qualities of this region can be utilized and developed in harmony with wise commercial use of the inland waterways and stream banks.

Even as I support the passage of the Interior appropriations bill today, I also urge that the Congress respond positively and expeditiously enact into law the Mississippi River National Heritage Corridor legislation.

H.R. 13831, 92d Congress, 2d session follows:

H. R. 13831

A bill to provide for a study of a proposed Huckleberry Finn National Recreation Area on the Lower Mississippi River, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Congress finds that the lower Mississippi River from St. Louis to the Gulf of Mexico is a unique recreation resource; that this area possesses historical, cultural, educational, recreational, and natural qualities which offer manifold opportunities for public enjoyment; that such opportunities should be utilized and developed, in harmony with wise commercial use of the inland waterways and streambanks, to their optimum potential for the full enjoyment of current and future generations.

SEC. 2. In accordance with the findings expressed in the first section of this Act, the Secretary of the Interior, through the National Park Service, is authorized and directed to undertake a study of the Mississippi River, its islands and adjacent lands between the mouth of the Missouri River, Missouri, and the Gulf of Mexico for the purpose of determining the desirability and feasibility of establishing such area, or any part thereof, as a Huckleberry Finn National Recreation Area. The Secretary shall recognize in undertaking the study that certain established land uses are entirely compatible with and complement the objectives of a national recreation area. Not later than two years from the date that funds for such study are made available to him, the Secretary shall submit a report thereon to the Congress, including his recommendation as to the desirability and feasibility of establishing a national recreation area, the estimated costs thereof, and proposed legislation to implement his recommendation.

• • • • •

□ 1210

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today to support the provisions extending the moratoria on Outer Continental Shelf [OCS] offshore oil preleasing, leasing, and exploration. I commend the Appropriations Committee and Chairman YATES for their fine work with regard to the provision to allow the OCS moratoria to continue.

Just offshore southern California, in the waters surrounding San Diego harbor sits the oil tanker *Exxon Valdez*, a vivid reminder of the dangers and horrors of oilspills to the environment. The Coast Guard believes the *Exxon Valdez* is right now spilling oil into the Pacific Ocean surrounding San Diego Harbor. This is graphic evidence that oilspills can and do happen despite what the industry and the government repeatedly promise and claim. The continued problems and initial delays with the cleanup process and response plan at Prince William Sound prove that we are not adequately prepared to deal with the consequences of any oilspill that may occur, especially one the size of the Alaskan spill. Our initial response time to oilspills, cleanup equipment and technology, and manpower available at any given time of a spill are woefully inadequate at this time. We simply cannot take the chance that a spill will not occur. At the current time, we do not have the technology to clean up a mess that is created by oilspills.

An oilspill only a fraction of the size of the spill from the *Exxon Valdez* at Prince William Sound would be disastrous to the southern California coastline. Loss of marine life and damage to the natural beauty of the coastline may never be restored. This is not acceptable. Our precious environment must be protected, especially when the rewards repeated by some estimates are small. It is believed by many that the oil reserves off the coast of southern California are minimal. Costs to drill may exceed current barrel prices, it may even not be cost effective to drill. I believe we must first tap into our larger oil reserves before even discussing the oil reserves that are in question in the current moratoria.

A spill in the area of my district would not only be harmful to the environment, but would also be devastating to the local economies of southern California. The tourism industry, the largest in San Diego county, would suffer dramatic economic losses. Who would want to visit an oil-stained beach? As a result, the southern California coastal economy and in turn the entire State's economy would suffer a great economic loss. A spill however, is not the only concern of many resort businesses on the coast. Many resort owners and tourist-oriented businesses along the coast believe that the existence of oil rigs off the shore would significantly hurt their business. Oil rigs seen from the beach certainly enhance neither your property value nor your view of a sunset. To rescind the moratoria could prove to be disastrous to the southern California economy.

Another environmental concern in southern California is air quality. We presently cannot attain Federal standards with regard to air quality, and now the administration, with a clean air proposal in one hand and a statement of official policy opposing the moratorium in the other ask to allow the lease process to continue. We must ask that the administration rethink its position. Operating oil rigs do pollute the surrounding air. Offshore drilling will only add to this already great problem in southern California.

I praise Chairman YATES and many of my California colleagues for their fine leadership in working to ensure that the OCS moratorium continues.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. Mr. Chairman, I rise in strong support of this legislation, and I would like to compliment the gentleman from Illinois [Mr. YATES], the gentleman from Ohio [Mr. REGULA], and the gentleman from Massachusetts [Mr. ATKINS], because in this legislation there is a moritorium on lease sales, and specifically prohibiting preleasing and leasing in lease sale area 121. That section of this bill would prevent drilling for oil or gas within 50 miles of the Atlantic coast from Maryland to Rhode Island. It is a very important provision, and when one recognizes that the oil potential in that area is less than 2 weeks' supply for the United States, it makes no sense to take the environmental risk of drilling for that oil in exchange for what could happen to our coast should there in fact be a spill. Without this moritorium, there could have been drilling within 15 miles of the south shore of Long Island.

So in this business of very few "thank yous," I stand here to say, "Thank you, Mr. YATES, thank you, Mr. ATKINS, and thank you, Mr. REGULA. You did a good job."

Mr. Chairman, I hope that the Members support this bill unanimously.

Mr. Chairman, I rise in wholehearted support of the fiscal year 1990 Interior appropriations bill (H.R. 2788).

There is one particular provision included in H.R. 2788 that is extremely important to my constituents. That is the moratorium on preleasing and leasing activities within 50 miles of the Atlantic coast from Maryland north to Rhode Island.

I and a number of my colleagues from Atlantic coastal districts are very concerned about the administration's plans for offshore

oil and gas leasing in the Mid-Atlantic region as proposed in lease sale 121. I greatly appreciate the advocacy for our concerns by the gentleman from Massachusetts [Mr. ATKINS], a member of the Interior Appropriations Subcommittee. I am delighted at the compromise struck by the able chairman of the Interior Appropriations Subcommittee [Mr. YATES], with the cooperation of the distinguished ranking minority member [Mr. REGULA].

The Mid-Atlantic planning area currently under consideration in lease sale 121 includes tracts of ocean floor just 15 miles offshore from my district. This area involves prime fishing grounds for swordfish, tuna, marlin, squid, mackerel, and other species of fin-fish and shellfish that are essential to New York's multibillion dollar commercial and recreational fishing industry. Our oceanfront businesses have already suffered severely from washups of medical waste, raw sewage and other debris. An oilspill in this area could devastate Long Island's beach-related economy and pollute fragile wetlands and barrier islands including the Fire Island National Seashore. Clearly, this area ought not to be under consideration for oil and gas leasing.

By the Interior Department's own estimates, the Mid-Atlantic region is not believed to contain even enough fuel to satisfy U.S. energy needs for 2 weeks, based on current consumption rates. In my judgment, the limited energy resources to be exploited under lease sale 121 do not justify risking the catastrophic environmental degradation that could result from an oilspill in near-shore waters.

I strongly support H.R. 2788, and ask that my colleagues vote in favor of this important legislation.

The CHAIRMAN. The Chair wishes to state that the gentleman from Ohio [Mr. REGULA] has 30 seconds remaining.

Mr. REGULA. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, just to sum this up, this is a good bill, one that covers a lot of very important areas.

In terms of the moritoria, let me reemphasize that none of us want to drill everywhere. We want to exclude ecologically significant areas and fragile areas, but we recognize that there is an energy policy need. But I think this is not the proper forum to provide for that. This should be addressed in the authorizing committee, because the present law says we should develop in an environmentally safe way the OCS. That is where it should be handled rather than here.

I think that we run the risk of facing an environmental crisis in terms of our need for oil, and we should not legislate in this way. Let us do it in an orderly fashion.

Also let me point out that this bill includes $1.2 billion in it for the clean coal technology. That is a very important energy and environmental issue.

Mr. Chairman, this is a tremendously good bill. I urge the Members to support it on final passage.

Mr. FAZIO. Mr. Chairman, I rise in strong support of the bill, H.R. 2788, providing appropriations for the Department of the Interior and related agencies for fiscal year 1990.

I commend the chairman of the subcommittee, Mr. YATES, and the ranking minority member, Mr. REGULA, as well as the subcommittee's fine staff, for producing a balanced, fair bill.

The chairman and ranking minority member have been very responsive to the concerns of the California delegation, and for this we are very grateful.

In particular, Mr. Chairman, I would like to thank the chairman for including $300,000 for the Bureau of Land Management to conduct a study for the purpose of determining the feasibility and desirability of designating a national recreation area [NRA] within the American River watershed.

It is essential that the study of the national recreation area in the American River watershed be funded in fiscal year 1990 in order for the information to be available to the Sacramento community in the same timeframe as the information generated by two separate studies currently being conducted by the Bureau of Reclamation and the Army Corps of Engineers on options for expanding flood protection to the Sacramento community. The Bureau of Reclamation study will be completed sometime in the summer of 1990 and the Army Corps of Engineers study is expected to be completed in September 1990. The BLM study will be completed by the end of fiscal 1990 as well.

The results of this study are essential for the Sacramento community to make an informed decision about which of the upstream flood control options proposed by the Bureau and the Army Corps of Engineers is most appropriate. The NRA study will generate information that will show the value of the land and other resources that would potentially be either occasionally inundated by a flood control only/dry dam or largely inundated by a multipurpose dam, and I greatly appreciate the subcommittee's support for this provision.

The bill also includes $2 million for the Fish and Wildlife Service for willing seller land acquisitions for the Sacramento River National Wildlife Refuge. The USFWS has completed the final environmental assessment and concluded that there will be no significant impact to the environment from the creation of the wildlife refuge. Therefore, the USFWS is ready to initiate willing seller land acquisitions immediately.

The purpose of this initiative is to preserve riparian habitat for threatened and endangered species, waterfowl and other migratory birds, anadromous fish, and plants. For example, the wetlands associated with the affected stretches of river are host to the endangered bald eagle. The area also has important fishery resources, including chinook salmon, steelhead trout, sturgeon, American shad, and striped bass.

This funding in fiscal 1990 will enable the Fish and Wildlife Service to continue to make progress on the preservation of wetlands and these critically sensitive habitats along the Sacramento River.

In addition, Mr. Chairman, the bill provides $1 million from the Land and Water Conservation Fund for willing seller acquisitions for the U.S. Fish and Wildlife Service's proposed national wildlife refuge in an area of southwestern Sacramento County, known as Stone Lakes.

The Federal contribution to this effort will be matched by local, State and even private funding on more than a dollar-for-dollar basis. For example, the County of Sacramento has already acquired approximately 2,500 acres of the 7,000 acres proposed for the refuge. In addition, the county has $1.4 million earmarked for new land acquisitions at the site this year. The county is also prepared to do a comprehensive master plan for the area and has committed $80,000 to that effort. Moreover, the chamber of commerce and local environmental groups estimate that as much as $1 million will be raised from private sources to make the refuge a reality.

The project has been endorsed by Ducks Unlimited, the Nature Conservancy, California Waterfowl Association, Defenders of Wildlife, Waterfowl Habitat Owners Alliance, and the National Audubon Society. A consortium of local conservation groups has also formed the Stone Lakes Alliance to support the project.

Clearly, this is a good project that has the full support of the local community, and it will be a good natural resource investment for the Federal Government.

The bill also provides $7 million to implement the Santini-Burton single family lot acquisition program at Lake Tahoe and $1.4 million for the erosion control program at the lake. We are at a critical time in the efforts to correct the environmental programs at Lake Tahoe, and the continued support of the subcommittee for this program is key to the success of efforts to protect Lake Tahoe from further water quality degradation.

Mr. Chairman, again, this is a good bill, and I strongly urge my colleagues to support it.

Mrs. BOGGS. Mr. Chairman, I would like to take this opportunity to commend the subcommittee and its chairman for their fine work in assembling this legislation under the most trying of circumstances.

I would like to call particular attention to the support the subcommittee has shown for efforts to develop solutions to the loss of wetlands throughout the Nation and, in particular, the serious threats to coastal wetlands in Louisiana. Despite the strong public support President Bush has made in support of developing techniques to prevent wetlands loss, the Office of Management and Budget has been less than forthcoming with substantive support for these efforts.

For example, the Fish and Wildlife Service and the Geological Survey are undertaking important studies of the barrier islands and wetlands along the Louisiana coast. Unfortunately, funds to continue these ongoing studies were not included in the administration's budget request. Fortunately, the subcommittee had the wisdom to recommend restoration of support for these important efforts.

I look forward to working with the gentleman from Illinois in the future on these and other important wetlands preservation efforts in Louisiana.

Unfortunately, I feel compelled to express my serious reservations about one of the subcommittee's major recommendations: the continuation and expansion of the moratoria on

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

exploration and development of oil and gas resources on the Outer Continental Shelf. In addition to the existing prohibition on exploratory and drilling activity off the coast of California, this bill would ban prelease activities as well. The prelease phase is involved in many of the important environmental assessment and consultation activities that are important to both sides of the OCS leasing issue. It is during this period that scientific and environmental data are collected on the proposed sale as part of the EIS process. It is also during this phase that State officials and the public at large have an opportunity to comment on the proposed lease sale.

Because the prelease phase of the process is a 26-month-long period of information gathering with certain mile posts mandated by statute and regulation that must occur before any sale can occur, prohibiting prelease activities has the effect of imposing a 2-year moratorium rather than the 1-year moratorium the subcommittee has included in the past. This is counterproductive and obstructionist.

The Interior Department has already voluntarily suspended prelease activities during the review by the President's OCS Task Force. Unless the intent of the prelease prohibition is to prejudge or preempt the task force's findings, then the new prelease moratorium is unnecessary.

I want to make certain everyone here understands the cost of the California leasing moratoria. The total bonus revenues expected to be received by the U.S. Treasury from the five areas covered in fiscal year 1990–91 are projected to be $480 million. Although the loss of these revenues are not scored against the Appropriations Committee because of some creative scorekeeping, blocking these leases will mean the loss of a half billion dollars in revenues to the Treasury.

It is also worth noting that OCS revenues are the source for most of the Land and Water Conservation Fund and the historic preservations programs.

I share the anger and frustration we all feel about the recent oilspills and the critical shortcoming of the response effort in Alaska, but I urge everyone to make the distinction between tankers and OCS drilling. Fifty percent of the oil we consume is brought to the continental United States by tankers. They carry oil to Long Beach, CA, New Jersey and Louisiana—through the Florida Straits—for refining. Most OCS oil and gas comes ashore via pipeline.

OCS oilspills have been very rare. With more than 34,500 wells drilled, the 1969 Santa Barbara blowout was the only one in which a significant quantity of oil was spilled. Only 11 spills of 1,000 barrels or more have occurred in the past 25 years. Oilspills of one or more barrels during 1975–86 totaled less than one-thousandth of 1 percent of more than 3.9 billion barrels of OCS crude oil and condensate produced.

If we do not increase our reliance on domestic hydrocarbons, then we must turn to overseas sources of petroleum. This means greater reliance on tankers to transport imported oil and greater reliance on OPEC as the source of that petroleum. If we want to reduce the risk of tanker spills, further moratoria on OCS exploration and production is not the way to do it. Let's develop our domestic offshore resources and protect our coasts from future tanker disasters.

Despite my serious reservations about the offshore leasing provisions, I believe this is a good bill, taken as a whole, and I urge its passage.

Mr. IRELAND. Mr. Chairman, I want to express my appreciation to my colleague, SID YATES, chairman of the Appropriations Subcommittee on Interior and Related Agencies, for his leadership in bringing H.R. 2788, Interior and Related Agencies Appropriations for Fiscal Year 1990, to the floor today.

For several years now, I and other Members of the Florida delegation, have expressed our continuing concerns about the Department of the Interior's plans to proceed with offshore oil leasing and drilling in areas off the Florida's gulf coast. Such activities provide a serious threat to not only the unique environmental resources inhabiting these areas, but also to the economic livelihood of residents who depend on fishing and tourism. As many of you know, tourism continues to be Florida's No. 1 industry.

The oilspill in Valdez and the three most recent accidents, of lesser magnitude, but of no less concern, have demonstrated that our oil industry does not have the technology to clean up gallons of gooey glop in any effective or satisfactory way. The environment in Alaska could take more than a decade to recover and some of the natural habitats may never return. If nothing else, we learned from Alaska's unfortunate experience that the risks are too great.

The President has recognized the environmental sensitivity of these areas by administratively delaying leasing and drilling in this area until a task force which he established can study and report on these areas. The results of this investigation, however, are not due until January 1990, or perhaps later.

Consequently, the subcommittee and full Committee on Appropriations recognizing the concerns as well as the commitment of the people of Florida to protecting its vital natural resources included a 1-year moratorium on oil and gas leasing and drilling in the eastern Gulf of Mexico south of Naples. The State of Florida and its congressional delegation fully support these provisions and I urge my colleagues in the House to support H.R. 2788.

Ms. SCHNEIDER. Mr. Chairman, I want to praise the work of Chairman YATES and his colleagues on the Interior Appropriations Subcommittee for exercising some leadership by increasing the Department of Energy's budget for energy conservation research and development from $153 million in 1989 to $195 million for 1990. This 27-percent increase is long overdue, and takes the budget a step closer to being commensurate with the R&D opportunities that remain untapped.

As the chairman knows, I have repeatedly testified before his subcommittee on this very issue, sharing the multiple reasons why energy efficiency R&D should comprise a substantially larger fraction of DOE's civilian R&D budget than it's current few percent. A strong case has been made that energy efficiency R&D should receive at least as much funding as the other major energy resource R&D programs such as nuclear fission—$603 million passed by the House for 1990, not counting $145 million for a demonstration of atomic vapor laser enrichment technology—fusion, $289 million, or fossil fuels, $423 million passed by the House for 1990, not including $635 million for clean coal demonstrations.

The arguments in support of substantially higher funding are based both on the past successes of energy conservation generally, and Federal energy conservation R&D programs, specifically, as well as the potential savings that remain to be tapped in the decades to come. Energy efficiency improvements since the 1973 Arab oil embargo now deliver the equivalent of one-fifth of United States energy services. These investments raised the energy efficiency of millions of buildings, vehicles, appliances, commercial equipment and manufacturing processes, saving the American economy an impressive $150 billion per year. The efficiency measures also are displacing 14 million barrels of oil per day—twice today's foreign oil imports.

Federal energy conservation R&D programs have played an instrumental role in developing and spurring these energy savings. A 1988 report by the American Council for an Energy Efficient Economy [ACEEE] found that taxpayers are rewarded handsomely for their investment in energy conservation research. In seven of the most successful research efforts, an expenditure of $16 million is spurring cumulative savings of $68 billion for consumers over the next 25 years. This represents a staggering payback of 4,400 to 1 for the taxpayers. If just these seven programs had to justify all Federal expenditures ever spent on energy conservation R&D, it would still represent a 50 to 1 return on the taxpayers' investment.

According to both Government and independent analyses, additional efficiency savings of several hundred billion dollars per year remain to be captured. Federal R&D and technology transfer will be critical to achieving these savings.

This enormous savings potential is important to achieve for several key reasons: spurring productivity; enhancing energy security; and resolving a number of serious environmental problems such as acid rain and global warming.

In the case of productivity, it would do us well to reflect on that fact that it still takes the United States twice as much energy to produce a dollar of gross national product than it does Japan and some West European nations. If we are serious about improving our competitive edge, then we should be moving aggressively on the energy efficiency opportunities before us. Japan is serious, achieving annual efficiency gains nearly twice the level of the United States over the past decade, and looking to cut their energy consumption per unit of GNP in half over the coming decade or two.

In the case of energy security, we need to overcome our complacency about the rising tide of foreign oil imports, which could comprise over half of total U.S. oil use within the next few years. DOE has warned the Congress of the economic disasters that could result from such dependency, since OPEC has raised prices whenever it has historically

exceeded 80 percent of pumping capacity. Foreign oil imports already constitute over $40 billion of our trade deficit, and could be double that figure within the decade.

In the case of environmental quality, it is a too little appreciated fact that energy efficiency has played a critical role in gaining us cost-free environmental benefits. Over the past 15 years, efficiency investments have led to a 50-percent reduction in carbon-dioxide, sulphur-dioxide, and nitrogen-oxide pollutants compared to what they would have been otherwise.

Studies such as ACEEE's "Acid Rain and Energy Conservation" have shown that energy efficiency can play a pivotal role in achieving the 50-percent reduction in acid rain emissions called for in congressional legislation, while at the same time cutting consumers' utility bills and/or improving the cash earnings of utilities. Similarly, studies such as the global energy efficiency report, "Energy for a Sustainable World," show how cost-effective efficiency investments could prevent a tripling of carbon emissions over the next 40 years, while at the same time accruing eventual savings in excess of $500 billion per year!

A strongly supported, vigorous energy efficiency R&D program is essential to achieving these manifold benefits. My pending legislation, the Global Warming Prevention Act (H.R. 1078), currently cosponsored by 135 Members of the House, proposes just such measures. Your action on energy efficiency is clearly consistent with this effort. Again, I thank the chairman and the subcommittee for such foresighted action, and encourage you to continue this trend in next year's budget by providing energy efficiency R&D with at least 10 percent of the energy R&D budget.

Mr. KILDEE. Mr. Chairman, I rise in strong support of the House Interior appropriations bill for fiscal year 1990, and I want to commend the chairman of the House Interior Subcommittee, Mr. YATES, for the excellent job he has done in preparing this bill for consideration by the House today. In this day and age of tight budgets, it is indeed a most difficult task for a chairman to put together a package of fiscally sound and socially responsible programs. Yet year after year, Chairman YATES has shown his determination and integrity by bringing intellectually honest appropriations bills to the House floor.

Mr. Chairman, in President Bush's State of the Union Address, the President recommended a $50-million increase in land acquisition moneys from the land and water conservation fund. I want to commend the President for his acknowledgement of the need for land acquisition moneys to preserve our Nation's natural resources—a need which, unfortunately, was widely ignored by the previous administration. Only through the courage and foresight of the Congress, led by Chairman YATES, did the Land and Water Conservation Program serve as a useful tool in the last 8 years.

Mr. Chairman, the bill before the House today contains a number of provisions that will help protect and enhance many precious natural resources in my home State of Michigan. I want to thank the chairman for working with me to improve the quality of life for the residents of my State, and all those who visit the great State of Michigan. This legislation contains $3.5 million for the public acquisition of Grand Island, MI. Located in Lake Superior in the Upper Peninsula of Michigan near the city of Munising, this 13,500 acre island is one of the most beautiful parcels of land in our State. Grand Island is a host to a diversity of fragile flora and fauna that warrants Federal protection. The island contains the largest beaver-formed lake in the United States, and is home to a wide array of endangered plant species including various orchids, ferns, and trillium. Moreover, the wildlife community includes black bear, hawks, and bald eagles. Many people have suggested that Grand Island would be the optimal site for the reintroduction of the peregrine falcon in Michigan.

The history of this island is just as rich as its natural resources. The French explorer Radisson, who came to the area in 1650, found the Ojibway Indians living on an island they called "Kitchie Minis." Radisson translated this as being "the grand islands." When Henry Schoolcraft went on an expedition to locate the source of the Mississippi, he landed on Grand Island in 1820. He wrote extensively of a young Chippewa hero who sang the exploits of his people. It was Schoolcraft's account of Grand Island that inspired his friend, Henry Longfellow, to write his epic American poem "Song of the Hiawatha," in which he expounded upon the unbroken forests, the soaring cliffs, and the slopping silvery beaches of Grand Island.

Mr. Chairman, when the House Subcommittee on National Parks and Public Lands held hearings on legislation to authorize the purchase of Grand Island, the Chief of the U.S. Forest Service, F. Dale Robertson, testified in favor of Federal acquisition of Grand Island, the first time in several years that a Federal lands agency had testified in favor of new land acquisitions. I believe that this is a tribute to the remarkable characteristics of Grand Island and I want to thank the committee for earmarking moneys for the acquisition of the island.

In addition, this bill includes $500,000 for the acquisition of lands along the federally designated Pere-Marquette National Wild and Scenic River. For several years now, the U.S. Forest Service has been trying to buy privately held lands, on a willing-seller basis, along the Pere-Marquette River. Unfortunately, funding has not been made available to the Huron-Manistee Forest Service to begin the land acquisition process. Since the Forest Service has been unable to provide basic user facilities on the Pere-Marquette River, there has been a tremendous amount of pollution and erosion along the river corridor.

Finally, the House Interior appropriations bill for fiscal year 1990, contains $2 million for the renovation of the Platte River Campground located at Sleeping Bear Dunes National Lakeshore. This popular campground facility has suffered from severe neglect over the years and is now a safety hazard to the thousands of campers who stay at the Platte River facility. Many of the sanitation facilities, roads, and campgrounds are in decrepit conditions and are in need of urgent repair. By earmarking $2 million in construction moneys for this project, the Congress has ensured that this beautiful campground will continue to be used in a safe and healthy environment.

Once again, I want to commend the chairman and the members of the subcommittee for drafting a bill that will protect and enhance our Nation's natural resources for generations to come.

Mr. WELDON. Mr. Chairman, I rise today in strong support of H.R. 2788, the Department of the Interior appropriations bill. I think this is an excellent bill, which addresses many of the important environmental concerns of our Nation. Of particular interest to me in this bill is the $1 million which was granted by the subcommittee to the Tinicum National Environmental Center, in Tinicum, PA, so that a visitors' center might be built there.

I would like to congratulate the gentleman from Illinois [Mr. YATES], chairman of the Interior Subcommittee of the Appropriations Committee, and the gentleman from Ohio [Mr. REGULA], the ranking minority member of the subcommittee, as well as the gentleman from Mississippi [Mr. WHITTEN], chairman of the full committee, and the gentleman from Massachusetts [Mr. CONTE], ranking minority member of the full committee, on their superb job in creating new openings for important programs such as Tinicum.

Tinicum provides a safe refuge for many different kinds of fish and waterfowl which would have nowhere else to go in the southeastern Pennsylvania area. The refuge is located between Philadelphia National Airport and Interstate 95, and is one of the last sanctuaries these animals have from the invading urban sprawl. It is the only wetland refuge on the east coast in an urban area and is the largest freshwater tidal marsh in the State of Pennsylvania.

Construction of the center will make Tinicum much more attractive to visitors, allowing greater education for people about those species harbored in the Tinicum Refuge. Tinicum has been authorized to receive this funding for several years, but little of that money has been appropriated for construction of facilities. This appropriation would help remedy the years of neglect which Tinicum has endured.

Secretary of the Interior Manuel Lujan was scheduled to visit Tinicum recently. Unfortunately, his visit had to be canceled by the recent outbreak of oil spills—accidents which only serve to reinforce the need for places like Tinicum, places which provide a safe haven to wildlife. I would like to invite Secretary Lujan to reschedule his trip to Tinicum, and I strongly encourage all of my colleagues in the House to visit the facility the next time they are in the Philadelphia area.

Mr. McDADE. Mr. Chairman, I rise today in strong support of H.R. 2788, the Interior and related agencies appropriations bill. This important legislation funds the Department of Interior, the Forest Service, Indian education and health, and conservation and research programs of the Energy Department.

The legislation before us is the product of extensive hearings by the Subcommittee on Interior under the outstanding leadership of Chairman SID YATES and Vice Chairman RALPH REGULA. They exerted great foresight and the utmost care in drafting a bill that both complies with our fiscal restraints and realistically addresses our Nation's current and future needs. This bipartisan legislation can be

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

enthusiastically supported by Members from both sides of the aisle.

On a fiscal level, the bill is within the section 302(b) allocation for both discretionary budget authority and outlays. The bill provides a total of $11.1 billion in fiscal year 1990 for the Department of the Interior and related agencies programs. This compares with the administration's $8.618 billion request and the fiscal year 1989 $10.2 billion appropriation.

Members should be aware that the Interior bill, unlike most other appropriations bills, in large part pays for itself through revenues generated by the Interior Department and other agencies represented in the bill. Receipts to the Treasury from timber leases and mineral and oil development are estimated to reach nearly $7.7 billion during the coming fiscal year.

The bill we have before the House today provides the wherewithal to carry out some of our Nation's highest priorities. It enhances our energy future with the funding of conservation programs, fossil research and the strategic petroleum reserve. It advocates a cleaner environment through the Federal Clean Coal Program and important research to combat acid rain, global warming, and air quality problems.

I will proudly vote for passage of this legislation, but I am in disagreement with the expanded moratoria on offshore oil and gas leasing. Development of domestic energy resources is vital to our economic and national security interests. Our environment must be protected through Federal safeguards, but I believe our overall interests are not served by placing valuable oil and gas reserves off limits and increasing U.S. dependence on foreign oil.

Our natural resources are protected in H.R. 2788 through the funding of the Bureau of Land Management, the Fish and Wildlife Service, the National Park Service, the U.S. Forest Service, the Geological Survey, Minerals Management Service, Bureau of Mines and Office of Surface Mining. I am particularly pleased that the bill includes a 5 to 10 percent across-the-board raise for operations budgets for each National Park Service unit.

One of the highlights of the bill is the provision of $220 million for the land and water conservation fund. The fund is used to meet recreation needs, provide open space, enhance wildlife habitat and preserve unique natural features of this country. The President is to be commended for his leadership in making this program an administration priority.

The bill also provides for the Nation's cultural, intellectual and educational needs with adequate funding levels for the Smithsonian, National Gallery of Art, Woodrow Wilson International Center for Scholars, National Endowment for the Arts, National Endowment for the Humanities, Institute of Museum Service, Commission of Fine Arts and Advisory Council on Historic Preservation.

I urge my colleagues to support the Interior appropriations bill. It is balanced, bipartisan legislation which provides for the stewardship of our public lands, responds to our energy needs, respects the environment, protects our natural resources and preserves our cultural heritage.

Ms. SNOWE. Mr. Chairman, I rise in opposition to H.R. 2788, the annual appropriations bill for the Department of the Interior and related agencies during fiscal year 1990.

The principal cause for my dissatisfaction with H.R. 2788 are provisions relating to the National Park Service system generally, and Acadia National Park in Bar Harbor, ME specifically. At heart, these provisions put Acadia in an unfair and untenable situation.

In 1987, legislation was enacted into law that established a formula for dispensing fees that certain national parks collect from those individuals visiting or using their facilities. Under this law's provisions, the formula provided that national parks collecting fees would be entitled to 50 percent of the fees they collected; 40 percent of the fees would be used for all national parks within the Service's system; and the remaining 10 percent of these moneys were subject to the discretion of the National Park Service's Director.

While I, and other Members of the Maine congressional delegation, were concerned about this matter, in the end we decided to support this formula with the hope that it would ultimately provide Acadia National Park with increased funding to meet its burgeoning needs.

Unfortunately, last year, this formula was abandoned. As a result, Acadia was given only $170,000 of the $535,000 that it was entitled to under the law. The $365,000 in fees that Acadia did not receive was diverted instead to the National Park Service's general maintenance funds.

Yet, Acadia's need for additional funding is very acute. It is a small park with a unique history, and is under enormous strain. Acadia is one of the Nation's most heavily visited park, with roughly 4.7 million individuals having toured the park last year. This year, officials at Acadia expect a 20-percent increase over that figure, and long-term estimates project that, by the year 2000, Acadia will be hosting 6 million visitors.

Given the strains that the ever-increasing number of tourists, campers and visitors are putting on the park's facilities, it is imperative that funding for Acadia be increased. Indeed, if Acadia was allowed to keep 50 percent of the fees that it collects on an annual basis, as originally intended by the 1987 legislation, this would provide the park with a total of roughly $600,000 in needed financial assistance.

Regrettably, this year, the Appropriations Committee has again adopted a new formula for dispensing user fees collected by national parks that still does not allow Acadia to keep a fair share of the fees that it collects.

H.R. 2788, as approved by the committee, provides that all national parks will receive only between 5 to 10 percent of their operating budgets from these fees. This approach poses real and serious harm to Acadia, because its operating budget is $1.5 million, which would make it eligible for, at the most, only $150,000 in fiscal year 1990 funds. This is even less than last fiscal year's $170,000; meanwhile, the park is experiencing a 20 percent growth in visitors.

As this Interior appropriations bill winds its way through the legislative process, I sincerely hope that these legitimate concerns about the funding needs of Acadia National Park can be resolved. If so, then I currently see no reason not to support this measure on final passage. That is not the case now, so I must oppose the legislation.

Mr. RAHALL. Mr. Chairman, I am in support, albeit for the first time in the 13 years I have voted for the Interior appropriations bill, somewhat tempered support, for this legislation.

For those of us representing natural resource dependent regions of the country, this is, of course, an extremely important appropriation measure. The funding made available under H.R. 2788 for everything from the Health, Safety and Mining Technology Program of the Bureau of Mines and the abandoned mine reclamation fund at the Office of Surface Mining to the ability to manage units of our National Park System and engage in federal fish hatchery operations is extremely important to my congressional district.

In southern West Virginia, we continue to face a great many adversities. We have a natural resource development based economy. And, with this dependency on mining, comes a certain degree of health, safety and environmental concerns as well as the economic uncertainties which have always been associated with coal production in the Appalachian Region.

We are, as such, attempting to diversify and to move toward obtaining economic benefits through the conservation of some of our most outstanding natural, scenic, recreational, cultural and historic resources.

For this reason, I worked over 10 years ago to gain the establishment of the New River Gorge National River, and just last year, two other units of the National Park System, the Gauley River National Recreation Area and the Bluestone National Scenic River, as part of the West Virginia National Interest River Conservation Act.

Under the years of the Reagan administration, a philosophy was implemented to starve units of our National Park System of the types of resources necessary to maintain their integrity. As such, at the New River Gorge National River we did not seek fancy visitor centers or other types of infrastructure improvements many in this country expect from their national parks. Instead, we had to struggle with the very basics. And I means the basics. Such as devising the management plan, putting up signs and more importantly, acquiring land within the boundaries of the park unit so as to protect it from mining and timbering operations.

As such, 11 years after the establishment of the New River Gorge National River we have yet to complete the park headquarters, an appropriate visitors center and have acquired only about 55 percent of the land within the river gorge.

It was for this reason that after the long years of the Reagan administration antipark policies, I applauded President Bush's decision to request from the Congress an appropriation for park land acquisition funds. For the New River, the administration requested $2.5 million for this purpose.

But what did the Appropriations Committee see fit to do? It deleted this funding.

Now, I can understand that certain legislative tactics are being employed. That is fine

and good. But what is not good is for the committee to go so far as to delete basic funding requested by the administration for the New River Gorge National River. This is overkill, in the view of this Member.

Hence, while there are many excellent aspects of this legislation, and I cannot stress this point enough, I must say to the chairman of the Subcommittee on Interior, my very good friend Mr. YATES, that it was with great disappointment that I viewed this deletion of land acquisition funding for the New River. The gentleman has done a superb job on the many other aspects of this bill that we have a mutual interest in. His recommendations on the Bureau of Mines, the U.S. Geological Survey, the Minerals Management Service and the Office of Surface Mining are excellent. I commend him from this, and I will support his bill for these reasons. However, I would only ask that due consideration be given to our struggle to preserve our natural resources in West Virginia so that we in the Appalachian region may seek a better future.

Mr. LEWIS of Florida. Mr. Chairman, I stand before you in continued support of the moratoria for oil and gas leasing off the coast of Alaska, all of California, and the Florida coast.

Mr. Chairman, the Florida delegation has continually supported this moratoria because of the problems that could be brought by drilling and research off the Florida coast. This concern has been heightened by the recent oil spills in Alaska, California, Texas, Rhode Island, and New Jersey. Florida's delicate environment simply cannot support such a disaster.

Mr. Chairman, when you look at the State of Florida with the prevailing southwest winds and the tidal action from the gulf stream, if a major oil spill were to happen on the Florida coast, it would have a devastating impact on our beaches, as well as the environmentally delicate everglades area. The wave action on the gulf side would have the same effect on the beaches and the rich gulf fishing areas.

I hope that the Presidental task force researching the impact of oil and gas leasing off the coast of Florida and California will come to the same conclusion most of us have already reached. That is, that Florida's shoreline, Florida bay, the Florida keys, the life giving mangrove swamps, our estuaries and our beautiful everglades could not withstand a spill a fraction the size of the Valdez spill. Something of that magnitude could kill life as we know it in south Florida.

Mr. Chairman, I ask my colleagues to support the moratoria in H.R. 2788 on oil and gas leasing. Within the next year I hope you will join me in support of a long term commitment to protecting our coastal areas.

Mr. TOWNS. Mr. Chairman, I want to express my wholehearted support for the full funding of the arts and humanities endowments as reported by the House Appropriations Committee. While I have certainly been concerned about equitable funding opportunities for minority artists, writers, and scholars, I feel that the recent criticisms of NEA-funded projects almost border on artistic censorship. A recent letter from many of my constituents addresses this issue very directly. I have included portions of this letter for the RECORD. I am hopeful that this body will uphold the principle of artistic freedom by opposing any effort to reduce funding or to censor projects supported by the endowments.

We in the United States must recognize that the arts is an area where experimentation is especially important. All NEA grants are currently matched with private funds ensuring direct community approval and support. Though many arts institutions receive public funds, they are for the most part, private institutions. Obviously, arts institutions which receive public funds should make responsible choices. But by the same token these same institutions must be responsible to the artists they present who deserve the freedom to experiment. In order to properly meet both duties, arts institutions must at times take the risk of offending some in the public. Challenging and quality arts presentations take that risk and the public and its Representatives in Congress must be willing to support freedom. Otherwise arts presenters will be forced to bend to every public and governmental demand and their independence will be threatened. To insist that arts institutions present works which will offend no one leads to self-censorship and banality. This is something we as Americans cannot afford to condone. I believe we must trust the quality and judgment of our arts institutions which are supported by a peer panel system at the NEA. This quality and artists excellence is strengthened by public funding, as is evidenced every day in towns and cities across the country.

Mr. KOSTMAYER. Mr. Chairman, I rise today to commend the Committee on Appropriations and in particular the chairman of the Interior Subcommittee, Mr. YATES, for their outstanding work in bringing before the House the fiscal 1990 Interior Department appropriations bill.

As usual, Mr. YATES has been able to strike a balance between the limitations imposed by current budget constraints and the need to protect our Nation's heritage of open space, clean water, and clean air.

In particular, I want to thank the committee for including $350,000 in the bill to begin implementation of the Delaware and Lehigh Navigation Canal National Heritage Corridor Act of 1988—Public Law 100-692.

That bill, signed into law, November 18, 1988, which the House will fund today, was cosponsored by my colleague, the gentleman from Pennsylvania [Mr. RITTER]. The legislation designates the Delaware and Lehigh canals as a National Heritage Corridor, thus establishing a new partnership between the Federal Government, State, and local governments and the public to preserve, renovate and rehabilitate the historic Delaware Canal.

The appropriation provided by the House today is the first of a 5-year $350,000 annual authorization for operating expenses of an unsalaried 21-member commission charged with developing a master plan for the permanent protection and preservation of the canal.

The plan, which will have to be completed within 24 months of enactment, will include an inventory of any property in the corridor which should be preserved, restored, managed, developed, maintained or acquired because of its national historic or cultural significance; provide a plan to interpret the history of the canal and its surrounding area; recommend policies for environmental protection of the area; and detail the ways in which Federal, State, and local efforts may best be coordinated.

The new plan would take into consideration existing management plans already prepared by "the friends of the Delaware," a citizen organization committed to the canal's protection and preservation.

The commission's members, 16 of whom would be local residents shall for the first time forge a local consensus for a comprehensive plan to save the threatened Delaware Canal.

Under the bill, the National Park Service is required to assist the commission in designing and producing interpretive materials. It is also required to inventory the corridor, to identify other sites eligible for national historic designations, to help identify alternative funding sources, and upon the request of the commission, to provide technical assistance during preparation and implementation of the plan.

Mr. Chairman, today begins a new chapter in the history of the Delaware Canal. The people of Pennsylvania thank the members of the Appropriations Committee and the Members of the House. Congress has taken another important step to ensure that this important historic, cultural, and recreational resource is not lost to the people of Pennsylvania or the Nation.

I have toured both the area around the Delaware Canal and the Lehigh Navigation Canal National Heritage Corridor and have found the people of the region to be strongly supportive of this legislation. I am thrilled that the action of the Interior Subcommittee of the Appropriations Committee today will initiate this long overdue project and provide us with another piece of our historic legacy.

Mr. Chairman, on another matter, I would also like to say that there is one area of the bill that I hope we can significantly improve upon in the future—that is, the Land and Water Conservation Fund. In particular, I am concerned with that part that was conceived and has functioned as a partnership with the States. The Congress, since 1961, has kept that partnership alive, but barely so, in the face of personal opposition from such former officials as Interior Secretary James Watt. The Congress has also appropriated funds for scores of Federal areas authorized or expanded by this and earlier Congresses.

The reason that I raise the issue of the LWCF State assistance program is that I believe we are at a critical point in terms of policy and funding. In terms of policy, there is an increasingly large number of us who believe that we need to strengthen the existing Fund by creating, as the record reveals Congress originally intended, a self-sustaining trust. We must bring a greater degree of predictability to this program, especially if part of the effort is to encourage other governments to devise their own fiscal strategies.

Regarding both policy and funding, I was delighted to hear the President say that he was going to reverse his predecessor's position by supporting an appropriation from the Fund. I was even more pleased to hear that he urged attention to park and recreation resources that would be accessible to urban residents. But I was greatly distressed to learn that the President was proposing to, in the ad-

ministration's terms, "forego" the State and local partnership until all Federal areas were fully acquired. We need to be very sensitive to the commitments we have made, or implied, to those living within authorized Federal areas. But this sensitivity should not transcend all other fully legitimate recreation needs of society.

The subcommittee has, in part, rejected the administration's principle by recommending to us an appropriation of $16,700,000 for State and local assistance. In the future, it must be rejected much more emphatically. Ironically, James Ridenour, the new Director of the National Park Service, seems to agree. Addressing a meeting in Hershey, PA, on June 15, Director Ridenour said of the Fund:

> I am a firm supporter of the Land and Water Conservation Program and always have been. I think it is one of the best programs I have ever seen in the terms of the way it is operated and honestly * * * I am very pleased that the President include two hundred and ten million dollars for land acquisition.

Mr. Chairman, the Land and Water Conservation Fund on September 4, 1989, will be 25 years old. This body in April, 1987, voted overwhelmingly—401 to 5—to extend the LWCF act unchanged.

We tend to deal frequently with crises. We have a quite crisis in land use; and a not so quiet social crisis in soaring health costs and antisocial behavior. Parks and recreation at least soften these impacts, and many argue that they can be a large part of the solution. Today we have taken a small step in that direction.

Mrs. LLOYD. Mr. Chairman, I rise in support of the fiscal year 1990 appropriations bill for Interior and related agencies. Of particular interest to our Committee on Science, Space, and Technology are the appropriations for the Department of Energy's programs of clean coal technology, fossil research and development and energy conservation R&D. I am pleased that this bill reflects what I believe to be healthy funding levels for the programs.

Years of inadequate funding levels for the fossil and energy conservation programs has lessened the impact of our research investment in terms of our ability to compete in the global marketplace or to transfer our technologies at home. Restoring the programs to reasonable levels as the Appropriations Committee has done is a welcome and beneficial change.

I want to mention two programs that our committee has supported and that support is reflected in this bill. The committee has added $42 million for the MHD Program. The administration has consistently attempted to halt the ongoing research efforts at a crucial time in the technology development. The program is moving forward and I believe we should continue our support. In the energy conservation program, I am pleased that the Appropriations Committee has provided an additional $15 million for the steel initiative, a program authorized by our committee last year.

Our continued energy security deserves a rational investment in research and development. I applaud Chairman YATES for bringing this bill to the floor and I urge my colleagues to support the legislation.

Ms. SCHNEIDER. Mr. Chairman, the legacy that we will leave to future generations can best be determined by looking at the contributions from past cultures that we treasure today. Works of art, from prehistoric times and ancient Egypt, from Renaissance Europe and colonial America, are reflections of the cultures on which our own is built. It is an appropriate role of the Government to support artists and their work. What we fund today will, in part, make up the treasures of future generations.

The Interior appropriations bill that we are considering today contains funding for the National Endowment for the Arts at a level that fails to match inflation. This is a reflection of the difficult budgetary problems that we face. Our support for the National Endowment for the Arts also has been complicated by the recent controversy over two exhibitions that the NEA has recently funded.

I have not personally viewed either of these projects, yet I feel that art without controversy is reflective of a society without controversy; a society in which divergent views are not tolerated. When future generations recall 20th century America, I hope that we will be remembered as a culture that encouraged divergent points of view—in art, in politics, in philsophy—indeed, in every facet of our society. This is not the same as giving equal value to every point of view, or giving equal support to every work of art. It is allowing an educated public to select from the best that its citizenry can create. We do this, not through censorship nor by cutting Government funding for truly worthwhile programs. We do it by encouraging diversity, by broadening the public exposure to this diversity, and by developing the critical skills of a public that is capable of intelligent choices.

Mr. Chairman, I support full funding for the National Endowment for the Arts and I commend the excellent record it has amassed in carrying out its charter. I am confident that the dedicated individuals at the National Endowment for the Arts, who have a role in the stewardship of our Nation's art, will continue to provide programs that seek an appropriate balance of public acceptance and artistic freedom.

Mr. MILLER of Washington. Mr. Chairman, I rise in reluctant support for the actions of the Appropriations Committee to declare moratoria on lease sales issued off the coasts of the United States.

I do not like the concept of placing moratoria in appropriations bills. This is clearly a stopgap effort, an act of last resort. An action that makes sense only because we lack a national energy policy.

Mr. Chairman, last session, our colleague Congressman CARPER and I proposed a national energy policy study plan. We offered this proposal as an amendment to Chairman JONES' bill on the Arctic National Wildlife Refuge. My problem, Mr. Chairman, is that we are trying to make decisions on our Nation's energy future without a road map. A national energy plan which addresses our need for petroleum, renewable energy resources and conservation can help guide us to a politically secure and environmentally responsible energy policy. Without a national energy policy we face a perpetual battle between those who want no drilling anywhere and those who want drilling everywhere.

What we need is a thoughtful analysis of the options. If we do not allow drilling in one area, are we pushing development to another area which may be more environmentally sensitive? If we do not allow more development, are we dooming our Nation to importing more oil? If we only think of energy in terms of petroleum are we ignoring conservation or renewable energy sources? These questions need to be answered in one report which allows this Congress to make informed decisions.

Mr. Chairman, let me say, President Bush has addressed some of our concerns by asking for a full environmental impact statement on drilling off the coast of California. He should extend the same protection to the coasts of Washington State. Last December and January, we saw what the damage spills can do to those scenic beaches.

In the Pacific Northwest, we have seen how a policy based on least cost planning can take a region off the energy supply roller coaster which led to WPPSS. We are off that roller coaster today in the Northwest. Mr. Speaker, with a national energy policy, like the one we suggested last session—and if we consider ANWR legislation again, we will offer our amendment again—we can take our Nation off the energy roller coaster and provide a meaningful track for development which allows us to decide the wisest and safest sources of energy.

Like many of my constituents, I am concerned about drilling off the coast of Washington. And, I want to make sure we approach that possibility as carefully as any place else in the country. With that in mind, I'd like to express my support and call attention, Mr. Chairman, to a point in the committee's report. The committee states "off the coasts of Washington and Oregon, environmental studies must be identified, completed and analyzed in advance of the initiation of the formal lease process", and that draft and final environmental impact statements must be made before any leasing. As a Representative of Washington, I applaud these points and the obvious care being shown for the welfare of my State.

I urge my colleagues to support the Appropriations Committee.

Mr. RICHARDSON. Mr. Chairman, the NEA benefits the American people by supporting the arts from the local to national level. Every State in the Union is a beneficiary of the National Endowment's programs. In fiscal year 1988, my home State of New Mexico's arts programs benefited from nearly $3.5 million in arts endowment grants. Such grants benefited a project which restores and preserves historic adobe churches, the New Mexico Symphony Orchestra, the Santa Fe Opera, and several programs in the folk and Indian arts.

While this past year there has been controversy regarding a grant by the Southeast Center for Contemporary Art, which was partially funded by the NEA, the Endowment's history demonstrates a high degree of scrutiny is applied to its proposals. In its 25-year history, the NEA has made over 80,000 grants—less than 20 of these have been called into question.

I would like to commend Chairman YATES for including strong language in this legislation which strengthens the review process for endowment subgranting. The present language addresses the need for greater scrutiny without jeopardizing the funding which supports such worthy arts programs as public television shows, university arts projects, and community theatre.

Mr. Chairman, cutting the NEA's funding over this issue is as misguided as attempting to cure a headache with decapitation. We should support Chairman YATES and the committee's efforts to improve the National Endowment's review process. Chairman YATES' program for increased accountability is workable, responsible, and deserves our support.

In 1981, the Presidential Task Force on the Arts and Humanities strongly endorsed the panel review system which is used by the Endowment. Under this system, nearly 600 panelists review grants before forwarding them to a Presidentially appointed council for final approval.

The issue here is one of accountability—of assuring that a process is in place to assure that there is no breach of the Endowment's mission to benefit the American people by supporting the arts in their communities. The present language does exactly this.

Mr. JONES of Georgia. Mr. Chairman, I rise in support of the Interior and related agencies appropriations for fiscal year 1990. I commend the distinguished subcommittee chairman, Mr. YATES from Illinois and the ranking Republican member, Mr. REGULA, as well as the other members from the committee for their fine work in reporting out this bill.

This bill contains funding to preserve vital wilderness areas and operate our National Park System by appropriating money for the National Park Service, the Bureau of Land Management, the Fish and Wildlife Service as well as the Forest Service. It also continues important funding for the development of clean coal technology.

This bill also contains $220 million for the Land and Water Conservation which is used to purchase land for parks, forests, wildlife refuges, and other lands important for recreation, conservation, and enhancing habitat for wildlife.

I also appreciate the committee's inclusion of $1 million for land acquisition in the Chattahoochee River National Recreation Area.

I applaud the committee's decision to include in the bill a prohibition on leasing, drilling and exploration in Bristol Bay, AK, and three areas off the coast of California as well as continuation of previous moratoria in the Georges Banks-North Atlantic areas and the eastern Gulf of Mexico area near the Florida Keys. The oilspill in Alaska has graphically demonstrated the oil industry's and the Federal Government's inadequacy to respond to a spill, and the necessity to protect fragile ocean areas from similar environmental catastrophe. I look forward to working with my colleagues to protect these vital areas.

Mr. DANNEMEYER. Mr. Chairman, I want to voice my opposition to language contained in H.R. 2788 which severely restricts Outer Continental Shelf [OCS] drilling. It perplexes me that year after year we, who understand the importance of the Federal OCS Program and its vital role in providing our Nation's future energy needs, must continue to watch the opposition implement moratoria in order to block the development of our rich domestic offshore resources. It makes no sense.

California is living proof that a balance between the sensitive legitimate environmental interests and growing demand for domestic energy development is possible. Offshore drilling in California State tidelands began in 1894 near Santa Barbara. The Federal program began in 1954. Since its inception in California, over 4,500 wells have been drilled in Federal and State waters in a 225-mile window between San Luis Obispo and Huntington Beach. State waters now contain 14 platforms and Federal waters contain 21 platforms. In 1988, 28,000 of the total 969,000 barrels of oil produced in California per day came from offshore California. While this activity is taking place, the fishing, tourist, and recreational industries are flourishing.

While we dally with moratoria year after year, Mother Nature marches on. Domestic production of oil and natural gas is steadily declining each year as fields are depleted. Over the last 4 years, consumption is up, domestic production is at its lowest point in a quarter of a century, and costly imports are back on the rise. We hit the 37-percent import level in 1988. Projections of future import levels are even more ominous. The Energy Information Administration has spoken in terms of oil imports providing 52 percent by 1995 and 55 percent by the year 2000, exceeding the 1977 high of 46.5 percent. These percentages mask the damage to our balance of payments and rate of inflation and our national security caused by oil imports. A July 6, 1989, Washington Post editorial stated:

> Of the four recent oil spills, three resulted from the incompetent navigation of ships, and the fourth involved a collision between a ship and a barge. The only connection to offshore drilling seems to be the committee's conviction that oil is messy stuff and the oil companies are not to be trusted. But the oil companies are right about one thing. Less oil produced in this country and along its coasts means more oil being imported in the kinds of tankers that have lately been running aground here and there.

In a letter from the Secretary of Energy dated July 11, 1989, Admiral Watkins articulates his strong opposition to the imposition of the ban on leasing activities indicating that they are inconsistent with national energy security objectives. He defends his position by stating,

> There is little question that safeguarding our environment must be the watchword of every policy decision we make. But the banning of offshore drilling will probably result in more oil being transported by tankers, many of them foreign owned and operated, which have already cost our fragile coastlines dearly. More than 98 percent of the oil produced offshore is transported by pipeline, not tanker. Pipeline transport has been demonstrated over many years and many millions of miles of experience to be an extremely low environmental risk, especially when compared to tanker transport * * * The moratoria do not solve the problem of tanker oil spills. Instead they provide a policy that will probably result in increased tanker traffic and greater environmental risk to our coastlines. They will also exacerbate our dependence on foreign oil and worsen our trade deficit. Such actions should be reversed.

Studies indicate that oil platforms are at the bottom of the list of all sources of oil pollution in the oceans, at less than 2 percent. No major oil spill has occurred on the Federal OCS in 20 years. In 1986, 351 million barrels of oil were produced offshore but only 610 barrels spilled—less than 0.000002 percent. There is an ironic twist to the argument that offshore development should be halted because of tanker mishaps. Oil tankers, which carry imported oils, are the main cause of oil spills at 45 percent. Yet, those who oppose further development would leave us more vulnerable to tankers plying our coastal waters.

Between 1954 and 1987, Federal OCS wells produced 7.9 billion barrels of oil and 79.2 trillion cubic feet of natural gas. The U.S. Geological Survey estimates that the Federal OCS contains another 35.1 billion barrels of oil. The California OCS could potentially hold more than 4 billion barrels of the estimated Federal resource.

Economic benefits reaped from offshore development defend its continued and expanded development. Drilling platforms serve as artifical reefs and catches have greatly increased in areas where oil companies have operated for decades. Mussels that feed on the platforms in the Santa Barbara Channel are considered to be among the highest quality mussels in the world.

It is estimated that 1 million jobs depend on over $7 billion that is generated by tourism in Southern California. It is difficult to argue that oil platforms affect tourism when millions of people flock to the beaches of areas with considerable offshore development including Santa Barbara, Ventura County, Long Beach, and Huntington Beach.

Lease bonuses, rents and royalties from Federal OCS Production poured $86 billion into Federal coffers from 1954 to 1987. States benefit from Federal OCS revenues which are the principal source of funds in the form of revenue sharing and grants for parks and recreational facilities. Since 1965, more than $6.8 billion from the fund have been distributed to the 50 States. In 1986, coastal States received $1.5 billion as their share of accumulated revenues generated from Federal oil and gas leases next to State water. California's share in 1986 was $338 million and the State will receive $290 million of an additional $650 million that are expected to be distributed to coastal States over the next 15 years.

New jobs are created as a result of OCS development for every 10 jobs created offshore, 37 are created onshore. In 1981, Federal OCS development created 700,000 American jobs—only 54,000 were actually on the OCS. States far from the coast benefit because they supply large portions of industry goods that are used in offshore development.

California is living proof that offshore development is consistent with the use of the coastline. The OCS is a national resource and should be treated as such. In this time of rising prices and dependence on imported oil, offshore development is essential and it must continue. I urge you to consider this when casting your vote on H.R. 2788.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Ms. PELOSI. Mr. Chairman, I want to commend Chairman YATES, members of the Subcommittee on Interior and their staffs for developing a fair and reasonable response to the needs of the Department of the Interior and other related agencies.

By far, one of the most important results of the subcommittee and full committee deliberations was the decision to grant a moratorium, for the first time, on pre-leasing activities off the California coast. Pre-leasing activities for lease sale 119, located between the Sonoma/Mendocino County border and Monterey Bay, will be banned. This area surrounds two critical environmental areas where national marine sanctuaries exist near the district I represent. In addition, there is an almost continuous greenbelt of State and national park areas along the coastal border for lease sale 119.

Unfortunately, pre-leasing areas were not included in the President' OCS Task Force. The action of the Committee on Appropriations allows California's coastal representatives to continue the process of reviewing these lease and pre-lease areas with the Department of the Interior in a cautious and responsible manner. The restrictions on pre-leasing activities apply only to formal steps identified by the Department of the Interior as part of the actual lease sale process. This provision allows all parties to consider a longer-term evaluation of the consequences of the surrounding lease sales 91 and 95 on lease sale 119. The committee recognized the important interrelated characteristics of these coastal areas and I applaud their endeavors to encourage a more comprehensive view of California's lease and pre-lease activities.

After reviewing 2,200 items, I think Chairman YATES and members of the subcommittee should be commended for their accomplishment in presenting a balanced bill to the House today. Our parks, public lands and other threatened natural resources are better off for their efforts.

I urge my colleagues to support H.R. 2788.

Mr. FRENZEL. Mr. Chairman, I would like to discuss today a problem which has plagued the budget process since it began in 1974. The issue is scorekeeping—how do you measure a bill which is brought to the floor against the budget resolution. So often we are faced with the problem that the House Budget Committee says one thing and OMB says another.

We are faced with this problem again today, even though we worked hard in the budget summit this year to avoid such a situation by establishing a list of accounts which would be discretionary and mandatory. This distinction has become very important now that we are operating under domestic discretionary cap.

According to official House Budget Committee scorekeeping this Interior appropriations bill is below the 302(b) subcommittee allocation for new discretionary budget authority by $2 million. Therefore, no Budget Act problems exist with this bill. OMB, however, states that this bill is over the 302(b) subcommittee allocation of new discretionary budget authority by $365 million. The major reason for this discrepancy is that OMB classifies part of the firefighting account as discretionary and part as mandatory. House budget scoring, on the other hand, places the entire firefighting account in the mandatory category.

As part of the 1990 bipartisan budget agreement, a list was derived of all accounts which would be considered discretionary, mandatory or split. There was agreement that firefighting would be mandatory, but now CBO, the Senate Budget Committee and OMB all have different interpretations.

Now the issue has been raised, what is firefighting? Should presuppression costs, such as training costs, within the firefighting account be considered discretionary spending such as OMB wants? Should only reimbursements for prior year firefighting costs be considered mandatory as the Senate wants? Or should the entire firefighting account be mandatory as is the case in House scoring? To me, the rule of reason suggests that at least some of the costs are discretionary.

Even if this bill is judged by CBO to be OK, it will raise the deficit above what OMB anticipated, and above the level I thought we had agreed on, because the bipartisan budget agreement contained no limitation on mandatory spending. The shift of firefighting from a discretionary to a mandatory allows the mandatory total to rise, but the discretionary total does not decrease. In the Congress nothing is even contained or reduced.

I must emphasize that the problem is not of the subcommittee's creation. Chairman YATES and his subcommittee are performing up to CBO standards. The problem stems from an imperfect understanding during the budget summit. My vote against this bill is not against the subcommittee's work, but against the process.

We have come a long way in reaching agreement on such technical issues between the House, the Senate and OMB. It is my hope that during the next budget summit all loose ends such as this can be agreed upon so that it will not be necessary to raise these "green eye shade" issues on the floor which are both difficult to understand and difficult to explain, and, worse, very hard on the deficit.

Mr. CRAIG. Mr. Chairman, I support the measure before us because it is important for my State of Idaho and other Western States.

This measure will allow the Department of the Interior, the Bureau of Land Management, the National Park Service, and related organizations to continue caring for our public lands.

When you come from a State like Idaho where nearly two-thirds of the land mass is public land, you know how important this is.

From the Birds of Prey Natural Area in central Idaho to the City of Rocks National Reserve in the south, this measure will allow us to protect and enhance some of our most prized natural resources. It will also supply needed funds for fighting forest fires, for forestry research at the University of Idaho and for watershed management near Boise.

While there may be a need for limited amendments, this measure meets the budget guidelines and I support its passage.

The CHAIRMAN. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, $446,296,000, of which the following amounts shall remain available until expended: not to exceed $1,200,000, to be derived from the special receipt account established by section 4 of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-6a(i)), and $22,903,000 for the Automated Land and Mineral Record System Project: *Provided,* That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors.

FIREFIGHTING

For necessary expenses for emergency rehabilitation, forest firefighting, fire presuppression, and other emergency costs on National Forest System and Department of the Interior lands, $740,393,000, to remain available until expended, of which $96,716,000 is for the Bureau of Land Management, $2,800,000 is for the United States Fish and Wildlife Service, $21,319,000 is for the National Park Service, $67,025,000 is for the Bureau of Indian Affairs, and $552,533,000 is for the Forest Service: *Provided,* That such funds are to be available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, $2,400,000, to remain available until expended: *Provided,* That necessary procurement documents for construction of the Oregon Trail Visitor Center at Flagstaff Hill, Oregon shall be issued at a time that will permit issuance of a construction contract in February, 1991.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901-07), $105,000,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94-579 including administrative expenses and acquisition of lands or waters, or interest therein, $13,490,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources

and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $64,787,000, to remain available until expended: *Provided*, That the amount appropriated herein for road construction shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further*, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876): *Provided further*, That notwithstanding any other provision of law, the Secretary of the Treasury is directed to make available to the Secretary of the Interior, to remain available until expended, an amount equal to 50 per centum of timber receipts received by the Treasury from the harvesting of timber on the revested Oregon and California Railroad grant lands and the Coos Bay Wagon Road grant lands during fiscal year 1989 in excess of $174,800,000, the 1989 Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands timber receipts contained in the President's budget proposal for fiscal year 1990: *Provided further*, That this estimate of 1989 receipts shall not be subject to adjustment for the purposes of this section: *Provided further*, That such funds shall be made available concurrent with payment of fiscal year 1989 receipt amounts to counties during fiscal year 1990, and shall be in addition to any funds appropriated in this Act: *Provided further*, That this transaction will not affect, diminish, or otherwise alter the payments to be made on the basis of these receipts in accordance with the Acts of August 28, 1937 (43 U.S.C. 1181f(a)) and May 24, 1939 (43 U.S.C. 1181f-1): *Provided further*, That funds made available to the Secretary of the Interior pursuant to this provision shall be used for necessary expenses relating to the Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands for reforestation and forest development and timber management: *Provided further*, That not later than 30 days after the submission of the President's fiscal year 1991 budget, the Director of the Bureau of Land Management shall provide a report to the House and Senate Committees on Appropriations on the final amount and distribution of funds made available under this provision and shall include an assessment of resource outputs to be produced in fiscal year 1990, fiscal year 1991, and subsequent years, using funds made available under this provision, and a comparison of the outputs for the program areas listed, achieved in fiscal year 1990 and proposed for fiscal year 1991, with the output levels described in Bureau of Land Management resource management plans in effect at the time of the report required by this provision.

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than $8,406,000, to remain available until expended: *Provided*, That not to exceed $600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93-153, to be immediately available until expended: *Provided*, That notwithstanding any provision to the contrary of subsection 305(a) of the Act of October 21, 1976 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that subsection, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to subsection 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this or subsequent appropriations Acts by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such forfeiture, compromise, or settlement are used on the exact lands damage to which led to the forfeiture, compromise, or settlement: *Provided further*, That such moneys are in excess of amounts needed to repair damage to the exact land for which collected.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $25,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided*, That appropriations herein made for Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further*, That appropriations herein made may be expended for surveys of Federal lands and on a reimbursable basis for surveys of Federal lands and for protection of lands for the State of Alaska: *Provided further*, That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed: *Provided further*, That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Bureau: *Provided further*, That notwithstanding section 5901(a) of title 5, United States Code, the uniform allowance for each uniformed employee of the Bureau of Land Management shall not exceed $400 annually: *Provided further*, That notwithstanding the provisions of the Federal Grants and Cooperative Agreements Act of 1977 (31 U.S.C. 6301-6308), the Bureau is authorized to negotiate and enter into cooperative arrangements with public and private agencies, organizations, institutions, and individuals, to implement challenge cost-share programs.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $375,370,000 of which $5,500,000, to carry out the purposes of 16 U.S.C. 1535, shall remain available until expended; and of which $8,001,000 shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, and which shall remain available until expended; and of which $1,000,000 shall be for contaminant sample analysis, and shall remain available until expended.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; $30,457,000 to remain available until expended, of which $2,000,000 shall be available for expenses to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757g).

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, $65,790,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $7,645,000.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 187 passenger motor vehicles, of which 180 are for replacement only (including 77 for police-type use); not to exceed $400,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service, and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That the United States Fish and Wildlife Service may accept donated aircraft as replacements for existing aircraft: *Provided further*, That notwithstanding any other provision of law, only those personnel and administrative costs directly related to acquisition of real property shall be charged against the Migratory Bird Conservation Account.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $464,000 for the Roosevelt Campobello International Park Commission, and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $774,179,000, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), of which not to exceed $55,500,000 to remain available until expended is to be derived from the special fee account established pursuant to title V, section 5201, of Public Law 100-203: *Provided*, That the National Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: *Provided further*, That of the funds provided herein, $500,000 is available for the National Institute for the Conservation of Cultural Property: *Provided further*, That no fewer than 90 full-time equivalent positions may be assigned to Cuyahoga Valley National Recreation Area, Ohio.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, $16,029,000.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $30,500,000 to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1990: *Provided*, That the Trust Territory of the Pacific Islands is a State eligible for Historic Preservation Fund matching grant assistance as authorized under 16 U.S.C. 470w(2): *Provided further*, That pursuant to section 105(1) of the Compact of Free Association, Public Law 99-239, the Federated States of Micronesia and the Republic of the Marshall Islands shall also be considered States for purposes of this appropriation.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), $174,210,000, to remain available until expended: *Provided*, That for payment of obligations incurred for continued construction of the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87, $12,000,000 to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended, such contract authority to remain available until expended.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1990 by 16 U.S.C. 460l-10a is rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $81,016,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, including $3,300,000 to administer the State Assistance program: *Provided*, That of the amounts previously appropriated to the Secretary's contingency fund for grants to States, $406,000 shall be available in 1990 for administrative expenses of the State grant program.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $15,193,000, of which $10,000,000 shall remain available until expended.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 386 passenger motor vehicles, of which 332 shall be for replacement only, including not to exceed 285 for police-type use, 17 buses, and 5 ambulances; to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: *Provided*, That any no year funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: *Provided further*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: *Provided further*, That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses: *Provided further*, That notwithstanding any other provision of law, the National Park Service may recover unbudgeted costs of providing necessary services associated with special use permits, such reimbursements to be credited to the appropriation current at that time: *Provided further*, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; $486,931,000, of which $59,783,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided*, That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 27 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in Public Law 95-224.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; $175,066,000, of which not less than $52,601,000 shall be available for royalty management activities: *Provided*, That notwithstanding any other provision of law, funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721 (b) and (d): *Provided further*, That not to exceed $3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine clean-up activities: *Provided further*, That of the above enacted amounts, up to $250,000 proposed for data gathering to help determine the boundary between State and Federal lands offshore of Alaska shall be available only if an equal amount is provided by the State of Alaska from State revenues to match the Federal support for this project: *Provided further*, That notwithstanding any other provision of law, $105,231 under this head shall be available for refunds of overpayments made by Samedan Oil Corporation in connection with certain Indian leases in Oklahoma (Case No. MMS-85-0135-IND before the Director of the Minerals Management Service) and by Bow Valley Petroleum Corporation and Mapco in connection with certain Indian leases in Utah in which the Director concurred with the claimed refund due: *Provided further*, That notwithstanding any other provision of law, $128,033,000 shall be deducted from Federal onshore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury and shall be credited to miscellaneous receipts of the Treasury.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations, and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal, and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $161,876,000, of which $97,885,000 shall remain available until expended: *Provided*, That none of the funds in this or any other Act may be used for the closure or consolidation of any research centers or the sale of any of the helium facilities currently in operation.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not to exceed 14 passenger motor vehicles, of which 9 shall be for replacement only; and uniform allowances of not to exceed $400 for each uniformed employee of the Office of Surface Mining Reclamation and Enforcement; $101,228,000, and notwithstanding 31 U.S.C. 3302, an additional amount, to remain available until expended, equal to receipts to the General Fund of the Treasury from performance bond forfeitures in fiscal year 1990: *Provided*, That notwithstanding any other provision of law, the Secretary of the Interior, pursuant to regulations, may utilize directly or through grants to States, moneys collected in fiscal year 1990 pursuant to the assessment of civil penalties under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: *Provided further*, That the Secretary of the Interior shall abide by and adhere to the terms of the Settlement Agreement in NWR v. Miller, C.A. No. 86-99 (E.D. Ky.), and not take any actions inconsistent with the provisions of footnote 3 of the Agreement with respect to any State or Federal program: *Provided further*, That the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 21 passenger motor vehicles, of which 15 shall be for replacement only, $192,772,000 to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: *Provided*, That pursuant to Public Law 97-365, the Department of the Interior is authorized to utilize up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further*, That of the funds made available to the States to contract for reclamation projects authorized in section 406(a) of Public Law 95-87, administrative expenses may not exceed 15 per centum: *Provided further*, That none of these funds shall be used for a reclamation grant to any State if the State has not agreed to participate in a nationwide data system established by the Office of Surface Mining Reclamation and Enforcement through which all permit applications are reviewed and approvals withheld if the applicants (or those who control the applicants) applying for or receiving such permits have outstanding State or Federal air or water quality violations in accordance with section 510(c) of the Act of August 3, 1977 (30 U.S.C. 1260(c)), or failure to abate cessation orders, outstanding civil penalties associated with such failure to abate cessation orders, or uncontested past due Abandoned Mine Land fees: *Provided further*, That the Secretary of the Interior may deny 50 per centum of an Abandoned Mine Reclamation Fund grant, available to a State pursuant to title IV of Public Law 95-87, in accordance with the procedures set forth in section 521(b) of the Act, when the Secretary determines that a State is systematically failing to administer adequately the enforcement provisions of the approved State regulatory program. Funds will be denied until such time as the State and Office of Surface Mining Reclamation and Enforcement have agreed upon an explicit plan of action for correcting the enforcement deficiency. A State may enter into such agreement without admission of culpability. If a State enters into such agreement, the Secretary shall take no action pursuant to section 521(b) of the Act as long as the State is complying with the terms of the agreement: *Provided further*, That expenditure of moneys as authorized in section 402(g)(3) of Public Law 95-87 shall be on a priority basis with the first priority being protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices, as stated in section 403 of Public Law 95-87: *Provided further*, That 23 full-time equivalent positions are to be maintained in the

Anthracite Reclamation Program at the Wilkes-Barre Field Office.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements, and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, $1,065,574,000, including $77,000,000 for conversion of tribal contracts and agreements to a calendar year basis as authorized by section 204(d)(1) of Public Law 100-472 (100 Stat. 2291), and of which not to exceed $71,393,000 for higher education scholarships, adult vocational training, and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1991, and of which $2,180,000 for litigation support shall remain available until expended, and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1991: *Provided*, That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs unless the tribe(s) and the Bureau of Indian Affairs enter into a cooperative agreement for consolidated services; and for expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640d-18(a)), $1,002,000, to remain available until expended: *Provided further*, That none of the funds appropriated to the Bureau of Indian Affairs shall be expended as matching funds for programs funded under section 103(b)(2) of the Carl D. Perkins Vocational Education Act: *Provided further*, That $200,000 of the funds made available in this Act shall be available for cyclical maintenance of tribally owned fish hatcheries and related facilities: *Provided further*, That none of the funds in this Act shall be used by the Bureau of Indian Affairs to transfer funds under a contract with any third party for the management of tribal or individual Indian trust funds until the funds held in trust for such tribe or individual have been audited and reconciled, and the tribe or individual has been provided with an accounting of such funds: *Provided further*, That $250,000 of the amounts provided for education program management shall be available for a grant to the Close Up Foundation: *Provided further*, That if the actual amounts required in this account for costs of the Federal Employee Retirement System in fiscal year 1990 are less than amounts estimated in budget documents, such excess funds may be transferred to "Construction" and "Miscellaneous Payments to Indians" to cover the costs of the retirement system in those accounts.

CONSTRUCTION

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; maintenance of Indian reservation roads as defined in section 101 of title 23, United States Code; and construction, repair, and improvement of Indian housing, $134,379,000, to remain available until expended: *Provided*, That $1,000,000 of the funds made available in this Act shall be available for rehabilitation of tribally owned fish hatcheries and related facilities: *Provided further*, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: *Provided*, That not to exceed 6 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau of Indian Affairs: *Provided further*, That hereafter, notwithstanding any other provision of law, amounts collected from grantees by the Secretary as grant repayments required under the Secretary's regulations for the Housing Improvement Program shall be credited in the year collected and shall be available for obligation under the terms and conditions applicable to the Program under that year's appropriation: *Provided further*, That all obligated and unobligated balances of "Road Construction" shall be merged with "Construction".

MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals pursuant to Public Laws 98-500, 99-264, 99-503, 100-383, 100-512, 100-675, 100-580, and 100-585, including funds for necessary administrative expenses, $191,864,000, to remain available until expended, of which not to exceed $12,700,000 is made available to the Tohono O'Odham Nation for purposes authorized in the Gila Bend Indian Reservation Lands Replacement Act, Public Law 99-503.

REVOLVING FUND FOR LOANS

During fiscal year 1990, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed resources and authority available.

INDIAN LOAN GUARANTY AND INSURANCE FUND

For payment of interest subsidies on new and outstanding guaranteed loans and for necessary expenses of management and technical assistance in carrying out the provisions of the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), $4,767,000, to remain available until expended: *Provided*, That during fiscal year 1990, total commitments to guarantee loans pursuant to the Indian Financing Act of 1974, as amended, may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed resources and authority available.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits, and purchase of not to exceed 162 passenger carrying motor vehicles, of which not to exceed 115 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, $76,789,000, of which (1) $72,843,000 shall be available until expended for technical assistance; maintenance assistance; late charges and payments of the annual interest rate differential required by the Federal Financing Bank, under terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law (Public Law 98-454; 98 Stat. 1732); grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for support of governmental functions; construction grants to the Government of the Virgin Islands as authorized by Public Law 97-357 (96 Stat. 1709); grants and construction grants to the Government of Guam, as authorized by law (Public Law 98-454; 98 Stat. 1732); grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241; 90 Stat. 272); and (2) $3,946,000 for salaries and expenses of the Office of Territorial and International Affairs: *Provided*, That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 99-396, except that should the Secretary of the Interior believe that the performance standards of such agreement are not being met, operations funds may be withheld, but only by Act of Congress as required by Public Law 99-396: *Provided further*, That $710,000 of the amounts provided for technical assistance shall be available for a grant to the Close Up Foundation.

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495); grants to the Trust Territory of the Pacific Islands, in addition to local revenues, for support of governmental functions; $34,102,000, including $3,000,000 to reduce the accumulated deficit of the former Trust Territory Government: *Provided*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with chapter 35 of title 31, United States Code: *Provided further*, That the government of the Trust Territory of the Pacific Islands is author-

ized to make purchases through the General Services Administration: *Provided further*, That all Government operations funds appropriated and obligated for the Republic of Palau under this account for fiscal year 1990, shall be credited as an offset against fiscal year 1990 payments made pursuant to the legislation approving the Palau Compact of Free Association (Public Law 99-658), if such Compact is implemented before October 1, 1990: *Provided further*, That any unobligated balances for Palau government operations that remain available on the date of Compact implementation shall be used by the Department of the Interior to reduce the accumulated deficit of the Trust Territory Government.

COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, $24,760,000, to remain available until expended, as authorized by Public Law 99-239: *Provided*, That notwithstanding the provisions of Public Laws 99-500 and 99-591, the effective date of the Palau Compact for purposes of economic assistance pursuant to the Palau Compact of Free Association, Public Law 99-658, shall be the effective date of the Palau Compact as determined pursuant to section 101(d) of Public Law 99-658.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of the Interior, $51,295,000, of which not to exceed $10,000 may be for official reception and representation expenses: *Provided*, That none of the funds under this head are available for an office for the Secretary of the Interior outside Washington, D.C.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $25,325,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, $20,737,000.

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, $1,800,000.

OILSPILL EMERGENCY FUND

Funds made available under this head by the "Dire Emergency Supplemental Appropriations and Transfers, Urgent Supplementals, and Correcting Enrollment Errors Act of 1989" shall be available up to a limit equivalent to the amount of funds appropriated by said Act for contingency planning, response, and natural resource damage assessment activities related to any discharge of oil in waters of the United States upon a determination by the Secretary of the Interior that such funds are necessary for the protection or restoration of natural resources under his jurisdiction.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 11 aircraft, 7 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: *Provided further*, That all funds used pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, or volcanoes; for contingency planning subsequent to actual oilspills, response and natural resource damage assessment activities related to actual oilspills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon Cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That all funds used pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. None of the funds appropriated herein or hereafter or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.

SEC. 108. Notwithstanding any other provisions of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

SEC. 109. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

SEC. 110. No funds provided in this title may be expended by the Department of the Interior for the conduct of leasing, or the approval or permitting of any drilling or other exploration activity, on lands within the Eastern Gulf of Mexico planning area of the Department of the Interior which lie south of 26 degrees North latitude and east of 86 degrees West longitude.

SEC. 111. No funds provided in this title may be expended by the Department of the Interior for the conduct of leasing, or the approval or permitting of any drilling or other exploration activity, on lands within the North Aleutian Basin planning area.

SEC. 112. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities (including but not limited to: calls for information, tract selection, environmental impact statements, notices of sale, receipt of bids and award of leases), or the approval or permitting of any drilling or other exploration activity within the area identified by the Department of the Interior in the Draft Environmental Impact Statement (MMS 87-0032) for Lease Sale 91 in the Northern California planning area issued December, 1987; in the Calls for Information for Lease Sale 95 in the Southern California planning area, published in the Federal Register on July 9, 1987 (52 Fed. Reg. 25956) and November 17, 1988 (53 Fed. Reg. 46590); or in the Call for Information for Lease Sale 119 in the Central California planning area, published in the Federal Register on November 16, 1988 (53 Fed. Reg. 46422).

SEC. 113. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and

leasing activities (including but not limited to: calls for information, tract selection, environmental impact statements, notices of sale, receipt of bids and award of leases) or the approval or permitting of any drilling or other exploration activity within an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree West longitude line south along that longitude line to its intersection with the line which passes between blocks 423 and 467 on Outer Continental Shelf protraction diagram NK 19-10; then southwesterly along a line 50 miles seaward of the States of Rhode Island, Connecticut, New York, New Jersey, Delaware, and Maryland to its intersection with the 38 degree North latitude line; then westerly along the 38 degree North latitude line until its approximate intersection with the seaward limit of the State of Maryland territorial sea; then northeasterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degree West longitude line.

SEC. 114. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities (including but not limited to: calls for information, tract selection, environmental impact statements, notices of sale, receipt of bids and award of leases) of lands described in, and under the same terms and conditions set forth in section 107 of the Department of the Interior and Related Agencies Appropriations Act, 1986, as contained in Public Law 99-190; or of lands within the 400 meter isobath surrounding Georges Bank, identified by the Department of the Interior as consisting of the following blocks: in protraction diagram NJ 19-2, blocks numbered 12-16, 54-55 and 57-58; in protraction diagram NK 19-5, blocks numbered 744, 788, 831-832, and 1005-1008; in protraction diagram NK 19-6, blocks numbered 489-491, 532-537, 574-576, 578-581, 618-627, 661-662, 664-671, 705-716, 749-761, 793-805, and 969-971; in protraction diagram NK 19-8, blocks numbered 37-40, 80-84, 124-127, and 168-169; in protraction diagram NK 19-9, blocks numbered 13-18, 58-63, 102-105, 107-108, 146-149, 151-152, 191-193, 195-197, 235-237, 240-242, 280-282, 284-286, 324-331, 368-376, 412-420, 456-465, 500-510, 543-554, 587-594, 596-599, 631-637, 640-644, 675-688, 718-733, 762-778, 805-821, 846-865, 887-891, 894-908, 930-950, and 972-994; in protraction diagram NK 19-10, blocks numbered 474-478, 516-524, 560-568, 604-612, 647-660, 692-704, 737-748, 787-792, 830-836, 873-880, 967-968, and 1011-1012; in protraction diagram NK 19-11, blocks numbered 621-632, 665-676, 700, 709-720, 744, 753-764, 785, 797-808, 825-827, 841-852, 856-860, 869, 890-905, 907-909, 929-931, 941-945, 947-949, 973-975, and 985-989; and in protraction diagram NK 19-12, blocks numbered 452-456, 495-499, 536-537, 539-541, 575-577, 579-582, 617-621, 623-624, 661-662, 664-665, and 705-706.

SEC. 115. Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334) is amended by adding at the end the following section:

"(j)(1) Any vessel, rig, platform, or other structure used for the purpose of exploration or production of oil and gas on the Outer Continental Shelf south of 49 degrees North latitude shall be built—

"(A) in the United States either by a United States chartered corporation or by a joint venture between a United States chartered corporation and a foreign corporation, with at least 50 per centum of total person hours expended in the United States; and

"(B) from articles, materials, or supplies at least 50 per centum of which by cost, shall have been produced or manufactured, as the case may be, in the United States.

"(2) The requirements of paragraph (1) shall not apply to any vessel, rig, platform, or other structure which was built, or for which a building contract has been executed, on or before October 1, 1989, and shall expire with respect to any vessel, rig, platform, or other structure for which either the bidding or award process has commenced on or after September 30, 1993.

"(3) The Secretary may waive—

"(A) the requirement in paragraph (1)(B) whenever the Secretary determines that 50 per centum of the articles, materials, or supplies for a vessel, rig, platform, or other structure cannot be produced or manufactured, as the case may be, in the United States; and

"(B) the requirement in paragraph (1)(A) upon application, with respect to any classification of vessels, rigs, platforms, or other structures on a specific lease, when the Secretary determines that at least 50 per centum of such classification, as calculated by number and by weight, which are to be built for exploration or production activities under such lease will be built in the United States in compliance with the requirements of paragraph (1)(A).".

SEC. 116. Notwithstanding any prior designation by the Secretary of the Interior pursuant to section 17 of Public Law 100-440 (102 Stat. 1743), the Bureau of Mines headquarters operation is to be relocated to Avondale, Maryland, no later than 90 days after the Administrator of General Services determines that design and alteration of the facility is completed: *Provided*, That no funds in this Act may be expended for the consolidation of the Office of Surface Mining, Reclamation, and Enforcement at the Avondale facility.

SEC. 117. None of the funds made available by this Act may be used for the implementation or financing of agreements or arrangements with entities for the management of all lands, waters, and interests therein on Matagorda Island, Texas, which were purchased by the Department of the Interior with Federally appropriated amounts from the Land and Water Conservation Fund.

SEC. 118. The provision of section 117 shall not apply if the transfer of management or control is ratified by law.

SEC. 119. Section 4(7)(D) of Public Law 100-497 (102 Stat. 2469) is amended by striking the words "1-year" and inserting after the first "Act" in the subsection "and continuing for 365 days from the date on which the Governor of a State provides written notice to Indian tribes which have requested compact negotiations, that the State has a duly authorized negotiator or negotiating team ready to commence compact negotiations with that tribe".

SEC. 120. None of the funds available under this title may be used to prepare reports on contacts between employees of the Department of the Interior and Members and Committees of Congress and their staff.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that the bill be read by titles, and that title I be considered as read, printed in the RECORD, and open to amendment at any point.

Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there points of order against title I?

Are there amendments to title I of the bill?

Mr. VENTO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Interior Appropriations Act. I commend Chairman YATES, the ranking member, Congressman REGULA, the members of the Interior Appropriations Subcommittee, and the members of the full Appropriations Committee for the fine work they did on this bill. I particularly appreciate the funding increases they included for key programs of the Forest Service, National Park Service, and Bureau of Land Management. These agencies manage one-third of our Nation's lands and this bill would strengthen significantly their ability to protect and manage these lands that are so important to America's environmental and economic health.

For 8 years the funds to manage our national parks, national forests, and public lands have declined dramatically resulting in unacceptable damage to the natural resources under the stewardship of the Federal Government. Because of Chairman YATES' leadership, the Interior Appropriations Act for fiscal year 1989 reversed this trend and provided important increases for natural resource programs. The 1990 Interior Appropriations Act before us today continues this positive trend by further increasing the funding for these programs. By including these increases, Chairman YATES and his subcommittee have been responsive to recommendations from the Committee on Interior and Insular Affairs. In February, the Interior Committee's Subcommittee on National Parks and Public Lands, which I chair, held 3 days of hearings on the administration's budget request for the Forest Service, National Park Service, and Bureau of Land Management. Based on information we received at these hearings, we developed budget recommendations for these agencies which were approved unanimously by the Interior Committee on February 25. On April 25, I testified before the Interior Appropriations Subcommittee and presented these recommendations to its members. Many of them have been incorporated into this bill and I want to thank Chairman YATES and his colleagues for their support and cooperation.

Mr. Chairman, I will now highlight a few of the provisions of the bill that would improve the management of our Federal lands.

FOREST SERVICE

The bill would provide significant increases in funding for the noncommodity programs of the Forest Service above the total 1989 appropriation even after one adds on the extra timber receipt funds which boosted 1989 funding for these programs. Recreation management would be increased by $4 million, wilderness management by $5 million, and wildlife and fish habitat management by $2 million. Because these noncommodity programs have been particularly hard hit in recent years, these increases are sorely needed. The bill also would finish paying back the entire $508 million fire debt caused by the severity of the 1987 and 1988 fire seasons. This money is owed to the Forest Service's Knutson-Vanderberg Trust Fund which is used for reforestation. Furthermore, the bill would increase funding for forest fire protection by $20 million which would finance projects to reduce fuel loads and which would hire and train additional fire crews.

The bill also would strengthen the Forest Service's role in solving the global tropical deforestation crisis. It gives the agency an additional $7 million for tropical forestry research and for technical assistance and training for tropical countries. Furthermore, the bill includes language that expands the Forest Service's authority to spend funds to provide technical assistance to other countries.

NATIONAL PARK SERVICE

The bill would strengthen the National Park Service by increasing its operations budget by $29 million over the 1989 appropriation. While addressing the needs of established national park units, this increase would also help fund the planning and operations of 13 new national park units designated during the last session of Congress, a study of the impacts of aircraft flying over national parks and an environmental impact statement on the reintroduction of wolves in Yellowstone National Park. The National Park Service's construction budget would be increased by $15 million which would help alleviate a $1.5 billion construction backlog in the national parks. The recreation and preservation budget would be increased by $1.4 million which would help the Park Service maintain its leadership role in many areas of the recreation, conservation, and preservation fields.

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management manages more land than any other agency and yet most of its programs are consistently underfunded. This bill would give them the BLM increases in almost every line item over the fiscal year 1989 appropriation. Land use planning is increased by $81,000, grazing by $1.2 million, soil, air, and water by $1 million, wildlife by $2.2 million, cultural resources by $115,000, and recreation by $3 million. The increases will be particularly helpful in funding the BLM's new fish and wildlife 2000 and recreation 2000 programs. The additional money for improvement of riparian areas will also pay big dividends in better resources.

Finally I would like to thank the Appropriations Committee, and Chairman YATES in particular, for the way this bill deals with paying for fighting fires on the Federal lands. By moving to up-front funding for these inevitable expenses, the committee has taken a big step toward honesty in budgeting, something that the Interior Committee has been recommending for many years. Unlike the administration's proposal for funding firefighting, this bill will not affect the revenues that the United States shares with State and local governments.

Mr. Chairman, it is clear that the bill before us today will do much to improve the management and protection of our national parks, national forests, and public lands. These Federal lands are a heritage of vital importance to present and future generations of Americans and this bill will enable us to be better stewards of this heritage. I urge my colleagues to join me in supporting its passage.

Mr. FIELDS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to express my strong opposition to H.R. 2788, a bill making appropriations for the Department of the Interior. I will vote against this legislation because of its unprecedented assault on the Federal Outer Continental Shelf oil and gas program.

Mr. Chairman, H.R. 2788 establishes pre- and post-lease moratoria on some 84 million acres of our Federal Outer Continental Shelf.

These moratoria make absolutely no sense from either an energy policy standpoint or from an environmental standpoint. By enacting moratoria, we will be condemning this Nation to an ever-increasing dependence on foreign oil and, ironically, a greater likelihood of more, not less, oilspills through increased transportation of oil on foreign tankers.

As the ranking minority member on the Merchant Marine and Fisheries' Subcommittee on the Outer Continental Shelf for the past 6 years, I have thoroughly reviewed every aspect of the Federal OCS Program. There is no question that the Federal lands under moratoria in this bill can be explored and developed in an environmentally sound manner. To date, more than 37,500 wells have been drilled in Federal and State waters. There has never been a blowout or a major oilspill from any exploratory well drilled in U.S. waters.

The Federal OCS Program has an outstanding environmental safety record. It is our Nation's safest energy extraction program. In fact, urban runoff dumps more oil into the ocean than offshore rigs.

In addition, it is significant to note that in 1978 Congress created the Offshore Oil Pollution Compensation Fund. This fund was designed to compensate victims of an offshore oilspill.

Mr. Chairman, the Coast Guard, which administers this fund, has never had to utilize it nor has it ever had to pay any damage claims.

By contrast, out of the 60 largest oilspills that have occurred in the waters of this Nation, only one was the result of OCS oil and gas activity. The remaining 59 oil spills were caused by tankers, the majority of which were carrying imported crude oil. The four recent oilspills from tankers, including the disastrous *Exxon Valdez* spill, clearly indicate that the real risk is in oil tanker transportation, not OCS development where the oil is generally transported back to land by pipeline.

Mr. Chairman, every Member of this body deeply regrets the Prince William Sound tragedy. It was a terrible accident that should have never occurred. Nevertheless, we must not confuse this tanker spill with the Federal OCS Program. This tanker spill has nothing to do with OCS exploration or development. They are two totally unrelated activities. And, to ban OCS development because of the *Exxon Valdez* is like shutting down our Nation's rail system because of an aviation accident. Even the environmentally sensitive Washington Post ran an editorial last week on July 6 criticizing the Appropriations' moratoria and stating,

> Less oil produced in this country means more oil being imported in the kinds of tankers that have been running aground here and there.

Mr. Chairman, I would suggest that instead of prohibiting OCS activity, the lesson from the *Valdez* is that we should be accelerating careful and safe OCS development because its resources are transported in pipelines which are far safer than tankers.

In fact, the great irony of this debate is that by establishing these moratoria the proponents of this language are placing our coastline at far greater risk and are making it more likely there will be a foreign oilspill off our shores.

The simple fact is that this Nation burns oil and if we are not going to get our energy resources from the OCS, then we are going to get them from Saudi Arabia, Iraq, or some other foreign source; and they are going to be transported on tankers which have caused 59 out of 60 of the largest oilspills.

In short, moratoria proponents are shooting at the wrong target. Perhaps what they should have done, instead

of prohibiting OCS activity, is prohibit tankers from traveling off their coasts. At least then they would be dealing with the source of the problem.

Mr. Chairman, I am also frankly disgusted that we continue to postpone critical energy decisions. After nearly 10 years, it is obvious that moratoria have not produced compromise or consensus. If Members are unhappy with the OCS Lands Act, then they should amend or repeal that law. It is time for the Appropriations Committee to get out of the moratorium business. It is simply not in this Nation's best interests to continue to rely on a year-by-year de facto energy policy based on moratoria.

Let me briefly highlight the most onerous provisions of this year's legislation. First, the bill establishes a series of prelease prohibitions that will prevent the Department of the Interior from conducting a whole range of activities, including environmental impact statements, on a number of upcoming lease sales.

Since H.R. 2788 already prohibits the actual lease sales themselves, it is counterproductive and, frankly, overkill to now prevent the Department from performing necessary prelease evaluations. For instance, under this language, the Department may not survey the industry to determine whether there is even any interest in an upcoming lease sale, and it may not conduct public hearings to determine which areas should be placed off limits to development. In short, this language is highly destructive to the overall viability of the program and the future of offshore leasing. It is irresponsible and the height of poor policymaking.

Second, this legislation once again extends the moratorium on lease sales 91, 95, and 116, despite the fact that President Bush has acted in good faith to resolve disputes through a task force created to review every aspect of these three lease sales. This more than anything exposes the political shenanigans of the proponents of moratoria. With a task force already in place, enacting further moratoria indicates to me that the sponsors are not interested in a serious policymaking debate. Rather, they will oppose leasing at any cost, for any reason, no matter what the statistics show or regardless of our energy needs.

Mr. Chairman, it is wrong not to allow the President's task force to go forward unimpeded by new leasing restrictions. Once the task force has completed its work, proponents and opponents of offshore activity will have sufficient opportunities to make their case to the respective authorizing committees. In short, the President of the United States has offered an olive branch on these three lease sales and moratoria proponents have turned a deaf ear.

Third, H.R. 2788 reestablishes a post-lease sale moratorium for certain Federal lands off the coast of Florida. By so doing, this bill has once again repeated a grievous breach of faith whereby the Federal Government prohibits activity on offshore lands already legally obtained at significant cost by our domestic offshore energy industry.

Mr. Chairman, this dangerous post-lease sale moratoria sends the worst possible signal to our domestic energy industry that the Federal Government is an unreliable partner, willing to unilaterally change the rules at any time.

Fourth, this legislation also prohibits OCS exploration on some 23 tracts which have been legally obtained in the Bristol Bay OCS region off the coast of Alaska.

Mr. Chairman, I find this language particularly offensive. During the past 15 years, the Department of the Interior has done everything possible to satisfy the concerns of the State of Alaska, including the removal of 83 percent of the proposed area. In addition, it delayed the sale for 12 years.

Since the actual lease sale in 1986, attempts have been made to stop exploration in the district court, the court of appeals of the ninth circuit, and the U.S. Supreme Court. In each instance, the Department has prevailed. Unfortunately, that does not seem to matter because moratoria proponents seem to think that what is good for California and Florida, must therefore, be good for Alaska. This language is bad for the United States and bad for the people of Alaska.

Finally, H.R. 2788 authorizes a study on how the Federal Government can buy back these Bristol Bay leases. I must tell you that I find this provision to be the most ludicrous of all. Where is the Federal Government going to come up with the more than $100 million plus interest to buy back these leases and how do we replace the lost energy resources which are calculated in excess of $3.3 billion?

In summary, this bill does such destruction to the Federal OCS Program that it must be rejected. Since 1953, the OCS has produced over 8 billion barrels of oil and nearly 83 trillion cubic feet of gas. It has contributed in excess of $90 billion to the Federal Treasury and it is estimated that it contains 35.1 billion barrels of additional oil. Without these resources, our Nation cannot begin to meet its energy needs. Unfortunately, H.R. 2788 locks up these resources for yet another year and even longer in those areas with prelease restrictions.

The House Appropriations Committee was given a choice. They could choose to have environmentally safe development on our Federal Outer Continental Shelf or they could mortgage our Nation's future energy security to the Middle East oil barons. Regrettably, they have chosen badly. As a result, we are now placing our coastal environments at greater risk by promoting increased tanker imports, an alternative which has proven—again and again—to be far more likely to result in oil spills.

If nothing else, today is the day of accountability. The people of this Nation must know that the next time there is an oil spill off their coasts, there are two culprits: the tanker company and those who have stopped our Nation's safest energy extraction program by establishing these misguided leasing moratoria.

I urge my colleagues to vote "no" on H.R. 2788 and to send a message to the Appropriations Committee that it is time to stop leasing moratoria off the coasts of California, Florida, Alaska, or anywhere else. These Federal lands, and the energy resources they may contain, belong to all Americans.

□ 1220

AMENDMENT OFFERED BY MR. DICKS

Mr. DICKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKS: On page 29, line 8, after "100-580," insert "101-41,".

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, this is a technical amendment, and we accept it.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we are in favor of the amendment and have no objection.

Mr. DICKS. Mr. Chairman, I am pleased to rise today in support of H.R. 2788, a bill to provide appropriations for the Interior Department and related agencies. I congratulate Chairman YATES for his thoughtful leadership in once again bringing to the floor a bill that is fair, balanced, and shows fiscal responsibility by staying within its outlay limitations. I also want to thank my colleague, Mr. REGULA, the ranking minority member on the Interior Appropriations Subcommittee, and the other members of the subcommittee for their cooperation in moving this legislation forward.

The $11 billion package contains many funding initiatives that will serve the best interests of the citizens of this Nation. I am particularly pleased that the bill contains $77.25 million to implement the Federal share of the Puyallup Indian settlement, an agreement that will have great impact on the future of my congressional district. The proposed agreement, which took almost 5 years to completely negotiate, is a landmark agreement that directly impacts greater metropolitan Tacoma, WA, Pierce County and its surrounding municipalities, and the Port of Tacoma. This carefully negotiated agreement is a comprehensive and

balanced package that is fair to all sides. It will resolve once and for all, the longstanding land claims and jurisdictional disputes which have hindered development and clouded residential and commercial properties.

Without the settlement the affected community will face a highly uncertain future. Questions as fundamental as police authority, the power and obligation to tax, the obligation to protect the health and welfare of the public, zoning authority, business regulations, and other fundamental jurisdictional matters will remain unclear and subject to dispute. Furthermore, tribal claims against the ownership of lands means that the sale, transfer, and investment in such lands will remain significantly impaired, having a dramatic negative effect upon the development of business and industry.

The settlement is valued at $161.844 million, with a Federal share of $77.25 million, a figure which is below 50 percent of the total. Several direct benefits will be provided to the tribal membership, including: the acquisition of land, economic development and job training activities, fisheries enhancement, housing rehabilitation, and support for social needs such as health care, day care, and education.

This agreement will serve as a catalyst for cooperation in a community that has faced a long history of divisiveness and conflict. Beyond a negotiated settlement, the only means available to the tribe and non-Indian community to resolve these disputes is through the court system. However, years of costly litigation could only lead to new tensions and further alienation between the parties. Furthermore, it is critical to note that the claims by the Puyallup Tribe are currently in district court and are on hold pending congressional consideration and approval.

I join with Indian leaders throughout the Nation in expressing my great appreciation to the chairman and the members of the Interior Appropriations Subcommittee for their recognition that the settlement approach is the right path to pursue in resolving longstanding historic disputes that have divided communities and impeded growth and cooperation. In addition to the Puyallup settlement, H.R. 2788 contains funding for the Hoopa-Yurok, Salt River, San Luis Rey, Colorado Ute, and Aleutian-Pribilof settlements.

I urge my colleagues to support this bill.

Mr. FLORIO. Mr. Chairman, I rise in support of H.R. 2788 which contains provisions that are vital to the protection of our environment. I commend the Appropriations Committee for adopting a moratorium on oil and gas leasing within 50 miles off the coasts of the States of the Middle Atlantic, including New Jersey.

New Jersey's ocean and shore area is one of our State's most valuable treasures. But it is also an area that has been the victim of abuse and degradation. The dumping of sewage sludge and medical waste, the repeated beach closures last year, all have brought home to us the value of our shore, both in human terms and economic terms.

In recent weeks, we have turned on our TV's and seen otters covered with oil and birds struggling on beaches as far away as Alaska and as close to home as the Delaware River. It used to be that we would look out for horseshoe crabs when the tide came in; we now look out for dead fish and globs of oil.

Our environment can only take so much. Unfortunately, former Interior Secretary James Watt left us a legacy that we must still continue fighting. It was Watt's notion that the Atlantic coast was a great place to drill for gas and oil. Exploratory drilling that has gone on off our coast has resulted in only five actual discoveries of oil and gas. The Interior Department itself estimates that there is enough oil there to last the United States 5 days and enough natural gas for 100 days. If you ask any beach goer, if you ask any of the people involved in our State's $8 billion tourism industry, they will tell you that 105 days of oil and gas aren't worth this trouble.

Recently, I joined Congressman PALLONE in requesting that the Appropriations Committee approve a moratorium on any gas and oil leasing off the Middle Atlantic coast. I am pleased that this legislation contains language to bar oil and gas leases off our entire coast, stretching from Maryland all the way to Rhode Island.

I would like to thank Congressmen YATES, REGULA, DWYER, and ATKINS for the efforts on the committee on behalf of New Jersey. I urge my colleagues to approve this legislation.

It is important that we do everything possible to make sure that our grandchildren won't need to think twice before deciding to spend a day at the beach.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. DICKS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. AUCOIN

Mr. AUCOIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUCOIN: Page 13, line 18, strike "$774,179,000" and insert in lieu thereof "and $100,000 for a feasibility study of the establishment of a national park in connection with the antebellum plantation homes in the Creole style along Cane River in Louisiana, including Oaklawn, Cherokee, Beau Fort, Oakland, Kate Chopin, Melrose, and Magnolia, $774,279,000".

Mr. AUCOIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. AUCOIN. Mr. Chairman, my amendment appropriates funds for a feasibility study for a national park in the State of Louisiana which has great significance to the region as well as to the country.

I offer this amendment on behalf of the gentleman from Louisiana [Mr. HUCKABY] who has worked with me, and I with him, on this for some considerable time.

Mr. Chairman, this deals with an area in the Cane River region just south of Natchitoches which is rich in history and culture unique to this area of Louisiana. It is from this region of the State that the Creole culture originated.

Mr. Chairman, along the Cane River, an old channel of the Red River that runs some 32 miles, there exists today some seven homes that are architecturally significant. These homes have been passed down for over two centuries with two being designated as national bicentennial farms.

I think this is a significant asset that deserves a feasibility study, and that is why I offer the amendment.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I would like to extend my thanks to the gentleman from Oregon [Mr. AUCOIN], a senior member of the subcommittee, for offering this amendment in our behalf and for working with me for quite an extended period of time in this endeavor.

Mr. Chairman, the Cane River country and Natchitoches Parish in Natchitoches, LA, is very unique in Louisiana's history and America's history. Two of these plantations were actually working farms, working plantations at the time Jefferson purchased Louisiana from Napoleon. Natchitoches is the oldest city in the entire Louisiana Purchase.

Mr. Chairman, during the last few years some of these plantations have, due to economic hard times, come into a state of disrepair, and it is for that reason we have asked the Park Service, and they have indicated their strong desire, to study this to pursue the possibility to see if it meets the criteria for inclusion in our National Park System because it is truly a slice of the rich history of America.

Mr. Chairman, I thank the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, I thank the gentleman from Louisiana [Mr. HUCKABY] for his statement, and I think this is a worthy proposal.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, it is with deep regret that I have to oppose this study. It is a worthy study. The problem is we do not have money for studies.

Mr. Chairman, there are 25 requests pending in our subcommittee by Members who came in and asked for funding for a study. The gentleman from Kansas [Mr. GLICKMAN] just came up to me and asked for a study for a park in his district.

(On request of Mr. YATES and by unanimous consent, Mr. AUCOIN was allowed to proceed for 2 additional minutes.)

Mr. YATES. Mr. Chairman, if the gentleman from Oregon [Mr. AuCoin] will continue to yield, I say that the cost of all the studies, and they are all worthy ones, I must say, would exceed $5 million.

Mr. Chairman, this is a problem that we have to deal with, and I want to assure the gentleman from Oregon [Mr. AuCoin], who is a most distinguished member of the subcommittee, that we will look at it next year. This year, because of the constraints of the budget, there are other matters that had precedence. The studies must be made. We have such onerous burdens existing in the parks now, and we have to face up to the question of how many more units we will include into the park system when we are not able to really take care of the needs of those that are already in existence.

□ 1230

There is no doubt in my mind, the gentleman from Louisiana makes a very strong case for this study. As I say, we will give it every consideration.

Mr. AuCOIN. Is what the chairman is saying that no feasibility studies for any national parks are included in this bill?

Mr. YATES. The gentleman is correct. We did not approve any single study, even though they are all worthy.

May I say to the gentleman from Louisiana, his is among the worthiest. I think this is singularly historic and one that in time will certainly be approved. It is just a question of budget restraints.

Mr. AuCOIN. Is the chairman of the committee also saying, then, that his intention would be that next year the committee would look at this whole welter of requests for feasibility studies and try to make some judgment on the question?

Mr. YATES. The gentleman has my assurance that I will do so.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to my friend, the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I would only want to take a minute to agree with the chairman. We had requests on our side, and many on the gentleman's side of the aisle, I had a couple myself, and we decided not to do any of them simply because we were right up at the top of our allocation for funding and we have so many unmet needs now in the existing parks that those had to take a higher priority in the studies.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

(At the request of Mr. Yates, and by unanimous consent, Mr. AuCoin was allowed to proceed for 1 additional minute.)

Mr. AuCOIN. Mr. Chairman, I appreciate the statement of the gentleman from Ohio.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to my friend, the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I certainly appreciate the chairman's consideration of this. I certainly realize the difficulty and that there were numerous requests for studies. This particular study, the dollar funding was only $100,000; however, I have the utmost respect for the chairman of the subcommittee, and hence with the understanding that we will work to try to include this next year. Since our President has stated that he wants to be the environmental President, I think one of the things important to the environment is to preserve and expand our rich heritage.

Thus, I would urge consideration of this matter at that point in time.

Mr. AuCOIN. Mr. Chairman, I want to say that it has been a pleasure to work with the gentleman from Louisiana on this worthy project, but under these circumstances and with the explanation of the distinguished chairman of the subcommittee, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Oregon [Mr. AuCoin] is withdrawn.

Mr. GUNDERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would ask the ranking member of the subcommittee, the gentleman from Ohio [Mr. Regula] to respond if he would at the proper time.

Mr. Chairman, I would like to take this opportunity to request assistance from both the chairman of the Appropriations Subcommittee on Interior and from the ranking member, the gentleman from Ohio [Mr. Regula] on this side of the aisle, to address a critical funding shortfall for the National Fish Laboratory in LaCrosse, WI.

The gentleman will recall my testimony before the subcommittee on April 25, 1989, Mr. Chairman, in which I requested $500,000 in additional operations and maintenance funding for the lab, over the current level of $1.444 million. The funding increase is needed to avoid staffing cuts and program deficiencies at the lab which are certain to jeopardize research programs of extreme importance to State and Federal fishery programs.

Since 1983, the lab has received only a 3-percent increase in real terms. That is 3 percent in 7 years, despite inflation and payroll increases, and despite increases in the Fish and Wildlife budget for other programs of as much as 28 percent over the same period.

This legislation would provide $1.591 million to the lab for fiscal year 1990. That increase is less than 10 percent of the increase the fish lab sees as necessary to fully carry out its present level of programs.

I would like to ask the subcommittee chairman how we might further address this funding shortfall in the future.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I appreciate the gentleman's further efforts to obtain additional needed funds for the National Fish Lab in La Crosse. Our next step toward this effort can best be achieved in conference.

In the interim between now and conference, I will direct the Fish and Wildlife Service to conduct a study of the need and capabilities of the National Fish Lab in La Crosse and will direct the agency to report back to the committee within 30 days. That study will include an assessment of current funding needs at the lab to include operation and maintenance requirements for fiscal year 1990 in order to preserve current programs as prioritized by the lab.

Finally, the study will also include consideration of other funding needs at the lab for fiscal year 1990 and beyond as prioritized by the lab. Finally, the study will present to Congress additional funding options for the lab, including an assessment of the degree to which additional research funds appropriated to the agency may be directed to the fish lab to compensate for any funding shortfalls to the fish lab.

This assessment will then allow us to base further consideration of the funding needs at the National Fish Lab when we go to conference.

Mr. GUNDERSON. Mr. Chairman, this legislation will be very, very helpful. I want to thank the gentleman for his effort and commitment, both to the gentleman from Ohio and to the chairman for their overall efforts to assist us with the fish lab, and obviously all the difficult work that this particular appropriation bill includes.

Mr. MURTHA. Mr. Chairman, I move to strike the last word, and I yield to the gentlewoman from Maryland [Mrs. Byron].

Mrs. BYRON. Mr. Chairman, let me thank the gentleman from Pennsylvania for yielding to me.

I would like to engage in a colloquy for the purpose of discussing very briefly the Monocacy Battlefield which is in my Sixth Congressional District.

On July 9 of this year, it was the 125th anniversary of that battle. This battlefield was signed into law and created by FDR in 1934, so it has been around for a short period of time, I guess, in the funding level, but the time has come that we need to look at some funds here.

Mr. MURTHA. Mr. Chairman, if the gentlewoman will yield, let me say to the gentlewoman that I know she came to me before the markup in the full committee. I went to the gentleman from Illinois [Mr. YATES] and to the gentleman from Ohio [Mr. REGULA] and they both agreed to take a look at this in the conference. All of us think it is a magnificent project. We know that the gentlewoman's husband preceding her put the authorizing language into this particular battlefield. We think it is a project that certainly ought to be taken care of and we are going to do everything we can in conference to take care of it.

Mrs. BYRON. Let me thank the gentleman, because currently we have one piece of property which is key to the battlefield that is an estate that is available now for purchase, which it had not been previously, and time, as usual, is of the essence.

I do appreciate what the gentleman from Pennsylvania is trying to do and also the chairman, the gentleman from Illinois [Mr. YATES], and hopefully we will be able to resolve this in conference. I appreciate the gentleman's support.

Mr. GLICKMAN. Mr. Chairman, I move to strike the requisite number of words. I would ask to engage in a colloquy with the gentleman from Illinois [Mr. YATES]. It is along the same subject as was raised by the gentleman from Louisiana [Mr. HUCKABY] and the gentleman from Oregon [Mr. AUCOIN] concerning another feasibility study for a national monument.

Mr. Chairman, I recently appeared before the Interior Subcommittee, on behalf of the entire Kansas delegation, to request funding for a study by the National Park Service to explore the feasibility of establishing a national monument on the Flint Hills Prairie in Kansas. The House Interior appropriations bill does not at this time include the $50,000 we requested to fund such a study. Does the subcommittee have an objection to the exploration of the national monument in the Flint Hills?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, not at all. The committee believes it is a very worthy project. The problem that we had was that we had finished marking up the bill. We had 25 requests for studies of this kind, all worthy projects. The total of those, had we agreed to them, would have exceeded $5 million.

After we marked up, we were up against the ceiling on our outlays and on our budget authority, and we just could not do it.

As I indicated in response to the gentleman from Oregon and the gentleman from Louisiana earlier, who also brought up a very worthy project, we will look at these next year. I want to assure the gentleman that we will look at this project at Flint Hills next year as well.

Mr. GLICKMAN. Well, I appreciate the gentleman's understanding.

There is no other park or facility under the management of the National Park Service devoted to the preservation of our prairies and the natural grasslands as they have existed for centuries. We believe this area shows great potential for public benefits and recognition of national significance, and for economic benefits to the surrounding area and State of Kansas. The National Park Service has indicated to me that such a project is very high on their list of priorities for new additions, and that the Kansas facility looks quite promising.

Again, as I pointed out, there is no national monument or park to preserve our prairies. That is the purpose of what we are trying to get here. The cost is fairly small and I would hope that the gentleman could be of as much help as he could on this project.

□ 1240

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman was kind enought to give me a pledge button for the state of Kansas, and I shall wear it proudly. I want him to know it will serve as a constant reminder of the request of the gentleman.

Mr. GLICKMAN. I would say to the gentleman that we refer to that as a sunflower in the State. The gentleman can call it anything he wants to if he helps get the project funded next year.

Mr. MILLER of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Appropriations Committee—and in particular, my colleague, Mr. YATES—deserve our thanks and commendation for their leadership in developing this bill.

It contains a number of important provisions—provisions which I strongly support and which provide substantial and much needed protection for our natural resources and heritage.

Let me highlight some of these provisions for you:

The bill extends and expands the moratoria on offshore oil and gas leasing. This is a clear recognition of the sad fact that the Interior Department's Offshore Oil and Gas Leasing Program is broken and needs to be fixed. The bill prohibits leasing and preleasing activities in a number of environmentally sensitive and vulnerable areas. This includes Bristol Bay in Alaska—for the first time, the entire California coast, the mid-Atlantic coast, and a portion of the Florida coast. It further halts activity on those Bristol Bay leases which have already been issued and it requires the Interior Department to look into buying back those issued leases.

The moratoria is an expression of the importance we place on protecting our coastal areas. It also underscores our deep concern—and distrust—about the industry's ability and commitment to develop oil and gas resources in an environmentally safe and sensitive manner. In view of the *Exxon Valdez* oilspill, along with the more recent, smaller spills in Rhode Island, Delaware, and Texas, it makes no sense to proceed with the development of offshore resources until the full range of safety issues have been addressed and answered. The moratoria ensures that these issues will be dealt with in a timely fashion.

The bill increases the appropriation for the National Park Service programs and activities. The committee added $168 million over the amount requested by the administration.

Of special importance and interest to me is the funding the committee included for the acquisition of lands for the John Muir Historic Site in California. The lands to be acquired—which are under the threat of residential and other development—are part of the old Muir ranch. They will add an important dimension to the site, to our understanding and appreciation of John Muir and to what helped inspire him during a lifelong quest to protect our natural resources. The educational value of these lands is truly incomparable and invaluable.

Several important studies and planning activities have been funded as well. These include:

Funding for a study of the potential of the American River in California as a national recreation area. The information this study develops will be important to Californians as decisions are made in the future concerning the Auburn Dam.

Funding to continue the planning and development activities for the bay ridge trail. This effort has tremendous local support throughout the San Francisco Bay area, as citizen groups and local governments are working to develop the plans and raise funds for the trail.

Funding for the Department to develop an environmental impact statement on the reintroduction of wolves in Yellowstone Park. This has been a

long-festering and sometimes contentious issue. For years, the Department has failed to prepare an EIS—a document which could and should address many of the concerns and questions about reintroducing wolves. This document is long overdue and should be expeditiously prepared.

There are many more projects, programs, and initiatives included in this bill which are very important and well worthwhile. It is a bill which deserves our enthusiastic support. I know there are projects and programs which deserve more money than they will receive under this bill. The difficult problem of which programs to fund and which to cut underscores the need to solve some of these acute funding problems and decisions. My colleague from Arizona, Mr. UDALL, has introduced the heritage trust bill which offers an answer to funding at least some of these programs. I hope that we will pass this bill soon.

Finally, I know this bill might have contained provisions to deal with the issue of timber-related activities in the old-growth forests in Oregon. I understand that negotiations are underway to reach a consensus response to this highly charged issue. I would like to commend my colleagues, Mr. DEFAZIO, Mr. AUCOIN, and others from Oregon—for their leadership and hard work. I know it is a difficult issue in Oregon. But, I would only stress that it is important throughout the Nation as well, because it will determine the use and fate of some of this country's last areas of old-growth forests.

Again, I commend the gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Illinois [Mr. YATES] for their work and leadership. I urge all Members to join with me in support of this bill.

Mr. BEVILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to call attention to the language found in the committee report on page 97 relating to cooperative research agreements between the Department of Energy and the States.

As the gentleman is aware, both of our States—Alabama and Illinois—have executed these agreements, together with some 17 other States. These agreements have just recently been executed—1987—and joint funding support has just developed. Both Illinois and Alabama received funding in the spring of 1989.

The tone of the committee report implies that there is some concern about these agreements. Does this concern mean that the joint Federal/State research planning process and cooperative funding opportunities provided through these agreements will be lost?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I would say to my good friend, the gentleman from Alabama [Mr. BEVILL], that this kind of a program is entirely consistent with the goals and objectives of the Department of Energy provided it is pursued primarily on a competitive basis. As long as it is on a competitive basis, such a competitive research program can be responsive to State and local needs as well as national needs, and it can provide a systematic approach for involvement of universities.

Mr. DYSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to, if I could for a minute, just address the chairman of the subcommittee.

Mr. Chairman, I serve as chairman of the House Subcommittee on the Panama Canal and the Outer Continental Shelf, and share responsibility for ensuring that the Federal Offshore Oil and Gas Program, known as the OCSLA Program, balances this Nation's need for energy development with our equally important need to protect sensitive coastal environments.

The general consensus among most observers is that the existing OCSLA Progam is failing to balance these needs.

One indication of this failure, Mr. Chairman, is the fact that the OCSLA Program has been in effect since 1953, and so far, only 4 percent of the Outer Continental Shelf has been brought under development.

A second indication of the program's failure to balance the need for environmental protection with the need to develop our energy resources is the fact that in each of the past 8 years, Congress has attached to the Interior appropriations bills riders that prohibit the Department of the Interior from holding lease sales on specified tracts of the shelf. Other moratoria block leaseholders from exploring or drilling on tracts that are already under lease.

Last year, Mr. Chairman, the Federal Treasury received $3.5 billion from lease sales, royalties, and rents. Even with little or no expansion in the program, the Congressional Budget Office estimates that Federal revenues from the Outer Continental Shelf will climb to just over $4 billion in 1994.

The Federal Government needs these revenues. The Nation needs additional energy resources. But before we can safely proceed with further development on the Outer Continental Shelf, we must be absolutely certain that coastal communities are protected, and that the delicate environment of coastal waters is protected.

Until we can strengthen the program and ensure that these protections are in place, the House Interior Appropriations Subcommittee is justified in taking the extreme action of prohibiting offshore development through the enactment of the moratoria we are discussing today. I therefore support the subcommittee's decision to adopt this moratoria, and want to express my personal appreciation to Congressman YATES, the subcommittee's chairman, for including Maryland's Atlantic coast in their action.

Mr. Chairman, I believe that it is possible to strengthen the existing program, and to assure Coastal States that Federal offshore activity will not unnecessarily disrupt local communities nor endanger the already threatened quality of their coastal waters. I intend to convene a series of hearings on this very issue, and would hope that our success will make future moratoria unncessary.

I therefore invite those Members of Congress who share my concern for this issue to contact my subcommittee. They can be confident that we will keep them notified of our progress. Until then, however, I should like to once again thank the chairman of the Interior Appropriations Subcommittee for his leadership on this matter, and for his efforts to protect Maryland by including it in this year's OCSLA moratoria.

Mr. WATKINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the chairman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I will be very glad to enter into a colloquy with the gentleman.

Mr. WATKINS. In this year's Interior appropriation bill under the leadership of the chairman and the committee and the staff, there was included $190,000 for the purchase of a needed 161 acres adjacent to the Tishomingo Fish Hatchery. Due to long time delays by the Department to finalize the sale, the land ended up being sold to another buyer. Fortunately, the buyer appears to be willing to provide us a long-term conservation easement on the land so we can maintain the hatchery. However, a portion of the moneys will be available for some additional use. I wanted to ask: Is it the gentleman's understanding that the remaining funds are considered what they call no-year-end moneys that could be expended during this fiscal year for other purposes?

Mr. YATES. The gentleman from Oklahoma is correct.

Mr. WATKINS. Mr. Chairman, I would like to ask the chairman for support. Does he have any objection for the same agency, the U.S. Fish and Wildlife Service, to utilize the remaining funds for acquiring a small tract of land for a deer preserve near Antlers, OK, and the Indian Nations Turnpike that could be managed through a co-

operative agreement with the Service, and with an entity of the State of Oklahoma and the local community?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I would have no objection to what the gentleman is proposing, and I can see myself agreeing to the transfer of funds not utilized for the easement purchase to the project in Antlers. The transfer of funds from one project to another can be done administratively up to $100,000 and within the confines of the Service.

Mr. WATKINS. Mr. Chairman, I do appreciate the gentleman's support and the support of the minority leader and under the committee, and I appreciate their understanding. In case we need the gentleman's help and support, I want him to know, as we finalize and work toward a conference, I would deeply appreciate the gentleman's help with any needed legislative language if necessary.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, it has been a pleasure to work with the gentleman in the past on some problems that have come up in his district, and I look forward to continuing that relationship.

Mr. STUDDS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the bill, and I would like to take this opportunity to extend my thanks and those of all the creatures in and near the waters of New England, both those with lungs and with gills, to the gentleman from Illinois and his committee for once again seeing to it that the rich waters of Georges Bank will be protected from irresponsible offshore drilling operations.

Mr. Chairman, I strongly support H.R. 2788 and I congratulate Chairman YATES and his subcommittee, as well as the full Committee on Appropriations, for the job they have done.

Although constrained by the budget mess under which we all must operate, the committee has brought to the floor a bill that makes good fiscal sense, while also achieving important environmental goals.

As chairman of the House Subcommittee on Fisheries and Wildlife, I am especially gratified by the committee's proposed increase in land acquisition funds for the Fish and Wildlife Service; by the maintenance of the grants to State programs under the Endangered Species Act; and by the financing of a proposed study of critical fishery and wildlife habitat along the northeast coast, including Narragansett Bay, Buzzards Bay, and Nantucket Sound.

In addition, as a Representative of one of the most beautiful and productive coastal areas of the country, I am grateful for the committee's acceptance—for the 7th consecutive year—of a moratorium on oil and gas leasing in the most ecologically and economically important areas of Georges Bank.

Perhaps this year, the Department of the Interior will finally get the message Congress and the American people have been trying to send it throughout this decade.

Yes, we want to develop oil, but not at any price. Our oil leasing program must be balanced. It should be part of a national energy policy that emphasizes conservation and the development of renewable, not exhaustible fuels. And it must take into account the risk that oil drilling poses to fishermen and others who depend for their livelihood on the health of the oceans and the beauty of our coasts.

With the help of this committee and this House, we have so far succeeded in preventing oil and gas leasing in the most environmentally sensitive areas of Georges Bank. But it has not been easy. Each year, we have heard industry and administration officials belittle our concerns. We have been told that oilspills will not happen; but when they do, it will not matter because contingency plans are in place to clean up those spills; and if cleanup efforts fail, it still will not matter because the oil will disperse without harm to fish or wildlife; or at least not much harm, if the winds are right and spawning grounds and estuaries and marshes do not drift carelessly into the oil.

The bill we are considering today heeds the voice of caution, not complacency; caution not only on Georges Bank, but in Florida, California, and Alaska, as well. In so doing, the bill calls not for an end to energy development, but for the beginning of an energy policy. Drilling is, after all, no substitute for thinking. And even a moment's thought will tell us that America's energy future depends not on how quickly we drain the oil we have left, but on how quickly we develop alternatives to fossil-based fuels.

This bill is a good bill, fiscally, environmentally, and from the perspective of our Nation's energy needs. I support it, and I hope it will pass the House overwhelmingly, without weakening amendments of any kind.

□ 1250

Mr. BAKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I also rise for the purpose of entering into a colloquy with the distinguished chairman of the subcommittee for the purpose of clarifying a question with regard to the legislative history of this matter.

Mr. Chairman, the language in the fiscal year 1990 Interior Appropriations Committee report recommends that the expenditure of moneys by subgrantors of either the National Endowment for the Arts or the National Endowment for the Humanities should be prohibited, unless the grant or award has been previously approved by the appropriate councils. I had intended to introduce an amendment to mandate this policy specifically, but I have been informed that the committee has received formal notification from the National Endowment for the Arts and the National Endowment for the Humanities that this policy will be implemented.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Illinois.

Mr. YATES. Let me assure the gentleman from Louisiana that the committee has been in contact with representatives of the National Endowment for the Arts and the National Endowment for the Humanities concerning the direction by the committee that their guidelines indicate that they will comply with the grant provisions of the law, and that that provision applies to subgrants as well as to direct grants. The answer to the gentleman's question is yes.

Mr. BAKER. I thank the gentleman and also note that there will be a change in leadership of the councils that will be taking place in the near future. Is it the gentleman's understanding that this policy would continue throughout the appointment of a new chairman or new administration?

Mr. YATES. Mr. Chairman, if the gentleman will yield further, that also is my understanding, that it will be pursued with the incoming new chairman as well as after his confirmation.

Mr. BAKER. I thank the gentleman for clarifying this question. I do not intend to offer a further amendment.

Mr. YATES. May I say to the gentleman, if he will yield further, that it is the intention of the gentleman from Ohio [Mr. REGULA] to assure that this happens by offering an amendment to place it into law.

Mr. BAKER. I thank the gentleman.

Mr. JONTZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take just a minute to compliment the chairman and ranking minority member of the Interior Appropriations Subcommittee on this bill, and in particular to thank them for including in the legislation a provision to delete $11.5 million in funding for timber sale preparation in order to cut 10 percent of the below-cost timber sales from our forest system for the 1990 budget.

Mr. Chairman, our Nation has lost a substantial amount of funds at the present time on below-cost timber

sales. In 1987, according to the Timber Sale Reporting Program, 71 out of 123 national forests were below cost in their sales.

The action taken by the Interior Appropriations Subcommittee in addressing this problem by directing the Forest Service to eliminate 10 percent of the below-cost sales in our forest system is a step toward a responsible management of our National Forest System, and I want to compliment the chairman and the ranking minority member.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will read.

Mr. YATES. Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The text of title II is as follows:

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, $149,435,000, to remain available until September 30, 1991.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, $89,906,000, to remain available until expended, as authorized by law: *Provided*, That a grant of $3,000,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495: *Provided further*, That notwithstanding any other provision of law, a grant of $3,600,000 shall be provided to the Washington State Parks and Recreation Commission for construction of the Spokane River Centennial Trail.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", $1,132,426,000, to remain available for obligation until September 30, 1991, and including 65 per centum of all monies received during the prior fiscal year as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a).

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, $222,199,000, to remain available until expended, of which $39,232,000 is for construction and acquisition of buildings and other facilities; and $182,967,000 is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year 1990 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: *Provided further*, That not to exceed $112,000,000, to remain available until expended, may be obligated for the construction of forest roads by timber purchasers.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, $61,988,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, $1,068,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 per centum shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), $30,000 to remain available until expended, to be derived from the fund established pursuant to the above Act: *Provided*, That unexpended balances of amounts previously appropriated for this purpose under the heading "Miscellaneous trust funds, Forest Service" may be transferred to and merged with this appropriation for the same time period as originally enacted.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 185 passenger motor vehicles of which 11 will be used primarily for law enforcement purposes and of which 169 shall be for replacement only, of which acquisition of 132 passenger motor vehicles shall be from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of 43 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be used for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction.

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to reimburse employees for the cost of State licenses and certification fees pursuant to their Forest Service position and that are necessary to comply with State laws, regulations, and requirements.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest, and for timber sales preparation to replace sales lost to fire or other causes, and sales preparation to replace sales inventory on the shelf for any national forest to a level sufficient to maintain new sales availability equal to a rolling five-year average of the total sales offerings, and for design, engineering, and supervision of construction of roads lost to fire or other causes associated with the timber sales programs described above.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7

U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 99-714.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to provide nonmonetary awards of nominal value to private individuals and organizations that make contributions to Forest Service programs.

Funds available to the Forest Service shall be available to conduct a program of not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

Notwithstanding the provisions of the Federal Grant and Cooperative Agreements Act of 1977 (31 U.S.C. 6301-6308), the Forest Service is authorized to negotiate and enter into cooperative arrangements with public and private agencies, organizations, institutions, and individuals to continue the Challenge Cost-Share Program.

None of the funds made available to the Forest Service in this Act shall be expended for the purpose of issuing a special use authorization permitting land use and occupancy and surface disturbing activities for any project to be constructed on Lewis Fork Creek in Madera County, California, at the site above, and adjacent to, Corlieu Falls bordering the Lewis Fork Creek National Recreation Trail until the studies required in Public Law 100-202 have been submitted to the Congress: *Provided*, That any special use authorization shall not be executed prior to the expiration of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt of the required studies by the Speaker of the House of Representatives and the President of the Senate.

Notwithstanding any other provision of law, the Secretary of the Treasury is directed to make available to the Secretary of Agriculture, to remain available until expended, all National Forest Fund timber receipts received by the Treasury during fiscal year 1989 from the harvesting of National Forest Timber in excess of $920,000,000, the 1989 National Forest Fund timber receipts contained in the President's Budget proposal for fiscal year 1990: *Provided*, That such excess amount made available shall not exceed $35,000,000: *Provided further*, That this estimate of 1989 receipts shall not be adjusted for the purposes of this section: *Provided further*, That such funds shall be made available during fiscal year 1990, and shall be in addition to any funds appropriated in this Act: *Provided further*, That this transaction will not affect, diminish, or otherwise alter the payments to be made in accordance with the provisions of the Act of May 23, 1908, as amended (16 U.S.C. 500) or the Act of July 10, 1930 (16 U.S.C. 577g): *Provided further*, That funds made available to the Secretary of Agriculture pursuant to this provision shall be used for the necessary expenses, including support costs of the National Forest System programs as follows: 6 per centum for National Forest trail maintenance; 4 per centum for National Forest trail construction; 20 per centum for wildlife and fish habitat management; 20 per centum for soil, water, and air management; 5 per centum for cultural resource management; 5 per centum for wilderness management; 10 per centum for reforestation and timber stand improvement; and 30 per centum for timber sales administration and management, including all timber support costs, for advanced preparation work for fiscal year 1991 and fiscal year 1992 timber sale offerings: *Provided further*, That not later than 30 days after the submission of the President's fiscal year 1991 budget, the Chief of the Forest Service shall provide a report to the House and Senate Committees on Appropriations on the final amount and distribution of funds made available under this section and shall include an assessment of National Forest resource outputs to be produced in fiscal year 1990, fiscal year 1991, and subsequent years, using funds made available under this section, and a comparison of the outputs achieved in fiscal year 1990 and proposed for fiscal year 1991, with the output levels for the program areas listed described in the Forest Service resource management plans in effect at the time of the report required by this section.

Any money collected from the States for fire suppression assistance rendered by the Forest Service on non-Federal lands not in the vicinity of National Forest System lands shall be used to reimburse the applicable appropriation and shall remain available until expended as the Secretary may direct in conducting activities authorized by 16 U.S.C. 2101 (note), 2101-2110, 1606, and 2111.

Of the funds available to the Forest Service, $1,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Notwithstanding section 705(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539d(a)), not more than $48,535,000 of new appropriations shall be available for timber supply, protection and management, research, resource protection, and construction on the Tongass National Forest in fiscal year 1990: *Provided*, That this funding limitation shall not include those funds available to the Forest Service as Trust Funds, Permanent Funds (other than the Tongass Timber Supply Fund), or Purchaser Road Construction.

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY

For necessary expenses of, and associated with, Clean Coal Technology demonstrations pursuant to 42 U.S.C. 5901 et seq., $600,000,000 shall be made available on October 1, 1990, and shall remain available until expended, and $600,000,000 shall be made available on October 1, 1991, and shall remain available until expended: *Provided*, That projects selected pursuant to a separate general request for proposals issued pursuant to each of these appropriations shall demonstrate technologies capable of retrofitting or repowering existing facilities and shall be subject to all provisos contained under this head in Public Laws 99-190, 100-202, and 100-446 as amended by this Act: *Provided further*, That the general request for proposals using funds becoming available on October 1, 1990, under this paragraph shall be issued no later than June 1, 1990, and projects resulting from such a solicitation must be selected no later than February 1, 1991: *Provided further*, That the general request for proposals using funds becoming available on October 1, 1991, under this paragraph shall be issued no later than September 1, 1991, and projects resulting from such a solicitation must be selected no later than May 1, 1992.

The first paragraph under this head in Public Law 100-446 is amended by striking "$575,000,000 shall be made available on October 1, 1989" and inserting "$500,000,000 shall be made available on October 1, 1989, and shall remain available until expended, and $75,000,000 shall be made available on October 1, 1990": *Provided*, That these actions are taken pursuant to section 202(b)(1) of Public Law 100-119 (2 U.S.C. 909).

With regard to funds made available under this head in this and previous appropriations Acts, unobligated balances excess to the needs of the procurement for which they originally were made available may be applied to other procurements for which requests for proposals have not yet been issued: *Provided*, That for all procurements for which project selections have not been made as of the date of enactment of this Act no supplemental, backup, or contingent selection of projects shall be made over and above projects originally selected for negotiation and utilization of available funds: *Provided further*, That reports on projects selected by the Secretary of Energy pursuant to authority granted under this heading which are received by the Speaker of the House of Representatives and the President of the Senate less than 30 legislative days prior to the end of the first session of the 101st Congress shall be deemed to have met the criteria in the third proviso of the fourth paragraph under the heading "Administrative provisions, Department of Energy" in the Department of the Interior and Related Agencies Appropriations Act, 1986, as contained in Public Law 99-190, upon expiration of 30 calendar days from receipt of the report by the Speaker of the House of Representatives and the President of the Senate or at the end of the session, whichever occurs later.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $422,660,000, to remain available until expended, of which $249,000 is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94-586 (90 Stat. 2908-2909), and of which $3,500,000 shall be available for continued construction of DOE Fossil Energy building B26: *Provided*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

Of the funds herein provided, $42,900,000 is for implementation of the June, 1984 multiyear, cost-shared magnetohydrodynamics program targeted on proof-of-concept testing: *Provided further*, That 35 per centum private sector cash or in-kind contributions shall be required for obligations in fiscal year 1990, and for each subsequent fiscal year's obligations private sector contributions shall increase by 5 per centum over the life of the proof-of-concept plan: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-

sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further*, That cost-sharing shall not be required for the costs of constructing or operating Government-owned facilities or for the costs of Government organizations, National Laboratories, or universities and such costs shall not be used in calculating the required percentage for private sector contributions: *Provided further*, That private sector contribution percentages need not be met on each contract but must be met in total for each fiscal year.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserve activities, $192,124,000, to remain available until expended: *Provided*, That sums in excess of $510,000,000 received during fiscal year 1990 as a result of the sale of products produced from Naval Petroleum Reserves Numbered 1 and 3 shall be deposited in the "SPR petroleum account", to remain available until expended, for the acquisition and transportation of petroleum and for other necessary expenses.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $411,367,000, to remain available until expended, including, notwithstanding any other provision of law, the excess amount for fiscal year 1990 determined under the provisions of section 3003(d) of Public Law 99-509 (15 U.S.C. 4502): *Provided*, That $200,000,000 shall be for use in energy conservation programs as defined in section 3008(3) of Public Law 99-509 (15 U.S.C. 4507) and shall not be available until excess amounts are determined under the provisions of section 3003(d) of Public Law 99-509 (15 U.S.C. 4502): *Provided further*, That notwithstanding section 3003(d)(2) of Public Law 99-509 such sums shall be allocated to the eligible programs in the same amounts for each program as in fiscal year 1989: *Provided further*, That $16,000,000 of the amount provided under this heading shall be available for continuing research and development efforts begun under title II of the Interior and Related Agencies portion of the joint resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190), and implementation of steel and aluminum research authorized by Public Law 100-680: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not acceptable as contributions for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further*, That the total Federal expenditure under this proviso shall be repaid up to one and one-half times from the proceeds of the commercial sale, lease, manufacture, or use of technologies developed under this proviso, at a rate of one-fourth of all net proceeds.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $18,300,000.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, $6,641,000.

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), $194,999,000, to remain available until expended.

SPR PETROLEUM ACCOUNT

For the acquisition and transportation of petroleum and for other necessary expenses under section 167 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), $319,407,000, to remain available until expended: *Provided*, That outlays in fiscal year 1990 resulting from the use of these funds may not exceed $263,000,000: *Provided further*, That an additional $108,458,000 shall be made available until expended beginning October 1, 1990: *Provided further*, That notwithstanding 42 U.S.C. 6240(d) the United States' share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, $65,232,000, of which $1,000,000 for computer operations shall remain available until September 30, 1991, and $2,000,000 for end use energy consumption surveys shall remain available until expended.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation such funds as are necessary to meet any unforeseen emergency needs from any funds available to the Department of Energy from this Act.

Notwithstanding 31 U.S.C. 3302, funds derived from the sale of assets as a result of defaulted loans made under the Department of Energy Alcohol Fuels Loan Guarantee program, or any other funds received in connection with this program, shall hereafter be credited to the Biomass Energy Development account, and shall be available solely for payment of the guaranteed portion of defaulted loans and associated costs of the Department of Energy Alcohol Fuels Loan Guarantee program for loans guaranteed prior to January 1, 1987.

Unobligated balances available in the "Alternative fuels production" account may hereafter be used for payment of the guaranteed portion of defaulted loans and associated costs of the Department of Energy Alcohol Fuels Loan Guarantee program, subject to the determination by the Secretary of Energy that such unobligated funds are not needed for carrying out the purposes of the Alternative Fuels Production program: *Provided*, That the use of these unobligated funds for payment of defaulted loans and associated costs shall be available only for loans guaranteed prior to January 1, 1987: *Provided further*, That such funds shall be used only after the unobligated balance in the Department of Energy Alcohol Fuel Loan Guarantee reserve has been exhausted.

Annual appropriations made in this Act and previous Interior and Related Agencies Appropriations Acts shall be available for obligations in connection with contracts issued by the Department of Energy for supplies and services for periods not in excess of twelve months beginning at any time during the fiscal year.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and XXV and sections 208 and 338G of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; $1,189,330,000, including $23,000,000 for conversion of tribal contracts and agreements to a calendar year basis as authorized by section 204(d)(1) of Public Law 100-472 (100 Stat. 2291), together with payments received during the fiscal year pursuant to 42 U.S.C. 300cc-2 for services furnished by the Indian Health Service: *Provided*, That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act): *Provided further*, That funds made available to tribes and tribal organizations through

grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until expended: *Provided further*, That $17,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund and contract medical care: *Provided further*, That of the funds provided, $4,000,000 shall be used to carry out a loan repayment program under which Federal, State, and commercial-type educational loans for physicians and other health professionals will be repaid at a rate not to exceed $25,000 per year of obligated service in return for full-time clinical service: *Provided further*, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available for two fiscal years after the fiscal year in which they were collected, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): *Provided further*, That of the funds provided, $2,500,000 shall remain available until expended, for the Indian Self-Determination Fund, which shall be available for the transitional costs of initial or expanded tribal contracts, grants or cooperative agreements with the Indian Health Service under the provisions of the Indian Self-Determination Act: *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under section 103 of the Indian Health Care Improvement Act and section 338G of the Public Health Service Act with respect to the Indian Health Service shall remain available for expenditure until September 30, 1991: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act and Public Law 100-713 shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, $75,420,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provision therefor in appropriations Acts: *Provided further*, That non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, if such care can be extended without impairing the ability of the facility to fulfill its responsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which, together with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-53), shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act or in the case of tribally administered facilities, shall be retained by the tribal organization without fiscal year limitation: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further*, That with the exception of Indian Health Service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further*, That personnel ceilings may not be imposed on the Indian Health Service nor may any action be taken to reduce the full-time equivalent level of the Indian Health Service by the elimination of temporary employees by reduction in force, hiring freeze or any other means without the review and approval of the Committees on Appropriations: *Provided further*, That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, the Indian Education Act of 1988, $74,149,000, of which $55,041,000 shall be for subpart 1 and $16,361,000 shall be for subparts 2 and 3: *Provided*, That $1,600,000 available pursuant to section 5323 of the Act shall remain available for obligation until September 30, 1991.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531, $36,818,000, to remain available until expended: *Provided*, That none of the funds contained in this or any other Act may be used to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further*, That no relocatee will be provided with more than one new or replacement home: *Provided further*, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d-10: *Provided further*, That unexpended balances of amounts previously appropriated for this purpose under the heading "Salaries and expenses, Navajo and Hopi Indian Relocation Commission" may be transferred to and merged with this appropriation and accounted for as one appropriation for the same time period as originally enacted.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by Public Law 99-498, as amended (20 U.S.C. 56, part A), $4,650,000, of which not to exceed $350,000 for Federal matching contributions, to remain available until expended, shall be paid to the Institute endowment fund.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed ten years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $231,981,000, of which not to exceed $2,176,000 for the instrumentation program shall remain available until expended and, including such funds as may be necessary to support American overseas research centers and a total of $125,000 for the Council of American Overseas Research Centers: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise,

$6,500,000, to remain available until expended.

REPAIR AND RESTORATION OF BUILDINGS

For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $26,869,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price: *Provided further*, That unexpended balances of amounts previously appropriated for this purpose under the heading "Restoration and renovation of buildings, Smithsonian Institution" may be transferred to and merged with this appropriation and accounted for as one appropriation for the same time period as originally enacted.

CONSTRUCTION

For necessary expenses for construction, $12,900,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, the Institution is authorized to transfer to the State of Arizona, the counties of Santa Cruz and/or Pima, a sum not to exceed $150,000 for the purpose of assisting in the construction or maintenance of an access to the Whipple Observatory.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $40,789,000, of which not to exceed $2,370,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, $1,905,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $4,611,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, $144,250,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $27,150,000, to remain available until September 30, 1991, to the National Endowment for the Arts, of which $15,150,000 shall be available for purposes of section 5(l): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $134,630,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, of which $6,400,000 for the Office of Preservation shall remain available until September 30, 1991.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $26,700,000, to remain available until September 30, 1991, of which $14,700,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $23,000,000, including not to exceed $250,000 as authorized by 20 U.S.C. 965(b): *Provided*, That the National Museum Services Board shall not meet more than three times during fiscal year 1990.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $516,000.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99-190 (99 Stat. 1261; 20 U.S.C. 956a), as amended, $5,000,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, as amended, $1,945,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, $3,123,000.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $28,000 to remain available until September 30, 1991.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, $2,375,000, for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, $3,150,000, to remain available until expended.

LAND ACQUISITION AND DEVELOPMENT FUND

The Pennsylvania Avenue Development Corporation is authorized to borrow from the Treasury of the United States $12,000,000, pursuant to the terms and conditions in paragraph 10, section 6, of Public Law 92-576, as amended.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, as amended, $2,315,000: *Provided*, That none of these funds shall be available for

the compensation of Executive Level V or higher positions.

AMENDMENT OFFERED BY MR. REGULA

Mr. REGULA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REGULA: On page 76, line 22, after the word "Act", insert the following: ": *Provided*, That of these funds a sum of $50,000 shall be available to require that all subgrants shall be made in accordance with the provisions of section 5(c) of the Act".

Mr. ROHRABACHER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. REGULA. Mr. Chairman, the purpose of this amendment is to put accountability into the procedure for the grants for both the National Endowment for the Arts and the Humanities. We recognize that because of the looseness of the procedure we have the problem dealing with the Mapplethorpe and Serrano exhibits. This is outrageous. None of us want these things to happen under the NEA program.

The way to address the problem is to ensure that there is accountability on the part of the agencies in question; that they use the Federal funds in a way that will be satisfactory not only to this body but to the people of the United States. Therefore, what we are doing in this amendment is tightening the procedure. We are simply saying what was the congresssional intent to begin with, and that is that the chairman of the NEA and the chairman of the NEH shall be fully accountable for any grants made, and that all subgrants have to be made in accordance with existing law, which is section 5(c) of the act.

I think it is important that we develop this approach; that we put this language in the law. Irrespective of what we might do about funding, we do want accountability. If we had had better accountability in the S&L programs, if we had had better accountability in HUD we would not have the problems we have here today. We would not have the problems we have seen in the Defense Department had there been better accountability.

I think we have a right and we need to demand that this happen with NEA and NEH grants.

The problems, and I reemphasize this, that happened in the case of the Serrano exhibit was a case of subgrantees authorizing some limited funding for activities that none of us would want to support. By having this language in the law we preclude this from happening in the future, and we do it without impacting on the ability of NEA or NEH to reach out across this Nation with grants to schools, to museums, to art institutes that we all find very attractive in terms of furthering the arts and humanities programs of this Nation.

I urge my colleagues to support this amendment. I think without question all of us want the chairmen of the respected agencies to be fully responsible to the people of this Nation and to ourselves as Members of the House providing the funding. By adopting the language that I have provided in this amendment we ensure that there will be total accountability in the future.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California [Mr. ROHRABACHER] insist on his point of order?

Mr. ROHRABACHER. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROHRABACHER. Mr. Chairman, I make the point of order that the amendment is in violation of clause 2 of rule XXI which prohibits authorization language on an appropriation bill.

The CHAIRMAN. The gentleman is recognized in support of his point of order.

Mr. ROHRABACHER. Mr. Chairman, this amendment, and what my distinguished colleague has said reaffirms this to me, is not just an alllocation of money. The gentleman from Ohio talked about ensuring that there is accountability and tightening the procedures. This obviously is not simply an allocation of money, which is what we are talking about in the law.

This amendment requires the executive branch officials to make interpretive judgments, and this is more than an allocation of funds.

The CHAIRMAN. Does the gentleman from Ohio [Mr. REGULA] desire to be heard on the point of order?

Mr. REGULA. I wish to be heard on the point of order, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, this amendment does not violate rule XXI with respect to legislation on an appropriation bill.

The proposed amendment makes no change to existing law. The amendment simply requires the expenditure of funds in accordance with existing law.

The notes to the House rules construe "a provision changing existing law" to mean "the enactment of law where none exists."

The explanatory notes in the House rules are specific to allow for this amendment. The notes indicate, and again I quote from the House rules, "existing law may be repeated verbatim in an appropriation bill."

That is exactly what this amendment does. No changes in existing law are made by this amendment.

Further, the rules specifically make "it in order to include language descriptive of authority provided in law for the operation of Government agencies and corporations so long as the description is precise and does not change that authority in any respect."

Mr. Chairman, my amendment complies with these rules, and I urge that the point of order be overruled.

□ 1300

The CHAIRMAN. Does the gentleman from Illinois [Mr. YATES] desire recognition on the point of order?

Mr. YATES. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. YATES] is recognized.

Mr. YATES. Mr. Chairman, this amendment by the gentleman from Ohio requires that all subgrants be made in accordance with the provisions of 5(c) of the act. It does not change the law in any respect.

Section 5(c) of the act says that the Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out the program of contracts with, or grants-in-aid or loans to, groups or, in appropriate cases, individuals of exceptional talent engaged in or concerned with the arts for the purpose of enabling them to provide or support projects, and then it goes on, there is a whole list of things. But the point is that these grants are to be made only by the Chairman with the advice and consent of the Council. There is no authority in this law providing for subgrants.

Now in discussion prior to this it was argued that section (d) might be applicable. But section (d) which says that no payment may be made to any group under this section except upon application therefor which is submitted to the National Endowment for the Arts in accordance with regulations and procedures established by the Chairman.

There is nothing in that that contravenes the requirement of 5(c). All this says is that when a person makes an application he follows the guidelines that are set forth by the Chairman. But the Chairman has no authority, the Chairman has no authority to establish guidelines that contravene the basic statute.

The basic statute sets forth a direction that the Chairman makes the grants. It gives no right to the Chairman to delegate authority to anybody to make further grants. He can make grants to a certain level, to a proposed subgrantee, but there is nothing in here, even if the Chairman were to establish a guideline that authorizes that, that guideline would not be valid because it is not authorized by any section of the law.

That would give the Chairman the right to supersede a direct provision of the law. To me the law is clear, that the only person who can make these

grants is the Chairman with the advice of the Council. No subgrantee can make grants of any kind.

All that Mr. REGULA's amendment does is to recite the actual provisions of the law.

May I cite further, Mr. Chairman, reading from the discussion of rule XXI, which appears on page 583 of the House Rules and Manual of the 100th Congress, it says this: It is in order to include language descriptive of authority provided in law for the operation of Government agencies and corporations so long as the description is precise.

That is exactly what Mr. REGULA's amendment does, without violating the rule.

It is exactly precise. I cannot agree to an interpretation which says that the Chairman of this Commission is given authority to go above and beyond the law if he creates guidelines for it.

The law is clear. It says that the Chairman only may do it. He cannot say, "I give this authority to somebody else because I have drafted these guidelines."

The CHAIRMAN. The Chair will recognize the gentleman from Montana [Mr. WILLIAMS] on the point of order if he desires to be heard.

Mr. WILLIAMS. If the gentleman's time has expired, I will seek time on my own.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. I thank the Chair.

While awaiting the ruling of the Chair, I do want to note as chairman of the committee, the authorizing committee which has jurisdiction over the National Endowment of the Arts, we have, of course, looked very carefully at the gentleman, Mr. REGULA's amendment and I would associate myself with the remarks of the gentleman from Illinois.

In our opinion, the gentleman, Mr. REGULA's amendment does not usurp jurisdiction from our Postsecondary Subcommittee and we are supportive of the gentleman's amendment and supportive of his offering of it.

The CHAIRMAN. Does the gentleman from California [Mr. ROHRABACHER] desire to be heard further?

Mr. ROHRABACHER. Yes, if I could speak further on my point of order.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Nothing that I have heard takes away from the point that this is not legislation on an appropriations bill. If it is not, why do we need to have it? There is lots of money in the bill already.

What we are doing is creating an enforcement program to enforce the law, and that is what is happening, that is what is being offered here today.

No matter what word we use to describe it, this is legislation on an appropriations bill. It is not merely providing some more money for the National Endowment for the Arts in a general sense. And it is specifically aimed at a new enforcement program. If that is not legislating on an appropriations bill, I do not know what is, and I am waiting for a ruling from the Chair.

The CHAIRMAN. Does the gentleman from Illinois [Mr. YATES] seek further recognition?

Mr. YATES. Mr. Chairman, the gentleman is entirely incorrect.

What Mr. REGULA's amendment does is cite the provision of law, of existing law in order that the Chairman of the National Council of the Arts no longer persists in going beyond the law.

What this does is to state again the purpose of the Congress when it passed the law, that only the Chairman with the advice of the Council has the right to make those grants, nobody else.

He cannot delegate that. If he is to have the power of delegation, that has to come from the legislative committee. It has not come from the legislative committee.

The power rests exclusively in the hands of the chairman, with the advice and consent of the Council, and that is the reason for it.

The CHAIRMAN (Mr. BOUCHER). The Chair is prepared to rule.

Section 5(c) on is face only establishes guidelines for grants from the NEA to primary grantees and subsection 5(d) then appears to confer discretionary authority on the Chair of the NEA to promulgate regulations that govern subgrants.

Language on page 127 of the committee report supports the suggestion that existing law does not specifically require that NEA subgrant regulations be promulgated or governed by the guidelines in subsection 5(c) (20 U.S.C. 954), or that subgrants be submitted to the NEA for final approval.

An amendment which infringes upon discretionary authority in law, is legislation under the precedents contained in section 51 of chapter 26, volume 8 of Deschler's precedents, where the proponent of the amendment does not sustain the burden of showing that the amendment merely recites the current applicability of existing law.

Quite specifically a precedent may be cited which is on point: On April 2, 1937, during consideration in the Committee of the Whole of the District of Columbia appropriations bill, it was held that language in an appropriation bill directing the Public Utilities Commission to make an investigation, where existing law authorized it in its discretion to make that investigation was held to be legislation and was not in order on an appropriations bill. (Deschler's vol. 8, ch 26 § 517.)

Accordingly, the point of order is sustained.

Mr. YATES. Mr. Chairman, I move to strike the last word.

With respect, Mr. Chairman, and I do not like to take issue with the Chair after it has made the ruling and I do not intend to. I only wanted to point out that I thought the language in our report supported the argument that I was making, by saying that it appears that NEA and NEH make the usual thorough review of their grants to subgrantors, neither NEA nor NEH makes any review of the subgrantees or of their work or of their applications. That review is left to the subgrantors who make the awards, a delegation of the grantmaking authority that is not recognized in the basic statute.

In other words, I am making the point in the report that there is no authority for that delegation, and that was the argument.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROHRABACHER: Strike page 76, line 14, through page 77, line 10.

□ 1310

Mr. Chairman, my amendment, would save the taxpayers $171 million in 1 year by striking funds for the National Endowment for the Arts.

In an age when Government is piling up a mountain of debt and is struggling to fund critical programs that affect human health and saves lives—like prenatal care, school lunches, and Medicare—the time has finally come for us to recognize the difference in programs that are essertial, and programs that are not necessary, and, in this time of budget crisis, should be zeroed out.

Those who gave artist Anders Serrano 15,000 taxpayer dollars to fund his work of art entitled "Piss Christ," did more than offend most of the Nation. They set off a national debate on the value of Government funding of the arts. Is a picture of Jesus Christ hanging from the cross submerged in a jar of urine worthy of Government funding? The awswer is "no".

Then there is the work of Robert Mapplethorpe. Thirty thousand Federal dollars went to an exhibit featuring nude photographs of children, homoerotic shots, and a sadomasochistic self-portrait of the artist himself. Your votes will decide if this is worthy of subsidization.

Some of my colleagues with equal concern about these outrageous wastes of taxpayer funds will advocate tighter control of Government funding and

greater government censorship of the arts. I believe that censorship is not the solution. The answer is getting the Government out of the arts.

The chairman of the subcommittee, Mr. YATES, has stated that such kinds of problems and objections with the national endowments for the arts are extremely rare. But whenever the Government gets involved in areas in which it should not be involved, abuses happen. The problems at the NEA are not new or extremely rare.

The NEA has in the past funded what many taxpayers would consider vulgar, obscene, and sheer perversity. In 1977, the NEA helped fund the Gay Sunshine Press which published sexually explicit stories. The funding continued through 1984 to the tune of $40,000. I don't care if it's explicit heterosexual literature. Our taxpayers shouldn't be subsidizing these kind of questionable projects. What private citizens choose to finance or purchase is there business.

Decisions about what type of Art should be funded should be made by private individuals and organizations that appreciate art and its beauty and have the ability and willingness to support it. Government panelists should not be given the privilege to impose their tastes on both the artists and the taxpayers.

The National Endowment for the Arts has guidelines that supposedly address the funding of such outrages as "Piss Christ." Title 20 United States Code section 959 requires NEA panelists "to recommend funding only applications and projects that in context are reflective of exceptional talents, and have significant literary, scholarly, cultural or artistic merit." By funding "Piss Christ" Somebody at the NEA obviously believed "Piss Christ" has cultural or artistic merit. These guidelines obviously do nothing to stop outrages from being funded with taxpayer expense.

Artists say that the Government has no right to interfere with or censor the work of artists. Surely. However, the Federal Government does, have the power to control what it subsidizes. The taxpayers shouldn't have to pay for whatever outrage or trash an artist dreams up. Artists can do what ever want with their own time and with their own dime.

Today we are going to hear that it is important for Members to fund our "cultural heritage." Many will argue that funding the NEA will encourage and enrich the human mind. The committee report indicates that "The art of our country leads the world, and this is attributable in no significant measure to the role played by the NEA." America leads the world in art and has a great cultural heritage not because of government funding.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROHRABACHER of California was allowed to proceed for 2 additional minutes.)

Mr. ROHRABACHER. America leads the world in art and has great cultural heritage not because of government funding but because of the creativity and dedication of our artists and the individuals, and the foundations and corporations who support them. If the NEA disappears, art would still prosper. As New York art critic James Cooper recently noted, "we have spent more on public art than they spent on the entire Italian Renaissance, but the Pope got works by Michelangelo, Raphael, and Leonardo. Americans have gotten shortchanged with 'Piss Christ,' 'Bat Column,' and 'Tilted Arc'."

There is no shortage of private financial support for the arts. The American Association of Fund-Raising Councils calculates that in 1987 private citizens, corporations, and foundations donated $6.41 billion to arts, culture, and the humanities. This is 25 times as much as the Federal Government spends on cultural advancement. Federal subsidy of the arts in our country accounts for only 5 percent of the total budgets of established art institutions. If funds for the NEA are cut, the private sector will surely fill any holes and gaps that remain.

If we are in a time of budget crisis, and I believe that we are, we cannot continue to fund every program that comes along. Funding for child care, prenatal care, and Medicare is simply more vital than funding the arts.

I urge my colleagues to support my amendment. It is a step forward for fiscal responsibility. It will put an end to an expensive form of upper class subsidization and it will save the taxpayers over $171 million a year. Let's do away with our version of the ministry of culture. We no longer can afford it.

Mr. AUCOIN. Mr. Chairman, I rise in opposition to the gentleman's amendment.

I hope my colleagues will reject this amendment. This amendment has been offered on the basis of a confused series of reasons stated by the gentleman from California.

First, he said there is waste in the National Endowment for the Arts, and therefore, we ought to zero out all funding for the National Endowment for the Arts.

The gentleman is a very strong advocate of the Defense Department. If the gentleman would follow his own logic on the Department of Defense budget, the gentleman would then, because of those $2,000 toilet seats, wipe out the entire Defense budget of the Government of the United States. He would eliminate the Defense budget because of the $400 light bulb and the $600 claw hammer.

Let's get serious; there are abuses in every agency. But, I'll put the track record of the National Endowment of the Arts up against any agency in the Government. I certainly will compare the budget of the National Endowment of the Arts any day in terms of abuses to those of the Department of Defense.

There's no scandal in the National Endowment of the Arts anywhere comparable to the Pentagon procurement ripoffs that the gentleman knows about. So I would ask the gentleman if the identification of a single abuse is a reason for completely eradicating a budget. If so, I expect the gentleman to vote against the Pentagon budget this year.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman.

Mr. ROHRABACHER. Mr. Chairman, my point has never been that.

Mr. AUCOIN. Did the gentleman see this $2,000 toilet seat?

Mr. ROHRBACHER. My point has never been that, because there is waste we should zero this out. My point has always been this is an area that the Federal Government should not have been in the first place.

Mr. AUCOIN. Mr. Chairman, I reclaim my time.

I did hear the gentleman say that this was an abuse of spending and that he was offering an amendment that zeroes out the entire budget of the Natonal Endowment of the Arts.

With regard to the gentleman's statement suggesting that NEA spending is wasteful spending, I call to the Member's attention that the total amount of savings under the gentleman's amendment is $170 million—$170 million.

I want my colleagues to put this in perspective.

We had testimony before our committee from a choreographer from New York a few years ago.

□ 1320

I think it was during the first year of the Reagan administration when the White House wanted to zero out the National Endowment for the Arts.

The choreographer said:

> Look, the Trident Submarine fleet is a fleet of submarines that are each 300 feet long and the total program cost works out to $200 million a foot. So if you made those 300-foot submarines one foot shorter, you could save $200 million—the entire amount for the Nation Endowment for the Arts.

And the choreographer further said:

> And you know what? I don't think the Navy would even notice the difference. As a matter of fact, it has been my observation that things submerged under water actually look larger—so I know the Navy would not notice the difference.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I am not going to yield at this point.

Mr. DANNEMEYER. Mr. Chairman, I am asking the gentleman to yield.

Mr. AuCOIN. I am not going to yield at this point.

The CHAIRMAN. The gentleman from Oregon [Mr. AuCoin] controls the time.

Mr. AuCOIN. Mr. Chairman, I would just suggest to the gentleman that if he wants to look for significant savings, he should ask the Pentagon or the Department of the Navy to shorten those submarines by a few inches or by a foot and save enough money for the National Endowment for the Arts. That could be done and the Navy would not notice the difference. Things do look larger when you submerge them under water. Then we could have funding for the arts—something that does make a difference to the American people.

We talk about the arts endowment being something is elite. Let me tell the Members this: I have sat on the Interior Appropriations Subcommittee for 8 years. We have chronicaled year after year the work of the National Endowment for the Arts.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. AuCoin] has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. Mr. Chairman, the record is replete with testimony from enlightened Republicans and Democrats, as well as other people who have followed this issue across the country. It is replete with their testimony and with documents that show that it is grants from the National Endowment for the Arts to obscure small town and rural companies, dance companies, artists' enterprises, and artistic endeavors that enable the arts to reach into populations that otherwise are not included by the arts.

Let me tell the Members what the consequences of eliminating the budget for the National Endowment for the Arts would be. The Metropolitan Opera would do nicely. No one in New York would notice the difference. I would imagine that the National Symphony in Washington, DC, here in our Nation's Capital, would not be scathed at all. But I would ask the gentleman from California whether in San Antonio, TX, the Guadalupe Cultural Arts Center would have the necessary corporate support that it otherwise would have, sitting out there in San Antonio, TX, or whether the Texarkana Regional Arts and Humanities Council in Texas would be able to develop adult education opportunities in that particular region or whether it would be funded by private contributions.

These are not well-noticed places in the country. They are examples of hundreds of artistic enterprises throughout the country in every Members' district. They are run by and enjoyed by good folks who would like to have exposure to visual arts, dance, to opera, to symphonies, and it is with grants by the National Endowment for the Arts that this is possible. As a result, we have touring companies reaching children who do not have chances in small rural areas or in schools that are not in urban areas where major artistic institutions are located.

No one can tell me—and the record does not show—that cutting out funds for the National Endowment for the Arts means that private givers will fund those kinds of artistic opportunities. They will not.

So, Mr. Chairman, I suggest that we defeat this amendment.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. AuCoin] has expired.

(On request of Mr. Dicks, and by unanimous consent, Mr. AuCoin was allowed to proceed for 3 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to my friend, the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would like to point out that historic record contradicts what the gentleman from California has suggested. When the National Endowment for the Arts was created in the 1960's, the total amount from private contributions for the arts in this country was very, very small. Since that time, as the Endowment has grown very gradually, we have seen an enormous explosion of private sector contributions.

A few years ago there was a long article in the Wall Street Journal that explained why that was so. The private sector looked to the Endowment as a kind of Good Housekeeping Seal of Approval. They said that their panel system was one of the most objective that had ever been seen, and that private business leaders in the country felt that if the Endowment had blessed a certain art activity, therefore, it gave them confidence, because they did not have the staff or the capability to review the various requests that were coming in, to then go ahead and make additional private sector contributions.

I believe that if the leaders of the private community were here today, the members of the private sector who are involved in the funding of the arts, they would say that it is because of the National Endowment for the Arts and its growth over the years that the members of the private sector have responded very generously.

If the gentleman from California succeeded with this amendment today, I would predict that private sector contributions would start to trail off because the signal would be there that this is no longer a priority of the people of this country, that the Congress had kicked this program in the teeth and eliminated the funding, and I think it would be a tragic mistake and an error.

The Chairman's report shows that we have had only 20 cases of some question out of 85,000 grants. I agree with the gentleman from Oregon, that if we are worried about waste, fraud, and abuse, we should worry about the Pentagon, because that is where we find waste, fraud, and abuse. The review of this program has been scrutinized more closely than any part of our Government.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. Let me proceed on my own time.

Mr. Chairman, I think the gentleman from Washington is making a very good point. He sat through the hearings that I have sat through for the last 8 years, and if anyone is concerned about elitism in this country and funding for the elite, the best way to get elitism in the arts is to scrap all NEA funding. That would leave only the best known institutions in the country getting funding. That's what I call elitism. Unfortunately the talented, obscure, startup artistic enterprises around this country in small places where art and talent is available, but not nationally recognized, will be missed by the corporate givers. They have testified to this effect year after year before our committee. If we want to get away from elitism, we should support the National Endowment for the Arts.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. AuCoin] has expired.

(On request of Mr. Dicks, and by unanimous consent, Mr. AuCoin was allowed to proceed for 30 additional seconds.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I think it is embarrassing that we are here, the greatest country in the free world, concerned about this budget. We should have a budget for the arts in this country that is double or triple the amount that is in this budget. When we think about the great countries of the world that spend much more on the arts than we do, it is embarrassing that we, the leaders of the free world, can only do this much for creativity and for the arts.

Mr. AuCOIN. Mr. Chairman, if we want elitism in the arts, we could just cut out all funding for the National Endowment for the Arts. Then only

the elite would be funded. If we want the arts to reach all the communities of the country, we should fund this program, because it does good for America.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to this amendment.

Mr. Chairman, it seems to me that the amendment is founded on two false premises.

The first is that because certain awards have been controversial or can reasonably be subject to criticism we therefore ought not to fund the National Endowment for the Arts.

I am not an artist, and I am not an art critic. But I know enough history to know that when the impressionist movement started, there were many who thought that its works were ludicrous. When the cubist movement started, there were many who thought its works were ludicrous. We could go through art movement after art movement and find similar experiences. I suppose if we had had a National Endowment in those days and it had funded some of those works which are now universally accepted as important works of art, we would have had Members on the floor of this House criticizing the National Endowment for what it did.

But then the second argument is made that, "Oh, it is not really because of that that we want to zero out the National Endowment; it is because government doesn't belong in the business of art at all."

Does anyone really believe that in this House? Does anyone suggest that all our local governments should close their art museums because government does not belong in art, because someone has to choose what hangs there, someone who is a government employee? I would suggest that that is absolutely wrong.

I think government has a role in the arts. It is a role which one must monitor carefully, because we do not want an academy; we certainly do not want government dictation in the arts. But it seems to me that with the kind of safeguards that we have hedged around the National Endowments we have found a very proper role for the Federal Government in the arts, one which greatly improves the artistic life of this country and one which gives a great population in this country that otherwise would be denied access to the arts an access to some of the fine things in life.

□ 1330

Mr. Chairman, I think that we can be proud of what we have done with the National Endowments. I particularly want to salute the chairman of the Interior Appropriations Subcommittee, Mr. YATES, and its ranking minority member, Mr. REGULA for the strong support they have given the National Endowments over the years. I think they have contributed greatly to the life of this Nation through their efforts, and I thank them for it.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an extreme amendment. This is justice as it is accorded in Iran. This is like the justice of Ayatollah Khomeini to the claimed blasphemy in Salman Rushdie's book. "Off with His Head," cried the Red Queen in Alice in Wonderland.

This amendment does the same for the National Endowment for the Arts because of two grants, one to Robert Mapplethorpe, and one to Serrano. The amendment would cut off all funding for the arts. The gentleman is not concerned with the effect that his amendment will have on the innocent bystanders who have nothing whatsoever to do with the grants.

What about the symphonies in the country? What about dance? What about theater? What about the folk arts? What about the museums? They have nothing to do with these grants. They exist in great measure because of the funding that comes to them from the National Endowment and from the challenge grants that the National Endowment initiates and which they can use to obtain private contributions.

Mr. Chairman, this is an extreme amendment. It is interesting that the gentleman made a point of order to the amendment of the gentleman from Ohio [Mr. REGULA] which sought to correct the kind of procedures that the gentleman condemns, which he says were responsible for the Serrano grant in the first place. As I pointed out to the Chair in my opposition to the point of order, the chairman of the Endowment is required to make the grants. There is nothing in the law that authorizes subgranting or a delegation of the granting authority. The report on the bill contains language that would correct the procedures, both the chairmen of both the Endowment for the Arts and the Humanities have expressed a willingness to accept those procedures.

Mr. Chairman, from now on there will not be the procedures that allow the approval by a subgrantee of a grant to another, to a further subgrantee. All grants will have to be approved by the chairman and the council just as all other grants are approved.

My colleagues, every civilized country in the world subsidizes the arts. There is not one that does not provide more money for its arts than does the United States. Cities in Germany give more for just the opera than we make available for the entire budget for the National Endowment for the Arts. The civilized countries of the world—England, France, Italy, Norway, Sweden—all of them subsidize the arts.

Mr. Chairman, the gentleman from California [Mr. ROHRABACHER] would end our subsidization for the arts. I say to the gentleman look at the record, look at the record. The gentleman from California obviously has not looked at the record of NEA. Eighty-five thousand grants over 24 years, out of which less than 20 have been controversial. Only one-quarter of one-tenth of 1 percent of all those grants have been controversial. I think that is a record that deserves commendation rather than one that seeks censure of the kind the gentleman speaks about.

When it was brought out that the Department of Defense was spending $600,000 for toilet seats, there was not any motion to stop the purchase of toilet seats by the Department of Defense. Are we going to close down HUD because of what has happened in granting the millions of dollars, the losses to the taxpayers, because of favoritism or because of fraud or abuse? No, we are going to let Jack Kemp clean it up.

Now we have got a new chairman, a new chairman appointed by the President, for the National Endowment for the Arts. The amendment of the gentleman from California [Mr. ROHRABACHER] would just pull the rug right out from under him. I do not think that is fair.

What has happened to the leadership of NEA to our artists? We are the leaders in the world in the field of arts. The amendment of the gentleman from California [Mr. ROHRABACHER] would destroy that. We are proud of that.

Mr. Chairman, I am proud to be the chairman of the Appropriations Subcommittee that is charged with funding our national parks, our national forests, our public lands, our fish and wildlife refuges. We are proud on our subcommittee to have charge of keeping America's natural loveliness beautiful, not only for this generation, but for our children and the generations to come. The wonders of America, the natural grandeur, are unsurpassed anywhere in the world, and I wish we could appropriate more money to do an even better job.

(By unanimous consent, Mr. YATES was allowed to proceed for 1 additional minute.)

Mr. YATES. Mr. Chairman, I am proud, too, in spite of what the gentleman from California [Mr. ROHRABACHER], has said, I am proud, too, of the record that our committee has made in supporting and fostering the arts all over the country. This is not just in the big cities, as was pointed out by the gentleman from Oregon [Mr. AUCOIN]. The big cities' arts will in great measure get their money, but it is the areas of the country that are

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

not reached by the arts that will be hurt. The amendment of the gentleman from California [Mr. ROHRABACHER] would destroy the Arts in America Program on television which goes to the homes of America, the only way that some areas of America can get access to the arts.

I say to my colleagues, "please vote against the amendment of the gentleman from California [Mr. ROHRABACHER]. Don't do this to the arts, and don't do this to the United States because the United States will suffer as a result of the gentleman's amendment."

I think we ought to be proud of what we have done in the arts in the United States, and I hope the amendment of the gentleman from California [Mr. ROHRABACHER] is defeated.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask the gentleman from Oregon [Mr. AUCOIN], "If you lost 10 pounds, would the cost of your suit be reduced?"

So, if we cut a foot off of that submarine, we are not going to reduce the cost of the submarine.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, if the gentleman from California [Mr. DANNEMEYER] can tell me how I can lose 10 pounds, I will be eternally grateful for it, and I might even join him on some of his amendments.

Mr. DANNEMEYER. Mr. Chairman, that wisdom will come when the gentleman from Oregon [Mr. AUCOIN] votes for this amendment.

Mr. Chairman, I rise to support this amendment for two reasons. The first one is the principal reason why we should all be supporting it. The second one, I will describe my reasons for that as well.

The first one is quite simple. This year we are scheduled to add to our national debt some $261 billion. That is the latest estimate. Last year, this year, next year we will have added roughly three-quarters of a trillion dollars to the national debt of this country. In the decade of the eighties we began with a debt of a billion. We will end it with a trillion. The cost of paying for this debt, mountain of debt, is almost identical in this year to what our general fund deficit is, a quarter of a trillion dollars.

Mr. Chairman, my point is that we should phase out this expenditure, not because it is not meritorious. I believe I favor art. Who is against art? I am not against it.

However, Mr. Chairman, when we have a shortage of money, we have to make some choices as to what we are going to fund. It is very simple.

My suspicion is, if we asked our average constituent in town hall forums around this country, "Do you believe we should be spending in excess of $171 million next year for art?," they would say, "Are you kidding?"

Give the taxpayers a little relief in this country, and that is what I think the amendment of the gentleman of California [Mr. ROHRABACHER] seeks to do.

The second reason is that the game that is played in the world of the bureaucracy is: "Insulate yourself from accountability for what your grantees do. The way they do that is what they have done. The guy directing it says, "Well, I don't determine what they do with their money. I delegate that function to the subgrantees."

□ 1340

They are the ones that you should look at and they say, well, Congress cannot reach them.

Well, I suggest to my colleagues, we can reach these people and get their attention.

My second reason for supporting this amendment is because there was a $75,000 grant awarded to the Southeastern Center for Contemporary Art in Winston-Salem, NC, which was used to partially fund a photograph by New York artist Andre Serrano. The large, vivid photo entitled "Piss Christ" depicts Christ hanging on a plastic crucifix submerged in a jar of Mr. Serrano's urine. For his work and others in this series, including "Piss Pope" and "Piss God," Mr. Serrano was awarded a $15,000 grant.

I think it is tragic that taxpayers' money is funding this kind of trash.

Another highly questionable grant of $30,000 was awarded to support the national tour of an exhibit of photos by Robert Mapplethorpe, who died of AIDS in March. The homosexual activist's homoerotic work called "The Perfect Moment" is not only highly explicit, but also contains nudes of children. Mr. Mapplethorpe's work was displayed by the Institute of Contemporary Art in Philadelphia, later ran in Chicago at the Museum of Contemporary Art, and was scheduled to be exhibited at the Corcoran Gallery of Art here in Washington, DC, before it was hastily canceled in the wake of public outcry.

The way we can get their attention is to adopt this amendment by the gentleman from California, just knock it out.

Now, $171 million is not going to balance the budget, but it might give encouragement to the overburdened taxpayers of this country that there is somebody in this institution willing to vote from the standpoint of protecting taxpayers, rather than the beneficiaries of those who get the money.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. YATES, and by unanimous consent, Mr. DANNEMEYER was allowed to proceed for 1 additional minute.)

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, in order to balance the budget, the administration has recommended the sale of several of the naval petroleum reserves. I assume the gentleman supports that.

Mr. DANNEMEYER. If we can get market value for the asset, fine.

Mr. YATES. Well, in order to balance the budget, why does the gentleman not advocate selling Yosemite to developers then? Think of all the money developers would pay for frontages in the Yosemite National Park.

Mr. DANNEMEYER. I do not favor selling Yosemite.

Mr. YATES. Why not close the parks, just as the gentleman wants to close the arts?

Mr. DANNEMEYER. I do not favor selling Yosemite, but I do favor this amendment. Take one step at a time.

If the gentleman wants to offer selling Yosemite, we will take that up. I do not favor that, because I think that is irrational and a silly, to be honest with the gentleman, but I think this is a responsible amendment that gives us an opportunity to cut out at least $171 million, which we cannot at this time afford.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend, the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, did the gentleman support the Reagan budgets? He did, did he not?

Mr. DANNEMEYER. If the gentleman will examine my voting record, I voted for one in the 8 years he was here.

Mr. AUCOIN. I think the gentleman was in support of the Reagan budgets. I tell the gentleman, the Reagan budget was $170 million——

Mr. DANNEMEYER. I will reclaim my time. I asked the CBO and the OMB to prepare an analysis comparing the spending requests of the Reagan administration——

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, although I oppose the amendment of the gentleman from California, I think we should not lose sight of the importance of the amendment.

I believe that the offering of it is not timely, because the endowments which are under the jurisdiction of the committee which I chair, the Subcommittee on Postsecondary Education of the Committee on Education and Labor, because the endowments are sched-

uled to expire at the end of September next year. The gentleman's amendment, along with being untimely, is in my judgment being offered for the wrong reason.

The gentleman offers it because he tends not to like certain art that has been funded, apparently, by the endowment.

We ought not to be considering this matter because we do not like certain works of art. There has been, throughout the history of humanity, art that has been found to be scandalous, obscene, or heretical. Let me share some of those works of art with you.

In 1857, an artist was hauled into court on charges of obscenity because that artist wrote a novel, "Madam Bovary."

In 1535, an English Saint, Sir Thomas Moore, was burned at the stake in part because he wrote a book that was not accepted at the time, "Utopia."

Michelangelo made a painting in the Sistine Chapel called "The Last Judgment." There was nudity in characters in that painting and a pope later Commissioned one of Michelangelo's students to paint draperies on that great work of art.

James Joyce wrote the novel "Ulysses."

D.H. Lawrence wrote "Lady Chatterly's Lover."

Henry Miller wrote "Tropic of Cancer."

They could not find publishers for their works and they had to be published privately. The United States of America used to regularly confiscate those works if they found them in the baggage of travelers coming into the United States, until a Federal court found that such confiscation was unconstitutional.

Now, of course, we study those as great works of writing and art.

Shakespeare wrote "A Merchant of Venice." Many found it to be obscene.

D.H. Griffiths had a pioneering full-length film called the "The Birth of a Nation."

It is now hailed as one of the great films of all times, but many Americans found it very questionable and wanted it banned.

Finally, Mark Twain wrote "Huckleberry Finn" and the predecessors of some of the gentlemen on the right, and perhaps even some of them, are still trying to take "Huckleberry Finn" out of America's libraries.

Censorship is a dangerous thing. It rides on the risky tides of preference of the day.

The gentleman's amendment is worth consideration, worth debate, and when we move to reauthorize the National Endowment for the Arts I intend, as chairman, to consider these two perhaps irreconcilable forces that are on the same track heading each toward the other. One force is the right of the taxpayers to determine through this body how their money shall be spent. The other undeniable right is the freedom of artists.

If we have come to a time when the National Endowment for the Arts has become the official sanctioning censorship agency of the U.S. Government, then the National Endowment for the Arts should go, but let us decide that not through the appropriations process, but rather through the hearings process under reauthorization.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(By unanimous consent, Mr. WILLIAMS was allowed to proceed for 1 additional minute.)

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, would the gentleman in the reauthorization process take under consideration the language that I offered to put strict accountability on the chairman of both NEA and NEH? We had a parliamentary objection to the accountability provision, as the gentleman well knows. I just wanted the gentleman's reaction to including this in the authorizing legislation.

□ 1350

Mr. WILLIAMS. Mr. Chairman, as I mentioned when I spoke in support of the gentleman's amendment, I believe it was a good amendment, disagreed with the ruling of the Chair, and do expect that my subcommittee, with the ranking member from Missouri, will want to consider and perhaps adopt the gentleman's amendment during the reauthorization process.

Mr. HENRY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I strongly urge my colleagues to reject what I will call an ayatollah amendment. The whole approach here is because several mistakes were admittedly made that we ought to chop off the head of the National Endowment for the Arts, and then when that amendment fails, presuming it does, they will come and say, "Well, just chop off their hand," and then they will come back this afternoon and say, "Well, let us just chop off their little finger."

The fact of the matter is that the National Endowment for the Arts has established a simply outstanding record of broadening the cultural base of activity for all the people in this Nation. As the distinguished chairman of the committee has pointed out to this body, in over 80,000, 80,000 grants over the history of this agency, only some 20 or so have generated controversy, and it was the chairman and our ranking member of the committee who proposed language to put in this bill to resolve the dispute on the subgranting process that allowed the instances in question to develop in the first place.

It is the very person who proposes the amendment to eliminate the National Endowment for the Arts completely who objected to that language being put in the bill. The record speaks for itself. The gentleman sponsoring this amendment attacks two salacious, admittedly salacious, in my personal point of view, grants in terms of artistic merit and uses that to impugn the entire agency and goes on and on and on and then seeks to interfere with the ways of addressing that and says, "That is really not what I object to. I just object to any funding of the arts."

Mr. Chairman, I did not see the gentleman get up and suggest we also ought to close down the National Endowment for the Humanities. Let us be completely culturally illiterate. Let us close down all arts and culture in this country. Is that what the gentleman wants?

The gentleman sits with me on the Committee on Science, Space, and Technology. We have a major crisis in our committee with the National Academy of Sciences and the National Science Foundation because of corruption in the peer review process. The gentleman is aware of that. Shall we just cut all Government scientific infrastructure support? What about cutting the military bands? Military bands alone of the Department of Defense budget: We spend more on military bands alone than the entire National Endowment for the Arts budget. Maybe the gentleman ought to come back when we do the defense bill several weeks from now and consider offering his amendment there.

I submit that it is poorly considered, and in some respects at some risk, Mr. Chairman, I suggest it is somewhat inconsistent to present this amendment having objected to the very attempt that has been made to prevent the kinds of problems we had this year from reoccurring.

I strongly urge my colleagues to oppose the amendment.

Mr. CAMPBELL of Colorado. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the only professional artist in the Congress, one might say I take a personal interest in art in America.

The National Endowment for the Arts has been instrumental and has contributed greatly to this Nation. From an economic standpoint, in my State as in many States, our cultural industry is supported by grants of the NEA and is a potent force in Colorado's tourism attractions.

I am repelled, as many of my colleagues are, at some of the pieces of art being disguised as art or used with

the term "art," and to describe them that way is unfortunate.

This appropriation bill is not the place to punish the NEA for that controversy. The management of the NEA should be left to them and should not be the recipient of a meat-ax approach by Congress.

I think we are all concerned about accountability within the NEA, and certainly hearings should be held to get at the root of that problem. If there is that problem. A capricious cut in the funding for that program that supports this very valuable community arts program would be very harmful to us from a nationwide standpoint.

They get about $144 million per year, as I understand it, while we spend almost that much on the Bradley tank, which sinks, and we spend three times that much on the B-1 bomber, which falls out of the sky.

I know that this is a great discussion item for grandstanding against the arts. We all know the danger of throwing the baby out with the bath water, and I urge my colleagues to vote against the amendment.

Mr. DANNEMEYER. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from California [Mr. ROHRABACHER], to H.R. 2788, the Department of Interior appropriations bill. The amendment before the House would eliminate all Federal funding for the National Endowment for the Arts [NEA].

This year, we are proposing to provide in excess of $171 million to the Endowment. In light of the massive Federal deficit looming over America, I question why the Federal Government should provide this type of funding when in fact, during 1987 alone, a whopping $6.4 billion was donated by private individuals to further the arts and humanities. A March 1988 CBO report entitled "Reducing the Budget" states that the Endowment's programs actually benefit higher income persons more than those with lower incomes.

Aside from my fiscal concern, there are other compelling reasons to eradicate the Endowment's funding. Unlike most Federal agencies, which use full-time staff employees to make grants or set amounts, the Endowment has for years recruited panels of independent specialists from the world of music, theater, dance and the other art to select recipients and determine the size of grants. Panel recommendations are almost always accepted, and the panels enjoy the luxury of not being asked to account for any inconsistencies in their decisions.

One of the most controversial lapses in judgment was a $75,000 grant, awarded to the Southeastern Center for Contemporary Art in Winston-Salem, North Carolina, which was used to partially fund a photograph by New York artist Andres Serrano. The large, vivid photo entitled "Piss Christ" depicts Christ hanging on a plastic crucifix submerged in a jar of Mr. Serrano's urine. For his work, and others in this series including "Piss Pope and Piss Bod," Mr. Serrano was awarded a $15,000 grant.

Another highly questionable grant of $30,000 was awarded to support a national tour of an exhibit of photos by Robert Mapplethorpe, who died of AIDS in March. The homosexual activist's homoerotic work called "The Perfect Moment" is not only highly explicit but also contains nudes of children. Mr. Mapplethorpe's work was displayed by the Institute of Contemporary Art in Philadelphia, later ran in Chicago at the Museum of Contemporary Art, and was scheduled to be exhibited at the Corcoran Gallery of Art here in Washington, DC before it was hastily cancelled in the wake of public outcry. These are not two isolated incidents but rather are part of disturbing pattern demonstrated by the Endowment.

When asked in a personal inquiry last April if the Endowment accepted responsibility for this type of expression, Hugh Southern, Acting Chairman of the NEA, stated "the Endowment is forbidden in its authorizing legislation from interfering with the artistic choices made by its grantees. The limitation reflects the concern that Federal funding for the arts would result in Government intervention in the substance of artistic projects and in the creation of officially sanctioned artistic styles." I find it wholly unacceptable that the Endowment only "regret any offense" without providing administrative recourse to correct such an offense or to deter any such future offenses. Furthermore, I interpret the above quote to mean that the Endowment can never be in a position to oversee the fruits of its awards.

There are those in America who favor free artistic expression. I do not quarrel with this view as long as it does not offend our moral foundation. To provide Federal assistance to an organization that condones this type of offensive expression is an unexplicable use of the taxpayers money. If we as legislators are to stand firm in our commitment to monitor the allocation of Federal dollars, including how they are spent, then it follows that we should strike the Endowment's Federal funding. I urge my fellow colleagues to support this amendment.

PERFECTING AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer a perfecting amendment to the bill.

The Clerk read as follows:

Perfecting amendment offered by Mr. ARMEY: Page 76, line 18, strike "$144,250,000" and insert in lieu thereof "$129,825,000".

Mr. ARMEY. Mr. Chairman, let me begin by congratulating the chairman and the ranking member and the members of this important subcommittee of the Committee on Appropriations for reporting out a good bill. This bill is an $11 billion bill that covers an incredibly comprehensive, broad spectrum of important issues before the American people, and I would be the first to admit that this particular issue that we are addressing in section 2 is among the least important things to the American people covered by this bill, and it fascinates me that it has gained so much attention.

Mr. Chairman, I do not wish to see the debate prolonged, but apparently it will. Why is the debate so prolonged and so intense over what is in fact such a nominal amount of money even within the context of this bill? Because the issues that we address here are issues of the heart as seen by the American people, and the feelings are going to be strong.

Let me speak for a moment on behalf of my colleague from California. For those of us who wish to make comparisons with whether or not there may have been comparable levels of waste in defense as is found in the National Endowment for the Arts, the point of the amendment of the gentleman from California is missed. The gentleman from California represents by virtue of his amendment a point of view that is an informative point of view based on intellectual tradition that goes as far back, at least, to Adam Smith, that funding for the arts is simply not a legitimate activity for the Government within a free enterprise, democratic, political, economic system. His point is a point well taken. It is a point well supported by intellectual tradition and should not be suggested to have been representative of nothing other than a plea for cultural and esthetic illiteracy. Anybody who would make such a suggestion that the objective of the gentleman from California in making that amendment does his purposes a disservice, and, frankly, does a disserve to the taste preference, freedom of will, freedom of expression, and generosity of expression as well as urgent need for the uplifting experience of the arts that is expressed daily by American citizenry consistent with their own taste by way of free expression without the prodding of public expenditure, the only difference being, as the gentleman from California would suggest, that it should be done freely and voluntarily by American people on their own behalf. It should not be 170-some-million dollars of their money, first appropriated by the Government and then handed over to an elitist corps of people who will spend it in accordance with their taste.

The question of the Mapplethorpe and the Serrano work is, of course, at the forefront of this controversy. If the gentleman from California chooses to seize the opportunity to use Mapplethorpe and Serrano as an illustration of what I might call Armey's axiom, that nobody spends another person's money as wisely as their own, I applaud him for the observation. The fact is if money were wasted, in my opinion, on such artwork through private, voluntary free expressions of people's expenditure of their own money, there would be no beef to be had here today.

This is not censorship. This is about the prudent, responsible, sensitive, responsive, tolerant expenditure of the taxpayers' money on behalf of the taxpayers who provide the money.

□ 1400

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. ARMEY. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, if the gentleman is supporting the amendment of the gentleman from California [Mr. ROHRABACHER], why is he offering his own amendment?

Mr. ARMEY. I appreciate the gentleman's question, which brings me to the point of my amendment, and I thank the gentleman from Illinois for bringing me to the point of my amendment, which is to reduce the expenditure on the grants in the administration of the National Endowment for the Arts by 10 percent, $14.4 million. This can be clearly construed, if you will, as a severe slap on the wrist for an agency that has severely defaulted on its responsibility to the American people.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am sorry, but I do not have the time.

(On request of Mr. REGULA, and by unanimous consent, Mr. ARMEY was allowed to proceed for 3 additional minutes.)

Mr. ARMEY. I am happy to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, in the opinion of the gentleman from Texas, will taking the money away address the problem prospectively and prevent any such grants in the future?

Mr. ARMEY. I appreciate the gentleman raising that question, because the fact of the matter is heretofore, prior to being on the floor today, we have had a prior experience in 1985 with the National Endowment. In that case the issue was poetry, and in that case we did pass changes in the authorizing language that we had hoped would constrain their behavior to publicly responsible behavior.

These recent occurrences have shown us, as is endemic in the nature of agencies and professionals in agencies, they are wont to try to do their own will and to be free, if possible, from the constraints of legislation, and they have not abided by those constraints.

If the gentleman from Ohio will allow me to continue, I have worked together with the gentleman from Illinois [Mr. YATES], and the two of us have worked together with the active director of the NEA, and the committee has put language in the report. The committee knows and I know that the language is not likely to be binding, particularly with respect to an agency that is staffed by professionals that do not even deal straight and square with their own Senate-approved panel members.

Let me give Members a quick look at what the panel was told by the committee staff. They were asked "to support a mid career summary of the work of photographer Robert Mapplethorpe. Although all aspects of the artist's work—the still-lives, nudes, and portraits—will be included, the exhibition will focus on Mapplethorpe's unique pieces where photographic images interact with richly-textured fabrics within carefully designed frames."

Anybody would have voted for that description. I am suggesting what we need to do in response to the observable fact lo these years since 1985 that this agency is particularly intransigent in their insistence to tend to their own affairs and to have us keep our nose out of it, is to send them not only a legislative message but a clear budgetary message: If you do not want to be sensitive, responsive, respectful, and tolerant of the taste of the vast majority of the American people, if you insist instead to be clearly, blatantly, obtrusively and obnoxiously in violation of the tastes of the clear and vast majority of the American people, you will have your funding reduced.

I ask the body to vote for the 10-percent reduction and send the professionals in these agencies a message that we represent the American people in this matter.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Mr. REGULA and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. REGULA. Mr. Chairman, will the gentlement yield?

Mr. ARMEY. I am happy to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, would the gentleman have supported, had it not been ruled subject to a point of order, my amendment to put into law what is now in the report language, since the gentleman mentioned the fact he is concerned that they might not follow the report language at NEA? Would the gentleman have supported the concept of embodying it in the law as my amendment proposed?

Mr. ARMEY. Yes; I would have. As a matter of fact, as the gentleman from Ohio knows, I did go to the gentleman from Illinois [Mr. YATES] and seek this kind of a remedy. What we asked precisely from the National Endowment was for them to write into the regulations their operating guidelines. Having prior experience with the relationship between the agency's regulations and legislation, and the different gap one can get, we asked them to give us some agency guidelines that would give us some assurance that they would have responsible behavior. The guidelines that they sent to me, if I had accepted them, would have amounted to my having endorsed the practices that they have been practicing.

We are asking here, with this 10-percent reduction, for this Congress to send a message to these agency people and to their decisionmaking bodies that they must refrain from committing clearly and obviously blatant transgressions against the sensibilities of the American people. The National Endowment for the Arts cannot be insensitive, cannot be intolerant, and cannot be abusive of the rights of the people who provide the money.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. chairman, the gentleman cuts $14 million out of the National Endowment. Would the gentleman tell the body where there are $14 million of pornographic art that will be funded that he is sparing the country of by his cuts?

Mr. ARMEY. The gentleman misses the point again. I do not intend and have not myself intended to decide on behalf of this agency what is or is not pornography. I am asking the agency to acknowledge that they have a fiduciary responsibility to the American people. When they get the privilege of spending the money, they must exercise the responsibility of adhering to and respecting the sensibilities of the American people. That is what I am saying.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

Let me just say from the beginning that in no way can I condone or support the particular projects to which the gentleman from Texas refers. The abuses that give rise to this amendment are regretable.

But the gentleman's amendment does nothing to address this problem. Instead, by making a dramatic reduction in the NEA grant program, the Armey amendment will punish all the artists because of problems with a few. In fact, throughout its 25-year history, the NEA has awarded more than 85,000 grants, with just a handful stirring any criticism. It is wrong to retaliate against an entire process or program because a few mistakes were made along the way. No selection procedure is perfect. Even with the best oversight a few bad projects might sneak through.

And it's unfair to indict the entire system because a few individuals are out of line. It's like saying that defense cuts are necessary because of the DOD scandle, or cut HUD because of the waste, fraud, and abuse of a few.

The Armey amendment is a meat ax approach to this problem. It's like amputating your arm to remove a hangnail. This issue needs to be addressed in the proper forum, with a reasoned and deliberative approach.

The authorizing process will begin in the fall when subcommittee hearings are scheduled. And at that time, these concerns can be raised. A 10-percent cut is no answer to this probem. A 10-percent cut will not prevent a repeat of this type of project. But a 10-percent cut will hurt a lot of great artists around the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

country, in every State and congressional district.

This amendment also assumes a dangerous change in policy with respect to arts funding. It assumes that the Congress or some other governmental body should pick and choose "appropriate art" or provide an official stamp of approval.

While I can sympathize with the legitimate pejoratives of this House to control Federal funding, I am concerned about the impact of excessive control in this area.

History has taught us that censorship is an ugly scare on the legacy of a generation. McCarthyism in this century, and booking burning in the last, are black marks on history. In fact, contemporaries of Michelangelo stoned his statue of David because they thought it was obscene.

Now, I certainly don't think that the examples of abuses mentioned today are in that category, but I am concerned when we travel down the path of censorship and control.

Mr. Chairman, the committee recommendation for arts funding is sound, and the NEA Program deserves the support of this House.

If critics have concerns, express them during the authorization process and propose specific reforms. The Armey amendment is no answer to this problem. I urge my colleagues to vote no on the Armey amendment.

AMENDMENT OFFERED BY MR. STENHOLM TO THE PERFECTING AMENDMENT OFFERED BY MR. ARMEY

Mr. STENHOLM. Mr. Chairman, I offer an amendment to the perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. STENHOLM to the perfecting amendment offered by Mr. ARMEY: In lieu of "$129,825,000" in the amendment, insert "$144,205,000".

Mr. STENHOLM. Mr. Chairman, my amendment is very simple. The amendment of the gentleman from California I think might be likened to nuking the Endowment of the Arts for certain mistakes that the gentleman from Texas has so eloquently already decided are mistakes in the eyes I think of the majority of the American people. The gentleman from Texas though attempts to take a shotgun to the process and say because they have offended we are going to kind of shoot out there and hope we hit something.

My amendment takes a rifle approach and specifically addresses the $45,000, the two specific proposals that have offended, Serrano and Mapplethorpe, and says let us excise that amount of money. I think my amendment makes eminent good sense for the debate today.

First I want to commend the gentleman from Illinois, Mr. YATES, chairman of the subcommittee, for doing this as this body has instructed on all appropriation bills this year to come in under the 302(b) allocation. The chairman has done so. Otherwise I would be up here doing as we had done in the past, suggesting that we bring it back. But the gentleman from Illinois, Chairman YATES, has done it.

If Members will read the committee report they will find much of the concerns of my colleague from Texas have been addressed. I know in numerous conversations with the chairman expressing my own concern, also the concerns legitimately expressed to the first amendment in censorship, et cetera, the chairman has expressed that concern also, and in the committee report begins to go a long way toward deciding this question in a favorable way. If Members will read page 126 they will see that the committee has done a good job in addressing the concerns so eloquently expressed by my colleague from Texas.

So let me say, my colleagues, in conclusion, my amendment really is a shot across the bow. It is sending the appropriate message without shooting and hitting everything in sight, and it does not do near the damage the amendment proposed by the gentleman from California would do, for very legitimate reasons, but we are saying let us deal with the problem in a very positive way.

I urge support of my amendment.

Mr. COLEMAN of Missouri. Mr. Chairman, I rise in support of the Stenholm amendment to the perfecting amendment.

Mr. Chairman, for clarification for Members who have not followed the debate very closely, we have three amendments now pending. We have the amendment of the gentleman from California, who wants to strike the entire Endowment today. Then we have the amendment of the gentleman from Texas [Mr. ARMEY]. His amendment would reduce it by $14 million plus as a symbolic gesture to "get the attention of this agency," for some several grants, two grants in particular that were made which were offensive to some people. They are offensive to me.

We now have pending the amendment of the gentleman from Texas [Mr. STENHOLM] to the amendment of the gentleman from Texas [Mr. ARMEY], to reduce this by $45,000, which represents the accumulated grant moneys that were given for these two in question grant awards that have been made by this agency.

The question is fundamental. First of all, should we adopt the first one? I suggest that is not the real issue, because that one is going to be I think defeated.

□ 1410

The real question is between the two gentlemen from Texas. One says that that is a symbol and $14 million is how much flesh he is going to be able to extract from this agency because of these two questionable grants. The other one I think is more temperate an approach, who says there ought to be a symbolic gesture here this afternoon, that if you have problems with these two awards and I personally feel they are tasteless in their application, the two grants; I feel that one of them borders on pornography and, yes, there is freedom of speech in this country but you cannot yell "fire" in a crowded theater and you cannot go out and disseminate pornographic material under the freedom of speech either.

But that is my personal interpretation. I am offended by these two, but I do not believe that we can stand here today and, one, cut off the entire NEA budget of even the $14 million because I personally am offended and perhaps 99 percent of the people in this body and 99 percent of the American people might be offended. But what we can do is make a statement to people who are out there in the community, we have to deal with the political problem here today. We could either lose the entire Endowment or we could lose $14 million.

I suggest that we go along with the Stenholm amendment and lose $45,000.

Perhaps some of the people who are on some of the panels will recognize that we have a political problem when sometimes they do things which are going to come back and haunt the Endowment process.

So let me just say that if the Armey amendment is adopted, he is not just going to take the two grants that we have some problems with today, he is going to cut off a lot more grants. And these grants could be in your hometown, for your symphony, for your education in the arts, in your classrooms, in your districts. It might be going to fund the Boys Choir of Harlem, they might be the children's theaters in a variety of cities throughout this Nation, or a number of things the $14 million could come from.

There is no rational basis for $14 million here today.

Mr. YATES. I thank the gentleman for yielding.

The gentleman is on the authorizing committee for the National Endowment for the Arts?

Mr. COLEMAN of Missouri. I am.

Mr. YATES. Is not that committee now holding hearings on the question of reauthorizing the National Endowment for the Arts?

Mr. COLEMAN of Missouri. We are, and we have. We had a hearing already this year and we are in the process of——

Mr. YATES. Is that not the proper forum for Mr. ARMEY to take his amendment, if he wants guidelines to follow certain paths?

Mr. COLEMAN of Missouri. Mr. ARMEY is a member of that authorizing committee.

Mr. YATES. He is a member of the authorizing committee?

Mr. COLEMAN of Missouri. He is a colleague of mine on that committee.

Mr. YATES. Why does he not take it there?

Mr. COLEMAN of Missouri. The gentleman will have to ask him that.

Let me just say that in the authorizing legislation initially and subsequently reauthorized, this issue about freedom of artistic expression has been debated. It is current law.

So we do not—you know, finding fault with the agency is one thing, finding fault with ourselves is another.

The agency is not happy about what has happened in this case. They also have problems about self-censorship and public expression. We have a political problem. We are dealing with it through the Stenholm amendment.

I believe it sends a signal, a statement, it is a symbolic vote. It cuts off, if you will, the funding for these two what I think are tasteless, bordering on pornographic material so that they would not be funded in the future. That is the statement today, and that is the real vote.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

The gentleman heard my amendment I offered to put accountability in this process. As the ranking minority member on the authorizing subcommittee, would the gentleman support that language in the reauthorization package?

Mr. COLEMAN of Missouri. I certainly think it is a step in the right direction when we readdress this issue on reauthorization.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COLEMAN] has expired.

(By unanimous consent Mr. COLEMAN of Missouri was allowed to proceed for 2 additional minutes.)

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Texas.

Mr. ARMEY. I thank the gentleman for yielding.

Let me make one point. Yes; it is true I am on the authorization committee and precisely the point I made earlier: We passed the authorizing language in 1985 and I do not believe it has done much to constrain the behavior of the agency.

Now another point: Why are we here entertaining an appropriation bill prior to the passage of the authorizing language? One could kick up a fuss about that. But let that be as it is.

Let me say this——

Mr. COLEMAN of Missouri. If I might say, it is not expiring, so that it does not have to be reauthorized. It is authorized for a period of time. I believe next year it comes up for reauthorization.

Mr. ARMEY. I appreciate the point. The gentleman's point is valid.

But let me go to another critically important point. If you do believe in censorship, clear, precise, pinpointed, accurate censorship, you should vote for the Stenholm amendment. The Stenholm amendment says we want to exact a specific dollar amount in precise reprisal for these two specific artworks.

My recommendation says if you want an agency to act fiscally responsible as it husbands the money of the people of this country, then vote for stiff penalties and clear messages.

Mr. COLEMAN of Missouri. Let me say that I think the Stenholm amendment does half of what the gentleman says, and that is that it is precise.

If you are offended by some of this stuff out here that we have seen and heard about, and if you have seen the pictures, you probably will be, then you will vote for Mr. STENHOLM's amendment because it sends a message. If you want to have a vote today on that subject, that is the way to do it.

Now if you have trouble with censorship, that is another subject, but you are dealing with a political environment here. This is not utopia, this is not an academic discussion, it is real life. That is why I support the Stenholm amendment.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to all three of the amendments on the floor. Although I recognize that Mr. STENHOLM's amendment really is intended to limit the damage which would otherwise be wrought by Mr. ARMEY's amendment, and by the gentleman from California, Mr. ROHRABACHER's amendment. But ultimately all three of these amendments take a piece out of America and what America is all about. This is basically a freedom of expression issue, no matter how one tries to disguise it.

Mr. ARMEY, I think, is a bit disingenuous when he suggests that Mr. STENHOLM is engaging in censorship with his $45,000 amendment but that he, Mr. ARMEY, is not with his proposal. All he is trying to do, he says, is to create fiscal accountability, which leads in fact to the same kind of thing that he accuses Mr. STENHOLM of.

Mr. ROHRABACHER wants to go the whole way and eliminate all funding for the arts.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I will when I am through.

POINT OF ORDER

Mr. ARMEY. Mr. Chairman, I have a point of order. I would like to speak to a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. ARMEY. Mr. Chairman, the gentleman from New York has just stated on the floor in the debate that I am being disingenuous as I make my arguments. This is a difficult, complex issue that we are dealing with, with very many subtle things here. I would not suggest the gentleman from New York, the gentleman from Texas, the gentleman from Illinois, or any other gentleman was disingenuous, and I quite frankly think it does very little to further debate for someone to suggest that I am disingenuous in the arguments that I have made.

Mr. WEISS. If the gentleman will feel more happy, I will withdraw the word "disingenuous."

Mr. YATES. Mr. Chairman, is the word "disingenuous" pornographic?

The CHAIRMAN. Is the gentleman from Texas making a point of order against the words?

Mr. ARMEY. Yes; I am afraid I am, yes.

The CHAIRMAN. The Clerk will report the words objected to.

Mr. WEISS. Mr. Chairman, I have no problem with withdrawing the word "disingenuous" if that gives any kind of offense to the gentleman from Texas, at all. I did not know he was so sensitive.

The CHAIRMAN. Without objection, the word is withdrawn.

There was no objection.

Mr. WEISS. Mr. Chairman, for 8 years, the Reagan administration led an all-out attack against the Federal arts budget, which despite the efforts of Congress and especially the distinguished gentleman from Illinois was largely successful. If the NEA budget had been increased simply to account for inflation every year since 1980, it would now be over $220 million. Instead, last year's budget was less than $170 million, and we are here today fighting off attempts to reduce it even further.

The results of these cuts have been drastic. Each year, the NEA has been forced to issue fewer and fewer grants. Cuts in Federal funding to State and local governments have squeezed their own cultural funding budgets, and corporate mergers are eliminating corporate arts programs. Meanwhile, rising real estate and insurance costs have crippled small creative arts groups, while changes in tax law have resulted in fewer private charitable contributions to the arts.

This last point is important because it directly addresses a fallacy offered by the gentleman from California who is opposing all funding of the arts. He has stated, that "There is no shortage of private financial support for the arts." This is a patently false assertion, and I would invite anyone who disagrees to visit the hundreds of art-

ists in my district who are finding the search for funds, private or public, to be a nearly impossible quest. Clearly, we should be here today debating how much to increase the NEA's budget, not whether to cut it further.

Another result of funding cuts is a talent drain unprecedented in the American arts community. Individuals who cannot make a living, or who simply are unable to have their work produced in this country, are looking overseas to Europe and Japan for support instead.

Mr. Chairman, let's be frank. The arts budget is paltry. The amendments we are debating are not budget-related amendments but the result of controversy over two recent artistic exhibits partially subsidized by Federal funds. Critics of the NEA have expressed outrage over two objectional works which received small amounts of NEA support. They argue that we should send a message to the NEA, not only by changing their procedures to ensure Government control over the grants that organization makes, but also by cutting their funding even further.

But the issue of what type of art the NEA awards grants for brings up some perhaps obvious questions. And let me stress here that the issue we are debating here today, contrary to assertions from the other side, is definitely censorship. Whose definition of objectional are we to work with in determining what grants to award? To some people, the mere sight of nudity in a work of art is objectionable. Should we prevent Federal funding of artists who paint or sculpt nude figures? "The Diary of Anne Frank," "The Merchant of Venice," and "Huckleberry Finn" are all deemed to be objectionable by many people who would like to see these works banned. Should libraries which carry these and other objectionable classics be prevented from receiving Federal funds?

There are other nations around the world which have standards for acceptable and unacceptable artistic expression. We call them totalitarian. In these nations, writers or artists who challenge the boundaries of acceptable expression are imprisoned or worse. Witness the death sentence decreed by the Ayatollah Khomeini on the writer Salman Rushdie because of perceived offense to the prophet Mohammed. Clearly, the U.S. Government must continue to stay out of the business of defining boundaries for acceptable artistic expression.

During this entire debate, some have argued that artistic freedom is fine, but if Federal funds are used for a project, it must not be offensive or objectionable. But it is folly to argue that if Federal funds are used for a project, that project must be acceptable to all taxpayers. Those who make this argument might be uncomfortable with its ramifications. For example, many found the design of the Vietnam Veterans Memorial in Washington, DC, objectionable, but few would now argue that Federal funds should not have been used to support its construction on account of those objections.

The NEA's current grantmaking procedures were carefully designed to limit Government control over or political intervention in the process of Federal support for artistic expression. In the 25 years that the NEA has been in existence, it has awarded 85,000 grants, of which fewer than 20 have aroused protest. Now, some are prepared to limit the NEA's ability to continue to promote American artistic diversity because of public objections to two of these grants. Before starting down this dangerous path, we should take a long hard look at where it leads.

It seems to me that what we ought to really do is to have faith in ourselves and the ideals for which America stands. Let Members, indeed, exult in the fact that we are a country that is free enough to allow artistic expressions, even if we find them offensive and objectionable.

I would hope we would defeat all of these amendments, and let the work of the committee stand.

Mr. Chairman, I would like to close with a quote which expresses the most important point to remember in this debate:

> In recognizing those who create and those who make creation possible, we celebrate freedom. No one realizes the importance of freedom more than the artist, for only in the atmosphere of freedom can the arts flourish.

Few other words of former President Ronald Reagan ring so true.

I urge my colleagues to defeat these amendments

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. ARMEY, and by unanimous consent, Mr. WEISS was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I appreciate the gentleman yielding, since he made reference to me within the context of his remarks. Let me make two points: One, the gentleman from Texas [Mr. STENHOLM] has offered an amendment for a $45,000 reduction, $30,000 in direct reprisal for the grant that funded this book, and I will not show Members the prints within this book, $15,000 for the money that funded the Serrano grant.

Now, if that is not specific targeting of a pecuniary reprisal in the person of the particular products, then I do not know what is.

Mr. WEISS. Mr. Chairman, if I may reclaim my time, the gentleman from Texas has said that his cut, his proposed cut of $14 million is to enforce fiscal accountability in the National Endowment for the Arts. Accountability for what? Accountability for allowing those two works of art to be part of exhibitions partially funded by the Federal Government.

So, where is the difference? There is actually no difference whatsoever. The gentleman is simply using an argument, but it is not particularly effective or persuasive from my point of view.

Mr. Chairman, I yield to the gentleman from Texas.

Mr. ARMEY. I would say my amendment relates to the Endowment continuing over a span of years to keep in place decisionmaking procedures that allow any number of transgressions. These two are only the most clear and odious.

Mr. WEISS. Mr. Chairman, if I may reclaim my time, the gentleman has now said it: It is the transgressions that the gentleman is concerned about, and wants to charge $14 million for those transgressions. The gentleman from Texas [Mr. STENHOLM] wants to charge $45,000.

Mr. YATES. If the gentleman will yield, the gentleman from Texas is on the authorizing committees. Why does he not put the guidelines he wants into the authorizing legislation?

Mr. ARMEY. If the gentleman will yield, the question is a matter of discipline.

Mr. REGULA. Mr. Chairman, I rise in support of the Stenholm amendment. I think it is a responsible approach to the problem here. It recognizes that there is outrage on the part of all Members about what was funded. In addressing this issue, however, we do not want to take away the ability of the NEA to find a string ensemble as they did in the 16th District of Ohio, that traveled around to schools throughout the district and gave our students an opportunity to hear this music and to perhaps inspire some young person. Keep in mind, if Members are going to take an enormous amount out of the budget, or totally eliminate it as proposed by the gentleman from California, that Members are not going to reach out across America to the schools, to the art institutes, and to the museums with the good programs we have had.

Let me say this. There is strong public support for the NEA. We have the challenge grant program which requires that for every dollar of NEA money, they have to match it with $3 of private money. It has been an enormous success. Communities all across the Nation, and people, in small amounts and large amounts, provided the funds so that our local art institutes and schools could go forward with programs. They came up with $3 for every $1 of the NEA. I think that is great evidence of the kind of sup-

port that exists in this Nation. We recognize that some of these programs were outrageous, and we were all offended by them, but Members let us not destroy a whole program that has enriched the lives of all America, and has great potential for the future.

This is a bipartisan program. The NEA was started and was authorized under President Johnson. The major funding that really got the program off the ground was as a result of the leadership of President Richard Nixon, so the NEA have a strong bipartisan approach that has been supported by the public throughout the years. I think it is important that we keep the program going in a responsible way. I regret that my accountability amendment was not adopted, that it was opposed by the gentleman from California on a point of order. We have the commitment from the chairman of the authorizing committee and the vice chairman, ranking member, that they will consider this language in their reauthorization to deal with the issue of accountability. That is really what the issue is here today, is accountability, for what happens in these grants with Federal money.

So I think the Stenholm amendment offers a very responsible approach to this problem, and I urge the Members to support it.

Mr. FOGLIETTA. Mr. Chairman, I rise in opposition to the three amendments. Mr. Chairman, I rise in strong opposition to the three amendments before us today. No matter how offensive and tasteless we may feel that they are, and the catalyst for these amendments, in my opinion, is tasteless, is offensive, and is downright disgusting, artistic works should not be censored. We as Congresspeople are not art critics. We should not be censurers.

History should be our teacher. We can all remember a great artist, or a great work of art, that was considered offensive in its time and banned from being displayed in public. We look back at the 19th century when works by Van Gogh, Monet, and Rodin, were refused. The great work that we see today, one of the great works of arts in this world today, are the "Burghers of Calais." This was rejected by the citizens of that city in France.

Today, we have the best and brightest artists in their fields, artists who have been given complete freedom of thought and expression, artists who are stretching our imaginations and our conceptions even further. We should protect this heritage at all costs.

The National Endowment for the Arts is a respected organization that allows citizen art experts, not government employees, to make funding recommendations. The artists who approve the grants are among the most informed and highly revered in their respective fields. Are they always right? No. Do they make mistakes? Yes. Do works that are sometimes repugnant, offensive, and seemingly artless sometimes slip through the cracks? Yes.

□ 1430

But who is better qualified to determine which artists should be supported and encouraged than the artists themselves? The artistic field must be allowed this privilege.

Mr. Chairman, I urge my colleagues to vote against all three of these amendments.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this debate has taken so many switch-backs that it is like an Appalachian Mountain road. We have Members arguing on all sides of the issue, and it is a little hard to follow. We hear a lot of talk about art and a lot of talk about censorship, and it is hard to follow just who is where.

I have heard the chairman of the subcommittee tell the gentleman from Texas [Mr. ARMEY] that he ought to be doing his work in the authorizing committee of which he is a member. If that is true, then why did the committee not cut out this $45,000 in the committee rather than wait to come out to the floor? If this is a committee amendment, why did they not cut the money out in the committee if they found this language offensive?

The fact is they allowed it to come out on the floor and have a debate. I do not understand that. Why would they not have this cut take place there if it was the right thing to do?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I would say to the gentleman that the gentleman from Texas [Mr. STENHOLM] is not a member of our committee.

Mr. WALKER. I see. But the committee is rising in favor of the Stenholm amendment and calling it—I just heard the term used a minute ago—the committee amendment. So why was that not done in committee at that point?

I would also point this out: If the gentleman were to look at the language in his own report, he references the language that the gentleman from Texas [Mr. ARMEY] put in law in 1985. He is trying to say in this report that the agency ought to obey the language that was put in effect in 1985.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will yield to the gentleman in a moment.

Mr. Chairman, what that means is that since 1985 the agency has not been doing what the law required them to do. That is the reason why the gentleman is now having to say in his own report that the agency somehow is violating what we told them to do in 1985. The gentleman from Texas [Mr. ARMEY] did this in the authorization process, although I think it was actually the language of the gentleman from Texas [Mr. BARTLETT], 5 years ago or 4 years ago. We told this agency what to do. The gentleman is reiterating that in his own report, and now what we hear is this: "Well, we don't need to go this far. We can do this little gesture of $45,000, and that will tell the agency enough for them to back off."

The problem we see here, Mr. Chairman, is that we are not dealing just with a particular problem of a couple of offensive projects; we are dealing with a systemic problem. It is a systemic problem that affects this agency and has affected it for 4 or 5 years, one which the gentleman had admitted in his own report. In his own report, as a matter of fact, he reiterates it a couple of times. The statement is made that recently the committee has been made aware of two visual art grants made by the NEA which have aroused great controversy because of the content of their subject matter. Then you say in the very next paragraph, "Recently the committee has been made aware"—in other words, you say the same thing twice in just a couple of paragraphs here. You reiterate it, so it is obviously very important.

Mr. YATES. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that that is a typographical error.

Mr. WALKER. Good. I see.

Mr. YATES. I thought the gentleman would understand that by himself.

Mr. WALKER. I thought maybe you were just being very strong about the point. If it is just a typographical error, then you were not being so strong about it.

Mr. YATES. Mr. Chairman, will the gentleman yield for a correction?

Mr. WALKER. I am glad to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, this gentleman understood that the language to which the gentleman from Pennsylvania refers was not introduced by the gentleman from Texas [Mr. ARMEY] but by the gentleman from Texas [Mr. BARTLETT].

Mr. WALKER. I said that it was Mr. BARTLETT.

Mr. YATES. I thought the gentleman said it was by Mr. ARMEY.

Mr. WALKER. No, I said that I think the specific language was that of Mr. BARTLETT's, but that the reference Mr. ARMEY was making came out of Mr. ARMEY's action on the floor back 4 years ago, and it is specifically in the law. I understand that.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

But the point is that the gentleman's own report says that this agency has not been guided by these guidelines, and then he goes to some length to tell them what they ought to do now, and he even admits that they came up with a subgrant process in order to get around that which we required them to do back in 1985. Then the gentleman says that we ought to have no more subgrants now.

There is an admission within the report that we have got a problem, and it is not just a problem of $45,000; it is a problem that is systemic to the agency, and we ought to do something to correct the problem which is here.

What I am saying is that it is kind of a puny, little effort out here on the floor to tell that agency that $45,000 is enough to give them the word. I do not think so.

The reason that I say that this takes a lot of switchbacks is that the gentleman from Texas [Mr. ARMEY] makes a valid point when he talks about the fact of censorship. What we have done here is we have decided that those two projects cost $45,000, we do not like those projects, and, boy, let me say that there is not much to like there. So we cut them down by that amount of money, and so we are literally exercising our censorship out here on the House floor.

The gentleman from Texas [Mr. ARMEY], on the other hand, is saying, "Look, the problem here is that the agency had a program in place that allowed them to approve money for these particular projects."

Somehow they need to be hit over the head. Somehow they need to understand that the law which has been in effect for 4 years has meaning to it. Somehow they need to be told that we do not with taxpayers' money want to fund an artist who is urinating in a bottle and sticking a crucifix in it and calling it art. If somebody wants to wallow in their excrement, that is fine, but it ought not be done at public expense.

There is a problem of approval here that is endemic to the agency evidently, and we need to find out what we can do to stop that. What the gentleman from Texas [Mr. ARMEY] says in his amendment is that we should stop it by telling the agency flat out that we are not going to allow them to decide these kinds of priorities; we are going to make them make some difficult decisions because we are going to cut back on their funding. It seems to me that is the way to go.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(On request of Mr. REGULA, and by unanimous consent, Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, would the gentleman agree that the amendment I offered that was objected to would have accomplished what he is just now saying, and that is that it would have made it explicit in the law itself in terms of the agency's responsibility and accountability?

Mr. WALKER. Yes. Let me say to the gentleman, first of all, that the reason why he cannot offer his amendment is that the rules of the House do not permit him to offer his amendment.

Mr. REGULA. I understand that.

Mr. WALKER. If we had different rules out here in regard to appropriation bills, maybe we could offer amendments like that.

Mr. REGULA. Yes, I am saying, if it were in order.

Mr. WALKER. But let us also say in regard to the gentleman's amendment that it seems to me what it did was to reference the public law which is already in place. You put it in law, and so what we would have would be a law confirming the law which was already in place. Our point is that we have a problem here. We have had a law on the books for 4 years, and this agency in its arrogance has decided not to obey that law.

Mr. REGULA. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, if what the gentleman just said was true, the Chair would have ruled in favor of my amendment going forward. If the gentleman would read the rules, what I proposed was to do exactly what he has just described, and the Chair ruled that it was not in order. So all I am saying is, if I understand the gentleman correctly, that he believes we should tighten up the rules on the agency's discretion and make the chairman of each agency, and in this case the NEA, fully accountable. Is that correct?

Mr. WALKER. Let me say to the gentleman that I think what we need to do is to get the National Endowment for the Arts to obey the law that is now in place.

Mr. REGULA. That is exactly what I was trying to do.

Mr. WALKER. The law in place says that you should not authorize an artist to urinate in a bottle and then stick a crucifix in it and call it art. That is what the law is all about right now.

So it seems to me that what we have is an agency that has gone beyond the law. The gentleman is saying, "Well, what we need to do is to get really tough about the law." What is to make the gentleman think that the agency will not continue to ignore our getting tough about the law?

Mr. REGULA. What is to make the gentleman from Pennsylvania think that if we cut out $5 million, $10 million, or $50 million, that will make it suddenly tough for the agency?

Mr. WALKER. Let me say to the gentleman that I think at that point somebody in the National Endowment may figure that we have gotten their attention, because all of a sudden they would have to sit down and decide that there are programs they cannot fund, because they do have enough money to do it, and they will know one of the reasons for that is because they made a systemic mistake along the way that caused Congress to come down on them like gangbusters.

Let me say that doing something with an amendment with $45,000 in it is saying to that agency that we do not really care. They would decide what "they caught us with a couple of bad ones."

What I want to know is, what happended that we did not catch them at? Does the gentleman have any idea what we may not have caught them at that we may find out later? We do know the reasons why this happened back in 1985 is because back then they funded a poem that most of us found objectionable.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

(On request of Mr. YATES, and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, if the gentleman really wants to give the agency a lesson, why does he not vote for the Rohrabacher amendment?

Mr. WALKER. Mr. Chairman, if the Armey amendment fails, I may well do that, for this reason: If we are going in fact to go the route the gentleman is proposing, that of Congress deciding to individually censor programs, it seems to me that we have gotten ourselves right in the loop we said we would never get into, and that is that with the National Endowment for the Arts we would use public moneys as a way of censoring the arts. If we are going to go that route, if that is how we are going to proceed around here, it seems to me that much art in this country might be better off with no money and no programs than having the Federal Government determining what is good art and what is bad art, because I do not think there are very many of us on this floor who are qualified, save the professional artist who spoke here earlier, to make that kind of judgment. But that is exactly the route we are heading down here with the amendment that is being offered

by the gentleman from Texas [Mr. STENHOLM], and if we cannot have something that gives us a real kind of funding of the arts that does not have censorship in it, the Rohrabacher approach is probably the right approach.

□ 1440

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Chairman, I appreciate the gentleman from Pennsylvania [Mr. WALKER] yielding to me.

Mr. Chairman, to follow the logic of the gentleman from Pennsylvania [Mr. WALKER] then, it would be apparent then that no art would be the best art because, if the gentleman would vote for Rohrabacher, what he is saying is that Federal Government should have a policy——

Mr. WALKER. Mr. Chairman, if the gentleman will yield, if the gentleman from Florida [Mr. SMITH] thinks that the only art in this country is being funded by the Federal Government, the gentleman had better look at the situation in the country a little closer.

The fact is that there is much art in this country that has absolutely nothing to do with the National Endowment of the Arts and that we have much art in this country that would probably not even want to get involved with all the applications that the Federal Government requires for its programs.

So, the fact is that we do not end up with no art. What we end up with is public agencies at the local level of funding art.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Chairman, would the gentleman from Pennsylvania [Mr. WALKER] acknowledge that the Federal Government has a significant role to play in the development of art in this country and in development of minority artists and others who are shut out and denied from the capability?

Mr. WALKER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. YATES. Mr. Chairman, I do not want to object to the request of the gentleman from Pennsylvania [Mr. WALKER], but we have gone on, and on, and on.

Mr. Chairman, I will not object to this time.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Illinois [Mr. YATES]. I appreciate the opportunity to continue in the debate since I was yielding to a Member of his side.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, let me say to the gentleman that it seems to me that, if what we are going to do is have the Federal Government begin to act as a censor for all that art, then perhaps we are better off with no Federal role, because if the Federal role becomes one of art censor, then we have, I think, undermined art in this country, not advanced art in this country.

Mr. Chairman, that is the route we are headed down with what we are doing on the floor here today.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I appreciate the point of the gentleman from Pennsylvania [Mr. WALKER], and, if I might ask the gentleman's opinion?

As I see it, what he is saying is rather than voting for the blatant censorship that is embodied in the amendment offered by the gentleman from Texas [Mr. STENHOLM], that we ought to concentrate our attention on the process, and procedures and attitudes of the agencies cognizant of the fact that, as we tighten down the budget constraints, we introduce greater rationality and greater responsibility in the process.

Mr. WALKER. Mr. Chairman, I think the gentleman from Texas [Mr. ARMEY] is right, and I just make the point that I think the bureaucrats down at the National Endowment of the Arts will look at a $45,000 cut on this floor as being laughable, that they will regard that as something that we did that is almost of a laughable nature. If we cut them back by a real amount of money, I think they will look at that as being a somewhat serious effort to tell them that they have got a systematic problem that they have got to solve, and I think the gentleman deserves support on that basis.

Mr. Chairman, I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time on this amendment and all amendments thereto close in 15 minutes.

Mr. ARMEY. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The unanimous-consent request is that time be limited on debate on the Armey amendment and all amendments thereto.

Is there objection to the request of the gentleman from Illinois?

Mr. ARMEY. Mr. Chairman, reserving the right to object, I appreciate the point of the gentleman from Illinois [Mr. YATES], but the gentleman from California [Mr. ROHRABACHER] has not been heard on either one of these other two amendments, I do not believe, and we have another gentleman here. Fifteen minutes; I am just not sure that that gives everybody a chance to speak.

Mr. YATES. How about 25 minutes? Would the gentleman from Texas [Mr. ARMEY] accept 25 minutes?

Mr. ARMEY. Twenty-five minutes; I have colleagues here that have been here for some time.

Mr. YATES. I would say the time would be equally divided.

Mr. Chairman, I make that my unanimous-consent request.

The CHAIRMAN. The unanimous-consent request of the gentleman from Illinois [Mr. YATES] is that there be a limitation of 25 minutes on debate of the amendment of the gentleman from Texas [Mr. ARMEY] and any amendments thereto with the time to be equally divided between the gentleman from Illinois [Mr. YATES] and the gentleman from——

Mr. ARMEY. Mr. Chairman, I reserve the right to object.

Mr. YATES. Mr. Chairman, I thought we had agreed on it.

Mr. ARMEY. Mr. Chairman, reserving the right to object, if the gentleman from Illinois [Mr. YATES] will be patient with my reservation for a moment, I will observe what he has done.

Mr. Chairman, if the gentleman from Illinois [Mr. YATES] would permit me, I would agree to the time request of 25 minutes that he has suggested. He has suggested it should be equally divided between the gentlemen on their side and myself or the gentlemen from California [Mr. ROHRABACHER] on this side since the gentleman from Ohio [Mr. REGULA] is obviously more in agreement with the position of the committee.

Mr. YATES. Mr. Chairman, I amend my request to say that the time allocation shall be controlled by the proponent of the amendment, the gentleman from Texas [Mr. ARMEY], and on my side by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio [Ms. Oakar].

Ms. OAKAR. Mr. Chairman, I could not help thinking that last night apparently one of the great international figures in acting, Sir Laurence Olivier, died who had performed many movies, and plays and so on. I could not help thinking of Sir Laurence's native land.

Mr. Chairman, in England they heavily subsidize the arts. The average person can afford to go to the theater. The museums, for the most part, are free. They subsidize and feel that the arts is a profession, is a noble profession, and they give generous grants to

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

people in that wonderful country who want to go into the arts.

In Germany, for example, in just the area of theater they subsidize that area, just that one area, by more than a billion dollars.

Now, Mr. Chairman, one of my objections to the National Endowment of the Arts budget is that it is not enough, and, by the way, all these countries have a cabinet position as minister of culture for their country. They know that the arts and the flourishing of the arts are a sign of their civilization, and, Mr. Chairman, I think of the paltry amount that we have here, $171 million in comparison, the same amount we give for the marching bands for our Department of Defense which, by the way, I support, rather have in many ways some of those kinds of activities and some of those creative avenues for research for SDI that cost billions and billions of dollars.

However, Mr. Chairman, the point is that we do not support the arts enough in this country, and what we are seeing are gutting amendments that really go to the soul of America. The fact is that we want to keep our museums, and our theaters, and the kinds of artists who engage in sculpture and all kinds of design, et cetera, we want to keep those kinds of programs open.

My colleagues, take a look just in this city at the Smithsonian Institution. There are some few, I might add, on that side of the aisle who have suggested we ought to be charging for these museums and for the parks and so on. The fact is we ought to keep them free, and we ought to keep the museums and the theaters in our own areas, and our rural areas and our cities, we ought to keep them open to the American people so that every person without any kind of access, that every person has access irrespective of their ability to pay and the color of their skin.

Mr. Chairman, what we are seeing today is really not a discussion of two pieces of work out of 4,500 grants in terms of censorhsip and so on. What we are seeing is a deliberate attempt to cut a program that has not been fully funded since Ronald Reagan became President.

Now we know that. We ought to acknowledge it, and the chairman, along with his distinguished minority leader from my State of Ohio have attempted to hang on to what they have, and, Mr. Chairman, I want to say that I was really heartened, I was genuinely surprised and heartened, that I am getting all these faxes from people in my district saying, "Do not cut this budget," and these are members of the business community. These are people who are the grassroots people who are proud to go to the Cleveland Museum of Art, and the Cleveland Playhouse, and proud to go to Playhouse Square. They are proud to go to one of the finest orchestras in the world, the Cleveland Orchestra, that still is affordable for them to go to. These are programs, the Karamu Theater and interracial theater in my hometown, and all of my colleagues can name some in their towns. They are proud to go and have these kinds of programs, and they would be less accessible without this kind of program.

So, Mr. Chairman, I say to my colleagues that I am going to, as one who is a down-and-out supporter of the arts, I am going to support the amendment of the gentleman from Texas [Mr. STENHOLM] that reduces the budget by $45,000, and I am going to tell my colleagues why.

□ 1450

Personally, I do not want to support it in terms of cutting anything, but I am going to support it, and I will tell you why, because I know if that does not pass, we are going to have $14 million cuts in this area. We are going to see a new avenue of censorship, the kind of censorship that said years ago that Tom Sawyer and the Adventures of Huckleberry Finn should not be in children's rooms and public libraries.

So let us support the amendment of the gentleman from Texas [Mr. STENHOLM] and get on with this program and let us do more in this area.

Mr. ARMEY. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in support of the amendment of the gentleman from Texas [Mr. ARMEY], and failing that, the amendment offered by the gentleman from California [Mr. ROHRABACHER].

The people I represent in eastern Tennessee certainly do not support Federal funding of pornographic or obscene or anti-Christian artwork.

In addition, it has been said that the people who benefit the most from the National Endowment for the Arts are in rural areas and in the small towns and small cities. I represent that kind of district, and very few people in my district have benefited from the NEA. The NEA, like most Federal programs, the people who benefit the most from it are the bureaucrats who run it. It would be grand if the Federal Government could afford to buy everyone a $200,000 house or a new Mercedes and other things, but there are limits to what government can do.

It has been said in this debate today that $140 million is nothing, it is a drop in the bucket in the whole Federal budget, but if we adopt that philosophy, the Federal deficit will just go crazy.

I rise in strong support of the amendments offered by the gentleman from California [Mr. ROHRABACHER] and the gentleman from Texas [Mr. ARMEY], and I urge their support by my colleagues.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I do not question the motives of the gentleman from Texas [Mr. ARMEY]. I think a good deal of what he proposes on this floor merits our support. His amendment today, I regret to say, does not.

The gentleman from Texas [Mr. STENHOLM] in his amendment fires a shot across the bow of the National Endowment for the Arts. The amendment of the gentleman from Texas [Mr. ARMEY] is a direct hit on the bridge of the ship.

The gentleman from Texas [Mr. STENHOLM] would send a clear message to the NEA that taxpayers are offended, our taxpayers, our constituents are offended, and would caution the agency to proceed more prudently in this area in the future.

The amendment of the gentleman from Texas [Mr. ARMEY] needlessly cripples many meritorious arts activities within our districts across the Nation.

Several of my colleagues have risen today on the floor to suggest that we tread carefully on matters that relate to censorship. They have said that freedom of expression is important, and I agree with them that it is.

We should all be careful to remember, and the National Endowment for the Arts should be careful to remember that what is involved here is more than just freedom of expression. What is involved here is expression that is financed, at least in part, by our taxpayers. The message that my taxpayers and my constituents have sent to me is that they are offended in part by what is being funded with their dollars. Their message to me is that they do not want to see this kind of thing repeated in the future.

I would urge support for the Stenholm amendment. It certainly gets the attention of the agency. It does so, I think, without needlessly crippling the support for arts activities across our country.

I would conclude by noting that beauty is in the eye of the beholder. By the same token, so is tastelessness and so is desecration.

Recently, the artworks of the Congressional Arts Caucus winners were hung near the Capitol. Some of those works may not pass muster with each of our constituents either, but that doesn't mean we should withdraw support of that program.

So, I think indeed we should move cautiously in the area of censorship, but I do believe the Stenholm amend-

ment should be supported and the Armey amendment defeated.

Mr. ARMEY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I thank the gentleman from Texas [Mr. ARMEY] for the opportunity to speak.

I rise in support of the gentleman's amendment. I think, as most of the Members I sense here today, they are upset, they are outraged by the National Endowment for the Arts allowing the kinds of artwork we see.

I have with me here the book, "The Perfect Moment" by Robert Mapplethrope. This book illustrates the kind of filth we are talking about. Inside the second page it recognizes the National Endowment for the Arts for the contribution that it gave.

Now, as the distinguished gentleman from Pennsylvania [Mr. WALKER] has pointed out, we want to send a strong message to this Foundation. If we just go ahead and delete $45,000, are we assured we have sent a strong message?

Back in my district, in all my town meetings, everywhere I went in central Florida, they spoke out against Andres Serrano and his artwork, and they speak out against Mapplethorpe and his book, "The Perfect Moment."

I ask my colleagues to think carefully. We can go forward, delete $14 million, send a strong message and ask them to set up reasonable guidelines.

Now, as I understand, and I have not looked at the bill, that these reasonable guidelines are in there. May I ask the chairman of the committee, are these reasonable guidelines at this point in the legislation? Is that a question I can ask the gentleman from Illinois?

Mr. YATES. Mr. Chairman, if the gentleman will yield, there is a direction in the report of the committee to the NEA and to the NEH to prepare procedures and guidelines which will assure that all grants are made by the chairman of those endowments with the approval of their council. Those grants will contain not only direct grants, but subgrants as well.

Mr. STEARNS. All right, let me take back my time.

I think to stop this outrageous behavior, we have to get extremely sensitive to what they have done. I think sending a message just deleting $45,000 is not strong enough. We should move forward with a stronger message of $14 million.

It is clear to me that the Armey amendment will help the NEA to get more interested in the beliefs and the values of the people of this country, particularly the people in my district.

Mr. Chairman, I urge my colleagues to pass the Armey amendment, to send a strong message to the NEA that Congress will not put up with this type of behavior.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I do not know if the gentleman heard the amendment that I offered, but would the gentleman agree that the key to all this is to make the agency fully accountable to the public and to this body that appropriates the money?

Mr. STEARNS. Yes, I would.

Mr. REGULA. And that the best way to address the problem is to require complete accountability for whatever might be done by way of grants, rather than leaving it to subgrantees.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, there was a Supreme Court Justice at one point who said that he could not define pornography, but he knew it when he saw it. Likewise, I cannot readily define censorship, but I know it when I see it.

Although I rise to oppose all three of these amendments, I would encourage my colleagues who want to do the least harm possible to the National Endowment for the Arts to support the latter amendment of the gentleman from Texas [Mr. STENHOLM].

Let us make no mistake about it, my friends, we are here today politicizing the National Endowment for the Arts. That is perilously close to censorship. We are exerting political pressure on them. We can couch it in good language. We can couch it in the grandeur of the Congress of the United States, operating in this Chamber, but it is censorship. In our efforts to hobble the freedom of artists in the United States, we are restricting the flow of money to the National Endowment. That is our brand of censorship.

This is punitive action. Indirectly, but in a very real sense, the Congress of the United States is herein today practicing censorship.

Twenty-four years ago the Endowment was created. At that time, the author of the Endowment, former Congressman from New York, John Brademas, and many artists and art aficionados around the United States worried that the Endowment might someday be used for censorship of some type of another.

□ 1500

There was some opposition to creating the Endowment, and now during the last few years and again here this afternoon we have seen those fears realized.

I want to say to my colleagues again this afternoon, as I did earlier today, that as chair of the authorizing committee, I believe that when we reauthorize this Endowment we are going to have to look very, very carefully as to whether or not it is being used as a censorship body against the freedom of art in the United States.

Mr. ARMEY. Mr. Chairman, I yield 3 minutes to my good friend and colleague, the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise to oppose the pending Stenholm amendment and to support the Armey amendment. I do that with some amount of regret, because this debate, these two amendments and this motion to strike, were unnecessary. It is a debate that never should have had to have happened, because we had the same debate in 1985, and the Congress thought that we had resolved the issue. We placed in the law explicit language that the National Endowment for the Arts would hold itself accountable to foster excellence.

The words of the statute which have been cited here previously in this debate are clear. They are unambiguous. They are rational. They are not censorship, and they are fully constitutional.

It now appears that what has happened in the last 4 years is that the National Endowment for the Arts, the administrators of the National Endowment, have decided that they did not like those words and they did not want to follow that law, and so for whatever reason they chose to circumvent both the spirit and probably the letter of the law with a process known as subgrants.

It seems to me that I concur with the committee's report and would go further that that subgranting procedure was a deliberate, direct, and damaging circumvention of Federal law.

It is true that the amendment offered by the gentleman from Texas [Mr. STENHOLM] would, I think, fire a shot across the bow, even though a modest shot across the bow, but it is also true and the fact is we already had fired the shot across the bow with the change in the law, and that change in the law did not seem to get the attention of the National Endowment.

It is regrettable that we have to face this today, but face it we must. There will be no doubt some artist with legitimate, excellent art who will be modestly damaged in their funding. It is true that the Armey amendment is a blunt instrument, but this blunt instrument is the only instrument left for Congress to insist that the National Endowment for the Arts follow the law.

The NEA has brought this on themselves. Had they followed the law, both the letter and the spirit, we would not be here having this debate today. There would not be a Rohrabacher motion to strike. There would not be an Armey amendment to cut 10 percent. There would not be a Sten-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

holm amendment to cut $45,000. There is no need for the debate except the National Endowment for the Arts has refused to abide by the letter and the spirit of Federal law to have the National Endowment foster excellence and hold itself accountable.

One last point, and that is that nothing that can happen here today, even with the Rohrabacher amendment or the Armey amendment, can cripple or severely damage arts in this country. The total arts funding from the National Endowment for the Arts is $145 million. That compares with tens of billions of dollars that are funded by the private sector, both individuals and corporations and local governments and a variety of sources that fund principally the arts in this country.

I urge a vote against the Stenholm amendment and for the Armey amendment.

Mr. YATES. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I would hope that we would reject these amendments.

I have been in Congress 15 years. We have seen these temper tantrums out of Members of Congress who second-guess the National Science Foundation, who second-guess the National Endowment for the Arts, because they do not perceive that this is excellence or not. They are offended by the works. I am offended by the works. But, once again, we have politicians rushing in to define what is academic work, what is a scientific endeavor, what is a work of artistic value, and when none of us are in the position to do that.

I think clearly this episode with the National Endowment has sent severe heartache to the ranking minority member and the chairman of this committee that the National Endowment understands that a serious mistake was made. What we now have is the efforts by the gentleman from Texas [Mr. ARMEY] and others to punish other artists who have no connection with this episode, children's theaters, community theaters, artists, symphonies, all the things we heard about today. They are the ones who are going to pay the price for actions taken by somebody else they may not even know or hear of or cared about. That is the instrument that this Congress uses that somehow Members are going to put in their newsletters that they took a courageous, bold action against this National Endowment for the Arts, an institution with a distinguished history that has leveraged government money to an overwhelming amount of private contributions and stimulation of the arts in this country. It is a disgrace to this body that we are considering these amendments.

Mr. ARMEY. Mr. Chairman, I yield 4 minutes to my good friend and colleague, the distinguished student of Milton Friedman, the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, for a freshman I am really learning the ropes here, and what a way to get my feet wet, having only been here for a short period of time and not having been here for 15 years.

I can understand why the people on the outside may be upset about this as well as people here on the floor. We have heard a lot of arguments today about censorship and about America's commitment to the arts.

Let me just say that my amendment is totally opposed to censorship. The amendment that advocates censorship is the Stenholm amendment. We believe that Government must be responsible for overseeing the taxpayers' money, but we do not believe in censorship if we support my amendment.

The debate is not whether there should be sexually explicit material viewed by adults in the public. The question is whether or not the taxpayers should subsidize sexually explicit art. That is what this issue is all about.

The fact is that sexually explicit art has been subsidized, and we do not believe, and those of us who are voting for this amendment do not believe, it is appropriate to use Federal funds to demonstrate this and to exhibit this or to subsidize the artists in this endeavor.

What about America's commitment to the arts? We have heard today that because I am offering an amendment that the Federal Government should not be spending $171 million for the National Endowment for the Arts that I have, and those people who are supporting this amendment have, some lack of commitment to the arts. The United States spends more money on the arts than any other nation on this planet. The money is not being spent, only except for a minuscule amount, by the Federal Government.

If Members do not believe in censorship, which I do not believe, because I am a writer, we should not believe that the Federal Government should be controlling hundreds of millions of dollars in the arts and making decisions like that for the American people. It is the people themselves, the taxpayers themselves, who should be making decisions about what kind of art is being produced, what kind of artists should be supported and what their local art dealers and what their local art galleries should be displaying.

We are talking about freedom of the arts when we are talking about leaving that money in the hands of the people instead of co-opting $171 million of taxpayers' money, taking it out of the local area and giving it to the Federal bureaucracy and letting them decide how that money will be spent.

I have a commitment to the arts. I am a writer. That is what I do by profession. I am against censorship, because I am a writer. That is why we should leave this money in the hands of the people at the local level to make those decisions for themselves.

I can guarantee the Members that if this money was in the hands of the people, the taxpayers, they would not be sponsoring art like "Piss Christ" and they would not be sponsoring this other type of pornographic art. If they did, it would be their own business. I would just leave the Members with this: I have heard a lot of arguments today, and there have been a lot of people suggesting that those of us who are supporting my amendment are in favor of some kind of censorship. That is wrong.

The people have been questioning our commitment to the arts. That is wrong.

What this is about is whether or not in this time of budget crisis, when we have to make decisions on priorities, whether we are going to spend money on prenatal care and whether we are going to be talking about the school lunch program, whether or not we are going to siphon that money away into something that should be handled specifically by the private sector.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

□ 1510

Mr. STENHOLM. Mr. Chairman, never have so many words been uttered on this floor which have no basis whatsoever in fact about my intent with this amendment.

Censorship: absolutely not. I offer this amendment because I have been persuaded in numerous conversations with the gentleman from Illinois [Mr. YATES], chairman of the subcommittee, that he is avoiding censorship with what he and my colleague, the gentleman from Texas [Mr. ARMEY] have been attempting to do to address the problem.

Political pressure: you better believe it. To my colleagues who say there is no basis on this floor to have political pressure put on those agencies who depend upon us for money, I am here to participate in putting political pressure and believe that to be anything but censorship.

My colleague from Texas [Mr. BARTLETT] makes a point, and I am rather surprised that he is here today not accepting victory instead of saying we must do more, because I happen to believe that since 1985 the message has been received. If we have had $45,000 worth of questions since 1985 because of the activities of my colleague, the gentleman from Texas [Mr. BARTLETT]

and I believe the gentleman from Texas [Mr. ARMEY] was also present at that time and involved, and I know we were too in a helpful way, if only the rest of the government would perform in listening to the intent of Congress as well as NEA has done since 1985.

Censorship? No, absolutely not. If my amendment is censorship, as my colleague from Texas charged, then I would say let us put it in perspective. The amendment of the gentleman from Texas is also censorship, and mine is 0.004 as much. I disavow any censorship in his amendment or in mine.

What I am saying is we are sending an appropriate political message. Through the work of the committee, led by Chairman YATES, we are delivering that message, and I am predicting that we will come back here in 4 years and again declare victory. I wish we could do it today.

Mr. ARMEY. Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, again I express my appreciation to both the ranking member and the chairman and the members of the committee, and again express my regret that we have spent so much of our time today on what clearly has to be that portion of their bill which is the least urgent to the Nation's health and welfare. But still, nevertheless, that is where the controversy is found.

As we discuss this issue then, whether or not to pass on the $14.4 million reminder of responsibility that I offer for this agency, many Members have claimed that this is censorship. Let me be very clear about this. The issue is not censorship with this amendment. That claim is out of therapeutic rationalization of a social injustice that is beneath the dignity of those who make it, and we ought not fool ourselves.

The question is discipline. Will this agency that has the privilege of spending the money of the American working men and women; the average working man and woman in America would have had to work 276 days of their working life to pay for Mapplethorpe and Serrano, and they would not have spent their money that foolishly; will this agency, after having ignored the message we sent of $9 million in 1985, after ignoring the legislation, will they be sensitive to the American people?

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

The gentleman from Illinois [Mr. YATES] has 30 seconds remaining.

Mr. YATES. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. STENHOLM] to the perfecting amendment offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 361, noes 65, answered "present" 1, not voting 4, as follows:

[Roll No. 132]

AYES—361

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Baker
Barnard
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Buechner
Bunning
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Conte
Cooper
Costello
Coughlin
Courter
Coyne
Craig
Dannemeyer
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kolbe
Kolter
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Pallone
Panetta
Parker
Parris
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walsh
Watkins
Waxman
Weldon
Wheat
Whittaker
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOES—65

Archer
Armey
Ballenger
Bartlett
Barton
Brown (CO)
Burton
Callahan
Campbell (CA)
Combest
Cox
Crane
Crockett
DeLay
DeWine
Dornan (CA)
Douglas
Duncan
Engel
Fields
Foglietta
Gallegly
Gallo
Gekas
Gillmor
Gingrich
Hancock
Herger
Hoagland
Holloway
Houghton
Hunter
Inhofe
Jones (GA)
Kasich
Kleczka
Kostmayer
Kyl
Lightfoot
Livingston
Lukens, Donald
McCandless
Nielson
Packard
Pashayan
Petri
Rohrabacher
Roth
Roukema
Schaefer
Sensenbrenner
Shumway
Shuster
Smith (MS)
Smith, Robert (NH)
Solomon
Stangeland
Studds
Stump
Tanner
Torres
Walker
Weber
Weiss
Williams

ANSWERED "PRESENT"—1

Owens (NY)

NOT VOTING—4

Collins
Conyers
Hyde
Ravenel

□ 1536

Messrs. WEISS, HOAGLAND, GEKAS, and FOGLIETTA changed their vote from "aye" to "no."

Messrs. LEACH of Iowa, GREEN, WHEAT, HANSEN, SMITH of Vermont, BLILEY, SLAUGHTER of Virginia, AKAKA, and COBLE changed their vote from "no" to "aye."

So the amendment to the perfecting amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STEARNS AS A SUBSTITUTE FOR THE PERFECTING AMENDMENT, AS AMENDED OFFERED BY MR. ARMEY

Mr. STEARNS. Mr. Chairman, I offer an amendment as a substitute for the perfecting amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. STEARNS as a substitute for the perfecting amendment, as amended, offered by Mr. ARMEY:

In lieu of the amendment offered by Congressman ARMY insert the following.

Page 76, line 18 strike "144,250,000" and insert in lieu thereof "137,037,500".

The CHAIRMAN. Under the previous unanimous consent order of the committee, this amendment is not debatable. The question, therefore, is on the amendment offered by the gentleman from Florida [Mr. STEARNS] as a substitute for the perfecting amendment offered by the gentleman from Texas [Mr. ARMEY], as amended.

The question was taken; the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. STEARNS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 95, noes 328, not voting 8, as follows:

[Roll No. 133]

AYES—95

Archer
Armey
Ballenger
Bartlett
Barton
Bennett
Brennan
Brown (CO)
Bunning
Burton
Callahan
Campbell (CA)
Coble
Combest
Cox
Craig
Crane
Dannemeyer
DeLay
DeWine
Dickinson
Donnelly
Dornan (CA)
Douglas
Dreier
Duncan
Emerson
Fields
Gallegly
Gekas
Gingrich
Goodling
Gradison
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hefley
Herger
Hoagland
Holloway
Hopkins
Hubbard
Hunter
Inhofe
Kaptur
Kasich
Kyl
Leath (TX)
Lightfoot
Livingston
Lukens, Donald
Madigan
Marlenee
Martin (IL)
McEwen
Michel
Miller (OH)
Molinari
Montgomery
Moorhead
Nielson
Packard
Parker
Parris
Pashayan
Patterson
Petri
Ridge
Ritter
Rohrabacher
Roth
Roukema
Sarpalius
Sensenbrenner
Shumway
Shuster
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Solomon
Stangeland
Stearns
Stump
Tallon
Tanner
Walgren
Walker
Weber
Wilson
Young (AK)

NOES—328

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Baker
Barnard
Bateman
Bates
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Conte
Cooper
Costello
Coughlin
Courter
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Goss
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hiler
Hochbrueckner
Horton
Houghton
Hoyer
Huckaby
Hughes
Hutto
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Machtley
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Pallone
Panetta
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Rhodes
Richardson
Rinaldo
Roberts
Robinson
Roe
Rogers
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (TX)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tauke
Tauzin
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waxman
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NOT VOTING—8

Collins
Conyers
Frenzel
Hyde
Ravenel
Roe
Thomas (CA)
Walsh

□ 1557

Mr. HALL of Texas changed his vote from "no" to "aye."

So the amendment offered as a substitute for the perfecting amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WALSH. Mr. Chairman, on rollcall No. 133 I was unavoidably detained in committee. Had I been present I would have voted "no."

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Texas [Mr. ARMEY], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 332, noes 94, not voting 5, as follows:

[Roll No. 134]

AYES—332

Alexander
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Browder
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CO)
Carper
Carr
Chandler
Chapman
Clarke
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Cooper
Costello
Coughlin
Courter
Cox
Craig
Crane
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Derrick
DeWine
Dickinson
Dingell
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Fawell
Fields
Fish
Flake
Flippo
Florio
Frost
Gallegly
Gallo
Garcia
Gaydos
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Herger
Hiler
Hoagland
Holloway
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kolbe
Kolter
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nelson
Nielson
Nowak
Oberstar
Obey
Olin
Ortiz

Ackerman
Akaka
Anderson
Atkins
AuCoin
Bates
Beilenson
Berman
Boxer
Brooks
Brown (CA)
Campbell (CA)
Cardin
Clay
Conte
Coyne
Crockett
Dellums
Dicks
Dixon
Downey
Dymally
Edwards (CA)
Engel
Evans
Fascell
Fazio
Feighan
Foglietta
Ford (MI)
Ford (TN)
Frank

Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nelson
Nielson
Nowak
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rangel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torricelli
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Weber
Weldon
Whittaker
Wilson
Wise
Wolf
Wylie
Yatron
Young (AK)
Young (FL)

NOES—94

Ackerman
Akaka
Anderson
Atkins
AuCoin
Bates
Beilenson
Berman
Bilbray
Brooks
Brown (CA)
Campbell (CA)
Cardin
Clay
Conte
Coyne
Crockett
Dellums
Dicks
Dixon
Downey
Dymally
Edwards (CA)
Engel
Evans
Fazio
Frank
Feighan
Foglietta
Ford (MI)
Ford (TN)
Frank
Gejdenson
Green
Hawkins
Hayes (IL)
Henry
Hertel
Hochbrueckner
Houghton
Hoyer
Jones (GA)
Kastenmeier
Kleczka
Kostmayer
Leach (IA)
Lehman (FL)
Leland
Levine (CA)
Lewis (GA)
Lipinski
Lowey (NY)
Luken, Thomas
Markey
Matsui
Mavroules
McDermott
McHugh
Mfume
Miller (CA)
Mineta
Moody
Morella
Morrison (CT)
Neal (MA)
Oakar
Owens (NY)
Payne (NJ)
Pease
Pelosi
Rahall
Robinson
Roybal
Sabo
Savage
Scheuer
Schumer
Smith (FL)
Smith (VT)
Solarz
Stark
Stokes
Studds
Torres
Towns
Udall
Waxman
Weiss
Wheat
Whitten
Williams
Wolpe
Wyden
Yates

NOT VOTING—5

Collins
Conyers
Frenzel
Hyde
Ravenel

□ 1615

Mrs. UNSOELD and Messrs. BOUCHER, MOAKLEY, and PORTER changed their vote from "no" to "aye."

So the perfecting amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

The amendment was rejected.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 46, line 3, strike "construction" and insert "completion".

Mr. YATES. Mr. Chairman, this correction is purely a technical amendment, and I need say nothing beyond that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from California [Mr. SHUMWAY], the gentleman from California [Mr. FAZIO], and the gentleman from California [Mr. MATSUI] have asked to have a colloquy with me.

Mr. SHUMWAY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am happy to yield to the gentleman from California.

Mr. SHUMWAY. Mr. Chairman, I would like to engage in a colloquy with the chairman of the subcommittee and my colleagues from Sacramento regarding a $300,000 funding provision in this bill to conduct a study of the feasibility and desirability of a national recreation area at the Auburn Dam site on the American River in California.

This site is in my congressional district and coincides with the site for the authorized Auburn Dam. As a long-time supporter of this multi-purpose project, and as one who has advocated its completion, I am concerned that we are authorizing a study for a proposal which might be at cross-purposes with the multipurpose project. Indeed, there have been past proposals by opponents of the multpurpose dam that a National Recreation Area be designated at that site in lieu of completing the multipurpose project.

I do not support an NRA at the Auburn site if it in any way impedes my efforts, and the efforts of my constituents, to work for completion of this needed multipurpose project.

Mr. YATES. The gentleman has raised an important point. As the language in the committee report accompanying H.R. 2788 says the study shall examine the desirability and feasiblity of an NRA "in association with a flood control or multipurpose project * * * And such study shall assume the potential floodabilty of the NRA as a result of the construction of a multipurpose dam or the eventual enlargement of a facility built primarily or exclusively for flood control in the near term."

Mr. SHUMWAY. This provision then in no way prejudges the desirability of completing the multipurpose project as opposed to a flood control-only project. Is that correct?

Mr. YATES. The gentleman is correct.

Mr. SHUMWAY. The study, then, is not to look at whether an NRA is preferable in lieu of a multipurpose dam, but rather only looks at the possibility of an NRA in conjunction with a multipurpose dam or an expandable flood control dam which is inundated in its second stage. Is that correct?

Mr. YATES. The gentleman is correct.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. FAZIO Let me assure my colleague from California that it is my intent that this study provision simply serve to ensure that all of the needed information is available next year so that when the corps completes their report, and the Bureau of Reclamation also completes their work, the affected communities and the Congress will be in a position to make a fully informed choice between the expandable flood control options and the multipurpose project options.

We don't know if an NRA proposal is or is not compatible with the various flood control options, including the multipurpose options. That's what the study is to determine. It is not intended to bias the debate toward or against a multipurpose project or an expandable dry dam option in any way.

Mr. MATSUI. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from California.

Mr. MATSUI. I would concur with the chairman and Mr. FAZIO regarding our intent on this NRA study provision. The Sacramento area is in dire need of flood protection, and while this is only one issue in that larger debate, it is important that we have the information needed on all of these issues to ensure that the decisions on flood control are made in a timely fashion.

This study does not envision that an NRA would be designated at cross purposes to any of the flood control op-

tions including a multiurpose project. Indeed there are a number of Bureau of Reclamation multipurpose projects which have NRA's designated in association with them, such as Shasta and Lake Berryessa.

Mr. SHUMWAY. I thank the Chairman and my colleagues from Sacramento and with those assurances I will not oppose this provision.

Mr. YATES. Mr. Chairman, I have been requested to engage in a colloquy with the gentleman from Washington [Mr. CHANDLER].

I yield to the gentleman from Washington for that purpose.

Mr. CHANDLER. Mr. Chairman, I rise to commend the Appropriations Committee, Chairman YATES, my distinguished colleague from the State of Washington, Mr. DICKS, and the other members of the Interior Subcommittee for their excellent work on this bill.

I am particularly pleased with the inclusion of $25 million for trail maintenance. This has been an important issue for the Washington delegation. Over the past 4 years we have succeeded in bringing trail funding up from a low of $9.3 million in fiscal year 1985 to over $21 million for fiscal year 1989. This year's appropriation of $25 million is both badly needed and greatly appreciated.

Unfortunately, in spite of last year's record outlay on a national basis, the State of Washington suffered a significant decrease due to program cuts in the Senate and poor Forest Service policy planning.

At this time, I would like to enter into a colloquy with my colleague the chairman of the subcommittee Mr. YATES.

In fiscal year 1989, the actual trail appropriation for the Pacific Northwest Region was $3.5 million, about $2 million less than the fiscal year 1987 figure. There was also a $2 million reduction within region 6 because of a line item specifying this money for the Siskiyou National Forest and the Mt. St. Helens National Volcanic Monument.

The result was that about $1.5 million was left to be distributed to all other national forests in region 6. In the case of Mt. Baker Snoqualmie National Forest, this cut resulted in a reduction of trail construction from about $590,000 in fiscal year 1988 to less than $200,000 in fiscal year 1989, effectively gutting the forest's trail program and totally disrupting long-term planning.

Is it your understanding that any program cuts for trail maintenance are meant to be spread out on a nationwide basis, and not limited to individual forest service regions?

Mr. YATES. Yes, the gentleman from Washington is correct. Program cuts should be spread out on a nationwide basis, and not limited to individual forest service regions. Last year's Forest Service decision to cut the total amount for region 6 and then fund some programs within the region at the expense of other forests there was inappropriate and it should not be done again. Nothing in this bill authorizes these kind of allocations.

Mr. CHANDLER. I thank the gentleman and the committee for their support and assistance.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 5 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to compliment the chairman first of all for engaging in this colloquy. The trail program is something that the gentleman from Illinois has been a very great leader on, and we in region 6 appreciate the fact that he is going to help us to try to keep some of the trail moneys in our area.

I also want to commend my friend, the gentleman from Washington, who has been a tireless advocate for expanding the resources for the trails, and I enjoyed working with the gentleman on this important project for our State.

Mr. YATES. Mr. Chairman, I have been requested by the gentleman from Iowa [Mr. NAGLE] to engage in a colloquy.

I yield to the gentleman from Iowa for that purpose.

Mr. NAGLE. Mr. Chairman, as we have talked about, I have a Indian settlement in my district, the Sac and Fox Tribe Settlement located near Tama, IA. The Bureau of Indian Affairs [BIA] owns and operates the school building in which the tribe educates its children.

I have taken a tour of this school building and have found that the BIA has been woefully negligent in providing for the safe upkeep and maintenance of the building. At present, I believe this 52-year-old, all-wooden building to be a safety hazard for the students and teachers that use the building.

While I am aware of the BIA's policy to not fund new school construction at settlements where an alternative public school is within 100 miles of the settlement; I am truly concerned about the safety of the individuals using the building. The Sac and Fox Tribe has a deep commitment to educating their children in their cultural heritage as well as in the traditional subjects taught in our public schools, but the condition of the building is beginning to impair that process.

We discussed the budget problems when we talked earlier about this subject and I accept those limitations. However, I want to urge the BIA to address the safety problems at the Sac and Fox Settlement school at the earliest possible time.

Mr. YATES. I appreciate the gentleman bringing this issue to my attention. Your request is very commendable. I know you are aware of the constraints on the budget this year and the work I am trying to do in my subcommittee with this limiting budget. I want to assure you that I will have the Bureau of Indian Affairs look closely into the problem you mention in your district and I invite you to come before my subcommittee in the future with a similar request.

Mr. NAGLE. Thank you, Mr. Chairman, for your concern and assistance. It is appreciated.

Mr. REGULA. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Virginia. [Mr. PARRIS] for the purposes of a colloquy.

Mr. PARRIS. Mr. Chairman, I thank the gentleman for yielding. I would like to engage in a colloquy with the gentleman concerning the $5.1 million which was cut from the request for the U.S. Park Police multiengine helicopter for drug interdiction and other activities in the Washington metropolitan area.

As the gentleman from Ohio is aware, the mission of the U.S. Park Police Aviation Division located in Anacostia is multifaceted. There are three basic duty categories under which this unit operates. Specifically, medivac, drug and law enforcement and Secret Service support.

The missions flown by the Park Police Aviation Section are some of the most demanding in civil aviation, utilizing two aging single engine helicopters.

The helicopters provide aerial support to police ground units in instances such as drug interdiction, search and apprehension of wanted subjects, and car chases. The aircraft are also utilized extensively in aerial marijuana eradication efforts.

Since 1973, the aviation unit has averaged more than 300 critical medical evacuations per year from the actual crime or accident scenes. Greater than 85 percent of those transported by the Park Police unit to area specialty and shock trauma facilities have survived. The unit is also responsible for rescuing an average of 20 people per year from almost certain death in the treacherous waters of the Potomac River, not to mention the 5 survivors who were plucked from the icy waters of the Potomac following the 1982 crash of Air Florida's Flight 90.

The Aviation Unit is also responsible for providing aerial surveillance and security during Presidential, Vice Presidential, and VIP motorcades, and

during their flights in and out of Andrews Air Force Base.

The unit is sorely in need of the replacement twin engine helicopter not only because of the age and number of hours on the existing single-engine aircraft, but also because of the increased operational capability demands which have been placed upon the unit, and for safety reasons.

The gentleman from Ohio will recall that he and I engaged in another colloquy on this very same subject on July 31, 1985, a copy of which I include in the RECORD at this point. The gentleman also raised this issue during Interior Subcommittee hearings in both 1986 and 1988.

Mr. PARRIS. Mr. Chairman, I would like to engage the ranking minority member in a short colloquy, if I could.

The Park Police Aviation Union in Anacostia was formed in 1973. To date it has logged over 12,600 accident-free flight hours, has transported over 1,945 patients on flights from accident scenes in the Washington metropolitan area.

In addition, this unit has rescued countless people from certain death after they have fallen in or have wandered into the dangerous waters of the Potomac River at Great Falls.

The unit provides security for the President, Vice President, visiting dignitaries, and the like.

The Park Police Aviation section is in serious need of more up-to-date aircraft. It is particularly important that this be done to ensure the safety of the pilots, medical technicians, and patients, while carrying out rescue and medivac operations.

To this end, I will seek to have $3,518,714 included in the fiscal year 1986 Interior supplemental appropriations bill in the spring for the procurement of two Bell 222 UT helicopters, the cost of which would be offset by disposing of the unit's present aircraft.

Would the gentleman respond to that?

I yield to the gentleman from Ohio.

Mr. REGULA. Would the gentleman from Virginia expand a little bit and summarize the cost that would be associated with this procurement.

Mr. PARRIS. I would be delighted to provide that information and, of course, will do so for the record.

Each aircraft with the necessary equipment and necessary medivac rescue modifications would cost $1,759,357 less, of course, the surplus value of their current aircraft.

Mr. REGULA. I thank the gentleman for his contribution. I think he makes a point that we overlook and that is that the Park Service has a very substantial responsibility in the metropolitan area of Virginia, the District of Columbia, and Maryland, because of the highway supervision. They are a police force that most people do not realize are carrying this burden of covering such a large area.

I agree with the gentleman that the need for the new aircraft is clear. It is a medivac type of thing. I would be happy and I am confident the Chairman would be to consider such a proposal when we get the fiscal year 1986 supplemental appropriations bill.

Mr. PARRIS. Mr. Chairman, I thank the gentleman very much for his interest in this matter and express my hope that the proposal will receive the support of the committee at the time of the supplemental.

I would just add that the critical factor here is they have single-engine airplanes now with limited lift capability. If you get a net hanging under one of these helicopters and there are 8 or 10 people in the river and they all get on the net at the same time, you are going to lose the people, the pilots, and the helicopter, without the twin-engine capability. I think that is an important safety consideration which deserves the committee's attention.

I thank the gentleman.

I was very pleased to see that the President included $3.9 million in his budget request for a new twin engine helicopter for the unit. I was disturbed to learn, however, that the subcommittee struck all but $759,000, just enough to cover the first year of a 7-year lease of the aircraft. Not only will this cost the Government an additional $1.4 million, but the committee failed to provide for the additional fuel and maintenance costs of the new aircraft which are in the area of $260,000, and pilot training costs of $75,000.

My question is this, were I to abstain from offering an amendment to restore the $5.1 million cut in committee, would the gentleman from Ohio be willing to assist this Member in appealing to the prospective conferees on the need for increased operational and training funds for the helicopter, and on the critical need for secure-voice radios and 9 mm weapons for the Park Police?

Mr. REGULA. Yes. In response to the gentleman, I am sympathetic to the concerns raised by the gentleman from Virginia.

I would point out, however, that the appropriations for the U.S. Park Police has grown by 55.8 percent since 1986, and that the bill today also represents an increase of $3,147,000 over last year's level which, of course, includes the $1.7 million increase for drug enforcement.

If, however, we learn between now and conference that the funding provided in the committee bill is in fact insufficient to cover the lease cost of the helicopter, we will examine that issue in the conference.

I appreciate the gentleman's bringing these concerns to my attention because we do want to insure that there is adequate protection for the Park Police and adequate equipment to do their job.

Mr. PARRIS. I thank the gentleman.

□ 1630

The CHAIRMAN. Are there further amendments to title II of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser: *Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 303. Not part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 305. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 306. None of the funds provided in this Act to any department or agency shall be obligated or expended to provided a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 307. No funds appropriated or made available, heretofore or hereafter, under this or any other Act may be used by the executive branch or contract with organizations outside the Department of Energy to perform studies of the potential transfer out of Federal ownership, management or control by sale, lease, or other disposition, in whole or in part, the facilities and functions of Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912, and Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915: *Provided*, That the negotiation of changes to the unit plan contract with Chevron which governs operation of Elk Hills, where the purpose of the changes is to prepare for the divestiture of the Reserve, is prohibited.

SEC. 308. None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

SEC. 309. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. 310. Employment funded by this Act shall not be subject to any personal ceiling or other personel restriction for permanent or other than permanent employment except as provided by law.

SEC. 311 Notwithstanding any other provision of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian Institution are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction.

SEC. 312. None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.

SEC. 313. The Forest Service and Bureau of Land Management are to continue to complete as expeditiously as possible development of their respective Forest Land and Resource Management Plans to meet all applicable statutory requirements. Notwithstanding the date in section 6(c) of the NFMA (16 U.S.C. 1600), the Forest Service and the Bureau of Land Management under separate authority, may continue the management of lands within their jurisdiction under existing land and resource management plans pending the completion of new plans. Nothing shall limit judicial review of particular activities on these lands: *Provided, however,* That there shall be no challenges to any existing plan on the sole basis that the plan in its entirety is outdated, or in the case of the Bureau of Land Management, solely on the basis that the plan does not incorporate information available subsequent to the completion of the existing plan: *Provided further,* That any and all particular activities to be carried out under existing plans may nevertheless be challenged.

SEC. 314. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (sequoiadendron giganteum) which are located on National Forest System or Bureau of Land Management lands until an environmental assessment has been completed and the giant sequoia management implementation plan is approved. In any event, timber harvest within the identified groves will be done only to enhance and perpetuate giant sequoia. There will be no harvesting of giant sequoia specimen trees. Removal of hazard, insect, disease and fire killed giant sequoia other than specimen trees is permitted.

SEC. 315. Such sums as may be necessary for fiscal year 1990 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there points of order against title III of the bill?

Are there amendments to title III of the bill?

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Beginning on page 82, line 14, strike all through page 83, line 4.

Mr. YATES. Mr. Chairman, the amendment deletes a provision enacted into law in fiscal 1989 dire Emergency Supplemental Appropriations Act (Public Law 101-45) dealing with restrictions on naval petroleum reserves divestiture activity.

Mr. REGULA. Mr. Chairman, we support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose and the Speaker pro tempore (Mr. FASCELL) having assumed the chair, Mr. BOUCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committtee, having had under consideration the bill (H.R. 2788) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1990, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 374, noes 49, not voting 8, as follows:

[Roll No. 135]

AYES—374

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Buechner
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Conte
Cooper
Costello
Coughlin
Courter
Coyne
Craig
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Douglas
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Engel
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Pickett
Pickle
Porter
Poshard
Price

Purnell	Shaw	Thomas (GA)
Quillen	Shays	Thomas (WY)
Rahall	Sikorski	Torres
Rangel	Sisisky	Torricelli
Ray	Skaggs	Towns
Regula	Skeen	Traficant
Rhodes	Skelton	Traxler
Richardson	Slattery	Udall
Ridge	Slaughter (NY)	Unsoeld
Rinaldo	Slaughter (VA)	Upton
Ritter	Smith (FL)	Valentine
Roberts	Smith (IA)	Vander Jagt
Robinson	Smith (MS)	Vento
Roe	Smith (NE)	Visclosky
Rogers	Smith (NJ)	Volkmer
Rose	Smith (TX)	Vucanovich
Rostenkowski	Smith (VT)	Walgren
Roth	Smith, Robert (OR)	Walsh
Roukema	Solarz	Watkins
Rowland (CT)	Spence	Waxman
Rowland (GA)	Spratt	Weber
Roybal	Staggers	Weiss
Russo	Stallings	Weldon
Sabo	Stangeland	Wheat
Saiki	Stark	Whittaker
Sangmeister	Stearns	Whitten
Savage	Stenholm	Williams
Sawyer	Stokes	Wilson
Saxton	Studds	Wise
Scheuer	Sundquist	Wolf
Schiff	Swift	Wolpe
Schneider	Synar	Wyden
Schroeder	Tallon	Wylie
Schuette	Tanner	Yates
Schulze	Tauzin	Yatron
Schumer	Thomas (CA)	Young (AK)
Sharp		Young (FL)

NOES—49

Archer	Duncan	Penny
Armey	Fields	Petri
Baker	Gekas	Rohrabacher
Bartlett	Hancock	Sarpalius
Barton	Hansen	Schaefer
Bliley	Hastert	Sensenbrenner
Brown (CO)	Hefley	Shumway
Bunning	Holloway	Shuster
Burton	Inhofe	Smith, Denny (OR)
Coble	Livingston	Smith, Robert (NH)
Coughlin	Martin (IL)	Snowe
Cox	Miller (OH)	Solomon
Crane	Moorhead	Stump
Dannemeyer	Nielson	Tauke
DeLay	Oxley	Walker
Dornan (CA)	Packard	
Dreier	Paxon	

NOT VOTING—8

Bryant	Edwards (OK)	Hyde
Collins	English	Ravenel
Conyers	Frenzel	

□ 1755

The Clerk announced the following pair:

On this vote:

Mrs. Collins for, with Mr. Frenzel against.

Mr. ROBERTS changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2788, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

Mr. YATES. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2788, the Clerk shall be authorized to make any necessary technical corrections.

The SPEAKER pro tempore (Mr. NAGLE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT ON TOMORROW DURING THE 5-MINUTE RULE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that on tomorrow, Thursday, July 13, 1989, the Committee on Energy and Commerce be permitted to sit during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

Mr. CRAIG. Mr. Speaker, reserving the right to object, let me ask this question of the gentleman: Has this been properly cleared by the minority?

Mr. SHARP. Mr. Speaker, if the gentleman will yield, it certainly has. The gentleman from New York [Mr. LENT] is here, and the gentleman may wish to yield to him.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, the matter has been taken up with the minority. There were some difficulties we had earlier today that have been worked out. I want to agree to the gentleman's unanimous-consent request.

Mr. CRAIG. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONFERENCE REPORT ON H.R. 1722, NATURAL GAS WELLHEAD DECONTROL ACT OF 1989

Mr. SHARP. Mr. Speaker, I call up the conference report on the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 22, 1989.)

The SPEAKER pro tempore. The gentleman from Indiana [Mr. SHARP] will be recognized for 30 minutes, and the gentleman from California [Mr. MOORHEAD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the conference report on natural gas wellhead decontrol.

It is here because of the great efforts and leadership shown by my colleagues, including: the gentleman from Louisiana [Mr. TAUZIN], the gentleman from California [Mr. MOORHEAD], the gentleman from Oklahoma [Mr. SYNAR], the gentleman from California [Mr. DANNEMEYER], the gentlemen from Texas [Mr. LELAND, Mr. HALL, Mr. FIELDS, Mr. BRYANT, Mr. BARTON], the gentleman from New Mexico Mr. [RICHARDSON], and the gentleman from Michigan our committee chairman [Mr. DINGELL].

Their efforts have brought us this bi-partisan, noncontroversial energy legislation in an area that used to be contentious. The broad consensus we now have helped pass the House bill on the suspension calendar. The Senate approved a nearly identical bill 82 to 17.

The bill ends 35 years of controls on field or wellhead prices on natural gas. These controls still cover about one-third of our Nation's gas supplies; the rest have been decontrolled since 1985.

The remaining controls gradually end by January 1, 1993, as contracts for controlled gas expire or are renegotiated, and as new wells are drilled in old, controlled fields.

This bill is also supported by the administration.

Mr. Speaker, natural gas has a great contribution to make to our energy future.

It's relatively inexpensive, and promises to remain competitive with oil for many years to come. Since 1985, when partial wellhead decontrol ended, prices have dropped by almost $1 per million cubic feet.

New, more efficient gas appliances, new drilling technologies like sidetracking, wellhead decontrol itself, the growing promise of large coal seam gas reserves, and new pipeline hookups from Canada to the Northeast and the West Coast—all these don't guarantee a stable, secure gas future, but they do offer us a good chance for it.

It's an abundant domestic fuel, and can replace oil in many uses—in factories, powerplants, homes, and even autos—and thus lower our foreign oil imports and trade deficit.

It's environmentally benign compared to other fossil fuels, and may become a preferred fuel to generate clean electricity. It can cut harmful coal emissions by cofiring; lower gasoline emissions by use in cars and trucks; and won't spill in the ocean or pollute beaches.

We can no longer afford to waste natural gas. We must start producing it more efficiently. No other fuel, no other commodity in America today remains under Federal price controls—why should gas?

29-069 O-90-39 (Pt. 10)

The remaining controls no longer protect consumers by shielding them from free market prices: The 6 percent or so of our supplies that are still controlled at below-market levels are too little to matter anymore. Besides, they cease being cheap as they flow from the wellhead to the ultimate consumer, and are mixed with enough costlier gas to present our constituents with gas priced at market averages. This has been the case nationwide for years.

Only a return to comprehensive complete controls would reverse this state of affairs, and no one is urging that—because it would probably snarl us up in shortages like we had in the 1970s.

The remaining partial controls thus will not stop a future rise in gas prices. This could happen in a cold winter, or an oil crisis, or as demand grows for gas fired electricity or cars. Most of us want low prices to continue. But voting this bill down won't keep prices down.

Consumers are in fact hurt by the remaining controls: Some are very high, many dollars above the market. Some are still too low. Thus, producers avoid some spots—where profits are prohibited—and over-drill in others—where profits are abnormally large.

This distorted investment means we pay more for less production—a real anti-consumer policy—and hinders the most efficient low-cost producers.

Mr. Speaker, on behalf of myself and Messrs. DINGELL, LENT, and MOORHEAD, I want to add the following statement of legislative intent:

With one exception, the provisions of H.R. 1722 as approved by the House and as amended and approved by the Senate are identical.

Identical provisions of both bills: Both the Senate and House bills:

Decontrol gas under expired, terminated, or new contracts, effective on the day after enactment;

Decontrol gas under contracts that expire or terminate during the next 3½ years as these contracts end;

Decontrol any contract renegotiated during this same 3½-year period, in accordance with its new terms; and

Decontrol all remaining regulated gas on January 1, 1993.

As the plain language of the bill makes clear, decontrol occurs when any single one of these different control events occurs.

Newly spudded wells: The only difference between the Senate and House bills was in their treatment of natural gas from newly spudded wells.

The House-passed bill immediately decontrolled such gas. It provided that the flow of gas from all wells spudded after March 23, 1989, is decontrolled after enactment.

The Senate-passed bill had no special provision that decontrolled gas from newly spudded wells. It thus decontrolled such gas only on January 1, 1993, or earlier if the gas from the new well is under a new contract or a contract that expired, terminated, or was renegotiated before 1993.

Background: "Spudding" is a gas industry term for the start of well drilling operations at the surface of the ground. Thus, a newly spudded well means a newly drilled well that is begun after some specified point in time.

There are about 300,000 operating natural gas wells in the Nation today, and about 10,000 new ones have been spudded in each of the past 3 years. This total includes about 7,000 gas wells and 3,000 oil wells that also produce some associated gas.

Many of the new gas wells drilled each year have already been decontrolled by the new well decontrol provisions of the Natural Gas Policy Act [NGPA]. However, many of these newly spudded wells remain under price controls, including for example interstate infill wells, some OCS wells, noninfill wells in old interstate fields, and some tight formation wells. Some of these price ceilings are high, in the $6 per million cubic foot range; others are as low as 35 cents per million cubic feet.

House bill: The rationale for the House bill's decontrol of newly spudded wells was to encourage a level playing field for all future gas drilling investment, and not just for the new wells decontrolled by the NGPA in 1985. The bill sought to prevent artificially high and low controlled prices from distorting drilling over the next 3½ years, in the special case of new wells where past producer investments had not already been made under different ground rules.

Senate bill: The rationale for the Senate bill's omission of this language was to provide a 3½-year transition period for equity purposes to permit parties to adapt their purchasing arrangements to the decontrolled environment; to avoid unfairly singling out newly spudded wells for different treatment than the bill sets for other types of gas production; and to protect investors who had committed capital to gas production under the expectation of continued controls.

Conference compromise: After careful consideration, the conferees have agreed that in the case of natural gas produced from wells spudded after the date of enactment, price controls will not apply to first sales of such gas delivered on or after May 15, 1991.

This is a compromise between the House bill which decontrolled such gas on enactment—approximately July 20, 1989—and the Senate bill which decontrolled such gas on January 1, 1993.

The conferees recognized that by virtue of this provision, some cheap controlled gas may move up in price, and some costly controlled gas may move down. As with all other provisions of the legislation, the conferees intend that no contract for a first sale of natural gas be abrogated by this provision; instead, the conferees intend that applicable contracts and contract law shall continue to govern first sales of gas from newly spudded wells, both before and after May 15, 1991.

FERC powers under NGPA Title V: The definition of a "newly spudded" well is intentionally modeled on the definition of a "new well" in NGPA section 2(3). Both refer to a "well the surface drilling of which began" after a certain point in time. This language has been applied by FERC to many thousands of new wells seeking decontrolled status since 1978, and we intend that the same general standards, precedents, and process be used by the FERC to assure the integrity of decontrol decisions for wells under new NGPA paragraph 121(f)(4).

New wells assertedly not falling within 121(f)(4) would be similarly treated: Thus, for example, sham spudding before the date of enactment would not qualify a well for continuing controls after May 15, 1991, if the real surface drilling actually began after enactment. In particularly, section 501 of the NGPA, which authorizes the FERC to administer and define the NGPA and terms used in it, fully covers new subsection 121(f), because the latter subsection is a part of the NGPA. Other provisions of title V also apply according to their terms to new subsection 121(f) and to FERC decisions implementing it.

First sales: Some concern has been expressed that the long title of the bill is ambiguous, and by referring to the elimination of "wellhead price controls on the first sale of natural gas" indicates our intent to decontrol only some—but not all—first sales. We think however the language of the bill is clear: All first sales are decontrolled upon the occurrence of the stated conditions, not merely those first sales that occur at or close to the physical wellhead in the field. The conferees do understand that the general term, "wellhead sales," is industry jargon; it is often used merely as shorthand for the more strictly defined NGPA phrase "first sale," which we used in the text of the bill; and we did not change the NGPA definition of a "first sale" because we do intend this bill to decontrol all sales that qualify as "first sales" under the NGPA and the FERC rules implementing it.

Consumer effects: Opposition to this measure continues to be heard from some who contend it will raise consumer gas prices. This view is based on the claimed price depressing effect of, first, the assertedly large supplies of cheap remaining price-controlled gas

reserves, or second, the large supply of annual gas production, about one-third, which remains controlled, albeit at prices well above current market levels.

This view deserves a careful response.

Old controlled reserves: On the first point, several factors combine to prevent these assertedly large old reserves from shielding consumers against a future price rise.

First, these reserves, variously estimated at from 10 trillion cubic feet to 30 trillion cubic feet, are not a major part our Nation's supplies, despite the apparently huge size of this number: 10 to 30 trillion cubic feet is instead only about 6 to 18 percent of our total 165 trillion cubic feet of reserves, and is an even smaller part of all North American reserves.

Second, many of these reserves are not cheap: some are priced at $2.80, the top ceiling price for old gas, because they qualify as post-1974 old gas. Some are substantially decontrolled already under Order 451, FERC's rule on uniform pricing of old gas. And some will earn an even higher controlled price because they will—in the future as they are ultimately withdrawn from their reservoirs—be produced through infill or stripper wells, some of which qualify for prices of $3, $4, or even $5 per million cubic feet, which are well above current market prices of about $2. And these ceiling prices will inflate in coming years with inflation, in some cases even faster than inflation, even if oil prices remain flat.

These relatively small volumes and high prices will obviously limit the price-shielding impact of these reserves. In addition, the mixing or rolling in process which averages the prices of gas from many different wells, as noted below, also will largely or completely nullify their price-shielding impact on ultimate consumers.

Controlled production: While they acknowledge that most of today's controlled gas prices are far above current market levels, opponents of decontrol still assert that in the future—should prices rise—these controlled $3, $4, $5, and even $6 per million cubic feet ceiling prices will finally then become meaningful shields for residential consumers against the assumed high future market prices.

We disagree.

The opponents' analysis does not take account of the blending and mixing process that has for years typified the gas markets. No consumer receives all his supply from a single well. Instead, each of us receives a tiny percentage of the mixed flow from thousands of wells. This makes all the difference.

To elaborate, of the several hundred thousand producing gas wells in the United States, most are decontrolled. Many are controlled only at high $4 or $5 levels. Some are controlled at low 50-cent levels.

Few if any consumers receive a pure unadulterated diet of only the latter type of gas. If they did, decontrol could raise their burner tip prices.

Instead, however, virtually all consumers receive a mix of all three kinds of gas, as the several hundred thousand wells flow into the Nation's hundred or so gas pipelines, and the pipelines in turn resell the mix to many hundreds of local utility and industrial consumers. The pipelines use traditional accounting and rate rules to blend or average the price of all their supplies; hundreds of independent marketers, pipeline marketers, producers, and brokers also trade, sell, and resell various subpackages of these mixed supplies; and some pipelines resell to other downstream pipelines.

These repeated multiple opportunities for producers and middlemen to sell and resell to subsequent buyers at constantly fluctuating open market prices, means that any artificial below market price—which is the kind of price opponents of this bill seek to preserve—can be quickly and legally offset by raising the price of the decontrolled component of the total package.

This can be done at a dozen places far upstream of consumers, as gas packages change hands. It routinely occurs under the current system, and has been occurring since 1983.

This is the basic reason why, even though there are some cheap supplies at the well today, there are now few if any cheap, below market supplies at the city gate or the burner tip. The only winner from continuing controls, then, is the producer or the packager or the mixer who offsets the remaining cheap supplies with just enough overpriced gas to bring the entire mix up to, but not over, the going rate in the Northern or Midwestern—or other—consumer markets. And these entrepreneurs, it is clear, have no desire to retain controls in order to continue this mixing game.

Congressional support for open access transportation: We also wish to stress, as did supporters of this legislation in both committee reports and in floor debate in each House, the major positive role that contract carriage has played in the consideration of this decontrol legislation, and is intended to play as decontrol proceeds.

The development of a nondiscriminatory, open access national gas transportation system by the joint efforts of the industry, the Federal Energy Regulatory Commission, and the courts, is not yet completed. Many carriage issues remain to be resolved by FERC and the courts.

But much progress has been made. Nearly all major interstate pipelines are now open carriers of gas. A large amount of all gas traded in the United States—about half—is now sold by producers and marketers to local utilities and end users, and merely carried by the pipeline middlemen. Competition in gas transportation has clearly increased, and has opened up new options for producers and consumers.

Many sellers can now deal independently with many buyers. This has greatly aided the rise of a competitive wellhead market, and indeed is critical to the future success of this wellhead decontrol bill: Pipelines are a critical link between gas consumers and producers. Free shopping for the best wellhead or city gate deal could be frustrated by a closed pipeline network that could not be equally and openly used by all market participants. In sum, a competitive, open wellhead market depends on and will continue to require in the future a competitive open access national pipeline network.

Open access in particular has helped assure captive residential consumers that their local utilities will not be excluded from access to competitively priced gas. Thus, these consumers will not be unfairly saddled with costly gas while cheaper supplies are available elsewhere and are carried preferentially only to selected buyers.

Indeed, that our wellhead price control system could, in 1983 and 1984 during the early days of experimental and discriminatory carriage programs, yield high wellhead gas costs for residential consumers while switchable industrial consumers received cheap decontrolled supplies, further shows the ineffectiveness of these controls as a consumer protection measure.

Nondiscriminatory carriage vigorously enforced by the FERC also will protect producers from being denied the chance to market their gas on even terms with other suppliers.

Accordingly, we express our strong support for FERC's efforts to finish the transition under Orders 436 and 500 to an open, nondiscriminatory competitive gas pipeline industry, and also note our support for past court rulings, such as the AGD decision, upholding FERC's comprehensive authority over contract carriage.

In order to achieve the full benefits of decontrol under this act, we also intend that the FERC and the courts broadly interpret the Natural Gas Act's provisions barring nondiscrimination, in order to maintain this open-access system to the benefit of all classes of customers and shippers.

Finally, we urge full use of all the FERC's powers, including its authority to bar the abandonment of certificated services such as contract carriage transportation services, to prevent possible future backsliding or retreat from the goal of competitive carriage

on which the FERC and the gas industry have worked so long.

Mr. Speaker, I urge my colleagues to support this conference report.

□ 1700

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join in bringing to the floor the conference report on H.R. 1722, the Natural Gas Wellhead Decontrol Act of 1989. When the President signs this legislation, a tragic chapter in our Nation's energy history will finally come to an end.

Thirty-five years ago last month, the U.S. Supreme Court held that the Natural Gas Act of 1938, which regulates pipeline rates, allowed the Federal Power Commission to regulate the price of natural gas at the wellhead. The shortages of natural gas in the 1970's should have been ample evidence that prices cannot be held below market clearing levels without severe long-term consequences.

One of the reasons this legislation is before us today is that wellhead prices and the rates paid by consumers of all kinds have declined since the partial decontrol of 1985. Those who formerly supported price controls have come to the conclusion that the controls prop up prices for high-cost producers, not hold prices down for consumers. Those of us who have been fighting for natural gas decontrol for years welcomed the converts to our cause with open arms, none more so than the gentleman from Indiana [Mr. SHARP].

I concur in the statement of legislative intent which Chairman SHARP included in his remarks on the conference report. I do so as a conferee, as an original cosponsor of H.R. 1722, and as the ranking Republican member of the Subcommittee on Energy and Power.

It is particularly worth pointing out that the four categories of additional natural gas to be decontrolled by H.R. 1722 are not mutually exclusive. So long as a contract or type of gas falls into any one of the four categories specified in section 2 of H.R. 1722, that contract or type of natural gas is decontrolled.

For example, the only issue in dispute between the House and Senate on H.R. 1722 concerned newly spudded wells. Under the conference report, newly spudded wells are defined as those for which surface drilling begins after the date of enactment. Natural gas produced from such wells is decontrolled as of May 15, 1991. However, new NGPA section 121, subsection (f)(2), provides that natural gas is decontrolled when the contract to which it applies expires or terminates.

Thus, natural gas produced from a newly spudded well under a contract which expires on January 1, 1990, for instance, is decontrolled as of January 1, 1990 because that it is when the contract expires. This is true even though natural gas from a newly spudded well would not otherwise be decontrolled until May 15, 1991. In sum, the manifest intent of the conferees is that decontrol of natural gas occur upon the earliest event specified in the legislation which triggers decontrol.

In conclusion, Mr. Speaker, the country will certainly be better off now that we have corrected the error of the 1954 Supreme Court decision and our own error in permanently extending price controls to certain natural gas when we passed the Natural Gas Policy Act in 1978. I urge the adoption of the conference report.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN] who has been deeply involved in this issue for many years and was very influential in bringing this legislation to the fore.

Mr. TAUZIN. Mr. Speaker, first let me say a word of thanks to the gentleman from Indiana [Mr. SHARP], the chairman, and to the ranking minority man, the gentleman from California [Mr. MOORHEAD], for the excellent cooperation and the spirit by which this conference committee report comes to the House today.

Mr. Speaker, I rise in support of this. Today with the House action on this conference report that follows the Senate action, and hopefully the signature of the President, we will be repealing the last of the three pieces of legislation that I think were essential to be repealed to restore natural gas to full health and vitality again for America. The first was, of course, the windfall profits tax, which this House and the Senate got rid of a few years ago. The second was a few use and incremental pricing provisions which prevented people from using natural gas, and this, the wellhead pricing provisions which we are finally repealing over a stage of 7 years. The stage is right, the time is right, perhaps long overdue.

Mr. Speaker, natural gas is alive and well in America. There is plenty of it. It is clean, it is good for the environment. We happen to make a lot of it in Louisiana, and we hope the rest of the Nation is ready to buy some of it because we could use a good economic revival in our State. This bill today, the conference report, finally completes that action.

Mr. Speaker, I want to commend all my colleagues, almost too many to name, but I am reminded of the great work the gentleman from Oklahoma [Mr. SYNAR] has done, and the gentleman from Texas [Mr. HALL] and others with us on the Democratic side and so many others on the Republican side, the gentleman from New York [Mr. LENT], who have cooperated in this effort. This is a big day for us; I think for the Nation.

Mr. Speaker, I rode a natural gas-powered car this week. Natural gas is alive, it is well. This bill repealing wellhead prices means it has got a great future, and America has got a great future with it.

Mr. MOORHEAD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Speaker, it is appropriate that we are taking up this conference report so soon after the Fourth of July because H.R. 1722 is a declaration of independence for natural gas production from the shackles of excessive Federal price regulation. I urge my colleagues to adopt this conference report as a truly historic piece of energy legislation.

First and foremost, this is a proconsumer bill. Our constituents who use natural gas, whether as residential ratepayers, commercial establishments, or industrial users, have reaped the benefits of greater competition at the wellhead and in the transportation market. These benefits will only grow with this bill.

Since 1985, reductions in the wellhead price of natural gas have flowed through to consumers. Pipelines now carry natural gas owned by others as well as natural gas purchased by pipelines for resale. Thus, local distribution companies and others can shop around for the best mix of short term and long term supplies to meet their needs. This flexibility did not exist as recently as 1985.

The Federal Energy Regulatory Commission is to be commended for its leadership in this area. The fact that Congress assumed the existence of a dynamic contract carriage market in deciding to pass this legislation is a firm indication that FERC should stay the course on this issue. There is no turning back the clock to the days before this revolution in the natural gas transportation market took place.

A second point is that this is a proenvironment bill. President Bush's clean air proposals give much needed flexibility to industry in meeting important air quality standards. Natural gas is the cleanest burning fossil fuel. As such, its greater use in homes, factories, electric generating plants, and even vehicles, will help reduce emissions of harmful pollutants. By removing the remaining wellhead price controls, this bill will remove distortions from the marketplace. Producers will receive and respond to market-driven signals in determining when and where to produce natural gas. The result will be to maximize production of the most efficient mix of natural gas.

All of the members of the Committee on Energy and Commerce, particu-

larly those of our colleagues who serve on the Subcommittee on Energy and Power, led by Chairman PHIL SHARP of Indiana and CARLOS MOORHEAD of California, are to be commended for their work in shaping this legislation.

In closing, I want to pay a special tribute to those who worked on this issue in years past. Most noteworthy are two former colleagues, the Honorable James T. Broyhill of North Carolina and the Honorable Bud Brown of Ohio. In adopting this conference report, as I strongly urge my colleagues to do, we thank those who kept the issue alive and contributed mightily to a sound national energy policy in the process.

□ 1710

Mr. SHARP. Mr. Speaker, the gentleman from Oklahoma [Mr. SYNAR] has been an extremely active member of our subcommittee and of the full Committee on Energy and Commerce on these issues of natural gas, first in the Fossil Fuel Act and now controlling natural gas, and has made an important contribution.

Mr. Speaker, I am delighted to yield 1 minute to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Speaker, first of all, let me join in the congratulations to the chairman, the gentleman from Indiana [Mr. SHARP], and the gentleman from California [Mr. MOORHEAD] and others who served in this conference.

Indeed, this is good news. It is good news because today, as the gentleman from Louisiana [Mr. TAUZIN] who has been so instrumental in this legislation has said, we are lifting the last restrictions on natural gas and to try to get back to the free market system.

This is good news for the producers of Oklahoma, Louisiana, and Texas, many of whom have been looking forward to this day for too long.

This is good news for the consumers who will have cheaper and cleaner fuel.

Finally, this is good news for the environment, because we will be able to use a resource in order to protect future generations.

So today we celebrate something that is long overdue, but I think it is better late than never; so I join with my colleagues in celebrating this moment and, hopefully, this will be one of the things that will help the State of Oklahoma and others who have produced natural gas for the benefit of all people in this country back into the economic realm.

Mr. MOORHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, this is a great day. I also rise in support of the conference report on H.R. 1722.

Back in 1984 when I was elected to be a new Member of the 99th Congress, I listed as one of my top priorities the immediate and total decontrol of natural gas. That did not happen in the 99th Congress.

I came back in the 100th Congress and worked very hard to get on the Energy and Commerce Committee to try to pursue that goal. We made great progress, but again we were not able to pass that legislation.

At the beginning of the 101st Congress, again I listed this as a priority with the leadership of the subcommittee, the gentleman from Indiana [Mr. SHARP], who had began to move his position from where it had been back in the 1970's.

It looked like we had a window of opportunity. Today that opportunity is realized. This culminates an effort that literally began in the mid-1950's after the Supreme Court decisions in the Philip case that began to regulate interstate prices.

I think this Congress is going to look back on the passage of this bill today and the signing ceremony that will occur at the White House later in the month as literally a tremendous accomplishment.

Natural gas is the fuel of choice in today's environmentally sensitive debate on clean air and acid rain and things of this sort. The very ability to report the conference report has spurred new drilling in old fields of natural gas.

So I think this is a piece of legislation that will help all regions of the country. It will help producers. It will help consumers. It will help pipeline transporters.

It is a truly historic moment and I am glad to be a small part of it. I hope that the House will quickly pass this legislation and send it to the President.

Mr. SLATTERY. Mr. Speaker, I am pleased to rise in support of the conference report on H.R. 1722, legislation that eliminates remaining wellhead price controls on natural gas by January 1, 1993. I am an original cosponsor of this bill, which would decontrol upon enactment gas to which a contract did not apply. I would like to take this opportunity to commend the chairman of the Energy and Commerce Committee, JOHN DINGELL, and the chairman of our Energy and Power Subcommittee, PHIL SHARP, for their swift movement of this legislation through committee so early in this session of Congress.

After enactment, the bill decontrols gas upon the expiration, termination, or renegotiation of contracts. Natural gas from wells spudded after enactment would also be free of wellhead price controls. The transition period between enactment of the bill and the complete decontrol date will give pipelines and producers an opportunity to adjust their contracts in anticipation of complete decontrol.

This legislation will benefit both consumers and producers of natural gas by providing cleaner air, reducing oil imports, improving our national energy security, and lowering our trade deficit by moving the United States toward increased use of an abundant domestic fuel.

Decontrol will ease artifical Government restrictions and subsidies and allow more market oriented decisions, ending a system of economic discrimination that needlessly adds to the already large problems of our depressed energy producing regions.

We have already decontrolled the majority of our Nation's gas supplies in the past few years, and these prices are now as low as they were in 1979, when the partial decontrol process began.

Less than 10 percent of the Nation's gas supply is now "old" price controlled gas. Average prices to local gas companies are set by the market and capped by oil prices. A series of regulatory rules, court decisions and new industry practices have ended the old world of inflexible long-term contracts between producers, pipelines, utilities, and consumers, and replaced it with new arrangements that allow buyers at each level to choose and price shop among multiple supply options.

Cold winters or an oil embargo would push up gas prices indefinitely until the blended mix of free and controlled gas hit free market levels. Thus, controls no longer provide any shield for consumers against free market gas prices and, in fact, have not done so for years.

I urge my colleagues to join me in supporting this measure. I hope that the other body will follow our lead and take this legislation up quickly so we can place it before the President as soon as possible.

Mr. MOORHEAD. Mr. Speaker, I yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 987, TONGASS TIMBER REFORM ACT

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 196 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

H. RES. 196

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 987) to amend the Alaska National Interest Lands Conservation Act, to designate certain lands in the Tongass National Forest as wilderness, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill, and which shall not exceed two hours, with one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, and with one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered by titles instead of by sections, and each title shall be considered as having been read. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture, if offered by Representative de la Garza of Texas, or his designee. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, I yield the customary 30 minutes, for purposes of debate only, to the gentlewoman from Illinois [Mrs. MARTIN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 196 is an open rule providing for consideration of the bill H.R. 987 to amend the Alaska National Interest Lands Conservation Act and to designate certain lands in the Tongass National Forest as wilderness.

The rule provides for 2 hours of general debate, 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the other hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The bill shall be considered under the 5-minute rule.

Mr. Speaker, House Resolution 196 makes in order the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs as original text. The substitute shall be considered by titles, rather than by sections and each title shall be considered as having been read.

In addition, the rule makes in order the amendment in the nature of a substitute recommended by the Committee on Agriculture, if offered by Representative DE LA GARZA or his designee.

Finally, Mr. Speaker, the rule provides that at the conclusion of consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted.

Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole. The previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit with or without instructions.

Mr. Speaker, this is a very fair open rule providing both the Interior and Agriculture Committees with a full hour of debate. I urge my colleagues to support this rule so that we may proceed with consideration of the merits of this legislation.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am delighted to report that we have before us today a truly open rule for the consideration of H.R. 987, the Tongass Timber Reform Act. It is always a pleasure to present an open rule because they have become a dwindling breed of cat in recent years.

We are running at about 50 percent open and 50 percent restrictive rules this Congress, roughly the same percentage as it was in the last Congress at this time, though the number of rules is down 36 percent. But 10 years ago 75 percent of the rules we granted were open; and 12 years ago, 85 percent were.

Tomorrow we are expected to grant 3 more open rules in the Rules Committee. So I welcome this new trend and commend both our chairman and the new Speaker on this new era of fairness and openness. I know we can do even better once folks realize that the Capitol dome will not melt down from this increase in sunshine.

Mr. Speaker, House Resolution 196 provides for 2 hours of general debate on the Tongass timber bill, divided equally between the Interior and Agriculture Committees and the chairmen and ranking minority members of those committees. The rule provides for the consideration of the Interior Committee's amendment in the nature of a substitute as original text for the purpose of amendment under the 5-minute rule, to be considered by titles instead of sections, with each title to be considered as having been read.

And, because this bill was sequentially referred to the Agriculture Committee which reported its own version, the rule provides for the consideration of that amendment in the nature of a substitute if offered by Chairman DE LA GARZA or his designee. That substitute, of course, will be subject to an open amendment process, as will the Interior Committee's version if the substitute is defeated. So I think the House will have a full and fair opportunity to openly debate and amend both of these alternatives for dealing with the Tongass National Forest in Alaska. I therefore urge adoption of this rule.

□ 1720

Mr. Speaker, I reserve the balance of my time.

Mr. GORDON. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I rise in support of the rule for H.R. 987, the Tongass Timber Reform Act. The Rules Committee, especially its distinguished new chairman, have dealt with this bill in fair and evenhanded manner.

The rule makes the amendment in the nature of a substitute recommended by Interior Committee as original text for purposes of amendment on the floor. We expect that some members of the Agriculture Committee will be offering a substitute.

Proper management of the natural resources of the Tongass National Forest in Alaska has long been a matter of great concern for the Interior Committee. For over 5 years prior to passage of the Alaska Lands Act in 1980, we wrestled with the difficult issue of balancing protection of old-growth forest without job loss in the timber industry. Since 1980, as the problems have multiplied, it has become more and more apparent that fundamental reform is necessary.

Last year, by a vote of 361–47, we passed the Interior Committee's Tongass reform legislation. Tomorrow we have the opportunity to vote on an even better bill to restore fiscal and environmental common sense to our nation's largest national forest.

H.R. 987, as reported by the Interior Committee, has four major components.

First, it repeals the annual $40 million (minimum) perpetual subsidy and eliminates the environmentally unsound 4.5 billion board feet per decade permanent timber supply created by the Alaskan National Interest Lands Act [ANILCA] in 1980.

Second, it provides badly needed protection for salmon streams by implementing the National Marine Fisheries Service's minimum 100-foot buffer strips.

Third, it replaces two long-term timber contracts with standard, competition bid, short term sales.

Finally, H.R. 987 protects as wilderness 1.8 million acres—some of the most beautiful areas and valuable fish and wildlife habitat in the United States—while still allowing plenty of timber to expand timber jobs and keep the pulp mills in operation.

Mr. Speaker, the Tongass legislation is the most important environmental vote so far in the 100th Congress. I urge my colleagues to support the Interior Committee and vote against all weakening amendments.

Mr. GORDON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MARTIN of Illinois. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GORDON. Mr. Speaker, I move the previous question in the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2022, PROVIDING RELIEF FOR CERTAIN SOVIET AND INDOCHINESE REFUGEES

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 195 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 195

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2022) to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be considered for amendment under the five-minute rule. Each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendment thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 195 is a simple open rule providing for the consideration of H.R. 2022, to provide relief for certain Soviet and Indochinese refugees.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary and further provides that each section of the bill shall be considered as having been read during the consideration of the bill for amendment under the 5-minute rule. The rule provides for no waivers of points of order. Finally, the rule provides that at the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, H.R. 2022 is a bill to enable the expeditious emigration of Soviet Jews and Evangelical Christians from the Soviet Union by establishing a legislative presumption that these groups are subject to persecution in the Soviet Union and are, therefore, eligible for refugee status. The bill also makes this presumption about certain classes of individuals in Indochina who are subject to persecution in their countries.

In 1987, after years of blocking the emigration of Soviet citizens, primarily Jews and Evangelical Christians, the Soviet Union made an about face and significantly increased the numbers of their citizens who were allowed to leave. There numbers are continuing to grow, but due to a change in policy established by the last administration, each and every one of these emigres is required, when making application for refugee status, to establish individually that he or she has been persecuted or can demonstrate a well-founded fear of persecution. This policy has resulted in a large backlog of cases for those individuals who are seeking refugee status. The intent of this legislation is to reverse the policy of the last administration in order to allow these people to immigrate to the United States as refugees.

Mr. Speaker, I believe this legislation is of great importance to the promotion of human rights and of great importance to those individuals in the Soviet Union who have sought refuge in the United States in order to escape religious persecution. Because this is an open rule, I urge my colleagues to adopt House Resolution 195 so that the House may work its will on this legislation.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the rule now before us is an open rule, and I urge its adoption. As the gentleman from Texas said, the rule provides for 1 hour of general debate on H.R. 2022, followed by consideration of amendments under the 5-minute rule. A motion to recommit is made in order, which, under the circumstances of this rule, could include instructions.

And so I urge support of this rule, and I appreciate the chairman of the Judiciary Committee for having requested an open rule, as well as the Rules Committee for recommending one.

Turning now to the substance of H.R. 2022 itself, I would like to make a few brief comments.

It is a fact that the administration opposes enactment of this bill. The administration believes the bill is unnecessary and that singling out certain categories of people for preferential refugee status sets a troubling precedent. While we should take these objections seriously, I also believe that we must keep in mind some other factors.

First, this bill is short term. The granting of refugee status to Soviet Jews and Evangelical Christians, as well as to the specified Indochinese people, would expire on September 30, 1990.

Second, the bill contains a sunset provision because it is meant to address a short-term problem, namely, the backlog that currently exists in the processing of cases involving the categories of people to which the bill applies.

This is particularly timely in the case of Soviet Jews and Evangelical Christians. What an irony it is that America today seems to be placing obstacles in the path of these people at the very time when the Soviet Union is letting them go. We need to be mindful that, glasnost notwithstanding, religious persecution is still a fact of life in the Soviet Union—and these people need our help.

I would add further that Jewish people and Evangelical Christians in the Soviet Union have been singled out in the past, particularly by the Reagan administration, as deserving preferential treatment.

Finally, some concerns have been raised about the potential costs of receiving people into the country under the terms of this bill. And it has to be acknowledged, candidly, that this issue has been treated in a somewhat vague manner by the committee and the administration.

We need to remember, though, that numerous Jewish and Christian support groups have been established to help their coreligionists in time of need. Likewise, experience has shown

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

that Indochinese refugees do not arrive on our shores expecting the world to owe them a living. Indeed, they get themselves established and start becoming productive members of their new communities in very rapid fashion.

I hope that Members will keep these points in mind when we consider H.R. 2022.

□ 1730

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OUR FLAG

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. SENSENBRENNER. Mr. Speaker, tomorrow the Subcommittee on Civil and Constitutional Rights will begin hearings on constitutional amendments to ban flag desecration. Unfortunately, the subcommittee has developed a history and reputation of being a mortuary for measures of this nature, and I fervently pray that this will not be the case in the flag desecration issue. This issue is a test of the ability of Congress to legislate a good sense response to a Supreme Court decision that was clearly out of bounds.

Unfortunately, the chairman of our subcommittee, the gentleman from California [Mr. EDWARDS] has signaled his intention that the flag amendment is going to be buried. In today's issue of USA Today he was quoted as saying:

> If we have to make a compromise, I would support it, but it would not be as good a choice as to have this issue go away.

Well, this issue is not going to go away until the Congress proposes and the States ratify a constitutional amendment.

The challenge for us, my colleagues, is to act, not bury, the flag desecration amendment.

Mr. Speaker, I include the interview in the USA Today of this morning of the gentleman from California [Mr. EDWARDS] at this point so that the membership of this body and the American public can see what is going on.

DON'T LET HYSTERIA HURT FLAG'S MEANING

USA TODAY: Your subcommittee will hold hearings Thursday on the proposed amendment to protect the flag. Do you support it?

EDWARDS: I'm devoutly against a constitutional amendment not only amending the freedom-of-speech provision of the Bill of Rights but weakening it.

USA TODAY: So you don't think the flag needs protection?

EDWARDS: It's a lot easier to lose liberties than to win them. The flag is very sturdy. It's flown through all the battles of our country. But it can be wounded by carelessness—careless votes or votes taken in the hysteria of the moment. And we've survived hysterias—prayer in the school, balanced budget, and others like that in the past.

USA TODAY: Isn't "hysteria" a little strong?

EDWARDS: I can support the word hysteria because the fever lasts only a short time. Some of these issues don't seem to have an in-depth intellectual or substantive base.

USA TODAY: In your opinion, what would the amendment do if it passed?

EDWARDS: It would turn over to 50 states a free speech exemption that could result in almost any kind of penalty, even capital punishment. There are a lot of people who don't like the press, for example, who would like to—and have over the last 200 years—tried to put restraints on the press. Right now, we have a movement toward restraining the movie makers and TV people on violence.

USA TODAY: What's the alternative to a constitutional amendment?

EDWARDS: The best response would be an educational process. However, right now that's unrealistic.

USA TODAY: Would you support some type of law as a compromise?

EDWARDS: If we have to make a compromise, I would support it, but it would not be as good a choice as to have this issue go away.

USA TODAY: What do your constituents say about the proposed amendment?

EDWARDS: Most of my letters are saying "Leave the Constitution alone." They don't even get into statutes.

USA TODAY: Is this an important fight? Is it something the Congress should be taking up its time with?

EDWARDS: It has touched a nerve in American society, and whether we approve of that nerve being there or not, it's a reality. In 1967, it was much worse. The issue was a federal statute criminalizing the desecration of the American flag—a federal criminal statute. Only 16 out of 435 of us voted against it. It cost each of us 15,000 to 20,000 votes. And, boy, it was a lonely fight. Now this is not half as lonely.

USA TODAY: When you finish these hearings, will you be recommending the amendment, a law, or both?

EDWARDS: I don't want to make that prediction. I don't think that's proper. These are going to be very thorough, painstaking hearings, and I don't think it's appropriate for the chairman to make definite predictions.

USA TODAY: Your subcommittee has a reputation of being sort of a mortuary because many proposed amendments die there. Is that a fair description?

EDWARDS: We have hundreds of proposed constitutional amendments that we have not approved. The only one we approved over the last 15 years or that I've chaired is Washington, D.C., representation, which is not going well in the states at all. It's going to fail.

USA TODAY: You've been able to stall a lot of high-profile amendments—school prayer, balanced budget and others.

EDWARDS: Yes. With the help of a subcommittee that generally a majority saw eye to eye with me.

USA TODAY: Which was one of your requirements, wasn't it?

EDWARDS: Almost, yeah. But I have had a majority who sees things the conservative way. This is a conservative view that I have and that is that you don't fool with your liberties lightly.

USA TODAY: If this amendment ends up in the "mortuary," are you going to be on the hot seat?

EDWARDS: It's up to the American people. Our job is to have an educated process through these hearings so that the people can instruct in Congress as to the right course to take in this matter.

USA TODAY: If your subcommittee drags its feet on the flag amendment, would that be—?

EDWARDS: Stupid. What you want to do is do the right thing. The right thing would be to have the educated process.

USA TODAY: But isn't it likely that the longer you wait, the more this would cool down?

EDWARDS: It always has happened that way, that these kinds of emotional issues have a way of clearing up.

USA TODAY: How long do you see this going on?

EDWARDS: Oh, just a few weeks.

USA TODAY: You were a Republican when you were younger and you were an FBI agent. How did you become a liberal, at least on civil rights and civil liberties?

EDWARDS: I think that underneath, we're all creatures of family, and when you're brought up in a conservative Republican family, you're acclimated to that way of thinking. But you don't change internally if you're naturally for fair play, for the disabled. You find out on your own that Republicans don't think in those terms. And that's what made me turn into a Democrat. I just couldn't live with that elitist "trickle down" that I found a bigoted kind of view.

USA TODAY: How do you feel about President Bush hopping on this issue?

EDWARDS: I guess it's a continuation of his Willie Horton and Pledge of Allegiance campaign issues. It is not to his cerdit at all. He will not look as good in the history books for this course of action, and it's bad for the good health of the country.

MISSISSIPPI COLUMNIST HITS THE MARK ON FLAG ISSUE

The SPEAKER pro tempore (Mr. NAGLE). Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, Sid Salter is the publisher of the Scott County Times in Forest, MS, and writes a column that is syndicated throughout the State of Mississippi. He recently wrote about the Supreme Court's flag burning decision and it is one of the best I have seen on the subject. I wanted to share it with my colleagues.

[From the Meridan (MS) Star, June 27, 1989]

SUPREME COURT BLOWS FLAG RULING

As a teen-ager, I was somewhat mystified over the 1970s practice of bra burning by feminists hell-bent to tell the world that they wanted equality and they wanted it now.

As a little boy in a rural county whose link to such happenings was a two-channel television whose signal depended on a rusting antenna and the cooperation of the weather, I was similarly bewildered by the burning of draft cards, crosses and other materials that seemed both more flammable and inflammatory in the 1960s.

Wiser counsel told me such acts were not necessarily ends unto themselves, but symbolism. The bra was a symbol of the repression of women, the draft card a symbol of the folly of America's entanglement in the Vietnam War and the flaming cross a symbol of divine blessing for bigoted whites and a symbol of fear and hatred for blacks.

Symbolism, they said. It's the thing literature teachers try to impress upon us in understanding what the whale represents in Melville's *Moby Dick* and such.

Last week the U.S. Supreme Court ruled that the American flag was no more a symbol than the bra, the draft card, a Klansmen's cross or Melville's elusive whale. In a 5-4 ruling, the court held that the American flag could be burned with the impugnity one would enjoy in setting fire to a week's worth of trash—possibly more, since most towns have laws on the books prohibiting the burning of trash in the city limits because that endangers the property of one's neighbors.

Did you get that, people?

The American Civil Liberties Union was successful a few Christmases back in removing a lighted cross from the Walter Sillers Building in Jackson on the grounds that it was offensive to the constitutional prohibition against the establishment of religion by the state or any arm of the state. Organized prayer in the public schools got the constitutional ax a long time ago.

In the Boy Scouts, they taught us not to even let the flag touch the ground. My father taught me to salute the passing of the flag. When my friend Joe Graham—who didn't burn his draft card—came home from Vietnam in a government-issue casket, the American flag was his last blanket.

Are we so liberal in our interpretation of civil liberty in this nation that nothing, absolutely nothing, is sacred? If some fruitcake wanted to climb the Lincoln Memorial to paint a moustache across Old Abe's face in the name of political activism, would we applaud him for his courage in exercising his rights?

Certainly, Old Glory is a symbol. It is a symbol of freedom—a freedom purchased on the battlefields, in the halls of government and in the desire of our forebears to establish an environment of equality free of the whims of one man and dedicated to the principle of a majority rule tempered by a protection of minority rights.

That flag is our birthright as citizens. The flag that was raised on Iwo Jima is the same flag that the Supreme Court now says may be burned, defaced, spat upon or worse by any political jackass with a cause. The court ruled that local communities cannot outlaw such acts, no matter how large or strong the majority that opposes those acts.

The flag is also fair game for fashion designers, says the high court. The shirt the late Abby Hoffman was arrested for wearing in Chicago can now be part of everyone's wardrobe.

Congress should send a message to the Supreme Court.

In ruling that our flag can be legally desecrated, the court ruled that the burning of a flag is a form of free speech. I'm in the free speech business. If someone wants to make a speech, publish a pamphlet or simply stand in a crowded movie house and scream to the top of his lungs: "I hate America, I hate the flag . . ." etc., I disagree with him but defend his right to do so.

But there must remain some symbols of patriotism that remain sacred. The burning of a flag does not represent free speech—it represents a crime against America's veterans who fought and died to keep it waving.

If the court thinks symbols don't matter, then why does the government get so angry when counterfeiters try to print paper money? After all, the dollar has no worth—it's only a symbol of worth.

Write your congressman and tell him enough's enough.

THE JAPANESE CONSPIRACY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, from time to time I have read portions of Marvin Wolf's book "The Japanese Conspiracy" which details how the Japanese businessman, working with the Government, have targeted American businesses.

I think of Marvin Wolf and his book each time I read news stories about United States-Japanese trade. He has shown us the road map on how we have lost our industries.

Today, I want to read the last of chapter 2 on the electronics industry. I think we can all understand better what has happened with Marvin Wolf's explanation.

Before personal-size microcomputers went on sale in retail stores, the word "computer" was usually preceded by the initials "IBM." Big Blue, as IBM is affectionately known in the industry, was the dominant presence. IBM was no less dominant in Japan, where its share of the market for large, business-oriented machines hovered near 75 percent for most of the 1960s and into the early part of the next decade. The reasons were obvious: IBM made the best computers for the tasks required; IBM provided reliable software; IBM's service was first rate.

But by 1970, MITI had decided it wanted to foster a domestic computer industry that could compete with, and ultimately replace IBM. This was a key reason behind the MITI campaign to match and pass the U.S. in semiconductor technology. But Japan's computer manufacturers found that competing with IBM was not easy. "We tried to sell our machines," recalled Taiyu Kobayashi, chairman of Fujitsu, in 1982. "However, the installed base of IBM is so large and the users, quite naturally, want to use the software base they have built up over the years. The relative value of software in the computer system has risen to in excess of 70 percent of the cost of the system. Being compatible was the only way to get started in the computer business."

Kobayashi confirmed that the Japanese sales strategy—compatibility with IBM's hardware—was the keystone of an effort to cut into IBM's share of the market. But in the early years plug-compatible Japanese-made computers were not received well, even in Japan. Despite the unpopularity of their products, the Japanese industry continued its efforts to improve them. "MITI put out R&D funds and brought together the various companies for joint development projects," confirmed Kobayashi. "When domestic makers began building products and it wasn't clear whether what we made would work or not, MITI went around to the industries that had benefited from its patronage—automobiles, steel, etc.—and said, 'Here, use these.'"

While they set about rationalizing the Japanese computer industry, MITI also restricted the import of foreign-made IBM computers. "There was considerable pushing and hauling about how to restructure the Japanese industry to compete with IBM," Kobayashi explained. Some in Japan wanted to merge all the companies into one giant computer corporation, but a decision was finally made to align the companies into three groups. Fujitsu was paired with Hitachi to pursue large computer development, and just about that time, someone important quit at IBM.

Eugene Amdahl was one of IBM's top computer engineers, chief architect of the team that had designed the IBM 360. When he left IBM to form his own company in 1970, Fujitsu saw an opening. "We got word that Amdahl had quit IBM," recalled the former Fujitsu chairman. "That was the time when Fujitsu was feverishly attempting to get hold of IBM's architecture. The friend of one of our top people at the time was a close friend of Amdahl, and Amdahl was intending to make machines that would use IBM's software but offer higher performance for the money. We couldn't afford not to get in on this."

In 1971, Fujitsu built a research laboratory in a corner of Amdahl's building, and two years later they bought 24 percent of his company's stock. Several managers at Fujitsu opposed the plan to go IBM-compatible, partially because of the huge investment, and also because of fear of legal retaliation by IBM. Kobayashi decided to seek a partnership on the project with Hitachi and met regularly with his opposite member at Hitachi. "We felt around, asking whether Hitachi would care to join us," Kobayashi remembered. "Hitachi said 'No, we'll go our own way.'"

To place Japanese business ethics in American perspective, one must imagine that this conversation had taken place between the presidents, say, of Intel and Advanced Micro Devices. "That alone would be enough to put both of them in jail," said John A. Calhoun, a senior officer at Intel.

By 1974 Fujitsu had acquired enough computer technology to introduce its Model 370M, which ran twice as fast as the IBM 370 and used the same software. Hitachi, too, belatedly adapted the IBM-plug-compatible approach in its new products. By 1979 IBM's share of the Japanese market had declined to 27 percent. To put this into context, outside the United Kingdom, where Big Blue provides 43 percent of the business computer, and the communist countries where its products are not sold, IBM's market share is at least 50 percent in every country in the world. Fujitsu passed IBM to become itchiban in 1979, trailed at a distance by Hitachi. IBM's immediate answer to the Fujitsu 370M was a machine called the 3033, which was better than its own 370, but which represented only incremental improvements in technology.

But IBM, the competitor, was not yielding the Japanese market. This was only an interim machine for Big Blue, something to keep it in the market until its next generation was ready. IBM's new series of highly

advanced machines was being developed in great secrecy under the code name Adirondack, and known collectively as the 308X. The first of this generation, the 3081, was scheduled to be delivered in October 1981.

When a computer company decides on a business strategy of developing machines that imitate those of a competitor and run on the competitor's software, it is in a classic good news/bad news situation. The good news is that it can reap the considerable benefits of not having to invest in expensive R&D. It can wait for the competitor to bring out his computer, buy several, and through reverse engineering get the benefit of most of his efforts for a few cents on the dollar. It can then build machines that cost far less to develop, correcting the inevitable minor design errors that find their way into anything as complex as a computer system. The result is a product that can be sold to the competitor's customers for substantially less than the competitor can sell his own, and at a substantial profit.

The bad news implicit in this strategy is that the company has to wait for the competitor's product to appear before it can build a copy. That can take three or four years, by which time the competitor might have another technological shoe to drop. But if, by some means, the rival company can get advance information on the competitor's new generation of computers, it can reduce the time spread. Even a few months' head start is worth millions in sales.

Fujitsu was in an enviable position in that it employed many former IBM employees. But Hitachi, which had turned down the opportunity to join Fujitsu, would have to wait for the new IBM machine to appear, or it would have to find some other means.

When ten of IBM's 27 secret workbooks describing the 308X series illicitly came into Hitachi's possession, they realized their value and set out to get the rest. Those ten workbooks, each a three-ring binder of 40 to 200 looseleaf pages, were, according to federal prosecutors, spirited out of IBM by Raymond Cadet in November of 1980. Cadet, then a 45-year-old computer scientist, left IBM's research labs at Poughkeepsie, New York, and was next employed by National Advanced Systems (NAS), a Silicon Valley subsidiary of National Semiconductor. Cadet's boss at NAS, an Iranian named Barry Saffaie, learned about the ten IBM workbooks and allegedly made several photocopies of them. In the summer of 1981, Saffaie flew to Japan, where, says the Justice Department, he delivered one set to Hitachi, whose computers are marketed by NAS in the United States. The indictments against Cadet and Saffaie were later dismissed when the government refused to produce certain documents.

Kenji Hayashi, then 40, is a very thin, bespectacled man somewhat taller than the average Japanese, a man with a fifties crewcut and what a U.S. Justice Department attorney describes as a "hideous" laugh. Hayashi was one of Hitachi's senior engineers. A few weeks after the stolen IBM workbooks were delivered to Hitachi, he inadvertently acknowledged their existence to Maxwell Paley, a San Jose, California, computer consultant. Paley, another former IBM employee (21 years with Big Blue) had offered Hayashi, his regular contact at Hitachi, a legitimate study of the 380X project, a report that his consulting firm had developed from other sources. Hayashi told Paley that he didn't need the study; he had volumes 1, 3, 4, 8, 9, 10, 11, 12, and 15 of the Adirondack series. If Paley had other workbooks, Hitachi was interested. Paley was immediately aware that something was quite wrong. The notebooks, his 21 years at IBM told him, were not supposed to be at Hitachi.

Approximately 20 percent of the business of Paley's firm, Palyn Associates, was with Hitachi, but loyalties to his country and his former IBM colleagues proved stronger. Paley phoned a close friend at IBM, Bob O. Evans, a vice-president in charge of engineering, programming, and technology. He told him that he was sure that Hitachi had somehow acquired IBM's "crown jewels."

IBM is a company that spends "substantially more" than $50 million a year just on security. Learning that Hitachi had the notebooks galvanized Big Blue into action. IBM's top troubleshooter, a rugged, silver-haired ex-Marine captain, ex-FBI agent, and ex-T Man (Bureau of Narcotics), Richard A. Callahan, was put in charge of the initial reconnaissance operation. It was important to IBM to verify that Hitachi actually had the notebooks in their possession before going further. To gain access to Hitachi's Hayashi, IBM enlisted Paley, who agreed to act as a double agent for IBM.

Paley telexed Hayashi that he might be able to deliver more of the secret IBM notebooks, and set up a meeting in Tokyo for October. With an associate, Robert Domenico, and IBM's Callahan, Paley flew to Tokyo. On October 2, Paley met Hayashi in a room at the Imperial Hotel, where Paley gave Hayashi a handwritten index to the whole set of IBM workbooks. He also told the Hitachi engineer that while his firm was not in the business of securing confidential, proprietary information, he might be able to find someone who could. But, Paley told Hayashi, he needed to know precisely what Hitachi was looking for. What did these notebooks look like, exactly? Could Hayashi get him some to look at, so he would know if what his contact brought in was the genuine article?

Hayashi could. On the 6th of October, Hayashi brought Paley three of the ten notebooks. He also brought him the first in what would be a long series of "shopping lists"—the IBM items that Hitachi desperately needed to get their copycat computer system up and running so it would compete with IBM's. When Paley turned the notebooks over to Callahan, he was immediately able to identify them as stolen IBM property.

Now that IBM's security people were assured that Hitachi did indeed have its "crown jewels," they were left with three courses of action. They could ignore the theft. They could sue the Japanese company in civil court for damages. Or they could turn the case over to the Justice Department for possible criminal prosecution. If they had chosen to ignore Hitachi's theft, it would encourage others to steal. For this reason, not incidentally, IBM has long followed a hardnosed policy about theft of its secrets. The policy was well known: IBM goes after those who steal from it with a vengeance. It prosecutes.

The second course of action, a civil suit, would be appealing only if there was a certainty that IBM could get justice. But if Hitachi were sued in the U.S., it might take years to resolve the case. To sue them in Japan might well take decades, assuming a Japanese court could be expected to render a judgment against one of its own companies. Moreover, initiating a civil suit might encourage Hitachi to settle out of court, a settlement that would also likely include a "no publicity" provision. IBM wanted Hitachi to get all the publicity it deserved.

IBM decided to go to the Justice Department with its evidence. The FBI and IBM were old friends. IBM was then training FBI agents how to act like legitimate electronics purchasing agents for an FBI sting operation, whose cover was Glenmar Associates in San Jose, California. The FBI was investigating the "gray electronics" market, where stolen electronics components, including computers, are bought and sold. The operation, code-named PENGEM (Penetrate Gray Electronics Market), had already begun; the machinery to incriminate Hitachi was in place. The emphasis, the Justice Department decided, would be temporarily switched from theft of high-tech items destined for the Soviet bloc countries, which was PENGEM's initial focus, to similar goods headed for Japan.

In November 1981, Hayashi left Tokyo and came to Las Vegas, where Paley introduced him to IBM's Callahan, who was posing as a somewhat disreputable, but very able, retired lawyer. A few hours later Callahan introduced Hayashi to "Al Harrison," as a source who might be able to get him the secret IBM materials. Al's real name was Alan Garretson and he was an FBI agent.

The FBI went out of its way to impress on Hayashi, and each of the Hitachi employees he brought into his scheme, that what they were doing was illegal. Transcripts from hundreds of hours of video and audio tapes make it clear that Hitachi's people were fully aware of this, but it did not reduce their zeal to make their company, and their nation, *itchiban* in the computer market.

Theft did not preclude bargaining, something the Japanese cultivate with the same patience they devote to the art of *bonsai* dwarf trees. Not only did Hitachi want IBM's secrets, but they wanted them at the lowest possible price. Hayashi and his fellow Hitachi conspirators bargained endlessly with the FBI agents. They held out the inducement of future employment to the federal agents if they did good work. To Paley, whom the FBI had deftly moved aside as soon as he introduced Callahan under the cover name "Richard Kerrigan," they displayed the stick. In a letter to Paley written on December 7, 1981, exactly forty years after Pearl Harbor, Hayashi wrote: "I have no idea to pay your travel fee if you don't have the suitable information for us."

Hayashi revealed his business instincts later, when the filched information and hardware were being shipped back to Hitachi's headquarters in Japan by another person drawn into the conspiracy, Tom Yoshida, a U.S. citizen and president of a small American firm. As a faithful Hitachi salaryman, Hayashi directed Yoshida to send the stolen goods out on Japan Air Lines and intentionally undervalue the shipping documents. "From $10,000 the usual cost, for example, to $500 . . . if he say '$10,000,' you must pay more taxes in Japan," Hayashi told the FBI's Garretson in a videotaped conversation. Stealing secrets was risky business, illegal business, but it was still business.

Initially, the FBI thought they could close the case in "two weeks or so." But as it unfolded it became apparent that it would take more time to draw the maximum number of Hitachi employees into the FBI net. This meant that IBM would have to continue supplying trade secrets and hardware beyond their original intentions. Some

of the information Hitachi requested was now available from IBM customers. One evening in November 1981, FBI agents "bribed" their way into a secret-filled room at Pratt & Whitney's Hartford, Connecticut plant to allow Hitachi's Jun Naruse to photograph a new IBM disk drive memory device installed there for testing.

Other information was less accessible. IBM was understandably hesitant about continuing to supply Hitachi with its trade secrets, but Callahan and the FBI told IBM officials that to make an airtight case, and to demonstrate publicly that the conspiracy had reached Hitachi's highest management levels, IBM would have to satisfy Hitachi's "wish list." IBM reluctantly agreed. Between November 1981 and June 1982, when the FBI arrested Hayashi and Isao Ohnishi, a Hitachi software expert, Hitachi paid out some $600,000 to the ersatz spies. In return they got substantial amounts of IBM hardware, software, and proprietary information, secrets that IBM had spent hundreds of millions of dollars developing.

The passage of time made each secret a little less valuable to Hitachi. But once the first few secrets had made their way across the Pacific, Hitachi's demands grew more insistent. This made IBM even more anxious; the requested material was scattered among research labs, customer sites, and various manufacturing facilities. Each time it had to be collected without alerting IBM employees who, for security reasons, were not aware of the FBI operation. By June, a concerned IBM told the FBI "no more." In any case, they explained to the FBI, much of what Hitachi still wanted would be legally available through purchase in a few months.

The FBI agents were convinced that the Hitachi conspiracy was not just the work of over-eager low-level employees. They were sure that the highest echelons of Hitachi were involved in the plot. To learn which top Hitachi executives were controlling the scheme, Callahan and Garretson offered enticing bait. They told their Hitachi contacts that they were able to get their highly confidential hardware, software, and manuals out through IBM's thick security blanket through a pair of *passeurs* who were very senior IBM execs about to retire. As it often happened, the FBI told Hitachi, both had access to virtually anything the Hitachi people wanted.

These high-level IBM executives, Callahan insisted, could not compromise their identity. "One is on leave from IBM and is president of a college," he told Ohnishi and Hayashi. "Which college?" Hayashi asked, several times, but Garretson and Callahan sidestepped the question. These IBM men, they said, were interested in a steady extra income for a few years, but "only if they could be paid in cash," Callahan stressed. "They have to pay a lot of taxes on their retirement funds, and they want to avoid taxes on this money." But, Callahan added, the IBM men would not agree to the deal unless they could meet a Hitachi official of comparable rank. They would have to have his personal assurances of confidentiality. Hayashi agreed and suggested payment by bank check sent by air express. "No good," said Callahan. "Wire the money directly to the bank, it's faster."

Hayashi concocted an elaborate strategem to bring Dr. Kisaburo Nakazawa, head of Hitachi's computer factory at Odawara, into contact with Garretson and Callahan. He was careful not to alert anyone at Hitachi who was not already privy to the scheme. It was arranged for Nakazawa to make a trip to Hitachi's San Francisco offices; a full schedule of activities was published as a cover. They meet at the St. Francis Hotel where Callahan, in an effort to learn who else at Hitachi was in on the plt, asked Nakazawa to draw diagrams of the Hitachi organizations. Callahan also professed concern about keeping word of the stolen materials from getting back to IBM. Nakazawa assured the FBI agent that he would personally handcopy the information from the pilfered documents, each marked with the red ink "IBM Secret" stamp. No photocopies would be made.

As the scheme gathered momentum, the volume of IBM materials grew. Computer tapes inscribed with IBM's new software package were to be provided to Hitachi, which paid $250,000 for a program they could have bought openly for $100,000 if they had waited a few months. Tapes were smuggled into Japan by Ohnishi, who left his country with blank tapes on IBM reels, which he then told Japanese Customs "had a value of only $10." On his return to Japan, Ohnishi was to carry the same reels with the IBM tapes, and show the customs document to prove that he had brought the same number of tapes out of Japan. "Very clever, very smart, good job," said Garretson when Ohnishi told him what he was going to do. But Ohnishi never had the opportunity. On June 22, 1982 he and his Hitachi colleagues were arrested at the FBI cover office in San Jose.

But at times the Hitachi thieves were surprisingly inept. An IBM tape was "stolen" for the weekend and would have to be "returned" on Monday, Hitachi had one of their San Francisco people come down to HAC Semiconductor to duplicate the tape. "It took your man seven hours to do a five minute job," Garretson complained to Ohnishi and Hayashi.

On another occasion, Nagazawa asked for a large piece of hardware called a backboard. "It's too big to sneak out of the IBM lab at Poughkeepsie," complained Callahan. "It's this big," he said, demonstrating with his hands far apart. "How you gonna sneak that out? Should I get somebody with a big overcoat?" Nakazawa giggled and shrugged.

The FBI investigation revealed direct participation by a total of 11 Hitachi executives, ranging from Ohnishi and Hayashi up to Nakazawa. "Hayashi told the FBI undercover agent that he had the authority to spend up to $1 million," says special prosecutor Herb Hoffman. "Nakazawa is Hitachi's leading computer developer."

No decision has been made by the Justice Department concerning whether it will seek to extradite to America the nine Hitachi employees who had returned to Japan before the arrests. "As soon as the charges were filed, Hitachi filed five binders full of motions. The essence of them was that IBM had set Hitachi up, that it was strictly an anticompetitive situation, that the U.S. government joined hands with IBM and let IBM control the investigation for competitive reasons," says Hoffman. He then asks: "What does that say about Hitachi's credibility when they made all these allegations, then before the motions were heard by the judge, they plead guilty. What does that say about their credibility?

"When it was time for sentencing, the judge said he would not have the individuals put in jail. This was a situation in which Hitachi employees were acting at the behest of their superiors. It was very important that the company be convicted," Hoffman points out.

Ultimately, however, Hitachi paid little for its trangressions. In San Francisco, on February 8, 1983, Judge Spencer Williams fined Hayashi $10,000—the maximum fine—and Ohnishi $4,000. He also levied a fine of $10,000 against Hitachi, which paid its employees' penalties. The total cost in damages was only $24,000. "The only thing they could be convicted of was stealing trade secrets, since IBM gave them everything they took out of the country," says Hoffman. "But the important things was for Hitachi to stand up there in court and admit that they were guilty of trying to steal IBM's plans."

In the early fall of 1983, Hitachi settled the civil suit brought by IBM for the theft of their trade secrets. The agreement included the return of all the stolen IBM materials in its possession, and a provision that IBM would have the right to inspect all new Hitachi data-processing products before they are released for sale during the next five years. They also agreed to disclose the identities of all the individuals who offered IBM secrets to Hitachi. But Hitachi has yet to admit that any of IBM's secrets were used in the development of new products, and they have not yet compensated IBM for the huge expenses involved in settling the case.

The Hitachi "operating expenses" for the conspiracy were only $600,000, a pittance compared to the value of the technology gained. None of the other Hitachi employees involved were tried here or in Japan; they were merely transferred to other jobs. Even Yasukichi Hatano was allowed to keep his seat on the board, though he was relieved of his duties as head of computer operations. "Mr. Hatano is now a 'director without portfolio,'" commented Yasushi Sayama, a Hitachi spokesman. Nor did Hitachi suffer much loss of face in Japan; perhaps even the reverse. The Japanese press, which tends to act in concert with official policy, saw the case as evidence of an attempt by IBM to frame Hitachi. "Jap-baiting," most of the influential dailies complained.

Since "sting" operations are illegal in Japan, except in drug cases, the Hitachi theft of IBM secrets provided a good opportunity for a discussion of America's loose morals. The Japanese papers insisted on calling it the "IBM industrial espionage" case, as if IBM had been the offending party. Shoichi Saeki, a Tokyo University professor of American literature, reported the comments he overheard in the sauna of his sports club. "It was a really filthy trick," said one man. "It was entrapment. The Japanese government must protest against this," said another. "The American methods go too far," said a third. They were criticizing IBM for having Hitachi's spies arrested.

Saeki himself likened the FBI operation to the activities of a con man. "The FBI set up a bogus consulting company. This is an old trick of con men," he said. "In America, where many ethnic groups coexist and the restraining influence of traditional social ties has weakened, con games are widespread." He added, "My experience in the United States convinces me of this. . . . In many areas of American life, tricky methods similar to con games are used. . . . Modern advertising and public relations, with their hypes and hidden persuasion, originated in the United States."

The theft of IBM secrets apparently did not tarnish Hitachi's image as an innovative company. In fact, the editor-in-chief of *Nikkei Computer*, a prestigious Japanese bi-

monthly, reported that "many users of IBM machines have told me they're thinking of switching to Hitachi." Hitachi's sales actually rose in the months following the revelation that Hitachi had stolen IBM's secrets. The U.S. Social Security Administration, which had been shopping for computers bought two Hitachis for $7 million. "They were cheaper, and performed equally" to the IBM models, a U.S. government spokesman explained.

On June 18, 1982, four days before the IBM case made headlines around the world, Fujitsu's two-page ad in the *Nippon Keizai Shimbun*, a trade newspaper, announced that it had completed a new model computer, which was compatible with the new IBM 3081K. *Nikkei Computer*, in its July 26 edition, quoted a former Fujitsu employee as saying that virtually all of IBM's secret documents were in Fujitsu's possession. "The era in which many little stars revolve around the great IBM sun is coming to a close; thus a new era in international business is dawning," said Taiyu Kobayashi, Fujitsu's chairman.

The New Era of Japan has arrived, much to the confusion and detriment of the businessmen and workers of the Western world.

□ 1810

UPDATE ON COLONIAS IN SOUTH TEXAS

The SPEAKER pro tempore (Mr. McNULTY). Under a previous order of the House, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 30 minutes.

Mr. DE LA GARZA. Mr. Speaker, I take this few moments to bring some information to my colleagues related to a problem in my area of south Texas, and what has been done through the years and where we are now, sort of an update.

Mr. Speaker, there is something called the colonias in south Texas, which is basically a conglomeration of unrestricted housing in areas where there is no zoning outside or adjoining some of the small communities, and in many cases these colonias sprang up because, there being no zoning or no control, developers, some unscrupulous, sold that low-cost land to individuals who would build a modest home, but they did not provide water, or sewerage, or paved streets or any of the things that go with a modern subdivision. Therefore, this became a blight in our area.

Now there have come to the forefront many well-intended people of a kind and charitable nature trying to help us and assist us, and we welcome all of that, and we thank them for their interest, and we would hope that they continue being interested in getting assistance to these areas.

The only thing that I wanted to clear up at this point though is that there has been a continuous effort, but in many cases, as water was brought to a colonia, then another one sprang up, and that was left without water, and water was brought to another one, and another one sprang up.

I want to commend my colleagues in the Texas Legislature, what we call the valley delegation, the speaker of the house, the Lieutenant Governor who presides over the senate, especially the Governor of the State of Texas, Governor Clements, for having signed the legislation that was enacted.

Mr. Speaker, I was there in the late days of the session. I had the opportunity to visit with Governor Clements and urge him to sign the legislation. I visited with the secretary of state, Mr. Jack Rains, and urged him to sign the legislation. I visited with most of my colleagues from the valley delegation and with any other one that I could find to speak with, and this is bringing now some constraints as to unrestricted building in the area where there was no zoning and will allow the counties to have some control.

Mr. Speaker, it will provide also some measure of assistance in a monetary way, but one of the things that prompted me to bring this information to my colleagues was that a State official says that at last help is coming to these areas. Well, we have, and I would like to share with my colleagues now, information of what has been done since I came to Congress and before all of this new-found interest in the areas occurred.

Cameron Park is often mentioned. Well, the first project for Cameron Park started in 1977, and the Cameron Park and Delmar Heights area had a water program through Farmers Home of $297,000, almost $300,000, and the program was started, initiated, in 1977, completed 1981, but yet in 1981 someone says, "At last help is coming to these areas." Mr. Speaker, I wanted to bring that information so it is available.

Let me also say that at the present time one of the water supply, rural water supply, districts is now nearing completion of extending water to about 400 lots near the city of Alamo. The most important thing, though, is that working through existing programs, through the Farmers Home Administration, through HUD, through EDA, we can account for over $38 million since 1978.

Now this area is growing. The Census Bureau projects that there will be almost a 45-percent increase in the population in those two countries, Cameron County and Hidalgo County, between now and the year 2000, but what we have done up to now, and I would like to mention, is to organize these rural water supply districts, and I mention only the ones that I was able to work with.

The Union Water Supply was established May 13, 1965. Royal Water Supply was established May 29, 1965. LaJoya Water Supply, September 13, 1965. North Alamo, June 15, 1966. Falcon Rural Water Supply, September 6, 1966. Sharyland Water Supply, May 22, 1968. Elso Water Supply, June 21, 1976. El Tanque Water Supply, October 12, 1976.

Now one that I have worked with diligently, and it honors me very humbly, I might say because they named their headquarters, their main office, they named it after myself, they named it the Kika de la Garza Office; this Military Water Supply Corp. which established, which began, the process in 1971, and in 1973 the Farmers Home Administration granted them $850,000.

□ 1820

Now, this was a very interesting and unique beginning because there was a group that met, the bishop, interested citizens in the community, civil officials and governmental officials, who decided now is the time to act.

I was working with the EDA on a part of a grant and with the Farmers Home Administration. Everything was ripe for up to meet and work out the agreement, but the Farmers Home Administration official could not come to south Texas. He was going to be with the EDA officials. They were going to be in San Antonio; so I flew into San Antonio. The representatives from the interested groups in south Texas came to San Antonio. We met in the coffee shop at the San Antonio International Airport and there is where was born the Military Highway Water Supply District, and that I say when now someone says at last help is coming to these people. This, my dear friends, was in 1973.

Also there was the most prominent colonials at the time south of the city of McAllen, Balboa Acres. This was a very unique combination of the events also.

Balboa Acres had been plotted. Lots had been sold, but there was no electric power. There was no drainage. There was no water. There were no streets.

Now, it is almost you could say with low-income people, a model. Now the city has built parks. They have a police substation. Gutters and curbing have been brought there, but the unique way that water was brought, there was a grant given to the city of McAllen to bring water to a trade center, an international trade center.

We struck a bargain with the EDA. We will work with you and we will support you if you tap into that and bring water to Balboa Acres, and they did. This provided the funds to begin bringing water to Balboa Acres.

Now, let me just quote some figures, my colleagues, as to what has been done and some of the amounts that have been brought.

In 1973, Military Highway Water Supply had a grant of $650,000, in Cameron County.

In Hidalgo, North Alamo had a grant of $985,000, a loan of $1,055,000.

In Starr County, an adjoining county, El Tanque Water Supply, a grant of $183,000.

In 1979, in Cameron County, the East Rio Hondo Water Supply, a grant of $2,866,000.

In 1980, the Military Highway Water Supply, a grant of $300,000.

In a very unique way, an institution called Catholic Charities provided a loan so that that could be utilized for the low income mostly migrant families to borrow so they could tie into the incoming lines.

I am not going to mention the loans, only the grants.

In 1980, La Joya Water Supply, a grant of $600,000.

The city of Elsa, which is a small community, a grant of $810,000.

In Starr County, El Tanque Water Supply, a grant of $125,000.

In 1981, in Cameron County, the Rio Hondo Water Supply, a grant of $1,669,000.

In 1982, Military Highway, another grant of $613,000, and so it continues.

The Sharyland Water Supply, in 1983, a grant of $2,500,000.

In 1984, North Alamo, a grant of $2,060,000.

So I would think that we have done our share. This Government using taxpayers' money, has been generous and these issues have been addressed and have continued to be addressed, but now we have a problem that major periodicals in New York or Washington and San Antonio come down and show the undeveloped areas, show the blight that we cannot deny, but that we are working toward solving, but they do not show what has been done.

The Farmers Home Administration has built some model neighborhoods near Alamo, near Elsa, of low-income model housing for families, young families, low-income families, many of them migrant labor. This is never pictured. This is never shown by the major periodicals, like we have to suffer with here. The media only goes after the sensational. They do not come and give credit to those who have worked and to those who are working and to those who have worked in the past, only that they come and show that there is a problem.

We admit there is a problem, but no one can deny that it has not been addressed. I have just given you some quotes of some of the amounts that have been granted to these communities, to these water supply districts to bring water. After water has to come sewage. We are still working on that.

There are areas of tremendous neglect, but this is only because the people are of low income, mostly in the migrant stream, and even though they are working, hard-working individuals, their income is not at a level compatible with buying a good and decent home, so they have to rely in some instances on the speculators, the developers who sell them a lot for $10 or $100 down and then however much they can pay for the rest of their lives. This is sad that people would be forced into doing that.

This is one of the areas of concern that I have now about this HUD problem, that it might trigger a reaction to less an impact in programs of HUD because of human greed basically, that is the only way I can describe it, human greed and illegal activity or some legal but on the fringe of moral right or immoral activity.

I am concerned that they might then say, well, we should not have these programs, but the programs are needed.

I today want to commend all who have worked, religious organizations of all denominations, public officials, past and present, at the county level and at the local level in our area.

The members of the boards of the rural water supply water districts that serve with great interest in helping their communities, the members of the legislature, past and present, from our area, these different governors who have worked with us in this endeavor, the lieutenant governors who have worked with us in this endeavor, I commend and I thank all of them.

□ 1830

I commend and I thank all of them, and I would hope that the major periodicals would come and look at the good that has been done. For someone to say that this area has been neglected by the Federal Government is not true. It is not correct.

Here are some of the figures that I would dare say, from the last figures that I have until now, that probably around $50 million since 1978 have been brought into this area for infrastructure for helping these people and for helping these colonias bring themselves up to a decent level. We still have people drinking inadequate water. We still have people with inadequate housing.

Fortunately, because of the culture and the climate in our area, we do not have the homeless like we see in the big cities. We do not have people sleeping in hallways or things like that, but we do have some who are living in homes inadequate to serve the creature of God. That law from above demands that the creature of God at least have a decent place to live.

We have some way to go in that area, but unfortunately, it happens. I say that there are no homeless, even though it may be a very modest one-room or two-room, what one would call a shack, but the community comes out.

In my hometown of Mission, or near Mission, a family was renting a small cabin, and they were asked to vacate, so they found themselves with no place to go, and they went and put a tarp under a mesquite tree, and that will be the counterpart of our homeless. Within hours the community was there. This one brought lumber, this one brought nails, this group came with paint, and in 36 hours they had a very simple, very modest little cabin, but the community came so that they would not be sleeping under a tarp, under a mesquite tree.

This is the spirit of the area, and this is the spirit in which we have worked and will continue to work, but sometimes it is frustrating that even in this Chamber we hear:

> Nothing is being done. The plight of the south Texas colonials—we have to have a commission; we have to have study. .

Mr. Speaker, I have lived through about five commissions. The first one that came, and this is almost ludicrous, they sent an anthropologist who came to measure our heads before they decided if we were meriting any kind of assistance. That we do not need. We need understanding. We need help, and we need to cooperate and work one with the other and bring together all people of good will and kind hearts so that we might help the less fortunate citizens and neighbors and friends and brothers and sisters of ours.

No one can say that the issue has been neglected. We cannot say that the Federal establishment has not provided, because I say $50 million, and I can verify $38 million, but I suspect the other has come since the last 5 years, so I would hope that my colleagues would read these figures, would read the statistics, and that the world knows that there is a little speck of earth called the Rio Grande Valley in south Texas where there are proud and loyal citizens who have served their country in peace and in war, and that they need assistance, but that proudly we say we have tried to help ourselves throughout this endeavor, and we will continue through HUD to try and help ourselves.

We welcome all of the outsiders who would come and join with us hand in hand to help with this problem, but to say that no one cared, that no one did anything is wrong.

FARMERS HOME ADMINISTRATION COMMUNITY PROGRAMS—PROJECTS FOR 5 TEXAS COUNTIES, MAR. 3, 1988

Fiscal year, county, and borrower name	FmHA assistance		Type of project
	Loan	Grant	
1978:			
Cameron: Military Hwy WSC		$650,000	Water.
Hidalgo: No. Alamo WSC	$1,055,000	985,000	Do.
Starr:			
El Tanque WSC	193,400	183,000	Do.
Starr Co. WICD 2	616,000	0	Do.
Do.	34,000	0	Sewer collection.

FARMERS HOME ADMINISTRATION COMMUNITY PROGRAMS—PROJECTS FOR 5 TEXAS COUNTIES, MAR. 3, 1988—Continued

Fiscal year, county, and borrower name	FmHA assistance		Type of project
	Loan	Grant	
1979			
Cameron: E. Rio Hondo WSC	670,000	2,066,000	Water
Hidalgo: City of La Joya	150,000	0	Sewer treatment
Starr			
Falcon Rural WSC	45,000	[illegible]	Water
Starr Co		[illegible]	Do
1980			
Cameron			
Catholic Charities	683,500		Comm. health center
Military Hwy WSC		300,000	Water
Hidalgo			
La Joya WSC	[illegible]	600,000	Do
City of Elsa	536,000	810,000	Do
Starr			
El Tanque WSC		125,000	Do
Starr Co		250,000	Industrial dev grant
[illegible]			
Cameron: E. Rio Hondo WSC	356,500	1,669,500	Water
Starr			
Starr Co. WCID 2	64,000	154,000	Do
Do	199,000	0	Sewer collection
Zapata: Zapata Co. WCID	61,000	159,000	Water
[illegible]			
Cameron			
Military Hwy WSC	178,500	0	Do
Do	208,900	613,100	Sewer coll and tr
Los Fresnos	500,000	0	Water
Hidalgo			
No. Alamo WSC	3,340,000	0	Do
City of Edinburg	200,000	0	Do
[illegible]			
Hidalgo			
Edinburg-Sha ISD	1,900,000		Cultural and educational
Sharyland WSC	2,500,000	2,500,000	Water
City of La Joya	200,000	0	Sewer treatment
Zapata: Zapata Co. WCID	[illegible]	30,000	Water
[illegible]			
Cameron			
Military Hwy WSC	[illegible]	0	Do
Do	[illegible]	[illegible]	Sewer coll and tr
Town of Combes	[illegible]	0	Water
Do	[illegible]	0	Do
Los Fresnos	[illegible]	0	Do
Hidalgo			
La Joya WSC	[illegible]	916,000	Do
No. Alamo WSC	[illegible]	[illegible]	Do
Starr: Union Water Supply	[illegible]	[illegible]	Do
Zapata: Zapata Co	[illegible]		Health care
[illegible]			
Cameron			
Olmito WSC	400,000	[illegible]	Water
Los Fresnos	[illegible]	0	Do
[illegible]			
Cameron			
City of La Feria	[illegible]	0	Sewer collection
Do	219,700	0	Sewer treatment
Starr: City of La Grulla	[illegible]	[illegible]	Water
1984			
Cameron: Olmito WSC	[illegible]	[illegible]	Do
Starr: City of La Grulla		[illegible]	Do

FARMERS HOME ADMINISTRATION COMMUNITY PROGRAMS—PREAPPLICATIONS AND APPLICATIONS ON HAND, 5 TEXAS COUNTIES, MAR. 3, 1988

Borrower	Type of project	FmHA funding request	
		Loan	Grant
Preapplications on hand:			
Military Highway WSC	Water	[illegible]	
North Alamo WSC	do	1,450,000	$1,450,000
Zapata County	do	426,600	
Do	Sewer coll	142,200	
Do	Sewer tr	142,200	
City of Rio Hondo	Water	150,000	450,000
Do	Sewer tr	150,000	450,000
Rio WSC	Water	205,500	205,500
Military Highway WSC	Sewer C&T	187,500	562,500
Starr County	Bridge	[illegible]	
Applications on hand:			
El Indio WSC	Water		[illegible]

SFH LOAN AND GRANT ACTIVITY (FISCAL YEAR 1978–87) TEXAS COUNTIES: CAMERON, HILDAGO, STARR, WEBB, AND ZAPATA

County by fiscal year	Number	Obligated
[illegible] loans		
Cameron		
1987	58	[illegible]
1986	71	2,542,520
1985	61	[illegible]
1984	31	[illegible]
1983	[illegible]	[illegible]
1982	[illegible]	[illegible]
1981	[illegible]	[illegible]
1980	[illegible]	[illegible]
1979	30	[illegible]
1978	11	206,400
Hidalgo		
1987	[illegible]	[illegible]
1986	[illegible]	[illegible]
1985	52	[illegible]
1984	45	[illegible]
1983	[illegible]	2,879,820
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
1979	[illegible]	[illegible]
1978	24	[illegible]
Starr		
[illegible]	[illegible]	117,450
1986	[illegible]	[illegible]
1985	[illegible]	[illegible]
1984	[illegible]	[illegible]
1983	14	[illegible]
1982	24	[illegible]
1981	21	351,965
1980	[illegible]	665,590
1979	[illegible]	[illegible]
1978	[illegible]	467,950
Webb		
[illegible]	0	0
1986	0	[illegible]
1985	0	[illegible]
1984	1	[illegible]
[illegible]	0	0
[illegible]	[illegible]	[illegible]
[illegible]	1	[illegible]
[illegible]	[illegible]	0
1979	1	[illegible]
1978	1	[illegible]
Zapata		
1987	[illegible]	[illegible]
1986	13	232,850
1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	10	[illegible]
[illegible]	5	[illegible]
1981	14	[illegible]
1980	25	[illegible]
1979	11	220,200
1978	10	[illegible]
504 grants		
Cameron		
[illegible]	0	0
[illegible]	1	[illegible]
1985	1	[illegible]
1984	[illegible]	[illegible]
1983	[illegible]	[illegible]
1982	1	[illegible]
1981	[illegible]	0
[illegible]	17	[illegible]
1979	[illegible]	[illegible]
1978	[illegible]	[illegible]
Hidalgo		
[illegible]	[illegible]	0
1986	16	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	0
[illegible]	[illegible]	[illegible]
1981	1	[illegible]
[illegible]	27	80,230
1979	32	[illegible]
[illegible]	15	[illegible]
Starr		
[illegible]	[illegible]	[illegible]
1986	13	[illegible]
1985	[illegible]	[illegible]
[illegible]	[illegible]	161,510
[illegible]	45	[illegible]
[illegible]	19	73,850
1981	[illegible]	[illegible]
1980	37	[illegible]
1979	34	[illegible]
1978	[illegible]	[illegible]
Webb		
1987	[illegible]	0
1986	[illegible]	0
1985	[illegible]	0
1984	0	0
1983	[illegible]	[illegible]
1982	[illegible]	0
1981	[illegible]	[illegible]
1980	[illegible]	[illegible]
1979	[illegible]	[illegible]
1978	[illegible]	0

SFH LOAN AND GRANT ACTIVITY (FISCAL YEAR 1978–87) TEXAS COUNTIES: CAMERON, HILDAGO, STARR, WEBB, AND ZAPATA—Continued

County by fiscal year	Number	Obligated
Zapata		
1987	0	0
1986	0	0
[illegible]	0	0
[illegible]	0	0
[illegible]	0	0
[illegible]	3	6,800
[illegible]	1	[illegible]
[illegible]	1	500
1979	1	[illegible]
1978	0	0
504 loans		
Cameron		
[illegible]	1	1,500
[illegible]	1	[illegible]
[illegible]	[illegible]	13,250
[illegible]	6	[illegible]
[illegible]	[illegible]	12,450
1982	[illegible]	11,020
[illegible]	5	[illegible]
1980	[illegible]	[illegible]
1979	[illegible]	[illegible]
[illegible]	[illegible]	7,070
Hidalgo		
[illegible]	[illegible]	15,310
1986	16	[illegible]
[illegible]	1	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	11	[illegible]
[illegible]	[illegible]	[illegible]
1979	11	[illegible]
[illegible]	[illegible]	[illegible]
Starr		
1987	39	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	21	72,670
[illegible]	17	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	7	17,250
[illegible]	13	[illegible]
[illegible]	12	[illegible]
1979	[illegible]	0
1978	[illegible]	[illegible]
Webb		
[illegible]	0	0
[illegible]	0	0
[illegible]	0	[illegible]
[illegible]	0	0
[illegible]	0	0
1982	0	0
[illegible]	0	[illegible]
1980	0	[illegible]
[illegible]	0	[illegible]
[illegible]	0	0
Zapata		
[illegible]	0	0
1986	0	0
[illegible]	0	[illegible]
1984	2	[illegible]
1983	0	0
[illegible]	2	5,500
1981	4	13,000
[illegible]	0	0
1979	2	4,500
1978	0	0

MFH LOAN AND GRANT ACTIVITY (FISCAL YEAR 1978–87) TEXAS COUNTIES: CAMERON, HILDAGO, STARR, WEBB, AND ZAPATA

Fiscal year and county	Number of loans/grants	Loan/grant amount	Units assisted
Labor housing sec. 514/516:			
1987 Webb	1	[1] [illegible]	48
		[2] 1,147,300	
1986	0		
[illegible]	0		
1984	0		
[illegible]	0		
1982	0		
1981	0		
1980 Hidalgo	1	[1] 86,500	32
		[2] 779,810	
Rural rental housing sec. 515:			
1987	0		
1986 Cameron	[1] 1	[1] 798,000	[illegible]
[illegible]			
Cameron	[1] 1	[1] 571,900	24
Hidalgo	[1] 1	[illegible]	[illegible]
[illegible]			
Cameron	[1] 1	[1] 921,500	[illegible]
Hidalgo	[1] 1	[1] 866,000	32
1983	0		
1982	0		

MFH LOAN AND GRANT ACTIVITY (FISCAL YEAR 1978–87)
TEXAS COUNTIES: CAMERON, HILDAGO, STARR, WEBB, AND ZAPATA—Continued

Fiscal year and county	Number of loans grants	Loan/grant amount	Units involved
[illegible]			
Cameron	[1] 1	[1] 1,499,000	54
Hildago	[1] 1	[1] 888,000	74
[illegible]	0		
1979	0		
1978	0		
Housing preservation grants sec. 523			
[illegible]			
Cameron	[2] 1	[1] [illegible]	[3] 18
Hidalgo			
1 other county			
[illegible]			
Hildago	[2] 1	[2] 137,000	[3] 44
[illegible]			
14 other counties			
[illegible]			
Hildago	[2] 1	[2] 907,500	[3] 76
[illegible]			
14 other counties			

[1] Loans [2] Grant [3] Families assisted

Note: Housing Preservation Grant Program not available prior to fiscal year [illegible]

TRIBUTE TO THE HONORABLE CLAUDE PEPPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. HUTTO] is recognized for 10 minutes.

Mr. HUTTO. Mr. Speaker, today I want to talk about my good friend, Claude Pepper. I regret that I was in a markup committee session on June 20 when the dean of our Florida delegation, Congressman CHARLIE BENNETT, conducted a special order on Claude, who was one of Florida's greatest all-time statesmen.

Mr. Speaker, I had heard of Claude Pepper through the years but never had an opportunity to meet him until 1973, my first year in the Florida Legislature. Claude throughout the years had always gone back to Tallahassee during the legislative sessions to address the Florida House of Representatives where he served back in the late twenties and early thirties. After speaking to the house he then would go down into the chamber and sit next to the representative who represented his old district when he served in that body. It so happened that this position placed Claude between me and James Harold Thompson, who later became the speaker of the Florida House. During these annual visits by Claude I had the opportunity to enjoy his company and get to know him a little better. Needless to say, even at that stage of his career, I admired him as a senior statesman.

Then when I came to the Congress in January 1979 I renewed acquaintances with Claude and was proud to be his friend. My wife, Nancy, and I counted him as one of our dearest friends and we always marveled at his fabulous memory when he recalled true stories of Florida's political history. It amazed us that he could remember in detail campaigns that had been waged years ago.

Claude's service to his country stretched over more than six decades. Through the years Claude stood for what was right. He earned the respect of his colleagues, his constituents, and the American people.

I could relate to Claude Pepper very well because he grew up like I did in rural Alabama and knew what hard times were all about. From this poor agricultural background he rose to a position of power in which he always remembered his roots. Claude was one of the most compassionate people I have ever known. He loved everybody and in return was loved by them. He hated to see people suffer for any reason and he was always ready to lend a helping hand.

Because of his great concern for others Claude was successful in his long political career in getting legislation passed that has brought about a better life for countless millions of people. How great it was that he was still going strong at the age of 88. Claude Pepper had become a national figure for his championing of the down and out, the poor, the elderly, and the troubled. He deserved all of the many accolades that came his way through the years. Yet we all know that there were some hectic times in Claude's life. He was much maligned and misrepresented to the extent that he lost his seat in the U.S. Senate. He knew what it was like to be scorned, but he never gave up. He knew that his service to people was right and his faith endured until he was elected to the U.S. House of Representatives. It presented him with the opportunity to do even more in easing the plight of the downtrodden and building a greater America.

With the passing of Claude Pepper the Congress, without a doubt, has lost its greatest orator. One of the greatest speeches I ever heard was delivered by Claude on the occasion of the 100th Birthday/Anniversary of Franklin D. Roosevelt right here in a joint session in this Chamber. Claude recalled in vivid terms his service with FDR and the audience was completely enthralled with his masterful presentation—and he did it all without a single note which was his usual way of speaking, completely extemporaneously. I have also heard glowing reports about Claude's bicentennial speech in Philadelphia and I am sorry that I was unable to attend this historic gathering but the words he spoke in Philadelphia, in Washington, and along the crossroads of America will endure for generations to come.

The last several years I referred to Claude as my golf partner. About 4 years ago Dick Sewel called me and asked me if I would like to play golf with Senator Pepper on his 85th birthday. Of course, I was delighted to join Claude, Dick, and others and we had a most enjoyable time. This became an annual event and I was most pleased to be in Claude's company on his September 8 birthday. He loved the game of golf and stroked the ball quite well for someone his age. After playing with him on his 88th birthday last September I said, "Claude, I will play with you on your 89th birthday only under one condition and that is that you promise to play with me on my 89th". His response was predictable. He said, "I'll be there."

Those of us who were privileged to attend the ceremony at Walter Reed Army Hospital on May 25 in which President Bush presented the Presidential Medal of Honor to Claude will never forget this memorable event. Although this beloved statesman had been hospitalized for nearly 2 months in which he had no solid food he simply amazed all of us. We knew this remarkable man had an unbelievable memory which he used so eloquently, but we never counted on such a performance as he gave on that day. He was rolled into the ceremonial room in a wheelchair and although obviously in a very weakened condition he greeted those in attendance in his usual warm manner. When the President and Mrs. Bush presented him with the medal he responded, not with a simple "Thank you Mr. President and Mrs. Bush," but he proceeded to make one of the most moving speeches we had ever heard. Before the President arrived Claude had asked someone to go to his room and bring the picture of Mildred that was by his bedside. There was no more devoted couple than Claude and Mildred Pepper and she would have been extremely proud of him for this, his last performance. He spoke of how the Lord had blessed him by bringing him from the poverty of rural Alabama to the opportunity of serving in the U.S. Congress.

Though I may have differed with Claude philosophically at times, I think he was greatly respected and admired by every man and woman in Congress and by millions of Americans and even people of other nations. He made his mark and he made a difference. Claude is gone from our midst, but he will forever be remembered. Claude Pepper, a truly great American.

□ 1840

THE ENVIRONMENT

The SPEAKER pro tempore (Mr. MCNULTY). Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 60 minutes.

Mr. LIPINSKI. Mr. Speaker, our special order this evening is going to be on the environment. I am joined by the gentleman from Illinois [Mr. SANG-

MEISTER], and the gentleman from Illinois [Mr. POSHARD]. Speaking of the gentleman from Illinois [Mr. POSHARD], in the gallery tonight we have a young man from his district, Marion, IL, Jim Broeking, so it is a double honor tonight to have both of them involved in some way in this particular special order.

The SPEAKER pro tempore. In the future Members will be asked to refrain from referring to individuals in the gallery.

Mr. LIPINSKI. Mr. Speaker, I will certainly do that.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. SANGMEISTER].

Mr. SANGMEISTER. Mr. Speaker, I commend my colleague for organizing this special order on clean air tonight. As we progress we are going to see, of course, that we are not all in unanimous agreement as to how this should be approached. I am sure that a good friend and colleague of mine from southern Illinois, Mr. GLENN POSHARD, when he speaks will not agree with everything that I have to say, but such is the nature of this body and the deliberations that are going to go forward. But the important thing is that it is clearly the most important environmental issue that the Congress is going to face this year and I think it is important that we do discuss it.

Nearly 150 million Americans—almost 60 percent of our population—are breathing unhealthy air. The ones most at risk are, of course, children, pregnant women, and the elderly. Dr. Philip Landrigan of the American Academy of Pediatrics has even suggested that parents limit children's outdoor play when air pollution is particularly bad. But dirty air poses a severe danger to everyone. As Dr. Thomas Godar, president of the American Lung Association, noted recently, record air pollution levels made "1988 * * * a public health disaster unless you're interested in pernicious population control."

The people in my district and those who live in the Greater Chicago area, know smog levels are frighteningly high. People who exercise outdoors, especially during the summer months, frequently complain of coughing and shortness of breath. Dr. Godar has indicated "growing medical evidence suggests that repeated exposure could cause permanent lung damage." In Mexico City, the smog problem is so bad many people wear masks outside to filter out the pollutants. Let's not wait until our air quality becomes this critical and debilitating.

Cars, trucks, and buses are responsible, in large part, for these high levels of pollution. Yet these same sources can be the most cost effective to regulate. We currently have the know-how to wage a successful battle against air pollution. There are low polluting alternatives to gasoline and diesel fuels that are more energy efficient and less dangerous to our health. Alternative or clean fuels such as methanol, ethanol, and natural gas offer tremendous potential. Ethanol in particular, which in the United States comes from the fermentation of corn, would help our farmers and lead to substantial reductions in ozone, partic-ulates, nitrogen oxide, and benzene levels. Experts in this industry estimate ethanol can be produced at a cost competitive to gasoline before the year 2000. What are we waiting for?

Air toxics are another public health concern. This spring, data were released indicating the U.S. EPA regulates only seven of the hundreds of toxic air pollutants released into the atmosphere. Many of these chemicals are known carcinogens. Illinois ranks eighth in toxic emission levels and two chemical plants in our State are considered among the riskiest facilities in the country by EPA. In all, Illinois emitted 103 million tons of toxic pollutants into the air in 1987. Long-term exposure to these toxins include reproductive health problems, nervous system disorders, and liver and kidney damage. Other chemicals pose health threats when they are released in large amounts. These effects include headaches, dizziness, nausea, skin rashes, severe eye irritation, and in some cases, even death. PCB's and other contaminants have also severely affected fish and wildlife in the Great Lakes region. Over 30 species of fish have been deemed unsafe for consumption mainly due to airborne sources of PCB's.

Under current law EPA is required to regulate hazardous air pollutants on a chemical-by-chemical basis. EPA has had 20 years to regulate these chemicals. To say they have shirked this responsibility would be an understatement. We could be doing more, we should be doing more, we must do more.

I am optimistic about the President's clean air proposals and look forward to working with him to ensure these goals become a reality. But we must also realize that there are no magic solutions. Reduction measures will be costly and may change how some industries do business. Consumers will inevitably face higher costs but that is not too high a price to pay for the health of our children and the safety of all our neighbors. I share the spirit and conviction that President Bush demonstrated last month when he unveiled his clean air package. I was concerned, however, when I read, in the Washington Post just this morning, that the President has diverged from his original proposal. I am troubled the administration has decided to relax standards for controlling both sulfur dioxides—which cause acid rain and toxic air pollutants.

Mr. Speaker, Americans today live in a society of convenience. We are going to have to make sacrifices and lifestyle changes in order to solve all environmental problems—not just clean air. For instance, Americans must learn to be more sensitive to products that are compatible with our environment. We must learn the importance of recycling and switch to biodegradable products. Whenever possible, we should try to save energy by using mass transportation. In short, every American has a stake in making sure our air is clean and our water is pure. I believe Americans are willing to make these necessary changes. We must also work together with industry to provide incentives for them to effectively contribute to the cleanup process. Every CEO and chairman will have to face up to these harsh, sometimes costly responsibilities.

However, in enacting clean air legislation, Congress must be especially sensitive to any requirements that place an unfair economic burden on any one State or region. Acid rain legislation, for instance, must ensure that the cleanup cost is spread fairly and that the jobs of midwestern workers are protected. The lives of thousands of families can be ruined if we pass careless legislation. That would be a tragic mistake. What we must do is both clean our air and address the economic needs of all our citizens.

I stand ready to do all I can to enact comprehensive clean air legislation. I am committed to putting our Nation on a steady and effective course to clean air. This is the least we can do for our children and grandchildren.

□ 1850

Mr. POSHARD. I thank the gentleman from Illinois [Mr. LIPINSKI] for including me in this special order on the Clean Air Act, the proposed Clean Air Act.

Mr. Speaker, if I fail to make any other point during my remarks today, please allow me to make this one. The current acid rain control proposal by the Bush administration will be a disaster for the coal miners and their families in my district of southern Illinois.

Having said that, let me elaborate a bit more on what I think can be done, and if I may, what should be done to control the impact of acid rain.

I speak on behalf of an area that's served this country's energy needs for over 100 years. Too many families have sent their loved ones off to begin a shift, not knowing they were saying goodbye for the last time, for us to turn our backs on them now. The dangerous, demanding job of mining coal is one the people in my area have performed with dignity and pride for too long a time to abandon the men and women who are trying to support their

families and provide for their children's future by working in the coal mines. This goes for UMWA members and management alike, who in this fight, are in it together.

I was distressed to hear President Bush's proposal for achieving a higher standard of clean air in this country without taking into account the dramatic impact it would have on coal mining areas.

The United Mine Workers of America suggests it could cost 30,000 jobs from the ranks of its membership, a membership that's already operating at about half of its active capacity. I hope I can speak for the miners of southern Illinois when I say we should be looking for ways to put these people back to work, not put them out of business for good.

One of the most chilling moments for me in this recent announcement came from something most people probably didn't notice, a statement carried at the very bottom of a wire story from the Associated Press.

The same day President Bush announced his Clean Air Act revisions, Secretary of Labor Elizabeth Dole was quoted saying her office is already considering what kind of retraining and job assistance programs would be needed for the miners and others who will be put out of work by acid rain controls. Although I'm happy they're thinking about what to do with these men and women, it seems to be putting the cart before the horse. It sounds as though the administration has already decided to put an awful lot of people out of work, at a time when people in my area are literally crying out for job opportunities.

I make these points because we have to keep the human factor in mind. And I'm not here to ignore the environmental impact people in beautiful States such as Vermont, Maine, and Massachusetts claim they're seeing from acid rain. I support clean air as much as the next Member, and I don't for 1 minute suggest that jobs in one industry are so important that we would keep them viable at the risk of our health and natural resources. But a policy that concerns itself solely with avoiding pollution damage in certain areas, while ignoring economic damage in others, is no more fair than if the policy were crafted to cut the other way.

I'm here with my colleagues today to suggest compromise, and to argue against abandoning the promise of technology to achieve what we all agree are laudable goals.

The State of Illinois office here in Washington has analyzed this plan and comes to some of the same conclusions I have, particularly as it relates to the impact on the coal industry. Let me thank the State of Illinois office for its support and assistance on the issue.

The President's approach is designed to cut emissions of sulfur and nitrogen oxides in half by the year 2000, mainly by demanding emission reductions on coal-fired utilities in the Midwest and Southeast. Plants in Illinois that will exceed the sulfur dioxide emission standard for the first phase, targeted for 1995, include Central Illinois Light Co.'s Edwards Station; Electric Energy Inc.'s Joppa Plant; Commonwealth Edison's Kincaid Station; Central Illinois Public Service Co.'s plants in Meredosia, Grand Tower, and Coffeen; and Illinois Power Co.'s Baldwin, Hennepin, and Vermillion Stations. The Joppa and Grand Tower facilities are in my district.

That in and of itself might be reason enough for us as an Illinois delegation to resolve to fight for more equitable treatment as we search for acid rain solutions.

We in Illinois like to think we shoulder our fair share of the load when it comes to providing for the common good of this Nation. But we're being asked to put an awful lot on the broad shoulders of our people when it comes to this program. We should strive for a program that deals equitably with all of the States, and that doesn't penalize one area of the country so heavily. There should be a nationwide cost-sharing program for acid rain control.

In my district and in others across Illinois, scientists in private and university research labs are closing in on the mysteries of getting coal to burn more cleanly. We're spending millions, in public and private money alike, to reach solutions that will please both sides of the issue, that will produce the clean air we all need to breathe, and protect the jobs of high sulfur coal miners at the same time.

The administration plan, however fails to provide for technology reductions in the first phase of its implementation. There are some provisions for utilities using clean coal technologies to have a 3-year extension in meeting the second phase of reductions, but that doesn't meet the needs of the utility or coal industries, and is really meaningless in the administration's scenario. If we could reach more reasonable reduction targets for both the first and second phase of the plan, it would give technology more time to prove itself, and utilities more time to plan for how to use it. Without such a delay, we're going to see little else than massive fuel switching, away from the kind of coal mined in my district, and tremendous economic damage done in the heartland of America.

I know my colleagues who represent more urban areas than I are also very involved in the clean air issue because they have constituents who live in areas where smog is a concern. Some of the measures proposed would assist in that regard, and would also promote alternative fuel production, which is something I've supported here in my brief tenure in Congress.

I'm hopefull we'll not get caught up in the momentum to rush toward solutions without taking into account all of the options available to us.

I just want to urge the Congress to take measured consideration of these proposals, and not be afraid to modify the most offensive portions of it.

If we don't do that, we're sending ratepayers, utilities, and most of all the mining industry toward an uncertain and perhaps unwelcome future.

□ 1900

Mr. LIPINSKI. Mr. Speaker, it was a pleasure having the gentleman from Illinois, and I simply want to say in regard to his remarks that the gentleman from Illinois [Mr. POSHARD] will certainly have my very strong support in trying to do something to alleviate the problem. This Nation has lost an awful lot of the jobs over the course of the last 10 or 15 years, particularly jobs dealing with the labor movement in this country, and we have to do something about it, and certainly this is an area in the State of Illinois and throughout the entire Nation that we can do something about. I think we should take steps to make sure these people are gainfully employed because they have given so much to our Republic in the future, and we simply cannot afford to be losing any more of these jobs.

On this, the hottest week of the summer, it is particularly apt to address one of our Nation's most serious problems: The degradation of our natural environment. As temperatures increase to predicted record highs, so will the production of ground level ozone, escalating the situation to crisis status. And, as thousands flock to the shores of New Jersey and Delaware and to the beauty of Alaska, they will be confronted by poisoned beaches and polluted waters. The enormity of the situation demands our Nation's immediate attention and prompt, firm action towards finding a solution to this intolerable dilemma.

We are fortunate to have a President who is concerned and willing to take a first step toward new legislation directed at preserving our environment. Still, it seems as if the President is tailoring his legislation in such a fashion that it will be of little consequence. Although his special report does an admirable job at reporting the facts, his proposed solutions seem to be nothing more than window dressing.

I understand Mr. Bush's hesitation to enact sweeping reforms which may inadvertently cause harm to our economy and society. I too have those reservations. I do not want to see the citizens of this great Nation have the

heavy hand of Government reach into their private lives in the name of environmental protection. Still, we have an obligation to hand to our children an environment which is livable, but the President's report gives too much latitude for the EPA to do nothing.

According to the President's report, the vast majority of American cities are in violation of the minimum standards of attainment. As a result, over 100 million Americans live in areas with ozone levels which exceed Federal standards. Each person breathes an average of 15,000 to 20,000 liters of air a day—air which is considered unfit for human consumption. Ninety percent of the ozone inhaled is never exhaled. Instead, it remains in the lungs where it scars lung tissue causing short-term effects such as coughing, nausea, inflamed tissue, and increased susceptibility to respiratory infections. Especially at risk are young children, asthmatics, senior citizens, and the unborn. Long-term exposure is believed to lead to emphysema or lung cancer.

EPA studies have proven the presence of ozone is causing extensive damage to many types of vegetation including tomatoes, corn, soybeans, wheat, peanuts, lettuce, and cotton. Even at levels which comply with Federal standards, farmers can lose up to 30 percent of their crop to ozone. The resulting crop loss of $2 to $3 billion per year is a serious threat to our economic security.

It is obvious that we must make critical choices concerning our air. We must take extreme caution, however, to make sure that our plans do not work to the detriment of innocent men and women. As representatives of the people, we have a solemn duty, not only to provide clean air for our citizens, but also to make sure that all people may continue to lead normal, productive lives.

It is with this thought that I bring to your attention a perfect example of what may occur in the face of legislative inaction. The Federal District Court for the Eastern District of Wisconsin has mandated an air quality plan for Chicago which is nothing less than a ball and chain which will shackle the freedom of the people of that great city. This plan will force the EPA to resort to such drastic measures as gasoline rationing, restrictions on high octane gasoline sales, mandatory alternative work schedules and other measures which will disrupt lifestyles and business in Chicago.

The court, however, was only doing its job when it ordered the EPA to design a clean air plan for Chicago. Likewise, the EPA will act in good faith to prepare a plan which is consistent with the court order. Good intentions, however, often pave the road to an unpleasant location, and the EPA plan could have disastrous effects. Fortunately, this plan has been delayed. Under pressure from the Illinois delegation, the EPA has decided to fund a comprehensive, 4-year study of the Illinois air basin which will provide a scientific basis for pollution reduction in the area. Still, the city of Chicago needs a complete solution.

While environmental cleanup is an imperative, it also has significant costs. Illinois is one of the Nation's leading producers of high sulfur coal. The President's reliance on market solutions could easily cost thousands of jobs in Illinois. Market incentives, while important, cannot provide the whole solution. Cost sharing and mandatory technologies for the cleaner burning of Illinois coal are essential steps to clean air without unnecessary sacrifices of jobs.

Implementation of clean air legislation will cost businesses and taxpayers money. The administration itself estimates that implementation of their clean air proposal, still in a very rough form, will cost U.S. corporations $14 to $18 billion annually. Other clean air proposals will also cost substantial amounts to implement.

But, no matter how much it costs to clean up our air, it is cheaper than continuing to condemn our citizens to poor health, cancer, crop and economic damage, as well as the threat of lawsuits and unreasonable changes in lifestyle. We can improve both our health and our economy through thoughtful and timely clean air legislation.

The Illinois delegation has a special responsibility to see that any clean air legislation passed does not single out particular States or regions for punitive controls. But the Illinois delegation, especially those of us from Chicago, shoulder a special responsibility to pass clean air legislation to avoid implementation of the faulty court-ordered plan.

It seems as if we are at an impasse. Our courts are forcing medieval remedies to environmental problems, while the President is simply drawing attention to the problem. We, the Members of Congress must act now to find a middle ground. As Representatives, we know the people best, and we will know how different proposals will affect them. But, as legislators, we must make the bold initiatives which will protect our citizens from the careless activities to others.

Likewise, as Representatives from Chicago and Illinois, we must worry about the contaminants in our air, as Representatives of the United States, however, we face another grave problem: the contamination of our beaches and oceans.

For too long this country has allowed national and international companies to transport fuels over our precious waterways without enough emphasis placed on preventing spills or establishing procedures for adequately cleaning up such spills. Instead these companies have pooled their resources to create self insurance pools so when spills do occur they have the financial resources to pay any fines and penalties.

But why don't these same shippers join together and develop safer methods for transporting fuel? Why don't they join together and train captains to safely operate in American waters? Why don't they join together and develop proven procedures and technologies aimed at quick and efficient clean up? No, instead they have joined together and financially protect their bottom—their bottom line.

The current laws and regulations concerning the transportation of oils over our waterways create an atmosphere that rewards financial preparation, and not prevention. The recent Rhode Island spill exemplifies how current law was not enough of an incentive for the captain to act safely. Under Rhode Island law the captain should have waited until a licensed pilot came aboard to steer the ship in. However, in an act of an individual's disregard for such laws, many Rhode Island beaches had to be closed. Laws such as those requiring trained pilots makes good sense, but disregarding them seems to save dollars. It is at this bottom line level that we must demonstrate our concern for protecting our waters and environment.

If we do not begin to rethink the message we send to energy companies, they will continue to place their profit margins above our twin domestic concerns of clean water and cheap energy. My legislation, H.R. 2532, sends the clear message that businesses, if they want to protect their profits, must not just pay for clean up, but must do it correctly and do it quickly. Passage of this legislation will give companies incentives to prepare plans for quick and effective cleanups. And it will give companies incentives to ship fuels in safer vessels, steered by sober, well-trained pilots.

Although Illinois does not border some of the heavily trafficked waterways of America, we as U.S. Congressmen, must continually look to create laws that demonstrate our commitment to ensuring cheap energy, but also our commitment to protecting our water industries and the environment.

After seeing the Grand Canyon I will never underestimate the power of water. To imagine that the relatively small river that runs through its basin, created one of this country's most remarkable wonders, is to realize that water is indeed a powerful resource. However, I refuse to be abated by the argument that it is this same power that will allow the oceans to clean themselves. Maybe Prince William Sound will someday show no signs of the tragic oilspill that oc-

curred there, but the power of logic, the power of fairness and the power of responsibility should guide our environmental policy. Let's leave the power of water to create the scenic wonders and the national landmarks that this country can proudly call our own.

□ 1910

Mr. Speaker, this concludes my remarks in regard to the environment, unless the gentleman from Illinois [Mr. POSHARD] or the gentleman from Illinois [Mr. SANGMEISTER] wish me to yield to them further on this subject.

I want to thank the Chair for his kind indulgence here tonight, and I certainly want to thank both the gentleman from Illinois [Mr. POSHARD] and the gentleman from Illinois [Mr. SANGMEISTER] for their outstanding contribution to this enormously important issue that not only we in Illinois face but that the entire Nation and, to a great degree perhaps, even the entire world faces with our environment.

With those words, Mr. Speaker, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. COLLINS (at the request of Mr. GEPHARDT) for today through August 4 on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SOLOMON) to revise and extend their remarks and include extraneous material:)

Mr. FAWELL, for 60 minutes, on July 18.

Mr. GOSS, for 60 minutes, on July 18.

Mr. SMITH of Vermont, for 5 minutes, today.

Mr. UPTON, for 60 minutes, on July 17, 18, and 19.

Mrs. MORELLA, for 60 minutes, on July 20.

(The following Members (at the request of Mr. FROST) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DE LA GARZA, for 30 minutes, today.

Mr. MARTINEZ, for 30 minutes, today.

Mr. HUTTO, for 10 minutes, today.

Mr. DERRICK, for 5 minutes, on July 13.

Mr. CLEMENT, for 5 minutes, on July 13.

Mr. MONTGOMERY, for 5 minutes, on July 13.

Mr. LIPINSKI, for 5 minutes, on July 18, July 25, and August 1 and 60 minutes on July 26 and August 2.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SOLOMON) and to include extraneous matter:)

Mr. ROWLAND of Connecticut.
Mr. DANNEMEYER.
Mr. BURTON of Indiana.
Mr. DUNCAN.
Mr. GREEN in two instances.
Mrs. VUCANOVICH.
Mr. IRELAND in two instances.
Mr. DORNAN of California.
Mr. PORTER.
Mr. FRENZEL.
Ms. SCHNEIDER.
Mrs. BENTLEY in two instances.
Mr. SUNDQUIST.
Mr. CHANDLER.
Mr. HAMMERSCHMIDT.
Mr. BLILEY.
Mr. LAGOMARSINO.
Mr. ROHRABACHER.
Mr. CRAIG.
Mr. COLEMAN of Missouri.
Mr. SOLOMON.
Mr. RITTER.

(The following Members (at the request of Mr. FROST) and to include extraneous matter:)

Mr. PENNY.
Mr. ROE.
Mr. SLATTERY.
Mr. GUARINI.
Mr. STUDDS.
Mr. STARK in two instances.
Mr. SKELTON.
Mr. MINETA.
Mr. NOWAK.
Mr. HAMILTON.
Mr. SAWYER.
Mr. RICHARDSON.
Mr. TORRICELLI.
Mr. EDWARDS of California in three instances.
Mr. PEASE.
Mr. MILLER of California in two instances.
Mr. DELLUMS.
Mr. KILDEE.
Mr. NEAL of Massachusetts.
Mr. ANTHONY.
Mr. HERTEL.
Mr. MFUME.
Mr. MANTON.
Mrs. BOXER.
Mr. BRYANT.

ADJOURNMENT

Mr. LIPINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Thursday, July 13, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1441. A letter from the Archivist, National Archives and Records Administration, transmitting the fourth annual report of the Archivist, which covers the fiscal year ending September 30, 1988, pursuant to 44 U.S.C. 2106; to the Committee on Government Operations.

1442. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to strengthen the intellectual property laws of the United States by providing protection for original designs of useful articles against unauthorized copying; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1549. A bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1990, and 1991, and for other purposes; with amendments (Rept. 101-56, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLAY: Committee on House Administration. H.R. 2346. A bill to authorize appropriations for the American Folklife Center for fiscal years 1990, 1991, and 1992 (Rept. 101-134). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLAY. Committee on House Administration. H.R. 2358. A bill to authorize appropriations for fiscal years 1990 and 1991 for the Civic Achievement Award Program in Honor of the Office of Speaker of the House of Representatives, and for other purposes; with amendments (Rept. 101-135). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1233. A bill to improve the operation of the Caribbean Basin Economic Recovery Act, and for other purposes; with an amendment (Rept. 101-136). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE (for himself, Mr. MINETA, and Mr. WHITTEN):

H.R. 2866. A bill to amend Public Law 91-34 relating to the police force of the National Zoological Park of the Smithsonian Institution, and for other purposes; to the Committee on House Administration.

By Mr. BRYANT:

H.R. 2867. A bill to amend part D of title IV of the Social Security Act to extend permanently the Federal tax refund offset program used in child support enforcement; to the Committee on Ways and Means.

By Mr. DYSON (for himself, Mr. FIELDS, Mrs. BENTLEY, and Mr. LIPINSKI):

H.R. 2868. A bill to authorize the Panama Canal Commission to use the interest on payments to Panama that are held in escrow to pay for certain extraordinary expenses incurred as a result of the actions and policies of the de facto Government of Panama; to the Committee on Merchant Marine and Fisheries.

By Mr. ENGLISH (for himself, Mr. COLEMAN of Missouri, and Mr. PENNY):

H.R. 2869. A bill to amend the Commodity Exchange Act to improve the regulation of futures and options traded under rules and regulations of the Commodity Futures Trading Commission, establish registration standards for all exchange floor traders, restrict practices which may lead to the abuse of outside customers of the marketplace, reinforce development of exchange audit trails to better enable the detection and prevention of such practices, establish higher standards for service on governing boards and disciplinary committees of self-regulatory organizations, enhance the international regulation of futures trading, regularize the process of authorizing appropriations for the Commodity Futures Trading Commission, and for other purposes; to the Committee on Agriculture.

By Mr. MANTON (for himself, Mr. LENT, Mr. JONES of Georgia, Mr. SMITH of Florida, Mr. GILMAN, Mrs. COLLINS, Mr. OWENS of New York, Mr. ROE, Mr. ACKERMAN, Mr. DEFAZIO, Mr. BRYANT, Mr. STARK, Mr. GORDON, Mr. DE LUGO, Mr. MCGRATH, Mr. MCNULTY, Mr. FAUNTROY, Mr. HOCHBRUECKNER, Mr. RUSSO, Mr. DONNELLY, Mr. FROST, Mr. SCHEUER, Mr. TOWNS, Mr. WOLPE, Mr. SOLARZ, Mr. ENGEL, Mr. MOLINARI, Mr. MCEWEN, Mrs. BENTLEY, and Mr. FEIGHAN):

H.R. 2870. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide a lump-sum payment to public safety officers who become totally and permanently disabled as a result of a catastrophic injury sustained in the line of duty; to the Committee on the Judiciary.

By Mr. RITTER:

H.R. 2871. A bill to amend the Consumer Product Safety Act to extend the act for 2 fiscal years, and for other purposes; to the Committee on Energy and Commerce.

By Ms. SCHNEIDER:

H.R. 2872. A bill to provide greater maritime safety for Narragansett Bay and Block Island Sound, RI, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Ms. SCHNEIDER (for herself, Mr. SCHEUER, Mr. WALKER, Mr. YOUNG of Alaska, and Mr. RAHALL):

H.R. 2873. A bill to amend the Land Remote-Sensing Commercialization Act of 1984 in order to transfer responsibility for archiving land remote-sensing data to the Department of the Interior, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Interior and Insular Affairs.

By Mr. SMITH of Vermont (for himself, Mr. BARTLETT, Mr. BALLENGER, Mr. GRANDY, Mr. HAYES of Illinois, Mr. HENRY, Mr. PERKINS, Mr. POSHARD, Mr. SAWYER, Mr. PAWELL, Mrs. COLLINS, Mr. GUNDERSON, Mrs. JOHNSON of Connecticut, and Mr. CLINGER):

H.R. 2874. A bill to amend the Carl D. Perkins Vocational Education Act by establishing a National Demonstration Program for Educational Performance Agreement; to the Committee on Education and Labor.

By Mr. TRAFICANT:

H.R. 2875. A bill to amend the Hazardous Materials Transportation Act relating to transportation of hazardous materials in the vicinity of bodies of water which serve as sources of drinking water, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. WATKINS (for himself and Mr. UPTON):

H.R. 2876. A bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to reimburse veterans for the reasonable value of hospital care and medical services provided at rural hospitals that could otherwise be provided to such veterans in facilities of the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. WYDEN:

H.R. 2877. A bill to amend title XIX of the Social Security Act to permit States the option of providing for supervision of the health care of residents of nursing facilities by nurse practitioners and clinical nurse specialists acting in collaboration with physicians; to the Committee on Energy and Commerce.

H.R. 2878. A bill to amend title XIX of the Social Security Act to clarify the definition of room and board for purposes of home and community-based waivers under the Medicaid Program; to the Committee on Energy and Commerce.

H.R. 2879. A bill to amend title XVIII of the Social Security Act to provide for the distribution of information on recommended preventive health practices to Medicare beneficiaries; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. YOUNG of Alaska:

H.R. 2880. A bill to amend title 5, United States Code, to include National Weather Service employees and National Environmental Satellite, and Data Information Service (NESDIS) within the immediate retirement provisions applicable to certain employees engaged in hazardous occupations; to the Committee on Post Office and Civil Service.

By Mr. BLILEY:

H.R. 2881. A bill to amend the Public Health Service Act to establish a program of block grants to the States for the purpose of consolidated Federal programs with respect to material and child health; jointly, to the Committees on Energy and Commerce, Ways and Means, Education and Labor, and Agriculture.

By Mr. CONTE (for himself, Mr. MINETA, and Mr. WHITTEN):

H.J. Res. 357. Joint resolution for the reapportionment of Samual C. Johnson as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 358. Joint resolution providing for the reapportionment of Jeannine Smith Clark as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. JACOBS:

H.J. Res. 359. Joint resolution proposing an amendment to the Constitution of the United States with respect to physical desecration of the flag of the United States and expenditure of money to elect public officials to the Committee on the Judiciary.

By Mr. BURTON of Indiana:

H.J. Res. 360. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress and the States to prohibit the physical desecration of the flag of the United States; to the Committee on the Judiciary.

By Mr. HUTTO:

H.J. Res. 361. Joint resolution designating the week of September 10 through September 16, 1989, as "Iron Overload Diseases Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. NELSON of Florida (for himself, Mr. AKAKA, Mr. ANDERSON, Mr. ANDREWS, Mr. AUCOIN, Mr. BATEMAN, Mr. BEVILL, Mrs. BENTLEY, Mr. BILBRAY, Mr. BLILEY, Mr. BORSKI, Mr. BUECHNER, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. CARR, Mr. COOPER, Mr. COSTELLO, Mr. DANNEMEYER, Mr. DEWINE, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DYMALLY, Mr. EMERSON, Mr. FAUNTROY, Mr. FAWELL, Mr. FAZIO, Mr. FEIGHAN, Mr. FLIPPO, Mr. FRENZEL, Mr. FUSTER, Mr. HAMILTON, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HENRY, Mr. HORTON, Mr. HUBBARD, Mr. HYDE, Mr. IRELAND, Mr. KASICH, Mr. KILDEE, Mr. LANCASTER, Mr. LEHMAN of Florida, Mr. LIPINSKI, Mr. LIVINGSTON, Mr. MADIGAN, Mr. MATSUI, Mr. MCDADE, Mr. MCMILLEN of Maryland, Mr. MFUME, Mr. MOAKLEY, Mrs. MORELLA, Mr. MORRISON of Washington, Mr. MRAZEK, Mrs. MEYERS of Kansas, Mr. MYERS of Indiana, Mr. NAGLE, Mr. NEAL of North Carolina, Ms. OAKAR, Mr. OXLEY, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PACKARD, Mr. PALLONE, Mr. PARRIS, Mr. PERKINS, Mr. RAVENEL, Mr. RICHARDSON, Mr. ROE, Mr. ROHRABACHER, Mr. SARPALIUS, Mr. SAWYER, Mr. SCHEUER, Mr. SCHUETTE, Mr. SHUMWAY, Mr. SKAGGS, Mr. SMITH of Florida, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Mr. STOKES, Mr. TALLON, Mr. TOWNS, Mr. TRAXLER, Mr. VALENTINE, Mr. VOLKMER, Mr. WALGREN, Mr. WOLF, and Mr. WOLPE):

H.J. Res. 362. Joint resolution designating July 20, 1989, as "Space Exploration Day"; to the Committee on Post Office and Civil Service.

By Mr. MRAZEK (for himself, Mr. TOWNS, Mr. CLARKE, Mr. HOCHBRUECKNER, Ms. PELOSI, Mr. RITTER, Mr. MANTON, Mr. WOLF, Mr. GRAY, Mr. RHODES, Mr. SIKORSKI, Mr. SOLARZ, Mr. MOAKLEY, Mr. DURBIN, Mr. HORTON, Mr. PORTER, Mr. BURTON of Indiana, Mr. GORDON, Mr. ANNUNZIO, Mrs. UNSOELD, Mr. SAXTON, Mr. DELLUMS, Mrs. COLLINS, Mr. ROHRABACHER, Mr. OLIN, Mr. LIPINSKI, Mr. FAUNTROY, Mr. FRANK, Mr. MARKEY, Mr. JACOBS, Mr. DEFAZIO, Mr. BRYANT, Mr. ACKERMAN, Mr. SCHEUER, Mr. MCNULTY, Mr. LEVINE of California, Mrs. MORELLA, Mr. MATSUI, Mr. SOLOMON, Mr. LAGOMARSINO, Mr. AUCOIN, Mr. TORRICELLI, Mr. MORRISON of Connecticut, Mr. WHEAT, Mr. EVANS, Mr. CAMPBELL of Colorado, Mr. GILMAN, Mr. BILBRAY, Mr. OWENS of Utah, Mr. BROWN of Colorado, Mr. LANTOS, Mr. DOWNEY, Mr. MCGRATH, Mr. WYDEN, Mr. OWENS of New York, Mr. BUSTAMANTE, Mr. LELAND, Mr. INHOFE, Mr.

KENNEDY, Mr. ATKINS, Mr. WEBER, Mr. MCEWEN, Mr. KILDEE, Mr. LEVIN of Michigan, Mr. BONIOR, Mr. WAXMAN, Mr. KOLTER, Mr. COX, Mr. GEJDENSON, Mr. EDWARDS of Oklahoma, Mr. FISH, Mr. WEISS, and Mr. LOWERY of California):

H. Con. Res. 165. Concurrent resolution expressing the sense of the Congress that the Soviet Union should release the prison records of Raoul Wallenberg and account for his whereabouts; to the Committee on Foreign Affairs.

By Mr. PEASE:

H. Con. Res. 166. Concurrent resolution relating to the establishment of a United States-Japan bilateral framework agreement; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mr. ROE (for himself, Mr. NELSON of Florida, Mr. WALKER, and Mr. SENSENBRENNER):

H. Res. 197. Resolution to commemorate the 20th anniversary of mankind's first lunar landing; jointly, to the Committees on Science, Space, and Technology and Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

191. By the SPEAKER: Memorial of the Legislature of the State of Louisiana, relative to the National Endowment for the Arts; to the Committee on Education and Labor.

192. Also, memorial of the Legislature of the State of Louisiana, relative to national energy strategy; to the Committee on Energy and Commerce.

193. Also, memorial of the Legislature of the State of Nevada, relative to nutritive carbohydrate sweeteners; to the Committee on Energy and Commerce.

194. Also, memorial of the Legislature of the State of Nevada, relative to the National Trails System; to the Committee on Interior and Insular Affairs.

195. Also, memorial of the Legislature of the State of Louisiana, relative to the 10th amendment to the U.S. Constitution; to the Committee on the Judiciary.

196. Also, memorial of the Legislature of the State of Nevada, relative to a balanced budget amendment to the Constitution of the United States; to the Committee on the Judiciary.

197. Also, memorial of the Legislature of the State of Minnesota, relative to the congressional pay raise; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HUNTER introduced a bill (H.R. 2882) for the relief of Senae Takahashi, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mrs. BOGGS, Mr. BONIOR, Mr. CAMPBELL of Colorado, Mr. COLEMAN of Texas, Mr. CONYERS, Mr. EDWARDS of California, Mr. FALEOMAVAEGA, Mr. FAUNTROY, Mr. FAZIO, Mr. FRANK, Mr. GARCIA, Mr. GEJDENSON, Mr. GUARINI, Mr. JOHNSON of South Dakota, Mr. JOHNSTON of Florida, Mrs. KENNELLY, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MCNULTY, Mr. MOAKLEY, Mr. MOODY, Mr. SCHUMER, Mr. STOKES, Mr. STUDDS, Mr. TORRES, Mr. TRAXLER, Mr. UDALL, Mr. VENTO, Mr. WALGREN, and Mr. WHEAT.

H.R. 6: Mr. WISE, Mrs. JOHNSON of Connecticut, Mr. COX, Mrs. MEYERS of Kansas, Mr. HYDE, Mr. SCHAEFER, Mrs. VUCANOVICH, Mr. CAMPBELL of California, and Mr. HAMMERSCHMIDT.

H.R. 40: Mr. SPRATT.

H.R. 45: Mr. MCNULTY and Mr. SMITH of Vermont.

H.R. 47: Mr. ECKART.

H.R. 56: Mr. DREIER of California, Mr. FAUNTROY, Mr. GRANDY, Mr. IRELAND, Mr. LEHMAN of California, Mr. NEAL of North Carolina, and Mr. SMITH of Florida.

H.R. 83: Mr. OLIN and Mr. WALSH.

H.R. 84: Mr. RUSSO.

H.R. 89: Mr. PALLONE.

H.R. 118: Mr. SKELTON.

H.R. 169: Mr. LEATH of Texas.

H.R. 182: Mr. HOCHBRUECKNER, Mr. SMITH of New Jersey, and Mr. SOLARZ.

H.R. 283: Mr. SARPALIUS and Mr. LELAND.

H.R. 303: Mrs. BOXER, Mr. SYNAR, Mr. BRYANT, Mr. WALGREN, Mr. LEHMAN of California, Mr. CRAIG, Mr. ROTH, and Mr. MCDERMOTT.

H.R. 365: Mr. SCHUETTE.

H.R. 368: Mr. EMERSON, Mr. COLEMAN of Missouri, and Mr. HUBBARD.

H.R. 369: Mr. MARTIN of New York.

H.R. 423: Mr. JONTZ.

H.R. 496: Mrs. KENNELLY, Mr. TOWNS, Mr. ACKERMAN, Mr. BERMAN, and Mr. GORDON.

H.R. 499: Mr. HANCOCK.

H.R. 504: Mr. HANCOCK.

H.R. 509: Mr. ASPIN, Mrs. COLLINS, Mr. FRANK, Mr. OLIN, and Mr. SPENCE.

H.R. 530: Mr. BOEHLERT, Mr. DOWNEY, Mr. SCHEUER, Mr. SOLARZ, and Mr. WEISS.

H.R. 551: Mr. MCCLOSKEY.

H.R. 572: Mr. PAXON, Mr. BLILEY, and Mr. CRAIG.

H.R. 578: Mr. BATES.

H.R. 601: Mr. MINETA.

H.R. 624: Mr. DYSON.

H.R. 639: Mr. BEVILL, Mr. BUSTAMANTE, Mr. COSTELLO, Mr. EVANS, Mr. FALEOMAVAEGA, and Mr. DIXON.

H.R. 672: Mr. FAZIO and Mr. TOWNS.

H.R. 675: Mr. BEREUTER.

H.R. 747: Mr. SPENCE and Mr. GONZALEZ.

H.R. 774: Mr. BOUCHER, Mr. CHAPMAN, Mr. KANJORSKI, Mr. MCNULTY, and Mr. HEFNER.

H.R. 800: Mr. FROST and Mr. MORRISON of Connecticut.

H.R. 855: Mr. FISH and Mrs. SCHROEDER.

H.R. 1025: Mr. TOWNS.

H.R. 1028: Mr. PAXON, Mr. SPENCE, Mr. ACKERMAN, Mr. MATSUI, Mr. NIELSON of Utah, Mr. SOLARZ, Mr. BROWDER, Mr. HASTERT, Mr. BUECHNER, Mr. COLEMAN of Missouri, Mrs. SAIKI, Mr. GEJDENSON, Mr. LIGHTFOOT, Mr. UPTON, Mr. FRANK, Mr. SCHUMER, Mr. MACHTLEY, Mr. HOLLOWAY, Mr. MILLER of Washington, Mr. TOWNS, and Mr. COOPER.

H.R. 1056: Mr. COLEMAN of Texas, Mr. TALLON, and Mr. JONES of Georgia.

H.R. 1057: Mr. KOSTMAYER, Mr. MURPHY, Mrs. BOXER, Mr. DELLUMS, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. DYMALLY, Mr. FRANK, Mr. RANGEL, Mr. HAYES of Illinois, Mr. ATKINS, Mr. STARK, Mr. ROE, Mr. ACKERMAN, Mr. FOGLIETTA, Mr. TOWNS, and Mr. MATSUI.

H.R. 1059: Mr. RICHARDSON.

H.R. 1117: Mr. JOHNSTON of Florida.

H.R. 1124: Mr. DELLUMS and Mr. WATKINS.

H.R. 1187: Mr. GILMAN.

H.R. 1243: Ms. SCHNEIDER and Mr. HASTERT.

H.R. 1317: Mrs. MORELLA, Mr. SMITH of Texas, and Mr. NEAL of North Carolina.

H.R. 1383: Mr. MCDERMOTT, Ms. OAKAR, Mr. LANTOS, Mr. KASTENMEIER, and Mrs. BOXER.

H.R. 1387: Mr. SENSENBRENNER, Mr. NOWAK, and Mr. TOWNS.

H.R. 1416: Mr. NEAL of North Carolina, Mr. RICHARDSON, Mr. GRANT, Mr. SPENCE, Mr. SCHUETTE, Mr. WALGREN, Mr. OXLEY, Mr. CROCKETT, Mr. COBLE, Mr. BILBRAY, and Mr. FAWELL.

H.R. 1491: Mr. SHUMWAY and Mr. MACHTLEY.

H.R. 1499: Mr. DEFAZIO, Mr. MILLER of Washington, and Mr. KOLTER.

H.R. 1564: Mr. RITTER, Mr. LANCASTER, Mr. HOCHBRUECKNER, and Mr. SHARP.

H.R. 1676: Mr. RICHARDSON and Mr. WELDON.

H.R. 1746: Mr. IRELAND.

H.R. 1782: Mr. EDWARDS of Oklahoma and Mr. EMERSON.

H.R. 1845: Mr. HAYES of Illinois.

H.R. 1867: Mr. DYMALLY.

H.R. 1957: Mr. HANCOCK.

H.R. 2041: Mr. FASCELL, Mr. BARNARD, Mr. WHITTAKER, Mr. BAKER, Mr. CROCKETT, Mr. SCHAEFER, Mr. VANDER JAGT, Mr. CLEMENT, Mr. GORDON, and Mr. HARRIS.

H.R. 2055: Mr. PACKARD and Mr. LEATH of Texas.

H.R. 2098: Mr. LIGHTFOOT, Mr. MARTIN of New York, Mr. FLAKE, Mr. CARDIN, Mr. CONYERS, Mr. ROYBAL, Mr. LEHMAN of Florida, Mr. NAGLE, Mr. LANCASTER, Mr. VENTO, Mr. CONTE, Mr. BEVILL, Mr. SLATTERY, Mr. HANCOCK, Mr. MACHTLEY, and Mr. SPENCE.

H.R. 2186: Mr. MORRISON of Connecticut, Mr. LEWIS of Georgia, Mrs. COLLINS, Mr. SAXTON, Mr. HORTON, Mr. FAZIO, Mr. MARTIN of New York, Mr. ROE, Mr. EMERSON, Mr. JONES of Georgia, Mr. KOLTER, Mr. PAXON, Mr. CLINGER, and Mr. WOLF.

H.R. 2190: Mr. BORSKI, Mr. CROCKETT, Mrs. SCHROEDER, Mr. GEKAS.

H.R. 2209: Mr. HAMILTON and Mr. HAMMERSCHMIDT.

H.R. 2265: Mr. GREEN.

H.R. 2269: Mr. SARPALIUS, Mr. ACKERMAN, Mr. LIPINSKI, and Mr. ECKART.

H.R. 2277: Mr. CRAIG.

H.R. 2300: Mr. CRAIG.

H.R. 2318: Mr. WISE.

H.R. 2319: Mr. WISE, Mr. BUECHNER, Mr. SISISKY, Mr. WATKINS, Mr. BLILEY, Mr. PICKETT, Mr. STALLINGS, Mr. AKAKA, Mr. HENRY, Mr. SPENCE, Mr. GAYDOS, Mr. MCCLOSKEY, and Mr. SIKORSKI.

H.R. 2327: Mr. TRAXLER and Mr. TOWNS.

H.R. 2388: Mr. DE LA GARZA, Mr. SMITH of Vermont, Mrs. VUCANOVICH, Mr. JONTZ, Mr. TOWNS, and Mr. WHITTEN.

H.R. 2462: Mr. ENGEL, Ms. KAPTUR, Mr. DYMALLY, Mr. VALENTINE, and Mr. WISE.

H.R. 2515: Mr. MINETA.

H.R. 2529: Mr. WATKINS and Mr. CLINGER.

H.R. 2530: Mr. DONNELLY, Mr. MORRISON of Connecticut, Mr. FAUNTROY, Mr. OWENS of New York, Mrs. COLLINS, Mr. MATSUI, Mr. SMITH of Florida, Mr. BORSKI, Mr. DE LUGO, Mr. HAYES of Illinois, Mr. KOLTER, Mr. STARK, Mr. WISE, Mr. DELLUMS, Mr. TOWNS, and Mr. WALGREN.

H.R. 2547: Mr. TOWNS, Mr. RAVENEL, Mr. COLEMAN of Texas, Mr. MCNULTY, Mr. FAUNTROY, Mr. JOHNSON of South Dakota, and Mr. FORD of Michigan.

H.R. 2575: Mr. LAGOMARSINO, Mr. ENGLISH, Mrs. ROUKEMA, Mr. SWIFT, Mrs. BOGGS, Mr.

SPENCE, Mr. RHODES, Mr. HAYES of Louisiana, Mr. CARDIN, Mr. TORRES, and Mr. VANDER JAGT.

H.R. 2578: Mr. LAGOMARSINO.

H.R. 2585: Mr. SABO, Mr. EDWARDS of California, Mr. CARDIN, and Mr. VENTO.

H.R. 2600: Mr. TOWNS and Mr. YOUNG of Alaska.

H.R. 2632: Mr. SCHEUER, Mr. OWENS of Utah, Mr. RANGEL, Mr. HAYES of Illinois, Mr. MILLER of California, Mr. FAUNTROY, Ms. PELOSI, Mr. KANJORSKI, Mr. DYMALLY, Mr. JONTZ, Mr. BUSTAMANTE, Mr. BRYANT, and Mr. WOLPE.

H.R. 2648: Mr. SIKORSKI.

H.R. 2664: Mr. STOKES, Mr. GARCIA, Mr. FAUNTROY, Mr. FROST, Mr. DEFAZIO, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ROE, Mr. ACKERMAN, Mr. BROOKS, and Mr. TOWNS.

H.R. 2681: Mr. RINALDO, Mr. DEFAZIO, Mr. HOUGHTON, Mr. TOWNS, Mr. ECKART, and Mr. HORTON.

H.R. 2712: Mr. SMITH of New Jersey, Mr. MRAZEK, Mr. PANETTA, Mr. MADIGAN, Mr. EDWARDS of California, Mr. CARDIN, Mr. RHODES, Mr. WATKINS, Mr. DE LUGO, Mr. MAVROULES, Mr. MARKEY, Mr. MINETA, Mr. BOSCO, Mr. DICKS, Mr. WOLPE, Mr. GRANT, Mr. ENGEL, Mr. MFUME, Mr. MILLER of California, Mr. DIXON, Mr. WAXMAN, Mr. FAUNTROY, Mr. JAMES, Mr. BRUCE, Mr. BRENNAN, Mr. FORD of Tennessee, Mr. NEAL of Massachusetts, Mr. LIVINGSTON, Mr. DOWNEY, Mr. RICHARDSON, Mr. SCHUETTE, and Mr. GORDON.

H.R. 2732: Mr. RAY and Mr. KOSTMAYER.

H.R. 2754: Mr. BEVILL, Mr. CLEMENT, Mr. CONTE, Mr. DE LA GARZA, Mr. DE LUGO, Mr. PASCELL, Mr. FOGLIETTA, Mr. FUSTER, Mr. HORTON, Ms. KAPTUR, Mr. LAGOMARSINO, Mr. MCGRATH, Mr. MADIGAN, Mr. PALLONE, Ms. PELOSI, Mr. ROE, Mr. SMITH of Florida, and Mr. WALSH.

H.R. 2770: Mr. COMBEST, Mr. JAMES, Mr. ARMEY, Mr. PORTER, Mrs. MORELLA, and Mr. ANNUNZIO.

H.R. 2778: Mr. CAMPBELL of Colorado, Mr. MARTINEZ, Mr. DANNEMEYER, Mr. WILSON, Mr. PENNY, Mr. TRAFICANT, Mr. UPTON, Mr. BROOMFIELD, Mr. HOUGHTON, and Mr. SHARP.

H.R. 2782: Mr. KOLTER, Mr. NEAL of North Carolina, Mr. LEVINE of California, and Mr. MORRISON of Connecticut.

H.R. 2787: Mr. BATES, Mr. DELLUMS, Mr. OLIN, and Mr. HUCKABY.

H.J. Res. 24: Mr. SLAUGHTER of Virginia.

H.J. Res. 35: Mr. CRAIG, Mr. CONTE, Mr. DICKS, Mr. FOGLIETTA, Mr. GREEN, Mr. HAYES of Illinois, Mr. KASICH, Mr. LEHMAN of Florida, Mr. HORTON, Mr. DE LA GARZA, Mr. MCEWEN, Mr. LELAND, Mr. BUECHNER, Mr. BRENNAN, Mr. PALLONE, Mr. HANCOCK, Mr. AUCOIN, Ms. SLAUGHTER of New York, Mr. PRENZEL, Mr. BILBRAY, Mr. ORTIZ, Mr. SKAGGS, and Mr. GALLEGLY.

H.J. Res. 82: Mr. CLEMENT, Mr. HAWKINS, and Mr. SLATTERY.

H.J. Res. 91: Mr. HANCOCK.

H.J. Res. 151: Mr. MCCLOSKEY, Mr. VALENTINE, Mr. BRUCE, Mr. CAMPBELL of Colorado, Mr. APPLEGATE, Mr. SPENCE, Mr. SOLOMON, Mr. CONYERS, Mr. FALEOMAVAEGA, Mr. GILLMOR, Mrs. PATTERSON, Mr. HALL of Ohio, Mr. DORNAN of California, Mr. POSHARD, Mr. LAFALCE, Mr. SCHIFF, Mr. SMITH of Mississippi, Mr. WYLIE, Mr. GUARINI, Mr. COSTELLO, Mr. LEHMAN of Florida, Mr. CROCKETT, Mr. MANTON, Mr. MURPHY, Mr. HUTTO, Mr. PALLONE, Mr. MCNULTY, Mr. ACKERMAN, Mr. ASPIN, Mr. BORSKI, Mr. BOSCO, Mr. CARR, Mr. COLEMAN of Missouri, Mr. DONNELLY, Mr. FAZIO, Mr. LEWIS of California, Mr. MACHTLEY, Mr. MATSUI, Mr. NELSON of Florida, and Mr. ORTIZ.

H.J. Res. 199: Mr. KOLTER.

H.J. Res. 221: Mr. ANDREWS, Mr. BRUCE, Mr. DONNELLY, Mr. PRENZEL, Mr. GRANDY, Mr. KENNEDY, Mr. NATCHER, Mr. SHAYS, Ms. SLAUGHTER of New York, Mr. TAUKE, Mr. TRAXLER, and Mr. VENTO.

H.J. Res. 223: Mr. FORD of Michigan, Mr. BOEHLERT, Mr. NEAL of Massachusetts, Mr. TOWNS, and Mr. EVANS.

H.J. Res. 231: Mr. DELLUMS, Mr. KOSTMAYER, Mr. MCDADE, Mr. MCEWEN, Mr. MOAKLEY, Mr. ROBINSON, Mr. HEFNER, Mr. EMERSON, Mr. ATKINS, Mr. DARDEN, Mr. GRAY, Mr. HAYES of Louisiana, Mr. LIPINSKI, Mr. MFUME, Mr. MILLER of California, Mr. MURPHY, Mr. WEISS, Mr. ROE, Mr. DONNELLY, and Mr. ANTHONY.

H.J. Res. 265: Mr. MINETA, Mr. REGULA, Mr. DONALD E. LUKENS, Mr. PURSELL, Mr. MCCANDLESS, Mr. FISH, Mr. PETRI, Mr. GREEN, Mr. DANNEMEYER, Mr. FLORIO, and Mr. SHAYS.

H.J. Res. 278: Mr. FISH, Mr. SCHIFF, Mr. RIDGE, Mr. OBERSTAR, Mr. HUTTO, Mr. PALLONE, Mr. CLINGER, and Mr. KOLTER.

H.J. Res. 297: Mr. HUBBARD, Mr. HALL of Texas, and Mr. RAVENEL.

H.J. Res. 309: Mr. CALLAHAN, Mr. SHUMWAY, Mrs. BENTLEY, Mr. WYLIE, Mr. GALLEGLY, Mr. LAGOMARSINO, Mr. SMITH of Texas, and Mr. HORTON.

H.J. Res. 331: Mrs. VUCANOVICH.

H.J. Res. 347: Mr. BRENNAN.

H.J. Res. 348: Mr. HUCKABY, Mr. PARKER, Mr. PAYNE of Virginia, Mr. DANNEMEYER, Mr. HUTTO, Mr. WILSON, and Mr. HOCHBRUECKNER.

H.J. Res. 350: Mr. SISISKY, Mrs. PATTERSON, Mrs. BYRON, Mr. ERDREICH, Mr. WILSON, Mr. MCCURDY, Mr. PAYNE of Virginia, Mr. PICKETT, Mr. BROWDER, Mr. SMITH of Mississippi, Mr. STEARNS, Mr. BARNARD, Mr. WHITTAKER, Mr. STANGELAND, Mr. LIGHTFOOT, Mr. KOLTER, Mr. SANGMEISTER, Mrs. LLOYD, Mr. DARDEN, Mr. HAYES of Louisiana, Mr. MADIGAN, Mr. SHUSTER, Mrs. VUCANOVICH, Mr. MCNULTY, Mr. OLIN, Mr. HOCHBRUECKNER, and Mr. CLARKE.

H. Con. Res. 1: Mr. MCCLOSKEY and Mr. OBERSTAR.

H. Con. Res. 39: Ms. KAPTUR, Mr. SHAYS, Mr. ROGERS, Mr. WALSH, Mr. DERRICK, Mr. SCHUETTE, Ms. SCHNEIDER, Mr. ECKART, and Mr. SPENCE.

H. Con. Res. 89: Mrs. PATTERSON and Mr. FORD of Michigan.

H. Con. Res. 92: Mr. MCCOLLUM, Mr. JONTZ, Mr. IRELAND, and Mr. BRYANT.

H. Con. Res. 128: Mr. LEWIS of Georgia.

H. Con. Res. 129: Mr. GILMAN, Mrs. BOXER, Mrs. MORELLA, Mr. DELLUMS, Mr. BONIOR, Mr. WAXMAN, Mr. PRICE, Mr. WEISS, Mr. EVANS, and Mr. FOGLIETTA.

H. Con. Res. 154: Mr. YATRON and Mr. CLEMENT.

H. Con. Res. 156: Mr. PAYNE of Virginia, Mr. HANCOCK, Mr. NEAL of North Carolina, Mr. GUNDERSON, Mr. MCCURDY, Mr. HUBBARD, Mr. MCHUGH, Mr. RAHALL, Mr. DERRICK, Mr. WATKINS, Mr. SPENCE, Mr. INHOFE, and Mr. NOWAK.

H. Res. 41: Mr. FISH, Mr. HOLLOWAY, and Ms. PELOSI.

H. Res. 134: Mr. BUECHNER, Mr. DORNAN of California, Mr. BUNNING, Mr. ROSE, Mr. DYMALLY, Mr. PRICE, Mr. SUNDQUIST Mr. MARTINEZ, Mr. JONTZ, Mr. LAGOMARSINO, and Mr. RANGEL.

H. Res. 149: Mr. OWENS of Utah.

H. Res. 159: Mr. FUSTER, Mr. DYMALLY, Mr. LEWIS of Georgia, and Mr. WALSH.

H. Res. 171: Mr. HENRY, Mr. ROE, Mrs. BOXER, Mr. ATKINS, Mr. JONTZ, Mr. FALEOMAVAEGA, and Mr. CLEMENT.

H. Res. 184: Mr. PAYNE of Virginia, Mrs. VUCANOVICH, and Mr. BROWN of Colorado.

H. Res. 185: Mr. HORTON, Mr. PARKER, Mr. HUTTO, Mr. HANCOCK, Mr. SCHUETTE, and Mr. HOCHBRUECKNER.

H. Res. 191: Mr. COMBEST, Mr. JAMES, Mr. ARMEY, Mr. PORTER, and Mrs. MORELLA.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

58. By the Speaker: Petition of Century Village West Democratic Club, Boca Raton, FL, relative to Congressman Claude Pepper; to the Committee on Post Office and Civil Service.

59. Also, petition of Century Village West Democratic Club, Boca Raton, FL, relative to Medicare recipients, jointly, to the Committees on Ways and Means and Energy and Commerce.

EXTENSIONS OF REMARKS

ARTICLE BY CONGRESSMAN MARTIN OLAV SABO

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. PENNY. Mr. Speaker, writing in the June/July 1989 issue of Arms Control Today, our colleague MARTIN OLAV SABO called on the Bush administration to change its defense policy planning in three key areas: future budget levels, strategic policy, and arms control, in order to meet the rapid changes taking place in the world today.

The article, "The Accountant's Budget: Bush and Cheney Fail To Respond to a Changing Era," is a cogent analysis of our future strategic and defense needs and challenges and deserves consideration.

A copy of the article follows:

THE ACCOUNTANT'S BUDGET: BUSH AND CHENEY FAIL TO RESPOND TO A CHANGING ERA

(By Representative Martin Olav Sabo)

The new defense budget submitted by President Bush and Defense Secretary Cheney represents a good, one-year effort to adjust military spending. Unfortunately, it does not incorporate necessary changes in the remainder of the five-year defense plan. It does not reflect the results of the administration's national security policy review. Finally, it does not include any initiatives designed to take advantage of what appears to be substantial change in Soviet military policy.

On a budgetary level, Secretary Cheney did a very good job in beginning to eliminate some of the redundancy in conventional weapons systems. In terms of tactical aviation, for example, the Pentagon had been pursuing concurrent programs to procure the existing generation aircraft (F-16, A/F-18, AV-8B), manufacture (or remanufacture) existing airplanes in new advanced versions (F-14D, F-15E), and develop the next generation of attack and fighter aircraft (the Navy's Advanced Tactical Aircraft and the Air Force's Advanced Tactical Fighter). The Navy was seeking to construct both the current generation and the next generation of nuclear attack submarines. The Army wanted to procure existing AH-64 and OH-58D combat helicopters and develop the new advanced LHX (Light Helicopter Experimental) for the 21st century.

Some of these redundancies have been eliminated. Further production of much of the current generation of helicopters, tactical aircraft, and submarines will end in the near future. Work in these areas will focus on the next generation systems. One major new program, the V-22 Osprey troop carrier, was recommended for termination.

In addition, Cheney proposed some reductions in force structure, although in at least one case—involving Navy aircraft carriers—the announced reduction is merely a decision not to implement previously planned increases in force structure. The Navy will maintain the current level of 14 aircraft carriers—not expand to 15 ships. Aging destroyers will be retired ahead of schedule. One U.S-based mechanized infantry brigade will be demobilized, and Army strength will be further reduced by the 4,000 slots associated with the deployment of intermediate nuclear missiles in Europe. Overall military personnel levels will decline by 16,800.

Most of these choices were correct and long overdue. Secretary Cheney should be commended for forcing the services to declare which programs were the most important. We have come a long way from the days when Secretary of Defense Caspar Weinberger supported his budget submissions by declaring that every dollar cut from defense was a victory for the enemies of the United States.

Unfortunately, the new Bush-Cheney budget fails in three major ways. First, it does not correctly anticipate the future implications of continuing tight budgets. Second, it does not address the continuation of multiple and redundant strategic and nuclear systems. Third, it contains no policy initiatives designed to take advantage of changes in the Soviet Union, or to anticipate what those changes might mean for the future direction of U.S. national secuirty policy.

ONE-YEAR BUDGET

Although the new Pentagon budget does reflect reductions in fiscal year 1990 in line with the White House-congressional budget agreement, it appears to be a grudging and temporary adjustment to what is perceived to be a one-year budgetary crisis. The DOD budget would decline by 1.2 percent in real terms from fiscal 1989 to fiscal 1990, with spending going from $299.3 billion to $295.6 billion (in fiscal 1990 dollars).

But the projected budgets for fiscal years 1991-1994 show anticipated annual increases of 2.3 percent, 1 percent, 2 percent, and 2 percent. Thus the Pentagon appears to be expecting to make up much of this year's reduction with future year increases, and is making the cuts in current spending on that basis. This may be one reason the Pentagon has resisted making more significant changes in its force structure and has proposed instead reductions in operations and maintenance accounts.

This type of budget cut does make sense if you are facing a one-year budget shortfall. However, defense spending is in the midst of an adjustment bringing it in line with long-term budgetary reality. The cut in the fiscal 1990 budget continues a trend that saw DOD spending fall 2 percent from fiscal year 1987 to fiscal year 1988, and 1.3 percent from fiscal year 1988 to fiscal year 1989. There is little indication that Congress will be able or willing to finance increased defense spending in fiscal 1991 and beyond, especially in the face of the administration's consistent position of "no new taxes."

The current budget cuts thus may be a prescription for disaster if the budgetary restrictions continue beyond the current fiscal year, which appears likely. They may lead us directly back to the "hollow force" of the early 1970s, when we bought new weapons, but did not pay enough for spare parts, training, and maintenance. That scenario is being replayed today, as funding for programs which affect military readiness is being cut for the fifth straight year. The Bush administration, for example, is already deferring repair and maintenance of military equipment to a greater degree than did the Reagan administration during its first year in office.

More importantly, the budget increases outlays (spending in the current fiscal year) by $2.5 billion, yet increases budget authority (authorizing the government to spend money both in the current and future fiscal years) by $7.8 billion. This creates severe pressure to reduce current-year spending by reducing accounts such as readiness and personnel functions, which have high outlays. The relatively larger increase in budget authority increases pressure to pursue new ventures that have low current-year spending. This approach is inconsistent with continuing reductions in defense spending in the future.

The first Bush-Cheney budget thus may be only a prelude to more dramatic, more fundamental, and increasingly necessary future adjustments in the programs and budget of the Department of Defense. One major policy area that should be more carefully examined is strategic and nuclear programs.

STRATEGIC NUCLEAR FORCES

The new budget made some changes in strategic systems, especially a small cut in the request for increased funding for the Strategic Defense Initiative and a one-year delay in full-scale production for the B-2 bomber. But even these are marginal adjustments.

The SDI budget cut, for example, would still allow funding for that controversial program to increase by 27 percent in fiscal 1990—far more than any other unclassified program. Although the SDIO's new director claims to have adopted a "more conservative" approach, the program is continuing its historical penchant for wonder weapons with a decision to focus on the new "Brilliant Pebbles" concept. Advocates of this Livermore Lab proposal claim it will be faster, smarter, and cheaper, more effective and less vulnerable to Soviet countermeasures, and ready more quickly than previously proposed systems.

Brilliant Pebbles thus follows the long line of the Strategic Defense Initiative's previous "top priority" weapons systems (including nuclear-pumped X-ray lasers, electromagnetic railguns, chemical lasers, and kinetic-energy Space-Based Interceptors) each of which has been promoted as the key to an effective ballistic missile defense. It is not unimportant to note that each of these systems has failed to live up to its alleged capability and utility.

The decision to focus monetary and scientific resources on Brilliant Pebbles will have an effect on other programs within the SDI. Deployments of the previously favored Space-Based Interceptor, which formed the basis for the Phase I deployment plan, apparently will be delayed for at least two years, as will initial deployments of the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Boost Surveillance and Tracking Systems early warning satellite. Although budget details have not been developed, it is likely that some of the SDI tests most problematical under the Antiballistic Missile (ABM) Treaty will also be delayed.

The Stealth bomber program has been slowed, but the aircraft has already entered production. The President's decision merely delays, perhaps by only one year, the point at which the bomber enters "full-scale" production. There has been no change in the ultimate goal of deploying 132 Stealth bombers at a price exceeding $75 billion—more than $550 million each. Although not in the 1990 budget, the Air Force also may ask Congress for $300 million in the current fiscal year for the B-2 program, as well as $1.9 billion over the next five years to fix the defensive electronics in the B-1B.

In the one strategic policy area where the Congress clearly asked the President to make a choice, Bush punted. Last year Congress adopted a requirement for the President to choose either the ten-warhead, rail-mobile MX missile or the one-warhead, truck-mobile Midgetman. The former was supported by President Reagan and congressional Republicans, the latter by congressional moderates such as House Armed Services Committee Chairman Les Aspin (D-WI). Although Secretary Cheney urged the President to pursue MX rail-garrison and cancel Midgetman, some members of Congress dedicated to Midgetman persuaded the President to continue funding both systems.

The push to extend the arms race into space continues as well, with an entirely new program to develop antisatellite (ASAT) weapons. The Pentagon has recommended beginning no less than three new ASAT technology programs. The mid-infrared advanced chemical laser (MIRACL) would provide a near-term, low-power, "contingent" ASAT; the exo-atmospheric reentry-vehicle intercept system (ERIS) would provide a mid-term dedicated ASAT; and the ultimate goal is represented by the ground-based free-electron laser (FEL).[1]

Although Congress has clearly indicated over the last few years that it would prefer to negotiate a treaty restricting U.S. and Soviet ASAT weapons, the administration has ignored the possibility of negotiated ASAT limits. This is especially unfortunate given the outcome of the six-year congressional initiative on testing of the Reagan administration's ASAT weapon of choice, the miniature homing vehicle (MHV) missile, which was launched from an F-15 aircraft. As a result of Congress's test ban, and an equivalent Soviet moratorium, neither the United States nor the Soviet Union currently deploys an operationally effective ASAT. The U.S. system was terminated, while the Soviet weapon has not been tested since June 1982. Since August 1983, the Soviet Union has had a standing offer to dismantle their system if an ASAT treaty is negotiated.

In short, the nuclear buildup of the Reagan era continues. The United States is well on the way to deploying a triad of triads: three different weapon systems within each leg of the strategic nuclear triad. On land, we will have the MX rail-mobile, the Midgetman truck-mobile, and existing Minuteman silo-based missiles. At sea, we will deploy the D5/Trident II missile to complement C4/Trident I missiles on strategic nuclear submarines and nuclear sea-launched cruise missiles on attack submarines and surface combatants. In the air, we will supplement the B-52 force armed with nuclear air-launched cruise missiles with the misfunctioning B-1 and the yet-to-fly B-2. And the buildup is extending into space and defensive systems.

The programs would be more supportable in an era of unlimited defense budgets and limited opportunities for negotiated arms control reductions. That is the opposite of the situation we face today.

ARMS CONTROL IMPLICATIONS

Most importantly, the administration apparently decided to minimize major policy changes. Although the President should be commended for proposing a major reduction in U.S. conventional forces in Europe, that recommendation was made only under intense pressure from U.S. allies in Europe. The new defense budget submitted to the Congress does not itself contain any new policy initiatives.

This absence of new proposals is not surprising, considering that the budget was released before the administration completed its promised major review of strategic and military policy. The budget submission reflects marginal changes in existing forces and programs, and those changes were made only in order to comply with limited budgets. This is a clear and obvious contrast to the first defense budget revisions submitted by former President Reagan, who proposed substantial and wide-ranging changes in a large number of Pentagon programs. This decision to avoid major policy initiatives is especially disheartening in light of what appear to be significant changes in the Soviet Union. Soviet General Secretary Gorbachev has announced major initiatives in a broad range of strategic policy areas, including conventional forces in Europe, short-range European-based nuclear missiles, and nuclear materials production. He has also indicated a desire to reduce overall defense spending. These foreign policy initiatives have been complemented by the beginnings of major change in Soviet society.

Most of the Gorbachev initiatives have yet to be implemented, and it is only prudent for the United States to act cautiously in an area as important as national security policy. But aside from the proposed reduction in conventional force levels, President Bush has refused to deal with most Soviet proposals.

The administration attitude is best illustrated with the issue of U.S. forces committed to the defense of Western Europe. Limited budgets, a continuing trade imbalance, the 1987 Intermediate-range Nuclear Forces (INF) Treaty, and Gorbachev's announcement in December 1988 that the Soviet Union would withdraw 50,000 troops from Eastern Europe have all created public and congressional pressure for some type of strong U.S. response.

The Bush-Cheney budget does recommend elimination of 4,000 (of about 16,000) personnel associated with operation of the weapons to be eliminated under the INF Treaty. Although small, this force cut could have been presented as a response to the unilateral Soviet force reduction, helping in the battle for Western European public opinion.

Instead, it was dryly portrayed as a cut imposed by limited funding, and its potential importance was lost in the fog of budgetary details. It was not until months later, under severe pressure from West Germany and other NATO allies, that President Bush took the public initiative on the multilateral negotiations on Conventional Forces in Europe (CFE), which began this spring in Vienna.

On the surface, the respective NATO and Warsaw Pact positions at the CFE talks are not grossly dissimilar, and there do not appear to be any insurmountable obstacles. There are greater problems with the Strategic Arms Reduction Treaty (START) negotiations. There is, for example, a fundamental conflict between the U.S. negotiating position that all mobile ICBMs should be banned and its budget request that the U.S. should fund not just one, but two such weapons. An argument can be made that deploying both the rail-mobile MX and the road-mobile Midgetman undermines our official negotiating position. How seriously will the Soviets take our stand against mobile systems if we are buying two of them?

More important, however, is the conflict over SDI. Ever since the SDI program was first proposed by President Reagan in March 1983, there has been a fundamental conflict between efforts to control offensive nuclear forces, which requires specific knowledge of and limits on defensive capabilities, and U.S. pursuit of ballistic missile defenses, which is predicated on the idea that defenses should be unlimited.

Continuation of the SDI program, if based on the assumption that the United States ultimately will deploy ballistic missile defenses, will eventually require the U.S. to withdraw from the ABM Treaty. According to a recent report of the Congressional Research Service, "the Soviet Union shows no willingness to accept a START treaty if the United States does not remain in compliance with the ABM Treaty."[2] This problem can be eliminated if the U.S. decides either that SDI will revert to its previous status as a pure research program, or that any deployments will be land-based and strictly limited, in compliance with the ABM Treaty. Finally, more detailed negotiations with the Soviet Union to clarify what is prohibited and what is allowed by the ABM Treaty would help allay Soviet concerns about the strategic implications of an unexpected U.S. decision to deploy SDI-based defensive systems. They could also allay American concerns about the status and goals of the Soviet ballistic missile defense research program.

The administration also needs to address the possibility of controlling antisatellite weapons technology. These weapons are not limited by any negotiated arms control treaty, but the congressionally imposed ban on ASAT testing, and the accompanying Soviet ASAT moratorium, clearly indicate the possibility of limiting threats to vital American satellites. The administration review should focus on the implications of an open-ended ASAT competition on the future survivability of U.S. satellites. No less a personage than former negotiator Paul Nitze has said that the U.S. should seek to ban all ASAT weapons.

CONCLUSION

Secretary Cheney's budgetary adjustments are good as far as they go, but they fail to go far enough. In these three key areas—future budget levels, strategic policy,

[1] For information about new ASAT weapon programs, see Charles A. Monfort, "ASATs: Star Wars on the Cheap," Bulletin of the Atomic Scientists, April 1989, pp. 10-13.

[2] Steven A. Hildreth, et al., "Strategic Policy at a Crossroads: Critical Choices and Policy Dilemmas Facing the United States Today, Congressional Research Service, March 30, 1989, Summary.

and arms control—the administration has failed entirely to respond to rapid and fundamental changes in the national security arena.

This passive approach needs to be changed, and soon. As a first priority, strategic questions need to be resolved. U.S. goals in the START negotiations should be settled, and U.S. policy on mobile ICBMs, sea-launched cruise missiles, and intrusive verification procedures should be clearly formulated. Planning and funding for strategic systems need to be brought into alignment with the projected treaty.

The conflict between the ABM Treaty and SDI must be addressed. In a time of tight budgets, it makes no sense to continue to spend $4 billion annually on SDI research if the U.S. ultimately intends to continue abiding by the ABM Treaty. Conversely, if the administration intends to deploy ballistic missile defense systems in violation of the treaty, it should argue that case directly and not repeat the Reagan administration's underhanded attempt to subvert the treaty by "reinterpretation."

Another key strategic issue is ICBM modernization. The attempt to create a bipartisan, administration-congressional consensus on ICBM apparently has failed. While supporters of the package deal claim that the two-missile MX-Midgetman proposal can be procured for no more than the total cost of the Midgetman (by reducing the numbers of each missile), others believe that any possible ICBM modernization need can be met with—at most—only one of these weapons. The relevant question is not whether the two-missile deal is comparable in cost to Midgetman alone, but whether we should spend any money on a second missile when we have already deployed 50 MX missiles in silos, and have spent considerable funds on a new deployment mode for that system.

Finally, in connection with the CFE talks, the administration should undertake a fundamental reassessment of U.S. conventional forces. In particular, we should consider whether substantial changes can be made in the mix between active and reserve forces, at no risk to national security, but at great savings in military spending.

The Bush administration and the Cheney Pentagon have done a good job of "trimming around the edges," but their budget fails to take even minimal notice of the far-reaching events under way in the Soviet Union and Eastern and Western Europe. We can only hope that future defense budgets will acknowledge the changed international situation facing the United States. Our national security policy needs to change as well.

ST. PAUL PARISH CELEBRATES 125TH YEAR

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. MILLER of California. Mr. Speaker, I rise today to invite my colleagues to join me in celebrating the 125th anniversary of St. Paul Parish in San Pablo, CA.

Originally built on land donated by former Governor Alvarado, St. Paul's served as area extending north of Oakland to the Carquinez Straits. The wealth of history contained in the parish, such as the bell tower which was brought from the East by sailing ship around Cape Horn, exemplifies Contra Costa's proud heritage, and serves as a fitting tribute to the region's forefathers. While St. Paul's development has paralleled that of the surrounding community, its commitment to tradition and strong sense of the past are ever present.

Building on its traditional Hispanic and European foundation, St. Paul's now hosts a membership of diverse ethnic background. Continued sensitivity to the multicultural makeup of the region has allowed St. Paul's to adapt to the changing needs of its parishioners, and has had a positive influence on the community.

Since its founding in 1864, St. Paul's has been a source of support and guidance for the residents of West County. As the parish's geographic area has diminished due to the urbanization of the region, its contributions have continued to grow and prosper. St. Paul Parish has played an integral role in the development of West Contra Costa County and I wish the parish a long and successful future.

FREMONT—NOT JUST SILICON VALLEY'S BEDROOM

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. EDWARDS of California. Mr. Speaker, in 1956, five small towns bordering the beautiful San Francisco Bay joined together in incorporating the city of Fremont.

An exciting city of 169,000 people, Fremont today is one of California's most livable and progressive metropolitan areas.

Mr. Speaker, I ask permission to insert in the RECORD an article describing modern Fremont by Johnna Laird. The article appeared in The Oakland, CA., Tribune on June 20, 1989.

The article follows:

[From the Oakland Tribune, June 20, 1989]

WHEN DO FIVE TOWNS EQUAL ONE CITY?—FAST-GROWING FREMONT IS MORE THAN JUST SILICON VALLEY'S BEDROOM

(By Johnna Laird)

FREMONT.—This City, fourth largest in the Bay Area, is a city of contrasts—modern, suburban, yet built on a colorful pioneer past.

Spanning almost 100 square miles from the hills to the Bay, Fremont is home to 169,000 people from 200 different countries—from Afghanistan to the Philippines—who speak 83 different languages.

Only San Jose, San Francisco and Oakland are more populous than Fremont. The city's incorporation in 1956 united five small towns—Niles, Centerville, Irvington, Warm Springs and Mission San Jose.

Attracted by Fremont's location between interstates 880 and 680, close to work centers, 37,000 people have moved here in the past decade. In the past 30 years the city has nearly quadrupled in population.

State schools for the deaf and blind have located here, a few blocks from the BART station.

"Fremont is best described as a city in transition," said Fremont Mayor Gus Morrison "Twenty-five years ago, we were fairly homogenous. Everybody was white, middle-class, essentially the same, commuting out of town.

"Today, we are multiethnic, multilingual and multireligious. I don't know of another city in Northern California that has Hindu, Sikh, Moslem and Jewish temples."

Whenever Fremont officials talk about the city's uniqueness, they point to the New United Motors Manufacturing auto plant as an example of American business entering a new frontier. General Motors, using one of its closed plants, and Toyota of Japan put eastern and western know-how together to produce the Chevrolet Nova.

NUMMI represents Fremont's "can-do" attitude, according to Fremont City Council member John Baker, and he said the venture proves the city's willingness to chart new territory.

Responding quickly to changing times, Fremont became the first municipality in the state to be self-insured after Proposition 13 cut back property-tax revenues in 1978.

The city recently won a U.S. Department of Housing and Urban Development award for its work in developing rental housing. The city even tried—unsuccessfully—this month to pass a child-care measure that would have set up a string of subsidized child-care centers at schools.

Although it stands at the northern tip of Silicon Valley, Fremont is not usually considered part of that prosperous region.

However, Apple Computer produces its MacIntosh here and the city serves as home base for a number of high-tech firms, including Everex, Xidex and Xerox. Fremont has become the regional headquarters for several companies, including First Interstate Bank.

At the heart of the city's extensive recreation system is Central Park with its man-made Lake Elizabeth. The 470-acre park offers biking and walking trails, boating and sailboating, a golf range and a tennis, softball and soccer complex.

Fremont's most prominent landmark attracts about 100,000 visitors a year: Mission San Jose, the only old Spanish mission in the Eastbay.

John C. Fremont hiked over Mission Peak and visited the Fremont area on several occasions. When the five towns incorported into a city, the new city took his name.

Niles, which still has an old-fashioned main street, celebrates its moment in movie history every June with the Charlie Chaplin Days festival.

Among the city's amenities are good schools. The Fremont Unified School District scores well above average in statewide tests—from the 35th percentile (in third-grade math and 12th-grade writing) to a high of the 76th percentile (in eighth-grade math.)

A CONGRESSIONAL SALUTE TO PAUL C. BLANCO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who is described by the Los Angeles Filipino-American Jaycees as a man of tireless energy and sheer determination in his pursuit to assist his fellowmen. Paul C. Blanco was honored at a reception on July 8, 1989, for his tremendous

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

contribution to our Nation and its people. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

Born on July 2, 1944, to a minister father and deaconess mother of the United Methodist Church in the Philippines, Paul grew up in a very loving, caring and Christian home. It was this early upbringing that led Paul to become local pastor of the United Methodist Church of the Northern Philippines Annual Conference, Baguio Episcopal Area from 1965–1967. While serving in this capacity, he pioneered and developed church ministries and evangelized in several remote areas untouched by modern civilization. For his tireless efforts in the ministry, Paul was chosen by the Philippines Christian University as an outstanding alumnus in the field of humanitarian service in 1967.

Also in 1967, Paul accepted the position of executive director of the YMCA of the Philippines, a position he would hold until 1975. Then in 1976, because of his numerous achievements while serving in this post, he was promoted to associate director for development of the World Alliance of YMCA's, headquartered in Geneva, Switzerland. This position afforded him the opportunity to travel throughout developing countries in Asia, Africa and Latin America conducting workshops and evaluating existing YMCA projects.

After his tenure in Switzerland, Paul was asked to assume the position of associate national development director for the YMCA of the Philippines. It was in this capacity that Paul and his family came to the United States. Once here, and upon seeing the plight of the Filipinos in America, Paul decided to devote a substantial amount of time trying to better the conditions under which these people must live. Henceforth, he assumed several positions since 1978 in different church and community-based organizations. He became the community developer of the Filipino caucus, and a pariah worker among Filipinos at First United Methodist Church of Los Angeles. From 1983 to the present, he has been serving as director of the Long Beach District Filipino Pariah, United Methodist Church.

As involved as Paul may be, he is still active in numerous professional and civic organizations. He is serving as vice president of the South Coast Ecumenical Council, vice president of Long Beach Ecumenical Cluster, founding chairman of the Asia/Pacific Mental Health Program of Long Beach, member of the United Way and West Long Beach Association, commissioner of Dr. Martin Luther King Jr. California Holiday Commission, duly appointed by Governor George Deukmejian, as well as the founder, president and current CEO of the Federation of Filipino-American Associations.

Aside from all his professional and volunteer service, Mr. Blanco also has an impressive educational background. He received his B.A. degree in psychology and philosophy from Philippines Christian College, has taken some units in social work at Silliman University, additional work on social services at Puget Sound University and continuing education for local pastors at the School of Theology at Claremont.

My wife, Lee, joins me in extending our congratulations to this caring and giving man. His sensational record as a respected community leader and legislator of human rights and social services is unsurpassed. He is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. We wish Paul Blanco, his wife Mariam Asis, their two children, Paulyne and Michelle, all the best in the years to come.

A CONCURRENT RESOLUTION CALLING ON THE PRESIDENT TO NEGOTIATE A UNITED STATES-JAPAN BILATERAL TRADE AND INVESTMENT FRAMEWORK AGREEMENT

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. PEASE. Mr. Speaker, today I am introducing a concurrent resolution calling on the President to negotiate a United States-Japan bilateral trade and investment framework agreement. The negotiation of such an agreement would help United States trade policy toward Japan catch up with our growing economic involvement with that nation.

Despite the 40-percent depreciation of the dollar relative to the yen since 1985, the United States still runs massive trade deficits with Japan. Our bilateral deficit with Japan was $56 billion in 1987 and $52 billion in 1988, amounting to almost half of our overall trade deficit. Notwithstanding the scope of the problem, no comprehensive agreement exists to guide United States trade relations with Japan, our second largest trading partner. By contrast, we have consultative arrangements with Canada and Mexico, our first and third largest trading partners, in the form of the United States-Canada FTA dispute settlement mechanism and United States-Mexico framework agreement.

Throughout the 1980's, United States policymakers have taken a case by case and largely reactive approach to United States-Japan trade relations, focusing on very narrow issues. We have held sectoral negotiations on autos, agriculture, tobacco, semiconductors, and supercomputers, the results of which have been, most notably, the semiconductor agreement and voluntary export restraints in autos. Recently, we held the MOSS [market-opening sector specific] talks with Japan, which addressed trade issues in telecommunications, medical equipment and pharmaceuticals, electronics, and forest products. The results of these talks have been mixed.

Two exceptions to this narrow approach are the United States-Japan Economic Subcabinet, chaired at the Undersecretary level, and the United States-Japan Trade Committee, chaired on the United States side by the Deputy USTR. These groups meet about every 6 months. Another exception is the recently announced structural impediments initiative with Japan—a series of negotiations designed to address structural barriers to trade, such as the Japanese distribution system. These are good first efforts, but we must cast our net more broadly.

Given the scope of our trade frictions with Japan, I propose that we negotiate a United States-Japan bilateral framework agreement. Unlike a free trade agreement, which entails reducing tariffs and other trade barriers across the board, a framework agreement is primarily a forum for discussing a wide range of economic issues, thereby making it possible to conclude substantive agreements in the future. Issues such as macroeconomic coordination, the Japanese distribution system, and agricultural policy would all be fair game. In contrast to the United States-Japan Subcabinet and the United States-Japan Trade Committee, meetings would be frequent, perhaps monthly, and would involve subcabinet officials or lower to keep controversial issues out of the newspapers. The agreement would also include a dispute settlement mechanism, with strict procedures and deadlines for resolving trade disputes.

Because of the agreement's comprehensive nature, it would force the administration to improve coordination among agencies involved in negotiating with Japan.

When viewed in relation to Super-301, the agreement especially makes sense. Super-301 can be our stick with Japan; the framework agreement, an opportunity for Japan to make concessions in a friendlier setting.

Printed below is the text of the concurrent resolution:

H. CON. RES. —

Whereas Japan is the second largest trading partner of the United States, with the trade between the countries amounting to $128 billion in 1988;

Whereas in 1988 the United States had a bilateral trade deficit with Japan of $52 billion that accounted for approximately 40 percent of the overall United States trade deficit for that year;

Whereas the United States has comprehensive trade agreements with Canada and Mexico, our first and third largest trading partners, in the form of the Canada-Free-Trade Agreement and the United States-Mexico Bilateral Framework Agreement; and

Whereas United States trade policy towards Japan has often been fragmented, piecemeal, and ad hoc: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President shall immediately commence bilateral negotiations with Japan regarding the creation of a bilateral framework agreement on trade and economic issues that includes—

(1) a declaration of the political and economic importance of United States-Japan relations, our respective commitments under the General Agreement on Tariffs and Trade, and our mutual commitment to fair trading principles, macroeconomic coordination, and amicable dispute resolution;

(2) a commitment to frequent meetings at the subcabinet level and quarterly meetings at the cabinet level;

(3) specification of the topics for regular discussion between the countries, including macroeconomic coordination (such as expansion of domestic demand in Japan and reduction of the United States budget deficit), invisible trade barriers (such as the Japanese distribution system), agricultural policy, and other sectoral issues; and

(4) a dispute settlement mechanism.

It is the further sense of the Congress that if such a bilateral framework agreement on trade and economic issues is entered into, the President should report at least biannually to Congress on progress reached in the framework discussions.

TRIBUTE TO THOSE WHO VOLUNTEER TO RISK THEIR LIVES FOR OTHERS

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. RICHARDSON. Mr. Speaker, I rise today to pay tribute to the many volunteers in this country who risk their lives to save others'. All too often, these brave men and women are not given the recognition they deserve. Two of my constituents are worthy of such distinction.

Chris Roybal, a 16-year-old boy from Pojoaque, NM, has written to me about the bravery and dedication of his grandfather Arturo A. Romero and his mother Cleo Romero. Mr. Romero has served as a volunteer on the Pojoaque Valley Fire Department for 30 years. Ms. Romero is a certified emergency medical technician. Both have been instrumental in saving many lives in northern New Mexico.

Mr. Speaker, I ask my colleagues to join with me in commending Arturo Romero, Cleo Romero, and all volunteers for their free-willed courage and devotion to saving people's lives. To better understand what my two constitutents have done, I invite my colleagues to read Chris' most thoughtful and interesting letter.

DEAR MR. RICHARDSON: My name is Chris Roybal and I am 16 years old. For the past four years I have nominated my Grandpa, Arturo A. Romero, for the New Mexico State Jefferson Award and I have been let down repeatedly.

For nearly 30 years my Grandpa and my Mom were volunteers for the Pojoaque Valley Volunteer Fire Department. Amid these 30 years they were on call 24 hours a day. I remember the both of them getting up in the middle of the night to go put out a fire or scrape somebody off the road.

On one occasion, out of many, my Grandpa ran into a burning house to rescue an elderly woman who was confined to a wheelchair and refused to leave her house. My Grandpa entered the house, covered the woman with a blanket and wheeled her out at full speed. On other occasion he saved the life of a woman who had gone into insulin shock. She had stopped breathing and was literally on the line between life and death.

My mother, Cleo Romero, was raised around fire and rescue work since she was born and since age 5 followed my Grandpa to every rescue and fire.

She became an Emergency Medical Technician. She has got out of a cozy, warm bed many times in the middle of the night to perform CPR on an accident victim. A person who has performed CPR would know that almost 100% of the time a patient will bleed and vomit on the person performing CPR. This is one task that takes a strong stomach, something not every person has.

On February 10, 1978 a small 4 passenger plane crashed at my Mom's place of business. There were two patients. My mother being the only person in the immediate area who was trained to perform whatever necessary to save the lives of these two persons had to make a very difficult decision. Which patient would she work on. At first she tried to help both of them but then had to concentrate on just one of them. This person lived, the other wasn't so fortunate. For years my mother lived with the guilt of letting this man die to save his wife. It turned out that no matter what my Mom would have done, this man would not have lived due to a burst aorta.

Like I said earlier, I have tried my hardest to get some sort of name recognition for my Mom and Grandpa and have been unsuccessful.

Would you please help me to honor all those people like my Mother, Grandfather, and all the other people in the world who have the guts, and stomach of steel to do this kind of work. Especially those who do it because they want to, our volunteers.

Thank you very much and may God bless you.

TRIBUTE TO BENEDICT J. FERRO

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. NOWAK. Mr. Speaker, I would like to congratulate Benedict J. Ferro, who has been the Buffalo, NY, District Director for the U.S. Immigration and Naturalization Service since 1976. Next month, Mr. Ferro will become the District Director for the Immigration Service in Rome, Italy, and will be responsible for INS offices throughout Europe, Africa, India, and Pakistan, as well as overseeing relations with the Soviet Union and Eastern European countries.

The following article appeared recently in the Buffalo News and I would like to insert it in the RECORD at this point:

IMMIGRATION CHIEF LEAVING CITY FOR ROME, WILL OVERSEE INFLUX OF SOVIET REFUGEES

(By Dan Herbeck)

Benedict J. Ferro, local district director of the U.S. Immigration and Naturalization Service since 1976, is leaving Buffalo for Rome, where he will serve in a sensitive post with responsibility for Soviet immigration to the United States.

Ferro said Thursday that he will become director of the Rome district of the Immigration Service. The move, which is expected to take place in August will put Ferro in charge of offices throughout Europe, Africa, India and Pakistan. He also will oversee the agency's relations with the Soviet Union and Eastern European nations.

The Rome assignment will put Ferro in charge of one of only three Immigration Service districts outside the continental United States.

"I am flattered that they would select me," Ferro said. "With thousands of religious refugees moving from the Soviet Union and other Iron Curtain countries, it will be a very important post.

"I've always said it would take 40 horses to move me our of Buffalo, and that's what this offer is. It is a promotion in many ways."

Ferro, 51, will get no raise from his present annual salary of $75,000, but the new job includes living quarters in Rome. He will have U.S. diplomatic status in Italy and will work from offices in the U.S. Consulate in Rome. Deputy Director Jack J. Ingham will be acting director in Buffalo if no successor is chosen before the change takes place, Ferro said. Ingham is viewed as a candidate for the Buffalo job.

A native of Schenectady, Ferro began working for the Immigration Service 26 years ago. He moved to Buffalo as deputy director in 1971 and was promoted five years later.

Ferro said he has enjoyed working in Buffalo, which is considered one of the most important of the agency's 32 districts in the United States. The Buffalo office bears responsibility for immigration activities and border enforcement from Buffalo to New England.

"I'm only leaving because I am taking over one of the most dynamic situations our agency has today," Ferro said.

His wife, Alma, and youngest son, Jeffrey, 17, will accompany him to Rome, Ferro said. All three will take intensive training in conversational Italian.

Ferro said he is keeping his home in Amherst and would not rule out a return to the Buffalo area.

During his tenure in Buffalo, Mr. Ferro has developed a reputation as a fair-minded, dedicated public servant. While he will be missed, I join his many friends in wishing him well in his important new post.

COMMENDING WILLARD KEEN'S MAY 30, 1900, U.S. FLAG RAISING REMARKS

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. DUNCAN. Mr. Speaker, one of my constituents, Mrs. Elizabeth Crabtree, recently sent me a speech delivered by her father, Willard Keen, at a flag raising ceremony held in Tennessee on May 30, 1900. I think this patriotic speech is very appropriate in light of the recent decision by the U.S. Supreme Court. I wish that more Americans held views similar to Mr. Keen and his daughter, Mrs. Crabtree. Mr. Keen's remarks appear at this point in the RECORD:

ADDRESS OF WILLARD KEEN DELIVERED AT NEW RIVER, TN PUBLIC SCHOOL BUILDING ON MAY 30, 1900, AT A FLAG RAISING CEREMONY

Honored Juniors, Friends and Fellow Citizens:

When asked if I would make the Address at this flagraising I hesitated. I felt as I do now, that I could not do justice to the sentiments of patriotism which an occasion like this demands. I felt my weakness and inability, and yet I could not be so unpatriotic as to refuse to make an effort. I consider this quite an honor and wish here to thank the Juniors most sincerely for the same.

It is a question whether or not the audience will sink or swim, live or die, survive or perish after listening to my feeble attempt. But whatever the consequences remember that it was a "fraud, accident or mistake" of the Juniors.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

No mission is loftier nor grander than that which you Juniors are here instituting for the first time in Scott County. I refer to the work of placing flags over every school house in the land.

This mission leads to truth and elevation of the children of God. It helps to make braver and better cititzens.

Our boys and girls should be taught, while young to love and reverence our flag. It stands for truth, for honor, for perfect manhood and all that is good in our Government. So, the youth of our land should be taught to always be ready to defend freedom's banner, and to see that it is never disgraced.

Patriotism and love of country should be taught in our public schools, because we do not keep a large standing army, as do European nations. Hence in times of danger, we depend upon volunteers as a means of prompt defense.

We should teach that loyalty to our flag, means that we must be true to our country. To instill into the minds of the youth of our land a higher and purer spirit of loyalty, love of country and flag is one of safeguards of our nation. It enobles and prepares for proper exercise of rights and privileges of American citizenship.

Our Public Schools are our nation's bulwark, with our school houses as our nation's line of fortification and so it is especially fitting that the Stars and Stripes float over these institutions.

The people of this and adjoining counties do not wish to be behind in patriotic teaching in our public schools. Special efforts along that line are being made in many schools throughout our lands.

One of the best ways to teach patriotism and love of country is to have a flag at every school house to inspire and instruct. Our flag stands for the achievements of the Past, the liberties of the Present, and the possibilities of the Future. Pupils of Public Schools are being trained for citizenship. That is one reason why our government maintains Public Schools. With proper respect for our flag the growing youth of our land will be the standing army of the United States enlisted for a common defense of justice and righteous judgment.

Children should be taught what our flag represents —That it stands for the principles of our Government and all that our Government guarantees.

For the purpose of teaching patriotism and love of country, the Legislatures in many states have passed laws requiring that a flag wave over every school house during school hours. And in many States where no such laws have been enacted, flags have been placed over schoolbuildings by Juniors, GAR and other patriotic organizations. So that now from the Lakes to the Gulf, from Maine to California there is not a state in the Union but that has the national flag over some schools, if not all. The GAR Posts in this state made an effort to get our last Legislature to enact a law making it compulsory to keep the flag over every schoolhouse while school was in session. The act for some reason was not passed but I believe will be soon. The Juniors in this country should use their influence to get such a law passed.

One of the prescribed regulations in both Army and Navy is that our flag be saluted at dawn by every soldier and sailor, officer and man who sees it unfold in splendor. And in many schools they have what is known as the "flag salute". In New York City there are over 400,000 school children and in each building the pupils assemble in one room for opening exercises. At close of exercises a designated boy and girl each with a flag and staff are stationed at doors where pupils march out to their class rooms. These flag bearers hold the flags aloft—crossed overhead and the pupils at a distance of say ten feet, before reaching place where flag bearers are posted, bring their right hands to their heads, palms downward and hold them in that position until they have passed beneath the flags when the hands are dropped quickly to their sides. The pupils in our schools should be taught to approach our flag in a spirit reverence and to salute it with marked respect.

There are only 586 schools—public and private—in Porto Rico. In November 1898 one of GAR Posts in New York sent a member with 600 American flags to present one to each school in Porto Rico. He received a most cordial reception and every school there now has a United States flag for school children to salute.

So the Juniors have this day begun a movement here that should not stop until every school house in this country has a flag. The Juniors raise freedom's banner over this school building that the bright eyed boys and girls who climb this hill may see that flag and learn to love and respect it; that whoever teaches here may have that flag before them as a reminder that it is their duty to teach patriotism and good citizenship as well as arithmetic and grammar; that the men who live up the river and those who travel the Huntsville road may see Old Glory proudly floating on the breeze and be reminded that they live in the grandest nation over which a flag ever waived; that the good mothers seeing this flag may teach their sons and daughters to be always ready to defend it from all enemies.

Webster said; "let us remember that it is only religion and morals and knowledge that can make men respectible and happy under any form of government, and I wish that I could impress that thought upon everyone here assembled.

On this occasion it is proper that we recall something of the history of our first flag.

As the time drew near for the signing of the Declaration of Independence and for our country to draw the first breadth of Freedom, it became evident to the chief directors of the nation, that there must be a suitable flag to represent the new condition, but nothing was decided until about twelve months later.

On the 14th of June 1777, Congress passed the following Resolution: "That the flag of the United States, be thirteen stripes, alternate red and white; that the *Union* be thirteen stars, white, in a blue field, representing a new constellation."

The Continental Congress at that time was held in the city of Philadelphia. Soon after that Resolution was passed, a committee from Congress, accompanied by General George Washington called upon Mrs. Elizabeth Ross and showing her a rough design of a flag sketched on a piece of paper, requested that she undertake the work of making a flag. When asked if she would undertake the work, feeling the importance of same—she hesitated and then simply said—"I will try". On further consultation, she suggested that as the stars in the sketch are six pointed—the same as those employed in the English heraldry—it would give more individuality to the flag, if the stars were of five points. George Washington objected, thinking it would be too difficult to make a star with uneven points, but Betsy Ross, as she was called, then promptly folded a piece of paper and made a five pointed star. Whereupon she was left to make her sample flag according to her own arrangement of size and proportions.

When the flag was finished and sent to Congress it received the approval of the entire body and word was sent to that noble lady to proceed at once with the making of a large number of flags.

The size of the first flag is now known; nor is there any information as to what became of the first flag itself. According to a tradition the first flag floated from the mast head of a merchant ship at Philadelphia, but this is merely a tradition.

At the time Elizabeth Ross made the first flag of United States in the city of Philadelphia, she was a young widow 24 years of age. She was afterwards married twice and it is said she and her immediate descendants were engaged in the flag making business for 60 odd years. She lived to see the new republic well established, her death occurring in 1836.

The thirteen red and white stripes are for the thirteen original colonies, who struck the shackles of British depotism and tyranny from them and declared that all men are born equal. The thirteen stars for the union of the thirteen states. And as new states have been admitted into this union new stars have been added to our flag.

Our nation was but in infancy when Tennessee knocked for admission—only 19 years old. It was the 16th state to be received into that great galaxy.

There are now 48 states in our constellation. When a new state is admitted into the union a new star must be added to every flag in the United States Army and Navy. So it is a big job for the government to change so many flags.

The American flag is the grandest banner that ever waived over land and sea.

" 'Tis the star spangled banner,
Long may it wave
O'er the land of the free and the
Home of the brave."

The red in Old Glory is for love or undying devotion to our country; the white is for purity—purity of life and purity of home; while the blue is for true—true to the principles of our government—true to the principles that all men are created equal and have the same rights to life, liberty, and pursuit of happiness.

The flag you see here today was made by Americans and made from wool sheared from American sheep, so it is truly an American flag.

We have but one flag now. The Blue and the Grey march under one banner. The Spanish-American war proved that we are one nation, with one flag and are a strong united people. During that brief war, thousands of flags were wafted to the breeze in every city and hamlet in the United States. And the sight of that glorious old star spangled banner did more to kindle the fires of patriotism in the breasts of every American, than all the words of eloquence then spoken.

We should not wait until war to unfurl freedom's banner. It stands for all that is good, and true and noble in our government. And so should be displayed in times of peace also, that all may see and love and respect it more.

Women are teachers of patriotism and loyalty to flag and country of the highest order. Ever since Queen Isabella cast her jewels at Columbus' feet and bade him dis-

cover a new world, women have wielded a great influence in the upbuilding and civilization of this country.

And we have seen that our first flag was conceived in the heart of a loyal woman and formed by her patriotic fingers. The noble women have taken up the matter of "flag salute" and are trying to get all schools to adopt it.

Women have always stood at the alter of Liberty, and this nation today owes to women all that is good and glorious and of true value.

You, who are here present, have a grand work before you. Teach the boys and girls—the future men and women of our country—patriotism, love of country and devotion to our flag. Teach them to keep alive the memory of our dead and to decorate and keep green their resting places.

In many parts of our country, where public schools last nine months out of twelve, as they ought to do here, the school children take part in Memorial Day exercises. In Cincinnati on last Decoration Day 8,000 boys and girls carrying flags and flowers marched with the old soldiers to the cemeteries and assisted the veterans in covering the graves with flowers. So the good women of our country should bring flowers and encourage the boys and girls to do the same on Decoration Days.

The mountain people in all countries have always been brave and bold. The people of other sections of our country may possess greater wealth, they may have had better educational advantages, but nowhere in our country will you find a people who have more patriotism or a greater love for our flag than East Tennesseeans.

TRIBUTE TO REV. P.N. SUMPTER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. MILLER of California. Mr. Speaker, I rise today to invite my colleagues to join me in recognizing the Reverend Dr. Percel Napoleon Sumpter on the occasion of his 22d anniversary with the Solomon Temple Missionary Baptist Church in Pittsburg, CA.

Since his installation as pastor on February 26, 1967, Reverend Sumpter has overseen the expansion of both Solomon Temple's physical facility and membership. Under his guidance, Solomon Temple has grown into a stabilizing force for its many parishioners.

While Reverend Sumpter's dedication to his vocation and commitment to his congregation have nurtured the continued growth of Solomon Temple, his presence has also been felt throughout the community. Attesting to the high esteem in which he is held is the recent presentation of the key to the city of Pittsburg and his induction into the Contra Costa County Hall of Fame. This recognition by Contra Costa's civic leaders is only fitting in light of his numerous contributions to the betterment of his community.

Most recently, his work educating youth and adults about the dangers of drug abuse has provided a positive influence in their all too often negative surroundings. By showing individuals a viable alternative to drug use, Reverend Sumpter is giving them the opportunity to build a stable environment for themselves and their families.

Reverend Sumpter is, indeed, one of my district's outstanding citizens, and those of us in Contra Costa County are thankful for his numerous contributions.

A VERDICT THAT HONORED THE FLAG

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. EDWARDS of California. Mr. Speaker, the Supreme Court's flag burning decision has resulted in lively debate throughout the country.

An editorial which appeared in The Tribune, Oakland, CA, on June 23, 1989, presents the view that the verdict honored the flag.

The editorial follows:

[From the Oakland Tribune, June 23, 1989]

A VERDICT THAT HONORED THE FLAG

In China, a student who burned the flag to protest government policies might be put to death. In the United States, a member of the Revolutionary Communist Youth Brigade who burned the flag outside the 1984 Republican National Convention in Dallas just won his freedom. There, in a nutshell, lies one great difference between the two systems and one great reason why so many oppressed peoples look to America as a beacon of liberty.

In striking down a Texas statute applied to the communist protester, the Supreme Court declined to desecrate the Constitution in order to punish desecration of the flag. The court majority wisely distinguished between the weighty substance of liberty and a mere symbol, albeit revered, of national unity. Burning the flag, however misguided and offensive, is an act of expression protected by the First Amendment.

As Justice William Brennan observed in his eloquent opinion, "We do not consecrate the flag by punishing its desecration, for in so doing we dilute the freedom that this cherished emblem represents."

"We can imagine no more appropriate response to burning a flag than waving one's own," Brennan wrote, "no better way to counter a flag-burner's message than by saluting the flag that burns, no surer means of preserving the dignity even of the flag that burned by—as one witness here did—according its remains a respectful burial."

Dissenting Chief Justice William Rehnquist pettily dismissed this moving statement of American ideals, as a "patronizing civics lecture." Yet his own dissent was an embarassing exercise in sentimentality.

His decision to include the full text of "The Star Spangled Banner" in his opinion, for example, was an appeal to cheap and uncritical patriotism of the sort that has lowered the flag's reputation and made it a favorite target for protesters.

And his reference to the "thousands of our countrymen" who "died on foreign soil fighting for the American cause" slights their memory by then suggesting they died for a flag rather than ideals of liberty.

Rehnquist's veneration of the flag seems like kitsch patriotism next to the truer emotion of his fellow conservative, Anthony Kennedy. For Kennedy, "the flag holds a lonely place of honor in an age when absolutes are distrusted and simple truths are burdened by unneeded apologetics." Though siding with the majority, he expressed the "keen sense that this case, like others before us from time to time, exacts its personal toll."

But faced with his judicial obligation he refused to shrink from "the hard fact" that "sometimes we must make decisions we do not like. We make them because they are right, right in the sense that the law and the Constitution, as we see them, compel the result."

Kennedy upheld both the law and his own dignity with his final judgment: "It is poignant but fundamental that the flag protects those who hold it in contempt." The country is lucky to have a majority of such justices for whom reverence for the Constitution is their loftiest sentiment.

A CONGRESSIONAL TRIBUTE TO JOHN W. "JACK" CHAPMAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to bring to my colleagues' attention the long and distinguished career of an outstanding citizen in the community, Mr. John W. "Jack" Chapman. Jack has been a resident of Redondo Beach for over 16 years, and has just recently finished serving a 4-year term on the Redondo City Council as a representative of District 1.

Before tackling the challenges on the city council, Jack was the commissioner of the Redondo Public Improvement Commission from August 1984 to May 1985. He has devoted a number of years to the planning and design departments of the County of Los Angeles and Marina Del Ray. Jack is also a member of the Los Angeles County Enterprise Zone task force.

His specialty as a building zoning engineer has certainly added to the overall improvements and growth in the surrounding communities. His educational background prepared him well for the challenges that he has come up against. He received a B.A. from UCLA, where he majored in environmental and urban design, and public administration, and is involved in the M.A. program at Cal State University in Los Angeles.

As a council member, Jack supported action to stop the "billboard blight" on our landscape and was instrumental in improving public safety on our beaches by providing life guard service. He also devotes many hours to community services. He has spent the last 14 years in the local American Youth Soccer Organization, and is a member of St. Lawrence Martyr Catholic Church.

My wife, Lee, joins me in extending our congratulations to John W. "Jack" Chapman today. He is a remarkable individual. On behalf of the entire community, we wish him all the best in the years to come.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

END DISCRIMINATION OF THE ARMED FORCES, SUPPORT H.R. 572, H.R. 2277, AND H.R. 2300

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. DORNAN of California. Mr. Speaker, I have placed into the RECORD a number of letters that have been written to me in support of my legislation to redress a number of iniquities inherent in the Spouse Protection Act; June 15, 1989, June 27, 1989 and June 28, 1989.

My legislation will make the provisions of the Spouse Protection Act relating to retirement payments to ex-military spouses more consistent with the pension plans established by Congress for the Foreign Service, the Central Intelligence Agency, and portions of the civil service. H.R. 572 will terminate court ordered retirement payments to ex-military spouses upon their remarriage. Currently, ex-spouses are entitled to a lifetime military retirement pension after only 10 years of marriage, whereas the military member must devote more than 20 years of service for retirement eligibility. The ex-spouse continues to receive these benefits even if he/she remarries. If the marriage is to another military member, there exists the possibility of two Government pensions. This a priori judgment is neither fair nor equitable.

H.R. 2277 would explicitly state that the court may not force a military member to pay a spouse or former spouse any portion of his or her retired pay until the service member is him/herself entitled to retired pay. This is consistent with both the intent of Congress and the existing law for other Federal employees.

To not only correct an inequity but also provide an incentive for longer stays in the service, H.R. 2300 simply ensures that any increase in retired pay resulting from increased service or promotion after a separation would be the separate property of the member. It makes no sense that an ex-spouse should receive the additional benefits that accrue for time served in the military after the marriage is dissolved.

I believe these changes are long overdue to provide members of the Armed Forces the protection afforded other Government employees upon retirement. Retired pay is perhaps the No. 1 incentive for retention of our Armed Forces and equal treatment with other Federal retirees is only equitable and fair.

Mr. Speaker, the letters to my office are overwhelmingly supportive of my effort. Most tell of the many abuses that have resulted from the inflexible language of the current law. Letters such as these:

Hon. ROBERT DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: H.R. 572 is a breath of fresh air to those of us who have been subjected to the ravages of FSPA over the years. As I remember it, Pat Schroeders original draft of the FSPA contained a remarriage provision but it strangely disappeared from the final version.

I am enclosing a copy of my story recently sent to Frank Carlucci. As an addendum—when the final order was issued, and my ex became $80,000 richer, she took off for Florida and divorced her second husband of 19 years so he could not share in the spoils.

So, she is now un-married, I assume, and that leaves me wondering where I would stand should your bill pass in its present form. Knowing all too well the attitudes of the California courts, they would simply ignore that 19 year marriage as though it never happened. How do you perceive it would affect me?

All of us thank you for your efforts to extricate us from this unintended mess.

MAX E. THOMPSON,
Commander, USN Ret.

Re: Retired pay—wages or pension?

Hon. FRANK C. CARLUCCI,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR SECRETARY CARLUCCI: I am familiar with Col. Robert Hicks' letter of 16 Nov. 1988 in response to inquiries by Lt. Col. Ralph H. Sewell. I would like to comment.

It is naive to assume that the courts in the Community Property States care one iota what Congress' intent was when they passed FSPA—it was only the means to an end. They also don't care if the military finance centers make direct payment or not.

In my case—I received my divorce from my former spouse in the California courts in 1966. The court found her to be an "unfit mother" and gave me the divorce—the five kids—all the community property and directed she was to take nothing.

She remarried immediately. Fifteen years later she petitioned for partition of my retired pay as a "missed asset". The McCarty decision intervened and the judge, most reluctantly, confirmed my retirement pay to me. Immediately after FSPA was passed the same judge reopened my case and awarded her a percentage retroactive to the day she originally filed. I appealed all the way to the U.S. Supreme Court who declined to hear my case. When appeal was exhausted, the judge gleefully ordered me to pay—not her but her attorney who claims he is to get half of her entitlement as long as I live. They didn't even bother asking the finance center to pay. The judge simply told me, "I know you military people—if you miss two payments I will put you in jail.

The percentage of my retired pay ordered was also based on my gross pay instead of disposable as FSPA clearly indicated. Here the judge muttered "those people back in Washington don't tell me what to do." (That strangely did not appear in the transcript.)

I had to liquidate even my WWII war bonds and put a $53,000 second mortgage on my house just to make the initial payment. My monthly payment to her and the servicing of the second mortgage leaves me almost nothing to show for 20 years in a navy uniform.

This clearly demonstrates that the California courts will never pay any attention to FSPA unless Congress or the Supreme Court decrees. In the meantime—wages and pension—it is going down the drain.

MAX E. THOMPSON,
Commander, USN Ret.

JULY 4, 1989.

Hon. ROBERT DORNAN,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE DORNAN: Today is the fourth of July and I would rather weep than celebrate. The U.S. Congress led by Pat Schroeder (D-Colo.) has set freedom back to before the civil war. The enslavement of divorced retired military personnel to their ex-spouses (P.L. 97-252) is just that, enslavement.

My ancestors fought in the revolutionary war, as did my husbands ancestors. Sam McSpadden was given credit for saving the country from invading troops at New Orleans. Through the years, both families have served their country voluntarily. We have all been proud to serve in the armed forces. We have borne the grief of losing friends and loved ones in battle, to keep this country free.

I am a W.W.II Navy veteran and my husband served 22 years on active duty and 8 years in the Fleet Reserve before he died in 1961. What has Pat Schroeder done for her country except enslaving the retired military to ex-spouses.

If these ex-spouses are not old enough to draw Social Security (age 62), they are young enough to seek gainful employment and stop looking for a handout.

I was married to my husband for 24½ years when he died. I received $45.00 a month, called a widows pension, to support myself and two daughters ages 10 and 13. I was 45 years old. There is really nothing disgraceful in getting a job and being self sufficient. The feeling is great and sure beats complaining and whining.

Being ex-military and a Navy wife, I can see both sides and believe me, the ex-spouses, as a group, come up looking as though they want a free ride. In the meantime the military personnel who earned their retainer pay and continue to earn it, are having to share it with someone who does not deserve it. I have not heard of or seen an ex-spouse of the military retirees that was destitute. Most of them remarry and should be the responsibility of their second husbands or wives.

As I said at the beginning of this letter, I can weep for the injustice of P.L. 97-252.

Sincerely,

MARGARET MCSPADDEN.

But, in fairness, I do receive a handful of letters that oppose my legislation for a variety of reasons. Many who have shared with me their opinion misread not only the intent of my language but the legislation itself. One example is contained in the following letter. I certainly do not support any husband or wife who "walks away" from their responsibilities. Nor do I support nonpayment of alimony or child support when it is mandated by the courts. But these are best decided by the court on a case-by-case basis. The way current law is written, the courts simply have no option:

JULY 1, 1989.

Hon. ROBERT DORNAN: It has come to my attention that you are the primary sponsor for House Bill 572 and now has two additional sponsors. This bill as I understand it would terminate the receipt Court Ordered allocation on half of Military retirement pay to a former spouse if the former spouse was to re-marry.

I find this proposal to be completely unacceptable to me. After spending thirty five years married to a career military individual, I was suddenly confronted with a divorce. I spent my entire life raising our chil-

dren and supporting him through the good and bad times. I was forbidden to work so consequently I was not paying into the Social Security System and had no visible means of support and no marketable skills at my age.

I feel that I earned every penny that I am now collecting from my former husband's retirement pay. Since I was not provided with a retirement account after thirty five years of service, half of a pension is my well earned retirement fund. With the cost of living as it is today this amount will not pay the rent or buy groceries.

By giving back the monies to the retired military member you are telling them that it is OK for them to walk out on their spouses. Most of the time the new spouse of the retired has never made any of the sacrifices that the ex-wife has but suddenly is entitled to all the privileges that were earned by the former spouse. Who is going to reimburse us for all the sacrifices, hard times and separations that we endured while our husbands performed their military duties. I worked hard for what penance I receive from my ex-husbands retirement.

While our divorce was pending, I was forced to give up my home and put it on the market; a home that I had waited twenty three years to get. I had to file a Chapter 13 to save his credit and I had to pay all the bills. Although the divorce settlement stated that I was to live in the house until it was sold, he wanted rent. When the house finally sold he received half of the proceeds although he provided none of the money to maintain the property. My half went to pay off the chapter 13 that I had to file.

Now you are saying with your proposed legislation that it is OK for a service member to just walk away from a marriage with no responsibilities and leave an ex-wife to fend for herself. In many instances this has put a burden on the welfare and public assistance programs because many ex-wives have no marketable skills and are unable to find employment.

Although there are a few greedy former spouses that were divorced over twenty-five years ago and are now trying to take advantage of their ex-husband due to this law, I feel that these individuals are giving all of us ex-spouses a bad reputation and each case should be considered on its own merits.

I do not feel that it is fair to penalize a divorced spouse because they have remarried and reward the retired military person for remarrying. It is evident that the retired military person does not consider the sacrifices made by the spouse during his career to be worth anything.

Sincerely,

MARIANNE S. (HODGES) SICKELS.

Again, my legislation follows congressional precedent that has been set for other Federal employees and common State divorce provisions. Further note that in all cases, although the legislation is retroactive, savings provisions are incorporated which require no repayment of previous awards, and no further payments shall ensue after enactment. None of the changes affect spousal or child support provisions—just retirement benefits.

EDITOR HARRY DUNFORD ARGUES FOR A CONSTITUTIONAL AMENDMENT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. SKELTON. Mr. Speaker, Harry Dunford, of Lexington, MO, writes a column for the Lexington News. In the July 5 edition, Mr. Dunford sets forth an excellent argument in favor of a constitutional amendment prohibiting the desecration of the American flag. I agree with him and I set forth this article for the Members of this body to read:

The issue of burning the American flag as a means of "expression of free speech" is quite an emotional one and it is difficult to write of such matters without becoming maudlin. Yet, it seems to me that we must all take a stand and let our elected representatives know just how much the flag means to us as a prime symbol of unity which binds us together as a nation. And, beyond that, to demand a constitutional amendment to give this unique symbol the protection it deserves.

I recall a sunny morning in February, 1945 when I along with most of the crew of our ship and the troops of the Third Marine Division whom we were transporting lined the decks and watched from other vantage points as the initial landing was made at Iwo Jima.

It was picture perfect; the sky was light blue in the early morning sun and the Pacific Ocean was dark blue as so often it is wont to be. The white wakes of the assault boats lent a travelogue quality to the event unfolding before our eyes; it seemed as though it could easily have been the start of a regatta off of a peaceful Hawaiian shore. It was not.

The evening of the initial landing a large map of the island was set up in the mess hall and the battle lines at the end of the day was marked on the map. It was a rather small beachhead and over the course of the next few days it would change only a little at a time as the enemy grudgingly gave up ground. Mt. Suribachi was clearly shown as the dominating point of the island and its code name was "Hotrocks." It was an apt description.

Over a period of the next four or five days aboard ship there was an excruciating element of high tension. Our Third Division troops were landed in support of the two divisions already committed, but it took two attempts as the boats were called back from the line of departure on the first such effort because of heavy fire and chaos on the beach due to heavy surf.

The capture of Mt. Suribachi and the planting of the flag on its summit was not the end of the battle. Many of the Marines who assaulted "Hotrocks" were ultimately killed in the relentless drive to the other end of the island which consumed the rest of February and well into March. U.S. Army infantry elements also participated in the final push to capture the entire island of 8 square miles. Our ship remained in the area until late March when we finally were able to get all of our cargo delivered to the beach.

The American flag which flew over Iwo and was the subject of the famous photo by Joe Rosenthal and the subsequent Marine Memorial in Washington, D.C. was not the first flag to go up; there was a smaller one which preceded the more famous one, but when the larger flag had been raised it could be seen through field glasses or binoculars from the ships at anchor offshore and was also visible to the troops on the island. It had been up only a very short time when word spread rapidly through the fleet and on shore.

It is my personal experience from viewing the flag on Mt. Suribachi which colors my sentiment toward our flag. Casualties at Iwo were extremely high; wounded Marines were brought aboard our ship and were operated on in a makeshift surgery at one end of the mess hall and this was done even as we ate our meals. The Marines laying in their stretchers alongside the mess tables waiting their turn for surgery were stoic and did not complain or whine about their fate. They were U.S. Marines and they had served our flag loyally and without question. Any assault on our flag is an assault on their memory and should not be permitted.

Years later, in a different setting, the story is told of our prisoners of war in Hanoi and how they would manage somehow at the end of the day to say the pledge of allegiance to the flag and how one such prisoner over many long months was able to piece together inside his jacket the bare outlines of the flag in snippets of red, white and blue threads.

There are those in the ACLU and others who decry the very idea of amending the Constitution because such acts as burning the flag is said to be "an expression of free speech." It is no such thing; it is a physical assault on the emblem which in essence stands for the Constitution itself. And, there are those Congressmen who are saying as an excuse for taking no action, "we should not tamper with the Constitution on such a matter."

My answer to them is "Why not amend the Constitution to prohibit the burning and other desecration of the flag? After all, it is our flag and it is our Constitution. If the overwhelming majority of the American people want it done—and this appears to be the case—and if this is truly a representative government—then get it done—now!

TRIBUTE TO ROBERT BARKER, VOICE OF DEMOCRACY CONTEST WINNER

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. BURTON of Indiana. Mr. Speaker, I am proud to honor Robert Barker, a senior at Hamilton Southeastern High School, who is from my congressional district. Robert has recently won second place honors in the voice of democracy broadcast scriptwriting contest. This contest is sponsored by the Veterans of Foreign Wars and its ladies auxiliary. This year over 250,000 students participated in the contest competing for 9 national scholarships totaling $42,500, which were distributed among the top 9 winners.

Robert's entry: "Preparing for America's Future" profiles the youth of America and the challenges that lay ahead for them. The piece suggests that the adults of today must guide and teach the youth so that the youth may

carry on and lead the country to a "hopeful tomorrow". I am pleased to share this piece with my colleagues and am proud of Robert Barker. He's an outstanding young man.

PREPARING FOR AMERICA'S FUTURE

(By Robert S. Barker)

Can you see them? Can you see them rising early in the morning? The sun has not yet begun to peak over the horizon, and there is a crisp chill in the air. A solitary cabin and barn seem to sit alone in the cold night sky. All around them, the stars and an ocean of glimmering dew droplets seem to dance in the bright moonlight. As our panoramic view closes in on that tiny farm, we can see it awaken unto life once again. Through pane-glass window, framed in roughly cut wood, we can see inside the cabin. A loving mother is rousting her groggy children and a strong young father is pulling on his boots. As he stands from the bed hoisting his suspenders, his children come filing down the ladder from the loft to get closer to the warm, life giving fire and the inviting smells of a hearty breakfast. This morning is beginning like any other morning on the edge of the wild American frontier, but this morning will be the family's last comfortable morning in this setting, for they have packed nearly all that they own on a sturdy wagon. This morning, and many mornings to come, will be mornings of discovery, mornings that will lead thousands of pioneer families like them in search of a better life. Mornings that will give birth to the American Dream.

Today, the American Dream seems just out of reach and we hear many people speak of the future. They say, "America's Future Rests in the Hands of Today's Youth". Youth? Oh how this can be a very dangerous statement. "Dangerous"?, you say. True, when spoken to a youth or before a group of young people, it can be a great motivator. However, when spoken from adult to adult, as is often the case, it can bring an air of complacency. An idea that says, "We've done our part. Now it's up to our children to—well to—to what?

Isn't it true that—"With the ancient is wisdom; and in length of days understanding." This proverb comes to us from the Bible in the book of Job, chapter 12 and verse 12. Listen to it again, "With the ancient is wisdom; and in length of days understanding."

I believe that while America's future itself definitely will rest in the hands of tomorrow's adults, the responsibility for that future rests in the hands of today's mature citizens. That's where America's strength is, for today's mature citizens are the one's who have fought the wars. They are the ones who have worked in the fields and in the mines. They are the ones who have run the businesses and voted in the polls, and they are the ones who have served in public office. They have worked hard in building the foundation and lower frame, and it is up to today's youth to continue the construction, but the former planners and builders have one last responsibility if this skyscraper of democracy is to reach further into the stars. They must show us what yet needs to be done and how to do it. However and at the same time, if this instruction is to be of any effect, we as youth can't afford to become complacent either. We need to better appreciate what our forefathers have given to us, for they have provided us with opportunities that many peoples of the world dare not even dream about.

I am often saddened when I attend a basketball game or other sporting event and I see my peers, or sometimes even myself, a little embarrassed to salute the flag and to sing our country's anthem. Sometimes I even see a total disrespect for the flag when people decide to pay no attention at all, however, that is a rare occasion. More often, it is just a lack of pride and bravery to stand out as a zealous patriot that keeps us from properly honoring our flag and country. I think all of us could stand to be a little more appreciative of our heritage the next time we hear the band begin to play "The Star Spangled Banner". We should be eager to follow the example of the white-haired American veteran of time who starts to get a little teary-eyed at the very first note.

Alexander Pope coined a phrase that reflects the thoughts of many people, and especially those of educators. He said, "A little learning is a dangerous thing". If today's youth are to be properly prepared to be the leaders of tomorrow, we must have strong examples to follow as we further our education.

Adults, you've helped us to begin that education, now please show us what to do with it. For if we are ready to listen; and you are ready to coach, there's nothing that can beat that championship team. With a little more vision and a little more heart, many modern Americans could become today's George Washington, Abe Lincolns, and Ben Franklins. For it was those adult pioneers that led our fathers to a new land, and so will it be today's adult pioneers that will dare themselves to stand out as upright examples; and in thus doing, lead us into a hopeful tomorrow.

DESECRATION OF THE FLAG

HON. BERYL ANTHONY, JR.

ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ANTHONY. Mr. Speaker, the Supreme Court decision allowing desecration of the flag in the name of free speech is an issue which is much on the minds of the people of Arkansas.

I have joined with my colleague, BILL ALEXANDER, in proposing a constitutional amendment to ban desecration of the flag.

It is an issue we must address.

I am inserting in the RECORD an article from the Jonesboro Sun which points up the deep feelings this issue has stirred among our constituents.

[Excerpted from the Jonesboro Sun]

BILL ALEXANDER KEEPS IN TOUCH

Congressman Bill Alexander, as he has done for the past 22 years, spent Independence Day traveling in the district, talking to constituents and attending an almost endless list of community gatherings.

His day began early in the morning at Piggott, where he served as grand marshal of the town's annual 4th of July parade. Then it was on to Corning, Paragould, Caraway and finally Portia.

Many might wonder why—at the age of 55—he'd be willing to submit himself to such a grueling schedule. While his hair shows signs of graying at the temples, he still exudes the energy of a man half his age.

"I'm 55 going on 35," he joked Tuesday, while preparing to take the podium at the annual Portia picnic. He sees attending these community gatherings as an important part of his job and announced proudly to the Portia crowd that this is his 22nd year to attend the picnic.

"It's all part of keeping in touch with the people," Alexander said.

His two most immediate causes this 4th of July were protecting the American Flag and pushing his proposal for a national energy policy that calls for broader use of alcohol-based fuels.

Alexander has introduced legislation in Congress calling for a Constitutional Amendment that would reverse the recent Supreme Court decision allowing individuals to burn the American flag in protest.

In Piggott, Corning, Paragould, Caraway and Portia, he denounced the Supreme Court's decision.

At each stop he presented a U.S. flag which has been flown over the Capitol Building at Washington to local elected officials, urging them to fly it proudly.

"The flag is a symbol of what's right about this country," he said, "not what's wrong with this country. I thought the Supreme Court decision was wrong and have introduced a Constitutional Amendment to rectify the situation."

He also told the crowds at his various appearances, "We need to have a new Declaration of Independence from foreign oil."

The congressman has long been a proponent of alcohol-based fuels which would open the $100 billion fuel market to farmers in Arkansas and across the nation.

Alexander has been appointed to the U.S. Alternative Fuels Council and his program has gained support from President George Bush. The President has called for further study of alcohol-based fuels and urged auto makers to offer consumers cars that will run on an alcohol-gasoline mix.

Alexander says that in addition to putting more money in the pockets of Arkansas farmers, cleaner burning alcohol fuels would help reduce air pollution.

He said crop-based alternate fuels would add to the United States economy not detract from it as is the case with imported oil. "We simply must stop borrowing money from the Japanese to pay for Middle Eastern oil," Alexander said.

Alexander said he foresaw the day "when there will be a transfer of wealth from the oil fields of the Middle East to the grain fields of the Middle South."

CRUEL AND UNJUST

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. EDWARDS of California. Mr. Speaker, the Supreme Court decision legalizing the execution of Americans who were 16 or 17 years of age when they committed a capital crime caused concern worldwide.

Only Libya and South Africa execute capital offenders who were under 19 at the time of their criminal act. All of Europe, including the Soviet Union, limit executions to 18-year-old offenders.

The San Jose Mercury News, in a June 28 editorial, cogently reviews the unfortunate ver-

dict. I commend this article to the attention of my colleagues.

The editorial follows:

[From the San Jose Mercury News, June 28, 1989]

CRUEL AND UNJUST—EXECUTING CHILDREN AND THE RETARDED IS AN EXCESSIVE PENALTY, AND NO DETERRENT

Hewing to the narrowest definition of "cruel and unusual punishment," the U.S. Supreme Court has sanctioned the execution of those who are chronologically or mentally children.

The court ruled 5–4 Monday in two cases that the Eighth Amendment to the Constitution is no bar to executing murderers as young as 16 and murderers who are mentally retarded.

Unusual? Not in this country, said the court. Half the states permit executions of criminals who were 17 at the time of the crime. Only two of the 37 states with the death penalty flatly exempt the mentally retarded.

Elsewhere, it's a different story. The United States is not only alone among Western industrial nations in imposing the death penalty on some minors and the retarded; it is alone in imposing it at all.

Cruel? Not in the court's view. The retardation case the court considered involves a killer with a mental age of 7. We dissent; punishing a 6-year-old by death fits our definition of cruel.

In the case of 16- and 17-year-olds, the court has held them responsible enough for their acts to pay with their lives, although they are considered too young for the other responsibilities of citizenship—voting, for instance.

Without stretching definitions, the court could have found the punishments cruelly excessive.

Instead, five justices chose to sanction state killing primarily on the grounds that there seems to be a good deal of enthusiasm for it around the country, thus undercutting the role of the Constitution as a restraint on the passions of the majority.

Strong as the case is for declaring capital punishment unconstitutional, it is not as strong as the case for declaring it ineffective and immoral.

We have long opposed the death penalty on moral grounds. The state does not enhance its moral authority by killing killers. On practical grounds, we're skeptical that executions deter many murderers, and worried that the penalty seems inevitably to be inequitably applied.

Those arguments are especially compelling for the young and the retarded.

Can it be necessary or sensible to execute retarded people to deter other retarded people from commiting crimes? Is it justice to execute those who, by virtue of age or mental capacity, aren't deemed to be responsible adults?

No, it isn't necessary or sensible; and no, it isn't justice.

A CONGRESSIONAL SALUTE TO COL. TADAHIKO ONO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who was honored Friday, July 7, 1989, in a farewell luncheon by the Los Angeles Army Corps of Engineers. Col. Tad Ono, the Los Angeles District Commander of the U.S. Army Corps of Engineers, is taking a new position as command engineer of the U.S. Army Training and Doctrine Command. I would like to take this opportunity to thank Tad Ono for all he has done for my district and wish him all the best in his new position. I know he will continue to do an exceptional job.

In his current position, Colonel Ono is responsible for the development and management of Federal water resources in a 230,000-square-mile region, which encompasses four southwestern States. He and his staff are active in the investigation, design, construction, operation, and maintenance of water resources projects for flood control, and navigation. He is also responsible for major military construction activities for the U.S. Army and Air Force within his district.

Colonel Ono, born in Tokyo, Japan, has had a distinguished career with the U.S. Armed Forces. He is a graduate of the U.S. Military Academy at West Point, and holds a master of science degree in civil engineering from the University of Illinois. In addition, he is a graduate of the U.S. Army Command and General Staff College, the Industrial College of the Armed Forces, and the National Institute for Defense Studies, in Japan.

He has served with combat engineer units in Germany, Vietnam, and the United States, as well as serving as commander of a combat engineer battalion in Korea. As a staff officer, he has served in various personnel-related positions in Washington, DC, and in Japan. He has also served as project engineer and deputy district engineer with the Japan district, Pacific Ocean Division. Prior to taking command of the Los Angeles district, he was assistant director of civil works for the Pacific area, U.S. Army Corps of Engineers, headquartered in Washington, DC.

Among his awards and decorations are two Silver Stars, Legion of Merit, Bronze Star, four Meritorious Service Medals, and an Army Commendation Medal.

My wife Lee, joins me in saying "thank you" to Colonel Ono for his excellent work and wish him, his wife Hiroko and their three lovely daughters, Yuriko, Mariko, and Eriko, all the best in the years to come. Col. Tad Ono is truly a remarkable individual who has devoted his talents and energies to serving the United States.

FIFTEEN YEARS AGO: THE CONVICTION OF JOHN ERLICHMAN

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. STARK. Mr. Speaker, 15 years ago today, John Erlichman, Nixon's former adviser on domestic affairs was found guilty by a Federal jury of conspiring to violate the civil rights of Dr. Lewis J. Fielding. Dr. Fielding was the psychiatrist of Daniel Ellsberg, of Pentagon papers fame.

G. Gordon Liddy, Bernard L. Barker, and Eugenio Martinez were also convicted of the same charge. Erlichman was also found guilty of three counts of making false statements.

Before reaching this verdict, the jury had been instructed by U.S. District Court Judge Gerhard Gesell that:

An individual cannot escape criminal liability because he sincerely but incorrectly believes that his acts are justified in the name of patriotism, of national security or the need to create an unfavorable press image or that his superiors had the authority to suspend without a warrant the protections of the fourth amendment.

These instructions are worth nothing, because the comments made by Gessel 15 years ago are almost identical to the comments he made to Lt. Col. Oliver North when just over a week ago he sentenced North for his role in the Iran-Contra arms-for-hostages affair.

It is scary to think that the Nation was unable to remember what was going on here in Washington 15 years ago during the constitutional crisis known as Watergate, and that so soon after the Nation could let itself be faced with another constitutional crisis, this time in the Iran-Contra affair.

Now that Oliver North has been sentenced, many would like to forget all that has happened in this latest crisis over the Constitution. We as a nation cannot afford to forget. Only 15 years ago we were faced with the most serious constitutional crisis in our Nation's history. The fact that only 12 years later we were faced with another crisis that was almost as lethal is frightening. People who cannot learn from history are truly condemned to repeat it. It is our duty not to forget Watergate or Iran-Contra if we are to prevent another crisis of this nature from occurring.

TRIBUTE TO BUSINESSWOMAN BEVERLY STAPPLER

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mrs. BENTLEY. Mr. Speaker, today I have the privilege of saluting an individual who truly demonstrates what a woman can accomplish in what was once the male-dominated world of business. On May 15 Beverly Stappler received the prestigious Margaret Brent Award from the National Association of Women Business Owners [NAWBO] in recognition of her two decades of achievement as a business entrepreneur.

NAWBO is indeed very special, for it is the only organization solely dedicated to strengthening the earnings, visibility, and growth potential of the women business owner. The Margaret Brent Award was named in honor of the first American women to demand the right to vote—an individual whom, I am pleased to say, lived in my home State of Maryland. Indeed any person who receives such an award bearing this great woman's name is deserving of special recognition, and I am pleased to salute Beverly Stappler here.

Beverly graduated with a bachelor of science degree from the University of Maryland

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

at College Park in 1951. She pursued a career as a teacher in the Baltimore City School System until 1962, during which time she also helped to raise two fine children.

In 1966 Beverly entered the family owned Overlea Caterers, Inc. Through skill and dedication she became the company's chief executive of the senior food service division and developed a strategy which now feeds some 7,000 seniors in 165 locations daily. She now serves as the firm's vice president and a corporate director as well as president of Shalom Caterers, a company which delivers kosher food to 12 senior centers in Baltimore City and County.

Beverly Stappler has also been an active member in many community organizations. She presently chairs the Maryland's Israel Bonds Women's Corporate and Professional Division in addition to serving on the national board. She has also played valuable roles on the Baltimore County Commission for Arts and as past president of the philanthropic Ethel Rosen Straus Organization.

Mr. Speaker, Beverly Stappler is a wonderful example of an American success story. Indeed she is a woman who has both reaped the benefits offered by society as well as reinvested her own talents back into her community through her many charitable activities. I urge you as well as all my colleagues in congratulating Beverly Stappler for a job well done.

ENVIRONMENTAL AND ENERGY STUDY CONFERENCE ELECTIONS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. GREEN. Mr. Speaker, as House Chairman of the Environmental and Energy Study Conference, I should like to announce the election of the study conference's executive committee for the 101st Congress: 21 of our House colleagues and 8 Senators have been elected and will serve 2-year terms.

The study conference is the largest legislative service organization in Congress, with a membership of more than 365 Representatives and Senators. Its role—providing objective analysis of the environmental, energy, and natural resources issues we face, as well as a forum for discussion among Representatives and Senators—has never been more important than it is now.

Environmental and energy issues once again are at the top of the Nation's policy agenda. The problems we face test our ingenuity and our political will. The pervasiveness of pollution and the prospect that human activities may be causing unprecedented climatic changes challenge us as never before.

Through its Weekly Bulletin, its special reports and its briefings for Members and staff, the conference's contribution to the debate of these issues in the House and Senate is indispensable.

In fact, House Members and Senators indicated just how highly they value the conference's work when they were surveyed not long ago on the effectiveness of Congress by the Center for Responsive Politics. According to the center's report, "When asked about the quality of caucus information, one organization, the Environmental and Energy Study Conference, was singled out for so much praise it required a separate category of its own."

Those who have been elected to guide the study conference as members of its executive committee for this Congress are: Representatives ANTHONY C. BEILENSON, GEORGE E. BROWN, JR., JIM COOPER, PETER A. DEFAZIO, HARRIS W. FAWELL, HAMILTON FISH, JR., STEVE GUNDERSON, JIM KOLBE, BOB LIVINGSTON, BILL LOWERY, EDWARD R. MADIGAN, JAN MEYERS, FRANK PALLONE, JR., PETER SMITH, GERRY E. STUDDS, MIKE SYNAR, BRUCE F. VENTO, ROBERT E. WISE, JR., HOWARD WOLPE, RON WYDEN, and myself.

In the Senate, Senators RUDY BOSCHWITZ, JOHN H. CHAFEE, CHRISTOPHER J. DODD, WYCHE FOWLER, JR., ALBERT GORE, JR., PATRICK LEAHY, JOHN MCCAIN, and CLAIBORNE PELL will serve.

The executive committee will meet shortly to elect officers from within its own ranks.

INTRODUCTION OF THE AMENDMENT TO LAND REMOTE-SENSING COMMERCIALIZATION ACT OF 1984

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Ms. SCHNEIDER. Mr. Speaker, today I am introducing a bill to amend the Land Remote-Sensing Commercialization Act of 1984, Public Law 98-365, in order to transfer responsibility for archiving land remote-sensing data from the Department of Commerce to the Department of the Interior. I am pleased to be introducing this bill at the request of the administration and with the support of members of the Committee on Science, Space, and Technology and the Committee on Interior and Insular Affairs.

Land remote-sensing data is important for a number of reasons including scientific research, environmental monitoring, and natural resource exploration. Any interruption in our ability to store or retrieve such data would be a serious loss. As a result, the Secretary of the Department of Commerce has been given the responsibility under the act to ensure the reliable and assessable archiving of Landsat data.

Currently, the Secretary of Commerce discharges this responsibility by passing-through funding for this work to the Earth Resources Observation [EROS] Data Center in the Department of the Interior. The Department of the Interior was given archival responsibilities for Landsat data since they also maintain archives of aerial photography, digital cartographic data, and related forms of information.

Because the Department of the Interior has handled this work in a satisfactory manner, the administration, with the support of the Department of Commerce, has requested that the Department of the Interior be given direct responsibility for this function. By legislating this transfer in authority, this bill would streamline agency operations, increase efficiency, and help to ensure access to Landsat data in the future.

Therefore, I believe that this is a good-government bill on behalf of a very valuable program and hope that this transfer of authority can be completed as expeditiously as possible. Although the House Appropriations Committee has directly provided funding for the Department of the Interior to carry out this activity for fiscal year 1990, passage of this authorizing legislation will remove the need for ad hoc remedies in the future.

Mr. Speaker, I also have a copy of the letter from the Departments of Commerce and the Interior requesting introduction of this legislation that I would like to have added to the RECORD.

THE SECRETARY OF THE INTERIOR,
Washington, June 9, 1989.

Hon. THOMAS S. FOLEY,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: There is enclosed a draft bill, "To amend the Land Remote-Sensing Commercialization Act of 1984 in order to transfer responsibility for archiving land remote-sensing data to the Department of the Interior, and for other purposes." This draft bill is being submitted jointly by the Department of the Interior and the Department of Commerce.

We recommend that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

This draft bill would transfer the authority found in section 602 of Public Law 98-365, the "Land Remote-Sensing Commercialization Act of 1984" (15 U.S.C. 4201 *et al.*, hereinafter referred to as the Act) over the archiving of data obtained through "land remote-sensing technologies" from the Secretary of Commerce to the Secretary of the Interior.

The Act provides a framework for a phased orderly commercialization of "land remote-sensing technologies." This commercialization framework includes provisions for Federal Government regulation of remote-sensing activities by private individuals, continued Federal research and development in remote sensing, and Federal Government archiving of land remote-sensing data.

Section 602 of the Act directs the Secretary of Commerce to provide for the archiving of data derived from land remote-sensing technologies for historical, scientific, and technical purposes, including long-term global environmental monitoring. The Secretary of Commerce currently provides for the archiving of this data at the Department of the Interior's Earth Resources Observation Systems (EROS) Data Center through a Memorandum of Understanding between the two agencies. This arrangement is consistent with the provisions of section 602(g) of the Act, which requires the use of existing Federal Government facilities to the maximum extent practicable in carrying out this archiving responsibility.

We recommend that the archiving authority currently held by the Secretary of Commerce be transferred to the Secretary of the Interior for the following reasons. First, as noted above, this data is already archived at the Department of the Interior's EROS data center. Thus, the transfer of authority would provide for administrative simplicity in the handling of the data. In addition,

little or no expense would be required to effectuate the transfer of authority.

Second, the Department of the Interior currently maintains archives of aerial photography, digital cartographic data, and other earth science data at the EROS Data Center that also are important for monitoring and assessing land resources and long-term global environmental monitoring. It would be logical from an administrative and a technological standpoint to maintain satellite land remote-sensing data within the Department.

Third, enactment of this legislation would ensure that the land remote-sensing data would continue to be maintained at the EROS data center, and thus facilitate the use of archived data for research purposes for years to come.

In conclusion, this legislation would provide for administrative simplicity in the operation of the archive, would provide for a clearinghouse for data used to monitor and assess land resources and long-term global environmental monitoring, and would ensure that this data would be maintained at the EROS Data Center for research purposes for years to come.

The Office of Management and Budget has advised that there is no objection to the presentation of this legislative proposal from the standpoint of the Administration's program.

Sincerely,

WENDELL WILLKIE II,
Acting Secretary of Commerce.
MANUEL LUJAN, JR.,
Secretary.

A FUTURE LEADER OF AMERICA

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ROHRABACHER. Mr. Speaker, Veterans of Foreign Wars of the United States and its ladies auxiliary conduct the Voice of Democracy speech writing contest. This year more than 250,000 secondary school students participated in contest competing for the nine national scholarships.

I am proud to have the honor of presenting the speech from one of the nine national winners, Sean Michael Thorton. I am happy and proud to say that Sean lives in my district in the city of Long Beach. Sean's essay "Preparing for the Future" expounds a sense of excellence and patriotism that other students should emulate.

Sean Michael Thorton is a student at Woodrow Wilson High School. His goals are to attend Stanford University and in the future to pursue a career in public service. I know he will be successful in any endeavor of which he sets is mind to. He certainly is a future leader. I am pleased to present for the CONGRESSIONAL RECORD his winning speech:

PREPARING FOR AMERICA'S FUTURE

"America is the great representation of the reformatory age . . . the great champion of the dignity of human nature . . . and the great repository of the last hopes of suffering mankind." Those were the words of Carl Schurz, an American Senator who lived in the mid-nineteenth century. He saw the United States "clasping mankind to its great heart." Such is our past, and such is our destiny. As America prepares for the future, we must take into account our precedent of serving humanity, and re-apply these principles to tomorrow.

There is a proverb, "If you give a man a loaf of bread, you feed him for a day; but if you teach him how to fish, you can feed him for a lifetime." Americans have a reputation for their generosity, and freely give to the needy, both at home and abroad. But is it better to give, or to teach the less fortunate how to attain for themselves? Actions have already been undertaken by the Peace Corps to teach the less fortunate in all parts of the world sophisticated methods of farming, education, and hygiene. Such an effort is necessary to nurture the independence of nations with unstable economies and governments. But while other nations benefit from the good will of the United States, many of our own citizens find themselves in desperate situations; while a few may subsist on charity, most are in need of the type of work undertaken by the Peace Corps. A priority on America's agenda should be the establishment of a domestic Peace Corps, one that could enable our own impoverished citizens to truly feel America's compassion through practical education.

As the teachers of humanity, it is the responsibility of the more fortunate Americans to pursue excellence, or, in the words of the journalist John O'Sullivan, "It is the common duty of patriotism to the country to succeed," and such success could credit our nation. Success will be found through steadfast dedication to our goals, and tossing off minor failures as we seek the final achievement. Another great American, Henry David Thoreau, once wrote, "In the long run, men hit only what they aim at. Therefore, though they should fail immediately, they had better aim at something high." Surely an example of a lofty goal would be America's elimination of poverty at home, and abroad, and while such an effort might seem hopeless, perseverance would make it attainable.

A related factor vital to America's future is the education of youth. How can we instruct, when we ourselves are ignorant? Individuals must make an effort to pursue practical goals, such as knowledge, health, and emotional stability, as well as idealistic goals. An educated, physically healthy, and emotionally stable young populance would ensure America a favorable future.

Today's young must be prepared to assume the reigns of power tomorrow if America is to maintain its international leadership. Thus, society should emphasize nobility of character. Such qualities as courage and resistance to bad influences, these qualities are important, for "a brave man always knows the way, no matter how intricate the roads," as wrote Henry David Thoreau. Indeed, resistance to such influences as drugs and apathy require much encourage to overcome. Benjamin Franklin's words, "A small leak will sink a great ship," can apply to today's situation; influences such as drugs must be eliminated if we, as a country, are to remain afloat.

America's precedent as the world's leading nation must be preserved in the future, through the education and perseverance of our own people. Our agenda should include not only the practical education of others abroad, but beneficial works directed at our own less fortunate. Such a program would benefit all of humanity, as well as ourselves. Our past history of enlightening mankind must also be our future.

THE IMPORTANCE OF ADEQUATELY FUNDING SERVICE ORGANIZATIONS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. MINETA. Mr. Speaker, I rise today to invite the attention of my colleagues to a critical issue which faces our Nation: adequately funding service organizations.

In a recent issue of the San Jose Mercury News, an excellent letter to the editor spoke of the problems, challenges and possible solutions to the dilemma of adequately funding service organizations. The letter, published on June 15, 1989, was written by Roberta M. Gardella, president and CEO of Outreach & Escourt Inc., a service organization that provides transportation to the frail and elderly of Santa Clara County, CA.

Mr. Speaker, although Ms. Gardella's letter refers in large measure to a state initiative, I believe that her thoughts accurately convey the problems faced by all too many service organizations when their budgets are cut. Accordingly, I commend the attention of my congressional colleagues to this letter.

[From the San Jose Mercury News, June 15, 1989]

SPENDING LIMITS IMPERIL SERVICE PROGRAMS

It is with grave concern and deep interest that I read your lead editorial and Phil Yost's commentary on June 4 about the problems caused by California's spending mandates. Those of us who are intimately impacted by the directional budget winds of Sacramento hope that your astute comments about the inequity of the current situation will be heard.

In Santa Clara County, our elected representatives have the political wherewithal to lead us out of this budget straitjacket, but it will take more than that. It is imperative that Mary & John Q. Public understand the serious ramifications of these "budget knots" that voter-imposed limitations have created.

As a service provider of preventive and life-sustaining services to frail, isolated elderly and younger disabled, let me illustrate the reality of leaving these "knots" in the budget:

Reduced counseling, case management, mental health and in-house support services leads to ever-increasing numbers of frail elderly becoming prematurely institutionalized. This ultimately costs the taxpayer at least 400 percent more than in-home care.

By 1991, the number of people 85 years old and older will be growing at three times the rate of the total state population, according to the Department of Finance. This coupled with reduced funding will create ever-growing waiting lists for life-sustaining or preventive care services.

This paints a grim picture for the future of the frail elderly and younger disabled in California. Every year, no matter how cost-effective or how needed, service providers have to experience the dread and the reality of unjustified budget cuts.

It is we who have to face our clients and tell them they cannot get a counselor to help them through the morass of paperwork or the three-month waiting list so they can obtain the desperately needed service,

be it a ride to the doctor or untangling a bureaucratic snafu that has deprived them of their monthly income (which pays rent, groceries, medical, etc.).

Factionalism, instead of planning for the future needs of the population, has engendered government by initiative and referendum. It is up to our elected officials throughout California to convince voters that they will exercise judicious judgment and reclaim their responsibility as lawmakers. The hope is that by working together, we can succeed in meeting the needs of all of our people, especially the silent ever-growing numbers of those too frail to be seen or heard from.

CONSUMER PRODUCT SAFETY COMMISSION IMPROVEMENT ACT OF 1989

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. RITTER. Mr. Speaker, today I am introducing the Consumer Product Safety Commission Improvement Act of 1989. This bill reauthorizes the Commission for an additional 2 years and makes several other changes in the Consumer Product Safety Act that should help the Commission perform its statutory mission of public protection more effectively.

There are two principles that underlie the Consumer Product Safety Commission Improvement Act of 1989. First, reauthorizing legislation should improve and not impede the functioning of the Commission. Second, Congress should seek, wherever possible, to use regulatory agencies to enhance our competitiveness, so long as they are performing their statutory mission. By improving the functioning of the Commission, and by giving it direction in performing its mission, Congress helps make consumer products safer for our constituents.

QUORUM

This bill improves the functioning of the Commission in several ways. First, it enables it to act when it has only two Commissioners. The Commission has been without a quorum since January 3 of this year. It has been unable to act as a Commission since that time. While it does not appear that there has been any crisis requiring immediate Commission action, consumers may simply have been lucky. Congress must act to enable the Commission to carry on when it has only two Commissioners. This bill does that.

VOLUNTARY STANDARDS

This bill also improves the functioning of the Commission by setting additional guidelines for the Commission to follow in considering whether to defer to voluntary standards in lieu of a mandatory consumer product safety rule. The use of voluntary standards has often been a Commission success story. But the process needs some additional congressional guidance.

First, monitoring the voluntary standard setting process.—This bill directs the Commission to monitor the process by which voluntary standards are set to ensure that the group developing the voluntary standard makes reasonable progress toward an acceptable standard. If the group does not make such progress, then the Commission should resume its rulemaking process, if it believes that a rule is the best way to address a consumer product safety problem. I believe that active Commission review of the voluntary standards setting process better assures reasonable progress on voluntary standards than setting arbitrary time limits for issuing rules. The time necessary to develop an adequate voluntary standard can vary enormously. The voluntary standard for swimming pool covers took only 18 months. The voluntary standard for "kickback" of chain saws took 7 years! Was 7 years too long for chain saws? Was 18 months too short for swimming pool covers? I don't know, and I don't think that Congress as an institution is really competent to judge. Nor is it appropriate for Congress to force development of voluntary standards within arbitrary time limits.

Second, public Comment, Monitoring and Reporting.—My bill also improves the voluntary standard setting process in three other ways. First, the Commission must provide an opportunity for public comment before it terminates a rulemaking proceeding in favor of a voluntary standard. This procedure is good regulatory practice in any event, and congressional guidance will reinforce the authority of the Commission to hear such public comment. Second, after the Commission defers to a voluntary standard, it should develop a plan to monitor compliance with it. Voluntary standards, by their very nature, are not enforceable by Commission action. The Commission needs to know if the voluntary standard is being adhered to by manufacturers. A properly designed and implemented monitoring plan should give them that information. Third, manufacturers, distributors, and retailers who become aware of failures to comply with voluntary standards should notify the Commission of those failures. The business community has often advocated the use of voluntary standards in lieu of mandatory rules. I agree, but I also believe that the business community has an obligation to treat voluntary standards as if they were rules and to report material failures to comply.

MISCELLANEOUS IMPROVEMENTS

The bill improves the Commission's functioning by reducing the size of the Commission from five Commissioners to three. The Commission presently has only approximately 520 full-time equivalents. Given that number of employees, there is no need for two extra Commissioners' offices, each of which cost up to $250,000 a year. The Appropriations' Committee has been providing the money for three Commissioners for several years. It is time for the authorizing committee to make the change permanent.

The bill also improves the information-gathering function of the Commission by directing it to collect information on consumer product defects and safety hazards from Federal and State agencies and from private entities that collect such information. I have learned that the Commission entered into just such an information-collection agreement with the Association of Trial Lawyers of America. Yet that agreement has never been implemented. I believe that there is a wealth of information presently collected by governmental and private agencies that the Commission will find helpful in fulfilling its statutory mission. Seek and ye shall find.

The next improvement that the bill makes concerns how the Commission handles settlement offers in cases that are being heard and decided by an administrative law judge. Under present regulations, the Commission staff can seek to block the transmission of a settlement offer from the judge to the Commission. I see no reason why the Commission staff should ever seek to interpose itself between the Commission and a litigant who wishes to settle a case. The bill provides that all settlement offers must be transmitted to the Commission, unless the judge believes that they are clearly frivolous or that they simply repeat offers previously made and rejected. This change will enable litigants to get the Commission itself to consider serious offers of settlement and possibly settle more cases on mutually advantageous terms.

COMPETITIVENESS

The second idea underlying this bill is to enhance America's ability to compete on a level playing field. The bill accomplishes this goal by directing the Commisson to establish and maintain an import surveillance program in cooperation with the U.S. Customs Service. In the past couple of years, the Commission has established such a program, with dramatic success. This surveillance program has prevented some 85 million units of unsafe consumer products, worth over $11 million, from entering U.S. commerce. These seizures represent more items than the total number of unsafe products corrected by the Commission in its previous history. Moreover, this program is extremely efficient, since products are seized right at the docks, without the resource-intensive search that must go on to recall products from the shelves of retailers.

The competitiveness effects of this program are obvious. The Commission keeps out unsafe, substandard, foreign goods that might unfairly compete with American-made goods that must conform to higher standards. At the same time, the Commission fulfills its statutory mission of protecting consumers from unreasonably dangerous consumer products. Yet this program in no way discriminates against foreign goods; unsafe American goods are subject to the same sanctions. And it does not keep out high-quality, safe, foreign-made goods that consumers want. The Commission should be commended for this program and Congress should give it statutory imprimatur.

The Consumer Product Safety Commission Improvement Act of 1989 is needed and highly desirable legislation. I urge it passage and I ask my colleagues to support it.

PAYING FOR AIDS CARE AND RESEARCH

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday,

July 12, 1989, into the CONGRESSIONAL RECORD.

PAYING FOR AIDS CARE AND RESEARCH

Acquired Immune Deficiency Syndrome (AIDS) has taken the lives of more than 56,000 Americans, a figure that is predicted to reach as high as 263,000 by 1992. The human toll of this epidemic is devastating. But as the number of AIDS cases in the U.S. rises, it is becoming clear that the disease is also tremendously expensive in financial terms.

Federal spending on AIDS research, prevention, and education will reach $1.3 billion this year. This exceeds the amount spent on heart disease programs and approaches federal spending on cancer. Meanwhile, the number of AIDS cases is straining health-care facilities in some parts of the country. The epidemic is prompting questions about whether it will drain funds from government health programs.

AIDS is caused by a virus that attacks the immune system of its victims, rendering them susceptible to infections. It is fatal to most victims within two years of diagnosis. The disease is transmitted through sexual contact, shared hypodermic needles, transfusions of contaminated blood, and blood transfers from mother to unborn child. Although homosexual men have accounted for 60% of U.S. AIDS cases, the incidence of the disease is rising among infants, intravenous drug users, and members of minority groups. Public health officials are also concerned about heterosexual transmission of the disease among teenagers and college students.

AIDS was first reported in the United States in 1981. The Centers for Disease Control (CDC) has estimated that as many as 1.5 million Americans could be infected with the human immunodeficiency virus (HIV), which causes AIDS. Nearly all are expected to experience some symptoms within 10 years of diagnosis. Some 100,000 cases of AIDS so far have been reported to the CDC, a figure that could reach as high as 485,000 by the end of 1991. Clearly, this is an epidemic with huge destructive potential.

These patients, plus thousands of others who will develop less-severe cases of HIV-related disease, will put new demands on America's health-care system. Recent estimates of caring for a typical HIV patient from diagnosis to death range from $55,000 to $80,000. Using the higher figure, total public and private costs could reach $8 billion in 1991. Although this number is large, an $8 billion expenditure represents only about 1% of the total U.S. medical care expenditures projected for 1991. The impact could be greater if the disease continues to spread and no cure is found.

Private health insurance is the major source of financing for the care of persons with AIDS, covering 40-60% of the total. Some experts fear that AIDS will become a burden for private insurance companies, pushing up premiums and making insurance less available. Others are worried that insurers will deny coverage to persons with AIDS, putting more of a burden on the government.

An additional 20-30% of the cost of caring for AIDS patients is picked up by Medicaid, the federal-state health program for low-income persons. Medicaid is emerging as the payer of last resort for persons with AIDS.

Health providers treating AIDS patients report that as few as 1-3% of AIDS patients are covered by Medicare. Expressed another way, less than ⅓ of 1% of the $100 billion annual cost of Medicare goes for care of persons with AIDS. These low figures are partially the result of Medicare's strict eligibility rules, which require a 29-month waiting period before a disabled person first receives Medicare payments. Few persons with AIDS survive long enough to qualify. It is conceivable that new drug treatments could prolong the life of more AIDS patients to the point at which they could receive Medicare benefits.

Legislation has been introduced in the Congress to waive the Medicare waiting period for persons with AIDS. The Bush Administration has opposed waiver of the waiting period for AIDS patients because it would increase Medicare costs and would discriminate against persons with other terminal illnesses.

Some have questioned whether federal spending on AIDS is disproportionate to the number of people affected. Federal spending on AIDS research, prevention, and education has risen from $5 million in 1982 to $1.3 billion this year. That compares with $1.5 billion for cancer, which will kill 500,000 Americans this year, and $1 billion for heart disease, which will kill 780,000 Americans. Although some have complained that AIDS spending is diverting money from heart disease or cancer research, research money for all three illnesses is rising.

AIDS has received funding comparable to that of other major diseases for several reasons. Unlike cancer and heart disease, AIDS is infectious—it can be transmitted to others. But unlike other infectious diseases, the virus can remain hidden and be transmitted for years, unknown to the carrier. Until a cure or vaccine is developed, large numbers of Americans will be vulnerable. In addition, reseach on the human immune system and the viruses that attack it may help us understand and prevent other diseases, especially cancer. Finally, U.S. development of a cure or vaccine would have enormous worldwide benefits. Many of the 5-10 million people who are presumed to be infected live in African nations that lack the resources to conduct major medical research.

Because so many of the Americans who die from AIDS are young, the direct costs to the nation measured in lost years of life are great. The economic costs are great, too, because many who become ill are in their peak wage-earning and tax-paying years. While AIDS is indeed a major public health threat, a compassionate and humane nation will find the resources to prevent its spread without diminishing other health-care programs.

NUDGING THE DOOR OPEN

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. STARK. Mr. Speaker, for a number of years now, many of us have urged Japan to open up many of its markets to foreign firms. For the most part, our efforts have been in vain, as the Japanese have steadfastly resisted our attempts at creating a so-called level playing field.

Areas in which Japan is perceived as holding an unfair position include the electronics, agriculture, and construction industries. At the requests of American firms, the United States Government has held numerous negotiations with the Japanese to open up these markets.

However, a recent announcement in the paper may give those of us who struggled to persuade Japan to loosen restrictions a glimmer of hope. Morrison Knudsen, a major United States construction company, has been granted a partnership with a private Japanese firm on a construction project in Japan. The contract is worth $47.9 million and is seen by many to signal a new, and encouraging, trend for American construction firms.

This is the second project involving private firms to be approved by Japanese authorities. The first, an $86-million contract, was also a joint venture, featuring Turner Construction Co. of New York and a Japanese company.

The agreements have been reached through negotiations between the United States and Japanese Governments. As a result of these talks, American contractors have been allowed to participate in public works projects in Japan, albeit limited.

I am pleased to recognize this important announcement. It shows that our efforts have not been in vain and determined negotiations can succeed. Japan is also to be congratulated for its willingness to work with us. I hope this announcement will be just the first of similar projects involving United States companies in Japan.

MARYLAND'S VIETNAM VETERANS MEMORIAL

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mrs. BENTLEY. Mr. Speaker, on May 28 I was fortunate enough to attend the dedication and memorial services held at Maryland's new Vietnam Veterans Memorial overlooking the Port of Baltimore. It is a handsome structure where one can walk around, sit, read names, contemplate, and cry. The ceremony was indeed very touching—one brought to life by the love and affection of all who were present. Indeed it has been said that the best place to honor the dead is in the memory. If this be the case, then I am proud to say that America's war dead have no greater monument than in the one in Baltimore.

Below are three sets of remarks given on this special day. Though one had to be there to feel the intense emotion which filled the air, these words help to symbolize the sense of loss in sadness that linger in the hearts of many Americans despite the passage of the years. It is with great pleasure and respect that I submit them here:

THOMAS E. BRATTEN, JR., DEDICATION SPEECH, VIETNAM VETERANS MEMORIAL, MAY 28, 1989

Governor Schaefer; Governor Hughes; Mayor Schmoke; honored guests; families whose sons, husbands, fathers or brothers are listed in this Memorial, Vietnam Veterans, and friends.

I am both honored and humbled at this very moment. Nineteen years ago today, I was critically wounded near Chu Lai in Vietnam. Can you imagine that on this Memorial Day, this anniversary for me, that I am feeling not only sadness, but also joy?

Words cannot express the joy that I feel in being able to accept this memorial on behalf of my comrades from the State of Maryland—comrades who did not come home.

Of course, I come before you with mixed emotions—emotions began from the horrors of war, the bonding felt by service people who shared life and death experiences, the apathy or resentment expressed by citizens upon our arrival home, the years in hospitals, the loss of dreams, the inner anguish of having lost friends to enemy fire, the need for a new life—these are the elements that produce the mixed emotions that I and many service people had returning from Vietnam.

Sadness, anger, relief, thankfulness: I know that I have felt these emotions, but seldom have I felt any joy. I have known joy with the births of my daughters, with the sunset over Deep Creek Lake, with the sight of deep V's of geese landing on a cornfield in Eastern Maryland. So here I am today, with joy in my heart that at last those who lost their lives serving in Vietnam from the State of Maryland are being given much deserved recognition.

I am honored to be here, to be a part of this ceremony and, as we all must feel at this moment, humbled that we can be here at all. We have all, as individuals and as a nation, suffered the loss of friends and family members to battles in Vietnam, but put aside the sadness for now and rejoice with me in this memorial to those we loved.

I know how important a memorial can be to those who lost a loved one during war. My father was killed on D-Day during World War II, and it was of some comfort to my mother to be shown pictures of the cemetery and memorial site in France years later. Although he was not alive, she could touch upon memories of his life by having a place to concentrate these memories. A sense of place today is important. Those of you who did not serve in Vietnam can only imagine what it must have been like through news stories or television coverage. You imagined the place where your son, brother, father, or friend served and died. We share community in this place in Maryland thousands of miles from Vietnam, this place of memory where we are now as one in spirit to remember those we knew and those we didn't. We don't have to imagine this place. It is very real for all of us.

To commemorate a place and finally this place, the members of the Memorial Commission have worked arduously for four years. Now we have a worthy site and a fitting design that will become a lasting tribute by which our State can show its gratitude for those who gave their lives in our nation's longest and most unpopular war. Nor can we forget those still unaccounted for—the 37 MIA's. Thank you, members, for your dedication, effort, and concern. We can now say that your time was well spent and deeply appreciated by the citizens of Maryland.

We hope our memorial will help to heal the wounds that may linger. The men and women who served in Vietnam went there as young inexperienced men and women; often they were transformed by their experiences and were not the same when they came home. Some returned strengthened with new respect for life and with self-confidence and pride.

For others, such was not the case. For those who can reflect upon their experiences in Vietnam that shaped their lives in a positive manner and for those whose lives may have disintegrated because of their experiences, I want this place to serve their respective needs. I feel uplifted to think that perhaps for some veterans who even now are harboring bitterness, disappointment, or disillusionment that this can be a place where they can finally bury their hurts. There are those who are in hospitals even now or have truly lost their way in life. We suffer for them. For those veterans who do not share these disparate feelings, please contribute to this place your sense of vitality, hope, and courage so that you will be a guide for us all in this journey we call life.

It is with so much pride that I accept this memorial in the name of one thousand and nine men who lost their lives in Vietnam, for the 37 men who remain missing, and for all the men and women of Maryland who served our country in Vietnam. At this moment in time, all are being remembered. These men, Maryland's sons, fought for what they believed to be a true mission for their country.

We honor them today as we also pay tribute to the veterans, the sons and daughters of Maryland, who are among us here today and throughout the State.

We want this memorial to be a symbol of the sacrifices made and a reminder to future generations that to wage war is not without severe consequences. We have suffered mightily as individuals and as a nation during what is so easily called the Vietnam Era. Today, we can rejoice that for Maryland there is an honored place for her fallen heroes.

PRESENTATION BY LT. EDWARD T. KREINER, SR., USN (RET.) MAY 28, 1989

Chairman Wineland, members of the commission, honored guests and veterans; we find that man wants to leave here on Earth some everlasting sign that he was here and that he had made some significant contribution for his fellow man. It's a fact, that for the greater part, man only leaves behind a very small headstone which simply bears his name and the dates of his time here on Earth. Such rememberances do not measure nor speak of the contribution which he or she has made for mankind. There are those who leave fortunes to insure that some form of shrine is built to memorialize their name—to attest to their presence here on Earth.

Perhaps it is vanity that drives a human to such extremes. The monument they leave—the monument they cause to be built for their own namesake, generally becomes a non-entity which simply deteriorates with time.

The greatest measure of man is not his won or lost record, nor his wealth—nor is his strength or physical accomplishments the greatest measure. Rather, man is best remembered for the love which was given to others.

Love has often been defined as one's ability to care, to have and to give unselfishly of one's-self to another. To care, to share and give without barter—to care, to share and give without expectation. The greatest man who ever lived on earth told us no greater love exists than that which is given when man lays down his life for the love of others.

This memorial—this monument—was not built by those we honor here today. This memorial was built by a loving and caring citizenry to honor those who have indeed given their last measure for mankind. The men whose names are recorded here for posterity never dreamed nor thought that they would be recorded in history as great men. Most were much too young to even think of such things.

History will record that it was for us to plan, design, construct and dedicate this memorial. The men whose names appear engraved in granite have already through their sacrifice consecrated the memorial. The memorial was forged in love and it is with prayer that it will stand everlasting in their memory.

You who are the parents, the wives, the brothers and sisters, the children of fallen heroes are a part of the great sacrifice of the one you loved. It was your love which sustained them in Vietnam. Your love for them was no less than the love that they gave for others. While there remains pain and hurt, let there also be pride in what they gave—and take pride within yourself for the sacrifice that you have given.

And to the families whose loved ones remain missing; let your faith sustain you. We cannot walk in your shoes; we can only believe within ourselves that we know of your long suffering. It is the unknown that extends the pain—and it is only with prayer and strength that you continue your lives in hope.

I want you, all family members and all veterans, to know that we, the members of the Memorial Commission, know that the meaning of love has been acknowledged in you for your caring, for your sharing and for your giving unselfishly of yourself for others. This memorial which is dedicated and consecrated to all those who served our country during the Vietnam war came into being as a labor of love. Thank you for caring, thank you for sharing and thank you for giving of yourself. May God bless you and may God bless America.

PRESENTATION BY MRS. KATHERINE MANNION, GOLD STAR MOTHER

CHOSEN

We did not choose to be gold star parents—we were chosen! We are gold star parents by virtue of our sons' supreme sacrifice.

How does one accept the fact you are a gold star mother—gold star dad.

After the initial shock of that rap on the door or when the telegram is confirmed.

Does one marinate in their sorrow? Didn't we all question God, saying why?

Why my son?

Did hatred build up against this great country of ours?

Did we pick up the pieces and just carry on?

Isn't it a combination of all these things?

But then comes a time when reality came through and then the big question—what am I going to do? And then the second question follows closely—what would my son want me to do and expect of me?

Each of us has answered differently and each in our own way.

Great sorrow oh, my yes—yet how proud of these young men we are.

They are America—They did what was asked of them. For they were ready to defend the highest principles on the battlefield, to try to keep our nation free, safe and strong both here and overseas.

For they knew that the stars and stripes was not just a piece of cloth.

Old Glory represents all that America was, is and always will be, her hills, her cities, her people, her policies, her medical achievements, her military might and all that has been achieved.

No matter how one feels about the Vietnam conflict, we were there, our sons fought

and died there, fighting for Old Glory, and it is for this belief we must carry on. To people of many countries the American flag represents freedom, justice, and that it summons all the feeling one has toward America.

Today, we are having a dedication and memorial service—surely that brings back many memories to the living honoring the dead.

The sad mistake of many of us is to imagine that those deaths has claimed such as these 1,046 leave us. No, they do not leave us, they always remain with us.

We do not see them but they do see us. Their eyes radiant with glory are fixed upon our eyes filled with tears. Though invisible to us, our dead are not absent.

The American gold star mothers and dads will never forget our great loss! But oh! How proudly we wear that gold star. I am positive that every one of us would gladly have traded that gold star for the blue star.

A memorial is something intended to preserve a person or an event in the people's memory. Today, the dedication of this memorial will certainly be one etched in our memory.

We gold star parents must always thank God for the short period of time we had our sons, and must always look back upon the happy times we had together.

As their names are called—proudly say—I'm his mom—I'm his dad. And then when taps are sounded think of what they are saying—day is done, gone the sun, goeth day cometh night and a star leadeth all to their rest. These immortal dead in eternal rest have not die in vain. The spirit, their valor, their sacrifice will be remembered over and over again.

It seems strange that there are those who do not know it was God who chose we parents to wear this gold star pin, that it wasn't merely a social whim for they do not know this golden star shows you lost a son in war and that your mission is to try to help his buddies who did not die. A parent's courage, a parent's love—faith in your country and God above.

All these things are simply told by an emblem, a star of gold 'til all the world has been told what you mean and what you are—a 'son' replaced by a golden star.

Thank you.

ARAFAT AND CHINA

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. GREEN. Mr. Speaker, the American people have made their outrage, frustration, and bitter sorrow very clear over the Chinese Government's reaction to the peaceful student demonstrations which took place in Tiananmen Square. Members of Congress have joined together in calling on the Beijing government to replace their screams of terrorism with voices of moderation. Leaders around the globe have condemned the excessive and indiscriminate use of force by the Chinese Government.

I read with horror the following letter of congratulations that Yasar Arafat, Chairman of the PLO Executive Committee, sent to Chinese Communist Party Secretary Jiang Zemin on June 27, less than a month after the Tiananmen Square massacre, on the occasion of Jiang Zemin's appointment to that position. The text of Arafat's letter to Jiang Zemin reads as follows:

On behalf of the Arab Palestinian people, their leadership, and myself, I express the warmest, most sincere congratulations to you—dear comrade—on your appointment to General Secretary of the Communist Party of China, and take this opportunity to express extreme gratification that you were able to restore normal order after the recent incidents in the People's China. I wish you—close friends—more progress in your endeavor to achieve the hopes, goals, aspirations, stability, and security of our friends, the Chinese people.

I humbly express our deepest gratitude to the government of the People's China, the great Chinese people, and the Communist Party of China for the Chinese people's friendship, and the Chinese people's and leadership's aid and support for my country's just struggle, and your unwavering and principled stand toward our country's revolution and our revolutionaries.

Dear comrade, I wholeheartedly wish you success in your new mission, and hope that People's China will continuously progress and develop.

I have had serious concerns about the administration's decision to begin direct talks with the PLO. Arafat's letter above embodies my worst fears. His sanction of state-sponsored repression and violence is unconscionable. His indifference toward the suffering the Chinese people have endured is chilling. If this is a window into Arafat's true thinking, which I fear it is, I call on the administration to undertake a serious review of whom they are really looking at across the negotiating table in Tunis.

INTRODUCTION OF THE NARRAGANSETT BAY PROTECTION ACT OF 1989

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Ms. SCHNEIDER. Mr. Speaker, I rise today to introduce a bill to prevent incidents such as the near disaster which almost devastated the coastline of Rhode Island less than 3 weeks ago.

The Narragansett Bay Protection Act of 1989 will require that vessels shipping oil or hazardous material in Narragansett Bay and Block Island Sound must have a federally licensed pilot on board. The *World Prodigy*, a Greek-flagged tanker, was within State waters that required a State-licensed pilot on board when it crashed into Brenton Reef. The vessel, however, overshot the pilot's station, and never had a pilot on board. The purpose of this bill is to complement State law, not preempt it, by requiring a Federal licensed pilot on board tanker vessels in the waters around Narragansett Bay and Block Island Sound which are not under the jurisdiction of any State.

Had this bill been law before the *World Prodigy* incident, the vessel would have had to have a pilot on board long before the mixup at the State pilot station. The waters and coastline of Narragansett Bay and Block Island Sound are the economic and ecological lifeblood of Rhode Island, as well as to Connecticut, Massachusetts, and New York. All vessels carrying oil and hazardous materials through these waters should be required to take certain minimal safety precautions. This bill will require that these vessels be properly navigated by a pilot with the knowledge of local waters and the navigational expertise to transit those waters.

The Narragansett Bay Protection Act will apply to all tank vessels, including barges, which carry a cargo of oil or hazardous materials into, out of, or through Narragansett Bay and Block Island Sound. The bill does not seek to preempt any State law regarding pilotage—it applies only to those waters outside of 3 miles. The bill also doubles the penalties, up to $100,000, for violating the Narragansett Bay Protection Act. These penalties will be assessed against the owners or operators of tank vessels which do not have a federally licensed pilot on board in areas where they are required.

In order to ensure that foreign-flag tankers, such as the *World Prodigy*, comply with U.S. laws concerning pollution prevention and safety, the Narragansett Bay Protection Act authorizes the Secretary of Transportation to charge for Coast Guard boardings and examinations. As we are all well aware, the Coast Guard has significant budget constraints within which to operate. This provision will allow the Coast Guard to conduct a more comprehensive safety equipment and pollution prevention examination of foreign-flag tank vessels using U.S. waters, without having to reduce other essential Coast Guard services.

As long as Americans continue our thirst for oil the potential for another disaster such as the *Exxon Valdez* or the *World Prodigy* will continue. We must renew our request for alternative renewable energy sources, such as solar power, and improve fuel efficiency standards for automobiles, buildings, and appliances. As a nation and as individuals we must stop wasting energy resources, or within the next decade we may have to rely on 90 percent of our oil reaching the United States by water this will only increase the chances for another catastrophic oilspill.

PEACE CENTER CELEBRATES 20TH ANNIVERSARY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday July 12, 1989

Mr. DELLUMS. Mr. Speaker, on Friday, July 21, the Mount Diablo Peace Center will celebrate its 20th anniversary at a gala dinner. The festivities will include a roast of Andy Baltzos, the 67-year-old founder of the Peace Center and its current executive coordinator.

The Peace Center exemplifies the commitment of those who understand that the quest for peace, social justice, and human rights is a marathon, and not a 100-meter dash. Born during the tumultuous days of the United States war in Indochina, the Peace Center was a focal point in the Contra Costa Community for those who opposed what I have char-

acterized as America's illegal, immoral, and insane involvement in that region.

They provided counseling to young men who sought to understand their rights vis-a-vis the draft and military service. They held forums, showing slides and giving lectures, trying to help turn public opinion against the increasingly unpopular war. In this they were like so many other church, civic, student, labor, and other groups around the country who understood that the long-term interests of the United States did not rest in brutally bombing a small nation half-way round the world.

Unlike so many other groups though, the Mount Diablo Peace Center did not slip away with self-congratulatory pats on the back when the war was over. They understood that while the war had ended, peace had not broken out. They understood that the quest for peace embraced the issues of nuclear arms reduction and disarmament, and an end to the threat of nuclear annihilation.

Later they came to the forefront of the effort to prevent a repeat in Central America of the United States involvement in Indochina. They have worked diligently to broaden community understanding about events in Nicaragua, El Salvador, Guatemala, and Honduras.

It is they who gave practice to the principles recognized in the Nuremberg trials that each citizen is ultimately responsible for the actions of their government that violate human rights. Thus, began a series of protests directed against ammunition trains that traveled from the Concord Naval Weapons Station to the piers in the Carquinez Straits—trains that were carrying the weapons of death and destruction bound for the hills and valleys of Central America.

Hundreds of people have been arrested in these protests and one valiant protestor maimed for life. For it was through these events that Brian Willson was brought to the tracks at Concord, giving his legs for peace when a weapons train failed to stop before a group of demonstrators sitting on the tracks in an act of civil disobedience.

In the 2 years since that tragic event, the Peace Center has continued its vigil against the death trains and has continued its monitoring of the developments that affect the nuclear arms race. They have been a respected and progressive voice, led by those of vision from within their own community.

I applaud them for their stamina and their determination to rest on principles. Their hard-work and dedication to the principles of human rights, peace, and social justice deserve the recognition of us all. I am pleased to bring this erstwhile organization to the attention of my colleagues on the occasion of their 20th anniversary.

THE CHILD SUPPORT ENFORCEMENT EXTENSION ACT OF 1989

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. BRYANT. Mr. Speaker, today there are more than 18 million American children whose families have been wrecked by either divorce or separation.

At the same time, less than half of all single parents supporting children in these cases receive full child support payments.

That leaves millions of innocent, underprovided victims—children who are blameless in the case of their parents' separation, but who bear the full brunt of their differences.

To address this inequity, I am introducing the Child Support Enforcement Extension Act of 1989 to make permanent the Federal Tax Refund Offset Program for non-AFDC child support cases. The offset program collects delinquent State or court-ordered child support payments from absent parents by rerouting their expected Federal tax refunds to the States and ultimately to the children in need.

The offset program brings in hundreds of millions of dollars of delinquent debt each year. Last year, the IRS offset about 738,000 child support cases, and collected almost $409 million in outstanding child support payments nationwide.

Non-AFDC cases represent a large minority of total child support offsets. In 1988, the State of Texas was able to recoup nearly $6 million from about 9,000 delinquent non-AFDC child support payments alone—or some 40 percent of all statewide child support offsets.

Although originally intended to include AFDC cases exclusively, the program has proven so successful that it was expanded in the 1984 Deficit Reduction Act to include not only non-AFDC child support, but also collection of delinquent debts owed to Federal agencies. Presently, nine Federal agencies—ranging from the Pentagon to the Justice Department to the Department of Housing and Urban Development—participate in the program.

In effect, the Federal agencies' participation in the program makes it much harder to cheat the Government and its taxpayers.

This extension of the offset program has reaped large sums in overdue payments. During the first 6 months of 1988 alone, the participating Federal agencies offset $233 million in delinquent debt, and collected an additional $82 million in voluntary payments after a threatened offset.

In a time of severe fiscal constraints, the offset has proven itself an extremely cost effective means of debt collection. The General Accounting Office has performed studies indicating that the program collects as much as $150 in delinquent debt for every dollar of implementation cost.

Unfortunately, the non-AFDC portion of the offset was limited by a 5-year sunset provision that is due to expire at the end of next year. Auspiciously, the Ways and Means Committee has approved a 5-year extension of the non-AFDC program.

However, it would be foolish—and potentially harmful to the progress that has been made in child support enforcement—to subject as efficient a program as this to reauthorization every 5 years. Nothing in the program's history remotely justifies continued sunsets.

The Federal Tax Refund Offset Program provides one of those rare opportunities for supporters of fiscal conservatism and supporters of expanded social programs to unite to fight a common enemy. No constituency so unifies these forces as our children—innocent and unknowing representatives of our Nation's future.

Let's seize that opportunity. Let's use that unity to our mutual advantage. Let's help advance child support enforcement.

AMERICA'S HOMETOWN

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. STUDDS. Mr. Speaker, on the morning of November 9, 1620, Capt. Christopher Jones sighted land after a 7-week journey across the Atlantic, and steered the *Mayflower's* course for the safe waters inside Cape Cod. The men, women, and children who anchored in Cape Cod Bay were the first Europeans to settle a permanent community in this new land.

The Pilgrims voted to establish Plymouth Plantation, and built a community which laid a solid foundation for a vibrant and enduring democratic tradition. Our town meeting today remains a living testimony to their wisdom and vision.

The friendship and guidance of native Americans went a very long way to ease the severe natural hardships on the fledgling settlement. To express gratitude, Gov. William Bradford designated an autumn day for a joyous harvest feast, which nearly 250 years later was made a national holiday of Thanksgiving by President Abraham Lincoln.

Today, we are all ennobled by the heritage of courage and commitment which is so much a part of the land of the Pilgrims' pride. It is a historic legacy that is as timeless as Plymouth Rock, and one which speaks to the very best in each of us as individuals and as Americans.

It is, therefore, especially appropriate that we look forward to celebrating the centennial of the national monument to the forefathers on August 5, 1989, with a naturalization ceremony for 100 of our newest American citizens. For the Pilgrims of the 17th century, for those still setting sail to our shores, for those of us fortunate enough to live here, and for all Americans, Plymouth is indeed our Nation's hometown.

REVIEW UNITED STATES POLICY TOWARD TAIWAN

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. PORTER. Mr. Speaker, the tragedy that took place just over a month ago in Tiananmen Square will be forever remembered by all people the world over. This brutal crackdown forces us to contemplate how the present PRC Government will behave in its relations with other countries and territories. Specifically, the United States must look closely at how our policy toward China should be affected by that Government's actions vis-a-vis Tibet, Hong Kong, and of course Taiwan.

Dr. Trong R. Chai is a professor of political science at the City Univeristy of New York. He has written a very interesting article on United States policy toward Taiwan in the wake of the Beijing massacre. I commend it to my colleagues for their consideration.

REVERSE U.S. POSITION ON TAIWAN

(By Trong R. Chai)

In light of the recent Tiananmen Square massacre, the United States should reconsider the Shanghai Communique.

The communique, issued by President Nixon and Premier Chou En-lai in 1972 to lay the foundation for Sino-American relations, states that "the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China." However, the U.S. "reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves."

This U.S. position is based on the assumption that the Chinese government will settle the Taiwan question peacefully. Unfortunately, the murders at Tiananmen Square on June 4 and the subsequent arrest of more than 1,000 student and worker leaders vividly demonstrate that this assumption is not valid.

If the Chinese government cannot tolerate the demands of its people for more freedom and democracy, how can it be expected to respect the capitalist system in Taiwan as proposed in the Chinese formula of "one-nation, two-systems"?

If the government responded to such demands with machine guns and tanks, how can it be expected to settle the Taiwan problem peacefully, either before or after its takeover of the island?

It is time for the U.S. to reconsider the Shanghai Communique and to declare Taiwan not to be part of China for the following reasons:

Moral considerations. The U.S. has been committed to the security of Taiwan for four decades, and champions freedom and democracy throughout the world. It would be unconscionable for the U.S. to allow Taiwan, with its 20 million inhabitants, to fall into the hands of the brutal, oppressive Chinese regime.

Political considerations. The current political climate does not favor Chinese takeover of Taiwan. The nations of Southeast Asia want to see Taiwan free from China. By taking over Taiwan, China's submarines would pose a threat to peace and security in that region.

In addition, because of Mikhail Gorbachev's peace initiatives, international tension will continue to diminish. As a result, the need for the U.S. to cooperate with China to stop the Soviet expansion will be lessened. Furthermore, as nearly all nations were shocked and shamed by the massacre, world public opinion will be sympathetic to the U.S. if it decides to change its position on Taiwan.

Socioeconomic considerations. It is unrealistic for Taiwan and China to be united in one nation. They have been politically separated for nearly a century, with the result that they differ significantly in economy, education and culture.

Taiwan's economic development is far ahead of that of China. The island has larger foreign trade than the mainland, and Taiwan's per capita income is 15 times that of China.

In Asia, Taiwan is second only to Japan in educational achievement. The Taiwan illiteracy rate is less than 10 percent, compared with more than 30 percent for China. The percentage for college graduates in Taiwan is 10 times higher than in China.

Individualism is widespread in Taiwan; collectivism prevails in China. The Taiwanese advocate liberalism and human rights; the Chinese regard liberalism as "spiritual pollution." While some Chinese are now demanding democracy, the Taiwanese have long opposed dictatorship, and are moving toward a competitive party system.

Legal considerations. China ceded Taiwan to Japan in 1985. However, according to the San Francisco Peace Treaty of 1952, "Japan renounces all right, title and claim to Formosa [Taiwan] and the Pescadores." No beneficiary of these islands has been specified, so the international status of Taiwan is undetermined. Until 1971, the State Department took this position: "Sovereignty over Taiwan and the Pescadores is an unsettled question, subject to future international resolution."

In 1972, yielding to Chinese pressure, the U.S. changed its position in the communique to acknowledge Taiwan as a part of China. Since recent developments in China have proved the assumption behind the communique to be untrue, the U.S. should invoke the "fundamental change of circumstances" clause of the 1969 Vienna Convention on the Law of Treaties to declare the communique void. According to this clause, an agreement can be declared void if its "essential basis" is altered and if new conditions "radically transform the extent of the obligations still to be performed" under the agreement.

For moral, political, socioeconomic and legal reasons, the U.S. should reconsider the Shanghai Communique, reverse its position on the status of Taiwan and uphold the principle of self-determination for the solution of the Taiwan problem.

Thus, the American government should urge the Taiwan authorities to use this opportunity—the Beijing massacre—to hold a plebiscite in Taiwan and to declare Taiwan a new nation if that is the wish of the people on Taiwan.

WARM WELCOME TO NEW U.S. CITIZENS

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. SAWYER. Mr. Speaker, I rise today to extend a warm welcome to 32 residents of my district who took the oath of allegiance as U.S. citizens on May 19, 1989, in Akron, OH.

Coming from Europe, Asia, Africa, North America, Central America, and the Middle East, these 32 new citizens represent a true cross-section of our world's peoples, cultures and traditions. I would like to include their names in this RECORD so that my colleagues can join me in offering our congratulations to them on this special occasion:

Viengsavanh Rassavong, Manivanh Rassavong, Manivorn Rassavong, Borislav Garunovic, Bill Liang-Sun Hwang, Raphael Elias Sayegh, George Coman, Olga Suhre, Pedro Antonio Menendez, Cheryl Anne Shechter, Lina Waleed Khalaf, David Husein Elbabaa, Son Hung Nguyen, Francoise Alberte Dauby, Anne Francoise Marie Dauby, Pierre Alain Lucien Dauby, Velayutham Krishnaswamy Sethuraman, Anasuya Sethuraman, Beverly Jane Goodman, William Lewan Bangachon, Edmond Jaber Jaber, Parvin Syed, George Edmond Boujaoude, Jimmy Kennedy, Eva Maria McQaide, Brigitte Margaretta Bell, Michael Wahl, Antony Louis Czebe, Takako Than, Jafar Ibrahim Abukhaled, Hans Albert Drescher, Flaviana Pesidas Lewis.

Few people have the chance to choose the nation to which they will bestow their allegiance, yet these people have chosen to become citizens of our country. As a nation, the United States has always drawn its greatest strengths from the diverse backgrounds and traditions of its people, and I am sure that these new citizens will add to the strength and prosperity of their new country.

COMMODITY FUTURES IMPROVEMENT ACT

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ENGLISH. Mr. Speaker, today I am introducing the Commodity Futures Improvement Act of 1989.

This bill was written following a 5-month inquiry into the regulatory structure of the futures industry by the Conservation, Credit, and Rural Development Subcommittee of the House Committee on Agriculture. Our inquiry showed that the regulatory structure is basically sound, but improvements are needed to maintain the American futures industry leadership in the world.

Each of the improvements in the bill were carefully crafted to correct specific problems that our inquiry found. These targeted solutions should position the industry to compete favorably as the world moves toward computerized, 24-hour trading in the coming decades.

Our aim is to assure every customer, anywhere in the world, that he can trade on an American exchange without fear of being cheated.

KOREAN CONFLICT REMAINS OUR "FORGOTTEN WAR"

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. SOLOMON. Mr. Speaker, as you know, we are right on track toward a memorial for those who participated in our "forgotten war," the so-called police action in Korea from 1950 to 1953.

Having been fought between our most popular and least popular wars, the Korean war has attracted little attention. It has no Iwo Jima Monument, no imposing structure listing its dead, like the monuments of those two wars. Its participant were called, and served with honor. Then they all came home, all that is but approximately 55,000 dead, just as many as the dead in Vietnam.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Our Korean vets have not complained. But most of them are in their late fifties now, and they have a right to know their Nation hasn't forgotten them. I urge all of you to appeal to your constituents, whether in newsletters or in other ways, to help complete the funding for this memorial.

That appeal was made quite eloquently in a recent column by Roland Blais of the Troy Times-Record, an outstanding journalist for an outstanding newspaper in my district. It is my pleasure, Mr. Speaker, to submit the column for today's CONGRESSIONAL RECORD.

[From the Troy Times-Record, June 4, 1989]

RECOGNITION LONG OVERDUE FOR THOSE WHO FOUGHT IN KOREA

(By Roland E. Blais)

Nearly 40 years after war broke out in Korea and we got involved in our ill-fated "police action" there, our country finally is getting around to recognizing the men who fought and died in that misconceived and highly controversial adventure.

Many of us, then and now, objected to our country involving itself in the fighting in Asia.

But in those days most young Americans stood by the words of John Jordan Crittenden, who on the subject of the Mexican War, said, "I hope to find my country in the right: however, I will stand by her right or wrong."

Most Americans were appalled and infuriated on June 25, 1950, when the North Korean Army, aided and abetted by the Soviet Union, crossed the boundary established by a World War II peace treaty and attacked the South Koreans.

Most of us supported President Harry Truman when he ordered U.S. armed forces, commanded by General Douglas MacArthur, to defend our allies in the south.

At our urging, the United Nations created a multinational force with our country running the show and providing the bulk of the troops.

This was the first of two extremely unpopular wars in Southeast Asia.

I was a student attending the University of Bridgeport under the GI Bill. Although I had signed up in the Naval Reserve after I was discharged from the Navy in 1946, I had no idea that I might be called back on active duty.

Why did I sign up? Simple. I had gone from an apprentice seaman to a first class petty officer in 26 months and wanted to hold onto that rank if I was called back in.

We were promised (orally, not written) that we would not be recalled unless there was a general draft affecting veterans in our age group. We also were promised that active units would be called up first.

So what happened? When we became involved in Harry Truman's war, they left the active units alone, but called up the inactive reserves with essential ranks.

Since I was a pharmacist mate, first class (later renamed hospitalman, first class) I was one of those recalled.

It never occurred to any of us to protest. If we were needed, we would serve.

Some of us had our benefits from World War II. I was educated under the GI Bill. I drew veterans unemployment benefits while I was on summer vacations. I bought my first home with a GI loan. And I was paid bonuses and got tax breaks.

It never bothered me that there were no memorials for the veterans of the police action.

Why should it? I had my other benefits and, after all, although my 16 months of service interferred with my education and delayed my career, the time was spent in Brooklyn and St. Albans, L.I.

That was not bad duty in any man's book. We were within a bus and a subway's ride of Broadway, Yankee Stadium, Ebbetts Field, the Polo Grounds, Coney Island and Rockaway Beach.

Most of the time, you would gain admission to these events either free or with discounted tickets. The streets were safe and the city was delightful.

But others were not that fortunate. Two of Margaret's brothers, Harry and John, saw action in Korea. As a matter of fact both were in Korea when we got married in November 1952.

The war finally was ended by President Eisenhower on July 27, 1953.

Until 1986, when President Reagan authorized the creation of a memorial in Washington to honor the Korean War Veterans, little if anything was done for them.

When my tour of duty ended, in August 1952, I left the Navy much as if I was leaving one job for another. Those who served under less fortunate circumstances than I did were treated the same.

It is about time those who saw action during that conflict were recognized for their sacrifices.

I'm talking about the Harrys and Johns, not the Rolands who had cushy duty here in the states. It is too late for John. He died of a heart attack 10 years ago.

But it is not too late for others like him.

The Korean Conflict (or war or police action) has been the forgotten war, perhaps because we still have a guilty conscience over the fact that we sent our young men over there to fight and die and then refused to let them win.

It is past time to give them the recognition they deserve.

NATIONAL TRUST FOR HISTORIC PRESERVATION

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. MOLLOHAN. Mr. Speaker, it is with a sense of appreciation that I draw the attention of my colleagues to the good work of the National Trust for Historic Preservation.

Over the past several months, I became personally—as well as professionally—familiar with the National Trust by joining the efforts of a group of local citizens to preserve an 80-year-old English Tudor-style mansion in my hometown of Fairmont, WV. I cannot, with words, adequately describe this mansion, which came to be known as High Gate after the imposing wrought iron gate that surrounds the property.

Removed from its geographic and historical context, it is simply a superb example of period architecture; place it in Fairmont as the home of perhaps the most important family in the history of the region's coal industry, however, and you have found in one location a haunting legacy of both the grandeur and the tragedy of the coal industry in the early years of this century.

Not too long ago the integrity of this historic property was threatened when a fast food chain expressed interest in purchasing part of the grounds. A group of citizens in Fairmont formed a nonprofit organization to preserve the property and the National Trust for Historic Preservation worked with them and, in fact, awarded the group a preservation services fund grant.

The grant that the friends of High Gate received from the National Trust was made possible by Federal funds appropriated to the National Trust by Congress in fiscal year 1989. Hundreds of other historic sites around the country have benefited from this grant program, which raised an average of nine additional dollars for each one awarded by the National Trust.

Following is the text of an article on High Gate from the July issue of Preservation News, the newspaper of the National Trust.

A fast food restaurant appeared to be a certain replacement for a huge 1910 Elizabethan-style carriage house and gardens in Fairmont, W. Va. until local residents decided to have it their way. The Friends of High Gate was organized by Fairmont teacher Gary Hickman when it was learned that Hardee's hamburger chain planned to buy one third of the estate to erect a commercial-strip drive-in. Hickman and other local residents appealed successfully to Leon Dunn, chief executive officer of Guardian Foods, Hardee's parent company, to cancel plans for the drive-in. Guardian also chipped in $10,000 to the group's fund to buy the carriage house—which so far has raised $115,000—and pledged $15,000 toward the eventual purchase of the enormous 1912 main house. The National Trust's Preservation Services Fund awarded $4,500 to the Friend's campaign. High Gate was designed by Philadelphia architect Horace Trumbauer for coal baron James Edwin Watson. Brothers Bob and Jim Ross now own separate portions of the property and Friends of High Gate are negotiating for the purchase of the carriage house for use as a conference center and museum of post-1929 industry and coal mining.

ANNIVERSARY OF MOUNT OLIVE BAPTIST CHURCH

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. TORRICELLI. Mr. Speaker, it is a great pleasure for me to rise today to pay tribute to the Mount Olive Baptist Church, and acknowledge their 100th anniversary. On Sunday, July 16, a banquet will be held to celebrate a century of outstanding community service and spiritual leadership.

Mount Olive certainly has grown and prospered since the 29 charter members founded it in 1889. The church has changed with the times, incorporating new members and new objectives, yet always keeping in mind its past, its present, and its future.

For 100 years Mount Olive has been at the forefront of community involvement, providing wonderful programs for both their membership and the community at large. As they begin their next century of existence, I am confident that they will maintain the high caliber of serv-

ice and participation they have always exhibited.

I wanted the Congress to take note of this occasion, and to share in this special moment with the congregation of Mount Olive Baptist Church. I am indeed honored and pleased to represent the members of this congregation, and to join them for this special milestone event.

HEALTH CARE EXPANSION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. DANNEMEYER. Mr. Speaker, later this week the Energy and Commerce Committee will mark up the budget reconciliation package for the Medicare and Medicaid Programs. The roots of the Nation's current deficit can be discerned from the surreptitious way in which the Subcommittee on Health and the Environment has transformed the Budget Committee's approval of a seemingly innocent $200 million increase for Medicaid into a vehicle for an enormous expansion of this program.

If you want to expand Federal and State Medicaid Programs by as much as $25 billion over the next 5 years, and you have only $200 million with which to work, how do you accomplish your goal? Do you link this expansion to offsetting savings in other programs? Do you advocate specific increases in taxes to pay for the new spending? Or, in our ethics-charged climate, do you use a number of deceptive methods to hide the true cost of the reforms?

The answer, unfortunately, is the third option.

One way to hide the cost is to limit the cost in fiscal year 1990, and shift most of the expenditures to fiscal year 1991 and beyond. Instead of implementing these reforms at the start of the fiscal year, choose a date so late in the fiscal year that only a fraction of the real cost shows up in fiscal year 1990. Then, after a relatively insignificant first year expenditure, out-year costs balloon to astronomical proportions. That is the option chosen here.

Another way is to convince the Congressional Budget Office [CBO] to use assumptions in calculating the cost that are simply unrealistic. In this way, proponents can point to the CBO numbers and ignore other, more credible estimates—such as those put together by the Health Care Financing Administration [HCFA]. Thus, several weeks ago representatives of HCFA and CBO offered members of the subcommittee estimates of the 5-year cost of these expansions that differed by $16 billion. CBO placed the 5-year costs to the Federal and State Governments at more than $8 billion; HCFA, looking at the same language, calculated the cost at almost $25 billion.

These Medicaid expansions also wreak havoc on State Medicaid Programs. They force State Medicaid directors to devote scarce new revenues to expand eligibility to groups such as the frail elderly, pregnant women and children, and the mentally retarded. Such a dictate, while perhaps emotionally satisfying, precludes States from funding other necessary parts of their programs.

In designing its Medicaid Program, a State must decide who to cover, what services to cover, and how much to pay physicians and hospitals for the services covered. The reforms in this reconciliation package require States to allocate new Medicaid revenues to cover new populations; States would be precluded from channeling new revenues to physician or hospital reimbursement, or to cover new services. Faced with mandates to increase specific Medicaid expenditures, such as those included in the reconciliation package, many States have suppressed physician reimbursement rates.

On February 8, the Subcommittee on Health heard from a variety of witnesses on the nagging question of infant mortality. Witness after witness stressed the importance of adequate reimbursement rates to any sound Medicaid Program. For example, the American Academy of Pediatrics identified low reimbursement rates as "the single largest barrier to pediatrician participation in Medicaid." Physicians often receive fees for Medicaid patients which are less than half those charged to non-Medicaid patients. A witness from the Children's Defense Fund testified at the same hearing that:

> Studies do suggest that physicians respond to very low Medicaid reimbursement rates by either eliminating Medicaid patients from their practices altogether or by increasingly limiting the proportion of Medicaid patients they will accept in their practices. Poor reimbursement affects not only physicians' decision to participate, but the extent of their participation, driving it below the levels required to promote adequate . . . access to care.

The National Governors' Association opposes the Medicaid expansions for precisely this reason. In a letter to Chairman DINGELL, Gov. Richard F. Celeste, Chairman of the NGA's Committee on Human Resources, said:

> The Governors strongly oppose any further mandated extensions in Medicaid eligibility as proposed in the legislation sponsored by Congressmen Waxman and Leland.
>
> In the last year and a half, Congress has passed Medicaid legislation that has placed an extraordinary burden on the States. Nursing home reform and Medicare catastrophic coverage legislation have placed States in an exceedingly difficult financial and administrative position. [It] must be recognized that the States face resource limits and that further broad mandates could damage the program rather than improve it.

We must also recognize that this year governments at the Federal, State, and local levels will spend approximately one third of all the new wealth generated by our economy. That is about 33 percent of the annual GNP. States face resource limits because they have taxed their citizens to the limit of their capacity to pay. The Federal Government, we all know, has been spending too much of the taxpayers money for many years.

Soon, we will receive mail and our subcommitte will invite witnesses to Washington to tell us how desperately we need to increase physician reimbursement under Medicaid, or expand Medicaid to include some new service previously excluded. There will be yet another organized effort to enact sweeping reforms, complete with coalitions of concerned interest groups. States, of course, will once again be required to ante up many billions of dollars in order to comply with these new mandates. At every stage we will be told how Medicaid Programs are underfunded, understaffed, and underutilized, as if all the previous reforms were meaningless. And those who oppose or question the wisdom of the latest expansion will be accused of insensitivity to the real needs of those who live in the shadow of society.

It is time we recognize that society does indeed have its limits. If we as a society conclude that Medicaid must be expanded in such a fashion, then we should find the revenue to pay for it. The proponents of these expansions ought to propose offsetting reductions in other, less important Federal programs or tax increases to raise the requisite amount of revenue.

Any other approach is fraudulent.

AMERICA'S ONLY REFORMATION AND RENAISSANCE CITY: JACKSONVILLE, FL, CELEBRATES ITS 425TH ANNIVERSARY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. BENNETT. Mr. Speaker, last week I had the pleasure of participating in the 425th anniversary of the beginning settlements by Europeans of what is today Jacksonville, FL. Actually when the settlers came in June 1564 they began the permanent settlement of what is now the United States; for there were no other Europeans then on our shores and from then on the European settlement of our lands never waned or ceased.

Morever, the city of Jacksonville—many times renamed from Fort Caroline to San Mateo, to San Nicolas, to Cowford and finally to Jacksonville in 1822—has the unique historic significance of being the only U.S. city which came out of both the Renaissance and the Reformation; for it was a mid-16th century settlement primarily of Huguenots, or French Protestants.

The event last week at the landing took place on the waterfront in downtown Jacksonville at the initiative of the Jacksonville Historical Society, and featured a proclamation by Mayor Hazouri, and speeches by Dr. Duane Dumbleton and Judith McDermott from the Sister Cities Association and on behalf of Nantes, France; and speeches by myself, by George Schesventer, superintendent of the Fort Caroline National Memorial and by John Duss, president of the Alliance Francaise. The following historical note was given by Paul Ghioto of the memorial staff:

FOUNDING OF THE COLONY

On June 25, 1564, three small ships carrying 300 Frenchmen led by Rene de Laudonniere anchored in the river known today as the St. Johns. Shortly thereafter, on June 30, construction of a triangular-shaped fort built of earth, wood, and sod was begun with the help of a local tribe of Timucuan

VOL 135 PT 10 JE 23 JL 13 1989 UMI

Indians. For the next 15 months this settlement, named in honor of the 14-year old boy king of France Charles IX, was home for this hardy group of Huguenots (French Protestants). Just as with other European explorers who had journeyed to the New World before them, these men and women hoped to discover the riches of "New France" as well as begin new lives unfettered from Old World affairs. For the French at Fort Caroline their Florida experience would be one of discovery and discouragement, joy and frustration, excitement and despair. Adapting to their new environment required extraordinary sacrifice and effort. Their strong religious and national motivations inspired them in their attempt to maintain an outpost of culture and power in North America.

Although Ft. Caroline existed but for a short time, it served as the catalyst that caused Spain to take decisive action to defend her New World possessions by first eliminating the French presence. The capture of the French fort and the slaughter of most of its inhabitants in September, 1565, by Pedro Menendez's Spanish forces marked the first major conflict between European powers for control of territory in what is today the United States. This struggle for control would continue for another 200 years.

Fort Caroline National Memorial was formally established by the President of the United States on January 16, 1953, to preserve, protect, and interpret the French settlement's site and historic past. Park interpretive programs provide visitors with an insight and understanding of the areas's national significance. The visitor center/museum constructed in 1957, contains exhibits which illustrate the interaction between European and Native American cultures. The "fort model" was built in 1963–4 in time for the 400th anniversary and is based upon a drawing of the original by the colony mapmaker, Jacques Le Moyne. Coats of arms above its entranceway are those of the colony's sponsor Admiral Coligny, and the French royal family.

Although Florida is more often remembered in history for its Spanish past the existence of Fort Caroline National Memorial serves as a visible reminder of the time, 425 years ago, when French forces laid claim to the land and the fleur-de-lis flew proudly over it.

DOMINICK DANIELS POSTAL FACILITY DESIGNATED IN NEW JERSEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. GUARINI. Mr. Speaker, I would like to bring the House's attention to an upcoming celebration in Kearny, NJ, to designate the Dominick Daniels Postal Facility.

This post office will be named for our former colleague Dominick V. Daniels, a nine-term U.S. Congressman from the 14th District of New Jersey, which I now represent. Congressman Daniels served most ably as a member of the House Committees on Education and Labor and Post Office and Civil Service from 1958 until his retirement in 1976.

Dominick Daniels was born in Jersey City, NJ, the son of an Italian immigrant. He died on July 17, 1987, after a long illness in Union City, NJ. He graduated from Fordham University, worked his way through Rutgers University Law School, and became a member of the New Jersey and Hudson County bar associations at age 21.

In 1952, he was appointed magistrate of the Jersey City Municipal Court and was named presiding magistrate in 1957. Dominick Daniels also served as vice chairman of the Jersey City Civil Rights Commission from 1952 to 1955.

As a Member of the House from 1958 until 1976, Dominick Daniels championed the causes of health and safety in the workplace. He took the lead in efforts to compensate injured workers and upheld Federal job safety rules. His efforts led to a compromise that established the principle of Federal supervision over occupational health and safety in industries around the country. He was particularly instrumental in the passage of key labor legislation, including the Comprehensive Employment and Training Act [CETA], and the Occupational Safety and Health Act [OSHA].

Mr. Daniels was also outspoken in prodding the Kennedy administration to see that schools and colleges strictly complied with the 1954 Supreme Court decision against racial segregation. He wrote a bill in 1962 that closed a loophole through which land grant colleges could escape compliance with the law.

He also guided legislation which made many improvements in the operation of the postal service and other advancements for postal workers. He was instrumental in the development of the North Jersey Mail Facility in Kearny, NJ, which now employs over 4,000 workers. He also made many positive recommendations regarding the country's bulk mail system.

In 1976, he was awarded an honorary doctor of laws degree by St. Peter's College, where his congressional papers are now housed. In 1980, he was honored by the people of Hudson County for his special interests in the problems of older Americans.

Congressman Daniels was an advocate of pride in workmanship and often preached his ethic of hard work to school children in the area. He told a group of students at Public School No. 6,

It is easy to criticize, but hard work is necessary to improve things. Our forefathers did not retreat from the challenge of work. America is a great country today and will continue to be if we don't forget the principles laid down by its founders.

Dominick Daniels was a parishioner of St. Joseph's Roman Catholic Church in Jersey City and a fourth-degree member of the Knights of Columbus Council 137. He was also a member of the Elks Lodge 211 and had been the president of the Dante Alighieri Society of Jersey City.

Surviving Dominick Daniels are his wife, Camille Curcio Daniels; two daughters, Delores Maragni of North Long Branch and Barbara Coleman of Avon; a brother, Aldred J. of Fort Lee; two sisters, Genevieve Daniels of Avon and Eleanor Stutz who lives in Louisiana; and four grandchildren.

A front page article in the Jersey Journal concerning his death said, "Hudson County Has Lost a True Friend." Tributes by former Representative Joseph A. LaFante, who succeeded Daniels in 1976, recalled that "Hudson County showed its appreciation for Daniels by sending him back to Congress term after term with sweeping margins." Congressman Daniels left a legacy to the community leaders of Hudson County reminding them of the need for "service above self."

I urge my colleagues to join me in paying tribute to a worthy man. He has earned the accolades of his colleagues for a job well done. May he rest in peace.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1989

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. CONTE. Mr. Speaker, I rise today to commend my esteemed friend and chairman of the Subcommittee on Select Education, the Honorable MAJOR OWENS, on his exemplary work on the Domestic Volunteer Service Act amendments of 1989. Also, the ranking member, my dear friend and colleague, the Honorable STEVE BARTLETT, and the entire membership of the subcommittee are to be congratulated on their dedicated efforts in developing and reporting this important legislation.

Mr. Speaker, I lend my full support to this bill. The VISTA Program has served as a lightning rod of American voluntarism since its creation 25 years ago. H.R. 1312 ensures that VISTA will continue to be a vital source of encouragement and inspiration for Americans who are committed to serving their country through volunteer efforts.

I am particularly pleased that the bill includes a provision directing the ACTION agency to establish a comprehensive program of national recruitment. The American ethic of volunteerism is currently as strong as ever; it is absolutely essential that a centralized recruitment program be established to capture the attention of the American public and to help direct its considerable energies toward service to others.

Another critical aspect of this bill is a provision increasing the subsistence allowance paid to VISTA volunteers. Even with this increase, VISTA volunteers will continue to receive an allowance that is below the threshold for poverty in America. This provision will at least assure our dedicated VISTA volunteers that their important efforts are not being taken for granted.

Finally, I am most pleased that the subcommittee included, at my request, a mechanism to secure a limited waiver from restrictions on maximum periods of VISTA service. The provision permits a 1-year extension of service where the extension is requested by the managers of the project in which the volunteer is involved and where the director determines that the extension is appropriate. No more than two such extensions will be granted in respect to any one individual. This change in the law was recommended to me by a constituent who was affected by the inflexible serv-

ice rules of VISTA. I am very grateful that the Committee on Education and Labor adopted a provision that will help my constituent and similarly situated volunteers across the country.

Again, I congratulate the efforts of my colleagues on the Committee on Education and Labor and urge swift passage of H.R. 1312.

WELCOMING THE 28TH INTERNATIONAL GEOLOGIC CONGRESS TO WASHINGTON, DC

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mrs. VUCANOVICH. Mr. Speaker, I wish to make official welcome to the some 6,000 geologists assembled in our Nation's Capital for 10 days this July to discuss ideas with their colleagues from around the globe. This gathering, the 28th International Geological Congress [IGC], opened July 9 in the Washington Convention Center. The IGC last met in this country in 1933, also in Washington.

I wish to give a special welcome to Dr. Tom Nolan, director emeritus of the U.S. Geological Survey, one of the few U.S. scientists to have participated in both these International Geological Congresses. Dr. Nolan received special recognition at the IGC in 1933 for his comprehensive study of the Tonopah mining district in my congressional district in Nevada, an area now booming from development of mines stemming from the work of Dr. Nolan and many other geologists before and after him.

The geologists gathered for the 28th IGC will swap thoughts amongst themselves on subjects from acid rain to zeolites. Most importantly, this international exchange of ideas—more than 3,000 scientific papers will be presented by geoscientists from all continents—will foster creative thinking in the geologic profession. It was just such creativity that led to the discovery of the so-called invisible gold deposits in the great basin of Nevada and that will lead to the recognition of new geologic models for mineral deposits yet to be discovered here and throughout the world.

Other papers will discuss the latest research in Earth hazards, energy resources, paleoclimate, hazardous and nuclear waste management, coastal erosion, and other issues directly affecting society today. The scientists gathered here have been advised by the President of the 28th International Geological Congress, Prof. Charles L. Drake of Dartmouth College, to be advocates of their science in the public policy arena. We of the U.S. Congress welcome the best scientific advice available for building the best possible political solutions for issues facing our Nation today.

Welcome geologists.

PERSONAL EXPLANATION

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. ROWLAND of Connecticut. Mr. Speaker, on the evening of July 10, 1989, my hometown of Waterbury, CT, was struck by torrential rains and tornadoes. Consequently, I was unable to be in Washington on Tuesday, July 11. Due to my absence I was unable to cast my vote on House Concurrent Resolution 86. Had I been present, I would have voted "yes."

RECOGNITION OF COL. FRANK S. DULING

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. BLILEY. Mr. Speaker, Col. Frank S. Duling, the city of Richmond's 11th police chief, will retire on July 15, 1989 from the position he has held for 21 years.

I have known Frank Duling long before I got involved in politics. Then, as mayor, the colonel and I worked closely together for the safety and betterment of the citizens of the city of Richmond.

The chief and his family have always held fighting crime as a matter of grave, personal concern. His father, Frank S. Duling, Sr., was a policeman until he was killed in a car wreck, and his two uncles, Capt. Dan Duling and detective sergeant Thomas M. Duling, were officers of the Richmond Police Department.

Colonel Duling joined the police department in 1944. He began his career as a patrolman and he worked his way up in the ranks, step-by-step, by volunteering to do jobs his fellow police members were not interested in doing. In the 1960's, he first earned his life long reputation as an honest cop. He headed a probe into the police bureau's corruption through a crackdown on gambling. Colonel Duling has never tolerated any compromise with crime within the bureau.

Frank Duling will leave some awfully big shoes to fill. I wish him good success, a long life, and a very pleasant retirement. I thank him for his many years of dedication and service to the city of Richmond and its citizens.

THE COMMODITY FUTURES IMPROVEMENT ACT OF 1989

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. COLEMAN of Missouri. Mr. Speaker, today I join Mr. ENGLISH, the chairman of the Subcommittee on Conservation, Credit and Rural Development of the Agriculture Committee, in introducing a bill to authorize appropriations for the Commodity Futures Trading Commission.

Other provisions of the bill—and, I will get to them in a moment—seek to establish new direction in law and, we believe, needed parameters and goals for the futures trading industry. The parameters are not unduly restrictive. The goals are attainable, and, when reached, will keep the U.S. futures industry in the same enviable position it occupies today in the world's financial markets.

It is a bill that addresses a number of important issues. The Commission has entered some of these issues in the past and has been invited to review them periodically since its establishment as an independent regulatory agency in the mid-1970's.

By the time our task is completed, the Congress, we hope, will understand the importance of this bill to the continued growth of this innovative economic activity. In turn, the futures industry must understand the seriousness with which we introduce this bill. I hope the industry's leaders will work to help us and the Commission make it a tool for sensible regulation.

This bill places new boundaries on the practice of dual trading, a practice that allows a person in the pit to execute customer orders and trade for himself at the same time. I want to make it clear that I am not opposed to this traditional way of doing business. Dual trading is not inherently bad. I can understand the benefits it provides to markets, and the necessity of allowing such trading in thin markets. However, I do find it difficult when I am questioned about abusive tactics, such as trading ahead of a customer, to answer that these kinds of abuses are caught routinely, and the trader is punished.

One way to deal with this matter, and it is the way Mr. ENGLISH and I have chosen, is to disallow such trading in certain markets unless the Commission believes the price-setting mechanism is harmed or hedgers are hampered in getting in and out of the market.

In addition, when the Commission can verify that an exchange audit trail is accurate enough to catch this kind as well as other kinds of illegal activities, the dual trading prohibition may be lifted. This gives the necessary impetus to the exchanges to enhance their record keeping capability—and to prove that it is useful in the exchanges' compliance programs.

Other audit trail goals are set to improve and refine the exchanges' abilities to record activities in the markets.

The bill also explicitly tells the Commission to continue its vigilance in the enforcement arena by cooperating closely with other Federal law enforcement agencies to combat fraudulent activity in the pits or in office suites.

This bill requires the registration of floor traders, a classification of futures participant not required to be registered currently. We increase the requirements of other registrants under the act, and we enforce the payment of civil money penalties by taking away trading privileges and suspending registration.

The bill includes a number of provisions the Commission sent to the Congress early this year. These provisions deal with international enforcement matters, an area of increasing importance as traders participate in numerous markets worldwide. These provisions will assist the CFTC and foreign governments in their efforts to enforce their respective laws.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Finally, Mr. Speaker, this bill discontinues the 3- or 4-year reauthorization period. In past reauthorizations, the Commission was burdened with the myth that Congress had imposed a sunset on its existence. Today, we introduce a bill that authorizes specific appropriations for the next 2 fiscal years. The committee intends to take a more active part in defining and maintaining the Commission's activities. It intends to take an active part in determining what resources are needed to meet its regulatory program.

The subcommittee will hold extensive hearings during this next phase of the review of the CFTC and the futures industry. This gives the industry and its participants their chance to be heard. I would hope that no one is shy about putting their thoughts on the record during the hearings.

THE STEVEN McDONALD PUBLIC SAFETY OFFICER'S COMPENSATION ACT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. MANTON. Mr. Speaker, today I am reintroducing much needed legislation on behalf of this Nation's valiant public safety officers. This measure is prompted by the brutal shooting 3 years ago of a young, dedicated New York City patrolman, Steven McDonald, and is offered in his honor.

Steven McDonald was severely paralyzed as a result of this shooting. He is a paraplegic, confined to a motorized wheelchair for the rest of his life. Yet, as I have mentioned on this floor previously, Steven is not a defeated man. With the help and love of his beautiful wife, young son, family, and friends, he continues an active life. He works tirelessly in support of others less fortunate than himself. He has forgiven his assailants.

The measure I am introducing today, along with many of my colleagues, would provide a very modest, one-time monetary benefit from the Federal Government to any public safety officer who is permanently and totally disabled as a result of a catastrophic injury received in the line of duty. My bill would amend existing law which grants such a payment to the relatives of a public safety officer who is killed in the line of duty.

Mr. Speaker, as you may recall, the 100th Congress reaffirmed its commitment to our Nation's policemen, firemen, paramedics, and other public safety officers by increasing the death benefit from $50,000 to $100,000, and provided for future increases to keep pace with inflation. This worthwhile improvement in existing law was included in last year's omnibus antidrug initiative.

Mr. Speaker, our Nation's unselfish public safety officers certainly deserve no less from us when they are totally disabled in the line of duty. We owe this minimum financial assistance to Steven, and others who have suffered a similar fate, to help aid in their time of need. We must show that we, as a Nation, care for them and are deeply indebted to their dedicated service to the public good.

THE 25TH ANNIVERSARY OF THE URBAN MASS TRANSPORTATION ACT

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise to acknowledge the 25th anniversary of the Urban Mass Transportation Act. In 1964, this Act proved crucial in saving failing private transit industries. In the years since, we have enjoyed the benefits of this Act in the form of cleaner, safer, and more affordable mass transportation. After a quarter of a century of service to the United States, this is an appropriate time to look back on the many positive results of the Urban Mass Transportation Act. In this period of growth, we have seen many changes. We have seen the purchase of more than 77,000 buses, rail cars, trolleys, and vans. We have also seen the percentage of work trips made on mass transit increase up to 100 percent. Sky-rocketing fares have been stabilized through this increased use of public transportation. Further, mass transit has made great strides in efficiency, as it serves as one helpful solution to our Nation's air quality problems. Just as we look back to the many advances made in the past 25 years of mass transit, this anniversary is also a good time to look ahead to future changes in national transportation policies and programs, as we try to make transit services more effective in serving the American people.

JULIJA SIMCHUCK

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. CHANDLER. Mr. Speaker, it has been brought to my attention that Julija Simchuck, a young girl during the holocaust, risked her life to save a man and his family from the gestapo. She is being considered by the Israeli Government to be included among the "Honored Righteous Among the People." I would like to recognize her because of the courage she showed to Mr. Henry Friedman, a victim of the holocaust, who now resides with his own family in my congressional district.

At the age of 16, Julija was employed as a maid at the Ukraine Police Station when she overheard the gestapo's plan to take Mr. Friedman's father to a concentration camp. Risking her own life, she warned Mr. Friedman to flee. He went into hiding just minutes before the gestapo showed up at his door. After a few weeks, his family paid the chief of police $3,000 in protection money.

Julija's parents then took the Friedman family into hiding for 14 months. They were liberated in 1944 by the Russian Army. By the brave actions of a young girl and her family, the lives of others were saved. I take great pleasure in welcoming Julija, who will be visiting the United States later this year, and commending her for her bravery.

"SUPER 301" SHOULD INCLUDE KOREA AND TAIWAN

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. IRELAND. Mr. Speaker, recently the Governments of Korea and Taiwan have taken actions against United States citrus products which I believe qualify both for inclusion on the next "Super 301" list.

In mid-June Korean TV stations broadcast a story perpetrated by the Korean Citizens' Alliance for Consumer Protection. It referred to a study done by the Suwon Agricultural Research Center, a Government run agricultural chemical research institute. According to the report, the study indicated the presence of Alar on the peel and pulp of U.S.-exported grapefruit from California and Florida.

The Government of Korea knows as well as we do that the United States citrus industry does not now, nor has it ever used Alar—it has no appropriate use on grapefruit. Sales of United States grapefruit in Korea have been boycotted. In early July, Taiwan decided to follow Korea's spurious example. Today, there are 400,000 cartons of fresh grapefruit sitting on the docks in Taipei and 68,000 remain quarantined in Korea.

The issue here is not one of chemical use—Alar is not used on grapefruit. These two nations are erecting nontariff trade barriers against U.S. agricultural products. If we do not act now to stem this type of unfair trade practice, we will find other U.S. goods excluded, one by one, from their domestic markets.

Mr. Speaker, these countries apparently have not considered the value of the goods the United States imports from them. By taking this action, they are subject to retaliation, and are asking for inclusion on the next Super 301 list developed by the U.S. Trade Representative. We let them off the hook this year, but certainly we should not do so again.

CAPTIVE NATIONS WEEK

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. KILDEE. Mr. Speaker, I am honored to bring to the attention of my colleagues in the House of Representatives and the Nation an event that will take place July 18, 1989, in my hometown of Flint, MI. On this day the city of Flint and the International Institute of Flint will host a ceremony recognizing Captive Nations Week.

This week remembers the people throughout the world under the oppression of communism. It should serve as a reminder of our commitment to assisting those who have been so heartlessly denied their basic human rights. Across the continents and seas, the cry of freedom rings out and the struggle for its blessings continues. The winds of change currently blow in Poland, Hungary, and the Soviet Union. These fragile winds which carry the

hope of freedom for millions can easily be changed as evidenced by the tragic situation in China.

As Americans, we are greatly indebted to those who have immigrated to the United States from the captive nations. Indeed, they have much to teach us about freedom. We should learn from those who treat genuine freedom, which Americans often take for granted, as a precious gift. These brave immigrants are admirable examples of courage and determination in our country. They have enriched us with their many traditions and have passed on to us an appreciation for the history of their motherlands.

We should recall, especially this week, that the principles upon which our Nation was founded—freedom and democracy—are the principles upon which oppressed people of captive nations base their struggle. Let us respond to the not-so-silent cry of these oppressed people and do our best to give them what they so desperately deserve—freedom. For it is only in a nation where the people, through a representative government, rule themselves, that the guarantee of complete freedom is achieved.

Mr. Speaker, I look forward to the day when people oppressed by communism throughout the world can live without fear in their freed homelands. Please join me, the city of Flint, and the International Institute of Flint in solidarity and fight harder, stand stronger, and strive so that no nation will be denied what every nation should possess—freedom.

SALUTE TO CHOLESTEROL COUNCIL OF AMERICA

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mrs. BOXER. Mr. Speaker, I wish to salute the Cholesterol Council of America [CCA] a subsidiary of Pharmacists Planning Service, Inc. of Sausalito, CA. When overwhelming scientific evidence pointed to the urgent unmet need for change in American lifestyles to control coronary disease, CCA launched a 5-year prevention campaign.

Its efforts have resulted in local restaurants changing the bill of fare to include low cholesterol dishes. Media attention has been enormous with articles in national and local papers and with national and international television coverage.

A local conceptual artist sculpted a Santa Claus from 50 gallons of low fat and low cholesterol ice cream at Christmas time. A poster and campaign kit were sent to 5,000 California pharmacists and 4,000 California cardiologists, as well as to health workers throughout the world.

On February 14, "Love Your Heart Day" was declared. Two giant hearts were constructed from 25,000 bottles of low saturated fat oil. In April, CCA distributed posters, diet and cookbooks to pharmacists attending a "risk reduction of coronary heart disease" convention. Also in April, CCA sponsored a 10K breakers to bay race to promote exercise for cholesterol reduction. CCA has testified in favor of mandatory nutrition guidelines limiting fat and cholesterol for school lunches in California.

Events this summer include cholesterol testing at summer festivals, presentations to press and physicians in support of AB 2109, declaration of July 2 as "Statewide SAT/FAT Sunday," and a Bastille Day low cholesterol, low cal, low salt/fat buffet at a Sausalito restaurant. In August, the Caledonia Street Fair in Sausalito will feature heart healty food.

For their extraordinary efforts to publicize health risks and to change public attitudes, my hat is off to this remarkable group of pharmacists. I want to express my enthusiastic support for their efforts, which are beneficial to so many.

GOVERNMENT PAYMENTS ACCOUNT FOR 9.2 PERCENT OF FARM INCOME

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. DE LA GARZA. Mr. Speaker, the critics of our Nation's farm programs often say farmers are depending too heavily on the Government for their income. Even Secretary of Agriculture Clayton Yeutter was quoted recently saying that farmers in his home State of Nebraska receive about half of their net income in 1988 from the Government.

But the U.S. Department of Agriculture's Economic Research Service recently released a report which points out that direct Government payment in 1987 were only 9.2 percent of gross cash income for all farmers.

To help clear the air about this issue, I urge my colleagues to read the following article which appeared recently in Farmline, a publication of the USDA's Economic Research Service:

[From Farmline May 1989]

GOVERNMENT PAYMENTS ACCOUNT FOR 9.2 PERCENT OF FARM INCOME

Direct government payments to the U.S. farm sector in calendar 1987 totaled $16.7 billion. This was a record high for the 55 years that such payments were 9.2 percent of gross cash income.

For grain farmers, the payments accounted for more than 23 percent of gross cash income, according to a recent analysis of the distribution of the payments.

Economist Andy Bernat of USDA's Economic Research Service says that in 1986 and 1987 low commodity prices relative to target prices were the main reason for the high level of government payments. (Deficiency payments, the major portion of direct government payments, are based on target prices and loan rates, and go to farmers who participate in government commodity programs.)

Commodity Credit Corporation (CCC) loans are not classified as direct government payments in USDA's statistical system. Instead, they are counted as a cash receipt in the year the loan is received, Bernat says. (Net CCC loans—new loans minus existing loans repaid—totaled only about $170 million in 1987, but had been more than $8 billion in 1986.)

Direct government payments include deficiency payments, land diversion payments (including those for the Conservation Reserve Program—CRP), and payments under special programs, such as the Dairy Termination Program, Bernat says. The majority of payments go to farms producing corn, wheat soybeans, sorghum, rice, cotton, barley, and oats.

The data on the distribution of government payments among farm operators are from USDAs 1987 Farm Costs and Returns Survey. Taken in early 1988, the survey provides in-depth financial information on a sample representing 1.7 million farms. For farms with sales of $10,000 or more, the survey accounts for nearly 95 percent of the USDA's official estimate of 1.01 million such farms.

COTTON PAYMENTS AMONG HIGHEST

Cotton farms had the highest average payment ($38,300) per reporting farm and the second highest payments as a percent of gross cash income (19.8 percent). Cash grain farms had the second highest level of payments per reporting farm ($22,200). Payments per reporting farm and as a percent of gross cash income were much lower for farms specializing in other commodities.

Payments as a percent of gross cash income for beef, hog, and sheep operations were 5.9 percent, for dairy farms they were 3.7 percent, for all other crops 3.5 percent, and all other livestock 1.0 percent.

Direct government payments to the farm sector for calendar 1988 have been estimated at $14 billion, a decrease of 16 percent from 1987. A further decline, to perhaps $12.6 billion, is expected this year, mainly because of the 1988 drought. Since commodity prices rose when the drought reduced production, deficiency payments decreased.

The drought's full effect on government payments is delayed because of the system of periodic disbursement of deficiency payments to farmers, says Bernat. Deficiency payments are distributed at three different times, with the final one being at the end of the marketing year. The first payment to corn producers that would show a significant effect from the drought was the March 1989 payment, Bernat says.

Another factor in government payments for 1988 and 1989 is the drought aid legislation passed last August. It provided about $4 billion in assistance for farmers hit hardest by the drought.

The 4 years beginning with 1986 apparently will be the four largest ever for direct government payments, with totals (some estimated) of $11.8 billion, $16.7 billion, $14.0 billion, and $12.6 billion, respectively. Prior to 1986, payments exceeded 7 percent of gross cash income only in 1939, 1940, 1968, and 1969.

Government payments of less than 1 percent of gross cash income were recorded in 1980, three times in the mid-1970's, and for eight straight years from 1948 through 1955. But direct payments were not the main source of assistance in earlier decades.

The first direct payments to farmers were made in 1933, amounting to $131 million or 2.4 percent of gross income.

WHERE THE PAYMENTS GO

The ERS economists, in analyzing the data from the costs and returns survey, have looked at what portion of the government payments went to farmers in financial difficulty.

"Nearly 40 percent of total payments received by operators in 1987 went to farmers with high debt loads, negative cash flows, or both," says Dave Banker, another ERS economist. He adds that some farmers suf-

fering financial stress are producing commodities that are not eligible for government programs.

The commodity programs were not designed to assist only farmers with financial problems, Banker says. "We can't expect that payments will go to only those farmers in greatest financial need and bypass those who may be able to earn a profit without them. Because many current program payments are based on the potential production of eligible commodities, it is not surprising that payments are roughly proportional to the sales of these commodities."

In 1987, for example, nearly 80 percent of direct payments went to farms in the economic class (sales plus government payments) of $40,000 to $499,999. Farms in this group also had about 77 percent of the sales of major program commodities. These farms comprised about 31 percent of all farms and about 69 percent of the farms reporting payments.

Farms in the economic class of $500,000 and above received about 10 percent of total payments and had the highest average payment per reporting farm ($68,705). They were responsible for about 15 percent of total sales of major program commodities and comprised 2.7 percent of all farms receiving payments.

Nearly 44 percent of all farms were in the economic class of less than $10,000, but they received only 1.6 percent of total government payments and accounted for just 1 percent of major program commodity sales.

Farms in the class of $10,000 to $39,999 had 7.0 percent of government program commodity sales and received 8.9 percent of total government payments.

In classification by production specialty, cash grain farms led in sales of major program eligible commodities and in government payments. They received about 60 percent of total payments, had nearly 70 percent of major program commodity sales, and comprised nearly 50 percent of all farms reporting payments.

Regionally, farms in the Corn Belt, the Northern Plains, and the Lakes States received 67.4 percent of the payments, accounted for about 68 percent of major program commodity sales, and comprised nearly 66 percent of all farms reporting payments.

Government payments amounted to 14.3 percent of gross cash income in the Corn Belt, 13.8 percent in the Northern Plains, 11.2 percent in the Lake States, 9.9 percent in the Southern Plains, 9.2 percent in the Mountain States, and 8.7 percent in the Delta.

The highest average payments ($30,176 per reporting farm) went to farms in the Pacific region. Appalachia had the lowest average—$7,898. In the Delta region the figure was $25,747 and in the Mountain region it was $24,384. The Corn Belt, Northern Plains, and Southern Plains all had averages of about $19,400.

Classified by number of acres, the farms with 501 to 1,000 acres accounted for 30 percent of major program commodity sales and 29.7 percent of government payments. The farms of 1,001 to 2,000 acres had 27.3 percent of program commodity sales and 24.7 percent of the government payments.

Farms of more than 500 acres received nearly 72 percent of total payments and accounted for about 75 percent of program commodity sales. This group constituted about 19 percent of all farms and about 40 percent of those receiving a government payment in 1987.

Forty-six percent of farms had returns to equity between minus 5 percent and plus 4 percent. They accounted for 27.6 percent of major program commodity sales and 29.3 percent of total government payments. Farms with 5 to 9 percent return on equity totaled 16.3 percent of commodity sales and 14.8 percent of government payments.

Those with returns of 10 percent or higher accounted for 32.1 percent of major program commodity sales and 30.9 percent of government payments.

Farms classified as being in a vulnerable financial position n 1987 (with a negative net cash farm income and a debt-to-asset ratio above 0.40) recieved nearly 7 percent of total government payments and had about 6 percent of major program eligible commodity sales. Those farms comprised 6.8 percent of all farms.

Nearly half of all farms were categorized as being in a favorable financial position—with positive net cash farm income and a debt-to-asset ratio below 0.40. They received 62.6 percent of total government payments. Those in the "marginal solvency" category (with a debt-to-asset ratio of 0.40 or above) accounted for 20.5 percent and those with "marginal income" (negative net cash farm income) made up 10.3 percent.

CONSERVATION PAYMENTS GROWING

Conservation Reserve Program payments are making up a larger part of direct payments to the farm sector for 1988 and 1989, as deficiency payments decline, Bernat says. The CRP accounted for about 8 percent of total direct payments in 1987. This is likely to increase to nearly 10 percent for 1988, and could rise to about 20 percent in 1989, depending on the rate of signups for the program, ERS economists say.

The CRP was authorized by Congress in the 1985 farm bill. The original goal of the program was to enroll 40–45 million acres of highly erodible land by 1991. As of the end of 1988, about 28 million acres had been enrolled.

Farmers receive rental payments under contracts to leave the land idle for 10 years. They also are reimbursed for part of the cost of establishing protective soil covers of grass or trees.

GOVERNMENT PAYMENTS ARE ROUGHLY PROPORTIONAL TO VALUE OF PRODUCTION [1]

	Payments per reporting farm	Percent of total payments	Percent of major program commodity sales	Payments as percent of gross cash income
All farms	$18,017	100.00	100.00	9.16
Economic class:				
$500,000 or more	[illegible]	10.21	14.75	3.46
$250,000 to $499,999	46,416	21.31	24.23	[illegible]
$100,000 to $249,999	[illegible]	[illegible]	34.21	[illegible]
$40,000 to $99,999	14,350	21.65	18.74	12.22
$10,000 to $39,999	[illegible]	[illegible]	[illegible]	[illegible]
$9,999 or less	2,415	1.63	[illegible]	5.59
Production specialty:				
Cash grain	22,232	[illegible]	[illegible]	23.24
Cotton	[illegible]	7.76	10.[illegible]	19.81
All other crop	12,[illegible]	[illegible]	5.13	3.45
Beef, hog, sheep	17,[illegible]	17.22	11.35	[illegible]
Dairy	12,034	7.18	[illegible]	3.72
All other livestock	[illegible]	[illegible]	57	[illegible]
Region:				
Northeast	9,378	[illegible]	[illegible]	1.78
Lake States	[illegible]	[illegible]	[illegible]	11.15
Corn Belt	19,373	34.23	43.47	14.29
Northern Plains	19,481	[illegible]	15.31	13.84
Appalachia	[illegible]	1.62	[illegible]	4.31
Southeast	14,191	3.47	3.23	4.57
Delta	25,747	4.72	[illegible]	8.74
Southern Plains	19,339	8.11	5.72	[illegible]
Mountain	[illegible]	7.33	6.52	9.17
Pacific	[illegible]	[illegible]	[illegible]	[illegible]

GOVERNMENT PAYMENTS ARE ROUGHLY PROPORTIONAL TO VALUE OF PRODUCTION [1]—Continued

	Payments per reporting farm	Percent of total payments	Percent of major program commodity sales	Payments as percent of gross cash income
Financial position:				
Favorable	18,736	62.61	64.82	8.87
Marginal income	10,946	10.31	9.11	9.99
Marginal solvency	23,172	20.45	20.28	8.92
Vulnerable	17,258	6.63	5.79	12.53

[1] Data are from the 1987 farm costs and returns survey. Payments do not include net CCC losses.

NEWFOUNDLAND REMEMBERS FORT CAMPBELL SOLDIERS KILLED IN GANDER

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. SUNDQUIST. Mr. Speaker, on December 12, 1985, America lost 248 of its finest when a charter aircraft carrying units of the 101st Airborne Division crashed on takeoff from Gander, Newfoundland. After months of peacekeeping duty in the Middle East, those soldiers were coming home to Fort Campbell, part of which lies in my district.

Like many in the Fort Campbell community, I think it is important that we keep alive the memory and the spirit of those 248 soldiers. I was moved to learn that in Gander, Newfoundland, there is an on-going effort to honor the men of the 101st Airborne, and build bridges of friendship between Canadians and Americans.

July 29 of this year has been designated "Newfy-Yank Day" in Gander, marked by a testimonial dinner honoring the "Screaming Eagles." The proceeds will be dedicated to creating a living memorial to those who died on that terrible December day in 1985.

I want to publicly thank the people of Gander for their caring spirit and to wish them every success. There are many in my district who will be inspired by their example and touched, as I was, by their simple decency and kindness.

A TRIBUTE TO THE RETIREMENT OF RUTH L. BURGESS

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. HERTEL. Mr. Speaker, I rise today to recognize Mrs. Ruth L. Burgess. A life-long Michigander, Mrs. Burgess is retiring after 37 years of Federal service.

Ruth began as a clerk-typist at the Ordnance Tank-Automotive Center in 1952. She distinguished herself early on through repeated promotions and increased responsibilities. In 1978, she became the administrative staff manager and, as such, she was responsible for all personnel administration in a directorate

of over 1,000 employees. Her role as leader required specialized expertise to process the variety of ongoing actions in an accurate, professional, and timely manner. Ruth was instrumental in keeping the Material Systems Management Directorate "No. 1" in program participation. She was always willing to listen, smile, and counsel MSMD employees and those outside the directorate who sought her advice and knowledge.

Ruth has received numerous awards and letters of appreciation. She was tank automotive command's nominee for the Federal Executive Board Outstanding Employee in the administrative category. Also, in July 1987, Ruth was the recipient of the Barbara B. Tennant National Federal Employed Women Award presented in St. Louis, MO. This prestigious award recognizes an F.E.W. member who has consistently rendered outstanding service to the organization. She is a member of the F.E.W. National Board of Directors and is the Michigan State representative for the Great Lakes region.

Ruth and her husband Leroy will celebrate 42 years of marriage on September 21, 1989. They are the proud parents of two children, Ronald L. Burgess and Lynne S. Holmes. The entire family is helping Ruth celebrate her retirement.

Mrs. Burgess' retirement on June 3, 1989, as administrative officer of the Materiel Systems Management Directorate ends a unique, exciting, and gratifying career that reflected sharing, love, and caring for all people.

My dear colleagues, I ask that you join me in congratulating Ruth L. Burgess for her many years of dedication to TACOM and her continued commitment to the community.

BALTIMORE'S ARTSCAPE '89

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. MFUME. Mr. Speaker, it is my distinct pleasure to honor the Eighth Annual Festival of the Arts of Baltimore City called Artscape '89. Each year Artscape provides an exciting array of artistic endeavors and expressions that are stimulating, innovative, and fun. The diversity and quality of artistic expression is a testimony to the variety and depth of human expression. Artistic expression comes from the depths of the human soul, therefore, it is more than race, or age, or sex, or nationality even as it expresses universal truth through ethnic, religious, or racial mediums.

It is most fitting that during Artscape '89 I had the opportunity to give special recognition to a young artist from Maryland's Seventh Congressional District. High School students from across the Nation competed in "An Artistic Discovery" that chooses one winner from each congressional district. Mia Brownell, a recent graduate from the Baltimore School for the Arts, was the Seventh Congressional District's 1989 winner garnering the $500 first place prize and the distinction of hanging her art work in the corridor of the U.S. Capitol for 1 year with the other "Artistic Discovery" winners from congressional districts all across the Nation. Mr. Speaker, I ask my colleagues to join me in commending Baltimore mayor, Kurt L. Schmoke, the director of the Mayor's Committee for Art and Culture, Clair List, and the hundreds of staff, volunteers, and participants who made Artscape '89 such a great success. Baltimore Festival of the Arts is a wonderful example of Baltimore's commitment to the arts. And, Mr. Speaker, I would also like to thank the many people in the Congressional Arts Caucus and the volunteers from the many congressional districts across the country that made "An Artistic Discovery" such a wonderful success.

HOWARD DAVIS INDUCTED INTO SPORTS INFORMATION DIRECTORS HALL OF FAME

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. NEAL of Massachusetts. Mr. Speaker, Howard M. Davis, the director of sports information at the University of Massachusetts, recently received the highest honor in his profession: he was inducted into the Sports Information Directors Hall of Fame at a ceremony held in Arlington, VA. Mr. Davis richly deserves this honor.

Howard Davis, a 1966 graduate of the University of Massachusetts, became sports information director at his alma mater in August 1980. Prior to joining the UMass Athletic Department, he spent 12 years as sports information director at Springfield College, a college noted for its athletic programs and studies related to physical education. At UMass, Mr. Davis has worked diligently to improve and expand a wide range of sports programs.

In 1978, Howard Davis published the first textbook on the sports information field, "Basic Concepts of Sports Information." He is a past president of the New England and ECAC Sports Information Directors Association, and after serving a term as a college division representative in the College Sports Information Directors Association, was elected a president of CoSIDA. Davis has been active in service to the U.S. Olympic Committee and served as a press services officer at the USOC Summer Sports Festival in Syracuse in 1981. He has been cited by the Football Writers Association of America for outstanding service.

Mr. Speaker, Howie Davis is a well-known figure in western Massachusetts and around the world of college sports. His election to the hall of fame for his profession is recognition of more than 20 years of outstanding work. I congratulate Howard Davis on this honor and wish him many more years of success at the University of Massachusetts.

THE LEGAL AND POLITICAL SIGNIFICANCE OF UPGRADING UNITED STATES DIPLOMATIC RELATIONS WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1989

Mr. LAGOMARSINO. Mr. Speaker, I recently reviewed the record of floor action on H.R. 2214, a measure which would approve agreements to improve the procedures for conducting government-to-government relations between the United States and the Pacific island nations which have entered into a Compact of Free Association with our Government. In light of materials submitted for the record on this matter, there are a few points I wish to make with respect to H.R. 2214.

First, it is correct that the Compact of Free Association Act of 1985 (Public Law 99-239) embodied a jurisdictional compromise and accommodation of competing policy goals regarding management of relations between the United States and the governments of the freely associated states. Because of the role played by the Department of Interior in providing for administration of civil government in the islands during much of the trusteeship period, as authorized by 48 U.S.C. 1681 and Executive Order 11021—May 7, 1962—it was agreed that the Department of Interior should continue to play a lead role coordinating those normally domestic programs and activities extended to the islands during the trusteeship and which would continue in some form under the compact or its implementing legislation.

In addition, under the 1985 Compact Act the Department of the Interior has a vital role to play in the fiscal aspects of compact implementation, and is a designated participant in the Interagency Group on Freely Associated State Affairs—which is responsible within the executive branch under the act and Executive Order 12569—October 16, 1986—for formulation of overall U.S. policy toward the freely associated states.

The State Department is responsible under the 1985 Compact Act for managing the overall government-to-government relations with the freely associated states. This is a relationship between sovereigns, albeit one built upon the compact's unique defense provisions and numerous special arrangements which reflect the close economic and social ties developed during the trusteeship.

Free association is an international relationship arising from the compact as an international agreement. The freely associated states were not established or created by the Compact Act; that act approved the compact as a matter of U.S. law. The people of the islands approved the compact as the treaty which would define relations between their constitutional governments and the United States as former administering authority under the trusteeship.

That act of self-determination was the basis for terminating the non-self-governing status

of the peoples concerned, enabling the United Nations and the nations of the world to recognize that the goals of the trusteeship system had been fulfilled, and that the obligations of the United States under the trusteeship agreement had been discharged, with respect to those peoples. See, Hills, 18 International Lawyer (1984) 583, 602–606.

The free association relationship defined in the compact is not integration into the United States, nor is it full independence as those terms are understood in international or domestic law. Neither the trusteeship nor the compact made the United States sovereign in the islands. Nor to this date has article IV, section 3, clause 2 of the U.S. Constitution—the so-called territorial clause—ever applied to the relationship between the United States and the islands which the freely associated states comprise.

Rather, the Federal courts have ruled that the relationship between the United States and the islands arose under the trusteeship agreement and exists under the compact as treaties entered into pursuant to the foreign policy authority of the President set forth in article II, section 2, clause 2 of the Constitution. See, 6 Cl. Ct. 441 (1984) at 455. The controlling reality in our relations with the peoples concerned is their right to self-determination and their decision that the Compact of Free Association, which defines their close relationship with the United States, is the expression of their values and aspirations.

Independence or integration into the United States are political status alternatives still available to the freely associated states, as is permanent free association. See, title 4, articles III–V of the compact. Thus, it was entirely appropriate and necessary that the State Department be given lead responsibility for managing the government-to-government political relations to be conducted under the compact.

This compromise reflected competing jurisdictional and policy interests within Congress and the executive branch. What I regard as a very sound and creative accommodation of legitimate differing views is set forth in section 105(b) of Public Law 99–239. I do not believe it is correct to suggest that the agreements which would be approved by H.R. 2214 change the compromise embodied in section 105(b). Indeed, the provisions of compact section 151 and section 152 which would be modified by the H.R. 2214 agreements were not directly at issue in the compromise worked out in section 105(b).

While it may be correct that the title "U.S. Representative" was considered appropriate because that official would have responsibilities under the compact in addition to those of an ambassador in other countries, the agreements referred to in H.R. 2214, by simply changing the title of the officer involved, do not diminish the role of the Department of the Interior nor enhance the role of the Department of State under section 105(b) or with respect to the compact itself.

It nevertheless has been argued that the diplomatic arrangements provided for in these agreements alter, or "may create confusion", regarding fundamental understandings in the Compact Act about the status of the freely associated states and the allocation of authority and responsibility among Federal agencies. Yet, the agreements somehow are viewed as acceptable because they are part of the Palau compromise bill and do not actually change the status of the freely associated states or affect jurisdiction of various Federal authorities. In addition to its inherent contradictions, this argument itself may create confusion about the affect of the agreements.

To clarify the matter, I will make a few basic points. First, the agreements referred to in H.R. 2214 do not significantly alter the regime of governmental representation set forth in section 151 and section 152 of the compact as approved in the Compact of Free Association Act of 1985. The original compact provisions establish a government-to-government representation arrangement which is of a diplomatic nature. The U.S. Representative and the representatives of the freely associated states have from the outset been treated by the sending and receiving governments as diplomatic chiefs of mission.

Consistent with section 151 and section 152, our governments have been operating under the Vienna Convention on Diplomatic Relations for virtually all intents and purposes. The H.R. 2214 agreements were negotiated primarily because the mixture of consular and diplomatic practices under section 152 resulted in legal anomalies which had fiscal impact when, among other things, lawyers had to be retained by the Department of Justice to travel to the freely associated states and plead official acts of immunity instead of enabling our personnel simply to invoke diplomatic immunity when justified.

I should add that the differences between diplomatic and consular immunity had no practical or theoretical relationship to the jurisdictional compromise contained in section 105(b) of the Compact Act. Thus, converting the few areas receiving consular treatment under the compact to Vienna Convention treatment was simply a logical and cost-effective measure without any of the ominous legal or political ramifications that some have suggested.

Because changing the titles of our chiefs of mission and our diplomatic posts to conventional nomenclature also will add dignity to the U.S. presence and support the efforts of the freely associated states to project their sovereignty in the international community, early approval of the agreements would have been most advantageous to U.S. interests in the region. Thus, it is unfortunate that approval of these agreements was linked to the Palau legislation or to the jurisdictional issues which have been raised on the pretext of preserving the compromise set forth in section 105(b).

In addition to the foregoing discussion of the H.R. 2214 agreements, approval of which is long overdue, I feel compelled to address the views expressed in the record of this matter on the question of whether trusteeship termination for the freely associated states should be questioned. The statement that some form of direct U.N. Security Council approval of trusteeship termination has always been universally recognized as a requirement is incorrect both as to the Covenant for the Commonwealth of the Northern Mariana Islands [CNMI] and the compact for the freely associated states.

While there have always been academicians and bureaucrats who have assumed termination of the trusteeship could be held hostage to a veto in the Security Council, that was not the view of Congressman Mike Mansfield from Montana when he explained the trusteeship agreement to the House in July 1947. Indeed, Mansfield supported President Truman's proposal for placing the islands under a strategic trusteeship for the reason that the United States could use its veto if the Security Council ever attempted to "assert effective control" of the disposition or status of the islands. See, 93 CONGRESSIONAL RECORD 8733 (1947).

Those who now argue that we can only effect U.S. policy on the political status of the islands if no member of the Security Council chooses, for whatever reason, to veto approval of our actions are attempting gratuitously to revise history to the disadvantage of the United States. Such an approach also would give any nation on the Security Council with the veto power effective control over the question of self-determination for the peoples concerned.

Contrary to statements made regarding H.R. 2214, all executive branch representatives with direct responsibility for the Micronesian political status negotiations, based on an informed understanding of the deliberations that produced the U.N. Charter provisions on international trusteeships and the termination provisions in the trusteeship agreements, consistently declined to join in the assumptions of many about termination procedures in the Security Council.

For example, in 1975 Ambassador Williams advised Senator PELL in hearings on the CNMI Convenant which he negotiated that there was a "difference of opinion" on the question of whether Security Council approval was required, and that the most that could be said for certain was that the matter would be brought to the attention of the Security Council in the appropriate manner at the appropriate time. See, report of hearing before the Committee on Foreign Relations, U.S. Senate, 94th Congress, first session, on House Joint Resolution 549, November 5, 1975, page 108.

Similarly, with respect to the Compact of Free Association, State Department Counselor Edward Derwinski testified on this question in 1984 before Mr. FASCELL. Mr. Derwinski properly asserted the administration's position that termination of a strategic trusteeship was without precedent, and agreed with Chairman FASCELL's characterization that the United States was keeping its "options open" on whether Security Council approval would be required. See, report of hearing before the Committee on Foreign Affairs, House of Representatives, 98th Congress, second session, on House Joint Resolution 620, September 18, 1984, pages 60–61.

The reviews of the American Law Division of the Congressional Research Service are cited in support of the proposition that U.S. policy on the termination question may be invalid. However, the work of the CRS staff on this and other legal issues related to the political status process, frankly, has been discredited. I would offer two State Department letters which illustrate this point.

The first establishes in the Palauan context that the CRS was wrong, to the point of irresponsibility, in asserting that the Palau Constitution could not be amended before the compact was in effect, that there was no inconsistency between the compact and the Palau Constitution and that the Palau Constitution can be amended only at a general election. When the definitive ruling of the Supreme Court of Palau came down on these issues, implementation of the Palau Compact was impeded because of voting procedures used in the Palau legislature, not because of any legal infirmity in the positions of the Government of Palau on the fundamental constitutional issues which the CRS had addressed erroneously.

The numerous CRS papers introducing confused and implausible legal arguments into Palau's internal legal and political debate proved extremely vexatious to President Lazarus Salii, who requested the State Department to comment on the CRS reports. The second letter I am submitting is the State Department's response to Salii, which quotes Congressman Solarz referring to the same CRS studies as "shabby and shoddy." Indeed, had President Salii lived a few more days, he would have seen himself vindicated on every issue of constitutional interpretation raised in the court cases challenging the procedures followed by his administration in August 1987 to achieve amendment of the constitution and approval of the compact.

With respect to the freely associated states, the U.S. Federal courts have categorically rejected the position of the CRS on the validity of the Marshall Islands nuclear claims settlement. On the question of U.N. procedures for terminating the trusteeship only 1 out of 10 Federal judges ruling on the question suggested, in nonbinding dictum, that the lack of Security Council approval might create a de jure international law issue.

The legal significance of this dictum apparently has been misunderstood and seized upon by some to suggest that the Federal courts have rejected the State Department's position on trusteeship termination. However, the court which issued the dictum relied upon in making this assertion actually ruled—as opposed to commenting—that the "* * * question of when the Trusteeship Agreement formally has been terminated under United Nations procedures * * * is not before this court." (13 Cl. Ct. 667 (1987) at 682).

The Claims Court went on to rule in the same case that as to the freely associated states "* * * the Trusteeship Agreement is terminated in fact." Id. In international law it generally can be stated that which is de facto becomes de jure when recognized under international practice. The new status of the freely associated states as no longer being non-self-governing peoples subject to the trusteeship has received sufficient recognition by international organizations and numerous to render the de jure international legal issue a sterile nullity.

Even Judge Harkins of the U.S. Claims Court, who, while noting it was not justiciable in U.S. courts, suggested in dictum there is a de jure issue of U.N. procedure in the context of international law, concluded that the compact was in effect and that Presidential Proclamation 5564 of November 3, 1986, validly implemented the compact and the Compact Act of 1985.

Indeed, Judge Harkins dismissed the international legal issues by citing a New York Federal District Court ruling which held there was "* * * error in placing exaggerated weight on the vestigial trusteeship structure once the United States has altered its role as Administering Authority in favor of a new relationship of Free Association * * *" *Morgan* v. *Palau*, 639 F. Supp. 706 (S.D.N.Y. 1986) at 716. That ruling would have recognized Palau's new status in the absence of Security Council action if Palau's approval process subsequently had been upheld by the courts in Palau. The reasoning of the Morgan case was adopted by the Claims Court and applied to the freely associated states. 13 Cl. Ct. 667 (1987) at 682.

Thus, the statement that the U.S. courts have not accepted the President's proclamation is simply wrong, and the insinuation that the trusteeship remains in effect is misleading if applied to other than Palau. Indeed, four Federal trial judges and two three-judge appellate panels have upheld the President's actions and policies on this issue.

For example, the Federal District Court for the District of Columbia ruled "At the same time the President recognized the Marshall Islands, * * * he declared that the trusteeship agreement was no longer in effect. Proclamation 5564, 3 CFR 1986 Comp. p. 146. Although plaintiffs dispute the effect of this proclamation, as an executive exercise of the foreign relations power, it is a nonreviewable political question." *Antolok* v. *U.S. Dist. Ct.*, D.C. Civ. Action No. 85-2471 (June 16, 1987). Thus, even though section 101(a) of the Compact Act of 1985 did not include a provision expressly stating that the President's decision to implement the compact and terminate the trusteeship for the freely associated states was nonreviewable, the courts have ruled that it is nonreviewable.

Even though Judge Harkins of the Claims Court ruled in favor of the United States and dismissed all challenges to the compact, trusteeship termination and nuclear claims settlement, his dictum to the effect that "* * * the Trusteeship Agreement for the Trust Territory of the Pacific Islands has not been terminated * * *" has been taken out of context as if the court had ruled against the United States. Everyone agrees the Trusteeship agreement is still in effect as to Palau, the dispute was over its applicability to the freely associated states, and that matter has been resolved in all court cases in favor of the U.S. Government's position.

We also must read in context Judge Harkins' dictum to the effect that there "may be doubt as to the significance at international law in the November 3, 1986, Proclamation that the Trusteeship Agreement has been terminated for three governmental areas." That statement apparently has been misread as supporting the proposition that section 1002 of the CNMI Covenant, Public Law 94-241, makes the President's decision nonreviewable as to termination of the trusteeship for CNMI, but that the Presidential proclamation on trusteeship termination may be reviewable as to the freely associated states. The obvious infirmities in that analysis are numerous.

First, the courts, as we have seen in the Antolok case, have ruled that the President's proclamation is nonreviewable as to the freely associated states. Second, the dictum of the Claims Court was, as we also have seen, in the context of a ruling in which the court decided the issue of U.N. termination procedure was not before the court to be decided.

In addition, it is absurd to suggest that section 1002 of the CNMI Covenant, a statute making the President's determination that the trusteeship is terminated nonreviewable as a matter of domestic law, validates that determination as to the CNMI, but that the same determination as to the freely associated states is not valid because section 101(a) of the Compact Act does not expressly make the determination nonreviewable.

The President does not need congressional authorization to recognize new nations and terminate a vestigial trusteeship in the process, as long as that action is consistent with applicable law. This point was made in the ruling of the U.S. Court of Appeals for the District of Columbia Circuit upholding the decision of the Federal district court in the Antolok case.

In that case the court, citing Baker versus Carr, stated that "* * * without executive recognition a foreign state has been called 'a republic of whose existence we know nothing.' * * * we are called upon * * * to review the policies that underlie the very recognition of another sovereign by our own * * * It would require our invasion of their sphere * * * and it is against that very invasion that the political question doctrine protects the political realm. * * * Again, without the act of the Executive, the Republic of the Marshall Islands would be one 'of which we know nothing.'" *Antolok* v. *U.S.*, U.S. Court of Appeals for the D.C. Circuit, April 28, 1989, No. 87-5324.

Thus, under the Antolok decision the action of the President in declaring the trusteeship terminated, consistent with section 101(a) of the Compact Act of 1985, is just as nonreviewable as a matter of domestic law as is the same determination regarding the CNMI under section 1002 of the CNMI Covenant legislation. The attempt to argue otherwise is untenable and misinformed.

Moreover, the language of section 101(a) of the 1985 Compact Act dealing with trusteeship termination is one of the few provisions of the original draft resolution to approve the compact transmitted to Congress by the President on March 30, 1984, which was not subsequently modified by Congress in the act. The original provision as approved by Congress leaves unimpaired and unqualified the President's treatymaking authority to determine and implement procedures in the United Nations to terminate the trusteeship.

I should add that section 1002 of the CNMI Covenant is not limited in its application to the President's determination on trusteeship termination for the CNMI. Section 1002 is not restricted to any geographic or political entity, but applies to the question of trusteeship termination itself. The scope of section 1002 is a legal issue which need not be revisited because all Federal courts have given full effect

to the President's proclamation on trusteeship termination.

Instead of spending so much time and energy attempting to revive or vindicate obsolete legal theories which have been rejected by the courts, we should all accept and take great satisfaction in having successfully transformed U.S. relations with the islands of the trusteeship. Once non-self-governing peoples who never consented to trusteeship status, these peoples freely chose a close relationship with the United States under the compact. That is a great tribute to this Nation.

All Americans, regardless of partisan affiliation, should support the effective foreign policy measures that President Reagan and President Bush have taken to carry out the freely expressed wishes of the peoples of the former trust territory. Lest we forget, that is what the U.N. Charter and the Trusteeship Agreement was all about.

The State Department letters I referred to earlier follow:

U.S. DEPARTMENT OF STATE,
Washington, DC.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate.

DEAR MR. CHAIRMAN: On August 29, 1988, the Appellate Division of the Supreme Court of Palau issued a ruling which requires that additional steps be taken to complete Palau's internal constitutional process for approval of the Compact of Free Association. By thus exercising its power of judicial review, the Supreme Court of Palau has, as of the date of its decision, in effect overturned the August 29, 1987, certification by the government of Palau that the Compact approval process was complete. This change in the state of Palauan law obviously removes the basis for the November 30, 1987, certification by the President of the United States that Palau's approval process had been completed.

Although disappointing, the ruling clarifies complex issues of constitutional interpretation which have proven vexatious to the Government of Palau for years. For example, the court rejected the arguments, advanced by Compact opponents, that Palau's constitution can be amended to achieve compatibility with the Compact only after the Compact is in effect. The court also rejected the view that amendments may only be offered at general elections—ruling that the Palau constitution can be amended under its Article XV at any time. Finally, the court overturned the ruling of the lower court that the constitution cannot be amended to achieve compatibility between it and the Compact because there is no incompatibility between the two documents. The lower court's ruling in this regard was anomalous and, if sustained, would have restricted the methods available to the people of Palau to exercise their right of self-determination.

The court's opinion, thus, upholds the legal position of the Government of Palau on the most significant constitutional issues relating to the constitutional amendment and Compact approval procedures employed in August of 1987. However, the court found the procedure employed by the Palau National Congress to enact the legislation which authorized the vote on the constitutional amendment to be ineffective. Since that statute was ineffective to authorize a vote on the amendment which cleared the way for simple majority approval of the Compact, the 73% vote to approve the amendment was set aside. The subsequent 73% vote to approve the Compact then could not satisfy the 75% requirement which applied in absence of the amendment.

Now that this decision has finally clarified the most ambiguous provisions of Palau's constitution, the elected leadership is in a position, for the first time, to adopt a procedure for carrying out the will of the people with a high degree of confidence that the process will not be open to successful legal challenge. Indeed, for the first time since 1982 it now should be possible for Palau to employ any of the available procedures for Compact approval without the distractions of legal and political controversy over the mechanics of the approval process itself.

However, just as the choices which must be made by the people of Palau seem to be more clearly defined than ever, the lack of any United States law authorizing implementation of the Compact threatens to confuse the issues and delay the process. Consequently, the Administration urges Congress to enact legislation based upon S.J. Res. 231 and H.J. Res. 479, but which provides for implementation of the Palau Compact upon its approval in a manner consistent with the August 29, 1988, ruling of the Palau Supreme Court.

President Haruo I. Remeliik, followed by President Lazarus E. Salii, shouldered the heavy burden of leading Palau through the long and difficult struggle to render workable the overlapping and complex provisions of Palau's constitution relating to approval of the Compact. While it is a genuine tragedy that they will not be with us on that day when the goals of their long struggle are realized, it will be an appropriate tribute if we can advance the cause of Palauan self-government by clarifying the United States position in legislation providing for the earliest possible implementation of the Compact.

Sincerely,

J. EDWARD FOX,
Assistant Secretary, Legislative Affairs.

U.S. DEPARTMENT OF STATE,
Washington, DC, August 13, 1987.

Hon. LAZARUS E. SALII,
President of the Republic of Palau,
Koror, Palau.

DEAR MR. PRESIDENT: This letter responds to your request for comments on the July 12, 1987, analysis, by the Library of Congress, Congressional Research Service (CRS), of the applicability of Article XV, Section 11 of the Palau constitution.

The CRS has done similar studies on the Compact for the FSM and the Marshalls, as well as at least one prior study on the Palau constitution. Like those prior papers, the recent CRS paper on Article XV, Section 11 is, as the author admits, a "rush" job which is, at best, incomplete.

For example, at page 2 of the paper we find quoted part of a paragraph from Supplemental Standing Committee Report No. 61a, Committee on Judiciary and Governmental Affairs, March 13, 1980, which is offered in support of the proposition that an Article XV amendment is not possible until the Compact has been "approved" and is "legally in existence." However, there are in connection with this CRS theory several questions which remain unanswered:

—If an amendment is only possible once the Compact is "legally in existence", would approval by the people, as referred to in the quoted paragraph from Supplemental Standing Committee Report No. 61a, be sufficient to enable the people of Palau to amend their constitution under Article XV? Or, is it the case that the Compact is "legally in existence" only when it has taken effect? Signature by the governments is one step in the Section 411 process which has occurred, approval by the people and the government are also steps in the process. But Section 411 also requires the governments to enter into an effective date agreement. Does the Compact remain a "proposed" agreement until the governments agree on an effective date and that day arrives? CRS asserts that until "all prerequisites" under Section 411 are met the Compact is "merely a proposed document." How can this be reconciled with the prior assertion that an Article XV amendment is possible once the Compact has been "approved"—which happens to be the only Section 411 prerequisite referred to in the standing committee report?

—Does the phrase "* * * if such are approved * * *", as it appears in the quoted paragraph from Report No 61a at page 2 of the CRS study, refer to amendments of "* * * incompatible provisions of the Constitution * * *" or "* * * conflicting terms of the Compact * * *"? In either case, the language of the report quoted by CRS refers to approval "by the people in a plebiscite or referendum." Since Section 411 of the Compact is based upon international standards for self-determination (i.e., majority vote) in the referendum, is it not true that the Compact has been approved by the people in accordance with Section 411 in the votes which have been conducted? In this connection, it must be remembered that the 75% approval requirement comes from the constitution, not the Compact. In the February 1986 referendum, which was the first vote conducted under the present version of the Compact, the Government of the United States officially adopted the position that 50% approval was adequate to satisfy Section 411. Put simply, the United States agreed to a majority rule version of Section 411. The determination of the Palau Supreme Court that Palau has an internal constitutional requirement of 75% approval for the version of the Compact first voted on in February 1986 is an additional internal requirement of Palau law which does not change the terms of the Compact as agreed to by the parties. Even though there is a separate constitutional approval requirement, the Compact has been approved in accordance with its terms and now somehow—either by getting 75% or amending the constitution to eliminate the 75% requirement—must satisfy the constitutional standards in order to take effect as a matter of Palauan law.

—The stated purpose of Article XV is that of avoiding inconsistency. If the "proposed" Compact by its terms—Section 411—can be approved by 50%, which we know to be the case, and the constitution requires 75% approval, that is an inconsistency. Since implementation of the Compact cannot occur until the inconsistency is removed, is it not the case that the only way to avoid inconsistency is to amend the 75% provision so that the Compact and the constitution have consistent approval requirements?

—Doesn't the term "avoiding inconsistency" mean eliminating the inconsistency before it comes into existence? CRS suggests that the amendment cannot be made until the Compact is legally in effect and the inconsistency actually exists. However, is it possible for the Compact somehow to come "legally into existence" as a result of being approved by 50% while the constitutional requirement of 75% remains un-

changed? In that case, the inconsistency would not have been avoided. How can the two documents be "legally in existence" and yet also inconsistent? Wouldn't this defeat the stated purpose of Article XV on its face?

The preceding are just a few of the questions left unanswered by the CRS study. More fundamentally, the CRS study ignores the first sentence of the paragraph quoted on page 2 from the Palau Legislature committee report. That refers to Standing Committee Report No. 61, Committee on Judiciary and Governmental Affairs, March 5, 1980, which, at footnote 3, incorporates its Appendix IV. Although Appendix IV is a somewhat turbid analysis, its conclusion is that the Constitution allows the article XV amendment to be voted on "* * * at the same time as the compact is voted on * * *". This establishes as part of the history of Article XV the principle that the amendment to avoid inconsistency can occur before the Compact is approved or in effect. The CRS conclusion that the Article XV amendment procedure can not be implemented while the Compact is a "proposed" document is clearly inconsistent with the conclusion of Appendix IV, as incorporated into Report No. 61 and voted on by the people of Palau in 1980.

The fact that the author of Appendix IV gratuitously and without explanation embellishes this statement with a reference to subsequent, as opposed to prior, votes on the Compact is irrelevant to the question raised by CRS, which relates to whether prior approval of the Compact is required to amend the Constitution. The CRS study also fails to include the last sentence of the paragraph quoted on page 2 of that study, which states that Article XV amendments are not subject to the restrictions of Article XIV, Section 2.

These clear deficiencies in the CRS study explain why Congressman Stephen Solarz, Chairman of the House Foreign Affairs Subcommittee on Asia and the Pacific, during a hearing on the Palau Compact, stated on the record that the prior CRS study of Palau's constitution, authorized by the same person as the CRS paper under consideration here, was

"* * * a shabby and shoddy document which failed totally to address the specific points raised by the Government of Palau * * * it was unresponsive to the very serious questions for which such an objective and impartial analysis would have been very helpful * * *" See, Record of Hearings before Subcommittee on Asian and Pacific Affairs on H.J. Res. 626, May 8, May 21 and June 5, 1986, p. 146.

Perhaps the best view is that Article XV, Section 11 should be read on its face, without getting entangled in legislative history. The application of Article XV does not require elaborate interpretation. Very simply, Compact Section 411 requires a 50% vote, while certain provisions of the constitution have been interpreted as requiring 75% vote. In order to eliminate that inconsistency so that the transition to constitutional self-government can be effected, the people were to be given a choice of whether to amend the constitution. I believe the people of Palau and their leaders know that this was the intention of Article XV, regardless of what the CRS or anyone—including myself—may think about it.

Sincerely,

HOWARD L. HILLS,
Counsel of Interagency Affairs,
Office of Freely Associated State Affairs.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 13, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 14

9:00 a.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to examine airline debt and takeover issues.
SR-253

10:00 a.m.
Agriculture, Nutrition, and Forestry
Domestic and Foreign Marketing and Product Promotion Subcommittee
To hold hearings to review agricultural research and foreign marketing promotion.
SR-332

Energy and Natural Resources
To continue hearings on S. 710, S. 711, and S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

Conferees
On H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
2129 Rayburn Building

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Armed Services
Closed business meeting, to continue mark up of S. 1085, authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to consider pending nominations.
SR-222

JULY 17

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Environment and Public Works
To hold hearings on the nomination of Thomas D. Larson, of Pennsylvania, to be Administrator of the Federal Highway Administraion, Department of Transportation.
SD-406

Conferees
On H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
2129 Rayburn Building

JULY 18

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, to provide for a revitalized national housing policy.
SD-538

Energy and Natural Resources
To hold hearings on the nominations of Stephen A. Wakefield, of Texas, to be General Counsel of the Department of Energy, J. Michael Davis, of Colorado, to be an Assistant Secretary of Energy for Conservation and Renewable Energy, John J. Easton, Jr., of Vermont, to be an Assistant Secretary of Energy for International Affairs and Energy Emergencies, and Jacqueline Knox Brown, of the District of Columbia, to be an Assistant Secretary of Energy for Congressional and Intergovernmental Affairs.
SD-366

Governmental Affairs
To hold hearings on S. 244, to provide for the development and use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies.
SD-342

Special on Aging
To hold hearings on prescription drug prices.
SD-628

10:00 a.m.
Conferees
On H.R. 1278, to reform, recapitalize, and consolidate the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
2129 Rayburn Building

11:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Domestic Volunteer Service Act.
SD-430

2:00 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:30 p.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Rockwell Anthony Schnabel, of California, to be Under Secretary of Commerce for Travel and Tourism.
SR-253

JULY 19

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 999, relating to the broadcasting of certain material regarding candidates for Federal elective office.
SR-253

Governmental Affairs
To resume hearings on the recently released proceedings of the Surgeon General's Workshop on Drunk Driving.
SD-342

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on the implementation of the Defense Production Act of 1950 and competitiveness.
SD-538

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 946, to reorganize the functions of the Nuclear Regulatory Commission to promote more effective regulation of atomic energy for peaceful purposes.
SD-406

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on the comparative assessment of the U.S. Space Program.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 866, to establish the Calumet Copper Country National Historical Park in the State of Michigan, S. 931, to protect a segment of the Genesee River in New York, H.R. 419, to provide for the addition of certain parcels to the Harry S. Truman National Historic Site in the State of Missouri, and H.R. 1529, to provide for the establishment of the White Haven National Historic Site in the State of Missouri.
SD-366

JULY 20

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on the scientific base for food inspection.
SR-332

Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on the status of the *Exxon Valdez* oilspill cleanup.
SR-253

Governmental Affairs
To hold hearings on provisions of S. 135, Hatch Act Reform Amendments of 1989.
SD-342

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.
SD-430

1:00 p.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, to provide for a revitalized national housing policy, focusing on drugs in federally assisted housing.
SD-538

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on tuna management.
SR-253

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 371, to designate certain National Forest System lands in the State of Idaho for inclusion in the National Wilderness Preservation System, to prescribe certain management formulae for certain National Forest System lands, and to release other forest lands for multiple-use management.
SD-366

Finance
International Trade Subcommittee
To hold hearings on the U.S.-Japan Structural Impediments Initiative (SII).
SD-215

JULY 21

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of D. Allan Bromley, of Connecticut, to be Director of the Office of Science and Technology Policy.
SR-253

Energy and Natural Resources
To hold hearings on issues relating to the Prince William Sound oilspill.
SD-366

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 24

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Energy and Natural Resources
To hold hearings on issues relating to the Gulf of Mexico oilspill.
SD-366

JULY 25

8:30 a.m.
Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

9:30 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Governmental Affairs
To hold hearings to review U.S. trade and technology issues.
SD-342

2:00 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 26

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1009, relating to the purchase of broadcasting time by candidates for public office.
SR-253

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on proposed oilspill legislation.
SD-406

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

10:00 a.m.
Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

1:30 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1067, to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing.
SR-253

Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 27

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Governmental Affairs
To hold hearings on S. 1165, to provide for fair employment practices in the U.S. Senate and U.S. House of Representatives.
SD-342

Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on the funding of agricultural research programs.
SR-332

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 1109, authorizing funds through fiscal year 1995 for programs of the Carl D. Perkins Vocational Education Act.
SD-430

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

JULY 31

9:30 a.m.
Special Impeachment Committee
To resume evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 1

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

2:00 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 2

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 870, to label consumer products containing substances that contribute to the depletion of the ozone layer in the upper atmosphere, to regulate the sale, distribution, and use of such substances in consumer products and services in and affecting interstate commerce, and to recapture and recycle such substances.
SR-253

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 3

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

AUGUST 4

9:00 a.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

1:30 p.m.
Special Impeachment Committee
To continue evidentiary hearings in the matter relating to the impeachment of Judge Alcee L. Hastings.
SH-216

CANCELLATIONS

JULY 14

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 566, to provide for a revitalized national housing policy, focusing on community and economic development provisions.
SD-538

POSTPONEMENTS

JULY 14

9:30 a.m.
Select on Indian Affairs
To hold hearings on proposed amendments to the Indian Child Welfare Act (P.L. 95-608).
SR-485

JULY 18

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

JULY 20

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 964, authorizing funds for fiscal years 1990 and 1991 for civilian energy programs of the Department of Energy, focusing on reactor research and development, and on commercial efforts to develop advanced nuclear reactor technologies.
SD-366

JULY 21

9:30 a.m.
Select on Indian Affairs
To hold hearings to establish a Tribal Judicial Resource Center.
SR-485

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

SENATE—*Thursday, July 13, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the Honorable TIMOTHY E. WIRTH, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

As the hart panteth after the water brooks, so panteth my soul after thee, O God. My soul thirsteth for God, for the living God * * *.—Psalm 42:1, 2.

As we hear these words from the Psalm, loving God, we remember the profound statement of St. Augustine: "Thou hast made us for thyself, O God, and restless are our hearts until they repose in Thee."

We need Thee, Lord, desperately need Thee. Forgive us for satiating our bodies while we starve our souls. Quicken us to this fundamental need in our lives and grant grace to respond to Your divine initiative. Help us not to be so victimized by schedules that we make no room for Thee, take no time for Thee.

In His name who lived in unbroken fellowship with Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 13, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TIMOTHY E. WIRTH, a Senator from the State of Colorado, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WIRTH thereupon assumed the chair as Acting President pro tempore.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. Under the previous order, the time between now and 10 a.m. shall be equally divided between the majority leader and the Republican leader.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from Georgia, the acting majority leader.

Mr. FOWLER. I thank the Chair.

THE JOURNAL

Mr. FOWLER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADERS' TIME

Mr. FOWLER. Mr. President, I ask unanimous consent that the time of the majority leader and the minority leader, which under the order is scheduled from 9:45 to 10, be reserved.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. FOWLER. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from California is recognized.

PROTECTION FROM THREATENED OIL AND GAS SPILLS

Mr. WILSON. Mr. President, I wish to announce my intention to vigorously pursue the adoption here in the Senate of that same language which the House has passed now, language amending the Interior appropriations bill for fiscal year 1990, language that will extend protection to the California Outer Continental Shelf, the Outer Continental Shelf of other coastal States, from the kind of oil and gas exploration and drilling that needlessly threatens our coastal areas.

The House has seen fit to extend a moratorium on oil and gas exploration and development for another year, and wisely so. The language adopted by the House in this regard should be accepted by my colleagues on the Appropriations Committee. I hope it will. I would much prefer to see the language in the bill as it comes to the floor. But in the event that this OCS moratorium language is not reported out of the Appropriations Committee, I intend to offer it here on the floor during the consideration of the Interior appropriations bill by an appropriate amendment that will offer that safeguard.

Mr. President, I do not think I need elaborate at endless length what casual readers of our newspapers all across the Nation know.

First, we were shocked by the experience of the *Exxon Valdez* spill in Prince William Sound. The tragedy there made clear to those of us who had expressed skepticism about the ability of the oil companies to engage in the kind of spill cleanup which we were assured was not just technologically feasible and possible but virtually assured. We learned the hard way that those expectations had been greatly overblown, and the cruel fact was that technology whatever its advertised state-of-the-art was clearly insufficient.

The spill of the *Exxon Valdez* in Prince William Sound has produced lasting damage, at least damage to the marine environment there that will take years to overcome. And we are told repeatedly in good faith, I am quite sure by those who are concerned with the welfare of their constituents, those who paint stark pictures of long gas lines and brownouts, that we must do everything possible to exploit whatever resources we have on this continent and off its shores to see to it that our people are energy self-sufficient.

Mr. President, no State I concede can claim to be Camelot and off limits to efforts at energy self-sufficiency. But let us be honest, and look at the facts. Let us see how we are lessening our dependency by attacking the Outer Continental Shelf at the great risk that we have seen, understanding that risk is enhanced if, as planned by the Department of the Interior in prospective leasing, new lease sale tracts off the coast of my State and other States go forward with the expectation that the oil removed will be removed and tankered, that it will not go ashore by pipeline, but that the vast majority of it will be tankered out.

I want to look in short at the threat that is represented there. But before I do, let us look at a more fundamental

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

consideration, and that is the claim we must continue to develop all of our offshore oil in order to lessen our dependency on imported oil.

The fact, Mr. President, is that if all of the expected reserves in the Outer Continental Shelf of California were in fact tapped it would lessen our dependency on oil imports by less than 1 percent. The sad fact is, and I do think it a sad fact, we have a dependency on oil imports. Some 42 or 43 percent of the oil that we are consuming is in fact imported. But if we were to tap what they hope to be in the Outer Continental Shelf of California we would not significantly lessen that dependency.

So we must be involved in a consideration of balancing the costs of that kind of oil and gas exploration and development with an insignificant reduction in our import dependency and with a considerable enhancement of the dangers that flow. And they have to do not only with the kind of spill damage that we have seen in Prince William Sound but we have now seen in the Atlantic and gulf coasts as well and off the coast of my home county. We have seen it now off Rhode Island, off Delaware, and off San Diego. The fact of the matter is when you are dealing with tankers you are dealing with a high probability of spills.

Mr. President, let me say further that the way to deal with this is to deal with it in an up front and straightforward fashion simply stating that there are certain activities that are not worth the costs. We see not only direct damage from spills but the indirect damage both to the environment and to the economic base of a densely populated area like southern California from the fact that if additional rigs are permitted off the coast of southern California the air quality ashore will be seriously degraded. Los Angeles already suffers the worst air in the Nation. It is one of the fastest growing areas in terms of population and economic growth. But the economic growth needed to keep pace and provide jobs with that growing population is dependent upon our dealing with air quality.

Mr. President, my intention is to vigorously pursue the adoption of House-passed language to the Interior appropriations bill for fiscal year 1990 that will extend the California Outer Continental Shelf oil and gas moratorium for another year.

The House has wisely adopted language in this regard that should be accepted by my colleagues on the Appropriations Committee. In the event that this OCS moratorium language is not reported out of the committee, I will be here on the floor during the consideration of the Interior appropriations bill with an appropriate amendment.

My reasons are simple. For too long, the Senate has avoided the issue of OCS oil and gas development. We can't afford to avoid this controversial issue any longer.

Recent tanker spills in Alaska, off Rhode Island, in the Delaware River, off the coast of Galveston, TX, and most recently, off the coast of San Diego from the crippled *Exxon Valdez* tanker, are all testimonials to the enormous risks that are associated with the production and transportation of oil.

The Senate has a responsibility to confront these and other risks. We should be on record in sending a strong message to the oil industry that there are certain risks that just are not worth taking, and that until these risks have been minimized, reasonable restraints should be placed on new OCS oil and gas development.

We have known for years now that tankers pose the greatest risk of an oil spill. I remember several years ago when former Secretary James Watt was parading the Halls of Congress with charts showing that far more oil is spilled every year from tankers than from any other source, including oil platform blowouts of the sort that we had off of Santa Barbara in 1969.

I was convinced then, and in light of the *Valdez* spill, I remain convinced today. Yet, very little has been done over the years to minimize the risk of a tanker spill.

In fact, if the Interior Department gets its way, the risk of a tanker spill would be even greater than it already is off the coast of California. The Department has proposed a slew of new oil and gas production rigs in the nearshore coastal waters off California that would likely pump their oil directly into waiting tankers for transport to onshore refineries.

More oil tankers plying the coast of California is the last thing we need. As it is, we are already subject to the risks of a tanker spill from those ships that are transporting Alaskan crude down to the California and Texas refineries via the Panama Canal. Adding new California OCS tankers to those from Alaska is only going to increase the risk of a tanker spill.

But the Interior Department does not stop there. Interior has requested the Coast Guard to narrow the proposed California offshore shipping lanes to allow for more OCS tracts to be leased to the oil companies. Instead of the proposed 5-mile-wide shipping lane through which oil tankers and other ships are allowed to pass, Interior wants only two 1-mile-wide lanes to accommodate northbound and southbound traffic separated by a 2-mile buffer in which oil and gas development would be allowed.

My friends, I am appalled by this proposal. It risks the safety of vessel traffic for the questionable benefit of making a few extra OCS tracts available for the oil industry. If this is how the Interior Department proposes to minimize the risks of tanker spills, then we are in trouble.

Much the same story can be told about the Interior Department's plans to develop the OCS off the coast of Camp Pendleton in southern California. Camp Pendleton is the base used by the Marine Corps to train troops in amphibious assaults. The Navy has all sorts of marine craft maneuvering off the coast of Camp Pendleton and has long resisted the attempts by the Interior Department to lease nearshore tracts for oil and gas development. Were such development to be permitted, the combination of the new OCS platforms and the oil tankers that service those platforms could become a real problem for the Marine Corps vessels engaged in practice maneuvers.

Assurances by the Interior Department that OCS rigs and tankers can easily be avoided, even in rough weather, are not comforting. Even if this were true, I have not been convinced that the Marine Corps should compromise its practice area for the sake of a handful of OCS oil and gas tracts.

What else has been done to minimize the risk of tanker spills? The answer is not much.

Spill cleanup technology—or the lack thereof—is probably the most telling indictment of the Interior Department's plans to lease in pristine areas offshore California. State and Federal officials have admitted that little could be done to effectively contain a *Valdez* size spill off the coast of California.

The oil industry recently announced the establishment of five regional response centers that will be ready to handle any future major oilspill in U.S. waters. Yet only two of these centers will be located on the west coast in Long Beach and Seattle.

That is fine if we are talking about a tanker spill off of Seattle or Long Beach, but it does not do much for tanker spills off of northern California where new OCS development is planned by the Interior Department. By the time any containment equipment can be moved to northern California from Seattle or Long Beach, too much oil will have escaped as happened with the *Valdez* in the Prince William Sound.

The threat of tanker spills is only one very good reason to go slow on new OCS development. There are many other risks that have not been sufficiently addressed by the Interior Department.

For some time now, I have been endeavoring to sensitize Congress to the uncontrolled air pollution that is associated with offshore development. For what are seemingly inexplicable reasons, the Interior Department—not the EPA—has the responsibility for

controlling OCS air emissions. Suffice to say, the Department has been less than vigorous in pursuing this congressional mandate.

In California, a double standard exists. If an oil platform is located 2.9 miles offshore, which is to say in State controlled waters, that platform must comply with the same stringent air quality controls that onshore industry is subjected to.

But if a different platform is located 3.1 miles offshore, which is to say in Federal waters, the Interior Department requires air emission controls that are three times less stringent—even under new air rules proposed by Interior—than that which is required of the oil platform located in State waters.

The significance of this disparity lies in the fact that these offshore air emissions are blown ashore in California, thus aggravating what is already the dirtiest air in the Nation.

Despite lawsuits, letters and pleadings from all quarters except the oil industry, the Interior Department persists in allowing offshore oil rigs to emit tons of air pollutants that would otherwise be controlled were these rigs located onshore.

We in California have tried to negotiate an acceptable agreement on this and other issues with the Interior Department for several years now. Every time we think we are getting close, the oil industry pulls the plug and we find ourselves back at the beginning.

It is not that California is not willing to do its share, because we are. It seems to be a little known fact that California ranks fourth among the 50 States in overall oil and gas production. Even more to the point, California is second only to Alaska in terms of total offshore oil production.

So do not let it be said that California is not willing to do its share when it comes to producing oil and gas. But there comes a point when we have to draw a line on the level of risk we are willing to assume for the alleged benefit of new oil production.

Californians have long been sensitized to the risk of offshore development dating back to the Santa Barbara blowout of 1969. Now it appears that the Nation is similarly becoming sensitized to these risks because of the *Valdez* tragedy and the other tankers spills I mentioned at the outset.

But now that we have everyone's attention, it is time for the Senate to speak to this issue. I cannot imagine a more forceful message than an affirmative action by this body to extend the California OCS moratorium, and perhaps the moratoriums off of other similarly situated States.

With such a message, we will be telling the oil industry and the Interior Department that business as usual is not enough. We need action to minimize the threat of tanker spills, to control dirty air emissions, to minimize fishery impacts, to compensate for the loss of real estate values and all the other issues that have been at the heart of the California OCS debate for the last 8 years.

Let me conclude, Mr. President, simply by saying that it makes no sense as is presently the case to have two different agencies administering two different standards, a far less stringent standard offshore.

I simply wish to repeat again whether we are talking about the quality of air ashore, whether we are talking about the risk to environment, both fiscal and economic, there are certain activities that are not worth the cost.

I think the House has been wise in extending this moratorium. I hope that the Senate will do so. I intend to see that we have every opportunity.

I thank my colleagues for their attention and strongly encourage the Appropriations Committee to adopt the House-passed language on this issue in the Interior appropriations bill.

GAO MANAGEMENT REVIEW OF VA

Mr. CRANSTON. Mr. President, on May 18, the Department of Veterans Affairs issued a press release headlined "VA Requests GAO Study of Key Management Activities." Both the headline and the content of the release—which has been picked up by many news organizations—made it appear that a major GAO study of VA management was to be carried out at the request of and under substantial direction from the Department of Veterans Affairs.

Because it was my understanding that this GAO study was part of an ongoing, Government-wide GAO effort initiated by GAO and because I was concerned that leaving this issue unclear could perhaps lead other departments and agencies to attempt to exert direction over GAO in its major management studies and could also lead to confusion during the VA study as to GAO's responsibility for determining what was to be studied and in what manner, I wrote to Comptroller General Charles Bowsher on May 31, 1989, asking for his clarification of this matter. On June 16, 1989, Comptroller General Bowsher responded to my letter and confirmed that the GAO review in question "is part of our continuing, self-initiated effort to identify and resolve longstanding management problems at selected federal agencies." He also noted that, to date, "GAO has completed 11 of these reviews" and noted VA's strong support of GAO's effort.

Mr. President, for the information of our colleagues and members of the public who may have an interest in this matter, I ask unanimous consent that my May 31, 1989, letter, with enclosed VA press release, to Comptroller General Bowsher and his June 16, 1989, reply be reprinted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, May 31, 1989.

Hon. CHARLES BOWSHER,
Comptroller General of the United States, General Accounting Office, Washington, DC.

DEAR CHARLES: I was quite surprised to see the enclosed May 18, 1989, Department of Veterans Affairs News Release entitled "VA Requests GAO Study of Key Management Activities" as well as articles based on this release in the Washington Post (May 19) and other papers. From both the title and the content of the release, it appears that the major GAO study of VA management is to be carried out at the request and under the direction of VA. It is my understanding, however, that this study is part of an ongoing, self-initiated Government-wide GAO effort and has been planned by GAO for some time.

If my understanding is correct, I believe that it would be appropriate for your office to issue a public clarification of the background of the VA study—so as both to avoid any confusion during the balance of this study as to GAO's responsibility for determining independently what matters will be evaluated at VA and to reaffirm GAO's traditional responsibility to the Congress rather than to Executive Branch entities. Such a clarification would also help forestall other departments or agencies asserting responsibility for initiating such major management studies.

Please let me know, Charles, whether you agree with the desirability of the action I am recommending and what specific steps you take in this regard.

Thank you for your ongoing cooperation and assistance.

With warm regards,
Cordially,

ALAN CRANSTON,
Chairman.

DEPARTMENT OF VETERANS AFFAIRS,
May 18, 1989.

VA REQUESTS GAO STUDY OF KEY MANAGEMENT ACTIVITIES

The Department of Veterans Affairs and the General Accounting Office have signed a unique joint agreement that opens the way for an intense study of major management issues in the newly created Cabinet-level department.

VA Secretary Edward J. Derwinski initiated the project following discussions early this year with Comptroller General Charles A. Bowsher, who heads the GAO, the audit arm of Congress.

Derwinski said, "It is critical that VA approaches its elevation to the Cabinet by taking a fresh look at everything we do. We will have a no-holds-barred working relationship with GAO that I expect will have a very positive effect on making department-wide improvements."

Most GAO reviews of executive branch activities focus on specific programs and are conducted at the direction of Congress. In recent years, the GAO has started doing much broader general management reviews

with a long-range goal of improving overall management of federal agency operations.

The VA study will involve in-depth review of both field and headquarters management policy and procedures, and will focus on three main areas of VA activity: strategic planning, information resources management and financial management.

The strategic planning component of the study will examine how VA currently uses long-range projections to prepare for future demands on Department services and programs. The review of information resources management will cover both departmental information needs and overall system effectiveness. The financial management component will most likely focus on budgeting as well as major programs such as home loans and life insurance programs, each of which involves a variety of disbursement and collection activities.

VA is the government's second largest department and operates a nationwide system of medical facilities, benefits offices and national cemeteries formerly under the jurisdiction of the Veterans Administration. Its programs and services extend to some 27.2 million living veterans who together with some 53 million potentially eligible dependents and survivors make up about one-third of the nation's population. VA attained Cabinet rank on March 15, 1989.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, June 16, 1989.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: Your May 31, 1989, letter asked about our management review of the Department of Veterans Affairs (VA). The review is part of our continuing, self-initiated effort to identify and resolve key long-standing management problems at selected federal agencies. To date, GAO has completed 11 of these reviews, which have met with generally positive responses from the Departments's top officials.

We initiated our reviews of department-wide management systems and practices to impress upon the leaders of executive agencies the importance of improving their management practices. We believe that GAO reviews of overall management systems are an important complement to GAO reports that focus only on particular programmatic weaknesses. The broader review can serve as a framework for improving government operations over the long term.

The success of these management reviews depends very much on the cooperation and support of agency leaders. Getting action on recommendations that often call for fundamental changes in how an agency operates requires a commitment from the top down. As such, GAO, in initiating these broad management reviews, is concerned that agency leadership be supportive. I met with Mr. Derwinski shortly after his nomination to discuss our interest in conducting a management review at VA. In subsequent discussions with us, Secretary Derwinski has expressed strong support for this effort. I view his press release as his way of communicating his support to his agency and the veterans' service organizations.

While we work closely with agency management in performing our management reviews, I assure you that GAO has maintained and will continue to maintain its independence and objectivity. With VA, as we have done at other Departments, GAO will determine the key issues and objectively report our findings to the Congress as well as to agency leadership.

With the Secretary's strong support for our effort, I believe a GAO management review at VA can make important contributions to the quality of services delivered to our veterans. I would like to further discuss with you our management review program and would be happy to meet with you as soon as our schedules permit.

Sincerely,

CHARLES A. BOWSHER,
Comptroller General of the United States.

COMMENDING NORTH DAKOTA'S CENTENNIAL BAND AND CHOIR

Mr. BURDICK. Mr. President, as you may be aware, my home State of North Dakota is celebrating its centennial this year. Last week, I was part of a 4-day event called the "Party of the Century" to honor our State's 100th birthday. I again had the opportunity to marvel at the quality of our centennial band and chorus. I would like to take this opportunity to thank the talented high school students who devoted so much time in the past year to rehearsals and performances to honor our State.

The Governor's Centennial Chorus was from West Fargo High School. Under the direction of John W. Loy, the 68-voice a cappella chorus provided extraordinary music at centennial events across the State. As Gov. George Sinner said, "The chorus is a credit to North Dakota." Each and every member must be commended for the time and talent evident in each song.

I first heard the North Dakota Centennial Band at the centennial kick-off last November in Fargo. The band is made up of 200 students from 153 high schools, bringing together the most talented musicians from across North Dakota. The group was directed by Warren and Dave Koppelman of Grand Forks. The students marched at the Rose Bowl Parade in Pasadena on New Year's Day, played in many community celebrations in the State, and provided music all day on the Fourth of July, from 7 a.m. through the fireworks at midnight. Their patriotic music was truly inspiring.

A smaller group, the North Dakota Centennial Concert Band, was directed by Merton Utgaard of Bottineau and John Warren of Mandan. The band's 60 members dressed in old-fashioned garb to recreate the music of an earlier time.

Centennial activities will conclude on November 2, Statehood Day. My sincere thanks and appreciation to the young people who are providing music for North Dakota's 100th birthday, and to everyone who helped our State celebrate the "Party of the Century."

THE 1,580TH DAY OF TERRY ANDERSON'S CAPTIVITY

Mr. MOYNIHAN. Mr. President, I rise once again to speak of Terry Anderson's continuing captivity in Beirut. Today marks the 1,580th day that he has been held hostage.

In the fall of 1986, a videotape was released in Lebanon which contained a plea by Terry Anderson and fellow American David Jacobsen. I ask unanimous consent that a New York Times article on this subject be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO HOSTAGES TAPE A PLEA FOR MORE EFFORT BY UNITED STATES

(By Ihsan A. Hijazi)

BEIRUT, LEBANON, October 3.—Two American hostages pleaded for greater efforts by the United States to obtain their release in a videotape made available today by Islamic Holy War, the militant Shiite Moslem organization that says it is holding them.

The captives, Terry A. Anderson and David P. Jacobsen, asked that the same effort be made for them as was made for Nicholas S. Daniloff, an American journalist freed last Monday by Moscow.

The tape was delivered to the Beirut offices of Western news agencies along with a message in Arabic from Islamic Holy War, a shadowy organization believed to be made up of Shiite extremists loyal to the Iranian religious leader, Ayatollah Ruhollah Khomeini.

This was the first time that Mr. Anderson, the chief Middle East correspondent for The Associated Press, had been seen since gunmen kidnapped him in West Beirut March 16, 1985. Mr. Anderson, who is 38 years old, looked fit but thinner and paler than he was when abducted.

Mr. Jacobsen, head of the American University hospital, was kidnapped here on May 28, 1985. He had appeared twice on videotape, and photographs of him had been made available on four occasions since another American hostage, the Rev. Lawrence Martin Jenco, a Roman Catholic priest, was freed last July 26.

REAGAN IS BLAMED

Mr. Anderson accused the Reagan Administration of ignoring the plight of the American hostages in Lebanon while "surrendering" to the Russians in the Daniloff case.

The same message was put across strongly by Mr. Jacobsen. He said that what he called President Reagan's "mistake" over the case of the Lebanon hostages had already cost the life of William Buckley.

Mr. Buckley, an American Embassy official, was abducted March 16, 1984. A year ago Islamic Holy War said it had killed him in retaliation for the Israeli air strike against the headquarters of the Palestine Liberation Organization in Tunisia. No body has been found.

On Thursday night Channel 7, a state-run television station based in West Beirut, broadcast a videotaped plea for the release of the American hostages made by the families and Father Jenco.

The typewritten message from Islamic Holy War that was delivered today said that the Reagan Administration was responsible for the lives of the hostages in Lebanon and that any delay and "any negative action"

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

that might occur was "in the hands of Reagan and his Administration."

"Our demands are clear and known to all," the statement said. "Their realization means the release of the hostages. Any other talk is a mirage."

The message did not say what the demands were. In the past the Islamic Holy War kidnappers have said the release of the captives is conditional on the freeing by Kuwait of 17 prisoners who were convicted for their part in a series of bomb attacks there three years ago. The targets included the American and French Embassies, as well as Kuwaiti institutions.

On the videotape, Mr. Jacobsen said the condition of the hostages was very bad and had worsened in the last two months. But, he asserted, the worst pain came from being ignored by his Government.

The United States has taken the position that it will not yield to terrorists demands in order to obtain the release of the hostages. Kuwait has refused to consider the release of the prisoners it is holding, and the United States has refused to exert pressure on Kuwait to do so.

President Reagan said earlier this week that the case of Mr. Daniloff differed from that of the hostages in Lebanon because the captives in the Middle East are held by "faceless terrorists" instead of by a Government with diplomatic representation.

Islamic Holy War says it is holding a third American hostage, Thomas M. Sutherland, acting dean of the school of agriculture at the American University of Beirut. He was kidnapped in West Beirut in June 1985.

The group denied that it was responsible for the abduction of two other Americans, Frank H. Reed and Joseph J. Cicipio, the American University controller. They were seized, separately, last month in the Moslem part of Beirut.

GLOBAL CLIMATE CHANGE

Mr. CRANSTON. Mr. President, I want to join my colleagues in calling for strong leadership on the part of the administration in addressing the most serious environmental challenge we have ever faced—that of global warming.

The Paris summit, which begins today, will once again bring together the leaders of the seven industrialized nations. For the first time, the issue of the environment is on the agenda. In fact, the issue of safeguarding the environment is expected to be one of the major themes of the summit. This development, in itself, is significant. It is a recognition by world leaders of the seriousness of the issue and the key role that must be played by the industrialized nations in addressing the problem. It presents an opportunity for the United States to demonstrate to the world that it plans to play a leadership role in addressing this issue.

Mr. President, the implications of global warming are far-reaching and potentially catastrophic—virtually everything and everyone will be affected. Agriculture, coastal communities, wildlife, the wetlands, forests—each may be fundamentally and irreversibly altered.

If we fail to respond and allow present trends to continue, we can expect an increase in average global temperatures of 3 to 8 degrees Fahrenheit within the next 60 to 100 years. Forests will continue to be destroyed at a rate of one football field's worth each second—world population will continue to grow at a rate of 1.7 percent thereby doubling the population in the next 40 years. And emissions of greenhouse gases will continue to spew into the atmosphere in ever-increasing amounts.

There is a natural human tendency to deny that the problem exists because of its sheer magnitude or to view it as a something that looms way off in the distant future. But many scientists believe that global warming has already begun and the scenarios commonly associated with it are disasters that our children may encounter in their lifetimes.

Unless we take decisive action now, the problem will only become that much more intractable. Unless we make a commitment to devote our resources and make this issue a priority, we will squander the valuable time that is available to us.

It is incumbent on world leaders and public officials to continue to beat the drums in warning of the potential dangers and begin to take action to reverse current trends.

The United States and the other industrialized nations of this world must take the lead in this endeavor. Eventually, of course, every nation, every member of the global community must become part of the solution since everyone is equally threatened—equally vulnerable. We must finally recognize that our survival is inexorably linked to the fate of the globe and our actions and lifestyles come with environmental pricetags.

The Paris summit is the place to begin. President Bush must go to the summit with a strong commitment to deal with global warming. The industrialized nations must act in concert and with deliberation to establish a path toward controlling emissions of greenhouse gases and eventually stabilizing those emissions at a safe level.

The danger is clear and present. The time for action is now.

MILLICENT MONKS, CAPE ELIZABETH, ME

Mr. COHEN. Mr. President, I would like to call the Senate's attention to the outstanding accomplishments of Millicent Monks, a patron of the arts from Cape Elizabeth, ME, who now makes her home in Washington.

In her elegant and unpretentious way, she was a moving force behind the cultural renaissance in Portland in the 1970's. Those and many other outstanding achievements are now being honored formally by the creation of an endowment fund in her name that will underwrite new artistic endeavors.

These projects will be overseen by Portland Performing Arts, a nonprofit agency that this week will celebrate its fifth anniversary with a dinner-dance honoring Mrs. Monks at her Ram Island Farm in Cape Elizabeth.

A soft-spoken but persevering patron of the arts, Mrs. Monks has earned widespread admiration for her struggle to stabilize the Ram Island Dance Co., which she founded in the 1970's. But her influence extends far beyond that accomplishment, earning her the reputation as Greater Portland's "first lady of the arts."

Dynamic but gracious, charming but firm, Millie Monks is a visionary. Her dreams for the arts began in Portland but have spread beyond, to other artistic centers on the eastern seaboard. She is a great lady, deserving of recognition, and I am honored to count her among my friends.

Two articles detailing her achievements were recently published in the Portland Evening Express, and I ask unanimous consent that they be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follow:

ARTS PROJECTS ENDOWMENT ESTABLISHED—CAPE'S MILLICENT MONKS RECEIVES HONOR

(By Bob Niss)

An endowment fund to underwrite arts projects has been established in honor of a long-time Cape Elizabeth patron and is well along toward its goal of raising up to $400,000.

Interest from the Millicent Monks Trust for the Fine and Performing Arts will be used as early as next year to "support projects that initiate new artistic endeavors," according to the trust's guidelines. Those projects will be overseen by Portland Performing Arts, a nonprofit agency best known for handling the logistics of the Maine Festival and New Year's Portland.

All or most of the projects will materialize at the Portland Performing Arts Center, which will celebrate its fifth anniversary July 14 with a dinner-dance honoring Monks at Ram Island Farm in Cape Elizabeth.

It was at the sprawling Ram Island Farm estate of Monks and her husband, Robert A.G. Monks, that she launched the Ram Island Arts Center, precursor of the Ram Island Dance Company, in 1967.

After several years of mild success and occasional failure, the venture was pared to all but its modern dance element and transplanted in 1972 to the Printers Exchange Building in Portland's Old Port.

Monks relinquished control of the ensemble in 1974 and since then it has relocated to the PPAC on Forest Avenue.

But Monks has remained an active patron of the arts and most observers credit her with playing a major role in spurring the cultural renaissance that swept Portland during the 1970s.

The trust fund already shows a balance of about $125,000 toward a goal of at least $300,000 and hopefully $400,000, says Phyllis O'Neill of Portland Performing Arts.

Donations have come from the private and corporate sector, "mostly from private individuals," she says.

Only interest from the trust will be used to fund arts projects.

O'Neill expects that a committee to screen project proposals will be named shortly and "the first project awards probably will be made by next March for the 1990 season."

O'Neill notes that the trust will support the work of "living Maine artists," from musicians and dancers to painters and sculptors, and the selection process will be fairly simple.

"On an annual basis," state the trust guidelines, "project proposals will be considered that expand and further the established artistic activities of Portland Performing Arts. Specifically, the endowment will support projects that initiate new artistic endeavors at the Portland Performing Arts Center."

Projects that might receive more than casual consideration, O'Neill says, include a cooperative gallery space for visual artists, an urban folk arts or ethnic arts program, a lecture or cultural film series, a workshop program in dance or multidisciplinary arts and direct commissions of new dance choreography, plays and chamber music.

New works such as a dance piece or play would be premiered at the PPAC by Maine performers.

The funds will go directly toward the creation of a product, O'Neill stresses.

"We realized we were not so interested in an endowment that would pay for paper clips and rent as we were in an endowment whose proceeds would go directly to the source of creativity, the artist.

"That is a system which Millicent Monks supports."

Monks has been an ardent supporter of the Performing Arts Center and Portland Performing Arts because, says O'Neill, their devotion to challenging, new arts reflects her personal taste. It was logical therefore, to arrange a joining of the facility, the organization and the woman.

"It's a rather novel approach," says Alden C. Wilson, director of the Maine Arts Commission. "Many, if not most, grant programs are set up not quite so specifically. This will provide direct support for the artistic process."

Wilson calls the trust project "a real testament to the creativity of the people who put it together."

"It will be the artists and the audiences who will primarily benefit, and that's what it's all about," O'Neill says. "It has always been our goal to challenge artists, to have them create new works. It has always been Millie's intention to challenge and stimulate artists. This is a real match."

"INCREDIBLE WOMAN" DOWNPLAYS CONTRIBUTIONS

(By Bob Niss)

"It was a great surprise, a great honor," Millicent Monks says of having an endowment trust established in her honor.

"I kept thinking there's someone much more worthy of this than me. It's just unbelievable."

Monks' modesty is genuine, those who know her insist.

Annette Elowitch of Barridoff Galleries describes Monks as "an incredible woman" who deserves the honor.

"Of course she's modest about it. That's her and it is real. But it's so wonderful to be able to celebrate her life this way, to call attention to what she's done for the arts in Portland."

Monks herself downplays her contributions, though she concedes to having been "persistent" in her 1970s struggle to stabilize the Ram Island Dance Company she founded. Newsmen of the era were known to refer to her, both in and out of print, as "thoroughly stubborn Millie," a label she always found amusing and somewhat complimentary.

Former state legislator Merle Nelson, who worked as business manager of Ram Island during its infancy, thinks Monks is Greater Portland's "first lady of the arts."

"She represents the graciousness of a contributor to the arts in the true sense of the word 'patron.' She is a visionary. She was involved in the arts here when it wasn't fashionable and she was involved because it was right."

The naming of the trust in Monks' name, Nelson says, is "very appropriate. It feels just right."

Nelson's husband, Leonard M. Nelson, was chairman of the Maine Arts Commission during Ram Island's early years and credits Monks with ensuring a modern dance presence in Maine.

"Without her, there would probably be no professional dance activity in Maine," he says. "She was a unique voice at that time and place. She blazed trails in new directions, particularly in theater and dance."

Violist Julia Adams of the Portland String Quartet, which in its 20 years has performed on several occasions with the Ram Island dancers, says the entire arts community is indebted to Monks.

"All of us are grateful to a person like her, who has a vision that goes beyond one art form. Back then, 15 or 20 years ago, she was one of the key people who got the arts going here and she kept with it. Her dedication is genuine; she has been genuinely concerned about the community of the arts and the quality of life here."

While Monks has devoted most of her energy and consistently large chunks of her fortune to the Ram Island project, she has been equally generous to others, from the Portland Symphony Orchestra and String Quartet to Greater Portland Landmarks and the Maine State Ballet.

Beyond the confines of Maine, she has been a regular and significant contributor to museums, galleries and performing groups in New York, Massachusetts and Washington, D.C.

Born Millicent Sprague, she graduated from the Foxcroft School in Virginia and Sarah Lawrence College and studied voice at the New England Conservatory of Music, marrying finance executive and Republican activist Robert A.G. Monks in 1954, before earning a degree.

The couple now reside in Washington, but friends say privately that she yearns for the day they can return to the family estate in Cape Elizabeth on a full-time basis.

"Millie may be the type who moves well in Washington circles, but she's most at home right here," says one friend.

"She is a gentlelady in the same sense of someone being a gentleman," Nelson adds. "Portland is fortunate to have her."

NATIONAL HOSIERY WEEK 1989

Mr. HELMS. Mr. President, the week of August 13 to 19 will mark the 18th annual observance of National Hosiery Week. It is always a pleasure to take a moment to recognize the accomplishments of this enormously important industry.

Mr. President, 1988 was a banner year for the hosiery industry. While the textile industry as a whole continues to be plagued by a deluge of imports, the hosiery industry has been able to hold its own in the global marketplace in recent years. In fact, in 1988, imports represented just 3.7 percent of the U.S. hosiery market. That is especially significant since hosiery imports rose 14 percent in 1986 and 60 percent in 1985.

Also in 1988, exports of domestic hosiery jumped 22 percent over the 1987 level. The export figure of 6,857,683 dozen pairs is the highest since 1981.

Mr. President, the hosiery industry employs more than 68,500 in 414 plants around the Nation. While the industry has companies in 28 States, manufacturing is concentrated primarily in the Southern States: Alabama, Georgia, Kentucky, North Carolina, South Carolina, and Tennessee. Pennsylvania and New York are the main hosiery producing States in the North, and Wisconsin leads the Midwest.

The hosiery industry continues to make great efforts to improve productivity. These efforts not only make the hosiery industry more competitive, but also result in significant technological and design improvements in the manufacture of hosiery. For 1988, production rose again, up 3.7 percent over 1987, to 331,682,000 dozen pairs. This is an all-time high for the hosiery industry.

Mr. President, in many communities around the country, hosiery companies constitute a large part of the local economy. It is in these smaller communities where the hosiery industry makes its most valuable contribution. In many cases, a hosiery company will serve as the major employer in the area, providing good, stable jobs for its employees.

Mr. President, National Hosiery Week is of special importance to me because North Carolina is the leading textile State in the Nation and produces more than half the socks and pantyhose manufactured in the United States. North Carolina takes pride in the leadership of the hosiery industry and the fine quality of life that it has provided for so many people.

Once again, I'm proud to extend my appreciation to the hosiery industry and to its many thousands of employees, who make such an outstanding contribution to our Nation.

SDI IS NOT JUST A RESEARCH PROGRAM ANYMORE

Mr. JOHNSTON. Mr. President, I want to inform my colleagues of an important change in the Strategic Defense Initiative Program that funda-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

mentally alters the basic purpose of the program we have been funding. President Reagan and supporters and critics of SDI alike within this body have all often said that SDI is a research program. That was the one point on which everyone agreed. That certainly is consistent with what we were told in every SDI report to Congress from 1985 through 1988. This year there has been a change, because SDI is not just a research program anymore.

Let me first describe what Congress was told before, beginning with the 1985 report to Congress. On page 10, it describes SDI as a research program and says:

> As a research program SDI is focused . . . to bring defense options to the point where U.S. leaders, after consultation with the Allies, could make decisions on whether or not to proceed to the system development phase and subsequent deployment.

The report describes the systems development phase as what is known as the full-scale development phase. The report adds:

> During this period prototypes of actual defensive system components would be designed, built, and demonstrated.

In other words, the design, construction, and demonstration of ballistic missile defense prototypes would come after, not before, the decision by U.S. leaders and the Allies to develop and deploy SDI. The reports for 1986, 1987, and 1988, convey the same message.

For example, in the transmittal letter of June 26, 1986, for the 1986 SDI report to Congress, Secretary Weinberger said:

> The SDI research program is designed to provide the technical foundation for an informed decision by the President and the Congress in the early 1990's on whether to develop and deploy defenses against ballistic missiles.

There are many in this body who sometimes worry that we will wake up to read in the morning newspaper that SDI has conducted a test that puts us out of compliance with the ABM Treaty. After all, we learned from "Meet the Press" in 1985 that the Reagan administration regarded the ABM Treaty as meaning the opposite of what we had understood it to mean. The assurance that SDI was a research program, that SDI development would come only after a decision by the President and the Congress to develop and deploy, was reassuring.

Now this should be distinguished from the limitations of the ABM Treaty. By its literal terms the treaty prohibits both the development and the deployment of a nationwide ABM system. However, I understand that while the treaty is interpreted to prohibit the testing of ABM components or prototypes for such a system, it does not necessarily prohibit the design or construction of these components or prototypes. I suppose that this is a practical result of the difficulty of verifying design and construction of hardware. Testing we can verify.

Of course, if the United States began SDI full-scale engineering development, the Soviets would not sit on their hands and wait for some sign of a test. The ABM Treaty would be in dire jeopardy, as a practical matter.

There are good reasons why we would not want to move to develop SDI hardware until the President and the Congress, in consultation with our allies, decide to develop and deploy SDI. I suspect that even General Monahan himself would agree that we should not conduct the full-scale engineering development [FSED] of phase I of SDI unless we intend to deploy it. Why? Because that development cost will dwarf anything we've ever seen before on any prior weapons system. Normally, we don't enter FSED on a weapons system unless we are prepared to field it. It's just too expensive.

Now, Mr. President, how did all this change in 1989. Well, the transmittal letter of January 19, 1989, from Secretary Carlucci, for the 1989 SDI report to Congress says:

> This program of research, development and testing would, if adequately funded, support a fully informed decision by the President and Congress in the future on whether to deploy a strategic defense of the United States.

This letter says that the formal decision by U.S. leaders will be as to deployment. The development, including testing, could apparently already have taken place prior to that decision point. This is a major conceptual change. In fact the report itself for 1989 says on pages 3-5:

> The cutback in funding [due to the revised Five Year Defense Plan] affected all SDI-planned research and resulted in an SDI Program plan that adopted a revised program strategy. The strategy differs from that previously used in that all initial system technology will not be validated at the same time. Rather, technology for sensors and command and control functions will be validated first, then initial kinetic energy interceptors, and later advanced concepts, such as directed energy elements, for follow-on systems.

To put it in simpler words, until 1989, SDIO was proceeding with technologies in parallel so that all the necessary technologies would reach the respective milestone decision points at the same time. This year the strategy changed. Some technologies, those for sensors and BMC3, would get ahead of the others. More precisely, the weapons technologies for the space based interceptor were falling behind. The technologies necessary for the phase I system would be staggered in time. This is shown graphically in the 1989 Report to Congress on page 3-2.

Under the old promises to Congress, SDIO would not enter full-scale engineering development on any ABM components until the formal decision to develop and deploy. But SDIO couldn't make a credible case to Congress and the President on SDI full-scale development if some of the necessary, but less mature technologies weren't yet ready for full-scale development. The old promises to Congress put SDIO in a box. Thus, the promises appear to have been changed.

This year, President Reagan's budget request for fiscal year 1990 requested funding for full-scale development of SDI's phase I. Actually, the funding sought was for a sensor satellite, the Boost Surveillance and Tracking Satellite [BSTS], the only part of phase I technologically ready for such development. Later, the Bush administration dropped the request for three reasons. First, BSTS was not technologically ready to proceed to FSED. Second, ABM Treaty compliance was not yet established with respect to BSTS. Third, SDIO received advice from the Hill that moving to FSED on phase I was unwise politically.

On May 11, 1989, when General Monahan testified before the Defense Appropriations Subcommittee, I brought this issue to his attention. I presented him with a proposed amendment that in effect implemented the prior promises to Congress. I asked the General if he could live with it. It read:

> No funds in this Act may be expended for the systems development or full scale development phase of SDI, during which prototypes of actual defensive components would be designed, built, or demonstrated, until the President and the Congress, after consultation with the Allies, make a formal decision on whether or not to proceed to the system development phase and subsequent deployment of SDI.

Yesterday, General Monahan responded by letter to this proposed language. The gist of his reply, as I read it, is that the assurance made to Congress in the SDIO Reports to Congress for 1985, 1986, 1987, and 1998, is no longer operable. SDIO will propose commencing full-scale engineering development on phase I—BSTS, at least—before obtaining a decision by the President and the Congress, on SDI development and deployment. So the prior policy has changed. SDI is not just a research program.

General Monahan offers the assurance that, as with any weapons system, SDIO will not enter into full-scale engineering development until the Congress authorizes and appropriates funds for it. So there will be year-to-year consultation with Congress, although I'm not sure what we tell our allies with whom we said we would consult before beginning full-scale development.

I think the Congress should hold SDIO to their original assurances. As a policy matter, we should not com-

mence the most expensive full-scale engineering program in history unless we and the President, after consultation with our allies, are willing to deploy what we are about to approve for development. Certainly, the Congress would say no to deployment if asked today.

I ask unanimous consent that Gen. George L. Monahan's letter to me of July 10, 1989, be included in the CONGRESSIONAL RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE, STRATEGIC DEFENSE INITIATIVE ORGANIZATION,

Washington, DC, July 10, 1989.

Hon. J. BENNETT JOHNSTON,
U.S. Senate, Washington, DC.

DEAR SENATOR JOHNSTON: Thank you for your letter of May 18, 1989, asking that we review language you are considering as an amendment to the Defense Appropriations Bill for fiscal year 1990 and thereafter.

I believe the language is unnecessary: the current legislative process demands consultation with the Congress before any weapon system enters full scale development. It is not possible to enter into full scale development without authorization and appropriation of funds by the Congress. Therefore, there is no way that any element of SDI may be deployed without consultation with the Congress and subsequent approval by the Congress through legislation. A good example is the SDI Boost Surveillance and Tracking System [BSTS], the first element of SDI that would enter full scale development and subsequently be deployed. Under current plans, we will request full scale development funds (the 6.4 category) in fiscal year 1991. The authorization and appropriation legislation for fiscal year 1991 will be the necessary authority and means to proceed.

Besides being unnecessary, the proposed language has other down sides. It could inhibit our pre-full scale development research activities, which are compliant with the restrictive interpretation of the ABM Treaty, because of the sometimes ambiguous interpretations of words such as prototype and development. Much of our research—development?—uses test hardware—prototype?—that is necessary for risk reduction in the pre-full scale development phase—known as demonstration/validation. I am very concerned that the proposed language would be interpreted by some as not allowing the demonstration/validation phase to proceed. This would preclude the President and the Congress from having the necessary technical data to make an informed development decision in the future.

I appreciate the opportunity to review the proposed language. I have sent a similar letter to the Chairman of the Subcommittee on Defense Appropriations.

Sincerely,

GEORGE L. MONAHAN, JR.,
Lieutenant General, USAF, Director.

CONSTITUTIONAL AMENDMENT ON FLAG BURNING

Mr. REID. Mr. President, amending the Constitution of the United States should never be taken lightly. But this is a matter that strikes at the very truths and principles by which we stand.

Our flag has always been there for us. It should never be burned. The Supreme Court decision is what should be burned.

And I am all the more inspired having been in Boulder City, NV, this July 4 and having seen the crowds at their annual Independence Day parade rise to their feet in proud respect as our flag passed.

People worldwide who watched the recent events in China saw a powerful symbol of American freedom on their TV sets: A statue of liberty that the Chinese students had made by hand. This symbol of freedom was destroyed by the Communist government when it massacred the students. We must not allow our flag, the greatest symbol of the most successful democracy in history, to be destroyed on our shores by the enemies of freedom.

I am proud to join my colleagues this day in sponsoring a constitutional amendment to protect our flag from being burned or desecrated.

THE IMMIGRATION ACT OF 1989

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 358. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 358) to amend the Immigration and Nationality Act to change the level and preference system for admission of immigrants to the United States, and to provide for administrative naturalization, and for other purposes.

The Senate resumed consideration of the bill.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, if I understand the procedure at the present time, we are back on the immigration bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON. I have an amendment that I am prepared to offer at this time, and I would be glad to start by offering it. The managers of the bill, I think, will be here shortly. We do have, as I understand it, a one-half hour time agreement on this amendment, to be equally divided.

The PRESIDING OFFICER. That is correct, under the previous order.

AMENDMENT NO. 250

(Purpose: To Prohibit Federal Benefits for Illegal Aliens)

Mr. EXON. I claim whatever time is necessary of the 15 minutes assigned to this Senator at this time.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself and Mr. KERREY, proposes an amendment numbered 250.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert:

SEC. . (a) DIRECT FEDERAL FINANCIAL BENEFITS.—That on or after the date of enactment of this Act, notwithstanding any other provision of law, no direct Federal financial benefit or social insurance benefit may be paid or otherwise given to any person not lawfully present within the United States except pursuant to a provision of the Immigration and Nationality Act as amended; or as may be required by the Constitution of the United States.

(b) REIMBURSEMENT TO THE STATES.—No federal funds shall be used to reimburse States for benefit paid or otherwise given to any person not lawfully within the United States except pursuant to a provision of the Immigration and Nationality Act; or as may be required by the Constitution of the United States.

(c) DEFINITION.—For the purposes of this Act, the term "person not lawfully within the United States" shall be any person who at the time he or she applies for, receives, or attempts to receive such Federal financial benefit is not a United States citizen, a United States national, a permanent resident alien, an asylee, a refugee, a parolee, or a nonimmigrant in status, a temporary resident alien as conferred by Congress, those applicants for asylum determined by the Attorney General to be eligible for such benefits or other aliens determined by the Attorney General to be eligible for such benefits.

Mr. EXON. Mr. President, I am pleased to announce that my friend and colleague from Nebraska [Mr. KERREY] joins me as a cosponsor on this amendment. The amendment that I offer today is an amendment to establish a Governmentwide policy which states that direct Federal benefits shall not be paid to illegal aliens, unless specifically provided by the Immigration and Nationality Act or the Constitution.

In 1986, the Congress made good progress in the effort to control illegal immigration into the United States. By making it unlawful to hire illegal aliens, the Congress removed a powerful magnet for illegal immigration into this country. Unfortunately, another powerful magnet remains. That attraction is the real or perceived availability of Government benefits to illegal aliens.

I first introduced this legislation in April 1988, and hearings were held in the Senate Judiciary Committee. I reintroduced this bill in the 101st Congress and have written my colleagues about it in some detail. This legislation has been before the Congress and Members are familiar with it. The amendment has been only slightly

modified to meet the concerns of the bill manager, to give the Attorney General limited authority to deal with hardship cases.

Mr. President, over the years the Congress has crafted ad hoc qualifications in Federal benefit statutes. At times, due to congressional inaccuracy or expansive court interpretations, these statutes have been used to provide Federal financial benefits to illegal aliens.

This situation has led to the payment of Social Security benefits, health care benefits and housing benefits to individuals who have no legal right to even be in the United States.

If enacted, this amendment will end the uncertainty once and for all.

Studies focusing on this problem point toward an alarming and potentially dangerous drain on the Nation's financial resources if the payments are allowed to continue as they have in the past.

In 1986 the Social Security Administration reported that it paid more than $17 million to illegal aliens from Social Security funds.

The Social Security Administration estimated that by the year 2026, it could pay more than $8 billion in Social Security payments a year to illegal aliens each and every year.

This financial problem goes beyond the Federal level to the State, county and local governments as well. In 1983 the Arizona Hospital Association estimated that its taxpayers absorbed $4.4 million a year in unpaid hospital expense for illegal alien patients. It estimated this increased the costs of paying patients an average of $10.10 per day.

A 1980 study revealed that in Los Angeles County, CA, illegal aliens apply for $36 million in State social services each year. Some of these California State services were financed with Federal dollars.

In an era of massive Federal deficits, even small instances of waste, fraud and abuse cannot be tolerated.

The Federal Government must insure that limited Federal funds go to their intended beneficiaries. The Congress enacted a good law when it required the verification of status for certain entitlement programs and authorized the systematic alien verfication to be eligible for entitlement programs. This was better known as the SAVE Program.

However, these steps contained in the Immigration Reform and Control Act of 1986 can only be as effective as the interpretations of the various underlying benefit statutes. This amendment will make it clear that unless expressly authorized by the Immigration and Nationality Act, or required by the Constitution, direct Federal financial benefits will not be paid to illegal aliens.

I expect the opponents of this legislation to ask for sympathy for the illegal aliens who have come to depend on the generosity of Uncle Sam. They will certainly cite some compelling stories about illegal aliens in unfortunate situations. I am not unsympathetic. However, there are stories as dire and compelling among our own citizens as well.

When our Nation faces $150 billion budget deficits and the tight constraints of the Gramm-Rudman law, Federal dollars paid to an illegal alien, sympathetic or otherwise, are literally dollars taken away from our own citizens.

This legislation gives the Congress an opportunity to set the record straight and destroy the international folklore of Uncle Sam's deep pockets.

This measure is both a means to control illegal immigration and means to control budget deficits. Without the real or perceived attraction to Federal benefits, illegal immigration will be deterred. Without the seepage of benefits away from intended beneficiaries, money will be saved.

Simply put, Mr. President, this amendment states that Federal benefits should not go to those who are in the United States illegally. If my colleagues feel as I do, that taxpayers' dollars should not go to illegal aliens, I ask them to join me in support of this amendment.

I thank the Chair and reserve the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from Nebraska has hit upon an important issue, and one which we addressed in 1986. He states that the Federal benefits should not go to the illegal aliens. For the most part, that is already the law. In 1986 we reinforced that prohibition by enacting a nationwide verification program called SAVE, for systematic alien verification of entitlements.

Under the SAVE Program, States check with INS to ensure eligibility regarding any alien who applies for AFDC, Medicaid, food stamps, Federal housing, certain adult assistance programs under Social Security, unemployment compensation, and title IV education grants. GAO reported in March that these are being implemented satisfactorily nationwide. GAO pointed out that 91 percent of the relevant offices around the country are in full compliance.

So, I commend the Senator for bringing this issue to our attention and for his willingness to make some of the modifications we worked out yesterday. I do believe it is important to leave some flexibility with the Attorney General to address unforeseen circumstances and the Senator's amendment as now offered allows that.

One area in particular which may require further consideration is how the amendment affects Social Security. I understand that it is the Senator's primary goal in his amendment to clarify this.

I have every intention of supporting this, so I would simply ask that we continue to work together in good faith between now and the conference with Social Security experts to insure there are no unintended results. For example, what about an illegal alien who dies leaving his U.S. born children who are therefore U.S. citizens? Are they denied survivors' benefits?

What are we to do about persons who arrived illegally after World War II, had FICA withheld all their lives and now are retired? They may have benefited from the amnesty program by now, but perhaps they did not. Are they denied receiving the benefits for which they have paid in all their lives?

In addition, I do not know whether the savings which will come about will offset various retroactive file reviews which may be required, and the enforcement of the amendment's provisions, but I would hope that we could work together to adjust on this measure to take into consideration these concerns, where appropriate. For example, Social Security, which I understand may very well present some problems, should be clarified between now and the conference to try to address the particular issues I have mentioned.

Can I ask the Senator, is it the Senator's intent that the amendment encompass block grant programs such as community development and community service block grants where some illegal alients may benefit?

Mr. EXON. The answer to that question is "No." It is only direct benefit.

Mr. KENNEDY. As I say, I welcome the opportunity to support it. I would like to work with the Senator on those particular kinds of items I mentioned, as we reviewed overnight the areas which may be the most difficult in terms of the enforcement of the amendment.

We support the concept and support the objective of it and would like to work with the Senator. We urge the Senate to accept the amendment and we will work with the Senator between now and the conference to address those particular areas.

As I understand it, Social Security is one area which we would want to work with the Senator on. That is a principal matter of concern.

We are glad to urge the Senate to accept the amendment.

The PRESIDING OFFICER (Mr. REID). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank my friend from Nebraska, a

journeyman who came here when I did in the U.S. Senate.

I understand the amendment would firmly prohibit the provision of any welfare benefits to persons who are in the United States in an illegal immigration status. I am certain that many Members are asking why this amendment might be necessary since most welfare programs already require the beneficiaries be in legal immigration status, but there is a loophole in current law that has been created by a number of court decisions which allows welfare benefits to be provided to aliens in the United States who are here "permanently residing under color of law," which is a peculiar enough phrase in itself.

Thus, if the Immigration Service has not taken final action in deporting someone even if the alien does not have a proper legal immigration status, an alien may not be denied certain welfare benefits.

So I think this situation has frustrated many of our colleagues who are trying to control costs in the important area of entitlements.

We will vote on a debt limit extension in a few days of $3.2 trillion. I do not think the people of America have ever figured that out. We do not figure it out because nobody knows what that figure is. But it comes from entitlements, a great deal of it, and this dilemma becomes more serious then as the requirements of budget deficit reduction grow more critical.

My only real concern might not be appropriately placed on this bill. I think maybe Senator KENNEDY should address that. We are talking about legal immigration here and yet this amendment addresses a situation with illegal immigrants. Our friend JOHN CHAFEE, of Rhode Island, has already stepped through the boundary line in that area yesterday between legal and illegal immigration issues. I would certainly state I do not have an objection to the amendment.

Mr. MACK. Mr. President, I would like to make clear that by voting against the Exon amendment I am not advocating that illegal aliens be rewarded for breaking the law. But when Federal foreign and immigration policy fails so terribly leaving the States saddled with the cost of that Federal policy, something is very wrong.

There are huge flows of aliens flowing into the United States every day. The States have incurred great expenditures as a result. The south Florida community, for example, has embraced thousands of Nicaraguans providing them food, shelter, education, and medical services.

Florida taxpayers have already paid millions of dollars in basic services for the latest flow of Nicaraguans. Costs are expected to exceed $100 million.

The list of expenditures is endless.

Cost estimates for Florida in health care, police, corrections, and rehabilitation services are as high as $21 million over 12 months.

Dade County alone spent nearly $3.5 million in health care for indigent Nicaraguans in 1988.

The Bobby Maduro Stadium project to house homeless Nicaraguans cost Miami $200,000.

Nicaraguan students are registering at a rate of 28 a day; that's one classroom a day.

Costs continue to go unreimbursed by the Federal Government and Floridians continue to pay the bills. This is wrong.

Reimbursement to the States for failed Federal policy is something very different from direct cash assistance to illegal aliens. The principle behind the Exon amendment—to prevent direct cash payments to illegal aliens—is a sound one. But I urge my colleagues to recognize that prohibiting reimbursement to the States for costs incurred as a result of failed Federal policy is unjustified and unwarranted.

Mr. GRAHAM. Mr. President, I intend to vote against the amendment offered by the Senator from Nebraska.

In theory, his amendment makes sense. We should do everything we can to discourage illegal entry of undocumented aliens into the United States. It is absolutely vital that we maintain control of our borders and that immigration be managed in a lawful, orderly manner.

The Senator from Nebraska argues that the Federal Government should ensure that limited Federal funds go to their intended beneficiaries. We should not, he says, reward those who violate our immigration laws by providing them direct Federal financial benefits.

In theory, Mr. President, he is right. However, the reality is that the Federal Government has not done the job of managing our borders. Tens of thousands of undocumented aliens enter the United States every year and settle in a handful of States and communities. The failure of the Federal Government to enforce a rational immigration policy has cost communities in Florida, Texas, California, and elsewhere millions of dollars in emergency care, shelter, police services, education, and a host of other services.

The State of Florida is well acquainted with this reality. In the last 12 months, thousands of Nicaraguans have streamed into south Florida. In Dade County alone, over 6,000 Nicaraguan-born students registered for classes between July 1988 and May 1989. Mr. President, at this rate, the school system could have built one school a month in order to educate these students.

Jackson Memorial Hospital in Miami has already provided services to 7,000 Nicaraguans in 1988 at a cost to Dade County of $3.5 million. The city of Miami spent $200,000 housing Nicaraguans in the municipal stadium. The county estimates that it will spend more than $1 million on social services and law enforcement for this population in 1989.

Mr. President, Florida did not ask for this problem. Dade County does not have its own border patrol. We rely on the Federal Government to control our borders. Communities like Miami, Brownsville, Los Angeles, and Tucson bear the full brunt of this policy failure. They did not ask for this problem, yet they are forced to deal with its very human consequences.

Immigration control is a Federal responsibility. It is my position that the Federal Government should assume the primary financial responsibility for the community impacts caused by the immigration of refugees, immigrants, and undocumented aliens.

In short, Mr. President, this amendment allows the Federal Government to shirk that responsibility and shift it to State and local governments who do not have a role in establishing Federal immigration policy. I strongly object to this amendment and intend to vote against it.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank the managers of the bill very much. I share the concerns of both Senator KENNEDY and the assistant minority leader and I will work with them in the future. They have correctly understood the interpretation of the amendment that I have offered. As I said in my opening statement, it is not new. It has been around for some time. In fact, I made specific reference to the fact that I introduced essentially the same piece of legislation last year.

Like any other legislation or any other amendment, it may not be perfect, but it seeks to address, I think, a very vital problem, some very big loopholes, and I assure the managers of the bill this Senator will be very pleased to work with them as we proceed if this amendment is accepted by the Senate, as I encourage the Senate to do.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. I am prepared to yield back the remainder of my time if that is acceptable to the managers of the bill, if they do likewise.

Mr. KENNEDY. Mr. President, I am prepared to yield back the time as well. But to notify Senators, I would like to have a brief quorum call.

I suggest the absence of a quorum with the time to be equally divided.

29-069 O-90-41 (Pt. 10)

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. It is our intention to urge the Senate to support the amendment of the Senator from Nebraska. In order to expedite the business of the Senate and the interest of the committees, we ask unanimous consent to temporarily set aside his amendment and proceed on another amendment. Then we will vote on his amendment after the completion of the debate and the discussion on the next amendment, if that is acceptable to the Senator from Nebraska. We appreciate his cooperation.

The PRESIDING OFFICER. Is there objection to the request of the Senator?

Mr. EXON. Reserving the right to object, but I will not object, I have a matter of clarification for assistance of scheduling the time of the Senator from Nebraska for the rest of the day. I appreciate the cooperation of the managers of the bill. I have no objection to stacking the vote on this following or before the next vote and have them together. In fact, we might even save some time if we could get unanimous consent to have maybe a 10-minute rollcall vote on mine if it is last or the other one if it is last.

Is there any approximate timeframe that the managers of the bill could give this Senator as to about what approximate time I might expect the rollcall vote on my amendment?

Mr. KENNEDY. If the Senator will yield, as I understand it, now we are going to consider the amendment of the Senator from Wyoming. There is a 1-hour time limit, equally divided. I do not think we will take all of that time, myself.

I would urge the leadership, then, to consider the request of the Senator from Nebraska and, after the vote on the amendment of the Senator from Wyoming, that we move immediately to his vote. And I would urge at that time it be a 10-minute vote. I believe that will be requested by the leadership.

Mr. EXON. If I understand it then, we could anticipate two votes sometime between 11:15 and noon; is that right?

Mr. KENNEDY. I would hope so, Mr. President.

Mr. EXON. I thank the managers of the bill. If it is in order, if they agree to yield back their time, I yield back the remainder of the time reserved.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back by both sides. There is a request before the Senate at this time that the pending amendment be set aside. Is there objection to that request?

Hearing none, that is the order.

AMENDMENT NO. 251

Mr. SIMPSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] proposes an amendment numbered 251.

Mr. SIMPSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(a) on page 95, line 8, strike out "45" and insert in lieu thereof, "50";

(b) on page 97, after line 3, insert the following:

"(v) ENGLISH LANGUAGE ABILITY (20 POINTS).—For an alien who certifies, upon the date of filing a petition, subject to verification by examination after the date of selection, that he has an understanding of the English language and the ability to communicate in such language, 20 points."

(c) on page 98, line 6, strike out "65" and insert in lieu thereof, "80".

The PRESIDING OFFICER. The Senator from Wyoming is advised there is a 1-hour time limit on this amendment evenly divided between the Senator from Wyoming and the Senator from Massachusetts. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I thank the Chair for that description of the time agreement. I appreciate that.

Well, Mr. President, here we go with an amendment which will be thoroughly exciting to many. It is one of the toughest issues. We are talking about English language as being part of the point system. That was part of the bill when we passed it 88 to 4 last year. If you hear nothing else of the day's activity, I hope you hear that. The English language being 20 points in the 100-point system, was passed by this body last year, 88 to 4. That is a critical thing to remember.

So, when people stream in to do the debate about their heritage and the Statue of Liberty and all the rest that will come with that, I hope that they will recall that we passed this 88 to 4.

It is tough, emotional. The racist cry will go up. Let me tell you a little bit about my credentials in this area.

During the illegal immigration bill, there was an amendment put in on the bill by Sam Hayakawa, the Senator from California, which stated that English should be the official language of the United States. That was several years ago.

I said do not put that amendment on this bill. It is not an appropriate place to deal with that. That is an emotional, terrible issue. It has all the overtones of racism and struggle of bilingualism and all the rest. Senator Hayakawa said, I am going to go forward with it.

I fought the good fight. It passed 76 to 24. Democrats, go take a look at that rollcall and see the extraordinary array of liberals and conservatives and Democrats and Republicans who said that English should be the official language of the United States. That was a very short few years ago. It is fascinating.

I tried to ward it off. I did not vote for it. Go look and see those who did.

So now the amendment I am proposing would restore the English language ability to the point system only. That will be used to select only 9 percent of the total immigrants this bill, S. 358, would admit.

S. 358 already expands the number of independent immigrants who would enter the United States either because of a job offer of a U.S. employer or because they possess certan skills and qualities that would serve our country well: the national interest, we call that.

The skills that would have been recognized in S. 358 as originally introduced—this is the way this bill passed the Senate last time and the way it was originally introduced this time before we made the Simon adjustments. This is only for 55,000 visas out of 600,000, having to do with these qualifications in the point system: age, education, English language skills, occupational skills in short supply in the United States, and additional experience and training in a needed occupation. We think those are important parts of a point system.

An amendment at committee deleted the English language ability from that list of skills and I voted against that amendment.

What we find, and nearly every study indicates, is that immigrants with English language skills contribute to themselves and to the labor market more effectively and more immediately. It is to their benefit and best interest.

The Department of Labor's report "Work Force 2000" which has been quoted from time to time predicted that any labor shortages in the next decades will come in the skilled occupations where English ability, education, and computational skills will be essential and paramount.

The point system attempts to address this prospect by granting these 55,000 visas to persons with the skills and the qualities that our Nation is likely to be in absolute dire need of in the coming years. What the body has chosen to do in the last day and a half is to add more numbers of those who bring no discernible skills. Certainly they will bring inherent skills, they

will bring remarkable diversity. That is great.

But what we were trying to do and have tried to do throughout is to increase this diversity of the classic immigrant, that is the so-called immigrant that we think of these past days, and the independent categories and skill or bringing certain traits to the United States.

I want to say this: I do not in any way believe that English language ability should be the sole or controlling factor when admitting independent point system immigrants. In no way do I say that. But I think it is a very important variable in determining immigrant success and performance, and it should be considered along with these other factors when choosing independent immigrants only under the point system.

I emphasize again that under the bill, 91—and I hope again that this will be something my colleagues might hear—91 percent of all immigrants under this bill would not benefit from knowing English or suffer from not knowing English. It makes no difference in the other 9 percent of the persons admitted under this bill. Thus, family immigrants and business immigrants would not be included in the class of immigrants for who this English language ability is recognized. They were not even in this equation. However, for these 55,000 persons under this limited point system who will enter, and they will come in without any family ties—no family ties— or have a job waiting for them, English ability will serve them critically so and it will serve us as a Nation very well.

Some have criticized and will criticize this as a tragic departure from our Nation's heritage. That we will hear from our Nation's tradition, a return to the mean spiritedness, to the limitation of human endeavor and more. Oh, you will hear it all; that tradition of ours is not requiring an immigrant to have particular skills before he or she enters the country. Some of my Judiciary Committee colleagues noted that their relatives did not have to speak English when they entered, so we should not require a skill in these times. I hope that argument will be quickly dispatched. Our immigration laws moved away from this skills-neutral approach decades ago. For many years we have admitted aliens, and this is important, we have admitted aliens who, at the time of application for a visa, have advanced academic degrees, they have "exceptional ability in the sciences or the arts." I have not heard people object to those reasonable requirements. My immigrant ancestors certainly did not have Ph.D.'s or "exceptional ability in the sciences and the arts," nor do I imagine did many of our ancestors of many of our colleagues. Thus, we should approach the English language ability in the same way. It is simply another skill that immigrants in a very limited category might possess that would serve our country well and serve them well.

Let me emphasize that this amendment is not, despite the allegations of some, a proposal smacking of racist or ethnocentric overtones. If you wish to get a flavor of that debate, go back and look at the debate of Sam Hayakawa, the Senator from California, and those who pressed for his amendment and those who were resisting it. That is a curious amalgam.

And so we are here with this amendment which is nothing sinister. It simply restores the language which was passed in this body by a vote of 88 to 4 last year and which was in the original Kennedy-Simpson bill. Also, the English language as the official language resolution, when it was adopted on the illegal immigration bill, was in the original Simpson-Mazzoli bill. I do not care one whit if the English skill immigrant is from Nigeria, Jamaica, India, the Philippines or Belize. All are, interestingly enough, independent countries where English is commonly spoken, incidentally. I do not care at all where the immigrant is from. I am merely interested in seeing that he or she has the language skill which will assist his or her economic performance in a very limited category of persons under a very limited visa category under this bill.

However, I think if we recognize English language skills only in the point system, and that is what we do, affecting only 9 percent of the people under the bill, that will be good for public policy and it will not be a departure from the immigration laws of the past 40 years.

I will conclude, and reserve the remainder of my time, to share an incident with you that occurred during the debate on the illegal immigration bill. James Michener, the author, who I am proud to consider a lovely friend—he and Mari are special people—when he was writing his book, "Centennial," he visited with me in Cody, WY. We spent time talking about the cattle industry. He said, "Bring me some cowboys, let me talk." I said, "OK, I get to pick the cowboys and you can come and talk to them," and he did. There is no one like Jim Michener. He is the most curious, fascinating, probing, sweetest guy I have ever met, and his wife Mari, an extraordinary lady and a very gracious one.

Some of the things he said to me on that occasion I shall never forget. I intended to call him to a hearing but then we got deeply involved in illegal immigration. What he said, and I think I state it correctly, was this: The worst thing that could happen to the United States of America is bilingualism. That is what James Michener said. And at another hearing that same year, that is what Theodore White said who wrote the book, "The Making of the President." The worst thing that could happen to the United States of America would be a bilingual Nation.

There is a citation that India had 18 languages in its Constitution and was in disarray ethnically. He also said, if I paraphrase correctly and if I have not, I shall have another cherished letter from James Michener to keep in my collection, or maybe a phone call, something like this: We should embrace a public culture with a common flag and a common language. That is what he said. And that anyone may embrace and pursue their private culture in the privacy of their lives without any intrusion whatsoever, the right to be left alone. Interesting thing that came up in the Bork hearing—the right to be left alone. It does not quite say that in the Constitution. It is probably the most cherished right we have. And so they can have a private culture. If you want to go home at night and worship some object from outer space, that is your business. Whatever you do, that is your business, however, you live your life. But there is a public culture with a common language and a common flag in a pluralistic society. That is one of the reasons I think that this is an important consideration in a very limited area.

We are now a nation facing some critically strong challenges to provide large numbers of workers who can do the job. Look at the want ads. President Reagan used to get his lumps from saying I just looked at the want ads and I could not believe all the job opportunities that are out there, and they chided him on that. The reason that they are not filled is because they take a little extra level; they take a little extra soup; they take a little extra energy; they take a little extra education and that is what this point system does. It is going to be good for the country in whatever form it comes out. We have to have workers who can perform, not just "workers." That is why we get into that debate.

I do not want to open the door with my friend from Massachusetts on the minimum wage, but the training wage, the training period, those things, I do not know what is an appropriate length, but I do know we have a lot of people who are not just ready to work. They get the job and the employer says this guy is a squirrel, he does not do what I ask, does not understand and they fire him. That is the way it works in real life. Many people are hanging by their thumbs, small businesses, and this is a little leg up, people who can perform in an increasingly services-based economy.

So I encourage my colleagues to vote for the amendment and give a critical

and important edge to a very limited number of people in this bill as we face these tremendous labor market shortages of the future. I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

Mr. President, the Senator from Wyoming has correctly described the history of this particular provision. There are several reasons I had supported that particular proposal. We do not require English language for any refugees that come here. They are fleeing from persecution in fear of their lives, so we do not set that as a criterion. We do not require English language for any immigrants that come here because we put the highest value on the reunification of families. And when they come here because they have families, they come with contacts here and they have support systems here, making English unnecessary at first.

The only area where we had proposed that the English provisions apply was in the independent category as one of the ways to achieve some points. That war in that one limited area—as the Senator has correctly pointed out—comprising less than 10 percent, about 8 to 9 percent. So it is important to note that there is no language requirement for any other immigrant category.

Another point is that we have seen as a result of our hearings, in testimony from the various church agencies and from the Department of Labor, when we look at the history of both refugees and new immigrants, the individuals who are able to move into the economy most rapidly are the ones who develop English skills. That is the testimony we received. And it is part of the record. So I think it is understandably important, for the reasons the Senator has pointed out, in gaining early employment.

We are looking only at the independent category with this amendment—the individuals who come here who do not have the support systems, do not have the family here and are coming into a new land. As we are also going to require of these immigrants certain skills which are essential in terms of our own economy, unique skills that ensure they will be able to add to our economy—and the Department of Labor study will indicate what those skills are—we thought it also important that English be considered as well as a way to make those skills immediately applicable.

So that basically is the background as to how the English was put in the legislation as introduced, which I certainly supported.

Furthermore, it should be noted that English is required before individuals are able to obtain citizenship.

So that is the history, the background and the logic behind our original proposal.

There is no question, as the Senator from Wyoming has pointed out, that this issue has become a symbolic one to various groups. This in many respects has distorted the whole thrust of this legislation. That is the fact. It was certainly not the desire of the Senator from Wyoming or myself that inclusion of English in this one limited category result in such a distortion.

For the benefit of the membership, I wanted to explain why that provision initially was put in as a part of a point system. An applicant could fall into the independent category on the basis of accumulation of other points without the English language. There was no English requirement as a barrier to break through in order to qualify with the other points. It was just one of the items, for which points could be accumulated as part of a broader point system. But again there was no requirement that to get into the independent category you have to able to speak English. That was not required, but you did receive some points with English ability.

But there has been objection to this provision, and the committee made a judgment to strike that particular provision. There are Members, including my good friend and colleague and strong supporter of this legislation, our friend from Illinois, who will lay out the case in opposition to the position of the Senator from Wyoming. But I did feel compelled at least to give the history and the background of why the legislation that passed last year had the English requirement. So that very quickly is the history of this particular provision. I will have more to say a little later.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. KENNEDY. I will be glad to yield 10 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 10 minutes.

Mr. SIMON. Mr. President and my colleagues, first I would like to mention another area that is probably a minor thing on this bill, and I did not prepare an amendment. I just mention to my colleagues, Senator KENNEDY and Senator SIMPSON, that the administration testified they felt this was not a good provision in the bill—I happen to agree with the administration—and that is swearing in in Federal court rather than going through administrative procedures. I think being an American citizen is important. I think you ought to have to go into Federal court. I hope maybe, even though we have agreement on amendments, we can get one small amendment which we can discuss for 5 minutes on each side and have another vote.

Let me address the matter at hand. I think we would make a great mistake if for the first time in the more than 200 years that this Nation has existed we were to say you get a priority for coming into this country if you can speak English before you come into this country.

It is very interesting that in the Judiciary Committee we had a very heated, very lengthy debate, questioning, probing, and the decision by the Judiciary Committee was 12 to 2 that we would not keep in the special points for English, and it was interesting to hear our colleagues speak. Senator SPECTER spoke about his parents coming over who could not speak English. He could not be here today. Senator LEAHY spoke about his grandfather who came over from Italy not being able to speak a word of English. He ended up being the largest employer in that community. I happen to be a mixture of English, Danish, and German, maybe some other things. I do not know that much about my background. But at least on the Danish and German side of me, those people would have had less of a chance of coming here.

Here is a very interesting article from the Washington Post, from Boston. It says 13 of the 17 valedictorians in Boston public schools this year are foreign born, the highest number officials can remember. And then listen to this. They come from around the world including from China—did not speak English when they came in—Vietnam—did not speak English when they came in—El Salvador—did not speak English when they came in—Portugal—did not speak English when they came in—France—did not speak English when they came in—Italy—did not speak English when they came in—Jamacia, there they did, and Czechoslovakia. The article goes on to say some arrived only in the last 5 years. Most could not speak English when they arrived and one is deaf.

Senator SIMPSON mentioned another point, that we are in danger of becoming a nation that is a bilingual nation. Now, I have not seen statistics for the last 3 or 4 years, but as of about 4 years ago a study was made which showed that there were more people at that point in the United States whose mother tongue was English than at any other point in the history of this Nation, and I have every reason to believe that is true today. If you were to check at the turn of the century, for example, a far higher percentage of American citizens had their mother tongue not being English than today.

There is no question anyone who comes here, who wants to function effectively, has to learn to speak English. Everyone knows that. But we should not for the first time in the Na-

tion's history exclude people who are not fluent in English.

Take a look at the membership of this body. Senator BENTSEN's forebears came from Denmark; Senator BOSCHWITZ, Senator BREAUX, Senator COHEN, Senator D'AMATO, Senator DASCHLE, Senator DECONCINI, Senator DOMENICI, Senator DURENBERGER, Senator HEINZ, Senator INOUYE, Senator KASSEBAUM, Senator KOHL, Senator LAUTENBERG, Senator LEVIN, Senator LIEBERMAN, Senator MATSUNAGA, Senator METZENBAUM, Senator MIKULSKI, Senator MURKOWSKI, Senator RIEGLE, and Senator SARBANES.

What do all these people have in common? Some of their forebears at least came to this country without the ability to speak the English language.

I think we have to recognize that we have people who come here who enrich this Nation immensely whose mother tongue is not English. We should not be tilting in that direction. We should not for the first time in the Nation's history pass an amendment that moves in that direction. I cannot believe that we will do that. If you were to check the gallery right now, if you knew the names of every person who came here and checked their forebears, I think you would find there are quite a few of them whose parents or grandparents or great-grandparents came over here without the ability to speak the English language. They learned it.

Absolutely let us make classes available to people who cannot speak the English language. But let us not adopt an amendment like this. I think it would be a great mistake.

Mr. President, I yield the remainder of my time to Senator KENNEDY.

The PRESIDING OFFICER. Who yields time?

The Senator from Wyoming.

Mr. SIMPSON. Mr. President, Senator SIMON, has been my friend for nearly 20 years. We legislated when I was in the Wyoming legislature and he in Illinois. I have known him for a long time and have a great respect for him. He made that very effective presentation in the Judiciary Committee, and it was effective except it does not have anything to do with this amendment. The reason is this: you voted on this once before by a vote of 88 to 4. No one seemed to think that there was anything quite akin to that dramatic presentation.

My name is ALAN KOOI SIMPSON, K-o-o-i is the middle name, and it is Dutch. My grandfather came here, was orphaned at an early age, worked as a clerk in the railroad, got on the train, went to Wyoming, went in the coal business in the mines, and then finally ended up owning a coal mine.

Some of the other string of relatives from Missouri went to Wyoming, fought in the Fort Fetterman battle. And then there are some other fascinating characters, people who were hung for doing various things, a rich tapestry of Americana. You know they did not all come over on the *Mayflower*. Some of them were brought in holds of ships.

So we really do not have a great record in that area of what we have done in our past. But all of us can say that. I used to say during the debate on immigration, illegal immigration, well, what is it you want us to do? But no fair quoting from the Statue of Liberty because it did not say send us everybody you have, legally or illegally. That is not what it says on the Statue of Liberty. That is not what Emma Lazarus had in mind, and of course you get ripped around in that area. I have been there.

It is difficult for me to understand why so many of us have difficulty acknowledging the fact that English is the language of success. It does not matter what the success is, whether you are a waiter, a dishwasher, or a computer specialist. It is the language in America of success. It is the language of economic and social intercourse in the United States of America, in this Nation. No attribute or skill is more important in the obtaining of employment in the United States. If you want to know that, ask the employer. If the guy comes in to get a job and he does not speak English, the employer does not hire him. He says, "I haven't got time to teach this guy, this lady, this person the English language." That is not discrimination. I guess it is discrimination in the failure to communicate in the land where the language is English.

But I will tell you. Employment to people who really need it means self-sufficiency and more importantly it means self-esteem. You cannot have that in America unless you have some grasp, and we are talking about such a limited area. That is why—and I hope you hear this. I do not know what the Senate will do with this one. But in the House of Representatives they placed the provision in the Simpson-Rodino bill which required amnesty of aliens who learn English. That was placed in the U.S. House of Representatives. Do you not think it is going to get placed in there somewhere along the line again? I can assure you it is. That was placed in there by some remarkable Democrats and Republicans, and it was required they learn English before they were to get their green cards under the legalization process.

That is why we require knowledge of English for those who choose to become citizens. Hundreds of thousands of our immigrants never become citizens. The conversion rate from permanent resident to citizenship in regard to our neighbors in Mexico is 15 percent. They are in a position for years as permanent resident aliens where they can move on to citizenship and they will voluntarily choose not to, or 85 perent of them do not. That is I think an interesting subject.

But it surely is in their best interests and our Nation's best interests to understand the language of this country as they live and as they work here.

One other thing, and I want to address it. It appeared in the "Dear Colleague" letter of my friend from Illinois. There has been a contention by some that under a point system where English skills are recognized that an "English speaker with an eighth-grade education could get more points than a French-speaking engineer." I would like to address that briefly. That is simply not the case.

Someone with an eighth-grade education only gets no points, zero. Someone with an eighth-grade education and with English language ability gets 20 points.

Education is 25 points.

Someone with English language ability gets 20 points. Someone who is an engineer must have a bachelor's degree and thus would have 20 points and may even have an advanced degree, and that would receive 25 points. In addition, an engineer might be in a category that would receive additional points for his occupational skills which an English speaker with only an eighth-grade education would not. Thus, an eighth-grade educated English speaker would receive 20 points. A French-speaking engineer would receive from between 20 and 65 points, assuming we are not discussing points for age. Thus the contention somehow that the eighth-grade educated English speaker gets more points than a French-speaking engineer is incorrect.

I have a chart to enter in the RECORD. It shows very clearly under the point system for a 25-year-old with the attributes just discussed, and the total points is indeed more for the Ph.D., more for the person—in fact they are actually about equal. Seventy points for the 25-year-old, eighth-grade education in English, and 75 for the 25-year-old with the Ph.D. and no English.

So I think I want to express that to you because that did come up. It did not come up in this debate, but it came up in debate in the committee.

I think I shall reserve the remainder of my time. How much time is remaining?

The PRESIDING OFFICER. Seven minutes.

Mr. SIMPSON. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield such time as the Senator from Illinois may consume.

The PRESIDING OFFICER. The Senator from Illinois is recognized for

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

such time as he may consume, up to 17½ minutes.

Mr. SIMON. Mr. President, I agree with 90 percent of everything Senator ALAN SIMPSON just said. My distinguished colleague from Wyoming is absolutely correct when he says English is the language of success. There is no question about that. That is not the question before this body.

The question is, Should we require that and give extra points for that for people before they come into this country? For example, again, using this Boston public high schools example, this year, 13 of the 17 valedictorians at Boston public high schools this year were foreign born. All but one, aparently, were from a country where their parents probably did not speak English. Under this amendment, their parents would have a very, very tough time coming into this country.

My colleague talks about the 88-to-4 vote last time in the U.S. Senate. That was on the whole immigration bill. My guess is, you did not have 10 people in this body—I do not mean this disrespectfully, but we frequently do not know the details of legislation that comes before us—who knew there was such a provision here.

Senator SIMPSON mentioned that one of the enlightening things out of this—and Senator SIMPSON mentioned his middle name, and I did not know that before. He mentioned that Dutch middle name of his. I want to see that people, whether they are Dutch or German or Italian or they come from Malawi in Africa or Thailand in Asia, or wherever they come from, if their mother tongue is not English, that they have a chance to immigrate to this country.

I do not want to see us, for the first time in the Nation's history, set a different precedent. Absolutely, once people are here, learn the English language. Senator SIMPSON is absolutely correct when he says English is the language of success. Make classes available to people so they can learn English, but do not exclude people because they have not acquired the English language.

Now, on the point system, let us just take two non-English-speaking professionals, one 36 years old gets 5 points; a high school education, gets 10 points, undergraduate education, he gets a total of 25 points. Let us say that his counterpart is an English-speaking person, who is a high school dropout. He gets a total of 30 points. He gets precedent over the person who is the professional.

I do not think that makes sense. That is why the Judiciary Committee, after discussing this—and we had a lengthy and heated debate—by a 12-to-2 vote in the Judiciary Committee, we defeated the position of Senator SIMPSON. I think the Judiciary Committee acted wisely, and I hope the Senate will act wisely.

I know of no one else on this side who wants to add to the debate. Let me just check. I will yield back my time. If the Senator from Wyoming wants to do the same, then we can proceed to a vote on this.

The PRESIDING OFFICER. Thank you, Senator. The time is yielded back.

Mr. SIMPSON. Mr. President, I do not yield back the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming [Mr. SIMPSON].

Mr. SIMPSON. Mr. President, I understand one of our Members on our side needs a little notice before we get to the vote. I have 7 minutes, I think, remaining.

The PRESIDING OFFICER. The Senator has just under 7 minutes.

Mr. SIMON. How much time is remaining on this side?

The PRESIDING OFFICER. The Senator has 13 minutes and 29 seconds remaining on the Senator's side.

Mr. SIMON. Mr. President, it is most interesting to me, again, to hear the comment about the Ph.D. and the eighth grade student. I am going to enter this graph into the RECORD as if read in full. Both of them have the same points, 10 for age. Eighth grade would have none for education. The Ph.D. would have 25. English then, over to the other 25-year-old with the eighth grade education, he gets 20 for English, and the Ph.D. gets zero. Occupation, both get 20. Work experience, both get 20, and the Ph.D. gets 75 points and the eighth grade education gets 70.

Now, that is the way that is.

Mr. SIMON. Will my colleague yield?

Mr. SIMPSON. Yes.

Mr. SIMON. If I could insert the same point, where non-English-speaking professional, compare the points, together with the English-speaking high school dropout and put in those two also, so we have a couple of comparisons here in the RECORD.

Mr. SIMPSON. That is perfectly appropriate.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Points for	25-yr-old with 8th grade education and English	25-yr-old with Ph.D. and no English
Age	10	10
Education	0	25
English	20	0
Occupation	[1] 20	[1] 20
Occupation (work experience)	[1] 20	[1] 20
Total	70	75

[1] Maximum.

Non-English-speaking professional:	Points
36 years old	5
High School	10
Undergraduate	10
Multilingual	0
Total	25

English-speaking high school dropout:	
34 years old	10
No high school	0
English skill	20
Total	30

Mr. SIMPSON. Mr. President, I think as the Senator from Illinois read the list of those of us with remarkable ethnic backgrounds and the heritage of immigration—and I hope my colleagues will let me know—I doubt that few, if any of the forebears or Members of the Senate had Ph.D.'s, or perhaps even skills in short supply when they immigrated here. I do not hear any objection to awarding points for those attributes. I ask my friend from Illinois, I wonder, because one of the amendments that awaits our addressing here is an amendment from the Senator from Illinois for job offer. I wonder how many of our ancestors ever had job offers here. And, yet, my friend is going to propose to offer an amendment giving points for a job offer in the United States. I think that is a rather remarkable thing to be doing and, yet, resisting this. How many prospective immigrants have ever had that attribute? Not many. Only a few.

In this situation, it is going to affect only a few, and in this situation it is only going to affect very few, about people from one country or countries who are adversely affected; so as we get into this game, we have to be players throughout.

The pressures are tremendous. I know what that is. This is one of those issues where if you flipped off the light, you would get a whole different vote. If you flipped off the lights and shut the place down and said score it up, nobody gets a tag, you would have a real series of votes on this. It would be fascinating. I understand those pressures. I understand the pressure of reelection for my friend from Illinois. I understand the strain that comes to others in other States, because in this situation you have a situation where never before has the Asian community been so galvanized. They have learned, bless them, the political process, better than any group I have ever observed in 10 years. They know how it works—fundraisers, office calls, the whole works. They have it down. I am going to give them a grade A.

The Hispanic groups have always had a tremendous passion about this. Why not? They are the people most affected. But meanwhile, if you want to get into ethnicity, and that is what

people bring up here, the background of this is racism and ethnicity and all that stuff. You still find that the blacks are the most disadvantaged in America, and the most affected by unlimited immigration or unlimited illegal immigration. That is who is most affected. Who speaks for them?

Who speaks for the exploited? Who speaks for the middle Europeans? They were the ones in the flow originally and now all of those, 36 countries, are adversely affected by our present legal immigration system where 85 percent of the people come in in connection with family reunification, including nieces, nephews, brothers-in-law and sisters-in-law while we exclude spouses and children of permanent resident aliens.

Now you are going to come up with a bill of some kind. If it is going to be just like it is right now you have not done a thing. You have snorted and ripped and rolled around in it and just given birth to a mouse. That is what you will have done in immigration reform because of the heat, and then the American public will sit around and watch for awhile and the next time we come to an unemployment crunch you are going to find some ugly stuff come. That is too bad. That is what will happen. Forget whether it should happen. I do not want to hear any more talk about the heart and the soul. We have heard that. But heart and soul disappears when you cannot get work and you see other people from other groups. It has happened in India. It has happened in Belgium. It has happened in every other country where they have this kind of stirring. That is the way it is, too.

May I inquire of the remainder of my time.

The PRESIDING OFFICER (Mr. ROBB). The Senator has 36 seconds remaining.

Mr. SIMPSON. Thirty-six seconds? I want to reserve that very swiftly because I think my friend from Illinois will have a comment.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I think we are prepared to yield back. Whatever remaining time I will yield to the Senator from Illinois or we will yield back.

Mr. SIMPSON. Then let me expel the remainder of my 36 seconds, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming [Mr. SIMPSON] for 30 seconds.

Mr. SIMPSON. Thirty?

The Boston public school example is irrelevant to this debate. Whatever immigration or refugee provisions these bright kids come in under we have not changed those provisions one whit. Hear that. This provision only applies to 9 percent who will come under a new category. It will not affect all the other categories which will continue as they are under this amendment.

The PRESIDING OFFICER. The time for the Senator from Wyoming has expired.

Mr. SIMON. Mr. President, will the Senator from Massachusetts yield 1 minute to me?

Mr. KENNEDY. I yield the remaining time to the Senator.

The PRESIDING OFFICER. The Senator from Illinois [Mr. SIMON] is recognized, reclaiming 1 minute from the time originally yielded back.

Mr. SIMON. Senator SIMPSON is correct when he says this only applies to 10 percent of the immigration.

The question is whether for the first time in the Nation's history we should suddenly have this kind of a special preference for people who speak English.

I think it is unwise. I think our history has been a rich one, one where we pulled people in from many nations—the Swedes, the Danes, the Germans, the Italians, the Dutch, the people from Africa, the people from Asia, the people from Latin America. We are a richer nation for it.

But let us not move in this direction, and again I would simply remind my colleagues this amendment was defeated 12 to 2 in the Judiciary Committee.

I think the Judiciary Committee after a lengthy and heated debate made the right decision.

The PRESIDING OFFICER. All time having expired, the question occurs on the amendment.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum with the time not to be charged against either side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 56, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—43

Armstrong	Garn	Nunn
Baucus	Gorton	Pell
Bond	Gramm	Pressler
Burdick	Heflin	Roth
Burns	Heinz	Rudman
Byrd	Helms	Sanford
Chafee	Hollings	Shelby
Coats	Kasten	Simpson
Cochran	Lieberman	Stevens
Cohen	Lott	Symms
Conrad	Lugar	Thurmond
Dole	McClure	Wallop
Exon	McConnell	Warner
Ford	Murkowski	
Fowler	Nickles	

NAYS—56

Adams	Glenn	Mack
Bentsen	Gore	McCain
Biden	Graham	Metzenbaum
Bingaman	Grassley	Mikulski
Boren	Harkin	Mitchell
Boschwitz	Hatch	Moynihan
Bradley	Hatfield	Packwood
Breaux	Humphrey	Pryor
Bryan	Inouye	Reid
Bumpers	Jeffords	Riegle
Cranston	Johnston	Robb
D'Amato	Kassebaum	Rockefeller
Danforth	Kennedy	Sarbanes
Daschle	Kerrey	Sasser
DeConcini	Kerry	Simon
Dixon	Kohl	Specter
Dodd	Lautenberg	Wilson
Domenici	Leahy	Wirth
Durenberger	Levin	

NOT VOTING—1

Matsunaga

So the amendment (No. 251) was rejected.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SIMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 250

The PRESIDING OFFICER. Under the previous order, the vote occurs on the Exon amendment No. 250. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 6, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—93

Adams	Coats	Glenn
Armstrong	Cochran	Gore
Baucus	Cohen	Gorton
Bentsen	Conrad	Gramm
Biden	D'Amato	Grassley
Bingaman	Danforth	Harkin
Bond	Daschle	Hatch
Boren	DeConcini	Heflin
Boschwitz	Dixon	Heinz
Bradley	Dodd	Helms
Breaux	Dole	Hollings
Bryan	Domenici	Humphrey
Bumpers	Durenberger	Inouye
Burdick	Exon	Jeffords
Burns	Ford	Johnston
Byrd	Fowler	Kassebaum
Chafee	Garn	Kasten

Kennedy	Mikulski	Sanford
Kerrey	Mitchell	Sarbanes
Kerry	Murkowski	Sasser
Kohl	Nickles	Shelby
Lautenberg	Nunn	Simon
Leahy	Packwood	Simpson
Levin	Pressler	Specter
Lieberman	Pryor	Stevens
Lott	Reid	Symms
Lugar	Riegle	Thurmond
McCain	Robb	Wallop
McClure	Rockefeller	Warner
McConnell	Roth	Wilson
Metzenbaum	Rudman	Wirth

NAYS—6

Cranston	Hatfield	Moynihan
Graham	Mack	Pell

NOT VOTING—1

Matsunaga

So the amendment (No. 250) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania [Mr. SPECTER].

AMENDMENT NO. 252

(Purpose: An amendment to the Immigration Act of 1989 to increase the number of business sponsored immigrants)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. KENNEDY. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] (for himself, Mr. DECONCINI, Mr. LUGAR, Mr. GORTON, and Mr. GRAMM) proposes an amendment numbered 252.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(a) in subsection (a) of section 102 by striking "120,000" in the new "section 201(d)" [8 U.S.C. 1151(d)] and inserting "150,000".

(b) in subsection (a) of section 103—

(1) by striking "5" in the new "section 203(b)(1)" [8 U.S.C. 1153(b)(1)] and inserting "4",

(2) in the new "section 203(b)(2)" [8 U.S.C. 1153(b)(2)]—

(A) by striking "23" and inserting "28", and

(B) by inserting ", plus any visas not required for the class specified in paragraph (1)," after "worldwide level",

(3) in the new "section 203(b)(3)", [8 U.S.C. 1153(b)(3)",

(A) by striking "23" and inserting "28", and

(B) by inserting "plus any visas not required for the classes specified in paragraphs (1) and (2)," after "worldwide level,", and

(4) by striking "4" in the new "section 203(b)(4)" [8 U.S.C. 1153(b)(4)] and inserting "3.2".

AMENDMENT NO. 250

Mr. EXON. Mr. President, will the Senator yield for 30 seconds without losing his right to the floor?

Mr. SPECTER. Without losing my right to the floor, Mr. President, I ask unanimous consent that the Senator from Nebraska may be recognized

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I appreciate the courtesy extended by my friend from Pennsylvania.

Mr. President, I neglected to indicate previously that Senator HARKIN wanted to be a cosponsor on the amendment. I ask unanimous consent that he be added at this time as an original cosponsor to the amendment that has just been agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I thank the Chair, and I thank my friend from Pennsylvania.

Mr. HARKIN. Mr. President, will the Senator yield for 1 minute?

Mr. SPECTER. Mr. President, I yield to the Senator from Iowa without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Chair recognizes the Senator from Iowa for 1 minute.

Mr. HARKIN. I thank my friend from Pennsylvania for yielding out of order on this.

I wanted to thank my friend and colleague from Nebraska [Mr. EXON]. I am on the Committee on Appropriations that deals with a lot of these funds that will go out dealing with Social Security programs. I hear time and time again, not only from Iowa but from other places, about why they are taking cuts and being forced to pay more for health care and increases in premiums, and yet people who have not paid 1 cent to the system are illegal aliens taking out of the program.

Again I want to compliment the Senator from Nebraska for a great amendment, one that will cut down on fraud, waste, and abuse in the Social Security System, and make sure the intended beneficiaries are the ones getting the benefits, and not the people who are illegal aliens in this country.

I want to thank my friend for his leadership on this issue.

Mr. EXON. Mr. President, I thank my friend and colleague from Iowa. I appreciate the fact he is a cosponsor. I apologize for not putting him on as I intended to earlier. He has now a chance to follow through with his important responsibilities in the Appropriations Committee to help us out in the implementation of this.

AMENDMENT NO. 252

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SPECTER] has the floor.

Mr. SPECTER. I thank the Chair.

Mr. President, the amendment that has been submitted has been proposed on behalf of Senator DECONCINI, Senator LUGAR, Senator GORTON, Senator GRAMM, and myself.

Mr. President, this amendment would provide for 30,000 additional visas for immigrants, and it would seek to increase the cap provided in the existing legislation so that workers who are skilled in a variety of contexts could be admitted.

This amendment has the support, very broadly based, of the U.S. Chamber of Commerce, the American Council on International Personnel, the National Foreign Trade Council, the American Council for Nationalities Services, the American Immigration Lawyers Association, the A. Philip Randolph Institute, the Chicago Committee for Immigrant Refugee Protection, the Cuban-American National Council, the Indochina Resource Action Center—just illustrative of the kind of support which is present.

I ask unanimous consent that the organizations in support of this amendment be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Mr. President, the amendment providing for 30,000 additional visas for business immigrants will be divided equally between the third and sixth preference categories. The third preference category is for members of professions and persons of exceptional ability in the sciences and the arts. The sixth preference category is for skilled workers in short supply.

Mr. President, under current law 54,000 visas are provided for in these categories, and Senate bill 358 would raise that number to 55,000 divided equally, an increase of only 1,000.

Mr. President, the experience has demonstrated that there is a significant demand for more business visas. More than half of the current 54,000 business visas are used for family dependents. I do not quarrel with that allocation. But the result is that less than 25,000 visas actually go to the workers.

Beyond that, Mr. President, the waiting period for the third preference in the exceptional worker category is approximately 1 year. And the waiting period for skilled workers in the sixth category is approximately 3 years.

In January of this year, 1989, a State Department report on immigrant visa categories estimated that the current 1989 business immigration demand is approximately 85,000. An increase in the business-sponsored visas, Mr. President, will not affect U.S. workers. The employer of a business immigrant must obtain, according to this amendment, Labor Department certification,

and according to existing law actually—that "no qualified U.S. workers are available" for the position to be filled, and employment of the immigrant will not harm the wages and working conditions of other workers in the United States. Therefore, providing additional business-sponsored visas will also not affect the availability of visas for family-sponsored immigration which is in a separate immigration category.

Mr. President, there can be little doubt that there would be enormous benefit to our country if we were to have an addition of these highly skilled people who are in great demand currently in the United States. And the list of companies which have endorsed this legislation—Smith Kline Beckman, BASF Corp. Rohm & Hass, McGraw-Hill, North Texas Immigration Coalition, not a company, Deloite, Haskins and Sells, Microsoft Corp., International Paper, Pechiney Corp., POMA of America, Inc., and others—have come forward because of the particularly acute need which they have for immigrants in this category.

The principal objection which has been advanced by the distinguished managers of the bill, Senator KENNEDY and Senator SIMPSON, has been that the amendment would call for an increase above the current cap of 600,000 allowed in from the legislation. I join with many of my colleagues who have spoken about the bill in complimenting Senator KENNEDY and Senator SIMPSON for their extraordinary diligence in bringing this bill to the floor. And really for their extraordinary diligence over the past decade or more.

I heard Senator SIMPSON speak frequently and eloquently about his "10-year sentence" on the Immigration Committee and subcommittee, which he chaired for many years. There has truly been an outstanding job done by Senator SIMPSON and Senator KENNEDY in bringing forth this legislation.

I submit, Mr. President, that there is no magic in the number of 600,000, and that obviously immigration is a matter of great importance to the United States, and certainly, it is of great importance to the individuals who seek admission to the United States.

I believe, Mr. President, that we ought to be constantly reminded of the roots of our country and the roots of our country being the immigrants, of course, in addition to the Indians, who are native Americans. This country has become a great country because we have been a country of immigrants, and my own preference, Mr. President, would be to have a number significantly larger than 600,000, providing that there could be a national control, in the interests of our country, which would have a qualitative effect on those who are being admitted into this country.

I come to this issue, Mr. President, with a point of view, you might even say a substantial bias, because my parents were both immigrants. My father came to this country in 1911 at the age of 18 from Russia. It was not the Soviet Union then. He came to this country to escape the czar's boot. He did not want to be constricted. He came with no rubles in his pcoket, having come in steerage from Russia. My mother came to this country at the age of 5 with her family, who came from a section of Russo-Roland which had changed hands many times. That gives me, obviously, a very decided view of the status of an immigrant.

I regret that I could not have been here earlier to discuss other amendments, but I have been occupied as vice chairman of the Hastings impeachment panel, which requires my attention, where we have established hours from 9 to 5:30, with an hour-and-a-half for lunch. I thank the managers of the bill for accommodating my schedule to be able to offer this amendment, substantially during the luncheon break. I would have liked to have been present to have discussed the issue of the English speaking preference. I did so in the subcommittee, and I believe that it bears on the amendment which is now on the floor.

My own view is that speaking English ought not to have a preference, and I say that basically because my father could not speak English when he came to this country, but he had great potential. My mother was only 5 when she came, so the fact that she could not speak English at that time was not determinative.

Our family has produced—both my father's family and my grandparents on my mother's side have produced a scientist, artist, and doctors, and some lawyers. My son is a lawyer. My father came to this country, and he could not speak English very well. He was a soldier in World War I, where he was a doughboy with the exhalted rank of buck private, when he served his country in Argonne Forest and sustained shrapnel in the leg. The shrapnel stayed with him until the day he died.

I respond, perhaps viscerally, but very strongly against the issue of having a preference for English, and I am glad to see that it was soundly defeated. When the amendment came before the Judiciary Committee, it lost, as I recollect, on a vote of 10 to 2, and even some in subcommittee changed their views, when we had the vote in the Judiciary Committee. I think if more Senators had a chance to study the impact of the limitation on English and the potential that has been produced in this country by immigrants who could not speak English, that the vote would have been much more lopsided than it was, rejecting a preference for those who could speak English.

Mr. President, I think that some significant improvements have been made in this bill otherwise. There was an amendment offered yesterday by Senators HATCH and DECONCINI, and I will take just a moment to express my own view that, had I been present on the floor or had an opportunity to submit a written statement, I would have supported that amendment strongly, as I did vote for it, which set an annual floor of 216,000 visas for the family connection categories to ensure that family preference immigration is not eliminated over time.

I make those comments, Mr. President, to express my own views on the value to this country to have immigrants. We should not be parsimonious and we should not be excessively restrictive in keeping down the number of immigrants. There is no magic in the number of 600,000. The distinguished Senator from North Carolina had offered an amendment very similar to the one that I am offering, except for the proposition that he would have taken the number from the 600,000. I understand the position of the distinguished Senator from North Carolina, and we have discussed the matter, and our differences are slight. My own view, as I have expressed to Senator HELMS, has been my concern about not eliminating others who might gain access to this country.

An argument was made that the last amendment on English-speaking preference should be passed because it only affected 9 percent. Well, this Senator feels very strongly about 1 percent. This Senator feels very strongly about one immigrant, because there is an immigrant well known to this Senator, who, if he had not gotten into the United States; namely, my father, Harry Specter, it would have made a tremendous difference. So I think each place is of vital importance, and I would not want to sacrifice one place, let alone 30,000 places, which this amendment would provide.

The existing quotas, numbers, allowances, will be in place, whether this amendment is agreed to or not, and that is as it should be. I do not think that any individual ought to be deprived of the opportunity which he or she would have had, but for this kind of an amendment. I realize the ease of the adoption of this amendment, if we were to displace 30,000 other people. I think that would be fundamentally unfair. But if you take a look at this amendment strictly on its own merits, in terms of what is the value for the United States in having well-qualified people who would be admitted into these categories, and the demand which is present to have these skilled workers, to have these technicians and

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

scientists, it would be tremendous for the United States.

It would give us increased technical know-how, productivity, additional income; it would add to the tax base in this country. And my own view is that there is absolutely no reason why those people ought to be excluded, whatever may happen to the rest of this immigration bill.

Mr. President, I ask how much time I have remaining.

The PRESIDING OFFICER (Mr. ADAMS). The Senator has 30 minutes and 35 seconds.

Mr. SPECTER. I am almost up to the 15-minute mark which is long enough for any speech.

So I yield the floor at this time and reserve the remainder of my time.

Mr. DECONCINI. Mr. President, will the Senator yield 5 minutes of his time?

Mr. SPECTER. I am delighted to yield.

Mr. DECONCINI. Mr. President, I rise to support the amendment offered to S. 358, the Kennedy-Simpson legal immigration reform bill, by Senator SPECTER. I am glad to be a cosponsor of this amendment. I believe that the amendment will help us better achieve the objectives of the overall bill.

I congratulate my colleague, Senator SPECTER, for offering the amendment.

The bill, in my opinion, is coming along very well and improving day by day. I would like to see this addition added to it. I am sure that the Senator from Wyoming would want to talk a little bit about it.

In recent years, we in Congress have strived to resolve the related problems of unrestrained illegal immigration and of unbalanced and discriminatory legal immigration. That is really what we are trying to do here. None of us are perfect and none of us have all the answers, but I think the bill that the Senator from Pennsylvania has offered is a constructive one. Although I opposed Senator SIMPSON's immigration reform and control act which aimed at controlling illegal immigration into this country, I do believe that it ought to be given a fair chance to operate. It is appropriate that we now turn our attention to the related problem of legal immigration into the United States. That is what we have before us today.

The Kennedy-Simpson bill purports to put a ceiling on legal immigration into the United States. It is important to realize, however, as we discuss amendments which, for various reasons, attempt to raise this so-called cap or ceiling. And we talked about that at some length today that there really is no ceiling. Legal immediate family relatives are permitted with no limitation whatsoever. Because there are no limits, either in current law or in S. 358, on the available number of visas for immediate relatives, there is really no absolute cap on legal immigration into the country. So we are not talking about a cap from the fact of how many we are going to permit in.

I think that it is important to remember then that we are talking about exceeding a ceiling that does not exist.

We are talking about a level. We are talking about a reference to what we would like to see perhaps as a cap or something. We are talking about a level. In addition, the discussed number of 600,000 is continuously brought up, that this is the recommended level, this is as high as we are going to go, but it is not a legislative cap.

This imaginary ceiling could have just as easily been lifted.

As I understand the amendment of the Senator from Pennsylvania, it merely lifts the figure. This figure instead of being 600,000 could just as well be 610,000 or 630,000 or 650,000. The Senator from Pennsylvania suggested it be the 630,000 figure that would result and does result in the amendment that is before us today, and it makes good sense. I hope it is adopted.

The question that we should keep in mind as we discuss legal immigration is not total numbers or numbers for each category, but whether those individuals represented in those numbers and categories have meritorious arguments for being allowed to come into the United States. In my opinion, we should have a balance between allowing immigration based on family reunification and allowing immigration based on other reasons such as the benefit to our own Nation, and because of humanitarian reasons as well. Although S. 358 does attempt to strike this balance, I believe it errs in not including more visas for skilled and professional workers who are in short supply in the United States.

The Specter amendment will add 30,000 visas to the legal immigration visas allowed under the present U.S. law. These additional visas will be equally divided between the third preference, which under S. 358 requires an immigrant to have an advanced degree or exceptional ability in the sciences, arts, or business, and the sixth preference, which are granted to skilled workers. These visas would only be available on an employer-sponsored basis and only after a certification by the Department of Labor that no U.S. workers are qualified or available to occupy a particular position. The Department will only issue such certification after a rigorous and thorough examination of the available pool of American workers.

I believe that the amendment that my colleague from Pennsylvania has offered and that I am joining him in today helps to achieve the stated purpose of S. 358. That purpose is to achieve a better balance between those who are allowed to immigrate to the United States because of family connections and those that are allowed to immigrate because their presence will in some way be beneficial to this Nation. I believe that both these categories, family connection and independent potential to contribute to the quality of life in the United States are important and are beneficial; but I believe that we should increase the number of immigrants chosen because their particular job skills are beneficial to the United States.

I urge my colleagues in the Senate to support the Specter amendment.

This is a good amendment, Mr. President. It helps directly the United States and it is going to be beneficial to the work force here, also protecting American jobs at the same time.

I thank my friend from Pennsylvania.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

If no one seeks to use time, the time will be equally deducted from both sides.

The Senator from North Carolina.

Mr. HELMS. Mr. President, may I inquire what the time situation is?

The PRESIDING OFFICER. The Senator from Pennsylvania has 24 minutes remaining. The managers of the bill have 45 minutes remaining.

Mr. HELMS. Very well.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time? The time is controlled, I would state to the Senator from North Carolina, between the manager of the bill and the Senator from Pennsylvania with time reserved to the Senator from North Carolina for 60 minutes for a second-degree amendment.

Mr. HELMS. Senator SPECTER is not on the floor at the moment. I wonder if the distinguished Senator from Massachusetts would yield me such time as may be necessary to make a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield so the Senator may make a parliamentary inquiry?

Mr. KENNEDY. How much time do I have?

The PRESIDING OFFICER. The Senator has 44 minutes.

Mr. KENNEDY. I will yield the Senator 10 minutes. Will that be enough?

Mr. HELMS. I will not need that much time.

Mr. President, under the unanimous-consent request that was approved thre is nothing to prevent the offering of a second-degree amendment that has been cleared?

The PRESIDING OFFICER. I will read to the Senator what was in the unanimous-consent agreement last night. It says as follows:

> A Specter-DeConcini amendment increasing employer-sponsored visas, 90 minutes equally divided; A Helms second-degree amendment to the Specter-DeConcini amendment relevant to the subject matter of the first-degree amendment, 60 minutes equally divided.

The Parliamentarian informs me, and I will so state to the Senator, that that amendment will be in order upon the expiration of the time for the original first-degree amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. HELMS. That was my point. Absent a unanimous-consent agreement, of course, an amendment can be second degree at any time.

Just to get the show on the road, since we are apparently waiting for other people to speak, let me propound a unanimous-consent request with reference to my second-degree amendment which is on the list.

First of all, that it be in order, and it be in order for me to offer it now so it can be under consideration simultaneously, so that we could save time on the consideration of the two amendments.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from North Carolina?

Mr. KENNEDY. I have no objection.

The PRESIDING OFFICER. There being no objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. I thank the Chair. One final thing. Will I complicate the life of the Chair and the Parliamentarian if, in the effort to expedite matters, I start using some of my time?

The PRESIDING OFFICER. The Senator has the right to use his time and the Chair will state that the Chair will count the time that the Senator is using against the Senator's time. But the time will not start to run until the Senator offers his amendment.

Mr. HELMS. That is correct.

The PRESIDING OFFICER. Therefore the Chair will have to use the Chair's discretion as to whether the debate is on the second-degree amendment or the first-degree amendment. But for now, the Senator from North Carolina is recognized to offer an amendment at which time the time will start to run under the agreement just agreed to.

Mr. HELMS. I thank the Chair.

Noting the arrival of the distinguished minority whip, I will yield the floor so that he can make his remarks and then I will proceed.

The PRESIDING OFFICER. Who yields time?

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to thank the Senator from North Carolina for his willingness to get the ball rolling, so to speak, on this matter. I intend to speak on the Specter amendment for maybe 3 or 4 minutes. Unless there are other reasons, then perhaps the Senator from Wyoming would speak for 3 or 4 minutes and then I would be prepared to yield back the time, depending on the desire of the Senator from Pennsylvania, and then get right to the Senator from North Carolina. I do not want to discourage his presence here because we are moving along, but that might be a way of moving ahead.

I do not know the desire of the Senator from Pennsylvania. I will be glad to debate this at whatever length he would like to debate it. It is a pretty straightforward amendment. I think the membership understands what is involved in the amendment. I have no objection, in principle, to the amendment of the Senator from Pennsylvania, but I would not support it as an amendment on this bill at this time. We have tried to work out, during the course of the consideration, a real balance between what we were going to do on the family reunification and what we are trying to do in terms of the special skills. We have addressed that issue in the sixth preference, particularly, by requiring higher skills. And we address the issue by adding new categories within the independent category.

I think the bill itself reflects this balance. The greatest thrust of the bill is on family reunification. There is an increasing emphasis on skills with the combination of the third and sixth preference in the independence category. We have a balance now with regard to those two provisions.

Although I have no objection to the concept, I do not think that that is the balance which has been supported and worked out. It is the reason I would urge the Senate not be willing to accept the Senator's proposal.

For this reason I will oppose the Senator's proposal when the time comes to vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. I thank the Senator from Massachusetts and I thank Senator SPECTER for his diligence. He discussed this amendment in the Judiciary Committee. Also Senator HELMS has discussed his proposal.

I am reluctant—"torn" would be a good word—on this because it is an issue of raising the national level of immigration. For that reason I would have to oppose it.

I may be wrong and I think the debate is showing me some fascinating things and I like to learn and I am. Is the American public perhaps ready for unrestrained legal immigration? I did not think that. I still think if we had a vote on that, whether the people of the United States prefer unrestrained, uncontrolled, legal immigration, that that would not succeed. Yet slowly that is what we are doing here. We have already increased the immigration levels by over 20 percent in this bill, 22 percent. With the Hatch amendment, Hatch-DeConcini, the number of immigrants admitted will grow each year. We still have our studies and our reports from the President.

In those circumstances, I just do not believe we should raise it any more significantly. I assure you, however, I am not opposed to providing more visas to independent immigrants. I like that idea. I think we ought to be doing more and more of that.

So, the more the better with regard to the independent immigrants, the point system grants, people who bring special skills and abilities, people then in the family reunification who are closest family: spouses and children. Not nieces and nephews and brothers and sisters-in-law. That is where we have gone now down that road. And I have already indicated that.

So I do not have a bit of a problem furnishing new visas and I have indicated that in a "Dear Colleague" letter. But any increase in business-related immigration must come within the existing level. That is my feeling, the existing level in the bill. And, in addition, any such increase must not simply steal numbers from the point system but it has to also get some numbers from the family and independent immigrant categories when reallocating. You cannot do it to one and leave the others out.

I would be glad to discuss any compromise with the sponsors. We have a second-degree amendment. We will come to that under the order. But if the only proposal from the sponsors is to violate what I think are the wishes of most Americans and increase immigration by 30,000 visas above the Kennedy-Simpson original 22-percent increase to the immigration levels, I regretfully must vote against the amendment and encourage colleagues to do the same.

I think I have stated my conflict in that area. Those are important numbers for important things for American business and for American commerce. We just cannot keep adding them. If we are going to take them off, we cannot take them from one area. We have to take them from all. I thank the Chair.

VOL 135 PT 10 JE 23 JL 13 1989 UMI

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I was tempted for a moment to add two new cosponsors to the amendment, Senator SIMPSON and Senator KENNEDY, when I heard Senator KENNEDY accepted the amendment in principle, and I heard Senator SIMPSON say he was torn, in conflict. I say that in jest because I understand fully their concern is on the total number.

I would certainly join my distinguished colleague, Senator SIMPSON, in not taking actions in violating the wishes of most Americans, but I do not know that the wishes of most Americans are embodied in the level of 600,000 or any arbitrary number. I see no national referendum on the subject. I do not necessarily trust the polls, but I have not even seen a poll upon that subject.

It may be true most Americans wish to have an orderly process for how much immigration there will be, and the alternatives posed by my amendment are simply stated as this: We have a bill as proposed by Senator KENNEDY and Senator SIMPSON as modified. Then you have as an alternative, an additional 30,000 people to come in who both Senator KENNEDY and Senator SIMPSON agree are meritorious individually if you could take it out of the existing number. That is not the choice as I have proposed it. The choice of the existing number standing or 30,000 more of these well-qualified people which Senator SIMPSON puts very well that he would like to see "more visas to independent immigrants," that is precisely what we have here.

The number 30,000 does not come out of the air, Mr. President. The number 30,000 comes from a survey by the State Department which has been agreed to by those who are knowledgeable in the field of immigration that there are that many people, 85,000, who want to come each year, who are available to come each year, who are ready to come, who have jobs waiting for them. They are not going to take existing jobs. There has to be a certification by the Department of Labor that they do not take existing jobs. So this is a rational number based upon evidence.

Absent this kind of an amendment, bear in mind, Mr. President, and I do not want to be unduly repetitious, but I think this is an important fact, that those waiting in the third preference, that is exceptional ability in the sciences and the arts, have to wait a full year to come in. So the United States is deprived of their talents for a full year, and that delay discourages many from coming in. The waiting period for skilled workers in the sixth category is approximately 3 years. Here again there are jobs which are awaiting them. A long list of companies have written in supporting this bill, in addition to the U.S. Chamber of Commerce, where they want specific people to come in and they cannot get them.

Part of the limitation is because more than half of the existing 54,000 number comes in from workers' families and dependents, which is appropriate and necessary. So we are not reaching 55,000 now. So that on this date of the record, Mr. President, I think the evidence is very strong that we ought to make this deviation. We have had a good bill proposed by Senator KENNEDY and Senator SIMPSON. There have been some modifications, some limitations, not a whole lot, but certainly the reasons for adding these 30,000 are very, very strong, compelling for the business interests of this country, compelling for the humanitarians of this country. I thank the Chair and yield the floor.

Mr. KENNEDY. Mr. President, I want to give the assurance to the Senator from Pennsylvania that this will certainly be one of the aspects of the bill that we will look at again in 3 years. We have increased the total numbers by 22 percent. That is a greater increase than I think many of us believed would be the case at the start of the debate and the discussion. The needs of this country may very well, in the areas of special skills be even greater in 3 years. This will be an area that we will look at and review very closely. It is not something that we take lightly, but with the increase that we have made, we have increased it in a way that reflects a balanced program.

As I mentioned, while I do not have any objections in principle, it seems to me to violate a crafted adjustment that was worked out in committee. Therefore, I would vote against the Senator's amendment. I withhold the remainder of my time.

Mr. GORTON. Mr. President, I am pleased to join Senators SPECTER and DECONCINI as an original cosponsor of the business immigration amendment to S. 358, which adds 30,000 visas per year for business-sponsored immigrants to the third and sixth category. A third category visa requires a degree or capability in science or business. A sixth category visa requires an undergraduate degree or a job which requires at least 2 years of experience or training. I believe that immigration that immediately contributes to our society should be an objective of our policy on legal immigration.

This amendment is needed because the Kennedy-Simpson-Simon bill addresses both independent and family sponsored immigrants, but inadequately provides for the categories of immigration most relied upon by the business industry. presently, business immigration is limited to 54,000 visas per year, and has remained at this level for decades. Over half of these visas are allocated to dependents of immigrants admitted to the United States under business categories for immigration.

In view of the small number of visas now allocated to business immigration, there are severe backlogs and time delays in transferring highly skilled or professional personnel to U.S. businesses. Many businesses in my State, both small and large, service and manufacturing, which are representative of the national economy as a whole, must wait at least a year for professionals and international personnel with exceptional ability, and almost 3 years for other workers for which the U.S. Department of Labor has certified a shortage of U.S. workers. Obviously, it is extremely frustrating for the employer to plan on the presence of the employee in the United States on a permanent basis, given these delays.

With current demand for about 85,000 business immigrants per year, additional visas are needed to help ease the extensive delays in the admission of workers with specialized skills. The proposed business immigration amendment will alleviate an extremely troublesome problem and, at the same time, enhance American competitiveness by the skills which these new Americans bring to American businesses. I urge my colleagues to support this important amendment to increase business-sponsored immigration.

Mr. SPECTER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. I am prepared to yield back the remainder of the time on the Specter amendment.

The PRESIDING OFFICER. The Senator from Massachusetts has indicated he will yield back the remainder of the time.

Mr. SPECTER. Parliamentary inquiry, if we yield back time, will the vote then occur on my amendment?

The PRESIDING OFFICER. The second degree amendment by Senator HELMS would then be in order to be offered. Then at that point, under the unanimous-consent request, the time would begin to run under Senator HELMS' amendment. That would be voted upon, and then the first degree amendment would be voted upon.

Mr. SPECTER. How much time is allowed for Senator HELMS' second degree amendment?

The PRESIDING OFFICER. Sixty minutes has been set aside for that amendment.

Mr. SPECTER. And under whose control?

The PRESIDING OFFICER. That is under the control of Senator HELMS as the proponent and the managers of the bill, if they wish to oppose it.

Mr. KENNEDY. I will be glad to yield under our time whatever time the Senator from Pennsylvania wishes.

Mr. SPECTER. If I may have 15 minutes of the 30 minutes?

Mr. KENNEDY. Mr. President, how much total time is there?

The PRESIDING OFFICER. The managers have 30 minutes in opposition. The proponent has 30 minutes to propose and argue for the amendment.

Mr. SPECTER. If I may have 15 minutes—it will probably take less—and I will yield back the remainder of my time so we can proceed to Senator HELMS' second degree amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania has requested and the Chair is prepared to rule on what the managers wish to state. Is there objection to allocation of time by the managers? Without objection, it is ordered that the Senator from Pennsylvania shall have 15 minutes in opposition to the amendment. The managers of the bill will have 15 minutes in opposition to the amendment, and the Senator from North Carolina has 30 minutes to propose and to control the time in proposing the amendment.

Both sides, the managers and the proponent of the first degree amendment, have yielded back the remainder of their time. Therefore, under the unanimous-consent order entered, the Senator from North Carolina is recognized to propose a second degree amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina. The Chair will state that we are at the present time without time running in anyplace. Does the Senator wish to offer his amendment?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 254 TO AMENDMENT 252

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration

The PRESIDING OFFICER (Mr. HARKIN). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 254 to amendment No. 252.

Mr. HELMS. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

On page 77, line 15, strike "480,000" and insert in lieu thereof "460,000".

On page 78, line 10, strike "120,000" and insert in lieu thereof "140,000".

On page 90, line 18, strike "9" and insert in lieu thereof "6".

On page 91, line 23, strike "9" and insert in lieu thereof "10".

On page 92, line 13, strike "5" and insert in lieu thereof "3".

On page 92, line 18, strike "HOLDING ADVANCED DEGREES".

On page 92, line 20, strike "23" and insert in lieu thereof "32".

On page 92, line 22, strike "holding advanced degrees".

On page 93, line 18, strike "23" and insert in lieu thereof "32".

On page 94, line 12, strike "4" and insert in lieu thereof "3".

On page 94, line 13, strike "level," and insert in lieu thereof "level or 2,800, whichever is greater,".

On page 95, line 6, strike "(2),".

Mr. HELMS. Mr. President, I regret that I must oppose the Specter amendment, because I agree with his objectives, which is to increase business visas. However, the Specter-DeConcini amendment increases the level of immigration by an additional 30,000.

The underlying bill, as amended, increases the level of immigration to 816,000. I do not think Senators are fully aware of this fact.

Mr. President, let me explain. Yesterday, the Hatch amendment was approved by the Senate. The Hatch amendment has the effect of increasing the level of immigration by an additional 216,000.

I daresay if you asked four Senators, they would not realize that with one simple amendment by the Senator from Utah [Mr. HATCH] the number of immigrants coming into this country was increased by one-third.

Mr. President, we are all compassionate. We are all descendants of immigrants. But we have to make up our minds where our immigration policy is going.

As I said yesterday, our immigration policy should be based on America's best interest and what is right for America.

As a matter of fact, based on what I hear as I go around the country and around my State, I do not think that the American people will stand for such increases. There are many polls available to all of us and the ones I have seen indicate that the majority of Americans oppose any increase in immigration.

Mr. President, I support an increase in the number of business visas as long as we do not increase the overall level of immigration.

Therefore, my amendment provides 34,400 more business visas without increasing the national level.

Yesterday, I explained why we need more skilled workers coming into this country.

It is a question of policy. As I said at the outset, the question before the Senate is simple. What is in the best interest of America?

Mr. President, Lyndon Johnson stated during his 1964 State of the Union Address, we should be less concerned with setting immigration policy based on what country you come from and ask instead, "What can you do for our country?"

Obviously, I agree fully. We simply must develop an immigration policy that is in the best interests of America, America as a whole. We must not have a policy based primarily on a desire of some citizens to be reunited with distant relatives.

Mr. President, the pending amendment addresses the need of America by increasing the availability of skilled-based, business visas, in order to bring in people who are sorely needed by business and industry in this country. As a result, we can increase the productivity of our country and become more competitive in the world market.

America needs a policy that encourages skilled workers and people with exceptional abilities to come here. Unfortunately, our current system discourages them from immigrating because there is always a 1- to 3-year wait for skill-based, business-related visas under the third or sixth preferences.

I cannot tell you how many calls and letters I have had from my own State, from business and industry saying we need help bringing in more skilled workers.

They say, "We need their skills but we cannot get through the barriers and the delays."

So, obviously, American companies are having difficulty recruiting highly skilled workers who have crucial and critical knowledge of international markets and pioneer research.

If a business has a need for skilled workers and those workers cannot be found in this country, the business loses its competitive edge by having to wait from 1 to 3 years to achieve its labor needs.

How do we expect America to remain competitive if our businesses and our industries face labor shortages in critical areas in our country and cannot bring in the skilled workers they need? So we must not shoot ourselves in the foot again with misguided immigration policy.

The additional numbers for employer-sponsored visas in the pending

amendment will help reduce the delays for immigrants with skills or exceptional ability. Obviously, this will allow businesses to find enough skilled workers and thereby maintain a competitive position in the international markets.

It is interesting to me, and it is a measure of our lack of judgment in the past, that skill-based, employer-sponsored visas account for only a small percentage of the overall number of visas.

Would you believe, Mr. President, that only 10 percent are skill-based, whereas the other 90 percent are based on family connections. The tail is wagging the dog in terms of what is best for America.

Mr. President, as we debate the issue of legal immigration, we must keep in mind one fundamental concept and that is for America to remain a great country, we must have an immigration policy based on the needs of our country, our Nation, our industry, our business; we must have a policy focused on what is in the best interest of the American people.

Mr. President, I reserve the remainder of my time and I thank the Chair.

The PRESIDING OFFICER. Who yields time? The Sentor from Pennsylvania has 15 minutes.

Mr. HELMS. Mr. President, before I yield the floor I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I would seek to inquire from my distinguished colleague from North Carolina the differences between the amendment, the second degree amendment which he is currently proposing, from the amendment which he proposed yesterday. I have been reading through the amendments in the CONGRESSIONAL RECORD. I think it might expedite an understanding, at least the understanding of this Senator, if the distinguished Senator from North Carolina could state the differences.

Mr. HELMS. Mr. President, if any Senator is concerned about the possibility of our taking away family based numbers, let me assure him, that this amendment does not touch the fifth preference. This pending amendment takes the numbers out of the excess in the first and second preferences, and out of the point system.

Mr. SPECTER. I thank the Senator for that. The information which Senator HELMS provided to this Senator was to the effect that, out of the first preference, there be some 10,000 positions taken and out of the second preference some 11,000 positions taken. In addition, from a schedule which the distinguished Senator from North Carolina made available to me in the cloakroom before the second-degree amendment was offered, the amendment will take some 2,000 out of special immigrants in the second category denominated "independent," and some 2,000 in the second category independent under the label of "employment-generating investors" and of selected immigrants from the point system——

Mr. HELMS. No. Let me say to the Senator, I consulted with other Senator including the distinguished minority whip, Mr. SIMPSON. Let me read precisely what the amendment contains now. If you are looking at the current Kennedy-Simpson-Simon bill: 20,000 come from family; 10,000 come from the first preference; and 10,000 come from the second preference. Second, 14,400 come from other independent categories; 12,400 from the point system; and 2,000 from special immigrant categories.

That is the amendment as it now reads and is now pending.

Mr. SPECTER. I thank the distinguished Senator from North Carolina.

Mr. President, I agree with much of what the distinguished Senator from North Carolina has said in terms of an articulation of what is in the best interests of the United States and that we ought not care what country the immigrants come from, but what can those immigrants do for the United States. And that the concern ought to be on productivity and competitiveness in the world market. Senator HELMS has recited the calls which he has received from people in his State. This Senator has received similar calls and similar requests. It was on the basis of those calls and requests, and from quite a number of organizations, including the U.S. Chamber of Commerce, attorneys for the immigration societies, that this amendment has been offered.

The amendment with the Senator from North Carolina is offering is very close to the amendment which he offered yesterday. It is similar if not identical in principle, because he sought to add yesterday some 37,200 visas, contrasted with 34,400 in this second degree amendment. And he sought to take them out of the category, as I understand it, of the fifth preference and that amendment, offered by the distinguished Senator from North Carolina, was defeated yesterday by a vote of 71 to 27.

I believe it is fair to say that the vote reflected the sentiment of this body that we ought not to deprive any potential immigrant from existing categories from coming to this country, even if it meant bringing in highly skilled professionals and that the numbers which had been worked out for each category in the existing bill ought to be maintained and respected. I believe that it is fair to say that, simply by substituting other preferences, in going to the first preference which involved unmarried adult sons and daughters of citizens for the second preference, spouses and children of residents, and limiting that group by 11,000; unmarried adult sons and daughters of citizens, that the American people do not want to eliminate that category of potential immigrant or the 11,000 which the Senator is proposing, from spouses and children of residents or the 14,400, which I believe was the figure he just recited from special immigrants.

So that the reality is that based upon the very decisive vote yesterday, 71 to 27, that it is not the will of this body to reduce existing categories in order to have this business-sponsored category to help with productivity.

As the vote is currently structured, there will first be a vote on Senator HELMS' second-degree amendment, and I would urge my colleagues to reject that amendment really on the basis that it has already been decided, substantially. Certainly there are some changes but in principle it has been established that this body, 71 to 27, does not want to eliminate existing preferences for the highly skilled category.

The second vote will be on my underlying amendment which provides that we can have the objectives which the distinguished Senator from North Carolina talks about so eloquently: The productivity objective, the competitiveness in the world market responding to the calls which he has received and I have received and so many others have received.

So I would ask, Mr. President, that the second-degree amendment be rejected, very much as a similar amendment was yesterday, and that the Senate then face a vote on its underlying consideration of adding 30,000 additional because the 600,000 is not a magical figure, for reasons I outlined in my earlier presentation.

I would inquire of the Chair as to how much time I have left from my 15 minutes?

The PRESIDING OFFICER. The Senator has 6 minutes left.

Mr. SPECTER. I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I understand we have 15 minutes. I will just take 2 or 3 minutes to indicate I hope the Senate will reject the amendment of the Senator from North Carolina and the amendment of the Senator from Pennsylvania.

As has been pointed out in this debate, the Senator from North Carolina would take some 20,000 from the family preferences. Nearly half of this cut would be from the sons and daughters of American citizens. While that particular category is underutilized worldwide, one country is already

backlogged and several others are using the maximum allowed under current law. He would move the worldwide total down to 14,000. Thus it would keep out many sons and daughters of American citizens who would otherwise be able to come here.

Second, he reduces the numbers in the second preference—the spouses and children of permanent residents. He reduces that by 11,000. There is already a significant backlog in place today, and with the amnesty program that permitted over 3 million people to adjust their status, there will be permanent-resident aliens who will not be able to be united with their wife and their children.

He is reducing these two family categories for the skill category after we have already added to the skill categories by increasing the skill levels needed in third and sixth preference and also providing skilled workers through the selected immigrant category. It does not go as far as the Senator from Pennsylvania would like to go, but it certainly is important progress over the existing law.

For the reasons I have outlined, I would hope the amendment of the Senator from North Carolina would be defeated. In addition, because of the increase by 30,000 above the national limitation, which is basic, and is built upon a 22-percent increase over present law, I believe that the amendment of the Senator from Pennsylvania ought to be rejected as well.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized on the time of the Senator from Massachusetts. The Senator has 12 minutes left.

Mr. KENNEDY. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, this second-degree amendment is taken from the earlier Helms substitute amendment which would preserve the national level of immigration but reallocate the number of visas so that family-connected immigrants would dominate less and business-sponsored immigrants would receive additional visas.

As I stated when the Senate discussed the Helms substitute, I believe that is not bad policy. I think that is good policy. It is a policy I like. I think more independent immigrants, more business immigrants, breaking this lock of this remoteness of family reunification, is in the national interest. I know that is controversial. I think there is no doubt we should admit a larger number of immigrants because they possess certain skills and qualities that will serve our country well.

S. 358 would increase both the number of family-connected immigrants and the number of independent immigrants. The Helms amendment now would hold family-connected immigration at approximately the current levels, as I read it, while increasing the number of independent immigrants significantly. That is what Senator SPECTER is trying to do, except Senator SPECTER is adding numbers and Senator HELMS is crunching numbers placing them within the national level of immigration.

That approach is something I agree with, that we should have a national level. It would not reduce family-based immigration below present levels—well, it does—no, not below present levels. That is a correct statement, but it would increase the number of immigrants who enter because U.S. employers have requested them and if the Department of Labor has gone through their certification process that no U.S. workers qualify and are available to fill those positions. The original Helms substitute did change the fifth preference definition and, thus, I voted against it because the earlier Helms amendment violated the agreement I previously made with Senator KENNEDY and Senator SIMON. However, the Helms second-degree amendment does retain the fifth preference, as in current law.

In addition, the present second-degree amendment has the other beneficial qualities regarding increasing independent immigration and it stays with my philosophy of reaching the national level of immigration, not a cap. That is not what we have ever called it. Others have. In this situation, I would intend to support the Helms amendment since it does not violate my agreement with my comanagers and others I have discussed this measure with and it gets toward the same things except it does not increase numbers, it pulls them within the present numerical national level of immigration.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 18 minutes 45 seconds.

Mr. HELMS. I thank the Chair. Mr. President, this legislation is so intricate and so complex that I find that even sometimes the managers of the bill do not follow all the figures.

My amendment does not affect sons and daughters. I repeat for emphasis, it does not affect sons and daughters for most countries. The current demand for first preference visas, and that is the sons and daughters of citizens, is about 12,000. The Kennedy-Simpson underlying bill elevates that figure to 24,200. There is an excess of about 12,000 over the demand already taken care of. It is true that a couple of countries have used all their first preference visas, but the other 160 countries have not.

Let me say again, in case any Senator is concerned we are taking away family-based numbers, let me assure such Senators that the pending amendment does not even touch the fifth preference. My amendment takes the numbers out of the excess in the first and second preferences and out of the point system.

I think it might be appropriate at this time, just so the record will reflect what the situation really is, to print this table in the RECORD at this point and I so ask unanimous consent. This reflects the accurate numbers in my amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Current law limits	Actual 1987 numbers	Kennedy/Simpson 1988	Kennedy/Simpson/Simon 1989	Helms amendment	
					Number	Percent
National level of immigration	None	[1] 500,000	590,000	600,000	580,000	
Immediate relatives (spouses, children and parents of citizens)	([2])	218,500	[2] 220,000	[2] 220,000	[2] 220,000	
I. Family preferences:						
1st Preference (unmarried adult sons, daughters of citizens)	54,000	11,382	33,000	24,200	14,400	5
2d Preference (spouses and children of residents)	70,200	110,758	143,000	148,000	130,800	57
4th Preference (married sons and daughters of U.S. citizens)	27,000	20,703	22,000	23,000	24,000	10
5th Preference (never married brothers and sisters)	64,800	62,564	22,000	64,800	64,800	27
Total family preference	216,000		440,000	480,000	460,000	
II. Independent:						
Special Immigrants	([2])	3,646	6,000	6,000	4,200	3
3d Preference (members of profession exceptional ability)	27,000	26,921	27,600	27,600	44,800	32
6th Preference (skilled workers)	27,000	26,952	27,600	27,600	44,800	32
Employment generating investors	None	35	4,800	4,800	4,200	3
Selected immigrants (point system)	None	NA	54,000	54,000	42,000	30
Total independent			120,000	120,000	140,000	

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

	Current law levels	Actual 1987 numbers	Kennedy/Simpson 1988	Kennedy/Simpson/Simon 1989	Helms amendment	
					Number	Percent
Total immigrant			[illegible]	600,000	600,000	

[1] Approximately.
[2] No limit.

Mr. HELMS. Let me go back to the original point that I think we ought to bear in mind. Yesterday there was an amendment accepted by the Senate, and I am not sure a whole lot of Senators understood what they were voting for. The Hatch amendment added 216,000 to the national level of 600,000 in the bill. So we are already at 816,000, and the Senator from Pennsylvania wants to add another 30,000 which would make it 846,000.

Lyndon Johnson said it right when he paraphrased John F. Kennedy. President Lyndon Johnson told the American people that Congress should be less concerned with setting immigration policy based on what country you come from and ask instead "What can you do for our country?"

Mr. President, I have at hand a letter that I received from a former Member of this body, the distinguished James T. Broyhill, a Senator from North Carolina. Jim is now secretary of the North Carolina Department of Commerce. I think what Jim Broyhill says in his letter to me is highly instructive because it goes to the point of this second-degree amendment. I am sure what he says about North Carolina is applicable in large degree to every State in this country. He says:

> As you know, North Carolina has benefited greatly from foreign investment during the last several decades and especially during the 1980's. Foreign firms invested more than $1 billion in new and expanding industrial facilities during 1988 in our State, creating more than 5500 new jobs. During the past ten years, foreign industrial investment in North Carolina was approximately $4 billion resulting in the creation of approximately 40,000 jobs. To put this in perspective, foreign investment in North Carolina has accounted for more than 25 percent of all investment in new and expanding industry during the past 3 years.

And then Secretary Jim Broyhill, secretary of the North Carolina Department of Commerce, says this:

> One of the greatest obstacles to the attraction of foreign investment is the issuance of visas for the owners and the skilled personnel required to manage the U.S. subsidiaries. The risks and delays associated with obtaining visas have increased dramatically during recent years. It is frankly embarrassing to hear foreign business leaders tell of the uncertainty and frustration they encounter when applying for permission to transfer key managers to our country. The U.S. government must provide immigration laws that give foreign owners the right to maximize success by transferring needed personnel to the United States.

So that is what this amendment is all about. Jim Broyhill states it in the perspective it deserves. He goes on to say:

> I appreciate your attention to this important issue and support your efforts to increase employer-sponsored visas under the Immigration Reform Act of 1989. We must provide the means to warmly welcome these important individuals into our society. This is not a question of providing visas to a handful of bright, innovative people. The real issue is the continued economic development and technological advancement of the United States.

He goes on to say the obvious:

> We are living in a global economy. The United States must not only compete for its share of the global markets, we must also compete for and attract our share of international technology; i.e., the men and women behind that leading technology.

So, Mr. President, I hope this amendment will be considered on the basis of the statistical facts as contained in the amendment and not on some misunderstanding that one Senator or another may have with figures. I realize that it is a complicated and intricate piece of legislation. But the underlying fact in all of this discussion is what is best for America. I submit that the Helms second-degree amendment now pending fits that category. I reserve the remainder of my time. Before I do, Mr. President, let me thank the distinguished Senator from Wyoming——

Mr. KENNEDY. Mr. President, how much time remains?

Did the Senator yield?

The PRESIDING OFFICER. The Senator from North Carolina has the floor. He has 9 minutes and 23 seconds remaining.

Mr. HELMS. I was going to thank Senator SIMPSON again for his lucid explanation of the figures and support of the amendment.

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes remaining.

Mr. KENNEDY. Mr. President, the reductions I outlined earlier are the reductions in the bill.

If I stated that they were reductions in the current law, I meant reductions in the bill. The additions in the bill are based upon what the current demands are. What you have to recognize is that each country has 20,000-person ceiling. In addition, each country is limited to a certain percentage in each preference. If you reduce the worldwide level for a preference, the number of visas for that preference will become smaller for each country. We already have, under the first preference, a backlog. These are the sons and daughters of American citizens who are unable to rejoin their family. Today we have that backlog. We also have, under current law, a backlog in second preference. That is not even considering the fact that we have over 3 million people who adjusted their status as a result of the amnesty program, and who will soon file second preference petitions for their families.

Mr. President, when you take the numbers out of our bill, which was designed to deal with this increasing pressure, we will get even worse backlogs. To make the backlogs in family preference's worse in order to give some individuals who have skills and can make a contribution—no one questions that—I think is an unworthy trait. That is why I hope the amendment will not be successful.

I am prepared to move toward a vote on this issue. If there is no further discussion——

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I will save time by putting this in the RECORD, but I want to make clear the position of the administration on this amendment. I have a statement of administration policy. We will prepare extracts relating specifically to the pending amendment and I ask unanimous consent to insert them in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

NORTH CAROLINA DEPARTMENT OF COMMERCE,
Raleigh, NC, June 29, 1989

Senator JESSE HELMS,
U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: As you know, North Carolina has benefited greatly from foreign investment during the past several decades and especially during the 1980's. Foreign firms invested more than $1 billion in new and expanding industrial facilities during 1988 in our state, creating more than 5,500 new jobs. During the past ten years, foreign industrial investment in North Carolina was approximately $4 billion resulting in the creation of approximately 40,000 jobs. To put this in perspective, foreign investment in North Carolina has accounted for more than 25 percent of all investment in new and expanding industry during the past three years.

One of the greatest obstacles to the attraction of foreign investment is the issuance of visas for the owners and the skilled personnel required to manage the U.S. subsidiaries. The risks and delays associated with obtaining visas have increased dramatically during recent years. It is frankly embarrassing to hear foreign business leaders tell of the uncertainty and frustration they encounter when applying for permission to transfer key managers to our country. The U.S. government must provide immigration

laws that give foreign owners the right to maximize success by transferring needed personnel to the United States.

I appreciate your attention to this important issue and support your efforts to increase Employer-Sponsored Visas under the Immigration Reform Act of 1989. We must provide the means to warmly welcome these important individuals into our society. This is not a question of providing visas to a handful of bright, innovative people. The real issue is the continued economic development and technological advancement of the United States.

We are living in a global economy. The United States must not only compete for its share of global markets, we must also compete for an attract our share of international technology; i.e., the men and women behind that leading technology.

Please keep me appraised of your progress with this most important legislation. If I can assist, feel free to call on me.

Best personal regards,

JAMES T. BROYHILL,
Secretary.

Mr. HELMS. I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. SPECTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes.

Mr. KENNEDY. I withhold.

Mr. HELMS. In that case—I thought we were going to vote—I withhold as well.

Mr. SPECTER. That is agreeable to this Senator because I do have a few more comments.

First, Mr. President, a parliamentary inquiry on the status of the record. There will be first a vote on Senator HELMS' second-degree amendment, and, if that fails, then a vote on my amendment?

The PRESIDING OFFICER. If it fails or if it is adopted, there will then be a vote on the Specter first-degree amendment.

Mr. SPECTER. Whether it is adopted or fails.

The PRESIDING OFFICER. That is correct.

Mr. SPECTER. I thank the Chair.

Mr. President, I have now had a few more moments to digest the complicated chart I had just received prior to my comments earlier from the distinguished Senator from North Carolina and now see more clearly the virtual identity between this amendment, Senator HELMS' current second-degree amendment, and the amendment he made yesterday which failed by a vote of 71 to 27. While it is complicated, Mr. President, the figures are plain from Senator HELMS' own statistical sheet that if you take a look at the fifth preference, which has a different definition than in prior years, the 1987 actual numbers were 23,517, which is far below the figures in the current bill, which Senator HELMS retains, 64,800.

So that the logic that he tries to apply to the first and second preference applies equally to the fifth preference where he was unsuccessful yesterday. Senator HELMS' own sheet is also claimed, but it takes a few minutes for analysis, to show that as to unmarried adult sons, daughters of citizens, the figure is reduced from 242,000 to 14,400, and the second preference, spouses and children of residents is reduced by another 11,200, from 148,000 to 136,800. And the special immigrants are reduced from 6,000 to 4,200 and employment generating investors reduced from 4,800 to 2,800, a very important line of productivity and competitiveness, and selected immigrants under the point system reduced from 54,000 to 40,600.

As already noted on the floor argument, there are backlogs in some of these categories.

So, I suggest, Mr. President, that what Senator HELMS is seeking to do has already been rejected by this body, and that we ought to vote, reject it again, and then move on to the proposition of allowing these highly productive people to come in by making a modest slight addition to the cap.

I thank the Chair, and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM addressed the Chair.

Mr. SPECTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes and 40 seconds.

Mr. SPECTER. I yield to the distinguished Senator from Texas 1 minute.

Mr. GRAMM. Mr. President, I rise in opposition to the Helms amendment. We have a simple choice before us. I think it is very important that people not be confused. Senator SPECTER, along with a lot of other cosponsors, has offered an amendment to raise the number of business sponsored visas by 30,000, and to increase the number of people allowed into the country by a corresponding number. It is a simple, straightforward amendment that says that we need more business sponsored visas.

The Senator from North Carolina has offered an amendment to raise business related visas by 37,200 but he would take that number away from other categories, in this case, denying people the opportunity to unify their families. Those who want more business sponsored visas in my opinion should support the Specter amendment and reject the Helms amendment because the Helms amendment increases business sponsored visas but does it at the expense of family unification.

The PRESIDING OFFICER. The Senator from Pennsylvania has 1 minute and 30 seconds left.

Mr. HELMS. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from North Carolina has 8 minutes and 24 seconds.

Mr. HELMS. Senators tomorrow morning when they get the CONGRESSIONAL RECORD and look at the table that I put in the RECORD, they will see that the distinguished Senator from Pennsylvania is incorrect. I believe he is looking at an earlier version of my amendment. In the final version of my amendment, we do not decrease the number of visas for investors.

Mr. President, the distinguished Senator is in error when he states that today's second-degree amendment is the same as yesterday's amendment.

Yesterday's amendment dealt with the fifth preference, as I am sure the Senator must know. The second-degree amendment pending now does not touch the fifth preference, and I have said that over and over again.

The distinguished Senator from Wyoming [Mr. SIMPSON] stated the facts as they are. He understands them. I worked out the figures with Senator SIMPSON. If there is an authority on immigration in the Senate, it has to be ALAN SIMPSON.

We get back to the basic point. Where are we headed? The Hatch amendment yesterday has already increased the 600,000 cap to 816,000. Senator SPECTER's amendment pushes it up to 846,000. Most Senators, I expect, think we are still working on the 600,000 cap.

How much time do I have remaining now, Mr. President?

The PRESIDING OFFICER. Three minutes and fifty-five seconds.

Mr. HELMS. I reserve the remainder of my time in case some other incorrect statements are made.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of the time if the others will yield back as well.

Mr. SPECTER. Mr. President, I ask unanimous consent at this time that the list of organizations sponsoring my amendment be included in the RECORD, a sequence of letters from the U.S. Chamber of Commerce, and other companies and organizations be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CHAMBER OF COMMERCE,
Washington, DC, July 10, 1989.

Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR SENATOR SPECTER: The U.S. Chamber of Commerce strongly supports the amendment to increase the number of visas for business-sponsored immigration that Senators Specter and DeConcini will be offering to the immigration bill (S. 358). This amendment is critically important to the business community.

S. 358, as presently drafted, contains two fundamental defects of significant concerns

to business. First, and most important, it provides for no meaningful increase in the amount of visas allocated to business-sponsored immigration, thus doing virtually nothing to alleviate the critical backlogs and time delays associated with the transfer of international personnel. Second, the bill unnecessarily re-orders the preference categories for business-sponsored immigration, eliminating the priority presently accorded to business immigrants without "advanced" degrees. The Specter/DeConcini amendment will address the first, and most serious, of these concerns.

This amendment will alleviate an extremely troublesome problem. In view of the small number of visas presently allocated to business immigration, there are severe backlogs and time delays in transferring highly skilled or professional personnel to U.S. operations. For example, even after the Department of Labor has certified that there are no U.S. workers qualified or available to occupy a particular position, it can still take over two years to fill this position with a highly skilled foreign national who has been extremely difficult to locate. Such delays are untenable and severely hinder U.S. business in its ability to meet the challenges of the international market.

The Specter/DeConcini amendment will propose only a very modest increase (30,000 visas) in the employer-sponsored immigration categories. It may be expected that approximately half the increase will be used by family members of principal employee-immigrants. Thus, the amendment will permit only an additional 15,000–20,000 employer-sponsored immigrants. This small number, together with the fact that these immigrants cannot be sponsored unless the Department of Labor has certified that their skills are not available in the U.S., guarantees that there will be no significant adverse impact on the U.S. labor market. In fact, the labor market impact will be positive because these needed skills enhance productivity and create employment.

The Chamber urges you to support this modest yet critically important change to S. 358 to enable business to meet effectively the challenges of the global marketplace. A system in which it can take over two years and sometimes much longer to relocate a critically needed skilled worker to the U.S. to meet an immediate and direct challenge is damaging to the U.S. economy and to all Americans.

Thank you for your consideration of the Chamber's views.

Sincerely,

ALBERT D. BOURLAND.

SMITHKLINE BECKMAN CORP.,
Philadelphia, PA, July 7, 1989.

Re Specter-DeConcini Amendment on Business Immigration to the Kennedy-Simpson Legal Immigration Bill (S. 358).

Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR SENATOR SPECTER: I am writing on behalf of SmithKline Beckman Corporation to voice its support for the amendment you and Senator DeConcini have offered to the Kennedy-Simpson Legal Immigration Bill to increase the number of visas available for business immigrants from 54,000 to 84,000 per year.

SmithKline Beckman has a very real interest in sponsoring immigrant employees based on a certified shortage of qualified U.S. workers. Unfortunately, the limited number of visas available for employer-sponsored immigrants (the present 3rd and 6th preferences) has resulted in uncertainty and permanent delay. The minimum waiting time for permanent visas for scientists and other professionals is now over one full year (3rd preference), and for other skilled and unskilled workers (6th preference) the wait is over three years!

SmithKline Beckman cannot afford an immigration policy that is unresponsive to our most fundamental needs. Increased visa allocations for employer-sponsored immigration is the best, most effective way to speed up the process by which U.S. employers obtain needed personnel in shortage occupations.

SmithKline Beckman supports the Specter-DeConcini amendment to increase visas for business immigration and we appreciate your leadership efforts to meet the needs of American industry which must compete on a world-wide basis.

Sincerely,

RICHARD V. HOLMES.

JULY 11, 1989.

Re support Specter/DeConcini Employer Visas Amendment to S. 358.

DEAR SENATOR: The undersigned organizations and coalitions believe that legal immigration promotes the national interest.

We are writing to urge you to support a Specter/DeConcini amendment to S. 358 which would increase modestly (by 30,000 total) the visas available annually for employer-sponsored immigrants. The amendment would also raise by 30,000 the worldwide annual ceiling which S. 358 sets for legal immigrant visas.

Employer-sponsored visas can be issued only if the Department of Labor certifies that there are no domestic workers available to fill the jobs in question. There are currently backlogs of 1–3 years for visas which the Department of Labor has authorized. These backlogs, which the Specter/DeConcini amendment would help alleviate, harm American employers, and undermine American productivity.

Please support this important amendment to S. 358.

Sincerely,

American Committee for Italian Migration.

American Council for Nationalities Services (32 local affiliates nationwide).

American Immigration Lawyers Association (over 30 local chapters nationwide).

A. Philip Randolph Institute.

Centro Presente (Boston).

Chicago Committee for Immigrant and Refugee Protection (over 40 local member organizations).

Cuban American National Council (Miami, with local affiliates in other states).

Indochina Resource Action Center (over 30 local member organizations).

International Ladies Garment Workers Union.

Massachusetts Immigrant and Refugee Advocacy Coalition (over 40 local member organizations).

Nationalities Service Center of Philadelphia.

New York City.

North Texas Immigration Coalition.

Proyecto Adelante (Texas).

Travelers and Immigrants Aid of Chicago.

MICROSOFT CORP.,
Redmond, WA, June 26, 1989.

Re S. 358/Immigration Reform.

Hon. BROCK ADAMS,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR ADAMS: Thank you for meeting with our immigration counsel, Robert Free, and with other members of the American Immigration Lawyers Association during their visit to your offices on June 8, 1989.

Microsoft currently employs approximately 4,000 persons in the State of Washington. During the last fiscal year, Microsoft generated worldwide revenues of $591 million dollars. During the calendar quarter that ended March 31, 59% of our revenues were earned in the international market. Microsoft is the largest company of its kind in the world. The United States microcomputer software industry as a whole is presently dominant in the worldwide marketplace, but as you are well aware it faces extraordinary competitive challenges.

Among those challenges is the chronic shortage of experienced software engineers and other skilled personnel. It is important in terms of maintaining our technological and competitive edge that we be able to have reasonable opportunities to fill critical development and other positions with qualified foreign applicants when we are unable to fill them from the domestic labor pool.

It is, therefore, very important to Microsoft, and to other businesses in Washington State, to have increased visa numbers for both Third and Sixth Preference categories. The majority of truly critical positions which have been filled by foreign applicants at Microsoft have been filled with aliens qualifying under the Third Preference category, with a lesser but still important number coming from the Sixth Preference category. Still, there is a shortage.

We are concerned that S. 358, as currently written, will make it even more difficult to fill important positions. Currently, Third Preference category visa applicants are required to have a Bachelors degree. S. 358 requires Third Preference category applicants to have a Masters degree or higher, and there is apparently no spilldown of excess numbers from Third Preference to Sixth Preference. The likely result will be a restricted pool of Third Preference category candidates, and a longer waiting list (already two to three years) for Sixth Preference category candidates.

We understand that Rep. Howard Berman has sponsored a bill, H.R. 672, that is far more reasonable in its treatment of Third and Sixth Preference category visas than is S. 358. We therefore respectfully request that you work closely with your colleagues in the House of Representatives to support the Berman bill or similar legislation.

We also urge you to endeavor to minimize the potential detrimental impact of S. 358 by either co-sponsoring or introducing an amendment to that legislation which would, at a minimum, increase Third and Sixth Preference categories by 15,000 each, or 30,000 total. Although such an amendment would not fully address our concerns, it would substantially assist.

I greatly appreciate the continuing support you and your staff have provided to Microsoft.

Sincerely,

DAVID CURTIS,
Corporate Attorney.

PECHINEY CORP.,
Greenwich, CT, June 22, 1989.

Re: Specter-DeConcini Amendment on Business Immigration to the Kennedy-Simpson Legal Immigration Bill (S. 358).

Hon. JOSEPH LIEBERMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR LIEBERMAN: I am writing to ask that you support the Specter-DeConcini amendment to S. 358 that would increase the number of visas available for business immigrants from 54,000 to 84,000 per year.

Pechiney Corporation, headquartered in Greenwich, which along with its U.S. subsidiaries has more than $6 billion of sales annually, seeks to sponsor immigrant employees based on a certified shortage of qualified U.S. workers. Unfortunately, the limited number of visas available for employer-sponsored immigrants (the present 3rd and 6th preferences) has resulted in uncertainty and permanent delay. Increased visa allocations for employer-sponsored immigration is the best, most effective way to speed up the process by which U.S. employers obtain needed personnel in shortage occupations.

Please support the Specter-DeConcini amendment to increase visas for business immigration when the Kennedy-Simpson legal immigration bill (S. 358) is debated on the Senate floor.

Thank you for your attention to this concern. I hope you will let Senators Specter and DeConcini know that you support their amendment.

Sincerely,

ROLAND A. PAUL.

MCGRAW-HILL, INC.,
New York, NY, June 28, 1989.

Re: Specter-DeConcini Amendment on Business Immigration to the Kennedy-Simpson Legal Immigration Bill (S. 358).

Hon. MOYNIHAN,
U.S. Senate, Washington, DC.

DEAR SENATOR MOYNIHAN: I am writing to ask that you support the Specter-DeConcini amendment to S. 358 that would increase the number of visas available for business immigrants from 54,000 to 84,000 per year.

McGraw-Hill, Inc. seeks to sponsor immigrant employees based on a certified shortage of qualified U.S. workers. Unfortunately, the limited number of visas available for employer-sponsored immigrants (the present 3rd and 6th preferences) has resulted in uncertainty and significant delay. The minimum waiting time for professionals' permanent visas is now over one full year (3rd preference), and for other skilled and unskilled workers (6th preference) the wait is over two and one-half years.

The present immigration policy is unresponsive to fundamental corporate needs. Increased visa allocations for employer-sponsored immigration is the best, most effective way to speed up the process by which U.S. employers obtain needed personnel in shortage occupations.

Please support the Specter-DeConcini amendment to increase visas for business immigration when the Kennedy-Simpson legal immigration bill (S. 358) is debated on the Senate floor.

Thank you for your attention to this concern. I hope you will let Senators Specter and DeConcini know that you support their amendment.

Very truly yours,

GEORGE W. LEOPOLD.

INTERNATIONAL PAPER,
Mobile, AL, July 11, 1989.

Re Importance of support for proposed Specter-DeConcini Amendment to S. 358.

Hon. HOWELL HEFLIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HEFLIN: Please support the amendment which will be offered by Senators Specter and DeConcini to the immigration bill in the Senate. The Specter-DeConcini Amendment is most important for International Paper, and for business and industry in this country generally.

Under the present law it can take over two and one-half years to obtain the right of residence for a foreign technical specialist, even where the Labor Department has certified that the particular skills are in short supply. The Kennedy-Simpson bill does nothing to address this severe backlog. However, the Specter-DeConcini Amendment adds a very modest number of visas (30,000) to the employer-sponsored immigration categories. While this will not eliminate the backlogs, it will at least prevent them from getting worse.

For example, one of our senior engineers who is a recognized specialist in pulp technology is a Canadian citizen. Without the Specter-DeConcini Amendment it will take over two years to obtain the right for him to reside permanently in the United States. This is an untenable situation which is damaging to our ability to be competitive internationally, and to provide increased employment opportunities in the United States.

Thank you for your support of this important Amendment.

Yours truly,

J.W. OVERALL,
Supervisor Management, Development and Administration.

POMA OF AMERICA, INC.,
July 5, 1989.

Re Specter-DeConcini Amendment on Business Immigration to the Kennedy-Simpson Legal Immigration Bill (S. 358).

Hon. TIMOTHY WIRTH,
U.S. Senate, Washington, DC.

DEAR SENATOR WIRTH: I am writing to ask that you support the Specter-DeConcini amendment to S. 358 that would increase the number of visas available for business immigrants from 54,000 to 84,000 per year.

Poma of America Inc. seeks to sponsor immigrant employees based on a certified shortage of qualified U.S. workers. Unfortunately, the limited number of visas available for employer-sponsored immigrants has resulted in uncertainty and permanent delay.

We are a U.S. corporation that is wholly owned by a French company. Our company manufacturers and installs aerial ropeway systems used primarily in the ski industry. Our parent company has provided our company with the technology to develop and build ski lifts in the United States. However, in order to implement this technology, we need specially educated and experienced personnel that can only be provided by the parent company.

We currently have 80 employees. Four of these employees are French nationalists who are engineers or highly trained technicians. These French employees are a vital part of our organization. They are responsible for educating and training our workforce and they also integrate the French technology into the U.S. manufactured product.

Our company cannot afford an immigration policy that is unresponsive to our most fundamental needs. Increased visa allocations for employer-sponsored immigration is the best, most effective way to speed up the process by which U.S. employers obtain needed personnel in shortage occupations.

Please support the Specter-DeConcini amendment to increase visas for business immigration when the Kennedy-Simpson legal immigration bill (S. 358) is debated on the Senate floor.

Thank you for your attention to this concern. I hope you will let Senators Specter and DeConcini know that you support their amendment.

Sincerely,

THOMAS W. RICHARDSON,
President.

BASF CORP.,
Parsippany, NJ, June 30, 1989.

Senator ARLEN SPECTER,
Senate Hart Office Building, Washington, DC.

DEAR SENATOR SPECTER: During the week of July 10, the Senate will consider the Kennedy-Simpson Immigration Reform Bill, S. 358, which is designed in part to address the needs of the business community with regard to the serious backlogs for visas in the Third and Sixth Preference categories.

We support the Kennedy-Simpson Bill, which provides a new category, Independent Immigrants II, similar to the Third Preference, for which the new requirements to obtain a visa will be to have an advanced degree or be of exceptional ability in the sciences, arts, or in business.

Under S. 358, as reported from the Senate Judiciary Committee, 27,600 visas are allocated to this category and an additional 27,600 visas allocated to a new category, Independent Immigrant III, which is for temporary immigrants with bachelors degrees or with special skills requiring at least two years of experience or training.

The total for these two replacement categories is 55,200, only slightly more than the 54,000 permitted under existing law.

These numbers, as you know, include spouses and children, and in the most recent year for which data are available, only 23,000 "workers" were admitted, the remaining 31,000 visas went to spouses and their children.

When the Senate considers S. 358, Senators Specter and DeConcini plan to offer an amendment that will increase the number of visas for business-sponsored immigrants by 30,000. We support this amendment.

An increase in business-sponsored visas will not affect United States workers. As you know, the employer of a business immigrant must obtain Labor Department certification that "no qualified U.S. workers are available" for the position to be filled and that employment of the immigrant will not harm the wages and working conditions of other workers in the United States. Providing additional business-sponsored visas also will not affect the availability of visas for family-sponsored immigration which is a separate immigration category.

Due to the nature of our business, BASF needs to obtain visas for exceptional, skilled and vitally needed temporary business immigrants with some regularity. In the past we have encountered some delays in obtaining such visas and have found that the delays can affect projects in Pennsylvania and elsewhere in the country. BC is a Fortune 100 manufacturer with approximately 22,000 employees in the U.S. and Canada.

S. 358 with the Specter-DeConcini amendment will help remedy this serious problem.

When the Senate takes up this legislation, we hope we can count on your support.

If you or your staff need additional information or need to discuss this issue further, please contact me or Bob Thoma, Vice President, Government Relations, at (202) 296-6508.

Sincerely,

F.W. BERNTHAL.

AMERICAN COUNCIL ON INTERNATIONAL PERSONNEL INC.,
New York, NY, June 26, 1989.

Hon. ARLEN SPECTER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

Attention: Margaret Morton.

DEAR SENATOR SPECTER: The American Council on International Personnel (ACIP) urges you to support the Specter-DeConcini amendment to S. 358, "The Immigration Amendments of 1989," when it reaches the Senate floor. The amendment will provide 30,000 additional yearly immigrant visas for the skilled workers our country so desperately needs to remain internationally competitive.

ACIP represents 240 large companies with substantial movement of international personnel. The business community has long been the forgotten immigration constituency. While we are the largest regular consumer of immigration services, every effort to reform the immigration system has failed to address the needs of the business community. The immigrants our members are bringing into this country are not taking jobs from Americans. Instead, they are making our companies more vital and creating more jobs for Americans.

S. 358 as it emerged from the Judiciary Committee again fails to address adequately the needs of American employers. In its original form, it would have provided 55,000 visas per year for employer sponsored immigrants (only 1,000 more per year than under current law). After three years, however, that number would have increased to 69,000 per year, a more reasonable allotment, but still only slightly more than 10 percent of the immigrant visas.

The Senate Judiciary Committee amendment to the bill, though, freezes the business categories at 55,000 per year, with no increase after three years. This makes no sense.

Senators Specter and DeConcini have fashioned a balanced amendment which increases the number of immigrants entering based on their skills and the demonstrated need for their labor in this country by a total of 30,000 each year. Their amendment only increases the overall ceiling on immigration by 5 percent. It maintains the requirement that no immigrant be admitted unless it is demonstrated a U.S. worker is not available to take the job.

Labor shortages, especially in skilled positions, have been demonstrated time and again, most recently in the Secretary of Labor's study, "Labor Market Shortages." When a U.S. company can transfer workers from a German subsidiary to a French subsidiary virtually overnight, but must wait 14 months—the current backlog for skilled workers—to bring that same employee to the United States, that U.S. company is going to lose to its foreign competitors. Your support for the Specter-DeConcini amendment will help to level that playing field and make U.S. employers competitive.

Please call ACIP's Washington representative Harris Miller on 276-8009 if you have any questions or comments.

Sincerely,

AUSTIN T. FRAGOMEN, Jr.,
Chairman of the Board.

NATIONAL FOREIGN TRADE COUNCIL, INC.,
New York, NY, June 20, 1989.

Re Business Immigration Amendment to Kennedy-Simpson Bill (S. 358).

Hon. ARLEN SPECTER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SPECTER: On behalf of the National Foreign Trade Council I wish to commend you for your willingness to offer an amendment to S. 358, which would increase "employer-sponsored" visas by 30,000. This would be most helpful to the business community.

The Council is a non-profit association of 500 companies engaged in international trade and investment. Its members have long supported efforts to improve U.S. Immigration Laws, policies and procedures, particularly as they affect the transfer of foreign executives as well as managerial, professional and specialized knowledge personnel to the United States. It is critical for companies operating internationally to have a trained and experienced workforce at all levels in order to compete effectively around the world. The United States of America has a particular interest in the ongoing viability of American multinational corporations, since their repatriated foreign profits help to ameliorate our difficult balance of payments position.

As U.S. companies can and do send U.S. employees (and their families) on assignments to foreign countries in order to meet their operational needs in the global marketplace, so must they be allowed to (expeditiously and with reasonable surety) bring select foreign nationals to the U.S. for varying periods of time.

The President of the Council, Frank Kittredge, testified before the Senate Sub-committee on Immigration and Refugees on March 3, 1989, representing a coalition of several interested organizations called the Business Immigration Council. In that testimony (copy attached for ready reference) we supported the general thrust of S. 358 but pleaded for an increase in the allotment for "business related" or "independent" category visas.

Your proposed amendment would be a reasonable response to our request, particularly bearing in mind that these visa numbers relate to the prospective alien and immediate family members as well.

We strongly support you in your efforts and hope that the amendment will receive favorable consideration by both the Senate and the House.

Sincerely,

WILLIAM F. CAGNEY,
Director, Industrial Relations and Management Resources.

EXHIBIT 1

BUSINESS ENTITIES AND ORGANIZATIONS IN SUPPORT OF AMENDMENT TO INCREASE BUSINESS SPONSORED IMMIGRATION

U.S. Chamber of Commerce.
SmithKline Beckman.
BASF Corporation.
Rohm & Haas.
McGraw-Hill, Inc.
American Council on International Personnel.
National Foreign Trade Council.
Manufacturer's Association of Pennsylvania.
American Committee for Italian Migration.
American Council for Nationalities Services.
American Immigration Lawyers Association.
A. Philip Randolph Institute.
Centro Presente (Boston).
Chicago Committee for Immigrant and Refugee Protection.
Cuban American National Council.
Indochina Resource Action Center.
International Ladies Garment Workers Union.
Massachusetts Immigrant and Refugee Advocacy Coalition.
Nationalities Service Center of Philadelphia.
New York City.
North Texas Immigration Coalition.
Proyecto Adelante (Texas).
Travelers and Immigrants Aid of Chicago.
Deloite, Haskins and Sells.
Microsoft Corporation (Washington State).
International Paper (Alabama).
Pechiney Corporation (CT).
POMA of America, Inc.

Mr. SPECTER. Mr. President, in order to avoid any possible misunderstanding about who is wrong and right, I want to introduce my copy of Senator HELMS' figures, the ones I received from Senator HELMS in the anteroom to verify the representations that I may have made as to the reductions in these various categories, and perhaps we are finished with the time I have remaining by simply asking Senator HELMS question.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	Current law limits	Actual 1987 numbers	Kennedy/Simpson 1989	Kennedy/Simpson/Senate 1989	Helms amendment	
					Number	Percent
National level of immigration	None	[illegible]	[illegible]	680,000	680,000	
Immediate relatives (spouses, children and parents of citizens)	(2)	[illegible]	[illegible]	220,000	220,000	
1. Family preference:						
1st Preference (unmarried adult sons, daughters of citizens)	54,000	[illegible]	[illegible]	24,200	14,400	6
2d Preference (spouses and children of residents)	[illegible]	[illegible]	[illegible]	148,000	136,800	57
4th Preference (married sons and daughters of U.S. citizens)	27,000	[illegible]	[illegible]	23,000	24,000	10
5th Preference (never married brothers and sisters)	64,800	23,517	[illegible]	64,800	64,800	27
Total family preference	[illegible]		440,000	480,000	460,000	

	Current law limits	Actual 1987 numbers	Kennedy/Simpson 1988	Kennedy/Simpson/Simon 1989	Helms amendment	
					Number	Percent
II. Independent:						
Special immigrants	(2)	3,646	6,000	6,000	4,200	3
3d Preference (members of profession exceptional ability)	27,000	26,921	27,500	27,500	46,200	33
6th Preference (skilled workers)	27,000	26,952	27,500	27,500	46,200	33
Employment generating investors	None	35	4,800	4,800	2,800	2
Selected immigrants (point system)	None	NA	54,000	54,000	40,600	29
Total independent			120,000	120,000	140,000	
Total immigrants			590,000	600,000	600,000	

[1] Approximately.
[2] No limit.

Mr. SPECTER. Just picking out one, is it not true that under your chart in the employment-generating investors, you would allow in 2,800, whereas, the current bill allows in 4,800 for a reduction, obviously, of 2,000 on a very important item of productivity and business activity.

The PRESIDING OFFICER. The Chair states that the time of the Senator from Pennsylvania has expired. The Senator from North Carolina has 3 minutes 45 seconds.

Mr. HELMS. Mr. President, the Senator from Pennsylvania is working with the original version of my amendment. At the request of Senator SIMPSON, I changed the numbers in my amendment to restore the number of visas for investors. I apologize for the confusion.

I yield back the remainder of my time, and I suggest that we vote.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from North Carolina. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 22, nays 77, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—22

Armstrong	Garn	Roth
Bond	Grassley	Rudman
Burns	Hatch	Shelby
Byrd	Helms	Simpson
Cochran	Lott	Symms
Danforth	Lugar	Thurmond
Dole	McClure	
Ford	Pressler	

NAYS—77

Adams	Breaux	Cranston
Baucus	Bryan	D'Amato
Bentsen	Bumpers	Daschle
Biden	Burdick	DeConcini
Bingaman	Chafee	Dixon
Boren	Coats	Dodd
Boschwitz	Cohen	Domenici
Bradley	Conrad	Durenberger
Exon	Kennedy	Packwood
Fowler	Kerrey	Pell
Glenn	Kerry	Pryor
Gore	Kohl	Reid
Gorton	Lautenberg	Riegle
Graham	Leahy	Robb
Gramm	Levin	Rockefeller
Harkin	Lieberman	Sanford
Hatfield	Mack	Sarbanes
Heflin	McCain	Sasser
Heinz	McConnell	Simon
Hollings	Metzenbaum	Specter
Humphrey	Mikulski	Stevens
Inouye	Mitchell	Wallop
Jeffords	Moynihan	Warner
Johnston	Murkowski	Wilson
Kassebaum	Nickles	Wirth
Kasten	Nunn	

NOT VOTING—1

Matsunaga

So, the amendment (No. 254) was rejected.

VOTE ON AMENDMENT NO. 252

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the amendment of the Senator from Pennsylvania [Mr. SPECTER]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 78, nays 21, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—78

Adams	Glenn	McClure
Armstrong	Gore	Metzenbaum
Bentsen	Gorton	Mikulski
Biden	Graham	Mitchell
Bond	Gramm	Moynihan
Boren	Harkin	Murkowski
Boschwitz	Hatch	Nickles
Bradley	Hatfield	Nunn
Breaux	Heflin	Packwood
Bryan	Heinz	Pell
Burns	Hollings	Reid
Chafee	Inouye	Riegle
Coats	Jeffords	Robb
Cohen	Johnston	Roth
Conrad	Kasten	Sanford
Cranston	Kerrey	Sarbanes
D'Amato	Kerry	Sasser
Danforth	Kohl	Shelby
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Domenici	Lott	Wallop
Durenberger	Lugar	Warner
Fowler	Mack	Wilson
Garn	McCain	Wirth

NAYS—21

Baucus	Exon	McConnell
Bingaman	Ford	Pressler
Bumpers	Grassley	Pryor
Burdick	Helms	Rockefeller
Byrd	Humphrey	Rudman
Cochran	Kassebaum	Simon
Dole	Kennedy	Simpson

NOT VOTING—1

Matsunaga

So the amendment (No. 252) was agreed to.

AMENDMENT NO. 255

(Purpose: To prevent distortions in the reapportionment of the House of Representatives caused by the use of census population figures which include illegal aliens)

Mr. SHELBY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SHELBY], for himself, Mr. HEINZ, Mr. HELMS, Mr. LOTT, Mr. GRASSLEY, Mr. STEVENS, Mrs. KASSEBAUM, Mr. HEFLIN, and Mr. DOLE, proposes an amendment numbered 255.

Mr. SHELBY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new title:

TITLE —CENSUS

SEC. . PREVENTION OF CONGRESSIONAL REAPPORTIONMENT DISTORTIONS.

(a) FINDINGS.—The Congress finds that—

(1) in recent years millions of aliens have entered the United States in violation of immigration laws and are now residing in the United States in an illegal status and are subject to deportation;

(2) the established policy of the Bureau of the Census is to make a concerted effort to count such aliens during the 1990 census without making a separate computation for such illegal aliens; and

(3) by including the millions of illegal aliens in the reapportionment base for the House of Representatives, many States will lose congressional representation which such States would not have otherwise lost, thereby violating the constitutional principles of "one man, one vote".

(b) SECRETARIAL ADJUSTMENTS TO PREVENT DISTORTIONS.—Section 141 of title 13, United States Code, is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"(g) The Secretary shall make such adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines feasible and appropriate, in order that aliens in the United States in violation of the immigration laws shall not be counted in tabulating population for purposes of subsection (b) of this section; *Provided, however*, That nothing in this subsection (g) shall be construed to supersede section 195 of title 13, United States Code."

(c) CONFORMING AMENDMENT.—Section 22(a) of the Act entitled "An act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress", approved June 18, 1929 (2 U.S.C. 2a(a)), is amended by striking out "as ascertained under the seventeenth and each subsequent decennial census of the population" and inserting in lieu thereof "as ascertained and reported under section 141 of title 13, United States Code, for each decennial census of population".

The PRESIDING OFFICER. The Chair will state, by previous order, there is a 2-hour limitation on this amendment to be equally divided. The Senator from Alabama is recognized.

Mr. SHELBY. I yield myself as much time as I may consume.

Mr. President, I am offering this amendment on behalf of myself, Senators HEINZ, HELMS, LOTT, GRASSLEY, STEVENS, KASSEBAUM, HEFLIN, and DOLE.

Mr. President, the established policy of the Bureau of the Census is to count every inhabitant in this country without making an adjustment for illegal aliens, and the Census Bureau plans to continue this policy in 1990 when they take the census. If this policy is allowed to continue, some States will lose congressional representation which they would not otherwise lose.

The basic rights of representation in our country are violated when voters in States with a large number of illegal aliens have a greater voice in choosing representatives in Congress. As the Supreme Court stated in *Wesberry* v. *Sanders*, 376 U.S. 1 (1963):

> No right is more precious in a free country than that of having a voice in the election of those who make the laws under which, as good citizens, we must live. Other rights, even the most basic, are illusory if the right to vote is undermined.

I believe we must address this issue prudently, yet expeditiously. In less than 1 year our country will once again undergo a taking of the census. We have been doing this since 1790. In 1790, the first U.S. census was conducted and completed. Many demographic elements have changed during these past 200 years, and the census must remain attuned to these changes in our country.

In the 1980 census, the Census Bureau counted an estimated 2.57 million illegal aliens. But for this inclusion, Indiana and Georgia would probably have gained seats in Congress of the United States. In 1990, Mr. President, if the Census Bureau's policy remains unchanged, Pennsylvania, Connecticut, Michigan, North Carolina, and my State of Alabama may lose congressional seats. Perhaps others.

Therefore, Mr. President, this amendment that I introduced a few minutes ago would prevent the use of census figures which would include undocumented aliens for apportionment of the House of Representatives. My proposal directs the Secretary of Commerce to ensure that undocumented aliens shall not be counted for apportionment purposes.

At the outset I must vigorously state that the legislation is not designed to be an anti-immigration proposal. It is not designed, implicitly or explicitly, to hinder the legal immigration process.

However, Mr. President, it is designed to ensure proper apportionment so that all citizens in the United States will receive the opportunity to be heard. The opportunity for participation in governing through an undiluted ballot box is part and parcel of government in America. Consequently, to realize this opportunity, the undocumented alien must not be counted for apportionment purposes.

My proposal, this amendment now before the Senate, does not impede upon the constitutional protections that have been legislatively sanctioned and judicially recognized to apply to undocumented aliens as well as to citizens and resident aliens.

Conversely, Mr. President, my proposal provides implementation of the concept of equal protection under the laws for those American citizens who would be adversely affected by the conclusion of these undocumented aliens.

The mere inclusion of illegal aliens in census figures for House of Representatives apportionment purposes violates the notion of self-government and eradicates the community's process of political self-definition. This occurs when an affected State's voting strength is weakened and qualified voters are placed in an impracticable position, vis-a-vis qualified voters of States with a large undocumented alien population. Thus, Mr. President, improper apportionment deprives citizens of their right of self-determination through the ballot box.

Mr. President, my proposal is simple in structure. It merely directs that the Secretary of Commerce shall make adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines appropriate, in order that aliens in the United States in violation of immigration laws shall not be counted in tabulating population for purposes of reapportionment.

As our Nation prepares for the 1990 census next year, it is important that fairness and equity not fall by the wayside in our assessment of demographics. The issue is far too important to many people.

The PRESIDING OFFICER. The Senator has 54 minutes 20 seconds remaining. Who yields time?

Mr. HELMS. Mr. President, might I confer with the distinguished Senator from Illinois.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. Mr. President, I yield 8 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 8 minutes.

Mr. HELMS. Mr. President, I thank the distinguished Senator and I thank the Chair. Needless to say, I am pleased to be an original cosponsor of the amendment by the able and distinguished Senator from Alabama. I commend Senator SHELBY for his efforts to rectify, to put it mildly, a grave injustice that is about to be committed by the Census Bureau.

Here is the situation. The Shelby-Helms amendment instructs the Census Bureau to exclude illegal aliens in the census count. Nothing else makes sense. If you cannot reason with a bunch of bureaucrats, then you have to go legislatively. For some reason the Census Bureau has decided, reductio ad absurdum, to count illegal aliens in the 1990 census. The Census Bureau policy jeopardizes the constitutional right of North Carolina citizens, among others, to fair and equal representation.

If the Census Bureau does count illegal aliens, the citizens of my State, and others, may lose a congressional seat. We would lose a congressional representative in North Carolina merely because some of the bureaucrats in the Census Bureau think that the Constitution requires them to count illegal aliens. Well, they better go back to the history books just a little bit. I remind them that there were no illegal aliens in 1787 when the constitutional framers, the Founding Fathers as we call them around this place, debated the issue of the census and reapportionment.

Mr. President, illegal aliens did not have the right to vote. So why should they have the right to determine the outcome of the makeup of our Government? If illegal aliens are counted, States like California will gain a seat at North Carolina's expense. Therefore, Californians will have proportionally more congressional representation than North Carolina and some other States. They will have more seats in Congress thanks to people breaking the law and entering this country as illegal aliens.

I simply do not believe that our Founding Fathers ever intended to allow people who cannot vote and who

break the law, to determine the political makeup of this Government.

Judge Noonan pointed out adequately and accurately, if a foreign army invaded our country on census day, we would not count them in the census. Furthermore, if a gang of drug runners were in our country illegally on census day, we would not count them in the census. So why must we count illegal aliens? The answer is that we should not.

The amendment of Senator SHELBY, of which I am proud to be a cosponsor, makes sense; it has equity; it is fair; and the Senate ought to adopt this amendment. I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time? The Senator from Illinois.

Mr. SIMON. Mr. President, I yield myself such time as I may consume.

There are two reasons for rejecting the amendment offered by my friend from Alabama, for whom I have great respect. One is that it is unconstitutional, which is a pretty major impairment, and the second is that it is impractical, and that is also a pretty major impairment.

On the Constitution, section 2 of article I talks about electing representatives in apportionment and says, "Their respective numbers, which shall be determined by adding to the whole number of free persons."

Not citizens. The Constitution makes a clear distinction between citizens and persons.

Now, in part, article I has been superseded by article XIV after the Civil War, or the War Between the States, as it is sometimes called. In article XIV, section 1 talks about citizens. In section 2 it says:

> Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State.

It is very clear. The distinction between persons and citizens was even more clear when these two items were drafted. It is very interesting. In the State of Illinois, and my guess is in the State of Alabama and in the State of Louisiana and the State of Iowa and the other States represented here on the floor today, originally noncitizens could vote. In the State of Illinois, noncitizens voted, I believe it was, until 1848. I am not sure of that precise date, but it was a pre-Civil War date. We made a clear distinction between persons and citizens and those who could vote.

So the meaning of the Constitution is clear, and we do not with as much power as we may have as Senators, have the ability to change the Constitution with a simple amendment.

There is a second reason for voting against the Shelby amendment.

Let us just say that Senator RICHARD SHELBY, or Senator JOHN BREAUX, or Senator CHUCK GRASSLEY are going around door to door. You are with the census. You are taking a census. You have to make a determination all of a sudden: Is this person a citizen or is this person not a citizen? You are making the determination the courts have to make. The person from the Census Bureau is not authorized to say who is a citizen and who is here illegally. It would be the most horrendous kind of impractical thing that you could imagine. And I would add you cannot deny rights to people who are not citizens without due process. The U.S. Supreme Court determined that in 1896, and due process is not saying to somebody who is taking a census you just make an arbitrary judgment of whether somebody, a citizen or not, should be counted.

I do not question for a moment the motivation of my friend from Alabama. But this is a amendment that clearly should be defeated.

I add that his proposal is now pending before a committee of this body. And my understanding, and the Senator from Alabama can correct me if I am incorrect, is that Senator BINGAMAN from New Mexico has pledged that there will be a hearing on this question, and that will look into whether there is some way of working out the practical problems. But I suggest that we should not all of a sudden throw a monkey wrench into something that is even at its best a complicated procedure. We are going to make it infinitely more complicated if the Shelby amendment should be enacted into law. And then we are going to have to go through court proceedings.

Do we just suspend taking the next census because we have court proceedings pending? I do not know the answer. But I think we would be wise to say Senator SHELBY is a Senator of much above-average ability and determination who has an idea that has some merit, but on reflection it is both unconstitutional and impractical.

Mr. President, I oppose this amendment because it is unconstitutional, unworkable, and unwise.

This amendment directs the Census Bureau to act in an unconstitional manner by excluding undocumented aliens from the count. The Constitution explicity directs that apportionment be based on the number of persons, not the number of citizens or legal residents. Where the framers intended to make an exception, they said so explicity. This, Indians were excluded, and slaves were only counted as three-fifths of a person for reapportionment.

We cannot turn persons into nonpersons by senatorial legerdemaine. The Constitution directs the census to count the number of people. The only way to change that is to amend the Constitution. That is the opinion of a wide variety of scholars who have researched the topic, including the Congressional Research Service, the Census Bureau, the Justice Department, the ACLU, the American Immigration Lawyer's Association, the Asian Law Caucus, the Asian Pacific American Legal Center, MALDEF, the Southwest Voter Education and Registration Project, La Raza, and the American Jewish Committee, the Illinois House of Representatives, and the city of Chicago.

Aside from being unconstitutional, this amendment would prove unworkable. The Director of the Census Bureau has stated last year that "we have not found an acceptable method to exclude undocumented immigrants" from the count. Each proposed method presents the possibility of serious error, either by an overcount or an undercount of legal residents.

In addition, determining who is here illegally is sometimes a complicated legal matter. Persons may assert claims of political asylum; they may seek suspension of deportation or adjustment of status; or they may invoke a wide range of other defenses. This amendment would force the Census Bureau to find a way to make these legal determinations. The Census Bureau is not equipped to make those judgments.

The Director also said last year that there was not enough time to implement this change for the 1990 census. Now, a year later, that task would be even more difficult. A task that is already difficult to accomplish accurately is made even more difficult by time pressures.

This proposal is also unwise. It would undermine the accuracy of the count of Hispanics and other minority immigrant communities. Census Bureau employees would be unable to determine if all eligible persons had responded to the questionnaire, since they would be forced to determine whether the persons were undocumented or not. Hispanics are already undercounted at a rate five to six times that of the overall population. Since the census data is also used to redistrict State and local governments and to plan for local social and governmental services, it is important for it to be as complete and accurate as possible.

Some legislators have argued in favor of this amendment by pointing to the potential shift in representation that would result from it. This issue, however, is too important and too politically sensitive to be resolved by our own parochial self-interests as legislators. We must heed the Constitution, rather than the cries of those who would seek political advantage.

Because I believe this amendment is unconstitutional, unworkable, and unwise, I will be voting against it. I urge my colleagues to do the same.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. President, I yield to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I ask that Senator COCHRAN from Mississippi be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SHELBY. At this time, I yield 10 minutes to the distinguished Senator from Iowa [Mr. GRASSLEY].

The PRESIDING OFFICER. The Senator from Iowa is recognized for 10 minutes.

Mr. GRASSLEY. Mr. President, I am very happy to be a cosponsor of this amendment. I congratulate the Senator from Alabama for his sponsorship of this amendment and for bringing this very important issue to the floor for debate. It is very important because the very basis of representative government, and the equal division of that representation in Congress among the people of this country, is a sound count of who lives in this country. We assume that people who live in this country live here legally. If they live here illegally, they should not be counted. They should not be here at all to begin with.

I want to set the record very straight. My State of Iowa, under the 1990 census, will probably lose a seat in the House. We will go from six down to five. This will happen regardless of the outcome of the Shelby amendment. Whether we count illegal aliens or not, my State is bound to lose a seat. So my support for this amendment is based upon my respect for representative government, as well as my respect for sound statistics as a basis for the division of 435 Representatives among the States in the House of Representatives.

It is a commonsense approach that I am arguing. I believe we would find a solid consensus if we were to travel among the citizens of our States and discuss the issue of whether or not we ought to have any illegal aliens in this country. You will find no commonsense understanding nor any tolerance toward illegal aliens being in this country at all.

We passed legislation in 1986 to solve this problem. I hope that legislation, passed thanks to the leadership of Senator SIMPSON and other people in this country who worked hard, will work. But it is a fact that it is not keeping all illegal aliens out of this country.

So illegal aliens in this country is a fact of life. Our police and the INS have to be oriented toward moving those people out of this country. Or, through the Simpson amendment, we can punish those who knowingly hire illegal aliens. However, that just does not solve our problem.

So you reach the commonsense question of whether people who are in this country illegally ought to have the right to participate in shaping the laws for those who live here legally. Should this class of people—illegal aliens—distort representative government in the United States? Discuss that with your constituents in Maryland, Alabama, Iowa, Illinois, California, or Texas. Those latter two States obviously have large numbers of illegal aliens. Talk it over with your constituents and you will find, first of all, no tolerance toward illegal aliens. Let us start at another point: You are not going to find tolerance for people who violate the law. Since illegal aliens are in violation of our law, you are going to find little tolerance for their presence.

Should the presence of illegal aliens have a negative, detrimental impact upon the representative process of our country? The answer to that, obviously, is no. We are talking about hundreds of thousands of people who are coming here illegally. That is quite a distortion of representative government, particularly in those States where a high percentage of the illegal aliens reside.

I do not question the sincerity of the Senator from Illinois who says this should not be offered as an amendment to this bill. He says it ought to be studied by Senator BINGAMAN's committee. But this was an issue when I was in the House of Representatives, when the Senator from Illinois was also a Member of the House, in the late 1970's, when we were getting ready for the 1980 election.

Obviously, it was not passed and illegal aliens were counted. And so it is an issue today. Well, if we really had wanted to do this through the process of committee hearings and study, there were 8 to 9 years to do so. But we are right up to the last few months, with just a few weeks to make a decision, before the counters go out in 1990. We must decide whether or not people who are here illegally, people who can distort the representative process, ought to be counted. And the commonsense consensus back there in the grassroots in Illinois or Iowa or Alabama or Kansas is, "no, they should not be counted." I yield for a question, but retain the floor, to the Senator from Illinois.

Mr. SIMON. I agree with 80 percent of everything my colleague from Iowa has to say. There is only one problem. That is the Constitution of the United States. What are you going to do with the Constitution?

Mr. GRASSLEY. I will answer the Senator's question. I am not a lawyer, but there will be evidence given by constitutional lawyers on both sides of that argument before this debate is over. Those arguments will both uphold and dispute your point of view. All I can say is that it just is not right. The Constitution, if you look at it from a commonsense approach, does not say that people who are here illegally can distort the legislative process. A better way of asking this question is to ask if a foreign army of people walked across our border, would we count them? The answer is "no".

Mr. SIMON. If my colleague would yield once again.

Mr. GRASSLEY. I will yield the floor soon. I just want to say, in closing, Madam President, that we have to do this right now if we want the 1990 census to be a true reflection of the number of lawful residents and American citizens. A vote for the Shelby amendment shows respect for obedience to the law and ensures a wise basis for apportionment within our system of representative government. I want to uphold the law. I want to show respect for law. I want to see that there is fair reapportionment in the House of Representatives. That is why I support the Shelby amendment.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield myself such time as I might use.

Mr. President, the Shelby amendment is flatly unconstitutional, and therefore should not be included in this immigration bill. At an appropriate time I will offer a motion to table it.

The amendment is unconstitutional because both article I, section 2 of the Constitution and the 14th amendment require apportionment to be based on "the whole number of persons," regardless of their citizenship or immigration status.

The framers of the Constitution intended to count all persons. That principle is clear from the express language of the Constitution. It uses the word "persons" rather than "citizens" in the census provisions. Elsewhere in the Constitution, the framers used the word "citizens" where that meaning was intended.

For example, section 1 of the 14th amendment provides that—

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States. * * *

The apportionment clause, which is found in section 2 of that same 14th amendment, provides that—

> Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. The drafters of that language clearly meant to count every person in the apportionment base. The issue could not be clearer.
>
> The framers' intentions are also clear from the consistent practice of the Census Bureau for 190 years—since the ratification

of the Constitution. To quote the Congressional Research Service, "the fact that every census since 1790 has included legal as well as illegal aliens in its count would seem to be indicative of the fact that the original intent of the framers was to include such aliens. [p. 12].

Courts may have dismissed cases in 1980 and 1988 for lack of standing. The same conclusion has been reached by the Federal courts. In 1980, in Fair versus Klutznick, a three-judge Federal court stated—and I quote—that:

[The Constitution] requires the counting of the "whole number of persons" for apportionment purposes, and while illegal aliens were not a component of the population at the time the Constitution was adopted, they are clearly "persons." [486 F. Supp. 564, 576 (D.D.C. 1980).

In other contexts, the Supreme Court has consistently held that the word "persons" in the 14th amendment includes illegal aliens. For example, in 1982 in Plyler versus Doe, the Court ruled that the equal protection clause bars States from completely excluding illegal aliens from its schools. The CRS study concluded that—and I quote:

A statutory exclusion of aliens from [the apportionment] base would seem to violate the "whole number of persons" requirement and thus be unconstitutional.

The Justice Department, under both Presidents Carter and Reagan, also recognized that the Constitution bars excluding illegal aliens from the census. And in the past, the Justice Department has opposed legislative proposals to exclude illegal aliens from the apportionment base on constitutional grounds.

As a practical matter, the Shelby amendment is unworkable, because it would require the Census Bureau to exclude illegal aliens from the apportionment counts. In 1988, the Director of the Census Bureau testified before a House subcommittee that—and I quote:

[The Census Bureau] has not found an acceptable method to exclude undocumented immigrants from the apportionment counts. [p. 5]

The reason is obvious. If census takers are required to ask people whether they are illegal aliens, the question will provoke widespread fear and suspicion and noncooperation with the census.

The Census Bureau found that—and I quote:

A census of only legal residents cannot be done as accurately as a census of all residents. People who are undocumented immigrants may either avoid the census altogether or deliberately misreport themselves as legal residents in the census. * * * Legal residents may be confused about why the Government is asking whether a person is here illegally. Legal residents, therefore, may misunderstand or mistrust the census and fail or refuse to respond.

The Census Bureau is clearly not the proper agency to decide who is:

In the United States in violation of the immigration laws.

Census takers are not experts on our immigration laws. Do we want part-time or one-time Government employees to be deciding immigration status? That's what the Shelby amendment would require.

Finally, the Shelby amendment is inappropriate to add to this important legislation.

In April, the Senator introduced this amendment as a freestanding bill, which is pending in the Subcommittee on Government Information and Regulation of the Governmental Affairs Committee.

The distinguished chairman of that subcommittee, Senator BINGAMAN, has agreed to hold hearings on the Shelby bill. In addition, Senator SIMON, the chairman of the Constitution Subcommittee of the Judiciary Committee, has agreed to hold hearings on the constitutional issues raised by excluding illegal aliens from the apportionment base.

It is clear that the Senator's proposal will be given fair consideration. But in light of the serious constitutional problems with the proposal, the Senate should not permit the committee process to be end-run; and it should not permit this immigration bill to be saddled with a highly controversial, and almost certainly unconstitutional amendment.

I urge my colleagues to vote to table the Shelby amendment.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SHELBY. Madam President, there is controlled time on this. I yield 5 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator is correct. The Chair did not see the Senator standing.

Mr. SIMPSON. Thank you, Madam President.

This was not one of the amendments that was discussed thoroughly by the subcommittee at all, but it is something that Senator SHELBY of Alabama feels very strongly about. He did last time and at my urging he withdrew the amendment. The amendment was very important to him and I appreciated that. And I said, "We will deal with that sometime in the future. I see what you are trying to do. I realize it is contentious and the issues of constitutionality are here."

But I think that this is an appropriate amendment in that it would prohibit the Census Board from counting illegal aliens. I would rather we did not deal with it on this bill, but since it is here and now that it is the third amendment on illegal immigration that we have dealt with on this legal immigration bill, we should address it. I am going to support it. I am well aware that the Constitution states that we shall count persons—that is the description—not merely citizens, when conducting the census every decade.

But I do not believe that the framers of the Constitution in 1789 or the framers of the 14th amendment in 1866 ever conceived of the stunning phenomenon of illegal immigration.

While there is no distinction drawn in the Constitution between persons and citizens, I am not at all of the belief that the framers would have wanted us to include illegal aliens. A concept unknown to them at that time in our history, and yet oddly enough, they believed wholeheartedly in slavery, or at least partially in slavery. So it is unknown what they may have been thinking when they used that term, but they certainly, I think, did not suspect what would occur with regard to the problem of illegal immigration.

I think it would have been out of the scope of their definition of "person" to be counted for apportionment purposes.

It is the first duty, and I have said it so many times, the first duty of a sovereign nation to control its own borders. We have tried fervently to do that in recent years, but I am not certain that we yet do. Maybe we have more work to do.

But are we to count the people who we do not want to enter? That is an extraordinary thought. We are going to count the people who we do not want to enter and then apportion the Nation's seats in the U.S. House of Representatives based upon their presence because of some ambiguous wording in our Constitution? I think not. I think that really strains logic.

In addition, no court has yet ruled conclusively on the proper interpretation of the word "person." Many cases involving the issue have been thrown out for lack of standing or other technical reasons, but I do not believe the constitutional interpretation has ever been addressed on the merits. I would inquire of my friend from Alabama, the sponsor, if that is so or if he is aware of that.

He has phrased it well in his bill. These people cannot vote. I have been dazzled a bit by various votes, but I do not think we are going to allow illegal aliens to vote. They cannot vote. So whatever happened to one man, one vote? I know I should not get that clear in an argument. I do not want to try to do that again. They cannot vote.

So what in the world does the Supreme Court decision of one man, one vote have to say, actually, then?

I think decisions have been made on technical issues before, never addressed on the merits. Until we have that interpretation of the Court on the merits, I believe it is just simply good public policy to try to limit the

VOL 135 PT 10 23 JL 13 1989 JE UMI

number of persons counted for apportionment purposes to the number of persons who are citizens who are otherwise legally admitted to the United States.

Sure this is a difficult question that cannot be easily answered, but all of my colleagues know that when you are dealing with immigration, refugees, legal immigration and illegal immigration you already know there are no easy answers in anything we do in this area.

Our job is simply to get it out and vote it up or down. We try to be fair with the American public and honest with the American public, and that is what the Senator from Massachusetts and I have tried to do throughout our long linkage in this. You want to duck a lot of these. Oh boy, that is the name of the game. But we are trying to get them before the body. The Members take care of it very nicely if we do not bring it before the body. This is not an easy issue. It has no easy answers. But I think it is one that is important to be addressed, and I will support my good friend from Alabama.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. I yield 5 minutes to the distinguished Republican leader.

Mr. DOLE. Madam President, I thank the distinguished Senator from Alabama. I rise in support of his amendment.

I appreciate the comments just made by the assistant Republican leader, Senator SIMPSON.

I think it was Senator HELMS who said under the strained interpretation of some in this body if we were being invaded on census day by a foreign army, we would count them. I do not think that is the intention.

As Senator SIMPSON has pointed out, they are illegal aliens, they cannot vote. We do not want them here, but they are still counted for census purposes, which does make a difference when you get into one man, one vote and congressional representation.

So I congratulate my colleague from Alabama and the distinguished Senator from North Carolina [Mr. HELMS].

I would also point out the point has been made before that the illegality of individuals within the borders of the United States did not exist until 1875, so that is after the 14th amendment in 1866 and after 1789, so I do not think the framers of the Constitution had that in mind. I do not think the question has ever been squarely put to the Supreme Court. If not, maybe it is time it should be put to the Supreme Court. Why wait another 10 or 12 years? This has been an issue as long as I have been in the Congress, 8 years in the House and 20 years in the Senate. It is always going to be addressed and we are always going to have hearings.

Here we are 10, 15, or 20 years later.

I would just say that the established policy of the Census Bureau is to count every person in this country without making a single adjustment for illegal aliens. I do not know what they do when they get up to the United Nations. Maybe they count everybody in the United Nations, too.

I am not certain whether they count Americans who are overseas. I do not think they do. They may vote here but they are not counted.

So the Census Bureau intends to continue this policy through 1990 unless the Senator from Alabama and the Senator from North Carolina are successful.

It just does not make any sense. It does violate the constitutional principle of one man, one vote, and it is just plain unfair to those Americans who live in this country and live here legally.

I think the Shelby amendment is a straightforward solution to this problem. It simply requires the Secretary of Commerce to make the necessary adjustments, use tabulating procedures, both feasible and appropriate, to make sure illegal aliens are not counted in the census. This is a sound solution that will restore fairness to the census and reapportionment process.

I commend the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. HELMS].

I would hope we could adopt this amendment. It seems to me it will make a great deal of common sense.

There is not much precedence for using that around here but now and then you might get lucky.

I yield back the remainder of my time.

Mr. KENNEDY. I yield 7 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, I thank my distinguished colleague from Massachusetts for yielding to me. I think this is a subject that we could debate forever.

But I think the plain truth is that the distinguished Senator from Massachusetts is right and he is right in two ways. First of all, this bill is not going to become law, since the House has not taken it up, until after the 1990 census is set. So no matter what we do today, we are not going to affect the 1990 census.

I think the Senator from Alabama has raised a point that ought to be discussed. I think we ought to hold hearings on it. I think we ought to look at amending the Constitution on the subject. I think it should be fully debated.

But first we are not going to effectively change the 1990 census here today and, second, we are today considering an amendment that is clearly unconstitutional.

Now, we all love the basic principles of the Constitution, but we sort of try sometimes to use it like the Bible. We take out of it what we like and we leave the part that we do not like out of the picture.

Well, Madam President, I guess the simplest way of making my point is to simply take the part of the Constitution that is totally unambiguous. You cannot be more unambiguous than this. Amendment 14 to the Constitution of the United States, section 1 says:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.

Section 2:

> Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State.

Now, Madam President, one can hardly be clearer than that—that apportionment shall be based on the whole number of persons in each State. We cannot rewrite the Constitution on the floor of the Senate to suit our purposes even though from time to time our purposes might be noble.

I suggest that since, No. 1, this is never going to be in effect prior to the 1990 census that we begin now and look at this very real question. I want to assure my colleague from Alabama that I believe in enforcing the law. I believe that people that come into this country illegally are violating the law.

In a great action of humanitarianism, unmatched anywhere else in the world, we granted amnesty last year to millions of people who came to this country illegally. I believe it is imperative that we enforce the law today in terms of preventing people from coming into this country illegally.

But I do not believe that, for the purpose of trying to affect reapportionment, we ought to be trying to amend the Constitution on the floor of the U.S. Senate by passing an amendment to a bill that, if it becomes law, will be superceded by the Constitution.

So whatever appeal the amendment might have, it clearly is not relevant to the 1990 census and, No. 2, it is clearly unconstitutional. And as you look at section 1 and section 2 of amendment 14, it could not be clearer than the 14th amendment intended that apportionment should be on the basis of counting the whole number of persons of each State.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Madam President, I will just make a brief comment in response to the points that were raised earlier here. No one is suggesting today that aliens, much less illegal

aliens, should be permitted to vote. But children are not permitted to vote either and they are included in the apportionment base.

We in the Congress represent everyone in our State or district and it is wrong to say that undocumented aliens are not "persons" under the Constitution.

It is rather surprising to hear those who claim the title of strict constructionist to strain and to torture the meaning of the word "person" in the Constitution to exclude illegal aliens. "Persons" means "persons" and that is the plain meaning of the Constitution.

Finally, Madam President, as the Senator from Texas has pointed out, this legislation is going to take a good deal of time before the House of Representatives addresses it and then also until we work out final action in conference. I think the last Immigration Act, the 1986 act, was perhaps the last item that was considered in the 99th Congress. I hope that will not be the fate of this legislation.

But clearly this is going to be one that is going to take a good deal of time. And if the Senator is looking for effective means for securing action on this, it certainly is not this particular piece of legislation.

I do not want to cut the Senator from Alabama off, but I would like to move to table.

I withhold the motion.

Mr. SHELBY. We both have a stated time. There is still time left in the debate.

Madam President, I yield myself as much time as I may consume.

It has been said in the course of the debate this afternoon that there has not been any hearings on this. All of us who have been here in the Senate and in the House before then know that there have been hearings in the Senate and the House on this very subject over and over. We have a record of it right here.

It always comes up when you have a controversial bill, they say, "Well, we will hold hearings on it later." Well, it is before the Senate now. It is right before the Senate where we can vote on it today.

The other argument has been that this is unconstitutional. In truth and in fact, the Supreme Court of the United States has never directly ruled on the illegal alien question, whether it would be included or not or should be under the sweep of the Constitution. That is undisputed.

What we should do today is vote up or down on this issue and include it in this legislation, because we have the 1990 census coming up before us and this will distort the one person, one vote; one man, one vote that we all talk about on both sides of the aisle.

What is this really going to do? You can look around and say, "Well, this is going to distort in favor of some States at the expense of others and give those States more congressional representation in the House of Representatives based on illegal aliens being there, not the citizens, not the documented legal aliens, but illegal aliens."

It is going to cause some problem. We do not know how much, but we have some areas that know that it is going to cost a number of States congressional representation in the U.S. House of Representatives. That is undisputed. We know that there is politics involved in this; that some States are going to gain congressional seats in the U.S. House of Representatives, I submit to you, based on people being illegally in their States, thousands, hundreds of thousands, if not millions in the case of one big State, California.

So you can go down the line and you can tell who is going to benefit from the illegal aliens, and you know who they are. Well there are probably others, but the great State of California, Texas, Florida, probably New Mexico, and probably others at the expense of others. And that is what it is all about.

I think it is a question of fairness, Madam President, and whether we are going to vote on it that way this afternoon. I believe that it ought to be left up to the courts to decide this, especially an issue that has never been decided by the Supreme Court of the United States. That is why this is an important issue we should address now so that in 1990 we will know where we are going then and know where we are going in the future.

Mr. KENNEDY. Madam President, I yield myself 2 minutes.

The reason that the Supreme Court has not ruled on the issue of illegal aliens is because the Census Bureau has, for 190 years, counted all persons; and they started doing that when the Founding Fathers were still alive and the framers were right there. That is the reason, Madam President, because the best information that we have on the distinction between persons and citizens—which has been mentioned previously by myself and the Senator from Texas, a clear distinction in the Constitution—is that right after the ratification of the Constitution, when they took the first census, that is the way they did it.

They cannot give us a single statement, can the Senator, about where any of the framers of the Constitution intended not to count then. Can the Senator from Alabama?

Mr. SHELBY. We think we have some information over here. I was going to let the Senator from Massachusetts finish and then I will speak on my own time.

Mr. KENNEDY. I am interested. I look forward to whatever information is available but I think one can say from the earliest time the process and procedures have been set up. They have been followed. And it seems to me, again, for that reason it is not really appropriate to exclude illegal aliens. We are talking about legal immigration here in this legislation. We dealt with illegal immigration in 1986. We are talking about legal immigration here and this, really, I do not believe, is related to that. It does present important constitutional issues. I do not think it is worthy for inclusion in this bill.

I do not happen to be a Senator representing a State that is going to benefit. We expect to lose a seat in the next apportionment in my State of Massachusetts.

So I want to point that out as someone who is expressing reservations and opposition to the amendment.

I would be glad to yield 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Madam President, one simple thought. It is unconstitutional. And the framers of the Constitution understood the difference, the distinction between the word "persons" and "citizens." And they clearly spoke of the whole number of free persons. That is a broad term. The framers did that deliberately. And "persons" is used both in the text of the Constitution itself and in the 14th amendment, which deals with apportionment.

The Founding Fathers spelled it out in particular. They made it clear when they were talking about someone running for the Senate, or running for the House. They said that person has to have been a citizen for 7 years.

Article II says that you cannot be President of the United States unless you are a natural born citizen. They did not say person, they said citizen.

So, when it comes to counting the people for the census, the framers of that Constitution used that work "persons," and not "citizens."

That is unambiguous. What we have seen is we have seen this tried now from the 71st Congress, the 76th, the 86th, and the 100th Congress, and each time this issue has come up the Congress has rejected it. They rejected it out of hand.

We ought to accept that kind of a collective wisdom and reject this amendment as well. It does not differ in any appreciable way from the legislation that was offered nearly 60 years ago in the 71st Congress or just a year ago in the 100th Congress.

If the Senator from Alabama wants to take care of this, then he ought to propose a constitutional amendment. That is the way it ought to be done. What he is trying to do is get around a court ruling just 2 months ago that dismissed a suit to prevent the Census Bureau from counting noncitizens.

Let me tell the Chair what the problem is from a practical standpoint. You get down to a place in south Texas. You go up to a house and, first, they are afraid of Government officials in many instances. A lot of times they cannot speak the English language.

If we start probing on their citizenship, how long they have been in the country, what documentary proof they have, we encounter the practical problems of trying to accomplish that kind of a count. We have been undercounting for years in this country, often with minorities or the poor, trying to determine whether they are counted or not. I worked on some legislation to try to correct that. The Senator from New York has joined me in that regard.

All this does is it adds to that kind of a problem.

Alabama filed suit to prevent the Census Bureau from counting undocumented aliens in the 1990 census. That suit was thrown out. In 1980 another Federal court considered a constitutional challenge to the Census Bureau's practice of counting noncitizens. The challenge was that the Census Bureau was violating the Constitution because it did not separate out citizens from noncitizens for apportionment purposes.

The court ruled, of course, in favor of the Census Bureau saying that the Constitution's language is absolutely unambiguous on this particular point.

So there is a very real, practical problem we have involved here. Again it is a question of undercounting for the census. The Census Bureau says it has been forced to exclude persons from the census count in violation of its statutory duty. It has no way to ensure a reliable count of U.S. citizens and lawful residents. That is just too heavy a price to pay.

Over the years the Census Bureau has made some progress in eliminating some of that undercount and we should not revise that forward kind of a trend, especially when we are trying to improve the counting of traditionally uncounted people in our country. We undercounted them, undercounted them when it comes to the poor, the blacks and the Hispanics, and that position is just going to be made worse by this kind of an amendment.

I must say, too, it raises a very real procedure problem because we are dealing with a fundamental constitutional issue and no committee has reviewed this particular matter. I understand that Senators SIMON and BINGAMAN, the subcommittee chairmen with jurisdiction, have agreed to promptly hold hearings on this proposal and we ought not to tamper with a constitutional issue as important as this one without the benefit of that kind of review.

Congress and the Justice Department have opposed it and the Census Bureau has been clear and consistent in opposing any effort to restrict the census count in any way.

I would hope that my colleagues here would defeat this amendment and do it overwhelmingly.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 7 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida has been yielded 7 minutes.

Mr. GRAHAM. Madam President, we have heard considerable and I think very lucid and persuasive debate about the constitutional issue involved here as it relates to the definition of a person. Let me suggest to colleagues that there is another constitutional issue involved in this matter. That is the issue which is found in article I, section 8, which defines, Madam President, the powers and responsibilities of the Congress. One of those powers is "To establish an uniform Rule of Naturalization."

It is a responsibility, a singular obligation and challenge of the Congress under the Constitution to establish "an uniform Rule of Naturalization."

It was not the city of Brownsville or Tucson or San Diego or Miami or Baltimore or New York or any of the communities which have traditionally received or have in recent years received large numbers of persons from around the world, persons who had different labels. Some were called immigrants. Some were called refugees. Some were called entrants. Some had no status at all.

But those communities had no ability to influence those judgments. They did not have a border patrol. They did not have a Coast Guard protecting the United States from illegal entrants. They were unable to influence the determination as to where those persons, once they were within the boundaries of the United States, chose to call home. Those were decisions totally out of the hands of those local communities.

Those local communities, Madam President, as you know, have benefited by the richness of those new people, richness in terms of their cultural and educational and other values. But they have also, Madam President, borne a heavy responsibility.

Let me just mention this from the perspective of my State of Florida, which in recent years has been a frontier State in terms of persons coming into the United States: As recently as the beginning of this decade in 1980, in a period of just a matter of weeks, we accommodated 200,000 people from the Caribbean, from Haiti, and from Cuba.

Some of those had a status. Some of those did not. That was not a decision that the State of Florida or the citizens of any individual city made. It was a decision which, if it was made at all under the Constitution, was made by this Congress and the Federal Government in the establishment of "an uniform Rule of Naturalization."

Whether by commission or omission, our policy was to allow large numbers of undocumented aliens to come into this country. In recent months, within the last 24, we have had another surge. It has been a surge particularly from Central America. From the single country of Nicaragua, Madam President, think of this for a moment, we have throughout the school year that just concluded—the school year of 1988—added on average a new school every month in the Miami area, a new school every month populated exclusively by Nicaraguan children, most of whom would be categorized as illegal aliens or undocumented aliens under this provision. The estimated cost to the school system of Dade County in the State of Florida is well over $100 million.

Madam President, in addition to that, other public facilities, such as major public hospitals, have had to bear a heavy responsibility because we are a humane and compassionate people. We do not turn away those in need. We do not turn away the sick, the ill, the pregnant woman just because they do not have a ticket or because they do not have an appropriate document. And so these communities neither ask for this responsibility nor do they have the ability to effect those decisions that were made by thousands of people and, yes, they have been obligated to accept very significant social and financial responsibilities. And now we are about to say that in spite of all of that, that in some perverse manner, these communities have been the beneficiaries of this failure of the National Government to fulfill its constitutional responsibility to establish a uniform rule of naturalization and that they should be punished again by having another failure by changing a 200-year definition of the U.S. Constitution of who is counted for purposes of the census.

This is a count which is not only for political purposes, the allocation of seats in the national Congress, but also for the allocation of everything from sewer grants to provide basic community services which these, as well as other persons, are going to require, to all the other ways in which the Federal Government allocates funds to meet the responsibilities and needs of our communities and their citizens.

Why, by what standard of fairness for justice could you say that we should now punish these communities a second and a third time by denying them what, by all accounts, is just a

fair allocation of funding because we are going to say that we will not count these people who buy Federal policy in the establishment of a uniform rule of naturalization has caused to come to their communities.

Madam President, I believe that this amendment, while motivated by reasons that are sufficient and justifiable to the sponsors, has a perverse twisting of the very responsibilities of this Federal Government and that rather than move along this track, that we should take another path, and that path should be one of accepting as a national responsibility the consequences of the application or the failure to apply and enforce our standards of a uniform rule of naturalization. That would be a policy that would be worthy of a great Nation.

When the Statue of Liberty was accepted from the French people and set down in New York harbor, it was not a statue for the City of New York or the State of New York or the immediate environment. It was a statue that stood for the United States of America, and the statements that were contained there about our sense of universality were for all Americans. I believe that in carrying out that concept of the national responsibility for naturalization that we should defeat this amendment which moves in exactly the opposite direction by denying national responsibility, and we should instead be prepared to accept the national challenge and obligation of seeing that the appropriate needs of those communities which have been so heavily impacted and which have borne for so long this special responsibility is eased. Thank you, Madam President.

Mr. SHELBY. Madam President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Alabama has about 27½ minutes.

Mr. SHELBY. How much time is left on the other side?

The PRESIDING OFFICER. About 24 minutes.

Mr. SHELBY. I yield myself as much time as I may consume.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SHELBY. Madam President, there has been a lot said here about the Constitution, and so forth. The truth of the matter here is that the Supreme Court of the United States has never ruled on this case or a case similar to this. This would be an excellent opportunity to bring it before the courts. If we adopt the Shelby amendment, somebody is going to challenge it. We have a severability, or we could put a severability clause in this legislation sponsored by the Senator from Massachusetts, and then for the first time we will let the Supreme Court of the United States decide something that we need an answer to. What is that answer? The answer is are we going to count illegal aliens in the reapportionment process that gives certain States more representation in the U.S. House of Representatives than they do others?

In other words, are a lot of States going to be able to profit because there are hundreds of thousands more illegal aliens in their States? Will that give them greater representation? If we do not stop it here by passing this legislation, they are going to do it. That is the bottom line. It is not complicated.

Why do some people not want the courts to rule on this? This would be a great opportunity. My opponents to this amendment could say let us put it before the courts since the courts have never ruled rather than coming up and say this is unconstitutional. How can they say that? That is their interpretation of this. Other legal scholars have another interpretation saying, among other things, that the court has not ruled and that is undisputed.

The distinguished senior Senator from Texas mentioned a minute ago about some cases being dismissed. They were not dismissed on the merits; they were dismissed because of lack of standing to bring the suit. The courts did not rule on the merits. Of course, he did not say they ruled on the merits, but that ought to be clarified. That is why I am trying to do that at the moment.

Let me share with you some of the words in a case of the renowned Justice of the Supreme Court, Oliver Wendell Holmes. In 1918 he said, and these words have not changed and he is talking about words:

> Words are not transparent and unchanging. * * * They may vary greatly in color and content according to the circumstances and the time in which * * * they are used. In each case we must, indeed, look to the circumstances and context of the drafting of the phrase in question.

The word "persons" is not precise, but is ambiguous when used in the Constitution. It is not used in the same sense in every context. For example, it is settled law that "persons" in section 1 of the 14th amendment includes corporations.

Yet no one has supposed the debate here today that the Bureau of the Census should count corporations when counting persons under section 2 of the 14th amendment. This common sense reaction, Mr. President, that "persons" in section 1 means something different from "persons" in section 2 demonstrates that "persons" in the abstract is an ambiguous term whose meaning is to be determined by the context and the purpose of the Constitution.

I submit to you today, and it is undisputed that the courts have not ruled on this precise question, and this is a great opportunity to take it forward rather than hiding behind it and saying, look, it is 1990, we cannot get it out there. We can get it out there. We can do something about it because otherwise a lot of people are going to benefit from the counting of illegal aliens and it is going to distort the U.S. House of Representatives. It is going to hurt a lot of States.

Madam President, I ask unanimous consent that the testimony of John T. Noonan, Jr., professor of law at the University of California, Berkeley, be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF JOHN T. NOONAN, JR, PROFESSOR OF LAW, BEFORE SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND GOVERNMENT PROCESSES, SEPTEMBER 18, 1985

ACTUAL ENUMERATION OF THE ALIEN

Has Congress the power to exclude aliens unlawfully within the country from the "actual Enumeration" of persons upon whom the Constitution prescribes that representation shall be based?

I. Arguments in the negative

Three principal arguments deny Congress the power to exclude aliens who are in the country in violation of law from enumeration for the purpose of determining representation in the House of Representatives.

1. *The text of the Constitution.* The Constitution, Article I, section 2 declares:

"Representation and direct taxes shall be apportioned among the several States which may be included within this Union, according to their representative *Numbers*, which shall be determined by adding to the *whole Number* of free Persons, including those bound to Servitude for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons. The actual *Enumeration* shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten Years, in such manner as they shall by law direct." (Italics supplied)

The Constitution speaks twice of "Numbers" and once of "Enumeration" without any qualifications as to those to be counted, except for the untaxed Indians and the "other Persons," slaves, who are counted at three-fifths. The "whole number of free Persons" appears to include aliens, legally or illegally within the United States.

The Fourtheenth Amendment, section 2, removing the reference to slaves, has not altered the basic emphasis on numbers:

"Representation shall be apportioned among the several States according to their respective *numbers*, counting the *whole number* of persons in each State, excluding Indians not taxed * * *." (Italics supplied)

The text again makes an exception that emphasizes the otherwise inclusive nature of the enumeration. Moreover, there is provision for reduction of the representation in proportion to the number of male adult citizens who are denied the vote, but no provision for reduction because of other voteless persons in a state. It is plain that the Constitution contemplated that the voteless would be counted—women, before the Nineteenth Amendment; children of every age; prisoners; and aliens.

2. *The Analogy of Decisions and Dicta of the Supreme Court of the United States.* The Supreme Court has decided cases bearing on the rights of aliens, and in the course of doing so, has created analogies and issued dicta that point to the conclusion that for most purposes of constitutional law all aliens must be counted as "persons."

In *Yo Wick* v. *Hopkins* 118 U.S. 356, (1886), enforcing the due process and equal protection clauses of the Fourteenth Amendment on behalf of lawfully-resident aliens, the Court said:

"These provisions are universal in their application, to all persons within the territorial jurisdiction, without regard to any differences of race, or color, or of nationality."

If "persons" under section 1 of the Fourteenth Amendment includes everyone without regard to "any differences . . . of nationality," it is reasonable to believe that "persons" in section 2 of the Fourteenth Amendment includes everyone without regard to nationality.

The Supreme Court has found it unconstitutional to deny such social benefits as public education to children unlawfully within the country, *Plyler* v. *Doe* 102 S. Ct. 2382 (1981). In doing so the Court has taken note of the danger of a "shadow population" and "the spectre of a permanent caste of undocumented resident aliens," *ibid.*, 2395. Failure to count, and to provide representation for, such aliens would indeed make their presence ghostly and increase the likelihood of their becoming a kind of inferior, exploited caste. The Court drew attention to the statement of Senator Jacob M. Howard during the debate on the Fourteenth Amendment that the rights conferred by the first section belong "to all persons who may happen to be within their [the states'] jurisdiction." The Court quoted the teaching of *Yo Wick*, *supra*. The Court found that a state could not draw a line between lawfully and unlawfully resident alien children in making education available.

If the states cannot withhold such an important benefit as education, and if as a matter of course the states must provide police and fire protection and make available the highways, it is only right that the undocumented aliens be represented in Congress. Only in this way will the states with large numbers of undocumented aliens be assured of getting their fair share in the federal programs which would assist them in meeting their obligations to the strangers in their midst. To have the Supreme Court impose upon the states obligations toward the alien, and to have representation in Congress not reflect the distribution of the alien population, would be a species of unfairness. As the burdens of government increase with the existence of an alien population, legal or illegal, so should representation increase.

3. *Actual Litigation of the Issue.* In *FAIR* (Federation for American Immigration Reform) v. *Klutznick* 486 Supp. 564 (D.D.C. 1980), appeal dismissed 447 U.S. 918 (1980), *affirmed per curiam* (D.C. Cir., November 6, 1980) *cert. den.* 101 S.Ct. 1697, the plaintiffs sought an injunction to prevent the Census from counting aliens illegally in the country. Not only was the case dismissed on the grounds of lack of standing, but the court commented on the merits. It quoted Representative Emmanuel Cellar speaking in the House of Representatives and specifically arguing that the Founders intended everyone, including illegal aliens, to be counted. The court then said at 576, "We see little on which to base a conclusion that illegal aliens should now be excluded."

In *Young* v. *Klutznick* 497 F. Supp. 1318 (E. D. Mich. 1980), reversed 651 F. 2d 617 (6th Cir. 1981), the plaintiffs sought an order directing the Bureau of the Census to avoid an undercount of minorities and aliens. No distinction was drawn between legal and illegal aliens. The district court cited with approval *FAIR* v. *Klutznick*, *supra*. It issued an order, saying *inter alia* at 1339, that it was "the right of every person within the United States of America on April 1, 1980 to be counted in the census." The decision was reversed on the ground that a causal connection had not been established between a census undercount and injury to the plaintiffs; the district court's statement on the right to be counted was undisturbed.

Constitutional text, Supreme Court dicta, actual decisions thus support the view that Congress has no power to exclude undocumented aliens from being counted.

II. Arguments in the affirmative

1. *The Text of the Constitution.* The Constitution itself is ambiguous and open to interpretation on this question. "Persons" in the Constitution is not used in the same sense in every context. For example, it is settled law that "persons" in section 1 of the Fourteenth Amendment includes "corporations," *Santa Clara County* v. *Southern Pacific Railroad* 118 U.S. 394 (1888). Yet no one has supposed that the Bureau of the Census should count corporations when counting persons under section 2 of the Fourteenth Amendment. This commonsense reaction—that "persons" in section 1 means something different from "persons" in section 2—demonstrates that "persons" in the abstract is an ambiguous term whose meaning is to be determined by the context and purpose of the Constitution.

2. *The Powers Conferred by the Constitution on Congress.* Article 1, section 2 says that "the actual Enumeration" is to be made by Congress "in such manner as they shall by law direct." The language confers on Congress the power to make the actual count in such ways as Congress shall determine; it confers broad discretion on Congress to determine what "the actual Enumeration" shall be.

The Fourteenth Amendment, section 5, confers on Congress the "power to enforce, by appropriate legislation," the provisions of the amendment. The Supreme Court has recognized that this section gives Congress "a positive grant of legislative power" and a wide latitude, including the power to make determinations that will lead the Supreme Court to change its own reading of the Constitution, *Katzenbach* v. *Morgan* 384 U.S. 641 (1966).

Congress has also the powers conferred under Article I, section 8: "To regulate Commerce with foreign Nations" and "to establish an uniform Rules of Naturalization." The United States as a sovereign also has the duty and right under Article IV, section 4, "to guarantee to every State in this Union a Republican Form of Government" and to "protect each of them against Invasion."

These powers—the Article I, section 2, power carried over and strengthened by the Fourteenth Amendment, sections 2 and 5; the foreign commerce power; the naturalization power; and the power to guarantee a republican form of government and to prevent invasions—are ample to legitimate the exercise of congressional authority to regulate representation based on undocumented aliens. As Justice Jackson, writing for the Court, said in *Harrisades* v. *Shaughnessy* 342 U.S. 580 at 588 (1952); "It is pertinent to observe that any policy towards aliens is itself intricately interwoven with contemporaneous policies to the conduct of foreign resolution, the war power, and the maintenance of a republican form of government. Such matters are so exclusively entrusted to the political branches of government as to be largely immune from judicial inquiry or interference." Where the courts should not interfere, it remains for Congress to set down the law constituting the proper rule.

3. *The Decided Cases.* Only one case litigated the issue of whether illegal aliens had to be counted, and it was decided on procedural grounds, *FAIR* v. *Klutznick*, *supra*. The other relevant case, *Young* v. *Klutznick*, *supra* was reversed on appeal, and the validity of its order to the Bureau of the Census was never examined on the merits. Neither case addressed itself to the power of Congress to make a determination of the issue. Neither case is a precedent on this question.

4. *Dicta of the United States Supreme Court.* The Supreme Court, upholding the exclusion of short-term resident aliens from Medicare, recognized that it is not necessary that "all aliens must be placed in a single homogenous legal classification," *Matthews* v. *Diaz* 426 U.S. 67 at 78 (1976). There were, the Court said through Justice Stevens, at least the following categories:

1. The overnight visitor.
2. The unfriendly agent of a foreign power.
3. The resident diplomat.
4. The illegal entrant (*ibid.* at 80).

It is not the policy of the Bureau of the Census to count all foreign diplomats, although in the most literal sense they are obviously persons, Affidavit of Daniel B. Levine, Deputy Director of the Census Bureau, filed in *FAIR* v. *Klutznick*, *supra*. If there was an invading army on American soil, one does not suppose the Bureau of the Census would count the enemy troops. There is no necessity that the Bureau count any alien who is unlawfully within our borders.

The Supreme Court has recognized that the states may exclude lawfully-admitted resident aliens from certain public offices. In a dictum the Court said a state could reserve for citizens those offices which "perform functions that go to the heart of representative government," *Sugarman* v. *Dougall* 413 U.S. 642 at 647. In *Foley* v. *Connelie* 435 U.S. 391 (1978) the Court, upholding a state discrimination against aliens, declared that "the right to govern is reserved to citizens" and acknowledged at 296 "the right . . . of the people to be governed by their citizen peers." Recently, in *Cabell* v. *Chavez-Salido* 454 U.S., 432 (1982), the Court (5-4) upheld California's exclusion of resident aliens from the occupation of peace officer, accepting the argument that "although citizenship is not a relevant ground for the distribution of economic benefits, it is a relevant ground for determining membership in the political community." The Court, through Justice White, went on to say:

"The exclusion of aliens from governmental process is not a deficiency in the democratic system but a necessary consequence of the community's process of self-definition."

By definition, aliens, the Court observed, are outside the political community.

If it is proper for the states to distinguish aliens from citizens as participants in the political process, it is *a fortiori* proper for Congress, which has far greater power as to aliens, to do so—especially is it proper where the function "goes to the heart of representative government." If "the right to govern is reserved to citizens" in the allocation of public offices in a state, the right to govern is *a fortiori* to be reserved to citizens

in determining representation in the Congress. If the exclusion of even lawfully-admitted aliens, residents of long-standing, is constitutional, if it is not a deficiency but "a necessary consequence of the community's powers of self-definition," then, *a fortiori*, it is constitutional and even necessary for Congress to exclude from "the governmental process" aliens who have entered the country in violation of our laws.

5. *Holdings of the Supreme Court.* In *Wesberry v. Sanders* 377 U.S. 1 (1964), the Court ordered the Georgia legislature to redistrict the congressional districts in the state because of marked disparities in their populations. The plaintiffs had contended that living in a large congressional district they were deprived of "the full benefit of their right to vote" in violation of Article I, section 2, of the Constitution. The Court accepted their claim and disapproved of "vote-diluting discrimination." The Court, through Justice Black, went on to state:

"To say that a vote is worth more in one district than another would not only run counter to our fundamental ideas of democratic government, it would cast aside the principles of a House of Representatives elected by "the People," a principle tenaciously fought for and established at the Constitutional Convention, *ibid.* at 8."

The delegates at the Convention, the Chief Justice continued, wanted "every man's vote to count." He referred to "the Great Compromise" that gave every state two senators and made representation in the House proportionate to numbers, and then said at 14, "The principle solemnly embodied in the Great Compromise—equal representation in the House for equal numbers of people"—would be defeated if a state were "to give some voters a greater voice in choosing a Congressman than others."

Wesberry v. Sanders does not, of course, mandate absolute equality of congressional districts throughout the country: the Constitution itself, Article I, assures every state, however small, of one congressman. But it is apparent that counting large numbers of illegal aliens violates the principle of *Wesberry v. Sanders*. In districts where there are large numbers of such persons, the vote of those voting in the district counts more than the vote of those voting in districts of identical population where there are more persons voting. To take extreme examples:

District A: Population 400,000; 200,000 voters; 100,000 undocumented aliens.

District B: Population 400,000; 300,000 voters; no undocumented aliens.

In District A, 101,000 votes are a majority sufficient to elect a Congressman; in District B, 151,000 votes are necessary. A vote in District A is worth more than a vote in District B. There is dilution of the votes in District B and discrimination against the citizens of District B.

Why has this discrimination not existed where other voteless groups have been counted? The answer is clear. There was no reason to think in 1787 that there would be an unequal distribution of women, or of children, or of convicts or of aliens. In the two cases where it was foreseen that the distribution of the voteless would not be random, explicit provision was made for their exclusion (the untaxed Indians) or for being counted at three-fifths (the slaves). What is new today is the presence of large groups of undocumented aliens not randomly distributed but concentrated in certain congressional districts. It is true when the Fourteenth Amendment was adopted, the distribution of voteless women and voteless aliens was unequal—of women because of the male migration westwards, and of aliens because of the substantial immigration from Europe to the Northeast, (Joseph B. James, *The Framing of the Fourteenth Amendment*, Urbana: University of Illinois Press, 1956, pp. 23 and 185.) Consequently Senator Henry Wilson of Massachusetts and Representative Roscoe Conkling of New York opposed basing representation on the number of voters, *Congressional Globe*, 39th Cong. 1st Sess. 359 and 1256. But this intention to make the right to vote more valuable in one part of the country than another cannot be accorded recognition today. Since *Wesberry v. Sanders*, it has been clear that the controlling text of the Constitution is Article I, section 2, clause 1: The House of Representatives shall be chosen "by the People." In the light of that command and its interpretation in *Wesberry* it is unconstitutional to constitute congressional districts which unequally represent "the People."

The People, who have a right established by Article I, section 2, to elect the House of Representatives, are clearly the citizens, not aliens who have entered the country against the law. It is the member of the political community, self-defined to exclude aliens, that are represented in the political process. It destroys the basic constitutional norm established by *Wesberry v. Sanders* when voters in districts characterized by large numbers of illegal aliens have "a greater voice in choosing a Congressman" than voters in districts where there are few such persons. The "shadow population" pointed to by *Plyler v. Doe, supra*, then functions to swell the value of votes in their district; and this, according to *Wesberry v. Sanders*, the Constitution forbids.

As Chief Justice Warren put it in *Reynolds v. Sims* 377 U.S. 533, 567 (1964), the case requiring redistributing of state legislative districts:

To the extent that a citizen's right to vote is debased, he is that much less of a citizen.

To create unequal election districts is one way to debase a citizen's vote. To create election districts unequally swelled by shadow populations, illegally in the country, is another way to debase the value of a citizen's vote.

Such a situation threatens the republican form of government guaranteed by Article IV. As *Reynolds v. Sims* at 573 quotes Thomas Jefferson: A "government is republican in proportion as every member composing it has equal voice in its concerns . . . by representatives chosen by himself." A government where those who are by definition nonmembers determine the number of representatives subverts the republican form. The "members" do not have equal voice. As in *Animal Farm*, some members are "more equal than others"—those who come from the districts where a vote is worth more.

Congress has power to correct this situation. Applying the rule of *Reynolds v. Sims* that electoral districts for a State legislature be equal, the Court pointed out that the States are *not* required "to include aliens, transients, short-term or temporary residents," *Burns v. Richardson* 384 U.S. 73 (1966) at 92 (Brennan, J., upholding districting by Hawaii that did not count military transients in achieving equality of voting districts). Analogously, Congress, exercising its powers under Article I and the Fourteenth Amendment, may determine that illegal aliens not be counted.

Conclusion

The argument that the Constitution textually requires the enumeration of every person is superficially appealing, but unpersuasive on examination of the ambiguity of "Persons." The statements of the Supreme Court on the rights of aliens under the Fourteenth Amendment relate to section 1 rights and do not govern section 2. The Supreme Court itself has recognized the right of Congress to discriminate between types of aliens. No case has denied Congress the right of exercising its multiple powers under the Constitution to direct that aliens unlawfully within the country not be numbered in "the actual Enumeration." On the contrary, the principles laid down by the Supreme Court in *Reynolds v. Sims* and *Wesberry v. Sanders* require that such aliens, when they exist in large numbers, not be counted in determining congressional districts. The claim that representation should reflect population needs is appealing but overridden by the Constitution's direction that the participants in the political process—the citizens of the country—be equal in their votes. At the very least Congress has the power under both Article I and the Fourteenth Amendment to direct that such aliens not be counted.

Mr. KENNEDY. Madam President, I will not delay the discussion much more. I would like to ask unanimous consent to print in the RECORD portions of the Congressional Research Service report, which supports our position, but I just mention briefly:

Under Article I, section 2, clause 3, as amended by section 2 of the Fourteenth Amendment, the House of Representatives is to be apportioned among the States based on the "whole number of persons." At issue is whether that term means that all inhabitants, including illegal aliens, should be counted. An examination of the usage of the term "person" at the time of the adoption of the apportionment provision by the Constitutional Convention and its ratification, and at the time of the adoption and ratification of section 2 of the Fourteenth Amendment, would seem to indicate that aliens are to be included within the term "person."[8] In the records of the Constitutional Convention of 1787, reference is made to the phrase "whole number of free citizens and inhabitants,"[9] which number was to be the basis of the apportionment of the Congress and which was to be taken by a census within 3 years after the first meeting of the Congress and every ten years thereafter. The usage of the phrase "free citizens and inhabitants" would seem to indicate that authors of the Constitution concluded that the census should count not only free citizens but also any free inhabitants who were not citizens and arguably might have been aliens. This phrase was adopted by the Convention and referred to the Committee on Style. The Committee on Style substituted the word "persons" for the longer phrase," free citizens and inhabitants." This substitution was passed by the Committee on Style without comment or debate and was then made part of the Constitution

[8] C.E. Turney, Legislative Counsel of the Senate, "Power of Congress to Exclude Aliens from Enumeration for Purposes of Apportionment of Representatives," 71 Cong. Rec. 1821 (1929).

[9] M. Farrand, The Record of the Federal Convention of 1787, V. II, pp. 571, 590.

without further debate or controversy.[10] It is plausible then that the Framers intended that the term "persons" have the same meaning as "free citizens and inhabitants." Given this intent, the term "persons" could thus be construed to include noncitizens and aliens.

Finally, Madam President, I think that perhaps the person who had more to do with both the drafting and the shaping of the Constitution was James Madison, and in the Federalist Papers, No. 54, according to James Madison, the apportionment was to be "founded on the aggregate number of inhabitants." James Madison. "Founded on the aggregate number of inhabitants."

If that does not raise reasonable concerns about the constitutionality on this particular legislation, I do not know what possibly could.

Madam President, I am prepared to yield back the remainder of my time if the Senator is.

Mr. LOTT. Mr. President, with the bicentennial of the U.S. census less than 1 year away, I believe this legislation is of vital importance.

Simply stated the bill directs the Secretary of Commerce to make adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines appropriate, in order that aliens in the United States in violation of the immigration laws shall not be counted in tabulating population for purposes of reapportionment.

In 1980, the Census Bureau reported an estimated 2.57 million illegal aliens. A number that was included in the reapportionment of the House of Representatives. Had these nondocumented aliens been excluded, the make up of our congressional delegations would be more representative of the population of American citizens.

In article IV, section 4 of the Constitution mandates that the U.S. Government "guarantee to every State in this Union a republican form of government."

By allowing the inclusion of nondocumented aliens, we are creating congressional districts that are represented by varying numbers of citizens. Clearly this does not guarantee a republican form of government for all of our States.

Being an American citizen carries with it certain responsibilities and privileges. Among those privileges are the rights to vote and hold public office. Illegal aliens can do neither. And yet, by their inclusion in reapportionment, we are allowing them to alter the very make up of our government. Congress in this altered state does not truly reflect the citizens of this Nation.

Should current policy remain unchanged in 1990, States such as Pennsylvania, Connecticut, Michigan, North Carolina, and Alabama could lose congressional seats. We cannot allow non-Americans to dilute the rights of some voting citizens while increasing the voting power of others.

Therefore, I urge my Senate colleagues to support this amendment in hopes that we can create a Congress that is a true reflection of the citizens of the United States.

Mr. SHELBY. The Senator from Massachusetts has stated he will yield back the remainder of his time. I am prepared to do that so we can move on.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. SHELBY. I yield back the remainder of my time.

Mr. BENTSEN. Madam President, if all time has been yielded back, I move to table the amendment.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

The PRESIDING OFFICER (Mr. KERRY). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 58, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—41

Adams	Glenn	Mack
Bentsen	Gore	McCain
Biden	Graham	Mikulski
Bingaman	Gramm	Mitchell
Boren	Hatfield	Moynihan
Bradley	Inouye	Pell
Bumpers	Johnston	Riegle
Cranston	Kennedy	Rudman
D'Amato	Kerrey	Sarbanes
Daschle	Kerry	Sasser
DeConcini	Kohl	Simon
Dixon	Lautenberg	Wilson
Dodd	Leahy	Wirth
Domenici	Lieberman	

NAYS—58

Armstrong	Garn	Nickles
Baucus	Gorton	Nunn
Bond	Grassley	Packwood
Boschwitz	Harkin	Pressler
Breaux	Hatch	Pryor
Bryan	Heflin	Reid
Burdick	Heinz	Robb
Burns	Helms	Rockefeller
Byrd	Hollings	Roth
Chafee	Humphrey	Sanford
Coats	Jeffords	Shelby
Cochran	Kassebaum	Simpson
Cohen	Kasten	Specter
Conrad	Levin	Stevens
Danforth	Lott	Symms
Dole	Lugar	Thurmond
Durenberger	McClure	Wallop
Exon	McConnell	Warner
Ford	Metzenbaum	
Fowler	Murkowski	

NOT VOTING—1

Matsunaga

So the motion to lay on the table amendment No. 255 was rejected.

Mr. SHELBY. Mr. President, I move to reconsider the vote by which the motion to table was rejected.

Mr. HEFLIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senators will please clear the well and take their conversations to the cloakroom. The Senate will suspend until the Senate is in order.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. BUMPERS. Mr. President, the Senate is not in order. There are three times more Senators standing than sitting. May we have order so that we can hear the Senator?

The PRESIDING OFFICER. The Senate will please be in order. The Senators will please take their conversations to the cloakroom.

The Senator from New York was recognized on the point of order.

Mr. MOYNIHAN. Mr. President, I make the point of order that the amendment just adopted is not constitutional. The census is an enumeration of persons not citizens. It has been that way since 1790. The census has never concerned citizenship. In that circumstance, it appears to me that this amendment is not constitutional, and it ought to be rejected on that basis.

The PRESIDING OFFICER. The Senate will suspend for one moment. Under the rules of the Senate, a constitutional point of order may not be ruled upon by the Chair, but must be submitted to the Senate for its decision.

Ordinarily, such a point of order, when submitted, is debatable, but since debate on this amendment has concluded, the issue may be resolved and should be resolved without debate.

Mr. MOYNIHAN. Mr. President, may I ask unanimous consent that there might be 10 minutes on each side?

The PRESIDING OFFICER. There is a request for unanimous consent. Is there objection to the request for unanimous consent?

Mr. BUMPERS. Mr. President, reserving the right to object, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for a point of parliamentary inquiry.

Mr. BUMPERS. Is this a motion to table this amendment?

The PRESIDING OFFICER. The Senator from Arkansas is correct. It was a motion to table.

[10] C.E. Turney, *supra* note 8, 71 Cong. Rec. at 1831.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. BUMPERS. Then the question is, how could debate have been concluded on the amendment? The debate was on the motion to table, not on the amendment.

The PRESIDING OFFICER. Which motion to table is the Senator referring to? The motion to table on which we voted is not in order until debate on the underlying motion is concluded.

Mr. BUMPERS. Will the Chair restate that?

The PRESIDING OFFICER. The motion to table the amendment on which the Senate voted could not be made until all time had expired for debate. That time had expired. The motion to table was then made. So time, by agreement, had expired for debate.

Is there objection to the request from the Senator from New York for 10 minutes equally divided?

Mr. MOYNIHAN. Mr. President, forgive me, the question was what?

The PRESIDING OFFICER. Does the Senator from New York request 10 minutes equally divided or 20 minutes equally divided?

Mr. MOYNIHAN. Twenty minutes.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Is the Senator from New York willing to share a little of that 10 minutes?

Mr. MOYNIHAN. Most assuredly.

The PRESIDING OFFICER. Hearing no objection, there will be debate of 20 minutes, 10 minutes to each side.

The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. MOYNIHAN. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. The Senator will not proceed until the Senate is in order.

The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, this is a solemn decision we make. To do as we evidently had in mind doing would be directly violative of the 14th amendment of the Constitution, and by antecedence, the original text of article I of the Constitution. Article I refers to the enumeration of free persons. That circumstance or distinction was, of course, abolished by the 14th amendment. Section 1 of the 14th amendment states:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States.

In section 2 it says:

> Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State.

Now, Mr. President, there can have been no more carefully documented, drafted, deliberated, and adopted amendment in our history than the 14th amendment.

Sir, the 14th amendment speaks of citizens, and then with respect to the apportionment of Members of the House, speaks of persons. Since 1790, the census, the oldest such institution in the world, has counted persons under the understanding that it is its clear responsibility under the Constitution to do that, and nothing else; and how we can proceed in this matter without considering this issue defies my understanding. I have spoken for 2 minutes. The manager of the legislation wishes to speak.

Mr. KENNEDY. I defer, Mr. President, to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, if I may have 2 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. BUMPERS. Mr. President, there is not anyone in this body who does not understand the politics of this amendment. I understand it as well as anyone. I do not want to go home and explain my vote on this any more than anyone else does.

The Senator from New York has made a very cogent and absolutely correct observation. It may have been wrong and maybe they did not know what they were doing when they put this in the Constitution, but that is not for us to decide here. For 200 years we have counted illegal aliens in our census, and you are taking an amendment just in a preemptory way here and changing what has been going on for 200 years.

When I was Governor of my State, every law we passed where we turned State funds to the cities or to the counties was invariably based on population.

How would you like to be mayor of Houston, TX, and all these funds from the State of Texas are going to be dependent on the enumerated census of Houston, TX, and the last census of 1990, and you have anywhere from 10 to 30 percent illegal aliens in your city? You are going to get anywhere from a 10- to a 30-percent cut in all of your street turnback funds, in all of the Federal funds that come back that are based on a population formula, and you are going to find the county judges, the county executives, and the mayors of this country very upset about this amendment.

It is going to be unfair to them, and some of them are not going be able to run their cities.

But completely aside from this, I wish the Founding Fathers had said you will only enumerate "citizens," but they did not. They said "persons," and so that is what it has been for 200 years. We have absolutely no right or authority to change that preemptorily on a majority vote here. The point of the Senator from New York is very well taken, and I intend to support it.

Mr. MOYNIHAN. I thank the distinguished Senator from Arkansas.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I yield 3 minutes to the distinguished manager of the legislation.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as both the Senator from New York and the Senator from Arkansas have pointed out, in the apportionment provisions of the Constitution of the United States it uses the word "persons." In the 14th amendment, section 1, it talks about "citizens." "Persons" in the apportionment clause; "citizens" in other provisions of the 14th amendment.

The Carter administration's Justice Department and President Reagan's Justice Department recognized that the Constitution bars excluding illegal aliens from the apportionment base. They understood the census procedures which have been followed for 190 years. Those procedures started 3 years after the ratification of the Constitution, and there has been no reference of any Founding Father who took a contrary view, none. To the contrary, we have the one court opinion about this the Fair versus Klutznick opinion in 1980. The Court clearly indicated that the Constitution requires the counting of the whole number of persons for apportionment purposes. That is the one court ruling to date.

If there is any further question, Mr. President, why do we not go back to James Madison who had more to do with the Constitution than anyone else? James Madison in No. 54 of the Federalist Papers said the apportionment was to be founded on "the aggregate number of inhabitants." That was said by a Founding Father.

Mr. President, I would hope that fact, and the other arguments we made, will be sufficient to support the position that this issue is not constitutional.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. Mr. President, I yield 5 minutes to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. HATCH. Mr. President, this is an ingenious motion, and it is one that has particular interest to anyone who would be interested in the Constitution. Keep in mind when the Constitution was written there were no illegal aliens. Everyone was legal, all with the possible exception of the slaves who

29-059 O-90-42 (Pt. 10)

were accorded three-fifths of a person. That was pathetic, and we all understand that, but nevertheless everyone was legal at that particular time.

I think it is constitutionally unsound to argue that everyone, including those who are illegally here, who are not citizens of an already incorporated country, who have no rights to vote in this country, should be counted for the purposes of voting in this country.

There is a real distinction between those who were apportioned at the outset of this country as the Constitution outlines. Everyone was counted at that time. There were no illegal people at that time.

Today, in the amendment of the distinguished Senator from Alabama, we are talking about people who are illegally here. So when they use "persons" they meant legal persons, and at the outset and inception of the Constitution everyone was legal.

Now, there is another constitutional principle that I believe will be found sound, and that is that the Consititution does not presume to support illegality. If the Constitution stands for anything, it stands for legality. It stands for supporting and upholding the laws of which it is the basic document.

What we are talking about here are people who are illegally here who are not legal persons within the definition of citizenship for the purpose of apportionment which would determine whether or not they have a right to vote, who has the right to vote, and for whom they have a right to vote.

So although this is an ingenious constitutional point of order, it is an inappropriate one and in my estimation does not survive good constitutional scrutiny.

There are two reasons: No. 1, these are illegal people who are here illegally who should not be counted as equal citizens because the purpose of apportionment is to determine who can vote where. And No. 2, the Constitution is not going to presume to make legal that which is illegal.

So although it is an ingenious argument and I might add a political one at that, it is not constitutionally sound.

I believe the distinguished Senator from Alabama is doing everyone a favor by bringing his amendment to the floor, and I think that most Senators in the U.S. Senate have recognized the validity of his amendment because the motion to table was defeated overwhelmingly.

Basically, I think that covers the matter and we can talk about it for days, I guess, but those two points are very important points and in my estimation are irrefutable points.

I yield back the remainder of my time to the distinguished Senator from Alabama.

The PRESIDING OFFICER. Who yields time?

Does the Senator from Alabama yield time?

Mr. SHELBY. I yield 2 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from Wyoming is recognized for 2 minutes.

Mr. SIMPSON. Mr. President, I fear anything that I would say would be somewhat repetitive, but that is not a touchstone activity here.

As I have listened to the debate about "inhabitants" and "persons," I just say once again that I think we can be certain of one thing—that the Founding Fathers were not aware of the definition of "illegal alien." They were very familiar with the word "slaves" because they counted them as a certain percentage of a person. So if they were doing that to slaves at that time, do you really imagine that they would be counting an illegal undocumented person when they were not even fully counting a slave?

That gives a little idea of what was going on at that time of our history, a time that all of us might reflect on reality and the beginnings of our country, but I just simply believe that there was no concept of illegal alien. It was not there in 1866 when they did further constitutional amending, and it was not there certainly in the beginning.

There is an important school of thought in constitutional interpretation known as "original intent." That school of thought seeks to understand the Constitution based upon the framers' original understanding of the issues. We have that same concept in trust law. "Persons" had a different connotation in 1789 and 1866. I think we should overrule this point of order and let the courts interpret the issue.

I find in my legislating that the constitutional issues are always brought up. But we have a division of government to determine whether we have done it right or done it wrong. Let the judiciary decide.

I respectfully would vote for the amendment of the Senator from Alabama.

Mr. MOYNIHAN. Mr. President, I yield a minute and a half to the distinguished Senator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished Senator from New York for yielding.

Mr. President, our colleague from Utah makes two points and both of those points are inaccurate. First, he says that apportionment was intended to be based on people who could vote; that when the Founding Fathers were writing, there were no illegal aliens. Mr. President, when the Founding Fathers wrote the Constitution women were not citizens and women could not vote and yet clearly they have always been counted in the census and no one has ever disputed that.

Our colleague from Utah talks about voting and apportionment, but today children cannot vote and yet there is no one here who would argue that children should not be counted in apportionment.

The Founding Fathers clearly recognized the distinction between citizens and persons. In fact, three times in the Constitution the Founding Fathers set requirements for office that were based on citizenship. And yet, despite the fact that they based requirements for office on citizenship, despite the fact that they let the States set requirements for voting on the basis of citizenship, when they came down to apportionment, they set apportionment on the basis of the number of persons.

Mr. President, this is not a gray area. Some are attempting to use the Constitution here as a Senator would use the Bible. Take from it what you like. Leave what you do not like—what is not convenient.

The Constitution is clear and this point of order should be sustained.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. MOYNIHAN. Mr. President, I yield myself 1 minute.

Mr. President, I wish to assert most vigorously what the Senator from Texas has said. When the Constitution speaks of the right to vote, it speaks of citizens. In the 14th amendment, the 15th amendment, the 19th amendment, and the 26th amendment the word "citizen" appears. In article I and amendment 14, section 2, regarding the census, the word "person" appears.

May I say, the issue has arisen: are there regional or State interests involved here? No doubt there are. They inevitably are.

I would like to make the point, regretfully, that if there were a full enumeration of persons everywhere, full enumeration of persons, it is possible the State of New York would lose an additional seat in the 1990 census. This has nothing to with my State. It has to do with the Constitution of the United States. Can we stand here and act as if it is a document we know nothing of? Let the courts deal with it—has there ever been such an abandonment of elementary duty? We take an oath to uphold and defend the Constitution of the United States. That is what is at issue here.

Mr. GRAMM. Against all enemies, foreign and domestic.

Mr. MOYNIHAN. Against all enemies, foreign and domestic. I am not accustomed to thinking there are any domestic enemies, but one sometimes wonders.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Alabama has 3 minutes and 43 seconds remaining.

Mr. SHELBY. I yield 2 minutes to the distinguished Republican leader.

Mr. DOLE. Mr. President, first of all, this is an interesting amendment. As I read the Constitution, there were about three classifications. First, free persons were counted, but Indians were excluded, Indians not taxed. And then other persons were counted as three-fifths. So the whole persons were never counted by the Founding Fathers.

Then, again, we did not know about illegal aliens, as I understand it, until about 1775. And that was long after the Constitution was adopted and after the 14th amendment.

So, again, I think as a practical matter and as common logic—the Senator from Massachusetts cites the case from the Supreme Court; I have not read that case—it seems to me we ought to have this decided. I have been around this Congress for over 20 years and everytime we have a census this comes up, "No, we are going to study it. We are going to have hearings. We will get to you later."

That is what they promised the Senator from Alabama. We have already had a vote on this. I urge my colleagues—I hope there will be a motion to table the point of order by the Senator from Alabama—that we support the motion, those of us who voted not to table will now support the motion to table.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, the notion that the concept of aliens did not exist in the 18th century would be a surprise to those who went to jail under the Alien and Sedition Acts.

Mr. President, I yield the remainder of my time to the distinguished manager of the legislation.

Mr. KENNEDY. Mr. President, just briefly, there was the use of the words "citizens" and "persons" in the original Constitution. And there was the use of the words "citizens" and "persons" when the 14th amendment was considered in 1866.

The reason for the use of "persons" in the 14th amendment was recognized that using "citizens" would result in a reduction of more than 2 million unnaturalized foreigners from the basis of apportionment. This is the House of Representatives when they adopted the 14th amendment. They use the word "persons" when it came to the question of apportionment.

Thus, it is clear from the congressional consideration of the 14th amendment that the legislators were aware of the broad meaning of the term "persons" when used in the apportionment clause.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Alabama has 2 minutes and 20 seconds remaining.

Mr. SHELBY. Mr. President, we have been talking this in debate all afternoon. Just a few minutes ago, on the motion to table my amendment, we got 58 "no" votes; in other words, 58 Senators were saying, basically, it is time to consider this issue. And that is what we need to do, because the Supreme Court of the United States has never ruled specifically on this point.

It seems to me there are some people here in the United States who might be concerned about this. But I believe it is a question of legal or illegal and a distortion of the House seats in the U.S. House of Representatives.

Some States should not be able to gather more seats at the expense of others because of a swollen illegal population, illegal aliens, not legal aliens. And that is what it is all about.

We can talk about things being in the Constitution all day. But we have a great opportunity to pass a law here today, put it before the courts, if it goes there, and let the courts decide on it.

The Senate has already been showing what they wanted to do. My time is about up. The other time is gone. I think it is time for us to vote. At the proper time, which is now, I yield back the remainder of my time and move to table the point of order of the Senator from New York, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the motion of the Senator from Alabama [Mr. SHELBY] to table the point of order of the Senator from New York [Mr. MOYNIHAN].

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA], is absent because of illness.

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—56

Armstrong	Burdick	Cochran
Baucus	Burns	Cohen
Bond	Byrd	Conrad
Boschwitz	Chafee	Danforth
Bryan	Coats	Dole
Durenberger	Jeffords	Reid
Exon	Kassebaum	Robb
Ford	Kasten	Rockefeller
Fowler	Levin	Roth
Garn	Lott	Sanford
Gorton	Lugar	Shelby
Grassley	McClure	Simpson
Harkin	McConnell	Specter
Hatch	Murkowski	Stevens
Heflin	Nickles	Symms
Heinz	Nunn	Thurmond
Helms	Packwood	Wallop
Hollings	Pressler	Warner
Humphrey	Pryor	

NAYS—43

Adams	Glenn	McCain
Bentsen	Gore	Metzenbaum
Biden	Graham	Mikulski
Bingaman	Gramm	Mitchell
Boren	Hatfield	Moynihan
Bradley	Inouye	Pell
Breaux	Johnston	Riegle
Bumpers	Kennedy	Rudman
Cranston	Kerrey	Sarbanes
D'Amato	Kerry	Sasser
Daschle	Kohl	Simon
DeConcini	Lautenberg	Wilson
Dixon	Leahy	Wirth
Dodd	Lieberman	
Domenici	Mack	

NOT VOTING—1

Matsunaga

So the motion to lay on the table the constitutional point of order was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SHELBY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 256 TO AMENDMENT NO. 255

Mr. KENNEDY. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. LAUTENBERG). The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 256 to amendment numbered 255.

Mr. KENNEDY. I ask unanimous consent that reading of the amendment be dispensed with.

Mr. HELMS. Object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk read as follows:

SEC. 2. SEVERABILITY.

In the event that any one or more provisions of this Title is held to be unconstitutional, the same shall not affect the validity of other provisions of this Act.

Mr. KENNEDY. Mr. President, I have had an opportunity to talk to the Senator from Alabama about my amendment. He is willing to accept it. It is boilerplate language to ensure that should the courts find that the provisions of the Shelby amendment are unconstitutional, it will not affect the other provisions of the legislation.

Mr. SHELBY. Will the Senator yield.

Mr. KENNEDY. I will be glad to yield.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. SHELBY. Mr. President, as the Senator from Massachusetts has stated, we have looked at the amendment.

The PRESIDING OFFICER. We must have order in the Senate, please. The Senator is entitled to be heard. All conversation not relative to the discussion should be taken to the Cloakroom.

Mr. SHELBY. Mr. President, as the Senator from Massachusetts stated, we have looked at the amendment, the severability amendment. We agree to it.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back his time?

Mr. SIMPSON. I yield back the remainder of the time, Mr. President.

The PRESIDING OFFICER. The question then is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 256) was agreed to.

Mr. KENNEDY. I move to reconsider the vote by which the amendment was agreed to.

Mr. SHELBY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 255, AS AMENDED

The PRESIDING OFFICER. The question now is on agreeing to the first-degree amendment, as amended.

The amendment (No. 255), as amended, was agreed to.

Mr. SHELBY. I move to reconsider the vote by which the amendment, as amended was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMON. Mr. President, as I mentioned earlier, I believe it is important for naturalization proceedings to be performed by judges, rather than by an administrative agency, and I know that Senator DIXON agrees with me. Naturalization is simply too important to be treated as just another bureaucratic proceeding. U.S. citizenship should be conferred by judges whenever possible.

At the same time, there is a danger that requiring all naturalization proceedings to be performed by judges will create an unacceptable delay. In that case, I would prefer immediacy. Under section 202 of this bill I would prefer that the INS provide the alien with the option of an administrative proceeding if a court cannot administer the oath within 90 days.

We believe this approach would both preserve the importance of the naturalization process and prevent unreasonable delay. Senators KENNEDY and SIMPSON, the floor managers of this bill, have agreed with me that making the administrative option available at the end of 90 days is consistent with the intent of this bill. My understanding is that the conferees will make the necessary adjustments in the legislation to achieve this result.

Mr. KENNEDY. Mr. President, for the benefit of the membership, let me say that it appears to me that we have made good progress during the day and it is my tentative judgment there will probably be one more rollcall vote, that being on the amendment of the Senator from Minnesota. Other amendments have been either worked out or are very close to being worked out and, after disposing of them, we would move toward final passage.

So we have made good progress. We are glad to inform Members about the progress we have made. And that appears to be the current situation. We look forward to hearing from any of our members about the bill.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. As long as we are on noncontroversial areas, I have three amendments that can I offer at this point. I guess I will ask for them to be considered en bloc after they have been read by the clerk.

Mr. President, I am going to yield to Senator BOSCHWITZ for his amendment and then we will go to mine.

The PRESIDING OFFICER. Who seeks recognition?

AMENDMENT NO. 257

(Purpose: To treat Hong Kong as a separate foreign state for purposes of applying the numerical limitations on immigration)

Mr. SIMON. Mr. President, I understand that Senator BOSCHWITZ is not quite ready to offer his amendment. I have three amendments to submit for consideration. One is already at the desk. It is the Hong Kong amendment.

The PRESIDING OFFICER. The clerk will report the first amendment.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] for himself, Mr. DIXON, Mr. KOHL, Mr. CRANSTON, Mr. GORTON, and Mr. HUMPHREY, proposes an amendment numbered 257.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . TREATMENT OF HONG KONG AS A SEPARATE FOREIGN STATE FOR NUMERICAL LIMITATIONS.

The approval referred to in the first sentence of section 202(b) of the Immigration and Nationality Act shall be considered to have been granted, effective beginning with fiscal year 1990, with respect to Hong Kong as a separate foreign state, and not as a colony or other component or dependent area of another foreign state, and section 202(c) of such Act shall not apply to Hong Kong, except that the total number of immigrant visas made available to natives of Hong Kong in any fiscal year may not exceed 3.5 percent of the total number of visas made available under section 202(a) in that fiscal year.

AMENDMENT NO. 258

Mr. SIMON. Mr. President, I ask unanimous consent that the other two amendments also be read at this point and that they be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 258.

Mr. SIMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 95, add at the end of line 9: "10,000 of such visas shall be reserved for qualified immigrants who are natives of foreign states the immigration of whose natives to the United States was adversely affected by the enactment of Public Law 89-236.".

AMENDMENT NO. 259

(Purpose: To provide additional grounds for qualifying as a selected immigrant)

The PRESIDING OFFICER. The clerk will read the third amendment.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 259.

Mr. SIMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

"(vi) PREARRANGED EMPLOYMENT IN THE UNITED STATES (15 POINTS).—For an alien who (as of the date of filing a petition) has an arrangement (meeting conditions specified by the Secretary of Labor) for the employment of the alien, 15 points.

Mr. SIMON. Mr. President, these amendments do basically three things. On the first one, the Hong Kong amendment, let me add that my colleague, Senator DIXON, Senator KOHL, Senator CRANSTON, Senator GORTON, and Senator HUMPHREY are cosponsors of it. It would increase the quota for Hong Kong from the 5,000 to half of that of a country or a little better than 10,000. I do not think I need to explain what the situation is in Hong Kong.

The second one adds points in the point system for those who have jobs guaranteed in this country.

The third is one that sets aside 10,000 of the 55,000 for those who are disadvantaged in other ways on the basis of the countries that are disadvantaged by the other patterns. It has been cleared by Senator KENNEDY and Senator SIMPSON. I have no objection to these amendments.

The PRESIDING OFFICER. Is there further debate?

Mr. KENNEDY. Mr. President, just to take a moment, we have had an opportunity to talk at length, the Senator from Utah and myself, and we support the proposals. I think the exigencies we have seen in terms of China should encourage us to make a modest adjustment and we make a modest adjustment, particularly given the backlog there. It does not recognize it at the level of a nation or a country but it does provide some honest adjustment; also, an emphasis and stress for those individuals who have jobs.

Having that recognized is certainly important because we do not want to threaten the loss of jobs for American workers, so it gives emphasis and stress on that. And then a very small and limited prioritizing for the 43 countries which have been effectively disadvantaged from the previous immigration legislation seems to me to be justified. These are very modest, but I think they are useful and make the whole bill a fairer and a more equitable bill, and I certainly support the amendments.

The PRESIDING OFFICER. Is there further debate?

Mr. SIMPSON. Mr. President, I concur in the acceptance of these amendments. We are prepared to accept them. One of the important things is a recognition of adversely affected countries and I think it is so critical that we continue to do that. I certainly concur with my fellow manager of the bill.

Mr. SYMMS. Mr. President, today I wanted to offer an amendment which would increase the annual United States quota of Hong Kong immigrants from 5,000 to 50,000. This amendment is precisely the same as a bill recently offered by Representative JOHN PORTER in the House. Mr. President, I believe this amendment is necessary because of the growing unrest in China which threaten the rights and freedom for the people of Hong Kong.

The recent violence in China by the government against unarmed citizens was an ugly response to cries of protests for democracy. When the Communist leaders crushed the democratic aspirations of the Chinese people for free expression and human rights in Tiananmen Square, they did more than murder their own people. They sent a message to the world how it is to live under totalitarian communism.

Mr. President, those actions are a horrible reminder to the people of the world on the workings of communism. This was a message heard most strongly not in the United States or Western Europe or elsewhere around the world. Rather, it was a message heard loudly in Hong Kong. The recent actions by the Chinese Government against their own people raises many serious questions. How willing are they going to be to fulfill the promises of freedom and autonomy for Hong Kong citizens as contained in the Sino-British Joint Declaration?

Many Hong Kong residents are extremely worried about the 1997 Chinese Government takeover. The territory's post-1997 constitution is being drafted right now and will be finalized in the next 2 years. The present version provides little hope for optimism. Under the current draft, the chief executive and legislative counsel will not be directly elected until at least 2011, and then only if the sitting chief executive, who will be favorable to Beijing, concurs. In addition, the provisions of two international covenants on human rights apparently will be left out of Hong Kong's Constitution. When Li Peng and Deng Xiaoping turned tanks and guns against their own people, they did irreparable harm to Hong Kong. The Beijing massacre laid bare all the guarantees given to Hong Kong by the Chinese Government. Confidence in the future of Hong Kong is at an all-time low. In light of the recent developments in China, it is essential that Congress fully debate this issue and stand firmly in support for human rights and democracy in Hong Kong.

In just 8 years, Hong Kong's 5½ million citizens will come under the control of the People's Republic of China. This year alone the prospect of Chinese interference is expected to result in the departure of over 45,000 Hong Kong residents.

A total of 3.4 million of Hong Kong's nationals were born in Hong Kong, and yet they cannot go to Great Britain. The British Government, which now administers the territory, refuses to offer immigrant status to more than a few thousand people. The passage of this amendment, Mr. President, would insure that the people of Hong Kong will have not only the right but the ability to leave. More than 46,000 Hong Kong residents are now on the waiting list for United States visas. At the current rate they are being processed some of these citizens would not receive visas until after the Chinese Communist takeover in 1997. Hopefully, of course, the citizens of Hong Kong will be able to stay. But if they must leave, the United States should welcome them.

Hong Kong is an economic miracle, and an example of the work of capitalism like none other on Earth. The per capita earning rate is 29 times greater than that of the People's Republic of China. The people of Hong Kong are people of talent and great entrepreneurial skill. They understand, as perhaps no other nation can, the difference between totalitarianism and freedom. Many of them are, in fact, refugees from mainland China. They are, in sum, the very kind of people we need in the United States. We ought to increase our quota for people from Hong Kong to provide insurance for them against the murderous tyranny of communism. We should welcome these people with open arms, since they will add immeasurably to American society and to our own beliefs in the rule of law, human freedom, and democracy.

The PRESIDING OFFICER. Without objection, the three amendments (Nos. 257, 258, and 259), are agreed to en bloc.

Mr. SIMON. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 260

(Purpose: To increase the number of immigrant admissions and to reallocate the visa preferences for family reunification immigrants)

Mr. BOSCHWITZ. Mr. President, I am going to move very quickly through this amendment because I understand that the distinguished senior Senator from Massachusetts needs to catch a plane. We really have discussed this bill at some length, so I think Senators have become more familiar during the course of this debate with the various elements of the bill and the various preferences and what they all mean.

This amendment would increase the level of the fifth preference.

Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] proposes an amendment numbered 260.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 77, line 15, strike out "480,000" and insert in lieu thereof "520,000".

On page 90, line 18, strike out "9" and insert in lieu thereof "7.8".

On page 91, line 16, strike out "57" and insert in lieu thereof "49.4".

On page 91, line 23, strike out "9" and insert in lieu thereof "7.8".

On page 92, line 5, strike out "25" and insert in lieu thereof "35".

Mr. BOSCHWITZ. Mr. President, this amendment would expand the fifth preference from approximately 65,000 to 105,000, an increase of 40,000. The fifth preference, of course, is brothers and sisters of American citizens. There are now, as you see on this chart, approximately 1.5 million people waiting to come in under the fifth preference. Under S. 358, 65,000 brothers and sisters a year can come

in. This means that the backlog will continue to grow.

My amendment is a modest attempt to hasten the reunion of American citizens with their brothers and sisters abroad. Regretfully, the amendment would not even take care of all the backlogs.

This fifth preference really is at the essence of our democracy. Most of my colleagues and most Americans came to this country and went to where they had a brother there or a cousin there.

The Senator from New Mexico told me that his family went to New Mexico because they had a cousin who had preceded them from Italy who went there.

So it is part of our heritage—as a nation of immigrants—that by and large we went where our relatives were. And the entire immigration history of the United States is a history of brothers and sisters working hard, accumulating some money, and then sending for their kinfolk.

That is the way it should continue. That is the strength on which our country has been built.

I ask that there just be a modest increase in the fifth preference in which there is a backlog of nearly 1.5 million people. The 65,000 level for fifth preference under the Kennedy-Simpson bill is roughly the same as it was under existing law. So while Senators KENNEDY and SIMPSON have increased the number of visas and shortened the backlog in other preferences, really nothing has been done for brothers and sisters.

I am not a second or third generation American. As a matter of fact, Mr. President, I am the only immigrant in the Senate at the present time. As the distinguished Senator from Wyoming pointed out, I am the only Senator who cannot run for President. As I survey the body, I sometimes think I am the only Senator who is presently not seeking that position.

But I do want to increase the fifth preference by a modest 40,000. I urge the adoption of the amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Massachusetts has 20 minutes.

Mr. KENNEDY. Mr. President, I yield such time as I might use.

Mr. President, there is obvious appeal for the amendment of the Senator from Minnesota. As he correctly pointed out, we have dealt with increasing the total numbers by some 22 percent with the greatest emphasis and stress on the family reunification of closer members of the family. The fifth preference at the present time has at least an 18-year wait even after the time you get the approval of your application.

The issue is if we are going to address fifth preference, we ought to define it in a way that might actually bring an end to the backlog. Without doing that, for every individual who enters in this category, there are going to be extended families entering also, each member of which uses a visa. So there is very little indication that even if we accept the amendment of the Senator from Minnesota we are going to deal with the problem of backlogs. There will be other members of the extended family that might be able to gain entrance under this amendment, but we are still not dealing with the backlog. We should emphasize and stress closer relatives and members of the family, and address their visa needs before moving to expand numbers.

To emphasize closer family is probably the best visa reform. But that was not an issue in which we could develop the common position in the Judiciary Committee. For that reason, there is reluctance at least on my part to see changes in the fifth preference for fear of upsetting the balance struck in committee.

I too want to join with the Senator from Wyoming in his remarks earlier that all of us who have been involved in the issues of refugees over the years have always benefited from the interventions that are made by the Senator from Minnesota. This has been an area of particular interest and concern for him. I want again to thank him for his constant attention to these issues. So it is with reluctance that I recommend that the Senate not accept his amendment.

I yield such time as the Senator from Wyoming needs.

Mr. BOSCHWITZ. Mr. President, I yield 2 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I rise in strong support of the amendment of our distinguished colleague from Minnesota.

Mr. President, those of us who know our distinguished colleague know that he is in this country and in fact is a Member of the U.S. Senate because of the diligence of his father who was born in an area that, prior to the war was Germany, but which subsequently became Poland. So in seeking to come into the country, his father went all over Europe trying to find someone who would accept him as a German instead of a Pole because the Polish quota was always filled.

I rejoice at the fact that he found such an embassy, and as a result, not only did his father come to America and become successful, but RUDY BOSCHWITZ became a Member of the U.S. Senate.

Mr. President, how many of these people under this amendment would be allowed to come to America and might become Members of the Senate? How many of their children might win Nobel prizes? How many of their children might even aspire to become President of the United States?

I do not know anything more American than one child working, coming to America, being successful, and then bringing his brothers and sisters to the country. We can look at the numbers that our colleague pointed out to see that there are over 1 million people waiting to come. They are waiting to come because their siblings have been successful here. They are not going to be a burden on society. They already have a sibling here who is successful that is sponsoring them.

Mr. President, with all these people waiting, with a million people a year coming into the country illegally, is there not room in America for a few more people that are willing to put their shoulder to the wheel. A few more people that are willing to pull the wagon, work, pay the taxes, defend the country and provide the physical and mental energy that will move our country forward?

America is not a great Nation because the most talented people in the world came to live here. America is a great Nation because we have achieved extraordinary results from plain old ordinary people that have been inspired and activated and energized by freedom. I think it is vitally important that we let people who have come to America, who have been successful, bring their brothers and sisters here.

I support this amendment very strongly.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, I think, in remarks yesterday about my friend from Minnesota——

The PRESIDING OFFICER. The Senator is recognized on the manager's time. Is that correct?

Mr. SIMPSON. That is correct.

Mr. President, I made my remarks yesterday about my friend from Minnesota, his deep passion. His interest is so total and so much of a personal commitment, that none of us could match it, because he has personal experiences as a refugee in this country at the age of 5. The comments of my friend from Texas, Senator GRAMM, are also things that are real when we talk about human beings, advancement, success, all of those things. That is something that is the most important part of the debate. It is an important part of the lives of those people most affected.

Let me tell you why it is not a hardhearted approach. That is not my style. This amendment, and all of the other amendments, would increase the number of visas in the fifth preference. I am resisting that, and I am not doing that because I am antiimmigrant or antifamily or antianything else that smells of mom and the flag and apple pie. That is what happens in

this debate all the time. Instead, I believe it is darned well time for our Government to face the unfortunate but ridiculously cold reality that there are many more people who want to come here than there is room or intent to accommodate.

Now, you are going to watch some other things that will come up in the next months. You are going to watch the Soviet Union completely unleash their people, and then what will the American people feel? Of course that is refugees, and that is a different matter, but some of them will be immigrants. When President Carter went to China and said, "Let your people go," they said, "How many do you want?" And then there was nothing more during the Carter administration that we heard on that issue. There is just as much obligation in the national sovereignty in letting your people go as there is in determining how many you bring in.

That is not racist, not evil, not cruel. It is a cold, hard reality. We will have to decide how many we want to accommodate. Apparently, there is quite a group among us that want, in some sense maybe unlimited immigration. I do not know that that would fly on an up and down vote, but I think that proposal is here. There is right now a backlog of 1.4 million applicants for the present allocation of 65,000 fifth preference visas.

Now, that is reality, cold, hard reality—a backlog of 1.4 million applicants for these 65,000 fifth preference spots. The State Department seems to believe that number is fairly solid. I have questions about that. I think a lot of them are already here, and since State did the list, I think some of them have died and disappeared; that is my view. Whatever it is, it is a tremendous backlog, and it is all human beings. It would be very difficult to significantly address this backlog without coming up with an overall level of immigration which I do not think most Americans would accept. I imagine most Members of Congress would not find it supportable.

In addition, because of the chain migration effect that the fifth preference causes through its recognition of married brothers and sisters and their families, if we raise the number of fifth preference immigrants, we will only concurrently raise the number of fifth preference applicants. That is what happens in this chain. You bring your brother; the brother then starts the chain, and that is the way it goes. Two-thirds of those people in that number are brothers-in-law and sisters-in-law and nieces and nephews, and eventually, under this scenario of this amendment, or the status quo, if this bill fails, you are going to see the continual squeeze, where these people crowd out the reunion of families who are spouses and children. I think that is irresponsible.

It is going to crowd out the closer family members, and spouses and children in the second preference will still be waiting right there in line, very patiently, some not patiently. Many came illegally, and I hope we picked them up when we did this gracious act of amnesty or legalization. But that is what most are going to do, wait in line patiently.

Let me state clearly once again, as clearly as I can, I believe that the most antifamily policy I can possibly imagine is current law, where we keep the closer relatives like spouses and children waiting while more distant relatives like siblings and in-laws are given the visas. That is no sense. This amendment not only perpetuates that antifamily aspect of current law, it encourages it. It is hard to believe how you could encourage it any more. Whether brothers or sisters are increased by 40,000 or 30,000 or 20,000 a year, we are still in this ridiculous situation, skewing our family immigration policy. The only question, I guess, is to what extent you want to skew it.

Whatever happened to family-based, nuclear family immigration? Slowly it will go down the tubes as family reunification seeps out into the area of nieces and nephews and brothers-in-law and sisters-in-law, which eat up the numbers. You cannot help but some day eat up the numbers, whatever we do in this activity. And then you will find spouses and children standing in line so that we can fill the slots with nieces and nephews and other derivative relatives. That is where we are.

I do not think that is right. More than that, I think it is not fair. Boy, I can tell you, since we last visited this bill a year ago, the special interest groups have been hard at it. I have never seen such activity. And meanwhile, the rest of the American public is just sitting there blinking like a frog in a hailstorm saying: "What is happening?" They will figure it out one day, because the system will have been overwhelmed by two things: By 85 percent of people in family reunification coming from two sections of the world, and meanwhile, other countries are adversely affected. That is what will happen.

Meanwhile, we will admit relatives not part of a nuclear family, as we define it in the United States. It is not defined that way in Asian communities or some other communities, but it is here.

I fully realize the peril of this type of discussion, because it will always come back that you must be racist, you must be bigoted, you must be hardhearted; and that is not me. But I am a realist, and I try to be as honest as I can in dealing with this grotesque issue.

Unless the American people sort it out themselves through us, then you are going to find things that will come up where you are just going to stare at your colleagues in 4 or 5 years and say—what did we do, what happened, how did that get tilted that way, how did it get so ruptured and inappropriate?

I am ready to stick around. I must be crazy. I will stick around and try to make it work, whether it is illegal immigration, legal immigration, refugees, asylees; whether it is extended voluntary departure or Soviet Jews; or whether it is exclusions, or people not allowed to come here to our country because of sickness or AIDS. I am ready to work on all that stuff. But for heaven's sake, come in and cast a vote now that has something to do with reality.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 3 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, my colleagues, I have great respect for the Senator from Massachusetts, and as my colleagues, Senator SIMPSON and Senator KENNEDY can tell you, I have been championing the fifth preference; and Senator SIMPSON agreed to this compromise that included the fifth preference, the numbers that we have, only very reluctantly.

If you take a look at the original Kennedy-Simpson bill, you do not see any kind of fifth preference numbers like we have at the present time.

We did reach an accord, an agreement on the cap and on a variety of other things, and I think that agreement is sound, and I am going to support it.

There is another reason why I think it is unwise to move as the Senator from Minnesota has suggested.

There is a statement that Shakespeare makes about the best being the enemy of the good. We can pile up in this area of immigration to the point where there will be an adverse public reaction.

I say to the Senator from Minnesota I may not have been in public office when we had 100,000 to 200,000 Cubans coming into this country all of a sudden. There was a very adverse reaction. Now those people are great American citizens today and we are richer because they are here.

But there will come a time when the public is going to react negatively to immigration. This morning's New York Times carries a story about potential large numbers of immigrants from the Soviet Union that I have an interest in, I know Senator BOSCHWITZ has an interest in, and the Presiding Officer, Senator LAUTENBERG, has shown great leadership on.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

I do not want to reach that saturation point so that Members of the House and Senate are going to say "Sorry, no more immigrants into this country."

I think there is a danger that we are going to be moving in that direction.

I also think we have to be careful how we load this thing down. If this bill were to be presented to the President as it is right now, my guess is, and I certainly have no insight into what the President is thinking, but my guess is that it would be vetoed by the President. I think among other things the amendment we adopted on the census is just going to cause chaos in the census. I hope the conference committee will get rid of that particular amendment.

I think we would be wise here to follow the more prudent course.

The PRESIDING OFFICER. The Senator has spoken for 3 minutes.

Mr. SIMON. May I have one additional minute here?

Mr. KENNEDY. I yield an additional minute.

The PRESIDING OFFICER. The Senator is recognized for an additional minute.

Mr. SIMON. I think we would be wise to follow the prudent course.

My heart is on the side of what Senator BOSCHWITZ is doing. I happen to think immigrants are a great asset.

I had an informal conversation with Senator SYMMS just a few minutes ago, and we talked about what great assets immigrants are and how hard-working they are.

But there is a saturation point with the American public, and I think we have to be prudent as we move ahead, and I think prudence dictates that we would be better off not accepting this particular amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I certainly do agree with my friend from Illinois, that immigrants are great assets to the United States.

In fact, USA Today recently reported that in the State of Massachusetts, 13 out of 17 high school valedictorians were immigrants, not immigrants from one region, but immigrants from Central America, immigrants from the Caribbean, immigrants from Asia, and immigrants from all over the world.

As to reaching a saturation point with an additional 40,000 visas, I say to the Senator my amendment would still leave total immigration at about one-quarter of 1 percent of the American population. Certainly that is not reaching any kind of saturation point.

I still respectfully disagree with my friend from Wyoming about whether or not we are somehow making it more difficult for the nuclear family of American citizens to come in. The nuclear family, parents, spouses, and minor children now come in—under the old immigration law, and under this bill—without limit.

So there is not going to be an assault on the nuclear family. But this amendment recognizes that a 1½ million people are waiting for fifth preference visas. That fifth preference has grown very rapidly in recent years so we must act positively to reduce the backlog.

I think that we indeed can add 40,000 new visas to this immigration bill.

The Senator from Illinois talks about a compromise. I would point out to him that the Kennedy-Simpson bill proposes 65,000 visas for fifth preference. Under current law the level is 64,800. So it only went up by 200. That is not a very fair compromise.

So I respectfully urge my colleagues to adopt the Boschwitz amendment. I yield the remainder of my time.

Mr. SIMON. Mr. President, will my colleague from Minnesota yield for 1 minute? I would just point out that while the fifth preference numbers are pretty much as they are currently, the original bill called for a very substantial decline in fifth preference numbers.

Mr. BOSCHWITZ. I thank the Senator.

Mr. KENNEDY. Does the Senator want a rollcall vote?

Mr. BOSCHWITZ. Does the Senator yield back the remainder of his time?

Mr. KENNEDY. Yes, I yield back the time.

Mr. BOSCHWITZ. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

The PRESIDING OFFICER (Mr. SHELBY). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—46

Adams	Daschle	Heinz
Armstrong	DeConcini	Inouye
Biden	Dixon	Kasten
Bond	Dodd	Kerry
Boren	Domenici	Kohl
Boschwitz	Durenberger	Lautenberg
Bradley	Garn	Leahy
Breaux	Gore	Lieberman
Conrad	Gramm	Mack
Cranston	Harkin	Metzenbaum
D'Amato	Hatfield	Mikulski
Moynihan	Reid	Symms
Nickles	Riegle	Warner
Packwood	Sarbanes	Wilson
Pell	Specter	
Pressler	Stevens	

NAYS—52

Baucus	Gorton	Mitchell
Bentsen	Graham	Murkowski
Bingaman	Grassley	Nunn
Bryan	Hatch	Pryor
Bumpers	Heflin	Robb
Burdick	Helms	Rockefeller
Burns	Hollings	Roth
Byrd	Humphrey	Rudman
Chafee	Johnston	Sanford
Coats	Kassebaum	Sasser
Cochran	Kennedy	Shelby
Cohen	Kerrey	Simon
Danforth	Levin	Simpson
Dole	Lott	Thurmond
Exon	Lugar	Wallop
Ford	McCain	Wirth
Fowler	McClure	
Glenn	McConnell	

NOT VOTING—2

Jeffords Matsunaga

So the amendment (No. 260) was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, for the information of the membership, we reached a unanimous-consent agreement last night on all of the amendments and time allocations. We have moved through these amendments and, to my best knowledge, the remaining action will be the amendments of the Senator from Texas, Senator GRAMM, whom we have been working with over the course of the day and who is prepared to offer his amendments en bloc.

I believe we have consulted the interested parties on that and we would hope to proceed with those in relatively short order. At least as far as this side of the aisle is concerned, there has been an indication that there would be no further amendments. I plan to make only a brief comment just before moving to final passage, hopefully, by 6:30.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I share that hope with my friend from Massachusetts. I do have an amendment here from Senator KASSEBAUM, which will be accepted.

Mr. KENNEDY. Yes, we have technical amendments but we will do that between now and 6:30. We have some technical amendments.

Mr. SIMPSON. But without any further ado on this side of the aisle at this point, I think it is just the amendments of Senator GRAMM left, and I think we have pretty well accommodated those, unless there are others in the unanimous-consent agreement.

As far as we know now, that would seem to be the extent of it.

Mr. KENNEDY. That is about where we are.

Mr. SYMMS. Mr. President, I will be very brief. I will say to the managers of the bill I had wanted to offer an amendment with respect to Hong Kong that went further than the amendment that the committee has accepted. I understand, under the time agreement, an amendment to the amendment of Senator SIMON is out of order.

I would like to present my statement for the RECORD to appear in the RECORD right after the comments of the distinguished Senator from Illinois [Mr. SIMON] prior to the vote of the Simon amendment which was accepted with respect to Hong Kong. I announce to my colleagues that at a more appropriate time I intend to offer an amendment to either the State Department authorization bill or another vehicle that would raise the quota of these entrepreneurs from Hong Kong, but I will not do it today.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 261, 262, 263 AND 264 EN BLOC

Mr. GRAMM. Mr. President, I send four amendments en bloc to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. Is there objection to considering the amendments en bloc? Without objection, it is so ordered. They will be considered en bloc. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes amendments numbered 261, 262, 263, and 264 en bloc.

Mr. GRAMM. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 261

On page 75, line 10, strike out "and".

On page 76, line 9, strike out the period and insert in lieu thereof "; and".

On page 76, between lines 9 and 10, insert the following:"(3) qualified immigrants who are trained medical personnel described in section 109(f), not to exceed 4,000 nurses and 1,000 physicians.

On the conditional basis described in section 109.

On page 124, after line 25, insert the following:

SEC. 104. INCENTIVES FOR TRAINED MEDICAL PERSONNEL TO WORK IN RURAL AREAS.

(a) CONDITIONAL BASIS FOR PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL.—Chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end the following new section:

"CONDITIONAL PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL, SPOUSES, AND CHILDREN

"SEC. 218. (a) IN GENERAL.—

"(1) CONDITIONAL BASIS FOR STATUS.—(A) Notwithstanding any other provision of this Act, an alien who is a trained medical person (as defined in subsection (f)(1)), spouse, and child (as defined in subsection (f)(2)) shall be considered, at the time of obtaining the status of an alien lawfully admitted for permanent residence, to have obtained such status on a conditional basis subject to the provisions of this section if such person, with the prior approval of the governor of that state, has made a commitment to perform medical services in a Health Manpower Shortage Area in an individual state as defined under the Public Health Service Act, where there is a shortage in United States trained physicians, and such person has obtained privileges from a hospital located within that Health Manpower Shortage Area, for 10 years.

"(2) NOTICE OF REQUIREMENTS.—

"(A) AT TIME OF OBTAINING PERMANENT RESIDENCE.—At the time an alien medical person, spouse, or child obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such medical person, spouse, or child respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

"(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such medical person, spouse, or child, at or about the beginning of the 90-day period described in subsection (d)(2)(A), of the requirements of subsection (c)(1).

"(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such medical person, spouse, or child.

"(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING ENTREPRENEURSHIP IMPROPER.—

"(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines, before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence, that the alien is not performing medical services in a Health Manpower Shortage Area or has not obtained privileges from a hospital located within that Health Manpower Shortage Area, then the Attorney General shall so notify the alien involved and, subject to paragraph (2), shall terminate the permanent resident status of the alien involved as of the date of the determination.

"(2) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that a condition described in paragraph (1) is met.

"(c) REQUIREMENTS OF TIMELY PETITION AND INTERVIEW FOR REMOVAL OF CONDITION.—

"(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien medical person, spouse, or child to be removed—

"(A) the alien medical person must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1), and

"(B) in accordance with subsection (d)(3), the alien medical person must appear for a personal interview before an officer or employee of the Service respecting the facts and information described in subsection (d)(1).

"(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION OR HAVE PERSONAL INTERVIEW.—

"(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if—

"(i) no petition is filed with respect to the alien in accordance with the provisions of paragraph (1)(A), or

"(ii) unless there is good cause shown, the alien medical person fails to appear at the interview described in paragraph (1)(B), the Attorney General shall terminate the permanent resident status of the alien as of the tenth anniversary of the alien's lawful admission for permanent residence.

"(B) HEARING IN DEPORTATION PROCEEDING.—In any deportation proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the conditions of paragraphs (1)(A) and (1)(B).

"(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

"(A) IN GENERAL.—If—

"(i) a petition is filed in accordance with the provisions of paragraph (1)(A), and

"(ii) the alien medical person appears at the interview described in paragraph (1)(B), the Attorney General shall make a determination, within 90 days of the date of the interview, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the performance of medical services by the alien.

"(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General shall so notify the alien involved and shall remove the conditional basis of the alien's status effective as of the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien involved and, subject to subparagraph (b), shall terminate the permanent resident status of an alien medical person, spouse, or child as of the date of the determination.

"(D) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the performance of medical services by the alien.

"(d) DETAILS OF PETITION AND INTERVIEW.—

"(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain facts and information demonstrating that the alien performed medical services in a Health Manpower Shortage Area or has not obtained privileges from a hospital located within that Health Manpower Shortage

Area, throughout the alien's residence in the United States.

"(2) PERIOD FOR FILING PETITION.—

"(A) 90-DAY PERIOD BEFORE SECOND ANNIVERSARY.—Except as provided in subparagraph (B), the petition under subsection (c)(1)(A) must be filed during the 90-day period before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(B) DATA PETITIONS FOR GOOD CAUSE.—Such a petition may be considered if filed after such date, but only if the alien establishes to the satisfaction of the Attorney General good cause and extenuating circumstances for failure to file the petition during the period described in subparagraph (A).

"(C) FILING OF PETITIONS DURING DEPORTATION.—In the case of an alien who is the subject of deportation hearings as a result of failure to file a petition on a timely basis in accordance with subparagraph (A), the Attorney General may stay such deportation proceedings against an alien pending the filing of the petition under subparagraph (B).

"(3) PERSONAL INTERVIEW.—The interview under subsection (c)(1)(B) shall be conducted within 90 days after the date of submitting a petition under subsection (c)(1)(A) and at a local office of the Service, designated by the Attorney General, which is convenient to the parties involved. The Attorney General, in the Attorney General's discretion, may waive the deadline for such an interview or the requirement for such an interview in such cases as may be appropriate.

"(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence beginning 5 years after the conditional admission of the alien.

"(f) DEFINITIONS.—In this section:

"(1) The term 'alien medical person' means an alien who obtains the status of an alien lawfully admitted for permanent residence under section 201(a)(3) and who is a physician or nurse, licensed to practice within that state and who is competent in oral and written English.

"(2) The term 'spouse' and the term 'child' mean an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) by virtue of being the spouse or child, respectively, of an alien entrepreneur.".

(b) ADDITIONAL GROUND FOR DEPORTATION.—Section 241(a)(9) (8 U.S.C. 1251(a)(9)) is amended by inserting before the semicolon at the end thereof the following: ", (C) is an alien with permanent resident status on a conditional basis under section 218 and has such status terminated under such section".

(c) CRIMINAL PENALTY FOR IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.—Section 275 of such Act (8 U.S.C. 1325) is amended by adding at the end thereof the following new subsection:

"(e) Any individual who knowingly performs medical services under section 109 for the purpose of evading any provision of the immigration laws shall be imprisoned for not more than 5 years, or fined not more than $250,000, or both.".

(d) LIMITATION ON ADJUSTMENT OF STATUS.—Section 245 of such Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(f) The Attorney General may not adjust, under subsection (a), the status of an alien lawfully admitted to the United States for permanent residence on a conditional basis under section 218.".

(e) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 217 the following new item:

"Sec. 218. Conditional permanent resident status for trained medical personnel, spouses, and children.".

AMENDMENT NO. 262

(Purpose: To allot visa numbers to selected immigrants based on a revised ranking of the scores attained through the point assessment system)

(a) On page 95, line 8, strike out "45" and insert in lieu thereof, "60,"

(b) On page 98, strike out lines 5 through 9 and insert in lieu thereof: "to eligible qualified immigrants who attain the highest scores (in descending order) on the assessment system described in subsection (b)(5)(B) with respect to petitions filed for the fiscal year involved, with the lowest scores qualifying under this clause to be chosen, if necessary, in the random order described in clause (B); and".

AMENDMENT NO. 263

(Purpose: To modify provisions relating to congressional review of worldwide numerical limitations on the admission of immigrants)

On page 81, line 2, insert after "105 percent" the following: "(or, if so, to the extent of a 5 percent decrease or increase, as the case may be)".

On page 81, line 8, after "transmitted" insert the following: "(or a 5 percent increase or decrease, as the case may be)".

On page 81, line 18, insert after "change" the following: "(to the extent that the change is less than 95 percent or more than 105 percent, as the case may be)".

AMENDMENT NO. 264

(Purpose: To admit additional immigrants who will invest in rural areas or areas of high unemployment)

On page 92, line 13, strike "3 percent" and insert in lieu thereof "3.33 percent".

On page 94, strike out line 11 and all that follows through line 2 on page 95 and insert in lieu thereof the following:

"(4) EMPLOYMENT CREATION.—Visas shall be made available next, in a number not to exceed 5.67 percent of such worldwide level, to any qualified immigrant who is seeking to enter the United States for the purpose of engaging in a new commercial enterprise which the alien has established and in which such alien has invested or, is actively in the process of investing—

"(A) capital, in an amount not less than $1,000,000, and which will benefit the United States economy and create full-time employment for not fewer than 10 United States citizens or aliens lawfully admitted for permanent residence (other than the spouse, sons, or daughters of such immigrant); or

"(B) capital, in an amount not less than $500,000, in rural areas or in areas which have experienced persistently high unemployment, at the time of investment, of at least one and one-half times the national average rate, and which will benefit the United States economy and create full-time employment for not fewer than 10 United States citizens or aliens lawfully admitted for permanent residence (other than the spouse, sons, or daughters of such immigrant).

Of the visas allocated under this paragraph, 1.67 percent of the worldwide level shall be available for aliens investing as described in clause (B). Special attention shall be given to such aliens in clause (B) who have invested or, are actively in the process of investing, in rural areas, with an unemployment rate, at the time of the investment, of at least one and one-half times the national average. For purposes of clause (B), the term "rural area" means all territory of a State that is not within a metropolitan statistical area or the outer boundary of any city or town having a population of 20,000 or more based on the latest dicennial census of the United States. The Attorney General, in consultation with the Secretary of Labor and the Secretary of State, may prescribe regulations increasing the dollar amount of the investment necessary in claus (A) for the issuance of a visa under this paragraph.

Mr. GRAMM. Mr. President, these four amendments deal with the following areas: First of all, in the bill, there is what I would call a technical problem in that if the President asks for an increase in the overall level of immigration of 5 percent or less, that goes into effect unless Congress acts to deny him that increase. If he asks for 5 percent or more, that does not go into effect unless Congress acts affirmatively. That clearly was not the intent, it seems to me, of the bill.

What this says is if the President asks for 5 percent or less, it goes into effect unless Congress disapproves. If he asks for 5 percent or more, unless Congress disapproves, 5 percent goes into effect and Congress has to approve anything over that.

The second amendment is a more substantive amendment and it has to do with the point system. Basically under the current point system, we set up a procedure whereby we rate potential immigrants on education, on needed skills, et cetera, but we do not necessarily allocate visas to the people who score highest on these individual ratings.

So what this amendment does, recognizing the Simon amendment, is that it allocates 20 percent of the 54,000 slots to be granted under this to the people who simply score highest on the test. And then it allocates the other 80 percent to those who score 60 points or more. It simply says if you are going to have a test on the needs of the American economy, on distinguished education and skills than let people in who meet the test and who score the highest grades.

The next amendment has to do with physicians and nurses. The amendment admits up to 5,000 additional health care providers—up to 4,000 nurses and up to 1,000 doctors—as additional immigrants based on the con-

dition that these individuals practice in health manpower shortage areas, and that they stay in these areas for at least 10 years.

This amendment does not preempt current State licensing standards. There is a health care manpower shortage throughout the country. We have 83 entire areas of nonmetropolitan areas in Texas that are designated as medically short. What this would allow is that physicians and nurses that meet the skill levels required by the States could come in and practice in a rural, underserved area for 10 years and become American citizens.

The final part of it creates a new category with 2,000 visas for investors who invest either in rural areas or in areas that have an unemployment level of 1½ times the national average, with special attention given to rural areas that have high unemployment. These investors would also be required to create 10 jobs and put capital in of at least $500,000. So we are talking about a new investor category. We are talking about a health care provider category. We are talking about a merit system in points, and we are talking about technical corrections and I appreciate the indulgence of my colleagues and their willingness to work with me on these amendments.

Mr. KENNEDY. Mr. President, I appreciate the cooperation that we have had from the Senator from Texas. He has correctly explained the provisions during his comments. We are willing to make adjustments along the lines that have been recommended. There is some adjustment in terms of rural development and depressed inner-city centers to encourage investment in those areas. There is some adjustment to select persons for the point system, to give 20 percent of the visas to those with the most points. And there is a technical amendment which clarifies the President's authority to change national immigration levels by 5 percent. Finally, there is an amendment to permit the admission of health professionals to work in underserved areas, and to require that those individuals stay there for 7 years.

The concern we had earlier about this last amendment is that individuals come in, and, once they meet the other medical requirements, they settle in for only a short period of time, and then leave. But the provision of the Senator from Texas is appropriately strict on this point.

Mr. President, I am prepared to recommend we accept his amendments. We have been in negotiation a good part of the day in working out the language. I have no objection to his proposals.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, we have been working with the staff of the Senator from Texas and all of us have been involved in that. I just have a concern about one amendment with regard to what appears to me to be over and above the national level of immigration that we were seeking to maintain, even though assuredly the Hatch-DeConcini amendment, and one or two others, have probably abused that concept slightly. Nevertheless, I would inquire as to whether under the rural doctors amendment we are actually adding to the national level of immigration and, if we are, what is the rationale for that?

Mr. GRAMM. I appreciate the distinguished Senator posing the question. As I understand it, the way the amendment is drafted and was worked on by joint staff, you have up to 4,000 nurses, up to 1,000 doctors, obviously, depending on how many are certified by the State or how many are licensed by the State. That would be in addition, as I understand it, to the overall total. I would be willing to work out a compromise that would make that adjustment in some area. That is not the way the staff drafted it, but if that is a problem for our distinguished colleague from Wyoming, I am willing to negotiate.

Mr. SIMPSON. Mr. President, I am going to accept that good faith proposal. I think we can do that and work to see that that small number, indeed it is small compared to 600,000, that it is encapsuled in the national level of immigration.

AMENDMENT NO. 264

Mr. BOSCHWITZ. Mr. President, I am pleased to join Senator GRAMM in offering this amendment, which would enhance the immigration bill before us by attracting significant investments to rural America.

As my colleagues know, the Immigration Act of 1989 creates a category of 120,000 independent visas, which would be available for people with particular skills or qualities that the United States needs. Up to 4 percent, or 4,800, of these independent visas could be used by aliens who invest at least $1 million in a commercial enterprise in the United States that creates at least 10 new jobs. Any visas issued under this category would be conditional and would have to be reviewed after 2 years.

The amendment we are offering adds an additional 2,000 visas exclusively for those who invest in rural or high unemployment areas. Under the amendment, all investors would still have to create 10 new jobs, and the investors would still be subject to a 2-year review.

The amendment does not increase the total level of immigration set out in the bill. The new rural investor visas will be taken from the "special immigrant" category. Demand for visas in this category is far below the level set in this bill. Therefore, I think that we can afford to deduct a certain number of visas from it.

Mr. President, I am especially concerned with the rural investment this amendment would support. Although many parts of the country have experienced great economic growth in the past 8 years, rural areas often have not shared in that prosperity. These areas have great difficulty attracting the investment capital so needed for economic growth.

As the ranking Republican member of the Small Business Committee, I have made rural development a priority. Earlier this year, I introduced legislation to make investment capital more accessible to rural businesses. The amendment we are offering strengthens such efforts to reach out to rural America.

The amendment adds an additional 2,000 visas—to create at least 20,000 new jobs in rural or depressed areas. In addition, the other 4,800 visas could also be used by investors in rural areas. The amended investor provision could therefore be used to create at least 68,000 jobs—many of them in rural America. And the investors cannot just promise to create jobs—they must deliver. They will be subject to deportation if they do not continue to meet the job-creation requirements at the 2-year review.

No doubt, some will argue that we should not be increasing a category that only benefits "fat cats." First, let me say that the investor visas are a worthwhile addition to our immigration system. Second, I am certain that none of the Americans who gain jobs from this provision will begrudge investors their visas.

In fact, many other countries have similar provisions in their immigration laws. In the past we, too, have had this type of provision in U.S. law, and even today the United States grants temporary visas to aliens who invest at least $150,000 and employ at least one worker. We have seen the success of this provision with nonimmigrants, and extending this provision to the job-creating portion of the Immigration Act of 1988 will benefit us all.

In any event, even with the Gramm-Boschwitz amendment, investor visas will total less than 2 percent of total immigration. Less than 2 percent. Over 98 percent of immigrants will continue to be admitted on the basis of family connections or special skills.

Mr. President, this bill is not intended to solve all the problems facing rural America, but it is a step in the right direction. Part of the rationale of the Immigration Act of 1989 is to make immigration more responsive to our broad national interests. Rural America absolutely must be included within that national interest. I see no reason to shut out willing investors

while our small towns and inner cities across America are facing hard times.

Indeed, the national interest is well served by granting a limited number of visas to aliens who wish to make a substantial contribution to our economy. Our amendment maintains investor visas at a modest level—but makes a special effort to reach out to rural communities in need. At a time when we are concerned about supporting the current economic expansion, our amendment could create up to 20,000 new jobs in the United States each year.

I urge my colleagues to support this amendment.

Mr. GRAMM. Senator BOSCHWITZ would like to be a cosponsor of the entire package.

The PRESIDING OFFICER. It is so ordered.

Mr. SIMPSON. Mr. President, I am going to say that we will do that and accommodate that within the bill as amended, and I am sure that can be done without further violating the national level of immigration. Is that the understanding of the Senator from Texas?

Mr. GRAMM. Let me say, Mr. President, that I would be happy with that agreement. I had understood when it was being drafted that that was the case. If it did not turn out to be the case, I will be happy to change it.

Mr. SIMPSON. It will be within the level of 630,000, which is what happened now with the amendment of Senator SPECTER.

Mr. GRAMM. That is my understanding of what the total will be.

The PRESIDING OFFICER. Is there any further debate on the amendments?

Mr. KENNEDY. I am prepared to yield back the remainder of the time.

The PRESIDING OFFICER. If there is no further debate on the amendments, the question is on agreeing to the Gramm amendments en bloc.

The amendments (Nos. 261, 262, 263, and 264) were agreed to, en bloc.

Mr. SIMPSON. Mr. President, I want the colloquy that Senator GRAMM and I had to be perfectly clear, and that will be accomplished before final passage on this bill.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 265

(Purpose: To provide a technical amendment permitting reciprocal visaless rights for aircraft crewmembers serving on aircraft from countries participating in the Visa Waiver Pilot Program)

Mr. SIMPSON. Mr. President, I send to the desk an amendment on behalf of Senator KASSEBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] for Mrs. KASSEBAUM (for herself and Mr. DANFORTH) proposes an amendment numbered 265.

Mr. SIMPSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 124, after line 25, insert the following new section:

SEC. 109. ENTRY OF CERTAIN AIRCRAFT CREWMEMBERS.

Section 217 of the Immigration and Nationality Act (8 U.S.C. 1187) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting the following new subsection:

"(e) The Attorney General and the Secretary of State are further authorized to issue regulations providing for the waiver of visa requirements for aircraft crewmembers serving on aircraft who are nationals of pilot program countries designated pursuant to subsection (c). Such regulations may provide for aircraft crew visa waivers on a reciprocal basis with each individual pilot program country during the pilot program period."

Mr. SIMPSON. Mr. President, this amendment makes a minor correction to the visa waiver program pertaining to aircraft crewmembers. This amendment is acceptable to this comanager of the bill. I know that Senator KENNEDY has reviewed it, and I ask that it be adopted.

Mrs. KASSEBAUM. Mr. President, the Senate is considering legislation which will have an impact on the social and economic fabric of our Nation. Senate bill 358 would constitute a shift in U.S. immigration policy, with a new emphasis on our country's human resource needs, while still preserving the prior emphasis on family reunification.

I, along with my colleague from Missouri, Senator DANFORTH, propose an amendment to S. 358 which would help clarify some human resource concerns that were addressed, albeit inadvertently, in previous modifications to our immigration laws.

Mr. President, a problem has arisen in the past month with guidelines set forth in a section of the Immigration and Nationality Act known as the Visa Waiver Pilot Program. This threatens to undermine the effectiveness of existing immigration policy and, at the same time, could undermine stability and mutual cooperation within the international aviation community.

The Government of France, which for the past several years has not required visas for United States aircraft crew members, has reinstated a visa program for crew members, with an effective date of October 5, 1989. This action is permissible under the Visa Waiver Pilot Program because the law does not extend the visa waiver privilege to flight crew members.

Under the Visa Waiver Pilot Program, eight countries operate under a mutual agreement to allow tourist and business travelers from the participating countries to enter each country for a visit of up to 90 days without a visa. The participating countries include the United States, the United Kingdom, France, Japan, Switzerland, Italy, Sweden, West Germany, and The Netherlands.

The legislative intent behind the creation of this program was to provide substantial benefits to international tourist and business travelers. Little, if any, consideration was given to the potential problems that might be encountered by international aircraft crew members who might not be eligible to participate in the waiver program. Ironically, this could produce a situation in which an entire aircraft full of foreign travelers could enter the United States for an extended visit of up to 90 days without any visas, while the aircraft which brought them—and then typically departs again within a matter of hours or days—would be required to obtain and maintain a visa.

It is clear that such a result was not intended. The logistical confusion and costs associated with obtaining and maintaining visas for each international crew member of U.S. air carriers is antithetical to the efficiency goals of the Visa Waiver Pilot Program. As is evidenced in this letter sent to me by Trans World Airlines, the United States carrier with the highest traffic into and out of Paris, France, this would affect as many as 7,000 crew members of one single airline. I ask unanimous consent that TWA's letter be inserted in the RECORD immediately following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mrs. KASSEBAUM. Mr. President, this amendment would correct this deficiency in the law by permitting the Secretary of State and the Attorney General to issue appropriate regulations to permit and control the visaless entry of foreign aircraft crew members on a basis consistent with the Visa Waiver Pilot Program and our national immigration policy.

Mr. President, the State Department, the Justice Department, and the Immigration and Naturalization Service have indicated that they support this amendment, and I urge my colleagues to do the same.

EXHIBIT 1

TWA,
Washington, DC, July 11, 1989.

Hon. NANCY L. KASSEBAUM,
U.S. Senator, Senate Russell Office Building, Washington, DC.

DEAR SENATOR KASSEBAUM: As you know, the United States and several countries, including France, have reciprocally waived visitor visa requirements as of July 1, 1989. The airline industry has worked diligently on this issue for a long time and we are delighted that business and tourism travellers will no longer need visas to enter these countries or the United States. Unfortunately, despite this action, the law does not extend the visa waiver privilege to flight crew members. As a result, the government of France which for the past several years has not required visas for U.S. crews, has reinstated a visa program for them effective July 1, 1989.

Efforts by various U.S. government agencies have delayed the requirement until July 31, 1989 and they are now proposing a further extension until October 5, 1989; however, as of today we have no absolute assurance that the French government will agree.

Quite apart from the requirements of any other U.S. flag carriers, TWA alone may need to obtain as many as 7,000 visas for our crew members in this extremely short period of time. In order to secure a visa the crew member must go to a French consulate taking his passport, fill out the required documents, and pay a $15.00 fee. In many instances this is impractical. For example, there is no French consulate in St. Louis or Kansas City, and the documents would have to be sent to Chicago for processing and returned by mail. Since our international crew members regularly circulate through TWA's hub at Paris and physically need to retain their passports, the overall complications of obtaining a crew visa are readily apparent.

I would hope very much Senator, that you could assist us to correct this aberration in the law through an amendment. This would permit crew members from those countries which have agreed with the United States to waive visitor visa requirements to enter the United States without a visa, and vice versa. Conversation we have had with officials at the Department of State, the Immigration and Naturalization Service and the Department of Transportation lead us to believe that all of these agencies would support this principle. They have already assisted us substantially in seeking to extend the grace period.

The airline industry and we at TWA in particular are most appreciative of your interest and support in connection with this matter.

Sincerely,

R.D. DEVLIN,
Director, Legislative Affairs.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 265) was agreed to.

Mr. SIMPSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to proceed for 60 seconds?

The PRESIDING OFFICER. Is there objection? The Senator from Arkansas.

Mr. BUMPERS. Of course there is no objection.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 60 seconds.

Mr. BUMPERS. Mr. President, I apologize for not being here when the Gramm amendment was offered. I just wanted to say I preached here yesterday with all the fervor of my body and soul against the investor preference. I still feel just as strongly about it. But the point was made ysterday that if we were going to do this, we ought to at least have these people who are coming here with a million bucks invest their money where jobs are needed most. The distinguished Senator from Illinois [Mr. SIMON] said he would like to see that, too. That is what the Gramm amendment does. I am not going to vote for this bill. I am not going to vote for it because of my strong feelings about the investor preference, and I do not think very many people are going to invest their money here on that basis. But I do want to say if this survives conference, which I hope it will not, they ought to be putting their money in the Mississippi Delta where 11 million people live and have lived in pervasive and persistent poverty for over 100 years. It is something the Congress ought to be addressing anyway. But I am pleased to support the Gramm amendment, because at least it takes a little of the sting off. I hope in conference they will remove the jobs allocated under the other investor category.

I thank the distinguished floor manager for so generously not objecting to my request.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I am reluctant to mention this but there is no time limitation on the total bill so we could have listened to the Senator for a long, long time.

Mr. BUMPERS addressed the Chair.

Mr. KENNEDY. I did not want to mention that.

Do I have the floor?

Mr. BYRD. Mr. President, I intend to vote against the passage of S. 358, the Immigration Act of 1989.

When the Senate began consideration of this legislation, the Senate Committee on the Judiciary recommended to the Senate a consensus bill that reflected reforms for the admittance of immigrants into our Nation. Our colleagues, the Chairman of the Judiciary Committee, Mr. KENNEDY, the ranking member, Mr. SIMPSON, and the Senator from Illinois, Mr. SIMON, have worked diligently to craft a piece of legislation that reflects the differing views of many of the members. I commend, and appreciate their hard work. I intended to vote for this legislation, but the bill in its final form does not reflect the legislation as reported to the full Senate. Mr. President, I am concerned about the increased levels of immigrants that would be admitted into this country under this amended version. The original bill, as reported, would have established a national level of immigration at 600,000, 22 percent above the current legal limits. I agree with that approach. No one can argue that the wonderful strength and diversity brought to this Nation historically by immigrants following the promise of freedom is a pillar of our national heritage. But, the amended bill before us would increase the national level of immigration to almost 900,000.

Now is not the time to move in this direction. Reality has to chart our course. We must consider the economic conditions of the United States. As is the case in my home State of West Virginia, there are areas of this country that are in no shape economically, to address the increase of immigrants that this legislation will provide. America has been a traditionally generous country. We provide unrestricted visas to the immediate family members of U.S. citizens, but in developing our national immigration policies, our first consideration should be that of developing America and providing jobs for our own citizens. I believe we must focus on our own national interest at this time. We must ask ourselves how many more people our country will be able to accommodate. We cannot be so generous that we stretch our own scarce resources to the breaking point and diminish the quality of American life for all. That approach would consitute a disservice to new Americans as well as to those who have been here for generations. It is time for our heads to rule our hearts in this matter and I hope the legislation will be defeated.

Ms. MIKULSKI. Mr. President, I will cast my vote against final passage of S. 358, the Immigration Act of 1989.

I do not take this step lightly. The committee has worked diligently to put together a bill which addresses troublesome problems facing our immigration system—the shortage of visa slots, the need to find skilled workers for certain jobs, the difficulties which some ethnic groups face in immigrating, and the long delays in processing pending applications.

Still, I am not convinced that the bill represents a step forward in our immigration policy.

In my view, a guiding principle of that policy of paramount importance should be family reunification. This bill, in the long run, will make it more

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

difficult to bring together family members of naturalized U.S. citizens.

By setting a cap on family preference visas and continuing, properly, to allow unlimited entry to children, spouses, and parents, we will be squeezing out brothers and sisters and adult children of naturalized citizens.

Supporters of the bill sometimes make a distinction between brothers, sisters and adult children on the one hand and immediate family members on the other. In my mind there is absolutely no question that siblings and adult children are a part of the immediate family.

Anyone who grew up in East Baltimore, as I did, understands how important it is to bring together the entire core family—from Poland, Greece, Italy, Ireland, or whatever the home country. My own family and the families of my Baltimore neighbors were simply not complete until the brothers, sisters, and children of the original immigrant were fortunate enough to join the rest of the family as Americans.

This feeling is just as strong in our newer immigrants—largely Hispanics and Asians—who are worried that they will not be able to fulfill the same dream. And they are right. The General Accounting Office tells us that under the committee bill, in a few years, the number of family preference visas will total zero. The Hatch-DeConcini amendment preserving the current level of 216,000 family preference visas was a step in the right direction, but that number will be sadly inadequate in the near future.

For this reason I feel I must oppose the bill.

Mr. ADAMS. Mr. President, last year the Senate passed a legal immigration reform bill with little substantive debate on the bill. I am glad to see that this year the Senate is spending some time on this issue, because immigration is a tremendously complex field which in many ways reflects—and shapes—the image we have of our society.

In many ways, I think that the bill before us today makes important and worthy changes to our immigration system. But there are also elements of this bill which are deeply troubling. After carefully weighing the good against the bad, I have decided to support this bill, but with the hope that it may be modified before it completes its journey through the legislative process.

There is no question that we need to reform our current system of legal immigration. There are waiting lists of millions of applicants whose hopes for finally obtaining a visa to come to this country are practically nonexistent—the wait from some countries is over 15 years. There are people from many countries who do not have any family connections in the United States and thus have no fair chance to come to this country. For these reasons and others, I support immigration reform and I was an original cosponsor of Senator SIMON's bill, S. 448, which addressed these problems. My difficulty with the Kennedy-Simpson bill we are debating today, however, is that it departs from important principles of family reunification in immigration to which I believe we must adhere.

Let me start by reviewing the positive aspects of the Kennedy-Simpson bill.

First, the bill expands the opportunity for "independent" immigrants who have no family ties in this country to immigrate to the United States. And it does so without significantly reducing the immigration opportunities available to those with family ties.

Second, the bill increases the number of visas available under the second preference category, for spouses and children of permanent residents. This increase would help alleviate a backlog of eligible applications that now results in waits of up to 10 years in some countries.

Third, in adopting the family unification amendment offered by Senator CHAFEE, we are providing relief from deportation for families where one member of the family qualified for legalization under the 1986 immigration reform bill, but where another member did not qualify for legalization.

Fourth, the adoption of the Mitchell-Dole amendment and the Gorton amendment provide additional protection for Chinese students here in this country who might otherwise face the prospect of punishment in China had they been forced to return.

Finally, this bill rectifies an injustice done to certain Filipino World War II veterans. In March 1942 Congress amended the Nationality Act of 1940 to allow for the naturalization of Filipino veterans who served honorably in World War II. Unfortunately, due to an administrative decision made at that time, many of these veterans were unable to take advantage of the naturalization process. This bill would allow these veterans to be naturalized if they currently reside in the United States and if they meet the requirements set out in the 1940 act.

Unfortunately, there is one provision in this bill that threatens to wipe out the benefits made by the reforms in this bill. That is the provision that offsets visas granted to immediate relatives against the number of visas available for other family preference categories.

There is no advantage to increasing the number of second preference visas if none of those visas actually will be available. When immediate relative visas are offset against family preference visas under an overall cap on family connection immigration, we are pitting one relative against the other. If the number of immediate relatives coming to the United States continues to grow, as projected it will, there will be no visas for additional second and fifth preference relatives.

It is true that the Hatch-DeConcini amendment mitigates the harm of this offset. We now have a floor of 216,000 family connection visas, the same number as is currently available, so that these family members will not be completely crowded out. But I do not see the need for this offset to begin with. The Simon immigration reform bill did not contain such an offset, even though it set a target level for overall worldwide immigration.

I am also disturbed by the adoption today of the amendment that directs the Census Bureau to exclude undocumented aliens from the total population figures used for purposes of reapportioning the U.S. House of Representatives. I am convinced that this amendment is unconstitutional and thus should be stricken from the bill. I expect that the House will review this issue very carefully and will agree with my conclusion.

Mr. President, let me conclude by saying that this bill makes many positive reforms in our legal immigration system. On the other hand, there are several aspects of the bill with which I do not agree. This is only natural, given the scope and complexity of this bill and the controversial nature of efforts to change our immigration laws. I am willing, however, to work with the managers of this bill and with my other colleagues in the Senate and the House to improve and perfect this measure.

Mr. CRANSTON. Mr. President, I would like to make a few brief remarks before we vote on final passage of this legislation.

Yesterday, I explained my concern regarding this legislation which would—for the first time—impose a cap on family sponsored immigration. If enacted in its current form, this legislation will establish the precedent that under such a cap visas granted to the immediate relatives of U.S. citizens would be counted against the visas which would be available to other family connected immigrants. As I stated yesterday, I cannot support this precedent. Therefore, I cannot support this legislation.

During the course of the debate on this legislation, we adopted an amendment which I believe will lessen the bill's negative impact on family reunification efforts. I was very glad to see the Hatch-DeConcini amendment adopted which will at least establish that, under the cap, the visas available for family connected immigrants (other than immediate relatives of U.S. citizens) will not fall below the current level—216,000.

I was also very glad to see that the amendment offered by Senator CHAFEE to assure the unity of families under the legalization program authorized by the Immigration Reform Act of 1986 was adopted. This amendment was long overdue and I was glad to see that we were able to act finally to resolve this situation.

And, of course, the amendment adopted to ease the situation for Chinese students currently residing in the United States is extremely important. Given the crisis in the People's Republic of China, we should make every effort to assure the safety of these students.

Yet, in spite of these improvements in the bill, and the other reforms which are contained in the legislation, I still cannot support it.

As I explained yesterday, Mr. President, California is home to more Asians and Hispanics than any other State in the country. No single issue nor piece of legislation has raised their concern as much as this legislation we are voting on today. Although the sponsors of this bill argue that this legislation will benefit those who rely on family preference visas to be reunited with their family members, the message I have received from these individuals is that they would prefer to see no reform legislation at all rather than see reforms which would include placing a new cap on family sponsored immigration. I, personally, think we should pay attention to this message.

During yesterday's debate on the Hatch-DeConcini amendment, the Senator from Texas, Senator GRAMM, made a statement which rings very true with me. He said something to the effect that when it comes down to choosing between "numbers" and a "principle," we should stick with the principle.

The principle of family reunification is very basic to our immigration laws. In my view, the fact that this legislation proposes to place—for the first time—family sponsored immigration under a cap violates this principle.

For these reasons I will vote "no," and I urge my colleagues to vote "no" also.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. Mr. President, I will just take 2 or 3 minutes here in final comment.

America thrives on immigration. It always has, and it always will.

We can't afford to put a sign on the Statute of Liberty that says, "no vacancy." Yet that's what we've been saying to too many nations for too many years.

Immigration issues are profoundly important. They touch the heart of what America is. They remind us how we all became Americans. They tell us who the future Americans will be.

Discrimination any time, any place, anywhere is wrong. There is too much discrimination and too many restrictions in our immigration laws. The gates of this country have been slammed shut on too many peoples in too many other lands who deserve a fair chance to become Americans. That has to stop, or America will not be America.

It helps at times like this—when passions are high about immigration, when it is sometimes difficult for the Senate to discern its true priorities—to go back to first principles.

In my view, those principles have rarely, if ever, been stated more eloquently than in the famous words of the sonnet by Emma Lazarus, inscribed on a plaque in the pedestal of the Statue of Liberty in New York Harbor.

Millions of immigrants have heard those words, and it helps for the Senate to hear them too. I quote:

Not like the brazen giant of Greek fame,
With conquering limbs astride from land to land;
Here at our sea-washed, sunset gates shall stand
A mighty woman with a torch, whose flame
Is the imprisoned lightning, and her name
Mother of exiles.
From her beacon-hand
Glows world-wide welcome; her mild eyes command
The air-bridged harbor that twin cities frame.
"Keep, ancient lands, your storied pomp!" cries she
With silent lips.
Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tossed to me,
I lift my lamp beside the golden door!

I hope, as we near the end of this difficult, but profoundly important debate, that the Senate will heed those words and be faithful to their spirit—and help us to open the golden door again.

Finally, Mr. President, I want to express my great appreciation to my colleague, the Senator from Wyoming. He and I have wrestled with immigration issues frequently on opposite sides, but more often together, as we have worked on the problems of immigration and refugees and problems of asylees and always it is a joy. As one who has been involved in this issue I can say that all of immigration and refugee policy is fairer and more just because of the outstanding, extraordinary work of the Senator from Wyoming. I have said on a number of occasions, and it is worthwhile to mention here, there is very little in this issue for the Senator from Wyoming except a lot of hard, difficult work and a lot of time spent dealing with people of strong passions and high emotion. Nonetheless, his mark not only on this legislation but on other legislation is going to be recorded in the history books as an extraordinarily positive contribution.

I thank my colleague from Illinois [Mr. SIMON]. As we pointed out at the start of this debate, it is a small subcommittee, and we do have differing views. But Senator SIMON has been someone who has spent a great deal of time on this issue. He has take time during the course of this debate to bring to the Senate an informed and balanced judgment, and the legislation is significantly better because of his involvement and his participation. I am, indeed, grateful to him.

I thank the staffs of our committees. They have served us extremely well. We have had a very varied debate on constitutional issues, immigration issues, and development issues, and they have demonstrated their resourcefulness and their energy and their good judgment. I am appreciative of all of their work, especially to Senator SIMPSON's chief counsel, Dick Day, who has worked so cooperatively with us for many years—and to Carl Hampe, minority counsel. It is rare in this body for two opposite staffs to work so closely, in such a unifying spirit and shared goals, as the two staffs on our Immigration Subcommittee.

Lastly to my own staff: Jerry Tinker, staff director of the subcommittee, Michael Myers, counsel, and Kay Anske, a congressional fellow from the Department of State's Bureau of Consular Affairs, whose contributions and expertise has been extraordinarily important to the subcommittee.

Most of all, I am thankful to our colleagues, to the leadership, Senator MITCHELL and Senator DOLE, for giving us an opportunity to debate these issues.

As was pointed out, this is only the fourth time in the history of our country that we have attempted general immigration reform. It is significant that we have been able to dispose of this bill in the relatively short time that we have.

Perhaps, Mr. President, this is because the basic proposals in this compromise bill have been before Congress for a full decade:

In 1979-80 these reforms were first formulated and recommended by the Select Commission on Immigration and Refugee Policy (chaired by Father Hesburgh), upon which Senator SIMPSON, Senator DECONCINI and I all served;

In 1982 the Senate first adopted the concept of this bill, the creation of a new "independent" immigration system, in the first Simpson/Mazzoli bill;

In 1983 the Senate again adopted these provisions, but they were not considered in the House;

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

In 1987 the first Kennedy/Simpson bill was introduced and adopted by the Judiciary Committee; and

In 1988 the full Senate adopted the bill 88 to 4 on March 14.

In short, Mr. President, the bill before us has been thoroughly debated and reviewed by Congress; the issues and trade-offs remain unchanged; the need for hard choices are as important today as they were last year or a decade ago.

I believe this bill reflects a true consensus on what needs to be done to get us started down the road towards immigration reform we all know is long overdue.

Again, Mr. President, I am grateful to all of our colleagues who have shown and demonstrated good humor and concern about some of the most difficult and passionate and emotional issues of our time. I thank them for all of the courtesies that they have shown to the managers. I will be grateful for their help and support as we move beyond this part of our legislative agenda.

Mr. President, have we asked for the yeas and nays?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. KENNEDY. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I have very mixed emotions about the bill we are about to vote on. I will not delay that vote. I deeply appreciate the help of all of the Members on both sides of the aisle for their help. As we started this morning, it was an unwieldy list under the unanimous-consent agreement, and you helped us pare that down. We appreciate it very much. I know I do. I know Senator KENNEDY does.

I certainly want to say this: I am encouraged by the assistance of my subcommittee colleagues. It must be the smallest subcommittee in the Senate. Nobody else wants to get into it. Senator KENNEDY and myself and Senator SIMON have been assigned the task. We did some awfully tough negotiating. They kept their word with me. I know I did with them. Senator KENNEDY has been excellent to work with, and I appreciate all of his assistance. Senator SIMON has performed admirably in a very difficult and politicized area for him, and I pay him special tribute. In short, I appreciate the active participation of those two fine Members on the other side of the aisle as we worked on these tough, tough issues with the other Senate colleagues who participated.

I am pleased that independent immigration has been increased. That was a necessary and important goal of this bill. We have provided for additional business visas. We have a new point system for immigrants with no ties at all to this country.

Finally, we have a mechanism in place to give greater control over immigration levels to the people's elected representatives, the President and the Congress.

However, there are a number of amendments to this bill that I have significant concern with in every way. I am most disappointed that the concept of an overall national level of immigration was weakened severely by the Hatch-DeConcini amendment.

I also think we embarked on a very dangerous path by granting what I perceive as a kind of de facto second amnesty to the illegal family of those persons who qualified for the original amnesty program—the people who are in legal status who are already here do not have that benefit. I think the American public will not be enthused when they really hear what that one did. We will hear from permanent resident aliens who have been waiting for their spouses and children to join them for years who have not received that benefit. Perhaps we will have to revisit that question.

But I am pleased at least that the independent immigration was increased, although I do not believe it was wise to do so by taking it beyond the 22-percent increase in the original proposal.

I am also discouraged that we did not reinsert the points in the point system for English language, as it pertains to only 9 percent of the huge number of new visas, 630,000 in this bill. I think that is something that would have served the immigrants well and our country quite well. I think you will see that revisited as we deal with Hong Kong, and English proficiency.

All in all, Mr. President, I say it is not what we started with, nor the bill I agreed upon. I think it fails in some areas. It is disappointing in some areas, and yet I am heartened in some areas. It is not for me to be the heavy judge here, anyway. I am not a person who spends much time dealing with the ups and downs. I think Kipling had it right. If you deal with triumph and disaster, treat those two imposters just the same. So all in all, I do not want to seem petty, and state that I "know better."

It has been a long haul. The collective wisdom of this body has spoken. Having legislated for 25 years, I am going to stick with it. I am going to vote for this package despite certain significant reservations about portions of it. I think we should send it along to the House. They have new players over there. It is going to be interesting to see what they do with it, and let our colleagues over there work their will on this issue.

I will vote for final passage, and I thank my colleagues for their participation in these very difficult but important issues these past few days. There are not easy answers in this arena. Our new colleagues have seen that. Those who have never been in this debate see how tough it is. You cannot hide from tough, tough issues. There are no easy votes—not one was cast.

So I thank my staff. I thank Dick Day, my friend who I jerked out of Cody, WY, 10 years ago because I said I am headed into an arena that is filled with all sorts of stuff, and I better have somebody with me that cares about me. I am going to need a lot of loving care. That is my friend, Dick Day.

Carl Hampe has been a splendid young man, and is working in law school and is helping me now and has been with me for several years. I pay tribute to them, and to Senator KENNEDY's staff, always successful: Jerry Tinker, Michael Myers, Kay Anske—fine people; and to John Trasvina and Ankun Goel of Senator SIMON's staff. We do not spend any time in partisanship. We lay the political stuff on the table and say here is where your problems are; here is where mine are.

So I thank the majority leader who has had innate patience and kindness with us in this bill. I noticed he just kind of let us roll along in there. He was not about to let it get too far from the stream; and thanks also to Senator DOLE. It is good for me as a legislator to see the way that GEORGE MITCHELL and BOB DOLE work together for the benefit of this Chamber and assist us as we manage tough bills. We do get our work done in this arena.

I think there is a spirit of fairness that certainly permeates this Chamber. I think that same spirit of fairness will begin to permeate the House of Representatives after their anguishing ordeal under the leadership of TOM FOLEY. Enough of that.

I wish my friend from Massachusetts a good trip to London, and I have furnished him a brand new cigar on the condition he never smoke it in my presence. [Laughter.]

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I will just take 60 seconds. I am the very junior member of this subcommittee working in this area of immigration. It is a complex bill. The two senior colleagues on that subcommittee, Senator KENNEDY and Senator SIMPSON, are real legislators who have really devoted time, effort, and talent to this. The Nation has been well served by their service.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 266

(Purpose: To make available certain funds for the preparation and initiation of the immigrant visa program and to make technical corrections)

Mr. KENNEDY. Mr. President, just a final order of business will be the technical corrections. These are amendments en bloc. They reflect the drafting errors and clarifications.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. SIMPSON, proposes amendment numbered 266.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 118, strike out line 17 and all that follows through line 4 on page 119 and insert in lieu thereof the following:

"(r) CREDITABLE FEES.—(1) Notwithstanding sections 1 and 2 of the Act of June 4, 1920, as amended (42 Stat. 750; 11 U.S.C. 214) or any other provision of law, the Secretary of State shall pay the expenses incurred during the two years immediately following the date of enactment of the Immigration Act of 1989 to prepare for and initiate the immigrant visa program provided for under sections 201(a)(3), 201(b)(2)(A)(i), and 203 (a) and (b). Such expenses include salary and expenses, space and support costs, research and development, software, equipment acquisition, equipment replacement, hardware and software maintenance, and anti-fraud costs of visa and passport functions connected with that program.

"(2) Beginning fiscal year 1990, and each fiscal year thereafter, fees collected by consular officers shall be credited to a Department of State account which shall be available only for the payment of the expenses of automation activities, equipment and software maintenance, hardware replacement, research and development and support costs, except that not more than $30,000,000 of such fees may be available for each year for fiscal years 1990 and 1991 and not more than $20,000,000 for each fiscal year thereafter for the purposes as described in paragraphs (1) and (2).

"(3) Nothing in this subsection shall be construed as making funds under this subsection available for the machine readable document program.

"(4) There are authorized to be appropriated to the Department of State to carry out paragraph (1) such sums as may be necessary for each of fiscal years 1990 and 1991.".

On page 128, line 15, strike out "(e)" and insert in lieu thereof "(d)".

On page 130, strike out "any State or".

On page 132, lines 5 and 6, strike out ", other than subsection (d)".

On page 132, line 7, strike out "(a)(1)" each of the two places it appears.

On page 132, line 23, strike out "or the".

At the appropriate place in the bill, insert:

In no case should the benefits described in subsection (a), or the provisions of subsection (b), include such programs which provide general assistance to States and communities impacted by the arrival of undocumented aliens or other assistance which is not a direct cash benefit or federal social insurance benefit to individual aliens.

In section (f)(2)—the very last sentence of the Gorton Amendment—"subsection (a)" should instead be "paragraph (1)".

Amend amendment numbered 239 to the bill as follows:

On line 6 of page 2, strike "Nonimmigrants" and insert "Nonimmigrants".

On line 13 of page 2, insert the following after "101(a)(15)(J)": ", or changed status to that of a nonimmigrant under 101(a)(15)(J),".

On line 19 of page 2, strike "(1)".

On line 23 of page 2, strike "and is present in the United States as a nonimmigrant described in section 101(a)(15) (F), (J), and (M), as well as their immediate family—".

On line 25 of page 2, strike the comma and insert "described in section 101(a)(15) (F), (J), or (M)".

On line 1 of page 3, before "before," insert "as a nonimmigrant described in section 101(a)(15) (F), (J), or (M)".

On line 16 of page 3, strike "who applies for adjustment of status or change of nonimmigrant status under the terms of this section" and insert "who is described in paragraph (1) or (2) of subsection (b)".

On line 21 of page 3, strike the period and insert "for the period described in subsection (e).".

On line 1 of page 4, strike "or until" and insert "regardless of whether".

On page 92, line 17, strike out "(2)" and insert in lieu thereof, "(3)".

On page 93, line 17, strike out "(3)" and insert in lieu thereof, "(4)".

On page 94, line 11, strike out "(4)" and insert in lieu thereof, "(5)".

On page 95, line 3, strike out "(5)" and insert in lieu thereof, "(6)".

On page 92, line 20, strike out "28" and insert in lieu thereof, "26.375".

On page 93, line 18, strike out "28" and insert in lieu thereof, "26.375".

On page 92, between lines 16 and 17, insert the following:

"(2) qualified immigrants who are trained medical personnel described in section 109(f), not to exceed 4,000 nurses and 1,000 physicians on the conditional basis described in section 109.

On page 124, after line 25, insert the following:

SEC. 104. INCENTIVES FOR TRAINED MEDICAL PERSONNEL TO WORK IN RURAL AREAS.

(a) CONDITIONAL BASIS FOR PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL.—Chapter 2 of title II of the Immigration and Nationally Act is amended by adding at the end the following new section:

"CONDITIONAL PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL, SPOUSES, AND CHILDREN

"SEC. 218. (a) IN GENERAL.—

"(1) CONDITIONAL BASIS FOR STATUS.—(A) Notwithstanding any other provision of this Act, an alien who is a trained medical person (as defined in subsection (f)(1)), spouse, and child (as defined in subsection (f)(2)) shall be considered, at the time of obtaining the status of an alien lawfully admitted for permanent residence, to have obtained such status on a conditional basis subject to the provisions of this section if such person, with the prior approval of the governor of that state, has made a commitment to perform medical services in a Health Manpower Shortage Area in an individual state as defined under the Public Health Service Act, where there is a shortage in United States trained physicians, and such person has obtained privileges from a hospital located within that Health Manpower Shortage Area for 10 years.

"(2) NOTICE OF REQUIREMENTS.—

"(A) At time of obtaining permanent residence.—At the time an alien medical person, spouse, or child obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such medical person, spouse, or child respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

"(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such medical person, spouse, or child, at or about the beginning of the 90-day period described in subsection (d)(2)(A), of the requirements of subsection (C)(1).

"(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such medical person, spouse, or child.

"(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING ENTERPRENEURSHIP IMPROPER.—

"(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines, before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence, that the alien is not performing medical services in a Health Manpower Shortage area or has not obtained privileges from a hospital located within that Health Manpower Shortage Area, then the Attorney General shall so notify the alien involved and, subject to paragraph (2), shall terminate the permanent resident status of the alien involved as of the date of the determination.

"(2) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that a condition described in paragraph (1) is met.

"(c) REQUIREMENTS OF TIMELY PETITION AND INTERVIEW FOR REMOVAL OF CONDITION.—

"(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien medical person, spouse, or child to be removed—

"(A) the alien medical person must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1), and

"(3) in accordance with subsection (d)(3), the alien medical person must appear for a personal interview before an officer or employee of the Service respecting the facts and information described in subsection (d)(1).

"(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION OR HAVE PERSONAL INTEREVIEW.—

"(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if—

"(i) no petition is filed with respect to the alien in accordance with the provisions of paragraph (1)(A), or

"(ii) unless there is good cause shown, the alien medical person fails to appear at the interview described in paragraph (1)(B), the Attorney General shall terminate the permanent resident status of the alien as of the tenth anniversary of the alien's lawful admission for permanent residence.

"(B) HEARING IN DEPORTATION PROCEEDING.—In any deportation proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the conditions of paragraphs (1)(A) and (1)(B).

"(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

"(A) IN GENERAL.—If—

"(i) a petition is filed in accordance with the provisions of paragraph (1)(A), and

"(ii) the alien medical person appears at the interview described in paragraph (1)(B),

the Attorney General shall make a determination, within 90 days of the date of the interview, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the performance of medical services by the alien.

"(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General shall so notify the alien involved and shall remove the conditional basis of the alien's status effective as of the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien involved and, subject to subparagraph (D), shall terminate the permanent resident status of an alien medical person, spouse, or child as of the date of the determination.

"(D) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the performance of medical services by the alien.

"(d) DETAILS OF PETITION AND INTERVIEW.—

"(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain facts and information demonstrating that the alien performed medical services in a Health Manpower Shortage Area or obtained privileges from a hospital located within that Health Manpower Shortage Area throughout the alien's residence in the United States.

"(2) PERIOD FOR FILING PETITION.—

"(A) 90-DAY PERIOD BEFORE SECOND ANNIVERSARY.—Except as provided in subparagraph (B), the petition under subsection (c)(1)(A) must be filed during the 90-day period before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(B) DATE PETITIONS FOR GOOD CAUSE.—Such a petition may be considered if filed after such date, but only if the alien establishes to the satisfaction of the Attorney General good cause and extenuating circumstances for failure to file the petition during the period described in subparagraph (A).

"(C) FILING OF PETITIONS DURING DEPORTATION.—In the case of an alien who is the subject of deportation hearings as a result of failure to file a petition on a timely basis in accordance with subparagraph (A), the Attorney General may stay such deportation proceedings against an alien pending the filing of the petition under subparagraph (2).

"(3) PERSONAL INTERVIEW.—The interview under subsection (c)(1)(B) shall be conducted within 90 days after the date of submitting a petition under subsection (c)(1)(A) and at a local office of the Service, designated by the Attorney General, which is convenient to the parties involved. The Attorney General, in the Attorney General's discretion, may waive the deadline for such an interview or the requirement for such an interview in such cases as may be appropriate.

"(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence beginning 5 years after the conditional admission of the alien.

"(f) DEFINITIONS.—In this section:

"(1) The term 'alien medical person' means an alien who obtains the status of an alien lawfully admitted for permanent residence under section 201(a)(3) and who is a physician or nurse, licensed to practice within that state and who is competent in oral and written English.

"(2) The term 'spouse' and the term 'child' mean an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) by virtue of being the spouse or child, respectively, of an alien entrepreneur.".

"(b) ADDITIONAL GROUND FOR DEPORTATION.—Section 241(a)(9) (8 U.S.C. 1251(a)(9)) is amended by inserting before the semicolon at the end thereof the following: ", or (c) is an alien with permanent resident status on a conditional basis under section 218 and has such status terminated under such section".

"(c) CRIMINAL PENALTY FOR IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.—Section 275 of such Act (8 U.S.C. 1325 is amended by adding at the end thereof the following new subsection:

"(e) Any individual who knowingly performs medical services under section 109 for the purpose of evading any provision of the immigration laws shall be imprisoned for not more than 5 years, or fined not more than $250,000, or both.".

"(d) LIMITATION ON ADJUSTMENT OF STATUS.—Section 245 of such Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(f) The Attorney General may not adjust, under subsection (a), the status of an alien lawfully admitted to the United States for permanent residence on a conditional basis under section 218.".

"(e) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 217 the following new item:

"Sec. 218. Conditional permanent resident status for trained medical personnel, spouses, and children.".

Mr. KENNEDY. Mr. President, I think I can speak in behalf of the Senator from Wyoming and myself. They are the technical corrections, and I urge they be accepted.

The PRESIDING OFFICER. The question is on agreeing to the technical amendments.

The amendment (No. 266) was agreed to.

Mr. SIMPSON. Mr. President, also that bundle of amendments corrects and clarifies the colloquy between Senator GRAMM and myself a few moments ago.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 81, nays 17, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—81

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Graham	Moynihan
Biden	Gramm	Murkowski
Bingaman	Grassley	Nickles
Bond	Harkin	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pell
Bradley	Heinz	Pressler
Bryan	Humphrey	Pryor
Burdick	Johnston	Riegle
Burns	Kassebaum	Robb
Chafee	Kasten	Rockefeller
Coats	Kennedy	Roth
Cochran	Kerrey	Sanford
Cohen	Kerry	Sarbanes
D'Amato	Kohl	Sasser
Danforth	Lautenberg	Simon
Daschle	Leahy	Simpson
DeConcini	Levin	Specter
Dixon	Lieberman	Stevens
Dodd	Lott	Symms
Dole	Lugar	Thurmond
Domenici	Mack	Wallop
Durenberger	McCain	Warner
Fowler	McClure	Wirth

NAYS—17

Breaux	Ford	Mikulski
Bumpers	Gore	Reid
Byrd	Heflin	Riegle
Conrad	Helms	Shelby
Cranston	Hollings	Wilson
Exon	Inouye	

NOT VOTING—2

Matsunaga Jeffords

So the bill (S. 358), as amended, was passed.

(Note: Publication of S. 358, as amended, as passed, will appear in a subsequent edition of the RECORD.)

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business not to extend beyond 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING THE U.S. SUBMARINE VETERANS OF WORLD WAR II

Mr. REID. Mr. President, I rise today to recognize the great contributions of the submarine veterans of World War II. The submarines and their brave crews played a crucial role in our victory, in that war, and they deserve our recognition, respect, and gratitude.

The U.S. Submarine Veterans of World War II will be holding their 35th National Convention in Reno, NV, from August 13-18 of this year. It is with great pride that I welcome them to the great State of Nevada for this event. I would also like to submit for the RECORD the proclamation on their behalf.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas the stated purpose of the U.S. Submarine Veterans of World War II is "to perpetuate the memory of those shipmates who gave their lives in submarine warfare; to further promote and keep alive the spirit and unity that existed among submarine crewmen during World War II; to promote sociability, general welfare and good fellowship among its members; and pledge loyalty and patriotism to the United States government, and

Whereas the late Fleet Admiral Chester W. Nimitz summed up the role of U.S. submarines in World War II by saying: "When I assumed command of the Pacific Fleet on 31 December, 1941, our submarines were already operating against the enemy, the only units of the fleet that could come to grips with the Japanese for months to come. It was to the Submarine Force that I looked to carry the load until our great industrial activity could produce the weapons we so sorely needed to carry the war to the enemy. It is to the everlasting honor and glory of our submarine personnel that they never failed us in our days of great peril," and

Whereas more than 55 percent of all Japanese ships in World War II were sunk by the United States Submarine Force, a force that consisted of less than 2 percent of the United States Navy's personnel, and

Whereas the U.S. Submarine Veterans of World War II is meeting August 13-19 in Reno, Nevada for its 35th National Convention, remembering again the 3,505 officers and crew members who were lost on 52 submarines during World War II and are on "eternal patrol."

I urge my colleagues in the Senate of the United States to urge all of our citizens to honor these men of the "Silent Service."

MESSAGES FROM THE HOUSE

At 12:20 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1722) to amend the National Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1312. An act to revise and extend the programs of the Domestic Volunteer Service Act of 1973.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

H.R. 1722. An act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act;

S.J. Res. 95. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week"; and

S.J. Res. 137. Joint resolution designating January 7, 1990, through January 13, 1989, as "National Law Enforcement Training Week."

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

S. 1312. An act to revise and extend the programs of the Domestic Volunteer Service Act of 1973; to the Committee on Labor and Human Resources.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, July 13, 1989, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 95. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week"; and

S.J. Res. 137. Joint resolution designating January 7, 1990 through January 13, 1990, as "National Law Enforcement Training Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate together with accompanying papers, reports, and documents which were referred as indicated:

EC-1352. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a Soil Conservation Service plan for the Whites Creek Watershed, Mississippi; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1353. A communication from the Secretary of Defense, transmitting, pursuant to law, certification that the current 5-year defense program fully funds the support costs associated with the Defense Meteorological Satellite Multiyear Program; to the Committee on Armed Services.

EC-1354. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Switzerland for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services

EC-1355. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on the administration of the Marine Mammal Protection Act for 1987-88; to the Committee on Commerce, Science, and Transportation

EC-1356. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice of an extension of time for issuing a decision on *Shenango Inc. et al. v. Pittsburgh, Chartiers and Youghiogheny Railway Co.*; to the Committee on Commerce, Science, and Transportation.

EC-1357. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1358. A communication from the Deputy Associate Director for Collection

and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1359. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1360. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1361. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the boundary description and classification of the Kings, Middle Fork Kings, and South Fork Kings Wild and Scenic River within the Sierra National Forest, California; to the Committee on Energy and Natural Resources.

EC-1362. A communication from the Secretary of Energy, transmitting, pursuant to law, the quarterly report on the Strategic Petroleum Reserve for January 1 through March 31, 1989; to the Committee on Energy and Natural Resources.

EC-1363. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual report on the Youth Conservation Corps Program for 1988; to the Committee on Energy and Natural Resources.

EC-1364. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a plan of project for Hamlet City Lake, Hamlet, NC; to the Committee on Environment and Public Works.

EC-1365. A communication from the President of the United States, transmitting, pursuant to law, the annual report of the Council on Environmental Quality for 1987 and 1988; to the Committee on Environment and Public Works.

EC-1366. A communication from the Secretary of the Interior, transmitting, pursuant to law, the ninth annual report on the Tule Elkherds in California; to the Committee on Environment and Public Works.

EC-1367. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to amend sections 5315 and 5316 of title 5, United States Code, to raise the position of the Chief Counsel for the Internal Revenue Service, Department of the Treasury, from Level V to Level IV of the Executive Schedule; to the Committee on Finance.

EC-1368. A communication from the Deputy Director of the United States Information Agency, transmitting, pursuant to law, a report that action has been taken by the United States Government in response to an official request from the Government of Bolivia for emergency import restrictions under the Convention on Cultural Property Implementation Act; to the Committee on Finance.

EC-1369. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, information required by the Foreign Relations Authorization Act for fiscal years 1988 and 1989; to the Committee on Foreign Relations.

EC-1370. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to June 22, 1989; to the Committee on Foreign Relations.

EC-1371. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on the extent and disposition of United States contributions to international organizations; to the Committee on Foreign Relations.

EC-1372. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office during May 1989; to the Committee on Governmental Affairs.

EC-1373. A communication from the Secretary of Defense, transmitting, pursuant to law, the semiannual report on audit, inspection, and investigative operations in the Department of Defense for the 6-month period ending March 31, 1989; to the Committee on Governmental Affairs.

EC-1374. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, a draft of proposed legislation to amend the Computer Matching and Privacy Protection Act of 1988 to provide a temporary exemption for certain existing computer matching programs; to the Committee on Governmental Affairs.

EC-1375. A communication from the Assistant Comptroller General of the United States transmitting, pursuant to law, a report entitled "Automated Systems: Legislative Branch Opportunity for Sharing Payroll/Personnel Systems"; to the Committee on Governmental Affairs.

EC-1376. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Follow-up Compliance Audit of the Escheated Estates Fund"; to the Committee on Governmental Affairs.

EC-1377. A communication from the Chairman of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, the annual report of the Board's case decisions for fiscal year 1988; to the Committee on Governmental Affairs.

EC-1378. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-51 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1379. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-47 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1380. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-49 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1381. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-48 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1382. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-54 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1383. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-53 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1384. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-52 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1385. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-50 adopted by the Council on June 13, 1989; to the Committee on Governmental Affairs.

EC-1386. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend section 106 and 212 of the District of Columbia Public Works Act of 1954, as amended, to require Federal agencies to reimburse the District of Columbia (hereinafter in this Act referred to as "the District") for water and sanitary sewer services they receive; to the Committee on Governmental Affairs.

EC-1387. A communication from the Executive Secretary of the Federal Reserve Employee Benefits System, transmitting, pursuant to law the annual report of the System for the plan year ending December 31, 1989; to the Committee on Governmental Affairs.

EC-1388. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the annual report on the activities of the Indian Health Service for fiscal year 1987; to the Select Committee on Indian Affairs.

EC-1389. A communication from the Secretary of Education transmitting, pursuant to law, notice of final priorities for fiscal years 1989 and 1990—Special Projects and Demonstrations for Providing Vocational Rehabilitation Services to Individuals with Severe Handicaps; to the Committee on Labor and Human Resources.

EC-1390. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve youth and adults, to establish the Youth Opportunities Unlimited program, and for other purposes; to the Committee on Labor and Human Resources.

EC-1391. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Early Intervention Programs for Infants and Toddlers with Handicaps; to the Committee on Labor and Human Resources.

EC-1392. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Government-Wide Ethics Act of 1989 to prohibit the acceptance of honoraria by Members of Congress; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

were referred or ordered to lie on the table as indicated:

POM-169. A resolution adopted by the Hutchison County Council, Texas, relative to tax-exempt bonds; to the Committee on Finance.

POM-170. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 24

"Whereas the State of Nevada has been subjected to an increasing number of restrictions on the type and amount of tax-exempt private activity bonds that can be issued by local governments and state agencies, such as the Nevada Department of Commerce, to assist qualified business enterprises in financing capital expansion projects within Nevada; and

"Whereas Chapter 348A of NRS authorises the establishment of an allocation program by which the State of Nevada can restrict the number of tax-exempt private activity bonds so that the amount of such bonds can be contained within the volume cap established for the State of Nevada by federal tax law (26 U.S.C. § 146(b) and (c)); and

"Whereas there is a shortage of affordable single family housing in the State of Nevada for purchase by persons of low or moderate income; and

"Whereas the exemption of interest on qualified mortgage bonds from federal taxation by the Internal Revenue Code provides an incentive for the issuance and purchase of such bonds; the proceeds of which may only be used to finance owner-occupied moderately priced residences; and

"Whereas current federal law contains a sunsent date of December 31, 1989, for the issuance of tax-exempt private activity bonds that can be issued to support certain qualified projects and the issuance of tax-exempt mortgage bonds that can be issued to finance qualified owner-occupied residences; and

"Whereas the issuance of tax-exempt private activity bonds has greatly assisted the State of Nevada in efforts to diversify the state's economy, to create new jobs, and to achieve many of the goals and objectives of the Nevada State Plan for Economic Diversification and Development adopted by the Commission on Economic Development; and

"Whereas the issuance of qualified mortgage bonds has provided a stable source of mortgage loans for residents of Nevada with low and moderate incomes, thereby alleviating the crucial shortage of housing for such person: Now, therefore, be it

"*Resolved by the Senate and the Assembly of the State of Nevada, jointly,* That Congress is hereby urged to enact legislation to continue the authority for states to issue qualified tax-exempt private activity bonds and qualified tax-exempt mortgage bonds beyond the scheduled sunset date of December 31, 1989; and be it further

"*Resolved,* That a copy of this resolution be transmitted by the Secretary of the Senate to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved,* That this resolution becomes effective upon passage and approval."

POM-171. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 42

"Whereas in *South Carolina* v. *Baker,* the United States Supreme Court ruled that the United States Congress is free to tax all interest on state and local government bonds. This court case represents a major shift in public policy, and could herald a serious threat to the operations of local and state governmental units; and

"Whereas here in Michigan, as is the case all across the country, tax-exempt municipal bonds represent an important component in the financing of public sector projects. Construction of highways, education, environmental protection efforts, and work on health-related issues represent a sample of the kinds of programs that rely upon capital raised by the sale of state and local government bonds. With the court's ruling, this major element of state and local government is seriously threatened; and

"Whereas despite assurances by some congressional leaders, as it now stands there is no provision to discourage a future Congress from taxing these bonds. In fact, the United States Congress has both limited the use of tax-exempt bonds by states and local governments, and made municipal bonds less attractive to significant groups of purchasers in recent years, thereby driving up the cost of financing public service projects. At a time when the federal government is desperately seeking measures to combat the federal deficit, the potential threat to local and state bond programs is very real. With this decision, the statutory shield protecting interest paid on state and local bonds from federal taxation has been removed. Instead, as articulated by the dissenting opinion filed by Justice O'Connor, "the ability of state and local governments to finance their activities will depend in part on whether Congress voluntarily abstains from" taxing this source of revenue. Clearly, this ruling represents a potential threat to state and local finances: Now, therefore, be it

"*Resolved by the House of Representatives (the Senate concurring),* That we hereby memorialize the Congress of the United States to take steps to safeguard the tax-free status of state and local government bonds: and be it further

"*Resolved,* That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan congressional delegation."

POM-172. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

HOUSE RESOLUTION 681

"Whereas the members of the 86th General Assembly of the State of Illinois have a significant interest in the U.S. Trade Policy and its impact on Illinois' industry; and

"Whereas the 101st Congress and the President of the United States will decide whether to extend the Steel Voluntary Restraint Agreements and the Steel Import Stabilization Extension Act; and

"Whereas the members of the 86th General Assembly of the State of Illinois believe the competitiveness of Illinois' steel industry and steel-using manufacturers is critical to the State's economic health: Therefore, be it

"*Resolved, by the House of Representatives of the Eighty-sixth General Assembly of the State of Illinois,* That in adopting this resolution, we urge the 101st Congress and the President of the United States to adopt a fair and balanced policy regarding the importation of foreign steel which will maintain a vigorous and healthy steel and steel-using manufacturing industy, and which addresses the need of steel-using manufacturers to import steel products not manufactured in the United States; and be it further

"*Resolved,* That a suitable copy of this preamble and resolution be presented to the President of the United States, to the Speaker of the United States House of Representatives, to the President of the United States Senate and to each member of the Illinois Congressional Delegation."

POM-173. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION 32

"Whereas the United States Congress amended the Social Security Act in 1974 (Public Law 92-603) to increase retirement benefits to reflect cost-of-living increases; and

"Whereas a technical flaw in the amended benefit formula overcompensated people who retired after 1972; and

"Whereas Congress corrected its error by amending the Social Security Act in 1977 (Public Law 95-216) to bring benefits back to historical levels, and phased in the reduction over 5 years, affecting individuals born between 1917 and 1921, the so-called "notch" years; and

"Whereas the phase-in period has not provided a smooth transition, but has resulted in "notch babies" receiving as much as $3,000 per year less in benefits than people who have similar work histories but were born in 1916; and

"Whereas Members of Congress have for several years tried to pass legislation that would establish a uniform benefit formula to treat those born in the "notch" years more equitably; and

"Whereas the House of Representatives of the State of Illinois feels the continued inequities in benefits received by persons born during the "notch" years undermines public confidence in the Social Security system; therefore, be it.

"*Resolved,* by the House of Representatives of the eighty-sixth general assembly of the State of Illinois, that we affirm our commitment to the equitable distribution of Social Security benefits by urging Congress to enact legislation correcting the "notch" in Social Security benefits paid to those born between 1917 and 1921, and we further urge the President of the United States to sign such proposed legislation so the Social Security system once again provides equal retirement benefits to all deserving individuals; and be it further

"*Resolved,* That a suitable copy of this preamble and resolution be respectfully presented to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to every member of our State's Congressional Delegation."

POM-174. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION 409

"Whereas the federal, state, and local governments all share in the responsibility of building and maintaining the nation's physical and institutional infrastructure and in providing essential services needed to promote the general welfare; and

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"Whereas the federal government has steadily reduced its responsibility for infrastructure requirements, and has shifted more and more financial responsibility to states and units of local government; and

"Whereas shifting the tax burden from the national level to state and local governments is an illusory savings for taxpayers and provides no net tax relief; and

"Whereas financing state and local government projects through the issuance of bonds, the interest on which is not taxed by the federal government, is critical to allow states and local governments to exercise the responsibilities entrusted to and expected of them; and

"Whereas in recent years, the U.S. Congress has both limited the use of tax-exempt bonds by states and local governments, and made municipal bonds less attractive to significant groups of purchasers, thereby driving up the cost of financing public service projects; and

"Whereas in 1988, the U.S. Supreme Court overturned a 100-year-old precedent, ruling for the first time that the Constitution does not prohibit the federal government from taxing the interest of state and local government bonds; and

"Whereas the Supreme Court decision places in jeopardy the use of tax-exempt bonds by the more than 85,000 units of state and local government, as Congress seeks new sources of revenue to reduce the federal deficit; and

"Whereas state and local borrowing costs will increase by an estimated 20 to 30 percent if the interest on tax-exempt bonds is subject to federal income tax, and this added burden will be reflected in reductions in public services or by increased state and local taxes; and

"Whereas further restriction on the use of tax-exempt bonds will seriously impair the ability of state and local governments to finance essential services and facilities, including schools, roads, water, sewer, gas, electricity, transportation and other basic functions, to the detriment of all citizens; therefore be it

"*Resolved*, by the House of Representatives of the Eighty-sixth General Assembly of the State of Illinois, that we call upon the Congress and the President of the United States to recognize that the state and local burden of maintaining and expanding the national infrastructure and providing citizens with needed basic governmental services cannot be met without tax-exempt bonds, and to resist all further efforts to reduce the use of such bonds to finance governmental projects; and be it further

"*Resolved*, That a suitable copy of this preamble and resolution be presented to President George Bush and to the President of the Senate and Speaker of the House of Representatives of the United States Congress, and to each member of the Illinois Congressional Delegation."

POM-175. A concurrent resolution adopted by the Legislature of the State of Florida; to the Committee on Finance:

HOUSE CONCURRENT RESOLUTION No. 341

"Whereas the economic uncertainty of the 1980's has resulted in a loss of American jobs, a strain on the American family and a restructuring of many of America's industrial corporations, and

"Whereas one of the leading factors in the creation of economic problems in the United States has been the encroachment of foreign goods and products into the American marketplace, coupled with trade barriers abroad which discourage American exports, and

"Whereas at the present time foreign manufacturers produce 60 percent of the televisions and radios, 45 percent of the bicycles, 26 percent of the steel, 71 percent of the shoes, 48 percent of the microwave ovens, 79 percent of the stuffed toys, 21 percent of the telephone equipment and 44 percent of the luggage sold in the United States, and

"Whereas each manufactured product sold in the United States and produced abroad contributes both to our trade deficit and to the domestic loss of American jobs, and

"Whereas the citizens of Florida and of the United States could have a positive effect upon this corrosive problem by refusing to purchase imported products, and

"Whereas it is fitting and appropriate that the Legislature of the State of Florida support American manufacturers in their efforts to overcome foreign imported products and preserve American jobs, Now, therefore, be it

"Resolved by the House of Representatives of the State of Florida, the Senate Concurring: That the Legislature of the State of Florida hereby declares the week of July 4th, 1989, as "Buy American Week" and urges all citizens of the State of Florida to participate by refraining from purchasing any imported goods during that week and instead urges them to purchase goods manufactured in the United States; and be it further

"*Resolved*, That copies of this resolution be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM-176. A resolution adopted by the House of Representatives of the State of Florida; to the Committee on Finance:

"HOUSE RESOLUTION 1596

"Whereas the senior population in Florida has made, and continues to make, an outstanding contribution to the economy and quality of life in Florida, and

"Whereas the senior population of Florida has contributed to the Medicare Trust Fund and the Social Security Trust Fund with the understanding that there would be equitable security, and

"Whereas the Catastrophic Medicare Act of 1988 has broken faith with this commitment with members of the senior population by imposing an inequitable 28 percent income tax surcharge on their earnings and by increasing the Medicare Part B premium by almost 100 percent, and

"Whereas the funds derived from the surcharge will serve other disadvantaged groups who may not have made the contribution or experienced the hardship borne by the senior population, and

"Whereas the Catastrophic Medicare Act of 1988 has created undue financial hardships on the senior population, many of whose members are on fixed incomes: Now, therefore, be it

"*Resolved by the Legislature of the State of Florida*, That the Congress of the United States is requested to review the Catastrophic Medicare Act of 1988 (P.L. 100-360) and to restore the equities that existed prior to its enactment; and be it further

"*Resolved*, That Congress, the insurance industry, and the senior population work jointly toward an equitable system of supplemental private insurance coverage to provide for the ineligible Medicare cost; and be it further

"*Resolved*, That the several States of the Union be encouraged to devise a system to provide funds to pay, at a minimum, ineligible Medicare costs for other disadvantaged groups; and be it further

"*Resolved*, That Congress address and enact a system of health care coverage for true catastrophic conditions, including, but not limited to, long-term health care for members of the senior population who are in nursing homes, congregate living facilities, or private homes; and be it further

"*Resolved*, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM-177. A resolution adopted by the Baltic Nations Commitee of Michigan, Inc. favoring action by the United States to help in the reestablishment of the three independent Baltic Republics of Estonia, Latvia, and Lithuania; to the Committee on Foreign Relations.

POM-178. A resolution adopted by the House of Representatives of the State of Florida; to the Committee on Governmental Affairs.

"HOUSE RESOLUTION 228

"Whereas the United States Navy will be vacating a 3.26-acre facility in Coconut Grove, Dade County, Florida, in the near future, and

"Whereas the Federal Surplus Property Act provides for the donation of surplus federal property to local governments for educational and recreational purposes, and

"Whereas the Department of Defense will be offering the property to other federal agencies and state and local governments before putting it on the market for sale, and

"Whereas the Navy site in Coconut Grove is an ideal location for a working center for the arts because of the site's excellent facilities and central location in Dade County, and

"Whereas the Metro-Dade Cultural Affairs Council has agreed to oversee the operation of the arts center, Now, therefore, be it

"Resolved by the Legislature of the State of Florida: That the United States Government is urged to donate the Naval Reserve Training Center site in Coconut Grove, Dade County, Florida, to Metropolitan Dade County or to the City of Miami to be used as a working center for the arts for all citizens of Dade County, Florida; and be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to each member of the Florida delegation to the United States Congress, and to the mayors of Dade County and the City of Miami, Florida."

POM-179. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 101

"Whereas in the First Session of the Congress of the United States of America, begun and held at the city of New York, on Wednesday, the fourth of March, one thou-

sand seven hundred and eighty-nine, it was resolved by a constitutional majority of two-thirds thereof, to submit a proposition to amend the Constitution of the United States, relative to the compensation for the services of the Senators and Representatives of the United States; and

"Whereas pursuant to the provisions of Section 34-2217, Idaho Code, the question of ratifying this proposition was submitted to the electorate of the State of Idaho; and

"Whereas at the general election of November 8, 1988, the electorate of the State of Idaho did agree that the proposition should be ratified by the Legislature of the State of Idaho, Now, therefore, be it

"Resolved by the members of the First Regular Session of the Centennial Idaho Legislature, that the following proposed amendment to the Constitution of the United States, to-wit:

"'ARTICLE —

"'No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.'

"Be, and the same is hereby ratified by the Legislature of the State of Idaho."

POM-180. A resolution adopted by the City Council of Toledo, OH urging Congress to propose an amendment to the Constitution of the United States prohibiting desecration of the American flag; to the Committee on the Judiciary:

POM-181. A resolution adopted by the Assembly of the State of Nevada; to the Committee on the Judiciary:

"RESOLUTION No. 157

"Whereas the original support by Nevada for requesting the Congress of the United States to call a Constitutional Convention was based upon the representation that the Convention would be limited to proposing a balanced budget amendment to the Constitution of the United States of America; and

"Whereas the Constitution of the United States does not provide for a Constitutional Convention to be restricted to a single subject; and

"Whereas the Constitution of the United States does not need to be changed in order to balance the budget of the United States, but the existing provisions which limit the expenditures to those purposes authorized by the states when they agreed to the Constitution of the United States need to be enforced; and

"Whereas the adoption by the Nevada Assembly of Senate Joint Resolution No. 8 of the 60th session of the Legislature (File No. 39) requesting the Congress of the United States to call a Constitutional Convention was therefore induced by fraud; and

"Whereas, "Fraud colors everything it touches," and the appropriate remedy is for the Assembly to expunge from its Journal its passage of Senate Joint Resolution No. 8 of the 60th session of the Legislature requesting the Congress of the United States to call a Constitutional Convention; now, therefore, be it

"Resolved by the Assembly of the State of Nevada, That the Chief Clerk of the Assembly draw a black border around the portion of the 1979 Assembly Journal whereby the Assembly passed Senate Joint Resolution No. 8 and write across the face thereof: "Expunged by order of the Assembly this 24th day of June, 1989"; and be it further

"Resolved, That certified copies of this resolution, together with the expunged portion of the Assembly Journal be forwarded to the Governor, the Senate of the State of Nevada, the Speaker of the House of Representatives of the United States, the Vice President of the United States as President of the Senate and the Nevada Congressional Delegation."

POM-182. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

A CONCURRENT RESOLUTION

"Whereas United States Senator Strom Thurmond of the State of South Carolina has introduced in the One Hundred First Congress of the United States Senate Joint Resolution 167 which proposes to amend the Constitution of the United States of America in the following words, to-wit:

"'JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES TO PROHIBIT THE DESECRATION OF THE FLAG

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein),* That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"'ARTICLE —

"'SEC. 1. The Congress of the United States and the States shall have the power to prohibit the desecrating, mutilating, defacing, defiling, or burning of the flag of the United States.'

"Therefore, be it resolved that the Legislature of Louisiana hereby expresses its intent to ratify the foregoing proposed amendment to the Constitution of the United States of America if the proposed amendment is submitted to the legislatures of the several States for ratification; and be it further

"*Resolved,* That a copy of this Resolution be transmitted to the president of the Senate and the speaker of the House of Representatives of the Congress of the United States, to United States Senator Strom Thurmond, and to each member of the Louisiana congressional delegation."

POM-183. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on the Judiciary.

"RESOLUTION No. 6

"Whereas the First Congress of the United States of America, at its first session, sitting in New York, New York, on September 25, 1789, in both houses, by a constitutional majority of two-thirds, has proposed an amendment to the Constitution of the United States of America in the following words:

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled two thirds of both Houses concurring,* That the following (Article) be proposed to the legislatures of the several States, as (an Amendment) to the Constitution of the United States, * * * which (Article), when ratified by three fourths of said legislatures, to be valid to all intents and purposes, as part of the said Constitution, viz;

"'(An Article) in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the legislatures of the several States, pursuant to the fifth Article of the original Constitution.

"'ARTICLE —

"'No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened."

"Whereas Article V of the Constitution of the United States allows the ratification of the proposed amendment to the United States Constitution by the legislature of the State of Minnesota; and

"Whereas the proposed amendment to the Constitution of the United States has already been ratified by the legislatures of twenty-seven States: Maryland on December 19, 1789; North Carolina on December 22, 1789; South Carolina on January 19, 1790; Delaware on January 28, 1790; Vermont on November 3, 1791; Virginia on December 15, 1791; Ohio on May 6, 1873; Wyoming on March 3, 1978; Maine on April 27, 1983; Colorado on April 18, 1984; South Dakota on February 21, 1985; New Hampshire on March 7, 1985; Arizona on April 3, 1985; Tennessee on May 23, 1985; Oklahoma on July 10, 1985; New Mexico on February 13, 1986; Indiana on February 19, 1986; Utah on February 25, 1986; Arkansas on March 5, 1987; Montana on March 11, 1987; Connecticut on May 13, 1987; Wisconsin on June 30, 1987; Georgia on February 2, 1988; West Virginia on March 10, 1988; Louisiana on July 6, 1988; Iowa on February 7, 1989; and Idaho on March 28, 1989; and

"Whereas Article V of the Constitution of the United States does not state a time limit on ratification of an amendment submitted by Congress, and the First Congress specifically did not provide a time limit for ratification of the proposed amendment; and

"Whereas the United States Supreme Court has ruled in *Coleman v. Miller,* 307 U.S. 433 (1939), that an amendment to the United States Constitution may be ratified by states at any time, and Congress must then finally decide whether a reasonable time had elapsed since its submission when, in the presence of certified ratifications by three-fourths of the states, the time arrives for the promulgation of the adoption of the amendment; and

"Whereas Section 9 of Article IV of the Constitution of the State of Minnesota provides that "No increase of compensation shall take effect during the period for which the members of the existing House of Representatives may have been elected."; and

"Whereas the Legislature of the State of Minnesota finds that the proposed amendment is still meaningful and needed as part of the United States Constitution; Now, therefore, be it

"*Resolved by the Legislature of the State of Minnesota,* That the foregoing proposed amendment to the Constitution of the United States is ratified by the Legislature of the State of Minnesota; and be it further

"*Resolved,* That the Secretary of State of Minnesota shall transmit certified copies of this memorial to the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and the Archivist of the United States, National Archives and Records Adminstration."

POM-184. A joint resolution adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs:

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

"ASSEMBLY JOINT RESOLUTION 35

"Whereas veterans of service in the United States armed forces have sacrificed much for our country, and are equally deserving of those benefits which have been provided by a thankful nation to help them make the often difficult transition from military to civilian life; and

"Whereas the educational benefits provided by the Veterans' Educational Assistance Act of 1984 (Public Law 98-525, Title VII, October 19, 1984), popularly known as the Montgomery GI Bill Act of 1984, reflected the need for education and training in making this transition; and

"Whereas educational and training benefits have always been a wise investment by government because better jobs for veterans makes them taxpayers rather than recipients of public assistance, and veterans particularly require help in readjusting to the civilian work force because military skills and training frequently have no civilian counterpart; and

"Whereas servicemen and servicewomen were assured a 10-year period from separation from service within which to use the educational benefits earned under the Montgomery GI Bill, although the termination of this period on December 31, 1989, means that everyone separating from service after December 31, 1979, has less than a 10-year period within which to use these benefits; and

"Whereas these more recent veterans are no less deserving of needy then their pre-1980 counterparts and all veterans who have earned their GI Bill educational benefits should be afforded sufficient time within which to fully utilize their benefits; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the California Legislature respectfully memorializes the President and Congress of the United States to immediately support and enact an amendment to the Veterans' Educational Assistance Act of 1984 (the Montgomery GI Bill Act of 1984) to delete December 31, 1989, as the termination date of eligibility for educational and training benefits under that act and instead provide every veteran a 10-year period from separation from service within which his or her benefits may be used; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY from the Committee on Labor and Human Resources, without amendment:

S. 345. A bill to grant employees family and temporary medical leave under certain circumstances, and for other purposes (Rept. No. 101-77).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs:

Francis Anthony Keating II, of Oklahoma, to be General Counsel of the Department of Housing and Urban Development.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BRADLEY:

S. 1308. A bill to amend title 39 of the United States Code to grant local governments the discretion to assign mailing addresses to sites within their jurisdiction; to the Committee on Governmental Affairs.

By Mr. D'AMATO:

S. 1309. A bill to temporarily reduce the column 2 rate of duty on certain paper cutting machines; to the Committee on Finance.

By Mr. SIMON (for himself, Mr. KENNEDY, Mr. MITCHELL, Mr. PELL, Mr. REID, Mr. SHELBY, Mr. BURDICK, Mr. KOHL, Mr. DODD, Mr. HEFLIN, Mr. METZENBAUM, Mr. BINGAMAN and Mr. JEFFORDS):

S. 1310. A bill to eliminate illiteracy by the year 2000, to strengthen and coordinate literacy programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ARMSTRONG (for himself, Mr. SYMMS and Mr. BOSCHWITZ):

S. 1311. A bill to amend the Internal Revenue Code of 1986 to provide a 15 percent maximum rate on capital gains for sales or exchanges after the date of enactment of this Act and before 1991, to provide indexing of the bases of capital assets sold or exchanged after 1990, to provide 20 percent maximum rate on capital gains from small business stock, and for other purposes; to the Committee on Finance.

By Mr. KERRY:

S. 1312. A bill to improve the ability of States and localities impacted by narcotics related crime to monitor, track, and prosecute major narcotics offenders, money launderers, and youth gangs involved in narcotics activity by improving intelligence regarding narcotics trafficking and money laundering operations; to the Committee on the Judiciary.

By Mr. PRYOR (for himself, Mr. COCHRAN, Mr. FOWLER, Mr. BUMPERS and Mr. DECONCINI):

S. 1313. A bill to provide that all persons marketing cotton in the United States participate in defraying costs of the research and promotion program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOREN (for himself, Mr. PRYOR, Mr. FOWLER and Mr. DASCHLE):

S. 1314. A bill to amend the Honey Research, Promotion, and Consumer Information Act to improve the coordinated program of research, promotion, and consumer education established for honey and honey products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DECONCINI (for himself and Mr. CRANSTON):

S. 1315. A bill to provide certain administrative authority and requirements for the administration of the Arizona Veterans Memorial Cemetery by the Department of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1316. A bill to amend the Atomic Energy Act of 1954 to authorize the Assistant Secretary of Energy for Defense Programs to conduct research and development activities related to arms control; to the Committee on Armed Services.

By Mr. D'AMATO:

S.J. Res. 175. Joint resolution designating the week beginning September 17, 1989, as "Emergency Medical Services Week"; to the Committee on the Judiciary.

S.J. Res. 176. Joint resolution to designate September 29, 1989, as "National Siblings of Disabled Persons Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRADLEY:

S. 1308. A bill to amend title 39 of the United States Code to grant local governments the discretion to assign mailing addresses to sites within their jurisdiction; to the Committee on Governmental Affairs.

LOCATABLE ADDRESS LEGISLATION

● Mr. BRADLEY. Mr. President, I rise today to reintroduce the locatable address bill, which would enable municipalities to designate addresses for all the sites within their jurisdictions. Identical legislation is being introduced today in the House by Congressman SAXTON. I believe this legislation will improve emergency services in many small townships in my State and around the country as well as improve the census.

Mr. President, under current law, the Postal Service has the responsibility for determining addresses. The postal address, which is based on postal delivery routes, is often vague and confusing. This creates many problems for communities, particularly those in rural areas. One problem occurs when regional emergency services try to respond to a crisis. There have been cases where emergency personnel were delayed in arriving on the scene of a serious accident because an insufficient home address—such as a road with no house number or a rural delivery address that cuts across municipal lines—was the only address available to the rescue squad. For example, a constituent of mine in Southampton Township, NJ, who was badly burned in an accident did not receive prompt medical attention because emergency personnel had trouble finding the man's home. The postal address was insufficient for the rescue squad to rapidly respond to the call for help.

Mr. President, another problem is that the current system sacrifices comunity identity for the sake of the bu-

reaucratic efficiency of ZIP Codes. In areas where a small town is located near and served by a larger municipality's post office, the name of the larger municipality may serve as the smaller town's "town name" on its mailing address.

I have been contacted by many municipalities in New Jersey suffering from this identity crisis. An example, Mr. President, is Little Egg Harbor Township, which is losing its identity because the entire township has a mailing address of Tuckerton—simply because they are served by a post office in Tuckerton Borough. Another example is the growing township of Branchburg, where there is constant frustration because mail must be addressed to the Borough of Somerville. Along with mail delivery problems, township officials in Branchburg have explained to me their difficulties in communicating to outsiders that they are not part of Somerville, as their postal address implies.

Other examples abound. The south Jersey community of Westampton is served by five larger neighboring towns; imagine, a town of 6,000 has 5 different town names for mail delivery purposes. Need I tell you that confusion abounds? The township of Aberdeen has no ZIP Code and mail is handled by three neighboring towns; local officials have discussed their concerns with me, including the difficulty in planning townshipwide events because, not surprisingly, there is little sense of community.

This legislation would also assist the U.S. Census Bureau's efforts to conduct an accurate census count. As everyone is aware, municipalities may qualify for State or Federal aid programs based on their population. This bill makes it possible for a more accurate town-by-town count to be tallied. In other words, residents would face no confusion as to whether they should fill out the census from using their postal address or actual town name, because the two addresses would be one and the same.

Mr. President, the U.S. Postal Service argues that this legislation would wreak havoc with the Nation's post offices. I disagree. This legislation does not require the establishment of separate post offices or changes in mail delivery routes. It only gives local political units the authority to designate local street and town addresses. And local postmasters would have the ability to review any charges to ensure that they do not duplicate street names or have faulty numbering systems that would hinder mail delivery. We need to give municipalities the right to exercise greater home rule—for the sake of the community and for the safety of its residents. I believe this legislation does just that. Our goal is not to complicate the Postal Service's job, but simply devise a means through which a town's mailing addresses can be the same as the locatable addresses. I urge my colleagues to give consideration to this small but important piece of legislation. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 4 of title 39 of the United States Code (relating to the authority of the United States Postal Service) is amended—

(1) by adding at the end thereof the following new section:

"§ 413. Authority of local governments to designate mailing addresses

"(a) Notwithstanding paragraph (1) of subsection (a) of section 404—

"(1) Municipal governments shall have the discretion to designate mailing addresses for all sites within their jurisdiction.

"(2) County governments shall have the discretion to designate mailing addresses for all sites within their jurisdiction that are not within the jurisdiction of any municipal government.

"(b) Whenever a municipal or county government designates a mailing address under paragraph (1) or (2) of subsection (a), such government shall include as part of such mailing address—

"(1) the name of the municipality in which the site of such address is geographically situated; and

"(2) the ZIP code number assigned to the site of such address by the Postal Service.

"(c) A mailing address designated by a municipal or county government under paragraph (1) or (2) of subsection (a) shall become effective 30 days after the Postal Service receives written notice from such government of the designation of such address.

"(d) Notification under subsection (c) of this section shall not become effective unless the postmaster for each post office responsible for delivering mail to any of the proposed addresses reviews and makes recommendations to ensure that non-duplicative street names and faulty numbering systems do not exist within the jurisdiction changing its mailing address to the geographic name of its town.

"(e) For purposes of this section, the term 'county government' includes the government of a parish."; and

(2) by inserting in the table of sections, after the item relating to section 412, the following new item:

"413. Authority of local governments to designate addresses."●

By Mr. SIMON (for himself, Mr. KENNEDY, Mr. MITCHELL, Mr. PELL, Mr. REID, Mr. SHELBY, Mr. BURDICK, Mr. KOHL, Mr. DODD, Mr. HEFLIN, Mr. METZENBAUM, Mr. BINGAMAN, and Mr. JEFFORDS):

S. 1310. A bill to eliminate illiteracy by the year 2000, to strengthen and coordinate literacy programs, and for other purposes; to the Committee on Labor and Human Resources.

COMPREHENSIVE ILLITERACY ELIMINATION ACT

Mr. SIMON. Mr. President, today I am introducing a bill to launch a comprehensive campaign to eliminate illiteracy in America. I would like to thank my good friends and distinguished colleagues, Senators KENNEDY, MITCHELL, PELL, REID, SHELBY, BURDICK, KOHL, HEFLIN, DODD, METZENBAUM, BINGAMAN, and JEFFORDS who are cosponsoring this bill.

Illiteracy is a great weight that keeps this country and millions of our citizens from reaching their fullest potential. People who can't read can't do many of the activities that most of us take for granted—like reading a newspaper, getting a driver's license, filling out a job application, or helping kids with their homework.

Over the years, I have been gratified to have won some small victories in helping these individuals who have sought literacy training. These have included an amendment to the Library Services Construction Act that authorized grants to States to encourage use of neighborhood libraries as literacy tutoring centers, and another amendment to the Domestic Volunteer Service Act that created the VISTA Literacy Corps, a program of volunteers who develop community literacy programs. On average one VISTA volunteer recruits and trains more than 91 community literacy volunteers.

These efforts are clearly steps in the right direction, but they are not enough. Illiteracy is a public enemy, and we need to begin to treat it like one. It must be fought at all levels, by the private and public sector. Federal leadership is key to making this an urgent national priority. I am therefore introducing this bill to launch the first major comprehensive and coordinated Federal effort to greatly expand the resources available to help Americans who cannot read—by setting a national goal to end illiteracy by the year 2000. We can accomplish this by having literacy programs available to all of those seeking services.

THE HIDDEN EDUCATION PROBLEM

We will not remain competitive in the world's marketplace unless we address the basic skills and literacy deficiencies of our present and future work force—and those deficiencies, by anyone's estimate—are massive and rapidly growing.

At least 23 million Americans in this country are considered functionally illiterate, and a total of 45 million adults read with only minimal comprehension. We cannot expect workers who can barely read road signs to contribute to an economy that is increasingly high technology. The majority of American jobs are placing more and new demands on employees. The average American worker today must have skills at the 9th-to-12th grade level,

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

not the 4th grade level typical after the Second World War.

And the standards keep rising. Our Nation's supply of unskilled and uneducated labor is continually increasing, but the demand for these workers in our economy is declining. Employment in professional and managerial jobs will increase through the turn of the century by 5.2 million, while laborer positions will grow by only 1.3 million jobs. And, only 10 percent of the new jobs created by 1995 will be in manufacturing.

These statistics tell only part of the story on the changing demographics of our future work force. Blacks, Hispanics, Asians, and other races will account for 57 percent of the work force growth from 1986 to the year 2000. If we add all women into this category, females and minorities will account for over 80 percent of the work force growth rate. These are the same groups that have historically been left behind.

The reality is that we have a growing population in this country whom some call an underclass. Minorities, and especially blacks, Hispanics, and persons with disabilities, dominate the pool of unwanted and increasingly unused labor. It is estimated that 44 percent of black and 65 percent of Hispanic adults are functionally illiterate. In Illinois alone, there are an estimated 2 million adults who read below the 6th grade level, 1 million of whom are in Chicago.

In addition, it is possible that as many as 24 million of our fellow Americans have substantial learning disabilities that affect their ability to learn to read. We have no firm estimates, but experts tell us that those with learning disabilities are disproportionately represented among those who drop out of school, remain unemployed, and end up in prison. Some, like football star Dexter Manley, have been pushed through school without being taught to read and only years later face up to the reality of their problem. We need to do a better job of identifying and meeting the special needs of these illiterate Americans.

Perhaps even more importantly, we know that illiterate adults cannot read to their children or help them with their schoolwork. As I wrote in my book "Let's Put America Back to Work," illiteracy perpetuates the generation-to-generation pattern of too many citizens poorly prepared to help themselves and our economy.

We also know that illiteracy has been linked to crime, as 75 percent of adult prison inmates are functionally illiterate, and 62 percent are high school dropouts. And American taxpayers pay the price—it costs $14,000 a year to keep a prisoner in jail, yet only $4,200 a year to send a child to school. Pennsylvania State University estimates that the cost to America of failing to educate and train disadvantaged young men and women for employment is $225 billion each year—in lost productivity, welfare payments and expenses related to crime prevention and the criminal justice system.

Fighting illiteracy is, therefore, not just an issue of fairness and equity—it is an issue of economics. We simply cannot expect people who are unable to read to adequately function in an era of rapid change and technological advancement.

A NEW AND COMPREHENSIVE COMMITMENT

There are a number of existing Federal literacy programs, but resources are scarce. The only major Federal program that exists to reduce illiteracy is the Adult Basic Education Act and it serves only 10 percent of those estimated to be in need. Across the country, all the public and private literacy programs combined provide services to about 19 percent of those who need help. The Federal Government allocates less than $300 million each year to provide basic literacy skills to adults in this country—this is the equivalent of less than $10 per year for each American adult who does not possess a high school diploma.

Furthermore, the programs that do exist are not coordinated, and are delivered in a fragmented fashion. We don't know enough about what works most effectively in literacy programs, and what we do know is not well disseminated.

To address these problems, I am proposing the Illiteracy Elimination Act of 1989 to begin a national, comprehensive and unified effort to wipe out illiteracy. This legislation will establish a cabinet level council to coordinate literacy efforts at the highest Federal level, and will create a national center on literacy to fund research and dissemination of information on the literacy problem.

It will expand existing effective programs—such as the Library Literacy Program and the VISTA Literacy Corps—and will provide new focus as well as increased funding to programs such as the Adult Basic Education Act.

It will also increase funds for the workplace literacy programs and authorize a challenge grant program to expand and increase public/private sector partnerships in fighting illiteracy.

Eric Burch, a VISTA literacy volunteer, describes literacy as "self-sufficiency and hope—the shortest distance to individual social and economic development." He is absolutely right, and I am convinced that the American people are ready to tackle the problem of illiteracy head on.

Mr. President, I ask unanimous consent that the bill, the following summary of the bill, and the section-by-section analysis, be inserted in the RECORD along with the statements of Senators MITCHELL and KENNEDY.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1310

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Illiteracy Elimination Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) There are between 23 and 27 million adult Americans who are functionally illiterate, a number which is increasing due to disproportionately high drop out rates in the public schools among minorities;

(2) the Adult Education Act is the only major program to reduce illiteracy in the United States and serves only 10 percent of eligible participants, while all public and private literacy programs serve only about 19 percent of those who need help;

(3) illiteracy is a problem of intergenerational nature;

(4) as many as 50 million workers may have to be trained or retrained between now and the year 2000; and

(5) the supply of unskilled workers is increasing and the demand for unskilled labor is decreasing.

SEC. 3. DEFINITION.

As used in this Act the term "literacy" means the knowledge and skills necessary to communicate, including the reading, writing, basic skills, speaking, and listening skills normally associated with the ability to function at a level greater than the 8th grade level.

TITLE I—LITERACY COORDINATION

SEC. 101. SHORT TITLE.

This title may be cited as the Literacy Coordination, Research, and Dissemination Act of 1989.

SEC. 102. CABINET COUNCIL FOR LITERACY COORDINATION.

(a) ESTABLISHMENT.—There is established the Cabinet Council for Literacy Coordination (hereafter in this title referred to as the "Council").

(b) COMPOSITION.—(1) The Council shall consist of—

(A) the Secretary of Education (hereafter in this title referred to as the "Secretary"), who shall serve as Chairman;

(B) the Director of the ACTION Agency;

(C) the Secretary of Health and Human Services;

(D) the Secretary of Labor;

(E) the Attorney General of the United States;

(F) the Director of the Office of Personnel Management; and

(G) such other officers of the Federal Government as may be designated by the President of the United States or the Chairman of the Council to serve whenever matters within the jurisdiction of the agency headed by such an officer are to be considered by the Council.

(2) Each member shall be appointed for as long as such member serves as the head of the appropriate agency.

(3) The Chairman of the Council shall be the President's principal advisor on literacy.

(c) QUORUM.—One more than one-half of the members of the Council shall constitute a quorum for the purpose of transmitting recommendations and proposals to the President, but a lesser number may meet for other purposes.

(d) MEETINGS.—The Council shall meet at least 4 times each year. When a Council member is unable to attend, the Council member shall appoint an appropriate Assistant Secretary or an equivalent individual from the department or agency of the member to represent the member for that meeting.

(e) DUTIES OF THE COUNCIL.—The Council shall—

(1) devise, coordinate, and monitor existing and other government initiatives to—

(A) facilitate the elimination of illiteracy, and

(B) integrate the resources of literacy programs across various departments or agencies of the Federal Government;

(2) disseminate information on existing Federal, State, local, and private sector literacy efforts;

(3) develop models for the effective education of illiterate adults and children, including projects directed toward—

(A) effective intergenerational education of illiterate adults and their children; and

(B) improving curriculum, software, and other materials for use in literacy education;

(4) set specific and measurable goals for the Federal effort in the education of illiterate adults, children, and their families so that all appropriate Federal agencies have specific objectives and strategies for meeting such goals;

(5) track progress on meeting the goals and objectives set forth in paragraph (4);

(6) issue a biennial report to Congress and the President on the progress made by the Federal Government and the Nation toward enhancing the literacy skills of its people, including recommendations for legislation required to improve and expand Federal literacy programs;

(7) develop model systems for implementing and coordinating Federal literacy programs which can be replicated at the State and local level; and

(8) review and make proposals for uniformity among reporting requirements, standards for outcomes, performance measures, and program effectiveness included in various federal programs.

(f) AVAILABILITY OF FUNDS; PERSONNEL.—The Department of Education, the Department of Health and Human Services, the Department of Justice, the Department of Labor, the Office of Personnel Management, and each department participating in the Council shall contribute a total of $100,000 in salaries, expenses and personnel to support the administrative expenses of the Council. The ACTION Agency and each agency participating in the Council shall contribute at least $20,000 in salaries, expenses and personnel to support the administrative needs of the Council. The administrative needs of the Council may include staffing, consultants, supplies and travel.

SEC. 102. OFFICE ON LITERACY.

(a) DIRECTOR.—Section 202 of the Department of Education Organization Act is amended by adding the following new subsection at the end thereof:

"(h) There shall be in the Department a Director of the Office of Literacy.".

(b) OFFICE ESTABLISHED.—Section 206 of the Department of Education Organization Act is amended by inserting the following new section at the end thereof:

"OFFICE ON LITERACY

"SEC. 206A. There shall be in the Department an Office on Literacy to be administered by the Director of the Office on Literacy appointed under section 202(h) of this Act. The Director shall be appointed by the Secretary and shall be compensated at a rate determined by the Secretary, which in no event shall be less than the annual rate of basic pay prescribed for grade GS-15 of the General Schedule under section 5332 of title 5, United States Code. The Director shall coordinate the administration of literacy programs within the Department including literacy programs conducted pursuant to—

"(1) chapter 1 of title I of the Elementary and Secondary Education Act,

"(2) the Bilingual Education Act,

"(3) the Library Services Construction Act,

"(4) the Work-Study Programs set forth in part C of title IV of the Higher Education Act of 1965,

"(5) the Fund for the Improvement of Post Secondary Education,

"(6) the Adult Education Act,

"(7) the Even Start Programs Operated By Local Educational Agencies pursuant of part B of title I of the Elementary and Secondary Education Act of 1965, and

"(9) the Stewart B. McKinney Homeless Assistance Act,

The Director shall work with the Cabinet Council for Literacy to coordinate the related activities and programs of other Federal departments and agencies. The Director shall report directly to the Secretary and shall perform such additional functions as the Secretary may prescribe.".

SEC. 103. NATIONAL CENTER FOR LITERACY.

(a) PURPOSE.—It is the purpose of this part to enhance the national effort to eliminate illiteracy by the year 2000 by improving research, development and information dissemination through a national research center.

(b) FINDINGS.—The Congress finds—

(1) far too little is known about how to improve access to, and enhance the effectiveness of, adult literacy programs, assessment tools, and evaluation efforts;

(2) there is no reliable nor central source of information about the existing knowledge base in the area of literacy;

(3) a National Center for Literacy would provide a national focal point for research, technical assistance and research dissemination, policy analysis, and program evaluation in the area of literacy; and

(4) such a National Center would facilitate a pooling of ideas and expertise across fragmented programs and research efforts.

(c) PROGRAM AUTHORIZED.—(1) The Secretary shall, through the Office on Literacy, make a grant to establish and operate a nonprofit National Center for Literacy (hereafter in this section referred to as the "Center"). Such grant shall be awarded on a competitive basis and shall be for a period not to exceed 5 years, and is renewable.

(2) The Center shall be composed of—

(A) a director of the Center (hereafter in this section referred to as the "Director");

(B) experts in the literacy field;

(C) directors and supervisors for each of the major functions of the Center set forth in paragraphs (1) through (4) of subsection (e); and

(D) professional and support staff.

(3) The Secretary, in consultation with the Cabinet Council on Literacy, shall select a panel composed of individuals who are not Federal employees and who are recognized nationally as experts in adult and child literacy to assist in the selection of a grant recipient under this section.

(4) The Center shall have the ability to enter into contracts, joint ventures, and form cooperative relationships with State and local agencies, educational entities, business and labor organizations, and service providers, consistent with the purposes of this Act and the functions of the Center. All contracts shall be made available to the Advisory Committee for review and comment.

(5) The Center may accept, but not solicit, private contributions, foundation grants, and other grants to support the research and dissemination activities of the Center.

(d) APPLICATION.—Each organization or entity desiring a grant under this section shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(e) USE OF FUNDS.—Funds provided pursuant to this section may be used by the Center to—

(1) conduct basic and applied research on—

(A) the process by which children and adults learn to read and develop basic skills,

(B) problems facing the learning disabled,

(C) developing instructional techniques and assessment tools, and

(D) the use of technology and other studies which would advance the literacy knowledge base, and which would not duplicate the work of other research services but would build on such research efforts.

(2) provide technical assistance including—

(A) tracking the development of literacy and basic skills programs;

(B) disseminating research findings;

(C) disseminating information regarding exemplary program models, curricula, and training models; and

(D) the use of technology and materials development;

(3) act as a clearinghouse in providing information on literacy programs, teaching and assessment methods, and evaluation tools, to Federal, State, and local agencies, as well as to businesses, labor organizations, and voluntary groups.

(4) conduct policy analysis and program evaluation activities, including—

(A) the development of a data base on literacy programs;

(B) the development of assessment tools;

(C) evaluation of progress made toward national goals;

(D) developing and providing information to facilitate national planning and policy development in adult and child literacy; and

(5) conduct a model demonstration program, in consultation with State educational agencies, to demonstrate innovative approaches to remediate, train, retrain and place persons who do not complete secondary school or possess a general equivalency diploma.

(f) ADVISORY COMMITTEE.—(1) The Secretary, in consultation with the Cabinet Council on Literacy Coordination shall establish an advisory committee. Such advisory committee shall advise the Secretary and the Director with regarding—

(A) policy issues regarding the administration of the Center; and

(B) the selection and operation of major research and demonstration projects and activities of the Center.

(2) The advisory committee shall meet at the call of the Secretary at least semiannually at the site of the Center.

(3)(A) The advisory committee shall be composed of 15 members of which—

(i) 4 members shall be from local and State government;

(ii) 6 members shall be from the education, labor, and business communities; and

(iii) 5 members shall be from national literacy organizations and volunteer organizations, service providers, and community-based organizations.

(B) The Chairperson of the committee shall be elected by the members of the committee.

(g) EVALUATION.—The Director of the Center shall report annually to the Congress and to the Cabinet Council for Literacy Coordination on progress made in achieving national literacy goals. This report shall include the results of a survey of Federal, State, and local public, as well as private sector, literacy programs.

(h) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $10,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995 to carry out the provisions of this section.

(2) Of the amount authorized to be appropriated pursuant to paragraph (1) for each fiscal year, not more than 5 percent of such funds shall be used to conduct the model demonstration program described in section 103(e)(5).

SEC. 104. STATE LITERACY RESOURCE CENTER.

(a) PURPOSE.—It is the purpose of this section to assist State and local public and private nonprofit efforts to eliminate illiteracy through a new program of State literacy resource center grants to—

(1) stimulate the coordination of literacy services,

(2) enhance the capacity of State and local organizations to provide literacy services, and

(3) facilitate the sharing of literacy resources within the State.

(b) PROGRAM AUTHORIZED.—(1) The Secretary is authorized to make grants to pay the Federal share of the costs of establishing and operating State literacy resource centers. Such grants shall be awarded for a period not to exceed 3 years and shall not exceed $500,000.

(2) Each State may contract on a competitive basis with a volunteer organization, a community-based organization or other nonprofit entity to operate a State literacy resource center.

(3) No State may receive financial assistance pursuant to the provisions of this section for more than 3 fiscal years.

(c) USES OF FUNDS.—Funds provided pursuant to this section may be used for—

(1) the development of innovative approaches to the coordination of literacy activities within the State and with the Federal Government;

(2) activities related to improving access to literacy services in the State through the promotion of technology utilization, the provision of technical assistance to service providers, the dissemination of information among literacy service providers, and other activities which enhance the delivery of literacy services.

(3) the establishment of a State literacy resource center to—

(A) serve as a link between State-based service providers and the National Center for Literacy for the purposes of disseminating research and other information generated by the National Center for Literacy to service providers;

(B) upgrade the system of diffusion and adoption of state-of-the-art teaching methods;

(C) assist in coordinating the delivery of literacy services by public and private agencies;

(D) encourage government and industry partnerships;

(E) encourage innovation and experimentation in literacy services;

(F) provide technical and policy assistance to State and local governments and to community-based literacy organizations to improve literacy policy and programs; and

(G) train adult literacy instructors in—

(i) selecting and making the most effective use of instructional technologies including—

(I) computer assisted instruction,

(II) video tapes,

(III) interactive systems, and

(IV) data link systems; and

(ii) the generation of instructional materials to make use of such instructional technologies.

(d) APPLICATION.—Each State desiring a grant under this section shall submit an application to the Secretary, at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) describe the activities and services for which assistance is sought;

(2) include a statewide plan with measurable goals for the elimination of illiteracy within the State, including an implementation plan describing strategies to facilitate the maximum participation of community-based organizations, volunteer organizations and other nongovernmental entities in statewide literacy efforts; and

(3) contain assurances that the State will use funds provided pursuant to this section in accordance with the provisions of this section.

(e) PAYMENTS; FEDERAL SHARE.—(1) The Secretary shall pay to each State having an application approved pursuant to subsection (d), the Federal share of the cost of the activities described in the application.

(2) The Federal share—

(A) for the first year in which the State receives funds under this title shall not exceed 75 percent;

(B) for the second such year shall not exceed 50 percent; and

(C) for the third such year shall not exceed 25 percent.

(f) NON-FEDERAL SHARE.—(1) The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995.

TITLE II—WORKFORCE LITERACY

SEC. 201. SHORT TITLE.

This title may be cited as the "Workforce Literacy Act of 1989".

SEC. 202. STATEMENT OF PURPOSE.

It is the purpose of this title—

(1) to provide financial assistance to improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment;

(2) to expand and improve the current system for delivering and accessing adult education services, including the use of community based organizations, and including the delivery of such services to educationally disadvantaged adults; and

(3) to encourage the expansion of adult education teacher training programs.

SEC. 203. ADULT EDUCATION AMENDMENTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 313(a) of the Adult Education Act is amended by—

(1) inserting a (1) before "There";

(2) striking "and such sums as may be necessary for each succeeding fiscal year through fiscal year 1993"; and

(3) inserting at the end thereof the following new paragraphs:

"(2) Except as provided in paragraph 3, there are authorized to be appropriated for each of fiscal years 1991 through 1995 an amount equal to the appropriations for the previous fiscal year plus $100,000,000. Of the additional amount authorized to be appropriated for each fiscal year in the preceding sentence, 15 percent shall be used for the purpose of training professional teachers, volunteers, and administrators, with particular emphasis on—

"(A) the training of minority teachers; and

"(B) the training of teachers to recognize and more effectively serve illiterate individuals with learning disabilities, and with a reading ability below the fifth grade level.

"(3) If the Secretary determines in any fiscal year that a majority of the illiterate population assisted under this title has been served, the amount authorized to be appropriated for each of the succeeding fiscal years listed in paragraph (1) shall be equal to the amount authorized to be appropriated for the fiscal year in which the determination is made.".

(b) USE OF FUNDS; LOCAL APPLICATIONS.—Section 322 of the Adult Education Act is amended—

(1) in the second sentence of subsection (a)(1) by striking "may" and inserting "shall";

(2) at the end of subsection (a)(1) by inserting the following new sentence: "Each State educational agency receiving financial assistance under this subpart shall assure direct and equitable access to Federal funds to local educational agencies, public or private nonprofit agencies, community-based organizations, and institutions which serve educationally disadvantaged adults.";

(3) at the end of subsection (a)(4)(A), strike the period and insert: "and those who will serve adults with a reading ability below the fifth grade level."; and

(4) in subsection (b)(2) by striking "20 percent" and inserting "25 percent".

(c) ACCOUNTABILITY MEASURES.—Section 331(c) of the Adult Education Act is amended to read as follows:

"(c) LIMITATION ON STATE ADMINISTRATIVE COSTS.—Effective for fiscal years beginning after September 30, 1990, a State educational agency may use no more than—

"(1) five percent of the State's grant or $50,000, whichever is greater, to pay the cost of its administration of the State's program; and

"(2) an additional one percent of the State's grant on program improvement, including increased accountability measures, subject to the approval of the Secretary.".

(d) STATE PLAN.—Section 342(c) of the Adult Education Act, is amended—

(1) by striking "and" at the end of paragraph (12);

(2) by striking the period at the end of paragraph (13) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(14) report the amount of administrative funds spent on program improvements; and

"(18) contain assurances that financial assistance provided pursuant to this title shall be used to assist and expand existing programs, and to develop new programs for adults whose lack of basic skills—

"(1) renders such adults unemployable;

"(2) keeps such adults from functioning independently in society; and

"(3) severely reduces the ability of such adults to positively impact the literacy of their children.".

(e) BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.—Section 371 of the Adult Education Act is amended—

(1) in subsection (a)(1) by inserting ", in consultation with the Secretary of Labor," after Secretary; and

(2) in subsection (a)(4) by redesignating subparagraphs (C), (D), and (E) as (D), (E), and (F) respectively, and inserting after subparagraph (B) the following:

"(C) contain an assurance that no less than 10 percent of funds received under this section shall be used for research, teacher training (including training regarding the identification and teaching of learning disabled individuals) and technical assistance, (including technical assistance) in implementing programs."

(3) in subparagraph (c) by striking paragraph (1) and inserting in lieu thereof the following:

"(1) There are authorized to be appropriated $50,000,000 for each of the fiscal years 1990 and 1991, and such sums as may be necessary for each of the succeeding fiscal years 1992, 1993, 1994, and 1995 to carry out the provisions of this section.".

SEC. 204. GAO STUDY.

The Comptroller General of the United States shall update the 1975 study entitled "The Adult Basic Education Program: Progress in Reducing Illiteracy and Improvements Needed" within 18 months of the date of enactment of this Act.

TITLE III—FAMILIES FOR LITERACY

SEC. 301. SHORT TITLE.

This title may be cited as the Families for Literacy Act of 1989.

SEC. 302. STATEMENT OF PURPOSE.

The purpose of this title is to break the intergenerational cycle of illiteracy by improving the parenting and basic skills of adults in order to—

(1) foster learning among the children of illiterate adults;

(2) foster family-oriented approaches to reducing illiteracy; and

(3) address illiteracy through the social environment in which children are born and raised.

SEC. 303. EVEN START.

Section 1059 of the Elementary and Secondary Education Act is amended to read as follows:

"SEC. 1059. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $50,000,000 for each of the fiscal years 1990 and 1991, and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995 to carry out the provisions of this part.

SEC. 304. FAMILIES FOR LITERACY PROGRAM.

(a) PURPOSE.—The purpose of this section is to provide assistance to nonprofit entities, or consortia of businesses, nonprofit entities, and local educational agencies to initiate education programs and services for children aged 3 and under and their parents to enhance the early literacy developmental process of such children, particularly targeting functionally illiterate parents and their children to enhance the literacy building capabilities of such parents and their children.

(b) GRANTS AUTHORIZED.—(1) The Secretary is authorized, in accordance with the provisions of this section, to make a total of 10 demonstration grants to nonprofit entities, or consortia of businesses, nonprofit entities, and local educational agencies to pay 80 percent of the cost of establishing intergenerational learning programs and services for children aged 3 and under and their parents, in order to monitor, and improve the early developmental progress of the children, especially in literacy developmental skills.

(2) In awarding grants under this section, the Secretary shall give priority to applicants whose programs serve hard-to-serve populations, including—

(A) teenaged parents;

(B) illiterate parents;

(C) economically disadvantaged parents; and

(D) unemployed parents; and

(E) non-English speaking parents.

(c) APPLICATION.—Each nonprofit entity, or consortia of businesses, nonprofit entities, and local educational agencies desiring a demonstration grant under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) describe the activities and services for which assistance is sought; and

(2) contain such information and assurances as the Secretary may require to ensure compliance with the requirements of this section.

(d) STAFF TEAMS.—(1) Each nonprofit entity, or consortia of businesses, nonprofit entities, and local educational agencies receiving assistance pursuant to this part shall employ and train staff teams of early childhood educators, literacy educators or parent educators to provide—

(A) literacy education for adults;

(B) parenting education for adults;

(C) prereading and other developmental skills for children aged 3 and under;

(D) structured time for parents to use newly acquired skills with their children; and

(E) referral services for families, including referrals for drug rehabilitation and counseling.

(2) Each nonprofit entity or consortia of businesses, nonprofit entities, or local educational agencies receiving assistance pursuant to this section shall employ, select, and provide training for, staff teams on the basis of—

(A) experience in working with children and families;

(B) a bachelor's degree in child development, psychology, or primary education;

(C) experience in social work, child care, pediatrics, family counseling; and

(D) experience in literacy training.

(e) COMMUNITY ADVISORY COUNCILS.—(1) Each nonprofit entity, or consortia of businesses, nonprofit entities, and local educational agencies which receives a grant under this section shall establish community advisory councils to provide—

(A) outreach services, including outreach services to non-English speaking parents,

(B) notification to local family courts of the existence of the Parents as Teachers Program,

(C) family referral services,

(D) public relations services, and

(E) recruiting drives.

(2) The community advisory council established under paragraph (1) shall be staffed by volunteers. Volunteers may refer individuals into the Families for Literacy Program and from the Families for Literacy Program into services such as—

(A) the Special Supplemental Food Program for Women, Infants, and Children;

(B) well-baby clinics;

(C) literacy programs;

(D) hearing specialists; and

(E) child abuse services.

(f) NON-FEDERAL SHARE.—(1) The portion of the costs described in subsection (b) that are not paid from a grant provided under this section may be paid in cash or in kind fairly evaluated, including equipment or services.

(2) Each nonprofit entity, or consortia of businesses, nonprofit entities, and local educational agencies receiving assistance pursuant to this Act may use funds received under chapter 2 of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 to pay the portion of the costs described in subsection (b) that are not paid from a grant provided under this section.

(g) DEFINITIONS.—As used in this section—

(1) The term "local educational agency" has the same meaning given that term in section 1471 of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Act of 1988.

(2) The term "parent" includes a legal guardian or other person standing in loco parentis.

(3) The term "nonprofit entity" includes community-based organizations, public service agencies, and child welfare agencies.

(h) FAMILY LITERACY PUBLIC BROADCASTING PROGRAM.—The Secretary is authorized to enter into a contract with the Corporation for Public Broadcasting to produce and disseminate a family literacy program which would assist parents in improving their knowledge and skills regarding early childhood education, language development, and literacy.

(i) AUTHORIZATION OF APPROPRIATIONS.—(1) Except as provided in paragraph 2, there are authorized to be appropriated $10,000,000 for fiscal year 1991 and such sums as may be necessary in each of fiscal years 1992, 1993, 1994 and 1995 to carry out the provisions of this section.

(2) There are authorized to be appropriated $2,000,000 for fiscal year 1991 to carry out the provisions of subsection (h).

TITLE IV—BOOKS FOR FAMILIES

SEC. 401. SHORT TITLE.

This title may be cited as the "Books for Families Literacy Act of 1989".

SEC. 402. STATEMENT OF PURPOSE.

It is the purpose of this title to enhance the capacity of State and local public libraries to combat illiteracy and to improve the quality of public literacy services as such services relate to overcoming the condition of illiteracy in the Nation.

SEC. 403. INEXPENSIVE BOOK DISTRIBUTION PROGRAM.

(a) PRIORITY.—Section 1563(b) is amended by—

(1) striking "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by adding the following new paragraph after paragraph (2):

"(3) beginning in fiscal year 1990 and each fiscal year thereafter, the contractor will

give priority to programs and projects which target rural and urban areas with large concentrations of economically disadvantaged children and students; and".

(b) STUDY.—The Contractor shall report to the Department of Education annually regarding the number and description of individuals served under subsection (a)(3).

SEC. 604. LIBRARY LITERACY PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 4(a) of the Library Services and Construction Act is amended by striking paragraph (5) and inserting in lieu thereof the following new paragraphs:

"(5) for the purpose of making grants as provided in title VI (other than section 603), there are authorized to be appropriated $10,000,000 for fiscal year 1990, $11,000,000 for fiscal year 1991, $12,000,000 for fiscal year 1992, $13,000,000 for fiscal year 1993, $14,000,000 for fiscal year 1994, and $15,000,000 for fiscal year 1995;

"(6) for the purpose of making grants as provided in section 602, there are authorized to be appropriated $2,000,000 for fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994 and 1995; and

"(7) for the purpose of making grants as provided in section 603 there are authorized to be appropriated $2,000,000 for fiscal year 1991 and such sums as may be necessary for each of the succeeding fiscal years 1992, 1993, 1994, and 1995.".

(c) BOOKS, TAPES, AND COMPUTER SOFTWARE.—Section 601(c)(2) of the Library Services Construction Act is amended by inserting after "programs" a comma and "including books, tapes, and computer software".

SEC. 605. STATE AND LOCAL PUBLIC LIBRARY GRANTS.

Title VI of the Library Services Construction Act is amended by inserting the following new sections at the end thereof:

"SEC. 602. MODEL LIBRARY LITERACY CENTERS.

"(a) STATEMENT OF PURPOSE.—It is the purpose of this section to provide for a library literacy demonstration grant program to help overcome illiteracy throughout the Nation by establishing model library literacy centers with resources and facilities to assist those in need of literacy training and access to reading materials.

"(b) GRANTS AUTHORIZED.—(1) The Secretary is authorized to carry out a program of grants to State and local public libraries to establish exemplary model programs.

"(2) Grants made pursuant to this section may not exceed $200,000 in any fiscal year.

"(3) Each State or local public library receiving assistance pursuant to this section may receive 1 grant per fiscal year for a maximum of 5 fiscal years.

"(4) The Secretary may reserve 2 percent of the funds appropriated pursuant to the authority of section 4(a)(6) for the administrative costs of the grant program set forth in this section.

"(5) The Secretary shall select an expert in library literacy activities to administer the grant program set forth in this section.

"(c) APPLICATION.—(1) Each State or local public library desiring a grant under this section shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(A) describe the activities and services for which assistance is sought;

"(B) describe an innovative approach to public library literacy activities;

"(C) substantiate the potential as to how the library profession will benefit from the demonstration grant and the national significance of the demonstration grant;

"(D) provide a detailed description of how the demonstration grant will impact on illiteracy within the applicant's community;

"(E) set forth any special evidence for the need for such a demonstration grant;

"(F) describe how the results of the demonstration grant will be evaluated and disseminated;

"(G) indicate the potential of the demonstration grant for achieving replicability and for serving as a viable model; and

"(H) provide evidence that the demonstration grant—

"(i) was developed in consultation with the State library agency and with leading experts in adult literacy, and

"(ii) takes into account literacy research.

"(2) The Secretary, in consultation with the peer review panel established pursuant to subsection (d), shall develop regulations regarding the criteria for awarding grants and approving applications under this section.

"(d) PEER REVIEW PANEL.—The Secretary shall establish a peer review panel to assist the Secretary in establishing criteria for awarding grants and approving applications under this section. The Secretary may appoint such technical experts and consultants to the peer review panel as may be useful in carrying out the functions of the peer review panel.

"SEC. 603. INEXPENSIVE BOOK DISTRIBUTION PROGRAM.

"(a) IN GENERAL.—The Secretary is authorized to contract with Reading is Fundamental, a private nonprofit organization which motivates children to learn to read, to support and promote the establishment of reading motivation programs which include the distribution of inexpensive books. Such contract shall give priority to programs and projects which target rural and urban areas with large concentrations of economically disadvantaged children and students.

"(b) USE OF FUNDS.—The contract authorized pursuant to paragraph (1) shall provide that Reading is Fundamental use the funds provided pursuant to this title to—

"(1) increase access to children's books for parents of newborns through children aged 5; and

"(2) develop motivational materials to reach parents most disconnected from the education community, by making children's books available in such places as welfare offices, health facilities, homeless shelters, migrant labor facilities, public housing developments, and local offices which administer the Supplemental Food Program established pursuant to section 17 of the Child Nutrition Act of 1966.

TITLE V—STUDENTS FOR LITERACY

SEC. 501. SHORT TITLE.

This title may be cited as the "Students for Literacy Act of 1989".

SEC. 502. STATEMENT OF PURPOSE.

It is the purpose of this title to promote the development, location, and placement of community service jobs for students in the area of literacy tutoring, outreach, and training under the Work-Study Programs set forth in part C of title IV of the Higher Education Act of 1965.

SEC. 503. STUDENT LITERACY CORPS.

Section 146 of the Higher Education Act of 1965 is amended to read as follows:

"SEC. 146. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out the provisions of this part $10,000,000 for fiscal year 1990, $11,000,000 for fiscal year 1991, $12,000,000 for fiscal year 1992, $13,000,000 for fiscal year 1993, $14,000,000 for fiscal year 1994, and $15,000,000 for fiscal year 1995.".

SEC. 504. WORK-STUDY PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 441(b) of the Higher Education Act of 1965 is amended to read as follows:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part $656,000,000 for fiscal year 1991, $676,000,000 for fiscal year 1992, $696,000,000 for fiscal year 1993, $716,000,000 for fiscal year 1994, and $736,000,000 for fiscal year 1995.".

(b) CONTENTS OF AGREEMENT.—Section 443(b) of the Higher Education Act is amended—

(1) in paragraph (2)(A) by inserting after the comma the following: "except that the provisions of this subparagraph shall not apply to literacy training programs pursuant to section 447(b)(2)"; and

(2) in paragraph (5) by—

(A) striking "and" at the end of subparagraph (A);

(B) inserting "and" at the end of subparagraph (B); and

(C) inserting the following new subparagraph at the end thereof:

"(C) the Federal share of the compensation of students employed in the literacy work-study training programs described in section 447(b)(2) shall be 100 percent;".

(c) JOB LOCATION AND DEVELOPMENT PROGRAMS.—Section 446(a) of the Higher Education Act is amended by inserting the following new paragraph at the end thereof:

"(3) The provisions of paragraph (1)(B) shall not apply to institutions of higher education which enter into agreements with the Secretary to use funds provided pursuant to section 442 for the creation and placement of literacy jobs for students.".

TITLE VI—VOLUNTEERS FOR LITERACY

SEC. 601. SHORT TITLE.

This title may be cited as the "Volunteers for Literacy Act of 1989".

SEC. 602. STATEMENT OF PURPOSE.

It is the purpose of this title to develop, strengthen, supplement, and expand the capacity of both public and private agencies and organizations to combat illiteracy through the use of volunteers.

SEC. 603. VISTA LITERACY CORPS.

Section 109(g)(1) of the Domestic Volunteer Service Act of 1973 (hereafter in this title referred to as the "Act") is amended to read as follows:

"(1) In any fiscal year in which the funds appropriated pursuant to the authority of section 501(a)(2) do not exceed $7,000,000, funds made available pursuant to the authority of section 501(a)(2) shall be used to supplement and not to supplant the level of services provided under part A in fiscal year 1989 to address the problem of illiteracy.".

SEC. 604. SERVICE-LEARNING LITERACY PROGRAMS.

Part B of title I of the Act is amended by inserting after section 114 the following new section:

"SERVICE-LEARNING LITERACY PROGRAMS

"SEC. 115. (a)(1) The Director is authorized to make grants to, and enter into contracts with public agencies and organizations, and private nonprofit organizations, to enable students in secondary schools, sec-

ondary vocational schools, and postsecondary schools to serve as volunteers in projects that address problems of illiteracy and functional illiteracy.

"(2) The Director shall give priority to programs and projects that use an approach to the problems of illiteracy and functional illiteracy that involve a partnership between educational institutions, community-based organizations and public agencies to meet a wide range of the needs of the persons served, and that use and encourage peer tutoring.

"(3) Persons serving as volunteers under this section shall not be deemed to be Federal employees for any purpose, and may be reimbursed for necessary transportation, meals, and other out-of-pocket expenses incident to the provision of service, or to obtaining or providing necessary training.

"(b)(1) Pursuant to the authority and conditions in sections 112 and 113, the Director shall make grants and contracts for, or both, a program of full-time volunteer service to be known as University Year for Literacy. The purpose of the program shall be to establish and support innovative ways to use full-time students enrolled in institutions of higher education as volunteers in addressing and solving the broad range of problems facing illiterate and functionally illiterate individuals, and in providing assistance to organizations involved in combating illiteracy and the problems of illiterate individuals.

"(2) In recruiting University Year for Literacy volunteers, priority shall be given to individuals pursuing a course of study that is related to, or likely to lead to, a career in a field related to addressing the problem of illiteracy.

"(c) The Director is authorized to make grants and contracts with qualified individuals, organizations, and public agencies to provide training and technical assistance to increase the effective use of full-time and part-time student volunteers in combatting illiteracy. Such projects may include—

"(1) conferences,

"(2) production of training materials,

"(3) training of managers of student literacy volunteer programs, and

"(4) training in methods of volunteer recruitment, particularly of minority volunteers.".

SEC. 606. TECHNICAL AND FINANCIAL ASSISTANCE FOR IMPROVEMENT OF VOLUNTEER PROGRAMS.

Section 123 of the Act is amended by—

(1) inserting "(a)" after the section designation; and

(2) inserting at the end thereof the following new subsection:

"(b) The Director may provide technical and financial assistance to nonprofit organizations conducting operations in more than one area of a State and in more than one State, that are engaged in, or wish to become involved in, activities that have as a principal purpose the solution of the problems of, and associated with, illiteracy. Such technical and financial assistance may be provided by grant or contract and shall be used to enable such nonprofit organizations—

"(1) to prepare and broadly disseminate training and technical assistance relating to the use of volunteers in literacy programs to agencies, organizations and individuals, and

"(2) to seek new and innovative solutions to literacy problems that involve the more effective and extensive use of volunteers.".

SEC. 606. SPECIAL INITIATIVES.

Section 124 of the Act is amended by—

(1) inserting "(a)" after the section designation; and

(2) inserting at the end thereof the following new subsection:

"(b) The Director is authorized to provide technical assistance, directly or by grant or contract, to employers who have established or wish to establish worksite literacy programs to assist such employers in obtaining, training, and integrating volunteers into worksite literacy programs.".

SEC. 607. LITERACY CHALLENGE GRANTS.

Part C of title I of the Act is amended by adding at the end thereof the following new section:

"LITERACY CHALLENGE GRANTS

"SEC. 125. (a) LITERACY CHALLENGE GRANT.—The Director is authorized to award challenge grants to eligible public agencies and private organizations to pay the Federal share of the costs of establishing, operating or expanding community or employee literacy programs or projects that include the use of full-time or part-time volunteers one method of addressing illiteracy.

"(b) APPLICATION.—Each eligible organization desiring a grant under this section shall submit to the ACTION Agency an application in such form and accompanied by such information as the Director may reasonably require. Each such application shall—

"(1) describe the activities for which assistance is sought,

"(2) contain assurances that the eligible organization will provide from non-Federal sources the non-Federal share of the cost of the program or project,

"(3) provide assurances, satisfactory to the Director, that the literacy project will be operated in cooperation with other public and private agencies and organizations interested in, and qualified to, combat illiteracy in the community where the project is to be conducted, and

"(4) contain such other information and assurances as the Director may reasonably require.

"(c) FEDERAL SHARE.—(1)(A) The Federal share of the cost of a program or project authorized by this section administered by a public agency, a nonprofit organization other than an organization described in paragraph (2), or a private, for-profit organization shall not exceed—

"(i) 80 percent in the first year;

"(ii) 70 percent in the second year;

"(iii) 60 percent in the third year; and

"(iv) 50 percent in the fourth and each succeeding year thereafter.

"(B) The non-Federal share paid by a private, for-profit organization shall be in cash.

"(2) The Federal share of the cost of a program or project administered by a nonprofit community-based organization shall not exceed—

"(A) 90 percent in the first year;

"(B) 80 percent in the second year;

"(C) 70 percent in the third year;

"(D) 60 percent in the fourth year; and

"(E) 50 percent in the fifth and each succeeding year thereafter.

"(3) The non-Federal share provided by a public agency or a nonprofit organization may be provided in cash, or in kind, fairly evaluated, and may include the use of plant, equipment, and services.".

SEC. 608. RETIRED SENIOR VOLUNTEER LITERACY PROGRAM.

Part A of title II of the Act is amended by inserting after section 201 the following new section:

"RETIRED SENIOR VOLUNTEER LITERACY PROGRAM

"SEC. 202. (a) PROGRAM AUTHORIZED.—The Director is authorized to make grants to establish a Retired Senior Volunteer Literacy Program, the purpose of which shall be to enhance the role of senior volunteers in developing, strengthening, supplementing, and expanding efforts to address the problem of illiteracy in the United States.

"(b) JOINT ADMINISTRATION.—Programs authorized by this section may be administered jointly with programs authorized by section 201.

"(c) PRIORITY.—The Director shall give priority in awarding grants under this section to programs which provide services to—

"(1) illiterate individuals who reside in unserved or underserved areas that have high concentrations of illiteracy, and

"(2) individuals with the lowest levels of reading proficiency and educational attainment.".

SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

(a) PART A OF TITLE I.—Section 501(a)(2) of the Act is amended by striking "and $5,000,000 for fiscal year 1989." and inserting in lieu thereof $8,000,000 for fiscal year 1990, $11,000,000 for fiscal year 1991, $14,000,000 for fiscal year 1992, $17,000,000 for fiscal year 1993, and $20,000,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995".

(b) PART B OF TITLE I.—Section 501(b) of the Act is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) inserting at the end thereof the following new paragraph:

"(2) In addition to the amount authorized to be appropriated in paragraph (1), there is authorized to be appropriated—

"(A) $2,000,000 in fiscal year 1991, $2,500,000 in each of the fiscal years 1992 and 1993, and $3,000,000 in each of fiscal years 1994 and 1995 to carry out the provisions of section 115(a); and

"(B) $3,000,000 in each of the fiscal years 1991, 1992, 1993, 1994 and 1995 to carry out the provisions of section 115(b).".

(c) PART C OF TITLE I.—Section 501(c) of the Act is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) inserting at the end thereof the following new paragraph:

"(2) In addition to the amounts authorized to be appropriated pursuant to paragraph (1) there is authorized to be appropriated $20,000,000 for each of the fiscal years 1991, 1992, 1993, 1994, and 1995 for Literacy Challenge Grants under section 125.".

(d) ADDITIONAL AUTHORIZATIONS.—Section 501 of the Act is amended by adding at the end thereof the following new subsection:

"(f) In addition to the amount authorized to be appropriated in the preceding subsections, there is authorized to be appropriated—

"(1) $1,000,000 in each of the fiscal years 1991, 1992, 1993, 1994, and 1995 to carry out programs under section 115(c);

"(2) $4,000,000 in each of the fiscal years 1991, 1992, 1993, 1994, and 1995 to carry out programs under section 123(b); and

"(3) $1,000,000 in each of the fiscal years 1991, 1992, 1993, 1994, and 1995 to carry out programs under section 124(b).".

SEC. 610. NATIONAL OLDER AMERICANS VOLUNTEER PROGRAMS.

Section 502(a) of the Act is amended by inserting "(1)" after the subsection designa-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

tion and by adding at the end thereof the following new paragraph:

"(2) In addition to the amount authorized to be appropriated in paragraph (1), there is authorized to be appropriated $1,000,000 for each of the fiscal years 1991, 1992, 1993, 1994, and 1995 to carry out the Retired Senior Volunteer Literacy Program under section 202.".

SUMMARY OF THE ILLITERACY ELIMINATION ACT OF 1989

The Illiteracy Elimination Act of 1989 is a comprehensive package of literacy initiatives that would coordinate and strengthen efforts at the federal, state, local and private, nonprofit sector levels to combat the extensive problem of illiteracy in the United States.

There are between 23-27 million adult Americans who are functionally illiterate, a number of which is increasing due to disproportionately high drop out rates among minorities in public schools. Yet, current public and private literacy programs serve only about 19% of those who need help.

This comprehensive proposal would give structure and focus to fragmented programs now aimed at increasing literacy by unifying the efforts of existing programs; providing a governmental structure to coordinate programs, disseminate information and develop new programs and methods to reach the estimated 25 million persons presently not being served by existing programs; and by creating incentives for expanding public-private literacy partnerships.

The Illiteracy Elimination Act of 1989 includes six separate titles addressing: literacy coordination, workforce/adult literacy, families for literacy, books for families, students for literacy, and volunteers for literacy.

TITLE I.—THE LITERACY COORDINATION, RESEARCH AND INFORMATION IMPROVEMENT

The purpose of this Title is to create a federal structure to coordinate national literacy research, programs, education and other activities. Its major provisions include the following:

Establishes a federal Cabinet Council for Literacy Coordination consisting of the major federal departments operating literacy programs, which would devise, coordinate and monitor existing and new government-wide literacy initiatives; disseminate information on existing programs across various agencies; and develop, implement, and coordinate model literacy programs at the federal level for the effective education of illiterate adults and children. The Council would issue a biennial status report to Congress with recommendations for legislation required to improve and expand federal literacy programs.

Establishes an Office on Literacy within the Department of Education to coordinate the Department's literacy programs and work with the Cabinet Council for Literacy Coordination to coordinate the related activities and programs of other federal departments and agencies.

Authorizes a National Center for Literacy, which will conduct basic and applied research on literacy, focus on developing instructional techniques and technology, serve as a clearinghouse for information on literacy programs, provide policy analysis and program evaluation, and conduct a model demonstration program on methods of training and placing persons who have not completed secondary school. The National Center will be a nonprofit entity assisted by a national advisory panel appointed by the Secretary of Education, in consultation with the Cabinet Council. The advisory panel will include members from state and local government, education, labor, business, as well as national literacy organizations, voluntary organizations, service providers and community-based organizations. The Director of the National Center will report annually to Congress and the Cabinet Council regarding the achievement of national literacy goals. For FY 91, $10 million is authorized for the National Center and such sums thereafter through FY 95.

Creates a State Literacy Resource Centers Program to link state-based service providers and the National Center for Literacy for the purpose of disseminating research and other information generated by the National Center; assisting in the improvement of existing programs and the development of innovative literacy programs at the state level. For FY 91, $15 million is authorized for the State Literacy Resource Centers and such sums as necessary thereafter through FY 95. The federal share may not be more than 75% in the first year, 50% in the second year, 25% in the third year and 0% in the fourth year.

TITLE II.—WORKFORCE LITERACY

The purpose of this Title is to assist the States in improving educational opportunities for adults who lack the level of literacy skills requisite for productive employment, to expand and improve the current system for delivering and accessing adult education services, and to encourage the expansion of adult education teacher training programs. The major provisions of this Title include the following:

Increases the authorization for the Adult Education Act (AEA) by an additional $100 million over the previous year's authorization beginning in FY 91 through FY 95, or until a majority of the illiterate population is being served. Includes a 15% set-aside of new funds to the states for training teachers and administrators, with particular emphasis on training minority teachers and training teachers to recognize and effectively serve those with learning disabilities. Increases the 20% limitation on funds that may be used for high school equivalency programs to 25%. Requires each state to assure direct and equitable access to federal funds for local public agencies, non-profit, private community-based and voluntary organizations which serve educationally disadvantaged adults. Requires each state to assure that funding is allocated for the population designated as the neediest and to the needs of persons unemployed due to low basic skills.

Changes the workplace literacy program authorization to $50 million in FY 90 and in FY 91, and such sums thereafter through FY 95.

TITLE III.—FAMILIES FOR LITERACY

The purpose of this Title is to break the intergenerational cycle of illiteracy by improving the parenting and basic skills of adults in order to foster learning among their children; to foster family-oriented approaches to reducing illiteracy, and to address illiteracy through the social environment in which children are born and raised. The major provisions of this Title include:

Authorizes the Even Start Program at $50 million in FY 90 and in FY 91, and such sums thereafter through FY 95. Even Start funds joint learning projects, particularly targeting functionally illiterate parents and their children to enhance the literacy building capacities of these parents and their children.

Establishes a "Families for Literacy" demonstration program to target services at an earlier stage than provided under Even Start. The demonstration grants would support services to newborns and their parents to monitor and improve a child's early developmental progress. Fund would be used to provide: literacy and parenting education for adults, prereading and other developmental skills for children aged 3 and under, structured time for parents to use newly acquired skills with their children, and referral services for families, including referrals to drug rehabilitation and counseling. Authorizes $10 million for FY 91 and such sums thereafter through FY 95.

Authorizes $2 million in FY 91 for the Secretary of Education to contract with the Corporation for Public Broadcasting to produce and disseminate a program for parents to improve early childhood education, language development and literacy.

TITLE IV.—BOOKS FOR FAMILIES

This Title would give priority to expanding parent access to books and to stimulating library literacy programs under the Library Services and Construction Act. The major provisions of this Title include:

Authorizes $10 million (an additional $5 million above the current authorization level) in FY 90, increasing by $1 million each year through $15 million in FY 95 for the Library Literacy Program.

Creates a Model Library Literacy Demonstraton Program to establish model library literacy centers at state and local public libraries, with resources and facilities to assist those in need of literacy training and access to reading materials. Authorizes $2 million in FY 91 and such sums thereafter through FY 95.

Authorizes the Secretary of Education to award funds to Reading Is Fundamental (RIF) to distribute inexpensive books to economically disadvantaged children and to increase parent access to books by reaching parents most disconnected from the education community (by making books available in welfare offices, health clinics, and WIC offices). Authorizes $2 million for this contract in FY 91, and such sums as necessary thereafter through FY 95.

TITLE V.—STUDENTS FOR LITERACY

The purpose of this Title is to promote the development, location and placement of community service jobs for students in the area of literacy tutoring, outreach and training under the College Work Study Program (CWS), which supports the part-time employment of students who are enrolled as undergraduate, graduate or professional students and who are in need of earnings from employment to pursue courses of study at eligible institutions. The major provisions of this Title include:

Increases incentives through the CWS for college and universities to locate, develop and place students in literacy training and other literacy related community service jobs. Provides 100% federal funding for compensation paid to students working in literacy projects through the CWS.

Authorizes funding of $656 million for the entire College Work Study Program in FY 91 and an additional $20 million each year through FY 95.

Authorizes the Student Literacy Corps at $10 million for FY 90 and an additional $1 million each year through FY 95.

TITLE VI.—VOLUNTEERS FOR LITERACY

The purpose of this Title is to develop, strengthen, supplement and expand the ca-

pacity of both public and private agencies and organizations to combat illiteracy through the use of volunteers.

VISTA Literacy Corps

Reauthorizes this capacity building program and increases its funding from the FY 89 authorization level of $5 million to $8 million for FY 90, $11 million for FY 91, $14 million for FY 92, $17 million for FY 93 and $20 million for FY 94, and such sums as may be necessary for FY 95.

Service Learning/Part-time Student Volunteers

Authorizes grants and contracts to partnership programs of public agencies or private nonprofit organizations and educational institutions to expand the use of secondary and postsecondary students as literacy volunteers, particularly in peer tutoring situations. Students may be reimbursed for necessary transportation, meals and other out-of-pocket expenses. Authorizes $2 million in FY 91, $2.5 million in FY 92 and in FY 93, and $3 million in FY 94 and FY 95.

University Year for Literacy

Authorizes grants or contracts to programs of full-time volunteer service by postsecondary students, particularly those pursuing a course of study likely to lead to a career in a field related to literacy, using the authority under the Domestic Volunteer Service Act for the University Year for ACTION. Students would receive academic credit and a living allowance similar to the allowance received by VISTA volunteers. Students would be required to serve no less than a full academic year. Authorizes $3 million in each of the fiscal years 1991 through 1995.

Literacy Challenge Grants

Authorizes matching grants to public/private partnerships to establish or expand literacy programs that use volunteers as a method of addressing illiteracy. Grantees may be public or private nonprofit agencies, nonprofit community-based organizations or private for-profit organizations, but must operate the project in cooperation with other public and private agencies qualified to combat illiteracy in their community.

Matching requirements are 20% local, 80% federal in the first year, with the federal match declining to 50% in the fourth year, for all recipients except nonprofit community-based organizations. for community-based nonprofits, the match is 10% local, 90% federal, with the match declining to 50% in the fifth year. Grantees who are private, for-profit organizations must provide the match in cash; all other grantees may meet the match requirements through "in kind" contributions. Authorizes $20 million in each of the fiscal years 1991 through 1995.

Retired Senior Volunteer Literacy Program

Authorizes $1 million in each of the fiscal years 1991 through 1995 to enhance the role of RSVP volunteers in combating illiteracy. Priority is given to providing service to illiterate individuals in unserved or underserved areas and with the lowest levels of education attainment.

Technical Assistance and Training

Improvement of student volunteer programs: To increase the effective use of full and part-time student volunteers, authorizes grants and contracts for projects that may include conferences, production of training materials, training of managers of student programs and training in methods of recruitment, particularly of minority volunteers.

Improvement of community-based and other programs that use volunteers: To provide for the preparation and dissemination of training and technical assistance, and in the development of new and innnovative solutions to literacy problems that involve the effective use of volunteers, authorizes technical and financial assistance to nonprofit organizations providing literacy services in more than one area of a state or in more than one state.

Improvement of worksite literacy volunteer programs: To provide assistance to employers who have established or wish to establish worksite literacy programs, authorizes the provision of technical assistance directly or through grants or contracts to assist them in obtaining, training, and integrating volunteers into their programs.

Authorizes a total of $6 million in each of the fiscal years 1991 through 1995.

SECTION-BY-SECTION ANALYSIS OF THE COMPREHENSIVE ILLITERACY ELIMINATION ACT OF 1989

TITLE I—LITERACY COORDINATION

Section 101—Short Title: Literacy Coordination, Research, and Dissemination Act of 1989.

Section 102—Cabinet Council for Literacy Coordination—

(a), (b) Authorizes a Cabinet Council for Literacy Coordination, consisting of the Secretary of Education who shall serve as Chairman, the Director of the ACTION Agency, the Secretary of Health and Human Services, the Secretary of Labor, the Attorney General of the United States, the Director of the Office of Personnel Management, and other officers of the Federal Government as may be designated by the President or the Chairman.

(c) Establishes number of members needed for a quorum of the Council.

(d), (e) The Council shall meet at least 4 times a year to: devise, coordinate and monitor existing and new government initiatives; disseminate information on existing literacy programs; develop models for effective literacy education; set specific and measurable goals for the Federal literacy effort; track progress on meeting these goals and objectives; issue a biennial progress report to Congress and the President with recommendations for legislation; develop model systems for implementing and coordinating Federal literacy programs which can be replicated at the State and local level; and review and make proposals for uniformity among reporting requirements, standards for outcomes, performance measures, and program effectiveness in various Federal programs.

(f) Each department participating in the Council shall contribute a total of $100,000 in salaries, expenses and personnel support to the administrative expenses of the Council. The ACTION Agency and each agency participating in the Council shall contribute at least $20,000.

Section 102—Office on Literacy—

(a), (b) Amends Sections 202 and 206 of the Department of Education Organization Act by establishing an Office on Literacy within the Department of Education to coordinate the administration of literacy programs within the Department of Education. These literacy programs would include those pursuant to chapter 1 of title I of the Elementary and Secondary Education Act, the Bilingual Education Act, the Library Services Construction Act, the Work-Study Programs in part C of title IV of the Higher Education Act of 1965, the Student Literacy Corps in part D of title I of the Higher Education Act of 1965, the Fund for the Improvement of Post Secondary Education, the Adult Education Act, the Even Start Programs Operated By Local Educational Agencies pursuant of part B of title I of the Elementary and Secondary Education Act of 1965 and the Stewart B. McKinney Homeless Assistance Act. Provides that the Director of the Office on Literacy shall work with the Cabinet Council.

Section 103—National Center for Literacy—

(c) Authorizes the Secretary of the Department of Education to make a competitive, renewable grant to establish and operate a nonprofit National Center for Literacy. Such a grant shall be for a period not to exceed 5 years. The Center would consist of a Director of the Center, experts in the literacy field, directors and supervisors for each of the major functions of the Center, and professional and support staff. The Secretary of Education shall consult with the Cabinet Council to select a panel composed of individuals who are not Federal employees and who are national experts in adult and child literacy to assist in the selection of such grant recipients. The Center shall have the ability to enter into contracts, joint ventures, and form cooperative relationships with State and local agencies, educational entities, business and labor organizations, and services providers. The Center may accept, but not solicit, private contributions, foundation grants, and other grants to support the research and dissemination activities of the center.

(d) Requires each organization desiring the National Center grant to submit an application.

(e) Funds provided to the Center may be used to: conduct basic research; provide technical assistance; act as a clearinghouse on literacy program information, teaching and assessment methods, and evaluation tools; conduct policy analysis and program evaluation activities; and conduct a model demonstration program in consultation with the state educational agencies to demonstrate innovative approaches to remediation, training, retraining and placement of persons who have not completed secondary school or the equivalent.

(f) The Secretary of Education, in consultation with the Cabinet Council, shall establish an advisory committee to advise the Secretary and Director of the Office of Literacy regarding policy issues relating to the administration of the Center, and the selection and operation of major research and demonstration projects and activities of the Center. This advisory committee shall meet at least semi-annually, and shall be composed of 15 members of which: 4 shall be from local and State government; 6 shall be from education, labor, and business communities; and 5 shall be from national literacy organizations and volunteer organizations, service providers, and community-based organizations.

(g) The Director of the Center shall report annually to Congress and the Cabinet Council on progress made in achieving literacy goals.

(h) Authorizes $10 million in fiscal year 1991, and such sums as necessary for each fiscal year thereafter through fiscal year 1995. Not more than 5% of these funds authorized in any fiscal year shall be used to conduct the model demonstration program.

Section 104—State Literacy Resource Center—

(b) Authorizes the Secretary of Education to make grants to pay the Federal share of the costs of establishing and operating State literacy resource centers. Such grants shall be awarded for a period not to exceed 3 years and shall not exceed $500,000. Each State may contract on a competitive basis with a volunteer organization, a community-based organization or other nonprofit entity to operate a state literacy resource center.

(c) Funds provided may be used to (1) develop innovative approaches to literacy program coordination within the State and with the Federal Government; (2) improve access to literacy services in the State through the promotion of technology utilization, provision of technical assistance to service providers, and dissemination of information among literacy service providers; and (3) establish State literacy resources centers to: serve as a link between state-based service providers and the National Center to disseminate information generated by the National Center for Literacy; upgrade the system of diffusion and adoption of state-of the art teaching methods; assist in coordination of the delivery of literacy services by public and private agencies; encourage government and industry partnerships; encourage innovation and experimentation in literacy services; provide technical and policy assistance to State and local governments and to community-based literacy organizations to improve literacy policy and programs; and train literacy instructors in selecting instructional technologies.

(d) Each state shall submit an application to the Secretary of Education describing the activities and services for which assistance is sought, and a statewide plan with measurable goals for the elimination of illiteracy within the state that includes implementation strategies for maximum participation of community-based organizations, volunteer organizations and other nongovernmental entities.

(e) The Federal share of payments for these State literacy resouce grants may not exceed 75 percent in the first year in which the State receives funds, 50 percent in the second year, 25 percent in the third year.

(f) Provides that the non-Federal share of payments under this section may be in cash or inkind.

(g) Authorizes $15 million for State literacy resource grants in fiscal year 1991, and such sums as may be necessary thereafter in each of the fiscal years through fiscal year 1995.

TITLE II—WORKFORCE LITERACY

Section 201—Short Title: Workforce Literacy Act of 1989.

Section 202—Statement of Purpose.

Section 203—Adult Education Amendments—

(a) (1) (2) Amends Section 313(a) of the Adult Education Act by authorizing for fiscal years 1991 through 1995 an amount equal to the authorization for the previous year plus $100 million. Of this additional amount, 15 percent shall be used for training professional teachers, volunteers and administrators, with particular emphasis on training minority teachers, and the training of teachers to identify and more effectively serve that segment of the illiterate population that is learning disabled, and reads below the fifth grade level.

(a)(3) If it is determined by the Secretary of Education in any of the fiscal years that the majority of the illiterate population under this title has been served, the amount authorized to be appropriated for each of the succeeding years listed in paragraph (1) shall be equal to the amount authorized for the fiscal year the determination is made.

(b)(1) Amends Section 322 of the Adult Education Act to require that grants to states to carry out adult education programs shall be carried out by public or private nonprofit organizations only if the local educational agency has been consulted and has had an opportunity to comment on the application of such organization.

(b)(2) Requires the state educational agency receiving financial assistance under the adult education State grant program to assure direct and equitable access to public or private agencies, community-based organizations, and institutions that serve educationally disadvantaged adults.

(b)(3) Requires the state educational agency receiving financial assistance under the adult education State grant to give preference to those applicants who can demonstrate a capability to recruit and serve educationally disadvantaged adults, and those who will serve adults with a reading ability below the fifth grade level.

(b)(4) Increases from 20 percent to 25 percent the limitation on funds that may be used for high school equivalency programs.

(c) Amends Section 331(c) of the Adult Education Act to limit the amount of State grant funds which may be used for State administrative costs to the greater of 5% of the State grant or $50,000, and an additional 1% of the State grant may be reserved for program improvement with approval of the Secretary.

(d) Amends section 342(c) of the Adult Education Act by requiring that the state plan report the amount of administrative funds spent on program improvements, and contain assurances that financial assistance provided is used to assist and expand existing programs and to develop new programs for adults whose lack of basic skills renders them unemployable, keeps them from being independent, and severely reduces their ability to positively impact the literacy of their children.

(e)(1) Amends Section 371 on Workplace Literacy in Adult Education Act to require that the Secretary of Education consult with the Secretary of Labor in making demonstration grants for workplace literacy.

(e)(2) Amends Section 371(a)(4) to require that applications for these demonstration grants contain assurance that no less than 10% of funds received under this section shall be used for research, teacher training, training regarding the identification and teaching of learning disabled individuals, and technical assistance.

(e)(3) Authorizes $50 million for workplace literacy programs in each of fiscal years 1990 and 1991, and such sums are necessary thereafter for each of the fiscal years through fiscal year 1995.

Section 204—GAO Study—Requires the General Accounting Office to update the 1975 study entitled "The Adult Basic Education Program: Progress in Reducing Illiteracy and Improvement Needed", within 18 months of enactment of this Act.

TITLE III—FAMILIES FOR LITERACY

Section 301—Short Title: Families for Literacy Act of 1989.

Section 302—State of Purpose.

Section 303—Even Start—Amends Section 1059 of the Elementary and Secondary Education Act to authorize the Even Start Program at $50 million in each of fiscal years 1990 and 1991, and such sums as may be necessary thereafter in each of the fiscal years through fiscal year 1995.

Section 304—Families for Literacy Program—

(b)(1) Authorizes the Secretary of Education to award 10 demonstration grants to nonprofit entities, or consortia of businesses, nonprofit entities and local educational agencies to pay 80 percent of the cost of establishing intergenerational learning programs and services for children aged 3 and under and their parents, in order to improve the early developmental progress of the children, especially in literacy developmental skills.

(b)(2) Priority shall be given to applicants whose programs serve hard-to-serve populations, including parents who are teenaged, illiterate, economically disadvantaged, unemployed, or non-English speaking.

(c) Requires each consortia, nonprofit entity, or local educational agency desiring a Families for Literacy Grant to submit an application.

(d)(1) Staff teams of early childhood educators would be employed as literacy educators or parent educators to provide: literacy education and parenting education for adults, prereading and other developmental skills for children aged 3 and under, and referral services for families, including referrals to drug rehabilitation and counseling.

(d)(2) Staff teams shall be selected on the basis of experience in working with children and families, a bachelor's degree in child development, experience in social work, child care pediatrics, family counseling, and experience in literacy training.

(e)(1) Establishes community advisory councils to provide outreach, court notification, referral services, public relations and recruiting drives.

(e)(2) The community advisory council shall be staffed by volunteers, and may refer individuals into and from the Families for Literacy program into such services as WIC, literacy programs, hearing specialists and child abuse services.

(f)(1) The non-Federal share of the costs of these programs may be paid in cash or inkind fairly evaluated, including equipment or services.

(f)(2) Each consortia or nonprofit entity receiving a grant may also use funds received under Chapter 2 of the Elementary and Secondary School Improvement Amendments of 1988 as a portion of its matching funds under this program.

(h) Authorizes the Secretary of Education to enter into a contract with the Corporation for Public Broadcasting to produce and disseminate a family literacy program which would assist parents in improving their knowledge and skills regarding early childhood education, language development and literacy.

(i)(1) Families for Literacy is authorized at $10 million for fiscal year 1991 and such sums as may be necessary thereafter through fiscal year 1995.

(i)(2) The Corporation for Public Broadcasting contract is authorized separately at $2 million in fiscal year 1991.

TITLE IV—BOOKS FOR FAMILIES

Section 401—Short Title: Books for Families Literacy Act of 1989.

Section 402—Statement of Purpose.

Section 403—Inexpensive Book Distribution Program—

(a) Amends Section 1653(b) of the Elementary and Secondary Education Act to require the contractor to give priority to new programs and projects funded beginning in fiscal year 1990 which target rural and urban areas with large concentrations

of economically disadvantaged children and students.

(b) Requires a report to the Department of Education as part of the contract the number and description of the individuals being served through this contract within 2 years of the date of this contract.

Section 404—Library Literacy Programs—

(a) Amends Section 4(a) of the Library Services and Construction Act to authorize $10 million for the Library Literacy Program in fiscal year 1990, increasing by $1 million each fiscal year through $15 million in fiscal year 1995.

Authorizes $2 million for the Model Literacy Centers in fiscal year 1991 and such sums as may be necessary thereafter through fiscal year 1995.

Authorizes $2 million in fiscal year 1991 for the Reading is Fundamental program through the Library Services and Construction Act, and such sums as necessary thereafter through fiscal year 1995.

Amends Section 601(c)(2) of the Library Services Construction Act to allow use of funds for acquisition of books, tapes, and computer software.

Section 405—State and Local Public Library Grants—Inserts two new programs after Section 601 in title IV of the Library Services Construction Act.

Section 602—Model Library Literacy Centers—

(a), (b)(1) Authorizes the Secretary of Education to carry out a grant program to State and local public libraries for the purpose of establishing exemplary model programs.

(b)(2) These grants may not exceed $200,000 in any fiscal year.

(b)(3) Each library receiving a grant may receive only one grant per fiscal year, for a maximum of five years.

(b)(4) The Secretary may reserve 2 percent of the funds for program administration for these grants.

(b)(5) The Secretary shall select an expert in library literacy activities to administer the grant program set forth in this section.

(c) Each application for these grants shall: describe the activities for which assistance is sought; describe an innovative approach to public literacy activities; substantiate the program's potential benefit to the library profession and its national significance; provide a detailed description of how the grant will impact the community; set forth special evidence for the need for such a grant; describe how the results of the demonstration grant will be evaluated and disseminated; indicate the potential for replicability; and provide evidence that the grant was developed in consultation with the State library agency and with leading experts in adult literacy, and taking into account literacy research.

(d) The Secretary shall establish a peer review panel of technical experts and consultants to assist the Secretary in establishing criteria for awarding grants and approving applications.

Section 603—Inexpensive Book Distribution Program—

(a) The Secretary of Education is authorized through the Library Services and Construction Act to contract with Reading is Fundamental, to support and promote the establishment of reading motivation programs which include the distribution of inexpensive books. Such contract shall give priority to programs and projects which target rural and urban areas with large concentrations of economically disadvantaged children and students.

(b) The funds may be used to increase access to children's books for parents of children aged 5 and under and develop motivational materials to reach parents most disconnected from the education community by making children's books available in welfare offices, health facilities, WIC offices, public housing, homeless shelters, and migrant labor facilities.

TITLE V—STUDENTS FOR LITERACY

Section 501—Short Title: Students for Literacy Act of 1989.

Section 502—Statement of Purpose.

Section 503—Student Literacy Corps—Amends Section 146 of the Higher Education Act of 1965 to authorize $10 million for Student Literacy Corps in fiscal year 1990 increasing by $1 million each fiscal year to $15 million in fiscal year 1995.

Section 504—Work-Study Programs—

(a) Amends Section 441(b) of the Higher Education Act of 1965 to authorize $656 million for College Work-Study (CWS) program in fiscal year 1991 increasing by $20 million each fiscal year to $736 million in fiscal year 1995.

(b)(1) Amends Section 443(b) of the Higher Education Act to exempt literacy training programs from the 10 percent cap on CWS funds that may be used for work-study programs for which the Federal share equals or exceeds 90 percent.

(b)(2) Provides that the Federal share of the compensation of students employed in literacy work-study training programs shall be 100 percent.

(c) Amends Section 446(a) of the Higher Education Act to exempt CWS funds used for the creation and placement of literacy jobs for students from the 10 percent cap on CWS funds that may be used for the location and development of community services jobs for students.

TITLE VI—VOLUNTEERS FOR LITERACY

Section 601—Short Title: Volunteers for Literacy Act of 1989.

Section 602—Statement of Purpose.

Section 603—VISTA Literacy Corps—Amends Section 109(g)(1) of the Domestic Volunteer Service Act of 1973 to provide that funds made available under Section 501(a)(2) for the VISTA Literacy Corps shall supplement and not supplant the VISTA illiteracy services provided in 1989 through part A of title I of the Act, except in any fiscal year in which funds for Section 501(a)(2) exceed $7 million.

Section 604—Service-Learning Literacy Programs—Inserts a new Section 115 into part B of title I of the Domestic Volunteer Service Act of 1973 that:

(a)(1) Authorizes the Director of the ACTION agency to make grants to and enter into contracts with public agencies and organizations, and private nonprofit organizations, to enable students in secondary schools, secondary vocational schools, and postsecondary schools to serve as volunteers in projects that address problems of illiteracy and functional illiteracy.

(a)(2) Provides that the Director shall give priority to programs and projects that involve a partnership between educational institutions and community-based organizations and public agencies. Priority shall also be given to programs and projects that use and encourage peer tutoring.

(a)(3) Provides that persons serving as volunteers are not considered Federal employees, and may be reimbursed for necessary transportation, meals, and other out-of-pocket expenses.

(b)(1) Authorizes the Director to make grants and contracts for a program of full-time volunteer service to be known as University Year for Literacy. The purpose is to establish and support innovative ways to use full-time students enrolled in institutions of higher education as volunteers in addressing and solving the broad range of problems facing illiterate and functionally illiterate individuals, and in providing assistance to organizations involved in combating illiteracy. Volunteers in this program are to serve under the same conditions as described in the authority for the University Year for ACTION program.

(b)(2) Provides that priority in recruitment of University Year for Literacy volunteers shall be given to individuals pursuing a course of study related to, or likely to lead to, a career in a field related to addressing the problem of illiteracy.

(c) Authorizes the Director to make grants and contracts with qualified individuals, organizations and public agencies to provide training and technical assistance to increase the effective use of full and part time student volunteers in combating illiteracy. Such projects may include conferences, production of training materials, training of managers of student literacy voluteer programs, and training in methods of volunteer recruitment, particularly of minority volunteers.

Section 605—Technical and Financial Assistance for Improvement of Volunteer Programs—Amends Section 123 of the Domestic Volunteer Service Act to authorize the Director to provide technical and financial assistance to nonprofit organizations conducting operations in more than one State and in more than one area of a State that are engaged in, or wish to become involved in, activities that have as a principal purpose the solution of the problems associated with illiteracy. Such assistance shall be used to enable such organizations to prepare and broadly disseminate training and technical assistance relating to the use of volunteers in literacy programs and to seek new and innovative solutions to literary problems that involve the more effective and extensive use of volunteers.

Section 606—Special Initiatives—Amends Section 124 of the Domestic Volunteer Service Act to authorize the Director to provide technical assistance directly, or by grant or contract, to employers who have established or wish to establish worksite literacy programs to assist such employers in obtaining, training and integrating volunteers into worksite literacy programs.

Section 607—Literacy Challenge Grants—Inserts a new Section 125 into part C of title I of the Domestic Volunteer Service Act:

(a) Creates a Literacy Challenge Grant Program authorizing the Director to award challenge grants to eligible public agencies and private organizations to pay the Federal share of the costs of establishing, operating or expanding community or employee literacy programs or projects that include the use of full-time or part-time volunteers as a method of addressing illiteracy.

(b) Each eligible organization shall submit to the ACTION agency an application to the Director describing the activities for which assistance is sought and containing assurances that the eligible organization will provide from non-Federal sources the non-Federal share of the cost of the program or project. Eligible organizations shall also provide assurances that the literacy project will be operated in cooperation with other public and private agencies and organizations interested in and qualified to combat illiteracy in the community.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

(c)(1) The Federal share of the cost of the program shall not exceed 80 percent the first year, 70 percent the second year, 60 percent the third year, and 50 percent in the fourth and each succeeding year thereafter. The non-federal share paid by a private, for-profit organization shall be in cash.

(c)(2) The Federal share of the cost of the program administered by a nonprofit community-based organization is no more than 90 percent in the first year, and declines by 10 percent a year until it reaches 50 percent in the fifth and any succeeding year.

(c)(3) The non-Federal share provided by a public agency or a nonprofit organization may be provided in cash or in kind, fairly evaluated and may include the use of equipment, plant and services.

Section 608—Retired Senior Volunteer Literacy Program—Inserts a new Section 202 of title II of the Domestic Volunteer Service Act.

(a) Establishes a Retired Senior Volunteer Literacy Program authorizing the Director to make grants to establish a Retired Senior Volunteer Literacy Program to enhance the role of senior volunteers in developing, strengthening, supplementing and expanding efforts to address illiteracy.

(b) Programs authorized by this section may be administered jointly with programs authorized by Section 201, the Retired Senior Volunteer Program.

(c) Priority will be given to programs providing services to illiterate individuals who reside in unserved or underserved areas that have high concentrations of illiteracy, and individuals with the lowest levels of reading proficiency and educational attainment.

Section 609—Authorization of Appropriations—

(a) Part A of title I—Amends Section 501(a)(2) of the Domestic Volunteer Service Act to authorize $8 million for the VISTA Literacy Corps in fiscal year 1990, and an increase of $3 million each year to $20 million in fiscal year 1994, and such sums as may be necessary in fiscal year 1995.

(b) Part B of title I—Amends Section 501(b) of the Domestic Volunteer Service Act to authorize $2 million in fiscal year 1991, $2.5 million in each of fiscal years 1992 and 1993, and $3 million in each of fiscal years 1994 and 1995 for service-learning literacy programs.

Authorizes $3 million in each of fiscal years 1991, and 1992, and 1993, 1994, 1995 for the University Year for Literacy.

(c) Part C of title I—Amends Section 501(c) to authorize $20 million in each of fiscal years 1991, 1992, 1993, 1994, and 1995 for the Literacy Challenge Grants.

(d) Amends Section 501(f) of the Domestic Volunteer Service Act to authorize $1 million in each of fiscal years 1991 through 1995 for training and technical assistance to increase the effectiveness of full and part-time student illiteracy volunteers.

Authorizes $4 million in each of the fiscal years 1991 through 1995 for technical and financial assistance to enable nonprofit organizations to develop new and innovative ways to use volunteers in solving the problems of illiteracy and to prepare and disseminate training and technical assistance information.

Authorizes $1 million in each of the fiscal years 1991 through 1995 for enhancing the use of volunteers in worksite literacy programs.

Section 610—National Older Americans Volunteer Programs—Amends Section 502(a) of the Act to authorizing $1 million in each of fiscal years 1991 through 1995 to carry out the Retired Senior Volunteer Literacy Program.

Mr. MITCHELL. Mr. President, I am pleased to join my colleague from Illinois, Senator SIMON, in introducing the Illiteracy Elimination Act of 1989.

Making an effort to reduce illiteracy at all age levels was a key item on the Democratic agenda issued in March.

PAUL SIMON has been at the forefront of this issue for years. He is a congressional leader in addressing education generally, and addressing illiteracy in particular. In fact, Senator SIMON held the first hearing in Congress addressing the modern day problems of illiteracy.

His efforts in drafting this legislation and in continually focussing Congress' attention on the need for a greater literate America have been tireless. I commend and respect his initiative on this issue.

There are between 23 million and 27 million adults who are functionally illiterate today. Some estimates are even higher.

While experts may disagree on the exact number, there is no disagreement that we must reduce the number of functionally illiterate individuals if we are to maintain our productivity and growth as a nation.

A number of reports have been issued, which point to a common problem at the end of this century. Those reports all predict that we will find an increasing mismatch between job skill requirements and the available pool of workers by the year 2000.

One such report, the Hudson Institute's "Workforce 2000", found that the majority of new jobs will require some postsecondary education. People with less than a high school diploma will be able to fill only 14 percent of all jobs, as opposed to 40 percent today. And, the jobs that are in the middle of the skill distribution today will be the least skilled occupations of the future.

At the same time, the report found that the decline in population growth will result in an older work force. And, 80 percent of new entrants into the work force will be women, minorities, and immigrants—traditionally less skilled and undereducated groups.

We find that a number of American jobs have been shifted overseas to be replaced by lower wage workers. We need to stop dead in its tracks, the possibility that jobs might be transferred overseas in the future to be replaced by better educated workers.

It is time Congress seriously considers how as a nation we will be prepared to face the next century. We have begun an era of technological sophistication that will require a well educated work force.

The Hudson Report estimates that by the year 2000, most jobs will require a high school degree. Yet, in April, the Department of Health and Human Services proposed in regulations that basic literacy meant an eighth grade education. If eighth grade is to be today's floor of basic literacy, and 12th grade is to be the floor 11 years from now, we have much to accomplish before the end of the century.

Being functionally illiterate is much broader than the stereotype of someone who cannot read or write. Being functionally illiterate means having low basic skills in reading and writing and comprehension. Someone who has problems reading a job notice, the newspaper, road maps, or instructions on medication.

Contrary to myths, illiteracy is not confined to welfare recipients and low-income families in search of work. A large number of individuals currently in the work force do not have basic literacy skills.

According to companies participating in the Center for Public Resources Survey of Basic Skills, 30 percent reported secretaries having difficulty reading at the level required by their job. Fifty percent reported managers and supervisors unable to write paragraphs free of grammatical errors. And, 50 percent of the companies reported that skilled and semiskilled employees, including bookkeepers, were unable to use decimals and fractions in math problems.

As jobs evolve during the next two decades, people may find themselves out of work. It is no secret that we are moving from a manufacturing economy to a service economy. It only follows that we will rely more on brain, than muscle.

Within that context, it is never too late to learn.

The legislation we are introducing today addresses literacy program coordination, work force literacy, access to books and library programs, volunteer assistance—including peer tutoring, and intergenerational literacy—to break the cycle of illiteracy among families by helping parents and disadvantaged children.

The legislation complements State efforts. It provides an increase in current successful programs such as adult education and the Library Literacy Program. And, establishes a Federal Cabinet Council for Literacy Coordination, which would coordinate and monitor existing programs as well as develop, implement, and coordinate model literacy programs.

For my own State of Maine, estimates indicate that one out of every five people is functionally illiterate. This means that a good portion of the State could be shutout as we move further into the technological age.

The legislation we are introducing today is the key to keep the door open. We have far too much at stake to close the door on so many.

I am hopeful the bill will soon be approved.

Mr. KENNEDY. Mr. President, I commend Senator SIMON for taking the lead in introducing this comprehensive attack on the serious problem of illiteracy in America, and I am proud to be a sponsor of this important initiative.

In May, the Senate Labor and Human Resources Committee heard dramatic testimony from the M.I.T. Commission about our alarming lack of competitiveness in world markets. One of their strongest recommendations was to invest more in education. Today, we lack the educated work force we need to compete, and the growing problem of illiteracy is a major cause of the problem.

According to one estimate, 27 million adults—one out of every six people above age 18—cannot read the poison warning on a can of pesticide, a letter from their child's teacher, the headlines of a daily newspaper, or the first amendment of the Constitution.

We have recently concluded our celebration of the bicentennial of the Constitution, and we have been reminded in the clearest of terms that our democracy cannot function with an illiterate population. Citizens must be able to participate in the democratic process. And to do so, they must be knowledgeable about the world around them, understand how to vote for the people that represent them, and communicate their ideas and needs.

The literacy volunteers of America estimate that $237 billion a year in earnings are lost by those who lack basic learning skills. The American Library Association tells us that functionally illiterate adults cost $224 billion annually in welfare payments, crime, poor job performance, and remedial education. These economic costs are real, and they underscore the need to find ways to address this challenge.

We have begun to seek realistic and innovative answers. A program enacted last year is providing $5 million to colleges and universities across the country to establish a literacy corps. Students receive academic credit for tutoring in schools, adult educational programs, homeless shelters, and other community agencies where education programs are in place. The Federal funds will generate 2 million hours of tutoring, which is worth $40 million—an eightfold return on our $5 million Federal investment. We also authorized an important new program in worksite literacy, which is now getting off the ground. Both of these programs are expanded in this bill.

But the Federal Government isn't doing enough. Although we spend about $187 million a year fighting illiteracy today, that amount serves only a small fraction of those who should have assistance. We need a comprehensive approach to attack this blight on our society. We need coordination to make programs more efficient, and we need to highlight and expand programs that work, and make them more widely available.

The bill we are introducing today can make a significant difference in the battle against illiteracy. It provides real coordination among programs offered at the Federal level. It ensures that as our understanding of the problem improves, new techniques will be made available as soon as possible. And it builds on good programs which have been underfunded in the past.

It is a national scandal that a country as wealthy and as advanced as the United States still has 27 million adult Americans who cannot read. For years, we have tried to declare war on illiteracy. We are all aware that too little has happened, and that too little progress has been made. I hope that this legislation marks a new commitment in Congress to address this issue on a more urgent basis, and I intend to give it high priority in the Senate Labor Committee.

Mr. SHELBY. Mr. President, I am proud to join my good friend PAUL SIMON today as an original cosponsor of the Illteracy Elimination Act of 1989. The ability to read is taken for granted in this society—it is assumed—it is expected. And yet there are between 23 and 27 million adult Americans who are functionally illiterate. The stigma that is attached to the inability to read prevents many adults from seeking the help they need.

In my home State of Alabama, more than 200,000 adults are functionally illiterate. We have recently become very concerned about literacy in America because we realize that we cannot maintain our standard of living unless we increase substantially the skills of our work force. There is an ever present threat of losing our competitive edge with foreign countries. The question becomes, "how can we remain competitive if our education system is not turning out a work force that can perform effectively within this highly advanced, technologically oriented world?"

By the year 2000, an estimated 5 to 15 million manufacturing jobs will require more training and skills. Each year, 1.5 million workers are permanently displaced and will require assistance to reenter the work force. Twenty to forty percent of the dislocated workers are functionally illiterate.

Efforts to help all Americans achieve literacy have been in existence for years. This legislation will bring the guidance, coordination, and strength that will help unite nationwide literacy programs. By combining efforts at the Federal, State, and local level as well as in the private sector we will be providing a focus for a national initiative.

The tragedy of illiteracy is that it denies individuals dignity, ability, and hope. It prevents capable, hardworking, determined Americans from realizing their potential. It is my hope that this legislation will provide the impetus for the resolution and prevention of this problem. Illiteracy is not insurmountable—and it is my belief that the Illiteracy Elimination Act of 1989 will be the means by which all Americans will one day read.

Mr. REID. Mr. President, I'm pleased to join today with my colleagues in sponsoring the Illiteracy Elimination Act of 1989.

Help is on the way for the 67,000 adults in Nevada and the 23 to 27 million adults throughout the country who cannot read or write.

The problem of illiteracy is a national security nightmare and an economic disaster. We need soldiers who can read manuals and employees who can read and write on the job. We won't stay the leader of the free world if our people cannot read—much less understand—the Declaration of Independence or the Constitution of the United States.

Earlier this year, my wife, Landra, testified at a hearing on the Illiteracy Elimination Act. Landra developed the Nevada State literacy intitiative. At the hearing, she testified immediately after a 45-year-old woman from Illinois who had enrolled in an adult literacy program and was just learning the fundamentals of reading and writing.

This woman recounted the frustration of hiding her illiteracy from her family and friends. She revealed the vast opportunities and joy she now feels as a result of her newly learned skills. This is a success story to warm everyone's heart. It is also encouragement to our country that there are millions of citizens who want to lead productive lives. The legislation introduced today is fresh cause for optimism.

The Illiteracy Elimination Act will expand existing literacy programs with a proven track record. It will provide new focus, new funding, and new hope.

The best feature of the Illiteracy Elimination Act is that it will work hand-in-hand with local literacy initiatives. This is not a made-in-Washington solution, it's a partnership. That's the only way we will help the 67,000 Nevadans and millions of Americans who cannot read, write, or look forward to a life of fulfillment.

Education is one of the four E's that will make or break Nevada in the coming years, along with ethics, the environment, and economic development.

The Illiteracy Elimination Act is one of the most ambitious pieces of education legislation to be introduced in this Congress. I am proud to be a part of this solution. The Congress and the President, too, must help the 67,000 adults in Nevada and the 23 to 27 million nationwide who cannot read and write.

Mr. BURDICK. Mr. President, I am pleased to be among the original cosponsors of the Illiteracy Elimination Act of 1989, introduced by Senator SIMON. This bill addresses an urgent situation in our Nation. It has been estimated that between 23 and 27 million adult Americans are functionally illiterate. They are unable to read at the level necessary to complete a job application, to follow most written directions, or even to read their children a bedtime story. Not only is the quality of life affected by illiteracy's pervasive effects; sometimes, being able to read can mean survival itself.

The Illiteracy Elimination Act of 1989 includes six titles focusing on an impressive array of literacy promotion efforts. A quick scan of these titles provides evidence of Senator SIMON's understanding of the complicated nature of our Nation's illiteracy problem and of the need for a multifaceted approach to solving it. The bill provides for the coordination of national literacy research and programs, a work-force literacy program to upgrade job improvement skills, improvement of parental education to break the cycle of multigenerational illiteracy, a demonstration program providing free or inexpensive book distribution at public libraries, a "students for literacy" community services program in which college students would be employed part time to provide free reading instruction, and grants and contracts for ongoing volunteer programs providing literacy instruction.

As North Dakota's senior Senator, I am proud of our educational system. North Dakota's students are well served by it. Yet even North Dakota has an illiteracy problem. The U.S. Department of Education estimates that some 12 percent of North Dakota adults aged 20 years and older are functionally illiterate. This shows that the best intentions and the most dedicated education personnel cannot guarantee 100 percent literacy.

There are many reasons for illiteracy in our Nation. Students drop out of school or are pushed out due to economic or social strife. Overcrowded classrooms and lack of sufficient instructional materials allow some students to fall through the cracks of our educational system. There are those who have physical or mental disabilities which preclude their learning to read in the conventional way. Addiction to alcohol or other drugs robs young minds of their ability to decipher written materials.

Although the problem is large and complex, it is not unsurmountable. The President has declared his desire to be the "Education President," and the First Lady's efforts to promote literacy are well documented in the media. I applaud these demonstrations of concern by President and Mrs. Bush, and I hope that this concern will be translated into support for such worthy legislation as Senator SIMON's Illiteracy Elimination Act.

Mr. KOHL. Mr. President, I rise today to join my colleague from Illinois in the introduction of the Illiteracy Elimination Act of 1989.

For most of his public life Senator SIMON has committed a tremendous amount of personal time and effort to addressing the educational needs of our Nation and to helping to lift up those who have fallen through the cracks. He raised this issue far before it was the inthing to do. I have a great deal of respect for his work in this area and I am honored to be associated with this comprehensive legislation to eradicate illiteracy.

And we have a lot of illiteracy to eradicate.

Just last year, in my own State, a report by the Wisconsin Literacy 2000 Task Force identified 492,720 Wisconsin residents operating at or below the level of functional illiteracy. An additional 412,720 residents were identified as "at-risk" because they just don't have the basic skills required by an "information-age" society. Even worse, the task force estimated that those numbers in Wisconsin will increase by at least 10,000 per year because of the increasing school dropout rate and the number of functionally illiterate immigrants.

Those numbers demonstrate that we have our work cut out for us. But we know how to do that work. In fact we are doing it. We just aren't doing enough of it.

In Wisconsin we have a host of outstanding volunteer groups, community based organizations and a vocational, technical, and adult education community which is fully engaged. They don't have the resources needed, but they have all the spirit anyone could want. And as a result, they are reaching roughly 10 percent of the population that needs help.

Clearly, we aren't reaching enough people. But the help we give to the people we do reach is enough to change their lives. Let me give you some examples.

A Mazomanie man reached out for help because reading was the only thing he had not succeeded at. For years he had worked in a low-income maintenance job, depending on charts and diagrams to hide his inability to read the text of manuals. With the help of the Madison Literacy Council, he learned to read. He has a new job, health insurance for himself and his family, and he is continuing his education with the support of his employer. He is continuing to succeed.

There is the case of a Cambodian refugee who is the mother of two young children. Since settling in Wisconsin in 1986, she has studies in an English as a second language program, become a citizen of the United States and is already preparing for her GED. Her future, as well as that of her two children, is incredibly brighter as a result.

There is the remarkable story of a 79-year-old woman who worked to learn to read because she said, "It is never too late."

After her son was enrolled in Head Start, a young Mount Horeb woman sought 1-to-1 tutoring. All she wants is to be able to read to her child. I believe that simple act will yield all sorts of benefits for that family, and for their community.

In Stevens Points, the Community Action Program is working with 30 families, teaching parents reading and writing strategies that can be used in their own homes, regardless of their reading levels.

The success stories go on. We know how to fix the problem. But we haven't done it.

By all accounts there are at least 23 million adult Americans who are functionally illiterate. It is for those millions of families that this legislation is intended.

It is for thousands of businesses in this Nation who have discovered, to their horror, that many of the job candidates do not have the skills needed to fill out an application form.

It is for the country as a whole and I'll tell you why.

On an economic level, people, who can't read, can't get good jobs. Illiteracy costs the American economy $237 billion a year in the potential earnings of those who lack basic learning skills.

On an international level, people who can't read hurt our ability to compete. And that costs us billions of dollars in lost revenues and interest.

On a political level, people, who can't read, can't fully participate in our democracy. Our system of self-government cannot survive without the educated participation of the American people. In 1989, you must read to be informed. You must be informed to make sound decisions about who should run the government, and what our Nation's priorities should be. Educated and informed citizens are the foundation of a safe democracy. And illiteracy is silently threatening to destroy that foundation.

But even worse, on a human level, people, who can't read, can't fully share with their children the world of ideas and love of language and learning. Here in this Chamber we take the printed word for granted. Papers pile

up on our desks. Books are added to our shelves. We live by the printed word. And it's not just the words of our work; the printed word opens up the world of imagination to us: poets, playwrights, novelists—they tell us things about ourselves and our environment which we might not see without their help. To be denied access to the printed word is to be denied access to the totality of the human condition.

My point, Mr. President, is that reading is an economic act, it is a political act—but primarily it is a human act. It is a parent reading a bedtime story to a child. It is an adult discovering Shakespeare or Hemingway or Faulkner. It is the essence of what we are as human beings—creatures who can manipulate symbols and not just physical objects.

Reading, Mr. President, is a skill which we deny people only at the risk of denying them their full role as human beings.

With this legislation in place, we can make the progress we ought to make as a society—and we can help people make the progress they need to make as human beings. I urge my colleagues to join us in supporting this legislation.

I thank the Chair and yield the floor.

By Mr. ARMSTRONG (for himself, Mr. SYMMS, and Mr. BOSCHWITZ):

S. 1311. A bill to amend the Internal Revenue Code of 1986 to provide a 15-percent maximum rate on capital gains for sales or exchanges after the date of enactment of this act and before 1991, to provide indexing of the bases of capital assets sold or exchanged after 1990, to provide a 20-percent maximum rate on capital gains from small business stock, and for other purposes; to the Committee on Finance.

RELATING TO CAPITAL GAINS AND ASSETS RATES

● Mr. ARMSTRONG. Mr. President, I have come before this body many times to urge consideration of capital gains indexing. I am today introducing a bill that would index capital gains for inflation. Unlike previous indexing bills, however, I have included a provision to help small, growing companies that typically would not benefit very much from indexing because of their unique situation. And I have included a window of opportunity that not only raises the revenues to pay for indexing, but would also go a long way toward a solution to the budget dilemma facing the Congress in the near term.

Why is indexing of capital gains important? When a taxpayer buys and later resells an asset, he calculates a capital gains tax liability. The inflation that occurs between the time he buys the asset and the time he sells the asset will be reflected in the sale price. Part of the capital gain that he calculates reflects an increase in the asset's price due to inflation. This part of the gain is not real, it is a phantom, and it should not be taxed.

To excise the phantom of inflationary gains, my bill would allow taxpayers to index the purchase price of an asset for inflation provided they hold it for at least a year so that when the gain is calculated it is based on a comparison of apples to apples. Mechanically, indexing works by multiplying the purchase price by a ratio that reflects the growth in the gross national product deflator since the year the asset was purchased. This ratio would be published by the Internal Revenue Service in a simple table.

For example, if an asset's purchase price is $100, the sales price is $125, and the price level increases by 20 percent over the period the asset is held, then the ratio would be 1.2 and the inflation-adjusted basis would be $120. Without indexing, the taxpayer would be subject to tax on $25 of capital gain, only $5 of which represents real appreciation. If the taxpayer is allowed to index for inflation, on the other hand, he will be subject to tax only on the $5 or real appreciation.

The effect of capital gains indexing on reducing the tax disincentives to saving and investment is dramatic. In most cases, the effect of indexing is at least as great as that of reducing the capital gains tax rate. Consider the example above and compare three scenarios: One in which the taxpayer pays tax at a 28-percent rate on the full nominal gain; one in which the nominal gain is taxed but the rate is reduced to 15 percent; and one in which the real gain is taxed at a 28-percent rate. As the table below indicates, indexing reduces the tax by 34 percent more than does simple rate reduction.

	Tax rate (percent)	Capital gain	Tax liability
Current law	28	$25	$7.00
Rate reduction	15	25	3.75
Indexing	28	5	1.40

The Senate Finance Committee and, I would guess, every Senator in memory has spent a great deal of time and effort trying to make the Tax Code more fair, although we might not always agree on what fair means. Fairness is a very important objective to be sure. No matter how you define it, it is unfair for a taxpayer to have to pay tax on something that isn't real. It would be unfair to pay property tax on a house that doesn't exist. And it is unfair to tax people on capital gains due to inflation. Beyond a doubt, indexing is fair tax policy.

There is one important case in which indexing capital gains really doesn't help enough, and that is when a small company first tries to raise equity capital. When small companies first issue shares to raise capital, the buyers of these shares are taking a big risk in the hope that the company will strike it big. If the corporation is successful, then the share price will increase manyfold. Expressed another way, if the company is successful, then the original purchase price will be a tiny fraction of the sales price of the shares. Because indexing adjusts the purchase price for inflation, and because the purchase price is slight relative to the sales price, indexing offers little relief from capital gains taxes. As a result, it is difficult and expensive for young companies to raise the funds they need to grow.

For this reason, I have included in my bill a provision that would set a maximum tax rate of 20 percent on the capital gains that result when a taxpayer is the original shareholder of a small corporation and when he holds the shares for at least 4 years. It is very important that these businesses, which typically face much higher financing costs than do larger, more established companies, be able to raise the capital they need to grow. Setting a maximum tax rate of 20 percent for these corporations will provide a badly needed additional incentive to the marketplace to increase the availability and reduce the cost of equity capital.

Each of us, I think, understands the predicament before the Congress in raising over $5 billion in additional revenues to satisfy the budget reconciliation requirements, and a few billion more to pay for a number of expiring tax provisions, such as the R&D tax credit, the low-income housing tax credit, and the targeted jobs tax credit, to name just a few. So the actual amount we need to raise is probably nearer to the $10 to $12 billion range.

At the same time, however, we have a President who swept to a landslide victory with a promise of "No new taxes." I support the President's pledge not to raise taxes as do a very large number of my colleagues in the Senate. This does create a problem, however, when it comes to finding $10 billion or so to meet the reconciliation target and pay for the tax extras.

How do we resolve this dilemma? The administration has proposed reducing the tax rate on long-term capital gains, resulting in a political battle along very predictable and well-worn lines. If we continue down this road, with both sides playing political chicken, we are likely to be left by default with sequestration as our budget policy. Furthermore, if we continue down this road, many of the tax provisions that are scheduled to expire this year may, in fact, expire because we

may be unable to find a way to pay for them.

The Congress and the President obviously need more time to develop spending priorities and tax policies that the American people can support and that the Congress and the administration can adopt. We all know that the budget process has broken down, and it will take time and it will take political will to fix it. What I am proposing as part of my effort to reform the way we tax capital gains in this country is to create a 2-year window of opportunity to buy time to reform the budget process. If we fail to make meaningful reform, then 2 years from now the Congress will be back playing the kinds of political chicken and smoke and mirror games that have earned it such disrespect from the American people.

What I propose is to create a window in time in which taxpayers could realize their capital gains from the sale of corporate stock and tangible property held for at least 1 year at a maximum 15 percent rate of tax. The window would extend from the date of enactment to December 31, 1990 and would, therefore, extend over 2 fiscal years.

There are two advantages to a rate reduction window. First, by anyone's measure, it would raise billions of dollars in each of fiscal year 1990 and fiscal year 1991, thereby giving the Congress the time it needs to set tax and spending priorities. Second, reducing the rate for a short period would encourage individuals to rearrange their portfolios of assets, thereby promoting a more rational use of the Nation's capital.

To some of the inside-the-beltway crowd, the window offers a politically elegant solution to the same old problem. To tax purists, a label I would often don myself, the window is not a thing of beauty. To responsible legislators who see a need to come to grips with our near-term and long-term budget dilemmas, the window offers opportunity.

Many of my colleagues have no doubt seen articles and editorials criticizing the idea of a rate reduction window. What many of the writers of these articles oppose, in fact, is a rate reduction window in the absence of any other change. I would oppose such a window if that was all that was being proposed. I include a rate reduction window as part of my indexing proposal because it pays for indexing and for the small business tax relief, and because it creates a window of opportunity that will allow us to meet our reconciliation targets while struggling to develop a budget process that works.

The heart and soul of my bill is the indexation of capital gains and the one-time reduction in the capital gains tax rate facing original issue shareholders. Capital gains indexing is good tax policy. It will promote saving and investment and it will result in a fairer tax system. Helping small companies to raise capital to grow is also good tax policy. These are needed measures and I hope my colleagues will join me in trying to pass them.●

Mr. SYMMS. Mr. President, I want to join my colleague from Colorado [Mr. ARMSTRONG] in introducing today a bill to provide for indexing of income from the sale of capital assets. I disagree with him that the range of assets must be narrowed, however, and I have an amendment that I will be offering at the appropriate time.

In brief, my amendment broadens the definition of assets included in the Armstrong bill to include everything. I understand why the Senator from Colorado limited his bill to financial assets and assets used in business, but I think all assets should be included.

For the RECORD, the text of my amendment is as follows:

On page 9, beginning with line 22, strike all through page 10, line 3, and insert:

"(1) INDEXED ASSET.—For purposes of this section, the term 'indexed asset' means any asset the gain or loss from which, in the hands of the taxpayer, is treated as gain or loss from the sale or exchange of a capital asset, including property used in a trade or business (as defined in section 1231(b))."

EQUAL MARGINAL TAX RATES AND INFLATION'S EFFECT

Indexing of capital gains is essential if we are to have a tax system that puts the same real marginal tax rate on capital as we put on labor. Equality of the rates on income from all sources was one of the policy objectives of the 1986 Tax Reform Act, but we did not achieve it. Our present system imposes a higher real marginal tax rate on capital, because the top rates—a range between 28 and 33 percent—are imposed on the nominal gains, even though part of the nominal gains are due to multiyear inflation. Labor income is indexed, by means of widening the brackets to keep them in the same relative position after inflation, but capital gains is not.

Under today's tax law, a 10-percent gain over a period suffering 5-percent inflation is taxed at a real marginal rate of 56 to 66 percent. The real gain is only 5 percent, but the tax is imposed on all the real gains, plus the nominal growth in principal to cover inflation. In other words, the tax actually confiscates some of the principal.

Inflation is often called "rising prices," but it is also "a shrinking dollar." Picture a jar filled with large marbles; now picture the same jar filled with small marbles. I am trying to describe one jar filled at different times with two different sizes of marbles. More small marbles are able to fit in the jar, even though the volume is the same. A capital asset that appreciates partly due to inflation is like that jar. When you buy it, the dollar is more valuable—larger in purchasing power. Later you may sell the asset, and you are paid in smaller dollars—each one with less purchasing power. But we measure its sales price by counting the numbers of small dollars, and we measure its purchase price by the number of larger dollars. Your capital gain is figured by subtracting the number of large marbles from the number of small marbles. You can see how this is inaccurate and unfair.

Only at zero inflation does the tax rate on capital equal the tax rate on labor. Under present law, the unindexed tax rate on capital is always higher than the tax rate on labor income.

CONFUSION OF LABOR INCOME AND CAPITAL INCOME

If there were no difference between the way income from labor and income from capital gains is earned, those who oppose any kind of adjustment for inflation in the appreciation in the price of an asset over time might have a point. But in fact, this is the central point. Workers receive income from their labor as a continuous flow over time: They typically don't control when they receive it. Income from capital gains, however, is always fully under the discretionary control of the seller. He can choose to take it this year or wait until the distant future.

Owners of capital never have to pay capital gains tax if they simply hold on to their property. Selling an asset in order to buy a more useful or productive one, however, improves the efficiency of our market system. When we tax the rollover, we impose a wedge between the two possible uses of the capital investment. The newer, higher yield investment has to earn enough more to make the investor come out ahead after taxes, or he will choose to make no changes—no reinvestment will occur at all, and no tax will be paid. Society is often the loser from the reluctance of investors to move capital to a more productive use.

The socially optimal economic tax rate on capital gains is clearly zero for that reason—and we already tax savings and investment more heavily than our international competitors, and we tax savings once when the money is earned and before it can be initially invested. In order to encourage investments to be made for economic reasons rather than for tax reasons, we need to make the tax system neutral to the investor. A cash flow consumption tax would be the ideal system of taxation—permitting the movement of savings from investment project to investment project in response to the real needs of society. Under a cash flow consumption tax, individuals would be taxed on their income when they withdrew it from its productive applications and used it for their personal, private ends—for consumption.

But, of course, we are not able to approach that kind of more ideal system

of taxation at this time. Moreover, there is something to be said for a single marginal rate of tax on both labor income and capital income, adjusted for inflation, although there is no reason to believe that 28 percent is the rate of tax on capital that would maximize tax revenue. Except by experimenting with different rates, there is no way to know in advance what the revenue-maximizing capital gains tax rate would be.

WHY ALL ASSETS SHOULD BE INCLUDED

The Senator from Colorado has told me that he included in his bill only the assets that the President's proposal last March covered because he wanted to keep the debate over what form of capital taxation we should have focused on the issue of taxation, and not sidetracked over a debate over different merits for different assets—and all the technical details about different kinds of assets.

I am not sure I agree with that strategy. To me it seems clear than if a factory owner wanted to sell his factory and buy a rare painting to hang in his home, or wanted to get out of the stock market and put his entire investment into a collection of gold coins, the tax system ought not to pass judgment. The tax system ought to be neutral. Under the Senator's bill, the man could obtain capital gains treatment for selling the factory or the stock market portfolio, but if he wanted to do the exact opposite—to sell his rare paintings and build a factory, or to sell his gold coins and invest in the stock market—the tax system would actually discourage him.

I do not think the distinction that is often made, between so-called productive assets and so-called unproductive assets is a valid distinction; I think it is all in the eyes of the beholder what they call productive or unproductive. You tend to call unproductive those things you disapprove of, or those things that you yourself would not invest in. But the actual investor in paintings, or coins, or yachts, is earning some subjective marginal utility value from those holdings, and those assets are producing the services associated with their creation. But regardless of this quibble over how we label things in economics, it seems clear to me that all of us should favor the creation of more jobs, more demand for workers, who themselves may not have very much in the way of savings and investments. After all, it is by accumulating capital that productivity and hence wages can increase over time. Therefore, I believe it is very important not to discriminate among different kinds of assets in this tax proposal.

There is a very positive revenue effect from adopting a capital gains tax system. This is called the "unlocking effect," as it permits investors to move their investments without giving up so much of their capital in the process. This is because "locking," or the tendency for holders of appreciated property not to sell it if they have to pay taxes on the sale, increases more as the tax rate rises; "unlocking" increases as the tax rate falls.

LONG-TERM PLANNING MUST BE ENCOURAGED

The most important reason to have an indexed tax system for capital investments, however, has to do with the ability of our society to make longer term plans. Today capital investment is faced with an uncertain future tax rate because we face uncertainty about inflation. With indexing, the future tax rate would be fixed at a real 28 percent, and it could not rise higher unless Congress increased it explicitly. This benefit alone, I believe, justifies improving our Tax Code in this way. The fact that it can be done in a way that increases revenue is an additional benefit—and one that should appeal to Congressmen and Senators who want more to spend for social programs.

The opponents of lower capital gains tax rates have argued that the pecuniary benefits go to the wrong people. They very seldom admit that there are social benefits, even for the employed person who is not himself an investor, as capital investment adds to our national productivity and competitiveness. That's a very curious position for them to adopt, however, because in our society we recognize that natural endowments of talent, property, and luck are not equal, and that a free society has many more advantages than one where those endowments are forced to a common level. As Members of Congress, we have a duty to make our tax laws conform with the incentives that drive a free market system—not to make policy on the basis of our belief in the moral virtue of a particular social class.

A capital gains tax rate that encourages the wealthy to sell and reinvest their capital for greater productivity—and pay part of it to the Treasury in the process—is certainly a better result all around than a tax system that discourages any wealthy person from ever selling and reinvesting, and thus reduces potential revenues to the Treasury. It is simply common sense to fix the 1986 tax law to reduce the real marginal tax on capital to equal that of the tax rate on labor income. It is also the only fair thing to do.

By Mr. KERRY (for himself, Mr. D'AMATO, Mr. LEVIN, and Mr. SANFORD):

S. 1312. A bill to improve the ability of States and localities impacted by narcotics related crime to monitor, track, and prosecute major narcotics offenders, money launderers, and youth gangs involved in narcotics trafficking and money laundering operations; to the Committee on the Judiciary.

IMPROVING INTELLIGENCE REGARDING NARCOTICS TRAFFICKING AND MONEY LAUNDERING OPERATIONS

Mr. KERRY. Mr. President, anyone with his eyes open knows how serious the narcotics problem is across this country. But recently, I asked the FBI to provide me with statistical summaries of criminal activity across the United States. And what the statistics clearly showed is that increasingly, cocaine is the crime problem in the United States. When you look at the statistics, when you see more cocaine, you see more crime—more violent crime—more crimes against property—more crimes against people.

Local law enforcement has already responded valiantly to the problem. Police are arresting more people in connection with cocaine, and more people are going to prison for drug trafficking.

And yet, the price of cocaine keeps going down. The supply of cocaine appears unchanged, or is even increasing.

National criminal justice statistics demonstrate that rather than hire more law enforcement officers, we are relying on the same numbers to work harder in the war on drugs across the Nation. The police need help to do their job. Yesterday, I cosponsored legislation to establish a new national program for recruiting and training local police, called "The Police Corps," which would provide Federal scholarship money for educating and training a corps of young police officers who would serve 3 to 4 years to supplement regular police.

Today I am introducing legislation on behalf of myself, Senators D'AMATO, LEVIN, and SANFORD which tries to address this situation by creating a lever to improve the capability of local law enforcement people to fight the war on drugs. The lever is support from the Federal Government for the first time for local and State drug intelligence units.

I think it is clear that more arrests by themselves will not slow the flow of drugs into our Nation. The drug traffickers have grown into ever bigger networks of trafficking. Local police and DA's have told me time and again that they still lack the resources to make the best possible cases against the most significant narcotics trafficking organizations. We can and must help.

This bill will provide $120 million in desperately needed funds to local police departments across the country to develop better drug intelligence gathering networks to help wage a real war against drugs.

For too long, we have heard how drug trafficking organizations have better communications equipment, better electronic intelligence, even better computers than law enforcement—and that our police lack the

tools they need to go beyond the local distributors of drugs to the big organizations that move the drugs into the communities.

When I was a prosecutor in Middlesex County, I remember the frustration of not having the right equipment to make the buys or to track down information on drug offenders. For that to still be the case today when drugs are overrunning our communities is not acceptable. That is why I am very hopeful that this legislation will become law and we can begin to provide essential resources for our police departments.

I ask unanimous consent that the full text of the legislation, as well as the factsheet describing it, be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Drug Intelligence Assistance Act of 1989".

SEC. 2. ESTABLISHMENT AND AUTHORIZATION OF PROGRAM.

Part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3750 et seq.) is amended by—

(1) redesignating subpart 3 as subpart 4;

(2) redesignating sections 520, 521, and 522 as sections 530, 531, and 532, respectively; and

(3) adding after subpart 2 the following new subpart:

"Subpart 3—Drug Intelligence

"PURPOSES

"SEC. 520. (a) The purpose of this subpart is to improve the ability of States and units of local government impacted by narcotics related crime to monitor, track, and prosecute major narcotics offenders and money launderers, as well as youth gangs involved in narcotics activity, by improving intelligence regarding narcotics trafficking and money laundering operations.

"(b) The Director is authorized to make grants to—

"(1) States and units of local governments as provided in section 521; and

"(2) cities as provided in section 522,

to establish local and regional drug intelligence units.

"(c) Grants under this subpart shall be used for the following activities:

"(1) establishing, maintaining, and improving antinarcotics and money laundering intelligence units at the State and local level;

"(2) developing better interstate and intrastate narcotics intelligence networks and systems, including the acquisition of appropriate electronics and computer technologies for the purpose of detecting and monitoring narcotics trafficking and money laundering enterprises, including youth gangs engaged in such activities;

"(3) organizing, educating, and training special drug intelligence units to combat narcotics trafficking and money laundering enterprises, including youth gangs engaged in such activities;

"(4) organizing, educating, and training regular law enforcement officers and law enforcement reserve units to combat narcotics trafficking and money laundering enterprises, including youth gangs engaged in such activities;

"(5) recruiting and organizing neighborhood participation in the development of narcotics related intelligence;

"(6) enhancing State and local efforts to apprehend and prosecute significant narcotics trafficking or money laundering enterprises or operations, including individuals involved in youth gangs engaged in such activities; and

"(7) developing intelligence on narcotics trafficking or money laundering enterprises, and prosecuting criminals engaged in such enterprises.

"ALLOCATION AND DISTRIBUTION OF FUNDS UNDER FORMULA GRANTS TO STATES AND UNITS OF LOCAL GOVERNMENT

"SEC. 521. (a) Amounts appropriated for this section in any fiscal year shall be allocated to States as follows:

"(1) $500,000 shall be allocated to each of the participating States; and

"(2) of the total funds remaining after the allocation under paragraph (1), there shall be allocated to each State an amount which bears the same ratio to the amount of remaining funds appropriated under this section as the population of such State bears to the population of all the States.

"(b)(1) Each State which receives funds under subsection (a) of this section in a fiscal year shall distribute 40 percent of such funds among units of local government of less than 100,000 in population in such State for the purpose of developing Statewide drug intelligence systems focusing on those areas where most drug-related offenses occur outside a major metropolitan area.

"(2) In distributing funds received under this section among urban, rural, and suburban units of local government and combinations thereof, the State shall give priority to those jurisdictions with the greatest need.

"(3) Any funds not distributed to units of local government under paragraph (2) shall be available for expenditure by the State involved.

"(4) For purposes of determining the distribution of funds under paragraphs (1) and (2), the most accurate and complete data available for the fiscal year involved shall be used. If data for such fiscal year are not available, then the most accurate and complete data available for the most recent fiscal year preceding such fiscal year shall be used.

"(c)(1) To request a grant under this section, the chief executive officer of a State shall submit an application in compliance with the provisions of section 503.

"(2) No funds allocated to a State under subsection (a) or received by a State for distribution under subsections (b) and (c) may be distributed by the Director or by the State involved for any program other than a program contained in an approved application.

"(d) If the Director determines, on the basis of information available during any fiscal year, that a portion of the funds allocated to a State for that fiscal year will not be required or that a State under this section, then such portion shall be awarded by the Director to urban, rural, and suburban units of local government or combinations thereof within such State giving priority to those jurisdictions with greatest need.

"(e) Any funds allocated under subsection (a) that are not distributed under this section shall be available for obligation under section 522.

"ALLOCATION AND DISTRIBUTION OF FUNDS UNDER FORMULA GRANTS TO CITIES

"SEC. 522. (a) Amounts appropriated for this section in any fiscal year shall be allocated to urban units of local government as follows:

"(1) $250,000 to each unit with a population between 100,000 and 250,000;

"(2) $350,000 to each unit with a population between 250,001 and 500,000;

"(3) $500,000 to each unit with a population between 500,001 and 1,000,000; and

"(4) $750,000 to each unit with a population over 1,000,000.

"(b)(1) To request a grant under this section, the chief executive officer of a city shall submit an application in compliance with the provisions of section 503, except that any reference in such section to the 'chief executive officer of a State' and a 'State' shall be deemed to be a reference to the 'chief executive officer of a city' and a 'city'.

"(2) No funds allocated to a city under subsection (a) may be distributed by the Director or by the city involved for any program other than a program contained in an approved application.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 523. (a) Notwithstanding section 1001, there is authorized to be appropriated—

"(1) $63,000,000 for grants under section 521; and

"(2) $57,000,000 for grants under section 522,

for each of the fiscal years 1990, 1991, and 1992.

"(b) No funds appropriated under section 1001 shall be available for programs under this subpart.".

SEC. 3. CONFORMING AND TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO PART E.—(1) Section 530 of part E of the Omnibus Crime Control and Safe Streets Act of 1968, as redesignated by section 2 of this Act (old section 520) is amended—

(A) in subsection (a)(2), by striking "funded under" through "part" and inserting "funded under sections 506, 511, 521, and 522 of this part"; and

(B) in subsection (b)(2), by striking "funded under" through "part" and inserting "funded under sections 506, 511, 521, and 522 of this part".

(2) Section 532 of such Act (old section 522) is amended—

(A) in subsection (a)—

(i) by inserting after "section 506" the following: "and section 521";and

(ii) inserting "or subpart 3" after "subpart 2" in paragraph (2); and

(B) in subsection (b)—

(i) by striking "and subpart 2" in paragraph (1) and inserting ", subpart 2, and subpart 3"; and

(ii) by inserting "and subpart 3" after "subpart 1" in paragraph (2).

(b) AMENDMENTS TO TABLE OF CONTENTS.—The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by—

(1) redesignating subpart 3 of part E as subpart 4 and redesignating sections 520, 521, and 522 as sections 530, 531, and 532, respectively; and

(2) inserting after subpart 2 the following:

"Subpart 3—Drug Intelligence

"Sec. 520. Purposes.

"Sec. 521. Allocation and distribution of funds under formula grants to States and units of local government.

"Sec. 522. Allocation and distribution of funds under formula grants to cities.

"Sec. 523. Authorization of appropriations.".

FACT SHEET—THE DRUG INTELLIGENCE ASSISTANCE ACT OF 1989

Purpose: To improve the ability of states and localities impacted by narcotics-related crime to monitor, track, and prosecute major narcotics offenders and money launderers by improving intelligence regarding narcotics trafficking and money laundering operations.

Funding: To seek $210 million in new funding for assistance to states and local governments in establishing a network of drug intelligence units.

How divided?: Would consist of two forms of fundings:

Formula grants to each State: $63 million. Of this amount, $500,000 to each State to establish drug intelligence units, with the funds to be spent on computers, electronic intelligence and communications, and personnel for drug intelligence taskforces which would help cities and states make the big busts they need to fight the war on drugs. (Cost: $25 million, the remaining $38 million in formula grants would go to each State on the basis of the State's relative share of the total U.S. population as determined by the Bureau of the Census provisional estimates; Massachusetts, for example, would receive about $1.4 million; California $5.5 million).

Forty percent of the funding of the formula grants will be passed on by the states to the localities through discretionary grants to cities and towns of less than 100,000 in population. The discretion given to the states in determining how to divide up the 40 percent among localities is to facilitate the development of a state-wide drug intelligence system that focuses on those areas where most drug-related offenses occur.

Formula grants to each city with a population of over 100,000: $250,000 to each city with a population between 100,000 and 250,000; $350,000 to each city with a population between 250,000 and 500,000; $500,000 to each city with a population between 500,000 and 1,000,000; and $750,000 to each city with a population of a million or more.

Cost: 250,000 × 122 = $30.5 million; 350,000 × 37 = $13.0 million; 500,000 × 15 = $7.5 million; 750,000 × 8 = $6.0 million.

Total $57.0 million.

Oversight: Prior to receiving any federal funds, each state must develop a statewide drug intelligence strategy after consultation with state and local officials whose duty it is to enforce drug and criminal laws, and provide that strategy to the Justice Department.

Purposes for which the funds may be used:

1. Developing better interstate and intrastate narcotics intelligence networks and systems, including the acquisition of appropriate electronics and computer technologies for the purpose of detecting and monitoring narcotics trafficking and money laundering enterprises.

2. Organizing, educating and training special drug intelligence units to combat narcotics trafficking and money laundering enterprises.

3. Organizing, educating and training regular law enforcement officers and law enforcement reserve units to combat narcotics trafficking and money laundering enterprises.

4. Recruiting and organizing neighborhood participation in the development of narcotics related intelligence.

5. Enhancing state and local efforts to apprehend and prosecute significant narcotics trafficking or money laundering enterprises or operations.

6. Developing intelligence on narcotics trafficking or money laundering enterprises, and prosecuting criminals engaged in such enterprises.

NEW ASSISTANCE AUTHORIZED

[Amounts to cities are in addition to amounts for States; State amounts are approximations; actual amounts would depend on most recent census figures]

	Million
Alabama	1.200
Birmingham	.350
Huntsville	.250
Mobile	.250
Montgomery	.250
Alaska	.580
Anchorage	.250
Arizona	1.000
Glendale	.250
Mesa	.350
Phoenix	.500
Scottsdale	.250
Tempe	.250
Tucson	.350
Arkansas	.860
Little Rock	.250
California	4.700
Anaheim	.250
Bakersfield	.250
Chula Vista	.250
Concord	.250
Fremont	.250
Fresno	.350
Fullerton	.250
Garden Grove	.250
Hayward	.250
Huntington Beach	.250
Inglewood	.250
Long Beach	.350
Los Angeles	.750
Modesto	.250
Oakland	.350
Ontario	.250
Orange	.250
Oxnard	.250
Pasadena	.250
Pomona	.250
Riverside	.250
Sacramento	.350
San Bernardino	.250
San Diego	.750
San Francisco	.500
San Jose	.500
Santa Ana	.250
Stockton	.250
Sunnyvale	.250
Torrance	.250
Colorado	1.000
Aurora	.250
Colorado Springs	.350
Denver	.500
Pueblo	.250
Connecticut	.980
Hartford	.250
New Haven	.250
Stamford	.250
Waterbury	.250
Delaware	.600
District of Columbia	.500
Florida	2.500
Fort Lauderdale	.250
Hialeah	.250
Hollywood	.250
Jacksonville	.500
Miami	.350
Orlando	.250
St. Petersburg	.250
Tallahassee	.250
Georgia	1.500
Atlanta	.350
Columbus	.250
Macon	.250
Savannah	.250
Hawaii	.660
Honolulu	.350
Idaho	.650
Boise	.250
Illinois	2.200
Chicago	.750
Peoria	.250
Rockford	.250
Springfield	.250
Indiana	1.200
Evansville	.250
Fort Wayne	.250
Gary	.250
Indianapolis	.500
South Bend	.250
Iowa	1.200
Cedar Rapids	.250
Des Moines	.250
Kansas	1.100
Kansas City	.250
Topeka	.250
Wichita	.350
Kentucky	1.260
Lexington-Fayette	.250
Louisville	.350
Louisiana	1.300
Baton Rouge	.250
New Orleans	.500
Shreveport	.350
Maine	.680
Maryland	1.300
Baltimore	.500
Massachusetts	1.400
Boston	.500
Springfield	.250
Worcester	.250
Michigan	1.900
Ann Arbor	.250
Detroit	.750
Flint	.250
Grand Rapids	.250
Lansing	.250
Sterling Heights	.250
Warren	.250
Minnesota	1.300
Minneapolis	.350
St. Paul	.350
Mississippi	1.100
Jackson	.250
Missouri	1.400
Independence	.250
Kansas City	.350
St. Louis	.350
Springfield	.350
Montana	.620
Nebraska	.750
Lincoln	.250
Omaha	.350
Nevada	.650
Las Vegas	.250
Reno	.250
New Hampshire	.650
New Jersey	1.700
Elizabeth	.250
Jersey City	.250
Newark	.350
Paterson	.250
New Mexico	.950
Albuquerque	.350
New York	3.300
Buffalo	.350
New York City	1.000
Rochester	.250

Syracuse	.250
Yonkers	.350
North Carolina	1.500
Charlotte	.350
Durham	.250
Greensboro	.350
Raleigh	.250
Winston-Salem	.350
North Dakota	.600
Ohio	2.200
Akron	.250
Cincinnati	.350
Cleveland	.500
Columbus	.500
Dayton	.250
Toledo	.350
Youngstown	.250
Oklahoma	1.000
Oklahoma City	.350
Tulsa	.350
Oregon	.920
Eugene	.250
Portland	.350
Pennsylvania	2.500
Allentown	.250
Erie	.250
Philadelphia	.750
Pittsburgh	.350
Rhode Island	.650
Providence	.250
South Carolina	1.000
South Dakota	.600
Tennessee	1.200
Chattanooga	.250
Knoxville	.250
Memphis	.500
Nashville-Davidson	.350
Texas	3.900
Abilene	.250
Amarillo	.250
Arlington	.250
Austin	.350
Beaumont	.250
Brownsville	.250
Corpus Christi	.350
Dallas	.750
El Paso	.350
Fort Worth	.350
Garland	.250
Houston	.750
Irving	.250
Laredo	.250
Lubbock	.250
Odessa	.250
Pasadena	.250
Plano	.250
San Antonio	.500
Waco	.250
Utah	.950
Salt Lake City	.250
Vermont	.580
Virginia	1.400
Chesapeake	.250
Hampton	.250
Newport News	.250
Norfolk	.350
Portsmouth	.350
Richmond	.250
Roanoke	.350
Virginia Beach	.350
Washington	1.200
Seattle	.350
Spokane	.250
Tacoma	.250
West Virginia	1.000
Wisconsin	1.200
Madison	.250
Milwaukee	.500

By Mr. PRYOR (for himself, Mr. COCHRAN, Mr. FOWLER, Mr. BUMPERS, and Mr. DECONCINI):

S. 1313. A bill to provide that all persons marketing cotton in the United States participate in defraying costs of the research and promotion program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

COTTON RESEARCH AND PROMOTION ACT AMENDMENTS

Mr. PRYOR. Mr. President, today I rise to introduce the Cotton Research and Promotion Act Amendments of 1989. This bill would amend the Cotton Research and Promotion Act of 1966 to provide producers an opportunity to express support for a significantly stronger, more adequately financed program. This bill has been endorsed by 54 local, regional, and national cotton organizations representing producers, ginners, crushers, merchants, warehouses, cooperatives, and manufacturers. This legislation is a natural extension of the 1966 act, and I hope it will meet with broad approval from my colleagues.

The Cotton Research and Promotion Act of 1966 has had remarkable success in allowing cotton to recapture its share of the world marketplace. The bill I am introducing today should serve only to strengthen that position. Cotton faces a continuing competition from synthetic fibers, and the volume of imported products containing foreign grown cotton now accounts for nearly half of U.S. domestic cotton consumption at retail.

Mr. President, I strongly urge my colleagues to join me in supporting this legislation so that a mainstay of American agriculture can continue to strengthen itself in the world marketplace. This self-help piece is an example of what has enabled our agriculture to gain a prominent place in global agriculture, and it will take legislation such as this to assure that we maintain and build on this strength.

Mr. President, I ask unanimous consent that an explanation of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRIEF EXPLANATION OF THE COTTON RESEARCH AND PROMOTION ACT AMENDMENTS OF 1989

(1) The bill contains procedures for the issuance of an amendment to the Cotton Research and Promotion Order which—

Provides for importers of upland cotton and cotton products (other than industrial products) to be subject to an assessment; in the case of imported products, the assessment would apply to the upland cotton content of the imported product.

Provides for importers to pay a rate of assessment that would be determined in the same manner as the rate paid by producers, but the assessment resulting from such rate would be reduced by a percentage equivalent to the overall proportion of exports that were reentered into the United States in the form of cotton and cotton products in the most recent year for which statistics are available.

Provides for an exemption for (1) any entry of cotton, including the cotton content of cotton products, that has a value or weight less than a *de minimis* figure established by the Secretary, and (2) all entries by an importer during the year if they total less than a *de minimis* amount established by the Secretary.

Provides for an appropriate number of importers to serve on the Cotton Board.

Provides for termination of the Cotton Board's authority to process applications for refunds if the amendment to the order is approved in a referendum.

Increases from $200,000 to $300,000 the expenses for which the Secretary is reimbursed that are incurred in connection with a referendum, and provides that the agency or Government which assists in administration of the import provisions would be reimbursed for reasonable expenses that it incurs in its work.

(2) The procedures for issuing the foregoing amendment to the Order, require that—

Within 120 days after the date of enactment of the bill, the Secretary would issue proposed implementing regulations after notice and opportunity for public comment.

Within eight months after the date of enactment of the bill, a referendum would be held and the amendment would become effective on an interim basis if approved by a majority of producers voting.

If approved, another referendum would be held among producers and importers between 15 and 30 months after the date of enactment of the bill to confirm approval of the amendment. The amendment would no longer be effective if disapproved by a majority of producers and a majority of importers voting; if approved, the Secretary would issue final implementing regulations.

Assessments collected from importers would be held in escrow pending results of the referendum in which importers participate and would be refunded, if the amendment is disapproved upon demand by the importer that paid the assessment in accordance with regulations and within a time period prescribed by the Board.

If the foregoing referendum occurs, once every five years thereafter, producers and importers may request another referendum to determine whether the amendment should continue, or if it is not then in effect, whether the amendment should become effective. The amendment would be subject to a referendum if ten percent of producers and importers request the referendum; *Provided*, That not more than 20 percent of the persons making the request represent producers from any one State or importers of cotton. The amendment would be effective unless disapproved by a majority of producers and a majority of importers voting in the referendum.

Mr. FOWLER. Mr. President, I rise today to join my colleagues Senator PRYOR and Senator COCHRAN in introducing the Cotton Research and Promotion Amendments Act of 1989.

These kinds of checkoff programs have been very popular and very successful for a number of commodities—because they are essentially self-help programs. We allow the cotton industry and other commodity producers to develop the market for their products, coordinating their efforts throughout the process, from research and product development to advertising.

These amendments would extend the logic of these successful programs

to allow cotton growers to determine what is in their program accordingly through a referendum process. This legislation is supported by a broad base of cotton producers, ginners, crushers, merchants, warehouses, cooperatives, and manufacturers.

The cotton marketing program has been very successful in rebounding from the losses of the last few decades. Our people have rediscovered cotton. Increasingly they realize that no man-made synthetic can equal the clean, comfortable, natural fiber that comes from the fields of the South.

But that does not mean that American cotton growers are not still hard-pressed by competition. This legislation would allow cotton producers to strengthen the program. The most obvious need is for increased funding.

The program currently relies on income generated by uniform assessment on domestically produced raw upland cotton. Our legislation would give our farmers the choice of adding an assessment to imported cotton, which also benefits from the cotton marketing program in competition with synthetic fiber. Imports also benefit from consumer awareness of cotton and new product development.

In fact, cotton imports have grown to 40 percent of U.S. consumption. These amendments in no way restrict imports of cotton products. But they do allow domestic producers to decide whether importers should pay their fair share to receive the benefits of the marketing program.

The referendum called for under this legislation would not be about increasing assessment rates, changing procedures for dispersing funds, or establishing unfair advantages for any segment of the market. It treats domestic upland cotton and the cotton content of imported products exactly the same and requires the same assessment for both.

It also allows for built-in review and modification of the program on a regular basis. If we have learned anything about trade and markets in recent years, as we have faced stiffer challenges from foreign competitors, it is that these things do not remain static. We live in a changing world with ever changing marketing needs and opportunities.

We can't afford to remain static in any business. We have to continually explore new areas of research and product development, advertising and promotion. That goes for cotton as well as computers.

I want to emphasize that we are in no way talking about providing any Federal funding assistance. Cotton producers are willing and able to do this on their own. They are not asking for a Federal handout. They are merely asking us to change the rules of their marketing program so that they can help themselves.

By Mr. BOREN (for himself, Mr. PRYOR, Mr. FOWLER, and Mr. DASCHLE):

S. 1314. A bill to amend the Honey Research, Promotion, and Consumer Information Act to improve the coordinated program of research, promotion, and consumer education established for honey and honey products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AMENDING THE HONEY, PROMOTION, AND CONSUMER INFORMATION ACT

● Mr. BOREN. Mr. President, today I am introducing the Honey Research, Promotion, and Consumer Information Act of 1989 along with my colleagues, Senators PRYOR, FOWLER, and DASCHLE. This bill will simply make technical changes in the existing honey research and promotion program.

Frist, this bill would allow one of the two seats on the honey board now allotted for importers to be filled by an exporter. The need for this change is reflected in the recent drop in honey imports to the United States. Honey imports have decreased from 13.8 million pounds in 1985 to 5.8 million pounds in 1987.

This bill also provides that those honey producers or producer-packers that produce less than 6,000 pounds would qualify for the assessment exemption only if the honey is consumed at home, donated, or distributed directly by the producer through a retail outlet.

Another important provision of the bill is that which clarifies existing law to allow for patents and copyrights developed with honey board funds to be the property of the Board.

Finally, the bill makes additional changes in the way assessments are made on honey under the loan program and in the way refunds are paid back to importers.

Mr. President, these changes are technical in nature. However, they are very important to the continued success of the honey promotion program; the amendments will allow the program to run more fairly and efficiently. The changes are supported by both the American Honey Producers Association and the Beekeepers Federation. I urge my colleagues to support this legislation and I ask unanimous consent that both the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Honey Research Promotion, and Consumer Information Act Amendments of 1989".

DEFINITIONS

SEC. 2. Section 3 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4602) is amended by adding at the end thereof the following new paragraph:

"(18) The term 'exporter' means any person who exports honey or honey products from the United States.".

REQUIRED TERMS OF AN ORDER

SEC. 3. Section 7 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606) is amended by—

(a)(1) amending subsection (b)(1) by inserting after the first sentence the following new sentence: "A State association may nominate not more than one person from such State to serve on the Committee.";

(2) amending subsection (b)(5) by inserting after the first sentence the following new sentence: "The Committee may nominate not more than one person for each member or alternate position on the Honey Board."; and

(3) amending subsection (c)(2) by striking out in the second sentence "or alternates";

(b) amending subsection (c)(2)(C) to read as follows: "(C) two members who are either importers or exporters of which at least one shall be an importer, appointed from nominations submitted by the Committee from recommendations by industry organizations representing importer and exporter interests";

(c) amending subsection (c)(4) by striking out the period at the end thereof and inserting in lieu thereof the following: "; except that, if as a result of redistricting the residence of the member or alternate is no longer in the region from which such person was appointed, such member or alternate may serve out the term for which such person was appointed.";

(d) amending subsection (e)(2) to read as follows:

"(2) A producer or producer-packer who produces or produces and handles less than six thousand pounds of honey per year or an importer who imports less than six thousand pounds of honey per year shall be exempt from the assessment if such producer, producer-packer, or importer consumes at home, donates, or distributes directly through local retail outlets the entire amount so produced, produced and handled, or imported. In order to claim such exemption, a person shall submit an application to the Honey Board stating that the person's production, handling, or importation of honey for the year for which the exemption is claimed shall meet the requirements of this paragraph. If, after a person receives an exemption from the assessment for any year, such person no longer meets the foregoing requirements of this paragraph for an exemption, such person shall file a report with the Honey Board in the form and manner prescribed by the Board and pay the assessment on or before March 15 of the subsequent year on all honey produced or imported during the year."; and

(e) A new subsection (h) is added at the end thereof as follows:

"(h) Any patents, copyrights, inventions, product formulations, or publications developed through the use of funds collected by the Board shall be the property of the Board and any funds generated from such patents, copyrights, inventions, or publications shall inure to the benefit of the Board.".

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

COLLECTION OF ASSESSMENTS, REFUNDS

SEC. 4. Section 9 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4608) is amended by—

(a) amending subsection (d) to read as follows:

"(d) In any case in which a loan is made with respect to honey under the Honey Price Support Loan Program, the Secretary shall provide for the assessment to be deducted from the disbursement of any loan funds made to the producer and for the amount of such assessment to be forwarded to the Honey Board. The Secretary shall provide for the producer to receive a statement of the amount of the assessment deducted from the loan funds promptly after each time any loan funds are disbursed.";

(b) amending subsection (f) by inserting "and persons receiving an exemption from the assessment" immediately before "shall maintain and make available for inspection by the Secretary such books and records";

(c) amending subsection (h) to read as follows:

"(h) Any producer or importer may obtain a refund of the assessment collected from the producer or importer if demand is made within the time and in the manner prescribed by the Honey Board and approved by the Secretary; except that during any year the amount of refunds made to each importer, as a percentage of total assessments collected from such importer, shall not exceed the amount of refunds made to domestic producers as a percentage of total assessments collected from such producers. Such refund shall be made by the Honey Board in June and December of each year, and a producer who has obtained a Honey Price Support Loan may obtain a refund at that time if the producer has submitted to the Honey Board the statement received under subsection (d) of the amount of assessment deducted from the loan funds and has otherwise complied with the provisions of this subsection, even though the loan with respect to which the assessment was collected may still be outstanding and final settlement has not been made."; and

(d) adding at the end thereof a new subsection as follows:

"(i) If a first handler or the Secretary fails to collect an assessment from a producer under this section, the producer shall be responsible for payment of the assessment."

EFFECTIVE DATE

SEC. 5. The Secretary shall issue an amendment to the order provided for by the Honey Research, Promotion, and Consumer Information Act implementing the provisions of this Act after notice and opportunity for public comment. The amendment shall become effective on the date of issuance of the amendment.

BRIEF EXPLANATION OF PROPOSED AMENDMENTS TO THE HONEY RESEARCH PROMOTION, AND CONSUMER INFORMATION ACT

Section 1. Provides a short title to the proposed legislation.

Section 2. Defines exporter as a person who exports honey or honey products from the United States.

Section 3. (a) Provides that each State Association would nominate one person from the State to serve on the National Honey Nominations Committee and that the Committee would nominate one person for each member or alternate position on the Honey Board.

(b) Permits one of the two seats on the Honey Board currently allotted to importers to be filled by an exporter. The field of qualified importers is limited and when the current members and alternates must step down at the end of their terms, replacing them will be difficult. Also, imports have been reduced since the marketing loan program was instituted and exports have been increased so that it would be appropriate to substitute an exporter for an importer on the Board if necessary. Imports have been reduced from a high of 13.8 million pounds in 1985 to 5.8 million pounds in 1987.

(c) Permits a member of the Board or an alternate to serve out that person's term if, as a result of redistricting, the residence of the member or alternate is no longer in the region from which the person was appointed. Producer districts are reviewed every five years and may be redrawn as a result of the review. The amendment assures continuity on the Board. A person is selected for a three year term and under the amendment would serve an area in which he no longer resided for a relatively brief period.

(d) Provides that those producers or producer-packers who produce, or produce and handle, less than 6000 pounds of honey per year and those importers who import less than 6000 pounds of honey per year would qualify for the assessment exemption only if the honey were consumed at home by such person, or donated or distributed directly through retail outlets by the producer, producer-packer or importer.

The amendment simplifies administration of the exemption by eliminating the exemption where honey is sold to handlers or is placed under a price support loan. Once honey moves into the normal stream of the commerce, the assessment is automatically collected and the Honey Board must later make reimbursement. Under the amendment, honey producers of less than 6,000 pounds who sell honey in normal commercial channels would not automatically receive a refund, as is the case under current law, but would be treated the same as other producers if they should seek a refund.

(e) Provides for patents, copyrights, inventions, product formulations, or publications developed with Board funds to be the property of the Board and any income derived therefrom to inure to the benefit of the Board to be used for program purposes. This amendment would clarify existing law.

Section 4. (a) Provides for the assessment to be deducted any time a disbursement of loan funds is made under the Honey Price Support Loan Program and for the producer promptly to receive a statement of the deduction of assessments made instead of receiving such proof after the loan is redeemed.

This amendment and amendment b(2) are designed to enable a producer who received a price support loan promptly to receive a statement of the assessments deducted from the loan and to qualify for a refund, even though final settlement had not been made. Currently refunds cannot be made until final settlement of the loan. Refunds cannot even be made when portions of the honey under loan are redeemed. The current law effectively delays refunds for a number of months, often until the maturity date of the loan.

(b) Requires persons who obtain an exemption from the assessment to maintain and make available for inspection books and records and file reports as required by the order in order to assure proper enforcement of the exemption provision.

(c)(1) Provides for each importer to be eligible for refunds up to an amount that represents the same percentage of assessments collected from that importer as the percentage of refunds collected from producers.

At present the percentage limitation on refunds to importers is construed as applying collectively to refunds received by all importers, rather than to refunds that may be made to each importer. This results in importers who file early for a refund receiving a refund of all assessments paid by them; while those who delay may not qualify at all for a refund if the overall limitation on importer refunds had been reached. The amendment would clarify the intent of existing law and would result in all importers being treated the same.

(2) Provides for a producer who has received a price support loan to qualify for a refund once the deduction of the assessment had been made, even though final settlement had not been made of the loan. Refunds would be made in June and December at the same time as refunds are made to handlers and importers. See comment under (a).

(d) Provides that if the first handler or the Secretary fails to collect the refund, as has occurred on occasion, the producer shall be responsible for payment of the assessment.

Section 5. Provides for the amendment to become effective upon issuance of implementing regulations after notice and public comment, without the necessity for a referendum of producers.●

By Mr. DECONCINI (for himself and Mr. CRANSTON):

S. 1315. A bill to provide certain administrative authority and requirements for the administration of the Arizona Veterans Memorial Cemetery by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

RELATING TO ADMINISTRATION OF THE ARIZONA VETERANS MEMORIAL CEMETERY

● Mr. DECONCINI. Mr. President, as a member of the Senate Committee on Veterans' Affairs, I am introducing, along with my distinguished colleague, the chairman of the Veterans' Affairs Committee, Senator CRANSTON, an important bill to establish certain administrative authority and requirements for the Arizona Veterans Memorial Cemetery. Specifically, this bill would authorize the Department of Veterans Affairs to employ persons in connection with the administration of this cemetery if they were employed by the State of Arizona in that capacity at the State-run Arizona Veterans Memorial Cemetery on the day before the cemetery was transferred to the United States pursuant to section 346 of the Veterans Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 541). In addition, this bill would require the Secretary of Veterans Affairs to prepare an operating budget plan for the administration of the cemetery for fiscal years 1989, 1990, and 1991, and submit such plans to the Committee on Veterans' Affairs of the Senate and House of Representatives.

Before I discuss the needs for the current proposal, I would like to ex-

press my deep appreciation and gratitude to the distinguished chairman and the ranking member of the Senate Committee on Veterans' Affairs, Senators CRANSTON and MURKOWSKI, without whose invaluable assistance the dream of a new national cemetery in Arizona could never have been realized. I would also like to give special thanks to my friend and distinguished colleague from Arizona, Senator MCCAIN, for all his hard work in the development of the original authorization for the incorporation of the Arizona Veterans Memorial Cemetery into the National Cemetery System. And I would be remiss if I did not mention invaluable contributions of House Committee on Veterans' Affairs Chairman SONNY MONTGOMERY and Representative BOB STUMP, that committee's new ranking member, in these efforts. Finally, I would like to thank all the members of the Arizona delegation, both past and present, for their cooperation and support through the years on this issue.

Together we have traveled a long road since 1976 when the State of Arizona first appropriated funds for the development of a parcel of land in Maricopa County for use as a veterans' cemetery. Mr. President, the State of Arizona's Veterans Service Commission obtained the land for a cemetery in 1976, and the cemetery was then developed by the State with a Veterans' Administration [VA] grant pursuant to the 50/50 matching funds program in section 1008 of title 38, United States Code. The cemetery opened in May 1979 as the Arizona Veterans Memorial Cemetery and was operated by the State until 1989.

On May 22, 1988, section 346 of Public Law 100-322, which was based on legislation I authored, was enacted to provide for the transfer of the cemetery into the National Cemetery System. The transfer was effective on April 1, 1989, and the cemetery was then renamed "The National Memorial Cemetery of Arizona." It now operates as the 113th cemetery in the National Cemetery System.

Mr. President, when the transfer became effective, certain State of Arizona employees who had provided exceptional service to the facility when it was run by the State were nevertheless found to be ineligible for Federal employment because they were not Federal civil service employees and apparently did not test well on normal civil service standardized measures despite their specialized experience and expertise. This bill would authorize the Department of Veterans Affairs [DVA] to employ certain persons who had worked at the cemetery prior to its transfer into the National Cemetery System. Specifically, under this bill, DVA could employ such persons without regard to civil service requirements if they meet criteria and qualifications established by the Secretary.

In addition, this bill includes a reporting requirement regarding the funding of the operations of the cemetery. Under the provisions of section 346 of Public Law 100-322, the Secretary is prohibited, for 3 fiscal years, from obligating funds for the operation of the cemetery in excess of the greater of: First, the amount the Secretary estimates the DVA would have been required to pay under section 903(b)(1) of title 38—relating to payments to States in connection with the DVA $150 burial payment for each eligible veteran in a State cemetery—had the cemetery not been transferred; or second, the amount that VA paid to the cemetery in fiscal year 1987, which was $129,000, under that authority.

Our bill would require the Secretary to outline in an operating budget plan the anticipated sources of funds for the operation of the cemetery for each of fiscal years 1989, 1990, and 1991, and, to submit such plan each year to the Committees on Veterans' Affairs of the Senate and the House of Representatives. The plan for fiscal year 1989 would be due within 30 days after the enactment of this bill, the fiscal year 1990 plan would be due by October 1, 1989, and the fiscal year 1991 plan would be due by February 1, 1990. I believe this provision is necessary to ensure that DVA has a strategy for coping with the special funding constraints that will exist under section 346 through fiscal year 1991 and that effective service at this national cemetery is not interrupted by those constraints. If a funding shortfall is projected, because of these constraints, we need to know about it so that sources other than DVA funding can be sought and obtained.

Mr. President, enactment of this bill would help ensure that this most recent addition to the National Cemetery System is sufficiently funded for the next 3 fiscal years and that it is maintained and provides service in a manner that befits a U.S. national cemetery. I urge all of my colleagues to give their support to this measure.

Finally, I again thank my good friend, Senator CRANSTON, for his assistance and collaboration in the preparation of this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADMINISTRATION OF ARIZONA VETERANS MEMORIAL CEMETERY.

(a) APPOINTMENT OF EMPLOYEES.—The Secretary of Veterans Affairs may employ in a position in the Department of Veterans Affairs in connection with the administration of the Arizona Veterans Memorial Cemetery transferred to the Department pursuant to section 346 of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 541) any person who is employed by the State of Arizona in connection with the administration of such cemetery on the day before the date of the transfer. An appointment may be made pursuant to this subsection without regard to civil service laws.

(b) OPERATING BUDGET PLAN.—(1) For each of the fiscal years 1989, 1990, and 1991, the Secretary of Veterans Affairs shall prepare an operating budget plan for the administration of the Arizona Veterans Memorial Cemetery referred to in subsection (a).

(2) The operating budget plan for a fiscal year shall include the anticipated sources of funds for such fiscal year, the Secretary's estimate of any budget deficit (taking into consideration the operating needs of the cemetery for such fiscal year), and the Secretary's estimate of the [workload? for such fiscal year]/[number of burials in the cemetery for such fiscal year]/[number of employee hours required for the administration of the cemetery for such fiscal year].

(3) In preparing the operating budget plan for a fiscal year, the Secretary shall take into consideration the limitations and requirements in section 346(f) of the Veterans' Benefits and Services Act of 1988.

(4) The Secretary shall transmit the budget operating plan for a fiscal year to the Committees on Veterans' Affairs of the Senate and the House of Representatives—

(A) in the case of fiscal year 1989, not later than—days after the date of the enactment of ths Act; and

(B) in the case of each of fiscal years 1990 and 1991, not later than the first day of such fiscal year.●

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1316. A bill to amend the Atomic Energy Act of 1954 to authorize the Assistant Secretary of Energy for Defense Programs to conduct research and development activities related to arms control; to the Committee on Armed Services.

AMENDING THE ATOMIC ENERGY ACT OF 1954 RELATING TO ARMS CONTROL

● Mr. BINGAMAN. Mr. President, I rise today to introduce a bill to designate verification research as one of the key missions of the Assistant Secretary of Energy for Defense Programs. I am delighted that Senator DOMENICI, my senior colleague from New Mexico, is joining me as an original cosponsor of this measure. He shares with me a strong interest in speeding verification research to meet our arms control negotiators' needs.

This is a very short bill but one that I hope will have profound consequences in the future.

The Department of Energy's nuclear weapons laboratories have been conducting research projects on verification technology since the early 1960's. This small, underfunded effort has come up with many important contributions to arms control over the years. For example, in recent years Sandia National Laboratories designed and

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

built the technical on-site inspection facility which served as the test bed for development of INF and START on-site verification methods. Los Alamos has been a leader in developing methods of verifying tests of directed energy weapons. Livermore has made major contributions in seismic detection of nuclear explosions. Over the past 25 years, the work of the labs has provided the foundation for verification of such agreements as the Limited Test Ban Treaty, the Outer Space Treaty, the Non-Proliferation Treaty, and the SALT I accords.

Yet, for all these contributions, the function has remained an orphan within the Department of Energy and its predecessors, ERDA and the Atomic Energy Commission. We simply do not have a program that looks forward and develops an adequate array of verification options for our arms control negotiators. Mostly, we have been reactive, trying to come up with verification methods either after the fact or well into the negotiations.

The DOE verification function, like other verification programs in our Government, has not been adequately funded in the past and we are paying the penalty for that now. This week's Defense News carries an article entitled "Strategic Pact Faces Years of Delay Due to Verification Questions," which makes the point that we simply have not developed many of the verification methods we need for the START Treaty. I deeply regret any such delay, and I believe it could have been prevented with a very modest expenditure of funds in the past.

Since coming to the Senate, I have worked to add funding for DOE's verification program. It has been clear to me all along that verification was likely to be the show stopper on many desirable arms control agreements. In recent years I have been increasingly successful in obtaining additional funding. Yet the Department of Energy under its previous leadership just did not place the same priority as the Congress did on this function. For example, the fiscal year 1990 DOE verification budget request is $5 million below the fiscal year 1989 total, and the budget for detection technology, the heart of the program, is actually $13 million lower than in 1989. This would mean work on most advanced verification concepts would have to be terminated, according to DOE's budget submission.

This strikes me as exactly the opposite direction from where we should be going. The President has made a proposal in the START talks that puts verification considerations at the forefront of these negotiations. Much of the technology he seeks to explore with the Soviet Union, such as tagging of missiles and on-site monitoring of missile production facilities, is being developed at the DOE labs. Therefore, I have been working with Senators KENNEDY and EXON to provide a significant increase in funding for the DOE verification program as part of this year's defense authorization bill.

Until DOE recognizes the importance of this mission, we will have to seek funding increases above the request every year. I would like that to become unnecessary. That is why I am introducing this bill. It is intended to strengthen the visibility of the verification mission within the Department of Energy's Defense Programs Office and to encourage serious pursuit of the mission. I believe that Admiral Watkins recognizes the importance of verification research to our prospects for successful negotiation of arms control agreements. I am sure he will rise to the challenge of ensuring this mission a strong place in his Department.

I intend to seek to add this bill as an amendment to the fiscal year 1990 Defense authorization bill being marked up in the Armed Services Committee this week. I hope it will win broad support among my colleagues in the committee and the Senate as a whole.

Mr. President, I ask unanimous consent that the bill be printed in full at the end of my remarks as well as the Defense News article to which I earlier referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VERIFICATION RESEARCH AND DEVELOPMENT.

Section 91(a) of the Atomic Energy Act of 1954 (68 Stat. 936; 42 U.S.C. 2121(a)) is amended—

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new clause:

"(3) conduct research on and development of technologies needed for the effective negotiation and verification of international agreements on control of special nuclear materials and nuclear weapons.".

[From Defense News, July 10, 1989]

STRATEGIC PACT FACES YEARS OF DELAY DUE TO VERIFICATION QUESTIONS

(By Peter Adams)

BRUSSELS, BELGIUM.—Arms control inspectors who would police a strategic arms agreement between the superpowers by examining the insides of missile nose cones will be asked to perform a careful balancing act.

Looking too deeply may reveal details of warhead design, a secret closely held by both sides. But simple passive readings of radiation from missile nose cones may not reveal attempts to conceal the true number of warheads, according to arms control experts at NATO headquarters here.

Each side fears the other may try to cheat by shielding missile nose cones with radiation-absorbing materials, thus disguising the number of warheads in each missile.

Some experts say this could be overcome by irradiating warheads with a beam of neutrons. "A detector placed on the other side of the warhead would collect the spectra of radiation and the undeviated beam of neutrons," providing an X-ray like reading of the contents, says one expert of the NATO Atlantic Assembly. Others maintain that the technology is not yet reliable.

Technical issues like these are among the reasons why it may be premature for political leaders to hold out any hope of the superpowers rapidly striking a deal to reduce strategic arsenals.

The current Geneva arms control talks on strategic weapons will extend for years as negotiators haggle over the details of how to verify compliance with a treaty. An array of technical solutions holds promise but many of them are still untested and under development in a smattering of Department of Energy laboratories.

But verification techniques are a more vital issue than ever, according to some experts, because the Strategic Arms Reduction Talks (START) involve limiting, not banning, classes of nuclear arms. Verification technology must be able to look inside production facilities and in individual missile nose cones to count warheads.

A report released this month by the Boston-based Union of Concerned Scientists, notes that to date "no satisfactory method has been developed to count warheads on deployed ballistic missiles and the two sides have not agreed on methods to keep track of mobile and nondeployed missiles."

Radiation detectors are not the only measures subject to tampering. Another verification tool, tagging missiles and launchers, also can be manipulated. Tamper-proof tags are getting significant attention from the U.S. Arms Control and Disarmament Agency, sources there say.

Some tags may use coded microchips and others could be attached to the weapon by a pre-recorded pattern of fiber-optic cables that cannot be reproduced.

The verification details present such a difficult problem that the United States is considering enacting some of the measures even before the treaty is signed.

One way to count warheads in a missile nose cone is passive—simply recording the naturally emitted radiation from Uranium-235 and Plutonium-239. There is a possibility of cheating because the missile nose cone could be shielded with radiation-absorbing materials, according to Lothar Ibrugger, a member of the North Atlantic Assembly's Scientific and Technical Committee, who wrote the assembly's review of verification technology released in May.

The North Atlantic Assembly, based in Brussels, Belgium, is the inter-parliamentary forum for the NATO countries.

Ibrugger said an active technique would be more complicated and involve bulkier equipment but would overcome shielding. This involves irradiating the nose cone with a beam of neutrons.

Arms Control and Disarmament Agency officials skeptical about solving the shielding problem say that even active scanning measures could reveal the details of a warhead's construction.

Kenneth Adelman, former Arms Control and Disarmament Agency director, said in Washington last week that perfecting such

technology "is still quite a bit down the road" and that even after warheads are counted some missiles may be outfitted clandestinely with more warheads.

The problem of verifying the number of warheads in a ballistic missile or the number of cruise missiles on an aircraft from a distance that is not overly intrusive pits arms control considerations against the flexibility preferred by the Pentagon.

Adelman said he would prefer to count every missile as having the maximum number of warheads it can carry and each U.S. B-52H and Soviet Bear bomber with the maximum number of air-launched cruise missiles it can carry. That way there can be no questions about the number of warheads.

The Pentagon wants to retain a flexibility in deploying the total 6,000 nuclear warheads it will be allowed under a START agreement. For example, it may choose to put eight warheads on an MX missile, instead of the maximum number of 10, and put the remaining two warheads on an aircraft.

Retaining that flexibility adds an element of surprise and unpredictability to Soviet war planners and makes warheads more survivable.

Gen. John Galvin, supreme allied commander Europe, said in Brussels that he wants to keep a warplanning flexibility by retaining a mix of nuclear weapons, including the sea-launched cruise missile. The Soviets want to set limits on this class of missiles.

"I made it clear to lots of people on that subject. Sea-launched cruise missiles have a very important capability and I do not want to lose it," he said.

Currently at the START talks, the United States position is that bombers are to be counted as having a typical operational load of nuclear cruise missiles, which is 10. The B-52H bomber can hold a maximum of about 20 such missiles. The Soviets want to count each bomber as having the maximum load of cruise missiles.

If bombers are counted as having 10 cruise missiles, some kind of on-site inspection may be necessary to determine if the bomber is indeed carrying 10 nuclear cruise missiles, according to the Union of Concerned Scientists' report. The Verification Revolution. The bomber may mix its load of nuclear cruise missiles with ones that are armed with conventional warheads, not covered by the treaty.

"On-site inspection would be helpful" to count nuclear cruise missiles "especially if inspectors are allowed to examine the weapons bays," the Union of Concerned Scientists says but it notes that kind of inspection might be seen as too intrusive by both sides.

Tagging is another way to determine if a cruise missile is nuclear. The cruise missiles could be tagged at their final assembly plants before deployment.

Ibrugger said a tamper-proof tag might consist of fiber optic cables that are photographed before being attached to the missile. Any tampering with the tag would alter the pattern of the cables that would be routinely inspected as part of a verification regime.

NATO arms control experts also talk about a microchip on the tag that has a prerecorded set of information. Removing the tag alters the memory of the microchip.

Adelman said tagging is a positive step but cautioned that where the tag is placed on a missile is crucial. If it is put on an easily removable part, the whole missile part and intact tag can be fixed onto another missile.

NATO arms control experts in Brussels say that electronic locks may be used to prevent the conversion of conventionally armed cruise missiles to nuclear. The locks would be attached under the watchful eyes of inspectors from both countries at the cruise missile assembly plant. Periodically those missiles would be called for inspection.

Arms Control and Disarmament Agency officials said they have not chosen any specific verification technology and that joint U.S. and Soviet working groups in Geneva will address the verification issue.●

By Mr. D'AMATO:

S.J. Res. 175. Joint resolution designating the week beginning September 17, 1989, as "Emergency Medical Services Week"; to the Committee on the Judiciary.

EMERGENCY MEDICAL SERVICES WEEK

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation designating the week of September 17 through 23, 1989, as "Emergency Medical Services Week."

This legislation recognizes those dedicated men and women who have given their time and talents to providing emergency medical services [EMS]. The American College of Emergency Physicians will be sponsoring events across the country during the week of September 17, and they need our full support to give members of every community the opportunity to update their knowledge of emergency medical procedures.

Since the mid-1960's when EMS was formally established in the United States, the number of accidental deaths due to injury has declined dramatically. In just two decades, the number of persons per 100,000 who have died from auto accidents has decreased from fires and burns, 3.8 to 2; from ingestion of foods or objects 0.8 to 0.6; and from drowning 1.2 to 0.8.

Improvements in the quality and effectiveness of EMS are especially vital to the elderly. Older Americans are more susceptible than any other group to death due to injury. Moreover, they are less likely than others to recover completely from their injuries. It is critical, therefore, that senior citizens become familiar with the steps to take in an emergency medical situation.

EMS is equally important to the welfare of our children. Accidents are the leading cause of death among children under 14 years of age. When appropriate treatment is administered within the first hour of injury, mortality, morbidity, and residual disability can be greatly reduced. Timely and effective treatment, therefore, is a must.

Of course, prompt treatment depends on adequate manpower—and many concerned citizens have responded to this need. In fact, in some areas of the country, between 50 and 80 percent of all prehospital care is provided by trained volunteer personnel.

Providers of emergency medical services include emergency physicians, nurses, emergency medical technicians, paramedics, educators, administrators, and lay people who have learned CPR and other medical stabilization procedures. These men and women, dedicated to the health and welfare of millions of Americans every day, deserve our recognition.

The dedication of September 17-23, 1989 as Emergency Medical Services Week will help provide our EMS providers with this well-deserved recognition, while creating an important opportunity for greater public education about accident prevention and medical emergency managment.

I urge my colleagues to consider the importance of this joint resolution to the health and well-being of all Americans, and to join me in supporting its prompt passage.●

ADDITIONAL SPONSORS

S. 177

At the request of Mr. DECONCINI, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 177, a bill entitled the Cable Compulsory License Nondiscrimination Act of 1989.

S. 216

At the request of Mr. MOYNIHAN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 216, a bill to establish the Social Security Administration as an independent agency, which shall be headed by a Social Security Board, and which shall be responsible for the administration of the old age, survivors, and disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such act.

S. 304

At the request of Mr. MOYNIHAN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 304, a bill to promote nondiscrimination in State medical licensure and medical reciprocity standards.

S. 335

At the request of Mr. MCCAIN, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal improverishment benefit.

S. 384

At the request of Mr. CHAFEE, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 384, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disabil-

[illegible] ining their [illegible] independence [illegible] pate in commu- [illegible] and for other pur- [illegible]

S. 418

At the request of Mr. DOMENICI, the name of the Senator from Alaska [Mr. [illegible]KI] was added as a cosponsor of S. [illegible], a bill to provide that all Fed- [illegible] ivilian and military retirees shall [illegible] ive the full cost of living adjust- [illegible] nt in annuities payable under Fed- [illegible] al retirement systems for fiscal years [illegible] 990 and 1991, and for other purposes.

S. 419

At the request of Mr. SIMON, the names of the Senator from Nebraska [Mr. KERREY] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 419, a bill to provide for the collection of data about crimes motivated by race, religion, ethnicity, or sexual orientation.

S. 481

At the request of Mr. CRANSTON, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 481, a bill to place a moratorium on the relocation of Navajo and Hopi Indians under Public Law 93-531, and for other purposes.

S. 501

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 501, a bill to amend the Internal Revenue Code of 1986 to make permanent, and to increase the amount of, the exclusion for amounts received under qualified group legal services plans.

S. 714

At the request of Mr. MCCLURE, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 945

At the request of Mr. MCCAIN, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 945, a bill to amend title 38, United States Code, to ensure that all veterans eligible to receive educational assistance under the Veterans' Educational Assistance Program have 10 years after discharge or release from active duty in which to pursue a program of education with such assistance.

S. 976

At the request of Mr. WARNER, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 976, a bill to postpone the effective date of section 511(e)(3)(B) of the Controlled Substances Act, relating to the disposition of forfeited property and State law.

S. 980

At the request of Mr. MITCHELL, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 980, a bill to amend the Internal Revenue Code of 1986 to improve the effectiveness of the low income housing credit.

S. 1148

At the request of Mr. GORTON, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1148, a bill to authorize issuance of a certificate of documentation for the vessel *M/V Northern Victor*.

S. 1150

At the request of Mr. CONRAD, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 1150, a bill to provide for the payment by the Secretary of the Interior of undedicated receipts into the Refuge Revenue Sharing Fund.

S. 1226

At the request of Mr. MCCONNELL, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1226, a bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of pornographic material.

S. 1232

At the request of Mr. DOMENICI, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 1232, a bill to honor the world's most recent heros in the universal struggle for freedom and democracy, and to designate the park in the District of Columbia directly across from the Embassy of the People's Republic of China as "Tiananmen Square Park."

S. 1237

At the request of Mr. GLENN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Iowa [Mr. HARKIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 1237, a bill to require the Administrator of the General Services Administration to encourage the use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies, and to establish an Interagency Council on Biodegradable Standards for the development of uniform definitions, standards, and testing procedures for degradable plastic products made from certain commodities, and for other purposes.

SENATE JOINT RESOLUTION 127

At the request of Mr. SIMON, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Joint Resolution 127, a joint resolution designating Labor Day Weekend, September 2-4, 1989, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 129

At the request of Mr. DOLE, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 129, a joint resolution to provide for the designation of September 15, 1989, as "National POW/MIA Recognition Day."

SENATE JOINT RESOLUTION 131

At the request of Mr. DURENBERGER, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Joint Resolution 131, a joint resolution to designate November 1989 as "National Diabetes Month."

SENATE JOINT RESOLUTION 173

At the request of Mr. RIEGLE, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Joint Resolution 173, a joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Brain."

SENATE CONCURRENT RESOLUTION 34

At the request of Mr. BREAUX, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Concurrent Resolution 34, a concurrent resolution confirming that it is the responsibility and the desire of Congress to develop a comprehensive telecommunications policy, which includes determining the extent of participation of regional Bell holding companies in providing advanced telecommunications services and equipment.

SENATE CONCURRENT RESOLUTION 49

At the request of Mr. GRASSLEY, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Concurrent Resolution 49, a concurrent resolution to express the sense of the Congress that the States should retain authority to regulate alcohol beverages.

AMENDMENT NO. 247

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of Amendment No. 247 proposed to S. 358, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes.

AMENDMENTS SUBMITTED

IMMIGRATION REFORM ACT

EXON (AND OTHERS) AMENDMENT NO. 250

Mr. EXON (for himself, Mr KERREY, and Mr. HARKIN) proposed an amend-

ment to the bill (S. 358) to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States, and to provide for administrative naturalization, and for other purposes, as follows:

At the appropriate place in the bill, insert:

SEC. . (a) DIRECT FEDERAL FINANCIAL BENEFITS.—That on or after the date of enactment of this Act, notwithstanding any other provision of law, no direct Federal financial benefit or social insurance benefit may be paid or otherwise given to any person not lawfully present within the United States except pursuant to a provision of the Immigration and Nationality Act as amended; or as may be required by the Constitution of the United States.

(b) REIMBURSEMENT TO THE STATES.—No federal funds shall be used to reimburse States for benefit paid or otherwise given to any person not lawfully within the United States except pursuant to a provision of the Immigration and Nationality Act; or as may be required by the Constitution of the United States.

(c) DEFINITION.—For the purposes of this Act, the term "person not lawfully within the United States" shall be any person who at the time he or she applies for, receives, or attempts to receive such Federal financial benefit is not a United States citizen, a United States national, a permanent resident alien, an asylee, a refugee, a parolee, or a nonimmigrant in status, a temporary resident alien as conferred by Congress, those applicants for asylum determined by the Attorney General to be eligible for such benefits or other aliens determined by the Attorney General to be eligible for such benefits.

SIMPSON AMENDMENT NO. 251

Mr. SIMPSON proposed an amendment to the bill S. 358, supra, as follows:

(a) on page 95, line 8, strike out "45" and insert in lieu thereof, "50";

(b) on page 97, after line 3, insert the following:

"(V) ENGLISH LANGUAGE ABILITY (20 POINTS).—For an alien who certifies, upon the date of filing a petition, subject to verification by examination after the date of selection, that he has an understanding of the English language and the ability to communicate in such language, 20 points."

(c) on page 98, line 6, strike out "65" and insert in lieu thereof, "80".

SPECTER (AND OTHERS) AMENDMENT NO. 252

Mr. SPECTER (for himself, Mr. DECONCINI, Mr. LUGAR, Mr. GORTON, and Mr. GRAHAM) proposed an amendment to the bill S. 358, supra, as follows:

(a) in subsection (a) of section 102 by striking "120,000" in the new "section 201(d)" (8 U.S.C. 1151(a)) and inserting "150,000",

(b) in subsection (a) of seciton 103—

(1) by striking "5" in the new "section 203(b)(1)" (8 U.S.C. 1153(b)(1)) and inserting "4",

(2) in the new "section 203(b)(2)" (8 U.S.C. 1153(b)(2))—

(A) by striking "23" and inserting "28", and

(B) by inserting ", plus any visas not required for the class specified in paragraph (1)," after "worldwide level",

(3) in the new "section 203(b)(3)" (8 U.S.C. 1153(b)(3)",

(A) by striking "23" and inserting "28", and

(B) by inserting "plus any visas not required for the classes specified in paragraphs (1) and (2)," after "worldwide level,", and

(4) by striking "4" in the new "section 203(b)(4)" (8 U.S.C. 1153(b)(4)) and inserting "3.2".

STATE DEPARTMENT AUTHORIZATION ACT

D'AMATO AMENDMENT NO. 253

(Ordered to lie on the table.)

Mr. D'AMATO submitted an amendment intended to be proposed by him to the bill (S. 1160) to authorize appropriations for fiscal year 1990 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes, as follows:

At the appropriate place in the bill, insert the following:

SEC. . Section 404 of Title IV—General Provisions, of the Dire Emergency Supplemental Appropriations and Transfer, Urgent Supplementals, and Correcting Enrollment Errors Act of 1989 (P.L. 101-45) is repealed.

HELMS AMENDMENT NO. 254

Mr. HELMS proposed an amendment to amendment No, 252 proposed by Mr. SPECTER (and others) to the bill S. 358, supra, as follows:

In lieu of the language proposed to be inserted, insert the following:

On page 77, line 15, strike "480,000" and insert in lieu thereof "460,000".

On page 78, line 10, strike "120,000" and insert in lieu thereof "140,000".

On page 90, line 18, strike "9" and insert in lieu thereof "6".

On page 91, line 23, strike "9" and insert in lieu thereof "10".

On page 92, line 13, strike "5" and insert in lieu thereof "3".

On page 92, line 18, strike "HOLDING ADVANCED DEGREES".

On page 92, line 20, strike "23" and insert in lieu thereof "32".

On page 92, line 22, strike "holding advanced degrees".

On page 93, line 18, strike "23" and insert in lieu thereof "32".

On page 94, line 12, strike "4" and insert in lieu thereof "3".

On page 94, line 13, strike "level," and insert in lieu thereof "level or 2,800, whichever is greater,".

On page 95, line 6, strike "(2),".

SHELBY (AND OTHERS) AMENDMENT NO. 255

Mr. SHELBY (for himself, Mr. HEINZ, Mr. HELMS, Mr. LOTT, Mr. GRASSLEY, Mr. STEVENS, Mrs. KASSEBAUM, Mr. HEFLIN, Mr. DOLE, and Mr. COCHRAN) proposed an amendment to the bill S. 358, supra, as follows:

At the end of the bill add the following new title:

TITLE .—CENSUS

SEC. . PREVENTION OF CONGRESSIONAL REAPPORTIONMENT DISTORTIONS.

(a) FINDINGS.—The Congress finds that—

(1) in recent years millions of aliens have entered the United States in violation of immigration laws and are now residing in the United States in an illegal status and are subject to deportation:

(2) the established policy of the Bureau of the Census is to make a concerted effort to count such aliens during the 1990 census without making a separate computation for such illegal aliens; and.

(3) by including the millions of illegal aliens in the reapportionment base for the House of Representatives, many States will lose congressional representation which such States would not have otherwise lost, thereby violating the constitutional principle of "one man, one vote".

(b) SECRETARIAL ADJUSTMENTS TO PREVENT DISTORTIONS.—Section 141 of title 13, United States Code, is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) The Secretary shall make such adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines feasible and appropriate, in order that aliens in the United States in violation of the immigration laws shall not be counted in tabulating population for purposes of subsection (b) of this section: *Provided, however,* That nothing in this subsection shall be construed to supersede Section 195 of title 13, United States Code.".

(c) CONFORMING AMENDMENT.—Section 22(a) of the Act entitled "An Act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress", approved June 18, 1929 (2 U.S.C. 2a(a)), is amended by striking out "as ascertained under the seventeenth and each subsequent decennial census of the population" and inserting in lieu thereof "as ascertained and reported under section 141 of title 13, United States Code, for each decennial census of population".

KENNEDY AMENDMENT NO. 256

Mr. KENNEDY proposed an amendment to amendment No. 255 proposed by Mr. SHELBY (and others) to the bill S. 358, supra, as follows:

At the end of the amendment, add the following:

SEC. 2. SEVERABILITY.

In the event that any one or more provisions of this Title is held to be unconstitutional, the same shall not affect the validity of other provisions of this Act.

SIMON (AND OTHERS) AMENDMENT NO. 257

Mr. SIMON (for himself, Mr. DIXON, Mr. KOHL, Mr. CRANSTON, Mr. GORTON, and Mr. HUMPHREY) proposed an amendment to the bill S. 358, supra, as follows:

At the appropriate place, insert:

SEC. . TREATMENT OF HONG KONG AS A SEPARATE FOREIGN STATE FOR NUMERICAL LIMITATIONS.

The approval referred to in the first sentence of section 202(b) of the Immigration and Nationality Act shall be considered to have been granted, effective beginning with fiscal year 1990, with respect to Hong Kong as a separate foreign state, and not as a colony or other component or dependent area of another foreign state, and section 202(c) of such Act shall not apply to Hong Kong, except that the total number of immigrant visas made available to natives of Hong Kong in any fiscal year may not exceed 3.5 percent of the total number of visas made available under section 202(a) in that fiscal year.

SIMON (AND OTHERS) AMENDMENT NO. 258

Mr. SIMON (for himself, Mr. DIXON, Mr. KOHL, Mr. CRANSTON, Mr. GORTON, and Mr. HUMPHREY) proposed amendments to the bill S. 358, supra, as follows:

On page 95, add at the end of line 9 "10,000 of such visas shall be reserved for qualified immigrants who are natives of foreign states the immigration of whose natives to the United States was adversely affected by the enactment of Public Law 89-236."

SIMON AMENDMENT NO. 259

Mr. SIMON proposed an amendment to the bill S. 358, supra, as follows:

At the appropriate place, insert:

"(vi) PREARRANGED EMPLOYMENT IN THE UNITED STATES (15 POINTS).—For an alien who (as of the date of filing a petition) has an arrangement (meeting conditions specified by the Secretary of Labor) for the employment of the alien, 15 points.

On page 95, strike out "45" in line 8 and insert in lieu thereof "50";

On page 96, strike out "65" in line 6 and insert in lieu thereof "75".

Section 1546(b) of title 18, United States Code, is amended by inserting "or section 203(b)(5)" after "section 274A(b)".

BOSCHWITZ AMENDMENT NO. 260

Mr. BOSCHWITZ proposed an amendment to the bill S. 358, supra, as follows:

On page 77, line 15, strike out "480,000" and insert in lieu thereof "520,000".

On page 90, line 18, strike out "9" and insert in lieu thereof "7.8".

On page 91, line 16, strike out "57" and insert in lieu thereof "49.4".

On page 91, line 23, strike out "9" and insert in lieu thereof "7.8".

On page 92, line 5, strike out "25" and insert in lieu thereof "35".

GRAMM (AND BOSCHWITZ) AMENDMENT NOS. 261 THROUGH 264

Mr. GRAMM (for himself and Mr. BOSCHWITZ) proposed four amendments to the bill S. 358, supra; as follows:

AMENDMENT NO. 261

On page 75, line 10, strike out "and".

On page 76, line 9, strike out the period and insert in lieu thereof "; and".

On page 76, between lines 9 and 10, insert the following:

"(3) qualified immigrants who are trained medical personnel described in section 109(f), not to exceed 4,000 nurses and 1,000 physicians.

On the conditional basis described in section 109.

On page 124, after line 25, insert the following:

SEC. 104. INCENTIVES FOR TRAINED MEDICAL PERSONNEL TO WORK IN RURAL AREAS.

(a) CONDITIONAL BASIS FOR PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL.—Chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end the following new section:

"CONDITIONAL PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL, SPOUSES, AND CHILDREN

"SEC. 218. (a) IN GENERAL.—

"(1) CONDITIONAL BASIS FOR STATUS.—(A) Notwithstanding any other provision of this Act, an alien who is a trained medical person (as defiend in subsection (f)(1)), spouse, and child (as defined in subsection (f)(2)) shall be considered, at the time of obtaining the status of an alien lawfully admitted for permanent residence, to have obtained such status on a conditional basis subject to the provisions of this section if such person, with the prior approval of the governor of that state, has made a commitment to perform medical services in a Health Manpower Shortage Area in an individual state as defined under the Public Health Service Act, where there is a shortage in United States trained physicians, and such person has obtained privileges from a hospital located within that Health Manpower Shortage Area, for 10 years.

"(2) NOTICE OF REQUIREMENTS.—

"(A) AT TIME OF OBTAINING PERMANENT RESIDENCE.—At the time an alien medical person, spouse, or child obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such medical person, spouse, or child respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

"(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such medical person, spouse, or child, at or about the beginning of the 90-day period described in subsection (d)(2)(A), of the requirements of subsection (c)(1).

"(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such medical person, spouse, or child.

"(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING ENTREPRENEURSHIP IMPROPER.—

"(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines, before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence, that the alien is not performing medical services in a Health Manpower Shortage Area or has not obtained privileges from a hospital located within that Health Manpower Shortage Area, then the Attorney General shall so notify the alien involved and, subject to paragraph (2), shall terminate the permanent resident status of the alien involved as of the date of the determination.

"(2) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that a condition described in paragraph (1) is met.

"(c) REQUIREMENTS OF TIMELY PETITION AND INTERVIEW FOR REMOVAL OF CONDITION.—

"(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien medical person, spouse, or child to be removed—

"(A) the alien medical person must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1), and

"(B) in accordance with subsection (d)(3), the alien medical person must appear for a personal interview before an officer or employee of the Service respecting the facts and information described in subsection (d)(1).

"(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION OR HAVE PERSONAL INTERVIEW.—

"(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if—

"(i) no petition is filed with respect to the alien in accordance with the provisions of paragraph (1)(A), or

"(ii) unless there is good cause shown, the alien medical person fails to appear at the interview described in paragraph (1)(B), the Attorney General shall terminate the permanent resident status of the alien as of the tenth anniversary of the alien's lawful admission for permanent residence.

"(B) HEARING IN DEPORTATION PROCEEDING.—In any deportation proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the conditions of paragraphs (1)(A) and (1)(B).

"(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

"(A) IN GENERAL.—If—

"(i) a petition is filed in accordance with the provisions of paragraph (1)(A), and

"(ii) the alien medical person appears at the interview described in paragraph (1)(B),

the Attorney General shall make a determination, within 90 days of the date of the interview, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the performance of medical services by the alien.

"(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General shall so notify the alien involved and shall remove the conditional basis of the alien's status effective as of the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien involved and, subject to subparagraph (b), shall terminate the permanent

resident status of an alien medical person, spouse, or child as of the date of the determination.

"(D) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the performance of medical services by the alien.

"(d) DETAILS OF PETITION AND INTERVIEW.—

"(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain facts and information demonstrating that the alien performed medical services in a Health Manpower Shortage Area or has not obtained privileges from a hospital located within that Health Manpower Shortage Area throughout the alien's residence in the United States.

"(2) PERIOD FOR FILING PETITION.—

"(A) 90-DAY PERIOD BEFORE SECOND ANNIVERSARY.—Except as provided in subparagraph (B), the petition under subsection (c)(1)(A) must be filed during the 90-day period before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(B) DATA PETITIONS FOR GOOD CAUSE.—Such a petition may be considered if filed after such date, but only if the alien establishes to the satisfaction of the Attorney General good cause and extenuating circumstances for failure to file the petition during the period described in subparagraph (A).

"(C) FILING OF PETITIONS DURING DEPORTATION.—In the case of an alien who is the subject of deportation hearings as a result of failure to file a petition on a timely basis in accordance with subparagraph (A), the Attorney General may stay such deportation proceedings against an alien pending the filing of the petition under subparagraph (B).

"(3) PERSONAL INTERVIEW.—The interview under subsection (c)(1)(B) shall be conducted within 90 days after the date of submitting a petition under subsection (c)(1)(A) and at a local office of the Service, designated by the Attorney General, which is convenient to the parties involved. The Attorney General, in the Attorney General's discretion, may waive the deadline for such an interview or the requirement for such an interview in such cases as may be appropriate.

"(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence beginning 5 years after the conditional admission of the alien.

"(f) DEFINITIONS.—In this section:

"(1) The term 'alien medical person' means an alien who obtains the status of an alien lawfully admitted for permanent residence under section 201(a)(3) and who is a physician or nurse, licensed to practice within that state and who is competent in oral and written English.

"(2) The term 'spouse' and the term 'child' mean an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) by virtue of being the spouse or child, respectively, of an alien entrepreneur.".

(b) ADDITIONAL GROUND FOR DEPORTATION.—Section 241(a)(9) (8 U.S.C. 1251(a)(9)) is amended by inserting before the semicolon at the end thereof the following: ", (C) is an alien with permanent resident status on a conditional basis under section 218 and has such status terminated under such section".

(c) CRIMINAL PENALTY FOR IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.—Section 275 of such Act (8 U.S.C. 1325) is amended by adding at the end thereof the following new subsection:

"(c) Any individual who knowingly performs medical services under section 109 for the purpose of evading any provision of the immigration laws shall be imprisoned for not more than 5 years, or fined not more than $250,000, or both.".

(d) LIMITATION ON ADJUSTMENT OF STATUS.—Section 245 of such Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(f) The Attorney General may not adjust, under subsection (a), the status of an alien lawfully admitted to the United States for permanent residence on a conditional basis under section 218.".

(e) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 217 the following new item:

"Sec. 218. Conditional permanent resident status for trained medical personnel,—spouses, and children."

AMENDMENT No. 262

(a) On page 95, line 8, strike out "45" and insert in lieu thereof, "60,"

(b) On page 98, strike out lines 5 through 9 and insert in lieu thereof: "to eligible qualified immigrants who attain the highest scores (in descending order) on the assessment system described in subsection (b)(5)(B) with respect to petitions filed for the fiscal year involved, with the lowest scores qualifying under this clause to be chosen, if necessary, in the random order described in clause (B); and".

AMENDMENT No. 263

On page 81, line 2, insert after "105 percent" the following: "(or, if so, to the extent of a 5 percent decrease or increase, as the case may be)".

On page 81, line 8, after "transmitted" insert the following: "(or a 5 percent increase or decrease, as the case may be)".

On page 81, line 15, insert after "change" the following: "(to the extent that the change is less than 95 percent or more than 105 percent, as the case may be)".

AMENDMENT No. 264

On page 92, line 13, strike "5 percent" and insert in lieu thereof "3.33 percent".

On page 94, strike out line 11 and all that follows through line 2 on page 95 and insert in lieu thereof the following:

"(4) EMPLOYMENT CREATION.—Visas shall be made available next, in a number not to exceed 5.67 percent of such worldwide level, to any qualified immigrant who is seeking to enter the United States for the purpose of engaging in a new commercial enterprise which the alien has established and in which such alien has invested or, is actively in the process of investing—

"(A) capital, in an amount not less than $1,000,000, and which will benefit the United States economy and create full-time employment for not fewer than 10 United States citizens or aliens lawfully admitted for permanent residence (other than the spouse, sons, or daughters of such immigrant); or

"(B) capital, in an amount not less than $500,000, in rural areas or in areas which have experienced persistently high unemployment, at the time of investment, of at least one and one-half times the national average rate, and which will benefit the United States economy and create full-time employment for not fewer than 10 United States citizens or aliens lawfully admitted for permanent residence (other than the spouse, sons, or daughters of such immigrant).

Of the visas allocated under this paragraph, 1.67 percent of the worldwide level shall be available for aliens investing as described in clause (B). Special attention shall be given to such aliens in clause (B) who have invested or, are actively in the process of investing, in rural areas, with an unemployment rate, at the time of the investment, of at least one and one-half times the national average. For purposes of clause (B), the term "rural area" means all territory of a State that is not within a metropolitan statistical area or the outer boundary of any city or town having a population of 20,000 or more based on the latest decennial census of the United States. The Attorney General, in consultation with the Secretary of Labor and the Secretary of State, may prescribe regulations increasing the dollar amount of the investment necessary in clause (A) for the issuance of a visa under this paragraph.

KASSEBAUM (AND DANFORTH) AMENDMENT NO. 265

Mr. SIMPSON (for Mrs. KASSEBAUM, for herself and Mr. DANFORTH) proposed an amendment to the bill S. 358, supra, as follows:

On page 124, after line 25, insert the following new section:

SEC. 109. ENTRY OF CERTAIN AIRCRAFT CREWMEMBERS.

Section 217 of the Immigration and Nationality Act (8 U.S.C. 1187) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting the following new subsection:

"(e) The Attorney General and the Secretary of State are further authorized to issue regulations providing for the waiver of visa requirements for aircraft crewmembers serving on aircraft who are nationals of pilot program countries designated pursuant to subsection (c). Such regulations may provide for aircraft crew visa waivers on a reciprocal basis with each individual pilot program country during the pilot program period."

KENNEDY (AND SIMPSON) AMENDMENT NO. 266

Mr. KENNEDY (for himself and Mr. SIMPSON) proposed an amendment to the bill S. 358, supra, as follows:

Beginning on page 118, strike out line 17 and all that follows through line 4 on page 119 and insert in lieu thereof the following:

"(r) CREDITABLE FEES.—(1) Notwithstanding sections 1 and 2 of the Act of June 4, 1920, as amended (42 Stat. 750; 11 U.S.C. 214) or any other provision of law, the Sec-

retary of State shall pay the expenses incurred during the two years immediately following the date of enactment of the Immigration Act of 1989 to prepare for and initiate the immigrant visa program provided for under sections 201(a)(3), 201(b)(2)(A)(i), and 203(a) and (b). Such expenses include salary and expenses, space and support costs, research and development, software, equipment acquisition, equipment replacement, hardware and software maintenance, and anti-fraud costs of visa and passport functions connected with that program.

"(2) Beginning fiscal year 1990, and each fiscal year thereafter, fees collected by consular officers shall be credited to a Department of State account which shall be available only for the payment of the expenses of automation activities, equipment and software maintenance, hardware replacement, research and development and support costs, except that not more than $30,000,000 of such fees may be available for each year for fiscal years 1990 and 1991 and not more than $20,000,000 for each fiscal year thereafter for the purposes as described in paragraphs (1) and (2).

"(3) Nothing in this subsection shall be construed as making funds under this subsection available for the machine readable document program.

"(4) There are authorized to be appropriated to the Department of State to carry out paragraph (1) such sums as may be necessary for each of fiscal years 1990 and 1991.".

On page 128, line 15, strike out "(e)" and insert in lieu thereof "(d)".

On page 130, strike out "any State or".

On page 132, lines 5 and 6, strike out ", other than subsection (d)".

On page 132, line 7, strike out "(a)(1)" each of the two places it appears.

On page 132, line 23, strike out "or the".

At the appropriate place in the bill, at the amendment offered by Mr. Exon insert:

In no case should the benefits described in subsection (a), or the provisions of subsection (b), include such programs which provide general assistance to States and communities impacted by the arrival of undocumented aliens or other assistance which is not a direct cash benefit or federal social insurance benefit to individual aliens.

In section (f)(2)—the very last sentence of the Gorton Amendment—"subsection (a)" should instead be "paragraph (1)".

Amend amendment numbered 239 to the bill as follows:

On line 6 of page 2, strike "Nonimmigrants" and insert "Nonimmigrants".

On line 13 of page 2, insert the following after "101(a)(15)(J)": ", or changed status to that of a nonimmigrant under 101(a)(15)(J),".

On line 19 of page 2, strike "(1)".

On line 23 of page 2, strike "and is present in the United States as a nonimmigrant described in section 101(a)(15) (F), (J), and (M), as well as their immediate family—".

On line 25 of page 2, strike the comma and insert "described in section 101(a)(15)(F), (J), or (M)".

On line 1 of page 3, before "before," insert "as a nonimmigrant described in section 101(a)(15)(F), (J), or (M)".

On line 16 of page 3, strike "who applies for adjustment of status or change of nonimmigrant status under the terms of this section" and insert "who is described in paragraph (1) or (2) of subsection (b)".

On line 21 of page 3, strike the period and insert "for the period described in subsection (e).".

On line 1 of page 4, strike "or until" and insert "regardless of whether".

On page 92, line 17, strike out "(2)" and insert in lieu thereof, "(3)".

On page 93, line 17, strike out "(3)" and insert in lieu thereof, "(4)".

On page 94, line 11, strike out "(4)" and insert in lieu thereof, "(5)".

On page 95, line 3, strike out "(5)" and insert in lieu thereof, "(6)".

On page 92, line 20, strike out "28" and insert in lieu thereof, "26.375".

On page 93, line 18, strike out "28" and insert in lieu thereof, "26.375".

On page 92, between lines 16 and 17, insert the following:

"(2) qualified immigrants who are trained medical personnel described in section 109(f), not to exceed 4,000 nurses and 1,000 physicians on the conditional basis described in section 109.

On page 124, after line 25, insert the following:

SEC. 104. INCENTIVES FOR TRAINED MEDICAL PERSONNEL TO WORK IN RURAL AREAS.

(a) CONDITIONAL BASIS FOR PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL.—Chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end the following new section:

"CONDITIONAL PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL, SPOUSES, AND CHILDREN

"SEC. 218. (a) IN GENERAL.—

"(1) CONDITIONAL BASIS FOR STATUS.—(A) Notwithstanding any other provision of this Act, an alien who is a trained medical person (as defined in subsection (f)(1)), spouse, and child (as defined in subsection (f)(2)) shall be considered, at the time of obtaining the status of an alien lawfully admitted for permanent residence, to have obtained such status on a conditional basis subject to the provisions of this section if such person, with the prior approval of the governor of that state, has made a commitment to perform medical services in a Health Manpower Shortage Area in an individual state as defined under the Public Health Service Act, where there is a shortage in United States trained physicians, and such person has obtained privileges from a hospital located within that Health Manpower Shortage Area for 10 years.

"(2) NOTICE OF REQUIREMENTS.—

"(A) At time of obtaining permanent residence.—At the time an alien medical person, spouse, or child obtains permanent resident status on a conditional basis under paragraph (1), the Attorney General shall provide for notice to such medical person, spouse, or child respecting the provisions of this section and the requirements of subsection (c)(1) to have the conditional basis of such status removed.

"(B) AT TIME OF REQUIRED PETITION.—In addition, the Attorney General shall attempt to provide notice to such medical person, spouse, or child, at or about the beginning of the 90-day period described in subsection (d)(2)(A), of the requirements of subsection (C)(1).

"(C) EFFECT OF FAILURE TO PROVIDE NOTICE.—The failure of the Attorney General to provide a notice under this paragraph shall not affect the enforcement of the provisions of this section with respect to such medical person, spouse, or child.

"(b) TERMINATION OF STATUS IF FINDING THAT QUALIFYING ENTREPRENEURSHIP IMPEDED.—

"(1) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if the Attorney General determines, before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence, that the alien is not performing medical services in a Health Manpower Shortage area or has not obtained privileges from a hospital located within that Health Manpower Shortage Area, then the Attorney General shall so notify the alien involved and, subject to paragraph (2), shall terminate the permanent resident status of the alien involved as of the date of the determination.

"(2) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under paragraph (1) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that a condition described in paragraph (1) is met.

"(c) REQUIREMENTS OF TIMELY PETITION AND INTERVIEW FOR REMOVAL OF CONDITION.—

"(1) IN GENERAL.—In order for the conditional basis established under subsection (a) for an alien medical person, spouse, or child to be removed—

"(A) the alien medical person must submit to the Attorney General, during the period described in subsection (d)(2), a petition which requests the removal of such conditional basis and which states, under penalty of perjury, the facts and information described in subsection (d)(1), and

"(3) in accordance with subsection (d)(3), the alien medical person must appear for a personal interview before an officer or employee of the Service respecting the facts and information described in subsection (d)(1).

"(2) TERMINATION OF PERMANENT RESIDENT STATUS FOR FAILURE TO FILE PETITION OR HAVE PERSONAL INTERVIEW.—

"(A) IN GENERAL.—In the case of an alien with permanent resident status on a conditional basis under subsection (a), if—

"(i) no petition is filed with respect to the alien in accordance with the provisions of paragraph (1)(A), or

"(ii) unless there is good cause shown, the alien medical person fails to appear at the interview described in paragraph (1)(B), the Attorney General shall terminate the permanent resident status of the alien as of the tenth anniversary of the alien's lawful admission for permanent residence.

"(B) HEARING IN DEPORTATION PROCEEDING.—In any deportation proceeding with respect to an alien whose permanent resident status is terminated under subparagraph (A), the burden of proof shall be on the alien to establish compliance with the conditions of paragraphs (1)(A) and (1)(B).

"(3) DETERMINATION AFTER PETITION AND INTERVIEW.—

"(A) IN GENERAL.—If—

"(i) a petition is filed in accordance with the provisions of paragraph (1)(A), and

"(ii) the alien medical person appears at the interview described in paragraph (1)(B), the Attorney General shall make a determination, within 90 days of the date of the interview, as to whether the facts and information described in subsection (d)(1) and alleged in the petition are true with respect to the performance of medical services by the alien.

"(B) REMOVAL OF CONDITIONAL BASIS IF FAVORABLE DETERMINATION.—If the Attorney General determines that such facts and information are true, the Attorney General

shall so notify the alien involved and shall remove the conditional basis of the alien's status effective as of the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(C) TERMINATION IF ADVERSE DETERMINATION.—If the Attorney General determines that such facts and information are not true, the Attorney General shall so notify the alien involved and, subject to subparagraph (D), shall terminate the permanent resident status of an alien medical person, spouse, or child as of the date of the determination.

"(D) HEARING IN DEPORTATION PROCEEDING.—Any alien whose permanent resident status is terminated under subparagraph (C) may request a review of such determination in a proceeding to deport the alien. In such proceeding, the burden of proof shall be on the Attorney General to establish, by a preponderance of the evidence, that the facts and information described in subsection (d)(1) and alleged in the petition are not true with respect to the performance of medical services by the alien.

"(d) DETAILS OF PETITION AND INTERVIEW.—

"(1) CONTENTS OF PETITION.—Each petition under subsection (c)(1)(A) shall contain facts and information demonstrating that the alien performed medical services in a Health Manpower Shortage Area or obtained privileges from a hospital located within that Health Manpower Shortage Area throughout the alien's residence in the United States.

"(2) PERIOD FOR FILING PETITION.—

"(A) 90-DAY PERIOD BEFORE SECOND ANNIVERSARY.—Except as provided in subparagraph (B), the petition under subsection (c)(1)(A) must be filed during the 90-day period before the tenth anniversary of the alien's obtaining the status of lawful admission for permanent residence.

"(B) DATE PETITIONS FOR GOOD CAUSE.—Such a petition may be considered if filed after such date, but only if the alien establishes to the satisfaction of the Attorney General good cause and extenuating circumstances for failure to file the petition during the period described in subparagraph (A).

"(C) FILING OF PETITIONS DURING DEPORTATION.—In the case of an alien who is the subject of deportation hearings as a result of failure to file a petition on a timely basis in accordance with subparagraph (A), the Attorney General may stay such deportation proceedings against an alien pending the filing of the petition under subparagraph (2).

"(3) PERSONAL INTERVIEW.—The interview under subsection (c)(1)(B) shall be conducted within 90 days after the date of submitting a petition under subsection (c)(1)(A) and at a local office of the Service, designated by the Attorney General, which is convenient to the parties involved. The Attorney General, in the Attorney General's discretion, may waive the deadline for such an interview or the requirement for such an interview in such cases as may be appropriate.

"(e) TREATMENT OF PERIOD FOR PURPOSES OF NATURALIZATION.—For purposes of title III, in the case of an alien who is in the United States as a lawful permanent resident on a conditional basis under this section, the alien shall be considered to have been admitted as an alien lawfully admitted for permanent residence and to be in the United States as an alien lawfully admitted to the United States for permanent residence beginning 5 years after the conditional admission of the alien.

"(f) DEFINITIONS.—In this section:

"(1) The term 'alien medical person' means an alien who obtains the status of an alien lawfully admitted for permanent residence under section 201(a)(3) and who is a physician or nurse, licensed to practice within that state and who is competent in oral and written English.

"(2) The term 'spouse' and the term 'child' mean an alien who obtains the status of an alien lawfully admitted for permanent residence (whether on a conditional basis or otherwise) by virtue of being the spouse or child, respectively, of an alien entrepreneur.".

"(b) ADDITIONAL GROUND FOR DEPORTATION.—Section 241(a)(9) (8 U.S.C. 1251(a)(9)) is amended by inserting before the semicolon at the end thereof the following: ", or (c) is an alien with permanent resident status on a conditional basis under section 218 and has such status terminated under such section".

(c) CRIMINAL PENALTY FOR IMMIGRATION-RELATED ENTREPRENEURSHIP FRAUD.—Section 275 of such Act (8 U.S.C. 1325 is amended by adding at the end thereof the following new subsection:

(c) Any individual who knowingly performs medical services under section 109 for the purpose of evading any provision of the immigration laws shall be imprisoned for not more than 5 years, or fined not more than $250,000, or both.".

(d) LIMITATION ON ADJUSTMENT OF STATUS.—Section 245 of such Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(f) The Attorney General may not adjust, under subsection (a), the status of an alien lawfully admitted to the United States for permanent residence on a conditional basis under section 218.".

(e) CONFORMING AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 217 the following new item:

"SEC. 218. CONDITIONAL PERMANENT RESIDENT STATUS FOR TRAINED MEDICAL PERSONNEL, SPOUSES, AND CHILDREN.".

COMPETITIVE WHOLESALE ELECTRIC GENERATION ACT

JOHNSTON AMENDMENT NO. 267

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to the bill (S. 406) to authorize competitive oil and gas leasing and development on the Coastal Plain of the Arctic National Wildlife Refuge in a manner consistent with protection of the environment, and for other purposes, as follows:

Strike all after the enacting clause and insert the following:

"That this Act may be referred to as the 'Competitive Wholesale Electric Generation Act of 1989'.

"SEC. 2. EXEMPT WHOLESALE GENERATORS.

"(a)(1) 'Exempt wholesale generator' shall mean any person who is engaged directly, or indirectly through one or more affiliates of such person as defined under section 2(a)(11)(B) of the Act, exclusively in the business of owning or operating all or part of one or more eligible facilities and selling electric energy at wholesale: *Provided*, That the term 'exempt wholesale generator' shall exclude an affiliate of a registered holding company, which affiliate was in existence as of the date of enactment hereof, unless the Commission has consented.

"(2) 'Eligible facility' shall mean a facility, wheresoever located, used for the generation of electric energy exclusively for sale at wholesale (including inter-connecting transmission facilities necessary to effect such sale at wholesale), but shall exclude any facility for which consent is required under paragraph (3) and has not been obtained. For purposes of this subsection, the term 'facility' shall include a portion of a facility.

"(3) As of the date of enactment hereof, if a rate or charge for, or in connection with, the construction of a facility, or for electric energy produced by a facility (other than any portion of a rate or charge which represents recovery of the cost of a wholesale rate or charge) was in effect under the laws of any state, consent with respect to such facility shall be required from any State commission having jurisdiction over such rate or charge.

"(b) An exempt wholesale generator shall not be considered an 'electric utility company' under section 2(a)(3) of the Act and, whether or not a subsidiary company, an affiliate, or an associate company of a holding company, shall be exempt from all provisions of the Act.

"(c) Notwithstanding any provisions of the Act, a holding company that is exempt under section 3 of the Act shall be permitted without condition or limitation under such Act to acquire and maintain an interest in the business of one or more exempt wholesale generators.

"(d) Notwithstanding any provision of the Act and the Commission's jurisdiction as provided under subsection (e), a registered holding company shall be permitted without the need to apply for, or receive approval from the Commission, and otherwise without condition under the Act, to acquire and hold the securities, or an interest in the business, of one or more exempt wholesale generators.

"(e) The issuance of securities by a registered holding company for purposes of financing the acquisition of an exempt wholesale generator, the guarantee of securities of an exempt wholesale generator by a registered holding company, the entering into service, sales or construction contracts, and the creation or maintenance of any other relationship in addition to that described in subsection (d) between an exempt wholesale generator and a registered holding company, its affiliates and associate companies, shall remain subject to the jurisdiction of the Commission under the Act: *Provided*, That:

"(1) Section 11 of the Act shall not prohibit the ownership of an interest in the business of one or more exempt wholesale generators by a registered holding company (regardless of where facilities owned or operated by such wholesale generators are located), and such ownership by a registered holding company shall be deemed consistent with the operation of an integrated public utility system; and

"(2) The ownership of an interest in the business of one or more exempt wholesale generators by a registered holding company (regardless of where facilities owned or operated by such exempt wholesale generators are located) shall be considered as reasonably incidental, or economically necessary

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

or appropriate to the operations of an integrated public utility system.

"(f) For purposes of this section, all references to 'the Act' shall mean the Public Utility Holding Company Act of 1935, as amended. All of the terms used in this section and defined in the Act shall have the same meaning as defined therein.

"SEC. 3. OWNERSHIP OF EXEMPT WHOLESALE GENERATORS AND QUALIFYING FACILITIES.

"The ownership by a person of one or more exempt wholesale generators shall not result in such person being considered as being primarily engaged in the generation or sale of electric power within the meaning of sections 3(17)(C)(ii) and 3(18)(B)(ii) of the Federal Power Act, as amended.

"SEC. 4. PRESERVATION OF STATE AUTHORITY.

"Nothing in this Act shall preempt or otherwise restrict such power as State regulatory authority may have, in accordance with State and Federal law and in the absence of the enactment of this Act, to judge the prudence of a purchase of electric energy at wholesale, deny the inclusion of the cost of such a purchase in rates subject to such authority's jurisdiction, or otherwise exercise its functions.".

Mr. JOHNSTON. Mr. President, today I am introducing the Competitive Wholesale Electric Generation Act of 1989 as an amendment to S. 406. The purpose of this legislation is to remove the obstacles to competitive wholesale generation contained in the Public Utility Holding Company Act of 1935 [PUHCA]. For reasons that I will elaborate upon, independent power producers [IPP's] whether they are utilities or nonutilities, must generally develop their projects using a holding company format. PUHCA, however, effectively prevents the use of holding companies for these purposes. My legislation would simply modify the Holding Company Act so as to remove this limitation. It has been narrowly crafted to achieve this purpose.

The legislation process would be well served if I also make it clear what this legislation does not do.

First, my amendment would not force anyone to do anything. The effect of the legislation is to create a new type of electric supply option. It does not mandate a particular structure for the electric utility industry.

Second, my amendment does not repeal PUHCA. There are those who would argue that the Holding Company Act has outlived its usefulness and become nothing more than a burdensome anachronism. However, the resolution of that issue will have to wait for another day. My legislation changes PUHCA only to the extent necessary to allow independent power production to go forward. I believe my amendment may be necessary to accommodate growing competition in wholesale power generation. The possibility of such direct competition simply was not foreseen by Congress when it enacted PUHCA. Thus, this legislation represents modernization, rather than repudiation, of regulation under the Holding Company Act.

Third, my amendment does not deal with the issue of when market pricing for wholesale power should or should not be permitted—that is whether or not a given entity can be an IPP. Rather it deals with an antecendent problem: The fact that without the ability to develop generation using holding company structures, IPP's—and what they make possible in terms of competition in wholesale generation—are effectively precluded, regardless of the availability of market pricing.

It should be recognized that the question of when a seller of wholesale power should be permitted to charge an unregulated price arises solely under the Federal Power Act and has nothing to do with PUHCA. Recently, IPP's and market pricing have been the subject of a controversial set of notices of proposed rulemaking [NOPR's] issued by the Federal Energy Regulatory Commission [FERC]. I do not believe that the process under which the NOPR's have been considered thus far has been sufficient to support a generic resolution of market pricing and related issues. Given the importance of these matters, the question of market pricing for wholesale power should remain for the time being where it is: a matter for case-by-case determination by FERC.

While there is a lack of agreement concerning specific rules for market pricing, there may be an emerging consensus that IPP's and competitive acquisition of wholesale power should at least be an option and thus that the separate statutory obstacles to independent power production contained in the Holding Company Act should be removed. The purpose of my amendment is the removal of these obstacles for utilities and nonutilities alike.

Mr. President, at the outset I emphasized one of the threshold questions we must answer: Is it in the public interest for independent power production and competition in bulk power to be an option for the future? The introduction of this legislation will begin to answer that question. If the answer is yes, it will also begin the process of determining if this amendment is the appropriate means to achieve those ends. My own mind remains open on the fundamental question. I very much look forward to the educational process this legislation will engender.

For the last 2 years there has been an intensive policy debate on the issue of competition in wholesale generation. The debate has involved regulators, utility executives, consumer advocates, aspiring independent power developers, economists, lawyers, architect-engineers, equipment manufacturers, and investment bankers. It has occurred before State utility commissions, before FERC, and in endless numbers of studies, conferences, seminars, and symposia. But the debate has not yet been brought to Capitol Hill, and it is Congress and the President who ultimately have the weighty responsibility of determining national energy policy.

Those who argue against enhancement of competition in wholesale generation express concerns that such actions will cause loss of economies of coordination, lack of reliability, unwise fuel choices, overreliance on contractual obligations as a means of ensuring power supply, and overemphasis on price versus nonprice factors in purchasing power competitively. In general, they assert that the natural monopoly characteristics of generation remain intact and that vertically integrated utilities are most likely to be able to provide adequate, reliable power at least cost.

Those who support Holding Company Act changes cite the positive experience with competition under the Public Utility Regulatory Policies Act of 1978 [PURPA], the present existence of willing buyers and sellers for IPP power who are stymied by PUHCA, the preference of economic theory for workable competition over regulation, and the growing concern by some analysts that utilities by themselves will have difficulty in meeting imminent needs for new generation. In general, advocates of change point out that if Holding Company Act legislation merely creates the option but not the requirement for independent power production, one must assume serious and prolonged errors in judgment by both purchasing utilities and State regulatory commissions in order to argue that the Nation's electric supply would be harmed by enactment of legislation. In other words, if in a given instance IPP power is unacceptable, it simply need not be purchased.

In judging between these two positions, Congress must recognize that an ample, economical and dependable supply of electricity is fundamental to every aspect of the Nation's well-being. Major decisions on electric regulation should not be made lightly. On the other hand, few policy changes are ever made without some uncertainty and ultimately some negative consequences. The task will be to balance all appropriate considerations.

Mr. President, I ask unanimous consent that the background and summary of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BACKGROUND AND SUMMARY OF THE COMPETITIVE WHOLESALE ELECTRIC GENERATION ACT OF 1989

THE CURRENT SITUATION

Traditional Regulation

Generation has traditionally been supplied on a monopoly basis by utilities subject to cost of service regulation. Under cost-of-service regulation, utilities (both wholesale and retail) are permitted to set rates so as to recover their expenses plus a return on capital investment (rate base). Until the 1970's, factors affecting electric utilities were predictable; the real price of electricity declined; and cost-of-service regulation functioned fairly well. Since then, various changes (high real interest rates, unpredictability of demand, increasing construction costs to name a few) have raised concerns about the current system.

In general terms, cost-of-service regulation may create a poor match of risk to reward because it gives utilities a chance of recovering all costs while eliminating the possibility that gains from increased productivity can be kept. Conversely, cost-of-service regulation can be used by regulatory commissions as an arbitrary device for heaping all risks on utilities.

Lessons and Limitations of the PURPA Experience

Until recently, it was thought that electric generation generally has the characteristics of a natural monopoly. That is, it was assumed that a single utility in a given market will always be able to reduce costs through economies of scale such that smaller competitors are driven out of business. Experience under PURPA has provided some reason to question this assumption.

PURPA gives developers of qualifying facilities (QFs) certain preferential rights. QFs are either cogeneration facilities (facilities that produce electricity and useful thermal energy) or small power production facilities (facilities whose primary energy source is solar, hydropower, waste, biomass, wind or other renewable resources). Qualifying facility status generally gives a project developer the right to receive back-up power, state and federal regulatory exemptions (including exemption from PUHCA), and the right to sell electricity to a given utility at the utility's avoided cost. PURPA defines avoided cost as the cost that a utility avoids in generating electricity itself or not purchasing it from another source.

Contrary to original expectations, PURPA has produced an explosion of QF development (approximately 25,000 MW), and this process has occurred under increasingly competitive conditions. The early years of PURPA were sometimes marked by excessive payments to QFs. However, as QFs began to be able in some instances to offer more capacity than utilities needed, rates paid for QF power were frequently negotiated down below the purchasing utility's own avoided cost. More recently, a growing number of states (16 by last count) have adopted, or are in the process of adopting, bidding programs for the acquisition of QF capacity by their native utilities.

In bidding programs, avoided costs prices effectively amount to market rates because they are set through direct competition between QFs and any other competing sources of supply. Bidding programs to date have exhibited a high degree of competition among suppliers. Typically, they have resulted in prices and conditions that, for various reasons, are better for ratepayers than what the purchasing utility can offer. While the track record of bidding is not yet well established, it provides some empirical basis for believing that competition in wholesale power markets can operate and benefit consumers significantly. Furthermore, the beneficial results of bidding to date are not necessarily surprising, orthodox economic theory generally holds that workable competition is a superior alternative to regulation.

There are, however, practical problems with continued development of QFs under PURPA. For small power producers, limitations on the economics of renewable resources means these sorts of QFs cannot make major contributions to power needs. Similarly, future development of congeneration is becoming increasingly restricted as available steam hosts are used up.

Given the possibilities for competition demonstrated by PURPA, a logical step would be to allow such competition to take place free of the technological restrictions of QF status. In addition, it would make sense in a competitive context to remove two of the other distorting aspects of the PURPA regime: restrictions on ownership of QFs by utilities and the facial requirement that utilities purchase all power offered by QFs. In essence, what is left after these changes are made is the concept of an IPP.

INDEPENDENT POWER PRODUCERS

In general terms, an IPP is a person (utility or nonutility) who owns a wholesale generating facility and who, because of a lack of market power, is permitted under the Federal Power Act to charge an unregulated price for power that the facility produces. Lack of market power in this context would mean either that 1) the IPP is not selling to an affiliated company and does not control transmission access to potential buyers of power from the facility or 2) the IPP is selling to an affiliate, or it controls transmission access to the buyer, but abuse of market power is prevented through regulatory oversight or conditions (example: FERC approves a market-priced power sale between affiliates because the rate is below a similar arms-length transaction between the affiliate-buyer and an unaffiliated entity).

THE NEED FOR CHANGES TO THE HOLDING COMPANY ACT

Limitations on IPP Development Under PUHCA

The QF experience under PURPA suggests that consumers could benefit from the existence of IPPs as a supply option. The need for such an option may be more than theoretical. A growing number of analysts predict large demands for new generation in the 1990s and note with alarm that much of it has not been planned. More to the point, there are at this moment a number of willing utility buyers and willing sellers (both utility and nonutility) for IPP projects who are stymied in their efforts. The obstacle standing in the way of these projects is not the need to get FERC approval for market rates, but the effective bar posed by the Public Utility Holding Company Act of 1935.

As a practical matter, IPP projects generally must be developed in a holding company format, whether they be developed by utilities or nonutilities. First, there is general consensus that the financial markets will require IPPs to be project financed. That is, debt lenders will provide capital only if it is secured by a corporate entity which controls project assets and revenues. Equity participants in turn will demand that their liability be non-recourse (i.e. limited to the value of project assets). The only effective way for these requirements to be met is by creating a separate corporate entity to develop an individual project, thus creating a holding company structure. Second, for reasons or organizational convenience, corporations generally desire to separate different lines of business into separate subsidiaries, again requiring a holding company structure. Third, to the extent that utilities develop IPPs, regulators will generally require the creation of separate subsidiaries for purposes of risk separation and cost accounting.

Unfortunately, the ownership of an IPP in a holding company format generally makes a parent owner (and its IPP) subject to the Holding Company Act. Under PUHCA, when a corporation owns more than ten percent of a separate corporate entity engaged in the business of electric generation (i.e. an IPP), it generally becomes a "holding company" subject to the provisions of the Act. All holding companies under the Holding Company Act must either become "exempt holding companies" or "registered holding companies."

As the name implies, exempt holding companies are not subject to most provisions of the Holding Company Act. However, in order to be exempt, a holding company must meet one of five criteria set out in section 3 of PUHCA. These criteria variously restrict a holding company's geographical scope of operations, its ability to be engaged in anything other than utility business, or its ability to be engaged in the utility business itself. Because of the narrow focus of the criteria and other provisions of the Holding Company Act which restrict utility acquisitions by exempt companies and give the SEC discretion to revoke an exemption in the public interest, status as an exempt holding company offers only very limited opportunities for IPP development.

In the case of registered companies, PUHCA is even more restrictive. For those companies that are not currently registered holding companies, the burdens of such status effectively preclude it as an option. Among other provisions, the Holding Company Act pervasively regulates the issuance and acquisition of securities by registered companies, requires registered companies to be operated as integrated utility systems, generally prohibits the ownership of utility and nonutility businesses which are not related to the operation of an integrated system, and requires simplification of corporate structures. Even for those companies that are already registered companies, the provisions of the Act requiring operation as an integrated system and restricting entry into unrelated businesses effectively prohibit most opportunities for IPP development.

In short, whether one is a non-utility, a simple investor-owned utility, an exempt holding company, or a registered holding company, the Holding Company Act stands as a practical bar to most opportunities for IPP development. While there are a few ways in which the restrictions of the Act may be circumvented, they have limited use. Thus, to the extent that positive opportunities for competition in wholesale power generation exist, they will be lost without changes in PUHCA.

The Obstacles to Competition in PUHCA Can Be Removed Consistent With the Public Interest

The problems that the Holding Company Act was originally intended to remedy are today largely prevented by other statutory

regimes. When the Act was enacted in 1935, control of the electric utility industry was concentrated in a few large holding companies whose operations were abusive both to investors and ratepayers. Problems included excessive profits from transactions between affiliates, issuance of securities on the basis of unsound asset values, statements of earnings based on paper profits from affiliate transactions, and the use of inconsistent accounting practices. At that time, however, the two federal securities acts and the Federal Power Act had only just been enacted. State utility laws were in their nascent stages and in some cases did not even exist. Since then the regulatory regimes created by these statutes have come into their own and to a large extent provide duplicative protections to those contained in the Holding Company Act. The Holding Company Act in turn has become somewhat superfluous.

SUMMARY OF THE LEGISLATION

Section 2

Subsection (a)

The legislation uses the term "Exempt Wholesale Generator" (EWG), rather than IPP, to designate entities exempt from PUHCA in order to clarify that the legislation is dealing only with structural problems in the Act. The term "IPP" generally denotes an entity that receives market pricing under the Federal Power Act. Since the legislation does not deal with market pricing it adopts different terminology for purposes of clarity.

Under paragraph (1), an EWG is basically a corporate person who is engaged exclusively in the wholesale generation business. Section 2(a)(11)(B) of PUHCA mentioned in paragraph (1) references downward affiliates. Thus, for purposes of the legislation an EWG could be an "EWG holding company" as well as an individual EWG affiliate engaged in developing specific projects.

The definition of an EWG has been drafted so as to permit an EWG to sell wholesale power that it has not necessarily generated itself. It appears that buyers of wholesale power may frequently desire to purchase capacity in increments that exceed what the most economical unit would produce. Consequently, the legislation would permit an EWG, for example, to generate 350 MW and purchase an additional 50 MW in order to meet a purchaser's 400 MW capacity need.

Paragraph (1) excludes affiliates of a registered holding company that are in existence as of the date of enactment from being EWGs, affiliates of registered companies would automatically become exempt from the Holding Company Act upon enactment and thus be able to circumvent the approvals required for affiliates of registered companies under subsection (e).

EWGs may only own "eligible facilities". Under paragraph (2) of subsection (a), an "eligible facility" is any generating facility which is used exclusively for wholesale generation and for which any regulatory approvals required under paragraph (3) have been obtained.

Paragraph (3) requires approval from the state regulatory authority of any state in which a facility is in retain rate base or generating retail construction work in progress (CWIP) as of date of enactment. In most cases state law is likely to require such approval independently, but it is not clear that this will be true in all cases. Thus, approval is required under the draft legislation so as to ensure that ratepayers are not disadvantaged by a change in the status of a facility that has received financial benefits (i.e. CWIP or rate base treatment) based on the assumption of dedicated service to such ratepayers. The problem dealt with in paragraph (3) does not arise in the case of preexisting wholesale facilities because it is clear that any change in the status of such facilities requires FERC approval under the Federal Power Act.

Finally, for purposes of subsection (a) a "facility" includes a portion of a facility. Thus, a given generating unit could produce power for sale at wholesale and retail, and the undivided portion producing wholesale power could be an "eligible facility" owned by an EWG.

Subsection (b)

Subsection (b) exempts EWGs in their corporate personalities from all provisions of PUHCA. By providing that an EWG is not an "electric utility company" under PUHCA, the legislation also ensures that a company, which is not currently subject to PUHCA, cannot become subject to it by owning an EWG. This follows because the Holding Company Act only regulates "holding companies", and a holding company is defined in relevant part as a company that owns an electric utility company.

Subsection (c)

For exempt holding companies, the chief obstacle to the ownership of EWGs (other than problems covered in subsection (a) and (b)) is the restrictive terms of exempt status as provided in section 3 of PUHCA. Subsection (c) simply makes it clear that section 3 and related provisions do not bar EWG ownership by exempt holding companies.

Subsection (d)

Subsection (d) provides that a registered holding company may without further conditions under PUHCA acquire an EWG. In the absence of this provision, the acquisition by a registered company of any securities or interest in any business would require SEC approval.

Subsection (e)

Subsection (e) provides that if a registered holding company wants to: (1) issue securities (e.g. common equity) for purposes of financing an EWG; (2) guarantee the securities (e.g. debt) of an EWG; or (3) enter into service, sales, or construction contracts, or other relationships with an EWG (other than mere ownership), such actions remain subject to the SEC's existing jurisdiction under PUHCA, except that the provisions of section 11 of the Act are effectively negated for such purposes.

Section 11 requires each registered company to be operated as an integrated system and requires all of a registered company's businesses to be "functionally related" to integrated system operation. In the absence of section 11's prohibitions and policies, any approvals required under PUHCA for the creation of relationships between a registered company and an EWG will be made under the SEC's remaining authorities.

One of the advantages available to EWGs is the use of leveraged capital structures (i.e. those with a high proportion of debt) as a means of lowering overall capital costs. Typically, non-utility generation to date has employed such leveraging. In introducing this legislation it is my intention that the EWGs owned by registered holding companies have this same opportunity on equal terms. As a matter of regulatory policy, the SEC has generally required registered companies to maintain a 65% debt-equity ration on a consolidated basis. I believe that the SEC will take into account the generally higher debt ratio of EWGs and in considering the consolidated balance sheet of a registered company not automatically and inflexibly apply the 65% ratio. In particular, EWG debt which is non-recourse with respect to the registered holding company or its utility affiliates ought not to be considered by the SEC in applying the 65% ration to the consolidated balance sheet. If there are indications after hearing that the SEC will not be flexible in its consideration of these issues, then I will further consider addressing this issue in the legislation.

Finally, the Holding Company Act has always been interpreted by the SEC to exclude regulation of electric power sales since such transactions are regulated under the Federal Power Act. The legislation assumes this continuing interpretation.

Subsection (f)

Subsection (f) provides that references to "the Act" in Section 2 of the bill are references to PUHCA. Subsection (f) also provides that terms used in Section 2 and defined in PUHCA shall have the meanings defined therein.

Section 3

PURPA limits ownership of QFs to persons not primarily engaged in the generation of electricity (other than by means of QFs). Under FERC's interpretation of this provision, electric utilities may own no more than 50% of a QF. Section 3 ensures that a non-utility company which acquires an exempt wholesale generator is not forced to divest itself of 50% of an existing QF, and is not limited in its ability to own 100% of a new QF, as a result of an argument that it has become primarily engaged in the generation of electric power.

Section 4

Section 4 is a savings provision which maintains the existing division between federal and state jurisdiction over electric transactions. At present, the precise boundaries between federal and state jurisdiction are murky in situations involving registered holding companies. States may fear encroachment by FERC into their ratemaking powers. Section 4 makes clear that the jurisdictional status quo, such as it is, remains unchanged.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Friday, July 21, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building on H.R. 498, the Indian Law Enforcement Reform Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Thursday, July 27, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building on S. 143, the Indian Development Finance Corporation Act; S. 1203, the Indian Economic Development Act of 1989; and oversight on implementation of the 1988 Indian Financing Act Amendments.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce that the hearing before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources, which was previously announced for August 1 at 2 p.m., has been rescheduled for July 24 at 10 a.m. The measure to be heard is S. 974, a bill to designate certain lands in the State of Nevada as wilderness, and for other purposes.

For further information regarding the hearing, please contact Beth Norcross of the subcommittee staff at (202) 224-7933.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. WIRTH. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources to receive testimony on the formulation of a National Energy Plan and related policies which affect global climate change. Secretary of Energy, Adm. James D. Watkins, is scheduled to testify.

The National Energy Policy hearing will take place Tuesday, July 26, 1989, at 2:30 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the full committee, SD-306, Washington, DC 20510.

For further information, please contact Leslie Black of the committee staff at (202) 224-4971 or David Harwood, legislative assistant with Senator Wirth, at (202) 224-5852.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MERCHANT MARINES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Merchant Marine Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 13, 1989, at 9:30 a.m. to hold a hearing on national sealift policy, capability, and concerns.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, July 13 at 9 a.m. and 2 p.m. in executive session to mark up S. 1085, the Department of Defense authorization bill for fiscal years 1990-91; to receive a report from the Senate Select Committee on Intelligence; and to possibly act on certain pending military nominations and other nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on S. 1153, the proposed Veterans' Agent Orange Exposure and Vietnam Service Benefits Act of 1989, S. 1243, the proposed Court of Veterans Appeals Judges Retirement Act, reconciliation legislation, major medical construction project approval resolution, section 302(b) allocation under the fiscal year 1990 budget resolution on Thursday, July 13, 1989, at 9 a.m. in SR-418.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 13, at 2 p.m. to hold a hearing on international aspects of oilspill prevention, cleanup, and compensation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Thursday, July 13, 1989, at 9 a.m. to conduct hearings on the nomination of Francis Keating, to be General Counsel of HUD; at 9:30 a.m. to vote on nominations, committee business matters, and legislation pending before the committee; and, at 10 a.m. to conduct hearings on financial services in the 1990's.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, July 13, beginning at 9:30 a.m., to conduct a hearing on the recent oilspills in the coastal waters of Rhode Island, the Delaware River, and the Houston Ship Channel.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, July 13, 1989, at 2 p.m., to hold a hearing on civil rights commissions.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, July 13, 1989, at 9 a.m. in SR-332, to receive testimony on disaster assistance.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committeee on Energy and Natural Resources be authorized to meet during the session of the Senate, July 13, 10 a.m., to receive testimony from the administration on S. 710, S. 711, and S. 712, legislation to provide for a referendum on the political status of Puerto Rico.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 13, 1989, at 2 p.m., to hold a closed markup on the fiscal year 1990-91 intelligence authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ARTICLE BY JOHN G. ONTO ENTITLED ECONOMIC POPULISM EQUALS ECONOMIC SUICIDE

● Mr. WALLOP. Mr. President, I would encourage my colleagues to read an article I am submitting for the RECORD written by John G. Onto—the director for the Center for International Business and Trade, a part of the Georgetown University's School of Business.

I strongly believe that his premise that "Economic Populism Equals Economic Suicide" is right on the money. In our deliberations here in the Senate last year, I warned my friends of the possible ramifications of attacks using section 301 of the "Omnibus Trade and Competitiveness Act of 1988." It is a popular plight to call for the strong arm approach when dealing with our trading partners and their respective barriers to what we term free trade. Our constituents like to see us throw our weight around. However, I have oftentimes found the popular thing in the public's eye is not always the most

prudent and steadfast method of achieving the desired result here in the legislature.

The answer clearly is not to cast blame upon our trading partners for the Untied States is as guilty as the rest and could doubtfully pass our own 301 "litmus" test. This Japan bashing, India bashing, or Brazil bashing, among others, I fear, will not result in a fearful submission by these nations. Contrarily, a nationalistic resentment of our actions will inflict a reciprocal hostility and move us further away from productive negotiating and in the direction of a destructive trade war.

If the United States desires to move in the right direction, let's not look for someone to blame. Let's improve America's productivity, America's competitiveness, and America's overall position while effectively and productively negotiating to reach our goal of a worldwide system of free trade.

Mr. President, I ask that the article by Mr. John G. Onto entitled "Economic Populism Equals Economic Suicide" be printed in the RECORD.

The article follows:

FROM THE DIRECTOR—ECONOMIC POPULISM = ECONOMIC SUICIDE

A fast track to garnering public attention is to develop strident tones in which to describe trading practices of countries with which the US experiences trade deficits. The underlying assumption of those offering blandishments is that the US trade deficit is a function of the aberrant commercial behavior of these countries.

They are absolutely right. But, not to the extent they would have us believe. There are many estimates of the impact on our balance of trade of restrictive trade barriers imposed by our trading associates. At the most, this impact is not greater than $35 billion. If all trade barriers impacting on US exports were lifted tomorrow, the best that can be said is that the annual trade deficit would be reduced to $95 billion. These barriers are a convenient scapegoat for a lack of international competitiveness. They provide a facade of legislative energy in the absence of action intended to address the real problems confronting this country but may require politically dangerous albeit courageous behavior.

We have a greater concern. The economic rabble-rousing aimed at our trading allies is not playing well in those countries. Indeed, as the belligerence of Washington pols receives airplay in the target countries, they are performing a disservice to US firms attempting to market their goods and services in those regions. We cannot threaten these countries into any more than symbolic responses (witness the meat hormone debacle) and may well stimulate negative responses. Threats always produce a response; the risk is that the response is unpredictable and often not that sought by the threatening party.

A groundswell is building in this country in favor of some form of retaliatory action manifested in protectionist behavior. When these actions eventuate they will be justified as retaliatory and portrayed as a demonstration of US strength. They will also be portrayed a part of a negotiating strategy aimed at developing a process of concession trading. This is a high risk and intellectually flawed strategy. A possible response may be reciprocal behavior by others. As The Economist recently pointed out, the benefits of free trade accrue regardless of bilateral or multilateral responses and are available to countries who unilaterally practice free trade. Similarly, benefits are lost not when others apply restrictive policies, but when we apply them against others. Production costs increase, resource diversion from areas of comparative advantage occurs, international competitiveness is lost, productivity declines and prices to consumers rise. Moreover, these actions will not be seen by our trading partners as retaliatory but, rather, as an inflammatory extension of protectionist sentiment which has been building since the early 1980s.

We applaud the courage of President Bush's chief economic advisor, Michael Boskin, who opposes the groupthink mentality evident in the Administration and in the Congress, and is correctly warning of the dangers of Japan-bashing. He rightly recognizes who will pay the costs of these "macho" actions—the Americans consumer.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Ms. Jo Sherman, a member of the staff of Senator SIMPSON, to participate in a program in Germany, sponsored by Haus Rissen, International Institute for Politics and Economics, from August 13 to 23, 1989.

The committee has determined that participation by Ms. Sherman in the program in Germany, at the expense of Haus Rissen, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Senator and Mrs. Simpson to participate in a program in Taiwan, sponsored by the Chinese National Association of Industry and Commerce, from June 25–29, 1989. Senator and Mrs. Simpson have also requested a determination for their participation in the second UW-Pacific Rim Symposium in Hong Kong, sponsored by the University of Wyoming Foundation, from June 29–30, 1989.

The committee has determined that participation by Senator and Mrs. Simpson in the program in Taiwan, at the expense of the Chinese National Association of Industry and Commerce, and in the program in Hong Kong, at the expense of the University of Wyoming Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Alex Echols, a member of the staff of Senator KASTEN, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from July 1 to 9, 1989.

The committee has determined that participation by Mr. Echols in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Keith Smith, a member of the staff of Senator MCCONNELL, to participate in a program in Taiwan, sponsored by Soochow University, from July 1 to 9, 1989.

The committee has determined that participation by Mr. Smith in the program in Taiwan, at the expense of Soochow University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Greg D. Kubiak, a member of the staff of Senator BOREN, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from July 1 to 9, 1989.

The committee has determined that participation by Mr. Kubiak in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Mandy Arney, a member of the staff of Senator WALLOP, to participate in a program in Taiwan, sponsored by the Chinese National Association of Industry and Commerce, from June 25 to July 1, 1989.

The committee has determined that participation by Ms. Arney in the program in Taiwan, at the expense of the Chinese National Association of Industry and Commerce, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Senator and Mrs. Wallop to participate in a program in Taiwan, sponsored by the Chinese National Association of Industry and Commerce, from June 25 to July 1, 1989.

The committee has determined that participation by Senator and Mrs. Wallop in the program in Taiwan, at the expense of the Chinese National Association of Industry and Commerce, is in the interest of the Senate and the United States.

The select committee has received a request from Senator CHAFEE for a determination under rule 35 for Robert

Vastine, staff director of the Senate Republican Conference, to participate in a program in West Germany, sponsored by Haus Rissen, the International Institute for Politics and Economics, from August 13 to 23, 1989.

The committee has determined that participation by Mr. Vastine in the program in West Germany, at the expense of the Haus Rissen, is in the interest of the Senate and the United States.●

STEEL SUPPLIERS SUPPORT VRA EXTENSION

● Mr. HEINZ. Mr. President, recently there has been some criticism of extension of the steel voluntary restraint agreements from a few, vocal customers of the steel industry. This group claims that VRA's are a detriment to their respective businesses and are denying U.S. industries "free market" opportunities.

In view of these assertions, it is important to recognize the equally vocal and more numerous supporters of VRA extension for 5 more years. Today, I want to discuss the depth of support VRA's have received from suppliers to the industry.

Ranging from the production of hydrochloric acid to various minerals, these concerned supply companies thrive on their interdependent relationship with the steel industry. Without the extension of the President's voluntary restraint program, these companies fear they will suffer along with the rest of the steel industry. Only with a renewed program in place will we be in a strong position to pursue the dismantling of international foreign steel subsidies, so that we can achieve a truly free and fair market.

The diversity of the respective suppliers who wrote me, in terms of size and production, did not detract from their common theme. All of the companies believe that extending VRA's is the only way the steel industry will be able to continue its reemergence to domestic and international competitiveness. For example, the DAK Supply Corp. which has 64 employees stated:

> America's steel industry is just now recovering from the worst depression ever in its industry. Continued support of VRAs will ensure that this progress will prevail.

In the past 5 years VRA's have: First, helped establish restraints on unfair and illegal steel imports; second, allowed domestic producers to begin recovery from the financial crisis of 1982–86; and third, enabled domestic steel producers to take significant steps to improve their international competitiveness.

The steel industry's suppliers' support for the extension of VRA's is impressive. They have already demonstrated substantial concern for the industry and for themselves individually, and they will continue to do so.

Mr. President, in closing I would like to quote from a letter I received from Betz Metchem, and I ask that a selection of the letters be printed in the RECORD, following my remarks:

> At this time 15 percent of the American steel capacity is in chapter 11. Unless the U.S. Government is prepared to subsidize the industry, as many foreign governments do, it must give the industry some protection from dumping of excess foreign capacity into our country. We must give our industries the opportunity to compete fairly in the world economy.

The selection of letters follows:

March 27, 1989.

Hon. H. JOHN HEINZ III,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR HEINZ: I write to you both as an individual and on behalf of my company (Betz Metchem) and our employees in support of an extension of the Steel Voluntary Restraint Agreement (VRA's).

Betz Laboratories, Inc. is a specialty chemical company headquartered in Trevose, PA. We are now entering our 64th year in the specialty chemical business. Specifically, Betz utilizes specialty chemicals to prevent corrosion, deposition, and MB fouling in boiler and cooling systems. We are also intimately involved in wastewater clarification and gas scrubber efficiency improvements.

The Metchem division of Betz Laboratories is directly involved and a partner with the Steel, Auto, Container and Metal Preparation Industries. We have been partners for many years—the pre-VRA years when imports were dumped in the U.S. to an extent that they achieved nearly a 30% marketshare. The pre-VRA years when the industry was near collapse under the weight of losses nearing $12 billion. The pre-VRA years when bankruptcies were almost assured for most U.S. Steel companies. We have been partners in the VRA years when the industry was able to modernize—continuous cast steel is now approximately 60% of U.S. capacity from 20% in 1980. The VRA years when the steel industry began to recovery from the "depression" of the early '80's. The VRA years when the American steel industry recovered and again represents pride in America.

Senator Heinz, with the VRA's due to expire in September 1989, I/we feel strongly that we must extend this program. The restructuring, modernization and recovery of the industry is not yet complete. At this time 15% of the American steel capacity is in Chapter 11. Unless the U.S. government is prepared to subsidize the industry, as many foreign governments do, it must give the industry some protection from dumping of excess foreign capacity into our country. We must give our industries the opportunity to compete fairly in the world economy.

History has proven that the predictions of the anti-VRA people have not occurred. The industry has not become complacent but has modernized and reduced production costs. (We are near being the lowest cost producer in the world.) The VRA has not had an adverse effect on our foreign trade. The negative import to export numbers prove that. The price of steel did not escalate. The price of carbon steel is still 5 percent lower in current dollars than they were when VRA's were instituted.

I/we strongly believe that the VRA extension is critical to the long term recovery of the American Steel Industry. For America to remain strong we need a strong American Steel Industry.

We must invest in the future of our country. We, respectfully, urge your support for that investment by voting for the VRA program. Thank you in advance for your consideration and support.

Sincerely,

BETZ METCHEM,
Executive Vice President.

LEONARD R. WALL,
A Concerned American.

AMERICAN IRON ORE ASSOCIATION,
Cleveland, OH, March 27, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: American Iron Ore Association thanks you for co-sponsoring the Steel Import Stabilization Extension Act, S. 378. We believe that continuation of the President's Steel Program, including the Voluntary Restraint Arrangement (VRA), is in the best interest of both the United States and Canada.

Our position on this legislation is not to be interpreted as advocating a formal agreement with any particular country, especially Canada. We respect the prerogative of each sovereign government, based on its individual circumstances, to decide whether it should or should not enter into an agreement with the United States.

Member companies of American Iron Ore Association account for 80 percent of the iron ore that is produced in the United States. We operate twelve iron ore pellet plants in this continent. These state-of-the-art plants competitively meet the constantly-tightening standards of steel producers and account for an effective annual capacity of over 68 million tons of iron ore. Due to location of deposits, and the transportation economics, there is a natural flow of this commodity in both directions between the United States and Canada. These factors also account for the fact that eight iron ore plants now operating in Michigan and Minnesota must depend, for their survival, upon ore consumption by U.S. and Canadian steel producers in the Great Lakes area.

There is no doubt that the President's Steel Program has worked effectively to reduce U.S. imports of unfairly-traded steel from offshore countries. Recognizing that excess steelmaking capacity throughout the world is at least 100 million tons, the entire North American steel industry is likely to again become victim to predatory trade practices unless the President's Steel Program is extended. We believe that these practices would be severely harmful to the long-term defense and economic security of North America.

Our industry has just recently become stabilized, with a reasonable balance between supply and demand, after experiencing six years of economic strife, uncertainty, and substantial structural adjustment. With fixed investment amounting to billions of dollars and a necessity to operate our plants at near capacity to remain economically viable, the U.S. Government should not permit countries around the world to unfairly sustain their own steel operations and employment at the expense of American industry and its employees.

We ask you to vote for the Steel Import Stabilization Extension Act, S. 378.

Very truly yours,

GEORGE J. RYAN,
Executive Director.

INDUSTRIAL METALS & MINERALS CO.,
Bridgeville, PA, March 13, 1989.

Subject: Extension of Voluntary Restraint Arrangements.

Hon. H.J. HEINZ III,
U.S. Senator, Federal Building, 1000 Liberty Avenue, Pittsburgh, PA.

DEAR SENATOR HEINZ: Our company is small in terms of the number of employees that we have but the expiration of the Voluntary Restraint Arrangements, on September 30th, 1989, regarding steel imports will have a serious detrimental affect on our business and the future employment of our employees.

We are a supplier of several products to the steel industry which comprise over half of our sales volume. A substantial loss of business by our steel customers, because of an increase in steel imports, will lead to a loss of business by our company, resulting in lay-offs.

Extending the VRA therefore is essential if the domestic steel industry is to complete its modernization projects and ensure its long term international competitiveness.

As you well know, steel is a cyclical industry. During the next and inevitable period of world wide market weakness, foreign producers can be expected to dump their excess capacity in the American market.

In case of an up surge in imports, American producers will have no recourse but to turn to massive and costly trade litigation.

We strongly believe that the VRA extension is critical to the long term sustained recovery of the American steel industry from one of the worst depressions in its history. Most importantly, the United States industry is just beginning its recovery and continued support of the VRA will ensure that its progress continues.

On behalf of our employees, we respectively urge your support for the extension of the steel VRA Program.

Thank you for your cooperation and prompt consideration of this issue. Naturally, we will be watching your efforts concerning the extension of this program and your voting record.

Sincerely,

GEORGE E. GILLESPIE,
Vice President of Steel Sales.

REAGENT CHEMICAL & RESEARCH, INC.,
Middlesex, NJ, March 31, 1989.

Re: Senate bill No. 378.

Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR: I write on behalf of my company and our 250 employees in support of extension of the steel Voluntary Restraint Arrangements (VRAs). Reagent Chemical is the largest supplier to the Domestic Steel Industry of Hydrochloric Acid, a key raw material in the production of steel. Incorporated in 1959, Reagent Chemical is the second largest privately held Chemical Corporation in New Jersey and maintains offices and terminals throughout the country. Additionally, we own the largest fleet of tractor trailers and railcars dedicated to Hydrochloric Acid in the nation. With the majority of our sales derived form our Domestic Steel Industry, the extension of the steel VRAs are a critical concern.

With VRAs due to expire in September of 1989, we strongly feel that prompt action to extend this program for a five-year period is critical for the domestic steel industry's further restructuring and modernization. We view VRA renewal as the key step by government to ensure that the domestic steel industry's progress in reinvestment, improved productivity and overall efficiency continues uninterrupted.

As you know, the condition of the domestic steel industry sharply deteriorated over many years as a result of growing foreign government intervention in steel industries abroad and resulting massive foreign unfair trade practices. Such practices were pervasive when the VRA program was instituted in 1984 and they continue today. Two clear examples are (1) the enormous foreign government subsidies that have perpetuated structural world excess capacity in steelmaking and (2) the widespread dumping of foreign steel in the U.S. market.

We strongly believe that VRA extension is critical to the long term sustained recovery of the American steel industry from one of the worst depressions in its history. Most importantly, the U.S. steel industry is just beginning its recovery, and continued support of the VRAs will ensure that its progress continues.

As a key investment in America's future, we respectfully urge your support for the extension of the steel VRA program. Thank you for your prompt consideration of this issue.

Sincerely,

THOMAS J. SKEUSE,
President & CEO.

INTERNATIONAL MILL SERVICE, INC.,
Philadelphia, PA, February 23, 1989.

Subject: Steel Industry, Voluntary Restraint Arrangements (VRA's).

Senator JOHN HEINZ,
U.S. Senator, 9456 Federal Building, 600 Arch Street, Philadelphia, PA.

DEAR SENATOR HEINZ: We must extend the VRA Program for an additional five years due to:

1. Trade-distorting conditions world-wide that have not changed much since VRA's were first introduced. Foreign governments continue to subsidize their steel industries and are restricting their steel markets which, in turn, diverts more steel to the U.S. market.

2. Foreign producers continue to dump steel in the U.S., in violation of all trade laws.

3. A five-year extension will give the U.S. time to negotiate, internationally, the unfair practices that have decimated the U.S. steel industry. We cannot lose the negotiating leverage that the VRA's have created at this critical stage.

4. The U.S. industry has improved its international competitiveness through cost reductions of 35% since 1982 and productivity gains (up 40%), but the industry still lags other major steel producing countries in key areas such as product yield and continuous casting rate. Extension of VRA's will give the steel industry the time needed to complete the changes begun during the past five years.

5. If the VRA's are extended, massive capital reinvestment will continue to occur over the next five years, insuring the recovery of the U.S. steel industry. Much depends on this recovery since the steel industry is vital to our national security, our industrial base and infrastructure.

We must all support an extension to the VRA Program and ask you to do so since there is no viable alternative.

Sincerely,

R. DOUGLAS LANE,
Senior Vice President, Steel Mill Services.

NEWCOMER PRODUCTS INC.,
Latrobe, PA, April 4, 1989.

Hon. H. JOHN HEINZ III,
Russell Senate Office Building, Washington, DC.

DEAR MR. HEINZ: Senate Bill SB378, which extends the steel VRA Program is currently being considered.

Please accept this letter as a supporting vote for this legislation.

Newcomer Products of Latrobe, PA is a supplier of tooling to many steelmakers in the U.S., and we recognize the importance of giving our basic industries some protection from foreign competitors.

Although we believe in the principle of Free-Trade, we are convinced that many foreign producers are not burdened with the expense of protecting their environments nor their employees, and therefore enjoy a great cost of advantage. Free-Trade should be fair trade.

Your support for SB378 is deserved by your constituents.

Sincerely,

ROBERT S. JACOBS,
President.

DAK SUPPLY CORP.,
Cleveland, OH, March 15, 1989.

Senator JOHN HEINZ,
9456 Federal Building, Philadelphia, PA.

DEAR SENATOR HEINZ: I write on behalf of our company and our 64 employees in support of extension of the steel Voluntary Restraint Arrangements (VRA's). Our company is situated in America's heartland and is very dependent on the support of a viable and profitable steel industry.

If our domestic steel industry is to remain strong we feel that prompt action is needed to extend the VRA Program for another 5 years. These additional 5 years would allow a continuation of the efficiency steps that already have been implemented. Steps made possible by passage of the original act.

There is presently a worldwide overcapacity in steel production which only serves to encourage foreign government subsidies and the widespread dumping of foreign steel. Action on your part is necessary to stem this tide.

America's steel industry is just now recovering from the worst depression ever in its industry. Continued support of VRA's will insure that this progress will prevail. I ask for your support in continuation for 5 more years in The Voluntary Restraint Arrangements.

Sincerely,

JOSEPH K. DREHER,
President.●

CONGRESSIONAL BUDGET ACT 302(b) ALLOCATION

● Mr. JOHNSTON. Mr. President, section 302(a) of the Congressional Budget Act requires the Senate Budget Committee to allocate total budget authority, total budget outlays, and total credit authority among committees of the Senate. Each of the

committees receiving a 302(a)(2) allocation is, in turn, required by section 302(b) to file its own report showing its respective allocation of those accounts to its own subcommittees. As chairman of the Committee on Energy and Natural Resources, I hereby submit a list of the total budget authority, total outlays, and total credit authority under the jurisdiction of each subcommittee for fiscal year 1990. I ask that the subcommittee allocations for the Committee on Energy and Natural Resources be printed at this point in the RECORD.

The allocations follow:

COMMITTEE ON ENERGY AND NATURAL RESOURCES CONGRESSIONAL BUDGET ACT 302(b) ALLOCATION OF ACCOUNTS, FISCAL YEAR 1990

[In millions of dollars]

Subcommittee	Budget authority	Outlays	Credit
Direct spending:			
Energy Regulation and Conservation	0	0	0
Energy Research and Development	[illegible]	[illegible]	
Mineral Resources Development and Production	374	373	
Public Lands, National Parks and Forests	193	150	
Water and Power	[illegible]	133	
Full committee	[illegible]	208	
Total	1,369	992	0
Entitlements funded in appropriations accounts: Full committee	48	48	

Note.—Totals may not add due to rounding.●

A NEW DEMOCRACY IN PAKISTAN

● Mr. HUMPHREY. Mr. President, yesterday I was honored to meet with several members of Pakistan's National Assembly, who are visiting the United States on a USIA-sponsored tour. These freely elected members of Pakistan's Parliament are a testament of the tremendous strides that Pakistan has taken toward full democracy over the past year. Their visit to the Capitol provides an important opportunity to highlight these remarkable political developments.

Last month, Prime Minister Benazir Bhutto delivered an eloquent speech to a joint meeting of the U.S. Congress. She spoke of Pakistan's peaceful transition to full democracy. It is hard not to be awed by the progress of that country. How many times in recent years have we seen friendly governments replaced by hostile ones? How many time have we seen stable governments slip during times of crisis, only to deliver a friendly ally into a period of uncertainty? But in Pakistan, the transition was peaceful. It was democratic. Today, our relations are stronger than perhaps at any other time.

Mr. President, less than 1 year has passed since President Mohammad Zia-Ul Haq was killed in a tragic plane crash that also claimed the lives of Ambassador Arnold Raphel, Gen. Herbert Wassom, and several senior Pakistani military officials. The hours following President Zia's death were a time of great political uncertainty in Pakistan. But in the minds of Acting President Ghulam Ishaq Khan, and the Army Chief Aslam Baig, there was great certainty about the course Pakistan should follow.

These men were determined to oversee a peaceful transition to full democracy in Pakistan, and to ensure that stability was maintained. Within hours of the tragedy in Bahawalpur, Acting President Ishaq Khan announced that the elections scheduled for November 16, 1988, would proceed as scheduled. He emphasized that the Constitution would remain in force. Within a week, General Baig likewise ordered the military to refrain from political activity and expressed his personal support for free elections.

Pakistan's supreme court also played a key role in the transition, by ruling in early October that the scheduled elections should be party-based. The interim government welcomed that decision and granted broad powers to the election commission to ensure that the voting was free and fair. On November 16, the people of Pakistan went to the polls and granted Pakistan People's Party a plurality of seats in the national assembly. The Islamic Democratic Alliance gained the second largest number of seats. It is important to note, that not one person died of election-related violence in Pakistan on November 16, 1988. Three days later, free elections were held for the four Provincial assemblies.

On December 1, 1988, President Ishaq Khan nominated Benazir Bhutto as Prime Minister and invited her to form a government. On December 12, the national assembly gave Mrs. Bhutto's new government a vote of confidence. On the same day, the interim President received an overwhelming vote from the electoral college of Provincial and national assembly members. Pakistan entered a new chapter in its history.

Mr. President, Pakistan's peaceful transition is all the more remarkable when one considers the enormous pressures on that country. On her western border, Pakistan faces a hostile neighbor. Through their client in Kabul, the Soviets have used every opportunity to destabilize Pakistan by sabotage, vicious acts of terrorism, and outright attacks on her territory. Despite the burdens of the war in Afghanistan, Pakistan remains stalwart in her support for the Mujahidin. That support was affirmed by Interim President Ishaq Khan shortly after President Zia's death. Just last month we were heartened by Prime Minister Bhutto's appeal to stay the course.

On her eastern border, Pakistan faces another unfriendly neighbor. India continues to portray our important military assistance to Pakistan as a threat to the Kashmir region, occupied. In my view, nothing could be further from the truth. Especially considering the overwhelming conventional imbalance in India's favor. One cannot help but wonder about India's interest in developing the Agni missile? Or why India invited President Najibullah to Delhi for a state visit shortly after the Geneva accords were signed. Certainly there are more helpful steps that could be taken to further the legitimate security interests of South Asia. Nonetheless, I am encouraged by the progress of Prime Minister Bhutto, by picking up where President Zia left off, in forging better relations with India.

Mr. President, Pakistan is our most important ally in an extremely troubled region of the world. So I take this opportunity to welcome our distinguished friends to the United States Senate and to pay tribute to Pakistan's political accomplishments of recent months. I hope that their visit to the United States will help to further the bonds of friendship between our two democracies.●

DR. STEPHEN B. KELLEY

● Mr. McCONNELL. Mr. President, every now and then I bring to the attention of my colleagues some of Kentucky's community leaders. Today, I would like to insert into the RECORD an article about a man who recently received the Silver Antelope Award at the Southeast Region Biennial Banquet of the Boy Scouts of America in Asheville, NC.

Dr. Stephen B. Kelley, 53, joined the Boy Scouts of America at the age of 12. His involvement during childhood was important to him because, as the son of a mining engineer, Kelley moved many times before high school, and missed out on some of the lasting friendships that other boys had.

Being a Boy Scout influenced Dr. Kelley's decision to become a doctor because he went through life always feeling a need to help his fellow man. He learned that serving each other is the best thing that we can do. He still devotes time to the Boy Scouts when he is not busy with his family medical practice in Somerset, KY, and is considered a unique and unselfish person in the community.

From 1964 to 1969, Dr. Kelley was Scoutmaster of a Somerset Troop. During an annual gathering of Scouts from all over the globe in Japan in 1969, he was climbing Mount Fuji with a troop of 40 Scouts when a typhoon struck. Out of the nearly 176 people who were killed, not one was a Scout. It was then that Dr. Kelley learned the importance of the Scout motto: "Be prepared." He was Lake Cumberland district chairman from 1979 to 1980, served on the Blue Grass Council

BEST PAPER COPY
AVAILABLE FOR FILMING.

of the Boy Scouts in Lexington from 1981 to 1983, and has been a member of the National Council of the Boy Scouts of America since 1984. He was one of five people to recently receive the Silver Antelope Award for distinguished service on behalf of youth in the region. The only award above this is the Silver Buffalo Award given at the national level.

I hope that all of my colleagues in this body will take note of Dr. Kelley's dedication and join me in congratulating him for this outstanding award.

The article follows:

AT 53, SOMERSET DOCTOR GETS BOY SCOUTS AWARD FOR SERVICE

(By Christopher Lee)

For Dr. Stephen B. Kelley, Scouting is much more than a childhood hobby. It is a way of life.

Kelley, 53, who joined the Boy Scouts of America at age 12, was one of five people to receive the Silver Antelope award at the Southeast Region Biennial Banquet of the Boy Scouts of America in Asheville, N.C., last month.

The award is for distinguished service for the Boy Scouts of America on behalf of youth in the region and is second in prestige only to the Silver Buffalo award, given at the national level.

"I have sat in these meetings for many years . . . never thinking I would get this award," Kelley said at his Somerset office Friday. "I felt that the men who have received the award have been so great in so many ways that I did not put myself in the same category as them."

Kelley reached the rank of Life Scout when he was 17, but turned 18 without making Eagle Scout, the highest rank for a Boy Scout. When a Scout turns 18, he is ineligible to increase his rank.

Kelley was Scoutmaster for Troop 82 in Somerset from 1964 to 1969, and was district chairman for the Lake Cumberland district of the Boy Scouts from 1979 to 1980. From 1981 to 1983 he served on the Blue Grass Council of the Boy Scouts in Lexington, first as commissioner and later as president. Since 1984 he has been a member of the National Council of the Boy Scouts of America.

The son of a mining engineer, Kelley and his family moved frequently during his childhood.

"I had 20 residences before I went to high school," in Clay County, he said. "We just went from coalfield to coalfield."

Because his family moved so often, Kelley could not make lasting friendships. But his involvement in the Boy Scouts helped make up for this, he said.

"Regardless of where I lived, I could always be a Scout," Kelley said. "That was something they could never take away from me."

Kelley called Scouting "the most exciting adventure that a boy can take." Scouts go on camping and canoe trips, do good works and learn valuable skills to get merit badges and advance in rank. They also learn survival techniques.

Scouting "gives you a feeling for life itself," Kelley said. It teaches that "the best thing we can do is serve each other."

Kelley said that being a Boy Scout influenced his decision to become a doctor.

"I don't think a boy could travel through Scouting and not feel a need to help his fellow man," he said.

A scary experience at the 1969 Boy Scout "world jamboree" in Japan—an annual gathering of Scouts from all over the globe—taught Kelley the importance of the Scout motto: "Be prepared." Kelley was climbing Mount Fuji with a troop of 40 Boy Scouts when a typhoon struck. About "176 people were killed," he said, "but not one Scout."

"Experiences like that put Scouting into you for life," he said.

When he is not busy with his family medical practice in Somerset, Kelley devotes "any free time I have" to the Scouts, he said. These days, that usually involves a lot of letter writing and fund raising, he said.

J.W. Graybeel, 51, chairman of the Lake Cumberland district, said that Kelley gave an "inordinate" amount of time to the Scouts.

"It's amazing the amount of time that the man gives when most of the professional people say they don't have time," said Graybeel, who has known Kelley since Kelley moved to Somerset in 1963.

Clay Davis, 48, President of Citizens Fidelity Bank in Somerset, said Kelley was regarded as one of the "top people" in the community.

"He is perceived in the community as unique and unselfish," said Davis, a friend of Kelley for more than 16 years.

Kelley said he would continue to work with the Boy Scouts as long as I'm a help.

"It's a lifetime commitment. Scouting is not just a part of life; it is a way of life."●

ENHANCED RESCISSION AUTHORITY

● Mr. HUMPHREY. Mr. President, on January 25, 1989, I introduced legislation which would provide for expedited consideration of Presidential rescission requests. It simply requires Congress to go on record as either approving or disapproving—by a simple majority vote—rescissions when they are requested.

I have supported line item veto legislation for many years, but am convinced that enhanced rescission stands the best chance for enactment. My approach does not advocate granting the President any new or increased powers, but would require Congress to consider and vote on rescissions when they are proposed.

I was interested to read former President Gerald Ford's comments in the Washington Post on June 8, 1989, regarding a line item veto. When asked about a constitutional amendment to give the President a line item veto on appropriation bills, President Ford said he favors it but thinks it "never will be done—never," and that it would be "much more practical" to restore the President's power to impound funds. I completely agree with him.

I would like to share with my colleagues President Ford's comments regarding budget reform in a letter I recently received from him. I ask unanimous consent that following my remarks President Ford's letter be inserted in the RECORD.

I commend all my colleagues who have sponsored or cosponsored enhanced rescission legislation. I urge other Senators to support these efforts.

The letter follows:

JULY 3, 1989.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: Congratulations on your sponsorship of S. Con. Res. 9, which is a constructive proposal to improve the budget process.

Although I favor the repeal of the impoundment limitations in the Budget Reform Act of 1974, I recognize this approach is not feasible in the Congress today. Your proposal, if enacted, would be a significant improvement and potentially save huge tax dollars. Good luck.

A constitutional amendment for a "line item veto" by the President is not a realistic approach.

Warmest, best wishes,

GERALD R. FORD.●

VERIFYING SOVIET COMPLIANCE WITH ARMS CONTROL TREATIES

● Mr. DOMENICI. Mr. President, I rise in support of an important bill that my colleague and friend, Senator JEFF BINGAMAN, has introduced today and which he plans to offer as an amendment to the fiscal year 1990 Department of Defense authorization bill. That bill is intended to authorize the Assistant Secretary of Energy for Defense Programs to conduct research and development activities related to verifying Soviet compliance with arms control treaties.

This is an important and timely bill. My colleague from New Mexico well understands the necessity of confirming compliance with the arms control treaties we negotiate with the Soviet Union. Without adequate verification policies and technologies, those treaties are an invitation to violation. Without the means for verifying compliance, the treaties that are debated and ratified by the United States, may have the effect of undermining rather than supplementing our national security.

The following statement, which I believe is worth quoting in its entirety, sums up the problem we face today with arms control verification and compliance. I quote,

> The current debate on arms control and disarmament puts great stress on the problem of how to detect violations of whatever agreements may be reached. To this end inspection schemes and instruments for detection are developed, their capabilities and limitations discussed, and efforts made to test and improve them. Indeed, the technical question of detection dominates the domestic debate but also the international disarmament negotiations.

Students of arms control policy may recognize this succinct statement as the opening paragraph of Dr. Fred

Ikle's 1961 Foreign Affairs article on verification and compliance, entitled "After Detection—What?" In this timely treatise, Dr. Ikle examines some of the historical problems of arms control and addresses some of the same issues that my colleague from New Mexico hopes to focus our attention on with his bill.

In addition to discussing the challenges of verification of arms control treaty compliance or violation, Ikle also examines the necessary but so often overlooked issue of compliance policy—what should a partner to a violated treaty do in order to dissuade further violations and encourage continued compliance? Senator BINGAMAN's bill will, I believe, encourage the Department of Energy to utilize our national labs for the vital purpose of creating new means for detecting violation and compliance. What we as signatory to these treaties do with this technology to enforce compliance will be the greatest challenge and the most crucial role of the entire arms control process.

But before we are faced with the prospect of possible violation—and I believe I am being a pragmatist and not a pessimist when I say we must anticipate the possibility of Soviet noncompliance—we must be willing to research, develop, and deploy the means for ensuring continued compliance to all our arms control treaties. This bill will encourage such research and help create an atmosphere in which verification and compliance issues will be treated not as "the last refuge of scoundrels" but as the vital instrument for determining the value of our arms control treaties.

I applaud my colleague for introducing this bill and for encouraging the more extensive use of the vast talents of our national laboratories. I urge my colleagues to endorse this bill and to support the amendment when it is introduced to the Department of Defense authorization bill.●

WHAT IS AMERICA?

● Mr. SIMON. Mr. President, Anthony Lewis had a column recently in the New York Times entitled, "What Is America?"

We are in the midst of hysteria that calls for a constitutional amendment to prohibit burning the flag.

I am as proud of the flag as anyone. I served in the U.S. Armed Forces overseas, and I am proud to have done so.

The Anthony Lewis column gives us a sense of balance in this whole thing.

I urge my colleagues to read his column, which I am asking to have printed in the RECORD at this point.

The article follows:

[From the New York Times, June 29, 1989]

WHAT IS AMERICA?

(By Anthony Lewis)

"If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it."—Jefferson, first Inaugural Address.

WASHINGTON.—Early Tuesday morning radio and television reported that President Bush would hold a press conference to talk about an urgent issue. One waited to see what had moved the President. Would he express outrage at the totalitarian brutalities in China? Would he call for action on the crisis of homelessness and disease afflicting our cities?

"Flag-burning is wrong," the President said as he opened the press conference. The most urgent issue facing the country, he evidently felt—the one demanding Presidential leadership—was the Supreme Court decision reversing the conviction of a political protester who burned the American flag.

There will naturally be conflict about the flag case. The Court itself divided 5 to 4, and the opinions on both sides recognized the emotional significance of the flag to Americans.

But one thing seems tolerably clear. No urgent menace arises from the decision. It does not threaten any immediate national interests, at home or abroad. It does not threaten American patriotism. Important principles are involved, but that particular facts of the case were unusual and are hardly likely to arise on a threatening scale.

At the time of the Republican Convention in Dallas in 1984, Gregory Lee Johnson burned a flag as part of a street demonstration against Government policy. He was one of the far-out characters who turn up around our political conventions and make their often nasty speeches to audiences of few or none.

Because the flag-burning was part of a political denunciation, the Court found that it was "speech" protected by the First Amendment. Many kinds of expressive conduct, such as marching, have been held to come under the amendment's guarantee of free expression.

"Nobody can suppose," Justice Brennan wrote in the opinion of the Court, "that this one gesture of an unknown man will change our Nation's attitude towards its flag."

Can President Bush believe otherwise? Does he really think American patriotism is so frail that it will be shattered by this decision?

Politics could have something to do with the President's stance. His campaign manager last year, James Baker, showed how effectively one could smear an opponent with irrelevant jingoism about the Pledge of Allegiance to the flag. Attacking the flag case also pleases Mr. Bush's troubled supporters on the right.

Congressional reaction to the flag case certainly reeks of politics. There has been a Gadarene rush to denounce the decision. Democrats, remembering 1988, do not want to be outdone in calling for correction by legislation or constitutional amendment.

A conservative Republican, Senator Gordon Humphrey of New Hampshire, has been one of the few to say out loud what many must have been thinking privately. The fuss over the flag he said was "an exercise in silliness . . . a bit of hypocrisy." He is retiring from the Senate next year.

But in calling for a constitutional amendment, President Bush was no doubt reflecting not only politics but real personal upset at the decision. If so I wonder whether he read through the Court's opinion.

"The flag's deservedly cherished place in our community," the majority said, may be "strengthened, not weakened, by our holding today. Our decision is a reaffirmation of the principles of freedom and inclusiveness that the flag best reflects, and of the conviction that our toleration of criticism such as Johnson's is a sign and source of our own strength."

Justices Brennan, Marshall and Blackmum were joined in the majority by two Reagan appointees, Justices Scalia and Kennedy. In truth, the idea of free speech is neither "liberal" nor "conservative." It is, rather, American. We have hardly lived it up consistently to the promise of the First Amendment. But it is a profoundly important part of what the world sees as the distinctively American vision of a free and self-confident society.

A Chinese diplomat was talking with an old American friend the other day about the terrible events in China. What influence, the American asked, could President Bush have on the situation? The diplomat replied: "It's not President Bush who has influence; it's President Jefferson."●

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEAR 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed with the immediate consideration of Calendar Order No. 117, S. 1160, the State Department authorization bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for fiscal year 1990 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

There being no objection, the Senate proceeded to consider the bill.

CORRECTING THE REFERRAL OF A NOMINATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be discharged of the nomination of Wade F. Horn to be Chief of the Children's Bureau, Department of Health and Human Services, and that the nomination be correctly referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Senate proceed to executive session to consider the following nominations: Executive Calendar Nos. 223, 224, 225, and Francis A. Keating II, to be general counsel of the Department of Housing and Urban Development, reported today by the Committee on Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. I further ask unanimous consent that the nominees be confirmed en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table en bloc, that the President be immediately notified of the senate's action; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF EDUCATION

Robert Refugio Davila, of the District of Columbia, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.

Nell Carney, of Virginia, to be Commissioner of the Rehabilitation Services Administration.

Charles E. M. Kolb, of Virginia, to be Deputy Under Secretary for Planning, Budget and Evaluation, Department of Education.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Francis Anthony Keating II, of Oklahoma, to be general counsel of the Department of Housing and Urban Development, vice J. Michael Dorsey, resigned.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

COMPUTER MATCHING AND PRIVACY ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 153, H.R. 2848, the Computer Matching and Privacy Act.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2848) to amend the Computer Matching and Privacy Protection Act of 1988 to delay the effective date of the act for existing agency matching programs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

There being no objection, the Senate proceeded to consider the bill.

Mr. COHEN. Mr. President, the bill we are considering today provides a very limited delay in the effective date of the Computer Matching and Privacy Protection Act of 1988. This bill was passed without objection by the House of Representatives and is supported by the administration.

As my colleagues will recall, the Computer Matching and Privacy Protection Act was passed by the Congress last year to place controls and procedural safeguards on the use of information transferred between Federal agencies of Federal and State agencies in computer matching programs. We have witnessed an explosion in the use of computer matching programs over the past decade, especially to check the eligibility of applicants and recipients to receive Federal benefits and to recover debts owed to the Federal Government. While computer matching can be a very useful tool to aid the Government in determining eligibility for and to detect fraud or waste in Government programs, the uncontrolled use of computer matching can pose serious privacy, confidentiality and due process concerns. The Computer Matching and Privacy Protection Act will, when fully implemented, go far in providing procedural safeguards on the use of information matched in these programs.

Over the past few months, the Office of Management and Budget, many Federal agencies, and many State agencies have been diligently preparing to comply with the requirements of this new law. We have learned, however, that many agencies and States will have problems meeting the July 19 effective date as contained in the law. Agencies are experiencing particular delays in having the data integrity boards, that must review and approve matching programs subject to the law, fully operational by the effective date, and State and Federal agencies need more time to negotiate the matching agreements required by the law.

In order to assist agencies with these problems, this bill would delay the effective date of the law for existing matching programs until January 1, 1990. Specifically, matching programs in operation prior to June 1, 1989, would qualify for the delay in the effective date. The bill also requires all Federal agencies to submit a report to the Senate Governmental Affairs Committee, the House Committee on Government Operations, and the Office of Management and Budget identifying the matching programs that are subject to this delayed effective date. This report must also contain a schedule showing the dates on which the agencies expect to be in compliance with the requirements of the Computer Matching Act. These reports will then be compiled by the Office of Management and Budget and published in the Federal Register.

Mr. President, this delay is necessary to ensure that ongoing matches, many of which are done routinely by agencies to determine eligibility for Federal benefits, do not have to halt simply because agencies have not had enough time to comply with the new law. The change in the administration and the need for agencies and States to become familiar with the new law's requirements have slowed compliance with the act. I hope that this delay will provide enough time for agencies to comply in good faith, while ensuring that the important due process and procedural safeguards contained in this new law are implemented as soon as possible.

Mr. LEVIN. Mr. President, the bill before us would provide 6 more months for the full implementation of the Computer Matching and Privacy Protection Act of 1988. This additional period of time would provide the Federal Government and numerous State agencies the time they need to meet the requirements of the statute for ongoing computer matches. We have received numerous requests and statements of concern from State agencies and the Department of Health and Human Service which participate in computer matching for purposes of program integrity. The administration has made a specific request for this legislation, and the House has already passed it without objection.

The evidence indicates that Federal and State agencies are diligently working to implement the new law, so this is not a case where covered agencies are resisting compliance or simply dragging their feet. This is a case where, despite reasonable diligence, agencies are encountering implementation delays on such matters as, for example, establishing their data integrity boards and negotiating the terms of their matching agreements. In light of these good faith efforts at compliance and practical startup difficulties, this bill provides a limited extension of the effective date of the statute for ongoing matches. In contrast to these ongoing matches, all new computer matches will be required to meet the law's original effective date, July 19, 1989.

I support the immediate passage of this bill and, again, commend the principal sponsor of the Computer Matching and Privacy Protection Act, Senator COHEN, for his excellent work on and commitment to this subject.

The PRESIDING OFFICER. Without objection, the bill is deemed read a third time and passed.

So the bill (H.R. 2848) was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO INDEFINITELY POSTPONE CERTAIN ITEMS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the fol-

lowing calendar items be idefinitely postponed:

Calendar No 56: S. 104, authorizing the documentation for vessel *Liberty*;

Calendar No 58: S. 475, authorizing the documentation for a vessel;

Calendar No 59: S. 572, authorizing the documentation for the vessel *Navatek I*; and

Calendar No 60: S. 638, authorizing the documentation for the vessel *Nor'-Wester*.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDICIARY COMMITTEE DISCHARGED FROM FURTHER CONSIDERATION OF CERTAIN ITEMS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of the following: Senate Joint Resolution 129, Senate Joint Resolution 132, Senate Joint Resolution 174, and House Joint Resolution 174, and that the Senate proceed to their immediate consideration en bloc; that they be read a third time and passed and that the motion to reconsider the votes by which they were passed be laid on the table en bloc and that their preambles, where appropriate, be agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL POW/MIA RECOGNITION DAY

The joint resolution (S.J. Res. 129) to provide for the designation of September 15, 1989, as "National POW/MIA Recognition Day" was considered, ordered to a third reading, and read the third time, and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 129), with its preamble, reads as follows:

S.J. Res. 129

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in those wars were captured by the enemy or listed as missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war, and many such prisoners of war died from such treatment;

Whereas many of these Americans are still missing and unaccounted for, and the uncertainty surrounding their fates has caused their families to suffer acute hardship; and

Whereas the sacrifices of Americans still missing and unaccounted for and their families are deserving of national recognition and support for continued priority efforts to determine the fate of those missing Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 15, 1989, is hereby designated as "National POW/MIA Recognition Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to recognize that day with appropriate ceremonies and activities.

NATIONAL ALCOHOL AND DRUG TREATMENT MONTH

The joint resolution (S.J. Res. 132) designating September 1 through 30, 1989, as "National Alcohol and Drug Treatment Month" was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 132), with its preamble, reads as follows:

S.J. Res. 132

Whereas alcohol and other drug abuse and dependence are major public health problems that are preventable and treatable;

Whereas the economic costs to society of alcohol and drug abuse in 1983 alone were over $176,000,000,000;

Whereas alcohol and drug abuse treatment provides an effective means toward independence from substance dependence and is a necessary element in solving the problems associated with alcohol and other drug abuse;

Whereas more than one-third of the families of the Nation are affected by alcoholism and an estimated 10,000,000 Americans are problem drinkers or alcoholics;

Whereas alcohol abuse during pregnancy is one of the leading causes in the Nation of mental retardation in infants and is the only preventable cause;

Whereas over 70 percent of the pediatric acquired immunodeficiency syndrome cases are related to intravenous drug use by one or both parents of the infant;

Whereas drug abuse treatment is an effective way of preventing the spread of AIDS among intravenous drug abusers;

Whereas alcoholism and drug dependence are illnesses requiring prevention, treatment, and rehabilitation through the assistance and cooperation of a broad range of Federal, State, and local health, law enforcement, and social service agencies, families, employers, employees, and organizations concerned about alcohol and other drug abuse; and

Whereas despite our national policy goal of making treatment available to all who request it, the existence of waiting lists highlights the need to increase the availability and quality of alcohol and other drug treatment services: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 1 through 30, 1989 is designated "National Alcohol and Drug Treatment Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.

SPACE EXPLORATION DAY

The joint resolution (S.J. Res. 174) to designate July 20, 1989, as "Space Exploration Day" was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 174), with its preamble, reads as follows:

S.J. Res. 174

Whereas twenty years ago, on July 20, 1969, people of the world were brought closer by the first manned exploration of the Moon;

Whereas a purpose of the United States space program is the peaceful exploration of space for the benefit of all mankind;

Whereas the United States space program has provided scientific and technological benefits affecting many areas of concern to mankind;

Whereas the United States space program, through Project Apollo, Viking and Voyager missions to the planets, the space shuttle, and other space efforts, has provided the Nation with scientific and technological leadership in space;

Whereas the National Aeronautics and Space Administration, the United States aerospace industry, and educational institutions throughout the Nation contribute research and development to the United States space program, and to the strength of the economy of the Nation;

Whereas the space program reflects technological skill of the highest order and the best in the American character—sacrifice, ingenuity, and the unrelenting spirit of adventure;

Whereas the spirit that put man on the Moon may be applied to all noble pursuits involving peace, brotherhood, courage, unity of the human spirit, and the exploration of new frontiers; and

Whereas the human race will continue to explore space for the benefit of future generations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 20, 1989, is designated as "Space Exploration Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

DECADE OF THE BRAIN

The joint resolution (H.J. Res. 174) to designate the decade beginning January 1, 1990, as the "Decade of the Brain" was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

ORDER TO INDEFINITELY POSTPONE SENATE JOINT RESOLUTION 173

Mr. MITCHELL. Mr. President, I further ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Joint Resolution 173, and that it be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

RATIFYING CERTAIN AGREEMENTS RELATING TO THE VIENNA CONVENTION ON DIPLOMATIC RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2214, which ratifies certain agreements relating to the Vienna Convention, just received from the House of Representatives.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2214) to ratify certain agreements relating to the Vienna Convention on diplomatic relations.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON. Mr. President, I would like to thank my colleagues on the Committee on Foreign Relations, Senators PELL and HELMS, for their sympathetic review of H.R. 2214. This legislation approves agreements providing for full diplomatic relations between the United States and the Republic of the Marshall Islands, and between the United States and the Federated States of Micronesia. This action is long overdue and would make our diplomatic relations with these nations consistent with U.S. policy in Micronesia.

In March of 1988, the U.S. Government and the governments of the Republic of the Marshall Islands [RMI] and the Federated States of Micronesia [FSM] concluded agreements to provide that our diplomatic relations be conducted as are relations between other nations in the international community. This legislation approves those agreements.

I support this legislation, and full diplomatic relations with the RMI and FSM because it is to the mutual benefit of our nations. Since the implementation of the Compacts of Free Association in 1986, the RMI and FSM have gained diplomatic recognition within the international community, and they have established full diplomatic relations with many countries throughout the world. Enactment of H.R. 2214 will add the United States to that list of nations which fully recognize the FSM and RMI as members in the international community. This is a clear benefit to the FSM and RMI.

The United States benefits from this legislation because it resolves an inconsistency in U.S. policy in the Pacific. U.S. policy in Micronesia is based on the fact that the U.N. Trusteeship has been terminated with respect to the FSM and the RMI, and that diplomatic relations are to be conducted with the new nations of the FSM and RMI through the State Department on a full government-to-government basis. Unfortunately, relations have so far been conducted through diplomatic "Representatives" instead of Ambassadors. This use of Representatives has created confusion in the minds of third nations as to the true nature of the relationship between the United States and FSM and RMI. H.R. 2214 will have the effect of upgrading these Representatives to Ambassadors, and thus eliminate the source of confusion. This action will promote the recognition of the FSM and RMI in the international community.

I would like to acknowledge the efforts of the House Committee on Foreign Affairs, and specifically the contributions on the bill of Congressmen SOLARZ, LAGOMARSINO, and the Delegate from Guam, Mr. BLAZ. Their support and effort on this legislation is an important contribution toward the final step in the emergence of the people of Micronesia from the outdated, and some say neocolonial, relationship established pursuant to the trusteeship agreement. It is because of the nature of that relationship that I am a bit surprised by the attitude of other Members of the House to this legislation. Some Members appear to be interested in perpetuating this paternalistic relationship of the past, and resisting the movement toward self-government for the peoples of Micronesia.

The reasons given for this foot dragging are revisionist. It is argued that the use of Representatives instead of Ambassadors was part of the compromise included in the Compact of Free Association Act on the respective roles of the Department of State and the Department of Interior in U.S. relations with the FSM and RMI. This is not so. These two issues had nothing to do with one another. In fact, the compact language on the use of Representatives long preceded any debate on the respective roles of the Department of State and Interior under the compact. These two issues were distinct, and never linked. Efforts to link these events appear to be driven by a desire to find a plausible rationale for opposing full diplomatic relations with the Freely Associated States. However, there are no valid reasons for giving the FSM and RMI second class treatment, as some have argued.

The people and governments of the FSM and RMI have struggled long and hard to achieve the dignity of full sovereignty and international recognition. Strong and friendly relations between the United States, and the FSM and RMI depend on our recognition of their achievements, and our affirmation of their dignity. To belittle these facts, or seek to undermine the reality of our new relationship with these young nations, can only cause resentment and weaken the foundations of that relationship.

I sincerely hope that all members of the U.S. Government will pull together in their commitment to make free association a success. The compact is a vast improvement over the trusteeship, and it has the broad support of the people of the FSM and RMI. The compact has my full support—as does the United States policy that the trusteeship agreement is terminated with respect to the Republic of the Marshall Islands and the Federated States of Micronesia. This policy is a fact, not a debating point. Presidential Proclamation No. 5564 states:

> • • • the Trusteeship Agreement for the Pacific Islands is no longer in effect as of October 21, 1986, with respect to the Republic of the Marshall Islands, as of November 3, 1986, with respect to the Federated States of Micronesia, and as of November 3, 1986, with respect to the Northern Mariana Islands.

Our policy in Micronesia is working, and it is mutually beneficial. The only benefit of arguing for some nebulous policy based on the flawed notion of continued trusteeship is for those who seek to continue a failed policy, and who wish to maintain their traditional role in that policy.

The compact, and trusteeship termination, represents a progressive policy which enjoys nearly unanimous support in the United States and Freely Associated States. Our policy deserves full support.

Mr. President, in conclusion I would like to congratulate Mr. Jesse Marehalau and Mr. Wilfred Kendall on their soon-to-be, new status as ambassadors. They have waited a long time for this bill to pass. With their hard work, and a lot of patience, the obstacle to enactment has been overcome.

Mr. McCLURE. Mr. President, I fully support the enactment of H.R. 2214, which would make our diplomatic relations with the Free Associated States consistent with normal relations pursuant to the Vienna Convention. I fully agree with the remarks of Senators JOHNSTON and I would especially like to express my appreciation to Congressman LAGOMARSINO and the members of the House Foreign Affairs Committee who managed to send this measure to the Senate unencumbered with irrelevant and gratuitous provisions. Unfortunately, they were unable to have the measure considered by the House without irrelevant and gratuitous remarks by some who still seem unwilling to release the reins of empire.

Senator JOHNSTON refers to the history as revisionist. I would prefer to think of it as fantasy. It reminds one of the opening of "The Last Emperor" in which the last Emperor of China lives in his palace while the world passes him by. There was no nexus at any time between the responsibilities of the State and Interior Departments and the status of the U.S. representative. Senator JOHNSTON, Senator JACKSON, and I participated in reviews of the negotiations over 15 years. Fabri-

cation of history may be an interesting pasttime, but it does not alter reality. Approval of this measure also has absolutely nothing to do with the continued intransigence of some to proceed on Palau, nor does it alter in any fashion the agreements on the compacts which are now fully in force for the Marshalls and the Federated States.

I am particularly disturbed by comments that the trusteeship has not terminated for the Marshalls and the Federated States. Perhaps that curious view provides solace to those who would pretend to be the last great white raj, a successor to the British Viceroys in India. There comes however a time to emerge from the colonial closet and treat peoples as equals and respect them for their commitments to self government. Perhaps the strains of Kipling still reverberate:

Ye dare not stoop to less—
Nor call to loud on Freedom
To cloak your weariness;

It really is time to stop the foolishness. Creating mischief, promoting litigation as some form of malingering disease, sowing confusion solely to embarass the leadershp of foreign countries, simply is irresponsible. I wonder whether those who take such delight in attempting to destroy the relationship with Micronesia plan on sowing the same seeds of discord on Puerto Rico. Will we be faced with similar fantasies on whether the present relationship is colonial under international law? Will we see the same lack of respect for elected leadership? I hope not, and perhaps the Governor of Puerto Rico will not have the same patience as the Micronesian leadership has had.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2214) was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR FRIDAY

RECESS UNTIL 9:15 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:15 a.m., Friday, July 14, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the time for the two leaders there be a period for morning business not to extend beyond 9:45 a.m. with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME CONSIDERATION OF THE STATE DEPARTMENT AUTHORIZATION BILL

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 9:45 a.m. the Senate resume consideration of S. 1160, the State Department authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the distinguished Republican leader has no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 9:15 a.m., Friday, July 14, 1989.

There being no objection, the Senate, at 7:09 p.m., recessed until Friday, July 14, 1989, at 9:15 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 13, 1989:

DEPARTMENT OF EDUCATION

ROBERT REFUGIO DAVILA, OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION.

DEPARTMENT OF EDUCATION

NELL CARNEY, OF VIRGINIA, TO BE COMMISSIONER OF THE REHABILITATION SERVICES ADMINISTRATION.

CHARLES E.M. KOLB, OF VIRGINIA, TO BE DEPUTY UNDER SECRETARY FOR PLANNING, BUDGET AND EVALUATION, DEPARTMENT OF EDUCATION.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FRANCIS ANTHONY KEATING II, OF OKLAHOMA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Thursday, July 13, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D. offered the following prayer:

Teach us, O God, to express the pride we have in all that is good and noble, to appreciate the marvelous gifts of country, of heritage, of family and tradition. Even as we give thanks for our history, remind us of the danger of false pride when we make our experience so full of value that we do not see the virtues of other people and other traditions. As You have created each person in Your image, may we so live our lives with grateful pride in the bounties of our experience, that conscious of Your blessings to all, we begin each new day with earnest prayers of thanksgiving and praise. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mrs. BENTLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mrs. BENTLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 302, nays 100, not voting 29, as follows:

[Roll No. 136]

YEAS—302

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkins
Barnard
Bartlett
Bateman
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Clarke
Clement
Clinger
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Costello
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Emerson
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Juntz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Meyers
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Richardson
Ritter
Robinson
Roe
Rohrabacher
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Scheuer
Schiff
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walsh
Watkins
Waxman
Weiss
Weldon
Whitten
Williams
Wilson
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—100

Armey
Baker
Ballenger
Barton
Bentley
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Chandler
Clay
Coble
Coughlin
Cox
Craig
Crane
Dannemeyer
DeWine
Dickinson
Dornan (CA)
Douglas
Dreier
Duncan
Fawell
Fields
Gallegly
Gekas
Goodling
Goss
Grandy
Hancock
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McMillan (NC)
Miller (OH)
Molinari
Moorhead
Nielson
Pashayan
Paxon
Rhodes
Ridge
Roberts
Rogers
Roth
Roukema
Schaefer
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (MS)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sundquist
Tauke
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Weber
Wheat
Whittaker
Wolf
Young (AK)
Young (FL)

NOT VOTING—29

Applegate
AuCoin
Bryant
Chapman
Collins
Conyers
Courter
DeLay
Dingell
Edwards (CA)
Edwards (OK)
English
Frenzel
Hyde
Kastenmeier
Leach (IA)
Machtley
McCloskey
McGrath
Mfume
Murphy
Nowak
Owens (NY)
Parris
Ravenel
Rinaldo
Savage
Schneider
Wise

□ 1021

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. McNULTY] please come forward and lead the House in the Pledge of Allegiance?

Mr. McNULTY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

H.R. 1426. An act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes.

The message also announced that the Senate recedes from its amendments numbered 1, 2, 3, 4, and 5, to the above-entitled bill.

The message also announced that the Senate recedes from its amendment numbered 8 to the bill (H.R. 1426) entitled "An act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes," with an amendment.

The message also announced that pursuant to Public Law 100-494, the Chair on behalf of the Republican leader, announces the appointment of Mr. GRASSLEY to the U.S. Alternative Fuels Council.

The message also announced that pursuant to Public Law 100-304, as amended by Public Law 99-7, the Chair on behalf of the Vice President, appoints Mr. D'AMATO, Mr. HEINZ, Mr. MCCLURE, and Mr. WALLOP, to the Commission on Security and Cooperation in Europe.

PERMISSION FOR SUBCOMMITTEE ON GENERAL OVERSIGHT AND INVESTIGATIONS OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. KOSTMAYER. Mr. Speaker, I ask unanimous consent that the Subcommittee on General Oversight and Investigations of the Committee on Interior and Insular Affairs be permitted to sit on Thursday, July 13, 1989, while the House is meeting under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

INTRODUCTION OF THE "GODDESS OF DEMOCRACY" BILL

(Mr. MCNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCNULTY. Mr. Speaker, I am pleased to join with my distinguished colleague from Missouri, Mr. BILL EMERSON, in introducing a bill to commemorate the struggle for democracy in China.

Last June, prodemocracy students in the People's Republic of China erected a beacon of hope in Tiananmen Square. They called it the Goddess of Democracy. Then, their government destroyed that symbol and massacred many of the protesting students.

We must not let that symbol die. The McNulty-Emerson bill calls for the creation of a replica of the goddess of democracy—privately financed—to be kept in the United States until prodemocracy forces in China prevail. Then it will be given to the people of China as a gift of the American people.

I urge all my colleagues to support this bipartisan effort, as a tribute to the spirit and the courage of the people of China who yearn for freedom and democracy.

LET SENIOR CITIZENS AND VETERANS HELP WITH THE 1990 CENSUS

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, like many of my colleagues, I am a cosponsor of H.R. 1860, which would improve the Census Bureau's ability to recruit and retain qualified personnel during the 1990 Census. H.R. 1860, which was introduced by our colleague TOM SAWYER, chairman of the Subcommittee on Census and Population, will help to address the Census Bureau's task of recruiting at least 1.6 million temporary employees by exempting Federal annuitants and retired military officers that work on the 1990 census from offsets in pay and other benefits they currently receive.

Although I like the rationale behind H.R. 1860, I feel that it does not go far enough. As you can image, there are many Social Security recipients and veterans who would probably like to help the Census Bureau during the 1990 census. Yesterday, to address this issue, I introduced two pieces of legislation.

Both bills would exclude from the earnings cap income earned through employment by the Census Bureau during the 1990 census. The first, H.R. 2856, would exclude this income when determining annual income for purposes of programs administered by the Department of Veterans Affairs. The second, H.R. 2857, would exclude this income when determining excess earnings under title II of the Social Security Act.

I would like to invite my colleagues in the House to join me in helping our senior citizens and veterans to become an integral part of the 1990 census.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1068

Mr. QUILLEN. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 1068, the U.S. Coinage Reform Act of 1989.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

□ 1030

PRESIDENT'S PATTERN CLEAR AND DISTURBING ON MINIMUM WAGE

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, recently, President Bush vetoed minimum wage legislation, that, for the first time since 1981, would have raised the minimum wage of America's lowest paid workers from the current $3.35 per hour, to $3.85 in October; to $4.25 per hour in October 1990 and to $4.55 per hour in October 1991. In other words, a working person would earn $8,008 next year or $20 more a week than she earned this year.

Now last week, the President proposed to raise the salary of the Vice President from $115,000 to $143,800 or a raise of $554 a week or $28,000 more a year. This amounts to a 25-percent raise. The neglect of the working people of this Nation does not build a kinder nor gentler nation. It only adds insult to injury against families who are barely earning enough to stay off welfare.

Over the past decade, President and Vice President George Bush has felt most comfortable in supporting income tax changes that have raised the real incomes of the wealthiest people in our country. Now he denies a minimum wage increase to those families who struggle to keep house and home together, or students who must earn on average $20,000 to afford a 4-year public college education.

The President's pattern is clear and it is disturbing.

THE GASOLINE PRICE EQUALIZATION ACT

(Mr. CAMPBELL of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL of California. Mr. Speaker, 12 years after the EPA ordered oil companies to start phasing out lead additives in gasoline, are we still using leaded gas? Moreover, in 1989, why does leaded gasoline cost less than unleaded?

In the 1970's, we were shocked to hear the dire reports about the dangers posed by leaded fuel. Brain disease, colic, palsy, and anemia were just some of the extreme human health hazards created by the lead spewed by cars into the air.

The introduction of lead-free gasoline into our country in 1977 has since contributed to a considerable decrease in air lead levels nationwide. By 1984, the count had fallen by 75 percent, to 39,000 metric tons. Each year since, the levels have continued to fall. Yet

as recently as 1985, gasoline still spewed close to 20,000 metric tons of lead into the air, enough to cause an estimated 123,000 cases of high blood pressure a year. Even today, over a decade after the advent of unleaded gasoline, many drivers still insist on using leaded gas, even in so-called unleaded-only vehicles. Several recent surveys have put this number as high as 14 percent of all vehicles on the road.

Why do drivers still insist on putting leaded gasoline into their tanks? Pure economics. Over the last 3 years, the price of leaded gasoline has averaged almost 6 cents less than that of unleaded. Why do we still allow an environmentally dangerous fuel to cost less than safer varieties?

It is time we eliminated the differential between gasoline prices and make the worst polluters pay for the damage they do to our environment. Today, with my distinguished colleague from California, Mr. MATSUI, and my distinguished colleague from Indiana, Mr. JACOBS, both of whom share my commitment to human health and to protecting the environment, I am introducing legislation that would raise the Federal tax on leaded gasoline by 6 cents a gallon, the average price differential between leaded and unleaded from 1986 to 1988. Enactment of this bill would end the only advantage that leaded gasoline has over unleaded—that of cost.

Mr. Speaker, at the very least, this bill would raise around $600 million in revenue for the U.S. Treasury, assuming that people would simply continue to purchase leaded gas at the higher new price. But it is my hope that we will simply tax leaded gasoline out of existence. Certainly drivers who have the choice of purchasing leaded gasoline or unleaded at the same price would choose unleaded, having lost the economic incentive to do otherwise.

Mr. Speaker, I submit this legislation today before the House of Representatives and urge its quick consideration by members of the Ways and Means Committee. At a time of high environmental awareness and budget reconciliation, I believe that it is an idea whose time has come.

PUT STREET PEOPLE IN CHARGE OF HUD

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, some Americans sleep on steel grates. Some sleep in cardboard boxes, and some of those street people eat dog food to survive.

To straighten out this housing mess, Congress has created an agency called HUD, [Housing and Urban Development]. Congress gives them billions of dollars per year. And guess what: Their cronies at HUD steal the money.

Today now in Suffolk County, NY, 15 people are going to court for having bought HUD homes for $500, that is right, $500, and then they were so nice they rented them back to the good people of Suffolk County for $800 a month; $800 a month is what they rented them back for.

Mr. Speaker, I say today that Congress should, put the street people in charge of HUD. That way, if they steal a little money, maybe they will get something out of the program.

A REPREHENSIBLE ACT OF GREED AND SELFISHNESS

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, I rise again today to continue my protest over what I believe to be a reprehensible act of greed, selfishness, and a complete disregard for maintaining a strong American defense industry. Never mind that with the FSX deal we have given a technological "leg up" to another country. Never mind that we have allowed Japan to become competitive with U.S. industry within just a few short years in the only market in which we are still the world leaders.

For the moment let us just look at a major U.S. corporation, GTE, participating in this selling out of America.

I find the situation I am referring to ironic because Americans, as individuals, are passionate in our loyalty to our country, and fiercely proud of our patriotism, yet we do not hold our own corporations to the same standard. The origin, history, and successes of this corporation came out of its reliance on the American people as an American corporation, and now GTE believes that its primary obligation is to the International Conglomeration of Corporations—or at least one French one.

While that might be necessary for GTE's private sector growth, GTE should not be wholly partaking in international market activities with American taxpayer dollars, thereby selling out this country. I say that GTE has an obligation to the United States, and to the American people which should go above and beyond what they can minimally be held to in legal terminology to a point which portrays a sense of morality, a sense of duty, and a sense of patriotism.

DELAY, DO NOT PRAY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, in light of recent discrepancies in costs and numbers reported with regard to the Catastrophic Health Act, I think it is time that we all listen to the folks back home.

We need to delay implementation of this monster we've created, so we can fix it. However, there are some who want to bulldoze through, make enough changes in catastrophic to confuse the issue, and pray that this time, through some unidentified miracle, our numbers, projections, and rationale will hold true. The latest we are hearing is a proposal to make catastrophic voluntary, but part B Medicare coverage, which includes prescription drug reimbursement and physician payment, would have to be sacrificed by those who choose not to pay the surtax under catastrophic. According to actuarial figures I was able to obtain in the past 24 hours, this would cost each beneficiary $2,000 annually if he or she passes the medical exam, and $4,000 a year if he/she fails the test. This would be financially crippling to many seniors. Clearly, it would be a lose/lose situation.

Before this Congress is forced to vote on any such measure, before we mandate these outrageous costs to our senior constituents, both dollar amounts should be carefully considered. This time, let us know for sure just what it is we are in such a hurry to push through.

INTRODUCTION OF LEGISLATION LIMITING ACQUISITION BY LEVERAGED BUYOUT OF AIRLINES

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, should anyone who happens to be rich enough or anyone who can borrow enough money be allowed to buy an airline? Do we want to repeat the Eastern, Continental, Texas Air experience a few more times in America? Do we want to dismember United Airlines or any other healthy airline?

Yesterday the Washington Post had a story regarding the potential leveraged buyout or takeover of United Airlines. This is just one sentence my colleagues should pay attention to:

> It is this potential for generating cash that lights up the eyes of those who think in terms of leveraged buyouts, not the potential for running a good airline, a safe, efficient public air carrier; the potential to generate cash or, more realistically, the potential to leverage debt, burdening an otherwise proud, efficient, and safe airline to the point where the airline has to reduce maintenance, where they have to defer the acquisition of new equipment and avoid modernization, shaving other safety factors.

Leveraged buyouts of the few airlines that we have left in this country after the disaster of deregulation is not in the public interest.

Today I will introduce legislation that would limit the acquisition by leveraged buyouts of the few existing airlines we have left.

Mr. Speaker, I urge my colleagues to join me in this important legislation.

□ 1040

PROTECTION FROM CRIME FOR RESIDENTS OF THE DISTRICT OF COLUMBIA

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute.)

Mr. BURTON of Indiana. Mr. Speaker, Washington, DC, is the murder capital of the United States of America. Mr. Speaker, Washington, DC, is one of the drug capitals of the United States of America.

If you want a gun in D.C., it is easy to get. If you want to get drugs in Washington, DC, they are easy to get. Yet law-abiding citizens do not even have the ability to defend themselves.

In the Capital of the United States of America you cannot even have a gun, a hand gun in your own home to protect yourself from somebody breaking in. You cannot even have mace in your home to ward off an attacker if they break into your apartment.

Two weeks ago one of my staff people had a gentleman if you want to call him that, break into her second-floor apartment, stab her with a 4-inch knife through the hand, try to rape and kill her. She was very forceful and wrestled with the fellow and fell down a flight of stairs, and was able to open a door. That was two blocks from this Capitol.

Mr. Speaker, the Mayor of Washington is not doing his job. The law enforcement agencies of Washington, DC, are not doing their jobs. We, Mr. Speaker, need to take this under advisement in this body and the other body. We need to protect the people who work on the Hill, the women especially who work on the Hill, and we need to do it very quickly. We need to provide a mechanism for them to be able to defend themselves in their own places of domicile, and that means allowing them to have some kind of defense to protect themselves, either mace or a weapon.

LAST OF THE ARMY CORPS NURSES OF WORLD WAR I

(Mr. ANDERSON asked and was given permission to address the House for 1 minute.)

Mr. ANDERSON. Mr. Speaker, It is a sad occasion for me to take note of the recent passing of a great American. Now most of you don't know this person, but the great American I speak of today was Mrs. Lucille F. Tinder. Mrs. Tinder was the last surviving Army Corps Nurse of World War I.

Mrs. Tinder passed away on July 4, in Idaho, but she had been a resident of Long Beach after the war. But that is not what prompted me to rise today. I honor her here today, because our Government did not. Our Government failed to meet the needs of our World War I veterans after they had given their sweat and blood on the fields of Europe. Most of the World War I vets will meet the same fate as Mrs. Tinder. They will pass away unrecognized for their courageous service.

I introduced a bill, H.R. 1918, on January 4 of this year which would correct this shameful oversight by our Government. There are World War I vets in every one of your districts. Help them gain the recognition they deserve. Cosponsor my bill and send a message to the Veterans' Administration that we will honor all of our veterans who served this country.

THANKS TO ALASKANS WHO TESTIFIED AGAINST H.R. 987, TONGASS TIMBER REFORM ACT

(Mr. YOUNG of Alaska asked and was given permission to address the House for 1 minute.)

Mr. YOUNG of Alaska. Mr. Speaker, later on today we are going to discuss legislation, H.R. 897, that affects the State of Alaska and the communities which I represent. I would like to take this opportunity in this short period of time to thank the Alaskans of Sitka, Ketchikan, Petersburg, Wrangell, and Juneau, all of the southeast region who came to Washington, DC, to present their personal views on how this legislation will affect their lives, its direct effect upon their children and their communities. The effort they put forth in the private sector, without any backing of any national group, just themselves, the women in timber, the loggers in the field, the store owners who depend upon the industry who those in this House would try to take away from them under the guise of the environment.

So I want to thank them from the bottom of my heart for the efforts they put forth, and as we go into this battle we hope for victory. If we do not achieve that, they can go forth with their heads high because they have done the job they were sent here to do, and it is a long way betwixt here and a law that will ever go to the President's desk.

So again, from the bottom of my heart, I thank you.

CONSUMER PRODUCTS RECOVERY ACT OF 1989

(Mr. TORRES asked and was given permission to address the House for 1 minute.)

Mr. TORRES. Mr. Speaker, I have introduced into this House H.R. 2648, a significant piece of legislation. I have received support from the other body who also introduced counterpart legislation, S. 1181. It is an important and simple bill called the Consumer Products Recovery Act of 1989.

This bill would be important, I would say to my colleague from Alaska, and also tell my colleagues here in the House because 400 million gallons of used oil are dumped into our ground illegally evey year by Americans, 400 million gallons. That is equal to 35 *Exxon Valdez* spills a year, and yet we do this.

My bill would require or put into action a system of market incentives that would begin to recover used motor oil to be recycled and put back into our system again. Those 400 million gallons being dumped into our ground and into our landfills and into our sewers are fouling our groundwater, they are entering into our streams and rivers and our oceans, and they are fouling our environment.

REMEMBER THE HOSTAGES IN BEIRUT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute.)

Mr. DORNAN of California. Mr. Speaker, there is a tragic aspect of human nature that when some outrage happens, given the passing of enough time, we just tend to forget it, not accept it, but just forget it.

This Sunday an American hostage will have been held somewhere in some cellar dungeon in Beirut for 4 years and 4 months. That is about 8 months longer than it took the United States to complete the crushing of Fascism in World War II.

Terry Anderson, the AP bureau chief in Beirut, Lebanon, was captured March 16, 4 years ago. Then that following June a gentleman that had arrived at the airport to teach agriculture at the American university in Beirut, Tom Sutherland, was taken about 20 minutes outside of the airport on the airport road, so he has been a prisoner for 4 years, 1 month, and a few days as of today.

There are seven other Americans over there. Some of them were captured after they had been asked to leave, but they had faith in the security forces in Beirut. But Terry Anderson and Tom Sutherland were not warned to leave. They were serving the world news services in our country. We cannot forget these people, either

we in this Congress or the executive branch.

□ 1050

TONGASS TIMBER REFORM ACT

The SPEAKER. Pursuant to House Resolution 196 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 987.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 987) to amend the Alaska National Interest Lands Conservation Act, to designate certain lands in the Tongass National Forest as wildreness, and for other purposes, with Mr. FRANK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California [Mr. MILLER] will be recognized for 30 minutes; the gentleman from Alaska [Mr. YOUNG] will be recognized for 30 minutes; the gentleman from Missouri [Mr. VOLKMER] will be recognized for 30 minutes; and the gentleman from Washington [Mr. MORRISON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona, [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I rise in strong support of H.R. 987, the Tongass Timber Reform Act, as reported by the Interior Committee. I believe that this legislation is easily the most important environmental and natural resource measure to have yet come before the House in the 101st Congress.

Last year the Interior Committee brought similar legislation before the Rules Committee. The House subsequently approved it by an overwhelming margin of 361 to 47. At the time, I described to you the situation on the Tongass as a national scandal and a disgrace. Sadly, 1 year later, nothing has changed for the better. The laws requiring that the Tongass be managed unlike any other forest in the Nation—with off-budget timber management funds and mandatory timber offerings—are still on the books. The two 50-year contracts with the Sitka and Ketchikan pulp mills that stifle competition, encourage bad forest management practices such as high-grading and dictate such unbelievably bad timber sale terms that since 1982 the taxpayers have seen a return of less then $4 million while spending $386 million—these contracts are still firmly in place. Perhaps most distressing of all, the U.S. Forest Service is still defending the indefensible.

It is high time, in fact, it is well past high time, that the Congress act to correct this deplorable situation. H.R. 987 has three titles. Title I repeals portions of the Alaska Lands Act that establish an annual off-budget fund of at least $40 million and require the Forest Service to make available to industry 4.5 billion board feet of timber per decade. The former has failed so completely at its originally stated purpose—to upgrade marginal timber stands—that it has become an embarrassment. The Alaska delegation itself endorses its abolition. The later provision is foolish because it ignores the laws of supply and demand and unnecessary because industry has never cut the levels of timber called for in the mandate, which constitute legislative micro-mismanagement of the forest.

I would point out that last year the House voted to eliminate both these provisions. This year, however, the amendment to be offered by the Agriculture Committee asks us to retreat from that position by suggesting that we simply tinker with the 4.5 billion board feet mandate. Mr. Chairman, no amount of tinkering can change the fact that as long as the Forest Service is required to make these huge amounts of timber potentially available the forest planning and land use process on the Tongass will be corrupted as it has been for the past 9 years. The Agriculture Committee position on this matter is just unacceptable.

Title II cancels the two 50-year contracts. Last year, the Interior Committee proposed that those contracts be renegotiated. At the time, many of us doubted that the contracts could be satisfactorily renegotiated given the intransigence of the industry and its cozy relationship with the Forest Service. But we were willing to try that route if we could get the Senate to concur. That did not happen and as we promised on the floor of the House last year, the Interior Committee is back now with the proposal to terminate the contracts. We are confident that not only is this the wisest course of action, but also that there is ample authority and precedent for it and it can be done at little or no cost to the taxpayers. The Congressional Budget Office has attached no cost to this provision and the Congressional Research Service analysis lays a strong and well-precedented legal basis for it. Indeed, it will cost the taxpayers more to continue to honor these outmoded contracts than it might to terminate them. And given the history of contract renegotiation on the Tongass it also is very likely that renegotiation will cost the taxpayers more than termination possibly could. That history strongly indicates that for every concession won by the Forest Service, the pulp mills win a concession of their own worth millions in new taxpayer subsidies.

Finally, title III designates an additional 1.8 million acres of wilderness on the Tongass, mainly to protect some of the most important fish and wildlife habitats on the forest. These designations have strong local support of the rural communities most dependent on them and will leave the timber industry more than enough timber to meet projected demand.

The subject of Tongass timber reform has been before the Interior Committee almost constantly since I have been chairman. We have held countless hearings, discussions, negotiations, and field visits. With national attention now strongly focused on the Tongass and the prospects of Senate action growing bright, I am confident that this Congress is the Congress when we will finally be able to right some old and serious wrongs. The time for modern forest management on the Tongass has arrived. With passage of strong reform legislation we can protect one of the truly precious natural resources this Nation possesses, save the taxpayers' dollars, and protect jobs on the Tongass by expanding opportunities for commercial fishing, tourism, and recreation while continuing to provide ample timber for the logging industry.

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the chairman of the full committee, the gentleman from Arizona [Mr. UDALL], for his remarks. Nobody in this House except maybe the gentleman from Alaska [Mr. YOUNG] has spent more time on the issues of Alaska of concern to its citizens and its resources than the gentleman from Arizona. His distinguished record has helped to preserve much of the natural beauty of Alaska for the rest of the Americans and at the same time trying to strike an economic balance so those citizens in Alaska have an opportunity to work and support their families and to enjoy the environment. I thank the chairman for his support of this legislation.

Mr. Chairman, this legislation has a rather long history. It was passed last year, its most recent action on the floor of the House, by a vote of over 361 to 47. This year I believe we are bringing to the floor an improved bill by Congressman MRAZEK of New York which already has 155 cosponsors.

Mr. Chairman, as reported by the Committee on Interior and Insular Affairs, H.R. 987 is a work product of years of public concern and committee attention to the natural resources and the competing uses of Alaska's Tongass National Forest. This is legisla-

tion that attempts to strike a balance. It strikes a balance between the resource needs of this Nation, of the State of Alaska, the people of Alaska, the economic needs of those individuals, the future of the forestry industry in southeast Alaska, and the emerging economies of southeast Alaska; the economies of tourism, fishing, which we see now competing with timber use of these lands and which, if we do not pass this legislation, will all be threatened by the practices that are allowed under current law.

You know, it does not take a forestry expert to figure out there is something drastically wrong with a policy where the Forest Service charges an outfitter $3 per day to take somebody into this forest to look at the trees and charges the pulp companies $1.48 to cut those trees down. Something is terribly wrong. Something is terribly wrong with the policy that allows $40 million to be spent, whether or not it is necessary, to open up these lands for timber sales, whether or not those sales take place. Something is terribly wrong when the Congress of the United States allows us to spend $386 million to create a timber industry in southeast Alaska and at the same time only receives $3.9 million in timber receipts from those sales.

Something is terribly wrong when a program that spends almost $400 million to create jobs in southeast Alaska timber sales, watches those jobs decline, at a time that we are force feeding this industry Federal subsidies, by 34 percent between 1980 and 1988. Something is terribly wrong when the Forest Service continues to engage year after year in forest practices at the behest of these companies that destroy fisheries, that destroy major streams and tributaries where a permanent economy every year is created with the spawning of the salmon and other fishes in southeast Alaska. This bill directs itself at correcting those wrongs.

The Interior Committee's substitute for H.R. 987 has five major features to restore fiscal and environmental common sense to the Tongass.

First, the bill repeals the 40 million dollar permanent timber subsidy which was tacked on to the Alaska Lands Act in 1980. Since 1982, we've spent $386 million on Tongass timber subsidies and returned only $3.9 million in timber receipts to the Treasury. As a jobs program, the GAO found this to be a dismal failure. Despite the subsidies, timber employment declined by 34 percent from 2,700 in 1980 to 1,781 in 1988.

The main boosters and beneficiaries of this boondoggle are the Forest Service bureaucrats and the pulp mill owners.

Second, the bill repeals the 4.5 billion board feet per decade timber supply which applies only to the Tongass. Eliminating the 4.5 is absolutely essential to Tongass reform. This is a license to overharvest the resource, no matter what the environmental consequences or interests of local communities. The 4.5 biases the forest planning process, reducing the upcoming Tongas plan revision to a game of cards where the timber industry holds all the aces.

Third, the bill requires that the Forest Service comply with National Marine Fisheries Service policy by retaining minimum 100 feet nonlogging buffer zones on each side of salmon streams. This policy was developed because of continuous degradation of fisheries habitat by logging activities. Tongass reared salmon are a renewable resource worth over $100 million annually to commercial and recreational fisheries.

Fourth, the bill changes the way in which timber is sold on the Tongass by replacing two long-term contracts with short-term, competitively bid sales which are standard on other national forests. The two contracts, signed in the 1950's, are the last remnants from a dark era where old-growth forest was viewed as a menace to be eliminated as quickly as possible. The contracts—which provide an unfair monopoly over two-thirds of the Tongass timber—are the primary obstacle to proper management of the forest.

Unlike last year's reform bill, H.R. 987 provides for termination rather than directing the Forest Service to try again to change the contracts. A new timber supply system is justified because the contracts, prevent proper management of the forest, because Congress has unsuccessfully tried since 1976 to make the Forest Service to achieve renegotiated change in the contracts, and because the holders have breached the contracts by systematically violating antitrust and environmental laws.

H.R. 987 should not result in Government liability for damages. A CRS study—based on the cancellation of seven timber contracts in the 1978 Minnesota Boundary Waters Canoe Wilderness Act—concludes that we will not owe any damages for terminating the Tongass contracts in the public interest.

While acknowledging the possibility of breach of contract action, CBO refused to state that any such suit would either be successful or even decided in the next 5 years. The bottom line is that CBO's cost estimate credits H.R. 987 with a savings of $191 million in outlays through fiscal year 1994.

When evaluating the costs and benefits of these contracts, I ask my colleagues to keep in mind the fact that leaving the existing contracts in place costs the taxpayers more than $30 million per year. By the year 2011, when the last contract expires, we are guaranteed to have spent more than half a billion dollars. In contrast, replacing the contracts with short-term sales would fundamentally improve forest management and stimulate jobs and generate additional revenue through competitive bidding on timber sales.

Finally, H.R. 987 designates as wilderness 23 areas covering 1.8 million acres of the Tongass. The lands include some of the most valuable fish and wildlife habitat in the United States. There is strong support for permanent protection of these areas from communities and organizations in southeast Alaska.

The new wilderness areas will not affect the ability to meet industry demand in the Tongass. Only 5.7 million acres of the 16.7-million-acre Tongass is commercial forest land. While the existing 5.5 million acres of wilderness has scenic and many other values, most of it is literally rock and ice. Over 90 percent of the highest volume timber is not currently within wilderness. The new wilderness areas would result in a loss of only 238,000 acres from the scheduled timber base of 1.75 million acres. Wilderness would reduce the scheduled Tongass timber harvest of 450 million board feet annually by only 49 million board feet. Yet the average annual harvest has been only 285 million board feet.

There is no longer any measure short of this legislation that we can take to get the Forest Service to replace its policies that are damaging the economy, damaging the environment, and damaging those resources. There is no action short of this legislation.

There has been no successful renegotiation because asking the Forest Service to renegotiate these contracts with these pulp mills is like asking Lincoln Savings & Loan to negotiate with the FSLIC. It is one and the same.

It is like asking the people at HUD to negotiate with the lenders and the borrowers; they have become one and the same, they become entangled. They become entangled when timber companies keep the bureaucrats employed and the bureaucrats keep the timber companies wallowing in Federal subsidies. That is what is going to be brought to an end today when we vote for this bill as we did last year on a bipartisan basis.

The capping of that will be that while we save the taxpayers hundreds of millions of dollars over the remaining life of this contract, we will also be saving a resource and putting it on a sustained yield basis, allowing the timber industry to thrive.

We will be enhancing the fisheries so more and more people in southeast Alaska can participate in that economy.

We will be enhancing the environment so more and more people from the lower 48 will be able to go to Alaska to enjoy its economy, to enjoy its resources, to enjoy its scenery.

We will put a stop to the rape and the pillage by two privileged companies that are allowed, from the private sector point of view, to manage a forest, America's largest, as no other forest in America is managed.

□ 1100

That is what we have an opportunity to accomplish today. I ask the Members to support the Interior bill. I ask them to repudiate the Agriculture substitute because it does nothing more than allow these obscene practices to continue, both with respect to these companies with their hand in the taxpayers' pockets and the rape of the environment with the consent of the Forest Service.

We cannot ask two parties that in fact have become one and the same to renegotiate. They have taken no action in response to the overwhelming vote of last year, and we must proceed in this fashion.

Again, Mr. Chairman, I urge my colleagues to support the Interior bill and to reject the Agriculture substitute and all of the damaging amendments that will be put forth on the floor here today.

Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first let me say that it is a good thing that the gentleman from California [Mr. MILLER] and I are good friends, because I have never heard such a statement made using such outdated facts and emotionalism relating to HUD and the savings and loans. That is a scare tactic; that is a Joe McCarthy-type tactic which I do not appreciate.

Let us be honest about this. This is not the same bill the gentleman was the sponsor of last year. It is not the bill the Congress voted on, and, yes, I asked some of our Members, if they wanted to, to go ahead and vote for it. But it is not the same bill. To say that it is, is absolutely not true, and the gentleman knows it.

Mr. Chairman, I oppose H.R. 987. I have represented Alaska in this body since 1973, and as the chairman has stated, and then the gentleman from Arizona [Mr. UDALL], I have been probably closer to the people of Alaska than anybody else in the sense of what I believe is good for them and also what they believe is good for them. I have listened to them; I have heard their wants and, most of all, their needs and their dreams, and that is what American is about. I come before a group of people every 2 years, and they report on my report card whether I have done right or wrong. I am not from outside that district; I am not from California or New York, and I want to make it perfectly clear that this is not the bill that all Alaskans want.

I am sure that everybody wants things to run better. They want a better mail service, a better Defense Department, and better housing, but there is nobody I know of that wants no mail service, no defense, no roads, and no housing.

H.R. 987 does that to the Tongass National Forest. It will allow no timber harvesting, period. Regardless of what the gentleman from California says, there will be no timber harvesting.

I think it has to be made clear that the Governor of Alaska, one of the gentleman's own party, is against this bill, and he is not running for reelection. The chamber of commerce and nearly all of the people of Alaska are against this bill. There are a few who support it, and, yes, I respect the position of those few. Many times I have tried to work out a solution, as the gentleman from California knows. We worked long and hard last year, and I was willing to accept a compromise. That never was able to get to the House floor, and it never went to the U.S. Senate, so we are back here today with a bill that will put 6,000 Alaskans out of work and cost the taxpayers money. It will not save any money for them; it will cost the taxpayers money.

Let us go back to this word, "Tongass." This is the Tongass. It is the largest national forest in America today, and I am proud of that. It contains 17.5 million acres of some of the most beautiful land, if not the most beautiful land, in the world. It is bigger than the whole State of West Virginia, and that is a beautiful State. There are only 60,000 people who live there. The three biggest parts of the economy in the area are fishing, timber, and tourism, the three legs of the stool, but the only year-round employment is in timber. All of the timber harvest on the Tongass complies with every environmental law on the books today that we passed in this Congress.

Mr. Chairman, I hope that my colleagues will listen very carefully to this: 90 percent of the 17.5 million acres of the Tongass is already off limits to timber harvesting. It is not off limits for tourism, it is not off limits for fishing, but 90 percent is off limits for timber harvesting. That leaves us with only 10 percent.

Contrary to what some people say, this is not the "Imperial Congress," but, unfortunately, in 1980, when most of the present Members were not here, this Congress made an agreement with the people of Alaska that there would be that 10 percent available for harvesting and that in fact there would be $40 million in unappropriated money to harvest the lower grade timber. This bill does take that $40 million out.

I do not argue with that. So does the Agriculture bill; it takes the $40 million out. That is a given. It is no longer important.

Someone said that this saves taxpayers money. I agree. It has been taken out. It is not on the table; it is gone. But let us remember that last year for every dollar the Forest Service spent they got 87 cents back, plus over $40 million in taxes, Social Security, and other payments to the Federal Government, plus jobs for thousands of Alaskans, with a payroll of $118 million, plus $486 million in cumulative value to local, State, and Federal economies.

These are just direct benefits, not indirect. We get a road system that makes communities possible, and these communities are the real story of the Tongass. These are full of people who are working with their hands and their backs. They are proud of that. They work in the great outdoors, just carving out a tiny part of the Tongass to make it possible for others to follow. They are building their communities, their hospitals, their churches, and their small businesses. This fulfills the dreams of individual American citizens. They are making sure there is a place for people to work, a place for people to dream. It is a place for people to conceive what they think America is about.

H.R. 987 takes all of that away. And for what? The gentleman from California says we passed a similar bill last year. The difference is this much. If I may, I would ask the Members to look at these charts. This is the Interior Committee bill. Under the proposal in the language that the gentleman from California and other staff members never had the decency to explain, there is a buffer zone. That sounds good, does it not? That is beyond the wilderness area, 1.8 million acres added to the 5.7 million acres they have already. They are adding that in this bill, and they are adding it in that bill. But that buffer zone concept eliminates 23 precent more of the ability to harvest any timber in southeast Alaska.

This bill repeals the contracts that this Congress, not the Forest Service, said shall take place for long-term investment, for building these two pulp mills in Alaska.

Although the Tongass is the greatest national forest, it is the least harvested forest in the United States today. California, Washington, And Oregon cut more timber in 1 year in one-third of the size than would be cut in the Tongass in 10 years.

Mr. Chairman, H.R. 987 is not the bill that Members on my side of the aisle voted for last year. It is a bill that repeals contracts, puts in buffer zones, and creates 1.8 million acres of wilderness. None of those things were in the bill last year. It is a bill that crushes the American dream.

For what, and for whom? For Long Island? This is less than a million acres, perhaps a little over a million acres for the people. That is all they are asking for. I do not know how many acres of people that amounts to. But for Long Island, we are crushing a dream?

□ 1110

Mr. Chairman, I say to my colleagues, "For Marin County in California you're going to crush a dream?"

Mr. Chairman, I have been told by the chairman of the full committee, and I wish he was here, that he was going to help us negotiate a settlement, of which I have asked for and begged for for the last 6 years, and the gentleman knows that is true, and yet today on this floor we have a bill that literally takes the livelihoods of Alaskans, American citizens, and crushes them. And I say, "For what?"

It has been said, "For the environment." The environment? This is overkill.

Mr. Chairman, the environment is being protected today, about 5.7 million acres of wilderness, and in the Ag bill there is 1.8 million acres of wilderness added, too, and I am not too happy with that, but it is there. However the bill that came out of my committee that was voted against 100 percent on my side of the aisle is the bill that does great harm to the word of this Congress, to the word of this Nation, and to the people that they gave their word to.

So, I am asking my colleagues today to think very carefully and to look inside their souls, to remember that it is not the bill that was here last year that they may have voted for, and I am asking them to vote for the Ag bill, the Ag bill that was bipartisanly supported by 100 percent that took the time to look upon the direct effect of lives of Alaskan people, that understood the buffer zone concept and the requirement to have the pulp mills, not only for the economic base, but to have the best return and the timber harvest is not wasted.

I am asking my colleagues, when the substitute is offered by the gentleman from Missouri [Mr. VOLKMER], that in fact it will be the bill to be voted yes on, and we will give a bill that can solve the problems of the timber industry, protect the environment, and save the taxpayers money.

Mr. Chairman, I am asking my colleagues to vote yes on that legislation, the Ag bill. If that fails because they are not willing to accept justice and they want to be punitive, then I am asking my colleagues in all fairness to vote no on final passage to give the State of Alaska, the people of Alaska, the opportunity for this President to try to bring those that wish to negotiate in good faith, such as myself, to the table, if they wish to solve the problem.

So, Mr. Chairman, in fairness, in justice, a yes vote for the Ag bill. If that fails, a no vote on H.R. 987, in the name of God.

Mr. Chairman, I reserve the balance of my time.

Mr. VOLKMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today, of course, in support of the Committee on Agriculture substitute for H.R. 987, and the reason I do so is because we have spent a long period of time over the past several years in developing this legislation as an alternative to the Interior bill. We have heard from a long list, an extensive list, of witnesses from Alaskan and national organizations, elected officials, and from the Forest Service. We received and reviewed numerous letters from Alaskan citizens, supporters and opponents of changes in the Tongass timber program, in that period of time.

We have reached a general agreement in our committee across party lines that there are problems with recent and current management of the Tongass National Forest. The Forest Service has given too great an emphasis to the timber production, due largely to artificial constraints basically from the 1990 ANILCA timber supply mandate, 4.5 billion board-feet per decade, and under the two 50-year contracts which we feel that the Forest Service and the pulp mills have not properly interpreted. We feel that the Forest Service can have and must have greater determination as to where timber is to be cut in the Tongass, how much timber is to be cut, when it is to be cut, et cetera. That is a decision on the contracts that the Forest Service should make, and we have said so in our substitute.

Mr. Chairman, we have a strong conviction that the national forests should be managed for multiple use recognizing the public needs and capabilities of all lands in the Tongass. As we have heard here before, there are three elements to the economy of southeast Alaska and the Tongass, and those are tourism, timber industry and, of course, the fishing industry.

We have emphasized in our substitute that the Forest Service should give more credit to both tourism and the fishing industry in Alaska to equalize that with the timber production. Some timber production activities are important economic sectors, and without timber, then we are going to lose, as the gentleman from Alaska [Mr. YOUNG] said, about 6,000 people out of work in southeastern Alaska, out of a total of approximately 60,000. That is 10 percent of the people automatically out of work, and that will have a rippling effect on the total economy of southeast Alaska.

Mr. Chairman, under our bill we do not see that we will have anybody put out of work, while under the Interior bill it is very clear to many of us that we would have the pulp mills closed, and, as a result of that closing, we are going to see an economic downturn in southeastern Alaska.

Now our committee did reject recommendations of the Forest Service, which said take no action until the revised land management plan is completed. We rejected that position because the plan would be based on timber supply requirements of 4.5 billion boardfeet a decade.

We do away with that mandate of 4.5 billion boardfeet. We do it a little bit differently than the Committee on Interior and Insular Affairs. The Committee on Interior and Insular Affairs does away with it, but they put no limit on the amount of timber that can be cut in the Tongass. We put a cap. We put a 4.5 billion cap instead of a floor, and now it is a ceiling, and, therefore, we feel that the Forest Service will not permit any further cutting beyond that cap. We, as the Committee on Interior and Insular Affairs, do provide that the Forest Service should provide the amount of timber based on the management plans and the demand of the timber up to that amount.

Now, upon review of the 1988 Timber Reform Act reported by the Committee on Interior and Insular Affairs, most of our subcommittee agreed with the actions proposed, a repeal of timber supply mandate, the contract renegotiation, moratorium to timber harvests in particularly sensitive areas.

Now that was last year's bill. This year's Agriculture bill is almost identical to last year's Interior bill which we agreed to.

Now last year that bill was taken up on this floor and passed overwhelmingly. The Committee on Interior and Insular Affairs supported that bill overwhelmingly. We supported that bill. We still feel that is the way to go in order to keep some timber industry operating up there, but to correct the wrongs that have been done without terminating the contracts.

Now, Mr. Chairman, in the 1989 bill the Committee on Interior and Insular Affairs' bill is not nearly the same as the 1988 bill. It is a King Kong squeezed into a chimpanzee suit. That is really what it is because it is very drastic. It cancels those contracts rather than requiring renegotiation and giving the Forest Service the

power to actually manage that forest up there. By cancelling the contracts we are telling those pulp mills up there that they just may go out of existence. We are telling 6,000 people up there, "You're going to be out of work."

However, Mr. Chairman, I think many people, good lawyers, will say, "Once you terminate those contracts, you're going to pay out the nose in damages for doing it," and who is going to get the money when we pay out the damages?

□ 1120

The pulp mills get the money. Those 6,000 people up there, they do not get anything. They just get out of work. So I think that everybody should think very seriously before going to the extent of cancelling those contracts.

We worked this bill out. The Agriculture bill was introduced with the gentleman from Washington [Mr. MORRISON]. It was not even considered by the Interior Committee. It was approved by our subcommittee and the Agriculture Committee then substituted it for the Interior Committee provisions.

Now, we did not address the wilderness provisions of the Interior bill because we do not have jurisdiction over them. We do have jurisdiction over all of our national forest management, because that is in the jurisdiction of the Agriculture Committee.

I think that the Agriculture Committee has worked very hard to make the determinations that we have in developing our substitute. We have not taken this matter lightly. We are very concerned about what happens in southeast Alaska.

I think there are other important differences, but clearly, the heart of the disagreement between the committees is the treatment of the contracts. We say that we need to renegotiate those contracts, that under those contracts the Forest Service has the power to manage those forests just the way they have been managing the national forests in the other States of the Union.

We also provide, as they do, for the elimination of the 4.5 mandated billion board feet per decade. We eliminate the $40 million annual appropriation, so we have agreed on those basic things.

Now, how did this all come about? What was the reason for it?

Well, back in the late forties and early fifties there was not very much up in the Tongass. There was not very much going on in southeast Alaska. Someone had a bright idea that there is a lot of good timber—and a heck of a lot of it is still up there in southeast Alaska in the Tongass—so let us get some timber industry up there.

Well, what kind of timber industry are you going to get? Are you going to get a regular saw mill that will just saw logs in the Tongass? No. You are not going to get that because 40 to 60 percent of the timber, of the trees in the Tongass, are not good for saw logs. It depends on what part of the Tongass you are cutting. Many trees are only good for pulp. As a result, without the pulp mills you are not going to have a viable timber industry in southeast Alaska. Therefore, they made the contracts with the pulp companies in order to get the pulp mills up there, in order to get a timber industry started in southeast Alaska. It was an economic boom to southeast Alaska. As a result, you have had a development in southeast Alaska around Ketchikan and Sitka and other parts of southeast Alaska.

You have had additional tourism because of what has happened under these contracts. Sure, there were roads built as a result of these timber contracts, but a lot of those roads are now being used by tourists. Without the roads, you would not have the tourism.

Now, timber employment is no longer only a jobs program, but it is actually part of the economic viability of southeast Alaska.

Clearly, I will admit, this is a subsidy for economic development when they started these pulp mills up there under these 50-year contracts; but, Mr. Chairman, we do that for other parts of this country all over this country.

We have subsidized economic development programs through economic development block grant programs, through the Defense bill, you name it, the Public Works bill. We have subsidized all other parts of this country. Are we now to say to southeast Alaska, "We don't like this subsidy. We don't like this economic development program that was started up there for your people, and therefore we are going to close it down."

I say no.

True, there are big problems with the management of the contracts. Let us correct those management problems, but let us keep the timber industry, as well as the fishing industry, as well as the tourism industry, for southeast Alaska.

Now, it has been said here and I have heard it repeatedly in the past, and it was true in the past, that this timber has been sold at less than it should have been, for $2 a thousand board feet, but those have been renegotiated as a result of what the Agriculture and Interior Committees have done in the past 2 years.

Ketchikan Pulp today is paying $84 on the average, depending on the type of tree, but on the average $84, not any dollar-and-a-half or $2 you may be hearing here. Ketchikan Pulp is now paying $84 a thousand board feet.

Alaska Pulp's contract is now being renegotiated and they, too, will be paying in the future those higher prices. That is part of the effort I say that we need to do, not terminate those contracts, but continue to renegotiate to be able to say that we are getting our money's worth for what is going on in southeast Alaska.

You know, the commitment of the U.S. Government should mean something. This Government has contracts all over. Every agency almost has a contract with some corporation or private individuals. Now, are we going to say today that our word means nothing, that we can just terminate contracts willy-nilly if we do not like them? What was done before by somebody else that we do not like, we just terminate it, is that the signal that we plan to send out today to everybody who has a contract with the U.S. Government? I do not think so.

I think the proper way to go is to require that the Forest Service manage the National Tongass Forest more properly. We have the provisions in there that require renegotiation of those contracts and those things that we find objectionable.

With that, I would like to close by saying that I would sincerely appreciate, and I know the members of the Agriculture Committee would sincerely appreciate a vote for the substitute.

Mr. MORRISON of Washington. Mr. Chairman, I yield myself such time as I may consume.

We have just heard from the distinguished gentleman from Missouri, a very good country lawyer, and I think he has eloquently stated the case on behalf of the Agriculture Committee version of the Tongass Forest.

I just want to repeat a few of those elements and perhaps add a couple additional points on something that will be underscored over and over in this exchange, and that is the bill you voted for last year is very, very much like the Agriculture substitute that we will have in front of us a little later on during this presentation. If you want to support the vote that over 300 of us cast last year on behalf of that measure, you would support the Agriculture Committee version of this package.

There are some differences. You have heard them described. You looked at these in a very measured way. We would like to think that our subcommittee takes its time. It listens to both sides of the aisle. We have virtually no division between us politically.

Essentially what we have done in looking at the Tongass is what I think all you Members would want us to do, that is to say there are conflicts that came from the 1980 agreement. Those have been before us now for several years. Let us get rid of them if we can.

Let us in fact treat the Tongass like any other forest in our national system and manage all of them properly, do the sort of planning that is necessary, do the sort of environmental protection that is justified, but to get on with the production of America's wood products and our paper sources and fiber that we need for a variety of different products that we produce.

□ 1130

So we bring up the Committee on Agriculture substitute. It has essentially three differences from the Interior version, the most contentious of which is whether we terminate the contracts that this Government has written in good faith with two different paper mills to build those mills or whether we, in fact, force them to be renegotiated.

Some of us who represent large segments of the wood products industry can share with the Members how difficult it is to build a paper mill. It is a tremendous investment, and there is no way that anyone is going to do it unless they have a long-term commitment to a supply of wood chips. This was done in the case of Alaska, and perhaps we would disagree today with the way those contracts were written. That is why our approach to them is to renegotiate them.

Do not terminate them. Keep these mills alive and well, because they are vitally important, and the only year-round industry that exists in the southeastern Alaska area. Let us not undo that long-term commitment and all the legal difficulties that would be brought with that, but let us renegotiate, and if we read our renegotiation language, it gives the Secretary of Agriculture only 1 year, forces that negotiation to move in the direction of matching other forests in the planning processes, that we go through there, returning more dollars obviously to the U.S. Treasury and yet not undoing the operation of the mills.

May I also remind the Members, as the chairman, the gentleman from Missouri [Mr. VOLKMER], has indicated, only 60 percent of the wood up there is usable in the pulp mills. The other 40 percent then goes to help operate local sawmills or is sold elsewhere to the benefits of our national forest system.

We have to have the pulp mills or we cannot afford to make the cuts, the harvesting, that leads to the operation of the sawmills, many of them also in the same area.

Let us stay with the renegotiated contract. We know we can make that work. A number of us would even say after that 1-year period and the Secretary of Agriculture reports back on his progress to us that if in fact the mills have not agreed to realistic modifications of the contracts that we could do something more heavy-handed here within Congress rather quickly.

Another difference that is important is this issue of how much wood we cut, and the agreement back in 1980 revolved around 4.5 billion board feet per decade that many of us feel is unrealistic, but the number should still be kept. We keep it, instead, as a ceiling so that it is mentioned, and the Forest Service would offer then sales on the basis of what the market demand really is up to that 4.5 billion board feet. That is a realistic approach and one that is easily supportable by the Members of the Congress.

The other area, buffer zones, there is only a slight difference between the two of us. We say that those buffer zones 100 feet wide should be preserved around just the anadromous fish streams. When we are dealing in a rain forest, folks, be careful when talking about tributaries, because every few inches there can be a tributary during part of the year, and if there is a hundred-foot protection on each side of those, we essentially have eliminated the forest from harvest, and that is not what I think any of us have in mind.

The choice, as we look at the two major versions of this bill in front of us today, one is a hard-line bargaining position. I can understand and respect my friends on the Committee on the Interior for taking this position. I am not so sure it leads us anywhere. We have seen this measure get to the Senate before where the State of Alaska has its representation as a State with two Members, and it does not have that representation here because of their limited population, though I admit my friend, the gentleman from Alaska [Mr. YOUNG], makes up for a lot of that in his rather aggressive style, but let us not send them something that is unrealistic. Let us send them something that really expresses how we feel here in the House.

Mr. Chairman, the Committee on Agriculture has tried to do that for us. We are closer to the real world, again, almost identical to the version we passed so overwhelmingly last year.

One last comment: A letter from the Governor of Alaska was sent to Senator FOLEY just in the last few days which opposes the enactment of H.R. 987, particularly the contract terminations and wilderness designations, and believes it is important to retain some reference to the 4.5 billion board feet set out in the agreement in 1980.

Again, the Committee on Agriculture version does not terminate the contracts but forces them to be renegotiated. It agrees to the wilderness designations, because those are not within our jurisdictions, and we retain that 4.5 billion board feet but as a ceiling as opposed to a mandated offering for harvest.

One last comment: My understanding is that letters exist from the Secretary of Agriculture indicating that if the Interior version of the bill passes and got all the way through the Congress by some chance that it would be very highly recommended for a veto.

Mr. Chairman, I yield 9 minutes to the gentleman from Oregon [Mr. ROBERT F. SMITH].

Mr. ROBERT F. SMITH. Mr. Chairman, I thank my friend, the gentleman from Washington, for yielding me this time.

Mr. Chairman, I, as one of three Members of this House of Representatives, sit on both the Committee on the Interior and the Committee on Agriculture. As a result of that, I have been involved in the markup on the Committee on the Interior as well as the markup on the Committee on Agriculture. I was involved with this bill when it came to the Congress in the last session of the Congress, so I think I have somewhat of a unique opportunity to look at both of these bills as they come before the Congress and as the Congress must choose between them.

Very frankly, my friends, I want the Members to know that the Interior bill is an extreme bill that would put the State of Alaska out of business. This is disaster for Alaska. This is the Interior bill. That is the Agriculture bill. That means life for Alaska, and I want to get into some detail about these provisions.

Both bills, as Members know, repeal the $40 million that has currently gone to Alaska every year to manage timber. That ought to be enough. That ought to be enough for Alaska, but, no, there is more.

Both bills include some 1.8 million acres of additional wilderness, some 23 additional wilderness areas in the Tongass. As Members can see by the yellow on this map, both bills include those, so we are not discussing those two issues.

We are discussing the question of the so-called cap of 4.5 billion board feet for 10 years, which breaks down to 450 million board feet each year for 10 years. That, in the Agriculture bill, remains as an extreme limit.

The facts are that we have been harvesting about 338 million board feet a year. That is all that has been sold on the Tongass, and so the cap really has no effect except to say that we cannot go beyond 450 million board feet, and, by the way, that is sustainable. That is a perpectual yield. We are not violating any environmental laws. We are not violating any forestry practices. Four hundred fifty million board feet is doable, and it is a perpetual opportunity for us.

I remind everybody again that this is the largest forest in the world, 17 million acres, and we are only operating

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

on 1.7 million acres today, 1.7 million acres. That is 10 percent of it. We are going to say, if we pass the Interior bill, we are going to wipe out almost half of the allowable cut in that 1.7 million acres that are left, and that, my friends, indeed, is 6,000 jobs.

The two committees do conflict on that question, because the Committee on the Interior wipes out any reference, of course, to the allowable, while the Committee on Agriculture retains that cap of 450 million board feet only to be sold on the basis of good forestry practices and not to sell 450, but that is as much as they can sell.

The more important difference between the committees is this question of the long-term contracts. It is easy to argue, and I would, that one should not be selling timber in Alaska for $2 a thousand to anybody. It is worth more than that. These long-term contracts were entered into to encourage the two pulp mills that are in southeast Alaska to come there, because, as has been mentioned, 60 percent of the wood that comes off the Tongass, the 1.7 million acres, is merely lousy, rotten kind of stuff that is pulped. The remainder of it is good timber that is run through the sawmill and sold as boards and such as that.

If we eliminate the pulp mills, we eliminate not only the opportunity to harvest, and that is what this does, that is why it is at 173, because there is no pulping here. If we eliminate the pulp mills, however, what do the environmentalists say when asked can we replant and reseed that kind of wood that is going to lie on the ground and is no use, no purpose, if we do not pulp it? Because we must take it off to replant and reseed.

□ 1140

The facts are in the Tongass we are doing very well in replanting and reseeding. In fact, we are growing a brandnew forest and it is a better forest than ever before. It is a spruce forest, and in these matted areas where there is a lot of material, the point is unless we take the pulp stuff off the floor of the forest we cannot reseed and we cannot replant. We are doing that, and we are planting a better forest for the future.

The difference here again is without those two pulp mills we cannot harvest either in good forest practice or for the people of Alaska. We cannot harvest this forest. If we eliminate the long-term contracts, we eliminate the pulp mills, it is that simple.

They ought to be paying a proper price and they are, by the way, as witnessed by our fine chairman, the gentleman from Missouri. Those contracts have been renegotiated. There is one left, yes. One has been renegotiated, one is left, and that will be done within 1 year.

If my colleagues go to the agriculture bill, within 1 year that will be accomplished so that we have some stability in the pulping process in Alaska, which is the fundamental issues.

What about the quality of life? I thought we ought to manage public resources for quality of life. I mean is that not what this is all about? I thought quality of life meant that you have a future, you have an opportunity, and in this case to fish and to hunt and to recreate and tourists can come, and additionally you ought to have a right to have a job. I mean that is quality of life.

Goodness knows, operating on this very small percentage of the Tongass there is a very small percentage of the forest supporting 6,000 jobs. That is quality of life. We ought to retain that.

What is happening on the Tongass? Is it being overcut? Absolutely not.

The Tongass is being managed by the Forest Service, as I mentioned, for yields of timber at the 450 level forever, forever. Beyond that, the replanting as a result of pulping will create in the future a forest that can be increased in allowable cut, and more timber developed for Alaska and for this great country.

So I urge my colleagues when looking at the two bills, and I have been involved in the markup of both of them, the agriculture bill is a reasonable position. The other is an extreme position that puts Alaska out of business.

My colleagues remember, I was here, many of them were here when we sat and spent $4.5 billion to create jobs in America, create jobs. Members remember those public works days in the early 1980's when we were out of work.

How much are we going to have to spend to refurbish Alaska if we take away 6,000 jobs? We ought to look at it I think, but we ought not to do it.

I suggest we stay with those who know about this issue, the reasonable, bipartisan side that was demonstrated in the Agricultural Committee. I suggest we stay with the Governor of Alaska. I suggest we stay with the House and Senate of Alaska, and I suggest that we have drained enough from our good friend, the gentleman from Alaska, DON YOUNG. We ought to stay with him.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. CLARKE].

Mr. CLARKE. Mr. Chairman, I rise in strong support of H.R. 987, the Tongass Timber Reform Act, as reported by the Interior Committee. This bill represents a reasonable solution to the problems that plague this great national forest, one of the crown jewels of our public lands. I have visited the Tongass and it is a shame to realize that we are selling millions of board feet of virgin timber at a huge loss to the U.S. Treasury while at the same time we are degrading the recreational value of this beautiful forest, threatening Alaska's fishing industry, and hurting the region's tourist appeal.

It is clear that the Tongass timber sale program is one of the worst cases—probably the worst case—of below-cost timber sales in the Nation. Since 1982 the Federal Treasury has paid out $386 million to support the Tongass timber program. Receipts for those timber sales in the same period totaled only $4 million. At one point in our hearings the Forest Service admitted that because of the 50-year contracts the two pulp mills were paying $3 per thousand board feet for spruce, while independent loggers in the Tongass were paying an average price of $30 per thousand board feet—10 times as much.

The Forest Service has testified that it costs the Federal Government $30 million a year to administer the 50-year contracts. If things continue at this rate the Federal Government would lose over $0.5 billion by the time the last of the two 50-year contracts expires in the year 2011.

It would be irresponsible to allow current management practices to continue. The termination of the $40 million automatic appropriation for the timber program which the bill provides would put the Tongass on the same basis as every other national forest, receiving an annual appropriation for its program on the basis of need.

According to the Congressional Research Service the termination of the 50-year contracts with the pulp mills and their replacement with standard competitive short-term sales is not likely to be found to be a breach of contract. I believe that H.R. 987 will not endanger Alaskan jobs. Many of the workers in the pulp mills are not even residents of Alaska. It is time that we manage the Tongass on a businesslike basis. H.R. 987 as reported by the Interior Committee deserves our support.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. CLARKE] has expired.

Mr. YOUNG of Alaska. That is a quick watch, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Alaska wish to yield him 1 minute?

Mr. YOUNG of Alaska. I yield 1 minute to the gentleman from North Carolina.

The CHAIRMAN. Will the gentleman yield?

Mr. CLARKE. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, does the gentleman from North

Carolina know how much money is returned to the Treasury from the forest in his State for every dollar invested?

Mr. CLARKE. Not the precise figure, no.

Mr. YOUNG of Alaska. It is 57 cents back to the Treasury for every dollar invested by the taxpayers. In the Tongass we return over 87 cents for every dollar invested. Our forest returns more dollars to the Treasury than your forest does.

Mr. CLARKE. Mr. Chairman, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield 7 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Chairman, what is it we are about here today? It is not the environment. Both bills are environmentally identical. They both add the same number of acres and the exact same acres to the wilderness system.

It is not the $40 million. We have conceded $40 million is not on the table. It might be of interest to Members, the Forest Service reported appropriation for fiscal 1990 actually allocates some $44 million to the Tongass for fiscal 1990. So if we are talking about saving $40 million, I think we should be a little bit careful because actually we are already spending more than $40 million on the Tongass as it is.

We are not talking about forest management practices, because under current circumstances the Tongass is managed the same way as any other national forest in the National Forest System.

What we are talking about, in my judgment, are two very important things. The first is the human factor, the 6,000 jobs. The Committee on Interior and Insular Affairs proponents will tell us that those jobs are not in danger, that there is provision in their bill to continue logging and to continue timbering on the Tongass. But the fact of the matter is provisions in their bill will make that continuation virtually impossible.

We should talk about buffer zones. We might be deluded into thinking that buffer zones are not really a very important thing. There are buffer zones included in the Agriculture Committee bill. But that bill limits the buffer zones to the major streams containing fishery assets.

The Interior and Insular Affairs Committee bill expands that to buffer zones not only on the major streams but also on the tributaries. As the gentleman from Washington [Mr. MORRISON] has pointed out, in a rain forest such as this, defining a tributary is virtually impossible. If we are to have a 100-foot buffer zone around the streams and their tributaries, and those buffer zones are to be maintained in their "natural, undisturbed forest condition," what does that mean? That means we cannot cross those buffer zones. What does that mean? It means we cannot get across those streams and those tributaries to get into areas that would otherwise be available for timbering and logging purposes.

The buffer zones not only protect the streams, but they also prevent access to otherwise harvestable timber.

□ 1150

And according to the U.S. Forest Service that language contained in the Interior bill would reduce the available harvestable timber to those areas of the Tongass that already are roaded and would yield a harvest of something in the neighborhood of 50 million board feet, not sufficient to maintain the industry, not sufficient to keep the mills open, not sufficient to support the 6,000 jobs.

Now there are three major industries in southeast Alaska, fishing, tourism, and timbering. It is said, and has been said repeatedly, that the termination of the 50-year contracts and the elimination or significant reduction of timbering would be directly offset by increases in jobs in tourism and in fishing. Statistically and economically that could well be true.

But how much comfort is that to 6,000 people who have made their careers and their lives out of the timber industry? Shall we say to those 6,000 people in southeast Alaska, "You are either going to have to leave or you are going to have to become a fisherman or a guide?" Tell that to the 6,000 people.

I think you will find that that is small comfort to them.

The agriculture bill will do everything that is environmentally desirable on the Tongass and it will likewise retain the ability of the third industry in southeast Alaska to survive.

What is the second major issue? It is the contracts. The Interior bill directs that the contracts be revoked, the agriculture bill directs that they be renegotiated.

As Mr. SMITH pointed out, one has already been renegotiated and the other one is in the process of being renegotiated and in fact is at the Justice Department for approval. It has gotten that far.

What does revocation of these contracts mean? It means—and I do not think there is any dispute about this—it means that the United States of America is liable to the contractors for the remaining value in those contracts.

The Congressional Budget Office estimates that the liability has a range of $20 to $200 million, but it adds a caveat, and that is, if the U.S. Court of Claims should determine, as it has in other cases, that an element of damages is the diminished value in the capital investment in the plants and in the ancillary facilities that the two companies have made in reliance upon those contracts, then there could be additional damages and, in the words of CBO, those damages cannot be calculated.

Now for those of us who still have some fiscal concerns, and I think that is probably most of us, this is indeed a very significant point.

Revocation of the contracts puts the United States at risk in amounts which cannot be calculated but which, at a minimum, at a bare minimum, would be $20 million and probably would be significantly in excess.

We have a substitute in the agriculture bill that accomplishes virtually everything that is desirable on the Tongass and does so in a way that is fiscally responsible for the United States and retains the opportunity for the third great industry in southeast Alaska to survive, and for those 6,000 persons who depend upon it, to continue to do so.

Mr. Chairman, I urge your support for the agriculture substitute.

Mr. VOLKMER. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia [Mr. OLIN], who has devoted a long period of time and many hours to the Tongass and has been at all the hearings.

Mr. OLIN. I thank my chairman for yielding.

Mr. Chairman, I rise in support of the agriculture substitute for the Interior Committee bill.

I would like to compliment the chairman for his work on this bill. I think we have got a good, reasonable bill.

This bill balances the interests of those who would like to preserve the old-growth forest and rainforest of that area and those citizens who live up there in rural Alaska who count on a reasonable timbering activity to support themselves.

I would also like to commend the gentleman from Washington, the ranking member, for the work that he has done.

Years ago when this area in southern Alaska, I guess it is, was being considered as to what we ought to do there, a deal was struck, I think, between people who were anxious to turn the whole thing into wilderness and preserve every tree that was ever there and those that have some responsibility for the economic development of that area and the people that lived there, original natives in many cases.

It was agreed that there would be an arrangement made whereby a large wilderness area would be established and, in return for that, there would be a plan set up to establish a couple of pulp mills to provide jobs for people

and set up a basis under which the Forest Service could prepare forest sales that would support those mills.

It was a 50-year contract. We are now quite a few decades into that contract. We have a stable situation there with an awful lot of people working, 6,000 people.

It is true we have had some difficulty with the contracts. The Forest Service has got themselves into a mode where they, in some cases, have prepared more timber sales than actually the market required, they got well ahead. That can be stopped.

They got into a habit of allowing the pulp mills to select which stands of timber they wanted to cut out of all this timber that was prepared. And that was not a good practice. That can be fixed.

They got into some problems during the early 1980's when the timber market was very poor, of very bad pricing. That has been fixed already. Prices that you see there are competitive on the market.

The real issue now is whether because of some things that can be fixed, we should go ahead and cancel these contracts with the unknown financial liability which, as has been said, CBO estimates somewhere between $20 million and $200 million, certainly ranging in the $100 million range, with all the disruption that is going to mean to those poor rural communities and people who have jobs there, or whether we renegotiate the contracts and correct the problems.

There is no doubt that these problems that exist that people are worried about could be corrected. We can establish a limit on the timber, we can get the Forest Service to conform to good forestry practices as they have elsewhere in the country. Certainly the provisions for buffer need to be very carefully worked out on the streams.

I just feel that any reasonable person who looks at this will recognize that this is not the time to take on an unknown risk; it is not the time to pass a bill that certainly the President is going to veto if it ever gets to him—and probably never will—and to adopt the Agriculture Department's substitute which is reasonable, well thought-through, sound, and would solve these problems.

Mr. YOUNG of Alaska. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from Alaska [Mr. YOUNG] has 11 minutes remaining.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

□ 1200

Mr. Chairman, I would like to, at this time, bring attention to two comments made by all of the speakers in reference to wilderness. If we can, these are the wilderness areas already in existence in Alaska. The light areas here are already there. It is hard to tell, and the heavy, dark areas are the additions that are being proposed under both bills.

So we are not arguing the real wilderness. I think it is too much, I will be honest, in both bills. However, when I hear someone say we have to treat the Tongass like every other forest, if Members take 5.5 million acres of wilderness plus 1.8 acres of wilderness necessary, we will have more wilderness in that one area than we have in the rest of the United States. That is a lot of wilderness. I think it is too much.

However, when someone says we want to manage this like any other forests, already we have taken away the opportunity because of this vast area of wilderness.

The second thing I would like to bring out is the buffer zone. Now, unfortunately, there are people that have sponsored the gentleman from New York's bill that do not know what a buffer zone is, yet they sign under the bill. Or do they know what an anadromous fish is? For the listening audience, I should not refer to them, but my colleagues, an anadromous fish is a fish that returns to a stream, fresh water from salt water, spawns, and dies or returns. A steelhead returns, salmon dies, and fertilizes the streams and takes care of the young. That is an anadromous stream. A tributary, as the gentleman from Washington mentioned, cannot be defined, and I know why this was put into the Interior bill. It is a lawyer's heaven. A definition of tributary can be whatever is defined by the individual once he files suit against the Forest Service, if they allow an area to be logged. Then, not crossing the streams is another one. We will see, this is the harvesting area, and this is the harvested area, and this is a buffer zone. This is the buffer zone, a stream 100 feet here, and 100 feet here, which I happen to support, but when they say it will remain in a pristine stage, that means we cannot cross, so how do we harvest over here? Then we have a tributary that runs over here, so how are we going to get around? It is an impossibility, and that is where we get the 173. That is the Interior bill. That is not last year's bill.

Mr. Chairman, I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman is aware that we will be accepting an amendment by Mr. JONTZ to make the buffer zone identical to the Agriculture amendment.

We disagree with how the Forest Service has characterized it, but the intent and the purpose of the amendment will be to make it the same.

Mr. YOUNG of Alaska. I am very pleased to hear that.

Mr. MILLER of California. The same amount of land will be set aside.

Mr. YOUNG of Alaska. Reclaiming my time, I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, the amendment of the gentleman from Indiana is not identical to the Agriculture, and it is not the same.

Mr. YOUNG of Alaska. Mr. Chairman, may I say, again, though, the intent was there. That is to put the timber industry out of business in southeast Alaska and cost our people jobs. That is the intent of the Interior bill.

So I suggest to my friend, let Members vote for the Agriculture bill, a workable solution, that in fact is not threatened to be vetoed by the President, a bill that this House can accept and go back to the environmental communities and say it, in fact, sets aside more land than last year's bill, and I urge support.

Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in strong support of the Agriculture substitute to the Interior bill. I would like to talk about a few things that our bill does, and what it does not do.

We have heard talk about the management of the forest. Well, our bill would make needed changes in the management of the Tongass, and it would also protect the old growth forest, and it also would preserve 1.8 million acres of new wilderness, and it would eliminate automatic funding for sale timber.

While we are talking about that point, I would point out to our friends from the Committee on Interior and Insular Affairs, and for those that would support their position that if they, in fact, want to save the taxpayer money, one way to do it is to support our bill, because we have the best chance of getting our bill through to the President for his signature. We are talking about a savings of $40 million just in that regard.

Our bill would also require fair market value for the timber and would limit the timber sold on the forest, and putting the 4.5-billion per decade as a cap, where the Interior bill has no cap. What our bill would not do, it would not break the word of the Federal Government. I think that is important when we are talking about just willy-nilly breaking the contracts. Our bill will not expose the Government to damages for canceling these contracts. Our bill will not face a Presidential veto.

I would point out, too, that one thing our bill does not do, it does not present a pink slip to 6,000 Alaskan workers.

The bill that our substitute is nearly identical to, the bill that we heard talk about that passed this House last time 361 to 47, as you know, the other body never took the bill up. Our bill is a bipartisan bill to look at the problems, and when the witnesses came before our Committee on Agriculture, I probably asked as many questions as anyone about some of the management practices and other things that were going on the forest, and I am very concerned about it, but I think this is a measured approach, and an approach that we can see some action, and have already seen some action, but one of the companies having renegotiated, and the other in the stages of renegotiation as far as doing some things that we would like to see done. So we can see a better expenditure up there of the taxpayer's dollar.

I ask my colleagues to strongly support the Agriculture substitute, because we have a bill that can become law.

The CHAIRMAN. The gentleman from California [Mr. MILLER] has 19 minutes remaining.

Mr. MILLER of California. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, I think it is important to again clarify what this legislation is attempting to do.

I am proud to have first introduced the Tongass Timber Reform Act 4 years ago. I was pround to see it pass overwhelmingly on this floor last year with 361 Members in support, the majority of Democrats and Republicans in the House of Representatives.

Why did they vote to fundamental change the practices in the Tongass Forest? One reason we recognize that although it is part of the State of Alaska it is the largest national forest in the United States of America. It is a national resource. Perhaps it is a place of the most unparalleled and extraordinary beauty in the United States of America. It is the last and largest habitat for the grizzly bear and the bald eagle, the largest spawning grounds for salmon in the United States. It is a place where, right now, in natural coexistence, there is a timber industry and a tourism industry and a fishing industry. Tourism and fishing are rapidly replacing timber as a dominant industry in southeast Alaska, but certainly it is not the intention, my intention as the original sponsor of the Tongass Timber Reform Act, to drive the timber industry out of southeast Alaska.

Basically, this bill does three things: The bill repeals section 705. What is section 705? Section 705 sets up a unique circumstance in terms of the management of all the national forests in the United States. There are 155 national forests in the United States, and every single one of them, with the exception of the Tongass National Forest, comes under annual review by the U.S. Congress. Only the Tongass is different. In the Tongass, it is mandated that 450 million board feet of timber be harvested every year, regardless of whether there is any market for it. For the most part, there has not been a market for it. It is the only forest that has a mandated annual appropriation that has to be spent of $40 million to build roads to nowhere, to cut into salmon spawning grounds area, and destory habitat, even when there is no market for the timber that the Forest Service is supposed to harvest.

So our bill simply repeals section 705. It says each year Congress should spend as much as it feels is appropriate in the Tongass National Forest, and also remove the mandate that 450 million board feet of timber has to be harvested every year, regardless of whether there is a market.

□ 1210

Second, this bill does in fact cancel the contracts with the two major pulp companies in the Tongass, Alaska Pulp and Louisiana Pacific. We have heard some testimony here today to the effect that these two companies are going to be able to sue the United States of America for substantial amounts of money if these contracts are canceled. I would like to suggest to the Members some of the reasons why that will not happen.

One of them, very simply, relates to a case in Federal court called the Reed Brothers versus Ketchikan Pulp. What was that case? It was a case brought by an independent logger who was driven out of business by these two pulp companies through antitrust practices routinely undertaken by these two companies which already had these incredible sweetheart contracts.

Under the Reed Bros., the U.S. Federal court found that APC, Alaska Pulp, and Ketchikan Pulp, systematically violated the antitrust laws over a 16-year period, and they in fact recommended that the long-term contracts had been breached by these two companies. Well, if they breached those two contracts, they did not only breach them here but they have systematically violated a whole host of environmental laws in this country.

In 1989 the Alaska Department of Environmental Conservation documented their appalling record on noncompliance with environmental laws, they are presently being challenged by the EPA, and there are complaints currently in the Federal court for over 500 counts of permit violations. These two companies breached the contracts themselves, and according to the Congressional Research Service, we would not owe them a dime if we breached these contracts.

The CHAIRMAN. The time of the gentleman from New York [Mr. MRAZEK] has expired.

Mr. MILLER of California. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, if we cancel these contracts, it does not drive the timber industry out of southeast Alaska; it simply puts these two companies on the same playing field with, hopefully, more independent loggers who are Native Alaskans.

Who is the Alaska Pulp company? It is a Japanese-held corporation. No one is here to say today that the Japanese do not have a right to invest in corporations in the United States, but if my distinguished colleague, the gentleman from Alaska, is arguing on the basis of jobs for Alaskans——

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MRAZEK. No, I will not yield. I only have an additional minute.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MRAZEK. I will not yield.

Mr. YOUNG of Alaska. Mr. Chairman, the gentleman used my name.

The CHAIRMAN. The gentleman says that he will not yield.

Mr. MRAZEK. I will not yield, Mr. Chairman.

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman has stated he will not yield, and the gentleman does not yield for that purpose.

Mr. YOUNG of Alaska. But I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman has not yielded to the gentleman from Alaska for the purpose of making a parliamentary inquiry. The gentleman from New York will proceed.

Mr. YOUNG of Alaska. Mr. Chairman, do I understand that I have to have permission from a Member on the floor before I can make a parliamentary inquiry of the Chairman?

The CHAIRMAN. Yes, if that Member has the floor.

Mr. YOUNG of Alaska. That is a new rule, Mr. Chairman.

Mr. MRAZEK. Mr. Chairman, I withdraw what I said when I referred to my friend as my distinguished colleague.

Going back to the point at hand, I would submit that these two companies have already breached the contracts, and that by terminating the contracts we are going to allow independent Alaskan loggers to again compete for contracts which right now

allow these two companies, including the Alaska Pulp company owned by the Japanese, which presently harvests the 500- and 600-year-old trees, cuts them into raw cants, and ships them back to the Pacific Rim so they can be milled into the finest timber in the world, the right to continue these operations. And we are giving them those trees for the price of a cheeseburger.

Mr. Chairman, $1.48 per thousand board feet is what those companies pay under these sweetheart contracts. The trees are worth a thousand dollars per thousand board feet, and I am submitting to my colleagues in the House that we will not incur any damages by our action. In this way we will allow these companies to compete on an open playing field, and we will continue to have a logging industry and a pulp industry in southeast Alaska.

Mr. Chairman, I urge my colleagues not to support a substitute which weakens the contract provisions in this bill.

The CHAIRMAN. For the information of the Members of the House, the Chair will point out that one Member cannot make a parliamentary inquiry when another Member is speaking without that Member's yielding. When the floor is not occupied, one may make a parliamentary inquiry of the Chair's discretion. The Chair wishes to point that out for the benefit of the gentleman from Alaska.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Alaska. Mr. Chairman, when the gentleman refers to another gentleman, is it not true that he can ask the Chair for a point of order or a parliamentary inquiry?

The CHAIRMAN. No. The Chair will state that at that point, if the gentleman wishes to have the gentleman's words taken down, he does not need the gentleman's permission.

Mr. YOUNG of Alaska. I would not do that, Mr. Chairman.

The CHAIRMAN. The gentleman has confused two points. A parliamentary inquiry requires the permission of the Member occupying the floor. An objection to his words and a request that they be taken down does not require his permission.

Mr. YOUNG of Alaska. Mr. Chairman, I appreciate the Chair's explanation, and I certainly would not take the words of the gentleman from New York down.

The CHAIRMAN. Does the gentleman have a further parliamentary inquiry?

Mr. YOUNG of Alaska. I do not, Mr. Speaker.

The CHAIRMAN. Then, if the gentleman wishes to proceed, he may yield time to himself.

Mr. YOUNG of Alaska. I would like to direct a comment to the gentleman, Mr. Chairman.

The CHAIRMAN. If the gentleman wishes to yield time to himself for the purpose of debate, he may do so.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, one of the mills is owned by the Japanese, it has been, and it still contributes a tremendous amount. In fact, all the labor force from America, Alaska, and the second one is owned by an American company. So let us not put both of them together.

But more than that—and I believe this has been mentioned twice—if in fact the contracts were canceled, it would probably be true that the owners of those mills would receive moneys from this Congress or from the taxpayers, but that does not help the workers, the towns, the cities, the schools, the churches, and all the infrastructure that they have depended on from those mills. So let us not loop everything into one legal package at the same time.

Frankly with reference to the Reed case, that case was heard 19 years ago, and it was found as the gentleman from New York stated. So he is correct in some of his statements. But that was a long time ago, and most of that has been rectified.

The gentleman from California talked about the Alaskan loggers. None of the Alaskan loggers I have checked with supports this bill.

Mr. MORRISON of Washington. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Chairman, I thank the gentleman for yielding me this time period.

Mr. Chairman, I have thought a long time before taking a position on this bill, because I have great respect for the Committee on Interior and Insular Affairs, and particularly my colleague, the gentleman from California [Mr. MILLER]. But I represent the Redwood Region of California, there is always a demand in that area, as the Members might imagine, for more parks, more wilderness, and more set-asides. These issues are the most contentious that any Member of Congress can deal with.

But we also have to worry about jobs, and here I think that all of us should consider one principle, and that is that we should give some weight to the Member of Congress from that district. He is the one elected to represent the territory. He is the one elected to represent the people. Presumably, he would know what is best within their interests.

We have had a lot of commentary over the years about this balance between tourism, fishing, and timber. I have seen it all the time myself, and we have to work out those balances. But it never fails that the promises do not come through. I will give the Members an example.

In 1968 Congress authorized the Redwood Park. It was supposed to cost $100 million. We just finished the final tally on it, and it was $1.4 billion. It is the most expensive park in the world. And at the time people said.

When you take a hundred thousand acres out of production, you won't lose jobs because the tourists will come up there in droves and you will get those jobs back.

Well, the sorry story is that the prediction was that we would have 1.6 million visitor days per year at the Redwood Park. Last year we had 45,000. The park has created no jobs for our area. It certainly has created a beautiful stand of redwoods, and I think in the years to come that will be valued by Americans.

Mr. Chairman, I think people would make a mistake to go for these euphoric predictions of how these jobs in the timber industry will be replaced by jobs that are predicted in the tourist industry. Right now this bill will take 60 percent of the jobs away from the people who working that forest. Right now in California we are faced with the same thing with the Spotted Owl, with the court injunctions that have been placed on Washington and Oregon and that have been extended to us by Government regulation. So we now face a 60-percent reduction in the productivity of our forests.

Mr. Chairman, I can tell the gentleman that that does mean jobs because I know the people, I know their names, I know the families who are involved, and I do not want to see them lose their jobs. I am not willing either to visit on some other Member of Congress the same exact thing.

□ 1220

Mr. Chairman, I support the compromise of the Committee on Agriculture. I think it is a good balance between protecting the environment and protecting the jobs.

Mr. VOLKMER. Mr. Chairman, I yield 3½ minutes to the gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Chairman, I want to compliment the chairman of our subcommittee and the ranking minority member for the effort they have put into the substitute of the Committee on Agriculture, and I want to thank my chairman also for yielding me this time, however I regret very much that I cannot reach the same conclusions about the merits of the substitute that my chairman and some of my other colleagues on the Committee on Agriculture have reached.

Mr. Chairman, I really think that the substantive differences between the version of the Committee on Agri-

culture and the version of the Committee on Interior and Insular Affairs boils down to the contracts. The fisheries buffer zone issue can be resolved, and, in fact, I do plan to offer an amendment to the version of the Committee on Interior and Insular Affairs in the event the version of the Committee on Agriculture is defeated to resolve that matter.

Mr. Chairman, I compliment the chairman of the Subcommittee on Forests, Family Farms, and Energy for taking a creative approach to the 4.5 billion target, and I honestly believe the substantive differences between the two versions are really not that great, but, when we get down to the contracts, there is a very significant difference, and, having spent hours in the Subcommittee on Forests, Family Farms, and Energy listening to the testimony, I think one can reach no other conclusion other than the contracts must be terminated.

Mr. Chairman, the Forest Service officials told us that we are selling high-quality, old-growth trees for next to nothing prices at a time when the market for these trees is at its peak. When a thousand board feet of prime Sitka spruce is worth almost $800 on the Japanese market, the Forest Service testified the Japanese are paying us only $2.29 for the same amount of this high-quality spruce. We heard the Forest Service tell us that because two giant corporations have monopolized logging operations on the Tongass, there is not even enough competition to adequately determine what the value of the Tongass trees is. We listened to Alaskan fish and game biologists telling us that the most viable fish and wildlife habitat on the Tongass is being destroyed at a rapid rate, and we also heard residents of southeast Alaska in the tourism and commercial fishing industries telling us their livelihoods are threatened by the practices on the Tongass and those 50-year contracts.

Mr. Chairman, if the problem with these problems had only been made clearer, I could certainly applaud the effort of my chairman and the Committee on Agriculture in their approach to have the contracts renegotiated, but the truth is the Congress and the administration have long been aware of the adverse impact of the contracts and the abuses which they have brought about. The Forest Service itself investigated the problems back in the 1970's, and a review team at that time recommended changes which were never made.

Congress has been aware of the problems. We directed the Forest Service to bring the long-term contracts in line with the National Forest Management Act. The House of Representatives last year voted to renegotiate the contracts, but the Forest Service has not responded, and the problems of the contracts continue today.

Mr. Chairman, the Forest Service is not responding. The only solution to these problems is to terminate the contracts and to stop and start over, and I think that to take any other course of action would really be to fool ourselves as to whether we were really resolving the problems on the Tongass National Forest.

Mr. MILLER of Washington. Mr. Chairman, I yield 3½ minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, there has been a lot of talk about other forests and the relationship. Let us talk a little bit about the situation of some other forests in the lower 48.

Mr. Chairman, last week the Willamette National Forest in my Eugene, OR, held a timber auction. Mill owners and loggers came to the auction to bid against, bid against one another, for blackened trees killed by a fire last summer deteriorating on the stump, not prime, old-growth Sitka spruce, trees killed by fire. These trees sold for prices of over $600 per thousand board feet, more than 100 times the amount that these two Tongass mills pay under their guaranteed profit contracts. The mills in Oregon paid those prices because they have to compete for Forest Service timber. No one guarantees them a profit. No one guarantees them a timber price.

In fact, Mr. Chairman, these days a secure timber supply is the last thing Oregon mills can depend on. Unlike Oregon's mills, the two giant Tongass mills do not have to worry about competition. They ran their competitors out of business in a systematic effort that unltimately resulted in antitrust convictions against them. The Forest Service later found the actions cost the taxpayers of the United States between $63 and $83 million in lost stumpage fees.

Mr. Chairman, it gets even worse. When the Sitka mill, the one owned by the Japanese conglomerate, decided that the Forest Service appraisal for timber did not quite provide enough margin to satisfy their stockholders in Japan, they took the United States to court. They demanded that the Forest Service give them the timber for a guaranteed profit.

I say to my colleagues, "Wouldn't it be nice if United States firms could be guaranteed a profit like the Japanese firms?"

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. Mr. Chairman, I will not yield. I have very limited time; I am sorry.

Mr. Chairman, I guess they would argue that, if they still could not make money, we should pay them to cut our timber. Alaska Pulp, Japanese corporations, $1.48 per million board for a thousand-board-foot average exporting minimally processed logs and pulp.

I posit that the same amount of timber can be harvested off this forest and employ more people if we shed our colonial status and we started selling the Japanese finished products, paper and lumber, instead of nearly raw logs and pulp.

These contracts have allowed these two mills to block independent attempts to set up a truly stable and responsible timber industry in southeast Alaska. They have used the terms of the contracts to squander the timber resource of the Tongass. They have broken the unions that fought for decent wages and safe working conditions for their employees.

Mr. Chairman, I have a hard time explaining to my constituents why our mills must choose between paying exorbitant prices for Federal timber contracts and closure while these two gluttonous mills, one Japanese-owned, the other infamous for its union-busting activities, get all the timber they need for the price of hamburger.

Mr. Chairman, I urge my colleagues to support the version of the Committee on Interior and Insular Affairs of H.R. 987 and restore fairness to the Alaskan timber industry.

Mr. MILLER or California. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, I would like to commend the gentleman from California [Mr. MILLER] for his great efforts on this issue and the gentleman from Alaska [Mr. YOUNG] who has worked so hard on what is obviously a very difficult situation in his own State where the people are divided to some degree, and it is not an easy issue for him to address, and I think he has done an excellent job in attempting to reach compromise, and, frankly, without the interference of the other body I think we may have been able to reach some agreement.

Now I would like to focus in on one small area of what we are going to be doing today. I think that it is a great piece of legislation that the chairman, the gentleman from California [Mr. MILLER] has put together.

As others have pointed out, these are sweetheart deals that have not benefited southeast Alaska. The United States taxpayers or the people of that region, and Florian Siever testified before the U.S. House of Representatives, and I think without any doubt he was fired because of that testimony. The company coming before the committee in defense in their action, said they did not fire Siever because he testified before Congress even though it was difficult to draw any other conclusion. They fired Siever because he sent a letter to the editor of

his local paper that was never even published.

Now that is a small town, a mill town, mentality that never existed in New England, I would hope, even in the worst days of the woolen mills. But I would commend the gentleman from California [Mr. MILLER], the chairman, for one particular provision of this bill, and I have with me my statement during the 100th Congress on this very piece of legislation.

Mr. Chairman, in my one complaint on that bill that we had in the 100th Congress, it was that it did not address the issue of the contracts because, unless we address the issues of the contracts, nothing will change in the Tongass. Now these two contracts should have ended long ago. Congress mandated their renegotiation, and the Forest Service and the Agriculture Departments failed to do so, and we find ourselves here today having spent close to a third of a billion dollars because of these two contracts for companies who have been noncompetitive in their activity, squeezing out the small loggers and small operations, companies that have ignored the environmental concerns of southeast Alaskans by the State's own agency that dealt with environmental issues. It is out of compliance in clean air, clean water, and a number of other areas, a company that has hurt its workers, that has reduced its work force and has, without any question, I think, taken advantage of what was a very generous offer to begin with from the American taxpayers.

□ 1230

It is long enough that the American taxpayers subsidize and give this sweetheart deal to these two companies in Southeast Alaska. I commend the chairman, the gentleman from California [Mr. MILLER] for his yeoman effort on this issue.

Mr. Chairman, I rise today in strong support of H.R. 987, the "Tongass Timber Reform Act." I urge my colleagues on both sides of the aisle to support this legislation and oppose any amendments which will weaken this bill.

This legislation will go a long way to returning fiscal control to the Tongass and returning the management and control of the Tongass National Forest to the Forest Service and the American people.

The Tongass National Forest is the only national forest that is immune from the annual congressional appropriations process, which oversees the Forest Service's determination of how much timber should be cut. Instead, timber is sold to holders of long-term contracts at embarrassingly low prices, resulting in tremendous loss of revenue to the Federal Treasury. Between 1980 and 1986, the Government lost in excess of $250 million in timber revenues for the Tongass. The taxpayers of this country lose 98 cents on every $1 that we appropriate to the Forest Service for Tongass timber sales. The General Accounting Office found that the Forest Service has spent $131 million to prepare timber sales that are not needed to meet current demand.

I am especially pleased that this legislation includes provisions that will terminate the two 50-year "sweetheart contracts" and instead replace them with standard, competitive bid, short-term sales contracts. Living up to a contract is a two-way street. And while opponents of this legislation speak of protecting jobs in Alaska, it seems clear that the contracts which were intended to protect jobs have not done so. The Federal Government has lost over a third of $1 billion in the Tongass National Forest in the past 9 years. This unappropriated funding was made available in a large part, to protect the jobs of the people of southeastern Alaska. However in 1988, the General Accounting Office reported that the employment rates in the Tongass timber industry have declined by more than half, from about 2,700 timber jobs in 1980 to about 1,781 jobs in 1988 despite the existence of the contracts and the permanent appropriations to fund timber operations.

The two 50-year timber contracts held by the Alaska Pulp Corp. [APC] and Ketchikan Pulp Co. [KPC] have resulted in the Forest Service's losing control over managed cutting in the Tongass. These two companies are largely deciding where and when they will cut and are taking the best quality timber from the forest. According to the former chief economist of the Forest Service in Alaska, this practice will destroy the economic viability of the Tongass National Forest within the next 5 to 10 years.

Mr. Chairman, in the 100th Congress, while considering similar legislation, I had the opportunity to chair hearings on the Tongass in the Interior Committee. One of the witnesses, Florian Sever, a millwright for the Alaska Pulp Corp. [APC] at its mill in Sitka, AK, testified in support of the Tongass Timber Reform Act and advocated the termination of the two 50-year timber sale contracts; one of which APC is a party to. Just 6 weeks after this testimony, Mr. Sever was fired. Mr. Sever had worked at the mill for 10 years and had received several favorable letters of recommendation from APC management. The objective and independent testimony of a National Labor Relations Board examiner made it clear that one of the principle reasons given by APC for firing Mr. Sever was his testimony on this legislation. Based on this information and the report that was issued by the Interior Subcommittee on Oversight and Investigations, it seems clear that the only people who can be hired are those who agree with the company or those who are willing to keep quiet about their objections to APC policy. The third of $1 billion paid out by the Federal Government to protect jobs in Tongass is not intended to pay only for employees who agree with the company's policy, nor is it intended to subsidize the squelching of free speech.

Though Mr. Sever's claims are now before the courts and perhaps he can get some justice, not so for the members of the labor unions, which was ruthlessly broken and decertified during recent strikes at the mills. Despite the contractual requirement that workers in the mill be hired from Alaska, 40 percent of this region's timber industry labor force was hired from other places—while people in Sitka and Ketchikan sit idle.

These contracts and the other funds used to promote the timber industry in the Tongass to protect jobs are not being used for that purpose. In a letter from Jesse Jones, president of the United Paperworkers International Union of Sitka, AK, expressing the union's support for H.R. 987 and the provisions for termination of the long-term contracts, Mr. Jones says:

The basic purpose underlying the 50-year contracts was to provide stable, long-term employment for the permanent residents of southeast Alaska. The long-term contracts that were meant to help the people have ultimately caused them the greatest of harm. APC wielding the power generated by their ill-conceived 50-year contract has seen fit to punish anyone who asks for some sign of fair play or honest bargaining.

In addition to the treatment of Florian Sever by APC, the two recipients of these contracts have engaged in a series of actions which have demonstrated they are not deserving of the unique agreement that the Government has given them. In 1981, a Federal court found APC and KPC guilty of 15 years of anticompetitive practices such as price fixing and collusive bidding which drove out small independent operators. The Forest Service found that the two companies defrauded the Government of between $65 and $83 million between 1959–75.

In addition, the environmental records of these companies has been terrible. The Alaska Department of Environmental Conservation also reports that these two mills have been cited as not in compliance with the Clean Air Act for their air pollution controls. They are not in compliance with water pollution control programs for effluent limit discharges and they are in violation of their other State solid and hazardous waste permits. The Environmental Protection Agency also called the Ketchikan pulp mill one of the top five air pollution threats to public health on the entire west coast.

Opponents of H.R. 987 have expressed their concern that if these contracts are terminated, many jobs will be lost because the mills will be closed. We have been hearing these threats for years. Every time an issue arises in the Tongass, these people threaten to leave town. When they were told that they would have to comply with the Clean Air Act and the Clean Water Act, they threatened to close their mills. But these companies are still in business in the Tongass. And these mills will not be put out of business. Quite simply, they will put on the same level playing field as small lumber companies, who must bid for short-term timber contracts.

In the 100th Congress, similar legislation was passed which did not call for the termination of the contracts but was an attempt to give the Forest Service and the timber companies a final chance to negotiate these long-term contracts to establish stumpage rates that are more closely in line with those in the short-term contracts. The Forest Service and the timber companies were given opportunities to demonstrate their good faith to create a more level playing field. This was to be their last chance. However, renegotiation does not

work in the Tongass. In 1976, 13 years ago, we ordered the Forest Service to renegotiate the 50-year contracts to make them substantially the same as short-term timber sales. This was not done. In 1981, 8 years ago, the Forest Service issued a report recommending that the 50-year contracts be renegotiated. This was not done. And last year, after arguing that they needed one last chance to resolve this problem through bilateral agreement, we passed a bill by a vote of 361 to 47 that gave the Forest Service the chance it requested. Again, they accomplished nothing. As you now know, the 50-year contracts still differ greatly from normal Forest Service timber sales.

The Tongass Timber Reform Act provides us with an opportunity to protect one of the last remnants of a unique and valuable resource in this old growth forest. We have the opportunity to save the taxpayer millions of dollars in lost revenues and Federal subsidies. We also have an opportunity to protect the economy of the Tongass National Forest, by ensuring that this forest is managed properly, ending the over harvesting of this valuable resource. Once again, I encourage my colleagues to join me in supporting the Tongass Timber Reform Act to bring fiscal sanity to our policy toward this precious environmental and economic resource.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I am happy to yield to the gentleman from Wisconsin.

Mr. PETRI. Mr. Chairman, only rarely do we see conservation legislation that saves Federal tax dollars, has broad bipartisan congressional support, and is supported by a diverse coalition of organizations. H.R. 987 is such a bill. I strongly urge passage of the Interior version of the Tongass Timber Reform Act.

H.R. 987 will stop a hemorrhaging of the Federal Treasury, and provide much needed oversight to the Tongass Timber Program.

In this body we frequently talk about waste in Government. We use numbers in the millions, and billions. But it is easy to lose sight of what those numbers really mean. On the Tongass we are talking about huge trees, abundant fish and wildlife, and a way of life unique in America. That is what has brought such a diverse coalition of groups around to the view that the Tongass National Forest is being mismanaged.

For example, it doesn't make much sense to the thriving tourist industry that the Forest Service sells prime Sitka spruce trees for $2 to the Japanese, less than it costs for a Tongass map. It doesn't make much sense to the profitable fishing industry that the Forest Service spends $4 million to log a salmon stream that produces half a million dollars' worth of fish every year and only has $40,000 worth of trees on a once in a century schedule. And it doesn't make much sense to the National Taxpayers Union that the Forest Service spends over $50 million each year for a program that only returns a couple of cents on the dollar. And you know, Mr. Chairman, none of this makes much sense to me either.

That is one reason that 155 Members of Congress have cosponsored the Tongass Timber Reform Act. And that is one reason this legislation has been endorsed by liberal and conservative politicians, labor groups, and conservation groups, scientific organizations, and the National Taxpayers Union.

Mr. Chairman, the Interior version of H.R. 987 is legislation that is good for Alaska and good for the budget. I urge its passage.

Mr. MORRISON of Washington. Mr. Chairman, I yield 1 minute to the gentlewoman from Rhode Island [Ms. SCHNEIDER].

Ms. SCHNEIDER. Mr. Chairman, we have before us an outstanding opportunity to: First, save money for the taxpayers, second, preserve an irreplaceable natural heritage of immense value to southeast Alaska's communities, and third, make an important statement on global warming prevention.

SAVE MONEY FOR TAXPAYERS

The National Taxpayers Union has said it, and the Congressional Budget Office has verified it: This bill will save more than $200 million over the next 5 years.

In sharp contrast, business as usual will result in the deliberate waste of more than half a billion taxpayer dollars over the next two decades.

PRESERVE AN IRREPLACEABLE NATURAL HERITAGE

The taxpayers are not the only losers in this fiscal disaster. The selling off of 800-year-old trees for the price of $2 ice cream bars is also an economic disaster and job loser for the communities in southeast Alaska who make their livings promoting tourism, recreation, and commercial fishing in this unique fish and wildlife habitat.

Americans place a high value on our natural heritage of pristine wilderness. This value translates into sustained incomes for southeast Alaskan businesses from tourism far in excess of the brief jobs and profits to be made by clearcutting this old growth.

Finally, I would like to share with my colleagues, 135 of whom are current cosponsors of my legislation, the Global Warming Prevention Act, H.R. 1078, that the provisions before us are largely contained in the global warming bill.

It is incumbent upon the United States, which has been quick to criticize the flooding, cutting, and burning of tropical forests in developing countries, to first get its own house in order.

We can hardly call upon these other nations to quit subsidizing the destruction of forests, when we are engaged in the very same process. Forest loss accounts for 10 to 20 percent of greenhouse gas emissions.

Ending the economic disaster in the Tongass National Forest is a necessary and vital step, among many, that we must take to prevent global warming. Doing so will send a clear message to other nations to do likewise with their forests.

Mr. YOUNG of Alaska. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Chairman, I have served in this body now this is my ninth year. I have seen us continuously, constantly eat away at the resource base that we use in this country to provide timber.

In my own State in 1983 we doubled the number of acres to 2.4 million acres in that State. Today because of the protectionist radical environmentalist community, we are in fact about ready to lose the entire logging capability in the State of Oregon.

Many people laugh about this and think this is a wonderful opportunity to save this forest, but in Oregon we could have 5 billion board feet logged in perpetuity. Perpetuity means forever. That is because reforestation allows this resource to be renewed. Unfortuantely, because of a very strong lobby by the protectionist part of our society we are already importing 30 percent of our lumber and chip needs. So with this bill we are going to further hamper our ability to operate.

In Alaska already we have 57 million acres of wilderness. In Alaska we have 500,000 people. Now, it seems we are not going to do too much damage to the environment even if every one of those people did their darndest to chop all the trees down; but the fact of the matter is that we have a renewable resource here.

This is a bad bill. It will cost jobs. If the Interior Committee bill passes, the President intends to veto it, as well he should.

This is going to affect the balance of payments. It is going to affect the opportunity of Alaskan children to enjoy good schools, good education and good opportunity in the future. What we are doing is sentencing the children of Alaska to do something else, and more than likely they will have to leave Alaska, go to some other part of our country or the world to find jobs. This is strictly a jobs bill. It is not preserving anything. Trees have a life span. They are born, they grow and they die. They either die because of bugs or fires or the wind blowing them down. Why not use these trees intelligently for the chip needs, for conventional lumber needs? This is going to drive the cost of homes in this country up. It is not going to help the average citizen. It is not going to help the Treasury.

There have been many arguments on this. I think the gentleman from northern California [Mr. Bosco] made a very good point in what had occurred in the wilderness area or the national park that surrounds the Redwoods National Forest. We have seen a deterioration in these areas. People

are not able to make a living off the tourists.

Defeat this bill and vote for the Agriculture Committee substitute.

Mr. VOLKMER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I have asked to revise and extend my remarks at this point and also on the previous remarks made by me. I do so for the purpose of correcting some statements made on the floor about what the pulp mills of Alaska are paying for the timber up there. We have heard figures anywhere from a dollar-and-a-half to $2.

Well, the Ketchikan Pulp Co., in January paid $574.69 for 1,000 board feet for Alaskan yellow cedar, not $2.

In June they were paying $568.94 for 1,000 board feet.

The average for all, including hemlock, spruce cedar and red cedar for the first 6 months is $72; for the second 6 months it is $96. So we are making money through negotiations.

Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. DE LA GARZA] the chairman of the Agriculture Committee, who has worked very hard on this bill.

Mr. MORRISON of Washington. Mr. Chairman, I yield an additional 5 minutes of my time also to the gentleman from Texas [Mr. DE LA GARZA].

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] is recognized for a total of 12½ minutes.

Mr. DE LA GARZA. Mr. Chairman, I thank both gentlemen for yielding me this time.

Mr. Chairman, let me say that both committees, and I am sure all the Members involved in this endeavor, have one thing in common and that is that we are looking toward the conservation, the preservation, and the protection of our national forests. We would like those forests to remain as much in their primative stage as we can with caution utilize them and leave them so that they will be there beyond our lifetimes, our children and their children's lifetimes; but then beyond that, this issue also brings up great emotion. In such an emotional stage, many Members and any individual will have a tendency to give his or her own version. This has happened here today.

Regretfully, I must say that it seems like every speaker has used his own figures, and the figures do not jibe, even being hundreds of dollars apart, so I would say disregard the figures and look at what we have before us.

One thing that has been noted and I repeat, that a bill was approved by this House 300 and some to 47 last year. That bill is basically what the Agriculture Committee substitute is, with some changes, not identical, although I have the identical bill that I would be prepared to offer as a substitute so that we might again vote for what we passed last year, that everyone has said what a great thing we did. So if that is what we want to do, I have that amendment available.

What we need now is to see where we are. What does the Agriculture bill do? It makes needed changes in the management of the Tongass, protects old growth forests, preserves 1.8 million acres of new wilderness, eliminate automatic funding to sell timber, require fair market value for timber, limit timber sold on the forest.

□ 1240

Members have now heard the figures and have heard different amounts quoted, but the fact is, let me say, we need to address this; we need to address this issue, because we need to go to the depth and the breadth of it, and it needs to be addressed but in a separate area than what we are dealing with now, because the Forest Service is losing money in the northern region, region 1. It is losing money in the Rocky Mountain region, region 2. It is losing money in the intermountain region, region 4. It is losing money in the eastern region, region 9, and it is losing money in Alaska, region 8. It is not only like it is only losing money in Alaska.

It is making some money in the largest amount, in the Pacific Northwest that was mentioned here. But yellow timber is selling in Alaska for actually more than what is quoted here in the Northwest, so do not be confused with that issue. The Forest Service is losing money in more than half of the regions, and that is a fact.

What would the Agriculture bill not do? It would not break contracts, and I do not care whether it is Japanese, from Timbuktu or Mars, the fact is that that is American forest that belongs to the people of the United States, and those in the world that come, but there are those who want to preserve and protect in its pristine stage, but if we have no jobs, then we have no people there, and we would have only the wildlife; yes, the tourists would come. I say this respectfully. I went to the Kenai River in Alaska, and there were the tourists, and one could not walk after the plastic bottles and the tin cans, the bottles. What the tourists do is they come and flip their matches and burn our forests. That is what they do. They do not leave all of these millions of dollars.

But we cannot have it in its pristine stage unless man is there, and what we are saying is that man should be there in an environment deserving the protection, but the careful utilization, and we can do both, and this bill does both. That is the beauty of the Agriculture bill. We keep the integrity, the word, of the U.S. Government. We do not go and abridge contracts. Yes, we can do it if it is for the public interest. I do not think this is for the public interest when we lose 6,000 jobs, badly needed in America. That is not the public interest.

If it were to preserve it in its pristine stage forever, fine, but the Interior bill does not do that. We do it better, balancing. Everything we do, my colleagues, is a balancing act. Legislation is the art of the possible, what is possible this day, this hour, this minute, and we need to balance. We need to. Yes, many times we have to legislate with the heart. We cannot leave it solely to the emotion. We cannot deal in a vacuum solely with fact, but even as to fact, as to one of my colleagues earlier today, we said, "The figures are wrong." He said, "I got it from the report." "Who wrote the report?" "I do not know who wrote the report." It was not written by the Members. Usually it is done by staff in cooperation with the Members. That is the system here, and that is the way all of us write our reports, but reports echo the thinking of the authors, and if the author had wrong figures, the report will have wrong figures. No question about that.

I am not challenging that. That is just fact, because we have heard from A to Z, and if someone was not here and he would read the transcript, he could not figure out heads or tails on this debate, what is the timber selling for, I do not know. I have heard from 40 cents to 600-some dollars that a Japanese group owns, one of the companies, and that should be of no consequence to us. Who gets the jobs?

We have managed so the contracts have been renegotiated. It has been said, and I heard it, that there has been no renegotiation. There has been renegotiation. One has been renegotiated. Price has gone up. It is going better. One is just about to be culminated, and that, again, will give better prices.

Did the negotiators do a good job? I do not know. They may have or they may not have, but the word and the integrity of the Government of the United States should be worth something on the floor of this House.

The Agriculture bill protects that, but yet protects the interest, the economic interest, of the people of the United States, of the taxpayers. We do that. It does that.

It protects the interest of those who want to preserve as best we can that area. It protects that. When we put it all together, the agriculture bill protects the integrity and the word of the Government of the United States, it commands the Forest Service to adhere to certain standards for the conservation and the preservation, it commands the Forest Service to work with the renegotiation, and it keeps in mind what all of us are trying to do, that as best we can within the human frailties and the failure of the mind now and then when it comes to figures

in debate, that we do as best we can what we all intend to do, which is to preserve the integrity of this great forest. It can be done, but it cannot and should not be done on the backs of 6,000 people who make their living there. That they work for a Japanese owner is of no consequence. It is the 6,000 Americans who make their living, and I would dare say who love that forest, who would not go flipping a match, who would not go throwing a plastic bottle, who would not be littering tin cans.

Mr. Chairman, I would say that anyone who works in the forest works like farmers, farmers on the land, because he loves that land. I come from the land, and there is a saying in south Texas, an old Spanish saying, "You go on the land, you do not feel the vibration, forget it. It is not going to grow for you. You are not a farmer." That is what the great forests do to people and those who work with them and those who manage them. If one does not feel the vibration when awed by the majesty of those trees, one does not belong there. That is why people work there.

That is why I am telling the Members to support the Agriculture bill, so those who feel the vibration and the love for those majestic trees and want to work them and harvest, but with care and with responsibility, which can be done, and the Committee on Agriculture version does that, harvest in a responsible way, protect for the best interests of the future, keep American jobs and yet that we do something, as it says up there, worthy that we might be remembered by, that we preserve jobs, that we allow the Member representing the area to speak for his people, that we protected and kept the word of the Government of the United States, and that we kept the faith and kept that great forest for our children and their children to enjoy in the years to come.

Mr. MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in strong support of H.R. 987, as reported from the Interior Committee. It has been well thought out and crafted to provide a much needed and comprehensive improvement for the management of the Tongass National Forest.

Mr. Chairman, a little less than 1 year ago, the House passed a similar but less far-reaching bill dealing with this same subject. It unfortunately was not acted on by the Senate, and so we are again called upon to address this important subject.

As I said last year, the Tongass is being mismanaged now. There are two causes of this. The first is a bad provision of law; namely, the language in the Alaska Lands Act that mandates a timber-supply quota of 4.5 billion board feet per decade from the Tongass and that removes from the usual congressional scrutiny the flow of money to the Forest Service activities in the Tongass.

I took part in the shaping of the Alaska Lands Act, and I well recall that when this provision was being debated, Agriculture Secretary Bob Bergland, a Minnesotan, called it a mandate to overcut the Tongass, and he was right, because it skews the planning process and distorts management of the Tongass at the expense of noncommodity uses of that precious temperate zone rain forest—one of the few such forests—and the many species that depend on it.

The House finally accepted this provision of the Senate's Alaska lands bill because the Senate simply left us no choice. The alternative was to have no Alaska Lands Act, which was totally unacceptable after the years of hard work that went into that act. But this provision was wrong then and is wrong today. It should be repealed and H.R. 987 rightly repeals the Tongass mandate to overcut.

The second basic problem in the Tongass is even older. The two long-term contracts are relics of another time. As the House bill last year stated, the contracts prevent proper management of the Tongass, they have undermined fair competition in the southeast Alaska timber industry, and they fail to provide a proper financial return to the United States.

Last year, I joined in supporting the House-passed Tongass reform bill, which would have merely directed the Secretary of Agriculture to change the contracts to the extent the Secretary could do that unilaterally, and then would have required the Secretary to negotiate with the contract holders to attempt to achieve all further needed changes. In my opinion, that was a reasonable, moderate approach.

In fact, perhaps it was too moderate. After all, as I said at that time, the repeated and extensive hearings on the Tongass held by the Interior Committee since 1980 have provided plenty of evidence that the contracts should properly be terminated without further delay, in the public interest.

Had last year's House-passed bill become law, the contract holders would have been given a chance to correct the problems those contracts now cause. Unfortunately, the Senate did not see fit to act on last year's House bill, and certainly the holders of the long-term contracts were outspoken in their opposition to it. Under these circumstances, I believe that we are completely justified in moving on, and providing for outright cancellation of these two contracts.

Mr. Chairman, some opponents of the bill argue that canceling these contracts might expose the United States to large damages in legal actions by the contract holders. Comparison has been made to the payments made pursuant to the Redwoods National Park legislation. Of course, that comparison is completely wrong, because that was a situation involving the acquisition of valuable private lands—and here all the lands affected are in public ownership.

Of course, there is precedent for canceling timber contracts. One precedent is the boundary waters canoe legislation, involving national forest lands in my own State of Minnesota, which was developed in our committee. I am very familiar with that legislation, and with the litigation that grew out of it. That litigation is directly relevant to today's debate about the Tongass, because it demonstrates that when timber contracts are canceled for broad public policy purposes, there is no liability and no damages are awarded that would be paid out of the Federal treasury.

I think that the record is absolutely clear that cancellation of the two Tongass timber contracts would serve the public interest. It would promote sound management of the forest in accordance with the National Forest Management Act. It certainly would promote protection of important parts of the nationally significant old-growth timber on the Tongass, and the many values associated with such timber. So, I think it is clear, under the boundary waters precedent, that cancellation of these contracts for these reasons will not result in awards of large amounts of damages, if any at all.

Furthermore, the contract holders affected by this bill would be even better off than were the contract holders affected by the boundary waters legislation. Seven contracts were involved there, as opposed to two here, and the companies who now have these Tongass contracts would continue to have ready access to national forest timber from the Tongass, through normal Forest Service sales programs, which was not the case in the boundary waters area.

So, Mr. Chairman, I think that we should not be misled by the arguments of some that somehow the Interior Committee bill will expose the Treasury to heavy damages. It will not.

Mr. Chairman, enough time has been spent in discussions about this legislation. The time has come to act. I commend the leadership of Chairman UDALL and the gentleman from California [Mr. MILLER], on this matter, and I urge the passage of H.R. 987 as reported by the Committee on Interior and Insular Affairs.

□ 1250

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. VENTO. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would say to the gentleman from Minnesota that I corrected myself when it was pointed out to me that the $500 sum was per thousand board feet, not per million, and I corrected myself.

Mr. MILLER of California. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, H.R. 987, the "Tongass Timber Reform Act", as crafted by the Interior Committee, is legislation long overdue, and I want to commend the gentleman from New York [Mr. MRAZEK] and the gentleman from California [Mr. MILLER] for their leadership in this effort on behalf of the American taxpayer. When I cosponsored the original bill last year, it was clear that the Federal Government was losing vast sums of money by exempting Tongass from the congressional appropriation process. It was equally evident that two timber barons in Alaska were harvesting the rich rewards of a long-term, negotiated "sweetheart deal" highlighted by 50-year exclusive contracts designed to eliminate competition and reduce timber revenue to the Federal Government. Until we pass legislation to close the bank on the Alaskan timber barons, the till remains open. I urge my colleagues to support H.R. 987 as reported out by the Interior Committee.

The CHAIRMAN. The gentleman from Alaska [Mr. YOUNG] has 2½ minutes remaining, the gentleman from Washington [Mr. MORRISON] has 2 minutes remaining, and the gentleman from California [Mr. MILLER] has 1½ minutes remaining. The gentleman from California has the right to close debate.

Mr. MORRISON of Washington. Mr. Chairman, I yield myself my remaining minutes to try to correct the RECORD a little on some of these financial figures.

I have in my hand the sheet from the General Accounting Office for fiscal year 1988. There are two pages listing the forests of the United States in our Forest Service system.

On page 1 are those forests that break even. Two of the areas of the Tongass were above the dollars returned for dollars invested in the 1988 season. We have to be a little cautious because a number of folks standing here in the well criticized the Tongass for the expenses involved, and some of those Members have forests that are dramatically below the return that the Tongass has shown in this 1988 season.

Also I think Members should be aware that according to the CBO the savings on the Interior and Insular Affairs bill are $191 million over the next 5 years, and the Agriculture Committee's substitute is exactly the same figure, $191 million. However, the Agriculture Committee version does not trigger the potential costs of litigation because of the revocation of the contracts. Those potential costs range somewhere from $20 million at the low side to $250 million on the high side. So if Members want to save money, vote for the Agriculture Committee version of this bill.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself my remaining 2½ minutes.

Mr. Chairman, as we draw to a close in this debate, I have 2½ minutes left. There is not much that can be said that has not already been said on the pros and cons of this legislation other than the fact of how can you put people's dreams into 2½ minutes, and their hopes, and the future of their youth and the communities of Alaska? How can you put that into 2½ minutes of words?

We have two pieces of legislation before us today. One is, as the chairman from the Agriculture Committee mentioned, a bill that retains the integrity of this U.S. Congress, thus retaining the dreams of my Alaskan constituents. We have a bill that gives us an opportunity to protect the forest additionally. We have a bill that will protect the fish, but also recognize the other major important industries in southeastern Alaska.

In fact, we have a bill that goes beyond the bill that was voted on last year. For those who are environmentally inclined and are looking forward to the environmental vote, the Agriculture Committee bill is a more environmental bill than the one voted on last year.

On the other hand, we have a bill that came out of my committee that I have served on for 17 years that takes away those dreams and those hopes and the desires of the youth and of the people of Alaska. We break the word of the U.S. Congress and our Government and, in fact, we do not manage that great forest, we neglect it. We do not recognize it; we set it aside for the few.

The choice is clear today, very clear. I am asking my colleagues on both sides of the aisle, and we have heard from the gentleman from Missouri [Mr. VOLKMER], chairman of the subcommittee; the gentleman from Texas [Mr. DE LA GARZA], chairman of the Agriculture Committee; members of that committee that has bipartisan support, 100 percent bipartisan support in the committee. Then we have on my side of the aisle the Committee on Interior and Insular Affairs with a 100-percent vote against the bill of the Interior Committee because it is wrong, dead wrong.

Mr. MILLER of California. Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, there have been a lot of statistics back and forth, a lot of discussion about what would and would not happen. This has been a long and difficult fight, but we cannot accept the notion that the passage of the Interior and Insular Affairs Committee's bill would somehow throw 6,000 people out of work. There has been no evidence of that submitted to this committee or any committee.

We cannot accept the notion that should we pass this bill these mills will immediately close down, because when asked that question by the Senate, the mills said that was not the case. They had no plans to do that.

What we are being asked to buy in the arguments by the members of the Agriculture Committee is the status quo. They give the Forest Service no powers in renegotiating these contracts in addition to those which the Forest Service has had since the last time this Congress told them to renegotiate these contracts and bring them into compliance with NFMA. That was in 1976. The Forest Service has refused to implement that intent.

Last year our bill provided for renegotiation of these contracts. Last year that bill passed with over 360 votes. The Forest Service opposed that bill.

So ladies and gentleman, the difference is whether or not we will vote for the Interior and Insular Affairs Committee bill and stop the force feeding of Federal taxpayer dollars to very wealthy entities, KPC and APC pulp mills in Alaska. That is the issue.

Mr. KOLBE. Mr. Chairman, when taking actions with potentially far-reaching effects on sovereign States, Congress must exercise due caution and diligence. We have a responsibility to ensure that Federal decisions are sensitive to the needs and concerns of local residents.

It is a fact that the Federal Government is Alaska's largest landlord, and that stewardship has not necessarily resulted in great benefits to the local economies. However, as Congress identified when the Alaska Lands Act of 1980 was enacted, protection and preservation of the vast natural resources in Alaska is in the national interest. Our decisions, while sensitive to the needs of Alaskans, must also reflect proper and rational stewardship of our national trust.

It appears clear that the Forest Service has been too rigid in following the direction of the Alaska National Interest Lands Conservation Act. Harvesting an average of nearly 200 million board feet per year beyond demand is going well beyond the Federal Government's commitment to protect the Tongass economy.

We have before us today two proposals which do a great deal to improve Federal management of the Tongass National Forest. Both set aside sensitive areas for the protection of fisheries and wildlife habitat. Both

revoke the irresponsible "mandatory" Tongass supply fund. Both address the 50-year timber supply contracts held by Alaska Pulp and Louisiana Pacific-Ketchikan. And probably most importantly, both proposals send the issue to the Senate where rough edges will surely be smoothed out.

I find both versions before us acceptable. I am persuaded however, that the Interior Committee version makes a stronger statement to the Senate that Forest Service management of the Tongass timber resource must more adequately reflect the realities of market forces. I am concerned about potential application of the "buffer zone" provision. Protection of rivers and tributaries consistent with National Marine Fisheries Service guidelines is important, but the Forest Service should be advised not to expand on those guidelines to randomly prohibit timber harvesting.

I am also torn about the potential costs associated with renegotiation or termination of the long-term contracts with Alaska Pulp and Louisiana Pacific-Ketchikan. The Forest Service has already renegotiated one contract at a price below that offered by independents. Termination of the contracts would appear to be in the Federal interest, so that timber sales will return to the Government a greater portion of its investment.

The Forest Service has argued that Congress didn't intend Tongass timber sales to show a profit. That's fine, and I don't expect that to change as a result of this bill. But in 1986, this amounted to a $22 million jobs bill. I think that level is excessive.

I cast my vote with a good deal of reluctance. I have great sympathy for my Alaska colleague as he strives to defend his homeland. I understand his complaints when he says that the United States has not been the most generous of landlords. He has reason to believe that given the discretion to act, the Appropriations Committee will not be as supportive of the timber supply fund. Let me say to the gentleman that as a member of the Appropriations Committee, I will work to ensure that the Interior Subcommittee fulfills its commitment to the people of Alaska in protecting the timber industry.

Mr. HERGER. Mr. Chairman, I rise in support of H.R. 987 as reported by the House Committee on Agriculture. H.R. 987 as reported by the House Committee on Agriculture represents a reasonable approach to resolving the problems of the Tongass National Forest.

Title I of the bill requires the Secretary of Agriculture to unilaterally or through negotiations with the holders of long-term timber sales contracts, bring the management of the Tongass National Forest into conformity with the management practices of other national forests. The Secretary is required to report to Congress within 1 year the progress of this action.

Further, the bill would require the Secretary of Agriculture to place more emphasis on national and local interests when establishing management and planning priorities for the forest. The Secretary of Agriculture would be required to provide for sustained production of old growth forests in the Tongass land management plan.

Finally, title I repeals the current permanent appropriations for the maintenance of the Tongass timber supply, but requires the Secretary of Agriculture to prepare sufficient timber to meet projected market demand, up to a maximum of 4.5 billion board feet per decade. The Secretary of Agriculture, applying the timber sale site selection process now utilized by other national forests, is required to independently determine the location and size of timber sale units, and the manner and timing of harvests from the Tongass.

Title II of the bill would amend the Alaska National Interest Lands Conservation Act to designate 23 areas within the Tongass National Forest as wilderness. These designated areas will be administered by the Secretary in accordance with the Wilderness Act subject to valid rights existing on the date of enactment.

H.R. 987 as reported by the House Committee on Agriculture addresses environmentalists' concerns that the Tongass National Forest be preserved and managed properly. This bill also assures that the commitments to long-term timber sales will be maintained and that department businesses and jobs, which are a vital part of the Alaskan economy, will survive. It is very similar to bill H.R. 1516 that this body passed by a large vote in the 100th Congress.

I urge my colleagues to support the Agriculture Committee version of this bill.

□ 1300

The CHAIRMAN. All time has expired on general debate.

Pursuant to the rule, the Committee amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND DEFINITION.

(a) SHORT TITLE.—This Act may be cited as the "Tongass Timber Reform Act".

(b) DEFINITION.—As used in this Act, the term "the Act" means the Alaska National Interest Lands Conservation Act (Public Law 96-487).

The CHAIRMAN. Are there any amendments to section 1?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer the amendment in the nature of a substitute recommended by the Committee on Agriculture and printed in the bill.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. DE LA GARZA: Strike out all after the inacting clause and insert:

SECTION 1. SHORT TITLE AND DEFINITION.

(a) SHORT TITLE.—This Act may be cited as the "Tongass Timber Reform Act".

(b) DEFINITION.—As used in this Act, the term "the Act" means the Alaska National Interest Lands Conservation Act (Public Law 96-487).

TITLE I—IMPROVEMENT OF THE MANAGEMENT OF THE TONGASS NATIONAL FOREST

SEC. 101. AMENDMENT OF TONGASS NATIONAL FOREST LONG-TERM TIMBER CONTRACTS TO BETTER ACHIEVE FOREST MANAGEMENT OBJECTIVES.

(a) FINDING.—The Congress finds that changes in the long-term timber contract between the United States and the Ketchikan Pulp and Paper Company, Contract No. A10fs-1042, and the long-term timber contract between the United States and the Alaska Pulp Corporation, Incorporated, Contract Numbered 12-11-010-1545 (hereinafter referred to as "contracts") are necessary because the contracts prevent proper management of the Tongass National Forest, have undermined fair competition in the southeast Alaska timber industry, and fail to provide a fair financial return to the United States.

(b) AMENDMENT.—The joint resolution entitled a "Joint Resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest" approved August 8, 1947 (61 Stat. 920), is amended by adding at the end the following:

"SEC. 4. AMENDMENT OF TONGASS NATIONAL FOREST LONG-TERM TIMBER CONTRACTS TO BETTER ACHIEVE FOREST MANAGEMENT OBJECTIVES.

"(a) No later than 90 days after the date of enactment of this section, the Secretary of Agriculture shall enter into negotiations with the holders of the contracts specified in section 101(a) of the Tongass Timber Reform Act (hereinafter referred to in this section as the 'contracts') to make changes in the contracts that will achieve the objectives specified in subsection (b), to the extent that the objectives cannot be achieved solely through unilateral actions of the Secretary of Agriculture. To the extent that the objectives specified in subsection (b) can be achieved solely through unilateral action, the Secretary of Agriculture shall, within one year of the date of enactment of this section, take such actions as are necessary to achieve those objectives.

"(b) Action and negotiations pursuant to this section shall be undertaken in order to achieve the following objectives:

"(1) To bring forest planning and management practices regarding the Tongass National Forest into conformance with such planning and practices regarding other national forests and, in light of the amendment of section 705 of the Alaska National Interest Lands Conservation Act made by the Tongass Timber Reform Act, into compliance with the Forest and Rangeland Renewable Resources Planning Act of 1974, the National Environmental Policy Act of 1969, and other laws applicable to the National Forest System;

"(2) To provide that the holders of the contracts pay stumpage rates under such contracts comparable to those paid in connection with other sales of timber out of the Tongass National Forest;

"(3) To promote fair competition within the timber industry in southeast Alaska;

"(4) To enhance the protection of fish and wildlife resources and habitats in the Tongass National Forest by preventing excessive harvesting of high-volume old-growth timber;

"(5) To bring administration of the contracts into conformance with the adminis-

tration of short-term sales by implementing the recommendations of the 'Reid Brothers Anti-Trust Case Review Team Findings', printed as an appendix to the Report of the Committee on Agriculture of the House of Representatives to accompany the bill H.R. 987; and

"(6) To provide that the operating plans under the contracts are at all times consistent with the land management plan then in effect for the Tongass National Forest pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).".

(c) REPORT TO CONGRESS.—

(1) No later than one year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Congress a written report concerning the implementation of section 4 of the joint resolution entitled a "Joint Resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest" approved August 8, 1947 (61 Stat. 920), as added by subsection (b) of this section.

(2) Such report shall—

(A) describe the actions taken, and the results of the negotiations entered into, pursuant to such section 4(a), including the extent to which the holders of the contracts have agreed to changes in such contracts in order to achieve the objectives specified in such section 4(b);

(B) include recommendations for congressional action to achieve the objectives specified in such section 4(b); and

(C) in the event that the Secretary of Agriculture determines that the objectives specified in such section 4(b) have not been achieved through actions pursuant to such section 4, provided an analysis of the extent to which the objectives would be achieved through termination of the contracts.

SEC. 102. APPLICATION OF FOREST MANAGEMENT PRACTICES TO THE TONGASS NATIONAL FOREST.

(a)(1) PREPARATION OF TIMBER FOR SALE.—Subject to the provisions of the Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528 et seq.) and the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), the Secretary of Agriculture shall prepare sufficient timber for sale from the Tongass National Forest to meet projected market demand, as determined by the Secretary of Agriculture, up to 4.5 billion board feet per decade beginning with the decade beginning January 1, 1990.

(2) The 4.5 billion board feet measure per decade shall not affect the forest planning process set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.).

(b) FOREST MANAGEMENT PRACTICES.—The Secretary of Agriculture shall exercise independent judgement in detemining the location and size of sale units and the manner and timing of timber harvests for the Tongass National Forest. The Secretary of Agriculture shall make such determination in accordance with those laws, guidelines, standards and policies relating generally to timber sales from other forests within the National Forest System. With regard to such determination, the Secretary of Agriculture may receive and consider proposals submitted pursuant to the contracts as well as comments from prospective purchasers and other parties, but need not adhere to such proposals or comments. The provisions of this subsection shall be deemed to be in conformance with the contracts.

SEC. 103. MANAGEMENT OF THE TONGASS NATIONAL FOREST.

(a) FINDINGS.—The Congress finds that—

(1) the commercial fishing, recreation, timber, and tourism industries each make a substantial contribution to the economy of southeast Alaska and their ability to contribute in the future depends upon balanced planning and management of the Tongass National Forest; and

(2) the Secretary of Agriculture should plan and manage the Tongass National Forest in a manner that adequately protects and enhances fish, wildlife, and recreation resources, as well as timber, and should act in the long-term best interests of all natural resources dependent industries and subsistence communities in southeast Alaska.

(b) PURPOSES.—The purposes of this section are to require the Secretary of Agriculture to—

(1) assess the extent to which planning and management of the Tongass National Forest prior to the enactment of this Act has differed from planning for, and management of, other national forests; and

(2) change, in conformance with laws applicable to the National Forest System, planning and management priorities regarding the Tongass National Forest so as to assure that greater emphasis is given to the long-term best interests of the commercial fishing, recreation, and tourism industries, subsistence communities in southeast Alaska, and the national interest in the fish and wildlife and other natural resources of the Tongass National Forest.

(c) DIRECTIVE.—The Secretary of Agriculture is authorized and directed to take such steps as are necessary to achieve the purposes described in subsection (b).

(d) OLD-GROWTH FOREST MANAGEMENT.—In developing the land management plan for the Tongass National Forest pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, the Secretary shall—

(1) provide for sustained production of old-growth forest resources within the Tongass National Forest; and

(2) upon completion of the draft of such plan, which shall be completed in any event not later than one year after the date of enactment of this Act, report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry on provisions incorporated into such plan to meet the objective set forth in paragraph (1). The report shall include—

(A) the definition of the term "old-growth forest" used for purposes of such plan;

(B) the quantity and distribution of old-growth forest in the Tongass National Forest;

(C) the management objectives and guidelines incorporated into such plan to provide for sustained production of old-growth forest resources;

(D) the criteria used to determine how to integrate old-growth forest management objectives into the plan; and

(E) the relationship between old-growth forest management objectives and other resource management goals affecting timber, fish and wildlife, water quality, recreation, subsistence uses, and aesthetics.

SEC. 104. AMENDMENT TO ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT AND CONFORMING AMENDMENT.

(a) The Alaska National Interest Lands Conservation Act is amended by—

(1) striking sections 705 (a) and (d);

(2) adding to section 705 the following new subsections:

"(e) FISHERIES PROTECTION.—The Secretary of Agriculture shall maintain a minimum buffer zone on each side of all anadromous fish streams in the Tongass National Forest. Such buffer zone shall be a minimum width of 100 feet. Logging shall be prohibited within such buffer zone.

"(f) TENAKEE SPRINGS ROAD PROHIBITION.—A vehicular access road connecting the Indian River and Game Creek roads may not be constructed, and the Secretary of Agriculture shall not engage in any further efforts to connect the city of Tenakee Springs with the logging and road system on Chichagof Island.".

(3) striking in section 706(a) "and the Committee on Interior and Insular Affairs" and inserting "the Committee on Agriculture and the Committee on Interior and Insular Affairs";

(4) striking the second sentence of subsection (a) of section 706 and inserting the following new sentence: "This report shall include a complete analysis of the losses or gains sustained by the United States Government with respect to long-term, short-term and total sales of timber from the Tongass National Forest using information from the statement on revenues and expenses of the Timber Sale Program Information Reporting System and shall display total costs, unit costs (per thousand board feet of timber sold or released) and associated revenues, for the current and previous two years of operations.";

(5) striking in section 706(b) "and (4)" and inserting "(4)";

(6) striking the period at the end of section 706(b) and inserting ", (5) the impact of timber management on subsistence resources, wildlife, and fisheries habitats, and (6) the steps taken by the Secretary of Agriculture under section 103(c) of the Tongass Timber Reform Act."; and

(7) striking in section 706(c) "and the Alaska Land Use Council" and inserting "the southeast Alaska commercial fishing industry, and the Alaska Land Use Council".

(b) Section 5202 of the Omnibus Reconciliation Act of 1987 is repealed.

TITLE II—WILDERNESS

SEC. 201. ADDITIONAL WILDERNESS AREAS.

(a) DESIGNATION.—Section 703 of the Act is amended by adding the following new subsections:

"(c) DESIGNATION OF ADDITIONAL WILDERNESS ON THE TONGASS NATIONAL FOREST.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131-1136), the following lands within the Tongass National Forest in the State of Alaska are hereby designated as wilderness and therefore as components of the National Wilderness Preservation System:

"(1) ANAN CREEK WILDERNESS.—Certain lands which comprise approximately 38,415 acres, as generally depicted on a map entitled 'Anan Creek Wilderness—Proposed' and dated May 1989, which shall be known and the Anan Creek Wilderness.

"(2) BERNERS BAY WILDERNESS.—Certain lands which comprise approximately 46,135 acres, as generally depicted on a map entitled 'Berners Bay Wilderness—Proposed' and dated May 1989, which shall be known as the Berners Bay Wilderness.

"(3) CALDER-HOLBROOK WILDERNESS.—Certain lands which comprise approximately 68,693 acres, as generally depicted on a map entitled 'Calder-Holbrook Wilderness—Proposed' and dated May 1989, which shall be known as the Calder-Holbrook Wilderness.

"(4) CHICHAGOF WILDERNESS.—Certain lands which comprise approximately 347,733 acres, as generally depicted on a map entitled 'Chichagof Wilderness—Proposed' and dated May 1989, which shall be known as the Chichagof Wilderness.

"(5) CHUCK RIVER WILDERNESS.—Certain lands which comprise approximately 124,539 acres, as generally depicted on a map entitled 'Chuck River Wilderness—Proposed' and dated May 1989, which shall be known as the Chuck River Wilderness.

"(6) KADASHAN WILDERNESS.—Certain lands which comprise approximately 34,044 acres, as generally depicted on a map entitled 'Kadashan Wilderness.—Proposed' and dated May 1989, which shall be known as the Kadashan Wilderness.

"(7) KARTA RIVER WILDERNESS.—Certain lands which comprise approximately 39,886 acres, as generally depicted on a map entitled 'Karta River Wilderness—Proposed' and dated May 1989, which shall be known as the Karta River Wilderness.

"(8) KEGAN LAKE WILDERNESS.—Certain lands which comprise approximately 24,655 acres, as generally depicted on a map entitled 'Kegan Lake Wilderness—Proposed' and dated May 1989, which shall be known as the Kegan Lake Wilderness.

"(9) NAHA RIVER WILDERNESS.—Certain lands which comprise approximately 31,794 acres, as generally depicted on a map entitled 'Naha River Wilderness—Proposed' and dated May 1989, which shall be known as the Naha River Wilderness.

"(10) NUTKWA WILDERNESS.—Certain lands which comprise approximately 52,654 acres, as generally depicted on a map entitled 'Nutkwa Wilderness—Proposed' and dated May 1989, which shall be known as the Nutkwa Wilderness.

"(11) OUTSIDE ISLANDS WILDERNESS.—Certain lands which comprise approximately 98,572 acres, as generally depicted on a map entitled 'Outside Islands Wilderness—Proposed' and dated May 1989, which shall be known as the Outside Islands Wilderness.

"(12) PLEASANT-LEMESURIER-INIAN-ISLANDS WILDERNESS.—Certain lands which comprise approximately 23,140 acres, as generally depicted on a map entitled 'Pleasant-Lemesurier-Inian Islands Wilderness—Proposed' and dated May 1989, which shall be known as the Pleasant-Lemesurier-Inian Islands Wilderness.

"(13) POINT ADOLPHUS-MUD BAY WILDERNESS.—Certain lands which comprise approximately 73,346 acres, as generally depicted on a map entitled 'Point Adolphus-Mud Bay Wilderenss—Proposed' and dated May 1989, which shall be known as the Point Adolphus-Mud Bay Wilderness.

"(14) PORT HOUGHTON-SANBORN CANAL WILDERNESS.—Certain lands which comprise approximately 58,915 acres, as generally depicted on a map entitled 'Port Houghton-Sanborn Canal Wilderness—Proposed' and dated May 1989, which shall be known as the Port Houghton-Sanborn Canal Wilderness.

"(15) ROCKY PASS WILDERNESS.—Certain lands which comprise approximately 75,734 acres, as generally depicted on a map entitled 'Rocky Pass Wilderness—Proposed' and dated May 1989, which shall be known as the Rocky Pass Wilderness.

"(16) SARKAR LAKES WILDERNESS.—Certain lands which comprise approximately 25,650 acres, as generally depicted on a map entitled 'Sarkar Lakes Wilderness—Proposed' and dated May 1989, which shall be known as the Sarkar Lakes Wilderness.

"(17) SOUTH ETOLIN ISLAND WILDERNESS.—Certain lands which comprise approximately 83,642 acres, as generally depicted on a map entitled 'South Etolin Island Wilderness—Proposed' and dated May 1989, which shall be known as the South Etolin Island Wilderness.

"(18) SOUTH KUIU WILDERNESS.—Certain lands which comprise approximately 191,532 acres, as generally depicted on a map entitled 'South Kuiu Wilderness—Proposed' and dated May 1989, which shall be known as the South Kuiu Wilderness.

"(19) SULLIVAN ISLAND WILDERNESS.—Certain lands which comprise approximately 4,032 acres, as generally depicted on a map entitled 'Sullivan Island Wilderness—Proposed' and dated May 1989, which shall be known as the Sullivan Island Wilderness.

"(20) TRAP BAY WILDERNESS.—Certain lands which comprise approximately 6,667 acres, as generally depicted on a map entitled 'Trap Bay Wilderness—Proposed' and dated May 1989, which shall be known as the Trap Bay Wilderness.

"(21) WEST DUNCAN CANAL WILDERNESS.—Certain lands which comprise approximately 134,627 acres, as generally depicted on a map entitled 'West Duncan Canal Wilderness—Proposed' and dated May 1989, which shall be known as the West Duncan Canal Wilderness.

"(22) YAKUTAT FORELANDS WILDERNESS.—Certain lands which comprise approximately 220,268 acres, as generally depicted on a map entitled 'Yakutat Forelands Wilderness—Proposed' and dated May 1989, which shall be known as the Yakutat Forelands Wilderness.

"(23) YOUNG LAKE WILDERNESS ADDITION TO ADMIRALTY ISLAND NATIONAL MONUMENT.—Certain lands which comprise approximately 18,702 acres, as generally depicted on a map entitled 'Young Lake Wilderness—Proposed' and dated May 1989, which shall be managed as an addition to the Admiralty Island National Monument.

"(d) APPLICATION OF SECTION 1315(e).—Section 1315(e) of this Act (15 U.S.C. 3203(e)) shall not apply to the wilderness designated by subsection (c).".

(b) ADMINISTRATION.—Section 707 of the Act is amended by adding at the end the following new sentence: "Subject to valid existing rights, the wilderness areas designated in section 703(c) of this Act, as added by the Tongass Timber Reform Act, shall be administered by the Secretary of Agriculture in accordance with this section, except that in the case of such areas any reference in the provisions of the Wilderness Act to the effective date of the Wilderness Act (or any similar reference) shall be deemed to be a reference to the date of enactment of the Tongass Timber Reform Act.".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman and my colleagues, the substitute has been discussed at length. Both bills have been discussed. You have heard the issue being discussed.

I again caution you, but I would just dump all the figures out and go on the merits of what is in the legislation. Our legislation has—disregarding the figures our legislation says you do not abridge contracts, you mandate the Forest Service to continue the process. One has been renegotiated, another is almost to be finalized.

You preserve to the extent that we can humanly possible that great forest; you harvest from its bounty in order that you can conserve the human element because the human element without any jobs, without any sustainment, would not survive in that environment.

So you need to have jobs in that area.

I might mention that, yes, they came to our committee and said, at the subcommittee where the people from Alaska came, from both sides of the issue, where they came and those who worked there and spoke to us out in the hall and spoke to us during the subcommittee meeting said it was their livelihood, they did not want to leave.

So it is not that you are giving tax dollars to some timber baron as has been mentioned. That is not the issue here.

The issue here is do we protect that vast forest? The Agriculture version does.

Do we protect the word and the integrity of the United States? The Agriculture Committee version does.

Do we protect the human element compatible with the needs of the human element but respecting the preservation of that great forest? The Agriculture Committee version does.

I would hope that my colleagues would support our version.

With all due respect and with love, admiration, and respect to the distinguished chairman of the subcommittee, this has not been a fight, it has not been a fight because whichever way it goes we would have made some progress in the endeavor that all of us agree on, the preservation, to the extent we can.

We do not look at it as a fight. There is a difference of opinion, and so shall it be on many more issues that we might have before us. It is only that we feel that we have a version compatible with all the needs in the area, the human element, the economic viability, and the preservation of that great forest.

I think we can do that, and I would urge your support for the Agriculture Committee version.

Mr. HUCKABY. Mr. Chairman, will the chairman yield?

Mr. DE LA GARZA. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

Mr. Chairman, I would just like to point out that I rise in support of the amendment pending before the committee and that, as the chairman has stated, the agriculture version protects the sanctity of contracts, so very im-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

portant I think in just the principle of America.

Let me point out also that the Tongass Forest grows more board feet each year than has ever been harvested. So in no way are the timber companies raping the forest. It is replenishing itself.

It creates jobs, it is certainly not funds just going to big timber barons.

One of these corporations, Louisiana Lands, is an American company, publicly traded, and both of these companies have large investments here, large investments in pulp that would not have made these investments and these jobs would not be possible had it not been for these contracts.

So I urge my colleagues to support the agriculture amendment before us.

Mr. DE LA GARZA. I thank the gentleman from Louisiana for his contribution.

Mr. Chairman, I urge all of our colleagues, if you want a win-win-win situation, support the Agriculture version.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I am reluctant to do this because I recognize the very hard work that was put into the Agriculture Committee substitute by both the chairman of the subcommittee and the chairman of the full committee. I am not a member of the subcommittee although I was for many years and was on it when we drafted the Forest Management Act, which I think is the legislation which should prevail rather than the special conditions which now prevail on the Tongass.

As the chairman indicated, the distinguished gentleman from Texas, we are going to come out of this with a better situation regardless of what version we adopt.

The Agriculture Committee substitute does go a considerable distance toward correcting some of the problems that exist on the Tongass at the present time, and I think that the Agriculture Committee deserves a great deal of credit for acting responsibly on this legislation. But it is my view that, valuable as their efforts were, that they do not go far enough in correcting the very serious problems that exist here.

I, and a substantial number of other members of the Agriculture Committee, some of whom you have heard from already this morning, presented additional views in opposition to the Agriculture Committee substitute and in support of the Interior Committee bill.

I urge all of my colleagues to read those additional views, which unfortunately are contained in part 2 of the reports back there. Many of the Members who may have only picked up part 1 may not have seen them.

Let me just quote briefly from the additional views which were signed by myself, DAN GLICKMAN, CHARLIE ROSE, H. MARTIN LANCASTER, HARLEY O. STAGGERS, Jr., JIM JONTZ, TIMOTHY J. PENNY, ROBIN TALLON, TIM JOHNSON, BEN NIGHTHORSE CAMPBELL, ROY DYSON, DAVE NAGLE, and CHARLES HATCHER. Most of these, other than myself, are responsible Members of Congress.

We say in these remarks that:

Although H.R. 987, as reported by the Committee on Agriculture points Congress in the appropriate direction in reforming the management of the Tongass National Forest in Southeast Alaska, we feel that the bill does not go far enough. The Tongass National Forest has been burdened with significant management problems for many years, and it will take strong measures to restore responsible management to this extraordinary national forest.

And further we went on to say:

In fact, the General Accounting Office (GAO) reported that from 1981 to 1986, the Forest Service prepared and made available for sale an average of 481 mmbf of timber per year even though an annual average of only 292 mmbf was actually sold. According to GAO, the Forest Service wasted $131 million to prepare excess timber for sale and build roads into pristine valleys and river bottoms well in advance of demand for the timber the roads could access. The resulting damage to the public land in loss of wilderness values, and fish and wildlife stocks cannot be calculated.

Now this is the type of management practice we want corrected. Innumerable efforts to renegotiate these contracts with the existing mills up there have proven unavailable to correct this situation. We think it should be corrected. We think this loss of money to the Treasury should be corrected.

I find myself in the fairly rare position of being in agreement with the National Taxpayers Union on this issue which also believes that the Interior Committee bill is the proper mechanism to address this problem. I urge all of you to defeat the Agriculture Committee substitute and support the Interior version of this bill.

Mr. Chairman, I rise in strong support of the House Interior Committee's version of the Tongass Timber Reform Act, and urge my colleagues to vote against any amendments that would weaken this legislation.

Although a member of the Agriculture Committee, I feel that its substitute of H.R. 987 does not adequately address the immense management problems that have plagued the Tongass National Forest in southeast Alaska. By contrast to H.R. 987, the Agriculture Committee's bill does not effectively handle either the damaging long-term contracts with the Alaska Pulp Co. and the Louisiana Pacific-Ketchikan pulp mills or the unreasonable 4.5 billion board feet [bbf] timber sale level. It also fails to protect permanently any of the Tongass unique fish and wildlife habitat. If responsible management of this extremely rare, temperate-zone rainforest is to be restored, stronger measures than the Agriculture Committee's bill must be taken.

H.R. 987 would require five sensible actions: First, it would terminate the two long-term contracts with the Alaska Pulp Co. and Louisiana Pacific-Ketchikan; second, it would repeal automatic appropriation of at least $40 million annually to the Tongass Timber Program; third, it would put an end to the requirement that the Forest Service make available 4.5 bbf of Tongass timber per decade; fourth, it would create 1.8 million acres of new wilderness in the forest; and fifth, it would establish a 100-foot buffer strip along salmon streams and their tributaries—at the request of commercial fishermen. Let me first address the importance of terminating the two long-term contracts.

Numerous congressional hearings have substantiated the extensive problems caused by the 50-year timber contracts on the Tongass National Forest. The contracts provide the contract holders with extraordinary power to interfere in normal Forest Service management decisions about where, when, and how to cut Federal timber. They allow the contract holders to choose the areas they want to cut and refuse areas the Forest Service offers them. They give the contract holders the right to profitable timber and the right to refuse timber considered uneconomical to cut. They have been used as the basis of antitrust violations that drove virtually every small timber operator out of business from 1960 to 1976. They ensure that the Government will never get a fair monetary return from public timber on the Tongass. Finally, they allow the pulp mills to "high grade" the forests by concentrating logging in the rare, high-volume old growth stands which are most valuable to fish and wildlife habitat.

By requiring the Forest Service to renegotiate the 50-year contracts, section 101 of H.R. 987 as reported by the Agriculture Committee is designed to restore a competitive timber market in southeast Alaska and to bring the stumpage rates paid in connection with other Tongass timber sales. We feel that these goals cannot be accomplished, however, unless the contracts are terminated and replaced with short-term, competitively bid timber sales.

Although the agency has renegotiated the contracts as part of the normal 5-year timber sale appraisal process as spelled out in the existing 50-year contracts, these renegotiations have established a disturbing trend of giving even more special considerations to the contract holders. For each reform the Government has gained in their renegotiations, the Forest Service has been forced to make a concession. The result is even more waste of taxpayer dollars in road credits and forgone antitrust damage claims.

From the first year of full implementation of the controversial provisions of section 705 of the Alaska Lands Act to the most recent available information for 1988, the Forest Service has reported to Congress that the timber program has lost $353 million, or an annual average loss of $50.5 million. The Government has never profited from its investment; in some years the Forest Service lost 98 cents for every dollar spent on the logging operations.

No firm estimates have been provided of the cost of terminating the long-term contracts. However, CRS estimated that "just compensation" for the 50-year contracts, if awarded, would most likely range between $21.5 and $150 million. The Congressional Budget Office [CBO] estimated that a court award would be relatively small if the court reasons that the contract holders will continue to have access to adequate supplies of timber after contract termination, even at a higher price. There is no reason why the Forest Service would not be able to continue to offer essentially the same quantity and quality of timber under short-term sales arrangements. Furthermore, CBO estimated that the Interior Committee's bill would save $146 million in actual expenditures over the next 5 years alone. In short, Congress can afford to compensate the contract holders, but cannot afford to continue the 50-year contracts.

The goal of Tongass reform should be to eliminate all of the peculiar management conditions that have led to the mismanagement of this grand, old growth forest. Contract termination would ensure that all purchasers of Federal timber on the Tongass bid competitively for standard timber sales just like those used in all other national forests.

Proper forest management of the Tongass is also hampered by the unprecedented directive found in section 705(A) of the Alaska National Interest Lands Conservation Act [ANILCA] which required the Forest Service to make available 4.5 billion board feet of Tongass timber to the timber industry every decade. This has led to wasteful Federal spending in the Tongass timber program and has contributed to excessive clearcutting in high value fish and wildlife habitat.

In fact, the General Accounting Office [GAO] reported that from 1981 to 1986, the Forest Service prepared and made available for sale an average of 481 million board feet [mmbf] of timber per year even though an annual average of only 292 million board feet was actually sold. According to GAO, the Forest Service wasted $131 million to prepare excess timber for sale and build roads into pristine valleys and river bottoms well in advance of demand for the timber the roads could access. The resulting damage to the public land in loss of wilderness values, and fish and wildlife stocks cannot be calculated.

Although the Committee on Agriculture substitute directs the Forest Service to consider other forest values, and the committee report includes language to clarify the 4.5 bbf figure, history has shown that as long as a timber supply level remains in statute the agency may feel compelled to make 4.5 bbf of timber available for cutting—to the detriment of land use priorities.

No other national forest is given special management direction from Congress when it comes to the timber supply level offered each year for logging. While I believe that the Agriculture Committee substitute is a substantial improvement in the language of the ANILCA provision, by retaining a specified timber level, Congress maintains a bad precedent for national forest management which should be eliminated.

I believe H.R. 987 would serve both the national interest and the interest of the State of Alaska. It directly addresses the concerns of local Alaskans by protecting 1.8 million acres of key old-growth rainforest that provides sensitive habitat for deer, grizzly bears, bald eagles, salmon, and other wildlife while leaving more-than-adequate commercial timber base for logging.

The Interior Committee has approved an excellent bill which will save taxpayer dollars, protect environmental quality and enhance the long-term prosperity and stability of southeast Alaska, but we must act on it now. Therefore, I strongly urge my colleagues to support H.R. 987.

□ 1310

AMENDMENT OFFERED BY MR. VOLKMER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DE LA GARZA

Mr. VOLKMER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER to the amendment in the nature of a substitute offered by Mr. DE LA GARZA: The amendment is amended on page 8 by inserting after line 24 the following: "The Secretary shall also maintain a buffer zone along all tributaries of such streams in accordance with best management practices for water quality.".

Mr. VOLKMER. Mr. Chairman, the amendment that I have offered now has to do with the buffer zone language that is in the substitute of the Committee on Agriculture, and merely clarifies the buffer zone language as it applies to tributaries of the anadromous streams which are used in the fishing process. The amendment I am offering now provides that the buffer zone shall extend to tributaries of such streams in accordance with the best management practices for water quality.

Now, this is exactly the language that was proposed to Members by the Southeast Alaska Sailors from Ketchikan who are the fishing industry in Alaska. We have proposed different buffer zone language totally in the substitute, and with my amendment, different from the Committee on Interior bill.

The Committee on Interior and Insular Affairs bill extends a buffer zone not only on all the anadromous streams but also on all tributaries of 100 feet. It also provides that in the Interior bill that the buffer zone cannot be crossed, it has to be maintained in the existing State, which means that they cannot even cross over or build crossings to be able to timber in adjacent or other land next to the buffer zone. As a result, it has been estimated that the language of the Interior bill would actually eliminate approximately 30 billion board feet for cutting in this area.

Therefore, the language we have offered and the amendment that I am now offering to the substitute conforms with the wishes of the fishermen in Alaska who actually protect the streams as needed to be, but also permit timbering in areas. They agree with that. They, too, realize that the timber industry is necessary to southeast Alaska.

Mr. Chairman, I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, this is an amendment to the Agriculture substitute. We have no problem if the committee wants to amend their own substitute.

Mr. VOLKMER. Mr. Chairman, I yield to the gentleman from Washington.

Mr. MORRISON of Washington. Mr. Chairman, we looked at the gentleman's amendment and concur. This clarifies the intent to match standard practice in other forests, and commend him for offering this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. VOLKMER] to the nature of a substitute offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Mr. Chairman, I am a member of both the Agriculture and Interior Committees. Both committes are offering legislation pertaining to the Tongass National Forest in Alaska. The Agriculture Committee bill is reform. The Interior Committee bill abrogates the finely crafted agreements reached by all parties in 1980 when Congress passed the Alaska Lands Act.

I favor standing by our commitment and our word. I favor the Agricultural Committee bill—just like the chairman of the Agriculture Committee does.

Both bills save $40 million, but the Interior Committee bill could cost hundreds of millions of dollars according to the Congressional Budget Office. This is because the Interior Committee bill would unilaterally break a government contract with the only year-round manufacturing plants in Alaska. The Agriculture Committee looked at this provision, and rejected it. We were looking for savings, not scalps.

The Interior Committee bill is excessive, reducing the legal size of industry by 61.5 percent. This is a U.S. industry which paid over $40 million to the U.S. Treasury in taxes and Social Security, and whose products contributed almost a half billion dollars to the U.S. economy last year.

The Interior Committee bill is a partisan, irresponsible, and revolutionary bill, which would cost hundreds of mil-

lions of dollars and thousands of American jobs.

The Agriculture Committee bill is a bipartisan, responsible reform package, designed to save money and jobs.

After hearing testimony before both committees and looking at both bill, I support the Volkmer-Morrison Agriculture Committee bill. I hope you do, too.

Mr. YOUNG of Alaska. It is sort of ironic, here I am urging a vote on the Agriculture bill that far exceeds the same bill that we voted on last year. That should show Members how bad the Interior bill is.

I respected the comments of the chairman of the full committee. Let Members throw all the figures out the window and think of the people effects, and how it affects those dreams and hopes.

The Agriculture bill is a bill that goes much beyond what I think is necessary, certainly beyond what most people in Alaska think is necessary. However, it is the bill that has been comprised and worked together with all members of that committee, long and lengthy hearings, and they have done the job to maintain the industry and the people factor in this legislation.

I think it is important that we recognize that effort. There is something basically wrong with a bill that comes out of a committee that is strictly along party lines. Frankly, it is westerner most of the times against easterner or vice versa. I understand that. However, it does not recognize the human factor. Do I buy a car? Do I have my children's teeth straightened? Do we put new carpet in? Can we bring our mother up to visit so she can see her grandchildren? Those things are not answered under the Interior bill. They are answered under the Agriculture bill.

Mr. Chairman, I am urging my colleagues to do as the chairman mentioned, let Members have a bill that takes care of all, let Members not divide into small different groups. Let Members have legislation that has a possibility and a reality of being signed. Let Members not continue to go through this constant divisive issue, year after year after year, not only in the Congress, but in fact, in the State of Alaska.

There have been some accusations made about the companies, as if the companies were an entity into themselves. They are not. These are people. People that work. People that want to depend upon this Government's word.

I urge a yes vote on the Agriculture bill, a resounding yes for what is right and just.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know that both committees have worked diligently and in good faith on this issue. It is not the easiest issue in the world to deal with.

I feel a bit difficult, as a member of the Committee on Agriculture, opposing my own committee in this regard and supporting the Interior Committee, but that is consistent with the position I took last year on the floor of this House as well as in committee. Last year, I believe I talked with the gentleman from California [Mr. MILLER] about offering an amendment to terminate the contracts in question with the two companies, that in my judgment were preferential, and not in the best interests of the taxpayer.

At that time he persuaded me not to offer the amendment, that they would like to work this matter out in the course of the legislative process. That did not happen, and so today I feel it necessary to honor my position of a year ago, as well as what I said in the Committee on Agriculture, and that is to support the Committee on Interior and Insular Affairs position.

Mr. Chairman, I rise to address the Members of the House regarding a provision of H.R. 987, the Tongass Timber Reform Act. I rise in support of the termination of the two long-term timber sale contracts on the Tongass National Forest, which are currently held by Louisiana-Pacific Ketchikan and Alaska Pulp Corp.

Mr. Chairman, these contracts are and will continue to be an affront to the sound conservation and management of the unique forest resources of southeast Alaska. These contracts are the root cause of millions of dollars of taxpayers losses each year due to heavily subsidized timber sales in the Tongass National Forest. These contracts continue to permit two large timber companies—one a wholly owned Japanese firm—to maintain monopolistic control over the forest products industry in southeast Alaska and have eliminated all possibility for fair competition for timber sales to occur.

I believe these contracts work to the detriment of the public resources and the economy of southeast Alaska. Two-thirds of the southeast Alaska economy depends upon nontimber resources from the Tongass supporting a growing recreation and tourism business and a strong fishing industry. Despite the fact that only one-third of the region's economy relies on timber, most of the Tongass' budget goes into preparing timber for sale. Why? Because the Forest Service remains bound by the contracts to offer minimum levels of timber for sale, every year, irrespective of demand.

My position on contract termination stems from the preferential and anticompetitive nature of this agreement. The long-term contracts have created a monopoly for timber harvested from the Tongass which has squelched competition for timber and cost the American taxpayer millions of dollars in foregone revenues. As a result of the lack of competition and due to the terms of the contract, the two companies pay extremely low rates for stumpage—as low as $1.50 per thousand board feet, less than the value of a bushel of wheat. This is 15 times less than the value of timber sold competitively on the forest and not even close to what it costs the Forest Service to prepare the timber for sale. It is my strong sentiment that these companies have violated antitrust laws and the contracts should be terminated now.

I would like to make it clear that I believe the two pulp companies, Louisiana-Pacific Ketchikan and Alaska Pulp Co., should be provided with compensation in return for the termination of their contracts. Such compensation should include the replacement value of the timber which was lost and additional costs associated with obtaining timber. I believe this is the most responsible position Congress could take, and hopefully, H.R. 987 will contain such a provision before it becomes law. Justification for cancellation of the contracts, as well as the precedent for just compensation, is patterned after the court case, Hedstrom Lumber Co. versus United States, in which the court found that canceling contracts to log lands in Minnesota was taken in the national interest and had "public and general" application. The court also found that the logging company was entitled to just compensation.

The two companies have monopolies on timber logging in the Tongass, having driven their competition out of business and having been found guilty of antitrust violations. The Tongass National Forest is truly unique. In fact, the most important single Forest Service policy which has made possible the monopolistic system in Alaska was the grant of the long-term timber sales to the pulp companies, at a bargain price. Elimination of the contracts would bring management of the Tongass on the level with how other national forests across the country are managed.

□ 1320

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, is it not true that a majority of the board feet of timber harvested each year is used for pulp, as opposed to saw logs?

Mr. GLICKMAN. I do not know what the exact numbers are, but I know there is quite a bit of timber used for pulp, that is correct.

Mr. HUCKABY. Is it not true that there are only two pulp mills there, the two that were talked about?

Mr. GLICKMAN. That is correct.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. HUCKABY. Is it not true that this is major capital investment?

Mr. GLICKMAN. That may be true, but I do not think that, in and of itself, ought to justify long-term, perpetual contracts in any line of work.

Mr. HUCKABY. Is it not true that the only source of timber there is the Federal lands, the Tongass Forest?

Mr. GLICKMAN. No, I do not think that is true. I also believe that if we used that point, it would always justify the status quo on anything. All I am saying is that the contracts ought to be typical standard-type timber contracts—shorter term contracts. That is the way it is everywhere else. So, competition I think, would work.

I understand the point the gentleman is raising about the capital investment and the jobs, but I still believe that competition works, and I think we would find that with competition jobs would also be created.

Mr. HUCKABY. Mr. Chairman, would the gentleman yield further?

Mr. GLICKMAN. I am glad to yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, the point is that no company is going to make these capital investments to put pulp mills there without a guaranteed long-term supply of timber, and here we are pulling them out.

Mr. GLICKMAN. Mr. Chairman, I heard that argument when we talked generally about deregulation. When we talk about economic franchises that are granted, whether it is in the airline industry or any other industry—and I realize those experiences have been mixed—the fact of the matter is that we usually do find capital investment taking place when these things happen. I cannot tell the gentleman for sure what happened here, but I think it is something that the U.S. Government ought not to be countenancing.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in reluctant opposition to the Tongass Timber Reform Act and in support of the Agriculture Committee's substitute.

Mr. Chairman, I have been a proponent for several years of reforms in the Tongass. In fact, I have successfully included provisions in each of the last three annual Interior appropriations bills, including the one passed yesterday, to reduce funding for the timber program in the Tongass and redirect those funds to activities such as recreation and fish and wildlife enhancements.

The bill before us today would accomplish some of those objectives. I support repeal of the permanent appropriation and the elimination of the requirement that at least 4.5 billion board feet of timber be made available each decade from the Tongass. I believe funding for this forest should be managed as funding for each of our other national forests and that supply should be equated to demand, not arbitrarily predetermined.

However, the bill goes much further than this. It includes a provision that would terminate the two long-term timber contracts with the U.S. Government. Yesterday, we passed legislation that would effectively undermine existing contracts between the Government and the oil industry. Both of these actions are clearly legislative breach of the contracts which could expose the Government to compensatory damages and sets a dangerous precedent for property rights nationwide.

We cannot continue this trend. A Government contract should mean something. It should be worth more than the paper it is written on. If we pass this bill today we are saying it is not. We are saying the word of the Government is worth nothing. As Justice Brandeis said: "If the Government becomes a law breaker it breeds contempt for the law."

The Agriculture substitute on the other hand would require renegotiation, not termination of these contracts, a far more equitable approach to all parties. The Agriculture bill would achieve the desired objective of bringing these long-term contracts in line with the planning and management practices of other national forests and require the holders of the contracts to pay stumpage rates equal to the rates for short-term contracts.

I strongly believe we need to improve management of the Tongass and that annual review of the relative priorities within the forest, and versus other national forests, through the appropriations process, is the best way to achieve this objective. I had hoped that I could vote for a bill to do this. This bill goes too far and in my view, protecting the sanctity of Government contracts, the word of the Government, outweighs the need to achieve improved management objectives.

Fortunately, we have an alternative today. We can do both by supporting the Agriculture substitute as I will do.

Unfortunately, the Agriculture Committee does not have jurisdiction over the wilderness designations also included in this bill. The Interior bill will add an additional 1.8 million acres of wilderness to the forest—this in the Nation's largest national forest and one whose land area is already over one-third in wilderness designation.

While there may be a need to review the current land designations within the forest it should be done with public input. The designations in the Interior bill were chosen with no input from those potentially affected by having these areas permanently off limits to multiple use.

While I do not support this provision of the bill, I will vote for the Agriculture bill because it is so critical that we address the needs for improved management of the forest.

Mr. TALLON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Interior Committee's version of the Tongass Timber Reform Act. The Interior Committee version removes timber supply level language and allows the Forest Service to set cutting levels via the planning process—just like on every other national forest.

Whether it is described as a cap or a goal, if the timber supply level remains in statute, we will continue to subsidize Japanese timber purchases at a cost to the taxpayer and the environment.

Right now the U.S. Forest Service loses more than 90 cents of every taxpayer dollar it spends on behalf of the Tongass timber industry. This is not sound management.

Renegotiating the long-term timber contracts on the Tongass simply won't do the job. Keeping these one-sided contracts means that the contract holders will continue to have noncompetitive access to public timber, pay ridiculously low prices, and have the power to determine where to cut on public lands. We can solve these problems by replacing the contracts with the same standard, competitive contracts used on every other national forest.

Support H.R. 987. It makes good sense.

Mr. MRAZEK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important within the context of the recent statements made here on the floor to refresh one another's memory on where we now stand with respect to the amount of money that has been spent in the Tongass National Forest and what has been recouped in the name of the Federal taxpayers who own that forest.

According to the National Forest Service—and these are the exact figures from the National Forest Service—from 1982 to 1988 the Federal Government has spent $386,003,000 on the Tongass Timber Program. According to the Forest Service, the loss to the Federal Treasury since 1982 has been $353,575,568. The average loss each year, according to the Forest Service, to the Federal Treasury is $50,510,795.

Mr. Chairman, at the same time my colleague, the gentleman from Alaska [Mr. YOUNG], who has been diligent and committed to trying to do what is best for his constituents, has pointed out to the people involved that there are jobs at stake. Well, I have here a report from the General Accounting Office, and according to the General

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Accounting Office—and I quote—"Timber industry employment declined from about 2,700 jobs in 1980 to 1,420 jobs in 1986." So for the expenditure or the loss to the Federal Treasury of $353 million, we saw a cutting in half of the number of jobs in the Tongass National Forest.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MRAZEK. No, I will not yield at this time, but I will try to yield after I make a few points that I think are important for my colleagues to hear.

Mr. Chairman, if these contracts are canceled, what will that mean? What will it mean to people who cut down trees? What will it mean to Native corporations in Alaska? What will it mean to the company, Sea Alaska? What will it mean to the Wrangell Mill?

It will mean for the first time that Alaskans will have an opportunity, along with the Japanese-held pulp company, to compete within those areas that will allow Alaskans to bid for short-term contracts at fair, competitive rates that will benefit the American taxpayer and provide new jobs in Alaska.

The reason the timber industry is strangling in southeast Alaska is because of the sweetheart contracts these two companies have that systematically, according to the Reed Brothers case, drove out all their competition, and after driving out the competition, proceed now to ship all of the Sitka spruce trees that are 500, 600, 700, and 800 years old off to the Pacific Rim, where they are milled over there, not in Alaska but in the Pacific Rim, milled by foreign workers into the high-grade timber that they represent.

If we are going to give away that timber and continue to give it away, then I think everyone ought to recognize what the cost truly is.

□ 1330

Mr. Chairman, there is an organization called the National Taxpayers Union, and the National Taxpayers Union, it says here on the letterhead, is a nonpartisan, nonprofit organization dedicated to the public interest. They are dedicated to looking out for the interests of the American taxpayer, trying to find ways at a time of budget crisis that we can save some very needed Federal dollars for the Treasury.

Mr. Chairman, this is what the National Taxpayers Union wrote:

"In addition, two long-term timber contracts are draining revenues by providing Federal timber to two logging companies on a noncompetitive basis. Instead, timber should be sold through competitive bids and short-term sales. This would most likely return money to the Treasury in the form of higher stumpage fees."

Mr. Chairman, I urge my colleagues to oppose any amendment.

Mr. RHODES. Mr. Chairman, I move to strike the last word.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, the gentleman from New York [Mr. MRAZEK] is using outdated primer readers from the first grade. The information that he tried to enlighten his colleagues with is old, old, old information.

Yes, the market was depressed, and, yes, we lost jobs, but the mills stayed open so that they could have the years they are having now, and it is full employment, so do not tell me we are not losing jobs. If they do not have the long-term contracts, they will not be able to invest, like one mill has invested, $36 million into a sawmill. Another one has invested approximately $40 million in meeting all the modern environmental requirements.

So, the investments were made, and they are there for a long time to stay, if they have the timber. If they do not, they lose the jobs.

Mr. RHODES. Mr. Chairman, as the distinguished chairman of the Committee on Agriculture has observed during his remarks, every single person who has taken part in this debate has a different set of numbers. None of them match up. Nobody is really sure what the numbers are, and I suggest we ignore those numbers and concentrate on other factors in making our decision on this legislation.

Mr. Chairman, there is one number, though, that we should not ignore, and any legislator needs to know what the fiscal consequences of his vote will be, and that number again is something that nobody knows, and that is the damages to which the United States is exposed if these contracts are abrogated. As the gentleman from Kansas agreed in response to a question from the gentleman from Louisiana, these pulp mills have made substantial capital investments. There will be substantial loss of business from abrogation of the contracts. There will be substantial damages incurred to the pulp mills by loss or diminution of their capital assets, and nobody can estimate how much those damages are going to be.

Mr. Chairman, I say to my colleagues, If you vote for the Interior bill, you are voting to expose the United States to liability in amounts which cannot be calculated. If you vote for the Agriculture bill, the contracts simply must be renegotiated.

There must be no risk or liability to the United States. That should be a very significant factor to every Member of this body.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman and my colleagues, as everyone knows, I rise in support of the substitute of the Committee on Agriculture, and there are a few things, maybe, that I would like to point out because maybe some of the Members have not devoted the amount of time that the members of the Committee on Agriculture and the Committee on Interior and Insular Affairs have on this subject, and they do not realize some things, and some things have not been said here yet today that I think are very pertinent.

I would just like to read a little item that I think would help to understand why the Committee on Agriculture has taken the position that it has as far as the contracts.

Trees, like people, are subject to disease and ailments and given time they grow old and die. The Tongass National Forest has old trees that make up the majority of the total volume. These trees have been subjected to wind, storm, snow damage, insects, fires, and rots of many types and descriptions until the natural old stand has butt rot, heart rot, frost seams, wind shake, deformities caused by insects, broken tops, and scars from trees that finally fall against them. The result today is a stand of timber of which half is suitable only for fiber or pulp.

The "net Scribner" or "net sawlog" description of timber means that at least one-third of each log is sawable. This also means that up to two-thirds of each log is suitable only for pulp chips. On the Tongass about one-half of the timber has a high content of fiber that is suitable only for chips; consequently, these logs are sent to the pulp mills. Even if these logs were sent to the sawmill, the bulk of the output of the sawmill would be pulp chips.

The reason I bring that out is that is the reason there are two pulp mills in southeast Alaska. When contracts are abrogated, it is my position, and I think very seriously about this, and I have thought about it, there is no question that that will do away with those pulp mills. When the pulp mills are done away with, the timber industry would be destroyed in southeast Alaska for the simple reason that Wrangell, or any other independent, is not going to be able to economically go in and cut the timber with the majority of it or near majority of it being pulp because they cannot use that pulp. They are sawmills for saw logs. So, we have effectively destroyed it. We have destroyed one-third of the economy of southeast Alaska under the bill of the Committee on Interior and Insular Affairs.

Mr. Chairman, I say to my colleagues, "If that's what you want to

do, you may do it. You're going to preserve, again without the timber industry, the trees in the Tongass, and they will live for a good many years. They won't be cut, and they will die just like all trees eventually die. They're going to fall over. They're going to be unused, and you're going to have 6,000 people out of work in the meantime."

Also, as I pointed out, one thing, I think, is very necessary to understand in this, that, when you abrogate these contracts, it is the pulp mill owners that are going to benefit from the damages that are going to have to be paid by the Government for abrogating those contracts. The people who worked for those pulp mill owners, those 6,000 people up there, they do not get a penny. So, we are not helping those people at all.

Mr. MORRISON of Washington. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Washington.

Mr. MORRISON of Washington. Mr. Chairman, I thank the gentleman from Missouri [Mr. VOLKMER], my chairman, for yielding.

Mr. Chairman, I just want to associate myself with his remarks and his very sound thinking on this. The substitute of the Committee on Agriculture is a measured response. It is environmentally sound. It saves the dollar financially, and it is the measure that people here voted for last year——

Mr. VOLKMER. Overwhelmingly.

Mr. MORRISON of Washington [continuing]. Overwhelmingly, and I commend it to my colleagues.

Mr. VOLKMER. Mr. Chairman, I have one last thing to point out also.

As my colleagues know, many times in my experience as a legislator in the State legislature and up here I found usually that the best bill, the one that really must be good, is the one that nobody likes really. Well, we do not. We have that in the Agriculture bill. The environmentalists, no; they support the Interior bill. The timber industry in southeast Alaska, they do not want anything done. They do not want our bill either. The Forest Service, the Federal Government says, "Wait for a year." They do not want our bill.

Mr. Chairman, the only ones that want the Agriculture substitute are those who have really studied it and know that it is an answer to the solution.

Mr. DEFAZIO. Mr. Chairman, I move to strike the last word.

Let us discuss just for a moment, Mr. Chairman, the upstanding character of the two companies we are discussing here, Reed Bros. Logging Co. versus Ketchikan Pulp Co. and Alaska Lumber & Pulp Co. In 1981, the Federal district court decided that between 1959 and 1975 APC and KPC had acted to violate the antitrust laws by driving their competition out of business. Damages were awarded to the Reed Bros. in the Ninth Circuit Court and upheld by the Supreme Court.

Illegal actions by these two upstanding companies that have been guaranteed a profit paid for by the taxpayers of the United States: Louisiana Pacific, famous for its union-busting activities, and then our Japanese conglomerate.

□ 1340

The pulp that we are talking about here is being shipped to Japan. It is being turned into finished products in Japan and being shipped back to the United States of America.

Now if we are saying that somehow we are going to get ourselves out of the hole we are in with international trade by selling raw materials to the Japanese and buying back finished products and subsidizing the production of those raw materials that we are buying back as finished products, I think our trade balance and deficit with the Japanese reflects it.

If these companies cannot make a profit without being subsidized by the taxpayers of the United States, another company will step in that can, and maybe that company will do more than create a raw material for the Japanese. Perhaps it will produce a finished product here in America that we will ship to Japan and improve our balance of payments.

It is time to stop subsidizing union-busting companies and multinational and foreign corporations. It is time to stop this practice of advising, asking, requesting, begging the Forest Service to do something. It got us nowhere. It is time to take definitive action. The Interior Committee version of the bill does that. I urge my colleagues to support the Interior Committee version of the bill.

Mr. BARTLETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the substitute amendment of the Agriculture Committee and in support of the Interior Committee substitute for H.R. 987, the Tongass Timber Reform Act.

I do say that I have a great deal of respect for all sides of the debate and for the individuals involved. It is somewhat difficult to stand here and to support the Interior Committee substitute against the opposition of a valiant and good friend, the gentleman from Alaska, who no doubt knows a good deal more about some of the details than many of us on this floor, but it does seem to me as one who has studied the issue in some depth over the last several years that it is important to remember that this legislation is essential to bring about those reforms in the management of the Tongass Forest, which is North America's last primeval rain forest, so I support the legislation for several reasons, recognizing that there have been good and valid arguments made on both sides.

First, it is important to remember at its heart that the Tongass timber program is and has been an economic disaster, a classic case of corporate welfare. It is not capitalism. It is taxpayer-subsidized jobs programs perhaps, but nevertheless, it is very noncompetitive and strictly corporate welfare.

Presently $40 million to $50 million each year is automatically appropriated to the Tongass timber supply fund to maintain a steady supply of timber to two pulp mills under contract.

Now, in 1988 the Tongass timber sale expenditures totaled $42.4 million, but that same year the timber sale receipts amounted to only $1.2 million, or a net outlay of $41.2 million. Over the last 7 years, the timber program has seen an average annual loss of $50.5 million to the taxpayers. You do not really have to be an environmentalist, just a taxpayer, to ask why the Forest Service continues to prepare timber that the market cannot absorb.

That is really what goes to the heart of the need to terminate these contracts, because these two long-term contracts are unique. They are anticompetitive and they require the U.S. taxpayers to pay for building roads and making the forest ready to harvest timber that the marketplace does not want to buy and no other forest in the country would purchase that timber in any kind of a competitive sale.

The contracts guarantee two things, and that is why they are objectionable and need to be terminated. First, they guarantee the sale of a fixed amount of timber, in this case 4.5 billion board feet per decade, regardless of the market demand.

Second, they guarantee that the contract holder, the pulp mills, the privilege of selecting areas that the Forest Service would otherwise have permanently reserved from harvesting.

Now, understand what that means. What that means is that in other forests the Forest Sevice will reserve certain areas from harvesting, but in these two contracts the Forest Service is precluded from doing so.

Would the elimination or termination of these two cotracts eliminate jobs in the timber industry? Some would say yes, but I think not.

The fact is that the timber industry is alive and well in the United States, using short-term competitive timber sales. These mills would still be able to, and indeed still would, on a short-term Forest Service management guidelines competitive basis, to pur-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

chase their timber while competing against other mills and, indeed, competing against the market so that these mills would be allowed, as every other mill in the country, to purchase the timber that the market will require, but it would not require the taxpayers to make the land ready, to build roads into the Tongass for timber that is not going to be sold.

Second, it seems to me the Tongass program as it currently exists actually threatens jobs. Tourism is one of Alaska's fastest growing industries. Tourists do not visit Alaska to see thousands of acres of clearcuts. They come to enjoy the towering Sitka spruce and hemlock, ancient trees 6 to 8 feet in diameter that have taken hundreds of years to reach maturity. They come to experience millions of acres of undisturbed wilderness in one of the last remaining rain forests in the temperate zones of the world. Roadbuilding and clearcutting will only turn them away.

Salmon fishing is another flourishing industry in southeast Alaska; 90 percent of the $75 million annual salmon catch in southeast Alaska was hatched in the streams and lakes of the Tongass.

The current Federal long-term program threatens those jobs. I urge a vote in opposition to the Agriculture Committee substitute.

Mr. Chairman, I rise in support of the Interior substitute for H.R. 987, the Tongass Timber Reform Act. This legislation is essential to bring about needed reforms in the management of the Tongass Forest, North America's last primeval rain forest. I support this legislation for several reasons:

First, the Tongass Timber Program is an economic disaster—a classic case of corporate welfare. Presently $40 to $50 million each year is automatically appropriated to the Tongass timber supply fund to maintain a steady supply to timber to two pulp mills. In 1988, Tongass timber sale expenditures totaled $42.4 million. That same year timber sale receipts amounted to $1.2 million—resulting in a net outlay of $41.2 million. Over the past 7 years the Timber Program has seen an average annual loss of $50.5 million. You don't have to be an environmentalist—just a taxpayer—to ask why the Forest Service continues to prepare timber that the market cannot absorb.

Second, this program actually threatens jobs. Tourism is the region's fastest growing industry. Tourists don't visit Alaska to see thousands of acres of clear cuts. They come to enjoy the towering Sitka spruce and hemlock, ancient trees 6 to 8 feet in diameter, that have taken hundreds of years to reach maturity. They come to experience millions of acres of undisturbed wilderness in one of the last remaining rain forests in the temperate zones of the world. Roadbuilding and clearcutting will only turn them away.

Salmon fishing is another flourishing industry in southeast Alaska. An estimated 90 percent of the $75 million annual salmon catch in southeast Alaska was hatched in the streams and lakes of the Tongass. The timbering operations devastate hundreds of thousands of acres of prime hunting and fishing habitat. Clearly the long-term health of the forest is of great value to both the tourist and fishing industries. The Forest Service is putting these two prosperous, tax-paying industries at risk with a doomed effort to support the faltering timber industry. By subsidizing 1,781 timber jobs in the Tongass, the program jeopardizes 3,500 jobs in the fishing industry and 3,600 jobs in the tourism industry in southeast Alaska.

Finally, continuation of the Tongass program would be an environmental disaster. The Tongass is one of the last remaining rain forests in the temperate zones of the world. It is home to the world's largest concentrations of grizzly bears and bald eagles. Sitka blacktailed deer thrive in this old-growth forest, protected by the massive forest canopy from periodic deep snows during the harsh winter months. To say that the animals depend on the forest is an understatement. The Tongass is an enormously complex and delicate combination of ecosystems fit together in ways that biologists are just beginning to understand. This magnificent forest is threatened with destruction by the Timber Program. It would be bad enough to permit its destruction if we needed the resources, but to subsidize it is intolerable.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Agriculture Committee substitute.

Mr. Chairman, we have had a lively debate here on the floor. I think we have come to about the end of it, where we will get a choice between the Agriculture Committee substitute and the Interior Committee bill. It is quite a distinct choice, because the status quo which has continued to rob tens of millions of dollars from the taxpayers of this country for over 30 years to force feed timber to these two pulp mills for the purpose of creating jobs.

As we have audited that program over the last decade, as we have investigated and reviewed it, what has become very clear is these mills have made a lot of money. They have made a lot of money because they have been living off taxpayer dollars.

The employment that we thought we were going to bring to southeast Alaska did not come. In fact, the employment in the timber industry has been going down, but somehow the Agriculture Committee would tell Members of this House that they must commit themselves to taking another half a billion dollars from the taxpayers over the remaining life of these contracts on some notion of a mindless commitment to these contracts, even though the other parties to the contracts have in fact breached the contracts and owe the Federal Government $80 million for the breach of those contracts.

Now, the Agriculture Committee would lead you to believe that if they simply direct the Forest Service to renegotiate these contracts, the Forest Service will do that. When we asked the Forest Service to renegotiate in the bill last year, they opposed that bill. When this Congress passed that bill overwhelmingly, the Forest Service continued to refuse to make the fundamental changes.

Now, a lot of people said that if you vote for the Interior Committee bill you are going to cause people to lose their jobs, 6,000 people. There is no evidence in the record that will take place at all.

They have said if you vote for the Interior Committee bill that the timber will be gone and these mills will close. The Interior Committee bill allows more timber to be offered to these mills than they have ever cut during their lifetime by about 100 million board feet each and every year.

Why? Because we preserve the timber economy in the Interior Committee bill. What we do not preserve is the raid on the taxpayers. We say to the Ketchikan Pulp Co., we say to the Alaska Pulp Co., "Get your hands out of our pockets. Go out and compete in the free-enterprise system. For 30 years you have been milking us; now go out and try it on your own." Other mills do it. The timber industry all over the country competes with one another, and they have down years and up years, and there are years that we make more timber available when they are having a tough time, and there are years when we restrict it.

□ 1350

Only in this forest do we force-feed this industry no matter what the economy is, no matter what the market is. Why? Because they can export the pulp. They can export the valuable logs.

Some people have said it is getting better; the price has been rising under the Forest Service renegotiations. Even the most recent figures cited here, the fact of the matter is, they are still 10 times below the value that the Forest Service puts on those logs and maybe 20 times below the value that those logs are then sold for in Japan.

In the Reid Bros. investigation, what have we seen? We have seen the very same companies that have used the taxpayer dollars to build the roads and to harvest the timber double escrow. We know the term. They double escrow it. They buy it, one company buys it from the U.S. Treasury for $1.48. They sell it immediately to a dummy company. The dummy company sells it to another, and they turn around and sell it to the pulp mill. Then the pulp mill sells it to another company that sells it in Japan. Is that what Members want to be party to? Is that what Members want their constituents to be party to? Because if

Members do not cancel the contract, it is another half-billion dollars.

The Committee on Agriculture says that we can just not walk away from the contracts. What do they do? They say to the Forest Service, "Change these contracts, and if necessary, do it unilaterally."

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Mr. Chairman, they say to do it unilaterally, because they are in the spirit of honoring contracts. The Committee on Agriculture says, in section 102(b), "We will deem what you do in conformance with the contracts." Do Members really believe they are going to escape a lawsuit? Do they really believe that?

The damages that have been discussed here are only if the pulp mills do not have timber. But they have a guarantee under our bill of more timber than they have ever cut in the last decade.

It has been a long and tortuous task for this committee, for the Committee on Appropriations. We have tried to reform this program time and again with directives to the Forest Service. They have chosen not to do that.

The Committee on Agriculture has reviewed these contracts, and I want to say how much I appreciate the views and the support of members of the Committee on Agriculture for the Committee on the Interior bill, of the gentleman from California [Mr. BROWN], my colleague, the gentleman from Kansas [Mr. GLICKMAN], the gentleman from North Carolina [Mr. ROSE], the gentleman from North Carolina [Mr. LANCASTER], the gentleman from West Virginia [Mr. STAGGERS], the people who sat in that committee and reviewed this and determined that the Committee on the Interior is headed in the right direction, the gentleman from Indiana [Mr. JONTZ], the gentleman from Minnesota [Mr. PENNY], the gentleman from South Carolina [Mr. TALLON], the gentleman from South Dakota [Mr. JOHNSON], the gentleman from Colorado [Mr. CAMPBELL], the gentleman from Maryland [Mr. DYSON], the gentleman from Iowa [Mr. NAGLE], and the gentleman from Georgia [Mr. HATCHER]. They understand the impact of that bill on the taxpayers. That is why these contracts must be terminated, because no other activity by the Committee on Appropriations, by the Committee on Agriculture, or by the Committee on the Interior has brought about the kind of reforms that are necessary to save the economy in southeast Alaska, to save this resource, and finally to save the taxpayers' money that they are entitled to be saved.

I would ask for a no vote on the Agriculture substitute.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Alaska has already been recognized on this amendment.

Mr. YOUNG of Alaska. Mr. Chairman, I ask unanimous consent to proceed.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska [Mr. YOUNG] to allow the gentleman to take 5 minutes?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, I would not object if I am accorded the same unanimous-consent request. The gentleman has already spoken.

The CHAIRMAN. Does the gentleman from California object?

Mr. MILLER of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MORRISON of Washington. Mr. Chairman, I move to strike the last word.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Washington. I am happy to yield to my colleague, the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I would just like to thank the committee for listening to this lengthy debate and thank the Members who have indicated that they would support the Agriculture bill in the sense of justice and fairness, and urge those who are seeking the passage of 987 that has come out of Interior to reconsider.

I also would like to clarify two things. I sat through this bill and the redwood forest legislation by the former and great colleague, Mr. Burton, and listened to the same speech my friend, the gentleman from California, made about the redwoods and how it was not going to have a loss of jobs. There are no jobs in the redwoods, and it has cost us $1,400,000,000, and that is just the beginning. The Agriculture bill saves money.

There has been a lot of reference to the Taxpayers' Union. I would like to ask who they are, and who do they represent. Because if they had analyzed these two bills, the Agriculture bill saves over $400 million more than the Interior bill. I would like to have the so-called nonprofit organization, their broad members, check out their legislative liaison and find out who she really represents, because if she wants to save the taxpayers money, she will support the Agriculture bill. She is out here shilling for the Interior bill, and I question that.

Those who have an alliance to the Taxpayers' Union had better look at these figures very closely, because the Agriculture bill saves a great deal more money than the Interior bill. The difference is that the Agriculture bill keeps the industry and the people of Alaska working, and the Interior bill puts them out of work and removes them from Alaska, and that is the intent of the Interior bill. That is all it is.

I am asking my colleagues to vote yes on the Agriculture bill and give us a resounding vote of what is right for the Nation, what is right for the State, and what is directly honest to the people of this great Nation.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. DE LA GARZA], as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MILLER of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 114, noes 269, not voting 18, as follows:

[Roll No. 137]

AYES—144

Anderson	Hall (TX)	Regula
Anthony	Hammerschmidt	Rhodes
Applegate	Hancock	Ridge
Archer	Hansen	Roberts
Armey	Harris	Robinson
Baker	Hayes (LA)	Rogers
Ballenger	Hefley	Rohrabacher
Barton	Herger	Roth
Bateman	Holloway	Sarpalius
Bentley	Houghton	Schaefer
Bereuter	Hubbard	Schiff
Bevill	Huckaby	Schuette
Bliley	Hunter	Schulze
Bosco	Inhofe	Shumway
Broomfield	Johnson (CT)	Shuster
Brown (CO)	Jones (NC)	Skeen
Bunning	Kasich	Skelton
Burton	Kyl	Slaughter (VA)
Bustamante	Lagomarsino	Smith (IA)
Callahan	Laughlin	Smith (MS)
Chandler	Lent	Smith (NE)
Chapman	Lewis (CA)	Smith (TX)
Clinger	Lewis (FL)	Smith, Denny (OR)
Coleman (MO)	Lightfoot	Smith, Robert (OR)
Coleman (TX)	Livingston	Solomon
Combest	Lowery (CA)	Stallings
Cox	Madigan	Stangeland
Craig	Marlenee	Stearns
Crane	McCandless	Stenholm
Dannemeyer	McCollum	Stump
Davis	McCrery	Sundquist
de la Garza	McDade	Swift
Dickinson	McEwen	Tauzin
Dornan (CA)	Michel	Thomas (CA)
Dreier	Miller (OH)	Thomas (GA)
Duncan	Molinari	Thomas (WY)
Emerson	Mollohan	Upton
Espy	Montgomery	Vander Jagt
Fields	Moorhead	Volkmer
Flippo	Morrison (WA)	Vucanovich
Gallegly	Myers	Walker
Gallo	Nielson	Walsh
Gekas	Oberstar	Watkins
Gingrich	Olin	Whittaker
Goodling	Ortiz	Wylie
Gradison	Oxley	Young (AK)
Grandy	Packard	
Grant	Parker	
Gunderson	Pashayan	

VOL 135 PT 10 JE 23 JL 13 1989 UMI

NOES—269

Ackerman	Gray	Paxon
Akaka	Green	Payne (NJ)
Alexander	Guarini	Payne (VA)
Andrews	Hall (OH)	Pease
Annunzio	Hamilton	Pelosi
Aspin	Hatcher	Penny
Atkins	Hawkins	Perkins
AuCoin	Hayes (IL)	Petri
Barnard	Hefner	Pickett
Bartlett	Henry	Pickle
Bates	Hertel	Porter
Bellenson	Hiler	Pushard
Bennett	Hoagland	Price
Berman	Hochbrueckner	Pursell
Bilbray	Horton	Rahall
Bilirakis	Hoyer	Rangel
Boehlert	Hughes	Ray
Boggs	Hutto	Richardson
Bonior	Ireland	Rinaldo
Borski	Jacobs	Ritter
Boucher	James	Roe
Boxer	Jenkins	Rose
Brennan	Johnson (SD)	Rostenkowski
Brooks	Johnston	Roukema
Browder	Jones (GA)	Rowland (CT)
Brown (CA)	Jontz	Rowland (GA)
Bruce	Kanjorski	Roybal
Bryant	Kaptur	Russo
Buechner	Kastenmeier	Sabo
Byron	Kennedy	Saiki
Campbell (CA)	Kennelly	Sangmeister
Campbell (CO)	Kildee	Savage
Cardin	Kolbe	Sawyer
Carper	Kolter	Saxton
Carr	Kostmayer	Scheuer
Clarke	LaFalce	Schneider
Clay	Lancaster	Schroeder
Clement	Lantos	Schumer
Coble	Leach (IA)	Sensenbrenner
Conte	Lehman (CA)	Sharp
Cooper	Lehman (FL)	Shaw
Costello	Leland	Shays
Coughlin	Levin (MI)	Sikorski
Coyne	Levine (CA)	Slattery
Crockett	Lewis (GA)	Skaggs
Darden	Lipinski	Slattery
DePazio	Lloyd	Slaughter (NY)
Dellums	Long	Smith (FL)
Derrick	Lowey (NY)	Smith (NJ)
DeWine	Lukens, Thomas	Smith (VT)
Dicks	Lukens, Donald	Smith, Robert (NH)
Dingell	MacKay	Snowe
Dixon	Manton	Solarz
Donnelly	Markey	Spence
Dorgan (ND)	Martin (IL)	Spratt
Douglas	Martinez	Staggers
Downey	Matsui	Stark
Durbin	Mavroules	Stokes
Dwyer	Mazzoli	Studds
Dymally	McCloskey	Synar
Dyson	McCurdy	Tallon
Early	McDermott	Tanner
Eckart	McGrath	Taukc
Edwards (CA)	McHugh	Torres
Engel	McMillan (NC)	Torricelli
Erdreich	McMillen (MD)	Towns
Evans	McNulty	Traficant
Fascell	Meyers	Traxler
Fawell	Mfume	Udall
Fazio	Miller (CA)	Unsoeld
Feighan	Miller (WA)	Valentine
Fish	Mineta	Vento
Flake	Moakley	Vislosky
Florio	Moody	Waigren
Foglietta	Morella	Waxman
Ford (MI)	Morrison (CT)	Weber
Ford (TN)	Mrazek	Weiss
Frank	Murtha	Weldon
Frost	Natcher	Wheat
Garcia	Neal (MA)	Whitten
Gaydos	Neal (NC)	Williams
Gejdenson	Nelson	Wilson
Gephardt	Nowak	Wise
Gibbons	Oakar	Wolf
Gillmor	Obey	Wolpe
Gilman	Owens (NY)	Wyden
Glickman	Owens (UT)	Yates
Gonzalez	Pallone	Yatron
Gordon	Panetta	Young (FL)
Goss	Patterson	

NOT VOTING—18

Collins	Courter	Edwards (OK)
Conyers	DeLay	English
Frenzel	Kleczka	Nagle
Hastert	Leath (TX)	Parris
Hopkins	Martin (NY)	Quillen
Hyde	Murphy	Ravenel

□ 1416

The Clerk announced the following pairs:

On this vote:

Mr. Hastert for, with Mr. Conyers against.

Mr. Quillen for, with Mr. Kleczka against.

Mrs. LLOYD and Messrs. DONALD E. "BUZ" LUKENS, BROOKS, BUECHNER, DICKS, PAXON, and HILER changed their vote from "aye" to "no."

Mr. McEWEN and Mr. ARCHER changed their vote from "no" to "aye."

So the amendment in the nature of a substitute, as amended, was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. KLECZKA. Mr. Chairman, I was unavoidably detained on rollcall vote No. 137. Had I been here, I would have voted "no."

The CHAIRMAN. Are there further amendments to section 1?

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent that the remainder of the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The balance of the text of H.R. 987 is as follows:

TITLE I—ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT AMENDMENTS

SEC. 101. TO REQUIRE ANNUAL APPROPRIATIONS FOR TIMBER MANAGEMENT AND RESOURCE CONSERVATION ON THE TONGASS NATIONAL FOREST.

Section 705(a) of the Act (16 U.S.C. 539d.(a)) is repealed effective October 1, 1989.

SEC. 102. IDENTIFICATION OF LANDS UNSUITABLE FOR TIMBER PRODUCTION.

Section 705(d) of the Act (16 U.S.C. 539d(d)) is hereby repealed.

SEC. 103. FUTURE REPORTS ON THE TONGASS NATIONAL FOREST.

(a) MONITORING.—The second sentence of section 706(a) of the Act (16 U.S.C. 539e.(a)) is hereby repealed.

(b) STATUS.—Section 706(b) of the Act (16 U.S.C. 539e.(b)) is amended as follows:

(1) Strike out "and (4)" and insert in lieu thereof "(4)".

(2) Strike out the period at the end of the section and insert in lieu thereof ", and (5) the impact of timber management on subsistence resources, wildlife, and fisheries habitats.".

(c) CONSULTATION.—Section 706(c) of the Act (16 U.S.C. 539e.(c)) is amended by striking out "and the Alaska Land Use Council" and inserting in lieu thereof "the southeast Alaska commercial fishing industry, and the Alaska Land Use Council".

SEC. 104. ADMINISTRATION.

Section 705 (16 U.S.C. 539d) of the Act is amended by adding at the end thereof the following:

"(e) FISHERIES PROTECTION.—In order to assure protection of riparian habitat, the Secretary of Agriculture shall maintain a minimum buffer zone width of 100 feet, consisting of natural, existing undisturbed forest, on each side of all anadromous fish streams and their tributaries in the Tongass National Forest within which logging shall be prohibited.

"(f) TENAKEE SPRINGS ROAD PROHIBITION.—A vehicular access road connecting the Indian River and Game Creek roads may not be constructed, and the Secretary of Agriculture shall not engage in any further efforts to connect the city of Tenakee Springs with the logging road system on Chicagof Island.".

TITLE II—TERMINATION OF LONG-TERM TIMBER SALE CONTRACTS IN ALASKA

SEC. 201. TERMINATION.

Title V of the Act is amended by adding at the end thereof the following new section:

"SEC. 508. TERMINATION OF LONG-TERM TIMBER SALE CONTRACTS IN ALASKA.

"(a) FINDING.—The Congress hereby finds and declares that it is in the national interest to assure that valuable public resources in the Tongass National Forest are protected and wisely managed. Termination of the long-term timber sale contracts is necessary because the contracts prevent proper Forest Service Management, allow the holders to concentrate logging in the rare, high-volume old growth forest most valuable for fish and wildlife habitat, threaten natural resource dependent communities and industries, and undermine competition within the southeast Alaska timber industry.

"(b) TERMINATION OF LONG-TERM TIMBER SALE CONTRACTS.—Not later than 90 days after the date of enactment of this section, the Secretary of Agriculture shall terminate the long-term timber sale contracts numbered 12-11-010-1545 and A10fs-1042 between the United States and Alaska Pulp Corporation, and between the United States and Ketchikan Pulp Company, respectively.

"(c) SUBSTITUTION OF SHORT-TERM TIMBER SALES.—The Secretary of Agriculture is authorized to make available sufficient volumes of timber to meet actual market demand as determined pursuant to planning process specified in section 6 of the Forest and Rangeland Renewable Resource Planning Act of 1974 and other applicable laws. Timber sales shall be offered for competitive bid and administered consistent with standard, short-term timber sales on other national forests.".

TITLE III—WILDERNESS

SEC. 301. ADDITIONAL WILDERNESS AREAS.

(a) DESIGNATION.—Section 703 of the Act is amended by adding at the end thereof the following:

"(c) DESIGNATION OF ADDITIONAL WILDERNESS ON THE TONGASS NATIONAL FOREST.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131-1136), the following lands within the Tongass National Forest in the State of Alaska are hereby designated as wilderness and therefore as components of the National Wilderness Preservation System:

"(1) ANAN CREEK WILDERNESS.—Certain lands which comprise approximately 38,415 acres, as generally depicted on a map entitled 'Anan Creek Wilderness—Proposed' and

dated May, 1989, which shall be known as the Anan Creek Wilderness.

"(2) BERNERS BAY WILDERNESS.—Certain lands which comprise approximately 46,135 acres, as generally depicted on a map entitled 'Berners Bay Wilderness—Proposed' and dated May, 1989, which shall be known as the Berners Bay Wilderness.

"(3) CALDER-HOLBROOK WILDERNESS.—Certain lands which comprise approximately 68,693 acres, as generally depicted on a map entitled 'Calder-Holbrook Wilderness—Proposed' and dated May, 1989, which shall be known as the Calder-Holbrook Creek Wilderness.

"(4) CHICHAGOF WILDERNESS.—Certain lands which comprise approximately 347,733 acres, as generally depicted on a map entitled 'Chichagof Wilderness—Proposed' and dated May, 1989, which shall be known as the Chichagof Wilderness.

"(5) CHUCK RIVER WILDERNESS.—Certain lands which comprise approximately 124,539 acres, as generally depicted on a map entitled 'Chuck River Wilderness—Proposed' and dated May, 1989, which shall be known as the Chuck River Wilderness.

"(6) KADASHAN WILDERNESS.—Certain lands which comprise approximately 34,044 acres, as generally depicted on a map entitled 'Kadashan Wilderness—Proposed' and dated May, 1989, which shall be known as the Kadashan Wilderness.

"(7) KARTA RIVER WILDERNESS.—Certain lands which comprise approximately 39,886 acres, as generally depicted on a map entitled 'Karta River Wilderness—Proposed' and dated May, 1989, which shall be known as the Karta River Wilderness.

"(8) KEGAN LAKE WILDERNESS.—Certain lands which comprise approximately 24,655 acres, as generally depicted on a map entitled 'Kegan Lake Wilderness—Proposed' and dated May, 1989, which shall be known as the Kegan Lake Wilderness.

"(9) NAHA RIVER WILDERNESS.—Certain lands which comprise approximately 31,794 acres, as generally depicted on a map entitled 'Naha River Wilderness—Proposed' and dated May, 1989, which shall be known as the Naha River Wilderness.

"(10) NUTKWA WILDERNESS.—Certain lands which comprise approximately 52,654 acres, as generally depicted on a map entitled 'Nutkwa Wilderness—Proposed' and dated May, 1989, which shall be known as the Nutkwa Wilderness.

"(11) OUTSIDE ISLANDS WILDERNESS.—Certain lands which comprise approximately 98,572 acres, as generally depicted on a map entitled 'Outside Islands Wilderness—Proposed' and dated May, 1989, which shall be known as the Outside Islands Wilderness.

"(12) PLEASANT-LEMESURIER-INIAN ISLANDS WILDERNESS.—Certain lands which comprise approximately 23,140 acres, as generally depicted on a map entitled Pleasant-Lemesurier-Inian Islands Wilderness—Proposed' and dated May, 1989, which shall be known as the Pleasant-Lemesurier-Inian Islands Wilderness.

"(13) POINT ADOLPHUS-MUD BAY WILDERNESS.—Certain lands which comprise approximately 73,346 acres, as generally depicted on a map entitled 'Point Adolphus-Mud Bay Wilderness—Proposed' and dated May, 1989, which shall be known as the Point Adolphus-Mud Bay Wilderness.

"(14) PORT HOUGHTON-SANBORN CANAL WILDERNESS.—Certain lands which comprise approximately 58,915 acres, as generally depicted on a map entitled 'Port Houghton-Sanborn Canal Wilderness—Proposed' and dated May, 1989, which shall be known as the Port Houghton-Sanborn Canal Wilderness.

"(15) ROCKY PASS WILDERNESS.—Certain lands which comprise approximately 75,734 acres, as generally depicted on a map entitled 'Rocky Pass Wilderness—Proposed' and dated May, 1989, which shall be known as the Rocky Pass Wilderness.

"(16) SARKAR LAKES WILDERNESS.—Certain lands which comprise approximately 25,650 acres, as generally depicted on a map entitled 'Sarkar Lakes Wilderness—Proposed' and dated May, 1989, which shall be known as the Sarker Lakes Wilderness.

"(17) SOUTH ETOLIN ISLAND WILDERNESS.—Certain lands which comprise approximately 83,642 acres, as generally depicted on a map entitled 'South Etolin Island Wilderness—Proposed' and dated May, 1989, which shall be known as the South Etolin Island Wilderness.

"(18) SOUTH KUIU WILDERNESS.—Certain lands which comprise approximately 191,532 acres, as generally depicted on a map entitled 'South Kuiu Wilderness—Proposed' and dated May, 1989, which shall be known as the South Kuiu Wilderness.

"(19) SULLIVAN ISLAND WILDERNESS.—Certain lands which comprise approximately 4,032 acres, as generally depicted on a map entitled 'Sullivan Island Wilderness—Proposed' and dated May, 1989, which shall be known as the Sullivan Island Wilderness.

"(20) TRAP BAY WILDERNESS.—Certain lands which comprise approximately 6,667 acres, as generally depicted on a map entitled 'Trap Bay Wilderness—Proposed' and dated May, 1989, which shall be known as the Trap Bay Wilderness.

"(21) WEST DUNCAN CANAL WILDERNESS.—Certain lands which comprise approximately 134,627 acres, as generally depicted on a map entitled 'West Duncan Canal Wilderness—Proposed' and dated May, 1989, which shall be known as the West Duncan Canal Wilderness.

"(22) YAKUTAT FORELANDS WILDERNESS.—Certain lands which comprise approximately 220,268 acres, as generally depicted on a map entitled 'Yakutat Forelands Wilderness—Proposed' and dated May, 1989, which shall be known as the Yakutat Forelands Wilderness.

"(23) YOUNG LAKE WILDERNESS ADDITION TO ADMIRALITY ISLAND NATIONAL MONUMENT.—Certain lands which comprise approximately 18,702 acres, as generally depicted on a map entitled 'Young Lake Wilderness—Proposed' and dated May, 1989, which shall be managed as an addition to the Admiralty Island National Monument.

"(d) APPLICATION OF SECTION 1315(E).—Section 1315(e) of this Act (16 U.S.C. 3202(e)) shall not apply to the wilderness designated by subsection (c).".

"(b) ADMINISTRATION.—Section 707 of the Act is amended by adding the following at the end thereof: "Subject to valid existing rights, the wilderness areas designated in amendments made to section 703(c) of this Act by the Tongass Timber Reform Act shall be administered by the Secretary of Agriculture in accordance with this section, except that, in the case of such areas, any reference in the provisions of the Wilderness Act to the effective date of the Wilderness Act (or any similar reference) shall be deemed to be a reference to the date of enactment of the Tongass Timber Reform Act."

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: On page 3 by striking on line 10 "Section 705(a)" and inserting "(a) Section 705(a)"; and

On page 3 by striking lines 18 and 19 and inserting the following:

"(a) MONITORING.—Section 706(a) of the Act (16 U.S.C. 539e(a)) is amended—

"(1) by striking 'the Committee on Interior and Insular Affairs' and inserting 'the Committee on Agriculture and the Committee on Interior and Insular Affairs'; and

"(2) by striking the second sentence and inserting the following new sentence: 'This report shall include a complete analysis of the losses or gains sustained by the United States Government with respect to long-term, short-term and total sales of timber from the Tongass National Forest using information from the statement on revenues and expenses of the Timber Sale Program Information Reporting System and shall display total costs, unit costs (per thousand board feet of timber sold or released) and associated revenues, for the current and previous two years of operations.' ".

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman and members of the committee, this amendment is part of the Agriculture substitute which was agreeable to the Committee on Interior which we had worked out previously and was also included in last year's Tongass bill. It consists of a modification of existing requirements for annual reports on timber supply and demand as provided in ANILCA, section 706(a).

□ 1420

I believe the gentleman from California is willing to accept the amendment, and I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, we have looked at the amendment. We have no problem with it, and would agree to accept it.

Mr. VOLKMER. Mr. Chairman, I yield to the gentleman from Washington.

Mr. MORRISON of Washington. Mr. Chairman, we are delighted with the amendment and thank the gentleman for offering it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. VOLKMER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OLIN

Mr. OLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIN: H.R. 987 is amended by adding at the end the following:

VOL 135 PT 10 23 — JL 13 1989 JE UMI

"TITLE IV—IMPROVEMENT OF THE MANAGEMENT OF THE TONGASS NATIONAL FOREST.

"SECTION 401. MANAGEMENT OF THE TONGASS NATIONAL FOREST.

"(a) FINDINGS.—The Congress finds that—

"(1) the commercial fishing, recreation, timber, and tourism industries each make a substantial contribution to the economy of southeast Alaska and their ability to contribute in the future depends upon balanced planning and management of the Tongass National Forest; and

"(2) the Secretary of Agriculture should plan and manage the Tongass National Forest in manner that adequately protects and enhances fish, wildlife, and recreation resources, as well as timber, and should act in the long-term best interests of all natural resources dependent industries and subsistence communities in southeast Alaska.

"(b) PURPOSES.—The purposes of this section are to require the Secretary of Agriculture to—

"(1) assess the extent to which planning and management of the Tongass National Forest prior to the enactment of this Act has differed from planning for, and management of, other national forests; and

"(2) change, in conformance with laws applicable to the National Forest System, planning and management priorities regarding the Tongass National Forest so as to assure that greater emphasis is given to the long-term best interests of the commercial fishing, recreation, and tourism industries, subsistence communities in southeast Alaska, and the national interest in the fish and wildlife and other natural resources of the Tongass National Forest.

"(c) DIRECTIVE.—The Secretary of Agriculture is authorized and directed to take such steps as are necessary in current management practices and in revisions of the Tongass land management plan to achieve the purposes described in subsection (b).

"(d) OLD-GROWTH FOREST MANAGEMENT.—In developing the land management plan for the Tongass National Forest pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, the Secretary shall—

"(1) provide for sustained production of old-growth forest resources within the Tongass National Forest; and

"(2) upon completion of the draft of such plan, which shall be completed in any event not later than one year after the date of enactment of this Act, report to the Committees on Agriculture and on Interior and Insular Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on provisions incorporated into such plan to meet the objective set forth in paragraph (1). The report shall include—

"(A) the definition of the term 'old-growth forest' used for purposes of such plan;

"(B) the quantity and distribution of old-growth forest in the Tongass National Forest;

"(C) the management objectives and guidelines incorporated into such plan to provide for sustained production of old-growth forest resources;

"(D) the criteria used to determine how to integrate old-growth forest management objectives into the plan; and

"(E) the relationship between old-growth forest management objectives and other resource management goals affecting timber, fish, and wildlife, water quality, recreation, subsistence uses, and aesthetics."; and

By striking on page 3 line 24 on page 3 through line 2 on page 4 and inserting the following:

"(2) strike the period at the end of the section and insert ', (5) the impact of timber management on subsistence resources, wildlife, and fisheries habitats, and (6) the steps taken by the Secretary of Agriculture under section 401(c) of the Tongass Timber Reform Act.'.".

Mr. OLIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. OLIN. Mr. Chairman, this amendment deals with the instructions to the Secretary to give greater emphasis to nontimber resources in the Tongass, and directs the Secretary to provide for sustained production of old growth forest.

Mr. Chairman, I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, we had a chance to examine the amendment. It is a very good amendment. I think it recognizes what we all do, the emerging diversity of the economy of southeast Alaska. We would be willing to accept it. I thank the gentleman for his work on behalf of the amendment.

Mr. OLIN. Mr. Chairman, I yield to the gentleman from Washington [Mr. MORRISON].

Mr. MORRISON of Washington. Mr. Chairman, this language is listed in the management section of the Agriculture substitute and reflects what we think is a responsible approach to management of this area. I compliment the gentleman and am pleased he offered this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. OLIN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: H.R. 987 is amended on page 4 by striking lines 11 through 17 and inserting the following:

"(e) FISHERIES PROTECTION.—The Secretary of Agriculture shall maintain a minimum buffer zone of 100 feet on each side of all anadromous fish streams in the Tongass National Forest. Logging shall be prohibited within such buffer zone. The Secretary shall also maintain a buffer zone along all tributaries of such streams in accordance with best management practices for water quality.".

Mr. VOLKMER. (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, this amendment directs itself to the language in the Interior bill having to do with buffer zones, along an anadromous stream where there is hatching of the fish, and its changes the language in the Interior bill. The Interior bill is very exclusive, put it that way. It almost covered most of the forest prohibiting any forestry in that. This language had been worked with the Alaska sailors, language that they provided, the fishermen in Alaska, to Members, in order to clarify that, and does give protection to the streams where the fishing, the hatcheries are for the fish, for salmon, while, at the same time it does permit outside of buffer zones for timber to be cut. It also provides for crossing of streams, which the Interior bill did not do, so that a person cannot go ahead and cut in other areas.

Mr. Chairman, I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. In reading the gentleman's amendment in the RECORD, it says the Secretary of Agriculture shall maintain a minimum buffer zone of 100 feet on each side of the anadromous fish streams in the Tongass National Forest. Logging shall be permitted within such buffer zone.

Is logging defined as the destruction of the falling of trees, in order to construct those roads or in the case of building bridges?

Mr. VOLKMER. Yes.

Mr. YOUNG of Alaska. And you cannot cross the buffer zone?

Mr. VOLKMER. Yes, you can cross the buffer zone. Logging does not include crossing streams.

Mr. YOUNG of Alaska. If the gentleman continues to yield, is there objection to offering that "access to class of buffer zone shall be maintained"?

Mr. VOLKMER. I do not know if the gentleman wants to say "shall" be maintained. I have reservations about requiring them to build them.

Mr. YOUNG of Alaska. I am concerned the way the language is written, that one of these local lawyers that are trying to make livings out of other people's corpses are going to say that no logging shall occur in the one zone, and in fact, that will be the interpretation that there will be court action, because in fact, a falling of a tree to build a road or a bridge is logging, and you cannot have a buffer zone if you cannot go across it to get to the other area.

Mr. VOLKMER. It is our intention in working with the Forest Service on this, also, that this language would permit the crossing of streams. Would not it permit the building of roads, within that buffer zone? I mean, along that period?

Mr. YOUNG of Alaska. If the gentleman continues to yield, my problem with this language, if I go from A to C, and I have to cross B, which is a buffer zone, to get to C, a reasonable and environmentally safe area, according to this language, I will not be able to go across the stream.

Mr. VOLKMER. It is my understanding from the Forest Service that one would be able to.

Mr. YOUNG of Alaska. Any objection to offering language to say one can?

Mr. VOLKMER. That one would be able to permit it for the purpose of crossing streams?

Mr. YOUNG of Alaska. Would be able to cross streams.

Mr. VOLKMER. I have no objection to allowing, not mandating.

Mr. YOUNG of Alaska. Will the gentleman continue to yield, no, not mandate.

Mr. VOLKMER. I yield to the gentleman from California.

Mr. MILLER of California. I do not know what the gentlemen are arguing about, because the Interior bill allows one to cross streams also.

Mr. YOUNG of Alaska. Not in your language.

Mr. MILLER of California. My language clearly specifies that the National Marine Fishing Service policy applies. I am representing to the gentleman that the buffer zone language allows the crossing of streams, as represented in the letter and intent of this gentleman's language in the bill.

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. JONTZ

Mr. JONTZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONTZ: H.R. 987 is amended on page 4 by striking lines 11 through 17 and inserting the following:

"'(d) FISHERIES PROTECTION.—In order to assure protection of riparian habitat, the Secretary of Agriculture shall maintain a buffer zone of a minimum of 100 feet in width within which logging shall be prohibited on each side of all anadromous fish streams in the Tongass National Forest, and their tributaries, except those tributaries with no resident fish populations which are intermittent in flow, or have flow of inadequate magnitude to directly influence downstream fish habitat.".

Mr. JONTZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JONTZ. Mr. Chairman, I rise today to offer an amendment designed to clarify the language included in the Interior Committee's bill, H.R. 987, with regard to fisheries buffer zones. I am concerned that the language now in the bill could be misinterpreted to mean that all of the tributaries of anadromous streams in the Tongass National Forest will require a 100-foot buffer zone on both sides.

My proposed amendment is based on the policy issued by the National Marine Fisheries Service in 1988, which employs the U.S. Forest Service Stream Classification system. The Forest Service has previously used this policy to calculate the impact of buffer zones on timber supply in a 140,000-acre area within the Tongass at North Kuiu Island. They found that only 9 percent of the productive forest land would be removed with a 100-foot buffer zone around streams and tributaries that fit the specifications in the proposed amendment.

Thus, the 22-percent discrepancy between the two Forest Service estimates—one using the NMFS system, and one not—results from the inclusion of small tributaries.

To avoid any unnecessary conflicts with regard to this section, my amendment specifies that buffer zones of 100 feet would be required on both sides of all anadromous streams and their tributaries except those which do not have resident fish populations and do not flow year-round, or those whose flow is not of great enough magnitude to directly affect downstream fish habitat.

I believe that this language will alleviate concerns of the Forest Service that the current timber supply level will be unreasonably reduced as a result of the proposed buffer zones in the Interior Committee's bill. I would like to thank my colleague for yielding this time, and I urge the passage of the amendment.

I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I would like to say we have had a chance to examine the amendment and would accept the amendment. I know this was a major concern by the members on the Committee on Agriculture that somehow there was a scheme being designed where we would use buffer zones to set off more land than was necessary, and that is not, in fact, true.

Under the policy designed by the National Marine Fisheries Service, they allow for the crossing of the buffer zones.

□ 1430

As the gentleman from Alaska has pointed out, it is obviously very important that we have the ability to do that, should they be logging in other areas, at the same time protecting the water quality and the riparian needs of these streams. The gentleman from Indiana has worked with this amendment for some time. It addresses the concerns that the gentleman from Missouri [Mr. VOLKMER] had, and we will be more than willing to work with the gentleman from Alaska [Mr. YOUNG] the gentleman from Missouri [Mr. VOLKMER], and the gentleman from Indiana [Mr. JONTZ] on this issue, because we recognize that while it is important in terms of the preservation of fish and streams, it is also important so we can continue to make full utilization of the land.

Mr. Chairman, at this point I enter into the RECORD the statement of policy, the letter from the National Marine Fisheries, as to the policy about crossing streams.

Mr. Chairman, the text of the letter is as follows:

Auke Bay, AK, July 3, 1989.

Hon. GEORGE MILLER,
Chairman, Subcommittee on Water, Power, and Offshore Energy Resources, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN MILLER: This is in response to your June 14, 1989 letter requesting an analysis of the protected timber supply impacts of Section 104 of the Tongass Timber Reform Act (H.R. 987, House Report 101-84). I am writing you on my own behalf as a professional fisheries research biologist with about 25 years experience studying the effects of logging on salmonids. An official National Marine Fisheries Service response will follow shortly.

Abundance of salmon and trout in southeast Alaska is directly related to the abundance of pristine habitat. Though southeast Alaska streams are relatively small in size, collectively they contribute to major commercial and recreational fisheries worth over $100 million annually. Their abundance (2500-3000 cataloged streams), size, and low productivity coupled with the topography of southeast Alaska make them vulnerable to logging impacts. Because of the continued degradation of salmon habitat by logging, the National Marine Fisheries Service (NMFS), Alaska Region issued a Policy in 1988 for Riparian Habitat Protection in order to maintain optimum production of anadromous salmonids.

NMFS's Policy is based on extensive research which shows that salmon and trout abundance is dependent on habitat derived from or influenced by the old-growth forest adjacent to streams, particularly canopy cover and large woody debris (LWD). It is well documented that buffers provide cover and shade and that the canopy density from a 30-meter wide buffer is sufficient to emulate the natural shade and stream temperature characteristics found in a stream in an old-growth forest. LWD is the principal structural feature of forested streams in Alaska and the Pacific Northwest and is responsible for forming the majority of habitat (e.g., pools, undercut banks, instream cover, stable spawning beds, etc.) critical to the production of salmonids. Nearly all of the LWD in streams comes from trees growing within 30 meters (100 feet) of the streambank. The quantity of LWD in these pristine streams is high (60-80 pieces per

100 meters length of channel) and is directly correlated with the abundance of salmonid habitat. Because the natural depletion rate of LWD resulting from decay, fragmentation, stream export, etc. is relatively high (1-3 percent per year), a continuous supply of wood from the riparian zone is needed to offset the natural loss and maintain salmonid habitat. If these streams are logged without leaving a buffer of at least 30 meters in width to replenish the natural loss of LWD, then we estimate that the level of LWD will be reduced by 70 percent in 100 years. Recovery of LWD to the original pre-logging level from the regeneration of second-growth trees next to the stream would take about 250 years. As a consequence, habitat and salmonid abundance would be significantly and irrevocably damaged over this period of logging and recovery. Because riparian habitat is the source of LWD for salmonid habitat, it must be protected in order to maintain Alaska's salmon and trout at optimum production.

NMFS Policy of advocating the protection of riparian habitat through the retention of buffer zones along both sides of all anadromous fish streams and their tributaries is intended to provide forestry and fisheries managers with a management prescription and tool to protect and maintain salmon and trout habitat during and after timber harvesting. The amount of timber "retained for fish habitat protection" (i.e., impact on timber supply) by applying the Policy is dependent on the correct interpretation of NMFS intention in the statement ". . . all anadromous fish streams and their tributaries . . ." Anadromous fish refers to all five species of Pacific salmon and to all anadromous trout and char. Any natural freshwater body of water (including lakes and ponds) containing anadromous fish or eggs is considered an anadromous stream. Any stream or tributary to an anadromous stream containing resident salmonids (non-anadromous) is considered a tributary. Streams without anadromous or resident salmonids, but which can influence anadromous or resident salmonid habitat downstream is considered a tributary. NMFS uses the United States Forest Service (USFS), Alaska Region, Aquatic Habitat Management Unit (AHMU) definition of Stream Classes based on fish use. The designation of Stream Class to a specific stream, tributary, or reach of stream is determined from the USFS Stream Classification System (Channel Typing) which uses aerial photographs to identify and characterize streams from geomormological features. Thus, under the AHMU and Stream Classification Systems, streams and tributaries are Classed according to fish use and Channel Typed according to physical features of the stream and location in the watershed:

STREAM CLASSES (USFS AHMU HANDBOOK)

Class I—Streams and tributaries with anadromous or high value resident sport fish or with habitat having reasonable enhancement opportunities for anadromous fish;

Class II—Streams and tributaries with resident fish populations of limited sport fish value generally occurring in steep gradients or upstream of migration barriers;

Class III—Tributaries with no fish populations but have potential water quality influence on downstream habitat.

CHANNEL TYPES AND STREAM CLASS DESIGNATION (FROM TABLE I, USFS AHMU HANDBOOK, FSH 6/86 R-10 TRANS)

Stream Class and Channel Type:

I: E1, E3, E4, C1, C2, C3, C7, B1, B2, B3.
I/II: E2, D4, D5, C4, C5, B5, B6.
II: D3, B4.
III: D1, D2, B7, A1, A2, A3, A4, A5.

NMFS met with USFS personnel in Juneau on June 9, 1989 to explain that the Policy was not intended to be interpreted literally and that unimportant tributaries in a watershed were not subject to buffers. A reasonable and appropriate definition of "tributaries" was discussed and the following criteria for the application of the 30-meter buffer policy to streams on the Tongass were agreed upon:

1) The minimum buffer zone width of 30 meters (100 feet) applies to all anadromous fish streams and their perennial tributaries which can be identified by the USFS stream classification system (i.e., Channel Typing) and includes Classes I, II, and III.

2) BMP's for maintenance of water quality standards will apply to all streams and tributaries.

3) Roads are permitted to intersect buffer zones for stream crossings as provided for by existing standards and guidelines (e.g., Alaska Dept. Fish and Game Title 16).

4) Roads parallel to streams are not permitted in buffer zones.

5) Yarding of logs through buffer zones is not permitted; however, if feasible, full suspension of logs over the top of trees within a buffer is permitted.

Most streams and tributaries in a watershed are a mixture of Class I, II, and III with Class I generally being the lower gradient valley bottom streams and tributaries, Class II being the mid-slope streams and tributaries, and Class III being the upper slope, high gradient tributaries. The 30-meter buffer policy of NMFS applies to all Class I and II streams and tributaries and in some cases to Class III tributaries which flow year-around (perennial) and have flow large enough to directly influence downstream habitat. The policy does not apply to Class III tributaries which are either ephemeral (seasonal) or intermittent or have a gradient generally greater than 8 percent; these can be very numerous and usually occur as small storm channels at higher elevations. Thus, generally speaking, the policy applies to all low to moderate gradient salmon and trout streams and tributaries which are perennial and does not apply to high gradient tributaries or storm drainages which do not have salmonids or do not have continuous flow. Most all of the streams and tributaries which can be classified by the USFS Channel Type system using aerial photographs should have a 30-meter buffer on each side of the stream. The numerous intermittent tributaries and storm channels which generally cannot be seen from aerial photographs or which are visible only following clear-cutting do not require buffers. These Class III tributaries and storm channels constitute the most acreage of productive forest land and are the source of the discrepancy or controversy between the USFS, timber industry, and fisheries biologists on the amount of productive forest land excluded from timber harvest. While recent USFS estimates of the "timber supply impacts" have been as high as 31 percent of the productive forest land, a more realistic estimate of the impact resulting from the NMFS Policy would be 9 percent. The difference in estimates of 22 percent is attributable to the inclusion of Class III tributaries not identified in the GIS in the USFS total. Nonidentified Class III tributaries are not subject to NMFS buffer policy, but are protected through application of Best Management Practices (BMP's) to meet Environmental Protection Agency (EPA) approved State water quality standards.

The amount of timber retained for fish habitat protection (i.e. protected timber supply) is estimated for a given stream by classifying it into stream Channel Types from aerial photographs, designating Classes according to fish use, and then calculating the amount of timber by acreage and volume class in a 30-meter buffer on both sides of the stream channel. The USFS has made these calculations using their Geographical Information System (GIS) and has presented their findings at meetings including a presentation at the Alaska Forest Practices Act Review in March, 1989 and a meeting on June 9, 1989 between USFS and NMFS personnel. One example the USFS presented was their calculations from a quadrangle of North Kuiu Island on the Tongass National Forest (Port Alexander C-1) with a total land area of 140,000 acres. The GIS calculated that 9 percent of the productive forest land (acres and total volume mmbf) would be removed with a 30-meter riparian buffer. This calculation, in agreement with MNFS's Policy, was based on timber retention along all Class I and II streams and tributaries and some of the important Class III tributaries, all of which were classified according to Channel Types from aerial photos. Based on the GIS calculations, biologists from NMFS and Alaska Dept. of Fish and Game in consultation with USFS biologists, believe that Class I (anadromous) streams only would amount to less than half (4 percent) of the 9 percent of the timber retained for habitat protection. The high gradient and intermittent tributaries, and storm channels which are not identified by Channel Typing or aerial photos (i.e., not identified in the GIS) would amount to an additional 22 percent if buffer were required. However, these noninventoried tributaries are usually insignificant and do not require buffers under the NMFS Policy; therefore, the additional 22 percent should not be included in the estimate of area of productive forest reduced by buffers. These small tributaries without salmonids can account for the highest proportion of streams or acreage in a watershed, but only require BMP's for maintenance of Alaska State Water Quality Standards.

Mr. Scott Russell, Biologist, USFS, Ketchikan Area, Tongass National Forest estimated the effects of a 30-meter buffer on the amount of operable timber that would be excluded in the 1989-94 Operating Period KPC Long-term Sale Draft EIS (395,966 operable acres). He applied a buffer to all fish and non-fish streams that were Channel Typed and found 10.7 percent of the operable timber would be excluded.

His estimates did not include the streams that could not be inventoried from aerial photos. Scott also thought that the anadromous streams would amount to less than about 4 percent of the operable timber. A study supporting the previous examples was conducted by a Fisheries Task Force (Fisheries Task Force Working Report, Tongass Land Management Plan, USFS, Juneau, AK, April 1978, 36pp) to determine the extent of fisheries habitat protection by the application of a 100 foot buffer on salmon streams and their tributaries on 14 watersheds in the Tongass National Forest. The total retained for fisheries habitat protection as extrapolated to the entire Tongass National Forest was 11 percent of the timber volume. A report prepared by the

Sealaska Corporation on Jan. 16, 1989 shows that a total of 49 percent of their study area acreage and timber volume on Prince of Wales Island would be contained in fish stream protection using a 100 foot buffer. However their data also shows that only 8 percent of this retention would apply to the important Class I and II streams, the remainder was for Class III tributaries (37 percent) most of which did not require buffers and for areas made inoperable because of buffer zones (4 percent).

NMFS policy is intended to protect Alaska's salmon and trout abundance through the application of proven management techniques and sound biological data. Because the fisheries and timber industries share the forest as a common base for their existence, a specific level of old-growth forest must be maintained for optimum production of fish. The timber retained in a buffer for fish should not be viewed as the amount "lost" to the timber industry but viewed as what is required for fish habitat in the true sense of multiple-use. Certainly, NMFS intent is not to create a severe impact on the timber industry, but through its Policy it is defining what is the minimum riparian vegetation necessary for salmon and trout habitat in order that the two industries can coexist.

Thank you for the opportunity to express my views on the NMFS's Policy and its relationship to the Tongass Timber supply. Please let me know if I can be of further assistance.

Sincerely yours,

K.V. Koski, Ph.D.,
Fisheries Research Biologist.

Mr. YOUNG of Alaska. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I could have the attention of my colleagues, I can count the States, and this amendment, very frankly, only applies to Alaska. To my knowledge it is the only State in the Union that requires that type of buffer zone.

I believe that includes the gentleman from Indiana. I might ask the gentleman, does he have any buffer zones in his State?

Mr. JONTZ. Mr. Chairman, if the gentleman will yield, we do not have any similar streams. I can certainly attest to that. So we do not have a need for similar buffer zones.

The purpose of this amendment, if the gentleman will yield further, is to clarify what the language of the Interior Committee would do. If the gentleman disagrees with what the Interior Committee's language ought to do from the beginning, I can appreciate the gentleman's concern, but my amendment is only to clarify and limit, if you will, the intention of the Interior Committee. I believe it provides a more workable and more practical definition than what is in the bill at the present time.

Mr. YOUNG of Alaska. Mr. Chairman, reclaiming my time, I can agree with the gentleman on that, that it is better. But the comparisons and the difference are like the comparisons between high fever and pneunomia. There are both pretty dangerous.

I am sitting here as a non-lawyer, and I can just see all kinds of lawsuits coming from this. The language is: "* * * except those tributaries with no resident fish which are intermittent in flow, or have flow of inadequate magnitude to directly influence downstream fish habitat."

I like that language, and it sounds good. It has flowers. It is like the Alaskan Forget-Me-Not. It is beautiful. But it makes a great court case for those who would continue the efforts of the Interior Committee to try to preclude any logging on that land outside of the addition 1.8 million acres.

I hope that somewhere in the Record the gentleman would accept the premise or at least give his good word that if there is a court case filed by one of these groups that insists that logging does not take place, he will back me up and say that was not his intent before the judge. Will the gentleman agree to that?

Mr. JONTZ. Mr. Chairman, if the gentleman will yield, I think quite honestly that the language I am offering is more likely to prevent lawsuits by clarifying the buffer zone. This language does not come from any lawyer or any litigant of any sort. It comes from the policies of the National Marine Fisheries Service, and I think it is very practicable and very workable and would prevent lawsuits.

Mr. YOUNG of Alaska. Mr. Chairman, reclaiming my time, that is the same organization that said there would be only a 3-percent loss with the Interior Committee's language. So I do not have a great deal of faith in that organization at all. In fact, I am going to talk a little bit about that later on in the committee of which I am also the vice chairman.

So, Mr. Chairman, I reluctantly accept this amendment.

Again, it is between a good high fever and a cold. Neither one is very healthy.

Mr. Chairman, this has to be done, I guess, but it is not an amendment that is going to solve any problems.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Jontz].

The amendment was agreed to.

Mr. KANJORSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in full support of H.R. 987, the Tongass Timber Reform Act. We must take responsibility for the environmental legacy that we leave to future generations.

For too long Congress has allowed the mismanagement of one of our national treasures to go unchecked. This mismanagement has resulted in allowing environmentally unsafe and economically unsound practices to flourish.

Over the past 30 years, the U.S. Forest Service has attempted to foster industrial-scale logging in southeast Alaska by force-feeding taxpayer dollars to a timber industry in our Nation's largest national forest.

This policy has resulted in a systematic elimination of a rare temperate-zone rainforest and has cost U.S. taxpayers millions of dollars. In fact, the General Accounting Office has concluded that this policy has cost taxpayers $131 million in 5 years on the construction of unnecessary roads to nowhere and timber sales that were not necessary to meet industry demand.

Mr. Chairman, two of the most pressing problems we as a nation now face—a growing budget deficit and declining environmental health—are responsibly addressed in the Tongass Timber Reform Act. We cannot allow the destruction of our forests, and we cannot fund contrived government programs that waste needed revenues.

Hopefully by passing this act into law, we will not only stop the destruction in the Tongass National Forest, but we will serve notice to the U.S. Forest Service that Congress, and the American public, will not stand for these or similar practices to occur in any of our national endowments.

Mr. Chairman, by passing the Tongass Timber Reform Act we can correct a wrong that has already caused too much damage and stop it from doing even more. For the sake of our environment, which is, as we are now learning, directly linked to the state of the well-being of future generations, I am lending my strong support to the Tongass Timber Reform Act, and I would like to urge all of my colleagues to do likewise.

Mr. SCHEUER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, today we have an opportunity to save the last expanse of old-growth pristine rain forest that exists in all of North America. The Tongass National Forest in Alaska is a national treasure. It provides habitat for all kinds of wildlife and fish species, for the grizzly bear, the gray wolf, the bald eagle, and the mountain goat. Five different varieties of Pacific salmon exist at virtually historic levels. For many of these species this forest is their only home.

The Interior Committee's version of this bill, the Tongass Timber Reform Act, would correct years of mismanagement of our forests. It would correct years of wrong-headed public policy in the management of our timber and forest resources. The old growth forest is being harvested at a rapid rate. It is not being harvested on a sustainable yield basis. It is being harvested on a basis that will give us substantial losses both to our economy and our ecology and natural environment.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The American taxpayer loses 90 cents on every dollar that is spent on the Tongass. We are paying heavily as a nation dollarwise on the bottom line for the privilege of destroying this glorious national heritage of old growth forest, and we are spending $36 million on the Tongass timber industry before a single stick of timber is cut. The guaranteed $40 million annual subsidy has not guaranteed jobs. We have spent $131 million over the last 6 years to protect jobs, and we have failed.

The Tongass Forest is capable of providing more jobs without the timber industry's 50-year contracts. Twice the number of people will be employed if we depend on the forest with its total ecological system intact than if we depend on the lumber industry. There are 1,800 jobs involved in the lumber industry in the Tongass, but there are 3,600 commercial fishermen and another 3,600 people involved in tourism and fishing. It is absurd for us to pay through the nose for the privilege of destroying this glorious stand of old forest to preserve 1,800 jobs.

Mr. Chairman, our Government has as a national policy improving the environment, preserving old stands of lumber, and indeed we are urging countries around the world to preserve their rain forests. We are jawboning the Brazilians, the Guatemalans, and the Costa Ricans, and we are jawboning countries across the entire belt of sub-Saharan Africa to preserve their forest heritage. We are destroying forests across the world at a horrifying, devastating rate, and yet here at home we are paying taxpayers' dollars for the purpose of destroying a glorious stand of old timber.

Mr. Chairman, that does not make any sense, it is aberrational, it is wrong-headed, and we ought to pass the Interior version of this bill.

The CHAIRMAN. The question is on the committee amendment in the nature as a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. YATES] having assumed the chair, Mr. FRANK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 987) to amend the Alaska National Interest Lands Conservation Act, to designate certain lands in the Tongass National Forest as wilderness, and for other purposes, pursuant to House Resolution 196, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

□ 1440

The SPEAKER pro tempore (Mr. YATES). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MRAZEK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 60, not voting 15, as follows:

[Roll No. 138]

YEAS—356

Ackerman
Akaka
Alexander
Andrews
Annunzio
Anthony
Atkins
AuCoin
Ballenger
Barnard
Bartlett
Barton
Bates
Bellenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boniar
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Conte
Cooper
Costello
Coughlin
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Douglas
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hiler
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Purseil
Rahall
Rangel
Ray
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauke
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—60

Anderson
Applegate
Archer
Armey
Baker
Bateman
Bunning
Burton
Combest
Cox
Craig
Crane
Dannemeyer
Dickinson
Dornan (CA)
Dreier
Emerson
Fields
Gallegly
Gekas
Grandy
Hancock
Hansen
Herger
Holloway
Hopkins
Hunter
Leath (TX)
Lewis (CA)
Lightfoot
Livingston
Marlenee
McCandless
McEwen
Michel
Miller (OH)
Molinari
Morrison (WA)
Myers
Nielson
Oxley
Packard
Regula
Rhodes
Rogers
Rohrabacher
Shumway
Shuster
Smith (MS)
Smith (NE)
Smith, Denny (OR)
Smith, Robert (OR)
Stangeland
Stump
Sundquist
Tauzin
Thomas (CA)
Thomas (WY)
Vucanovich
Young (AK)

NOT VOTING—15

Aspin
Collins
Conyers
Courter
DeLay
Edwards (OK)
English
Frenzel
Hastert
Hyde
Martin (NY)
Murphy
Parris
Quillen
Ravenel

□ 1500

The Clerk announced the following pair:

On this vote:

Mr. Conyers for, with Mr. Quillen against.

Mr. COX changed his vote from "yea" to "nay."

Mr. JONES of North Carolina and Mr. HAMMERSCHMIDT changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 987, the bill just passed.

The SPEAKER pro tempore (Mr. YATES). Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON H.R. 2883, RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS BILL, 1990

Mr. WHITTEN, from the Committee on Appropriations, submitted a privileged report (Rept. No. 101-137) on the bill (H.R. 2883) making appropriations for rural development, agriculture, and related agencies for fiscal year 1990, which was referred to the Union Calendar and ordered to be printed.

Mrs. SMITH of Nebraska reserved all points of order on the bill.

PROVIDING RELIEF FOR CERTAIN SOVIET AND INDOCHINESE REFUGEES

The SPEAKER pro tempore. Pursuant to House Resolution 195 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2022.

□ 1502

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2022) to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees, with Ms. KAPTUR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. BROOKS] will be recognized for 30 minutes, and the gentleman from Texas [Mr. SMITH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, since the creation of the Soviet Union, religious groups, particularly Jews and evangelical Christians, have been oppressed. Jews and evangelicals are second-class citizens. They are excluded from schools, job opportunities, and housing. Today in the U.S.S.R., laws exist which prohibit public religious celebrations and formal religious education of children. While Jews and evangelical Christians may no longer face the purges and massacres that their forefathers suffered in the early part of this century, they must certainly still maintain a well-founded fear of persecution.

Until last year, the policy of the United States had been to embrace, with open arms, the few "refuseniks" allowed to emigrate. But, in October, the previous administration decided to nullify the presumption that Soviet Jews and Pentecostals are groups subject to persecution. As a result, the refugee camps in Ladispoli, Italy, and Vienna, Austria, hold over 11,000 refugees awaiting adjudication of their cases by the Immigration and Naturalization Service examiners.

Madam Chairman, we are wasting valuable manpower and money on an adjudication process which should be simple. The whole situation seems counterproductive. In the 1980's, the number of Soviet emigres was reduced to a tiny trickle. Now, due in part to Congress' exhaustive efforts, emigrants are flowing out once again. But, rather than expediting the process, the Immigration and Naturalization Service is throwing up roadblocks.

Madam Chairman, H.R. 2022 breaks down these roadblocks. It restores presumptive status to two Soviet groups which have suffered greatly. It streamlines the adjudication process which is now so inefficient.

I strongly urge my colleagues to join me in support of this legislation.

Mr. SMITH of Texas. Madam Chairman, I yield 5 minutes to my friend, the ranking minority member of the Committee on the Judiciary, the gentleman from New York [Mr. FISH].

Mr. FISH. Madam Chairman, I urge my colleagues to vote for H.R. 2022. After many years of presuming that Soviet Jews and other persecuted minorities qualified as refugees as a group, a new United States policy was announed last fall, rejecting some individuals for not having a "well-founded fear of persecution" and granting them "special humanitarian parole".

This sudden change in policy caught many Soviet Jews and other persecuted minorities totally unprepared. Denial of refugee status rates increased dramatically from 6.7 percent in December 1988 to 36.5 percent in March 1989. The June 1989 rate was 21.3 percent. Although denial rates increased, the "profile" of individuals seeking refugee status had not. In fact, initially, of those who ask for their cases to be reconsidered, as many as 63 percent were overturned and granted refugee status.

One problem is the various inconsistencies in the manner in which individual refugee cases were adjudicated. Several factors contributed to these inconsistencies. First, guidance provided INS officers changed as INS phased in case-by-adjudications, with resulting stricter interpretation of refugee eligibility. Initially knowledge among some INS officers about Soviet country conditions and the treatment of specific ethnic and religious groups in the Soviet Union was lacking. Differing interview approaches affected the quality and type of available information upon which to base adjudications. The tremendous volume of refugee applicants was also a contributing factor.

INS and consular officials, both in Europe and Washington, agreed that cases were not being adjudicated consistently, as indicated by the high rate of cases overturned. To their credit, INS and the administration have taken a number of actions, including training programs for INS interviewing officers, to bring greater consistency to the adjudication process. However, the use of parole should be terminated.

The new parole policy was in response to the huge numbers of persecuted religious minorities being allowed to leave the Soviet Union. Until recently the number of applicants granted exit visas from the Soviet Union was discouraging. Exits were a mere trickle in 1986, only 914. Restrictions were relaxed during late 1987 and 1988, enabling more Jews and other persecuted religous minorities to leave. In 1987, the figure was 8,155. In November 1988, 2,334 were given exit permits, the highest number in a 1-month period in 9 years.

This new Soviet policy is a historic human rights victory for the United States, fully consistent with our humanitarian tradition, of which we should be proud. However, our current parole policy is inadequate in accommodating the unanticipated flow from the Soviet Union.

It is important that the Congress and the administration have time to examine other policy options and problems. First, however, immediate steps must be taken by the administra-

tion to resume refugee status for those religiously persecuted. Since any legislative initiatives will take time to be adopted, H.R. 2022 should be considered an interim measure until long-term options have been agreed to. For this reason, the bill sunsets in 1990.

Recently, emergency consultations with Congress were held to increase the available numbers for Eastern Europe so as to provide for additional visas to refugees from the Soviet Union until the end of this fiscal year. In addition, special immigration legislation—H.R. 2646—sent up by the administration has been introduced. This legislation, of which I am a cosponsor, addresses a longer term solution to the large number of people seeking emigration from the Soviet Union and other countries in similar positions.

Madam Chairman, that Soviet Jews and other religious minorities are still being persecuted in the Soviet Union is a documented fact. The "Country Reports on Human Rights Practices for 1988," issued by the Department of State, contains many examples of group persecution of Soviet Religious minorities.

The fact of persecution, the inadequacies of parole, and the abrupt change in policy bring into question America's commitment to persecuted religious minorities. Although many Soviets are now being allowed to leave, there is no guarantee that this current relaxation of emigration policy will continue. Should Mr. Gorbachev's reform be replaced by a more repressive Soviet policy, the opportunity for persecuted minorities to leave will be lost—a risk clearly we should not run.

For these reasons, I urge my colleagues to vote for passage of H.R. 2022.

□ 1510

Mr. BROOKS. Madam Chairman, I yield 6 minutes to the gentleman from Connecticut, Mr. BRUCE MORRISON, the distinguished chairman of the Subcommittee on Immigration, Refugees, and International Law, which is really the subcommittee which is the author and the prime mover of this legislation.

Mr. MORRISON of Connecticut. Madam Chairman, I thank the gentleman from Texas, chairman of the full Judiciary Committee, for yielding this time to me, and also the gentleman from New York [Mr. FISH], the ranking minority member, for their support in facilitating the bringing of this legislation to the floor today.

This legislation gives the House, and I hope ultimately the Government of the United States, the opportunity to stand fully and squarely behind a policy that has been bipartisan and has been strongly the policy of the United States and all of its people over the last two decades, and that is the policy of encouraging free immigration from the Soviet Union. We have made that a cornerstone of our human rights policy, and we have made it a condition on trading relations between ourselves and the Soviet Union.

For much of that period we have found little success. Small numbers of individuals have been permitted to leave the Soviet Union. But beginning last summer and increasingly throughout this year we have found increasing numbers of individuals permitted to leave, and the individuals upon whom our attention has focused over the last two decades, in particular those religious minorities within the Soviet Union who have suffered persecution, not just recently but going back through Soviet history, and in fact through centuries of Russian history, Jews and Evangelical Christians, those individuals have for the first time begun to leave in significant numbers.

But why do we need this legislation? We need this legislation I say, unfortunately, because of a change in policy made by the administration last August. Whereas in the past we recongized as a matter of fact the persecution faced by these religious minorities within the Soviet Union, the attorney general at that time ordered that we cease using the presumptive status that had previously been applied to these individuals.

What is the effect of that change? Instead of assuming what we know to be true, which is that Jews and Evangelical Christians in the Soviet Union are faced with persecution and have a well-founded fear should they return to the Soviet Union of that kind of persecution, we ask each and every one of them to prove the case for him or herself. The result of that process, while seeming fair on the surface, has been disastrous.

First and foremost, instead of the Soviet Union being the bottleneck between free immigration for these individuals and their opportunity in the United States, it became the processing of these individuals by the United States that became the process, and instead of being in the position to declare a great victory in our human rights struggle about immigration we were faced with administrative problems of a significant sort with respect to allowing these individuals to enter.

This legislation does nothing to upset the balance of the Refugee Act of 1980. It merely implements within the ambit of that Act procedural efficiencies with respect to individuals about whom we have knowledge as a group. We are imposing by this legislation a practice with respect to Soviet Jews and Evangelical Christians which has already been well established with respect to 24 different groups of individuals in Southeast Asia, the use of a presumption to say that if you are a member of that group you are known to be a target of persecution, and if you come to the officials of the INS and ask that you be made a refugee on the basis of your fear of that persecution, you are entitled to be treated as a refugee.

In the absence of that kind of standard, we have seen refusal rates with respect to Jews in Italy being screened by the United States varying from a low number of approximately 6 percent fast fall, swelling up to 38 percent in the spring, and in June being over 20 percent. The numbers have had enough of an impact, but the truth is that the result has been divided families, brothers and sisters, two brothers, husbands and wives as compared to the children or grandparents, situations in which families have been treated differently despite having virtually identical experiences in the Soviet Union.

This legislation seeks to cure that problem and to add an efficient processing to those people who are waiting for refugee adjudication by the United States in Italy and in the Soviet Union. By implementing this legislation we will clear up the huge backlog that currently exists. We currently have a backlog of 12,000 individuals in Italy waiting for adjudication or who have been turned down under the prior case-by-case processing. It is the purpose of this legislation to do away with those backlogs and to allow those individuals to come to the United States.

This legislation is not permanent legislation, it is for the next 15 months. During that period we are going to have to face up to the consequences of lowered barriers for immigration in the Soviet Union and the challengers that presents for us, for Israel, and for other nations in the West. But we ought not to solve that problem by creating a huge backlog among those who in good faith and in expectation of coming to the United States have left the Soviet Union and are now knocking on our door. Let us not be the country that says no to their knock, and use this legislation that will open that door, and also open the opportunity in a studied and appropriate way to prepare the world for the day that we hope for, which is when the Soviet Union will recognize the right of all of its people to free immigration.

Madam Chairman, H.R. 2022 has two primary purposes. First, and foremost, it is designed to promote the effective and efficient processing of applications for refugee status by establishing a legislative presumption that Jews, as well as Evangelical Christians, are subject to persecution in the Soviet Union. Second, the bill would allow some 5,000 to 10,000 Soviet and Indochinese individuals who have been, or will be, allowed to come to the United States and remain here permanently, pursuant to the Attorney General's

parole authority, to adjust their status from that of a parolee to that of a refugee.

H.R. 2022 was ordered favorably reported by the full Judiciary Committee on June 20 by a recorded vote of 30 to 5. I am delighted to say that the bill has over 90 cosponsors and has received strong support from both sides of the aisle.

With the enactment of the Jackson-Vanik amendment in 1974 and the signing of the Helsinki accords in 1975, the United States made it clear that the relaxation of Soviet emigration policy was a vital goal of U.S. foreign policy. For a while it appeared that our efforts were bearing fruit. From 1976 to 1979 the number of persons permitted to leave the Soviet Union rose steadily, from 26,000 to 62,000. But in the 1980's it became apparent that Soviet emigration policy in fact bore either no relationship or a negative relationship to the force with which we attempted to persuade the Soviet Union to permit greater freedom of movement. In 1986, for example, Soviet emigration totaled less than 2,000, and the number of refuseniks grew to over 11,000.

For reasons not fully understood, Soviet emigration policy took another one of its cyclical swings in 1987. Jewish emigration increased ninefold to 8,155. In 1988, 19,165 were allowed to leave, and this year that number will be at least doubled. It is important to remember, however, that the Soviet government has still not established a standard, formal emigration procedure. Instead, they have employed a series of different requirements for different groups of applicants and have altered those requirements at their discretion, without warning. Thus, we have no way of knowing whether this more liberal emigration policy reflects fundamental changes in Soviet human rights practices or whether it constitutes merely a temporary response designed to meet some short-term policy objective.

One might have thought that as doors of emigration opened wider for Soviet citizens the United States would have responded with enthusiasm, encouragement and—above all—with a generous refugee admissions and resettlement policy. Unfortunately, that was not the case, for in August 1988 Attorney General Meese ordered the Immigration and Naturalization Service to require each and every Soviet applicant for refugee status to establish individually that he or she either had been persecuted or could demonstrate a well-founded fear of persecution. I have little doubt that in the case of Soviet armenians the Attorney General's decision to reverse a 40-year practice of deeming all Soviet emigres refugees was a correct one. But in the case of Soviet Jews and Evangelical Christians—that is, Pentecostals and Baptists—the new policy made little sense, for by every account Jews and Evangelical Christians, as a group, continue to be persecuted in the Soviet Union. Indeed, as recently as April 6, 1989, the Department of State wrote:

> For Christians and Jews alike * * * many difficulties remain. There are shortages of priests, rabbis, teaching facilities, kosher butchers, ritual baths, vernacular religious literature and many other elements needed for full spiritual or cultural expression.
>
> Anti-Semitism is deeply rooted in Russian history, and one of the side-effects of glasnost had been the emergence of groups such as Pamyat, which expresses traditional great Russian nationalism and anti-Semitism. Membership in these groups is small, but their rhetoric undoubtedly strikes a responsive chord in the hearts of some Russians, and increases Jewish feelings of insecurity. While the positions these groups take are frequently at odds with government policies and officially the government does not endorse or encourage their virulent anti-Semitism, their activities have been tolerated as an unavoidable consequence of glasnost.
>
> Most importantly, none of the reforms has been codified in law. Jews still face many forms of discrimination including exclusion from schools, jobs and housing. Believers also face discrimination in the workplace and elsewhere. There is no independent judiciary to hear and resolve these issues for individuals seeking redress through the system.
>
> The improvements noted above, limited as they are, do not apply to Pentecostalists and other Evangelical Christians. Their churches are still banned; they still face possible jail sentences for exercising their beliefs, most notably that of conscientious objection, but also Evangelical witnessing and holding religious meetings. ["Report To Congress Concerning the President's Proposal To Raise the FY 1989 Refugee Admissions Ceiling," P.4]

In October 1988, President Reagan, acting under the authority conferred upon him by the Refugee Act of 1980, authorized the admission of up to 18,000 Soviet refugees in fiscal year 1989. By December 1988, however, it became apparent that this number was inadequate to meet the growing need. Accordingly, the President raised the Soviet refugee allocation to 25,000. Despite these efforts, backlogs of refugee applicants at the United States Embassy in Moscow soared from 1,500 a month in fiscal year 1988 to 4,000 a month by early spring. And the numbers applying in Rome were nearly as high.

By October 1988, not only Soviet Armenians but also Soviet Jews and Pentecostals began to be rejected for refugee status in previously unheard of numbers—nearly 1,000 by January 31, 1989. Currently, approximately 4,000 Soviets, the majority of them Jews, remain in Italy, having been denied refugee status by the United States. A like number are awaiting decisions at the U.S. Embassy in Rome.

On April 6, 1989, witnesses from the General Accounting Office informed the subcommittee that their onsite investigation of refugee processing in Rome and Moscow revealed "various inconsistencies in the manner in which individual refugee cases were adjudicated." GAO further stated:

> We also found a lack of knowledge among the INS officials in Rome and Moscow about Soviet country conditions and the treatment of specific ethnic and religious groups in the Soviet Union. We noted differing interview approaches which affected the quality and type of available information upon which to base adjudication, and we think the tremendous volume of refugee applications is a contributing factor since it puts an enormous amount of pressure on the time allotted for processing these cases.

By April 1989, the number of Soviet Jews denied refugee status by the United States had reached 1,470, with an unprecedented disapproval rate of 37 percent having been reached in March. Since the vast majority of these rejected applicants had been processed in Rome, the Italian Government was compelled to arrange for their care and maintenance. The refugee camp in Ladispoli, Italy, now houses over 12,000 Soviet refugee applicants, many of whom have been there several months.

With the liberalization of Soviet emigration policy, the United States will accept up to 43,500 this fiscal year, the majority of them Jews. To meet the challenges of these unprecedented numbers, U.S. refugee processing must be efficient, consistent, and predictable. Therefore, the present process—which in effect requires a separate determination in each case, by each INS adjudication, as to the conditions of life for Jews and Evangelical Christians in the Soviet Union—serves no purpose other than to promote delay and confusion and waste scarce human and fiscal resources. I believe that the solution to this problem is to reestablish, legislatively, a presumption that Soviet Jews and Evangelical Christians are subject to persecution. This is precisely what H.R. 2022 does. Recognizing, however, that refugee conditions are by nature fluid, H.R. 2022 would sunset the required use of such presumptions on October 1, 1990.

H.R. 2022 also directs the Attorney General to establish procedures for Indochinese refugees—defined for purposes of H.R. 2022 as refugees from Vietnam, Laos, or Cambodia—of the type established by H.R. 2022 for Soviet Jews and Evangelical Christians. The bill does not specify particular categories of Indochinese individuals who are to be deemed subject to persecution, but I would note that since 1983 the executive branch has recognized 24 such categories of individuals, including, for example, Vietnamese Catholics and Laotian Hmong. We would expect the administration to review that list to make any necessary additions, subtractions, or modifications.

Section 2 of H.R. 2022 requires the Attorney General to adjust to refugee status an alien who was a national of the Soviet Union, Vietnam, Laos, or Cambodia is such alien—first, was—or is—denied refugee status by the United States between August 15, 1988, and September 30, 1989; second, was—or is—paroled into the United States; third, is not excludable under the provision of law that deals generally with the grounds of exclusion for refugees; and fourth, applies for such adjustment at any time.

The power to "parole" aliens into the United States is granted to the Attorney General by section 212(D)(5) of the Immigration and Nationality Act. At the time of its enactment, Congress intended that the parole authority would be used for the temporary admission of individual aliens. The practice of using the parole provision for the permanent admission of groups of aliens originated with the Hungarian refugee crisis. By 1958, 32,000 Hungarians had been paroled into the United States.

In the case of an alien whom the Attorney General has paroled into the United States not for any short term, time limited reason, but

instead under circumstances that suggest, explicitly or implicitly, that the parole will remain in effect indefinitely, parole status is an unacceptable alternative to a more permanent and defined immigration status. Perhaps the most troubling aspect for such individuals is that parole may be revoked for any or no reason, at any time. This continual uncertainty as to one's right to remain in the United States impacts on the individual's ability to plan his life. Decisions as to whether to marry, raise children, purchase a home, or start a business cannot be made simply on the merits, since the specter of forced uprooting is always on the horizon. Moreover, a parolee, no matter how long here, is legally incapable of petitioning for the admission of a family member under our immigration laws, since that right is available only to U.S. citizens and lawful permanent residents.

Recognizing the inequity of permitting individuals to remain in the United States in a status of perpetual parole, Congress has time and again enacted special legislation to allow parolees to regularize their immigration status. Most recently, Congress enacted, as part of the 1986 Immigration Reform and Control Act, a provision to allow Cuban/Haitian entrants to become lawful permanent resident aliens—Public Law 99-603, section 202. Similar legislation was enacted in 1977 for the benefit of Indochinese parolees—Public Law 95-145, section 101—and in 1966 for the benefit of Cuban parolees—Public Law 89-732, as amended. It is also noteworthy that the present administration has submitted to Congress legislation—introduced as H.R. 2646—to regularize the status of the same Soviet and Indochinese parolees who would be adjusted under the provisions of H.R. 2022.

For these reasons I urge my colleagues to support H.R. 2022.

□ 1520

Mr. SMITH of Texas. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I urge my colleagues to oppose H.R. 2022, as does the administration.

It is unfair.

It is unnecessary.

And it would set a dangerous precedent.

Surprises—both pleasant and unpleasant—often come in small packages. H.R. 2022 is a small legislative package that contains some potentially unpleasant surprises for my colleagues.

Proponents of this measure feel the same sense of compassion and commitment to Soviet Jews, Pentecostals, and Indochinese that we all share.

If the issue before the House today were simply the strength of this institution's commitment to Soviet Jews, for example, I would be happy to support this measure.

But that is not the issue.

Likewise, if the issue before the House today were simply whether to facilitate the processing of administrative backlogs of refugee applications, I would not be opposed.

But that is not the issue.

Proponents of this legislative package have wrapped it attactively.

They describe it as a short-term measure.

They say H.R. 2022 is a modest administrative action to clear up processing backlogs.

I would urge my colleagues not to be seduced by the attractiveness of this simple wrapping, but rather, I would urge them to remove and set aside what I would describe as the open window or pipeline argument—an argument that would conceal the actual contents of H.R. 2022.

Unwrapped, this bill will be seen to make unfair, unnecessary, and unprecedented changes in the law.

Proponents of H.R. 2022 are asking Members to do something they have never done before.

They ask us to endorse their selection of several categories of refugees for preferential treatment. They ask you to make that commitment the law of the land. To make it U.S. policy.

Such preferential treatment in law is unprecedented and unfair.

It is unfair to those among the millions of African refugees who may seek asylum in the United States.

It says to them that U.S. refugee policy will discriminate among which refugees to accept first worldwide.

It is unfair to the hundreds of thousands of Central and South American refugees who would seek asylum in this country.

It says to them that U.S. refugee policy is political and Hispanics don't yet have enough political clout to force open the door for their brothers and sisters.

It is unfair to the individual man, woman, or child anywhere in the world who is fleeing persecution and seeks asylum in the United States.

It says to that man, that woman, that child, "While you may have lived in daily fear of persecution, you must wait."

The U.S. Congress, the House of Representatives, would say that certain other groups of people, groups of people that may or may not be similarly persecuted, are to be brought to the head of the line and given assistance first to the United States.

It says to the individual Filipino refugee who has family here in the United States, "You must continue to wait 10 years for approval."

It offers no explanation why preference and immediate entry is to be granted to others, many of whom have no family in the United States.

American citizens have a right to expect that their national refugee policy will be consistent and even handed, that it will treat all refugees fairly. H.R. 2022 does not meet this test.

It is not consistent with the even handed approach adopted by the Congress in the 1980 Refugee Act.

It makes preferential treatment for some a matter of public policy.

I know of no way that I could explain such a policy to a black or Hispanic constituent who might come to me with a specific case of a family member or friend suffering persecution in another country.

But what about—some may say—your constituent Jewish community. How do you tell them you voted against H.R. 2022?

I will tell them what I am telling my colleagues today.

H.R. 2022 is not only unfair but it is unnecessary.

Proponents of H.R. 2022 have consistently argued that their bill is necessary because of "historical treatment in the Soviet Union" of Jews and Evangelical Christians.

Some may allege that Jews and Evangelical Christians are currently suffering grave and serious persecution in the Soviet Union—persecution so grievous as to warrant unprecedented emergency action.

But, the growing evidence is to the contrary.

Soviet practice in recent years has been not to enforce the political/religious articles of the Criminal Code.

Progress is being realized in freedom to worship and pursue ethnic and cultural traditions.

The celebration of 1,000 years of Christianity a year ago was actively promoted by authorities and drew thousands of worshipers.

Services are being held in major cathedrals for the first time in decades.

Worshipers are no longer routinely harassed.

And although not eliminated, restrictions on religious literature have been liberalized.

Soviet Jews in particular have experienced improved conditions for religious and cultural expression.

The law against teaching Hebrew is no longer enforced, and Hebrew classes are now held openly.

In Leningrad, the Karl Marx Institute is even sponsoring a Hebrew class.

A Jewish cultural center was recently opened in Moscow.

A Judaic Studies Center opened this year in Moscow and is functioning as a de factor yeshiva.

Along with this new openness, we can all acknowledge a great United States human rights victory in obtaining the concurrence of the Soviets to allow Soviet Jews and Evangelical Christians to leave the country.

Proponents of H.R. 2022 argue that this opening is a window that may be slammed closed at any time, that the Congress must act immediately or risk being responsible for those that might

be unable to get out of the Soviet Union.

The particular necessity cited by proponents of H.R. 2022 is the current backlog in the processing of Soviet applicants.

Currently it is estimated that approximately 20,000 persons are awaiting processing in Moscow. Another 9,000 have already left the Soviet Union and await processing near Rome.

Under the Refugee Act of 1980, President Reagan determined, in consultation with the Congress, that 24,500 refugees from Eastern Europe and the Soviet Union could be admitted in fiscal year 1989, ending this September.

The surge at the beginning of the year in Soviet refugee applications is the type of "unforseen refugee emergency" contemplated by section 207(b) of the Immigration and Naturalization Act.

President Bush has determined that it would be inconsistent with our longstanding commitment to assisting refugees from the Soviet Union not to take steps to continue admitting Soviet refugees from Rome and to alleviate the backlog in Moscow.

Thus, the administration—again after consultating with the Congress as provided by the Refugee Act—has recently acted to increase the number of Eastern Europe and Soviet Union admittances from 24,500 to 50,000 this fiscal year. It has asked Congress for additional funding of $100 million to carry this and other related actions out.

It is the administration's intent to use 43,500 of the 50,000 for Soviet refugees.

Proponents of H.R. 2022 have not contended that additional allocations are needed. They propose no additional funding.

They further acknowledge that as efforts go forward to address the problem of applicant backlogs, the President has within his discretion the authority to take temporary administrative actions similar to those H.R. 2022 would attempt to make a matter of law.

Presidential action similar to this has been taken in the past to address needs in Southeast Asia and, unlike the enactment of H.R. 2022, has avoided the cloak of public policy.

Finally, a brief reminder of the current steps that Soviet Jews take in leaving the Soviet Union as evidence that H.R. 2022 is unnecessary.

First, a Soviet Jew or Pentacostal goes to the Israeli consulate. There visas are issued, usually to Israel.

Most then go to Rome where they have the unique privilege of being allowed to change their destination between the United States and Israel. At this point, more than 90 percent do opt to change their destination to the United States, in spite of the fact that they have a visa to Israel, they have cultural and religious ties in Israel, many have family in Israel, and the Israeli Government is strongly desirous of having these Soviet Jews as citizens.

This unique choice is a very great advantage to Soviet Jews.

If they were treated as other refugees, they would first go to Israel and then apply to come to the United States. Then, as would any other refugee, they would wait for admission.

So current law is not only fair to Soviet Jews but it is also highly favorable and generous. Soviet Jews are the only group that have the choice of going to the United States even after another option exists.

The current backlog in applicants could be resolved in a humanitarian manner that is consistent with the treatment of refugees worldwide simply by requiring Soviet Jews to go on to their original destination, Israel.

Put another way, a substantial portion of the backlog that this bill attempts to address results from preferential treatment already being given to Soviet Jews.

H.R. 2022 attempts to do more than simply speed processing of applications. It would guarantee automatically the presumption of refugee status. With that would come favorable treatment including the payment of travel expenses to the United States, the right to apply for citizenship, and relocation and adjustment expenses, averaging $7,000 per refugee.

That is codifying new and highly preferential treatment for particular groups. There is no overriding necessity to consider doing this.

Since enactment of the 1980 Refugee Act, no legislation has been passed by Congress that would create a presumption of refugee status for any particular group seeking admission to the United States.

Proponents of H.R. 2022 argue that grants of extended voluntary departure [EVD] or parole status for Cubans, Poles, and Afghans that were later adjusted to permanent resident status are similar to legislative grants of presumption of refugee status.

That is not true.

All such grants were originally issued by the administration and, in some cases, Congress later acted to adjust them to permanent residency.

H.R. 2022 would establish a dangerous and wholly unjustifiable precedent to our refugee policy.

The Refugee Act of 1980 is the legal basis for U.S. refugee admissions.

The act adopts the definition of "refugee" contained in the U.N. Convention and protocol.

To support the worldwide structure for meeting the needs of refugees, the United States works with the U.N. High Commission on Refugees and other international organizations.

An applicant for refugee admission must meet the definition of a refugee contained in the Immigration and Nationality Act, that of having a well-founded fear of persecution.

Proponents of H.R. 2022 contend Soviet Jews, Pentecostals, and Indochinese should not have to meet this test.

The normal refugee applicant also must be among those determined to be of special humanitarian concern to the United States. And the applicant must be otherwise admissible to the United States and not firmly resettled in another country.

Meeting these tests, an applicant is eligible to be considered for admission under a worldwide priority system established in consultation with the Congress.

Adherence to this refugee process is essential to consistent, evenhanded treatment of all international refugees.

By creating a presumption outside of those priorities, H.R. 2022 violates this carefully balanced program. It says that despite the policy considerations underlying this law and procedure, the Congress should give preferential status and benefits to selected groups.

If we adopt such a precedent, Members of this body soon will have to learn to live by a new rule.

There could be hundreds of thousands of such applicants.

In addition, your Hispanic constituents will be coming to ask your support for similar treatment for Hispanic refugees.

Your black constitutents will be coming to ask your support for a similar preferential treatment for African refugees.

Other ethnic groups will be coming. They will provide you with evidence of inhuman persecutions and ask you to be equally compassionate and committed to the needs of these people.

There are a number of groups around the world that would potentially qualify or that would benefit from such a presumption for a specific class.

For example, certain Nicaraguans, Afghans, Romanians, Catholic Ukrainians, in fact, any other group that is currently considered in the refugee consultations.

On that day, the danger of the precedent that H.R. 2022 would establish will have become a reality.

For refugees around the world seeking asylum, that precedent will have become a living nightmare. No longer would they be able to reach out to a structure of law, to a consistent and evenhanded system of treatment.

H.R. 2022 violates both our refugee and immigration laws.

Short-term solutions to the large number of immigrants seeking to leave the Soviet Union and Indochina are in

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

place. Long-term solutions are the subject of other legislation, particularly H.R. 2646, which I have introduced on behalf of the administration.

H.R. 2646 gives the President the ability to admit up to 30,000 aliens annually who do not qualify for immediate admission as immigrants and refugees.

It would allow special immigrants to petition immediately for the entry of spouses and minor children. It is a more appropriate response to the Soviet situation.

It would also adjust current Soviet parolees to permanent resident status.

Madam Chairman, the administration opposes the bill before the House, H.R. 2022.

I urge my colleagues to do the same.

Madam Chairman, I reserve the balance of my time.

□ 1530

Mr. MAZZOLI. Madam Chairman, I yield 2 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Madam Chairman, I thank my distinguished friend for yielding time to me.

I want to commend the distinguished chairman of the Committee on the Judiciary, Mr. BROOKS, and the ranking member, the gentleman from New York [Mr. FISH], the gentleman from Connecticut [Mr. MORRISON] and others who are responsible for getting this legislation before us.

I think the United States of America and the people of the United States have reason to be proud of immigration policy, which compared to the immigration policies of most other countries in the world has really stood out positively. Every once in a while, though, we tend to engage in an act which I think diminishes America. We did that during the 1930's when there were German Jewish refugees knocking on our doors. We refused to let them in.

For some decades now we have been telling the world how terrible the treatment of the Soviet Union is of their citizens, of Soviet Jews, of Pentecostals, and of others and we adopted a policy encouraging the Soviet Union to let those people go. Indeed, we adopted programs which provided sanctions for not allowing them to leave. Then, all of a sudden, lo and behold, they decide to open the gates, for reasons not necessarily of magnanimity, but because they felt it was in their interest to do so. How ironic that we then turn around, we, the United States of America, and say, "Sorry, that is more than we anticipated, we are not going to let them in." That is wrong. That denigrates America. It diminishes America. What this legislation seeks to do is to correct that.

The Reagan administration did the same kind of thing in regard to Cuban prisoners. We kept on saying, while Castro kept people in Cuban prisons for political reasons, that if he let them go, we would allow them in. He let them go, and we started to niggle about them being let in.

This is a chance to correct an obvious injustice. I hope my colleagues will show that we believe in what we say, and not allow persecution to go unattended, but allow those persecuted to enter our Nation.

Madam Chairman, for many years, the United States has placed pressure on the Soviet Union to improve its human rights record. I have been among the many Members of this body who have written countless letters to Soviet leaders on behalf of individuals or groups that have been persecuted in that country because of their religion, or simply because of their desire to leave the Soviet Union.

The persecution of religious minorities in the Soviet Union has been and is notorious. Jews and many other groups face many forms of discrimination, including exclusion from jobs, schools, and housing which are otherwise promised to all Soviet citizens.

The new openness in Soviet society, rather than improving this situation, has had some unfortunate results. Anti-Semitic groups such as Pamyat have grown and prospered under glasnost, perhaps even with the blessing of the Government. While refusenik demonstrations are still regularly disrupted, the KGB chooses to ignore the plethora of leaflets advocating "Death to Jews," the overturning of Jewish tombstones, and the threats of violence which pervade Jewish communities in the Soviet Union.

Perhaps the only area where glasnost has led to true progress recently is emigration. Though the Soviet Union's emigration policy is still far from free, many long-term refuseniks who have struggled against their Government for years have recently been granted permission to fulfill their dream of living in a nation like the United States where religious freedom is respected. And one might imagine that the United States, which for so long has championed their cause, would receive them with open arms.

Unfortunately, that is not the case. After years of protesting the persecution of religious minorities in the Soviet Union, the U.S. Government has suddenly said that the persecution does not exist. Now, each of these refuseniks has to prove that he or she has been persecuted, and in fact, in March, the Immigration and Naturalization Service determined that 37 percent of those who applied had not been persecuted, and could not be admitted to the United States as refugees.

This is a tragic situation, made even worse by the belief that the sudden change in policy is a result of no more than a budget shortfall in the United States. How ironic it must be to these people who have suffered all their life to be told that because the United States has budget problems, their suffering no longer qualifies as persecution.

Madam Chairman, H.R. 2022 would require INS to return to its policy of presuming that religious minorities fleeing the Soviet Union have been persecuted. It is unfortunate that this bill is even necessary, but it is obvious that it must be passed. I urge my colleagues to vote in favor of this important legislation.

Mr. SMITH of Texas. Madam Chairman, I yield 5 minutes to my colleague, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Chairman, I am pleased to rise in strong support of the pending measure. H.R. 2022, introduced by our distinguished colleagues on the Judiciary Committee, the gentleman from Connecticut, Mr. MORRISON, and the gentleman from New York, Mr. FISH, establishes a legal presumption of persecution for certain categories of emigrees from the Soviet Union, from Vietnam, Cambodia, and Laos for the purpose of granting these individuals refugee status in the United States. There is a pressing need for enactment of this legislation. It responsibly addresses the current refugee situation.

For several decades the United States has led the world in urging the Soviet Union to allow Soviet Jews and other persecuted religious minorities to practice their religious beliefs openly and without fear. Additionally, the Helsinki Final Act, to which the Soviet Union and the United States are signatory, commit member nations to freedom of movement for its citizens, stating that every citizen has a right to leave, including his or her own country. Not a week has passed in the Congress when one of us wasn't circulating a letter to the Soviet leadership on behalf of an imprisoned or refused Soviet human rights or religious activist. The State Department, and successive administrations, have each carried the banner in this regard.

We are now in a situation, particularly with respect to the Soviet Union, where our unyielding stance on human rights has begun to bear fruit. The doors are opening for Soviet Jews, Pentacostalists, and Evangelical Christians, among others. While the Soviet Union is letting many leave, others are refused on charges of secrecy or poor relative status. Under the guise of glasnost, various nationalist movements are sprouting and flourishing, most prominent among them, Pamyat—Russian for memory. These groups, and particularly Pamyat, are virulently anti-Semitic. Its members exhort listeners with anti-Semitic rhetoric and leaflets unlike 50 years ago, the Jews of the Soviet Union are learning from history, and they are leaving the Soviet Union.

The United States has always stood foresquare with freedom. It is the height of hypocrisy when our bureaucracy, which for years allowed Soviet Jews to enter this country as refugees, when so few were being granted exit permission, now reverts administratively, and without notice, to limiting the number of Soviet Jews and other persecuted minorities solely

because more are expected. There is no difference between the Jews who exited the Soviet Union or the ones who exit now. They should all be presumed to be refugees. The history of the Soviet Union is rifed with anti-Semitism and persecution. Merely because people are being allowed to leave does not mean that such denial of human rights no longer exists, thereby disqualifying individuals from being granted refugee status.

Madam Chairman, anti-Semitism in the Soviet Union continues to this very day. In a recent report, Hebrew teachers from all over the Soviet Union have drawn attention to the growing dangers to all Soviet Jews of the continued unhampered progress of rabidly anti-Semitic groups which are now a regular part of the Moscow and Leningrad scene.

In this report, they describe a mass meeting in Moscow. Although the meeting was ostensibly in support of Palestinian victims of Zionism the dominant theme of the speeches was the "Dezionization of Soviet Institutions." Speakers from totally different organizations talked about the need to root out "Zionists hiding under Russian names who had taken over the press, television and organs of government." Perestroika itself was described as a Zionist plot and speaker after speaker with known neo-Facist backgrounds were cheered when they attacked Jews. The teachers bulletin commented that although there were different organizations represented, they were united in their anti-Semitism. "The meeting proved," they wrote, "that anti-Semitism was the cement consolidating every filth."

Typical of the speakers was Evgeny Yefseyev, research associate at the Philosophy Institute of the U.S.S.R. Academy of Sciences, who is also one of the leaders of the Committee of Soviets Against the Restoration of Diplomatic Relations with Israel. His opening address focused on "the internal enemies infiltrating our society." He referred to the percentage of Jews in Moscow, and declared that because of their number "it was simple to build up a network of Israeli spies." Speaker after speaker attacked Jewish front organizations. Anti-Semitic literature was freely available and the manifesto of Pamyat was distributed.

I learned only a few days ago from a Soviet emigre, now an American citizen, that his family, who are in the process of leaving, have learned the membership requirements for Pamyat. They are simple and clearcut: Racial purity, and the names and addresses of three Jews. The fear among the Jewish community is growing more palpable every day. It is preposterous to presume that Soviet Jews are no longer being or that they do not meet the refugee requirement easily. Unfortunately, such persecution has become a historical fact in the Soviet Union.

In this country we have laws governing immigration, and laws governing refugees. They are different for a reason. Refugee ceilings are adjusted every year, sometimes more, because of current events. Some opponents of this bill contend that H.R. 2022 would set a bad precedent. I charge that from a foreign policy stance, from a human rights stance, and from a purely humane stance, it would be dangerous precedent not to respond to current world events and would be grievous not to take credit for a significant U.S. human rights victory.

Our ad hoc House Task Force on Soviet Refugees, on which I am pleased to serve as chairman has been assured by former Secretary of State George Shultz, as well as other highly placed present State Department officials, that Soviet Jews should be presented, en bloc, to be refugees. Discussion has centered on the splitting of hairs, such as, "well, you were discriminated against but not persecuted, so you don't qualify as a refugee." Soviet Jews must be considered refugees, period. Yet, the rejection rate in Rome by U.S. immigration office in past months has not reflected that attitude.

In March of this year, 36.5 percent of Soviet Jews applying for refugee status in Rome were denied. In April that dropped to 27.9 percent in May the denial rate was 19.5 percent. On June 8, 1989, our task force held a meeting with State Department officers in which we were advised that the rejection rate would go down to 10 percent.

Our task force assured by the State Department waited for the June figures. Regrettably, in June they have not gone down to 10 percent, but rather up to a denial rate of 21.3 percent, more than the previous month, and completely contrary to what we were assured would be the standard.

The administration has indicated it plans to conduct a policy review for the long term. To this, H.R. 2022 responds by addressing the short term. Its provisions extend only through fiscal year 1990.

Mr. Chairman, I cannot express my support for H.R. 2022 strongly enough. Our Nation is the hallmark for freedom around the world. This legislation conforms to that standard. Accordingly, I urge my colleagues to support H.R. 2022, which has been endorsed by a number of human rights groups, and which has been cosponsored by a substantial number of our colleagues.

□ 1540

Mr. MORRISON of Connecticut. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Madam Chairman, I rise today in very strong support of H.R. 2022, legislation concerning refugee status for Soviets and Indochinese. I commend the leadership of the Committee on the Judiciary. I particularly want to commend the gentleman from Connecticut [Mr. MORRISON], chairman of the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary, for his initiative and his leadership on this vitally important issue.

It is certainly ironic, Madam Chairman, that at a time when the gates in the Soviet Union are finally opening, those in the United States appear to be tightening.

Madam Chairman, I think that any observer knows and understands that Soviet Jews and Evangelical Christians in particular continue to be persecuted in the Soviet Union, even if, sadly, the Bush administration is denying this and is opposing this legislation.

I think that the reasons in support of this legislation have been eloquently and well stated by the subcommittee chairman and by others. I would like to take one moment to underscore my very deep disappointment with the Bush administration for opposing this legislation. Shedding crocodile tears on behalf of Soviet Jews and Evangelical Christians and at the same time opposing this bill is sheer hypocrisy. The administration claims that other groups deserve equal treatment, and they certainly provide that—no real action for anybody.

As my distinguished colleague, the gentleman from New York [Mr. WEISS], outlined in his remarks, there have been sad moments and black spots in American history when we have closed the doors to persecuted groups that have been desperately in need of help. It would indeed be a very deep tragedy if in this set of circumstances, when the Soviet Union has finally opened its doors, the United States, the beacon of hope, the beacon of democracy, the example of the world in terms of hope, and in terms of potential, closes its doors in this set of circumstances.

For months, Madam Chairman, the administration has been aware of the Soviet refugee problem and has pledged to do all it can to rectify that regrettable situation. They have an opportunity to do so today, and yet they choose not to do so. It is an outrage.

At the same time, Madam Chairman, this is the same State Department which took a week to meekly and mildly criticize the terrorist act in Israel in which 14 people were murdered on a bus. Meanwhile, the Soviets over Radio Moscow, immediately and strongly, condemned this vicious act of violence.

One wonders why we seem to have lost our voice on such matters of principle.

Again, Madam Chairman, I want to commend the subcommittee chairman both for this bill and for his leadership on the Chinese situation that he will be pursuing and that the subcommittee will be pursuing next week.

Mr. SMITH of Texas. Madam Chairman, I yield 4 minutes to my colleague, the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, surely we all want to insure that our Nation offers generous resettlement to emigrants from the Soviet Union. There is a special concern for Soviet Jews and Pentecostals, and that is certainly a valid one. However, H.R. 2022 addresses these concerns in an impractical and costly manner.

By presuming refugee status for Soviet Jews and Evangelical Christians, this bill is a dangerous precedent in violation of the Refugee Act of 1980. Mandating the creation of categories is unnecessary and unwise.

As the gentleman from Texas said, how do we go back to our constituents and to those people or those refugees with families from the Philippines, from Vietnam, from South America and Central America, and from other areas and tell them that they are going to be treated differently than someone else?

The Refugee Act of 1980 already permits the Attorney General of the United States to designate categories of applicants identified as targets of persecution in a particular country. Such a designation should come out of the policymaking process in regard to the Soviet Union.

Madam Chairman, I also rise in opposition to H.R. 2022 because of the unlimited potential for its cost. We already spend millions of dollars every year to help refugees with their resettlement, and this bill would tack on additional costs.

And we must consider that possibly hundreds of thousands of applicants who are waiting to come into the United States may have to wait now for indefinitely long periods of time because of the very uncertain and unclear policies of the United States toward refugees. These staggering figures point to even more staggering costs on this bill that was passed by this House today.

Madam Chairman, I encourage my colleagues to cast a no vote on H.R. 2022.

Mr. BROOKS. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Madam Chairman, I rise in very, very reluctant opposition to the bill before the committee. Let me say first that I salute the committee and I salute the gentleman from Connecticut [Mr. MORRISON] for having vastly improved on the earlier versions of the bill that were brought before us.

I think particularly the sunset provision in this version is a step in the right direction. However, despite the fact that the bill has been significantly improved, it is not, I believe, the kind of bill which the House ought to pass today. I say that from the standpoint of certainly being very unsatisfied with the terrible backlogs which have been built up in Europe and certainly from the standpoint of having every kind of sympathy for the people who are involved here.

The establishment of a presumption that certain people coming from certain areas and certain lands are automatically refugees is, I think, really a step backward. It returns, as the Members of the House know, our position to pre-1980, before the 1980 Refugee Act was passed. The reason we passed the 1980 act was to get away from nation's specific determinations of who was or was not a refugee.

□ 1550

Madam Chairman, earlier the speaker today said that this was a very political act on the part of the administration. Well, unfortunately passage of this bill today does repoliticize the whole situation of who is or who is not a refugee, so essentially, Madam Chairman, I think the bill, despite its good impulse and laudable goals, sets a very bad precedent. I think it encourages and almost invites other groups similarly situated to apply for this kind of presumption. I think it avoids our addressing the very vexing problems of immigration.

Madam Chairman, my judgment is that many of the people now leaving the Eastern bloc are refugees, are immigrants and not refugees, and our immigration laws will be required to be tailored to meet that need. I think we should relieve the backlogs in every form with parole, additional money, deploying additional agents so every refugee is immediately cleared, but I do not think, despite the again laudable goal, that this is the way to go.

Madam Chairman, I would urge my colleagues to oppose the bill.

Mr. SMITH of Texas. Madam Chairman, I yield 1 minute to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Madam Chairman, I rise today in support of H.R. 2022, a bill to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for their adjustment to refugee status.

H.R. 2022 has two basic purposes. First, it is designed to facilitate the manner in which Soviet Jews, Soviet Evangelical Christians, and certain categories of individuals from Indochina are processed for admission to the United States as refugees. It does this, in effect, by temporarily re-establishing a presumption that such individuals are, as a group, subject to persecution in their homelands.

Second, this bill would allow some 5,000 to 10,000 Soviet and Indochinese individuals who have been, or will be, allowed to come to the United States and remain here permanently, pursuant to the Attorney General's parole authority, to adjust their immigration status from that of a parollee to that of a refugee, thereby giving them an opportunity to apply eventually for lawful permanent residency and U.S. citizenship.

Through my membership of the House Judiciary Committee, the congressional coalition for Soviet Jews, and steadfast communication with my constituents, I have been involved with, and supportive of, this legislation, particularly with respect to the plight of recently released Soviet Jews. I have received from my district requests for assistance on behalf of particular families who have gained long-fought permission to emigrate. The Taubkin family, in particular, is currently living in limbo in Italy, having been denied refugee status by the United States. Although their fate is unclear at this time, the Jewish Federation of Jacksonville and the Jewish Federation of Volusia and Flagler Counties are working deligently to help them begin a new life in this country by securing housing and other forms of assistance for them.

For years the United States has upheld a presumption that Jews and Christians from the Soviet Union are fleeing religious persecution and therefore merit refugee status. Recently, however, the Immigration and Naturalization Service has backed away from this presumption and rejected a high proportion of Soviet applicants for refugee status.

As the Soviet Union has persecuted its Jewish citizens and other religious minorities, denying them freedom of worship and discriminating against them in housing, employment, and education, the U.S. Government has been most vocal in condemning the Soviets while pleading for their approval of "refuseniks' desire to emigrate.

Now we are at an historic moment to help Soviet Jews, and it makes no sense to me to not uphold our Government's long-time pledge to come to the aid of these persecuted people. Now is time to match our words with deeds and pass this crucial legislation.

Mr. BROOKS. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Madam Chairman, I thank the gentleman from Texas [Mr. BROOKS] for yielding time to me.

Madam Chairman, I rise today in support of H.R. 2022, and commend the committee for its leadership on this legislation which would make it easier for Soviet and Indochinese people to qualify for refugee status in the United States. I thank the committee for their hard work on this because this is an issue very important to the people of my district of San Francisco.

I believe it is essential that we adopt legislation which presumes the prosecution of Soviet Jews and Evangelical Christians and certain categories of Indochinese people. This bill shifts the burden of proof from the refugee to the U.S. Government.

The United States has long condemned the Soviet Union for its persecution of Soviet Jews and Evangelical Christians. It would be the height of hypocrisy if, in the face of an easing of Soviet restrictions on emigration—something we have all worked and hoped for—the United States decided it would not accept these people as refugees.

Likewise, in Indochina, we have witnessed an alarming growth in boat refugees from Vietnam, Laos, and Cambodia. Last month, the United States went to the Geneva Conference on Indochinese Refugees and, to our credit, pressed strongly to prohibit forcible repatriation of refugees to Vietnam. We cited repression of Vietnamese dissidents, clerics and intellectuals, and the continued existence of a "gulag" of re-education camps.

The United States must not be seen to vacillate on this issue. We should not to Geneva citing persecution in Vietnam and then come home and question whether persecution exists. This undercuts our position internationally and threatens the carefully crafted agreement made in Geneva. Rather, we must be consistent. We should acknowledge the persecution that exists in both the Soviet Union and Indochina, and admit these people as refugees.

Madam Chairman, we must not lose sight of the fact that we are talking about people here today. People who have left their homelands, in many cases risking there lives to do so. These people deserve our support.

I urge my colleagues to support this important measure.

Mr. SMITH of Texas. Madam Chairman, there are other dangers to H.R. 2022 that have not been brought out, and these dangers have been clearly shown by two articles from the New York Times. The first article was a front page article today which clearly points to the possibility of fraud and the problem of cost if H.R. 2022 is passed. Today's headline of the New York Times article is, "U.S. Foresees Rush in Soviet Emigres. Moscow Drafting Law to Lift Restrictions on Departure." And it reads in part:

> Western diplomats say a draft law shown to them here would allow Soviet citizens to leave at the invitation of virtually any foreign business, organization or individual.
>
> 100,000 REQUESTS EXPECTED
>
> The United States Consul, Max Robinson, said he expected about 100,000 immigration requests this year, as Soviet officials relax their restrictions in anticipation of the new law, and "in 1990, we could see as many as a quarter of a million Soviets seeking to immigrate".
>
> The proposed law would also make it easier for Soviet Jews to apply for emigration directly to the United States.
>
> It could also transform the issue of Soviet emigration from one of the West's major human rights complaints into a giant headache for the United States, the only Western democracy that offers an almost unconditional welcome to Soviet émigrés.
>
> The huge demand has created a crushing workload in the United States Consulate. Mr. Robinson said plans for additional personnel and automation should enable the embassy to interview 6,000 applicants a month this fall—up from about 2,400 a month right now.
>
> But the avalanche of requests keeps growing, raising difficult policy questions about America's ability to absorb masses of Soviet immigrants.

Madam Chairman, if H.R. 2022 passes and we have this change in Soviet law, as we expect, then thousands of people can come to the United States that we now no longer expect. All they have to do is raise their hand, say, "I am a Jew," or, "I am a Pentecostal'," and in they come.

In addition to that, we have the huge expense attached to refugee status which averages about $7,000 that are paid by the American taxpayer for every refugee.

Let me give my colleagues two figures based upon the two figures mentioned in this article. If a hundred thousand additional refugees are allowed admittance, that is $700 million. If the quarter of a million forecast comes true, that is almost $2 billion of American taxpayers money that would be used for refugees.

Madam Chairman, the second New York Times article I refer to is from last month, June, again a front page article, and this shows the danger of H.R. 2022, which allows an entire group, an entire class of individuals, to come to the United States on a presumptive basis. This article headline is, "Soviet Emigre Outlaws Fusing Into a New Mob."

> A criminal underworld of Soviet émigrés, some of them skilled in white-collar crime and hardened by Soviet prison and labor camps, is reaching beyond its base in Brooklyn, using extortion and violence in its own neighborhoods and engaging in multimillion-dollar racketeering schemes on an international scale.
>
> They feel we are pussycats said one New York detective monitoring the networks, and the United States is one big candy store.

Although most of the new arrivals, and many of the criminals are Jewish, investigators say those who arrived as Jews in fact forged their identity papers in order to leave the Soviet Union. Also investigators said somewhere undoubtedly KGB agents smuggled into the United States among legitimate immigrants. Federal agents say the Immigration and Naturalization Service in the absence of cooperation to the authorities is in no position to weed out criminal pasts among the thousands of immigrants passing through transit camps outside Rome.

Madam Chairman, should H.R. 2022 pass, all that is going to be doing is tempting the thugs and the criminals of the Soviet Union to try to gain admittance into the United States.

Madam Chairman, I would urge my colleagues to vote no on H.R. 2022. In addition to the reasons that I have just mentioned are pointed out by the New York Times article, H.R. 2022 is unfair. It singles out select groups for preferential treatment. It guarantees U.S.-paid travel and relocation expenses to individuals who are already declared ineligible. The administrative problem the bill seeks to address results from existing preferential treatment already provided Soviet Jews.

Second, it is unnecessary. The administration in consultation with Congress has already adjusted allocations to accept targeted groups. Necessary funding has already been requested. Administrative discretion has already been made available to address additional needs.

Third, it is bad precedent. It says the House will provide waivers for select groups. Other groups can be expected to seek similar preferential treatment as I suspect we will see in a few minutes with the case with amendments.

Lastly, the administration opposes H.R. 2022, and I would urge my colleagues to do the same.

□ 1600

Mr. MORRISON of Connecticut. Madam Chairman, will the gentleman yield?

Mr. SMITH of Texas. I am happy to yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Madam Chairman, the gentleman made reference to the possibility of spies and criminals and others coming in among these Soviet refugees. I wonder, does the gentleman suggest that somehow these individuals, the presumption as individuals is going to bring in some special group different from the 43,500 that will come in under the numbers that are approved and the additional thousands of parolees?

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

The CHAIRMAN. The time of the gentleman from Texas [Mr. SMITH] has expired.

Mr. BROOKS. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, what we are talking about is an interesting subject. What we have is an administration that over the last number of years has made the exit of persecuted minorities in the Soviet Union a high priority foreign policy goal; so for years we have been beating on the Soviet Union diplomatically to let out Jews, persecuted minorities like Pentecostals and other ethnic minorities. We have agreed over the years to take them in as a persecuted refugee.

But what happened? In October OMB, who all of a sudden has become the world's great and total, for this administration and the last one, voice on what is supposed to go on everywhere in the world, decided we were running out of money. So they contacted the INS and the Department of State and said:

> You will change your rules. These people that we have been beating on the Soviets to allow to exit and immigrate will now be treated as parolees.

So when the INS and the State Department put this into operation through OMB's decision, not our decision, what happened? We did the very thing that we have been accusing the Soviet of doing for years. We started to split up families. There are a lot of people in this Chamber who worked on families that have been split up by the United States after they were let out of the Soviet Union, but OMB's plan had gone into effect.

We are here to correct a terrible wrong that we have done to people and a foreign policy goal to set it straight that we believe is the right goal and that we have consistently supported in this Chamber.

The people that we are talking about here are refugees. They are in fear of persecution. The Jews and other ethnic minorities in the Soviet Union have not had their situation changed.

Oh, yes, haphazardly, without plan or pattern, more exit visas have been granted by the Soviet Government, but nothing has changed. No constitutional change has been made, no legal change has been made, nothing.

We must do this to correct a wrong in order to institute a policy that we have agreed on for years.

I urge you to adopt this bill and the Lipinski and the Solarz amendment which will make this bill very strong and a great foreign policy goal for what America stands for.

Mr. BROOKS. Madam Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Madam Chairman, I rise in strong support of the Lipinski-Cox amendment. While we extend a much-needed hand to Soviet Jews and Evangelical Christians, it is imperative that we include Ukrainian Catholics and Ukrainian Orthodox as well. Both of these churches were declared nonexistent under Stalin and still remain outlawed today. They are two of the most persecuted and oppressed groups in the Soviet Union.

If we do not specifically include Ukrainian Orthodox and Catholics in this bill, they may encounter the same problems currently facing Soviet Jews seeking immigration to the United States. Let us send a strong message to Gorbachev, that while we welcome glasnost, we will not relax our vigil of human rights abuses in the Soviet Union until all religions and minorities are given their freedom.

Madam Chairman, I submit that true freedom must extend to all segments of a society. This amendment provides an opportunity to demonstrate our adherence to this principle. As the grandson of a Ukrainian immigrant, this amendment means a great deal to me. I urge support for the Lipinski amendment.

We are fortunate in this country to enjoy religious freedom, but we must never forget the plight of millions who face religious persecution around the world. I urge my colleagues to vote for the Lipinski-Cox amendment.

Mr. BROOKS. Madam Chairman, I yield 1 minute and 45 seconds to the distinguished gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Madam Chairman, the Congress over the years has erected a noble and generous immigration policy that reflects the American spirit.

For many years we have accepted more immigrants than all of the rest of Western industrialized countries in the world put together. What a noble statement that is of American ideals.

We have pressured the Soviet Union for years to live up to its obligation under the Helsinki accords and permit their people to emigrate and to loosen and relax the pressures of religious discimination that have so devastated the lives of not only Jews and Pentecostals, but others, too.

Now we are about to seize defeat out of the jaws of victory.

Now just as our relentless pressuring over the years is beginning to pay off and the Soviet Union is beginning to relax those iron chains and open up their doors, significantly, to their credit, we are saying to those who have suffered for seeking freedom that we cannot absorb them.

We cannot absorb refugees from the Soviet Union who have been among our greatest scientists, our business leaders, communications people, artists, pianists, violinists, contributing to the progress of American engineering, science, mathematics, and culture. We have a rate of adult illiteracy in this country of 25 percent. Most Soviet immigrants who come into this country are literate, productive, and contribute to our economy.

To abandon our longstanding policy now, when it is finally working would be a supreme irony. It is preposterous. It is an insult to the Congress that the Justice Department has demeaned and degraded the nobility of our immigration policy and the efforts of countless people over many years past to bring freedom to oppressed minorities who wish to come to our shores.

I want to congratulate the gentleman from Connecticut [Mr. MORRISON] and the gentleman from New York [Mr. FISH] for this marvelous amendment and I urge my colleagues to support it.

Mr. BROOKS. Madam Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Madam Chairman, I rise in support of H.R. 2022, legislation which grants presumptive refugee status to Soviet Jews, Evangelicals, and certain Indochinese.

In 1988, the Attorney General changed U.S. policy concerning the admission of these groups to the United States. Before the policy change, applicants for refugee status were presumed to have a fear of persecution if forced to return to their country of origin. There is virtually no person in this country who is unaware of the fact that the Soviet Union, despite the very recent incremental improvements in that country, has been a nation in which Jews and others have suffered from harsh, intentional discrimination and persecution. None of us is naive enough to think that a few years of glasnost will erase decades of institutionalized anti-semitism in the Soviet system.

It is highly ironic that for more than 20 years, we have been struggling, both as individuals and as a Nation, to help secure the rights of Soviet Jews to emigrate. In the past year, the Soviet Union has opened the door to some of those wishing to leave, and now the United States starts drawing very fine distinctions, saying some who leave are persecuted and others are not.

I am sure that there are many Soviet officials who have been scratching their heads in amazement. For all these years, the President of the United States, Members of Congress, and the general public have been clamoring for the exit of Soviet Jews. Now, the Soviets are permitting many thousands to exit, and they are witnessing this embarassing spectacle. As

a result of INS policy, the Congress is forced to pass legislation to let these Soviet emigres into the United States. This is a sad commentary on a refugee admission policy which appears to be driven by a set of severely confused principles.

Madam Chairman, let us send a signal to the world that when the United States pursues a policy of emigration for Jews and others in the Soviet Union, we fulfill the objectives of that policy. One clear objective of our struggle for Jewish emigration from the Soviet Union was to give these people safe haven and the opportunity to live in freedom in the United States if they so choose. Indeed, tens of thousands of Soviet Jews have settled in the United States and now live productive lives in this country.

Madam Chairman, I urge my colleagues to support this bill, as is a measure to restore the dignity of those who have fled persecution. It is also a measure to restore the dignity of the U.S. Government, which has oddly turned its back on these people in a most awkward and undignified way. I urge the passage of H.R. 2022.

Mr. BROOKS. Madam Chairman, I yield 1 minute to the distinguished gentleman from Minnesota [Mr. SIKORSKI].

Mr. SIKORSKI. Madam Chairman, I rise today to speak in support of H.R. 2022 and the Lipinski amendment and against the administration, which continues to carry out Ed Meese's August 1988 directive to the Immigration and Naturalization Service on new operating procedures for Soviet Jews and other minority applicants for refugee status.

Is it not ironic: Now we need not only push the Soviet Union to expand and legalize their human rights reforms, but beg the U.S. administration to rectify their treatment of these freed Russian immigrants.

For decades, America has spoken out against Soviet oppression. We have tried to enlighten the world to the plight of Soviet refuseniks—Jews, Evangelicals, and other ethnic minorities denied their basic human rights. These refuseniks have been living with fear, discrimination, and multiple persecution in their homeland. For decades they have been given our assurances of freedom during our visits with them in the Soviet Union and in repeated broadcasts of Voice of America. They have been the pivotal point of our diplomatic polemics and our foreign policy. Summit after summit, we have been arguing, negotiating, and conditioning our agreements with the Soviet Union on the basis of this group's right to emigrate. And our trade policy has put our dollars where our mouth is.

Now, they are a group of people that the American administration is spurning; making them the American version of refuseniks or "waitniks."

What has changed? This vaunted word "glasnost" has not eradicated anti-semitism and political persecution of Jews in the Soviet Union. Anti-semitism is flourishing in the Soviet Union under glasnost and the need of these refugees to emigrate has become even more pronounced.

Remember: None of the reforms that have been publicized to the world's media have been legalized or institutionalized. If President Gorbachev fails—these reforms can fail with him.

Remember: The Soviets are continuing to deny many Jewish applicants based on the spurious pretext of possessing state secrets from jobs left decades before.

Remember: The motivation of the Soviet Government are not humanitarian, but rather a desire to benefit in trade and technology from good relations with the United States—relations they know are contingent upon their human rights record. How significant will human rights be perceived by the Soviet Union as a priority of United States' foreign policy if our foremost case of Soviet human rights abuse—emigration of Soviet Jews—proves to be unworthy of our time, our money, and our sympathy?

The integrity of American foreign and human rights policy is at stake.

Under current INS operating procedure, refugee status is granted only if in the course of a 15-minute interview, with largely untrained U.S. Immigration and Naturalization Service officials, Soviet refugees can prove a well founded fear of political persecution.

According to Robert Eddy, chief INS official in Rome, the new policy's implication is that discrimination no longer amounts to political persecution.

This is tantamount to shifting the burden of proof to the victims, whose understanding of the process as well as their understanding of English is usually insufficient to create testimonial quality evidence on their behalf.

Therefore, over 4,000 individual cases of Soviet Jews have recently been denied refugee visas on the pretext that they do not fit the precise, new, glasnost sanitized definition of a political refugee.

With the administration, we have addressed the need for increased allotment numbers for this fiscal year and Congress has passed an appropriation bill to carry us through this period, as well. However, the most important and humanitarian issue has yet to be addressed. Hopefully, we will do that today.

The Immigration and Refugee Subcommittee held a hearing on the unjust situation facing Soviet emigres in Ladispoli, Italy, in April. I had the opportunity to testify before the committee. Recent legislation introduced and reported by Congressman MORRISON, chairman of the subcommittee, incorporates what I was trying to accomplish with my legislation. Chairman MORRISON deserves special praise for his sensitive and sensible work. Hopefully, our hard work and effort will culminate in the passage of legislation that will return the INS to the operating presumption for the last 8 years: a Soviet Jew, by the fact that he/she lived in the Soviet Union has suffered from political persecution. We now call on President Bush to show his "kinder, gentler nature," support this legislation, and allow these refugees to emigrate.

This bill also legislates this same status to refugees from Vietnam, Laos, or Cambodia because we have also made a significant special commitment to these people as well; through our foreign policy's recognition of their persecution in their homeland.

To those who oppose this legislation saying we are no longer making these individuals meet the well founded fear of persecution test, I say we are simply reiterating what we have been claiming in our discussions with the Soviets for years; That they, as Russian Jews and Baptists, all have been forced to live with not only a well founded fear of persecution, but in many cases real persecution.

To those who say we are giving them special treatment, I argue that the treatment we have been given them for the last 10 months is not very special in light of the commitment we have made to them for the last 20 years.

Fifty years ago this spring, the ship *St. Louis* carried 930 Jewish refugees from Hitler's Germany. It, too, was refused port in the United States. These refugees were forced to stay in Europe and many of them died from Hitler's persecution.

Have we not learned from this tragic mistake?

We cannot be silent once again and allow these 1989 immigrants' fight for freedom and opportunity in America to perish. I urge you to support Chairman MORRISON and H.R. 2022.

□ 1610

Mr. BROOKS. Madam Chairman, I yield 1 minute to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Madam Chairman, I rise today in support of H.R. 2022.

I urge my colleagues to vote in favor of this bill and restore presumption of refugee status to Soviet Jews who have escaped persecution in the U.S.S.R. only to find themselves refuseniks of the United States.

The time has come to dispel a myth. A 1,000 year legacy of Russian anti-Semitism has not evaporated with glasnost. In fact the reverse is true. In

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

the new Soviet environment, latent anti-Semitism has reemerged as radical groups, such as the virulently racist and anti-Zionist Pamyat, spread their messages of hate. Jews still in the U.S.S.R. now live in constant fear of physical violence and possible pogroms. That is why 5,000 Jews a month are leaving the Soviet Union.

With good reason, "trust but verify" is the principle we apply to every other area of our relations with the Soviet Union. The recent tragedy in China is a compelling example of reliance on the goodwill of totalitarian governments to protect the universal rights of their citizens. With this in mind, we must remember that the Soviet Government has yet to codify its new emigration policy into any legal framework. Soviet Jewish activists are correct when they remind us that the door could slam shut at any moment. That is why we have to act now.

We made a promise to Soviet Jews. We said to them, "Fight for your principles—if necessary lose your job and go to jail to assert your basic human rights." For our part we held out the hope of refuge in this country for these brave men and women who found their inspiration in our Constitution.

That is why I believe that our present policy toward Soviet Jews is not just inhumane—it negates a decade of a successful and widely supported foreign policy—13,000 Soviet Jews wait in Italy for the right to enter this country as refugees. Each family has a story to tell of persecution, imprisonment, discrimination, of a job denied, or academic rejection—all for one reason alone—they are Jews. These are people who have uprooted their lives and taken life-threatening stands for the chance to live in freedom. They have suffered enough and it is ironic that now it is we who are responsible for their continued agony.

I am particularly concerned and dismayed at the way in which our own Immigration and Naturalization Service adjudicated and rejects refugee applications. It is a process that can only be described arbitrary and capricious. I hear stories from my own constituents, desperate for reunification with their families, or elderly relatives who having been imprisoned by the KGB and barred for years from leaving the U.S.S.R. now find themselves denied refugee admission to this country without explanation. Thousands of those seeking refugee status are being turned down by the INS. In addition, living conditions for those in Rome deteriorate daily and within a few days the first group of families will be cut off from financial support as private relief organizations begin to run out of money.

Madam Chairman, by implementing the legislation offered today by the gentleman from Connecticut, we will begin the process of alleviating the suffering. In restoring presumptive refugee status, we can in one stroke end a cruel process that divides families and reestablish a humane and decent foreign policy that promotes family reunification. We will also reduce the burden on State and local governments as well as private agencies who should not be required to pick up the check for our foreign policy decisions. By passing this bill we will lay the groundwork for establishing a stable, long-term solution for the future and most importantly, we will ensure that the pipeline to liberty remains open and unclogged for those Soviet Jews who choose to escape their homeland.

Mr. BROOKS. Madam Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Madam Chairman, I rise in strong support of H.R. 2022.

Mr. BROOKS. Madam Chairman, I yield such time as she may consume to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Madam Chairman, I rise in strong support of H.R. 2022.

Madam Chairman, I rise in support of H.R. 2022, a bill that will guarantee refugee status to Soviet and Indochinese groups who have historically been oppressed and denied religious freedom. This status would clear the obstacles for many Soviet Jews, as well as for other religious believers, who are trying to emigrate to the United States.

The legislation is unfortunately necessitated by a former Attorney General's reversal of the Immigration and Naturalization Service's longstanding humanitarian policy of granting presumptive refugee status to those fearing persecution in the Soviet Union and Southeast Asia. This means that the victims of the state are burdened with proving something which is painfully obvious to most reasonable people—that they have a well-founded fear of persecution—if they want to gain refugee status. The lengthy interviews and large amount of paperwork currently required have brought the normal flow of refugees to the United States to a halt, leaving many feeling stateless, hopeless, and betrayed.

I have received a large number of letters from the relatives and friends of people waiting in Rome, Vienna, and Moscow to gain refugee status. These thousands of people have given up their citizenship and all their privileges in the name of freedom.

The situation is personified by the case of Riva and Felix Sokolsky, whom I have been trying to help. They are two Soviets who became the objects of persecution simply because they were Jews. They eventually were allowed to leave and they made their way to Italy to apply for refugee status from the United States, but were denied and remain in Italy indefinitely without jobs, family, or friends. This is only one of dozens of such cases which constituents have brought to my attention in hope of assistance.

The Sokolsky's situation is representative of the desperation felt by many in similar circumstances. This bill would insure the refugee status needed to emigrate to the United States and is the only humane alternative. We cannot let these people continue to suffer.

I urge my colleagues to vote in favor of H.R. 2022.

Mr. BROOKS. Madam Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Madam Chairman, I rise in strong support of this legislation.

Madam Chairman, as someone who has been deeply concerned about Jewish emigration from the Soviet Union for many years, I strongly support enactment of H.R. 2022, which is a reasoned and compassionate response to ill-conceived actions by the Immigration and Naturalization Service. Tragically, just as the gates appear to be opening for Jews and evangelical Christians in the Soviet Union, the door of America for thousands has been slammed shut by the United States.

As a result of INS policy shifts in August 1988, denial rates have soared: A total of 4,919 Soviets were denied refugee status from October 1988 through March 31, 1989. In Rome, the denial rate for March 1989 was almost 36 percent; in Moscow, the denial rate was 85 percent by the end of March.

Despite welcome liberalization in the Soviet Union, both Soviet Jews and evangelical Christians continue to suffer, and have a well-founded fear of persecution. Moreover, in an evaluation of INS processing of Soviet asylum seekers, the General Accounting Office found several inconsistences in the new screening program—attributable to lack of knowledge about country conditions by INS officers, differing interview approaches, and the volume of applicants—and noted that 208 out of 415 cases that had been reviewed had been reversed as of March 31, 1989.

These unfortunate changes in policy come at a time in which prompt responses—rather than chaos and delay—are required to deal with the outflow of Soviet asylum seekers.

By the end of April, more than 26,000 Soviets were awaiting interviews in Moscow; at the same time, more than 5,000 persons in Rome were either awaiting interviews or had not yet had their cases presented to INS, and were forced to languish in a kind of social and economic purgatory.

The numbers—as important as they are—can at times obscure the human dimension of this unfortunate situation.

The case of two young Soviet Jews, Mark and Zanneta, a married couple in their thirties, and relatives of constituents in my district in Brooklyn, illustrate the problem. Growing up in the Soviet Union, they were constantly called "dirty Jews" by their classmates and were barred from attending college. During his stint in the Soviet Army, Mark was repeatedly beaten and chastised by a commanding officer who called him a dumb Jew. He was also beaten unconscious by his coworkers for discussing the problems facing Soviet Jews. Zan-

neta was fired from her job and the couple's home was vandalized by hooligans who painted swastikas on the door.

While Mark and Zanneta were able to escape from the Soviet Union late in 1988, they were—unbelievable as it seems—denied admission to the U.S. as refugees. Unfortunately, this is only one of many terrible stories that I have been made aware of in recent months.

The proposed legislation will ensure that these kinds of stories do not continue, and—combined with the enlarged 1989 refugee ceiling for the Soviet Union—will go a long way toward ameliorating this situation.

As the representatives of a Brooklyn constituency with the largest percentage of Soviet Jews in the Nation, permit me to say a few words about this community in particular. It is not only in the best interests of the Soviet-Jewish community to end this terrible immigration crisis, but it is in our national interest as well; like other waves of immigrants before them, Soviet Jews have brought new ideas and new ambitions, new drive, and new achievements to America. I am immensely proud to represent the flourishing Soviet Jewish neighborhoods in Brooklyn.

In addition, I strongly support the legislation's call upon the administration to establish categories of Indochinese who are subject to persecution, and I will be proposing an amendment to designate specific groups of Indochinese to be included in those categories. In the case of the Indochinese, changes in INS refugee processing in February of this year have resulted in skyrocketing denial rates for refugee applicants in Vietnam, raising important questions about whether the ODP Program is being administered fairly.

Between February and May, about 70 percent of asylum seekers were denied refugee status; prior to February, the figure was under 10 percent. These changes in procedures have created serious concerns that the INS may not be following its own guidelines on the processing of Indochinese refugees—concerns that are amplified by the fact that the INS conducts refugee interviews in Vietnamese Government buildings using Vietnamese Government interpreters, hardly an environment that promotes a free exchange of information about persecution.

I strongly urge my colleagues to support H.R. 2022.

Mr. BROOKS. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GEJDENSON. Madam Chairman, I rise today to express my strong support for H.R. 2022, granting refugee status to certain members of groups known to be subject to persecution in the Soviet Union and Indochina.

I wish to commend Mr. MORRISON, my colleague from Connecticut, for his efforts in drafting this legislation as the chairman of the Subcommittee on Immigration, Refugees and International Law. This timely piece of legislation will provide a much needed remedy to a significant problem that has persisted with the processing of applicants who are piling up in refugee camps within Europe.

This logjam of potential emigres began in August 1988 when Attorney General Ed Meese reversed a longstanding policy of the Immigration and Naturalization Service that allowed refugee status to be determined without the need to demonstrate a "well founded fear of persecution" on an individual case-by-case basis.

It has been entirely evident in the past and continues to be that these people have been consistently subjected to persecution within their native homeland by denial of a basic human right, their right to practice their own faith.

This reversal is unfounded and ironic. The exit of Soviet Jews represents a triumph of American foreign policy and yet the United States is rejecting many Jews and Christians who were able to exit the Soviet Union only because our Government pressed for their release.

Since December 1988, 3,000 to 4,000 Soviet emigres a month have been arriving in Western Europe for processing. Maintaining these refugees has become extremely costly both in terms of dollars and human endurance. The refugee camp in Ladispoli, Italy, now houses over 12,000 Soviet refugee applicants, many of whom have been there several months.

This bill will restore a presumption of refugee status for these persecuted individuals in the Soviet Union and Indochina and direct the Government to establish categories of individuals who merit this presumption. Passage of this bill is a fair and just response in solving the current crisis in both areas. I urge my colleagues to support this legislation with me and resume the timely and much needed return of allowing these individuals the right to emigrate.

Mr. SCHUMER. Madam Chairman, I applaud the gentleman from Connecticut for his leadership on this issue, and for bringing this important bill to the House floor.

Last year, the Reagan administration won a tremendous human rights victory by convincing General Secretary Gorbachev to allow thousands of people to leave the Soviet Union. Yet, no sooner were the gates of the Soviet Union flung open, when the doors of America were slammed closed on those fleeing persecution.

No one anticipated the tide of refugees that have flowed from the Soviet Union. As a result of the large numbers, budgetary constraints initially led to a temporary suspension of refugee visa processing at the American Embassy in Moscow. Families were left stranded.

Then, the administration reversed longstanding policy that presumed that Soviet Jews and Evangelical Christians were refugees. This policy reversal has resulted in arbitrary denials of refugee visa applications for Soviet citizens, and has divided thousands of families. My office alone has received hundreds of appeals to reunite Soviet families where certain family members have been denied refugee status, and others, from the same household, have been granted permission to come to the United States.

Finally, in an attempt to accommodate the swelling numbers of Soviet refugees, the administration cut back on the number of refugee visas available to the Indochinese. Pitting one deserving group of people against another who seek safe haven in our country is unacceptable.

This is not the showing of compassion worthy of a kinder, gentler nation.

When the administration said to Gorbachev, "Let your people go," our Nation made a commitment to let those people come to our country. Despite the promise of glasnost, many Soviet citizens are still constrained in the practice and teaching of their religion. Antisemitism still prevails in the Soviet Union.

While there is a crack in the Iron Curtain, let America welcome those who can come through.

H.R. 2022 recognizes the years of persecution faced by Soviet Jews and Evangelical Christians, and by the Indochinese. I urge my colleagues to vote for this bill which restores the proper balance to our refugee program.

Mr. LANTOS. Madam Chairman, I rise in strong support of legislation being considered today by the House which will make it significantly easier for Soviet Jews and other persecuted minorities to gain admission into the United States as refugees.

First, I would like to pay tribute to our distinguished colleagues who have worked to bring this essential bill to the floor: Congressman BRUCE MORRISON, the author of the bill and chairman of the Subcommittee on Immigration; Congressmen BARNEY FRANK, of Massachusetts, CHUCK SCHUMER and HAMILTON FISH, of New York, and HOWARD BERMAN, of California, all members of the subcommittee who have devoted a great deal of time and effort to this matter; and my good friend, Congressman BEN GILMAN, of New York, who has worked tirelessly to see the adoption of this important legislation.

Over the years, the United States has made it clear that the relaxation of Soviet emigration policy was a vital United States foreign policy goal. We have supported Soviet refuseniks who desire freedom and we have supported their efforts to emigration. But after years when Soviet Jews automatically qualified as refugees, the Immigration and Naturalization Service recently departed from its longstanding practice of presuming that these individuals have a well-founded fear of persecution. The result is that many Jewish refuseniks have emigrated from the Soviet Union, only to find that they do not have refugee status and thus cannot enter the United States.

We cannot and must not turn our backs on these Soviet refugees. We cannot stand idly by and see them excluded from admission to the country for which they risked their lives. It would be a grievous betrayal of our principles and the abandonment of a decades-long effort by the Congress and the U.S. Government. Mr. Chairman, we have a responsibility to meet the aspirations of these persecuted peoples for freedom and human rights.

For years the United States has fought for the persecuted who have risked their lives, their careers, and their well-being—and in some cases faced years of deprivation in the gulag or work camps—to come to the United States. Tragically, just as large numbers are finally receiving permission to leave the Soviet Union, we have changed the rules. As a result, large numbers of applicants have been denied refugee status, despite a lack of mean-

ingful change in the condition facing them. Anti-Semitism is on the rise in the Soviet Union and ancient prejudices and hatred continue to brew.

Emigration from the Soviet Union has shown sharp shifts over the past several decades. In the 1970's, emigration reached unprecedented levels, as tens of thousands of Jews were granted permission to emigrate. In 1979, Jewish emigration from the Soviet Union reached over 50,000. In the first half of the 1980's, however, Soviet policy became much more restrictive. From 1983 to 1986, the number of Jews allowed to emigrate averaged 1,000 per year. Soviet emigration took another sharp upswing in 1987, when Jewish emigration increased to over 8,000. In 1988, 19,000 were allowed to leave, and this year it is estimated that this number will be at least double that number.

Madam Chairman, the problem is not simply a Jewish issue. In 1988, over 1,500 Pentacostals and other Evangelical Christians were denied refugee status, and there has been a rapid increase in rejection of refugee status in the Vietnamese Orderly Departure Program. Because of the change of INS immigration policy, however, a large number of refugees faced being stranded either in their home country or in transit.

Madam Chairman, the Congress must remedy the gross inequities being caused by INS's ill-conceived and heartless policy. I strongly support—and urge my colleagues in the Congress to support—H.R. 2202. This legislation will return the presumption of refugee status to Soviet Jews and other persecuted minorities. It will also allow those entering the United States under parole status to adjust their status to refugee through reapplication.

Mr. GALLO. Madam Chairman, I rise in strong support of H.R. 2022, to restore presumptive refugee status to members of groups known to be subject to persecution in the Soviet Union.

Today, thousands of Jews who emigrated from the Soviet Union are waiting in Moscow, Vienna, and Rome, for permission to enter the United States as refugees. Their dream of starting a new life in America has been indefinitely delayed because our Government arbitrarily changed the rules. H.R. 2022 simply corrects this inequity.

Over the years, a number of Members of Congress and the administration, in recognition of the fact that Soviet Jews have suffered from persecution under the Soviet regime, have challenged the Soviet authorities to allow these individuals to immigrate freely to the United States.

As a result of this persistent pressure, the Soviet Government is now allowing large numbers of citizens to emigrate. In 1988, 22,000 Soviets received permission to leave compared to 913 in 1986. Currently, 3,000 to 4,000 Soviet emigrants a month are arriving in Western Europe.

This is a tremendous accomplishment and the Reagan and Bush administrations deserve much of the credit. But at the same time that their tireless efforts have begun to produce results, the Immigration and Naturalization Service has stopped granting automatic refugee status to Soviet Jews.

Prior to the summer of 1988, the INS held that all Soviet Jews had a "well-founded fear of persecution" and thus granted them automatic refugee status. Because of this change, to date, over 4,000 Soviet Jews have been denied refugee status.

Many of those who have been waiting for months for a determination of their refugee status or who have been denied refugee status have friends and loved ones in my district. Thus, I have learned first hand of their ordeals.

The case of Vilenin Tikhonov epitomizes the hardship that Soviet Jews have suffered as a result of the change in our refugee policy.

A few years ago I helped Irene Goland, her son, and her parents emigrate from the Soviet Union to the United States. Unfortunately, Irene's husband, Vilenin Tikhonov, was unable to emigrate at that time.

After being fired from his job and threatened with imprisonment for expressing his religious and political views, Vilenin Tikhonov was finally granted permission to leave the Soviet Union. He left the Soviet Union on April 16 and arrived in Italy shortly thereafter.

Unfortunately, Vilenin is still waiting in Italy. By passing this bill we will ensure that Vilenin and hundreds like him will finally be reunited with their families.

In sum, I find the change in our treatment of Soviet Jews unjustifiable. The Soviet Union's long history of state-sponsored oppression and persecution of Jews has been well documented. President Gorbachev's reforms have not significantly improved the situation. As a group, Jews are still perhaps the most oppressed in the Soviet Union.

It took years of constant pressure to convince the Soviet Government to allow freer emigration. Now that these doors are beginning to open, we must follow through on our longstanding commitment to these emigrants.

Therefore, I fully support H.R. 2022 and urge my colleagues to ensure its passage.

Ms. SCHNEIDER. Madam Chairman, I rise in strong support of H.R. 2022, legislation to provide refugee status for Soviet Jews. For years I have, independently and in concert with my colleagues in Congress, written letters to various Soviet leaders requesting that Jews known to be singled out for particularly harsh treatment be allowed to emigrate to the West. We now have an opportunity to accept a large increase in the number of Soviet Jews seeking to emigrate, but only if we are consistent in our desire to help them.

Mr. Speaker, several of my constituents have made trips to Ladispoli, Italy, to gain a firsthand understanding of the difficulties faced by Jews who have been allowed to leave the Soviet Union, but who lack the presumption of persecution necessary to obtain refugee status. They have reported back their dismay at the lack of consistent policy in determining who is deserving of refugee status and who is not. By allowing the presumption of persecution to Soviet Jews, Evangelical Christians, and certain categories of Indochinese emigrants, the United States continues a tradition of humanitarian assistance to those seeking to escape intolerable living circumstances in their own countries.

The bill before us today is a modest effort to take advantage of an opportunity to provide refuge for groups known to suffer persecution in their homeland. We have no way of knowing how long the current liberalization of emigration policy will exist in the Soviet Union. We should, however, assume that this opportunity may not persist and that every effort should be made to allow every Soviet Jew who wishes to establish a new life in America be given that opportunity.

Mr. PORTER. Madam Chairman, I rise in strong support of H.R. 2022 to provide relief for certain Soviet and Indochinese refugees.

This bill creates an important presumption that certain categories of emigrees from the Soviet Union and certain parts of Indochina are persecuted at home and should be granted refugee status.

This is the correct move to make in this situation—Soviet Jews and Evangelical Christians are classes of individuals subject to persecution. So are the categories of Vietnamese, Laotians, and Cambodians included in the bill.

The bill is limited in scope—this special status applies only through September 30, 1990.

The bill does not change the requirement that refugee status be granted on a case by case basis, it simply shifts the burden of proof.

This bill solves one part of the refugee crises we are currently facing.

Much more needs to be done by the Congress and by the administration.

We cannot ignore the flow of refugees exiting the Soviet Union. We cannot ignore the need to provide for them.

In this regard I must note that the administration budget requests for funding refugee activities of the State Department and in the Department of Health and Human Services are not realistic nor adequate.

Madam Chairman, for years the United States—Congress and administration together—have banged on the door of the Soviet Union demanding the release of Christians and Jews who wish to leave.

With glasnost, these persons finally are being allowed to leave in increasing numbers.

But now it is the United States which is being humiliated in the international arena because we are not addressing the needs created by this situation.

This bill, at least, represents a step in the right direction. I applaud the gentleman from Connecticut [Mr. MORRISON], for bringing it to the floor today.

Much more must be done, but the road to acknowledging and meeting our responsibility to the oppressed of this world begins with an "aye" vote on this measure.

Mr. CARDIN. Madam Chairman, I rise today in support of H.R. 2022. In October 1988, the President authorized the admission of up to 18,000 Soviet refugees for fiscal year 1989. By December, it became apparent that these numbers would not be sufficient to meet the increasing number of people permitted to leave the Soviet Union. In response, the President raised the refugee allocation to 25,000. Despite these efforts, the backlog continued to soar at the U.S. Embassy in Moscow as well as at stopover points such as Rome, Italy.

By October 1988, Soviet Jews, Armenians, and Pentecostals began to be rejected for refugee status. This problem continued to escalate over the winter and spring and persists even now. Approximately 4,000 Soviets, the majority of them Jews, have been denied refugee status and remain in Rome. Another 5,000 have applications pending before our 3 INS officers, while more than 3,000 have not yet applied for immigration.

The change in administration policy is traced back to an August 1988 memo issued by then Attorney General Edwin Meese. The Attorney General asserted that the "current practices in processing Soviet emigrees appear not to conform with the requirements of the 1980 Refugee Act." U.S. policy toward those few emigrees permitted to leave the Soviet Union before Gorbachev opened the gates, received refugee status on an almost automatic basis. It is tragic that the administration changed its policy just as the Soviets changed their immigration policy. Thousands of Soviets who have waited many years to emigrate, must now face the prospect of waiting up to 2 or more additional years to leave.

U.S. policy has long been based on the presumption that Soviet Jews, were by definition, persecuted. Although the situation for Jews has improved under Gorbachev, there remains an institutionalized antisemitism. Groups like Pamyat have growing membership lists and continue to foment antisemitism. It is still against the law to teach Hebrew in the Soviet Union. While this and many other restrictions are not currently being enforced, we have no reason to believe that these changes will remain once Gorbachev is gone.

The bill currently before the House is a good first step toward improving the situation for Soviet Jews and Evangelical Christians. It requires that the administration return to its commitment of granting refugee status to certain individuals. It requires that the administration return to its policy of presuming that some individuals, by virtue of the fact that they belong to certain religious and ethnic groups, are subject to persecution.

The bill also adjusts to refugee status nationals of Vietnam, Laos, or Cambodia and Soviets who have been denied refugee status between August 1988 and September 1989 or who were paroled into the United States.

This legislation is needed to force the administration to return to its presumption of refugee status. We have spent far too much time telling emigrees you can go, but you cannot come. It is far too long to tell Soviet citizens who have been waiting many years that they must wait longer. And it is far too difficult to accept that the United States, whose President, Secretary of State, and Members of Congress year after year urged the Soviets to open the gates of emigration, has suddenly lost the key to the gates of American freedom.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered under the 5-minute rule by sections, and each section shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CATEGORIES OF NATIONALS OF THE SOVIET UNION AND NATIONALS OF INDOCHINA PRESUMED SUBJECT TO PERSECUTION

(a) PRESUMPTION OF PERSECUTION FOR ALIENS WITHIN CATEGORIES.—Any alien who is within a category established under subsection (b), and alleges that the alien is the subject of persecution (as defined in subsection (e)) shall be treated, for purposes of admission as a refugee under section 207 of the Immigration and Nationally Act, as subject to persecution without the need to provide independent or additional evidence regarding persecution.

(b) ESTABLISHMENT OF CATEGORIES.—(1) For purposes of section 207 of the Immigration and Nationality Act, the Attorney General, in consultation with the Secretary of State and the Coordinator for Refugee Affairs, shall establish—

(A) one or more categories of aliens who are or were nationals and residents of the Soviet Union and who share common characteristics that identify them as targets of persecution in the Soviet Union, and

(B) one of more categories of aliens who are or were nationals and residents of Vietnam, Laos, or Cambodia and who share common characteristics that identify them as targets of persecution in such respective foreign state.

(2) Aliens who are (or were) nationals and residents of the Soviet Union and who are Jews or Evangelical Christians shall be deemed a category of alien established under paragraph (1)(A).

(c) PERIOD OF APPLICATION.—This section shall only apply to admissions of refugees under section 207b of the Immigration and National Act during the period beginning on the date of the enactment of this Act and ending on September 30, 1990.

(d) TREATMENT OF CERTAIN ALIENS.—The Attorney General shall provide an opportunity for aliens described in subsection (b) who, during the period beginning on August 15, 1988, and ending on the date of the enactment of this Act, sought, but were denied, refugee status, to reapply for such status, taking into account the application of this section.

(e) PERSECUTION DEFINED.—In this section, the term "persecution" refers, with respect to an alien, or a well-founded fear of persecution of the alien, on account of race, religion, nationality, membership in a particular social group, or political opinion.

The CHAIRMAN. Are there any amendments to section 1?

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ: Page 3, line 13, insert "(A)" after "(2)".

Page 3, after line 16, insert the following new subparagraph:

(B) Aliens who are (or were) nationals and residents of Vietnam, Laos, or Cambodia and who are members of categories of individuals determined, by the Attorney General in accordance with the "Immigration and Naturalization Service Worldwide Guidelines for Overseas Refugee Processing" (issued by the Immigration and Naturalization Service in August 1983) to be presumed to be targets of persecution in Vietnam, Laos, or Cambodia shall be deemed a category of alien established under paragraph (1)(B).

Mr. SOLARZ. Madam Chairman, I offer this amendment in behalf of the gentleman from Massachusetts [Mr. ATKINS] and myself. I do not believe it should be very controversial. I think it is acceptable to the leadership of the committee.

Essentially it is designed to establish categories of Indochinese aliens who are presumed to be targets of persecution and is analogous to the provisions in the bill regarding Soviet Jews and Evangelicals. In fact, what the amendment seeks to do is to take the categories that were set forth in the guidelines for Indochinese refugee processing issued by the Immigration and Naturalization Service a few years ago and put them into law. They include 24 categories of Vietnamese, Laotians, and Cambodians who have a real reason to fear persecution in the countries from which they come. It includes such categories as reeducation camp prisoners, former employees of the governments of those countries that were associated with us, ethnic Chinese, Buddhist monks, and others, all of whom have been systematically persecuted and discriminated against over the course of the last 14 years in Indochina.

Over the past several months, there has been a precipitous decline in the number of Indochinese whose applications for refugee status have been approved by INS. The purpose of this amendment is to put into law the very strong presumption that if one fits into one of these categories which were devised by the INS itself, he or she is entitled to refugee status.

Mr. BROOKS. Madam Chairman, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to the gentleman from Texas.

Mr. BROOKS. Madam Chairman, I know that the administration has been using presumptions of refugee status since 1983 for 24 different groups of Indochinese refugees as the gentleman pointed out, and these presumptions have been used in the Immigration and Naturalization Service regulations.

I do not see any objection to the inclusion of these presumptions in the law.

Mr. SOLARZ. I thank the chairman, very much for his observations.

Mr. MORRISON of Connecticut. Madam Chairman, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Madam Chairman, I thank the gentleman for his contribution in this regard and his close work with me and with other members of the subcommittee and on the committee, and to say that we held a hearing on the question of what was going on in particular in

Vietnam and, in that hearing, elicited testimony explicitly that these categories are in effect and are to be used.

I can see absolutely no reason why this amendment would do any harm and, in fact, it supports the very process that is going forward.

I commend the gentleman on his amendment.

Mr. SOLARZ. Madam Chairman, I thank the gentleman very much for his comments. His leadership on this issue is greatly appreciated. He, more so than almost anybody else in the last year, has helped to redeem the honor of this Nation as we deal with the problem of refugees from Southeast Asia. I greatly appreciate his willingness to express support for the amendment.

Madam Chairman, I yield back the balance of my time.

Mr. SMITH of Texas. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, In my opening statement, I said H.R. 2022 would set a dangerous precedent.

If adopted it could eventually set off an avalanche of legislation to grant special, preferential refugee and immigration status to select groups. That in turn would demolish the framework established by the 1980 Refugee Act to handle refugee applications in a consistent, even-handed manner.

With the offering of this amendment, I think I hear the first rumblings of that avalanche.

I am sympathetic to the intent of the amendment offered by my colleague.

And if the House is going to change the rules and set itself up as an arbiter of which categories of refugees are to be given preference this year, then my colleague is only to be commended for his initiative.

I rise then in opposition not to the particular merits of the amendment but rather to the idea that the House should be making these kinds of decisions through legislation.

The House is ill-equipped to administer this Nation's refugee program.

The 1980 Refugee Act is the appropriate framework within which consistent, even-handed administration of those policies can and should be carried out.

But once this House changes the rules and the avalanche of legislation starts to move, it will be difficult if not impossible to stop its rush. This precedent's potential for wreaking havoc on our refugee policy seems unbounded.

I would anticipate that there would not be a single group in the special refugee categories that would not come forward with evidence of greater need and unconscionable administrative backlogs in the processing of applications for their group.

Is the House going to take over the administration of the Nation's refugee program?

This amendment and H.R. 2022 propose to do just that.

They would set the clear precedent that if any group is either unhappy with the administration of the current law or seeks to gain additional advantage under the law, they need only come to the House.

It is difficult to imagine a group that would not understandably try.

The House will face serious problems when it has to confront the physical impossibility of being able to move everyone to the head of the line.

Madam Chairwoman, I oppose the amendment and urge my colleagues to do the same.

Mr. BALLENGER. Madam Chairman, will the gentleman yield?

Mr. SMITH of Texas. I am happy to yield to the gentleman from North Carolina.

Mr BALLENGER. Madam Chairman, would the gentleman from Texas say that this thought might apply to the 150,000 Nicaraguans who live in Miami illegally and have not been included in this? Would they not possibly be one of the next ones to bring along?

Mr. SMITH of Texas. I would say to my colleague, the gentleman from North Carolina, that he is exactly right. We have untold numbers of groups that could try to gain admission to the United States because of the precedent we are setting today. That is the reason this is a dangerous precedent. We are opening up the floodgates. We are saying basically that whoever gets in line and whoever finds a political champion or whoever has enough political influence, that they can perhaps get special attention, get special preference. That is not fair to the rest of the immigrants.

Mr. BALLENGER. Would it not also apply even more so in the fact that there are large groups of people to the south of us who can walk across the border? In Brownsville, TX, there are camps in Brownsville, TX, at the present time that look like prison camps that are maintaining people that I guess are on the parole system, but eventually should be approached to have them brought in under the same rules that they are speaking of.

□ 1620

Mr. SMITH of Texas. Madam Chairman, as I pointed out, today there are brothers and sisters of Hispanics in the United States and Central and South America, there are black Africans, there are many kinds of groups who are going to be discriminated against by letting one special group get to the head of the line. We need to treat everyone equally. That is the basis of the current refugee policy, that is the basis of any law we should pass here in the House.

Mr. MORRISON of Connecticut. Madam Chairman, will the gentleman yield?

Mr. SMITH of Texas. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, does the gentleman from North Carolina [Mr. BALLENGER] recognize in order to gain admission to the United States as a refugee, the President has to allocate specific numbers to that nationality, and that this legislation does absolutely nothing in terms of changing the numbers which will be admitted to the United States, and the country about which the gentleman spoke has an allocation of 3,500 for Central America. Nothing in this legislation has any effect on how many numbers shall be authorized to come in. So I think the gentleman's concerns are unfounded.

Mr. BALLENGER. If the gentleman from Texas will yield, would it not be possible then for an amendment to be put in to accept the Nicaraguan groups that have already come here to the present time because of the repression and the jailing and the beatings and so forth that are going on in that country?

Mr. MORRISON of Connecticut. If the gentleman will yield, I suggest the gentleman will have an opportunity in short order to vote on a piece of legislation sponsored by the chairman of the Rules Committee, the gentleman from Massachusetts [Mr. MOAKLEY], which the subcommittee of which I am the chairman has already reported to the full Committee on the Judiciary, and when that bill comes to the floor it will provide an opportunity for those individuals to gain a status in the United States, and come out of the shadows, and no longer be in illegal status. But it is a temporary status in the hopes that things will change in Central America and those individuals will have a chance to go home, and I hope we will have the gentleman's support when that measure comes to the floor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLARZ].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LIPINSKI

Mr. LIPINSKI. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LIPINSKI: Page 3, line 13, insert "(A)" after "(2)".

Page 3, after line 16, insert the following new subparagraph:

(B) Aliens who—

(i) are (or were) nationals and residents of the Soviet Union, and

(ii) are current members of, and demonstrate public, active, and continuous participation (or attempted participation) in the religious activities of, the Ukranian Catholic Church or the Ukranian Orthodox Church,

shall be deemed a category of alien established under paragraph (1)(A).

Mr. LIPINSKI. Madam Chairman, along with my colleague from California, I rise to offer an amendment to H.R. 2022, the bill to establish categories of nationals from the Soviet Union and Indochina presumed to be subject to persecution and to provide refugee status to certain Soviet and Indochinese parolees.

I am a cosponsor of H.R. 2022, a necessary and important piece of legislation that will end the period of limbo for 4,000 Soviet emigres stranded in Italy because of August 1988 changes in United States immigration policy.

The Lipinski-Cox amendment will add Ukrainian Orthodox and Ukrainian Catholics to the list of Soviet Nationals who are presumed persecuted in the Soviet Union. As confirmed by the State Department, Soviet dissidents, and private organizations, the Ukrainian Catholic and Ukrainian Orthodox Churches remain the most severely persecuted religions in the Soviet Union. In fact, they are the only two churches in the U.S.S.R. still outlawed, or unrecognized by the government.

Granting refugee status to Ukrainian Catholics and Ukrainian Orthodox on the grounds that they are persecuted in the Soviet Union is completely consistent with my Millenium of Christianity Resolution which Congress passed last year. Pubic Law 100-305 states that Congress deplores the Soviet Union's active persecution of religious believers in the Ukraine, as well as the forcible liquidation of the Ukrainian Orthodox and Catholic Churches. Congress made that strong statement just over a year ago, and I feel it is necessary and consistent to include there Ukrainian groups in this immigration bill.

Passing H.R. 2022 without including Ukrainian Orthodox and Catholics would send the wrong signal to Soviet authorities, that the United States no longer places a high priority on ending Soviet human rights violations against the Ukrainians.

Things certainly have been changing in the Soviet Union, but unfortunately the benefits of glasnost and liberalization under Gorbachev have not translated into new freedom for Ukrainian Catholics and Orthodox. While the Russian Orthodox Church has been recognized by the Soviet Government, this act is mere window dressing. The fact is the Russian Orthodox Church and the Government is attempting to assimilate the Ukrainian Orthodox Church, disallowing religious freedom for worshipers in the Ukraine. The forceful liquidation of the Church in the Ukraine is alive and well. In the last few years, over 150 churches in the Ukraine had been closed or destroyed. We must make it clear to the Soviets that new freedom and liberalization in the Soviet Union must include all Soviet peoples and all denominations.

I would like to thank my colleague Mr. MORRISON, author of the bill and chairman of the Subcommittee on Immigration, Refugees, and International Law, who has been instrumental in finding the form for this important amendment. The amendment includes appropriate provisions against a blanket qualification for all Ukrainians. I am grateful for his help and support.

In the Senate version of the bill, Senator LAUTENBERG has included Ukrainian Orthodox and Catholics in the category of persecuted peoples of the Soviet Union, so the language will likely come in conference.

In short, the amendment is an opportunity for the United States to maintain our consistent policy of recognizing and opposing religious suppression and human rights violations in the Soviet Union and throughout the world. I urge my colleagues on both sides of the aisle to support this logical and important amendment.

Mr. COX. Madam Chairman, I rise in support and as a cosponsor with the gentleman from Illinois of the Lipinski-Cox amendment.

Madam Chairman, I appeal even to those who oppose H.R. 2022 to consider favorably this amendment. There is nothing more insidious than government persecution of an individual because of his or her religion. State-sponsored atheism is every bit as ugly as state-sponsored racism.

I recognize the good faith arguments of those particularly on this side of the aisle who are concerned about some of the ramifications of H.R. 2022, but if we are going to have this bill it would be a grave mistake to except out the two institutions, the two official churches in the Soviet Union which are made illegal.

This bill, were it to pass in its present form, would exclude from its provisions members of the Ukrainian Catholic Church and members of the Ukrainian Orthodox Church. The fact is that dating even from the earliest days of Stalin's bloody reign over the Ukraine, the Communist Party of the Soviet Union has sought to erode religion in general, and the two Ukrainian Christian churches in particular.

Unfortunately, glasnost and perestroika have not brought about an end to this official policy of state discrimination against religion. In its tenacious and occasionally extemely brutal attack on Ukrainian nationalism and Christianity, no institutions have suffered more than the Ukrainian Catholic Church and the Ukrainian Orthodox Church.

□ 1630

Commanding the unwavering faith of millions in the Ukraine, these two churches, the priesthood and membership alike have been systematically repressed by Soviet rule. Yet despite the unyielding brutality in the Soviet regime, both churches have succeeded in upholding the faith of their forefathers in the catacombs.

According to the editor of the independent paper Glasnost, who was recently with us here in Washington, Sergei Grigoryants:

> The situation in the Ukraine is extremely difficult. The Ukrainians are the most repressed people in the Soviet Union with the possible exception of those in the Caucasus. The Ukrainians are the largest ethnic group in the Soviet Union (other than the Russians). . . . The Ukrainian Catholic Church expresses the feeling of the Ukrainian people better than anyone else. The Ukrainian Catholic Church is perhaps the most undiluted, pure and energetic group in the Ukraine.

At a press conference held under the auspices of the Helsinki Commission on June 20, 1989, in the Rayburn House Office Building, Mr. Grigoryants stated that Ukrainian churches now being reopened are being handed over to the Russian Orthodox Church, to prevent the expected powerful resurgence of Ukrainian nationalism.

Bishop Pavlo Vasylk of the Ukrainian Catholic Church held a press conference in Moscow early this year. He also stated that despite glasnost, the situation of Ukrainian believers has worsened. As one example of this, Bishop Vasylk cited the case of Father Mykhailo Voloshyn—who celebrated a memorial service with a Ukrainian Orthodox priest in the west Ukrainian city of Lvov, in February 1989. After the celebration, the two priests told the congregation of about 30,000 believers that the Soviet authorities prevent the Ukrainian Catholics and Orthodox from living together in peace. For this statement, Father Voloshyn was assigned to a 6-month army detail.

These and many other documented cases prove that regardless of glasnost, Ukrainian faithfuls of both churches are systematically harassed and presecuted by the Soviet regime. The fact that both the Ukrainian Catholic and the Ukrainian orthodox churches remain the only two churches still illegal in the Soviet Union, requires that if we are today to consider passing H.R. 2022, at the very least their followers be on the list of those presecuted in the Soviet Union. In fact, they are the most presecuted.

So, Madam Chairman, so long as believers of these two Ukrainian churches are actively presecuted and continually victimized by job discrimination, arbitrary arrests and house searches for religious literature, they deserve our utmost sympathy and assistance.

Based on the overwhelming evidence and my sense of fairness, I implore my colleagues to support the Lipinski amendment.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Mr. FRANK. Madam Chairman, I move to strike the last word.

Madam Chairman, I want to express my appreciation to the gentleman from Illinois for his amendment, which I fully support, and also the chairman of the subcommittee and of the full Committee on Immigration in the Committee on the Judiciary for bringing this bill forward. All of us whish no such bill was necessary. If the administration had been applying the law in an evenhanded fashion, it would not have been.

Shockingly to me, sometime last year the administration, the previous administration, began substantially to diminish the number of Soviet individuals who were being persecuted in the Soviet Union who were being allowed into the United States.

Earlier this year we found ourselves in the appalling situation whereby the Soviet Union was willing to let out more of those it had persecuted than we were willing to let in. A good deal has been done to alleviate that. A number of Members on all sides have worked on that; the gentleman from New York from the Committee on Foreign Affairs, who sits on the Republican side, and the gentleman from California here, and a number of others.

The chairman of the Subcommittee on Immigration has taken the lead in forging a policy whereby this Congress has effectively been able to bring some pressure to bear to get the administration to reverse that policy.

With his support, the support of the chairman of the full Committee on the Judiciary, we are at this point.

Again I would repeat none of us think that the ideal way to legislate is for Congress to deal category by category with groups of potential refugees. But it was a series of failures on the part of the administration and some unfortunate politicization that occurred there first which led us to this point.

We now have a bill with broad bipartisan support which seems to me to effectively accomplish what ought to be accomplished.

The current administration has already begun to change the policies that it had inherited and that were causing the damage, and I hope that we will soon again be at the point where our historical, traditional role as a beacon of democracy and as a welcomer of the oppressed will be vindicated.

This bill will help and this amendment broadening its scope is an important part of making sure that that happens.

Mr. SMITH of Texas. Madam Chairmam, I move to strike the requisite number of words and I rise in opposition to the amendment.

My opposition to this amendment and the other amendment today is generic. It does not matter what group we are talking about, it does not matter what part of the world they come from, what is wrong with the fundamental principle of treating all immigrants equally? If we admit one group, where does it end? Why should we say one thing to one group and another thing to other groups? What about Hispanics in Central and South America, what about blacks in Africa, why are they not a part of these amendments, not a part of this bill today?

Apparently we are saying that the line forms at the door. If you have a political champion, if you are a part of a politically influential group, you can get to the head of the line, you can step around the others. No more do we have an evenhanded approach that is applied equally.

We have an approach that is applied to an entire group or a class for a given preference. I find it interesting that today during the discussion of H.R. 2022, discussion of the last two amendments, no figures and no numbers have been mentioned.

The State Department estimates with regard to this last amendment it will affect over 100,000 individuals who would be admitted to the United States. H.R. 2022 may affect several hundred thousand who would be admitted to the United States.

In my judgment, this amendment to H.R. 2022, without knowing what numbers we are talking about, makes signing a blank check look like an exercise in fiscal responsibility.

Mr. HENRY. Madam Chairman, I move to strike the last word and I rise in support of the amendment.

I would simply like to make a very simple observation. Last year over half the Members of the House cosigned a letter which was signed by the Speaker, the majority leader, the minority leader, and the overwhelming majority of this House to Secretary-General of the Soviet Union dealing with the problem of religious persecution in that nation. We detailed about 15 different ways in which religious persecution demonstrates itself in that country; problems with education, jobs, housing, religious materials publishing, importation of religious materials, inability to register a church and subsequently arrest for participating in a religious observance after the religious activity because it is unregistered because it could not get registered, and so forth.

In many of these areas the Soviet Union has recently made some tremendous strides. There have been strides in terms of the importation of religious materials; there has been forward movement in terms of allowing even limited publication domestically of religious materials; there has been tremendous improvement in terms of religious practices in the Jewish community as well as Jewish emigration patterns; there has been improvement in terms of Baptists and Evangelicals being allowed to establish their own seminary and publish their own literature. But the largest ethnic and religious group that has received absolutely no relief in the current situation happens to be the Ukrainian Catholic Church and the Ukrainian Orthodox Church. If there is to be any group singled out for special concern and our awareness, it is that group which this amendment represents, and I support the amendment.

Mr. BROOKS. Madam Chairman, I move to strike the requisite number of words and rise in support of the amendment. I say that is well recognized that the members of the Ukrainian Catholics and Ukrainian Orthodox Churches have suffered lots of persecution for a long time. The Ukrainian Catholic Church was outlawed in 1946. The Ukrainian Orthodox Church was banned in 1933 by the Soviet Government.

Madam Chairman, I support the inclusion of these two groups as worthy to be included in the provisions of refugees under H.R. 2022.

Mr. GILMAN. Madam Chairman, I move to strike the last word.

Madam Chairman, I am pleased to rise in strong support of the pending Lipinski amendment on behalf fo the Ukrainian Catholic people. No single group other than the Russian people has been as widely repressed and persecuted as the Ukrainian nation.

Including members of the Ukrainian Catholic and Orthodox Churches as those presumed to be eligible for refugee status is a logical extension of our foreign and human rights policy, and large adoption of the amendment.

Mr. WOLPE. Madam Chairman, I rise in strong support of H.R. 2022, legislation to restore the presumption of refugee status to Soviet Jews and other persecuted minorities.

There are few issues that have so united Democrats and Republicans, and successive Congresses and Presidents; over the past two decades as freedom for Soviet Jewry. From the moment of the modern awakening of the consciousness, identity, and surge for freedom among Soviet Jews—in the wake of Israel's miraculous victory in the 1967 6-day war—the American people and the United States Government have stood with them; and spoken with one voice, to echo their demands for freedom from persecution and the right, if they so chose, to emigrate wherever destiny might lead them. Our solidarity with Soviet Jewry—and, by extension, with all ethnic and religious minorities who have been systematically persecuted by the Soviet Government—has served as a beacon of hope and solace for them, from the streets of Moscow to the furthest reaches of the gulag.

For two decades, Soviet Jews have known that if they could get out, they would find refuge in Israel or the United States. This has been the bedrock of American policy—in both

the worst of times, such as the past decade when only pitiful handfuls were permitted to leave, and in better times, such as 1979 when 50,000 emigrated. In 1988, the number of Soviet Jews permitted to leave climbed back up to 10,000 and this year over 40,000 are expected to leave.

Our Government consistently kept faith with its commitment to Soviet Jewry. But in October 1988, then-Attorney General Edwin Meese changed the rules. Rather than uphold the blanket presumption that Soviet Jews automatically enjoyed the refugee status under our immigration laws, the Attorney General decided that sanctuary would only be extended to them on a case-by-case basis. The emigres would have to prove, individually, that they would be persecuted if they returned to Russia.

The Attorney General's action was Shocking and insensitive. President Gorbachev's policies of glasnost and perestroika are indeed promising, and they hold a measure of hope for better treatment of Soviet Jewry. But the reforms in Soviet policies toward religious minorities, including Jews, are rhetorical and atmospheric. They have not been written into Soviet law. The exercise of full religious rights are not protected by statute. Jews are differentiated as a class, separate from regular citizens in official state identification and control documents. The Soviet Union is marked by a bitter and intense legacy of anti-Semitism—one that has yet to be redeemed.

Only the United States has the power and influence with the Soviet Union to stand for freedom and human rights for Soviet Jews and other minorities, and to make a difference on their behalf. It is a sad and bitter irony that, at the very moment our steadfast policy is exacting a degree of success, we are closing the doors on the peoples whose cause we have championed. The Meese policy has had a predictable, and cruel, effect: A backlog of over 12,000 Soviet Jewish refugees in Italy. These numbers will swell further unless we restore our previous policy toward them and other Soviet ethnic and religious minorities.

Madam Chairman, H.R. 2022 repeals the Meese policy, and brings our immigration procedures for Soviet Jews and other persecuted minorities in consonance with our beliefs. I also note that this legislation contains a sunset provision of September 30, 1990, permitting a thorough review of these matters next year as circumstances warrant. But, in the meantime, a shameful retreat from our solidarity with Soviet Jewry will be reversed. I urge support for H.R. 2022.

Robert Greenberger of the Wall Street Journal recently reported on the Soviet refugee backlog in Ladispoli, Italy. I commend his superb account to my colleagues.

[From the Wall Street Journal, June 23, 1989]

BETWEEN WORLDS: NOW THAT SOVIET JEWS ARE FREER TO EMIGRATE, U.S. IS LESS HOSPITABLE

(By Robert S. Greenberger)

LADISPOLI, ITALY—To thousands of Soviet Jews stranded in this sunny Mediterranean resort, life is a paradox.

So long as the Soviet government refused to let them leave the U.S.S.R., or jailed them for asking to go, or kept them waiting years for a visa, the U.S. government considered them persecuted. It automatically offered refugee status—and a ticket to America—to the few who trickled out.

But last spring, the Soviets suddenly began issuing emigration permits by the thousand. And there's the catch. If so many Jews are being allowed to leave, then they aren't necessarily persecuted, the U.S. government has declared—and they aren't necessarily eligible to enter the U.S. as refugees.

"The American government fought for us to leave," says Boris Levin, who arrived here in Ladispoli from Moscow in March. "It's very difficult for us to understand why America is now rejecting us."

To U.S. policy makers the tide of Soviet Jews is becoming an unmanageable and embarrassing problem, and one that probably will get worse. This year, about 54,000 Jews are expected to leave the Soviet Union, and Alan Nelson, commissioner of the Immigration and Naturalization Service, says that the potential pool of Soviet refugees exceeds six million-including three million Armenians, 2½ million Jews and 800,000 Pentecostals.

DEMOGRAPHIC FEARS

While the U.S. is increasingly wary of a flood of Soviets, Israel is eager for it—and annoyed with the U.S. for not helping direct Soviet Jews to Israel. Israel is fearful that the explosive birthrates of Arabs under its governance will result in a Jewish homeland with a Jewish minority by early in the next century. They see the Russian Jews in the Soviet Union as the answer to their demographic fears.

So the Israelis are pressing the U.S. to funnel Soviet Jews to Israel by, among other means, calling for more-direct flights from Moscow to Israel. Currently, the Soviet airline deposits them in Austria, and most move on to Italy for U.S. processing.) Israeli Prime Minister Yitzhak Shamir raised the issue on two recent trips to Washington. He even suggested to Secretary of State James Baker that those Russian Jews cleared to leave the Soviet Union wait in Moscow rather than in Italy.

The U.S. turned down that proposal and others, delcaring that it believes in "freedom of choice" for the emigrants. But nobody is more opposed to the idea of depositing the Soviet Jews in Israel than the Soviet Jews themselves are. Fewer than 10% of those who leave Russia want to go to Israel, which offers immediate citizenship to all Jews. An earlier generation of Refuseniks wore their Zionism on their sleeves, but today's appear to have an essentially negative view of the Jewish state.

QUALMS ABOUT ISRAEL

Many have been influenced by official anti-Israel propaganda, or they have been put off by the Israel-Palestinian hostilities, or they are just tired of the burdens of being "Jewish." The word, which is stamped in their Soviet passports under "nationality," limits their opportunities. Victor Kurashov, a 19-year-old who left his home in Kharkov in the Ukraine, says, "Some of us feel that Israel isn't a very democratic country. Many of us don't want to take part in the violence."

So nearly 10,000 Jews like Mr. Kurashov are in limbo in Ladispoli, which was chosen as an international way station because, when the immigrant flood began, living costs here were reasonably low. With nothing to do but wait, the arrivals have converted the movie theater by the boardwalk to a synagogue and have taken over a nearby park, where they sell one another cigarettes and socialize.

About 2,000 people already have been rejected for refugee status. One of them, Leonid Livshits, is a lanky 23-year-old Muscovite who left Russia in January with his wife and son, as well as with the older brother, Alexander, and Alexander's family.

EVIDENCE OF PERSECUTION

Mr. Livshits contends that his affidavit of persecution is the three-inch scar on his scalp he got several years ago when he was beaten by thugs because "I had a Jewish face." Last June, he says, following several threatening letters in which he and his family were told that "Russia is for Russians, not Jews," their weekend cottage outside Moscow was burned to the ground. That was when they decided to get out.

In March, the INS rejected Mr. Livshits's application to enter the U.S. as a refugee; in April, it granted his brother's. Like most other Soviet Jews here, Mr. Livshits has appealed the adverse decision. He won't be sent back to Russia, but his appeal could take months to resolve.

"The Americans used to confront the Soviets with a list of 35 families [separated] by Russian emigration policy. Now, the INS is dividing families," complains Leonid Raytburg, a long-haired 23-year-old from Leningrad who is the leader of the "Committee of Refuseniks" that has formed here.

Until former Attorney General Edwin Meese tightened the immigration guidelines in the last days of his tenure, Soviet Jews who managed to get emigrant visas could expect to be declared, refugees and be welcomed to America with government resettlement benefits of up to $5,000 a year.

But the immigraion service will take just 116,500 refugees this year (plus another 600,000 nonrefugee immigrants), and the Soviets are competing for those slots with Asians, Hispanics and others. "We can't solve the problems of Soviet refugees in a way that ravages our efforts in other parts of the globe," says Jonathan Moore, who until recently was the State Department's ambassador for refugee affairs.

WHAT'S IN IT FOR ITALY?

Meanwhile, tensions are growing here in Ladispoli, a blue-collar resort 22 miles from Rome that was fashionable during the reign of Mussolini. Crescenzio Paliotta, a doctor who is Ladispoli's part-time deputy mayor, complains that just a few residents benefit from the growing number of Soviet Jews. "The Russians buy only in shops where things are cheap. And only a few people are making the money on apartment rentals," he says. "Meanwhile, everybody else suffers from the overcrowding. The people say, 2,000—that's OK. But 6,000—that's too much."

Last winter, swastikas were spray-painted on some walls. Then, black and yellow posters appeared, noting pointedly that Ladispoli had 16,000 permanent residents and 8,000 stranieri, or strangers. Enough! the posters declared. More recently, emigres were ejected from the Piazza Della Vittoria, the main square, where they had congregated to swap rumors. Now, they meet at an education center, and gaze longingly at a New York City subway map on the wall.

"The Italians think we are garbage," complains Helena Malin, a pediatrician who left Leningrad last April with five members of her family.

Ladispoli's hoteliers profited nicely during the winter the Soviet influx began: Dr. Malin's family paid $700 a month for two

VOL 135 PT 10 23 JL 13 1989 JE UMI

rooms. But now that the summer season has began, the Malins' landlord wants $1,000 a month—the Malins' total monthly stipend from the American Jewish Joint Distribution Committee, a private U.S. group that aids Soviet Jews until they are settled.

SUBSISTING ON OFFAL

To pay for food and other necessities, Dr. Malin works 16 hours a week at odd jobs for about $32. In Russia, she never saw anything like the plentiful fruit and vegetables available in the markets here. But she can't afford much of that. She buys potatoes and tomatoes and watches the butcher shops for "farsh," ground animal organs, which Italians disdain.

The first signs of a major loosening of Soviet emigration policy appeared last spring when an unusually large number of educated, relatively affluent Americans began getting permits to leave. Soon, the Armenians were joined by increasing numbers of Jews.

Last summer, Mr. Meese ordered immigration officials to stop granting refugee status automatically to people leaving the Soviet Union—and instead to require that each individual prove he merited it as a persecuted person under the 1980 refugee law. Officials didn't want to give preference to Soviet Jews over others seeking the same status. And they were concerned about the potentially enormous cost of accepting unprecedented numbers of Soviet emigres. The State Department estimated recently that every 10,000 persons admitted as refugees cost the U.S. $70 million.

At the same time, Mr. Meese said he would use his statutory authority to admit additional Soviet Jews as regular immigrants. But that wouldn't include resettlement benefits or a fast track to U.S. citizenship. And entrants would have to find a U.S. sponsor to guarantee their medical expenses and such. One INS official estimates that about half the Soviet migrants would have trouble finding sponsors under the new rules.

POLICY CONTRADICTION?

On Capitol Hill, some legislators are furious over the policy change inherited by the Bush administration. "The President calls on the Soviets to open up emigration. At the same time, his administration makes it impossible for Soviet Jews to be processed expeditiously and fairly into the U.S.," complains Rep. Bruce Morrison (D., Conn.).

President Bush has offered an emergency plan to allow an extra 30,000 immigrants a year to enter the U.S. for the next five years. But not all of the new slots would be for Soviet Jews, and they wouldn't confer the benefits of refugee status.

Moreover, the administration is considering a new policy discouraging entry of anyone with a firm offer to settle in another country and with no family ties in the U.S. That would sharply curb the number of Soviet Jews who could come here, and would touch off an imbroglio in Congress.

The immigration dilemma poses a delicate problem to U.S. Jews. The United Jewish Appeal recently undertook a $75 million campaign to supplement federal aid to the refugees—in the U.S. and here in Ladispoli. Privately, however, Israeli officials complain that such efforts discourage migration to Israel, and some U.S. Jews—including the Anti-Defamation League—now are trying to persuade those leaving the Soviet Union to head for Israel.

A group of New Jersey businessmen and rabbis are here visiting on just such a mission. Over lunch, each makes a strong pitch for Israel to a table of Soviet Jews. "Probably about one-third of you would be better off in Israel," one businessman argues.

But the Soviets aren't buying. Israel's climate is too hot, says one. Its people are too religious, complains another. Hebrew is too hard to learn, says a third. A fourth young man feels the streets of Israel are unsafe. He wants to settle in Detroit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. LIPINSKI].

The amendment was agreed to.

Ms. PELOSI. Madam Chairman, I move to strike the requisite number of words for the purpose of engaging in a colloquy with the chairman, the gentleman from Connecticut [Mr. MORRISON].

□ 1640

I hoped to offer my bill, H.R. 2712, the Emergency Chinese Adjustment Status Facilitation Act, as an amendment to this measure today, but the amendment was ruled nongermane by the Parliamentarian's Office. For this reason, I will not offer it today.

However, it was my understanding that the Subcommittee on Immigration, Refugees and International Law will hold a hearing, followed immediately by a markup of H.R. 2712 on Thursday, July 20. I also understand that the chairman who worked during H.R. 2712 will bring this to the floor for consideration before the August recess.

This is the gentleman's understanding?

Mr. MORRISON of Connecticut. First let me thank the gentlewoman for her cooperation during the consideration of this bill and her support for it, and her discussions with me and with others about the best way to respond to what we all understand to be a pressing need, the status of Chinese nationals, especially Chinese students who are here in the United States following the disaster that occurred in China, with the killing of so many brave students standing up democracy.

I want to commend the gentlewoman for her leadership and for her filing of a bill that I think presents a vehicle through which we can both benefit: Benefit to those students, benefit the United States, and also send a clear message to the Chinese Government that we will not have their students used as pawns in their attempts to assert or reassert control and oppress people seeking democracy.

The gentlewoman's understanding is correct, the subcommittee scheduled a hearing and a markup on her legislation, as well as on another bill which will seek to regularize the temporary status that has been extended to Chinese nationals in the United States by the administration to try to give that a more complete legal framework so those individuals will not be in doubt about their rights while they remain in the United States temporarily, hoping for return to reform and movement toward democracy at home in China.

The gentlewoman can rely on the fact that we will have that hearing and markup the bill she has filed, and also working with the chairman of the full committee, the gentleman from Texas [Mr. BROOKS], try to move that legislation as expeditiously as possible to the floor. It is my understanding that the leadership is sympathetic to the consideration of this bill as it is reported by the Committee on the Judiciary under suspension, and I hope it would have the kind of support on both sides of the aisle that would make passage a matter to be considered under rules of suspension.

Ms. PELOSI. Madam Chairman, I yield to the gentleman from Oregon.

Mr. AUCOIN. Madam Chairman, I want to rise to compliment the gentlewoman for the leadership she has shown on the legislation she has introduced. She knows I am a strong supporter of it. I wish that it would have been possible for her to attach to the bill—to the amendment—today, but I am delighted to hear the news she got from the subcommittee chairman, leadership of the subcommittee. I want to state to my colleagues that the gentlewoman, I think is doing excellent work. I am delighted to join her in that legislation.

Ms. PELOSI. Madam Chairman, I yield to the gentlewoman from California.

Mrs. BOXER. Madam Chairman, I would like to tell the gentlewoman, once again she has moved swiftly on an urgent issue. It is such a privilege to work with her in this way to help the people in our area and all over the country who find they are harassed by the Chinese Government here in this country.

I want to thank the gentleman from Connecticut [Mr. MORRISON] for being so receptive to the gentlewoman's bill, and to say I look forward to working with both of them to make sure that the students and others who are in this country who so want and deserve freedom get it.

Ms. PELOSI. Madam Chairman, I thank the gentlewoman for her comments, and our colleague from Oregon [Mr. AUCOIN] for his comments and support. With their help we have received cosponsorship of over 200 of our colleagues on this legislation, and the number continues to grow.

I wish also to commend our colleague from Connecticut [Mr. MORRISON], and the chairman of the subcommittee for his commitment to the passage of this legislation and his commitment to provide protection for the Chinese students in the United States at this very, very sad time in their country's history.

AMENDMENT OFFERED BY MR. KLECZKA

Mr. KLECZKA. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLECZKA:

Page 2, line 4, insert, ", POLAND," after "UNION"/

Page 3, line 7, strike "and".

Page 3, line 12, strike the period and insert ", and".

Page 3, after line 12, insert the following new subparagraph:

(C) one or more categories of aliens who are or were nationals of Poland and who share common characteristics that identify them as targets of persecution in Poland.

Mr. KLECZKA (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KLECZKA. Madam Chairman, this amendment to H.R. 2022 would include language in the bill granting refugee status to those Polish immigrants in Europe who, if they return, would be targets of persecution in Poland.

Today there are almost 16,000 Polish expatriates in Western Europe waiting to emigrate to the United States as refugees. Most of these people were actively involved in the Solidarity movement.

I know of one young man, Mr. Jacek Klukowski, who has been in a refugee camp in Vienna for almost 1 year and still has not been interviewed by the Immigration and Naturalization Service. He lives with his wife, Dorota, and their son in a small, one-room apartment. He works as a printer's helper in a job he knows well, after having been deeply involved in printing and distributing Solidarity literature while in Poland.

In Poland, Jacek worked as an electrician by day and a printer and runner for Solidarity by night. Jacek has been in a refugee camp for 11 months. As of July 5, there were 3,200 Poles ahead of his family waiting to obtain visas. This was the situation in just Vienna. To date, only 1,500 of these Poles have been interviewed by the INS.

Soviet Jews, Vietnamese protestors, Polish Solidarity activists, they all have one thing in common: They spoke out against their oppressive Communist government at great risk to themselves and their families. Freedom is valuable. Will they be forgiven? Will the slate be wiped clean, and will they be allowed to return to normal lives in Poland? The answer is a definite no.

In 1988, President Reagan signed an agreement establishing a ceiling of 6,500 refugee admissions for Eastern Europeans. With 3,200 in Vienna alone waiting for visas, Mr. Klukowski's and others in his similar situation find a very slim chance of being granted refugee status in the next year or two. By including Polish nationals, who are identified as targets of persecution, we are sending a uniform message to refugees around the world, to those who have the courage to speak out and ultimately leave their homeland for the betterment of their lives, the United States appreciates their struggle and is willing to help. We cannot and will not trust their Governments that have a history of oppression to treat their dissenters with new-found dignity and humanity, when we know that their not-so-distant past record proves otherwise.

With hope that the oppression in Poland and other Communist countries can come to an end, and with caution and fear for what Polish expatriates in Europe may endure upon their return to Poland, I offer this amendment to protect these citizens of Poland who are the backbone of the Solidarity movement.

Madam Chairman, I yield to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Madam Chairman, let me say to my distinguished friends of Polish ancestry that some 200 years ago my ancestors fought with the Polish generals who came to this country, helped them win our freedom, in the late 1700's. I think it is only fair that we give some of those brothers and sisters an opportunity to come here now and see no difficulty with that amendment. It will not increase the numbers, gives them category if they are in a classification that is now persecuted, then we will let them in on the same basis.

Mr. KLECZKA. Madam Chairman, I yield to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Madam Chairman, I thank my colleague, the gentleman from Wisconsin [Mr. KLECZKA] for this outstanding amendment, and on behalf of the 175,000 people who reside in the Fifth Congressional District in Illinois of Polish-American heritage, I want to say that I support this amendment, and I certainly hope that it is passed today on the floor of the House of Representatives.

Mr. KLECZKA. Madam Chairman, let me also thank my friend and colleague from Illinois [Mr. LIPINSKI] for his support.

Mr. SMITH of Texas. Madam Chairman, I rise in opposition to the amendment. In regard to this amendment, and in regard to other amendments that we have considered here today, and in regard to H.R. 2022, I would ask my colleagues before they vote to consider several questions that have glaringly gone unanswered.

First, what is the cost of all these amendments? What is the cost of H.R. 2022? It is likely to be several billion dollars. Second, how many people are we talking about? How many immigrants? Again, we do not know, but we are probably talking about many hundreds of thousands of immigrants.

□ 1650

Third of all, when we let these classes of individuals or these groups of individuals, how are we going to keep the criminals and the thugs out? There is no way that I have heard of today we can do that.

Finally, there is the question, why should we treat one group of immigrants different than others? Why should we violate the fundamental principle that all Americans hold dear, that of equal treatment for all?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLECZKA].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. ADJUSTMENT OF STATUS FOR CERTAIN SOVIET AND INDOCHINESE PAROLEES.

(a) IN GENERAL.—The Attorney General shall provide for the adjustment of status of an alien who (A) was a national of the Soviet Union, Vietnam, Laos, or Cambodia, (B) was inspected and granted parole into the United States after being found ineligible for refugee status during the period beginning on August 15, 1988, and ending on September 30, 1989, and (C) is physically present in the United States, to the status of a refugee admitted under section 207 of the Immigration and Nationality Act, if the alien makes an application for such adjustment and if the alien (except as otherwise provided in paragraph (2)) is admissible as an immigrant under the Immigration and Nationality Act. Upon the approval of such an application for adjustment of status, the Attorney General shall create a record of the alien's admission as a refugee as of the date of the alien's inspection and parole.

(2) Section 207(c)(3) of the Immigration and Nationality Act shall apply to adjustment of status under paragraph (1) in the same manner as it applies to aliens seeking admission to the United States under section 207(c) of such Act.

(b) NO CHANGE IN REFUGEE ADMISSIONS.—Adjustments of status effected under this section shall not result in any decrease or otherwise affect the number of aliens who may be admitted as refugees under section 207 of the Immigration and Nationality Act for any fiscal year.

The CHAIRMAN. Are there any amendments to section 2?

Are there any additional amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore. [Mr. MURTHA] having assumed the chair, Ms. KAPTUR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2022) to estab-

lish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees, pursuant to House Resolution 195, she reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MORRISON of Connecticut. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 358, nays 44, not voting 29, as follows:

[Roll No. 139]

YEAS—358

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bartlett
Bates
Bellenson
Bennett
Bentley
Berreuter
Berman
Bevill
Bilbray
Bilirakis
Billey
Boehlert
Boggs
Bonior
Borski
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Byron
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Conte
Conyers
Cooper
Costello
Coughlin
Cox
Coyne
Crockett
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Engel
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frank
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Inhofe
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Pallone
Panetta
Parker
Pashayan
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porshard
Price
Pursell
Rahall
Rangel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Rohrabacher
Ross
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—44

Archer
Armey
Baker
Ballenger
Barton
Bateman
Callahan
Combest
Craig
Crane
Dannemeyer
Dickinson
Emerson
Fields
Gallegly
Gekas
Goodling
Hammerschmidt
Hancock
Hansen
Herger
Hutto
Ireland
Marlenee
Marlin
McCandless
McMillan (NC)
Miller (OH)
Montgomery
Myers
Packard
Patterson
Rogers
Roybal
Shumway
Shuster
Slaughter (VA)
Smith (MI)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Stenholm
Stump
Young (FL)

NOT VOTING—29

Bosco
Burton
Bustamante
Clay
Collins
Courter
DeLay
DeWine
Edwards (OK)
English
Florio
Frenzel
Frost
Gibbons
Hastert
Hyde
Lent
Martin (NY)
Murphy
Owens (NY)
Parris
Porter
Quillen
Ravenel
Robinson
Schaefer
Stangeland
Unsoeld
Young (AK)

□ 1712

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to establish certain categories of nationals of the Soviet Union, nationals of Poland, and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees."

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2022, PROVIDING RELIEF FOR CERTAIN SOVIET AND INDOCHINESE REFUGEES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2022, the Clerk be instructed to make such clerical corrections in the designation of the provisions as may be appropriate to reflect the actions of the House in the passage of H.R. 2022.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimnous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 2022, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1549, NUCLEAR REGULATORY COMMISSION AUTHORIZATION ACT FOR FISCAL YEARS 1990 AND 1991

Ms. SLAUGHTER of New York, from the Committee on Rules, submitted a privileged report (Rept. No. 101-138) on the resolution (H. Res. 198) providing for the consideration of the bill (H.R. 1549) to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1990, and

1991, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1484, TO ESTABLISH A NATIONAL PARK SYSTEM REVIEW BOARD

Ms. SLAUGHTER of New York, from the Committee on Rules, submitted a privileged report (Rept. No. 101-139) on the resolution (H. Res. 199) providing for the consideration of the bill (H.R. 1484) to establish a National Park System Review Board, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 828, BUREAU OF LAND MANAGEMENT AUTHORIZATION, 1990, 1991, 1992, AND 1993

Ms. SLAUGHTER of New York, from the Committee on Rules, submitted a privileged report (Rept. No. 101-140) on the resolution (H. Res. 200) providing for the consideration of the bill (H.R. 828) to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1990, 1991, 1992, and 1993, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of inquiring of the distinguished majority leader the program for next week.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to my distinguished friend, the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I would like to announce the program for the rest of the week and for next week.

When the House adjourns today, it will adjourn until Monday, July 17. On that day, the House will meet at noon. We will have the Consent Calendar.

We will have seven bills under Suspensions. Recorded votes on suspensions will be postponed until the end of the day, and we believe that will be on or around 5 p.m. in the afternoon.

The bills that we will consider are:

H.R. 1860, to provide that a Federal annuitant or former member of a uniformed service who returns to government service under a temporary appointment, to assist in carrying out the 1990 decennial census of population, be exempt from provisions of law relating to offsets from pay and other benefits;

H.R. 2802, miscellaneous Postal Service Amendments of 1989;

H.R. 2431, to redesignate the General Mail Facility in Midland, TX, "Carl O. Hyde General Mail Facility";

H.R. 2799, to amend the Agricultural Act of 1949 to allow the planting of alternate crops on permitted acreage for the 1990 crop year;

H.R. 875, Fredericksburg and Spotsylvania Battlefields Memorial National Military Park Expansion Act;

H.R. 919, Big Thicket National Preserve Addition Act of 1989;

H.R. 952, to authorize the Secretary of the Interior to provide for the development of a trails interpretation center in the city of Council Bluffs, IA;

H.R. 1484, to establish a National Park System Review Board (subject to a rule);

H.R. 828, Bureau of Land Management Authorization, fiscal 1990-93 (subject to a rule); and

H.R. 1549, Nuclear Regulatory Commission Authorization Act, fiscal 1990-91.

On the last bill, H.R. 1549, that will be the rule only.

On Tuesday, July 18, the House will meet at noon and take up the Private Calendar and an unnumbered H.R. bill not yet determined, Agriculture and related agencies appropriations for fiscal year 1990.

Then on Wednesday, Thursday, and Friday, July 19, 20, and 21, with the House meeting at 10 a.m., we will consider the Veterans' Administration Housing and Urban Development Appropriation Act for fiscal year 1990, subject to a rule, and the Foreign Operations Appropriations Act for fiscal year 1990, also subject to a rule.

In addition, we will try to consider H.R. 1056, to amend the Solid Waste Disposal Act to clarify provisions concerning the application of certain requirements and sanctions to Federal facilities, also subject to a rule.

Conference reports may be brought up at any time and any further program will be announced later.

We hope and believe that we can finish our business by the end of business on Friday. Members should expect that we will have votes on Friday.

Mr. MICHEL. Mr. Speaker, might I inquire of the distinguished majority leader again with respect to Monday. Did I hear the gentleman say that the votes on any suspensions that might be ordered would be deferred until after all business of the day was concluded, or just consideration of those on suspension?

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield further, it will be held, our intent is to try to have the votes begin in the period around 5 p.m. We will run business until that can be done.

Mr. MICHEL. So that is a time certain then for Members when they would begin voting next Monday, 4:30 to 5 o'clock?

Mr. GEPHARDT. Correct.

□ 1720

Mr. MICHEL. Depending upon how far we are in the consideration of one or the other of the bills, that would be the time that we would begin voting?

Mr. GEPHARDT. The gentleman is correct.

Mr. MICHEL. Second, on H.R. 1549, the NRC Authorization Act, the program I have says subject to a rule. Did I understand the gentleman to say that we would consider that on Monday, the rule only, or would we go on to general debate?

Mr. GEPHARDT. The rule only.

Mr. MICHEL. Then I think that completes it.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I wanted to make a couple of quick points, and I would appreciate it very much if our colleague would comment.

First of all, on the voting on Mondays, I might just put in an applause for the westerners, although I represent Atlanta, that, if necessary, it would probably be useful to go to special orders and then come back to voting so that if we decided, say, on a 5 o'clock time as our normal time for voting on Mondays, as I understand it, on the west coast, if we vote much earlier than that, one would have to come back on Sunday, or they would miss the vote even if they got up very early. I would just like to say on our side that I think we would be agreeable to, if necessary, suspending legislative business and taking special orders for a while and then come back to vote around 5 to guarantee, even if we get done with legislative business early, that Members would not be halfway between here and Dulles. I do not know if the majority leader would care to comment.

Mr. GEPHARDT. That is our intent.

Mr. GINGRICH. Second, as I mentioned earlier, and I know the Republican leader has mentioned, I really do think it is important for the Committee on Appropriations to face two realities in its proceedings. One is that if they do not report a bill our with adequate time for Members, individual Members, the Democratic Study Group, the Repubican Study Committee and other activists, to look at the bill, it is a real, I think, injury to individual Members to have an appropriations bill reported out and less than 48 hours later on the floor when the paperwork of reporting a bill out means

the average Member in essence is being asked to take it or leave it because they would not know until after we get through conference what is in there. As I mentioned, all of us are caught, I think, a little surprised by the particular section on HUD involving drugs, and what Jack Kemp is trying to do on drugs, that none of us, to the best of my knowledge, on either side of the aisle was aware of what was in the supplemental. I would hope that the Democratic leadership would work with the full Committee on Appropriations and the chairman to try to get bills out so that we have at least 72 hours, 3 days, from the time of the final vote in committee to the time we see it on the floor. I do not know if the gentleman would like to comment on that for a second. And I do have one more comment on appropriations.

Mr. GEPHARDT. The gentleman's point is well taken. We have a 3-day rule in the House, and where appropriations bills are obtaining rules, it would be our hope and intent that in most cases we could have the 3-day rule be observed. I would say to the gentleman unfortunately with the bills next week we have had some difficulty getting them finished in time for a variety of reasons, and it will be impossible to have the full 3 days for some or all of those bills.

It would be our intent and hope, and we have talked to the committee members and the subcommittee chairs on the bills that are coming next week and the week after that, to try in every case. We may not reach it in every case, but in every case to try to have as best we can the 3-day rule be observed.

Mr. GINGRICH. If I might pursue that one more minute: it is my understanding the Office of Management and Budget on a bipartisan basis has staff-to-staff work going on in the other body on appropriations starting at the subcommittee, and I would just mention that to the degree we can get on a bipartisan basis the House Committee on Appropriations to agree that analytical work and staff-to-staff work begin at the subcommittee level, and I think it would help the executive branch and the President understand even in a relatively short time if we do get into the kind of crunch the majority leader discussed so that again there will just be an equity in terms of not suddenly ending up in conference and discovering that we in the House had failed to deal with some issue because literally it was impossible for the Office of Management and Budget to analyze it in a short amount of time. I do not know if the gentleman would like to comment at all.

Mr. GEPHARDT. I think all Members on and off the committee deserve a chance to analyze the numbers expressed in a particular piece of legislation, especially appropriations legislation, and that is the reason we want to try to hit this 3-day rule and allow the budget committees to do their work.

Mr. GINGRICH. My last point, and I appreciate the leader tolerating my having this much time to pursue this, and the Democratic leader for participating, but I do think the Members will begin to get a little concerned about that August 5 target date if we have very much slippage in the near future. I would hope we would sort of look carefully at either trying to keep literally the Friday date and, if necessary, postponing things until September, and I just looked at next week's tentative schedule, and I began to look at some slippage that might build in the next week with the defense authorization bill coming up, and I do not know if the gentleman's leadership has thought through or would like to share with us what might begin to happen. I know that the August 5 date is the date the gentleman wants to keep.

Mr. GEPHARDT. It surely is. Our hope is to do the defense authorization bill in 4 days, and on Friday of next week to be able to do another appropriation bill which will leave us with the remainder of the appropriation bills in the last week. We have plotted out a schedule through that week that we believe will allow us, with some room, to be able to get the rest or almost all of the rest done. We may not be able to get one bill done by the August date, but we believe we can.

Mr. GINGRICH. Mr. Speaker, I thank both the leaders for giving me so much time.

Mr. MICHEL. Before yielding back, I have been asked on the Nuclear Regulatory Commission Authorization Act where we are going to consider the rule only, when would the general debate or further consideration of that bill be considered? Would that follow on as the first order of business of Tuesday?

Mr. GEPHARDT. It is unclear at this point. I would hope that we could do it in the following week. It may be able to be done later in the week. I do not know the answer.

Mr. MICHEL. I thank the gentleman.

Furthermore, another question: What if either one of those two appropriation bills scheduled for next week, VA, HUD, and Foreign Ops, are not completed in time for our considering them next week? What does that do to the schedule, I guess more pointedly, on Friday?

Mr. GEPHARDT. Obviously, if we have one of those bills come off, it could mean we will not meet on Friday, but it is my belief that we will get all those bills up and that we will be here on Friday.

Mr. MICHEL. And that our original schedule did alert Members to be ready for work on that Friday?

Mr. GEPHARDT. That is exactly right.

Mr. MICHEL. I thank the distinguished majority leader.

ADJOURNMENT TO MONDAY, JULY 17, 1989

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2360

Mr. HOLLOWAY. Mr. Speaker, I ask unanimous consent that the name of the gentleman from New York [Mr. WALSH] be removed as a cosponsor of H.R. 2360. His name was mistakenly added.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TWO CHILDREN DIE IN FIRE STARTED BY CIGARETTE IN MATTRESS

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, on July 4, an apartment fire, believed to have started when a cigarette ignited a mattress, killed two young boys ages 2 and 4, and seriously injured a 35-year-old woman.

This incident is just one of many tragedies that could be prevented in the future. A cigarette which would not ignite furniture and mattresses is technically and economically feasible to produce. The development of a fire safe cigarette would save thousands of lives, prevent thousands of burn injuries, and save millions in property damage.

H.R. 293, the Fire Safe Cigarette Act of 1989, takes the necessary steps to

prevent these fires. Three leading national fire service organizations, along with many other State and local fire service organizations, endorsed H.R. 293. More than 50 Members have expressed their support and cosponsored the legislation. I urge my fellow colleagues to please give this legislation their utmost consideration.

For every day that passes and no action is taken to develop a fire safe cigarette, another innocent child may become a victim to this senseless and unpublicized killer.

Mr. Speaker, I include the following article from the San Francisco Examiner of July 5:

[From the San Francisco Examiner, July 5, 1989]

2 BOYS DIE IN FIRE STARTED BY CIGARETTE IN MATTRESS

Two young boys—a 2-year-old and a 4-year-old—have died in a fire in a Polk Gulch apartment fire believed to have started when a cigarette ignited a mattress, fire officials said.

A 35-year-old woman, identified by the apartment building manager as Ines Shapiro, was in serious condition Wednesday morning at San Francisco General Hospital suffering from smoke inhalation. She was in the apartment at 1030 Post St. when the fire started.

The boys' names were withheld pending notification of relatives.

The 8:27 p.m. one-alarm blaze was in a fourth-floor apartment. Firefighters, who were right across the street, doused the blaze quickly.

Assistant Fire Chief Ed Murphy said the boys probably were overcome by smoke from the small fire. He said firefighters responded quickly in removing the children from the structure.

Murphy couldn't estimate the damage to the two-room apartment but says there was not much structural damage. He said the fire was held to the mattress and contents.

LOCAL NEWSPAPER AD AN EMBARRASSMENT TO MEDICAL PROFESSION

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McDERMOTT. Mr. Speaker, many of us have seen a full-page ad in our local newspapers, with the headline "How do you tell someone on Medicare she is an 'expenditure target'?" The ad says the Ways and Means Committee's bipartisan proposal to keep Medicare costs under control will lead to "the rationing of care."

I do not know where the American Medical Association has been while some of us have been trying to bring affordable health care to all Americans, but I have news for them: health care is already rationed. If they have coverage, they get the best medical care in the world, sometimes even more than they need. If they do not have coverage, they can hope for an underfunded public hospital or a doctor who feels charitable.

This ad is a blatant distortion of the committee proposal, and an embarrassment to the medical profession. It says "services would have to be reduced" if expenditure targets are exceeded. What could be reduced are increases in physicians' fees. If the AMA wants to write itself out of the debate on health care policy, this strategy of distortion will go a long way to do so.

Mr. Speaker, 50 years ago the AMA opposed the very idea of health insurance; 25 years ago they opposed Medicare and Medicaid. It is a good thing that good public policy won out on those occasions, and it looks like it may happen again. Physicians have a lot to contribute to health care policymaking. The expenditure target approach is not the only way to reconcile access with cost containment. I hope America's physicians will start playing a constructive part in the process.

[From the New York Times, July 13, 1989]

A LEGAL LID FOR DOCTORS' FEES

The Congressional version of E.T. isn't lovable or extraterrestrial. But it will likely become an even bigger financial success than the joyous movie character. Medicare payments to doctors have risen more than 15 percent a year in the 1980's. Because three-quarters of these reimbursements are paid by taxes, Congress wants to impose a program of expenditure targets, or E.T. While not without risk, the plan deserves support.

E.T., approved by the House Ways and Means Committee last month, is part of a comprehensive overhaul of Medicare payments to physicians. Under it, the Department of Health and Human Services would effect a new schedule of fees that Government will pay Medicare doctors. The legislation would also limit how much doctors could charge beyond the approved fees.

In the past, controlling fees has failed to control Medicare outlays because physicians have found ways to bill for additional services. E.T. would answer this problem by offsetting excessive billing in one year with lower fees the next.

Each year, Human Services would set a national target for overall outlays based on factors like the number of retirees and inflation. If actual outlays nationwide exceed the target by, say, 2 percent, then the department would lower fees it will pay for procedures by 2 percent the following year.

Reductions would not have to apply equally across the board. Human Services would have plenty of discretion to single out particular specialties, procedures or regions that appeared to be contributing more than others to the overruns.

As expected, the American Medical Association has denounced E.T. Controlling fees, the A.M.A. warns, could make Medicare treatment unprofitable, causing doctors to turn away Medicare patients. But those predictions are alarmist. The legislation strictly limits the amount by which Human Services could lower fees in any one year no matter how large the previous cost overrun.

In the unlikely event that Human Services set fees below cost so that physicians began withdrawing their services, the error would become obvious, and it would face enormous pressure to raise fees.

Instead of E.T., the A.M.A. prefers treatment guidelines to control unnecessary billings. Such guidelines could be used by peer review panels to keep an eye on individual physicians. That's not a bad idea, though health experts like Alain Enthoven, professor of management at Stanford, are skeptical that such guidelines can adequately control costs.

Yet E.T. and treatment guidelines are not contradictory. In fact E.T. should encourage the A.M.A. to design such guidelines as a way to live with E.T. Only by disciplining themselves and weeding out unnecessary billing will physicians insulate their fees from the Human Service hatchet.

E.T. is not riskless. Doctors may fail at self-discipline; or Human Services may, despite pressure to the contrary, persist in setting fees too low. But those risks are worth taking. Previous attempts to control physician costs have failed. E.T. offers a reasonable way to do much better.

U.S. ALTERNATIVE FUELS COUNCIL MEMO NO. 71389; ALCOHOL FUEL, ONE FOR THE ROAD

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, the National Press Corps is to be commended. During the last several weeks I have been pleased to observe that with increasing regularity more and more attention is being given to the subject of clean air and the environment.

Just last week in the Washington Post Outposts section an article appeared, authored by Dr. Harry P. Gregor, professor emeritus of chemical engineering at Columbia University. He observes that 40 percent of the clean air problems in America originate from automotive emissions—burning gasoline in our automobiles.

He writes that if ethanol was used in all city-owned or regulated vehicles such as buses, taxis, police cars and garbage trucks in the nine U.S. areas of highest air pollution, air quality would rapidly and markedly improve.

Cleaner air, expanded markets for our farmers and renewable fuel sources—what better reasons to proceed as rapidly as possible in developing an alternate fuels program for our Nation.

Mr. Speaker, what a great opportunity our President has tomorrow as he begins the economic summit in Paris by addressing the problem of clean air and the environment.

I include the article as follows:

[From the Washington Post, July 9, 1989]

ALCOHOL FUEL: THE ONE FOR THE ROAD

(By Harry P. Gregor)

President Bush recently proposed that the United States gradually phase-in vehicles that run on clean, alternatives fuels such as methanol, ethanol and compressed natural gas. No matter which of these—or others—we finally select, it will have momentous

consequences for America's air quality, public health and economy as well as the ecological future of the planet.

Any serious contender for an alternative vehicular fuel must meet six criteria. It must:

—be comparable in cost to gasoline;
—be renewable—derived from a virtually inexhaustible energy source;
—produce minimal pollution;
—not come from fossil fuels and thus not add net carbon dioxide to the atmosphere, exacerbating the greenhouse effect;
—be easily transported, stored and suitable for reasonably priced vehicles; and
—be producible using technologies already proven to be feasible, in amounts large enough to fulfill our most pressing needs soon and ultimately to supply a major fraction of our national demand.

The only alternative fuel that can meet these requirements is ethanol—ethyl alcohol. It is already being produced from starch (corn) and sugar (cane and beet) crops. And it has been proven on the road: In Brazil, ethanol from sugar cane powers 2 million vehicles—most of them manufactured by General Motors and Ford.

Brazil uses archaic technologies of biomass conversion that consume more energy than they produce in fuel. But if modern, energy- and cost-effective membrane technologies are employed for biomass conversion ethanol fuels can compete easily with gasoline in cost. There is no doubt that world agriculture can soon produce enough biomass feedstock to replace an appreciable fraction of the liquid fossil-derived fuels we now consume. Ultimately, alcohol fuel can become our major liquid energy source. A land mass equal in area to 10 percent of the Amazon rain forest can produce enough biomass to satisfy all of the energy requirements for both Americas in the year 2000.

Moreover, of the alternative fuels the president mentioned, ethanol is the only one which meets the Clean Air Act requirements for low pollution while adding no net carbon dioxide to the atmosphere. The latter is imperative if we are to avoid disastrous global warming from the greenhouse effect.

A CLEAN MACHINE

Ethanol is ideally suited to use in vehicles, which are collectively responsible for over 40 percent of the nation's air-quality problem. Cars emit numerous pollutants including: noxious organic gases, of which benzene and other aromatics are the worst; particulate matter in the form of smoke and soot (largely from diesel fuel); oxides of nitrogen; and carbon monoxide.

Even without combustion, vaporized fuel escapes from the carburetor, fuel line and gas cap. In the presence of sunlight, it reacts with oxygen in the air to form ozone. Although "closed-loop" carburation, better gas caps and vapor-recovery fuel nozzles can alleviate much of this problem, as a practical matter evaporative fuel losses cannot be eliminated. Hence, another advantage of ethanol: It is less volatile than other alternatives. Evaporative pressures, as measured by industry standards, are 2.2 for ethanol, 4 for methanol and 10 for gasoline. (Compressed natural gas or CNG should have no evaporation because it requires a pressurized, completely closed system.)

Methanol and ethanol burn with a nearly colorless and odorless flame, cleaner than CNG and much cleaner than gasoline or diesel fuel. They also burn cooler. This is important because in the engine, high flame temperatures lead to reactions with nitrogen from air to produce oxides of nitrogen (NOx). Alcohols make only one-fifth as much NOx. Incomplete combustion of any fuel results in carbon monoxide. All the alternative fuels make less of it than gasoline, possibly because they allow the catalysts to be more efficient.

Incomplete combustion of alcohols also produces compounds called aldehydes. Methanol yields formaldehyde, a carcinogen and the active ingredient in embalming fluid. Ethanol leads to acetaldehyde—rather benign despite its name. (When you drink an alcoholic beverage, the ethanol is metabolized to acetaldehyde, and then to carbon dioxide and water.)

In addition, efficient auto motors require fuels having a high octane number—that is, fuels that do not burn too quickly, producing engine "knock." Gasoline requires antiknock additives; but methanol and ethanol naturally have very high octane numbers, which is one reason why ethanol is used to fuel racing cars.

Admittedly, cold starts with alcohols present problems. Gasoline blends provide volatile components to ease starting; but they also cause pollution. There are, however, volatile substances that can be added to alcohols without increasing pollution (while also acting as a denaturant to keep people from drinking the fuel). And alcohol tanks would have to be larger than conventional gas tanks, since ethanol has two-thirds the energy content of gasoline. (Methanol has about one-half.)

* * * * *

For biomass conversion, a pilot-plant study is a must because agribusinesses are highly conservative. Given the virtually unlimited market available for liquid fuels, it is probable that there will be adequate private investment capital for new construction, with no need for governmental grants and subsidies. Since membrane technologies are of the "add-on" variety, owners of existing sugar and alcohol plants will find it profitable to convert and modernize to increase production and lower costs. American exports might also benefit, since the United States is the major innovator and producer of membrane equipment, and a substantial market will evolve.

There is another feedstock for ethanol, one costing about one cent a pound and available in massive amounts: cellulose from trees. Cellulose is a long-chain molecule made of the same sugar units as starch, but with a different linkage that has traditionally been difficult to break. Only one substance can do this in a cost-effective manner—concentrated hydrochloric acid at room temperature. Large plants built in the 1930s in Germany and operated through World War II accomplished this conversion to sugars and alcohol. One step in the conversion was far too expensive in equipment and energy so the process was abandoned.

But now we have the conceptual understanding to carry out that step at low cost using membranes. With a modest research effort over the next two years, the United States could be in a position to start a pilot plant study in 1992. Cellulose conversion has real promise of being the ultimate process to supply our worldwide energy needs while contributing to the environment.

And to do so at an attractive price: It takes 14 pounds of feedstock to make one gallon of ethanol, so feedstock price is highly important. At 2 cents a pound, this comes to 28 cents a gallon for biomass. Add a total conversion cost (using membranes) of about 15 cents, and the total price per gallon of ethanol is 43 cents—competitive with gasoline on an energy basis. Moreover, additional revenues from byproducts and fertilizer reuse make the process even more attractive. Published costs for methanol and CNG production and use are appreciably higher.

CLEANING THE AIR

If ethanol use were mandated for all city-owned or regulated vehicles such as buses, taxis, police cars and garbage trucks in the nine U.S. area of highest air pollution, air quality would rapidly and markedly improve. Even a limited ethanol production and motor modification program could serve that need. The new legislation in California mandating the use of non-polluting fuels is an empty threat unless a practical candidate fuel is available. The same applies to EPA regulatory sanctions.

A substantial use of any alternative fuel in the United States will be slow in coming, since the quantities involved are staggering. We now consume one-third of the world's oil production, with automobiles using some 40 percent of that share and contributing about 40 percent to U.S. air pollution. Yet it is crucial that we begin now.

If we lower our rate of new carbon dioxide production by even limited use of ethanol, oceans and the land will have more time to absorb carbon dioxide and blunt the greenhouse effect. Geochemists estimate that a 50-percent reduction in new carbon dioxide emissions from fossil fuels will stabilize atmospheric levels and negate the threatened greenhouse effect.

And in the long term, biomass conversion and the virtually unlimited market for fuel alcohol will free many nations from dependency on foreign oil and convert them into energy-producing states. The Philippines, for example, have an enormous potential for biomass production and are near a huge market for liquid fuels in the Far East. For many developing nations, biomass conversion could be a major factor in accelerating economic development. Countries with an indigenous agriculture can have an independent source of energy.

The color green is becoming a dominant one on the international political scene. What better way to purify our environment and stabilize economies than to harness the energy of the sun, using plants to perform the only truly difficult part of biomass utilization, photosynthesis. That R&D program is Godgiven and proven; we have only to add our modest man-made technologies to make cost-effective and renewable fuels.

A DISTILLERY FOR CARS

When most people think of producing alcohol, they envision a process of distillation in which a fermented mass is heated, and the vaporized alcohol is recovered by condensation. Unfortunately, this method requires more energy than it puts out in fuel.

However, another method of alcohol extraction has been evolving since the 1940s. This technology, pioneered at the University of Minnesota by Karl Sollner and myself, employs permeable, selective membranes. Made from synthetic plastics, these membranes selectively permit only certain desired molecules to pass through while screening others out.

Five membrane technologies can be employed to produce ethanol from sugar cane and beets, with the same two or three used for starch conversion. When applicable, membrane technologies are remarkably energy-efficient. Typically, they require less

than 10 percent—and often only about 3 percent—of the energy required by evaporation, the principal concentrating process in use today.

In addition, membrane processes operate at room temperatures, so the substantial and heat-unstable byproduct values present in cane and beet juices and in corn wet milling streams remain intact for recovery, instead of being largely destroyed by the heat of evaporation.

Three, state-of-the art membrane technologies are already in widespread use: Ultrafiltration removes large molecules and impurities; reverse osmosis concentrates by removing water; electrodialysis removes and concentrates salts. Numerous industries use these techniques, and they are employed on a very large scale for water desalination.

Recently, two new membrane technologies have been developed. Innovative microfilters make fermentation more rapid and cost-efficient by recycling the yeast cells and removing alcohol during fermentation. New "pervaporation" techniques—in effect, distillation across a membrane—afford a particularly energy-efficient means of separating the water-alcohol mixtures which result.

We know enough now to build a pilot plant, starting with the three commercially available devices. At the same time, bench-scale studies will select the best of available membrane and define how the two new pilot plant devices might be constructed. Full-scale plants of modest size for biomass, conversion will cost about $50 million, large ones more than twice as much.

□ 1730

HONESTY IN DEFICIT ACCOUNTING ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. DERRICK] is recognized for 5 minutes.

Mr. DERRICK. Mr. Speaker, I have today introduced legislation which will reveal to the American people the truth about the financial condition of the Federal Government. I rise today to express to the House by grave concern about the menace posed to present and future generations of Social Security retirees and beneficiaries by the practice of including Social Security trust fund surpluses in the Federal budget for purposes of calculating the maximum deficit amount under the Gramm-Rudman-Hollings law. One evil effect of this bookkeeping sleight-of-hand is to conceal from the American people the true size of the Federal budget deficit. Now, Mr. Speaker, as if that weren't enough, an even more threatening aspect of this practice is the effective use of Social Security trust fund surpluses, which Uncle Sam holds in trust for future generations to offset massive operating deficits elsewhere in the budget. In other words, today's Federal spending binge is financed in part by Social Security taxes.

This insidious use of Social Security trust funds developed as follows. The 1983 Social Security amendments strengthened the financial position of the system in part by scheduling a series of increases in payroll taxes. The tax, current 15.02 percent of the first $48,000 of qualifying wages—borne equally by employers and employees—now generates billions more each year than is required to pay benefits to current beneficiaries.

The American public largely believes that as dedicated revenues Social Security trust funds remain entirely separate from the rest of the budget and do not enter into overall Federal tax-and-spend calculations. However, this perception is correct only on paper. In truth, current Social Security tax receipts are used to pay current Social Security benefits, but are also used to defray current day-to-day operating expenses of the Government because the Treasury borrows the excess cash and issues the trust funds an "IOU."

By the end of fiscal year 1990 the Social Security trust funds will have accumulated a surplus of $68 billion. By fiscal 1991 that surplus will have grown to $79 billion, and by fiscal 1993 to $103 billion. The presence in the Treasury of these billions, which under Gramm-Rudman offset deficits elsewhere, arguably entices the Government to spend more than it should, or alternatively, not to tax as heavily as it should to support its present level of services. As long as the Government continues to include these surpluses in the calculation of the Gramm-Rudman-Hollings maximum deficit, then policymakers can postpone facing fiscal reality. In other words, the Government will not act to eliminate this deficit, releasing resources for national savings, as soon as it would if these billions were unavailable.

Mr. Speaker, we must stop using the trust fund surpluses to hide the true size of the deficit. It not only defies logic and accepted accounting principles, it is intellectually dishonest, and it poses a very real risk to the future financial security of millions of workers now contributing to Social Security who expect it to be there when they retire. The American people are becoming aware of the problem, though. In the process of compiling data garnered through a recent nationwide project entitled "An Exercise in Hard Choices," the Committee for a Responsible Federal Budget noted a growing public awareness of government use of Social Security trust funds to finance the deficit.

Mr. Speaker, I hope all my colleagues will join me in supporting the "Honesty in Deficit Accounting Act of 1989." This measure will exclude the surpluses of the Social Security trust funds from the maximum deficit calculations under Gramm-Rudman-Hollings law and revise the Gramm-Rudman-Hollings deficit reduction targets and target dates accordingly. This legislation represents another important step toward restoring fiscal financial health. Only when the American people truly understand the gravity of the illness will they fully appreciate the need for a cure.

B-2 "STEALTH" BOMBER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio. [Mr. MCEWEN] is recognized for 5 minutes.

Mr. MCEWEN. Mr. Speaker, I would like to briefly address the House this evening concerning a matter that has come to the attention of the Armed Services Committee in recent days. It has to do with the final development and public discussion of the B-2.

As Members know, a B-2 long-distance strategic bomber was previously under the jurisdiction of the Intelligence Committee, but this past week it came to light of the general public and much discussion has ensued.

Mr. Speaker, I would like to share with my colleagues one major concern, and that is the fearsome attack that has been made on the B-2 concerning the price of the airplane. There is much to recommend it. It is certainly in the discussion of our national defenses not to be weighed in the terms of dollars and cents, but if they choose to address the debate on the basis of the cost per airplane, I would like to focus the attention of my colleagues on the cost of airplanes in general.

Mr. Speaker, perhaps the longest running commercial aircraft to be produced in this country is the 747. That is now in its 20th year of production. It is 1960's technology. It has been refined and improved every step until now it is the most efficient, most cost-efficient airplane on the market today, and yet if one were to go in to purchase a 747 at this moment, the price for the purchase of a standard stock 747 is $125 million. That is the cost of a commercial transport that is mass produced and has been for 20 years. That means that the dies and the tools and all of the necessary ingredients have been amortized over a quarter of a century, and yet it still costs $125 million.

Mr. Speaker, if some amendments or changes were to be made to that airplane; for example, if we were to add Presidential communications to it, the cost of that airplane immediately jumps to $250 million, $300 million, or in the case of Air Force One, $323 million.

Let us go to the B-1 bomber. The B-1 bomber today costs $351 million, yet it is 1960's and 1970's technology with improved electronics. The B-2 is a quantum leap forward in development. With its new stealth technology, it is 20 to 25 years ahead of anything in the world today. It has to be built from scratch. Every piece that is put together is brand new. Therefore, we

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

must develop prototypes because when we do, we create the necessary ingredients and the tools and the dies in order to make the airplane in general.

Yet with all of that, this tremendous aircraft is coming to us at a cost in the neighborhood of $450 million a copy, which is not much more than a 747 with Presidential electronic communications. It would revolutionize that leg of the triad known as the long distance air defense bomber.

So Mr. Speaker, for those who will attempt to say, as they have already said we really do not need the sea power, and we hear much debate about the fact we certainly should not have any new missiles, now we should disarm in the area of the air defenses and the Air Force long bomber wing leg of the triad. I think we should take a long hard look before we are stampeded into doing anything radical in the next few days and in the discussions of the Armed Services Committee markup the week after next that will do permanent, terminal harm to keeping our national defenses with a strong Air Force.

HANK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. CLEMENT] is recognized for 5 minutes.

Mr. CLEMENT. Mr. Speaker, there is one sure sign of success and achievement, particularly in the entertainment business, that sign is when fans recognize you without having to use your last name, like Elvis. One of the top country music performers of all time can make that claim. Hank, or as his father used to call him, "Bocephus."

Today I want to pay tribute to Hank Williams, Jr., He has won the Country Music Association's "Entertainer of the Year" award 2 years in a row, and the Academy of Country Music "Entertainer of the Year" award 3 consecutive times.

While the awards indicate recognition by his peers, the most meaningful tribute, the real reason Hank Williams, Jr. has kept performing since boyhood, is the admiration, devotion and love that he shares with his fans.

If you've ever been to a Hank Williams, Jr. show it's difficult I describe what he gives his fans, and the special feeling they give him in return, unless you've been there yourself.

Billboard magazine plans to dedicate a special issue to Hank Williams, Jr., on August 26, 1989. I want to pay my own tribute to Hank today, right here on the floor of the U.S. House of Representatives.

Hank Williams, Jr. never had it easy, but I believe that is part of the reason why he is the No. 1 country music entertainer in the world today. In the lines of one of Hank's songs he asks himself the rhetorical question—"Hank, why must you live out the songs that your wrote?" The joy, the pain, and the life of the man, Hank Williams, Jr. is reflected in each note he sings.

Bocephus grew up in the shadow of his famous father, and I understand the way he often must have felt. My own father, the late Governor Frank G. Clement, of Tennessee, was one of the most reknown politicians in Volunteer State history. I recently talked with Hank on his bus prior to one of his concert appearances, and I couldn't help but think about how proud both of our late fathers would be if they were alive today.

Hank Williams, Jr., the top-grossing country music performer in the world, has emerged from that shadow to become a legend in his own right. He has overcome obstacles that literally included a fight for his very life. After a near fatal fall from a mountaintop in Montana, the struggle to establish his own musical identity and the rigors of a hectic worldwide travel schedule, to become an international superstar.

His musical roots can be traced to 1957 when Johnnie Bailes of the Bailes Brothers group introduced him in Swaynesboro, GA, the very first time he ever appeared on stage at the tender age of 8.

Since then Hank has gone on to sell 25 million records and receive 17 gold albums, five platinum albums and one double platinum album.

Hank Williams, Jr. can play it all, from haunting country melodies to rock and roll to rhythm and blues. He is comfortable playing with the rock group like Van Halen, soul legend Ray Charles or with country and gospel performers. He even did a version of the broadway show tune "Ain't Misbehavin'" from Porgy and Bess that became a best seller. His broad musical range and diversity indicate that Hank Jr. is one of the most remarkable musical talents in the world today.

I'd also like to note the accomplishments of the "Man Behind the Man," Hank Jr.'s manager, Merle Kilgore.

Merle, a Shreveport, LA, native and country music star in his own right, first went to work for Hank Williams, Sr. at the age of 14 after asking him if he could carry his guitar.

He went to work for Hank, Jr. when Bocephus was 14 years old, on May 1, 1964.

Merle, through his hard work, dedication and old school savvy, has helped Hank, Jr. stay at the top of the country music charts for a quarter-century.

It is fitting and proper that billboard magazine dedicate a special issue to Hank Williams, Jr. and his organization. It is my distinct honor and privilege to offer my own salute today for this incredible performer who has accomplished nearly every achievement possible in his field.

I am very proud to boast that Hank Williams, Jr. has established his home and corporate headquarters in Paris, TN, in my home State. I am proud of Hank, Jr. for everything he has achieved, and I am proudest to call him my friend.

In conclusion, my feelings about this great artist can best be summed up by using the lines of one of Hank, Jr.'s own songs, "A Country Boy Can Survive"—

We came from the West Virginia coal mines—
And the Rocky Mountains and the western skies—
And we can skin a buck, we can run a trout line—
And a country boy can survive—
Country folks can survive.
We're from North California and South Alabam'—
And little towns all around this land—
And we can skin a buck, we can run a trout line—
And a country boy can survive—
Country folks can survive—

Hank Williams, Jr., is a country boy, and through all of the miles, the years and the tears, Bocephus has survived. So will his music. Not only will it will survive—it will live on forever.

□ 1740

SECRETARY MARSH COMMEMORATES D-DAY ANNIVERSARY

The SPEAKER pro tempore (Mr. CHAPMAN). Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, the Secretary of the Army, John O. Marsh, represented the Defense Department and President Bush on June 6 at the 45th anniversary of the D-Day invasion of Europe. More than 3,000 people attended the ceremonies at the Normandy-American Cemetery. One of those present was our colleague, SAM GIBBONS of Florida, who was also there 45 years ago when the allies stormed the beaches.

I want to share with my colleagues the very eloquent remarks Secretary Marsh made to that distinguished group. I might add that our former colleague, Jack Marsh, has served as Secretary of the Army, longer than any other individual.

Distinguished military guests, veterans of Normandy and World War II, and I would particularly single out the Member of the United States Congress who made the parachute assault on D-Day, my good friend, Sam Gibbons. Sam, stand up.

To all the members of the U.S. armed forces, ladies and gentlemen. It is an honor for me to be here as the President's representative. His valorous career in World War II and his public service demonstrate his commitment to freedom and to world peace. This was made clear in his recent visit and statements when he came to Europe.

Normandy shall always be an event of historic significance—militarily, politically, and culturally. Its commemoration should raise for us two questions. The first, what brought them here? That question shall be asked by other generations in other times. The answer is important to us all. It was shared values. Shared values that brought them here. Values that created a common bond, forged a wartime alliance to pursue a common endeavor.

1989 is a year of historical significance to three nations that played a major role in that alliance. It is the tercentennial of the English Bill of Rights which define the rights of Englishmen. It is the bicentennial of the French Declaration of Rights and of the Citizen, a hallmark of human freedom. It is the 200th anniversary of the founding of the American Republic, a representative government dedicated to ordered liberty. These three events and their mutual values came into confluence here. They established a common course, gave us a mutual goal. It was not just national preservation, but the perpetuation of ideas central to human freedom and individual worth.

True, that rifleman clawing his way across the beach that was swept by fire, or the sailor whose craft was bobbing as a target in the English channel, or the airman diving into a tracer stream of antiaircraft fire did not perceive in their personal world of survival these great causes. Nevertheless, their deeds were essential to their attainment and to victory.

The second question is, What brings us here? We are here to remember what was done at this place and why. We are here to thank the living and to honor the dead. Our presence is a symbol that what occurred here was important, and what was endured here should never be forgotten.

From the vantage point of time it is our task, it is our duty, to discern the grandeur of purpose, to more clearly define the values of that purpose. It is imortant that we understand that we are the beneficiaries of their sacrifice and just how we have benefited.

This 45th anniversary of Normandy is the 40th year of the North Atlantic Treaty Organization—an alliance for freedom that has its roots in Normandy. An alliance that has kept the peace in Western Europe for a longer period of time than any time since the fall of the Roman Empire. Only through the eyes of the past can we see the consequence of the deeds that are done each day. And 45 years later, we can begin to measure the importance of Normandy to us all and to a world that some day might be at peace with freedom unto all.

For those who fell, they died in youth that liberty might grow old.

JOINT RESOLUTION TO DESIGNATE 1989 AS "UNITED STATES CUSTOMS SERVICE 200TH ANNIVERSARY YEAR"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, today I am proudly introducing a joint resolution to designate 1989 as the "United States Customs Service 200th Anniversary Year" and to authorize the President to issue a proclamation calling upon the people of the United States to observe the year with appropriate ceremonies and activities.

The U.S. Customs Service is one of the oldest of all Federal agencies. It was created on July 31, 1789, when George Washington signed into law the legislation creating it, the Fifth Act of the First Congress.

In the early years, the Customs Service was our primary source of revenue. For nearly 200 years, the many dedicated employees of the Customs Service have, in addition to collecting revenue, enforced all of our laws at the U.S. border and protected U.S. citizens from a wide range of illegal importations such as illicit drugs and other contraband goods.

I have seen firsthand in my role as chairman of the Committee on Ways and Means, which is responsible for oversight of the Customs Service, the creative means that smugglers have used to circumvent our laws and I have witnessed the great ingenuity with which our Customs officers have responded in order to protect our borders.

The responsibilities of the Customs Service have become increasingly complex over the years as the Congress has passed wide ranging legislation regulating trade in goods. With a dramatic increase in the volume of imports, the Customs Service has had to be resourceful in carrying out its responsibilities without a significant increase in personnel.

By introducing this resolution, I want to commend all of the dedicated employees of the Customs Service, both present and past, for their significant contribution to the welfare of the United States. My father once proudly served as the Collector of Customs in Chicago and I want to honor his memory as well with this resolution.

Somehow, it seems fitting that we are commemorating the 200th anniversary of the Customs Service during the same year that its oversight committee, the Committee on Ways and Means, is also celebrating its 200th anniversary. I urge all of my colleagues to join with me in honoring this important Federal agency.

TESTIMONY ON THE FLAG AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, I wish to share with my colleagues my testimony and the testimony of the gentleman from Mississippi [Mr. MONTGOMERY] before the Subcommittee on Civil and Constitutional Rights in support of a constitutional amendment to prohibit the physical desecration of the American flag. A text of the testimony follows:

TESTIMONY OF HOUSE REPUBLICAN LEADER BOB MICHEL, SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS, THE FLAG AMENDMENT

Mr. Chairman, let me first thank you and the members of the Subcommittee and the Chairman of the Judiciary Committee, Mr. Brooks, for this opportunity to present our views on the proposed Constitutional amendment.

Our amendment reads as follows:

"The Congress and the States shall have power to prohibit the physical desecration of the flag of the United States."

Since we first proposed the amendment, we have been asked many questions, but 3 stand out:

First, why a Constitutional amendment? Won't legislation do the job as well?

Second, what do we mean by the words "physically desecrate"?

Third, isn't this amendment a threat to First Amendment rights? Aren't you really trying to amend the Bill of Rights?

Let me take those questions in order.

Why a Constitutional amendment?

Our goal is to overturn the *Texas* v. *Johnson* Supreme Court decision. Some of the scholars and experts we contacted told us that it was impossible to do so by statute. Mr. John M. Luckey, an American Law Division lawyer in the Library of Congress has written, "an amendment to the Constitution would be the most certain method of effectively reversing *Texas* v. *Johnson*."

Right after the decision came down, the Senate, while debating child care legislation, considered and passed an amendment by voice vote to the current Federal Statute on desecrating the flag with scarcely 15 minutes of discussion and only 4 Senators participating.

Judge Robert Bork and Richard Thornburgh, Attorney General of the United States, believe that the Constitutional Amendment approach is the only way. The Veterans of Foreign Wars tell us it is their counsel's best opinion that only a Constitutional amendment would work.

Even experts who do not favor a Constitutional amendment approach say that a legislative approach would not work. Dr. Walter Berns, of Georgetown University and the American Enterprise Institute, opposed to an amendment, says legislation won't do the job.

Floyd Abrams, leading Constitutional scholar, was asked on the David Brinkley show, July 2nd, if he thought the language of Senator Biden's statute would "solve the problem".

Mr. Abrams said: "I don't think so". He praised Senator Biden's contribution and said he himself would first look to the statutory approach if he were against the ruling. But again, when asked, he said, concerning a test case of the Biden statute:

"I don't think it would stand . . . I don't think it can be done by statute . . . I think it's a losing argument, that there's a way to draft a statute . . ."

Let me repeat that Mr. Abrams does not support a Constitutional amendment. But the important point here is that while he doesn't believe an amendment is necessary, if something should be done, he says the statutory approach can't do the job.

Mr. Chairman, we believe there is no quick legislative fix on this issue. Either we amend the Constitution—as grave and complicated an undertaking as that is—or else we let the decision stand. There is no middle ground.

But the question "Why an amendment?" has another kind of meaning, one that transcends mere technical differences between legislation and amendments. In the deeper sense of the word, we are being asked why we are taking any course of action at all.

We can give no better answer than to quote from the majority and the minority opinions in *Texas* v. *Johnson*.

Justice William Brennan, for the majority, speaks of the "flag's deservedly cherished place in our community." He speaks twice of "the flag's special role" and of "the feeling it inspires".

Justice Kennedy speaks of the "lonely place of honor" held by the flag.

Chief Justice Rehnquist's opening pages of his dissent quote from patriotic poems

about the flag and document its revered place in our history. Critics dismiss these passages as mere rhetoric.

But, to the contrary, it seems to us that the Chief Justice was reinforcing by these passages the unique place the flag holds in the history and in the hearts of the American people.

"No other American symbol" the Chief Justice writes, "has been as universally honored as the flag . . . the flag is not simply another 'idea' or 'point of view', competing for recognition in the marketplace of ideas . . ."

Again, Mr. Chairman, let me stress the point that what I have quoted from the majority and minority opinions is not "mere rhetoric". It is instead, the very heart of the matter. The flag holds a unique place in our nation.

In his majority opinion, Justice Brennan wrote:

"We do not consecrate the flag by punishing its desecration, for in doing so we dilute the freedom that this cherished emblem represents."

But we do not seek to "consecrate" the flag through our amendment. The flag already is consecrated through 200 years of love and sacrifice and reverence of a very special kind. We seek only to protect it, just as you'd protect any loved one under attack.

And since I have just quoted Justice Brennan using the word "desecration", this is as good a time as any to raise the second major question:

"What do we mean by the words 'physically desecrate' "?

Some say the word "desecrate" is too vague and could mean anything or everything and, therefore, should not be used in the amendment. We respectfully disagree.

In common usage there is no permanent elasticity to the definition of the word "desecrate". Common usage and the dictionary give us reasonable limits outside which the word "desecrate" cannot reasonably be used.

To desecrate, according to one dictionary definition, means "to treat an object of veneration irreverently or contemptuously . . ."

Justice Brennan himself uses the word "desecration" in one or another of its forms no fewer than ten times in his majority opinion. No one that I am aware of has asked the distinguished Justice what he intends to mean by the word.

The Congress itself passed a law in 1968 titled: "Desecration of the flag of the United States" (Title 18 U.S. Code, Section 700) which uses words like "publicly mutilating, defacing, defiling, burning or trampling upon" under the general category of "desecration". When Congress passed that law, we presumably had no difficulty understanding what the words meant.

Constitutional amendments are relatively short and to the point. Our proposal is in keeping with this historical format. It is not and has not been the objective of Constitutional amendments to prescribe in specific, detailed form, that which is forbidden or permitted.

We inserted the word "physically" before "desecrate" precisely to make the point, as columnist David Broder recently put it, that "the Dallas demonstrator could have stood freely outside the Republican convention and declared to all the world 'I abhor this flag and all it stands for', (but) he could not have burned it, as he did."

Our amendment does not command the States and the Congress to pass laws protecting the flag from desecration. It simply gives to them the right to do so.

Each State and the Congress, through testimony, discussion and debate, will create a legislative history in which the reasonable limits of the definition of "desecration" will be made known.

Finally, some say our amendment will weaken our First Amendment rights. Mr. Chairman, I have more faith in the strength of the Constitution and in the common sense of the American people than to believe that the First Amendment can be weakened by protecting the flag from desecration.

You can say anything you want to about the flag. Our amendment in no way infringes upon even one small part of that right.

You can write anything you want to about the flag, so long as the writing is not itself on the flag in such a way that it physically desecrates the flag itself.

You can express yourself anyway you want—so long as your expression doesn't physically desecrate the flag.

Far from prohibiting free expression against the government, this amendment simply places the flag above and beyond the almost endless variety of means through which political dissent can be made.

We are not, as some suggest, "amending the Bill of Rights". Just like the First Amendment itself and the 25 amendments that come after it, our amendment will be to the Constitution as a whole, not to one part of it.

It is the genius of the Founders that the process of amending the Constitution demands scrutiny at many levels, ensuring that what we finally agree to, will be the product of our best efforts.

I am convinced that the American system of free debate, the inquiry into history, political philosophy and Constitutional issues, the deliberations in Congress and in the state legislatures not only can be trusted to give us the best answers—they must be trusted.

We shouldn't fear this demanding democratic process—we should recognize its strength and use it.

It has been argued that the fabric of national unity is not threatened by the despicable act of desecrating the flag and that therefore we need no amendment to protect the flag. After all, it is argued, how often do we have flag-burnings? Very rarely. Why all the fuss?

Whether one flag is burned or 5000 flags, the objection is still the same: a national symbol of unique reverence to Americans is being desecrated.

When you desecrate one flag you desecrate the sacred values which all flags symbolize.

The day this country begins to pass or not to pass laws based on the number of despicable acts, rather than on their nature, we are in big trouble.

Mr. Chairman, let me once again thank you and the members of the Sub-Committee for the opportunity to present our views.

REMARKS OF HON. G.V. MONTGOMERY, CIVIL AND CONSTITUTIONAL RIGHTS SUBCOMMITTEE

I want to thank the chairman of the subcommittee, Don Edwards and the ranking minority member, Jim Sensenbrenner, for giving Bob Michel and myself the opportunity to present our resolution that calls for a constitutional amendment to prevent the physical desecration of the flag. Mr. Chairman, we are asking you to give us the chance to bring this resolution to the House floor for a vote this summer.

I am glad to be with Bob Michel today because this is not a Democrat or Republican issue. Members of both sides of the aisle have expressed their disappointment with the Court decision. This is a bi-partisan effort.

After being home over the July 4th district work period, I am convinced more than ever that we need to take action. Support for this change was universal. It came from people in all walks of life and in every age group. The people of this country are upset about what the Court has done. We have to take action, otherwise people will be burning flags throughout the country on every holiday occasion. That is a terrible message to be sending to Americans, young and old. And it is the wrong message to be sending around the world to people who respect the flag as a symbol of freedom and democracy. Mr. Chairman, if we don't do something, I fear that Americans, and especially veterans groups, are going to stop the desecration of the flag in their own way and people are going to get hurt.

The last time the American flag was officially ordered burned was just before the Island of Corregidor fell to the Japanese in World War II. The colors were ordered burned to prevent the flags from falling into enemy hands. That very proper action was taken by men who were proud to defend the flag. They would not be so proud today to learn that the Supreme Court says it is also OK to burn the flag on any street corner in America as a form of legitimate protest. I think that is just plain wrong.

From childhood, we are taught respect for the flag. I haven't forgotten my Boy Scout training that taught me not to let the flag touch the ground and that it should be properly folded when not flying. I am concerned that this Court ruling has tarnished that respect and we are pursuing this amendment to restore it.

As Judge Bork said, the Supreme Court went too far in saying it was OK to burn the flag. The flat is the symbol of our country. Burning it is wrong. People don't carry the Constitution around with them, but they do carry and fly the flag, which represents the freedoms guaranteed in that Constitution. It also represents the sacrifices of those one million Americans who died in battle and the millions more wounded, many of whom we see every day on the steps of the U.S. Capitol. And you can't tell the loved ones of those killed in service that the flag draped over that casket doesn't mean something special.

This amendment is tightly drawn to protect the first amendment while still protecting the flag from desecration. We are not actually amending the bill of rights. We are amending the Constitution as a whole. You would be hard pressed to find someone out in the country who thinks their first amendment rights are being harmed by preventing the physical desecration of the flag.

I am sure there are those who can find some things wrong with this amendment, but we believe it will stop the burning of the flag and that is what the majority of the American people want done.

We have been told by those who have studied the issue that the Court ruling is so broad in its coverage that any statute enacted by Congress or the States would probably be quickly struck down in the district courts. That is why we think the constitutional amendment route is the right way to go.

Our forefathers set aside a vehicle by which the Constitution could be amended,

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

and it has been done 26 times. We are here today asking your to allow that amendment process to work again.

I hope your committee will give us the opportunity to vote on this amendment on the floor of the House of Representatives. I don't believe that is an unreasonable request.

FURTHER INROADS INTO THE BUYING OF AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MARTINEZ] is recognized for 30 minutes.

Mr. MARTINEZ. Mr. Speaker, no Representative enjoys receiving news that there will be a major layoff of workers in his or her district, especially when it is moving jobs from a district already suffering major job loss and at the same time removing a contract from an American subcontractor to a foreign one, making further inroads into the buying of America. One of our own major U.S. corporations, is a coconspirator in this move to weaken an American firm's defense contracting ability.

For this reason I bring these events to the attention of my colleagues and the American public. The situation I am referring to displays a shameful clash between the intent of American people and the intent of a foreign firm which is disregarding U.S. interests in favor of their own bid to become a major defense contractor in this country.

I recently spoke on the floor of the House of Representatives about the $4.3 billion Mobile Subscriber Equipment [MSE] Program. Unless action is taken quickly by the United States Army or by the prime contractor, GTE, our country is about to become entirely dependent on a French firm, Thomson-CSF, for the success of this program that is so critical to our national defense. Thomson-CSF is in the process of moving the contract from an American-owned company, which employs American workers, to a French-owned company. The American firm, is currently successfully producing the VHF radio subsystem to the MSE, which lies at the heart of the system. While Wilcox currently manufactures other systems for U.S. Army contracts, they have never produced even a single one of these radios. In other words Wilcox will be starting the VHF radio subsystem from scratch, costing an exceptional amount of time and money to start up manufacturing, as opposed to continuing the contract with the current manufacturer. Why would Thomson want to go to all this trouble unless they are trying to become major players in America's defense industry.

Thomson-CSF, and its United States subsidiary, Wilcox, are companies that are owned by the French Government, the same government that refused to let our fighters fly over their air space during the United States raid on Libya. How many of my colleagues feel that the people of this great country would support a move which would relinquish control of the key component to the MSE Program to that very same government. I doubt if any American could say such a move represents the best interests of this Nation. Yet, the Department of the Army, which has been formally notified of these proceedings, appears to be content to allow its decision to be based on only one section of the law; a section which simply asks if the new firm is certifiable with regard to production capability. The Army will not even check Wilcox's quality capability because proof of quality would not be expected until after production is started at Wilcox.

I fail to understand why we are allowing Thomson to end its relationship with the U.S. contractor which is delivering a quality product, ahead of contract schedule, in favor of setting up a new radio manufacturing site in Thomson's wholly owned subsidiary, Wilcox Electric.

This subsidiary has no experience whatsoever producing such radio equipment and does not even carry the most basic DOD quality rating. I ask you—if you and I are compelled by our sense of duty to be concerned that our Armed Forces are equipped adequately in order to carry out the defense of our country, then is it not also appropriate that our own Government be as concerned about the American defense industry that will ultimately be the only ones that our country can count on in case of a national emergency?

I am extremely dismayed that we do not own any design rights on this radio, as we appear content to become totally dependent on a French company for these radios. One must question who's interests are being served here. I ask you to examine some of the facts in this case:

Someone was concerned enough about this French dependency issue that the original contract award was based on a claim to have an independent United States VHF radio manufacturing company online within the first option year. The U.S. manufacturer doing this work, again successfully, is an American-owned company.

The American company is online delivering a quality product ahead of schedule. The Army has recently reported to me, and I quote:

> The company deliveries are ahead of their current delivery requirements, and there appears to be little risk that they will not successfully meet the remainder of the required deliveries.

Thomson is proposing replacing this company with Wilcox Electric, their own U.S. subsidiary, starting with a "bare floor factory". Wilcox has no radio manufacturing facilities nor a trained workforce, while NavCom already has both of these major factors fully operational.

The government/prime contract specifically states, and I quote directly from page 478 of the contract, "expenditures for services produced by a foreign national in a foreign nation shall not be considered U.S. nor shall expenditures for services of a U.S. national working for a foreign subcontractor be considered U.S." Yet, I have recently been advised by the Army, in writing, that they consider Wilcox as U.S. content as far as this contract is concerned.

While I can understand Thomson acting in a self-interest manner, I cannot understand why our prime contractor is backing them in this matter. The prime contractor's position has been that since they can not be held legally responsible for Thomson's move, they will do whatever their subcontractor wants. This lack of accountability by the prime contractor is downright disgraceful and disingenuous. I call on them to oppose Thomson's decision, and prove themselves to be a responsible U.S. corporation which protects American capability, and which will show its trust and pride in U.S. commodities. After all they were given the Army contract in the first place based on their agreement to a 76 percent American content clause; 76 percent of all money allocated by the contract must be spent on American components. Will they meet this 76 percent requirement if Thomson moves the contract to Wilcox? The answer is probably yes if the Army defines Wilcox as U.S. content. All the evidence you have just read however, shows that Wilcox clearly is not U.S. content. Where will the profits go to if Wilcox is the manufacturer for the MSE radio unit?

The answer is France. The intent of the government contract was to keep U.S. money in the United States. This will not occur if Wilcox counts as U.S. production content.

In this period where it has become so important to protect United States interests to preserve our economy, how can we allow the French or any other foreign corporation to keep taking money out of this country, particularly when there is a growing concern by most Americans about whats happening to American companies and American competitiveness? I'm asking the people of this great country to speak up for American industry and stop helping the French to pillage our economy. We should define Wilcox as it should be defined: a French manufacturer. I am sure that many of you that I address today must be questioning the motives of the foreign manufacturer.

It is inconceivable that anyone finds such a move in the best interest of our

economy, our Nation's defense, our defense industry, or our American workers. How will we, the Representatives of the people of the United States, feel if the United States Army may no longer acquire the radios which lay at the heart of our battlefield tactical communications system due to the whims of the French Government, and the owners of Thomson. Given that the French will control 100 percent of both the design and production technologies, our solution will not be as simple as flying around French airspace. Maybe there are hidden agendas that cause us to sit by passively while the French systematically paint the United States Army, and one of our own United States companies into a corner.

I plan in the near future to initiate legislative action which will attempt to stop this travesty. I call on my colleagues to support this action which is required to put an end to these very subtle and dangerous activities by foreign intrusion into our defense industries.

In closing Mr. Speaker, I bring to your attention an article entitled "Thomson's French Revolution," which can be found in the June 1989 issue of the British in flight magazine, Business. The magazine is published by Business People Publications, Ltd., as part of the Financial Times, Ltd., of London, England. The article frankly discusses Thomson-CSF's world market strategy, and I believe this is important in helping my colleagues, and all, to judge the notoriousness of this situation for yourselves.

THOMSON'S FRENCH REVOLUTION

During the late 1960s, Alain Gomez and Jean-Pierre Chevènement, both graduates of France's prestigious Ecole Nationale d'Administration, collaborated on a 100-page invective against their élitist Alma Mater. Under a pseudonym, they complained that the training ground for the country's future leaders was class-ridden, and that it made for stagnant government. They wrote a strident book, calling for militant socialism, and founded Ceres, a far-left political party, to practice what they preached.

Two decades later the two still collaborate, only now Gomez heads the state-owned Thomson SA, France's foremost defence and consumer electronics company, and Chevènement, as Socialist minister of defence, is one of his interested shareholders. "Those were childhood follies," Gomez says of the books he wrote under the *nom de plume* Jacques Mandrin. The 1960s radicals have, as so often happens, become part of the system they condemned.

Yet 50-year-old Gomez remains something of a mandrin, or bandit; only today he is considered a capitalist maverick whose bold but risky strategies have taken him to the forefront of French business. In his seven years as head of Thomson, he has transformed a loss-making, nationalistic company into a world leader in two main markets: defence and consumer electronics. Profits for 1988 are expected to top Ffr 2.2 billion (£204.7 million), on sales of Ffr75 billion—40 per cent bigger than sales at GEC, its nearest UK counterpart—with 70 percent coming from outside France.

In defence electronics, Thomson-CSF, with turnover in 1988 of Ffr33.5 billion, ranks number two in the world behind General Motors; in consumer electronics, only Philips of the Netherlands and Japan's Matsushita are bigger than Thomson Consumer Electronics, which accounts for 43 per cent of the group's total sales. In 1987, the division doubled in size when Gomez went on a mega-shopping spree, buying RCA from General Electric in the US for about $800 million, and Ferguson from Thorn EMI in the UK for £90 million. In April, another division, SGS Thomson Microelectronics, acquired Inmos, Thorn EMI's technically brilliant but costly microelectronics operation, in an asset swap. Thomson also sells white goods, to the tune of Ffr6 billion in 1987.

In 1982, when President François Mitterrand's Socialists nationalized most of France's largest businesses, including Thomson, few would have given the company the least chance of success. Thomson was a sprawl of ill-thought-out diversification that made the Harrods sale look orderly. It produced everything from light-bulbs, medical equipment, computers and televisions to radars, semiconductors, washing machines, toasters and missile platforms; 23 product areas in all. In the process it racked up losses of more than Ffr1 billion. The challenge was to take a company that typified the stodgy, bureaucratic style of French business, and turn it into a lean, mean fighting machine.

Gomez, then aged 43, was one of Mitterrand's more spectacular choices to lead a newly nationalized industry. The transformation from left-wing radical to corporation commander happened abruptly. Though Chevènement continued his association with Ceres, Gomez abandoned his Marxist intellectualizing for the industrial battlefield only a few years after the party was founded. Today, in his office, he keeps a Japanese samurai helmet rather than a copy of *Das Kapital*.

The grandson of a Spanish anarchist who moved to Paris during the first world war, Gomez sported credentials that went beyond his flirtation with radical socialism to the heart of the French social hierarchy: he had attended one of the best universities, of *grandes écoles*—l'Institut d'Etudes Politiques—studied law and, most important, was an *énarque*, as graduates of the Ecole Nationale d'Administration are called.

ENA was started after the second world war expressly to train future national leaders. At the time Gomez and Chevenement wrote their critique of the school, most ministerial positions and leading cabinet posts were held by *énarques*. They still are. In his book, *The French*, historian Theodore Zeldin writes: "ENA suggests that power is now something ordinary people can expect even to touch . . . it has given the routine business of training civil servants the aura of an organized conspiracy, and so acquired many of the traditional trappings and myths of a secret society."

Gomez graduated 11th in his class, qualifying for a post as government inspector of finances, the first rung on the ladder to the top. But after four years in government, he opted for industry, attending Harvard Business School and, in 1970, joined the ailing glass manufacturer St Gobain as an auditor. For 12 years he trouble-shot his way through the company, returning one division after another to profitability. Primed by his Harvard experience, Gomez started introducing such un-French policies at St Gobain as freezing wages to cut costs. His reputation was heightened by his playboy good looks and personal life-style: he often rode a motorcycle to work and his wife at the time, Francine, was president of the prestigious Waterman pen company. The couple emanated an aura of modern success. (Today Gomez is remarried, to a former Thomson press officer.)

But even the disarray he found at St Gobain failed to prepare Gomez for Thomson. Over the years since it was founded in 1893, the company had moved far beyond the electricity patents it had been set up to exploit. (The same patents, registered by physicists Elihu Thomson and Edwin M. Houston of the Thomson Houston Electric Corporation in Connecticut, were used to found GEC in the UK and AEG in Germany.) In 1966, the company added automobiles and domestic appliances to its range of activities by merging with Hotchkiss-Brandt. Two years later the acquisition of Compagnie Générale de TSF—which became a separate subsidiary called Thomson-CSF—bolstered the company's prowess in radio communications, components and high technology.

When he joined Thomson in 1982, Gomez described his charge as a replica of the Austro-Hungarian empire, split by rival leaders. The headquarters on the Boulevard Haussann in Paris was a labyrinth of offices filled by *less barons*, senior executives who did little more than dabble in petty power plays. Two camps dominated: Thomson-Brandt, the nominal parent company, of which Gomez was president, and the fiercely independent Thomson-CSF. There was no group strategy, no treasury operation and no controls. Losses that year amounted to about Ffr1 billion. When Gomez received the 1983 financial report from Thomson-CSF, which employed more than 100,000 staff and had sales of Ffr25.8 billion and losses of Ffr812 million, it came on three pages, only one of which bore any figures.

After determining the magnitude of the problem, the reorganization happened swiftly. In less than two years, Gomez cut the headquarters staff of 300 to 30. *Les barons* soon found themselves without fiefdoms. "We moved office three times in almost as many months," on former Thomson information systems manager says. "No one was sure what was going to happen, which parts of the business would be kept, which ones sold.

Finally, in an effort to unify the operation, all headquarters offices moved to a concrete and marble block in La Défense, the commercial district on the western edge of Paris. The buildings make up for their lack of charm with modern efficiency, a solid symbol of Gomez's no-frills style. The company still has no inherent corporate culture, in the manner of IBM, but seven years of cutting and pasting have brought it a long way from the early disorder.

Thomson might no longer be spread thin across the spectrum of industry, but its core businesses are far from stable. With peace creeping across the middle east and perestroika in the Soviet Union, defence budgets are shrinking; at the same time, the cost of producing new weapon systems is rocketing. Not surprisingly, a restructuring of the defence industry is under way. In Europe alone, five companies make on-board radar systems for a market of 800 fighter planes, compared with one consortium in the US for a market of more than 2,000. "There will be two to three major defence companies in

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Europe by the end of the century and we want to be a player," Gomez says.

He started clearing the path to this goal in 1983. In an asset swap Gomez passed the company's ailing telecommunications business to Compagnie Générale d'Electricité, whose CIT-Alcatel telecom subsidiary leads the French telecoms market. In return Thomson acquired CGE's military and consumer goods companies, including Sintra, a manufacturer of sophisticated microwave transmission systems.

A happy consequence of this marriage is Rita, a $4.3 billion battlefield communications system for the US army that uses a substantial portion of Sintra technology. When Thomson, partnered by the US company GTE, won the order in 1985, Rita was the largest-ever US military contract based on non-US technology. Even more remarkably, the Reagan administration chose a system supplied by a socialist, state-owned company over rival pitches from Plessey—vaunted by Reagan's ally Margaret Thatcher—and Rockwell International.

Contracts such as Rita and Saudi Arabia's 1984 order for Ffr35 billion of defence equipment (dubbed "Al Takheb") have helped Thomson become Europe's largest defence electronics company, ahead of Daimler-Benz and British Aerospace. Its products range from air traffic control systems to underwater submarine detection devices and high-tech gadgetry. It has developed helmets that use holograms to project images in front of pilots' eyes so that they do not have to look down at control panels; and it makes cameras that see through the dark, enabling helicopters to bob and weave barely a few feet above the ground at night.

The company won 3,300 patents last year to the pride of research and technology director Erich Spitz. Gleefully he relates the story of a South American colonel who tested one of Thomson's battlefield tank simulators. "He said he didn't need the seat belt," Spitz says, "but when the tank was hit the force so knocked him, he broke his arm."

The shake-out of the European defence electronics industry started last year with proposals for the consolidation of Messerschmidt-Bolkow-Blohm (MBB) into Daimler-Benz in West Germany and the Siemens/GEC bid for Plessey. Thomson, despite its size, is at a balance sheet disadvantage to its main competitors. It already has spent Ffr2 billion on restructuring over the past four years and invests what it considers an obligatory 12 per cent of sales on research and development—the industry norm—half of which it finances itself. Thomson claims that most of its competitors pay for up to 80 per cent of their R&D expenses through military contracts. When Gomez looks at the treasure chests of Daimler-Benz (Ffr75 billion), Siemens (Ffr70 billion) and GEC (Ffr15 billion), he bristles with envy.

"Daimler-Benz has at its disposal the equivalent of our total sales," he says. Though Thomson has an order backlog equal to two years' turnover, at a time when mega-contracts such as Rita and Al Takheb are few and far between, Gomez does not have that kind of cash and is unlikely to generate it internally. So far the French government has not indicated how far it is willing to help. Rather than compete in the acquisitions game, therefore, Gomez's strategy is to seek alliances or joint ventures.

In 1987 he decided that Thomson's flagging semiconductor operation was to small to compete against Japan and the US, yet too strategic to abandon. The problems were shared by the Italian state-owned semiconductor maker SGS-Microelectronica. The solution was a 50-50 joint venture, SGS-Thomson Microelectronics, that ranks 13th in the world and second in Europe after Philips. It is run by a charismatic Italian, Pasquale Pistorio, who has, Gomez-style, revamped operations across five continents and turned 1987's losses of $131 million into profits of $2.2 million last year.

In April, Pistorio brought Inmos into the fold. Its much-praised 32-bit transputer microprocessor, which Thorn EMI was under-resourced to exploit, fills a gap in SGS-Thomson's product line. Unlike traditional microprocessors, transputers can be linked to build a system as powerful as today's supercomputers, at a fraction of the cost. In an asset swap, Thorn EMI took 10 per cent of the SGS-Thomson holding company and agreed to put up $10 million of the next $100 million of capital infusion from the French and Italian parent companies.

In aerospace, Thomson has teamed with France's Aerospatiale. The combination will make France fourth in the world market for flight electronics, but still a long way behind the leader, Honeywell Commercial Flight Systems Group, with its sales of $7.1 billion. Talks with British Aerospace are also under way. However, when it comes to the Rafale fighter plane, which will replace the Mirage 2000—the French state remains traditionally isolationist. Though analysts estimate that producing the 330 Rafales ordered by the French military will cost the state $17 billion, and while critics believe France cannot afford the project, the government has refused to join the UK in the four-country European Fighter Aircraft (EFA) consortium working on a rival project. EFA expects to take orders for 800 planes within Europe alone. To Gomez the situation represents a lost market for Thomson's radar systems, which he dearly wants to fit to non-French fighter planes.

In consumer electronics, Thomson faces different problems. After making money consistently into 1983, the division baulked in the face of world recession. The state, as shareholder, had *suggested* strongly that Thomson should continue to make hi-fi equipment in Europe rather than go offshore as its competitors had done—a proposal that strained the bottom line still further. In personal computers, though Thomson easily secured the contract to supply more than 100,000 systems to French schools, its product—technically inferior and not IMB-compatible—bombed in the free market.

Gomez ordered an audit of the company's consumer businesses. At the same time he held talks with potential buyers. The names Daiwoo and Toshiba appeared in the press, though Thomson denied it ever intended to bow out of the business. "We were always looking to expand," Pierre Garcin, chairman of Thomson Consumer Electronics, maintains. Its commitment was underlined when Thomson bought Ferguson from Thorn EMI and swapped its medical equipment business for General Electric's RCA.

"It had been an uncertain time for us until RCA," says André Lefèvre, who runs Seipel, Thomson's television manufacturing company at Angers in the Loire Valley. Seipel felt Gomez's restructuring keenly. A 77-year-old factory making personal computers in Saint-Pierre-Montlimard, outside Angers, was sold, and automation and modernization cost 1,500 jobs at the main Seipel factory. Today, Seipel employs 1,450 people and Thomson holds 23 per cent of the US television market and almost 20 per cent of the UK market. In West Germany, despite a reputation as a job killer after it took over Telefunken and shut down a factory, Thomson has a 22 per cent share.

The challenge facing the division is to integrate all the newly acquired operations and stay price competitive with Japan and South Korea. Last July, Garcin reorganized the consumer electronics operation, underscoring Thomson's evolution from a French company that has international business, into a true multinational. Instead of managing subsidiaries as independent units, Garcin developed a corporate structure along product lines, eliminating layers of administration and duplication of duties. Televisions are managed worldwide—for Ferguson in the UK, Telefunken in West Germany and RCA in the US—from RCA's base in Indiana. Similarly, audio-equipment for the group is controlled from Paris, research and development from West Germany.

Garcin cannot afford to stumble. The battle in the market-place waits for no one. Prices of televisions and video cassette recorders fall on average by 20 per cent a year, whereas component prices drop by 5 per cent; so far the Japanese and Koreans have proved better than their western competitors at lowering their overheads.

One key to success will be the arrival of high-definition television (HDTV), a sector where Thomson is already a leading player. It could produce a replacement market for 600 million television sets in the 1990s, and for the millions of screen-based computer systems. Existing televisions in Europe use a matrix of 625 lines that gives a somewhat fuzzy image. The goal is to double the density of the lines and sharpen the picture. The Japanese have a system that uses 1,125 lines; Thomson and Philips, refusing to cede yet another lucrative market to the Far East, and backed by the European Commission's Eureka programme, have together demonstrated a system based on 1,250 lines. Helped by David Sarnoff Laboratories, a jewel in RCA's crown, Thomson is among 17 companies bidding to develop the US standard. When the dust settles, probably not before the middle of the 1990s, there will be three world HDTV standards, with Thomson playing a role in perhaps two.

Despite the fierce competition and uncertain future of defence and consumer electronics, Gomez says the company had no choice but to concentrate on the two markets. "We sold businesses that needed cash and had no hope of returning satisfactory results," he says. "You have to lead the battle from the front." But a closer look at Thomson's income statement reveals that its star profit performer has nothing to do with making televisions or building missile platforms. Thomson-CSF Finance, with its subsidiaries Société de Banque Thomson and Batif Banque, provided almost two thirds of 1988's net income. The fact that the group employs only 200 people has raised eyebrows, particularly among trade unions. "The money being made comes through financial operations that are not creating jobs," says Gérard Lecoz, who represents the dominant union at Thomson. (Out of a workforce of 104,000, the company expects to cut 9,000 posts by the end of 1989.)

The controversy over Thomson-CSF Finance centres on the nature of what makes a contemporary industrial company. Gomez maintains that business is undergoing fun-

damental change and the finance is as legitimate a market sector as any. With that in mind, in 1982 he hired economics specialist Jean-Francois Hénin to develop Thomson's then non-existent treasury function. Hénin started his career managing the finances at aluminium giant Pechiney and computermaker Bull. Since his move to Thomson he has created a high-performance financial empire from scratch.

Today Societé de Banque Thomson manages the treasury needs of the company as a whole and Batif Banque works on its own account in arbitrage, brokering, barter and venture capital. Batif, which employs only 27 staff, posted a net profit of Ffr800 million in 1988, double the previous year's results. None of its venture investments is losing money. The turnover of one, Concept, founded to market the sophisticated financial software developed by Thomson in its "laboratory of financial techniques", has grown from Ffr30 million in 1984 to an estimated Ffr2 billion this year.

Thomson-CSF Finance's nerve-centre is on the third floor of a nondescript office building near the Arc de Triomphe. Its three banks of consoles, each housing 14 computer screens, track the international money markets 24 hours a day. A cadre whose average age in under 30 manipulates a multi-billion franc treasury. One floor below, 44-year-old Hénin, whose soft-spoken affability sets him apart from the tightly-wound Gomez, watches over the operation.

Only careful management of funds, Hénin maintains, can keep companies from losing in the foreign exchange markets what they earn through core activities. The nature of Thomson's defense business, for example, makes it necessary for the company to bid on multi-year contracts such as Al Takheb. The first payment on the project, in dollars, arrived when the dollar was worth Ffr10. Now it changes at Ffr6.50.

"The group lives with $3 billion to $4 billion in its porfolio," Hénin explains. "A variation of one cent in the dollar's exchange rate represents Ffr30 million for $3 billion." He hedges his investments through arbitrage, loan swaps and foreign exchange dealings. When the validity of Thomson's finance operation is raised, executives point to losses at British Aerospace in 1987 as proof of the need for a sophisticated treasury.

Critics of Thomson's financial operations point out that not all Henins' market calls have been successful. Last year one of his dealers was marooned with Ffr400 million in a Saudi Arabian bank that went bankrupt. The group was also mentioned in two financial scandals, though it has little to do with either. "The criticism is mainly brought on by jealousy," says Jean Lecaze, a director of Manufacturers Hanover Bank in Paris.

Jean Mizrahi, technical adviser to the ministry of industry, says: "One could question whether the financial operation should stay as it is or develop relations with banks so Thomson does not become more centred on finance than industry." The state, he adds, would not force Thomson's hand.

Nevertheless, the controversy reached such a pitch this spring that press reports speculated that Gomez will need all his pull in high places to be reconfirmed as Thomson's chairman when his job is reviewed this month. The posts of state industry chiefs are reviewed every three years. In 1985, when Jacques Chirac became prime minister, he replaced 12 of the 25 chairmen of France's largest companies with businessmen who were faithful to his right-wing cause. Much to everyone's surprise, the socialist Gomez was left in place, testament to the success of his restructuring.

Whether or not Gomez stays, the question remains: can a French, state-owned company meet the might of the U.S. in a shrinking defense market and also survive the bite of the Japanese consumer electronics pacmen? Thomson is, thanks to Gomez's streamlining, one of the fittest competitors in its chosen industry segments. The French government would never let in fall, but its success could hang in the balance if Gomez were dethroned in a political powerplay.

"When a company is in good health, that attracts interested detractors," Gomez says. "When it is in a bad state, people say you have to reprimand the managers; when it is doing middling well, they say you should be better, or that someone could do better."

He treats the furore about reconfirmation with nonchalance. "Do I look worried?" He asks, sitting back, arms outstretched, eyes smiling, jaw firmly set.●

Mr. Speaker, are we in Congress of smoke and mirrors? We write language which supposedly protects our industry from foreign invasion, and call it U.S. content, but what does that mean unless we define U.S. content?

The success of corporate America depends on its ability to protect our own industries from unfair practices from abroad. To that end, Government contracts include U.S. content clauses in any contract where there are foreign interests at work. Are these clauses necessary because there is no national patriotism in corporate America?

To remain in stride with congressional intent, the Army formulated a defense contract with GTE which contained a 76-percent U.S. production content "Buy American" clause. The clause clearly states that only an American owned subcontractor with American employees can be considered U.S. content. A foreign owned subcontractor with American employees is not to be considered U.S. content. But more, the Army says that the language is ambiguous. Is it? No. So let's put it into law.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McEwen) to revise and extend their remarks and include extraneous material:)

Mr. Gekas, for 5 minutes, today.

Mrs. Bentley, for 60 minutes, each day on July 17, 20, and 24.

Mr. Combest, for 30 minutes, today.

Mr. Michel, for 60 minutes, today.

Mr. McEwen, for 5 minutes, today.

(The following Members (at the request of Mr. Clement) to revise and extend their remarks and include extraneous material:)

Mr. Rostenkowski, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mrs. Lowey of New York, for 15 minutes, today.

Mr. Skelton, for 60 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. Martinez, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Schumer, in support of H.R. 2022, before vote in House today.

(The following Members (at the request of Mr. McEwen) and to include extraneous matter:)

Mr. Gilman in three instances.
Mr. Schaefer.
Mr. McEwen.
Mr. Hefley.
Mr. Hansen.
Mr. Saxton.
Mr. Gekas.
Mr. Miller of Ohio.
Mr. Sensenbrenner.
Mr. Solomon.
Mr. Gallo.
Mr. Buechner.
Ms. Schneider.
Mr. Porter.
Mr. Baker.
Mr. Bereuter.
Mr. Lagomarsino.

(The following Members (at the request of Mr. Clement) and to include extraneous matter:)

Mr. LaFalce.
Mr. Florio in two instances.
Mr. Martinez.
Mr. Fascell in two instances.
Mr. Lipinski.
Mr. Bates.
Mr. Skelton.
Mr. Weiss.
Mr. Whitten.
Mr. Feighan.
Mr. Dingell.
Mr. Bonior.
Mr. Payne of New Jersey.
Mr. Carr.
Mr. Kleczka.
Mr. Stark in two instances.
Mr. Hoyer.
Mr. Darden.
Mr. Dyson.
Mr. Cardin.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker.

H.R. 1722. An act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act.

VOL 135 PT 10 JE 23 JL 13 1989 UMI

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 95. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week," and

S.J. Res. 137. Joint resolution designating January 7, 1990, through January 13, 1990, as "National Law Enforcement Training Week."

ADJOURNMENT

Mr. MARTINEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p.m.) under its previous order, the House adjourned until Monday, July 17, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1443. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-58, "Closing of a Public Alley in Square 2960, S.O. 87-273, Act of 1989," and report, pursuant to D.C. Code section, 1-233(c)(1); to the Committee on the District of Columbia.

1444. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-59, "Guardianship, Protective Proceedings, and Durable Power of Attorney Revision Amendment Act of 1989," and report, pursuant to D.C. Code section, 1-233(c)(1); to the Committee on the District of Columbia.

1445. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-57, "Conveyance of the Jewish Community Center Act of 1989," and report, pursuant to D.C. Code section, 1-233(c)(1); to the Committee on the District of Columbia.

1446. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled, "Follow-up Compliance Audit of the Escheated Estates Fund," pursuant to D.C. Code section, 47-117(d); to the Committee on the District of Columbia.

1447. A letter from the Assistant Secretary of State for Legislative Affairs; transmitting copies of the original report of political contributions for Evelyn Irene Hoopes, Ambassador Extraordinary and Plenipotentiary-designate of the United States to Fiji, to the Kingdom of Tonga, to Tuvalu and to the Republic of Kiribati; for Alexander Flecther Watson, Deupty Representative-designate of the United States to the United Nations; for Jerry Alexander Moore, Jr., Ambassador Extraordinary and Plenipotentiary-designate to the Kingdom of Lesotho; for Michael G. Sotirhos Ambassador Extraordinary and Plenipotentiary-designate to Greece; for Eric M. Javits, Ambassador Extraordinary and Plenipotentiary-designate to the Republic of Venezuela; for Raymond Charles Ewing, Ambassador Extraordinary and Plenipotentiary-designate to the Pepublic of Ghana; and for Thomas F. Stroock, Ambassador Extraordinary and Plenipotentiary-designate to the Republic of Guatemala, and members of their family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1448. A letter from the Secretary, Department of Transportation, transmitting a report on the protection of the Channel Islands National Marine Sanctuary, pursuant to Public Law 100-627, section 209(a)(b) (102 Stat. 3222; to the Committee on Merchant Marine and Fisheries.

1449. A letter from the Secretary of Commerce, transmitting the first biennial report on the extent to which Federal agencies are using the authorities vested in them by the Federal Technology Transfer Act of 1986, pursuant to 15 U.S.C. 3710; to the Committee on Science, Space, and Technology.

1450. A letter from the Secretary of the Interior, transmitting a copy of the annual report for fiscal year 1988 covering the Outer Continental Shelf [OCS] Oil and Gas Leasing and Production Program administered through the Minerals Management Service, pursuant to 43 U.S.C. 1343; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.R. 2883. A bill making appropriations for rural development, agriculture, and related agencies programs for the fiscal year ending September 30, 1990, and for other purposes (Rept. 101-137). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 198. Resolution providing for the consideration of H.R. 1549, a bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1990, and 1991, and for other purposes (Rept. 101-138). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 199. Resolution providing for the consideration of H.R. 1484, a bill to establish a National Park System Review Board, and for other purposes (Rept. 101-139). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 200. Resolution providing for the consideration of H.R. 828, a bill to authorize appropriations for programs, functions, and activities of the Bureau of Land Management for fiscal years 1990, 1991, 1992, and 1993 (Rept. 101-140). Referred to the House Calendar.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1056. A bill to amend the Solid Waste Disposal Act to clarify provisions concerning the application of certain requirements and sanctions to Federal facilities; with an amendment (Rept. 101-141). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 1860. A bill to provide that a Federal annuitant or former member of a uniformed service who returns to Government service, under a temporary appointment, to assist in carrying out the 1990 decennial census of population shall be exempt from certain provisions of title 5, United States Code, relating to offsets from pay and other benefits; with amendments (Rept. 101-142). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 2802. A bill to amend title 39, United States Code, and associated provisions of other laws, to make technical and perfecting corrections and for other purposes (Rept. 101-143). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN:

H.R. 2883. A bill making appropriations for rural development, agriculture, and related agencies programs for the fiscal year ending September 30, 1990, and for other purposes,

By Mr. COMBEST (for himself, Mr. BARNARD, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. EMERSON, Mr. GOODLING, Mr. IRELAND, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. DONALD E. LUKENS, Mr. MCEWEN, Mr. NIELSON of Utah, Mr. OXLEY, Mr. RITTER, Mr. ROBINSON, Mr. ROBERTS, Mr. DENNY SMITH, Mr. SMITH of New Hampshire, Mr. STANGELAND, Mr. STENHOLM, Mr. UPTON, Mr. VALENTINE, and Mr. WALKER):

H.R. 2884. A bill to replace the Legal Services Corporation with a Legal Services Administration in the Office of Justice Programs of the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 2885. A bill to amend title 5, United States Code, to establish the appropriate grade and rates of pay for certain administrative law judges; to the Committee on Post Office and Civil Service.

By Mr. ACKERMAN (for himself and Mr. HOYER):

H.R. 2886. A bill to amend title 5, United States Code, to authorize the continuation of the performance management and recognition system through the end of fiscal year 1995, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. BENTLEY:

H.R. 2887. A bill to protect and promote the American merchant marine by shipping U.S. mail exclusively aboard U.S.-flag vessels; jointly, to the Committee on Post Office and Civil Service and Merchant Marine and Fisheries.

By Mr. BROWN of Colorado (for himself and Mr. SISISKY):

H.R. 2888. A bill to provide an annuity to certain surviving spouses and dependent children of Reserve members of the Armed Forces who died between September 21, 1972, and September 30, 1978; to the Committee on Armed Services.

By Mr. CAMPBELL of California (for himself, Mr. MATSUI, Mr. JACOBS, Mr. GREEN, and Mr. STARK):

H.R. 2889. A bill to amend the Internal Revenue Code of 1986 to increase the tax on leaded gasoline; to the Committee on Ways and Means.

By Mr. COSTELLO:

H.R. 2890. A bill to redesignate the Federal buildings and courthouse located in East St. Louis, IL, as the "Melvin Price Federal Courthouse"; to the Committee on Public Works and Transportation.

By Mr. DEFAZIO:

H.R. 2891. A bill to amend the Federal Aviation Act of 1958 to prohibit the acquisition of a controlling interest in an air carrier unless the Secretary of Transportation has made certain determinations concerning the effect of such acquisition on aviation safety; to the Committee on Public Works and Transportation.

By Mr. DERRICK:

H.R. 2892. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to exclude receipts and disbursements of the Social Security trust funds from the calculation of Federal deficits and maximum deficit amounts and to amend provisions of such act relating to floor consideration of budget resolutions, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. FRANK:

H.R. 2893. A bill to amend the Internal Revenue Code of 1986 to require 5 year vesting for employees in the multiemployer plan who are covered pursuant to a collective-bargaining agreement; to the Committee on Ways and Means.

By Mr. HALL of Texas:

H.R. 2894. A bill to remove a limitation on the amount of acre-feet of water annually supplied to the city of Denison, TX, from Lake Texoma; to the Committee on Interior and Insular Affairs.

H.R. 2895. A bill to continue the authorization for the flood protection project for the east fork of the Trinity River, TX; to the Committee on Public Works and Transportation.

By Mr. HEFLEY:

H.R. 2896. A bill to authorize the Secretary of the Interior to construct, operate, and maintain a water treatment plant for the purpose of treating water discharged from the Leadville Mine Drainage Tunnel near Leadville, CO, in order to meet water quality standards, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HERTEL (for himself, Mr. BILBRAY, Mr. BENNETT, Mr. BEILENSON, Mr. PENNY, Mr. DONNELLY, Mr. FOGLIETTA, Mrs. BOXER, Mr. BRYANT, Ms. PELOSI, Mr. ATKINS, Mr. KLECZKA, Mr. CAMPBELL of Colorado, Mr. AUCOIN, Mr. VENTO, Mr. DELLUMS, Mr. LEWIS of Georgia, Mr. KILDEE, Mr. MFUME, Mr. HUGHES, Mr. TRAXLER, Ms. SLAUGHTER of New York, Mr. TRAFICANT, Mr. WOLPE, Mr. BATES, Mr. SMITH of Florida, Mr. SABO, Mr. BROWN of California, Mr. LELAND, Mr. CARR, and Mr. STAGGERS):

H.R. 2897. A bill to amend title 10, United States Code, to establish in the Department of Defense a system for defense acquisition under which all acquisition functions of the Department of Defense shall be performed, and for other purposes; to the Committee on Armed Services.

By Mr. HOPKINS:

H.R. 2898. A bill to amend title 5, United States Code, to provide that Federal employees who are voluntarily or involuntarily separated from service as a result of the closure or realignment of a military installation under title II of the Defense Authorization Amendments and Base Closure and Realignment Act shall be eligible for early retirement; to the Committee on Post Office and Civil Service.

By Mr. KOLBE:

H.R. 2899. A bill to amend title 28, United States Code, to make certain positions on the U.S. Sentencing Commission part time beginning October 1, 1989; to the Committee on the Judiciary.

By Mr. McEWEN:

H.R. 2900. A bill to certify that charges and fees may be collected in connection with foreign trade zones at certain small airports; to the Committee on Ways and Means.

By Mr. MURPHY (for himself and Mr. HAWKINS):

H.R. 2901. A bill to amend the act of March 3, 1931 (known as the Davis-Bacon Act) to revise the standard for coverage under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. SAXTON:

H.R. 2902. A bill to amend title 39 of the United States Code to grant local governments the discretion to assign mailing addresses to sites within their jurisdiction; to the Committee on Post Office and Civil Service.

By Mrs. SMITH of Nebraska (by request):

H.R. 2903. A bill to amend the Solid Waste Disposal Act to set a lower financial responsibility requirement for certain owners and operators of underground storage tanks; to the Committee on Energy and Commerce.

By Mr. ROSTENKOWSKI:

H.J. Res. 363. Joint resolution to designate 1989 as "United States Customs Service 200th Anniversary Year"; jointly, to the Committees on Post Office and Civil Service and Ways and Means.

By Mr. APPLEGATE (for himself, Mr. McEWEN, Mr. STUMP, and Mr. MONTGOMERY):

H.J. Res. 364. Joint Resolution designating April 9, 1990, as "National Former Prisoner of War Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. DYSON:

H.J. Res. 365. Joint resolution proposing an amendment to the Constitution of the United States to authorize the Congress to prohibit the misuse and improper display of the flag of the United States; to the Committee on the Judiciary.

By Mr. BROOKS (for himself and Mr. FISH):

H. Res. 201. Resolution providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on the Judiciary in the 1st session of the 101st Congress; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

198. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the use of triple trailers; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 33: Mr. WISE.

H.R. 40: Mr. PRICE.

H.R. 94: Mr. SHAYS, Mr. MURTHA, and Mr. MATSUI.

H.R. 101: Mr. RICHARDSON.

H.R. 118: Mr. DORNAN of California.

H.R. 160: Mr. HAYES of Illinois, Mr. MARTINEZ, and Mr. JOHNSON of South Dakota.

H.R. 221: Mr. HOAGLAND.

H.R. 215: Mr. HUTTO and Mr. PAXON.

H.R. 237: Mr. FOGLIETTA, Mr. WOLPE, Mr. NEAL of North Carolina, Mr. KOLTER, and Mr. CROCKETT.

H.R. 291: Mr. FROST.

H.R. 293: Mr. LEVINE of California, Mr. GEJDENSON, and Mr. DEFAZIO.

H.R. 377: Mr. FLORIO, Mr. GINGRICH, and Mr. STUMP.

H.R. 378: Mr. FAWELL.

H.R. 418: Mr. BROWN of California and Mr. VENTO.

H.R. 488: Mr. BRENNAN, Mr. CHAPMAN, Mr. FOGLIETTA, and Mr. BEVILL.

H.R. 561: Mr. EVANS, Ms. SCHNEIDER, and Mr. JOHNSON of South Dakota.

H.R. 586: Mr. BOSCO.

H.R. 747: Mr. ALEXANDER, Mr. ENGEL, and Mr. HAWKINS.

H.R. 777: Mr. PURSELL.

H.R. 930: Mr. HORTON.

H.R. 995: Mr. BILBRAY.

H.R. 1030: Mr. HAWKINS.

H.R. 1074: Mr. YATES and Mr. HAYES of Illinois.

H.R. 1181: Mr. RIDGE.

H.R. 1210: Mr. MYERS of Indiana and Mr. WALKER.

H.R. 1268: Mrs. LLOYD, Mr. TORRICELLI, Mr. TRAFICANT, Mr. DYMALLY, Mr. CLEMENT, Mr. JACOBS, Mr. HEFNER, Mr. TALLON, and Mr. MARTINEZ.

H.R. 1281: Mr. WEISS and Mr. PALLONE.

H.R. 1293: Mr. BEREUTER, Mr. LANTOS, Mr. PAYNE of Virginia, Mr. HENRY, Mr. LIPINSKI, Mrs. JOHNSON of Connecticut, Mr. HORTON, Mr. GUARINI, and Mr. WOLF.

H.R. 1612: Mr. HAWKINS, Mr. LEHMAN of Florida, Mr. RANGEL, Mr. BATES, Mr. CROCKETT, Mr. CLAY, Mr. TOWNS, and Mr. LEWIS of Georgia.

H.R. 1661: Mr. FLAKE, Mr. MARKEY, Mr. TAUZIN, Mr. NAGLE, Mr. McNULTY, Mr. CARPER, Mr. COYNE, Mr. CROCKETT, Mr. FROST, Mr. MOLLOHAN, Mr. GORDON, Mr. ROE, Mr. GILMAN, Mr. AKAKA, Mr. CARDIN, Mr. DE LA GARZA, and Mr. STAGGERS.

H.R. 1691: Mr. LIPINSKI, Mr. SCHEUER, Mr. FUSTER, and Mrs. COLLINS.

H.R. 1730: Mr. PRICE, Mr. WOLF, Mr. DENNY SMITH, Mr. PENNY, Mr. BALLENGER, and Mr. HENRY.

H.R. 1776: Mr. McCOLLUM.

H.R. 1845: Mr. FAUNTROY and Mr. MARKEY.

H.R. 1860: Mr. BOEHLERT, Mr. ROE, Mr. WOLPE, and Mr. RAHALL.

H.R. 1957: Mr. MACHTLEY.

H.R. 2025: Mr. ACKERMAN.

H.R. 2051: Mr. ROBINSON, Mr. FUSTER, and Mr. STAGGERS.

H.R. 2128: Mr. STARK.

H.R. 2131: Mr. CAMPBELL of California, Mr. FLORIO, Mr. BEREUTER, and Mr. HAWKINS.

H.R. 2168: Mr. PALLONE, Mr. LIPINSKI, Mr. DORGAN of North Dakota, Mr. ROBINSON, and Mr. WILSON.

H.R. 2181: Mrs. LLOYD, Mr. FORD of Tennessee, Mr. MRAZEK, and Mr. DARDEN.

H.R. 2192: Mr. CLINGER.

H.R. 2223: Mr. WALSH, Mr. BONIOR, and Mr. HOCHBRUECKNER.

H.R. 2228: Mr. BEREUTER.

H.R. 2265: Mr. CRAIG.

H.R. 2290: Mr. GRANT, Mr. CLINGER, Mr. EVANS, and Mrs. COLLINS.

H.R. 2380: Mr. LEWIS of California, Mr. FASCELL, and Mr. SMITH of Florida.

H.R. 2395: Mr. HEFLEY and Mr. SIKORSKI.

VOL 135 PT 10 JE 23 JL 13 1989 UMI

H.R. 2416: Mr. DICKS, Mr. MILLER of Washington, Mr. MCCURDY, Mr. BATES, Mr. WHITTAKER, Mr. PETRI, Ms. LONG, and Ms. KAPTUR.

H.R. 2445: Mr. SANGMEISTER, Mr. KANJORSKI, Mr. JONTZ, Mr. KENNEDY, and Mr. MORRISON of Connecticut.

H.R. 2493: Mr. TORRES.

H.R. 2507: Mr. FEIGHAN.

H.R. 2546: Mr. KENNEDY.

H.R. 2560: Mr. WHEAT, Mr. ACKERMAN, Mr. TORRES, Mr. FAZIO, Mr. MILLER of California, Mr. MOAKLEY, Mr. FASCELL, Mr. FAUNTROY, Mr. GILMAN, Mr. FROST, Mr. MATSUI, Mr. KASTENMEIER, Mrs. KENNELLY, Mr. FOGLIETTA, and Mr. OWENS of New York.

H.R. 2578: Mr. RANGEL, Mr. MORRISON of Connecticut, Mr. SIKORSKI, Mr. OWENS of New York, and Mr. APPLEGATE.

H.R. 2584: Mrs. BOXER, Mr. LIPINSKI, and Mr. HENRY.

H.R. 2642: Mr. STEARNS and Mr. GIBBONS.

H.R. 2654: Mr. PACKARD, Mr. BROWN of Colorado, and Mr. LIVINGSTON.

H.R. 2682: Mr. BEREUTER and Mr. SLATTERY.

H.R. 2694: Mr. BRENNAN and Mr. NEAL of Massachusetts.

H.R. 2700: Mr. MOLLOHAN.

H.R. 2732: Mr. SMITH of New Hampshire.

H.R. 2734: Mr. WALGREN, Mr. HENRY, Mr. FAUNTROY, Mr. BEILENSON, Mr. BATES, Mr. RICHARDSON, Mr. DE LUGO, Mr. OWENS of New York, Mr. MCGRATH, Mr. PALLONE, Mr. MANTON, Mr. LEWIS of Georgia, Mr. DWYER of New Jersey, Mr. LIPINSKI, Mr. HOCHBRUECKNER, Mr. BEVILL, and Mrs. COLLINS.

H.R. 2794: Mrs. ROUKEMA.

H.J. Res. 47: Mr. AUCOIN, Mr. BARNARD, Mr. BARTLETT, Mr. BATES, Mr. BEREUTER, Mr. BURTON of Indiana, Mr. CRAIG, Mr. CROCKETT, Mr. DANNEMEYER, Mr. DEWINE, Mr. DONNELLY, Mr. FISH, Mr. MCDADE, Mr. MILLER of Washington, Mr. PALLONE, Mr. SKELTON, Mr. TAUZIN, Mr. WOLF, and Mr. YOUNG of Alaska.

H.J. Res. 54: Mr. HOCHBRUECKNER.

H.J. Res. 104: Mr. YOUNG of Florida, Mr. GILMAN, Mr. WYDEN, Mr. SUNDQUIST, Mr. DEFAZIO, Mr. FASCELL, Mr. DORGAN of North Dakota, Mr. OWENS of New York, and Mr. TAUKE.

H.J. Res. 130: Mr. DE LA GARZA, Mr. PALLONE, Mr. BROWN of Colorado, Mr. LEWIS of Georgia, Mr. TOWNS, Mr. ATKINS, Mr. EVANS, Mr. SANGMEISTER, Mr. JONES of Georgia, Mr. HATCHER, and Mr. CHAPMAN.

H.J. Res. 138: Mr. REGULA, Mr. HYDE, Mr. NAGLE, Mr. LEHMAN of California, Mr. BROWN of Colorado, Mrs. BYRON, Mr. COBLE, Mr. ESPY, Mr. MORRISON of Connecticut, Mr. SISISKY, Mr. ATKINS, Mr. MANTON, Mr. MOODY, Mr. LIPINSKI, Mr. HUTTO, Mr. WILSON, Mr. VALENTINE, Mr. BEILENSON, Mr. BUSTAMANTE, Mr. DARDEN, Mr. DYSON, Mr. DOWNEY, Mr. FASCELL, Mr. LELAND, Mr. FEIGHAN, Mr. DICKS, Mr. YATRON, Mr. COLEMAN of Texas, Mr. MARTINEZ, Mr. JONTZ, Mr. CAMPBELL of Colorado, Mr. BRENNAN, Mrs. PATTERSON, Mr. GALLEGLY, Mr. HARRIS, Mr. HERTEL, Mr. MCCLOSKEY, Mr. MARKEY, Mr. MILLER of California, Ms. OAKAR, Mr. ORTIZ, Mr. PANETTA, Mr. NOWAK, Mr. RUSSO, Mr. SAWYER, Mr. SCHEUER, Mr. SCHUMER, Mr. SKAGGS, Mr. SKELTON, Ms. SLAUGHTER of New York, Mr. SMITH of Florida, Mr. STAGGERS, Mr. TORRES, Mr. WELDON, Mr. WOLPE, Mr. WYDEN, Mr. LEVIN of Michigan, Mr. MCHUGH, Mr. DINGELL, Mr. MCCOLLUM, Mr. FUSTER, Mr. LEWIS of California, and Mr. JONES of North Carolina.

H.J. Res. 168: Mr. PAXON.

H.J. Res. 186: Mr. HALL of Texas, Mr. FORD of Michigan, Mr. LELAND, Mr. NIELSON of Utah, and Mr. PORTER.

H.J. Res. 209: Mr. WALGREN, Mr. MCDADE, Mr. CLARKE, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MURPHY, Mr. PALLONE, Mr. BLAZ, Mr. SOLARZ, Mr. PAXON, Mr. RINALDO, Mr. ROE, Mr. PAYNE of New Jersey, Mr. RAVENEL, Mr. PASHAYAN, Mr. SCHEUER, Mr. SKEEN, Mr. SAVAGE, Mr. TOWNS, Mr. TRAFICANT, Mr. TAUKE, Mr. WEISS, Mr. TRAXLER, Mrs. ROUKEMA, Mr. MORRISON of Washington, Mr. AUCOIN, Mr. RANGEL, Mr. SAWYER, Ms. PELOSI, Mr. HOCHBRUECKNER, and Mr. RUSSO.

H.J. Res. 215: Mr. DELLUMS, Mr. OWENS of New York, Mr. KENNEDY, Mr. KLECZKA, Mr. SPRATT, Ms. KAPTUR, Mr. ROE, Mr. MILLER of California, and Mr. FAWELL.

H.J. Res. 220: Mr. WAXMAN, Mr. AUCOIN, Mr. ACKERMAN, Mr. JACOBS, Mr. HAYES of Louisiana, Mr. BLILEY, Mr. JONES of Georgia, and Mr. BRENNAN.

H.J. Res. 221: Mr. CLAY, Mr. COLEMAN of Missouri, Mr. DARDEN, Mr. GEKAS, Mr. HANSEN, Mrs. JOHNSON of Connecticut, Mr. MFUME, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. PARRIS, Mr. ROWLAND of Georgia, Mr. SAWYER, Mr. SCHUMER, Mr. STUDDS, Mr. JONES of North Carolina, and Mr. WISE.

H.J. Res. 231: Mr. DERRICK, Mr. ENGEL, Mr. FORD of Tennessee, Mr. HAWKINS, Mr. COURTER, Mr. MCDERMOTT, Mr. MCGRATH, Mr. POSHARD, Mr. RAVENEL, Mr. ROWLAND of Connecticut, Mr. SAVAGE, Mr. SCHEUER, Mr. SHARP, Mr. SMITH of Florida, Mr. VOLKMER, Mr. APPLEGATE, Mrs. MORELLA, Mr. HENRY, Mr. PALLONE, Mr. SAXTON, Mr. SOLARZ, Mr. TALLON, Mr. TRAFICANT, Mr. SKELTON, and Mr. SHAYS.

H.J. Res. 255: Mr. ENGLISH, Mr. BURTON of Indiana, and Mr. CLINGER.

H.J. Res. 292: Mr. MCGRATH, Mr. FISH, Mr. LAGOMARSINO, Mr. NEAL of North Carolina, Mr. GALLEGLY, Mrs. MARTIN of Illinois, Mr. LANTOS, Mr. COURTER, Mrs. BOXER, Mr. FOGLIETTA, Mr. FAZIO, Mr. APPLEGATE, Mr. LANCASTER, Mr. ROE, Mr. ENGEL, Mr. MCNULTY, Mr. CARPER, Mr. LOWERY of California, Mr. MACHTLEY, Mr. LEHMAN of Florida, Mr. AUCOIN, Mr. DEFAZIO, Mr. RANGEL, Mr. COYNE, Mr. BROWN of Colorado, Mr. JONES of Georgia, Mr. SAWYER, Mr. BILBRAY, and Mr. FRENZEL.

H.J. Res. 308: Mr. PAXON, Mr. MILLER of Ohio, Mr. GALLEGLY, Mr. PICKETT, Mr. CRANE, Mr. STEARNS, Mrs. VUCANOVICH, and Mr. PAYNE of Virginia.

H.J. Res. 318: Mrs. VUCANOVICH and Mr. PAYNE of Virginia.

H.J. Res. 322: Mr. HUCKABY, Mr. HOLLOWAY, Mr. TAUZIN, Mr. PAXON, Mr. MCGRATH, Mr. GALLEGLY, Mr. PAYNE of Virginia, and Mrs. VUCANOVICH.

H.J. Res. 338: Mr. ACKERMAN, Mr. ATKINS, Mr. AUCOIN, Mr. BEILENSON, Mr. BOEHLERT, Mrs. BOXER, Mr. BROWN of California, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. FOGLIETTA, Mr. FUSTER, Mr. GILMAN, Mr. GORDON, Mr. HORTON, Mrs. JOHNSON of Connecticut, Ms. KAPTUR, Mr. KOSTMAYER, Mr. LEHMAN of Florida, Mr. MACHTLEY, Mr. MILLER of California, Mrs. MORELLA, Mr. MORRISON of Connecticut, Mr. MYERS of Indiana, Mr. NEAL of North Carolina, Mr. OWENS of New York, Mr. PALLONE, Ms. PELOSI, Mr. RANGEL, Mr. RICHARDSON, Mr. ROE, Mr. ROYBAL, Mr. SANGMEISTER, Mr. SAXTON, Mr. WALGREN, Mr. WALSH, and Mr. YATES.

H.J. Res. 349: Mrs. VUCANOVICH.

H.J. Res. 350: Mr. ORTIZ, Mr. ROBINSON, Mr. PERKINS, Mr. HUCKABY, Mr. LAUGHLIN, Mr. FLIPPO, Mr. BATEMAN, Mr. MCCANDLESS, and Mr. HALL of Texas.

H. Con. Res. 39: Mr. HORTON.

H. Con. Res. 145: Mr. ENGEL and Mr. MORRISON of Connecticut.

H. Con. Res. 154: Mr. BEREUTER.

H. Res. 116: Mr. BILBRAY, Mr. FAZIO, Mr. HAYES of Illinois, Mr. CLAY, Mr. ATKINS, and Mr. BRENNAN.

H. Res. 181: Mr. PORTER, Mr. IRELAND, Mr. HANCOCK, Mr. RITTER, and Mr. GINGRICH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1068: Mr. QUILLEN.

H.R. 2360: Mr. WALSH.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2461

By Mr. FRENZEL:

—At the end of part A of title VI (page 119, after line 8), insert the following new section:

SEC. 603. PROHIBITION ON AUTHORIZING THE ADVANCE PAYMENT OF PAY AND ALLOWANCES RELATING TO THE PAY PERIOD ENDING ON SEPTEMBER 30, 1989.

(a) ADVANCEMENT ORDER RESCINDED.—The order of the Secretary of Defense, dated May 24, 1989, relating to requiring the advancement of the October 1, 1989, military payday to September 29, 1989, is hereby rescinded.

(b) PROHIBITION ON ADVANCING PAYDAY.—

(1) Notwithstanding subsection (h) of section 1006 of title 37, United States Code, for the pay period ending on September 30, 1989, the Secretary concerned may not advance the October 1, 1989, payday for the payment of pay and allowances to members of a uniformed service under the jurisdiction of the Secretary.

(2) For purposes of this subsection, the term "Secretary concerned" has the meaning given to that term in section 101(5) of title 37, United States Code.

By Mr. WOLF:

—At the end of title XII (page 253, after line 15), add the following new section:

SEC. 1243. LIMITATION WITH RESPECT TO PRESIDENTIAL DESIGNEE AUTHORIZED TO REVIEW CERTAIN FOREIGN INVESTMENT IN THE UNITED STATES.

Any designee chosen by the President to carry out the authority conferred by section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) shall be—

(1) in the case of a designee that is an individual, the Secretary of Defense; or

(2) in the case of a designee that is a group or committee, a group or committee whose chairman is the Secretary of Defense.

EXTENSIONS OF REMARKS

THE SUPREME COURT AND CIVIL RIGHTS

HON. F. JAMES SENSENBRENNER
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. SENSENBRENNER. Mr. Speaker, civil rights groups and Members of both Houses have raised a significant cry of outrage over the Supreme Court's recent civil rights decision in Wards Cove versus Atonio. So often when an issue gets flagged by civil rights groups as "Bad" for civil rights, many Members jump right on the bandwagon and start singing the same tune—lest they should be labeled "anti-civil rights."

Well, I can assure you that to be labeled anti-civil rights today, you need only follow the civil rights leadership agenda—because what you will get are quotas. But quotas are not what we bargained for in civil rights. Any bill to overturn Wards Cove is a bill to mandate quotas.

As it stands, employers will finally be able to make some employment decisions on the basis of merit for a change and now Congress wants to take all that away. No, they say—quotas are what we want. Well, I say no to that. That goes against everything we have worked so hard to achieve—civil rights in a color-blind society.

The recent editorial in the Wall Street Journal by the very distinguished Judge Robert H. Bork, eloquently explains this outrage. I include it in my remarks and urge my colleagues to read and heed.

[From the Wall Street Journal, June 30, 1989]

THE SUPREME COURT AND CIVIL RIGHTS

(By Robert H. Bork)

The Supreme Court has decided a series of civil rights cases this term and from much of the press reaction, as well as that of the civil rights groups, one might suppose that the justices had reinstituted segregation.

The New York Times editorialized that the court "displays an icy indifference . . . to the hopes of discrimination victims." A guest columnist in the Washington Post angrily asked, "Is the only choice now for civil rights activists between capitulation or an angry return to the streets?" Reaching an even shriller note, an editor of the New Republic proclaimed that in America "Race is the wound that will not heal, and the Supreme Court has just rubbed fresh salt in that wound. . . ." He invited us to behold "the dizzying moral fall from the Warren Court, a product of Eisenhower Republicanism, to the Rehnquist Court, a product of Reagan Republicanism." Something pretty savage must have happened.

What actually happened is that the court made some moderate and overdue adjustments to legal doctrine in the field of civil rights law. The real cause of the caterwauling is not that discrimination is being allowed—it isn't—but that it is now harder to justify quotas or force them upon employers. Almost all Americans want to heal the wounds of race; almost all are concerned with civil liberties; but most are opposed to racial and sexual quotas in employment, promotion and education.

MORAL ASSAULT

But quotas are the pet solution of the American left, which specializes not in argument but in moral assault upon those with whom it has substantive differences. Now that the moral assault is directed at the Supreme Court it is important that Americans understand what the court has in fact done and what it has not.

The court's January decision in *Richmond v. J.A. Croson Co.*, held unconstitutional the city's minority set-aside program. The City Council had adopted an ordinance requiring prime contractors on city construction contracts to subcontract at least 30% of the dollar amount of the contract to businesses at least 51% owned by U.S. citizens who are "Blacks, Spanish-speaking, Orientals, Indians, Eskimos, or Aleuts." It was less than clear why Richmond thought it should extend the benefits of its quota to minorities from anywhere in the U.S. and even less clear how Orientals, Indians, Eskimos, and Aleuts got on the favored list. The one thing that was clear was that white-owned companies were to be discriminated against. Croson Co. was.

Croson was the only bidder on a project and the only minority supplier of fixtures willing to participate came in well over market price. The city denied requests that the minority requirement be waived or that the contract price be raised and Croson lost the contract.

The court found a violation of the equal protection clause of the fourteenth amendment. "The Richmond Plan," Justice O'Connor's opinion said, "denies certain citizens the opportunity to complete for a fixed percentage of public contracts based solely upon their race." The 30% quota was not an allowable remedy because there was no evidence that the city or anyone in the Richmond construction industry had illegally discriminated against anyone.

The opinion is marred only by its argument that the federal government could impose quotas that the states and cities may not because the federal government has the power to "enforce" the 14th Amendment. The power to enforce, however, is the power to prescribe remedies, not the power to change the substantive command of the equal protection clause. Justice Kennedy said in concurring, "The process by which a law that is an equal protection violation when enacted by a State becomes transformed to an equal protection guarantee when enacted by Congress poses a difficult proposition for me. . . ." If the Court sticks to that untenable distinction, the pro-quota forces will have won more than they should.

In June, when the court handed down *Wards Cove Packing Co. v. Atonio*, the left's moral assault moved into high gear. Eighteen years before, in *Griggs v. Duke Power Co.*, the court had decided that under Title VII of the Civil Rights Act of 1964 a plaintiff need not have intentional discrimination. Statistical imbalance in the racial composition of the work force was presumed discriminatory unless proven otherwise. The test was the *consequences* of business practices, not their motivation.

This highly questionable reading of the act produced unfortunate results. Statistical imbalances are everywhere in our society since entirely innocent social forces and cultural differences do not produce proportional representation of each ethnic group in each occupation.

Wards Cove involved Alaskan salmon canneries that had a predominantly white work force in skilled jobs and a predominantly nonwhite work force in unskilled jobs. The court of appeals had held that imbalance created a prima facie case against the companies. Justice White's opinion for the majority disagreed: The lower court's theory "at the very least, would mean that any employer who had a segment of his work force that was—for some reason—racially imbalanced, could be hauled into court and forced to engage in the expensive and time-consuming task of defending the 'business necessity' of the methods used to select the other members of his work force." Thus, the "only practicable option for many employers will be to adopt racial quotas. . . : this is a result that Congress expressly rejected in drafting Title VII."

The court held that the proper comparison was between the proportion of a racial group in the work force and the proportion of qualified members of that race in the pool available to the employer. The plaintiff must also identify the employment practice alleged to be responsible for the disparity. Once that has been done, the employer must produce evidence of business justification for those practices but the ultimate burden of persuading the court that discrimination exists remains with the plaintiff.

Civil rights activists charged that the court had done two terrible things. One was to change the rule of *Griggs;* the other was to make it more difficult to win a discrimination case. Neither charge has any merit. Courts modify prior decisions all of the time. Indeed, the court the activists most admire, that headed by Earl Warren, continually jettisoned prior rulings if found politically or morally unseemly. For the present court to modify a rule that produced results contrary to the intention of the 1964 Civil Rights Act is not only unexceptionable but praiseworthy. The fact that plaintiffs may have more difficulty winning proves nothing at all. The object of the law is not to see the plaintiffs always win. All the Supreme Court has held is that discrimination must be proved rather than assumed. Only to those who think America pervasively and incurably racist does that seem outrageous.

Also this month, *Martin v. Wilks* held that white firefighters in Birmingham, Alabama, were not barred by a consent decree, to which they were not parties, from challenging the preferential promotion of allegedly less qualified black firefighters. The challengers had a right to their day in court. The court majority applied the estab-

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

lished "general rule that a person cannot be deprived of his legal rights in a proceeding to which he is not a party." The opinion necessarily relied upon the Federal Rules of Civil Procedure to hold that the white firefighters were under no obligation to intervene in the litigation.

That New Republic editor found the technical language insufficiently "exalted", and quoted Justice Blackmun's dissent in *Wards Cove*. "One wonders whether the majority still believes that race discrimination—or, more accurately, race discrimination against non-whites—is a problem in our society, or even remembers that it ever was." That attack is wide of the mark. It is not only an unjustified slur on five justices but assumes that the court's function is to replace law with moral passion, even if that moral passion produces dubious results.

These and other decisions of the court have prompted the civil rights groups to say they will turn to Congress to undo the Supreme Court's decisions. Since those decisions are clearly correct, it is to be hoped that Congress will not respond. President Bush has stated that he does not think new legislation is needed. But if these matters are taken up, and if new legislation is written, Congress should specifically disapprove of quotas and avoid any provisions that have the effect of pressuring employers to adopt them.

The moral passion of the dissents in these cases is imprudent on more grounds than one. For too long, in our seal to achieve moral results, we have ignored the morality of process. A judge should have the compassion to understand the human situation before him in order to apply law intelligently and sensitively. The judge should never, however, allow compassion to control his reading of the law. The morality of process is the highest morality of the jurist.

SALT IN THE WOUND

But there is a second objection to a morality that leads to quotas, and this objection applies no matter what arm of government approves or requires them. Race is indeed a wound that has not healed. But it is precisely the use of preferential quotas that rubs fresh salt into the wound. When non-white individuals who have not themselves been the victims of discrimination are preferred to white individuals who have not inflicted discrimination, racial resentments are certain to be inflamed. The problem is likely to grow more acute, for the question of race and ethnicity is no longer simply a black-white issue.

As the composition of our population changes, we see competition for group entitlements among whites of European ancestry, blacks, Hispanics, and Asians. The competition has become bitter and has led to the expression of sentiments that can only be called racist. The only possibility of avoiding a much worse situation than the one we now face is to drop the entire notion of group entitlements, which means abandoning quotas. The Supreme Court has been moving in that direction, which is fortunate both for the integrity of the law and for social policy. We must hope that the court is not affected by the moral intimidation to which it, and we, are being subjected.

TRIBUTE TO JOHN MOONEY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. FLORIO. Mr. Speaker, I would like to invite my colleagues to join me in paying tribute to John G. Mooney, the recently elected commander of the Veterans of Foreign Wars [VFW] for the State of New Jersey.

Mr. Mooney was born in West Orange, NJ, and graduated from high school there. He attended Rutgers University before joining the Army in 1952 and serving in Korea for 2 years.

When he returned home, he was in the trucking industry prior to going to work for Essex County.

A member of the Bloomfield VFW Post 711, he has been active in the organization for 29 years. He has served as post and district commander and has been active on numerous VFW committees at both the State and local levels.

As a member of the House Veterans' Affairs Committee, I have had the pleasure of working closely with my friend John Mooney, and the members of the VFW of New Jersey. For years, the VFW has fought for the rights of veterans and has worked to ensure that veterans are given the respect and dignity they deserve.

I feel Mr. Mooney is well prepared to lead the New Jersey Veterans of Foreign Wars in meeting the challenges ahead. John Mooney and the fully-staffed VFW office in Newark keep their door open to any veteran for advice and referrals.

I am delighted that John Mooney has been elected to serve as commander of the VFW of New Jersey. I look forward to continuing to work with John Mooney in his new position. I would like to share with my colleagues the following article:

[From the Sunday Star-Ledger, June 25, 1989]

VFW COMMANDER SEES U.S. WINNING THE PEACE

(By Charles Q. Finley)

John Mooney, 53, of Bloomfield, the new state commander of the Veterans of Foreign Wars, hopes America never fights another war.

"We've had enough of war, and I hope VFW membership will fade away in the next century because our country remained at peace," said Mooney, an investigator for the Supervisor of Elections in Essex County.

"The VFW is a marvelous organization which carries on programs to help veterans and others as well, but none of us ever want to see a new conflict. Since Vietnam, our government has become much more cautious as to what action it takes when trouble develops in some other part of the world.

"It'll be taking a long, hard look before sending in troops. Of course, we must maintain a strong defense, and nuclear armament is in itself a deterrent to war.

"I don't believe a nuclear conflict ever will come about between the major powers. But I am concerned that the wrong smaller nation might attain nuclear capability; then there's no way of knowing what might happen.

"I visited Israel recently and was shocked by what I saw there. The state is so small that a soldier standing guard on any border couldn't be more than two hours' drive away from his mother sitting on her back porch.

"It's a huge military base on a war footing seven days a week. Surrounded on three sides by its enemies, and on the fourth side by the sea, the Israelis worship the ground they walk on, and have tremendous respect and love for their country.

"Israel is smaller than the state of New Jersey, and really is fighting for its life. The visit really was an eye-opener for me."

Mooney was "appalled" by the recent Supreme Court decision that burning the American flag is not illegal.

"The decision was a damn shame, and I'm sure I speak for every VFW member when I say I'm appalled. It indicates to me that our whole justice system is breaking down.

"Promoting patriotism and protecting the flag is what the VFW stands for, and we'll protest this decision vigorously. We will seek possible ways to nullify it.

"I also find the situation in China very upsetting. The young man seen on television trying to stop a tank by himself during the democracy uprising deserves a world peace award.

"The democracy movement in China has only been wounded. You can rest assured it'll be heard from again.

"It was a genuine uprising of the people. They were telling the government in no uncertain terms 'Enough is enough!' "

Mooney sees a resurgence of patriotism in America.

"We're entering upon a new era. America has a good feeling about itself, and is confident about its future despite its problems."

Mooney said VFW projects are many and varied.

"We bring cheer into the veterans hospitals, even taking some patients on fishing trips. Gibbstown VFW Post 5579 recently received a national award for such a project.

"There are 365 VFW posts in New Jersey, with a total membership of 73,000. We stand ready to help any individual veteran who is down on his luck.

"There is a fully staffed VFW office in Newark open to any veteran for advice and referrals. We have an ongoing project at the veterans hospital in Paramus, in which we're raising $65,000 to build a glass-enclosed garden with a gazebo as a recreation area for the patients.

"There are VFW scholarship programs nationwide. We go into the schools to spread the word about our freedoms.

"We tell the young people what America is all about. It's important they are knowledgeable about this nation's heritage.

"When adults tell them personally where we've come from, and what we are today, it prepares them to follow in our footsteps. This is a way to make America stronger."

Mooney was born in West Orange and graduated from high school there. He attended Rutgers University before joining the Army in 1952 and serving in Korea for two years.

When he returned home, he was in the trucking industry prior to going to work for the county.

A member of Bloomfield VFW Post 711, he has been active in the organization for 29 years. He has served as post and district commander, as well as being active on numerous VFW committees at both the state and local levels.

Mooney and his wife, Helen, have three children—John Jr., a financial planner;

VOL 135 PT 10 23 JL 13 1989 JE UMI

Thomas, a computer analyst, and Patricia, an assistant bank manager.

Mooney said the VFW will be pressing Congress for more adequate funding for veterans hospital construction.

"Cutbacks in this area have caused much hardship."

Mooney said he enjoys golfing and fishing, but he spends most of his free time taking part in VFW activities.

"I meet many fine people in the VFW, and I also gain much self-satisfaction being a member of a group that does so much good for so many."

FLORIDA A&M BAND TO MOON-WALK THROUGH PARIS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. GIBBONS. Mr. Speaker, as we are all aware, tomorrow is the bicentennial of the French Revolution. Among the festivities to take place in Paris, the French Government is putting on an extravagant Bastille Day Parade. A parade which will begin at the Arc de Triomphe and march down the Champs Elysees.

Only 16 bands from around the world were picked to participate in this parade and it gives me great pleasure to inform my fellow colleagues that the one band chosen to represent the United States of America is the Florida A&M University's Marching Band. The Marching 100 will bring their unique vibrance and talent to an internationally televised event that will be seen by millions.

I'm sure the band was picked both because every member is extremely talented and no one else could moon-walk through Paris while playing James Brown.

All Floridians and alumni everywhere are very proud of the Marching 100 and the great honor they have received in being selected to go to Paris. I hope that all Members will have an opportunity to see Florida A&M's Band; they put on quite a show.

Mr. Speaker, I would like to share with my colleagues the following Tampa Tribune article about the FAMU band.

MOON-WALK THROUGH PARIS

(By Jim Henry, Tribune Sports Writer)

TALLAHASSEE.—They strut. They swing. They march doubletime onto the football field.

And on July 14, they are going to moon-walk down the Champs Elysees while the eyes of the world watch on television.

The FAMU band, representing Florida A&M University, is internationally FAMoUs.

The band, also called the Marching 100 and the Rattlers was selected to be the sole representative band from the United States, and one of only 16 bands from around the world invited to participate in the Bastille Day Parade.

This Saturday, an excited and enthusiastic FAMU entourage of 250 leaves for Paris to perform at extravagant ceremonies marking the bicentennial of the French Revolution.

An estimated 150,000 people will line a three-mile parade route on July 14, and the extravaganza will be televised worldwide, including coverage in the United States.

The Rattlers, decked in their familiar orange-and-green uniforms, are eager to play their instruments, smile and march—or more precisely moon-walk—through the streets of Paris and perhaps into the hearts, if not feet, of people around the globe.

Jean Paul Goude, artistic director of the $16 million extravaganza, said the Marching 100 was his first choice to represent the United States because it is "the epitome of black music."

Goude, who first saw the Marching 100 when he lived in New York City 12 years ago, said that groups in all parts of the world have incorporated elements of American black music and dance into their presentations.

"They (Marching 100) combine extraordinary talent," said Goude, who was in Tallahassee to watch the band rehearse two weeks ago. "To me, they are the illustration of American music. They are young; they are vibrant, they are so alive. I wanted our bands to reflect what I call 'world music.'"

Goude said he hopes to turn the parade, which will begin at 10 a.m. in Paris, into an eccentric explosion of color and sound.

From Africa will come 150 drummers perched on a 25-foot high pyramid of metal drums. Two hundred military bagpipers and drummers from Britain are to march enveloped in a cloud of fog.

The centerpiece for the Soviet contingent of dancers and gymnasts is a portable skating rink, featuring a dancing bear and a ballet dancer showered by a snowstorm. The climax will feature a wall of water that will divide suddenly to let through the more than 8,000 marchers and 1,000 sheep.

Near the middle of the parade, at the No. 7 spot in a line of 16, will be the Marching 100. The band has appeared at Disney World and in Super Bowl III, received numerous national accolades and is best known for its innovative and precise halftime performances during school football games.

But Paris will be different. Most band members know of this global centerpiece only through grade-school history lessons.

"This will be a cultural explosion, FAMU's chance to give to the world," Marching 100 director William P. Foster said. "The closer we get the more overwhelming it becomes. Paris is on the lips and minds of everyone here. We are extremely thankful and eager for the opportunity.

"As you may well know, these kids sure love to put on a show."

Larry Rentz, a 19-year-old tuba player, echoes that excitement. "Everyone is really eager to go," he said. "I am sure everyone is expecting us to moon-walk for three miles, but that's going to be pretty difficult. I mean, try walking backwards for three miles and see how your feet feel. Believe me, we will give those folks quite a show."

Goude and other French officials saw the Marching 100 perform in Tampa Stadium last November during the annual Florida Classic football game between FAMU and Bethune-Cookman.

The invitation was issued two months later from the French minister of culture. The French government is paying FAMU's expenses, expected to be more than $550,000.

Foster said the band's role is to portray black music of America in its soulful form, so the Marching 100 will perform a medley of James Brown tunes—"Living in America," "I Feel Good," "Cold Sweat" and "Papa's Got a Brand New Bag."

It's expected to take the band nearly an hour to cover the three-mile route, which begins at the Arc de Triomphe and winds down the Champs Elysees.

The Marching 100—cut in half because of summer break—has been practicing five days a week for the last month in preparation. The remaining band members arrived yesterday for rehearsal and this week's practice sessions.

Representatives of the French consulate will visit the Florida A&M campus today to discuss their country's culture and customs.

"You get kind of nervous when you think about representing this country, but this is a great chance to showcase music and exchange and learn of different cultures," said Sherwood Brown, a 21-year-old baritone player.

"Sometimes I won't really believe it until we are actually there. I guess the first thing we will do is check the streets. It will be tough (moon)-walking on cobblestone. But, we have our passports, and we are ready to go.

FEDERAL HOUSING ADMINISTRATION AUDIT INDICATES HEAVY LOSSES

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. KLECZKA. Mr. Speaker, I take this opportunity to share with my colleagues an article in this morning's copy of the New York Times entitled, "Losses Twice as High as Thought Are Found in an FHA Program."

According to the New York Times, Price Waterhouse, which supervised an audit of the Federal Housing Administration [FHA] for the General Accounting Office, estimated that over several years a single FHA coinsurance program lost $1 billion, twice as much as had been originally suspected.

I eagerly await the full GAO audit report to see the actual extent of all losses at the FHA. I am deeply concerned that FHA reserves have dropped from $4 to $2.5 billion with no halt to this financial hemorrhage in sight. In view of this very serious situation, I have requested Housing Subcommittee hearings on the solvency of the FHA and hope that we can take a closer look at the current financial status of this program.

I urge my colleagues to read about these developments in the following article.

[From the New York Times, July 13, 1989]

LOSSES TWICE AS HIGH AS THOUGHT ARE FOUND IN AN FHA PROGRAM

(By Jeff Gerth)

WASHINGTON, July 12.—Federal officials and independent auditors say a co-insurance program at the Federal Housing Administration has accumulated losses of $1 billion, twice as much as Government auditors originally thought.

That estimate of co-insurance losses alone would make the F.H.A., which insures mortgages totaling $275 billion, the most troubled segment of the Department of Housing and Urban Development. It would also account for half of Housing Secretary Jack F. Kemp's estimate, given in Congressional testimony Tuesday, of a $2 billion cost in waste, fraud and mismanagement involving

the department during the Reagan Administration.

Meanwhile, Bush Administration officials say that an inquiry by the Federal Bureau of Investigation into a private co-insurer has broadened to include an examination of the company's ties with Thomas T. Demery, the Assistant Secretary for Housing from 1986 to 1988.

Mr. Demery, formerly a developer and mortgage consultant in Michigan, has previously described how he won his appointment at the department by lobbying high Republican officials. In recent weeks, he and Deborah Gore Dean, who was executive assistant to the Reagan Administration's Housing Secretary, Samuel R. Pierce Jr., have emerged as central figures in the awarding of consulting contracts to former officials of that Administration as well as other influential Republicans.

Various Federal inquiries into the management of the department have so far focused mainly on the activities of consultants and on a program to rehabilitate housing for the poor. Now the expanded F.B.I. inquiry, involving the DRG Funding Corporation, the largest lender in the F.H.A.'s $5 billion co-insurance program, is the first indication that the bureau is interested in the activities of Reagan Administration political appointees while they were a H.U.D.

NATURE OF THE PROGRAM

No one has been charged with wrongdoing in connection with the co-insurance program, and Mr. Demery said in an interview today that he had acted properly while at the department. But enough evidence has now come to light to indicate that co-insurance is the most costly legacy of Secretary Pierce's troubled tenure.

"Co-insurance" is H.U.D. terminology for a program under which private lenders assume about 20 percent of the risk of insuring a mortgage while the Government assumes responsibility for the remaining 80 percent.

This division of risk and responsibility was introduced in 1983 as one of the Reagan Administration's initiatives in public-private partnership. It was based on an assumption that the private lenders could oversee most of the underwriting process, credit checks and appraisals without Government supervision.

But auditors from Price Waterhouse, hired by the Government to look into the program, have concluded that this approach led to enormous losses, and their work and the intensified F.B.I activity seem to have opened a major new front in the H.U.D. investigations being carried out by the Justice Department, Congressional committees and Secretary Kemp.

BLOATED MORTGAGES

Investigators say the large losses in co-insurance stemmed in significant part from some lenders' practice of vastly overvaluing property that was being mortgaged.

In the course of arranging these inflated mortgages, the investigators say, a lender would receive a large servicing fee based on the size of the mortgage. Later, when the owner or developer defaulted, the lender was able to pay its 20 percent share of insurance costs and still come away with a profit, leaving the Government responsible for the rest of the loss.

The F.B.I. is looking into the possibility that officials at the department who supervised the program were improperly influenced to give preferential treatment to at least one lender.

BROADER LOSSES BY F.H.A.

Co-insurance is just one of the programs creating losses for the F.H.A., which pays claims out of four separate funds. The General Accounting Office, Congress's investigative and auditing arm, reported in May that the agency as a whole lost $452 million last year. Premiums paid by private lenders are the main source of the agency's income, and they have been declining at a time when claims have been mounting, a result largely of a depressed real estate market, particularly in areas of the Southwest.

H.U.D.'s co-insurance literature for lenders explains that the program "reduces the number of persons who have to prepare and review documents at each processing step and shifts decision-making authority from H.U.D. to the lender."

But a vast layoff of auditors at the department left "nobody to watch the store" when lenders arbitrarily "did their own underwriting" in the co-insurance program, said Dennis Penman, a Buffalo builder who was interviewed for a H.U.D. post by the Bush White House but was not appointed.

A report last December by the department's auditors said that adequate oversight had led to unsound loans, initiated appraisals and inflated mortgages, which in turn led to large fees for the lenders and losses for the department.

Indeed, auditors working for Paul A. Adams, H.U.D.'s inspector general, have been warning in reports since 1985 that co-insurance projects are "overmortgaged."

"Overvalued properties can further increase the amount of H.U.D.'s losses when insurance claims are paid," a 1988 report noted, "since less than the estimated value of the projects may be realized from disposition of the properties."

But Mr. Adams told a Congressional subcommittee last month that when he alerted senior political appointees at the department who had helped develop the program, they "characterized our findings as unfair and unjustified."

Mr. Adams said in his Congressional testimony that co-insurance losses resulting solely from mortgages held by DRG, the company at the center of the F.B.I. inquiry, had come to $55 million and that the losses for the entire program might amount to hundreds of millions of dollars.

PRICE WATERHOUSE FINDINGS

The new, even larger estimate of $1 billion in accumulated losses over several years was reached as a reusit of a recently completed audit by Price Waterhouse, said Roger R. Stolz, the official who is supervising the audit for the G.A.O.

The auditors have not yet released their audit of the F.H.A. for 1988. But for 1987 they have made more than 60 adjustments to the agency's books, including a drastic reduction in its equity, or capital, from $3.1 billion to $1.2 billion, and they expect a negative cash flow for the next two years.

"They hadn't anticipated these kinds of losses," Mr. Stolz said, "but the lack of oversight led to the abuses. You can't give someone your checkbook to write checks without oversight."

When asked whether any information about H.U.D. officials that might have been uncovered in the audit had been brought to the attention of the F.B.I., Mr. Stolz said he had no comment. "It's pretty sensitive," he said.

But Administration officials said that Price Waterhouse had taken certain information to the F.B.I. and that bureau agents were now working with the firm's auditors. Last January the offices of DRG and its affiliates were searched by F.B.I. agents, who charged that the company had engaged in H.U.D.-related fraud and theft, according to an affidavit filed last January by one agent, Robert E. Carroll.

Officials said that documents involving Mr. Demery that were seized in the search of DRG's offices were an important part of the expanded F.B.I. inquiry.

According to Mr. Demery and his financial disclosure statement, he brokered loans through his private real estate consulting company in Michigan until 1984, two years before he became H.U.D.'s top official for housing. In an interview, he denied any wrongdoing but acknowledged that he had not accepted other department officials' criticism of DRG and the co-insurance program. He added that while he had recommended a less aggressive position concerning DRG than other, "competing" officials at the department, he had shared the overall objective of trying to save money for the F.H.A. and make DRG a more "responsible" lender.

Mr. Demery also said that ethics officials had allowed him to participate in DRG matters because "I had no financial interest" in the company while at the department. He said that from 1982 to 1986 he was a H.U.D. consultant "pretty much full time" and that around "1984 or 1985" he investigated for the department a troubled DRG-financed project in Houston, Colonial House.

Colonial House is at the heart of the F.B.I. inquiry into overvalued loans by DRG, and the F.H.A. is expected to lose $35 million on the now-defaulted project, according to the affidavit by Mr. Carroll, the Federal agent.

An inventory of dockets retrieved by the F.B.I. in the search of a real estate affiliate of DRG that has no business with H.U.D. uncovered at least five memorandums and letters in the titles of which Mr. Demery's name appears.

The inventory lists only a brief description of the seized files. But Federal officials said the documents were pertinent to their inquiry whether there was a financial or other relationship that was improper between Mr. Demery and the DRG after he became Assistant Secretary for Housing in 1986.

Mr. Demery said in the interview that he did not know what the seized documents pertained to.

RICO, ABORTION AND THE FIRST AMENDMENT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. LAFALCE. Mr. Speaker, I would like to include in the RECORD an excellent column written by Nat Hentoff which appeared in the Washington Post on Saturday, July 8, 1989.

Mr. Hentoff brings to our attention the convergence of two of today's most heated issues: the preservation of first amendment rights of protesters and the issue of abortion. Under the application of the controversial racketeer influence and corrupt organizations law, abortion protesters have been labeled as gangsters and sued for both treble damages and attorney's fees. Regardless of one's posi-

tion on the issue of abortion, all legislators should reject the application of RICO to moral and political protesters. I am pleased to share with you Nat Hentoff's insights into the conflicts which the present application of RICO presents.

[From the Washington Post, July 8, 1989]

RICO, ABORTION AND THE FIRST AMENDMENT

(By Nat Hentoff)

The National Organization for Women and the American Civil Liberties Union are in firm accord on the need to protect abortion rights. There is dissonance, however, between the national ACLU and NOW on the use of the formidable federal RICO statute to safeguard those rights.

The Racketeer Influenced and Corrupt Organizations law, with its broad and loose language and its heavy penalties, can stigmatize antiabortion and other demonstrators as "racketeers" practicing "extortion" if they are convicted of what would ordinarily be trespass and disorderly conduct under state and local laws.

In a recent issue of the National Law Journal, Antonio Califa, legislative counsel for the ACLU in Washington, wrote that "the ACLU believes that Civil RICO's potential for chilling First Amendment rights of expression is enormous."

On the other hand, in a letter to The Post taking issue with my prediction that a wide variety of organizations, including NOW, could be vulnerable to RICO suits, Patricia Ireland, NOW's executive vice president, dismissed that possibility. She concluded, "As long as antiabortion extremists continue to behave like gangsters, it is wholly appropriate to treat them as gangsters under the racketeering laws."

In Pittsburgh, a group of antiabortion "gangsters" are defendants in a RICO suit that illustrates the ACLU's apprehension and NOW's myopia.

Helen Cindrich is executive director of People Concerned for the Unborn Child, which operates a hot line—a clearing house for information about prolife meetings and other events. She used to think she couldn't possibly be sued for just reporting news, some of which is taken from local newspapers. She does indeed include news of arrests, and she asks prayers for those in jail.

None of the above would seem to qualify as "extortion." And, in any case, as she told me, "You call the number; the number doesn't call you."

Last October, the owners of the Highland Building, which houses an abortion clinic, retaliated against a number of demonstrations at the clinic—including some by Operation Rescue—by suing a range of people and organizations, including People Concerned for the Unborn Child.

One of the lawyers for the plaintiffs is Ellen Doyle, former executive director of the ACLU in Pittsburgh. She explained to me why People Concerned for the Unborn Child is a defendant: "All those demonstrators were showing up at the building, and we're suing all those who were responsible for all those people showing up at the building."

Had there been a RICO statute at the time, the American Revolution might have been considerably delayed while John Adams and other attorneys tried to extricate members of the Committees of Correspondence from RICO.

Helen Cindrich has become a lot more careful about what she puts on the hot line and in her newsletter. She is concerned, for instance, that it may be held against her that the newsletter printed an account of the Operation Rescue demonstration after it was over. (A lawyer in Philadelphia tells me she has been getting calls from people who want advice on what to avoid printing in their newsletters so they can escape RICO).

Three years ago, People Concerned for the Unborn Child invited Randall Terry, who has since become the leader of Operation Rescue, to speak. "I would not invite him to come now," says Cindrich.

At trial, however, the judge, some supporters of RICO argue, will separate out the true racketeers from the peaceable demonstrators. Some judges may, some may not. But the expenses of pretrial combat are heavy and can persuade an innocent group with marginal funds to cease its protests.

Furthermore, as Antonio Califa of the ACLU emphasizes, "Under RICO's expansive provisions, it is relatively easy for plaintiffs to survive a motion to dismiss and to embark upon intrusive discovery proceedings, which may be particularly threatening to political advocacy groups. Indeed, plaintiffs intolerant of a group's opinions may file suit with the sole intention of inhibiting activities they abhor."

Defendant Cindrich, charged with "racketeering" and "extortion," told me with some wonder: "They want our entire mailing list. There are 4,000 names on it." Each one a potential suspect.

Well, as NOW says, one must deal firmly with gangsters.

FLAG BURNING IS WRONG

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. SKELTON. Mr. Speaker, being fully in accord with a constitutional amendment that would override a recent Supreme Court decision that protected a person who burned the American flag from prosecution, I publish today an editorial from the Post Tribune, of Jefferson City, MO, June 23, 1989. I am in full agreement with the views expressed by this writer concerning the flag burning and free speech.

The article follows:

FLAG-BURNING FREE SPEECH?

In protecting persons who burn the American flag from prosecution, the Supreme Court stretched the First Amendment's right of free speech to an excessive degree.

The court ruled, by a narrow 5-4 vote, that it was "expressive conduct" permitted by the Constitution when Texan Gregory Johnson torched the U.S. flag during the 1984 Republican convention while anti-Reagan marchers chanted: "America, the red, white and blue, we spit on you."

Johnson was arrested for violating a Texas law making it a crime to desecrate the American flag. Similar laws have been passed by 47 other states and the federal government. He was sentenced to a year in jail and fined $2,000.

In overturning his conviction, the Supreme Court said, in an opinion written by Justice William Brennan Jr., that the "government may not prohibit expression simply because it disagrees with its message . . . We do not consecrate the flag by punishing its desecration, for in doing so we dilute the freedom that this cherished emblem represents."

Brennan misread the intent of the state of Texas if he believes Johnson was prosecuted because it disagreed with his message, whatever that message was. The state prosecuted him because its people and its legislature believe that the American flag is a symbol of all this nation stands for and should not be defiled.

Chief Justice William Rehnquist, in his dissenting opinion, aptly characterized Johnson's repugnant action. He said that flag burning "is the equivalent of an inarticulate grunt or roar that, it seems fair to say, is most likely to be indulged in not to express any particular idea, but to antagonize others."

Said Rehnquist: "Surely one of the high purposes of a democratic society is to legislate against conduct that is regarded as evil and profoundly offensive to a majority of people."

Another dissenter, liberal Justice John Paul Stevens said that "sanctioning the public desecration of the flag will tarnish its value—both for those who cherish the ideas for which it waves and for those who desire to don the robes of martyrdom by burning it."

The Supreme Court's decision will not sit well with most Americans, and something ought to be done about it. The Supreme Court is a judicial umpire; it is not sovereign. The Constitution clearly gives the people, through their representatives, the right to nullify high court decisions by changing the basic law.

President Bush, who leaned heavily on the symbolism of the flag in his campaign last fall, could ask Congress to initiate an amendment to the Constitution making it illegal to desecrate the American flag. Since 48 states already make that a crime within their own borders, they no doubt would hasten to approve such a federal amendment.

REMEMBERING JACK CURTIS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. FLORIO. Mr. Speaker, I would like to share with my colleagues the many accomplishments of Jack Curtis, a truly entertaining and sensitive man who passed away on May 21. Mr. Curtis, who was 76, died of a heart ailment at Pennsylvania Hospital in Philadelphia.

To most of his fans, Jack will be remembered as the irreplaceable master of ceremonies who lit up the Latin Casino with his polished introductions, amusing jokes, and humorous songs. His 25-year entertainment career was intertwined with such legends as Frank Sinatra and Dean Martin.

However, Mr. Curtis was best known for his tireless dedication to his fellow senior citizens and community. A resident of Cooper River Plaza, Mr. Curtis served as president of the tenants' association where he firmly advocated senior citizens' rights and fought for rent controls. He also remained politically active in Camden County as a Democratic leader from Pennsauken and as a coordinator for the county's Office on Aging in Haddon Heights.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

Jack Curtis must be praised for his never-ending talent as a hard-working entertainer. At the same time, his zest for life and commitment to friendships will not be forgotten. I join his many friends in missing him, and extend my sympathies to his family.

I would like to direct the attention of my colleagues to the following article about the valuable contributions Jack Curtis will be remembered for.

JACK CURTIS—ENTERTAINER

(By Jeffrey Bramnick, Courier-Post Staff)

PENNSAUKEN.—Friends say that what Jack Curtis did best was entertain.

Thousands of patrons from the flashy, neon nights of the 1940s, '50s and '60s at the Latin Casino would probably agree.

During a 25-year stint as master of ceremonies and house singer at the huge nightclub, Mr. Curtis, whose real name was Jacob Kurtz, rubbed elbows with entertainers and film stars of the time.

Mr. Curtis, who was 76, died May 21 of a heart ailment at Pennsylvania Hospital in Philadelphia. He was buried May 24 in a small ceremony at a Northeast Philadelphia cemetery.

"(Frank) Sinatra, Dean Martin, Sammy Davis, this guy worked with them all," remembered Bart Paradise, a friend who performed with Mr. Curtis at shows for senior citizens across South Jersey. "Everybody loved him."

Looking out at the audience at the Latin, it was Mr. Curtis' job to warm up the crowd with a couple of songs, a joke or two and a polished introduction.

"He used to sing 'My Funny Valentine,' really well," Paradise said. "But his special favorite was 'You're My Girl.'"

Mr. Curtis worked during the summer months as master of ceremonies at the 500 Club in Atlantic City.

During the past eight years, Paradise and Mr. Curtis teamed up for performances at area retirement homes.

"He sang and I did comedy," Paradise said.

The depth of Mr. Curtis' interest in senior citizens transcended his singing talent.

"He was a tireless advocate for senior citizens rights," said John Maroccia, Mr. Curtis' friend, attorney and political ally. "He understood them and they related to him."

A resident of the Cooper River Plaza, Mr. Curtis served as president of the tenants' association for many years. He had a reputation as a staunch fighter for rent control.

Even after two recent operations, Mr. Curtis continued working at his full-time job as a coordinator for senior citizens' affairs for the Camden County Office on Aging in Haddon Heights.

He also remained very active in politics in Camden County and as a Democratic district leader from Pennsauken.

"If you were involved in Pennsauken at all, Jack was a part of you," said Maroccia, a former committeeman in Pennsauken.

"He was like a second father to me," Maroccia said.

Maroccia said he remembered visiting Mr. Curtis in a Philadelphia hospital after an eye operation about five years ago.

"I walked into the room and he's on the phone with Frank Sinatra," Maroccia said. "Sinatra wanted to know if he was OK and if there was anything he needed.

"He told him he was fine."

Maroccia described Mr. Curtis as a lyric baritone who could not resist an opportunity to get up and sing "Life is a Cabaret."

"He was a character, in the good sense of the word," Maroccia said. "He had that irresistible flourish; I can still picture him in his blue, sequined tux."

Paradise and Maroccia agreed that whether Mr. Curtis stood in front of the crowd at the Latin, or a senior citizens' group, he just wanted to make people smile.

"He was a man," Maroccia said, "who always believed the best about people and saw the best in life."

PROTEST OF REPRESSION IN CHINA

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. FOGLIETTA. Mr. Speaker, the massacre of Chinese students in Tiananmen Square at the order of the Chinese Government appalled observers around the world. This tragedy shocked our Government and others into the realization that despite policies of economic liberalization, the current Chinese Government has not moved into the age of political freedom. At the same time, the events of the past couple of months have shown that many Chinese students—and other Chinese—are ready for that age, and for the benefits of liberty and democracy that accompany it.

As the massacre in Tiananmen begins to disappear into the past, it is crucial for the well-being of the demonstrators—many of whom are now in captivity—and for all Chinese that we do not let the memory of this ruthless killing fade. That is why this body voted overwhelmingly to include sanctions against China in the foreign aid bill, and why private citizens continue to express their outrage.

The Campaign for Peace and Democracy East and West, a group of peace activists, has prepared a short statement on the massacre, which is reprinted below with a list of signatories:

U.S. ACTIVISTS PROTEST REPRESSION IN CHINA

We, Americans active in behalf of peace, the environment, trade union and human rights, are as inspired by the example of the students and workers of the democracy movement in China as we are horrified by the massacres that have taken place in Beijing.

To the Chinese students and workers who mourn the deaths of their comrades, we say that we share your grief. We share as well your outrage and admire your courage, your will, your dignity, your nonviolence. The seriousness of your commitment to democracy has never been clearer. The importance of popular control over the government—over all governments—has never been clearer.

To those in the government responsible for the massacres, we say that a government that can open fire on its unarmed citizens has forfeited the right to govern, has forfeited the respect of the community of nations. The importance of democracy is underscored by your terrible violation of it. For it is only because you are responsible to no one but yourselves that you could commit such atrocities against the popular will. As May 4, 1919 will live in history as the moment when China "stood up" against foreign domination, so June 4, 1989 will live in infamy as the day when your rule was revealed before the eyes of a horrified world as indefensible and illegitimate.

Bella Abzug; Angela Berryman; Bruce Birchard; Julian Bond; Frank Brodhead; William Sloane Coffin; Gail Daneker; Tom DeLuca; Gabe Gabrielsky; Todd Gitlin; Myra Goldberg; Paula Gutlove; Minard Hamilton.

Thomas Harrison; Judith Hempfling; Henry Hiz; Adam Hochschild; Doug Hostetter; Irving Howe; Phyllis and Julius Jacobson; Ian Keith; Rob Leavitt; Arthur Lipow; Stephanie Marquet; David McReynolds; Everett Mendelsohn.

Samuel Meyers; Brian Morton; Stefan Niewiaworski; David F. Noble; Grace Paley; Marvin Resnikoff; Ruth Rosen; Robert N. Bellah; Paul Berman; Joanne Landy; Zoharah Simmons; Franz Schurmann; Michael Simmons; Pam Solo; Gordon Thompson; Paul Walker; Christine Wing.

VOICE OF DEMOCRACY CONTEST WINNER FROM MISSISSIPPI

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. WHITTEN. Mr. Speaker, the Veterans of Foreign Wars annually conducts the Voice of Democracy broadcast scriptwriting contest, in which young people compete for scholarships.

I am pleased to say that this year's winner from Mississippi was Heather Louise Ray of Tupelo, MS. I would like to share her winning essay with my colleagues.

"I like the sound of America, the sight and the sound of America. Land of the free where I want to be, that's America to me. The sounds of people laughing that you hear most every day. The factories and the farms and the playground where I play. The silence of the mountains and the ocean's mighty roar, America! America!

Those very words, put to music so patriotically yet with innocence by Flo Price, have tugged at the heartstrings of Americans and brought thoughts of joy from times present and past. The sounds of America today are mere echos of yesteryear. Those who so humbly fought for our freedom deserve our gratitude. For it was our forefathers who paved the way for us and broadened America's opportunities. Now, as we stand face to face with the challenges of society today, we must realize it's our turn—our turn to make our future and the future of generations to come, one not of fear, but of hope. Preparing for America's future involves not only mindpower and talent, but willingness—the bill to work together for an even better America. For now, it is up to us.

America's destiny is in our hands. William Jennings Bryan wisely stated many years ago, "Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved." Yes, as Americans it's not only our choice, but our responsibility to achieve our goals for a better future. We can't wait any longer. America's future is what we make it today.

We, the people of the great United States of America, should look toward our country's future with hopes and dreams. And

with that we must work to pursue those dreams. One must reach within to find the true desires of his heart and reach out to obtain them. No, we mustn't look back to find past mistakes, but reach forward to a better and brighter future for all mankind.

America is what it is today because of bold and mighty people who've come before us. It's truly a land of opportunity, and now it's our chance, our choice to take those opportunities at hand, search for new horizons, and make dreams a reality. Those sounds and sights of America as we know it are ones that we can make even brighter for our children.

The future starts now. It is a hope within each of us. It is something we can obtain only by working together as one, yet without suppressing individuality. As we are called the United States, let us portray that quality of unity with pride—such pride in knowing that nothing can stand in our way. We are the key to open tomorrow's doors, and tomorrow is just a day away.

TRIBUTE TO SARAH JESSICA PARKER AND ROBERT DOWNEY, JR., FOR PARTICIPATING IN THE CONGRESSIONAL ARTS COMPETITION

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. CARR. Mr. Speaker, I rise today to draw to your attention the contribution made by two fine young artists to our recent Congressional arts competition.

Robert Downey, Jr., and Sarah Jessica Parker are an example and encouragement to all of us eager to pursue artistic endeavors.

I would like to express my gratitude to these talented artists and take this opportunity to share with my colleagues the contribution that they made to the opening.

REMARKS BY SARAH JESSICA PARKER AT THE RIBBON CUTTING CEREMONY FOR 'AN ARTISTIC DISCOVERY' ON THURSDAY, JUNE 29, 1989

First of all I want to salute all the students for their incredible and beautiful works of art. Yesterday going through the Cannon corridor I was struck by and amazed at the beauty and uniqueness of the pieces. You should all be proud of your work. Not everyone has the natural talent you possess so I hope all of you will continue your pursuit in the field of arts.

I also want to thank the Members of Congress for your commitment to the arts and to this program. You have shown by encouraging students in your district to participate in this contest that we not only applaud academic achievements but achievements in the arts. I hope and trust that arts will remain a priority to the Members of Congress so that other students will have an opportunity to pursue their goals and dreams. These students here today and other younger students are some of the arts most important resources and will be a vital part of America's role in the arts.

Once again thank you and congratulations to all the students for their extraordinary work.

REMARKS BY ROBERT DOWNEY, JR., AT THE RIBBON CUTTING CEREMONY FOR 'AN ARTISTIC DISCOVERY' ON THURSDAY, JUNE 29, 1989

I feel very honored to be here this afternoon, in the presence of such a talented group of people, and of the Members of Congress who encouraged the students to participate.

The wide range of perspective which I experienced in the Cannon corridor struck me as a symbol of the arts and their relationship to the individual. Throughout history, the arts have been a constant in defining the climate of the times as seen through the eyes of the individual. With this comes great freedom, yet a certain responsibility as well. Responsibility to be truthful to one's self through art. As an actor, I seem to be a channel to others, yet to myself as well. My individual experience of the process and growth derived go hand in hand. So, I thank you for the inspiration I found in your expressions of yourselves as individuals.

REUSABLE MATERIALS TO EASE THE SOLID-WASTE CRISIS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. GEKAS. Mr. Speaker, recently at a ground breaking ceremony at the Susquehanna University, I had the opportunity to speak with members of the distinguished faculty. The faculty of this fine institution is concerned about the environmental problems which society faces. One member of the faculty, Robert Goodspeed, professor of geology, has published his opinions and ideas about the mounting problem of waste disposal which shed light on possible solutions.

Professor Goodspeed spoke of a rule of nature in which there is no such thing as "away." Our violation of this rule manifests itself when the trash we throw "away" reappears: in our lakes, drinking water and on our beaches. It should be our responsibility to encourage the development of completely reusable packaging to reduce the mountains of waste which are marring the luster our land once had.

Now, I draw the attention of my colleagues to the article written by Professor Goodspeed, which deals with this problem of solid waste disposal.

CHOKING ON THROWAWAYS

(By Robert M. Goodspeed)

In recent months, we've become accustomed to the news of daily closings of landfills, the rarer openings of improved waste disposal sites, and the escalating costs of disposal. All seem to be the results of the recently instituted regulations of Pennsylvania's Department of Environmental Resources (DER).

Reports indicate that the DER is aware of many of the potential problems and that, at least, a partial or short-term "solution" is to ship our garbage out of this region, say, to Western Pennsylvania.

This and other information leads us to believe that, as new landfills begin to replace those closing antiquated "dumps," we can rest assured that we'll be able to rid ourselves of waste efficiently, albeit at higher costs. It leads us to believe that we'll be doing our part as responsible citizens by following the mandatory recycling regulations.

The ultimate goal of DER and other lawmakers seems to be further prevention, while helping to clean up leaking, outdated waste disposal sites that are degrading our environment. No one can fault them for attempting these notable aims. However, we've not begun to attack the real problem.

We're not looking at the real cause of the problem: Our society is producing and using too many disposable products. The public is being tricked into thinking that they're getting a good deal by only being asked to throw away products when they are no longer useful.

One rule of Nature is that there is "no away." Everything has to go somewhere. The motto by which it seems our society lives by is: It's no longer our problem if we can no longer see it, smell it, or trip over it.

Wouldn't it be much better for our environment and society if we eliminated disposables? Think about a life without non-returnable glass bottles, disposable lighters, flashlights, tin cans, one-use aluminum and paper products, plastic dishes and utensils.

Even recyclable products require melting and complete reprocessing. Many paper products today are unacceptable for reprocessing because of an ingredient or chemical used in its manufacturing. These items comprise a large part of the bulky waste materials that must be eliminated each day. Without the disposables we use daily, there just might be enough suitable landfills to meet our waste disposal needs for many years.

One possible solution might be for national and state legislators and local officials to focus their attention and energy on forcing industry to create reusable—not recyclable—products. Reusable products would be returned to the marketplace in their original state after being cleaned, sterilized, refilled or whatever its original use dictates.

This solution to the waste-disposal problem would require a radical change in our lifestyles. We'd be expected to return those goods when they've exceeded their usefulness.

It's time that we realize that our society gives companies the incentive to produce throwaway products and even recyclable products at ever-escalating rates. Companies will continue to produce them because we continue to purchase them.

Meanwhile, the shrinking number of waste-disposal sites, despite some improvements, will continue to be overloaded, and our environment will continue to be degraded. Our costs for disposal will continue to rise while our natural-resource base will continue to shrink.

This will happen unless each of us becomes more willing to push for more sound inducements, legislation, and enforcements to reduce, and even eliminate, portions of the growing volume of waste we find necessary to dump into someone else's backyard. Such actions would make far fewer demands on the continued exploration and mining of many related natural resources used to produce the vast quantities and forms of energy required to make, transport and bury garbage. Our environment and our society would benefit from such positive actions.

Why do humans require throwaways when there is "no away?" It's a matter of choice. We can either continue to bury ourselves and others in garbage or we can refuse to accept programmed obsolescence

VOL 135 PT 10 JE 23 JL 13 1989 UMI

of the present-day garbage we have been using and dumping.

Even wild animals seem to have better sense than to defile their environments than we have demonstrated historically.

CONGRATULATIONS EXTENDED TO THE NEW PRESIDENT OF THE LOUISIANA FARM BUREAU

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. BAKER. Mr. Speaker, I would like to take this opportunity to extend a warm welcome to the newly elected president of the Louisiana Farm Bureau, Ronnie Anderson. Ronnie has been active within our farm community for years. He has a successful dairy and beef cattle business, and farms corn, soybeans, and wheat in East and West Feliciana Parishes. His qualifications for this position are unmatched. I believe that Ronnie will continue the positive policies and programs of the Louisiana Farm Bureau, and will contribute much to the success of Louisiana's farm community. I welcome Ronnie to this important and rewarding position, and I am looking forward to working closely with him and my friends of the farm bureau.

EXPLANATION OF VOTE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. PORTER. Mr. Speaker, no issue has been of greater importance to me than the question addressed by H.R. 2022, considered on the floor of the House today, the presumption of persecution that should obtain regarding Soviets seeking refugee status and admission to the United States. I wanted to participate in the debate on this matter and have submitted my remarks for the permanent record, but a very heavy afternoon schedule did not permit my doing so. At 4 p.m. today it was necessary for me to be in the House recording studio to record two radio interviews of a half hour each. When I checked at the desk with the recording studio's receptionist, I explained that an important vote was coming up and would she please make certain that I was informed when it occurred. She said that that would be done, but, Mr. Speaker, I was not informed that the vote on final passage of H.R. 2022 was occurring during the taping of the interviews and consequently did not come to the floor and cast my vote. Obviously, had I been informed that the House was voting, I would have interrupted the interview and come to the floor and cast my vote in favor of final passage of this important legislation (rollcall No. 139).

HONORING THE AMERICAN LEGION, MARYLAND DEPARTMENT

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. CARDIN. Mr. Speaker, on July 12, 13, and 14, 1989, the Maryland Department of the American Legion 71st Annual Convention is being held in Ocean City, MD. Formed in 1919, the American Legion has nearly 3 million members.

The American Legion helps us preserve the memories of the sacrifices that American soldiers have made in the duty of serving their country.

The American Legion helps us remember our history and appreciate the sacrifices and heroism of those who fought. It has been 14 years since the fall of Saigon; almost 36 years since the cease fire was agreed to in Korea; more than 43 years since the end of World War II; and 71 years since World War I. The American soldiers who answered the call to arms during these wars were not looking to be heroes, but they became heroes.

They did not go to war to conquer other lands, or vanquish other peoples. They went because they loved their country. They loved their country enough to risk their lives to defend it and keep it free.

I urge my colleagues to join me in honoring the Maryland Department of the American Legion on the occasion of their 71st Annual Convention.

LOOKING TOWARD EASTERN EUROPE WITH A SENSE OF PRIDE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. LIPINSKI. Mr. Speaker, I rise today as one of the millions of Polish-Americans who are looking toward Eastern Europe with a sense of pride today. Poland, a land where the spirit of freedom was crushed but never extinguished, has received the man who represents that freedom to people worldwide. President Bush has completed his 2-day journey through the streets of Polonia, and though the trip has widely been regarded as symbolic, people of Polish descent, from Cracow to Chicago, must admit to a new sense of dignity today. West came to meet East, and for the first time in 40 years, the common bond was democracy.

How improbable such an encounter seemed just 1 year ago, Mr. Speaker. How inconceivable it once seemed to see an American President walking through the shipyard where Solidarity was born, or watch as the leader of the free world lay a wreath at Poland's Tomb of the Unknown Soldier. How unlikely we once thought the possibility of Mr. Bush not only getting a chance to break bread with Lech Walesa, but doing so while General Jaruzelski sat at his side. It was after all, only 2 years ago, when the same Jaruzelski declared the outlawed Solidarity dead and buried to then Vice President Bush. How wrong Jaruzelski turned out to be. The Pole's quest for liberty may have been outlawed, but it was very much alive. With President Bush in their homeland for the last 2 days, the Polish citizens were able to exclaim what they have been feeling in their hearts for many years—communism has failed the people, and a new age must begin.

The role of the United States in this new era has of course been cause for much controversy. Solidarity asked for $10 billion over the next 3 years to rebuild an economy crushed by Marxist policies that could not work. Needless to say, despite our strong support of democracy, capitalism, and liberalization in Poland, such direct aid could not be forthcoming. It has become clear that this is no longer 1948. We no longer have the economic resources to pick up friend and foe alike, and viable economic plan for reform. As Mr. Bush told the Polish parliament, "The United States stands ready to help as you help yourselves."

Contrary to the beliefs of some, the Poles understand very well the difficulty that lies ahead for them. They suffered in the invasion of Hitler, they have suffered for decades under Soviet oppression, and they realize the hardships that will exist with economic reform. The Poles have been idealistic in their search for independence, but they are realistic in the knowledge of difficulties that lie ahead. Prime Minister Mieczyslaw Rakowski recently told the Sejm: "Every day I have been overwhelmed by awareness of the fact that the model Poland of my dreams, a well-managed country governed by sound and just laws and populated by reasonably happy people, is impossible to achieve in a year, two or even five." President Bush need not fear inciting a country that does not understand the dangers of its situation. The Polish people understand more clearly than any American citizen what it means to be suppressed by the Soviet regime. For them, democracy is not something to be taken for granted, but something to be cherished. While describing American reluctance to provide more money to Poland until further reforms are planned, John Sununu, the President's Chief of Staff, compared the plight of Poland to an undisciplined young person in a candy store. Poles seeking only a pound of meat or a roll of toilet paper have stood in too many lines to be patronized with such rhetoric. For decades they have dreamed not of anything as luxurious as candy but of things as basic as food for their meals and the right to live as free human beings. Mr. Walesa has been the most vocal in telling the world that Poland needs help immediately. "We are at the end of a rope, we deserve in the world and Europe, better treatment," he has said. "We agree the reforms will reach far, and they will. We shouldn't wait. There's not time to wait." The caution of President Bush is understandable at this time—budget realities make American's role limited, and we want to make sure Poland has solid economic plans. But Mr. Walesa is correct. Poles have waited too long to join the West, and the West has been waiting too long for the opportunity to extend a

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

helping raise them out of the ashes of economic destitution. The Marshall Plan was one of, if not the most, successful foreign policy ventures in history, and from it we were able to rebuild many of the same nations that now provide our competition. However, that competition, along with the expensive military protection of these countries, has meant that we can no longer afford any new Marshall Plans. We no longer dominate the world market, and that means we can no longer carry the full burden of resurrecting those in need. Poland must know that it will always enjoy this nation's unwavering support in its struggle for independence. But other Western nations must also know that it is going to take worldwide cooperation to get Poland back on its feet. We have protected our allies militarily for the past 40 years, but the battlefield has shifted. We have entered an age in which financial strength is as important as military might, and thus it has become more and more clear that is time for our allies to make their contribution to protecting democracy worldwide.

Nations like West Germany and Japan, which once benefited from American money after World War II, now must realize that the time has come to return the favor. Next week in Paris, those nations will be able to pledge that support. President Bush promised the Polish citizens that he would make their plight a priority at the economic summit meeting in Paris. He must carry out that pledge, and the world's other economic powers must repond if Poland can ever hope to emerge from the economic black hole that threatens to devour it. In the financial reality of 1989, the United States cannot carry the burden alone, but with a consortium of European nations and Japan providing assistance, Poland can indeed be rebuilt. Surely economic powers like West Germany and Japan can see what benefits are to be gained from the addition of every new trading partner. They have the opportunity to join with the United States in supporting budding capitalism, and in the process to help themselves. Poland with be counting on their support. In the meantime, the United States can promise greater American support tied to the continued formation of a hand. With the rest of the world, we must not lose this historic chance to aid a nation which yearns only for freedom and economic recovery.

COAST GUARD MAKES RECORD DRUG BUST

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. FASCELL. Mr. Speaker, last week, the Coast Guard, in cooperation with the Customs Service and the National Narcotics Border Interdiction Service [NNBIS], made one of the largest drug seizures in the country.

Three thousand three hundred pounds of cocaine were found in a Panamanian freighter off Key West. The story behind this seizure bears testimony to the dedication and bull-dog determination of the outstanding personnel who conducted this operation.

Upon receiving intelligence from Customs that the freighter was transporting a huge amount of illegal drugs, the Coast Guard launched surveillance flights and located the vessel. A boarding party searched the vessel but was unable to locate the contraband in the large cargo of cement. Still convinced that it was there, the Coast Guard wanted to escort the vessel to Key West where a more thorough search could be done. However, this required approval of the Panamanian Government and we are all aware of that government's record—particularly, its leader, General Manuel Noriega—with respect to drug trafficking.

With some ingenuity, the Coast Guard contacted the Panamanian Government in exile and received permission to bring the freighter into port at Key West.

Following a search that totalled eleven hours, the Coast Guard hit paydirt—one of the largest seizures of cocaine in the history of our narcotics interdiction effort.

Mr. Speaker, the men and women involved in this seizure, from Adm. Paul Yost, Commandant of the Coast Guard, down to the men who crawled through the cement to find the secret hiding compartment, deserve our congratulations and thanks. While I continue to believe we will not put an end to the drug problem in this country until we put an end to the demand for the product, we must continue to make it difficult for those who traffic in drugs to carry out their trade.

Last week's seizure certainly had to make a dent in the cocaine supply. We should keep this in mind as we consider appropriations bills in the next few weeks to fund the Customs Service, Coast Guard and the anti-drug program in general.

In the meantime, I urge our colleagues to join me in extending our heartfelt thanks and congratulations for a job well done.

TRIBUTE TO THE OUTSTANDING CONTRIBUTION MADE BY JAMES H. "JIMMY" GRAUGNARD, PRESIDENT OF THE LOUISIANA FARM BUREAU

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. BAKER. Mr. Speaker, I would like to take this opportunity to extol the outstanding contribution Mr. James H. "Jimmy" Graugnard, has made to the Louisiana Farm Bureau. For the past 26 years, Jimmy has been president of one of the most influential and highly respected farm bureaus in the United States. It has been my honor to have worked with him closely during some of these years. Since Jimmy's advice and recommendations were sought out by all of us, including many U.S. President's, we will sorely miss his input into developing sound farm policies. Clearly, Jimmy's leadership ability and personal style will be sorely missed. I wish Jimmy the best in all future endeavors and that his future remain bright. I will deeply miss his leadership as president of the Louisiana Farm Bureau.

REAUTHORIZATION OF VISTA

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. MARTINEZ. Mr. Speaker, there is a song that says "What the world needs now is love, more love." That's VISTA. VISTA is about Americans just saying yes to working to build a better America because they love their country, and the people in it. VISTA is about volunteers—those million points of light that bring growth in understanding, compassion, and humane change. It allows the public and nonprofit sectors to work together in one of the most effective programs our Nation has.

The VISTA Literacy Corps attacks one of the most subtle and prevalent problems in America today, a problem that is the root cause of many of our social problems—including poverty, drug abuse, and homelessness.

The administration called for dismantling the literacy corps. This legislation demonstrates strong congressional support for the literacy corps. It incorporates my amendment to provide technical assistance to strengthen local literacy programs. Too often literacy programs have had to reinvent the wheel. This measure builds on the "National Clearinghouse for Literacy Education" established under the Adult Education Act to get word about what works out to all who help build effective literacy.

VISTA is a model and a foundation to build on in any future youth services program. I urge my colleagues to support this important measure.

LT. COL. JAMES M. SULLIVAN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. STOKES. Mr. Speaker, Lt. Col. James M. Sullivan from the Office of Legislative Affairs, United States Air Force, is about to depart for a new assignment in Misawa, Japan.

For the past 3 years, Colonel Sullivan has served with distinction as he coordinated and defended several key Air Force intelligence programs. As the former chairman of the House Permanent Select Committee on Intelligence, I can personally attest to his professionalism, candor and resourcefulness.

Mr. Speaker, Colonel Sullivan is a fine example of the dedication we need in our Armed Forces today. I congratulate Col. Jim Sullivan for a job well done and wish him and his family well-deserved success for the future.

THE ADMINISTRATIVE LAW JUDGE CLASSIFICATION ACT OF 1989 (H.R. 2885)

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. GILMAN. Mr. Speaker, today I am introducing legislation aimed at correcting an inequity in the existing classification structure affecting Administrative Law Judges (ALJ's). This past spring the Committee on Post Office and Civil Service completed a series of hearings concerning the recommendations of the National Commission on the Public Service. Included in those testifying before the Committee were witnesses representing various ALJ organizations detailing their specific observations and experiences regarding the current state of Federal compensation. Witnesses pointed out that one of the problems of the current pay system involves the disparity in grade structure between GS-15 and GS-16 ALJ's. H.R. 2885 is intended to correct this problem by reclassifying all GS-15 level ALJ's and GS-16 level administrative law judges.

Administrative law judges are the presiding officers in both adjudicative and rulemaking proceedings conducted by administrative agencies. They play an important part in the administration of justice at the Federal level. The current distinction between GS-15 level ALJ's and GS-16 ALJ's is the degree of latitude the employee has in the exercise of independent judgement. Under current law, sections 5104(16) and 5104(15) of title 5, United States Code, the position of GS-16 ALJ includes the performance of work with an unusual latitude for the exercise of independent judgement, while the GS-15 position includes the performance of work with very wide latitude for the exercise of independent judgment.

H.R. 2885 removes this spurious distinction. During the hearings, the Committee received testimony urging the Committee to adopt legislation which would treat the functions and responsibilities of the Administrative Law Judge in the GS-15 or GS-16 levels as being of equal complexity and flexibility. The disparity in grade structure is outdated and no longer truly identifies any distinction in the expertise required for work as an ALJ.

Mr. Speaker, I believe the Federal pay and benefit system is in serious need of reform. The Committee hearings identified several key areas that Congress should review if it wishes to retain a competent and motivated workforce. The legislation I am introducing today represents a small step toward achieving this goal. Accordingly, I urge all my colleagues to join me in this effort by sponsoring this legislation. I insert the full text of this bill at this point in the RECORD:

H.R. 2885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

That (a) section 5372 of title 5, United States Code, is amended—

(1) by inserting "(a)" before "Administrative"; and

(2) by adding at the end the following:

"(b)(1) Notwithstanding subsection (a) or any other provision of law, the position of any administrative law judge under subsection (a) which is classified at GS-15 (determined disregarding the provisions of this subsection) shall, for all purposes, be deemed to have been classified at GS-16.

"(2) Any individual who, under subchapter VI, has a retained grade of GS-15 and who otherwise satisfies the requirements of paragraph (1) for having such individual's position treated as if classified at GS-16 shall be covered by such paragraph for so long as such individual continues to have that retained grade and otherwise satisfy those requirements."

SEC. 2. EFFECTIVE DATE; TRANSITION RULES; OTHER PROVISIONS.

(a) EFFECTIVE DATE.—This Act shall take effect as of the first day of the first fiscal year beginning on or after the date of enactment of this Act.

(b) TRANSITION RULES.—The Office of Personnel Management shall prescribe regulations under which the rate of basic pay for any administrative law judge who is appointed under section 3105 of title 5, United States Code, and whose position (as of the effective date of this Act) is classified at GS-15 of the General Schedule, shall be brought into conformance with the amendments made by section 1. Under the regulations, if, as of such effective date—

(1) the administrative law judge is receiving a rate of basic pay which is less than the minimum rate for GS-16, the rate payable shall be increased to that minimum rate;

(2) the administrative law judge is receiving a rate of basic pay which is equal to a rate under GS-16, the rate payable shall not be changed under this subsection; and

(3) the administrative law judge is receiving a rate of basic pay which is between 2 rates for GS-16, the rate payable shall be increased to the higher of those 2 rates.

The regulations shall include appropriate transition provisions relating to any individual who, as of the effective date, meets the requirements of section 5372(b)(2) of title 5, United States Code (as added by this Act).

(c) OTHER PROVISIONS.—

(1) CONVERSIONS NOT TO BE TREATED AS TRANSFERS OR PROMOTIONS.—The conversion of positions and employees to GS-16 of the General Schedule, and the initial adjustment of rates of pay of those positions and employees, under this Act shall not be considered to be transfers or promotions within the meaning of section 5334(b) of title 5, United States Code.

(2) TIMING RULE.—Each administrative law judge on the effective date of this Act whose position is reclassified under this Act and who, prior to the initial adjustment of his rate of pay under subsection (b), has earned, but has not been credited with, an increase in that rate, shall be granted credit for such increase before his rate of pay is initially adjusted under that subsection.

(3) CREDIT FOR STEP INCREASES.—Each administrative law judge on the effective date of this Act whose position is reclassified under this Act shall be granted credit, for purposes of his first step increase under the General Schedule, for all service performed by him since his last increase in pay prior to the initial adjustment of his rate of pay under subsection (b).

(4) ADJUSTMENT NOT AN EQUIVALENT INCREASE IN PAY.—An increase in rate of pay by reason of the enactment of subsection (b) shall not be considered to be an equivalent increase in pay for purposes of section 5335 of title 5, United States Code.

SENDING THE WRONG SIGNAL TO CHINA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. WEISS. Mr. Speaker, the number of arrests and executions in the People's Republic of China continues to rise as Chinese Government broadens its nationwide crackdown on the prodemocracy movement. Press reports indicate that, since the brutal massacre in Tiananmen Square, over 10,000 people have been arrested or detained and 36 have been executed. And the hard-line government in Beijing announced this week that martial law would be extended indefinitely.

Yet our Government remains divided on the issue of the appropriate U.S. response to these events. Congress and the American people are of one voice in calling for more stringent measures against the Chinese Government. As indicated by the strong sanctions unanimously approved by the House on June 29, Members of Congress clearly believe that the Chinese Government's campaign of violence demands the strongest response from the United States.

The Bush administration, however, is moving in precisely the opposite direction. Rather than increasing the pressure on the Chinese Government to make needed reforms, the State Department announced on July 7 that it would soften the United States position by lifting certain trade sanctions against China. The new decision allows four Boeing jetliners to be delivered to Beijing, even though such deliveries would clearly violate the restrictions already announced by the President.

The decision to lift the U.S. trade sanctions and to allow these Boeing deliveries is inconsistent with the expressed will of Congress and is out of step with the views of an overwhelming majority of the American people.

Most importantly, this weakening of the U.S. response sends the wrong signal to the hard-line government in Beijing. So long as the Chinese Government systematically attempts to silence the democratic aspirations of its own people, the United States should be thinking about strengthening rather than weakening, the American response.

DANNY WHITE WAS A GREAT QUARTERBACK FOR AMERICA'S TEAM

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. ARMEY. Mr. Speaker, one of my constituents made bittersweet news yesterday, drawing a close to a stellar career as the quarterback for "America's team." Danny White of Allen, TX, will no longer grace the

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

playing fields of the NFL as the Dallas Cowboys' top signal caller, ending 13 years with that famed organization.

Danny signed with the Cowboys in 1976 and has left his mark on the team's record books. The Pro-Bowler holds the Cowboy record for career completion percentage, 59.7; season completion percentage, a remarkable 63.2 percent in 1982; and all-time touchdown pass leader with 155. Apart from his notable success as quarterback, White was named to the Cowboys' 25th anniversary team as punter in 1984.

Today, I'd like to add my name to the long list of professional athletes and Texas citizens who are wishing Danny well as he pursues life off the middle of the field. Danny White is a role model for aspiring young athletes across the country—a class act both on and off the field. I'm proud to have rooted for a quarterback of his caliber for the past 13 years, and just as proud to have represented in Congress a citizen of his caliber for the past 5 years.

Thanks for all the great Sunday memories No. 11, and best of luck.

TRIBUTE TO REV. HARRY L. BATTS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to ask my colleagues to join me in paying tribute to a man of dedication and commitment to the service of others, Rev. Harry L. Batts. This week marks a very special occasion, as Reverend Batts is commemorating his 18th anniversary as pastor of Messiah Baptist Church in East Orange, NJ.

Reverend Batts has given generously of his time and talent to enhance the lives of those around him. His contributions to the community are many and diverse. Out of concern for the hungry and homeless. Reverend Batts instituted the free lunch program at Messiah Baptist Church. A hot, nutritious meal is served there 5 days a week.

Reverend Batts is presently chaplain of the East Orange Police Department. He served as a member of the board of police commissioners for 12 years, and has also held the position of president. He was on the board of directors at the College of Medicine and Dentistry of New Jersey and served as a board member of the Psychiatric Institute of East Orange. He was chaplain of the Essex County Jail for 8 years, and was also one of the first males to become a member of the New Jersey Council of Negro Women.

Before coming to New Jersey in July 1971, Reverend Batts was pastor of the Mount Olive Baptist Church at Virginia Beach, VA. He was the pastor of the first church of that city, and also taught school there. He was the first black in the history of Virginia Beach to run for the office of city council.

Reverend Batts holds an associate of arts degree and a bachelor of science degree from Virginia College. He holds a master of divinity degree and a doctor of divinity degree from Virginia Seminary, and a master's degree in counseling from the Blanton Peal Institute of New York.

Mr. Speaker, Reverend Batts' work in church and community affairs has touched the lives of many people. Please join me in honoring this outstanding minister of his 18th anniversary as pastor of the Messiah Baptist Church.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWRY: 1989

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. HALL of Ohio. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the ongoing struggle of the people of the Soviet Union for religious freedom. As in the past, I rise once again to participate in the Congressional Call to Conscience Vigil and openly condemn the oppression of Jews in the Soviet Union.

Over the years, I have supported the causes of many refuseniks in their struggles for religious freedom. Residents of my district in Ohio have personally taken responsibility for these cases. Recently, our concern and attention were rewarded when Boris Lifshitz of Moscow and his family, refuseniks since 1979, were finally granted permission to emigrate. They now live free in Israel.

I greatly appreciate the cooperation that I have received from the Soviet Government in resolving this particular case; however, the fact that thousands of Jews remain in the Soviet Union against their will is still deplorable. I feel that it is unfortunate that an initiative such as the Congressional Call to Conscience Vigil is a necessary means by which fundamental human rights must be obtained. As the spirit of glasnost has swept the Soviet Union, there have been dramatic changes in many areas, including the increased emigration of refuseniks. It is time that we take full advantage of this social "openness" and obtain freedom for the oppressed in the Soviet Union.

I would like to share with you the personal tragedy of Boris Kelman who has been a refusenik since 1978, when he and his family first applied for exit visas from the Soviet Union. Though over the next year more than 50,000 Jews were permitted to leave the country, Kelman was denied because the Soviet Government claimed that he had been exposed to state secrets. Upon application for emigration privileges, Kelman was forced to leave his profession as an engineer and had no choice but to accept a series of menial jobs. Because of his refusenik status he has little possibility of advancement.

For his wife, Alla, the situation is much the same. When the family applied for emigration, she lost her job as a pediatrician and was unemployed for quite a while. She now works in the Leningrad Polyclinic and has a difficult professional life. She is known as "the refusenik doctor of Leningrad," and she sees to the medical needs of many of her fellow refuseniks.

The Kelmans have two sons, Maxim and Efim, both students.

In the last 10 years, the Kelmans have become leaders of the Jewish community in Leningrad. Despite their hardship and suffering, the family now enthusiastically observes the rituals of Judaism. Kelman has been described by a friend as having an "evangelical mission in life, which is to pass his newfound zeal for Judaism to others."

Unfortunately, in the shadow of religious intolerance this mission may not be accomplished. The Kelmans and the multitudes of others in the same situation yearn to escape from their oppressed existences and see the light of freedom awaiting them outside of the Soviet Union. Let us hope that the idea of glasnost is not just an empty promise and that Boris Kelman and his family as well as the thousands of other refuseniks may soon live free.

TRIBUTE TO LENNY WILKENS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. STOKES. Mr. Speaker, I would like to bring to my colleagues' attention the many contributions Mr. Lenny Wilkens, head coach of the Cleveland Cavaliers, has made to the sports world. I am honored to have this opportunity to praise one of Cleveland's favorite sons and its winningest coach. In May of this year, Coach Wilkens' long and outstanding career as a coach and a player earned him entry into the National Basketball Association [NBA] Hall of Fame.

Mr. Speaker, I am pleased to share with my colleagues the following sketch of Lenny Wilkens, which appeared in the Cleveland Cavaliers 1988–89 Media Guide. After you have read it, you will join me in saluting Coach Lenny Wilkens for his leadership of the Cleveland Cavaliers.

In just three seasons, Lenny Wilkens has been the commander of one of the greatest resurgences in NBA history. Coach Wilkens has taken a veteran Cavs' team that won 29 games in 1985–86 and transformed them into a team that went 42 and 40 this season with one of the most youthful rosters in the league.

Wilkens, one of the most popular members of the Cleveland Cavaliers in the early 1970's, guided the Cavs to their best record since the 1977–78 season when the team finished 43 and 39. He has accomplished a great deal in a brief period of time by displaying the same traits that characterized his career as a player—his outstanding work ethic, his ability to build good working relationships, and his ability to think on the court.

In June 1986, Wilkens became the 10th coach in the 18-year history of the franchise, after serving as the general manager of the Seattle SuperSonics during the 1985–86 season. He is a 15-year veteran as a head coach in the league, having coached 1,206 regular season NBA games. With 626 wins, Wilkens is eighth on the all-time winningest NBA coaches list and he is the fourth winningest active NBA coach.

Under the direction of Coach Wilkens, the Cavaliers made their fifth playoff appearance in franchise history in taking the Chicago Bulls to five games last spring. It was the team's first playoff berth since the 1984–85 season and the second postseason opportunity of the Cavaliers in the last 10 years. The Cavs improved 11 games in the 1987–88 season from their slate of 31 and 51 in Wilken's first season.

The Cavaliers improvement has stemmed from their solid play at the Coliseum. One of Coach Wilkens' first goals in Cleveland was for his team to establish themselves at home. That is exactly what this season's edition of the Cavaliers was able to do. The Cavs posted a 31-to-10 mark at the Coliseum, the best home season in team history. The Cavaliers concluded the regular season with eight straight home wins and with victories in 15 of the last 17 games played at the Coliseum. As a result of the Cavs 9 and 2 record in April, Lenny was named the NBA's Coach of the Month. In his two seasons at the coach of the Cavs, Cleveland is 56 and 26 (.683) at the Coliseum.

Wilkens, 50, previously served as a player-coach for Seattle in 1969–72, and for the Portland Trail Blazers from 1974–76. He returned to Seattle as head coach midway through the 1977–78 season, and remained as the head coach through the 1984–85 campaign before moving to the front office as general manager.

The Sonics made the playoffs in six of the last eight seasons under Wilkens, including the 1977–78 and 1978–79 seasons when the Sonics advanced to the World Championship Series. In the 1978–79 campaign, the Sonics finished with a 52 and 30 record, giving them their first Pacific Division Title. They went on to defeat the Los Angeles Lakers 4 to 1 in the conference semifinals, and then won their second consecutive western conference title from the Phoenix Suns 4 to 3. In the NBA finals, Seattle downed the Washington Bullets in a rematch from the previous season, four games to one.

Wilkens enjoyed a 15-year playing career in the NBA, and he ranks among the career all-time leaders in assists, second with 7,211, games played, minutes played, free throws made and he was named most valuable player in the 1971 All-Star Game in San Diego.

A first round draft choice in the 1960 draft, Wilkens spent his first eight NBA seasons as a member of the St. Louis Hawks. In 1968, Wilkens was traded to Seattle, where he spent the next four seasons. Then in 1972, Lenny became a member of the Cavs when he was acquired along with Barry Clemens in exchange for Butch Beard. Wilkens represented the Cavaliers in the 1973 NBA All-Star Game, in a season when he averaged 20.5 points and 8.4 assists per game. Wilkens concluded his playing career with the Trail Blazers in the 1974–75 season as a player-coach.

Wilkens played his college ball at Providence College, and he led his freshman team to a 23 and 0 record. In his junior year, the Friars lost in the semifinals of the National Invitation Tournament, but in his senior season (1959–60), Providence reached the NIT finals losing to Bradley. He was named as the tourney's MVP and was a first-team selection to two All-American teams. In March of this year, Lenny was selected to join the NIT–NIKE Hall of Fame, joining such basketball legends as George Mikan, Tom Gola, Walt Frazier, Erni Claverly, Maurice Stokes, Ed McCauley, and Larry Bird. Wilkens graduated from Providence with a degree in economics.

Lenny has also given generously of his time to various charitable causes during his playing and coaching careers. Most recently, he has worked with the Boys and Girls Clubs of Greater Cleveland and the Catholic Diocese of Cleveland, as well as speaking to as many service organizations as his schedule permits. In addition, Lenny served as the honorary chairman of the 1988 Marymount-Cavs RP Golf Classic which benefits the RP Foundation Fighting Blindness, as well as chairing the 1988 Make-A-Wish golf tournament. Also, he was honored at the annual Shoes For Kids luncheon in August as the recipient of the organization's "Golden Shoe Award," in recognition of his involvement with their program.

Lenny was born in the Bedford-Stuyvesant section of Brooklyn, NY. He and his wife Marilyn have three children—Leesha, Randy, and Jamee.

TRIBUTE TO TOOELE ARMY DEPOT

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. HANSEN. Mr. Speaker, every year, the Army makes an annual presentation to the military installation with the best environmental protection and enhancement program during the previous 2-year period. Today, I stand before my colleagues as the proud representative of Tooele Army Depot, which has been selected as the winner of the 1989 Secretary of the Army Environmental Quality Award.

Tooele Army Depot is responsible for the maintenance of wheeled vehicles and troop support equipment. Located 40 miles from Salt Lake City, it employes 4,000 civilians and is ideally located to support its mission. In addition to Tooele's mission of depot maintenance, it is tasked with the responsibility of overhauling of engines and transmissions, and the storage of conventional and chemical ammunition.

Few would dispute the need to deal with America's waste problems. While some might attempt to escape the obligation to take quick and decisive action, Tooele met its environmental problems head on. A new waste treatment plant is in operation, and Tooele recently broke ground on a consolidated maintenance facility that will eliminate even more industrial waste from discharging into the environment. It also instituted an Environmental Management Board, giving executive-level attention to its environmental concerns. The results have not only had a positive impact on the environment, it improved the quality of work life for the people.

Environmental protection is a top priority for Tooele Army Depot. It is committed to a clean, safe environment and preserving America's natural beauty. Its achievements in environmental quality offer a welcome opportunity of building a partnership between Federal, State and local governments.

I view this award as the launching pad for a new direction in environmental protection to insure a safe environment for future generations. I congratulate Tooele for taking the initiative, and for its selection as the winner of the 1989 Secretary of the Army Environmental Quality Award.

A TRIBUTE TO ARNOLD SPIROFF

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. COSTELLO. Mr. Speaker, today I want to bring to the attention of my colleagues an act of heroism that took place in my congressional district.

On April 8 of this year, Arnold Spiroff of Granite City, IL, was on duty in his position as security officer at the Charles Melvin Price Support Center. At about 10 o'clock that evening, he received a call involving a child nearby who had stopped breathing.

Eleven minutes later, Officer Spiroff reached the residence of Sgt. Gloria Pedroza and saw her cradling her 5-month-old son. Spiroff performed cardiopulmonary resuscitation on the boy, part of his training recommended as a security officer at the base.

While ambulatory services responded to the emergency call, Spiroff was able to clear the infant's breathing passages and breathe oxygen into his lungs. Emergency paramedics later confirmed that the security officer's actions had saved the life of the child.

On July 11, Officer Spiroff was awarded the Meritorious Civilian Service Award at the Price Support Center. I want to use this occasion to express my gratitude and that of my colleagues to him for his truly heroic actions that night.

It is too seldom that we pause to thank a fellow citizen for their efforts to lend a helping hand in an emergency situation. However, Officer Spiroff's actions saved a life of a child, and he deserves our deepest recognition and appreciation.

INSURANCE CRISIS REVISITED

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. FEIGHAN. Mr. Speaker, there has been much discussion in recent years on ways to increase affordability and availability of various lines of insurance. On Capitol Hill, we have focused on the antitrust exemption which has long applied to the insurance industry. Last year the Subcommittee on Economic and Commercial Law, on which I serve, examined this topic at length and decided that some modifications to the McCarran-Ferguson Act,

the statute that provides this exemption, would help the "insurance crisis." This year our subcommittee will again consider this issue. Mr. Speaker, I think we should go forward cautiously. The insurance industry has recently taken a bold and beneficial step: The Insurance Service Office [ISO] has ceased publication of final advisory rates. Many considered these rates to be tantamount to fixed prices and thus contrary to consumers' best interests. I think we should give the insurance industry a chance to implement and then adjust to this dramatic change before repealing the Federal statute which has governed insurance for over 40 years.

The recent change by the Insurance Services Office [ISO] is significant. Responding to widespread public concern over its practices, the insurance industry unilaterally decided to cease publication of final advisory rates. ISO previously performed four functions for its members: loss data collection, historical loss analysis, trending, and final advisory rating.

No one disputes the need for central collection of loss data and actuarial analysis. However trending—the extrapolation of that data and analysis to predict future loss experience—and final rating—adding costs and overhead to estimate what companies should charge—were both subject to much criticism as anticompetitive. ISO has thus voluntarily responded to the criticism by eliminating the last—and most offensive—practice. Many of the smaller companies claim that it will take them some time to adjust to the loss of this service. They will need to perform a greater amount of calculations themselves to get to each rate. I think it might be wise to let the industry adjust to the new, truncated system before taking additional steps which might further disrupt the market. The insurance industry plays an important role in the smooth functioning of our economy; we must be cautious before making significant changes in the Federal statute regulating it.

REMEMBERING WATERGATE: KEY SENATE REPORT ISSUED 15 YEARS AGO TODAY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. STARK. Mr. Speaker, 15 years ago today the final report of the Senate Select Committee on Presidential Campaign Activities was released. The evidence contained in the report elucidated the fact that "campaign practices must be effectively supervised and enforcement of the criminal laws vigorously pursued against all offenders—even those of high estate—if our free institutions are to survive."

The report included 35 legislative proposals including an independent and permanent public attorney, a Federal Elections Commission, limits on cash campaign contributions by individuals, reforms in reporting procedures and restrictions on solicitation of campaign funds by presidential staff, tightening of laws involving use of Federal agencies to aid the election of candidates.

An article in the Hartford Courant dated July 12, 1974, effectively indicates the need for immediate reforms in the Presidential campaign process: "America is getting numb. We are losing our ability and capacity to react. And this is a dangerous condition. Inability to remove one's self from peril, whether through lethargy, exhaustion or sheer fascination, usually is fatal. This holds for subzero weather, and certainly chilling Watergate."

Many people would have liked to be able to forget Watergate. Recorded testimony before the various committees has reached several million sentences. When the average citizens turned on his or her television set or radio during the summer of 1974 that person received an intense assault on their senses dealing with the Watergate affair in various ways. This caused many people to hide from the truth in an effort to shield themselves from the complexities of the entire fiasco.

However this report needs to be remembered. It holds 35 essential warnings to prevent another corruption of our Constitution. Now that we have been warned it is up to us to heed the warnings or suffer the consequences for forgetting.

PERSONAL EXPLANATION

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. BATES. Mr. Speaker, I was unavoidably absent on Friday, June 23, 1989. Had I been present, I would have voted:

"Yea" on roll No. 106, approving the Journal of Thursday, June 22, 1989; and

"Yea" on roll No. 107, approving the Senate amendment to H.R. 2042, the fiscal year Department of Veterans Affairs supplemental appropriations bill.

PROBLEMS CREATED BY PEOPLE WITH DUAL ADDRESSES

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. SAXTON. Mr. Speaker, today many individuals and families live under a dual address. One of these is their mailing address. The second address is their locatable address which usually includes a house number, always the name of their road or street, and the name of town in which they reside.

But why must there be two addresses for these people? It creates untold opportunities for confusion. One of my constituents tells the story of a neighbor who was seriously burned in a home accident—yet the emergency squad had difficulty finding him because they were using his mailing address to find him. His mailing address included the name of a town in which the victim did not live.

Today, I am introducing a bill to help put an end to this address confusion. My bill, the Locatable Address Bill provides that if a municipality and its governing body decide that the address confusion within the locale is out-of-control, then they may, at their option, adopt a single address system. That system would require that the proper name of the town be included in the third and last line of every address within that time. But there is one caveat—the proper ZIP Codes for each address must also be used. In other words, this legislation does not change the ZIP Codes already in place.

For example, there are two residences in my district that share the same mailing address, 701 Delaware Avenue, Riverside, NJ, 08075. One is actually located in Riverside. The other is in a town called Delanco that is in the Riverside Post Office delivery area. Under my bill, the town of Delanco would be allowed to use the ZIP Code of the Riverside Post Office, making their address 701 Delaware Avenue, Delanco, NJ, 08075. In that way each residence would have one locatable address.

In other words, this bill would permit the fundamental right of municipalities to correct faulty address systems to facilitate the location of property and people by anyone within the township.

One immediate advantage to my proposal is that it will save aggravation and money. When a town seeks to regain its identity, what does it do? The answer, of course, is that it seeks to have its own post office built. This bill allows that town the ability to gain its identity without engaging in a protracted fight with the Postal Service for a new post office.

Second, by adopting a locatable address system, the job of the rural mail carrier should be made easier. He or she knows more specifically where a letter should be delivered—the house, the street, and the town. They need not be confused by three roads with the same name in three different towns, which, unfortunately, all have the same third line address. Instead, the third line will indicate exactly what town the letter is going to.

The discrepancies with a dual address system also impacts census figures, the cost of insurance, and inaccurate tax payments to municipalities by states.

In fact, I recently received a letter from the mayor of Southampton Township, NJ. The letter reads as follows:

DEAR SOUTHAMPTON TOWNSHIP RESIDENT: Your township needs an accurate census and is asking for your full cooperation and special help so that we can get the best possible census result.

This is very important since the census results affect our Federal and State funding, our congressional and State representation, and a host of county, State, and Federal programs.

The address on your tax bill reflects the newly assigned property number, the street name, and the name of the postal facility that delivers your mail. To eliminate confusion we need you to write "Southampton TWP." on the census form so your count will be obviously credited to our township, not to one of the five other townships or municipalities where our delivering post offices are located. This is very important.

I urge you to join me in allowing municipalities to remedy this critical situation. Support the locatable address bill.

THE IMPORTANCE OF VOA

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. McEWEN. Mr. Speaker, over the past few months, we have heard and read of the phenomenal impact of the Voice of America in China. As many as 300 million Chinese—more than the population of the entire United States—may be listening to VOA on a regular basis for the news they can't get from their own media. This alone is an awesome accomplishment and one worthy of recognition.

But Chinese is just 1 of the 43 languages in which VOA broadcasts. In a number of countries, VOA is the leading international radio station—sometimes even more popular than the local radio station. As Poland reforms its political system for the first time in 40 years, VOA presents the American model of democracy and covers news of Solidarity in Polish. In Iran, convulsing after the death of the Ayatollah, VOA broadcasts in Farsi provide a voice of accuracy, stability, and reason. Radio Marti broadcasts in Spanish told the Cuban people the truth about the rampant corruption and human rights violations in their country long before the Castro regime did.

Mr. Speaker, VOA is a vital national resource. Richard Carlson, the Director of the Voice of America, and his staff should be proud of their unswerving dedication to informing the world. All Americans should likewise take pride in such an effective representative overseas.

THANK YOU, CHIEF KENNEDY

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. MILLER of Ohio. Mr. Speaker, I would like to take this opportunity to publicly commend the 33 years of devoted service to the Amanda, OH, Township Fire Department rendered by retiring fire chief Dale E. Kennedy.

Chief Kennedy joined the fire department in 1956, and has served as a fireman, lieutenant, assistant chief and, for the past 8 years, chief of this unit. The Amanda Township Fire Department provides fire protection to three central Ohio townships containing 100 square miles and hundreds of families, farms, and businesses. The department is a volunteer unit in the truest sense of the word: Its firemen and women receive no pay or reimbursement for their community service work and fire protection.

For more than three decades, Dale Kennedy has been a stable element in this impressive unit. He has worked tirelessly for the improvement of the community and its citizens. He has upheld the responsibilities of each post held in the department and the region is proud of his efforts.

It is fitting that he is being honored by his community upon his retirement. Collectively, the good citizens of the region will have a chance to say thank you for his leadership, professionalism, and personal interest in the well-being of the area. I want to express my gratitude, as well, and bring his record of service to the people of central Ohio to the attention of the U.S. House of Representatives. Oftentimes, this Nation looks for those who make a difference. It need look no further than Amanda, OH, and in the person of Dale Kennedy. His influence, investment, and impact of good will, hard work, and service will be long remembered and deeply appreciated for years, and years, to come. Thank you, Dale.

H.R. 2655

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. SCHAEFER. Mr. Speaker, I would like to take this opportunity to commend the Foreign Affairs Committee for including special development language in H.R. 2655, the Foreign Assistance Authorization Act.

Specifically the committee, in section 1102, refocuses America's objectives for economic assistance and development programs. This language stresses the pursuit of four new policies; economic growth, sustainable development, poverty reduction, and pluralism. These objectives serve both the interests of the United States and the recipient country.

The first two objectives will lead these countries into self-reliance. Not only will these countries reduce their dependency on the United States and foreign assistance, they can be a role model for other developing countries. Perhaps in the future these countries could begin their own foreign assistance programs. Japan is a superb example of a once devastated country contributing to worldwide development. The latter two objectives will address the quality of life in the developing countries. Through the conquest of poverty, illness, and ignorance, these countries can become stalwart supporters of freedom.

Again, I commend the committee for recognizing the need to set specific objectives in the distribution of American assistance. These are noble objectives and I was glad to support this legislation which the House recently passed.

THE DEATH OF COLOMBIAN GOV. ANTONIO ROLDAN BETACUR

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. GILMAN. Mr. Speaker, just a few short days ago on June 27, we noted the assassination of Jorge Leon Vallejo, a Colombian human rights activist who was kidnaped by gunmen and found shot dead outside of Medellin, home base of the drug cartel bearing the city's name. It is with deep regret that we must now mark the passing of yet another Columbian martyr in the ongoing international struggle against drugs, Antonio Roldan Betacur. On June 5, 1989, Antonio Roldan, along with three bodyguards and three other individuals, was killed in a car bomb explosive.

The late Mr. Roldan was the Governor of Antioquia, one of the most violent states in all of Colombia, and whose state capital is Medellin. Governor Roldan was also one of the foremost human rights leaders in Latin America. This outrageous attack upon the Governor illustrates the impunity with which the drug lords eliminate the legitimate leaders of that beleaguered country.

Governor Roldan was well aware of the risks he was taking by daring to defy the drug kingpins. He was not blind to the drug traffickers' contempt for democracy. At the very moment that his life was so brutally snatched away, Governor Roldan was on his way to deliver a speech denouncing political violence and praising his late colleague, human rights leader Hector Abad Gomez, who was killed for his anti-drug stance in August 1987. Yet like so many other brave souls who have sacrificed their lives for freedom and justice, Governor Roldan was willing to accept the risks which come with standing up for one's beliefs. He condemned paramilitary death squads and paid the ultimate price for his courage. May all of us be so blessed with the courage of our convictions.

Tragically, Governor Roldan is far from being the only one of his countrymen forced to pay with their lives for their convictions. In the past several years, over 50 judges, including half of the Supreme Court, the Attorney General as well as scores of other law enforcement personnel, government officials, journalists, and private citizens have lost their lives in drug related murders.

Colombia is far from being alone in its problems. Wherever drugs are found, death and destruction follow in its wake. The murder of New York City patrolman Edward Byrne is a reminder that all nations are vulnerable to drug-related crime and violence.

Mr. Speaker, far too many good people both at home and abroad have died already as a result of illicit narcotics. Drug trafficking and abuse threaten the very fabric of democratic societies. We must not allow the sacrifice of Governor Roldan and the hundreds and thousands of other brave individuals like him to be empty ones, lest we forget who we are, and what we stand for as a Nation.

There is much that we must do to combat drugs. Crucial work needs to be done both on the streets of our cities and in the jungles of Central and South America. We must educate our children to say "No" to drugs, and we must rehabilitate those for whom the message comes too late. We must help our Latin American allies take back the land from the drug growers in Latin America, and we must take back the streets from the drug dealers in our own cities. Governor Roldan and others have led the way, but their struggle is not over. We must now continue to pursue their goal of eliminating drug abuse and trafficking. If we do not, then Governor Roldan's death will have been in vain.

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

THE ALLEN PARK VA HOSPITAL: 50 YEARS OF HEALTH CARE SERVICE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. DINGELL. Mr. Speaker, I rise today in honor of the 50th anniversary of the Veterans' Administration Hospital in Allen Park, MI, in my congressional district. This occasion marks 50 years of service to the veterans of southeast Michigan and serves as a testimony to our commitment, as a nation, to care for our honored veterans in their times of need.

In 1937, Henry and Clara Ford donated to the Federal Government the land on which the Allen Park facility now stands. On July 27, 1939, a groundbreaking ceremony was held paving the way to a six-story facility that housed 350 general medical/surgical beds. The hospital admitted its first veteran on April 15, 1939.

Since then, the Allen Park facility has expanded. To handle the increased medical care needs of World War II veterans, two 10-story wings were added in November 1947. In October 1960, two three-story wings were constructed to serve as an outpatient clinic and administration offices.

Today, the Allen Park facility is a campus-like complex consisting of a large, multiwinged, 611-bed hospital with separate outpatient, administration, and maintenance buildings. It provides inpatient care to over 6,000 veterans and records over 25,000 outpatient visits every year. The Allen Park facility is a complete health care facility, providing surgical, neurological, psychiatric, and intermediate care, as well as nursing home care.

In September 1988, Congress passed legislation providing funding to establish a dual campus facility in southeast Michigan, consisting of a new 503-bed Detroit facility to take over surgical and intensive care for veterans along with funds to restore and improve the Allen Park facility to provide long-term nursing care for veterans.

The Allen Park Veterans' Administration facility has come a long way since its modest beginnings 50 years ago. It now symbolizes the commitment of our Nation to our distinguished veterans. With the planned improvements, the Allen Park facility should be able to provide another 50 years of health care, in fulfillment of the obligation our Nation has incurred to the veterans who served selflessly to preserve this great country.

KIP GRANT: NEWSMAN, FIREFIGHTER, AND GREAT AMERICAN

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. SOLOMON. Mr. Speaker, there are many of what I call quiet Americans all over this country, and I take pleasure in paying tribute to one of them today.

His name is Clifford Grant, Jr., but in the Glens Falls, NY, area everyone calls him Kip. He is still a young man, but for many years he has been an institution. He is ending a 22-year career as a radio newsman with Station WWSC, the last 15 as news director, to take a post as deputy fire marshall in the town of Queensbury.

My quiet Americans are people who, without attracting a great deal of attention, do their jobs well and give something back to their communities. Invariably, they are patriotic, family oriented, good neighbors, and tirelessly involved in civic affairs. Kip Grant is all of those things.

As a newsman, he has always been a first-rate professional, always satisfied to report the news honestly, which is so much harder than engaging in irresponsible sensationalism. His has long been the most trusted voice in Glens Falls.

He is known affectionately for his interest in two things, firefighting and trains. He has a very impressive photographic collection of both the fires he has covered and of train engines. His childhood interest in fire engines led to joining the local fire department. As is the case in many rural areas, much of our fire protection comes from volunteer fire departments staffed with dedicated volunteers like Kip Grant. It's just one of the ways he has made a contribution to his community.

Mr. Speaker, it's not enough to list Kip Grant's professional accomplishments and civic involvement. You really have to know Kip Grant to appreciate his unfailing cheerfulness and decency. I have had that privilege for many years, and that is why I ask Members to join me in saluting Kip Grant, newsman, firefighter, and great American.

TRIBUTE TO JUDGE LUTHER C. HAMES

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. DARDEN. Mr. Speaker, next Monday, July 17, Judge Luther C. Hames, Jr., a distinguised former trial judge and district attorney from Cobb County, GA, will be honored by his local bar association. At that time, Judge Hames will observe the 50th anniversary of his admission to the State Bar of Georgia. He will also be honored by having his portrait commissioned and placed in the courtroom where he served with distinction as judge of the superior court for more than 12 years.

I have personally known and admired Judge Hames since 1967, the year I finished law school and began my legal career. He was at that time considered the most competent criminal prosecutor in Georgia, having recently retired as solicitor general.

While Judge Hames' strict, impartial courtroom demeanor has demanded competence and respect from all attorneys who practiced before him, his reputation for honesty and fairness is unquestioned.

Notwithstanding his insistence that all attorneys appearing before him capably represent their clients, he always had time to give counsel and advice to young lawyers. His legal scholarship is legendary; his personal legal diaries are the most extensive sources of legal precedents available.

State Senator Roy Barnes once observed that Judge Hames' famous bound volumes probably contained even a form to commission a Russian admiral.

I regret my inability to attend the ceremony in Marietta next week due to our legislative schedule, but I want to pay tribute to an exemplary judge and public official, the Honorable Luther C. Hames, Jr.

The following resolution of appreciation has been passed by the Cobb County Bar Association and will be presented to Judge Hames:

RESOLUTION OF APPRECIATION

Whereas, Honorable Luther C. Hames, Jr. was admitted to the Bar of Georgia on July 21, 1939; and,

Whereas, he has served with distinction the State of Georgia as Attorney at Law, Solicitor General, and Superior Court Judge; and,

Whereas, he was born in Marietta, Georgia on November 18, 1917, was educated in the public schools of Marietta and received his LL.B. degree from Woodrow Wilson College of Law in 1939; and,

Whereas, he served in the United States Army from 1940 through 1945, and was honorably discharged as a Captain; and,

Whereas, he practiced law privately in Marietta from 1945 through 1953; and,

Whereas, he served as Solicitor General of the Cobb Judicial Circuit from 1953 through 1968; and,

Whereas, he served subsequently as District Attorney Emeritus from 1968 forward; and,

Whereas, he served as Judge of Cobb Superior Court from 1968 through December 31, 1980; and,

Whereas, he has served as Senior Judge, Georgia, Superior Courts since 1980; and,

Whereas, he served as Mayor Pro tem of the City of Marietta and Councilman for the City of Marietta; and,

Whereas, he served as Chairman of the Marietta Housing Authority in 1950; and,

Whereas, he served as President of the Cobb Circuit Bar Association in 1954; and,

Whereas, he served as President of the District Attorney Association of Georgia in 1956; and,

Whereas, he served as Chairman of the Criminal Pattern Jury Instructions Committee from 1973 forward; and,

Whereas, he is respected and admired by his peers and fellows at the bar.

Now therefore, this resolution is duly passed by the Board of Trustees of the Cobb County Bar Association commending and honoring our brother of the bar on this occasion of his 50th year of admission to the State Bar of Georgia.

AMY HSU: A WINNER

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. HOYER. Mr. Speaker, I am proud that one of this year's winners of the Public Service Scholarships sponsored by the Public Employees Roundtable is Amy Hsu, who is an

undergraduate at the University of Maryland at College Park and a resident of Laurel.

The Public Employees Roundtable grants annual scholarships to a limited number of students from across the country who intend to pursue careers in government. This year, 8 recipients were selected from 450 applicants.

Ms. Hsu is an accounting major at the University of Maryland. She maintains a 3.57 cumulative average, but has found time to work at the university's accounting office and to volunteer at a D.C. homeless shelter. After graduating from the university, she hopes to become a government accountant.

Last year, the Hudson Institute issued a report warning the Congress that we face a "crisis of competence" if we fail to attract young people to work for the Federal Government. After reading Ms. Hsu's essay: "How My Chosen Career Affects the Quality of American Life," I am sure that each of my colleagues will be pleased that this woman is attracted to a career in public service.

HOW MY CHOSEN CAREER AFFECTS THE QUALITY OF AMERICAN LIFE

One of the hardest decisions to make in a person's lifetime is choosing their career. There are so many interesting and challenging fields to pursue. As for me, one career stood out in front of the rest, and that is to become a government accountant.

The work of government accountants—whether federal, state, or local—affects the health, welfare, and security of every American. This is because accounting aids in collecting, classifying and reporting events or transactions which occur in the routine, everyday life of all individuals. Governments, like all others, need accountants to help them obtain information. Accountants assist in keeping financial matters in an orderly fashion—from the simple reconciliation of the monthly bank statement to the highly detailed investigations of the year-end audit.

Accountants are of vital importance to our society. Information provided by accountants supports investors and creditors in channeling resources effectively. Labor unions and management need financial information to use in bargaining during contract negotiations. Furthermore, non-profit organizations use accounting systems in order to keep track of their revenues and costs. Hospitals, for example, establish patient billing rates largely on the basis of such information, and managers of private foundations use accounting records to determine how they can award grants at any particular time.

Accountants also influence public policy issues and decisions. It would be impossible, for example, to collect taxes if individuals and businesses did not have an accounting system. Government agencies, as well, employ accountants to evaluate the profitability of businesses, and they often base policy decisions on such evaluations. Government also uses accounting information to help determine whether it should give aid to those corporations undergoing financial difficulties. For example, the federal government used the information determined by accountants in deciding to grant $1.5 billion in loan guarantees to the Chrysler Corporation. Most importantly, accountants gather vast amounts of information each year in order to determine whether the government will be in surplus or deficit.

As a result, the main objective of accountants and their role in society is to improve the quality of American life. As the social-economic-political-legal conditions, restraints and influences of the environment change from time to time, accountants must analyze, investigate and trace those events to meet the changing demands and influences. Accountants recognize that people live in a world of scarce means and resources; thereby, through an efficient use of resources, the standard of living can increase. It is the job of the accountant to help society obtain a higher standard of living by measuring, communicating and comparing data in order to identify an efficient and effective use of resources. Accountants recognize and accept society's current legal and ethical concepts in order to provide equitable treatment to protect the standards of society. In conclusion, accountants play a significant role in shaping and molding the quality of American life into an acceptable environment for society to live in.

COMMEMORATING LITHUANIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. GILMAN. Mr. Speaker, I rise in support of House Joint Resolution 149 designating February 16, 1990, as "Lithuanian Independence Day," and commend my distinguished colleague from Illinois [Mr. RUSSO] for sponsoring this resolution.

Mr. Speaker, I am proud to be a cosponsor and an earnest advocate of this resolution to commemorate the valiant struggle for Lithuanian independence. Unfortunately, not all peoples of the world have the opportunity to celebrate their freedom and liberty. It is vital, therefore, to recognize this distinctive day in memory of those people who are denied their liberty to celebrate freedom themselves. As the longest standing democracy in the world, the United States has an obligation to provide an example to all nations in supporting basic liberties for all citizens of the world. Our recognition of Lithuanian Independence Day represents our identification with the strong desire for democracy and freedom which is shared by people all over the world, especially the Lithuanian people and Americans of Lithuanian descent.

For more than a century, the Lithuanian people had endured the tyranny and indignation of domination as a province of the czarist Russian State. By 1915, with the commencement of World War I, Lithuania was overrun by marauding German armies. The cost for Lithuania was great due to the destruction which retreating Russian armies and invading Germans left in their wake. Following a succession of German defeats, czarist Russia reasserted its dominance over Lithuania. Finally, when the Bolsheviks brought about the collapse of czarist Russia in November 1917, Lithuania temporarily succeeded in freeing itself from foreign control, culminating with the declaration of independence on February 16, 1918. However, independence was short lived as the Red Army returned in 1919 and installed a Communist government in Lithuania. The Red Army was driven out of Lithuania the next year by combined Polish and Lithuanian fighting units. Also in 1920 Russia signed a peace treaty with Lithuania recognizing it as an independent nation. However, in collaboration with Adolf Hitler's Nazi-German Government, the Soviet Union impeded the Lithuanian dream for lasting independence by annexing Lithuania in September 1939. This cleared the way for the Soviet Union to reexert its authority in a brutal suppression during July 1940.

Like many other Eastern European countries, and many other countries around the world, the Lithuanian people have not lost their identity or their strong yearning for freedom. With this in mind, the United States celebrates Lithuanian Independence Day for those who cannot. Through this celebration, we are reminding the Soviet Union that we do not condone their unacceptable practices with regard to Lithuania, and we firmly reject their incorporation of Lithuania into the Soviet Union. Other countries with similar tyrannical practices are also served notice that we do not sanction their policies but instead firmly deplore them.

Mr. Speaker, Lithuanian Independence Day is also a day for Americans of Lithuanian descent to celebrate their ethnic heritage and point with pride to their contribution to American society. We celebrate with them but at the same time share their concern over the plight of their loved ones living in Europe. As long as there are individual seekers of freedom who are being persecuted for attempts to exercise their rights, as the Lithuanians are by the Soviet Union, the United States is obligated to show our support for these people who desire freedom and democracy. We recognize this special day through the adoption of House Joint Resolution 149, and I invite my colleagues to support the measure.

COMMENDING THE GREATER WALDORF JAYCEES

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. DYSON. Mr. Speaker, I rise to recognize and commend 20 years of wonderful work accomplished by the Greater Waldorf Jaycees in my home district—Maryland's First.

"The final line of the jaycee creed states that, "Service to humanity is the best work of life." Nowhere is that axiom more in evidence than in the enterprises of the Greater Waldorf Chapter.

For 20 years they have thought up, planned, and carried out so many meaningful, essential projects. From the Bumby Oaks Drug Abuse Center to the senior citizens apartments to the Millwood Training Center for the Mentally Retarded, the jaycees have improved the lives of those most in need. One wonders what we would do without their industriousness and dedication.

As the Greater Waldorf Jaycees celebrate their 20th anniversary, the community celebrates, too. For it has seen 20 years of important projects realized, friendships made, and citizens helped through the tireless community

service of this special group. Southern Maryland itself is a living testament to their unflagging effort.

The anniversary coincides with the election of the chapter's first woman president, Sally Jameson. She is a forward-looking leader who will confront many challenges in the coming year but plans to use those challenges to make the jaycees better than ever before. The community can look forward to much important work during her tenure.

The whole Nation will soon be hearing about this special group. The Waldorf Jaycees have been building a 56-acre sports complex dedicated to Robert Dean Stetham, the heroic Navy diver and Waldorf citizen who was killed in Beirut. President Bush plans to commemorate Stetham's courage and acknowledge our jaycees' hard work next spring at the ribbon-cutting ceremony of the sports complex.

The Greater Waldorf Jaycees are a wonderful example to all of us of the true spirit of voluntarism. The jaycees have actively involved themselves in the life of our communities and we are so grateful to them. Their humanitarianism inspires and touches us all.

A TRIBUTE TO THE AAU/CARRIER BASKETBALL TOURNAMENT AND TO THE ST. LOUIS HAWKS

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. BUECHNER. Mr. Speaker, I rise today on the occasion of the 1989 AAU/Carrier Boys 15 and Under National Basketball Championship Tournament which is being held this week in Kingsport, TN. I especially rise to salute the St. Louis Hawks from my hometown of St. Louis, MO. These young participants from city and county schools epitomize the values of competitiveness, teamwork, good sportsmanship, and plain, old-fashioned fun that have always been the backbone of amateur sports in America.

The week-long tournament features some of the premier junior basketball talent in America; select teams from across the country will be participating. The Hawks represent the best Missouri has to offer between 8th and 10th grades. I wish the best of luck to these youngsters as they represent "The Gateway to the West". Regardless of the outcome, the Hawks are a team St. Louis can be proud of: A class team for a class area.

Mr. Speaker, I ask my colleagues to join me in saluting the AAU and Carrier for sponsoring this tournament. I am sure that many of us in this assembly can look back to our youth and importantly, some of the lessons we learned there. Perhaps some of these boys will grow up to be the Michael Jordan, Larry Bird and Magic Johnson, or, with a tip of the hat to a former St. Louis Hawk great, Bob Pettit of the future. Others will, no doubt, grow up to be businessmen, lawyers, doctors, coaches, and yes, fathers. The gift of amateur athletics is that it will help them to grow into men of discipline and fair play. The dedication, teamwork, and camaraderie they have learned through sports will be with them long after the ball stops bouncing; indeed it will be with them for life—the greatest game in which they will ever play. May the buzzer sound with them far ahead!

Congratulations to the St. Louis Hawks:

Chris Brefield, Leon Clay, Torri Fossett, Dave Gansmann, J. Lavon Kincaid, Kevin Kullum, Mylin Johnson, Cedric Laster, Chip Walther, Brent Dalrymple, Bill Ennis, and Coach Roy Walther.

EAST LOS ANGELES COLLEGE: KEYS TO THE FUTURE

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. MARTINEZ. Mr. Speaker, institutions which serve large proportions of minorities have often struggled against discrimination and insufficient funding. The needs of these institutions are still largely unrecognized but their role is becoming increasing vital. This year non-Hispanic whites became a minority in California's schools. This is also the case in Texas' elementary schools. In the next 10 years, it is estimated that one of every three American students will be Hispanic-American, African-American, or Asian-American. As a recent OECD study of California's education system put it, "California may be the crucial, and is certainly a fascinating, test case of the capacity of an educational plan to unite a prosperous country."

I want to take this occasion to congratulate East Los Angeles College and its new president, Dr. Omero Suarez, for their innovative work in education which builds a nation. I also want to draw to my colleagues' attention a recent article, "East Los Angeles College: The Trend Setter," by Jose A. Romo, which was published in the April/May edition of Hispanic Today which highlights many of these initiatives. East Los Angeles College is particularly effective in providing a successful program for minority and disadvantaged students. With an enrollment of over 12,700 students, East Los Angeles College is a "real asset to the education community" by encouraging students to compete academically, as well as, work towards admission to a major college or university.

East Los Angeles College is succeeding against great obstacles. For the past few years the U.S. high school dropout rate has been an appalling 30 percent, but this figure is small compared to the horrifying percentages of dropouts among urban minorities: 50 percent for blacks and 80 percent for Hispanics. About half of Hispanic high school graduates never go to college and of those who do, 54 percent attend two-year community colleges. Less than 7 percent of them transfer to 4-year colleges to continue their education. Of the few that are admitted to postsecondary institutions, the attrition rate for Hispanic college students is 57 percent for males and 54 percent for females, compared to 34 percent for non-Hispanic white males and females.

The United States is in desperate need of programs to build bridges between secondary schools and postsecondary institutions and ELAC has provided many programs to bridge this gap. One of them is the East Los Angeles College Upward Bound Program. College upward bound is designed for potential first generation college graduates of low-income families, 24 percent of which live at, or below the poverty level. This program provides much needed individual attention to improve basic academic skills and provides a complete education about careers and college opportunities.

Of those who remain in the program until they graduate from high school, 98 percent of them go on to college. Of those students, 75 percent continue their studies at a 4-year college or university. The remainder go on to a community college. This is a great achievement for any program, but especially considering that upward bound is targeted toward high schools with average dropout rates of 39 to 65 percent.

Also offered through East Los Angeles College are: Summer internships for high-school students, the Garfield Math Enrichment Program—made famous by Jaime Escalante—and the ELAC High School Extension Program. These programs provide individual tutoring, college electives, and a chance to receive credits toward high school graduation.

For those students attending East Los Angeles College, programs are tailored for their needs. The Puente Program is designed specifically for Mexican-American community college students to reduce the dropout rate and encourage them to pursue a bachelor's degree. Also, a transfer program offers the student an opportunity to meet representatives from major colleges and universities to discuss transfer arrangements.

These are just some of the major programs offered at East Los Angeles College. They are looking forward to implementing other programs that will aid the student in attaining "that most important goal—a degree." Unfortunately, these efforts are severely limited by the lack of funding appropriated to these programs which are in such high demand throughout the country.

At East Los Angeles College alone, it is estimated that there will be 6,000 potential eligible students in desperate need of these services. Presently, the East Los Angeles College Upward Bound Program is only authorized to enroll 100 students on a budget of $330,905. During the last 8 years, this program has maintained a current enrollment of 110 while maintaining a waiting list of 60 students who qualify to participate but are unable because of "nonroom availability." Funding is what these programs must have to stay in operation and the success of East Los Angeles College would have been impossible without moneys provided by the U.S. Department of Education.

My dear colleagues, I ask you to join me in congratulating East Los Angeles College and its new president, Dr. Omero Suarez, for their innovative work in the realm of higher education. With the upcoming reauthorization of the Higher Education Act, it is important that we remember the successful "trend setting" educational programming established by ELAC. East Los Angeles College is a shining example of what initiative and creativity, coupled

VOL 135 PT 10 JE 23 — JL 13 1989 UMI

with Federal backing, can do to provide special programs for America's growing minority population.

TO REFORM THE DAVIS-BACON ACT

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. MURPHY. Mr. Speaker, I rise today to introduce legislation to reform the Davis-Bacon Act. For over 50 years this law has guaranteed a decent standard of living for many American workers. I am introducing this bill today because I believe that it is once again time for us to reaffirm our commitment to this principle.

The Davis-Bacon Act mandates that all federally funded or assisted construction projects pay the wage prevailing in the local area for the various types of trades involved. The purpose of this act is to prevent Federal procurement laws from undermining living standards and local economies which are impacted by the process of Federal and federally assisted construction.

Mindful of this promise it is important for us to insure that the provisions of this law are current and timely for our present economy. Under current law, the act is applicable to all contracts in excess of $2,000. This figure has not been adjusted to reflect inflation since it was enacted in 1935. That is why this legislation proposes to increase this threshold to $50,000.

This is only one of many comprehensive reforms that this proposal accomplishes. I would now like to describe very briefly the other provisions of this bill:

Compels the Department of Labor to issue more timely wage determinations.

Restores the scope of prevailing wage surveys to include all similar construction in the applicable area.

Provides two alternatives to the present much criticized compliance system of exclusive relief through the DOL: First, expedited administrative process; and second, private right of action.

Cuts in half the employer payroll reporting requirements under the Copeland Act.

Codifies the authority of the Secretary to issue decisions concerning the interpretation and application of the act that are final and binding on all executive branch agencies.

Strengthens current law applying prevailing wages on lease-construction projects.

Defines "apprentice," "trainee," and "helper."

Restricts the amount of fringe benefits an employer may include as part of the prevailing wage payment to the aggregate level of fringe benefits determined to be prevailing.

This bill both simplifies and updates the Davis-Bacon Act. It brings it up to date for 1989, and in doing so it renews and strengthens our resolve to protect American workers against exploitive working conditions. This legislation is a sound and balanced approach to reform of the Davis-Bacon Act, and I ask for your support.

SPACEWEEK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. LAGOMARSINO. Mr. Speaker, on July 20, 1969, American astronaut Neil Armstrong became the first person to set foot on the Moon. Like millions of Americans, I can remember my feelings of pride and awe on that historic occasion. It was one of those moments frozen in time, as people around the globe watched that televised image from another celestial body—an imaging technology which, by the way, was one of the benefits of the space program.

In a sense, that was the day when the entire world became a global village—linked through American technology as we watched at first hand one of the most momentous steps in human history. It really was "one small step for a man, one giant step for mankind." Today, the technologies developed for the space program have made the global village more than just a concept. The entire world was focused on Tiananmen Square last month as we witnessed, through satellite technology, the unfolding of a new democratic movement. And because they were watching, nations around the Earth were able to react with conviction when that movement was quashed—for now. This week, we watched as President Bush stood in Karl Marx University in Budapest and urged a greater unity between the Eastern bloc and the West. The world has been brought into our living rooms—and not just parts of the world. Of all the images sent back from the Moon, although the footsteps of a human being were the most historic, the most breathtaking were those of the blue-and-white Earth rising above the desolate craters of the moon.

It was then we saw our planet as a living organism—an ark, as some put it—carrying human life through the cosmos. It was this truly transcendent image which forever changed our view of life on this Earth and or role in the universe.

Next week, Mr. Speaker, will mark the celebration of Spaceweek. At Vanderberg Air Force Base, CA, there will be a weeklong symposium on the theme "From Apollo to the Stars—Join the Journey".

The theme promises more than we can even imagine here today. Some of our best minds in the military, civilian, and commercial space industry will be onhand to present their vision of what our next steps in space should be. There are many options, all of which deserve our close consideration. In addition to marking the 20th anniversary of the Apollo Moon landing, July 20 also marks the 16th anniversary of the landing of *Viking 1* on Mars. And next month, the *Voyager* spacecraft will soar past the planet Neptune as it continues its journey to the edge of the solar system and beyond.

But these momentous voyages of discovery are only the beginning of mankind's quest for knowledge. From the day when the first humans gazed at the starry night sky, we have wondered at that vast panorama and what it signifies. This same quest for knowledge and adventure set Christopher Columbus on a voyage of discovery to a New World 497 years ago. I hope that by the time we celebrate the 500th anniversary of Columbus' epic voyage in 1992, we will have firmly committed ourselves to undertake a continuation of that journey of discovery to the cosmos. And I hope that by the dawn of the new millenium, in the year 2000 A.D., we will be well on our way toward establishing a base on the Moon, and eventually, a base on Mars. Nor should we limit our vision to the stars. That unprecedented view of Earth which we first saw from the Tranquility Moon base 20 years ago should remind us of the need to pursue a mission to the planet Earth. The space station Freedom will provide an essential platform from which to monitor the vital signs of our earthly home, as well as a jumping off point for voyages to the Moon, Mars, and beyond. With our new global perspective we can see the need to work together to insure that the Earth remains a safe, habitable home.

It has fallen to us, Mr. Speaker, to be the first space-faring generation in human history. I hope that lessons we learn during Spaceweek will lead to a greater appreciation of how far we have come, and how far we have to go. And I extend to the participants in this symposium, on behalf of the Congress of the United States, our best wishes for a productive and enlightening conference: "From Apollo to the Stars—Join the Journey".

THE OMAHA WORLD-HERALD CENTENNIAL

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. BEREUTER. Mr. Speaker, 100 years ago, on July 14, 1889, Gilbert M. Hitchcock, publisher of the Omaha Daily World, announced that he had purchased the Omaha Herald from John A. McShane. The next day, July 15, 1989, the first edition of the Omaha World-Herald was published.

On the occasion of the World-Herald's 100th anniversary this Member wants to pay tribute to the most influential newspaper in the State of Nebraska. The World-Herald publishes morning and evening editions. Its circulation exceeds 222,750 daily and 289,100 on Sundays, in a city with a population just over 311,680 and a State with a population of 1½ million. A very high percentage of the population of the State of Nebraska and western Iowa reads the Omaha World-Herald.

Politically, the World-Herald has at various times found itself on either side of the aisle. Gilbert Hitchcock, the first publisher, supported Democrats, including William Jennings Bryan. During Bryan's campaign for the Senate, Hitchcock made him editor of the World-Herald—a position which afforded him additional visibility and, apparently, some financial backing. While Bryan's Senate bid was unsuccessful, the World-Herald also strongly supported him in his presidential campaigns. Hitchcock himself served three terms in Congress.

VOL 135 PT 10 JE 23 JL 13 1989 UMI

Henry Doorly, who succeeded Hitchcock as publisher of the Omaha World-Herald, was Hitchcock's son-in-law. He and the paper supported Alf Landon, and for the next 30 years the paper was staunchly Republican.

The Omaha World-Herald, in its centennial year, is a progressively conservative newspaper. It has an impressive history of service to the people of Omaha and the people of Nebraska. This Nebraskan newspaper represents a tradition of fine journalism. The World-Herald is an institution of which Omaha, Nebraska and western Iowa can be justly proud.

AUTHORIZATION FOR THE BUREAU OF RECLAMATION TO CONSTRUCT AND OPERATE A WATER TREATMENT PLANT AT THE LEADVILLE MINE DRAINAGE TUNNEL, LEADVILLE CO

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1989

Mr. HEFLEY. Mr. Speaker, at the request of the Bureau of Reclamation, U.S. Department of Interior, I am introducing a bill to authorize $10.7 million for water treatment operations at the Leadville mine drainage tunnel near Leadville, CO.

Of that $10.7 million, $9.5 million would be used for construction, operation, maintenance and replacement, when necessary, of a water treatment plant; and $1.2 million for installation of concrete lining on a rehabilitated portion of the Leadville mine drainage tunnel.

I am including in my statement a letter from Bureau Commissioner C. Dale Duvall, which states the reasons for this project more fully and outlines its history. Briefly, the Leadville mine drainage tunnel was constructed by the Bureau of Mines during World War II to aid in the mining of strategic metals for the war efforts. In 1959, the Bureau of Reclamation assumed ownership of the tunnel with the intent of using the effluent for the Fryingpan-Arkansas project. However, the Bureau was unsuccessful in obtaining rights to the water.

In March 1975, the Bureau was cited by the Environmental Protection Agency for violations of the Clean Water Act stemming from claims the tunnel effluent is contaminated with heavy metals. A solution has been under study since that time, with this proposal the result. Meanwhile, the bureau faces the threat of legal action from the Sierra Club, which has questioned the Bureau's good-faith efforts toward a cleanup.

I would like to insert the text of Commissioner Duvall's letter to me concerning the Leadville mine drainage tunnel project:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, DC, July 6, 1989.

Hon. JOEL HEFLEY,
U.S. House of Representatives, Washington, DC.

DEAR MR. HEFLEY: The Leadville Mine Drainage Tunnel was constructed by the Bureau of Mines of your District during World War II to facilitate the mining of strategic metals needed for the war effort. The Bureau of Reclamation accepted custody of the tunnel in December 1959, with the intent of using the water flowing from the tunnel for the Fryingpan-Arkansas project. Reclamation was unsuccessful in obtaining rights to the water flowing from the tunnel.

In March of 1975 the Environmental Protection Agency, pursuant to the Clean Water Act, issued a National Pollution Discharge Elimination System (NPDES) permit for the tunnel, because the tunnel effluent is contaminated with heavy metals which exceed applicable limitations.

The Reclamation Authorization Act of 1976, P.L. 94-423, authorized, "* * * such sums as necessary for * * * water quality monitoring and investigations leading to recommendations for treatment measures if necessary to bring the quality of the tunnel discharge into compliance with applicable water quality statutes . . ." (emphasis added). The legislative history of the bill indicates that the Senate version included a provision for construction and operation of a water treatment plant. The Interior Department at that time preferred to study the problem to be sure that a water treatment plant would be effective or whether unblocking the tunnel might solve the effluent discharge problem. As quoted above, the final bill did not contain authorization to build a water treatment plant.

Based upon that legislative history, the Solicitor's office, in an opinion dated November 18, 1988, indicated that the Department should seek legislative authority to build a water treatment plant. On the basis of that opinion, the Department submitted a draft bill to Congress. However some questions have been raised about whether the Department can utilize the general authority of the Clean Water Act to support a request for appropriations to build the treatment plant. The Solicitor's office is presently reviewing the Clean Water Act to ascertain whether it does provide independent authority to request or use appropriations to meet obligations under the Act. Despite the outcome of that general review, we believe that enough uncertainty regarding the intent of Congress and this Department with regard to the building of the treatment plant has been created by the unique legislative history of this matter that further Congressional direction is needed. Therefore we are requesting that the proposed legislation be introduced. We further request the passage of that legislation be expedited as much as possible.

Reclamation's completed agreement with EPA includes a schedule that shows on-site construction beginning by May 1990; therefore it is important that Congressional direction be received during this session of Congress to allow all construction prerequisites to be completed so that this construction schedule can be maintained.

The proposed FY 1990 budget, which is being considered by the Congress, contains funds to begin construction of the water treatment plant. This budget was prepared in 1987 with the expectation that the studies would show a need for the plant and that the Congress would authorize it before FY 1990 begins.

Thank you for your assistance in this matter.

Sincerely yours,

For C. DALE DUVALL,
Commissioner.

Mr. Speaker, Leadville, CO is a community that has suffered for its history. For many years, that community enjoyed prosperity due to its gold and lead mines. When those closed, that community fell into an economic depression that has pushed its unemployment rate to double digits, among the highest in the State of Colorado, and in the Nation.

Mining began in Leadville in 1861 with placer deposits of gold in the California Gulch. As underground mining progressed, drainage became an economic factor in mine operation. Two major tunnels were built to deal with this problem, the Yak Tunnel, in 1895, and the Leadville mine drainage tunnel, in 1943.

As time went on, the tunnels, built to solve one problem, became a problem in themselves through water pollution. These, coupled with the problem of heavy metals leaching from mine wastes around Leadville, have resulted in that community being designated a Superfund site. Thirteen entities, among them a family of three, have been designated as potentially responsible parties, with liability costs ranging into the millions of dollars. One of these PRP's, the Elder family, inherited a 2-acre mining claim and has spent as much as $2,500 a month on legal fees. A small mining company, the Leadville Corp., has been driven to the edge of bankruptcy because of its Superfund liability.

Mr. Speaker, I will not pretend that this bill is a cure-all for all of the problems that confront Leadville. It will not do anything to help the Elder family or the 12 other PRP's cited for Superfund violations. But it is a starting point for discussion of ways to begin the total cleanup and recovery of the Leadville area. It is a step that has the approval of the EPA and the Office of Management and Budget. I understand that moneys for this project have already been appropriated.

However, in introducing this bill, I would urge that a comprehensive plan be developed to clean up Leadville. The problems there have been studied for years, both by the Bureau and by the EPA. What needs to be done is for all of these plans to be collected into a coherent whole. Doing so will speed the way for a resolution and lessen the possibility that the Leadville cleanup will become a yearly budget item.

In response to questions submitted to the Senate Appropriations Committee earlier this year, the Bureau of Reclamation stated that the EPA began preliminary evaluations of the California Gulch area of Leadville in 1982, culminating in phase I remedial investigations in 1984 focus on the Yak Tunnel and the city of Leadville. The Bureau of Reclamation also indicated it could supply technological expertise and oversight to cleanup operations, as well as the findings of its study on the Leadville mine drainage tunnel. I would hope the committee reviewing this legislation do so with this history in mind.

In conclusion, I would ask that this authorization will be speedily considered and I look forward to working with members of the Interior and Insular Affairs Committee on this issue.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WATER TREATMENT PLANT FOR THE LEADVILLE MINE IN COLORADO.

(a) AUTHORIZATION FOR CONSTRUCTION, OPERATION, MAINTENANCE, REPLACEMENT, AND REHABILITATION.—In order that water flowing from the Leadville Mine Drainage

Tunnel may meet water quality standards, the Secretary of the Interior is authorized—

(1) to construct, operate, maintain, and replace when necessary, a water treatment plant, including the disposal of sludge produced by the treatment plant as appropriate, and

(2) to install concrete lining on the rehabilitated portion of the Leadville Mine Drainage Tunnel.

(b) DESIGN.—The treatment plant authorized by subsection (a) shall be designed and constructed to treat the quantity and quality of effluent historically discharged from the Leadville Mine Drainage Tunnel.

(c) TREATMENT OF COSTS.—Construction, operation, maintenance, and replacement costs of the works authorized by this Act shall be nonreimbursable.

(d) RESPONSIBILITY OF SECRETARY.—The Secretary of the Interior shall be responsible for operation, maintenance, and replacement of the water treatment plant, including sludge disposal authorized by this Act. The Secretary may contract for these services.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated beginning October 1, 1989, for construction of a water treatment plant for water flowing from the Leadville Mine Drainage Tunnel, including sludge disposal, and concrete lining the rehabilitated portion of the tunnel, the sum of $10,700,000 (October 1988 price levels), plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexed applicable to the types of construction involved and, in addition, such sums as may be required for operation, maintenance, and replacement of the works authorized by this Act.

VOL
135

PT
10

JE
23
—
JL
13

1989

UMI

VOL
135

PT
10

JE
23
—
JL
13

1989

UMI

VOL
135

PT
10

JE
23
—
JL
13

1989

UMI

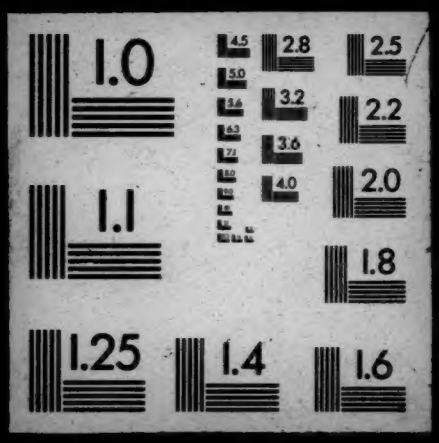
1.0
2.8
2.5
3.2
2.2
3.6
4.0
2.0
1.1
1.8
1.25
1.4
1.6

END